

**OPEN JOINT STOCK COMMERCIAL BANK
“AGROBANK”**

**International Financial Reporting Standards
Consolidated Financial Statements and
Independent Auditor’s Report**

31 December 2013

Open Joint Stock Commercial Bank "Agrobank"
Consolidated Statement of Financial Position

| <i>In thousands of Uzbekistan Soums</i> | Note | 31 December 2013 | 31 December 2012 Restated | 1 January 2012 Restated |
|---|------|----------------------|---------------------------------|-------------------------------|
| ASSETS | | | | |
| Cash and cash equivalents | 7 | 312,475,103 | 221,165,600 | 198,003,189 |
| Due from other banks | 8 | 77,597,695 | 65,569,433 | 7,449,867 |
| Loans and advances to customers, including finance lease receivables | 9 | 1,701,430,276 | 1,209,049,065 | 993,505,949 |
| Investment securities available-for-sale | 10 | 13,271,507 | 13,596,194 | 11,900,600 |
| Investment in associates | 11 | 28,155,370 | 22,104,517 | 18,558,303 |
| Deferred income tax asset | 27 | 11,199,638 | 11,051,634 | 11,443,265 |
| Premises, equipment and intangible assets | 12 | 57,370,059 | 52,909,057 | 65,299,518 |
| Other assets | 13 | 39,072,296 | 26,546,640 | 16,835,749 |
| Receivables from former employees | 14 | 247,098,191 | 250,119,589 | 249,140,023 |
| Non-current assets held for sale | 15 | 41,690,691 | 45,132,539 | 27,300,005 |
| TOTAL ASSETS | | 2,529,360,826 | 1,917,244,268 | 1,599,436,468 |
| LIABILITIES | | | | |
| Due to other banks | 16 | 419,296,845 | 184,700,048 | 104,550,549 |
| Customer accounts | 17 | 1,400,905,824 | 1,139,421,618 | 953,118,295 |
| Debt securities in issue | 18 | 152,422,184 | 82,936,344 | 113,243,322 |
| Other borrowed funds | 19 | 220,553,846 | 249,669,140 | 231,183,601 |
| Other liabilities | 20 | 21,064,165 | 15,774,336 | 6,056,324 |
| Liabilities directly associated with disposal groups held for sale | 15 | 1,044,444 | 386,909 | - |
| TOTAL LIABILITIES | | 2,215,287,308 | 1,672,888,395 | 1,408,152,091 |
| EQUITY | | | | |
| Share capital | 21 | 258,780,705 | 192,434,534 | 151,257,706 |
| Share premium | 21 | 1,412,124 | 1,412,124 | 1,412,124 |
| Treasury shares | 21 | (115,000) | (115,000) | (115,000) |
| Revaluation reserve for available-for-sale securities | | 5,580,615 | 5,251,699 | 4,911,717 |
| Retained earnings | | 47,352,326 | 43,596,373 | 31,796,687 |
| Net assets attributable to the Bank's owners | | 313,010,770 | 242,579,730 | 189,263,234 |
| Non-controlling interest | | 1,062,748 | 1,776,143 | 2,021,143 |
| TOTAL EQUITY | | 314,073,518 | 244,355,873 | 191,284,377 |
| TOTAL LIABILITIES AND EQUITY | | 2,529,360,826 | 1,917,244,268 | 1,599,436,468 |

Approved for issue and signed on behalf of the Board of Management on 9 June 2014.

 Tamikayev A.U.
 Chairman of the Board

 Mirzaev Sh. Sh.
 Chief Accountant

The notes set out on pages 5 to 75 form an integral part of these consolidated financial statements.

Open Joint Stock Commercial Bank "Agrobank"
Consolidated Statement of Profit or Loss and Other Comprehensive Income

| <i>In thousands of Uzbekistan Soums</i> | Note | 2013 | 2012 Restated |
|--|------|--------------------|-------------------|
| Continuing operations: | | | |
| Interest income | 22 | 262,287,142 | 196,498,099 |
| Interest expense | 22 | (144,089,438) | (110,216,401) |
| Net interest income | | 118,197,704 | 86,281,698 |
| Provision for loan impairment | 9 | (1,905,853) | (863,905) |
| Net interest income after provision for loan impairment | | 116,291,851 | 85,417,793 |
| Fee and commission income | 23 | 121,641,944 | 114,258,032 |
| Fee and commission expense | 23 | (38,111,775) | (32,711,543) |
| Gains less losses from trading in foreign currency | | 255,607 | 258,389 |
| Foreign exchange translation gains less losses | | 1,150,518 | 2,146,338 |
| Dividend income | | 1,681,167 | 1,073,395 |
| Other operating income | 24 | 16,538,825 | 15,099,351 |
| Provision for impairment of other assets | | (2,361,358) | (101,474) |
| Administrative and other operating expenses | 25 | (213,015,396) | (170,005,078) |
| Share of result of associates | 11 | 4,379,353 | 3,546,214 |
| Profit before tax | | 8,450,736 | 18,981,417 |
| Income tax expense | 27 | (3,759,141) | (6,280,535) |
| PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS | | 4,691,595 | 12,700,882 |
| Discontinued operations: | | | |
| Loss for the year from discontinued operations | 26 | (1,649,037) | (1,065,346) |
| NET PROFIT FOR THE YEAR | | 3,042,558 | 11,635,536 |
| Other comprehensive income: | | | |
| <i>Items that maybe reclassified subsequently to profit or loss</i> | | | |
| Available-for-sale investments: | | | |
| - Gains less losses arising during the year | 10 | 420,609 | 434,759 |
| - Income tax charge relating to components of other comprehensive income | | (91,693) | (94,777) |
| Other comprehensive income for the year | | 328,916 | 339,982 |
| TOTAL COMPREHENSIVE INCOME FOR THE YEAR | | 3,371,474 | 11,975,518 |
| Profit is attributable to | | | |
| -Owners of the Bank | | 3,755,953 | 11,799,686 |
| -Non-controlling interest | | (713,395) | (164,150) |
| Profit for the year | | 3,042,558 | 11,635,536 |
| Total comprehensive income is attributable to: | | | |
| -Owners of the Bank | | 4,084,869 | 12,139,668 |
| -Non-controlling interest | | (713,395) | (164,150) |
| Total comprehensive income for the year | | 3,371,474 | 11,975,518 |
| Earnings per ordinary share for profit from continuing operations attributable to the owners of the Bank, basic and diluted in UZS | 28 | 13 | 75 |
| Earnings per ordinary share for loss from discontinued operations attributable to the owners of the Bank, basic and diluted in UZS | 28 | (10) | (7) |

The notes set out on pages 5 to 75 form an integral part of these consolidated financial statements.

Open Joint Stock Commercial Bank “Agrobank”
Consolidated Statement of Changes in Equity

| | Note | Attributable to owners of the Bank | | | | | Total | Non-controlling interest | Total equity |
|--|------|------------------------------------|------------------|------------------|--|-------------------|--------------------|--------------------------|--------------------|
| | | Share capital | Share premium | Treasury shares | Revaluation reserve for AFS securities | Retained earnings | | | |
| <i>In thousands of Uzbekistan Soums</i> | | | | | | | | | |
| Previously reported balance at 31 December 2011 | | 151,257,706 | 1,412,124 | (115,000) | 5,315,485 | 30,687,269 | 188,557,584 | 2,021,143 | 190,578,727 |
| Correction of prior period errors | 3 | - | - | - | (403,768) | 1,109,418 | 705,650 | - | 705,650 |
| Adjusted balance at 1 January 2012 | | 151,257,706 | 1,412,124 | (115,000) | 4,911,717 | 31,796,687 | 189,263,234 | 2,021,143 | 191,284,377 |
| Profit/(loss) for the year (restated)* | | - | - | - | - | 11,799,686 | 11,799,686 | (164,150) | 11,635,536 |
| Other comprehensive income | | - | - | - | 339,982 | - | 339,982 | - | 339,982 |
| Total comprehensive income for 2012 (restated) | | - | - | - | 339,982 | 11,799,686 | 12,139,668 | (164,150) | 11,975,518 |
| Shares issued | 21 | 41,176,828 | - | - | - | - | 41,176,828 | - | 41,176,828 |
| Dividends declared | | - | - | - | - | - | - | (80,850) | (80,850) |
| Balance at 31 December 2012 (restated) | | 192,434,534 | 1,412,124 | (115,000) | 5,251,699 | 43,596,373 | 242,579,730 | 1,776,143 | 244,355,873 |
| Profit/(loss) for the year | | - | - | - | - | 3,755,953 | 3,755,953 | (713,395) | 3,042,558 |
| Other comprehensive income | | - | - | - | 328,916 | - | 328,916 | - | 328,916 |
| Total comprehensive income for 2013 | | - | - | - | 328,916 | 3,755,953 | 4,084,869 | (713,395) | 3,371,474 |
| Shares issued | 21 | 66,346,171 | - | - | - | - | 66,346,171 | - | 66,346,171 |
| Balance at 31 December 2013 | | 258,780,705 | 1,412,124 | (115,000) | 5,580,615 | 47,352,326 | 313,010,770 | 1,062,748 | 314,073,518 |

* The effect of correction of prior period errors on profit was UZS 4,623,532 thousand. Refer to Note 3.

Open Joint Stock Commercial Bank "Agrobank"
Consolidated Statement of Cash Flows

| <i>In thousands of Uzbekistan Soums</i> | Note | 2013 | 2012 Restated |
|--|------|---------------------|--------------------|
| Cash flows from operating activities | | | |
| Interest received | | 263,029,767 | 196,928,115 |
| Interest paid | | (141,844,571) | (111,251,906) |
| Fees and commissions received | | 119,446,853 | 116,829,120 |
| Fees and commissions paid | | (38,111,775) | (32,009,635) |
| Income received from trading in foreign currencies | | 255,607 | 258,389 |
| Other operating income received | | 14,564,078 | 13,413,540 |
| Staff costs paid | | (127,512,442) | (102,769,244) |
| Administrative and other operating expenses paid | | (75,661,008) | (56,138,059) |
| Income tax paid | | (4,122,054) | (4,577,735) |
| Cash flows from operating activities before changes in operating assets and liabilities | | 10,044,455 | 20,682,585 |
| Net increase in due from other banks | | (11,121,724) | (54,505,179) |
| Net increase in loans and advances to customers | | (494,517,030) | (229,198,296) |
| Net increase in other assets | | (12,358,814) | (3,567,320) |
| Net decrease/(increase) in receivable from employees | | 3,021,398 | (979,566) |
| Net increase in due to other banks | | 231,423,235 | 80,251,710 |
| Net increase in customer accounts | | 259,881,833 | 189,238,467 |
| Net increase in other liabilities | | 9,602,355 | 2,465,409 |
| Net cash from operating activities | | (4,024,292) | 4,387,810 |
| Cash flows from investing activities | | | |
| Purchase of premises, equipment and intangible assets | | (16,396,874) | (12,511,896) |
| Proceeds from disposal of premises, equipment and intangible assets | | 459,770 | 1,039,649 |
| Advances received for sale of Group's building | | - | 2,524,800 |
| Purchase of investments available for sale | | - | (1,326,049) |
| Acquisition of joint venture | | (1,671,500) | (113,843) |
| Proceeds from disposal of non-current assets held for sale | | 1,937,687 | - |
| Dividend income received | | 1,512,949 | 1,197,529 |
| Net cash used in investing activities | | (14,157,968) | (9,189,810) |
| Cash flows from financing activities | | | |
| Issue of ordinary shares | 21 | 66,346,171 | 41,176,828 |
| Dividends paid | | - | (80,850) |
| Proceeds from borrowings from government, state and international financial institutions | | 276,945,536 | 251,350,876 |
| Repayment of borrowings from government, state and international financial institutions | | (306,151,046) | (234,550,417) |
| Proceeds from issue of debt securities | | 97,927,999 | 40,323,000 |
| Repayment of debt securities | | (29,227,400) | (70,629,978) |
| Net cash from financing activities | | 105,841,260 | 27,589,459 |
| Effect of exchange rate changes on cash and cash equivalents | | 3,650,503 | 374,952 |
| Net increase in cash and cash equivalents | | 91,309,503 | 23,162,411 |
| Cash and cash equivalents at the beginning of the year | 7 | 221,165,600 | 198,003,189 |
| Cash and cash equivalents at the end of the year | | 312,475,103 | 221,165,600 |
| Non-cash transactions: | | | |
| Acquisition of associate and joint venture | | (1,710,588) | - |
| Sale of premises and equipment | | - | 7,425,661 |

The notes set out on pages 5 to 75 form an integral part of these consolidated financial statements.