

Business plan

of the Joint-Stock Commercial Bank

‘Invest Finance Bank’

for 2017

OVERVIEW OF THE BANK BUSINESS PLAN FOR 2017

Basic principles

Over the past several years, the banking system in Uzbekistan has been at the stage of active development. The total assets, capital and credit investments of the country's banking system are annually increased by 25-30%. Further forecasts of the demand for banking services are very favorable.

Effective organization of the banking activity requires not only a certain affordability of initial financial resources, but also the availability of an effective system of planning and managing the bank.

As a result of 8-year activity in the banking market of Uzbekistan, InFinBank brand has gained celebrity and trust. Trust in the brand is supported by financial stability ratings.

The Bank has strong working relations with the country's leading companies in all sectors of the economy, and its customer base is diversified enough. Over the years, the Bank has created a number of competitive advantages that serve as a platform for further successful development:

- **branched network infrastructure and the success of their location;**
- **a recognizable and trusted brand;**
- **the presence of a certain group of customers having long-term and partnership relations with the Bank;**
- **high level of automation and implementation of modern information technologies and products.**

In drawing up these scenarios, we, first of all, relied on internal growth potential. Surely, we did not forget about macroeconomic factors. It should be noted that the current planning of banking activities is conceptually based on the principles of the Bank's strategic development plans.

In 2017, it is proposed to combine an extensive growth model with an intensive one, giving priority to the latter. This supposes:

- Outstanding of clear "growth points" for each business line in the context of the units and for the Bank as a whole;
- Further strengthening of positions in the most attractive segments and regions of presence;
- Opening of new infrastructure units;
- Optimization of management tools;
- Activation of works on attraction of clients, expansion of client base and relations with clients;
- Continuous market assessment and response to it, in which the Bank will operate, with consideration of available internal resources (financial, material, personnel, software and information).
- Maximum implementation of the "multiplier effect" of the Bank's various activities.

The key targets of the Bank in 2017 are:

- **Asset growth to the level of over 1,250 billion soums and maintenance of the Bank's market share in the sector at a level of over 1.25%;**
- **Bringing the authorized capital of the Bank to at least 156.0 billion soums;**
- **Further development of the bank's infrastructure mainly due to active expansion into the regions, bringing the number of branches to 15;**

- • **Maintenance of the rate of profitability.** The bank intends to maintain the return on assets at 1.8% in 2017, the return on equity equal to at least 13%, the net interest margin - not lower than 3.0%.
- **Growth of the current corporate customer base to over 10,000 customers;**
- **Maintenance of current international and local rating indicators.**

Since 2017, the focus on the entire market will become a strategic development tool, the basis of the Bank's competitive advantage is now lower costs in regard to competitors, a constant search for ways of reducing costs without losing quality and deteriorating the basic characteristics of the product.

Financial performance

The main result of the Bank's activities within the framework of the planned business plan will be achieving of stable financial result against the background of strong liquid positions and, as a result, an increase in the Bank's capital.

Detailed calculations of balance sheets and financial results are presented below in the form of tables that are an integral part of this business plan.

Predicted balance parameters of JSCB 'InFinBank'	
	(thous. of soums)
The names of indicators	01.01.2018
ASSETS	
Ready cash and other cash documents	21 700 000
Monetary resources on the corresp. account (in soums)	118 550 000
Correspondent account (currency – account 10501)	70 000 000
FOR	107 693 250
Interbank deposit (account 10597)	64 000 000
Credit portfolio , net	668 090 000
Accrued commissions, interest on loans and deposits	9 446 630
Investments	27 266 969
Fixed and intangible assets, net	139 841 253
Other assets	25 900 000
TOTAL ASSETS	1 252 488 102
EQUITIES, LIABILITIES	
Demand deposits	435 110 000
Savings deposits	32 965 000
Fixed-term deposits	356 900 000
Interbank deposits	125 000 000
Depository/savings certificates	20 000 000
Accrued interest on deposits / resources payable	5 497 696
Other liabilities	108 763 905
TOTAL LIABILITIES	1 084 236 600
FUNDS	
authorised capital	156 000 000
Extra capital	1 853 395
reserve fund	4 269 680
accumulated surplus of preceding years	70 000
current profit	6 058 426
Total funds	168 251 501
Total equities	1 252 488 102

Predicted parameters of profit and loss statement of JSCB 'InFinBank'	
	(thous. of soums)
The names of indicators	01.01.2018
Interest income	1 14 875 312
Interest losses	67 741 328
Net interest income	47 133 984
Assessment of possible losses-loans and advances	200 000
Net income after the assessment of possible losses by Loans and advances	46 933 984
Non-interest income	69 195 658
Non-interest losses	16 676 550
Net income before operating expenses incurred	99 453 093
Operating expenses	72 219 998
- <i>Including staff costs, jointly</i>	
Reserve provisions for possible losses on other assets	0
Profit before tax	27 233 095
Tax paid	5 045 372
Net profit (loss)	22 187 723