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**NATIONAL BANK FOR FOREIGN  
ECONOMIC ACTIVITY OF THE  
REPUBLIC OF UZBEKISTAN**

**Consolidated Financial Statements**  
For the Year Ended 31 December 2008

**INDEPENDENT AUDITORS' REPORT**

To the Founder and the Board of Directors of the National Bank for Foreign Economic Activity of the Republic of Uzbekistan:

**Report on the Financial Statements**

We have audited the accompanying consolidated financial statements of the National Bank for Foreign Economic Activity of the Republic of Uzbekistan and its subsidiaries (the "Group") which comprise the consolidated balance sheet as at 31 December 2008, and the consolidated income statement, consolidated statements of 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**

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

**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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the 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.

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 and its subsidiaries as at 31 December 2008, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

*Deloitte & Touche*

20 April 2009  
Tashkent

NATIONAL BANK FOR FOREIGN ECONOMIC ACTIVITY  
OF THE REPUBLIC OF UZBEKISTAN

CONSOLIDATED INCOME STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2008  
(in US Dollars and in millions)

	Notes	Year ended 31 December 2008	Year ended 31 December 2007
Interest income	5, 25	113	113
Interest expense	5, 25	<u>(67)</u>	<u>(79)</u>
NET INTEREST INCOME BEFORE (PROVISION)/RECOVERY OF IMPAIRMENT LOSSES ON INTEREST BEARING ASSETS		46	34
(Provision for)/recovery of impairment losses on interest bearing assets	6	<u>(6)</u>	<u>12</u>
NET INTEREST INCOME		<u>40</u>	<u>46</u>
Net gain on foreign exchange operations		6	3
Fee and commission income	7	64	54
Fee and commission expense	7	(8)	(6)
Dividends received		2	2
Other income		4	3
(Provision for)/recovery of impairment losses on other transactions	6	<u>(13)</u>	<u>1</u>
NET NON INTEREST INCOME		55	57
OPERATING INCOME		95	103
OPERATING EXPENSES	8	<u>(76)</u>	<u>(59)</u>
PROFIT BEFORE INCOME TAX		19	44
Income tax benefit/(expense)	9	<u>4</u>	<u>(8)</u>
NET PROFIT		<u>23</u>	<u>36</u>

On behalf of the Management Board:

Saidakhmad Rakhimov  
Chairman of the Board

20 April 2009  
Tashkent



Lyalya Khayrutdinova  
Chief Accountant

20 April 2009  
Tashkent

NATIONAL BANK FOR FOREIGN ECONOMIC ACTIVITY  
OF THE REPUBLIC OF UZBEKISTAN

CONSOLIDATED BALANCE SHEET  
AS AT 31 DECEMBER 2008  
(in US Dollars and in millions)

	Notes	31 December 2008	31 December 2007
<b>ASSETS:</b>			
Cash and cash equivalents	10, 25	894	544
Due from banks	11	146	88
Loans to customers	12, 25	1,593	1,658
Property, equipment and intangible assets	13	149	159
Other assets	14, 25	57	43
Non-current assets held for sale	15	130	24
<b>TOTAL ASSETS</b>		<b>2,969</b>	<b>2,516</b>
<b>LIABILITIES AND EQUITY</b>			
<b>LIABILITIES:</b>			
Due to the Central Bank and Government of the Republic of Uzbekistan	16	489	198
Due to banks	17	104	110
Customer accounts	18, 25	1,131	913
Debt securities issued	19	34	39
Loans from foreign banks	20	665	731
Deferred income tax liabilities	9	29	38
Other borrowed funds	21	5	4
Other liabilities		17	11
<b>Total liabilities</b>		<b>2,474</b>	<b>2,044</b>
<b>EQUITY:</b>			
Share capital	22	400	400
Additional paid-in capital		20	20
Retained earnings		75	52
<b>Total equity</b>		<b>495</b>	<b>472</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>2,969</b>	<b>2,516</b>

On behalf of the Management Board:

Saidakhmad Rakhimov  
Chairman of the Board

20 April 2009  
Tashkent



Lyalya Khayrutdinova  
Chief Accountant

20 April 2009  
Tashkent

NATIONAL BANK FOR FOREIGN ECONOMIC ACTIVITY  
OF THE REPUBLIC OF UZBEKISTAN

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2008  
*(in US Dollars and in millions)*

	Share capital	Additional paid-in capital	Retained earnings and reserves	Total equity
31 December 2006	400	20	16	436
Net profit for the year	-	-	36	36
31 December 2007	400	20	52	472
Net profit for the year	-	-	23	23
31 December 2008	400	20	75	495

On behalf of the Management Board:

Saidakhmad Rakhimov  
Chairman of the Board

20 April 2009  
Tashkent



Lyalya Khayrutdinova  
Chief Accountant

20 April 2009  
Tashkent

NATIONAL BANK FOR FOREIGN ECONOMIC ACTIVITY  
OF THE REPUBLIC OF UZBEKISTAN

CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2008  
(in US Dollars and in millions)

	Notes	Year ended 31 December 2008	Year ended 31 December 2007
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Profit before income tax		19	44
Adjustments for:			
Provision for/(recovery of) impairment losses on interest bearing assets		6	(12)
Provision for/(recovery of) impairment losses on other transactions		13	(1)
Depreciation and amortization		14	15
Unrealized gain on foreign exchange operations		(24)	11
Change in interest accruals, net		(33)	(18)
Cash (outflow)/inflow from operating activities before change in operating assets and liabilities		(5)	39
(Increase)/decrease in operating assets:			
Due from banks		(60)	(17)
Loans to customers		11	12
Non-current assets held for sale		(114)	(20)
Other assets		(24)	37
Increase/(decrease) in operating liabilities			
Due to the Central Bank and Government of the Republic of Uzbekistan		250	(181)
Due to banks		84	59
Customer accounts		244	255
Debt securities issued		(5)	38
Loans from foreign banks		(67)	(110)
Other borrowed funds		3	-
Other liabilities		1	-
Cash inflow from operating activities before taxation		318	112
Income tax paid		(5)	(5)
Net cash inflow from operating activities		313	107

NATIONAL BANK FOR FOREIGN ECONOMIC ACTIVITY  
OF THE REPUBLIC OF UZBEKISTAN

CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2008 (CONTINUED)  
(in US Dollars and in millions)

	Notes	Year ended 31 December 2008	Year ended 31 December 2007
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Purchase of property and equipment		(6)	(6)
Disposal of property and equipment		2	7
Net cash (outflow)/inflow from investing activities		(4)	1
<i>Effect of changes in foreign exchange rate on cash and cash equivalents</i>			
		41	7
NET INCREASE IN CASH AND CASH EQUIVALENTS		350	115
CASH AND CASH EQUIVALENTS, beginning of the year	10	544	429
CASH AND CASH EQUIVALENTS, end of the year	10	894	544

Interest paid and received by the Group in cash during the year ended 31 December 2008 amounted to USD 69 million and USD 148 million, respectively.

Interest paid and received by the Group in cash during the year ended 31 December 2007 amounted to USD 84 million and USD 133 million, respectively.

On behalf of the Management Board:

Saidakhmad Rakhimov  
Chairman of the Board

20 April 2009  
Tashkent



Lyalya Khayrutdinova  
Chief Accountant

20 April 2009  
Tashkent