

# ANNUAL REPORT

## Of JSCB "Kapitalbank" according to the results of 2017

The issuer's body that approved the report: Annual General Meeting of Shareholders of JSCB "Kapitalbank"

Date of approval of the report: 27.06.2018

<b>ISSUER'S NAME</b>	
1.	Full name: Joint-stock Commercial Bank
	Abbreviated name: JSCB "Kapitalbank"
	Name of the stock ticker*: KPB
<b>CONTACT DETAILS</b>	
2.	Location: Tashkent, Yunusabad District, Sayilgoh street, 7
	Postal address: 100047, Tashkent, Yunusabad district, Sayilgoh street, 7
	Email*: info@kapitalbank.uz
	Official website*: www.kapitalbank.uz
<b>BANK DETAILS</b>	
3.	Service bank name: Head office of JSCB "Kapitalbank"
	Current account number: 29802100000001088001
	MFO: 1088
<b>REGISTRATION AND IDENTIFICATION NUMBERS ASSIGNED BY:</b>	
4.	registering authority: No.69 dd. 29.08.2014
	state tax authority (TIN): 207 127 843
	<b>Numbers assigned by state statistics bodies:</b>
	KFS: 144
	OKPO: 23839834
	OKED: 64190
	SOATO: 1726266
<b>INDICATORS OF THE ISSUER'S FINANCIAL AND ECONOMIC CONDITION **</b>	
5.	Return on equity ratio: 0,54
	Total solvency coverage ratio: 1,44
	Absolute liquidity ratio: 0,64
	Equity to attracted funds ratio: 0,11
	Issuer's equity to borrowed funds ratio: 1,42
<b>ACCRUED INCOME ON SECURITIES IN THE REPORTING YEAR</b>	
<b>On ordinary shares *</b>	
6.	in UZS per share: -
	as a percentage of a par value of one share: -
<b>On preferred shares *</b>	
	in UZS per share: -
	as a percentage of a par value of one share: -
<b>On other securities *</b>	

	in UZS per one security (No. P0804 dated 06.03.2007)	110, 000 UZS
	as a percentage of the par value of one security:	11%
	in UZS per one security (No. P0804-2 dated 23.10.2009)	140, 000 UZS
	as a percentage of the par value of one security:	14%
<b>OUTSTANDING SECURITIES INCOME</b>		
<b>For ordinary shares *</b>		
	based on results of the reporting period (in UZS):	no
	based on results of the previous periods (in UZS)	no
<b>For preferred shares *</b>		
	based on results of the reporting period (in UZS):	no
	based on results of the previous periods (in UZS)	no
<b>For other securities *</b>		
	based on results of the reporting period (in UZS):	no
	based on results of the previous periods (in UZS)	no
<b>CHANGES IN MEMBERSHIP OF THE SUPERVISORY BOARD, AUDIT COMMISSION OR EXECUTIVE BODY</b>		

8.	Date of changes		Full name	Position	Issuer body that made the decision	Elected (appointed) / removed from the membership (dismissed, expiration of the term of office)
	Date of decision	Date of taking the office				
<b>CHANGES IN MEMBERSHIP OF THE SUPERVISORY BOARD</b>						
	30.06.2017	30.06.2017	Otakhonov Foziljon Khaidarovich	Chairman of the Board	General Meeting of Shareholders	Elected
	30.06.2017	30.06.2017	Ilkhom Karamatov Odilovich	Member of the Board	General Meeting of Shareholders	Elected
	30.06.2017	30.06.2017	Rakhimov Bakhrom Ikramianovich	Member of the Board	General Meeting of Shareholders	Elected
	30.06.2017	30.06.2017	Blagova Nadejda Nikolavevna	Member of the Board	General Meeting of Shareholders	Elected
	30.06.2017	30.06.2017	Maksumov Furkat Avbekovich	Member of the Board	General Meeting of Shareholders	Elected
<b>CHANGES IN MEMBERSHIP OF THE AUDIT COMMISSION</b>						
	27.06.2018		Derevyanskaya Valentina Anatolyevna	Member of the Board of the Audit Commission	General Meeting of Shareholders	Excluded from membership
	27.06.2018		MasudovJamollidin Hayriddinovich	Member of the Board of the Audit Commission	General Meeting of Shareholders	Excluded from membership
	27.06.2018	27.06.2018	Akhunov Stanislav Akbarovich	Member of the Board of the Audit Commission	General Meeting of Shareholders	Elected
	27.06.2018	27.06.2018	Halimov Bobomurod Bahriddinovich	Member of the Board of the Audit Commission	General Meeting of Shareholders	Elected

27.06.2018	27.06.2018	Tkachenko Yelena Anatolyevna	Member of the Board of the Audit Commission	General Meeting of Shareholders	Elected
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<b>CHANGE IN THE MEMBERSHIP OF THE EXECUTIVE BODY</b>					
27.06.2018	27.06.2018	Olimov Kakhramonjon Anvarovich	Chairman of the Board	General Meeting of Shareholders	Elected
03.07.2017	03.07.2017	Yuldashev Bahadir Tashpulatovich	Member of the Management Board Deputy Chairman of the Management Board	The Bank's Board	Elected
03.07.2017	03.07.2017	Karimbayev Sherzod Kobilovich	Member of the Management Board Deputy Chairman of the Management Board	The Bank's Board	Elected
03.07.2017	03.07.2017	Voistinov Konstantin Alekseyevich	Member of the Management Board Deputy Chairman of the Management Board	The Bank's Board	Elected
03.07.2017	03.07.2017	Skuybida Yelena Yvgenyevna	Member of the Management Board Chief Accountant	The Bank's Board	Elected
03.07.2017	03.07.2017	Nurutdinova Madina Jalalidinovna	Member of the Management Board Director of the Bank's Risk Management	The Bank's Board	Elected
03.07.2017	03.07.2017	Samandarov Muhamad Donaboyevich	Member of the Management Board Director of the Legal Department	The Bank's Board	Elected

<b>BASIC INFORMATION ON ADDITIONAL SECURITIES ISSUED IN THE REPORTING YEAR ***</b>	
9.	The issuing authority the decision to issue was made by :
	Security type:
	Number of securities:
	Par value of one security:
	Date of state registration of the issue:
	State registration number of the issue:
	Placement method:
	Start date of placement:
	End date of placement:

<b>10. SIGNIFICANT FACTS IN THE ISSUER'S ACTIVITIES FOR THE REPORTING YEAR</b>	
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<b>N</b>	<b>Description of the material fact</b>	<b>N of the material fact</b>	<b>Date of the material fact</b>	<b>Date of publication of the material fact</b>
1	Accrual of income on securities	32	01.01.2017	04.01.2017
2	Accrual of income on securities	32	15.02.2017	15.02.2017
3	Concluding a transaction with an affiliate	21	17.02.2017	17.02.2017
4	Concluding a transaction with an affiliate	21	17.02.2017	17.02.2017
5	Concluding a transaction with an affiliate	21	20.02.2017	20.02.2017
6	Concluding a transaction with an affiliate	21	20.02.2017	20.02.2017
7	Concluding a transaction with an affiliate	21	28.02.2017	28.02.2017
8	Concluding a transaction with an affiliate	21	28.02.2017	28.02.2017
9	Accrual of income on securities	32	01.04.2017	04.04.2017
10	Accrual of income on securities	32	01.07.2017	04.07.2017
11	Changes in the list of affiliates	36	07.07.2017	07.07.2017

12	Change in the membership of the supervisory board, audit commission or executive body	08	07.07.2017	07.07.2017
13	Change in the membership of the supervisory board, audit commission or executive body	08	07.07.2017	07.07.2017
14	Change in the membership of the supervisory board, audit commission or executive body	08	07.07.2017	07.07.2017
15	Decisions made by supreme managing body of the issuer	06	07.07.2017	07.07.2017
16	Changes in the list of subsidiaries	11	14.08.2017	14.08.2017
17	Changes in the list of affiliates	36	14.08.2017	14.08.2017
18	Accrual of income on securities	32	02.10.2017	04.10.2017
11.	<b>BALANCE SHEET FOR BANKS</b>			
	<b>Categories</b>	<b>thousand UZS</b>		
<b>ASSETS</b>		<b>thousand UZS</b>		
1.	Cash and other payment documents			241 013 459
2.	Receivables from the Central Bank of Uzbekistan			529 959 664
3.	Receivables from other banks			129 190 463
4.	Sales and purchase invoices			
a.	Securities	2 000 000		
b.	Precious metals, coins, stones	0		
c.	Less: Reserve for possible losses on purchase and sale invoices	0		
d.	Purchase and sale invoices, net			2 000 000
5 a.	Investments	11 703 048		
b.	Less: Reserve for potential investment losses	0		
c.	Investment, net			11 703 048
6.	Securities purchased under a buyback agreement			0
7.	Loans and leasing operations			
a.	Gross credits	1 322 849 448		
b.	Leasing operations, gross	4 983 767		
c.	Less: Reserve for possible losses on loans and leasing	1 405 667		
d.	Loans and leasing operations, net			1 326 427 548
8 a.	Bills purchased			
b.	Less: Reserve for possible losses on purchased bills			
c.	Bills purchased, net			0
9.	Liabilities of Clients under Financial Instruments			0
10.	Fixed assets, net			187 076 581
11.	Accrued interests receivable			12 754 614
12.	Bank's other own property			
a.	Investments in real estate			
b.	Other assets acquired through credit settlement	10 398 890		
c.	Less: Reserves for possible losses on the Bank's other own property	6 195 380		
d.	Bank's other own property, net			4 203 510
13.	Other assets			1 093 133 264
<b>14.</b>	<b>Total assets</b>			<b>3 537 462 151</b>
<b>LIABILITIES AND EQUITY</b>				
<b>LIABILITIES</b>				
15.	Demand deposits			1 179 537 148
16.	Savings deposits			369 807 385
17.	Time deposits			1 292 699 639

18. Payable to the Central Bank of Uzbekistan		0
19. Payable to other banks		40 081 200
20. Securities sold under an agreement with subsequent buyback		0
21. Loans and leasing transactions payable		198 887 243
22. Subordinated debentures		2 000 000
23. Accrued interests payable		7 268 829
24. Other liabilities		108 182 484
<b>25. Total liabilities</b>		<b>3 198 463 928</b>
<b>EQUITY</b>		
26. Authorized capital		
a. Shares - Ordinary		81 700 000
b. Shares - Preferred		14 420 050
27. Added capital		350 000
28. Reserve capital		
a. General purpose reserve fund		23 305 692
a. 1. Of these, reserves created for standard assets		6 858 262
b. Devaluation reserve		
c. Other reserves and funds		43 979 973
29. Retained earnings		175 242 508
<b>30. Total equity</b>		<b>338 998 223</b>
<b>31. Total liabilities and equity</b>		<b>3 537 462 151</b>

#### STATEMENT OF FINANCIAL RESULTS FOR BANKS

Categories	Thousand UZS
<b>1. INTEREST INCOME</b>	
a. Interest income on accounts with the Central Bank of Uzbekistan	259
b. Interest income on accounts with other banks	3 002 083
c. Interest income on purchased bills	0
d. Interest income on investments	0
e. Interest income on securities purchase and sale invoices	210 411
f. Interest income on customer liabilities	0
g. Interest income on liabilities of clients on outstanding acceptances of this bank	0
h. Interest, Discount (Discounts) and installments on credit and leasing operations	174 915 411
i. Interest income under agreements on purchase of securities with buyback	0
j. Other interest income	23 482 503
<b>k. Total interest income</b>	<b>201 610 667</b>
<b>2. INTEREST EXPENSES</b>	
a. Interest expenses on demand deposits	550 408
b. Interest expenses on savings deposits	5 688 946
c. Interest expenses on time deposits	75 822 479
d. Interest expenses on accounts payable to the Central Bank of Uzbekistan	0
e. Interest expenses on accounts payable to other banks	201 1610
<b>f. Total interest expenses on deposits</b>	<b>84 073 443</b>
g. Interest expenses on credits payable	11 874 213
h. Interest expenses under agreements on sale of securities with subsequent buyback	0
i. Other interest expenses	13 097 004

<b>j. Total interest expenses on loans</b>	24 971 217
<b>k. Total interest expenses</b>	109 044 660
<b>3. NET INTEREST INCOME BEFORE ESTIMATE OF POSSIBLE LOSSES ON LOANS AND LEASING</b>	
a. Minus: Estimate of potential losses on loans and leasing	
<b>b. Net interest income after estimate of potential losses on loans and leasing</b>	
<b>4. INTEREST-FREE INCOME</b>	
a. Income from commissions and service fees	214 309 732
b. Profit in foreign currency	473 973 546
c. Profit from commercial operations	0
d. Profit and dividends from investments	29 015
e. Other non-interest income	31 185 676
<b>f. Total non-interest income</b>	719 497 969
<b>5. INTEREST-FREE EXPENSES</b>	
a. Commission and service expenses	29 840 695
b. Losses in foreign currency	545 324 755
c. Losses on sales and purchase invoices	0
d. Investment losses	0
e. Other non-interest expenses	9 047
<b>f. Total non-interest expenses</b>	575 174 497
<b>6. NET INCOME BEFORE OPERATING EXPENSES</b>	
<b>7. OPERATING EXPENSES</b>	
a. Salaries and other employee costs	72 342 514
b. Rent and maintenance	14 956 685
c. Travel and transportation expenses	1 248 127
d. Administrative expenses	13 218 664
e. Representation and charity	15 196 089
f. Depreciation costs	19 588 306
g. Insurance, taxes and other expenses	29 255 835
<b>h. Total operating expenses</b>	165 806 220
<b>8. EVALUATION OF NON-CREDIT LOSSES</b>	
<b>9. NET PROFIT BEFORE TAXES AND OTHER ADJUSTMENTS</b>	
a. Profit tax estimate	3 878 985
<b>10. INCOME BEFORE ADJUSTMENTS</b>	
a. Contingent income or losses, net	
b. Other adjustments to profit, net	
<b>11. NET PROFIT (LOSSES)</b>	
	52 025 702

**INFORMATION ABOUT THE AUDIT RESULTS**

Audit organization name:	JSC "Grant Thornton"
License Issue Date:	February 13, 2008
License number:	No. 00064
Type of conclusion:	positive
Date of issue of the auditor's report:	30.04.2018
Auditor's report number:	1
Full name of auditor (s) who conducted the audit:	Nasirov Shoadil Nosirovich
Copy of the auditor's conclusion: ****	A copy of the auditor's conclusion is attached as a separate file

**LIST OF MAJOR TRANSACTIONS CONCLUDED  
IN THE REPORTING YEAR**

N	Date of transaction conclusion	Full name of an individual or counterparty	Subject of the transaction	Amount	Who is the issuer of transaction (acquirer/ alienator of goods and services)	
1						
2						
<b>LIST OF TRANSACTIONS CONCLUDED WITH AFFILIATED PERSONS IN THE REPORTING YEAR</b>						
No	Date of transaction conclusion	Full name of an individual or counterparty	Subject of the transaction	Amount	The issuer's body that made the decision on the transactions	Full wording of the decisions made on the transactions
1	17.02.2017	Karimbayev Sherzod Kobilovich	Flat	544 038 085,67	The Bank's Board	Conclude transaction (transactions) with an affiliated person that may be made in the future in the course of the bank's current business activities
2	17.02.2017	Karimbayev Sherzod Kobilovich	Flat	425 065 652,54	The Bank's Board	Conclude transaction (transactions) with an affiliated person that may be made in the future in the course of the bank's current business activities
3	20.02.2017	YuldashevBahadir Tashpulatovich	Flat	530 535 683,30	The Bank's Board	Conclude transaction (transactions) with an affiliated person that may be made in the future in the course of the bank's current business activities
4	20.02.2017	YuldashevBahadir Tashpulatovich	Flat	412 304 876,23	The Bank's Board	Conclude transaction (transactions) with an affiliated person that may be made in the future in the course of the bank's current business activities
5	28.02.2017	Voistinov Konstantin Alekseyevich	Flat	533 189 923,93	The Bank's Board	Conclude transaction (transactions) with an affiliated person that may be made in the future in the course of the bank's current business activities
6	28.02.2017	Voistinov Konstantin Alekseyevich	Flat	413 905 227,20	The Bank's Board	Conclude transaction (transactions) with an affiliated person that may be made in the future in the course of the bank's current business activities
<b>LIST OF AFFILIATED PERSONS (as of the end of the reporting year)</b>						
No.	Full name of physical or legal person	Location (place of residence) (postal address) of the affiliated person (state, region, city, district)	The basis on which they are recognized as affiliated persons	Date (of the occurrence of the basis) (bases)		

1	Otakhonov Foziljon Haydarovich	Tashkent, Almazar district, Sagban-Farobiy str., bldg..6, apt. 2	Chairman of the Board of the Bank	Minutes of GMS No. 1/2017 dd. 30.06.2017 Minutes of the Board No. 28 dd. 03.07.2017
2	Rakhimov Bahrom	Tashkent, Yashnabad district, C-1 block., bldg..1, apt. 125	Member of the Bank Board	Minutes of GMS No. 1/2017 dd. 30.06.2017
3	Blagova Nadejda Nikolaevna, 6	Tashkent, Mirabad district, S.Asimova str., bldg. 5, apt.1	Member of the Bank Board	Minutes of GMS No. 1/2017 dd. 30.06.2017
4	Karamatov Ilkhom Odilovich	Tashkent, M.Ulugbek district, Lashkarlar str., 4/24	Member of the Bank Board	Minutes of GMS No. 1/2017 dd. 30.06.2017
5	Maksumov Furkat Aybekovich	Tashkent, Yunusabad district, Yunus Rajabiy str., bldg.72, apt. 22	Member of the Bank Board	Minutes of GMS No. 1/2017 dd. 30.06.2017
6	Olimov Kakhramonjon Anvarovich	Tashkent, Almazar district, Sebzar str., 4/141	Chairman of the Management Board of the Bank	Minutes of GMS No. 1/2017 dd. 30.06.2017
7	Yuldashev Bahadir Tashpulatovich	Tashkent, Mirabad district, Baraka str., 3/52	Member of the Management Board, Deputy Chairman of the Management Board	Minutes of the Board No. 28 dd. 03.07.2017
8	Karimbayev Sherzod Kobilovich	Tashkent, Yunusabad district, Block 4, bldg.40, apt. 36	Member of the Management Board, Deputy Chairman of the Management Board	Minutes of the Board No. 28 dd. 03.07.2017
9	Konstantin Alekseyevich Voistinov	Tashkent, Yunusabad district, Block 17 bldg.16, apt. 40	Member of the Management Board, Deputy Chairman of the Management Board	Minutes of the Board No. 28 dd. 03.07.2017
10	Skuybida Yelena Yvgenyevna	Tashkent, Khamza district, S.Asimov str., bldg.63, apt. 19	Member of the Management Board, Chief Accountant of the Bank	Minutes of the Board No. 28 dd. 03.07.2017
11	Nurutdinova Madina Jalaliddinovna	Tashkent, Yunusabad district, Block 14, bldg. 8, apt.15	Member of the Management Board Director of Risk Management Department of the Bank	Minutes of the Board No. 28 dd. 03.07.2017
12	Samandarov Muhamad Donabovovich	Tashkent, Chilanzar district, Usmir str., 9	Member of the Board, Director of the Legal Service Department	Minutes of the Board No. 28 dd. 03.07.2017
13	DELTA LEASING LLC	Tashkent, Chilanzar district, Bunyodkor str., 52A	The Bank owns 100% in the Authorized Fund of the company on	May 30, 2007
14	CHICKEN DOMAIN LLC	Tashkent, Yunusabad district, Sayilgoh,7	Bank owns 100% in the Authorized Fund of the company	August 10, 2017

**Full name of the head of the Executive body:**

**Karimbayev Sherzod Kobilovich**

**Full name of the chief accountant:**

**Skuybida Yelena Yevgenyevna**

**Full name of the authorized person the information on the website was posted by:**

**Amanova Nargiza Alisherovna**