

ANNUAL REPORT
of the issuer on the results of 2016

The issuer's body, approved the report: The Annual General Meeting of Shareholders of JSCB "ASIA ALLIANCE BANK"

Date of the report approval: May 11, 2017

1.	NAME OF THE ISSUER	
	Name in full	Joint-stock commercial bank "ASIA ALLIANCE BANK"
	Short name	AKB "ASIA ALLIANCE BANK"
	Ticker name	AABK
2.	CONTACT DETAILS	
	Location:	2a, Tarakkiyot street, Tashkent, 100047, Republic of Uzbekistan
	Mailing address:	2a, Tarakkiyot street, Tashkent, 100047, Republic of Uzbekistan
	E-mail address:	info@aab.uz
	Official website:	aab.uz
3.	BANK DETAILS	
	Name of the serving bank:	Tashkent Cash Settlement Centre, Central Bank of Uzbekistan
	Settlement account number:	10301000200009055001
	MFO	09055
4.	REGISTRATION AND IDENTIFICATION NUMBERS ASSIGNED BY:	
	Registration authority:	License of the Central Bank of Uzbekistan for the implementation of banking operations No. 79 dated August 15, 2009 (re-registration No. 79 dated December 31, 2011, No. 79 dated September 20, 2014).
	Bodies of the State Tax Service (TIN):	TIN of the Bank - 207018693 (State Tax Office of the Yashnabad district, Tashkent)
	The numbers assigned by the body of state statistical:	
	Form of ownership code	144
	National Classifier of Enterprises and Organisations	22921172
	All-Union Classifier of Economy Sectors	96120
	Symbols System for Administrative Territorial Formations	1726290
5.	INDICATORS OF THE FINANCIAL-ECONOMIC STATUS OF THE ISSUER	
	Return on share capital ratio	32%
	Current ratio of total solvency:	177%
	Absolute liquidity ratio:	67%
	Equity ratio of own funds:	22%
	Debt to equity ratio of the issuer	22%

VOLUME OF ACCRUED INCOME ON SECURITIES IN THE REPORTING YEAR							
6.	For ordinary shares						
	In UZS per share: For the first half year of 2016		35,20 UZS				
	As a percentage to the nominal value of one share: For the first half year of 2016		14,08% per annum				
	On preferred shares						
	In UZS per share:		-				
	In percentage to the nominal value of one share:		-				
	On other securities						
	In UZS per share:		-				
In percentage to the nominal value of one share:		-					
AVAILABLE INDEBTEDNESS ON PAYMENT OF INCOME ON SECURITIES							
7.	On ordinary shares						
	For the reporting period (in UZS):		-				
	For the previous periods (in UZS):		-				
	On preferred shares						
	For the reporting period (in UZS):		-				
	For the previous periods (in UZS):		-				
	On other securities						
	For the reporting period (in UZS):		-				
For the previous periods (in UZS):		-					
CHANGES IN THE COMPOSITION OF THE SUPERVISORY BOARD:							
8.	No	Date of changes		Full name	Position	The Issuer's body, made the decision	Elected (appointed)/ expelled (dismissed, expiration of the term of authorities)
		Date of decision made	Date of termination of duties				
	1	11.05.2016	11.05.2016	Abdurayimov Bakhodir Tursinovich	General director, JV LLC "Inter Asia Trade"	General Meeting of Shareholders	Elected
	2	11.05.2016	11.05.2016	Alimov Alisher Muzaffarovich	General director, FC "Akwa Foods Impeks LTD"	General Meeting of Shareholders	Elected
	3	11.05.2016	11.05.2016	Djurayev Abdulla	Pensioner	General Meeting of Shareholders	Elected
	4	11.05.2016	11.05.2016	Kasimov Amir-Said Saydarifovich	Director, LLC "Sirex Trade"	General Meeting of Shareholders	Elected
5	11.05.2016	11.05.2016	Mkrtchyan Ovik Leonardovich	Corporate consultant, "Gor Investment Limited",	General Meeting of Shareholders	Elected	

CHANGES IN THE COMPOSITION OF THE REVISION COMMISSION							
No	Date of changes		Full name	Position	The issuer's body, made the decision	Elected (appointed)/ expelled (dismissed, expiration of the term of authorities)	
	Date of decision made	Date of termination of duties					
1	11.05.2016	11.05.2016	Usmanov D.M.	General Director, JV "Jet Profit"	General Meeting of Shareholders	Elected	
2	11.05.2016	11.05.2016	Chebotareva N.V.	Chief Accountant, "ASIA ALLIANCE GROUP" FE LLC	General Meeting of Shareholders	Elected	
3	11.05.2016	11.05.2016	Ziyaev J.A.	Chief Accountant, «Sugurta Uz» LLC Insurance Company	General Meeting of Shareholders	Elected	
BASIC INFORMATION ON ADDITIONALLY ISSUED SECURITIES DURING THE REPORTING YEAR							
9.	Issuer's body, made the decision on the issue:			Extraordinary General Meeting of Shareholders			
	Type of security:			Ordinary, registered			
	Number of securities:			100 632 711 shares			
	Nominal value of one security:			250 UZS			
	Date of state registration of the issue:			30.12.2015			
	Number of the state registration of the issue:			Registration No. P0840-10			
	Method of placement:			Closed subscription among a limited number of persons			
	Starting date of placement:			31.12.2015			
	Ending date of placement:			18.01.2016			
ESSENTIAL FACTS IN ACTIVITIES OF THE ISSUER FOR THE REPORTING YEAR							
No	Name of essential fact			No. of essential fact	Date of occurrence of essential fact	Date of publication of essential fact	
10.	1	Changes in the possession of issuer's shares by members of the Supervisory Board			34	15.01.2016	18.01.2016
	2	Changes in the possession of issuer's shares by members of the Supervisory Board			34	15.01.2016	18.01.2016
	3	Changes in the possession of issuer's shares by members of the Supervisory Board			34	15.01.2016	18.01.2016
	4	Changes in the possession of issuer's shares by members of the Supervisory Board			34	15.01.2016	18.01.2016
	5	Changes in the list of branches			9	25.04.2016	02.05.2016
	6	Conclusion of transaction with an affiliated entity			21	18.05.2016	20.05.2016
	7	Changes in the list of affiliated entities			36	20.05.2016	24.05.2016

8	Changes in the possession of issuer's shares by members of the Supervisory Board	34	24.05.2016	24.05.2016
9	Decisions adopted by the issuer's supreme management body	6	20.05.2016	24.05.2016
10	Conclusion of transaction with an affiliated entity	21	27.05.2016	31.05.2016
11	Conclusion of transaction with an affiliated entity	21	31.05.2016	02.06.2016
12	Changes in the possession of issuer's shares by members of the Supervisory Board	34	14.07.2016	15.07.2016
13	Decisions adopted by the issuer's supreme management body	6	07.10.2016	07.10.2016
14	Accrual of income on securities	32	07.10.2016	07.10.2016
15	Conclusion of transaction with an affiliated entity	21	19.08.2016	21.10.2016
16	Conclusion of transaction with an affiliated entity	21	16.11.2016	18.11.2016
17	Conclusion of transaction with an affiliated entity	21	17.11.2016	18.11.2016
18	Changes in the list of branches	9	07.11.2016	28.11.2016
19	Conclusion of transaction with an affiliated entity	21	05.12.2016	05.12.2016

BALANCE SHEET

Categories		thousand UZS
Assets		
1.	Cash and other payment documents	20 017 853
2.	Due from the Central Bank of the Republic of Uzbekistan	235 147 114
3.	Due from other banks	104 569 780
4.	Purchase and sale accounts	
	a. Securities	40 700
	b. Precious metals, coins, stones	
	c. Less: Provision for possible losses on purchase and sale accounts	
	d. Purchase and sale accounts, net	40 700
5.	a. Investments	21 000 000
	b. Less: Provision for possible losses on investments	
	c. Investments, net	21 000 000
6.	Securities purchased under agreement with redemption	
7.	Loans and leasing operations	
	a. Gross loans	669 411 643
	b. Leasing operations, Gross	34 366 685
	c. Less: Provision for possible losses on loans and leasing	10 109 495
	d. Loans and leasing operations, net	693 668 833
8.	a. Purchased promissory notes	
	b. Less: Provision for possible losses on purchased promissory notes	
	c. Purchased promissory notes, net	
9.	Obligations of customers on financial instruments	
10.	Fixed assets, net	34 514 046
11.	Accrued interest receivable	3 733 880
12.	Other own property of the bank	
	a. Investments in real estate	

	b. Other assets acquired during loan settlements	
	c. Less: Provision for possible losses on other own property of the bank	
	d. Net, other own property of the bank	0
	13. Other assets	20 106 999
	14. Total assets	1 132 839 205
	Liabilities and shareholders' equity	
	Liabilities	
	15. Demand deposits	420 366 854
	16. Savings deposits	67 367 445
	17. Fixed deposits	213 406 999
	18. Due to the Central Bank of Uzbekistan	
	19. Due to other banks	88 632 778
	20. Securities sold under agreement with subsequent redemption	
	21. Loans and leasing operations to be paid	
	22. Subordinated debt liabilities	
	23. Accrued interest payable	1 528 051
	24. Other liabilities	143 612 022
	25. Total liabilities	930 914 149
	Equity capital	
	26. Registered share capital	
	A. Shares - Ordinary	124 166 125
	B. Shares - Preferred	0
	27. Added capital	3 381 137
	28. Reserve capital	
	a. General reserve fund	11 111 603
	a.1. Of these, reserves for standard assets	
	b. Reserve for devaluation	0
	c. Other reserves and funds	4 706 595
	29. Retained earnings	58 559 596
	30. Total Equity capital	201 925 056
	31. Total liabilities and equity capital	1 132 839 205
	PROFIT AND LOSS STATEMENT	
	Categories	UZS thousand
	1. Interest income	
	a. Interest income on accounts in the Central Bank of Uzbekistan	1 071
	b. Interest income on the accounts in other banks	3 682 418
	c. Interest income on the purchased promissory notes	
	d. Interest income on investments	
	e. Interest income on accounts of purchase and sale of securities	
	f. Interest income on liabilities of customers	
	g. Interest income on liabilities of clients on unredeemed acceptances of the bank	
	h. Percentage discount (discounts) and contributions on loans and leasing operations	75 519 523
	i. Interest income under agreements on purchase of securities with redemption	
	j. Other interest income	20 932 686
	k. Total interest income	100 135 698
12.		

2. Interest expenses	
a. Interest expenses on demand deposits	2 111 700
b. Interest expense on savings deposits	2 520 097
c. Interest expense on fixed deposits	18 669 796
d. Interest expense on accounts payable to the Central Bank of Uzbekistan	
e. Interest expense on accounts payable to other banks	
f. Total interest expense on deposits	24 369 906
g. Interest expenses on loans payable	
h. Interest expense on agreements for the sale of securities with subsequent repurchase	
i. Other interest expense	17 462 650
j. Total interest expense on loans	17 462 650
k. Total interest expense	41 832 556
3. Net interest income before assessment of possible losses on loans and leasing	58 303 142
a. Less: Assessment of possible losses on loans and leases	5 659 845
b. Net interest income after assessment of possible losses on loans and leasing	52 643 297
4. Interest-free income	
a. Income from commissions and fees for services	55 906 736
b. Profit in foreign currency	8 280 428
c. Profit from commercial operations	
d. Profit and dividends from investments	
e. Other interest-free income	7 961 178
e. Total interest-free income	73 591 949
5. Interest-free expenses	
a. Commission expenses and expenses for services	21 294 511
b. Losses in foreign currency	2 201 087
c. Losses on purchase and sales accounts	
d. Loss on investments	
e. Other interest-free expenses	6 297
f. Total interest-free expenses	23 501 895
6. Net income before operating expenses	102 733 351
7. Operating expenses	
a. Salaries and other expenses for employees	27 993 378
b. Rent and maintenance	4 470 433
c. Business trip and transport expenses	407 004
d. Administrative expenses	2 749 337
e. Representation and charity	4 798 599
f. Depreciation expense	4 071 686
g. Insurance, taxes and other expenses	8 166 978
h. Total operating expenses	52 607 415

	8. Assessment of non-credit losses	841 220					
	9. Net profit before taxes and other adjustments	49 284 716					
	a. Assessment of income tax	10 147 027					
	10. Profit before amendments	39 137 689					
	a. Unforeseen income or loss, net						
	b. Other adjustments to profit, net						
	11. Net profit (loss)	39 137 689					
	INFORMATION ON RESULTS OF AUDIT						
13.	Name of the audit organization:	Audit organization "PricewaterhouseCoopers" LLC					
	Date of the license issue:	12.02.2008; CBU-14.02.2004					
	License number:	00492; CBU-9					
	Type of conclusion	Audit					
	Date of the audit report:	14.03.2017					
	Number of the audit report:	-					
	Full name of auditor (auditors) who conducted the audit:	Mukhammadiev Utkir, Asaturov Grigory					
	Copy of the audit report:						
	LIST OF CONCLUDED MAJOR TRANSACTIONS IN THE REPORTING YEAR						
14.	No	Date of transaction	Name or full name of the counterparty	Subject of the transaction	Amount	Who the issuer is in the transaction (acquirer / alienator of goods and services)	
	-	-	-	-	-	-	
	LIST OF COCCLUDED TRANSACTIONS WITH AFFILIATED ENTITIES IN THE REPORTING YEAR						
15.	No	Date of transaction	Name or full name of counterparty	Subject of transaction	Amount	Issuer's body, made decision on transactions	Full formulation of decisions made on transactions
	1.	18.05.2016	SC "SIS TRAVEL"	Production equipment	295920000	The Supervisory Board of the Bank	Based on the Credit Committee's decision of the Bank No. 2016-217 dated 17.05.2016, conclusion of the Credit and Corporate Client Service Department and Internal Audit Department, as well as the resolution of the Bank's Management Board No. 33 dated 17.05.2016, to purchase to the amount of \$98 640.00 a production equipment for packaging

						edible and inedible products with embossing flexographic pictures made from polymer materials and to lease it to SC "SIS TRAVEL" for 36 months, 16% per annum.
2.	27.05.2016	SC "SIS TRAVEL"	Counter-warranty	145967500	The Supervisory Board of the Bank	Based on the Credit Committee's decision of the Bank No. 2016-205 dated 06.05.2016, conclusion of the Credit and Corporate Client Service Department and Internal Audit Department, as well as the resolution of the Bank's Management Board No. 31 dated 11.05.2016, to give counter-warranty of liability administration by SC "SIS TRAVEL" in the amount of \$50 000.00 for 12 months starting from 28.06.2016 in accordance with the agency agreement between SC "SIS TRAVEL" and PJSC "Siberia Airlines" No. 03-01-NPSA-10370/1101 dated 01.01.2016.
3.	31.05.2016	SC "SIS TRAVEL"	Warranty	292463000	The Supervisory Board of the Bank	Based on the Credit Committee's decision of the Bank No. 2016-224 dated 20.05.2016, conclusion of the Credit and Corporate Client Service Department and Internal Audit Department, as well as the resolution of the Bank's Management Board No. 34 dated 20.05.2016, to extend bank warranty period until 05.08.2017, given to SC "SIS TRAVEL" in the amount \$100 000.00 in favor of representation of "Turkish Airlines" in Uzbekistan No. UX-01-08/2896, dated 12.08.2015.
4.	19.08.2016	SC LLC "Absolut Leasing"	Production equipment	2208000000	The Supervisory Board of the Bank	Based on the Credit Committee's decision of the Bank No. 2016-346 dated 12.08.2016, conclusion of the Credit and Corporate Client Service Department and Internal Audit Department, as well as the resolution of the Bank's

						Management Board No. 53 dated 15.08.2016, to give the Bank's right of demand under leasing agreements, concluded with "TECHNO PLAST PROGRESS" JV LLC No. 1-L dated 08.05.2013 and No. 15-L dated 18.06.2014, to "ABSOLUT LEASING" SC LLC and Bank's Almazar branch, with conclusion of purchase and sale agreement on leasing object between "ABSOLUT LEASING" SC LLC and Bank's Almazar branch and set its total amount at 2 208 million UZS.
5.	16.11.2016	LLC "SIREX TRADE"	Guaranty	1000000000	The Supervisory Board of the Bank	Based on the Credit Committee's decision of the Bank No. 2016-523 dated 16.11.2016, conclusion of the Credit and Corporate Client Service Department and Internal Audit Department, as well as the resolution of the Bank's Management Board No. 75/3 dated 17.11.2016, to allow to "Sirex Trade" LLC to give warranty as additional pledge on credit, given to "JET PROFIT" JV LLC with a credit line for 60 months, 12% per annum in the amount of 2 billion UZS for construction of sport-health-improving complex according to the agreement No. 101 dated 29.09.2016.
6.	17.11.2016	SC "SIS TRAVEL"	Warranty	15694750	The Supervisory Board of the Bank	Based on the Credit Committee's decision of the Bank No. 2016-522 dated 16.11.2016, conclusion of the Credit and Corporate Client Service Department and Internal Audit Department, as well as the resolution of the Bank's Management Board No. 75/3 dated 17.11.2016, to allow to give warranty of liability administration by SC "SIS TRAVEL" in the amount of \$5 000.00 with validity date till 15.11.2017 in accordance

						with the agency agreement with PJSC "Aeroflot-Russian Airlines" No. UZ-470/24.08.2015 dated 24.08.2015.
7.	05.12.2016	FC LLC "ASIA ALLIANCE GROUP"	Leasing	19198000000	The Supervisory Board of the Bank	Based on the Credit Committee's decision of the Bank No. 2016-556 dated 02.12.2016, conclusion of the Credit and Corporate Client Service Department and Internal Audit Department, as well as the resolution of the Bank's Management Board No. 79/1 dated 02.12.2016, to purchase, to the amount of 367 000 000.00 Russian rouble, railway cargo containers and to lease to FC "ASIA ALLIANCE GROUP" for 60 months and 14% per annum.

**LIST OF AFFILIATED ENTITIES
(As of the year ended December 31, 2016)**

No	Full name	Location (place of residence) (state, region, city, district)	The basis on which they are recognized as affiliated entities	Date (onset of the ground (s))
1.	GOR INVESTMENT LIMITED	United Kingdom, London.	Shareholder, holding more than 20% of the registered share capital of the Bank	05.11.2009
2.	SC LLC "Absolute Leasing"	53a, Chilanzar steet, Chilonzor district, Tashkent	Subsidiary company of the Bank	15.04.2010
3.	Abduraimov B.T.	Shayhontahur district, Tashkent	Member of the Supervisory Board	11.05.2016
4.	Mkrtchyan O.L	Mirzo Ulugbek district, Tashkent	Member of the Supervisory Board	11.05.2016
5.	Djuraev A.	Almazar district, Tashkent	Member of the Supervisory Board	11.05.2016
6.	Alimov A.M.	Shayhontahur district, Tashkent	Member of the Supervisory Board	11.05.2016
7.	Kasimov A.S.	Almazar district, Tashkent	Member of the Supervisory Board	11.05.2016

8.	Abdukakhorov I.A.	Yakkasaray district, Tashkent	Chairman of the Management Board	11.05.2016
9.	Khakimov U.A.	Yashnabad district, Tashkent	Member of the Management Board	23.01.2015
10.	Kim OR.	Yunusabad district, Tashkent	Member of the Management Board	17.06.2015
11.	Sharipov D.P	Chirchik, Tashkent region	Member of the Management Board	29.09.2015
12.	Boltaev I.,	Chilonzar district, Tashkent	Member of the Management Board	24.08.2015
13.	Danielyan G.F.	Mirzo Ulugbek district, Tashkent	Member of the Management Board	24.08.2015
14.	Gaziev Sh.D.	Shayhontahur district, Tashkent	Member of the Management Board	02.04.2015
15.	FC "NEOGALENPHARM" LLC	1, Chortok street, Chortak, Dustlik farm, Yangiyul district, Tashkent region	A legal entity where twenty or more percent of the registered share capital is held by the same person as the person who holds twenty percent or more of the registered share capital of the Bank	05.11.2009
16.	FC "ASIA ALLIANCE GROUP" LLC	2, Tarakkiyet street, Tashkent		15.04.2010
17.	SC «SIS-TRAVEL»	13a, U. Nosyr street, Tashkent		05.11.2009
18.	LLC "SIREX TRADE"	52, S.Azimov street, Yashnabad district, Tashkent	A legal entity where at least one third of the Supervisory Board consists of the same persons and their close relatives as individuals and their close relatives, constituting not less than one third of the Supervisory Board of the Bank	11.06.2010
19.	Insurance Company "SUG'URTA O'Z" LLC	53a, Chilonzar street, Chilonzor district, Tashkent		09.09.2013

Chairman of the Management Board

Abdukakhorov I.A.

Chief Accountant

Sharipov D.P

Head of Treasury Department

Boltaev I.