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INDEPENDENT AUDITORS' REPORT

To Management of Project Coordination Group
Under Ministry of Economy of Republic of Uzbekistan

We have audited the attached Special Financial Statements (hereinafter – “Financial Statements”) of the Project “Energy Efficiency Facility for Industrial Enterprises” (hereinafter – “the Project”) financed of the funds of Credit №5241-UZ by International Development Association (hereinafter – the “association”, “IDA”), according to the Financing Agreement as of 18 July 2013 №5241-UZ (hereinafter – the “Financing Agreement”), for the period from 1 January 2014 to 31 December 2014. Financial Statements include: Statement of Sources and Uses of Funds, Statement of Uses of Funds by Implementing Agencies on Expenditure Types, Special Purpose Balance Sheet, Statements of Designated Accounts, SOE Withdrawal Schedule and Notes to Financial Statements.

Financial statements are prepared by management of Project Coordination Unit (hereinafter – “the PCU”) on the cash flow basis in accordance with International Public Sector Accounting Standards (hereinafter – “IPSAS”) issued by the International Public Sector Accounting Standards Board of the International Federation of Accountants.

Management's responsibility for financial statements

Management is responsible for preparation and fair presentation of these Financial Statements in accordance with International Public Sector Accounting Standard (IPSAS): “Financial reporting under the cash flow basis of accounting”. The Project's policy assumes that attached report is prepared on the basis of receipts and disbursements of cash items. Under this principle financing is recognized when it is received rather than when accrued, while expenses are recognized when they are paid rather than when incurred.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (ISA). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments the auditor considers internal control relevant to the preparation and fair presentation of the Project' 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 Project's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Project's management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the above-stated Special Purpose Financial Statements give a true and fair view of the sources and uses of the «Energy Efficiency Facility for Industrial Enterprises» Project's funds for the period from 01 January 2014 to 31 December 2014 and complies with conditions of the Financing Agreement and IPSAS.

Moreover, (a) with respect to SOEs, adequate supporting documentation has been maintained to support claims to the Association for reimbursement of expenditures incurred; and (b) the expenditures comply with objectives stipulated in the Financing Agreement.

In our opinion, the Designated Accounts Statements for the period from 01 January 2014 to 31 December 2014 give a true and fair view of the financial position of the Designated Accounts of the Project as at 31 December 2014 and of the cash flows for the for the year then ended and complies with the World Bank's guidelines.

Restriction on use

This report is intended solely for presentation of information and use by Management of the Project, IDA and Government of Republic of Uzbekistan, and cannot be used by any third party other than abovementioned.

«Grant Thornton» LLC

June 08, 2015
Tashkent, Uzbekistan



**STATEMENT OF SOURCES AND USES OF FUNDS
FOR THE YEAR ENDED 31 DECEMBER 2014**

	Actual		Planned		Deviation	
	Current period	Cumulative total	Current period	Cumulative total	Current period	Cumulative total
Opening Cash Balance						
USD Designated Account of PIU SJSCB «Asaka»	-	-	-	-	-	-
USD Designated Account of PIU JSCB «HamkorBank»	-	-	-	-	-	-
USD Designated Account of PIU JSCB «UzpromstroyBank»	-	-	-	-	-	-
Total	-	-	-	-	-	-
Add:						
Sources of funds						
PIU SJSCB «Asaka»						
Replenishment of Designated Account	7 202 762	7 202 762	5 000 000	5 000 000	2 202 762	2 202 762
Co-financing by the Bank	800 690	800 690	1 250 000	1 250 000	(449 310)	(449 310)
PIU JSCB «Hamkorbank»						
Replenishment of Designated Account	5 776 513	5 776 513	5 000 000	5 000 000	776 513	776 513
Co-financing by the Bank	444 128	444 128	1 250 000	1 250 000	(805 872)	(805 872)
PIU JSCB «Uzpromstroybank»						
Replenishment of Designated Account	8 000 000	8 000 000	5 000 000	5 000 000	3 000 000	3 000 000
Co-financing by the Bank	1 041 496	1 041 496	1 250 000	1 250 000	(208 504)	(208 504)
Financing by PB, to be reimbursed by IDA	165 985	165 985	-	-	-	-
Total	23 431 574	23 431 574	18 750 000	18 750 000	4 515 589	4 515 589
Less:						
Uses of Funds						
PIU SJSCB «Asaka»						
Sub-loans	4 003 452	4 003 452	6 250 000	6 250 000	(2 246 548)	(2 246 548)
PIU JSCB «Hamkorbank»						
Sub-loans	2 220 641	2 220 641	6 250 000	6 250 000	(4 029 359)	(4 029 359)
PIU JSCB «Uzpromstroybank»						
Sub-loans	5 207 481	5 207 481	6 250 000	6 250 000	(1 042 519)	(1 042 519)
Total	11 431 574	11 431 574	18 750 000	18 750 000	(7 318 426)	(7 318 426)

**STATEMENT OF SOURCES AND USES OF FUNDS
FOR THE YEAR ENDED 31 DECEMBER 2014 (CONTINUATION)**

	Actual		Planned		Deviation	
	Current period	Cumulative total	Current period	Cumulative total	Current period	Cumulative total
Closing Cash Balance						
USD Designated Account of PIU SJSCB «Asaka»	4 000 000					
USD Designated Account of PIU JSCB «HamkorBank»	4 000 000					
USD Designated Account of PIU JSCB «UzpromstroyBank»	4 000 000					
Total	12 000 000					

Signed on behalf of the Project Management on June 08, 2015.

Director of PCU EEFIE under Ministry of Economy
of the Republic of Uzbekistan

PCU FM Specialist

U. Abdullaev

M. Sattorova

First Deputy Chairman of the Board of SJSCB
«Asaka»

PIU Manager

R. Kasimov

PIU FM Specialist

Deputy Chairman of JSCB «Uzpromstroybank»

PIU Manager

Sh. Yakubov

PIU FM Specialist

Deputy Chairman of the Board of JSCB
«Hamkorbank»

PIU Manager

S. Kholmuradov

PIU FM Specialist

**STATEMENT OF USES OF FUNDS BY IMPLEMENTING AGENCIES ON EXPENDITURE TYPES
FOR THE YEAR ENDED 31 DECEMBER 2014**

	Actual		Planned		Deviation	
	Current period	Cumulative total	Current period	Cumulative total	Current period	Cumulative total
1. PIU SJSCB «Asaka»	4 003 452	4 003 452	6 250 000	6 250 000	(2 246 548)	(2 246 548)
Sub-loans	4 003 452	4 003 452	6 250 000	6 250 000	(2 246 548)	(2 246 548)
2. PIU JSCB «Hamkorbank»	2 220 641	2 220 641	6 250 000	6 250 000	(4 029 359)	(4 029 359)
Sub-loans	2 220 641	2 220 641	6 250 000	6 250 000	(4 029 359)	(4 029 359)
3. PIU JSCB «Uzpromstroybank»	5 207 481	5 207 481	6 250 000	6 250 000	(1 042 519)	(1 042 519)
Sub-loans	5 207 481	5 207 481	6 250 000	6 250 000	(1 042 519)	(1 042 519)
Total project expenditures	11 431 574	11 431 574	18 750 000	18 750 000	(7 318 426)	(7 318 426)

Signed on behalf of the Project Management on June 08, 2015.

Director of PCU EEFE under Ministry of Economy
of the Republic of Uzbekistan

PCU FM Specialist

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First Deputy Chairman of the Board of SJSCB
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PIU FM Specialist

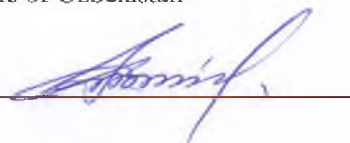
**SPECIAL PURPOSE BALANCE SHEET
FOR THE YEAR ENDED 31 DECEMBER 2014**

Item	as of 31 December 2014
ASSETS	
Cash and cash equivalents, including:	12 000 000
Designated Account	12 000 000
Total Uses of funds, including:	11 431 574
SJSCB «Asaka»	4 003 452
JSCB «Hamkorbank»	2 220 641
JSCB «Uzpromstroybank»	5 207 481
TOTAL ASSETS	23 431 574
FUNDING	
IDA Credit allocated to Participating Banks, including:	20 979 274
SJSCB «Asaka»	7 202 762
JSCB «Hamkorbank»	5 776 513
JSCB «Uzpromstroybank»	8 000 000
Co-financing by Participating Banks, including:	2 286 315
SJSCB «Asaka»	800 690
JSCB «Hamkorbank»	444 128
JSCB «Uzpromstroybank»	1 041 496
Financed by PB, to be reimbursed by IDA:	165 985
JSCB «Uzpromstroybank»	165 985
TOTAL FUNDING	23 431 574

Signed on behalf of the Project Management on June 08, 2015.

Director of PCU EEIE under Ministry of Economy
of the Republic of Uzbekistan

U. Abdullaev



PCU FM Specialist


M. Sattorova



First Deputy Chairman of the Board of SJSCB
«Asaka»

PIU Manager

R. Kasimov

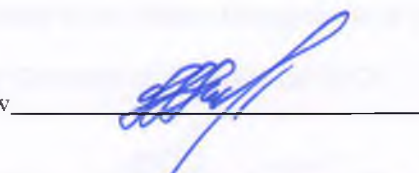


PIU FM Specialist

Deputy Chairman of JSCB «Uzpromstroybank»

PIU Manager

Sh. Yakubov

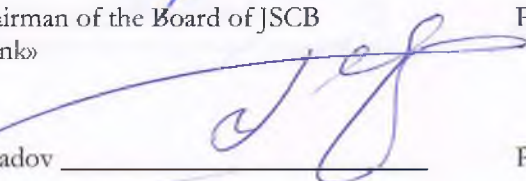


PIU FM Specialist

Deputy Chairman of the Board of JSCB
«Hamkorbank»

PIU Manager

S. Kholmuradov



PIU FM Specialist

Notes to financial statements on pages from 13 to 19 are inseparable part of these statements.

USD DESIGNATED ACCOUNT STATEMENT OF PIU SJSCB «ASAKA»
For the period from 01 January 2014 to 31 December 2014

Account #	2020 3840 7001 0102 1004
Depository bank	Central Bank of RUz
Address	100001, Tashkent city, Uzbekistan Avenue, 6
Type of account	Special account of SJSCB "ASAKA" in USD
Corresponding loan	Loan №5241-UZ
Currency	US Dollars
Balance as of 1 January 2014	-
Increase:	
IDA financing	7 202 762
Total increase	7 202 762
Decrease:	
Sub-loans issued	3 202 762
Total decrease:	3 202 762
Balance as of 31 December 2014	4 000 000

Signed on behalf of the Project Management on June 08, 2015.

First Deputy Chairman of the Board of SJSCB
«Asaka»

PIU Manager

R. Kasimov

PIU FM Specialist

USD DESIGNATED ACCOUNT STATEMENT OF PIU JSCB «HAMKORBANK»
For the period from 01 January 2014 to 31 December 2014

Account #	2130 2840 9000 0008 3005
Depository bank	Central Bank of RUz
Address	100001, Tashkent city, Uzbekistan Avenue, 6
Type of account	Special account of JSCB "HAMKORBANK" in USD
Corresponding loan	Loan №5241-UZ
Currency	US Dollars
Balance as of 1 January 2014	-
Increase:	
IDA financing	5 776 513
Total increase	5 776 513
Decrease:	
Sub-loans issued	1 776 513
Total decrease:	1 776 513
Balance as of 31 December 2014	4 000 000

Signed on behalf of the Project Management on June 08, 2015.

Deputy Chairman of the Board of JSCB
«Hamkorbank»

S. Kholmuradov

PIU Manager

PIU FM Specialist

USD DESIGNATED ACCOUNT STATEMENT OF PIU JSCB «UZPROMSTROYBANK»
For the period from 01 January 2014 to 31 December 2014

Account #	2130 2840 2000 0044 0003
Depository bank	Central Bank of RUz
Address	100001, Tashkent city, Uzbekistan Avenue, 6
Type of account	Special account of JSCB "UZPROMSTROYBANK" in USD
Corresponding loan	Loan №5241-UZ
Currency	US Dollars
Balance as of 1 January 2014	-
Increase:	
IDA financing	8 000 000
Total increase	8 000 000
Decrease:	
Sub-loans issued	4 000 000
Total decrease:	4 000 000
Balance as of 31 December 2014	4 000 000

Signed on behalf of the Project Management on June 08, 2015.

Deputy Chairman of JSCB «Uzpromstroybank»

PIU Manager 

Sh. Yakubov 

PIU FM Specialist 

SOE WITHDRAWAL SCHEDULE

For the period from 01 January 2014 to 31 December 2014

Request number	Categories of disbursements of funds		Total amount to be reimbursed	Reimbursed in 2014
	Component A	Component B		
PIU SJSCB «Asaka»				
4	-	4 000 000	4 000 000	4 000 000
6	-	3 202 762	3 202 762	3 202 762
Total	-	7 202 762	7 202 762	7 202 762
PIU JSCB «Hamkorbank»				
1	-	4 000 000	4 000 000	4 000 000
5	-	1 776 513	1 776 513	1 776 513
Total	-	5 776 513	5 776 513	5 776 513
PIU JSCB «Uzpromstroybank»				
3	-	4 000 000	4 000 000	4 000 000
7	-	4 000 000	4 000 000	4 000 000
8	-	165 985	165 985	-
Total	-	8 165 985	8 165 985	8 000 000
GRAND TOTAL	-	21 145 259	21 145 259	20 979 274

Signed on behalf of the Project Management on June 08, 2015.

Director of PCU EEFIE under Ministry of Economy
of the Republic of Uzbekistan

PCU FM Specialist

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First Deputy Chairman of the Board of SJSCB
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Deputy Chairman of the Board of JSCB
«Hamkorbank»

PIU Manager

S. Kholmuradov

PIU FM Specialist

PROJECT DESCRIPTION

On July 18, 2013 International Development Association (hereinafter – the Association, IDA) and the Government of Republic of Uzbekistan (hereinafter - the Government) have signed Agreement for for lending to the Republic of Uzbekistan (hereinafter - Financing Agreement) in the amount of 66.1 million Special Drawing Rights (hereinafter - SDR) equivalent to USD 100.0 million for implementation of the Project "Energy Efficiency Facility for Industrial Enterprises" (hereinafter – the Project) with the repayment term of 25 years, including 5-year grace period. The objective of the Project is to improve energy efficiency in industrial enterprises by designing and establishing a financing mechanism for energy saving investments.

According to the Financing Agreement, the Project will be financed on the account of IDA-funded credit and on the account of co-financing by the participating banks– SJSCB "Asaka", JSCB "Hamkorbank" and JSCB "Uzpromstroybank" (hereinafter – "the Participating Banks"). To facilitate Project implementation and each Participating Bank on July 18, 2013 have signed Financing Agreement on Project implementation. On July 18, 2013 the Republic of Uzbekistan represented by Ministry of Finance of the Republic of Uzbekistan (hereinafter – "MOF"), Ministry of Economy and Participating Banks signed an Agreement on sub-lending arrangements for IDA funds for the Project implementation.

Project financing plan:

US Dollars	
IDA funds	100 000 000
Funds of Participating Banks	24 750 000
Total	124 750 000

According the Resolution #168 from June 12, 2013 of the Cabinet of Ministers of RUz "On measures facilitating implementation of the Energy Efficiency Facility for Industrial Enterprises Project with participation of IDA" (hereinafter – "COM Resolution") identifies the following executive bodies responsible for the Project implementation (hereinafter jointly referred as "Implementing Agencies"):

- Ministry of Economy of RUz, which is imposed a responsibility for overall Project coordination and implementation of the component «Development of Energy Efficiency Capacity and Project management»;
- Participating banks SJSCB «Asaka», JSCB «Hamkorbank» and JSCB «Uzpromstroybank», which are imposed a responsibility for purposeful and effective implementation of refinanced part of IDA credit and implementation of the component "Credit Line to Participating Banks".

To ensure effective implementation of the project, a Project Coordination Unit (hereinafter – "the PCU") under Ministry of Economy of RUz was created, while a Project Implementation Unit (hereinafter – "the PIU") was created in each of Participating Banks.

Based on requirements of the COM Resolution, Ministry of Economy of RUz jointly with MOF and Participating Banks developed and approved with IDA a Project Operational Manual (POM), which specifies the manner of issuing loans, criteria for selection and assessment of sub-projects, as well as procedures for financial management, procurement, monitoring and assessment of Project implementation progress.

In accordance with Financing Agreement, repayment of IDA credit is carried out on the account of Participating Banks in part of refinanced credit portion. Repayment of credit in part of the Project Component "A" "Development of Energy Efficiency Capacity and Project Management" is carried out on the account of public budget.

PROJECT DESCRIPTION (CONTINUATION)

The Project consists of the following components:

Part A: Capacity building in the sphere of energy efficiency

1. Enhancing the energy efficiency capacity of selected industries, banks, industry associations and energy professionals through the provision of consultants' services and Training;
2. Strengthening the capacity of MoE and the PCU for Project management, coordination and monitoring and evaluation through the provision of goods, consultants' services and Training;
3. Improving the statistical reporting capacity of the Recipient in the areas of energy consumption and energy efficiency.

Part B: Credit line for Participating Banks

Establishment and operation of a credit facility for the Participating Banks for the provision of Sub-loan(s) to Beneficiaries, enabling such Beneficiaries to finance the costs related to the carrying out of industrial energy efficiency Sub-projects.

According to the Financing Agreement, IDA funds allocated for the Project implementation are intended for financing the following components:

Component	Allocated Loan amount (SDR)	Allocated Loan amount (\$)	Percentage of financed expenditures (less taxes)
Part A. Capacity building in the sphere of energy efficiency and project management			
Goods, consultants' services, training and operating expenses	660 000	1 000 000	100%
Part B: Credit line for Participating Banks			
Sub-loans for sub-projects	65 440 000	99 000 000	80%
Total	66 100 000	100 000 000	

				(million US dollars)			
No	Component	2014	2015	2016	2017	2018	Total
1	Part A. Capacity building in the sphere of energy efficiency and project management	0.25	0.30	0.30	0.13	0.02	1.0
2	Part B: Credit line for following Participating Banks:	15.00	24.00	30.00	30.00	-	99.00
2.1	JSCB "Uzpromstroybank"	5.00	8.00	10.00	10.00	-	33.0
2.2	SJSCB "Asaka"	5.00	8.00	10.00	10.00	-	33.0
2.3	JSCB "Hamkorbank"	5.00	8.00	10.00	10.00	-	33.0
Total		15.25	24.30	30.30	30.13	0.02	100

Going concern

Supposed date for closure of loan in accordance with the Financing Agreement is defined to be 31 January 2018.

ACCOUNTING POLICY

Basis for presentation of financial statements

These Special Purpose Financial Statements have been prepared, in accordance with requirements of International Public Sector Accounting Standards (hereinafter - IPSAS) issued by the International Public Sector Accounting Standards Board of the International Federation of Accountants, following the cash flow basis and compliant with the World Bank recommendations.

Statement of Sources and Uses of Funds, Statement of Uses of Funds by Implementing Agencies on Expenditure Types, Special Purpose Balance Sheet, Designated Accounts Statements and the accompanying Notes are developed on cash flow basis to reflect operations conducted within the Project's frames in accordance with below-stated principles.

Financing

Financing for Designated accounts is recognized when funds are transferred from IDA Credit account to the Project's Designated accounts opened in Central Bank of RUz (hereinafter – "the CBU").

Financing by the Participating Banks is recognized when loans are disbursed to the borrower from the Participating Banks accounts («Co-financing accounts»).

Expenditure

Project expenditures are recognized and entered in the Project Financial Statements generated on the cash basis when:

- Sub-loans to the borrowers are disbursed from the Project Designated accounts opened by the Participating Banks in CBU, in line with the IDA requirements;
- Sub-loans to the borrowers are disbursed from the Project co-financing accounts opened in the Participating Banks.

Reporting currency and currency conversion method

As financing from IDA is carried out in United States Dollars (hereinafter referred to as "USD"), the Special Purpose Financial Statements also presented in USD which is the functional and presentation currency of Project. Items included in the Financial Statements are measured using that functional currency.

While developing the Project Financial Statements the following exchange rate principles were used:

- For IDA-funded credit: all revenues and expenditures in National currency (UZS) are converted in USD at the appropriate CBU exchange rate on the date of a receipt or expenditure and disbursed sub-loans;
- For financing of the Participating Banks: sub-loans disbursed in national currency (UZS) are converted in USD at the appropriate CBU exchange rate on the date of disbursement.

UZS balances in Project's bank accounts are revalued at the rate of CBU effective at the reporting date. As at 31 December 2014 the CBU's UZS/USD exchange rate was UZS 2,422.40 / USD 1.

PRESENTATION OF FINANCIAL STATEMENTS

Statement of Sources of Financing

Statement of Sources and Uses of Funds includes data on both IDA and Participating Banks' financing. In the reporting period Project was financed by IDA Credit for total amount 20 979 274 USD. Project financing on the account of Participating Banks funds was 2 286 315 USD. Besides, there is Withdrawal Application subject to reimbursement by IDA on sub-loans provided in 2014 from own funds of Participating Banks ("Uzpromstroybank") in the amount of 165 985 USD. Obtained funds were used for financing the Project expenditures, in particular :

- Conducting trainings and education for this part of component "A" planned by Ministry for 2015 - 2017 years. Financing of these activities expected to be carried out by European Union Program on Sustainable Energy, and Korean corporation KEMCO;
- Financing of sub-loans under the Project's component «B» amounted to 11 431 574 USD, including those financed from own funds of Participating Banks ("Uzpromstroybank") subject to reimbursement by IDA in the amount of 2 286 315 USD;
- According to the withdrawal application the amount subject to reimbursement by IDA on sub-loans provided in 2014 from own funds of Participating Banks ("Uzpromstroybank") amounts to 165 985 USD.

This Statement includes data on the opening and closing cash balance for the reported period. Closing balance is the IDA financing for total of USD 12 000 000.

Statement of Uses of Funds by Implementing Agencies on Expenditure Types

Statement of Uses of Funds by Implementing Agencies on Expenditure Types includes break-down by Project expenditures for each Implementing Agency, category of expenditures, as well as Project budget for the reporting period and difference between actual expenditures and budgeted. Project budget is based on the Plan stipulated by the COM resolution No.168 dated 12.06.2013.

Special Purpose Balance Sheet

Balance sheet is based on the cash method and includes following data:

- Assets - "Cash and cash equivalents" and "Total Uses of Funds" by the Implementing Agencies;
- Funding - cumulative Project financing from all sources by the Implementing Agencies.

Item "Cash and cash equivalents" includes remaining cash from IDA-funded credit. Item "Total Uses of Funds" includes all expenditures related to the Project implementation and funded from all sources.

CASH AND CASH EQUIVALENTS

For the purposes of Project implementation the Project Implementing Agencies have opened number of accounts both in USZ and USD. In line with the IDA requirements the Participating Banks opened accounts in CBU.

Project Implementing Agencies have opened the following accounts:

In Central Bank of RUz:

Title	Account number
Special account of SJSCB "ASAKA" in USD	2130 2840 7000 0087 3003
Special account of JSCB "HAMKORBANK" in USD	2130 2840 9000 0008 3005
Special account of JSCB "UZPROMSTROYBANK" in USD	2130 2840 2000 0044 0003

CASH AND CASH EQUIVALENTS (CONTINUATION)

Furthermore there are co-financing accounts of the Participating Banks. According to the Financing Agreement, Participating Banks on the account of own funds are responsible for financing 20% of the total sub-loans. Below is the servicing purpose of the Project accounts.

Designated accounts of Participating Banks

Project maintains three USD Designated accounts of the Participating Banks in CBU. From 01 January to 31 December 2014 these Designated accounts were used for disbursement of sub-loans for implementation of the Project component «B» «Credit Line to Participating Banks».

During the reported period the USD Designated accounts of the Participating Banks were received IDA financing for total amount of USD 20 979 274 and there is a withdrawal application on reimbursement by IDA on for sub-loans provided in 2014 from own funds of Participating Banks ("Uzpromstroybank") in the amount of 165 985 USD.

During the reporting period on the account of IDA credit the sub-loans were issued for the amount of 9 145 259 USD.

Co-financing accounts of Participating Banks

Co-financing accounts are owned by the Participating Banks and used for disbursement of sub-loans for implementation of the Project component «B» «Credit Line to Participating Banks». During the reported period the Participating Banks have disbursed co-financed sub-loans for total of 2 286 315 USD.

Balances of the Project's bank accounts are summarized in the following table:

	in US Dollars	in thousands UZS
Balance as of 01 January 2014		
USD Designated Account of SJSCB "ASAKA"	0	0
USD Designated Account of JSCB "HAMKORBANK"	0	0
USD Designated Account of JSCB "UZPROMSTROYBANK"	0	0
Total	0	0
Balance as of 31 December 2014		
USD Designated Account of SJSCB "ASAKA"	4 000 000	9 689 600
USD Designated Account of JSCB "HAMKORBANK"	4 000 000	9 689 600
USD Designated Account of JSCB "UZPROMSTROYBANK"	4 000 000	9 689 600
Total	12 000 000	29 068 800

STATEMENT OF EXPENDITURE (SOE) PROCEDURES

Statement of Expenditure (SOE) procedure is used by the Project to replenish funds on the Designated Accounts, in line with the Financing Agreement and Project Operational Manual.

Below is the table with cumulative data on netted-off and reimbursed expenditures according to the SOE:

	(в долл. США)
Total expenditure amount under SOE procedure	21 145 259
Expenditures for 2014 claimed and reimbursed in 2015	(165 985)
Total expenditures:	20 979 274
Reimbursed on special account	20 979 274
Funds received in form of advance	-
Total reimbursed:	20 979 274
Deviation	-

SUB-LOANS

In order to facilitate implementation of the Project component "B" "Credit line to Participating Banks" for the period from 01 January to 31 December 2014 the Project has lent sub-loans for total amount of 11 431 574 USD, including IDA funded part 9 145 260 USD and by Participating Banks: 2 286 315 USD.

Below, is presented lent sub-loans by each of Participating Banks.

Participating Bank / Borrower	The purpose of sub-loans	Allocated funds at the expense of	
		IDA	Participating banks
SJSCB «Asaka»			
UE "Tashkent TES"	Acquisition of gas-insulated switches	832 507	208 127
UE "Uzelektroset"	Acquisition of gas-insulated switches	2 110 910	527 728
UE "Fergana TES"	Acquisition of gas-insulated switches	259 344	64 836
Total for SJSCB «Asaka»		3 202 762	800 690
JSCB «Hamkorbank»			
JSC "Kizilkumcement"	Acquisition of component dosage system at cement grinding on cement mills	1 084 084	271 021
JSC "Kizilkumcement"	Acquisition of automated system for dosage and supply of raw materials to carrier-gas heat exchangers of rotating mills for clinkers № 1,2,3	692 429	173 107
Total by JSCB «Hamkorbank» :		1 776 513	444 128
JSCB «Uzpromstroybank»:			
JSC "Navoiyazot"	Modernization of cooling towers of JSC "Navoiyazot"	4 165 985	1 041 496
Total by JSCB «Uzpromstroybank»:		4 165 985	1 041 496
TOTAL:		9 145 260	2 286 314

During the reporting period it was issued sub-loans on the account of IDA funds and partially financed on the account of Participating Banks, with subsequent reimbursement by IDA in the amount of 165 985 USD.

Information on such sub-loans provided subject to reimbursement by IDA is presented in the below table:

Participating bank / Borrower	Issued credit loans
JSCB «Uzpromstroybank»:	
JSC "Navoiyazot"	165 985
Total JSCB «Uzpromstroybank»	165 985

LEGAL STATUS, TAXES AND LEVIES

PCU under Ministry of Economy of the Republic of Uzbekistan and PIUs under Participating Banks are not legal entities and, subsequently are not business tax payers, paying only social and pension fees and contributions and also income tax for individuals contracted by the PCU. PIU under Participating Banks employ full-time bank staff and there is no cost of payroll budgeted in the Project for them.

RECONCILIATION OF IDA CREDIT FINANCING

Reconciliation between Client Connection data and Project data as of December 31, 2014 is stated below:

	Data of Client Connection	Project data	Deviations
IDA funds	20 979 274	20 979 274	-