

**JOINT STOCK COMMERCIAL BANK "UZBEK
INDUSTRIAL AND CONSTRUCTION BANK"**

**International Financial Reporting Standards
Consolidated Financial Statements and
Independent Auditor's Report
31 December 2015**

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Independent Auditor's Report

To the Shareholders and Council of Joint Stock Commercial Bank
"Uzbek Industrial and Construction Bank":

- 1 We have audited the accompanying consolidated financial statements of the Joint Stock Commercial Bank "Uzbek Industrial and Construction Bank" (the "Bank") and its subsidiaries (collectively referred as the "Group"), which comprise the consolidated statement of financial position as of 31 December 2015 and the consolidated 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 information.

Management's Responsibility for the Consolidated Financial Statements

- 2 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

- 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 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.
- 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

Umid Rakhimbaev
Auditor
Certificate of Auditor No. 9/17
dated 29 December 2014

Audit Organization "PricewaterhouseCoopers" LLC

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

Joint Stock Commercial Bank "Uzbek Industrial and Construction Bank"
Consolidated Statement of Financial Position

<i>In thousands of Uzbekistan Soums</i>	Note	31 December 2015	31 December 2014
ASSETS			
Cash and cash equivalents	7	806,343,361	1,082,129,756
Due from other banks	8	644,706,836	440,359,142
Loans and advances to customers, including finance lease receivables	9	7,117,272,708	5,989,893,133
Investment securities available for sale	10	14,264,205	16,262,012
Investment securities held to maturity	11	14,199,534	10,925,178
Investment in associates	12	3,445,024	3,077,233
Deferred income tax asset	26	22,080,055	15,144,276
Property, equipment and intangible assets	13	91,123,133	89,865,530
Other assets	14	52,303,928	57,021,090
Non-current assets held for sale (or disposal groups)	15	57,400,777	49,551,286
TOTAL ASSETS		8,823,139,561	7,754,228,636
LIABILITIES			
Due to other banks	16	310,025,538	195,999,216
Customer accounts	17	2,257,907,660	2,211,070,993
Debt securities in issue	18	62,578,118	53,591,953
Other borrowed funds	19	5,373,880,144	4,594,359,911
Other liabilities	20	31,324,340	27,242,134
Liabilities directly associated with disposal groups held for sale	15	560,188	738,274
TOTAL LIABILITIES		8,036,275,988	7,083,002,481
EQUITY			
Share capital	21	706,982,981	622,516,198
Treasury shares	21	(5,027,013)	(6,249,252)
Retained earnings		83,576,644	51,575,884
Other reserves		1,330,961	3,383,325
TOTAL EQUITY		786,863,573	671,226,155
TOTAL LIABILITIES AND EQUITY		8,823,139,561	7,754,228,636

Approved for issue and signed on 13 April 2016.



Ayder A. Dadasanov
Acting Chief Accountant

Joint Stock Commercial Bank "Uzbek Industrial and Construction Bank"
Consolidated Statement of Profit or Loss and Other Comprehensive Income

<i>In thousands of Uzbekistan Soums</i>	Note	2015	2014
Continuing operations			
Interest income	22	380,504,572	342,817,023
Interest expense	22	(191,633,862)	(164,626,283)
Net interest income		188,870,710	178,190,740
Provision for loan impairment	9	(32,395,245)	(58,763,603)
Net interest income after provision for loan impairment		156,475,465	119,427,137
Fee and commission income	23	120,997,941	125,440,178
Fee and commission expense	23	(27,220,467)	(24,101,566)
Foreign exchange translation gains less losses		50,008,853	2,628,530
Gain and losses from trading in foreign currencies		8,576,297	6,670,844
Losses on initial recognition of assets at rates below market and change in estimates	9	(1,467,485)	(6,949,270)
Dividend income		1,834,212	1,677,143
Other operating income	24	7,721,101	6,067,581
Provision for impairment of other assets	14	(140,682)	(2,571,959)
Provision for impairment of non-current assets held for sale	15	(10,805,493)	(6,443,850)
Administrative and other operating expenses	25	(217,789,742)	(180,887,084)
Share of result of associates	12	162,848	162,936
Profit before tax		88,352,848	41,120,620
Income tax expense	26	(11,323,669)	(8,244,342)
PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS		77,029,179	32,876,278
Discontinued operations			
(Loss)/Profit for the period from discontinued operations	15	(1,144,530)	1,325,018
NET PROFIT FOR THE PERIOD		75,884,649	34,201,296
Other comprehensive income:			
<i>Items that may be reclassified subsequently to profit and loss:</i>			
Available-for-sale investments:			
- Gains less losses arising during the year		(2,432,088)	843,849
Income tax relating to components of other comprehensive income	26	379,724	(134,453)
Other comprehensive (loss)/income for the year		(2,052,364)	709,396
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		73,832,285	34,910,692
Continuing operations			
Earnings per ordinary share, basic and diluted in UZS		373	290
Earnings per preference share, basic and diluted in UZS		373	173

Joint Stock Commercial Bank "Uzbek Industrial and Construction Bank"
Consolidated Statement of Changes in Equity

	Note	Share capital	Attributable to owners of the Bank				Total equity
			Treasury shares	Revaluation reserve for available-for-sale securities	Retained earnings	Total	
In thousands of Uzbekistan Sums							
Balance at 1 January 2014		326,305,625	(5,387,880)	2,673,929	69,887,658	393,479,332	393,479,332
Profit for the year		-	-	-	34,201,296	34,201,296	34,201,296
Other comprehensive income		-	-	709,396	-	709,396	709,396
Total comprehensive income for 2014		-	-	709,396	34,201,296	34,910,692	34,910,692
Shares issued	21	241,946,000	-	-	-	241,946,000	241,946,000
Disposal of treasury shares		-	40,131	-	-	40,131	40,131
Capitalisation of dividends		52,480,573	(901,503)	-	(51,579,070)	-	-
Effect of change in present value of preference shares		1,784,000	-	-	(934,000)	850,000	850,000
Balance at 31 December 2014		622,516,198	(6,249,252)	3,383,325	51,575,884	671,226,155	671,226,155
Profit for the year		-	-	-	75,884,649	75,884,649	75,884,649
Other comprehensive income		-	-	(2,052,364)	-	(2,052,364)	(2,052,364)
Total comprehensive income for 2015		-	-	(2,052,364)	75,884,649	73,832,285	73,832,285
Shares issued	21	57,195,838	-	-	-	57,195,838	57,195,838
Disposal of treasury shares		-	1,222,239	-	-	1,222,239	1,222,239
Capitalisation of dividends		26,827,468	-	-	(26,827,468)	-	-
Effect of change in present value of preference shares		443,477	-	-	-	443,477	443,477
Dividends declared		-	-	-	(17,056,421)	(17,056,421)	(17,056,421)
Balance at 31 December 2015		706,982,981	(5,027,013)	1,330,961	83,576,644	786,863,573	786,863,573

Joint Stock Commercial Bank "Uzbek Industrial and Construction Bank"
Consolidated Statement of Cash Flows

<i>In thousands of Uzbekistan Soums</i>	<i>Note</i>	2015	2014
Cash flows from operating activities			
Interest received		343,764,674	341,201,342
Interest paid		(185,748,990)	(158,735,333)
Fee and commission received		120,777,109	124,676,455
Fee and commission paid		(27,220,467)	(24,101,566)
Realised gains less losses from dealing in foreign currencies		10,359,536	5,931,111
Other operating income received		7,516,158	6,067,581
Staff cost		(127,711,369)	(105,957,197)
Administrative and other operating expenses		(71,787,662)	(59,281,706)
Income tax paid		(18,259,448)	(14,520,181)
Cash flows from operating activities before changes in operating assets and liabilities		51,689,541	115,280,506
Net increase in due from other banks		(200,541,959)	(53,373,394)
Net increase in loans and advances to customers		(1,082,668,331)	(1,237,415,513)
Net decrease/(increase) in other assets		11,550,445	(5,843,628)
Net increase in due to other banks		123,958,606	51,657,561
Net increase)/(decrease) in customer accounts		41,400,121	(77,001,030)
Net decrease in other liabilities		(2,113,095)	(2,421,666)
Net cash used in operating activities		(1,056,724,672)	(1,209,117,164)
Cash flows from investing activities			
Acquisition of investment securities available for sale		(434,281)	(1,779,563)
Proceeds from disposal of investment securities available for sale		379,724	-
Purchase of investment securities held to maturity		(3,080,000)	(1,000,000)
Acquisition of premises, equipment and intangible assets		(20,208,705)	(27,584,518)
Proceeds from disposal of premises, equipment and intangible assets		684,848	3,289,044
Proceeds from disposal of subsidiary, net of disposed cash		-	6,848,817
Dividend income received		1,834,212	1,677,143
Income received from associates		-	137,069
Net cash used in investing activities		(20,824,202)	(18,412,008)
Cash flows from financing activities			
Proceeds from other borrowed funds		823,903,411	735,276,058
Repayment of other borrowed funds		(78,589,325)	(18,996,811)
Proceeds from debt securities in issue		9,000,000	1,000,000
Repayment of debt securities in issue		(60,000)	(81,625)
Issue of ordinary shares	21	57,639,315	241,946,001
Dividends paid	27	(16,890,611)	(1,243,201)
Treasury shares sold		1,222,239	-
Net cash from financing activities		796,225,029	957,900,422
Effect of exchange rate changes on cash and cash equivalents		5,537,450	76,045
Net decrease in cash and cash equivalents		(275,786,395)	(269,552,705)
Cash and cash equivalents at the beginning of the year		1,082,129,756	1,351,682,461
Cash and cash equivalents at the end of the year	7	806,343,361	1,082,129,756

1 Introduction

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards for the year ended 31 December 2015 for Joint Stock Commercial Bank "Uzbek Industrial and Construction Bank" (the "Bank") and its subsidiaries (the "Group"). The Bank is a joint stock company limited by shares and was set up in accordance with Republic of Uzbekistan ("Uzbekistan") regulations.

The Bank was incorporated in 1991 and is domiciled in the Republic of Uzbekistan. It is registered in Uzbekistan to carry out banking and foreign exchange activities and has operated under the banking license No.17 issued by the Central Bank of Uzbekistan ("CBU") and general license for foreign currency operations No.1 granted on 25 January 2003 and 29 January 2005, respectively.

Principal activity. The Bank's principal activity is commercial banking, retail banking, operations with securities, foreign currencies and originating loans and guarantees. The Bank accepts deposits from legal entities and individuals and makes loans and transfers payments. The Bank conducts its banking operations from its head office at Tashkent and 44 branches within Uzbekistan as of 31 December 2015 (31 December 2014: 44 branches).

The Bank participates in the state deposit insurance scheme, which was introduced by the Uzbek Law #360-II "Insurance of Individual Bank Deposit" on 5 April 2002. On 28 November 2008, the President of Uzbekistan issued the Decree #УП-4057 stating that in case of the withdrawal of a license of a bank, the State Deposit Insurance Fund guarantees repayment of 100% of individual deposits regardless of the deposit amount.

Registered address and place of business. 3, Sharisabzskaya Street, Tashkent, 100000, Uzbekistan

At 31 December 2015 and 2014 the Group consolidated the following companies in these consolidated financial statements:

Name	Country of incorporation	The Bank ownership Interest/voting rights		Type of operation
		2015 %	2014 %	
PSB Industrial Investments, LLC	Uzbekistan	100	100	Asset Management
Asset Invest Trust, LLC	Uzbekistan	100	100	Consulting
Elite Stars Textile, LLC	Uzbekistan	100	100	Manufacturing
Horazm shisha idishlari, LLC	Uzbekistan	100	100	Manufacturing
Ferghana Ceramics Industry, LLC	Uzbekistan	100	100	Manufacturing

Shareholders. At 31 December 2015 and 31 December 2014, the interest of the shareholders in the Bank's share capital was:

	2015 %	2014 %
Shareholders		
The Fund of Reconstruction and Development of the Republic of Uzbekistan	48.11	46.23
The Ministry of Finance of the Republic of Uzbekistan	16.22	20.12
The National Holding Company "Uzbekneftegaz"	15.78	14.88
State Joint Stock Company "Uzbekenergo"	5.83	5.18
LLC "Pharmed"	3.08	3.82
State Joint Stock Company "Uzkimyosanoat"	1.71	1.09
State Joint Stock Company "Uzbekistan Railway"	1.62	1.10
LLC "Absolute Investments Trust"	1.21	1.50
Treasury shares	0.75	1.10
Other legal entities (individually hold less than 1%)	4.58	3.81
Other shareholders (individually hold less than 1%)	1.11	1.17
Total	100.00	100.00

2 Operating Environment of the Group

Presentation currency. These consolidated financial statements are presented in thousands of Uzbek Soums ("UZS thousands").

Republic of Uzbekistan. The Uzbekistan economy displays characteristics of an emerging market, including but not limited to, a currency that is not freely convertible outside of the country and a low level of liquidity in debt and equity markets. Also, the banking sector in Uzbekistan is particularly impacted by local political, legislative, fiscal and regulatory developments. The largest Uzbek banks are state-controlled and act as an arm of Government to develop the country's economy. The Government distributes funds from the country's budget, which flow through the banks to various government agencies, and other state and privately owned entities.

Economic stability in Uzbekistan is largely dependent upon the effectiveness of economic measures undertaken by the Government, together with other legal, regulatory and political developments, all of which are beyond the Group's control.

The Group's financial position and operating results will continue to be affected by future political and economic developments in Uzbekistan including the application and interpretation of existing and future legislation and tax regulations which greatly impact Uzbek financial markets and the economy overall. Management is unable to predict all developments which could have an impact on the banking sector generally and on the financial position of the Group in particular.

Uzbekistan experienced following key economic indicators in 2015:

- Inflation: 5.6% (2014: 6.1%).
- Official exchange rates: 31 December 2015: USD 1 = UZS 2,809.98 (31 December 2014: USD 1 = UZS 2,422.4).
- GDP growth 8% (2014: 8.1%).
- Central Bank refinancing rate – 9% (2014: 10%).

3 Summary of Significant Accounting Policies

Basis of preparation. These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") under the historical cost convention, as modified by the initial recognition of financial instruments based on fair value and by the revaluation of available for sale financial assets. The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

The Group is required to maintain its records and prepare its consolidated financial statements for regulatory purposes in Uzbek Soums in accordance with Uzbekistan Accounting Legislation and related instructions. These consolidated financial statements are based on the Group's Uzbekistan Accounting Legislation books and records, adjusted and reclassified in order to comply with IFRS.

Consolidated financial statements. Subsidiaries are those investees, including structured entities, that the Group controls because the Group (i) has power to direct relevant activities of the investees that significantly affect their returns, (ii) has exposure, or rights, to variable returns from its involvement with the investees, and (iii) has the ability to use its power over the investees to affect the amount of investor's returns. The existence and effect of potential voting rights that are presently exercisable or presently convertible are considered when assessing whether the Group controls another entity. Subsidiaries are consolidated from the date on which control is transferred to the Group and deconsolidated from the date control ceases.

The acquisition method of accounting is used to account for the acquisition of subsidiaries. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured at their fair values at the acquisition date, irrespective of the extent of any non-controlling interest.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated; unrealised losses are also eliminated unless the cost cannot be recovered. The Group and all its subsidiaries use uniform accounting policies.

3 Summary of Significant Accounting Policies (Continued)

Accounting for the effects of hyperinflation. The Republic of Uzbekistan has previously experienced relatively high levels of inflation and was considered to be hyperinflationary as defined by IAS 29 "Financial Reporting in Hyperinflationary Economies" ("IAS 29"). IAS 29 requires that the financial statements prepared in the currency of a hyperinflationary economy be stated in terms of the measuring unit current at the statement of financial position date. It states that reporting operating results and financial position in the local currency without restatement is not useful because money loses purchasing power at such a rate that the comparison of amounts from transactions and other events that have occurred at different times, even within the same accounting period, is misleading.

The characteristics of the economic environment of Uzbekistan indicated that hyperinflation had ceased effective from 1 January 2006. Restatement procedures of IAS 29 are therefore only applied to assets acquired or revalued and liabilities incurred or assumed prior to that date. For these balances, which are effectively share capital and premises and equipment, the amounts expressed in the measuring unit current at as 31 December 2005 are the basis for the carrying amounts in these consolidated financial statements. The restatement was calculated using the conversion factors derived from the Uzbekistan Consumer Price Index ("CPI"), provided by the State Committee on Statistics of the Republic of Uzbekistan, and from indices obtained from other sources for years prior to 1994.

Associates. Associates are entities over which the Group has significant influence (directly or indirectly), but not control, generally accompanying a shareholding of between 20 and 50 percent of the voting rights. Investments in associates are accounted for using the equity method of accounting, and are initially recognised at cost. The carrying amount of associates includes goodwill identified on acquisition less accumulated impairment losses, if any. Dividends received from associates reduce the carrying value of the investment in associates. Other post-acquisition changes in Group's share of net assets of an associate are recognised as follows: (i) the Group's share of profits or losses of associates is recorded in the consolidated profit or loss for the year as share of result of associates, (ii) the Group's share of other comprehensive income is recognised in other comprehensive income and presented separately, (iii); all other changes in the Group's share of the carrying value of net assets of associates are recognised in profit or loss within the share of result of associates. However, when the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates; unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Disposals of subsidiaries, associates or joint ventures. When the Group ceases to have control or significant influence, any retained interest in the entity is remeasured to its fair value, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity, are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are recycled to profit or loss.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss, where appropriate.

Financial instruments – key measurement terms. Depending on their classification financial instruments are carried at fair value or amortised cost as described below.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The best evidence of fair value is price in an active market. An active market is one in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

3 Summary of Significant Accounting Policies (Continued)

Fair value of financial instruments traded in an active market is measured as the product of the quoted price for the individual asset or liability and the quantity held by the entity. This is the case even if a market's normal daily trading volume is not sufficient to absorb the quantity held and placing orders to sell the position in a single transaction might affect the quoted price.

A portfolio of financial derivatives or other financial assets and liabilities that are not traded in an active market is measured at the fair value of a group of financial assets and financial liabilities on the basis of the price that would be received to sell a net long position (ie an asset) for a particular risk exposure or paid to transfer a net short position (ie a liability) for a particular risk exposure in an orderly transaction between market participants at the measurement date. This is applicable for assets carried at fair value on a recurring basis if the Group: (a) manages the group of financial assets and financial liabilities on the basis of the entity's net exposure to a particular market risk (or risks) or to the credit risk of a particular counterparty in accordance with the entity's documented risk management or investment strategy; (b) it provides information on that basis about the group of assets and liabilities to the entity's key management personnel; and (c) the market risks, including duration of the entity's exposure to a particular market risk (or risks) arising from the financial assets and financial liabilities is substantially the same. Valuation techniques such as discounted cash flow models or models based on recent arm's length transactions or consideration of financial data of the investees, are used to measure fair value of certain financial instruments for which external market pricing information is not available. Fair value measurements are analysed by level in the fair value hierarchy as follows: (i) level one are measurements at quoted prices (unadjusted) in active markets for identical assets or liabilities, (ii) level two measurements are valuations techniques with all material inputs observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices), and (iii) level three measurements are valuations not based on solely observable market data (that is, the measurement requires significant unobservable inputs). Transfers between levels of the fair value hierarchy are deemed to have occurred at the end of the reporting period. Refer to Note 33.

Cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire an asset at the time of its acquisition and includes transaction costs. Measurement at cost is only applicable to investments in equity instruments that do not have a quoted market price and whose fair value cannot be reliably measured and derivatives that are linked to, and must be settled by, delivery of such unquoted equity instruments. Refer to Note 10.

Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial instrument. An incremental cost is one that would not have been incurred if the transaction had not taken place. Transaction costs include fees and commissions paid to agents (including employees acting as selling agents), advisors, brokers and dealers, levies by regulatory agencies and securities exchanges, and transfer taxes and duties. Transaction costs do not include debt premiums or discounts, financing costs or internal administrative or holding costs.

Amortised cost is the amount at which the financial instrument was recognised at initial recognition less any principal repayments, plus accrued interest, and for financial assets less any write-down for incurred impairment losses. Accrued interest includes amortisation of transaction costs deferred at initial recognition and of any premium or discount to maturity amount using the effective interest method. Accrued interest income and accrued interest expense, including both accrued coupon and amortised discount or premium (including fees deferred at origination, if any), are not presented separately and are included in the carrying values of related items in the statement of financial position.

The effective interest method is a method of allocating interest income or interest expense over the relevant period, so as to achieve a constant periodic rate of interest (effective interest rate) on the carrying amount.

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts (excluding future credit losses) through the expected life of the financial instrument or a shorter period, if appropriate, to the net carrying amount of the financial instrument. The effective interest rate discounts cash flows of variable interest instruments to the next interest repricing date, except for the premium or discount which reflects the credit spread over the floating rate specified in the instrument, or other variables that are not reset to market rates. Such premiums or discounts are amortised over the whole expected life of the instrument. The present value calculation includes all fees paid or received between parties to the contract that are an integral part of the effective interest rate

3 Summary of Significant Accounting Policies (Continued)

Initial recognition of financial instruments. The Group's financial instruments are initially recorded at fair value plus transaction costs. Fair value at initial recognition is best evidenced by the transaction price. A gain or loss on initial recognition is only recorded if there is a difference between fair value and transaction price which can be evidenced by other observable current market transactions in the same instrument or by a valuation technique whose inputs include only data from observable markets.

All purchases and sales of financial assets that require delivery within the time frame established by regulation or market convention ("regular way" purchases and sales) are recorded at trade date, which is the date the Group commits to deliver a financial asset. All other purchases are recognised when the entity becomes a party to the contractual provisions of the instrument.

Derecognition of financial assets. The Group derecognises financial assets when (a) the assets are redeemed or the rights to cash flows from the assets otherwise expired or (b) the Group has transferred the rights to the cash flows from the financial assets or entered into a qualifying pass-through arrangement while (i) also transferring substantially all risks and rewards of ownership of the assets or (ii) neither transferring nor retaining substantially all risks and rewards of ownership, but not retaining control. Control is retained if the counterparty does not have the practical ability to sell the asset in its entirety to an unrelated third party without needing to impose restrictions on the sale.

Cash and cash equivalents. Cash and cash equivalents are items which are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Cash and cash equivalents include deposits with the Central Bank of Uzbekistan (the "CBU") and all interbank placements with original maturities of less than three months. Funds restricted for a period of more than three months on origination are excluded from cash and cash equivalents. Cash and cash equivalents are carried at amortised cost.

The payments or receipts presented in the statement of cash flows represent transfers of cash and cash equivalents by the Group, including amounts charged or credited to current accounts of the Group's counterparties held with the Group, such as loan interest income or principal collected by charging the customer's current account or interest payments or disbursement of loans credited to the customer's current account, which represents cash or cash equivalent from the customer's perspective.

Mandatory cash balances with the CBU. Mandatory cash balances with the CBU are carried at amortised cost and represent non-interest bearing mandatory reserve deposits which are not available to finance the Group's day to day operations, and hence are not considered as part of cash and cash equivalents for the purposes of the consolidated statement of cash flows

Due from other banks. Amounts due from other banks are recorded when the Group advances money to counterparty banks with no intention of trading the resulting unquoted non-derivative receivable due on fixed or determinable dates. Due from the CBU include non-interest bearing mandatory reserve deposit held with the CBU against credit losses and deposits. This deposit is not available to finance the Group's day to day operations, and hence is not considered as part of cash and cash equivalents for the purposes of these consolidated financial statements. This deposit is calculated in accordance with the current regulations of the CBU based on overdue status of the borrowers which is out of Group's control in order to manage the amount of mandatory reserve deposit. Amounts due from other banks are carried at amortised cost.

Loans and advances to customers. Loans and advances to customers are recorded when the Group advances money to purchase or originate an unquoted non-derivative receivable from a customer due on fixed or determinable dates and has no intention of trading the receivable. Loans and advances to customers are carried at amortised cost.

3 Summary of Significant Accounting Policies (Continued)

Impairment of financial assets carried at amortised cost. Impairment losses are recognised in profit or loss when incurred as a result of one or more events ("loss events") occur after the initial recognition of the financial asset and which have an impact on the amount or timing of the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. If the Group determines that no objective evidence exists that impairment was incurred for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment.

The primary factors that the Group considers in determining whether a financial asset is impaired are its overdue status and realisability of related collateral, if any.

The following criteria are also used to determine whether there is objective evidence that an impairment loss has occurred:

- any instalment is overdue and the late payment cannot be attributed to a delay caused by the settlement systems;
- the borrower experiences a significant financial difficulty as evidenced by the borrower's financial information that the Group obtains;
- the borrower considers bankruptcy or a financial reorganisation;
- there is an adverse change in the payment status of the borrower as a result of changes in the national or local economic conditions that impact the borrower; or
- the value of collateral significantly decreases as a result of deteriorating market conditions.

For the purposes of a collective evaluation of impairment, financial assets are grouped on the basis of similar credit risk characteristics. Those characteristics are relevant to the estimation of future cash flows for groups of such assets by being indicative of the debtors' ability to pay all amounts due according to the contractual terms of the assets being evaluated.

Future cash flows in a group of financial assets that are collectively evaluated for impairment, are estimated on the basis of the contractual cash flows of the assets and the experience of management in respect of the extent to which amounts will become overdue as a result of past loss events and the success of recovery of overdue amounts. Past experience is adjusted on the basis of current observable data to reflect the effects of current conditions that did not affect past periods, and to remove the effects of past conditions that do not exist currently.

If the terms of an impaired financial asset held at amortised cost are renegotiated or otherwise modified because of financial difficulties of the borrower or issuer, impairment is measured using the original effective interest rate before the modification of terms. The renegotiated asset is then derecognized and a new asset is recognized at its fair value only if the risks and rewards of the asset substantially changed. This is normally evidenced by a substantial difference between the present values of the original cash flows and the new expected cash flows.

Impairment losses are always recognised through an allowance account to write down the asset's carrying amount to the present value of expected cash flows (which exclude future credit losses that have not been incurred) discounted at the original effective interest rate of the asset. The calculation of the present value of the estimated future cash flows of a collateralised financial asset reflects the cash flows that may result from foreclosure less costs for obtaining and selling the collateral, whether or not foreclosure is probable.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the previously recognised impairment loss is reversed by adjusting the allowance account through profit or loss for the year.

Uncollectible assets are written off against the related impairment loss provision after all the necessary procedures to recover the asset have been completed and the amount of the loss has been determined. Subsequent recoveries of amounts previously written off are credited to impairment loss account in profit or loss for the year.

3 Summary of Significant Accounting Policies (Continued)

Reposessed collateral. Repossessed collateral represents financial and non-financial assets acquired by the Group in settlement of overdue loans. The assets are initially recognised at fair value when acquired and included in premises and equipment, other financial assets, investment properties or inventories within other assets depending on their nature and the Group's intention in respect of recovery of these assets, and are subsequently remeasured and accounted for in accordance with the accounting policies for these categories of assets.

The Group applies its accounting policy for non-current assets held for sale or disposal groups to reposessed collateral where the relevant conditions for such classification are met at the end of the reporting period.

Credit related commitments. The Group issues financial guarantees and commitments to provide loans. Financial guarantees represent irrevocable assurances to make payments in the event that a customer cannot meet its obligations to third parties, and carry the same credit risk as loans. Financial guarantees and commitments to provide a loan are initially recognised at their fair value, which is normally evidenced by the amount of fees received. This amount is amortised on a straight line basis over the life of the commitment, except for commitments to originate loans if it is probable that the Group will enter into a specific lending arrangement and does not expect to sell the resulting loan shortly after origination; such loan commitment fees are deferred and included in the carrying value of the loan on initial recognition. At the end of each reporting period, the commitments are measured at the higher of (i) the remaining unamortised balance of the amount at initial recognition and (ii) the best estimate of expenditure required to settle the commitment at the end of each reporting period.

Performance guarantees. Performance guarantees are contracts that provide compensation if another party fails to perform a contractual obligation. Such contracts do not transfer credit risk. Performance guarantees are initially recognised at their fair value, which is normally evidenced by the amount of fees received. This amount is amortised on a straight line basis over the life of the contract. At the end of each reporting period, the performance guarantee contracts are measured at the higher of (i) the unamortised balance of the amount at initial recognition and (ii) the best estimate of expenditure required to settle the contract at the end of each reporting period, discounted to present value. Where the Group has the contractual right to revert to its customer for recovering amounts paid to settle the performance guarantee contracts, such amounts will be recognised as loans and receivables upon transfer of the loss compensation to the guarantee's beneficiary.

Investment securities available for sale. This classification includes investment securities which the Group intends to hold for an indefinite period of time and which may be sold in response to needs for liquidity or changes in interest rates, exchange rates or equity prices.

Investment securities available for sale are carried at fair value. Interest income on available-for-sale debt securities is calculated using the effective interest method, and recognised in profit or loss for the year.

Dividends on available-for-sale equity instruments are recognised in profit or loss when the Group's right to receive payment is established and it is probable that the dividends will be collected. All other elements of changes in the fair value are deferred in equity until the investment is derecognised or impaired, at which time the cumulative gain or loss is reclassified from other comprehensive income to profit or loss for the year. Impairment losses are recognised in profit or loss when incurred as a result of one or more events ("loss events") that occurred after the initial recognition of investment securities available for sale. A significant or prolonged decline in the fair value of an equity security below its cost is an indicator that it is impaired. The cumulative impairment loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that asset previously recognised in profit or loss – is removed from equity and recognised in profit or loss. Impairment losses on equity instruments are not reversed through profit or loss. If, in a subsequent period, the fair value of a debt instrument classified as available for sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed through current period's profit or loss.

3 Summary of Significant Accounting Policies (Continued)

Investment securities held to maturity. This classification includes quoted non-derivative financial assets with fixed or determinable payments and fixed maturities for which the Group has both the intention and ability to hold to maturity. Management determines the classification of investment securities held to maturity at their initial recognition and reassesses the appropriateness of that classification at each balance sheet date. Investment securities held to maturity are carried at amortised cost.

Premises and equipment. Premises and equipment are stated at cost, restated to the equivalent purchasing power of the Uzbekistan Soum at 31 December 2005 for assets acquired prior to 1 January 2006, less accumulated depreciation and provision for impairment, where required.

Costs of minor repairs and maintenance are expensed when incurred. Cost of replacing major parts or components of premises and equipment items are capitalised and the replaced part is retired.

At the end of each reporting period management assesses whether there is any indication of impairment of premises and equipment. If any such indication exists, management estimates the recoverable amount, which is determined as the higher of an asset's fair value less costs to sell and its value in use. The carrying amount is reduced to the recoverable amount and the impairment loss is recognised in profit or loss for the year. An impairment loss recognised for an asset in prior years is reversed if there has been a change in the estimates used to determine the asset's value in use or fair value less costs to sell.

Gains and losses on disposals determined by comparing proceeds with carrying amount and are recognised in profit and loss.

Depreciation. Land and construction in progress are not depreciated. Depreciation of premises and equipment is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives:

	<u>Useful lives in years</u>
Building and leasehold improvements	50
Office and computer equipment	5-10

The residual value of an asset is the estimated amount that the Group would currently obtain from disposal of the asset less the estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life. The residual value of an asset is nil if the Group expects to use the asset until the end of its physical life. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each end of the reporting period.

Intangible assets. The Group's intangible assets have finite useful lives and primarily comprise capitalised computer software. Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring them to use. All other costs associated with computer software, e.g. its maintenance, are expensed when incurred. Capitalised computer software is amortised on a straight line basis over expected useful lives of five years.

Finance lease receivables. Where the Group is a lessor in a lease which transfers substantially all the risks and rewards incidental to ownership to the lessee, the assets leased out are presented as finance lease receivable and carried at the present value of the future lease payments. Finance lease receivables are initially recognised at commencement (when the lease term begins) using a discount rate determined at inception (the earlier of the date of the lease agreement and the date of commitment by the parties to the principal provisions of the lease).

The difference between the gross receivable and the present value represents unearned finance income. This income is recognised over the term of the lease using the net investment method (before tax), which reflects a constant periodic rate of return. Incremental costs directly attributable to negotiating and arranging the lease are included in the initial measurement of the finance lease receivable and reduce the amount of income recognised over the lease term. Finance income from leases is recorded within interest income in profit or loss for the year.

3 Summary of Significant Accounting Policies (Continued)

Impairment losses are recognised in profit or loss for the year when incurred as a result of one or more events ("loss events") that occurred after the initial recognition of finance lease receivables. The Group uses the same principal criteria to determine whether there is objective evidence that an impairment loss has occurred, as for loans carried at amortised cost. Impairment losses are recognised through an allowance account to write down the receivables' net carrying amount to the present value of expected cash flows (which exclude future credit losses that have not been incurred), discounted at the interest rates implicit in the finance leases. The estimated future cash flows reflect the cash flows that may result from obtaining and selling the assets subject to the lease.

Operating leases. Where the Group is a lessee in a lease which does not transfer substantially all the risks and rewards incidental to ownership from the lessor to the Group, the total lease payments are charged to profit or loss on a straight-line basis over the period of the lease.

Non-current assets classified as held for sale. Non-current assets and disposal groups, which may include both non-current and current assets, are classified in the statement of financial position as 'non-current assets held for sale' if their carrying amount will be recovered principally through a sale transaction, including loss of control of a subsidiary holding the assets, within twelve months after the end of the reporting period. Assets are reclassified when all of the following conditions are met: (a) the assets are available for immediate sale in their present condition; (b) the Group's management approved and initiated an active programme to locate a buyer; (c) the assets are actively marketed for sale at a reasonable price; (d) the sale is expected within one year and (e) it is unlikely that significant changes to the plan to sell will be made or that the plan will be withdrawn. Non-current assets or disposal groups classified as held for sale in the current period's statement of financial position are not reclassified or re-presented in the comparative statement of financial position to reflect the classification at the end of the current period.

A disposal group is a group of assets (current or non-current) to be disposed of, by sale or otherwise, together as a group in a single transaction, and liabilities directly associated with those assets that will be transferred in the transaction. Goodwill is included if the disposal group includes an operation within a cash-generating unit to which goodwill has been allocated on acquisition. Non-current assets are assets that include amounts expected to be recovered or collected more than twelve months after the end of the reporting period. If reclassification is required, both the current and non-current portions of an asset are reclassified.

Held for sale disposal groups as a whole are measured at the lower of their carrying amount and fair value less costs to sell. Held for sale premises and equipment are not depreciated or amortised. Reclassified non-current financial instruments and deferred taxes are not subject to write down to the lower of their carrying amount and fair value less costs to sell.

Liabilities directly associated with disposal groups that will be transferred in the disposal transaction are reclassified and presented separately in the statement of financial position.

Discontinued operations. A discontinued operation is a component of the Group that either has been disposed of, or that is classified as held for sale, and: (a) represents a separate major line of business or geographical area of operations; (b) is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or (c) is a subsidiary acquired exclusively with a view to resale. Earnings and cash flows of discontinued operations, if any, are disclosed separately from continuing operations with comparatives being re-presented.

Due to other banks. Amounts due to other banks are recorded when money or other assets are advanced to the Group by counterparty banks. The non-derivative liability is carried at amortised cost.

Customer accounts. Customer accounts are non-derivative liabilities to individuals, state or corporate customers and are carried at amortised cost.

Debt securities in issue. Debt securities in issue include promissory notes, bonds, certificates of deposit and debentures issued by the Group. Debt securities are stated at amortised cost.

3 Summary of Significant Accounting Policies (Continued)

Other borrowed funds. Other borrowed funds include borrowings from government and non-government funds and financial institutions. Other borrowed funds are carried at amortised cost

Income taxes. Income taxes have been provided for in the consolidated financial statements in accordance with legislation enacted or substantively enacted by the end of the reporting period. The income tax charge comprises current tax and deferred tax and is recognised in profit or loss for the year, except if it is recognised in other comprehensive income or directly in equity because it relates to transactions that are also recognised, in the same or a different period, in other comprehensive income or directly in equity.

Current tax is the amount expected to be paid to, or recovered from, the taxation authorities in respect of taxable profits or losses for the current and prior periods. Taxable profits or losses are based on estimates if the consolidated financial statements are authorised prior to filing relevant tax returns. Taxes other than on income are recorded within administrative and other operating expenses.

Deferred income tax is provided using the balance sheet liability method for tax loss carry forwards and temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. In accordance with the initial recognition exemption, deferred taxes are not recorded for temporary differences on initial recognition of an asset or a liability in a transaction other than a business combination if the transaction, when initially recorded, affects neither accounting nor taxable profit. Deferred tax balances are measured at tax rates enacted or substantively enacted at the end of the reporting period, which are expected to apply to the period when the temporary differences will reverse or the tax loss carry forwards will be utilised. Deferred tax assets and liabilities are netted only within the individual companies of the Group.

Uncertain tax positions. The Group's uncertain tax positions are reassessed by management at the end of each reporting period. Liabilities are recorded for income tax positions that are determined by management as more likely than not to result in additional taxes being levied if the positions were to be challenged by the tax authorities. The assessment is based on the interpretation of tax laws that have been enacted or substantively enacted by the end of the reporting period, and any known court or other rulings on such issues. Liabilities for penalties, interest and taxes other than on income are recognised based on management's best estimate of the expenditure required to settle the obligations at the end of the reporting period.

Provisions for liabilities and charges. Provisions for liabilities and charges are non-financial liabilities of uncertain timing or amount. They are accrued when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

Trade payable and other liabilities. Trade payables and other liabilities are accrued when the counterparty has performed its obligations under the contract and are carried at amortised cost.

Share capital. Ordinary shares and non-redeemable preference shares with discretionary dividends are both classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds. Any excess of the fair value of consideration received over the par value of shares issued is recorded as share premium in equity.

3 Summary of Significant Accounting Policies (Continued)

Preference shares which carry a mandatory coupon or are redeemable on a specific date or at the option of the shareholder are classified as financial liabilities and are presented in other borrowed funds. The dividends on these preference shares are recognised as interest expense on an amortised cost basis, using the effective interest method.

Treasury shares. Where the Group or its subsidiaries purchase the Group's equity instruments, the consideration paid, including any directly attributable incremental external costs, net of income taxes, is deducted from equity attributable to the owners of the Group until the equity instruments are reissued, disposed of or cancelled. Where such shares are subsequently disposed of or reissued, any consideration received is included in equity.

Dividends. Dividends are recorded in equity in the period in which they are declared. Any dividends declared after the end of the reporting period and before the consolidated financial statements are authorised for issue are disclosed in the subsequent events note. The statutory accounting reports of the Group are the basis for profit distribution and other appropriations. Uzbek legislation identifies retained earnings as the basis for profit distribution.

Income and expense recognition. Interest income and expense are recorded for all debt instruments on an accrual basis using the effective interest method. This method defers, as part of interest income or expense, all fees paid or received between the parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

Fees integral to the effective interest rate include origination fees received or paid by the entity relating to the creation or acquisition of a financial asset or issuance of a financial liability, for example fees for evaluating creditworthiness, evaluating and recording guarantees or collateral, negotiating the terms of the instrument and for processing transaction documents. Commitment fees received by the Group to originate loans at market interest rates are integral to the effective interest rate if it is probable that the Group will enter into a specific lending arrangement and does not expect to sell the resulting loan shortly after origination. The Group does not designate loan commitments as financial liabilities at fair value through profit or loss.

When collection of loans and other debt instruments become doubtful of collection, they are written down to the present value of expected cash inflows and interest income is thereafter recorded for the unwinding of the present value discount based on the asset's effective interest rate which was used to measure the impairment loss.

All other fees, commissions and other income and expense items are generally recorded on an accrual basis by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be provided. Loan syndication fees are recognised as income when the syndication has been completed and the Group retains no part of the loan package for itself, or retains a part at the same effective interest rate as for the other participants.

Commissions and fees arising from negotiating, or participating in the negotiation of a transaction for a third party, such as the acquisition of loans, shares or other securities or the purchase or sale of businesses, and which are earned on execution of the underlying transaction, are recorded on its completion.

Foreign currency translation. The functional currency of the Group, which is the currency of the primary economic environment in which the Group operates and the Group's presentation currency is the national currency of the Republic of Uzbekistan, Uzbek Soum ("UZS").

Monetary assets and liabilities are translated into Group's functional currency at the official exchange rate of the Central Bank of Uzbekistan at the end of respective reporting period. Foreign exchange gains and losses resulting from the settlement of the transactions and from the translation of monetary assets and liabilities into Group's functional currency at year-end official exchange rates of the CBU are recognised in profit or loss. Non-monetary items measured at fair value in a foreign currency, including equity investments, are translated using the exchange rates at the date when the fair value was determined.

3 Summary of Significant Accounting Policies (Continued)

Effects of exchange rate changes on non-monetary items measured at fair value in a foreign currency are recorded as part of the fair value gain or loss.

At 31 December 2015 the principal rate of exchange used for translating foreign currency balances was USD 1 = UZS 2,809.98 (2014: USD 1 = UZS 2,422.40) and EUR 1 = UZS 3,074.19 (2014: EUR 1 = UZS 2,987.74). Exchange restrictions and controls exist over the conversion of UZS into other currencies. The UZS is not a freely convertible currency outside of the Republic of Uzbekistan.

Offsetting. Financial assets and liabilities are offset and the net amount reported in the consolidated statement of financial position only when there is a legally enforceable right to offset the recognised amounts, and there is an intention to either settle on a net basis, or to realise the asset and settle the liability simultaneously.

Earnings per share. Preference shares are not redeemable, and are considered to be participating shares. Earnings per share are determined by dividing the profit or loss attributable to owners of the Group by the weighted average number of participating shares outstanding during the reporting year.

Staff costs and related contributions. Wages, salaries, contributions to the Russian Federation state pension and social insurance funds, paid annual leave and sick leave, bonuses, and non-monetary benefits are accrued in the year in which the associated services are rendered by the employees of the Group. The Group has no legal or constructive obligation to make pension or similar benefit payments beyond the payments to the statutory defined contribution scheme.

Segment reporting. Operating segments are reported in a manner consistent with the internal reporting provided to the Group's chief operating decision maker. Segments whose revenue, result or assets are ten percent or more of all the segments are reported separately.

Presentation of statement of financial position in order of liquidity. The Group does not have a clearly identifiable operating cycle and therefore does not present current and non-current assets and liabilities separately in the statement of financial position. Instead, assets and liabilities are presented in order of their liquidity

Joint Stock Commercial Bank "Uzbek Industrial and Construction Bank"
Notes to the Consolidated Financial Statements – 31 December 2015

3 Summary of Significant Accounting Policies (Continued)

The following table provides information on amounts expected to be recovered or settled before and after twelve months after the reporting period.

In thousands of Uzbekistan Soums	31 December 2015			31 December 2014		
	Amounts expected to be recovered		Total	Amounts expected to be recovered		Total
	Within 12 months after the reporting period	After 12 months after the reporting period		Within 12 months after the reporting period	After 12 months after the reporting period	
ASSETS						
Cash and cash equivalents	806,343,361	-	806,343,361	1,082,129,756	-	1,082,129,756
Due from other banks	357,253,162	287,453,674	644,706,836	225,713,801	214,645,341	440,359,142
Loans and advances to customers	1,614,402,272	5,502,870,436	7,117,272,708	2,317,564,319	3,672,328,814	5,989,893,133
Investment securities available for sale	14,264,205	-	14,264,205	16,262,012	-	16,262,012
Investment securities held to maturity	1,000,000	13,199,534	14,199,534	6,925,178	4,000,000	10,925,178
Investment in associates	-	3,445,024	3,445,024	-	3,077,233	3,077,233
Deferred income tax asset	-	22,080,055	22,080,055	-	15,144,276	15,144,276
Premises and equipment	12,048,976	79,074,157	91,123,133	10,478,414	79,387,116	89,865,530
Other assets	52,303,928	-	52,303,928	57,021,090	-	57,021,090
Non-current assets held for sale (or disposal groups)	57,400,777	-	57,400,777	49,551,286	-	49,551,286
TOTAL ASSETS	2,915,016,681	5,908,122,880	8,823,139,561	3,765,645,856	3,988,582,780	7,754,228,636
LIABILITIES						
Due to other banks	86,068,820	223,956,718	310,025,538	134,270,302	61,728,914	195,999,216
Customer accounts	2,055,632,051	202,275,609	2,257,907,660	2,092,958,734	118,112,259	2,211,070,993
Debt securities in issue	19,258,118	43,320,000	62,578,118	1,311,953	52,280,000	53,591,953
Other borrowed funds	61,494,811	5,312,385,333	5,373,880,144	130,311,404	4,464,048,507	4,594,359,911
Other liabilities	29,573,705	1,750,635	31,324,340	23,915,027	3,327,107	27,242,134
Liabilities directly associated with disposal groups held for sale	560,188	-	560,188	738,274	-	738,274
TOTAL LIABILITIES	2,252,587,693	5,783,688,295	8,036,275,988	2,383,505,694	4,699,496,787	7,083,002,481

4 Critical Accounting Estimates, and Judgements in Applying Accounting Policies

The Group makes estimates and assumptions that affect the amounts recognised in the consolidated financial statements and the carrying amounts of assets and liabilities within the next financial year. Estimates and judgements are continually evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Management also makes certain judgements, apart from those involving estimations, in the process of applying the accounting policies. Judgements that have the most significant effect on the amounts recognised in the consolidated financial statements and estimates that can cause a significant adjustment to the carrying amount of assets and liabilities within the next financial year include:

Impairment losses on loans and advances. The Group regularly reviews its loan portfolios to assess impairment. In determining whether an impairment loss should be recorded in the statement of profit or loss and other comprehensive income, the Group makes judgements as to whether there is any observable data indicating that there is a measurable decrease in the estimated future cash flows from a portfolio of loans before the decrease can be identified with an individual loan in that portfolio. This evidence may include observable data indicating that there has been an adverse change in the payment status of borrowers in a group, or national or local economic conditions that correlate with defaults on assets in the group. Management uses estimates based on historical loss experience for assets with credit risk characteristics and objective evidence of impairment similar to those in the portfolio when scheduling its future cash flows. The methodology and assumptions used for estimating both the amount and timing of future cash flows are reviewed regularly to reduce any differences between loss estimates and actual loss experience.

A 10% increase or decrease in actual loss experience compared to the loss estimates used would result in an increase or decrease in loan impairment losses of UZS 19,107,694 thousand (2014: UZS 26,498,296 thousand).

Preference shares. According to current legislation, the Group is obliged to pay the minimum level of dividends on preference shares, considering it has sufficient profits. However, the legislation is not clear on whether the Group has the right to pay dividends of less than the minimum level when it has sufficient profits. Accordingly, the Group considers that it has an obligation to pay minimum dividend amount, and the preference shares are accounted for as a compound instrument having both a liability component and an equity component. The liability component is initially determined as the present value of minimum dividend payments discounted at the Group's incremental borrowing rate and the rest of the sale proceeds are classified as equity component. As a discount rate the Group used its average borrowing rate on customer deposits and considers the rate is adequate.

Tax legislation. Uzbekistan tax, currency and customs legislation is subject to varying interpretations. Refer to Note 32.

Investments carried at cost. Management cannot reliably estimate the fair value of the Group's available-for-sale investments in shares. The investments are carried at cost. The investee's shares are not quoted and recent trade prices are not publicly available. Refer to Note 10.

Other borrowed funds. The Group obtains long term financing from government, state and international financial institutions at interest rates at which such institutions ordinarily lend in emerging markets and which may be lower than rates at which the Group could source the funds from local lenders. As a result of this financing, the Group is able to advance funds to specific customers at advantageous rates. Management has considered whether gains or losses should arise on initial recognition of these instruments and its judgement is that these funds and the related lending are at the market rates and no initial recognition gains or losses should arise. In making this judgement management also considered that these instruments are a separate market sector.

5 Adoption of New or Revised Standards and Interpretations

The following amended standards became effective for the Group from 1 January 2015, but did not have any material impact on the Group:

- Amendments to IAS 19 – "Defined benefit plans: Employee contributions" (issued in November 2013 and effective for annual periods beginning 1 July 2014).
- Annual Improvements to IFRSs 2012 (issued in December 2013 and effective for annual periods beginning on or after 1 July 2014).
- Annual Improvements to IFRSs 2013 (issued in December 2013 and effective for annual periods beginning on or after 1 July 2014).

6 New Accounting Pronouncements

Certain new standards and interpretations have been issued that are mandatory for the annual periods beginning on or after 1 January 2016 or later, and which the Group has not early adopted.

IFRS 9 "Financial Instruments: Classification and Measurement" (amended in July 2014 and effective for annual periods beginning on or after 1 January 2018). Key features of the new standard are:

- Financial assets are required to be classified into three measurement categories: those to be measured subsequently at amortised cost, those to be measured subsequently at fair value through other comprehensive income (FVOCI) and those to be measured subsequently at fair value through profit or loss (FVPL).
- Classification for debt instruments is driven by the entity's business model for managing the financial assets and whether the contractual cash flows represent solely payments of principal and interest (SPPI). If a debt instrument is held to collect, it may be carried at amortised cost if it also meets the SPPI requirement. Debt instruments that meet the SPPI requirement that are held in a portfolio where an entity both holds to collect assets' cash flows and sells assets may be classified as FVOCI. Financial assets that do not contain cash flows that are SPPI must be measured at FVPL (for example, derivatives). Embedded derivatives are no longer separated from financial assets but will be included in assessing the SPPI condition.
- Investments in equity instruments are always measured at fair value. However, management can make an irrevocable election to present changes in fair value in other comprehensive income, provided the instrument is not held for trading. If the equity instrument is held for trading, changes in fair value are presented in profit or loss.
- Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9. The key change is that an entity will be required to present the effects of changes in own credit risk of financial liabilities designated at fair value through profit or loss in other comprehensive income.
- IFRS 9 introduces a new model for the recognition of impairment losses – the expected credit losses (ECL) model. There is a 'three stage' approach which is based on the change in credit quality of financial assets since initial recognition. In practice, the new rules mean that entities will have to record an immediate loss equal to the 12-month ECL on initial recognition of financial assets that are not credit impaired (or lifetime ECL for trade receivables). Where there has been a significant increase in credit risk, impairment is measured using lifetime ECL rather than 12-month ECL. The model includes operational simplifications for lease and trade receivables.
- Hedge accounting requirements were amended to align accounting more closely with risk management. The standard provides entities with an accounting policy choice between applying the hedge accounting requirements of IFRS 9 and continuing to apply IAS 39 to all hedges because the standard currently does not address accounting for macro hedging.

6 New Accounting Pronouncements (Continued)

IFRS 15, Revenue from Contracts with Customers (issued on 28 May 2014 and effective for the periods beginning on or after 1 January 2018). The new standard introduces the core principle that revenue must be recognised when the goods or services are transferred to the customer, at the transaction price. Any bundled goods or services that are distinct must be separately recognised, and any discounts or rebates on the contract price must generally be allocated to the separate elements. When the consideration varies for any reason, minimum amounts must be recognised if they are not at significant risk of reversal. Costs incurred to secure contracts with customers have to be capitalised and amortised over the period when the benefits of the contract are consumed. The Group is currently assessing the impact of the new standard on its consolidated financial statements.

The following other new pronouncements are not expected to have any material impact on the Group when adopted:

- IFRS 14, Regulatory deferral accounts (issued in January 2014 and effective for annual periods beginning on or after 1 January 2016).
- Accounting for Acquisitions of Interests in Joint Operations - Amendments to IFRS 11 (issued on 6 May 2014 and effective for the periods beginning on or after 1 January 2016).
- Clarification of Acceptable Methods of Depreciation and Amortisation - Amendments to IAS 16 and IAS 38 (issued on 12 May 2014 and effective for the periods beginning on or after 1 January 2016).
- Agriculture: Bearer plants - Amendments to IAS 16 and IAS 41 (issued on 30 June 2014 and effective for annual periods beginning 1 January 2016).
- Equity Method in Separate Financial Statements - Amendments to IAS 27 (issued on 12 August 2014 and effective for annual periods beginning 1 January 2016).
- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendments to IFRS 10 and IAS 28 (issued on 11 September 2014 and effective for annual periods beginning on or after 1 January 2016).
- Annual Improvements to IFRSs 2014 (issued on 25 September 2014 and effective for annual periods beginning on or after 1 January 2016).
- Disclosure Initiative Amendments to IAS 1 (issued in December 2014 and effective for annual periods on or after 1 January 2016).
- Investment Entities: Applying the Consolidation Exception Amendment to IFRS 10, IFRS 12 and IAS 28 (issued in December 2014 and effective for annual periods on or after 1 January 2016).

Unless otherwise described above, the new standards and interpretations are not expected to affect significantly the Group's consolidated financial statements.

Joint Stock Commercial Bank "Uzbek Industrial and Construction Bank"
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7 Cash and Cash Equivalents

<i>In thousands of Uzbekistan Soums</i>	31 December 2015	31 December 2014
Cash on hand	99,970,044	190,406,619
Cash balances with CBU (other than mandatory reserve deposits)	138,979,062	90,571,966
Correspondent accounts and overnight placements with other banks	567,394,255	801,151,171
Total cash and cash equivalents	806,343,361	1,082,129,756

The credit quality of cash and cash equivalents balances at 31 December 2015 is as follows:

<i>In thousands of Uzbekistan Soums</i>	Cash balances with the CBU, other than mandatory reserves	Correspondent accounts and overnight placements	Total
<i>Neither past due nor impaired</i>			
- CBU	138,979,062	-	138,979,062
- A- to A+ rated	-	458,422,905	458,422,905
- Lower than A- rated	-	108,971,350	108,971,350
Total cash and cash equivalents, excluding cash on hand	138,979,062	567,394,255	706,373,317

The credit quality of cash and cash equivalents balances at 31 December 2014 is as follows:

<i>In thousands of Uzbekistan Soums</i>	Cash balances with the CBU, other than mandatory reserves	Correspondent accounts and overnight placements	Total
<i>Neither past due nor impaired</i>			
- CBU	90,571,966	-	90,571,966
- A- to A+ rated	-	627,171,898	627,171,898
- Lower than A- rated	-	173,979,273	173,979,273
Total cash and cash equivalents, excluding cash on hand	90,571,966	801,151,171	891,723,137

Interest rate analysis of cash and cash equivalents is disclosed in Note 30. Information on related party balances is disclosed in Note 35.

Joint Stock Commercial Bank "Uzbek Industrial and Construction Bank"
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8 Due from Other Banks

<i>In thousands of Uzbekistan Soums</i>	31 December 2015	31 December 2014
Mandatory cash balances with CBU	238,224,587	178,216,197
Mandatory reserve deposit held with CBU against assets impairment	49,229,087	36,429,144
Placements with other banks with original maturities of more than three months	114,540,142	28,628,362
Restricted cash	242,713,020	197,085,439
Total due from other banks	644,706,836	440,359,142

Restricted cash represents balances on correspondent accounts with foreign banks placed by the Group on behalf of its customers. The Group does not have the right to use these funds for the purposes of funding its own activities. The Group has received restricted deposits from these customers in the same amounts which are recorded in customer accounts.

Analysis by credit quality of amounts due from other banks outstanding at 31 December 2015 is as follows:

<i>In thousands of Uzbekistan Soums</i>	Mandatory deposits with CBU	Placements with other banks	Total
<i>Neither past due nor impaired</i>			
- CBU	287,453,674	-	287,453,674
- Lower than A- rated	-	114,540,142	114,540,142
- Restricted cash	-	242,713,020	242,713,020
Total due from other banks	287,453,674	357,253,162	644,706,836

Analysis by credit quality of amounts due from other banks outstanding at 31 December 2014 is as follows:

<i>In thousands of Uzbekistan Soums</i>	Mandatory deposits with CBU	Placements with other banks	Total
<i>Neither past due nor impaired</i>			
- CBU	214,645,341	-	214,645,341
- Lower than A- rated	-	28,628,362	28,628,362
- Restricted cash	-	197,085,439	197,085,439
Total due from other banks	214,645,341	225,713,801	440,359,142

Refer to Note 33 for the estimated fair value of each class of amounts due from other banks. Interest rate analysis of due from other banks is disclosed in Note 30. Information on related party balances is disclosed in Note 35.

Joint Stock Commercial Bank "Uzbek Industrial and Construction Bank"
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9 Loans and Advances to Customers

<i>In thousands of Uzbekistan Soums</i>	31 December 2015	31 December 2014
State and municipal organisations	6,361,852,258	5,334,617,222
Corporate loans	759,162,034	757,896,693
Loans to individuals	187,335,183	134,948,698
Total loans and advances to customers, including finance lease receivables, gross	7,308,349,475	6,227,462,613
Less: Provision for loan impairment	(191,076,767)	(237,569,480)
Total loans and advances to customers, including finance lease receivables	7,117,272,708	5,989,893,133

Movements in the provision for loan impairment during 2015 are as follows:

<i>In thousands of Uzbekistan Soums</i>	State and municipal organisations	Corporate loans	Loans to individuals	Total
Provision for loan impairment at 1 January 2015	115,710,645	116,698,507	5,160,328	237,569,480
Provision for impairment during the year *	26,548,306	8,032,684	1,552,937	36,133,927
Amounts written off during the year as uncollectible	-	(90,719,021)	-	(90,719,021)
Transfer to non-current assets held for sale (and disposal groups)	-	1,045,786	-	1,045,786
Effect of foreign exchange translation difference	-	7,046,595	-	7,046,595
Provision for loan impairment at 31 December 2015	142,258,951	42,104,551	6,713,265	191,076,767

*The provision for impairment during 2015 differs from the amount presented in profit or loss for the year due to UZS 3,738,682 thousand (2014: 3,773,902 thousand), recovery of amounts previously written off as uncollectible. The amount of the recovery was credited directly to the provisions line in profit or loss for the year.

9 Loans and Advances to Customers (Continued)

Movements in the provision for loan impairment during 2014 are as follows:

<i>In thousands of Uzbekistan Soums</i>	State and municipal organisations	Corporate loans	Loans to individuals	Total
Provision for loan impairment at 1 January 2014	111,196,082	97,532,612	2,877,354	211,606,048
Provision for impairment during the year *	4,514,563	55,739,968	2,282,974	62,537,505
Amounts written off during the year as uncollectible	-	(33,556,295)	-	(33,556,295)
Transfer to non-current assets held for sale (and disposal groups)	-	(4,517,297)	-	(4,517,297)
Effect of foreign exchange translation difference	-	1,499,519	-	1,499,519
Provision for loan impairment at 31 December 2014	115,710,645	116,698,507	5,160,328	237,569,480

Economic sector risk concentrations within the customer loan portfolio are as follows:

<i>In thousands of Uzbekistan Soums</i>	31 December 2015		31 December 2014	
	amount	%	amount	%
Oil & Gas	3,595,958,305	49	3,051,996,076	49
Manufacturing	1,556,117,720	21	1,406,074,453	23
Energy	1,035,705,897	14	935,076,547	15
Transport and communication	401,178,628	5	237,495,682	4
Trade and services	379,310,209	5	334,719,014	5
Loans to individuals	196,037,814	3	136,800,172	2
Construction	103,305,523	1	88,656,239	1
Agriculture	40,735,379	1	36,644,430	1
Total loans and advances to customers before impairment	7,308,349,475	100	6,227,462,613	100

During 2015, a loss on initial recognition of loans at rates below market in the amount of UZS 1,467,485 thousand (2014: UZS 6,949,270 thousand) has been recorded in profit or loss for the year.

At 31 December 2015 the Group had 10 largest borrowers with the total aggregate amount of UZS 3,469,724,330 thousand (2014: UZS 3,109,406,436 thousand) or 48% of the gross loan portfolio (2014: 49%).

9 Loans and Advances to Customers (Continued)

Disclosure of financial effect of collateral at 31 December 2015 is as follows:

<i>In thousands of Uzbekistan Soums</i>	State and municipal organisations	Corporate loans	Loans to individuals	31 December 2015
Unsecured loans	-	80,018	-	80,018
Loans collateralised by:				
- state guarantee	3,804,695,219	-	-	3,804,695,219
- letter of surety	1,214,353,066	59,215,382	64,852,390	1,338,420,838
- real estate	522,256,693	576,964,652	112,541,229	1,211,762,574
- equipment	588,546,727	8,299,682	-	596,846,409
- shares	205,207,487	-	-	205,207,487
- vehicle	1,138,794	65,818,745	5,709,515	72,667,054
- inventory	21,113,252	34,681,498	-	55,794,750
- insurance policy	518,487	10,899,509	13,458	11,431,454
- cash deposit	3,998,324	1,148,059	4,218,590	9,364,973
- other	24,209	2,054,490	-	2,078,699
Total loans collateralised	6,361,852,258	759,082,017	187,335,182	7,308,269,457
Total loans and advances to customers before impairment provision	6,361,852,258	759,162,035	187,335,182	7,308,349,475

Disclosure of financial effect of collateral at 31 December 2014 is as follows:

<i>In thousands of Uzbekistan Soums</i>	State and municipal organisations	Corporate loans	Loans to individuals	31 December 2014
Unsecured loans	-	246,053	-	246,053
Loans collateralised by:				
- state guarantee	3,165,526,516	91,248,739	-	3,256,775,255
- letter of surety	1,153,384,102	139,695,366	51,058,394	1,344,137,862
- real estate	455,997,661	363,963,220	76,926,189	896,887,070
- equipment	318,313,720	46,314,518	82,268	364,710,506
- shares	220,478,959	305,623	-	220,784,582
- inventory	34,085,690	31,891,717	-	65,977,407
- vehicle	4,738,948	56,332,206	3,986,010	65,057,164
- cash deposit	4,189,411	454,539	2,864,165	7,508,115
- insurance policy	803,693	4,474,165	31,605	5,309,463
- other	-	69,136	-	69,136
Total loans collateralised	5,357,518,700	734,749,229	134,948,631	6,227,216,560
Total loans and advances to customers before impairment provision	5,357,518,700	734,995,282	134,948,631	6,227,462,613

Vehicles include motor cars, heavy trucks and other means of transport. Other assets mainly include trading stock of the borrowers. The disclosure above represents the lower of the carrying value of the loan or fair value of collateral taken. The carrying value of loans was allocated based on liquidity of the assets taken as collateral.

9 Loans and Advances to Customers (Continued)

Analysis by credit quality of loans outstanding at 31 December 2015 is as follows:

<i>In thousands of Uzbekistan Soums</i>	State and municipal organisations	Corporate loans	Loans to individuals	Total
<i>Loans assessed for impairment on a portfolio basis</i>				
- large borrowers with credit history over two years	5,741,882,505	-	-	5,741,882,505
- large new borrowers	374,699,274	-	-	374,699,274
- loans to small and medium size entities	192,751,224	736,274,595	-	929,025,819
- loans to individuals	-	-	187,007,018	187,007,018
Total loans assessed for impairment on a portfolio basis	6,309,333,003	736,274,595	187,007,018	7,232,614,616
<i>Loans individually determined to be impaired (gross)</i>				
- less than 30 days overdue	11,609,029	4,566,957	241,203	16,417,189
- 31 to 90 days overdue	11,262,992	38,065	-	11,301,057
- 91 to 180 days overdue	-	2,112,495	-	2,112,495
- 181 to 360 days overdue	29,647,233	8,369,483	86,962	38,103,678
- over 360 days overdue	-	7,800,439	-	7,800,439
Total individually impaired loans (gross)	52,519,254	22,887,439	328,165	75,734,858
- Impairment provisions for individually impaired loans	(26,802,328)	(23,723,886)	(328,100)	(50,854,314)
- Impairment provisions assessed on portfolio basis	(115,456,623)	(18,380,665)	(6,385,165)	(140,222,453)
Less total impairment provisions	(142,258,951)	(42,104,551)	(6,713,265)	(191,076,767)
Total loans and advances to customers	6,219,593,307	717,057,483	180,621,918	7,117,272,708

9 Loans and Advances to Customers (Continued)

Analysis by credit quality of loans outstanding at 31 December 2014 is as follows:

<i>In thousands of Uzbekistan Soums</i>	State and municipal organisations	Corporate loans	Loans to individuals	Total
<i>Loans assessed for impairment on a portfolio basis</i>				
- large borrowers with credit history over two years	4,687,936,262	-	-	4,687,936,262
- large new borrowers	217,908,727	-	-	217,908,727
- loans to small and medium size entities	411,220,184	641,875,597	20,364	1,053,116,145
- loans to individuals	-	-	134,928,334	134,928,334
Total loans assessed for impairment on a portfolio basis	5,317,065,173	641,875,597	134,948,698	6,093,889,468
<i>Loans individually determined to be impaired (gross)</i>				
- less than 30 days overdue	10,985,613	13,659,326	-	24,644,939
- 31 to 90 days overdue	6,566,436	6,718,753	-	13,285,189
- over 360 days overdue	-	95,643,017	-	95,643,017
Total individually impaired loans (gross)	17,552,049	116,021,096	-	133,573,145
- Impairment provisions for individually impaired loans	(10,160,124)	(100,183,051)	-	(110,343,175)
- Impairment provisions assessed on portfolio basis	(105,550,521)	(16,515,456)	(5,160,328)	(127,226,305)
Less total impairment provisions	(115,710,645)	(116,698,507)	(5,160,328)	(237,569,480)
Total loans and advances to customers	5,218,906,577	641,198,186	129,788,370	5,989,893,133

* – Refer to Note 30 for definition of "good" and "standard" loans and advances to customers.

9 Loans and Advances to Customers (Continued)

The Group applied the portfolio provisioning methodology prescribed by IAS 39, *Financial Instruments: Recognition and Measurement*, and created portfolio provisions for impairment losses that were incurred, but have not been specifically identified with any individual loan, by the end of the reporting period. The Group's policy is to classify each loan as 'neither past due nor impaired' until specific objective evidence of impairment of the loan is identified. The impairment provisions may exceed the total gross amount of individually impaired loans as a result of this policy and the portfolio impairment methodology.

The primary factors that the Group considers in determining whether a loan is impaired are its overdue status and realisability of related collateral, if any. As a result, the Group presents above an ageing analysis of loans that are individually determined to be impaired.

Past due, but not impaired, loans primarily include collateralised loans where the fair value of collateral covers the overdue interest and principal repayments. The amount reported as past due but not impaired is the whole balance of such loans, not only the individual instalments that are past due.

Refer to Note 33 for the estimated fair value of each class of loans and advances to customers. Interest rate analysis of loans and advances to customers is disclosed in Note 30. Information on related party balances is disclosed in Note 35.

Finance lease receivable (net investment in the leases) and their present values are as follows:

<i>In thousands of Uzbekistan Soums</i>	31 December 2015	31 December 2014
Not later than one year	13,194,364	11,452,429
From one year to five years	15,240,249	15,650,845
More than five years	1,843,153	2,493,770
Minimum lease payments	30,277,766	29,597,044
Less unearned finance income	(7,466,607)	(7,996,650)
Gross investment in finance lease	22,811,159	21,600,394
Less: allowance on finance lease	(2,455,196)	(2,461,567)
Net investment in finance lease	20,355,963	19,138,827
Current portion	8,870,668	7,405,674
Long-term portion	11,485,295	11,733,153
Net investment in finance lease	20,355,963	19,138,827

10 Investment Securities Available For Sale

<i>In thousands of Uzbekistan Soums</i>	Ownership	31 December 2015	31 December 2014
Name			
JSCB "Microcreditbank"	1.6%	3,206,400	3,206,400
JSC "Tashkent" Stock Exchange	6.3%	3,043,360	3,043,360
LLC "Ishonch"	16.0%	1,526,483	1,444,225
JSC "Chilonzor buyum bozori"	5.5%	1,522,714	1,473,214
JSC "Qurilishmashlizing"	8.8%	1,500,000	1,500,000
Visa Inc.	0.0%	1,270,220	3,702,308
LLC "Agrotexservices"	13-15%	709,164	704,664
JSC "Qizilqumsement"	0.1%	706,500	608,000
JSC "Republican Currency Exchange"	11.1%	495,970	495,970
JSC "Republican Commodity Exchange"	2.4%	393,392	223,380
JSC "UzMed-Leasing"	16.7%	337,952	322,202
JSC "Buhoro Markaziy dekhkon bozori"	0.9%	131,000	131,000
Other	0.4%-13.8%	332,224	318,463
Corporate shares		15,175,379	17,173,186
Provision for impairment of investment securities available for sale		(911,174)	(911,174)
Total investment securities available for sale		14,264,205	16,262,012

Investment securities available for sale include equity securities with a carrying value of UZS 12,993,985 thousand (2014: UZS 12,559,704 thousand) which are not publicly traded. Due to the nature of the local financial markets, it is not possible to obtain current market value for these investments. The investees have not published recent financial information about their operations, their shares are not quoted and recent trade prices are not publicly accessible. These investments are carried at a cost. The Group sells its investment securities available for sale to buyers at agreed prices, previously carried at cost. Upon sale the Group recognises a gain or loss on the sale in profit or loss for the year. The management has no plans to dispose of these equity securities.

Investment in Visa Inc amounting to UZS 1,270,220 thousand (2014: 3,702,308 thousand) is traded in active market, and fair value was determined by reference to the quoted bid price at the end of the reporting period. The fair value measurement was categorised as Level 1 input.

Interest rate analysis of investment securities available for sale is disclosed in Note 30.

11 Investment Securities Held to Maturity

	Nominal interest rate	31 December 2015	31 December 2014
JSCB "Asakabank"	8%	10,000,000	-
JSCB "Trast Bank"	9%	2,000,000	2,000,000
JSCB "Hamkor Bank"	12%	1,199,534	1,005,178
JSCB "Ipoteka Bank"	11%-12%	1,000,000	3,920,000
JSCB "Qishloq Qurilish Bank"	12%	-	4,000,000
Total investment securities held to maturity		14,199,534	10,925,178

The debt securities are not collateralised. The primary factor the Group considers in determining whether a debt security is impaired is the overdue status of interest payments.

11 Investment Securities Held to Maturity (Continued)

Analysis by credit quality of investment securities classified as held to maturity were as following:

<i>In thousands of Uzbekistan Soums</i>	31 December 2015	31 December 2014
<i>Neither past due nor impaired</i>		
- Large banks	12,199,534	8,925,178
- Medium banks	2,000,000	2,000,000
Total neither past due nor impaired	14,199,534	10,925,178

The Banks are rated by local agency firm "Ahbor rating" in accordance with the Banks' total assets.

12 Investment in Associates

The table below summarises the movements in the carrying amount of the Group's investment in associates.

<i>In thousands of Uzbekistan Soums</i>	31 December 2015	31 December 2014
Carrying amount at 1 January	3,077,233	4,494,939
Increase in ownership	204,943	-
Loss of significant influence in associates due to additional increase in share capital of associates	-	(1,580,642)
Share of profit of associates	162,848	162,936
Carrying amount at 31 December	3,445,024	3,077,233

Summarised financial information of each material associate is as follows at 31 December 2015:

Name	Total assets	Total liabilities	Total revenue	Profit/ (loss)	Interest held	Country of incorporation
OJSC "Qurulish Leasing"	19,722,394	12,446,460	3,482,911	348,209	46.77%	Uzbekistan

Summarised financial information of each material associate is as follows at 31 December 2014:

Name	Total assets	Total liabilities	Total revenue	Profit/ (loss)	Interest held	Country of incorporation
OJSC "Qurulish Leasing"	16,131,072	6,152,919	4,152,229	348,398	46.77%	Uzbekistan

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13 Premises, Equipment and Intangible Assets

<i>In thousands of Uzbekistan Soums</i>	Buildings and premises	Office and computer Equipment	Construction in prog- ress	Total premises and equipment	Computer Software licenses	Total
Cost at						
31 December 2013	53,053,764	54,394,747	23,849,762	131,298,273	7,828,307	139,126,580
Accumulated depreciation/ amortisation	(11,466,799)	(33,723,476)	-	(45,190,275)	(5,771,549)	(50,961,824)
Carrying amount at 31 December 2013	41,586,965	20,671,271	23,849,762	86,107,998	2,056,758	88,164,756
Additions	10,916,677	12,484,570	2,894,231	26,295,479	1,289,039	27,584,518
Disposals	(180,735)	(2,124,103)	(972,430)	(3,277,268)	(11,776)	(3,289,044)
Net transfers	3,791,513	-	(3,791,513)	-	-	-
Reclassification	-	-	(12,116,286)	(12,116,286)	-	(12,116,286)
Depreciation/ amortisation charge (Note 25)	(3,137,445)	(6,733,387)	-	(9,870,832)	(607,582)	(10,478,414)
Carrying amount at 31 December 2014	52,976,975	24,298,351	9,863,764	87,139,091	2,726,439	89,865,530
Cost at						
31 December 2014	67,581,219	64,755,214	9,863,764	142,200,198	9,105,570	151,305,768
Accumulated depreciation/ amortisation	(14,604,244)	(40,456,863)	-	(55,061,107)	(6,379,131)	(61,440,238)
Carrying amount at 31 December 2014	52,976,975	24,298,351	9,863,764	87,139,091	2,726,439	89,865,530
Additions	2,001,820	8,636,713	8,844,164	19,482,697	726,008	20,208,705
Disposals	(13,253)	(669,899)	(291)	(683,443)	(1,405)	(684,848)
Reclassification	(3,985,103)	-	(2,232,173)	(6,217,276)	-	(6,217,276)
Depreciation/ amortisation charge (Note 25)	(3,674,018)	(7,512,569)	-	(11,186,587)	(862,389)	(12,048,976)
Carrying amount at 31 December 2015	47,306,421	24,752,596	16,475,464	88,534,482	2,588,653	91,123,135
Cost at						
31 December 2015	65,584,683	72,722,028	16,475,464	154,782,176	9,830,173	164,612,348
Accumulated depreciation/ amortisation	(18,278,262)	(47,969,432)	-	(66,247,694)	(7,241,520)	(73,489,215)
Carrying amount at 31 December 2015	47,306,421	24,752,596	16,475,464	88,534,482	2,588,653	91,123,133

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14 Other Assets

<i>In thousands of Uzbekistan Soums</i>	31 December 2015	31 December 2014
Other financial assets		
Commission income receivable	4,557,017	4,131,742
Interest income and other receivables	186,014	982,296
Receivable from money transfer organisations	5,900	20,768
Total other financial assets	4,748,931	5,134,806
Other non-financial assets		
Prepayment for construction of building	28,848,560	34,989,118
Prepayments for equipment and property	6,885,516	4,151,099
Prepaid income tax	4,997,900	5,706,373
Prepaid expenses and advances	4,596,235	2,691,897
Inventory	2,993,287	928,314
Receivable from employees	1,920,281	3,703,520
Unrealized Gain on Revaluation — SWAPS	—	857,594
Other	1,737,005	4,260,875
Total other non-financial assets	51,978,784	57,288,790
Less allowance for impairment	(4,423,787)	(5,402,506)
Total other assets	52,303,928	57,021,090

Analysis by credit quality of other financial assets outstanding at 31 December 2015 and 2014 is as follows:

<i>In thousands of Uzbekistan Soums</i>	Other financial assets	
	31 December 2015	31 December 2014
<i>Neither past due nor impaired</i>		
- Collected or settled after the end of the reporting period	4,748,931	5,134,806
Total neither past due nor impaired	4,748,931	5,134,806

Movements in the provision for impairment of other financial assets during 2015 are as follows:

<i>In thousands of Uzbekistan Soums</i>	Receivable from money transfer organisations	Other	Total
Provision for impairment at 1 January 2015	1,949,477	3,453,029	5,402,506
Provision for impairment during the year	—	140,682	140,682
Release of impairment during the year	(39,504)	(1,079,897)	(1,119,401)
Provision for impairment at 31 December 2015	1,909,973	2,513,814	4,423,787

Movements in the provision for impairment of other financial assets during 2014 are as follows:

<i>In thousands of Uzbekistan Soums</i>	Prepayments for equipment and property	Other	Total
Provision for impairment at 1 January 2014	1,798,777	1,031,770	2,830,547
Provision for impairment during the year	150,700	2,421,259	2,571,959
Provision for impairment at 31 December 2014	1,949,477	3,453,029	5,402,506

15 Non-Current Assets Classified as Held for Sale (or Disposal Groups)

<i>In thousands of Uzbekistan Soums</i>	31 December 2015	31 December 2014
Assets related to subsidiary companies	50,278,721	40,744,003
Reposessed assets:		
- Buildings held for sale	3,505,085	4,286,838
- Others assets held for sale	2,359,906	4,205,445
- Equipment held for sale	1,257,065	315,000
Total non-current assets (or disposal groups) held for sale	57,400,777	49,551,286

During 2015, the Group recognised an impairment loss of UZS 10,805,493 thousand (2014: UZS 6,443,850 thousand) to write down reposessed assets to fair value less costs to sell.

The management actively markets these assets and expects the sales to be completed within one year.

Assets related to subsidiary companies comprise of total assets, less intercompany balances and transactions of "Elite Star" LLC, "Horazm shisha idishlari" LLC (production of glasses), and "Fergana Ceramics industry" LLC (production of ceramics).

These business units have not been sold for already few years despite the Group was searching for the buyer. The Group is seeking to dispose of these business units and anticipates that the disposal will be completed during 2016.

Major classes of assets and liabilities of subsidiary companies classified as held for sale (or disposal groups) are as follows:

<i>In thousands of Uzbekistan Soums</i>	31 December 2015	31 December 2014
<i>Assets of a disposal group held for sale:</i>		
Accounts receivable	1,085,028	5,297,956
Prepaid expenses	108,271	-
Inventory	9,269,405	4,683,746
Other assets	178,742	123,604
Premises and equipment	30,392,115	24,315,969
Construction in progress	9,245,160	6,322,728
Total assets of subsidiary companies (or disposal groups) held for sale	50,278,721	40,744,003
<i>Liabilities of a disposal group held for sale:</i>		
Accounts payable	560,188	738,274
Total liabilities directly associated with disposal groups held for sale	560,188	738,274
Net assets of subsidiary companies (or disposal groups) held for sale	49,718,533	40,005,729

15 Non-Current Assets Classified as Held for Sale (or Disposal Groups) (Continued)

Profit/(loss) for the period from discontinued operations was as following:

<i>In thousands of Uzbekistan Soums</i>	2015	2014
Consideration for disposal of the subsidiary	61,770,281	61,230,486
Carrying amount of disposed net assets, net of non-controlling interest	(61,770,281)	(59,422,124)
Gain from disposal of subsidiary	-	1,808,362
Total revenue	6,645,702	4,486,102
Total expenses	(7,790,232)	(4,969,446)
Loss from discontinued operation	(1,144,530)	(483,344)
(Loss)/profit for the period from discontinued operations	(1,144,530)	1,325,018

16 Due to Other Banks

<i>In thousands of Uzbekistan Soums</i>	31 December 2015	31 December 2014
Long-term placements of other banks	223,956,718	61,728,914
Short-term placements of other banks	59,250,837	118,177,099
Correspondent accounts and overnight placements of other banks	26,817,983	16,093,203
Total due to other banks	310,025,538	195,999,216

Refer to Note 33 for the disclosure of the fair value of each class of amounts due to other banks. Interest rate analysis of due to other banks is disclosed in Note 30. Information on related party balances is disclosed in Note 35.

17 Customer Accounts

<i>In thousands of Uzbekistan Soums</i>	31 December 2015	31 December 2014
Repayable on demand	1,851,145,574	1,915,822,911
Time deposits	406,762,086	295,248,082
Total customer accounts	2,257,907,660	2,211,070,993

At 31 December 2015, included in customer accounts are deposits of UZS 543,899,252 thousand (2014: UZS 460,457,369 thousand) held as collateral for irrevocable commitments under import letters of credit. Refer to Note 32.

At 31 December 2015 and 2014, customer accounts totalling UZS 1,082,879,672 thousand (44%) and UZS 1,315,449,446 thousand (56%), respectively were due to 6 customers in 2014 (2014: 6 customers), which represents significant concentration.

Refer to Note 33 for the disclosure of the fair value of each class of customer accounts. Interest rate analysis of customer accounts is disclosed in Note 30. Information on related party balances is disclosed in Note 35.

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18 Debt Securities in Issue

<i>In thousands of Uzbekistan Soums</i>	31 December 2015	31 December 2014
Corporate bonds	62,578,118	53,591,953
Total debt securities in issue	62,578,118	53,591,953

Refer to Note 33 for the disclosure of the fair value of debt securities in issue. Interest rate analyses of customer accounts are disclosed in Note 30.

19 Other Borrowed Funds

<i>In thousands of Uzbekistan Soums</i>	31 December 2015	31 December 2014
International Financial Institutions		
China Export-Import Bank	1,331,579,025	1,067,805,421
World Bank International Agency for Development	96,857,578	44,993,540
China Development Bank	36,886,074	15,251,726
Commerzbank AG	22,234,115	21,892,948
KfW	6,178,706	6,056,287
Landes Bank Berliner AG	4,814,748	13,944,454
Preference shares (Note 21)	2,956,522	3,400,000
Hypo und Vereinsbank	-	1,485,654
Uzbekistan Financial Institutions		
Uzbekistan Fund for Reconstruction and Development	3,869,229,512	3,317,525,579
Long-term loans from the Ministry of Finance	2,821,669	101,596,308
Long-term loans from the CBU	322,195	407,994
Total other borrowed funds	5,373,880,144	4,594,359,911

The Group is obliged to comply with the financial covenants in relation to other borrowed funds disclosed above. In accordance with the financial line agreement with China Development Bank dated 23 June 2008 the Group is obliged to comply with certain financial covenants. As at 31 December 2015 the loan outstanding to China Development Bank was UZS 36,886,074 thousand (2014: UZS 15,251,726 thousand).

Refer to Note 33 for disclosure of the fair value of each class of other borrowed funds. Interest rate analysis of other borrowed funds is disclosed in Note 30. Information on related party balances is disclosed in Note 35.

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20 Other Liabilities

Other liabilities comprise the following:

<i>In thousands of Uzbekistan Soums</i>	31 December 2015	31 December 2014
Trade payables	3,003,104	4,298,705
Payable to creditors of LLC "PSB Anteks Group"	1,750,635	3,327,107
Dividends payable	529,156	363,346
Other accrued liabilities	1,492	-
Total other financial liabilities	5,284,387	7,989,158
Payable to employees	12,872,581	9,850,543
Taxes payable other than on income	7,651,364	4,661,935
Current income tax liability	2,865,634	1,978,905
Prepayments received	1,268,543	1,019,353
Other	1,381,831	1,742,240
Total other non-financial liabilities	26,039,953	19,252,976
Total other liabilities	31,324,340	27,242,134

Payable to creditors of "PSB Anteks Group" LLC represents liability of the Group to creditors of recovered (formerly bankrupt) entity. In accordance with the Presidential Decree of Uzbekistan No UP 4010 dated 18 November 2009, the Group took over bankrupt company JV "Baliqchiteks" and JSC "Baliqchitekstil" for nil amount. The Group has reformed the bankrupt entity into "PSB Anteks Group" LLC in partnership with JSC "Anteks". During 2011, the Group has sold its investment in recovered entity "PSB Anteks Group" LLC to JSC Anteks under credit terms that to be repaid within five years. In accordance with the Decree, the Group has a commitment to repay liabilities of the bankrupt company out of the proceeds received from JSC "Anteks". Refer to Note 33 for disclosure of the fair value of each class of other financial liabilities.

21 Share Capital

<i>In thousands of Uzbekistan Soums except for number of shares</i>	Number of outstanding shares (in thousands)	Ordinary and preference shares	Share premium	Treasury shares	Total
At 31 December 2013	114,378	325,609,504	696,121	(5,387,880)	320,917,745
New shares issued	74,399	241,946,000	-	-	241,946,000
Capitalisation of dividends	-	52,480,573	-	(901,503)	51,579,070
Effect of change in present value of preference shares	-	1,784,000	-	-	1,784,000
Acquisition of treasury shares	-	-	-	40,131	40,131
At 31 December 2014	188,777	621,820,077	696,121	(6,249,252)	616,266,946
New shares issued	15,588	57,195,838	-	-	57,195,838
Capitalisation of dividends	-	26,827,468	-	-	26,827,468
Effect of change in present value of preference shares	-	443,477	-	-	443,477
Disposal of treasury shares	-	-	-	1,222,239	1,222,239
At 31 December 2015	204,365	706,286,860	696,121	(5,027,013)	701,955,968

21 Share Capital (Continued)

The nominal registered amount of the Group's issued share capital, prior to restatement of capital contributions made before 1 January 2006 to the purchasing power of the Uzbekistan Soums at 31 December 2015, is UZS 700,264,365 thousand (2014: UZS 615,797,581 thousand).

The number of ordinary shares issued but not fully paid in was Nil (2014: Nil). Each ordinary share carries one vote.

The total authorised number of preference shares is 2,000 thousand shares (2014: 2,000 thousand shares), with a par value of UZS 3,252 per share (2014: UZS 3,252 per share). All issued preference shares are fully paid.

The preference shares are not redeemable and rank ahead of the ordinary shares in the event of the Group's liquidation. The preference shares give the holders the right to participate in general shareholders' meetings without voting rights, except in instances where decisions are made in relation to reorganisation and liquidation of the Group, and where changes and amendments to the Group's charter which restrict the rights of preference shareholders are proposed. Preference share dividends are set at 23 % p.a. (2014: 20 % p.a.) and rank above ordinary dividends. If preference dividends are not declared by ordinary shareholders, the preference shareholders obtain the right to vote as ordinary shareholders until such time that the dividend is paid.

In the year ended 31 December 2015, the Bank did not increase its preference share price of UZS 3,252 (31 December 2014: from UZS 2,785 to UZS 3,252) with the minimum rate unchanged of 20% (2014: 20%). As at year end the actual dividend paid was 23%. This has resulted in the change of effective minimum rate of dividends on the original nominal amount of preference shares (UZS 2,000), which equaled to 37.94% (2014: 37.90%). Accordingly, as of 31 December 2015, the Group recognised the effect of change in present value of shares in the amount of UZS 443,478 thousand.

At 31 December 2015, treasury shares include UZS 5,027,013 thousand ordinary shares of the Group (2014: 6,249,252 thousand ordinary shares) owned by wholly owned subsidiaries of the Group. These ordinary shares carry voting rights in the same proportion as other ordinary shares. Voting rights of ordinary shares of the Group held by the entities within the Group are effectively controlled by the management of the Group.

22 Interest Income and Expense

<i>In thousands of Uzbekistan Soums</i>	2015	2014
Interest income		
Loan and advances to customers	375,001,967	336,853,049
Due from other banks	4,203,234	4,872,903
Investment securities held to maturity	1,299,371	1,091,071
Total interest income	380,504,572	342,817,023
Interest expenses		
Other borrowed funds	106,292,618	95,006,767
Term placements of other banks	36,873,400	30,248,702
Term deposits of individuals	34,545,580	31,140,919
Term deposits of legal entities	8,632,119	3,257,362
Debt securities issued	5,290,145	4,972,533
Total interest expense	191,633,862	164,626,283
Net interest income	188,870,710	178,190,740

Interest income includes UZS 6,458,264 thousand (2014: UZS 6,416,936 thousand) interest income, recognised on impaired loans to customers.

23 Fee and Commission Income and Expense

<i>In thousands of Uzbekistan Soums</i>	2015	2014
Fee and commission income from:		
- Settlement transactions	94,548,969	89,438,101
- Foreign currency exchange operations	7,049,936	13,781,098
- International money transfers	5,234,317	7,583,777
- Guarantees issued	5,206,763	4,570,288
- Cash transactions	4,049,750	2,007,416
- Management service fee	1,984,452	3,397,243
- Letter of credits	1,300,755	2,964,705
- Other	1,622,999	1,697,550
Total fee and commission income	120,997,941	125,440,178
Fee and commission expense		
- Cash collection	14,464,140	12,911,471
- Settlement transactions	6,867,168	5,445,776
- Foreign currency exchange	951,292	1,834,113
- Loan commission expenses	907,995	1,172,947
- Payments for guarantees issued	-	202,302
- Other	4,029,872	2,534,957
Total fee and commission expense	27,220,467	24,101,566
Net fee and commission income	93,777,474	101,338,612

24 Other Operating Income

<i>In thousands of Uzbekistan Soums</i>	2015	2014
Income from fines and penalties	3,035,924	1,315,400
Gain on disposal of premises and equipment	476,222	536,227
Rental income from properties	300,656	1,878,917
Other	3,908,299	2,337,037
Total other operating income	7,721,101	6,067,581

25 Administrative and Other Operating Expenses

<i>In thousands of Uzbekistan Soums</i>	Note	2015	2014
Staff costs		130,733,407	108,149,639
Taxes other than income tax		29,620,597	25,766,283
Security services		13,595,835	11,490,786
Depreciation and amortisation (Note 11)	13	12,048,976	10,478,414
Charity expenses		7,811,595	4,717,441
Membership fees		5,973,548	3,412,444
Stationery and office supplies		4,519,097	4,730,536
Business trip expenses		2,299,423	2,003,085
Communication expenses		1,870,115	1,818,246
Rent expenses		1,864,296	1,554,764
Cost of maintenance of premises		1,713,081	1,434,375
Cost of utilities		1,476,697	1,349,243
Advertising and marketing services		913,827	854,003
Loss on sale or disposition of fixed assets		21,878	102,808
Other operating expenses		3,327,370	3,025,017
Total administrative and other operating expenses		217,789,742	180,887,084

Included in staff costs are statutory pension contributions of UZS 24,429,839 thousand (2014: UZS 20,144,496 thousand).

26 Income Taxes

(a) Components of income tax expense / (benefit)

Income tax expense comprises the following:

<i>In thousands of Uzbekistan Soums</i>	2015	2014
Current tax charge	17,879,724	14,654,634
Deferred tax credit	(6,556,055)	(6,410,292)
Income tax expense for the year	11,323,669	8,244,342

(b) Reconciliation between the tax expense and profit or loss multiplied by applicable tax rate

The income tax rate applicable to the majority of the Group's income is comprised of corporate income tax (15%) and infrastructure development tax (8%) with tax base for infrastructure development tax being accounting profit after corporate income tax charge. Effectively, statutory income tax rate is 21.8%.

Reconciliation between the expected and the actual taxation charge is provided below.

<i>In thousands of Uzbekistan Soums</i>	2015	2014
IFRS profit before tax (including discontinued operations)	87,208,318	42,445,638
Theoretical tax charge at statutory rate 21.8% (2013: 21.8%)	19,011,413	9,253,149
Tax effect of items which are not deductible or assessable for taxation purposes:		
- Foreign exchange gain not subject to deferred tax	(8,449,244)	-
- Non deductible expenses (employee compensation, social tax, and representaton)	3,433,460	2,076,708
- Tax rate difference	(2,353,484)	(1,943,335)
- Tax incentives (tax privileges)	(439,406)	(727,299)
- Tax exempt income (dividend receivable/received)	(297,142)	(271,697)
- Unrecognised deferred tax (liability)/assets	271,335	(277,355)
- Other	146,737	134,171
Income tax expense for the year	11,323,669	8,244,342

In accordance with statutory regulation, the Group can carry forward unrecognized tax loss for five years.

26 Income Taxes (Continued)

(c) Deferred taxes analysed by type of temporary difference

Differences between IFRS and statutory taxation regulations in Uzbekistan give rise to temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and their tax bases. The tax effect of the movements in these temporary differences is detailed below, and is recorded at the rate of 21.8% (2014: 21.8%).

<i>In thousands of Uzbekistan Soums</i>	2015	(Debited)/ Credited to profit or loss	Charged to other compre- hensive income	2014	(Debited)/ Credited to profit or loss	Charged to other compre- hensive income	2013
Tax effect of deductible temporary differences							
Loan impairment provision	22,282,502	6,402,796	-	15,879,706	7,132,384	-	8,747,322
Property, equipment and intangible assets	180,939	33,382	-	147,557	41,475	-	106,082
Fair value of investment securities available for sale	(82,429)	-	379,724	(462,153)	-	(134,453)	(327,700)
Provision for impairment of investment Securities available for sale	-	-	-	-	(26,971)	-	26,971
Investment in associates	(255,092)	(33,251)	-	(221,841)	(70,746)	-	(151,095)
Accrued interest expenses	-	-	-	-	(57,838)	-	57,838
Accrued interest income	(21,674)	185,452	-	(207,126)	(207,126)	-	-
Other	(24,191)	(32,324)	-	8,133	(400,886)	-	409,019
Recognised deferred tax asset	22,080,055	6,556,055	379,724	15,144,276	6,410,292	(134,453)	8,868,437
Recognised deferred tax asset	22,463,441	6,621,630	379,724	16,027,263	7,173,859	-	9,347,232
Recognised deferred tax liability	(383,386)	(65,575)	-	(882,987)	(763,567)	(134,453)	(478,795)
Total net deferred tax asset	22,080,055	6,556,055	379,724	15,144,276	6,410,292	(134,453)	8,868,437

27 Dividends

	2015	2014
Dividends payable at 1 January	363,346	705,044
Dividends declared during the year	43,883,889	52,480,573
Dividends paid during the year	(16,890,611)	(1,243,201)
Dividends capitalised	(26,827,468)	(51,579,070)
Dividends payable at 31 December	529,156	363,346
Dividend per declared during the year	215	517

28 Earnings per Share

Basic earnings per share are calculated by dividing the profit or loss attributable to owners of the Parent by the weighted average number of ordinary shares in issue during the year, excluding treasury shares.

The Group has no dilutive potential ordinary shares; therefore, the diluted earnings per share equal the basic earnings per share.

Earnings per share from continuing operations are calculated as follows:

<i>In thousands of Uzbekistan Soums</i>	2015	2014
Earnings per share from continuing operations		
Profit for the year attributable to ordinary shareholders	76,282,646	32,301,408
Profit for the year attributable to preference shareholders	746,533	344,656
Profit for the year	77,029,179	32,646,064
Weighted average number of ordinary shares in issue	204,365,135	188,777,140
Weighted average number of preference shares in issue	2,000,000	2,000,000
Earnings per share per ordinary share, basic and diluted in UZS	373	290
Earnings per share per equity component of preference share, basic and diluted in UZS	373	173

Earnings per share from discontinuing operations are calculated as follows:

<i>In thousands of Uzbekistan Soums</i>	2015	2014
Earnings per share from discontinuing operations		
Profit for the year attributable to ordinary shareholders	(1,132,531)	1,301,849
Profit for the year attributable to preference shareholders	(11,999)	23,169
Profit for the year	(1,144,530)	1,325,018
Weighted average number of ordinary shares in issue	204,365,135	188,777,140
Weighted average number of preference shares in issue	2,000,000	2,000,000
Earnings per share per ordinary share, basic and diluted in UZS	(6)	7
Earnings per share per equity component of preference share, basic and diluted in UZS	(6)	12

Basic and diluted earnings per equity component of preference shares as presented above, represent earnings allocated to the equity component of the preference shares, after the distribution of the minimum dividends of 20% of the nominal value of the preference shares.

29 Segment Analysis

(a) Description of products and services from which each reportable segment derives its revenue

The Group is organised on the basis of three segments, as follows:

- Retail banking – principally handling individual customers' deposits, and providing consumer loans, overdrafts, plastic cards facilities and funds transfer facilities.
- Corporate banking – principally handling loans and other credit facilities and deposit and current accounts for corporate and institutional customers.
- Group function – Treasury, finance and other central functions.

(b) Factors that management used to identify the reportable segments

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance, as explained in the table below, is measured based on profit or loss in the consolidated financial statements. Income taxes are managed on a Group basis and are not allocated to operating segments.

(c) Measurement of operating segment profit or loss, assets and liabilities

The CODM reviews financial information prepared based on IFRS, and evaluates performance of each segment based on net income.

(d) Information about reportable segment profit or loss, assets and liabilities

Segment information for the reportable segments for the year ended 31 December 2015 is set out below:

<i>In thousands of Uzbekistan Soums</i>	Corporate banking	Retail banking	Group function	Total
Cash and cash equivalents	662,729,679	143,613,682	-	806,343,361
Due from other banks	644,706,836	-	-	644,706,836
Loans and advances to customers, including finance lease receivables	6,935,725,795	181,546,913	-	7,117,272,708
Investment securities available for sale	14,264,205	-	-	14,264,205
Investment securities held to maturity	14,199,534	-	-	14,199,534
Investment in associates	3,445,024	-	-	3,445,024
Deferred income tax asset	-	-	22,080,055	22,080,055
Property, equipment and intangible assets	81,453,296	9,669,837	-	91,123,133
Other assets	47,300,128	5,900	4,997,900	52,303,928
Non-current assets held for sale (or disposal groups)	57,400,777	-	-	57,400,777
Total reportable segment assets	8,461,225,274	334,836,332	27,077,955	8,823,139,561
Due to other banks	310,025,538	-	-	310,025,538
Customer accounts	1,855,763,302	402,144,358	-	2,257,907,660
Debt securities in issue	62,578,118	-	-	62,578,118
Other borrowed funds	5,373,880,144	-	-	5,373,880,144
Other liabilities	7,405,605	13,401,737	10,516,998	31,324,340
Liabilities directly associated with disposal groups held for sale	560,188	-	-	560,188
Total reportable segment liability	7,610,212,895	415,546,095	10,516,998	8,036,275,988
Capital expenditure	-	-	-	-

Capital expenditure represents additions to non-current assets other than financial instruments, deferred tax assets, post-employment benefit assets and rights arising under insurance contracts.

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Notes to the Consolidated Financial Statements – 31 December 2015

29 Segment Analysis (Continued)

<i>In thousands of Uzbekistan Soums</i>	Corporate banking	Retail banking	Group function	Total
Interest income	361,841,989	18,662,583	-	380,504,572
Fee and commission income	109,557,674	11,440,267	-	120,997,941
Foreign exchange translation gains less losses	50,008,853	-	-	50,008,853
Gain and losses from trading in foreign currencies	8,576,297	-	-	8,576,297
Dividend income	1,834,212	-	-	1,834,212
Other operating income	7,025,014	696,087	-	7,721,101
Share of result of associates	162,848	-	-	162,848
Total revenues	539,006,887	30,798,937	-	569,805,824
Interest expense	(157,088,282)	(34,545,580)	-	(191,633,862)
Fee and commission expense	(27,220,467)	-	-	(27,220,467)
Provision for impairment of loans and advances to customers	(34,580,990)	(1,552,937)	-	(36,133,927)
Losses on initial recognition of assets at rates below market	(1,467,485)	-	-	(1,467,485)
Provision for impairment of investment securities available for sale	(140,682)	-	-	(140,682)
Provision for impairment of held for sale assets	(10,805,493)	-	-	(10,805,493)
Administrative and other operating expenses	(65,307,371)	(78,546,151)	(73,936,220)	(217,789,742)
Income tax expense	-	-	(11,323,669)	(11,323,669)
Segment result	242,396,117	(83,845,731)	(85,259,889)	73,290,497

Segment information for the reportable segments for the year ended 31 December 2014 is set out below:

<i>In thousands of Uzbekistan Soums</i>	Corporate banking	Retail banking	Group function	Total
Cash and cash equivalents	913,915,468	168,214,288	-	1,082,129,756
Due from other banks	440,359,142	-	-	440,359,142
Loans and advances to customers, including finance lease receivables	5,860,104,759	129,788,374	-	5,989,893,133
Investment securities available for sale	16,262,012	-	-	16,262,012
Investment securities held to maturity	10,925,178	-	-	10,925,178
Investment in associates	3,077,233	-	-	3,077,233
Deferred income tax asset	-	-	15,144,276	15,144,276
Property, equipment and intangible assets	75,896,164	13,969,366	-	89,865,530
Other assets	51,293,946	20,769	5,706,373	57,021,088
Non-current assets held for sale (or disposal groups)	49,551,286	-	-	49,551,286
Total reportable segment assets	7,421,385,189	311,992,796	20,850,649	7,754,228,634
Due to other banks	195,999,216	-	-	195,999,216
Customer accounts	1,867,365,690	343,705,299	-	2,211,070,989
Debt securities in issue	53,591,953	-	-	53,591,953
Other borrowed funds	4,594,359,911	-	-	4,594,359,911
Other liabilities	10,387,407	10,213,889	6,640,840	27,242,136
Liabilities directly associated with disposal groups held for sale	738,274	-	-	738,274
Total reportable segment liability	6,722,442,451	353,919,188	6,640,840	7,083,002,479
Capital expenditure	-	-	-	-

29 Segment Analysis (Continued)

<i>In thousands of Uzbekistan Soums</i>	Corporate banking	Retail banking	Group function	Total
Interest income	328,245,161	14,571,862	-	342,817,023
Fee and commission income	108,716,272	16,723,906	-	125,440,178
Foreign exchange translation gains less losses	2,628,530	-	-	2,628,530
Gain and losses from trading in foreign currencies	6,670,844	-	-	6,670,844
Dividend income	1,677,143	-	-	1,677,143
Other operating income	5,704,294	363,287	-	6,067,581
Share of result of associates	162,936	-	-	162,936
Total revenues	453,805,181	31,659,054	-	485,464,235
Interest expense	(133,483,284)	(31,142,999)	-	(164,626,283)
Fee and commission expense	(24,101,566)	-	-	(24,101,566)
Provision for impairment of loans and advances to customers	(56,480,629)	(2,282,974)	-	(58,763,603)
Losses on initial recognition of assets at rates below market	(6,949,270)	-	-	(6,949,270)
Provision for impairment of investment securities available for sale	(2,571,959)	-	-	(2,571,959)
Provision for impairment of held for sale assets	(6,443,850)	-	-	(6,443,850)
Administrative and other operating expenses	(54,221,314)	(65,274,695)	(61,391,075)	(180,887,084)
Income tax expense	-	-	(8,244,342)	(8,244,342)
Segment result	169,553,308	(67,041,614)	(69,635,417)	32,876,278

(e) Analysis of revenues by products and services

The Group's revenues are analysed by products and services in Notes 22 (interest income), Note 23 (fee and commission income) and in Note 24 (other operating income).

(g) Geographical information

The Group conducts its operations in Uzbekistan and operations of the Group with their foreign counterparts are disclosed in Note 30. All revenue of the Group is generated within Uzbekistan, since financial assets outside Uzbekistan are noninterest bearing.

30 Financial Risk Management

The risk management function is carried out in respect of financial risks (credit, market, and liquidity risks), operational risks and legal risks. Financial risk comprises market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The primary objectives of the financial risk management function are to establish risk limits, and ensure that exposure to risks stays within these limits. The operational and legal risk management functions are intended to ensure proper functioning of internal policies and procedures to minimise operational and legal risks.

Credit risk. Credit risk is the risk that the Group will incur a loss because its customers or counterparties fail to discharge their contractual obligations. The Group manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties and for geographical and industry concentrations, and by monitoring exposures in relation to such limits.

The Group has established a credit quality review process to provide early identification of possible changes in the creditworthiness of counterparties, including regular collateral revisions. Counterparty limits are established by the use of the Group's internal credit rating system, which assigns each counterparty a risk rating. The credit quality review process aims to allow the Group to assess the potential loss as a result of the risks to which it is exposed and take corrective action.

30 Financial Risk Management (Continued)

Group's internal ratings scale:

Good	1	Timely repayment of "standard" loans is not in doubt. The borrower is a financially stable company, which has an adequate capital level, high level profitability and sufficient cash flow to meet its all existing obligations, including present debt. When assessing the reputation of the borrower such factors as the history of previous repayments, marketability of collateral (movable and immovable property guarantee) are taken into consideration.
Standard	2	"As a whole, the financial position of a borrower is stable, but some unfavourable circumstances or tendencies are present, which, if not disposed of, raise some doubts about the borrower's ability to repay on time. "Standard" loans with insufficient information in the credit file or missing information on collateral could be also classified as "Substandard" loans..
Unsatisfactory	3	"Unsatisfactory" loans have obvious shortcomings, which make doubtful the repayment of the loan under the terms, envisaged by the initial agreement. For loans classified as "Unsatisfactory", the primary source of repayment is not sufficient and the Bank has to seek additional loan repayment sources, such as the sale of collateral..
Doubtful	4	"Doubtful" are loans which, in addition to having the characteristics of "Unsatisfactory" loans, have additional shortcomings, which make it doubtful that the loan will be repaid in full under the existing circumstances. The probability of incurring loss in respect of such loans is high.
Hopeloss	5	Loans classified as "hopeless" are considered uncollectible and have such a little value that their continuance as assets of the Bank is not worth. This classification does not mean that the loans have absolutely no likelihood of recovery, but rather means that the Bank should cease recognising such loans and make efforts on liquidation such debts through selling collateral or collection of the outstanding loan.

Risk limits control and mitigation policies. The Group manages, limits and controls concentrations of credit risk wherever they are identified – in particular, to individual counterparties and Groups, and to industries.

The Group structures the levels of credit risk it undertakes by placing limits on the amount of risk accepted in relation to one borrower, or Groups of borrowers, and to geographical and industry segments. Such risks are monitored on a revolving basis and subject to an annual or more frequent review, when considered necessary. Limits on the level of credit risk by product, industry sector and by country are approved annually by the Group Council.

Exposure to credit risk is managed through regular analysis of the ability of borrowers and potential borrowers to meet interest and capital repayment obligations and by changing these lending limits where appropriate.

Some other specific control and mitigation measures are outlined below.

(a) *Collateral.* The Group employs a range of policies and practices to mitigate credit risk. The most traditional of these is the taking of security for funds advances, which is common practice. The Group implements guidelines on the acceptability of specific classes of collateral or credit risk mitigation. The principal collateral types for loans and advances are:

- letter of surety
- motor vehicle
- real estate
- equipment
- cash deposit
- residential

30 Financial Risk Management (Continued)

Collateral held as security for financial assets other than loans and advances is determined by the nature of the instrument. Debt securities, treasury and other eligible bills are generally unsecured.

(b) Limits. The Group manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties and for geographical and industry concentrations, and by monitoring exposures in relation to such limits.

(c) Concentration of risks of financial assets with credit risk exposure. The Group's management focuses on concentration risk:

- the maximum exposure per borrower or group of affiliated borrowers – not more than 25 percent of the Bank's tier 1 capital (based CBU regulation);
- the maximum exposure per borrower (unsecured loans) – not more than 5 percent of the Bank's tier 1 capital (based on CBU regulation);
- total loan amount to related party (based on CBU regulation) – not more than the Bank's tier 1 capital;
- total exposure of significant loans – cannot exceed the Bank's tier 1 capital by more than 8 times own capital.

Impairment and provisioning policies. The internal and external rating systems described above focus on credit-quality mapping from the inception of the lending and investment activities. In contrast, impairment provisions are recognised for financial reporting purposes only for losses incurred at the balance sheet date based on objective evidence of impairment. Due to the different methodologies applied, the amount of incurred credit losses provided for in the financial statements are usually lower than the amount determined from the expected loss model that is used for internal operational management and banking regulation purposes.

The internal rating tool assists management to determine whether objective evidence of impairment exists under IAS 39, based on the following criteria set out by the Group:

- any instalment is overdue and the late payment cannot be attributed to a delay caused by the settlement systems;
- the borrower experiences significant financial difficulty as evidenced by the borrower's financial information that the Group obtains;
- the borrower considers bankruptcy or a financial reorganisation;
- there is an adverse change in the payment status of the borrower as a result of changes in the national or local economic conditions that impact the borrower; or
- the value of collateral significantly decreases as a result of deteriorating market conditions.

The Group's policy requires the review of individual financial assets that are above certain materiality thresholds at least annually or more regularly when individual circumstances require. Impairment allowances on individually assessed accounts are determined by an evaluation of the incurred loss at balance-sheet date on a case-by-case basis, and are applied to all individually significant accounts. The assessment normally encompasses collateral held (including re-confirmation of its enforceability) and the anticipated receipts for that individual account.

Collectively assessed impairment allowances are provided for: (i) portfolios of homogenous assets that are individually below materiality thresholds; and (ii) losses that have been incurred but have not yet been identified, by using the available empirical data, experienced judgment and statistical techniques.

The Group's maximum exposure to credit risk is reflected in the carrying amounts of financial assets on the balance sheet. For guarantees and commitments to extend credit, the maximum exposure to credit risk is the amount of the commitment. Refer to Note 32.

30 Financial Risk Management (Continued)

The Group reviews ageing analysis of outstanding loans and follows up past due balances. Management therefore considers it to be appropriate to provide ageing and other information about credit risk as disclosed in Note 9.

Credit risk for off-balance sheet financial instruments is defined as the possibility of sustaining a loss as a result of another party to a financial instrument failing to perform in accordance with the terms of the contract. The Group uses the same credit policies in making conditional obligations as it does for on-balance sheet financial instruments through established credit approvals, risk control limits and monitoring procedures.

Market risk. The Group takes on exposure to market risks. Market risks arise from open positions in (a) currency, (b) interest rate and (c) equity products, all of which are exposed to general and specific market movements. Management sets limits on the value of risk that may be accepted, which is monitored on a daily basis. However, the use of this approach does not prevent losses outside of these limits in the event of more significant market movements.

Currency risk. In respect of currency risk, management sets limits on the level of exposure by currency and in total for both overnight and intra-day positions, which are monitored daily.

The table below summarises the Group's exposure to foreign currency exchange rate risk at the end of the reporting period:

<i>In thousands of Uzbekistan Soums</i>	Monetary financial assets	Monetary financial liabilities	Net balance sheet position
31 December 2015			
US Dollars	6,584,462,248	6,487,781,163	96,681,085
Euros	199,305,503	190,952,359	8,353,144
Other	48,482,424	11,521,316	36,961,108
Total	6,832,250,175	6,690,254,838	141,995,337
31 December 2014			
US Dollars	5,829,225,011	5,787,706,152	41,518,859
Euros	237,667,032	202,066,808	35,600,224
Other	4,352,329	3,346,158	1,006,172
Total	6,071,244,372	5,993,119,118	78,125,255

The Group takes on exposure to the effect of fluctuations in the prevailing foreign currency exchange rates on its consolidated financial position and cash flows. The Group also measures its currency risk by matching financial assets and liabilities denominated in same currency and analyses effect of certain appreciation/depreciation of that currency against Uzbekistan Soum to the profit and loss of the Group.

As required by the CBU's "Rules on maintaining open currency position", the Group calculates its open currency position at the end of each business day separately for each type of foreign currency. Open currency position is a foreign currency position, under which the Group's monetary assets in foreign currency do not coincide with its monetary liabilities in foreign currency. As per the CBU's Rules, open currency position for every type of foreign currency at the end of each business day should not exceed 10 percent of the Group's regulatory capital; and the cumulative effect of open currency positions at the end of each business day should not exceed 20 percent of the Group's regulatory capital.

30 Financial Risk Management (Continued)

The following table presents sensitivities of profit or loss and equity to reasonably possible changes in exchange rates applied at the end of the reporting period relative to the functional currency of the respective Group entities, with all other variables held constant:

	2015	2014
	Impact on profit or loss, after tax	Impact on profit or loss, after tax
<i>In thousands of Uzbekistan Soums</i>		
US Dollars strengthening by 16% (2015: 10%)	15,468,974	41,518,859
US Dollars weakening by 16% (2015: 10%)	(2,475,036)	(41,518,859)
Euro strengthening by 2.9% (2015: 1.5%)	125,297	534,003
Euro weakening by 2.9% (2015: 1.5%)	(125,297)	(534,003)

The exposure was calculated only for monetary balances denominated in currencies other than the functional currency of the Group. Impact on equity would be the same as impact on profit or loss before tax.

Interest rate risk. The Group takes on exposure to the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows. Interest margins may increase as a result of such changes but may reduce or create losses in the event that unexpected movements arise.

The Group manages fair value interest rate risk through periodic estimation of potential losses that could arise from adverse changes in market conditions. The Treasury Department conducts monitoring of the Group's current financial performance, estimates the Group's sensitivity to changes in fair value interest rates and its influence on the Group's profitability and reports on them to the Management.

The table below summarises the Group's exposure to interest rate risks. The table presents the aggregated amounts of the Group's financial assets and liabilities at carrying amounts, categorised by the earlier of contractual interest repricing or maturity dates:

<i>In thousands of Uzbekistan Soums</i>	Demand and less than 1 month	From 1 to 3 months	From 3 to 12 months	More than 1 year	Total
31 December 2015					
Total financial assets	1,342,704,775	393,887,225	1,061,419,932	5,803,523,644	8,601,535,575
Total financial liabilities	2,010,908,171	192,038,578	187,746,684	5,618,982,414	8,009,675,847
Net interest sensitivity gap at 31 December 2015	(668,203,396)	201,848,647	873,673,248	184,541,230	591,859,728
31 December 2014					
Total financial assets	1,697,347,154	538,345,269	1,418,037,450	3,890,974,155	7,544,704,028
Total financial liabilities	1,569,121,730	271,880,582	393,247,376	4,828,761,543	7,063,011,231
Net interest sensitivity gap at 31 December 2014	128,225,424	266,464,687	1,024,790,074	(937,787,388)	481,692,797

30 Financial Risk Management (Continued)

At 31 December 2015, if interest rates at that date had been 200 basis points lower (2014: 200 basis points lower) with all other variables held constant, profit for the year would have been UZS 3,777,414 thousand (2014: UZS 3,572,003 thousand) higher, mainly as a result of lower interest expense on variable interest liabilities.

If interest rates had been 200 basis points higher (2014: 200 basis points higher), with all other variables held constant, profit would have been UZS 3,777,414 thousand (2014: UZS 3,572,003 thousand) lower, mainly as a result of higher interest expense on variable interest liabilities.

The Group monitors interest rates for its financial instruments. The table below summarises interest rates at the respective reporting date based on reports reviewed by key management personnel. For securities, the interest rates represent yields to maturity based on market quotations at the reporting date:

In % p.a.	2015			
	UZS	USD	Euro	Other
Assets				
Cash and cash equivalents	0 - 9	0 - 4	0 - EONIA-0.5	0 - 0.5
Due from other banks	0 - 10	0 - 4	0 - Eonia-1	'0
Loans and advances to customers	3 - 22	1 - 10	1 - 12	
Liabilities				
Due to other banks	0 - 10	'0	'0	
Customer accounts				
- current/demand accounts	'0	'0	'0	'0
- term deposits	0 - 20	2 - 8	2 - 5	2 - 5
Other borrowed funds				
- borrowings from the International Financial Institutions		Libor+0.875 - 2	Euribor + 0 - 5 1.95	
- borrowings from the Local Financial Institutions	1-3	0.5 - 6	1-3	
In % p.a.	2014			
	UZS	USD	Euro	Other
Assets				
Cash and cash equivalents	0 - 10.5	0 - 5.2	0 - 0.973	0 - Libor+6
Due from other banks	0 - 10	0 - Libor-0.35	0 - Eonia-1	0 - Libor-2
Loans and advances to customers	1 - 26	1 - 10	1 - 12	-
Liabilities				
Due to other banks	0 - 10	-	-	-
Customer accounts				
- current/demand accounts	0 - 1	0 - 2	0 - 2	0 - 2
- term deposits	0 - 30	2 - 16	2 - 12	2 - 5
Other borrowed funds				
- borrowings from the International Financial Institutions		- Libor+0.875 - 2	0 - 8.75	-
- borrowings from the Local Financial Institutions	1 - 12	0.5 - 6	-	-

The sign "-" in the table above means that the Group does not have the respective assets or liabilities in the corresponding currency.

Other price risk. The Group has no material exposure to equity price risk.

The Group is exposed to prepayment risk through providing fixed loans, including mortgages, which give the borrower the right to early repay the loans. The Group's current year profit or loss and equity at the current balance sheet date would not have been significantly impacted by changes in prepayment rates because such loans are carried at amortised cost and the prepayment right is at or close to the amortised cost of the loans and advances to customers.

30 Financial Risk Management (Continued)

Geographical risk concentrations. The geographical concentration of the Group's financial assets and liabilities at 31 December 2015 is set out below:

<i>In thousands of Uzbekistan Soums</i>	Uzbekistan	OECD	Non OECD	Total
Assets				
Cash and cash equivalents	276,033,056	524,426,863	5,883,442	806,343,361
Due from other banks	403,398,805	240,880,786	427,245	644,706,836
Loans and advances to customers	7,117,272,708			7,117,272,708
Investment securities available for sale	12,993,985	1,270,220		14,264,205
Investment securities held to maturity	14,199,534			14,199,534
Other financial assets	4,748,931	-	-	4,748,931
Total financial assets	7,828,647,019	766,577,869	6,310,687	8,601,535,575
Liabilities				
Due to other banks	309,768,948		256,590	310,025,538
Customer accounts	2,257,907,660			2,257,907,660
Debt securities in issue	62,578,118			62,578,118
Other borrowed funds	3,875,329,898	130,085,147	1,368,465,099	5,373,880,144
Other financial liabilities	5,284,387	-	-	5,284,387
Total financial liabilities	6,510,869,011	130,085,147	1,368,721,689	8,009,675,847
Net balance sheet position as 31 December 2014	1,317,778,008	636,492,722	(1,362,411,002)	591,859,728
Credit related commitments (Note 32)	1,461,844,218	-	-	1,461,844,218

The geographical concentration of the Group's financial assets and liabilities at 31 December 2014 is set out below:

<i>In thousands of Uzbekistan Soums</i>	Uzbekistan	OECD	Non OECD	Total
Assets				
Cash and cash equivalents	350,079,236	731,345,613	704,907	1,082,129,756
Due from other banks	243,536,648	192,344,548	4,477,946	440,359,142
Loans and advances to customers	5,989,893,133			5,989,893,133
Investment securities available for sale	12,559,704	3,702,308		16,262,012
Investment securities held to maturity	10,925,178			10,925,178
Other financial assets	5,134,806			5,134,806
Total financial assets	6,612,128,705	927,392,469	5,182,853	7,544,704,027
Liabilities				
Due to other banks	185,871,615	174,418	9,953,183	195,999,216
Customer accounts	2,211,070,993			2,211,070,993
Debt securities in issue	53,591,953			53,591,953
Other borrowed funds	3,422,929,880	88,372,883	1,083,057,148	4,594,359,911
Other financial liabilities	7,989,158			7,989,158
Total financial liabilities	5,881,453,599	88,547,301	1,093,010,331	7,063,011,231
Net balance sheet position as 31 December 2014	730,675,106	838,845,168	(1,087,827,478)	481,692,796
Credit related commitments (Note 32)	1,656,751,891	-	-	1,656,751,891

30 Financial Risk Management (Continued)

Assets, liabilities and credit related commitments have been based on the country in which the counterparty is located. Cash on hand has been allocated based on the country in which they are physically held. OECD includes mainly Switzerland, United Kingdom, France, Netherlands, Austria, USA and Germany. Non-OECD includes mainly Russia.

Liquidity risk. Liquidity risk is defined as the risk that an entity will encounter difficulty meeting obligations associated with financial liabilities. The Group is exposed to daily calls on its available cash resources from overnight deposits, current accounts, maturing deposits, loan draw downs, guarantees and from margin and other calls on cash settled derivative instruments. The Group does not maintain cash resources to meet all these needs as experience shows that a minimum level of reinvestment of maturing funds can be predicted with a high level of certainty. Liquidity risk is managed by the Treasury Department of the Group.

The Group seeks to maintain a stable funding base comprising primarily amounts due to other banks, corporate and retail customer deposits and invest the funds in diversified portfolios of liquid assets, in order to be able to respond quickly and smoothly to unforeseen liquidity requirements.

The liquidity management of the Group requires considering the level of liquid assets necessary to settle obligations as they fall due; maintaining access to a range of funding sources; maintaining funding contingency plans and monitoring balance sheet liquidity ratios against regulatory requirements.

The Group calculates the liquidity ratio monthly in accordance with the requirement of the Central Bank of Uzbekistan as follows:

- Current liquidity ratio (not to be less than 30%), which is calculated as the ratio of liquid assets to liabilities maturing within 30 calendar days; the ratio was 86% at 31 December 2015 (2014: 92%).

The Treasury Department receives information about the liquidity profile of the financial assets and liabilities. The Treasury Department then provides for an adequate portfolio of short-term liquid assets, largely made up of short-term liquid trading securities, deposits with banks and other inter-bank facilities, to ensure that sufficient liquidity is maintained within the Group as a whole.

The daily liquidity position is monitored and regular liquidity stress testing under a variety of scenarios covering both normal and more severe market conditions is performed by the Treasury Department.

The table below shows liabilities at 31 December 2015 and 2014 by their remaining contractual maturity. The amounts disclosed in the table are the contractual undiscounted cash flows. These undiscounted cash flows differ from the amount included in the balance sheet because the balance sheet amount is based on discounted cash flows.

When the amount payable is not fixed, the amount disclosed is determined by reference to the conditions existing at the reporting date. Foreign currency payments are translated using the spot exchange rate at the balance sheet date.

30 Financial Risk Management (Continued)

The undiscounted maturity analysis of financial instruments at 31 December 2015 is as follows:

<i>In thousands of Uzbekistan Soums</i>	Demand and less than 1 month	From 1 to 3 months	From 3 to 12 months	More than 1 year	Total
Liabilities					
Due to other banks	229,228,246	38,247,680	98,557,243	313,324,505	679,357,674
Customer accounts	1,940,530,546	128,045,509	19,615,814	234,639,706	2,322,831,575
Debt securities in issue	894,779	18,302,750	501,725	47,218,800	66,918,054
Other borrowed funds	55,887,364	1,018,906	4,842,045	5,471,756,893	5,533,505,208
Other financial liabilities	3,533,752	-	-	1,750,635	5,284,387
Undrawn credit lines	40,145,172	49,239,307	134,233,684	762,227,479	985,845,642
Financial guarantees issued	338,502,533	21,763,302	3,095,866	35,755,041	399,116,742
Letter of credit	65,205,723	4,192,264	596,356	6,887,492	76,881,835
Total potential future payments for financial obligations	2,673,928,115	260,809,718	261,442,733	6,873,560,551	10,069,741,117

Liquidity requirements to support calls under guarantees and standby letters of credit are considerably less than the amount of the commitment disclosed in the above maturity analysis, because the Group does not generally expect the third party to draw funds under the agreement. The total outstanding contractual amount of commitments to extend credit as included in the above maturity table does not necessarily represent future cash requirements, since many of these commitments will expire or terminate without being funded.

The undiscounted maturity analysis of financial instruments at 31 December 2014 is as follows:

<i>In thousands of Uzbekistan Soums</i>	Demand and less than 1 month	From 1 to 3 months	From 3 to 12 months	More than 1 year	Total
Liabilities					
Due to other banks	8,232,543	4,965,920	228,657,333	236,109,875	477,965,671
Customer accounts	2,003,481,632	96,288,494	26,044,041	137,010,220	2,262,824,387
Debt securities in issue	859,053	102,500	387,000	57,508,000	58,856,553
Other borrowed funds	26,462,399	296,492	105,952,177	4,597,969,962	4,730,681,030
Other financial liabilities	4,662,051	-	-	3,327,107	7,989,158
Undrawn credit lines	97,855,500	87,983,871	201,395,433	617,424,828	1,004,659,632
Financial guarantees issued	407,186,552	19,067,838	4,789,065	24,325,141	455,368,596
Letter of credit	175,908,551	8,237,491	2,068,923	10,508,698	196,723,663
Total potential future payments for financial obligations	2,724,648,281	216,942,606	569,293,972	5,684,183,831	9,195,068,690

30 Financial Risk Management (Continued)

The Group does not use the above maturity analysis based on undiscounted contractual maturities of liabilities to manage liquidity. Instead, the Group monitors expected maturities and the resulting expected liquidity gap as follows:

<i>In thousands of Uzbekistan Soums</i>	Demand and less than 1 month	From 1 to 3 months	From 3 to 12 months	More than 1 year	Total
At 31 December 2015					
Total financial assets	1,342,704,775	393,887,225	1,061,419,932	5,803,523,644	8,601,535,575
Total financial liabilities	2,010,908,171	192,038,578	187,746,684	5,618,982,414	8,009,675,847
Net liquidity gap based on expected maturities	(668,203,396)	201,848,647	873,673,248	184,541,230	591,859,728
At 31 December 2014					
Total financial assets	1,697,347,154	538,345,269	1,418,037,450	3,890,974,155	7,544,704,028
Total financial liabilities	2,061,719,746	102,979,375	198,815,323	4,699,496,787	7,063,011,231
Net liquidity gap based on expected maturities	(364,372,592)	435,365,894	1,219,222,127	(808,522,632)	481,692,797

The matching and/or controlled mismatching of the maturities and interest rates of assets and liabilities is fundamental to the management of the Group. It is unusual for banks ever to be completely matched since business transacted is often of an uncertain term and of different types. An unmatched position potentially enhances profitability, but can also increase the risk of losses. The maturities of assets and liabilities and the ability to replace, at an acceptable cost, interest-bearing liabilities as they mature, are important factors in assessing the liquidity of the Group and its exposure to changes in interest and exchange rates.

Management believes that in spite of the fact that a substantial portion of customer accounts is on demand, diversification of these deposits by number and type of depositors, and the past experience of the Group would indicate that these customer accounts provide a long-term and stable source of funding for the Group.

Thus, the management believes that significant maturity mismatch between assets and liabilities with maturity up to 12 months and more does not represent significant risk to the Group's liquidity, as very low proportion of due to other banks, demand deposits and short-term deposits is expected to be withdrawn based on the Group's past years' and current year experience, which is consistent with the general banking practices in the banking sector of Uzbekistan.

31 Management of Capital

The Group manages regulatory capital as Group's capital. The Group's objectives when managing capital are to comply with the capital requirements set by the CBU, and to safeguard the Group's ability to continue as a going concern. Compliance with capital adequacy ratios set by the CBU is monitored monthly with reports outlining their calculation reviewed and signed by the Chairman and Chief Accountant.

Under the current capital requirements set by the CBU, banks have to maintain ratios of:

- Ratio of regulatory capital to risk weighted assets ("Regulatory capital ratio") above a prescribed minimum level of 10% (31 December 2014: 10%);
- Ratio of Group's tier 1 capital to risk weighted assets ("Capital adequacy ratio") above a prescribed minimum level of 7.5% (31 December 2014: 5%); and
- Ratio of Group's tier 1 capital to total assets less intangibles ("Leverage ratio") above a prescribed minimum level of 6% (31 December 2014: 6%).

The Group was compliant with capital ratios set above during 12 months 2015 (2014: Compliant).

Total capital is based on the Group's reports prepared under Uzbekistan Accounting Legislation and related instructions and comprises:

<i>In thousands of Uzbekistan Soums</i>	2015 unaudited	2014 unaudited
Tier 1 capital	818,242,853	674,337,133
Tier 2 capital	78,642,488	90,327,981
Less: deductions from capital	(35,569,493)	(23,616,218)
Total regulatory capital	861,315,848	741,048,896

Regulatory capital consists of Tier 1 capital, which comprises share capital, share premium, preference shares, retained earnings excluding current year profit and less intangible assets. The other component of regulatory capital is Tier 2 capital, which includes current year profit.

32 Contingencies and Commitments

Legal proceedings. From time to time and in the normal course of business, claims against the Group are received. On the basis of its own estimates and both internal and external professional advice the Management is of the opinion that no material losses will be incurred in respect of claims and accordingly no provision has been made in these consolidated financial statements.

Tax legislation. Uzbekistan tax and customs legislation is subject to varying interpretations. Also, changes to regulation can occur frequently. Management's interpretation of legislation as applied to the transactions and activity of the Group may be challenged by the relevant authorities.

The Uzbekistan tax authorities may be taking a more assertive position in their interpretation of the legislation and assessments, and it is possible that transactions and activities that have not been challenged in the past may be challenged.

As a result, significant additional taxes, penalties and interest may be assessed. Fiscal periods remain open to review by the authorities in respect of taxes for five calendar years preceding the year of review. Under certain circumstances reviews may cover longer periods.

Management believes that its interpretation of the relevant legislation is appropriate and the Group's tax, currency legislation and customs positions will be sustained. Accordingly, at 31 December 2015 no provision for potential tax liabilities had been recorded (2014: no provision). The Group estimates that it has no potential obligations from exposure to other than remote tax risks (2014: no obligations).

32 Contingencies and Commitments (Continued)

Credit related commitments. The primary purpose of these instruments is to ensure that funds are available to a customer as required. Guarantees and standby letters of credit, which represent irrevocable assurances that the Group will make payments in the event that a customer cannot meet its obligations to third parties, carry the same credit risk as loans. Documentary and commercial letters of credit, which are written undertakings by the Group on behalf of a customer authorising a third party to draw drafts on the Group up to a stipulated amount under specific terms and conditions, are collateralised by the underlying shipments of goods to which they relate or cash deposits and therefore carry less risk than a direct borrowing.

Commitments to extend credit represent unused portions of authorisations to extend credit in the form of loans, guarantees or letters of credit. With respect to credit risk on commitments to extend credit, the Group is potentially exposed to loss in an amount equal to the total unused commitments. However, the likely amount of loss is less than the total unused commitments since most commitments to extend credit are contingent upon customers maintaining specific credit standards. The Group monitors the term to maturity of credit related commitments because longer-term commitments generally have a greater degree of credit risk than shorter-term commitments.

Outstanding credit related commitments are as follows:

<i>In thousands of Uzbekistan Soums</i>	31 December 2015	31 December 2014
Undrawn credit lines	985,845,641	1,004,659,632
Financial guarantees issued	399,116,742	455,368,596
Letter of credit	76,881,835	196,723,663
Total credit related commitments	1,461,844,218	1,656,751,891
Less: Commitment collateralised by cash deposit	(543,899,252)	(460,457,369)
Total credit related commitments, net of cash covered exposures	917,944,966	1,196,294,522

The total outstanding contractual amount of undrawn credit lines, import letters of credit, and guarantees does not necessarily represent future cash requirements, as these financial instruments may expire or terminate without being funded. As at 31 December 2015 the estimated fair value of credit related commitments was UZS 12,127,266 thousand (31 December 2014: UZS 14,054,505 thousand).

Capital expenditure commitments. At 31 December 2015, the Group has no contractual capital expenditure commitments.

33 Fair Value of Financial Instruments

Fair value measurements are analysed by level in the fair value hierarchy as follows: (i) level one are measurements at quoted prices (unadjusted) in active markets for identical assets or liabilities, (ii) level two measurements are valuations techniques with all material inputs observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices), and (iii) level three measurements are valuations not based on observable market data (that is, unobservable inputs). Management applies judgement in categorising financial instruments using the fair value hierarchy. If a fair value measurement uses observable inputs that require significant adjustment, that measurement is a Level 3 measurement. The significance of a valuation input is assessed against the fair value measurement in its entirety.

a) Assets and liabilities not measured at fair value but for which fair value is disclosed

Fair values analysed by level in the fair value hierarchy and carrying value of assets not measured at fair value at 31 December 2015 are as follows:

<i>In thousands of Uzbekistan Soums</i>	Level 1	Level 2	Level 3	Carrying value
FINANCIAL ASSETS				
Cash and cash equivalents				
- Cash on hand	99,970,044	-	-	99,970,044
- Cash balances with the CBU (other than mandatory reserve deposits)	138,979,062	-	-	138,979,062
- Correspondent accounts and overnight placements with other banks	-	567,394,255	-	567,394,255
Due from other banks				
- Mandatory reserve deposit held with CBU against assets impairment	-	238,224,587	-	238,224,587
- Mandatory reserve with CBU against credit losses	-	-	49,229,087	49,229,087
- Placements with other banks with original maturities of more than three months	-	-	114,540,142	114,540,142
- Restricted cash	-	-	242,713,020	242,713,020
Loans and advances to customers				
- State and municipal organisations	-	-	6,219,593,307	6,219,593,307
- Corporate loans	-	-	717,057,483	717,057,483
- Loans to individuals	-	-	180,621,918	180,621,918
Investment securities available for sale				
- Corporate shares	1,270,220	-	-	1,270,220
Investment securities held to maturity				
- Corporate bonds	-	-	14,199,534	14,199,534
Other financial assets				
- Commission income receivable	-	-	4,557,017	4,557,017
- Interest income and other receivable	-	-	186,014	186,014
- Receivable from money transfer organisations	-	-	5,900	5,900
TOTAL	240,219,326	805,618,842	7,542,703,422	8,588,541,590

33 Fair Value of Financial Instruments (Continued)

Fair values analysed by level in the fair value hierarchy and carrying value of assets not measured at fair value at 31 December 2014 are as follows:

<i>In thousands of Uzbekistan Soums</i>	Level 1	Level 2	Level 3	Carrying value
FINANCIAL ASSETS				
<i>Cash and cash equivalents</i>				
- Cash on hand	190,406,619	-	-	190,406,619
- Cash balances with the CBU (other than mandatory reserve deposits)	90,571,966	-	-	90,571,966
- Correspondent accounts and overnight placements with other banks	-	801,151,171	-	801,151,171
<i>Due from other banks</i>				
- Mandatory cash balances with CBU	-	178,216,197	-	178,216,197
- Mandatory reserve deposit held with CBU against credit losses	-	-	36,429,144	36,429,144
- Placements with other banks with original maturities of more than three months	-	-	28,628,362	28,628,362
- Restricted cash	-	-	197,085,439	197,085,439
<i>Loans and advances to customers</i>				
- State and municipal organisations	-	-	5,359,989,871	5,218,906,640
- Corporate loans	-	-	641,300,549	641,198,186
- Loans to individuals	-	-	119,491,699	129,788,370
<i>Investment securities available for sale</i>				
- Corporate shares	3,702,308	-	-	3,702,308
<i>Investment securities held to maturity</i>				
- Corporate bonds	-	-	10,925,178	10,925,178
<i>Other financial assets</i>				
- Commission income receivable	-	-	4,131,742	4,131,742
- Interest income and other receivable	-	-	982,296	982,296
- Receivable from money transfer organisations	-	-	20,768	20,768
TOTAL	284,680,893	979,367,368	6,398,985,048	7,532,144,387

33 Fair Value of Financial Instruments (Continued)

Fair values analysed by level in the fair value hierarchy and carrying value of liabilities not measured at fair value at 31 December 2015 are as follows:

<i>In thousands of Uzbekistan Soums</i>	Level 2	Level 3	Carrying value
FINANCIAL LIABILITIES			
<i>Due to other banks</i>			
- Long-term placements of other banks		223,956,718	223,956,718
- Short-term placements of other banks	59,250,837	-	59,250,837
- Correspondent accounts and overnight placements of other banks	-	26,817,983	26,817,983
<i>Customer accounts</i>			
- Repayable on demand	1,851,145,574	-	1,851,145,574
- Time deposits	-	406,762,086	406,762,086
<i>Debt securities in issue</i>			
- Non-documentary bonds issued	62,578,118	-	62,578,118
<i>Other borrowed funds</i>			
- Borrowings from government, state and international financial organisations	-	5,373,880,144	5,373,880,144
<i>Other financial liabilities</i>			
- Payable to creditors of LLC "PSB Anteks Group"	-	1,750,635	1,750,635
- Trade payables	-	3,003,104	3,003,104
- Dividends payable	-	529,156	529,156
- Other accrued liabilities	-	1,492	1,492
TOTAL	1,972,974,529	6,036,701,318	8,009,675,847

Fair values analysed by level in the fair value hierarchy and carrying value of liabilities not measured at fair value at 31 December 2014 are as follows:

<i>In thousands of Uzbekistan Soums</i>	Level 2	Level 3	Carrying value
FINANCIAL LIABILITIES			
<i>Due to other banks</i>			
- Long-term placements of other banks		61,728,914	61,728,914
- Short-term placements of other banks	118,177,099	-	118,177,099
- Correspondent accounts and overnight placements of other banks	-	16,093,203	16,093,203
<i>Customer accounts</i>			
- Repayable on demand	1,915,822,911	-	1,915,822,911
- Time deposits	-	295,248,078	295,248,078
<i>Debt securities in issue</i>			
- Non-documentary bonds issued	53,591,953	-	53,591,953
<i>Other borrowed funds</i>			
- Borrowings from government, state and international financial organisations	-	4,594,359,911	4,594,359,911
<i>Other financial liabilities</i>			
- Payable to creditors of LLC "PSB Anteks Group"	-	3,327,107	3,327,107
- Trade payables	-	4,298,705	4,298,705
- Dividends payable	-	363,346	363,346
TOTAL	2,087,591,963	4,975,419,264	7,063,011,227

33 Fair Value of Financial Instruments (Continued)

The fair values in level 2 of fair value hierarchy were estimated using the discounted cash flows valuation technique. The fair value of unquoted fixed interest rate instruments was estimated based on estimated future cash flows expected to be received discounted at current interest rates for new instruments with similar credit risk and remaining maturity.

For assets, the Group used assumptions about counterparty's incremental borrowing rate and prepayment rates. Liabilities were discounted at the Group's own incremental borrowing rate. Liabilities due on demand were discounted from the first date that the amount could be required to be paid by the Group.

The Group's liabilities to its customers are subject to deposit guaranteeing scheme as described in Note 8. The fair value of these liabilities reflects these credit enhancements.

b) Recurring fair value measurements

The Group's financial instruments measured at fair value are represented only by equity investment in Visa Inc. shares amounting to UZS 3,702,308 thousand. For fair value disclosures rating to this investment, refer to Note 10.

c) Non-recurring fair value measurements

Non-current assets held for sale (or disposal groups) are mainly comprised of property, plant and construction in progress, the fair value of which is determined by reference to unobservable Level 3 inputs.

34 Presentation of Financial Instruments by Measurement Category

For the purposes of measurement, IAS 39 "Financial Instruments: Recognition and Measurement", classifies financial assets into the following categories: (a) loans and receivables; (b) available-for-sale financial assets; (c) financial assets held to maturity and (d) financial assets at fair value through profit or loss ("FVTPL"). Financial assets at fair value through profit or loss have two sub-categories: (i) assets designated as such upon initial recognition, and (ii) those classified as held for trading. In addition, finance lease receivables form a separate category.

The following table provides a reconciliation of financial assets with these measurement categories as of 31 December 2015 and 2014:

<i>In thousands of Uzbekistan Soums</i>	Loans and receivables	Available-for- sale assets	Held to maturity	Total
31 December 2015				
Cash and cash equivalents	806,343,361	-	-	806,343,361
Due from other banks	644,706,836	-	-	644,706,836
Loans and advances to customers	7,117,272,708	-	-	7,117,272,708
Investment securities available for sale	-	14,264,205	-	14,264,205
Investment securities held to maturity	-	-	14,199,534	14,199,534
Other financial assets	4,748,931	-	-	4,748,931
Total financial assets at 31 December 2015	8,573,071,836	14,264,205	14,199,534	8,601,535,575
31 December 2014				
Cash and cash equivalents	1,082,129,756	-	-	1,082,129,756
Due from other banks	440,359,142	-	-	440,359,142
Loans and advances to customers	5,989,893,133	-	-	5,989,893,133
Investment securities available for sale	-	16,262,012	-	16,262,012
Investment securities held to maturity	-	-	10,925,178	10,925,178
Other financial assets	5,134,806	-	-	5,134,806
Total financial assets at 31 December 2014	7,517,516,837	16,262,012	10,925,178	7,544,704,027

As of 31 December 2015 and 31 December 2014, all of the Group's financial liabilities were carried at amortised cost.

35 Related Party Transactions

Parties are generally considered to be related if the parties are under common control, or one party has the ability to control the other party or can exercise significant influence over the other party in making financial or operational decisions. In considering each possible related party relationship, attention is directed to the substance of the relationship, not merely the legal form.

At 31 December 2015, the outstanding balances with related parties were as follows:

	Significant shareholders	Entities under common control	Total
<i>In thousands of Uzbekistan Soums</i>			
Loans and advances to customers, including finance			
lease receivables (contractual rate 2%-24%)	4,042,830,414	588,200,137	4,631,030,551
Other assets	1,700,368	620,271	2,320,639
Customer accounts (current account contractual rate 0%)	349,419,424	59,016,042	408,435,466
Debt securities in issue (contractual rate 8%-12%)	-	74,632	74,632
Other borrowed funds (contractual rate 0%-6%)	3,960,409,492	-	3,960,409,492
Other liabilities	788,261	122,852	911,113

The income and expense items with related parties for 2015 were as follows:

	Significant shareholders	Entities under common control	Key management personnel	Total
<i>In thousands of Uzbekistan Soums</i>				
Interest income	108,982,325	89,002,906	-	197,985,231
Interest expense	106,920,940	8,081	-	106,929,020
Provision for loan impairment	766,667	(2,206,487)	-	(1,439,820)
Fee and commission income	171,139	28,046,790	-	28,217,929
Administrative and other expenses			909,522	909,522

At 31 December 2014, the outstanding balances with related parties were as follows:

	Significant shareholders	Entities under common control	Total
<i>In thousands of Uzbekistan Soums</i>			
Loans and advances to customers, including finance			
lease receivables (contractual rate 2%-24%)	3,390,994,608	579,411,905	3,970,406,513
Other assets	753,462	156,815	910,277
Customer accounts (current account contractual rate 0%)	246,790,504	294,711,824	541,502,328
Debt securities in issue (contractual rate 8%-12%)		84,643	84,643
Other borrowed funds (contractual rate 0%-6%)	3,453,518,817	-	3,453,518,817
Other liabilities	966,345	61,450	1,027,795

35 Related Party Transactions (Continued)

The income and expense items with related parties for 2014 were as follows:

<i>In thousands of Uzbekistan Soums</i>	Significant shareholders	Entities under common control	Key management personnel	Total
Interest income	139,724,407	67,642,383	-	207,366,790
Interest expense	94,547,371	451,494	-	94,998,865
Provision for loan impairment	2,861,211	6,410,678	-	9,271,889
Fee and commission income	2,193,014	22,315,886	-	24,508,900
Administrative and other expenses			655,442	655,442

The Group enters into transaction with other government related entities (such as utility services, taxation etc) in the normal course of business.

Key management compensation is presented below:

<i>In thousands of Uzbekistan Soums</i>	2015	2014
Short-term benefits:		
- Salaries and other short term benefits	727,617	524,354
- Social Security costs	181,904	131,088

36 Events After the End of the Reporting Period

The following events occurred subsequent to year ended 31 December 2015:

- Effective from March 2016, the chairman of the Bank was transferred to Central Bank of Uzbekistan as first deputy chairman;
- The Group announced sales of shares amounted to UZS 219.83 billion on 5 March 2016 to potential foreign investors.