



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

**Consolidated Financial Statements and
Independent Auditors' Report
For the Year Ended 31 December 2014**

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 2014, 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.

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 2014, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Deloitte & Touche

17 April 2015
Tashkent, Uzbekistan

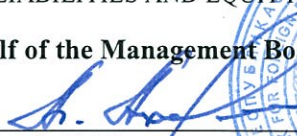
**NATIONAL BANK FOR FOREIGN ECONOMIC ACTIVITY OF THE REPUBLIC OF
UZBEKISTAN**

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2014**

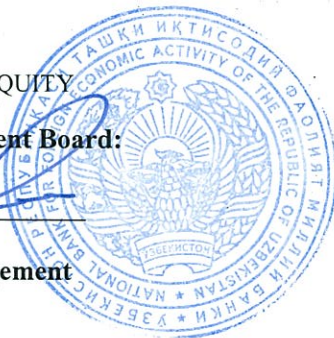
(in millions of Uzbek Soums)

	Notes	31 December 2014	31 December 2013
ASSETS:			
Cash and cash equivalents	5,32	2,429,508	2,294,784
Due from banks	6,32	1,065,718	725,672
Loans to customers	7,32	8,277,308	7,007,350
Investments available-for-sale	8,32	45,747	40,886
Investments held-to-maturity		499	834
Investments in associates	9	14,172	15,543
Property and equipment	10	738,398	1,003,488
Current income tax assets		8,915	9,630
Deferred income tax assets	26	26,028	15,595
Other assets	11	149,973	148,083
Assets classified as held for sale	12	74,844	24,369
TOTAL ASSETS		12,831,110	11,286,234
LIABILITIES AND EQUITY			
LIABILITIES:			
Amounts due to Central Bank of the Republic of Uzbekistan and the Government	13,32	59,180	188,670
Due to banks	14,32	678,814	741,629
Customer accounts	15,32	4,913,017	3,903,131
Other borrowed funds	16,32	5,855,554	5,079,774
Debt securities issued	17,32	98,915	209,166
Other liabilities	18	118,108	139,667
Liabilities directly associated with assets classified as held for sale	12	2,801	11,583
Total liabilities		11,726,389	10,273,620
EQUITY:			
Equity attributable to owners of the Group:			
Share capital	19	623,867	623,867
Investments available-for-sale fair value reserve		8,915	8,915
Retained earnings		471,359	359,605
Other reserves		(6,046)	11,617
Total equity attributable to owners of the Group		1,098,095	1,004,004
Non-controlling interests		6,626	8,610
Total equity		1,104,721	1,012,614
TOTAL LIABILITIES AND EQUITY		12,831,110	11,286,234

On behalf of the Management Board:


Rakhimov Saidakhmat
**Chairman of the Management
Board**

17 April 2015
Tashkent, Uzbekistan




Rakhimova Guzal
Chief Accountant

17 April 2015
Tashkent, Uzbekistan

The notes on pages 10-82 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 2014**

(in millions of Uzbek Soums)

	Notes	Year ended 31 December 2014	Year ended 31 December 2013
Continuing operations			
Interest income	20,32	451,205	383,688
Interest expense	20,32	<u>(263,638)</u>	<u>(226,476)</u>
NET INTEREST INCOME BEFORE PROVISION FOR IMPAIRMENT LOSSES AND INITIAL RECOGNITION ADJUSTMENT ON INTEREST BEARING ASSETS			
		187,567	157,212
Provision for impairment losses on interest bearing assets	7,32	(15,309)	(78,879)
Initial recognition adjustment on interest bearing assets		<u>(15,278)</u>	<u>(5,165)</u>
NET INTEREST INCOME			
		<u>156,980</u>	<u>73,168</u>
Net gain on foreign exchange operations	21	94,125	103,271
Fee and commission income	22,32	207,603	210,183
Fee and commission expense	22,32	(33,448)	(29,149)
Share of profit of associates		3,498	3,872
Recovery for impairment losses on other operations	11	10,005	2,543
Other operating income	23	144,131	73,647
Other operating expenses	24	(130,247)	(58,444)
Dividend income		3,625	1,346
Other income, net		<u>13,645</u>	<u>5,014</u>
NET NON-INTEREST INCOME			
		<u>312,937</u>	<u>312,283</u>
OPERATING INCOME			
		<u>469,917</u>	<u>385,451</u>
OPERATING EXPENSES			
25,32		<u>(283,322)</u>	<u>(254,910)</u>
PROFIT BEFORE INCOME TAX			
		186,595	130,541
Income tax expense	26	(28,700)	(30,777)
PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS			
		<u>157,895</u>	<u>99,764</u>
Discontinued operations			
(Loss)/gain for the period from discontinued operations	27	<u>(43,532)</u>	<u>2,417</u>
NET PROFIT FOR THE YEAR			
		<u>114,363</u>	<u>102,181</u>
Attributable to:			
Owners of the Group		112,442	100,529
Non-controlling interests		<u>1,921</u>	<u>1,652</u>
		<u>114,363</u>	<u>102,181</u>

On behalf of the Management Board:


Rakhimov Saidakhmat
Chairman of the Management
Board

17 April 2015
Tashkent, Uzbekistan




Rakhimova Guzal
Chief Accountant

17 April 2015
Tashkent, Uzbekistan


**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 2014**

(in millions of Uzbek Soums)

	Year ended 31 December 2014	Year ended 31 December 2013
NET PROFIT FOR THE YEAR	<u>114,363</u>	<u>102,181</u>
OTHER COMPREHENSIVE INCOME		
Items that may be reclassified subsequently to profit or loss:		
Unrealized gain on investments available-for-sale	-	1,446
Exchange differences on translation of foreign operations	(23,827)	3,012
Deferred income tax relating to components of other comprehensive income	-	(315)
OTHER COMPREHENSIVE (LOSS)/INCOME AFTER INCOME TAX	<u>(23,827)</u>	<u>4,143</u>
TOTAL COMPREHENSIVE INCOME	<u><u>90,536</u></u>	<u><u>106,324</u></u>
Attributable to:		
Owners of the Group	92,021	104,253
Non-controlling interests	<u>(1,485)</u>	<u>2,071</u>
TOTAL COMPREHENSIVE INCOME	<u><u>90,536</u></u>	<u><u>106,324</u></u>

On behalf of the Management Board:


Rakhimov Saidakhmat
Chairman of the Management Board

17 April 2015
Tashkent, Uzbekistan




Rakhimova Guzal
Chief Accountant

17 April 2015
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 2014

(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 2013	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
Special purpose tax privileges granted	-	-	(688)	2,758	2,070	-	2,070
Dividend distribution to non-controlling interest	-	-	-	-	-	(499)	(499)
Total comprehensive income	-	-	112,442	(20,421)	92,021	(1,485)	90,536
31 December 2014	623,867	8,915	471,359	(6,046)	1,098,095	6,626	1,104,721

On behalf of the Management Board:

Rakhimov Saidakhmat
Chairman of the Management Board

17 April 2015
Tashkent, Uzbekistan

Rakhimova Guzal
Chief Accountant

17 April 2015
Tashkent, Uzbekistan

The notes on pages 10-82 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 2014**

(in millions of Uzbek Soums)

	Notes	Year ended 31 December 2014	Year ended 31 December 2013
CASH FLOWS FROM OPERATING ACTIVITIES:			
Profit Before Income Tax		186,595	130,541
Provision for impairment losses on interest bearing assets	7	15,309	78,879
Recovery for impairment losses on other operations	11	(10,005)	(2,543)
Initial recognition adjustment on interest bearing assets		15,278	5,165
Net unrealised gain on foreign exchange operations	21	(81,066)	(87,443)
Depreciation and amortization	10	27,021	28,760
Impairment losses on property and equipment		-	7,922
Loss on disposal of property and equipment		1,940	-
Share of profit from associates		(3,498)	(3,872)
Change in interest income accrual		(30,515)	(5,490)
Change in interest expenses accrual		20,697	(10,113)
Cash flows from operating activities before changes in operating assets and liabilities		141,756	141,806
<i>Net (increase)/decrease in operating assets</i>			
Due from banks		(190,735)	9,851
Loans to customers		(748,827)	(1,550,294)
Other assets		(27,644)	67,395
Assets classified as held for sale		-	5,681
<i>Net increase/(decrease) in operating liabilities</i>			
Amounts due to Central Bank of the Republic of Uzbekistan and the Government		(134,972)	17,270
Due to banks		(106,393)	(174,407)
Customer accounts		900,392	411,200
Liabilities directly associated with assets classified as held for sale		-	421
Other liabilities		11,658	108,841
Net cash flows used in operating activities before income tax		(154,765)	(962,236)
Income tax paid		(26,125)	(33,100)
Net cash used in operating activities		(180,890)	(995,336)

The notes on pages 10-82 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 (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2014**

(in millions of Uzbek Soums)


	Notes	Year ended 31 December 2014	Year ended 31 December 2013
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of investments available-for-sale		(1,500)	(180)
Dividend received from associates and investments available-for-sale		2,883	-
Dividend distribution to non-controlling interest		(499)	-
Purchase of property, equipment and intangible assets		(76,723)	(71,451)
Proceeds on sale of property, plant and equipment		17,533	3,053
Net cash flow from the disposal of subsidiary		39,362	-
Net cash used in investing activities		<u>(18,944)</u>	<u>(68,578)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:			
(Repayment of)/proceeds from debt securities issued		(111,900)	124,833
Net proceeds from other borrowed funds		405,757	1,032,828
Net cash from financing activities		<u>293,857</u>	<u>1,157,661</u>
Effect of changes in foreign exchange rate on cash and cash equivalents		40,701	30,603
Net increase in cash and cash equivalents		<u>134,724</u>	<u>124,350</u>
CASH AND CASH EQUIVALENTS, beginning of year	5	<u>2,294,784</u>	<u>2,170,434</u>
CASH AND CASH EQUIVALENTS, end of year	5	<u>2,429,508</u>	<u>2,294,784</u>
Interest received		481,720	378,198
Interest paid		(242,941)	(236,589)
Non-Cash transactions:			
Non-cash increase in property and equipment		610	245,410
Non-cash increase in investments available-for-sale		3,300	7,287

On behalf of the Management Board:


Rakhimov Saidakhmat
Chairman of the Management
Board

17 April 2015
Tashkent, Uzbekistan




Rakhimova Guzal
Chief Accountant

17 April 2015
Tashkent, Uzbekistan