



JSC "Entrepreneurship Development Fund "Damu"

**Condensed Interim Financial Information prepared in
accordance with IAS 34
*Interim Financial Reporting***

30 June 2019

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Condensed Interim financial information

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Report on Review of Condensed Interim Financial Information

To the Shareholder and Board of Directors of Damu Entrepreneurship Development Fund JSC

Introduction

We have reviewed the accompanying condensed interim statement of financial position of Damu Entrepreneurship Development Fund JSC (the "Fund") as at 30 June 2019 and the related condensed statements of profit or loss and other comprehensive income, changes in equity and cash flows for the six-month period then ended, and the related explanatory notes. Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with International Accounting Standard 34, "Interim Financial Reporting". Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of condensed interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information is not prepared, in all material respects, in accordance with International Accounting Standard 34, "Interim Financial Reporting".

PricewaterhouseCoopers LLP.

31 July 2019

Almaty, Kazakhstan

PricewaterhouseCoopers LLP

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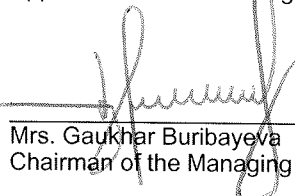
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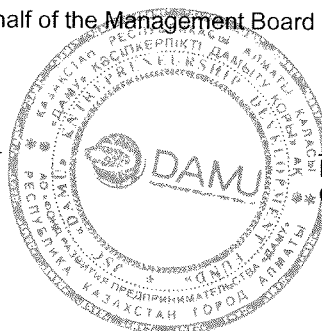
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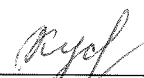
Damu Entrepreneurship Development Fund JSC
Condensed Interim Statement of Financial Position

<i>In thousands of Kazakhstani Tenge</i>	Notes	30 June 2019 (unaudited)	31 December 2018
ASSETS			
Cash and cash equivalents	6	55,222,836	37,953,674
Due from financial institutions	7	249,700,448	229,558,581
Receivables for subsidy programs		3,460	29,337
Loans and advances to customers		173,421	606,308
Investment in debt securities	8	7,408,974	7,100,689
Right of use assets	3,4	365,843	-
Premises and equipment		2,209,686	2,279,485
Intangible assets		198,016	228,155
Current income tax assets		11,597,504	11,290,109
Non-current assets for sale		380,812	396,747
Other assets	9	14,021,827	14,678,723
TOTAL ASSETS		341,282,827	304,121,808
LIABILITIES			
Borrowed funds	10	218,173,544	201,309,973
Debt securities issued	11	-	16,057,484
Liabilities on subsidy programs	12	23,172,040	4,974,063
Deferred income tax liability		3,516,828	1,279,281
Deferred income and provision for credit related commitments	13	9,106,453	6,914,341
Other liabilities	14	1,090,102	1,066,188
TOTAL LIABILITIES		255,058,967	231,601,330
EQUITY			
Share capital	15	72,920,273	72,920,273
Additional paid-in-capital		10,735,627	834,527
Revaluation reserve for investment securities at fair value			
through other comprehensive income		139,179	222,476
Other reserves		316,430	316,430
Retained earnings		2,112,351	(1,773,228)
TOTAL EQUITY		86,223,860	72,520,478
TOTAL LIABILITIES AND EQUITY		341,282,827	304,121,808

Approved for issue and signed on behalf of the Management Board on 31 July 2019.


 Mrs. Gaukhar Buribayeva
 Chairman of the Managing Board




 Mrs. Ajgul Kusajynova
 Chief Accountant

Damu Entrepreneurship Development Fund JSC
Condensed Interim Statement of Profit and Loss and Other Comprehensive Income

<i>In thousands of Kazakhstani Tenge</i>	Notes	Six months ended	
		30 June 2019 (unaudited)	30 June 2018 (unaudited)
Interest income calculated using effective interest rate method	16	11,691,380	11,012,684
Interest expense	16	(5,107,413)	(4,043,112)
Net interest income		6,583,967	6,969,572
Reversal of expected credit losses	7	236,293	922,736
Net interest income after credit loss allowance		6,820,260	7,892,308
Fee and commission income, net	17	1,546,764	1,576,389
Losses less gains from financial derivatives	18	(428,059)	973,962
Losses less gains from modification of financial assets measured at amortised cost, that did not lead to derecognition		(483,500)	-
Gains less losses from securities at fair value through profit or loss		20,584	60,711
Net gain/(loss) on transactions in foreign currencies		189,980	(1,622,792)
Net loss on initial recognition of financial assets at rates below market	19	-	(4,443,157)
Recovery of investment securities at fair value through other comprehensive income		85,331	(3,000)
(Provision for)/recovery of impairment of other assets		(15,306)	12,088
(Provision for)/recovery of credit related commitments	22	(1,018,602)	363,817
Other operating income		26,031	42,784
Expenses on realisation of Fund's programs		(199,574)	(266,013)
General and administrative expenses		(2,065,930)	(1,966,193)
Profit before tax		4,477,979	2,620,904
Income tax expense	20	(592,400)	(276,915)
Profit for the period		3,885,579	2,343,989
Other comprehensive income:			
Investments at fair value through other comprehensive income:			
- losses less gains arising during the period		(83,297)	(19,367)
Other comprehensive losses		(83,297)	(19,367)
Total comprehensive income for the period		3,802,282	2,324,622

Profit and total comprehensive income for both interim periods is fully attributable to the Fund's shareholder.

Damu Entrepreneurship Development Fund JSC
Condensed Interim Statement of Changes in Equity

	Share capital	Additional paid-in-capital	Revaluation reserve for investment securities at fair value through other comprehensive income	Other reserves	Retained earnings	Total
<i>In thousands of Kazakhstani Tenge</i>						
Balance at 1 January 2018	72,920,273	834,527	70,337	316,430	23,245,954	97,387,521
Profit for the period (unaudited)	-	-	-	-	2,343,989	2,343,989
Other comprehensive income (unaudited)	-	-	(19,367)	-	-	(19,367)
Total comprehensive income for the six months ended 30 June 2018 (unaudited)	-	-	(19,367)	-	2,343,989	2,324,622
Dividends declared (unaudited)	-	-	-	-	(1,234,153)	(1,234,153)
Balance at 30 June 2018 (unaudited)	72,920,273	834,527	50,970	316,430	24,355,790	98,477,990
Recalculated balance as of 1 January 2019	72,920,273	834,527	222,476	316,430	(1,773,228)	72,520,478
Profit for the period (unaudited)	-	-	-	-	3,885,579	3,885,579
Other comprehensive income (unaudited)	-	-	(83,297)	-	-	(83,297)
Total comprehensive income for the six months ended 30 June 2019 (unaudited)	-	-	(83,297)	-	3,885,579	3,802,282
Recognition of discount for borrowed funds from JSC "NMH "Baierak" less deferred tax (Note 5)	-	9,901,100	-	-	-	9,901,100
Balance at 30 June 2019 (unaudited)	72,920,273	10,735,627	139,179	316,430	2,112,351	86,223,860

The notes set out on pages 5 to 44 form an integral part of these condensed interim financial information.

Damu Entrepreneurship Development Fund JSC
Condensed Interim Statement of Cash Flows

	Six months ended	
	30 June 2019 (unaudited)	30 June 2018 (unaudited)
<i>In thousands of Kazakhstani Tenge</i>		
Cash flows from operating activities		
Interest received	7,233,309	7,784,985
Interest paid	(2,787,430)	(1,649,993)
Commission received	2,561,349	2,241,962
Commission paid	(183,793)	(739,715)
Cash inflows from other operating activities	109,194	43,371
Payroll costs paid	(1,158,202)	(1,004,939)
General and administrative expenses paid	(1,684,877)	(1,589,513)
Cash flows from operating activities before changes in operating assets and liabilities	4,089,550	5,086,158
<i>Net (increase)/decrease in:</i>		
- due from financial institutions	(17,707,479)	(20,061,815)
- loans and advances to customers	457,513	2,782,945
- other assets	37,263	(208,514)
<i>Net increase/(decrease) in:</i>		
- deferred income and liabilities on financial guarantees	18,477,375	7,638,393
- other liabilities	(64,363)	(99,787)
Net cash from/(used in) operating activities	5,289,859	(4,862,620)
Cash flows from investing activities		
Proceeds from disposal and redemption of investment securities	139,489	724,038
Acquisition of premises and equipment	(53,397)	(108)
Acquisition of intangible assets	(22,503)	(13,694)
Proceeds from disposal of assets held for sale	127,398	44,377
Net cash from/(used in) investing activities	190,987	754,613
Cash flows from financing activities		
Proceeds from borrowed funds	28,704,766	19,372,584
Repayment of borrowed funds	(944,261)	(132,923)
Repayment of debt securities issued	(16,000,000)	-
Net cash from financing activities	11,760,505	19,239,661
Effect of exchange rate changes on cash and cash equivalents	27,811	5,203
Net increase in cash and cash equivalents	17,269,162	15,136,857
Cash and cash equivalents at the beginning of the period	37,953,674	44,074,930
Cash and cash equivalents at the end of the period	55,222,836	59,211,787

The notes set out on pages 5 to 44 form an integral part of these condensed interim financial information.

1 Introduction

"Damu" Entrepreneurship Development Fund JSC (the "Fund") was established in accordance with a Decree of the Government of the Republic of Kazakhstan #665 dated 26 April 1997. The Fund is incorporated and domiciled in the Republic of Kazakhstan as a joint stock company and provides financial services as a development institution to support development of small and medium size enterprises.

As at 30 June 2019 and 31 December 2018, the Fund is under 100% ownership of the "Baiterek" National Managing Holding (the "Sole Shareholder"). The Fund is ultimately controlled by the Government of the Republic of Kazakhstan. Information on transactions with related parties is disclosed in Note 25.

Principal activity. The main activity of the Fund is lending to small and medium size enterprises and microfinance organisations through funding of commercial banks. Credit risk on loans to end-borrowers is transferred to commercial banks. The Fund uses its own and borrowed funds to finance small and medium sized entities throughout Kazakhstan.

The Fund has 17 regional branches. The Head office is located in Almaty, Kazakhstan.

Registered address and place of business. The Fund's registered address is: 111 Gogol Street, Almaty, Kazakhstan.

Presentation currency. These financial statements are presented in Kazakhstani Tenge, unless otherwise stated.

2 Operating Environment of the Fund

Republic of Kazakhstan. In general, the economy of the Republic of Kazakhstan continues to display characteristics of an emerging market. Its economy is particularly sensitive to prices on oil and gas. These characteristics include, but are not limited to, the existence of national currency that is not freely convertible outside of the country and a low level of liquidity of debt and equity securities in the markets. The continuing political tensions in the region, the exchange rate volatility have had and can continue to have a negative impact on the economy of the Republic of Kazakhstan, including a decrease in liquidity and difficulties in attracting international financing.

In March 2019, the international rating agency Standard & Poor's affirmed Kazakhstan's long-term credit ratings for obligations in foreign and national currencies at "BBB-" and Kazakhstan's short-term ratings for obligations in foreign and national currencies at "A-3" level, and national scale rating - "kzAAA". The outlook on the ratings is Stable. The Stable outlook reflects the agency's view that fiscal indicators of the government and foreign economic indicators will remain strong in the next two years.

The increase in production and the stability of oil prices, low unemployment and wage growth contributed to moderate economic growth last year. Standard & Poor's expects the country's economic growth in 2019 will be 2.9% and will be lower than previously projected (3.5%), due to a decrease in oil production in accordance with the relevant decision of the Organization of Petroleum Exporting Countries, as well as technical work at the Kashagan field. Growth in subsequent years within the agency's forecast horizon will be supported by an increase in oil production and exports.

Such an economic environment has a significant impact on the Fund's operations and financial position. Management takes all necessary measures to ensure the sustainability of the Fund.

In addition, the financial sector in the Republic of Kazakhstan remains subject to political, legislative, tax and regulatory changes in the Republic of Kazakhstan. The prospects for economic stability of the Republic of Kazakhstan depend on a large extent on the effectiveness of economic measures undertaken by the Government of the Republic of Kazakhstan, as well as on the development of legal, control and political systems, that is, circumstances that are beyond the control of the Fund.

Management cannot foresee the extent and duration of changes in the Kazakhstani economy or evaluate their possible impact on the Fund's financial position in the future. Management is confident that it is taking all necessary measures to maintain the stability and growth of the Fund in the current circumstances.

3 Summary of Significant Accounting Policies

Basis of preparation. This condensed interim financial information for the period of 6 months 2019 has been prepared in accordance with International Accounting Standard ("IAS") 34 "Interim Financial Reporting", and should be read in conjunction with the annual financial statements of the Fund for the year ended 31 December 2018, which have been prepared in accordance with International Financial Reporting Standards ("IFRS").

Except as described below, the same accounting policies and methods of computation were followed in the preparation of this condensed interim financial information as were disclosed in the annual financial statements for the year ended 31 December 2018.

Interim period tax measurement. Interim period income tax expense is accrued using the effective tax rate that would be applicable to expected total annual earnings, that is, the estimated weighted average annual effective income tax rate applied to the pre-tax income of the interim period. In addition, the Fund's new accounting policy, implemented retrospectively as a result of amendments to IAS 12, Income Taxes, is to recognise tax benefits of distributions to owners in profit or loss when these tax benefits are linked more directly to past transactions or events that generated distributable profits than to the distributions to owners.

New accounting policy for leases by the Fund as a lessee. The Fund adopted IFRS 16, *Leases*, using modified retrospective method and applied certain simplifications or practical expedients. Refer to Note 4. From 1 January 2019, the date of initial application of the standard, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Fund. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payment that are based on an index or a rate;
- amounts expected to be payable by the lessee under residual value guarantees;
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs, and
- restoration costs.

In determining the lease term, management of the Fund considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the lessee.

4 Adoption of New and Revised Standards

IFRS 16, Leases. The Fund has adopted IFRS 16 retrospectively from 1 January 2019 with certain simplifications, and has not restated comparatives for the 2018 reporting period, as permitted under the transitional provisions of IFRS 16. The reclassifications and the adjustments arising from the new leasing requirements are therefore recognised as of 1 January 2019. Based on the analysis of the Fund, the effect of the transition to the new standard is not significant, since all leases are short-term.

4 Adoption of New and Revised Standards (Continued)

On adoption of IFRS 16, the Fund recognised lease liabilities in relation to leases which had previously been classified as operating leases under the principles of IAS 17, *Leases*. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 January 2019. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 1 January 2019 was 9%.

For leases previously classified as finance leases the Fund recognised the carrying amount of the leased asset and lease liability as the carrying amount of the right-of-use asset and the lease liability at the date of initial application, respectively. The measurement principles of IFRS 16 are only applied after 1 January 2019.

The associated right-of use assets were measured at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet as at 31 December 2018. There were no onerous lease contracts that would have required an adjustment to the right-of-use assets at the date of initial application.

The recognised right-of-use assets relate to the following types of assets:

<i>(unaudited)</i> <i>In thousands of Kazakhstani Tenge</i>	30 June 2019	1 January 2019
Premises for own use	365,843	425,906
Total right-of-use asset	365,843	425,906

In applying IFRS 16 for the first time, the Fund has used the following practical expedients:

- the use of a single discount rate to a portfolio of leases with reasonably similar characteristics;
- reliance on previous assessments on whether leases are onerous in assessing whether the right-of-use asset is impaired;
- the accounting for operating leases with a remaining lease term of less than 12 months as at 1 January 2019 as short-term leases;
- the exclusion of initial direct costs for the measurement of the right-of-use asset at the date of initial application;
- the use of hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

The Fund has elected not to reassess whether a contract is, or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date the group relied on its assessment made applying IAS 17 and IFRIC 4 Determining whether an Arrangement contains a Lease.

Other new accounting standards and interpretations. The following amended standards and interpretations became effective for the Fund from 1 January 2019, but did not have any material impact on the Fund:

- IFRIC 23 "Uncertainty over Income Tax Treatments" (issued on 7 June 2017 and effective for annual periods beginning on or after 1 January 2019).
- Amendments to IAS 28 "Long-term Interests in Associates and Joint Ventures" (issued on 12 October 2017 and effective for annual periods beginning on or after 1 January 2019).
- Amendments to IAS 19 "Plan Amendment, Curtailment or Settlement" (issued on 7 February 2018 and effective for annual periods beginning on or after 1 January 2019).
- Annual Improvements to IFRSs 2015-2017 cycle - amendments to IFRS 3, IFRS 11, IAS 12 and IAS 23 (issued on 12 December 2017 and effective for annual periods beginning on or after 1 January 2019).

There were no new standards or interpretations issued and not yet effective, information about which is not included in the last annual financial statements of the Fund for the year ended 31 December 2018. The Fund continues assessing the effects of new standards and interpretations that are not yet effective and will disclose their known or reasonably estimable effects as soon as they become available.

5 Critical Accounting Estimates, and Judgements in Applying Accounting Policies

Estimates and judgements were consistent with those made in the annual financial statements for the year ended 31 December 2018.

Going concern. Management prepared these financial statements on a going concern basis. In making this judgement management considered the Fund's financial position, current intentions, profitability of operations and access to financial resources.

ECL measurement. Measurement of ECLs is a significant estimate that involves determination of methodology, models and data inputs consistent with those at 31 December 2018. The following components have a major impact on credit loss allowance: definition of default, SICR, probability of default ("PD"), exposure at default ("EAD"), and loss given default ("LGD"), as well as models of macro-economic scenarios. The Fund regularly reviews and validates the models and inputs to the models to reduce any differences between expected credit loss estimates and actual credit loss experience.

A 10% increase or decrease in PD estimates at 30 June 2019 would result in an increase or decrease in total expected credit loss allowances of Tenge 1,254,220 thousand (31 December 2018: by Tenge 1,260,300 thousand).

Modification of financial assets. When financial assets are contractually modified (e.g. renegotiated), the Fund assesses whether the modification is substantial and should result in derecognition of the original asset and recognition of a new asset at fair value. This assessment is based primarily on qualitative factors, described in the relevant accounting policy and it requires significant judgment. In particular, the Fund applies judgment in deciding whether credit impaired renegotiated loans should be derecognised and whether the new recognised loans should be considered as credit impaired on initial recognition. The derecognition assessment depends on whether the risks and rewards, that is, the variability of expected (rather than contractual) cash flows, change as a result of such modifications. Management determined that risks and rewards did not change as a result of modifying such loans and therefore in substantially all such modifications, the loans were neither derecognised nor reclassified out of the credit-impaired stage.

The Fund had claims on loans provided by "TsesnaBank" JSC in the amount of Tenge 52,996,774 thousand, which were issued from government funds and from funds received from ADB. In December 2018, claims for loans issued from ADB funds in the amount of Tenge 32,591,479 thousand were restructured in accordance with the terms of the Framework Agreement date 19 September 2018 concluded between the Government of the Republic of Kazakhstan, "Samruk-Kazyna" NWF, JSC "NMH Baiterek", JSC "Holding "Kazagro", and JSC "Tsesna Corporation". As part of this restructuring, the requirements for loans issued by "TsesnaBank" JSC were replaced with investment securities issued by TsesnaBank JSC with maturity 15 years and the coupon rate of 4%. The fund bought these bonds in December 2018.

On 18 January 2019 was signed the second framework agreement and these investment securities were restructured with lower interest rate 0.1%. The remaining part of loans issued from government funds in amount Tenge 20,499,974 thousand was modified contractual terms and reduced interest rate to 0.1% with maturity 15 years from the date of modification. After the second modification, the Fund lost claims for all loans, which led to increase of loss given default (LGD) from 55% to 70%. The Fund's management considers this restructuring as an event after the reporting date requiring adjustment at the reporting date.

The Fund evaluates the modification of loans in bonds as significant and requiring derecognition of the old financial instrument and the recognition of the new instrument. First of all, the Fund identified the amount of expected credit losses of previous financial instrument by applying LGD and PD equal to 70% and 100% respectively. Then, the Fund identified fair value of investment securities which equal to Tenge 3,935,983 thousand. In determining fair value, the Fund used the discounted cash flow model and defined market rate equal to 15.45% based on market data by taking into account credit risk. Based on modification of loans issued from source of ADB, the Fund recognised expected credit losses in amount Tenge 18,040,172 thousand in the statement of profit or losses and other comprehensive income, expected credit losses in amount Tenge 4,920,047 thousand and losses from recognition of investment securities in amount 5,904,111 thousand in the statement of changes in equity.

5 Critical Accounting Estimates, and Judgements in Applying Accounting Policies (Continued)

Fair value of derivatives and certain other instruments. Information about fair values of instruments that were valued using assumptions that are not based on observable market data is disclosed in Note 24.

In December 2014 and October 2015, the Fund entered into five-year fixed rate swap agreements with certain commercial banks with a purpose to minimise currency risk related to US dollar borrowings from Asian Development Bank (the “ADB”). Refer to Note 9. The Fund calculated the fair value of the swaps at reporting date and recognised the fair value of derivatives for Tenge 12,172,768 thousand (31 December 2018: Tenge 12,545,813 thousand) and net losses from financial derivatives in the amount of Tenge 373,045 thousand during six months ended 30 June 2019 (six months ended 30 June 2018: net gains Tenge 1,539,629 thousand). Forward exchange rate of Tenge 385.1 per 1 US dollar was applied for estimation of fair value of swap agreements as of 30 June 2019 (31 December 2018: Tenge 396.25 per 1 US dollar), which led to increase in fair value of swap agreements at reporting date. The Fund incurred net foreign translation gains of Tenge 224,722 thousand on ADB loans during the six months ended 30 June 2019 (six months ended 30 June 2018: net losses of Tenge 1,690,832 thousand).

All swap agreements with the commercial banks have three percent annual interest paid by the Fund, resulting in Tenge 146,410 thousand expense during six months ended 30 June 2019 (six months ended 30 June 2018: Tenge 687,980 thousand).

During six months ended 30 June 2019 and 2018 there were no early swap repayments.

When calculating fair value, the Fund utilised discounted cash flow model with risk-free rates for US dollars and Kazakhstani Tenge adjusted to Kazakhstan country risk premium.

Initial recognition of related party transactions. In the normal course of business, the Fund enters into transactions with its related parties. According to IFRS 9 financial instruments at initial recognition date should be measured at fair value. Professional judgement is applied in determining if transactions are priced at market or non-market interest rates, where there is no active market for such transactions. The basis for judgement is pricing for similar types of transactions with unrelated parties and effective interest rate analysis. Terms and conditions of related party balances are disclosed in Note 25.

Initial recognition of financial instruments issued at rates below market. In the normal course of business the Fund enters into transactions with third parties, mainly related parties, at rates below market. IFRS 9 requires initial recognition of financial instruments based on their fair values. The basis for judgement is pricing for similar types of transactions with unrelated parties and effective interest rate analysis.

During 2014-2015, the Fund received borrowed funds from Baiterek NMH JSC for Tenge 200 billion at a rate below the market, 0.15%, for a twenty year term. Management applied its judgment in determining market rate, using yield to maturity for 10-year government bonds extrapolated for twenty years using linear regression.

During 2014-2015, the Fund distributed received funds for Tenge 200 billion to commercial banks carrying a 2% interest rate and a maturity of twenty years. Management of the Fund used its judgment in determining market rates for each commercial bank, in which funds were allocated. In assessing the fair value of the loans granted to commercial banks, the Management used specific credit risk for each bank based on their credit ratings applying released Credit Default Spread. Credit Default Spreads were adjusted by basic rate, determined through yield for 10 year government bonds extrapolated for twenty years.

Application of effective interest rates resulted in gain and loss on initial recognition of financial instruments at rates below the market.

During 2014-2015, the Fund received loans from the ADB for total amount of USD 350 million and interest rate of 0.9207% for a five year term. The borrowed funds were fully distributed to Kazakh commercial banks approved by the ADB. Management of the Fund used judgement when assessing fair value of these loans. They concluded that both loans received and advanced above are sufficiently unique as both the Fund and the ADB are development institutions and there are no similar transactions in the market. Following from this, they also concluded that these transactions in themselves constitute a principal or most advantageous market and, hence, transaction price is fair value and no adjustments are required for the borrowed funds and loans advanced at their initial recognition. Refer to Note 10.

5 Critical Accounting Estimates, and Judgements in Applying Accounting Policies (Continued)

In 2019, the Fund received borrowing from “NMH Baiterek” JSC of KZT 16 billion at an interest rate 0.1% p.a. for 15-year term. The Fund utilised the borrowed funds to make a repayment of bonds issued to a related party in December 2018. Management estimated the market level interest rate for such borrowing at 10.65% p.a., considering currency, term and the entity's own credit risk and determined the present value of discounted cash flows equal to Tenge 3,623,627 thousand. Management has analysed requirements of IAS 20, Government Grants and Disclosure of Government Assistance as well as SIC 10, Government Assistance - No Specific Relation to Operating Activities and considered that the difference between the fair value of the borrowing and the cash received is in substance a capital contribution from parent rather than a government grant. Accordingly, the Fund recognised a capital contribution less deferred tax of Tenge 9,901,100 thousand in the statement of changes in equity as a transaction with the parent acting in the capacity as owner of the entity. In making this judgement the management considered that the funding did not have any conditions attached to compensate costs or losses or for the reporting entity to continue operating in any particular industry sector or region.

Fair value of guarantees issued. During 2015, the Fund issued guarantees to Bank CenterCredit JSC in respect of credit lines opened by Bank CenterCredit in European Bank for Reconstruction and Development (the “EBRD”) for the amount of loans received. As of 30 June 2019, Bank CenterCredit had drawn down the EBRD loans for the amount of Tenge 37,447 million (31 December 2018: Tenge 36,157 million). The management of the Fund estimated the fair value of these guarantees based on the amount of accrued fee and commission income received from Bank CenterCredit JSC as at 30 June 2019 the amount of accrued fee and commission income amounted to Tenge 97,456 thousand (31 December 2018: Tenge 123,099 thousand). See Notes 13 and 22.

During 2016, the Fund issued guarantees to ForteBank JSC and Microfinance Organisation KMF LLP (“MFO KMF”) in respect of credit lines opened by ForteBank and MFO KMF in the EBRD in the amount of received loans.. As of 30 June 2019, ForteBank and MFO KMF had drawn down the EBRD loans for the amount of Tenge 19,243 million and Tenge 3,776 million, respectively. (31 December 2018: Tenge 19,243 million and 3,776 million, respectively). The management of the Fund assessed fair value of these guarantees based on commission fees received from ForteBank and MFO KMF and estimated the fair value to be equal to Tenge 19,554 thousand and Tenge 3,257 thousand, respectively (31 December 2018: Tenge 32,778 thousand and 12,772 thousand, respectively). Refer to Notes 13 and 22.

During 2017, the Fund issued guarantees to Bank Kassa Nova in respect of credit lines opened by Bank Kassa Nova in EBRD for the amount of received loans. As of 30 June 2019, Bank Kassa Nova had drawn down the EBRD loans for the amount of Tenge 3,742 million (31 December 2018: Tenge 3,742 million). The management of the Fund assessed fair value of these guarantees based on commission fees received and estimated the fair value to be equal to Tenge 6,764 thousand (31 December 2018: Tenge 7,052 thousand). Refer to Notes 13 and 22.

6 Cash and Cash Equivalents

<i>In thousands of Kazakhstani Tenge</i>	30 June 2019 (Unaudited)	31 December 2018
Cash balances with the NBRK (other than mandatory reserve deposits)	40,424,069	16,733,828
Reverse sale and repurchase agreements with other banks with original maturities of less than three months (Reverse repo)	12,162,569	-
Current accounts with banks	2,637,323	15,183,991
Short-term placements with other banks with original maturities of less than three months	-	6,042,500
Less credit loss allowance	(1,125)	(6,645)
Total cash and cash equivalents	55,222,836	37,953,674

The Fund holds funds received to support development of Small and Medium Entrepreneurship through subsidization on current accounts with banks. Refer to Note 12.

6 Cash and Cash Equivalents (Continued)

An analysis of cash and cash equivalents for credit quality as at 30 June 2019 is as follows:

<i>In thousands of Kazakhstani Tenge</i>	Current accounts with banks	Cash balances with the NBRK	Reverse repo	Total
<i>Neither past due nor impaired</i>				
- National Bank of the Republic of Kazakhstan	-	40,424,069	-	40,424,069
- AAA- to AAA+ rated	-	-	2,012,708	2,012,708
- BBB- to BBB+ rated	119,302	-	10,149,861	10,269,163
- BB- to BB+ rated	2,333,928	-	-	2,333,928
- B- to B+ rated	170,787	-	-	170,787
- Unrated	13,306	-	-	13,306
Total cash and cash equivalents, excluding cash on hand (unaudited)	2,637,323	40,424,069	12,162,569	55,223,961

The credit quality of reverse repo based on ratings of securities, which provided as collateral.

An analysis of cash and cash equivalents for credit quality as at 31 December 2018 is as follows:

<i>In thousands of Kazakhstani Tenge</i>	Current accounts with banks	Cash balances with the NBRK	Total
<i>Neither past due nor impaired</i>			
- National Bank of Kazakhstan	-	16,733,828	16,733,828
- AAA- to AAA+ rated	23,760	-	23,760
- BBB- to BBB+ rated	3,053,543	-	3,053,543
- BB- to BB+ rated	17,132,386	-	17,132,386
- B- to B+ rated	994,368	-	994,368
- CCC- to CCC+ rated	12,056	-	12,056
- Unrated	10,378	-	10,378
Total cash and cash equivalents, excluding cash on hand	21,226,491	16,733,828	37,960,787

The credit ratings are based on Standard & Poor's ratings, where available, or Moody's rating converted to the nearest equivalent on the Standard & Poor's rating scale.

Cash and cash equivalents with credit rating "CCC" or below and unrated represent cash balances designated for subsidization of Small and Medium Entrepreneurship placed in commercial banks. The management of the Fund created credit loss allowance according to IFRS 9.

Information on related party balances is disclosed in Note 25.

7 Due from Financial Institutions

<i>In thousands of Kazakhstani Tenge</i>	30 June 2019 (Unaudited)	31 December 2018
Loans given to financial institutions	241,853,249	230,394,115
Placements with other banks with original maturities of more than three months	20,389,394	11,767,466
Less: Credit loss allowance	(12,542,195)	(12,603,000)
Total due from financial institutions	249,700,448	229,558,581

7 Due from Financial Institutions (Continued)

The Fund had claims on loans provided by "TsesnaBank" JSC in the amount of Tenge 52,996,774 thousand, which were issued from government funds and from funds received from ADB. In December 2018, claims for loans issued from ADB funds in the amount of Tenge 32,591,479 thousand were restructured in accordance with the terms of the Framework Agreement date 19 September 2018 concluded between the Government of the Republic of Kazakhstan, "Samruk-Kazyna" NWF, JSC "NMH Baiterek", JSC "Holding "Kazagro", and JSC "Tsesna Corporation". As part of this restructuring, the requirements for loans issued by "TsesnaBank" JSC were replaced with investment securities issued by TsesnaBank JSC with maturity 15 years and the coupon rate of 4%. The fund bought these bonds in December 2018.

On 18 January 2019 was signed the second framework agreement and these investment securities were restructured with lower interest rate 0.1%. The remaining part of loans issued from government funds in amount Tenge 20,499,974 thousand was modified contractual terms and reduced interest rate to 0.1% with maturity 15 years from the date of modification. After the second modification, the Fund lost claims for all loans, which led to increase of loss given default (LGD) from 55% to 70%. The Fund's management considers this restructuring as an event after the reporting date requiring adjustment at the reporting date.

The Fund evaluates the modification of loans in bonds as significant and requiring derecognition of the old financial instrument and the recognition of the new instrument. First of all, the Fund identified the amount of expected credit losses of previous financial instrument by applying LGD and PD equal to 70% and 100% respectively. Then, the Fund identified fair value of investment securities which equal to Tenge 3,935,983 thousand. In determining fair value, the Fund used the discounted cash flow model and defined market rate equal to 15.45% based on market data by taking into account credit risk. Based on modification of loans issued from source of ADB, the Fund recognised expected credit losses in amount Tenge 18,040,172 thousand in the statement of profit or losses and other comprehensive income, expected credit losses in amount Tenge 4,920,047 thousand and losses from recognition of investment securities in amount 5,904,111 thousand in the statement of changes in equity.

For loans issued from public funds, the Fund determined the recoverable amount of loans and recognized an impairment loss in the amount of Tenge 4,057,456 thousand in the 2018 profit or loss statement and 1,030,398 thousand Tenge in 2018 capital. Part of the losses was recognized in equity, as this was dictated by the shareholders of the Fund.

In the first half of 2019, there were no such operations.

Analysis by credit quality of due from financial institutions accounts at 30 June 2019 is as follows:

<i>In thousands of Kazakhstani Tenge</i>	Loans given to financial institutions	Placements with other banks	Total
<i>Neither past due nor impaired</i>			
- BBB- to BBB+ rated	-	10,655,300	10,655,300
- BB- to BB+ rated	100,101,843	9,734,094	109,835,937
- B- to B+ rated	126,738,302	-	126,738,302
- Unrated	14,971,875	-	14,971,875
Total neither past due nor impaired	241,812,020	20,389,394	262,201,414
<i>Balances individually determined to be impaired (gross)</i>			
- over 360 days overdue	41,229	-	41,229
Total individually impaired (gross)	41,229	-	41,229
Less credit loss allowance	(12,497,541)	(44,654)	(12,542,195)
Total due from financial institutions	229,355,708	20,344,740	249,700,448

7 Due from Financial Institutions (Continued)

Analysis by credit quality of due from financial institutions accounts at 31 December 2018 is as follows:

	Loans given to financial institutions	Placements with other banks with original maturities of more than three months	Total
<i>In thousands of Kazakhstani Tenge</i>			
<i>Neither past due nor impaired</i>			
- BBB- to BBB+ rated	-	6,000,000	6,000,000
- BB- to BB+ rated	87,578,255	2,000,000	89,578,255
- B- to B+ rated	119,166,727	3,767,466	122,934,193
- CCC- to CCC+ rated	5,153,241	-	5,153,241
- Unrated	11,186,300	-	11,186,300
Total neither past due nor impaired	223,084,523	11,767,466	234,851,989
<i>Balances individually determined to be impaired</i>			
<i>Not past due but impaired</i>			
- B- to B+ rated	7,268,363	-	7,268,363
<i>Past due</i>			
- 30 to 360 days overdue	41,229	-	41,229
Total individually impaired (gross)	7,309,592	-	7,309,592
Less Credit loss allowance	(12,580,438)	(22,562)	(12,603,000)
Total due from financial institutions	217,813,677	11,744,904	229,558,581

The credit ratings are based on Standard & Poor's ratings where available or Moody's rating converted to the nearest equivalent on the Standard & Poor's rating scale.

During six months 2019 unrated due from financial institutions represented balances of loans issued to three commercial banks and microfinance organizations (2018: issued to two commercial banks and microfinance).

The primary factor that the Fund considers in determining whether a placement or loan is impaired is its overdue status, as well as a change in credit rating. As a result, the Fund presents above an ageing analysis of placements and loans that are individually determined to be impaired.

The recovery of reserves is explained by the improvement of the financial situation of individual commercial banks, which led to an improvement in indicators taken into account when assessing impairment of debt from banks.

During the first half of 2019, recovery of reserves on previously liquidated banks, the liabilities were written off to off-balance accounting was equal to Tenge 169,144 thousand (first half of 2018: Tenge 0).

Refer to Note 24 for an estimate of the fair value of each category of amounts in financial institutions. Related party information is disclosed in Note 25.

7 Due from Financial Institutions (Continued)

The changes in the allowance for credit losses and the gross carrying amount of deposits with banks that occurred between the beginning and the end of the reporting period are as follows:

	Estimated reserve for credit losses		Gross carrying amount	
	Stage 1 (12-months ECL)	Total	Stage 1 (12-months ECL)	Total
<i>In thousands of Kazakhstani Tenge</i>				
Bank deposits				
As at 1 January 2019 (unaudited)	(22,562)	(22,562)	11,767,466	11,767,466
<i>Changes affecting deductions to the allowance for credit losses for the period:</i>				
Other changes	(22,252)	(22,252)	8,621,928	8,621,928
Total balance after changes affecting deductions to the allowance for credit losses for the period	(44,814)	(44,814)	20,389,394	20,389,394
<i>Changes that do not affect deductions to the allowance for credit losses for the period:</i>				
Currency translation and other changes	160	160	-	-
As at 30 June 2019 (unaudited)	(44,654)	(44,654)	20,389,394	20,389,394

7 Due from Financial Institutions (Continued)

The changes in the allowance for credit losses and the gross carrying amount of deposits with banks that occurred between the beginning and the end of the previous reporting period:

	Estimated reserve for credit losses		Gross carrying amount	
	Stage 1 (12-months ECL)	Total	Stage 1 (12-months ECL)	Total
<i>In thousands of Kazakhstani Tenge</i>				
Bank deposits				
As at 1 January 2018	(66,793)	(66,793)	9,518,492	9,518,492
<i>Changes affecting deductions to the allowance for credit losses for the period:</i>				
Other changes	4,360	4,360	4,688,034	4,688,034
Total balance after changes affecting deductions to the allowance for credit losses for the period	(62,433)	(62,433)	14,206,526	14,206,526
<i>Changes that do not affect deductions to the allowance for credit losses for the period:</i>				
Currency translation and other changes	(1,644)	(1,644)	-	-
As at 30 June 2018 (unaudited)	(64,077)	(64,077)	14,206,526	14,206,526

7 Due from Financial Institutions (Continued)

The changes in the estimated allowance for credit losses and the gross carrying amount of loans issued to financial institutions that occurred in the interval of the first half of 2019 due to these factors are as follows:

	Estimated reserve for credit losses				Gross carrying amount			
	Stage 1 (12- months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit impaired)	Total	Stage 1 (12- months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit impaired)	Total
<i>In thousands of Kazakhstani Tenge</i>								
Loans to financial institutions								
As at 1 January 2019	(4,555,728)	(2,895,627)	(5,129,083)	(12,580,438)	217,086,128	5,998,395	7,309,592	230,394,115
<i>Changes affecting deductions to the allowance for credit losses for the period:</i>								
Transfer:								
- the expected credit losses for the entire term (from Stage 1 to Stage 2)	-	-	-	-	-	-	-	-
- impaired assets (from Stage 1 and Stage 2 to Stage 3)	-	-	-	-	-	-	-	-
- 12-month expected credit losses (from Stage 2 and Stage 3 to Stage 1)	-	-	-	-	-	-	-	-
Newly Created or Acquired Derecognition during the period	(206,321)	-	-	(206,321)	22,315,256	-	-	22,315,256
Changes in assumptions of the expected credit loss assessment model	59,826	805,883	-	865,709	(10,398,409)	(1,677,552)	-	(12,075,961)
Amortization of discount	(615,680)	-	39,189	(576,491)	1,137,150	-	82,689	1,219,839
	-	-	-	-	-	-	-	-
As at 30 June 2019 (unaudited)	(5,317,903)	(2,089,743)	(5,089,894)	(12,497,541)	230,140,125	4,320,843	7,392,281	241,853,249

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7 Due from Financial Institutions (Continued)

The changes in the estimated allowance for credit losses and the gross carrying amount of loans issued to financial institutions that occurred in the interval between the beginning and the end of the annual period caused by these factor are as follows:

	Estimated reserve for credit losses				Gross carrying amount			
	Stage 1 (12- months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit impaired)	Total	Stage 1 (12- months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit impaired)	Total
<i>In thousands of Kazakhstani Tenge</i>								
Loans to financial institutions								
As at 1 January 2018	(4,488,213)	(3,844,387)	(15,085,899)	(23,418,499)	211,901,813	8,283,810	15,085,899	235,271,522
<i>Changes affecting deductions to the allowance for credit losses for the period:</i>								
Transfer:	-	-	-	-	-	-	-	-
- the expected credit losses for the entire term (from Stage 1 to Stage 2)	2,705,906	(2,705,906)	-	-	(6,516,477)	6,516,477	-	-
- impaired assets (from Stage 1 and Stage 2 to Stage 3)	10,988	(114,892)	40,967	(62,937)	-	-	188,295	188,295
- 12-month expected credit losses (from Stage 2 and Stage 3 to Stage 1)	(3,166,738)	3,166,738	-	-	5,834,824	(5,834,824)	-	-
Newly Created or Acquired Derecognition during the period	(224,633)	(2,407,854)	-	(2,632,487)	24,673,892	4,338,274	-	29,012,166
Changes in assumptions of the expected credit loss assessment model	278,984	3,166,738	-	3,445,722	(11,183,320)	(5,834,824)	-	(17,018,144)
Amortization of discount	-	-	-	-	790,949	-	-	790,949
	-	-	-	-	-	-	-	-
As at 30 June 2018 (unaudited)	(4,883,706)	(2,739,563)	(15,044,932)	(22,668,201)	225,501,681	7,468,913	15,274,194	248,244,788

8 Investments in Debt Securities

<i>In thousands of Kazakhstani Tenge</i>	30 June 2019 (Unaudited)	31 December 2018
Debt securities mandatorily measured at FVTPL	2,106,833	2,123,182
Debt securities at FVOCI	629,514	771,681
Debt securities at AC	4,672,627	4,205,826
Total investments in debt securities	7,408,974	7,100,689

The table below discloses investments in debt securities at 30 June 2019 by measurement categories and classes:

<i>In thousands of Kazakhstani Tenge</i>	Debt securities mandatorily measured at FVTPL	Debt securities at FVOCI	Debt securities at AC	Total
Kazakhstani government bonds	931,070	-	-	931,070
Corporate bonds	1,175,763	638,315	4,672,627	6,477,904
Total investment in debt securities as of 30 June 2019 (fair value or gross carrying amount)	2,106,833	638,315	4,672,627	7,408,974
Credit loss allowance	-	(8,801)	-	-
Total investment in debt securities as of 30 June 2019 (book value)	2,106,833	629,514	4,672,627	7,408,974

The table below discloses investments in debt securities at 31 December 2018 by measurement categories and classes:

<i>In thousands of Kazakhstani Tenge</i>	Debt securities mandatorily measured at FVTPL	Debt securities at FVOCI	Debt securities at AC	Total
Kazakhstani government bonds	948,880	-	-	948,880
Corporate bonds	1,174,302	771,681	4,205,826	6,151,809
Total investment in debt securities as of 31 December 2018 (fair value or gross carrying amount)	2,123,182	771,681	4,205,826	7,100,689
Credit loss allowance	-	-	-	-
Total investment in debt securities as of 31 December 2019 (book value)	2,123,182	771,681	4,205,826	7,100,689

8 Investments in Debt Securities (Continued)

(a) Investments in debt securities mandatorily measured at FVTPL

Debt securities measured at fair value through profit or loss are recognized at fair value, which also reflects the corresponding write-offs associated with credit risk and provides the most accurate information about the maximum credit risk of the Fund.

Analysis by credit quality of securities designated at fair value through profit or loss outstanding at 30 June 2019 is as follows:

<i>In thousands of Kazakhstani Tenge</i>	Kazakhstani government bonds	Corporate bonds	Total
<i>Neither past due nor impaired</i>			
- BBB- to BBB+ rated	931,070	-	931,070
- B- to B+ rated	-	1,175,763	1,175,763
Total investment securities at fair value through profit or loss, neither past due nor impaired	931,070	1,175,763	2,106,833

Analysis by credit quality of securities at fair value through profit or loss outstanding at 31 December 2018 is as follows:

<i>In thousands of Kazakhstani Tenge</i>	Kazakhstani government bonds	Corporate bonds	Total
<i>Neither past due nor impaired</i>			
- BBB- to BBB+ rated	948,880	-	948,880
- B- to B+ rated	-	1,174,302	1,174,302
Total debt securities at fair value through profit or loss, neither past due nor impaired	948,880	1,174,302	2,123,182

Debt securities at fair value through profit or loss are not collateralized.

(b) Investments in debt securities at FVOCI

A credit risk analysis for debt securities at fair value through other comprehensive income as of 30 June 2019, for which the expected allowance for expected credit losses is recognized based on credit risk levels is as follows:

<i>In thousands of Kazakhstani Tenge</i>	Stage 1 (12-months ECL)	Total
Corporate bonds		
- B- to B+ rated	638,315	638,315
Total gross carrying amount of assets at fair value through other comprehensive income	638,315	638,315
Less credit loss allowance	(8,801)	(8,801)
Carrying value (fair value)	629,514	629,514

8 Investments in Debt Securities (Continued)

A credit risk analysis for debt securities at fair value through other comprehensive income as of 31 December 2018, for which the expected allowance for expected credit losses is recognized based on credit risk levels is as follows:

<i>In thousands of Kazakhstani Tenge</i>	Stage 1 (12-months ECL)	Total
Corporate bonds		
- B- to B+ rated	792,466	792,466
Total gross carrying amount of assets at fair value through other comprehensive income	792,466	792,466
Less credit loss allowance	(86,806)	(86,806)
Less fair value adjustments from amortized cost to fair value	66,021	66,021
Carrying value (fair value)	771,681	771,681

Debt securities at fair value through other comprehensive income are not collateralized.

During 6 months of 2019 and during 2018, there were no factors of a significant increase in credit risk, and default indicators and reserves were calculated equal to 12-month expected credit losses.

(c) Investments in debt securities at AC

An analysis of the credit risk exposure of debt securities measured at AC at 30 June 2019, for which an ECL allowance is recognised, based on credit risk grades is as follows:

<i>In thousands of Kazakhstani Tenge</i>	Stage 1 (12-months ECL)	Total
Corporate bonds		
- B- to B+ rated	4,672,627	4,672,627
Gross carrying amount	4,672,627	4,672,627
Nominal value including remuneration	33,175,329	33,175,329
Discount	(28,502,702)	(28,502,702)
Carrying amount	4,672,627	4,672,627

8 Investments in Debt Securities (Continued)

An analysis of the credit risk exposure of debt securities measured at AC at 31 December 2018, for which an ECL allowance is recognised, based on credit risk grades is as follows:

	Stage 1 (12-months ECL)	Total
<i>In thousands of Kazakhstani Tenge</i>		
Corporate bonds		
- B- to B+ rated	4,205,826	4,205,826
Gross carrying amount	4,205,826	4,205,826
Nominal value including remuneration	33,073,648	33,073,648
Discount	(5,907,603)	(5,907,603)
Transfer to the Securities, the terms of which are determined by the shareholders of the Fund	(22,960,219)	(22,960,219)
Carrying amount	4,205,826	4,205,826

On 13 and 14 December 2018, the Fund purchased the bonds of "TsesnaBank" JSC in exchange for loans that the Fund issued earlier to "TsesnaBank" JSC. The nominal value of these bonds is Tenge 32,800,312 thousand, excluding accrued interest. The Fund estimated the fair value of the bonds by the method of discounted payments at a rate of 15.45% which amounted to Tenge 3,935,983 thousand. The absence of credit loss allowances is due to the fact that these bonds were purchased at the end of the year and the recoverable amount is equal to the carrying amount.

9 Other Assets

	30 June 2019	31 December 2018
<i>In thousands of Kazakhstani Tenge</i>		
Financial derivatives at fair value through profit or loss	12,166,297	12,535,447
Accounts receivable measured at amortized cost	1,408,830	998,251
Less: Credit loss allowance	(122,220)	(123,923)
Total other financial assets within other assets	13,452,907	13,409,775
Services prepaid	264,020	883,305
Reposessed collateral	213,606	285,702
Raw materials	66,985	70,327
Taxes other than on income	14,359	21,621
Other	16,012	15,153
Less: Provision for impairment	(6,062)	(7,160)
Total other assets	14,021,827	14,678,723

Financial derivatives represent net balance on currency swap transactions with other financial institutions. Refer to Notes 5 and 18.

9 Other Assets (Continued)

Repossession collateral represents real estate and equipment assets acquired by the Fund in settlement of overdue loans. The Fund expects to dispose of the assets in the foreseeable future. The assets do not meet the definition of non-current assets held for sale, and are classified as inventories in accordance with IAS 2 “Inventories”. The assets were initially recognised at fair value when acquired.

Movements in the provision for impairment during six months ended 30 June 2019 and 2018 are as follows:

<i>In thousands of Kazakhstani Tenge</i>	2019			2018		
	Other financial assets	Other assets	Total	Other financial assets	Other assets	Total
Provision balance at 1 January	123,923	7,160	131,083	410,615	186,747	597,362
Transition to IFRS 9				-	-	-
Provision for/ (recovery of) impairment of other assets during the period (unaudited)	(375)	(1,098)	(1,473)	(808)	(5,555)	(6,363)
Amounts written off during the period as uncollectible	(272)	-	(272)	(4,939)	-	(4,939)
Exchange rate difference	(1,101)	-	(1,101)	2,625	-	2,625
Other	45	-	45	-	-	-
Provision balance at 30 June	122,220	6,062	128,282	407,493	181,192	588,685

As of 30 June 2019, included in other assets receivables of Tenge 129,562 thousand (31 December 2018: Tenge 131,083 thousand), all of which are overdue for more than one year. Refer to Note 24 for disclosure of the fair value of other financial assets. Information on related party balances is disclosed in Note 25.

10 Borrowed Funds

<i>In thousands of Kazakhstani Tenge</i>	30 June 2019 (Unaudited)	31 December 2018
Baiterek NMH JSC (6.57% - 10.65%)	82,343,189	76,392,378
Municipal authorities (0.01% - 1%)	62,093,207	49,532,869
Asian Development Bank (2.135% - 7.50%)	53,888,610	55,532,019
NWF Samruk-Kazyna JSC (5.5%)	19,416,325	19,416,325
	432,213	436,382
Ministry of Finance of the Republic of Kazakhstan (0%)		
Total loans and advances to customers	218,173,544	201,309,973

In October 2014, the Fund received a loan from ADB in the amount of US Dollar 122 million with an interest rate of 0.57% per annum and maturity in October 2019. In October 2015, the Fund received a loan from ADB in the amount of US Dollar 228 million with an interest rate of 0.9207% per annum and maturity in September 2020. All funds received were placed in Kazakh commercial banks approved by ADB. Refer to Note 5. The Fund incurred foreign exchange gain of Tenge 224,722 thousand (6 months ended for 30 June 2018: foreign exchange gains of Tenge 1,690,832 thousand) on the ADB loans during the year ended 31 December 2018. During the first half of 2018, the Fund received a loan from ADB in the amount of Tenge 6,488,279 thousand.

In April and December 2014, the Fund received loans from the Parent company, Baiterek NMH JSC, in the amount of Tenge 100 billion and Tenge 50 billion, respectively, with an annual interest rate of 0.15% per annum and maturity in 2034. In March 2015, the Fund received a loan from the Parent company in the amount of Tenge 50 billion, at a rate below market rate, 0.15% per annum, and maturity until 2035. The funds were received for further placement in Kazakhstani commercial banks, approved by the government to participate in the state program to support the development of small and medium-sized businesses engaged in the manufacturing industry. All funds received were placed in commercial banks.

10 Borrowed Funds (Continued)

Other borrowed funds were obtained in order to provide funds to commercial banks to support financing the development of small and medium-sized enterprises in accordance with approved government programs. During the six months ended 30 June 2019, the Fund received loans in the amount of Tenge 12,705 million (2018: Tenge 12,884 million) from municipal authorities.

In 2019, the Fund received borrowing from “NMH Baiterek” JSC of Tenge 16 billion at an interest rate 0.1% p.a. for 15-year term. The Fund utilised the borrowed funds to make a repayment of bonds issued to a related party in December 2018. Management estimated the market level interest rate for such borrowing at 10.65% p.a., considering currency, term and the entity's own credit risk and determined the present value of discounted cash flows equal to Tenge 3,623,627 thousand. Management has analysed requirements of IAS 20, Government Grants and Disclosure of Government Assistance as well as SIC 10, Government Assistance - No Specific Relation to Operating Activities and considered that the difference between the fair value of the borrowing and the cash received is in substance a capital contribution from parent rather than a government grant. Accordingly, the Fund recognised a capital contribution less deferred tax of Tenge 9,901,100 thousand in the statement of changes in equity as a transaction with the parent acting in the capacity as owner of the entity. In making this judgement the management considered that the funding did not have any conditions attached to compensate costs or losses or for the reporting entity to continue operating in any particular industry sector or region.

The table below shows the changes in the Fund's liabilities arising from financial activities for each period presented. Debt items are reflected in the statement of cash flows as financial activities.

<i>In thousands of Kazakhstani Tenge</i>	Liabilities under financial activities			
	Baiterek NMH JSC	MIO, JSC NWF Samruk-Kazyna, Ministry of Finance of the Republic of Kazakhstan	Asian Development Bank	Total
Cash flow	(300,000)	9,428,693	(28,129,604)	(19,000,911)
Exchange rate adjustments	-	58,915	8,301,861	8,360,776
Other changes not related to cash flows	4,743,730	1,316,395	2,887,080	8,947,205
Liabilities under financial activities as of 31 December 2018	76,392,378	69,385,576	55,532,019	201,309,973
Cash flow	15,872,500	12,552,783	(2,654,691)	25,770,592
Exchange rate adjustments	-	(4,168)	(224,722)	(228,890)
Other changes not related to cash flows	(9,921,689)	7,554	1,236,004	(8,678,131)
Liabilities under financial activities as of 30 June 2019	82,343,189	81,941,745	53,888,610	218,173,544

Information on the fair value measurements of each category of other borrowed funds is disclosed in Note 24. Information on transactions with related parties is presented in Note 25.

11 Debt Securities in Issue

On 14 December 2018, the Fund placed bonds in the amount of Tenge 16 billion on marketplace of Kazakhstan Stock Exchange. These bonds have a maturity of 13 months, a coupon yield of 8.7%. As at 31 December 2018, the issued debt securities of the Fund included bonds in the amount of Tenge 16,057,484 thousand (2017: Tenge 0) denominated in Tenge. In June 2019, the Fund fully redeemed the bonds ahead of schedule.

The fair value measurement of each category of issued debt securities is disclosed in Note 24. An analysis of the interest rates of issued debt securities is disclosed in Note 25. Information on transactions with issued debt securities with related parties is disclosed in Note 25.

12 Liabilities on Subsidy programs

<i>In thousands of Kazakhstani Tenge</i>	30 June 2019 (unaudited)	31 December 2018
Municipal authorities	22,938,234	2,132,538
Banks	233,806	2,841,525
Total liabilities for subsidy programs	23,172,040	4,974,063

Liabilities on subsidy programs are placed by the RSI "Committee on construction, housing and utilities services of the Ministry of Industry and Infrastructural Development of the Republic of Kazakhstan", the National Fund of the Republic of Kazakhstan, the "United Nations Development Program in the Republic of Kazakhstan" and municipal authorities. Such funds are then transferred to local banks as payment for government-subsidized projects in accordance with the "Nurly Zher" State housing program, the "Business Road map 2020" business support and development program.

In January 2019, the Fund signed an agreement with the State Institution "Ministry of National Economy of the Republic of Kazakhstan" on the transfer of funds to subsidize interest rates on loans from private enterprises engaged in processing in the agro-industrial complex, manufacturing industry and the provision of services under the Priority Project Lending Facility. Under this agreement, the Fund received Tenge 15 billion in the first half of 2019.

Information on the assessment of the fair value of obligations under subsidy programs is disclosed in Note 24. Information on transactions with related parties is disclosed in Note 25.

13 Deferred Income and Provision for Credit Related Commitments

<i>In thousands of Kazakhstani Tenge</i>	Note	30 June 2019 (unaudited)	31 December 2018
Deferred income		6,398,239	5,319,861
Financial guarantees (provision for credit related commitments)		2,708,214	1,594,480
Total deferred income and provision for credit related commitments		9,106,453	6,914,341

During 2015, the Fund issued guarantees to Bank CenterCredit JSC in respect of credit lines opened by Bank CenterCredit in European Bank for Reconstruction and Development (the "EBRD") for the total amount of Tenge 27,220 million. As of 30 June 2019, Bank CenterCredit had drawn down the EBRD loans for the amount of Tenge 37,447 million (31 December 2018: Tenge 36,157 million). The management of the Fund assessed fair value of these guarantees based on commission fees received and estimated the fair value to be equal to Tenge 229,222 thousand. As of 30 June 2019, the amount of accrued commission income was 97,456 thousand (31 December 2018: Tenge 123,099 thousand). Refer to Note 5.

During 2016, the Fund issued guarantees to ForteBank JSC and Microfinance Organisation KMF LLP ("MFO KMF") in respect of credit lines opened by ForteBank and MFO KMF in the EBRD for Tenge 9,907 million and Tenge 3,776 million, respectively. As of 30 June 2019, ForteBank and MFO KMF had drawn down the EBRD loans for the amount of Tenge 19,243 million and Tenge 3,776 million, respectively. (31 December 2018: Tenge 19,243 million and 3,776 million, respectively). The management of the Fund assessed fair value of these guarantees based on commission fees received from ForteBank and MFO KMF and estimated the fair value to be equal to Tenge 19,554 thousand and Tenge 3,257 thousand, respectively (31 December 2018: Tenge 32,778 thousand and 12,772 thousand, respectively). Refer to Note 5.

13 Deferred Income and Provision for Credit Related Commitments (Continued)

During 2017, the Fund issued guarantees to Bank Kassa Nova in respect of credit lines opened by Bank Kassa Nova in EBRD for Tenge 1,793 million. As of 30 June 2019, Bank Kassa Nova had drawn down the EBRD loans for the amount of Tenge 3,742 million (31 December 2018: Tenge 3,742 million). The management of the Fund assessed fair value of these guarantees based on commission fees received and estimated the fair value to be equal to Tenge 6,764 thousand (31 December 2018: Tenge 7,052 thousand).

Financial guarantees are also represented by guarantees issued by the Fund under “Business Road Map 2020” program, initiated by the Government, to the small and medium sized entities. This program is subsidised by the Government (the “Principal”), in accordance with government regulation No.301 issued as at 13 April 2010, wherein the Fund acts as an agent between the Principal and the final recipient and receives 20% commission of the insured amount. Currently, the program has been renamed to “The State Business Development Support Program “Business Road Map - 2020” according to the Decree of the Government of the Republic of Kazakhstan dated August 25, 2018 No. 52 On Approving the State Business Support and Development Program “Business Road Map - 2020”.

Refer to Note 24 for disclosure of the fair value of liabilities on deferred income and provision for credit related commitments. Information on related party balances is disclosed in Note 25

14 Other Liabilities

<i>In thousands of Kazakhstani Tenge</i>	30 June 2019 (unaudited)	31 December 2018
Dividend payable	390,187	-
Trade payables	216,391	272,611
Accrued liabilities and other creditors	22,713	247,454
Total financial liabilities	629,291	520,065
Advances received	241,405	140,183
Unused vacation reserve	126,404	300,925
Taxes payable other than on income	83,479	100,165
Accrued employee benefit costs	9,022	4,342
Other	501	508
Total other liabilities	1,090,102	1,066,188

All of the above liabilities are expected to be settled less than twelve months after the end of the period.

Refer to Note 24 for disclosure of the fair value of other liabilities on deferred income and provision for credit related commitments. Information on related party balances is disclosed in Note 25.

15 Share Capital

<i>In thousands of Kazakhstani Tenge except for number of shares</i>	Number of outstanding shares (in thousands)	Ordinary shares	Total
At 1 January 2018	27,462	72,920,273	72,920,273
New shares issued	-	-	-
At 31 December 2018	27,462	72,920,273	72,920,273
At 1 January 2019	27,462	72,920,273	72,920,273
New shares issued	-	-	-
At 30 June 2019	27,462	72,920,273	72,920,273

During 2019, the Fund did not declare dividends for the year ended 31 December 2018.

15 Share Capital (Continued)

At the meeting of the Sole Shareholder on 16 May 2018, the Fund declared dividends in respect of the year ended 31 December 2017, totalling Tenge 1,234,153 thousand.

16 Interest Income and Expense

<i>In thousands of Kazakhstani Tenge</i>	Six months ended 30 June 2019 (unaudited)	Six months ended 30 June 2018 (unaudited)
Interest income calculated using effective interest rate method		
Due from financial institutions	10,605,709	9,531,813
Cash and cash equivalents	577,967	925,153
Securities at fair value through profit or loss	466,801	-
Investment securities at fair value through profit or loss	59,959	76,576
Investment securities at fair value through other comprehensive income	26,967	26,279
Loans and advances to customers	(46,023)	452,863
Total interest income	11,691,380	11,012,684
Interest expense		
Borrowed funds	(5,107,413)	(4,043,112)
Total interest expense	(5,107,413)	(4,043,112)
Net interest income	6,583,967	6,969,572

Interest income for six months ended 30 June 2019 includes Tenge 3,047,838 thousand (six months ended 30 June 2018: Tenge 1,737,154 thousand) interest income from unwinding of discount on loans given at rates below the market.

Interest income for six months ended 30 June 2019 includes Tenge 31,146 thousand (six months ended 30 June 2018: Tenge 455,351 thousand) interest income from unwinding of discount on initial recognition of loans.

17 Fee and Commission Income, net

<i>In thousands of Kazakhstani Tenge</i>	Six months ended 30 June 2019 (unaudited)	Six months ended 30 June 2018 (unaudited)
Guarantees issued	1,367,723	1,466,901
Financial Agent Services	217,072	194,641
Commission fees for early repayment of a loan	(29,900)	(53,029)
Commission fee for issuing a guarantee / counter-guarantee	(8,131)	(32,124)
Total fee and commission income, net	1,546,764	1,576,389

Fee and commission income consists of income from issued guarantees (Note 13), subsidizing services for the State Institution of the Ministry of National Economy of the Republic of Kazakhstan, RSI "Committee on construction, housing and utilities services of the Ministry of industry and infrastructural development of the Republic of Kazakhstan", "United Nations Development Program" RK, RSI "National Bank of the Republic of Kazakhstan" as an operator and financial agent (Note 12), and support services for start-up entrepreneurs in the framework of the State Program "Business Road Map 2020".

18 Losses less Gains from Financial Derivatives

<i>In thousands of Kazakhstani Tenge</i>	Six months ended 30 June 2019 (unaudited)	Six months ended 30 June 2018 (unaudited)
Unrealised (loss)/gain from swap transactions	(373,045)	1,539,629
Interest expense on swap agreements	(146,410)	(687,980)
Unrealised gain on indexed payments	91,396	122,313
Total gains less losses/(losses less gains) from financial derivatives	(428,059)	973,962

Realized gains on indexed payments are due to the closure of a derivative financial position. Interest expenses are formed due to the payment of 3% of interest on financial derivatives. Detailed description of the transactions and the assessment of the financial results are given in Critical Accounting Estimates, and Judgements in Applying Accounting Policies - Fair value of derivatives and certain other instruments. Refer to Notes 5 and 9.

19 Net Loss on Initial Recognition of Financial Instruments at Rates below Market

During the first half of 2018, the Fund provided loans to commercial banks at rates below market and recognised loss at initial recognition totalling Tenge 4,443,157 thousand. In the first half of 2019, there were no such operations.

20 Income Taxes

Income tax expense recorded in profit or loss for the period comprises the following:

<i>In thousands of Kazakhstani Tenge</i>	Six months ended 30 June 2019 (unaudited)	Six months ended 30 June 2018 (unaudited)
Current income tax expense	830,128	783,798
Deferred tax expense	(237,728)	(506,883)
Income tax expense for the period	592,400	276,915

21 Segment Analysis

Operating segments are components that engage in business activities that may earn revenues or incur expenses, whose operating results are regularly reviewed by the chief operating decision maker (CODM), and for which discrete financial information is available. The functions of the CODM are performed by Management Board of the Fund.

(a) Description of products and services from which each reportable segment derives its revenue

The Fund is organised on the basis of two main business segments:

- Project banking – this segment includes cash at the RSI “National Bank of Kazakhstan” using for issuing conditional loans, loans issued to financial institutions, small and medium businesses, and issuing financial guarantees;
- Investment banking – representing cash and cash equivalents, securities and due from financial institutions (deposits).

21 Segment Analysis (Continued)

(b) Information about reportable segment profit or loss, assets and liabilities

Assets and liabilities of the reportable segments as at 30 June 2019 are set out below:

<i>In thousands of Kazakhstani Tenge</i>	Notes	Project banking	Investment banking	Total
Cash and cash equivalents	6	41,478,782	13,744,054	55,222,836
Due from financial institutions	7	229,355,708	20,344,740	249,700,448
Loans and advances to customers		173,421	-	173,421
Due from subsidy programs		3,460	-	3,460
Investment in debt securities	8	-	7,408,974	7,408,974
Derivative financial instruments	9	12,166,297	-	12,166,297
Total financial assets		283,177,668	41,497,768	324,675,436
Borrowed funds	10	218,173,544	-	218,173,544
Liabilities under subsidy programs	12	23,172,040	-	23,172,040
Deferred income and provision for credit related commitments	13	9,106,453	-	9,106,453
Total financial liabilities		250,452,037	-	250,452,037
Capital expenditures		-	-	(53,397)

Capital expenditure represents additions to non-current assets.

21 Segment Analysis (Continued)

Income and expenses of the reportable segments for six months ended 30 June 2019 are set out below:

<i>In thousands of Kazakhstani Tenge</i>	Project banking	Investment banking	Total
Interest income on funds in financial institutions	9,859,098	746,611	10,605,709
Interest income on loans and advances to customers	(46,023)	-	(46,023)
Interest income on investments in debt securities	-	553,727	553,727
Interest income on cash and cash equivalents	-	577,967	577,967
Interest expense on borrowed funds	(4,450,405)	-	(4,450,405)
Interest expense on issued debt securities	(638,516)	-	(638,516)
Net interest income	4,724,154	1,878,305	6,602,459
Recovery of expected credit losses	236,293	-	236,293
Net interest income after provision for impairment	4,960,447	1,878,305	6,838,752
Fee and commission income	1,546,764	-	1,546,764
Gains less losses from operations with financial derivatives	(428,059)	-	(428,059)
Gains less losses from securities at FVTPL	-	20,584	20,584
Gains less losses from modification of financial assets measured at amortised cost, that did not lead to derecognition	(483,500)	-	(483,500)
Recovery of debt securities at FVOCI	-	85,331	85,331
(Provision for) / Recovery of impairment for other assets	(15,306)	-	(15,306)
(Provision for) / Recovery of impairment for credit related commitments	(1,018,602)	-	(1,018,602)
Foreign exchange translation expenses less gain	190,152	(172)	189,980
Expenses on realisation of Fund's programs	(199,574)	-	(199,574)
General and administrative expenses	(218,684)	(13,353)	(232,037)
Segment result	4,333,638	1,970,695	6,304,333

21 Segment Analysis (Continued)

Assets and liabilities of the reportable segments as at 31 December 2018 are set out below:

<i>In thousands of Kazakhstani Tenge</i>	Notes	Project banking	Investment banking	Total
Cash and cash equivalents	6	16,733,828	21,219,846	37,953,674
Due from financial institutions	7	217,813,677	11,744,904	229,558,581
Loans and advances to customers		606,308	-	606,308
Due to subsidy programs		29,337	-	29,337
Investment securities	8	-	7,100,689	7,100,689
Derivative financial instruments	9	12,535,447	-	12,535,447
Total financial assets		247,718,597	40,065,439	287,784,036
Borrowed funds	10	201,309,973	-	201,309,973
Debt securities in issue	11	16,057,484	-	16,057,484
Liabilities under subsidy programs	12	4,974,063	-	4,974,063
Deferred income and provision for credit related commitments	13	6,914,341	-	6,914,341
Total financial liabilities		229,255,861	-	229,255,861
Capital expenditures		-	-	(46,091)

Capital expenditure represents additions to non-current assets.

21 Segment Analysis (Continued)

Income and expenses of the reportable segments for six months ended 30 June 2018 are set out below:

<i>In thousands of Kazakhstani Tenge</i>	Project banking	Investment banking	Total
Interest income on funds in financial institutions	8,982,581	-	8,982,581
Interest income on loans and advances to customers	452,863	-	452,863
Interest income on investments in debt securities	-	102,855	102,855
Interest income on cash and cash equivalents	-	1,474,385	1,474,385
Interest expense on borrowed funds	(4,043,112)	-	(4,043,112)
Net interest income	5,392,332	1,577,240	6,969,572
Impairment loss provisioning	922,736	-	922,736
Net interest income after provision for impairment	6,315,068	1,577,240	7,892,308
Fee and commission income	1,576,389	-	1,576,389
Gains less losses from operations with financial derivatives	973,962	-	973,962
Gains less losses from securities at FVTPL	-	60,711	60,711
Net loss arising on initial recognition of assets at below market rates	(4,443,157)	-	(4,443,157)
Provision for impairment of investment securities held to maturity	-	(3,000)	(3,000)
Recovery / (Provision for) of impairment for other assets	12,088	-	12,088
Recovery / (Provision for) of impairment for credit related commitments	363,817	-	363,817
Foreign exchange translation expenses less gain	(1,622,792)	-	(1,622,792)
Expenses on realisation of Fund's programs	(266,013)	-	(266,013)
General and administrative expenses	(153,328)	(10,022)	(166,350)
Segment result	2,753,034	1,624,929	4,377,963

(c) Reconciliation of reportable segment revenues, profit or loss, assets and liabilities

<i>In thousands of Kazakhstani Tenge</i>	30 June 2019 (unaudited)	31 December 2018
Total reportable segment assets	324,675,436	287,784,036
Property, plant and equipment	2,209,686	2,279,485
Intangible assets	198,016	228,155
Right-of-use assets	365,843	-
Prepayment of current income tax liabilities	11,597,504	11,290,109
Long-term assets for sale	380,812	396,747
Other assets	1,855,530	2,143,276
Total assets	341,282,827	304,121,808

<i>In thousands of Kazakhstani Tenge</i>	30 June 2019 (unaudited)	31 December 2018
Total reportable segment liabilities	250,452,037	229,255,861
Deferred tax liability	3,516,828	1,279,281
Other liabilities	1,090,102	1,066,188
Total liabilities	255,058,967	231,601,330

21 Segment Analysis (Continued)

<i>In thousands of Kazakhstani Tenge</i>	Six months ended 30 June 2019 (unaudited)	Six months ended 30 June 2018 (unaudited)
Segment result	6,304,333	4,377,963
General and administrative expenses	(1,833,893)	(1,799,843)
Other (losses)/gain	7,539	42,784
Profit before tax	4,477,979	2,620,904
Income tax expense	(592,400)	(276,915)
Profit for the period	3,885,579	2,343,989

The fund receives all its income in Kazakhstan. The Fund does not have significant external clients in foreign countries. The Fund does not have significant revenues and expenses between operating segments. The Fund does not have customers who represent at least ten percent of the total income received in 2018.

22 Contingencies and Commitments

Legal proceedings. From time to time and in the normal course of business, claims against the Fund may be received. On the basis of its own estimates and internal professional advice management is of the opinion that no material losses will be incurred in respect of claims and accordingly no provision has been made in these financial statements.

Tax legislation. Tax conditions in the Republic of Kazakhstan are subject to change and inconsistent application and interpretation. Discrepancies in the interpretation of Kazakhstani laws and regulations of the Fund and Kazakhstani authorized bodies may lead to additional taxes, fines and penalties.

Kazakhstani legislation and taxation practices are in a state of continuous development, and therefore are subject to varying interpretations and frequent changes, which may be retroactive. In some cases, in order to determine the tax base, tax legislation refers to the provisions of IFRS, while the interpretation of the relevant provisions of IFRS by Kazakhstan tax authorities may differ from the accounting policies, judgments and estimates applied by management in preparing these separate financial statements, which may lead to additional tax liabilities of the Fund. Tax authorities can conduct a retrospective review within five years after the end of the tax year.

The management of the Fund believes that interpretations of relevant legislation are acceptable and the tax position of the Fund is justified.

Operating lease commitments. The Fund leases a number of premises and vehicles under operating leases. The leases typically run for an initial period of one year, with an option to renew the lease after that date. Lease payments are usually increased annually to reflect market rentals. None of the leases includes contingent rentals.

Compliance with special conditions. The Fund must comply with certain non-financial conditions, mainly related to loans from ADB. As of 30 June 2019 and 31 December 2018, the Fund was in compliance with all special conditions.

Credit related commitments. The primary purpose of these instruments is to ensure that funds are available to a customer as required. Guarantees, which represent irrevocable assurances that the Fund will make payments in the event that a customer cannot meet its obligations to third parties, carry the same credit risk as loans. Commitments to extend credit represent unused portions of authorisations to extend credit in the form of loans. With respect to credit risk on commitments to extend credit, the Fund is potentially exposed to loss in an amount equal to the total unused commitments, if the unused amounts were to be drawn down. However, the likely amount of loss is less than the total unused commitments since most commitments to extend credit are contingent upon customers maintaining specific credit standards. The Fund monitors the term to maturity of credit related commitments because longer-term commitments generally have a greater degree of credit risk than shorter-term commitments.

The maximum level of credit risk of the Fund, as a rule, is reflected in the carrying value of financial assets in the balance sheet. The ability to offset assets and liabilities is not essential to reduce potential credit risk. The management of the Fund assesses the maturity of accounts payable and monitors past due debts. Management considers it appropriate to show a maturity analysis of accounts payable and other information about credit risk in Note 23.

22 Contingencies and Commitments (Continued)

Credit risk for off-balance sheet financial instruments is defined as the probability of incurring losses as a result of non-fulfilment of the terms of the contract by another participant. The Fund uses the same credit policy with respect to contingent liabilities as it does with respect to balance sheet financial instruments, based on the procedures for approving transactions, using limits to limit risk, and monitoring.

Outstanding credit related commitments are as follows:

<i>In thousands of Kazakhstani Tenge</i>	30 June 2019	31 December 2018
Guarantees issued as collateral of loans	62,918,005	62,918,005
Guarantees issued	51,054,745	45,187,911
Undrawn irrevocable credit lines	3,000,000	8,829,593
Less: Provision for credit related commitments	(2,708,215)	(1,594,480)
Total credit related commitments, net of provision	114,264,535	115,341,029

During 2015, the Fund issued guarantees to Bank CenterCredit JSC in respect of credit lines opened by Bank CenterCredit in European Bank for Reconstruction and Development (the "EBRD") for the amount of loans received. As of 30 June 2019, Bank CenterCredit had drawn down the EBRD loans for the amount of Tenge 37,447 million (31 December 2018: Tenge 36,157 million). The management of the Fund assessed fair value of these guarantees based on commission fees received and estimated the fair value to be equal to Tenge 229,222 thousand. As of 30 June 2019, the amount of accrued commission income was 97,456 thousand (31 December 2018: Tenge 123,099 thousand).

During 2016, the Fund issued guarantees to ForteBank JSC and Microfinance Organisation KMF LLP ("MFO KMF") in respect of credit lines opened by ForteBank and MFO KMF in the EBRD for the amount of loans received. As of 30 June 2019, ForteBank and MFO KMF had drawn down the EBRD loans for the amount of Tenge 19,243 million and Tenge 3,776 million, respectively. (31 December 2018: Tenge 19,243 million and 3,776 million, respectively). The management of the Fund assessed fair value of these guarantees based on commission fees received from ForteBank and MFO KMF and estimated the fair value to be equal to Tenge 19,554 thousand and Tenge 3,257 thousand, respectively (31 December 2018: Tenge 32,778 thousand and 12,772 thousand, respectively).

During 2017, the Fund issued guarantees to Bank Kassa Nova in respect of credit lines opened by Bank Kassa Nova in EBRD for the amount of loans received. As of 30 June 2019, Bank Kassa Nova had drawn down the EBRD loans for the amount of Tenge 3,742 million (31 December 2018: Tenge 3,742 million). The management of the Fund assessed fair value of these guarantees based on commission fees received and estimated the fair value to be equal to Tenge 6,764 thousand (31 December 2018: Tenge 7,052 thousand).

The other increase is due to overall increase in volume of guarantees issued to Small and Medium Entrepreneurships. As part of support programs for small and medium-sized enterprises, the Fund provides guarantees to small and medium-sized businesses, covering up to 85% of the loan amount. As of 30 June 2019, the amount of issued guarantees amounted to Tenge 51,054,745 thousand (31 December 2018: Tenge 45,187,911 thousand). To calculate the expected credit losses from financial guarantees, the Fund determines the probability of default using migration matrices based on the number of days of delay. As of 30 June 2019, during monitoring, the Fund found an increase in days of delay for a number of companies, which led to an increase in the amount of expected credit losses. As of 30 June 2019, the expected credit losses on guarantees issued to small and medium-sized businesses amounted to Tenge 2,617,256 thousand (31 December 2018: Tenge 1,167,214 thousand).

The total outstanding contractual amount of undrawn credit lines, letters of credit, and guarantees does not necessarily represent future cash requirements, as these financial instruments may expire or terminate without being funded.

23 Financial Risk Management

Management of risk is fundamental to the Fund's business and is an essential element of its operations. The Fund manages risks in the course of the ongoing process of risk identification, monitoring, assessment and control as well as by establishment of the risk limits and other internal control arrangements. The risk management process is critical to support the Fund's stable profitability and each employee of the Fund is responsible for the risks associated with his/her duties. Market risk (including price risk, interest rate risk and currency risk), as well as credit risk and liquidity risk are the major risks which the Fund has to manage in the course of its normal business.

The objectives, policies and processes for managing the financial risks and the methods used to measure the risks applied by the Fund during the six months ended 30 June 2019 are consistent with those applied during the year 2018.

23 Financial Risk Management (Continued)

Currency risk. The following table shows the foreign currency exposure structure of financial assets and liabilities as at 30 June 2019:

<i>In thousands of Kazakhstani Tenge</i>	KZT	USD	Other	Total
FINANCIAL ASSETS				
Cash and cash equivalents	54,890,920	327,109	4,807	55,222,836
Due from financial institutions	245,903,444	3,797,004	-	249,700,448
Due from subsidy programs	3,460	-	-	3,460
Loans and advances to customers	173,421	-	-	173,421
Investment securities	7,408,974	-	-	7,408,974
Other financial assets	1,286,610	-	-	1,286,610
Total financial assets	309,666,829	4,124,113	4,807	313,795,749
FINANCIAL LIABILITIES				
Borrowed funds	194,431,452	23,742,092	-	218,173,545
Liabilities under subsidy programs	23,172,040	-	-	23,172,040
Deferred income and provision for credit related commitments	9,106,453	-	-	9,106,453
Other financial liabilities	629,291	-	-	629,291
Total financial liabilities	227,339,236	23,742,092	-	251,081,328
Net position before derivatives as at 30 June 2018	82,327,593	(19,617,979)	4,807	62,714,421
CURRENCY DERIVATIVES				
Claims on financial derivatives	-	21,205,295	-	21,205,295
Obligations on financial derivatives	(9,038,998)	-	-	(9,038,998)
Net position as at 30 June 2018	72,288,595	1,587,316	4,807	74,880,718

23 Financial Risk Management (Continued)

The following table shows the foreign currency exposure structure of financial assets and liabilities as at 31 December 2018:

	KZT	USD	Other	Total
FINANCIAL ASSETS				
Cash and cash equivalents	37,940,992	199	12,483	37,953,674
Securities at fair value through profit or loss	7,100,689	-	-	7,100,689
Due from financial institutions	225,810,857	3,747,724	-	229,558,581
Due from subsidy programs	29,337	-	-	29,337
Loans and advances to customers	606,308	-	-	606,308
Other financial assets	874,328	-	-	874,328
Total financial assets	272,362,511	3,747,923	12,483	276,122,917
FINANCIAL LIABILITIES				
Borrowed funds	177,343,971	23,966,002	-	201,309,973
Debt securities in issue	16,057,484	-	-	16,057,484
Liabilities under subsidy programs	4,974,063	-	-	4,974,063
Deferred income and provision for credit related commitments	6,914,341	-	-	6,914,341
Other financial liabilities	520,065	-	-	520,065
Total financial liabilities	205,809,924	23,966,002	-	229,775,926
Net position before derivatives as at 31 December 2017	66,552,587	(20,218,079)	12,483	46,346,991
CURRENCY DERIVATIVES				
Claims on financial derivatives	-	20,944,564	-	20,944,564
Obligations on financial derivatives	(8,409,117)	-	-	(8,409,117)
Net position as at 31 December 2017	58,143,470	726,485	12,483	58,882,438

Derivatives presented above are monetary financial assets or monetary financial liabilities, but are presented separately in order to show the Fund's gross exposure.

Amounts disclosed in respect of derivatives represent the fair value, at the end of the reporting period, of the respective currency that the Fund agreed to buy (positive amount) or sell (negative amount) before netting of positions and payments with the counterparty. The net total represents the fair value of the currency derivatives. The above analysis includes only monetary assets and liabilities. Investments in equities and non-monetary assets are not considered to give rise to any material currency risk.

23 Financial Risk Management (Continued)

Liquidity risk. The analysis for financial assets at carrying amount and maturity analysis of financial liabilities as at 30 June 2019 is as follows:

<i>In thousands of Kazakhstani Tenge</i>	Demand and less than 1 month	1-3 months	3-6 months	6-12 months	Over 1 year	Termless	Total
30 June 2019							
FINANCIAL ASSETS							
Cash and cash equivalents	55,222,836	-	-	-	-	-	55,222,836
Investment securities at fair value through profit or loss	-	1,565	-	-	7,407,409	-	7,408,974
Due from financial institutions	7,020,552	8,417,559	9,348,536	16,877,845	208,035,956	-	249,700,448
Due from subsidy programs	3,460	-	-	-	-	-	3,460
Loans and advances to customers	140,807	3,330	4,555	9,350	15,379	-	173,421
Gross settled swaps:							
- inflows	-	21,205,295	-	-	-	-	21,205,295
- outflows		(9,038,998)	-	-	-	-	(9,038,998)
Other financial assets	1,286,610	-	-	-	-	-	1,286,610
Other financial assets	63,674,265	20,588,751	9,353,091	16,887,195	215,458,744	-	325,962,046
FINANCIAL LIABILITIES							
Borrowed funds	1,080,026	21,767	24,343,995	1,087,036	191,640,720	-	218,173,544
Liabilities on subsidy programs	23,172,040	-	-	-	-	-	23,172,040
Deferred income and provision for credit related commitments	4,103,820	526,675	968,665	25,117,580	83,256,010	3,000,000	116,972,750
Other financial liabilities	252,110	39,018	39,018	78,036	221,109	-	629,291
Total potential future payments for financial obligations	28,607,996	587,460	25,351,678	26,282,652	275,117,839	3,000,000	358,947,625
Liquidity gap arising from financial instruments	35,066,269	20,001,291	(15,998,587)	(9,395,457)	(59,659,095)	(3,000,000)	(32,985,579)

23 Financial Risk Management (Continued)

The analysis for financial assets at carrying amount and maturity analysis of financial liabilities as at 31 December 2018 is as follows:

<i>In thousands of Kazakhstani Tenge</i>	Demand and less than 1 month	1-3 months	3-6 months	6-12 months	Over 1 year	Total
31 December 2018						
FINANCIAL ASSETS						
Cash and cash equivalents	37,953,674	-	-	-	-	37,953,674
Securities at fair value through profit or loss	143,246	339	1,464	1,502	6,954,138	7,100,689
Due from financial institutions	4,685,288	1,076,537	8,754,097	23,194,128	191,848,532	229,558,582
Due from subsidy programs	29,337	-	-	-	-	29,337
Loans and advances to customers	228,127	34,865	51,856	95,550	195,910	606,308
Gross settled swaps:						
- inflows	-	-	-	20,944,564	-	20,944,564
- outflows	-	-	-	(8,409,117)	-	(8,409,117)
Other financial assets	874,328	-	-	-	-	874,328
Total financial assets	43,914,000	1,111,741	8,807,417	35,826,627	198,998,580	288,658,365
FINANCIAL LIABILITIES						
Borrowed funds	323,540	625,484	1,150,632	25,543,067	173,667,250	201,309,973
Debt securities in issue	-	-	-	-	16,057,484	16,057,484
Liabilities on subsidy programs	4,974,063	-	-	-	-	4,974,063
Deferred income and provision for credit related commitments	484,459	276,903	9,092,060	6,433,471	100,648,616	116,935,509
Other financial liabilities	520,065	-	-	-	-	520,065
Total potential future payments for financial obligations	6,302,127	902,387	10,242,692	31,976,538	290,373,350	339,797,094
Liquidity gap arising from financial instruments	37,611,873	209,354	(1,435,275)	3,850,089	(91,374,770)	(51,138,729)

23 Financial Risk Management (Continued)

The financial liabilities of the Fund as of 30 June 2019 by the terms remaining to maturity based on contractual undiscounted liabilities to repay are as follows:

<i>In thousands of Kazakhstani Tenge</i>	Demand and less than 1 month	1-3 months	3-6 months	6-12 months	Over 1 year	Termless	Total
30 June 2019							
Financial liabilities							
Borrowed funds	954,667	641,516	24,449,735	2,923,401	336,273,686	-	365,243,005
Liabilities on subsidy programs	23,172,040	-	-	-	-	-	23,172,040
Deferred income and provision for credit related commitments	4,103,820	526,675	968,665	25,117,580	83,256,010	3,000,000	116,972,750
Other financial liabilities	253,055	27,902	41,853	84,402	254,742	-	661,954
Total potential future payments on financial liabilities	28,483,582	1,196,093	25,460,253	28,125,383	419,784,438	3,000,000	506,049,749

The financial liabilities of the Fund as of 31 December 2019 by the terms remaining to maturity based on contractual undiscounted liabilities to repay are as follows:

<i>In thousands of Kazakhstani Tenge</i>	Demand and less than 1 month	1-3 months	3-6 months	6-12 months	Over 1 year	Total
31 December 2018						
Financial liabilities						
Borrowed funds	955,960	662,984	1,263,132	25,693,067	311,847,499	340,422,642
Debt securities in issue	-	-	-	-	17,508,000	17,508,000
Liabilities on subsidy programs	4,974,063	-	-	-	-	4,974,063
Deferred income and provision for credit related commitments	484,459	276,903	9,092,060	6,433,471	100,648,616	116,935,509
Other financial liabilities	520,065	-	-	-	-	520,065
Total potential future payments on financial liabilities	6,934,547	939,887	10,355,192	32,126,538	430,004,115	480,360,279

24 Fair Value Disclosures

Fair value measurements are analysed by level in the fair value hierarchy as follows: (i) level one are measurements at quoted prices (unadjusted) in active markets for identical assets or liabilities, (ii) level two measurements are valuations techniques with all material inputs observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices), and (iii) level three measurements are valuations not based on observable market data (that is, unobservable inputs). Management applies judgement in categorising financial instruments using the fair value hierarchy. If a fair value measurement uses observable inputs that require significant adjustment, that measurement is a level 3 measurement. The significance of a valuation input is assessed against the fair value measurement in its entirety.

(a) Recurring fair value measurements

Recurring fair value measurements are those that the accounting standards require or permit in the statement of financial position at the end of each reporting period. The levels in the fair value hierarchy into which the recurring fair value measurements are categorised are as follows:

<i>In thousands of Kazakhstani Tenge</i>	30 June 2019		31 December 2018	
	Level 1	Level 2	Level 1	Level 2
FINANCIAL ASSETS				
<i>Investment securities at fair value through profit or loss</i>				
- Corporate bonds	-	1,175,763	-	948,880
- Kazakhstani government bonds	-	931,070	-	1,174,302
<i>Investment securities at fair value through other comprehensive income</i>				
- Corporate bonds	-	629,514	-	771,681
<i>Other financial assets</i>				
- Financial derivatives	-	12,166,297	-	12,535,447
TOTAL ASSETS RECURRING FAIR VALUE MEASUREMENTS	-	14,902,644	-	15,430,310

The Fund uses a discounted cash flow valuation technique to measure the fair value of currency swaps that are not traded in an active market. However, in accordance with IFRS, the fair value of an instrument at inception is generally the transaction price. If the transaction price differs from the amount determined at inception using the valuation technique, that difference is amortised on a straight line basis over the term of the currency swaps.

24 Fair Value Disclosures (Continued)

(b) Assets and liabilities not measured at fair value but for which fair value is disclosed

<i>In thousands of Kazakhstani Tenge</i>	30 June 2019 (Unaudited)			Balance cost
	Level 1	Level 2	Level 3	
FINANCIAL ASSETS				
<i>Cash and cash equivalents</i>	40,424,069	14,798,766	-	55,222,836
<i>Due from financial institutions</i>				
- Loans given to financial institutions	-	-	184,147,367	229,355,708
- Placements with other banks with original maturities of more than three months	-	20,344,740	-	20,344,740
<i>Due from subsidy programs</i>	-	-	-	-
- Due from subsidy programs	-	-	-	-
<i>Loans and advances to customers</i>	-	-	173,421	173,421
<i>Other financial assets</i>			4,672,627	4,672,627
- Other	-	-	1,290,070	1,290,070
TOTAL FINANCIAL ASSETS CARRIED AT AMORTISED COST	40,424,069	35,143,506	190,283,485	311,059,402
FINANCIAL LIABILITIES				
<i>Borrowed funds</i>				
- Asian Development Bank	-	-	52,449,005	53,888,610
- Baiterek NMH JSC	-	-	46,415,027	82,343,189
- Municipal authorities	-	-	59,054,635	62,093,207
- Samruk-Kazyna NWF JSC	-	-	15,219,270	19,416,325
- Ministry of Finance of the Republic of Kazakhstan	-	-	432,213	432,213
<i>Liabilities on subsidy programs</i>	-	-	-	-
- Municipal authorities	-	-	22,938,234	22,938,234
- Banks	-	-	233,806	233,806
<i>Deferred income and provision for credit related commitments</i>	-	-	-	-
- Deferred income	-	-	6,398,239	6,398,239
- Financial guarantees (provision for credit related commitments)	-	-	2,708,214	2,708,214
<i>Other financial liabilities</i>	-	-	-	-
- Other	-	-	629,291	629,291
TOTAL FINANCIAL LIABILITIES CARRIED AT AMORTISED COST	-	-	206,477,934	251,081,328

24 Fair Value Disclosures (Continued)

<i>In thousands of Kazakhstani Tenge</i>	31 December 2018			Balance cost
	Level 1	Level 2		
FINANCIAL ASSETS				
Cash and cash equivalents	16,733,828	21,219,846	-	37,953,674
Due from financial institutions				
- Loans given to financial institutions	-	-	191,512,905	217,813,677
- Placements with other banks with original maturities of more than three months	-	11,744,904	-	11,744,904
Due from subsidy programs				
- Due from subsidy programs	-	-	29,337	29,337
Loans and advances to customers				
- Loans to small and medium size entities	-	-	596,847	596,847
- Loans to microfinance organisations	-	-	1,414	1,414
- Loans to others	-	-	4,205,826	4,205,826
Other financial assets				
- Other	-	-	874,328	874,328
TOTAL FINANCIAL ASSETS CARRIED AT AMORTISED COST	16,733,828	32,964,750	197,228,704	273,228,054
FINANCIAL LIABILITIES				
Borrowed funds				
- Asian Development Bank	-	-	54,749,045	55,532,019
- Baiterek NMH JSC	-	-	57,574,537	76,392,378
- Samruk-Kazyna NWF JSC	-	-	16,832,020	19,416,325
- Municipal authorities	-	-	47,107,054	49,532,869
- Ministry of Finance of the Republic of Kazakhstan	-	-	436,382	436,382
Debt securities in issue	-	-	16,057,484	16,057,484
Liabilities on subsidy programs				
- Municipal authorities	-	-	2,132,538	2,132,538
- Banks	-	-	2,841,525	2,841,525
Deferred income and provision for credit related commitments				
- Deferred income	-	-	5,319,861	5,319,861
- Financial guarantees (provision for credit related commitments)	-	-	1,594,480	1,594,480
Other financial liabilities				
- Other	-	-	520,065	520,065
TOTAL FINANCIAL LIABILITIES CARRIED AT AMORTISED COST	-	-	205,164,991	229,775,926

25 Related Party Transactions

Parties are generally considered to be related if the parties are under common control or one party has the ability to control the other party or can exercise significant influence over the other party in making financial or operational decisions. In considering each possible related party relationship, attention is directed to the substance of the relationship, not merely the legal form.

25 Related Party Transactions (Continued)

At 30 June 2019, the outstanding balances with related parties were as follows:

<i>In thousands of Kazakhstani Tenge</i>	Sole shareholder	Entities under common control	Associates	Other related parties
Cash and cash equivalents (contractual interest rate: 0%)	-	-	-	40,456,973
Investment securities at fair value through profit or loss (contractual interest rate: 4.87-9.1%)	-	-	-	931,070
Current income tax prepayment (Contractual interest rate: 15%)	-	-	-	11,597,504
Due from financial institutions (contractual interest rate: 2%-8.5%)	-	-	-	14,244,227
Other financial assets (contractual interest rate: 0%)	-	-	-	2,172
Other assets (contractual interest rate: 0%)	-	-	-	36,269
Borrowed funds (contractual interest rate: 0.01%-10.65%)	82,343,189	-	-	81,941,745
Liabilities on subsidy programs (contractual interest rate: 0%)	-	-	-	22,965,978
Deferred income tax liability (contractual interest rate: 20%)	-	-	-	3,516,828
Other liabilities (contractual interest rate: 0%)	-	122,391	-	909,727

The income and expense items with related parties during the six months ended 30 June 2019 were as follows:

<i>In thousands of Kazakhstani Tenge</i>	Sole shareholder	Entities under common control	Associates	Other related parties
Interest income	-	-	-	703,519
Interest expense	(2,477,185)	(644,369)	-	(534,273)
Commission income	-	-	-	217,098
Commission expense	-	-	-	(18)
Gains less losses from securities at fair value through profit or loss	-	-	-	5,191
Provision for credit related commitments	-	-	-	(433,652)
Provision for other financial assets	-	-	-	4,053
General and administrative expenses	-	(23,095)	-	(45,882)
Other income and expenses	-	-	-	814
Income tax expense	-	-	-	(592,400)

Aggregate amounts lent to and repaid by related parties during the six months ended 30 June 2019 were as follows:

<i>In thousands of Kazakhstani Tenge</i>	Sole shareholder	Entities under common control	Associates	Other related parties
Amounts lent to related parties during the period	-	-	-	-
Amounts repaid by related parties during the period	-	-	-	766,876

25 Related Party Transactions (Continued)

Aggregate amounts received from and repaid to related parties by the Fund during the six months ended 30 June 2019 were as follows:

	Sole shareholder	Entities under common control	Associates	Other related parties
<i>In thousands of Kazakhstani Tenge</i>				
Amounts received from related parties during the period	16,000,000	-	-	12,704,766
Amounts repaid to related parties during the period	150,000	-	-	(151,983)

At 31 December 2018, the outstanding balances with related parties were as follows:

	Sole Shareholder	Entities under common control	Associates	Other related parties
<i>In thousands of Kazakhstani Tenge</i>				
Cash and cash equivalents (contractual interest rate: 0%)	-	56,250	-	16,907,264
Investment securities at fair value through profit or loss (contractual interest rate: 4.87% - 9.1%)	-	-	-	948,880
Due from financial institutions (contractual interest rate: 2% - 8.5%)	-	-	-	14,934,368
Current income tax prepayment (interest rate: 15%)	-	-	-	11,290,109
Other financial assets	-	-	-	5,187
Other assets	-	-	-	23,403
Borrowed funds (contractual interest rate: 0.1% – 5.5%)	76,392,378	-	-	69,385,576
Debt securities in issue (contractual interest rate: 8.7%)	-	16,057,484	-	-
Liabilities on subsidy programs (contractual interest rate: 0%)	-	-	-	2,131,878
Deferred income tax liability (contractual interest rate: 20%)	-	-	-	1,279,281
Other liabilities	-	4,384	-	696,903
Guarantees issued by the Fund as of the end of the year (contractual interest rate: 0%)	-	-	-	732,974

The income and expense items with related parties during the six months ended 30 June 2018 were as follows:

	Sole shareholder	Entities under common control	Associates	Other related parties
<i>In thousands of Kazakhstani Tenge</i>				
Interest income	-	-	-	32,055
Interest expense	(2,316,838)	-	-	(620,374)
Commission income	-	-	-	194,388
Commission expense	-	-	-	(34)
Gains less losses from securities at fair value through profit or loss	-	-	-	39,136
General and administrative expenses	-	(8,297)	-	-
Income tax expense	-	-	-	(276,915)

25 Related Party Transactions (Continued)

Aggregate amounts lent to and repaid by related parties during the six months ended 30 June 2018 were as follows:

<i>In thousands of Kazakhstani Tenge</i>	Sole shareholder	Entities under common control	Associates	Other related parties
Amounts lent to related parties during the period	-	-	-	-
Amounts repaid by related parties during the period	-	-	-	-

Aggregate amounts received from and repaid to related parties by the Fund during the six months ended 30 June 2018 were as follows:

<i>In thousands of Kazakhstani Tenge</i>	Sole shareholder	Entities under common control	Associates	Other related parties
Amounts received from related parties during the period	-	-	-	12,884,305
Amounts repaid to related parties during the period	127,500	-	-	666,150

Key management of the Fund represents members of the Board of Directors and the Management Board. Key management compensation is presented below:

<i>In thousands of Kazakhstani Tenge</i>	Six months ended 30 June 2019 (unaudited)		Six months ended 30 June 2018 (unaudited)	
	Expense	Accrued liability	Expense	Accrued liability
<i>Short-term benefits:</i>				
- Salaries	112,938	11,821	91,635	9,988
- Short-term bonuses	9,268	-	10,519	-
- Benefits in-kind	8,770	-	7,482	-
Total	130,976	11,821	109,636	9,988

26 Events after the End of the Reporting Period

No significant events occurred after the reporting date.