

JOINT-STOCK COMMERCIAL
MORTGAGE BANK

“IPOTEKA BANK”

AND ITS SUBSIDIARIES

Consolidated Financial Statements and
Independent Auditor's Report
For the Years Ended
31 December 2019, 2018 and 2017



Joint Stock Commercial Mortgage Bank "Ipoteka Bank" and its subsidiaries

STATEMENT OF MANAGEMENT'S RESPONSIBILITIES FOR THE PREPARATION AND APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 DECEMBER 2019, 2018 AND 2017

Management is responsible for the preparation of the consolidated financial statements that present fairly the financial position of JSCMB "Ipoteka Bank" ("the Bank") and its subsidiaries (collectively – "the Group") as at 31 December 2019, 2018 and 2017 and the related consolidated statement of profit or loss and other comprehensive income, changes in equity and cash flows for the years then ended, and of significant accounting policies and notes to the consolidated financial statements ("the consolidated financial statements") in compliance with International Financial Reporting Standards ("IFRS").

In preparing the consolidated financial statements, management is responsible for:



- Properly selecting and applying accounting policies;
- Presenting information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- Providing additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Group's financial position and financial performance; and
- Making an assessment of the Group's ability to continue as a going concern.

Management is also responsible for:

- Designing, implementing and maintaining an effective and sound system of internal controls, throughout the Group;
- Maintaining adequate accounting records that are sufficient to show and explain the Group's transactions and disclose with reasonable accuracy at any time the consolidated financial position of the Group, and which enable them to ensure that the consolidated financial statements of the Group comply with IFRS;
- Maintaining statutory accounting records in compliance with legislation and accounting standards of the Republic of Uzbekistan;
- Taking such steps as are reasonably available to them to safeguard the assets of the Group; and
- Preventing and detecting fraud and other irregularities.


The consolidated financial statements of the Group for the years ended 31 December 2019, 2018 and 2017 were approved by the Management Board on 30 September 2020.

On behalf of the Management Board:



Shukhrat Atabaev
Chairman of the Board

30 September 2020
Tashkent, Uzbekistan



Elyor Normetov
Chief Accountant

30 September 2020
Tashkent, Uzbekistan

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Joint Stock Commercial Mortgage Bank "Ipoteka bank"

Opinion

We have audited the consolidated financial statements of Joint Stock Commercial Mortgage Bank "Ipoteka bank" ("the Bank") and its subsidiaries ("the Group"), which comprise the consolidated statement of financial position as at 31 December 2019, 2018 and 2017, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2019, 2018 and 2017 and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* (the "IESBA Code") together with the ethical requirements that are relevant to our audit of the consolidated financial statements in the *Republic of Uzbekistan*, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Why the matter was determined to be a key audit matter

Assessment and measurement of expected credit losses ("ECL") on loans and advances to customers

As at 31 December 2019, the loans and advances to customers amounted to UZS 19,839,756 million, net of allowance for ECL of UZS 541,986 million assessed on a collective and individual basis.

The collective assessment of ECL involves the risk of inappropriate application of assumptions in the parameters of ECL model, such as significant increase in credit risk ("SICR"), probability of default, loss given default rates and exposure at default, and the risk of inadequate input data, including internally generated historical data and its inconsistency or lack of adjustment for market based forward-looking information. Defining the criterion that appropriately reflect the signs of SICR is one of the key areas of judgement.

How the matter was addressed in the audit

We obtained an understanding of the credit risk management processes and ECL assessment and measurement, including identification of events leading to significant increase in credit risk and events of default. We analysed the methodologies for consistency with IFRS 9 requirements.

To test the appropriateness of staging of loans, we identified the key criterion that drive the staging of loans and, for a sample of loans, we have challenged the Group's staging and whether relevant impairment events had been identified on a timely manner, such as delinquency of interest or principal, existence of litigation cases, restructuring events and certain financial performance indicators in order to evaluate whether the loans were appropriately classified to the respective stage.

Individual assessment of ECL is dependent on the accuracy of impairment staging that reflects the magnitude of credit risk increase based on the estimation of the expected future cash flows related to individual balances. Management applies significant judgements in determining the inputs to be used in the impairment loss models.

Due to the significance of the balances of the loans and advances to customers, the risks associated with the implementation of the impairment model and the complexity of management's judgements applied in measuring the ECL, we identified impairment of loans as a key audit matter.

Refer to Notes 3 and 10 to the consolidated financial statements for the description of the Group's policy on the calculation of ECL and disclosure of related balances, respectively.

For the collective assessment models, we analysed the key assumptions used in assessing the probability of default and loss given default with reference to historical information on incurred credit losses, including statistics for recoveries of loans.

We tested the accuracy and completeness of the models' source data, such as loans and advances balances and their allocation by days in arrears. We checked the calculation of ECL for arithmetical accuracy.

For individually significant loans, we tested the appropriateness of the amount of allowance recognized as at the reporting date by re-performing the calculations on a sample basis for individually significant loans in stage 3, including reviewing the Group's documented credit assessment of the borrowers, challenging assumptions underlying ECL calculation, such as future cash flow projections and the valuation of collateral held, agreeing key assumptions to supporting documents.

We assessed the accuracy and completeness of the disclosures in the financial statements.

Liquidity and Going concern principle

Notes 3 and 20 to these consolidated financial statements describe the details of the Group's non-compliance with certain financial covenants stipulated in the long-term loan agreements signed between the Government of Uzbekistan ("the Government" or "the Ministry of Finance") and the Bank as requested by the Asian Development Bank (ADB). As a result, the Ministry of Finance of Uzbekistan has the right to request the Group to accelerate the repayment of the funds they advanced for the total amount of UZS 309,386 million.

The management has, therefore, classified these borrowings within "Less than 3 months" profile in the liquidity disclosure (Note 32).

The Bank has concluded that the going concern basis remains appropriate according to the actions taken and plans as described in Note 3. In reaching such conclusion, the Group has considered the continued support by the Government and commitment of ADB to the projects being financed, its strategic role as a government arm in the economy of Uzbekistan and its ability to take mitigating actions if and when required.

Due to a direct impact of the covenant breach on the liquidity and financial position of the Group and pervasiveness of the conclusion on appropriateness of the going concern assumption on the financial statements, this area is determined as a key audit matter.

We reviewed management's analyses of liquidity risks, covenants compliance and evaluated reasonableness of going concern assumption by challenging management's judgments and conclusions. We challenged the Group's assumptions in respect of its strategic role in governmental programs, commitment by ADB to continue financing the projects and continuing financial support by the Government.

We obtained understanding of the management's remediation plan related to covenants compliance, including understanding of the measures that will be taken by the management to achieve the target indicators in the forecast period.

To obtain understanding of significant events related to the going concern and compliance of financial covenants in accordance with agreements with creditors, we checked management board and Council meeting minutes.

We analyzed the sources of planned funding from local and international financial institutions and checked the status of negotiating and agreeing the terms of financing.

We assessed the Group's ongoing support from the Government and performed the following procedures:

- reviewed the Group's participation in the strategically important State programs and checked supporting documentation on eligibility for Government's financing;
- reviewed the Government's plan for the Bank's share capital injections, checked the progress and reviewed relevant supporting documentation.

In order to understand the creditor's position we also:

- reviewed key loan agreements with regards to the risk of non-compliance with covenants and checked loan covenants calculations;
- reviewed formal letters received from the Government and ADB.

We checked appropriateness and completeness of the disclosures made in the consolidated financial statements in respect of going concern.

Other Information – Annual Report

Management is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the consolidated financial statements and our auditor's report thereon. The Annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards ("IFRSs"), 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.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative, but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

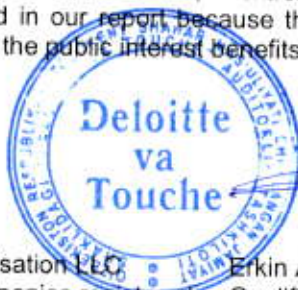
As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period, and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



"Deloitte & Touche" Audit Organisation LLC,
License authorizing audit of companies registered
by the Ministry of Finance of the Republic of
Uzbekistan under #00776 dated 5 April 2019

Certificate authorizing audit of banks registered by
the Central bank of the Republic of Uzbekistan
under #3 dated 14 October 2013

30 September 2020
Tashkent, Uzbekistan

Erkin Ayupov
Qualified Auditor/Engagement Partner
Auditor qualification certificate authorizing audit of
companies, #04830 dated 22 May 2010 issued by the
Ministry of Finance of the Republic of Uzbekistan

Auditor qualification certificate authorizing audit of
banks, #6/8 dated 30 June 2015 issued by the Central
bank of the Republic of Uzbekistan


Director
"Deloitte & Touche" Audit Organisation LLC


Joint Stock Commercial Mortgage Bank "Ipoteka Bank" and its subsidiaries
Consolidated Statement of Financial Position as at 31 December 2019, 2018 and 2017

<i>In millions of Uzbekistan Soums</i>	Notes	31 December 2019	31 December 2018*	31 December 2017*
ASSETS				
Cash and cash equivalents	8	2,630,173	1,315,362	1,374,091
Due from other banks	9	845,018	508,224	1,249,251
Loans and advances to customers	10	19,839,756	17,598,212	10,563,180
Debt securities of the Government of the Republic of Uzbekistan	11	131,149	154,610	-
Financial assets at fair value through other comprehensive income	12	6,572	5,784	-
Investment securities available for sale	12	-	-	5,821
Investment in associates	13	1,964	2,240	2,300
Premises, equipment and intangible assets	14	276,601	184,921	138,300
Current income tax prepayment		8	878	18
Deferred income tax asset	28	57,451	33,534	9,294
Other financial assets	15	5,210	1,211	17,515
Other non-financial assets	16	51,076	26,374	23,880
TOTAL ASSETS		23,844,978	19,831,350	13,383,650
LIABILITIES				
Due to other banks	17	284,533	-	160
Customer accounts	18	7,935,719	7,090,686	5,648,433
Debt securities in issue	19	14,850	9,934	12,797
Borrowings from government, state and international financial institutions	20	11,530,321	11,057,373	6,303,874
Other borrowed funds	21	425,905	-	-
Other financial liabilities	22	53,050	13,500	9,862
Other non-financial liabilities	22	52,445	47,732	44,498
TOTAL LIABILITIES		20,296,823	18,219,225	12,019,624
EQUITY				
Share capital	23	2,815,810	983,979	844,421
Share subscription reserve	23	-	124,723	109,477
Share premium	23	-	754	754
Share capital reserve	23	90,656	60,873	31,428
Retained earnings		644,542	443,726	368,472
Revaluation reserve of financial assets at fair value through other comprehensive income		(225)	(731)	-
Net assets attributable to the Bank's owners		3,550,783	1,613,324	1,354,552
Non-controlling interest	35	(2,628)	(1,199)	9,474
TOTAL EQUITY		3,548,155	1,612,125	1,364,026
TOTAL LIABILITIES AND EQUITY		23,844,978	19,831,350	13,383,650

*See Note 6 for details.

Approved for issue and signed on behalf of the Management Board on 30 September 2020.


Shukhrat Atabaev
Chairman of the Board


Elyor Normetov
Chief Accountant

Joint Stock Commercial Mortgage Bank "Ipoteka Bank" and its subsidiaries
Consolidated Statement of Profit or Loss and Other Comprehensive Income for the years ended
31 December 2019, 2018 and 2017

<i>In millions of Uzbekistan Soums</i>	Notes	2019	2018	2017
Interest income	24	1,952,784	1,224,371	582,492
Interest expense	24	(917,559)	(577,354)	(284,911)
Net interest income before provision for credit losses		1,035,225	647,017	297,581
Charge for credit losses on loans and advances to customers	7	(274,856)	(95,581)	(45,236)
Net interest income		760,369	551,436	252,345
Fee and commission income	25	255,425	216,187	205,201
Fee and commission expense	25	(47,748)	(38,346)	(34,506)
Net gain/(loss) from trading in foreign currencies		16,727	(1,075)	59,536
Net gain from foreign exchange translation		20,070	10,533	206,991
Dividend income		181	961	482
Impairment losses on non-financial assets	14,16	-	(25,659)	-
Impairment (charge) / recovery on other financial assets and contingencies	7	(5,774)	1,023	(3,071)
Other operating income	26	31,127	14,592	10,906
Administrative and other operating expenses	27	(619,401)	(503,558)	(391,363)
Share of result of associates	13	(276)	(60)	-
Profit before tax		410,700	226,034	306,521
Income tax expense	28	(71,682)	(48,329)	(25,570)
NET PROFIT FOR THE YEAR		339,018	177,705	280,951
Profit attributable to:				
- Owners of the Bank		339,219	190,103	282,349
- Non-controlling interest		(201)	(12,398)	(1,398)
NET PROFIT FOR THE YEAR		339,018	177,705	280,951
<i>Items that will not be reclassified subsequently to profit or loss:</i>				
Fair value adjustment on financial assets at fair value through other comprehensive income		656	(173)	-
Tax effect	28	(150)	38	-
Total other comprehensive income / (loss) for the year		506	(135)	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		339,524	177,570	280,951
Total comprehensive income attributable to:				
- Owners of the Bank		339,725	189,968	282,349
- Non-controlling interest	35	(201)	(12,398)	(1,398)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		339,524	177,570	280,951
Basic and diluted earnings per ordinary share in UZS	29	0.27	0.19	0.59

Approved for issue and signed on behalf of the Management Board on 30 September 2020.

Shukhrat Atabaev
Chairman of the Board

Elyor Normetov
Chief Accountant

Joint Stock Commercial Mortgage Bank "Ipoteka Bank" and its subsidiaries
Consolidated Statement of Changes in Equity for the years ended 31 December 2019, 2018 and 2017

<i>In millions of Uzbekistan Soms</i>	Notes	Share capital	Share subscription reserve	Share premium	Share capital reserve	Retained earnings	Total	Non- controlling interest	Total equity
31 December 2016		269,421	-	754	-	143,850	414,025	-	414,025
Net profit / (loss) for the year		-	-	-	-	282,349	282,349	(1,398)	280,951
Total comprehensive income / (loss) for the year		-	-	-	-	282,349	282,349	(1,398)	280,951
Capitalisation of retained earnings - ordinary shares		33,827	-	-	-	(33,827)	-	-	-
Recognition of liability component of preference shares	23	(896)	-	-	-	(225)	(1,121)	-	(1,121)
Share subscription deposit - ordinary shares	23	-	109,477	-	31,428	-	140,905	-	140,905
Ordinary shares issued	23	542,069	-	-	-	-	542,069	-	542,069
Dividends declared - ordinary shares	30	-	-	-	-	(23,675)	(23,675)	-	(23,675)
Additional non-controlling interest from new subsidiaries		-	-	-	-	-	-	10,872	10,872
31 December 2017		844,421	109,477	754	31,428	368,472	1,354,552	9,474	1,364,026

Joint Stock Commercial Mortgage Bank "Ipoteka Bank" and its subsidiaries
Consolidated Statement of Changes in Equity for the years ended 31 December 2019, 2018 and 2017

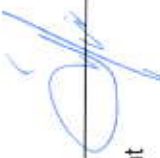
In millions of Uzbekistan Soums	Notes	Attributable to owners of the Bank						Non- controlling interest	Total equity
		Share capital	Share subscription reserve	Share premium	Share capital reserve	Retained earnings	Revaluation reserve of financial assets at fair value through other comprehensive income		
31 December 2017		844,421	109,477	754	31,428	368,472	-	9,474	1,364,026
Effect of IFRS 9 adoption on 1 January 2018	5	-	-	-	-	(57,870)	(596)	-	(58,466)
1 January 2018 (restated under IFRS 9)		844,421	109,477	754	31,428	310,602	(596)	9,474	1,305,560
Net profit / (loss) for the year		-	-	-	-	190,103	-	(12,398)	177,705
Other comprehensive loss for the year		-	-	-	-	-	(135)	-	(135)
Total comprehensive income / (loss) for the year		-	-	-	-	190,103	(135)	(12,398)	177,570
Share subscription deposit - ordinary shares		-	126,906	-	57,343	-	-	-	184,249
Ordinary shares issued	23	139,558	(111,660)	-	(27,898)	-	-	-	-
Dividends declared - ordinary shares	30	-	-	-	-	(56,979)	-	-	(56,979)
Share increase in subsidiaries with non-controlling interest		-	-	-	-	-	-	1,725	1,725
31 December 2018		983,979	124,723	754	60,873	443,726	(731)	(1,199)	1,612,125

Joint Stock Commercial Mortgage Bank "Ipoteka Bank" and its subsidiaries
Consolidated Statement of Changes in Equity for the years ended 31 December 2019, 2018 and 2017

In millions of Uzbekistan Soms	Notes	Attributable to owners of the Bank						Total	Non- controlling interest	Total equity
		Share capital	Share subscription reserve	Share premium	Share capital reserve	Retained earnings	Revaluation reserve of financial assets at fair value through other comprehensive income			
31 December 2018		983,979	124,723	754	60,873	443,726	(731)	1,613,324	(1,199)	1,612,125
Net profit / (loss) for the year		-	-	-	-	339,219	-	339,219	(201)	339,018
Other comprehensive income for the year		-	-	-	-	-	506	506	-	506
Total comprehensive income / (loss) for the year		-	-	-	-	339,219	506	339,725	(201)	339,524
Share subscription deposit - ordinary shares		-	-	-	90,501	-	-	90,501	-	90,501
Ordinary shares issued	23	477,907	(124,723)	-	(60,718)	-	-	292,466	-	292,466
Dividends declared - ordinary shares	30	-	-	-	-	(111,580)	-	(111,580)	-	(111,580)
Conversion of debt into equity by the shareholder, net of tax		1,353,924	-	(754)	-	(26,823)	-	1,326,347	-	1,326,347
Share decrease in subsidiaries with non-controlling interest		-	-	-	-	-	-	-	(1,228)	(1,228)
31 December 2019		2,815,810	-	-	90,656	644,542	(225)	3,550,783	(2,628)	3,548,155

Approved for issue and signed on behalf of the Board of Management on 30 September 2020.


Shukhrat Alabaev
 Chairman of the Board


Elyor Normetov
 Chief Accountant

Joint Stock Commercial Mortgage Bank "Ipoteka Bank"
Consolidated Statement of Cash Flows for the years ended 31 December 2019, 2018 and 2017

<i>In millions of Uzbekistan Soums</i>	<i>Notes</i>	2019	2018*	2017*
Cash flows from operating activities				
Interest received		1,902,701	1,065,979	531,837
Interest paid		(890,055)	(515,064)	(294,387)
Fees and commissions received		250,506	217,505	216,526
Fees and commissions paid		(47,748)	(38,346)	(34,506)
Net gain from trading in foreign currencies		16,727	13,511	44,404
Other operating income received		30,736	14,105	10,906
Staff costs paid		(428,668)	(303,984)	(234,765)
Administrative and other operating expenses paid		(145,233)	(175,237)	(109,092)
Income tax paid		(1,519)	(397)	(3)
Cash flows from operating activities before changes in operating assets and liabilities		687,447	278,072	130,920
Net (increase) / decrease in due from other banks		(310,957)	742,588	(164,733)
Net increase in loans and advances to customers		(4,551,544)	(6,889,735)	(2,981,691)
Net decrease in other financial assets		28,664	14,208	-
Net increase in other non-financial assets		(2,803)	(12,579)	(19,856)
Net increase / (decrease) in due to other banks		283,471	(160)	(256,136)
Net increase in customer accounts		520,612	1,421,704	677,879
Net (decrease) / increase in other financial liabilities		(9,258)	(103)	7,900
Net (decrease) / increase in other non-financial liabilities		(3,171)	5,878	8,963
Net cash used in operating activities		(3,357,539)	(4,440,127)	(2,596,754)
Cash flows from investing activities				
Purchase of premises, equipment and intangible assets		(94,808)	(87,106)	(61,013)
Proceeds from disposal of premises, equipment and intangible assets		8,381	1,628	964
Proceeds from property for resale		-	-	13,362
Purchase of financial assets at fair value through other comprehensive income		(132)	(901)	-
Purchase of investment securities available for sale		-	-	(3,499)
Purchase of associates (incorporation)		-	-	(2,300)
Purchase of debt securities of the Government of the Republic of Uzbekistan		(378,846)	(155,569)	-
Proceeds from debt securities of the Government of the Republic of Uzbekistan		402,925	-	-
Dividend income received		181	961	482
Net cash used in investing activities		(62,299)	(240,987)	(52,004)
Cash flows from financing activities				
Issue of ordinary shares		292,466	-	542,069
Proceeds from borrowings from government, state and international financial institutions	32	5,049,974	4,994,355	2,120,013
Repayment of borrowings from government, state and international financial institutions	32	(591,249)	(437,602)	(212,129)
Proceeds from issue of debt securities	32	7,750	5,750	-
Repayment of debt securities in issue	32	(2,900)	(8,500)	(15,600)
Dividends paid	30	(111,457)	(56,860)	(23,465)
Share (decrease)/increase in subsidiaries non-controlling interest		(1,228)	1,725	8,672
Proceeds from stock subscription		840	126,357	109,477
Net cash from financing activities		4,644,196	4,625,225	2,529,037
Effect of exchange rate changes on cash and cash equivalents		90,453	(2,840)	962,381
Net increase / (decrease) in cash and cash equivalents		1,314,811	(58,729)	842,660
Cash and cash equivalents at the beginning of the year	8	1,315,362	1,374,091	531,431
Cash and cash equivalents at the end of the year	8	2,630,173	1,315,362	1,374,091
Non-cash transactions				
Transfer of loans funded by UFRD		3,707,454	-	-
Conversion of debt into equity by the shareholder	23	1,353,924	-	-
Utilization of share subscription and share capital reserves to increase share capital		185,441	139,558	-
Repossessed assets		7,348	-	-

*See Note 6 for details.

Approved for issue and signed on behalf of the Management Board on 30 September 2020.

Shukhrat Atabaev
Chairman of the Board

Elyor Normetov
Chief Accountant