

“Sovereign Wealth Fund “Samruk-Kazyna” JSC

Interim condensed separate financial statements
(unaudited)

as at June 30, 2021 and for the six months then ended

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Report on Review of Interim Financial Information

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, which comprise the interim condensed separate statement of financial position as at 30 June 2021, interim condensed separate statement of comprehensive income, interim condensed separate statement of changes in equity and interim condensed separate statement of cash flows for the six months then ended and selected explanatory notes (interim financial information). Management is responsible for the preparation and presentation of this interim financial information in accordance with IAS 34, *Interim Financial Reporting*. Our responsibility is to express a conclusion on this interim 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 financial information of "Sovereign Wealth Fund "Samruk-Kazyna" JSC is not prepared, in all material respects, in accordance with IAS 34, *Interim Financial Reporting*.

Ernst & Young LLP



Adil Syzdykov
Auditor

Auditor Qualification Certificate
No. MΦ-0000172 dated 23 December 2013

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

10 September 2021



Rustamzhan Sattarov
General Director
Ernst & Young LLP

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

INTERIM SEPARATE STATEMENT OF FINANCIAL POSITION

<i>In millions of tenge</i>	Notes	June 30, 2021 (unaudited)	December 31, 2020 (audited)
Assets			
Non-current assets			
Property, plant and equipment		10,506	10,405
Investment property		5,245	6,314
Intangible assets		802	850
Investments in subsidiaries	4	4,427,073	4,342,227
Investments in joint ventures	5	1,545,552	1,545,552
Loans issued and finance lease receivables	6	582,312	566,913
Amounts due from credit institutions	7	399,525	399,221
Other non-current financial assets		694	1,373
Other non-current assets	8	27,519	32,481
		6,999,228	6,905,336
Current assets			
Income tax prepaid		2,203	1,883
Loans issued and finance lease receivables	6	164,036	167,608
Amounts due from credit institutions	7	28,343	36,473
Other current assets	9	121,798	14,538
Cash and cash equivalents	10	390,273	344,292
		706,653	564,794
Assets for distribution to Shareholder		-	161
Total assets		7,705,881	7,470,291
Equity and liabilities			
Equity			
Share capital	11	5,258,657	5,258,657
Revaluation reserve of investments at fair value through other comprehensive income		(1,472)	(1,472)
Retained earnings		710,480	519,489
Total equity		5,967,665	5,776,674
Non-current liabilities			
Borrowings	12	911,672	847,877
Loans from the Government of the Republic of Kazakhstan	13	567,154	562,448
Financial guarantee liabilities		45,249	38,184
		1,524,075	1,448,509
Current liabilities			
Borrowings	12	157,625	151,789
Loans from the Government of the Republic of Kazakhstan	13	13,411	30,773
Financial guarantee liabilities		4,519	5,243
Other current liabilities	14	38,586	57,303
		214,141	245,108
Total liabilities		1,738,216	1,693,617
Total equity and liabilities		7,705,881	7,470,291

Managing Director for Economy and Finance
member of the Management Board



Chief accountant

Nazira Nurbayeva

Nazira Nurbayeva

Almaz Abdrakhmanova

Almaz Abdrakhmanova

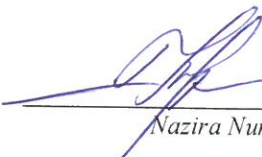
The accounting policies and notes on pages 5 to 23 are an integral part of these interim condensed separate financial statements (unaudited).

INTERIM SEPARATE STATEMENT OF COMPREHENSIVE INCOME

<i>In millions of tenge</i>	Notes	For the six months ended June 30, 2021 (unaudited)	For the six months ended June 30, 2020 (unaudited)
Interest income	15	45,405	43,922
Interest expenses	16	(32,369)	(36,228)
Dividend income	17	235,064	203,738
Gross profit		248,100	211,432
General and administrative expenses	18	(12,772)	(9,123)
Finance income	19	12,068	13,864
Finance expenses	20	(23,083)	(18,154)
Gain on disposal of share in subsidiary	4	-	75,299
Reversal of / (accrual) of expected credit losses, net		(2,691)	911
Foreign exchange income/(loss), net		(2,013)	8,750
Other income/(loss), net		2,386	(1,112)
Profit before income tax		221,995	281,867
Income tax expenses	21	(1,258)	(1,746)
Net profit for the period		220,737	280,121
Total comprehensive income for the period, net of income tax		220,737	280,121

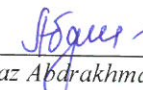
Managing Director for Economy and Finance –
member of the Management Board





Nazira Nurbayeva

Chief accountant



Almaz Abdrakhmanova

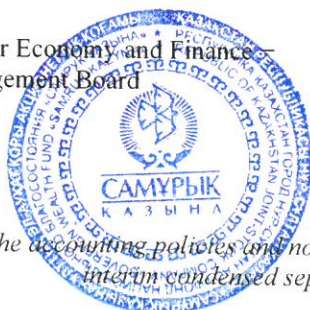
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INTERIM SEPARATE STATEMENT OF CASH FLOWS

<i>In millions of tenge</i>	Notes	For the six months ended June 30, 2021 (unaudited)	For the six months ended June 30, 2020 (unaudited)
Cash flows from operating activities			
Dividend received	17	120,096	200,672
Loans received	12	21,442	26,141
Repayment of loans issued		12,114	25,032
Refunds in credit institutions		26,524	3,679
Redemption of loans received from the Government		(23,285)	(440)
Loans given to subsidiaries	6	(3,360)	(5,846)
Payments to suppliers		(3,274)	(3,866)
Payroll payments		(1,459)	(1,081)
Sponsorship	18	(4,991)	(1,689)
Withholding tax		(1,773)	(1,746)
Other taxes and payments		(1,207)	(1,094)
Interest received		16,388	21,830
Interest paid		(21,711)	(23,217)
Income under trust management agreements		-	2,088
Other supply		3,642	818
Net cash flows received from operating activities		139,146	241,281
Cash flows from investing activities			
Placement/withdrawal of bank deposits, net		-	(23,500)
Contributions to subsidiaries	4	(70,272)	(30,894)
Proceeds from the sale of bank shares		6,287	5,671
Proceeds from redemption of bonds issued by subsidiaries	6	(173)	(40)
Purchase of property, plant and equipment		(51)	(255)
Purchase of intangible assets		8,564	-
Purchase of debt instruments, issued by subsidiaries		(15,695)	-
Net cash flows used in investing activities		(71,340)	(49,018)
Cash flows from financing activities			
Contributions to the share capital	11	-	26,000
Distributions to the Shareholder	14	(47,649)	(19,998)
Repayment of loans received		(65,083)	(723)
Proceeds on disposal of partial interest in a subsidiary that does not involve loss of control	4	-	83,944
Loan proceeds	12	86,969	-
Issued bonds received	12	-	129,200
Redemptions on issued bonds	12	-	(129,200)
Repayment of Government loans	13	-	(50,182)
Other income		64	44
Net cash flows received / (used in) from financing activities		(25,699)	39,085
Net increase in cash and cash equivalents		42,107	231,348
Effect of exchange rate changes on cash and cash equivalents		3,874	15,541
Cash and cash equivalents, at the beginning of the period		344,292	312,836
Cash and cash equivalents, at the end of the period		390,273	559,725

Managing Director for Economy and Finance
member of the Management Board

Chief accountant



(Signature)

Nazira Nurbayeva

(Signature)

Almaz Abdрахманова

The accounting policies and notes on pages 5 to 23 are an integral part of these interim condensed separate financial statements (unaudited).

INTERIM SEPARATE STATEMENT OF CHANGES IN EQUITY

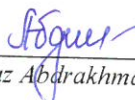
<i>In millions of tenge</i>	Notes	Share capital	Revaluation reserve of investments at fair value through other comprehensive income	Retained earnings	Total
Balance as at December 31, 2019 (audited)		5,229,112	(1,472)	501,281	5,728,921
Net profit for the period		-	-	280,121	280,121
Total comprehensive income for the period		-	-	280,121	280,121
Issue of shares		28,731	-	-	28,731
Discount on loans from the Government		-	-	(18,743)	(18,743)
Other distributions to the Shareholder	14	-	-	(15,648)	(15,648)
Balance as at June 30, 2020 (unaudited)		5,257,843	(1,472)	747,011	6,003,382
Balance as at December 31, 2020 (audited)		5,258,657	(1,472)	519,489	5,776,674
Net profit for the period		-	-	220,737	220,737
Total comprehensive income for the period		-	-	220,737	220,737
Other distributions to the Shareholder	14	-	-	(29,585)	(29,585)
Assets for distribution to Shareholder		-	-	(161)	(161)
Balance as at June 30, 2021 (unaudited)		5,258,657	(1,472)	710,480	5,967,665

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



Chief accountant


Nazira Nurbayeva


Almaz Abdrakhmanova

The accounting policies and notes on pages 5 to 23 are an integral part of these interim condensed separate financial statements (unaudited).

**NOTES TO THE INTERIM CONDENSED SEPARATE FINANCIAL STATEMENTS
(unaudited)****As at June 30, 2021 and for the six months then ended**

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* No. 550-IV, the Fund’s activities are focused on improving the sovereign wealth of the Republic of Kazakhstan by increasing long-term value of the Fund’s group companies and by effective management of the Fund’s group assets.

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

The 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, 2021.

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, 2021.

2. BASIS OF PREPARATION

Interim condensed separate financial statements for the six months ended June 30, 2021 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, 2020.

All amounts in these interim condensed separate financial statements are rounded to the nearest million tenge, 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 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, 2021 and December 31, 2020 was 427.89 and 420.91 tenge to 1 US dollar, respectively. The currency exchange rate as at September 10, 2021 was 426.52 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, 2020, except for the adoption of new standards and interpretations effective from January 1, 2021. 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 2021, but do not have an impact on the interim condensed separate financial statements of the Fund:

Interest Rate Reform – Phase 2 – Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16

The amendments provide temporary exemptions that apply to address financial reporting implications in cases where the interbank offer rate (IBOR) is replaced by an alternative virtually risk-free interest rate. The amendments provide the following:

- A practical expedient according to which changes in contract or changes in cash flows directly required by the reform should be treated as changes in the floating interest rate equivalent to a change in the market interest rate;
- Allows for changes required by the IBOR reform to the definition of the hedging relationship and the hedging documentation without terminating the hedging relationship;
- Entities are granted a temporary exemption from the requirement for separately identifiable components when an instrument with a risk-free rate is designated at the entity’s discretion as a risk component in a hedging relationship.

These amendments did not have an impact on the interim condensed separate financial statements of the Fund. The Fund intends to apply the practical expedients in future periods, if necessary.

Operating environment

The economy of the Republic of Kazakhstan continues to display some characteristics of an emerging market. It is especially sensitive to fluctuations in the price of oil and gas and other minerals, which make up the bulk of the country’s exports. These features also include, but are not limited to, the existence of a national currency that is not freely convertible outside the country, and a low level of liquidity in the securities market.

Exchange rate volatility has and may continue to have a negative impact on the economy of the Republic of Kazakhstan, including reduced liquidity and difficulties in attracting international financing.

Management believes it is taking all the necessary measures to maintain the sustainability and growth of the Fund’s operations in the current circumstances. The future economic and regulatory environment may differ from management’s current expectations

Considerations in respect of COVID-19 (coronavirus) pandemic and the current economic environment

The impact of COVID-19 and the current economic environment on the basis of preparation of this interim condensed separate financial information has been considered. The Fund continues to consider it appropriate to adopt the going concern basis of accounting in preparing the interim condensed separate financial information. Forecast liquidity has been assessed under a number of stressed scenarios to support this assertion.

The significant accounting judgments and estimates of the Fund were disclosed in its separate financial statements for the year ended December 31, 2020. These were subsequently reviewed at the end of the six months ended June 30, 2021 to determine if any changes were required to these judgments and estimates as a result of the current market conditions. The valuation of certain assets and liabilities is subject to a greater level of uncertainty than when reported in the annual separate financial statements, including those set out below.

Impairment of investments in subsidiaries and joint ventures

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

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

2. BASIS OF PREPARATION (continued)**Impairment of investments in subsidiaries and joint ventures (continued)**

The change in the estimated recoverable amount may result in an additional impairment or a reversal of the impairment and thus an impairment reversal being recognised in future periods.

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

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

Due to existing impairment indicators, the Fund performed an impairment test for property, plant and equipment and intangible assets as at June 30, 2021. Recoverable amount of investments in KTZh was determined using value in use method.

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

The operational assumptions used in the test reflect expected volumes of transportation services, including transit volumes, based on projected demand and historical growth dynamic of transit freight transportations volumes.

Financial assumptions include significant estimates associated with tariff forecasts and growth rates, discounts, and projected tenge to Swiss Franc exchange rates. The key long-term assumptions that were used in the calculation were an annual growth rate of 3.09% and a discount rate of 10.35%.

Based on the calculation no impairment was identified. However, the value in use estimate is sensitive particularly to the following assumptions:

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

The Fund conducted a sensitivity analysis and came to the conclusion that with changes in the key assumptions individually and the remaining parameters unchanged, there will be no impairment:

- Freight traffic volumes in transit – a decrease in volumes in the next 5 years by 0.19% compared to the planned ones;
- Discount rate (WACC) – an increase in the discount rate from 10.35% to 10.43%.

Adverse changes in the planned growth rates of freight turnover associated with general trends in the country’s economy, insufficient indexation of tariffs to inflation, continued volatility of the tenge against foreign currencies, changes in the level of government support, as well as adverse changes in other factors in the future, may lead to incurring a significant impairment loss in the periods in which such changes occur.

Impairment of investments in “AstanaGas KMG” JSC (“AstanaGas”)

Due to existing impairment indicators, the Fund performed an impairment test as at June 30, 2021. Recoverable amount of investments in AstanaGas was determined using value in use method. The value in use was estimated as the present value of the terminal value (in the post-forecast period) of “Saryarka” gas pipeline. The terminal value calculation was formed on the basis of the assumption that “Saryarka” gas pipeline in the entire modeling period, including the post-forecast period, will be owned by AstanaGas, which allows the company to continue to lease it after 2033 on conditions that satisfy shareholders of AstanaGas, that is after the period during which the lease payments will go mainly to service loans.

Discount rate (WACC) of 12.4% was used in calculations. As a result of this analysis, as at June 30, 2021, no impairment was identified. Increase in WACC for 1% will result in the carrying amount of assets being equal to the recoverable amount.

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

2. BASIS OF PREPARATION (continued)

Impairment of investments in subsidiaries and joint ventures (continued)

Impairment of investments in “United Chemical Company” LLP (“UCC”)

Due to existing impairment indicators, the Fund performed an impairment test for property, plant and equipment and intangible assets as at June 30, 2021. Recoverable amount of investments in UCC was determined using value in use method. When the carrying amount of an investment exceed its recoverable amount, the investment is considered impaired and is written down to its recoverable amount.

Financial assumptions include significant estimates associated with polypropylene tariff forecasts and growth rates, and projected tenge to US dollar exchange rates. The key long-term assumptions that were used in the calculation were an annual growth rate of 2.1% and a discount rate of 8.5% in the US dollar.

Based on the calculation no impairment was identified. However, the value in use estimate is sensitive particularly to the following assumptions:

- Sales volumes of polypropylene;
- US dollar exchange rate;
- The discount rate (WACC).

Majority of the UCC’s projects are at the early stage of the development, thus being sensitive for the external and internal factors, such as delays on the projects’ stages and the economics of the projects. Significant changes of each of the before listed factors in the future, or the simultaneous impact of several before listed factors, may trigger incur of significant losses due to the impairment during the periods, when these changes would occur.

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, 2021 (unaudited)	December 31, 2020 (audited)	June 30, 2021 (unaudited)	December 31, 2020 (audited)
“National Company “Kazakhstan Temir Zholy” JSC	Cargo and passengers railway transportation	Kazakhstan	1,494,701	1,490,915	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	456,033	456,033	100.00%	100.00%
“United Chemical Company” LLP	Development of chemical industry of RK	Kazakhstan	508,734	427,843	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%
“Kazakhstan Electricity Grid Operating Company” JSC (KEGOC JSC)	Electricity transmission	Kazakhstan	120,648	120,648	90.00% + 1	90.00% + 1
“National Atomic Company “KazAtomProm” JSC	Uranium production and realization	Kazakhstan	110,608	110,608	75.00%	75.00%
“Kazakhtelecom” JSC	Fixed, mobile line telecommunication, IT	Kazakhstan	93,212	93,212	52.03%	52.03%
“Samruk-Kazyna Invest” LLP	Professional services on investment projects	Kazakhstan	68,517	67,341	100.00%	100.00%
“Kazpost” JSC	Postal and financial services	Kazakhstan	42,902	42,663	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%
“Qazaq Air” JSC	Passengers air transportation	Kazakhstan	8,180	8,162	100.00%	100.00%
“Air Astana” JSC	Passengers air transportation	Kazakhstan	7,276	7,276	100.00%	100.00%
“Samruk-Kazyna Business Service” LLP	Implementation of transformation, IT	Kazakhstan	2,606	2,606	51.00%	51.00%
“Kazakhstan atomic electricity stations” JSC	Realization the construction projects of nuclear power plants	Kazakhstan	1,030	1,030	100.00%	100.00%
“Samruk-Kazyna Contract” LLP	Procurement Project Management	Kazakhstan	21	1,285	100.00%	100.00%
“KOREM” JSC	Operator of electricity market	Kazakhstan	-	-	100.00%	100.00%
			4,427,073	4,342,227		

**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, 2021 the following changes in investments in subsidiaries took place:

- In the first half of 2021, the Fund made a contribution to the authorized capital of JSC “National Company “Kazakhstan Temir Zholy” in the form of a property contribution, the book value of which was 3,786 million tenge.
- The amount of investments in UCC increased by a total amount of 80,891 million tenge, mainly due to a contribution to the authorized capital in the form of a cash contribution of 70,033 million tenge, including 53,345 million tenge at the expense of the National Fund and 16,688 million tenge at the expense of its own funds. The Fund also provided UCC with two additional tranches of the loan in the amount of 1,161 million tenge with an interest rate below market, the discount for which in the amount of 73 million tenge, calculated as the difference between the fair value at the date of issuance of this loan and its nominal value, was recognized as an increase investment (Note 6). During the period, the Fund recognized additional liabilities under the issued financial guarantee in the amount of 10,785 million tenge in connection with the receipt by UCC of additional tranches on the loan from the China Development Bank.
- On January 15, 2021, the Fund provided a bond loan to its subsidiary Samruk-Kazyna Invest LLP in the total amount equivalent to 4,195 million tenge with an interest rate below market, with a discount of 1,176 million tenge calculated as the difference between the fair value at the date the issuance of this loan and its nominal value was recognized as an increase in investment.
- On May 6, 2021, the Fund made a contribution to the authorized capital of Kazpost JSC in the amount of 239 million tenge in the form of a cash contribution.
- On May 11, 2021, the Fund decided to reduce the size of the authorized capital of Samruk-Kazyna Contract LLP by the amount of 1,264 million tenge, the amount of the reduction was recognized as part of accounts receivable, which was repaid on June 30, 2021 by transferring funds to the Fund’s account.
- The Fund provided to Qazaq Air JSC additional tranches on the loan totaling 499 million tenge at below market interest rate, the discount on which is 18 million tenge, calculated as the difference between the fair value at the date of issuance of this loan and its nominal value, was recognized as an increase in investment (Note 6).

For the six months ended June 30, 2020, the Fund sold 6.28% of Kazatomprom shares on the Astana International Financial Center Exchange, as well as on the London Stock Exchange, through an IPO. As a result of the transaction, the Fund recognized the disposal of an investment in a subsidiary in the amount of 9,271 million tenge, income from the disposal of a share in a subsidiary, net of commission expenses, in the amount of 75,299 million tenge in a separate statement of comprehensive income. The total amount of funds received equal to 83,944 million tenge.

5. INVESTMENTS IN JOINT VENTURES

Investments in joint ventures were presented as follows:

<i>In millions of tenge</i>	June 30, 2021 (unaudited)	December 31, 2020 (audited)
Joint ventures		
“KMG Kashagan B.V.” PLLC	1,494,941	1,494,941
“AstanaGas KMG” JSC	43,695	43,695
“Ekibastuz GRES-2” JSC	16,390	16,390
Less: allowance on impairment	(9,474)	(9,474)
	1,545,552	1,545,552

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

5. INVESTMENTS IN JOINT VENTURES (continued)

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

Company	Activity	Country	Ownership	
			June 30, 2021 (unaudited)	December 31, 2020 (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%
“Ekibastuz GRES-2” JSC	Production, transmission and distribution of electrical energy	Kazakhstan	50.00%	50.00%

6. LOANS ISSUED AND FINANCE LEASE RECEIVABLES

Loans issued and finance lease receivables comprised the following:

<i>In millions of tenge</i>	June 30, 2021 (unaudited)	December 31, 2020 (audited)
Loans issued to subsidiaries	381,774	383,927
- “Samruk-Energy” JSC	88,913	89,517
- “Samruk-Kazyna Construction” JSC	73,731	79,921
- “National Company “Kazakhstan Temir Zholy” JSC	83,709	83,558
- “Qazaq Air” JSC	66,943	63,963
- “United Chemical Company” LLP	54,034	50,803
- Other	14,444	16,165
Loans issued to other parties	15,685	15,841
- “Doszhan Temir Zholy” JSC	6,834	7,047
- “National Company “Kazakhstan Engineering” JSC	5,274	5,220
- Other	3,577	3,574
Bonds issued by subsidiary companies	256,633	245,127
- “Kazakhtelecom” JSC	75,000	75,000
- “National Company “Kazakhstan Temir Zholy” JSC	45,594	45,183
- “Atyrau Refinery” LLP	38,510	44,196
- “Samruk-Kazyna Construction” JSC	11,700	-
- Other	85,829	80,748
Bonds issued by other parties	110,149	107,407
- “National Management Holding “Baiterek” JSC	66,033	63,431
- “Baiterek Venture Fund” JSC	40,150	40,150
- Other	3,966	3,826
Interest receivable	19,716	17,027
Less: allowance for expected credit losses	(43,817)	(42,144)
Total loans issued	740,140	727,185
Finance lease receivables	6,208	7,336
Total loans issued and finance lease receivables	746,348	734,521
Less: current portion	(164,036)	(167,608)
Non-current portion	582,312	566,913

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

6. LOANS ISSUED AND FINANCE LEASE RECEIVABLES (continued)

Loans issued to subsidiaries

“Samruk-Kazyna Construction” JSC (“SKC”)

For the six months ended June 30, 2021, SKC made partial early repayment of loans in the amount of 6,191 million tenge (for the six months ended June 30, 2020: 20,286 million tenge).

As of June 30, 2021, the total carrying amount of principal and interest receivable on all loans issued by SKC was 73,731 million tenge (December 31, 2020: 79,921 million tenge).

“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, 2021 the Fund provided two additional tranches in the total amount of 1,161 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 December 30, 2023 and January 1, 2026, respectively.

At initial recognition the loan was recognized at fair value of 1,088 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 73 million tenge was recognized as an increase in investments in a subsidiary (Note 4).

As at June 30, 2021 the total book value of the principal and interest receivable on all loans issued to UCC amounted to 54,043 million tenge (as at December 31, 2020: 50,838 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 2021 the Fund provided additional tranches in the total amount of 1,700 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 October 24, 2019, the Fund entered into a loan agreement with Qazaq Air JSC, according to which, in the first half of 2020, the Fund provided additional tranches in the amount of 499 million tenge, with a maturity period until October 24, 2034 and an interest rate of 2.5%. The purpose of the loan is the purchase of three new aircraft. Financing was carried out at the expense of the National Fund of the Republic of Kazakhstan. On initial recognition, this loan was measured at fair value of 481 million tenge using appropriate market interest rates. The difference between the nominal amount and the fair value of the loan at the recognition date in the amount of 18 million tenge was recognized as an increase in the investment in the subsidiary (Note 4).

As of June 30, 2021, the total carrying amount of principal and interest receivable on all loans issued to Qazaq Air JSC was 66,955 million tenge (December 31, 2020: 63,972 million tenge).

Bonds issued by subsidiaries

“Samruk-Kazyna Construction” JSC (“SKC”)

In the first half of 2021, the Fund and SKC entered into a bond purchase-sale agreement, according to which the Fund on March 15, 2021 purchased bonds in the amount of 2 billion Russian rubles (equivalent to 11,500 million tenge at the exchange rate at the date of payment), with a loan maturity until December 10, 2022 and a remuneration rate of 8%. The purpose is to finance investment projects.

“Atyrau Refinery” LLP (“AR”)

On January 15, 2021, AR partially repaid the loan in the amount of 6,287 million tenge in accordance with the schedule for repayment of the principal debt.

As at June 30, 2021, the total book value of principal and interest receivable is 39,380 million tenge (as at December 31, 2020: 45,192 million tenge).

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

7. AMOUNTS DUE FROM CREDIT INSTITUTIONS

Amounts due from credit institutions comprised the following:

<i>In millions of tenge</i>	June 30, 2021 (unaudited)	December 31, 2020 (audited)
10 largest local banks	394,245	393,172
Other local credit institutions	30,114	47,576
Interest receivable	11,200	2,371
Less: allowance for expected credit losses	(7,691)	(7,425)
Total amount due from credit institutions	427,868	435,694
Less: current portion	(28,343)	(36,473)
Non-current portion	399,525	399,221

<i>In millions of tenge</i>	June 30, 2021 (unaudited)	December 31, 2020 (audited)
Rating from BBB-(Baa3) to BB-(Ba3)	80,005	104,774
Rating from B+(B1) to B-(B3)	355,554	338,345
Less: provision for expected credit losses	(7,691)	(7,425)
	427,868	435,694

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

<i>In millions of tenge</i>	June 30, 2021 (unaudited)	December 31, 2020 (audited)
Amounts due from credit institutions, in tenge	427,782	435,610
Amounts due from credit institutions, in US dollars	86	84
	427,868	435,694

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, 2021 (unaudited)	December 31, 2020 (audited)
Bonds placed with second-tier banks	338,962	320,817
Funds placed in banks and other financial institutions for financing activities within the framework approved by the Government	96,511	122,218
Bank deposits placed under the policy of temporary available cash	86	84
Less: provision for expected credit losses	(7,691)	(7,425)
Total amounts due from credit institutions	427,868	435,694
Less: current portion	(28,343)	(36,473)
Non-current portion	399,525	399,221

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

7. AMOUNTS DUE FROM CREDIT INSTITUTIONS (continued)

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

As at June 30, 2021 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, 2020: 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 5,834 million tenge, 2,636 million tenge and 2,010 million tenge, respectively (as at December 31, 2020: 21,200 million tenge, 4,446 million tenge and 2,270 million tenge, respectively). Interest on these loans was charged at rates from 0.2% to 0.6% per annum;
- Second-tier banks for refinancing mortgage loans and student loans, construction of residential properties in the cities of Nur-Sultan and Almaty and provision of interim housing loans in the amount of 54,792 million tenge, 1,771 million tenge and 10,052 million tenge, respectively (31 December 2020: 58,258 million tenge, 1,771 million tenge and 14,857 million tenge, respectively). Nominal interest rates on these loans range from 1% to 7.28% per annum.

Bank deposits placed under the policy of temporary available cash

As part of the policy for the management of temporarily available funds, the Fund places deposits in Kazakhstan second-tier banks. As at June 30, 2021, the rate on short-term bank deposits in dollars was 1.75% per annum (December 31, 2020: 1.75%), there were no deposits in tenge. As of June 30, 2021, and December 31, 2020, the Fund had no long-term bank deposits.

8. OTHER NON-CURRENT ASSETS

Other non-current assets comprised the following:

<i>In millions of tenge</i>	June 30, 2021 (unaudited)	December 31, 2020 (audited)
Property for transfer	24,611	24,611
SAP licenses	10,670	12,927
Land	-	4,728
Long-term accounts receivable of SKC for the sale of a land plot	2,086	-
Other	232	294
Less: provision for SAP licenses impairment	(10,080)	(10,079)
	27,519	32,481

On May 5, 2021, the Fund and SKC entered into a purchase and sale agreement, according to which the Fund sold the land plot in favor of the subsidiary SKC at a market value of 5,154 million tenge, upon transfer, an income of 426 million tenge was recognized as part of the report on comprehensive income.

In accordance with the terms of the agreement, SKC made the first payment in the amount of 1,350 million tenge, the second tranche is planned to be made on April 1, 2022 and the third tranche on March 1, 2023, respectively, the Fund recognized short-term and long-term receivables.

As of June 30, 2021, SKC’s long-term receivables amount to 2,086 million tenge for the sale of a land plot with a maturity date until March 1, 2023.

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

9. OTHER CURRENT ASSETS

Other current assets comprised the following:

<i>In millions of tenge</i>	June 30, 2021 (unaudited)	December 31, 2020 (audited)
Restricted cash	18,437	18,447
Dividends receivable:	113,581	-
“National Atomic Company “KazAtomProm” JSC	112,561	-
SKC	1,020	-
Other receivables	6,917	13,302
Other	11,386	11,322
Less: provision for expected credit losses	(28,523)	(28,533)
	121,798	14,538

In April 2021, the Fund recognized a dividend receivable in the amount of 112,561 million tenge, which was repaid on July 15, 2021.

10. CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprised the following:

<i>In millions of tenge</i>	June 30, 2021 (unaudited)	December 31, 2020 (audited)
Term bank deposits with banks, in US dollars	171,998	168,791
Term bank deposits with banks, in tenge	87,111	45,271
Current accounts with banks, in US dollars	64,405	67,437
Current accounts with banks, in tenge	24,647	62,740
Treasury securities, in tenge	42,093	-
Current accounts with banks, in other foreign currency	67	58
Less: provision for expected credit losses	(48)	(5)
	390,273	344,292

The Fund for the first time within the framework of diversification decided to place free liquidity in money market instruments, namely, auto REPO with government securities and short-term notes of the National Bank of the Republic of Kazakhstan with a maturity of up to 3 months.

As of June 30, 2021, the interest rate on current accounts was 0.18% per annum (December 31, 2020: 0.14%), the weighted average interest rate on time deposits with second-tier banks was 8.6% per annum (December 31, 2020: 8.52%) the weighted average interest rate on time deposits in second-tier banks in dollars was 0.48% per annum (December 31, 2020: 0.49%).

11. EQUITY

Share capital

	Number of shares authorized and issued	Share capital in millions of tenge
Payment for shares		
As at December 31, 2020 (audited)	3,481,960,408	5,258,657
As at June 30, 2021 (unaudited)	3,481,960,408	5,258,657

No shares were registered in the first half of 2021.

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

11. EQUITY (continued)

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, 2021 (unaudited)	December 31, 2020 (audited)
Total assets	7,705,881	7,470,291
Less: intangible assets	(802)	(850)
Less: total liabilities	(1,738,216)	(1,693,617)
Net assets for common shares	5,966,863	5,775,824
Number of common shares	3,481,960,408	3,481,960,408
Book value per common share (tenge)	1,714	1,659

12. BORROWINGS

Borrowings comprised the following:

<i>In millions of tenge</i>	June 30, 2021 (unaudited)	December 31, 2020 (audited)
Loans received	810,617	745,353
National Company KazMunayGas JSC	415,704	380,435
Tokyo – Mitsubishi UFJ, LTD Bank	193,095	252,455
VTB Bank JSC	79,701	76,384
Sberbank JSC	31,958	-
“National Mining Company “Tau-Ken Samruk” JSC	17,584	18,442
First Heartland Jusan JSC	17,116	-
Halyk Bank JSC	17,116	-
ATF Bank JSC	16,907	17,637
DB Bank of China	10,727	-
Commercial and Industrial Bank of China JSC	10,709	-
Bonds issued and purchased by other companies	209,654	206,742
Bonds issued and purchased by subsidiaries	49,026	47,571
“Kazakhstan Electricity Grid Operating Company” JSC (“KEGOC”)	31,175	30,254
“National Company “KazMunayGas” JSC	17,851	17,317
Total borrowings	1,069,297	999,666
Less: current portion	(157,625)	(151,789)
Non-current portion	911,672	847,877

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

12. BORROWINGS (continued)

Borrowings comprised the following currencies:

<i>In millions of tenge</i>	June 30, 2021 (unaudited)	December 31, 2020 (audited)
Borrowings, denominated in tenge	707,675	670,828
Borrowings, denominated in US dollars	257,419	252,430
Borrowings, denominated in Russian rubles	104,203	76,408
	1,069,297	999,666

Loans received

Interest-free loan from National Company KazMunayGas JSC

In the first half of 2021 the Fund received additional tranches from “National Company KazMunayGas” JSC of 21,442 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 2,975 million tenge was recognized as finance income in separate statement of comprehensive income (Note 19).

As at June 30, 2021 the total book value of the principal equaled 415,426 million tenge less a discount of 55,838 million tenge (as at December 31, 2020: 380,435 million tenge less a discount of 69,387 million tenge).

Loan from Tokyo – Mitsubishi UFJ, LTD Bank

On June 28, 2018, the Fund entered into a loan agreement with a syndicate of international and Kazakhstan banks – Bank of Tokyo Mitsubishi UFJ, Mizuho Bank, Ltd, Sumitomo Mitsui Banking Corporation, JSC Halyk Bank of Kazakhstan, JSC Commercial and Industrial Bank of China in Almaty and Citibank, N. A., Jersey Branch with Bank Tokyo – Mitsubishi UFJ, LTD in the amount of 600 million US dollars (equivalent to 204,786 million tenge at the exchange rate on the date of the transaction) (hereinafter – “Syndicated Loan”). The loan was issued for a period until October 30, 2022 with a grace period until April 30, 2021 at an annual rate of 1.4% + 3-month Libor.

In April 2021, the Fund repaid the principal debt in the amount of 150 million US dollars (equivalent at the exchange rate at the payment date in the amount of 64,360 million tenge) according to the loan repayment schedule.

As of June 30, 2021, the total amount of the principal debt and interest payable amounted to 192,551 million tenge (December 31, 2020: 252,558 million tenge).

Loan from Sberbank

On January 28, 2021, the Fund and Sberbank entered into a bank loan agreement, according to which a loan was received in two tranches for a total amount of 4 billion Russian rubles (equivalent to 22,620 million tenge at the exchange rate at the date of payments). The loan was issued for a period until January 26, 2024 and at an interest rate equal to the key rate of the Central Bank of the Russian Federation and a fixed interest rate spread of 1.8% per annum. The goal is to replenish the working capital of the Fund.

On April 26, 2021, the Fund and Sberbank entered into a bank loan agreement, in accordance with which a loan was received for a total amount of 20 million US dollars (equivalent to 8,588 million tenge at the exchange rate as of the date of payment). The loan was issued for a period until April 26, 2024 and with an interest rate of 3-month Libor + and a fixed interest rate spread of 1.39% per annum. The goal is to refinance the partial scheduled repayment of the Syndicated Loan.

As of June 30, 2021, the total principal amount was 31,958 million tenge.

Loan from JSC “Commercial and Industrial Bank of China”

On May 5, 2021, the Fund and Industrial and Commercial Bank of China JSC entered into a bank loan agreement, in accordance with which a loan was received for a total amount of 25 million US dollars (equivalent to 10,671 million tenge at the exchange rate as of the date of payment). The loan was issued for a period until May 4, 2024 and with an interest rate of 3-month Libor + and a fixed interest rate spread of 1.3% per annum. The goal is to refinance the partial scheduled repayment of the Syndicated Loan.

As of June 30, 2021, the total principal amount was 10,697 million tenge.

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

12. BORROWINGS (continued)

Loans received (continued)

Loan from First Heartland Jusan JSC

On April 27, 2021, the Fund and First Heartland Jusan JSC entered into a bank loan agreement, in accordance with which a loan was received in the total amount of 40 million US dollars (equivalent to 17,177 million tenge at the exchange rate on the date of the transaction). The loan was issued for a period until April 27, 2024 and with an interest rate of 3-month Libor + and a fixed interest rate spread of 1.39% per annum. The goal is to refinance the partial scheduled repayment of the Syndicated Loan.

As of June 30, 2021, the total principal amount was 17,116 million tenge.

Loan from JSC Halyk Bank

On April 26, 2021, the Fund and Halyk Bank JSC entered into a bank loan agreement, in accordance with which a loan was received in the total amount of 40 million US dollars (equivalent to 17,177 million tenge at the exchange rate as of the payment date). The loan was issued for a period until April 26, 2024 and with an interest rate of 3-month Libor + and a fixed interest rate spread of 1.3% per annum. The goal is to refinance the partial scheduled repayment of the Syndicated Loan.

As of June 30, 2021, the total principal amount was 17,116 million tenge.

Loan from DB Bank of China

On April 26, 2021, the Fund and DB Bank of China entered into a bank loan agreement, in accordance with which a loan was received in the total amount of 25 million US dollars (equivalent to 10,736 million tenge at the exchange rate on the date of payment). The loan was issued for a period until April 26, 2024 and with an interest rate of 3-month Libor + and a fixed interest rate spread of 1.41% per annum. The goal is to refinance the partial scheduled repayment of the Syndicated Loan.

As of June 30, 2021, the total principal amount was 10,697 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, 2021 (unaudited)	December 31, 2020 (audited)
Bonds repurchased by the National Bank of the Republic of Kazakhstan using the funds of the National Fund	551,032	541,753
Other loans from the Government of the Republic of Kazakhstan	29,533	51,468
Total amounts due to the Government of the Republic of Kazakhstan	580,565	593,221
Less: current portion	(13,411)	(30,773)
Non-current portion	567,154	562,448

14. OTHER LIABILITIES

<i>In millions of tenge</i>	June 30, 2021 (unaudited)	December 31, 2020 (audited)
Liabilities on financing of other social projects:		
Construction of the National Coordination Center for Emergency Medicine in the city of Nur-Sultan for 200 beds and the National Scientific Center for Infectious Diseases in the city of Almaty for 350 beds	36,297	54,027
Nazarbayev University	32,004	50,004
Other social projects	4,243	3,973
Other liabilities	50	50
Total amount of other liabilities	2,289	3,276
	38,586	57,303

**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, 2021 on the basis of the Shareholder’s resolutions the Fund recognized liabilities to finance various social projects for total amount of 29,585 million tenge (for the six months ended June 30, 2020: 15,648 million tenge). The recognition of liabilities was accounted for as other distributions to the Shareholder.

For the six months ended June 30, 2021 actual amount of financing totaled 47,649 million tenge (for the six months ended June 30, 2020: 19,998 million tenge).

15. INTEREST INCOME

Interest income comprised the following:

<i>In millions of tenge</i>	For the six months ended June 30, 2021 (unaudited)	For the six months ended June 30, 2020 (unaudited)
Unwinding of discount on loans issued	19,875	21,898
Interest on acquired bonds	19,493	15,388
Interest on loans issued	6,037	6,636
	45,405	43,922

16. INTEREST EXPENSES

Interest expenses comprised the following:

<i>In millions of tenge</i>	For the six months ended June 30, 2021 (unaudited)	For the six months ended June 30, 2020 (unaudited)
Interest on bonds issued	20,747	23,599
Unwinding of discount on financial liabilities	11,482	12,550
Interest on borrowings	140	79
	32,369	36,228

17. DIVIDEND INCOME

<i>In millions of tenge</i>	For the six months ended June 30, 2021 (unaudited)	For the six months ended June 30, 2020 (unaudited)
“National Atomic Company “Kazatomprom” JSC	112,561	80,466
“National Company “KazMunayGas” JSC	45,212	73,911
“National Mining Company “Tau-Ken Samruk” JSC	45,537	30,254
“Kazakhstan Electricity Grid Operating Company” JSC	17,552	11,433
“Kazakhtelecom” JSC	9,642	4,335
“Samruk-Energy” JSC	3,242	3,066
Other subsidiaries	1,318	273
	235,064	203,738

During the six months ended 30 June 2021, the Fund received dividends in the amount of 120,096 million tenge (for the six months ended June 30, 2020: 200,672 million tenge).

**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, 2021 (unaudited)	For the six months ended June 30, 2020 (unaudited)
Sponsorship and charity	4,991	1,689
Personnel costs	1,356	1,061
Other	6,425	6,373
	12,772	9,123

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 171 million tenge (for the six months ended June 30, 2020: 136 million tenge), transfers to subordinate organizations to sustain the operating activities of 352 million tenge (for the six months ended June 30, 2020: 393 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, 2021 (unaudited)	For the six months ended June 30, 2020 (unaudited)
Discount on loans received	4,548	6,246
Income from financial guarantees	4,444	2,186
Bank deposit remuneration	2,669	3,912
Amortization of discount on financial assets	155	260
Remuneration for current bank accounts	88	1,180
Other	164	80
	12,068	13,864

20. FINANCE EXPENSES

Finance expenses comprised the following:

<i>In millions of tenge</i>	For the six months ended June 30, 2021 (unaudited)	For the six months ended June 30, 2020 (unaudited)
Unwinding of discount on loan from NC KMG	17,239	13,386
Other	5,844	4,768
	23,083	18,154

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

21. INCOME TAX EXPENSES

Income tax expenses comprised the following:

<i>In millions of tenge</i>	For the six months ended June 30, 2021 (unaudited)	For the six months ended June 30, 2020 (unaudited)
Withholding tax expense	1,258	1,746
	1,258	1,746

22. 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, 2021 and 2020 and balances as at June 30, 2021 and December 31, 2020:

<i>In millions of tenge</i>		Due from related parties	Due to related parties	Cash and deposits placed with related parties
Subsidiaries	June 30, 2021 (unaudited)	738,904	481,488	-
	December 31, 2020 (audited)	619,532	447,067	-
Associates and joint ventures of subsidiaries	June 30, 2021 (unaudited)	5,555	-	-
	December 31, 2020 (audited)	5,767	-	-
Other entities controlled by the Government	June 30, 2021 (unaudited)	155,544	651,560	24,595
	December 31, 2020 (audited)	174,816	667,216	62,709

As at June 30, 2021 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, 2021 (unaudited)	235,064	2,846	505	-
	June 30, 2020 (unaudited)	203,738	1,668	185	-

<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, 2021 (unaudited)	20,507	2,724	4,548	16,524
	June 30, 2020 (unaudited)	24,491	2,065	7,348	13,386
Associates and joint ventures of subsidiaries	June 30, 2021 (unaudited)	252	-	-	-
	June 30, 2020 (unaudited)	267	-	-	-
Other entities controlled by the Government	June 30, 2021 (unaudited)	4,481	22,767	31	-
	June 30, 2020 (unaudited)	4,361	26,602	712	-

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

22. RELATED PARTY TRANSACTIONS (continued)

Total compensation to key management personnel included in general and administrative expenses in the accompanying interim separate statement of comprehensive income was equal to 262 million tenge for the six months ended June 30, 2021 (for the six months ended June 30, 2020: 197 million tenge), The indicated amount includes the compensation to the members of the Management Board, in the total amount of 171 million tenge for the six months ended June 30, 2021 (for the six months ended June 30, 2020: 136 million tenge).

23. 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, 2021 and December 31, 2020 is a reasonable estimate of their fair value except for the financial instruments presented below:

<i>In millions of tenge</i>	2021		2020	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Amounts due from credit institutions (Note 7)	427,868	403,638	435,694	417,961
Loans with fixed interest rate (Note 6)	746,348	685,541	734,521	674,432
Financial liabilities				
Borrowings with fixed interest rate / bonds issued (Note 12)	1,069,297	1,053,966	999,666	986,055
Loans from the Government of the Republic of Kazakhstan (Note 13)	580,565	383,531	593,221	416,166
Financial guarantee liabilities	49,768	46,122	43,427	33,105
Other liabilities	36,297	36,297	54,027	54,027

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

24. 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.

The Funds’s commitments and contingencies are disclosed in the annual financial statements for the year ended December 31, 2020; there were no new material contractual commitments during the six months ended June 30, 2021.

Legal proceedings

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

The appeal process on the claim of the Fund to challenge the decision of the court of Amsterdam dated January 5, 2018, in accordance with which the restriction on the shares of KMG Kashagan B.V. was preserved

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

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

24. COMMITMENTS AND CONTINGENT LIABILITIES (continued)

Legal proceedings (continued)

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

The appeal process on the claim of the Fund to challenge the decision of the court of Amsterdam dated January 5, 2018, in accordance with which the restriction on the shares of KMG Kashagan B.V. was preserved (continued)

The named Pre-judgment Attachment was imposed as part of the claim for recognition and enforcement of the 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.

On December 18, 2020, the Supreme Court overturned the decision of the Amsterdam Court of Appeal dated May 7, 2019 to maintain the arrest and sent the case to the Court of Appeal in The Hague.

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

The Main process on Mr. Stati's claim, filed on December 7, 2017, in which Mr. Stati asks the court to recognize the Fund as part of the Republic of Kazakhstan and oblige the Fund to comply with the arbitral award

On March 17, 2021, hearings were held on the Main process on Stati's claim, filed on December 7, 2017, in which Stati asks the court to recognize the Fund as part of the Republic of Kazakhstan and oblige the Fund to comply with the Arbitral award of December 19, 2013.

On April 28, 2021, the District Court of Amsterdam granted the request made by the Fund to postpone the Main Process pending the decision of the Court of Appeal in The Hague to challenge the restriction on the shares of KMG Kashagan B.V.

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

25. SUBSEQUENT EVENTS

Changes in investments in subsidiaries

On September 1 and 2, 2021, the Fund made contributions to the authorized capital of the UCC in cash in the amount of 16,436 million tenge, including 9,923 million at the expense of the Republican budget and 6,513 million at the expense of its own funds.

Loans from the Government of the Republic of Kazakhstan

On August 17, 2021, the Fund made a partial early repayment of a budget loan in the amount of 5,004 million tenge.

Other distributions to the Shareholder

On August 5, 2021, on the basis of a Shareholder's order, in accordance with the legislation of the Republics of Kazakhstan, the Fund recognized the financing of various social projects for a total amount of 4,731 million tenge.