



SAMRUK-ENERGY JSC

**International Financial Reporting Standards
Condensed Separate Interim Financial Statement (unaudited)**

September 30, 2016

"Samruk-Energy" JSC
Condensed Separate Interim Statement of financial position

<i>In thousands of Kazakhstani Tenge</i>	Note	30 September 2016	31 December 2015
ASSETS			
Non-current assets			
Property, plant and equipment	5	651,273	839,024
Intangible assets		1,008,761	1,102,744
Investments in subsidiaries, joint ventures and associates	6	570,264,852	552,345,214
Loans and financial support provided	7	46,139,176	48,608,373
Other non-current assets	8	3,158,990	3,118,461
Total non-current assets		621,223,052	606,013,816
Current assets			
Trade and other receivables	9	31	2,103,822
Inventories		15,390	29,905
Loans and financial support provided	7	14,548,435	16,339,333
Other current assets	10	20,143,122	30,467,842
Cash and cash equivalents	11	9,949,520	6,635,292
Total current assets		44,656,498	55,576,194
TOTAL ASSETS		665,879,550	661,590,010
EQUITY			
Share capital	12	373,314,888	355,650,405
Other reserves		91,668,501	91,668,501
Uncovered loss		(43,195,015)	(39,940,758)
TOTAL EQUITY		421,788,374	407,378,148
LIABILITIES			
Non-current liabilities			
Borrowings	13	232,214,255	234,201,959
Long-term financial guarantee	14	1,723,957	1,644,699
Total non-current liabilities		233,938,212	235,846,658
Current liabilities			
Borrowings	13	5,809,568	14,299,257
Trade and other payables and accrued liabilities	15	1,090,147	2,826,048
Liability for the benefit of the Shareholder	16	3,215,065	1,174,065
Other taxes payable		38,184	65,834
Total current liabilities		10,152,964	18,365,204
TOTAL LIABILITIES		244,091,176	254,211,862
TOTAL LIABILITIES AND EQUITY		665,879,550	661,590,010

Signed on behalf of management on October 27, 2016.

Kairat B. Maksutov
Managing Director on Economics and
Finance

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

Accompanying notes on page 5 to 15 are an integral part of these condensed separate interim statement of financial position.

"Samruk-Energy" JSC

Condensed Separate Interim Statement of Profit or Loss and Comprehensive Income

		nine months ended 30 September 2016	nine months ended 30 September 2015	three months ended 30 September 2016	three months ended 30 September 2015
<i>In thousands of Kazakhstani Tenge</i>	Note				
Dividend income		6,691,792	14,855,062	2,854,776	1,754,527
Income from sale of shares in subsidiaries, joint ventures and associates		-	2,469,307	-	-
Other income		15,582	663,294	11,928	247,497
Other expenses		(144,756)	(6,543)	(6,009)	(5,947)
General and administrative expenses	17	(4,160,741)	(3,486,511)	(1,140,383)	(1,096,294)
Profit from main activity		2,401,877	14,494,609	1,720,312	899,783
Finance income	18	9,938,872	13,213,509	2,856,448	10,596,052
Finance costs	19	(15,467,970)	(12,998,898)	(4,554,656)	(4,717,823)
Gain/ (loss) from exchange rate differences, net		2,145,852	(29,664,568)	1,427,886	(28,463,415)
(Loss)/profit before income tax		(981,369)	(14,955,348)	1,449,990	(21,685,403)
Income tax expense	20	(231,888)	(173,193)	(76,742)	(52,283)
(Loss)/profit for the period		(1,213,257)	(15,128,541)	1,373,248	(21,737,686)
Total comprehensive (loss)/income for the period		(1,213,257)	(15,128,541)	1,373,248	(21,737,686)

Kairat B. Maksutov
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"Samruk-Energy" JSC
Condensed Separate Interim Statement of Changes in Equity

	Share capital	Other reserves	Retained earnings / (Uncovered loss)	Total equity
<i>In thousands of Kazakhstani Tenge</i>				
Note				
Balance at 1 January 2015	355,364,386	19,086,598	2,767,227	377,218,211
Profit for the period	-	-	(15,128,541)	(15,128,541)
Total comprehensive income for the period	-	-	(15,128,541)	(15,128,541)
Share capital increase				
Dividend payment	286,019	-	(4,781,073)	286,019 (4,781,073)
Balance at 30 September 2015	355,650,405	19,086,598	(17,142,387)	357,594,616
Balance at 1 January 2016	355,650,405	91,668,501	(39,940,758)	407,378,148
Loss for the period	-	-	(1,213,257)	(1,213,257)
Total comprehensive loss for the period	-	-	(1,213,257)	(1,213,257)
Increase of share capital				
Dividend payment	17,664,483	-	-	17,664,483
	-	-	(2,041,000)	(2,041,000)
Balance at 30 September 2016	373,314,888	91,668,501	(43,195,015)	421,788,374

Kairat B. Maksutov
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Finance



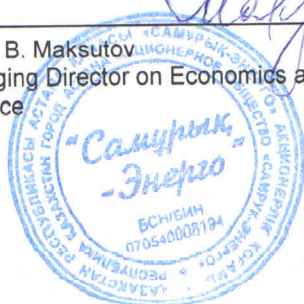
Saule B. Tulekova
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SAMRUK-ENERGY JSC
Condensed Separate Interim Statement of Cash Flows

	9 months ended 30.09.2016	9 months ended 30.09.2015
(i) <i>In thousands of Kazakhstani tenge</i>		
Note		
Cash flows from operating activities :		
Cash proceeds, total	3,979,348	2,578,456
Interest received	3,900,944	2,509,542
Other proceeds	78,404	68,914
Cash outflow, total	(12,077,662)	(11,789,164)
Payments to suppliers for goods and services	(1,172,201)	(656,327)
Advances paid	(688,502)	(530,974)
Payments on wages	(1,304,538)	(1,537,920)
Repayment of interest on loans received	(2,911,769)	(6,443,164)
Repayment of interest on debt securities	(3,141,563)	(1,833,319)
Corporate Income Tax	(231,888)	(1)
Other payments to the budget	(224,498)	(492,912)
Other payments	(2,402,703)	(294,547)
Cash used in operating activities	(8,098,314)	(9,210,708)
Cash flows from investing activities		
Cash proceeds, total	44,706,017	36,577,683
Dividends received	8,324,471	14,602,683
Proceeds from sale of debt instruments		2,369,001
Proceeds from sale of subsidiaries	154,717	-
Proceeds from sale of shares in associated companies	2,194,110	370,396
Withdrawal of bank deposits	21,468,535	16,599,313
Repayment of loans provided	6,413,508	1,133,993
Proceeds from repayment of debt instruments by issuers	6,150,676	1,500,000
Other proceeds		2,297
Cash outflow, total	(39,373,577)	(46,352,697)
Purchase of property, plant and equipment and intangible assets	(123,852)	(495,009)
Borrowings and financial aid provided to subsidiaries and jointly controlled entities	(3,597,162)	(4,037,144)
Acquisition of debt instruments	(4,500,000)	(12,984,109)
Acquisition of equity stake in associated companies	(12,483,260)	(7,556,910)
Contribution to the share capital of subsidiaries	(5,508,605)	(5,725,477)
Placement of bank deposits,	(13,160,414)	(15,552,211)
Other payments	(284)	(1,837)
Net cash used in investment activity	5,332,440	(9,775,014)
Cash flows from financing activities		
Cash proceeds, total	18,193,483	54,098,000
Proceeds from issue of shares	17,664,483	-
Obtaining bank loans	529,000	54,098,000
Cash outflow, total	(12,550,702)	(40,205,182)
Repayment of loans from Samruk-Kazyna	(2,381,109)	(2,381,109)
Repayment of loans from banks and other organizations	(10,098,000)	(33,043,000)
Payment of dividends to shareholders	-	(4,781,073)
Other payments	(71,593)	-
Net cash flows (used in) / received from financial activities	5,642,781	13,892,818
Foreign exchange difference effect on cash and cash equivalents	437,321	976,607
Net increase / (decrease) in cash and cash equivalents	3,314,228	(4,116,297)
Cash and cash equivalents at the beginning of the year	6,635,292	9,280,080
Cash and cash equivalents at the end of the period	9,949,520	5,163,783

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Saule B. Tulekova
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SAMRUK-ENERGY JSC

Notes to Condensed Separate Interim Statements as at 30 September 2016 and for 9 months ended on this date

1 Company and Its Operations

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

The Company's sole shareholder is Samruk-Kazyna National Welfare Fund JSC ("Samruk-Kazyna"), which owns 100% 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), whose principal activities are production of electricity, heat and hot water on the basis of 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 property of hydro power plants.

Address and place of activity

Registered address and place of business: 15A, Kabanbay Batyr Avenue, Astana, Republic of Kazakhstan.

2 Basis of Preparation and Significant Accounting Policies

These separate condensed interim financial statements for nine months ended September 30, 2016 prepared in accordance with IFRS (IAS) 34 "Interim Financial Reporting" based on the principle of historical cost, adjusted for initial recognition of financial instruments at fair value. These separate condensed interim financial statements are subject to familiarization with the annual separate financial statements of the Company as at 31 December 2015, prepared in accordance with IFRS. The accounting policies used in preparing these condensed separate interim financial statements comply with the accounting policies that were applied in the previous separate financial statements.

In addition, the Company has prepared these separate condensed interim financial statements in accordance with IFRS (IAS) 34 "Interim Financial Reporting" in relation to the Company. In the separate condensed interim financial statements the operations of subsidiaries, defined as companies in which the Company owns more than half of the voting shares directly or indirectly or in relation to which the Company has the ability to otherwise control their financial and operating policies, are fully consolidated. The separate condensed interim financial statements of the Company may be received in Company's office at the following address: 15 A, Kabanbay Batyr Avenue, Astana, Republic of Kazakhstan.

The separate condensed interim financial statements should be read in conjunction with the consolidated financial statements.

The weighted average exchange rates established by the Kazakhstan Stock Exchange are used as official currency exchange rates in the Republic of Kazakhstan.

At 30 September 2016 the exchange rate used for translation of balances denominated in US Dollars was 335.46 tenge for 1 US Dollar.

(31 December 2015: 1 US Dollar = Tenge 340.01).

New accounting pronouncements

New and amended standards and interpretations should be applied in the preparation of the first interim financial statements issued after their effective date. There are no new IFRSs or IFRICs that are effective for the first time for this interim period and that would be expected to have a material impact on the Company, presentation of Financial Statements, and on assessment of its transactions and balances.

A set of new standards, amendments to standards and interpretations is not effective as at 30 September 2016. The requirements of these amended standards have not been considered for the preparation of these condensed interim financial statements. The Company plans to adopt these standards as they become effective. Currently, the Company has not yet completed the analysis of potential effect of these standards on its financial statements.

3 Critical Accounting Estimates, and Judgements in Applying Accounting Policies

The preparation of interim separate financial statements required management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

SAMRUK-ENERGY JSC**Notes to Condensed Separate Interim Statements as at 30 September 2016 and for 9 months ended on this date**

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 December 31, 2015.

4 Balances 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 with terms consistently applied to all public and private entities i) when they are not individually significant, ii) if the Company'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 and etc.

The nature of relations with those related parties with whom the Company entered into transactions or had balances outstanding at 30 September 2016 and 31 December 2015 is detailed below.

At 30 September 2016 the outstanding balances with related parties were as follows:

<i>In thousands of Kazakhstani Tenge</i>	Note	Shareholder	Companies under common control	Subsidiaries and associates
Loan issued to subsidiaries		-	-	6,023,554
Receivables		-	-	830,915
Other asset in favor of shareholder	10	1,050,878	-	-
Other current assets		-	251	1,051,781
Interest receivable on loans issued		-	-	337,405
Securities		226,731	6,810,425	47,289,495
Other payables and accrued liabilities		-	-	-
Borrowings	13	3,215,066	7,982	34,948
		57,322,116	-	-

At 31 December 2015, the outstanding balances with related parties were as follows:

<i>In thousands of Kazakhstani Tenge</i>	Note	Shareholder	Companies under common control	Subsidiaries and associates
Loans issued to subsidiaries		-	-	8,723,091
Other current assets		-	2,400	709,535
Receivables		-	-	-
Other asset in favor of shareholder		988,786	-	525,409
Interest receivable on loans issued		-	-	89,794
Dividends receivable		-	-	2,634,314
Securities of related parties		223,491	6,825,446	49,177,793
Other payables and accrued liabilities		-	5,887	-
Liability to shareholder		-	-	-
Обязательство перед Акционером		1,174,065	-	-
Borrowings	13	57,537,093	-	-

The income and expense items with related parties for the period ended 30 September 2016 and 9 months ended at this date were as follows:

:

<i>In thousands of Kazakhstani Tenge</i>	Shareholder	Companies under common control	Subsidiaries and associates
Dividend income	-	-	6,691,792
Finance income	9,719	234,294	8,540,692
Finance costs	3,776,000	-	5,550,069
General and administrative expenses	-	69,166	153,470
Currency exchange rate gains (losses)-net	-	(97,399)	50,150

SAMRUK-ENERGY JSC
Notes to Condensed Separate Interim Statements as at 30 September 2016 and for 9 months ended on this date

The income and expense items with related parties for the period ended 30 June 2015 were as follows:

<i>In thousands of Kazakhstani Tenge</i>	Note	Shareholder	Companies under common control	Subsidiaries and associates
Dividend income		-	-	14,855,062
Finance income		9,719	137,153	11,991,809
Finance costs	19	8,355,652	-	160,875
General and administrative expenses		-	51,048	-
Other income		410	-	658,755
Currency exchange rate gains (losses)-net			1,776,508	363,094

Key management personnel compensation for the period ended 30 September 2016, including salaries, bonuses and other short-term benefits to employees is 93,855 thousand tenge (for the period ended 30 September 2015: 420,913 thousand tenge). Key management personnel at 30 September 2016 consists of 7 persons (2015: 8 persons).

5. Property, Plant and Equipment

Movements on carrying values of property, plant and equipment are as follows:

<i>In thousands of Kazakhstani Tenge</i>	Other	Construction in progress	Total
Cost at 1 January 2015	906 356	505 468	1 411 824
Accumulated depreciation and impairment	(251 564)	-	(251 564)
Carrying amount at 1 January 2015	654 792	505 468	1 160 260
Additions	28 573	527 895	556 468
Transfers	5 652	-	5 652
Depreciation	(141 637)	-	(141 637)
Disposals	-	-	-
Carrying amount at 30 September 2015	547 380	1 033 363	1 580 743
Cost at 30 September 2015	970 664	1 033 363	2 004 027
Accumulated depreciation and impairment	(423 284)	-	(423 284)
Carrying amount at 30 September 2015	547 380	1 033 363	1 580 743
Cost at 1 January 2016	941 624	325 097	1 266,721
Accumulated depreciation and impairment	(427 697)	-	(427 697)
Carrying amount at 1 January 2016	513 927	325 097	839 024
Additions	360	-	360
Transfers	-	-	-
Depreciation	(137 592)	-	(137 592)
Disposals	(50 519)	-	(50 519)
Carrying amount at 30 September 2016	326 176	325 097	651 273
Cost at 30 September 2016	873 614	325 097	1 198 711
Accumulated depreciation and impairment	(547 438)	-	(547 438)
Carrying amount at 30 September 2016	326 176	325 097	651 273

5. Investments in Subsidiaries, Joint Ventures and Associates

SAMRUK-ENERGY JSC
Notes to Condensed Separate Interim Statements as at 30 September 2016 and for 9 months ended on this date

On 8 July 2016 the Company has entered into a transaction to sell the asset for the amount of Tenge 154,716 thousand.
At 30 September 2016 the carrying amount of investment was as follows:

	Country of registration	Carrying amount of investments at 30.09.2016, in thousands of tenge	Ownership percentage at 30.09. 2016
<i>In thousand of Kazakhstani tenge</i>			
<i>a) Investments in subsidiaries :</i>			
Alatau Zharyk Company JSC	Kazakhstan	51 208 403	81,59%
Almaty Power Plants JSC	Kazakhstan	30 212 480	100%
AlmatyEnergoSbyt LLP	Kazakhstan	136 003	100%
Moynak HPP	Kazakhstan	21 864 616	100%
Bukhtarminsk HPP	Kazakhstan	1 050 790	90%
Shulbinsk HPP	Kazakhstan	1 230 658	92.14%
Shardarinsk HPP	Kazakhstan	1 387 806	100%
Ust-Kamenogorsk HPP	Kazakhstan	465 019	89,99%
Samruk-Green Energy LLP	Kazakhstan	2 739 234	100%
Ekibastuz GRES-1 named after Bulat Nurzhanov LLP	Kazakhstan	338 272 063	100%
Kazhyrotechenergo LLP	Kazakhstan	222 506	100%
First Wind Power Plant LLP	Kazakhstan	9 086 641	100%
Ereymentau Wind Power LLP	Kazakhstan	1 225 729	100%
Energy Solutions Center (previously –Kapshagay HPP LLP)	Kazakhstan	53 150	100%
Energia Semirechya	Kazakhstan	15 319	51%
Aktobe CHPJSC	Kazakhstan	7 176 726	100%
East Kazakhstan Regional Energy Company JSC	Kazakhstan	7 723 741	100%
Mangistau Distribution Power Grid Company JSC	Kazakhstan	785 297	75%
Tegis Munay LLP	Kazakhstan	15 273 627	100%
<i>b) Investments in joint ventures:</i>			
Station Ekibastuz GRES-2 JSC	Kazakhstan	8 725 133	50%
Forum Muider B.V.	The Netherlands	41 759 543	50%
<i>c) Investments in associated companies:</i>			
"Balkhash TPP" JSC	Казахстан	32 085 280	49,99%
Less:			
Impairment of investments		(2 434 912)	
Total investments		570 264 852	

At 31 December 2015 the carrying amount of investments was as follows:

	Country of registration	Carrying amount of investments at 31 December 2015, in thousands of tenge	Ownership percentage at 31 December 2015
<i>In thousand of Kazakhstani tenge</i>			
<i>a) Investments in subsidiaries</i>			
Ekibastuz GRES-1 named after B.Nurzhanov LLP	Kazakhstan	338,272,063	100%
Alatau Zharyk Company JSC	Kazakhstan	46,501,110	100%
Almaty Power Plants JSC	Kazakhstan	30,212,480	100%
Moynak HPP JSC	Kazakhstan	21,864,616	100%
Tegis Munay LLP	Kazakhstan	14,835,069	100%
First Wind Power Plant LLP	Kazakhstan	9,092,563	100%
East Kazakhstan Regional Energy Company JSC	Kazakhstan	7,723,741	100%
Aktobe CHP JSC	Kazakhstan	7,176,726	100%
Samruk-Green Energy LLP	Kazakhstan	2,739,234	100%
Shulbinsk HPP JSC	Kazakhstan	1,230,658	92%

SAMRUK-ENERGY JSC**Notes to Condensed Separate Interim Statements as at 30 September 2016 and for 9 months ended on this date**

Bukhtarminsk HPP JSC	Kazakhstan	1,050,790	90%
Shardarinsk HPP JSC	Kazakhstan	1,221,089	100%
Ust-Kamenogorsk HPP JSC	Kazakhstan	465,019	90%
Ereymenau Wind Power LLP	Kazakhstan	968,807	100%
Mangistau Distribution Power Grid Company JSC	Kazakhstan	785,297	77%
Karagandagiprosnakht and K LLP	Kazakhstan	286,019	90%
AlmatyEnergoSbyt LLP	Kazakhstan	136,003	100%
Kazhydrotechenergo LLP	Kazakhstan	116,675	100%
Energia Semirechya LLP	Kazakhstan	15,319	51%
New Light Energy LLP	Kazakhstan	152	100%

b) Investments in joint ventures

Forum Muider B.V.	The Netherlands	41,759,543	50%
Station Ekibastuz GRES-2 JSC	Kazakhstan	8,725,133	50%

c) Investments in associated companies

Balkhash TPP JSC	Kazakhstan	19,602,020	37.92%
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Less:

Impairment of investments	(2,434,912)
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Total investments	552,345,214
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Transactions and balances with subsidiaries and joint ventures are disclosed in note 4.

The Company increased shares in JSC "Balkhash Thermal Power Plant" to 50% minus one share, where the controlling party is the Samsung C&T.

7. Loans and financial aid provided

<i>In thousand of Kazakhstani tenge</i>	30 September 2016	31 December 2015
<i>Non-current portion</i>		
Alatau Zharyk Company JSC bonds	14 507 001	10 043 515
Almaty Power Plants JSC bonds	24 463 000	31 148 000
MDPGC JSC bonds	1 196 609	1 191 941
Samruk-Kazyna JSC bonds	220 000	220 000
Loan issued to Alatau Zharyk Company JSC	3 617 362	3 408 643
Loan issued to First Wind Power Plant LLP	2 135 204	1 828 288
Loan issued to EKREC JSC	-	767 986
Total loans issued – non-current portion	46 139 176	48 608 373
<i>Current portion</i>		
Almaty Power Plants JSC bonds	6 182 500	6 187 401
Kazakhstan Engineering JSC bonds	6 683 760	6 800 200
Interest accrued on bonds	1 073 781	635 673
Loan issued to EK REC JSC	60 000	511 991
Interest accrued on loans issued	30 490	89 795
Financial aid provided to Ust-Kamenogorsk HPP JSC	30 390	30 390
Loans issued to Zhambyl GRES named after T.I. Baturov JSC	5 442	5 442
Loan issued to Aktobe CHP JSC	235 000	450 000
Loan issued to Almaty Power Plants JSC	-	1 568 883
Loan issued to Energia Semirechya LLP	252 514	65 000
Other	-	-
<i>Less impairment</i>	<i>-5 442</i>	<i>-5 442</i>
Total loans issued – current portion	14 548 435	16 339 333

SAMRUK-ENERGY JSC**Notes to Condensed Separate Interim Statements as at 30 September 2016 and for 9 months ended on this date****8. Other non-current assets**

	30 September 2016	31 December 2015
<i>In thousand of Kazakhstani tenge</i>		
Advances paid for non-current assets	2,200,000	2,200,000
Indebtedness on financial guarantee provided to First Wind Power Plant LLP	830,915	704,977
Other non-current assets	128,075	213,484
Total other non-current assets	3,158,990	3,118,461

9. Receivables

	30 September 2016	31 December 2015
<i>In thousand of Kazakhstani tenge</i>		
Receivables from TARAZENERGO-2005	-	2,098,911
Other receivables	31	4,911
Other receivables	31	2,103,822

SAMRUK-ENERGY JSC**Notes to Condensed Separate Interim Statements as at 30 September 2016 and for 9 months ended on this date****10. Other current assets**

	30 September 2016	31 December 2015
<i>In thousand of Kazakhstani tenge</i>		
Short-term deposits	17,764,986	26,626,827
Dividends receivable	1,051,782	2,634,314
Assets held for the benefit of the Shareholder	1,050,878	952,481
Advances paid	204,509	85,380
Other taxes prepaid	58,038	52,903
Receivables from employees	7,730	48,065
Deferred expenses	2,610	23,260
Other	2,589	44,612
Total other current assets	20,143,122	30,467,842

Short-term deposits of the Company as of September 30, 2016 and December 31, 2015 are denominated in US dollars. As of September 30, 2016 the weighted average interest rate on short-term bank deposits in US dollars amounted to 4.28% (2015 - 5.3% of) on short-term bank deposits in tenge - 10%. Maturities of short-term bank deposits vary from 3 to 12 months

11. Cash and cash equivalents

	30 September 2016	31 December 2015
<i>In thousands of Kazakhstani tenge</i>		
Cash on bank accounts – USD	169 770	5 897 312
Cash on bank accounts – EURO	30 196	28 122
Cash on bank accounts – RUB	1 595	116
Cash on bank accounts – KZT	1 433 268	558 565
Cash on hand	1 691	1 177
Cash on term deposits up to 3 months - tenge	8 313 000	150 000
Total cash and cash equivalents	9 949 520	6 635 292

As of September 30, 2016 the weighted average interest rate on short-term bank deposits (up to 3 months) in tenge was 11% (2015 - 30%). As of September 30, 2016 US dollar interest rate on current accounts ranged from 0.5% to 4.5% (2015 0.5% to 4.5%).

12. Equity**Share capital**

	Issue date	Number of declared and issued shares	Value, KZT	Share capital, in thousands tenge
Paid-in capital as at 1 January 2015		5,585,437		355,364,386
14-th issue of shares	15 July 2015	286	1,000,065	286,019
Paid-in capital as at 31 December 2015		5,585,723		355,650,405
15-th issue of shares	1 April 2016	10,964	1,000,044	10,964,483
16-th issue of shares	14 July 2016	2,239	1,340,000	3,000,260
17-th issue of shares	23 August 2016	2,761	1,340,000	3,699,740
Paid-in capital as at 30 September 2016		5,601,687		373,314,888

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On 30 September 2016, 5,601,687 issued ordinary shares were fully paid (2015: 5,585,723 shares). Each ordinary share gives a right of one vote. The Company does not have preference shares.

On 30 September 2016, NWF Samruk-Kazyna is a 100% shareholder of the Company (2015: 100%).

13. Borrowings

<i>In thousand of Kazakhstani tenge</i>	30 September 2016	31 December 2015
Long-term portion		
Eurobonds	167 624 328	169 846 110
Borrowings from Samruk-Kazyna	54 589 927	54 355 849
Long-term bank loans	10,000,000	10,000,000
Total borrowings – long-term portion	232 214 255	234 201 959
Short-term portion		
Short-term bank loans	1,130,000	10,698,000
Loans from Samruk-Kazyna	2,381,110	2,381,110
Interest accrued – borrowings from Samruk-Kazyna	351,081	800,135
Interest accrued – eurobonds	1,764,659	194,797
Interest accrued – bank loans	182,718	225,215
Total short-term portion	5,809,568	14,299,257
Total borrowings	238 023 823	248,501,216

Samruk-Kazyna

On March 17, 2010 the Company signed the loan agreement with Samruk-Kazyna in the amount of 48,200,000 thousand tenge for the purpose of refinancing the debt resulted from the acquisition of 50% equity stake in Forum Muider. The loan has been provided at an interest rate of 1.2% per annum, maturing no later than 15 September 2029. The principal amount shall be repaid in equal annual installments, and interest is paid in semi-annual installments, commencing from the next fiscal year after receiving the loan.

On January 14, 2011 the Company signed the loan agreement with Samruk-Kazyna in the amount of 7,000,000 thousand tenge to finance the construction of AZhK substation. The loan has been provided at an interest rate of 2% per annum, maturing no later than 25 January 2024. The principal amount is payable at maturity and interest shall be paid in semi-annual installments.

On January 16, 2014 the Company signed the loan agreement with Samruk-Kazyna in the amount of 200,000,000 thousand tenge in order to acquire the remaining stake in Ekibastuz GRES-1. The principal amount is subject to payment on December 1, 2028, and interest shall be paid in semi-annual installments at the rate of 7.8%.

On October 3, 2014, the loan agreement was amended substantially in accordance with the addendum to the loan agreement No. 369, as follows:

- 100,000,000 thousand tenge principal amount was converted into shares of the Company;
- The interest rate on the remaining principal amount was increased to 9% per year, which roughly corresponds to the market interest rate.

On December 25, 2015, this loan agreement was amended substantially in accordance with the addendum to the loan agreement No.369, the interest rate on the principal amount was reduced to 1% per annum. Management estimated that the reduction in the interest rate to a non-market rate of 1%, as well as a change in the priority of the loan to a subordinated one, represents a significant change in loan terms. Management believes that such a change in terms of the loan should be considered as a repayment of the initial loan and recognition of a new loan at a fair value.

The market rate on the date of receiving the loan was 12.8% per annum. The Company recognized the income from initial recognition of the loan in the amount of 72,581,903 thousand tenge within other capital, since management believes that Samruk-Kazyna acted as the Company's shareholder when provided the loan at below market rate.

Gain on initial recognition of obtained loan was indicated as the difference between the nominal value of obtained loan and its fair value at the date of recognition, calculated using the discounted cash flow method and the effective rate of 12.8% per annum.

Bonds

The following terms of the first Eurobonds issue were approved on the basis of resolution of the Board of Directors dated September 7, 2012 and December 6, 2012:

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- the volume of issue - 500,000,000 US dollars;
- Issue Form - according to Regulation S;
- Notes payable after 5 years.

The coupon interest rate has been set at 3.75% per annum (effective interest rate 3.85%). The number and form of issued bonds: 500,000 (five hundred thousand) unsecured bonds. The nominal value of one bond is 1,000 (one thousand) US dollars. The issue was registered on the Irish Stock Exchange on December 20, 2012 under the number ISIN XS0868359166. On December 19, 2012, Kazakhstan Stock Exchange included «Samruk-Energy» JSC in the official register of the category "debt securities with a rating grade" under the number ISIN XS0868359166. The Company issued and placed the full amount of Eurobonds in the amount of 500,000 thousand US dollars.

During the first half of 2013, the Company placed bonds on the Kazakhstan Stock Exchange for a total amount of 2,956,595 thousand tenge with coupon interest rate of 6% per annum. The bonds were repaid in November 2015.

During 2015, the National Bank of the Republic of Kazakhstan decided to stop supporting the tenge exchange rate and reduce foreign exchange interventions. This resulted in depreciation of tenge exchange rate from 182.35 to 340.01 tenge for 1 US dollar as of December 31, 2015. As at 30/09/2016, the dollar exchange rate was 335.46 tenge per 1 US dollar. During the first 9 months of 2016 the Company recognized income from exchange rate differences in respect of Eurobonds denominated in US dollars in the amount of 2,274,999 thousand tenge (2015 year's foreign exchange losses in the amount of 78,823,854 thousand tenge)

Bank loans

On October 13 and November 14, 2014 the Company opened 2 general purpose short-term credit lines with ATF Bank. The interest rate is payable on a monthly basis and ranges from 11% to 13% per annum depending on the loan term. Loans of one credit line were fully repaid during 2015. In September 2015 the Company obtained a new loan on an existing line of credit in the amount of 4,500,000 thousand tenge for contribution to a working capital. The loan was repaid in March 2016.

On May 25, 2015 the Company opened a short-term revolving credit line in the amount of 10,000,000 thousand tenge with "Halyk Bank of Kazakhstan" JSC to cover the working capital needs. The interest rate is payable on a monthly basis and ranges from 10.5% to 12.5% per annum, depending on the loan's term. On November 6, 2015 the Company extended the term on this line of credit until May 26, 2017 with a fixed interest rate of 12.5%, regardless of term for newly granted loans from October 1, 2015. Committed loans in the amount of 5,598,000 thousand tenge have been repaid during the first 9 months of 2016. As of September 30, 2016 the rest of the principal and accrued interest on the existing credit line is 602 292 thousand tenge.

The loan in the amount of 10,000,000 thousand tenge for a term of 5 years was received during 2015 in order to replenish the working capital in the framework of the agreement on opening a credit line No.1610 dated October 21, 2015 with "Kazkommertsbank" JSC, the nominal rate of 12%, the effective rate of 12.7%. As of September 30, 2016 the rest of the principal and accrued interest on the existing credit line is 10,180,000 thousand tenge.

On September 28, 2016 the loan in the amount of 100 million Russian rubles at the rate of 14.5% was obtained from "Sberbank of Russia" SB JSC; the maturity of the loan is until 16.06.2017.

14. Financial Guarantees

On 30 September 2016, in other long-term financial liabilities the Company shows guarantees issued for the loan received by The First Wind Power Plant LLP and Shardarinsk HPP JSC. The fair value at initial recognition was determined as the sum resulting from applying an interest rate to the guaranteed amount, representing a difference between the interest rate at which the borrower received the loan secured by the Company and the interest rate which would be applied if the Company did not issue the guarantee. The cost of the guarantee is regarded as an investment in a subsidiary.

15. Other payables and accrued liabilities

<i>In thousands of Kazakhstani tenge</i>	Note	30 September 2016	31 December 2015
Payables to suppliers and contractors		572,285	345,448
Guarantee obligation for participation in tender received from suppliers and contractors		48,023	2,264,065
Other payables		469,839	216,535
Total other payables and accrued liabilities		1,090,147	2,826,048

16. Liabilities to the Shareholder

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On the instruction of the Shareholder, the Company made a commitment for the construction of a kindergarten in Astana for the amount of 1,174,065 thousand tenge. The Company has accrued liability for the estimated amount of construction for amount of 1,174,065 thousand tenge as other distributions to shareholder. As at 30 September 2016, the Company incurred expenses associated with the construction of a kindergarten of 1,050,878 thousand tenge. These actually incurred expenses are recorded as current assets held for the benefit of Shareholder, as it is expected that these assets will be transferred to the shareholder during 2016 in repayment of corresponding accrued liability pursuant to the Protocol of the meeting with the participation of the President of Kazakhstan on 27 November 2013.

On April 22, 2016, the Company declared dividends to be paid to the sole shareholder in the amount of 2,041,000 thousand tenge.

17. General and administrative expenses

<i>In thousands of Kazakhstani tenge</i>	nine months ended 30 September 2016	nine months ended 30 September 2015	Three months ended 30 September 2016	Three months ended 30 September 2015
Salaries and related costs	1,765,390	1,923,439	537,362	505,025
Consulting and other services	1,031,724	267,665	114,133	114,729
Rent expenses	256,117	270,010	82,331	91,268
Sponsorship support	-	90,000	-	40,000
Depreciation and amortization	263,785	236,208	88,281	82,477
Business trip expenses	106,430	107,719	58,624	43,184
Staff training and related costs	52,818	50,051	29,191	15,993
Medical insurance	30,999	23,946	10,543	9,028
Taxes	156,013	173,988	31,925	89,998
Others	497,465	343,485	187,993	104,592
Total general and administrative expenses	4,160,741	3,486,511	1,140,383	1,096,294

18. Finance income

<i>In thousands of Kazakhstani tenge</i>	nine months ended 30 September 2016	nine months ended 30 September 2015	Three months ended 30 September 2016	Three months ended 30 September 2015
Amortization of discount on issued loans	213,388	186,491	66,179	65,042
Interest income on bank deposits	1,036,317	1,058,153	285,363	384,857
Interest income on financial aid provided	764,024	258,459	291,258	108,770
Interest income on bonds	2,528,204	2,107,619	846,014	782,025
Income from bond indexing	5,010,843	9,583,111	1,269,500	9,246,152
Other	386,096	19,676	98,134	9,206
Total finance income	9,938,872	13,213,509	2,856,448	10,596,052

19. Finance Costs

	nine months ended 30 September 2016	nine months ended 30 September 2015	Three months ended 30 September 2016	Three months ended 30 September 2015
<i>In thousands of Kazakhstani tenge</i>				
Amortization of present value discount on loans	2,668,405	1,230,722	631,143	457,034
Interest expense on borrowings	2,420,220	8,553,095	711,269	3,114,132
Interest on issued bonds	4,827,484	2,960,953	1,605,953	1,131,734
Expense resulted in bond indexing	5,551,861	-	1,606,291	-
Other	-	254,128	-	14,923
Other finance costs	15,467,970	12,998,898	4,554,656	4,717,823

20. Income Tax

Income tax is the tax withheld from source of payment on deposits. The Company does not expect the future taxable income.

21. Contingencies and Commitments and Operating Risks

As of 30 September 2016 there were no contingent and contractual obligations and operational risks other than those which have been disclosed in the separate financial statements for the year ended 31 December 2015.

22. Financial Risk Management

Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk), credit risk and liquidity risk.

The condensed separate interim financial statements do not include all financial risk management information and disclosures required in the annual financial statements; they should be read in conjunction with the annual financial statements as at 31 December 2015.

There have been no changes in the risk management policy during nine months ended 30 September 2016.

(a) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities. In accordance with current Rules for development and monitoring of the Company's Development Plan, the Company manages the liquidity risk using short-term (one month) forecasts and also mid-term forecast for the next five years. In addition, the Company develops and approves development strategy for the next ten years (currently until 2022). In planning cash flows the Company also accounts for income from placement of temporary available cash on the bank deposits.

14. Fair Value of Financial Instruments

Fair value evaluation

Fair value is the price that would be received to sell an asset or paid to transfer a liability when conducting a transaction on a voluntary basis between market participants at the evaluation date. The best evidence of fair value is price in an active market. An active market is one in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

Fair value measurements are analyzed by level in the fair value hierarchy as follows: (i) level 1 are measurements at quoted prices (unadjusted) in active markets for identical assets or liabilities, (ii) level 2 measurements are valuations

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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 3 measurements are valuations not based on solely observable market data (that is, the measurement requires significant unobservable inputs).

All the Company's financial instruments are taken into account at amortized cost. Their fair values in level 3 of fair value hierarchy were estimated using the discounted cash flows valuation technique.

Financial assets reflected 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 the short-term nature of financial receivables, their carrying amounts approximate fair values.

Financial liabilities carried at amortized cost

The estimated fair value of fixed interest rate instruments with stated maturity, for which a quoted market price is not available, was estimated based on expected cash flows discounted at current interest rates for new instruments with similar credit risk and remaining maturity. Due to the short-term nature of financial payables, their carrying amounts approximate fair values.

Below there is an analysis of Fair Value as per Hierarchy levels and carrying value of Assets and Liabilities, that are not measured at Fair Value:

In thousands of Kazakhstani tenge	30 September 2016				31 December 2015			
	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	-	-	9,949,520	9,949,520	-	-	6,635,292	6,635,292
Deposit with fixed term	-	-	17,764,986	17,764,986	-	-	26,626,827	26,626,827
Financial receivables	-	-	830,946	830,946	-	-	2,808,799	2,808,799
Dividends receivable	-	-	1,051,781	1,051,781	-	-	2,634,314	2,634,314
Loans issued	-	-	6,360,959	6,360,959	-	-	57,927,506	57,927,506
Bonds	56,281,217	-	-	54,326,652	6,835,820	-	-	7,020,200
Total Financial assets	56,281,217	-	35,958,192	90,284,844	6,835,820	-	95,927,761	102,947,961
LIABILITIES								
Loans	170,066,543	-	37,281,996	238,023,823	164,224,827	-	69,059,547	248,501,216
Financial payables	-	-	3,169,330	3,169,330	-	-	2,826,048	2,826,048
Financial guarantees issued	-	-	1,753,957	1,753,957	-	-	1,644,699	1,644,699
Total Financial liabilities	170,066,543	-	61,041,082	241,912,473	164,224,827	-	73,530,294	

23. Events after the reporting period.

After the reporting date there have been no significant events requiring disclosure in the separate financial statements.

Kairat B. Maksutov
Managing Director on Economics and Finance



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