



**Qazaqstan Investment Corporation
JSC (former Kazyna Capital
Management JSC)**

Consolidated Interim Condensed
Financial Information

for the six months ended 30 June 2023

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

To the Shareholder of Qazaqstan Investment Corporation JSC

Introduction

We have reviewed the accompanying consolidated interim condensed statement of financial position of Qazaqstan Investment Corporation JSC and its subsidiaries (the "Group") as at 30 June 2023, and the related consolidated interim condensed statements of profit or loss and other comprehensive income, changes in equity and cash flows for the six - month period then ended, and notes to the 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.

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 2023 and for the six-month period then ended is not prepared, in all material respects, in accordance with IAS 34 *Interim Financial Reporting*.


Madina Magomedova
Audit Director
KPMG Audit LLC
Almaty, Republic of Kazakhstan



4 August 2023


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Qazaqstan Investment Corporation JSC (former Kazyna Capital Management JSC)
 Consolidated Interim Condensed Statement of Profit or Loss and Other Comprehensive Income
 for the six months ended 30 June 2023


KZT'000	Note	Unaudited For the six months ended 30 June 2023	Unaudited For the six months ended 30 June 2022
Interest income calculated using the effective interest method	4	5,068,233	2,485,938
Interest expense	4	(560,655)	(579,645)
Net interest income		4,507,578	1,906,293
Gain/(loss) on financial instruments at fair value through profit or loss	16(b)	12,691,399	(887,427)
Dividend income		61,782	439,427
Net foreign exchange (loss)/gain		(226,268)	862,328
Other operating income/(expenses), net		30,390	(459,408)
Operating income		17,064,881	1,861,213
(Charge)/reversal of impairment loss on financial assets		(388,351)	39,006
Personnel expenses		(700,713)	(632,536)
General and administrative expenses		(605,363)	(501,352)
Profit before income tax		15,370,454	766,331
Income tax expense	5	(1,545,339)	(390,707)
Profit for the period		13,825,115	375,624
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 transferred to profit or loss		6,351	(155,173)
Other comprehensive income/(loss) for the period, net of income tax		6,351	(155,173)
Total comprehensive income for the period		13,831,466	220,451

The consolidated interim condensed financial information as set out on pages 4 to 33 were approved by the management on 4 August 2023 and were signed on its behalf by:



 Gulnara Makanalina
 Deputy Chairman of the 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 information set out on pages 9 to 33.

Qazaqstan Investment Corporation JSC (former Kazyna Capital Management JSC)
Consolidated Interim Condensed Statement of Financial Position as at 30 June 2023

KZT'000	Note	Unaudited 30 June 2023	31 December 2022
ASSETS			
Cash and cash equivalents	6	95,489,408	50,809,859
Assets measured at fair value through profit or loss	7	174,298,920	170,927,679
- <i>Investments in joint ventures</i>		57,588,546	55,362,132
- <i>Investments in associates</i>		33,055,132	31,046,848
- <i>Other financial assets</i>		83,655,242	84,518,699
Loans to customers	8	5,084,100	5,368,663
Investment financial assets	9	4,417,959	3,216,557
Current tax asset		719,397	-
Property, plant and equipment and intangible assets		190,575	229,283
Other assets		117,580	180,119
Total assets		280,317,939	230,732,160
LIABILITIES			
Debt securities issued	10	50,492,961	49,932,305
Government grants		1,523,503	2,344,860
Current tax liability		2,459,901	871,869
Deferred tax liabilities		95,347	309,699
Other liabilities		2,252,791	835,738
Total liabilities		56,824,503	54,294,471
EQUITY			
Share capital	11	147,761,730	112,761,730
Revaluation reserve for investment financial assets		(134,798)	(141,149)
Retained earnings		75,866,504	63,817,108
Total equity		223,493,436	176,437,689
Total liabilities and equity		280,317,939	230,732,160

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 information set out on pages 9 to 33.

Qazaqstan Investment Corporation JSC (former Kazyna Capital Management JSC)
Consolidated Interim Condensed Statement of Cash Flows for the six months ended 30 June 2023

KZT'000	Unaudited For the six months ended 30 June 2023	Unaudited For the six months ended 30 June 2022 As restated*
CASH FLOWS FROM OPERATING ACTIVITIES		
Interest income	4,454,715	2,083,394
Dividends received	61,782	439,427
Personnel expenses paid	(871,297)	(632,536)
Other general administrative expenses	(970,410)	(922,522)
Other receipts	57,233	42,010
(Increase)/decrease in operating assets		
Assets measured at fair value through profit or loss	8,607,466	(100,060)
Loans issued	280,246	1,999,333
Amounts due from credit institutions	-	256,094
Increase/(decrease) in operating liabilities		
Other liabilities	67,540	421,170
Net cash from operating activities before income tax	11,687,275	3,586,310
Income tax paid	(895,351)	(166,095)
Net cash flows from operating activities	10,791,924	3,420,215
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investment financial assets	(970,701)	(4,000,000)
Sale and redemption of investment financial assets	27,591	10,001,090
Proceeds from sale of investment property	-	223,700
Net cash flows (used in)/from investing activities	(943,110)	6,224,790
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid (Note 11)	-	(1,089,814)
Proceeds from issuance of ordinary shares (Note 11)	35,000,000	5,000,000
Net cash flows from financing activities	35,000,000	3,910,186
Net increase in cash and cash equivalents	44,848,814	13,555,191
Effect of changes in exchange rates on cash and cash equivalents	(169,265)	(13,670)
Cash and cash equivalents at the beginning of the period	50,809,859	26,909,335
Cash and cash equivalents at the end of the period (Note 6)	95,489,408	40,450,856

* Certain amounts presented in this column do not match the amounts presented in the consolidated interim condensed financial information for the six months ended 30 June 2022 as they reflect the reclassifications made. For more details, see Note 2(e).

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 information set out on pages 9 to 33.

Qazaqstan Investment Corporation JSC (former Kazyna Capital Management JSC)
Consolidated Interim Condensed Statement of Changes in Equity for the six months ended 30 June 2023

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	-	-	(1,775,719)	(1,775,719)
Issue of shares, 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

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 information set out on pages 9 to 33.

Qazaqstan Investment Corporation JSC (former Kazyna Capital Management JSC)
Consolidated Interim Condensed Statement of Changes in Equity for the six months ended 30 June 2023

KZT'000	Share capital	Revaluation reserve for investment financial assets	Retained earnings	Total
Balance at 1 January 2022	107,761,730	(923)	54,242,387	162,003,194
Total comprehensive income				
Profit for the period, unaudited	-	-	375,624	375,624
Other comprehensive loss				
<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	-	(155,173)	-	(155,173)
Total other comprehensive loss, unaudited	-	(155,173)	-	(155,173)
Total comprehensive income for the period, unaudited	-	(155,173)	375,624	220,451
Transactions with owners recorded directly in equity				
Dividends declared, unaudited	-	-	(1,089,814)	(1,089,814)
Issue of shares, unaudited	5,000,000	-	-	5,000,000
Total transactions with owners, unaudited	5,000,000	-	(1,089,814)	3,910,186
Balance at 30 June 2022, unaudited	112,761,730	(156,096)	53,528,197	166,133,831

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 information set out on pages 9 to 33.

1 Reporting entity

(a) Organisation and operations

Qazaqstan Investment Corporation JSC (former Kazyna Capital Management JSC) (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 No.516 of the Committee of State Property and the Order No.630 of the Ministry of Finance of the Republic of Kazakhstan dated 25 May 2013, 100% shares of the Company were transferred from Samruk-Kazyna Sovereign Wealth Fund JSC to Baiterek National Managing Holding Joint Stock Company (the “Holding”). The ultimate principal shareholder of the Group is the Government of the Republic of Kazakhstan.

On 10 January 2023 Kazyna Capital Management JSC changed its name to Qazaqstan Investment Corporation JSC in accordance with the decision of the sole shareholder (the Minutes of the Management Board of Baiterek National Managing Holding JSC No.57/22 dated 28 December 2022).

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, Yessil district, Astana, Republic of Kazakhstan.

The principal subsidiaries are as follows:

Name	Country of incorporation	Principal activity	Ownership interest, %	
			Unaudited 30 June 2023	31 December 2022
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. ***	Netherlands	Investments in funds	100.00	100.00
KCM Sustainable Development Fund C.V. (subsidiary of Kazyna Seriktes B.V.) ****	Netherlands	Investments in funds Organisation and holding of educational events in the areas of technology entrepreneurship and development of	100.00	100.00
BGlobal Ventures Ltd. Private Company*****	Kazakhstan	technologies	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. and 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%.

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

As at 30 June 2023, 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 2022, Kazakhstan Infrastructure Fund C.V. with 95% ownership is not also a subsidiary of the Company (unaudited).

The Group does not consolidate its subsidiaries BV Management LLP and BGlobal Ventures Ltd. PC 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. Depreciation of the Kazakhstan Tenge and volatility in the global price of oil have also increased the level of uncertainty in the business environment.

The recent geopolitical uncertainty around Russia and Ukraine has further elevated levels of economic uncertainty in Kazakhstan.

In February 2022, because of the military conflict between the Russian Federation and Ukraine, a number of countries imposed sanctions against the Russian Federation. The conflict affects not only the economic activity of two countries but the global economy as well. As a result of sanctions, commodity and food prices have risen in many countries around the world, the established links between supply of resources have been disrupted, inflation also affects the prices, and analysts also forecast economic implications for the global industry.

The consolidated interim condensed financial information reflects management’s assessment of the impact of the Republic of Kazakhstan 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 with IAS 34 *Interim Financial Reporting*

The accompanying consolidated interim condensed financial information is prepared in accordance with IAS 34 *Interim Financial Reporting* and is to be read in conjunction with the consolidated financial statements of the Group as at 31 December 2022 and for the year then ended (“last annual financial statements”). Selected explanatory notes are included to explain events and transactions that are significant to the 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 2022.

This consolidated interim condensed financial information does not include all the information required for full annual financial statements prepared in accordance with IFRS Standards as issued by the International Accounting Standards Board (IFRS Standards).

(b) Basis for measurement

The consolidated interim condensed financial information is prepared on the historical cost basis except that financial assets measured at fair value through profit or loss and investment financial assets measured at fair value through other comprehensive income and at fair value through profit or loss.

(c) Functional and presentation currency

The functional currency of the Company and its consolidated 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. KZT is also the presentation currency for the purposes of this consolidated interim condensed financial information. Financial information presented in KZT is rounded to the nearest thousand.

(d) Use of estimates and judgements

In preparing this consolidated interim condensed financial information, management has made judgement, estimates and assumptions that affect the application of the Group's accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from those estimates. The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainties were the same as those that applied to the last annual consolidated financial statements, except for the judgements and assumptions described in Notes 7, 8 and 16(b).

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 information for the period ended 30 June 2023 is included in the following notes:

- determining fair value of assets measured at fair value through profit or loss – Notes 7 and 16.

(e) Reclassification

When preparing the consolidated interim condensed financial information of the Group for the six months ended 30 June 2023, management made a number of reclassifications which affected the related line items of the consolidated interim condensed statement of cash flows for the six months ended 30 June 2022.

Management revised the presentation of deposits held with financial institutions, with maturities of more than 3 months, and reclassified them from deposits (amounts due from credit institutions) to cash and cash equivalents. Despite the fact that such deposits are initially placed for a term of more than 3 months, there are no restrictions or interest penalty for early withdrawal of funds or depositing additional amounts, except for withdrawal of minimal balances that are insignificant relative to the Group's balance and deposit balance. Therefore, management uses these deposits as demand deposits, regularly withdrawing and depositing additional amounts, in accordance with the operating activities' requirements. Thus, these deposits are demand deposits in fact and should therefore be classified as cash and cash equivalents. As a result, the amount of KZT 5,417,308 thousand was reclassified from deposits (amounts due from credit institutions) to cash and cash equivalents as at 31 December 2021.

After the change of presentation, cash flows from operating activities, recorded in the consolidated interim condensed statement of cash flows for the six months ended 30 June 2022, increased by KZT 2,278,466 thousand.

KZT'000 <i>Consolidated interim condensed statement of cash flows</i>	<i>For the six months ended 30 June 2022</i>		
	<i>As previously reported</i>	<i>Effect of reclassifications</i>	<i>As reclassified</i>
CASH FLOWS FROM OPERATING ACTIVITIES			
Amounts due from credit institutions	(2,022,372)	2,278,466	256,094
Net cash from operating activities before income tax paid	1,307,844	2,278,466	3,586,310
Net cash flows from operating activities	1,141,749	2,278,466	3,420,215
Net increase in cash and cash equivalents	11,276,725	2,278,466	13,555,191
Cash and cash equivalents at the beginning of the period	21,492,027	5,417,308	26,909,335
Cash and cash equivalents at the end of the period	32,755,082	7,695,774	40,450,856

3 Significant accounting policies

The accounting policies applied in these consolidated interim condensed financial information are the same as those the Company applied for preparation of the last annual consolidated financial statements.

New standards, interpretations and amendments effective beginning from 1 January 2023

The following amended standards became effective from 1 January 2023, but did not have any significant impact on the Group:

- *IFRS 17 Insurance Contracts;*
- *Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2);*
- *Definition of Accounting Estimates (Amendments to IAS 8);*
- *Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12).*

The following amended standards have become effective for the Group beginning from 23 May 2023 but did not have a significant impact on the Group:

- *International Tax Reform Pillar Two Model Rules (Amendments to IAS 12).*

These improvements and amendments had no significant impact on the consolidated interim condensed financial information of the Group.

New standards, interpretations and amendments issued but not yet effective

A number of standards, amended standards and interpretations issued by IASB will become effective for future reporting periods and have not been early adopted by the Group:

- *Classification of Liabilities as Current or Non-current (Amendments to IAS 1 and IAS 8), effective for the annual periods beginning after 1 January 2024;*
- *Non-current Liabilities with Covenants (Amendments to IAS 1), effective for the annual periods beginning after 1 January 2024;*
- *Lease Liability in a Sale and Leaseback (Amendments to IFRS 16), effective for the annual periods beginning after 1 January 2024.*

These new standards and interpretations are not expected to have a significant impact on the Group's consolidated interim condensed financial information.

4 Net interest income

KZT'000	Unaudited For the six months ended 30 June 2023	Unaudited For the six months ended 30 June 2022
Interest income calculated using the effective interest method		
Interest on reverse repurchase transactions with securities included in cash and cash equivalents	3,425,948	1,254,122
Cash and cash equivalents	911,615	384,277
Interest on loans	388,659	190,298
Investment financial assets	342,011	657,241
	5,068,233	2,485,938
Interest expense		
Debt securities issued	(560,655)	(579,645)
	(560,655)	(579,645)
Total net interest income	4,507,578	1,906,293

5 Income tax expense

KZT'000	Unaudited For the six months ended 30 June 2023	Unaudited For the six months ended 30 June 2022
Current year tax expense	1,767,000	553,919
Movement in deferred tax assets/deferred tax liabilities due to origination and reversal of temporary differences and movement in loss allowance	(221,661)	(163,212)
Total income tax expense	1,545,339	390,707

The applicable tax rate for current and deferred tax is 20% (30 June 2022: 20%).

Reconciliation of effective income tax rate for the six months ended 30 June 2023 and 30 June 2022:

	Unaudited For the six months ended 30 June 2023		Unaudited For the six months ended 30 June 2022	
	KZT'000	%	KZT'000	%
Profit before income tax	15,370,454	100	766,331	100
Income tax at the applicable tax rate	3,074,091	20	153,266	20
(Non-taxable income)/non-deductible expenses from revaluation of assets at fair value through profit or loss	(1,827,636)	(12)	468,800	61
Non-taxable income on securities	(24,975)	-	(62,528)	(8)
Other non-deductible expenses/ (non-taxable income)	245,473	2	(168,831)	(22)
Non-deductible expenses from impairment of debt financial assets	78,386	1	-	-
	1,545,339	11	390,707	51

Income tax expense is recognised at an amount determined by multiplying the profit 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 consolidated interim condensed financial information may differ from management's estimate of the effective tax rate for the annual consolidated financial statements.

6 Cash and cash equivalents

KZT'000	Unaudited 30 June 2023	31 December 2022
Cash on current accounts and short-term deposits with banks		
- rated from BBB- to BBB+	60,091,437	4,979,506
- rated from BB- to BB+	7,990,724	6,374,922
- not rated	37,486	59,032
Total cash on current accounts and short-term deposits with banks	68,119,647	11,413,460
Notes of the NBRK with maturity of less than three months	-	1,003,896
Amounts receivable under reverse repurchase agreements with original maturities of less than three (3) months acquired on KASE	27,393,250	38,428,737
Loss allowance for expected credit losses	(23,489)	(36,234)
Total cash and cash equivalents	95,489,408	50,809,859

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

As at 30 June 2023 and 31 December 2022, unrated cash and cash equivalents comprise mainly funds placed with Citibank Kazakhstan JSC.

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, with the fair value of KZT 27,369,380 thousand (unaudited) (2022: collateral provided in the form of government securities issued, debt securities issued by Kazakhstan Sustainability Fund JSC, and securities issued by international financial institutions, with the fair value of KZT 38,428,737 thousand).

As at 30 June 2023 the Group has one counterparty (31 December 2022: none) whose balances exceed 10% of equity. The gross value of these balances as at 30 June 2023 is KZT 40,101,613 thousand (unaudited).

As at 30 June 2023 (unaudited), all cash and cash equivalents were allocated to Stage 1 (31 December 2022: Stage 1).

Movement in loss allowance for expected credit losses

The following tables show reconciliations from the opening to the closing balances of the ECL allowance for cash and cash equivalents: During the six months ended 30 June 2023, there were no transfers between stages.

KZT'000	Unaudited For the six months ended 30 June 2023	Unaudited For the six months ended 30 June 2022
Balance at the beginning of the reporting period	36,234	12,188
Net remeasurement of loss allowance	(12,745)	(12,188)
Balance at the end of the reporting period	23,489	-

7 Assets at fair value through profit or loss

	Unaudited 30 June 2023 KZT'000	Ownership, %	31 December 2022 KZT'000	Ownership, %
Investments in joint ventures				
AstanaGas KMG JSC	40,264,077	50.0	40,252,118	50.0
Baikonyr Solar LLP	4,672,969	49.0	4,361,323	49.0
KTK Service LLP	4,556,390	49.0	4,653,045	49.0
Private Company Unicorn Feed	2,797,836	34.73	-	-
EPG PROMETHEUS SCHOOL LLP	2,282,485	26.6	2,224,571	26.6
Makinskiy zavod teploizolyatsii LLP	1,233,756	49.0	1,680,668	49.0
Arnau Agro LLP	1,061,250	49.0	1,100,598	49.0
Kazakhstan Hungarian Investment Private Equity Fund	434,450	49.5	807,403	49.5
Best Meat LLP	285,333	49.0	282,406	49.0
	57,588,546		55,362,132	
Investments in associates				
CITIC-KAZYNA Investment L.P.	15,744,637	49.9	14,449,989	49.9
EMC Agro LLP	4,571,398	24.47	4,312,933	24.47
Kazakhstan Growth Fund L.P.	3,524,307	49.5	3,979,009	49.5
Private Company KazrostEngineering Ltd	3,461,769	32.0	3,066,109	32.0
ADM KCRF L.P.	2,712,595	49.5	2,499,300	49.5
KazMyaso LLP	2,273,707	49.0	2,284,919	49.0
Temirbeton-1 LLP	638,172	22.0	338,755	22.0
Burundaisky Mineral Water LLP	128,547	45.3	115,834	45.3
	33,055,132		31,046,848	
Other financial assets (equity)				
Kazakhstan Infrastructure Fund C.V.	45,457,079	95.2	39,297,529	95.2
AITAS LUX S.A.R.L	6,417,855	3.91	9,523,203	7.14
500 Startups V, L.P.	5,421,091	7.1	5,584,415	7.1
Quest Ventures Asia Fund II L.P.	3,965,151	30.7	3,943,823	30.7
Prima Kus LLP	3,273,205	12.7	-	-
BRBAPK LLP	905,318	8.3	841,667	8.3
DBK Equity Fund	635,845	3.0	632,253	3.0
BV Management LLP	274,918	100	283,405	100
Wellington Partners Ventures III Fund L.P.	182,513	5.1	174,079	5.1
TTS Astana-2007 K LLP	163,379	7.2	156,256	7.2
Da Vinci Emerging Technologies GP Limited	157,432	13.0	-	-
Private Company BGlobal Ventures Ltd.	96,112	100	-	-
Mining Chemical Company LLP	77,404	7.0	82,653	7.0
Flagship Ventures Fund 2004 L.P.	308	6.6	16,427	6.6
CAEPCO JSC	-		3,119,611	1.45
	67,027,610		63,655,321	
Other debt financial assets measured at fair value through profit or loss				
	16,627,632		20,863,378	
Total assets measured at fair value through profit or loss				
	174,298,920		170,927,679	

The fair values of these assets are categorised into Level 3 of fair value hierarchy based on the inputs to the valuation techniques used. Description of the valuation techniques and significant unobservable inputs used in measuring the fair value of these assets is presented in Note 16.

AITAS LUX S.A.R.L

The principal activity of AITAS LUX S.A.R.L is broiler chicken production and processing. The investment contract includes a ‘put’ option enabling the Group to sell its shares in six years from the acquisition date, with a premium of not less than 12% per annum above the initial value. In June 2023, AITAS LUX S.A.R.L repurchased 327 shares of the Group for KZT 3,548,610 thousand under the repurchase agreement. As a result, the Group’s share reduced from 7.14% to 3.91%.

Prima Kus LLP

During the six months ended 30 June 2023, the Group contributed KZT 3,000,000 thousand to the share capital of Prima Kus LLP, thereby acquiring a 12.7% interest. Prima Kus LLP is a poultry closed house system for broiler meat production and processing.

The Group financed this acquisition under the state programme “Employment Roadmap 2020-2021”. The fair value of this asset of KZT 2,287,308 thousand was determined using a market rate of 17.2% per annum. Upon initial recognition of this asset the Group recognised a loss of KZT 712,692 thousand within other operating expenses.

During the six months ended 30 June 2023, the Group recognised income of KZT 712,692 thousand from the use of government grants resulting from equity funding in accordance with the terms of the state programme.

In July 2023, the Group sold its 12.7% interest for KZT 3,103,350 thousand under the share purchase agreement.

Unicorn Feed Private Company

During 2021, the Group issued a loan with a nominal value of KZT 4,700,000 thousand and interest rate of 12% per annum under the state programme “Employment Roadmap 2020-2021”. The Group determined that cash flows from this loan comprise not only payments of principal and accrued interest on unpaid principal. Therefore, this loan does not meet the SPPI criterion and is measured by the Group at fair value through profit or loss.

During the six months ended 30 June 2023, the Group restructured this loan by reducing the nominal value to KZT 1,900,000 thousand and acquiring a 34.73% interest in the charter capital for a total amount of KZT 2,800,000 thousand.

Unicorn Feed Project is construction of a feed processing plant with a capacity of up to 100,000 tons per year in the Akmola region.

CAEPCO JSC

The principal activity of CAEPCO JSC is production, transmission, distribution and sale of electric and heat energy in the cities of Pavlodar, Petropavlovsk, Astana, and in Akmola region. The investment contract includes a ‘put’ option enabling the Group to sell its shares in four years from the acquisition date, with a premium of 10% per annum above the initial value, to the majority shareholder of the Investee – CAPEC JSC. In March 2018, the Group and CAPEC JSC signed an addendum, which determines that the Group’s right of claim to CAPEC JSC in respect of CAEPCO JSC’s share buyback arises after 31 March 2022.

On 20 January 2023, CAPEC JSC bought out the Group’s stake of 1.45% for KZT 3,146,173 thousand under the share purchase agreement.

8 Loans to customers

KZT'000	Unaudited 30 June 2023			31 December 2022
	12-month ECL	Lifetime ECL – not credit- impaired	Total	12-month ECL
Loans to customers measured at amortised cost	3,769,071	1,886,089	5,655,160	5,539,436
Loss allowance	(99,195)	(471,865)	(571,060)	(170,773)
Total loans to customers measured at amortised cost	3,669,876	1,414,224	5,084,100	5,368,663

As at 30 June 2023 and 31 December 2022, the Group had no customers, whose outstanding balances on loans exceeded 10% of equity.

During the six months ended 30 June 2023, the Group did not issue new loans. During 2022, the Group issued loans to customers for a total of KZT 4,627,258 thousand, bearing the interest rates from 8% to 12% p.a. and with maturities in 2024–2030.

On initial recognition these loans were recognised at fair value calculated by discounting contractual cash flows on loans using the market discount rates between 13.31% p.a. and 21.74% p.a. The Group recognised loss of KZT 786,771 thousand on initial recognition in the form of a discount.

The significant assumptions used by management in determining the loss allowance include the following (unaudited):

- 12-month PD classified to Stage 1 of credit quality was 0.5% - 24.4%, lifetime PD classified to Stage 2 of credit quality was 29.9% - 67.3%;
- LGD classified to Stage 1 and Stage 2 was 57% - 63%.

Changes in these estimates could affect the loss allowance on loans to customers.

KZT'000	Unaudited For the six months ended 30 June 2023		
	12-month ECL	Lifetime ECL – not credit- impaired	Total
Balance at the beginning of the period	170,773	-	170,773
Transfer to Stage 2	(75,458)	75,458	-
Net change	3,880	396,407	400,287
Balance at the end of the period	99,195	471,865	571,060

The amount and change in the loss allowance on loans to customers for the six months ended 30 June 2022 was not significant.

9 Investment financial assets

KZT'000	Unaudited 30 June 2023	31 December 2022
Investment debt instruments at amortised cost	3,589,007	2,398,404
Investment debt instruments at fair value through profit or loss	432,958	417,200
Investment debt instruments measured at fair value through other comprehensive income	395,994	400,953
Total investment financial assets	4,417,959	3,216,557

As at 30 June 2023 and 31 December 2022, investment debt instruments measured at fair value through profit or loss comprised corporate bonds.

As at 30 June 2023 and 31 December 2022, investment debt instruments measured at fair value through other comprehensive income comprised government treasury bills of the Ministry of Finance of the Republic of Kazakhstan and were allocated to Stage 1 (unaudited) (31 December 2022: Stage 1).

KZT'000	Unaudited 30 June 2023	31 December 2022
Investment financial assets at amortised cost		
Bonds of Eurasian Development Bank rated BBB- (Stage 1)	985,037	-
POCI-assets		
Bonds of First Heartland Jusan Bank JSC (POCI-assets)	2,603,970	2,398,404
Total POCI-assets	2,603,970	2,398,404
Total investment financial assets at amortised cost	3,589,007	2,398,404

10 Debt securities issued

As at 30 June 2023, the issued debt securities for a total of KZT 40,152,744 thousand (unaudited) comprise unquoted bonds repayable on demand, with a coupon interest of 0.01% per annum (31 December 2022: KZT 40,150,736 thousand). The maturity period of the bonds is 15 years. The funds raised were allocated for acquisition of a 50% ownership interest 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 2023 was KZT 10,340,217 thousand (unaudited) (31 December 2022: KZT 9,781,569 thousand).

11 Share capital and provisions

(a) Issued capital

As at 30 June 2023, the authorised share capital comprises 55,000,000 ordinary shares (unaudited) (31 December 2022: 55,000,000). The issued and paid share capital comprises 53,585,003 ordinary shares (unaudited) (31 December 2022: 53,550,003), of which 35,000 ordinary shares of the total value of KZT 35,000,000 thousand (unaudited) were issued by the Group during the period ended 30 June 2023, in accordance with the decision of the Board of Directors (the Minutes No.02/23 of 23 February 2023).

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 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 or 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 75,866,504 thousand, unaudited (31 December 2022: KZT 63,817,108 thousand).

During the six months ended 30 June 2023, dividends for a total of KZT 1,775,719 thousand (unaudited) were declared, amounting to KZT 33.16 per share (2022: dividends for a total of KZT 1,089,814 thousand were declared and paid, amounting to KZT 20.35 per share). The declared dividends as at 30 June 2023 have not been paid and are stated within other liabilities.

(c) Carrying value of ordinary shares

According to the Listing Rules of Kazakhstan Stock Exchange (the “Rules”) the Group discloses the carrying amount of ordinary shares as required by the Rules:

KZT'000	Unaudited	
	30 June 2023	31 December 2022
Carrying value of ordinary shares	4.17	3.29

The carrying amount of an ordinary share as at 30 June 2023 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, totalling KZT 223,380,896 thousand (unaudited) (31 December 2022: KZT 176,305,805 thousand) divided by the number of outstanding ordinary shares of 53,585,003 (31 December 2022: 53,550,003 shares).

12 Investment related commitments

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

KZT'000	Unaudited	
	30 June 2023	31 December 2022
Contracted amount		
Kazakhstan Infrastructure Fund C.V.	10,572,233	10,875,407
Da Vinci Emerging Technologies GP Limited	4,118,078	4,464,382
KAGF	3,055,056	3,240,755
CITIC-Kazyna Investment Fund LP	905,020	925,300
Quest Ventures Asia Fund II L.P.	706,803	722,642
VTB Capital Innovation Fund L.P.	452,510	465,770
Falah Growth Fund LP	452,510	462,650
ADM Kazakhstan Capital Restructuring Fund CV	414,386	423,671
Kazakhstan Growth Fund	187,157	191,351
DBK Equity Fund C.V.	179,855	114,771
500 Startups V, L.P.	-	462,650
	21,043,608	22,349,349

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 of 30 June 2023 (unaudited) and 31 December 2022 the Group had no overdue investment commitments.

13 Contingencies

Taxation contingencies in Kazakhstan

The taxation system in the Republic 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, in particular recognition of income, expenses and other items of the consolidated interim condensed financial statements under IFRS. 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; however, under certain circumstances a tax year may remain open longer.

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

Total remuneration included in personnel expenses for the six months ended 30 June 2023 and 2022 is as follows:

KZT'000	Unaudited For the six months ended 30 June 2023	Unaudited For the six months ended 30 June 2022
Members of the Board of Directors	22,715	14,912
Members of the Management Board	77,474	107,769
Total	100,189	122,681

These 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 by the Government 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 nominal interest rates as at 30 June 2023 and related profit or loss amounts of transactions for the year ended 30 June 2023 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 interest rate	KZT'000	Nominal average interest rate	KZT'000	Nominal average interest rate	KZT'000	Nominal average interest rate	KZT'000	Nominal average interest rate	KZT'000
Consolidated interim condensed statement of financial position as at 30 June 2023											
Assets											
Cash and cash equivalents	-	-	-	-	-	-	40,101,613	15.25	27,393,250	16	67,494,863
Assets measured at fair value through profit or loss											
- <i>Investments in joint ventures</i>	-	-	57,588,546	-	-	-	-	-	-	-	57,588,546
- <i>Investments in associates</i>	-	-	-	-	33,055,132	-	-	-	-	-	33,055,132
- <i>Other financial assets</i>	-	-	1,951,005	12	978,619	9	371,030	-	-	-	3,300,654
Loans to customers	-	-	423,047	12	-	-	-	-	-	-	423,047
Investment financial assets	-	-	-	-	-	-	-	-	395,994	6.5	395,994
Current tax asset	-	-	-	-	-	-	-	-	719,397	-	719,397
Liabilities											
Debt securities issued	(10,340,217)	7.1	-	-	-	-	-	-	(40,152,744)	0.01	(50,492,961)
Government grants	-	-	-	-	-	-	-	-	(1,523,503)	-	(1,523,503)
Deferred tax liabilities	-	-	-	-	-	-	-	-	(95,347)	-	(95,347)
Other liabilities	(1,775,719)	-	-	-	-	-	(18,248)	-	-	-	(1,793,967)

Qazaqstan Investment Corporation JSC (former Kazyna Capital Management JSC)
Notes to the Consolidated Interim Condensed Financial Information for the six months ended 30 June 2023

	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 interest rate	KZT'000	Nominal average interest rate	KZT'000	Nominal average interest rate	KZT'000	Nominal average interest rate	KZT'000	Nominal average interest rate	KZT'000
Consolidated interim condensed 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 gain on assets at fair value through profit or loss	-	-	570,029	-	2,347,843	-	(40,500)	-	-	-	2,877,372
Net foreign exchange loss	-	-	-	-	-	-	-	-	(8,794)	-	(8,794)
General and administrative expenses	-	-	-	-	-	-	(98,901)	-	-	-	(98,901)
Income tax expense	-	-	-	-	-	-	-	-	(1,019,752)	-	(1,019,752)

The outstanding balances and the related average nominal interest rates as at 31 December 2022 and related profit or loss amounts of transactions for the six months ended 30 June 2022 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 interest rate	KZT'000	Nominal average interest rate	KZT'000	Nominal average interest rate	KZT'000	Nominal average interest rate	KZT'000	Nominal average interest rate	KZT'000
Consolidated statement of financial position as at 31 December 2022											
Assets											
Cash and cash equivalents	-	-	-	-	-	-	-	-	1,003,896	15.8	1,003,896
Assets measured at fair value through profit or loss											
- <i>Investments in joint ventures</i>	-	-	55,362,132	-	-	-	-	-	-	-	55,362,132
- <i>Investments in associates</i>	-	-	-	-	31,046,848	-	-	-	-	-	31,046,848
- <i>Other financial assets</i>	-	-	-	-	925,358	9	3,282	-	-	-	928,640
Loans to customers	-	-	383,532	12	-	-	-	-	-	-	383,532
Investment financial assets	-	-	-	-	-	-	-	-	400,953	6.5	400,953
Liabilities											
Debt securities issued	(9,781,569)	7.1	-	-	-	-	-	-	(40,150,736)	-	(49,932,305)
Government grants	-	-	-	-	-	-	-	-	(2,344,860)	-	(2,344,860)
Current tax liability	-	-	-	-	-	-	-	-	(871,869)	-	(871,869)
Deferred tax liabilities	-	-	-	-	-	-	-	-	(309,699)	-	(309,699)
Other liabilities	-	-	-	-	-	-	(18,248)	-	-	-	(18,248)

Qazaqstan Investment Corporation JSC (former Kazyna Capital Management JSC)
Notes to the Consolidated Interim Condensed Financial Information for the six months ended 30 June 2023

	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 interest rate	KZT'000	Nominal average interest rate	KZT'000	Nominal average interest rate	KZT'000	Nominal average interest rate	KZT'000	Nominal average interest rate	KZT'000
Consolidated interim condensed statement of profit or loss and other comprehensive income for the six months ended 30 June 2022 (unaudited)											
Interest income	-	-	-	-	-	-	38,766	-	1,595,634	15.8	1,634,400
Interest expense	(577,597)	7.1	-	-	-	-	-	-	(2,048)	0.01	(579,645)
Net loss on assets at fair value through profit or loss	(345,657)	-	(1,369,210)	-	-	-	(117,402)	-	(39,810)	-	(1,872,079)
Net foreign exchange gain	-	-	-	-	-	-	-	-	37,960	-	37,960
General and administrative expenses	-	-	-	-	-	-	(110,293)	-	-	-	(110,293)
Income tax expense	-	-	-	-	-	-	-	-	(390,707)	-	(390,707)

15 Risk management, corporate governance and internal control

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.

As at 30 June 2023 there were no significant changes in relation to interest rate, currency, credit and liquidity risks since 31 December 2022.

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 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 financial assets in order to take advantage of their long-term growth. All investments present a risk of loss of capital. All of the private equity funds and their underlying investments are subject to the risks inherent in their industries. Moreover, established markets do not exist for these holdings, and they are therefore considered illiquid.

The Group mainly relies on the management of the private equity funds in mitigation of 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 2023 these reports on performance of the private equity funds management for the 1st quarter of 2023 are accessible for the Group.

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 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 judgement, 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.

For more complex instruments, such as investments in private equity funds, the Group uses annual audited financial statements and quarterly management reports of underlying investment funds which use proprietary valuation models. For determination of fair values of investments in private equity funds as at 30 June 2023 and 31 December 2022 the Group used its own valuation models. Some or all of the significant inputs into these models may not be observable in the market, and are derived from market prices or rates or are estimated based on assumptions. Example of instruments involving significant unobservable inputs include equity securities for which there is no active market.

(a) Accounting classifications and fair values

The carrying amounts and fair values of financial assets and financial liabilities as at 30 June 2023 (unaudited) are as follows:

KZT'000	Financial instruments at fair value through profit or loss	Financial assets at amortised cost	Financial assets at fair value through other comprehensive income	Financial liabilities at amortised cost	Total carrying amount	Fair value
30 June 2023						
Financial assets measured at fair value						
Debt instruments	17,060,590	-	395,994	-	17,456,584	17,456,584
Equity securities	157,671,288	-	-	-	157,671,288	157,671,288
	174,731,878	-	395,994	-	175,127,872	175,127,872
Financial assets not measured at fair value						
Cash and cash equivalents	-	95,489,408	-	-	95,489,408	95,489,408
Debt securities	-	3,589,007	-	-	3,589,007	3,487,890
Loans to customers	-	5,084,100	-	-	5,084,100	5,368,663
Other financial assets	-	94,300	-	-	94,300	94,300
	-	104,256,815	-	-	104,256,815	104,440,261
Financial liabilities not measured at fair value						
Debt securities issued	-	-	-	50,492,961	50,492,961	48,514,502
Other financial liabilities	-	-	-	2,143,703	2,143,703	2,143,703
	-	-	-	52,636,664	52,636,664	50,658,205

The table below sets out the carrying amounts and fair values of financial assets and financial liabilities as at 31 December 2022:

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 2022						
Financial assets measured at fair value						
Debt instruments	21,280,578	-	400,953	-	21,681,531	21,681,531
Equity instruments	150,064,301	-	-	-	150,064,301	150,064,301
	171,344,879	-	400,953	-	171,745,832	171,745,832
Financial assets not measured at fair value						
Cash and cash equivalents	-	50,809,859	-	-	50,809,859	50,809,859
Debt securities	-	2,398,404	-	-	2,398,404	2,757,124
Loans to customers	-	5,368,663	-	-	5,368,663	5,368,663
Other financial assets	-	158,936	-	-	158,936	158,936
	-	58,735,862	-	-	58,735,862	59,094,582
Financial liabilities not measured at fair value						
Debt securities issued	-	-	-	49,932,305	49,932,305	48,987,569
Other financial liabilities	-	-	-	545,273	545,273	545,273
	-	-	-	50,477,578	50,477,578	49,532,842

(b) Fair value hierarchy

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

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

The Group has a control framework with respect to the measurement of fair values. 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 2023 (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 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	-	-	57,588,546	57,588,546
- Investments in associates	-	-	33,055,132	33,055,132
- Equity financial instruments	-	-	67,027,610	67,027,610
- Debt financial instruments	-	-	16,627,632	16,627,632
Investment financial assets				
- Debt instruments	395,994	-	432,958	828,952
	395,994	-	174,731,878	175,127,872

The table below analyses financial instruments measured at fair value as at 31 December 2022, 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	-	-	55,362,132	55,362,132
- Investments in associates	-	-	31,046,848	31,046,848
- Equity instruments	-	-	63,655,321	63,655,321
- Debt instruments	-	-	20,863,378	20,863,378
Investment financial assets				
- Debt instruments	400,953	-	417,200	818,153
	400,953	-	171,344,879	171,745,832

The following table shows a reconciliation for the six months ended 30 June 2023 for fair value measurements in Level 3 of the fair value hierarchy:

KZT'000	Joint ventures	Associates	Other financial assets	Investment debt instruments at fair value through profit or loss
Balance at the beginning of the period	55,362,132	31,046,848	84,518,699	417,200
Net gain stated in profit or loss, unaudited	(688,626)	2,186,667	11,193,358	43,349
Transfers, unaudited	2,800,000	-	(2,800,000)	-
Other operating expenses, unaudited	-	-	(712,692)	-
Additions, unaudited	115,040	44,554	3,865,618	-
Disposals, unaudited	-	(222,937)	(12,409,741)	(27,591)
Balance at the end of the period, unaudited	57,588,546	33,055,132	83,655,242	432,958

The following table shows a reconciliation for the six months ended 30 June 2022 for fair value measurements in Level 3 of the fair value hierarchy:

KZT'000	Joint ventures	Associates	Other financial assets	Investment debt instruments at fair value through profit or loss
Balance at the beginning of the period	52,486,753	31,494,552	81,548,677	386,789
Net loss stated in profit or loss, unaudited	(345,657)	(1,369,210)	827,440	47,062
Additions, unaudited	205,232	-	1,489,648	-
Disposals, unaudited	-	-	(1,594,820)	-
Balance at the end of the period, unaudited	52,346,328	30,125,342	82,270,945	433,851

The Group's investments in equity investments categorised as Level 3 comprise holdings in investment funds as well as 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).

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 at the end of the period in the measuring of the most significant investments, including portfolio investments of funds categorised as Level 3 in the fair value hierarchy as at 30 June 2023 (unaudited), together with a sensitivity analysis for shifts in unobservable 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 Average value for the group	Effect from changes in significant unobservable inputs
	Transport and logistics	75,738,907	Income approach, discounted cash flows	EBITDA margin	11.16%-63.51%	Increase in EBIDTA margin would result in higher estimated fair value of investment
	Power industry	23,019,674	Income approach, discounted cash flows	Credit risk margin	1.3%	Increase in discount rate would result in lower estimated fair value of investment
	Agriculture	19,380,127	Income approach, discounted cash flows	EBITDA margin	22.7%-26%	Increase in EBIDTA margin would result in higher estimated fair value of investment
	Unconventional energy	12,303,293	Income approach, discounted cash flows	EBITDA margin	49%-87%	Increase in EBIDTA margin would result in higher estimated fair value of investment
	Venture funding	9,569,063	Adjusted NAV	Adjustment to NAV	-	Increase in net asset value would result in higher fair value of investment
	Manufacturing	9,197,115	Income approach, discounted cash flows	EBITDA margin	15%	Increase in EBIDTA margin would result in higher estimated fair value of investment
	Education	2,536,028	Income approach, discounted cash flows	EBITDA margin	15.8%	Increase in EBIDTA margin would result in higher estimated fair value of investment
	Medical diagnostics	1,073,599	Income approach, discounted cash flows	EBITDA margin	17%	Increase in EBIDTA margin would result in higher estimated fair value of investment
Unquoted equity instruments	Entertainment	892,589	Income approach, discounted cash flows	EBITDA margin	20.5%	Increase in EBIDTA margin and revenue growth would result in higher estimated fair value of investment
	Other	3,960,893				
Debt instruments		16,627,632	Discounted contractual cash flows	Credit risk margin	2.1%-12.6%	Increase in credit risk would result in lower fair value of investment
Total		174,298,920				

The table below sets out information about significant unobservable inputs used at year end in the measuring of the most significant investments, including portfolio investments of private equity funds categorised as Level 3 in the fair value hierarchy as at 31 December 2022, together with a sensitivity analysis for shifts in these unobservable 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 Average value for the group	Effect from changes in significant unobservable inputs
	Transport and logistics	69,242,525	Income approach, discounted cash flows	EBITDA margin	10.97%-40.1%	Increase in EBIDTA margin would result in higher estimated fair value of investment
	Power industry	24,501,300	Income approach, discounted cash flows	Credit risk margin	3.64%-4%	Increase in discount rate would result in lower estimated fair value of investment
	Agriculture	20,127,279	Income approach, discounted cash flows	EBITDA margin	20.3%-27%	Increase in EBIDTA margin would result in higher estimated fair value of investment
	Unconventional energy	12,512,944	Income approach, discounted cash flows	EBITDA margin	28.5%-83.06%	Increase in EBIDTA margin would result in higher estimated fair value of investment
	Venture funding	9,528,238	Adjusted NAV	Adjustment to NAV	-	Increase in net asset value would result in higher fair value of investment
	Education	2,224,571	Income approach, discounted cash flows	EBITDA margin	15.8%	Increase in EBIDTA margin would result in higher estimated fair value of investment
	Manufacturing	6,714,376	Income approach, discounted cash flows	EBITDA margin	18%	Increase in EBIDTA margin would result in higher estimated fair value of investment
	Entertainment	1,662,199	Income approach, discounted cash flows	EBITDA margin	22.7%	Increase in EBIDTA margin would result in higher estimated fair value of investment
	Medical diagnostics	611,607	Income approach, discounted cash flows	EBITDA margin	18%	Increase in EBIDTA margin would result in higher estimated fair value of investment
	Other	2,939,262				
Unquoted equity instruments						
Debt instruments		<u>20,863,378</u>	Discounted contractual cash flows	Credit risk margin	0.8%-10.3%	Increase in credit risk would result in lower fair value of investment
Total		<u><u>170,927,679</u></u>				

Although the Group believes that its estimates of fair value 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 2023 and 31 December 2022:

KZT'000	Effect on fair value as at 30 June 2023		Effect on fair value as at 31 December 2022	
	Favourable	Unfavourable	Favourable	Unfavourable
Unquoted equity instruments				
Transport and logistics	2,522,520	(2,173,442)	5,577,002	(3,080,529)
Power industry	350,496	(340,300)	421,742	(408,267)
Agriculture	1,022,916	(1,047,067)	592,784	(134,771)
Unconventional energy	782,650	(668,421)	718,964	(626,739)
Manufacturing	209,720	(184,563)	225,735	(191,392)
Venture funding	463,453	(441,384)	476,412	(476,412)
Entertainment	44,629	(42,504)	114,287	(104,176)
Education	256,963	(256,963)	223,707	(191,942)
Medical diagnostics	47,253	(45,003)	4,628	(4,413)
Debt instruments	293,127	(265,923)	56,591	(193,721)
Total	5,993,727	(5,465,570)	8,411,852	(5,412,362)

The favourable and unfavourable 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 or loss decrease and increase in the discount rate by 1%;
- for investments measured at profit or loss in venture funding industry;
- decrease and increase in net assets 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 categorised as at 30 June 2023:

Unaudited KZT'000	Level 2	Total fair value	Total carrying amount
Assets			
Cash and cash equivalents	95,489,408	95,489,408	95,489,408
Loans to customers	5,368,663	5,368,663	5,084,100
Investment financial assets	3,487,890	3,487,890	3,589,007
Other financial assets	94,300	94,300	94,300
Debt securities issued	(48,514,502)	(48,514,502)	(50,492,961)
Other financial liabilities	(2,143,703)	(2,143,703)	(2,143,703)

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 2022.

KZT'000	Level 2	Total fair value	Total carrying amount
Assets			
Cash and cash equivalents	50,809,859	50,809,859	50,809,859
Loans to customers	5,368,663	5,368,663	5,368,663
Investment financial assets	2,757,124	2,757,124	2,398,404
Other financial assets	158,936	158,936	158,936
Debt securities issued	(48,987,569)	(48,987,569)	(49,932,305)
Other financial liabilities	(545,273)	(545,273)	(545,273)

17 Segments

The Group's operations are highly integrated and constitute a single business segment for the purposes of IFRS 8 *Segment Reporting*. The Group's assets are concentrated in the Republic of Kazakhstan and Group generates profit from its operations mostly in the Republic of Kazakhstan. The Chief Operating Decision Maker, in the case of the Group, the Chairman, only receives and reviews the information on the Group as a whole.