

24 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 30 June 2017, the outstanding balances with related parties were as follows:

	Sole shareholder	Entities under common control	Associates	Other related parties
<i>In thousands of Kazakhstani Tenge</i>				
Cash and cash equivalents	-	80	-	24,634,365
Securities at fair value through profit or loss	-	-	-	4,013,448
Current income tax prepayment	-	-	-	12,703,274
Investments in associates	-	-	8,000	-
Other financial assets	-	125,244	-	39,396
Other assets	-	-	-	197
Borrowed funds	69,812,774	-	-	50,229,025
Liabilities on subsidy programs	-	-	-	11,719,043
Deferred income tax liability	-	-	-	5,557,517
Other financial liabilities	-	1,584	-	-
Other liabilities	1,678,218	792	-	596,911

The income and expense items with related parties during the six months ended 30 June 2017 were as follows:

	Sole shareholder	Entities under common control	Associates	Other related parties
<i>In thousands of Kazakhstani Tenge</i>				
Interest income	-	202,222	-	145,327
Interest expense	(2,182,484)	(146)	-	(592,786)
Commission income	-	110,488	-	-
Gains less losses from securities at fair value through profit or loss	-	-	-	158,732
General and administrative expenses	-	(4,752)	-	(10)
Income tax expense	-	-	-	(165,386)

Aggregate amounts lent to and repaid by related parties during the six months ended 30 June 2017 were as follows:

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

Aggregate amounts received from and repaid to related parties by the Fund during the six months ended 30 June 2017 were as follows:

	Sole shareholder	Entities under common control	Associates	Other related parties
<i>In thousands of Kazakhstani Tenge</i>				
Amounts received from related parties during the period	-	-	-	11,949,660
Amounts repaid to related parties during the period	127,500	182,329	-	962,062

24 Related Party Transactions (Continued)

At 31 December 2016, the outstanding balances with related parties were as follows:

<i>In thousands of Kazakhstani Tenge</i>	Shareholder "Baiterek"	Entities under common control	Associates	Other related parties
Cash and cash equivalents	-	3,089	-	3,235,283
Securities at fair value through profit or loss	-	-	-	2,352,107
Due from financial institutions	-	10,178,889	-	-
Current income tax prepayment	-	-	-	11,054,657
Other assets	-	92,264	8,000	131,544
Borrowed funds	67,780,290	182,273	-	38,735,026
Liabilities on subsidy programs	-	-	-	11,218,234
Deferred income tax liability	-	-	-	5,412,132
Deferred income and provision for credit related commitments	-	-	-	475,225
Other liabilities	-	-	-	20

The income and expense items with related parties during the six months ended 30 June 2016 were as follows:

<i>In thousands of Kazakhstani Tenge</i>	Parent Company	Entities under common control	Other related parties
Interest income	-	149,722	323,165
Interest expense	(2,067,650)	(2,040)	(589,288)
Commission income	-	-	(48,336)
Losses less gains from financial derivatives	-	-	(12,184)
Gains less losses from securities at fair value through profit or loss	-	-	3,504
Administrative and other operating expenses	(4,759)	-	-
Income tax expense	-	-	(1,728,619)

Aggregate amounts lent to and repaid by related parties during the six months ended 30 June 2016 were as follows:

<i>In thousands of Kazakhstani Tenge</i>	Sole shareholder	Entities under common control	Associates	Other related parties
Amounts lent to related parties during the period	-	-	-	-
Amounts repaid by related parties during the period	-	-	-	817,276

Aggregate amounts received from and repaid to related parties by the Fund during the six months ended 30 June 2016 were as follows:

<i>In thousands of Kazakhstani Tenge</i>	Sole shareholder	Entities under common control	Associates	Other related parties
Amounts received from related parties during the period	-	-	-	5,415,591
Amounts repaid to related parties during the period	150,000	184,313	-	922,359

24 Related Party Transactions (Continued)

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

<i>In thousands of Kazakhstani Tenge</i>	Six months ended 30 June 2017		Six months ended 30 June 2016	
	Expense	Accrued liability	Expense	Accrued liability
<i>Short-term benefits:</i>				
- Salaries	75,613	8,113	66,476	8,255
- Short-term bonuses	3,313	-	9,615	-
- Benefits in-kind	4,336	-	6,413	-
Total	83,262	8,113	82,504	8,255