



FIRST HALF
RESULTS
2022

INVESTOR PRESENTATION

NOVEMBER 2022

IMPORTANT: This investor presentation (hereafter “Presentation”) has been prepared by JSCB Uzbek Industrial and Construction Bank (“the Bank”) and does not constitute an offer to sell or issue, purchase, subscribe, guarantee the placement or other acquisition of any shares of the Bank or its securities.

This presentation may contain forward-looking objectives and statements about Bank’s financial situation, operating results, business activities and expansion strategy.

This Presentation as well as its distribution are not ground for entering into any contract or other forms of obligations to the Bank's partners, in other words, it should not be relied upon as a contract or obligation.

The Bank warns readers of the Presentation in advance that the statements contained therein are not a guarantee of future performance, and actual results may differ materially from the statements expressed directly in it.

The Presentation, including the information and conclusions contained therein, is made public as of the date of such a Presentation and may be changed without prior notice to its readers.

The Bank does not undertake any obligations to readers and / or users of this Presentation to further provide them with access to any additional information or to update any inaccuracies that may be found in this Presentation.

Neither the Bank, nor its affiliates, warrant, accept any express or implied obligations regarding the reliability, accuracy, completeness or correctness of the information and conclusions contained in the Presentation.

Macroeconomic overview	4-5
Banking Sector Analysis	6
Overview of the SQB	7-8
Strategy & Transformation	9-11
Credit Highlights	12-14
Financial Performance	15-19
Appendix	20-22

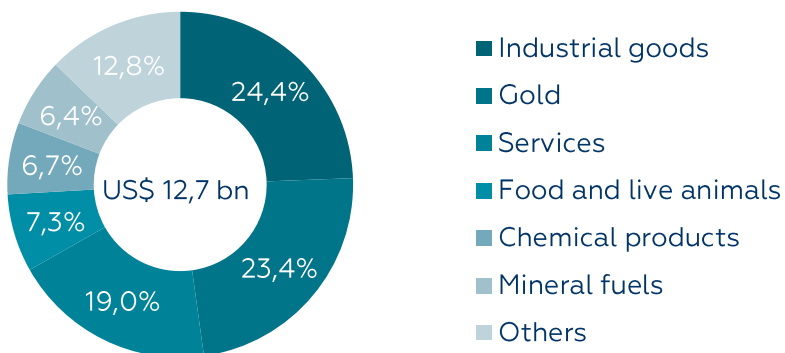
Uzbekistan experienced the following key economic indicators in 2022:

- GDP growth 5.4% (2021: 7.4%)
- Inflation: 12.2% (2021: 10.7%)
- Population – 35,8 mln as of October 2022
- At a meeting on October 27, 2022, Central Bank decided to keep the refinancing rate unchanged at 15% (2021: 14%)
- 31 Banks in the market, 12 of them are state-owned (79% of all assets belongs to state-owned banks)

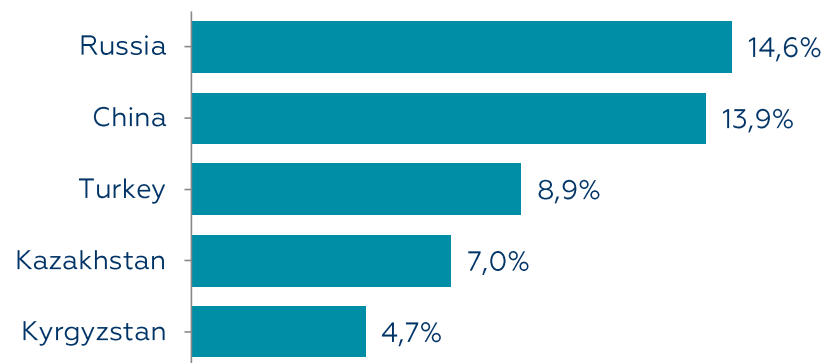
Sovereign Ratings

- **Moody's**
B1 / Positive
- **S&P** Global Ratings
BB- / Stable
- **Fitch** Ratings
BB- / Stable

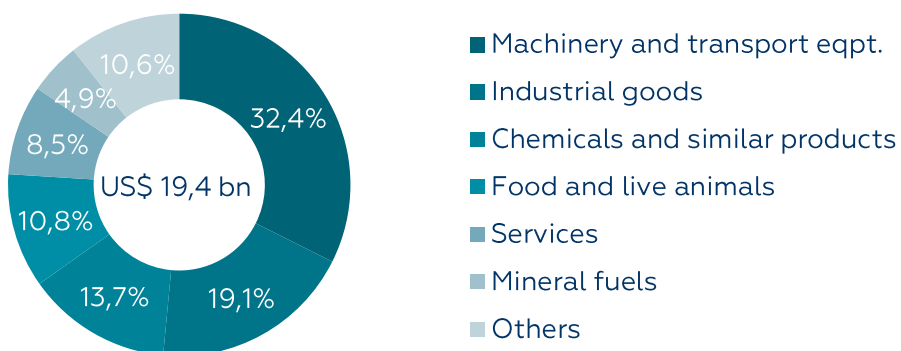
Structure of Exports, as of Sep-1, 2022, % in total



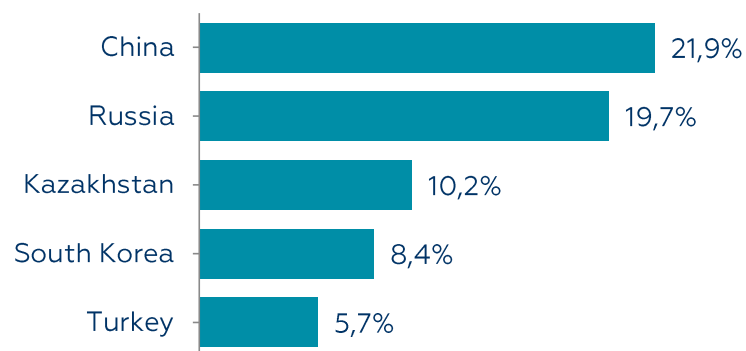
Top 5 countries in total Exports, as of Sep-1, 2022, % in total exports



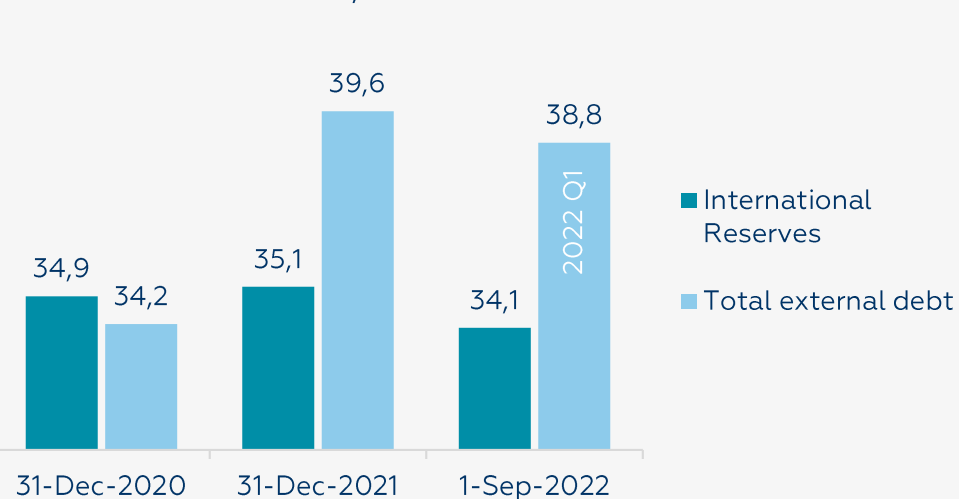
Structure of Imports, as of Sep-1, 2022, % in total



Top 5 countries in total Imports, as of Sep-1, 2022, % in total imports



International reserves, USD bn



SOVEREIGN RATING UPGRADE FACTORS

Moody's B1 POSITIVE	<ul style="list-style-type: none"> Implementation of reforms aimed at creating more competitive conditions in the economy and financial sector Mobilization of internal sources of financing, including UZS
S&P BB- STABLE	<ul style="list-style-type: none"> Reforms and greater integration into the global economy that increase the potential for economic growth and improve budgetary and external economic indicators
Fitch BB- STABLE	<ul style="list-style-type: none"> Maintaining high economic growth rates without macroeconomic imbalances Significant improvement of the sovereign fiscal and external balances

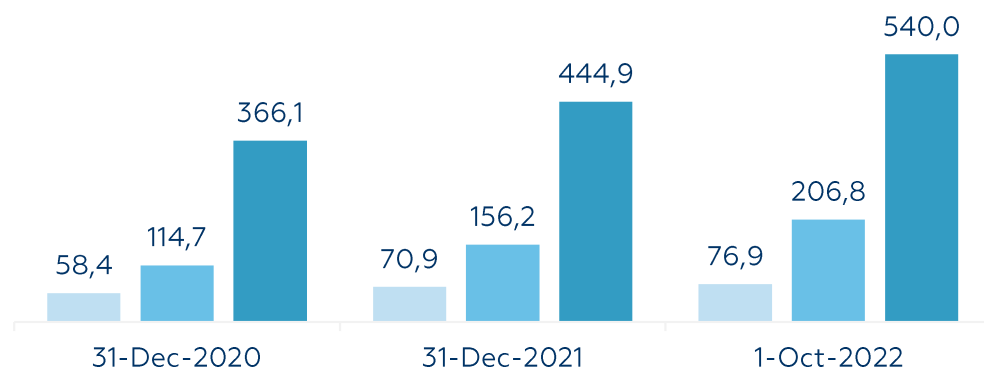
Exchange Rates	Oct-31, 2022	% Chng YTD
USD/UZS	11 180,48	↑ 3,33%
EUR/UZS	11 129,05	↓ 8,99%
RUB/UZS	181,28	↑ 25,31%
CNY/UZS	1 540,58	↓ 9,25%
KZT/UZS	23,80	↓ 3,45%

World Economic Outlooks

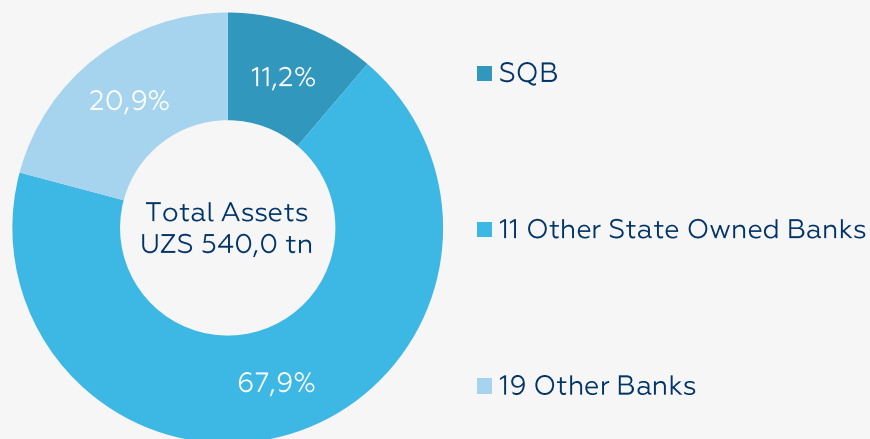
- According to ADB, Uzbekistan's economy is projected to grow by 4.0% in 2022 and 5.0% in 2023 assuming expected expansion in construction and strong investment
- The World Bank expects Uzbekistan's GDP to grow by 5.3% in 2022. Private investment and exports are expected to grow strongly, and the current account balance improve, as Uzbekistan benefits from strong global commodity prices and increasing remittances
- According to the projections of IMF, Uzbekistan's GDP is expected to grow by 5.2% in 2022, 4.7% in 2023, 5.0% in 2024

Key indicators evolution, UZS tn

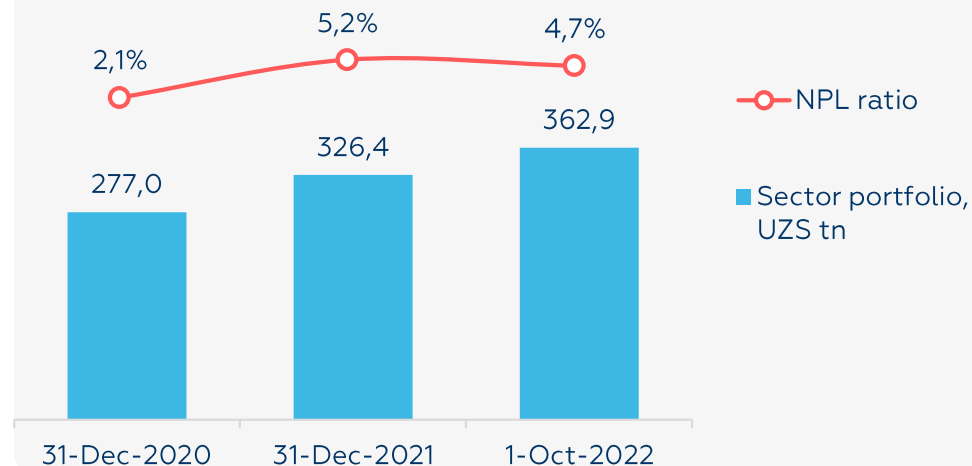
■ Total capital ■ Total deposits ■ Total assets



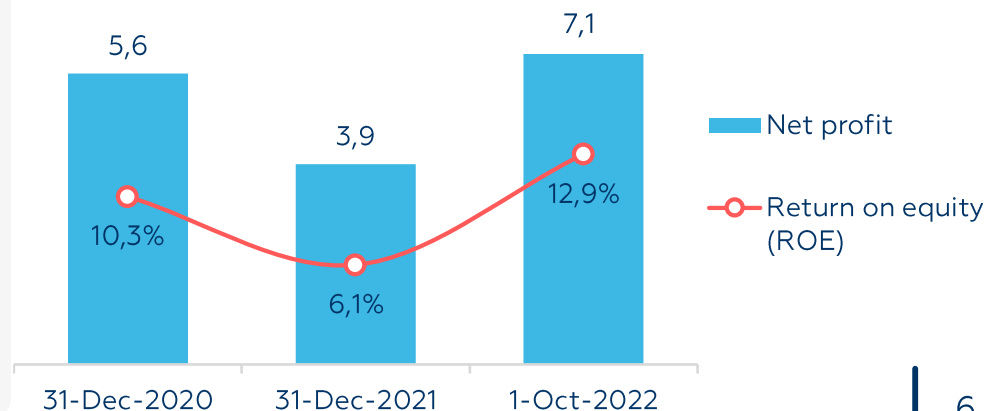
Market share by total assets as of 1-Oct-2022



Sector's loan portfolio and NPL ratio



Uzbek banks profitability, UZS tn



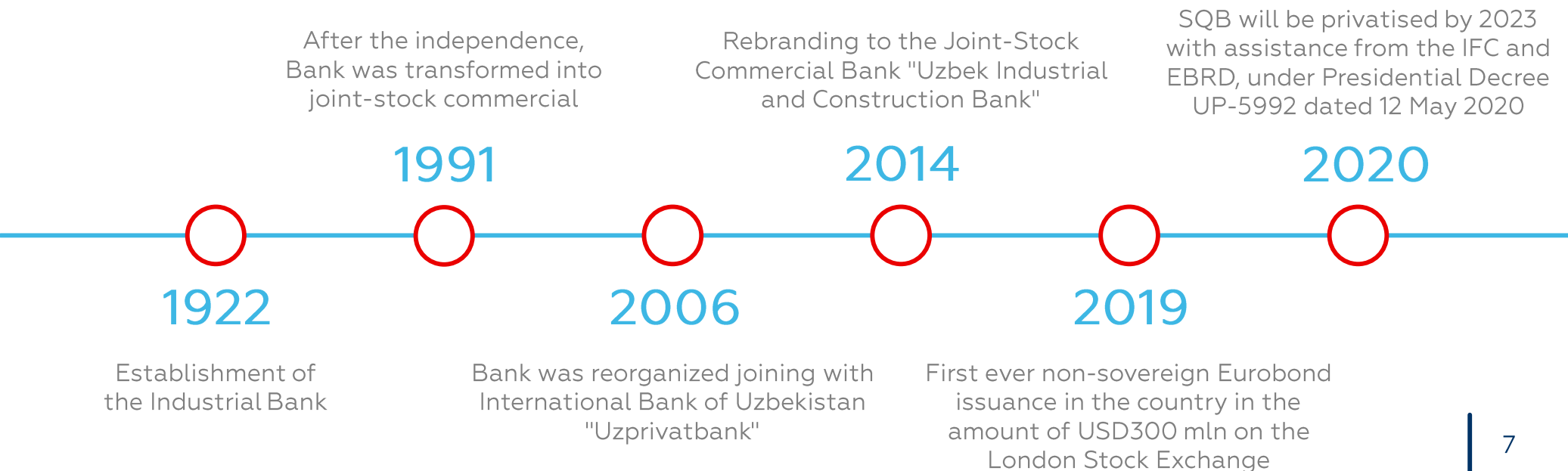
- **#1** in loans to national champions in key industrial sectors of the country such, oil and gas, chemicals, manufacturing, energy and transport sectors
- **#2** largest bank in terms of assets and loan portfolio

- Rating overview
- **S&P** Global Ratings BB- / Stable
 - **Fitch** Ratings BB- / Stable
 - **Ahbor** Reyting uzA+ / Stable

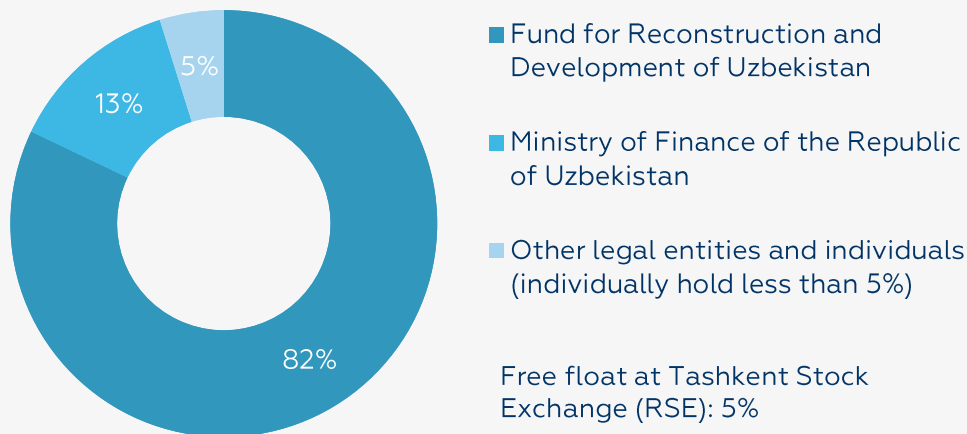
- country-wide presence with **91** bank offices
- number of employees more than **3.6K**
- providing a broad range of services to more than **one and half million** clients

- **Strategic goal** - transform into a competitive, customer-oriented, market-driven bank that is attractive to investors and clients

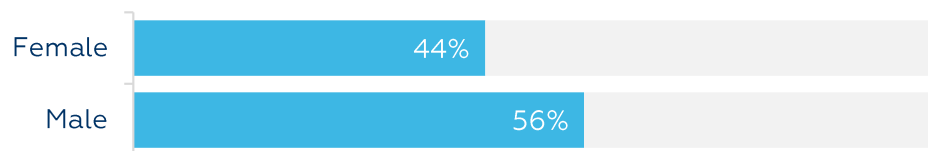
Key milestones: A Long Journey starting from 1922



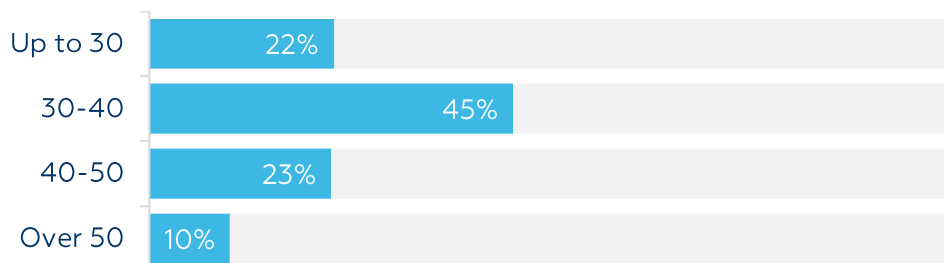
Ownership structure as of Oct-1, 2022



SQB Team as of Oct-1, 2022

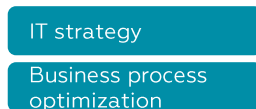


Age composition



Supervisory Board

- 1 Chairman - Voitov Aziz Botirovich, Minister of Agriculture of the Republic of Uzbekistan
- 2 Member - Mukhtarov Ulugbek Khakimovich, Deputy Executive Director of the UFRD
- 3 Member - Sultanov Dilshod Shukhratovich, Deputy Minister of Finance of the Republic of Uzbekistan
- 4 Member - Mustafaev Khurshed Bakhtiyorovich, Director, Ministry of Finance of the Republic of Uzbekistan
- 5 Independent Member - Julia Alexandrovna Ayzup
- 6 Independent Member - Christoph Alexander Hans-Jürgen von Gleich
- 7 Independent Member - Ferdinand Willem Tuinstra
- 8 Independent Member - Oksana Sivokobilska
- 9 Independent Member - Gregg S. Robins



1

1st stage. Completing the transformation with IFC and EBRD

- In 2018, SQB started transformation of the bank in assistance with IFC, EBRD and KPMG

2

2nd stage. Converting convertible loans into capital of the Bank by 2023 (convertible loans from IFC, EBRD and ADB)

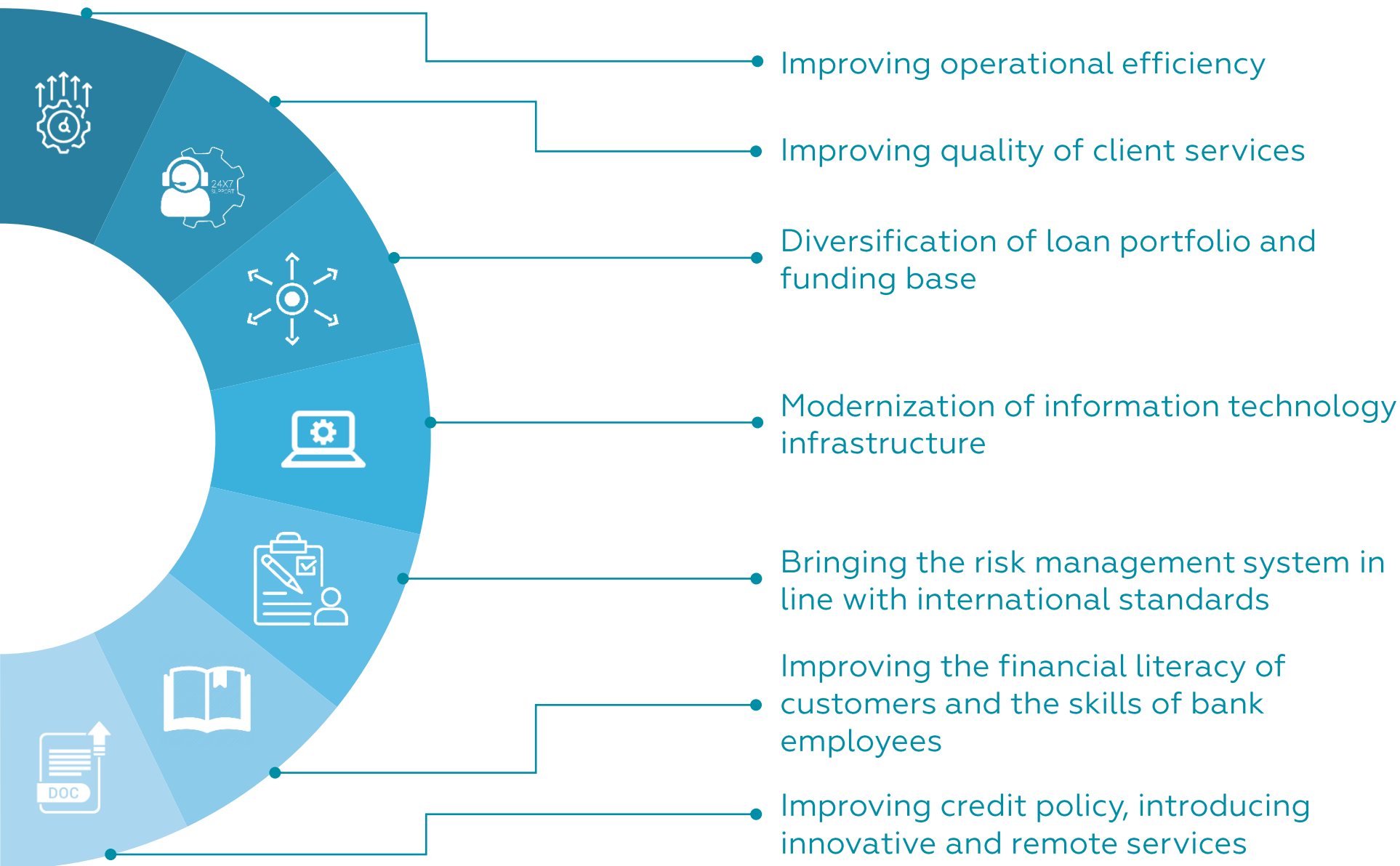
- IFC will assist in changing SQB's business model and corporate governance by providing US\$ 75 mln credit line as a convertible loan into a minority stake (**Agreements signed**)
- EBRD will participate in the pre-privatization transformation process of SQB through the provision of a credit facility worth US\$ 50 mln convertible to equity (**Agreements signed**)
- SQB has signed a mandate letter with ADB on granting US\$ 50 mln convertible loan in 2022-2023 (in process)
- In the next stage the IFIs and the Ministry of Finance will start the hunt for a strategic investor and intend to sell at least 50% +1 of the bank by the end of 2023

3

3rd stage. Selling 50%+1 shares of the State by the end of 2023

- As of 1H 2022, the Bank is ongoing 3rd stage of transformation
- By the end of 2023 the transformation of SQB is planned to be completed

Strategic Directions 2023



Roadmap to Sustainability

SQB is promoting greening of its operations including buildings and processes



Executed

- Multiple Awards and Recognition towards Green and Sustainable Initiatives
- Multiple Green Financing Instruments Offerings

Eligibility Check:

- Climate Assessment for Financial Institutions (CAFI) platform from IFC
- Green Technology Selector (GTS) platform from EBRD GEFF

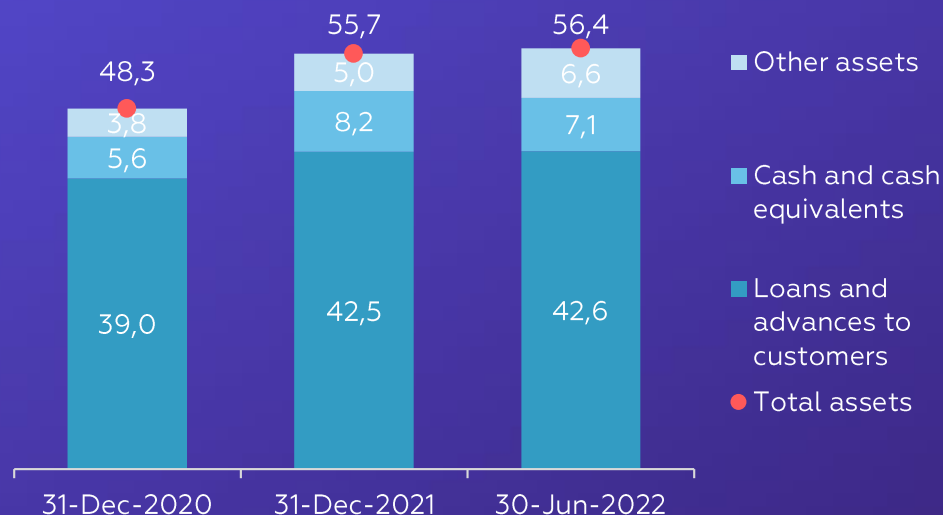


In progress

- Introduce SQB's Sustainability Framework
- Get a Second Party Opinion
- Issue ESG instrument

SQB has done most of the ground-work required but now needs a formal Framework and an ESG rating to successfully tap the ESG financing market

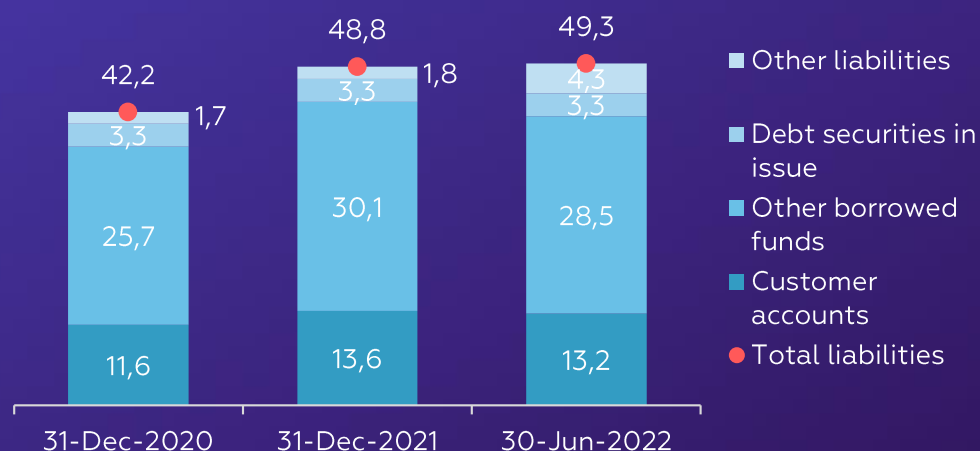
Total assets composition, UZS tn



Total equity evolution, UZS tn

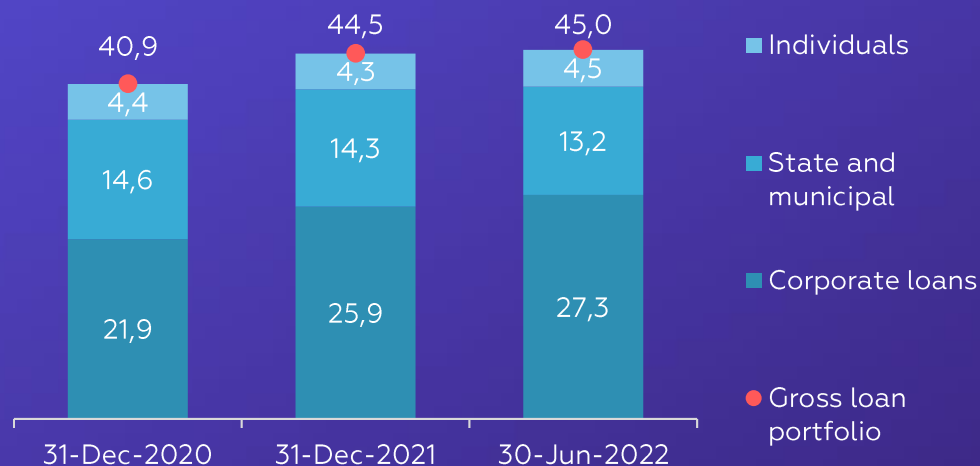


Total liabilities split, UZS tn

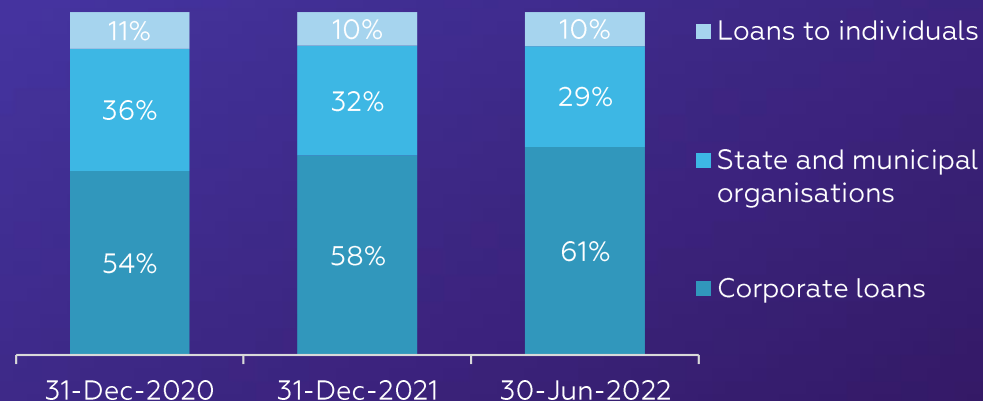


- Increasing high-yield short-term and mid-term loans with maturity of up to 3 years will affect positively our key profitability indicators
- Bank's large borrowers are Uzbekistan's "blue chip" state-owned enterprises
- Overall, asset split of the Bank is heavily leaning towards interest-earning assets

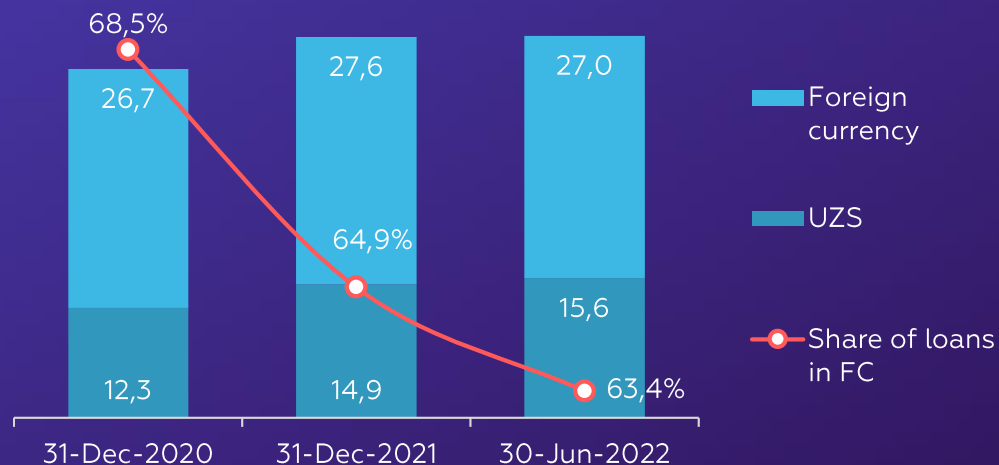
Gross Loan portfolio by customer type, UZS tn



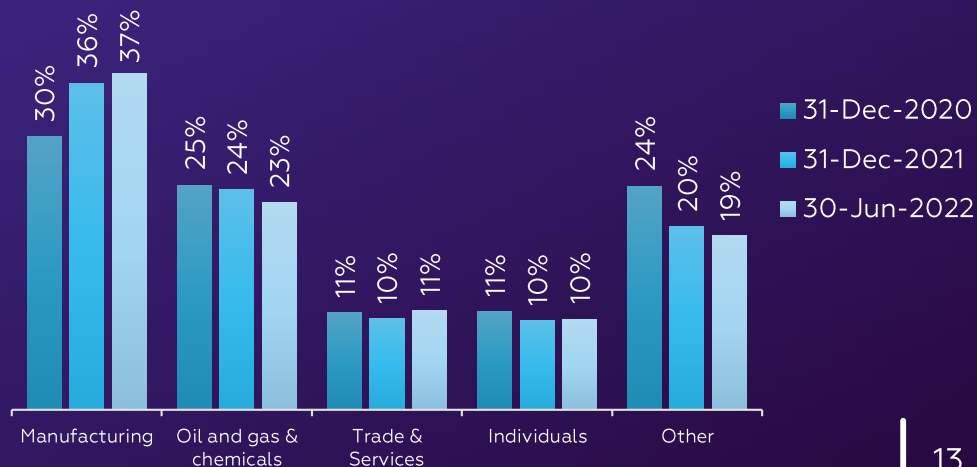
Loan portfolio concentration



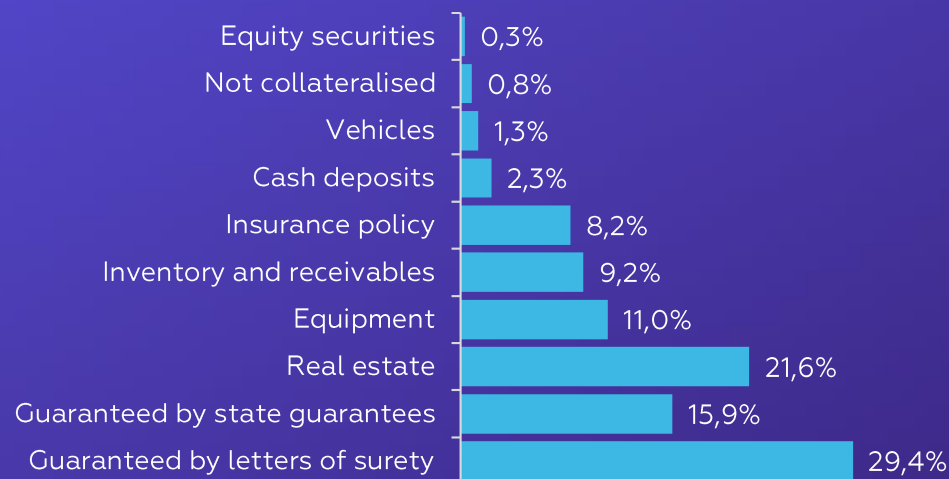
Loan portfolio currency split, UZS tn



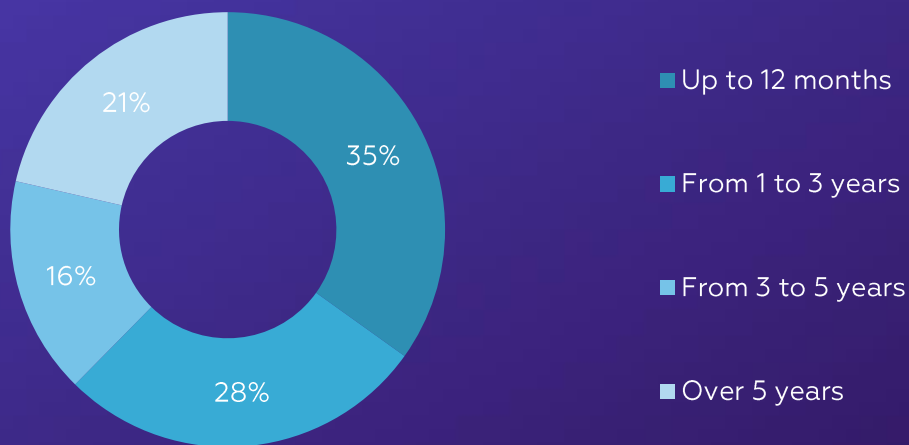
Economic sector risk concentrations



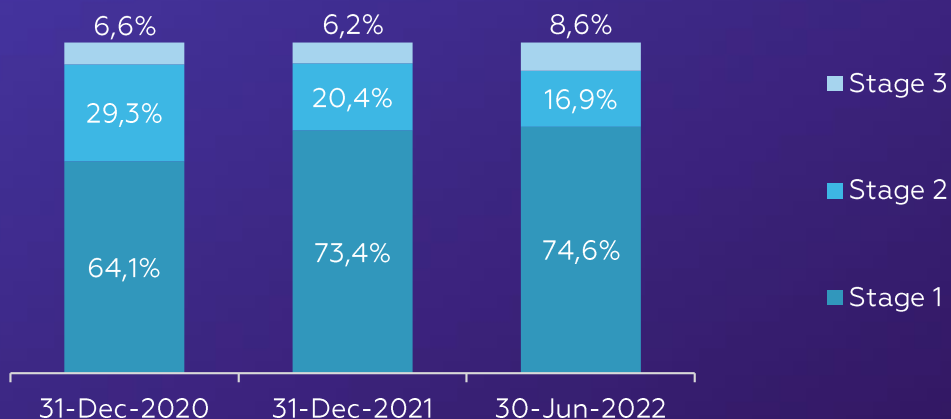
Loan Portfolio coverage by collateral type, 30-Jun-2022



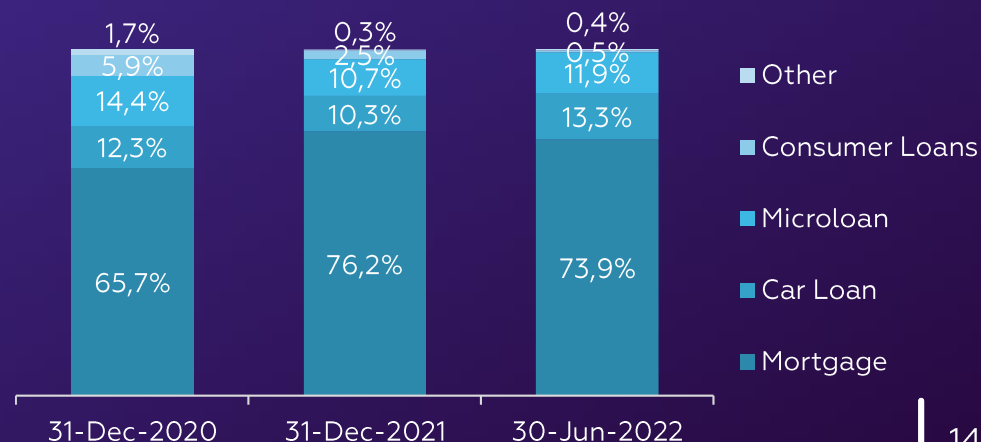
Loan Portfolio breakdown by maturity, 30-Jun-2022



Loan portfolio classification by stages

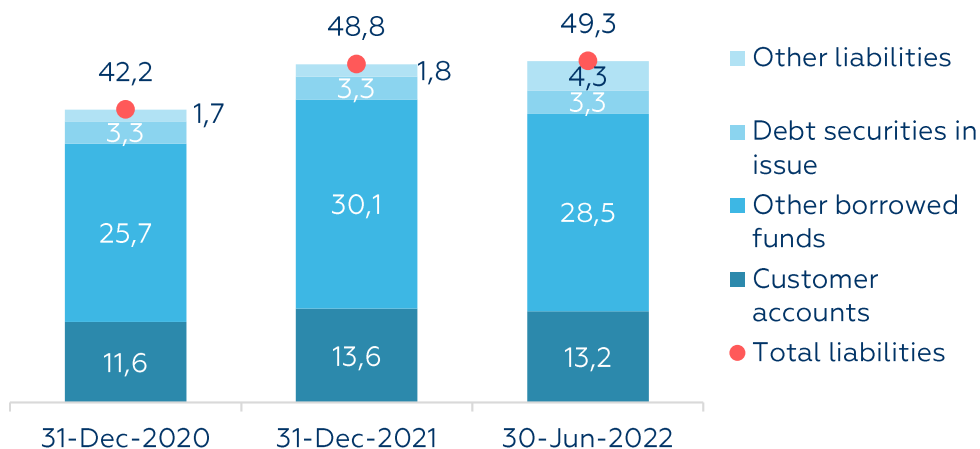


Retail loan portfolio concentration

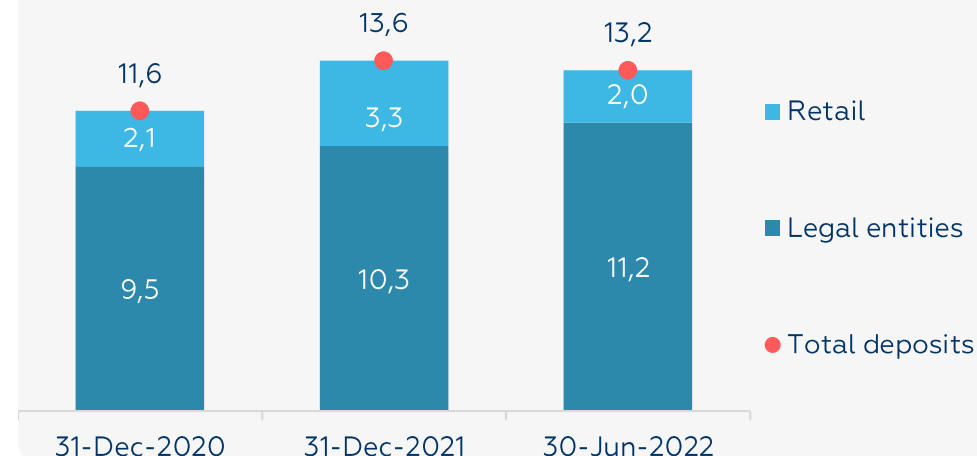


Good growth of deposits

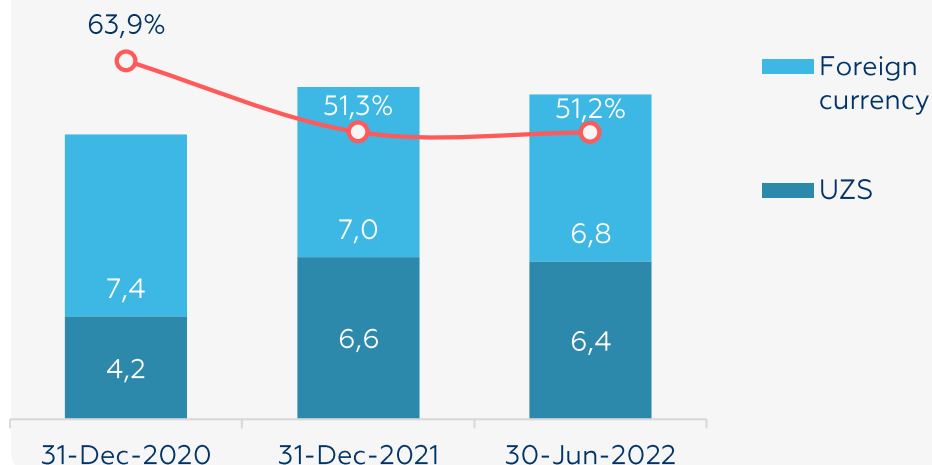
Total liabilities split, UZS tn



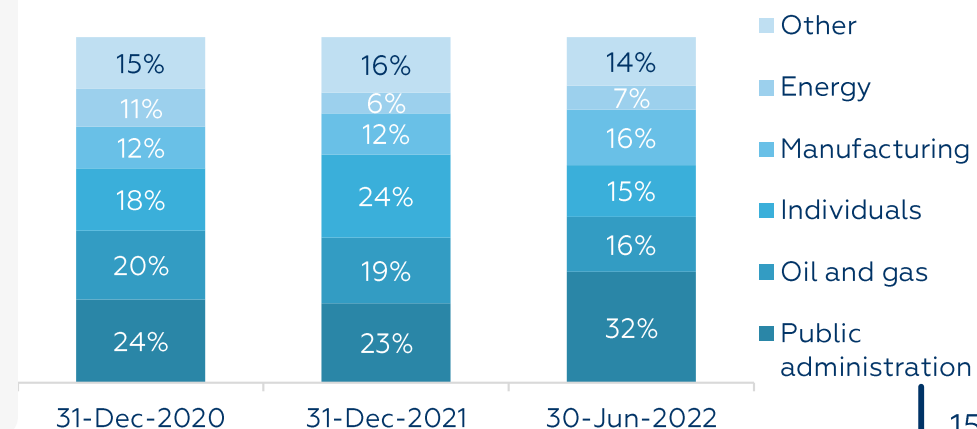
Customer accounts by segment type, UZS tn



Deposits currency split, UZS tn

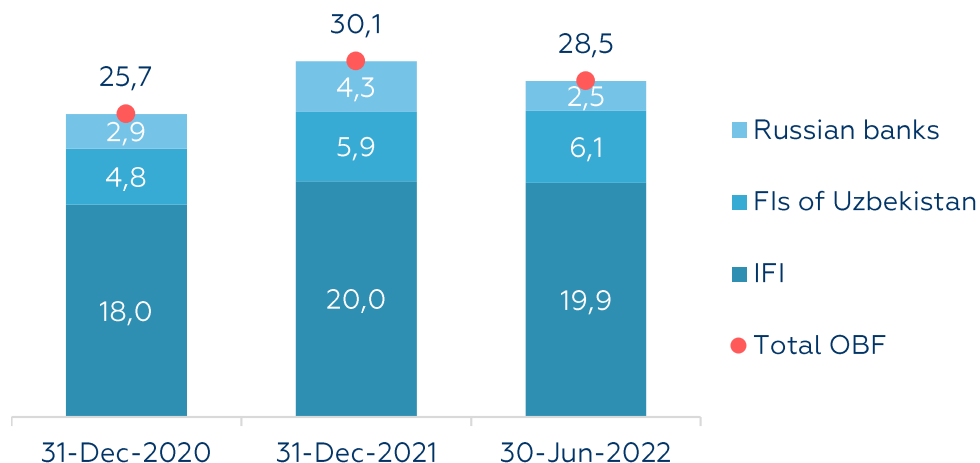


Customer accounts by economic sector

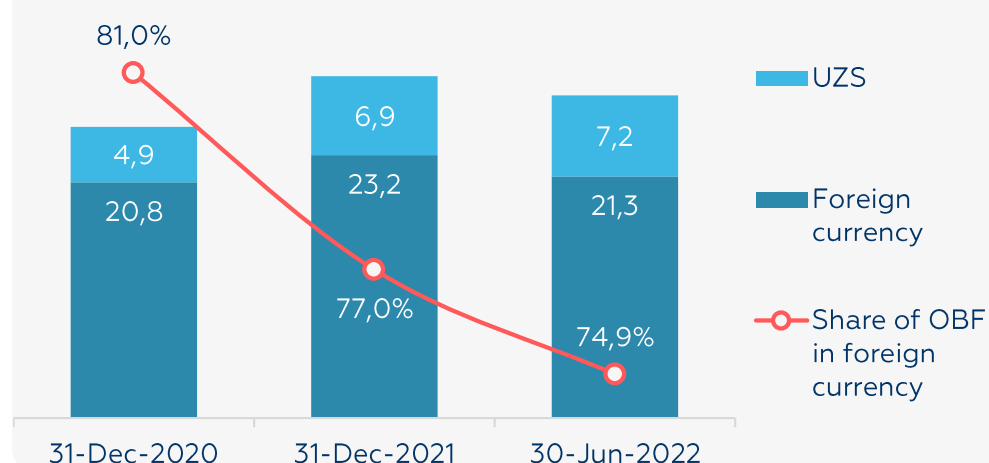


Well-diversified funding base

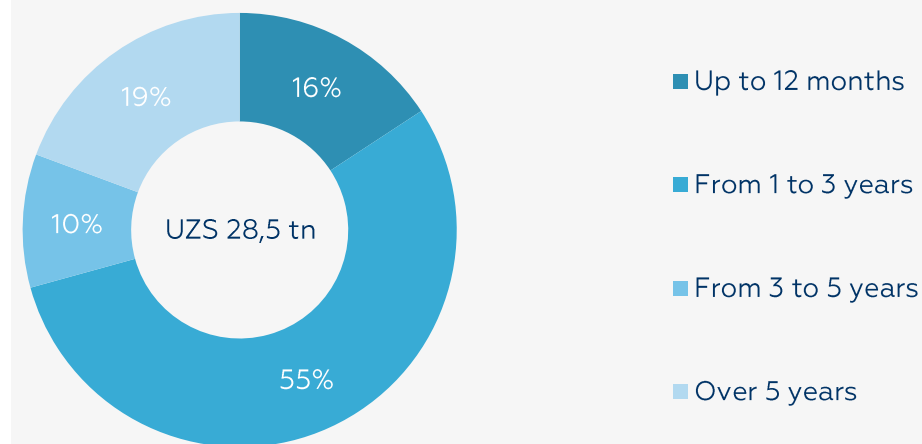
Other borrowed funds geographical concentration, UZS tn



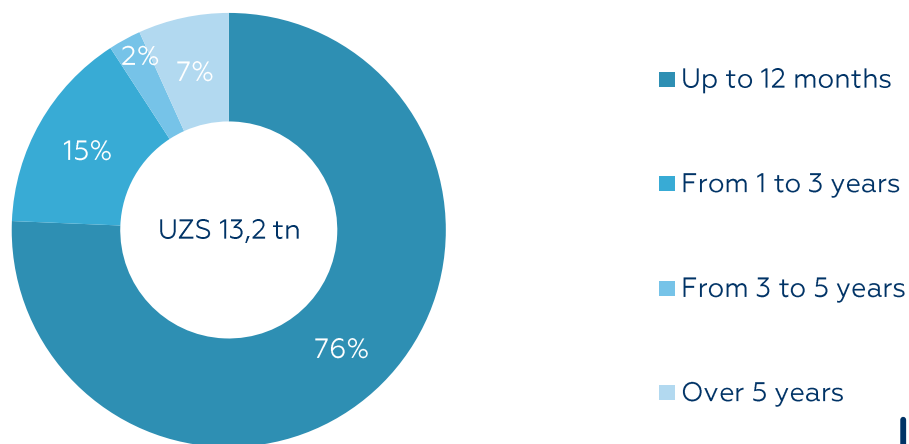
Other borrowed funds currency split, UZS tn



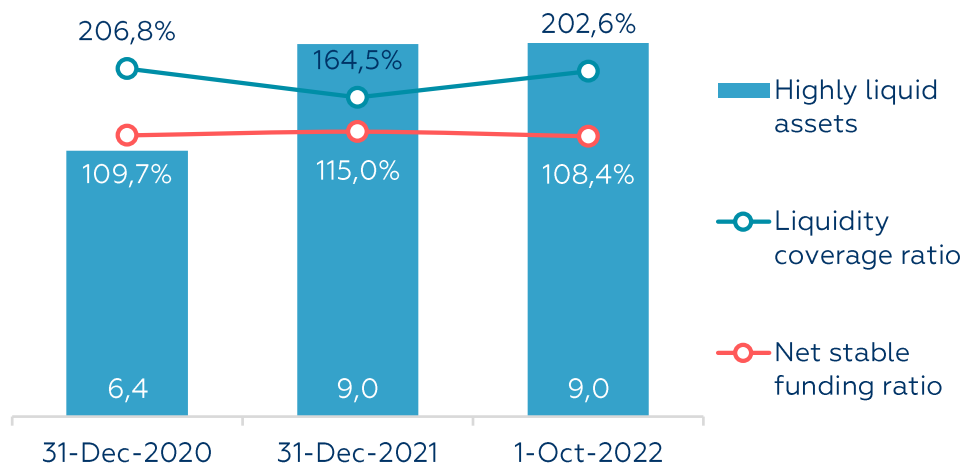
Other borrowed funds maturity profile, 30-Jun-2022



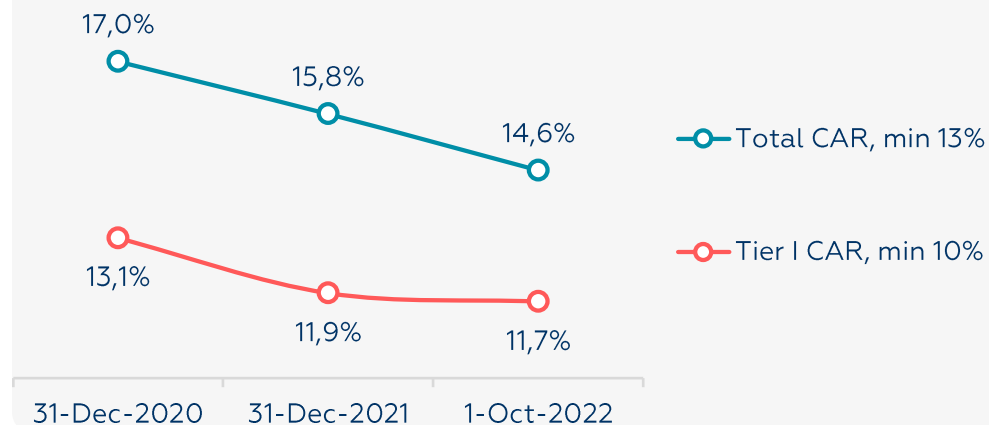
Customer accounts breakdown by maturity, 30-Jun-2022



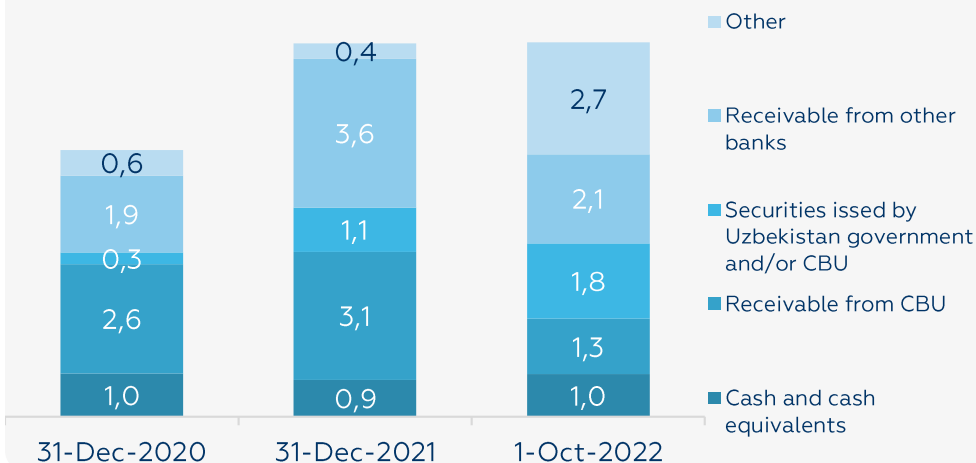
Liquidity stock and ratios, UZS tn



Capital adequacy ratio



Highly liquid assets composition, UZS tn

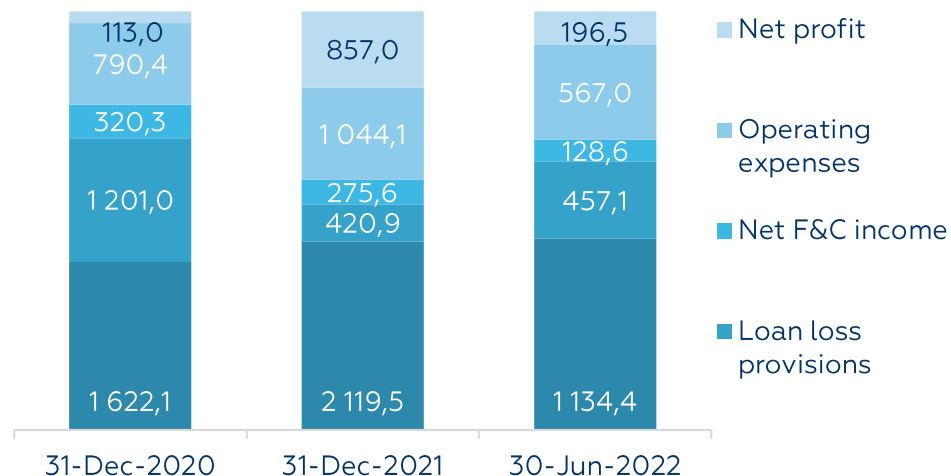


As of October 1, 2022:

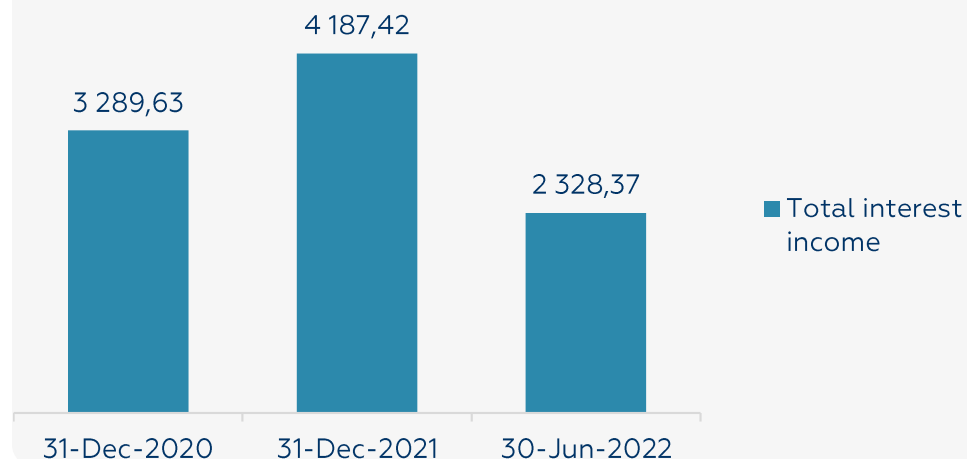
- The Bank has increased its government issued securities holdings and deposits with other banks
- Bank has 1,6 percent point buffer above CBU's minimum required CAR

Strong operating results

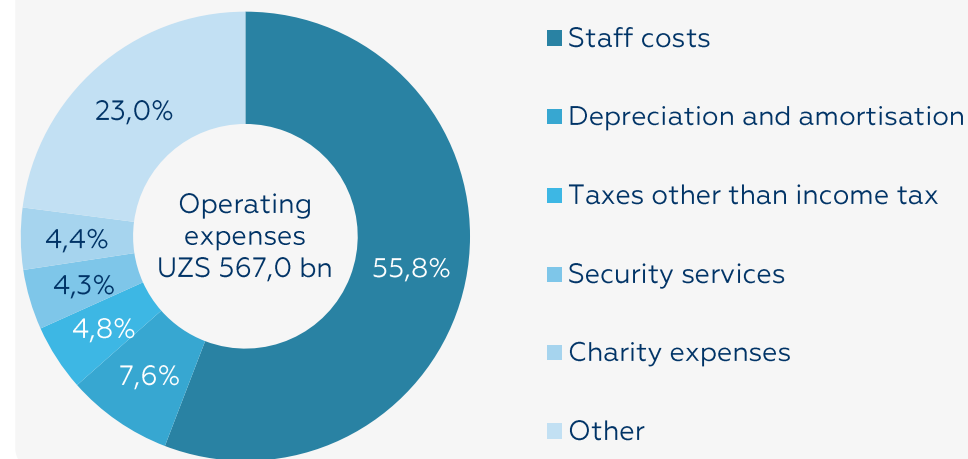
Income statement overview, UZS bn



Interest income growth, UZS bn

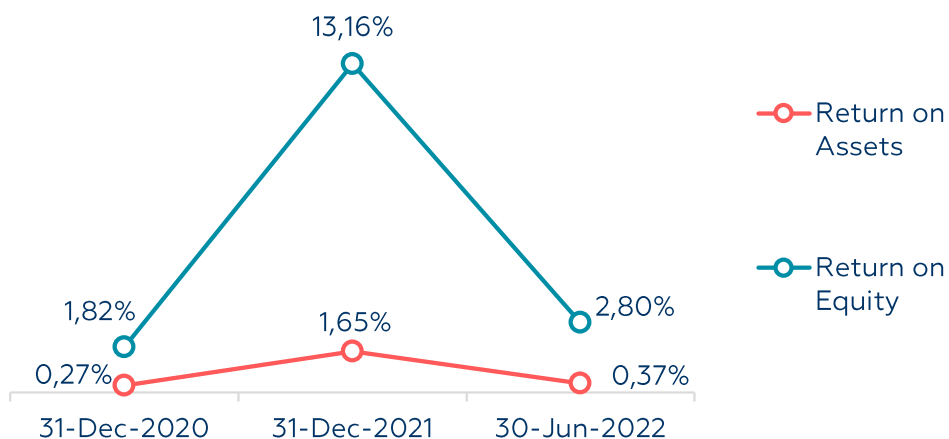


Operating expenses composition as of 30-Jun-2022

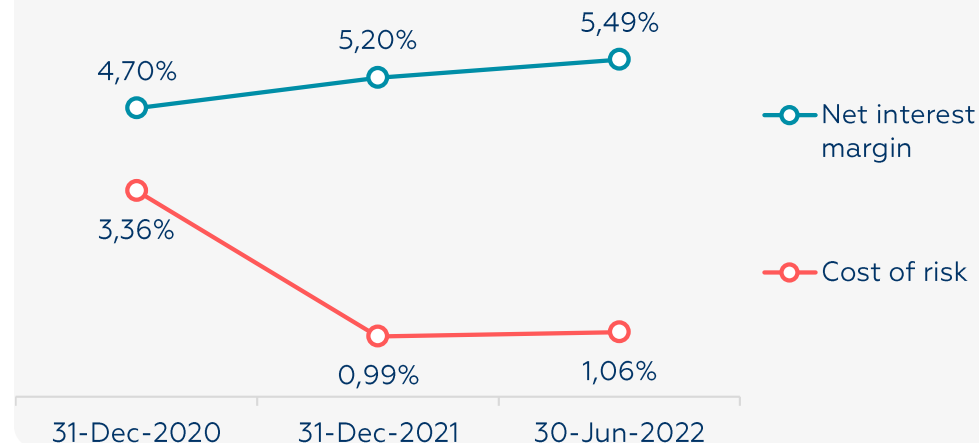


- We expect that SQB's strong profitability will continue due to actively develop commercial lending and reduce the share of low-margin state-related business
- SQB makes loan decisions on the basis of market conditions
- All borrowers affected by the pandemic, which benefited from payment holidays in 2020, have already returned to their payment schedules and we expect it will be effect positively to Bank's overall income growth

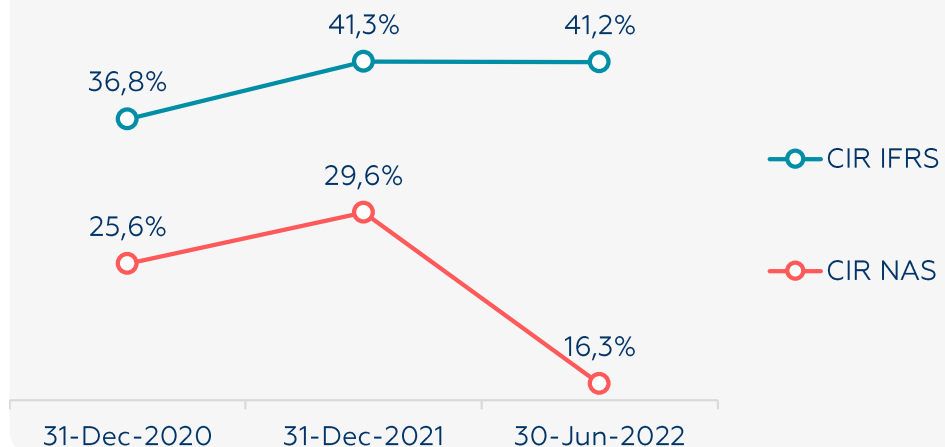
Key indicators of profitability



Net interest margin vs. Cost of risk, IFRS



Cost income ratio



- SQB's profitability benefits from gradually increasing net interest margin
- SQB has demonstrated stronger asset quality than main peers in the local market
- Bank able to generate sufficient capital to support high assets growth

Asian
Development Bank



Leading partner bank
in Uzbekistan
2017, 2018, 2019, 2020

EBRD



Most Active Issuing
Bank in Uzbekistan
2020

EBRD



Deal of the Year -
Green Trade
2020, 2021

IFC



Climate Financing
Leadership
Certificate (CMT)
2022

Asiamoney



Best domestic
bank in Uzbekistan
2020, 2021,
Best Bank for ESG

Islamic Corporation
for the Development
of the Private Sector



Best Partner

Citibank N.A.



1995-2021
Long-standing
Partnership Award

J.P. Morgan



2021 Elite Quality
Recognition
Award

Thomson
Reuters



Most active bank
in the field of
FX-Trading in
Uzbekistan

SAP



Digital Evolution
2021

Summary Balance Sheet

	1H 2022	31-Dec-2021	31-Dec-2020	31-Dec-2019	31-Dec-2018	31-Dec-2017
		Year End	Year End	Year End	Year End	Year End
	UZSm	UZSm	UZSm	UZSm	UZSm	UZSm
Assets						
Gross loans	45,007,851	44,529,794	40,862,673	30,686,202	28,481,961	20,898,871
- of which impaired	3,852,486	2,777,940	2,690,836	866,957	559,203	24,778
Loan loss allowances	2,361,962	1,992,743	1,902,715	646,417	461,332	538,280
Net loans	42,645,889	42,537,051	38,959,958	30,039,785	28,020,629	20,360,591
Cash and cash equivalents	7,142,522	8,196,652	5,601,186	2,862,574	1,897,133	3,059,367
Other assets	6,603,560	4,998,213	3,762,701	2,943,759	1,108,316	886,826
Total assets	56,391,971	55,731,916	48,323,845	35,846,118	31,026,078	24,306,560
Liabilities						
Customer deposits	13,185,558	13,561,540	11,616,958	9,123,970	5,129,176	3,900,334
Debt securities in issue	3,317,253	3,317,817	3,273,048	2,920,894	67,741	68,885
Other borrowed funds	28,464,761	30,130,776	25,683,457	16,803,214	21,756,155	17,380,160
Other liabilities	4,282,875	1,776,982	1,669,518	677,472	869,537	493,800
Total equity	7,141,524	6,944,801	6,080,864	6,320,568	3,203,469	2,463,381
Total liabilities and equity	56,391,971	55,731,916	48,323,845	35,846,118	31,026,078	24,306,560
Exchange rate	USD1 = UZS 10860.25	USD1 = UZS 10837.66	USD1 = UZS 10476.92	USD1 = UZS 9507.56	USD1 = UZS 8339.55	USD1 = UZS 8120.07

	1H 2022	31-Dec-2021	31-Dec-2020	31-Dec-2019	31-Dec-2018	31-Dec-2017
		Year End	Year End	Year End	Year End	Year End
	UZSm	UZSm	UZSm	UZSm	UZSm	UZSm
Summary Income Statement						
Net interest income before provision	1,134,436	2,119,517	1,622,077	1,157,321	671,602	364,690
Net fees and commissions	128,587	275,591	320,323	257,159	203,390	163,013
Other operating income	35,841	40,866	29,773	16,695	3,214	4,286
Operating costs	566,971	1,044,146	790,447	659,403	497,539	338,218
Loan and other impairment charges	457,076	420,937	1,200,998	95,454	99,526	-45,732
Profit before tax	350,718	1,071,570	134,482	711,536	266,886	997,953
Tax expense	154,210	214,582	22,358	107,056	48,695	99,446
Net income	196,508	856,988	113,013	604,466	219,396	899,336



We create future together

Let's connect

address:

3, Shakhrisabz str., Tashkent,
100000, Uzbekistan

contact number:

+998 78 1204500 (8504)

e-mail:

investor@sqb.uz

website:

www.sqb.uz

