

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

Interim condensed separate  
financial statements (unaudited)

*as at June 30, 2013 and for the six months then ended*

**CONTENTS**

---

Report on review of interim condensed separate financial statements

**Interim condensed separate financial statements (unaudited)**

Interim separate balance sheet .....	1
Interim separate statement of comprehensive income .....	2
Interim separate statement of cash flows .....	3-4
Interim separate statement of changes in equity. ....	5
Notes to the interim condensed separate financial statements .....	6-24

## 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 ("the Fund"), comprising the interim separate balance sheet as at June 30, 2013, and the related interim separate statements of comprehensive income, changes in equity and cash flows for the six-month period then ended and explanatory notes. Management is responsible for the preparation and presentation of these interim condensed separate financial statements in accordance with International Accounting Standard IAS 34, *Interim Financial Reporting* ("IAS 34"). Our responsibility is to express a conclusion on these interim condensed separate financial statements based on our review.

### **Scope of review**

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

**Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed separate financial statements of Sovereign Wealth Fund "Samruk-Kazyna" JSC as at June 30, 2013 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 the Fund 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 group, 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 June 30, 2013 and for the six-month period then ended and expressed an unqualified conclusion thereon in our report on review dated September 10, 2013.


*Ernst & Young LLP*

  
Bakhtiyor Eshonkulov  
Auditor



Auditor qualification certificate No. 0000099  
dated August 27, 2012

September 10, 2013

  
Evgeny Zhemaletdinov  
General Director  
Ernst and Young LLP



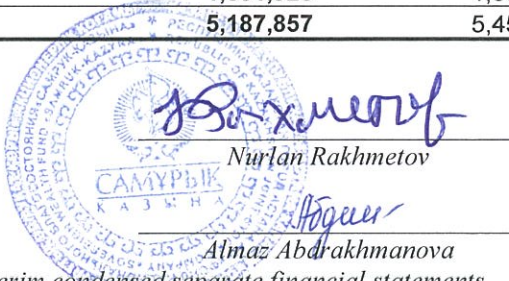
State audit license for audit activities on  
the territory of the Republic of Kazakhstan: series  
МФЮ-2 No. 0000003 issued by the Ministry of  
Finance of the Republic of Kazakhstan on July 15,  
2005

**INTERIM SEPARATE BALANCE SHEET**

<i>In millions of Tenge</i>	Notes	June 30, 2013 (unaudited)	December 31, 2012 (audited)
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment		423	468
Intangible assets		851	931
Investments in subsidiaries	4	3,138,953	3,231,412
Investments in associates	5	18,455	18,455
Loans issued	6	696,838	657,400
Amounts due from credit institutions	7	352,636	361,780
Other non-current financial assets	8	12,425	124,194
Long-term bank deposits	9	188,886	204,553
Deferred tax asset		4,410	3,037
Other non-current assets		123	201
		<b>4,414,000</b>	<b>4,602,431</b>
<b>Current assets</b>			
Corporate income tax prepaid		13,354	13,734
Loans issued	6	133,645	110,081
Amounts due from credit institutions	7	38,297	32,760
Other current financial assets	8	28,593	26,124
Assets related to call / put options		45,706	47,429
Short-term bank deposits	9	263,112	159,923
Other current assets	10	56,789	27,939
Cash and cash equivalents	11	185,775	432,972
		<b>765,271</b>	<b>850,962</b>
Assets classified as held for transfer to the Shareholder	4	8,586	-
<b>Total assets</b>		<b>5,187,857</b>	<b>5,453,393</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Share capital	12	4,418,634	4,409,314
Revaluation reserve for available-for-sale investments		2,076	(595)
Accumulated losses		(834,779)	(557,989)
<b>Total equity</b>		<b>3,585,931</b>	<b>3,850,730</b>
<b>Non-current liabilities</b>			
Borrowings	13	1,324,006	1,295,007
Amounts due to the Government	14	194,208	185,704
Financial guarantee liabilities		32,092	31,724
		<b>1,550,306</b>	<b>1,512,435</b>
<b>Current liabilities</b>			
Borrowings	13	43,155	81,764
Amounts due to the Government	14	294	198
Financial guarantee liabilities		6,192	5,956
Liabilities under call/put options		43	32
Other current liabilities		1,936	2,278
		<b>51,620</b>	<b>90,228</b>
<b>Total liabilities</b>		<b>1,601,926</b>	<b>1,602,663</b>
<b>Total equity and liabilities</b>		<b>5,187,857</b>	<b>5,453,393</b>

Managing Director – Member of the Management Board

Chief Accountant

  
 Nurlan Rakhmetov  
 Almaz Abdrakhmanova

Notes on pages 6 to 24 are an integral part of these interim condensed separate financial statements.

**INTERIM SEPARATE STATEMENT OF COMPREHENSIVE INCOME**

<i>In millions of Tenge</i>	<b>Notes</b>	<b>For six months ended June 30, 2013 (unaudited)</b>	<b>For six months ended June 30, 2012 (unaudited)</b>
Interest income	15	39,531	30,964
Interest expenses	16	(44,881)	(50,814)
Dividend income		67,393	170,955
<b>Gross profit</b>		<b>62,043</b>	<b>151,105</b>
General and administrative expenses	17	(12,063)	(6,621)
Finance income	18	18,983	19,886
Impairment of investments in subsidiaries	4	(71,717)	-
Impairment of financial assets and other current assets		(774)	(859)
Foreign exchange gain, net		373	1,100
(Loss)/gain from change in the value of options, net		(1,734)	1,166
Gain on disposal of financial assets		-	3,805
Other operating expenses		(269)	(48)
<b>(Loss)/profit before income tax</b>		<b>(5,158)</b>	<b>169,534</b>
Income tax expense	19	(2,577)	(3,882)
<b>Net (loss)/profit for the period</b>		<b>(7,735)</b>	<b>165,652</b>
<b>Other comprehensive income/(loss)</b>			
Net gain/(loss) on available-for-sale investments		2,671	(22,985)
Income tax effect		-	-
<b>Other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods, net of income tax</b>		<b>2,671</b>	<b>(22,985)</b>
<b>Total comprehensive (loss)/income for the period</b>		<b>(5,064)</b>	<b>142,667</b>

Managing Director – Member of the Management Board



Nurlan Rakhmetov



Chief Accountant



Almaz Abdurakhmanova

**INTERIM SEPARATE STATEMENT OF CASH FLOWS**

<i>In millions of Tenge</i>	Notes	For six months ended June 30, 2013 (unaudited)	For six months ended June 30, 2012 (unaudited)
<b>Cash flows from operating activities</b>			
(Loss)/profit before income tax		(5,158)	169,534
<i>Adjustments for:</i>			
Depreciation and amortisation		157	82
Impairment of investments in subsidiaries	4	71,717	-
Impairment of financial assets and other current assets		774	859
Finance income	18	(18,983)	(19,886)
Loss/(gain) from change in the value of options, net		1,734	(1,166)
Unrealized foreign exchange (gain)/loss		(443)	328
Gain on disposal of financial assets		-	(3,805)
Other		-	476
<b>Operating cash flows before changes in working capital</b>		<b>49,798</b>	<b>146,422</b>
Change in loans issued		(183,522)	(41,828)
Change in amounts due from credit institutions		3,607	27,922
Change in other current and non-current assets		(27,826)	(44,571)
Change in borrowings and amounts due to the Government		(8,560)	83,359
Change in other current liabilities		(342)	406
<b>Cash flows from operating activities</b>		<b>(166,845)</b>	<b>171,710</b>
Income tax paid		(3,950)	(4,044)
Interest received		14,271	21,060
<b>Net cash flows from operating activities</b>		<b>(156,524)</b>	<b>188,726</b>
<b>Cash flows from investing activities</b>			
(Placement)/withdrawal of bank deposits, net		(86,167)	19,612
Acquisition of shares and ownership interest in subsidiaries and associate	4, 5	(264,729)	(77,644)
Proceeds from sale of financial assets		-	27,125
Proceed from sale of investments in subsidiaries		-	150,035
Purchase of property, plant and equipment and intangible assets		(6)	(6)
<b>Net cash flows used in / (from) investing activities</b>		<b>(350,902)</b>	<b>119,122</b>

Notes on pages 6 to 24 are an integral part of these interim condensed separate financial statements.

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

<i>In millions of Tenge</i>	<b>Note</b>	<b>For six months ended June 30, 2013 (unaudited)</b>	<b>For six months ended June 30, 2012 (unaudited)</b>
<b>Cash flows from financing activities</b>			
Dividends paid to the Shareholder	12	–	(159,113)
Other distributions to the Shareholder	12	(4,091)	(3,878)
Contributions to share capital	12	9,320	11,000
Amounts received from the Government	14	255,000	–
<b>Net cash flows from / (used in) financing activities</b>		<b>260,229</b>	<b>(151,991)</b>
<b>Net change in cash and cash equivalents</b>		<b>(247,197)</b>	<b>155,857</b>
<b>Cash and cash equivalents, at the beginning of the period</b>		<b>432,972</b>	<b>451,902</b>
<b>Cash and cash equivalents, at the end of the period</b>		<b>185,775</b>	<b>607,759</b>

**NON-CASH TRANSACTIONS**

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

*For the six months ended June 30, 2013:*

- Transfer of subsidiaries (Note 4) and financial assets (Note 8). These distributions were recognised in the interim separate statement of changes in equity (Note 12).
- Transfer of investments in subsidiary to assets classified as held for transfer to the Shareholder (Note 4).
- Recognition of discount on loans issued and amounts due to the Government (Notes 6, 14).

*For the six months ended June 30, 2012:*

- Shareholder's contributions to the share capital of the Fund in the form of fixed assets.
- Fund's contributions to the share capital of subsidiaries in the form of fixed assets.

Managing Director – Member of the Management Board



Nurlan Rakhmetov

Chief Accountant



Almaz Abdulkhmanova



**INTERIM SEPARATE STATEMENT OF CHANGES IN EQUITY**

<i>In millions of Tenge</i>	Share capital	Revaluation reserves for available-for-sale investments	Accumulated losses	Total
<b>As at December 31, 2011(audited)</b>	<b>4,050,383</b>	<b>(126,333)</b>	<b>(1,116,293)</b>	<b>2,807,757</b>
Net income for the period	–	–	165,652	165,652
Other comprehensive loss	–	(22,985)	–	(22,985)
<b>Total comprehensive income for the period</b>	<b>–</b>	<b>(22,985)</b>	<b>165,652</b>	<b>142,667</b>
Contribution to the share capital (Note 12)	346,333	–	–	346,333
Transactions with the Shareholder	–	–	1,630	1,630
Dividends to the Shareholder (Note 12)	–	–	(168,190)	(168,190)
Other distributions to the Shareholder	–	–	(3,878)	(3,878)
<b>As at June 30, 2012 (unaudited)</b>	<b>4,396,716</b>	<b>(149,318)</b>	<b>(1,121,079)</b>	<b>3,126,319</b>
<b>As at December 31, 2012 (audited)</b>	<b>4,409,314</b>	<b>(595)</b>	<b>(557,989)</b>	<b>3,850,730</b>
Net loss for the period	–	–	(7,735)	(7,735)
Other comprehensive income	–	2,671	–	2,671
<b>Total comprehensive loss for the period</b>	<b>–</b>	<b>2,671</b>	<b>(7,735)</b>	<b>(5,064)</b>
Contributions to the share capital (Note 12)	9,320	–	–	9,320
Gain from initial recognition of amounts due to the Government (Note 14)	–	–	249,828	249,828
Transactions with the Shareholder (Note 12)	–	–	(402,867)	(402,867)
Other distributions to the Shareholder (Note 12)	–	–	(116,016)	(116,016)
<b>As at June 30, 2013 (unaudited)</b>	<b>4,418,634</b>	<b>2,076</b>	<b>(834,779)</b>	<b>3,585,931</b>

Managing Director – Member of the Management Board



Nurlan Rakhmetov



Chief Accountant



Almaz Abdalakhmanova

**NOTES TO THE INTERIM CONDENSED SEPARATE FINANCIAL STATEMENTS****For the six months ended June 30, 2013**

---

**1. GENERAL**

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 Fund was created by the merger of Sustainable Development Fund "Kazyna" JSC ("Kazyna") and Kazakhstan Holding Company for State Assets Management "Samruk" JSC ("Samruk") and the additional transfer of ownership in certain entities owned by the Government of the Republic of Kazakhstan (the "Government" or the "State") to the Fund. The Government, represented by the State Property and Privatization Committee of the Ministry of Finance of the Republic of Kazakhstan is the sole shareholder of the Fund (the "Shareholder").

The overall objective of the Government during this reorganisation was to increase management's efficiency and to optimise organisational structure of the Fund's subsidiaries for them to achieve successfully their strategic objectives as set out in the respective Government programs and development plans.

Prior to February 1, 2012, the Fund's activities were governed by the Law of the Republic of Kazakhstan "On National Welfare Fund" No. 134-4 dated February 13, 2009. They were aimed at providing assistance in achieving stable development of the country economy, modernization and diversification of the economy, and improvement of efficiency of the Fund's companies. According to the Law of the Republic of Kazakhstan enacted on February 1, 2012 "On Sovereign Wealth Fund" No. 550-4, the Fund's activities are focused on improving 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 state-owned enterprises and other entities listed in *Notes 4 and 5*.

The office of the Fund is registered in the Republic of Kazakhstan, Astana, Kunayev ave., 8.

These interim condensed separate financial statements were issued in addition to the interim condensed consolidated financial statements of the Fund and its subsidiaries (the "Group") for the same reporting period. These interim condensed separate financial statements were authorized for issue by the Managing Director – Member of the Management Board and Chief Accountant of the Fund on September 10, 2013.

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

In order to maintain stability of the Country's economic and financial system during the global economic crisis the Government, by its Resolution No. 1085 dated November 25, 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 for certain measures aimed at the following:

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

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

**Transfer of development institutions and other subsidiaries**

In accordance with the minutes of the meeting No. 01-7.1 dated January 23, 2013 "On the results of the social-economic development of the Republic of Kazakhstan in 2012 and targets for the execution of the Strategy "Kazakhstan-2050" held with participation of the President of the Republic of Kazakhstan, the Government was instructed to execute transfer of the development institutions and financial organisations (Development Bank of Kazakhstan JSC, Kazyna Capital Management JSC, Export-Credit Insurance Corporation "KazExportGarant" JSC, Entrepreneurship Development Fund "Damu" JSC, Investment Fund of Kazakhstan JSC) to the control of the newly established agency, 100% shares of which to be controlled by the Government, and transfer of SK Pharmacy LLP to the control of the Ministry of Healthcare of the Republic of Kazakhstan.

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

---

**1. GENERAL (continued)****Transfer of development institutions and other subsidiaries (continued)**

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

In May 2013, in accordance with the trust management agreements with the right of full control, the Fund transferred its shares in the development institutions and financial organisations to the National Managing Holding "Baiterek" JSC ("Baiterek"). Baiterek was established in accordance with the Resolution of the Government No. 516 dated May 25, 2013 "On measures for execution of the Decree of the President of the Republic of Kazakhstan No. 571 dated May 22, 2013 "On certain measures for optimization of the managing system over the development institutions, financial organizations and development of the national economy" (further "the Resolution of the Government").

**2. BASIS OF PREPARATION**

Interim condensed separate financial statements for the six months ended June 30, 2013 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 December 31, 2012.

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

**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 June 30, 2013 and December 31, 2012 was 151.65 and 150.74 Tenge to 1 US Dollar, respectively. The currency exchange rate as at September 10, 2013 was 153.37 Tenge to 1 US Dollar.

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

---

**2. BASIS OF PREPARATION (continued)****New standards, interpretations and amendments**

The accounting policies adopted in the preparation of the interim condensed separate financial statements are consistent with those followed in the preparation of the Fund's annual financial statements for the year ended December 31, 2012, except for adoption of new standards and interpretations as of January 1, 2013, noted below:

*IAS 1 Presentation of Items of Other Comprehensive Income – Amendments to IAS 1*

The amendments to IAS 1 introduce a grouping of items presented in other comprehensive income. Items that could be reclassified (or recycled) to profit or loss at a future point in time (e.g., net gain on hedge of net investment, exchange differences on translation of foreign operations, net movement on cash flow hedges and net loss or gain on available-for-sale financial assets) now have to be presented separately from items that will never be reclassified (e.g., actuarial gains and losses on defined benefit plans and revaluation of land and buildings). The amendment affected presentation only and had no impact on the Fund's separate financial position or performance.

*IAS 1 Clarification of the Requirement for Comparative Information (amendment)*

The amendment to IAS 1 clarifies the difference between voluntary additional comparative information and the minimum required comparative information. The Fund must include comparative information in the related notes to the financial statements when it voluntarily provides comparative information beyond the minimum required comparative period. The additional voluntarily comparative information does not need to be presented in a complete set of financial statements.

An opening statement of financial position (known as the "third balance sheet") must be presented when the company applies an accounting policy retrospectively, makes retrospective restatements, or reclassifies items in its financial statements, provided any of those changes has a material effect on the statement of financial position at the beginning of the preceding period. The amendment clarifies that a third balance sheet does not have to be accompanied by comparative information in the related notes. Under IAS 34, the minimum items required for interim condensed financial statements do not include a third balance sheet.

*IAS 32 Tax Effects of Distributions to Holders of Equity Instruments (amendment)*

The amendment to IAS 32 *Financial Instruments: Presentation* clarifies that income taxes arising from distributions to equity holders are accounted for in accordance with IAS 12 *Income Taxes*. The amendment removes existing income tax requirements from IAS 32 and requires entities to apply the requirements in IAS 12 to any income tax arising from distributions to equity holders. The amendment did not have an impact on the interim condensed separate financial statements for the Fund, as there is no tax consequences attached to cash or non-cash distribution.

*IAS 34 Interim Financial Reporting and Segment Information for Total Assets and Liabilities (amendment)*

The amendment clarifies the requirements in IAS 34 relating to segment information for total assets and liabilities for each reportable segment to enhance consistency with the requirements in IFRS 8 *Operating Segments*. Total assets and liabilities for a reportable segment need to be disclosed only when the amounts are regularly provided to the chief operating decision maker and there has been a material change in the total amount disclosed in the entity's previous annual financial statements for that reportable segment. The amendment did not have an impact on the separate financial position, financial performance or information disclosed by the Fund.

*IAS 19 Employee Benefits (revised 2011) (IAS 19R)*

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

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

---

**2. BASIS OF PREPARATION (continued)****New standards, interpretations and amendments (continued)***IFRS 7 Financial Instruments: Disclosure - Offsetting Financial Assets and Financial Liabilities - Amendments to IFRS 7*

The amendment requires an entity to disclose information about rights to set-off financial instruments and related arrangements (e.g., collateral agreements). The disclosures would provide users with information that is useful in evaluating the effect of netting arrangements on an entity's financial position. The new disclosures are required for all recognized financial instruments that are set off in accordance with IAS 32. The disclosures also apply to recognized financial instruments that are subject to an enforceable master netting arrangement or similar agreement, irrespective of whether the financial instruments are set off in accordance with IAS 32. As the Fund is not setting off financial instruments in accordance with IAS 32 and does not have relevant offsetting arrangements, the amendment does not have an impact on the Fund.

*IFRS 10 Consolidated Financial Statements and IAS 27 Separate Financial Statements*

IFRS 10 establishes a single control model that applies to all entities including special purpose entities. IFRS 10 replaces the parts of previously existing IAS 27 *Consolidated and Separate Financial Statements* that dealt with consolidated financial statements and SIC-12 *Consolidation - Special Purpose Entities*. IFRS 10 changes the definition of control such that an investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. To meet the definition of control in IFRS 10, all three criteria must be met, including: (a) an investor has power over an investee; (b) the investor has exposure, or rights, to variable returns from its involvement with the investee; and (c) the investor has the ability to use its power over the investee to affect the amount of the investor's returns. IFRS 10 did not have an impact on the separate financial position, financial performance or information disclosed by the Fund.

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

IFRS 11 replaces IAS 31 *Interests in Joint Ventures* and SIC-13 *Jointly-controlled Entities - Non-monetary Contributions by Venturers*. IFRS 11 removes the option to account for jointly controlled entities (JCEs) using proportionate consolidation. Instead, JCEs that meet the definition of a joint venture under IFRS 11 must be accounted for using the equity method. The amendment had no impact on the Fund's interim condensed separate financial statements.

*IFRS 12 Disclosure of Interests in Other Entities*

IFRS 12 sets out the requirements for disclosures relating to an entity's interests in subsidiaries, joint arrangements, associates and structured entities. None of these disclosure requirements are applicable for separate financial statements. Accordingly, the Fund has not made such disclosures.

*IFRS 13 Fair Value Measurement*

IFRS 13 establishes a single source of guidance under IFRS for all fair value measurements. IFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under IFRS when fair value is required or permitted. The application of IFRS 13 has not materially impacted the fair value measurements carried out by the Fund.

IFRS 13 also requires specific disclosures on fair values, some of which replace existing disclosure requirements in other standards, including IFRS 7 *Financial Instruments: Disclosures*. Some of these disclosures are specifically required for financial instruments by IAS 34.16A(j), thereby affecting the interim condensed financial statements period. The Fund disclosed such information in the notes to these interim condensed separate financial statements.

In addition to the above-mentioned amendments and new standards, IFRS 1 *First-time Adoption of International Financial Reporting Standards* was amended with effect for reporting periods starting on or after 1 January 2013. The Fund is not a first-time adopter of IFRS, therefore, this amendment is not relevant to the Fund.

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

**3. SEASONALITY OF OPERATIONS**

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

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

Investments in subsidiaries, activity, country of incorporation or location of the Fund's subsidiaries, as well as the Fund's share in these subsidiaries are presented as follows:

Company	Activity	Country	Carrying amount			
			June 30, 2013 (unaudited)	December 31, 2012 (audited)	June 30, 2013 (unaudited)	December 31, 2012 (audited)
BTA Bank JSC	Bank services	Kazakhstan	1,320,026	1,320,026	97.26%	97.28%
National Company "Kazakhstan Temir Zholy" JSC	Cargo and passengers railway transportation	Kazakhstan	958,705	835,476	100.00%	100.00%
National Company "KazMunayGas" JSC ("NC KMG")	Oil & gas	Kazakhstan	937,723	928,806	100.00%	100.00%
Samruk-Energy JSC	Production and transportation of heat and electricity	Kazakhstan	264,435	254,652	100.00%	100.00%
National Atomic Company "Kazatomprom" JSC	Uranium production	Kazakhstan	147,275	147,275	100.00%	100.00%
Alliance Bank JSC	Bank services	Kazakhstan	142,075	142,075	67.00%	67.00%
Kazakhstan Electricity Grid Operating Company JSC ("KEGOC")	Electricity transmission	Kazakhstan	113,532	113,129	100.00%	100.00%
Kazakhtelecom JSC	Fixed line communication	Kazakhstan	88,733	88,733	51.00%	51.00%
Logic Business LLP	Mining production		82,946	-	100.00%	-
Logic Invest Capital LLP	Mining production		82,946	-	100.00%	-
Investment House of Dana LLP	Mining production		82,946	-	100.00%	-
United Chemical Company LLP	Development of chemical industry in the Republic of Kazakhstan	Kazakhstan	42,936	40,428	100.00%	100.00%
Real Estate Fund "Samruk-Kazyna" JSC	Stabilization of real estate market	Kazakhstan	31,851	31,851	100.00%	100.00%
Temirbank JSC	Bank services	Kazakhstan	23,488	23,488	79.88%	79.90%
Kazpost JSC	Postal and financial services					
	Engineering	Kazakhstan	11,648	9,564	100.00%	100.00%
	Industry	Kazakhstan	9,850	9,850	100.00%	100.00%
National Company "Kazakhstan Engineering" JSC	Development of mining industry	Kazakhstan	9,464	7,862	100.00%	100.00%
NMC "Tau-Ken Samruk" JSC	Passengers air transportation	Kazakhstan	7,276	7,276	51.00%	51.00%
Air Astana JSC	Airport services	Kazakhstan	6,029	6,029	100.00%	100.00%
International Airport Aktobe JSC	Project management	Kazakhstan	2,570	2,193	100.00%	100.00%
Samruk-Kazyna Contract LLP	Airport services	Kazakhstan	1,454	1,454	100.00%	100.00%
Airport Pavlodar JSC	Airport services	Kazakhstan	1,196	1,196	100.00%	100.00%
International Airport Atyrau JSC	Professional services on investment projects					
Samruk-Kazyna Invest JSC	Scientific activities	Kazakhstan	1,151	1,151	100.00%	100.00%
	Electricity market operators	Kazakhstan	219	219	50.00%	50.00%
Kazakh Research Institute named after Chokin JSC	Design activities	Kazakhstan	161	161	100.00%	100.00%
KOREM JSC	Consulting services	Kazakhstan	6	6	90.00%	90.00%
Karagandagiproshtakt i K LLP			-	-	100.00%	100.00%
Samruk-Kazyna Finance LLP			-	-	100.00%	100.00%

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

## 4. INVESTMENTS IN SUBSIDIARIES (continued)

Company	Activity	Country	Carrying amount		Ownership	
			June 30, 2013 (unaudited)	December 31, 2012 (audited)	June 30, 2013 (unaudited)	December 31, 2012 (audited)
KGf IM	Financial transactions	Cayman Islands	-	-	100.00%	100.00%
KGf Management	Financial transactions	Cayman Islands	-	-	100.00%	100.00%
KGf SLP	Financial transactions	Cayman Islands	-	-	100.00%	100.00%
Development Bank of Kazakhstan JSC	State investment activity	Kazakhstan	-	312,614	-	100.00%
Kazyna Capital Management JSC	Investment funds launching	Kazakhstan	-	69,444	-	100.00%
Entrepreneurship Development Fund "Damu" JSC	Development of small entrepreneurship	Kazakhstan	-	67,771	-	100.00%
Investment Fund of Kazakhstan JSC	Assistance in realization of the strategy of industrial and innovation development	Kazakhstan	-	33,268	-	100.00%
Export-Credit Insurance Corporation "KazExportGarant" JSC	Insurance services	Kazakhstan	-	11,270	-	100.00%
National Geological Company "Kazgeology" JSC	Geological exploration services	Kazakhstan	-	8,586	-	100.00%
East-Kazakhstan Regional Energy Company JSC	Electricity transmission	Казахстан	-	7,723	-	100.00%
SK Pharmacy LLP	Purchase of drugs within the framework of guaranteed medical aid to local population	Kazakhstan	-	700	-	100.00%
Less: impairment provision			(1,231,688)	(1,252,864)		
			3,138,953	3,231,412		

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

---

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

*Changes in investments in subsidiaries*

On February 1, 2013 the Fund acquired 29.8221% of the charter capital of "Kazzinc" LLP through acquisition of 100% of ownership interest in the charter capital of "Logic Business" LLP, "Logic Invest Capital" LLP and Investment House "Dana" LLP, each of which owns 9.9407% ownership interest in "Kazzinc" LLP for the total amount of 248,838 million Tenge (value of each company is 82,946 million Tenge). The consideration for the acquisition was paid by using proceeds received from the placement of the Fund's bonds (*Note 14*). In August 2013 the Fund transferred its ownership interest in "Kazzinc" LLP into the share capital of "NMC "Tau-Ken Samruk" JSC (*Note 23*).

On March 14, 2013 the Fund transferred 100% ownership interest in "East-Kazakhstan Regional Energy Company" JSC into the share capital of "Samruk-Energy" JSC.

During the six months ended June 30, 2013 the Fund made the following contributions:

- to the share capital of NC KMG and KEGOC in the amount of 8,917 million Tenge and 403 million Tenge, respectively. The contributions were made in cash received from the Republican budget (*Note 12*);
- to the share capital of "United Chemical Company" LLP, "Kazpost" LLP, National Mining Company "Tau-Ken Samruk" JSC, "Samruk-Kazyna Contract" LLP in the total amount of 6,571 million Tenge. The contributions were made in cash.

During the six months ended June 30, 2013 the Fund provided loans to National Company "Kazakhstan Temir Zholy" JSC with interest rates below market rates (*Note 6*), where the discount in the amount of 123,229 million Tenge calculated as the difference between the fair value and nominal amount was recognised as an increase in the investment in the subsidiary.

During the six months ended June 30, 2013 the Fund recognized financial guarantees issued in the favor of "Samruk-Energy" JSC and "Development Bank of the Republic of Kazakhstan". The fair value of financial guarantees amounted to 1,998 million Tenge and 808 million Tenge, respectively, and was recognized as liabilities with corresponding increase in the investments in these subsidiaries.

In accordance with the minutes of the meeting held No. 01-7.1 dated January 23, 2013 "On the results of the social-economic development of the Republic of Kazakhstan in 2012 and targets for the execution of the Strategy "Kazakhstan-2050" with a participation of the President of the Republic of Kazakhstan, the Government of the Republic of Kazakhstan was instructed to execute transfer of the development institutions and financial organisations (Development Bank of Kazakhstan JSC, Kazyna Capital Management JSC, Export-Credit Insurance Corporation "KazExportGarant" JSC, Entrepreneurship Development Fund "Damu" JSC, Investment Fund of Kazakhstan JSC) to the control of the newly established agency, 100% shares of which to be controlled by the Government, and transfer of SK Pharmacy LLP to the control of the Ministry of Healthcare of the Republic of Kazakhstan.

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

In May 2013, in accordance with the trust management agreements with a right of full control, the Fund transferred its shares in the development institutions and financial organisations to the Baiterek. Baiterek was established in accordance with the Resolution of the Government. The Fund determined April 10, 2013 (for Entrepreneurship Development Fund "Damu" JSC, Development Bank of Kazakhstan JSC, Kazyna Capital Management JSC, Export-Credit Insurance Corporation "KazExportGarant" JSC, Investment Fund of Kazakhstan JSC) and April 30, 2013 (for SK Pharmacy LLP) as the effective dates of loss control for subsidiaries as the trust management agreements signed in May 2013 were concluded primarily for legal reasons.

The carrying value of the above investments in subsidiaries at the disposal date amounted to 402,982 million Tenge.



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

### 4. INVESTMENTS IN SUBSIDIARIES (continued)

#### *Changes in investments in subsidiaries (continued)*

Given the fact that in April 2013 the Fund lost its control over Development Bank of Kazakhstan JSC, Entrepreneurship Development Fund "Damu" JSC, Investment Fund of Kazakhstan JSC, Kazyna Capital Management JSC, Export-Credit Insurance Corporation "KazExportGarant" JSC, and SK Pharmacy LLP, the Fund ceased their recognition and recorded disposal of these subsidiaries as Transactions with the Shareholder in the interim separate statement of changes in equity for the total amount of 402,982 million Tenge (*Note 12*).

In accordance with the Resolution of the Government National Geological Company "Kazgeology" JSC, the Fund's subsidiary is planned to be transferred to the Ministry of Industry and New Technologies of the Republic of Kazakhstan. These investments in the amount of 8,586 million Tenge were transferred to the assets classified as held for transfer to the Shareholder.

#### *Impairment*

During the six months ended June 30, 2013 the Fund recognized an impairment loss on investments in Logic Business LLP, Logic Invest Capital LLP and Investment House of Dana LLP in the amount of 55,344 million Tenge. The recoverable amount of these investments was determined as their value in use.

In addition, during the six months ended June 30, 2013 the Fund recognized an impairment loss on investments in BTA Bank JSC and Alliance Bank JSC in the amount of 14,830 million Tenge and 1,543 million Tenge, respectively. The recoverable amount of investments in BTA Bank JSC and Alliance Bank JSC was determined as their fair value less cost to sell.

Information on accumulated impairment of investment in the subsidiaries is presented as follows:

<i>In millions of Tenge</i>	June 30, 2013 (unaudited)	December 31, 2012 (audited)
BTA Bank JSC	1,040,516	1,025,686
Alliance Bank JSC	135,828	134,285
Logic Business LLP	18,448	-
Logic Invest Capital LLP	18,448	-
Investment House of Dana LLP	18,448	-
Development Bank of Kazakhstan JSC	-	78,554
Investment Fund of Kazakhstan JSC	-	14,339
<b>Impairment provision</b>	<b>1,231,688</b>	<b>1,252,864</b>

### 5. INVESTMENTS IN ASSOCIATES

Investments in associates were presented as follows:

<i>In millions of Tenge</i>	June 30, 2013 (unaudited)	December 31, 2012 (audited)
<b>Associates</b>		
Shekerbank	18,174	18,174
Astana-Finance JSC	6,516	6,516
Maikainzoloto JSC	281	281
Less: accumulated impairment provision	(6,516)	(6,516)
	<b>18,455</b>	<b>18,455</b>

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

Company	Activity	Country	% in share capital	
			June 30, 2013 (unaudited)	December 31, 2012 (audited)
<b>Associates</b>				
Shekerbank	Bank services	Turkey	21.96%	22.1%
Astana-Finance JSC	Finance organization	Kazakhstan	1.63%	5.52%
Maikainzoloto JSC	Gold production	Kazakhstan	25.00%	25.00%

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

### 5. INVESTMENTS IN ASSOCIATES (continued)

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

On March 16, 2012 the Fund acquired 222,148,406 shares (22.1%) of Turkish bank Shekerbank from BTA Securities JSC (a subsidiary of BTA Bank JSC).

#### *Change in ownership in Astana Finance JSC*

During the six months ended June 30, 2013 the Fund's share in ownership of Astana Finance JSC decreased to 1.63% due to the additional issue of shares by this company on January 17, 2013.

### 6. LOANS ISSUED

Loans issued comprised the following:

<i>In millions of Tenge</i>	June 30, 2013 (unaudited)	December 31, 2012 (audited)
Loans issued to third and related parties	547,248	505,584
Loans issued to subsidiaries	273,252	254,513
Bonds issued by subsidiaries	991	954
Interest accrued	21,724	18,690
Less: Impairment provision	(12,732)	(12,260)
<b>Total loans issued</b>	<b>830,483</b>	<b>767,481</b>
Less: current portion	(133,645)	(110,081)
<b>Non-current portion</b>	<b>696,838</b>	<b>657,400</b>

As at June 30, 2013 the ageing analysis of loans issued is as follows:

<i>In millions of Tenge</i>	June 30, 2013 (unaudited)	December 31, 2012 (audited)
<b>Loans, on which no impairment indicators were identified</b>		
Neither past due nor impaired	827,788	766,159
Past due but not impaired:		
- overdue from 90 to 180 days	1,366	732
- overdue from 180 to 360 days	739	-
- overdue over 360 days	590	590
<b>Total overdue loans issued</b>	<b>2,695</b>	<b>1,322</b>
<b>Total loans issued</b>	<b>830,483</b>	<b>767,481</b>

#### Loans to third and related parties

##### *Kazakhmys Finance PLC*

On January 24, 2013 the Fund provided a loan to Kazakhmys Finance PLC in the amount of 200 million US Dollars (equivalent to 30,330 million Tenge at the exchange rate as at June 30, 2013) with maturity of 12 years. The annual interest rate of the loan is calculated as a basic rate equalled to 6 months LIBOR plus 4.80%. This loan was provided for the development of the Zhomart copper field. The loan was provided from the proceeds received under the credit facility of State China Development Bank in January 2013 (*Note 13*).

#### Loans to subsidiaries

##### *National Company "Kazakhstan Temir Zholy" JSC*

On January 31, 2013 the Fund concluded a loan agreement with National Company "Kazakhstan Temir Zholy" JSC whereby the Fund provided a loan in the amount of 118,346 million Tenge, maturing in 2062 and with the interest rate of 0.1% per annum. This loan was provided to finance the construction of railways of "Zhezkazgan-Beineu" and "Arkalyk-Shubarkol".

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

### 6. LOANS ISSUED (continued)

#### Loans to subsidiaries (continued)

##### National Company "Kazakhstan Temir Zholy" JSC (continued)

On March 7, 2013 the Fund concluded a loan agreement with National Company "Kazakhstan Temir Zholy" JSC whereby the Fund provided a loan of 16,790 million Tenge, maturing in 2038 and with the interest rate of 0.75% per annum to finance the renewal of the rolling stock of railway carriers of "Passenger transportation" JSC.

These loans were provided using funds of the National Fund in accordance with minutes No. 17-5/И-380 dated April 5, 2012 and No. 17-5/11-10 dated January 30, 2013 of the meeting of the State committee on issues related to modernization of the economy of the Republic of Kazakhstan. On initial recognition these loans were assessed at fair value, which comprised 11,907 million Tenge, using the appropriate market interest rates. The difference between the nominal amount of the loans and their fair value in the amount of 123,229 million Tenge was recognised as the increase in the investments in National Company "Kazakhstan Temir Zholy" JSC (Note 4).

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

On September 5, 2012 the Fund concluded a revolving credit line (with a limit of 99,053 million Tenge) with Real Estate Fund "Samruk-Kazyna" JSC. During the six months ended June 30, 2013 the Fund provided additional tranches in the total amount of 19,000 million Tenge, maturing on July 31, 2022, to finance housing construction projects within the framework of the Program "Affordable housing-2020", approved by the Resolution of the Government No. 821 dated June 21, 2012. These loans were provided using funds of National Fund in accordance with the minute of the meeting of the State committee on issues related to modernization of the economy of the Republic of Kazakhstan No. 17-5/И-380 dated April 5, 2012 and considering the redistribution of the funds in accordance with the minute of the meeting No. 17-5/11-10 of the State committee on issues related to modernization of the economy of the Republic of Kazakhstan dated January 30, 2013.

In accordance with the credit facility terms, the Fund has a right to demand an early repayment of the loans from Real Estate Fund "Samruk-Kazyna" JSC each December, and Real Estate Fund "Samruk-Kazyna" JSC is obliged to make an early repayment on demand of the Fund. Therefore, the Fund classifies these loans as short-term.

### 7. AMOUNTS DUE FROM CREDIT INSTITUTIONS

Amounts due from credit institutions comprised the following:

<i>In millions of Tenge</i>	June 30, 2013 (unaudited)	December 31, 2012 (audited)
10 largest local banks	265,230	266,215
Other local credit institutions	116,288	123,172
Interest accrued	9,415	5,153
<b>Total amounts due from credit institutions</b>	<b>390,933</b>	<b>394,540</b>
Less: current portion	(38,297)	(32,760)
<b>Non-current portion</b>	<b>352,636</b>	<b>361,780</b>

<i>In millions of Tenge</i>	June 30, 2013 (unaudited)	December 31, 2012 (audited)
Ratings above BB+	19,672	23,531
Ratings from B to BB-	117,856	118,380
Rating B-	4,203	12,825
Rating lower than B-	158,455	141,767
No rating	90,747	98,037
	<b>390,933</b>	<b>394,540</b>

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

As at June 30, 2013, the Fund has no past due or impaired amounts due from credit institutions.

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

### 8. OTHER FINANCIAL ASSETS

Financial assets comprised the following:

<i>In millions of Tenge</i>	June 30, 2013 (unaudited)	December 31, 2012 (audited)
<b>Financial assets available-for-sale</b>		
Equity securities of Kazakhmys PLC	–	111,925
Equity securities of Kazkommertsbank JSC	27,310	24,828
Equity securities of Halyk Bank of Kazakhstan JSC ("Halyk Bank")	997	1,028
Debt securities	12,711	12,537
<b>Total other financial assets</b>	<b>41,018</b>	<b>150,318</b>
Less: current portion	(28,593)	(26,124)
<b>Non-current portion</b>	<b>12,425</b>	<b>124,194</b>

As at June 6, 2013 the Fund transferred the common shares of "Kazakhmys" PLC (58,876,793 shares) to the state ownership, by their transfer to the State Property and Privatization Committee of the Ministry of Finance of the Republic of Kazakhstan, in accordance with the Resolution of the Government No. 521dsp dated May 28, 2013.

The fair value of the equity securities of Halyk Bank and Kazkommerstbank JSC as at June 30, 2013 and December 31, 2012 was determined on the basis of quoted prices in an active market.

### 9. BANK DEPOSITS

Bank deposits comprised the following:

<i>In millions of Tenge</i>	June 30, 2013 (unaudited)	December 31, 2012 (audited)
10 largest local banks	344,322	284,155
Other local credit institutions	98,700	73,198
Interest accrued	8,976	7,123
<b>Total bank deposits</b>	<b>451,998</b>	<b>364,476</b>
Less: current portion	(263,112)	(159,923)
<b>Non-current portion</b>	<b>188,886</b>	<b>204,553</b>

<i>In millions of Tenge</i>	June 30, 2013 (unaudited)	December 31, 2012 (audited)
Ratings above BB+	29,953	29,957
Ratings from B to BB-	266,730	190,012
Rating B-	6,501	54,115
Ratings lower than B-	148,814	89,894
No rating	–	498
	<b>451,998</b>	<b>364,476</b>

As at June 30, 2013, the weighted average interest rate on long-term bank deposits was 8.01% per annum (December 31, 2012: 7.81% per annum), and the weighted average interest rate on short-term bank deposits was 7.22% per annum (December 31, 2012: 7.74% per annum).

#### *Placement of temporary excess cash*

Within the policy of managing temporary excess cash, the Fund placed deposits with second tier banks in the amount of 103,500 million Tenge with maturity of up to one year and annual interest rate from 4.5% to 8.7%.

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

### 10. OTHER CURRENT ASSETS

Other current assets comprised the following:

<i>In millions of Tenge</i>	June 30, 2013 (unaudited)	December 31, 2012 (audited)
Dividends receivable	52,634	23,996
Other accounts receivable	6,593	6,075
Other	1,483	1,487
Less: impairment provision	(3,921)	(3,619)
	<b>56,789</b>	<b>27,939</b>

### 11. CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprised the following:

<i>In millions of Tenge</i>	June 30, 2013 (unaudited)	December 31, 2012 (audited)
Current accounts with banks – Tenge	137,200	301,829
Current accounts with banks – US Dollars	6,998	
Current accounts with banks – Euro	1,082	602
Term bank deposits – Tenge	40,495	100,543
	<b>185,775</b>	<b>432,972</b>

As at June 30, 2013, the weighted average interest rate on current accounts is equal to 0.22% per annum (December 31, 2012: 0.1% per annum), the weighted average interest rate on term deposits is equal to 0.25% per annum (December 31, 2012: 0.77% per annum).

Total cash balances on bank accounts include funds allocated from the State budget and the National Fund for the Government programs. As at June 30, 2013, these cash balances were accumulated on the accounts with the National Bank and amounted to 177 billion Tenge (December 31, 2012: 395 billion Tenge), including:

- 112 billion Tenge - National Fund's amounts, received under the Stabilization Plan and other State programs (December 31, 2012: 247 billion Tenge);
- 2 billion Tenge - amounts from the State budget received to provide financing to projects implemented by the Fund (December 31, 2012: 6 billion Tenge);
- 63 billion Tenge - the Fund's remaining cash balance required for operating and investing activities (December 31, 2012: 142 billion Tenge).

### 12. EQUITY

Payment for shares	Number of shares authorized and issued	Nominal value per share, in Tenge	Share capital in millions of Tenge
<b>As at December 31, 2011 (audited)</b>	<b>3,480,637,455</b>		<b>4,050,383</b>
Cash contributions	110,000	1,000;100,000 100,000;93,549;	11,000
In-kind contributions	311,538	90,092;80,000;5,704 1,000,000;100,000;	31,153
Contributions of state-owned shares	341,164	282,174; 46,000	304,180
<b>As at June 30, 2012 (unaudited)</b>	<b>3,481,400,157</b>		<b>4,396,716</b>
<b>As at December 31, 2012 (audited)</b>	<b>3,481,526,139</b>		<b>4,409,314</b>
Cash contributions	9,320	901,000; 1,000,000	9,320
<b>As at June 30, 2013 (unaudited)</b>	<b>3,481,535,459</b>		<b>4,418,634</b>

As at June 30, 2013, 3,481,535,459 shares were fully paid (December 31, 2012: 3,481,526,139 shares).

In accordance with the Law of the Republic of Kazakhstan "On Republican budget for 2013-2015" dated November 23, 2012, during the six months ended June 30, 2013 the Shareholder made cash contribution to the share capital of the Fund in the amount of 9,320 million Tenge. This amount is aimed to finance projects implemented by the subsidiaries. (Note 4).

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

### 12. EQUITY (continued)

#### *Transaction with the Shareholder*

In accordance with the trust management concluded during the six months ended June 30, 2013, the Fund transferred organizations under common control of the Shareholder, the shares and ownership interests in subsidiaries (Development Bank of Kazakhstan JSC, Kazyna Capital Management JSC, Export-Credit Insurance Corporation "KazExportGarant" JSC, Entrepreneurship Development Fund "Damu" JSC, Investment Fund of Kazakhstan JSC and SK Pharmacy LLP). The transfer of shares was performed in accordance with the minute No. 01-7.1 dated January 23, 2013 "On the results of the social-economic development of the Republic of Kazakhstan in 2012 and targets for the execution of the Strategy "Kazakhstan-2050" (Note 4) of the meeting held with a participation of the President of the Republic of Kazakhstan. The carrying value of these investments in subsidiaries at the disposal date of disposal amounted to 402,982 million Tenge.

In addition, according to the exchange agreement concluded between the Shareholder and Fund dated March 1, 2010, during the six months ended June 30, 2013 the Shareholder transferred property to the Fund with a fair value of 115 million Tenge.

During the six months ended June 30, 2013 as a result of the above transactions, the Fund recognised Transactions with the Shareholder in the total amount of 402,867 million Tenge directly in the interim separate statement of changes in equity.

#### *Other distributions to the Shareholder*

On June 6, 2013 the Fund transferred common shares of "Kazakhmys" PLC (58,876,793 shares) to the state ownership, by their transfer to the State Property and Privatization Committee of the Ministry of Finance of the Republic of Kazakhstan (Note 8). Disposal of these financial assets was recognised as a distribution to the Shareholder in the amount of 111,925 million Tenge in the interim separate statement of changes in equity.

During the six months ended June 30, 2013 based on the order of the Shareholder, the Fund financed various social projects for the total amount of 4,091 million Tenge (for six months ended June 30, 2012: 3,878 million Tenge). This financing was recognised as distribution to the Shareholder in the interim separate statement of changes in equity.

#### *Dividends to the Shareholder*

On January 19, 2012 the Resolution of the Government No. 139 approved final order of distribution of the Fund's net income for 2010 in the amount of 9,077 million Tenge. This amount was settled against dividends prepaid.

On June 28, 2012 the Fund paid dividends to the Shareholder in the amount of 159,113 million Tenge based on results of 2011 according to the Resolution of the Government No. 850 dated June 26, 2012 (for the six months ended June 30, 2013: nil).

#### *Book value of shares*

In accordance with the decision of the Exchange Board of the Kazakhstan Stock Exchange dated October 4, 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>	June 30, 2013 (unaudited)	December 31, 2012 (audited)
Total assets	5,187,857	5,453,393
Intangible assets	(851)	(931)
Total liabilities	(1,601,926)	(1,602,663)
<b>Net assets for common shares</b>	<b>3,585,080</b>	<b>3,849,799</b>
<b>Number of common shares</b>	<b>3,481,535,459</b>	<b>3,481,526,139</b>
<b>Book value per common share (Tenge)</b>	<b>1,030</b>	<b>1,106</b>

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

### 13. BORROWINGS

Borrowings comprised the following:

<i>In millions of Tenge</i>	June 30, 2013 (unaudited)	December 31, 2012 (audited)
<b>Bonds issued, purchased by subsidiaries:</b>		
- BTA Bank JSC	656,323	652,978
- Alliance Bank JSC	106,820	106,260
- National Company "KazMunayGas" JSC	39,482	41,600
- Temirbank JSC	3,048	3,048
- Samruk Energy JSC	223	-
Bonds issued, purchased by other companies	150,254	150,440
Loans received	411,011	422,445
<b>Total borrowings</b>	<b>1,367,161</b>	<b>1,376,771</b>
Less: amounts due for settlement within 12 months	(43,155)	(81,764)
<b>Amounts due for settlement after 12 months</b>	<b>1,324,006</b>	<b>1,295,007</b>

Borrowings were denominated in the following currencies:

<i>In millions of Tenge</i>	June 30, 2013 (unaudited)	December 31, 2012 (audited)
Tenge-denominated borrowings	956,150	954,326
US dollar-denominated borrowings	411,011	422,445
	<b>1,367,161</b>	<b>1,376,771</b>

Under the credit facility with State China Development Bank, during the six months ended June 30, 2013, the Fund received loans of 200 million US Dollars (equivalent to 30,330 million Tenge at the exchange rate on June 30, 2013). The purpose of the loans was to provide financing to Kazakhmys Finance PLC (Note 6).

### 14. AMOUNTS DUE TO THE GOVERNMENT

Amounts due to the Government comprised the following:

<i>In millions of Tenge</i>	June 30, 2013 (unaudited)	December 31, 2012 (audited)
Bonds purchased by National Bank of Republic of Kazakhstan	129,059	122,263
Other loans from the Government	65,443	63,639
<b>Total amounts due to the Government</b>	<b>194,502</b>	<b>185,902</b>
Less: current portion	(294)	(198)
<b>Non-current portion</b>	<b>194,208</b>	<b>185,704</b>

In January 2013 the Fund placed 255,000,000 coupon bonds, with nominal amount of 1,000 Tenge per bond for the total amount of 255,000 million Tenge with maturity of 50 years and coupon interest of 0.01% per annum. All bonds were purchased by the National Bank of the Republic of Kazakhstan. These bonds were initially recognized at their fair value, calculated using market interest rates applicable to the Fund as of the date of the bonds' placement and subsequently carried at amortised cost. The difference between nominal amount of the bonds and their fair value in the amount of 249,828 million Tenge was recognized in the interim separate statement of changes in equity.

Funds received from the placement of these bonds were used to acquire 29.8221% ownership interest in "Kazzinc" LLP (Note 4).

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

### 15. INTEREST INCOME

Interest income comprised the following:

<i>In millions of Tenge</i>	For six months ended June 30, 2013 (unaudited)	For six months ended June 30, 2012 (unaudited)
Interest on loans issued	31,790	21,948
Unwinding of discount on loans issued	6,574	9,013
Other	1,167	3
	<b>39,531</b>	<b>30,964</b>

### 16. INTEREST EXPENSES

Interest expenses comprised the following:

<i>In millions of Tenge</i>	For six months ended June 30, 2013 (unaudited)	For six months ended June 30, 2012 (unaudited)
Interest on bonds	30,834	23,109
Interest on borrowings	10,037	10,426
Unwinding of discount on financial liabilities	3,426	17,279
Other	584	-
	<b>44,881</b>	<b>50,814</b>

### 17. GENERAL AND ADMINISTRATIVE EXPENSES

General and administrative expenses comprised the following:

<i>In millions of Tenge</i>	For six months ended June 30, 2013 (unaudited)	For six months ended June 30, 2012 (unaudited)
Sponsorship and charitable donations	8,686	2,754
Personnel costs	978	923
Consulting services	647	700
VAT non-recoverable	210	531
Other	1,542	1,713
	<b>12,063</b>	<b>6,621</b>

During the six months ended June 30, 2013 the Fund provided sponsorships in accordance with the General action plan of the Fund on sponsorship and charity for 2013 (further the "Plan"). The sponsorships were provided to finance a number of projects, developed through the Corporate fund "SK-Astana", which is the operator of financing sports' federations in order to develop certain types of sports and projects, approved by the Plan. Furthermore, the sponsorships were provided to other various organizations for the purpose of financing the projects as approved by the Plan.

### 18. FINANCE INCOME

Finance income comprised the following:

<i>In millions of Tenge</i>	For six months ended June 30, 2013 (unaudited)	For six months ended June 30, 2012 (unaudited)
Interest on bank deposits	15,476	11,011
Amortisation of financial guarantees	2,701	8,173
Interest on current bank accounts	162	264
Other	644	438
	<b>18,983</b>	<b>19,886</b>



**NOTES TO THE INTERIM CONDENSED SEPARATE FINANCIAL STATEMENTS  
(continued)**
**19. INCOME TAX EXPENSE**

Income tax expense comprised the following:

<i>In millions of Tenge</i>	For six months ended June 30, 2013 (unaudited)	For six months ended June 30, 2012 (unaudited)
Withholding tax	4,139	4,044
Deferred income tax benefit	(1,562)	(162)
	<b>2,577</b>	<b>3,882</b>

**20. RELATED PARTY TRANSACTIONS**

The following tables provide the total amount of transactions that have been entered into with related parties for the six months ended June 30, 2013 and 2012 and the balances on transactions as at June 30, 2013 and December 31, 2012:

<i>In millions of Tenge</i>		Due from related parties (Note 6, 7, 10)	Due to related parties (Notes 13, 14)	Cash and deposits placed with related parties (Note 9,11)
Other entities controlled by the Government	June 30, 2013 (unaudited)	141,883	241,127	177,456
	December 31, 2012	49,417	188,676	395,060
Subsidiaries	June 30, 2013 (unaudited)	495,013	808,146	214,187
	December 31, 2012	536,373	849,911	211,877
Associates and joint ventures of subsidiaries	June 30, 2013 (unaudited)	16,728	-	-
	December 31, 2012	9,473	-	-

<i>In millions of Tenge</i>		Dividend income	Purchases from related parties (Note 5)	Interest earned from related parties (Note 15, 18)	Interest incurred to related parties (Note 16)
Other entities, controlled by the Government	2013	-	-	3,555	5,751
	2012	-	-	86	14,810
Subsidiaries	2013	65,447	964	27,932	25,644
	2012	162,587	19,085	28,024	25,932
Associates and joint ventures	2013	-	-	-	-
	2012	3,990	-	-	-
Associates and joint ventures of subsidiaries	2013	-	-	413	-
	2012	-	-	313	-

Total compensation to key management personnel included in general and administrative expenses in the accompanying interim separate statement of comprehensive income amounted to 73 million Tenge and 181 million Tenge for the six months ended June 30, 2013 and 2012, respectively. Compensation to key management personnel consists of contractual salary.

**NOTES TO THE INTERIM CONDENSED SEPARATE FINANCIAL STATEMENTS  
(continued)**
**21. 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 which use inputs, which have a significant effect on the recorded fair value, that are not based on observable market data.

<i>In millions of Tenge</i>	<b>June 30, 2013</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	<b>41,018</b>	<b>41,018</b>	–	–
Assets related to call/put options	<b>45,706</b>	–	<b>45,706</b>	–
<b>Liabilities measured at fair value</b>				
Liabilities under call/put options	<b>(43)</b>	–	<b>(43)</b>	–

<i>In millions of Tenge</i>	<b>December 31, 2012</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	<b>150,318</b>	<b>150,318</b>	–	–
Assets related to call/put options	<b>47,429</b>	–	<b>47,429</b>	–
<b>Liabilities measured at fair value</b>				
Liabilities under call/put options	<b>(32)</b>	–	<b>(32)</b>	–

**Fair value of financial instruments**

Comparison by category of carrying amounts and fair values of all of the Fund's financial instruments is provided below:

<i>In millions of Tenge</i>	<b>Carrying amount</b>		<b>Fair value</b>	
	<b>June 30, 2013</b>	<b>December 31, 2012</b>	<b>June 30, 2013</b>	<b>December 31, 2012</b>
<b>Financial assets</b>				
Cash and cash equivalents	<b>185,775</b>	432,972	<b>185,775</b>	432,972
Bank deposits	<b>451,998</b>	364,476	<b>451,998</b>	364,476
Loans issued	<b>830,483</b>	767,481	<b>814,834</b>	770,100
Amounts due from credit institutions	<b>390,933</b>	394,540	<b>386,142</b>	388,771
Other financial assets	<b>41,018</b>	150,318	<b>41,018</b>	150,318
Assets related to call/put options	<b>45,706</b>	47,429	<b>45,706</b>	47,429
Other current assets	<b>56,789</b>	27,939	<b>56,789</b>	27,939
<b>Financial liabilities</b>				
Borrowings	<b>(1,367,161)</b>	(1,376,771)	<b>(1,393,230)</b>	(1,406,192)
Amounts due to the Government	<b>(194,502)</b>	(185,902)	<b>(148,584)</b>	(144,423)
Financial guarantee liabilities	<b>(38,284)</b>	(37,680)	<b>(40,829)</b>	(35,010)
Liabilities under call/put options	<b>(43)</b>	(32)	<b>(43)</b>	(32)

The fair value of loans issued, borrowings, amounts due to the Government and financial guarantee liabilities, amounts due from credit institutions was calculated by discounting the expected cash flows at prevailing interest rates.

The carrying amount of other assets and liabilities approximates their fair value due to the fact that these financial instruments have short maturity.

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

---

**22. FINANCIAL AND CONTINGENT LIABILITIES**

As at June 30, 2013 there were no significant changes in the financial and contingent liabilities of the Fund disclosed in the annual separate financial statements as of December 31, 2012 except the following:

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

In accordance with the minute No. 17-5/II-380 of the State committee on issues related to modernization of the economy in the Republic of Kazakhstan dated April, 5 2012 and the minute No. 17-5/11-10 of the State committee on issues related to modernization of the economy in the Republic of Kazakhstan dated January 30, 2013 the Fund is obliged to finance certain investment projects in the total amount of 514,718 million Tenge during 2012-2014. Taking into account investments made in 2012 and during the six months ended June 30, 2013, the Fund's commitments for 2013-2014 as of June 30, 2013 are 261,188 million Tenge (December 31, 2012: 415,324 million Tenge), including the following projects:

*The Fund financing of a housing construction program – implementation of the "Available housing" program*

In accordance with the Resolution of the Government No. 821 dated June 21, 2012, the Fund and the National Fund are obliged finance housing construction through Real Estate Fund "Samruk-Kazyna" JSC. In accordance with the minutes No. 17-5/11-10 of the State committee on issues related to modernization of the economy in the Republic of Kazakhstan the Fund redistributed 56,615 million Tenge from "Available housing" program to the investment project "Construction of gas pipeline "West-North-Center" (through Kartaly-Tobol-Kokshetau-Astana). As at June 30, 2013 the Fund's commitments dedicated to finance the "Available housing" program with redistribution were equal to 17,200 million Tenge (December 31, 2012: 36,200 million Tenge).

*Implementation of the Fund's investment projects*

As at June 30 2013, the Fund's commitments to finance other investment projects amounted to 243,988 million Tenge (December 31, 2012: 379,124 million Tenge).

In accordance with the minute No. 17-5/11-10 dated January 30, 2013 of the State committee on issues related to modernization of economy in the Republic of Kazakhstan the Fund is obliged to finance investment project "Construction of gas pipeline "West-North-Center" (through Kartaly-Tobol-Kokshetau-Astana) for the total amount of 60,000 million Tenge using own funds of the Fund and/or of NC KMG , including 20,000 million Tenge which are planned for allocation by NC KMG.

In addition, these funds and funds redistributed from the "Available housing" program are planned to be compensated from the Republican budget in 2014 by increasing the share capital of the Fund in the amount of 122,707 million Tenge.

**23. SUBSEQUENT EVENTS**

*Loans issued*

During the second half of 2013, the Fund provided loans to National Company "Kazakhstan Temir Zholy" JSC in the amount of 59,182 million Tenge to finance the renewal of the rolling stock of railway carriers of "Passenger Transportation" JSC and the project "Construction of railway "Zhezkazgan-Beineu". The financing was based on the anti-crisis funds in accordance with the minutes of the meeting No. 17-5/II-380 dated April 5, 2012 and No. 17-5/11-10 dated January 30, 2013 of the State committee on issues related to modernization of the economy of the Republic of Kazakhstan.

*Transfer of legal title of shares in subsidiaries*

In July 2013, for the purposes of the Resolution of the Government No. 516 dated May 25, 2013 "On measures for execution of the Decree of the President of the Republic of Kazakhstan No. 571 dated May 22, 2013 "On certain measures for optimization of the managing system over the development institutions, financial organizations and development of the national economy" Fund and the State Property and Privatization Committee of the Ministry of Finance of the Republic of Kazakhstan signed the exchange agreement whereby the legal title on share interest and share of participation in subsidiaries (Entrepreneurship Development Fund "Damu" JSC, Kazyna Capital Management JSC, Export-Credit Insurance Corporation "KazExportGarant" JSC, Investment Fund of Kazakhstan JSC, Development Bank of Kazakhstan JSC, SK Pharmacy LLP and National Geological Company "Kazgeology" JSC) were transferred to the state ownership in exchange for the state property in accordance with the list attached to the Government

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

---

**23. SUBSEQUENT EVENTS (continued)**

*Transfer of legal title of shares in subsidiaries (continued)*

Resolution. As discussed in *Notes 1, 4* effective control over these subsidiaries was transferred initially to certain government organizations and then to Baiterek under the trust management agreements.

In August 2013, under the stated above exchange agreement Fund completed the transfer to the state ownership the share interest and share of participation in subsidiaries (Entrepreneurship Development Fund "Damu" JSC, Kazyna Capital Management JSC, Export-Credit Insurance Corporation "KazExportGarant" JSC, Investment Fund of Kazakhstan JSC, SK Pharmacy LLP and National Geological Company "Kazgeology" JSC).

In August 2013, Fund transferred 100% interests in Logic Business LLP, Logic Invest Capital LLP, Investment House of Dana LLP, each of which owns 9.9407% ownership interest in "Kazzinc" LLP, into the share capital of "NMC "Tau-Ken Samruk" JSC

*Contributions to share capital*

On July 18, 2013 in accordance with the Resolution of the Government No. 1539 dated December 4, 2012 the Fund received payment for the additionally placed 100% shares of "National Company "Aktau International Sea Commercial Port" JSC.

On August 2013 in accordance with the Resolution of the Government No. 939 "On certain matters on the state property" dated September 14, 2010 the Shareholder made contribution to share capital of the Fund for the amount of 8,352 million Tenge.