

**Report on compliance with prudential norms
as at 31 December 2007
SB HSBC Bank Kazakhstan JSC**

#	Description	Value	Norm
I	II	III	IV
1	Total equity (thousand tenge)	7,928,328	x
2	Tier 1 capital adequacy ratio (k1)	0.090	≥ 0.06
3	Total capital adequacy ratio (k2)	0.308	≥ 0.12
4	Ratio of the maximum risk exposure to one borrower not related to the Bank (k3)	0.237	≤ 0.25
5	Ratio of the maximum risk exposure to non-collateralized loans (Bk)	0.007	≤ 0.1
6	Ratio of the aggregate risk exposure to borrowers, which individually are greater than 10% of Total Equity (Pk)	2.365	≤ 8.0
7	Current liquidity ratio (k4)	1.766	≥ 0.3
8	Short-term liquidity ratio (k5)	0.928	≥ 0.5
9	Current currency liquidity limit	4.416	≥ 0.9
10	Short-term currency liquidity limit	1.148	≥ 0.8
11	Medium-term currency liquidity limit	1.124	≥ 0.6
12	Ratio of the maximum risk exposure of investments in fixed assets and other non financial assets of the Bank (k6)	0.010	≤ 0.5
13	Ratio of the Maximum limit of short-term liabilities to non-residents	0.564	≤ 1.0
14	Compliance with the open currency position limit (Yes/No)	Yes	x
14.1	Open currency position limit (long and short) for the currencies of countries with a sovereign rating not lower than "A" per Standard&Poor's or an equivalent rating from other rating agencies and the Euro (% of the Bank's Total equity)	3.11%	$\leq 12.5\%$
14.2	Open currency position limit (long and short) for the currencies of countries with a sovereign rating lower than "A" per Standard&Poor's or an equivalent rating from other rating agencies and the Euro (% of the Bank's Total equity)	0.02%	$\leq 5\%$
14.3	Net currency position limit (% of the Bank's Total equity)	3.13%	$\leq 25\%$

KPMG Audit LLC were performing Agreed-upon procedures with respect to SB HSBC Bank Kazakhstan JSC on calculations of the prudential norms, presented in a Report on compliance with prudential norms of SB HSBC Bank Kazakhstan JSC as at 31 December 2007.

Chief Executive Officer

M. Eastwood

Financial Controller

Zh. Zhetpisbayev