# Related Party Transactions

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

At 31 December 2022, the outstanding balances with related parties were as follows:

| In thousands of Kazakhstani Tenge | Sole Shareholder | Entities under common control | Other related parties |
| --- | --- | --- | --- |
|  |  |  |  |
| Cash and cash equivalents (contractual interest rate: 0%) | - | 845,294 | 52,589,572 |
| Due from banks (negotiated interest rate: 10%) | - | 45,050,839 | - |
| Investment securities at fair value through profit or loss (contractual interest rate: 4.93%-7.68%) | - | - | 74,139 |
| Investment securities at fair value through profit or loss (contractual interest rate: 0%) | - | - | 12,892,499 |
| Due from subsidy programs |  |  |  |
| Current income tax prepayment (interest rate: 15%) | - | - | 633,394 |
| Deferred tax asset (interest rate: 20%) | - | - | - |
| Other financial assets (interest rate: 0%) | - | 46,172 | - |
| Other assets | - | - | 177,662 |
|  |  |  |  |
| Borrowed funds (contractual interest rate: 0.1%-5.5%) | 102,446,602 | - | 65,527,773 |
| Liabilities on subsidy programs (contractual interest rate: 0%) | - | - | 175,714 |
| Deferred tax liability | - | - | 1,835,530 |
| Other financial liabilities | - | 59,930 | - |
| Other liabilities | - | 15 | 145,288 |
|  |  |  |  |

Other related parties include the Government of the Republic of Kazakhstan, state-owned and quasi-state companies and other companies that have identified signs of being related to the Fund.

The income and expense items with related parties for 2022 were as follows:

| *In thousands of Kazakhstani Tenge* | Sole Shareholder | Entities under common control | Other related parties |
| --- | --- | --- | --- |
|  |  |  |  |
| Interest income | - | 1,657,534 | 1,894,534 |
| Interest expense | (6,582,136) | (7,760) | (1,069,717) |
| Losses less gains from securities at fair value through profit or loss | - | - | 12,497 |
| Fee and commission income | - | - | 625,600 |
| Income net of expenses/(losses net of income) from foreign exchange operations | - | - | 379,876 |
| General and administrative expenses |  | (53,869) | (135,858) |
| Other operating (expense)/income |  |  |  |
| Provision for loan portfolio impairment | - | (4,832,360) | - |
| Provision for cash impairment | - | (188) | - |
| Income tax expense | - | - | (12,481,494) |
| Other (expense)/income | - | 546 | 2,677 |
|  |  |  |  |

Related Party Transactions (continued)

At 31 December 2021, the outstanding balances with related parties were as follows:

| In thousands of Kazakhstani Tenge | Sole Shareholder | Entities under common control | Other related parties |
| --- | --- | --- | --- |
|  |  |  |  |
| Cash and cash equivalents (contractual interest rate: 0%) | - | 301,281 | 2,361,621 |
| Investment securities at fair value through profit or loss (contractual interest rate: 4.93%-7.68%) | - | - | 934,811 |
| Investment securities at fair value through profit or loss (contractual interest rate: 0%) | - | - | 37,050,145 |
| Due from subsidy programs | - | 10,414 | - |
| Current income tax prepayment (interest rate: 15%) | - | - | 3,357,383 |
| Deferred tax asset (interest rate: 20%) | - | - | 3,132,896 |
| Other financial assets (interest rate: 0%) | - | - | 212 |
| Other assets | - | 661 | 297,771 |
|  |  |  |  |
| Borrowed funds (contractual interest rate: 0.1%-5.5%) | 96,380,615 | - | 72,921,914 |
| Liabilities on subsidy programs (contractual interest rate: 0%) | - | - | 2,235,059 |
| Other financial liabilities | - | 1,427 | - |
| Other liabilities | - | - | 98,873 |
|  |  |  |  |

The income and expense items with related parties for 2021 were as follows:

| *In thousands of Kazakhstani Tenge* | Sole Shareholder | Entities under common control | Other related parties |
| --- | --- | --- | --- |
|  |  |  |  |
| Interest income | - | - | 2,730,337 |
| Interest expense | (6,147,221) | (2,803) | (1,070,385) |
| Losses less gains from securities at fair value through profit or loss | - | - | 36,705 |
| Fee and commission income | - | - | 625,600 |
| Income net of expenses/(losses net of income) from foreign exchange operations | - | - | 45,766 |
| General and administrative expenses | (69) | (58,175) | (145,148) |
| Other operating (expense)/income | - | 10,257 | - |
| Income tax expense | - | - | (5,548,645) |
| Other (expense)/income | - | - | 2,126 |
|  |  |  |  |

| *In thousands of Kazakhstani Tenge* | **2022** | **2021** |
| --- | --- | --- |
|  |  |  |
| Amounts lent to related parties during the year | - | - |
| Amounts repaid by related parties during the year | - | - |
|  |  |  |

Related party transactions are not collateralised. Balances with related parties are not credit impaired.

*Key management compensation*

Key management includes following parties: members of Board of Directors, member of Management Board, Managing Directors and Chief of staff.

Related Party Transactions (continued)

Key management compensation is presented below:

| *In thousands of Kazakhstani Tenge* | **2022** | **2021** |
| --- | --- | --- |
|  |  |  |
| *Short-term benefits:* |  |  |
| - Salaries | 266,658 | 234,414 |
| - Short-term bonuses | 79,103 | 67,935 |
| - Benefits in-kind | 2,984 | 2,740 |
|  |  |  |
|  |  |  |
| **Total** | **348,745** | **305,089** |
|  |  |  |

# Events after the End of the Reporting Period

There have been no significant events since the end of the reporting period.