

**JOINT-STOCK COMMERCIAL BANK
"ASIA ALLIANCE BANK"**

BUSINESS PLAN
for development and expansion of activities
joint-stock commercial bank
"ASIA ALLIANCE BANK" in 2025



*APPROVED BY THE RESOLUTION OF THE SUPERVISORY BOARD OF JSC "ASIA ALLIANCE BANK"
(Protocol No. K-63 dated November 28 2024).*

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INTRODUCTION

This Business Plan includes activities and a financial plan planned for implementation by "ASIA ALLIANCE BANK" JSC in 2025.

The Joint-Stock Commercial Bank "ASIA ALLIANCE BANK" (hereinafter referred to as the Bank) was established in August 2009. The Bank's head office is located at:

Republic of Uzbekistan, 100047, Tashkent, Mahtumkuli Street, 2A.

The Bank is a member of the Association of Banks of Uzbekistan, the Fund for Guaranteeing Citizens' Deposits in Banks, the Uzbek Republican Currency Exchange, SWIFT, and an associate member of the VISA International organization.

The Moody's Investors Service international rating agency assigned the Bank long-term and short-term ratings of deposits in national and foreign currencies on the B2 global scale with a forecast of "Positive," counterparty risk assessment at the B1 level.

ANALYSIS OF THE CURRENT SITUATION AND CHALLENGES FOR "ASIA ALLIANCE BANK" JSC Macroeconomic tendencies

In 2024, Uzbekistan's economy continued to grow at rates comparable to previous years. According to the Statistics Agency, in January-September 2024, the gross domestic product (GDP) of the Republic of Uzbekistan in current prices amounted to 1,015.3 trillion soums (80.6 billion US dollars). USA), its growth compared to January-September 2023 in real terms amounted to 6.6%. According to the results of this year, an increase of 6% is expected. The positive contribution to GDP growth was made by agriculture, forestry, and fisheries - 0.7 percentage points, industry - 1.6 percentage points, construction - 0.7 percentage points, and the service sector - 3.3 percentage points. Due to the growth of net taxes on products, GDP increased by 0.3 percentage points.

Macroeconomic indicators (for January-September 2024)

	Mlrd.soums	in % for January- September 2023
Gross domestic product	1 015 331,8	106,6
Industrial products	629 171,5	107,0
Agriculture, forestry and fisheries	323 878,0	103,1
Investments in fixed capital	343 085,9	131,0
Construction works	167 101,2	109,1
Freight turnover (million tons/km)	58 191,1	103,9
Passenger turnover (million pass-km)	119 100,1	105,8
Market services rendered, total	564 777,7	112,8
Retail turnover	259 327,4	109,2
Inflation	x	10.5
Foreign trade turnover, (million US dollars)	48 206,3	107,7
Export	19 773,8	111,5
Import	28 432,4	105,2
Balance (+,-)	-8 658,6	x

Based on data from the Statistics Agency of the Republic of Uzbekistan and the Central Bank of the Republic of Uzbekistan

In January-September 2024, GDP per capita in current prices amounted to 27,384.0 thousand soums (or, in the equivalent of \$2,174.2). USA) and, compared to January-September 2023, increased by 4.4% in real terms.

As a result of the tight monetary policy pursued by central banks in 2023-2024, global inflation continues to gradually decline. The IMF's global inflation forecast for October was slightly lower than the previous one and is expected to reach 5.8% in 2024. The inflation rate downward trend is projected to persist at 2.6% in developed economies and 7.9% in developing countries this year. Although inflationary pressures are expected to decrease due to the ongoing containment monetary policy, it is projected that by the end of this year, inflation in most trading partners will remain significantly higher than target levels.

In January-September 2024, inflationary processes in the economy of Uzbekistan were multifaceted. Thus, in the first quarter of this year, there was a downward trend in annual inflation, which decreased from 8.8% at the beginning of the year to 8% in March. However, in May, inflation accelerated to 10.6% due to the introduction of a value-added tax on medicines and medical services, as well as the liberalization of energy prices. During the third quarter, inflation remained at 10.5% year-on-year.

The republic's foreign trade turnover for the first nine months of 2024 amounted to \$48.2 billion. USA and increased compared to the same period last year by 3.5 billion dollars. USA or by 7.7%. In particular, the volume of exports amounted to 19.8 billion dollars. USA (increase by 11.5%), import volume - \$28.4 billion. USA (an increase of 5.2%).

Countries with the largest share in foreign trade with the Republic of Uzbekistan

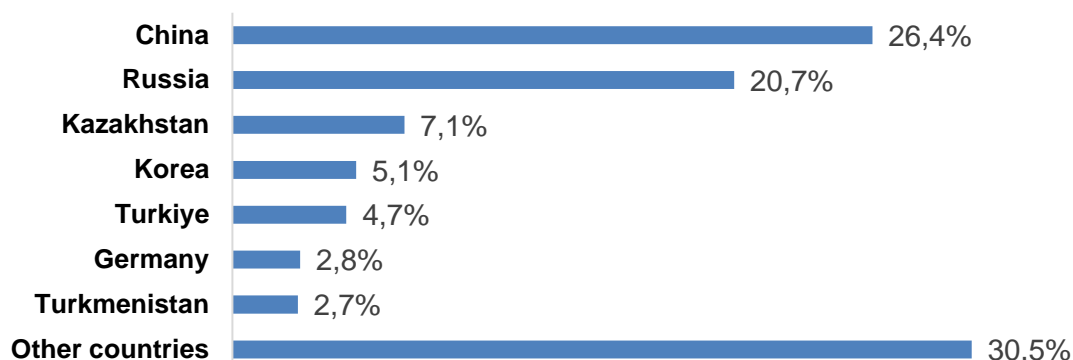
(for January-September 2024, million USA dollars)

КНР	Россия	Казахстан	Турция	Республика Корея
ВТО – 9 034,1	ВТО – 8 664,4	ВТО – 3 010,1	ВТО – 2 179,2	ВТО – 1 476,8
Экспорт: 1 528,3 Импорт: 7 505,9	Экспорт: 2 769,7 Импорт: 5 894,7	Экспорт: 997,7 Импорт: 2 012,3	Экспорт: 845,8 Импорт: 1 333,4	Экспорт: 27,4 Импорт: 1 449,3
 18,7%	 18,0%	 6,2%	 4,5%	 3,1%
Туркменистан	Франция	Германия	Афганистан	США
ВТО – 867,8	ВТО – 859,4	ВТО – 856,9	ВТО – 762,1	ВТО – 672,2
Экспорт: 87,2 Импорт: 780,6	Экспорт: 588,5 Импорт: 270,8	Экспорт: 63,1 Импорт: 793,9	Экспорт: 739,5 Импорт: 22,6	Экспорт: 238,4 Импорт: 433,8
 1,8%	 1,8%	 1,8%	 1,6%	 1,4%

As a result of the reforms aimed at increasing the country's export potential, supporting exporters by the state, and expanding the range of exported products, the number of exporters reached 6,710, and the volume of exports of goods and services amounted to 13,980.6 million US dollars. US (excluding non-monetary gold) and, compared to the same period in 2023, increased by 15.5%.

In the structure of exports, goods account for 74.6%, of which other goods - 29.5%, industrial goods - 16.1%, food products and live animals - 7.3%, chemical substances and similar products - 6.2%.

More than two-thirds of imports come from major partner countries such as China, Russia, Kazakhstan, the Republic of Korea, Turkey, Germany, and Turkmenistan:



The main share in its structure is occupied by machinery and transport equipment (35.5%), industrial goods (15.1%), as well as chemical substances and similar products (13.3%).

The soum's exchange rate against the US dollar weakened by 3% in the first 9 months of this year. The relative stability of the exchange rate is explained by the favorable market conditions for export goods, the high growth of remittances, as well as the attraction of external borrowings by the public and private sectors.

Against the backdrop of rising gold prices, Uzbekistan's gold and foreign exchange reserves as of October 1st amounted to \$41.14 billion. Global gold prices for 9 months of this year increased by 29.2% and reached a record level. Demand for gold remains high due to global geopolitical tensions, declining interest rates, and central banks' policies aimed at increasing the share of gold in their gold and foreign exchange reserves.

In the first nine months of 2024, the volume of remittances amounted to \$11.3 billion, a 34.8% increase compared to the same period last year. Important factors for the growth of remittances are the relatively stable exchange rate in the host countries, the high growth rates of wages, economic activity, and the constant demand for labor.

According to the main directions of the monetary policy of the Central Bank of the Republic of Uzbekistan for 2025 and the period 2026-2027, the Central Bank will continue an active monetary policy aimed at reducing inflation to the target of 5% and ensuring price stability in the medium term. Monetary conditions will be maintained at a sufficiently strict level for the stable reduction of inflation, as well as timely necessary measures will be taken through monetary policy instruments in the event of all possible inflationary risks.

Taking into account the economic situation in foreign trade partners, as well as the probability of various factors and their impact on inflation, the main directions of monetary policy for the coming years have been developed based on three macroeconomic development scenarios (basic, alternative, and risky).

At the same time, **the main scenario** assumes the preservation of the current internal and external conditions, including a reduction in global inflation, positive growth rates of the global economy, stable high prices for raw materials, growth of domestic demand, and active continuation of reforms. According to the main scenario, under the influence of tight monetary policy and fiscal consolidation, real GDP growth is projected at 5.5-6.0% in 2025, 5.5-6.5% in 2026, and 6.0-6.5% in 2027. Ensuring relatively tight monetary policy conditions will normalize consumer demand and reduce inflation to 6.0-7.0% in 2025, and bring it closer to the target of 5% in 2026-2027.

The alternative scenario involves maintaining the current internal conditions and increasing external risks, such as maintaining high global inflation for a longer period, reducing economic activity in large economies, and increasing fragmentation of the global economy. At the same time, it is assumed that the negative impact of external risks on economic growth will be compensated by supporting domestic demand, including through fiscal stimulus and increased credit investments. As a result, economic growth rates are projected at 5.0-5.5% in 2025, 5.0-6.0% in 2026, and 5.5-6.5% in 2027, and inflation is expected to be 7-8% in 2025, around 6% in 2026, and 5% in the first half of 2027.

In addition to the main and alternative scenarios, a **risk scenario** based on increased inflation risks was also considered. This scenario takes into account the pro-inflationary risks associated with the negative impact of climate change on production indicators in the region, the increase in fiscal incentives under conditions of limited production, as well as the reduction in gross output due to the mismatch between energy supply and economic needs. Under this scenario, inflation is projected at 8-9% in 2025, 7-8% in 2026, and the target level of 5% is expected to reach by the end of 2027.

Banking Sector of Uzbekistan

Main indicators of the banking sector of Uzbekistan, billion soums

Name of indicators	01.10.2023 y.	01.10.2024 y.	Growth in %
GDP*	750 926	1 015 332	-
Bank assets	615 802	728 529	20%
The ratio of assets to GDP, in %	82%	72%	
Credit investments	451 610	515 641	14%
Ratio of credit investments to GDP, in %	60%	51%	
Deposits	221 335	286 947	30%
The ratio of deposits to GDP, in %	29%	28%	
Capital	89 030	108 983	22%
The ratio of capital to GDP, in %	12%	11%	
Net profit	8 023	8 086	1%
ROA	2,4%	2,0%	-0,4 b.p.
ROE	12,7%	10,5%	-2,2 b.p.
Bank loans and deposits rates			
Average interest rates on loans in national currency	23,0%	23,2%	0,2 b.p.
Average rates on loans in foreign currency	9,1%	10,6%	1,5 b.p.
Average rates on deposits of the population in national currency	21,1%	22,0%	0,9 b.p.
Average rates on population deposits in foreign currency	4,9%	4,9%	-
Average rates on deposits of legal entities in national currency	16,8%	16,2%	-0,6 b.p.
Average rates on deposits of legal entities in foreign currency	4,2%	5,3%	1,2 b.p.

Based on data from the State Statistics Committee of the Republic of Uzbekistan and the statistical bulletin of the Central Bank of the Republic of Uzbekistan

According to the results of 9 months of 2024, the main indicators of the banking sector demonstrated stable growth rates. The total assets of Uzbek banks increased by 20% compared to the same period last year and reached almost 729 trillion soums in the first nine months of 2024.

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During the first nine months of 2024, commercial banks allocated loans totaling 200.0 trillion soums, a 9% increase compared to the same period last year. During the comparative period, the total loan portfolio of banks increased by 14% and reached 516 trillion soums as of October 1, 2024. Based on the results of 9 months of 2024, the weighted average return on bank loans in national currency was 23.2% (9 months). 2023 - 23.0%), in foreign currency - 10.6% (9.1%).

The deposit base of banks has significantly expanded, increasing by 30% compared to the same period last year and amounting to 287 trillion soums as of October 1, 2024. The volume of household deposits increased by 36% and reached 113.8 trillion soums. In the context of the policy of de-dollarization of the economy, an increase in the rate of attracting deposits in national currency is observed.

The total capital of banks increased by 22% and reached 109 trillion soums. Banks' net profit for 9 months of 2024 increased by 1% compared to the same period and exceeded 8 trillion soums. At the same time, there is a deterioration in the performance indicators of banks, including the ROA indicator from 2.4% to 2.0%, and the ROE indicator from 12.9% to 10.5%.

Institutional characteristics of the banking sector

As of October 1, 2024, the total number of operating commercial banks registered with the Central Bank of the Republic of Uzbekistan was 35, including 10 banks with state participation and 25 private and other banks.

Number of credit institutions and their structural subdivisions, units.

Name of indicators	01.10.2023 y.	01.10.2024 y.
Credit organizations, total*	204	221
including:		
commercial banks, including:	35	36
State-owned banks	10	9
Other banks	25	27
non-bank credit organizations, including:	169	185
Microfinance organizations	84	93
Pawnshops	84	91
Mortgage refinancing organizations	1	1
Branches of commercial banks, total	697	488
Banking Service Centers (mini-banks)	1 784	1 749
24/7 self-service points	3 484	4 149

based on the data of the Central Bank's statistical bulletin

In the banking sector of Uzbekistan, high concentration is maintained, in particular, 67% of all bank assets are still owned by state-owned banks, and 54% belongs to 5 state-owned banks (National Bank, Uzpromstroybank, Agrobank, Asakabank, and Xalq Bank). The deposit base of state-owned banks in relation to their loans is 41%. For comparison, in private banks, this figure exceeds 90%. At the same time, deposits of individuals account for only 40% of the total volume of deposits in the banking system, which is about 11% of GDP.

billion.sou ms	Assets		Creditis		Capital		Deposits	
	Amount	Share, %	Amount	Share, %	Amount	Share, %	Amount	Share, %
Total	738 721	100%	515 641	100%	109 170	100%	286 947	100%
State banks	491 694	67%	358 578	70%	67 817	62%	146 039	51%
Other banks	247 027	33%	157 063	30%	41 353	38%	140 908	49%

based on the data of the Central Bank's statistical bulletin

In the country, necessary measures are being taken to reduce the state's share in the banking sector by selling the state-owned share of bank shares to strategic investors with proper experience and competencies. Within the framework of the Strategy for Reforming the Banking System of the Republic of Uzbekistan for 2020-2025, approved by the Decree of the President of the Republic of Uzbekistan dated May 12, 2020, No. UP-5992, it is planned to reduce the state's share in the banking sector to 40% by 2025, and to bring the private sector's share in the banking system from 18% to 60%.

The Decree of the President of the Republic of Uzbekistan dated January 28, 2022 No. UP-60 "On the Development Strategy of New Uzbekistan for 2022-2026" provides for the completion of transformation processes in commercial banks with state participation, bringing the share of the private sector in the assets of the banking system to 60 percent by the end of 2026.

In June 2023, the transaction for the sale of 73.71% of the state's share in "Ipoteka-bank" to the Hungarian OTP Bank was completed, and within the next three years, OTP Bank plans to buy back the remaining 25% of "Ipoteka-bank's" shares, bringing its share to 98%. Further progress after the privatization of "Ipoteka-bank" was the adoption by official bodies of a decision to privatize two large state-owned banks - "Asaka" and "Sanoat qurilish." Within the framework of the Tashkent International Investment Forum held on May 2-3, 2024, an agreement was signed with the European Bank for Reconstruction and Development on the privatization of Asakabank, and work is also underway to accelerate the privatization of Uzpromstroybank.

Information about bank cards, terminals, ATMs, info kiosks, and customers

Name of indicators	01.10.2023 y.	01.10.2024 y.	Growth, %
Number of bank plastic cards	41 359 507	53 583 382	30%
Number of payment terminals	429 182	424 009	-1%
Number of ATMs and info kiosks	24 036	28 433	18%
Amount of payments made	181 545	237 481	31%
through payment terminals, billion soums	39 335 648	48 410 876	23%
<i>Number of users of remote services, including:</i>	<i>1 311 418</i>	<i>1 441 740</i>	<i>10%</i>
<i>Number of legal entities and individual entrepreneurs</i>	<i>38 024 230</i>	<i>46 969 136</i>	<i>24%</i>

based on the data of the Central Bank's statistical bulletin

In modern conditions, the digital transformation of the banking sector is an integral part of the process of forming a digital economy. Within the framework of the "Digital Uzbekistan - 2030" strategy, necessary measures have been taken to develop digital financial services, in particular, to ensure access to remote services for broad segments of the population and improve their quality. Currently, there are 5 digital banks operating in the country (TBC Bank, Anor Bank, Uzum Bank, Smart Bank, Hayot Bank).

Main indicators of the money and currency markets

Name of indicators	01.10.2023y.	01.10.2024y.
Base rate	14%	13.5%
UZONIA Rate	14%	13.5%
Volume of Central Bank bonds issued for circulation (billion soums)	20 841	9 000
<i>Average weighted rate</i>	16,5%	15.6%
Volume of funds offered by banks at deposit auctions of the Central Bank (billion soums)	79 135	72 465
Volume of attracted funds (billion soums)	79 135	72 465
<i>Average weighted interest rate</i>	14%	13.8%
Overnight deposits placed by commercial banks in the Central Bank (billion soums)	11 226	15 672
<i>Average weighted interest rate</i>	12%	11,8%
Interbank deposits in national currency (attraction)	258 313	190 904
<i>Average weighted interest rate</i>	14%	14,6%
Volume of foreign currency trading on the UzRVB, million dollars USA	18 284	18 202
<i>Purchase</i>	14 010	12 881
<i>Sale</i>	4 274	5 321
Average weighted exchange rate, USD USD/sum	11 561	12 599
The volume of foreign currency purchased by commercial banks from individuals, million dollars. USA	8 932	11 763
The volume of foreign currency sold by commercial banks to individuals, million dollars. USA	6 826	6 905
US dollar to soum official exchange rate	12156	12 715
<i>Change for 9 months of 2024, soum</i>		377
<i>Change for 9 months of 2024, %</i>		3,05%

based on the data of the Central Bank's statistical bulletin

Bank's main challenges

Studying the latest trends in economic and operational environments, as well as analyzing the quantitative and qualitative parameters of the Bank's development, allows us to identify the following challenges in ensuring the Bank's stable development and enhancing its competitive advantages in the market.

The influence of external factors and the change in the political situation in the world. Sharp changes in global markets and the weakening of the global economy due to significant disruptions in trade relations and price shocks in the food and fuel markets create a high level of uncertainty and negatively affect the prospects for Uzbekistan's development, in particular, the decrease in entrepreneurial confidence and the growth of uncertainty for investors, the level of income of the population and remittances. Against the backdrop of these trends and the tightening of the monetary policy of the Central Bank of Uzbekistan, business conditions are becoming more complicated, and violations of trade relations can negatively affect the cash flows of bank clients under their foreign trade contracts, which can affect the bank's profitability level.

The predominance of state-owned banks in the financial sector limits the bank's ability to attract clients and cover a wide segment of the market by providing relatively cheap loans. At the same time, the bank has the ability to attract clients through prompt and high-quality customer service.

In the context of increasing competition in the market, the active participation of international financial institutions in the transformation program of state-owned banks and the expansion of their participation in the authorized capital of local banks, the emergence of such foreign players as Eurasian Bank and Tenge Bank (Kazakhstan), TBC (Georgia), OTP Bank (Hungary), stimulate the development and implementation of new technologies and new approaches to doing business, as well as require the Bank to take measures to improve financial stability, invest funds in the bank's capital, and build an effective business model. In 2025, competition is expected to be even fiercer, given the digitalization of many banks' businesses. More and more fintech companies, as well as new microfinance organizations, will appear in the market, which will further create competition in the banking market.

Superapp or financial ecosystems (Paynet, Click, Uzum, Payme, Humans, and Alif) will offer a full range of financial and non-financial services in a single interface, becoming serious competitors for banks.

Modern threats and challenges to information security in the financial sector - cybersecurity is coming to the forefront amid the growing number of digital threats. Cybersecurity in Uzbekistan's banking and fintech sectors requires a comprehensive approach that includes not only technological solutions but also increased awareness among citizens and specialists. Taking measures at all levels will help create a safer digital environment for all users.

In the context of the liberalization of the banking services market, the rapid development of technology, as well as the impact of the pandemic, people's lifestyles and **the level of financial literacy of the population are changing rapidly**. Consequently, online banking services and the volume of electronic payments, alternative investment and savings instruments for the population, are rapidly growing. These factors create favorable conditions for the development of the bank's business,

increasing operational efficiency by expanding remote service channels and self-service points, expanding the bank's product line through the introduction of various capital market instruments and electronic money.

Uzbekistan's aspiration to join the WTO will have its impact on the financial services market.

The rapid development of the global agenda for environmental, social, and corporate governance (ESG) as a key tool for attracting long-term financing and sustainable development.

Most companies in Central Asia and Uzbekistan have not yet begun to identify and assess the impact of climate risks on the financial health of their businesses and the sustainability of their development strategy. At the same time, for global investors, information about the impact of these risks on profits is shifting from "desirable" to "necessary" when selecting projects for financing.

Chronicle of the Bank's main events in 2024

January 2024	<p>The international payment system Mastercard presented "ASIA ALLIANCE BANK" with the award "For Improving Mastercard Programs in Uzbekistan."</p> <p>The bank also signed a loan agreement with the Swiss company Symbiotics for \$4.6 million.</p>
February 2024	<p>ASIA ALLIANCE BANK" became the best in the prestigious international magazine "Global Finance" award nomination. receiving the award: "Best Bank for Small and Medium Enterprises (SMEs) of 2024 in Uzbekistan."</p>
April 2024	<p>Asia Alliance Bank and the Islamic Corporation for the Development of the Private Sector signed a Memorandum of Understanding and Deepening Cooperation.</p>
May 2024	<p>Asia Alliance Bank has signed General Agreements on Trade Finance with Commerzbank AG and Oddo BHF SE</p>
July 2024	<p>"ASIA ALLIANCE BANK" was awarded the prize by the largest brand publication Global Brands Magazine in the "Most Innovative Brand of Banking Solutions, Uzbekistan, 2024."</p> <p>According to Euromoney Awards for Excellence 2024, "ASIA ALLIANCE BANK" won the "Best Bank of Uzbekistan for Small and Medium Business" nomination.</p>
August 2024	<p>On August 15, 2024, ASIA ALLIANCE BANK celebrated its 15th anniversary.</p>
September 2024	<p>The main achievement of the anniversary year was the further improvement of the bank's credit rating forecast by the reputable international agency Moody's. The bank's rating was confirmed at B2 level with an increase in the forecast to "Positive."</p>
July 2024	<p>Completion of the Unified MFO transition process and launch of the new Alliance Pay version in test mode.</p>
October 2024	<p>At the Uzcard Awards 2024 ceremony, ASIA ALLIANCE BANK received the prestigious award in the "Quality Emission" category.</p>

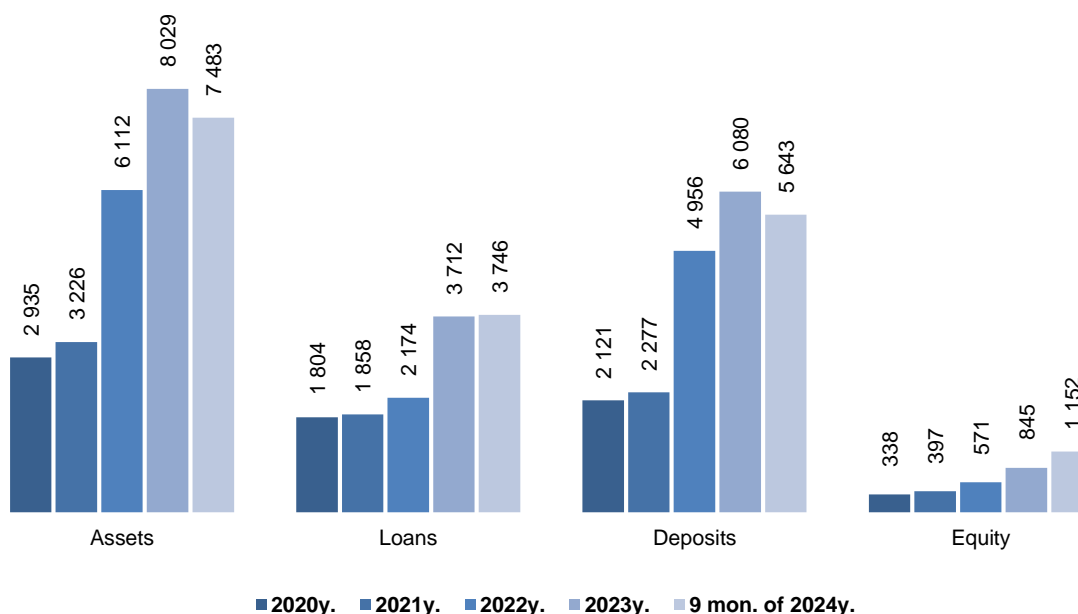
Bank's market position

During the first nine months of 2024, a slight decrease in total assets (7%) and the deposit base (7.7%) was observed. Despite this, the Bank managed to improve its performance indicators. In particular, in terms of net profit volume, the Bank was able to strengthen its position in the market and, based on the results of 9 months of 2024, ranked among the Top 10 banks, and in terms of capital return, ranked 1st among all banks.

"ASIA ALLIANCE BANK" JSC's market position

Indicators	As of 01.01.24		As of 01.10.24	
	billion.soums	bank position	billion.soums	bank position
Total assets	8 029	18	7 483	21
Credit portfolio (gross)	3 712	20	3 746	20
Customer deposits	6 080	17	5 643	18
Joint-stock capital	845	21	1 152	21
Net profit	321	13	307	9
ROE	45,4%	2	41,0%	1

Dynamics of the Bank's main indicators (2020-2024), billion soums



Analysis of competitive environment

According to the assessment of the level of competition in the banking sector of the Republic of Uzbekistan, conducted by experts of the Institute of Macroeconomics and Regional Studies based on the results of the 3rd quarter of 2024, by calculating the concentration indicator based on the Herfindal-Hirschman index (HHI), the level of concentration in the market is decreasing, and competition in the banking market is intensifying.

According to the HHI indicator, since April 2019, there has been a high level of competition in the deposit, asset, and credit markets. That is, from this period, the HHI value for all three indicators has been consistently below the 1500 mark. In recent years, with the arrival of new players (OTP, TBC, Uzum, Anorbank, Hayot Bank, Smart Bank), competition in retail and SMB segments among private banks has sharply increased. In the future, as part of the privatization program, new players are also expected to enter the banking market.

Analysis of the main indicators of the bank's activities compared to the indicators of competing banks as of 01.10.2024.

Banks	Assets	Capital	Credits	Securities portfolio	Net profit	ROA	ROE
ASIA ALLIANCE BANK	7 483 (6)	1 152 (6)	3 746 (6)	850 (4)	307 (4)	5,3% (3)	41,0% (1)
COMPETITOR BANKS							
BANK IPAK YULI	22 044	3 360	13 892	2 173	682	4,7%	29,7%
ORIENT FINANS BANK	15 234	2 860	11 296	0	689	6,5%	35,9%
INFINBANK	11 159	1 327	7 016	581	153	2,0%	16,3%
TRUST BANK	10 215	2 667	5 594	1 261	554	7,5%	30,1%
DAVR-BANK	8 446	1 292	6 391	1 215	286	5,2%	33,2%

based on the data of the rating agency "Ahbor-Reyting"

In recent years, against the backdrop of the rapid growth of active operations, as well as the lack of external capital inflows, the Bank has experienced significant pressure on capital adequacy indicators and has been forced to maintain growth in performance indicators within the potential of earned profits, while for most competitor banks, high growth rates have been ensured through external capital inflows. Consequently, the bank's management has taken all reasonable measures to maintain stable operations and high service quality, maintain a high-quality customer base, and maintain the bank's reputation in local and foreign markets.

In the coming year, competition in the market will undoubtedly intensify, and the Bank needs to take measures to maintain competitive advantages and strive to build relationships with clients at a qualitatively new level, paying great attention to the introduction of modern technologies and innovations, the development of remote service channels, and optimization

Main directions of bank development

In 2025, the Bank's activities will be aimed at fulfilling the following priority tasks set for the Bank:

- strengthening competitive positions in the main segments of the banking market (attracting deposits and lending to legal entities, attracting funds and lending to the population) and positioning among leading private banks in all key performance indicators;

- continuation of work in the field of optimizing business processes and ensuring the implementation of processes with maximum automation, segmentation of the client base, improvement of the risk management and compliance system;

- technological improvement through the introduction of a modern system of ABS and Internet banking, further development and implementation of promising innovative technologies, improvement of banking infrastructure, development of electronic sales channels;

- increasing the investment attractiveness of the Bank through the implementation of measures to improve the quality of the Bank's assets, introduce advanced risk management methods, and strengthen the Bank's market position;

- development of the program for lending to small business and entrepreneurship enterprises;

- expansion of the retail loan portfolio through the mass promotion of retail loan products, such as: car loans, microloans, consumer loans, mortgage loans, credit cards and overdrafts;

- The bank's policy regarding the product range will be aimed at creating a complex of banking services, as well as actively mastering targeted market segments, which will increase brand awareness and ensure the profitability of the product line;

- increasing the investment attractiveness of the Bank through the implementation of measures to improve the quality of the Bank's assets, introduce advanced risk management methods, and strengthen the Bank's market position;

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- The bank's policy regarding the product range will be aimed at creating a complex of banking services, as well as actively mastering targeted market segments, which will increase brand awareness and ensure the profitability of the product line;

- improving the knowledge and skills of Bank employees, increasing productivity and incentives based on performance indicators.

Loan activities

As of 01.10.2024, the Bank's loan portfolio, less credit reserves (gross), amounted to 3,746 billion soums, including 1,277 billion soums in foreign currency loans (34%).

The total volume of loans allocated for 9 months of 2024 amounted to 2,103 billion soums, including by client types:

- to legal entities - 1,405 billion soums
- to individuals - 698 billion soums

In 2025, work will continue on increasing the volume of the bank's loan portfolio through financing real economy projects and lending to the population. Taking into account the capital adequacy indicator forecast, the projected volume of loans issued in 2025 is planned to be more than 4.4 trillion soums. The projected balance of the loan portfolio (gross) at the end of 2025 will be 5,546 billion soums. The ratio of the loan portfolio (gross) to total assets will be formed at 55% (as of January 1, 2026). The remaining reserves for loans and leases are planned to be 138.6 billion soums or 2.5% of the total loan portfolio.

Main indicators of the Bank's loan activity, billion soums

Main indicators	01.10.2024 (fact)	01.01.2025 (expec.)	Prog for 01.01.2026	Estimated, (expected) %
Credit portfolio balance	3 746	3 797	5 546	46%
Loan portfolio of legal entities	2 463	2 500	2 865	15%
Loan portfolio of individuals	1 282	1 297	2 680	107%
Volume of issued loans	2 103	2 779	4 430	59%
Average interest rate on loans	20,0%	20,0%	23,0%	3,0 п.п.
Reservation level,%	1,6%	1,7%	2,5%	0,8 п.п.
Share of retail loans in the portfolio, %	34,0%	34,0%	48,0%	14,0 п.п.

In order to expand the bank's credit line, as well as improve the quality of customer service, 11 types of modular lending were introduced in 2024, which provide for standard lending terms and approval of loan applications through an underwriting mechanism, online lending, and factoring operations through partner platforms (Billz, Oz planet). The total volume of modular loans issued during the reporting period amounted to 114 billion soums.

In 2025, the volume of short-term loans is planned to be 500 billion soums, bringing their share in the loan portfolio to 10%, the volume of long-term loans is planned to be 3,930 billion soums, bringing their share in the loan portfolio to 90%.

The expansion of the loan portfolio is planned to be ensured by financing projects of promising sectors of the economy, including financing projects through credit lines of international financial institutions in the amount of 112 billion soums, issuing modular loans to small businesses and private entrepreneurship in the amount of 672 billion soums, as well as expanding the volume of retail credit products.

During 9 months of this year, retail and corporate credit products were introduced. In order to expand the coverage of various market segments, opportunities have been created to provide loans to individuals with stable sources of income without providing a certificate of salary.

Within the framework of the bank's credit business development program, work will be carried out in 2025 to expand the product line, improve the scoring model based on a risk-based approach to pricing, and improve the quality of loans. Also, in 2025, it is planned to launch new online loans within the framework of the mobile application for individuals, partner channels, and in internet banking for legal entities.

Work will also continue on optimizing the business processes of lending to small businesses and individual entrepreneurs, in particular, by organizing work on the introduction of a credit conveyor and CRM.

In 2025, work will continue on the implementation of the Collection system, which provides for the systematization and unification of the processes of post-credit servicing of borrowers and collection of credit debt based on best banking practices and principles (pre, soft, hard, legal).

Structure of the loan portfolio by types of security

Main indicators	01.01.2025	01.01.2026	change
	(expect.)	(plan)	(to be expected.)%
share %.			
Insurance policies	27%	29%	2 b.p.
Commercial property	27%	27%	-
Vehicles	26%	25%	-1 b.p.
Equipment	4%	4%	-
Third-party guarantees	10%	8%	-2 b.p.
Residential property	5%	6%	1 b.p.
Deposits	0,1%	0,5%	0,4 b.p.
Other types of security	0,9%	0,5%	-0,4 b.p.
Total	100%	100%	

As of October 1, 2024, overdue loan debt (principal and interest) amounted to 75.6 billion soums, loans in court - 59.4 billion soums, as well as restructured loans amounting to 139.8 billion soums on the bank's balance sheet. By the level of loan portfolio quality, the share of loans classified as "standard" loans in the Bank's loan portfolio amounted to 3,357 billion soums or 89.6% of loans, while "substandard" loans accounted for 283.6 billion soums (7.6%). Problem loans classified as "unsatisfactory," "doubtful," and "bad" loans (NPL) amounted to 105.0 billion soums or 2.8% of the Bank's loan portfolio. The amount of net created (accumulated) reserves on loans amounted to 91.7 billion soums or 2.45% of the loan portfolio. In 2025, the level of overdue loans is expected to be 2.5%, the amount of net accumulated reserves is 138.7 billion soums.

For 9 months of 2024, the amount of interest income received from lending activities amounted to 553.4 billion soums, which is 57% more than the previous year. At the same time, the weighted average loan portfolio rate as of the reporting date was 20.3% per annum, including 24.9% for loans in national currency and 11.3% for loans in foreign currency.

Based on the current situation in the money market, as well as to ensure the necessary level of the Bank's net interest margin, an average weighted lending rate of 27%

per annum, including 28.5% for loans in national currency and 13.5% for loans in foreign currency, is planned for 2025. The Bank will increase lending to SMEs by issuing modular loans with high margins (annual 28-30%).

The Bank will take measures to ensure adequate diversification of the Bank's loan portfolio. As part of the expansion of retail lending, the Bank plans to increase the retail loan portfolio to 48% (2,681 billion soums) of the Bank's total loan portfolio.

Investment and emission activities of the bank

The bank is carrying out consistent work to develop investment activities. Currently, the bank's investment portfolio is formed from investments in the authorized capital of enterprises included in the financial market infrastructure, as well as highly liquid securities in the form of government securities (GSBs). The Bank actively carries out operations in the primary and secondary markets of government securities as an investor and dealer. The total book value of the GS portfolio as of 01.10.2024 amounted to 884.1 billion soums. During the reporting period, transactions for the purchase of government securities for the investor were carried out for a total amount of 2,211.3 billion soums, as well as transactions for the sale of government securities for a total amount of 400.95 billion soums.

Taking into account the increased demand for liquidity and capital adequacy indicators, the Bank will continue to increase its portfolio of government securities. In 2025, it is planned to increase the volume of purchase and sale and maintain the volume of government securities in the amount of more than 855 billion soums, which will ensure the optimal structure of the Bank's liquid and profitable assets. Work will be carried out to expand the bank's intermediary activities in the field of buying and selling government securities, develop the activities of a market maker to maintain the secondary market, as well as expand sources of income.

The bank has successful experience in financial markets, where a team has been formed with good knowledge and understanding of financial market operations, as well as corporate legislation. The work on monitoring trends and changes in market conditions with the formation of broad analytical and management data, the accumulated extensive experience of issuing and placing own securities, in particular, since the bank's establishment, 14 issues of the bank's shares, as well as 6 issues of deposit certificates and the debut issue of subordinated bonds, have been organized.

Taking into account the expected positive changes in the capital market, the Bank will continue to monitor trends in the Uzbek capital market in 2025 to assess its ability to act as an investment intermediary, trust manager of investment assets, and investment consultant in the securities market.

In 2025, the Bank's issuance activities will be aimed at strengthening its long-term resource and capital base through the issuance and sale of debt securities. The issuance of securities will allow the Bank to expand and diversify its resources, as well as provide all depositors and investors of the Bank with an alternative opportunity to place their free funds on attractive terms.

In order to improve capital adequacy indicators in September 2024, the General Meeting of Shareholders decided to capitalize the bank's profit in the amount of 129 billion soums. In the future, work will continue on supporting the capital from internal and external injection sources.

Operations in interbank money and foreign exchange markets

Today, the Bank is one of the active participants in the interbank market, as well as conducting operations to attract and place interbank deposits in national and foreign currencies, currency swaps, forex transactions, and others.

Cooperation has been established with all banks of the Republic of Uzbekistan, and general agreements have been signed with local and foreign counterparty banks in the field of placement and borrowing, as well as conducting forex operations in the interbank market. Operations in the interbank market are carried out with partner banks through REFINITIV trading terminals, partner banks' terminals, and UzRVB.

In order to maintain a sufficient level of liquidity in national and foreign currencies, the Bank regularly carried out transactions for the placement and attraction of interbank deposit accounts, and also actively participated in the over-the-counter foreign exchange market.

In order to effectively manage the bank's liquidity, REPO transactions with government securities are concluded on the special platform of the Central Bank and on the platform of UzCE.

Operations in the money and currency markets, in million US dollars.

Indicators	01.10.2024		01.01.2025 (expected)		01.01.2026 (plan)	
	Amoun	Number of transactions	Amoun	Number of transactions	Amoun	Number of transactions
Interbank transactions						
<i>in national currency, in billion soums</i>	26 676	293	35 000	390	20 000	250
<i>in foreign currency</i>	3 735	418	5 000	560	6 000	670
Placement of deposits in the Central Bank (overnight), in billion soums	2 320	12	3 000	16	2 400	12
Conversion to UzCE	525	257	774	361	1 000	469
Conversion of foreign currency into national currency (local banks)	116	59	145	78	189	101
Forex transactions	767	723	862	966	1 121	1 256

Taking into account the internal and external economic conditions, the prospects for the development of the financial markets of Uzbekistan, the expansion of the list of financial instruments, the Bank will carry out consistent work in the field of operations in the money and foreign exchange markets, as well as in the capital market, including:

- work will continue on optimizing business processes for transactions carried out by the Treasury Department through their automation and unification, integration with Internet banking systems, mobile applications, and external platforms (Refinitiv, Bloomberg, UzRSE, UzRCE, Depository);

- expansion of the number of partner banks to maintain liquidity in foreign currency and obtain a stream of favorable quotations;

- improvement of the risk management system and open currency position based on modern technologies and approaches;

- improvement of the methodological base in the field of managing balance sheet assets and liabilities, interest and currency risks;
- implementation and use of various financial instruments, including forwards, futures and other hedging instruments;
- Optimization of the structure of risky assets and effective use of capital through the purchase of Eurobonds and other low-risk instruments;
- development of the treasury's product range through the expansion of investment instruments: the possibility of introducing precious metals trading, including depersonalized metal account instruments, Islamic financing instruments, and cryptocurrencies;
- development of a proposal for transfer pricing by preparing treasury calculations and approaches for the cost of resources, net interest margin, resource allocation;
- regular training of specialists in the field of treasury, urgent and derivative instruments.

International Activities

Throughout 2024, work continued to expand the Bank's foreign economic activity. In particular, to strengthen the bank's resource base, an Agreement worth US\$20.0 million was signed with the Swiss company Micro, Small & Medium Enterprises Bonds S.A. (with the participation of Symbiotics Investments) and resources in national currency equivalent to US\$4.5 million were attracted. Also, in December 2024, another Loan Agreement was signed with Symbiotics and resources in Uzbek soums equivalent to US\$0.5 million were attracted. A \$10 million trade finance line from the International Islamic Trade Finance Corporation (ITFC) was attracted and successfully utilized. To expand the bank's correspondent network, correspondent accounts were opened in Oddo BHF SE (Germany), Pasha bank (Turkey), and Asia Invest Bank (Russian Federation), which allowed for increased operational efficiency and improved payment service efficiency for the bank's clients.

A significant result of the successful work carried out over the past years has been the improvement of the bank's credit rating forecast from "Stable" to "Positive" by the international rating agency Moody's. In order to maintain its image and status, the bank participated in nominations and was recognized by the Global Brand Awards as the Bank of Uzbekistan with the most innovative solutions in 2024, as well as by Euromoney and Global Finance's as the Best Bank of Uzbekistan for SMEs.

In order to expand the scope of the Bank's activities, as well as to develop relations with international financial institutions and foreign banks, the following measures will be implemented in 2025:

- expanding the network of partner banks by opening correspondent accounts in yuan at Zhejiang Bank (China) or Bank of China (Kazakhstan), in US dollars at Aloqa Bank, and attracting resources from international investment companies such as Symbiotics, Enabling Qapital, and Responsibility;
- signing of a financing agreement with the International Islamic Corporation for the Development of the Private Sector (ICRCS) in the amount of 22 million US dollars;
- signing an additional financing agreement with the ITFC in the amount of 10 million US dollars;
- consolidation and further development of the Bank's positive image as a solid, client-oriented, and reliable banking institution;
- conducting targeted work to improve the Bank's domestic and international ratings, as well as participating in national and international banking exhibitions and conferences;
- studying the possibility of participating in projects to support energy efficiency and renewable, alternative energy sources and clean technologies.

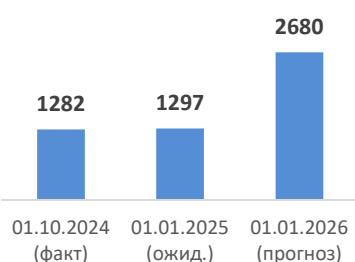
Retail business

In recent years, the Bank has achieved significant results in the development and expansion of retail services. In particular, the bank's retail services have been expanded and improved by introducing new types of services, improving the quality of service, and creating new service channels. The share of retail business in the total volume of operations is steadily growing. Thus, based on the results of 9 months of 2024, the share of the Bank's retail loan portfolio in the total loan portfolio amounted to 34%, and the share of retail deposits in the total deposit base was 35%.

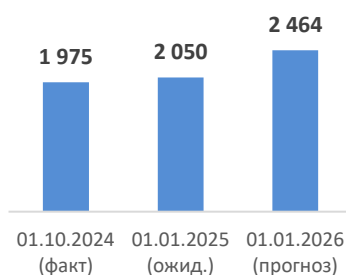
The measures implemented within the framework of the bank's business transformation allowed for the expansion of operations and improvement of service quality. In particular, the introduction of the new version of the "Alliance Pay" mobile application, the introduction of a modern risk-based scoring model, as well as the introduction of new types of deposits based on constructor deposits, contributed to improving the technological process, expanding the potential for lending and attracting client deposits, and optimizing the bank's operating expenses. Thus, during the first 9 months of 2024, the total number of loan applications processed through the credit conveyor amounted to 19,343 units. As of October 1, 2024, the share of online deposits in the total balance of retail deposits was 81%, and the share of online conversion by individuals in the total volume of currency sales was 42%, and currency purchases were 15%.

Also, active work was carried out to increase the number of bank cards sold, the total number of which increased by 72,393 units during the reporting period. The balance of funds on plastic cards of individuals decreased by 9% and reached 627.2 billion soums as of 01.10.2024, the network of ATMs and info kiosks (253 units) was expanded, automated deposit machines (25 units) were introduced, and others.

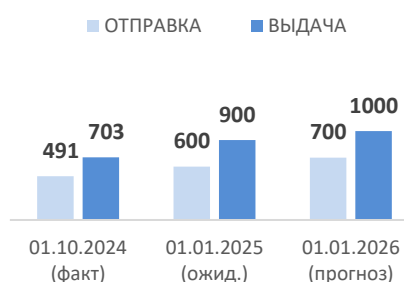
Dynamics of the volume of balances of the loan portfolio of individuals, billion soums



Dynamics of the volume of deposit balances, billion sum



Comparative volume of money transfers, billion soums



Dynamics of the volume of time deposits balances by sales channels, %



Dynamics of the volume of foreign exchange transactions through sales channels for, %



As the well-being of the population grows, their demand for new retail banking services increases. Taking into account the strong competition from banks and fintech companies, the Bank's measures for the development of retail business should provide for a significant expansion of the volume of retail operations, the transition from offering the population certain banking products and services to forming a comprehensive model of interaction with clients, which will allow meeting most of their needs in the field of financial services and servicing a significant share of operations, including:

- development of the product range and intensive development of all sales and service channels - formation of a multifunctional customer service system and widespread introduction of remote sales and service channels;

- building an effective cross-selling system, packaging products, and using flexible pricing, taking into account the level of risk;

- expanding the volume of lending to individuals, developing and implementing standard, in-demand retail credit products;

- organization of work to develop and expand the channels for the sale of credit products through its own online channel (Alliance Pay), as well as online channels of partners;

- Expansion of the long-term resource base by attracting credit lines, as well as issuing debt securities (deposit certificates and corporate bonds);

- improvement of the deposit services quality management system and ensuring the attractiveness of deposit products for the population, development and expansion of sales channels for deposit products through modern centers for comprehensive customer service, active use of the cross-selling mechanism;

- development of card business (salary projects, VISA, Master Card), in particular in the field of salary projects, providing for the growth of an effective client base and the expansion of tools for attracting new clients (marketing activity, development of product lines within the framework of salary projects), as well as deepening the relationship between retail and corporate banks when selling salary projects;

- development of customer relations, improvement of the CRM system, as well as the work of the Contact Center.

Corporate business

The development of customer service for the corporate segment and small business entities will remain a priority area for the Bank's activities for the coming year. The Bank will continue its active client policy in the corporate segment. Corporate business is the largest direction for the Bank in terms of asset volume, generating the largest share of income. The active work carried out in 2024 to attract clients ensured a significant expansion of the bank's client base. As of October 1 of this year, the bank serves more than 16 thousand clients, business entities without the formation of a legal entity - more than 4.9 thousand.

The main priority of work with legal entities for 2025 will be the implementation of a client-oriented business model that allows for ensuring high-quality, timely customer service while maintaining the profitability of banking operations at a sufficient level.

The main target category of corporate clients is considered to be large and medium-sized enterprises of private and state ownership, which are dynamically developing and have prospects for increasing the volume and range of operations carried out. The basis of relationships with this category of clients will be the principle of comprehensive service, combining standard technologies for conducting operations with an individual approach. Implementation of such approaches will be carried out by developing a system of client managers with the assignment of a separate Bank specialist to the client, performing the duties of a qualified consultant and manager.

Further development of the Bank's corporate segment will be focused on the following main areas:

- implementation of a client-oriented business model based on the principle of comprehensive service and development of the client management system;

- improvement of customer service by creating effective mechanisms for comprehensive cross-selling, optimization of business processes and active implementation of new innovative technologies, CRM and development of remote service channels, as well as expansion of product lines;

- expanding the functionality and security of the Internet Banking system, in particular, remote account management, supplementing the option for selling deposit and other products, as well as creating access to the system from mobile devices;

- in the field of attracting free funds of corporate clients, the main attention will be focused on improving the quality of deposit services by introducing best world practices and innovative technologies, creating effective cross-selling mechanisms, pursuing a flexible deposit policy, taking into account market trends and the attractiveness of deposit products, expanding the product range, taking into account the individual needs of clients, and creating new, including structured, deposit products;

- The creation of a good corporate client base will contribute to the development of the Bank's investment and intermediary services. The Bank will work out issues related to the development of investment intermediary services such as an investment consultant, underwriting services for the issuance and placement of corporate clients' securities, brokerage and dealer services in the stock market;

- further development of the Bank's activities in the field of financing projects of large corporate clients, as well as small businesses and private entrepreneurship. In this direction,

special attention should be paid to the implementation of measures to attract and utilize credit lines from international financial institutions, which will significantly expand the corporate client base and many other advantages.

– ensuring the bank's security of operations, minimizing risks, and guaranteeing bank secrecy for all operations;

– organization of regular meetings of the bank's management with the heads of the bank's client organizations throughout the year;

– ensuring the bank's ability to provide the client with accompanying information on changes in legislation in the banking sector;

– control over compliance with customer service quality standards.

Main target parameters for the development of the corporate segment, in billion soums.

№	Indicators	01.10.2024	01.01.2025	01.01.2026	Изм.,
			(expect.)	(Prog)	(to % expected)
1	Number of clients	16 094	17 070	20 334	19%
	Corporate clients	11 122	11 700	14 100	21%
	Individual prescriptions	4 972	5 370	6 234	16%
2	Client loans	2 464	2 500	2 865	15%
	Modular loans	355	375	730	95%
	Other loans	2 109	2 125	2 135	0%
3	Customer deposits	3 669	3 500	5 100	36%
	Demand deposits	1 461	2 000	2 489	24%
	Savings deposits	450	300	412	37%
	Term deposits	1 758	1 200	2 199	83%
4	Interest income	281	380	505	33%
	On loans and leases	281	380	505	33%
5	Interest-free income	65	86	111	30%
	Commission income	65	86	111	30%

Risk management system

In order to bring the bank's risk management system in line with the requirements of the legislation and international standards, the bank engaged an international consultant in 2024. As a result of joint work:

- the Bank's current internal regulatory documents were analyzed and the following were developed and approved in a new edition: risk appetite statement, market, operational risks and liquidity risk management policies, as well as procedures/methods for managing these risks, emergency additional financing plan and stress testing procedure; key operational risk indicators were determined;

- the form of the daily report on significant risks of the bank was developed; the format of reports on significant risks for the Board (monthly), the PRC and the Council (quarterly) was revised; the introduction of an incident database on operational risks was systematized; international practice in assessing and analyzing counterparty banks, financial organizations, and establishing limits for conducting operations with them was studied;

- the procedure for interaction between the bank's management bodies and structural units in case of violation of key indicators/triggers/risk appetites for significant risks, etc., has been improved.

Risk management, being part of the corporate governance system, is aimed at ensuring the sustainable development of the Bank and achieving its competitive advantages. The main tasks for risk management for the coming year are:

- ensuring a unified understanding of the Bank's risks by participants in the corporate risk management system and popularizing risk culture among Bank employees;

- ensuring a continuous coordinated risk management process based on timely identification, assessment, control, and monitoring to ensure the achievement of the set goals;

- establishment of limits, monitoring and control over the implementation of the risk appetite within the established limits;

- assessment and forecasting of the bank's necessary internal resources to cover significant risks in the event of stressful events due to internal and external risk factors;

- increasing the efficiency of bank asset management, including optimizing the risk/return ratio in all areas of activity;

- minimization of financial losses due to the implementation of market, operational and other risks to ensure the principle of continuity of the Bank's activities, including the preservation of the Bank's own capital;

- integration of the risk management system into the Bank's new automated banking system and implementation of work on the implementation of risk management software;

- promoting a risk-oriented approach in the bank, especially within the framework of all active operations, using best global practices.

Risk management in the Bank will be carried out in accordance with the Bank's internal risk management documents approved by the Bank's Supervisory Board/Board. These documents define the goals and objectives, procedures and tools, as well as participants in the risk management process, their functions, responsibilities, and powers.

The Bank's Risk Supervision Committee will continue to assist the Supervisory Board in organizing a high-quality and modern risk management system in the Bank and its proper functioning, carrying out risk management within the framework of the approved risk appetite, determining priority measures and other important tasks for risk prevention.

The Bank's Management Board will ensure conditions for the effective implementation of the risk management system and take necessary measures to improve the organizational structure of risk management.

Bank risk management will constantly identify, assess, monitor, and control significant risks of the bank; conduct stress testing quarterly and prepare a management report on credit, market, and operational risks and liquidity risk; monitor compliance with risk appetite indicators and their triggers, early warning indicators, and key risk indicators to reduce risks and related losses (damage); maintain and analyze an incident database on operational risks.

Information Technologies

Information technology has become an integral element of banking activity, determining not only the effectiveness of the bank's work, but also its stability and competitiveness. IT infrastructure is critical for ensuring the security of its operations, while protecting client data, financial transactions, and critical infrastructure from cyber threats is a priority for the Bank.

The development of information technologies in 2025 is aimed at achieving the main strategic objectives, reaching a qualitatively new level of automation of intra-bank processes, introducing modern technologies in banking services to form unique competitive advantages of the bank, in particular, the work will continue:

- implementation of a new automated banking system based on the modern Temenos R24 solution;
- implementation and improvement of remote banking services systems for individuals and legal entities, as well as other solutions, taking into account the needs of the bank's business units, within the approved budget;
- on improving the electronic document management system;
- on the implementation of the 1C: Accounting and 1C: Salary and Personnel Management system, which will allow automating the following processes:
 - *personnel accounting - a unified information space for personnel accounting;*
 - *salary accounting - detailing at the bank's request;*
 - *accounting for contracts on economic activity;*
 - *TMC accounting - warehouse accounting;*
 - *accounting for fixed assets and intangible assets;*
 - *interaction/integration with Microsoft Active Directory.*
- on testing the modules of the new ABS at the SIT/UAT level - attracting experts to the QA project, who will ensure the organization of the ABS acceptance testing process, management, training and control of its execution deadlines;
- on the organization and construction of a new Data Processing Center (DPM) for the creation and ensuring the uninterrupted operation of information systems and data storage. Compliance with the requirements of the UzDSt2875:2014 "REQUIREMENTS FOR DATACENTERS" standards;
- on updating the equipment of server and telecommunications complexes for the further development of the bank and the creation of fault-tolerant and high-performance IT and IT infrastructure, ensuring the continuity of business processes, protection and accessibility of information resources;
- implementation of the licensing purity of software used in the Bank to comply with security requirements, pass international standards and certifications, eliminate reputational risks, comply with legislation and copyright;
- implementation of Anti-Fraud systems designed to detect and prevent fraudulent operations and ensure the security of financial transactions and protect client funds;
- Implementation of tools for managing intrabank processes and development, including:
 - *intrabank messenger (analog: Slack) Mattermost - the system has many integrations with various systems, which allows you to store and structure all messages, actions, notifications in one place (on bank servers);*
 - *interaction/integration of third-party systems with Microsoft Active Directory;*
 - *integration with EDS providers.*

- upon completion of audits:
 - *according to the PCI DSS standard - an international security standard specially created to protect payment card data;*
 - *for IT and IS audit to assess the compliance of information systems and processes with established standards, regulations, and policies;*
 - *identification of vulnerabilities in the security system and IT infrastructure, as well as risk assessment and analysis to minimize threats and losses.*
- for technical support in the construction and implementation of:
 - *TIETO Processing Center for Payment Processing and Management, Integration of Payment Solutions;*
 - *installation of communication channels and interaction systems with the VISA international payment system;*
 - *standards and regulations in the field of financial services and data protection, such as PCI DSS.*

Development of marketing activities

One of the priority areas of the bank's activities is the development of the bank's marketing activities aimed at creating long-term mutually beneficial relationships with clients and business partners through identifying the needs and requirements of target markets and satisfying them in more effective ways than competitors.

The bank's marketing concept is aimed at orienting the bank towards customer needs, retaining old customers and attracting new ones, applying numerous market policy instruments, and purposefully coordinating all types of activities in promoting banking products.

The main directions of the bank's marketing strategy provide for:

- ✦ **Market analysis:** analysis of competitors' products and advertising activity;
- ✦ **Customer research:** customer needs research, satisfaction level research, segmentation;
- ✦ **Product development:** participate in product line updates to enhance loyalty;
- ✦ **Marketing campaigns:** advertising, promotions and raffles, SMM;
- ✦ **Effectiveness:** sales funnel and advertising campaign analysis.

Within the framework of this business plan, the Bank will implement the following marketing tasks in 2025:

- focusing and distributing tasks within current staff units, supplementing with new staff units, transferring the main functions of SMM to the bank's staff;
- forming a strategy for promoting products, conducting advertising campaigns and events to promote products;
- forming a strategy to increase brand awareness, conducting advertising campaigns and events to increase brand awareness
- forming a strategy for representation on social networks, working with comments and reviews on the Internet (Facebook, Instagram, AppStore, PlayMarket);
- working with bank cards (branches, ATMs) in geoservices (2GIS, Yandex, Google), including answers to questions and feedback;
- tracking bank references on the internet;
- SEO and SERM promotion;
- filming mobile videos for social media (Reels) and interview format with star guests (YouTube), launching animated videos;
- conducting marketing research, setting up and launching product and advertising analytics;
- launching online (digital) advertising;
- Bringing points of sale and ATMs into unified conformity with the corporate style (brandbook) or changing the branding (in case of rebranding);
- launching PR projects, social and charitable campaigns.

Improving the bank's personnel management system

Personnel is the bank's main asset and competitive advantage. The main goal of the "ASIA ALLIANCE BANK" JSC's personnel management system is to effectively manage and develop the bank's human capital, form and maintain a team of specialists capable of implementing the bank's strategy at optimal costs, and create conditions for employees to realize their professional ambitions aimed at harmonizing personal goals with the bank's objectives.

In 2025, in order to further develop the Bank's personnel potential, the following activities are planned:

- staffing the Bank's Head Office and regional offices of banking services with both qualified specialists with experience in the banking sector and young graduates with potential for further development;
- organization of an internship program for graduates of higher educational institutions, in particular, young specialists are familiarized with the activities of the Bank and, subsequently, with a positive result of the internship and interview, the interns are enrolled in the staff of the Bank;
- training and retraining of employees by applying new teaching technologies, ensuring their training in specialized educational institutions of the Republic of Uzbekistan,
- as well as participation in various trainings, programs, seminars at the local/international level;
- continuous professional development of the leadership and reserve personnel by training and retraining in specialized training centers.
- on bank operations, as well as by internal rotation;
- organization and implementation in the "iSpring" SDO, corporate training programs that, in addition to training in professional knowledge, support the development of personal qualities of employees, teamwork;
- Create clear and measurable requirements for front-line positions (RB and SMB) and build on their basis, together with external consultants, the processes of selection, adaptation, and career development;
- in order to distribute positions according to the company's value, to combine adjacent positions into groups and assign uniform salaries to each group, to develop the Bank's grading with external consultants;
- introduction into daily practice of norms and traditions of corporate behavior and style, which together contribute to the stable operation of the bank, strengthening its image and increasing the confidence of clients;
- improvement and optimization of mechanisms for both material and non-material incentives in order to orient employees towards the final result in achieving the set goals and objectives.

FINANCIAL PLANNING

As a result of the successful implementation of planned tasks for the further development of the Bank's priority areas, stable dynamics of key financial indicators are projected for 2025.

Expanding the scope of its activities, the Bank will strive to strengthen its position in the lending and retail services market. At the same time, special attention will be paid to a qualitative change in the structure of the Bank's balance sheet and income. The main focus in expanding the Bank's operations will be on the Bank's unconditional fulfillment of the Central Bank's prudential regulations to ensure a high level of the Bank's financial stability.

In particular, the forecast of the main parameters of the Bank's balance sheet indicators (basic scenario) was based on the following:

a) liquid assets were forecasted taking into account the regulator's requirements for liquidity indicators;

b) the loan portfolio was forecasted taking into account the regulator's requirements for capital adequacy indicators;

c) client funds were forecasted taking into account the forecast of the loan portfolio and the GS portfolio.

Capital adequacy forecast for 2025

Specifications	01.10.2024 (fact)	01.01.2025 (expected)	01.01.2026 (prog.)	Changes
Total amount of risk-weighted assets	6 874 990	7 283 102	10 073 592	2 790 490
Assets for leverage calculation	7 870 381	7 920 655	10 487 113	2 566 458
Capital Tier 1	762 102	874 811	1 101 817	227 006
Total - Regulatory capital	1 166 815	1 236 591	1 577 572	340 981
Capital Tier 1 adequacy ratio	11,09%	12.01%	10.94%	-1.07% b.p.
Regulatory capital adequacy ratio	16,97%	16.98%	15.66%	-1.32% b.p.
Leverage coefficient	9,68%	11.04%	10.51%	-0.53% b.p.
Maximum risk amount for Tier 1 Capital	7 258 115	8 331 533	10 493 496	2 161 936

In the financial planning of activities for 2025, no additional contributions to the Bank's capital, as well as significant changes to the Bank's business model, are envisaged.

The Bank's profit or loss forecast for 2025 was based on the following:

a) interest income is calculated based on the volume of the loan portfolio and the GS portfolio;

b) loan loss reserves will be approximately 2.5% of the loan portfolio;

c) commission income will increase by approximately 14% compared to 2024;

g) operating expenses will increase by approximately 42% compared to 2024.

In particular, the volume of interest receipts in 2025 is planned to be 1,236.8 billion soums, including 1,064.9 billion soums for credit activities (an increase of 43% compared to 2024).

According to calculations, due to a significant increase in the Bank's fixed asset depreciation expenses, the Bank's operating expenses will amount to 499.9 billion soums.

As a result, the Bank is expected to receive a net profit of 470.0 billion soums.

Taking into account the stated principles, the Bank's forecast indicators for 2025 are attached to the Business Plan.

Monitoring and control over the fulfillment of forecast indicators of the business plan will be carried out on the basis of detailing the planned indicators for business areas, as well as relevant action plans.

FORECAST BALANCE (in million soums)

Main indicators	Expected for 01.01.2025.	Forecast as of 01.04.2025.	Forecast as of 01.07.2025.	Forecast as of 01.10.2025.	Forecast as of 01.01.2026.
ASSETS					
Cash	613 146	660 873	667 935	674 996	662 057
Receivables from CBU	1 019 437	1 074 618	1 284 106	1 578 699	1 162 270
Funds in banks	900 836	931 237	906 386	675 556	1 221 332
Trading securities	732 767	589 431	654 129	704 669	854 746
Loans and leasing, net	3 707 442	4 025 500	4 542 268	5 115 019	5 407 395
Investments	12 500	5 077	5 077	5 077	5 077
Fixed assets	289 853	338 620	363 410	386 598	408 464
Other assets	379 187	373 310	369 192	366 009	361 281
TOTAL ASSETS	7 655 168	7 998 666	8 792 502	9 506 624	10 082 624
LIABILITIES					
On-demand deposits	3 245 498	3 247 539	3 423 308	3 599 077	3 774 846
Deposits, savings and term deposits	2 434 699	2 900 486	3 289 165	3 538 753	3 788 341
Accounts of other banks, interbank deposits, loans and borrowings	620 369	572 189	675 280	828 483	827 549
Issued bonds	45 175	45 175	45 175	45 175	45 175
Other liabilities	154 519	140 148	152 822	163 286	169 816
TOTAL LIABILITIES	6 501 260	6 905 538	7 585 751	8 174 773	8 605 726
EQUITY					
Authorized capital	660 263	660 263	660 263	660 263	760 263
TOTAL EQUITY	1 153 908	1 093 128	1 206 751	1 331 851	1 476 897
TOTAL LIABILITIES AND EQUITY	7 655 168	7 998 666	8 792 502	9 506 624	10 082 624

FORECAST REPORT INCOME AND EXPENSES (in million soums)

Name of indicators	Expected for 01.01.2025.	Forecast as of 01.04.2025.	Forecast as of 01.07.2025.	Forecast as of 01.10.2025.	Forecast as of 01.01.2026.
INTEREST INCOME	950 231	252 516	538 010	866 149	1 236 819
INTEREST EXPENSES	500 856	114 204	257 059	424 238	602 738
NET INTEREST INCOME	449 375	138 312	280 951	441 911	634 082
Loan Loss assessment	100 090	47 719	68 439	90 594	105 560
NET INTEREST INCOME after loss assessment	349 285	90 592	212 512	351 317	528 522
NON INTEREST INCOME	940 199	219 866	441 410	666 771	893 052
NON INTEREST EXPENSES	480 534	91 413	182 825	274 238	365 651
NET NON INTEREST INCOME	459 665	128 514	258 706	392 715	527 644
OPERATING EXPENSES	343 470	117 054	234 702	359 468	499 949
NET INCOME BEFORE TAXES	465 479	102 052	236 517	384 564	556 217
Income tax assessment	71 135	15 818	36 660	59 607	86 214
NET PROFIT	394 344	86 234	199 857	324 957	470 003