



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

**Consolidated Financial Statements and
Independent Auditor's Report
For the Year Ended 31 December 2013**

INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying consolidated financial statements of the National Bank for Foreign Economic Activity of the Republic of Uzbekistan and its subsidiaries (collectively "the Group"), which comprise the consolidated statement of financial position as at 31 December 2013, and the consolidated statement of profit or loss, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of 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.

Auditor's 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 2013, 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 5 to the consolidated financial statements which describes the restatement of corresponding figures for the year ended 31 December 2012. Our audit opinion is not qualified in that respect.

Other Matter

The consolidated financial statements of the Group for the year ended 31 December 2012 were audited by another auditor, who expressed an unmodified opinion on those consolidated financial statements on 30 April 2013.

As part of our audit of the 2013 consolidated financial statements, we also audited the adjustments described in Note 5 that were applied to amend the 2012 corresponding figures. In our opinion, such adjustments are appropriate and have been properly applied. We were not engaged to audit, review, or apply any procedures to the 2012 consolidated financial statements of the Group other than with respect to the adjustments and, accordingly, we do not express an opinion or any other form of assurance on the 2012 consolidated financial statements taken as a whole.

Deloitte & Touche

22 April 2014
Tashkent, Uzbekistan

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

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2013
(in millions of Uzbek Soums)**

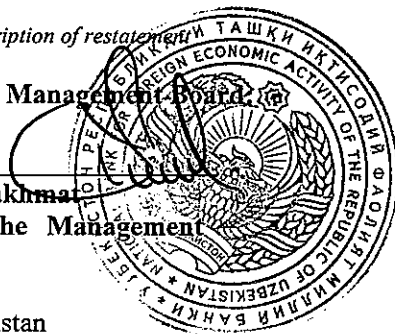
	Notes	31 December 2013	31 December 2012 (restated)*	1 January 2012 (restated)*
ASSETS:				
Cash and cash equivalents	6,32	2,294,784	2,170,434	1,855,932
Due from banks	7,32	725,672	722,948	509,325
Loans to customers	8,32	7,007,350	5,543,865	4,705,070
Investments available-for-sale	9,32	40,886	31,975	26,872
Investments held-to-maturity		834	895	1,698
Investments in associates	10	15,543	19,258	19,791
Property and equipment	11	1,003,488	733,290	578,094
Current income tax assets		9,630	1,608	1,493
Deferred income tax assets	27	15,595	21,609	19,063
Other assets	12	148,083	204,830	132,152
Assets classified as held for sale	13	24,369	23,770	46,396
TOTAL ASSETS		11,286,234	9,474,482	7,895,886
LIABILITIES AND EQUITY				
LIABILITIES:				
Amounts due to Central Bank of the Republic of Uzbekistan and the Government	14,32	188,670	175,420	327,217
Due to banks	15,32	741,629	898,430	409,941
Customer accounts	16,32	3,903,131	3,464,271	2,927,570
Other borrowed funds	17,32	5,079,774	3,905,769	3,306,361
Debt securities issued	18,32	209,166	82,314	85,240
Other liabilities	19	139,667	30,826	32,842
Liabilities directly associated with assets classified as held for sale	13	11,583	11,162	15,283
Total liabilities		10,273,620	8,568,192	7,104,454
EQUITY:				
Equity attributable to owners of the Group:				
Share capital	20	623,867	623,867	623,867
Investments available-for-sale fair value reserve		8,915	7,784	4,365
Retained earnings		359,605	259,076	150,836
Other reserves		11,617	9,024	7,331
Total equity attributable to owners of the Group		1,004,004	899,751	786,399
Non-controlling interests		8,610	6,539	5,033
Total equity		1,012,614	906,290	791,432
TOTAL LIABILITIES AND EQUITY		11,286,234	9,474,482	7,895,886

*See Note 5 for description of restatement

On behalf of the Management Board

Rakhimov Saidakhmat
Chairman of the Management
Board

22 April 2014
Tashkent, Uzbekistan



Rakhimova Guzal
Chief Accountant

22 April 2014
Tashkent, Uzbekistan

The notes on pages 10-79 form an integral part of these consolidated financial statements.

NATIONAL BANK FOR FOREIGN ECONOMIC ACTIVITY OF THE REPUBLIC OF
UZBEKISTAN

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 31 DECEMBER 2013

(in millions of Uzbek Soums)

	Notes	Year ended 31 December 2013	Year ended 31 December 2012 (restated)*
Continuing operations			
Interest income	21,32	383,688	351,617
Interest expense	21,32	(226,476)	(194,133)
NET INTEREST INCOME BEFORE PROVISION FOR IMPAIRMENT LOSSES AND INITIAL RECOGNITION ADJUSTMENT ON INTEREST BEARING ASSETS			
		157,212	157,484
Provision for impairment losses on interest bearing assets	8,32	(78,879)	(77,954)
Initial recognition adjustment on interest bearing assets		(5,165)	(13,976)
NET INTEREST INCOME			
		73,168	65,554
Net gain on foreign exchange operations	22	103,245	107,407
Fee and commission income	23,32	210,183	172,443
Fee and commission expense	23,32	(29,149)	(25,000)
Share of profit/(loss) of associates		3,872	(155)
Recovery/(provision) for impairment losses on other operations	12	2,543	(32,674)
Other operating income	24	140,574	124,961
Other operating expenses	25	(114,319)	(113,604)
Dividend income		1,346	1,142
Other income, net		5,014	31,780
NET NON-INTEREST INCOME			
		323,309	266,300
OPERATING INCOME			
		396,477	331,854
OPERATING EXPENSES			
	26,32	(262,871)	(204,659)
PROFIT BEFORE INCOME TAX			
		133,606	127,195
Income tax expense	27	(30,777)	(18,246)
PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS			
		102,829	108,949
Discontinued operations			
Loss for the period from discontinued operations		(648)	(200)
NET PROFIT FOR THE YEAR			
		102,181	108,749
Attributable to:			
Owners of the Group		100,529	107,243
Non-controlling interests		1,652	1,506
		102,181	108,749

*See Note 5 for description

On behalf of the Management Board

Rakhimov Saidakbar
Chairman of the Management
Board

22 April 2014
Tashkent, Uzbekistan



Rakhimova Guzal
Chief Accountant

22 April 2014
Tashkent, Uzbekistan

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

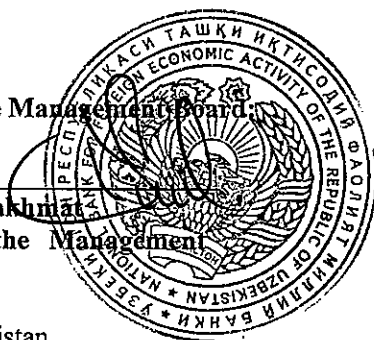
**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2013**
(in millions of Uzbek Soums)

	Year ended 31 December 2013	Year ended 31 December 2012 (restated)*
NET PROFIT FOR THE YEAR	<u>102,181</u>	<u>108,749</u>
OTHER COMPREHENSIVE INCOME		
Items that may be reclassified subsequently to profit or loss:		
Unrealized gain on investments available-for-sale	1,446	4,372
Exchange differences on translation of foreign operations	3,012	2,690
Deferred income tax relating to components of other comprehensive income	(315)	(953)
OTHER COMPREHENSIVE INCOME AFTER INCOME TAX	<u>4,143</u>	<u>6,109</u>
TOTAL COMPREHENSIVE INCOME	<u><u>106,324</u></u>	<u><u>114,858</u></u>
Attributable to:		
Owners of the Group	104,253	113,352
Non-controlling interests	<u>2,071</u>	<u>1,506</u>
TOTAL COMPREHENSIVE INCOME	<u><u>106,324</u></u>	<u><u>114,858</u></u>

*See Note 5 for description of restatement

On behalf of the Management Board:

Rakhimov Saidakhmat
Chairman of the Management Board
22 April 2014
Tashkent, Uzbekistan



(Signature)

Rakhimova Guzal
Chief Accountant

22 April 2014
Tashkent, Uzbekistan

NATIONAL BANK FOR FOREIGN ECONOMIC ACTIVITY OF THE REPUBLIC OF UZBEKISTAN

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2013
(in millions of Uzbek Soums)

	Share capital	Investments available-for-sale fair value reserve	Retained earnings	Other reserves	Total equity attributable to owners of the Bank	Non-controlling interest	Total equity
1 January 2012 (as previously reported)	623,867	4,365	130,551	7,331	766,114	5,457	771,571
Adjustments (see note 5)	-	-	20,285	-	20,285	(424)	19,861
1 January 2012 (restated)*	623,867	4,365	150,836	7,331	786,399	5,033	791,432
Total comprehensive income	-	3,419	107,243	2,690	113,352	1,506	114,858
Special purpose tax privileges granted	-	-	997	(997)	-	-	-
31 December 2012 (restated)*	623,867	7,784	259,076	9,024	899,751	6,539	906,290
Total comprehensive income	-	1,131	100,529	2,593	104,253	2,071	106,324
31 December 2013	623,867	8,915	359,605	11,617	1,004,004	8,610	1,012,614

*See Note 5 for description of restatement



On behalf of the Management Board

Rakhimov Saidakhmat
Chairman of the Management Board

22 April 2014
Tashkent, Uzbekistan

Rakhimova Guzal
Chief Accountant

22 April 2014
Tashkent, Uzbekistan

The notes on pages 10-79 form an integral part of these consolidated financial statements.

NATIONAL BANK FOR FOREIGN ECONOMIC ACTIVITY OF THE REPUBLIC OF
UZBEKISTAN

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2013
(in millions of Uzbek Soums)

	Notes	Year ended 31 December 2013	Year ended 31 December 2012 (restated)*
CASH FLOWS FROM OPERATING ACTIVITIES:			
Profit Before Income Tax		133,606	127,195
Provision for impairment losses on interest bearing assets (Recovery)/provision for impairment losses on other operations	8 12	78,879 (2,543)	77,954 32,674
Initial recognition adjustment on interest bearing assets		5,165	13,976
Net unrealised gain on foreign exchange operations	22	(87,417)	(91,838)
Depreciation and amortization	11	28,760	33,392
Impairment losses on property and equipment		7,922	-
Share of (profit)/loss from associates		(3,872)	155
Change in interest income accrual		(5,490)	(26,347)
Change in interest expenses accrual		(10,113)	(5,239)
Change in other non-cash accruals		-	(47,109)
Cash flows from operating activities before changes in operating assets and liabilities		144,897	114,813
<i>Net (increase)/decrease in operating assets</i>			
Due from banks		9,851	(213,909)
Loans to customers		(1,550,320)	(785,793)
Other assets		64,330	(272,854)
Assets classified as held for sale		5,681	22,426
<i>Net increase/(decrease) in operating liabilities</i>			
Amounts due to Central Bank of the Republic of Uzbekistan and the Government		17,270	(153,194)
Due to banks		(174,407)	453,489
Customer accounts		411,200	538,278
Liabilities directly associated with assets classified as held for sale		421	(4,121)
Other liabilities		108,841	(9,633)
Net cash flows used in operating activities before income tax		(962,236)	(310,498)
Income tax paid		(33,100)	(22,213)
Net cash used in operating activities		(995,336)	(332,711)

*See Note 5 for description of restatement

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

**CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2013**
(in millions of Uzbek Soums)

	Notes	Year ended 31 December 2013	Year ended 31 December 2012 (restated)*
CASH FLOWS FROM INVESTING ACTIVITIES:			
Proceeds from redemption of investments held-to-maturity		-	803
Purchase of investments available-for-sale		(180)	(2,724)
Purchase of investments in associates		-	(36)
Dividend received from associates		-	414
Purchase of property, equipment and intangible assets		(71,451)	(10,865)
Proceeds on sale of property, plant and equipment		3,053	639
Net cash used in investing activities		(68,578)	(11,769)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from/(repayment of) debt securities issued		124,833	(1,754)
Proceeds from issuance of subordinated debt		-	35,000
Net proceeds from other borrowed funds		1,032,828	600,526
Net cash from financing activities		1,157,661	633,772
Effect of changes in foreign exchange rate on cash and cash equivalents		30,603	25,210
Net increase in cash and cash equivalents		124,350	314,502
CASH AND CASH EQUIVALENTS, beginning of year	6	2,170,434	1,855,932
CASH AND CASH EQUIVALENTS, end of year	6	2,294,784	2,170,434
Interest received		378,198	325,270
Interest paid		(236,589)	(199,372)
Non-Cash transactions:			
Non-cash increase in property and equipment		245,410	187,990
Non-cash increase in investments available-for-sale (Note 10)		7,287	4,371

*See Note 5 for description of restatement

On behalf of the Management Board:

Rakhimov Saidakhmat
Chairman of the Management Board



22 April 2014
Tashkent, Uzbekistan

Rakhimova Guzal
Chief Accountant

22 April 2014
Tashkent, Uzbekistan

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