

**OPEN JOINT STOCK
COMMERCIAL BANK
“ASIA ALLIANCE BANK”**

Consolidated Financial Statements
For the Year Ended 31 December 2012

INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying consolidated financial statements of Open Joint Stock Commercial Bank "Asia Alliance Bank" and its subsidiaries (together referred as the "Group"), which comprise the consolidated statement of financial position as at 31 December 2012, the consolidated statement of comprehensive income, statement of 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

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.

Auditors' Responsibility

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.

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 auditors' 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects the financial position of the Group as at 31 December 2012, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Emphasis of matter

We draw attention to Note 4 to these consolidated financial statements. In the consolidated statement of cash flows for the year ended 31 December 2011 the Group's cash and cash equivalents included balances with obligatory reserve deposit at the Central Bank of the Republic of Uzbekistan. As discussed in Note 4 to the consolidated financial statements, the Group has changed its accounting policy in respect of the components of cash and cash equivalents. Accordingly, the consolidated statement of cash flows for the year ended 31 December 2011 has been restated.

Our opinion is not qualified in respect of this matter.

Other Matters

As part of our audit of the consolidated financial statements for the year ended 31 December 2012 we also audited the adjustment described in Note 4 that was applied to amend the consolidated financial statements for the year ended 31 December 2011. In our opinion, such adjustment is appropriate and has been properly applied. We were not engaged to audit, review, or apply any procedures to the consolidated financial statements of the Group for the year ended 31 December 2011 other than with respect to the adjustment and, accordingly, we do not express an opinion or any other form of assurance on the consolidated financial statements for the year ended 31 December 2011 taken as a whole.

The consolidated financial statements of the Group for the year ended 31 December 2011 were audited by other auditors, who expressed an unmodified opinion on those consolidated financial statements on 25 March 2012.

Deloitte & Touche

5 March 2013
Tashkent, Uzbekistan

OPEN JOINT STOCK COMMERCIAL BANK "ASIA ALLIANCE BANK"

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2012

(in thousands of Uzbek Soums)

	Notes	Year ended 31 December 2012	Year ended 31 December 2011
Continuing operations			
Interest income	5,22	15,738,342	7,771,369
Interest expense	5,22	(6,585,698)	(793,825)
NET INTEREST INCOME BEFORE PROVISION FOR IMPAIRMENT LOSSES ON INTEREST BEARING ASSETS		9,152,644	6,977,544
Recovery/(provision) for impairment losses on interest bearing assets	6,22	938,591	(1,228,500)
NET INTEREST INCOME		10,091,235	5,749,044
Net gain on foreign exchange operations	7	12,989,948	2,497,725
Fee and commission income	8,22	39,305,190	16,207,297
Fee and commission expense	8	(12,612,948)	(5,818,045)
Other income, net		57,005	45,003
NET NON-INTEREST INCOME		39,739,195	12,931,980
OPERATING INCOME		49,830,430	18,681,024
OPERATING EXPENSES		(18,607,286)	(7,148,957)
PROFIT BEFORE INCOME TAX		31,223,144	11,532,067
Income tax expense	10	(3,884,037)	(1,714,897)
NET PROFIT FOR THE PERIOD		27,339,107	9,817,170
Other comprehensive income		-	-
TOTAL COMPREHENSIVE INCOME		27,339,107	9,817,170

On behalf of the Management Board:



Mr Abdukaharov I.A.
Chairman of the Board

Mr Sharipov D.P.
Chief Accountant

5 March 2013
Tashkent, Uzbekistan

5 March 2013
Tashkent, Uzbekistan

The notes on pages 9-52 form an integral part of these consolidated financial statements.

OPEN JOINT STOCK COMMERCIAL BANK "ASIA ALLIANCE BANK"

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2012


(in thousands of Uzbek Soums)

	Notes	31 December 2012	31 December 2011 (restated)	31 December 2010 (restated)
ASSETS:				
Cash and cash equivalents	11	415,880,127	125,992,296	52,558,058
Due from banks	12,22	158,123,486	62,604,268	18,885,835
Loans to customers	13,22	97,135,306	40,485,994	12,404,272
Finance lease receivable	14,22	10,942,663	8,570,368	5,728,658
Premises and equipment	15	17,331,842	13,714,691	1,121,012
Intangible assets	15	348,034	314,257	96,408
Deferred tax assets	10	-	48,374	8,766
Other assets	16	5,497,094	1,249,215	328,394
TOTAL ASSETS		705,258,552	252,979,463	91,131,403
LIABILITIES AND EQUITY				
LIABILITIES:				
Due to banks	17	22,649,410	4,359,989	6,606,101
Customer accounts	18,22	619,232,407	220,409,005	70,817,401
Current income tax liabilities		-	-	132,701
Deferred income tax liabilities	10	44,977	-	-
Other liabilities	19	1,280,382	569,717	185,142
Total liabilities		643,207,176	225,338,711	77,741,345
EQUITY:				
Share capital	20	50,850,000	15,440,876	4,850,750
Share premium		688,492	-	-
Share capital reserve		-	-	6,156,602
Retained earnings		10,512,884	12,199,876	2,382,706
Total equity		62,051,376	27,640,752	13,390,058
TOTAL LIABILITIES AND EQUITY		705,258,552	252,979,463	91,131,403

On behalf of the Management Board:




Mr Abdukaharov I.A.
Chairman of the Board



Mr Sharipov D.P.
Chief Accountant

5 March 2013
Tashkent, Uzbekistan

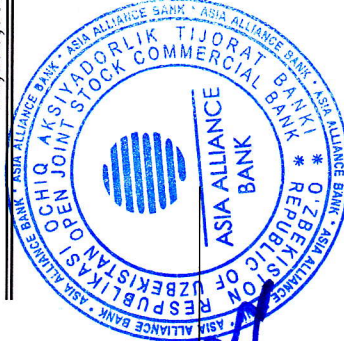
5 March 2013
Tashkent, Uzbekistan

OPEN JOINT STOCK COMMERCIAL BANK "ASIA ALLIANCE BANK"

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2012**
(in thousands of Uzbek Soums)

	Share capital	Share premium	Share capital reserve	Retained earnings	Total equity
1 January 2011	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
31 December 2011	15,440,876	-	-	12,199,876	27,640,752
Share issue	12,509,124	235,172	-	-	12,744,296
Total comprehensive income for 2012	-	-	-	27,339,107	27,339,107
Dividends declared	-	-	-	(29,026,099)	(29,026,099)
Capitalisation of dividends	22,900,000	453,320	-	-	23,353,320
31 December 2012	50,850,000	688,492	-	10,512,884	62,051,376

On behalf of the Management Board:



Mr Abdukaharov I.A.
Chairman of the Board

5 March 2013
Tashkent, Uzbekistan

Mr Sharipov D.P.
Chief Accountant

5 March 2013
Tashkent, Uzbekistan

OPEN JOINT STOCK COMMERCIAL BANK "ASIA ALLIANCE BANK"

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2012

(in thousands of Uzbek Soums)

	Notes	Year ended 31 December 2012	Year ended 31 December 2011 (restated)
CASH FLOWS FROM OPERATING ACTIVITIES			
Interest received		15,238,000	7,270,768
Interest paid		(6,503,500)	(760,859)
Fee and commission received		39,305,190	16,207,297
Fee and commission paid		(12,612,948)	(5,818,045)
Income received from trading in foreign currencies		1,295,858	345,213
Other operating income received		54,663	45,003
Staff costs paid		(9,272,351)	(3,448,726)
Administrative and other operating expenses paid		(7,668,392)	(4,179,529)
Income tax paid		(3,082,151)	(1,887,206)
Cash flows from operating activities before changes in operating assets and liabilities		16,754,369	7,773,916
Change in operating assets and liabilities (Increase)/decrease in operating assets:			
Obligatory reserve deposit at the Central Bank of the Republic of Uzbekistan		(62,483,546)	(17,329,714)
Due from other banks		(32,947,735)	(25,479,830)
Loans to customers		(55,577,749)	(28,670,065)
Finance lease receivable		(2,089,821)	(3,001,460)
Other assets		(4,774,270)	52,675
Increase/(decrease) in operating liabilities:			
Due to other banks		18,264,714	(2,246,189)
Customer accounts		398,765,911	149,057,855
Other liabilities		228,039	128,583
Net cash from operating activities		276,139,912	80,285,771
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of premises and equipment	15	(4,895,757)	(12,810,031)
Acquisition of intangible assets		(121,932)	(237,703)
Net cash used in investing activities		(5,017,689)	(13,047,734)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of ordinary shares		12,744,296	4,433,524
Dividends paid on ordinary shares		(5,672,779)	-
Net cash from financing activities		7,071,517	4,433,524

The notes on pages 9-52 form an integral part of these consolidated financial statements.

OPEN JOINT STOCK COMMERCIAL BANK "ASIA ALLIANCE BANK"

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2012

(in thousands of Uzbek Soums)

	Notes	Year ended 31 December 2012	Year ended 31 December 2011 (restated)
Effect of exchange rate changes on cash and cash equivalents		11,694,091	1,762,677
NET INCREASE IN CASH AND CASH EQUIVALENTS		289,887,831	73,434,238
CASH AND CASH EQUIVALENTS, beginning of period	11	<u>125,992,296</u>	<u>52,558,058</u>
CASH AND CASH EQUIVALENTS, end of period	11	<u>415,880,127</u>	<u>125,992,296</u>

As discussed in Note 4, the consolidated statement of cash flows for the year ended 31 December 2011 has been restated.

On behalf of the Management Board:

Mr Abdukaharov I.A.
Chairman of the Board



5 March 2013
Tashkent, Uzbekistan

Mr Sharipov D.P.
Chief Accountant

5 March 2013
Tashkent, Uzbekistan

The notes on pages 9-52 form an integral part of these consolidated financial statements.