

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

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

31 December 2011



Independent Auditor's Report

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

- 1 We have audited the accompanying consolidated financial statements of Open Joint Stock Commercial Bank "Asia Alliance Bank" and its subsidiaries (the "Group") which comprise the consolidated statement of financial position as of 31 December 2011 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 information.

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 consolidated 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 consolidated 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 consolidated 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 consolidated 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 consolidated 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 2011, 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

25 March 2012
Tashkent, Uzbekistan

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

<i>In thousands of Uzbekistan Soums</i>	Note	31 December 2011	31 December 2010
ASSETS			
Cash and cash equivalents	7	153,488,271	63,423,877
Due from other banks	8	35,108,293	8,020,016
Loans and advances to customers	9	40,485,994	12,404,272
Finance lease receivables	10	8,570,368	5,728,658
Deferred income tax asset	20	48,374	8,766
Premises and equipment	11	13,714,691	1,121,012
Intangible assets	11	314,257	96,408
Other assets	12	1,249,215	328,394
TOTAL ASSETS		252,979,463	91,131,403
LIABILITIES			
Due to other banks	13	4,359,989	6,606,101
Customer accounts	14	220,409,005	70,817,401
Current income tax liability		-	132,701
Other liabilities	15	569,717	185,142
TOTAL LIABILITIES		225,338,711	77,741,345
EQUITY			
Share capital	16	15,440,876	4,850,750
Share capital reserve	16	-	6,156,602
Retained earnings		12,199,876	2,382,706
TOTAL EQUITY		27,640,752	13,390,058
TOTAL LIABILITIES AND EQUITY		252,979,463	91,131,403

Approved for issue and signed on behalf of the Management on 25 March 2012.

Mr. Abdukahorov I.A.
Chairman of the Board

Mr. Sharipov D.P.
Chief Accountant

Open Joint Stock Commercial Bank "Asia Alliance Bank" and its subsidiaries
Consolidated Statement of Comprehensive Income

<i>In thousands of Uzbekistan Soums</i>	Note	2011	2010
Interest income	17	7,771,369	2,934,772
Interest expense	17	(793,825)	(249,995)
Net interest income		6,977,544	2,684,777
Provision for loan and finance lease impairment	9, 10	(1,228,500)	(236,300)
Net interest income after provision for impairment		5,749,044	2,448,477
Fee and commission income	18	16,207,297	4,452,059
Fee and commission expense	18	(5,818,045)	(1,379,798)
Foreign exchange translation gains less losses		2,152,512	55,531
Gains less losses from trading in foreign currencies		345,213	5,446
Other operating income		45,003	-
Administrative and other operating expenses	19	(7,148,957)	(2,739,774)
Profit before tax		11,532,067	2,841,941
Income tax expense	20	(1,714,897)	(513,974)
PROFIT FOR THE YEAR		9,817,170	2,327,967
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		9,817,170	2,327,967

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

<i>In thousands of Uzbekistan Soums</i>	Share capital	Share capital reserve	Retained earnings	Total equity
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
Share issue	4,433,524	-	-	4,433,524
Share issue - Transfer of deposits for share subscription	6,156,602	(6,156,602)	-	-
Total comprehensive income for 2011	-	-	9,817,170	9,817,170
Balance at 31 December 2011	15,440,876	-	12,199,876	27,640,752

Open Joint Stock Commercial Bank "Asia Alliance Bank" and its subsidiaries
Consolidated Statement of Cash Flows

<i>In thousands of Uzbekistan Soums</i>	Note	2011	2010
Cash flows from operating activities			
Interest received		7,270,768	2,863,329
Interest paid		(760,859)	(170,169)
Fee and commission received		16,207,297	4,452,059
Fee and commission paid		(5,818,045)	(1,379,798)
Income received from trading in foreign currencies		345,213	5,446
Other operating income received		45,003	-
Staff costs paid		(3,448,726)	(1,319,476)
Administrative and other operating expenses paid		(4,179,529)	(1,258,256)
Income tax paid		(1,887,206)	(408,095)
Cash flows from operating activities before changes in operating assets and liabilities			
		7,773,916	2,785,040
Net increase in due from other banks		(26,179,388)	(7,946,789)
Net increase in loans and advances to customers		(28,670,065)	(9,506,440)
Net increase in finance lease receivables		(3,001,460)	(5,728,658)
Net (decrease)/increase in other assets		52,675	(127,232)
Net (decrease)/increase in due to other banks		(2,246,189)	6,586,768
Net increase in customer accounts		149,057,855	63,456,962
Net increase in other liabilities		128,583	54,899
Net cash from operating activities			
		96,915,927	49,574,550
Cash flows from investing activities			
Acquisition of premises, equipment and intangible assets	11	(13,047,734)	(1,044,767)
Net cash used in investing activities			
		(13,047,734)	(1,044,767)
Cash flows from financing activities			
Issue of ordinary shares	16	4,433,524	-
Share capital reserve	16	-	6,156,602
Net cash from financing activities			
		4,433,524	6,156,602
Effect of exchange rate changes on cash and cash equivalents			
		1,762,677	74,044
Net increase in cash and cash equivalents			
		90,064,394	54,760,429
Cash and cash equivalents at the beginning of the year		63,423,877	8,663,448
Cash and cash equivalents at the end of the year			
	7	153,488,271	63,423,877