



INVESTOR PRESENTATION 6M 2021 RESULTS

NOVEMBER 2021



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Agenda



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Note: All SQB's financials are in compliance with 6M2021 IFRS (unaudited), unless otherwise indicated

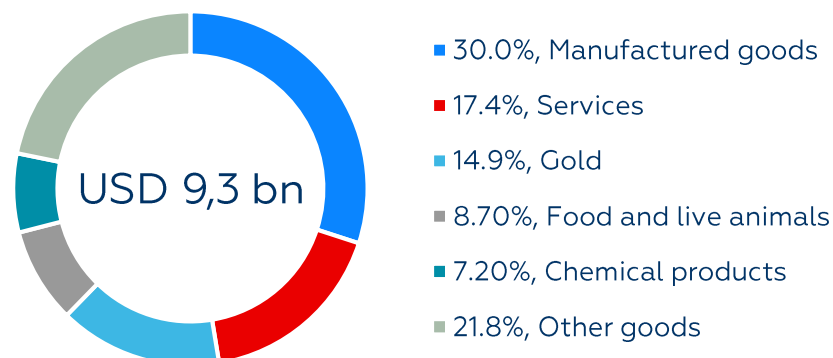
Uzbekistan's big picture

Indicators	as of Sep 1, 2020	as of Sep 1, 2021
Inflation, % (YoY)	11,7	10,8
Official Reserve Assets, USD bn	34,6	35,4
State domestic debt, USD bn	2,1	2,4
State external debt, USD bn	17,3	21,8
Foreign trade turnover, USD bn	24,5	25,0
Exchange rate USD/UZS	10.262,87	10.653,18

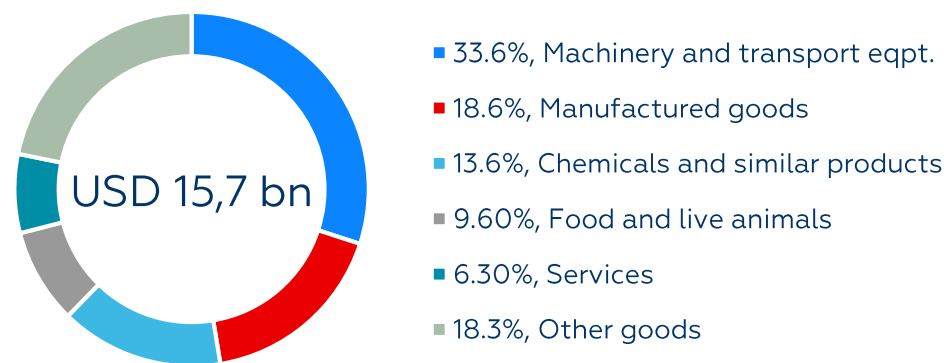
Sovereign Credit Ratings		Last updated date
S&P Global Ratings	BB- / Stable	On June 4, 2021
MOODY'S	B1 / Positive	On July 2, 2021
FitchRatings	BB- / Stable	On October 8, 2021

- Uzbekistan is experiencing the process of transition to a sustainable and market-based economy
- Uzbekistan ranks 4th in the CIS countries in GDP and 3rd in terms of population (35,0 million as of September 2021)
- The economy is expected to expand by 6.2% in 2021 supported by a gradual pace of fiscal consolidation and strong investment (Fitch, October 2021)
- High potential demographic dividend. A large proportion of young people is an additional driver of economic growth. Median age in Uzbekistan is 26 years

Structure of Exports, January-August 2021, % in total



Structure of Imports, January-August 2021, % in total



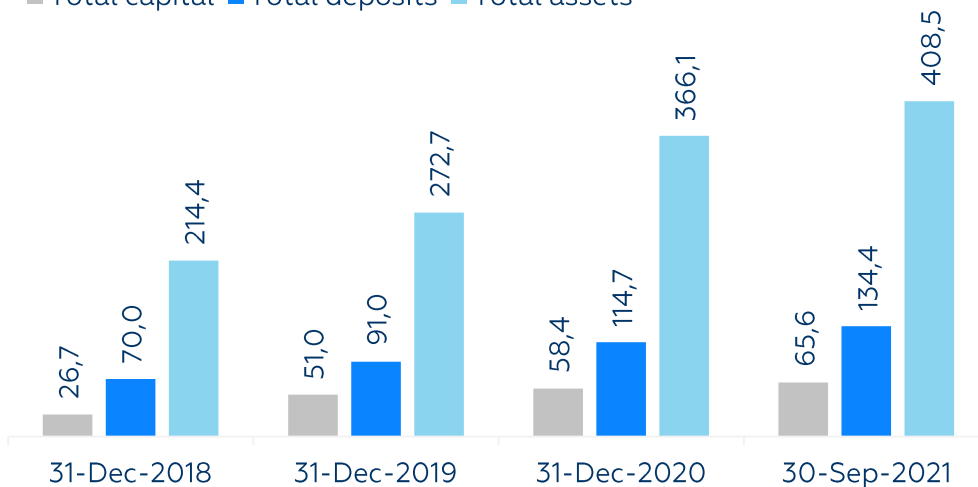
Source: Ministry of Finance of Uzbekistan, CBU, IMF

Sector Analysis: Large-scale privatisation



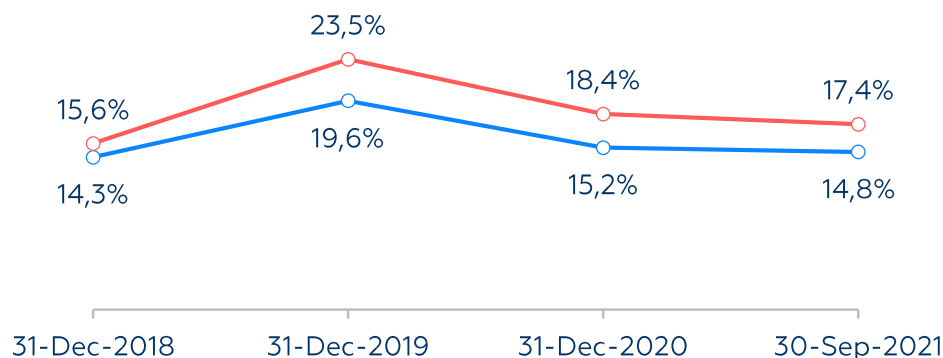
Key indicators evolution, UZS tn

■ Total capital ■ Total deposits ■ Total assets

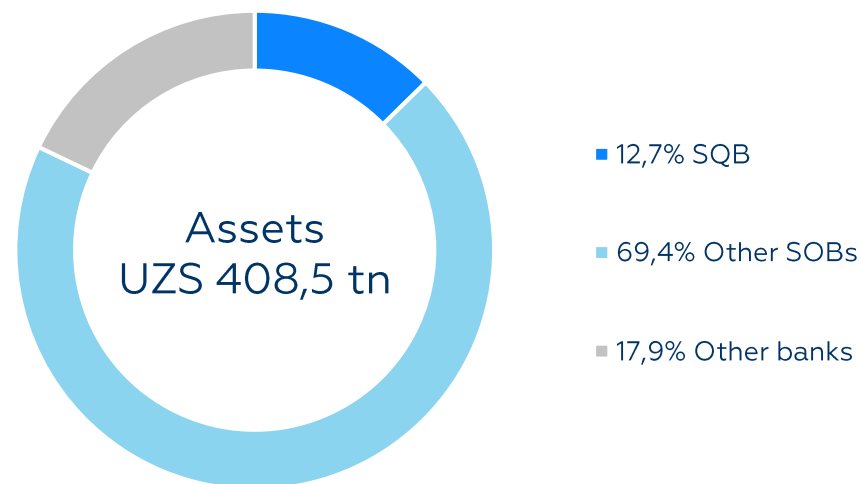


Capitalization

—○ Tier 1 CAR
—○ Capital adequacy ratio



Concentration of assets as of 30-Sep-2021



Highlights

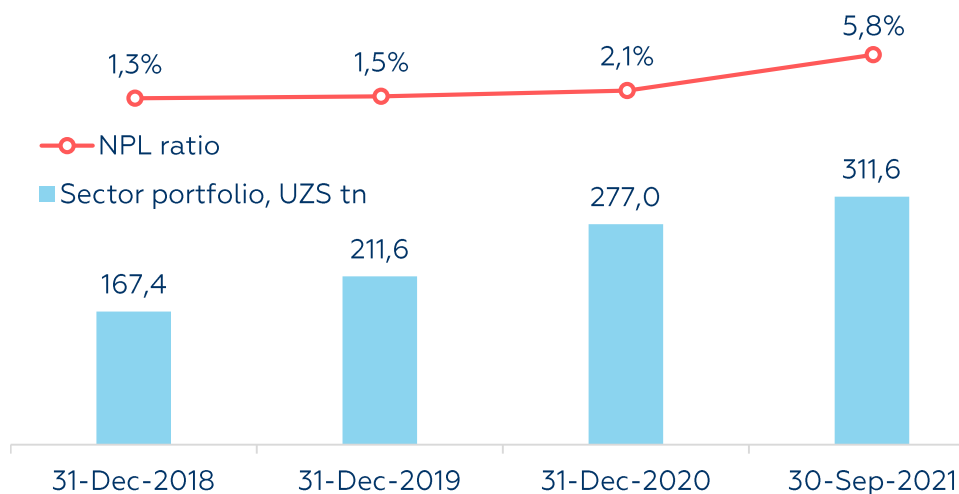
- Highly concentrated banking sector: as of 30-Sep-2021, 84% of all assets belong to SOBs, and 62% to TOP-5 state-owned banks
- Hungarian OTP Bank to buy 75% of government's stake in Ipoteka Bank
- On September 14, 2021 SQB and International Finance Corporation (IFC) signed a loan agreement which envisages IFC providing USD 75 mln UZS-linked convertible loan to SQB
- SQB plays an important role in the Uzbekistan's economy and constantly holds a strong market position

Source: Central Bank of Uzbekistan, Local GAAP

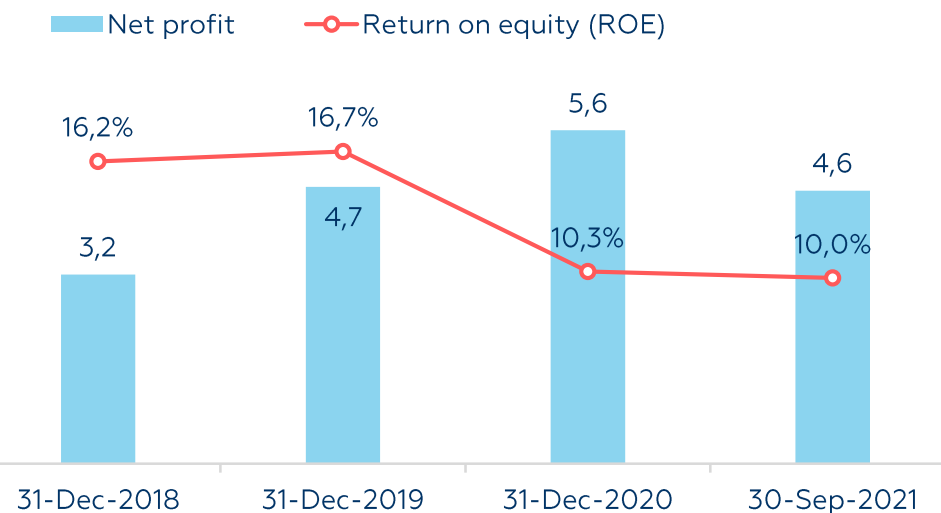
Sector Analysis: Post-pandemic recovery



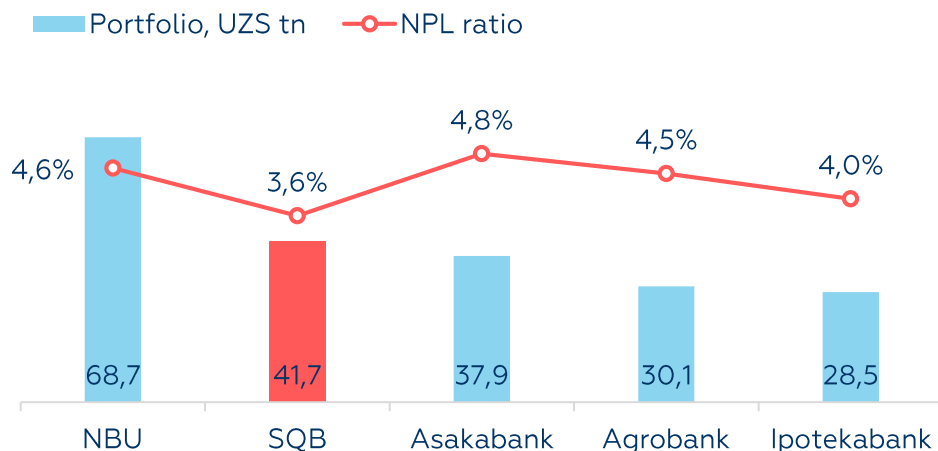
Gross loans and NPL ratio



Profitability, UZS tn



Loan portfolio and NPLs in Top-5 banks as of 30-Sep-2021



Highlights

- Banking system includes the Central Bank and 32 commercial banks with over 4600 branches and retail offices nationwide
- CBU policy rate is 14% from 11.09.2020
- SQB has demonstrated lower NPL ratio than sector 3,6% vs 5,8% respectively as of 30-Sep-2021
- SQB will maintain an adequate capital position because risks of high additional provisions or aggressive lending growth have diminished (S&P Global Ratings, November 2021)

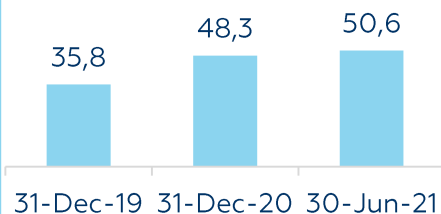
Source: Central Bank of Uzbekistan, Local GAAP

SQB at a glance

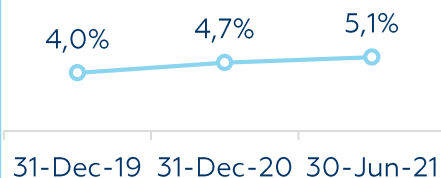


Growth in key financials

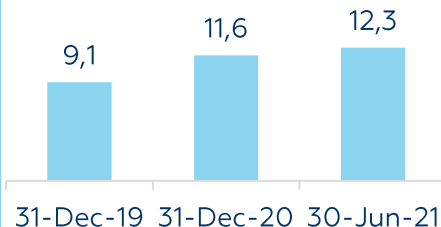
Total assets, UZS tn



Net interest margin



Deposits, UZS tn



Established in 1922. Almost a century of banking experience

SQB has historically focused on financing the national champions in key strategic sectors of the economy such as oil and gas, energy, chemical and metallurgical industries.

Bank operates all over the country and provides services more than one and half million clients. Customer base, as of 31-Oct-2021

1 517 098
retail clients

97 935
SME clients

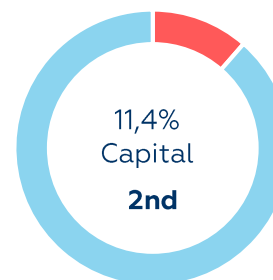
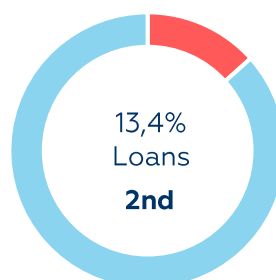
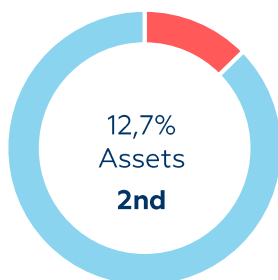
35 481
legal entities

210
branches, service
centers and POS

Bank corresponds with more than 350 banks – correspondents including 338 foreign banks in 58 countries

First ever non-sovereign Eurobond issuance in the country in the amount of USD 300 mln

Strong market share, as of 30-Sep 2021. Second largest bank in Uzbekistan



SQB's Rating overview

S&P Global
Ratings

BB- (Stable)

FitchRatings

BB- (Stable)



uzA+ (Stable)

SNS | STANDARD AND
RATINGS | SENSITIVE
RATINGS

(uz) AA- (Positive)

Awards & Recognition



Best domestic bank in
Uzbekistan 2020, 2021

Asiamoney



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

Asian Development Bank



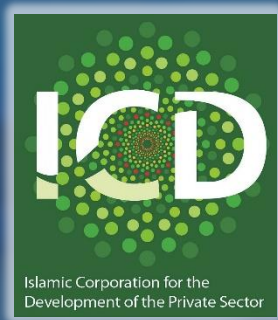
Most Active Issuing Bank in
Uzbekistan in 2020

EBRD



Deal of the Year -
Green Trade in 2020

EBRD



Best Partner

**Islamic Corporation for the
Development of the Private
Sector**



1995-2021 Long-standing
Partnership Award

Citibank N.A.



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

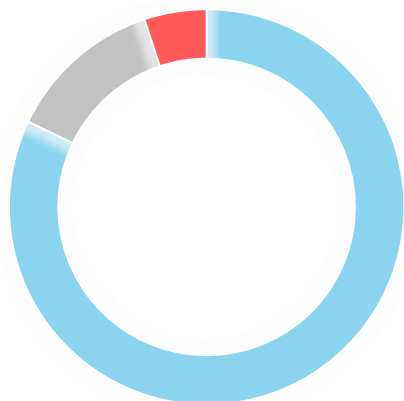
Thomson Reuters



"Digital Evolution" 2021

SAP

Corporate governance changes

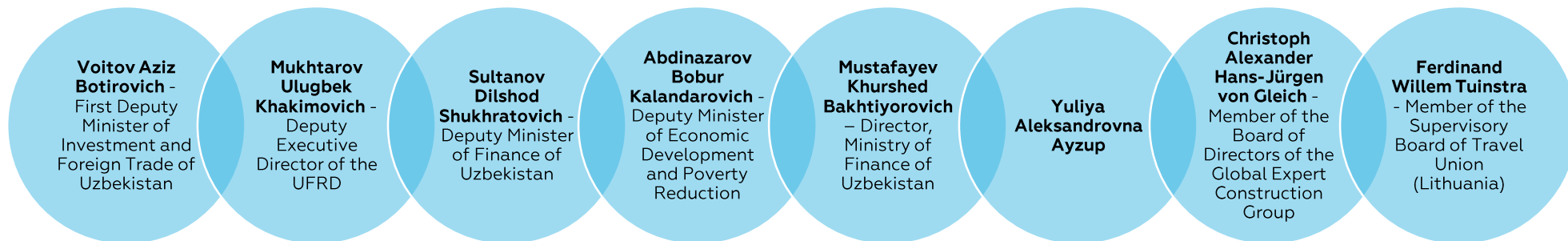


Shareholder structure as of 30-Jun-2021

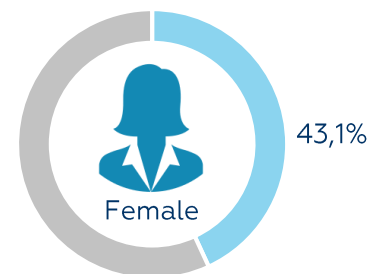
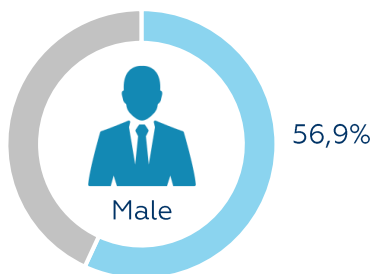
- 82,09% The Fund for Reconstruction and Development of the Republic of Uzbekistan
- 12,81% The Ministry of Finance of the Republic of Uzbekistan
- 5,10% Other legal entities and individuals (individually hold less than 5%)

Free float at Tashkent Stock Exchange (RSE): 5,10%

Supervisory Board



Number of SQB Team:
3823



Management Board



Sakhi Annaklichev
Chairman of the Board
+25



Aziz Akbarjonov
First deputy chairman
of the Board
+17



Anvarjon Ergashev
Deputy chairman
of the Board
+28



Bakhtiyor Rakhmatov
Deputy chairman
of the Board
+18



Shukhrat Yakubov
Deputy chairman
of the Board
+29



**Farrukh
Abdurakhmanov**
Deputy chairman
of the Board
+17



Shokhpur Gulturaev
Acting Deputy
chairman of the Board
+12



Mansur Shermatov
Chief Credit Officer
+26

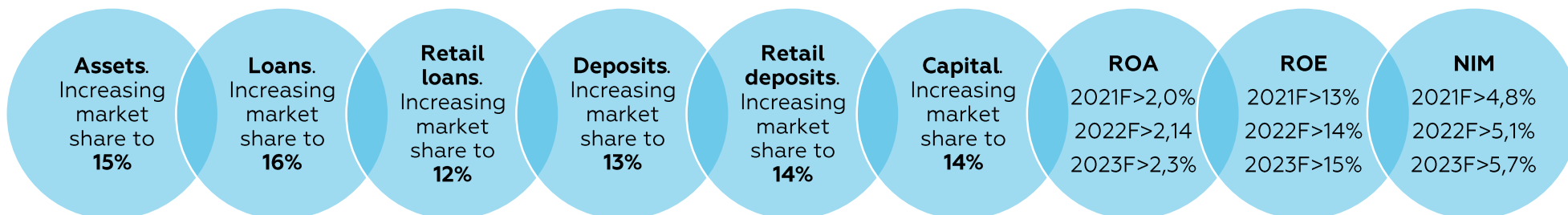


Ilkhom Khudayberganov
Chief Funding Officer
+20

+ Years of professional banking experience

C level positions implemented

Targets of Strategy - 2023: Market coverage and efficiency



- Active participation in the economic development of the country and financing national champions in key strategic sectors of the economy remains a priority of the Bank's activities
- The Bank's strategic focus is on increasing resilience and competitiveness, improving asset quality and operational profitability, attracting a strategic investor to increase the Bank's capital
- The Bank plans to attract more than 20% new clients each year through the development of new banking services, in addition to attracting clients from newly established enterprises
- Increase customer loyalty to the bank by widening product per customer

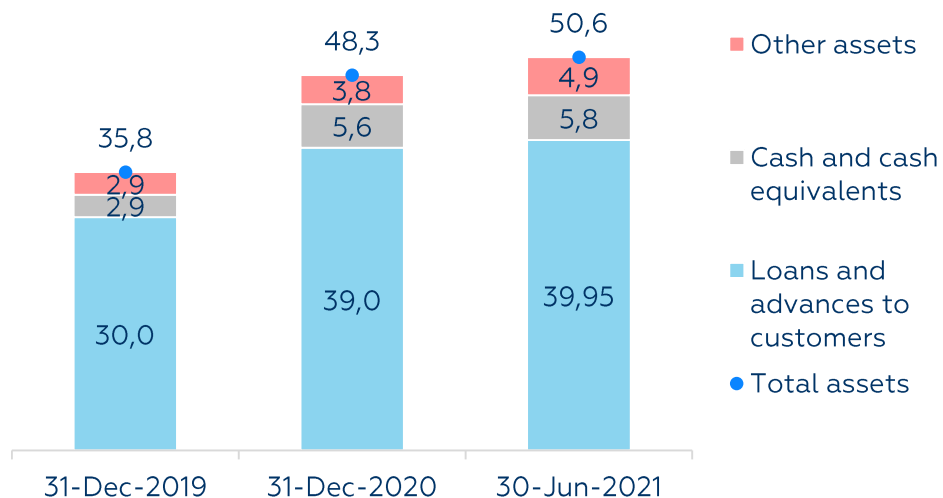
Environmental, Social and Governance (ESG) priorities

- Strategy 2021-2023 also introduced a new approach to development based on the ESG principles
- Increasing investment and credit support for the development of "green" industries
- Attracting investment in renewable energy, resource and energy efficiency, waste management
- Implementing environmental and social risk management procedures and influencing all Bank lending and investment operations
- On June 30, 2021 EBRD announced winners of Green TFP awards which SQB and Erste Bank, jointly awarded, for improving the energy efficiency of the retail sector in Uzbekistan, resulting in energy savings equivalent to the energy needed to heat 150 Uzbek households each year
- On July 2, 2021 Astana International Financial Centre (AIFC) during the Green Finance Awards 2021 ceremony has awarded SQB with The Best Green Bank. SQB actively supports the strategy of the green economy of Uzbekistan

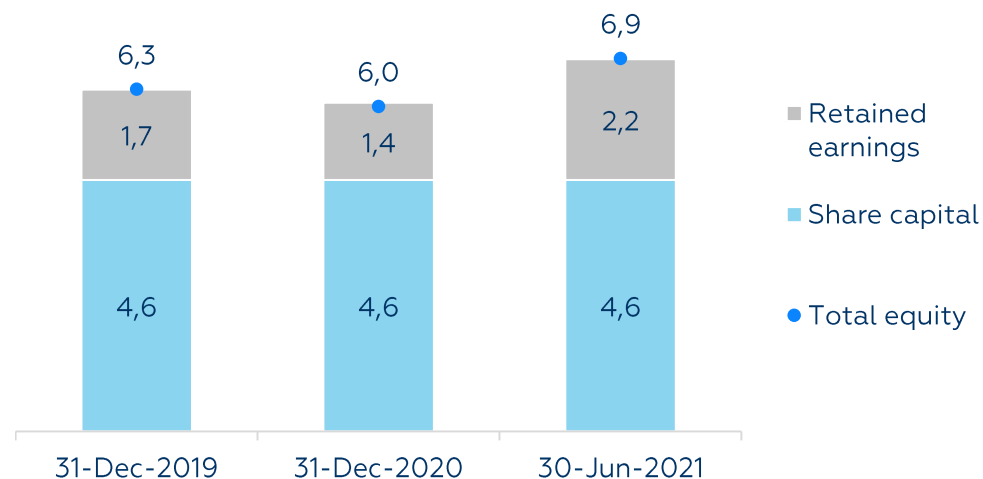
Track record of sustainable growth



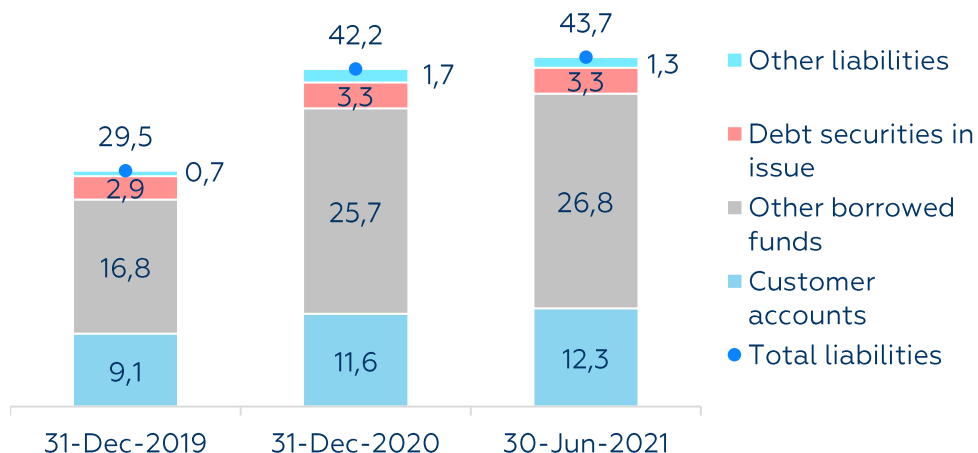
Total assets composition, UZS tn



Total equity evolution, UZS tn



Total liabilities split, UZS tn

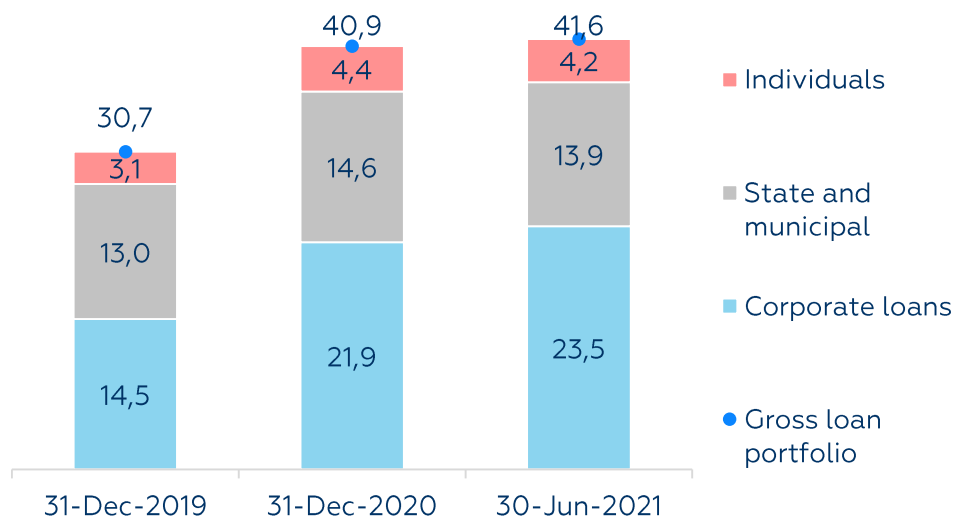


Highlights

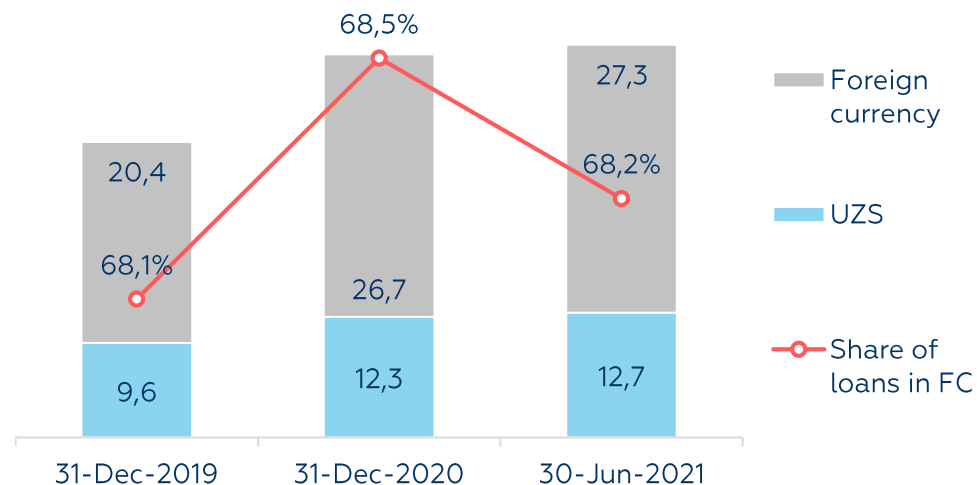
- SQB is considered as the 2nd largest bank in the Uzbekistan banking sector by its assets, loans and capital volume
- The Bank is focused on broadening its client base and diversifying its loan portfolio by increasing the share of higher margin loans attributable to developing sectors of the Uzbekistan's economy such as oil and gas, energy, metallurgical industries and retail
- Overall, asset split of the Bank is heavily leaning towards interest-earning assets

Loan portfolio overview

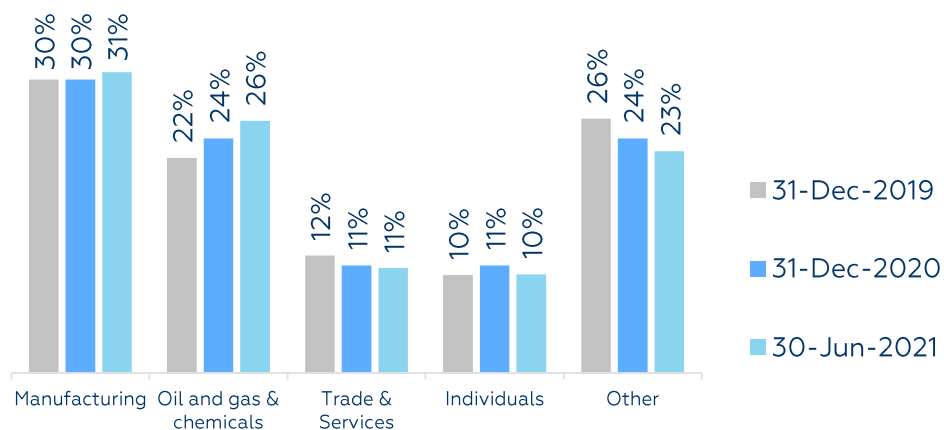
Gross Loan portfolio by customer type, UZS tn



Portfolio currency split, UZS tn



Loan portfolio composition by economic sectors

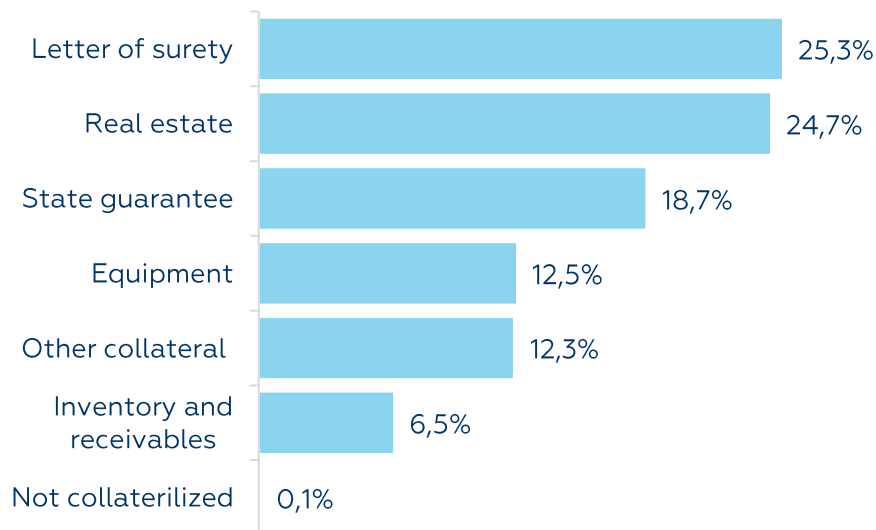


Highlights

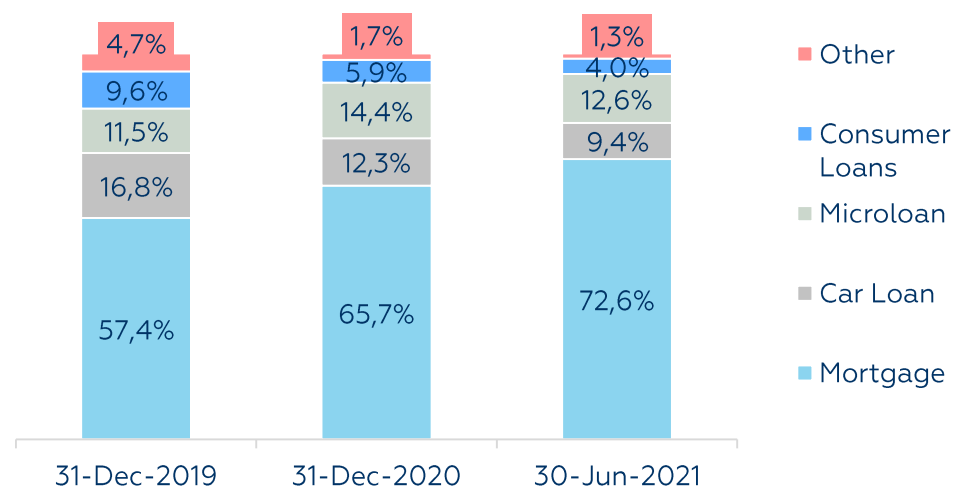
- Steady growth trend in the loan portfolio especially in the oil and gas, chemicals and agriculture sectors
- GLP is well diversified by economic sectors
- Trend for dedollarization
- SQB's loan portfolio is highly collateralized, mostly by state guarantee (18,7% of GLP) and real estate

Loan portfolio: limited risk

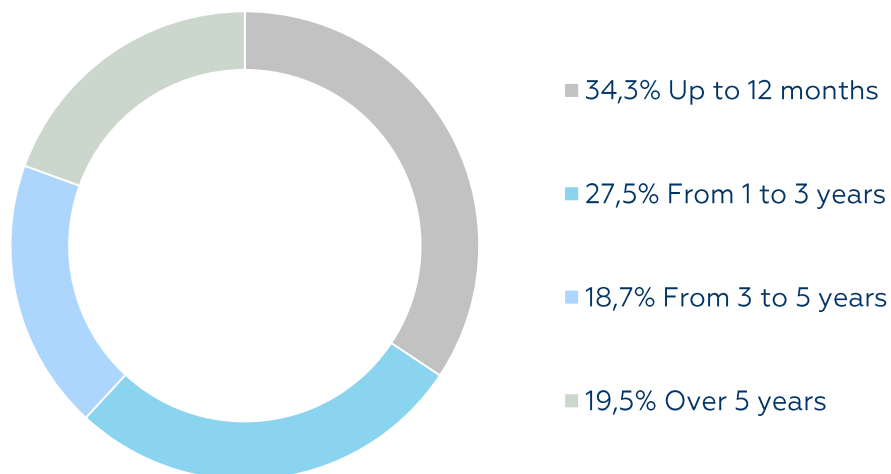
LP coverage by collateral type, 30-Jun-2021



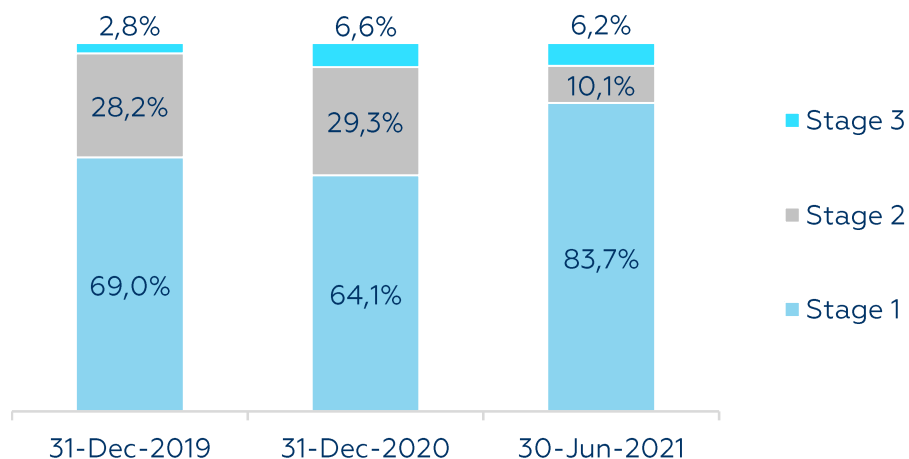
Retail loan portfolio concentration



Loan portfolio maturity profile, 30-Jun-2021

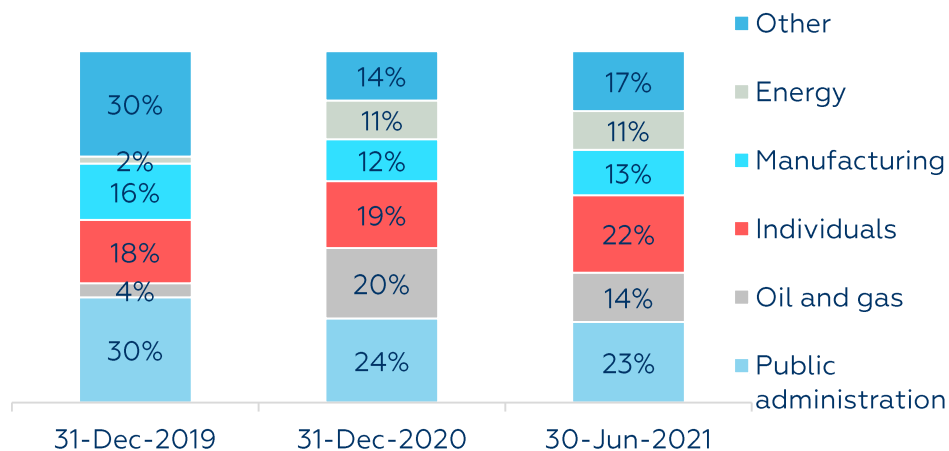


Loan portfolio classification by stages

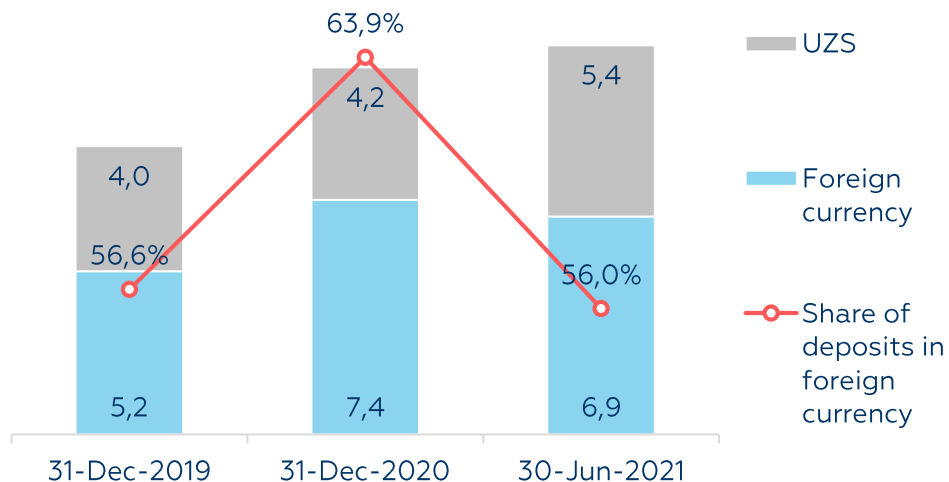


Well built deposit base

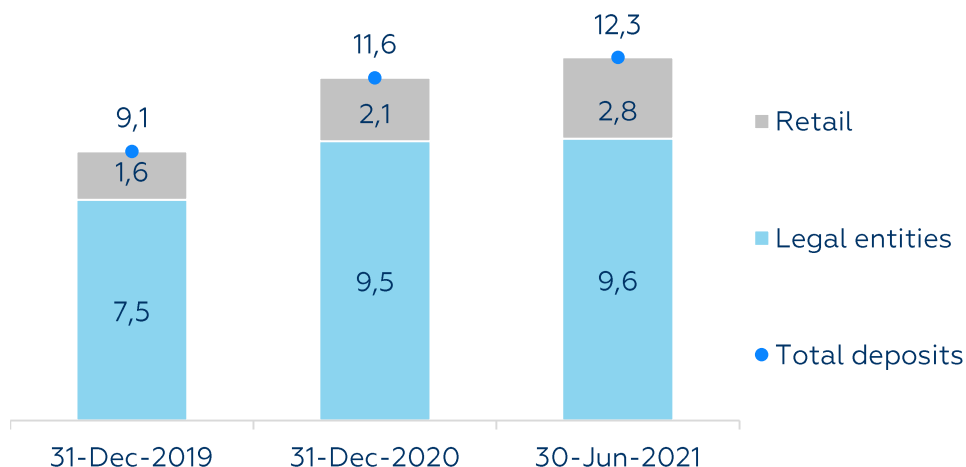
Deposits by economic sector



Deposits currency split, UZS tn



Deposits by segment, UZS tn

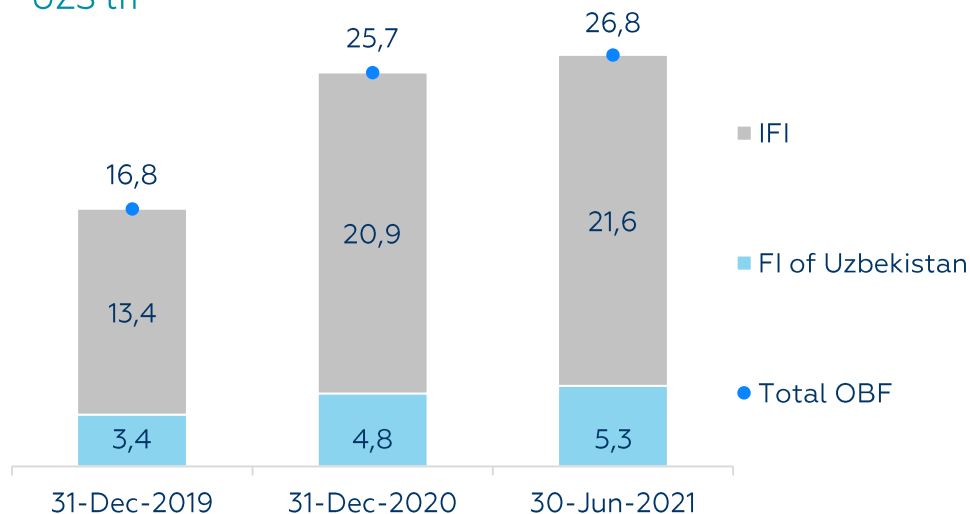


Highlights

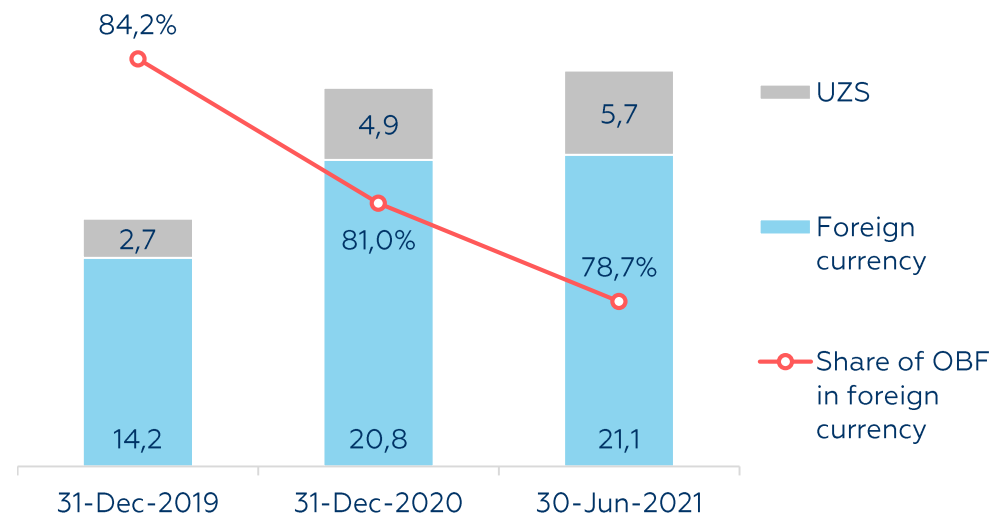
- Strengthening of internal capital generation is one of the strategic priorities of the bank
- As of June 30, 2021, customer accounts represent 28,2% of total liabilities

Improved funding base diversification

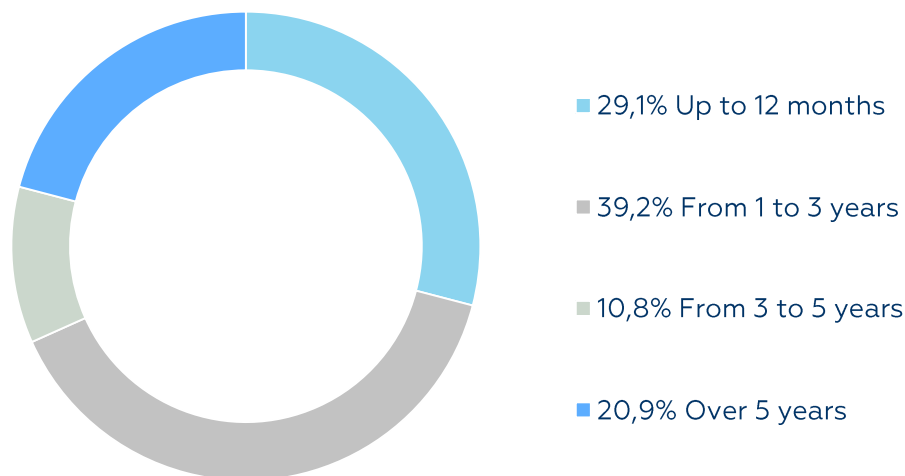
Other borrowed funds geographic area as of 30-Jun-2021
UZS tn



Other borrowed funds currency split, UZS tn



Funding maturity profile, 30-Jun-2021



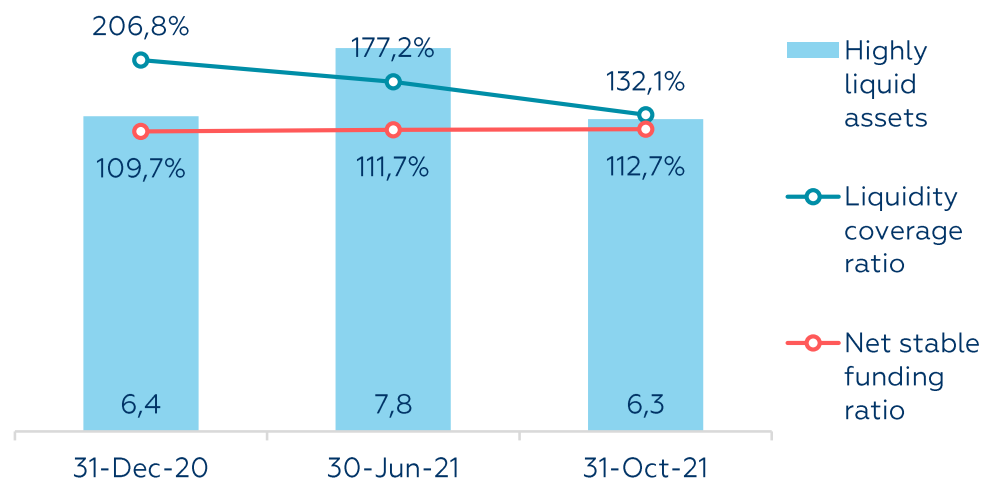
Highlights

- Following the Government's policy on dedollarization of economy SQB is focusing on increasing the share of UZS-denominated funding which is illustrated by decline of share of OBF FX funding in 6M2021

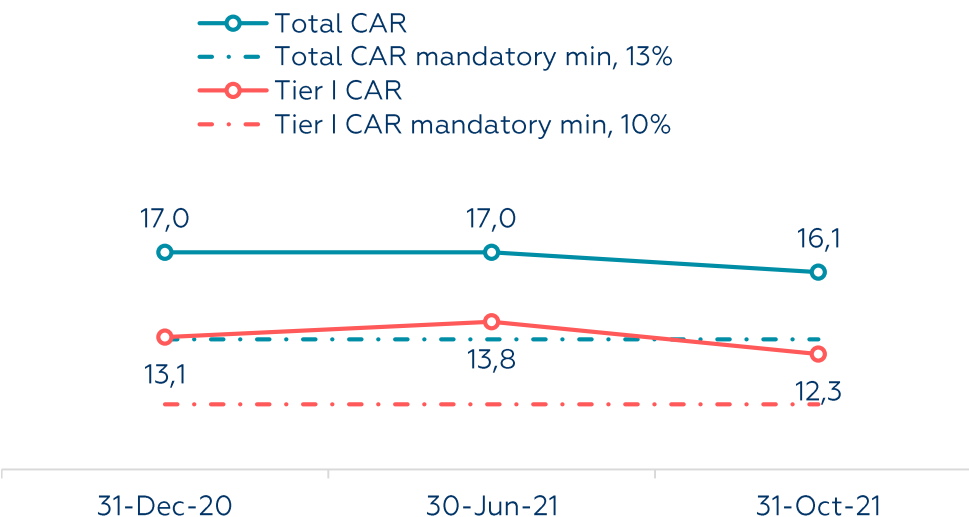
Sound liquidity stock & capital adequacy



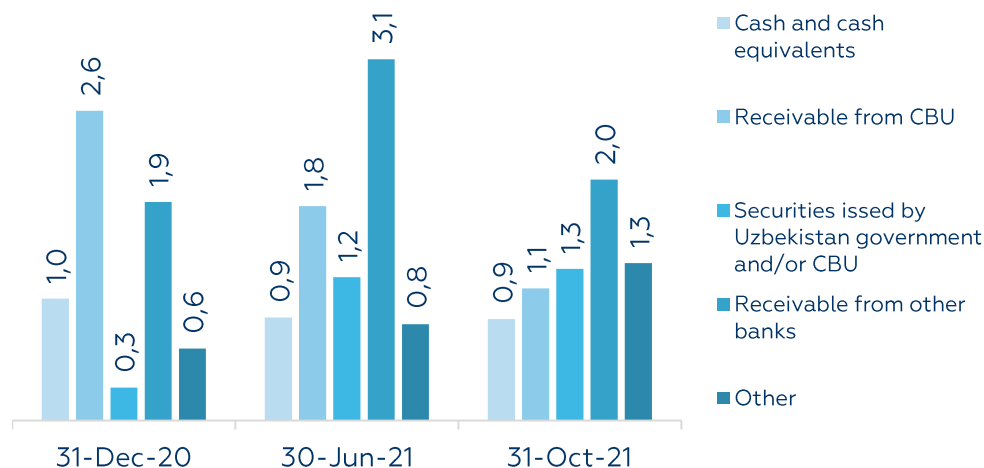
Liquidity stock and ratios, UZS tn



Capital adequacy ratio



Highly liquid assets composition, UZS tn



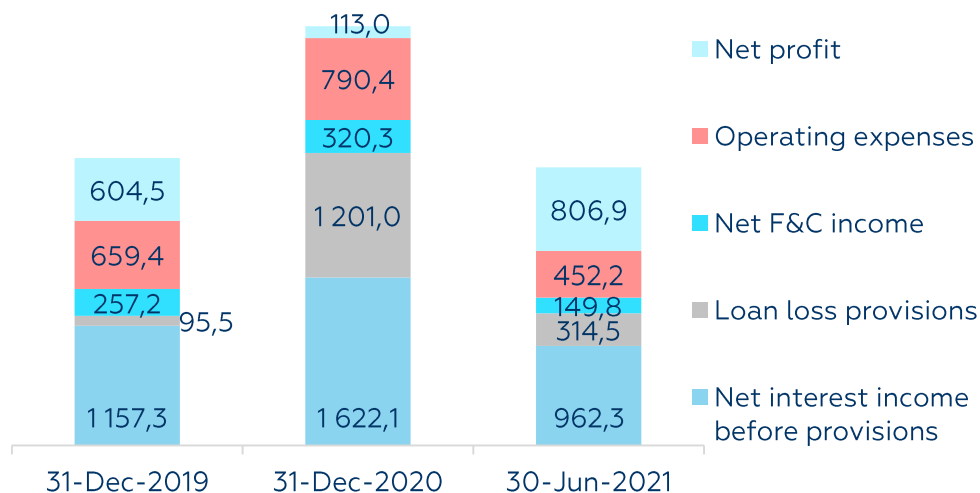
Highlights

- Following pandemic Bank has increased its high liquid asset stock
- As of June 30, 2021 the Bank has increased its government issued securities holdings and deposits with other banks
- Bank has 3,1 percent point buffer above CBU's minimum required CAR

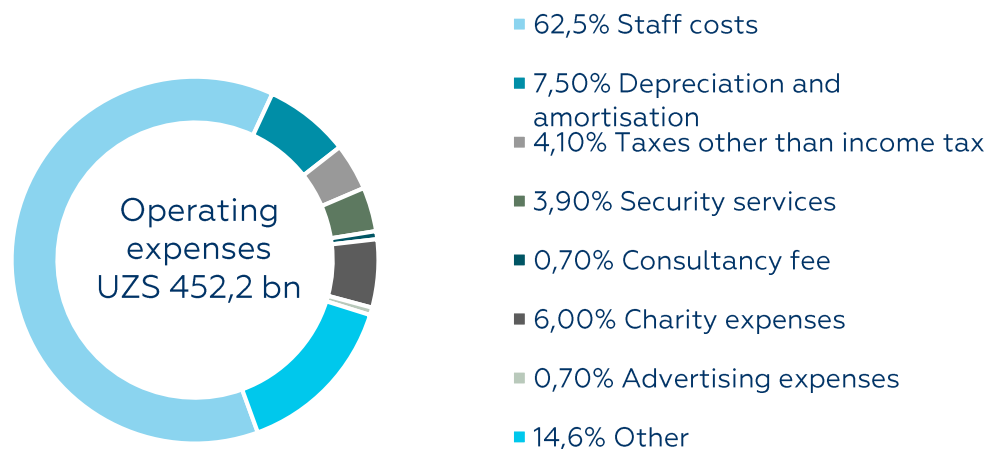
Note: All financials in this slide are Local GAAP

Operating efficiency

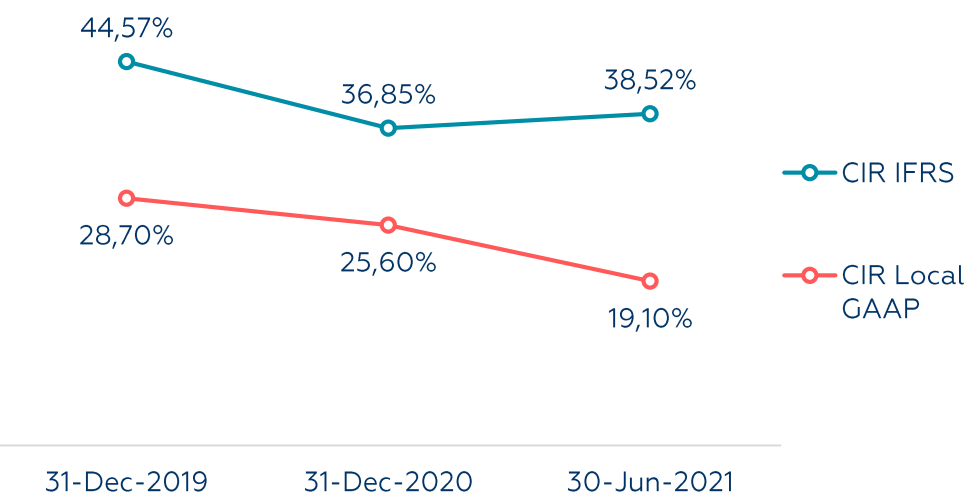
Income statement overview, UZS bn



Operating expenses composition as of 30-Jun-2021



Cost income ratio

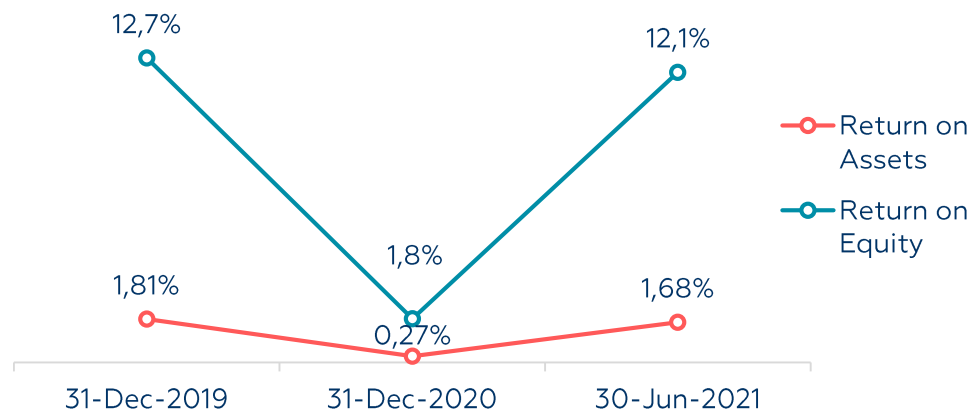


Highlights

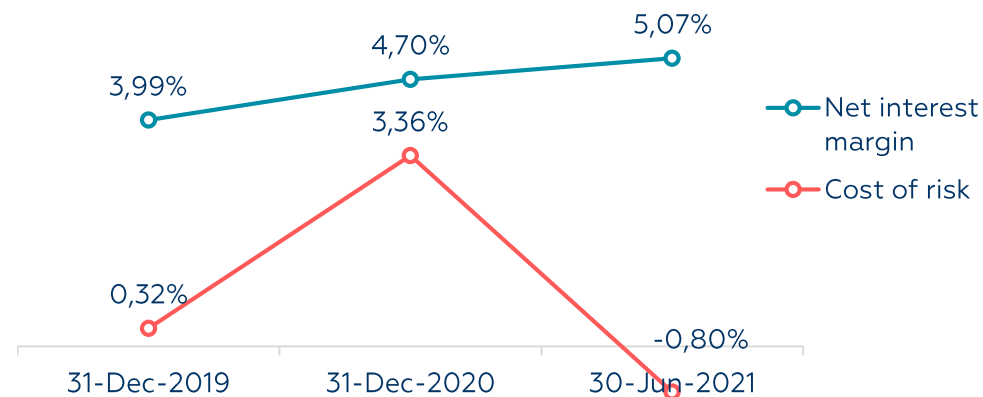
- Change in Bank's strategy towards more loans to high-yield SME loans and commercial loans to large SOEs and increasing additional services to its clients are giving its fruits which can be evidenced in net profit for the 6M2021 period
- Strong pre-provision income covered high provisioning charges despite increase in restructured loans
- Bank focused to be in compliance with financial covenants set by partners and MDBs

Profitability

Key indicators of profitability



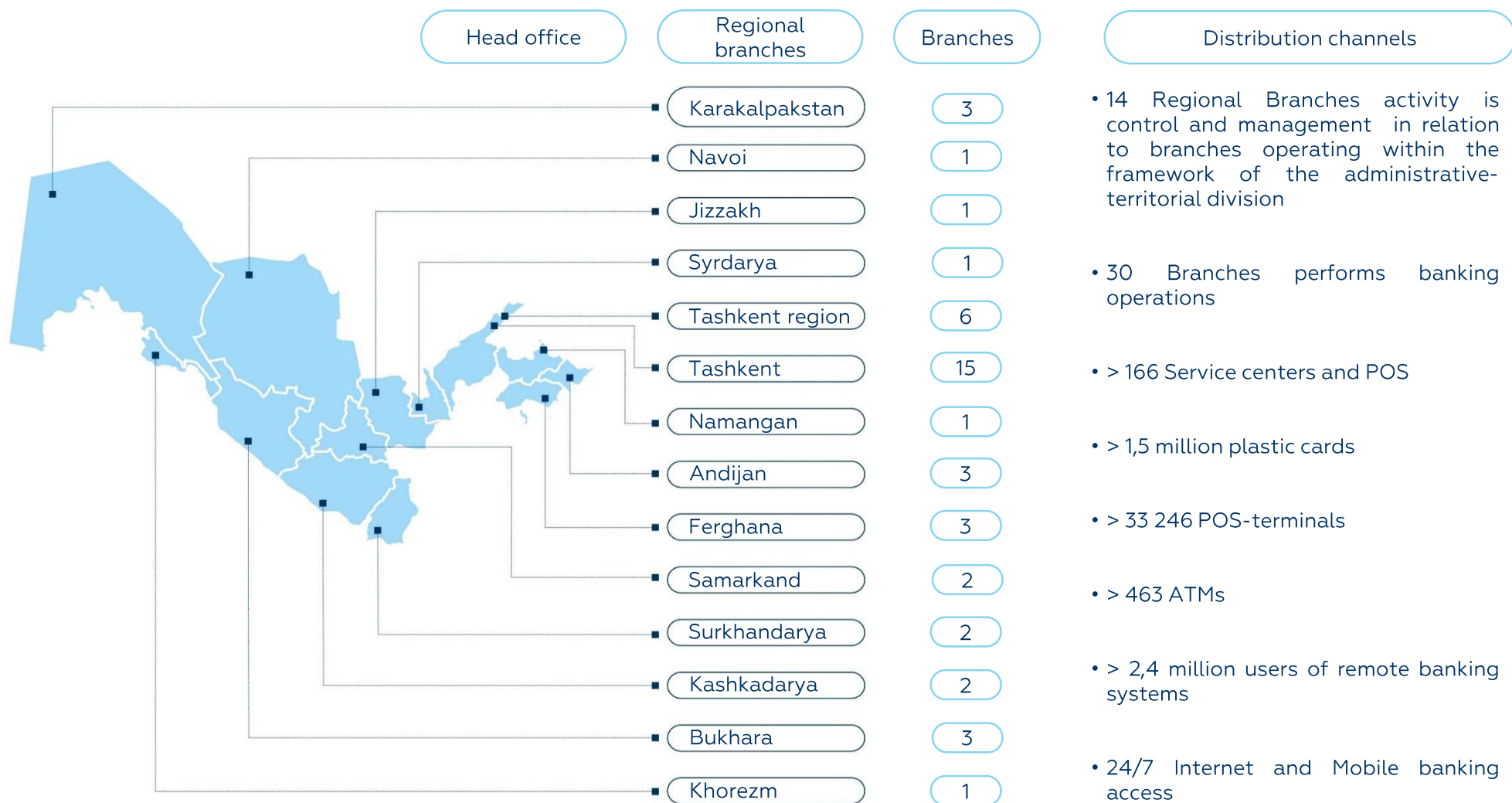
Net interest margin vs. Cost of risk, IFRS



Highlights

- It is expected that SQB's net interest margins will increase in the upcoming years due to decreases in preferential loans offered at rates below the Central Bank's key rate for SOEs and steady growth in high-yield retail loans
- Along with improved operating efficiency this resulted in remarkable ROE increase up to 12,1% in 6M 2021
- We expect that increasing high-yield short-term and mid-term loans with maturity of up to 3 years will affect positively our key profitability indicators

Appendix: Country-wide presence





**We create
a future
together**

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