JSC INDUSTRIAL AND COMMERCIAL BANK OF CHINA ALMATY

Financial Statements
For the year ended 31 December 2005

And Independent Auditors' Report

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STATEMENT OF MANAGEMENT'S RESPONSIBILITIES FOR THE PREPARATION AND APPROVAL OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2005

The following statement, which should be read in conjunction with the independent auditors' responsibilities stated in the independent auditors' report set out on page 2, is made with a view to distinguishing the respective responsibilities of management and those of the independent auditors in relation to the financial statements of JSC Industrial and Commercial Bank of China Almaty (the "Bank").

Management is responsible for the preparation of the financial statements that present fairly the financial position of the Bank at 31 December 2005, the results of its operations, cash flows and changes in equity for the year then ended, in accordance with International Financial Reporting Standards ("IFRS").

In preparing the financial statements, management is responsible for:

- selecting suitable accounting principles and applying them consistently;
- making judgements and estimates that are reasonable and prudent;
- stating whether IFRS have been followed, subject to any material departures disclosed and explained in the financial statements; and
- preparing the financial statements on a going concern basis, unless it is inappropriate to presume that the Bank will continue in business for the foreseeable future.

Management is also responsible for:

- designing, implementing and maintaining an effective and sound system of internal controls, throughout the Bank;
- maintaining proper accounting records that disclose, with reasonable accuracy at any time, the financial position of the Bank, and which enable them to ensure that the financial statements of the Bank comply with IFRS;
- maintaining statutory accounting records in compliance with legislation and accounting standards of the Republic of Kazakhstan;
- taking such steps as are reasonably available to them to safeguard the assets of the Bank; and
- detecting and preventing fraud and other irregularities.

The financial statements for the year ended 31 December 2005 were authorized for issue on 10 February 2006 by the Management Board.

On behalf of the Board:

Zhao Guoqiang,
Chairman

10 February 2006
Almaty

Maurer T.M.,
Chief Accountant

10 February 2006
Almaty

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INDEPENDENT AUDITORS' REPORT

To the Shareholder and Board of Directors of JSC Industrial and Commercial Bank of China Almaty:

We have audited the accompanying balance sheet of JSC Industrial and Commercial Bank of China Almaty (the "Bank") as of 31 December 2005, the related profit and loss account and statements of changes in equity and cash flows ("the financial statements") for the year then ended. These financial statements are the responsibility of the Bank's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Bank as of 31 December 2005, and the results of its operations and its cash flows for the year then ended, in accordance with International Financial Reporting Standards.

Deloitte & Touche

10 February 2006
Almaty

JSC INDUSTRIAL AND COMMERCIAL BANK OF CHINA ALMATY

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2005

	Notes	Year ended 31 December 2005 KZT'000	Year ended 31 December 2004 KZT'000
Interest income	4	128,919	155,103
Interest expense	4	(10,637)	(24,004)
NET INTEREST INCOME BEFORE RECOVERY PROVISION FOR IMPAIRMENT LOSSES ON INTEREST BEARING ASSETS		118,282	131,099
Recovery for impairment losses on interest bearing assets	5	5,813	19,922
NET INTEREST INCOME		124,095	151,021
Net gain /(loss) on foreign exchange operations	6	62,143	(6,862)
Fee and commission income	7	130,130	91,939
Fee and commission expense	7	(4,431)	(4,483)
Other income		740	143
NET NON-INTEREST INCOME		188,582	80,737
OPERATING INCOME		312,677	231,758
OPERATING EXPENSES	8	(150,267)	(151,278)
OPERATING PROFIT		162,410	80,480
Provision for impairment losses on other transactions	5	(82)	-
PROFIT BEFORE TAXATION		162,328	80,480
Income tax expense	9	(3,688)	(6,440)
NET PROFIT		158,640	74,040

On behalf of the Board:

Zhao Guoqiang
Chairman

10 February 2006
Almaty

Maurer T.M.
Chief Accountant

10 February 2006
Almaty

The notes on pages 8-29 form an integral part of these financial statements. The Independent Auditors' Report is on page 2.

JSC INDUSTRIAL AND COMMERCIAL BANK OF CHINA ALMATY

BALANCE SHEET
AS OF 31 DECEMBER 2005

	Notes	31 December 2005 KZT'000	31 December 2004 KZT'000
ASSETS:			
Cash and balances with National Bank of the Republic of Kazakhstan	10	2,031,871	220,980
Loans and advances to banks	11	1,119,128	1,239,497
Loans to customers, less allowance for impairment losses	12	-	254,187
Investments held to maturity	13	597,588	1,279,247
Fixed and intangible assets, less accumulated depreciation and amortisation	14	88,020	110,550
Other assets, less allowance for impairment losses	15	11,870	9,930
TOTAL ASSETS		3,848,477	3,114,391
LIABILITIES AND SHAREHOLDER'S EQUITY			
LIABILITIES:			
Customer accounts	16	2,219,612	1,651,518
Other liabilities	17	16,983	172,138
Total liabilities		2,236,595	1,823,656
SHAREHOLDER'S EQUITY:			
Share capital	18	1,417,387	1,254,880
Retained earnings		194,495	35,855
Total shareholder's equity		1,611,882	1,290,735
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY		3,848,477	3,114,391

On behalf of the Board:

Zhao Guoqiang
Chairman

10 February 2006
Almaty

Maurer T.M.
Chief Accountant

10 February 2006
Almaty

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JSC INDUSTRIAL AND COMMERCIAL BANK OF CHINA ALMATY

STATEMENT OF CHANGES IN SHAREHOLDER'S EQUITY FOR THE YEAR ENDED 31 DECEMBER 2005

	Share Capital KZT'000	Retained earnings/ (Accumulated deficit) KZT'000	Total KZT'000
31 December 2003	1,254,880	(38,185)	1,216,695
Net profit for the year	-	74,040	74,040
31 December 2004	1,254,880	35,855	1,290,735
Share capital contribution	162,507	-	162,507
Net profit for the year	-	158,640	158,640
31 December 2005	1,417,387	194,495	1,611,882

On behalf of the Board:

Zhao Guoqiang
Chairman

10 February 2006
Almaty

Maurer T. M.
Chief Accountant

10 February 2006
Almaty

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	Year ended 31 December 2005 KZT'000	Year ended 31 December 2004 KZT'000
CASH FLOWS FROM OPERATING ACTIVITIES:		
Profit before income tax	162,328	80,480
Adjustments for:		
Recovery for loan losses	(5,813)	(19,922)
Provision for other assets	82	-
Depreciation and amortisation	28,839	29,392
Change in interest accruals, net	2,771	8,378
Net loss on disposals of FA	-	679
Changes in fair value of derivative financial instruments	-	(71,183)
Cash flows from operating activities before changes in operating assets and liabilities	188,207	27,824
Changes in operating assets and liabilities		
(Increase)/decrease in operating assets:		
Loans to customers	260,000	60,578
Securities held-to-maturity	681,926	(107,361)
Other assets	2,270	(1,237)
Increase/(decrease) in operating liabilities:		
Loans and advances from banks	-	(331,706)
Customer accounts	565,016	1,200,478
Other liabilities	(155,155)	157,088
Cash inflow from operating activities before taxation	1,542,264	1,005,664
Income tax paid	(7,980)	(6,440)
Net cash inflow from operating activities	1,534,284	999,224
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of fixed and intangible assets	(6,472)	(14,494)
Proceeds from sale of fixed and intangible assets	163	279
Net cash outflow from investing activities	(6,309)	(14,215)

JSC INDUSTRIAL AND COMMERCIAL BANK OF CHINA ALMATY

STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2005

	Notes	Year ended 31 December 2005 KZT'000	Year ended 31 December 2004 KZT'000
CASH FLOWS FROM FINANCING ACTIVITIES:			
Issue of ordinary share capital		162,507	-
Repayment of subordinated debt		-	(129,798)
Net cash inflow/(outflow) from financing activities		162,507	(129,798)
NET INCREASE IN CASH AND CASH EQUIVALENTS		1,690,482	855,211
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	10	1,460,410	605,199
CASH AND CASH EQUIVALENTS AT END OF YEAR	10	3,150,892	1,460,410

Interest paid and received by the Bank in cash during the year ended 31 December 2005 amounted to KZT 9,512 thousand and KZT 123,097 thousand, respectively.

Interest paid and received by the Bank in cash during the year ended 31 December 2004 amounted to KZT 24,928 thousand and KZT 164,405 thousand, respectively.

On behalf of the Board:

Zhao Guoqiang
Chairman

10 February 2006
Almaty

Maurer T. M.
Chief Accountant

10 February 2006
Almaty

The notes on pages 8-29 form an integral part of these financial statements. The Independent Auditors' Report is on page 2.

1. ORGANISATION

JSC Industrial and Commercial Bank of China Almaty (the "Bank") is a joint-stock bank, which was incorporated in the Republic of Kazakhstan in the form of a branch of Industrial and Commercial Bank of China ("ICBC") in 1993. On 25 March 1994 the branch was transformed into Subsidiary Bank of Industrial and Commercial Bank of China Almaty. On 5 May 2005 the Bank was re registered under the name of JSC Industrial and Commercial Bank of China Almaty. The sole shareholder of the Bank is ICBC, incorporated and operating in the People's Republic of China ("PRC").

The Bank is regulated by the National Bank of the Republic of Kazakhstan (NBRK) and Agency of the Republic of Kazakhstan on regulation and supervision of finance market and finance organizations and conducts its business under license number 74. The Bank's primary business consists of commercial activities, trading with securities, foreign currencies and derivative instruments, originating loans and guarantees.

The registered address of the Bank is 110 Furmanov str., Almaty, 050000, Kazakhstan.

The number of employees of the Bank at 31 December 2005 and 2004 was 33 and 28, respectively.

These financial statements were authorized for issue by the Bank's Board of Directors on 10 February 2006.

2. BASIS OF PRESENTATION

Accounting basis

These financial statements of the Bank have been prepared in accordance with International Financial Reporting Standards (IFRS). These financial statements are presented in thousands of Kazakhstani Tenge (KZT) and unless otherwise indicated. These financial statements have been prepared on the historical cost basis, except for the revaluation of financial instruments.

The Bank maintains its accounting records in accordance with Republic of Kazakhstan's law. These financial statements have been prepared from the Republic of Kazakhstan statutory accounting records and have been adjusted to conform with IFRS.

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Estimates that are particularly susceptible to change relate to the provisions for losses and impairment and the fair value of financial instruments.

The financial statements have been prepared on the historical cost basis.

Functional currency

The functional currency of these financial statements is the Kazakhstani Tenge (KZT).

3. SIGNIFICANT ACCOUNTING POLICIES

Recognition and measurement of financial instruments

The Bank recognizes financial assets and liabilities on its balance sheet when it becomes a party to the contractual obligation of the instrument. Regular way purchase and sale of the financial assets and liabilities are recognized using settlement date accounting. Regular way purchases of financial instruments that will be subsequently measured at fair value between trade date and settlement date are accounted for in the same way as for acquired instruments.

Financial assets and liabilities are initially recognized at fair value plus, in the case of a financial asset or financial liability not at fair value through profit or loss transaction costs that are directly attributable to acquisition or issue of the financial asset or financial liability. The accounting policies for subsequent re-measurement of these items are disclosed in the respective accounting policies set out below.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, unrestricted balances on correspondent accounts with the NBRK and advances to banks.

Loans and advances to banks

In the normal course of business, the Bank maintains advances or deposits for various periods of time with other banks. Loans and advances to banks with a fixed maturity term are subsequently measured at amortized cost using the effective interest method. Those that do not have fixed maturities are carried at cost. Amounts due from credit institutions are carried net of any allowance for losses.

Originated loans

Loans originated by the Bank are financial assets that are created by the Bank by providing money directly to a borrower or by participating in a loan facility.

Loans granted by the Bank with fixed maturities are initially recognized in accordance with the policy stated below. The difference between the nominal amount of consideration given and the amortized cost of loans issued at lower than market terms is recognized in the period the loan is issued as initial recognition adjustment discounting using market rates at inception and included in the profit and loss account as losses on origination of assets. Subsequently, the carrying amount of such loans is adjusted for amortization of the losses on origination and the related income is recorded as interest income within the profit and loss account using the effective interest method. Loans to customers are carried net of any allowance for loan losses.

Write off of loans and advances

Loans and advances are written off against allowance for impairment losses in case of uncollectibility of loans and advances, including through repossession of collateral. Loans and advances are written off after management has exercised all possibilities available to collect amounts due to the Bank and after the Bank has sold all available collateral. The decision on writing off bad debt against allowance for impairment losses for all major, preferential, unsecured and insider loans should necessarily be confirmed with a procedural document of judicial or notary bodies certifying that at the time of the decision the debt could not be repaid (partially repaid) with the debtor's funds.

Non-accrual loans

Once a financial asset or a group of similar financial assets has been written down (partly written down) as a result of an impairment loss, interest income is thereafter recognised using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

Allowance for impairment losses

The Bank establishes an allowance for impairment losses of financial assets when there is objective evidence that a financial asset or group of financial assets is impaired. The allowance for impairment losses is measured as the difference between carrying amounts and the present value of expected future cash flows, including amounts recoverable from guarantees and collateral, discontinued at the financial asset's original effective interest rate, for financial assets which are carried at amortised cost. If in a subsequent period the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed by adjusted an allowance account. For financial assets carried at cost the allowance for impairment losses is measured as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed.
The determination of the allowance for impairment losses is based on an analysis of the risk assets and reflects the amount which, in the judgment of management, is adequate to provide for losses incurred. Provisions are made as a result of an individual appraisal of risk assets for financial assets that are individually significant, and an individual or collective assessment for financial assets that are not individually significant.

The change in the allowance for impairment losses is charged to profit and the total of the allowance for impairment losses is deducted in arriving at assets as shown in balance sheet. Factors that the Bank considers in determining whether it has objective evidence that an impairment loss has been incurred include information about the debtors' or issuers' liquidity, solvency and business and financial risk exposures, levels of and trends in delinquencies for similar financial assets, national and local economic trends and conditions, and the fair value of collateral and guarantees. These and other factors may, either individually or taken together, provide sufficient objective evidence that an impairment loss has been incurred in a financial asset or group of financial assets.

It should be understood that estimates of losses involve an exercise of judgment. While it is possible that in particular periods the Bank may sustain losses, which are substantial relative to the allowance for impairment losses, it is the judgment of management that the allowance for impairment losses is adequate to absorb losses incurred on the risk assets.

Investments held-to-maturity

Investments held-to-maturity are debt securities with determinable or fixed payments. The Bank has the positive intent and ability to hold them to maturity. Such securities are carried at amortized cost, less any allowance for impairment. Amortized discounts are recognized in interest income over the period to maturity using the effective interest method.

Fixed and intangible assets

Fixed assets and intangible assets are stated at cost less accumulated depreciation and amortisation and any recognised impairment loss.
Depreciation of fixed assets and amortisation of intangible assets are charged so as to write off the cost or valuation of assets over their estimated useful lives, using the straight-line method, on the following bases:

Leasehold improvements	12 - 20%
Furniture and equipment	20 - 30%
Other fixed assets	12%
Intangible assets	10%

Leasehold improvements are amortized over the life of the related leased asset. Expenses related to repairs and renewals are charged when incurred and included in operating expenses unless they qualify for capitalization.

Taxation

Income tax expense represents the sum of the current and deferred tax expense.

The current tax expense is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Bank's current tax expense is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Bank is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Kazakhstan where the Bank operates also have various other taxes, which are assessed on the Bank's activities. These taxes are included as a component of operating expenses in the profit and loss account.

Deposits from customers

Customer deposits are initially recognized at fair value, which amounts to the issue proceeds less transaction costs incurred. Subsequently amounts due are stated at amortized cost and any difference between net proceeds and the redemption value is recognized in the profit and loss account over the period of the borrowings using the effective interest method.

Share capital

Share capital is recognized at historic cost.

Retirement and other benefit obligations

The Bank does not incur any expenses in relation to provision of pensions to its employees. In accordance with the legal requirements of the Republic of Kazakhstan, the Bank withholds pension contributions from employee salaries and transfers them into state or private pension funds. Current contributions by the employer are calculated as a percentage of current gross salary payments with the expense charged in the period in which the related salaries are earned. Upon retirement of employees, all pension payments are administered by the above pension funds. In other countries where its subsidiaries domicile the Bank does not have any pension arrangements separate from the pension system of Kazakhstan.

Recognition of income and expense

Interest income and expense are recognized on an accrual basis using effective interest rate method. Interest income also includes income earned on investments in securities. Other income is credited to profit and loss account when the related transactions are completed. Loan origination fees, if significant, are deferred (together with related direct costs) and recognized as an adjustment to the loan's effective yield. Commission incomes/expenses are recognized on an accrual basis.

Fee and commission income

Fee and commission income includes loan origination fees, loan commitment fees, loan servicing fees and loan syndication fees. Loan origination fees are deferred, together with the related direct costs, and recognized as an adjustment to the effective interest rate of the loan. Where it is probable that a loan commitment will lead to a specific lending arrangement, the loan commitment fees are deferred, together with the related direct costs, and recognized as an adjustment to the effective interest rate of the resulting loan. Where it is unlikely that a loan commitment will lead to a specific lending arrangement, the loan commitment fees are recognized in profit and loss over the remaining period of the loan commitment. Where a loan commitment expires without resulting in a loan, the loan commitment fee is recognized in profit and loss on expiry. Loan servicing fees are recognized as revenue as the services are provided. Loan syndication fees are recognised in profit and loss when the syndication has been completed. All other commissions are recognized when services are provided.

Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into KZT at the appropriate spot rates of exchange ruling at the balance sheet date. Foreign currency transactions are accounted for at the exchange rates prevailing at the date of the transaction. Profits and losses arising from these translations are included in net gain on foreign exchange operations.

Rates of exchange

The exchange rates at year-end used by the Bank in the preparation of the financial statements are as follows:

	31 December 2005	31 December 2004
KZT/1 US Dollar	133.77	130.00
KZT/1 Euro	158.94	177.10

Offset of financial assets and liabilities

Financial assets and liabilities are offset and reported net on the balance sheet when the Bank has a legally enforceable right to set off the recognized amounts and the Bank intends either to settle on a net basis or to realize the asset and settle the liability simultaneously. In accounting for a transfer of a financial asset that does not qualify for derecognition, the Bank does not offset the transferred asset and the associated liability.

4. NET INTEREST INCOME

	Year ended 31 December 2005 KZT'000	Year ended 31 December 2004 KZT'000
Interest income		
Interest on debt securities	78,173	121,098
Interest on loans and advances to banks	49,434	9,025
Interest on loans to customers	1,312	24,980
Total interest income	128,919	155,103
Interest expense		
Interest on customer accounts	(6,434)	(4,207)
Interest on debt securities	(4,203)	(6,946)
Interest on subordinated debt	-	(9,658)
Interest on loans and advances from banks	-	(3,193)
Total interest expense	(10,637)	(24,004)
Net interest income before recovery provision for impairment losses on interest bearing assets	118,282	131,099

5. ALLOWANCE FOR LOSSES ON INTEREST BEARING AND OTHER ASSETS

The movements in allowance for losses on interest earning assets were as follows:

	Loans and advances to banks KZT'000	Loans to customers KZT'000	Total KZT'000
31 December 2003	13,746	51,023	64,769
Recovery	(13,746)	(6,176)	(19,922)
Write-off of assets	-	(39,034)	(39,034)
31 December 2004	-	5,813	5,813
Recovery	-	(5,813)	(5,813)
31 December 2005	-	-	-

The movements in allowances for losses on other transactions were as follows:

	Other Assets KZT'000	Total KZT'000
31 December 2003	-	-
Provision	-	-
Write-off of assets	-	-
31 December 2004	-	-
Provision	82	82
31 December 2005	82	82

6. NET GAIN/(LOSS) ON FOREIGN EXCHANGE OPERATIONS

Net gain/(loss) on foreign exchange operations comprise:

	Year ended 31 December 2005 KZT'000	Year ended 31 December 2004 KZT'000
Dealing, net	63,121	19,448
Translation differences, net	(978)	(26,310)
Total net gain/(loss) on foreign exchange operations	62,143	(6,862)

7. FEE AND COMMISSION INCOME AND EXPENSE

Fee and commission income and expense comprise:

	Year ended 31 December 2005 KZT'000	Year ended 31 December 2004 KZT'000
Fee and commission income:		
Settlements	113,332	76,469
Cash operations	8,171	8,689
Documentary operations	440	1,013
Other	8,187	5,768
Total fee and commission income	130,130	91,939
Fee and commission expense:		
Settlements	(2,501)	(2,644)
Foreign currency and securities operations	-	(526)
Other	(1,930)	(1,313)
Total fee and commission expense	(4,431)	(4,483)

8. OPERATING EXPENSES

	Year ended 31 December 2005 KZT'000	Year ended 31 December 2004 KZT'000
Staff costs	45,759	36,527
Depreciation and amortization	28,839	29,392
Administrative services	18,707	19,906
Operating lease expense	17,082	17,955
Security	8,686	4,919
Communications	7,846	8,415
Taxes, other than income tax	7,001	8,800
Cash collection expenses	6,273	2,418
Professional services	3,848	3,250
Business trip expenses	2,570	3,195
Transportation expenses	1,009	1,998
Fines and penalties	281	10,209
Advertising expenses	174	1,351
Other expenses	2,192	2,943
Total operating expenses	150,267	151,278

9. INCOME TAXES

The Bank provides for taxes based on the tax accounts maintained and prepared in accordance with the tax regulations of Republic of Kazakhstan where the Bank operates and which may differ from International Financial Reporting Standards.

The Bank is subject to certain permanent tax differences due to non-tax deductibility of certain expenses and a tax free regime for certain income.

Deferred taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for tax purposes. Temporary differences as of 31 December 2005 and 2004 relate mostly to different methods of income and expense recognition as well as to recorded values of certain assets.

Temporary differences as of 31 December 2005 and 2004 comprise:

	31 December 2005 KZT'000	31 December 2004 KZT'000
Deferred assets:		
Fixed and intangible assets	328	-
Tax loss carryforward	-	29,362
Total deferred assets	328	29,362
Deferred liabilities:		
Fixed and intangible assets	-	2,540
Total deferred liabilities	-	2,540
Net deferred assets	328	26,822
Less: valuation allowance	(328)	(26,822)

Net deferred assets	-	-

Relationships between tax expenses and accounting profit for the years ended 31 December 2005 and 2004 are explained as follows:

	Year ended 31 December 2005 KZT'000	Year ended 31 December 2004 KZT'000
Profit before taxation	162,328	80,480
Tax at the statutory tax rate	48,698	24,144
Tax effect of permanent differences	(18,516)	(29,347)
Change in valuation allowance	(26,494)	11,643
Income tax expense	3,688	6,440
Current income tax expense	3,688	6,440
Recovery for deferred tax liabilities	-	-
Income tax expense	3,688	6,440

Deferred income tax liabilities	31 December 2005 KZT'000	31 December 2004 KZT'000
1 January	-	-
Decrease in income tax liability for the period	-	-
31 December	-	-

Income tax assets and liabilities consist of the following:

Current income tax assets/liabilities	3,688	6,440
Deferred income tax assets/liabilities	-	-
Income tax assets/liabilities	3,688	6,440

10. CASH AND BALANCES WITH THE NATIONAL BANK OF REPUBLIC OF KAZAKHSTAN

	31 December 2005 KZT'000	31 December 2005 KZT'000
Cash	140,213	162,267
Balances with the National bank of the Republic of Kazakhstan	1,890,851	58,713
Accrued interest on balances with the National bank of the Republic of Kazakhstan	807	-
Total cash and balances with the National Bank of the Republic of Kazakhstan	2,031,871	220,980

Cash and cash equivalents for the purposes of the statement of cash flows comprise:

	31 December-2005 KZT'000	31 December 2005 KZT'000
Cash on hand	140,213	162,267
Balances with the National Bank of the Republic of Kazakhstan	1,890,851	58,713
Accrued interest income	807	-
Loans and advances to banks	1,119,021	1,239,430
Total cash and cash equivalents	3,150,892	1,460,410

11. LOANS AND ADVANCES TO BANKS

	31 December 2005 KZT'000	31 December 2004 KZT'000
Loans and advances to banks	770,673	800,000
Correspondent accounts with other banks	348,348	439,430
Accrued interest income on loans and advances to banks	107	67
Total loans and advances to banks	1,119,128	1,239,497

As of 31 December 2004 the Bank had 2 loans and advances totalling KZT 1,217,655 thousand, which individually exceeded 10% of the Bank's equity.

12. LOANS TO CUSTOMERS, LESS ALLOWANCE FOR IMPAIRMENT LOSSES

	31 December 2005 KZT'000	31 December 2004 KZT'000
Originated loans	-	260,000
Less allowance for impairment losses	-	(5,183)
Total loans to customers, less allowance for impairment losses	-	254,187

	31 December 2005 KZT'000	31 December 2004 KZT'000
Loans collateralized by goods in transit	-	260,000
Less allowance for impairment losses	-	(5,813)
Total loans to customers, , less allowance for impairment losses	-	254,187

Movements in allowances for impairment losses for the years ended 31 December 2005 and 2004 are disclosed in Note 5.

	31 December 2005 KZT'000	31 December 2004 KZT'000
Analysis by industry:		
Oil and gas	-	260,000
Less allowance for impairment losses	-	(5,813)
Total loans to customers, , less allowance for impairment losses	-	254,187

As of 31 December 2004 the Bank provided loans to one client totalling KZT 260,000 thousand, which individually exceeded 10 % of the Bank's equity.

As of 31 December 2004 a significant amount of loans (100% of total portfolio, respectively) is granted to companies operating in the Republic of Kazakhstan, which represents significant geographical concentration in the Aktobe region.

13. INVESTMENTS HELD - TO - MATURITY

Investments held-to-maturity are represented as follows:

	Interest to nominal %	31 December 2005 KZT'000	Interest to nominal %	31 December 2004 KZT'000
Eurobonds of the Ministry of Finance	11.125	588,583	11.125-13.625	575,211
NBRK Notes	-	-		695,298
Interest accrued		9,005		8,738
Total investments held-to-maturity		597,588		1,279,247

Maturity of Eurobonds is 11 May 2007.

14. FIXED AND INTANGIBLE ASSETS, LESS ACCUMULATED DEPRECIATION AND AMORTISATION

	Furniture and equipment KZT'000	Leasehold improve-ments KZT'000	Other KZT'000	Intangible Assets KZT'000	Total KZT'000
At cost					
As of December 31, 2004	54,778	28,551	66,973	41,743	192,045
Additions	329	928	3,084	2,131	6,472
Disposals	(2,452)	-	(59)	(160)	(2,671)
As of December 31, 2005	52,655	29,479	69,998	43,714	195,846
Accumulated depreciation and amortisation					
As of December 31, 2004	29,046	14,787	26,038	11,624	81,495
Charge for the year	10,361	5,788	8,300	4,390	28,839
Disposals	(2,394)	-	(33)	(81)	(2,508)
As of December 31, 2005	37,013	20,575	34,305	15,933	107,826
Net book value					

As of December 31, 2005	15,642	8,904	35,693	27,781	88,020
As of December 31, 2004	25,732	13,764	40,935	30,119	110,550

15. OTHER ASSETS, LESS ALLOWANCE FOR IMPAIRMENT LOSSES

	31 December 2005 KZT'000	31 December 2004 KZT'000
Prepaid expenses	7,423	7,910
Taxes receivable	4,417	1,878
Other	112	142
	11,952	9,930
Less allowance for impairment losses	(82)	-
Total other assets, less allowance for impairment losses	11,870	9,930

16. CUSTOMER ACCOUNTS

Customer accounts comprise:

	31 December 2005 KZT'000	31 December 2004 KZT'000
Demand deposits	2,164,296	1,633,364
Time deposits	51,099	17,015
Accrued interest expense on customer accounts	4,217	1,139
Total customer accounts	2,219,612	1,651,518

	31 December 2005 KZT'000	31 December 2004 KZT'000
Analysis by industry:		
Oil and gas sector	975,749	623,422
State management	475,589	239,892
Individuals	430,862	294,032
Associations	225,119	117,807
Construction	92,804	240,066
Trade	12,490	5,182
Services	1,727	26,072
Transport and communication	687	1,220
Finance sector	-	2,756
Other	368	99,930
Accrued interest expense on customer accounts	4,217	1,139
Total customer accounts	2,219,612	1,651,518

As of 31 December 2005 and 2004, customer accounts amounting to KZT 1,456,404 thousand and KZT 613,522 thousand, received from 3 and 3 customers, respectively, which individually exceeded 10% of the Bank's equity.

17. OTHER LIABILITIES

	31 December 2005 KZT'000	31 December 2004 KZT'000
Payables to individuals	8,536	10,981
Payables to legal entities	2,315	
Accruals for audit services	1,697	-
Payables for taxes, other than income tax	787	-
Subordinated debt	-	129,798
Other creditors	3,648	31,359
Total other liabilities	16,983	172,138

18. SHARE CAPITAL

As at 31 December 2005 and 2004 share capital authorised, issued and fully paid comprised of 2,259 and 2,000 ordinary shares with par value of KZT 627,440 each. All ordinary shares are ranked equally and carry one vote.

19. FINANCIAL COMMITMENTS AND CONTINGENCIES

Capital commitments

The Bank had no material commitments for capital expenditure outstanding as of 31 December 2005 and 2004.

Rental commitments

No material rental commitments were outstanding as of 31 December 2005 and 2004.

Legal proceedings

From time to time and in the normal course of business, claims against the Bank are received from customers and counterparties. Management is of the opinion that no material unaccrued losses will be incurred and accordingly no provision has been made in these financial statements.

Taxes

Kazakhstani commercial legislation, and tax legislation in particular may give rise to varying interpretations and amendments, which may be retrospective. In addition, as Management's interpretation of tax legislation may differ from that of the tax authorities, transactions may be challenged by the tax authorities, and as a result the Bank may be assessed additional taxes, penalties and interest. The Bank believes that it has already made all tax payments, and therefore no allowance has been made in the financial statements. Tax years remain open to review by the tax authorities for five years.

Pensions and retirement plans

Employees receive pension benefits in accordance with the laws and regulations of the respective countries. As of 31 December 2005 and 2004, the Bank was not liable for any supplementary pensions, post-retirement health care, insurance benefits, or retirement indemnities to its current or former employees.

Operating environment

The Bank's principal business activities are within the Republic of Kazakhstan. Laws and regulations affecting the business environment in the Republic of Kazakhstan are subject to rapid changes and the Bank's assets and operations could be at risk due to negative changes in the political and business environment.

20. TRANSACTIONS WITH RELATED PARTIES

Related parties, as defined by IAS 24 "Related parties disclosures", are those counter parties that represent:

a. enterprises that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the Bank. (This includes holding companies, subsidiaries and fellow subsidiaries);

b. individuals owning, directly or indirectly, an interest in the voting power of the Bank that gives them significant influence over the Bank;

c. key management personnel, that is, those persons having authority and responsibility for planning, directing and controlling the activities of the Bank, including directors and officers of the Bank and close members of the families of such individuals; and

d. enterprises in which a substantial interest in the voting power is owned, directly or indirectly, by any person described in (b) or (c) or over which such a person is able to exercise significant influence. This includes enterprises owned by directors or major shareholders of the Bank and enterprises that have a member of key management in common with the Bank.

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form. The Bank had the following transactions outstanding with related parties:

	Year ended 31 December 2005 KZT'000		Year ended 31 December 2004 KZT'000	
	Related party transactions	**Total category as per financial statements caption**	**Related party transactions**	**Total category as per financial statements caption**
Loans and advances to banks	760,019	1,119,128	420,678	1,239,497

During the year ended 2004 Bank repaid loans and advances received from banks of ICBC Group KZT 331,706 thousand.

Included in the profit and loss account for the years ended 31 December 2005 and 2004 are the following amounts which arose due to transactions with related parties:

	Year ended 31 December 2005 KZT'000		Year ended 31 December 2004 KZT'000	
	Related party transactions	Total category as per financial statements caption	Related party transactions	Total category as per financial statements caption
Interest income				
- related companies	17,264	128,919	5,873	155,103
Interest expense				
- related companies	-	10,637	12,851	24,004

Transactions with related parties entered by the Bank during the 12 months ended 31 December 2005 and 2004 and outstanding as of 31 December 2005 and 31 December 2004 were made in the normal course of business and mostly under arm-length conditions.

21. FAIR VALUE OF FINANCIAL INSTRUMENTS

Estimated fair value disclosures of financial instruments is made in accordance with the requirements of IAS 32 "Financial Instruments: Disclosure and Presentation" and IAS 39 "Financial Instruments: Recognition and Measurement". Fair value is defined as the amount at which the instrument could be exchanged in a current transaction between knowledgeable willing parties in an arm's length transaction, other than in forced or liquidation sale. As no readily available market exists for a large part of the Bank's financial instruments, judgment is necessary in arriving at fair value, based on current economic conditions and specific risks attributable to the instrument. The estimates presented herein are not necessarily indicative of the amounts the Bank could realize in a market exchange from the sale of its full holdings of a particular instrument.
The fair value of financial assets and liabilities compared with the corresponding carrying amount in the balance sheet of the Bank is presented below:

	31 December 2005		31 December 2004	
	Current value, KZT'000	Fair value, KZT'000	Current value, KZT'000	Fair value, KZT'000
Cash and balances with the National Bank of the Republic of Kazakhstan	2,031,871	2,031,871	220,980	220,980
Loans and advances to banks	1,119,128	1,119,128	1,239,497	1,239,497
Loans to customers, less allowance for impairment losses	-	-	254,187	254,187
Investments held-to-maturity	597,588	655,983	1,279,247	1,354,332
Other assets, less allowance for impairment losses	11,870	11,870	9,930	9,930
Customer accounts	2,219,612	2,219,612	1,651,518	1,651,518

Other liabilities	16,983	16,983	172,138	172,138

22. REGULATORY MATTERS

Quantitative measures established by regulation to ensure capital adequacy require the Bank to maintain minimum amounts and ratios of total and tier 1 capital to risk weighted assets.

The capital is calculated as the amount of restricted and free components of the shareholders' capital plus the Bank's provisions for the principal risks.

The ratio was calculated according to the principles employed by the Basle Committee by applying the following risk estimates to the assets and off-balance sheet commitments net of allowances for losses:

Estimate	Description of position
0%	Cash and balances with the National Bank of the Republic of Kazakhstan
0%	State debt securities
20%	Loans and advances to banks for up to 1 year
100%	Loans to customers
100%	Guarantees
50%	Obligations and commitments on unused loans with the initial maturity of over 1 year
100%	Other assets

The Bank's actual capital amounts and ratios are presented in the following table:

Capital amounts and ratios	Actual amount KZT'000	For Capital Adequacy purposes KZT'000	Ratio for Capital Adequacy purposes %	Minimum Required Ratio %
As of 31 December 2005				
Total capital	1,611,882	1,611,765	503.05%	8
Tier 1 capital	1,611,882	1,611,882	503.09%	4
As of 31 December 2004				
Total capital	1,290,735	1,296,548	202.11	8
Tier 1 capital	1,290,735	1,290,735	201.2	4

23. RISK MANAGEMENT POLICIES

Management of risk is fundamental to the Bank's banking business and is an essential element of the Bank's operations. The main risks inherent to the Bank's operations are those related to credit exposures, liquidity and market movements in interest rates and foreign exchange rates. A description of the Bank's risk management policies in relation to those risks follows.

The Bank manages the following risks:

Liquidity risk

Liquidity risk refers to the availability of sufficient funds to meet deposit withdrawals and other financial commitments associated with financial instruments as they actually fall due.

The Assets and Liabilities Management Committee ("ALMC") controls these types of risks by means of maturity analysis, determining the Bank's strategy for the next financial period. Current liquidity is managed by the Treasury Department, which deals in the money markets for current liquidity support and cash flow optimisation.

In order to manage liquidity risk, the Bank performs daily monitoring of future expected cash flows on clients' and banking operations, which is a part of assets/liabilities management process. The Management Board sets limits on the minimum proportion of maturing funds available to meet deposit withdrawals and on the minimum level on interbank and other borrowing facilities that should be in place to cover withdrawals at unexpected levels of demand.

Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect the value of the financial instruments.

The ALMC also manages interest rate and market risks by matching the Bank's interest rate position, which provides the Bank with a positive interest margin. The Treasury Department conducts monitoring of the Bank's current financial performance, estimates the Bank's sensitivity to changes in interest rates and its influence on the Bank's profitability.

The majority of the Bank's loan contracts and other financial assets and liabilities that bear interest are either variable or contain clauses enabling the interest rate to be changed at the option of the lender. The Bank monitors its interest rate margin and consequently does not consider itself exposed to significant interest rate risk or consequential cash flow risk.

The following table presents an analysis of interest rate risk and thus the potential of the Bank for gain or loss. Effective interest rates are presented by categories of financial assets and liabilities to determine interest rate exposure and effectiveness of the interest rate policy used by the Bank.

	31 December 2005			**31 December 2004**		
	KZT	**USD**	**Other Currencies**	**KZT**	**USD**	**Other Currencies**
	%	**%**	**%**	**%**	**%**	**%**
ASSETS						
Loans and advances to banks	0.3 - 3.5	1.47 - 4	1.91-2.06	1.5	0.9-1.97	1.93
Investments held -to -maturity	-	11.125	-	-	2.92-3.78	-
Loans to customers, less allowance for impairment losses	-	-	-	-	7	-
LIABILITIES						
Customer accounts	-	0.5-5.5	-	-	0.5-5.5	-

The analysis of interest rate and liquidity risk on balance sheet transactions is presented in the following table:

	Up to 1 month KZT'000	1 month to 3 months KZT'000	3 month to 1 year KZT'000	1 year to 5 years KZT'000	Over 5 years KZT'000	Maturity undefined, including allowance for losses KZT'000	2005 Total KZT'000
ASSETS							
Loans and advances to banks	2,915,724	-	-	-	-	-	2,915,724
Investments held -to - maturity	-	-	9,005	588,583	-	-	597,588
Total interest bearing assets	2,915,724	-	9,005	588,583	-	-	3,513,312
Cash and balances with NBRK	231,064	-	-	-	-	-	231,064
Loans and advances to banks	4,211	-	-	-	-	-	4,211
Fixed and intangible assets, less accumulated depreciation and amortisation	-	-	-	-	-	88,020	88,020
Other assets, less allowance for impairment losses	1,424	-	10,446	-	-	-	11,870
TOTAL ASSETS	3,152,423	-	19,451	588,583	-	88,020	3,848,477
LIABILITIES							
Customer accounts	261,064	12,937	94,321	1,325	-	-	369,647
Total interest bearing liabilities	261,064	12,937	94,321	1,325	-	-	369,647
Customer accounts	1,844,957	117	4,891	-	-	-	1,849,965
Other liabilities	15,286	1,697	-	-	-	-	16,983
TOTAL LIABILITIES	2,121,307	14,751	99,212	1,325	-	-	2,236,595
Liquidity gap	1,031,116	(14,751)	(79,761)	587,258	-		
Interest sensitivity gap	2,654,660	(12,937)	(85,316)	587,258	-		
Cumulative interest sensitivity gap	2,654,660	2,641,723	2,556,407	3,143,665	3,143,665		
Cumulative interest sensitivity gap as a percentage of total assets	69%	69%	66%	82%	82%		

	Up to 1 month KZT'000	1 month to 3 months KZT'000	3 month to 1 year KZT'000	1 year to 5 years KZT'000	Over 5 years KZT'000	Maturity undefined, including allowance for losses KZT'000	2004 Total KZT'000
ASSETS							
Loans and advances to banks	1,239,497	-	-	-	-	-	1,239,497
Loans to customers, less allowance for impairment losses	-	-	254,187	-	-	-	254,187
Investments held-to-maturity	-	-	704,036	575,211	-	-	1,279,247
Total interest bearing	1,239,497	-	958,223	575,211	-	-	2,772,931
Cash and balances with NBRK	220,980	-	-	-	-	-	220,980
Fixed and intangible assets, less accumulated depreciation and amortisation	-	-	-	-	-	110,550	110,550
Other assets, less allowance for impairment	8,344	1,586	-	-	-	-	9,930
TOTAL ASSETS	1,468,821	1,586	958,223	575,211	-	110,550	3,114,391
LIABILITIES							
Customer accounts	188,367	4,936	26,466	23,443	-	-	243,212
Total interest bearing liabilities	188,367	4,936	26,466	23,443	-	-	243,212
Customer accounts	1,406,378	59	1,869	-	-	-	1,408,306
Other liabilities	172,138	-	-	-	-	-	172,138
TOTAL LIABILITIES	1,766,883	4,995	28,335	23,443	-	-	1,823,656
Liquidity gap	(298,062)	(3,409)	929,888	551,768	-		
Interest sensitivity gap	1,051,130	(4,936)	931,757	551,768	-		
Cumulative interest sensitivity gap	1,051,130	1,046,194	1,977,951	2,529,719	2,529,719		
Cumulative interest sensitivity gap as a percentage of total assets	34%	34%	64%	81%	81%		

Currency risk

Currency risk is defined as the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Bank is exposed to the effects of fluctuations in the prevailing foreign currency exchange rates on its financial position and cash flows.

The ALMC controls currency risk by management of the open currency position on the estimated basis of KZT devaluation and other macroeconomic indicators, which gives the Bank an opportunity to minimize losses from significant currency rates fluctuations toward its national currency. The Treasury Department performs daily monitoring of the Bank's open currency position with the aim to match the requirements of National bank of the Republic of Kazakhstan.

The Bank's exposure to foreign currency exchange rate risk is presented in the table below:

	KZT	USD USD1= KZT 133.77	Other currency	2005 Total KZT'000
ASSETS				
Cash and balances with NBRK	1,991,984	39,887	-	2,031,871
Loans and advances to banks	1,284	1,116,564	1,280	1,119,128
Investments held-to-maturity	-	597,588	-	597,588
Fixed and intangible assets, less accumulated depreciation and amortisation	88,020	-	-	88,020
Other assets, less allowance for impairment losses	11,870	-	-	11,870
TOTAL ASSETS	2,093,158	1,754,039	1,280	3,848,477
LIABILITIES				
Customer accounts	446,043	1,773,569	-	2,219,612
Other liabilities	6,566	10,417	-	16,983
TOTAL LIABILITIES	452,609	1,783,986	-	2,236,595
OPEN BALANCE SHEET POSITION	1,640,549	(29,947)	1,280	

	KZT	USD USD1= KZT130	Other currency	2004 Total KZT'000
ASSETS				
Cash and balances with NBRK	65,037	155,943	-	220,980
Loans and advances to banks	802,381	434,587	2,529	1,239,497
Loans to customers, less allowance for impairment losses	-	254,187	-	254,187
Investments held-to-maturity	695,298	583,949	-	1,279,247
Fixed and intangible assets, less accumulated depreciation and amortisation	110,550	-	-	110,550
Other assets, less allowance for impairment losses	1,297	8,633	-	9,930
TOTAL ASSETS	1,674,563	1,437,299	2,529	3,114,391
LIABILITIES				
Customer accounts	643,981	1,007,537	-	1,651,518
Other liabilities	5,666	166,472	-	172,138
TOTAL LIABILITIES	649,647	1,174,009	-	1,823,656
OPEN BALANCE SHEET POSITION	1,024,916	263,290	2,529	

Market Risk

Market risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices whether those changes are caused by factors specific to the individual security or its issuer or factors affecting all securities traded in the market. The Bank is exposed to market risks of its products which are subject to general and specific market fluctuations.

The Bank manages market risk through periodic estimation of potential losses that could arise from adverse changes in market conditions and establishing and maintaining appropriate stop-loss limits and margin and collateral requirements. With respect to undrawn loan commitments the Bank is potentially exposed to a loss of an amount equal to the total amount of such commitments. However, the likely amount of a loss is less than that, since most commitments are contingent upon certain conditions set out in the loan agreements.

Credit risk

The Bank is exposed to credit risk which is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss.

The Bank structures the level of credit risk it undertakes by placing limits on the amount of risk accepted in relation to one borrower, or Banks of borrowers, and to industry segments. Limits on the level of credit risk by a borrower and a product are approved monthly by the Management Board. The exposure to any one borrower including banks and brokers is further restricted by sub-limits covering on and off-balance sheet exposures which are set by the Credit Committee. Actual exposures against limits are monitored daily.

Where appropriate, and in the case of most loans, the Bank obtains collateral and corporate and personal guarantees but a significant portion is personal lending, where no such facilities can be obtained. Such risks are monitored on a continuous basis and subject to annual or more frequent reviews.

Commitments to extend credit represent unused portions of credit in the form of loans, guarantees or letters of credit. The credit risk on off-balance sheet financial instruments is defined as a probability of losses due to the inability of a counterparty to comply with the contractual terms and conditions. With respect to credit risk on commitments to extend credit, the Bank is potentially exposed to a loss in an amount equal to the total unused commitments. However, the likely amount of the loss is less than the total unused commitments since most commitments to extend credit are contingent upon customers maintaining specific credit standards. The Bank applies the same credit policy to the contingent liabilities as it does to the balance sheet financial instruments, i.e. the one based on the procedures for approving the grant of loans, using limits to mitigate the risk, and current monitoring. The Bank monitors the term to maturity of credit commitments because longer term commitments generally have a greater degree of credit risk than short-term commitments.

Geographical concentration

The ALMC exercises control over the risk in the legislation and regulatory arena and assesses its influence on the Bank's activity. This approach allows the Bank to minimize potential losses from the investment climate fluctuations in the Republic of Kazakhstan. The Bank's Commercial Directorate sets up country limits, which mainly applies to banks of the Commonwealth of Independent States and Baltic countries.

The geographical concentration of assets and liabilities is set out below:

	Kazakhstan	Other non-OECD countries	OECD countries	2005 Total
	KZT'000	KZT'000	KZT'000	KZT'000
ASSETS				
Cash and balances with NBRK	2,031,871	-	-	2,031,871
Loans and advances to banks	352,666	6,443	760,019	1,119,128
Investments held-to-maturity	597,588	-	-	597,588
Fixed and intangible assets, less accumulated depreciation and amortisation	88,020	-	-	88,020
Other assets, less allowance for impairment losses	11,870	-	-	11,870
TOTAL ASSETS	3,082,015	6,443	760,019	3,848,477
LIABILITIES				
Customer accounts	2,219,612	-	-	2,219,612
Other liabilities	16,983	-	-	16,983
TOTAL LIABILITIES	2,236,595	-	-	2,236,595
NET BALANCE SHEET POSITION	845,420	6,443	760,019	

	Kazakhstan	Other non-OECD countries	OECD countries	2004 Total
	KZT'000	KZT'000	KZT'000	KZT'000
ASSETS				
Cash and balances with NBRK	220,980	-	-	220,980
Loans and advances to banks	803,751	420,678	15,068	1,239,497
Loans to customers, less allowance for impairment losses	254,187	-	-	254,187
Investments held-to-maturity	1,279,247	-	-	1,279,247
Fixed and intangible assets, less accumulated depreciation and amortisation	110,550	-	-	110,550
Other assets, less allowance for impairment losses	7,230	-	2,700	9,930
TOTAL ASSETS	2,675,945	420,678	17,768	3,114,391
LIABILITIES				
Customer accounts	1,651,518	-	-	1,651,518
Other liabilities	16,138	156,000	-	172,138
TOTAL LIABILITIES	1,667,656	156,000	-	1,823,656
NET BALANCE SHEET POSITION	1,008,289	264,678	17,768	