

Kazyna Capital Management JSC

Condensed Consolidated Interim
Financial Information
for the six-month period ended
30 June 2015

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Independent Auditors' Report on Review of Condensed Consolidated Interim Financial Information

To the Board of Directors of Kazyna Capital Management JSC

Introduction

We have reviewed the accompanying condensed consolidated statement of financial position of Kazyna Capital Management JSC as at 30 June 2015, and the related condensed consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the six-month period then ended, and notes to the condensed consolidated interim financial information (the "condensed consolidated interim financial information"). Management is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*. Our responsibility is to express a conclusion on this condensed consolidated 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 condensed consolidated 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 condensed consolidated interim financial information as at 30 June 2015 and for the six-month period then ended is not prepared, in all material respects, in accordance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*.



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
Kazyna Capital Management JSC
Condensed Consolidated Interim Statement of Profit or Loss and Other Comprehensive Income
for the six-month period ended 30 June 2015

		Unaudited Six-month period ended 30 June 2015 '000 KZT	Unaudited Six-month period ended 30 June 2014 '000 KZT
Interest income	4	2,642,576	2,052,330
Net gain on financial instruments at fair value through profit or loss		749,677	4,091,315
Net gain/(loss) on financial derivatives		185,827	(301,565)
Dividend income from financial instruments at fair value through profit or loss		271,253	365,893
Net foreign exchange income		508,654	7,582,602
Net loss on available-for-sale financial assets		(238,630)	(38,321)
Other operating income		17	-
Operating income		4,119,374	13,752,254
Personnel expenses		(172,816)	(107,962)
Other general administrative expenses		(164,929)	(120,793)
Profit before income tax		3,781,629	13,523,499
Income tax expense	5	(504,222)	(1,267,547)
Profit for the period		3,277,407	12,255,952
Other comprehensive income			
<i>Items that are or may be reclassified subsequently to profit or loss:</i>			
Revaluation reserve for available-for-sale financial assets:			
- Net change in fair value, net of income tax		1,142,923	248,215
- Net change in fair value transferred to profit or loss		405,269	(51,557)
Other comprehensive income for the period, net of income tax		1,548,192	196,658
Total comprehensive income for the period		4,825,599	12,452,610

The condensed consolidated interim financial information as set out on pages 4 to 26 was approved by management on 3 August 2015 and was signed on its behalf by:


Almas Agibayev
Chairman of the Board




Raukhan Kuttybayeva
Chief Accountant

The condensed consolidated interim statement of profit or loss and other comprehensive income is to be read in conjunction with the notes to, and forming part of, the condensed consolidated interim financial information set out on pages 9 to 26.

Kazyna Capital Management JSC
Condensed Consolidated Interim Statement of Financial Position as at 30 June 2015

		Unaudited 30 June 2015 '000 KZT	31 December 2014 '000 KZT
	Note		
ASSETS			
Cash and cash equivalents	6	11,379,698	6,287,721
Amounts due from credit institutions	7	32,708,307	43,184,967
Financial instruments at fair value through profit or loss	8	29,826,621	23,801,307
Available-for-sale financial assets	9	32,871,254	29,181,553
Held-to-maturity investments		1,559,925	1,654,996
Current tax asset		676,292	60,716
Property, equipment and intangible assets		24,692	24,753
Deferred tax asset		189,563	454,289
Other assets		57,889	12,694
Total assets		109,294,241	104,662,996
LIABILITIES			
Financial instruments at fair value through profit or loss		90,331	273,956
Other liabilities		52,661	63,390
Total liabilities		142,992	337,346
EQUITY			
Share capital		87,440,000	87,440,000
Revaluation reserve for available-for-sale financial assets		(480,575)	(2,028,767)
Retained earnings		22,191,824	18,914,417
Total equity		109,151,249	104,325,650
Total liabilities and equity		109,294,241	104,662,996

The condensed consolidated interim statement of financial position is to be read in conjunction with the notes to, and forming part of, the condensed consolidated interim financial information set out on pages 9 to 26.

	Unaudited Six-month period ended 30 June 2015 '000 KZT	Unaudited Six-month period ended 30 June 2014 '000 KZT
CASH FLOWS FROM OPERATING ACTIVITIES		
Interest receipts	2,817,180	2,039,479
Personnel expenses payments	(178,843)	(119,204)
Other general administrative expenses payments	(215,280)	(118,023)
Other operating income	271,253	364,188
(Increase)/decrease in operating assets		
Financial instruments at fair value through profit or loss	(5,275,634)	(3,166,829)
Purchases of available-for-sale financial assets	(22,732,744)	(1,509,707)
Sale and repayment of available-for-sale financial assets	20,822,731	7,601,575
Amounts due from credit institutions	10,402,481	(2,098,752)
Other assets	-	155,300
Net cash provided from operating activities before income tax paid	5,911,144	3,148,027
Income tax paid	(852,191)	(152,855)
Cash flows provided from operations	5,058,953	2,995,172
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment and intangible assets	(3,887)	-
Proceeds from property and equipment and intangible assets	-	50
Cash flows (used in)/from investing activities	(3,887)	50
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of share capital	-	20,000,000
Dividends paid	-	(731,276)
Cash flows from financing activities	-	19,268,724
Net increase in cash and cash equivalents	5,055,066	22,263,946
Effect of changes in exchange rates on cash and cash equivalents	36,911	36,102
Cash and cash equivalents at the beginning of the period	6,287,721	457,678
Cash and cash equivalents at the end of the period (Note 6)	11,379,698	22,757,726

The condensed consolidated interim statement of cash flows is to be read in conjunction with the notes to, and forming part of, the condensed consolidated interim financial information set out on pages 9 to 26.

Kazyna Capital Management JSC
Condensed Consolidated Interim Statement of Changes in Equity for the six-month period ended 30 June 2015

	Share capital	Revaluation reserve for available-for- sale financial assets	Retained earnings	Total equity
Balance as at 1 January 2015	87,440,000	(2,028,767)	18,914,417	104,325,650
Total comprehensive income				
Profit for the period, unaudited	-	-	3,277,407	3,277,407
Other comprehensive income				
<i>Items that are or may be reclassified subsequently to profit or loss:</i>				
Net change in fair value of available-for-sale financial assets, net of income tax, unaudited	-	1,548,192	-	1,548,192
Total other comprehensive income, unaudited	-	1,548,192	-	1,548,192
Total comprehensive income for the period, unaudited	-	1,548,192	3,277,407	4,825,599
Balance as at 30 June 2015, unaudited	87,440,000	(480,575)	22,191,824	109,151,249

The condensed consolidated interim statement of changes in equity is to be read in conjunction with the notes to, and forming part of, the condensed consolidated interim financial information set out on pages 9 to 26.

	Share capital	Revaluation reserve for available-for- sale financial assets	Cumulative translation reserve	Retained earnings	Total	Non- controlling interests	Total equity
Balance as at 1 January 2014	67,440,000	(207,774)	254,277	9,598,034	77,084,537	(3,980)	77,080,557
Adoption of amendment to IFRS 10 (Note 2(d))	-	-	(254,277)	250,297	(3,980)	3,980	-
Total comprehensive income							
Profit for the period, unaudited	-	-	-	12,255,952	12,255,952	-	12,255,952
Other comprehensive income							
<i>Items that are or may be reclassified subsequently to profit or loss:</i>							
Net change in fair value of available-for-sale financial assets, net of income tax, unaudited	-	196,658	-	-	196,658	-	196,658
Total other comprehensive income, unaudited	-	196,658	-	-	196,658	-	196,658
Total comprehensive income for the period, unaudited	-	196,658	-	12,255,952	12,452,610	-	12,452,610
Transactions with owners, recorded directly in equity							
Shares issued, unaudited	20,000,000	-	-	-	20,000,000	-	20,000,000
Dividends declared, unaudited	-	-	-	(731,276)	(731,276)	-	(731,276)
Total transactions with owners	20,000,000	-	-	(731,276)	19,268,724	-	19,268,724
Balance as at 30 June 2014, unaudited	87,440,000	(11,116)	-	21,373,007	108,801,891	-	108,801,891

The condensed consolidated interim statement of changes in equity is to be read in conjunction with the notes to, and forming part of, the condensed consolidated interim financial information set out on pages 9 to 26.

1 Background

(a) Organisation and operations

Kazyna Capital Management Joint Stock Company (“the Company”) and its subsidiaries (together referred to as “the Group”) was established by the Government of the Republic of Kazakhstan in accordance with the legislation of the Republic of Kazakhstan as a joint stock company on 7 March 2007. As at 31 December 2012, Sovereign Wealth Fund “Samruk-Kazyna” JSC owned 100% shares of the Company. According to the resolution #516 of the Committee of Government property and the order #630 of the Ministry of Finance dated 25 May 2013 all shares were transferred to JSC National Management Holding “Baiterek”. The ultimate principal shareholder of the Group is the Government of the Republic of Kazakhstan.

The principal activities of the Group are the establishment of and participation in investment funds and investments in financial instruments.

The Company’s registered office is 18, Dostyk Avenue, Almaty, Republic of Kazakhstan.

The principal subsidiaries are as follows:

Name	Country of incorporation	Principal activities	Ownership %	
			Unaudited 30 June 2015	31 December 2014
		Investment in Macquarie Renaissance		
Nurzhol Energy LLC	Kazakhstan	Infrastructure Fund	100.00	100.00
		Investment in Macquarie Renaissance		
MRIF CASP C.V.	Netherlands	Infrastructure Fund	99.00	99.00
Kazyna Investment Holding Cooperatief U.A.	Netherlands	Investment in Falah Growth Fund	100.00	100.00
Kazyna Seriktes B.V.	Netherlands	Investment in Falah Growth Fund	99.90	99.90
Kazakhstan-Tajikistan fund of direct investments JSC	Kazakhstan	Investment in private equity projects	80.00	80.00
Kyrgyz-Kazakhstan Investment Fund JSC	Kazakhstan	Investment in private equity projects	100.00	100.00
Baiterek Venture Fund JSC *	Kazakhstan	Investment in private equity projects	100.00	100.00

Under IFRS 10, the Company has determined that it qualifies as an investment entity, and subsidiaries are therefore measured at fair value through profit or loss, except for a subsidiary which itself undertakes investment-related services or activities – Baiterek Venture Fund JSC. Baiterek Venture Fund JSC has been created by the Decision of the Board of Directors of the Company on March 23, 2014 and also qualifies as an investment entity.

(b) Business environment

The Group’s operations are primarily located in Kazakhstan with many of its underlying portfolio investments in other CIS countries, in particular Russia. Consequently, the Group is exposed to the economic and financial markets of Kazakhstan and the CIS which display characteristics of an emerging market. The legal, tax and regulatory frameworks continue development, but are subject to varying interpretations and frequent changes which together with other legal and fiscal impediments contribute to the challenges faced by entities operating in these countries. The consolidated interim condensed financial information reflect management’s assessment of the impact of the business environment on the operations and the financial position of the Group. The future business environment may differ from management’s assessment.

2 Basis of preparation

(a) Statement of compliance

The accompanying condensed consolidated interim financial information is prepared in accordance with IAS 34 *Interim Financial Reporting*. Selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the last annual consolidated financial statements as at and for the year ended 31 December 2014. This condensed consolidated interim financial information does not include all the information required for full consolidated annual financial statements prepared in accordance with International Financial Reporting Standards (“IFRSs”).

(b) Basis of measurement

The condensed consolidated interim financial information is prepared on the historical cost basis except that financial instruments at fair value through profit or loss, certain investments in subsidiaries and available-for-sale financial assets are measured at fair value.

(c) Functional and presentation currency

The functional currency of the Company and certain of its subsidiaries is the Kazakhstan tenge (KZT) as, being the national currency of the Republic of Kazakhstan, it reflects the economic substance of the majority of underlying events and circumstances relevant to them. The KZT is also the presentation currency for the purposes of this condensed consolidated interim financial information. Financial information presented in KZT is rounded to the nearest thousand.

(d) Adoption of the amendment to IFRS 10

As of January 1, 2014, the Group has adopted an amendment to IFRS 10 Consolidated Financial Statements, which has become effective for the reporting period ended 31 December 2014 and is applied in preparing those consolidated financial statements. For detailed information on application please refer to the consolidated statements for the year ended 2014.

On adoption of IFRS 10, the following adjustments are made

- Cumulative translation reserve at 31 December 2013 in the amount of KZT 254,277 thousand has been transferred to Retained earnings;
- Non-controlling interest as of 31 December 2013 in the amount of KZT 3,980 thousand has been derecognised.

The following adjustments are made to the comparative figures of the Condensed Consolidated Interim Statement of Profit or Loss and Other Comprehensive Income for the six-month period ended 30 June 2014:

- Foreign currency translation reserve in statement of comprehensive income for the six months ended 30 June 2014 in the amount of KZT 669,569 thousand has been reclassified to net gain on financial instruments at fair value through profit or loss.

3 Use of estimates and judgments

The preparation of condensed consolidated interim financial information in conformity with IFRSs requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

In preparing these condensed consolidated interim financial information the significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty are the same as those that applied to the Group’s consolidated financial statements for the year ended 31 December 2014.

4 Interest income

	Unaudited Six-month period ended 30 June 2015 '000 KZT	Unaudited Six-month period ended 30 June 2014 '000 KZT
Amounts due from credit institutions	1,674,391	901,054
Available-for-sale financial assets	932,199	1,112,539
Held-to-maturity investments	35,986	38,737
	2,642,576	2,052,330

5 Income tax expense

	Unaudited Six-month period ended 30 June 2015 '000 KZT	Unaudited Six-month period ended 30 June 2014 '000 KZT
Current year tax expense	504,222	1,267,547
Total income tax expense	504,222	1,267,547

The Group's applicable tax rate for current and deferred tax is 20% (31 December 2014: 20%).

Reconciliation of effective tax rate for the six months ended 30 June 2014:

	Unaudited Six-month period ended 30 June 2015 '000 KZT	%	Unaudited Six-month period ended 30 June 2014 '000 KZT	%
Profit before income tax	3,781,629	100	13,523,499	100
Income tax at the applicable tax rate	756,326	20	2,704,700	20
Non-taxable income	(269,573)	(7)	(1,444,470)	(11)
Income from offshore entities	16,585	-	-	-
Non-deductible costs	884	-	7,317	-
	504,222	13	1,267,547	9

6 Cash and cash equivalents

	Unaudited 30 June 2015 '000 KZT	31 December 2014 KZT'000
Current accounts in other banks		
- rated A- to A+	7,504,757	696,292
- rated from BB- to BB+	3,865,444	5,167,880
- rated below B+	9,497	423,549
	11,379,698	6,287,721

Disclosed ratings are based on the rating scale of Standard and Poor's or their equivalents.

7 Amounts due from credit institutions

	Unaudited 30 June 2015 '000 KZT	31 December 2014 KZT'000
- rated A- to A+	1,600,622	2,297,249
- rated BBB- to BBB+	10,149,750	10,835,899
- rated from BB- to BB+	-	251,862
- rated below B+	20,957,935	29,799,957
	32,708,307	43,184,967

Disclosed ratings are based on the rating scale of Standard and Poor's or their equivalents.

8 Financial instruments at fair value through profit or loss

	Unaudited 30 June 2015 '000 KZT	31 December 2014 KZT'000
ASSETS		
Unquoted shares in investment funds		
CITIC-KAZYNA Investment L.P.	8,336,274	5,205,079
ADM KCRF L.P.	6,766,809	6,519,239
MRIF CASP CV	3,439,523	2,930,197
Kazakhstan Growth Fund L.P.	3,189,835	2,987,748
Kazyna Investment Holding Cooperatief U.A.	2,424,195	2,224,910
Allur Auto LLC (Portfolio company of Baiterek Venture Fund)	1,857,902	-
Wolfenson Capital Partners L.P.	1,647,381	1,813,128
Oxy Textile LLC (Portfolio company of Baiterek Venture Fund)	907,522	907,500
Aureos Central Asia Fund LLC	705,172	694,736
Islamic Infrastructure Fund Limited Partnership	371,696	347,922
Kyrgyz-Kazakhstan Investment Fund JSC	77,850	78,007
"Nurzhol Energy" LLC	37,985	25,465
Kazyna Seriktes B.V.	34,720	28,976
Kazakhstan-Tajikistan fund of direct investments JSC	29,757	32,378
Kazakhstan Hong Kong Development Fund	-	6,022
	29,826,621	23,801,307
LIABILITIES		
Derivative financial instruments		
Cross currency and interest rate swap	90,331	273,956
	90,331	273,956

Financial instruments at fair value through profit or loss comprise financial instruments designated on initial recognition in this category.

9 Available-for-sale financial assets

	Unaudited 30 June 2015 '000 KZT	31 December 2014 KZT'000
Debt and other fixed-income instruments		
- Government bonds		
Treasury bills of the Ministry of Finance of the Republic of Kazakhstan	4,763,816	171,212
Total government bonds	4,763,816	171,212
- Corporate bonds		
rated from BBB- to BBB+	10,199,045	15,976,714
rated from BB- to BB+	2,706,825	1,459,086
rated below B+	2,049,168	-
Total corporate bonds	14,955,038	17,435,800
- Corporate bonds of banks		
rated from BBB- to BBB+	1,959,417	2,209,196
rated from BB- to BB+	8,740,411	4,948,561
rated below B+	2,195,179	4,160,336
Total corporate bonds of banks	12,895,007	11,318,093
- Corporate bonds of credit institutions other than banks		
rated from BBB- to BBB+	-	256,448
rated from BB- to BB+	257,393	-
Total corporate bonds of credit institutions other than banks	257,393	256,448
	32,871,254	29,181,553

10 Financial risk management

Management of risk is fundamental to the business of the Group and is an essential element of the Group's operations. The major risks faced by the Group are those related to market risk, credit risk and liquidity risk.

(a) Market risk

(i) Currency risk

The Group has assets and liabilities denominated in several foreign currencies.

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign currency exchange rates. Although the Group hedges its exposure to currency risk, such activities do not qualify as hedging relationships in accordance with IFRS.

10 Financial risk management, continued**(a) Market risk, continued****(i) Currency risk, continued**

The following table shows the foreign currency exposure structure of monetary financial assets and liabilities as at 30 June 2015:

	Unaudited USD KZT'000	Unaudited MYR KZT'000	Unaudited KZT KZT'000	Unaudited Total KZT'000
ASSETS				
Cash and cash equivalents	101,808	-	11,277,890	11,379,698
Amounts due from credit institutions	4,468,800	-	28,239,507	32,708,307
Available-for-sale financial assets	26,071,039	-	6,800,215	32,871,254
Held-to-maturity investments	-	1,559,925	-	1,559,925
Total financial assets	30,641,647	1,559,925	46,317,612	78,519,184
LIABILITIES				
Other financial liabilities	-	-	(11,395)	(11,395)
Total financial liabilities	-	-	(11,395)	(11,395)
Net position	30,641,647	1,559,925	46,306,217	78,507,789
Derivative financial instruments	-	(1,559,925)	1,469,594	(90,331)
Net position after derivative financial instruments	30,641,647	-	47,775,811	78,417,458

The following table shows the currency structure of monetary financial assets and liabilities as at 31 December 2014:

	USD KZT'000	MYR KZT'000	KZT KZT'000	Total KZT'000
ASSETS				
Cash and cash equivalents	379,288	-	5,908,433	6,287,721
Amounts due from credit institutions	5,861,803	-	37,323,164	43,184,967
Available-for-sale financial assets	22,051,993	-	7,129,560	29,181,553
Held-to-maturity investments	-	1,654,996	-	1,654,996
Total financial assets	28,293,084	1,654,996	50,361,157	80,309,237
LIABILITIES				
Other financial liabilities	-	-	(26,146)	(26,146)
Total financial liabilities	-	-	(26,146)	(26,146)
Net position	28,293,084	1,654,996	50,335,011	80,283,091
Derivative financial instruments	-	(1,654,996)	1,381,040	(273,956)
Net position after derivative financial instruments	28,293,084	-	51,716,051	80,009,135

10 Financial risk management, continued

(b) Other price risk

Other price risk arises from the Group's investments in private equity funds, whose valuation is based on the valuation of the underlying companies of those private equity funds. The Group invests in such financial assets in order to take advantage of their long-term growth. All investments present a risk of loss of capital. All of the private equity funds and their underlying investments are subject to the risks inherent in their industries. Moreover, established markets do not exist for these holdings, and they are therefore considered illiquid. The Group mainly relies on the management of the private equity funds in mitigation of price risk. The management of the private equity funds moderates this risk through careful selection and review of the business and operational matters before investment decisions are implemented and regular contact with the management of the underlying companies. The performance of the management of the private equity funds are reported to the Group on a quarterly basis.

The Group's profit and loss and equity is affected by changes in the fair value of its investments in private equity funds. For example a 10% increase in the equity prices of the funds, would increase profit or loss and equity by KZT 2,381,251 thousand for the period ended 30 June 2015 (31 December 2014: KZT 1,897,174 thousand). A 10% decrease in these prices would have an equal and opposite effect.

(c) Liquidity risk

The table below shows an analysis of financial assets and liabilities according to when they are expected to be recovered or settled as at 30 June 2015:

KZT'000	Unaudited Demand and less than 1 month	Unaudited From 3 to 6 months	Unaudited From 6 to 12 months	Unaudited 1 year- 5 years	Unaudited More than 5 years	Unaudited Without maturity	Unaudited Total inflow (outflow)
Non-derivative assets							
Cash and cash equivalents	11,379,698	-	-	-	-	-	11,379,698
Amounts due from credit institutions	1,600,622	12,889,135	8,068,800	10,149,750	-	-	32,708,307
Financial instruments at fair value through profit or loss	-	-	-	-	-	29,826,621	29,826,621
Available-for-sale financial assets	-	1,931,439	-	15,147,416	15,792,399	-	32,871,254
Held-to-maturity investments	-	-	-	1,559,925	-	-	1,559,925
Total assets	12,980,320	14,820,574	8,068,800	26,857,091	15,792,399	29,826,621	108,345,805
Non-derivative liabilities							
Other financial liabilities	(11,395)	-	-	-	-	-	(11,395)
Derivative liabilities							
Net settled derivatives	-	-	-	(90,331)	-	-	(90,331)
Total liabilities	(11,395)	-	-	(90,331)	-	-	(101,726)
Net liquidity gap on recognised financial assets and liabilities	12,968,925	14,820,574	8,068,800	26,766,760	15,792,399	29,826,621	108,244,079
Investment related commitments	(47,084,172)	-	-	-	-	-	(47,084,172)

10 Financial risk management, continued

(c) Liquidity risk, continued

The table below shows an analysis of financial assets and liabilities according to when they are expected to be recovered or settled as at 31 December 2014:

KZT'000	Demand and less than 1 month	From 1 to 3 months	From 3 to 6 months	From 6 to 12 months	1 year- 5 years	More than 5 years	Without maturity	Total inflow (outflow)
Non-derivative assets								
Cash and cash equivalents	6,287,721	-	-	-	-	-	-	6,287,721
Amounts due from credit institutions	5,295,338	5,346,160	9,843,309	12,565,385	10,134,775	-	-	43,184,967
Financial instruments at fair value through profit or loss	-	-	-	-	-	-	23,801,307	23,801,307
Available-for-sale financial assets	5,339,071	9	3,864,185	4,558,308	8,145,746	7,274,234	-	29,181,553
Held-to-maturity investments	-	-	-	-	1,654,996	-	-	1,654,996
Total assets	16,922,130	5,346,169	13,707,494	17,123,693	19,935,517	7,274,234	23,801,307	104,110,544
Non-derivative liabilities								
Other financial liabilities	(26,146)	-	-	-	-	-	-	(26,146)
Derivative liabilities								
Net settled derivatives	-	-	-	-	(273,956)	-	-	(273,956)
Total liabilities	(26,146)	-	-	-	(273,956)	-	-	(300,102)
Net liquidity gap on recognised financial assets and liabilities	16,895,984	5,346,169	13,707,494	17,123,693	19,661,561	7,274,234	23,801,307	103,810,442
Investment related commitments	(58,526,188)	-	-	-	-	-	-	(58,526,188)

11 Investment related commitments

The Group makes commitments to private equity funds in its portfolio. The Group diversifies its portfolio of investments across managers, underlying industries, countries and investment stages.

The remaining contractual amounts net of paid liabilities are set out in the following table:

	Unaudited 30 June 2015 KZT'000	31 December 2014 KZT'000
Contracted amount		
Kazakhstan Infrastructure Fund C.V.	20,400,000	20,400,000
Almex-Baiterek Fund	9,300,000	-
CITIC-Kazyna Investment Fund LP	8,099,548	10,795,295
JSC Kazakhstan-Tajikistan fund of direct investments	3,674,880	3,674,880
Kazakhstan Growth Fund	2,897,871	2,915,509
ADM Kazakhstan Capital Restructuring Fund CV	1,332,590	1,382,932
Wolfenson Capital Partners LP	951,988	945,498
Islamic Infrastructure Fund Limited Partnership	226,275	223,834
Aureos Central Asia Fund LLC	201,020	90,127
Kazakhstan Hong Kong Development Fund	-	18,098,113
	47,084,172	58,526,188

In accordance with the foundation agreements of the private equity funds, in case of failure to pay the amount of capital commitments after the manager issues a request for payment, certain sanctions may be applied against the Group including delaying the payment of interest, suspension of income distributions, suspension of rights to participate in the corporate management of funds and forced sale of the Group's share to co-investors or third parties. As at 30 June 2015 and 31 December 2014 the Group had no overdue capital commitments.

In addition to the amounts disclosed above, the Group's non-consolidated subsidiaries have investment related commitments amounting to KZT 12,380,320 thousand (31 December 2014: KZT 12,061,080 thousand). Management expects these commitments to be funded by the Group in the form of additional contributions to those subsidiaries.

	Unaudited 30 June 2015 KZT'000	31 December 2014 KZT'000
Contracted amount		
Falah Growth Fund LP	7,569,688	7,286,290
Russian and Kazakh Fund of Nanotechnologies	2,912,539	2,915,943
Macquarie Renaissance Infrastructure Fund	1,898,093	1,858,847
	12,380,320	12,061,080

12 Contingencies

(a) Insurance

The insurance industry in the Republic of Kazakhstan is in a developing state and many forms of insurance protection common in other parts of the world are not yet generally available. The Group does not have full coverage for its premises and equipment, business interruption, or third party liability in respect of property or environmental damage arising from accidents on its property or relating to operations. Until the Group obtains adequate insurance coverage, there is a risk that the loss or destruction of certain assets could have a material adverse effect on operations and financial position.

12 Contingencies, continued

(b) Taxation contingencies

The taxation system in the Republic of Kazakhstan is relatively new and is characterised by frequent changes in legislation, official pronouncements and court decisions, which are often unclear, contradictory and subject to varying interpretation by different tax authorities. Taxes are subject to review and investigation by a number of authorities, which have the authority to impose severe fines, penalties and interest charges. A tax year remains open for review by the tax authorities during the five subsequent calendar years; however, under certain circumstances a tax year may remain open longer.

These circumstances may create tax risks in the Republic of Kazakhstan that are substantially more significant than in other countries. Management believes that it has provided adequately for tax liabilities based on its interpretations of applicable Kazakhstan tax legislation, official pronouncements and court decisions. However, the interpretations of the relevant authorities could differ and the effect on this condensed consolidated interim financial information, if the authorities were successful in enforcing their interpretations, could be significant.

13 Related party transactions

(a) Transactions with related parties

Related parties include state controlled companies, national companies and subsidiaries of national companies. The outstanding balances and the related average interest rates as at 30 June 2015 and related profit or loss amounts of transactions for the six-month period ended 30 June 2015 with other related parties are as follows.

	Parent		Other related parties		
	Unaudited	Unaudited	Unaudited	Unaudited	
	Average	Average	Average	Average	
	interest	interest	interest	interest	
	rate, %	rate, %	rate, %	rate, %	
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
	KZT'000	KZT'000	KZT'000	KZT'000	Total
					KZT'000
Consolidated condensed statement of financial position					
ASSETS					
Amounts due from credit institutions	-	-	10,149,750	5.99	10,149,750
Available-for-sale financial assets	-	-	6,225,449	4.0-6.5	6,225,449
Held-to-maturity investments	-	-	1,559,925	5.5	1,559,925
EQUITY					
Consolidated condensed statement of profit or loss and other comprehensive income					
Interest income	-		415,700		415,700
Other general and administrative expenses	-		2,071		2,071

13 Related party transactions, continued

(a) Transactions with related parties, continued

The outstanding balances and the related average interest rates as at 31 December 2014 and related profit or loss amounts of transactions for the six-month period ended 30 June 2014 with other related parties are as follows.

	Parent		Other related parties		
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
	Average	interest	Average	interest	Total
	KZT'000	rate, %	KZT'000	rate, %	KZT'000
Consolidated condensed statement of financial position					
ASSETS					
Amounts due from credit institutions	-	-	10,134,775	5.99	10,134,775
Available-for-sale financial assets	-	-	2,230,830	4.0-6.5	2,230,830
Held-to-maturity investments	-	-	1,654,996	5.5	1,654,996
EQUITY					
Increase in share capital*	20,000,000	-	-	-	20,000,000
Consolidated condensed statement of profit or loss and other comprehensive income					
Interest income	-		74,256		74,256
Other general and administrative expenses	-		30,163		30,163

*During the six-month period ended 30 June 2014 the Group issued 500,000 shares for cash in the amount of KZT 20,000,000 thousand.

The majority of balances resulting from transactions with related parties mature within one year. Transactions with related parties are not secured.

14 Fair values of financial instruments

Estimates of fair value are intended to approximate the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. However given the uncertainties and the use of subjective judgment, the fair value should not be interpreted as being realisable in an immediate sale of the assets or settlement of liabilities.

Fair values of financial assets and financial liabilities that are traded in active markets are based on quoted market prices or dealer price quotations. For all other financial instruments the Group determines fair values using other valuation techniques.

The objective of valuation techniques is to arrive at a fair value determination that reflects the price that would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants at the measurement date.

The Group uses widely recognised valuation models for determining the fair value of common and more simple financial instruments, like interest rate and currency swaps that use only observable market data and require little management judgment and estimation. Observable prices and model inputs are usually available in the market for listed debt and equity securities, exchange traded derivatives and simple over the counter derivatives like interest rate swaps.

For more complex instruments, such as investments in private equity funds, the Group uses annual audited financial statements and quarterly management reports of underlying investment funds which use proprietary valuation models. For determination of fair values of investments in private equity funds as at 31 December 2014 the Group engaged an independent valuation which also used proprietary valuation models. Some or all of the significant inputs into these models may not be observable in the market, and are derived from market prices or rates or are estimated based on assumptions. Example of instruments involving significant unobservable inputs include equity securities for which there is no active market.

14 Fair values of financial instruments, continued**(a) Accounting classifications and fair values**

The table below sets out the carrying amounts and fair values of financial assets and financial liabilities as at 30 June 2015:

KZT'000	Unaudited Financial instruments at fair value through profit or loss	Unaudited Held-to-maturity	Unaudited Loans and receivables	Unaudited Available-for-sale	Unaudited Other amortised cost	Unaudited Total carrying amount	Unaudited Fair value
30 June 2015							
Financial assets measured at fair value							
Debt securities	-	-	-	32,871,254	-	32,871,254	32,871,254
Equity securities	29,826,621	-	-	-	-	29,826,621	29,826,621
	29,826,621	-	-	32,871,254	-	62,697,875	62,697,875
Financial assets not measured at fair value							
Cash and cash equivalents	-	-	11,379,698	-	-	11,379,698	11,379,698
Amounts due from credit institutions	-	-	32,708,307	-	-	32,708,307	32,708,307
Debt securities	-	1,559,925	-	-	-	1,559,925	1,559,925
	-	1,559,925	44,088,005	-	-	45,647,930	45,647,930
Financial liabilities measured at fair value							
Cross currency and interest rate swap	90,331	-	-	-	-	90,331	90,331
	90,331	-	-	-	-	90,331	90,331
Financial liabilities not measured at fair value							
Other liabilities	-	-	-	-	11,395	11,395	11,395
	-	-	-	-	11,395	11,395	11,395

14 Fair values of financial instruments, continued

(a) Accounting classifications and fair values, continued

The table below sets out the carrying amounts and fair values of financial assets and financial liabilities as at 31 December 2014:

KZT'000	Financial instruments at fair value through profit or loss	Held-to-maturity	Loans and receivables	Available-for-sale	Other amortised cost	Total carrying amount	Fair value
31 December 2014							
Financial assets measured at fair value							
Debt securities	-	-	-	29,181,553	-	29,181,553	29,181,553
Equity securities	23,801,307	-	-	-	-	23,801,307	23,801,307
	23,801,307	-	-	29,181,553	-	52,982,860	52,982,860
Financial assets not measured at fair value							
Cash and cash equivalents	-	-	6,287,721	-	-	6,287,721	6,287,721
Amounts due from credit institutions	-	-	43,184,967	-	-	43,184,967	43,184,967
Debt securities	-	1,654,996	-	-	-	1,654,996	1,654,996
	-	1,654,996	49,472,688	-	-	51,127,684	51,127,684
Financial liabilities measured at fair value							
Cross currency and interest rate swap	273,956	-	-	-	-	273,956	273,956
	273,956					273,956	273,956
Financial liabilities not measured at fair value							
Other liabilities	-	-	-	-	26,146	26,146	26,146
	-	-	-	-	26,146	26,146	26,146

14 Fair values of financial instruments, continued

(b) Fair value hierarchy

The Group measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

- Level 1: quoted market price (unadjusted) in an active market for an identical instrument.
- Level 2: inputs other than quotes prices included within Level 1 that are observable either directly (i.e., as prices) or indirectly (i.e., derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.
- Level 3: inputs that are unobservable. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

The Group has a control framework with respect to the measurement of fair values. This framework includes obtaining of the annual audited financial statements and quarterly management reports of underlying investment funds by the Chief Financial Officer, and who has overall responsibility for independently verifying the results of trading and investment operations and all significant fair value measurements. Specific controls include:

- verification of observable pricing;
- a review and approval process for new models and changes to models;
- quarterly calibration and back testing of models against observed market transactions;
- review of significant unobservable inputs, valuation adjustments and significant changes to the fair value measurement of Level 3 instruments compared to previous period.

The table below analyses financial instruments measured at fair value at 30 June 2015, by the level in the fair value hierarchy into which the fair value measurement is categorised. The amounts are based on the values recognised in the statement of financial position:

KZT'000, unaudited	Level 1	Level 2	Level 3	Total
Financial instruments at fair value through profit or loss				
- Equity investments	-	-	29,826,621	29,826,621
- Derivative liabilities	-	(90,331)	-	(90,331)
Available-for-sale financial assets				
- Debt instruments	26,071,039	6,800,215	-	32,871,254
	26,071,039	6,709,884	29,826,621	62,607,544

14 Fair values of financial instruments, continued

(b) Fair value hierarchy, continued

The table below analyses financial instruments measured at fair value at 31 December 2014, by the level in the fair value hierarchy into which the fair value measurement is categorised. The amounts are based on the values recognised in the statement of financial position:

KZT'000	Level 1	Level 2	Level 3	Total
Financial instruments at fair value through profit or loss				
- Equity investments	-	-	23,801,307	23,801,307
- Derivative liabilities	-	(273,956)	-	(273,956)
Available-for-sale financial assets				
- Debt instruments	22,052,033	7,129,520	-	29,181,553
	22,052,033	6,855,564	23,801,307	52,708,904

The following table shows a reconciliation for the year ended 30 June 2015 for fair value measurements in Level 3 of the fair value hierarchy:

KZT'000	Equity investments
Balance at beginning of the period	23,801,307
Net gains or losses in profit or loss, unaudited	749,677
Purchases, unaudited	5,275,637
Balance at end of the period, unaudited	29,826,621

The following table shows a reconciliation for the six-month period ended 30 June 2014 for fair value measurements in Level 3 of the fair value hierarchy:

KZT'000	Equity investments
Balance at beginning of the period	14,456,090
Net gains or losses in profit or loss, unaudited	4,091,315
Purchases, unaudited	3,153,344
Balance at end of the period, unaudited	21,700,749

The Group's investments in equity investments categorised as level 3 comprise holdings in investment funds. These funds invest primarily in private equity, through purchasing unlisted ordinary shares of businesses in emerging markets (predominantly Kazakhstan and Russia).

For the year ended 31 December 2014 and for the six months ended 30 June 2015, the Group estimated the fair value of its investments based on the investment reports and net assets value (NAV) statements which are reported by each of its investment funds on a quarterly basis. A number of valuation techniques are used by the manager to value the underlying portfolio investments, depending on the nature of the business concerned, the availability of market comparables, and the stage in the business's life cycle.

The approach followed by the manager is to estimate the fair value of the underlying portfolio investments (businesses) held by each fund, and then calculate the Group's share of this business value.

The following table shows the most significant portfolio investments held by the investment funds, the valuation approach used to value these portfolio investments, and the sensitivity of the appraisers' fair value estimate to changes in key assumptions.

14 Fair values of financial instruments, continued

(b) Fair value hierarchy, continued

The table below sets out information about significant unobservable inputs used at year end in the measuring of the most significant underlying portfolio companies of private equity funds categorised as Level 3 in the fair value hierarchy as at 30 June 2015, together with a sensitivity analysis for shifts in these inputs which the Group considers were reasonably possible at the reporting date, assuming all other variables remain unchanged.

Industry in which company operates	Fair value of Group's share	Valuation technique	Significant unobservable input	Reasonable shift	Unaudited Fair value measurement sensitivity to shifts in unobservable inputs
Electricity services	5,165,212	Adjusted NAV	Adjustment to NAV	+/-5%	258,261
Rail car operator	4,126,154	Adjusted NAV	Adjustment to NAV	+/-5%	206,308
Medical diagnostics	2,498,233	Adjusted NAV	Adjustment to NAV	+/-5%	124,912
Financial services	1,968,616	Adjusted NAV	Adjustment to NAV	+/-5%	98,431
Packaging materials manufacturing	1,858,552	Adjusted NAV	Adjustment to NAV	+/-5%	92,928
Mining (China)	1,858,083	Adjusted NAV	Adjustment to NAV	+/-5%	92,904
Automobile production and distribution	1,857,902	Net present value	Cash flows EBITDA	+/-5%	103,486/91,760
Transportation services	1,815,499	Adjusted NAV	Adjustment to NAV	+/-5%	90,775
Entertainment (cinema)	1,651,113	Adjusted NAV	Adjustment to NAV	+/-5%	82,556
Hospitality services (Kazakhstan)	1,416,172	Adjusted NAV	Adjustment to NAV	+/-5%	70,809
Rolling stock leasing (Russia)	1,205,101	Adjusted NAV	Adjustment to NAV	+/-5%	60,255
Production of construction materials (Kazakhstan)	980,289	Adjusted NAV	Adjustment to NAV	+/-5%	49,014
Light industry	907,500	Adjusted NAV	Adjustment to NAV	+/-5%	45,375
Poultry farm	595,325	Adjusted NAV	Adjustment to NAV	+/-5%	29,766
Telecom services	398,610	Adjusted NAV	Adjustment to NAV	+/-5%	19,931
Fiber-optic monitoring systems	320,985	Adjusted NAV	Adjustment to NAV	+/-5%	16,049
Information technology	73,021	Adjusted NAV	Adjustment to NAV	+/-5%	3,651
Others	1,130,254	-	-	-	-
Total	29,826,621				

14 Fair values of financial instruments, continued

(b) Fair value hierarchy, continued

The table below sets out information about significant unobservable inputs used at year end in the measuring of the most significant underlying portfolio companies of private equity funds categorised as Level 3 in the fair value hierarchy as at 31 December 2014, together with a sensitivity analysis for shifts in these inputs which the Group considers were reasonably possible at the reporting date, assuming all other variables remain unchanged.

Industry in which company operates	Fair value of Group's share	Valuation technique	Significant unobservable input	Reasonable shift	Fair value measurement sensitivity to shifts in unobservable inputs
Rail car operator	3,803,462	Adjusted NAV	Adjustment to NAV	+/-5%	190,173
Electricity services	2,261,075	Adjusted NAV	Adjustment to NAV	+/-5%	113,054
Financial services	2,086,500	Adjusted NAV	Adjustment to NAV	+/-5%	104,325
Medical diagnostics	1,962,382	Adjusted NAV	Adjustment to NAV	+/-5%	98,119
Packaging materials manufacturing	1,819,860	Adjusted NAV	Adjustment to NAV	+/-5%	90,993
Mining (China)	1,800,267	Adjusted NAV	Adjustment to NAV	+/-5%	90,013
Transportation services	1,723,134	Adjusted NAV	Adjustment to NAV	+/-5%	86,157
Entertainment (cinema)	1,617,497	Adjusted NAV	Adjustment to NAV	+/-5%	80,875
Rolling stock leasing (Russia)	1,559,765	Adjusted NAV	Adjustment to NAV	+/-5%	77,988
Hospitality services (Kazakhstan)	1,362,994	Adjusted NAV	Adjustment to NAV	+/-5%	68,150
Production of construction materials (Kazakhstan)	983,127	Adjusted NAV	Adjustment to NAV	+/-5%	49,156
Light industry	907,500	Adjusted NAV	Adjustment to NAV	+/-5%	45,375
Poultry farm	655,771	Adjusted NAV	Adjustment to NAV	+/-5%	32,789
Telecom services	382,292	Adjusted NAV	Adjustment to NAV	+/-5%	19,115
Fiber-optic monitoring systems	202,857	Adjusted NAV	Adjustment to NAV	+/-5%	10,143
Others	672,824	-	-	-	-
Total	23,801,307				

14 Fair values of financial instruments, continued

(b) Fair value hierarchy, continued

The following table analyses the fair value of financial instruments not measured at fair value, by the level in the fair value hierarchy into which each fair value measurement is categorised as at 30 June 2015:

KZT'000	Level 2	Total fair values	Total carrying amount
Assets			
Cash and cash equivalents	11,379,698	11,379,698	11,379,698
Amounts due from credit institutions	32,708,307	32,708,307	32,708,307
Held-to-maturity investments	1,559,925	1,559,925	1,559,925
Liabilities			
Other liabilities	11,395	11,395	11,395

The following table analyses the fair value of financial instruments not measured at fair value, by the level in the fair value hierarchy into which each fair value measurement is categorised as at 31 December 2014:

KZT'000	Level 2	Total fair values	Total carrying amount
Assets			
Cash and cash equivalents	6,287,721	6,287,721	6,287,721
Amounts due from credit institutions	43,184,967	43,184,967	43,184,967
Held-to-maturity investments	1,654,996	1,654,996	1,654,996
Liabilities			
Other liabilities	26,146	26,146	26,146