



**Qazaqstan Investment Corporation
Joint Stock Company**

Condensed Consolidated Interim
Financial Information
for the six months ended 30 June 2024

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Qazaqstan Investment Corporation Joint Stock Company
Condensed Consolidated Interim Statement of Profit or Loss and Other Comprehensive Income
for the six months ended 30 June 2024

KZT'000	Notes	For the six months ended 30 June (unaudited)	
		2024	2023*
Interest income calculated using the effective interest method	4	5,810,735	5,068,233
Interest expense	4	(573,368)	(560,655)
Net interest income		5,237,367	4,507,578
Net gain on financial instruments at fair value through profit or loss	15(b)	4,308,969	12,691,399
Dividend income		-	61,782
Net foreign exchange (loss)/gain		633,258	(226,268)
Expenses on initial recognition of other loans issued at below market rate	8	(237,111)	-
Net loss on investment financial assets		(23,811)	-
Income from use of government grants		115,004	108,664
Other operating income/(loss), net		25,770	(78,274)
Operating income		10,059,446	17,064,881
Impairment loss on financial assets		(334,372)	(388,351)
Personnel expenses		(766,034)	(700,713)
General and administrative expenses		(1,103,070)	(605,363)
Profit before income tax		7,855,970	15,370,454
Income tax expense	5	(1,080,480)	(1,545,339)
Profit for the year		6,775,490	13,825,115
Other comprehensive income/(loss)			
<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		6,807	6,351
Other comprehensive loss for the year, net of income tax		6,807	6,351
Total comprehensive income for the year		6,782,297	13,831,466

* For information regarding changes to comparative information, see Note 2(f).

The condensed consolidated interim financial information as set out on pages 4 to 33 were approved by the management on 2 August 2024 and were signed on its behalf by:


 Timur Beguliyev
 Deputy Chairman of the Board




 Raukhan Kuttybayeva
 Chief Accountant

Qazaqstan Investment Corporation Joint Stock Company
Condensed Consolidated Interim Statement of Financial Position as at 30 June 2024

KZT'000	Notes	Unaudited 30 June 2024	31 December 2023
ASSETS			
Cash and cash equivalents	6	68,450,603	68,953,306
Assets measured at fair value through profit or loss	7	171,726,824	173,272,063
- <i>Investments in joint ventures</i>		63,522,872	64,545,153
- <i>Investments in associates</i>		33,516,736	31,907,356
- <i>Other financial assets</i>		74,687,216	76,819,554
Loans to customers	8	23,991,439	15,991,978
Investment financial assets	9	9,065,085	8,696,596
Current tax asset		678,950	121,908
Property, plant and equipment and intangible assets		209,239	246,278
Other assets		28,191	29,810
Total assets		274,150,331	267,311,939
LIABILITIES			
Debt securities issued	10	50,729,341	50,155,972
Liabilities on dividends	11	2,676,035	-
Government grants		1,270,591	1,888,569
Other liabilities		1,073,798	1,153,904
Deferred tax liabilities	5	768,646	587,836
Total liabilities		56,518,411	53,786,281
EQUITY			
Share capital	11	147,761,730	147,761,730
Revaluation reserve for investment financial assets		(93,282)	(100,089)
Retained earnings		69,963,472	65,864,017
Total equity		217,631,920	213,525,658
Total liabilities and equity		274,150,331	267,311,939

Qazaqstan Investment Corporation Joint Stock Company
Condensed Consolidated Interim Statement of Cash Flows for the Six Months Ended 30 June 2024

KZT'000	Unaudited	
	For the six months ended	
	30 June	
	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Interest income	4,071,513	4,454,715
Dividends received	-	61,782
Personnel expenses paid	(825,911)	(871,297)
Other general administrative expenses	(1,256,875)	(970,410)
Other receipts	60,247	57,233
(Increase)/decrease in operating assets		
Assets measured at fair value through profit or loss	5,854,208	8,607,466
Loans issued	(7,926,537)	280,246
Other liabilities	248,147	67,540
Net cash from operating activities before income taxes	224,792	11,687,275
Income tax paid	(1,302,784)	(895,351)
Net cash (used in)/from operating activities	(1,077,992)	10,791,924
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investment financial assets	-	(970,701)
Sale and repayment of investment financial assets	848	27,591
Acquisition of fixed assets and intangible assets	(45,469)	-
Net cash flows used in investing activities	(44,621)	(943,110)
CASH FLOWS FROM FINANCING ACTIVITIES		
Issuance of ordinary shares	-	35,000,000
Net cash flows from financing activities	-	35,000,000
Net decrease in cash and cash equivalents	(1,122,613)	44,848,814
Cash and cash equivalents at the beginning of the period	68,953,306	50,809,859
Effect of changes in exchange rates on cash and cash equivalents	619,910	(169,265)
Cash and cash equivalents at end of the period (Note 6)	68,450,603	95,489,408

Qazaqstan Investment Corporation Joint Stock Company
Condensed Consolidated Interim Statement of Changes in Equity for the six months ended 30 June 2024

KZT'000	Share capital	Revaluation reserve for investment financial assets	Retained earnings	Total
Balance at 1 January 2024	147,761,730	(100,089)	65,864,017	213,525,658
Total comprehensive income				
Profit for the period, unaudited	-	-	6,775,490	6,775,490
Other comprehensive income				
<i>Items that are or may be reclassified subsequently to profit or loss:</i>				
Net change in fair value transferred to profit or loss, unaudited	-	6,807	-	6,807
Total other comprehensive income, unaudited	-	6,807	-	6,807
Total comprehensive income for the period, unaudited	-	6,807	6,775,490	6,782,297
Transactions with owners recorded directly in equity				
Dividends declared, unaudited (Note 11)	-	-	(2,676,035)	(2,676,035)
Total transactions with owners, unaudited	-	-	(2,676,035)	(2,676,035)
Balance at 30 June 2024, unaudited	147,761,730	(93,282)	69,963,472	217,631,920

Qazaqstan Investment Corporation Joint Stock Company
Condensed Consolidated Interim Statement of Changes in Equity for the six months ended 30 June 2024

KZT'000	Share capital	Revaluation reserve for investment financial assets	Retained earnings	Total
Balance at 1 January 2023	112,761,730	(141,149)	63,817,108	176,437,689
Total comprehensive income				
Profit for the period, unaudited	-	-	13,825,115	13,825,115
Other comprehensive income				
<i>Items that are or may be reclassified subsequently to profit or loss:</i>				
Net change in fair value transferred to profit or loss, unaudited	-	6,351	-	6,351
Total other comprehensive income, unaudited	-	6,351	-	6,351
Total comprehensive income for the period, unaudited	-	6,351	13,825,115	13,831,466
Transactions with owners recorded directly in equity				
Dividends declared, unaudited (Note 11)	-	-	(1,775,719)	(1,775,719)
Share issue, unaudited	35,000,000	-	-	35,000,000
Total transactions with owners, unaudited	35,000,000	-	(1,775,719)	33,224,281
Balance at 30 June 2023, unaudited	147,761,730	(134,798)	75,866,504	223,493,436

1 Reporting entity

(a) Organizational structure and activities

The condensed consolidated interim financial information presented herein include the financial statements of Qazaqstan Investment Corporation Joint Stock Company (former Kazyna Capital Management Joint Stock Company) (the “Company”) and the financial statements of its subsidiaries (the “Group”).

Kazyna Capital Management Joint Stock Company 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 Resolution No. 516 of the Committee of State Property and Order No. 630 of the Ministry of Finance of Republic of Kazakhstan dated 25 May 2013, all shares of the Company were transferred from Sovereign Wealth Fund “Samruk-Kazyna” JSC to Baiterek National Management Holding 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 investing in financial instruments.

The Company’s registered office is: 55A Mangilik El, Yesil district, Astana, Republic of Kazakhstan.

The principal subsidiaries are as follows:

Name	Country of incorporation	Principal activity	Unaudited 30 June 2024	31 December 2023
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
Kazyna Seriktes B.V.***	The Netherlands	Investments in funds	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
BGlobal Ventures Ltd. Private Company*****	Kazakhstan	Organization and conduct of training and other events in the areas of technological entrepreneurship and technology development	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, a 100% interest in BV Management LLP was repurchased from a 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 a special purpose vehicle (SPV) Kazyna Seriktes B.V., which is a 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. and Islamic Infrastructure Fund L.P.). Investments were restructured to improve the Group’s financial efficiency.

**** On 12 April 2019, an agreement for establishment of the Private Equity Fund “KCM Sustainable Development Fund C.V.” (a subsidiary of the Group). Kazyna Seriktes B.V. is a limited partner with an ownership interest of 99.9%, while BV Management LLP is a general partner with an ownership interest of 0.01%.

***** On 15 December, 2022, the Board of Directors of the Company made decision to establish a subsidiary - BGlobal Ventures Ltd. Private Company.

As at 30 June 2024, 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 2023, Kazakhstan Infrastructure Fund C.V. with 95% ownership is not also a subsidiary of the Company.

The Group does not consolidate its subsidiaries BV Management LLP and BGlobal Ventures Ltd. Private Company as these subsidiaries (individually and collectively) are not significant for the Group’s financial position, performance and cash flows, irrespective of whether they are consolidated or not.

(b) Kazakhstan 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. The volatility of oil prices on world markets and the ongoing military conflict between the Russian Federation and Ukraine also increase the level of uncertainty in the conditions for carrying out economic activities. The condensed consolidated interim financial information presented reflect management's view of the impact that business conditions in Kazakhstan have on the Group's operations and financial position. The actual impact of future business conditions may differ from management's estimates.

2 Basis of accounting

(a) Statement of compliance

This condensed consolidated interim financial information has been prepared in accordance with IAS 34 Interim Financial Reporting and should be read in conjunction with the Group's latest annual consolidated financial statements as at 31 December 2023 and for the year then ended. These condensed consolidated interim financial statements do not contain all of the information that is required to be disclosed for full annual financial statements prepared in accordance with IFRS financial reporting standards (“IFRS”). However, selected notes have been included in these statements to explain significant events and transactions that are necessary to understand the changes in the Group's financial position and results of operations since the last annual consolidated financial statements.

(b) Basis for measurement

The condensed consolidated interim financial statements are prepared on the historical cost basis except for assets at fair value through profit or loss, investment financial assets measured at fair value through other comprehensive income and at fair value through profit or loss.

(c) Functional and presentation currency of the condensed consolidated interim financial statements

The functional currency is the currency of the primary economic environment in which the Group operates. The functional currency of the Group is KZT. If indicators of the primary economic environment are mixed, then management uses its judgment to determine the functional currency that reflects the economic substance of the majority of underlying events and circumstances relevant to them. A significant portion of the investments and transactions of the Group and its subsidiaries are denominated in KZT.

Investor subscriptions and redemptions are also received and paid in KZT. Accordingly, management has determined that the functional currency of the Group is KZT. Financial information presented in KZT is rounded to the nearest thousand.

(d) Use of estimates and judgments

In preparing these condensed interim financial statements, management has made judgment, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from those estimates.

The most significant judgments made by management in applying the Group's accounting policies and the principal sources of uncertainty in accounting estimates are the same as those described in the most recent annual financial statements.

Fair value measurement

The Group has established controls over fair value measurements. The system employs a team of valuation specialists who are generally responsible for overseeing all significant fair value measurements, including Level 3 measurements, and report directly to the entity's chief financial officer.

The valuation team reviews significant unobservable inputs and estimate adjustments on a regular basis. If third-party information is used to estimate fair value, such as quotes from a broker or pricing agency, the valuation team reviews the third-party evidence and reviews the measurement for compliance with IFRS requirements, including determining the level in the fair value hierarchy, to which this assessment should be attributed.

On significant valuation matters, the valuation team reports to the Group's audit committee.

When estimating the fair value of an asset or liability, the Group uses observable market data, to the extent possible. Fair value measurements are assigned to different levels of the fair value hierarchy depending on the inputs used in the respective valuation techniques:

- Level 1: quoted (unadjusted) prices for identical assets and liabilities in active markets.
- Level 2: inputs other than quoted prices used for Level 1 estimates that are observable either directly (i.e., such as prices) or indirectly (i.e., determined from prices).
- Level 3: inputs to assets and liabilities that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or liability are at different levels of the fair value hierarchy, the fair value measurement as a whole is assigned to the level of the hierarchy that contains the lowest level input that is significant to the entire measurement.

The Group recognizes transfers between levels in the fair value hierarchy at the end of the reporting period during which the changes are made.

(e) Assumptions and estimations uncertainty

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the condensed consolidated interim financial statements for the period ended 30 June 2024 are disclosed in the following notes:

- determining fair value of financial instruments measured at fair value through profit or loss – Notes 7 and 14.
- impairment of financial instruments: determining inputs into the ECL measurement model, including incorporation of forward-looking information.

(f) Presentation of comparative data

In preparing the condensed consolidated interim financial statements as at and for the period ended 30 June 2024, the Group made a reclassification that affected the related line items in the condensed consolidated statement of profit or loss and other comprehensive income for the period ended 30 June 2023.

Management has restated “Other net operating income/(expenses), net” in the condensed consolidated statement of profit or loss and other comprehensive income.

This item includes income from government grants, expense on initial recognition of other loans issued at below market rate, and other operating expenses per se.

As a result, the amount of KZT 30,390 thousand was reclassified to the above two line items in the condensed consolidated statement of profit or loss and other comprehensive income for the period ended 30 June 2023. After the change in presentation, other operating income decreased by 108,665 thousand KZT. This reclassification had no impact on the Group's operating income for the period ended 30 June 2023. The Group believes that this presentation is most appropriate for users of condensed consolidated interim financial statements.

The following table shows the impact of such changes on the relevant values:

KZT'000	As previously reported	Impact of reclassification	As reclassified
Consolidated statement of profit or loss and other comprehensive income for the period ended 30 June 2023			
Income from the use of government subsidies	-	108,664	108,664
Other net operating income/(expenses), net	30,390	(108,664)	(78,274)
Total	30,390	-	30,390

3 Material accounting policies

The accounting policies applied in these condensed consolidated interim financial statements are the same as those applied in the preparation of the most recent annual financial statements. The policies regarding the recognition and measurement of income taxes in the interim period are described in Note 5.

Standards issued but not yet effective

A number of new standards and amendments to standards are effective for annual periods beginning after 1 January 2024, with earlier adoption possible. However, the Group did not adopt the new and amended standards in preparing these condensed consolidated interim financial information.

4 Net interest income

KZT'000	Not audited For the six months ended 30 June	
	2024	2023
Interest income calculated using the effective interest method		
Cash and cash equivalents	3,986,876	4,337,563
Investment financial assets	1,244,535	388,659
Interest income calculated using the effective rate method	579,324	342,011
	5,810,735	5,068,233
Interest expenses		
Debt securities issued	(573,368)	(560,655)
Total interest expense	(573,368)	(560,655)
Total net interest income	5,237,367	4,507,578

5 Income tax expense

Income tax expense is recognized in an amount determined by multiplying profit (loss) before tax for the interim reporting period by a rate equal to management's best estimate of the weighted average annual income tax rate for the entire financial year. Therefore, 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.

KZT'000	Not audited	
	For the six months ended	
	30 June	
	2024	2023
Current income tax expense	899,670	1,767,000
Movement in deferred tax assets/deferred tax liabilities due to origination and reversal of temporary differences and movement loss allowance	180,810	(221,661)
Total income tax expense	1,080,480	1,545,339

The current and deferred income tax rate is 20% (30 June 2023: 20%).

Deferred tax assets and deferred tax liabilities

Temporary differences between the carrying amounts of assets and liabilities as reported in the condensed consolidated interim financial statements and the amounts used for taxation purposes give rise to deferred tax liabilities as at 30 June 2024 and 30 June 2023.

Change in temporary differences during the year ended 30 June 2024 and 30 June 2023, can be presented as follows.

KZT'000	Unaudited		
	30 June 2024		
	At the beginning of the reporting period	Recovered/ (charged) to profit or loss	At the end of the reporting period
Other financial assets measured at fair value through profit or loss	(699,926)	(13,128)	(713,054)
Loans issued to clients	72,437	(90,029)	(17,592)
Investment securities measured at fair value through profit or loss	32,546	(32,067)	479
Property, plant and equipment	(52,815)	4,662	(48,153)
Other assets	13,497	-	13,497
Other obligations	46,425	(50,248)	(3,823)
Net deferred tax liabilities	(587,836)	(180,810)	(768,646)
	30 June 2023		
	At the beginning of the reporting period	Recovered/ (charged) to profit or loss	At the end of the reporting period
Other financial assets measured at fair value through profit or loss	(305,115)	244,500	(60,926)
Investment securities measured at fair value through profit or loss	-	8,655	8,655
Property, plant and equipment	(61,265)	12,078	(49,187)
Other assets	13,892	-	13,892
Other obligations	42,789	(50,881)	(8,092)
Net deferred tax liabilities	(309,699)	221,662	(95,347)

6 Cash and cash equivalents

KZT'000	Unaudited 30 June 2024	31 December 2023
Cash and cash equivalents		
Current accounts in other banks		
- with a credit rating from BBB- to BBB+	10,391,847	17,406,318
- with a credit rating from BB- to BB+	14,532,968	5,813,378
- no rating	124,214	52,258
Total cash in current bank accounts	25,049,029	23,271,954
Short-term deposits in other banks		
- with a credit rating from BBB- to BBB+	6,531,414	7,639,464
- with a credit rating from BB- to BB+	492,223	-
Total short-term deposits in banks	7,023,637	7,639,464
Total cash in current bank accounts and short-term deposits in banks	32,072,666	30,911,418
Receivables under reverse repurchase agreements with an original maturity of less than 3 months, purchased on the Kazakhstan Stock Exchange, not having an assigned credit rating	36,399,590	38,073,443
Allowance for expected credit losses	(21,653)	(31,555)
Total cash and cash equivalents	68,450,603	68,953,306

Reverse repo transactions are conducted under terms that are usual and customary to standard lending, and securities borrowing and lending activities. These transactions have been executed within 7 days. Reverse repo transactions are collateralised by government securities issued, debt securities issued by Kazakhstan Sustainability Fund JSC, the Ministry of Finance of the Republic of Kazakhstan, Industrial Development Fund JSC and Development Bank of Kazakhstan JSC, with a fair value of KZT 36,423,545 thousand (2023 year: KZT 38,073,443 thousand).

Movement in allowance for expected credit losses

The following tables show reconciliations from the opening to the closing balances of the loss allowance for cash and cash equivalents. All amounts of cash and cash equivalents are classified as Stage 1 credit risk for the purposes of determining the loss allowance.

KZT'000	Unaudited For the six months ended 30 June	
	2024	2023
Balance at the beginning of the reporting period	31,555	32,234
Net remeasurement of loss allowance	(9,902)	(12,745)
Balance at the end of the reporting period	21,653	23,489

7 Assets measured at fair value through profit or loss

	Unaudited 30 June 2024 KZT'000	Ownership interest, %	31 December 2023 KZT'000	Ownership interest, %
Investments in joint ventures				
AstanaGas KMG JSC	40,288,157	50.0	40,276,183	50.0
Baikonyr Solar LLP	6,538,899	49.0	6,052,722	49.0
KTK Service LLP	3,339,587	49.0	4,817,617	49.0
Private Company Unicorn Feed	2,925,637	34.7	2,293,410	34.7
Medical Center iClinic Atyrau LLP	2,212,000	47.0	2,212,000	47.0
EPG PROMETHEUS SCHOOL LLP	2,051,031	26.6	2,786,273	26.6
Makinskiy zavod teploizolyatsii LLP	1,893,954	49.0	1,804,301	49.0
Kazakhstanskiy zavod goryachego tsinkovaniya LLP	1,215,000	49.0	1,215,000	49.0
Arnau Agro LLP	1,025,300	49.0	1,076,583	49.0
Kaspi Munai Capital LLP	1,000,000	39.0	1,000,000	39.0
Kazakhstanskiye truboprovodnyye sistemy LLP	650,000	34.0	650,000	34.0
Best Meat LLP	323,226	49.0	318,603	49.0
Kazakhstan Hungarian Investment Private Equity Fund	60,081	49.5	42,461	49.5
	<u>63,522,872</u>		<u>64,545,153</u>	
Investments in associates				
CITIC-KAZYNA Investment L.P.	15,561,681	49.9	13,496,480	49.9
EMC Agro LLP	6,138,407	24.47	5,867,542	24.47
Alit Holding LLP	3,300,000	49.0	3,300,000	49.0
KazMyaso LLP	2,575,658	49.0	2,538,820	49.0
ADM KCRF L.P.	2,263,200	49.5	2,694,941	49.5
Kazakhstan Growth Fund L.P.	2,037,606	49.5	2,046,417	49.5
Temirbeton-1 LLP	767,017	22.0	715,770	22.0
Private Company KazrostEngineering Ltd	721,229	32.0	1,102,999	32.0
Burundai Mineral Water LLP	151,938	45.3	144,387	45.3
	<u>33,516,736</u>		<u>31,907,356</u>	
Other financial assets (equity)				
Kazakhstan Infrastructure Fund C.V.	36,824,659	95.2	37,237,089	95.2
AITAS LUX S.A.R.L	6,521,700	3.91	6,312,319	3.91
500 Startups V, L.P.	4,671,755	7.1	5,418,718	7.1
Quest Ventures Asia Fund II L.P.	4,204,892	30.7	4,179,705	30.7
DBK Equity Fund	2,102,391	3.0	1,141,655	3.0
BRBAPK LLP	1,071,941	8.3	993,234	8.3
Wellington Partners Ventures III Fund L.P.	692,521	5.1	668,532	5.1
BV Management LLP	525,311	100	333,696	100
TTC Astana-2007 K LLP	226,462	17.2	183,699	17.2
Da Vinci Emerging Technologies GP Limited	135,618	14.78	151,368	15.0
Private Company BGlobal Ventures Ltd.	93,562	100	67,502	100
Flagship Ventures Fund 2004 L.P.	3,875	6.6	308	6.6
	<u>57,074,687</u>		<u>56,687,825</u>	
Other debt financial assets measured at fair value through profit or loss	<u>17,612,529</u>		<u>20,131,729</u>	
Total assets measured at fair value through profit or loss	<u>171,726,824</u>		<u>173,272,063</u>	

The estimated fair value of these assets was classified as Level 3 of the fair value hierarchy based on the inputs to the valuation methods used. A description of the valuation methods and significant unobservable inputs that were used to estimate the fair value of these assets is presented in Note 15(b).

Debt financial instruments

Other financial assets measured at fair value through profit or loss comprise loans to customers, bearing the nominal interest rates from 8% to 12.06% per annum. The Group determined that cash flows from these debt financial instruments comprise not only payments of principal and accrued interest on principal amount outstanding. Therefore, these financial instruments do not meet the SPPI criterion and are measured by the Group at fair value through profit or loss. The fair value of debt financial instruments was determined using market interest rates varying from 14.03% p.a. to 27.72% p.a. (in 2023: from 14.01% p.a. to 26.67% p.a.).

The Concept of Development of the Manufacturing Industry (CDMI)

CDMI of the Republic of Kazakhstan for 2023-2029 (hereinafter referred to as the Concept) is developed with the aim of achieving the goals set by the National Development Plan of the Republic of Kazakhstan until 2025. To solve the task of creating specialized factors and market conditions in the industrial sectors, the expansion of the toolkit of measures for state support of manufacturers in the manufacturing industry is envisaged, including package solutions within the framework of the agreement to enhance competitiveness.

The practical implementation of the task of expanding opportunities for growth and development of small and medium-sized businesses will be carried out through measures aimed at improving access to business financing through the expansion and increased targeting of programs and government incentive measures. For the purpose of implementing this Concept, the Partners approved a new investment policy and Partnership Agreement, where the Limited Partner must make a total amount of KZT 20,000,000 thousand and its share of the obligation to make contribution is equal to 100%.

As at 30 June 2024 and 31 December 2023, to implement the CDMI program, the Group increased the authorized capital by KZT 35,000,000 thousand.

During 2023, the Group made investments in the shares of Alit Holding LLP and KaspiMunayCapital LLP under this program, the fair value of which was disclosed above.

8 Loans to customers

KZT'000	Unaudited 30 June 2024	31 December 2023
Loans to customers measured at amortised cost		
Loans to customers measured at amortised cost	19,342,720	16,716,223
Loss allowance	(874,573)	(724,245)
Total	18,468,147	15,991,978
POCI-assets		
Loan to Green Capital Kazakhstan LLP (POCI assets)	5,523,292	-
Total POCI-assets	5,523,292	-
Total loans to customers measured at amortised cost	23,991,439	15,991,978

As at 30 June 2024, the Group had no outstanding balances on loans to customers that exceeded 10% of equity (31 December 2023: had no outstanding balances on loans to customers that exceeded 10% of equity).

As at 30 June 2024, loans issued to customers in the amount of KZT 17,124,712 thousand relate to stage 1 credit risk, in the amount of KZT 1,343,435 thousand relate to stage 2 credit risk and loans in the amount of KZT 5,523,292 thousand relate to instruments that were credit -impaired upon initial recognition.

As at 31 December 2023, loans issued to customers in the amount KZT 14,823,847 thousand relate to stage 1 credit risk, in the amount of KZT 1,168,131 thousand relate to stage 2 credit risk.

During the six months ended 30 June 2024, the Group issued loans to customers in the amount of KZT 8,315,526 thousand (during 2023: KZT 12,937,000 thousand) with interest rates ranging from 10.75% to 16.00% per annum and maturing in 2024–2030 (during 2023: from 8% to 12.06% per annum and maturity in 2024–2030).

At initial recognition, these loans were recognized at fair value, calculated by discounting the contractual cash flows of the loans using a market discount rate of 14.24% – 16.95% per annum (2023: 12.95% – 16.15% per annum). The Group recognized a loss in the form of discount on initial recognition in the amount of KZT 237,111 thousand (for six months of 2023: KZT 712,692 thousand) and a discount in the amount of KZT 502,973 thousand as the use of government subsidies. A discount in the amount of KZT 502,973 thousand was recognized on a loan issued by Green Capital Kazakhstan LLP, with a nominal value of KZT 4,100,000 thousand and an interest rate of 10.75% per annum. The loan was issued in accordance with the terms of the state program for financing investment projects in the agro-industrial complex (AIC), developed on the basis of the Employment Road Map 2020-2021 program.

As at 31 December 2023, loans issued to customers included loans with a nominal value of KZT 6,375,000 thousand and an interest rate of 8% per annum issued for the implementation of the CDMI program (Note 7). These loans were initially recognized at fair value using market discount rates ranging from 14.71% to 16.88%.

The Group used the following assumptions to determine the market interest rate at the date of initial recognition of loans issued:

- risk-free interest rates were determined based on the yield of long-term bonds issued by the Ministry of Finance of the Republic of Kazakhstan;
- a credit risk premium of the industry.

Land plots, real estate were provided as collateral for these loans, or these loans were insured by insurance organizations with a credit rating from BB+ to B+.

Green Capital Kazakhstan LLP

On 9 April 2024, a mezzanine loan agreement was concluded with Green Capital Kazakhstan LLP to provide a loan in the total amount of KZT 6,315,526 thousand. This loan was classified as an acquired or originated credit-impaired financial asset and consists of two tranches.

The first tranche was issued in the amount of KZT 4,100,000 thousand for a period of 84 months with a nominal rate of 10.75% before corporate income tax. This tranche was issued under the program of financing by private equity funds, of which the Group directly and (or) indirectly participates, investment projects of the agro-industrial complex (AIC), developed on the basis of the Employment Roadmap for 2020-2021.

The second tranche was issued in the amount of KZT 2,215,526 thousand for a period of 84 months with a nominal rate of 12.49% before corporate income tax. This tranche was issued on preferential terms.

TUKA LLP

On 27 March 2024, in accordance with the decision made on the basis of the Minutes of the Meeting of the Board of JSC BVF No. 03-05/03 dated 31 January 2024, a loan agreement was concluded with TUKA LLP to provide a loan in the total amount of KZT 2,000,000 thousand for a period of 60 months with nominal rate of 16% before corporate income tax.

On the date of recognition of the new financial asset at amortized cost at a market rate of 16.95%, a discount of KZT 93,726 thousand was recognized in the consolidated statement of profit or loss as part of the Fund's other operating expenses for the six months ended 30 June 2024.

9 Investment financial assets

KZT'000	Unaudited 30 June 2024	31 December 2023
Investment debt instruments measured at amortised cost	8,564,684	8,192,773
Investment debt instruments at fair value through profit or loss	48,464	73,072
Investment debt instruments at fair value through other comprehensive income	451,937	430,751
Total investment financial assets	9,065,085	8,696,596
	30 June 2024	31 December 2023
KZT'000		
Investment debt instruments measured at amortised cost		
<i>with a credit rating from BB- to BB+</i>		
Home Credit Bank JSC	2,159,593	2,150,155
<i>with a credit rating from BBB- to BBB+</i>		
Ministry of Finance of Republic of Kazakhstan	2,322,079	2,217,821
Eurasian Development Bank	1,046,084	1,009,685
Allowance for expected credit losses	(19,495)	-
Total	5,508,261	5,377,661
POCI-assets		
Obligation First Heartland Jusan Bank JSC (POCI-assets)	3,056,423	2,815,112
Total POCI-assets	3,056,423	2,815,112
Total investment financial assets measured at amortised cost	8,564,684	8,192,773

As at 30 June 2024, and 31 December 2023, investment securities carried at amortized cost are classified as Stage 1 credit risk, with the exception of bonds of First Heartland Jusan Bank JSC, which relate to instruments that were credit-impaired at initial recognition.

As at 30 June 2024 and 31 December 2023, investment debt instruments at fair value through profit or loss comprised corporate bonds maturing in 2032 and bearing a nominal interest rate of 0.01%.

As at 30 June 2024 and 31 December 2023, investment debt instruments accounted for at fair value through other comprehensive income are represented by the treasury bonds of the Ministry of Finance of the Republic of Kazakhstan and were designated as Stage 1 with a maturity until 2045 and a coupon rate of 6.5% .

10 Debt securities issued

As at 30 June 2024, issued debt securities for a total of KZT 40,152,744 thousand (unaudited) (31 December 2023: KZT 40,150,736 thousand) comprise unquoted bonds repayable on demand and with a coupon interest of 0.01% per annum. The maturity of the bonds is 15 years. The funds raised were allocated for acquisition of a 50% ownership in AstanaGas KMG JSC (Note 7).

To finance agro-industrial complex projects as part of the Employment Roadmap for 2020 - 2021, the Board of Directors of the Group, by their decision made at the in-person meeting held on 29 June 2021 (the Minutes No. 10/21), approved the terms of a bond issue, issued in two bond tranches, for a total of KZT 33,700,000 thousand. On 27 October 2021, Baiterek NMH JSC and the Group entered into a transaction on the Kazakhstan Stock Exchange to purchase and sell the Group's bonds under the first bond tranche for a total of KZT 12,800,000 thousand; the bonds have maturity of 10 years and bear a fixed interest rate of 7.1% per annum. The effective interest rate on the bonds was 11.76% per annum. The carrying amount of the issued bonds as at 30 June 2024 was KZT 10,576,597 thousand, unaudited (31 December 2023: KZT 10,005,236 thousand).

11 Share capital

(a) Issued capital

As at 30 June 2024, the authorized share capital comprises 55,000,000 ordinary shares, unaudited (31 December 2023: 55,000,000). The issued and paid-up share capital consists of 53,585,003 ordinary shares, unaudited (31 December 2023: 53,585,003), of which 35,000 ordinary shares with a total value of KZT 35,000,000 thousand, unaudited.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at annual and general meetings of the Group.

(b) Dividends

In accordance with Kazakhstan legislation, the Group's distributable reserves are limited to the balance of retained earnings as recorded in the condensed consolidated interim financial statements prepared in accordance with IFRS, or net profit for the current year, if there is an accumulated loss brought forward. A distribution cannot be made if this would result in negative equity of the Group's insolvency. In accordance with the legislation of the Republic of Kazakhstan, as at the reporting date, total distributable reserves amounted to KZT 69,963,472 thousand (unaudited) (31 December 2023: KZT 68,198,199 thousand).

During the six months ended 30 June 2024, dividends for a total of KZT 2,676,035 thousand were declared and paid (unaudited), amounting to KZT 49.94 per share (in 2023: dividends for a total of KZT 1,775,718 thousand were declared and paid, amounting to KZT 33.14 per share).

(c) Carrying value of ordinary shares

According to the Listing Rules of Kazakhstan Stock Exchange (the "Rules"), the Group discloses the carrying value of ordinary shares as required by the Rules:

	Unaudited 30 June 2024	31 December 2023
Carrying value of ordinary shares	4.08	3.98

The carrying amount of an ordinary share as at 30 June 2024 is estimated as equal to the amount of consolidated capital decreased by the amount of intangible assets that the Group would be unable to sell to third parties, totaling KZT 218,742,984 thousand (unaudited) (31 December 2023: KZT 213,373,693 thousand), divided by the number of outstanding ordinary shares of 53,585,003 (31 December 2023: 53,585,003 shares).

12 Financial instruments and risk management

Management of risk is fundamental to the Group's business and forms 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.

At 30 June 2024 there were no significant changes in interest rate risk, currency risk, credit risk and liquidity risk compared to 31 December 2023.

Other price risk

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 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 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 management of the private equity funds in mitigation of the price risk. 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 management of the underlying companies. The performance of management of the private equity funds are reported to the Group on a quarterly basis. As at 30 June 2024, these reports on the performance of the private equity funds management for the 1st quarter of 2024 are accessible for the Group.

The Group is committed to and invests in private equity funds that are not quoted in an active market and are therefore considered illiquid. In accordance with the obligations to which the Group is bound, private equity funds may require the fulfillment of obligations, the notice period for this is on average 10 days. Such claims may exceed available cash and cash equivalents at any given time.

13 Investment related commitments

The contractual amounts of investment related commitments are set out in the following table:

KZT'000	Unaudited 30 June 2024	31 December 2023
Contracted amount		
Da Vinci Emerging Technologies GP Limited	4,195,982	4,045,573
Kazakhstan Infrastructure Fund C.V.	1,423,809	1,181,686
QUEST VENTURES ASIA FUND II, L.P.	507,033	617,173
KAGF	377,882	2,978,055
Falah Growth Fund LP	330,709	454,560
CITIC-Kazyna Investment Fund LP	224,415	909,120
Kazakhstan Growth Fund	58,254	102,276
ADM Kazakhstan Capital Restructuring Fund CV	29,539	416,263
VTB Capital Innovation Fund L.P.	-	454,560
	7,147,623	11,159,266

In accordance with the foundation agreements of 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 2024 (unaudited) and 31 December 2023, the Group had no overdue investment commitments.

14 Related party transactions

(a) Control relationships

The Group's parent company is Baiterek National Managing Holding JSC. The Group is ultimately controlled by the Government of the Republic of Kazakhstan.

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

The remuneration included in personnel expenses for the periods ended 30 June 2024 and 2023 is as follows:

KZT'000	Unaudited For the six months ended 30 June	
	2024	2023
Members of the Management Board	84,696	77,474
Members of the Board of Directors	26,319	22,715
Total	111,015	100,189

The amounts include cash and non-cash remuneration of the members of the Board of Directors and the Management Board.

(c) Transactions with other related parties

Transactions with government-related entities

The Group transacts with a number of entities that are controlled of 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 government-related entities. Other related parties include state-controlled companies, national companies and subsidiaries of national companies.

The outstanding balances and the related average effective interest rates as at 30 June 2024, and related profit or loss amounts of transactions for the period ended 30 June 2024 with other related parties are as follows (unaudited):

	Parent Company		Investments in joint ventures		Investments in associates		Other subsidiaries of the Parent Company		Entities controlled by the Government of the Republic of Kazakhstan		Total
	KZT'000	Nominal average effective	KZT'000	Nominal average effective	KZT'000	Nominal average effective	KZT'000	Nominal average effective	KZT'000	Nominal average effective	KZT'000
		interest rate		interest rate		interest rate		interest rate		interest rate	
Condensed Consolidated Interim Statement of Financial Position as at 30 June 2024 (unaudited)											
Assets											
Cash and cash equivalents	-	-	-	-	-	-	4,548,518	-	36,399,590	-	40,948,108
Assets measured at fair value through profit or loss											
- <i>Investments in joint ventures</i>	-	-	63,522,872	-	-	-	-	-	-	-	63,522,872
- <i>Investments in associates</i>	-	-	-	-	33,516,736	-	-	-	-	-	33,516,736
- <i>Other financial assets</i>	-	-	-	-	605,320	-	2,109,468	-	-	-	2,714,788
Loans given to customers	-	-	167,292	-	-	-	-	-	-	-	167,292
Investment financial assets	-	-	-	-	-	-	-	-	2,774,016	-	2,774,016
Liabilities											
Debt securities issued	(10,576,597)	-	-	-	-	-	-	-	(40,152,744)	-	(50,729,341)
Government grants	-	-	-	-	-	-	-	-	(1,270,591)	-	(1,270,591)
Other liabilities	-	-	-	-	-	-	(23,687)	-	-	-	(23,687)

Qazaqstan Investment Corporation Joint Stock Company
Notes to the condensed consolidated interim financial statements for the period ended 30 June 2024

	Parent Company		Investments in joint ventures		Investments in associates		Other subsidiaries of the Parent Company		Entities controlled by the Government of the Republic of Kazakhstan		Total
	KZT'000	Nominal average effective interest rate	KZT'000	Nominal average effective interest rate	KZT'000	Nominal average effective interest rate	KZT'000	Nominal average effective interest rate	KZT'000	Nominal average effective interest rate	KZT'000
Condensed Consolidated Interim Statement of Profit or Loss and Other Comprehensive Income for the six months ended 30 June 2024 (unaudited)											
Interest income	-	-	-	-	-	-	816,061	-	2,602,736	-	3,418,797
Interest expense	(571,361)	-	-	-	-	-	-	-	(2,007)	-	(573,368)
Net income on assets at fair value through profit or loss	-	-	(1,726,304)	-	4,174,288	-	(23,467)	-	-	-	2,424,517
Net foreign exchange gain	-	-	-	-	-	-	-	-	100,236	-	100,236
General and administrative expenses	-	-	-	-	-	-	(141,173)	-	-	-	(141,173)
Amortisation of the government grant	-	-	-	-	-	-	-	-	617,977	-	617,977
Other income	-	-	-	-	-	-	1,969	-	-	-	1,969

Other related parties include government-controlled companies, national companies and subsidiaries of national companies. As at 31 December 2023, the outstanding balances and the related average effective interest rates as at 31 December 2023 and related profit or loss amounts of transactions for the period ended 30 June 2023 were (unaudited):

	Parent Company		Investments in joint ventures		Investments in associates		Other subsidiaries of the Parent Company		Entities controlled by the Government of the Republic of Kazakhstan		Total
	Nominal average effective	interest rate	Nominal average effective	interest rate	Nominal average effective	interest rate	Nominal average effective	interest rate	Nominal average effective	interest rate	KZT'000
	KZT'000		KZT'000		KZT'000		KZT'000		KZT'000		KZT'000
Consolidated statement of financial position as at 31 December 2023											
Assets											
Cash and cash equivalents	-	-	-	-	-	-	11,593,599	-	15,591,524	15.17	27,184,844
Assets measured at fair value through profit or loss	-	-	-	-	-	-	-	-	-	-	-
- Investments in joint ventures	-	-	42,461	-	-	-	-	-	-	-	42,461
- Investments in associates	-	-	-	-	31,907,356	-	-	-	-	-	31,907,356
- Other financial assets	-	-	-	-	593,206	-	1,141,655	-	-	-	1,734,861
Loans given to customers	-	-	332,036	-	-	-	-	-	-	-	332,036
Investment financial assets	-	-	-	-	-	-	-	-	2,648,572	4.3	2,648,572
Liabilities											
Debt securities issued	(10,005,236)	7.1	-	-	-	-	-	-	(40,150,736)	0.01	(50,155,972)
Government grants	-	-	-	-	-	-	-	-	(1,888,569)	-	(1,888,569)
Other liabilities	-	-	-	-	-	-	(18,270)	-	-	-	(18,270)
Condensed Consolidated Interim Statement of Profit or Loss and Other Comprehensive Income for the six months ended 30 June 2023 (unaudited)											
Interest income	-	-	-	-	-	-	650,215	15.25	3,425,948	16	4,076,163
Interest expense	(558,647)	7.11	-	-	-	-	-	-	(2,008)	0.01	(560,655)
Net income on assets at fair value through profit or loss	-	-	570,029	-	2,347,843	-	(40,500)	-	-	-	2,877,372
Net foreign exchange gain	-	-	-	-	-	-	-	-	(8,794)	-	(8,794)
General and administrative expenses	-	-	-	-	-	-	(98,901)	-	-	-	(98,901)

15 Fair value 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 measurement 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 such as interest rate swaps.

For more complex instruments, such as investments in private equity funds, the Group uses annual audited financial statements and unaudited 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 30 June 2024 the Group engaged an independent valuation firm 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. An example of instruments involving significant unobservable inputs include equity securities for which there is no active market.

(a) Accounting classifications and fair values

The following table sets forth the carrying and fair values of financial assets and liabilities as at 30 June 2024 (unaudited):

KZT'000	Financial instruments at fair value through profit or loss	Financial asset at amortised cost	Financial assets at fair value through other comprehensive income	Financial liabilities at amortised cost	Total carrying amount	Fair value
30 June 2024 (unaudited)						
Financial assets measured at fair value						
Debt instruments	17,660,994	-	451,937	-	18,112,931	18,112,931
Equity instruments	154,114,295	-	-	-	154,114,295	154,114,295
	171,775,289	-	451,937	-	172,227,226	172,227,226
Financial assets not measured at fair value						
Cash and cash equivalents	-	68,450,603	-	-	68,450,603	68,474,558
Debt securities	-	8,564,684	-	-	8,564,684	8,535,295
Loans to customers	-	23,991,439	-	-	23,991,439	24,178,077
Other financial assets	-	8,412	-	-	8,412	8,412
	-	101,015,138	-	-	101,015,138	101,196,342
Financial liabilities not measured at fair value						
Debt securities issued	-	-	-	50,729,341	50,729,341	50,115,901
Other liabilities	-	-	-	891,175	891,175	891,175
	-	-	-	54,296,551	54,296,551	51,007,076

The carrying amounts and fair values of financial assets and financial liabilities as at 31 December 2023 are as follows:

KZT'000	Financial instruments at fair value through profit or loss	Financial asset at amortised cost	Financial assets at fair value through other comprehensive income	Financial liabilities at amortised cost	Total carrying amount	Fair value
31 December 2023						
Financial assets measured at fair value						
Debt instruments	20,204,801	-	430,751	-	20,635,552	20,635,552
Equity instruments	153,140,334	-	-	-	153,140,334	153,140,334
	173,345,135	-	430,751	-	173,775,886	173,775,886
Financial assets not measured at fair value						
Cash and cash equivalents	-	68,953,306	-	-	68,953,306	68,972,580
Debt securities	-	8,192,773	-	-	8,192,773	8,408,979
Loans to customers	-	15,991,978	-	-	15,991,978	15,991,978
Other financial assets	-	5,130	-	-	5,130	5,130
	-	93,143,187	-	-	93,143,187	93,378,667
Financial liabilities not measured at fair value						
Debt securities issued	-	-	-	50,155,972	50,155,972	49,996,932
Other liabilities	-	-	-	10,396	10,396	10,396
	-	-	-	50,166,368	50,166,368	50,007,328

(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 difference 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 appraisal which 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 2024 (unaudited), 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 condensed consolidated interim 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	-	-	63,522,872	63,522,872
- Investments in associates	-	-	33,516,736	33,516,736
- Equity instruments	-	-	57,074,687	57,074,687
- Debt financial instruments	-	-	17,612,529	17,612,529
Debt instruments	451,937	-	48,464	500,401
	451,937	-	171,775,288	172,227,225

The table below analyses financial instruments measured at fair value at 31 December 2023, by level in the fair value hierarchy into which the fair value measurement is categorised. The amounts are based on the valued recognised in the condensed consolidated interim 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	-	-	64,545,153	64,545,153
- Investments in associates	-	-	31,907,356	31,907,356
- Equity instruments	-	-	56,687,825	56,687,825
- Debt financial instruments	-	-	20,131,729	20,131,729
Debt instruments	430,751	-	73,072	503,823
	430,751	-	173,345,135	173,775,886

The following table shows a reconciliation for the period ended 30 June 2024 for fair value measurements in Level 3 of the fair value hierarchy:

KZT'000	Joint ventures	Associates	Other financial assets (equity)	Other debt financial instruments	Debt instruments	Total assets measured at fair value
Balance at the beginning of the period	64,545,153	31,907,356	56,687,825	20,131,729	73,072	173,345,135
Net gain on assets stated in profit or loss, unaudited	(1,094,096)	4,271,368	(82,643)	1,214,340	2,436	4,311,405
Additions, unaudited	71,815	204,237	523,457	-	-	799,509
Disposals, unaudited	-	(2,866,225)	(53,952)	(3,733,540)	(27,044)	(6,680,761)
Balance at the end of the period, unaudited	63,522,872	33,516,736	57,074,687	17,612,529	48,464	171,775,288

The following table shows a reconciliation for the period ended 30 June 2023 for fair value measurements classified as Level 3 of the fair value hierarchy:

KZT'000	Joint ventures	Associates	Other financial assets (equity)	Other debt financial instruments	Debt instruments	Total assets measured at fair value
Balance at the beginning of the period	55,362,132	31,046,848	63,655,321	20,863,378	417,200	171,344,879
Net gain on assets stated in profit or loss, unaudited	(688,626)	2,186,667	8,601,894	2,591,465	43,349	12,734,749
Additions, unaudited	2,915,040	44,554	3,865,618	-	-	6,825,212
Other operating income, unaudited	-	-	(712,691)	-	-	(712,691)
Disposals, unaudited	-	(222,937)	(8,382,532)	(6,827,210)	(27,591)	(15,460,270)
Balance at the end of the period, unaudited	57,588,546	33,055,132	67,027,610	16,627,633	432,958	174,731,879

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). To determine the fair value of the Group's holdings in these investment funds, the Group engaged an independent appraiser for the years ended 31 December 2023 and 31 December 2022. 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 of this business value. 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 managers.

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 the 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 2024 (unaudited), 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.

Type of instrument	Industry in which companies operate	Fair value of Group's share KZT'000	Valuation technique	Significant unobservable inputs	Unaudited Range of values	Effect from changes in significant unobservable inputs
	Transport and logistics	77,817,503	Income approach, discounted cash flows, put option and adjusted net asset value	EBITDA margin	10.32%-27.20%	If EBITDA margin increases, the estimated fair value of investment would increase
	Agriculture	18,176,396	Income approach, discounted cash flows	EBITDA margin	16.69%-22.53%	If the discount rate increases, the estimated fair value of the investment will decrease
	Production	16,451,707	Income approach, discounted cash flows	EBITDA margin	18.85%	If EBITDA margin increases, the estimated fair value of investment would increase
	Alternative energy	14,778,755	Income approach, discounted cash flows	EBITDA margin	80.63%	If EBITDA margin increases, the estimated fair value of investment would increase
	Venture funding	9,573,044	Adjusted net asset value	Adjustment to net asset value	-	If the net asset value increases, the fair value of the investment will increase
	Energy	8,067,328	Income approach, discounted cash flows	EBITDA margin	26.00%	If EBITDA margin increases and revenue grows, the estimated fair value of the investment will increase
	Medical diagnostics	2,363,938	Income approach, discounted cash flows	EBITDA margin; Revenue growth	-	If EBITDA margin increases and revenue grows, the estimated fair value of the investment will increase
	Education	2,186,648	Income approach, discounted cash flows	EBITDA margin	40.27%	If EBITDA margin increases and revenue grows, the estimated fair value of the investment will increase
	Entertainment industry	1,608,209	Income approach, discounted cash flows	EBITDA margin	-	If EBITDA margin increases, the estimated fair value of investment would increase
Unquoted equity instruments	Other	3,090,765				
Debt instruments		<u>17,612,531</u>	Discounted contractual cash flows	Credit risk margin	0.5%-14.68%	If credit risk increases, the fair value of investment would decrease
Total		<u>171,726,824</u>				

The table below sets out information about the 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 2023, 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.

<u>Type of instrument</u>	<u>Industry in which companies operate</u>	<u>Fair value of Group's share KZT'000</u>	<u>Valuation technique</u>	<u>Significant unobservable inputs</u>	<u>Range of values</u>	<u>Effect from changes in significant unobservable inputs</u>
	Transport and logistics	78,683,847	Income approach, discounted cash flows, put option and adjusted net asset value	EBITDA margin	14.59%-24.12%	If EBITDA margin increases and revenue grows, the estimated fair value of the investment will increase
	Agriculture	17,635,896	Income approach, discounted cash flows	EBITDA margin	10.08%-22.24%	If the discount rate increases, the estimated fair value of the investment will decrease
	Production	15,510,119	Income approach, discounted cash flows	EBITDA margin	17.64%	If EBITDA margin increases and revenue grows, the estimated fair value of the investment will increase
	Alternative energy	13,609,874	Income approach, discounted cash flows	EBITDA margin	66.38%	If EBITDA margin increases and revenue grows, the estimated fair value of the investment will increase
	Venture funding	10,267,263	Adjusted net asset value	Adjustment to net asset value	-	If the net asset value increases, the fair value of the investment will increase
	Energy	8,691,865	Income approach, discounted cash flows	EBITDA margin	21.00%	If EBITDA margin increases and revenue grows, the estimated fair value of the investment will increase
	Medical diagnostics	2,356,387	Income approach, discounted cash flows	EBITDA margin; Revenue growth	-	If EBITDA margin increases and revenue grows, the estimated fair value of the investment will increase
	Education	2,937,641	Income approach, discounted cash flows	EBITDA margin	50.28%	If EBITDA margin increases and revenue grows, the estimated fair value of the investment will increase
	Entertainment industry	1,989,006	Income approach, discounted cash flows	EBITDA margin	14.15%	If EBITDA margin increases and revenue grows, the estimated fair value of the investment will increase
	Other	1,458,436				
Unquoted equity instruments						
Debt instruments		20,131,729	Discounted cash flows under the contract	Credit risk margin	1.05%-9.60%	If credit risk increases, the fair value of the investment will decrease
Total		173,272,063				

Although the Group believes that fair value estimates are appropriate, the use of different methodologies and assumptions could lead to different measurements of fair value. For fair value measurements in Level 3, changing one or more of the assumptions used to reasonably possible alternative assumptions would have the following effects as at 30 June 2024 and 31 December 2023:

KZT'000	Effect on		Effect on	
	fair value as at 30 June 2024		fair value as at 31 December 2023	
	Favourable	Unfavourable	Favourable	Unfavourable
Unquoted equity instruments				
Transport and logistic	1,831,704	(1,602,628)	7,928,006	(6,355,286)
Energy	403,366	(403,366)	1,350,922	(1,152,270)
Agriculture	1,367,623	(1,150,414)	1,178,779	(1,035,579)
Alternative energy	1,463,011	(1,284,694)	999,341	(852,894)
Production	655,423	(603,998)	1,788,570	(1,735,874)
Venture funding	464,138	(464,138)	513,363	(513,363)
Entertainment industry	80,410	(80,410)	99,450	(99,450)
Education	247,420	(209,639)	269,330	(232,421)
Medical diagnostics	26,217	(26,076)	4,567	(4,389)
Debt instruments	351,670	(338,911)	417,846	(401,943)
Total	6,890,982	(6,164,274)	14,550,174	(12,383,469)

The favorable and unfavorable effects of using reasonably possible alternative assumptions are calculated by recalibrating the model values:

- for debt instruments measured at FVTPL: decrease and increase in the discount rate by 1%;
- for equity instruments measured at profit and loss decrease and increase in the discount rate by 1%;
- for venture funding adjustment to NAV by 5%;
- for investments measured at profit and loss, branches of manufacturing:
 - decrease and increase in the weighted average cost of capital by 1%;
 - decrease and increase in revenue growth rate by 5%.

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 categorized as at 30 June 2024:

Unaudited KZT'000	Level 2	Total fair value	Total carrying amount
Assets			
Cash and cash equivalents	68,474,558	68,474,558	68,450,603
Loans to customers	24,178,077	24,178,077	23,991,439
Investment financial assets	8,535,295	8,535,295	8,564,684
Other financial assets	8,412	8,412	8,412
Debt securities issued	(50,115,901)	(50,115,901)	(50,729,341)
Cash and cash equivalents	(891,175)	(891,175)	(891,175)

The following table analyses the fair value of financial instruments not measured at fair value, by level of the fair value hierarchy into which each fair value measurement is categorized as at 31 December 2023:

KZT'000	Level 2	Total fair value	Total carrying amount
Assets			
Cash and cash equivalents	68,972,580	68,972,580	68,953,306
Loans to customers	15,991,978	15,991,978	15,991,978
Investment financial assets	8,408,979	8,408,979	8,192,773
Other financial assets	5,130	5,130	5,130
Debt securities issued	(49,996,932)	(49,996,932)	(50,155,972)
Other financial liabilities	(10,396)	(10,396)	(10,396)

16 Segments

The Group's activities are highly integrated and constitute a single operating segment for the purposes of IFRS 8 Operating Segments. The Group's assets are primarily concentrated in the Republic of Kazakhstan and the Group derives its profits from operations primarily in the Republic of Kazakhstan. The Group's responsible person for making operational decisions is the Chairman of the Management Board; he receives and analyzes information regarding the Group as a whole.

17 Events after the reporting date

After the reporting date, the Company's management plans to pay dividends to the parent company. This payment will be made after the reporting date and will be made in accordance with the established procedures and rules of the Company.

In addition, the Company's management is not currently considering or planning any other significant events or transactions that could affect the Company's financial position or results of operations after the reporting date.