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Kazyna Capital Management JSC

Consolidated Interim Condensed
Financial Statements

for the six months ended 30 June 2020

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

To management and the Board of Directors of Kazyna Capital Management JSC

Introduction

We have reviewed the accompanying consolidated interim condensed statement of financial position of Kazyna Capital Management JSC and its subsidiaries and its subsidiaries (the "Group") as at 30 June 2020, and the related consolidated interim condensed statements of profit or loss and other comprehensive income, changes in equity and cash flows for the six months then ended, and notes to the consolidated interim condensed financial information (the "consolidated interim condensed financial information"). Management is responsible for the preparation and presentation of this consolidated interim condensed financial information in accordance with IAS 34 *Interim Financial Reporting*. Our responsibility is to express a conclusion on this consolidated interim condensed 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 consolidated interim condensed 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.



Kazyna Capital Management JSC

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

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Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the consolidated interim condensed financial information as at 30 June 2020 and for the six months then ended is not prepared, in all material respects, in accordance with International Financial Reporting Standard (IAS) 34 *Interim Financial Reporting*.



Assel Urdabayeva
Authorised representative (Audit Partner)
KPMG Audit LLC
Almaty, Republic of Kazakhstan

3 August 2020

Kazyna Capital Management JSC
Consolidated Interim Condensed Statement of Profit or Loss and other Comprehensive Income
for the six months ended 30 June 2020

KZT'000	Note	Unaudited Six months ended 30 June 2020	Unaudited Six months ended 30 June 2019
Interest income calculated using effective interest method	4	1,082,542	1,755,905
(Loss)/gain on financial assets at fair value through profit or loss	16(b)	(20,968,758)	3,684,440
Net (loss)/income on derivative financial instruments		(576,462)	664,542
Dividend income		140,223	9,621
Net foreign exchange gain/(loss)	5	1,918,693	(636,756)
Net loss on investment financial assets		(314,605)	(377,607)
Other operating income		(370)	91,648
Operating income		(18,718,737)	5,191,793
Reversal of impairment losses on debt financial assets		63,141	326,862
Personnel expenses		(276,563)	(258,485)
General and administrative expenses		(286,814)	(359,994)
(Loss)/profit before income tax		(19,218,973)	4,900,176
Income tax expense	6	(352,548)	(208,625)
Profit for the period		(19,571,521)	4,691,551
Other comprehensive income			
<i>Items that are or may be reclassified subsequently to profit or loss:</i>			
Revaluation reserve for investment financial assets:			
- Net change in fair value, net of income tax		(70,613)	872,715
- Net change in fair value transferred to profit or loss		149,893	252,442
Other comprehensive income for the period, net of income tax		79,280	1,125,157
Total comprehensive income for the period		(19,492,241)	5,816,708

These consolidated interim condensed financial statements as set out on pages 5 to 38 were approved by Management on 3 August 2020 and were signed on its behalf by:

Timur Beguliyev

Deputy Chairman of the Management Board



Raukhan Kuttybayeva

Chief Accountant

The consolidated interim condensed statement of profit or loss and other comprehensive income is to be read in conjunction with the notes to, and forming part of, the consolidated interim condensed financial statements set out on pages 10 to 36.

Kazyna Capital Management JSC
Consolidated Interim Condensed Statement of Financial Position as at 30 June 2020

KZT'000	Note	Unaudited 30 June 2020	31 December 2019
ASSETS			
Cash and cash equivalents	7	14,650,547	946,080
Amounts due from credit institutions	8	13,652,915	23,332,615
Assets at fair value through profit or loss	9	118,003,077	133,573,705
- <i>Investments in joint ventures</i>		46,157,012	47,465,606
- <i>Investments in associates</i>		24,621,711	33,476,165
- <i>Other financial assets</i>		47,224,354	52,631,934
Investment financial assets	10	20,283,769	28,709,099
Deferred tax asset		2,159,570	1,966,364
Current tax asset		1,459,322	1,746,295
Property, plant and equipment and intangible assets		29,226	33,353
Other assets		78,360	46,485
Total assets		170,316,786	190,353,996
LIABILITIES			
Debt securities issued	11	40,152,732	40,150,736
Financial liabilities at fair value through profit or loss		10,874,745	10,298,284
Other liabilities		213,820	241,849
Total liabilities		51,241,297	50,690,869
EQUITY			
Share capital		87,440,000	87,440,000
Revaluation reserve for investment financial assets		(158,992)	(238,272)
Retained earnings		31,794,481	52,461,399
Total equity		119,075,489	139,663,127
Total liabilities and equity		170,316,786	190,353,996

The consolidated interim condensed statement of financial position is to be read in conjunction with the notes to, and forming part of, the consolidated interim condensed financial statements set out on pages 10 to 36.

Kazyna Capital Management JSC
Consolidated Interim Condensed Statement of Cash Flows for the six months ended 30 June 2020

KZT'000	Unaudited Six months ended 30 June 2020	Unaudited Six months ended 30 June 2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Interest income	960,268	1,721,184
Dividends received	112,349	9,621
Personnel expenses paid	(285,414)	(310,902)
Other general administrative expenses (payments)	(342,650)	(543,864)
(Increase)/decrease in operating assets		
Assets at fair value through profit or loss	(5,398,130)	(8,435,950)
Sale and repayment of investment financial assets	9,220,280	27,260,127
Amounts due from credit institutions	9,607,491	(8,592,811)
Net cash flow from operating activities before income tax paid	13,874,194	11,107,405
Income tax paid	(258,781)	(2,147,786)
Net cash flow from operating activities	13,615,413	8,959,619
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property, plant and equipment and intangible assets	(999)	(636)
Net cash flow used in investing activities	(999)	(636)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid	(1,095,397)	(1,102,490)
Net cash flow used in financing activities	(1,095,397)	(1,102,490)
Net increase in cash and cash equivalents	12,519,017	7,856,493
Effect of changes in exchange rates on cash and cash equivalents	1,185,450	189,987
Cash and cash equivalents at the beginning of the period	946,080	6,672,269
Cash and cash equivalents as at the end of the period (Note 7)	14,650,547	14,718,749

The consolidated interim condensed statement of cash flows is to be read in conjunction with the notes to, and forming part of, the consolidated interim condensed financial statements set out on pages 10 to 36.

KZT'000	<u>Share capital</u>	<u>Revaluation reserve</u>	<u>Retained earnings</u>	<u>Total</u>
Balance at 1 January 2020	87,440,000	(238,272)	52,461,399	139,663,127
Total comprehensive income				
Loss for the period, unaudited	-	-	(19,571,521)	(19,571,521)
Other comprehensive income				
<i>Items that are or may be reclassified subsequently to profit or loss:</i>				
Net change in fair value, net of income tax, unaudited	-	(70,613)	-	(70,613)
Net change in fair value transferred to profit or loss, unaudited	-	149,893	-	149,893
Total other comprehensive income, unaudited	-	79,280	-	79,280
Total comprehensive income for the period, unaudited	-	79,280	(19,571,521)	(19,492,241)
Transactions with owners, recorded directly in equity				
Dividends declared and paid, unaudited	-	-	(1,095,397)	(1,095,397)
Total transactions with owners, unaudited	-	-	(1,095,397)	(1,095,397)
Balance at 30 June 2020, unaudited	87,440,000	(158,992)	31,794,481	119,075,489

The consolidated interim condensed statement of changes in equity is to be read in conjunction with the notes to, and forming part of, the consolidated interim condensed financial statements set out on pages 10 to 36.

KZT'000	Share capital	Revaluation reserve	Retained earnings	Total
Balance at 1 January 2019	87,440,000	(1,168,878)	49,912,567	136,183,689
Total comprehensive income				
Profit for the period, unaudited	-	-	4,691,551	4,691,551
Other comprehensive income				
<i>Items that are or may be reclassified subsequently to profit or loss:</i>				
Net change in fair value, net of income tax, unaudited	-	872,715	-	872,715
Net change in fair value transferred to profit or loss, unaudited	-	252,442	-	252,442
Total other comprehensive income, unaudited	-	1,125,157	-	1,125,157
Total comprehensive income for the period, unaudited	-	1,125,157	4,691,551	5,816,708
Transactions with owners, recorded directly in equity				
Dividends declared and paid, unaudited	-	-	(1,102,490)	(1,102,490)
Total transactions with owners, unaudited	-	-	(1,102,490)	(1,102,490)
Balance at 30 June 2019, unaudited	87,440,000	(43,721)	53,501,628	140,897,907

The consolidated interim condensed statement of changes in equity is to be read in conjunction with the notes to, and forming part of, the consolidated interim condensed financial statements set out on pages 10 to 36.

1 Reporting entity

(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. According to the resolution #516 of the Committee of Government Property and the Order #630 of the Ministry of Finance of the Republic of Kazakhstan dated 25 May 2013, all shares of the Company were transferred from Sovereign Wealth Fund “Samruk-Kazyna” JSC to National Management Holding “Baiterek” Joint Stock Company. 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: 55A, Mangilik El Avenue, Yessil District, Nur-Sultan, Republic of Kazakhstan.

The principal subsidiaries are as follows:

Name	Country of incorporation	Principal activities	Ownership interest, %	
			Unaudited 30 June 2020	31 December 2019
Kazyna Seriktes B.V.***	The Netherlands	Investments in funds	100.00	100.00
Baiterek Venture Fund JSC*	Kazakhstan	Investment in private equity projects	100.00	100.00
BV Management LLP**	Kazakhstan	Investment portfolio management	100.00	100.00
KCM Sustainable Development Fund C.V. (Subsidiary of Kazyna Seriktes B.V.) ****	The Netherlands	Investments in funds	100.00	100.00

* Baiterek Venture Fund JSC was established by the Decision of the Board of Directors of the Group on 23 March 2014.

** In November 2018, 100% interest in BV Management LLP was repurchased from the subsidiary of Baiterek Venture Fund JSC.

*** In June 2018 the Group restructured the private equity funds and foreign subsidiaries MRIF CASP C.V. and Kazyna Investment Holding Cooperatief U.A. The Group performed necessary arrangements to transfer the Group’s assets to the special purpose vehicle (SPV) Kazyna Seriktes B.V., which is 100% subsidiary of the Group incorporated in the Netherlands. There were transferred assets of 10 PEFs (Falah Growth Fund L.P., Russian-Kazakh Nanotechnology Fund, Macquarie Russia & CIS Infrastructure Fund L.P., Kazakhstan Infrastructure Fund C.V., ADM Kazakhstan Capital Restructuring Fund C.V., Kazakhstan Growth Fund L.P., DBK Equity Fund C.V., Wolfensohn Capital Partners L.P., CITIC Kazyna Investment Fund I L.P. и Islamic Infrastructure Fund L.P.) Investments have been restructured to optimise a tax burden of the Group.

**** On 12 April 2019 an agreement for establishment of the Private Equity Fund “KCM Sustainable Development Fund C.V.” (a subsidiary of the Group) was signed. Kazyna Seriktes B.V. is a limited partner having the ownership of 99.9% while BV Management JSC is the general partner with the ownership of 0.1%.

As at 30 June 2020, the Company has determined that under IFRS 10 Kazakhstan Infrastructure Fund C.V. with 95% ownership is not a subsidiary since the Company does not have control over Kazakhstan Infrastructure Fund C.V. As at 31 December 2019, Kazakhstan Infrastructure Fund C.V. with 95% ownership is not also a subsidiary of the Company.

During 2019 the Group launched a new program of preferential financing, as part of which the loans are issued that bear a nominal interest rate of up to 8% per annum and have maturity of up to 10 years. In the context of a new approved program the Group has amended the investment policy, under which the Group invests in those projects that promote development of the priority sectors of the economy. Thus, the Group ceased to meet the definition of an investment entity according to IFRS 10. In connection with this event, starting from the 4th quarter of 2019 the Group has been consolidating the subsidiaries that previously - before the Group lost the status of investment entity - were accounted for at fair value through profit or loss.

(b) Kazakhstan and CIS business environment

The Group's operations are primarily located in Kazakhstan. Consequently, the Group is exposed to the economic and financial markets of Kazakhstan 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 Kazakhstan. In addition, the first months of 2020 have seen significant global market turmoil triggered by the outbreak of the coronavirus. Together with other factors, this has resulted in a sharp decrease in the oil price and the stock market indices, as well as a continuing depreciation of the Kazakhstan Tenge. These developments are further increasing the level of uncertainty in the Kazakhstan business environment.

The consolidated interim condensed financial statements 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 accounting

(a) Statement of compliance

The accompanying consolidated interim condensed financial statements are prepared in accordance with IAS 34 *Interim Financial Reporting*, and should be read in conjunction with the Group's consolidated financial statements as at and for the year ended 31 December 2019 ("last annual financial statements"). 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 financial statements as at and for the year ended 31 December 2019. These consolidated interim condensed financial statements do not include all the information required for full annual financial statements prepared in accordance with International Financial Reporting Standards ("IFRSs").

(b) Basis for measurement

The consolidated interim condensed financial statements are prepared on the historical cost basis except that financial instruments at fair value through profit or loss, certain investments in subsidiaries and investment financial assets are measured at fair value.

(c) Functional and presentation currency

The functional currency of the Company and 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 consolidated interim condensed financial statements. Financial statements presented in KZT are rounded to the nearest thousand.

(d) Use of estimates and judgments

Preparing the consolidated interim condensed financial statements requires Management to make judgements, estimates assumptions that affect the application of accounted policies and the reported amounts of assets and 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.

Assumptions and estimations uncertainty

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the consolidated interim condensed financial statements for the period ended 30 June 2020 is included in the following notes:

- determining fair value of financial instruments measured at fair value through profit or loss – Notes 9 and 16.

(d) Changes in significant accounting policies

A number of new amendments and interpretations are effective from 1 January 2020 but they do not have a material effect on the Group's consolidated interim condensed financial statements.

3 Significant accounting policies

The accounting policies applied in these consolidated interim condensed financial statements are the same as those the Company applied for preparation of the consolidated financial statements for the year ended 31 December 2019.

4 Interest income calculated using the effective interest method

	Unaudited Six months ended 30 June 2020 KZT'000	Unaudited Six months ended 30 June 2019 KZT'000
Amounts due from credit institutions	644,408	631,114
Investment financial assets	430,457	908,313
Cash and cash equivalents	7,677	216,460
Other assets	-	18
	1,082,542	1,755,905

5 Net foreign exchange gain/(loss)

	Unaudited Six months ended 30 June 2020 KZT'000	Unaudited Six months ended 30 June 2019 KZT'000
Unrealised foreign exchange gain/(loss)	1,929,123	(712,503)
Realised foreign exchange gain/(loss)	(10,430)	75,747
	1,918,693	(636,756)

6 Income tax expense

	Unaudited Six months ended 30 June 2020 KZT'000	Unaudited Six months ended 30 June 2019 KZT'000
Current income tax expense	545,752	133,332
Movement in deferred tax assets and liabilities due to origination and reversal of temporary differences and movement in valuation allowance	(193,204)	75,293
Total income tax expense	352,548	208,625

The applicable tax rate for current and deferred tax is 20% (31 December 2019: 20%).

Reconciliation of effective tax rate for the six months ended 30 June 2020:

	Unaudited Six months ended 30 June 2020		Unaudited Six months ended 30 June 2019	
	KZT'000	%	KZT'000	%
(Loss)/profit before income tax	(19,218,973)	100	4,900,176	100
Income tax at the applicable tax rate	(3,843,795)	20	980,035	20
Non-deductible losses/(income) on revaluation of financial instruments at fair value through profit or loss	4,373,105	(23)	(703,569)	(14)
Non-taxable income from securities	(23,569)	-	(95,064)	(2)
Non-taxable income from reversal of provision	(15,772)	-	(86,777)	(2)
Other (non-taxable income)/non-deductible expenses	(137,421)	1	24,000	-
Income from offshore entities	-	-	90,000	2
	352,548	(2)	208,625	4

Income tax expense is recognised at an amount determined by multiplying the profit (loss) before tax for the interim reporting period by management's best estimate of the weighted-average annual income tax rate expected for the full financial year, adjusted for the tax effect of certain items recognised in full in the interim period. As such, the effective tax rate in the interim financial statements may differ from management's estimate of the effective tax rate for the annual financial statements.

7 Cash and cash equivalents

	Unaudited 30 June 2020 KZT'000	31 December 2019 KZT'000
Current accounts with other banks		
- rated from BBB- to BBB+	12,628,835	136,080
- rated from BB- to BB+	1,727,409	701,388
- rated from B- to B+	-	633
- not rated (Citibank Kazakhstan JSC)	294,303	107,979
	14,650,547	946,080

Disclosed ratings are based on the rating scale of Standard and Poor's or their equivalents. None of cash and cash equivalents are impaired or past due.

As at 30 June 2020, all cash and cash equivalents were designated at Stage 1 (31 December 2019: Stage 1).

8 Amounts due from credit institutions

	Unaudited 30 June 2020 KZT'000	31 December 2019 KZT'000
- rated from BBB- to BBB+	6,059,535	12,337,098
- rated from BB to BB+	7,609,110	11,012,748
- rated D	9,351,865	8,912,991
Total amounts due from credit institutions	23,020,510	32,262,837
Allowance for expected credit losses	(9,367,595)	(8,930,222)
Total amounts due from credit institutions, net of allowance for expected credit losses	13,652,915	23,332,615

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

KZT'000	Unaudited Six months ended 30 June 2020	Unaudited Six months ended 30 June 2019
Balance at the beginning of the reporting period, audited	8,930,222	9,817,757
Net remeasurement of loss allowance	(63,655)	(284,513)
Foreign exchange difference	501,028	(87,962)
Balance at the end of the reporting period	9,367,595	9,445,282

As at 30 June 2020 the Group considers the amounts due from Kazinvestbank JSC for the amount of KZT 4,910,655 thousand, and from Delta Bank JSC for the amount of KZT 4,441,210 thousand as credit-impaired (31 December 2019: KZT 4,706,415 thousand and KZT 4,206,576 thousand, respectively). In respect of these balances, the Group recognises allowance for lifetime expected credit losses for the total amount of KZT 9,351,865 thousand (31 December 2019: KZT 8,912,991 thousand).

The Group recognises allowance for expected credit losses at an amount equal to 12-month ECL for other amounts due from credit institutions except for the above balances.

9 Assets at fair value through profit or loss

Assets at fair value through profit or loss comprise the following assets:

	Unaudited 30 June 2020 KZT'000	Ownership interest	31 December 2019 KZT'000	Ownership interest
Investments in joint ventures				
AstanaGas KMG JSC	40,150,121	50.0	40,150,121	50.0
Baikonyr Solar LLP	3,483,953	49.0	4,242,000	49.0
VTB Capital 12BF Innovation Fund L.P. (Portfolio company of Kazyna Seriktes B.V.)	1,508,280	49.0	1,850,814	49.0
Makinsky Heat-Insulation Producing Plant LLP	832,599	49.0	1,000,000	49.0
Best Meat LLP	182,059	49.0	222,671	49.0
	46,157,012		47,465,606	
Investments in associates				
CITIC-KAZYNA Investment L.P. (Portfolio company of Kazyna Seriktes B.V.)	11,018,192	49.9	14,129,220	49.9
Kazakhstan Growth Fund L.P. (Portfolio company of Kazyna Seriktes B.V.)	7,999,700	49.5	11,845,214	49.5
ADM KCRF L.P. (Portfolio company of Kazyna Seriktes B.V.)	3,522,237	49.5	4,989,676	49.5
KazMyaso LLP	1,453,163	49.0	1,777,329	49.0
Temirbeton-1 LLP	528,419	22.0	634,726	22.0
Burundai Mineral Waters LLP	100,000	45.3	100,000	45.3
	24,621,711		33,476,165	

	Unaudited 30 June 2020 KZT'000	Ownership interest	31 December 2019 KZT'000	Ownership interest
Other financial assets (equity)				
Kazakhstan Infrastructure Fund C.V. (Portfolio company of Kazyna Seriktes B.V.)	13,504,070	95.2	20,003,556	95.2
AITAS LUX S.A.R.L	5,409,426	9.7	7,606,922	9.7
EMC Agro LLP	3,173,962	24.5	1,585,000	9.9
CAEPCO JSC	1,846,874	1.5	1,983,059	1.5
Wolfenson Capital Partners L.P. (Portfolio company of Kazyna Seriktes B.V.)	1,010,149	9.9	1,701,273	9.9
BRBAPK LLP	1,000,000	8.3	1,000,000	8.3
Group of companies Allur JSC	711,799	15.5	1,624,724	15.5
MRIF CASP C.V. (Portfolio company of Kazyna Seriktes B.V.)	625,220	9.1	787,492	9.1
Falah Growth Fund L.P. (Portfolio company of Kazyna Seriktes B.V.)	613,325	10.0	666,512	10.0
DBK Equity Fund (Portfolio company of Kazyna Seriktes B.V.)	575,075	3.0	590,633	3.0
BV Management LLP	127,869	100.0	141,596	100.0
Mining Chemical Company LLP	88,876	7.2	108,006	7.2
Islamic Infrastructure Fund Limited Partnership (Portfolio company of Kazyna Seriktes B.V.)	41,869	1.3	339,785	1.3
Almex-Baiterek Fund LLP	12,425	7	15,807	7
	28,740,939		38,154,365	
Other financial assets (debt)				
Oil House "Astana Oil" LLP (Portfolio company of KCM SDFI)	2,900,483		3,430,005	
Kazpoligraf LLP	2,360,096		1,530,023	
AOM Metal B.V.	2,343,637		2,671,563	
MepAcHC LLP (Portfolio company of KCM SDFI)	2,299,972		-	
OralMunaiProm LLP (Portfolio company of KCM SDFI)	2,162,084		-	
KAZ GREEN ENERGY LLP	1,837,658		2,033,751	
Karaganda Kus LLP	1,322,385		1,271,911	
Agromin LLP	1,014,047		1,258,190	
Alex Astana LLP	719,287		781,988	
Temirbeton-1 LLP	669,220		657,594	
Makinsky Heat-Insulation Producing Plant LLP	525,118		480,681	
KazMyaso LLP	329,428		361,863	
	18,483,415		14,477,569	
Total assets at fair value through profit or loss	118,003,077		133,573,705	

The following table provides information on the dividend income from assets at fair value through profit or loss:

	Unaudited Six months ended 30 June 2020 KZT'000	Unaudited Six months ended 30 June 2019 KZT'000
AITAS LUX S.A.R.L (Portfolio company of Baiterek Venture Fund JSC)	69,054	-
BV Management LLP	43,294	9,621
DBK Equity Fund C.V.	27,875	-
	140,223	9,621

10 Investment financial assets

	Unaudited 30 June 2020 KZT'000	31 December 2019 KZT'000
Investment debt instruments at FVOCI		
- Government bonds		
Treasury bills of the Ministry of Finance of the Republic of Kazakhstan	3,340,336	3,136,787
Total government bonds	3,340,336	3,136,787
- Corporate bonds		
rated from BBB- to BBB+	10,720,077	10,336,750
Total corporate bonds	10,720,077	10,336,750
- Corporate bonds of banks		
rated from BB- to BB+	4,451,733	13,662,565
Total corporate bonds of banks	4,451,733	13,662,565
Total investment debt instruments measured at fair value through other comprehensive income	18,512,146	27,136,102

As at 30 June 2020, all investment debt instruments at fair value through other comprehensive income have been designated in Stage 1 (2019: in Stage 1).

	Unaudited 30 June 2020 KZT'000	31 December 2019 KZT'000
Investment financial assets at amortised cost (POCI-assets)		
Bonds of First Heartland Jýsan Bank JSC	1,771,623	1,572,997
Total bonds	1,771,623	1,572,997
Total investment assets	20,283,769	28,709,099

11 Debt securities issued

As at 30 June 2020, debt securities issued in the amount of KZT 40,152,732 thousand (31 December 2019: KZT 40,150,736 thousand) comprise unquoted bonds with maturity upon demand and coupon interest of 0.01% per annum. Total maturity of bonds is 15 years.

12 Investment related commitments

The Group purchases liabilities for its portfolio through its subsidiary Seriktes Kazyna B.V. 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 2020	31 December 2019
	KZT'000	KZT'000
Contracted amount		
Kazakhstan Infrastructure Fund C.V.	23,194,982	21,969,569
Falah Growth Fund LP	16,051,203	15,203,203
CITIC-Kazyna Investment Fund LP	13,750,875	13,024,403
KCM Sustainable Development Fund I	8,722,539	15,643,396
VTB Capital Innovation Fund L.P.	2,522,900	2,389,612
Wolfenson Capital Partners LP	1,837,175	1,740,115
Macquarie Renaissance Infrastructure Fund	1,738,083	1,646,259
Islamic Infrastructure Fund Limited Partnership	451,304	427,461
ADM Kazakhstan Capital Restructuring Fund CV	369,899	350,356
DBK Equity Fund C.V.	320,891	679,691
Kazakhstan Growth Fund	263,866	249,926
Aureos Central Asia Fund LLC	89,165	84,455
	69,312,882	73,408,446

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 2020 and 31 December 2019 the Group has no overdue investment related commitments.

13 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 the Group's operations and financial position.

(b) Taxation contingencies

The taxation system in 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, including opinions with respect to IFRS treatment of revenues, expenses and other items in the financial statements. Taxes are subject to review and investigation by various levels of authorities, which have the authority to impose severe fines and interest charges.

A tax year generally remains open for review by the tax authorities for five subsequent calendar years but under certain circumstances a tax year may remain open longer.

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

14 Related party transactions

(a) Control relationship

The Group's parent company is NMH Baiterek JSC. The party with ultimate control over the Group is the Government of the Republic of Kazakhstan.

(b) Transactions with members of the Board of Directors and Management Board

Total remuneration included in personnel expenses for the six months ended 30 June 2020 and 30 June 2019 is as follows:

	Unaudited For the six months ended 30 June 2020 KZT '000	Unaudited For the six months ended 30 June 2019 KZT '000
Short-term employee benefits	<u>78,660</u>	<u>77,850</u>

These amounts include cash and non-cash benefits in respect of the members of Board of Directors and the Management Board.

(c) Transactions with other related parties

Transactions with government-related entities

The Company transacts with a number of entities that are controlled by the Government of the Republic of Kazakhstan. The Group applies the exemption in IAS 24 *Related Party Disclosures* that allows to present reduced related party disclosures regarding transactions with the entities related to the Government of the Republic of Kazakhstan.

Other related parties comprise the companies controlled by the Government, national companies and the national companies' subsidiaries. The outstanding balances and the related average effective interest rates as at 30 June 2020 and related profit or loss amounts of transactions for the year ended 30 June 2020 with other related parties are as follows:

	Investments in joint ventures		Investments in associates		Fellow subsidiaries		Entities controlled by the Government of the Republic of Kazakhstan		Total
	KZT'000	Nominal average interest rate	KZT'000	Nominal average interest rate	KZT'000	Nominal average interest rate	KZT'000	Nominal average interest rate	
		interest rate		interest rate		interest rate		interest rate	
Consolidated statement of financial position as at 30 June 2020									
Assets									
Assets measured at fair value through profit or loss									
- <i>Investments in joint ventures</i>	46,157,012	-	-	-	-	-	-	-	46,157,012
- <i>Investments in associates</i>	-	-	24,621,711	-	-	-	-	-	24,621,711
- <i>Other financial assets</i>	525,118	10.0	998,648	10.0	2,343,637	12.0	-	-	3,867,403
Investment financial assets	-	-	-	-	-	-	14,060,413	4.5	14,060,413
Deferred tax asset	-	-	-	-	-	-	2,159,570	-	2,159,570
Current tax asset	-	-	-	-	-	-	1,459,322	-	1,459,322
Liabilities									
Derivative financial instruments	-	-	-	-	(10,874,745)	-	-	-	(10,874,745)
Debt securities issued	-	-	-	-	-	-	(40,152,732)	0.01	(40,152,732)
Other financial liabilities	-	-	-	-	(123,108)	-	-	-	(123,108)

	Investments in joint ventures		Investments in associates		Fellow subsidiaries		Entities controlled by the Government of the Republic of Kazakhstan		Total
	KZT'000	Nominal average interest rate	KZT'000	Nominal average interest rate	KZT'000	Nominal average interest rate	KZT'000	Nominal average interest rate	
Consolidated statement of profit or loss and other comprehensive income for the six months ended 30 June 2020									
Interest income	-	-	-	-	21,356	-	168,409	-	189,765
Net gain on assets measured at fair value through profit or loss	(1,264,156)	-	(6,999,450)	-	-	-	-	-	(8,263,606)
Net loss on derivative financial instruments	-	-	-	-	(576,462)	-	-	-	(576,462)
Net foreign exchange gain/(loss)	-	-	-	-	(83,669)	-	765,693	-	682,024
General and administrative expenses	-	-	-	-	(57,136)	-	-	-	(57,136)
Income tax expense	-	-	-	-	-	-	(352,548)	-	(352,548)

The outstanding balances and the related average effective interest rates as at 31 December 2019 and profit or loss amounts of transactions for the six months ended 30 June 2019 with other related parties are as follows:

	Investments in joint ventures		Investments in associates		Fellow subsidiaries		Entities controlled by the Government of the Republic of Kazakhstan		Total
	KZT'000	Nominal average interest rate	KZT'000	Nominal average interest rate	KZT'000	Nominal average interest rate	KZT'000	Nominal average interest rate	
Consolidated statement of financial position as at 31 December 2019									
Assets									
Assets measured at fair value through profit or loss									
- <i>Investments in joint ventures</i>	47,465,606	-	-	-	-	-	-	-	47,465,606
- <i>Investments in associates</i>	-	-	33,476,165	-	-	-	-	-	33,476,165
- <i>Other financial assets</i>	480,681	10.0	1,019,457	10.0	2,671,563	12.0	-	-	4,171,701
Investment financial assets	-	-	-	-	6,821,528	6.5	13,473,537	4.6	20,295,065
Deferred tax asset	-	-	-	-	-	-	1,966,364	-	1,966,364
Current tax asset	-	-	-	-	-	-	1,746,295	-	1,746,295
Liabilities									
Derivative financial instruments	-	-	-	-	(10,298,284)	-	-	-	(10,298,284)
Debt securities issued	-	-	-	-	-	-	(40,150,736)	0.01	(40,150,736)
Other financial liabilities	-	-	-	-	(123,086)	-	-	-	(123,086)

	Investments in joint ventures		Investments in non-consolidated subsidiaries		Fellow subsidiaries		Entities controlled by the Government of the Republic of Kazakhstan		Total
	KZT'000	Nominal average interest rate	KZT'000	Nominal average interest rate	KZT'000	Nominal average interest rate	KZT'000	Nominal average interest rate	
Consolidated statement of profit or loss and other comprehensive income for the six months ended 30 June 2019									
Interest income	-	-	-	-	243,083	-	-	-	243,083
Interest expense	-	-	-	-	-	-	(1,996)	-	(1,996)
Net gain on assets at fair value through profit or loss	-	-	2,761,084	-	-	-	-	-	2,761,084
Net gain on derivative financial instruments	-	-	-	-	664,542	-	-	-	664,542
Net foreign exchange gain	-	-	-	-	(91,663)	-	-	-	(91,663)
General and administrative expenses	-	-	-	-	(53,828)	-	-	-	(53,828)
Income tax expense	-	-	-	-	-	-	(208,625)	-	(208,625)

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

15 Risk management, corporate governance and internal control

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.

As at 30 June 2020 there were no significant changes in the interest rate risk, foreign currency risk, credit risk and liquidity risk as compared with 31 December 2019.

Other price risks

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. Other price risk arises from the Group's investments in equity instruments, including shares of private equity funds, whose valuation is based on the valuation of the underlying portfolio companies of those private equity funds.

The Group invests in such 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 the price risk. The management of the private equity funds moderates this risk through careful selection and review of the business and operational matters before the investment decision are implemented. They also maintain 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. As at 30 June 2020 these reports on performance of the private equity funds management for the 1st quarter of 2020 are accessible for the Group. To reflect the impact of COVID-19 on the fair value of investments in private equity funds as at 30 June 2020, the valuation company has calculated an adjustment based on the analysis of change in market capitalisation of listed peer companies presented in the sectors, in which the companies, included into the portfolio of private equity funds, operate (Note 16).

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 9,951,966 thousand for the year ended 30 June 2020 (2019: KZT 11,909,614 thousand). A 10% decrease in these prices would have an equal and opposite effect.

Moreover, the Group's profit and loss and equity is affected by changes in the fair value of its debt financial instruments measured at fair value through profit or loss. For example, a 1% increase in the discount rate would have decreased profit or loss and equity by KZT 548,828 thousand for the year ended 30 June 2020 (2019: KZT 373,700). A 1% decrease in these rates would have an equal and opposite effect.

The Group is committed and invests in private equity funds that are not traded in an active market and are therefore considered illiquid. On the basis of the Group's commitments, the private equity funds are able to call on such commitments from the Group with a notice period on average being 10 days. The amount of these calls may exceed the available cash and cash equivalents at any point in time.

16 Fair values of financial instruments

The 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 judgement 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.

During 2015, the Group entered into a cross currency swap with Development Bank of Kazakhstan with maturity in 2020 to deliver USD 50,000 thousand in exchange for KZT 9,382,500 thousand. The Group received 8.7% p.a. interest prepayment of KZT 816,278 thousand. The Group has a right to prolong the maturity by two years. As at 30 June 2020, the fair value of this swap is KZT 10,874,746 thousand (31 December 2019: KZT 10,298,284 thousand).

To determine the fair value of this swap, management used 9.96% for KZT-denominated cash flow (2019: 9.64% for KZT-denominated cash flow) and 2.6% for USD-denominated cash flow (2019: 1.75% for USD-denominated cash flow) based on the observable market data information. The fair value of this swap is categorised into Level 2 of the fair value hierarchy.

To the extent that the difference between KZT and USD rates increases by 1%, a fair value of a derivative financial instrument would be KZT 169,323 thousand lower (increase in liabilities).

For more complex instruments, such as investments in private equity funds, the Group uses annual audited financial statements and quarterly management reports of the basic investment funds which use proprietary valuation models.

For determination of fair values of investments in private equity funds as at 30 June 2020 and 31 December 2019 the Group engaged an independent valuation company which also used its own valuation models.

To reflect the impact of COVID-19 on the fair value of investments in private equity funds as at 30 June 2020, the valuation company has calculated an adjustment based on the analysis of change in market capitalisation of listed peer companies presented in the sectors, in which the companies, included into the portfolio of private equity funds, operate.

The use of this adjustment for assessing the impact of coronavirus resulted in decrease in fair value of investments in private equity funds by KZT 10,847,459 thousand.

(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 2020.

KZT'000 30 June 2020	Financial instruments measured at fair value through profit or loss	Financial assets measured at fair value through other comprehensive income	Financial assets measured at amortised cost	Financial liabilities measured at amortised cost	Total carrying amount	Fair value
Financial assets measured at fair value						
Debt securities	18,483,415	18,512,146	-	-	36,995,561	36,995,561
Equity securities	28,740,939	-	-	-	28,740,939	28,740,939
	47,224,354	18,512,146	-	-	65,736,500	65,736,500
Financial assets not measured at fair value						
Cash and cash equivalents	-	-	14,650,547	-	14,650,547	14,650,547
Amounts due from credit institutions	-	-	13,652,915	-	13,652,915	13,652,915
Debt securities	-	-	1,771,623	-	1,771,623	2,073,549
Other financial assets	-	-	31,340	-	31,340	31,340
	-	-	30,106,425	-	30,106,425	30,408,351
Financial liabilities measured at fair value						
Cross-currency interest rate swap	10,874,745	-	-	-	10,874,745	10,874,745
	10,874,745	-	-	-	10,874,745	10,874,745
Financial liabilities not measured at fair value						
Debt securities issued	-	-	-	40,152,732	40,152,732	40,152,732
Other financial liabilities	-	-	-	144,230	144,230	144,230
	-	-	-	40,296,962	40,296,962	40,296,962

The table below sets out the carrying amounts and fair values of financial assets and financial liabilities as at 31 December 2019.

	Financial assets					Fair value
	Financial instruments at fair value through profit or loss	Financial assets measured at amortised cost	Financial assets measured at fair value through other comprehensive income	Financial liabilities measured at amortised cost	Total carrying amount	
KZT'000						
31 December 2019						
Financial assets measured at fair value						
Debt securities	14,477,569	-	27,136,102	-	41,613,671	41,613,671
Equity securities	38,154,365	-	-	-	38,154,365	38,154,365
	52,631,934	-	27,136,102	-	79,768,036	79,768,036
Financial assets measured at fair value						
Cash and cash equivalents	-	946,080	-	-	946,080	946,080
Amounts due from credit institutions	-	23,332,615	-	-	23,332,615	23,332,615
Debt securities	-	1,572,997	-	-	1,572,997	2,227,978
Other financial assets	-	33,901	-	-	33,901	33,901
	-	25,885,593	-	-	25,885,593	26,540,574
Financial liabilities measured at fair value						
Cross-currency interest rate swap	10,298,284	-	-	-	10,298,284	10,298,284
	10,298,284	-	-	-	10,298,284	10,298,284
Financial liabilities not measured at fair value						
Debt securities issued	-	-	-	40,150,736	40,150,736	40,150,736
Other liabilities	-	-	-	186,386	186,386	186,386
	-	-	-	40,337,122	40,337,122	40,337,122

(b) Fair value hierarchy

The Group measures fair values using the following fair value hierarchy, which 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 all instruments where the valuation technique includes 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 measurement. 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 engagement of independent valuation by qualified appraiser which directly reports to the Chief Financial Officer, and which 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 2020 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 consolidated interim condensed statement of financial position:

KZT'000	Level 1	Level 2	Level 3	Total
Assets measured at fair value through profit or loss				
- Investments in joint ventures	-	-	46,157,012	46,157,012
- Investments in associates	-	-	24,621,711	24,621,711
- Equity financial instruments	-	-	28,740,939	28,740,939
- Debt financial instruments	-	-	18,483,415	18,483,415
- Derivative liabilities	-	(10,874,745)	-	(10,874,745)
Investment financial assets				
- Debt instruments	18,512,146	-	-	18,512,146
	18,512,146	(10,874,745)	118,003,077	125,640,478

The table below analyses financial instruments measured at fair value at 31 December 2019, 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
Assets measured at fair value through profit or loss				
- Investments in joint ventures	-	-	47,465,606	47,465,606
- Investments in associates	-	-	33,476,165	33,476,165
- Equity financial instruments	-	-	38,154,365	38,154,365
- Debt financial instruments	-	-	14,477,569	14,477,569
- Derivative liabilities	-	(10,298,284)	-	(10,298,284)
Investment financial assets				
- Debt instruments	27,136,102	-	-	27,136,102
	<u>27,136,102</u>	<u>(10,298,284)</u>	<u>133,573,705</u>	<u>150,411,523</u>

The following table shows a reconciliation for the six months ended 30 June 2020 for fair value measurements in Level 3 of the fair value hierarchy:

KZT'000	Joint ventures	Associates	Other financial assets
Balance at the beginning of the period	47,465,606	33,476,165	52,631,934
Net gain recognised in profit or loss, unaudited	(1,308,594)	(6,982,399)	(12,677,765)
Acquisitions, unaudited	-	-	10,663,101
Disposals, unaudited	-	(1,872,055)	(3,392,916)
Balance at the end of the period, unaudited	46,157,012	24,621,711	47,224,354

The following table shows a reconciliation for the six months ended 30 June 2019 for fair value measurements in Level 3 of the fair value hierarchy:

KZT'000	Joint ventures	Investments in non-consolidated subsidiaries	Other financial assets
Balance at the beginning of the period	40,150,121	58,324,226	8,713,349
Net gain recognised in profit or loss, unaudited	-	2,761,084	923,356
Acquisitions, unaudited	5,242,000	305,368	2,888,582
Balance at the end of the period, unaudited	45,392,121	61,390,678	12,525,287

The Group's investments in equity investments categorised into Level 3 comprise holdings in investment funds and non-controlling interests in other companies. These funds invest primarily in private equity, through purchasing unlisted ordinary shares of businesses in emerging markets (predominantly Kazakhstan and Russia). To determine the fair value of the Group's holdings in these investment funds as at 30 June 2020 and 31 December 2019, the Group engaged an independent appraiser.

The approach followed by the appraiser was to estimate the fair value of the underlying portfolio investments (businesses) held by each fund, and then calculate the Group's share in value of this business. As a cross check, the appraiser also reviews fair values of investments as reported by each of the funds, and assesses the basis for material differences between the appraised fair value and fair values reported by the funds' managing companies.

A number of valuation techniques were used by the appraiser 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 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.

The table below sets out information about significant unobservable inputs used as at the period-end in the measuring of the most significant investments, including funds' portfolio investments categorised into Level 3 of the fair value hierarchy as at 30 June 2020, together with a sensitivity analysis for changes in these inputs which the Group considered reasonably possible at the reporting date, assuming all other variables remain unchanged.

Industry in which company operates	Unaudited Fair value of the Group's share KZT'000	Valuation technique	Significant unobservable inputs	Range of estimates (weighted average) for unobservable input	Unaudited Fair value measurement sensitivity to unobservable inputs KZT'000
Power engineering	13,278,879	Black-Scholes option pricing models	Volatility rate	+/- 5%	663,944
	397,573	Comparative approach	Stock-exchange quotations	+/- 5%	19,879
	28,655	Income approach	Discounted cash flows	+/- 5%	1,433
Alternative power engineering	20,199	Income approach	Discounted cash flows	+/- 5%	1,010
	6,125,055	Comparative approach	EBITDA/multiplier	+/- 5%	306,253
	3,483,953	Cost approach	According to historical costs	+/- 5%	174,198
	170,758	Cost approach	According to historical costs	+/- 5%	8,538
	40,150,121	Income approach	Discounted cash flows, assessment of put option	+/- 5%	2,007,506
Transport and logistics	2,868,944	Comparative approach	EBITDA/multiplier	+/- 5%	143,447
	2,717,835	Income approach	Discounted cash flows	+/- 5%	135,892
	2,120,859	Cost approach	According to historical costs	+/- 5%	106,043
	1,930,311	Comparative approach	EBITDA/multiplier	+/- 5%	96,516
	719,287	Income approach	Discounted cash flows	+/- 5%	35,964
	711,799	Income approach	Discounted cash flows	+/- 5%	35,590
	75,340	Cost approach	Adjustment for net assets value	+/- 5%	3,767

Industry in which company operates	Unaudited Fair value of the Group's share KZT'000	Valuation technique	Significant unobservable inputs	Range of estimates (weighted average) for unobservable input	Unaudited Fair value measurement sensitivity to unobservable inputs KZT'000
Real estate	2,299,972	Income approach	Discounted cash flows	+/- 5%	114,999
	812,673	Cost approach	Adjustment for net assets value	+/- 5%	40,634
Processing industry	2,900,483	Income approach	Discounted cash flows	+/- 5%	145,024
	2,360,096	Income approach	Discounted cash flows	+/- 5%	118,005
	2,162,084	Income approach	Discounted cash flows	+/- 5%	108,104
	2,051,786	Income approach	Discounted cash flows	+/- 5%	102,589
	1,837,657	Income approach	Discounted cash flows	+/- 5%	91,883
	1,357,718	Income approach	Discounted cash flows	+/- 5%	67,886
	1,197,639	Income approach	Discounted cash flows	+/- 5%	59,882
	318,360	Cost approach	According to historical costs	+/- 5%	15,918
	88,876	Cost approach	Adjustment for net assets value	+/- 5%	4,444
	6,718	Cost approach	Adjustment for net assets value	+/- 5%	336
Natural resources	755,082	Comparative approach	EBITDA/ multiplier	+/- 5%	37,754
Medical diagnostics	1,297,202	Comparative approach	EBITDA/ multiplier	+/- 5%	64,860
	1,025,753	Cost approach	Adjustment for net assets value	+/- 5%	51,288
	324,772	Comparative approach	Stock-exchange quotations	+/- 5%	16,239
	100,000	Cost approach	According to historical costs	+/- 5%	5,000

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Industry in which company operates	Unaudited Fair value of the Group's share KZT'000	Valuation technique	Significant unobservable inputs	Range of estimates (weighted average) for unobservable input	Unaudited Fair value measurement sensitivity to unobservable inputs KZT'000
Agriculture	5,638,499	Income approach	Discounted cash flows	+/- 5%	281,925
	3,173,962	Cost approach	According to historical costs	+/- 5%	158,698
	1,964,648	Cost approach	According to historical costs	+/- 5%	98,232
	1,370,059	Income approach	Discounted cash flows	+/- 5%	68,503
	1,014,046	Income approach	Discounted cash flows	+/- 5%	50,702
	1,000,000	Cost approach	According to historical costs	+/- 5%	50,000
	510,449	Cost approach	According to historical costs	+/- 5%	25,522
	269,708	Cost approach	According to historical costs	+/- 5%	13,485
	391,847	Income approach	Discounted cash flows	+/- 5%	19,592
	Telecommunication services	42,916	Income approach	Discounted cash flows	+/- 5%
7,806		Income approach	Discounted cash flows	+/- 5%	390
987,545		Comparative approach	EBITDA/ multiplier	+/- 5%	49,377
Financial services	2,380,173	Comparative approach	EBITDA/ multiplier	+/- 5%	119,009
	590,522	Comparative approach	EBITDA/ multiplier	+/- 5%	29,526
	2,964,458	Comparative approach	EBITDA/ multiplier	+/- 5%	148,223
Total	118,003,077				

The table below sets out information about significant unobservable inputs used as at the period-end in the measuring of the most significant investments, including private equity funds' portfolio investments categorised into Level 3 of the fair value hierarchy as at 31 December 2019, together with a sensitivity analysis for changes in these inputs which the Group considered reasonably possible at the reporting date, assuming all other variables remain unchanged.

Industry in which company operates	Fair value of the Group's share	Valuation technique	Significant unobservable inputs	Range of estimates (weighted average) for unobservable input	Fair value measurement sensitivity to unobservable inputs
Power engineering	21,957,960	Black-Scholes option pricing models	Volatility rate	+/- 5%	1,097,898
	512,750	Comparative approach	EBITDA/multiplier	+/- 5%	25,638
	69,248	Income approach	Discounted cash flows	+/- 5%	3,462
	23,014	Income approach	Discounted cash flows	+/- 5%	1,151
Alternative power engineering	5,135,379	Comparative approach	EBITDA/multiplier	+/- 5%	256,769
	4,242,000	Cost approach	According to historical costs	+/- 5%	212,100
	140,995	Cost approach	According to historical costs	+/- 5%	7,050

Industry in which company operates	Fair value of the Group's share	Valuation technique	Significant unobservable inputs	Range of estimates (weighted average) for unobservable input	Fair value measurement sensitivity to unobservable inputs
Transport and logistics	40,150,121	Income approach	Discounted cash flows, assessment of put option	+/- 5%	2,007,506
	3,692,950	Income approach	Discounted cash flows	+/- 5%	184,648
	3,376,158	Comparative approach	EBITDA/multiplier	+/- 5%	168,808
	3,292,436	Comparative approach	EBITDA/multiplier	+/- 5%	164,622
	2,963,761	Cost approach	According to historical costs	+/- 5%	148,188
	1,624,724	Income approach	Discounted cash flows	+/- 5%	81,236
	781,988	Income approach	Discounted cash flows	+/- 5%	39,099
	1,208,257	Cost approach	Adjustment for net assets value	+/- 5%	60,413
	3,430,003	Cost approach	According to historical costs	+/- 5%	171,500
	3,053,274	Income approach	Discounted cash flows	+/- 5%	152,664
Processing industry	2,033,751	Income approach	Discounted cash flows	+/- 5%	101,688
	1,530,023	Income approach	Discounted cash flows	+/- 5%	76,501
	1,292,320	Income approach	Discounted cash flows	+/- 5%	64,616
	1,000,000	Cost approach	According to historical costs	+/- 5%	50,000
	570,989	Cost approach	According to historical costs	+/- 5%	28,549
	480,681	Income approach	Discounted cash flows	+/- 5%	24,034
	9,240	Cost approach	Adjustment for net assets value	+/- 5%	462

Industry in which company operates	Fair value of the Group's share	Valuation technique	Significant unobservable inputs	Range of estimates (weighted average) for unobservable input	Fair value measurement sensitivity to unobservable inputs
Telecommunication services	291,105	Income approach	Discounted cash flows	+/- 5%	14,555
	93,577	Income approach	Discounted cash flows	+/- 5%	4,679
Financial services	1,069,144	Comparative approach	EBITDA/ multiplier	+/- 5%	53,457
	166,299	Comparative approach	EBITDA/ multiplier	+/- 5%	8,315
	71,277	Comparative approach	EBITDA/ multiplier	+/- 5%	3,564
Entertainment	3,187,654	Comparative approach	EBITDA/ multiplier	+/- 5%	159,383
Other	948,074	Comparative approach	EBITDA/ multiplier	+/- 5%	47,404
	4,057,407	-	-	-	-
Total	133,573,705				

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 2020:

Unaudited KZT'000	Level 2	Total fair value	Total carrying amount
Assets			
Cash and cash equivalents	14,650,547	14,650,547	14,650,547
Amounts due from credit institutions	13,652,915	13,652,915	13,652,915
Investment financial assets	1,770,539	1,770,539	1,771,623
Other financial assets	31,340	31,340	31,340
Debt securities issued	(40,152,732)	(40,152,732)	(40,152,732)
Other financial liabilities	(144,230)	(144,230)	(144,230)

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 2019:

KZT'000	Level 2	Total fair value	Total carrying amount
Assets			
Cash and cash equivalents	946,080	946,080	946,080
Amounts due from credit institutions	23,332,615	23,332,615	23,332,615
Investment financial assets	2,227,978	2,227,978	1,572,997
Other financial assets	33,901	33,901	33,901
Debt securities issued	(40,150,736)	(40,150,736)	(40,150,736)
Other financial liabilities	(186,386)	(186,386)	(186,386)