

**PRIVATE JOINT STOCK COMMERCIAL BANK  
"ORIENT FINANS"**

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

**31 December 2015**



## ***Independent Auditor's Report***

To the Shareholders and Council of Private Joint Stock Commercial Bank "Orient Finans":

- 1 We have audited the accompanying consolidated financial statements of Private Joint Stock Commercial Bank "Orient Finans" (the "Bank") and its subsidiary (collectively referred as the "Group"), which comprise the statement of financial position as of 31 December 2015 and the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory notes.

### **Management's Responsibility for the Financial Statements**

- 2 Management is responsible for the preparation 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**

- 3 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.
- 4 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 auditor's 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 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 consolidated financial statements.
- 5 We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



**Independent Auditor's Report (continued)**

**Opinion**

- 6 In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Group as of 31 December 2015, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Utkir Muhammadiyev  
General Director  
Certificate of Auditor No. 9/15  
dated 16 August 2013

Grigoriy Asaturov  
Auditor  
Certificate of Auditor No. 9/18  
dated 30 January 2015

Audit Organization "PricewaterhouseCoopers" LLC

Audit Organization "PricewaterhouseCoopers" LLC  
28 April 2016  
Tashkent, Uzbekistan

**Private Joint Stock Commercial Bank "ORIENT FINANS" and its subsidiary**  
**Consolidated Statement of Financial Position**

	Note	31 December 2015	31 December 2014 (restated)	1 January 2014 (restated)
<i>In thousands of Uzbekistan Soums</i>				
<b>ASSETS</b>				
Cash and cash equivalents	7	343,720,231	203,758,819	113,917,952
Due from other banks	8	121,921,048	70,225,091	29,114,543
Loans and advances to customers	9	403,294,517	175,865,390	88,719,498
Investments securities available for sale	11	2,392,442	2,392,442	-
Current income tax prepayment		2,529,949	645,838	299,151
Deferred income tax asset	21	1,018,097	286,476	254,630
Premises and equipment	10	42,544,148	40,132,395	33,976,604
Intangible assets	10	2,432,744	2,856,917	3,206,647
Other assets	12	2,844,737	798,857	8,348,663
<b>TOTAL ASSETS</b>		<b>922,697,913</b>	<b>496,962,225</b>	<b>277,837,688</b>
<b>LIABILITIES</b>				
Due to other banks	13	6,318,860	7,301,154	10,246,108
Customer accounts	14	799,854,859	423,614,619	239,332,333
Other liabilities	15	3,080,150	1,521,596	2,154,864
<b>TOTAL LIABILITIES</b>		<b>809,253,869</b>	<b>432,437,369</b>	<b>251,733,305</b>
<b>EQUITY</b>				
Share capital	16	52,357,500	41,886,000	22,386,000
Share premium	16	89,290	89,290	-
Retained earnings		60,997,254	22,549,566	3,718,383
<b>TOTAL EQUITY</b>		<b>113,444,044</b>	<b>64,524,856</b>	<b>26,104,383</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>922,697,913</b>	<b>496,962,225</b>	<b>277,837,688</b>

Approved for issue and signed on behalf of the Management Board of the Bank on 28 April 2016.

Tuyboev Sh. Sh.  
Acting Chairman of the Board



Rakhimov D.T.  
Chief Accountant



**Private Joint Stock Commercial Bank "ORIENT FINANS" and its subsidiary  
Consolidated Statement of Profit or Loss and Other Comprehensive Income**

<i>In thousands of Uzbekistan Soums</i>	Note	2015	2014
Interest income	17	32,639,469	21,633,699
Interest expense	17	(2,142,543)	(4,240,205)
<b>Net interest income</b>		<b>30,496,926</b>	<b>17,393,494</b>
Provision for loan impairment	9	(7,895,995)	(20,195)
<b>Net interest income after provision for loan impairment</b>		<b>22,600,931</b>	<b>17,373,299</b>
Fee and commission income	18	80,332,607	47,047,112
Fee and commission expense	18	(6,332,144)	(4,404,481)
Net gain from foreign exchange translation		1,076,525	3,385,396
Net gain from trading in foreign currencies		435,100	262,161
Net gain from financial derivatives	28	1,379,615	-
Dividend income received		851,967	804,803
Other operating income	19	378,923	3,640,445
Provision for other assets impairment		-	(101,297)
Administrative and other operating expenses	20	(38,809,795)	(31,128,868)
<b>Profit before tax</b>		<b>61,913,729</b>	<b>36,878,570</b>
Income tax expense	21	(12,994,541)	(7,519,337)
<b>PROFIT FOR THE YEAR</b>		<b>48,919,188</b>	<b>29,359,233</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>48,919,188</b>	<b>29,359,233</b>
<b>Basis and diluted earnings per ordinary share (expressed in UZS per share)</b>	22	<b>3</b>	<b>1,746</b>

**Private Joint Stock Commercial Bank "ORIENT FINANS" and its subsidiary**  
**Consolidated Statement of Changes in Equity**

<i>In thousands of Uzbekistan Soums</i>	Note	Share capital	Share premium	Retained earnings	Total
<b>Balance at 31 December 2013</b>		<b>22,386,000</b>	-	<b>3,718,383</b>	<b>26,104,383</b>
Total comprehensive income		-	-	29,359,233	<b>29,359,233</b>
Additional contributed capital	16	8,971,950	89,290	-	<b>9,061,240</b>
Capitalisation of retained earnings		10,528,050	-	(10,528,050)	-
<b>Balance at 31 December 2014</b>		<b>41,886,000</b>	<b>89,290</b>	<b>22,549,566</b>	<b>64,524,856</b>
Total comprehensive income		-	-	48,919,188	<b>48,919,188</b>
Capitalisation of retained earnings	16	10,471,500	-	(10,471,500)	-
<b>Balance at 31 December 2015</b>		<b>52,357,500</b>	<b>89,290</b>	<b>60,997,254</b>	<b>113,444,044</b>

**Private Joint Stock Commercial Bank "ORIENT FINANS" and its subsidiary**  
**Consolidated Statement of Cash Flows**

<i>In thousands of Uzbekistan Soums</i>	<b>Note</b>	<b>2015</b>	<b>2014</b>
<b>Cash flows from operating activities</b>			
Interest received		32,366,284	21,108,374
Interest paid		(2,191,865)	(3,766,436)
Fee and commission received		81,268,839	47,047,112
Fee and commission paid		(6,332,144)	(4,404,481)
Income received from trading in foreign currencies		435,100	262,161
Income received from derivatives		1,379,615	-
Proceeds from sale of asset held for sale		-	1,730,388
Other operating income received		378,923	-
Staff costs paid		(20,709,459)	(15,989,344)
Administrative and other operating expenses paid		(13,491,546)	(11,187,717)
Income tax paid		(15,610,273)	(7,897,870)
<b>Cash flows from operating activities before changes in operating assets and liabilities</b>			
		<b>57,493,474</b>	<b>26,902,187</b>
<i>Net (increase) / decrease in:</i>			
- due from other banks		(51,489,391)	(41,110,548)
- loans and advances to customers		(234,715,151)	(85,110,504)
- other assets		(1,239,374)	9,081,331
<i>Net increase / (decrease) in:</i>			
- due to other banks		(1,032,956)	(2,946,392)
- customer accounts		375,498,717	182,737,274
- other liabilities		139,161	(385,970)
<b>Net cash from operating activities</b>			
		<b>144,654,480</b>	<b>89,167,378</b>
<b>Cash flows from investing activities</b>			
Acquisition of premises and equipment		(6,652,025)	(9,632,707)
Acquisition of intangible assets		(267,690)	(135,614)
Acquisition of investment securities available for sale		-	(2,392,442)
Dividend income received		851,967	804,803
<b>Net cash used in investing activities</b>			
		<b>(6,067,748)</b>	<b>(11,355,960)</b>
<b>Cash flows from financing activities</b>			
Issue of ordinary shares		-	9,061,240
<b>Net cash from financing activities</b>			
		<b>-</b>	<b>9,061,240</b>
Effect of exchange rate changes on cash and cash equivalents		1,374,680	2,968,209
<b>Net increase in cash and cash equivalents</b>		<b>139,961,412</b>	<b>89,840,867</b>
Cash and cash equivalents at the beginning of the year	7	203,758,819	113,917,952
<b>Cash and cash equivalents at the end of the year</b>	<b>7</b>	<b>343,720,231</b>	<b>203,758,819</b>