

ANNUAL REPORT of the issuer for 2022

1.	NAME OF THE ISSUER	
	Full:	
	In the state language:	«Ипотека-банк» акциядорлик тижорат ипотека банки
	In Latin script:	«Ipoteka-bank» aksiyadorlik tijorat ipoteka banki
	In Russian:	Акционерный коммерческий ипотечный банк «Ипотека-банк»
	In English:	Joint-stock commercial mortgage bank «Ipoteka-bank»
2.	Abbreviated:	
	In the state language:	«Ипотека-банк» АТИБ
	In Latin script:	«Ipoteka-bank» ATIB
	In Russian:	АКИБ «Ипотека-банк»
	In English:	JSCMB «Ipoteka-bank»
	Name of the stock ticker:	A054570 (IPTB)
3.	CONTACT DETAILS	
	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
3.	BANK DETAILS	
	Name of servicing bank:	Main operational department of JSCMB "Ipoteka-bank"
	Current account number:	№10301000900000937001
	MFIs:	00937
4.	REGISTRATION AND IDENTIFICATION NUMBERS ASSIGNED:	
	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 December 25, 2021.
	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.	
	OPF: 153, OKPO: 17068947, OKED: 64190, SOATO: 1726269	
5.	INDICATORS OF THE FINANCIAL AND ECONOMIC STATE OF THE ISSUER	
	Return on equity ratio:	net profit / authorized capital = 38,7%
	Total solvency coverage ratio:	
	Net Stable Financing Norm	Amount of stable funding available / Amount of stable funding required = = 0,117 (мин 0,100).
	Absolute liquidity ratio:	
	The ratio of own and borrowed funds:	adjusted total risk-based capital / risk-adjusted assets = = 0,168 (мин 0,130)
	The ratio of own and borrowed funds of the issuer:	equity / liabilities = 15,5%
6.	AMOUNT OF ACCRUED INCOME ON SECURITIES IN THE REPORTING YEAR	
		in monetary terms
	For ordinary shares	
	in soums per share:	-
	as a percentage of the par value of one share:	-
	Preferred shares	
	in soums per share:	25 tiyin.
	as a percentage of the par value of one share:	25%
	For other securities	-

	PRESENT DEBT IN PAYMENT OF INCOME ON SECURITIES							
	For ordinary shares							
	according to the results of the reporting period (in soums):			---				
	according to the results of previous periods (in soums):			---				
	Preferred shares							
7.	according to the results of the reporting period (in soums):			---				
	according to the results of previous periods (in soums):			---				
	For other securities							
	according to the results of the reporting period (in soums):			---				
	according to the results of previous periods (in soums):			---				
8.	CHANGES IN THE COMPOSITION OF THE SUPERVISORY BOARD, AUDIT COMMISSION OR THE EXECUTIVE BODY							
	No.	Date modified		FULL NAME.	Position	Issuing body that made the decision	Elected (appointed) / withdrawn from membership (dismissed, expiration of term of office)	
		decision date	date of entry into office					
	1	30/06/2022		Nuritdinova Naima Nizom qizi;	member of the Revision Commission	General Meeting of Shareholders	added	
	2	30/06/2022		Darvishev Nurbek Muratovich;	member of the Revision Commission	General Meeting of Shareholders	added	
3	30/06/2022		Pulatov Alimirzo Xaydarovich	member of the Revision Commission	General Meeting of Shareholders	added		
9.	KEY INFORMATION ON ADDITIONALLY ISSUED SECURITIES IN THE REPORTING YEAR							
	TWENTIETH SHARE ISSUE							
10.	MATERIAL FACTS IN THE ISSUER'S ACTIVITIES IN THE REPORTING YEAR							
	No.	Namematerial fact (abbreviated as SF)				No. SF	Occurrence dateSF	Publication dateSF
	1	Decisions taken by the supreme management body of the issuer				06	06/05/2022	06/05/2022
	2	Change in the composition of the supervisory board, audit commission or executive body				08	06/05/2022	06/05/2022
	3	Changes in ownership of the issuer's shares by members of the Supervisory Board				34	05/07/2022	06/07/2022
	4	Decisions taken by the supreme management body of the issuer				06	07/07/2022	07/07/2022
	5	Change in the composition of the supervisory board, audit commission or executive body				08	07/07/2022	07/07/2022
	6	Accrual of income on securities				32	07/07/2022	07/07/2022
	7	Changes in ownership of the issuer's shares by members of the Supervisory Board				34	25/07/2022	27/07/2022
	8	Decisions taken by the supreme management body of the issuer				06	29/07/2022	01/08/2022
11.		BALANCE SHEET OF THE BANK FOR 30/12/2021 (in thousand soums)						
	No.	ASSETS		Total	in national currency		in foreign currency (in equivalent in soums)	
	1	Cash on hand and other payment documents		1 301 986 131	467 655 975		834 330 156	
	2	To be received from the CBR		1 940 452 417	1 767 482 155		172 970 262	
	3	Receivable from other banks, net		3 639 715 284	199 414 232		3 440 301 052	
	3.1.	Receivable from other banks, gross		3 662 166 204	199 414 232		3 462 751 972	
	3.2.	Minus: Reserve for possible losses		22 450 920	0		22 450 920	
	4	Purchase and sale accounts, net		3 917 698 257	3 917 698 257		0	

4.1.	Securities for purchase and sale, gross	4 030 305 000	4 030 305 000	0
4.2.	Discount and premiums on securities	-112 606 743	-112 606 743	0
4.3.	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	128 629 478	128 629 478	0
6.1.	Investments, gross	135 196 576	135 196 576	0
6.2.	Minus: Reserve for possible losses	6 567 098	6 567 098	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	32 099 691 983	21 187 949 140	10 911 742 843
8.1.	Loans and leasing operations, gross	32 657 580 148	21 557 097 527	11 100 482 621
8.2.	Minus: Reserve for possible losses	557 888 165	369 148 387	188 739 778
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	314 315 317	314 315 317	0
11	Fixed assets, net	879 366 315	462 705 177	416 661 138
12	Total accrued interest and non-interest income, net	103 525 461	103 525 461	0
12.1.	Accrued interest receivable, gross	267 040 000	267 040 000	0
12.2.	Accrued non-interest income receivable, gross	1 886 738	1 886 738	0
12.2.1	Minus: Reserve for possible losses	165 401 277	165 401 277	0
13	Other own property of the bank, clean	335 888 580	335 888 580	0
13.1.	Other own property collected under loans and leasing, gross	286 849 487	286 849 487	0
13.2.	Other own property of the bank, gross	44 320 649	44 320 649	0
13.3.	Minus: Accumulated depreciation and provisions for possible losses	4 718 444	4 718 444	0
14	Other assets, net	197 148 372	119 626 815	77 521 557
14.1.	Other assets, gross	284 664 953	157 969 709	126 695 244
14.2.	Minus: Reserve for possible losses	87 516 581	38 342 894	49 173 687
14.3.	Purchase and sale of currency and currency positions	0		
15.	Total assets	44 186 641 119	28 333 114 111	15 853 527 008
	LIABILITIES AND EQUITY			
	COMMITMENTS			
16	Demand deposits	8 171 075 077	4 525 864 838	3 645 210 239
17.	Term deposits	8 261 330 986	6 918 815 937	1 342 515 049
18	Payable to the CBR	14 921 202	14 921 202	0
19	Payable to other banks	2 886 653 378	881 696 428	2 004 956 950
20.	Securities sold under REPO transactions	0	0	0
21.	Loans and leasing operations payable	13 371 920 237	8 377 508 603	4 994 411 634
22.	Securities issued by the bank	4 148 636 244	780 998 244	3 367 638 000
23.	Subordinated debt	424 092 049	424 092 049	0

	24.	Accrued interest payable	372 560 166	152 664 737	219 895 429
	25.	Accrued taxes payable	74 958 715	74 958 715	0
	26.	Clearing transactions	14 146 685	444 724	13 701 961
	27.	Other obligations	519 343 552	304 398 930	214 944 622
	28.	Total liabilities	38 269 205 967	22 465 932 083	15 803 273 884
		EQUITY			
	29.	Authorized capital	2 989 584 339	2 989 584 339	
	29.1.	Shares - Ordinary	2 981 532 339	2 981 532 339	
	29.2.	Shares - Preferred	8 052 000	8 052 000	
	30.	Added capital	754 434	754 434	
	31.	Reserve capital.	719 597 696	719 597 696	
	31.1.	General purpose reserve fund	698 081 995	698 081 995	
	31.2.	Provisions created for standard assets	0	0	
	31.3.	Reserve for devaluation	0	0	
	31.4.	Other reserves and funds	21 515 701	21 515 701	
	32.	Undistributed profits	2 207 498 683	2 207 498 683	0
	32.1.	of which, net profit (loss) of the current year	1 156 476 399	1 156 476 399	0
	33.	Total equity	5 917 435 152	5 917 435 152	0
	34.	Total liabilities and equity	44 186 641 119	28 383 367 235	15 803 273 884
12.	REPORT ON FINANCIAL PERFORMANCE OF THE BANK FOR 30/12/2021 (in thousand soums)				
	No.	Categories	Total	in national currency	in foreign currency (in equivalent in soums)
	1.	1. INTEREST INCOME			
	a.	Interest income on accounts with the CBR	41 756 573	41 756 573	0
	b.	Interest income on accounts with other banks	100 203 700	49 560 290	50 643 410
	c.	Interest income on purchased bills	0	0	0
	d.	Interest income on investments	465 271 868	465 271 868	0
	e.	Interest income on securities purchase and sale accounts	0	0	0
	f.	Interest income on customer obligations	0	0	0
	g.	Interest income on customer obligations on outstanding acceptances of this bank			
	h.	Interest, Discount (Discounts) and installments on credit and leasing operations	3 873 309 754	3 263 638 726	609 671 028
	i.	Interest income from securities purchase and repurchase agreements	0	0	0
	j.	Other interest income	1 946 764 054	1 573 864 422	372 899 632
	l.	Total interest income	6 427 305 949	5 394 091 879	1 033 214 070
	2.	INTEREST EXPENSES			
	a.	Interest expense on demand deposits	41 795 270	41 781 688	13 582
	b.	Interest expense on term deposits	987 526 684	912 650 036	74 876 648
	c.	Interest expense on accounts payable with the CBR	0	0	0
	d.	Interest expense on accounts payable to other banks	79 552 362	64 066 899	15 485 463
	e.	Total interest expense on deposits	1 108 874 316	1 018 498 623	90 375 693
	f.	Interest expense on loans payable	625 682 821	439 686 628	185 996 193
	g.	Interest expenses under agreements on the sale of securities with subsequent repurchase	0	0	0
	h.	Other interest expenses	2 283 169 812	1 715 945 994	567 223 818
	i.	Total interest expense on borrowings	2 908 852 633	2 155 632 622	753 220 011

	1.	Total interest expense	4 017 726 949	3 174 131 245	843 595 704
	3.	NET INTEREST INCOME BEFORE ASSESSMENT OF POSSIBLE LOSS ON ASSETS	2 409 579 000	2 219 960 634	189 618 366
	a.	Minus: Assessment of possible losses on loans and leasing	1 279 988 423	979 946 421	300 042 002
	b.	Minus: Estimation of possible losses on securities	0	0	0
	c.	Minus: Estimation of possible losses on investments	6 046 813	6 046 813	0
	d.	Minus: Estimation of possible losses on other assets	528 913 200	377 490 726	151 422 474
	e.	Net interest income after assessing possible losses on loans and leasing	594 630 564	856 476 674	-261 846 110
	4.	INTEREST-FREE INCOME			
	a.	Income from commissions and service fees	463 191 340	372 926 696	90 264 644
	b.	Profit in foreign currency	1 631 043 389	60 450 863	1 570 592 526
	c.	Profit from commercial operations	0	0	0
	d.	Profits and dividends from investments	7 221 748	7 221 748	0
	e.	Other non-interest income	1 411 240 464	1 126 458 718	284 781 746
		<i>including</i>			
	e1.	Return of reserves formed to cover losses on assets	1 147 390 380	905 669 859	241 720 521
	e 2.	Recovery of written-off loans	176 597 052	156 727 657	19 869 395
	f.	Total non-interest income	3 512 696 941	1 567 058 025	1 945 638 916
	5.	INTEREST-FREE EXPENSES			
	a.	Commission and service costs	114 656 065	76 042 783	38 613 282
	b.	Foreign currency losses	1 506 970 976	5 271 817	1 501 699 159
	c.	Losses on purchase and sale accounts	0	0	0
	d.	Investment losses	0	0	0
	e.	Other non-interest expenses	1 484 465	1 484 465	0
	f.	Total non-interest expenses	1 623 111 506	82 799 065	1 540 312 441
	6.	NET INCOME BEFORE OPERATING EXPENSES	2 484 215 999	2 340 735 634	143 480 365
	7.	OPERATING EXPENSES			
	a.	Salaries and other expenses for employees	761 407 735	761 407 735	
	a1)	of which, payments to key management personnel	12 479 937	12 479 937	
	b.	Rent and maintenance	77 210 817	77 210 817	
	c.	Travel and transport expenses	7 205 219	7 205 219	
	d.	Administrative expenses	29 852 923	29 852 923	
	e.	Representation and charity	56 159 532	56 159 532	
	f.	Wear and tear costs	82 968 164	82 968 164	
	g.	Insurance	6 149 436	6 149 436	
	h.	taxes	10 573 226	10 573 226	
	i.	Fines and penalties	158 838	158 838	
	j.	Other operating expenses	20 266 701	20 266 701	
	l.	Total operating expenses	1 051 952 591	1 051 952 591	
	8.	NET PROFIT BEFORE TAXES AND OTHER AMENDMENTS	1 432 263 408	1 288 783 043	143 480 365
	a.	Income tax assessment	275 787 009	275 787 009	
	9.	INCOME BEFORE AMENDMENTS	1 156 476 399	1 012 996 034	143 480 365
	a.	Income or loss, net	0	0	0
	b.	Other earnings adjustments, net	0	0	0
	10.	NET PROFIT (LOSS)	1 156 476 399	1 012 996 034	143 480 365
13.	INFORMATION ON THE RESULTS OF THE AUDIT				

	Name of the audit organization:		JSC “KPMG AUDIT LLC”				
	License issue date:		04/18/2019				
	License number:		No. AF 00832				
	Conclusion type:		Mandatory audit				
	Date of issue of the auditor's report:		"23" yune 2023				
	Audit report number:		-				
	FULL NAME. the auditor who conducted the audit:		Saidov Sanzharbek Kamildzhanovich				
	Copy of the auditor's report:		Consolidated financial statements of the bank for 2022 in accordance with IFRS and the auditor's report are attached to it.				
14.	LIST OF MAJOR TRANSACTIONS IN THE REPORTING YEAR						
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	-	-	-	-	-		
15.	LIST OF TRANSACTIONS WITH AFFILIATES IN THE REPORTING YEAR						
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	-	-	-	-	-	-	
16.	LIST OF AFFILIATES (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	Ministry of Finance of the Republic of Uzbekistan		RepublicUzbekistan, 100017, Tashkent, Yunusabad district, st. Istiklol, 29		a legal entity that owns 20% or more of the Bank's shares		11/10/2021
2	JSC "Uzbekistan Airways"		Republic of Uzbekistan, Tashkent, 100060, avenue Amir Temur 41,		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		11/10/2021
3	JSC "Uzsuvtaminot"		Republic of Uzbekistan, 100053, Tashkent, Bogishamol street, 152		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		11/10/2021
4	JSC "Khududgaztaminot"		Tashkent city, 100115, Mukimiy street, 98		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		11/10/2021
5	JSC "Hisorgeologiya"		Republic of Uzbekistan, Kashkadarya region		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		11/10/2021
6	JSC "Samarkandgeology"		Republic of Uzbekistan, Samarkand, st. Academician Vohid Abdullayev, 5		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		11/10/2021
7	JSC "Uzdonmakhsulot"		The Republic of Uzbekistan, Tashkent city, 100060, Mirabad district, st. Shakhrisabz, 36.		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		11/10/2021

8	JSC "Uzavtosanoat"	Republic of Uzbekistan, 100000, Tashkent, Mirabad district, st. Amir Temur, 13	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	11/10/2021
9	Joint Stock Commercial People's Bank of the Republic of Uzbekistan	RepublicUzbekistan, 100000, Tashkent, Mirabad district, Amir Temur Ave., 3	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	11/10/2021
10	JSC "National Bank for Foreign Economic Affairs of the Republic of Uzbekistan"	RepublicUzbekistan, 100084, Tashkent city, Yunusabad district, Amir Temur Ave., 101	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	11/10/2021
11	JSC "Toshshahartranskhizmat"	Republic of Uzbekistan, cityTashkent,Yunusabad district, 1st Amir Temur Ave., 2	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	11/10/2021
12	JSC "Uzbekhydroenergo"	Republic of Uzbekistan, 100011, Tashkent, Shaykhantakhur district, Navoi avenue, 22	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	11/10/2021
13	JSC "Issiklik electr station"	111219, Tashkent region, Kibray district, Salar city, mahalla S. Rakhimov, ToshIES settlement	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	11/10/2021
14	JSC "Gududiy electr tarmoqlari"	Republic of Uzbekistan, 100084,G. <u>Tashkent,Yunusabad district</u> ,Osie street, 8th house	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	11/10/2021
15	JSC "Uzbekiston milliy electr tarmoqlari"	Republic of Uzbekistan, Tashkent, 100084, Yunusabad district, Osiyo street, 42nd building	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	11/10/2021
16	JSC "Uzbekistan Airports"	Republic of Uzbekistan, Tashkent, 100015, Mirabad district, Mirabad street, 41/4	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	11/10/2021
17	JSC "Uzbekneftegaz"	Republic of Uzbekistan, Tashkent, <u>100047</u> , Yashnabad district, Istikbol street, 21	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	11/10/2021
18	JSC "Uztransgaz"	Republic of Uzbekistan, Tashkent, 100031, Yakkasaray district, st. Yusuf Khos Khodjiba, 31A.	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	11/10/2021
19	JSC "Uzagrosugurta"	The Republic of Uzbekistan, <u>100156</u> ,Tashkent city, Chilanzar district, block 19, 61/2.	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	11/10/2021
20	JSC "Uzbektelecom"	Republic of Uzbekistan, 100011, Tashkent, Shaykhantakhur district, Navoi avenue, 28 A	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	11/10/2021

			company	
21	JSC "Uzkimyo sanoat"	Republic of Uzbekistan, 100011, Tashkent, Shaykhantakhur district, st. Navoi, 38.	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	11/10/2021
22	JSC "Uzbekiston temir yullari"	Republic of Uzbekistan, 100060, Tashkent, Mirabad district, Taras Shevchenko street, 7A.	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	11/10/2021
23	JSC "Navoiyazot"	Republic of Uzbekistan, 210105, Navoi region, Navoi city, Navoi street, 5	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	11/10/2021
24	JSC "Uzbekiston pochta si"	Republic of Uzbekistan, 100000, G. <u>Tashkent, Yunusabad district</u> , Oloy street, 1	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	11/10/2021
25	JSC "Uzbekgeofizika"	Republic of Uzbekistan, Tashkent region, Kibray district, Geofizika settlement	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	11/10/2021
26	JSCB "Microcreditbank"	RepublicUzbekistan, 100096, Tashkent, Chilanazar district, st. Lutfiy, 14	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	11/10/2021
27	JSCB Qishloq Qurilish Bank	RepublicUzbekistan, 100011, Tashkent, st. Navoi, d. 18A	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	11/10/2021
28	JSCB "Agrobank"	RepublicUzbekistan, 100096, Tashkent, Chilanazar district, st. Mukimi, 43	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	11/10/2021
29	JSC "Kyzylkumgeology"	The Republic of Uzbekistan, Navoi region, Zarafshan	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	11/10/2021
30	JSC "Geoburtekhnika"	The Republic of Uzbekistan, Tashkent city, Usta Shirin street, 104	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	11/10/2021
31	JSC «Markaziy Laboratoriya»	The Republic of Uzbekistan, Tashkent city, Yashnabad district, stup. 2nd Mashkhadi, 5	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	11/10/2021
32	JSC "Toshkentgeologiya"	The Republic of Uzbekistan, Tashkent city, Yunusabad district, Khalkobod street, 8	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	11/10/2021
33		The Republic of Uzbekistan, Tashkent city, Navoi street, 7	a legal entity, 20% or more in the authorized capital of which is owned by the same person as the person who owns 20%	11/10/2021

	JSC "Urakamyobmetgeologiya"		or more in the authorized capital of this company	
34	JSC "Surxongeologiya"	Republic of Uzbekistan, Surkhandarya region, Boysun district, st. Sh. Rashidova 4	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	11/10/2021
35	Alexander Picker	Austria, Salzburg	member of the Supervisory Board	07/10/2020
36	Ibrahimjanova Zumrat Amanbaevna	Republic of Uzbekistan, Tashkent	member of the Supervisory Board	29/06/2018
37	Abdullaeva Iroda Maratovna	Republic of Uzbekistan, Tashkent	member of the Supervisory Board	29/06/2018
38	Abdushukurov Jamshid Abdigalipovich	Republic of Uzbekistan, Tashkent	member of the Supervisory Board	07/10/2020
39	Makhkamov Rustam Khusniddinovich	Republic of Uzbekistan, Tashkent	member of the Supervisory Board	07/10/2020
40	Tatiana Dogan	Turkey, Istanbul	member of the Supervisory Board	07/10/2020
41	Wesley Davis	UK, London	member of the Supervisory Board	07/10/2020
42	Tadjiev Avazkhon Asadullaevich	Republic of Uzbekistan, Tashkent	member of the Supervisory Board	08/07/2019
43	Inomjonov Elyor Isroilovich	Republic of Uzbekistan, Tashkent	Chairman of the Management Board	10/02/2021
44	Botirov Farrukh Mannonovich	Republic of Uzbekistan, Tashkent	First Deputy Chairman of the Management Board	14/09/2021
45	Zulfukarov Jura Ismailovich	Republic of Uzbekistan, Tashkent	Deputy Chairman of the Management Board	15/11/2018
46	Abdurakhmanov Mahmud Akhmatkhuzhaevich	Republic of Uzbekistan, Tashkent	Deputy Chairman of the Management Board	14/10/2016
47	Fayazov Jahongir Makhmadzhanovich	Republic of Uzbekistan, Tashkent	Deputy Chairman of the Management Board	18/01/2017
48	Rakhbarov Nodirbek Alisherovich	Republic of Uzbekistan, Tashkent	Deputy Chairman of the Management Board	21/02/2020
49	Normetov Elyor Zafarovich	Republic of Uzbekistan, Tashkent	Member of the Management Board, Chief Accountant	12/10/2015
50	Murodov Humoyun Gayratovich	Republic of Uzbekistan, Tashkent	Member of the Management Board, Director of the Legal Department	18/01/2017
51	Ipoteka leasing LLC	Republic of Uzbekistan, 100000, Tashkent, st. Shakhrisabz, 30	legal entity that is a subsidiary of a bank	22/05/2017
52	IMKON-SUG'URTA LLC Insurance company	Republic of Uzbekistan, 100000, Tashkent, Mirzo-Ulugbek district, Mustakillik Ave., 17.	legal entity that is a subsidiary of a bank	09/04/2019
53	JSC Mortgage Refinancing Company of Uzbekistan	Republic of Uzbekistan, 100000, Tashkent, st. Istiklol, 29	legal a person whose statutory fund is owned by a bank by 20 percent or more	14/07/2020

2022



JOINT STOCK COMMERCIAL
MORTGAGE BANK

"IPOTEKA-BANK"
AND ITS SUBSIDIARIES

Consolidated Financial Statements
and Independent Auditors' Report
For the Year Ended
31 December 2022

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 YEAR ENDED 31 DECEMBER 2022

Management is responsible for the preparation of the consolidated financial statements that present fairly the consolidated financial position of JSCMB "Ipoteka Bank" ("the Bank") and its subsidiaries (collectively – "the Group") as at 31 December 2022 and the related consolidated financial performance and consolidated cash flows for the year then ended, in accordance with IFRS Standards as issued by the International Accounting Standards Board ("IFRS Standards").

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 IFRS Standards 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 Standards;
- 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 year ended 31 December 2022 were approved by the Management Board on 23 June 2023.

On behalf of the Management Board:

Elyor Inomjonov
Chairman of the Board

23 June 2023
Tashkent, Uzbekistan



Elyor Normetov
Chief Accountant

23 June 2023
Tashkent, Uzbekistan



Audit Organization «KPMG Audit» LLC
International Business Center
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Independent Auditors' Report

To the Shareholders and Supervisory Board of Joint Stock Commercial Mortgage Bank “Ipoteka Bank”

Report on the Audit of the Consolidated Financial Statements

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 2022, 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 significant accounting policies and other explanatory information.

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 2022, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Standards as issued by the International Accounting Standards Board (IFRS Standards).

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 “*Auditors’ Responsibilities for the Audit of the Financial Statements*” section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants International Code of Ethics for Professional Accountants (including International Independence Standards) (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.

Expected credit losses ("ECL") on loans and advances to customers

See Notes 4, 6 and 9 to the consolidated financial statements.

<i>The key audit matter</i>	<i>How the matter was addressed in our audit</i>
<p>Loans to customers represent 74% of assets and are stated net of ECL, which is estimated on a regular basis and is sensitive to assumptions used.</p> <p>The Group uses ECL model which requires management to apply professional judgement and to make assumptions related to the following key areas:</p>	<p>We analyzed the key aspects of the Group's methodology and policies related to ECL estimation for compliance with the requirements of IFRS 9, including involvement of our financial risk management specialists.</p> <p>To analyze the adequacy of the professional judgment used by management and the assumptions made in relation to ECL allowance, we performed the following audit procedures:</p>
<ul style="list-style-type: none"> - Timely identification of significant increase in credit risk and default events related to loans to customers (allocation to Stages 1, 2 and 3 in accordance with IFRS 9); 	<ul style="list-style-type: none"> - For loans to small and medium-sized entities and loans to individuals we assessed the design and tested the operating effectiveness of internal controls for timely classification of loans to Stages of credit risk; - For the sample of corporate loans, the potential change in ECL for which may have a significant impact on the consolidated financial statements, we tested whether stages are correctly assigned by the Group by analyzing financial and non-financial information on selected borrowers, as well as assumptions and professional judgment applied by the Group.
<ul style="list-style-type: none"> - Estimation of probability of default (PD) and loss given default (LGD); - Expected cash flows forecast on loans to customers classified to Stage 3. 	<ul style="list-style-type: none"> - For all loans to customers classified to Stages 1 and 2 and for loans to customers classified in Stage 3, for which the Group assessed ECL on a collective basis, we tested the principles of appropriate models and checked the correctness of the input data used in the calculation of PD, LGD and EAD, the timely recognition of delinquencies and repayments in the respective systems, by comparing with primary documents on a sample basis.
<p>Due to the significant volume of loans to customers and the related subjectivity inherent in estimating the amount of the ECL allowance, this area is a key audit matter.</p>	<ul style="list-style-type: none"> - For corporate loans classified to Stage 3, where ECL allowances assessed on an individual basis, we critically assessed assumptions used by the Group in estimating future cash flows, including estimated proceeds from realizable collaterals and their expected disposal terms, based on our



	<p>understanding and publicly available market information. We focused on loans to customers, the change in ECL for which may potentially have the most significant impact on the consolidated financial statements.</p> <p>We assessed the overall predictive capability of the models used by the Group to calculate ECL by comparing the estimate made as at 1 January 2022 with the actual results for 2022 and assessed whether the disclosures in the consolidated financial statements appropriately reflect the Group's exposure to credit risk.</p>
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Fair value of borrowings from government, state and international institutions and loans issued under government programs

See Note 4 and Note 19 to the consolidated financial statements.

<i>The key audit matter</i>	<i>How the matter was addressed in our audit</i>
<p>The Group receives significant part of the targeted financing of its operations from state financial institutions under state programs, which as at 31 December 2022 comprised 50% of total liabilities. Many loans were obtained by the Group on terms that differ significantly from other borrowings. These loans were initially recognized at fair value.</p> <p>The Group uses these borrowings to finance issuance of loans under government programs, which comprised 34% of total assets as at 31 December 2022. Contractual terms of such loans also differ significantly from other loans issued and they are initially recognized at fair value.</p> <p>Due to the significant amount of loans received from state financial institutions and loans issued under government programs as well as the significant judgment applied in estimating the fair value of these financial assets and financial liabilities, this issue is a key audit matter.</p>	<p>We have analyzed the resolutions of the government authorities of the Republic of Uzbekistan regarding the financing and development programs of sectors of the economy, under which the Group attracts financing from state financial institutions and issues loans.</p> <p>In order to analyze the adequacy of management's judgment and assumptions applied in determining fair value of the financing raised and loans issued, we considered all conditions of government financing programs and the relationship between attracted borrowings and issued loans which terms differ significantly from similar instruments in the Group's portfolio.</p> <p>We have also assessed whether the disclosures in the consolidated financial statements adequately describe the key judgments and key assumptions made by the Group with respect to the determination of the fair value of financial assets and financial liabilities.</p>



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 IFRS 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.

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.

Auditors' 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 auditors' 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 judgment and maintain professional skepticism 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 auditors' 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 auditors' 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.



- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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 communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

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 auditors' 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.

Report of findings from procedures performed in accordance with the requirements of the Law No. 580, dated 5 November 2019, On Banks and Banking Activity

Management is responsible for the Group's compliance with prudential ratios established by the Central bank of the Republic of Uzbekistan and for maintaining internal controls and organizing risk management systems of the Group in accordance with the requirements established by the Central bank of the Republic of Uzbekistan.

In accordance with Article 74 of the Law No. 580, dated 5 November 2019 *On Banks and Banking Activity* (the "Law"), we have performed procedures to check:

- the Group's compliance with prudential ratios as at 31 December 2022 established by the Central Bank of the Republic of Uzbekistan;
- whether the elements of the Group's internal control and organization of its risk management systems comply with the requirements established by the Central Bank of the Republic of Uzbekistan.

These procedures were selected based on our judgment and were limited to the analysis, inspection of documents, comparison of the Group's internal policies, procedures and methodologies with the applicable requirements established by the Central bank of the Republic of Uzbekistan, and recalculations, comparisons and reconciliations of numerical data and other information. Our findings from the procedures performed are reported below:

- Based on our procedures with respect to the Group's compliance with the prudential ratios established by the Central bank of the Republic of Uzbekistan, we found that the Bank's prudential ratios as at 31 December 2022 were within the limits established by the Central bank of the Republic of Uzbekistan.

We have not performed any procedures on the accounting records maintained by the Group, other than those which we considered necessary to enable us to express an opinion as to whether the Group's consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2022, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the IFRS Standards.

- Based on our procedures with respect to whether the elements of the Group's internal control and organization of its risk management systems comply with the requirements established by the Central bank of the Republic of Uzbekistan, we found that:

- as at 31 December 2022, the Bank's internal audit function was subordinated to, and reported to, the Supervisory Board, and the risk management function was not subordinated to, and did not report to, divisions taking relevant risks in accordance with the regulations and recommendations issued by the Central bank of the Republic of Uzbekistan;
- the frequency of reports prepared by the Bank's internal audit function during 2022 was in compliance with the requirements of the Central bank of the Republic of Uzbekistan. The reports were approved by the Bank's Supervisory Board and included observations made by the Bank's internal audit function in respect of the Bank's internal control systems;
- as at 31 December 2022 the Bank established Information security function as required by the Central bank of the Republic of Uzbekistan, and the information security policy was approved by the Bank's Management board. Information security function was subordinated to and reported directly to the Chairman of the Management board;
- Reports by the Bank's Information security function to the Chairman of the Management board during 2022 included assessment and analysis of information security risks, and results of actions to manage such risks;
- the Bank's internal documentation, effective on 31 December 2022, establishing the procedures and methodologies for identifying and managing the Group's significant risks and for stress-testing, was approved by the authorised management bodies of the Bank in accordance with the regulations and recommendations issued by the Central bank of the Republic of Uzbekistan;
- as at 31 December 2022, the Bank maintained a system for reporting on the Group's significant risks and on the Group's capital;
- the frequency of reports prepared by the Bank's risk management and internal audit functions during 2022, which cover the Group's risk management, was in compliance with the Bank's internal documentation. The reports included observations made by the Bank's risk management and internal audit functions as to their assessment of the Group's significant risks, and recommendations for improvement;
- as at 31 December 2022, the Supervisory Board and Executive Management of the Bank had responsibility for monitoring the Group's compliance with the risk limits and capital adequacy ratios established in the Bank's internal documentation. In order to monitor the effectiveness of the Group's risk management procedures and their consistent application during 2022, the Supervisory Board and Executive Management of the Bank periodically discussed the reports prepared by the risk management and internal audit functions and considered the proposed corrective actions.

Procedures with respect to elements of the Group's internal control and organization of its risk management systems were performed solely for the purpose of examining whether these elements, as prescribed in the Law and as described above, comply with the requirements established by the Central bank of the Republic of Uzbekistan.

The engagement partners on the audit resulting in this independent auditors' report are:

Saidov S. K.
Engagement Director
General Director
AO «KPMG Audit» LLC
Qualification certificate of bank auditor #16/3
issued 1 February 2020 by the Central Bank
of the Republic of Uzbekistan
Tashkent, Uzbekistan

23 June 2023

Kouznetsov A. A.
Project Partner
AO «KPMG Audit» LLC

