



OJSC “TEXAKABANK”

Financial Statements in Kazakhstani tenge

For the year ended 31 December 2003

in accordance with International Financial Reporting Standards
(with the Independent Auditor’s report thereon)

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Independent Auditor's Report

To the Board of Directors, OJSC "TEXAKABANK"

We have audited the accompanying balance sheet of OJSC "TEXAKABANK" (the "Bank"), as of 31 December 2003, and the related statements of income, cash flows and changes in shareholders' equity for the year then ended. These financial statements, as set out on pages 3 to 33, 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 as issued by the International Federation of Accountants. 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 2003 and the results of its operations, cash flows and changes in shareholders' equity for the year then ended in accordance with International Financial Reporting Standards promulgated by the International Accounting Standards Board.

Berdalina J.K.
Certified Auditor

Wilson Mitchell
Audit Partner

Managing Partner
KPMG Janat, LLC

*License # 6 dated 1 November 1996,
to conduct banking audits*

Almaty, Kazakhstan
10 February 2004



*KPMG Janat LLC, a company
registered under the laws of the
Republic of Kazakhstan, is a
member of KPMG International, a
Swiss cooperative.*

OJSC "TEXAKABANK"
Income Statement
*Prepared in accordance with International Financial Reporting Standards
for the year ended 31 December 2003*

		2003	2002
	Notes	KZT '000	KZT '000
Interest income	4	1,079,559	775,171
Interest expense	4	<u>(567,838)</u>	<u>(427,506)</u>
Net interest income		511,721	347,665
Fee and commission income	5	583,163	457,937
Fee and commission expense	5	<u>(69,400)</u>	<u>(51,520)</u>
Net fee and commission income		513,763	406,417
Net securities income/(loss)	6	317	(57,942)
Net foreign exchange income	7	12,765	62,765
Other income	8	<u>12,925</u>	<u>19,225</u>
Operating income		26,007	24,048
Impairment losses	9	(129,298)	(85,682)
General administrative expenses	10	<u>(744,951)</u>	<u>(556,237)</u>
Operating expenses		(874,249)	(641,919)
Income before tax		177,242	136,211
Income tax expense	11	(28,368)	(10,110)
Net income		<u>148,874</u>	<u>126,101</u>

The financial statements as set out on pages 3 to 33 were authorised for issue by the Management Board of the Bank on 10 February 2004.

Elena Messerle
Chairman

Vladimir Kim
Chief Accountant

The income statement is to be read in conjunction with the notes to, and forming part of, the financial statements.

OJSC "TEXAKABANK"**Balance Sheet**

Prepared in accordance with International Financial Reporting Standards
as of 31 December 2003

	Notes	2003 KZT '000	2002 KZT '000
ASSETS			
Cash		523,183	230,981
Due from the National Bank of the Republic of Kazakhstan	12	150,506	70,031
Placements with banks and other financial institutions	13	1,532,404	1,049,532
Financial instruments held for trading	14	100,364	248,145
Amounts receivable under reverse repurchase agreements	15	99,990	751,627
Loans to customers	16	7,853,191	5,149,637
Investments	17	998,366	675,888
Other assets	18	45,739	77,952
Property and equipment	19	1,065,789	864,084
Intangible assets	20	24,444	31,292
Total assets		12,393,976	9,149,169
LIABILITIES AND SHAREHOLDERS' EQUITY			
Deposits and balances from banks	21	619,289	405,104
Current accounts and deposits from customers	22	6,933,492	5,871,274
Issued bonds	23	3,040,539	1,577,137
Other liabilities	24	393,089	52,804
Deferred tax liability	25	20,753	4,910
Total liabilities		11,007,162	7,911,229
Shareholders' equity			
Share capital	26	973,380	973,380
Retained earnings		413,434	264,560
Total shareholders' equity		1,386,814	1,237,940
Total liabilities and shareholders' equity		12,393,976	9,149,169

The balance sheet is to be read in conjunction with the notes to, and forming part of, the financial statements.

OJSC "TEXAKABANK"
Statement of Cash Flows
*Prepared in accordance with International Financial Reporting Standards
for the year ended 31 December 2003*

	2003	2002
Note	KZT '000	KZT '000
CASH FLOWS FROM OPERATING ACTIVITIES		
Interest and fee and commission receipts	1,510,926	1,222,602
Interest and fee and commission payments	(553,568)	(521,991)
Net receipts/(payments) from securities trading	317	(57,942)
Net receipts from foreign exchange	12,765	62,765
Other income	12,925	19,225
General and administrative expenses	<u>(681,516)</u>	<u>(505,521)</u>
<i>Cash flow from operating income before changes in operating assets and liabilities</i>	<i>301,849</i>	<i>219,138</i>
(Increase)/decrease in operating assets and liabilities		
Minimum reserve requirements	(58,555)	5,780
Placements with banks and other financial institutions	(204,184)	(283,374)
Amounts receivable under reverse repurchase agreements	651,410	(751,264)
Financial instruments held for trading	148,148	(248,145)
Loans to customers	(2,673,762)	(1,476,818)
Other assets	32,200	(42,492)
Deposits and balances from banks	206,528	(87,317)
Current accounts and deposits from customers	1,052,523	2,450,297
Other liabilities	<u>304,153</u>	<u>41,969</u>
Net cash flows used in operating activities before taxes paid	(239,690)	(172,226)
Taxes paid	<u>(12,525)</u>	<u>(1,623)</u>
Cash flows used in operating activities	<u>(252,215)</u>	<u>(173,849)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments, net	(312,137)	149,680
Purchases of property and equipment, net	(257,923)	(229,630)
Purchases of intangible assets	<u>(369)</u>	<u>(1,565)</u>
Cash flows used in investing activities	<u>(570,429)</u>	<u>(81,515)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of bonds	<u>1,397,084</u>	<u>677,708</u>
Cash flows from financing activities	<u>1,397,084</u>	<u>677,708</u>
Effect of changes in exchange rates on cash and cash equivalents	9,711	1,052
Net increase in cash and cash equivalents	584,151	423,396
Cash and cash equivalents at the beginning of the year	<u>687,086</u>	<u>263,690</u>
Cash and cash equivalents at the end of the year	31 <u>1,271,237</u>	<u>687,086</u>

The statement of cash flows is to be read in conjunction with the notes, to and forming part of, the financial statements.

OJSC "TEXAKABANK"
Statement of Changes in Shareholders' Equity
*Prepared in accordance with International Financial Reporting Standards
for the year ended 31 December 2003*

	Share Capital	Share premium	Retained earnings	Total
	KZT'000	KZT'000	KZT'000	KZT'000
Balance as of 1 January 2002	641,500	85,419	384,920	1,111,839
Conversion of share capital	331,880	(85,419)	(246,461)	-
Net income for the year	-	-	126,101	126,101
Balance as of 31 December 2002	973,380	-	264,560	1,237,940
Net income for the year	-	-	148,874	148,874
Balance as of 31 December 2003	973,380	-	413,434	1,386,814

The statement of changes in shareholders' equity is to be read in conjunction with the notes, to and forming part of, the financial statements.

1. Background

(a) Principal activities

Closed Joint Stock Company “TEXAKABANK” (the “Bank”) was chartered as a closed joint stock company under the laws of the Republic of Kazakhstan on 1 July 1993. On 27 September 1993 the Bank received a general banking license, №32 (subsequently changed to №199 in 1996) issued by the National Bank of the Republic of Kazakhstan (the “NBRK”). The license allows the Bank to conduct all types of banking services. The Bank re-registered as an open joint stock company on 25 May 1998 and at the same time re-registered its new Charter. In July 2001 the Bank was re-named as OJSC “TEXAKABANK”.

The Charter capital of the Bank was initially set at 700,000 ordinary shares, each with a nominal value of United States dollars (“USD”) 10. On 9 September 2002 in accordance with the decision of the General shareholders’ meeting of 8 May 2002, the Bank issued an amendment to its Charter. The amendment converted the Bank’s Charter capital from USD to Kazakhstani tenge (“KZT”). The share capital of the Bank became 973,380 ordinary shares of KZT 1,000 each. These shares were issued to the shareholders in the ratio of their holdings in the USD denominated shares previously issued. The USD shares were then cancelled. On 16 October 2003 in accordance with the decision of the General shareholders’ meeting of 26 May 2003, NBRK registered 1,026,620 shares to increase its authorised share capital to 2,000,000 shares of KZT 1,000 tenge each.

The Bank provides general banking services to its clients: accepts deposits from banks, legal entities and individuals, conducts treasury operations, makes loans, transfers payments within Kazakhstan and abroad, exchanges currencies and provides other banking services.

On 15 July 1999 the Bank also obtained a state license for performing broker and dealer activity on the securities market with the right to maintain client accounts.

The Bank’s head office is located in Almaty, the Republic of Kazakhstan, 28, Kaldayakova Street. The Bank’s network is 32 settlement-cash offices in Almaty, 2 settlement-cash offices and one branch in Astana, 2 settlement-cash offices and one branch in Uralsk, and branch in Atyrau, which was registered on November 18, 2003.

The Bank participates in the system of mandatory collective guarantee (insurance) of contributions (deposits) of individuals of the Republic of Kazakhstan and has the Certificate #0021 dated 31 May 2001 (subsequently changed to #020 dated 10 December 2002) for this activity.

(b) Kazakhstan business environment and country risk

The economic environment of Kazakhstan has been assessed by international rating agencies. In 2003 the country rating of Kazakhstan was increased by three international rating organizations. Standard & Poor’s increased the long-term currency rating to BB+ and the long-term rating of borrowings in the national currency up to BBB-. Moody’s Investors Service increased the rating of long-term debentures of Kazakhstan in foreign currency up to Baa3 and the rating of promissory notes of Kazakhstan in the national currency up to Ba1. Fitch increased the rating of the long-term borrowings in foreign currency up to BB+ and the national currency up to BBB-.

1. Background (continued)

(b) Kazakhstani business environment and country risk (continued)

The Bank's operations are subject to country risk being the economic, political, and social risks inherent in doing business in Kazakhstan. These risks include matters arising out of the policies of the government, economic conditions, imposition of or changes to taxes and regulations, foreign exchange fluctuations and the enforceability of contract rights.

The accompanying financial statements reflect management's assessment of the impact of the Kazakhstan business environment on the operations and the financial position of the Bank. The future business environment may differ from management's assessment.

2. Basis of preparation

(a) Statement of compliance

The Bank maintains its accounting records in accordance with the legislative requirements of the Republic of Kazakhstan. The accompanying financial statements have been prepared from those accounting records and adjusted as necessary to comply with the requirements of International Financial Reporting Standards ("IFRS") promulgated by the International Accounting Standards Board ("IASB").

(b) Basis of measurement

The financial statements are prepared on a fair value basis for derivative financial instruments, financial assets and liabilities held for trading and available for sale assets, except those for which a reliable measure of fair value is not available. Other financial assets and liabilities and non-financial assets and liabilities are stated at amortised cost or historical cost.

© Measurement and Presentation Currency

The national currency of the Republic of Kazakhstan is the KZT. Management have determined the Bank's measurement currency to be the KZT as it reflects the economic substance of the underlying events and circumstances of the Bank. The KZT is also the Bank's presentation currency for the purposes of these financial statements.

Financial information presented in KZT has been rounded to the nearest thousand.

(d) Convertibility of the Tenge

The KZT is not a convertible currency outside the Republic of Kazakhstan and, accordingly, any conversion of KZT amounts to foreign currency should not be construed as a representation that KZT amounts have been, could be, or will be in the future, convertible into foreign currency at the exchange rate shown, or at any other exchange rate.

2. Basis of preparation (continued)

(e) Going concern

The accompanying financial statements have been prepared on a going concern basis, which contemplates the realisation of assets and the satisfaction of liabilities in the normal course of business. The recoverability of the Bank’s assets, as well as the future operation of the Bank, may be significantly affected by the current and future economic environment (refer note 1 (b)). The accompanying financial statements do not include any adjustments should the Bank be unable to continue as a going concern.

3. Significant accounting policies

The following significant accounting policies have been applied in the preparation of the financial statements. These accounting policies have been consistently applied.

(a) Foreign currency transactions

Transactions in foreign currencies are translated to KZT at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to KZT at the foreign exchange rate reported by the Kazakhstani Stock Exchange at that date. Foreign exchange differences arising on translation are recognised in the income statement. Non-monetary assets and liabilities denominated in foreign currencies, which are stated at historical cost, are translated to KZT at the foreign exchange rate ruling at the date of the transaction. The currency rates as 31 December 2003 and 2002 are as follows:

<i>Currency</i>	2003	2002
1 United States Dollar (“USD”)	144.22	155.85
1 Euro	180.23	162.47
1 Russian Rouble	4.93	4.90

(b) Cash and cash equivalents

The Bank considers cash balances, balances with the NBRK, excluding the minimum reserve requirements of the NBRK and nostro accounts and overnight deposits in other banks to be cash and cash equivalents.

© Financial instruments

(i) Classification

Trading instruments are those that the Bank principally holds for the purpose of short-term profit taking. These include investments and derivative contracts that are not designated as effective hedging instruments and liabilities from short sales of financial instruments. All trading derivatives in a net receivable position (positive fair value), as well as options purchased, are reported as an asset. All trading derivatives in a net payable position (negative fair value), as well as options written, are reported as a liability.

Originated loans and receivables are loans and receivables created by the Bank providing money to a debtor other than those created with the intention of short-term profit taking. Originated loans and receivables comprise loans and advances to banks and customers other than purchased loans.

3. Significant accounting policies (continued)

© Financial instruments (continued)

(i) Classification (continued)

Held-to-maturity assets are financial assets with fixed or determinable payments and fixed maturity that the Bank has the intent and ability to hold to maturity.

Available-for-sale assets are financial assets that are not held for trading purposes, originated by the Bank or held to maturity.

(ii) Recognition

The Bank recognises financial instruments held for trading and available-for-sale assets on the date it commits to purchase the assets.

Held-to-maturity assets and originated loans and receivables are recognised on the day they are transferred to or originated by the Bank.

(iii) Measurement

Financial instruments are measured initially at cost, including transaction costs.

Subsequent to initial recognition all trading instruments and all available-for-sale assets are measured at fair value, except that any instrument that does not have a quoted market price in an active market and whose fair value cannot be reliably measured is stated at cost, including transaction costs, less impairment losses.

All non-trading financial liabilities, originated loans and receivables and held-to-maturity assets are measured at amortised cost less impairment losses. Amortised cost is calculated on the effective interest rate method. Premiums and discounts, including initial transaction costs, are included in the carrying amount of the related instrument and amortised based on the effective interest rate of the instrument.

(iv) Fair value measurement principles

The fair value of financial instruments is based on their quoted market price at the balance sheet date without any deduction for transaction costs. If a quoted market price is not available, the fair value of the instrument is estimated using pricing models or discounted cash flow techniques.

Where discounted cash flow techniques are used, estimated future cash flows are based on management's best estimates and the discount rate is a market related rate at the balance sheet date for an instrument with similar terms and conditions. Where pricing models are used, inputs are based on market related measures at the balance sheet date.

The fair value of derivatives that are not exchange-traded is estimated at the amount that the Bank would receive or pay to terminate the contract at the balance sheet date taking into account current market conditions and the current creditworthiness of the counterparties.

3. Significant accounting policies (continued)

(c) Financial instruments (continued)

(v) Gains and losses on subsequent measurement

Gains and losses arising from a change in the fair value of all trading instruments and available-for-sale securities are recognised in the income statement.

(vi) Derecognition

A financial asset is derecognised when the Bank loses control over contractual rights that comprise that asset. This occurs when the rights are realised, expire or are surrendered. A financial liability is derecognised when it is extinguished.

Available-for-sale assets and assets held for trading that are sold are derecognised and corresponding receivables from the buyer for the payment are recognised as of the date the Bank commits to sell the asset. The Bank uses the specific identification method to determine the gain or loss on derecognition.

Held-to-maturity instruments and originated loans and receivables are derecognised on the day they are transferred by the Bank.

(d) Repurchase and reverse repurchase agreements

Securities sold under agreements to repurchase are retained within the trading or available-for-sale securities portfolios and accounted for accordingly. Liability accounts are used to record the obligation to repurchase. The difference between the sale and repurchase price represents interest expense and is recognised in the income statement over the term of the repurchase agreement.

Securities held under reverse repurchase agreements are recorded as receivables. The difference between the purchase and sale price represents interest income and is recognised in the income statement over the term of the reverse repurchase agreement. The receivables due under reverse repurchase agreements are shown net of provisions for impairment, if any.

(e) Offsetting

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

3. Significant accounting policies (continued)

(f) Property and equipment

(i) Owned assets

Items of property and equipment are stated at cost less accumulated depreciation (refer below) and impairment losses (refer to note 3(h) below). The cost for self-constructed assets includes the cost of materials, direct labour and an appropriate proportion of production overheads.

Where an item of property and equipment comprises major components having different useful lives, they are accounted for as separate items of property and equipment.

(ii) Leased assets

Leases under the terms of which the Bank assumes substantially all the risks and rewards of ownership are classified as finance leases. Equipment acquired by way of finance lease is stated at an amount equal to the lower of its fair value and the present value of the minimum lease payments at inception of the lease, less accumulated depreciation (refer below) and impairment losses (refer to Note 3(h) below).

Operating leases, under the terms of which the Bank does not assume substantially all the risks and rewards of ownership, are expensed.

(iii) Depreciation

Depreciation is charged to the income statement on a straight-line basis over the estimated useful lives of the individual assets. Depreciation commences upon the date of acquisition or, in respect of internally constructed assets, from the time an asset is completed and ready for use. Land is not depreciated. The estimated useful lives are as follows:

Buildings	13 years
Vehicles	15 years
Computers	4 years
Fixtures and fittings	4 to 13 years

(g) Intangible Assets

(i) Intangible assets

Intangible assets, which are acquired by the Bank, are stated at cost less accumulated amortisation and impairment losses.

3. Significant accounting policies (continued)

(g) Intangible Assets (continued)

(ii) Amortisation

Amortisation is charged to the income statement on a straight-line basis over the estimated useful lives of intangible assets. Amortisation commences from the first day of the month subsequent to the date the asset is available for use. The estimated useful lives are as follows:

Software	7 years
Other intangible assets	7 years

(h) Impairment

The carrying amounts of the Bank's assets, other than deferred tax assets, are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount.

(i) Calculation of recoverable amount

The recoverable amount of the Bank's investments in held-to-maturity securities and receivables is calculated as the present value of expected future cash flows, discounted at the original effective interest rate inherent in the asset. Receivables with a short duration are not discounted. The recoverable amount of the Bank's trading investments and investments available-for-sale is their fair value.

The recoverable amount of other assets is the greater of their net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

(ii) Reversals of impairment

An impairment loss in respect of a held-to-maturity security or receivable is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised.

In respect of other assets, an impairment loss is reversed if there has been a change in the estimates used to determine the receivable amount.

An impairment loss is only reversed to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3. Significant accounting policies (continued)

(i) Interest bearing borrowings

Interest-bearing borrowings are recognised initially at cost, net of any transaction costs incurred. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in the income statement over the period of the borrowings.

When borrowings are repurchased or settled before maturity, any difference between the amount repaid and the carrying amount is recognised immediately in the income statement.

(j) Provisions

A provision is recognised in the balance sheet when the Bank has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

(k) Taxation

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the income statement.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Temporary differences are not provided for if they relate to the initial recognition of assets or liabilities that affect neither accounting nor taxable profit. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantially enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary differences unused tax losses and credits can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

3. Significant accounting policies (continued)

(l) Interest income

Interest income and expense is recognized in the income statement as it accrues, taking into account the effective yield of the asset. Interest income and expense includes the amortization of any discount or premium or other differences between the initial carrying amount of an interest bearing instrument and its amount at maturity calculated on an effective interest rate basis.

(m) Fee and commission income

Fee and commission income is recognized when the corresponding service is provided.

(n) Net securities trading income

Net securities trading income includes realized and unrealized gains and losses arising from dealing operations and the fair value revaluation of securities held for trading and available for sale.

(o) Net foreign exchange income

Net foreign exchange income includes gain and losses arising from foreign currency operations and from the revaluation of assets and liabilities denominated in foreign currencies.

(p) Employee benefits

(i) Pension payments

The Bank makes payments to the pension fund on behalf of its employees according to the approved requirements on pension security in the Republic of Kazakhstan. These amounts are withheld from the employees' salaries and are recorded in the income statement as salary expenses.

The Bank does not have any other liabilities in respect of pensions.

(ii) Social Tax

The Bank is committed to paying social taxes calculated at 21% of the total salaries paid to its employees. These costs are recorded in the income statement as part of employee compensation.

4. Interest income and interest expense

	2003	2002
	KZT '000	KZT '000
Interest income		
Loans to customers	990,910	673,320
Investments	55,463	73,806
Placements with banks and other financial institutions	33,186	28,045
	<u>1,079,559</u>	<u>775,171</u>
Interest expense		
Current accounts and deposits from customers	(282,115)	(194,417)
Issued bonds	(270,284)	(181,290)
Deposits and balances from banks	(15,439)	(51,799)
	<u>(567,838)</u>	<u>(427,506)</u>

5. Fee and commission income and expense

	2003	2002
	KZT '000	KZT '000
Fee and commission income		
Cash transactions	198,793	140,678
Transfer transactions	176,137	132,551
Sale/purchase of foreign currencies	108,689	105,076
Clients accounts and deposit maintenance	38,155	35,750
Guarantees issued	32,075	8,393
Plastic cards	12,256	8,773
Documentary settlements	6,643	18,768
Other	10,415	7,948
	<u>583,163</u>	<u>457,937</u>
Fee and commission expense		
Plastic cards	(13,734)	(9,687)
Transfer transactions	(5,444)	(6,613)
Sale/purchase of securities	(4,120)	(2,881)
Insurance policy sales	(1,424)	(2,188)
Other	(44,678)	(30,151)
	<u>(69,400)</u>	<u>(51,520)</u>

6. Net securities income/(loss)

	2003	2002
	KZT '000	KZT '000
Unrealized gain/(loss) from revaluation of securities	8,067	(55,443)
Expenses from sale/purchase of securities	(7,750)	(2,499)
	<u>317</u>	<u>(57,942)</u>

7. Net foreign exchange income

	2003	2002
	KZT '000	KZT '000
Income from sale/purchase of foreign currency	85,819	54,053
Gain/(loss) from revaluation of financial assets and liabilities	(73,054)	8,712
	12,765	62,765

8. Other income

	2003	2002
	KZT '000	KZT '000
Profit on sale of property	5,066	10,043
Penalties and fines	4,072	459
Other	3,787	8,723
	12,925	19,225

9. Impairment losses

	2003	2002
	KZT '000	KZT '000
Impairment losses		
Loans to customers	93,153	85,682
Off balance sheet credit risk	36,132	-
Other assets	13	-
	129,298	85,682

10. General administrative expenses

	2003	2002
	KZT '000	KZT '000
Employee compensation	248,635	171,646
Rent	92,316	53,454
Depreciation and amortization	79,704	50,716
Taxes other than income tax	75,162	57,686
Administrative expenses	58,951	52,726
Repairs and maintenance	37,491	49,138
Business trips	29,736	23,112
Advertising and marketing	27,940	24,880
Representative expenses	8,976	439
Transport	7,131	5,042
Security	6,002	5,165
Professional services	5,381	6,025
Loss from sale of property	4,225	17,672
Miscellaneous	63,301	38,536
	744,951	556,237

11. Income tax expense

	2003	2002
	KZT '000	KZT '000
<i>Current tax expense</i>		
Total current tax expense	<u>12,525</u>	<u>5,200</u>
<i>Deferred tax expense</i>		
Origination of temporary differences	<u>15,843</u>	<u>4,910</u>
Total income tax expense in the income statement	<u>28,368</u>	<u>10,110</u>

The Bank's applicable tax rate is 30% (2002 – 30%).

Reconciliation of the effective tax rate:

	2003		2002	
	KZT '000	%	KZT '000	%
Income before tax	<u>177,242</u>	<u>100.0</u>	<u>136,211</u>	<u>100.0</u>
Income tax using the applicable tax rate	53,173	30.0	40,863	30.0
Non-deductible costs and non-taxable income	(24,805)	(14.0)	(15,844)	(11.7)
Unrecognised deferred tax asset	<u>-</u>	<u>-</u>	<u>(14,909)</u>	<u>(10.9)</u>
	<u>28,368</u>	<u>16.0</u>	<u>10,110</u>	<u>7.4</u>

12. Due from the National Bank of the Republic of Kazakhstan

	2003	2002
	KZT '000	KZT '000
Correspondent accounts with the NBRK (see note 31)	<u>150,506</u>	<u>70,031</u>

13. Placements with banks and other financial institutions

	2003	2002
	KZT '000	KZT '000
Deposits	695,388	491,204
Overnight deposits	619,926	390,265
Nostro accounts (see note 31)	207,379	167,011
Accrued income	<u>9,711</u>	<u>1,052</u>
	<u>1,532,404</u>	<u>1,049,532</u>

As at 31 December 2003 the Bank had 2 (2002: 5) deposits, each one of which was for a value greater than 10% of the total placements with banks. The gross value of these deposits as of 31 December 2003 was KZT 749,944 thousand (2002: KZT 830,795 thousand).

14. Financial instruments held for trading

	2003 KZT '000	2002 KZT '000
Government bonds	100,364	140,707
Notes of the NBRK	-	49,706
KazTransOil bonds	-	57,732
	<u>100,364</u>	<u>248,145</u>

15. Amounts receivable under reverse repurchase agreements

	2003 KZT '000	2002 KZT '000
Amounts receivable with customers under reverse repurchase agreements	99,990	290,202
Amounts receivable with Kazakhstani banks under reverse repurchase agreements	-	461,425
	<u>99,990</u>	<u>751,627</u>

Collateral security

As of 31 December 2003, amounts receivable under reverse repurchase agreements were collateralised by the following securities:

	Fair value 2003 KZT '000	Fair value 2002 KZT '000
Equity investments	99,854	98,536
Short term government bonds	-	421,435
Long term government bonds	-	259,325
	<u>99,854</u>	<u>779,296</u>

16. Loans to customers

Industry and geographical analysis of the loan portfolio

Loans to customers are issued primarily to customers located within the Republic of Kazakhstan and who operate in the following economic sectors:

	2003	2002
	KZT '000	KZT '000
Retail		
Individuals	1,137,997	96,826
Commercial customers		
Wholesale trade	2,646,846	1,848,527
Construction	1,378,519	1,238,082
Transport	1,106,302	752,443
Food industry	389,297	254,564
Entertainment	159,238	175,717
Hotels and restaurants	95,499	111,786
Mineral production	55,368	28,054
Publishing	41,354	61,831
Timber	7,976	385,496
Metallurgy	-	155,000
Other	964,125	200,434
Accrued income on loans to customers	191,504	68,559
	8,174,025	5,377,319
Provisions	(320,834)	(227,682)
	7,853,191	5,149,637

Concentration of loans to customers

As at 31 December 2003 the Bank did not have any borrowers (2002: nil) whose loan balance was greater than 10% of total loans to customers.

Analysis of movements in the provision against loans

	2003	2002
	KZT '000	KZT '000
Balance at the beginning of the year	(227,682)	(142,000)
Net charge for the year (Note 9)	(93,152)	(85,682)
Balance at the end of the year	(320,834)	(227,682)

Loan maturities

The maturity of the Bank's loan portfolio is presented in Note 34 which shows the remaining period from the reporting date to the contractual maturity of the loans comprising the loan portfolio. Due to the short term nature of a number of the credits issued by the Bank, it is possible that loans to customers will be prolonged on maturity. Accordingly, the effective maturity of the loan portfolio may be significantly longer than the classification indicated based on contractual terms.

17. Investments

	2003	2002
	KZT '000	KZT '000
Available for sale		
<i>Debt instruments - listed</i>		
Government bonds:		
Kazakh Government Ministry of Finance Eurobonds	638,766	526,708
Kazakh Government Ministry of Finance Bonds	323,420	-
<i>Equity investments</i>		
Kazakhstan Stock Exchange	200	200
	<u>962,386</u>	<u>526,908</u>
Held-to-maturity		
<i>Debt instruments – listed</i>		
Corporate bonds:		
Kazakh Government Ministry of Finance Bonds	35,980	-
RG Brands Bonds	-	148,980
	<u>35,980</u>	<u>148,980</u>
	<u>998,366</u>	<u>675,888</u>

The Bank has deposits from a foreign bank and has provided part of government eurobonds as collateral (see note 21).

18. Other assets

	2003	2002
	KZT '000	KZT '000
Settlements with employees	2,614	838
Inventory	2,348	5,849
Transit accounts	2,341	25,708
Prepayments	2,341	3,905
Tax prepayments	585	6,961
Other debtors	35,523	34,691
Allowances for other assets (Note 9)	(13)	-
	<u>45,739</u>	<u>77,952</u>

19. Property and equipment

<u>In thousands of KZT</u>	Land and building	Vehicles	Computers	Fixture and fittings	CIP	Total
Cost						
At 1 January 2003	658,565	62,479	66,524	153,392	11,398	952,358
Additions	11,520	23,503	60,512	69,567	128,589	293,691
Disposals	<u>(10,171)</u>	<u>(10,418)</u>	<u>(10,333)</u>	<u>(4,846)</u>	-	(35,768)
At 31 December 2003	<u>659,914</u>	<u>75,564</u>	<u>116,703</u>	<u>218,113</u>	<u>139,987</u>	1,210,281
At 1 January 2003	16,423	16,229	29,213	26,409	-	88,274
Depreciation charge	34,963	4,347	16,955	16,222	-	72,487
Disposals	<u>-</u>	<u>(5,362)</u>	<u>(8,957)</u>	<u>(1,950)</u>	-	(16,269)
At 31 December 2003	<u>51,386</u>	<u>15,214</u>	<u>37,211</u>	<u>40,681</u>	-	144,492
Carrying value						
At 31 December 2003	<u>608,528</u>	<u>60,350</u>	<u>79,492</u>	<u>177,432</u>	<u>139,987</u>	<u>1,065,789</u>
At 31 December 2002	<u>642,142</u>	<u>46,250</u>	<u>37,311</u>	<u>126,983</u>	<u>11,398</u>	<u>864,084</u>

20. Intangible assets

<u>In thousands of KZT</u>	License	Software	Total
Cost			
At 1 January 2003	826	49,566	50,392
Additions	<u>-</u>	<u>369</u>	369
At 31 December 2003	<u>826</u>	<u>49,935</u>	50,761
Amortisation			
At 1 January 2003	-	19,100	19,100
Charge for the year	<u>-</u>	<u>7,217</u>	7,217
At 31 December 2003	<u>-</u>	<u>26,317</u>	26,317
Carrying value			
At 31 December 2003	<u>826</u>	<u>23,618</u>	<u>24,444</u>
At 31 December 2002	<u>826</u>	<u>30,466</u>	<u>31,292</u>

21. Deposits and balances from banks

	2003 KZT '000	2002 KZT '000
Amounts payable under repurchase agreements	542,888	-
Term deposits	68,000	404,360
Accrued interest	8,401	744
	<u>619,289</u>	<u>405,104</u>

Concentration of deposits and balances from banks

As at 31 December 2003 the Bank had a account payable under repurchase agreements (deposit) from one foreign bank (2002: 1), received on the security of Bank's investments, totalling KZT 542,888 thousand (2002: 404,360).

22. Current accounts and deposits from customers

	2003 KZT '000	2002 KZT '000
Term deposits	4,535,808	3,298,129
Current accounts	1,890,488	2,204,051
Demand deposits	439,012	310,605
Accrued interest	68,184	58,489
	<u>6,933,492</u>	<u>5,871,274</u>

Concentration of current accounts and deposits from customers

As at 31 December 2003 and 2002, the Bank did not have any exposures to customers who maintained deposits which individually exceeded 10% of the total current accounts and deposits from customers.

23. Issued bonds

	2003 KZT '000	2002 KZT '000
Bonds issued with the period of repayment more than 5 years	1,706,102	-
Bonds issued with the period of repayment less than 5 years	1,193,119	1,502,137
Accrued interest	141,318	75,000
	<u>3,040,539</u>	<u>1,577,137</u>

The bonds with the maturity less than 5 years bear interest at 15% per annum which is payable twice a year. The maturity of the bonds is 1 September 2006.

The bonds with the maturity more than 5 years bear interest at 11% per annum which is payable twice a year. The maturity of the bonds is 4 July 2010.

The Bank has right to repurchase these bonds from holders at market prices during their terms.

24. Other liabilities

	2003 KZT '000	2002 KZT '000
Other transit accounts	304,246	33,353
Provisions for off balance sheet credit risk (Note 9)	36,132	-
Advances received	2,434	10,836
Tax settlements	648	6,787
Other creditors	49,629	1,828
	393,089	52,804

25. Deferred tax liability

Temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes give rise to net deferred tax liabilities as of 31 December 2003 and 2002. These unrecorded deductible temporary differences, which have no expiry dates, are listed below at their tax effected accumulated values:

<u>In thousands of KZT</u>	Assets		Liabilities		Net	
	2003	2002	2003	2002	2003	2002
Property and equipment	-	-	(21,480)	(10,490)	(21,480)	(10,490)
Intangible assets	723	52	-	-	723	52
Loans to customers	-	325	-	-	-	325
Other	4	5,203	-	-	4	5,203
Net deferred tax assets/(liabilities)	<u>727</u>	<u>5,580</u>	<u>(21,480)</u>	<u>(10,490)</u>	<u>(20,753)</u>	<u>(4,910)</u>

Movement in temporary differences during the year

<u>In thousands of KZT</u>	Balance 1 January 2003	Recognised in income	Balance 31 December 2003
Property and equipment	(10,490)	(10,990)	(21,480)
Intangible assets	52	671	723
Loans to customers	325	(325)	-
Other	5,203	(5,199)	4
Net deferred tax assets/(liabilities)	<u>(4,910)</u>	<u>(15,843)</u>	<u>(20,753)</u>

26. Share capital

As at 31 December 2003 the authorised share capital consists of 2,000,000 ordinary shares with a par value of KZT 1,000 each. Issued and outstanding share capital was 973,380 ordinary shares with a par value of KZT 1,000 each.

Dividends

Dividends payable are restricted to the maximum retained earnings of the Bank which are determined according to legislation of the Republic of Kazakhstan.

During 2003 there were no dividends distributed to shareholders.

27. Risk management

Management of risk is fundamental to the business of banking and is an essential element of the Bank's operations. The major risks faced by the Bank are those related to credit exposures, liquidity and movements in interest rates and foreign exchange rates. These risks are managed in the following manner:

(i) Credit risk

Credit risk is the risk of financial loss occurring as a result of default by a borrower or counterparty on their obligation to the Bank.

The Bank has developed policies and procedures for the management of credit exposures, including guidelines to limit portfolio concentration and the establishment of a Credit Committee which actively monitors the Bank's credit risk.

The Bank's credit policy is reviewed and approved by the Board of Directors.

27. Risk management (continued)

(ii) Interest rate risk

Interest rate risk is measured by the extent to which changes in market interest rates impact on margins and net interest income. To the extent the term structure of interest bearing assets differs from that of liabilities, net interest income will increase or decrease as a result of movements in interest rates.

Interest rate risk is managed by increasing or decreasing positions within limits specified by the Bank's management. These limits restrict the potential effect of movements in interest rates on current earnings and on the value of interest sensitive assets and liabilities.

The Bank's interest rate policy is reviewed and approved by the Board of Directors.

See Note 33 "Average effective interest rates".

(iii) Liquidity risk

The Bank maintains liquidity management with the objective of ensuring that funds will be available at all times to honour all cash flow obligations as they become due.

The Bank's liquidity policy is reviewed and approved by the Board of Directors.

See Note 34 "Maturity analysis".

(iv) Foreign exchange rate risk

The Bank has assets and liabilities denominated in several foreign currencies. Foreign currencies risk arises when the actual or forecasted assets in a foreign currency are either greater or less than the liabilities in that currency.

The Bank's foreign currency policy is reviewed and approved by the Board of Directors.

See Note 35 "Currency analysis".

28. Commitments

A portion of the Bank's activities relates to off-balance sheet trade finance products. The Bank enters into commitments and assumes contingent liabilities in the normal course of business to meet the financing need of its customers. These commitments include credit instruments which represent varying degrees of risk exposure in excess of amounts indicated in the balance sheet.

The contractual amounts of commitments and contingent liabilities are set out in the following table by category. The amounts reflected for loan commitments represent the total value of approved loans (not yet advanced to customers) as at the balance sheet date. The amounts reflected in the table for guarantees and letters of credit represent the maximum accounting loss that would be recognised at the balance sheet date if counterparties failed completely to perform as contracted.

	2003	2002
	KZT '000	KZT '000
<i>Contracted amount</i>		
Loan commitments	1,877,617	325,961
Guarantees	1,123,463	496,569
Letters of credit	18,577	65,649
	<u>3,019,657</u>	<u>888,179</u>

The total outstanding contractual commitments to extend credit indicated above does not necessarily represent future cash requirements, as many of these commitments may expire or terminate without being funded.

At 31 December 2003 the extent of collateral held for guarantees and letters of credit varies from 0% to 100%, with an average of 34% (2002: 33%).

(i) Operating lease commitments

Non-cancellable operating lease rentals are payable as follows:

	2003	2002
	KZT'000	KZT'000
Between one and five years	62,446	65,384
Not later than one year	29,870	65,384
	<u>92,316</u>	<u>130,768</u>

29. Contingencies

(i) Insurance

The insurance industry in the Republic of Kazakhstan is in a developing state and many forms of insurance protection common in other parts of the world are not yet generally available. The Bank does not have full coverage for its premises and equipment, business interruption, or third party liability in respect of property or environmental damage arising from accidents on Bank property or relating to Bank operations. Until the Bank obtains adequate insurance coverage, there is a risk that the loss or destruction of certain assets could have a material adverse effect on the Bank's operations and financial position.

(ii) Litigation

The Bank is not involved in legal proceedings, including arbitration, other than routine legal proceedings in the ordinary course of business. In the opinion of management, the final disposition of these legal proceedings will not have a material adverse effect on the financial condition or results of operations of the Bank.

(iii) Taxation contingencies

The taxation system in the Republic of Kazakhstan is relatively new and is characterised by numerous taxes and frequently changing legislation, which is often unclear, contradictory, and subject to interpretation. Often, differing interpretations exist among numerous taxation authorities and jurisdictions. Taxes are subject to review and investigation by a number of authorities, who are enabled by law to impose severe fines, penalties and interest charges.

These facts may create tax risks in the Republic of Kazakhstan substantially more significant than in other countries. Management believes that it has adequately provided for tax liabilities based on its interpretation of tax legislation. However, the relevant authorities may have differing interpretations and the effects could be significant.

30. Related party transactions

The outstanding balances at 31 December 2003 and 2002 with related parties, which include the shareholders and the Bank's management, are as follows:

Transactions with directors and officials

Total remuneration included in employee compensation (refer note 10):

	2003 KZT '000	2002 KZT '000
Board of Management	20,560	24,578

30. Related party transactions (continued)

Transactions with shareholders

Amounts included in the balance sheet in relation to shareholders' transactions are as follows:

	2003 KZT '000	Average Interest Rate	2002 KZT '000	Average Interest Rate
Assets				
Loans to customers	1,422	15.1	1,553	15
Liabilities				
Current accounts and deposits from customers	15	-	2,233	5.6

Amounts included in the income statement in relation to shareholders' transactions are as follows:

	2003 KZT '000	2002 KZT '000
Interest income	27	11
Interest expense	-	137

31. Cash and cash equivalents

Cash and cash equivalents at the end of the financial year as shown in the statement of cash flow is composed of the following items:

	2003 KZT '000	2002 KZT '000
Overnight deposits in other banks (see note 13)	619,926	390,265
Cash	523,183	230,981
Nostro accounts with other banks (see note 13)	207,379	167,011
Correspondent account with the NBRK (see note 12)	150,506	70,031
Minimum reserve requirements of the NBRK	(229,757)	(171,202)
	<u>1,271,237</u>	<u>687,086</u>

The NBRK sets up minimum requirements as a measure of regulating activities of the banks of the Republic of Kazakhstan and protecting interests of depositors. The amount of the minimum reserve is determined as a fixed percentage of all deposit obligations of the Bank to individuals and legal entities other than banks. The Bank is liable either to deposit the required amount to the NBRK's accounts calculated as of the first day of the following month or to allocate funds to cash and their equivalents so that the average monthly balance of these funds exceeds the minimum reserve.

32. Fair value of financial instruments

The Bank has performed an assessment of its financial instruments, as required by IAS 32 *Financial Instruments: Disclosure and Presentation*, to determine whether it is practicable within the constraints of timeliness and cost to determine their fair values with sufficient reliability.

Based on this assessment the Bank has concluded that due to the lack of liquidity and published “indicator interest rates” in the Kazakhstan markets it is not possible to determine the fair value of many of its financial assets and financial liabilities.

The financial assets and financial liabilities that the Bank does believe it is able to estimate fair values for include cash, due from the NBRK, financial instruments held for trading, available for sale investments and non-Kazakhstani placements with banks and deposits and balances from banks. The Bank estimates the fair value of these assets to be not materially different from their carrying values.

This estimate of fair value is intended to approximate the amount at which the above listed assets could be exchanged in a current transaction between willing parties. However given the uncertainties and the use of subjective judgement, the fair value should not be interpreted as being realisable in an immediate sale of the assets.

33. Average effective interest rates

The table below displays the Bank's interest bearing assets and liabilities as at the balance sheet dates and their corresponding range of effective interest rates as at those dates. Amounts of interest bearing assets and liabilities presented with related accrued income or expense at the end of year.

	Value KZT '000	2003 Range of effective interest rates %	Value KZT '000	2002 Range of effective interest rates %
Interest Bearing Assets				
Placements with banks and other financial institutions				
	1,532,404		1,049,532	
- KZT	456,147	1.5 - 11.5	411,052	1.5 - 12
- USD	1,061,589	0.55 - 4.74	572,030	0.55 - 4.74
- Other currency	14,668	-	66,450	-
Financial instruments held for trading				
	100,364		248,145	
- KZT	100,364	6.09	190,413	5.14 - 7.5
- USD			57,732	6.5
Amounts receivable under reverse repurchase agreements				
	99,990		751,627	
- KZT	99,990	7.11	751,627	5.14 - 7.5
Loans to customers				
	7,853,191		5,149,637	
- KZT	3,779,401	8 - 26	2,065,296	5.5 - 22
- USD	3,647,087	11.5 - 18	3,084,341	6.3 - 18
- Other currency	426,703	14 - 14.5	-	-
Investments				
	998,366		675,888	
- KZT	359,600	6.1 - 10.5	-	-
- USD	638,766	11.12 - 13.62	675,888	11.5 - 13.62
Interest Bearing Liabilities				
Deposits and balances from banks				
	619,289		405,104	
- KZT	68,001	0.65	155,744	13
- USD	551,288	3.13 - 3.35	249,360	2.4
Current accounts and deposits from customers				
	6,933,492		5,871,274	
- KZT	2,410,593	4.3 - 15.5	1,912,254	7.5
- USD	4,283,957	2 - 10	3,912,589	7
- Other currency	238,942	2.5 - 7.6	46,431	6
Issued bonds				
	3,040,539		1,577,137	
- KZT	3,040,539	11 - 15	1,577,137	15

34. Maturity analysis

The following table shows assets and liabilities by remaining contractual maturity dates as at 31 December 2003. Due to the fact that substantially all the financial instruments of by the Bank are fixed rated contracts, these remaining contractual maturity dates also represent the contractual interest rate repricing dates.

	Less than 1 month KZT '000	1 to 6 months KZT '000	6 months to 1 year KZT '000	1 year to 5 years KZT '000	More than 5 years KZT '000	No maturity KZT '000	Total KZT '000
Assets							
Cash	523,183	-	-	-	-	-	523,183
Due from the NBRK	150,506	-	-	-	-	-	150,506
Placements with banks and other financial institutions	897,326	216,840	-	418,238	-	-	1,532,404
Financial instruments for trading	-	-	-	100,364	-	-	100,364
Amounts receivable under reverse repurchase agreements	99,990	-	-	-	-	-	99,990
Loans to customers	205,787	1,063,521	727,554	5,140,378	715,951	-	7,853,191
Investments	-	35,980	447,089	515,097	200	-	998,366
Other assets	4,694	-	37,941	-	3,104	-	45,739
Property and equipment	-	-	-	-	-	1,065,789	1,065,789
Intangible assets	-	-	-	-	-	24,444	24,444
Total assets	1,881,486	1,316,341	1,212,584	6,174,077	719,255	1,090,233	12,393,976
Liabilities							
Deposits and balances from banks	68,001	401,001	150,287	-	-	-	619,289
Current accounts and deposits from customers	2,547,890	1,098,223	932,312	2,354,946	121	-	6,933,492
Issued bonds	141,318	-	-	1,193,119	1,706,102	-	3,040,539
Other liabilities	316,439	76,650	-	-	-	-	393,089
Deferred tax liability	-	-	20,753	-	-	-	20,753
Total liabilities	3,073,648	1,575,874	1,103,352	3,548,065	1,706,223	-	11,007,162
Net position as at 31 December 2003	(1,192,162)	(259,533)	109,232	2,626,012	(986,968)	1,090,233	1,386,814
Net position at 31 December 2002	(1,203,812)	621,680	(327,576)	959,760	292,512	895,376	1,237,940

35. Currency analysis

The following table shows the currency structure of assets and liabilities at 31 December 2003:

	KZT KZT '000	USD KZT '000	Other currency KZT '000	Total KZT '000
Assets				
Cash	328,686	143,499	50,998	523,183
Due from the NBRK	150,506	-	-	150,506
Placements with banks and other financial institutions	456,147	1,061,589	14,668	1,532,404
Financial instruments held for trading	100,364	-	-	100,364
Amounts receivable under reverse repurchase agreements	99,990	-	-	99,990
Loans to customers	3,779,401	3,647,087	426,703	7,853,191
Investments	359,600	638,766	-	998,366
Other assets	25,187	6,614	13,938	45,739
Property and equipment	1,065,789	-	-	1,065,789
Intangible assets	24,444	-	-	24,444
Total assets	6,390,114	5,497,555	506,307	12,393,976
Liabilities				
Deposits and balances from banks	68,001	551,288	-	619,289
Current accounts and deposits from customers	2,410,593	4,283,957	238,942	6,933,492
Issued bonds	3,040,539	-	-	3,040,539
Other liabilities	383,456	9,341	292	393,089
Deferred tax liability	20,753	-	-	20,753
Total liabilities	5,923,342	4,844,586	239,234	11,007,162
Net Position as of 31 December 2003	466,772	652,969	267,073	1,386,814
Net Position as of 31 December 2002	907,784	307,511	22,645	1,237,940