

“Sovereign Wealth Fund “Samruk-Kazyna” JSC

Interim condensed separate financial statements
(unaudited)

as at June 30, 2019 and for the six months then ended

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Report on Review of Interim Condensed Separate Financial Information

To the Shareholder, Audit Committee 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, which comprise the interim separate statement of financial position as at 30 June 2019, interim separate statement of comprehensive income, interim separate statement of changes in equity and interim separate statement of cash flows for the six months then ended and selected explanatory notes (interim condensed separate financial information). Management is responsible for the preparation and presentation of this interim condensed separate financial information in accordance with IAS 34, *Interim Financial Reporting*. Our responsibility is to express a conclusion on this interim condensed separate financial information 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 and consequently 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 information of “Sovereign Wealth Fund “Samruk-Kazyna” JSC is not prepared, in all material respects, in accordance with IAS 34, *Interim Financial Reporting*.

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 and that the interim condensed consolidated financial statements of "Sovereign Wealth Fund "Samruk-Kazyna" JSC and its subsidiaries, 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 2019 and for the three and six months then ended and expressed an unqualified conclusion thereon in our review report dated 10 September 2019.

Ernst & Young LLP

Paul Cohn
Audit Partner



Albert Asmatulayev
Auditor

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

10 September 2019

Gulmira Turmagambetova
General Director
Ernst & Young LLP




State audit license for audit activities on
the territory of the Republic of Kazakhstan:
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Kazakhstan on 15 July 2005

INTERIM SEPARATE STATEMENT OF FINANCIAL POSITION

<i>In millions of tenge</i>	Notes	June 30, 2019 (unaudited)	December 31, 2018 (audited) (restated)*
Assets			
Non-current assets			
Property, plant and equipment		9,727	10,294
Investment property		8,065	8,738
Intangible assets		2,135	2,270
Investments in subsidiaries	4	4,177,200	4,173,192
Investments in joint ventures	5	1,538,636	1,538,636
Loans issued and finance lease receivables	6	460,418	388,420
Amounts due from credit institutions	7	305,563	300,954
Other non-current financial assets		1,159	1,101
Other non-current assets	8	31,904	43,533
		6,534,807	6,467,138
Current assets			
Corporate income tax prepaid		2,824	3,954
Loans issued and finance lease receivables	6	238,258	246,655
Amounts due from credit institutions	7	86,283	80,987
Other current assets	9	83,425	78,875
Cash and cash equivalents	10	430,567	357,602
		841,357	768,073
Assets classified as held for distribution to the Shareholder	4	26,966	-
Total assets		7,403,130	7,235,211
Equity and liabilities			
Equity			
Share capital	11	5,148,915	5,133,766
Revaluation reserve of investments at fair value through other comprehensive income		(1,447)	(1,423)
Retained earnings		604,547	482,936
Total equity		5,752,015	5,615,279
Non-current liabilities			
Borrowings	12	716,763	814,451
Loans from the Government of the Republic of Kazakhstan	13	642,215	630,433
Financial guarantee liabilities		22,559	29,290
Deferred tax liabilities		263	263
Other non-current liabilities	14	6,476	10,734
		1,388,276	1,485,171
Current liabilities			
Borrowings	12	139,387	8,774
Loans from the Government of the Republic of Kazakhstan	13	14,107	22,973
Financial guarantee liabilities		3,751	7,592
Other current liabilities	14	105,594	95,422
		262,839	134,761
Total liabilities		1,651,115	1,619,932
Total equity and liabilities		7,403,130	7,235,211


* Certain number shown here do not correspond to the separate financial statements for the year ended December 31, 2018 and reflects adjustments made, refer to Note 2.

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



Beibit Karymsakov

Chief accountant



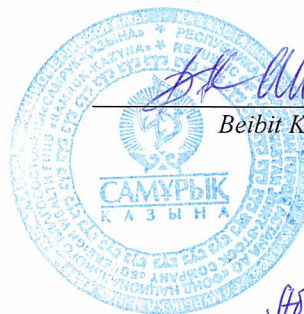
Almaz Abdрахmanova

The notes on pages 5 to 22 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 the six months ended June 30, 2019 (unaudited)	For the six months ended June 30, 2018 (unaudited)
Interest income	15	37,600	33,501
Interest expenses	16	(44,792)	(50,556)
Dividend income	17	182,485	237,485
Gross profit		175,293	220,430
General and administrative expenses	18	(12,685)	(7,320)
Finance income	19	26,589	102,767
Finance expenses		(11,760)	(18,818)
Reversal of/(accrual) of expected credit losses, net		734	(2,644)
Foreign exchange gain, net		51	1,351
Other operating (loss)/income, net		(432)	3,138
Profit before income tax		177,790	298,904
Income tax expenses	20	(1,319)	(3,498)
Net profit for the period		176,471	295,406
Other comprehensive (loss)/income for the period, net of income tax			
Net change in fair value of debt instruments measured at fair value through other comprehensive income		(24)	24
Other comprehensive (loss)/income to be reclassified to profit or loss in subsequent periods, net of income tax		(24)	24
Total comprehensive income for the period, net of income tax		176,447	295,430

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



Beibit Karymsakov

Chief accountant

Almaz Abdrakhmanova

The notes on pages 5 to 22 are an integral part of these interim condensed separate financial statements.

INTERIM SEPARATE STATEMENT OF CASH FLOWS

<i>In millions of tenge</i>	Notes	For the six months ended June 30, 2019 (unaudited)	For the six months ended June 30, 2018 (unaudited) (restated)*
Cash flows from operating activities			
Dividends received		151,300	141,782
Proceeds from borrowings	12	27,533	23,952
Redemption of amounts due from credit institutions		12,817	15,825
Repayment of loans issued		15,340	47,614
Other cash receipts		348	1,575
Loans issued		(25,816)	(73,935)
Payments to suppliers		(4,063)	(5,665)
Payroll payments		(920)	(1,351)
Sponsorship and charity	18	(5,266)	(1,269)
Withholding income tax		(1,319)	(3,398)
Other taxes and payments		(1,300)	(4,426)
Interest received		17,439	29,292
Interest paid		(24,538)	(41,551)
Repayment of loans from the Government	13	(9,579)	-
Repayment of bonds issued		-	(81,000)
Purchase of bonds issued by other parties		(5,751)	-
Net cash flows received from operating activities		146,225	47,445
Cash flows from investing activities			
(Placement)/withdrawal of bank deposits, net		(11,858)	177,407
Contributions to the share capital of subsidiaries	4	(23,147)	(2,500)
Purchase of bonds issued by subsidiaries	6	(56,223)	-
Proceeds from sale of BTA Bank JSC shares	9	30,318	-
Proceeds from redemption of bonds issued by subsidiaries	6	20,000	-
Other proceeds		-	182
Purchase of property, plant and equipment		(224)	(7)
Purchase of intangible assets		(39)	(40)
Acquisition of subsidiaries		-	(89)
Net cash flows (used in) / received from investing activities		(41,173)	174,953
Cash flows from financing activities			
Distributions to the Shareholder	14	(42,613)	(20,800)
Contributions to the share capital	11	15,000	-
Repayment of loans from the Government	13	(4,525)	-
Repayment of loans received		(723)	(307,179)
Other proceeds		3,853	-
Net cash flows used in financing activities		(29,008)	(327,979)
Net increase/(decrease) in cash and cash equivalents		76,044	(105,581)
Effect of exchange rate changes on cash and cash equivalents		(3,079)	10,740
Cash and cash equivalents, at the beginning of the period		357,602	354,577
Cash and cash equivalents, at the end of the period		430,567	259,736

* Certain number shown here do not correspond to the separate financial statements for the six months ended June 30, 2018 and reflects adjustments made, refer to Note 2.

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



Beibit Karymsakov

Chief accountant

Almaz Abarakhmanova

*The notes on pages 5 to 22 are an integral part of these
interim condensed separate financial statements.*

INTERIM SEPARATE STATEMENT OF CHANGES IN EQUITY

<i>In millions of tenge</i>	Notes	Share capital	Revaluation reserve of investments at fair value through other comprehensive income	Retained earnings	Total
Balance as at December 31, 2017 (audited)		5,133,476	(1,177)	234,183	5,366,482
Net profit for the period		-	-	295,406	295,406
Other comprehensive income		-	24	-	24
Total comprehensive income for the period		-	24	295,406	295,430
Other distributions to the Shareholder	11	-	-	(20,870)	(20,870)
Balance as at June 30, 2018 (unaudited)		5,133,476	(1,153)	508,719	5,641,042
Balance as at December 31, 2018 (audited)		5,133,766	(1,423)	482,936	5,615,279
Net profit for the period		-	-	176,471	176,471
Other comprehensive loss		-	(24)	-	(24)
Total comprehensive income for the period		-	(24)	176,471	176,447
Issue of shares		15,149	-	-	15,149
Discount on loans from the Government	11	-	-	(1,796)	(1,796)
Other transactions with the Shareholder	11	-	-	(2,501)	(2,501)
Other distributions to the Shareholder	11	-	-	(50,563)	(50,563)
Balance as at June 30, 2019 (unaudited)		5,148,915	(1,447)	604,547	5,752,015

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



Beibit Karymsakov

Chief accountant

Almaz Abdurakhmanova

The notes on pages 5 to 22 are an integral part of these interim condensed separate financial statements.

NOTES TO THE INTERIM CONDENSED SEPARATE FINANCIAL STATEMENTS (unaudited)

1. GENERAL INFORMATION

Corporate information

“Sovereign Wealth Fund “Samruk-Kazyna” Joint Stock Company (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 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”).

According to the Law of the Republic of Kazakhstan enacted on February 1, 2012 *On Sovereign Wealth Fund № 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 registered address of the Fund: the Republic of Kazakhstan, Nur-Sultan, E-10 Street, 17/10.

These interim condensed separate financial statements were authorized for issue by the Managing Director for Economy and Finance – member of the Management Board and Chief accountant of the Fund on September 10, 2019.

These interim condensed separate financial statements were issued in addition to the interim condensed consolidated financial statements of the Fund. The interim condensed consolidated financial statements were authorized for issue by the Managing Director for Economy and Finance – member of the Management Board and Chief accountant of the Fund on September 10, 2019.

2. BASIS OF PREPARATION

Interim condensed separate financial statements for the six months ended June 30, 2019 were prepared in accordance with International Accounting Standard 34 *Interim Financial Statements* (“IAS 34”). The 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, 2018.

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

Restatements affecting comparative information

Reclassification of Sekerbank TAS

During six months ended as at June 30, 2019 the Fund reclassified investments in Sekerbank TAS from assets classified as held for sale to the other non-current assets. Relevant amendments were made retrospectively.

Impact on comparative information of the separate statement of financial position for the year ended December 31, 2018 is presented below:

<i>In millions of tenge</i>	December 31, 2018 (audited)	Re-classification	December 31, 2018 (restated)
Assets			
Other non-current assets			
Shares in Sekerbank TAS	–	17,986	17,986
	6,449,152	(17,986)	6,467,138
Assets classified as held for sale	17,986	(17,986)	–

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

2. BASIS OF PREPARATION (continued)

Restatements affecting comparative information (continued)

Reclassification of cash flows

In the previously issued interim condensed separate financial statements for the six months ended 30 June 2018, the Fund classified the repayment of loan received in the amount of 307,179 million tenge as cash flows from operating activities. In these condensed separate financial statements for the six months ended 30 June 2019, this amount has been reclassified from cash flows from operating activities to cash flows from financing activities, as this loan was received from the Bank Tokyo-Mitsubishi UFG, LTD to finance the acquisition of 50% shares of KMG Kashagan B.V., which is not a part of main operating activities of the Fund.

Impact on comparative information of the separate statement of cash flows for the six months ended June 30, 2018 is presented below:

<i>In millions of tenge</i>	For the six months ended June 30, 2018 (unaudited)	Re-classification	For the six months ended June 30, 2018 (restated)
Cash flows from operating activities			
Repayment of loans received	(307,179)	307,179	-
Net cash flows received from operating activities	(259,734)	307,179	47,445
Cash flows from financing activities			
Repayment of loans received	-	(307,179)	(307,179)
Net cash flows used in financing activities	(20,800)	(307,179)	(327,979)

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 statement of financial position 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 US dollar at June 30, 2019 and December 31, 2018 was 380.53 and 384.20 tenge to 1 US dollar, respectively. The currency exchange rate as at September 10, 2019 was 385.89 tenge to 1 US dollar.

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

2. BASIS OF PREPARATION (continued)**New standards, interpretations and amendments adopted by the Fund**

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

Following amendments and interpretations were applied for the first time in 2019, but do not have an impact on the interim condensed separate financial statements of the Fund:

- IFRS 16 *Leases*;
- IFRIC Interpretation 23 *Uncertainty over Income Tax Treatment*;
- Amendments to IFRS 9: *Prepayment Features with Negative Compensation*;
- Amendments to IAS 19: *Plan Amendment, Curtailment or Settlement*;
- Amendments to IAS 28: *Long-term Interests in Associates and Joint Ventures*.
- Annual improvements 2015-2017 cycle:
 - IFRS 3 *Business Combinations*;
 - IFRS 11 *Joint Arrangements*;
 - IAS 12 *Income Taxes*;
 - IAS 23 *Borrowing Costs*.

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 (unaudited) (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:

<i>In millions of tenge</i>	Activity	Country	Carrying amount		Ownership	
			June 30, 2019 (unaudited)	December 31, 2018 (audited)	June 30, 2019 (unaudited)	December 31, 2018 (audited)
“National Company “Kazakhstan Temir Zholy” JSC	Cargo and passengers railway transportation	Kazakhstan	1,449,975	1,449,825	100.00%	100.00%
“National Company “KazMunayGas” JSC	Oil and gas industry	Kazakhstan	1,187,621	1,187,621	90.42%	90.42%
“Samruk-Energy” JSC	Production and transportation of heat and electricity	Kazakhstan	452,608	452,608	100.00%	100.00%
“United Chemical Company” LLP	Development of chemical industry of RK	Kazakhstan	336,277	311,246	100.00%	100.00%
“National Mining Company “Tau-Ken Samruk” JSC	Development of mining industry of RK	Kazakhstan	293,135	293,135	100.00%	100.00%
“National Atomic Company “KazAtomProm” JSC	Uranium production and realization	Kazakhstan	125,489	125,489	85.00%	85.00%
“Kazakhstan Electricity Grid Operating Company” JSC (KEGOC JSC)	Electricity transmission	Kazakhstan	120,648	120,648	90.00% + 1	90.00% + 1
“Kazakhtelecom” JSC	Fixed, mobile line telecommunication, IT	Kazakhstan	93,212	93,212	51.00%	51.00%
“Kazpost” JSC	Postal and financial services	Kazakhstan	38,183	38,183	100.00%	100.00%
“Samruk-Kazyna Construction” JSC (former “Real Estate Fund “Samruk-Kazyna” JSC)	Stabilization of real estate market in RK	Kazakhstan	31,849	31,849	100.00%	100.00%
“Samruk-Kazyna Invest” LLP	Professional services on investment projects	Kazakhstan	23,388	23,388	100.00%	100.00%
“Samruk-Kazyna Contract” LLP	Procurement Project Management	Kazakhstan	8,585	8,585	100.00%	100.00%
“Air Astana” JSC	Passengers air transportation	Kazakhstan	7,276	7,276	51.00%	51.00%
“Qazaq Air” JSC	Passengers air transportation	Kazakhstan	5,708	256	100.00%	100.00%
“Samruk-Kazyna Business Service” LLP	Implementation of transformation, IT	Kazakhstan	2,055	2,055	100.00%	100.00%
“Kazakhstan atomic electricity stations” JSC	Realization the construction projects of nuclear power plants	Kazakhstan	1,030	689	100.00%	100.00%
“KOREM” JSC	Operator of electricity market	Kazakhstan	161	161	100.00%	100.00%
“MAEK-Kazatomprom” LLP	Production of electricity and heat, drinking and industrial water	Kazakhstan	-	18,287	100.00%	100.00%
“International Airport Aktobe” JSC	Airport services	Kazakhstan	-	6,029	100.00%	100.00%
“Airport Pavlodar” JSC	Airport services	Kazakhstan	-	1,454	100.00%	100.00%
“International Airport Atyrau” JSC	Airport services	Kazakhstan	-	1,196	100.00%	100.00%
			4,177,200	4,173,192		

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

4. INVESTMENTS IN SUBSIDIARIES (continued)

Changes in investments in subsidiaries

During the six months ended June 30, 2019 the following changes in investments in subsidiaries took place:

- On June 28, 2019 the Fund made contribution to the share capital of “National Company “Kazakhstan Temir Zholy” JSC in the amount of 149 million tenge in the form of property contribution (Note 11).
- The Fund made contributions to the share capital of “United Chemical Company” LLP in the total amount of 25,031 million tenge. Contribution was made in cash in amount of 22,806 million tenge, including 15,000 million tenge using the funds from the Republican budget and 970 million tenge related to recognition of an issued guarantee liability. In addition, the Fund provided additional tranches to “United Chemical Company” LLP in the total amount of 2,817 million tenge with an interest rate below market rate, the discount for which in the amount of 1,255 million tenge calculated as the difference between fair value at the date of loan issue and its nominal value, was recognized as an increase in investments (Note 6).
- On February 28, 2019 the Fund provided a loan to “Qazaq Air” JSC in the amount of 16,000 million tenge with an interest rate below market rate, the discount for which in the amount of 5,452 million tenge calculated as the difference between fair value at the date of loan issue and its nominal value, was recognized as an increase in investments (Note 6).
- On April 9, 2019 the Fund made a contribution to the share capital of “Kazakhstan atomic electricity stations” JSC of 341 million tenge in cash.
- In accordance with the Resolution of the Government of the Republic of Kazakhstan dated July 31, 2019, on September 10, 2019 the Fund transferred 100% shares in “International Airport Aktobe” JSC, “Airport Pavlodar” JSC and “International Airport Atyrau” JSC to the “State property and privatization committee of the Ministry of finance of the Republic of Kazakhstan” (Note 24). As at June 30, 2018, investments in these subsidiaries of 8,679 million tenge were classified as Assets classified as held for distribution to the Shareholder.
- In accordance with the planned measures for the next 12 months to transfer the controlling share of “MAEK-Kazatomprom” LLP to the State property and privatization committee of the Ministry of finance of the Republic of Kazakhstan, the Fund classified investments in this subsidiary in the amount of 18,287 million tenge as Assets classified as held for distribution to the Shareholder as at June 30, 2019.

5. INVESTMENTS IN JOINT VENTURES

Investments in joint ventures were presented as follows:

<i>In millions of tenge</i>	June 30, 2019 (unaudited)	December 31, 2018 (audited)
Joint ventures		
“KMG Kashagan B.V.” PLLC	1,494,941	1,494,941
“AstanaGasKMG” JSC	43,695	43,695
	1,538,636	1,538,636

Activities of joint ventures, country of residence and the Fund’s share is presented as follows:

Company	Activity	Country	Ownership	
			June 30, 2019 (unaudited)	December 31, 2018 (audited)
Joint venture				
“KMG Kashagan B.V.” PLLC	Oil and gas industry	Netherlands	50.00%	50.00%
“AstanaGasKMG” JSC	Transportation of gas	Kazakhstan	50.00%	50.00%

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

6. LOANS ISSUED AND FINANCE LEASE RECEIVABLES

Loans issued and finance lease receivables comprised the following:

<i>In millions of tenge</i>	June 30, 2019 (unaudited)	December 31, 2018 (audited)
Loans issued to subsidiaries	414,680	405,006
- “Samruk-Kazyna Construction” JSC (former “Real Estate Fund “Samruk-Kazyna” JSC)	112,572	119,827
- “Samruk-Energy” JSC	85,025	85,234
- “National Company “Kazakhstan Temir Zholy” JSC	80,515	80,475
- “United Chemical Company” LLP	43,142	39,372
- “Qazaq Air” JSC	38,544	27,857
- Other	54,882	52,241
Loans issued to other parties	18,907	23,619
- “Doszhan Temir Zholy” JSC	7,678	7,865
- “National Company “Kazakhstan Engineering” JSC	5,037	4,920
- “Ayt Housing Complex” LLP	2,450	7,099
- Other	3,742	3,735
Bonds issued by subsidiary companies	182,080	145,000
- “Kazakhtelecom” JSC	100,000	100,000
- “Atyrau Refinery” LLP	57,080	-
- “National Company “Kazakhstan Temir Zholy” JSC	25,000	25,000
- “Samruk-Kazyna Construction” JSC	-	20,000
Bonds issued by other parties	99,733	94,173
- “National Management Holding “Baiterek” JSC	56,151	50,710
- “Baiterek Venture Fund” JSC	40,150	40,150
- Other	3,432	3,313
Interest receivable	12,874	9,804
Less: allowance for expected credit losses	(39,745)	(42,527)
Total loans issued, net	688,529	635,075
Finance lease receivables	10,147	-
Total loans issued and finance lease receivables	698,676	635,075
Less: current portion	(238,258)	(246,655)
Non-current portion	460,418	388,420

Loans issued to subsidiaries

“Samruk-Kazyna Construction” JSC (former “Real Estate Fund” Samruk-Kazyna” JSC) (“SKC”)

In 2012 the Fund entered into a revolving credit line agreement (with a limit of 99,053 million tenge) with SKC, according to which on April 11, 2019 the Fund provided an additional tranche of 876 million tenge. Maturity date is September 5, 2032, interest rate of 2%, loan was provided for the purpose of financing of rental housing with purchase within the framework of “Nurly Zher” housing construction program, approved by the Resolution of the Government of the Republic of Kazakhstan on June 22, 2018 № 372 (former “Affordable Housing – 2020” program).

In accordance with the credit line agreement terms, the Fund has a right to demand an early repayment of the loans from SKC at any time, and SKC 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 agreement to the SKC as current.

During the six months ended June 30, 2019 SKC made a partial early repayment of loans due to the Fund loans in the amount of 8,131 million tenge (for the six months ended June 30, 2018: 15,090 million tenge).

As at June 30, 2019 the total book value of the principal and interest receivable for all loans provided to SKC amounted 114,191 million tenge (as at December 31, 2018: 121,362 million tenge).

**NOTES TO THE INTERIM CONDENSED SEPARATE FINANCIAL STATEMENTS
(unaudited) (continued)****6. LOANS ISSUED AND FINANCE LEASE RECEIVABLES (continued)****Loans issued to subsidiaries (continued)***“United Chemical Company” LLP (“UCC”)*

On December 15, 2017 the Fund entered into a loan agreement with UCC for the total amount not more than 9,100 million tenge, according to which during the six months, ended June 30, 2019 the Fund provided two additional tranches in the total amount of 2,817 million tenge for the purpose of further issue of a loan to “Polymer Production” LLP with a maturity date of each tranche by December 31, 2023 – December 31, 2032 and a fixed interest rate of 0.1% during the grace period until June 1, 2022 – January 1, 2026.

At initial recognition the loan was recognized at fair value of 1,562 million tenge using appropriate market interest rates. The difference between the nominal value and the fair value of the loan at the date of recognition of 1,255 million tenge was recognized as an increase in investments in a subsidiary (*Note 4*).

As at June 30, 2019 the total book value of the principal and interest receivable on all loans issued to UCC amounted to 43,145 million tenge (as at December 31, 2018: 39,403 million tenge).

“Qazaq Air” JSC

On March 29, 2017 the Fund and “Qazaq Air” JSC signed a loan agreement, under which in the first half of 2019 the Fund provided three additional tranches in the total amount of 2,759 million tenge with maturity on December 31, 2030 and an interest rate of 0.01%. Loan was provided for the purpose of financing working capital, including covering costs of operating leases, maintenance of aircraft engineering and technical support, aviation insurance and the hiring of flight personnel.

On February 25, 2019 the Fund entered into a loan agreement with “Qazaq Air” JSC, under which on February 28, 2019 the Fund provided a loan in the amount of 16,000 million tenge with a maturity date on February 28, 2031 and an interest rate of 0.1%. The loan was provided for the purpose acquiring two new aircraft using the funds of the National Fund of the Republic of Kazakhstan. At initial recognition the loan was recognized at fair value of 10,548 million tenge using appropriate market interest rates. The difference between the nominal value and the fair value of the loan at the date of recognition of 5,452 million tenge was recognized as an increase in investments in a subsidiary (*Note 4*).

On March 1, 2019 “Qazaq Air” JSC repaid financial aid of 2,987 million tenge provided in 2017 for the purposes of financing of 20% of the cost of two new aircraft.

As at June 30, 2019 the total book value of the principal and interest receivable of all loans issued to “Qazaq Air” JSC amounted 38,550 million tenge (as at December 31, 2018: 27,861 million tenge).

Loans issued to other parties*“Ayt Housing Complex” LLP (“Ayt Housing Complex”)*

On April 16, 2019 Ayt Housing Complex made a partial repayment of loans by transferring property in the form of a land in amount of 4,728 million tenge (*Note 8*). As at June 30, 2019 the total book value of the principal and interest receivable of all loans issued to “Ayt Housing Complex” LLP amounted 2,631 million tenge (as at December 31, 2018: 8,003 million tenge).

Bonds issued by subsidiaries*“Atyrau Refinery” LLP (hereinafter – “ANPZ”)*

On January 9, 2019 the Fund and ANPZ signed a bond sale-purchase agreement for total amount of 150 million US dollars. The transaction on purchase was carried out in tenge at the exchange rate at the date of the contract and amounted to 56,223 million tenge. Repayment of principal debt and interest payment is carried out in tenge at the exchange rate at the maturity date, indexed to the exchange rate at the bond issue date. Bonds were purchased using own available funds of the Fund. Bonds were acquired with maturity date on January 21, 2024 and a coupon rate of 5% per annum. As at June 30, 2019 the total book value of the principal and interest receivable amounted to 58,415 million tenge.

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

6. LOANS ISSUED AND FINANCE LEASE RECEIVABLES (continued)

Bonds issued by subsidiaries (continued)

“Samruk-Kazyna Construction” JSC

During the six months ended June 30, 2019 SKC totally and on time repaid coupon bonds with a nominal value of total amount of 20,000 million tenge.

Bonds issued to other parties

“National Management Holding “Baiterek” JSC

On January 17, 2019 the Fund purchased one of bonds of “National Managing Holding “Baiterek” JSC in the amount of 5,751 million tenge with a maturity in March 2026 and an interest rate of 0.15%. The funds from the bonds placement are provided for granting a loan to the subsidiary of the issuer, “Baiterek Development” JSC, for the acquisition of debt securities of local executive bodies of regions, Nur-Sultan and Almaty cities, issued for financing housing construction and completion of problematic housing projects in the Nur-Sultan city. Financing is carried out using the funds of the National fund.

At initial recognition this bond was assessed at a fair value of 3,250 million tenge, using appropriate market interest rates. The difference between the nominal value and the fair value of the loan at the date of recognition of 2,501 million tenge was recognized as Transactions with the Shareholder (*Note 11*).

As at June 30, 2019 and December 31, 2018 all loans issued and finance lease receivables were denominated in tenge.

7. AMOUNTS DUE FROM CREDIT INSTITUTIONS

Amounts due from credit institutions comprised the following:

<i>In millions of tenge</i>	June 30, 2019 (unaudited)	December 31, 2018 (audited)
10 largest local banks	347,115	339,773
Other local credit institutions	45,789	45,451
Interest receivable	6,945	2,658
Less: allowance for expected credit losses	(8,003)	(5,941)
Total amount due from credit institutions	391,846	381,941
Less: current portion	(86,283)	(80,987)
Non-current portion	305,563	300,954

<i>In millions of tenge</i>	June 30, 2019 (unaudited)	December 31, 2018 (audited)
Rating from BBB-(Baa3) to BB-(Ba3)	118,746	129,631
Rating from B+(B1) to B-(B3)	281,103	258,251
Less: provision for expected credit losses	(8,003)	(5,941)
	391,846	381,941

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

<i>In millions of tenge</i>	June 30, 2019 (unaudited)	December 31, 2018 (audited)
Amounts due from credit institutions, in tenge	372,271	362,210
Amounts due from credit institutions, in US dollars	19,575	19,731
	391,846	381,941

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

7. AMOUNTS DUE FROM CREDIT INSTITUTIONS (continued)

Amounts due from credit institutions are mainly represented by funds placed with banks and other financial institutions for financing activities within the framework approved by the Government (targeted loans), as well as bank deposits placed in accordance with the policy on management of temporary available cash.

<i>In millions of tenge</i>	June 30, 2019 (unaudited)	December 31, 2018 (audited)
Bonds placed with “Forte Bank” JSC	187,798	176,196
Funds placed in banks and other financial institutions for financing activities within the framework approved by the Government	146,440	157,832
Bank deposits placed under the policy of temporary available cash	65,611	53,854
Less: provision for expected credit losses	(8,003)	(5,941)
Total amounts due from credit institutions	391,846	381,941
Less: current portion	(86,283)	(80,987)
Non-current portion	305,563	300,954

Funds in banks and credit institutions to finance activities within the framework approved by the Government (targeted loans)

As at June 30, 2019 amounts placed with banks and other financial organizations for financing purposes approved by the Government were mainly represented by loans and bank deposits denominated in tenge, issued to the following banks and other financial entities:

- “Entrepreneurship Development Fund “Damu” JSC in the amount of 19,416 million tenge to finance small and medium businesses (as at December 31, 2018: 19,416 million tenge). Interest on these loans was charged at rates 5.5% per annum.
- “Development Bank of Kazakhstan” JSC for decreasing funding costs of leasing, stimulating export of Kazakhstan’s locomotives and reducing lending rate for investment projects in priority segments of economy of 19,516 million tenge, 4,166 million tenge and 2,362 million tenge, respectively (as at December 31, 2018: 18,989 million tenge, 4,078 million tenge and 2,610 million tenge, respectively). Interest on these loans was charged at rates from 0.2% to 0.6% per annum.
- Second-tier banks for refinancing mortgages and financing of student loans, construction of housing in Nur-Sultan and Almaty and provision of intermediary housing loans of 68,464 million tenge, 1,820 million tenge and 23,215 million tenge, respectively (as at December 31, 2018: 71,931 million tenge, 1,825 million tenge and 31,934 million tenge, respectively). Interest on these loans was charged at rates from 1% to 7.28% per annum.
- Bonds of “Tsesna Bank” JSC in amount of 7,481 million tenge (as at December 31, 2018: 7,049 million tenge). A coupon interest rate was of 0,1% per annum.

Bank deposits placed under the policy of temporary available cash

In accordance with the policy on management of temporary available cash, the Fund places deposits with Kazakhstani commercial second-tier banks. As of June 30, 2019 the weighted average interest rate on short-term bank deposits in tenge was 10.30% per annum (as of December 31, 2018: 9.82%), for short-term deposits in US dollars was 2% per annum (December 31, 2018: 2%).

As at June 30, 2019 and December 31, 2018 the Fund had no long-term bank deposits.

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

8. OTHER NON-CURRENT ASSETS

Other non-current assets comprised the following:

<i>In millions of tenge</i>	June 30, 2019 (unaudited)	December 31, 2018 (audited)
Shares of Shekerbank TAS	14,374	17,986
SAP licenses	12,204	12,204
Land (Note 6)	4,728	–
Property held for sale	327	327
Non-current receivables (Note 6)	–	6,026
Other	274	6,994
Less: provision for expected credit losses	(3)	(4)
	31,904	43,533

9. OTHER CURRENT ASSETS

Other current assets comprised the following:

<i>In millions of tenge</i>	June 30, 2019 (unaudited)	December 31, 2018 (audited)
Dividends receivable	51,211	20,025
- “National Company “KazMunayGas” JSC	33,455	–
- “National Company “Kazakhstan Temir Zholy” JSC	16,425	16,425
- “Samruk-Kazyna Construction” JSC	1,331	–
- “National Mining Company “Tau-Ken Samruk” JSC	–	3,600
Receivable from sale of banks’ shares	25,841	48,265
Restricted cash	18,551	18,522
Other receivables	9,672	14,469
Other	6,102	6,367
Less: provision for expected credit losses	(27,952)	(28,773)
	83,425	78,875

Receivables from sale of banks’ shares

As at June 30, 2019 receivables from sale of banks’ shares are presented by discounted value of deferred payments due from Mr. Utemuratov adjusted for indexation for shares of following banks:

- 19,444 million tenge for shares of Temirbank JSC (as at December 31, 2018: 19,402 million tenge);
- 6,397 million tenge for shares of Aliance Bank JSC (as at December 31, 2018: 6,026 million tenge).

The receivables for shares of above-mentioned banks are due on December 31, 2019.

In the first half of 2019 Mr. Rakishev fully repaid receivables due for sale of “BTA Bank” JSC shares in the amount of 30,318 million tenge.

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

10. CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprised the following:

<i>In millions of tenge</i>	June 30, 2019 (unaudited)	December 31, 2018 (audited)
Current accounts with banks in US dollars	261,817	261,132
Current accounts with banks in tenge	88,397	70,007
Term bank deposits with banks in tenge and US dollars	80,335	450
Current accounts with banks in other foreign currency	18	16
Term bank deposits with banks in US dollars	9	–
Term securities with National bank in tenge	–	25,997
Less: provision for expected credit losses	(9)	–
	430,567	357,602

As at June 30, 2019 the weighted average interest rate on current accounts in tenge is equal to 0.1% per annum (as at December 31, 2018: 0.1%), on current accounts in US dollars is equal to 2.55% per annum (as at December 31, 2018: 2.55%), the weighted average interest rate on term deposits placed with second-tier banks in tenge is equal to 7.5% per annum (as at December 31, 2018: 7.66 %), the weighted average interest rate on term deposits placed with second-tier banks in US dollars is equal to 2% per annum (as at December 31, 2018: absent).

11. EQUITY

Share capital

	Number of shares authorized and issued	Par value per share, in tenge	Share capital in millions of tenge
Payment for shares			
As at December 31, 2018 (audited)	3,481,939,318		5,133,766
Cash contributions	1,500	10,000,000	15,000
Property contributions	14,951	10,000	149
As at June 30, 2019 (unaudited)	3,481,955,769		5,148,915

As at June 30, 2019 3,481,955,769 shares were fully paid (as at December 31, 2018: 3,481,939,318 shares).

Cash contributions

On February 19, 2019 the Shareholder made cash contribution to the Fund’s share capital of 15,000 million tenge. These amounts were aimed to finance projects implemented by subsidiary of the Fund UCC (Note 4).

Property contributions

On June 28, 2019 the State property and privatization committee contributed property of 149 million tenge to the Fund’s share capital. This property was transferred to the charter capital of subsidiary KTZh (Note 4).

Other distributions to the Shareholder

For the six months ended June 30, 2019 on the basis of the Shareholder’s resolutions the Fund recognized the financing of various social projects for a total amount of 50,563 million tenge (for the six months ended June 30, 2018: 20,870 million tenge) (Note 14). This financing was recognized as other distributions to the Shareholder in an interim separate statement of changes in equity.

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

11. EQUITY (continued)

Transactions with Shareholder

On January 17, 2019 in accordance with the Minutes of the meeting of the Council on the management of the National Fund of the Republic of Kazakhstan dated August 7, 2017, the Fund sent uncontracted funds under the State Infrastructure Development Program “Nurly Zher” in the amount of 5,751 million tenge for the purchase of bonds of National holding company Baiterek JSC. The difference between the nominal value and the fair value of 2,501 million tenge was recognized as transaction with the Shareholder in the separate statement of changes in equity (*Note 6*).

In the first half of 2019 the Fund made partial early repayment of bond liabilities due to the National bank in the amount 4,525 million tenge, as a result of which recognized amortization of discount on loans from the Government of 1,796 million tenge in the separate statement of changes in equity (*Note 13*).

Book value of shares

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

<i>In millions of tenge</i>	June 30, 2019 (unaudited)	December 31, 2018 (audited)
Total assets	7,403,130	7,235,211
Less: intangible assets	(2,135)	(2,270)
Less: total liabilities	(1,651,115)	(1,619,932)
Net assets for common shares	5,749,880	5,613,009
Number of common shares	3,481,955,769	3,481,939,318
Book value per common share (tenge)	1,651	1,612

12. BORROWINGS

Borrowings comprised the following:

<i>In millions of tenge</i>	June 30, 2019 (unaudited)	December 31, 2018 (audited)
Loans received	524,481	496,719
Bonds issued and purchased by third parties	289,394	284,670
Bonds issued and purchased by subsidiaries	42,275	41,836
Total borrowings	856,150	823,225
Less: current portion	(139,387)	(8,774)
Non-current portion	716,763	814,451

Borrowings comprised the following currencies:

<i>In millions of tenge</i>	June 30, 2019 (unaudited)	December 31, 2018 (audited)
Borrowings, denominated in tenge	627,729	592,597
Borrowings, denominated in US dollars	228,421	230,628
	856,150	823,225

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

12. BORROWINGS (continued)

Loans received

Interest-free loan from National Company KazMunayGas JSC

In the first half of 2019 the Fund received additional tranches from “National Company KazMunayGas” JSC of 27,533 million tenge, which were used to repay the Fund’s obligations under coupon bonds. The difference between the nominal value and the fair value of the loan at the date of issue of tranches of 7,350 million tenge was recognized as finance income in separate statement of comprehensive income (*Note 19*).

As at June 30, 2019 the total book value of the principal equaled 276,249 million tenge (as at December 31, 2018: 245,556 million tenge).

13. LOANS FROM THE GOVERNMENT OF THE REPUBLIC OF KAZAKHSTAN

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

<i>In millions of tenge</i>	June 30, 2019 (unaudited)	December 31, 2018 (audited)
Bonds repurchased by the National Bank of the Republic of Kazakhstan using the funds of the National Fund	599,071	588,226
Other loans from the Government	57,251	65,180
Total amounts due to the Government of the Republic of Kazakhstan	656,322	653,406
Less: current portion	(14,107)	(22,973)
Non-current portion	642,215	630,433

Bonds purchased by the National Bank of the Republic of Kazakhstan

In the first half of 2019 with regard to the corporate decisions of the Fund there was partial early repayment of bonds at their nominal value of 4,525 million tenge issued within the framework of eleventh Fund’s bond issue acquired earlier by the National Bank of the Republic of Kazakhstan. According to this, the Fund recognized amortization of discount on loans from the Government of discount in the amount of 1,796 million tenge in separate statement of changes in equity (*Note 11*).

Other loans from the Government of the Republic of Kazakhstan

In the first half of 2019 the Fund repaid budget loans received from the Ministry of Finance of the Republic of Kazakhstan for a total amount of 9.579 million tenge.

14. OTHER LIABILITIES

<i>In millions of tenge</i>	June 30, 2019 (unaudited)	December 31, 2018 (audited)
Liabilities due to “Samruk-Energy” JSC	68,495	69,156
Liabilities to finance other social projects:		
Construction of Athletics complex in Astana	40,832	31,796
Construction of Kazakh drama theatre	14,150	21,174
Nazarbayev University	13,480	–
Other social projects	10,282	9,882
Other liabilities	2,920	740
Total amount of other liabilities	2,743	5,204
Less: current portion	(105,594)	(95,422)
Non-current portion	6,476	10,734

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

14. OTHER LIABILITIES (continued)

Liabilities to finance other social projects

For the six months ended June 30, 2019 on the basis of the Shareholder’s resolutions the Fund recognized liabilities to finance various social projects for total amount of 50,563 million tenge (for the six months ended June 30, 2018: 20,870 million tenge) (Note 11).

For the six months ended June 30, 2019 actual amount of financing totaled 42,613 million tenge (for the six months ended June 30, 2018: 20,800 million tenge).

15. INTEREST INCOME

Interest income comprised the following:

<i>In millions of tenge</i>	For the six months ended June 30, 2019 (unaudited)	For the six months ended June 30, 2018 (unaudited)
Unwinding of discount on loans issued	17,240	13,923
Interest on acquired bonds	13,708	1,396
Interest on loans issued	6,652	13,585
Other	–	4,597
	37,600	33,501

16. INTEREST EXPENSES

Interest expenses comprised the following:

<i>In millions of tenge</i>	For the six months ended June 30, 2019 (unaudited)	For the six months ended June 30, 2018 (unaudited)
Interest on bonds issued	22,168	23,754
Unwinding of discount on financial liabilities	17,148	16,713
Interest on borrowings	5,476	9,230
Other	–	859
	44,792	50,556

17. DIVIDEND INCOME

<i>In millions of tenge</i>	For the six months ended June 30, 2019 (unaudited)	For the six months ended June 30, 2018 (unaudited)
“National Atomic Company “Kazatomprom” JSC	68,065	135,012
“National Mining Company “Tau-Ken Samruk” JSC	60,000	45,000
“National Company “KazMunayGas” JSC	33,455	32,676
“Kazakhstan Electricity Grid Operating Company” JSC	12,760	9,390
“Kazakhtelecom” JSC	4,351	8,890
“Samruk-Energy” JSC	2,041	2,041
“Air Astana” JSC	–	1,961
“National Company “Kazakhstan Temir Zholy” JSC	–	1,710
Other subsidiaries	1,813	805
	182,485	237,485

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

18. GENERAL AND ADMINISTRATIVE EXPENSES

General and administrative expenses comprised the following:

<i>In millions of tenge</i>	For the six months ended June 30, 2019 (unaudited)	For the six months ended June 30, 2018 (unaudited)
Sponsorship and charity	5,266	1,269
Personnel costs	1,283	1,296
Other	6,136	4,755
	12,685	7,320

Sponsorship and charity

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

Other

Other expenses include other administrative expenses, including the compensation to the members of the management body – the Board of Directors of 227 million tenge (for the six months ended June 30, 2018: 163 million tenge), transfers to subordinate organizations to sustain the operating activities of 626 million tenge (for the six months ended June 30, 2018: 637 million tenge) and other administrative expenses for maintaining operating activities of the Fund.

19. FINANCE INCOME

Finance income comprised the following:

<i>In millions of tenge</i>	For the six months ended June 30, 2019 (unaudited)	For the six months ended June 30, 2018 (unaudited)
Amortization of financial guarantees	11,583	3,773
Discount on borrowings (Note 12)	7,350	78,863
Interest on current bank accounts	2,792	1
Interest on bank deposits	2,393	14,466
Amortization of discount on financial assets	935	3,863
Other	1,536	1,801
	26,589	102,767

20. INCOME TAX EXPENSES

Income tax expenses comprised the following:

<i>In millions of tenge</i>	For the six months ended June 30, 2019 (unaudited)	For the six months ended June 30, 2018 (unaudited)
Withholding tax expense	1,319	3,398
Deferred income tax expense	-	100
	1,319	3,498

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

21. RELATED PARTY TRANSACTIONS

The following tables provide the total amount of transactions that have been entered into with related parties during the six months ended June 30, 2019 and June 30, 2018 and balances as at June 30, 2019 and December 31, 2018:

<i>In millions of tenge</i>		Due from related parties	Due to related parties	Cash and deposits placed with related parties
Subsidiaries	June 30, 2019 (unaudited)	597,452	388,105	–
	December 31, 2018 (audited)	553,499	356,593	17
Associates and joint ventures of subsidiaries	June 30, 2019 (unaudited)	6,280	–	–
	December 31, 2018 (audited)	6,431	–	–
Other entities controlled by the Government	June 30, 2019 (unaudited)	173,381	737,792	65,011
	December 31, 2018 (audited)	175,990	753,392	94,946

As at June 30, 2019 amount due to related parties includes the Fund’s liabilities on guarantees issued to financial institutions for financing activities and significant contracts of its subsidiaries and related parties.

<i>In millions of tenge</i>		Dividend income	Purchases from related parties	Revenue from sales to related parties	Other income incurred to related parties
Subsidiaries	June 30, 2019 (unaudited)	182,485	1,673	279	3,853
	June 30, 2018 (unaudited)	237,485	1,501	1,855	–

<i>In millions of tenge</i>		Interest accrued to related parties	Interest incurred to related parties	Finance income accrued to related parties	Finance expenses incurred to related parties
Subsidiaries	June 30, 2019 (unaudited)	27,802	12,571	7,377	10,510
	June 30, 2018 (unaudited)	93,528	14,915	78,944	13,103
Associates and joint ventures of subsidiaries	June 30, 2019 (unaudited)	281	–	–	–
	June 30, 2018 (unaudited)	294	–	–	–
Other entities controlled by the Government	June 30, 2019 (unaudited)	4,325	29,403	534	–
	June 30, 2018 (unaudited)	6,535	28,152	361	–

Total compensation to key management personnel included in general and administrative expenses in the accompanying interim separate statement of comprehensive income was equal to 284 million tenge for the six months ended June 30, 2019 (for the six months ended June 30, 2018: 235 million tenge), The indicated amount includes the compensation to the members of the Management Board, in the total amount of 227 million tenge for the six months ended June 30, 2019 (for the six months ended June 30, 2018: 163 million tenge).

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

22. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Fair value of financial instruments

The carrying (current) amount of the financial instruments of the Fund as at June 30, 2019 and December 31, 2018 is a reasonable estimate of their fair value except for the financial instruments presented below:

<i>In millions of tenge</i>	2019		2018	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Amounts due from credit institutions (Note 7)	391,846	359,706	381,941	368,141
Loans with fixed interest rate (Note 6)	698,676	668,743	635,075	615,692
Financial liabilities				
Borrowings with fixed interest rate / bonds issued (Note 12)	856,150	851,292	823,225	827,304
Loans from the Government of the Republic of Kazakhstan (Note 13)	656,322	530,774	653,406	533,935
Financial guarantee liabilities	26,310	18,217	36,882	26,357
Other liabilities	112,070	112,230	100,211	100,467

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

23. COMMITMENTS AND CONTINGENT LIABILITIES

Contingent liabilities

The Fund assesses the probability of occurrence of material liabilities and reflects the corresponding reserve in interim condensed separate financial statements only when there is a reasonable probability that the events leading to the occurrence of the obligation will occur and the amount of the corresponding liability can be reliably determined. In this interim condensed separate financial statement, there was no provision for any contingent liabilities.

As at June 30, 2019, 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, 2018.

Obligations for the reuse of anti-crisis funds

As at June 30, 2019, the Fund’s commitments include liabilities to finance the “Nurly zher” (former “Affordable Housing-2020”) program in the amount of 5,689 million tenge and obligations to finance investment projects in the amount of 92,531 million tenge, including:

- Financing the implementation of the investment project “Construction of an integrated gas and chemical complex in Atyrau region. The first phase” in the amount of no more than 92,316 million tenge, including at the expense of funds previously allocated for the implementation of the investment project “Construction of an integrated gas and chemical complex in Atyrau region. Second phase” in the amount of 12,495 million tenge;
- Financing of the project “Creation of a special economic zone “Taraz Chemical Park” in the amount of 215 million tenge.

Legal proceedings

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

On September 14, 2017 the pre-judgement attachment in respect of the Fund’s rights on management of 50% KMG Kashagan B.V. shares was imposed with regard to the decision of Amsterdam Court (the “Pre-judgement Attachment”).

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

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

23. COMMITMENTS AND CONTINGENT LIABILITIES (continued)**Legal proceedings (continued)**

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

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

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

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

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

24. SUBSEQUENT EVENTS**Changes in investments in subsidiaries and Equity**

On August 22, 2019 the Shareholder made contribution to the share capital of the Fund in the amount of 10,000 million tenge in cash.

On September 3, 2019 these funds were used to increase investments in UCC for financing the projects implemented by the subsidiary.

Assets classified as held for distribution to the Shareholder

On September 10, 2019 the Fund transferred 100% shares in three airports: “International Airport Aktobe” JSC, “Airport Pavlodar” JSC and “International Airport Atyrau” JSC to the “State property and privatization committee of the Ministry of finance of the Republic of Kazakhstan”.