

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

Interim condensed separate  
financial statements (unaudited)

*as at 30 June 2015 and for the six months then ended*

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## Report on review of interim condensed separate financial statements

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

### Introduction

We have reviewed the accompanying interim condensed separate financial statements of Sovereign Wealth Fund "Samruk-Kazyna" JSC, comprising the interim separate balance sheet as at 30 June 2015, interim separate statement of comprehensive income, interim separate statement of changes in equity and interim separate statement of cash flows for the six-month period then ended and explanatory notes. Management is responsible for the preparation and presentation of these interim condensed separate financial statements in accordance with IAS 34, *Interim Financial Reporting* ("IAS 34"). Our responsibility is to express a conclusion on these interim condensed separate financial statements based on our review.

### Scope of review

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

### **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed separate financial statements of Sovereign Wealth Fund "Samruk-Kazyna" JSC as at 30 June 2015 and for the six-month period then ended are not prepared, in all material respects, in accordance with IAS 34.

### **Consolidated financial statements presented separately**

Without qualifying our conclusion, we draw attention to *Note 1* to the interim condensed separate financial statements which states that Sovereign Wealth Fund "Samruk-Kazyna" JSC is the parent entity of Sovereign Wealth Fund "Samruk-Kazyna" JSC group and that the interim condensed consolidated financial statements of Sovereign Wealth Fund "Samruk-Kazyna" JSC, prepared in accordance with IAS 34, have been issued separately. We have reviewed the interim condensed consolidated financial statements of Sovereign Wealth Fund "Samruk-Kazyna" JSC as at 30 June 2015 and for the six-month period then ended and expressed an unqualified conclusion thereon in our review report dated 10 September 2015.

*Ernst & Young LLP*



Bakhtiyor Eshonkulov  
Auditor / audit partner

Auditor qualification certificate  
No. МФ-0000099 dated 27 August 2012

10 September 2015



Evgeny Zhemaletdinov  
General director  
Ernst and Young LLP

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


**INTERIM SEPARATE BALANCE SHEET**

<i>In millions of tenge</i>	Notes	30 June 2015 (unaudited)	31 December 2014 (audited)
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment		454	488
Intangible assets		698	420
Investments in subsidiaries	4	3,784,974	3,550,233
Investments in associates	5	18,174	18,174
Loans issued	6	434,614	434,601
Amounts due from credit institutions	7	329,924	330,624
Other non-current financial assets	8	30,640	46,495
Long-term bank deposits	9	262,240	257,091
Deferred tax asset		5,397	5,707
Other non-current assets	10	84,967	77,916
		<b>4,952,082</b>	<b>4,721,749</b>
<b>Current assets</b>			
Corporate income tax prepaid		14,590	14,590
Loans issued	6	131,703	513,004
Amounts due from credit institutions	7	25,597	29,284
Other current financial assets	8	10,180	9,291
Short-term bank deposits	9	214,449	210,484
Other current assets	11	54,618	29,292
Cash and cash equivalents	12	164,980	164,962
		<b>616,117</b>	<b>970,907</b>
Assets classified as held for sale		281	500
<b>Total assets</b>		<b>5,568,480</b>	<b>5,693,156</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Share capital	13	4,852,963	4,620,562
Revaluation reserve for available-for-sale investments		11,115	22,102
Accumulated loss		(709,521)	(759,520)
<b>Total equity</b>		<b>4,154,557</b>	<b>3,883,144</b>
<b>Non-current liabilities</b>			
Borrowings	14	189,741	939,390
Amounts due to the Government	15	417,665	412,633
Financial guarantee liabilities		29,966	31,970
		<b>637,372</b>	<b>1,383,993</b>
<b>Current liabilities</b>			
Borrowings	14	767,895	409,001
Amounts due to the Government	15	918	1,111
Financial guarantee liabilities		5,833	6,855
Other current liabilities		1,905	9,052
		<b>776,551</b>	<b>426,019</b>
<b>Total liabilities</b>		<b>1,413,923</b>	<b>1,810,012</b>
<b>Total equity and liabilities</b>		<b>5,568,480</b>	<b>5,693,156</b>

Finance director – Member of the Management Board

  
 Nurlan Rakhmetov

Chief accountant

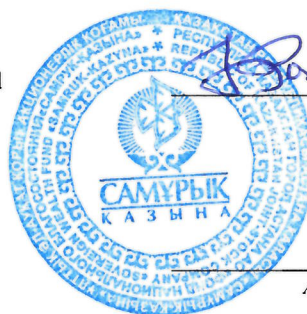
  
 Almaz Abdrakhmanova

*The accounting policies and notes on pages 6 to 21 are an integral part of these interim condensed separate financial statements.*

**INTERIM SEPARATE STATEMENT OF COMPREHENSIVE INCOME**

<i>In millions of tenge</i>	Notes	For six months ended 30 June 2015 (unaudited)	For six months ended 30 June 2014 (unaudited)
Interest income	16	36,584	44,650
Interest expenses	17	(47,033)	(49,892)
Dividend income	18	46,066	40,475
<b>Gross profit</b>		<b>35,617</b>	<b>35,233</b>
General and administrative expenses	19	(9,829)	(15,977)
Finance income	20	29,402	25,931
Gain on reversal of impairment of financial and other current assets, net		1,858	200
Foreign exchange gain, net		1,534	10,949
Loss from change in the value of options, net		-	(10,406)
Gain on disposal of subsidiaries, net	4	284	1,789
Other operating loss, net		(486)	(2,446)
<b>Profit before income tax</b>		<b>58,380</b>	<b>45,273</b>
Income tax expenses	21	(6,083)	(6,394)
<b>Net profit for the period</b>		<b>52,297</b>	<b>38,879</b>
<b>Other comprehensive (loss)/income for the period, net of tax</b>			
Net (loss)/gain on revaluation of available-for-sale investments	8	(10,987)	8,451
<b>Total other comprehensive (loss)/gain to be reclassified to profit or loss in subsequent periods, net of income tax</b>		<b>(10,987)</b>	<b>8,451</b>
<b>Total comprehensive income for the period</b>		<b>41,310</b>	<b>47,330</b>

Finance director – Member of the Management Board



*Nurlan Rakhmetov*

Chief accountant

*Almaz Abdrakhmanova*

*The accounting policies and notes on pages 6 to 21 are an integral part of these interim condensed separate financial statements.*

**INTERIM SEPARATE STATEMENT OF CASH FLOWS**

<i>In millions of tenge</i>	<b>Notes</b>	<b>For six months ended 30 June 2015 (unaudited)</b>	<b>For six months ended 30 June 2014 (unaudited)</b>
<b>Cash flows from operating activities:</b>			
Profit before income tax		58,380	45,273
<b>Adjustments for:</b>			
Depreciation and amortisation		165	151
Gain on reversal of impairment of financial and other current assets		(1,858)	(200)
Finance income	20	(29,402)	(25,931)
Gain on disposal of subsidiaries, net	4	(284)	(1,789)
Loss from change in the value of options, net		-	10,406
Unrealized foreign exchange gain		(1,534)	(10,949)
Gain on disposal of financial assets		-	(181)
<b>Operating cash flows before changes in working capital</b>		<b>25,467</b>	<b>16,780</b>
Change in loans issued		386,429	(136,356)
Change in amounts due from credit institutions		4,387	13,414
Change in other financial assets		369	-
Change in other current and non-current assets		(24,028)	(14,293)
Change in borrowings and amounts due to the Government		(387,376)	161,705
Change in other liabilities		277	2,809
<b>Cash flows from operating activities</b>		<b>5,525</b>	<b>44,059</b>
Income tax paid		(5,773)	(6,371)
Interest received		15,840	16,531
<b>Net cash flows received from operating activities</b>		<b>15,592</b>	<b>54,219</b>
<b>Cash flows from investing activities</b>			
Placement/(withdrawal) of bank deposits, net		(3,676)	5,928
Acquisition of shares in subsidiaries	4	(108,077)	(87,154)
Proceeds from sale of financial assets		-	1,248
Proceeds from sale of investments in subsidiaries		430	54,491
Purchase of property, plant and equipment and intangible assets		(457)	(103)
<b>Net cash flows used in investing activities</b>		<b>(111,780)</b>	<b>(25,590)</b>
<b>Cash flows from financing activities</b>			
Other distributions to the Shareholder		(9,604)	(5,693)
Contributions to the share capital	13	105,810	54,500
<b>Net cash flows received from financing activities</b>		<b>96,206</b>	<b>48,807</b>
<b>Net change in cash and cash equivalents</b>		<b>18</b>	<b>77,436</b>
<b>Cash and cash equivalents, at the beginning of the period</b>		<b>164,962</b>	<b>103,508</b>
<b>Cash and cash equivalents, at the end of the period</b>	<b>12</b>	<b>164,980</b>	<b>180,944</b>

*The accounting policies and notes on pages 6 to 21 are an integral part of these interim condensed separate financial statements.*

**INTERIM SEPARATE STATEMENT OF CASH FLOWS (continued)**

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**NON-CASH TRANSACTIONS: SUPPLEMENTAL DISCLOSURE**

The following non-cash transactions have been excluded from the interim separate statement of cash flows:

*For six months ended 30 June 2015:*

- Contribution to the Fund’s share capital by the Shareholder in the form of property contributions (*Note 13*) and subsequent transfer of these assets to the Fund’s subsidiaries (*Note 4*).
- Netting of loans issued and amounts due to the Government by means of transfer of “Kazakhstan Petrochemical Industries Inc.” property to the Government of the Republic of Kazakhstan (*Note 6*).

*For six months ended 30 June 2014:*

- Recognition of discount on non-current accounts receivable and amounts due to the Government.
- Contribution to the Fund’s share capital by the Shareholder in the form of property contributions and subsequent transfer of these assets to the Fund’s subsidiaries.
- Transfer of loans issued to other non-current assets.

Finance director – Member of the Management Board



*Nurlan Rakhmetov*

Nurlan Rakhmetov

Chief accountant

*Almaz Abdрахманова*

Almaz Abdрахманова

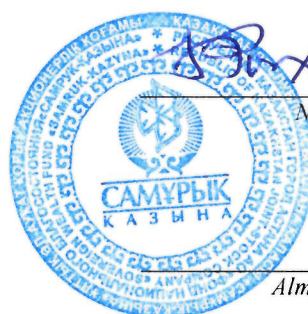
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**INTERIM SEPARATE STATEMENT OF CHANGES IN EQUITY**

<i>In millions of tenge</i>	Share capital	Revaluation reserve for available-for-sale investments	Accumulated loss	Total
<b>As at 31 December 2013 (audited)</b>	4,484,676	(2,159)	(971,945)	3,510,572
Net profit for the period	-	-	38,879	38,879
Other comprehensive income	-	8,451	-	8,451
<b>Total comprehensive income for the period</b>	-	8,451	38,879	47,330
Contributions to the share capital (Note 13)	65,115	-	-	65,115
Gain on transactions with amounts due to the Government	-	-	12,363	12,363
Other distributions to the Shareholder (Note 13)	-	-	(5,693)	(5,693)
<b>As at 30 June 2014 (unaudited)</b>	4,549,791	6,292	(926,396)	3,629,687
<b>As at 31 December 2014 (audited)</b>	4,620,562	22,102	(759,520)	3,883,144
Net profit for the period	-	-	52,297	52,297
Other comprehensive loss	-	(10,987)	-	(10,987)
<b>Total comprehensive income for the period</b>	-	(10,987)	52,297	41,310
Contributions to the share capital (Note 13)	232,401	-	-	232,401
Other distributions to the Shareholder (Note 13)	-	-	(2,298)	(2,298)
<b>As at 30 June 2015 (unaudited)</b>	4,852,963	11,115	(709,521)	4,154,557

Finance director – Member of the Management Board



*Nurlan Rakhmetov*

Chief accountant

*Almaz Abdrakhmanova*

*The accounting policies and notes on pages 6 to 21 are an integral part of these interim condensed separate financial statements.*

**NOTES TO THE INTERIM CONDENSED SEPARATE FINANCIAL STATEMENTS****For the six months ended 30 June 2015**

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**1. GENERAL INFORMATION**

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

The main objective of the Government during the merger of “Kazyna” and “Samruk” is to increase management’s efficiency and to optimise organisational structure of the Fund’s subsidiaries for them to successfully achieve strategic objectives set out in the respective Government programs and development plans.

According to the Law of the Republic of Kazakhstan enacted on 1 February 2012 “On Sovereign Wealth Fund” No. 550-IV, the Fund’s activities are focused on improving the sovereign wealth of the Republic of Kazakhstan by increasing long-term value of the Fund’s group companies and by effective management of the Fund’s group assets.

The Fund is a holding company with investments in a number of entities listed in *Notes 4 and 5*.

The administrative address of the Fund: the Republic of Kazakhstan, Astana, Kunayev str., 8.

These interim condensed separate financial statements were authorized for issue by the Finance director – Member of the Management Board and Chief accountant of the Fund on 10 September 2015.

These interim condensed separate financial statements were issued in addition to the interim condensed consolidated financial statements of the Fund. The consolidated financial statements were authorized for issue by the Finance director – Member of the Management Board and Chief accountant of the Fund on 10 September 2015.

**The Stabilization Plan**

In order to maintain stability of the country’s economy and financial system during the global financial crisis the Government, by its Resolution No. 1085 dated 25 November 2008, approved a Joint action plan of the Government, the National Bank and the Agency on regulation and supervision of financial market and financial organizations of the Republic of Kazakhstan on stabilization of the economy and financial system for 2009-2010 (the “Stabilization Plan”). The Stabilization Plan provided series of measures aimed at the following objectives:

- Stabilization of financial sector;
- Stabilization of real estate market;
- Support for small and medium sized business;
- Development of agricultural sector;
- Implementation of innovative, industrial and infrastructural projects.

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

**2. BASIS OF PREPARATION**

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

**Statement of compliance**

Interim condensed separate financial statements for the six months ended 30 June 2015 were prepared in accordance with International Accounting Standard 34 *Interim Financial Statements* (“IAS 34”). These interim condensed separate financial statements do not include all the information and disclosures required in the annual separate financial statements, and should be read in conjunction with the Fund’s annual separate financial statements for the year ended 31 December 2014.

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

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

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**2. BASIS OF PREPARATION (continued)****Foreign currency translation***Functional and presentation currency*

These interim condensed separate financial statements are presented in tenge, which is the Fund’s functional and presentation currency

*Transactions and balances*

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

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

*Exchange rates*

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

The official rate of tenge to US dollar at 30 June 2015 and 31 December 2014 was 186.20 and 182.35 tenge to 1 US dollar, respectively. The currency exchange rate as at 10 September 2015 was 253.00 tenge to 1 US dollar.

**New standards, interpretations and amendments adopted by the Fund**

The accounting policies applied in preparation of these interim condensed separate financial statements are consistent with those applied in preparation of the separate financial statements for the year ended 31 December 2014, except for the adoption of new standards and interpretations as at 1 January 2015. The Fund has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Information on the nature and impact of these amendments is disclosed below. Even though the Fund applied these new standards and interpretations in 2015, they do not have any significant impact neither on the annual financial statements of the Fund nor its interim condensed separate financial statements.

*Defined benefit plans: Employee Contributions (Amendments to IAS 19)*

IAS 19 requires an entity to consider contributions from employees or third parties when accounting for defined benefit plans. Where the contributions are linked to service, they should be attributed to periods of service as a negative benefit. These amendments clarify that, if the amount of the contributions is independent of the number of years of service, an entity is permitted to recognise such contributions as a reduction in the service cost in the period in which the service is rendered, instead of allocating the contributions to the periods of service. The amendment is effective for annual periods beginning on or after 1 July 2014. These amendments are not relevant to the Fund, since the Fund does not have defined benefit plans with contributions from employees or third parties.

*Annual Improvements to IFRS, 2010-2012 Cycle*

These improvements are effective from 1 July 2014 and are not expected to have a material impact on the interim condensed separate financial statements of the Fund. The document comprises the following amendments:

*Amendment to IFRS 2 Share-based Payment*

This improvement is applied retrospectively and clarifies various issues relating to the definitions of performance and service conditions which are vesting conditions, including:

- A performance condition must contain a service condition;
- A performance target must be met while the counterparty is rendering service;
- A performance target may relate to the operations or activities of an entity, or to those of another entity in the same group;
- A performance condition may be a market or non-market condition;
- If the counterparty, regardless of the reason, ceases to provide service during the vesting period, the service condition is not satisfied.

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

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

**New standards, interpretations and amendments adopted by the Fund (continued)**

*Annual Improvements to IFRS, 2010-2012 Cycle (continued)*

*Amendment to IFRS 3 Business Combinations*

The amendment is applied retrospectively and clarifies that all contingent consideration arrangements classified as liabilities (or assets) arising from a business combination should be subsequently measured at fair value through profit or loss whether or not they fall within the scope of IFRS 9 (or IAS 39, as applicable).

*Amendments to IFRS 8 Operating Segments*

The amendments are applied retrospectively and clarifies that:

- An entity must disclose the judgements made by management in applying the aggregation criteria in paragraph 12 of IFRS 8, including a brief description of operating segments that have been aggregated and the economic characteristics (e.g., sales and gross margins) used to assess whether the segments are ‘similar’;
- The reconciliation of segment assets to total assets is only required to be disclosed if the reconciliation is reported to the chief operating decision maker, similar to the required disclosure for segment liabilities.

*Amendments to IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets*

Amendments are applied retrospectively and clarify that under IAS 16 and IAS 38 an asset can be revalued based on observable data of its gross or net book value. Further, it is clarified that accumulated depreciation is the difference between gross and carrying value of an asset.

*Amendment to IAS 24 Related Party Transactions*

The amendment is applied retrospectively and it clarifies that the holding company (the entity that provides key management personnel services) is the related party and related party disclosure requirements are applied to such entity. In addition, an entity that uses a management entity is required to disclose the expenses incurred for management services.

*Annual Improvements to IFRS, 2011-2013 Cycle*

These improvements are effective from 1 July 2014 and are not expected to have a material impact on the interim condensed separate financial statements of the Fund. The document comprises the following amendments:

*Amendment to IFRS 3 Business Combinations*

The amendment is applied retrospectively and clarifies for the scope exceptions within IFRS 3 that:

- Joint arrangements, not just joint ventures, are outside the scope of IFRS 3;
- This scope exception applies only to the accounting in the financial statements of the joint arrangement itself.

*Amendment to IFRS 13 Fair Value Measurement*

The amendment is applied prospectively and it clarifies that the exemption with respect to the portfolio within IFRS 13 may be applied not only with respect of financial assets and financial liabilities, but also for other contracts falling within the scope of IFRS 9 (or IAS 39, if applicable).

*IAS 40 Investment Property*

The description of ancillary services in IAS 40 differentiates between investment property and owner-occupied property (i.e., property, plant and equipment). The amendment is applied prospectively and it clarifies that in order to define the operation (is it an acquisition of an asset or business combination) shall be applied IFRS 3 instead of IAS 40.

**3. SEASONALITY OF OPERATIONS**

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

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

**4. INVESTMENTS IN SUBSIDIARIES**

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

	Activity	Country	Carrying amount		Ownership	
			30 June 2015 (unaudited)	31 December 2014 (audited)	30 June 2015 (unaudited)	31 December 2014 (audited)
<i>In millions of tenge</i>						
“National Company “KazMunayGas” JSC	Oil and gas industry	Kazakhstan	1,304,524	1,165,233	100.00%	100.00%
“National Company “Kazakhstan Temir Zholy” JSC	Cargo and passengers railway transportation	Kazakhstan	1,206,004	1,169,813	100.00%	100.00%
“Samruk-Energy” JSC	Production and transportation of heat and electricity	Kazakhstan	384,697	384,618	100.00%	100.00%
“National Mining Company “Tau-Ken Samruk” JSC	Development of mining industry of RK	Kazakhstan	267,333	265,527	100.00%	100.00%
“United Chemical Company” LLP	Development of chemical industry of RK	Kazakhstan	170,520	113,260	100.00%	100.00%
“National Atomic Company “KazAtomProm” JSC	Uranium production	Kazakhstan	147,275	147,275	100.00%	100.00%
“Kazakhstan Electricity Grid Operating Company” JSC	Electricity transmission	Kazakhstan	120,648	120,648	90.00%+1	90.00%+1
“Kazakhtelecom” JSC	Fixed line telecommunication	Kazakhstan	88,733	88,733	51.00%	51.00%
“Real Estate Fund “Samruk-Kazyna” JSC	Stabilization of real estate market	Kazakhstan	31,851	31,851	100.00%	100.00%
“National Company “Kazakhstan Engineering” JSC	Mechanical and defence engineering	Kazakhstan	23,595	23,595	100.00%	100.00%
“Kazpost” JSC	Postal and financial services	Kazakhstan	13,463	13,463	100.00%	100.00%
“Samruk-Kazyna Invest” LLP	Professional services on investment projects	Kazakhstan	8,582	8,582	100.00%	100.00%
“Air Astana” JSC	Passengers air transportation	Kazakhstan	7,276	7,276	51.00%	51.00%
“International Airport Aktobe” JSC	Airport services	Kazakhstan	6,029	6,029	100.00%	100.00%
“Airport Pavlodar” JSC	Airport services	Kazakhstan	1,454	1,454	100.00%	100.00%
“Samruk-Kazyna Contract” LLP	Project management	Kazakhstan	1,284	1,284	100.00%	100.00%
“International Airport Atyrau” JSC	Airport services	Kazakhstan	1,196	1,196	100.00%	100.00%
“KOREM” JSC	Operator of electricity market	Kazakhstan	161	161	100.00%	100.00%
“Aviation Company “Air Kazakhstan” JSC	Passengers air transportation	Kazakhstan	136	136	53.65%	53.65%
“Qazaq Air” JSC	Passengers air transportation	Kazakhstan	120	-	100.00%	-
“Kazakh nuclear power stations” JSC	Implementation of projects on construction of nuclear power plants	Kazakhstan	93	93	100.00%	100.00%
“Karagandagiproshakht and Co” LLP	Design works	Kazakhstan	-	6	90.00%	90.00%
“Samruk-Kazyna Finance” LLP	Consultation services	-	-	-	100.00%	100.00%
KGF IM	Financial operations	Cayman Islands	-	-	-	100.00%
			<b>3,784,974</b>	<b>3,550,233</b>		

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

**4. INVESTMENTS IN SUBSIDIARIES (continued)**

**Changes in investments in subsidiaries**

During the six months ended 30 June 2015 the following changes in investments in subsidiaries took place:

- Contribution to the share capital of “National Company “KazMunayGas” (“KMG”) in the amount of 139,291 million tenge including 126,591 million tenge in the form of in-kind contribution by means of transferring the right of claims of the Government of the Republic of Kazakhstan on “Kazakhstan promissory note” in accordance with the agreement with “Caspian Pipeline Consortium-K” JSC and 12,700 million tenge in cash (*Note 13*);
- Contribution to the share capital of “National Company “Kazakhstan Temir Zholy” in the amount of 36,191 million tenge in cash (*Note 13*);
- Contribution to the share capital of “Samruk-Energy” JSC in the amount of 79 million tenge, including recognition of obligation on guarantee provided in the amount of 73 million tenge and 6 million tenge by means of transferring “Karagandagiproshakht and Co” LLP to the share capital;
- Contribution to the share capital of “National Mining Company “Tau-Ken Samruk” JSC (“NMC “Tau-Ken Samruk” JSC) in the amount of 1,806 million tenge in cash;
- Contribution to the share capital of “United Chemical Company” LLP in the amount of 57,260 million tenge in cash (*Note 13*);
- In April, 2015 legal registration of the new subsidiary “Qazaq Air” JSC was carried out with 100% ownership interest of the Fund. Consequently, contribution to the share capital of “Qazaq Air” JSC in the amount of 120 million tenge in cash was made by the Fund;
- In March, 2015 the Fund liquidated KGF IM subsidiary.

In January, 2015 the Fund realized “Kazakh Research Institute named after Chokin” JSC shares in accordance with the purchase-sale agreement concluded with “Power Build Engineering” LLP. The total cost of the deal amounted to 503 million tenge and payment was made in cash. As a result of the deal, the Fund recognized gain on disposal of subsidiary in the amount of 284 million tenge.

**5. INVESTMENTS IN ASSOCIATES**

Investments in associates were presented as follows:

<i>In millions of tenge</i>	<b>30 June 2015 (unaudited)</b>	31 December 2014 (audited)
Shekerbank	<b>18,174</b>	18,174
“Astana-Finance” JSC	<b>6,516</b>	6,516
Less: impairment provision	<b>(6,516)</b>	(6,516)
	<b>18,174</b>	18,174

Activities of associates, countries of residence and the Fund’s share in these organizations is presented as follows:

<b>Company</b>	<b>Activity</b>	<b>Country</b>	<b>Ownership</b>	
			<b>30 June 2015 (unaudited)</b>	31 December 2014 (audited)
<b>Associates</b>				
Shekerbank	Bank services	Turkey	<b>19.37%</b>	20.17%
“Astana-Finance” JSC	Finance organization	Kazakhstan	<b>0.168%</b>	1.63%

The Fund has a significant influence over “Astana Finance” JSC due to the fact that two of three members of the Board of Directors of “Astana Finance” JSC are representatives of the Fund.

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

**6. LOANS ISSUED**

Loans issued comprised the following:

<i>In millions of tenge</i>	<b>30 June 2015 (unaudited)</b>	<b>31 December 2014 (audited)</b>
Loans issued to subsidiaries	<b>405,544</b>	400,244
Loans issued to third parties and related parties	<b>158,189</b>	538,132
Bonds issued by third parties and related parties	<b>2,001</b>	1,778
Interest receivable	<b>9,880</b>	18,607
Less: impairment provision	<b>(9,297)</b>	(11,156)
<b>Total loans issued</b>	<b>566,317</b>	947,605
Less: current portion	<b>(131,703)</b>	(513,004)
<b>Non-current portion</b>	<b>434,614</b>	434,601

Loans issued comprised of the following currencies:

<i>In millions of tenge</i>	<b>30 June 2015 (unaudited)</b>	<b>31 December 2014 (audited)</b>
Loans denominated in US dollars	<b>95,098</b>	482,845
Loans denominated in tenge	<b>471,219</b>	464,760
	<b>566,317</b>	947,605

As at 30 June the ageing analysis of loans issued is as follows:

<i>In millions of tenge</i>	<b>30 June 2015 (unaudited)</b>	<b>31 December 2014 (audited)</b>
<b>Loans, on which no impairment indicators were identified</b>		
Neither past due nor impaired	<b>566,133</b>	947,421
<b>Past due but not impaired:</b>		
- overdue over 360 days	<b>184</b>	184
<b>Total overdue loans issued</b>	<b>184</b>	184
<b>Total loans issued</b>	<b>566,317</b>	947,605

**Loans issued to subsidiaries**

*“Real Estate Fund “Samruk-Kazyna” JSC*

In 2012 the Fund concluded a revolving credit facility agreement (with a limit of facility to 99,053 million tenge) with “Real Estate Fund “Samruk-Kazyna” JSC. In accordance with this credit line, in the first half of 2015 the Fund provided additional tranches to “Real Estate Fund “Samruk Kazyna” JSC (“Real Estate Fund”) in the amount of 5,250 million tenge with maturity till 31 July 2022 and interest rate of 2% to finance housing construction projects under the program “Affordable housing – 2020”, approved by the Resolution of the Government of the Republic of Kazakhstan № 821 dated 21 June 2012. This loan was provided using the resources of the National Fund.

In accordance with the credit facility terms, the Fund has a right to demand an early repayment of the loans or their part from Real Estate Fund any time, and Real Estate Fund is obliged to make an early repayment on demand of the Fund. Due to these terms, the Fund classifies all loans provided under this credit line as current.

**Loans issued to third parties and related parties**

*KazMinerals Plc (previously Kazakhmys Finance Plc)*

During the first quarter of 2015 KazMinerals Plc (previously Kazakhmys Finance Plc) made an early partial repayment of the loans provided in the amount of 1,993 million US dollars (equivalent to 368,447 million tenge converted using the exchange rate at the date of repayment). These loans were provided for the purpose of development of Bozshakol, Bozymchak, Abyz and Nurkazgan copper fields. The loan was provided from the proceeds received under the credit facility of State China Development Bank. Meanwhile, the Fund made an early repayment of the loan provided under credit facility of State China Development Bank (*Note 14*). The loan for the development of the Bozshakol copper field was provided in tranches from September 2010 until December 2012, the loans for the development of the Bozymchak, Abyz and Nurkazgan copper field were provided in March 2010.

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

**6. LOANS ISSUED (continued)**

**Loans issued to third parties and related parties (continued)**

*“Samruk Kazyna-United Green” LLP*

In 2014 the Fund concluded a loan agreement with “Samruk Kazyna-United Green” JSC, in accordance with which the Fund provided the additional funds in the amount of 1,346 million tenge to finance the investment project “Construction of a solar power plant “Burnoe” with capacity of 50 MW in Zhambyl oblast with maturity till 1 September 2015. In August 2015 “Samruk Kazyna-United Green” JSC repaid the loan.

*“Kazakhstan Petrochemical Industries Inc.” LLP*

In May 2015 the early prepayment of the loan in the amount of 4,000 million tenge issued to “Kazakhstan Petrochemical Industries Inc.” LLP in November 2010 was made due to the repayment of budget loan by the borrower’s property in the form of infrastructure facilities.

**7. AMOUNTS DUE FROM CREDIT INSTITUTIONS**

Amounts due from credit institutions comprised the following:

<i>In millions of tenge</i>	<b>30 June 2015 (unaudited)</b>	<b>31 December 2014 (audited)</b>
10 largest local banks	<b>269,274</b>	265,717
Other local credit institutions	<b>78,799</b>	86,440
Interest accrued	<b>7,448</b>	7,751
<b>Total amounts due from credit institutions</b>	<b>355,521</b>	359,908
Less: current portion	<b>(25,597)</b>	(29,284)
<b>Non-current portion</b>	<b>329,924</b>	330,624

<i>In millions of tenge</i>	<b>30 June 2015 (unaudited)</b>	<b>31 December 2014 (audited)</b>
Ratings above BB+	<b>49,840</b>	49,095
Ratings from B to BB-	<b>116,187</b>	109,615
Rating B-	<b>161,305</b>	159,491
No rating	<b>28,189</b>	41,707
	<b>355,521</b>	359,908

Amounts due from credit institutions are mainly represented by funds placed in banks and other financial institutions for financing activities approved within the framework of the Stabilization Plan.

As at 30 June 2015 the Fund had no past due and impaired amounts due from credit institutions.

**8. OTHER FINANCIAL ASSETS**

Other financial assets comprised the following:

<i>In millions of tenge</i>	<b>30 June 2015 (unaudited)</b>	<b>31 December 2014 (audited)</b>
<b>Financial assets available-for-sale</b>		
Equity securities of “Kazkommertsbank” JSC	<b>23,517</b>	35,062
Equity securities of “BTA Bank” JSC	<b>6,564</b>	5,470
Debt securities	<b>10,739</b>	11,630
Equity securities of “Halyk Bank of Kazakhstan” JSC	-	-
Equity securities “ForteBank” JSC (previously “Alliance Bank” JSC)	-	3,624
<b>Total other financial assets</b>	<b>40,820</b>	55,786
Less: current portion	<b>(10,180)</b>	(9,291)
<b>Non-current portion</b>	<b>30,640</b>	46,495



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

**8. OTHER FINANCIAL ASSETS (continued)**

In March 2015 the Fund sold common and preferred shares of “ForteBank” JSC (previously “Alliance Bank” JSC) to Mr. Bulat Dzhamitovich Utemuratov. Consideration of sale of “ForteBank” JSC shares was equal to 4,755 million tenge to be paid within 5 (five) years and are subject to annual increase by the refinancing rate of the National Bank

The fair value of the equity securities of “Kazkommertsbank” JSC (“KKB”), “BTA Bank” JSC (“BTA Bank”) and “Halyk Bank of Kazakhstan” JSC as at 30 June 2015 and 31 December 2014 was determined based on published quotations from the active market. As a result of decrease in share price of KKB from 410 tenge per share as at 31 December 2014 to 275 tenge per share as at 30 June 2015, the Fund recognized net loss on revaluation of available-for-sale investments in the amount of 11,545 million tenge.

**9. BANK DEPOSITS**

Bank deposits comprised the following:

<i>In millions of tenge</i>	<b>30 June 2015 (unaudited)</b>	<b>31 December 2014 (audited)</b>
10 largest local banks	<b>404,110</b>	375,840
Other local credit institutions	<b>71,675</b>	91,204
Interest accrued	<b>904</b>	531
<b>Total bank deposits</b>	<b>476,689</b>	467,575
Less: current portion	<b>(214,449)</b>	(210,484)
<b>Non-current portion</b>	<b>262,240</b>	257,091

<i>In millions of tenge</i>	<b>30 June 2015 (unaudited)</b>	<b>31 December 2014 (audited)</b>
Ratings from B to BB-	<b>449,931</b>	174,229
Rating B-	<b>26,758</b>	134,817
No rating	<b>-</b>	158,529
	<b>476,689</b>	467,575

Bank deposits comprised the following currencies:

<i>In millions of tenge</i>	<b>30 June 2015 (unaudited)</b>	<b>31 December 2014 (audited)</b>
Bank deposits, denominated in tenge	<b>453,523</b>	444,758
Bank deposits, denominated in US dollars	<b>21,515</b>	21,065
Bank deposits, denominated in euro	<b>1,651</b>	1,752
	<b>476,689</b>	467,575

As at 30 June 2015 the Fund had no past due and impaired bank deposits.

Within the policy on management of temporary excess cash, the Fund places deposits in Kazakhstani second tier banks.

As at 30 June 2015 the weighted average rate for the long-term deposits was 5.25% per annum (as at 31 December 2014: 5.18%), weighted average rate for the short-term bank deposits was 9.82% per annum (as at 31 December 2014: 7.88%).

**10. OTHER NON-CURRENT ASSETS**

Other non-current assets comprised the following:

<i>In millions of tenge</i>	<b>30 June 2015 (unaudited)</b>	<b>31 December 2014 (audited)</b>
Non-current trade receivables	<b>74,187</b>	67,059
Property held for sale	<b>9,382</b>	10,169
Other	<b>1,871</b>	1,161
Less: impairment provision	<b>(473)</b>	(473)
	<b>84,967</b>	77,916

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

**10. OTHER NON-CURRENT ASSETS (continued)**

*Non-current trade receivables*

In March 2015 the Fund sold its shares of “Forte Bank” JSC (previously “Alliance Bank” JSC) (Note 8).

Non-current trade receivables represent the present value of discounted deferred payments for shares of BTA Bank due after 3 (three) years in the amount of 59,293 million tenge, for the shares of Temirbank due after 5 (five) years in the amount of 11,571 million tenge, and for the shares of ForteBank JSC due after 5 (five) years in the amount of 3,323 million tenge, respectively.

**11. OTHER CURRENT ASSETS**

Other current assets comprised the following:

<i>In millions of tenge</i>	<b>30 June 2015 (unaudited)</b>	31 December 2014 (audited)
Dividends receivable	<b>51,087</b>	25,906
Other trade receivable	<b>6,002</b>	6,621
Other	<b>1,064</b>	1,103
Less: impairment provision	<b>(3,535)</b>	(4,338)
	<b>54,618</b>	29,292

**12. CASH AND CASH EQUIVALENTS**

Cash and cash equivalents comprised the following:

<i>In millions of tenge</i>	<b>30 June 2015 (unaudited)</b>	31 December 2014 (audited)
Current accounts with banks in tenge	<b>133,102</b>	118,622
Current accounts with banks in US dollars	<b>4,877</b>	1,823
Current accounts with banks in euro	<b>-</b>	7
Term bank deposits with banks in tenge	<b>27,001</b>	44,510
	<b>164,980</b>	164,962

As at 30 June 2015 the weighted average interest rate on current accounts is equal to 0.21% (as at 31 December 2014: 0.001%), the weighted average interest rate on term deposits with banks is equal to 0.25% (as at 31 December 2014: 6.06%).

Total cash balances on bank accounts include funds allocated from the State budget and the National Fund for the Government programs. As at 30 June 2015 these cash balances were accumulated on the accounts with the National Bank and were equal to 155 billion tenge (as at 31 December 2014: 146 billion tenge), including:

- 113 billion tenge – National Fund’s amounts, received under the Stabilization Plan (as at 31 December 2014: 113 billion tenge);
- 2 billion tenge – amounts received from the State budget to provide financing to projects implemented by the Fund (as at 31 December 2014: 2 billion tenge);
- 40 billion tenge – the Fund’s remaining cash balance required for its operating and investing activities (as at 31 December 2014: 31 billion tenge).

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

**13. EQUITY**

**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 31 December 2013 (audited)</b>	3,481,602,341		4,484,676
Cash contributions	2,977	18,306,039	54,500
Property contributions	7,037	1,200,359; 2,772,663	10,615
<b>As at 30 June 2014 (unaudited)</b>	<b>3,481,612,355</b>		<b>4,549,791</b>
<b>As at 31 December 2014 (audited)</b>	3,481,623,734		4,620,562
Cash contributions	9,013	11,619,075; 12,700,435	105,810
Property contributions	30,350	4,171,027	126,591
<b>As at 30 June 2015 (unaudited)</b>	<b>3,481,663,097</b>		<b>4,852,963</b>

As at 30 June 2015 3,481,663,097 shares of the Fund were fully paid (as at 31 December 2014: 3,481,623,734 shares).

*Cash contributions*

During the first half of 2015, the Shareholder made cash contribution to the Fund’s share capital in the amount of 105,810 million tenge. These amounts are aimed to finance projects implemented by the subsidiaries of the Fund (*Note 4*).

*Property contributions*

In April 2015, the State property and privatization committee made the property contribution to the Fund’s share capital in the form of in-kind contribution by transferring the right to claim the payment on the “Kazakhstan promisor note” in accordance with an agreement between the Government of the Republic of Kazakhstan and “Caspian Pipeline Consortium-K” in the amount of 126,591 million tenge (*Note 4*).

*Other distributions to the Shareholder*

During the six months ended 30 June 2015, in accordance with the order of the Shareholder, the Fund financed various social projects for the total amount of 2,298 million tenge (during the six months ended 30 June 2014: 5,693 million tenge). This financing was recognised as other distributions to the Shareholder in interim separate statement of changes in equity.

**Book value of shares**

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

<i>In millions of tenge</i>	<b>30 June 2015 (unaudited)</b>	<b>31 Decemer 2014 (audited)</b>
Total assets	5,568,480	5,693,156
Less: intangible assets	(698)	(420)
Less: total liabilities	(1,413,923)	(1,810,012)
<b>Net assets for common shares</b>	<b>4,153,859</b>	<b>3,882,724</b>
<b>Number of common shares</b>	<b>3,481,663,097</b>	3,481,623,734
<b>Book value per common share (tenge)</b>	<b>1,193</b>	1,115

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

**14. BORROWINGS**

Borrowings comprised the following:

<i>In millions of tenge</i>	<b>30 June 2015 (unaudited)</b>	31 December 2014 (audited)
<b>Bonds issued and purchased by subsidiaries:</b>		
- KMG	39,960	42,050
- “Samruk Energy” JSC	223	223
Bonds issued and purchased by other companies	<b>917,453</b>	917,232
Loans received	-	388,886
<b>Total borrowings</b>	<b>957,636</b>	1,348,391
Less: amounts due for settlement within 12 months	<b>(767,895)</b>	(409,001)
<b>Amounts due for settlement after 12 months</b>	<b>189,741</b>	939,390

Borrowings comprised the following currencies:

<i>In millions of tenge</i>	<b>30 June 2015 (unaudited)</b>	31 December 2014 (audited)
Borrowings, denominated in tenge	<b>957,636</b>	959,505
Borrowings, denominated in US dollars	-	388,886
	<b>957,636</b>	1,348,391

**Bonds issued and purchased by other companies**

In 2009 the Fund issued 750,000,000 coupon bonds at the total amount of 750 billion tenge with maturity within 15 (fifteen) years and 6% coupon interest, part of which was acquired by BTA Bank for the total amount of 645 billion tenge, and another part in the amount of 105 billion tenge was purchased by Alliance Bank. In August 2015 the Fund, in accordance with Board’s decision dated 19 June 2015, made an early repayment of these bonds (*Note 25*).

**Loans received**

*Credit line of the State China Development Bank*

During the first quarter of 2015 the Fund made an early repayment of loans to the State China Development Bank in the amount of 1,993 million US dollars (equivalent to 368,621 million tenge converted at the exchange rate at the date of repayment date) on the Bozshakol, Bozymchak, Abyz and Nurkazgan copper fields. These loans were repaid using the proceeds from early repayment of the loans by KazMinerals Plc (previously Kazakhmys Finance Plc) (*Note 6*).

**15. AMOUNTS DUE TO THE GOVERNMENT**

Amounts due to the Government comprised the following:

<i>In millions of tenge</i>	<b>30 June 2015 (unaudited)</b>	31 December 2014 (audited)
Bonds repurchased by the National Bank of the Republic of Kazakhstan using the funds of the National Fund	<b>284,495</b>	279,141
Bonds repurchased by the National Bank of the Republic of Kazakhstan	<b>60,926</b>	60,566
Other loans from the Government	<b>73,162</b>	74,037
<b>Total amounts due to the Government</b>	<b>418,583</b>	413,744
Less: current portion	<b>(918)</b>	(1,111)
<b>Non-current portion</b>	<b>417,665</b>	412,633

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

**16. INTEREST INCOME**

Interest income comprised the following:

<i>In millions of tenge</i>	<b>For the six months ended 30 June 2015 (unaudited)</b>	<b>For the six months ended 30 June 2014 (unaudited)</b>
Interest on loans	27,412	37,897
Unwinding of discount on loans issued	9,166	6,747
Other	6	6
	<b>36,584</b>	<b>44,650</b>

**17. INTEREST EXPENSES**

Interest expense comprised the following:

<i>In millions of tenge</i>	<b>For the six months ended 30 June 2015 (unaudited)</b>	<b>For the six months ended 30 June 2014 (unaudited)</b>
Interest on bonds	35,334	35,810
Unwinding of discount on financial liabilities	8,991	4,682
Interest on borrowings	2,708	9,400
	<b>47,033</b>	<b>49,892</b>

**18. DIVIDEND INCOME**

<i>In millions of tenge</i>	<b>For the six months ended 30 June 2015 (unaudited)</b>	<b>For the six months ended 30 June 2014 (unaudited)</b>
KMG	24,336	–
“Kazakhstan Electricity Grid Operating Company” JSC	7,752	–
“Samruk-Energy” JSC	4,781	8,171
“National Company “Kazakhstan Temir Zholy” JSC	4,560	16,165
“National Atomic Company “KazAtomProm” JSC	2,323	5,386
“ForteBank” JSC (former “Temirbank” JSC)	–	9,109
Other	2,314	1,644
	<b>46,066</b>	<b>40,475</b>

**19. GENERAL AND ADMINISTRATIVE EXPENSES**

General and administrative expenses comprised the following:

<i>In millions of tenge</i>	<b>For the six months ended 30 June 2015 (unaudited)</b>	<b>For the six months ended 30 June 2014 (unaudited)</b>
Sponsorship and charitable donations	4,958	11,081
Payroll expense	1,424	1,254
Consulting services	783	1,450
Non-refundable VAT	302	296
Other	2,362	1,896
	<b>9,829</b>	<b>15,977</b>

During the six months ended 30 June 2015, the Fund provided sponsorships in accordance with the General Action plan of the Fund on providing sponsorship and charity for 2015 (“Plan”). The sponsorship was provided to finance a number of projects, realised through Corporate fund “SK-Astana”, which is the operator of financing sport federations aimed at developing certain types of sports and projects, approved by the Plan. Furthermore, the sponsorship was provided to other various organizations for the purpose of financing projects approved by the Plan.

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

**20. FINANCE INCOME**

Finance income comprised the following:

<i>In millions of tenge</i>	For the six months ended 30 June 2015 (unaudited)	For the six months ended 30 June 2014 (unaudited)
Interest on bank deposits	18,488	20,599
Amortisation of discount on financial assets	6,025	75
Amortisation financial guarantees	4,328	3,806
Other	561	1,451
	<b>29,402</b>	<b>25,931</b>

**21. INCOME TAX EXPENSES**

Income tax expenses comprised the following:

<i>In millions of tenge</i>	For the six months ended 30 June 2015 (unaudited)	For the six months ended 30 June 2014 (unaudited)
Withholding tax expense	5,773	5,987
Deferred income tax expense	310	407
	<b>6,083</b>	<b>6,394</b>

**22. RELATED PARTY TRANSACTIONS**

The following tables provide the total amount of transactions that have been entered into with related parties during six months ended 30 June 2015 and 2014 and balances on operations as at 30 June 2015 and 31 December 2014:

<i>In millions of tenge</i>		Due from related parties	Due to related parties	Cash and depo-sits placed with related parties
Other entities controlled by the Government	30 June 2015 (unaudited)	199,882	549,054	161,901
	31 December 2014 (audited)	200,194	544,051	145,610
Subsidiaries	30 June 2015 (unaudited)	459,513	40,522	-
	31 December 2014 (audited)	429,043	42,520	-
Other related parties	30 June 2015 (unaudited)	14,212	-	-
	31 December 2014 (audited)	16,785	-	-

<i>In millions of tenge</i>		Dividends received	Purchases from related parties	Interest received from related parties	Interest incurred to related parties
Other entities controlled by the Government	30 June 2015 (unaudited)	-	-	6,265	19,154
	30 June 2014 (unaudited)	-	-	5,732	14,906
Subsidiaries	30 June 2015 (unaudited)	46,066	1,248	12,292	2,357
	30 June 2014 (unaudited)	40,475	1,292	31,604	24,942
Other related parties	30 June 2015 (unaudited)	-	-	1,606	-
	30 June 2014 (unaudited)	-	-	559	-

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

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

Total compensation to key management personnel included in general and administrative expenses in the accompanying interim separate statement of comprehensive income was equal to 95 million tenge and 203 million tenge for the six months ended 30 June 2015 and 2014 respectively. Compensation to key management personnel mainly consists of contractual salary and performance bonus based on operating results.

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

**Fair value hierarchy**

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

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

Set out below is a comparison by category of carrying amounts and fair values of all of the Fund’s financial instruments presented at fair value in the interim separate balance sheet:

<i>In millions of tenge</i>	<b>30 June 2015 (unaudited)</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
<b>Assets measured at fair value</b>				
Financial assets available-for-sale (Note 8)	40,820	40,820	-	-

<i>In millions of tenge</i>	<b>31 December 2014 (audited)</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
<b>Assets measured at fair value</b>				
Financial assets available-for-sale (Note 8)	55,786	55,786	-	-

**Fair value of financial instruments**

The carrying (current) amount of the financial instruments of the Fund as at 30 June 2015 and 31 December 2014 is a reasonable estimate of their fair value except for the financial instruments presented below:

<i>In millions of tenge</i>	<b>Carrying amount</b>	<b>Fair value</b>	<b>2015</b>		
			<b>Fair value by level of assessment</b>		
			<b>Quotations in an active market (Level 1)</b>	<b>From the observed market (Level 2))</b>	<b>Based on the significant amount of unobserved (Level 3)</b>
<b>Financial assets</b>					
Amounts due from credit institutions (Note 7)	355,521	381,114	-	381,114	-
Loans with fixed interest rate (Note 6)	566,317	561,173	-	561,173	-
Long-term bank deposits	262,973	285,408	-	285,408	-
<b>Financial liabilities</b>					
Borrowings with fixed interest rate / bonds issued (Note 14)	(957,636)	(986,049)	-	(986,049)	-
Amounts due to the Government (Note 15)	(418,583)	(379,352)	-	(379,352)	-
Financial guarantee liabilities	(35,799)	(48,703)	-	(48,703)	-

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

**23. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)**

**Fair value of financial instruments (continued)**

<i>In millions of tenge</i>	2014				
	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 ( <i>Note 7</i> )	359,908	328,952	-	328,952	-
Loans with fixed interest rate	557,892	552,868	-	552,868	-
Long-term bank deposits	257,506	257,506	-	257,506	-
<b>Financial liabilities</b>					
Borrowings with fixed interest rate / bonds issued ( <i>Note 14</i> )	(959,505)	(971,721)	-	(971,721)	-
Amounts due to the Government ( <i>Note 15</i> )	(413,744)	(393,488)	-	(393,488)	-
Financial guarantee liabilities	(38,825)	(62,396)	-	(62,396)	-

The fair value of the above financial instruments was calculated by discounting the expected future cash flows on the prevailing interest rates.

**24. CONTRACTUAL OBLIGATIONS AND CONTINGENT LIABILITIES**

**Contingent liabilities**

The Fund assesses the likelihood of material liabilities and makes a corresponding provision in its interim separate financial statements only if it is probable that events giving rise to the liability will occur and the amount of the liability can be reasonably estimated. No provision has been made in these interim condensed separate financial statements for any of the contingent liabilities.

**Taxation**

Kazakhstan’s tax legislation and regulations are subject to ongoing changes and varying interpretations. Instances of inconsistent opinions between local, regional and republican tax authorities are not unusual. The current regime of penalties and interest related to reported and discovered violations of Kazakhstan’s tax laws are severe. Penalties are generally 50% of the taxes additionally assessed and interest is assessed at the refinancing rate established by the National Bank of the Republic of Kazakhstan multiplied by 2.5. As a result, penalties and interest can amount to multiple of any assessed taxes. Fiscal periods remain open to review by tax authorities for 5 (five) calendar years preceding the year of review. Under certain circumstances, reviews may cover longer periods. Because of the uncertainties associated with Kazakhstan’s tax system, the ultimate amount of taxes, penalties and interest, if any, may be in excess of the amount expensed to date and accrued at 30 June 2015. As at 30 June 2015, management believes that its interpretation of the relevant legislation is appropriate and that it is probable that the Fund’s tax positions will be sustained.

**Commitments on secondary use of anti-crisis funds**

In accordance with the minutes of the meetings of the State commission on economy modernization issues of the Republic of Kazakhstan No. 17-5/И-380 dated 5 April 2012, No. 17-5/11-10 dated 30 January 2013 and No. 17 5/И 788 dated 7 October 2013 the Fund is obliged to finance certain investment projects in the total amount of 571,852 million tenge during 2012-2014.

The Fund’s commitments as at 30 June 2015 were equal to 87,152 million tenge (as at 31 December 2014: 101,028 million tenge), including the commitments to finance investment projects in the amount of 40,287 million tenge (as at 31 December 2014: 48,913 million tenge), and the Fund’s commitments to finance the project “Affordable Housing – 2020” in the amount of 46,865 million tenge (31 December 2014: 52,115 million tenge).



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

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**24. CONTRACTUAL OBLIGATIONS AND CONTINGENT LIABILITIES (continued)****Commitments under investment projects using the funds from Republican budget**

As at 30 June 2015 Fund’s commitments on implementation of investment projects using funds from the Republican budget were equal to 2,030 million tenge (as at 31 December 2014: 2,030 million tenge).

**Commitments under investment projects using the funds from National Fund**

In accordance with the minutes of the meetings of the Management Council of National Fund of the Republic of Kazakhstan dated 12 November 2014 and 14 November 2014 it is planned to provide funds for financing certain investment projects in the total amount of 127,200 million tenge during 2015-2016, including amount of 81,000 million for financing of infrastructure objects on SEZ “National oil and gas chemical technopark” and SEZ “Khorgos-East Gate” territories, 46,200 million tenge for construction of railway lines on routes Shu-Almaty-1 and Borzhakty-Yersai and construction of a ferry complex on Kuryk port and operation of universal cargo-passenger ferries.

**25. SUBSEQUENT EVENTS****Changes in investments in subsidiaries**

In August 2015, in accordance with the Resolution of the Government of the Republic of Kazakhstan dated 23 July 2015 № 570, the Fund disposed 10 (ten) % of the shares plus 1 (one) common share of “National Company” KazMunayGas” JSC for the total amount of 750,000 million tenge.

In July 2015 the Fund made cash contributions to the share capital of “National Company “Kazakhstan Temir Zholy” JSC, “Kazpost” JSC and “Samruk-Kazyna Invest” LLP in the amount of 11,500 million tenge, 4,565 million tenge and 1,453 million tenge, respectively.

**Loans issued**

On 7 July 2015 the Fund provided the loan in the amount of 7,734 million tenge to “NMC “Tau-Ken Samruk” JSC to finance the acquisition of 100% interest in the charter capital of “Severnyi Katpar” LLP. The funding was made from the National Fund’s resources in accordance with the minute of the State Commission on the modernization of economy of the Republic of Kazakhstan № 17-5/и-256 dated 24 April 2015.

On 22 July 2015 the Fund provided the loan in the amount of 8,862 million tenge to “National Company “Kazakhstan Temir Zholy” JSC to finance the renewal of railway carriers of “Passenger Transportation” JSC.

On 13 August 2015 the Fund provided additional tranches in the amount of 3,629 million tenge to “Real Estate “Samruk-Kazyna” JSC to finance the housing projects under the program “Affordable Housing – 2020” approved by the Resolution of the Government of the Republic of Kazakhstan № 821 dated 21 June 2012. The loan was provided using the resources of the National Fund in accordance with the minute of the State Commission on the modernization of economy of the Republic of Kazakhstan № 17-5/и-380 dated 5 April 2012.

**Bonds issued and purchased by other companies**

In August 2015 the Fund made the repayment of bonds in the amount of 750,000 million tenge issued within twenty prospects of issue during the first bond program and purchased by “BTA Bank” JSC and “Alliance Bank” JSC in 2009.

**Government Funds**

On 20 July 2015 the Fund received the loan in the amount of 8,862 million tenge from the Ministry of Finance of the Republic of Kazakhstan for further provision of the loan to the “National Company “Kazakhstan Temir Zholy” JSC. The funding was made using the resources of the Republican budget in accordance with the Law of the Republic of Kazakhstan dated 28 November 2014 “About the republican budget for 2015-2017”.

**Contributions to the share capital**

On 27 July 2015 the Shareholder made cash contribution to the Fund share capital in the amount of 4,800 million tenge.

**Other events**

On 20 August 2015 the National Bank and the Government of the Republic of Kazakhstan decided to implement a new monetary policy based on inflation targeting regime, abolish the currency corridor and move to a free float exchange rate.