# National Bank for Foreign Economic Activity of the Republic of Uzbekistan Consolidated Financial Statements

Year ended 31 December 2012 Together with Independent Auditors' Report



.

Ernst & Young MChJ

Inconel Business Center, 3rd floor Mustaqillik Prospect, 75 Tashkent, 100000 Republic of Uzbekistan

Tel: +998 (71) 140 6482 Fax: +998 (71) 140 6483

www.ey.com/cis

000 «Ernst & Young»

Республика Узбекистан 10000, Ташкент пр-т Мустакиллик, 75 Бизнес-центр «Инконель», 3 этаж

Тел.: +998 (71) 140 6482 Факс: +998 (71) 140 6483

#### Independent auditors' report

To the 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 (together the "Group"), which comprise the consolidated statement of financial position as at 31 December 2012, and the consolidated income statement, consolidated statements of comprehensive income, of changes in equity and 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 the fairness of 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 about 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 National Bank for Foreign Economic Activity of the Republic of Uzbekistan and its subsidiaries as at 31 December 2012, and their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards.

Ernst & Young Mhs 30 April 2013

## Consolidated statement of financial position

#### As at 31 December 2012

(Millions of Uzbek soums)

	Notes	2012	2011
Assets		0.470.404	4.055.000
Cash and cash equivalents	6	2,170,434	1,855,932
Amounts due from credit institutions	7	722,948	509,325
Loans to customers	8	5,512,392	4,686,190
Investment securities: - available-for-sale	10	24.075	26.872
	10	31,975 895	- 1 -
- held-to-maturity Assets held for sale	9	23,770	1,698 46,396
Investments in associates	11	20,850	21,383
	12	733,290	578,094
Property and equipment Current income tax asset	12	1,609	1,493
Deferred income tax assets	13	20,249	16,490
		204.829	132,152
Other assets	14 _		
Total assets	, i	9,443,241	7,876,025
Liabilities			
Amounts due to the Central Bank and the Government	16	175,420	327,217
Borrowings	17	1,669,042	1,547,461
Amounts due to credit institutions	18	898,430	409,941
Amounts due to customers	19	3,464,271	2,927,570
Other borrowed funds	20	2,236,727	1,758,900
Debt securities issued	21	82,314	85,240
Liabilities directly associated with assets held for sale	9	11,162	15,283
Current income tax liabilities		2	1,009
Other liabilities	14	30,826	31,833
Total liabilities		8,568,192	7,104,454
Equity	22		
Share capital		623,867	623,867
Retained earnings		227,115	130,551
Unrealised gains on available for sale securities		8,080	4,365
Other reserves		9,024	7,331
Total equity attributable to the Shareholder of the Bank	-	868,086	766,114
Non-controlling interests		6,963	5,457
Total equity	_	875,049	771,571
Total liabilities and equity		9,443,241	7,876,025

Signed and authorised for release on behalf of the Management Board of the Bank

Saidakhmad Rakhimov

Chairman of the Management Board

Alisher Tuychiev

30 April 2013

Chief Accountant

### **Consolidated income statement**

### For the year ended 31 December 2012

Net   Net		Notes	2012	2011
Amounts due from credit institutions         7,272 4,818 5,094         7,885 1,094           Finance lease receivables         4,133 3,038           Interest expense         351,617         310,388           Other borrowed funds         (54,760)         (35,774)           Amounts due to customers         (52,499)         (42,028)           Borrowings         (47,455)         (30,991)           Amounts due to credit institutions         (29,429)         (26,005)           Debt securities issued         (7,440)         (9,701)           Amounts due to the Central Bank and the Government         (2,550)         (2,599)           Amounts due to the Central Bank and the Government         (2,950)         (2,599)           Amounts due to the Central Bank and the Government         (2,950)         (2,550)         (2,599)           Net interest income         8         (77,954)         (30,100)           Net interest income         8         (77,954)         (66,891)           Net interest income after loan impairment charge and initial loss recognition on interest bearing assets         (19,786)         (6,891)           Net gains from foreign currencies:         8         (77,954)         80,116           I stage of the gain income         24         147,443         120,506				_
Finance lease receivables   351,617   310,398   310,398   310,398   310,398   310,398   310,398   310,398   310,398   310,398   310,398   320,399   320,39				
Interest expense   351,617   310,398   Interest expense   Cher borrowed funds   (54,760)   (35,974)   Amounts due to customers   (52,499)   (42,028)   (47,028)   (47,455)   (38,091)   Amounts due to credit institutions   (29,429)   (26,005)   (25,005)	Amounts due from credit institutions		•	
Interest expense	Finance lease receivables			
Other borrowed funds         (54,760)         (35,974)           Amounts due to customers         (52,499)         (42,028)           Borrowings         (47,455)         (38,091)           Amounts due to credit institutions         (29,429)         (26,005)           Debt securities issued         (74,40)         (9,701)           Amounts due to the Central Bank and the Government         (2,550)         (2,599)           Net interest income         157,484         156,000           Loan impairment charge         8         (77,954)         (69,193)           Initial loss recognition on interest bearing assets         (19,786)         (6,691)           Net interest income after loan impairment charge and initial loss recognition         59,744         80,116           Net gains from foreign currencies:         147,443         120,506           Net gains from foreign currencies:         85,055         64,681           - translation differences         85,055         64,681           - dealing         15,569         12,473           Dividend income         25         125,412         106,033           Other operating income         25         125,412         106,033           Other income         25         125,412         106,033			351,617	310,398
Amounts due to customers         (52,499)         (42,028)           Borrowings         (47,455)         (38,091)           Amounts due to credit institutions         (29,429)         (26,005)           Debt securities issued         (7,440)         (9,701)           Amounts due to the Central Bank and the Government         (194,133)         (154,388)           Net interest income         157,484         156,000           Loan impairment charge         8         (77,954)         (69,193)           Initial loss recognition or interest bearing assets         (19,786)         (6,691)           Net interest income after loan impairment charge and initial loss recognition         59,744         80,116           Net see and commission income         24         147,443         120,506           Net gians from foreign currencies:         -         -         -           - translation differences         85,055         64,681         -           - translation differences         11,12         4,775         -         -			(F 4 700)	(05.07.4)
Borrowings         (47,455)         (38,091)           Amounts due to credit institutions         (29,429)         (26,005)           Debt securities issued         (7,440)         (9,701)           Amounts due to the Central Bank and the Government         (2,550)         (2,599)           Net interest income         157,484         156,000           Loan impairment charge         8         (77,954)         (66,919)           Initial loss recognition on interest bearing assets         (19,786)         (6,691)           Net interest income after loan impairment charge and initial loss recognition         59,744         80,116           Net fee and commission income         24         147,443         120,506           Net gains from foreign currencies:         -         -           - translation differences         85,055         64,681           - dealing         15,569         12,473           Dividend income         15,569         12,473           Dividend income         25         125,412         106,033           Other operating income         25         125,412         106,033           Other operating expenses         27         (103,474)         (86,246)           Other operating expenses         28         (114,255)				
Amounts due to credit institutions         (29,429)         (26,005)           Debt securities issued         (7,440)         (9,701)           Amounts due to the Central Bank and the Government         (2,550)         (2,599)           Net interest income         157,484         156,000           Loan impairment charge         8         (77,954)         (69,193)           Initial loss recognition on interest bearing assets         (19,786)         (6,691)           Net interest income after loan impairment charge and initial loss recognition         59,744         80,116           Net geand commission income         24         147,443         120,506           Net gains from foreign currencies:         85,055         64,681           - dealing         15,569         12,473           Dividend income         25         15,569         12,473           Other operating income         25         125,412         106,033           Other operating income         25         13,780         3,660           Non-interest income         406,246         313,727           General and other administrative expenses         27         (103,474)         (86,246)           Other operating expenses         28         (114,255)         (86,200)           Pers				
Debt securities issued         (7,440)         (9,701)           Amounts due to the Central Bank and the Government         (2,550)         (2,590)           Amounts due to the Central Bank and the Government         (194,133)         (154,398)           Net interest income         157,484         156,000           Loan impairment charge         8         (77,954)         (69,193)           Initial loss recognition on interest bearing assets         (19,786)         (6,691)           Net interest income after loan impairment charge and initial loss recognition         59,744         80,116           Net fee and commission income         24         147,443         120,506           Net fee and commission income         24         147,443         120,506           Net gains from foreign currencies:         35,974         80,116           Income of calling         15,569         12,473           Dividend income         11,142         4,775           Share in (loss)/profit of associates         11         (155)         1,599           Other operating income         25         125,412         106,033           Other income         31,780         3,600           Non-interest income         27         (103,474)         (86,246)           Other (impairm				
Amounts due to the Central Bank and the Government         (2,559)         (2,599)           Net interest income         (194,133)         (154,398)           Loan impairment charge         8         (77,954)         (69,193)           Initial loss recognition on interest bearing assets         (19,786)         (6,919)           Net interest income after loan impairment charge and initial loss recognition         59,744         80,116           Net fee and commission income         24         147,443         120,506           Net gains from foreign currencies:         85,055         64,681           - translation differences         85,055         64,681           - dealing         15,569         12,473           Dividend income         11         (155)         1,599           Other operating income         25         125,412         106,033           Other income         31,780         3,680           Non-interest income         27         (103,474)         (86,246)           Other operating expenses         28         (114,255)         (86,200)           Other operating expenses         28         (114,255)         (89,398)           Other operating expenses         28         (114,255)         (89,294)           Other operat				
Net interest income         (194,133)         (154,398)           Loan impairment charge         8         (77,954)         (69,193)           Initial loss recognition on interest bearing assets         (19,786)         (6,691)           Net interest income after loan impairment charge and initial loss recognition         59,744         80,116           Net fee and commission income         24         147,443         120,506           Net gains from foreign currencies:				
Net interest income         157,484         156,000           Loan impairment charge         8         (77,954)         (69,193)           Initial loss recognition on interest bearing assets         (19,786)         (6,691)           Net interest income after loan impairment charge and initial loss recognition         59,744         80,116           Net geand commission income         24         147,443         120,506           Net geand commission income         24         147,443         120,506           Net geans from foreign currencies: - translation differences - dealing         15,569         12,473           Dividend income         1,142         4,775           Share in (loss)/profit of associates         11         (155)         1,589           Other operating income         25         125,412         106,033           Other income         31,780         3,660           Non-interest income         406,246         313,727           General and other administrative expenses         27         (103,474)         (86,246)           Other operating expenses         28         (114,255)         (86,200)           Personnel expenses         28         (114,255)         (86,200)           Personnel expenses         26         (87,271)	Amounts due to the Central Bank and the Government			
Loan impairment charge         8         (77,954)         (69,193)           Initial loss recognition on interest bearing assets         (19,786)         (6,691)           Net interest income after loan impairment charge and initial loss recognition         59,744         80,116           Net geand commission income         24         147,443         120,506           Net gains from foreign currencies: - translation differences         85,055         64,681           - dealing         15,569         12,473           Dividend income         11,142         4,775           Share in (loss)/profit of associates         11         (155)         1,599           Other operating income         25         125,412         106,033           Other income         31,780         3,660           Non-interest income         406,246         313,727           General and other administrative expenses         27         (103,474)         (86,246)           Other operating expenses         28         (114,255)         (86,200)           Personnel expenses         26         (87,271)         (69,938)           Other (impairment and provisions)         (32,674)         (44,407)           Depreciation and amortization         (22,142)         (22,738) <t< td=""><td>Net interest income</td><td>_</td><td></td><td></td></t<>	Net interest income	_		
Initial loss recognition on interest bearing assets   (19,786)   (6,691)     Net interest income after loan impairment charge and initial loss recognition   59,744   80,116       Net fee and commission income   24   147,443   120,506   Net gains from foreign currencies:	Net interest income		107,404	130,000
Net interest income after loan impairment charge and initial loss recognition         59,744         80,116           Net fee and commission income         24         147,443         120,506           Net gains from foreign currencies:	Loan impairment charge	8	(77,954)	(69,193)
Net fee and commission income         24         147,443         120,506           Net gains from foreign currencies:         -         -           - translation differences         85,055         64,681           - dealing         15,569         12,473           Dividend income         1,142         4,775           Share in (loss)/profit of associates         11         (155)         1,599           Other operating income         25         125,412         106,033           Other income         31,780         3,660           Non-interest income         406,246         313,727           General and other administrative expenses         27         (103,474)         (86,246)           Other operating expenses         28         (114,255)         (86,200)           Personnel expenses         26         (87,271)         (69,938)           Other (impairment and provisions)         (32,674)         (44,407)           Depreciation and amortization         (22,142)         (22,738)           Non-interest expenses         359,816         (309,529)           Profit before income tax expense         106,174         84,314           Income tax expense         13         (9,101)         (16,716)			(19,786)	(6,691)
Net fee and commission income         24         147,443         120,506           Net gains from foreign currencies:			50 744	00.440
Net gains from foreign currencies:	loss recognition		59,744	80,116
Net gains from foreign currencies:	Net fee and commission income	24	147 443	120 506
- translation differences         85,055         64,681           - dealing         15,569         12,473           Dividend income         1,142         4,775           Share in (loss)/profit of associates         11         (155)         1,599           Other operating income         25         125,412         106,033           Other income         31,780         3,660           Non-interest income         406,246         313,727           General and other administrative expenses         27         (103,474)         (86,246)           Other operating expenses         28         (114,255)         (86,200)           Personnel expenses         26         (87,271)         (69,938)           Other (impairment and provisions)         (32,674)         (44,407)           Depreciation and amortization         (22,142)         (22,738)           Non-interest expenses         (359,816)         (309,529)           Profit before income tax expense         106,174         84,314           Income tax expense         13         (9,101)         (16,716)           Profit for the year         97,073         67,598           Attributable to:         -         -         -         95,567         66,282		21	111,110	120,000
- dealing         15,569         12,473           Dividend income         1,142         4,775           Share in (loss)/profit of associates         11         (155)         1,599           Other operating income         25         125,412         106,033           Other income         31,780         3,660           Non-interest income         406,246         313,727           General and other administrative expenses         27         (103,474)         (86,246)           Other operating expenses         28         (114,255)         (86,200)           Personnel expenses         26         (87,271)         (69,938)           Other (impairment and provisions)         (32,674)         (44,407)           Depreciation and amortization         (22,142)         (22,738)           Non-interest expenses         (359,816)         (309,529)           Profit before income tax expense         106,174         84,314           Income tax expense         13         (9,101)         (16,716)           Profit for the year         97,073         67,598           Attributable to:         -         -         -         -         66,282           - non-controlling interests         1,506         1,316         - <td></td> <td></td> <td>85.055</td> <td>64.681</td>			85.055	64.681
Dividend income         1,142         4,775           Share in (loss)/profit of associates         11         (155)         1,599           Other operating income         25         125,412         106,033           Other income         31,780         3,660           Non-interest income         406,246         313,727           General and other administrative expenses         27         (103,474)         (86,246)           Other operating expenses         28         (114,255)         (86,200)           Personnel expenses         26         (87,271)         (69,938)           Other (impairment and provisions)         (32,674)         (44,407)           Depreciation and amortization         (22,142)         (22,738)           Non-interest expenses         (359,816)         (309,529)           Profit before income tax expense         106,174         84,314           Income tax expense         13         (9,101)         (16,716)           Profit for the year         97,073         67,598           Attributable to:         -         -         -         -         66,282           - shareholder of the Bank         95,567         66,282         -         -         -         -         -         - <td>- dealing</td> <td></td> <td>•</td> <td></td>	- dealing		•	
Other operating income         25         125,412         106,033           Other income         31,780         3,660           Non-interest income         406,246         313,727           General and other administrative expenses         27         (103,474)         (86,246)           Other operating expenses         28         (114,255)         (86,200)           Personnel expenses         26         (87,271)         (69,938)           Other (impairment and provisions)         (32,674)         (44,407)           Depreciation and amortization         (22,142)         (22,738)           Non-interest expenses         (359,816)         (309,529)           Profit before income tax expense         106,174         84,314           Income tax expense         13         (9,101)         (16,716)           Profit for the year         97,073         67,598           Attributable to: - shareholder of the Bank - non-controlling interests         95,567         66,282           - non-controlling interests         1,506         1,316	•			
Other income         31,780         3,660           Non-interest income         406,246         313,727           General and other administrative expenses         27         (103,474)         (86,246)           Other operating expenses         28         (114,255)         (86,200)           Personnel expenses         26         (87,271)         (69,938)           Other (impairment and provisions)         (32,674)         (44,407)           Depreciation and amortization         (22,142)         (22,738)           Non-interest expenses         (359,816)         (309,529)           Profit before income tax expense         106,174         84,314           Income tax expense         13         (9,101)         (16,716)           Profit for the year         97,073         67,598           Attributable to:         - shareholder of the Bank         95,567         66,282           - non-controlling interests         1,506         1,316	Share in (loss)/profit of associates	11	(155)	1,599
Non-interest income         406,246         313,727           General and other administrative expenses         27         (103,474)         (86,246)           Other operating expenses         28         (114,255)         (86,200)           Personnel expenses         26         (87,271)         (69,938)           Other (impairment and provisions)         (32,674)         (44,407)           Depreciation and amortization         (22,142)         (22,738)           Non-interest expenses         (359,816)         (309,529)           Profit before income tax expense         106,174         84,314           Income tax expense         13         (9,101)         (16,716)           Profit for the year         97,073         67,598           Attributable to:         - shareholder of the Bank         95,567         66,282           - non-controlling interests         1,506         1,316	Other operating income	25	125,412	106,033
General and other administrative expenses       27       (103,474)       (86,246)         Other operating expenses       28       (114,255)       (86,200)         Personnel expenses       26       (87,271)       (69,938)         Other (impairment and provisions)       (32,674)       (44,407)         Depreciation and amortization       (22,142)       (22,738)         Non-interest expenses       (359,816)       (309,529)         Profit before income tax expense       13       (9,101)       (16,716)         Profit for the year       97,073       67,598         Attributable to: <ul> <li>shareholder of the Bank</li> <li>non-controlling interests</li> <li>1,506</li> <li>1,316</li> </ul> Other (impairment and provisions)         (32,74)       (44,407)         (32,674)       (44,407)         (32,674)       (44,407)         (32,674)       (44,407)         (32,674)       (44,407)         (32,674)       (44,407)         (32,674)       (44,407)         (40,07)       (39,98)         (39,98)       (309,529)         Profit for the year       97,073	Other income		31,780	3,660
Other operating expenses       28       (114,255)       (86,200)         Personnel expenses       26       (87,271)       (69,938)         Other (impairment and provisions)       (32,674)       (44,407)         Depreciation and amortization       (22,142)       (22,738)         Non-interest expenses       (359,816)       (309,529)         Profit before income tax expense       106,174       84,314         Income tax expense       13       (9,101)       (16,716)         Profit for the year       97,073       67,598         Attributable to: <ul> <li>shareholder of the Bank</li> <li>non-controlling interests</li> <li>1,506</li> <li>1,316</li> </ul> Other (impairment and provisions)         (22,738)       (32,674)       (44,407)         (22,738)       (359,816)       (309,529)         Profit before income tax expense       13       (9,101)       (16,716)         Profit for the year       97,073       67,598	Non-interest income		406,246	313,727
Other operating expenses       28       (114,255)       (86,200)         Personnel expenses       26       (87,271)       (69,938)         Other (impairment and provisions)       (32,674)       (44,407)         Depreciation and amortization       (22,142)       (22,738)         Non-interest expenses       (359,816)       (309,529)         Profit before income tax expense       106,174       84,314         Income tax expense       13       (9,101)       (16,716)         Profit for the year       97,073       67,598         Attributable to: <ul> <li>shareholder of the Bank</li> <li>non-controlling interests</li> <li>1,506</li> <li>1,316</li> </ul> Other (impairment and provisions)         (22,738)       (32,674)       (44,407)         (22,738)       (359,816)       (309,529)         Profit before income tax expense       13       (9,101)       (16,716)         Profit for the year       97,073       67,598	Our and and other administrative assesses	07	(400, 474)	(00.040)
Personnel expenses       26       (87,271)       (69,938)         Other (impairment and provisions)       (32,674)       (44,407)         Depreciation and amortization       (22,142)       (22,738)         Non-interest expenses       (359,816)       (309,529)         Profit before income tax expense       13       (9,101)       (16,716)         Profit for the year       97,073       67,598         Attributable to:       - shareholder of the Bank       95,567       66,282         - non-controlling interests       1,506       1,316				
Other (impairment and provisions)       (32,674)       (44,407)         Depreciation and amortization       (22,142)       (22,738)         Non-interest expenses       (359,816)       (309,529)         Profit before income tax expense       106,174       84,314         Income tax expense       13       (9,101)       (16,716)         Profit for the year       97,073       67,598         Attributable to: <ul> <li>shareholder of the Bank</li> <li>non-controlling interests</li> <li>1,506</li> <li>1,316</li> </ul> Other (impairment and provisions)         (22,142)       (22,738)         (359,816)       (309,529)         13       (9,101)       (16,716)         97,973       67,598		-		
Depreciation and amortization         (22,142)         (22,738)           Non-interest expenses         (359,816)         (309,529)           Profit before income tax expense         106,174         84,314           Income tax expense         13         (9,101)         (16,716)           Profit for the year         97,073         67,598           Attributable to:             - shareholder of the Bank         95,567         66,282           - non-controlling interests         1,506         1,316		20		
Non-interest expenses         (359,816)         (309,529)           Profit before income tax expense         106,174         84,314           Income tax expense         13         (9,101)         (16,716)           Profit for the year         97,073         67,598           Attributable to:				
Profit before income tax expense         106,174         84,314           Income tax expense         13         (9,101)         (16,716)           Profit for the year         97,073         67,598           Attributable to:	·			
Income tax expense       13       (9,101)       (16,716)         Profit for the year       97,073       67,598         Attributable to: <ul> <li>shareholder of the Bank</li> <li>non-controlling interests</li> <li>95,567</li> <li>66,282</li> <li>1,506</li> <li>1,316</li> </ul> Income tax expense     97,073         67,598	Non-interest expenses		(000,010)	(000,020)
Profit for the year         97,073         67,598           Attributable to:	Profit before income tax expense		106,174	84,314
Attributable to: - shareholder of the Bank 95,567 66,282 - non-controlling interests 1,506 1,316	Income tax expense	13	(9,101)	(16,716)
- shareholder of the Bank       95,567       66,282         - non-controlling interests       1,506       1,316	Profit for the year	_	97,073	67,598
- shareholder of the Bank       95,567       66,282         - non-controlling interests       1,506       1,316	Attributable to			
- non-controlling interests1,5061,316			05 567	66 202
97,073 67,598	- non-controlling interests			
			97,073	67,598

### Consolidated statement of comprehensive income

# For the year ended 31 December 2012

	Notes	2012	2011
Profit for the year		97,073	67,598
Other comprehensive income Unrealised gains on investment securities available-for-sale, net of tax Exchange differences on translation of foreign operations Other comprehensive income for the year, net of tax	_	3,715 2,690 <b>6,405</b>	4,365 720 <b>5,085</b>
Total comprehensive income for the year	<u> </u>	103,478	72,683
Attributable to: - shareholder of the Bank - non-controlling interests	_	101,972 1,506 103,478	71,367 1,316 <b>72,683</b>

# Consolidated statement of changes in equity

# For the year ended 31 December 2012

	Attributable to the Shareholder of the Bank						
_	Share capital	Retained earnings	Unrealised gain on investment securities available-for- sale	Other reserves	Total	Non- controlling interests	Total equity
31 December 2010	623,867	62,427	-	11,173	697,467	4,141	701,608
Profit for the year Other comprehensive	-	66,282	-	-	66,282	1,316	67,598
income for the year	-	-	4,365	720	5,085	-	5,085
Total comprehensive income for the year Dividends declared Special purpose tax	-	66,282 (2,720)	4,365	720 -	71,367 (2,720)	1,316 -	72,683 (2,720)
privileges granted (Note 22)	-	4,562		(4,562)	-		
31 December 2011	623,867	130,551	4,365	7,331	766,114	5,457	771,571
Profit for the year Other comprehensive	-	95,567	-	-	95,567	1,506	97,073
income for the year	-	-	3,715	2,690	6,405	-	6,405
Total comprehensive income for the year Special purpose tax	-	95,567	3,715	2,690	101,972	1,506	103,478
privileges granted (Note 22)	-	997	-	(997)	-	-	-
31 December 2012 _	623,867	227,115	8,080	9,024	868,086	6,963	875,049

### Consolidated statement of cash flows

# For the year ended 31 December 2012

	Notes	2012	2011
Cash flows from operating activities Profit before tax		106,174	84,314
Loan impairment charge	8	77,954	69,193
Other impairment and provisions		32,674	44,407
Initial loss recognition on interest bearing assets		19,786	6,691
Net translation gains on foreign exchange operations		(85,055)	(64,681)
Depreciation and amortization		22,142	22,738
Share of profit from associates	11	155	(1,599)
Change in other non-cash accruals		(67,445)	(31,955)
Cash flows from operating activities before changes in operating assets and liabilities		106,385	129,108
Net (increase)/decrease in operating assets			
Amounts due from credit institutions		(213,909)	(191,991)
Loans to customers		(785,793)	(685,908)
Other assets		(272,854)	(242,290)
Assets held for sale		22,626	108,171
Net increase /(decrease) in operating liabilities		,0_0	
Amounts due to the Central Bank and the Government		(153,194)	46,088
Borrowings		116,551	250,211
Amounts due to credit institutions		488,489	154,976
Amounts due to customers		538,278	(162,597)
Other borrowed funds		483,975	622,820
Liabilities directly associated with assets held for sale		(4,121)	5,865
Other liabilities		(8,994)	(4,822)
Net cash flows from operating activities before income tax		317,439	29,631
Income tax paid		(13,985)	(15,537)
Net cash from operating activities		303,454	14,094
Cash flows from investing activities			
Proceeds on sale of investments held-to-maturity		803	714
Purchase of investments available-for-sale		(2,724)	(650)
Purchase of investments in associates	11	(36)	(4,502)
Dividends received from associates	11	414	17
Purchase of property and equipment		(10,865)	(12,333)
Proceeds on sale of property and equipment		-	2,720
Net cash used in investing activities	_	(12,408)	(14,034)
Cash flows from financing activities			
Redemption of debt securities issued		(1,754)	(77,394)
Dividends paid to shareholders		-	(2,720)
Net cash (used in) / from financing activities	_	(1,754)	(80,114)
Effect of exchange rates changes on cash and cash equivalents		25,210	18,262
Net increase / (decrease) in cash and cash equivalents		314,502	(61,792)
Cash and cash equivalents, beginning		1,855,932	1,917,724
Cash and cash equivalents, ending	6 _	2,170,434	1,855,932
Interest received		325,270	236,305
Interest received		199,372	150,438
interest palu		133,312	130,430
Non-cash transactions:			
Non-cash increase in property and equipment		178,112	190,279
Non-cash increase in investment securities available-for-sale		4,371	5,135