



ASIA ALLIANCE
BANK

JOINT STOCK COMMERCIAL BANK
«ASIA ALLIANCE BANK»

Consolidated financial statements and
Independent Auditor's Report
For the year ended 31 December 2015



Independent Auditor's Report

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

- 1 We have audited the accompanying consolidated financial statements of Joint Stock Commercial Bank "Asia Alliance Bank" (the "Bank") and its subsidiary (collectively referred as the "Group"), which comprise the statement of financial position as of 31 December 2015 and the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

- 2 Management is responsible for the preparation 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 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 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.

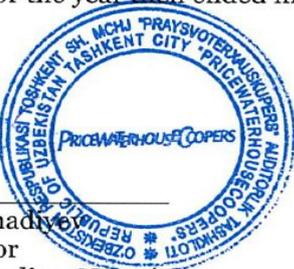


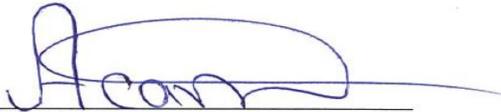
Independent Auditor's Report (continued)

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 2015, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.


Utkir Muhammadov
General Director
Certificate of Auditor No. 9/15
dated 16 August 2013




Grigoriy Asaturov
Auditor
Certificate of Auditor No. 9/18
dated 30 January 2015

Audit Organization "PricewaterhouseCoopers" LLC
Audit Organization "PricewaterhouseCoopers" LLC
12 April 2016
Tashkent, Uzbekistan

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2015
(in thousands of Uzbek Soums)



	Notes	31 December 2015	31 December 2014
ASSETS:			
Cash and cash equivalents	7	436,150,381	433,776,316
Due from other banks	8	117,893,195	224,718,887
Loans to customers	9,29	436,364,756	413,080,259
Finance lease receivables	10,29	35,408,473	25,243,365
Current income tax prepayment		5,055,841	3,083,114
Investment properties	12	9,202,395	-
Premises and equipment	11	25,612,713	23,925,182
Intangible assets	11	1,146,481	571,424
Other assets	13	6,351,520	4,545,727
TOTAL ASSETS		1,073,185,755	1,128,944,274
LIABILITIES AND EQUITY			
LIABILITIES:			
Due to banks	14	42,701,791	18,600,000
Customer accounts	15,29	841,411,529	959,908,857
Deferred income tax liability	22	295,327	14,042
Other liabilities	16	34,118,862	7,550,156
Total liabilities		918,527,509	986,073,055
EQUITY:			
Share capital	17	99,007,947	99,007,947
Share premium	17	2,374,809	2,374,809
Retained earnings		53,275,490	41,488,463
Total equity		154,658,246	142,871,219
TOTAL LIABILITIES AND EQUITY		1,073,185,755	1,128,944,274

On behalf of the Management Board

Mr. Abdukakhorov I.A.
Chairman of the Board

11 April 2016
Tashkent, Uzbekistan



Mr. Sharipov D.P.
Chief Accountant

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2015**



(in thousands of Uzbek Soums)

	Notes	Year ended 31 December 2015	Year ended 31 December 2014
Interest income	18	62,667,519	37,116,673
Interest expense	18	(16,206,854)	(25,617,423)
Net interest income		46,460,665	11,499,250
Provision for impairment of loans to customers and finance lease receivables	9,10	(460,664)	(4,750,846)
Net interest income after provision for impairment of loans to customers and finance lease receivables		46,000,001	6,748,404
Net gain on foreign exchange operations	19	10,240,732	39,503,474
Fee and commission income	20	56,732,414	68,719,809
Fee and commission expense	20	(12,587,814)	(17,543,317)
Recovery of provision on guarantees and other assets	13,16	459,532	1,134,339
Rental income on investment properties		303,697	-
Other income		800,168	223,817
Net non-interest income		55,948,729	92,038,122
Operating income		101,948,730	98,786,526
Operating expenses	21	(48,696,777)	(36,883,022)
Profit before income tax		53,251,953	61,903,504
Income tax expense	22	(10,495,241)	(11,689,062)
NET PROFIT FOR THE YEAR		42,756,712	50,214,442
Other comprehensive income		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		42,756,712	50,214,442
Basic and diluted earnings per ordinary share	23	108	142

Mr. Abdukakhorov I.A.
Chairman of the Board

11 April 2016
Tashkent, Uzbekistan



Mr. Sharipov D.P.
Chief Accountant

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2015
(in thousands of Uzbek Soums)

	Share capital	Share premium	Retained earnings	Total equity
1 January 2014	75,278,123	1,425,616	19,170,605	95,874,344
Share issue - cash	1,538,462	61,538	-	1,600,000
Total comprehensive income for 2014	-	-	50,214,442	50,214,442
Dividends capitalised (current year)	20,336,025	813,441	(6,747,118)	14,402,348
Dividends capitalised (previous year)	1,855,337	74,214	(21,149,466)	(19,219,915)
31 December 2014	99,007,947	2,374,809	41,488,463	142,871,219
Total comprehensive income for 2015	-	-	42,756,712	42,756,712
Dividends declared	-	-	(30,969,685)	(30,969,685)
31 December 2015	99,007,947	2,374,809	53,275,490	154,658,246

On behalf of the Management Board



 Mr. Abdukakhorov I.A.
 Chairman of the Board

 11 April 2016
 Tashkent, Uzbekistan



 Mr. Sharipov D.P.
 Chief Accountant

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2015**



(in thousands of Uzbek Soums)

	Notes	Year ended 31 December 2015	Year ended 31 December 2014
CASH FLOWS FROM OPERATING ACTIVITIES			
Interest received		61,918,602	37,076,387
Interest paid		(15,813,774)	(25,398,178)
Fee and commission received		55,530,131	68,764,316
Fee and commission paid		(12,587,814)	(17,543,317)
Income received from trading in foreign currencies		3,645,996	2,050,092
Income received from derivatives		1,724,080	-
Other operating income received		800,168	223,817
Rental income on investment properties		303,697	-
Staff costs paid		(24,531,624)	(20,796,030)
Administrative and other operating expenses paid		(22,750,410)	(11,535,956)
Income tax paid		(12,186,683)	(12,465,581)
Cash flows from operating activities before changes in operating assets and liabilities		36,052,369	20,375,550
Change in operating assets and liabilities			
Net decrease in obligatory reserve deposit at the CBU		7,884,116	35,931,730
Net decrease in due from other banks		106,525,860	116,905,120
Net increase in loans to customers		(4,534,977)	(225,424,905)
Net increase in finance lease receivable		(10,466,836)	(13,751,814)
Net increase in other assets		(1,758,150)	(205,555)
Net increase / (decrease) in due to other banks		23,646,412	(53,903,289)
Net (decrease) / increase in customer accounts		(155,921,701)	2,485,256
Net decrease in other liabilities		(254,004)	(77,276)
Net cash from / (used in) operating activities		1,173,089	(117,665,183)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of premises and equipment		(4,892,511)	(6,330,741)
Purchase of intangible assets		(815,988)	(382,535)
Purchase of investment properties		(4,848,239)	-
Net cash used in investing activities		(10,556,738)	(6,713,276)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of ordinary shares		-	1,600,000
Dividends paid on ordinary shares		(5,104,616)	(6,408,465)
Net cash used in financing activities		(5,104,616)	(4,808,465)

The notes on pages 6-64 form an integral part of these consolidated financial statements.

