

## ANNUAL REPORT of the issuer for 2019

<b>1.</b>	<b>NAME OF THE ISSUER</b>	
	Full: In the state language: In Latin script: In Russian: In English:	«Ипотека-банк» акциядорлик тижорат ипотека банки «Ipoteka-bank» aksiyadorlik tijorat ipoteka banki Акционерный коммерческий ипотечный банк «Ипотека-банк» Joint-stock commercial mortgage bank «Ipoteka-bank»
	Abbreviated: In the state language: In Latin script: In Russian: In English:	«Ипотека-банк» АТИБ «Ipoteka-bank» АТІВ АКИБ «Ипотека-банк» JSCMB «Ipoteka-bank»
	Name of the stock ticker:	A054570 (IPMB)
<b>2.</b>	<b>CONTACT DETAILS</b>	
	Location:	Republic of Uzbekistan, 100000, Tashkent, Mirzo-Ulugbek district, Shakhrisabz street, 30.
	Mailing address:	Republic of Uzbekistan, 100000, Tashkent, Mirzo-Ulugbek district, Shakhrisabz street, 30.
	The addressEmail:	cenbum@ipotekabank.uz
	Official website:	www.ipotekabank.uz
<b>3.</b>	<b>BANK DETAILS</b>	
	Name of servicing bank:	Main operational department of JSCMB "Ipoteka-bank"
	Current account number:	№10301000900000937001
	MFIs:	00937
<b>4.</b>	<b>REGISTRATION AND IDENTIFICATION NUMBERS ASSIGNED:</b>	
	registration authority:	Joint-Stock Commercial Mortgage Bank "Ipoteka-Bank" was registered on April 30, 2005 by the Central Bank of the Republic of Uzbekistan No. 74. License of the Central Bank of the Republic of Uzbekistan for the right to carry out banking operations No. 74 dated October 21, 2017.
	body of the state tax service (TIN):	State Tax Inspectorate of Mirzo-Ulugbek district of Tashkent city, TIN 202858483.
	Numbers assigned by state statistics authorities: State Committee of the Republic of Uzbekistan on Statistics, Department of Statistics, Tashkent, No. 38550 dated July 13, 2005.	
	KFS:144, ОКПО: 17068947, ОКЕД: 64190, SOATO: 1726269.	
<b>5.</b>	<b>INDICATORS OF THE FINANCIAL AND ECONOMIC STATE OF THE ISSUER</b>	
	Return on equity ratio:	net profit / authorized capital = 15.3%
	Total solvency coverage ratio:	liquid assets and assets with a maturity of up to 30 days / liabilities on demand and a maturity of up to 30 days = 0.743 (min 0.300).
	Absolute liquidity ratio:	
	The ratio of own and borrowed funds:	adjusted total risk-based capital / risk-adjusted assets = 0.192 (min 0.100)
	The ratio of own and borrowed funds of the issuer:	equity / liabilities = 26.8%
<b>6.</b>	<b>AMOUNT OF ACCRUED INCOME ON SECURITIES IN THE REPORTING YEAR</b>	
		in monetary terms
	<b>For ordinary shares</b>	
	in soums per share:	-
	as a percentage of the par value of one share:	-
	<b>Preferred shares</b>	
	in soums per share:	25 tiyin.
	as a percentage of the par value of one share:	25%
	<b>For other securities</b>	-

<b>7.</b>	<b>PRESENT DEBT IN PAYMENT OF INCOME ON SECURITIES</b>						
	<b>For ordinary shares</b>						
	according to the results of the reporting period (in soums):	---					
	according to the results of previous periods (in soums):	---					
	<b>Preferred shares</b>						
	according to the results of the reporting period (in soums):	---					
	according to the results of previous periods (in soums):	---					
	<b>For other securities</b>						
	according to the results of the reporting period (in soums):	---					
	according to the results of previous periods (in soums):	---					
<b>8.</b>	<b>CHANGES IN THE PERSONAL COMPOSITION OF OFFICIALS</b>						
	<b>No.</b>	<b>Date modified</b>		<b>FULL NAME.</b>	<b>Position</b>	<b>Issuing body that made the decision</b>	<b>Elected (appointed) / withdrawn from membership (dismissed, expiration of term of office)</b>
		<b>decision date</b>	<b>date of entry into office</b>				
	1	07/01/2019		Sattarov Dilshod Nematovich	member of the Supervisory Board	General Meeting of Shareholders	withdrawn from the
	2	07/01/2019		Karimov Uktam Dekhkanbayevich	member of the Supervisory Board	General Meeting of Shareholders	withdrawn from the
	3	07/01/2019		Sultanov Dilshod Shukhratovich	member of the Supervisory Board	General Meeting of Shareholders	added
	4	07/01/2019		Khamidova Feruza Rustamovna	member of the Supervisory Board	General Meeting of Shareholders	added
	5	07/01/2019		Inomjonov Elyor Israilovich	First Deputy Chairman of the Management Board	Supervisory Board	added
	6	28/06/2019		Kakhhorov Azizhon Akhror ugli	Member of the Supervisory Board	General Meeting of Shareholders	added
	7	28/06/2019		Zainutdinov Sirojiddin Sayfutdinovich	member of the Supervisory Board	General Meeting of Shareholders	added
	8	28/06/2019		Tadzhiev Avazkhon Asadullaevich	member of the Supervisory Board	General Meeting of Shareholders	added
	9	28/06/2019		Sultanov Dilshod Shukhratovich	member of the Supervisory Board	General Meeting of Shareholders	withdrawn from the
	10	28/06/2019		Obidov Ikboljon Askaralievich	member of the Supervisory Board	General Meeting of Shareholders	withdrawn from the
	11	28/06/2019		Khamidova Feruza Rustamovna	member of the Supervisory Board	General Meeting of Shareholders	withdrawn from the
<b>9.</b>	<b>KEY INFORMATION ON ADDITIONALLY ISSUED SECURITIES IN THE REPORTING YEAR</b>						
	<b>SEVENTEENTH ISSUANCE OF SHARES</b>						
	The issuer's body that made the decision to issue:			Supervisory Board of JSCMB "Ipoteka-Bank" (No. 19 of 18/03/2019)			
	Security type:			registered common shares			
	Number of securities:			417,199,050,000 ordinary shares			
	Nominal value of one security:			1 sum			

Date of state registration of the issue:	04/19/2019
State registration number of the issue:	P0775-17
Placement method:	closed subscription
Placement start date:	04/26/2019
Placement end date:	05/20/2019

**EIGHTEENTH SHARE ISSUE**

The issuer's body that made the decision to issue:	Supervisory Board of JSCMB "Ipoteka-Bank" (No. 66 of 25/11/2019)
Security type:	registered common shares
Number of securities:	1,414,631,585,251 ordinary shares
Nominal value of one security:	1 sum
Date of state registration of the issue:	19/12/2019
State registration number of the issue:	P0775-18
Placement method:	closed subscription
Placement start date:	30/12/2019
Placement end date:	30/12/2019

**10. MATERIAL FACTS IN THE ISSUER'S ACTIVITIES IN THE REPORTING (2019) YEAR**

No.	Namematerial fact (abbreviated as SF)	No. SF	Occurrence dateSF	Publication date SF
1	Change in the composition of the supervisory board, revision commission or executive body	08	07/01/2019	08/01/2019
2	Change in the composition of the supervisory board, revision commission or executive body	08	09/01/2019	09/01/2019
3	Change in the composition of the supervisory board, revision commission or executive body	08	09/01/2019	09/01/2019
4	Decisions taken by the supreme management body of the issuer	06	09/01/2019	09/01/2019
5	Changes in the list of affiliates	36	10/01/2019	11/01/2019
6	Changes in the list of affiliates	36	11/02/2019	13/02/2019
7	Changes in the list of affiliates	36	10/04/2019	10/04/2019
8	Change in the list of subsidiaries	11	09/04/2019	10/04/2019
9	Issue of securities (17th issue of shares)	25	19/04/2019	22/04/2019
10	Making a deal with an affiliate	21	29/04/2019	01/05/2019
11	Changes in the list of affiliates	36	26/06/2019	27/06/2019
12	Accrual of income on securities	32	08/07/2019	09/07/2019
13	Change in the composition of the supervisory board, revision commission or executive body	08	08/07/2019	09/07/2019
14	Changes in the list of affiliates	36	08/07/2019	09/07/2019
15	Decisions taken by the supreme management body of the issuer	06	08/07/2019	09/07/2019
16	Changes in the list of affiliates	36	15/11/2019	18/11/2019
17	Decisions taken by the supreme management body of the issuer	06	15/11/2019	18/11/2019
18	Conclusion of a major transaction by the issuer	20	04/12/2019	06/12/2019
19	One-time transactions of the issuer, the amount of which or the value of property for which is more than 10 percent of the issuer's assets	19	12/12/2019	16/12/2019
20	Conclusion of a major transaction by the issuer	20	12/12/2019	16/12/2019
21	Making a deal with an affiliate	21	12/12/2019	16/12/2019
22	Issue of securities (18th issue of shares)	25	19/12/2019	20/12/2019
23	Making a deal with an affiliate	21	30/12/2019	30/12/2019
24	Making a deal with an affiliate	21	30/12/2019	30/12/2019

**11. BALANCE SHEET OF THE BANK AS OF 31/12/2019**

No.	ASSETS	Total	in national currency	in foreign currency (in equivalent in soums)
1	Cash on hand and other payment documents	486 055 176	155 725 855	330 329 321
2	To be received from the CBRU	1 209 703 753	1 109 654 575	100 049 178

3	Receivable from other banks, net	1 413 740 600	120 069 246	1 293 671 354
3.1.	Receivable from other banks, gross	1 413 740 600	120 069 246	1 293 671 354
3.2.	Minus: Reserve for possible losses	0	0	0
4	Purchase and sale accounts, net	131 491 624	131 491 624	0
4.1.	Securities for purchase and sale, gross	131 491 624	131 491 624	0
4.2.	Minus: Reserve for possible losses	0	0	0
5	Precious metals, coins, stones, pure	684	684	0
5.1.	Precious metals, coins, stones, gross	684	684	0
5.2.	Minus: Reserve for possible losses	0	0	0
6	Investment, net	130 439 783	130 439 783	0
6.1.	Investments, gross	130 865 907	130 865 907	0
6.2.	Minus: Reserve for possible losses	426 124	426 124	0
7	Securities purchased under a repurchase agreement, net	0	0	0
7.1.	Securities purchased under a repurchase agreement, gross	0	0	0
7.2.	Reserve for possible losses	0	0	0
8	Loans and leasing operations, net	19 486 172 473	15 255 645 635	4 230 526 838
8.1.	Loans and leasing operations, gross	19 792 761 803	15 530 123 739	4 262 638 064
8.2.	Minus: Reserve for possible losses	306 589 330	274 478 104	32 111 226
9	Purchased bills, clean	0	0	0
9.1.	Purchased bills, gross	0	0	0
9.2.	Minus: Reserve for possible losses	0	0	0
10	Customer liabilities on financial instruments, net	0	0	0
10.1.	Customer liabilities on financial instruments, gross	0	0	0
10.2.	Minus: Reserve for possible losses	0	0	0
11	Fixed assets, net	274 104 925	274 104 925	0
12	Total accrued interest and non-interest income, net	316 086 955	228 819 814	87 267 141
12.1.	Accrued interest receivable, gross	308 897 228	224 499 940	84 397 288
12.2.	Accrued non-interest income receivable, gross	9 349 710	6 422 234	2 927 476
12.2.1.	Minus: Reserve for possible losses	2,159,983	2102360	57 623
13	Other own property of the bank, clean	7 348 275	7 348 275	0
13.1.	Other own property collected under loans and leasing, gross	7 091 033	7 091 033	0
13.2.	Other own property of the bank, gross	5 712 434	5 712 434	0
13.3.	Minus: Accumulated depreciation and provisions for possible losses	5 455 192	5 455 192	0
14	Other assets, net	132 659 771	249 136 073	-116 476 302
14.1.	Other assets, gross	147 629 947	80 659 348	66 970 599
14.2.	Minus: Reserve for possible losses	14 970 176	13 083 514	1 886 662
14.3.	Purchase and sale of currency and currency positions	0	181 560 239	-181 560 239
15.	<b>Total assets</b>	<b>23 587 804 019</b>	<b>17 662 436 489</b>	<b>5925367530</b>
	<b>LIABILITIES AND EQUITY</b>			
	<b>COMMITMENTS</b>			
16.	Demand deposits	3 469 591 006	2458576785	1 011 014 221
17.	Term deposits	4 317 718 789	2 785 979 434	1 531 739 355
18.	Payable to the CBR	0	0	0
19.	Payable to other banks	1 164 943 107	975 567 344	189 375 763

20.	Securities sold under REPO transactions	0	0	0
21.	Loans and leasing operations payable	10 012 633 283	6 899 874 345	3 112 758 938
22.	Securities issued by the bank	0	0	0
23.	Subordinated debt	424 092 049	424 092 049	0
24.	Accrued interest payable	139 556 338	76 570 002	62 986 336
25.	Accrued taxes payable	92 425 636	92 425 636	
26.	Clearing transactions	17 466 943	17 466 943	0
27.	Other obligations	219 115 886	201 622 969	17 492 917
28.	<b>Total liabilities</b>	<b>19 857 543 037</b>	<b>13 932 175 507</b>	<b>5925367530</b>
	<b>EQUITY</b>			
29.	Authorized capital			
29.1.	Shares - Ordinary	2 809 392 130	2 809 392 130	0
29.2.	Shares - Preferred	8 052 000	8 052 000	0
30.	Added capital	754 434	754 434	0
31.	Reserve capital.			
31.1.	General purpose reserve fund	221 796 977	221 796 977	0
31.2.	Provisions created for standard assets	196 093 555	196 093 555	0
31.3.	Reserve for devaluation	0	0	0
31.4.	Other reserves and funds	64 066 706	64 066 706	0
32.	Undistributed profits	430 105 180	430 105 180	0
32.1.	of which, net profit (loss) of the current year	430 057 847	430 057 847	0
33.	Total equity	3 730 260 982	3 730 260 982	0
34.	<b>Total liabilities and equity</b>	<b>23 587 804 019</b>	<b>17 662 436 489</b>	<b>5925367530</b>
<b>12.</b>	<b>REPORT ON FINANCIAL RESULTS OF THE BANK FOR 31/12/2019</b>			
<b>No.</b>	<b>Categories</b>	<b>in thousand soums</b>		
1.	<b>1. INTEREST INCOME</b>			
a.	Interest income on accounts with the CBR	81 594		
b.	Interest income on accounts with other banks	26 835 577		
c.	Interest income on purchased bills	0		
d.	Interest income on investments	728 494		
e.	Interest income on securities purchase and sale accounts	44 351 161		
f.	Interest income on customer obligations	0		
g.	Interest income on customer obligations on outstanding acceptances of this bank	0		
h.	Interest, Discount (Discounts) and installments on credit and leasing operations	1 852 379 603		
i.	Interest income from securities purchase and repurchase agreements	0		
j.	Other interest income	355 446 368		
l.	<b>Total interest income</b>	<b>2 279 822 797</b>		
2.	<b>INTEREST EXPENSES</b>			
a.	Interest expense on demand deposits	23 444 747		
b.	Interest expense on term deposits	425 481 112		
c.	Interest expense on accounts payable with the CBR	4 807		
d.	Interest expense on accounts payable to other banks	68 316 965		
e.	<b>Total interest expense on deposits</b>	<b>517 247 631</b>		
f.	Interest expense on loans payable	369 459 342		
g.	Interest expenses under agreements on the sale of securities with subsequent repurchase	0		
h.	Other interest expenses	362 565 587		

i.	<b>Total interest expense on borrowings</b>	<b>732 024 929</b>
l.	<b>Total interest expense</b>	<b>1 249 272 560</b>
3.	<b>NET INTEREST INCOME BEFORE ASSESSMENT OF POSSIBLE LOSS ON ASSETS</b>	<b>1 030 550 237</b>
a.	Minus: Assessment of possible losses on loans and leasing	285 248 301
b.	Minus: Estimation of possible losses on securities	0
c.	Minus: Estimation of possible losses on investments	5 620 064
d.	Minus: Estimation of possible losses on other assets	16 041 570
e.	<b>Net interest income after assessing possible losses on loans and leasing</b>	<b>723 640 302</b>
4.	<b>INTEREST-FREE INCOME</b>	
a.	Income from commissions and service fees	283 959 560
b.	Profit in foreign currency	105 828 059
c.	Profit from commercial operations	0
d.	Profits and dividends from investments	2 158 186
e.	Other non-interest income	145 787 127
f.	<b>Total non-interest income</b>	<b>537 732 932</b>
5.	<b>INTEREST-FREE EXPENSES</b>	
a.	Commission and service costs	70 492 265
b.	Foreign currency losses	67 135 773
c.	Losses on purchase and sale accounts	64 191
d.	Investment losses	0
e.	Other non-interest expenses	280 205
f.	<b>Total non-interest expenses</b>	<b>137 972 434</b>
6.	<b>NET INCOME BEFORE OPERATING EXPENSES</b>	<b>1 123 400 800</b>
7.	<b>OPERATING EXPENSES</b>	
a.	Salaries and other expenses for employees	419 309 560
a1)	of which, payments to key management personnel	536 828
b.	Rent and maintenance	54 250 596
c.	Travel and transport expenses	6 335 913
d.	Administrative expenses	27 278 239
e.	Representation and charity	26 588 335
f.	Wear and tear costs	36 423 284
g.	Insurance	8 145 000
h.	taxes	4 085 971
i.	Fines and penalties	1 267 496
j.	Other operating expenses	20 803 473
l.	<b>Total operating expenses</b>	<b>604 487 867</b>
8.	<b>NET PROFIT BEFORE TAXES AND OTHER AMENDMENTS</b>	<b>518 912 933</b>
a.	Income tax assessment	88 855 089
9.	<b>INCOME BEFORE AMENDMENTS</b>	<b>430 057 844</b>
a.	Income or loss, net	0
b.	Other earnings adjustments, net	0
10.	<b>NET PROFIT (LOSS)</b>	<b>430 057 844</b>
13.	<b>INFORMATION ON THE RESULTS OF THE AUDIT</b>	
	Name of the audit organization:	Audit organization LLC "Deloitte & Touche»
	License issue date:	05/04/2019.
	License number:	auditing license No. 00776 series AF

	Conclusion type:	positive conclusion.
	Date of issue of the auditor's report:	30/09/2020
	Audit report number:	---
	FULL NAME. the auditor who conducted the audit:	Erkin Ayupov
	Copy of the auditor's report:	Consolidated financial statements of the bank for 2017, 2019 and 2019 in accordance with IFRS and the auditor's report are attached to it.

<b>14. LIST OF MAJOR TRANSACTIONS CLOSED IN 2019</b>						
No.	Date of the transaction	FULL NAME. or full name of the counterparty	Subject of the transaction	Sum	Who is the issuer under the transaction (acquirer / alienator of goods and services)	
1	04.12.2019	Credit Suisse AG	Attracting a credit line	523 818.0 million soums	Acquirer	
2	12.12.2019	Reconstruction Fund and development of the Republic of Uzbekistan	Transfer of credit resources No. PP-4487 from 09.10.2019	3 707 454, 2 million soums	Alienator	

<b>15. LIST OF TRANSACTIONS WITH AFFILIATES IN 2019</b>							
No.	Date of the transaction	FULL NAME. or full name of the counterparty	Subject of the transaction	Amount (sum)	The issuer's body that made the decision on the transactions	Full wording of decisions taken on transactions	
1	29/04/2019	Fund for Reconstruction and Development of the Republic of Uzbekistan	Purchase and sale of securities	417 189 050 000.00	Supervisory Board	18/03/2019	
2	12/12/2019	Fund for Reconstruction and Development of the Republic of Uzbekistan	Transfer of credit resources	3,707,454,224,484.50	General Meeting of Shareholders	15/11/2019	
3	30/12/2019	Fund for Reconstruction and Development of the Republic of Uzbekistan	Purchase and sale of securities	1,353,923,951,813.00	Supervisory Board	25/11/2019	
4	30/12/2019	Ministry of Finance of the Republic of Uzbekistan	Purchase and sale of securities	60 707 633 438.00	Supervisory Board	25/11/2019	

<b>16. LIST OF AFFILIATES</b> (as of the end of the reporting year)					
No.	FULL NAME. or full name	Location (residence) (state, region, city, district)	The basis on which they are recognized as affiliates	the date (onset of ground(s))	
1	Fund for Reconstruction and Development of the Republic of Uzbekistan	Uzbekistan, 100084, Tashkent, st. Amir Temur, 101	owner of over 20% of common shares	02/11/2017	
2	Ministry of Finance of the Republic of Uzbekistan	Uzbekistan, 100017, Tashkent, Yunusabad district, st. Istiklol, 29	a legal entity, 20% or more in the authorized capital of which is owned by the same person as the person who owns 20% or more in the authorized capital of this company	15/11/2019	
3	Khodzhaev Batyr Asadillaevich	Uzbekistan, Tashkent	Chairman of the Supervisory Board	12/06/2013	
4	Kakhhorov Azizhon Akhror	Uzbekistan, Tashkent	member of the Supervisory Board	08/07/2019	

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5	Ibrahimzhanova Zumrat Amanbaevna	Uzbekistan, Tashkent	member of the Supervisory Board	29/06/2018	
6	Ibragimov Jamol Kamilovich	Uzbekistan, Tashkent	member of the Supervisory Board	29/06/2018	
7	Abdullaeva Iroda Maratovna	Uzbekistan, Tashkent	member of the Supervisory Board	29/06/2018	
8	Ishmukhamedov Murat Mergalievich	Kazakhstan, Almaty	member of the Supervisory Board	29/06/2018	
9	Zainutdinov Sirojiddin Sayfutdinovich	Russia, Saint Petersburg	member of the Supervisory Board	08/07/2019	
10	Tadzhiev Avazkhon Asadullaevich	Uzbekistan, Tashkent	member of the Supervisory Board	08/07/2019	
11	Rakhimov Jamoliddin Kamolitdinovich	Uzbekistan, Tashkent	member of the Supervisory Board	29/06/2018	
12	Atabaev Shukhrat Khaldarovich	Uzbekistan, Tashkent	Chairman of the Management Board	15/11/2018	
13	Inomjonov Elyor Isroilovich	Uzbekistan, Tashkent	First Deputy Chairman of the Management Board	10/01/2019	
14	Zulfukarov Jura Ismailovich	Uzbekistan, Tashkent	Deputy Chairman of the Management Board	15/11/2018	
15	Abdurakhmanov Mahmud Akhmatkhuzhaevich	Uzbekistan, Tashkent	Deputy Chairman of the Management Board	14/10/2016	
16	Fayazov Jahongir Makhamadzhanovich	Uzbekistan, Tashkent	Deputy Chairman of the Management Board	18/01/2017	
17	Normetov Elyor Zafarovich	Uzbekistan, Tashkent	Member of the Management Board, Chief Accountant	12/10/2015	
18	Murodov Humoyun Gayratovich	Uzbekistan, Tashkent	Member of the Management Board, Director of the Legal Department	18/01/2017	
19	Joint Stock Company "Uzkommunmashtaminot"	Uzbekistan, Tashkent, st. Niyozbek, 1	legal a person whose statutory fund is owned by the Bank by 20 percent or more	01/07/2002	
20	Limited Liability Company "Lazzatli ko'l baliqlari"	Uzbekistan, Fergana region, Fergana, st. Komus, 38	legal a person whose statutory fund is owned by the Bank by 20 percent or more	31/03/2017	
21	Limited Liability Company "Ipoteka sarmoyasi"	Uzbekistan, 100000, Tashkent, Mirzo-Ulugbek district, st. Shakhrisabz, 30.	legal entity that is a subsidiary of the Bank	10/05/2017	
22	Limited Liability Company "Ipoteka-leasing"	Uzbekistan, 100000, Tashkent, Mirzo-Ulugbek district, st. Shakhrisabz, 30	legal entity that is a subsidiary of the Bank	22/05/2017	
23	Limited Liability Company "IMKON-SUG'URTA" Insurance organization	Republic of Uzbekistan, 100000, Tashkent, Mirzo-Ulugbek district, Mustakillik avenue, 17.	legal entity that is a subsidiary of the Bank	09/04/2019	