

ANNUAL REPORT

Of JSCB "Kapitalbank" according to the results of 2016

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

Date of approval of the report: 30.06.2017

ISSUER'S NAME	
1.	Full name: Joint-stock Commercial Bank
	Abbreviated name: JSCB "Kapitalbank"
	Name of the stock ticker*: KPB
CONTACT DETAILS	
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
BANK DETAILS	
3.	Service bank name: Head office of JSCB "Kapitalbank"
	Current account number: 298021000000001088001
	MFO: 1088
REGISTRATION AND IDENTIFICATION NUMBERS ASSIGNED BY:	
4.	registering authority: No.69 dd. 29.08.2014
	state tax authority (TIN): 207 127 843
	Numbers assigned by state statistics bodies:
	KFS: 144
	OKPO: 23839834
	OKED: 64190
	SOATO: 1726266
INDICATORS OF THE ISSUER'S FINANCIAL AND ECONOMIC CONDITION **	
5.	Return on equity ratio: 0,58
	Total solvency coverage ratio: 1,16
	Absolute liquidity ratio: 0,47
	Equity to attracted funds ratio: 0,12
	Issuer's equity to borrowed funds ratio: 7,57
ACCRUED INCOME ON SECURITIES IN THE REPORTING YEAR	
On ordinary shares *	
6.	in UZS per share: -
	as a percentage of a par value of one share: -
On preferred shares *	
	in UZS per share: -
	as a percentage of a par value of one share: -
On other securities *	

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)	90, 000 UZS
as a percentage of the par value of one security:	9%

OUTSTANDING SECURITIES INCOME

For ordinary shares *

based on results of the reporting period (in UZS): no

based on results of the previous periods (in UZS) no

For preferred shares *

based on results of the reporting period (in UZS): no

based on results of the previous periods (in UZS) no

For other securities *

based on results of the reporting period (in UZS): no

based on results of the previous periods (in UZS) no

7.

CHANGES IN MEMBERSHIP OF THE SUPERVISORY BOARD, AUDIT COMMISSION OR EXECUTIVE BODY

8. No.	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				
	30.06.2016	30.06.2016	Otakhonov Foziljon Khaidarovich	Chairman of the Board	General Meeting of Shareholders	Elected
	30.06.2016	30.06.2016	Karamatov Ilkhom Odilovich	Member of the Board	General Meeting of Shareholders	Elected
	30.06.2016	30.06.2016	Rakhimov Bakhrom Ikramianovich	Member of the Board	General Meeting of Shareholders	Elected
	30.06.2016	30.06.2016	Blagova Nadejda Nikolavevna	Member of the Board	General Meeting of Shareholders	Elected
	30.06.2016	30.06.2016	Maksumov Furkat Aybekovich	Member of the Board	General Meeting of Shareholders	Elected
	30.06.2016	30.06.2016	Abdusamadov Makhsudchon Abduvalievich	Member of the Board	General Meeting of Shareholders	Excluded from membership
	30.06.2016	30.06.2016	Masudov Jamollidin Hayriddinovich	Member of the Audit Commission	General Meeting of Shareholders	Elected
	30.06.2016	30.06.2016	Derevyanskaya Valentina Anatolyevna	Member of the Audit Commission	General Meeting of Shareholders	Elected
	30.06.2016	30.06.2016	Akhunov Stanislav Akbarovich	Member of the Audit Commission	General Meeting of Shareholders	Elected
	30.06.2016	30.06.2016	Olimov Kakhramonjon Anvarovich	Chairman of the Board	General Meeting of Shareholders	Elected

30.06.2016	30.06.2016	Yuldashev Bahadir Tashpulatovich	Member of the Management Board Deputy Chairman of the Management Board	The Bank's Board	Elected
03.07.2016	03.07.2016	Karimbayev Sherzod Kobilovich	Member of the Management Board Deputy Chairman of the Management Board	The Bank's Board	Elected
03.07.2016	03.07.2016	Voistinov Konstantin Alekseyevich	Member of the Management Board Deputy Chairman of the Management Board	The Bank's Board	Elected
03.07.2016	03.07.2016	Skuybida Yelena Yevgenyevna	Member of the Management Board Chief Accountant	The Bank's Board	Elected
03.07.2016	03.07.2016	Nurutdinova Madina Jalalidinovna	Member of the Management Board Director of the Bank's Risk Management Department	The Bank's Board	Elected
03.07.2016	03.07.2016	Samandarov Muhamad Donaboyevich	Member of the Management Board Director of the Bank's Risk	The Bank's Board	Elected

9.	BASIC INFORMATION ON ADDITIONAL SECURITIES ISSUED IN THE REPORTING YEAR ***	
	Issuing authority the decision to issue was made by :	General Meeting of Shareholders
	Security type:	Convertible Preferred Shares
	Number of securities:	15 179 000 pieces
	Par value of one security:	950 UZS
	Date of state registration of the issue:	June 14, 2016
	State registration number of the issue:	P0314-15
	Placement method:	private subscription
	Start date of placement:	June 14, 2016
End date of placement:	June 14, 2017	

10.	SIGNIFICANT FACTS IN THE ISSUER'S ACTIVITIES FOR THE REPORTING YEAR
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No.	Description of the material fact	No. of the material fact	Date of the material fact	Date of publication of the material fact
1	Accrual of income on securities.	32	01.01.2016	04.01.2016
2	Maturity of the issuer's obligations to the owners of	31	01.01.2016	04.01.2016
3	Changes in the list of affiliated companies.	12	07.01.2016	08.01.2016
4	Changes in the list of legal entities in which the issuer owns 10 or more per cent of shares (stocks)	30	07.01.2016	08.01.2016
5	Changes in the list of affiliates.	36	08.01.2016	08.01.2016
6	Accrual of income on securities.	32	17.02.2016	17.02.2016
7	Maturity of the issuer's obligations to buy back (repay) securities.	31	17.02.2016	17.02.2016
8	Decisions of the supreme governing body of the	06	28.03.2016	30.03.2016
9	Accrual of income on securities.	32	01.04.2016	01.04.2016
10	Changes in the list of branches.	09	25.04.2016	25.04.2016
11	Accrual of income on securities.	32	18.05.2016	19.05.2016
12	Maturity of the issuer's obligations to buy back (repay) securities.	31	18.05.2016	19.05.2016

13	Decisions made by supreme managing body of the issuer	08	30.05.2016	01.06.2016
14	Issue of securities	25	14.06.2016	16.06.2016
15	Accrual of income on securities	32	01.07.2016	04.07.2016
16	Changes in the list of affiliates	36	08.07.2016	12.07.2016
17	Decisions made by supreme managing body of the issuer	18	08.07.2016	12.07.2016
18	Change in the membership of the supervisory board, audit commission or executive body	08	08.07.2016	12.07.2016
19	Changes in the list of dependent business entities	12	29.07.2016	02.08.2016
20	Information in the list of legal entities in which the issuer owns 10 or more percent of shares (stocks)	30	29.07.2016	02.08.2016
21	Changes in the list of affiliates	36	29.07.2016	02.08.2016
22	Accrual of income on securities	32	17.08.2016	17.08.2016
23	Accrual of income on securities	32	01.10.2016	03.10.2016
24	Issue of securities	25	31.10.2016	03.11.2016
25	Decisions made by supreme managing body of the	06	11.11.2016	14.11.2016
26	Accrual of income on securities	32	16.11.2016	16.11.2016
27	Maturity of the issuer's obligations to buy back (repay) securities	31	18.11.2016	18.11.2016
28	Conclusion of a major transaction by the issuer	20	10.11.2016	14.11.2016
29	Conclusion of a major transaction by the issuer	20	15.11.2016	15.11.2016

11.	BALANCE SHEET FOR BANKS			
	Categories	thousand UZS		

ASSETS			
1.	Cash and other payment documents		119 249 908
2.	Receivables from the Central Bank of Uzbekistan		445 909 857
3.	Receivables from other banks		352 597 297
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	10 603 047	
b.	Less: Reserve for potential investment losses	0	
c.	Investment, net		10 603 047
6.	Securities purchased under a buyback agreement		0
7.	Loans and leasing operations		
a.	Gross credits	868 822 326	
b.	Leasing operations, gross	42 173 683	
c.	Less: Reserve for possible losses on loans and leasing	245 370	
d.	Loans and leasing operations, net		910 750 639
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		162 095 107
11.	Accrued interests receivable		9 281 052
12.	Bank's other own property		
a.	Investments in real estate		
b.	Other assets acquired through credit settlement	19 319 209	

c. Less: Reserves for possible losses on the Bank's other own property		
d. Bank's other own property, net		19 319 209
13. Other assets		604 961 982
14. Total assets		2 636 768 098
LIABILITIES AND EQUITY		
LIABILITIES		
15. Demand deposits		826 196 642
16. Savings deposits		22 148 089
17. Time deposits		934 568 278
18. Payable to the Central Bank of Uzbekistan		0
19. Payable to other banks		19 819 602
20. Securities sold under an agreement with subsequent buyback		0
21. Loans and leasing transactions payable		37 892 565
22. Subordinated debentures		5 000 000
23. Accrued interests payable		7 268 041
24. Other liabilities		496 931 817
25. Total liabilities		2 349 825 034
EQUITY		
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		14 831 537
a. 1. Of these, reserves created for standard assets		2 576 537
b. Devaluation reserve		
c. Other reserves and funds		36 439 610
29. Retained earnings		139 201 867
30. Total equity		286 943 064
31. Total liabilities and equity		2 636 768 098

STATEMENT OF FINANCIAL RESULTS FOR BANKS

Categories	Thousand UZS
1. INTEREST INCOME	
a. Interest income on accounts with the Central Bank of Uzbekistan	1 599
b. Interest income on accounts with other banks	3 638 654
c. Interest income on purchased bills	
d. Interest income on investments	
e. Interest income on securities purchase and sale invoices	246 740
f. Interest income on customer liabilities	
g. Interest income on liabilities of clients on outstanding acceptances of this bank	
h. Interest, Discount (Discounts) and installments on credit and leasing operations	122 256 699
i. Interest income under agreements on purchase of securities with buyback	
j. Other interest income	52 554 556
k. Total interest income	178 698 248

2. INTEREST EXPENSES	
a. Interest expenses on demand deposits	627 454
b. Interest expenses on savings deposits	3 438 047
c. Interest expenses on time deposits	71 889 938
d. Interest expenses on accounts payable to the Central Bank of Uzbekistan	
e. Interest expenses on accounts payable to other banks	1 796 337
f. Total interest expenses on deposits	77 751 776
g. Interest expenses on credits payable	2 295 833
h. Interest expenses under agreements on sale of securities with subsequent buyback	
i. Other interest expenses	41 006 338
j. Total interest expenses on loans	43 302 171
k. Total interest expenses	121 053 947
3. NET INTEREST INCOME BEFORE ESTIMATE OF POSSIBLE LOSSES ON LOANS AND LEASING	57 644 301
a. Minus: Estimate of potential losses on loans and leasing	6 470 042
b. Net interest income after estimate of potential losses on loans and leasing	51 174 259
4. INTEREST-FREE INCOME	
a. Income from commissions and service fees	166 277 622
b. Profit in foreign currency	54 534 221
c. Profit from commercial operations	
d. Profit and dividends from investments	1 008 963
e. Other non-interest income	20 135 331
f. Total non-interest income	241 956 137
5. INTEREST-FREE EXPENSES	
a. Commission and service expenses	26 170 328
b. Losses in foreign currency	48 628 990
c. Losses on sales and purchase invoices	
d. Investment losses	
e. Other non-interest expenses	10 570
f. Total non-interest expenses	74 809 888
6. NET INCOME BEFORE OPERATING EXPENSES	218 320 508
7. OPERATING EXPENSES	
a. Salaries and other employee costs	59 331 584
b. Rent and maintenance	10 222 670
c. Travel and transportation expenses	1 293 461
d. Administrative expenses	7 277 673
e. Representation and charity	18 453 466
f. Depreciation costs	14 820 435
g. Insurance, taxes and other expenses	24 365 045
h. Total operating expenses	135 764 334
8. EVALUATION OF NON-CREDIT LOSSES	1 691 964
9. NET PROFIT BEFORE TAXES AND OTHER ADJUSTMENTS	80 864 210
a. Profit tax estimate	29 108 522
10. INCOME BEFORE ADJUSTMENTS	51 755 688
a. Contingent income or losses, net	0
b. Other adjustments to profit, net	0
11. NET PROFIT (LOSSES)	51 755 688

INFORMATION ABOUT THE AUDIT RESULTS

Audit organization name:	Ernst & Young LLC
License Issue Date:	February 5, 2008
License number:	No. 00628
Type of conclusion:	positive
Date of issue of the auditor's report:	28.04.2017
Auditor's report number:	No number
Full name of auditor (s) who conducted the audit:	Ernst & Young LLC
Copy of the auditor's conclusion: ****	A copy of the auditor's conclusion is attached as a separate file

14.

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

No.	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	10.11.2016	Tactilion LLP	Supply of software, granting the right to use it and corresponding technical equipment for creating a processing center	84 596 448 600 UZS	Buyer
2	15.11.2016	Cofilix Investments 4 S.A.	Opening of a revolving line for obtaining borrowed funds for financing small businesses and private entrepreneurship	103 692 600 000 UZS	Buyer

15.

LIST OF TRANSACTIONS CONCLUDED WITH AFFILIATED PERSONS IN THE REPORTING YEAR

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

16.

LIST OF AFFILIATED PERSONS (as of the end of the reporting year)

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 No. 1/2016 dd. 30.06.2016
2	Rakhimov Bahrom Ikramjanovich	Tashkent, Yashnabad district, C-1 block., bldg..1, apt. 125	Member of the Bank Board	Minutes No. 1/2016 dd. 30.06.2016
3	Blagova Nadejda Nikolaevna, 6	Tashkent, Mirabad district, S.Asimova str., bldg. 5, apt.1	Member of the Bank Board	Minutes No. 1/2016 dd. 30.06.2016
4	Karamatov Ilkhom Odilovich	Tashkent, M.Ulugbek district, Lashkarlar str., 4/24	Member of the Bank Board	Minutes No. 1/2016 dd. 30.06.2016
5	Maksumov Furkat Aybekovich	Tashkent, Yunusabad district, Yunus Rajabiy str., bldg.72, apt. 22	Member of the Bank Board	Minutes No. 1/2016 dd. 30.06.2016

6	Olimov Kakhramonjon Anvarovich	Tashkent, Almazar district, Sebzar str., 4/141	Chairman of the Management Board of the Bank	Minutes No. 1/2016 dd. 30.06.2016
7	Yuldashev Bahadir Tashpulatovich	Tashkent, Mirabad district, Baraka str., 3/52	Member of the Management Board, Deputy Chairman of the Management Board	Minutes No. 31 dd. 08.07.2016
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 No. 31 dd. 08.07.2016
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 No. 31 dd. 08.07.2016
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 No. 31 dd. 08.07.2016
11	Nurutdinova Madina Jalalitinovna	Tashkent, Yunusbad district, Block 14, bldg. 8, apt.15	Member of the Management Board Director of Risk Management Department of the Bank	Minutes No. 31 dd. 08.07.2016
12	Samandarov Muhamad Donahovevich	Tashkent, Chilanzar district, Usmir str., 9	Member of the Board, Director of the Legal Service Department	Minutes No. 31 dd. 08.07.2016
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	ANGREN ELITE CERAMIC LLC	The Republic of Uzbekistan, Tashkent region, Angren, Farhad street, 1	Bank owns 100% in the Authorized Fund of the company	July 6, 2015

Full name of the head of the Executive body:

**Olimov Kakhramonjon
Anvarovich**

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