

**PRIVATE OPEN JOINT STOCK
COMMERCIAL BANK
“ASIA ALLIANCE BANK”
AND ITS SUBSIDIARY**

**International Financial Reporting Standards
Consolidated Financial Statements and
Independent Auditor’s Report**

31 December 2010

INDEPENDENT AUDITOR'S REPORT

To the Shareholders and Council of Private Open Joint Stock Commercial Bank "Asia Alliance Bank":

- 1 We have audited the accompanying consolidated financial statements of Private Open Joint Stock Commercial Bank "Asia Alliance Bank" and its subsidiary (the "Group") which comprise the consolidated statement of financial position as of 31 December 2010 and the consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Consolidated Financial Statements

- 2 Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

- 3 Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.
- 4 An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
- 5 We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

- 6 In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Group as of 31 December 2010, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

PricewaterhouseCoopers Audit Subsidiary Company


PricewaterhouseCoopers Audit Subsidiary Company

8 February 2011
Tashkent, Uzbekistan


**Private Open Joint Stock Commercial Bank "Asia Alliance Bank" and its subsidiary
Consolidated Statement of Financial Position**

In thousands of Uzbekistan Soums	Note	31 December 2010	31 December 2009
ASSETS			
Cash and cash equivalents	7	63,423,877	8,663,448
Due from other banks	8	8,020,016	-
Loans and advances to customers	9	12,404,272	3,062,689
Finance lease receivables	10	5,728,658	-
Deferred income tax asset	20	8,766	10,935
Premises and equipment	11	1,121,012	287,824
Intangible assets	11	96,408	18,367
Other assets	12	328,394	170,880
TOTAL ASSETS		91,131,403	12,214,143
LIABILITIES			
Due to other banks	13	6,606,101	-
Customer accounts	14	70,817,401	7,208,206
Current income tax liability		132,701	28,991
Other liabilities	15	185,142	71,457
TOTAL LIABILITIES		77,741,345	7,308,654
EQUITY			
Share capital	16	4,850,750	4,850,750
Share capital reserve	16	6,156,602	-
Retained earnings		2,382,706	54,739
TOTAL EQUITY		13,390,058	4,905,489
TOTAL LIABILITIES AND EQUITY		91,131,403	12,214,143

Approved for issue and signed on behalf of the Management on 8 February 2011.


Mr. Abdukahorov I.A.
Chairman of the Board




Mr. Alikhanov U.H.
Acting Chief Accountant

**Private Open Joint Stock Commercial Bank "Asia Alliance Bank" and its subsidiary
Consolidated Statement of Comprehensive Income**

In thousands of Uzbekistan Soums	Note	2010	From 8 September to 31 December 2009
Interest income	17	2,934,772	242,675
Interest expense	17	(249,995)	(187)
Net interest income		2,684,777	242,488
Provision for loan impairment	9	(236,300)	-
Net interest income after provision for loan impairment		2,448,477	242,488
Fee and commission income	18	4,452,059	247,483
Fee and commission expense	18	(1,379,798)	(130,219)
Foreign exchange translation gains less losses		60,977	-
Administrative and other operating expenses	19	(2,739,774)	(286,893)
Profit before tax		2,841,941	72,859
Income tax expense	20	(513,974)	(18,120)
PROFIT FOR THE YEAR		2,327,967	54,739
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		2,327,967	54,739

**Private Open Joint Stock Commercial Bank "Asia Alliance Bank" and its subsidiary
Consolidated Statement of Changes in Equity**

In thousands of Uzbekistan Soums	Share capital	Share capital reserve	Retained earnings	Total equity
Balance at 8 September 2009	4,850,750	-	-	4,850,750
Total comprehensive income for 2009	-	-	54,739	54,739
Balance at 31 December 2009	4,850,750	-	54,739	4,905,489
Total comprehensive income for 2010	-	-	2,327,967	2,327,967
Deposits for share subscription	-	6,156,602	-	6,156,602
Balance at 31 December 2010	4,850,750	6,156,602	2,382,706	13,390,058

**Private Open Joint Stock Commercial Bank "Asia Alliance Bank" and its subsidiary
Consolidated Statement of Cash Flows**

In thousands of Uzbekistan Soums	Note	2010	From 8 September to 31 December 2009
Cash flows from operating activities			
Interest received		2,863,329	241,118
Interest paid		(170,169)	(158)
Fee and commission received		4,452,059	247,466
Fee and commission paid		(1,379,798)	(130,219)
Income received from trading in foreign currencies		5,446	-
Staff costs paid		(1,319,476)	(93,491)
Administrative and other operating expenses paid		(1,258,256)	(117,347)
Income tax paid		(408,095)	(64)
Cash flows from operating activities before changes in operating assets and liabilities		2,785,040	147,305
Net increase in due from other banks		(7,946,789)	-
Net increase in loans and advances to customers		(9,506,440)	(3,061,132)
Net increase in finance lease receivables		(5,728,658)	-
Net increase in other assets		(127,232)	(170,863)
Net increase in due to other banks		6,586,768	-
Net increase in customer accounts		63,456,962	7,208,177
Net increase in other liabilities		54,899	4,097
Net cash from operating activities		49,574,550	4,127,584
Cash flows from investing activities			
Acquisition of premises, equipment and intangible assets	11	(1,044,767)	(314,886)
Net cash used in investing activities		(1,044,767)	(314,886)
Cash flows from financing activities			
Share capital reserve	16	6,156,602	-
Net cash from financing activities		6,156,602	-
Effect of exchange rate changes on cash and cash equivalents		74,044	-
Net increase in cash and cash equivalents		54,760,429	3,812,698
Cash and cash equivalents at the beginning of the year and 8 September 2009 (commencement date of Bank's operations)		8,663,448	4,850,750
Cash and cash equivalents at the end of the year		63,423,877	8,663,448