



“SAMRUK-ENERGY” JSC

Condensed Separate Interim Financial Statement (unaudited)

30 June 2019

Content

INDEPENDENT AUDITOR'S REPORT

SEPARATE FINANCIAL STATEMENTS

Condensed Separate Interim Statement of Financial Position	1
Condensed Separate Interim Statement of Profit and Loss and Other Comprehensive Income	2
Condensed Separate Interim Statement of Changes in Equity	3
Condensed Separate Interim Statement of Cash Flows	4

NOTES TO THE SEPARATE FINANCIAL STATEMENTS:

1	The Company and its operations	5
2	Basis of Preparation of financial statements and Significant Accounting Policies	5
3	Changes in accounting policy	5
4	Critical Accounting Estimates, and Judgements in Applying Accounting Policies	6
5	Settlements and transactions with related parties	10
6	Investments in subsidiaries and joint ventures	12
7	Assets held for sale	13
8	Loans issued	13
9	Other non-current assets	14
10	Other current assets	14
11	Cash and cash equivalents	15
12	Share capital	15
13	Borrowings	16
14	Other long-term financial liabilities	17
15	Other payables and accrued liabilities	17
16	Obligation to the Shareholder	17
17	Dividend income	18
18	General and administrative expenses	18
19	Finance income	18
20	Finance expenses	19
21	Income tax	19
22	Contingencies, commitments and operating risks	19
24	Events after the reporting date	20



Report on Review of Condensed Separate Interim Financial Statements

To the Shareholder and Board of Directors of JSC Samruk-Energy

Introduction

We have reviewed the accompanying condensed separate interim statement of financial position of JSC Samruk-Energy (the “Company”) as at 30 June 2019 and the related condensed separate interim statement of profit and loss and other comprehensive income for the three-month and six-month periods then ended, condensed separate interim statements of changes in equity and cash flows for the six-month period then ended and other explanatory notes. Management is responsible for the preparation and presentation of this condensed separate interim financial statements in accordance with International Accounting Standard 34, “Interim Financial Reporting”. Our responsibility is to express a conclusion on this condensed separate interim financial statements 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 interim financial statements 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 separate interim financial statements are not prepared, in all material respects, in accordance with International Accounting Standard 34, “Interim Financial Reporting”.

PricewaterhouseCoopers LLP


2 August 2019

Almaty, Kazakhstan


SAMRUK-ENERGY JSC
Condensed Separate Interim Statement of Financial Position

<i>In thousands of Kazakhstani Tenge</i>	Note	30 June 2019 (unaudited)	31 December 2018
ASSETS			
Non-current assets			
Property, plant and equipment		300,388	284,384
Intangible assets		965,727	1,551,991
Right of use assets		1,515,742	-
Investments in joint ventures and associates	6	506,039,996	505,031,916
Loans given	8	55,462,915	8,351,988
Other non-current assets	9	11,657,327	11,103,483
Total non-current assets		575,942,095	526,323,762
Current assets			
Inventories		23,053	31,327
Loans given	8	274,642	11,727,024
Other current assets	10	94,039,648	75,090,524
Cash and cash equivalents	11	531,988	256,275
Non-current assets held for sale	7	15,203,992	15,821,888
Total current assets		110,073,323	102,927,038
TOTAL ASSETS		686,015,418	629,250,800
EQUITY			
Share capital	12	373,314,888	373,314,888
Other reserve capital		91,643,564	91,643,564
Retained earnings		(63,911,844)	(86,635,985)
TOTAL EQUITY		401,046,608	378,322,467
LIABILITIES			
Long term liabilities			
Loans	13	133,787,184	157,847,954
Lease liabilities		1,036,158	-
Other long-term financial liabilities		2,055,714	2,206,475
Total long-term liabilities		136,879,056	160,054,429
Short-term liabilities			
Loans	13	76,490,755	18,053,964
Other payables and accrued liabilities	15	69,854,898	71,510,094
Lease liabilities		489,570	-
Liabilities to the Shareholder	16	1,184,095	1,184,095
Other taxes payable		70,436	125,751
Total current liabilities		148,089,754	90,873,904
TOTAL LIABILITIES		284,968,810	250,928,333
TOTAL LIABILITIES AND EQUITY		686,015,418	629,250,800

Signed on behalf of management on 2 August 2019.


Yerzhan Zh. Aliyev
Managing Director on Economics and
Finance




Saule B. Tulekova
Head of Accounting and Tax Department
– Chief Accountant

SAMRUK-ENERGY JSC
CONDENSED SEPARATE INTERIM STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

<i>In thousands of Kazakhstani Tenge</i>	Note	6 months ended 30 June 2019 (unaudited)	6 months ended 30 June 2018 (unaudited)	3 months ended 30 June 2019 (unaudited)	3 months ended 30 June 2018 (unaudited)
Dividend income	17	37,364,533	13,846,023	37,364,533	13,705,304
Other income		145,497	18,137	55,049	11,916
Other expenses		(920,134)	(388,925)	(919,123)	(1,361)
General and administrative expenses	18	(2,876,681)	(3,006,546)	(1,507,281)	(1,458,057)
Profit from core operations		33,713,215	10,468,689	34,993,178	12,257,802
Recovery/ (impairment) of financial assets		548,298	(215,104)	396,317	1,944,152
Finance income	19	1,816,065	1,665,791	958,505	766,264
Finance costs	20	(11,247,061)	(11,377,533)	(5,883,527)	(5,375,836)
Profit before income tax		24,830,517	541,843	30,464,474	9,592,382
Income tax expense	21	(65,375)	(30,820)	(27,102)	(8,870)
Profit for the period		24,765,142	511,023	30,437,372	9,583,512
Total comprehensive income for the period		24,765,142	511,023	30,437,372	9,583,512
Balance-sheet value of one ordinary share		71,421	67,350		

SAMRUK-ENERGY JSC
Condensed Separate Interim Statement of Changes in Equity

<i>In thousands of Kazakhstani Tenge</i>	Note	Share capital	Other reserves	(Retained earnings/ Retained loss)	Total equity
Balance as at 1 January 2018		373,314,888	91,668,501	(79,097,457)	385,885,932
Income for the period (unaudited)		-	-	511,023	511,023
Total comprehensive income for the period (unaudited)		-	-	511,023	511,023
Dividends accrued	12	-	-	(2,041,000)	(2,041,000)
Balance as at 30 June 2018 (unaudited)		373,314,888	91,668,501	(80,627,434)	384,355,955
Balance as at 1 January 2018		373,314,888	91,643,564	(86,635,986)	378,322,466
Income for the period (unaudited)		-	-	24,765,142	24,765,142
Total comprehensive profit for the period (unaudited)		-	-	24,765,141	24,765,141
Dividends accrued	12	-	-	(2,041,000)	(2,041,000)
Balance as at 30 June 2019 (unaudited)		373,314,888	91,643,564	(63,911,844)	401,046,608

“SAMRUK-ENERGY” JSC
Condensed separate interim statements of cash flow

<i>In thousands of Kazakhstani Tenge</i>	Note	6 months ended 30 June 2019 (unaudited)	6 months ended 30 June 2018 (unaudited)
Cash flows from operating activities :			
Profit before tax		24,830,517	541,843
Adjustments for:			
Dividend income	17	(37,364,533)	(13,846,023)
Depreciation and amortization		234,945	144,671
Finance costs	20	11,247,061	11,377,533
Finance income	19	(1,816,065)	(1,665,791)
Foreign exchange gain/(loss)		(58,651)	376,679
Asset impairment costs		360,478	215,105
Others		-	9,343
Cash used in operating activities before working capital changes :		(2,566,248)	(2,846,640)
Decrease in inventories		8,386	3,254
Decrease / (Increase) in accounts receivable and other current assets		66,764	110,829
Increase in accounts payable		(801,757)	275,870
Decrease in other taxes payable		(39,900)	(37,551)
Cash used in operating activities		(3,332,755)	(2,494,238)
Income tax paid		(61,409)	(30,820)
Dividends received		17,383,486	13,984,803
Interest paid		(6,773,233)	(8,388,246)
Net cash used in operating activities		7,216,089	3,071,499
Cash flows from investment activities			
Purchase of property, plant and equipment and intangible assets		(126,297)	(309,243)
Borrowings and financial aid provided to subsidiaries and jointly controlled entities		(11,292,936)	(3,058,402)
Acquisition of debt instruments of subsidiaries (bonds)		(47,000,000)	-
Contribution to equity of subsidiaries		(5,018,355)	(541,013)
Contribution to the equity of an associate without an increase in equity stake		(200,000)	-
Withdrawal of bank deposits, net		75,594	2,928,684
Interest received		552,135	667,036
Proceeds from repayment of financial aid provided to subsidiaries and jointly controlled entities		23,341,000	2,980,479
Proceeds from repayment of financial instruments		19,415	11,649
Repayment of receivables / (conversion of current deposits into financial receivables) - Tauba Invest, LLP		514,141	(2,997,725)
Net cash used in (received from) investment activities		(39,135,303)	(318,535)
Cash flows from financing activities:			
Proceeds from borrowings		119,618,800	24,418,000
Repayment of borrowings		(36,483,755)	(37,892,816)
Repayment of loans from Samruk-Kazyna		(2,381,109)	(2,381,109)
Bonds redemption		(45,655,846)	-
Financial lease principal repayment		(145,293)	-
Dividends paid to the Shareholder		(2,041,000)	-
Payment of arrangement fee		(718,442)	(158,299)
Net cash used from/(used in) financing activities		32,193,355	(16,014,224)
Foreign exchange difference effect on cash and cash equivalents		1,688	(372,662)
Change in impairment allowance		(116)	-
Net decrease (increase) in cash and cash equivalents		275,713	(13,633,922)
Cash and cash equivalents at the beginning of the year	12	256,275	14,142,829
Cash and cash equivalents at the end of the reporting period	12	531,988	508,907

The accompanying notes on pages 5 to 21 are in integral part of these separate financial statements

1 The Company and its operations

“Samruk-Energy” JSC (the Company) was established on 18 April 2007 and registered on 10 May 2007. The Company is a joint stock company set up in accordance with legislation of the Republic of Kazakhstan.

The Company’s sole shareholder is Samruk-Kazyna Sovereign Wealth Fund JSC (“Samruk-Kazyna”), which holds 100% shares of the Company. The Company’s ultimate controlling party is the Government of the Republic of Kazakhstan.

Principal activity

The Company is a holding company (the “Company”), including a number of companies (Note 6), which is engaged in production of electricity, heat and hot water using coal, hydrocarbons and water resources, and sale to households and industrial enterprises, transmission of electricity and technical distribution of electricity within the network, construction of hydro and thermal power plants, and lease of hydro power plants’ property.

Registered address and the place of business of the Company: the Republic of Kazakhstan, Astana c., 15 A, Kabanbay Batyr ave

Exchange rates

As of June 30, 2019, the official exchange rate used to translate balances in foreign currencies was 380,53 tenge per 1 US dollar (December 31, 2018: 384,20 tenge per 1 US dollar) and 6.04 tenge per 1 Russian ruble (December 31, 2018 g.: 5.52 tenge for 1 Russian ruble).

2 Basis of Preparation of financial statements and Significant Accounting Policies

Basis of preparation of financial statements

These separate condensed interim financial statements for the six months ended 30 June 2019 were prepared in accordance with IAS 34 “Interim financial statements”. This condensed separate interim financial report is subject to disclosure together with the Company’s annual separate financial statements as of December 31, 2018 prepared in accordance with IFRS.

The adopted accounting policies are consistent with the policies of the previous financial year and the corresponding interim reporting period, except for the assessment of income tax and adoption of new and amended standards, as indicated below.

3 Changes in accounting policy

The adopted accounting policy complies with the accounting policy used in the previous reporting year, with the exception of the application of new standards and interpretations, as well as amendments to existing standards that entered into force on January 1, 2019.

The following standards were applied by the Company for the first time in 2019:

IFRS 16 “Leases”. The new standard, which was issued in 2016, replaces the IAS 17 “Leases” standard, as well as the corresponding interpretations of the IFRS provisions regarding leases; By eliminating the classification of leases to operating and financial leases, the standard provides a single guide to accounting for leases of a lessee.

The company adopted a modified retrospective approach, which involves reflecting the cumulative effect of the initial application of the standard on the date of first application, being January 1, 2019.

At the first application, the Company exercised the right to simplify the practical nature, namely, it applied the new standard only to contracts that have already been identified as containing operating or financial leases in accordance with the expired IFRS (IAS) 17 and Interpretation (IFRIC) 4. The Company also exercised the right exclusions from the scope of the new standard of those contracts whose term, taking into account economically feasible prolongations and the possibility of buying out the leased property, was less than 12 months, as well as the contract s, the underlying asset which has a low cost (less than 100 mln).

3 Changes in the accounting policy (continued)

The one-time increase in non-current assets and financial liabilities as a result of recognition of operating leases as of January 1, 2019 on the balance sheet amounted to 1 641 612 thousand tenge.

This value can be compared with the amount of future undiscounted operating lease payments disclosed in the Company's annual separate statements for 2018, as follows:

Future minimum operating lease payments as of December 31, 2018.	1,586,275
The effect of discounting at the rate of raising additional borrowed funds at the date of first application	459,346
Present value of future minimum lease payments	1,126,929
Less contractual obligations related to short-term leases and leases of low-value assets	(1,547)
Plus contractual obligations associated with a lease previously classified as finance lease	516,230
Lease obligations as at 1 January 2019 (Recognition in accordance with IAS 16)	1,641,612

At this, as of January 1, 2019, previously recognized software lease obligations in the amount of 516,230 thousand tenge were also transferred to the Lease Obligations. At the same time, software lease assets in the amount of 502,899 thousand tenge were transferred from the composition of Intangible assets to the composition of assets in the form of rights of use. Thus, the total value of assets in the form of rights of use as of January 1, 2019 amounted to 1,628,280 thousand tenge.

4 Critical Accounting Estimates, and Judgements in Applying Accounting Policies

While preparing the condensed separate interim financial statements, the Company uses estimates and makes assumptions that affect the applicable accounting policies and reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

Applied critical accounting estimates and judgments correspond to the accounting estimates and judgments applied in the preparation of the annual separate financial statements for the year ended 31 December 2018 with the exception of calculating income tax provisions and adopting new and amended standards.

Going concern principle

Management has prepared these condensed separate interim financial statements on a going concern basis. Management decision is based on the financial position of the Company, its current intentions, profitability of operations and access to financial resources. As of 30 June 2019 total current liabilities of the Company exceeded total current assets by 53,220,422 thousands tenge. The growth of short-term liabilities is due to approaching maturity of loans.

The following factors were considered when assessing the ability of Samruk-Energy to continue its operations in the foreseeable future:

- The company and its subsidiaries are of strategic importance for ensuring the reliability of Kazakhstan's energy system. The management and shareholders of the Company have neither the intention nor the need to liquidate the Company.
- The Company's current liabilities of KZT 35,324,208 thousand represent debt to the subsidiary "Ekibastuz SDPP-1" LLP.
- In the second half of 2019, the Company and its subsidiaries are expecting positive cash flows from in the amount of KZT 20,000,000 thousand from operating activities, which in turn will allow replenishing working capital through dividends from subsidiaries.
- As of June 30, 2019, the Company has available funds under revolving credit lines from "Halyk Bank of Kazakhstan" JSC for a total amount of 25,000,000 thousand tenge, as well as a tranche from the Asian Development Bank in the amount of 15,234,400 thousand tenge available for utilization.
- The company expects the proceeds from the sale of assets held for sale before the end of 2019

4 Critical Accounting Estimates, and Judgements in Applying Accounting Policies (continued)

These separate financial statements do not include any adjustments to the carrying amounts of assets and liabilities, income and expenses, and classification of the statement of financial position that would be required if it is not possible to continue operating activities, such adjustments may be significant.

Impairment of non-financial assets

At the end of each reporting date the management assesses whether there is any indication of impairment of separate assets or groups of assets, and whether there is any indication that an impairment loss recognized in prior periods for separate assets or groups of assets other than goodwill may no longer exist or may have decreased. If such indications exist, management estimates the recoverable amount of an asset, which is determined as the higher of an asset's fair value less costs to sell and its value in use. The calculation of value in use requires the application of the management's estimates and judgments, which are deemed appropriate under the current circumstances.

Determining the presence of impairment indicators of non-financial assets also requires the use of judgments and estimates in determining possible technological obsolescence of fixed assets, discontinued operations, residual useful lives, and other changes in operating conditions.

Under IAS 36, one of the possible impairment indicators is the presence of significant changes that had negative consequences for the Company that occurred during the period or are expected in the near future in the technological, market, economic or legal environment in which the Company operates or in the market for which the asset is used.

In assessing the recoverable amount of assets the Company makes estimates and judgments. Estimates and judgments are repeatedly evaluated and based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Management also makes certain judgments, apart from those involving estimations, in the process of applying the accounting policies.

As at December 31, 2018, the Company conducted a test for the impairment of fixed assets and intangible assets of APP, Moynak HPP, ESDPP-1 and ESDPP -2.

Based on the analysis as of May 31, 2019, the management did not identify indicators of impairment of non-financial assets of the AZhC, APP and Moynak HPP. The main facts and assumptions used in the analysis of indicators are:

- The absence of negative changes in the economic efficiency of companies for the reporting period;
- Decrease in loans' interest rates;
- The expected medium-term growth in demand for electricity in the southern zone of the Republic of Kazakhstan, where AZhC and APP operate;
- Stable production at the level of current volumes of electricity generation by "MHPP" JSC in the medium term. The company provides automation and stability of electricity production in Almaty city and Almaty region, reducing the problem of daily peak loads in the region.

Also, the analysis of indicators has not revealed any signs of impairment of investments in ESDPP- 2 as of May 31, 2019, since:

- The Company exceeded the plan for operational and financial performance for 5 months of 2019
- ESDPP-2 plant Development Plan for 2019-2023 includes the resumption of the project on the construction of power unit No. 3. According to "Samruk-Energy" JSC Group's strategy, ESDPP-2 Plant plans to continue the construction of 636 MW power unit No. 3 with completion in 2024 and reaching its design capacity in 2025.
- In connection with the planned deal on the sale of "ESDPP-2" JSC shares by its shareholder, "INTER RAO" PJSC, the decision to start the implementation of the investment project on resumption of the construction of power unit No. 3 was temporarily delayed until the completion of issues related to the proposed deal;

As of the date of the report, all plans and intentions of the Company regarding the implementation of the project for the construction of power unit No. 3 remain unchanged.

4. Critical Accounting Estimates, and Judgements in Applying Accounting Policies (continued)

The test for impairment of investments in ESDPP-1

- Based on the analysis conducted, the Company's management concluded that a decrease in the production plan for electricity generation in the medium term is a factor of possible depreciation of fixed assets.
- The Company engaged independent experts for updating the impairment test as of May 31, 2019, which was conducted in accordance with IAS 36 "Impairment of Assets".
- An independent expert assessed the recoverable amount of ESDPP-1 PPE based on estimates of expected future cash inflows and outflows from the use of assets, discount rates and other indicators.
- The recoverable amount was determined based on value in use, in line with the methods and assumptions used as at December 31, 2018. See Note 4 to our Annual Report for December 31, 2018 for more information.
- Cash flow projections based on updated financial budgets for 2019 to 2026 approved by the management were used in these calculations.

The following table sets out the main changes in assumptions where impairment estimates were updated as of May 31, 2019:

As at 31 May 2019	Measurement unit	2019	2020	2021	2022	2023	2024	2025	2026
Tariff for electricity to Kazakhstan	Tenge/kWh	5.76	6.59	6.84	7.00	6.99	7.11	7.29	7.61
Tariff for the service for maintaining the availability of electric capacity	Mln.tenge/(MW*month)	0,59	0,54	0,57	0,59	0,61	0,63	0,66	0,68
Tariff for the service for capacity regulation	Mln.tenge/MW	0,65	0,69	0,73	0,76	0,79	0,81	0,84	0,87
Tariff for electricity to Uzbekistan	tenge/kWh	9.56	9.80	-	-	-	-	-	-

As at 31 December 2018	Measurement unit	2019	2020	2021	2022	2023	2024	2025	2026
Tariff for electricity to Kazakhstan	Tenge/kWh	5.76	6.37	6.70	7.03	7.10	7.35	7.59	7.81
Tariff for the service for maintaining the availability of electric capacity	Mln.tenge/(MW*month)	0,59	0,54	0,57	0,60	0,62	0,64	0,66	0,68
Tariff for the service for capacity regulation	Mln.tenge/MW	0,74	0,79	0,84	0,87	0,90	0,93	0,96	0,99

4. Critical Accounting Estimates, and Judgements in Applying Accounting Policies (continued)

The forecast of a ceiling tariff for electricity per unit kWh in 2019 is based on the tariff approved by Order of the RK Minister of Energy No. 475 dated December 5, 2018. Starting from 2020, the forecast tariff was calculated using the rules on the approval of a ceiling tariff for electricity, as well as the methodology for determining fixed income, approved by Order of the RK Ministry of Energy No. 413 dated November 28, 2017 revised on December 14, 2018, based on forecast expenses according to the Company's Development Plan and the adjustment factor for calculating the fixed profit for the forecast period. The adjustment factor for calculating fixed income for EGRES-1 is set at 6% for 2020, 10% for 2021 and 12% for 2022-2026.

As at 31 May 2019	Measurement unit	7 months of 2019	2020	2021	2022	2023	2024	2025	2026
Electricity sales -									
Kazakhstan	Mln.kWh	10,843	17,527	18,935	20,261	21,404	21,682	22,193	22,193
Capacity sales per month	MW	503	1,743	1,768	1,796	1,837	1,881	1,923	2,246
Capacity regulation per year	MW	1,052	1,654	1,654	1,654	1,654	1,654	1,654	1,654
Electricity sales –									
Uzbekistan	MW	1,000	2,000	-	-	-	-	-	-
As at 31 December 2019	Measurement unit	2019	2020	2021	2022	2023	2024	2025	2026
Electricity sales -									
Kazakhstan	Mln.kWh	17,468	18,519	19,952	21,303	22,472	22,777	23,315	23,315
Capacity sales per month	MW	503	1,743	1,768	1,796	1,837	1,881	2,197	2,246
Capacity regulation per year	MW	2,445	2,445	2,445	2,445	2,445	2,445	2,794	2,794

The Company expects an even distribution of capacity sales at auctions starting from 2020 between the main market participants at an average market tariff. The management is confident that the Company will be able to sell the forecast capacity volumes starting from 2020, since the capacity is in demand, and this is indicated by the current plant load and sales volume. Also, the contract for the supply of electricity for 2019-2020 was signed with Uzbekenergo in 2019. During the analysis, tariffs and volumes for Regulation of electric capacity were used in accordance with signed agreements with customers.

The discount rate was calculated taking into account the current market assessment of the risks inherent in the industry and was determined on the basis of the weighted average cost of the company's capital in the amount of 10.84% for ESDPP-1.

As a result of the test of the recoverable amount of property, plant and equipment and intangible assets, at 31 May 2019, the management has not identified any impairment. As at June 30, 2019, the management believes that there were no events that adversely affected the results of the test.

4 Critical Accounting Estimates, and Judgements in Applying Accounting Policies (continued)

Balkhash TPP

The shareholders of Balkhash TPP (hereinafter - "BTPP") are Samsung C & T Corporation (hereinafter - "Samsung C & T Corporation") and the Company, the participation interest of which is 50% + 1 share and 50% - 1 share, respectively, as of June 30, 2019.

On February 14, 2012, the Company and Samsung C & T entered into an "Option Agreement for shares of "Balkhash TPP" JSC ("Option Agreement"). In accordance with this agreement, Samsung C & T has an option to sell the shares of BTPP ("Option for the sale of shares"), which implies that Samsung C & T has the right to exercise the put option in the event that the relevant conditions of the Options Agreement are not met.

On August 31, 2016, Samsung C&T sent a notice on the enforcement of the Option for the sale of shares in accordance with the Option Agreement due to the lack of an agreed version of the support and financing package for the construction of BTPP.

The Company concluded that the above events indicate the impairment of the Company's investments in BTPP in accordance with IAS 36 Impairment of Assets. Accordingly, at December 31, 2017, investments in BTPP were completely impaired.

On November 16, 2018, a settlement agreement was entered into with Samsung C & T. According to this settlement agreement, the Kazakhstani side, the Government and Samruk-Energy jointly assumed the obligation to pay an agreed to Samsung C & T by November 30, 2019. Once the payment is received, Samsung C & T will transfer 50% + 1 share of BTPP to Samruk-Energy. In this regard, as at 31 December 2018, the Company recognized the provision for the full amount of the liability. The government took the decision on providing the Company with the funding required to repay obligations to Samsung C & T. Since it is assumed that the expenses required to repay the obligation to Samsung C & T will be fully reimbursed, in accordance with IAS 37, as at 31 December 2018, reimbursement amount is recognized as a separate asset in the same amount as the provision. The corresponding loss on recognition of the liability and gain on recognition of the asset were offset in profit or loss under IAS 37.

The management believes that the potential voting right associated with the future transfer of shares under the settlement agreement is unreal, and as of June 30, 2019 the Group does not control BTPP. Accordingly, as of June 30, 2019, BTPP is still accounted for using the equity method.

5 Settlements and transactions with related parties

Related parties are defined in IAS 24, Related Party Disclosures. Parties are generally considered to be related if one party has the ability to control the other party, is under common control, or can exercise significant influence or joint control over the other party in making financial and operational decisions. In considering each possible related party relationship, attention is directed to the substance of the relationship, not merely the legal form. The Company's parent entity and ultimate controlling party are disclosed in Note 1.

The related parties include the companies under control of Samruk-Kazyna. Transactions with the state owned entities are not disclosed when they are entered into in the ordinary course of business in compliance with terms consistently applied to all public and private entities i) when they are not individually significant, ii) if the Group's services are provided on the standard terms available for all customers, or iii) where there is no choice of supplier of such services as electricity transmission services, telecommunications etc.

Settlements and transactions with related parties (continued)

The outstanding balances with related parties as at 30 June 2019 are as follows:

<i>In thousands of Kazakhstani tenge</i>	Shareholder	Companies under common control	Subsidiaries and joint ventures
Loans issued to subsidiaries	-	-	6,021,769
Bonds	-	-	47,007,866
Other asset in favor of the Shareholder	1,184,095	-	-
Other current assets	69,495,400	-	-
Other non-current assets	-	-	1,395,161
Interest receivable on loans issued	-	-	1,080,708
Dividends receivable	-	-	20,008,027
Financial lease liability	530,582	-	-
Other accounts payables and accrued liabilities	-	77,858	359,142
Liability to the shareholder	1,184,095	-	-
Borrowings	62,336,339	-	35,324,208
Other non-current financial liabilities	-	-	2,028,458

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

In thousands of Kazakhstani tenge	Shareholder	Companies under common control	Subsidiaries and joint ventures
Loans issued to subsidiaries	-	-	17,335,399
Accounts receivable	-	-	3,639
Other asset in favor of the Shareholder	1,184,095	-	-
Other current assets	69,156,000	-	-
Other non-current assets	-	-	1,307,817
Interest receivable on loans issued	-	-	958,939
Dividends receivable	-	-	421
Other accounts payables and accrued liabilities	516,230	-	-
Accounts payable	-	66,156	277,573
Liability to the shareholder	1,184,095	-	-
Borrowings	62,293,718	-	36,450,333
Other non-current financial liabilities	-	-	2,179,218

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

:

In thousands of Kazakhstani tenge	Shareholder	Companies under common control	Subsidiaries and joint ventures
Dividend income	-	-	37,364,533
Finance income	-	-	857,466
Finance costs	(3,196,659)	-	(1,875,949)
Recovery/(impairment) of financial instruments (net)	-	-	290,143
General and administrative expenses	-	(77,556)	(469,252)
Foreign exchange difference expenses	(660,600)	-	56,648

5 Settlements and transactions with related parties (continued)

The income and expense items with related parties for 6 months ended 30 June 2019 were as follows:

<i>In thousands of Kazakhstani tenge</i>	Shareholder	Companies under common control	Subsidiaries and joint ventures
Dividend income	-	-	13,846,023
Finance income	-	-	853,665
Finance costs	(3,021,280)	-	(1,776,531)
Recovery/(impairment) of financial instruments (net)	-	-	(13,139)
General and administrative expenses	-	(49,607)	(289,189)
Foreign exchange difference expenses	-	-	(14,617)

Key executive staff remuneration for 6 months ended 30 June 2019 including salaries, bonuses and other short-term benefits to employees is 88,711 thousand tenge (for the period ended 30 June 2018: 59,234 thousand tenge). Key executive staff at 30 June 2019 consists of 3 persons (30 June 2018: 4 persons).

6 Investments in subsidiaries and joint ventures

The information on the value of investments as of June 30, 2019 and December 31, 2018:

<i>In thousands of Kazakhstani tenge</i>	Date of acquisition	Country of registration	Investment amount as at 30 June 2019	Ownership percentage as at 30 June 2019	Investment amount as at 31 December 2018	Ownership percentage as at 31 December 2018
<i>a) Investments in subsidiaries</i>						
Ekibastuz SDPP-1 named after Bulat Nurzhanov" LLP						
	31.10.2012	Kazakhstan	334,352,781	100%	338,272,063	100%
	29.07.2009	Kazakhstan	57,515,767	90.10%	53,047,487	84%
	26.07.2011	Kazakhstan	30,386,653	100%	30,386,653	100%
	04.01.2008	Kazakhstan	21,864,616	100%	21,864,616	100%
	28.05.2016	Kazakhstan	8,543,591	100%	8,543,591	100%
	13.06.2012	Kazakhstan	2,953,614	100%	2,843,614	100%
	03.06.2011	Kazakhstan	2,524,772	100%	2,524,772	100%
	28.05.2016	Kazakhstan	2,015,719	100%	1,711,374	100%
	04.01.2008	Kazakhstan	1,230,658	92.14%	1,230,658	92%
	04.01.2008	Kazakhstan	1,050,790	90%	1,050,790	90%
	04.01.2008	Kazakhstan	465,019	89.99%	465,019	89.99%
	31.03.2014	Kazakhstan	289,310	100%	244,572	100%
	26.07.2011	Kazakhstan	136,003	100%	136,003	100%
	16.03.2017	Kazakhstan	52,998	100%	52,999	100%
<i>b) Investments in joint ventures</i>						
	23.12.2008	The Neherlands	41,759,543	50%	41,759,543	50%
	04.01.2008	Kazakhstan	8,725,133	50%	8,725,133	50%
<i>c) Investments in associated companies</i>						
	24.06.2008	Kazakhstan	32,085,280	49.99%	32,085,280	49.99%
	28.05.2016	Kazakhstan	207,509	25%	7,509	25%
<i>Less:</i>						
Investment impairment			(40,119,760)		(39,919,760)	
Total investments			506,039,996		505,031,916	

6 Investments in subsidiaries and joint ventures (continued)

In March 2019, the Company acquired 8,592,845 shares in the total amount of 4,468,279 thousand tenge in “Alatau Zharyk Company” JSC. As of June 30, 2019, the Company fully owns the outstanding shares of “Alatau Zharyk Company” JSC. During the six months of 2019, the Company invested 304,344 thousand tenge in “Ereymentau Wind Power” LLP and 110,000 thousand tenge in “Samruk-Green Energy” LLP to replenish working capital.

7 Assets held for sale

On November 23, 2016, the Board of Directors approved the conditions for sale of a number of subsidiaries in accordance with the Government Decree on assets privatization. As of June 30, 2019, all subsidiaries except for “Tegis Munay” LLP (hereinafter – TM) and its subsidiary “Mangyshlak Munay” LLP (hereinafter – MM) were sold. The Management plans to sell TM and MM during 2019 and accordingly all assets and liabilities were included in disposal group.

As at 30 June 2019, the management updated the fair value estimates for TM and MM. Based on the updated valuation, the carrying amount of net assets does not exceed fair value, less sales expenses at the reporting date.

8 Loans issued

<i>In thousands of Kazakhstani Tenge</i>	30 June 2019	31 December 2018
<i>Non-current portion</i>		
“Moynak HPP” JSC bonds	47,000,000	-
Loan issued to “Alatau Zharyk Company” JSC	4,570,635	4,350,426
Loan issued to “First Wind Power Plant” LLP	1,466,910	1,470,652
“MDPGC” JSC bonds	1,216,049	1,212,459
Interest accrued on “First Wind Power Plant” LLP loan	1,018,486	890,506
“Special Financial Company “DSFK” LLP bonds	394,195	431,558
“Tsesnabank” JSC bonds	20,005	53,431
Less: provision for impairment	(223,365)	(57,044)
Total loans issued – non-current portion	55,462,915	8,351,988
<i>Current portion</i>		
Loan issued to “Shardarinsk HPP” JSC	-	9,600,000
Loan issued to “Almaty Power Plants” JSC	-	1,950,000
Loan issued to “Energia Semirechya” LLP	122,361	713,361
Loan issued to “Balkhash TP” JSC	377,301	377,301
Interest accrued on loans issued	185,379	154,182
Bonds interest	212,420	25,029
Financial aid given to “Ust-Kamenogorsk HPP” JSC	30,390	30,390
Loans given to “Zhambyl SDPP named after T.I. Baturov” JSC	5,442	5,442
Less: provision for impairment	(658,651)	(1,128,681)
Total loans issued – current part	274,642	11,727,024

8 Loans issued (continued)

Loan issued to “Almaty Power Plants” JSC

In 2018, the Company entered into an agreement on opening a reverse credit line with “Almaty Power Plants” JSC on the terms of granting loans in the form of cash within the issuance limit of 5,200,000 thousand tenge, until October 31, 2019. Loans are granted to finance working capital. The interest rate is 8.0% per annum. Payment of principal and interest is effected at the end of the term. Loans are granted without collateral. As of 30 June 2019, “Almaty Power Plants” JSC has fully repaid the loan ahead of schedule.

Loan issued to “Shardarinsk HPP” JSC

In November 2018, the Company opened a revolving credit line in the amount of 23,040,000 thousand tenge for repayment of the EBRD debt and for payment of equipment supplied as part of Shardarinsk HPP retrofit. The interest rate is 0% per annum. Repayment of the principal takes place simultaneously at the end of the term of the agreement. Credit line term is 1 year. As of 30 June 2019, “Shardarinsk HPP” JSC has fully repaid the loan ahead of schedule.

“Moynak HPP” JSC bonds

On June 18, 2019, the Company acquired bonds of “Moynak HPP” JSC issued on the AIX platform in the amount of 47,000,000 thousand tenge, with circulation period - 7 years, a coupon rate - 11% per annum.

9 Other non-current assets

<i>In thousands of Kazakhstani tenge</i>	30 June 2019	31 December 2018
Accounts receivable	10,308,757	9,936,271
Debt under provided financial guarantee of First Wind Power Plant, LLP	1,399,880	1,312,241
Other non-current assets	92,050	86,181
Less: provision for impairment	(143,360)	(231,210)
Total other non-current assets	11,657,327	11,103,483

10 Other current assets

<i>In thousands of Kazakhstani Tenge</i>	30 June 2019	31 December 2018
Accounts receivables from buyers of subsidiaries	2,236,964	2,240,603
Accounts receivable from “Tauba Invest” LLP and others	2,426,617	2,934,450
Reimbursement receivable on BTPP (Note 4)	68,495,400	69,156,000
Short-term deposits	-	77,048
Dividends receivable	20,038,116	421
Less: provision for impairment	(693,086)	(868,454)
Total financial current assets	92,504,011	73,540,068
Asset held in favor of Shareholder (Note 16)	1,184,095	1,184,095
Advances paid	114,878	162,084
Others	236,664	204,277
Total other current assets	94,039,648	75,090,524

10 Other current assets (continued)

Accounts receivable

Receivables as of June 30, 2019 mainly include the short-term portion of debt of buyers of subsidiaries, which were sold during 2017, in the amount of 2,236,964 thousand tenge, as well as accounts receivable of “Tauba Invest” LLP in the amount of 2, 426,617 thousand tenge. In March 2018, the Company noted indicators of cash impairment on current accounts at “QazaqBank” JSC driven by worsening of the bank’s financial situation. In accordance with the agreement on mutual settlements dated March 16, 2018 entered into between Samruk-Energy, “Tauba Invest” LLP and “QazaqBank” JSC, funds of the Company at “QazaqBank” JSC were converted into receivables from “Tauba Invest” LLP in the amount of 3,058,400 thousand tenge with a maturity date of December 31, 2018. The receivables from “Tauba Invest” LLP are secured by a real estate pledge agreement dated April 26, 2018. In the reporting period “Tauba Invest” LLP repaid the debt in the amount of 514,141 thous.tenge.

11 Cash and cash equivalents

<i>In thousands of Kazakhstani tenge</i>	30 June 2019	31 December 2018
Cash in bank accounts – tenge	41,060	231,942
Cash in bank accounts – euro	147	3,225
Cash in bank accounts – US dollars	162	14,551
Cash on hand	3,627	6,590
Cash in fixed-term deposits up to 3 months - tenge	487,141	-
Less: provision for impairment	(149)	(33)
Total cash and cash equivalents	531,988	256,275

12 Share capital

As of 30 June 2019, 5,601,687 issued ordinary shares were fully paid (31 December 2018: 5,601,687 shares). Each ordinary share gives one voting right. The company has no preferred shares. The number of authorized shares equals to 8,602,187.

On April 23, 2019, the Group announced about the payment of dividends to the Sole Shareholder in the amount of 2,041,000 thousand tenge – 364,35 tenge per share (June 15, 2018: 2,041,000 thousand tenge). Dividends were fully paid on June 20, 2019.

13 Borrowings

<i>In thousands of Kazakhstani Tenge</i>	30 June 2019	31 December 2018
Non-current portion		
Borrowings from Samruk-Kazyna	59,743,986	59,693,108
Long-term bank loans	49,252,661	28,124,335
Bonds	24,790,537	69,648,019
Liabilities on financial lease	-	382,492
Total borrowings – non-current portion	133,787,184	157,847,954
Current portion		
Loans from “Ekibastuz SDPP-1 named after Nurzhanov” LLP	35,324,208	8,250,000
Short-term bank loans	37,042,235	5,292,235
Loans from Samruk-Kazyna	2,381,109	2,381,109
Interest accrued – bonds	360,287	1,286,134
Interest accrued – bank loans	1,171,672	442,972
Interest accrued – loans from “Samruk-Kazyna” and Subsidiaries	211,244	267,777
Current portion of liabilities on financial lease	-	133,738
Total borrowings – current portion	76,490,755	18,053,964
Total borrowings	210,277,939	175,901,918

European Bank for Reconstruction and Development

In December 2016 the Company opened a non-revolving line of credit for 100 million Euros to refinance Eurobonds. In September 2017 the Group received two tranches for amount of 39,114,450 thousand tenge within this line of credit. The interest rate is set on the basis of an independent indicative rate of provision of credit at the Moscow money market “MosPrime Rate” (Moscow Prime Offered Rate) plus a margin of 3.5% and 4.5% per annum. Changes in the independent indicative rate are recorded on a quarterly basis. Principal debt is payable twice a year and at the end of the term.

During the six months of 2019, the Company early repaid the second tranche under the loan from the EBRD in the amount of 8,833,754 thousand tenge.

Asian Development Bank

On November 8 and December 5, 2018, the Company opened non-revolving credit lines in the amount of 120 million USD in the Asian Development Bank to increase the operating efficiency of core activities and identify opportunities related to renewable energy sources. On January 30, 2019, the Company received two tranches under the Credit lines for a total amount of 30,468,800 thousand tenge (under line B - 15,234,400 thousand tenge, under line C - 15,234,400 thousand tenge). The interest rate is set on the basis of actual inflation rates of the Republic of Kazakhstan, plus the bank margin. Principal debt is payable at the end of the loan term.

“Halyk Bank of Kazakhstan” JSC

During the six months of 2019, “Samruk-Energy” JSC received a short-term tranche of a total amount of 20,000,000 thousand tenge under a revolving credit line with “Halyk Bank of Kazakhstan” JSC for 6 months, interest rate – 10,3%.

“Sberbank” SB JSC

During the six months of 2019, “Samruk-Energy” JSC received 4 short-term tranches for a total amount of 28,400,000 thousand tenge under a revolving credit line with “Sberbank” SB JSC for 2 months, some of which were repaid early in the reporting period. As of June 30, 2019, the outstanding debt with regard to the principal to “Sberbank” SB JSC is - 14,000,000 thousand tenge. The interest rate is 10.5% per annum.

Bonds

On February 18, 2019, the Company repurchased bonds of the second tranche in the amount of 28,000,000 thousand tenge. In April 2019, the Company repurchased 16,872,498 bonds of the first tranche at a market price of 17,555,846 thousand tenge.

14 Other long-term financial liabilities

As of June 30, 2019, the Company has guarantees issued in respect of loans received by subsidiaries “FWPP” LLP and “Shardarinsk HPP” JSC. The fair value of guarantees at initial recognition was determined as the amount received as a result of applying interest rate amounts covered by guarantees, representing the difference between the interest rate at which the borrower received the loan secured by the Company and the interest rate that would have been applied if the Company did not issue a guarantee. The guarantee cost is regarded as an investment in a subsidiary.

<i>In thousands of Kazakhstani Tenge</i>	Amount of guaranteed liabilities		Guarantee period		Valuation rate under guarantee
	30 June 2019	31 December 2018	Guarantee issue date	Term	
Company					
“Shardarinsk HPP” JSC	24,435,000	13,763,823	2015	13 years	3%
“FWPP” LLP HPP	10,206,231	9,266,472	2014	10 years	1%
Total	34,641,231	23,030,295			

15 Other payables and accrued liabilities

<i>In thousands of Kazakhstani Tenge</i>	30 June 2019	31 December 2018
Payables to suppliers and contractors	562,816	1,462,497
Obligation to Samsung C&T (Note 4)	68,495,400	69,156,000
Guarantee obligation for participation in tender	159,737	434,809
Unused leaves reserves	373,696	352,706
Other payables	263,249	104,082
Total other payables and accrued liabilities	69,854,898	71,510,094

16 Obligation to the Shareholder

On behalf of the Shareholder, the Company made a commitment for the construction of a kindergarten in Astana for the amount of 1,174,066 thousand tenge. The Company recognized an obligation for the estimated amount of construction for amount of 1,174,066 thousand tenge as other distributions to shareholder. As at 30 June 2019, the Company incurred expenses associated with the construction of a kindergarten of 1,184,095 thousand tenge (at 31 December 2018: 1,184,095 thousand tenge) (Note 11). These actually incurred expenses are recorded as current assets held for the benefit of the Shareholder, as it is expected that these assets will be transferred to the Shareholder in the second half of 2019 through distribution of income in favor of the Shareholder pursuant to its decision.

17 Dividend income

<i>In thousands of Kazakhstani tenge</i>	6 months ended 30 June 2019	6 months ended 30 June 2018	3 months ended 30 June 2019	3 months ended 30 June 2018
“Ekibastuz SDPP-1” LLP	29,000,000	11,041,000	29,000,000	11,041,000
Forum Muider B.V	6,435,147	414,339	6,435,147	323,620
“Bukhtarminsk HPP” JSC	990,054	1,275,314	990,054	1,275,314
“Almaty Power Plants” JSC	-	228,260	-	228,260
“Alatau Zharyk Company” JSC	879,332	815,278	879,332	815,278
“Shardarinsk HPP” JSC	-	21,832	-	21,832
«Energy Solutions Center» LLP	60,000	50,000	60,000	-
Total dividends income	37,364,533	13,846,023	37,364,533	13,705,304

18 General and administrative expenses

<i>In thousands of Kazakhstani tenge</i>	6 months ended 30 June 2019	6 months ended 30 June 2018	3 months ended 30 June 2019	3 months ended 30 June 2018
Salary and related costs	1,351,163	1,106,902	682,156	526,803
Consulting and other services	225,951	805,251	96,722	367,853
Taxes	118,654	225,870	34,866	63,341
Rent expenses	-	152,372	-	76,186
Depreciation of PPE and amortization of IA	234,945	144,671	118,032	66,783
Staff training and related costs	43,684	28,290	26,808	25,667
Business trip expenses	72,766	45,075	37,404	28,530
Insurance	21,248	20,306	11,202	9,369
Telecommunication costs	12,629	20,497	5,111	11,762
Information system support services	185,676	87,990	123,593	56,097
Specialized office services	282,159	165,622	165,735	85,927
Transport services	54,929	66,721	25,627	35,791
Reserve for doubtful debts	30,090	(2,886)	30,090	(783)
Others	242,787	139,865	149,935	104,731
Total general and administrative expenses	2,876,681	3,006,546	1,507,281	1,458,057

19 Finance income

<i>In thousands of Kazakhstani tenge</i>	6 months ended 30 June 2019	6 months ended 30 June 2018	3 months ended 30 June 2019	3 months ended 30 June 2018
Amortisation of discount on long-term receivables	377,412	404,880	193,522	204,761
Interest income on bonds	237,521	396,081	211,878	198,025
Interest income on loans issued	322,384	221,684	183,143	111,246
Amortization of discount on financial aid issued	256,179	180,306	143,521	90,852
Amortization of discount on guarantees issued	122,271	137,573	60,682	69,001
Proceeds from guarantees issued	342,560	170,298	87,616	15,218
Others	157,738	154,969	78,143	77,160.93
Total finance income	1,816,065	1,665,791	958,505	766,264

20 Finance expenses

<i>In thousands of Kazakhstani Tenge</i>	6 months ended 30 June 2019	6 months ended 30 June 2018	3 months ended 30 June 2019	3 months ended 30 June 2018
Interest expenses on loans	3,996,670	5,427,214	2,084,998	2,506,429
Interest expenses on bonds	2,450,188	3,050,000	771,186	1,525,000
Amortization of discount of present value on loans and financial aid	3,869,812	2,355,249	2,190,636	1,212,773
Losses from bonds buyback	783,348		783,348	
Discounting of loans issued and long-term debt	39,345	454,877	2,050	74,308
Others	107,698	90,193	51,309	57,326
Total finance expenses	11,247,061	11,377,533	5,883,527	5,375,836

21 Income tax

Income tax is a tax withheld at the source of payments on deposits. The Company is not expecting taxable profits in the future.

22 Contingencies, commitments and operating risks

Contractual obligations on acquisition of intangible assets. As of June 30, 2019, the Company had contractual obligations on purchasing software and other intangible assets in the amount of 1,825,938 thousand tenge (30 June 2018: 1,612,924 thousand tenge). The Company has already allocated the necessary resources to cover these obligations. The Company's management is confident that the level of net income in the future, as well as the amount of financing, will be sufficient to cover these or similar obligations

23 Fair value of financial instruments

Fair value measurement

Fair value is the amount at which a financial instrument could be exchanged during a current deal between stakeholders, other than cases of forced sale or liquidation, and is best evidenced by an active quoted market price. The estimated fair values of financial instruments were determined by the Company using available market information, if available, and appropriate valuation methodologies. However, judgment is necessarily required to interpret market data to determine the estimated fair value. The Republic of Kazakhstan's economy continues to display some characteristics of an emerging market and economic conditions continue to limit the volume of activity in financial markets. Market quotations may be outdated or reflect distress sale transactions and therefore not represent fair values of financial instruments. Management has used all available market information in estimating the fair value of financial instruments.

The results of fair value evaluation are analyzed and distributed to levels of fair value hierarchy: (i) the 1st level includes estimates on quoted prices (non-adjustable) in active markets for identical assets and liabilities, (ii) the 2nd level includes those received via evaluation methods in which all usable significant information is directly or indirectly observable for the asset or liability (i.e., e.g., price) and (iii) evaluations of 3rd level are estimates not based on observable market data (i.e., based on unobservable inputs).

All the Company's financial instruments are carried at amortized cost. Their fair value at 3rd level of fair value hierarchy was estimated using discounted cash flows.

Financial assets carried at amortized value

The estimated fair value of fixed interest rate instruments is based on estimated future cash flows expected to be received, discounted at current interest rates for new instruments with similar credit risk and remaining maturity. Discount rates used depend on credit risk of the counterparty. Due to short maturities, carrying amounts of financial receivables, cash and cash equivalents and other financial current assets approximate their fair values.

23 Fair value of financial instruments (continued)

Financial liabilities carried at amortized value

The estimated fair value of 1st level borrowings is based on quoted market prices.

The estimated fair value of fixed interest rate instruments with established maturity was estimated based on expected cash flows discounted at current interest rates for new instruments with similar credit risk and remaining maturity. Due to short maturities, the carrying amount of financial payables approximately equals their fair value.

The following is an analysis of fair value by level of the fair value hierarchy and the carrying amount of assets and liabilities not measured at fair value.

<i>In thousands of Kazakhstani tenge</i>	30 June 2019				31 December 2018			
	Level 1 Fair value	Level 2 Fair value	Level 3 Fair value	Carrying value	Level 1 Fair value	Level 2 Fair value	Level 3 Fair value	Carrying value
Assets								
Cash and cash equivalents	-	531,988	-	531,988	-	256,275	-	256,275
Fixed term deposits	-	-	-	-	-	76,423	-	76,423
Financial receivables	-	81,677,822	-	82,631,293	-	82,522,965	-	83,172,710
Dividends receivable	-	20,038,116	-	20,038,116	-	421	-	421
Indebtedness of subsidiaries under issued guarantee	-	1,471,039	-	1,399,880	-	1,769,666	-	1,307,817
Loans issued	-	55,351,984	-	55,462,915	-	21,918,209	-	20,079,012
Employees debt	-	92,049	-	92,049	-	86,181	-	86,181
Total financial assets	-	159,162,998	-	160,156,241	-	106,630,140	-	104,978,839
Liabilities								
Borrowings	-	214,558,371	-	210,277,939	-	197,826,382	-	175,901,918
Lease obligations	-	1,491,030	-	1,525,728	-	-	-	-
Financial payables	-	69,217,953	-	69,217,953	-	71,053,307	-	71,053,307
Financial guarantees issued	-	1,784,231	-	2,055,714	-	2,206,475	-	2,206,475
Total financial liabilities	-	287,051,585	-	283,077,334	-	271,086,164	-	249,161,700

24 Events after the reporting date

On July 26, 2019, the Company obtained a long-term loan from the Asian Development Bank in the amount of 15,234,000 thousand tenge with repayment of the debt at the end of the term after 5 years. The funds were raised at a rate of 3.75% and the total costs tied to inflation, and were used to repay short-term loans in “Halyk Bank” JSC and “Sberbank of Russia” SB JSC.

The company early repaid short-term loans in “Halyk Bank” JSC (10.3% per annum for 6 months) in the amount of 7,000,000 thousand tenge and “Sberbank of Russia” SB (10.5% per annum for 2 months) in the amount of 14,000,000 thousand tenge.

The Company made a planned repayment of the EBRD loan in the amount of 1.52 billion tenge.