



SB HSBC Bank Kazakhstan JSC is a 100 % subsidiary of HSBC Bank plc and is part of HSBC Group with headquarters in London. The latter having 10 000 properties in 83 countries and territories of the world. Total Assets of HSBC Group for 2007 equal to 2 354 billion US Dollars.

**Income Statement**  
**SB HSBC Bank Kazakhstan JSC**  
**as of 31 December 2007 and 2006**

(KZT thousands)

Description	2007	2006
Interest income	3,023,763	2,441,676
Interest expense	(1,686,883)	(1,306,059)
<b>Net interest income (loss) before impairment (losses) / recovery</b>	<b>1,336,880</b>	<b>1,135,617</b>
Impairment (losses)/ recovery	(12,812)	62,395
<b>Net interest income (expense)</b>	<b>1,324,068</b>	<b>1,198,012</b>
Fee and commission income	1,237,658	499,608
Fee and commission expense	(117,038)	(29,217)
Income (expenses) on securities purchase/sale (netto)	237,281	53,625
Net foreign exchange income (loss)	554,415	348,727
Other income	7,560	7,561
<b>Net non-interest income (expense)</b>	<b>1,919,876</b>	<b>880,304</b>
<b>Net operating income (expense)</b>	<b>3,243,944</b>	<b>2,078,316</b>
General administrative expenses	(1,002,538)	(527,946)
Depreciation expenses	(39,149)	(22,914)
Other expenses	(229,939)	(126,559)
<b>Profit (loss) before reserves on taxes and other operations</b>	<b>1,972,318</b>	<b>1,400,897</b>
Reserves/(reserves recovery) on other operations	363	8,744
<b>Profit (loss) before taxes</b>	<b>1,972,681</b>	<b>1,409,641</b>
Income tax expense	(469,486)	(357,417)
<b>Net profit (loss)</b>	<b>1,503,195</b>	<b>1,052,224</b>

Annual Financial Statements prepared in accordance with International Financial Reporting Standards (IFRS) certified by Independent Auditors KPMG Audit LLC

Chief Executive Officer

M.Eastwood

Financial Controller

Zh.Zhetpisbayeva