

**JSC “NATIONAL BANK FOR FOREIGN ECONOMIC  
ACTIVITY OF THE REPUBLIC OF UZBEKISTAN”**

Interim Condensed Consolidated Financial Statements  
*30 June 2020*



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Audit company Ernst & Young LLC  
Inconel Business Center, 3rd floor  
Mustaqillik Prospect, 75  
Tashkent, 100000  
Republic of Uzbekistan  
Tel: +998 (78) 140 6482  
Fax: +998 (78) 140 6483  
www.ey.com/uz

MChJ "Ernst & Young" AT  
O'zbekiston Respublikasi,  
100000, Toshkent shahar,  
Mustaqillik shox ko'chasi, 75  
Inconel Biznes Markazi, 3-qavat  
Tel: +998 (78) 140 6482  
Fax: +998 (78) 140 6483

АО «Ernst & Young» ООО  
Республика Узбекистан  
100000, Ташкент  
Пр-т Мустақиллик, 75  
Бизнес-центр «Инконель», 3 этаж  
Тел.: +998 (78) 140 6482  
Факс: +998 (78) 140 6483

## Report on Review of Interim Financial Information

To the Board of Directors of National Bank of Foreign Economic Activity of the Republic of Uzbekistan

### **Introduction**

We have reviewed the accompanying interim condensed consolidated financial statements of Joint Stock Company "National Bank For Foreign Economic Activity of the Republic of Uzbekistan" and its subsidiaries, which comprise the interim consolidated statement of financial position as at 30 June 2020 and the related interim consolidated statements of profit or loss, other comprehensive income, changes in equity and cash flows for the six-month period then ended, and selected explanatory notes (interim financial information). Management is responsible for the preparation and presentation of this interim financial information in accordance with IAS 34, *Interim Financial Reporting*. Our responsibility is to express a conclusion on this interim financial information based on our review.

### **Scope of review**

We conducted our review in accordance with International Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

## Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34, *Interim Financial Reporting*.

Tashkent, Uzbekistan

5 October 2020

*Audit company "Ernst & Young MChJ"*  
«Ernst & Young» Audit Organization LLC  
Certificate authorizing audit of banks registered by  
the Central Bank of the Republic of Uzbekistan under #11  
dated 22 July 2019

*A. Azamov*

Anvarkhon Azamov

Qualified auditor

Auditor qualification certificate authorizing audit of banks  
#11/4 dated 11 May 2017 issued by the Central Bank of  
the Republic of Uzbekistan

Head of Uzbekistan Practice

«Ernst & Young» Audit Organization LLC

**Interim consolidated statement of financial position****as at 30 June 2020***(Millions of Uzbek Soums)*

	Notes	30 June 2020 (unaudited)	31 December 2019
<b>Assets</b>			
Cash and cash equivalents	4	7,777,491	7,001,599
Amounts due from credit institutions	5	874,798	1,777,507
Derivative financial assets	6	106,655	102,510
Loans to customers	7	59,889,588	54,174,008
Assets held for sale		9,780	10,262
Investment securities	8	1,210,026	218,342
Current income tax assets		12,411	23,590
Investments in associates		453,614	239,535
Property and equipment		1,395,053	1,383,471
Deferred income tax assets		350,159	244,136
Other assets		346,398	314,381
<b>Total assets</b>		<b>72,425,973</b>	<b>65,489,341</b>
<b>Liabilities</b>			
Amounts due to the CBU and the Government	12	1,475,231	1,695,207
Amounts due to credit institutions	13	2,159,280	1,139,442
Amounts due to customers	14	16,286,561	15,507,241
Debt securities issued	15	922,498	131,641
Other borrowed funds	16	37,532,082	33,115,228
Subordinated loans	17	1,532,805	1,459,376
Other liabilities		292,129	293,979
		<b>60,200,586</b>	<b>53,342,114</b>
<b>Equity</b>			
Share capital	18	11,582,700	11,582,700
Contribution from shareholders		126,096	126,096
Retained earnings		314,569	233,099
Other reserves		123,008	101,232
<b>Total equity attributable to shareholders of the Group</b>		<b>12,146,373</b>	<b>12,043,127</b>
Non-controlling interests		79,014	104,100
<b>Total equity</b>		<b>12,225,387</b>	<b>12,147,227</b>
<b>Total equity and liabilities</b>		<b>72,425,973</b>	<b>65,489,341</b>

Signed and authorized for release on behalf of the Management Board of the Bank

Alisher Mirsoatov



Chairman of the Management Board

Bobir Imomov



Chief Accountant

5 October 2020



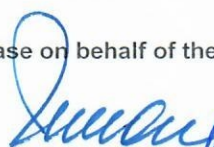
The accompanying selected explanatory notes on pages 7 to 32 are an integral part of these interim condensed consolidated financial statements.

**Interim consolidated statement of profit or loss****For the six months ended 30 June 2020***(Millions of Uzbek Soums)*

	Notes	For the six months ended 30 June (unaudited)	
		2020	2019
Interest income		2 631 991	1 751 800
Interest expense		(1 012 443)	(889 760)
<b>Net interest income</b>		<b>1 619 548</b>	<b>862 040</b>
Credit loss expense	10	(705 439)	(463 198)
Initial recognition adjustment on interest bearing assets		(37 098)	(28 316)
<b>Net interest income after credit loss expense and initial recognition of adjustment</b>		<b>877 011</b>	<b>370 526</b>
Fee and commission income	11	175 542	200 278
Fee and commission expense	11	(35 387)	(37 179)
Net gain from financial instruments at fair value through profit or loss		4 145	28 263
<i>Net gains/(losses) from foreign currencies:</i>			
- dealing		27 382	11 476
- translation differences		(19 795)	29 291
Share of profit of associates		5 011	5 437
Dividend income		-	4 803
Other income		26 462	14 475
Other impairment and provisions		(77 121)	(10 059)
Personnel and operating expenses		(369 465)	(366 013)
Revenues of subsidiaries		204 626	134 735
Costs of subsidiaries		(163 657)	(107 256)
<b>Net non-interest expense</b>		<b>(222 257)</b>	<b>(91 749)</b>
<b>Profit before income tax expense</b>		<b>654 754</b>	<b>278 777</b>
Income tax expense	9	(158 971)	(38 224)
<b>Profit for the period</b>		<b>495 783</b>	<b>240 553</b>
<b>Attributable to:</b>			
- shareholders of the Group		505 861	243 251
- non-controlling interests		(10 078)	(2 698)
		<b>495 783</b>	<b>240 553</b>

Signed and authorized for release on behalf of the Management Board of the Bank

Alisher Mirsoatov



Chairman of the Management Board

Bobir Imomov



Chief Accountant

5 October 2020



The accompanying selected explanatory notes on pages 7 to 32 are an integral part of these interim condensed consolidated financial statements.

**Interim consolidated statement of other comprehensive income**

**For the six months ended 30 June 2020**

(Millions of Uzbek Soums)

	<i>For the six months ended 30 June (unaudited)</i>	
	2020	2019
<b>Profit for the period</b>	<b>495 783</b>	<b>240 553</b>
<b>Other comprehensive income</b>		
<i>Other comprehensive income that may be reclassified to profit or loss in subsequent periods</i>		
Exchange difference on translation of foreign operations	9 812	15 613
<b>Total other comprehensive income that may be reclassified to profit or loss in subsequent periods</b>	<b>9 812</b>	<b>15 613</b>
<i>Other comprehensive income that will not be reclassified to profit or loss in subsequent periods</i>		
Gains on equity instruments at fair value through other comprehensive income	985	-
<b>Total other comprehensive income that will not be reclassified to profit or loss in subsequent periods</b>	<b>985</b>	<b>-</b>
<b>Other comprehensive income, net of tax</b>	<b>10 797</b>	<b>15 613</b>
<b>Total comprehensive income for the period</b>	<b>506 580</b>	<b>256 166</b>
<b>Attributable to:</b>		
- shareholders of the Bank	516 256	256 522
- non-controlling interests	(9 676)	(356)
<b>Total comprehensive income for the period</b>	<b>506 580</b>	<b>256 166</b>

Signed and authorized for release on behalf of the Management Board of the Bank

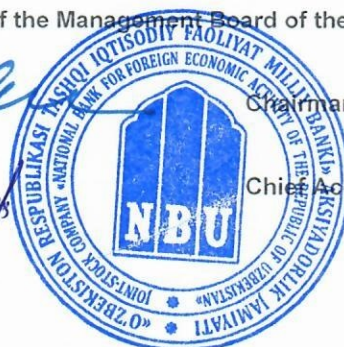
Alisher Mirsoatov

Chairman of the Management Board

Bobir Imomov

Chief Accountant

5 October 2020



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## Interim consolidated statement of changes in equity

For the six months ended 30 June 2020

(Millions of Uzbek Soums)

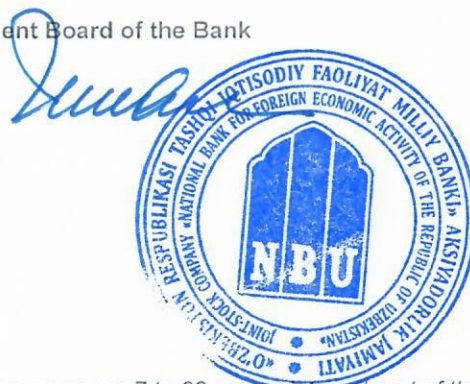
	Attributable to shareholders of the Bank					Total	Non-controlling interests	Total equity
	Notes	Share capital	Contribution from shareholders	Retained earnings	Other reserves			
As at 1 January 2020		4 320 970	126 096	335 635	43 296	4 825 997	90 258	4 916 255
Net profit/(loss) for the period		-	-	243 251	-	243 251	(2 698)	240 553
Other comprehensive income for the period		-	-	-	13 271	13 271	2 342	15 613
<b>Total Comprehensive income/(loss) for the period</b>		-	-	243 251	13 271	256 522	(356)	256 166
At 30 June 2019 (unaudited)		4 320 970	126 096	578 886	56 567	5 082 519	89 902	5 172 421
As at 1 January 2020		11 582 700	126 096	233 099	101 232	12 043 127	104 100	12 147 227
Net profit/(loss) for the period		-	-	505 861	-	505 861	(10 078)	495 783
Other comprehensive income for the period		-	-	-	10 395	10 395	402	10 797
<b>Total Comprehensive income/(loss) for the period</b>		-	-	505 861	10 395	516 256	(9 676)	506 580
Distribution to shareholders of the Bank	18	-	-	(356 005)	-	(356 005)	-	(356 005)
Dividends to shareholders of the Bank	18	-	-	(68 386)	-	(68 386)	-	(68 386)
Increase in share of subsidiary		-	-	-	15 410	15 410	(15 410)	-
Other movement		-	-	-	(4 029)	(4 029)	-	(4 029)
<b>At 30 June 2020 (unaudited)</b>		<b>11 582 700</b>	<b>126 096</b>	<b>314 569</b>	<b>123 008</b>	<b>12 146 373</b>	<b>79 014</b>	<b>12 225 387</b>

Signed and authorized for release on behalf of the Management Board of the Bank

Alisher Mirsoatov

Bobir Imomov

5 October 2020

Chairman of the Management Board

Chief Accountant

The accompanying selected explanatory notes on pages 7 to 32 are an integral part of these interim condensed consolidated financial statements.



**Interim consolidated statement of cash flow****for the six months ended 30 June 2020***(Millions of Uzbek Soums)*

	<i>For the six months ended</i>	
	<i>30 June (unaudited)</i>	
<i>Notes</i>	<i>2020</i>	<i>2019</i>
<b>Cash flows from operating activities</b>		
<b>Profit before income tax</b>	<b>654,754</b>	<b>278,777</b>
<i>Adjustments for:</i>		
Expected credit loss	705,439	463,198
Other impairment and provisions	77,121	10,059
Initial recognition adjustment on interest bearing assets	37,098	28,316
Net unrealized loss on foreign exchange operations	89,764	163,683
Net gain from financial instruments at fair value through profit or loss	(4,145)	(28,263)
Depreciation and amortization	40,201	32,953
Share of profit from associates	(5,011)	(5,437)
Change in interest income accrual	(696,126)	(243,324)
Change in interest expenses accrual	59,953	134,733
Other non-cash accruals	15,764	32,152
<b>Cash flows from operating activities before changes in operating assets and liabilities</b>	<b>974,812</b>	<b>866,847</b>
<i>Net (increase)/decrease in operating assets</i>		
Amounts due from credit institutions	915,515	(662,980)
Loans to customers	(3,505,921)	(11,285,802)
Derivative financial assets	-	(74,247)
Assets held for sale	482	10,493
Other assets	(99,075)	(115,267)
<i>Net (increase)/decrease in operating liabilities</i>		-
Amounts due to the CBU and the Government	(287,048)	16,883
Amounts due to credit institutions	946,550	148,719
Amounts due to customers	329,147	3,470,573
Other liabilities	(25,228)	2,378
<b>Net cash flows used in operating activities before income tax</b>	<b>(750,766)</b>	<b>(7,622,403)</b>
Income tax paid	(164,814)	(102,648)
<b>Net cash used in operating activities</b>	<b>(915,580)</b>	<b>(7,725,051)</b>

*The accompanying selected explanatory notes on pages 7 to 32 are an integral part of these interim condensed consolidated financial statements.*

## Interim consolidated statement of cash flow

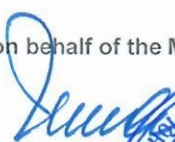
for the six months ended 30 June 2020

(Millions of Uzbek Soums)

	Notes	For the six months ended	
		30 June (unaudited)	
		2020	2019
<b>Cash flows from investing activities</b>			
Acquisition of investment securities		(999,919)	(159,361)
Purchase of investments in associates		(209,068)	(47,245)
Dividends received from associates and investments securities		-	4,803
Purchase of property and equipment		(159,304)	(481,083)
Proceeds from sale of property and equipment		107,521	207,521
<b>Net cash used in investing activities</b>		<b>(1,260,770)</b>	<b>(475,365)</b>
<b>Cash flows from financing activities</b>			
Proceeds from debt securities issued	15	790,884	-
Redemption of debt securities issued	15	-	(35,757)
Proceeds from other borrowed funds	16	3,465,090	12,764,621
Repayment of other borrowed funds	16	(1,110,819)	(3,148,871)
Proceeds from subordinated loans	17	-	1,322,146
Change in non-controlling interests		(9,040)	9,043
Dividends paid to shareholders of the Bank		(68,386)	-
<b>Net cash from financing activities</b>		<b>3,067,729</b>	<b>10,911,182</b>
Effect of changes in foreign exchange rates on cash and cash equivalents		(115,531)	(106,703)
Effect of expected credit losses on cash and cash equivalents		44	(4,744)
<b>Net increase in cash and cash equivalents</b>		<b>775,892</b>	<b>2,599,319</b>
Cash and cash equivalents, beginning		7,001,599	6,614,154
<b>Cash and cash equivalents, ending</b>	4	<b>7,777,491</b>	<b>9,213,473</b>
Interest received		1,935,865	1,508,476
Interest paid		(1,072,396)	(1,024,493)

Signed and authorized for release on behalf of the Management Board of the Bank

Alisher Mirsoatov



Chairman of the Management Board

Bobir Imomov



Chief Accountant

5 October 2020



The accompanying selected explanatory notes on pages 7 to 32 are an integral part of these interim condensed consolidated financial statements.

(Millions of Uzbek Soums)

## 1. Principal activities

The Joint Stock Company National Bank for Foreign Economic Activity of the Republic of Uzbekistan (“the Bank”) is the parent company in the Group, it was formed by the Decree of the President of the Republic of Uzbekistan dated 7 September 1991 No. PD-244. On the basis of the Decree of the President of the Republic of Uzbekistan dated 30 November 2019 No. PD-4540, the Bank was transformed from a unitary enterprise into a joint-stock company. The Bank is part of the banking system of the Republic of Uzbekistan and operates under a general banking license #22 reissued by the Central Bank of Uzbekistan (“CBU”) on 15 February 2020.

The Bank services the Government of the Republic of Uzbekistan, accepts deposits from the public and extends credits, transfers payments in the Republic of Uzbekistan and abroad, exchanges currencies and provides other banking services to its commercial and retail customers. The main office of the Bank is located in Tashkent and it has 73 branches (2019: 73) located in the territory of the Republic of Uzbekistan.

The Bank’s registered legal address is 101 Amir Timur street, Tashkent, the Republic of Uzbekistan.

The Bank participates in the state deposit insurance program. The State Deposit Insurance Fund guarantees repayment of 100% of individual deposits in case of business failure and revocation of the CBU banking license.

The following shareholders owned the issued shares of the Group:

<i>Shareholder</i>	<b>At 30 June 2020 (unaudited) %</b>	<b>At 31 December 2019 %</b>
The Fund for Reconstruction and Development of the Republic of Uzbekistan	58.5	58.5
The Ministry of Finance of the Republic of Uzbekistan	41.5	41.5
<b>Total</b>	<b>100</b>	<b>100</b>

The ultimate shareholder and ultimate controlling party of the Bank is the Government of the Republic of Uzbekistan.

These interim condensed consolidated financial statements were authorized for issue by the Management Board of the Group on 5 October 2020.

## 2. Basis of preparation

### General

The interim condensed consolidated financial statements for the six months ended 30 June 2020 have been prepared in accordance with International Accounting Standard (IAS) 34 *Interim Financial Reporting*.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group’s annual financial statements as at 31 December 2019.

### Effect of COVID-19 pandemic

Due to rapid spread of COVID-19 pandemic in the early of 2020 many governments, including the Uzbek Government, have introduced various measures to combat the outbreak, including travel restrictions, quarantines, closure of business and other venues and lockdown of certain area. These measures have affected the global supply chain, demand for goods and services, as well as scale of business activity. It is expected that pandemic itself as well as measures for its consequences’ minimization may influence the business of the entities in wide range of industries. Since March 2020 significant volatility in stock, currency and commodity markets exists, including decrease in crude prices and decrease in UZS to USD and EUR foreign exchange rates.

In 2020, support measures were introduced by the Government and the Central Bank of Uzbekistan to counter the economic downturn caused by the COVID-19 pandemic. These measures include, among others, subsidized lending to affected industries and individuals, payment holidays and easing of certain regulatory restrictions to help the financial sector maintain its capabilities to provide resources and to help customers avoid liquidity shortages as a result of the COVID-19 containment measures.

(Millions of Uzbek Soums)

The Group continues to assess pandemic effect and changing micro- and macroeconomic conditions on its activities, financial position and financial results.

### Changes in accounting policies

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group’s annual financial statements for the year ended 31 December 2019.

The Group has early adopted *Amendment to IFRS 16: Covid-19-Related Rent Concessions*, which provides lessees with an exemption from assessing whether a COVID-19-related rent concession is a lease modification and it did not have material effect. No other standard, interpretation or amendment that has been issued but is not yet effective was early adopted by the Group.

Several other amendments effective since 1 January 2020 were applied but do not have an impact on the interim condensed consolidated financial statements of the Group.

#### *Amendments to IFRS 7, IFRS 9 and IAS 39: Interest Rate Benchmark Reform*

The amendments to IFRS 9 and IAS 39 Financial Instruments: Recognition and Measurement provide a number of reliefs, which apply to all hedging relationships that are directly affected by interest rate benchmark reform. A hedging relationship is affected if the reform gives rise to uncertainties about the timing and or amount of benchmark-based cash flows of the hedged item or the hedging instrument. These amendments had no impact on the interim condensed consolidated financial statements of the Group as it does not have any interest rate hedge relationships.

#### *Amendments to IAS 1 and IAS 8: Definition of Material*

The amendments provide a new definition of material that states “information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.”

The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. These amendments had no impact on the interim condensed consolidated financial statements of, nor is there expected to be any future impact to the Group.

#### *Conceptual Framework for Financial Reporting issued on 29 March 2018*

The Conceptual Framework is not a standard, and none of the concepts contained therein override the concepts or requirements in any standard. The purpose of the Conceptual Framework is to assist the IASB in developing standards, to help preparers develop consistent accounting policies where there is no applicable standard in place and to assist all parties to understand and interpret the standards.

The revised Conceptual Framework includes some new concepts, provides updated definitions and recognition criteria for assets and liabilities and clarifies some important concepts. These amendments had no impact on the interim condensed consolidated financial statements of the Group.

### 3. Segment reporting

The Group’s operations are a single reportable segment.

The Group provides mainly banking services in the Republic of Uzbekistan. The Group identifies the segment in accordance with the criteria set in IFRS 8, Operating Segments, and based on the way of operations of the Group are regularly reviewed by the chief operating decision-maker to analyse performance and allocate resources among business units of the Group.

The chief operating decision-maker (“CODM”) has been determined as the Group’s Chairman of the Management Board. The CODM reviews the Group’s internal reporting in order to assess performance and allocate resources. The Management has determined a single operating segment being banking services based on these internal reports.

Substantially all the Group’s operations and assets are located in the Republic of Uzbekistan.

(Millions of Uzbek Soums)

#### 4. Cash and cash equivalents

Cash and cash equivalents comprise:

	<b>30 June 2020</b> <b>(unaudited)</b>	<b>31 December</b> <b>2019</b>
Time deposits with credit institutions up to 90 days	4,915,732	2,199,225
Current accounts with other credit institutions	1,509,397	2,886,310
Current accounts with the Central Banks	791,366	564,006
Cash on hand	561,141	1,352,159
	<b>7,777,636</b>	<b>7,001,700</b>
Less – allowance for impairment	(145)	(101)
<b>Cash and cash equivalents</b>	<b>7,777,491</b>	<b>7,001,599</b>

All balances of cash equivalents are allocated to Stage 1.

#### 5. Amounts due from credit institutions

Amounts due from credit institutions comprise:

	<b>30 June 2020</b> <b>(unaudited)</b>	<b>31 December</b> <b>2019</b>
Obligatory reserve with the Central Banks	574,311	958,719
Time deposits for more than 90 days	304,134	823,479
	<b>878,445</b>	<b>1,782,198</b>
Less – allowance for impairment	(3,647)	(4,691)
<b>Amounts due from credit institutions</b>	<b>874,798</b>	<b>1,777,507</b>

An analysis of changes in the ECL allowances during the six months ended 30 June 2020 and 30 June 2019 are as follows:

	<b>30 June 2020</b> <b>(unaudited)</b>	<b>30 June 2019</b> <b>(unaudited)</b>
<b>ECL allowance as at 1 January</b>	<b>4,691</b>	<b>3,320</b>
New assets originated or purchased	460	3,711
Assets repaid	(2,875)	(1,769)
Foreign exchange adjustments	1,371	2,260
<b>At 30 June</b>	<b>3,647</b>	<b>7,522</b>

#### 6. Derivative financial instruments

The table below shows the fair values of derivative financial instruments, recorded as assets or liabilities, together with their national amounts.

	<b>30 June</b> <b>2020</b>			<b>31 December 2019</b>		
	<b>Notional</b> <b>amount</b>	<b>Fair values</b>		<b>Notional</b> <b>amount</b>	<b>Fair values</b>	
		<b>Asset</b>	<b>Liability</b>		<b>Asset</b>	<b>Liability</b>
<b>Foreign exchange contracts</b>						
Swaps – domestic	32,000	106,655	-	32,000	102,510	-
<b>Total derivative assets</b>	<b>32,000</b>	<b>106,655</b>	<b>-</b>	<b>32,000</b>	<b>102,510</b>	<b>-</b>

In 2019, the Group placed EUR 10,000,000 in PJSCB «Orient Finans» at a rate of 5.5% per annum for 60 months. For the same period, a deposit was received from PJSCB «Orient Finans» of UZS 32,000 at a rate of 12%. Swap contract is classified as financial instrument at fair value through profit and loss.

(Millions of Uzbek Soums)

**7. Loans to customers**

Loans to customers comprise

	<b>30 June 2020</b> <b>(unaudited)</b>	<b>31 December</b> <b>2019</b>
<b>Corporate lending</b>		
State companies	25,963,294	21,885,807
Private companies	21,688,254	19,348,145
State budget or local authorities	8,773,673	9,222,146
Gross investment in finance lease	958,885	973,109
Non-banking financial institutions	91,215	87,803
<b>Total corporate lending</b>	<b>57,475,321</b>	<b>51,517,010</b>
<b>Loans to individuals</b>		
Mortgage loans	3,087,781	2,746,278
Consumer loans	782,736	751,487
Car loans	782,941	657,190
Agriculture loans	296,266	353,887
Education loans	52,826	51,506
<b>Total loans to individuals</b>	<b>5,002,550</b>	<b>4,560,348</b>
<b>Gross loans to customers</b>	<b>62,477,871</b>	<b>56,077,358</b>
Less: allowance for impairment	(2,588,283)	(1,903,350)
<b>Loans to customers</b>	<b>59,889,588</b>	<b>54,174,008</b>

An analysis of loans to customers at amortised cost allocated by stages is, as follows:

<b>30 June 2020 (unaudited)</b>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
State companies	24,848,965	826,357	287,972	25,963,294
Private companies	19,506,119	1,407,245	774,890	21,688,254
State budget or local authorities	8,773,673	-	-	8,773,673
Gross investment in finance lease	958,885	-	-	958,885
Non-banking financial institutions	91,215	-	-	91,215
Loans to Individuals	4,981,517	13,191	7,843	5,002,550
<b>Gross loans to customers at amortised</b>	<b>59,160,374</b>	<b>2,246,793</b>	<b>1,070,704</b>	<b>62,477,871</b>
Less – Allowance for impairment	(2,045,772)	(189,845)	(352,666)	(2,588,283)
<b>Loans to customers at amortised cost</b>	<b>57,114,602</b>	<b>2,056,948</b>	<b>718,038</b>	<b>59,889,588</b>
<b>31 December 2019</b>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
State companies	21,401,592	3,539	480,676	21,885,807
Private companies	17,342,231	697,841	1,308,073	19,348,145
State budget or local authorities	9,222,146	-	-	9,222,146
Gross investment in finance lease	973,109	-	-	973,109
Non-banking financial institutions	87,803	-	-	87,803
Loans to Individuals	4,508,881	28,524	22,943	4,560,348
<b>Gross loans to customers at amortised</b>	<b>53,535,762</b>	<b>729,904</b>	<b>1,811,692</b>	<b>56,077,358</b>
Less – Allowance for impairment	(1,293,075)	(95,013)	(515,262)	(1,903,350)
<b>Loans to customers at amortised cost</b>	<b>52,242,687</b>	<b>634,891</b>	<b>1,296,430</b>	<b>54,174,008</b>

(Millions of Uzbek Soums)

**7. Loans to customers (continued)****Allowance for impairment of loans to customers at amortised cost**

An analysis of changes in the ECL allowances in relation to loans issued to the state companies during the six months ended 30 June 2020 is, as follows:

<b>State companies</b>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
<b>ECL as at 1 January 2020</b>	<b>537,153</b>	<b>1,095</b>	<b>66,473</b>	<b>604,721</b>
New assets originated or purchased	44,251	-	-	44,251
Assets repaid	(366)	(1,044)	(41)	(1,451)
Transfers to Stage 1	6,602	(9)	(6,593)	-
Transfers to Stage 2	(23,269)	41,677	(18,408)	-
Transfers to Stage 3	(273)	(16)	288	-
Impact on period end ECL of exposures transferred between stages during the period	(5,483)	(16,264)	1,012	(20,735)
Net remeasurement of loss allowance	417,248	(88)	(7,484)	409,676
Foreign exchange adjustments	36,446	79	2,394	38,919
<b>At 30 June 2020 (unaudited)</b>	<b>1,012,309</b>	<b>25,430</b>	<b>37,643</b>	<b>1,075,382</b>

An analysis of changes in the ECL allowances in relation to loans issued to the private companies during the six months ended 30 June 2020 is, as follows:

<b>Private companies</b>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
<b>ECL as at 1 January 2020</b>	<b>306,815</b>	<b>89,829</b>	<b>434,636</b>	<b>831,280</b>
New assets originated or purchased	101,568	-	-	101,568
Assets repaid	(11,079)	(21,926)	(32,601)	(65,606)
Transfers to Stage 1	232,204	(42,937)	(189,268)	-
Transfers to Stage 2	(10,029)	110,059	(100,030)	-
Transfers to Stage 3	(9,168)	(18,155)	27,323	-
Impact on period end ECL of exposures transferred between stages during the period	(191,592)	40,541	151,711	660
Net remeasurement of loss allowance	217,539	125	12,539	230,203
Foreign exchange adjustments	4,741	5,980	5,273	15,994
<b>At 30 June 2020 (unaudited)</b>	<b>640,998</b>	<b>163,517</b>	<b>309,584</b>	<b>1,114,099</b>

An analysis of changes in the ECL allowances in relation to loans issued to state budget or local authorities during the six months ended 30 June 2020 is, as follows:

<b>State budget or local authorities</b>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
<b>ECL as at 1 January 2020</b>	<b>404,364</b>	-	-	<b>404,364</b>
New assets originated or purchased	13,606	-	-	13,606
Assets repaid	(31,324)	-	-	(31,324)
Net remeasurement of loss allowance	(75,249)	-	-	(75,249)
Foreign exchange adjustments	441	-	-	441
<b>At 30 June 2020 (unaudited)</b>	<b>311,838</b>	-	-	<b>311,838</b>

(Millions of Uzbek Soums)

**7. Loans to customers (continued)****Allowance for impairment of loans to customers at amortised cost (continued)**

An analysis of changes in the ECL allowances in relation to loans issued to the gross investment in finance lease during the six months ended 30 June 2020 is, as follows:

<b>Gross investment in finance lease</b>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
<b>ECL as at 1 January 2020</b>	<b>21,141</b>	-	-	<b>21,141</b>
Impact on period end ECL of exposures transferred between stages during the period	(1,801)	-	-	<b>(1,801)</b>
Foreign exchange adjustments	118	-	-	<b>118</b>
<b>At 30 June 2020 (unaudited)</b>	<b>19,458</b>	-	-	<b>19,458</b>

An analysis of changes in the ECL allowances in relation to loans issued to the non-banking financial institutions during the six months ended 30 June 2020 is, as follows:

<b>Non-banking financial institutions</b>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
<b>ECL as at 1 January 2020</b>	<b>751</b>	-	-	<b>751</b>
New assets originated or purchased	270	-	-	<b>270</b>
Assets repaid	(3)	-	-	<b>(3)</b>
Net remeasurement of loss allowance	(136)	-	-	<b>(136)</b>
<b>At 30 June 2020 (unaudited)</b>	<b>883</b>	-	-	<b>883</b>

An analysis of changes in the ECL allowances in relation to loans issued to individuals during the six months ended 30 June 2020 is, as follows:

<b>Loans to Individuals</b>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
<b>ECL as at 1 January 2020</b>	<b>22,851</b>	<b>4,090</b>	<b>14,152</b>	<b>41,093</b>
New assets originated or purchased	6,927	-	-	<b>6,927</b>
Assets repaid	(430)	(176)	(283)	<b>(889)</b>
Transfers to Stage 1	12,552	(3,519)	(9,034)	-
Transfers to Stage 2	(86)	1,191	(1,105)	<b>(0)</b>
Transfers to Stage 3	(39)	(202)	241	-
Impact on period end ECL of exposures transferred between stages during the period	(11,086)	(378)	1,584	<b>(9,880)</b>
Net remeasurement of loss allowance	29,598	(109)	(117)	<b>29,372</b>
<b>At 30 June 2020 (unaudited)</b>	<b>60,286</b>	<b>898</b>	<b>5,439</b>	<b>66,623</b>



(Millions of Uzbek Soums)

**7. Loans to customers (continued)****Allowance for impairment of loans to customers at amortised cost (continued)**

An analysis of changes in the ECL allowances in relation to loans issued to the state companies during the six months ended 30 June 2019 is, as follows:

<b>State companies</b>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
<b>ECL as at 1 January 2019</b>	<b>678,555</b>	<b>5,939</b>	<b>209,682</b>	<b>894,176</b>
New assets originated or purchased	76,173	-	-	76,173
Assets repaid	(4,022)	(1)	-	(4,023)
Transfers to Stage 1	4,158	(4,158)	-	-
Transfers to Stage 2	(90)	106,728	(106,638)	-
Transfers to Stage 3	-	-	-	-
Impact on period end ECL of exposures transferred between stages during the period	(329)	(103,770)	-	(104,100)
Net remeasurement of loss allowance	31,671	8,789	(55,554)	(15,094)
Foreign exchange adjustments	48,263	-	12,581	60,844
<b>At 30 June 2019 (unaudited)</b>	<b>834,379</b>	<b>13,526</b>	<b>60,071</b>	<b>907,976</b>

An analysis of changes in the ECL allowances in relation to loans issued to the private companies during the six months ended 30 June 2019 is, as follows:

<b>Private companies</b>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
<b>ECL as at 1 January 2019</b>	<b>240,067</b>	<b>43,960</b>	<b>128,648</b>	<b>412,675</b>
New assets originated or purchased	103,570	-	-	103,570
Assets repaid	(8,394)	(1,724)	(11,761)	(21,880)
Transfers to Stage 1	13,760	(3,351)	(10,409)	-
Transfers to Stage 2	(26,031)	34,645	(8,614)	-
Transfers to Stage 3	(10,709)	(10,423)	21,133	-
Impact on period end ECL of exposures transferred between stages during the period	(10,096)	109,073	140,715	239,693
Net remeasurement of loss allowance	194,194	12,686	32,153	239,033
Foreign exchange adjustments	5,756	1,054	3,085	9,895
<b>At 30 June 2019 (unaudited)</b>	<b>502,116</b>	<b>185,921</b>	<b>294,950</b>	<b>982,986</b>

An analysis of changes in the ECL allowances in relation to loans issued to state budget or local authorities during the six months ended 30 June 2019 is, as follows:

<b>State budget or local authorities</b>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
<b>ECL as at 1 January 2019</b>	<b>181,229</b>	-	-	<b>181,229</b>
New assets originated or purchased	58,691	-	-	58,691
Assets repaid	(792)	-	-	(792)
Transfers to Stage 2	(9,402)	9,402	-	-
Impact on period end ECL of exposures transferred between stages during the period	-	441	-	441
Net remeasurement of loss allowance	(104,459)	-	-	(104,459)
Foreign exchange adjustments	2,866	-	-	2,866
<b>At 30 June 2019 (unaudited)</b>	<b>128,134</b>	<b>9,843</b>	-	<b>137,976</b>

(Millions of Uzbek Soums)

**7. Loans to customers (continued)****Allowance for impairment of loans to customers at amortised cost (continued)**

An analysis of changes in the ECL allowances in relation to loans issued to the gross investment in finance lease during the six months ended 30 June 2019 is, as follows:

<i>Gross investment in finance lease</i>	<i>Stage 1</i>	<i>Stage 2</i>	<i>Stage 3</i>	<i>Total</i>
<b>ECL as at 1 January 2019</b>	<b>28,093</b>	-	-	<b>28,093</b>
Net remeasurement of loss allowance	(16,264)	-	-	<b>(16,264)</b>
Foreign exchange adjustments	(453)	-	-	<b>(453)</b>
<b>At 30 June 2019 (unaudited)</b>	<b>11,376</b>	-	-	<b>11,376</b>

An analysis of changes in the ECL allowances in relation to loans issued to the non-banking financial institutions during the six months ended 30 June 2019 is, as follows:

<i>Non-banking financial institutions</i>	<i>Stage 1</i>	<i>Stage 2</i>	<i>Stage 3</i>	<i>Total</i>
<b>ECL as at 1 January 2019</b>	<b>936</b>	-	-	<b>936</b>
New assets originated or purchased	98	-	-	<b>98</b>
Assets repaid	(6)	-	-	<b>(6)</b>
Net remeasurement of loss allowance	(673)	-	-	<b>(673)</b>
<b>At 30 June 2019 (unaudited)</b>	<b>355</b>	-	-	<b>355</b>

An analysis of changes in the ECL allowances in relation to loans issued to the individuals during the six months ended 30 June 2019 is, as follows:

<i>Loans to Individuals</i>	<i>Stage 1</i>	<i>Stage 2</i>	<i>Stage 3</i>	<i>Total</i>
<b>ECL as at 1 January 2019</b>	<b>44,311</b>	<b>706</b>	<b>6,070</b>	<b>51,087</b>
New assets originated or purchased	15,720	-	-	<b>15,720</b>
Assets repaid	(743)	(8)	(267)	<b>(1,018)</b>
Transfers to Stage 1	1,268	(315)	(954)	-
Transfers to Stage 2	(304)	393	(89)	-
Transfers to Stage 3	(1,050)	(317)	1,366	-
Impact on period end ECL of exposures transferred between stages during the period	(1,230)	2,040	4,381	<b>5,191</b>
Net remeasurement of loss allowance	(24,399)	(130)	(909)	<b>(25,438)</b>
<b>At 30 June 2019 (unaudited)</b>	<b>33,574</b>	<b>2,370</b>	<b>9,598</b>	<b>45,542</b>

As at 30 June 2020, the Group introduced certain changes in its process of estimation of expected credit losses in the context of the ongoing COVID-19 pandemic. In particular, it has revised indicators of significant increase in credit risk and does not automatically consider the credit risk to have significantly increased in the case of a loan modification being part of the Government support measures. The Group also updated forward looking information, including forecasts of macroeconomic indicators and scenarios' weights.

The credit loss expense increased by 190,396 UZS for the six months ended 30 June 2020 due to the changes described above.

*(Millions of Uzbek Soums)*

## **7. Loans to customers (continued)**

### **Modified and restructured loans**

The Group derecognises a financial asset, such as a loan to a customer, when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new loan, with the difference recognised as a derecognition gain or loss, to the extent that an impairment loss has not already been recorded. The newly recognised loans are classified as Stage 1 for ECL measurement purposes, unless the new loan is deemed to be POCI.

If the modification does not result in cash flows that are substantially different, the modification does not result in derecognition. Based on the change in cash flows discounted at the original EIR, the Group records a modification gain or loss, to the extent that an impairment loss has not already been recorded.

During six months period ended 30 June 2020, the Group has modified the terms and conditions of certain mortgage and consumer loans, including introduction of payment holidays, as part of the measures introduced by the Government related to consequences of COVID-19 pandemic. The Group considered these modifications to be non-substantial.

In April 2020 the Group modified several loans according to the Government Decree in the total amount of UZS 3,995,112 issued to Uzbekistan Railways by decreasing its interest rate from 16% to 10%. This modification resulted in 10% decrease in discounted cash flows of original financial assets. According to the Group’s accounting policy, it recognized modified instruments as new financial assets and recorded the loss of UZS 356,005 through equity, as a transaction under common control.

*(Millions of Uzbek Soums)***8. Investment securities**

Investment securities comprises:

	<b>30 June 2020</b> <b>(unaudited)</b>	<b>31 December</b> <b>2019</b>
<b>Debt securities at amortised cost</b>		
State bonds	1,160,155	163,769
Less: allowance for impairment	(9,186)	(951)
<b>Debt securities at amortised cost</b>	<b>1,150,969</b>	<b>162,818</b>
<b>Equity securities at FVOCI</b>		
Corporate shares	59,057	55,524
<b>Equity securities at FVOCI</b>	<b>59,057</b>	<b>55,524</b>
<b>Investment securities</b>	<b>1,210,026</b>	<b>218,342</b>

State bonds comprise debt securities issued by the Ministry of Finance of the Republic of Uzbekistan and the Central Bank of the Republic of Uzbekistan at 10%-16% interest rate with original maturity of 1 -2 years for both dates as of December 31, 2019 and June 30, 2020.

Equity securities at FVOCI comprise equity investments in:

	<b>30 June 2020</b> <b>(unaudited)</b>	<b>31 December</b> <b>2019</b>
JSC Uzbek Korean Development bank	25,148	24,163
JSC Tashkent Mechanical Plant	12,520	12,520
JSC Uzmetkombinat	7,715	7,715
JSC Kafolat	4,160	4,160
Republican Stock Exchange „Tashkent“	2,838	2,838
OOO "O'yinchoqlar Fabrikasi"	1,688	-
JSC Qurilishmashleasing	1,500	1,500
JSC "Toys City"	1,177	-
OOO "National Products"	1,150	-
Uzbekinvest NEIC	935	935
JSC Republican Currency Exchange	119	119
Other	107	1,574
<b>Equity securities at FVOCI</b>	<b>59,057</b>	<b>55,524</b>

All balances of investment securities are allocated to Stage 1.

**9. Taxation**

The corporate income tax expense comprises:

	<b>30 June 2020</b> <b>(unaudited)</b>	<b>30 June 2019</b> <b>(unaudited)</b>
Current income tax	175,993	99,328
Deferred tax credit – origination and reversal of temporary differences	(17,022)	(61,104)
<b>Income tax expense</b>	<b>158,971</b>	<b>38,224</b>

(Millions of Uzbek Soums)

**10. Credit loss expense**

The table below shows the ECL charges on financial instruments recorded in the consolidated statement of profit or loss for the six months period ended 30 June 2020:

	<b>Note</b>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
Cash and cash equivalents	4	44	-	-	44
Amounts due from credit institutions	5	(1 044)	-	-	(1 044)
Loans to customers at amortised cost	7	752 697	94 831	(162 596)	684 933
Debt securities measured at amortised cost	15	8 235	-	-	8 235
Other financial assets		(33)	-	(10 030)	(10 063)
Financial guarantees	19	9 929	-	-	9 929
Loan commitments	19	5 302	-	-	5 302
Letters of credit	19	8 103	-	-	8 103
<b>Total credit loss expense</b>		<b>783 233</b>	<b>94 831</b>	<b>(172 626)</b>	<b>705 439</b>

An analysis of changes in the ECLs for other financial assets for six months ended 30 June 2019 is, as follows:

	<b>Note</b>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
Cash and cash equivalents	4	(4,744)	-	-	(4,744)
Amounts due from credit institutions	5	4,202	-	-	4,202
Loans to customers at amortised cost	7	336,743	161,055	20,218	518,016
Other financial assets		45	-	1,334	1,379
Financial guarantees	19	(79,744)	-	-	(79,744)
Loan commitments	19	(144)	-	-	(144)
Letters of credit	19	24,233	-	-	24,233
<b>Total credit loss expense</b>		<b>280,591</b>	<b>161,055</b>	<b>21,552</b>	<b>463,198</b>

**11. Net fee and commission income**

Net fee and commission income comprises:

	<b>For the six months ended</b>	
	<b>30 June 2020</b>	<b>30 June 2019</b>
	<b>(unaudited)</b>	<b>(unaudited)</b>
Settlement operations	60,589	91,029
Foreign currency exchange operations	27,130	22,703
Cash operations	28,808	17,287
Letters of credit and guarantee issuance	21,322	35,633
Foreign settlement operations	18,504	14,278
Operations with plastic cards	13,549	7,634
Other	5,640	11,715
<b>Fee and commission income</b>	<b>175,542</b>	<b>200,278</b>
Cash collection services	(9,556)	(18,325)
Operations with plastic cards	(8,846)	(8,047)
Settlement expenses	(7,550)	(4,460)
Commission expense for conducting operations on guarantees	(1,056)	(1,513)
Conversion expenses	(3,878)	(2,612)
Other	(4,501)	(2,222)
<b>Fee and commission expense</b>	<b>(35,387)</b>	<b>(37,179)</b>
<b>Net fee and commission income</b>	<b>140,155</b>	<b>163,099</b>

*(Millions of Uzbek Soums)***12. Amounts due to the CBU and the Government**

Amounts due to the Central Bank of the Republic of Uzbekistan comprise correspondent accounts of the CBU.

**13. Amounts due to credit institutions**

Amounts due to credit institutions comprise:

	<b>30 June 2020</b> <b>(unaudited)</b>	<b>31 December</b> <b>2019</b>
Correspondent accounts with other banks	1,947,902	898,860
Time deposits	211,378	240,582
<b>Amounts due to Credit Institutions</b>	<b>2,159,280</b>	<b>1,139,442</b>

**14. Amounts due to customers**

The amounts due to customers include the following:

	<b>30 June 2020</b> <b>(unaudited)</b>	<b>31 December 2019</b>
Current accounts	9,920,317	9,079,076
Time deposits	6,366,244	6,428,165
<b>Amounts due to customers</b>	<b>16,286,561</b>	<b>15,507,241</b>
Held as security against letters of credit	2,458,355	3,701,184

As at 30 June 2020 and 31 December 2019, customer accounts in the amount of UZS 3,817,273 and UZS 7,598,307 (24% and 49% of total customer accounts), respectively, were due to ten customers, which represents a significant concentration.

**15. Debt securities issued**

Debt securities issued comprise:

	<b>30 June 2020</b> <b>(unaudited)</b>	<b>31 December</b> <b>2019</b>
Domestic bonds issued	821,675	21,483
Certificates of deposit	100,823	110,158
<b>Debt securities issued</b>	<b>922,498</b>	<b>131,641</b>

As of 30 June 2020, domestic bonds issued comprise bonds issued to the Central Bank of the Republic of Uzbekistan at 15%-16% interest rate and certificates of deposit included certificates issued to the Fund of Guarantee of Citizens' Deposits in Banks in the amount of UZS 100,823 at 6% interest rate.

*(Millions of Uzbek Soums)***16. Other borrowed funds**

Other borrowed funds consisted of the following:

	<b>30 June 2020</b> <b>(unaudited)</b>	<b>31 December</b> <b>2019</b>
Eximbank of China	11,296,434	10,867,733
China Development Bank	7,494,710	4,730,138
Fund for Reconstruction and Development of the Republic of Uzbekistan	3,238,108	4,576,742
Ministry of Finance of the Republic of Uzbekistan	3,055,037	2,990,720
Gazprombank JSC	1,665,365	319,819
Natixis Bank	1,507,718	1,512,552
Sumitomo Mitsui Banking Corporation	1,325,987	964,844
Credit Suisse AG	1,140,052	1,057,616
Deutsche Bank AG	1,062,346	1,241,643
Islamic Development Bank	971,665	992,798
Foreign Economic Bank of Russia	977,237	557,853
International Bank for Reconstruction and Development	723,713	616,193
European Bank for Reconstruction and Development	631,659	615,691
Eximbank of Korea	353,326	190,386
Landesbank Baden-Wuerttemberg	478,887	467,722
Baobab Securities Limited	383,687	381,556
"Yoshlar-Kelajagimiz" Fund	275,971	291,122
Other	950,181	740,100
<b>Other borrowed funds</b>	<b>37,532,082</b>	<b>33,115,228</b>

The Group received and paid following borrowings during the six months ended 30 June 2020:

The Group received funds under previously concluded loan Agreement with China Development Bank Corporation in the amount of UZS 1,249,193 to refinance the projects related to trade cooperation under the Belt and Road with participation of Chinese enterprises. In addition, the Group have received part of financing to previously opened borrowing line in the total amount of UZS 1,433,213 for supporting Uzbek enterprises.

In accordance with the loan agreement concluded in March 2020, the Group received a loan in the amount of UZS 1,519,806 (equivalent to USD 150,000,000) from Gazprombank. The loan is provided for further lending to eligible sub-borrowers for trade finance and capital expenditure purposes. The borrowing is to be repaid in 6 months.

During the six month ended 30 June 2020 the Group received funds in the amount of UZS 306,924 for the development of the telecommunication networks and information-communication infrastructure from credit line provided by Sumitomo Mitsui Banking Corporation.

In April 2020, the Group received new loan in the amount of UZS 38,266 from Foreign Economic Bank of Russia and additional funds in the amount of UZS 333,389 have been received under previous Loan Agreement for Energy Investment Project.

During the six month ended 30 June 2020 the Group received additional funds in the amount UZS 78,426 from International Bank for Reconstruction and Development on account for agricultural and industrial enterprises.

In accordance with the loan agreement concluded in September 2019 the Group received a loan from Aka Ausfuhrkredit-Gesellschaft MBH in the amount UZS 313,650 (equivalent to EUR 30,000,000).

In accordance with Cooperation Agreement between Banque de Cairo and Group, lender has provided credit line in the amount up to UZS 101,739 (equivalent to USD 10,000,000) for trade and project financing. The maturity of the loan is 370 days.

During 2020, under the relationship program between Turkey and Uzbekistan, funds in the amount of UZS 99,515 were received from Turk Eximbank.

*(Millions of Uzbek Soums)***16. Other borrowed funds (continued)**

The borrowing agreements with European Bank for Reconstruction and Development, Credit Suisse AG, Gazprombank JSC and China Development Bank stipulate financial covenants, non-compliance of which may give the lender a right to demand repayment. As at 30 June 2020, the Group has breached liquid assets to total assets ratio covenant under the terms of the agreements with Gazprombank JSC. As at 31 December 2019, the Group was in breach of the following covenants:

- Cash and cash equivalents to total assets ratio;

Liquid assets to total assets ratio. On 16 September 2020 Gazprombank provided a waiver-letter stating no penalties or early repayment would be requested by Gazprombank for the breach of abovementioned covenants.

**17. Subordinated loans**

Subordinated loans consisted of the following:

	<b>30 June 2020</b> <b>(unaudited)</b>	<b>31 December</b> <b>2019</b>
International Bank for Reconstruction and Development	896,559	845,687
Ministry of Finance of the Republic of Uzbekistan	363,196	360,037
Asian Development Bank	273,049	253,652
<b>Subordinated loans</b>	<b>1,532,805</b>	<b>1,459,376</b>

**18. Equity****Distribution to shareholders of the Bank**

The Group's distributable reserves among shareholders are limited to the amount of its reserves as disclosed in its statutory accounts. Non-distributable reserves are represented by a reserve fund, which is created as required by the statutory regulations, in respect of general risks, including future losses and other unforeseen risks or contingencies.

In April 2020 the Group modified several loans according to Government Decree in the total amount of UZS 3,995,112 issued to Uzbekistan Railways by decreasing its interest rate from 16% to 10%. The Group recognized a modification loss of UZS 356,005 as a distribution to shareholders of the Bank through equity.

The Group distributes profits as dividends or transfers to reserves on the basis of the financial information prepared in accordance with the local legislation. In June 2020, the Group paid dividends to Shareholders in respect of the year ended 31 December 2019, totalling 68,386 UZS.



*(Millions of Uzbek Soums)***19. Commitments and contingencies****Operating environment**

Uzbekistan continues economic reforms and development of its legal, tax and regulatory frameworks as required by a market economy and continues to undergo substantial economic and social changes. The future stability of the Uzbekistan economy is largely dependent upon these reforms and developments and the effectiveness of economic, financial and monetary measures undertaken by the government.

Management of the Group is monitoring developments in the current environment and taking measures it considered necessary in order to support the sustainability and development of the Group's business in the current circumstances.

**Legal**

In the ordinary course of business, the Group is subject to legal actions and complaints. Management believes that the ultimate liability, if any, arising from such actions or complaints will not have a material adverse effect on the financial condition or the results of future operations of the Group.

**Taxation**

Uzbekistan currently has a number of laws related to various taxes imposed by both state and regional governmental authorities. Implementing regulations are often unclear or non-existent and few precedents have been established. Often, differing opinions regarding legal interpretation exist both among and within government ministries and organisations (like the State Tax Committee and its various inspectorates) thus creating uncertainties and areas of conflict. Tax declarations, together with other legal compliance areas (as examples, customs and currency control matters) are subject to review and investigation by a number of authorities that are empowered by law to impose extremely severe fines, penalties and interest charges. These facts create tax risks in Uzbekistan substantially more significant than typically found in countries with more developed tax systems. Management believes that the Group is in substantial compliance with the tax laws affecting its operations. However, the risk remains that relevant authorities could take differing positions with regard to interpretive issues.

As at 30 June 2020 management believes that its interpretation of the relevant legislation is appropriate and that the Group's tax, currency and customs positions will be sustained.

**Credit related and other commitments**

As of 30 June 2020 and 31 December 2019 the Group's commitments and contingencies comprised the following:

	<b>30 June 2020</b> <b>(unaudited)</b>	<b>31 December</b> <b>2019</b>
<b>Credit related commitments</b>		
Letters of credit	6,504,742	5,790,913
Undrawn loan commitments	3,908,982	3,824,638
Financial guarantees	1,994,540	1,903,098
	<b>12,408,264</b>	<b>11,518,649</b>
<b>Other commitments</b>		
Performance guarantees	338,128	227,915
	<b>338,128</b>	<b>227,915</b>
<b>Commitments and contingencies</b>	<b>12,746,393</b>	<b>11,746,564</b>
Provision for ECL for credit related commitments	(75,113)	(51,779)
Deposits held as securities against letters of credit	(2,430,489)	(2,875,481)

(Millions of Uzbek Soums)

**19. Commitments and contingencies (continued)**

An analysis of changes in the ECLs during the six months ended 30 June 2020 is as follows:

<b><i>Undrawn loan commitments</i></b>	<b><i>Stage 1</i></b>	<b><i>Stage 2</i></b>	<b><i>Stage 3</i></b>	<b><i>Total</i></b>
<b>ECLs as at 1 January 2020</b>	<b>7,937</b>	-	-	<b>7,937</b>
New exposures	10,217	-	-	<b>10,217</b>
Amounts paid	(4,915)	-	-	<b>(4,915)</b>
<b>At 30 June 2020 (unaudited)</b>	<b>13,239</b>	-	-	<b>13,239</b>

<b><i>Letters of credit</i></b>	<b><i>Stage 1</i></b>	<b><i>Stage 2</i></b>	<b><i>Stage 3</i></b>	<b><i>Total</i></b>
<b>ECLs as at 1 January 2020</b>	<b>20,750</b>	-	-	<b>20,750</b>
New exposures	8,473	-	-	<b>8,473</b>
Amounts paid	(370)	-	-	<b>(370)</b>
<b>At 30 June 2020 (unaudited)</b>	<b>28,853</b>	-	-	<b>28,853</b>

<b><i>Financial guarantees</i></b>	<b><i>Stage 1</i></b>	<b><i>Stage 2</i></b>	<b><i>Stage 3</i></b>	<b><i>Total</i></b>
<b>ECLs as at 1 January 2020</b>	<b>23,092</b>	-	-	<b>23,092</b>
Amounts paid	1,751	-	-	<b>1,751</b>
Changes to models and inputs used for ECL calculations	8,178	-	-	<b>8,178</b>
<b>At 30 June 2020 (unaudited)</b>	<b>33,021</b>	-	-	<b>33,021</b>

An analysis of changes in the ECLs during the six months ended 30 June 2019 is as follows:

<b><i>Undrawn loan commitments</i></b>	<b><i>Stage 1</i></b>	<b><i>Stage 2</i></b>	<b><i>Stage 3</i></b>	<b><i>Total</i></b>
<b>ECLs as at 1 January 2019</b>	<b>144</b>	-	-	<b>144</b>
New exposures	-	-	-	-
Amounts paid	(144)	-	-	<b>(144)</b>
<b>At 30 June 2019 (unaudited)</b>	<b>-</b>	-	-	<b>-</b>

<b><i>Letters of credit</i></b>	<b><i>Stage 1</i></b>	<b><i>Stage 2</i></b>	<b><i>Stage 3</i></b>	<b><i>Total</i></b>
<b>ECLs as at 1 January 2019</b>	<b>16,570</b>	-	-	<b>16,570</b>
New exposures	65,719	-	-	<b>65,719</b>
Amounts paid	(41,486)	-	-	<b>(41,486)</b>
<b>At 30 June 2019 (unaudited)</b>	<b>40,803</b>	-	-	<b>40,803</b>

<b><i>Financial guarantees</i></b>	<b><i>Stage 1</i></b>	<b><i>Stage 2</i></b>	<b><i>Stage 3</i></b>	<b><i>Total</i></b>
<b>ECLs as at 1 January 2019</b>	<b>109,793</b>	-	-	<b>109,793</b>
Amounts paid	(1,552)	-	-	<b>(1,552)</b>
Changes to models and inputs used for ECL calculations	(78,192)	-	-	<b>(78,192)</b>
<b>At 30 June 2019 (unaudited)</b>	<b>30,049</b>	-	-	<b>30,049</b>

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## **20. Fair values of financial instruments**

### **Fair value measurement procedures**

The Group’s investment committee determines the policies and procedures for both recurring fair value measurement, such as investment securities.

At each reporting date, the investment committee analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Group’s accounting policies. For this analysis, the investment committee verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents. The investment committee also compares each the changes in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable. On an interim basis, the investment committee present the valuation results to the audit committee and the Group’s independent auditors. This includes a discussion of the major assumptions used in the valuations.

### **Fair value hierarchy**

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities;
- Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly; and
- Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

*(Millions of Uzbek Soums)***20. Fair values of financial instruments (continued)****Fair value hierarchy (continued)**

The following table shows an analysis of financial instruments recorded at fair value measurement at the end of reporting period by level of the fair value hierarchy:

<i>At 30 June 2020 (unaudited)</i>	<i>Date of valuation</i>	<i>Fair value measurement using</i>			<i>Total</i>
		<i>Quoted prices in active markets (Level 1)</i>	<i>Significant observable inputs (Level 2)</i>	<i>Significant unobservable inputs (Level 3)</i>	
<b>Assets measured at fair value</b>					
Investment securities - equity securities at FVOCI	30.06.2020	-	-	59,057	<b>59,057</b>
Derivative assets	30.06.2020	-	-	102,510	<b>102,510</b>
<b>Assets for which fair values are disclosed</b>					
Cash and cash equivalents	30.06.2020	7,777,491	-	-	<b>7,777,491</b>
Amounts due from credit institutions	30.06.2020	758,097	-	-	<b>758,097</b>
Investment securities measured at amortised cost	30.06.2020	1,159,204	-	-	<b>1,159,204</b>
Loans to customers	30.06.2020	-	-	61,000,392	<b>61,000,392</b>
<b>Liabilities for which fair values are disclosed</b>					
Amounts due to CBU and Government	30.06.2020	-	-	1,475,231	<b>1,475,231</b>
Amounts due to credit institutions	30.06.2020	-	-	2,089,039	<b>2,089,039</b>
Amounts due to customers	30.06.2020	-	-	16,274,694	<b>16,274,694</b>
Debt securities issued	30.06.2020	-	-	925,188	<b>925,188</b>
Other borrowed funds	30.06.2020	-	-	36,513,378	<b>36,513,378</b>
Subordinated loans	30.06.2020	-	-	1,535,900	<b>1,535,900</b>

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**20. Fair value measurement (continued)****Fair value hierarchy (continued)**

<i>At 31 December 2019</i>	<i>Date of valuation</i>	<i>Fair value measurement using</i>			<i>Total</i>
		<i>Quoted prices in active markets (Level 1)</i>	<i>Significant observable inputs (Level 2)</i>	<i>Significant unobservable inputs (Level 3)</i>	
<b>Assets measured at fair value</b>					
Investment securities - equity securities at FVOCI	31.12.2019	-	-	55,524	<b>55,524</b>
Derivative assets	31.12.2019	-	-	102,510	<b>102,510</b>
<b>Assets for which fair values</b>					
Cash and cash equivalents	31.12.2019	7,001,599	-	-	<b>7,001,599</b>
Amounts due from credit	31.12.2019	1,688,833	-	-	<b>1,688,833</b>
Investment securities measured at	31.12.2019	156,024	-	-	<b>162,818</b>
Loans to customers	31.12.2019	-	-	53,053,125	<b>53,053,125</b>

<i>At 31 December 2019</i>	<i>Date of valuation</i>	<i>Fair value measurement using</i>			<i>Total</i>
		<i>Quoted prices in active markets (Level 1)</i>	<i>Significant observable inputs (Level 2)</i>	<i>Significant unobservable inputs (Level 3)</i>	
<b>Liabilities for which fair values</b>					
Amounts due to CBU and	31.12.2019	-	-	1,695,207	<b>1,695,207</b>
Amounts due to credit institutions	31.12.2019	-	-	1,132,582	<b>1,132,582</b>
Amounts due to customers	31.12.2019	-	-	15,507,241	<b>15,507,241</b>
Debt securities issued	31.12.2019	-	-	131,641	<b>131,641</b>
Other borrowed funds	31.12.2019	-	-	32,312,769	<b>32,312,769</b>
Subordinated loans	31.12.2019	-	-	1,437,402	<b>1,437,402</b>

*Recurring fair value measurements*

The following is a description of the determination of fair value for recurring fair value measurements which are recorded using valuation techniques. These incorporate the Group's estimate of assumptions that a market participant would make when valuing the instruments.

*Derivatives*

Derivatives valued using a valuation technique with market observable inputs are mainly interest rate swaps, currency swaps and forward foreign exchange contracts. The most frequently applied valuation techniques include forward pricing and swap models, using present value calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates and interest rate curves.

Derivatives valued using a valuation technique with significant non-market observable inputs are primarily long dated option contracts. These derivatives are valued using the binomial models. The models incorporate various non-observable assumptions, which include market rate volatilities.

*(Millions of Uzbek Soums)***20. Fair values of financial instruments (continued)****Fair value hierarchy (continued)***Fair value of financial assets and liabilities not carried at fair value*

Set out below is a comparison by class of the carrying amounts and fair values of the Group’s financial instruments that are not carried at fair value in the interim condensed consolidated statement of financial position. The table does not include the fair values of non-financial assets and non-financial liabilities.

	30 June 2020 (unaudited)			31 December 2019		
	Carrying value	Fair value	Unrecog- nised gain/(loss)	Carrying value	Fair value	Unrecog- nised gain/(loss)
<b>Financial assets</b>						
Amounts due from credit institutions	758,097	758,097	-	1,777,507	1,688,833	(88,674)
Loans to customers	62,505,870	61,000,392	(1,505,478)	54,174,008	53,053,125	(1,120,883)
Investment securities – debt securities at amortised cost	1,159,204	1,136,558	(22,646)	162,818	156,024	(6,794)
<b>Financial liabilities</b>						
Amounts due to CBU and Government	1,475,231	1,475,231	-	1,695,207	1,695,207	-
Amounts due to credit institutions	2,159,280	2,089,039	70,241	1,139,442	1,132,582	6,860
Amounts due to customers	16,286,561	16,274,694	11,867	15,507,241	15,552,582	(45,341)
Debt securities	922,498	925,188	(2,689)	151,397	131,641	19,756
Other borrowed funds	37,532,083	36,513,378	1,018,705	33,115,228	32,312,769	802,459
Subordinated loans	1,532,805	1,535,900	(3,095)	1,459,376	1,437,402	21,974
<b>Total unrecognised change in fair value</b>			<b>(433,095)</b>			<b>(410,643)</b>

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**20. Fair values of financial instruments (continued)****Fair value hierarchy (continued)***Investment securities*

Trading securities and investment securities valued using a valuation technique or pricing models primarily consist of unquoted equity and debt securities. These securities are valued using models which sometimes only incorporate data observable in the market and at other times use both observable and non-observable data. The non-observable inputs to the models include assumptions regarding the future financial performance of the investee, its risk profile, and economic assumptions regarding the industry and geographical jurisdiction in which the investee operates.

Transfers between levels of fair value hierarchy are deemed to have occurred at the end of the reporting period.

*Movements in level 3 financial instruments measured at fair value*

The following tables show a reconciliation of the opening and closing amount of Level 3 financial assets and liabilities which are recorded at fair value:

	<b>At 1 January 2020</b>	<b>Total gain recorded in profit or loss (unaudited)</b>	<b>Total gain recorded in OCI (unaudited)</b>	<b>Purchases (unaudited)</b>	<b>At 30 June 2020 (unaudited)</b>
<b>Financial assets</b>					
Derivative financial instruments	102,510	-	-	-	102,510
Investment securities – equity securities at FVOCI	55,524	-	985	2,548	59,057
<b>Total level 3 financial assets</b>	<b>158,034</b>	<b>-</b>	<b>985</b>	<b>2,548</b>	<b>161,567</b>
	<b>At 1 January 2019</b>	<b>Total gain recorded in profit or loss (unaudited)</b>	<b>Total gain recorded in OCI (unaudited)</b>	<b>Purchases (unaudited)</b>	<b>At 30 June 2019 (unaudited)</b>
<b>Financial assets</b>					
Derivative financial instruments	-	28,263	-	74,247	102,510
Investment securities – equity securities at FVOCI	47,762	-	-	5,075	52,837
<b>Total level 3 financial assets</b>	<b>47,762</b>	<b>28,263</b>	<b>-</b>	<b>79,322</b>	<b>155,347</b>

During the period ended 30 June 2020, there were no transfers between the level of fair value hierarchy.

Gains or losses on level 3 financial instruments included in the profit or loss for the period comprise:

	<b>Six months ended 30 June 2020 (unaudited)</b>			<b>Year ended 31 December 2019</b>		
	<b>Realised gains/ (losses)</b>	<b>Unrealised gains/ (losses)</b>	<b>Total</b>	<b>Realised gains/ (losses)</b>	<b>Unrealised gains/ (losses)</b>	<b>Total</b>
Total gains or losses included in the profit or loss for the period	-	4,145	<b>4,145</b>	-	28,263	<b>28,263</b>

*(Millions of Uzbek Soums)***20. Fair values of financial instruments (continued)****Fair value hierarchy (continued)**

The following table shows the quantitative information about significant unobservable inputs used in the fair value measurement categorized within Level 3 of the fair value hierarchy

<b>30 June 2020 (unaudited)</b>	<b>Carrying amount</b>	<b>Valuation techniques</b>	<b>Unobservable input</b>	<b>Range (weighted average)</b>	<b>Sensitivity of the input to fair value</b>
<b>Derivative financial instruments</b>					
Foreign currency swaps	102,510	Discounted cash flow	Discount rate	12%-18% (16%)	2% increase (decrease) in the discount rate would result in an increase (decrease) in fair value of the contingent consideration liability by UZS 2,050
<b>Investment securities measured at FVOCI</b>					
Equity securities	59,057	Discounted cash flow of	Discount rate	12%-18% (16%)	2% increase (decrease) in the discount rate would result in an increase (decrease) in fair value of the contingent consideration liability by UZS 1,062
<b>31 December 2019</b>	<b>Carrying amount</b>	<b>Valuation techniques</b>	<b>Unobservable input</b>	<b>Range (weighted)</b>	<b>Sensitivity of the input to fair value</b>
<b>Derivative financial instruments</b>					
Foreign currency swaps	102,510	Discounted cash flow	Discount rate	12%-18% (16%)	2% increase (decrease) in the discount rate would result in an increase (decrease) in fair value of the contingent consideration liability by UZS 2,050
<b>Investment securities</b>					
Equity securities	55,524	Discounted cash flow of	Discount rate	12%-18% (16%)	2% increase (decrease) in the discount rate would result in an increase (decrease) in fair value of the contingent consideration liability by UZS 1,110



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## 21. Related party disclosures

In accordance with IAS 24 *Related Party Disclosures*, parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions. In considering each possible related party relationship, attention is directed to the substance of the relationship, not merely the legal form.

Related parties may enter into transactions which unrelated parties might not, and transactions between related parties may not be effected on the same terms, conditions and amounts as transactions between unrelated parties.

Transactions between the Bank and its subsidiaries, which are related parties of the Bank, have been eliminated on Consolidation and are not disclosed in this note. The outstanding balances of related party transactions are as follows:

### Transactions with government-related entities

The Government of the Republic of Uzbekistan, acting through The Fund for Reconstruction and Development of the Republic of Uzbekistan and The Ministry of Finance of the Republic of Uzbekistan controls over the Group.

The Government of the Republic of Uzbekistan, directly and indirectly controls and has significant influence over a significant number of entities through its government agencies and other organizations (together referred to as “government-related entities”). The Group enters into banking transactions with these entities including but not limited to lending, deposit taking, cash settlement, foreign exchange, providing guarantees, as well as securities and derivative transactions. These transactions comprise a large portion of the Group’s transactions are disclosed below.

Transactions between the Bank and its subsidiaries, which are related parties of the Bank, have been eliminated on consolidation and are not disclosed in this note. Details of transactions between the Group and other related parties are disclosed below.

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## 21. Related party disclosures (continued)

The outstanding balances of related party transactions are as follows:

	30 June 2020 (unaudited)				31 December 2019					
	Parent	Government controlled entities	Associates	Key management personnel	Total category as per financial statement caption	Parent	Government controlled entities	Associates	Key management personnel	Total category as per financial statement caption
Cash and cash equivalents	-	213,166	179,242	-	7,777,491	-	190,327	479,830	-	7,001,599
Amounts due from credit institutions	-	304,134	-	-	874,798	-	931,395	-	-	1,777,507
Investment securities	-	1,160,155	-	-	1,210,026	-	184,017	-	-	218,342
Loans to customers	-	34,892,272	591,477	-	59,889,588	-	30,179,247	345,120	-	54,174,008
Allowance for impairment losses – loans to customers	-	(1,419,280)	(18,325)	-	(2,588,283)	-	(1,064,958)	(13,750)	-	(1,942,121)
Debt securities issued	-	922,366	-	-	922,498	-	110,000	-	-	131,641
Subordinated loans	-	359,683	-	-	1,532,805	-	359,683	-	-	1,459,376
Amounts due to CBU and Government	-	1,475,231	-	-	1,475,231	-	1,695,207	-	-	1,695,207
Amounts due to customers	-	3,652,693	44,050	-	16,286,561	-	3,839,553	22,479	-	15,507,241
Amounts due to credit institutions	-	1,379,195	147	-	2,159,280	-	637,095	488	-	1,139,442
Other borrowed funds	3,238,108	14,539,739	-	-	37,532,082	2,051,876	20,862,255	-	-	33,115,228
Guarantees	-	1,691,123	9,961	-	1,994,540	-	1,636,778	3	-	1,903,098
Letters of credit	-	4,514,137	6,430	-	6,504,742	-	2,531,645	20,304	-	5,790,913

The income and expense arising from related party transactions are as follows:

	30 June 2020 (unaudited)				30 June 2019 (unaudited)					
	Parent	Government controlled entities	Associates	Key management personnel	Total category as per financial statement caption	Parent	Government controlled entities	Associates	Key management personnel	Total category as per financial statement caption
Interest income on loans	-	1,632,827	17,253	-	2,563,865	-	900,452	1,290	-	1,630,204
Impairment charge for loans	-	263,626	1,466	-	987,793	-	167,823	629	-	765,968
Interest expense on deposits	-	(118,175)	-	-	(305,867)	-	(101,333)	(526)	-	(224,672)
Interest expense on other borrowed funds	(70,310)	(5,167)	-	-	(619,684)	(23,947)	(193,748)	-	-	(635,810)
Fee and commission income	-	16,740	114	-	175,542	-	46,094	-	-	200,278
Fee and commission expense	-	(28,634)	(832)	-	(35,387)	(2,864)	(7,732)	-	-	(37,179)
Operating expenses	-	-	-	(2,222)	(369,465)	-	-	-	(1,799)	(366,013)
Salaries and other benefits	-	-	-	(2,147)	204,291	-	-	-	(1,747)	201,175
Social Security Costs	-	-	-	(75)	19,717	-	-	-	(52)	39,261

*(Millions of Uzbek Soums)***21. Related party disclosures (continued)****Subsidiaries**

The consolidated financial statements include the following major subsidiaries:

<i>Subsidiary</i>	<i>Principal place of business</i>	<i>Country of incorporation</i>	<i>Date of incorporation</i>	<i>Nature of activities</i>	<i>Owners</i>	<i>Ownership</i>
					<i>hip/ voting, %</i>	<i>ip/ voting, %</i>
<b>30 June 2020 (unaudited)</b>					<b>2020</b>	<b>2019</b>
Asia Invest Bank CJSC	Moscow	Russia	1996	Banking	96%	85%
NBU Invest Group LLC	Tashkent	Uzbekistan	2008	Asset management	100%	100%
VIP Service NBU LLC	Tashkent	Uzbekistan	1999	Office maintenance	100%	100%
Tashkent Palace New LLC	Tashkent	Uzbekistan	2010	Hotel business	100%	100%
NBU Bunyodkor Invest LLC	Tashkent	Uzbekistan	2017	Construction	100%	100%
NBU Gazgan Invest LLC	Navai	Uzbekistan	2017	Asset management	100%	100%
NBU Samarkand Invest LLC	Samarkand	Uzbekistan	2017	Asset management	100%	100%
Shomonay Eco Teks LLC	Tashkent	Uzbekistan	2017	Textile	59%	59%
Zarbdor Textile LLC	Jizzakh	Uzbekistan	2017	Textile	53%	53%
Funny Kids World LLC	Tashkent	Uzbekistan	2017	Manufacturing	84%	84%
JSC Gazgan Stone Invest	Tashkent	Uzbekistan	2020	Manufacturing	67%	-
Zomin Textile	Jizzakh	Uzbekistan	2017	Textile	74%	74%
Jayhun Gold Tex LLC	Karakalpakstan	Uzbekistan	2017	Textile	-	100%
Sherobod Textile LLC	Sherobod	Uzbekistan	2017	Textile	61%	61%
Paxtakor Gold Textile LLC	Tashkent	Uzbekistan	2016	Textile	56%	56%
Marmarobod LLC	Navai	Uzbekistan	2019	Manufacturing	100%	100%
United National Company LLC	Tashkent	Uzbekistan	2019	Manufacturing	100%	74%
National Products LLC	Tashkent	Uzbekistan	2017	Manufacturing	9%	99%

(Millions of Uzbek Soums)

**21. Related party disclosures (continued)****Investments in associates**

The following major associates are accounted for under the equity method:

<b>30 June 2020</b>	<b>Ownership/ voting, %</b>	<b>Principal place of business</b>	<b>Country of incorporation</b>	<b>Nature of activities</b>	<b>Carrying Value</b>
Yangi Zamon Bino LLC	25%	Tashkent	Uzbekistan	Construction	165,083
Navro'z Bogi LLC	50%	Tashkent	Uzbekistan	Construction	85,000
Samarkand Touristic Centre LLC	40%	Tashkent	Uzbekistan	Hotel business	68,000
O'zbekim otlari LLC	42%	Tashkent	Uzbekistan	Horse	42,815
Uzbek Leasing International JSC	42%	Tashkent	Uzbekistan	Leasing	59,567
NBU Gazgan Invest LLC	28%	Tashkent	Uzbekistan	Asset management	20,000
Bo'ston Optimal Tekstil LLC	38%	Tashkent	Uzbekistan	Textile	6,275
Uzautotrans Service LLC	49%	Tashkent	Uzbekistan	Transportation	4,753
Other associates, individually immaterial		Other	Other	Other	2,120
<b>Total value of investments in associates</b>					<b>453,614</b>
<b>31 December 2019</b>	<b>Ownership/ voting, %</b>	<b>Principal place of business</b>	<b>Country of incorporation</b>	<b>Nature of activities</b>	<b>Carrying Value</b>
Navro'z Bogi LLC	50%	Tashkent	Uzbekistan	Construction	85,000
Uzbek Leasing International JSC	42%	Tashkent	Uzbekistan	Leasing	53,644
O'zbekim otlari LLC	42%	Tashkent	Uzbekistan	Horse Breeding	52,000
Yangi Zamon Bino LLC	25%	Tashkent	Uzbekistan	Construction	36,076
Other associates, individually immaterial		Other	Other	Other	12,815
<b>Total value of investments in associates</b>					<b>239,535</b>

**22. Events after the reporting period****New borrowings**

In August 2020 the Group signed the long-term facility agreement with the Silk Road Fund for the total amount of UZS 2,058,700 and with the JICA Japan, which is issued to the Ministry of Finance of the Republic of Uzbekistan for the total amount of UZS 204,679. Partial received amount of the Group is UZS 14,839. Furthermore, under the existing agreements, the Group obtained foreign currency funds from China Development Bank in the amount of UZS 409,290 from VTB of Europe - UZS 181,997 and from Landesbank (LBBW) in the amount of UZS 128,417.

**Acquisition of new Subsidiary**

In accordance with the Government decision, the Board of Directors acquired 51% shares of the company of “YAGONA UMUMRESPUBLIKA PROTSESSING MARKAZI” LLC with the value of UZS 21,502.