



# **INVESTOR PRESENTATION**

1H 2023 PERFORMANCE

FEBRUARY 2024



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Uzbekistan’s economy  
and banking sector

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Overview of the SQB

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STRONG COMMITMENT TO REFORMS AND TRANSFORMATIONAL STRATEGY

	2021	2022	2023
GDP, bn \$	69,6	80.4	90,4
GDP growth, %	7,4%	5,7%	5,5%
Inflation, CPI	10,8%	12,3%	10,2%
Export, bn \$	16,7	19,3	24,4
Import , bn \$	25,5	30,7	38,1
Balance, bn \$	-8,8	-11,4	-13,7

S&P Global Ratings  
BB- / Stable

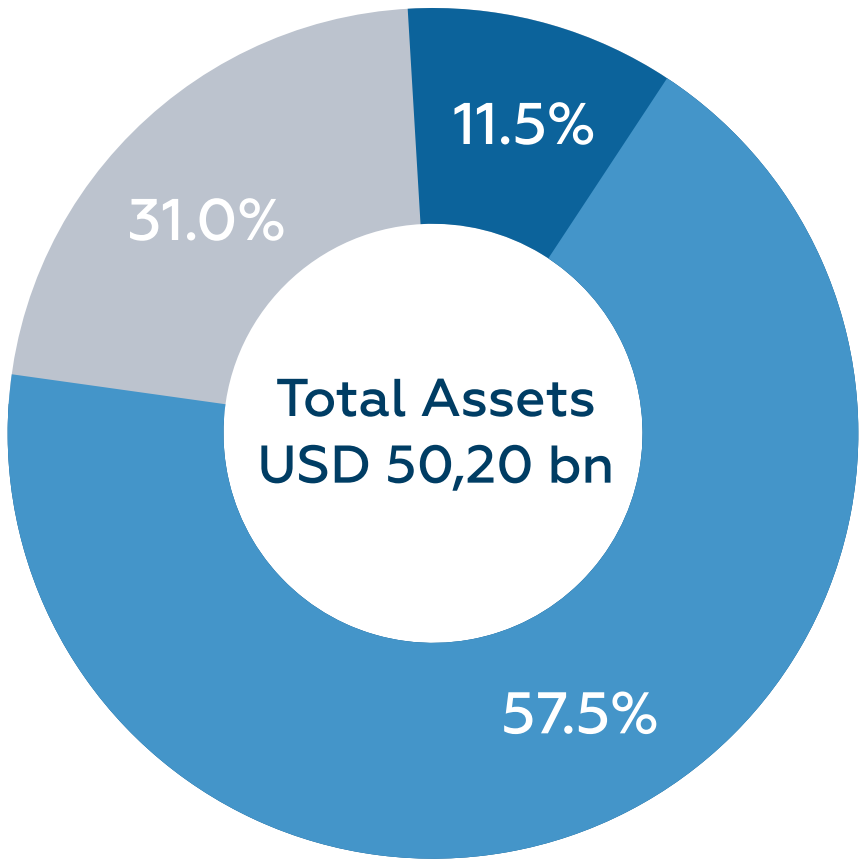
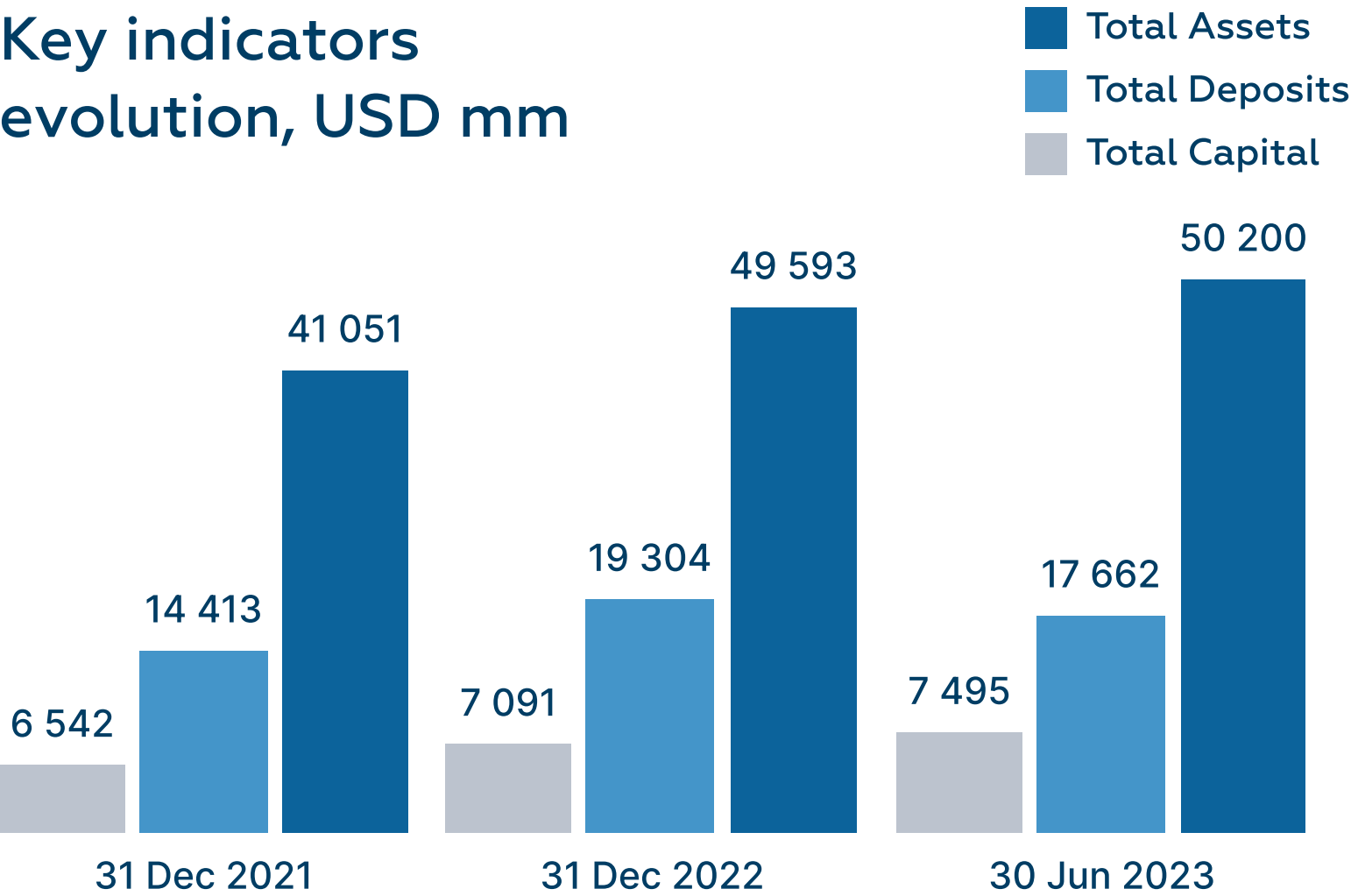
Fitch Ratings  
BB- / Stable

Moody's  
Ba3 / Stable

- Projected **GDP growth for 2024 is 5,5%**.
- Projected CPI for 2024 is 10,0% according to IMF.
- GDP is expected to double and **reach \$160 bn in 2030**;
- Government announced plans to increase GDP per capita up to \$4k by 2030;
- Foreign reserves have amounted to \$34.6 bn, including \$24.6 bn in physical gold in 2023;
- As of 1H, 2023, the state debt of Uzbekistan amounted to \$31,5 bn, of this the state’s external debt is \$25,9 bn.
- Favourable demographics with **36.6 mln population**, largest in Central Asia and in top-45 in the world.

Exchange Rates	30 Jun 2023	% chng YTD
USD/UZS	11 488,12	↑ 2,34%

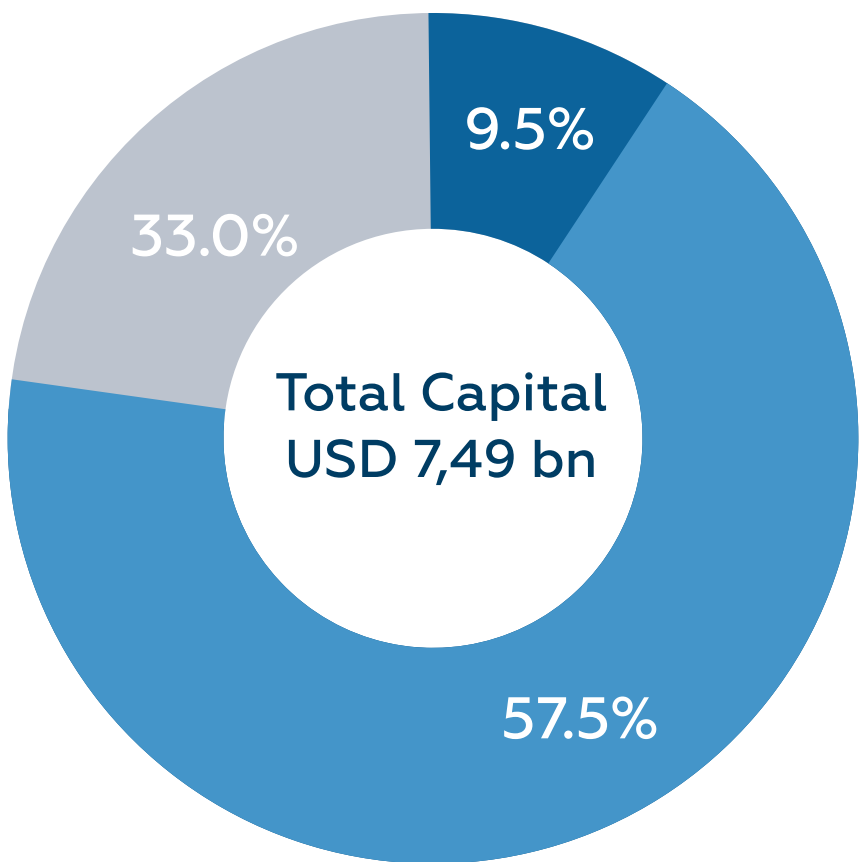
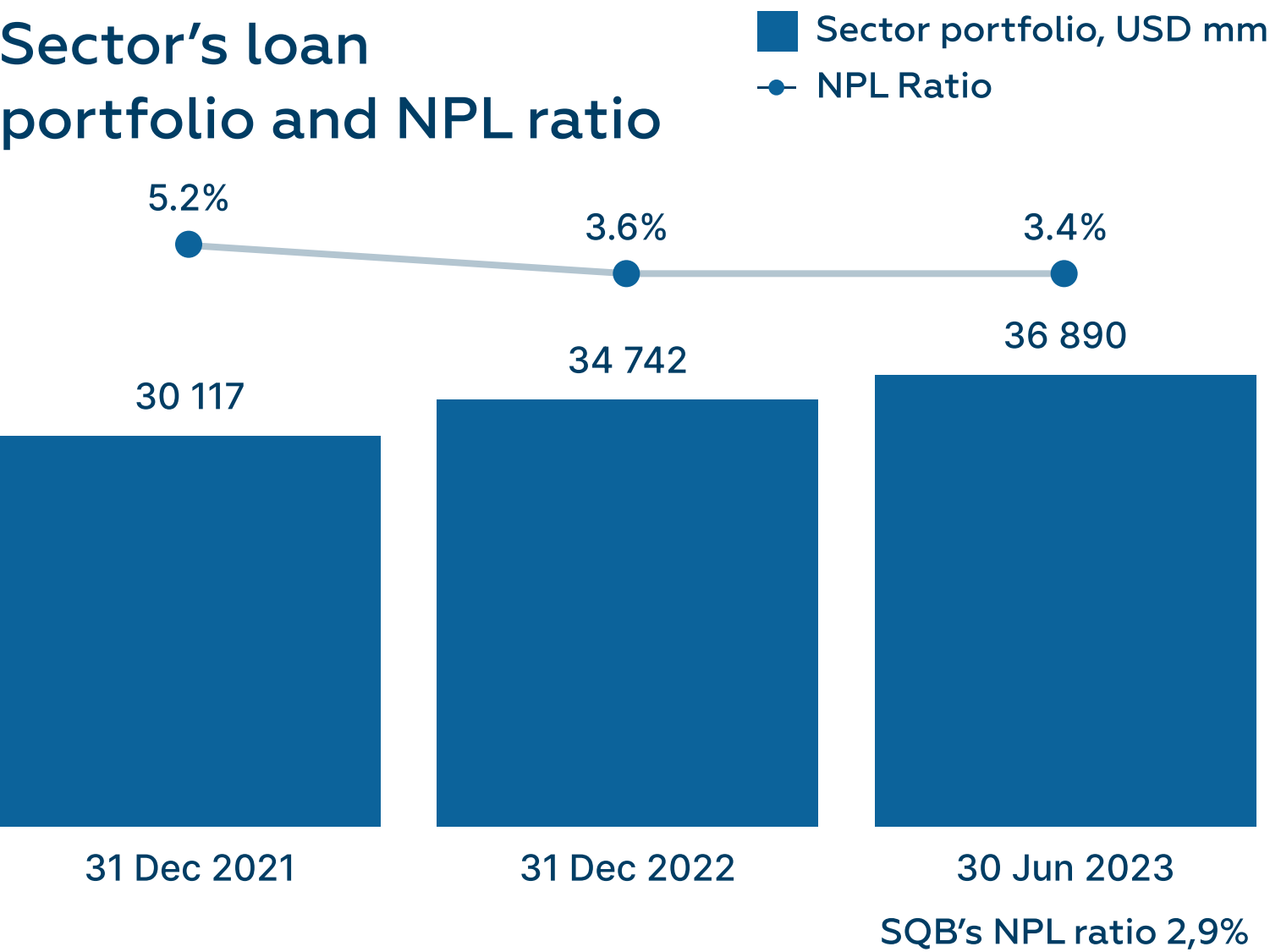
Key indicators evolution, USD mm



Market share by total assets as of 30 Jun 2023

- SQB
- 9 Other State Owned Banks
- 25 Other Banks

Sector's loan portfolio and NPL ratio



Market share by total capital as of 30 Jun 2023

- SQB
- 9 Other State Owned Banks
- 25 Other Banks





## TOP 1

Financing national champions  
in key strategic sectors

## EUROBOND

First ever corporate Eurobond issuance in  
Uzbekistan in the amount of USD 300mln  
on the LSE

## S&P

GLOBAL RATINGS

BB- / Stable

## TOP 2

Largest bank in terms of  
assets and loan portfolio

## GREEN EUROBOND

First ever non-sovereign private placement  
of Green Eurobond in the country in the  
amount of USD 100mln.

## FITCH

RATINGS

BB- / Stable

87 bank offices

4.2K employees

1,6 million clients

## A LONG JOURNEY STARTING FROM 1922

1922

Establishment of  
the Industrial Bank

1991

SQB was incorporated as a joint stock  
commercial bank



2018

Rebranding to the Joint-Stock  
Commercial Bank "Uzbek Industrial  
and Construction Bank"

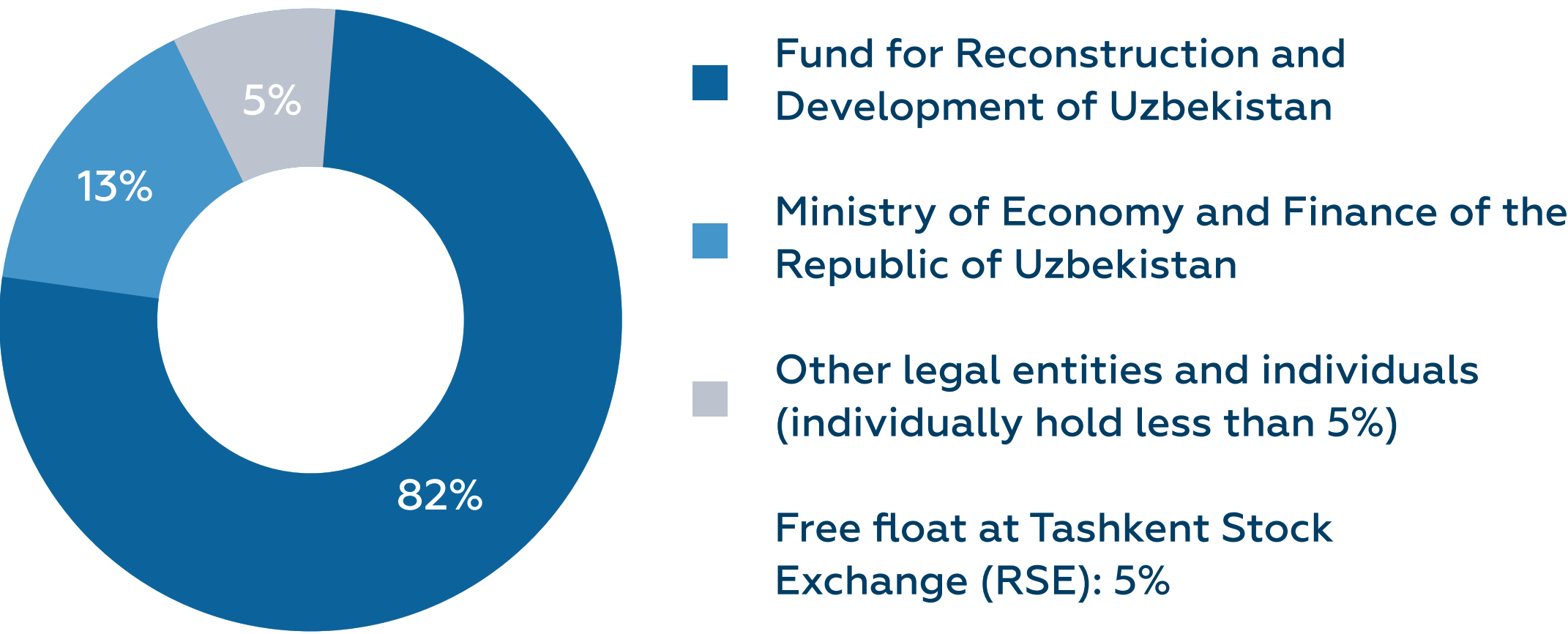
2006

In January 2006 SQB merged  
with Uzprivatbank

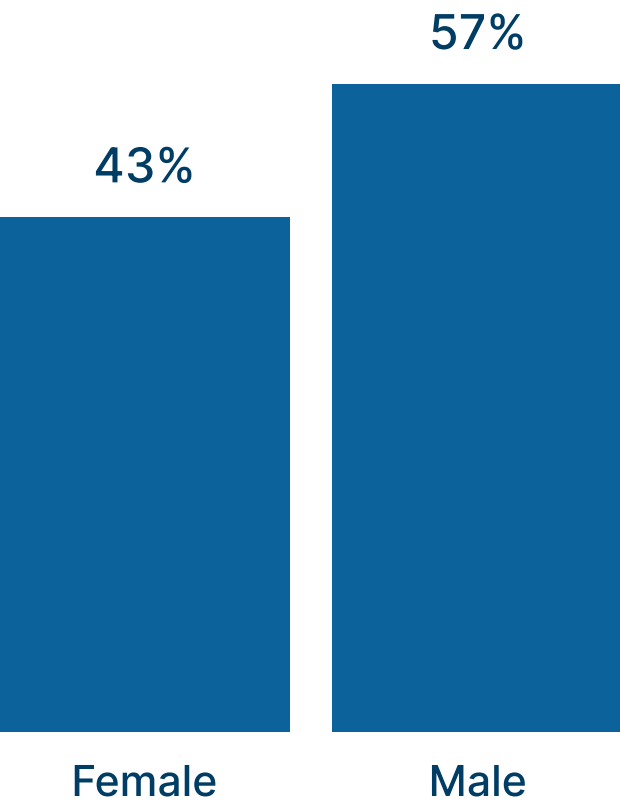


SUPERVISORY BOARD: PROMOTING SUSTAINABLE VALUE CREATION

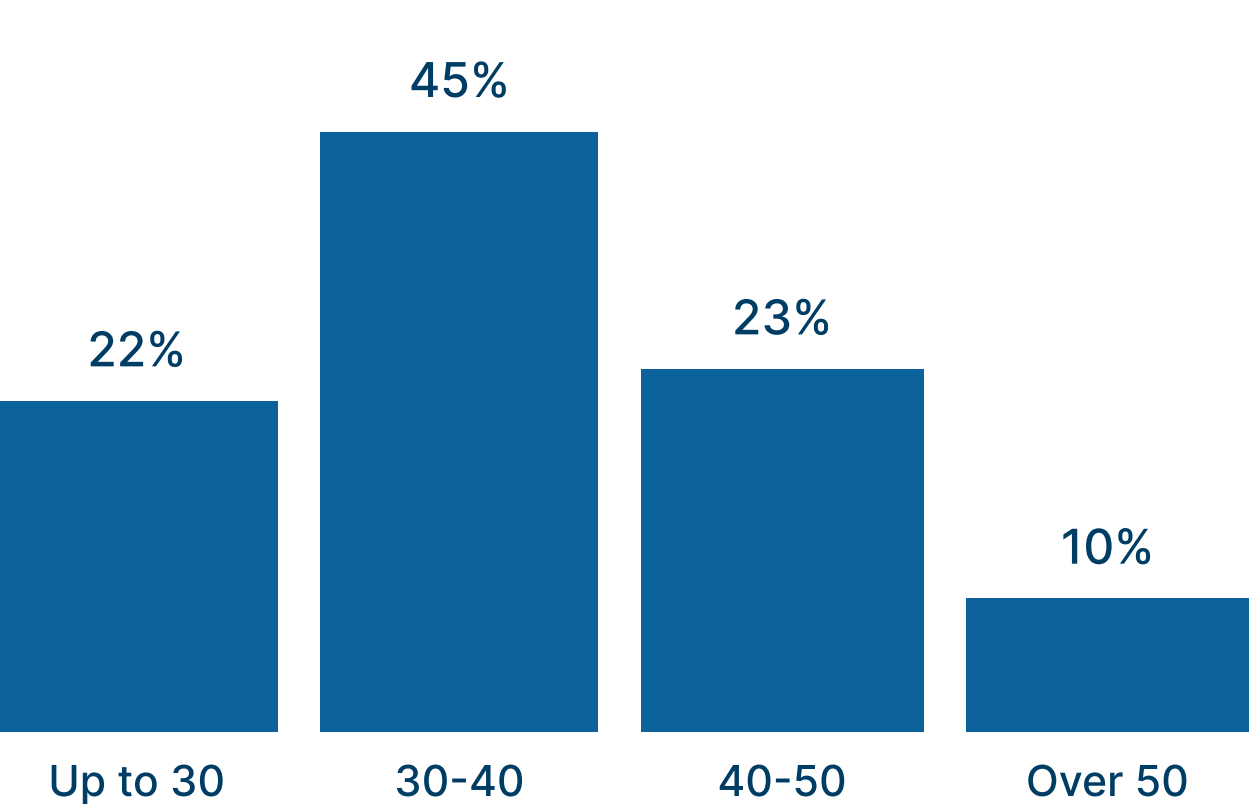
Ownership structure as of 31 Dec, 2023



SQB Team as of 30 Jun, 2023



Age composition



CORPORATE GOVERNANCE



CHAIRMAN  
**ODILBEK ISAKOV**



INDEPENDENT MEMBER  
**FERDINAND WILLEM TUINSTR**



INDEPENDENT MEMBER  
**GREGG SCOTT ROBINS**



INDEPENDENT MEMBER  
**JULIA ALEXANDROVNA AYZUP**



INDEPENDENT MEMBER  
**OKSANA SIVOKOBILSKA**



INDEPENDENT MEMBER  
**GEORGE CHILADZE**



MEMBER  
**MURODBEK ATA JANOV**  
Chairman of the Treasury Service Committee, Ministry of Economy and Finance of the Republic of Uzbekistan



MEMBER  
**ULUGBEK MUKHTAROV**  
Deputy Executive Director of the UFRD



MEMBER  
**KHURSHED MUSTAFAEV**  
Director, Ministry of Economy and Finance of the Republic of Uzbekistan





## MANAGEMENT BOARD

DIVERSE AND EXPERIENCED MANAGEMENT TEAM CREATING OPPORTUNITIES



**AZIZ  
AKBARJONOV**  
Chairman of the Board



**ANVARJON  
ERGASHEV**  
First Deputy  
Chairman of the  
Board



**SHUKHRAT  
YAKUBOV**  
Deputy Chairman  
of the Board



**SHOKHPUR  
GULTURAEV**  
Deputy Chairman  
of the Board



**FARRUKH  
ABDURAKHMANOV**  
Deputy Chairman  
of the Board



**SHOKHZOD  
YUSUPOV**  
Deputy Chairman of  
the Board



**DAVRON  
UMAROV**  
Deputy Chairman of  
the Board



**KHIKMAT  
AKBAROV**  
Chief Risk Officer



**AVAZBEK  
RAVSHANOV**  
Acting Chief  
Accountant



**BEHZOD  
UZAKOV**  
Director of the Legal  
department



**BOBURJON  
MULLAJONOV**  
Chief Credit Officer



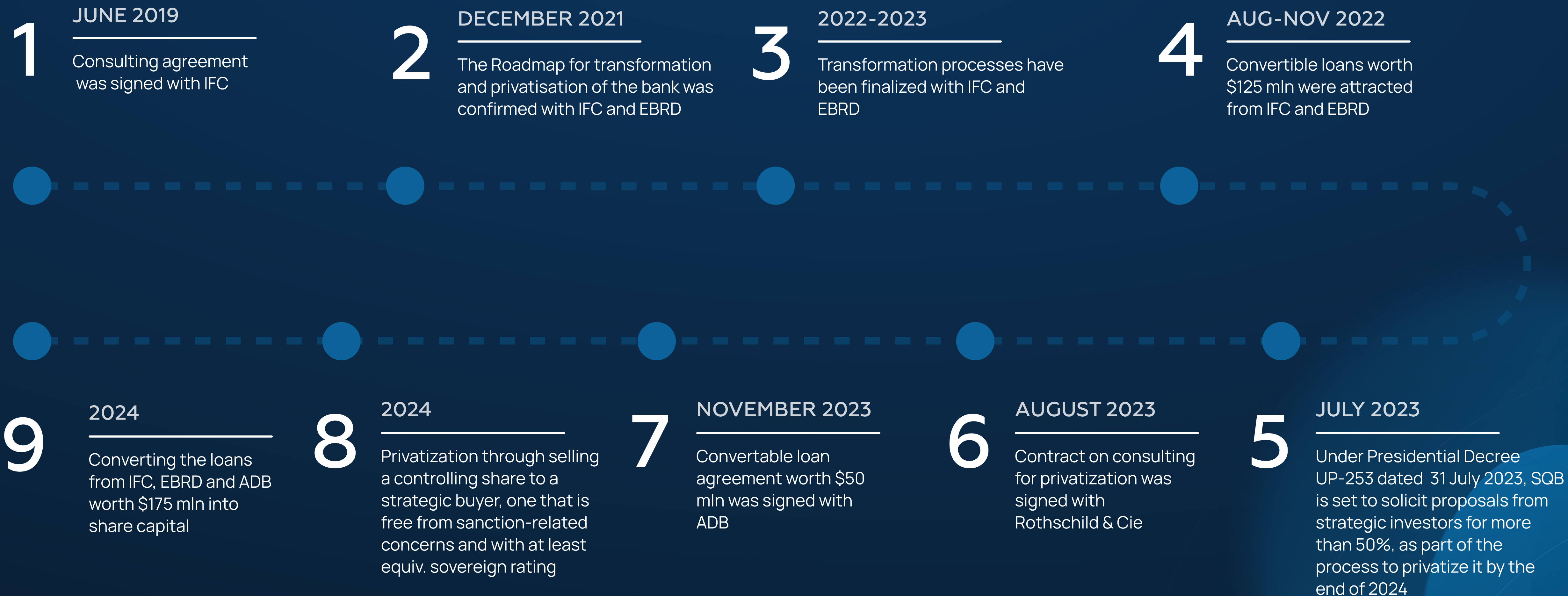
## TRANSFORMATION IN 2022 & 2023

- ✓ The number of independent members with international banking experience in the Supervisory Board is increased to five
- ✓ SQB has received a certificate of compliance for ISO 37001:2016 anti-bribery management system
- ✓ The transition to a single MFO carried out and all branches transformed to point of sales
- ✓ Compliance management system has successfully digitalized
- ✓ Implemented a KPI system for Management Board
- ✓ Corporate Strategy for 2024-2026 has been developed with assistance of KPMG

## TRANSFORMATION IN 2024-2026

- ✓ SMEs along with retail constitute the predominant share of our bank's loan and deposit portfolios (based on corporate anchors)
- ✓ **Super-app** with integration of insurance products from SQB Insurance and providing brokerage services and selection of investment plan from SQB Investments
- ✓ Receiving 'Leader' ESG rating, aspiring to be the greenest in the region

## YEARS OF PROGRESS: PAVING THE WAY FOR PRIVATISATION



SQB IS PROMOTING GREENING OF ITS OPERATIONS INCLUDING BUILDINGS AND PROCESSES

## ONGOING 2024

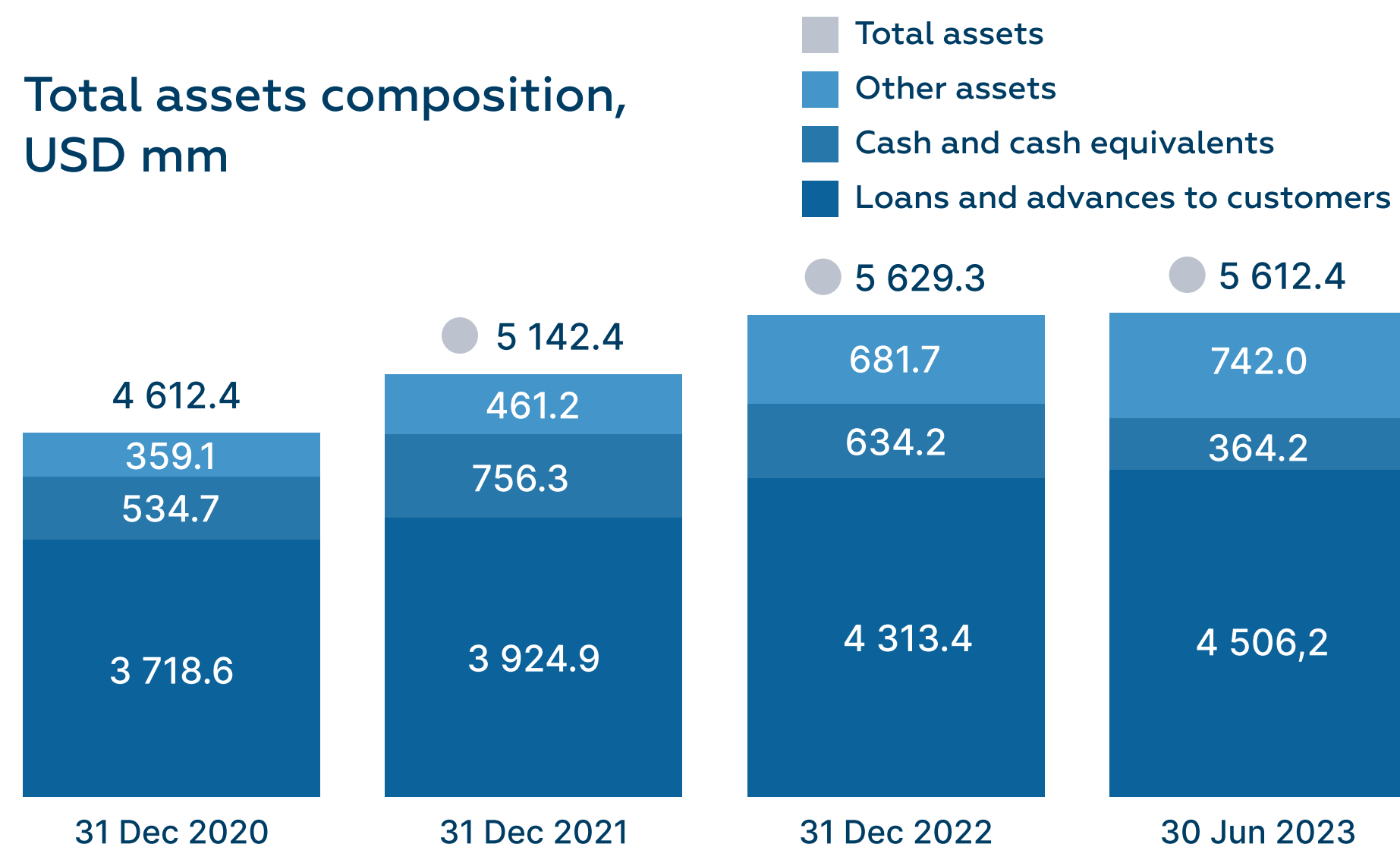
- Getting a Second Party Opinion
- Getting an ESG rating
- 17 UN SDG goals
- Issue ESG instrument
- ESG strategy
- CLIMATE CORPORATE GOVERNANCE
- EDGE (BRANCHES), BREEAM (NEW HQ)

## EXECUTED

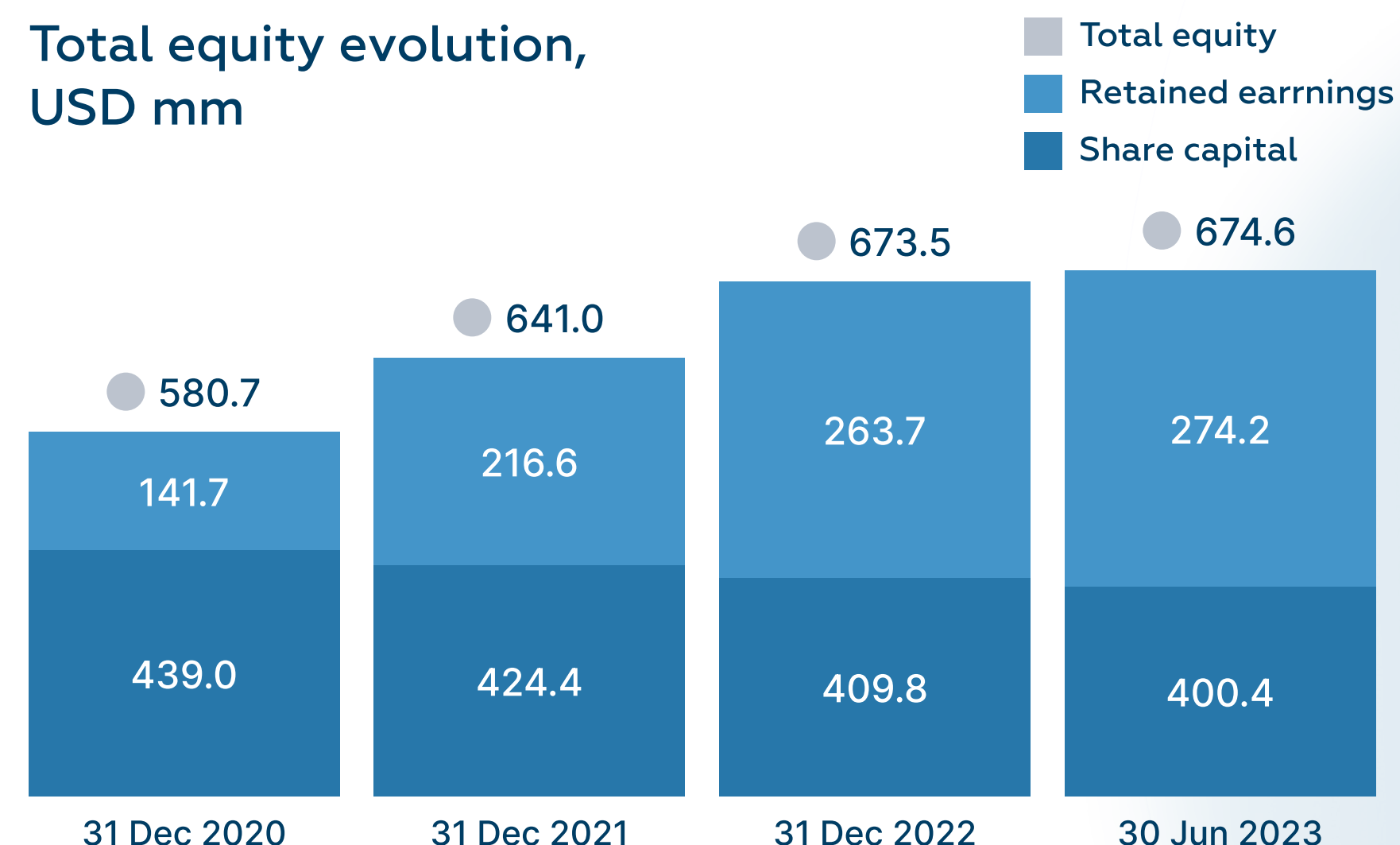
- Multiple Awards and Recognition towards Green and Sustainable Initiatives
- Multiple Green Financing Instruments Offerings
- SUSTAINABLE FINANCE FRAMEWORK
- ENVIRONMENTAL AND SOCIAL MANAGEMENT SYSTEM (ESMS)
- ESG & ENERGY POLICY



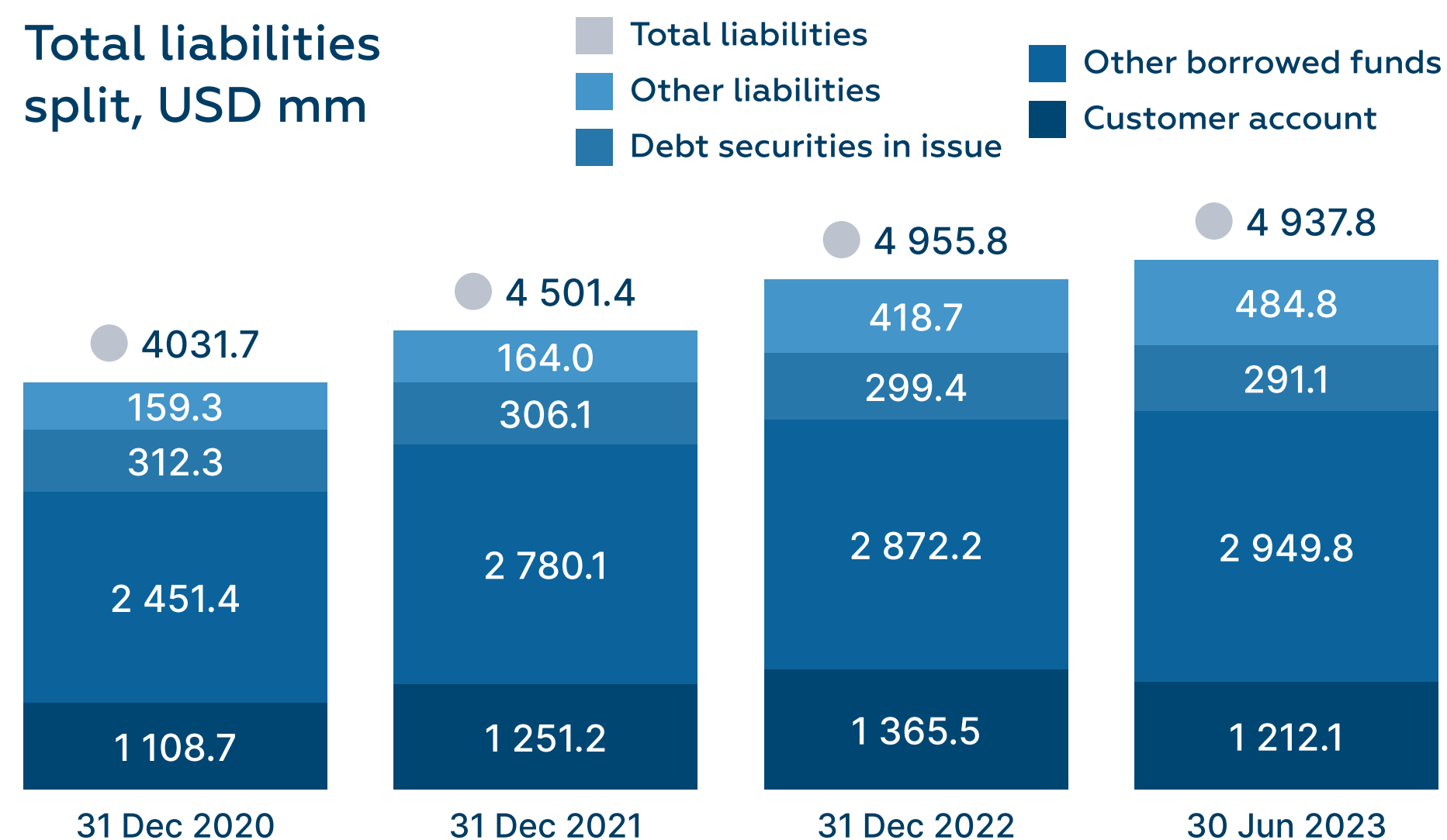
## Total assets composition, USD mm



## Total equity evolution, USD mm



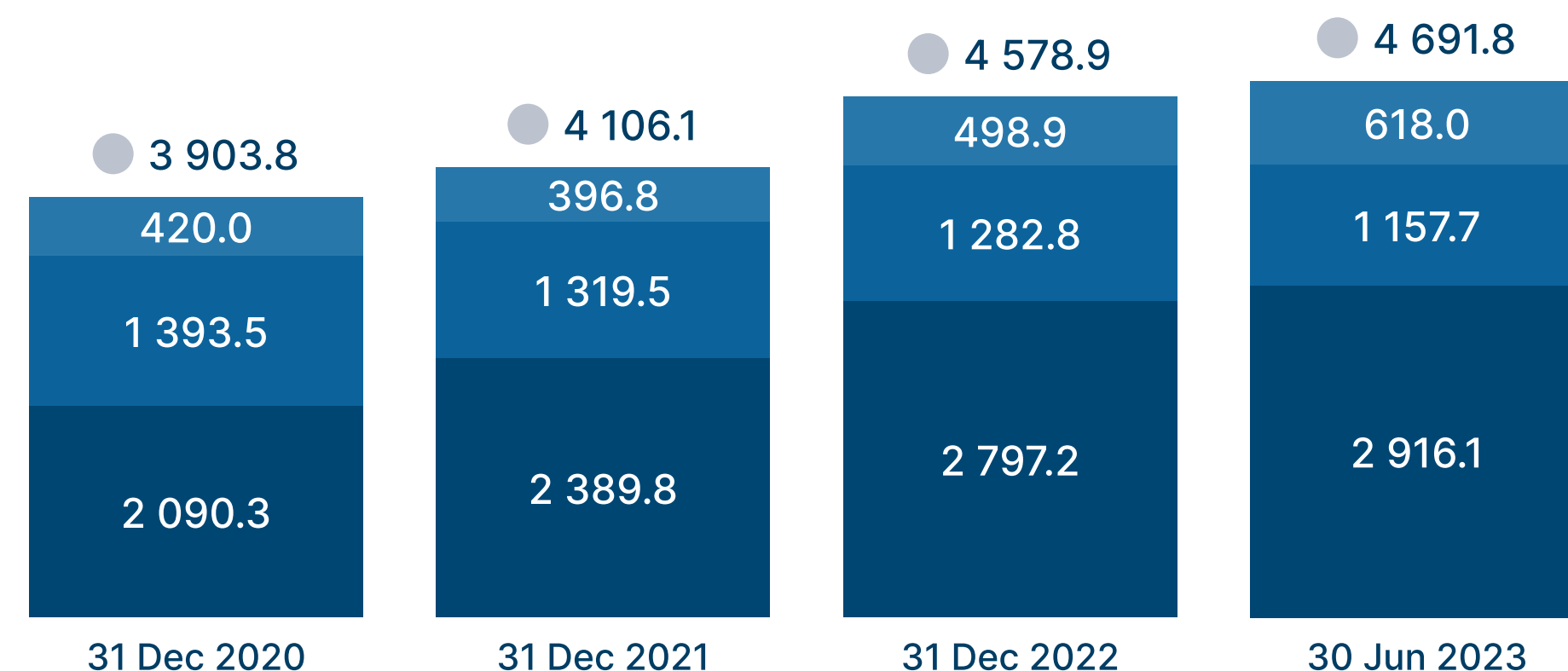
## Total liabilities split, USD mm



- SQB is the second-largest bank in Uzbekistan, making up 11.5% of sector assets and loans and 7% of sector deposits in the 1H 2023.
- The bank has historically had a strong presence in corporate financing for large corporate clients in strategically important industries, mainly oil & gas, chemicals and energy
- While it retains a strong corporate financing in key strategic industries, SQB has recently focused on developing commercial SME and retail lending to diversify its operations.

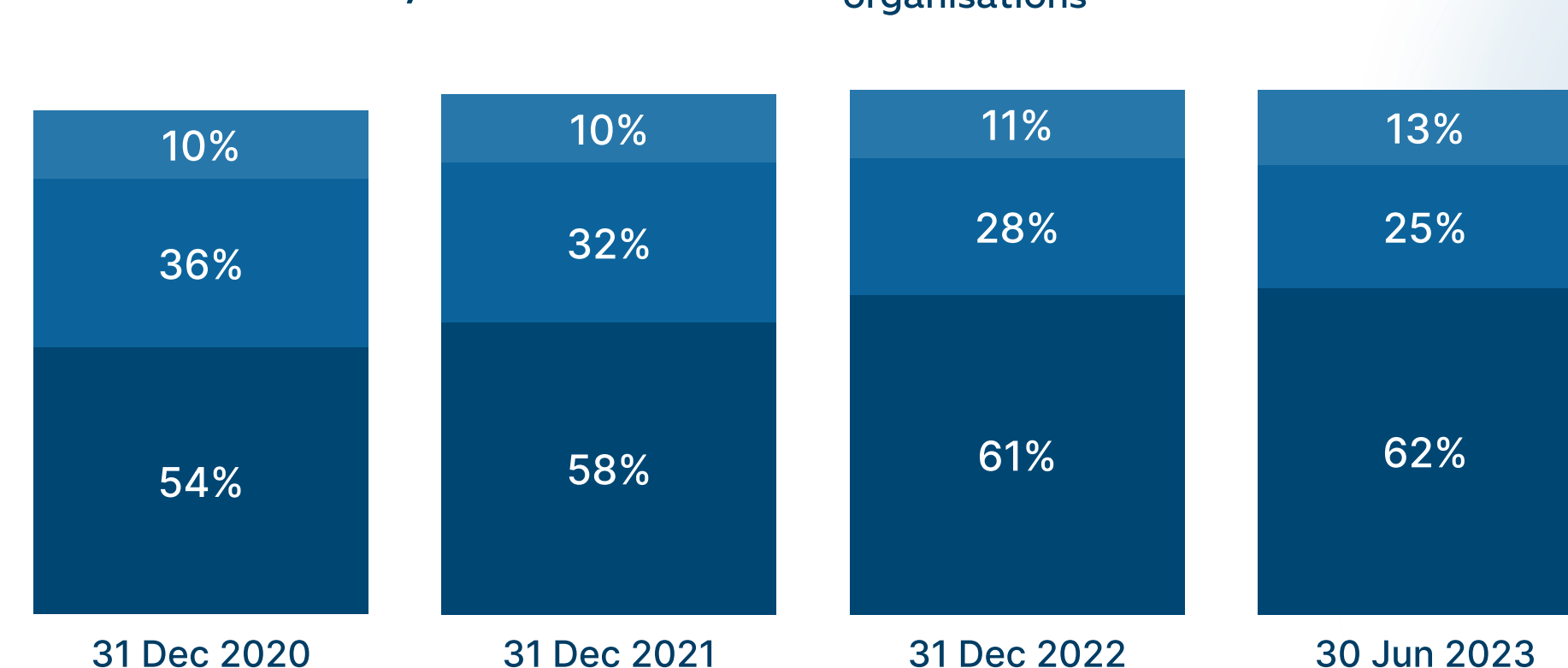
Gross Loan portfolio by customer type, USD mm

■ Gross loan portfolio  
■ State and municipal  
■ Individuals  
■ Corporate loans



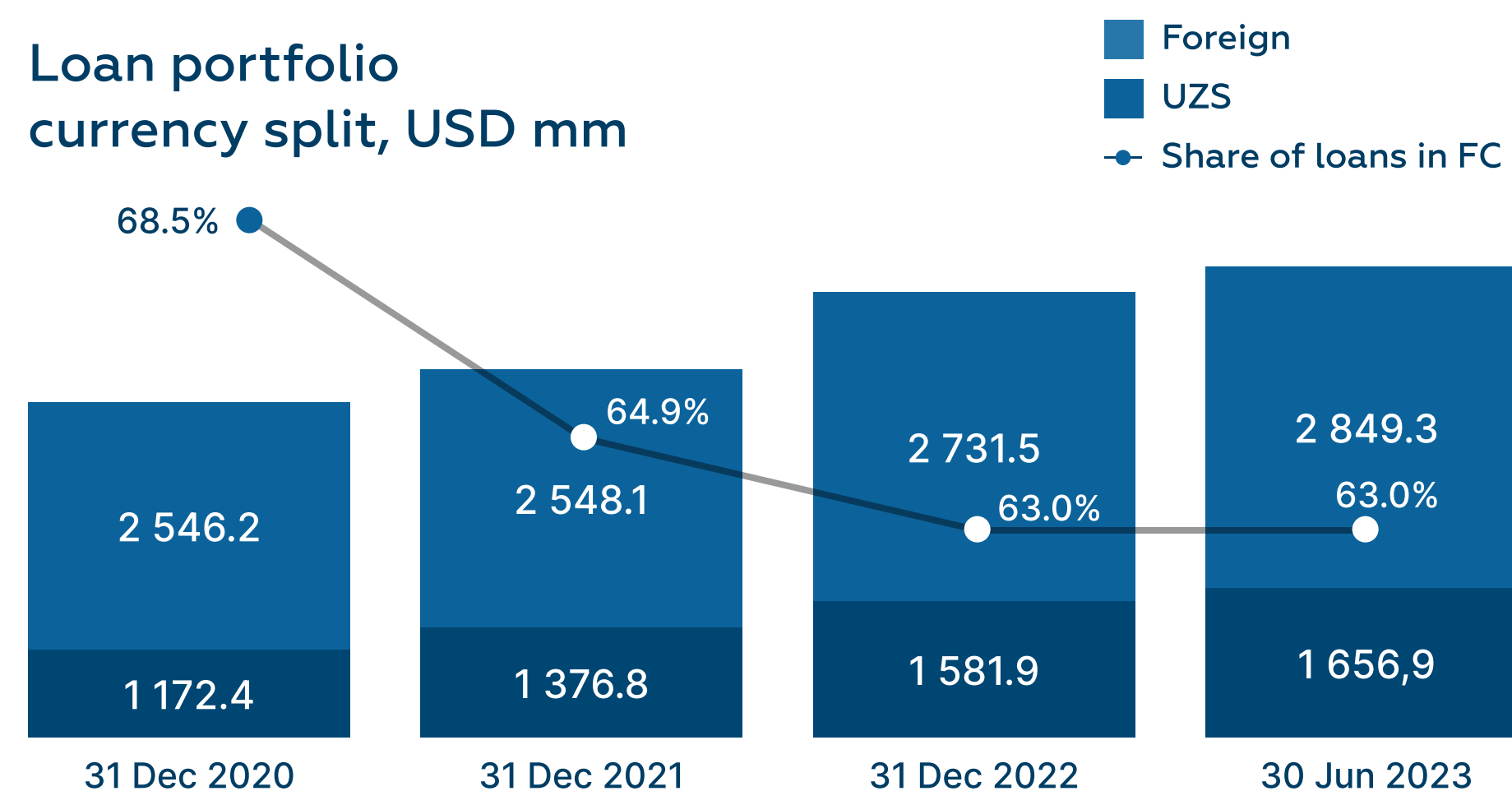
Total loan portfolio concentration, in %

■ Loans to individuals  
■ State and municipal organisations  
■ Corporate loans



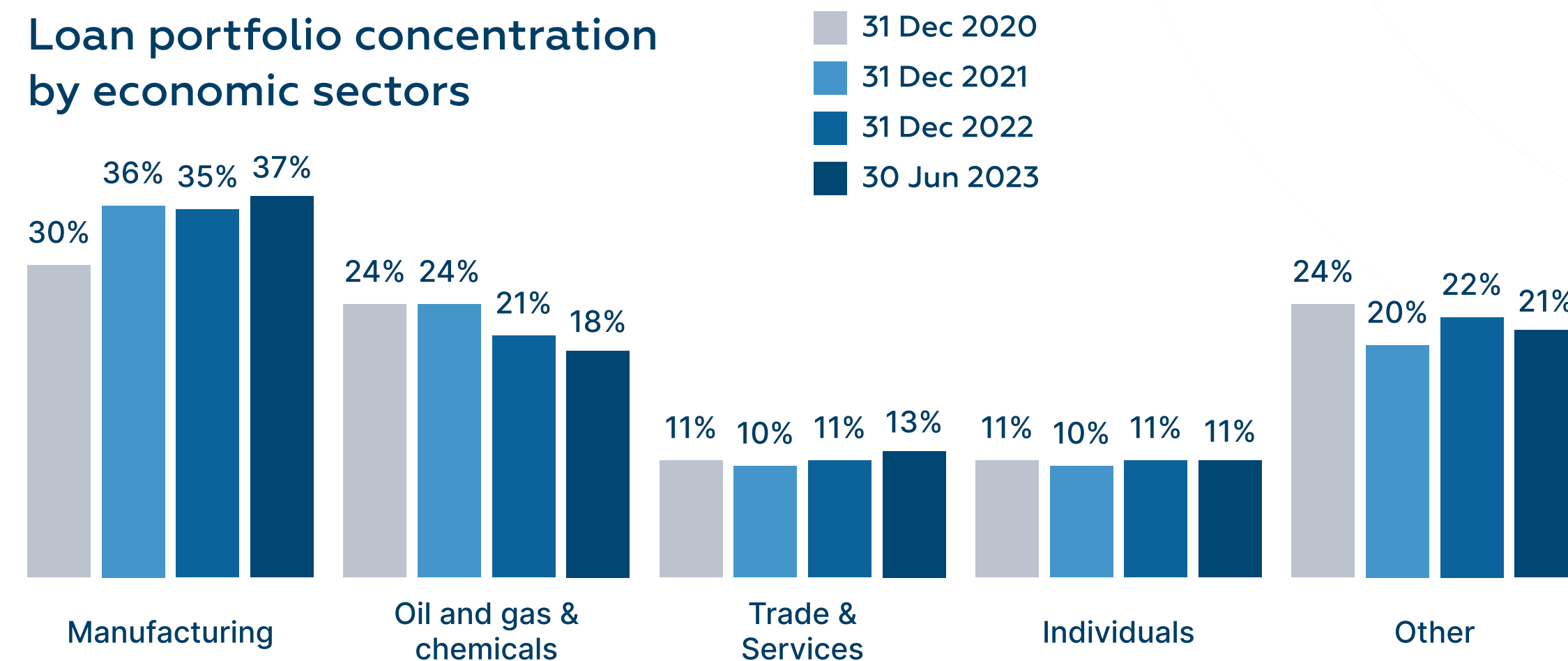
Loan portfolio currency split, USD mm

■ Foreign  
■ UZS  
● Share of loans in FC



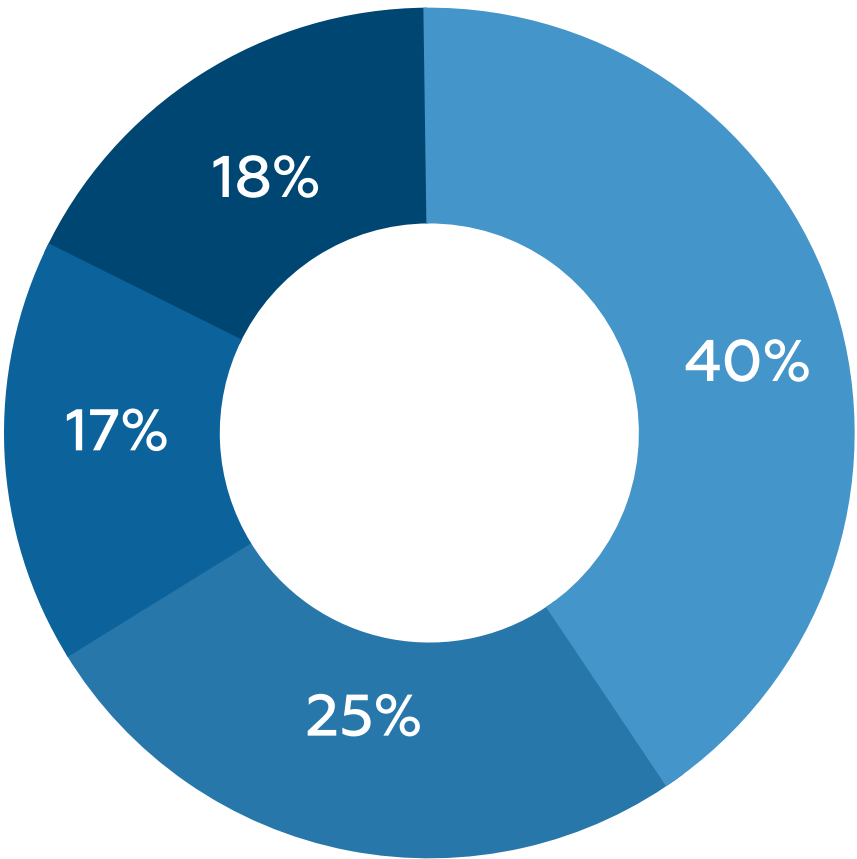
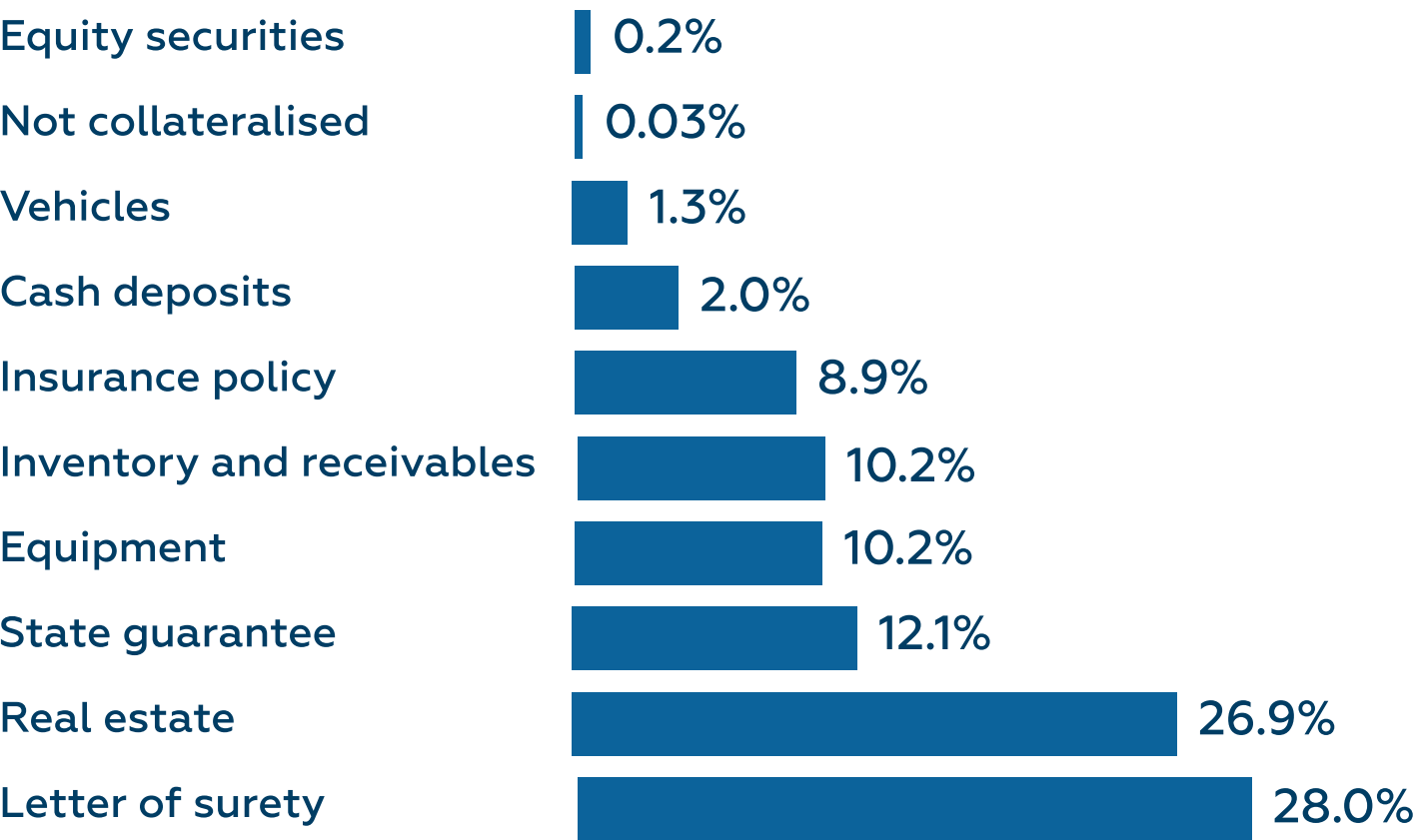
Loan portfolio concentration by economic sectors

■ 31 Dec 2020  
■ 31 Dec 2021  
■ 31 Dec 2022  
■ 30 Jun 2023





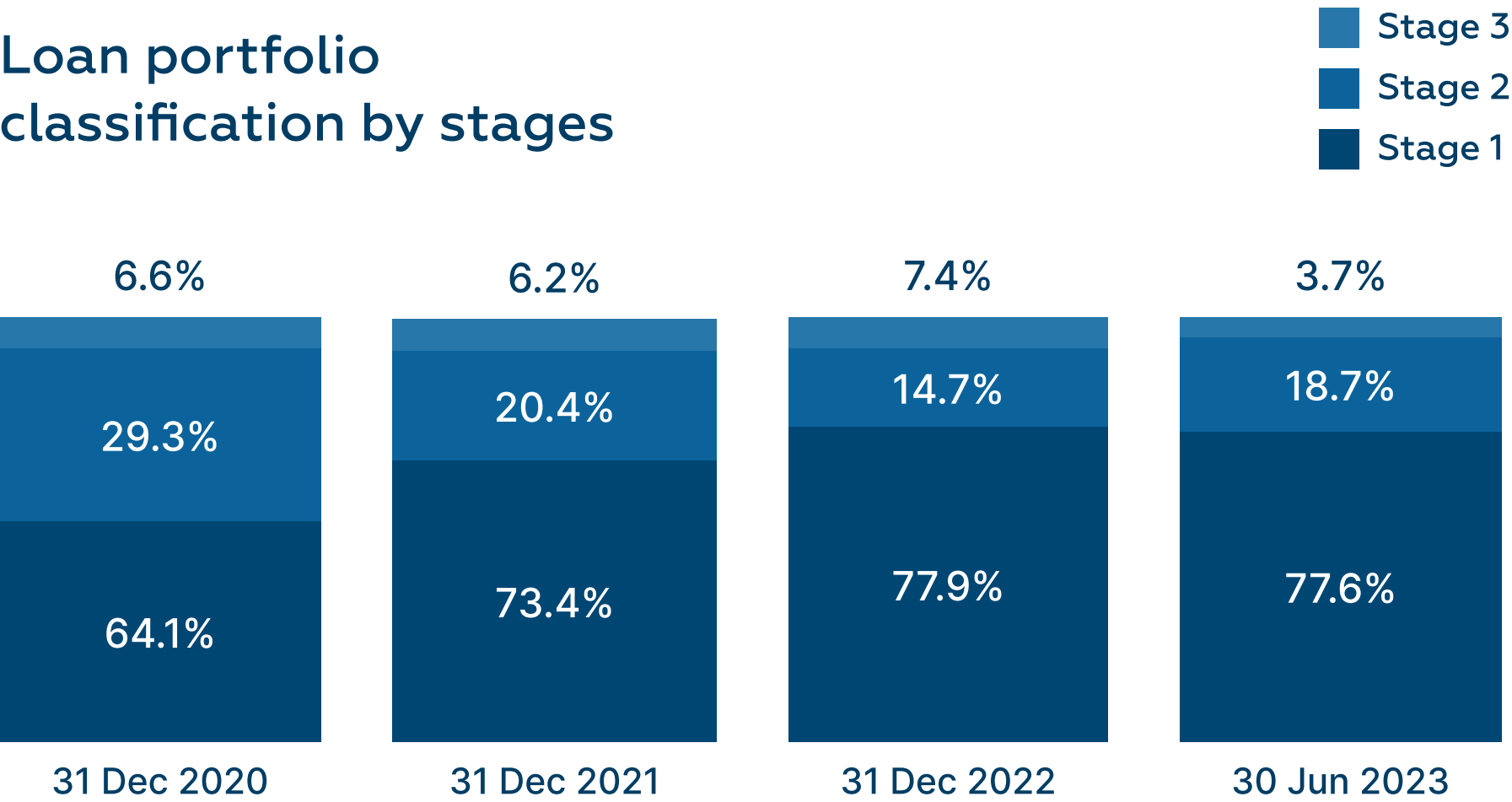
Loan Portfolio coverage by collateral type, 30 Jun 2023



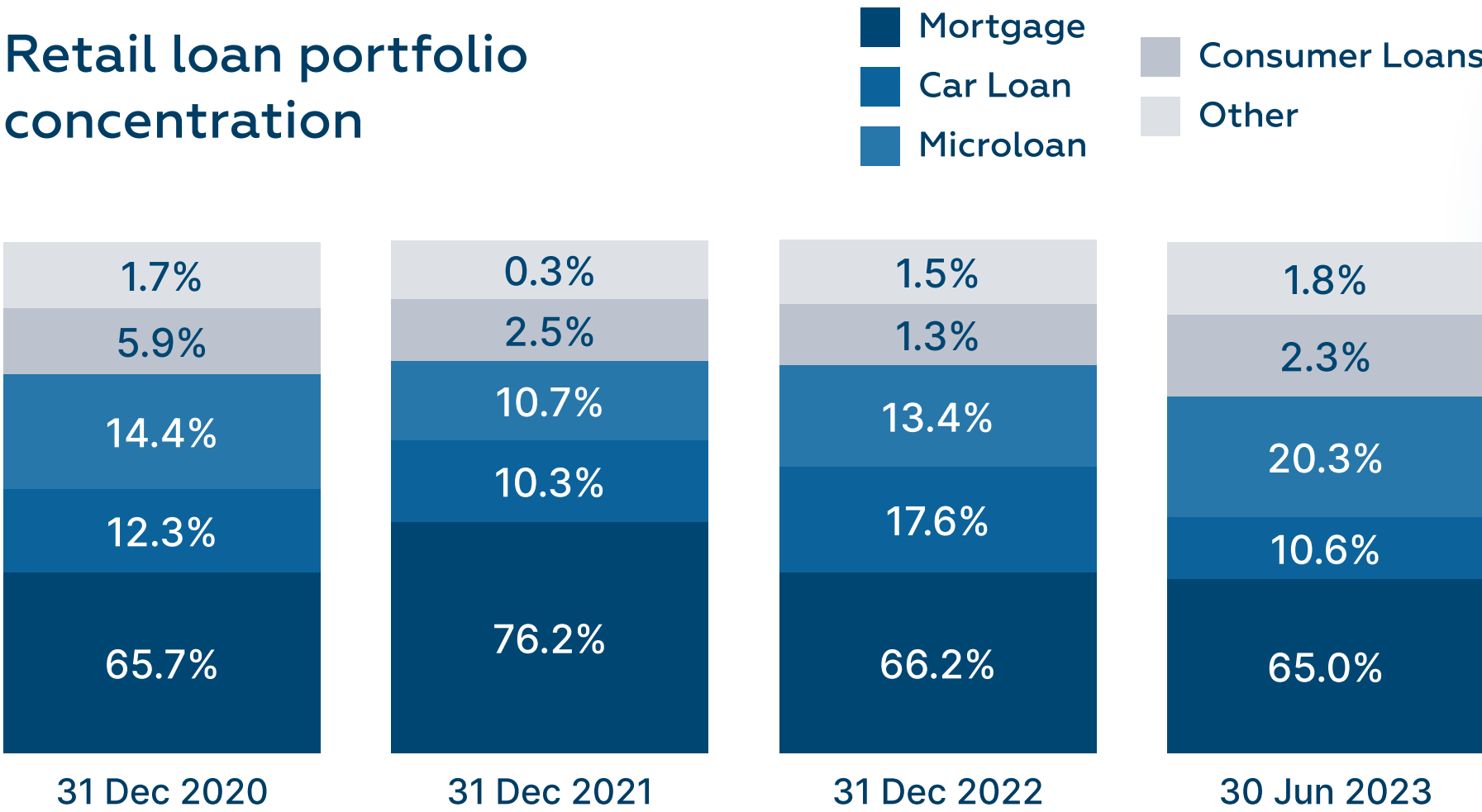
Loan Portfolio breakdown by maturity, 30 Jun 2023

- Up to 12 month
- From 1 to 3 years
- From 3 to 5 years
- Over 5 years

Loan portfolio classification by stages



Retail loan portfolio concentration

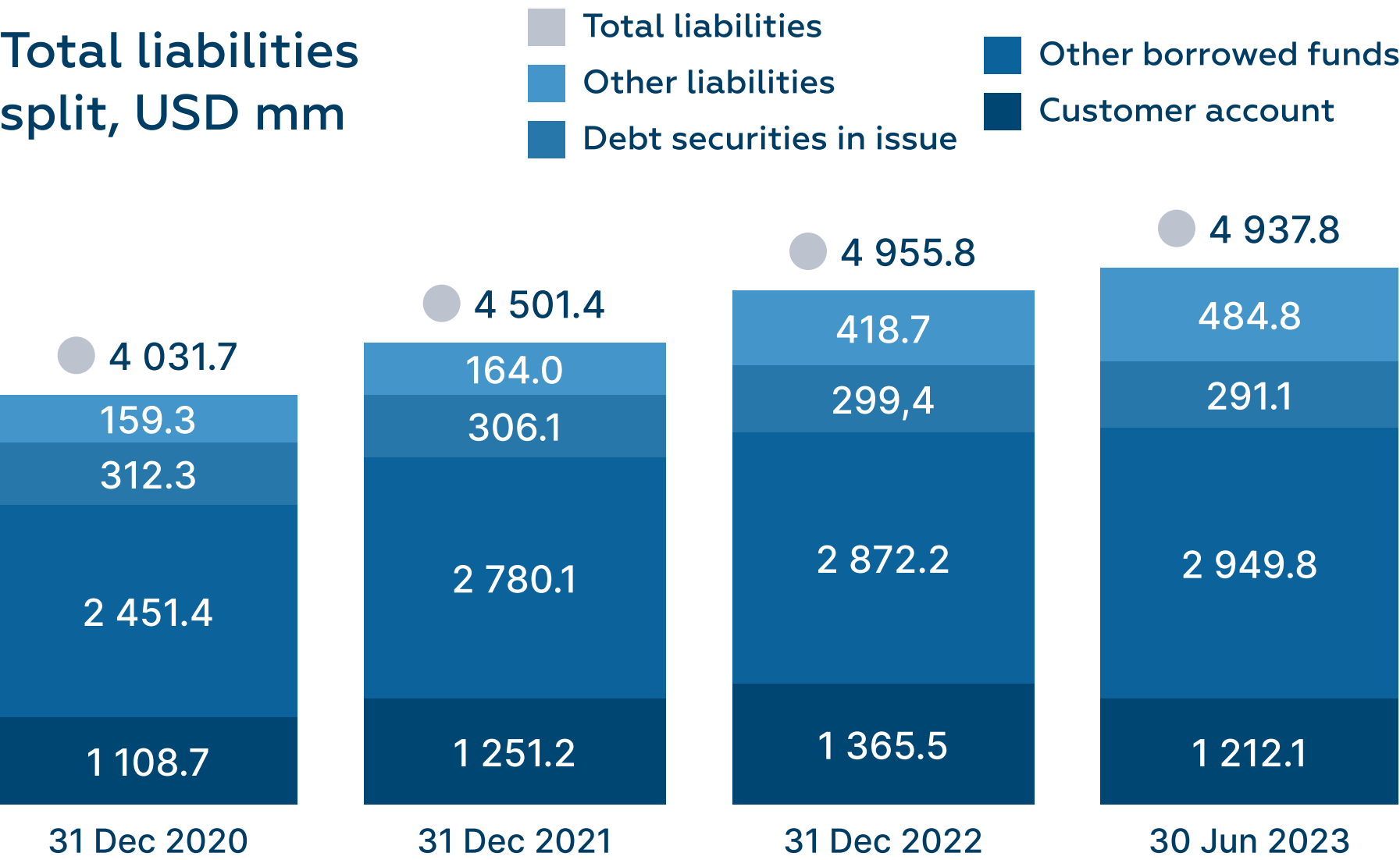




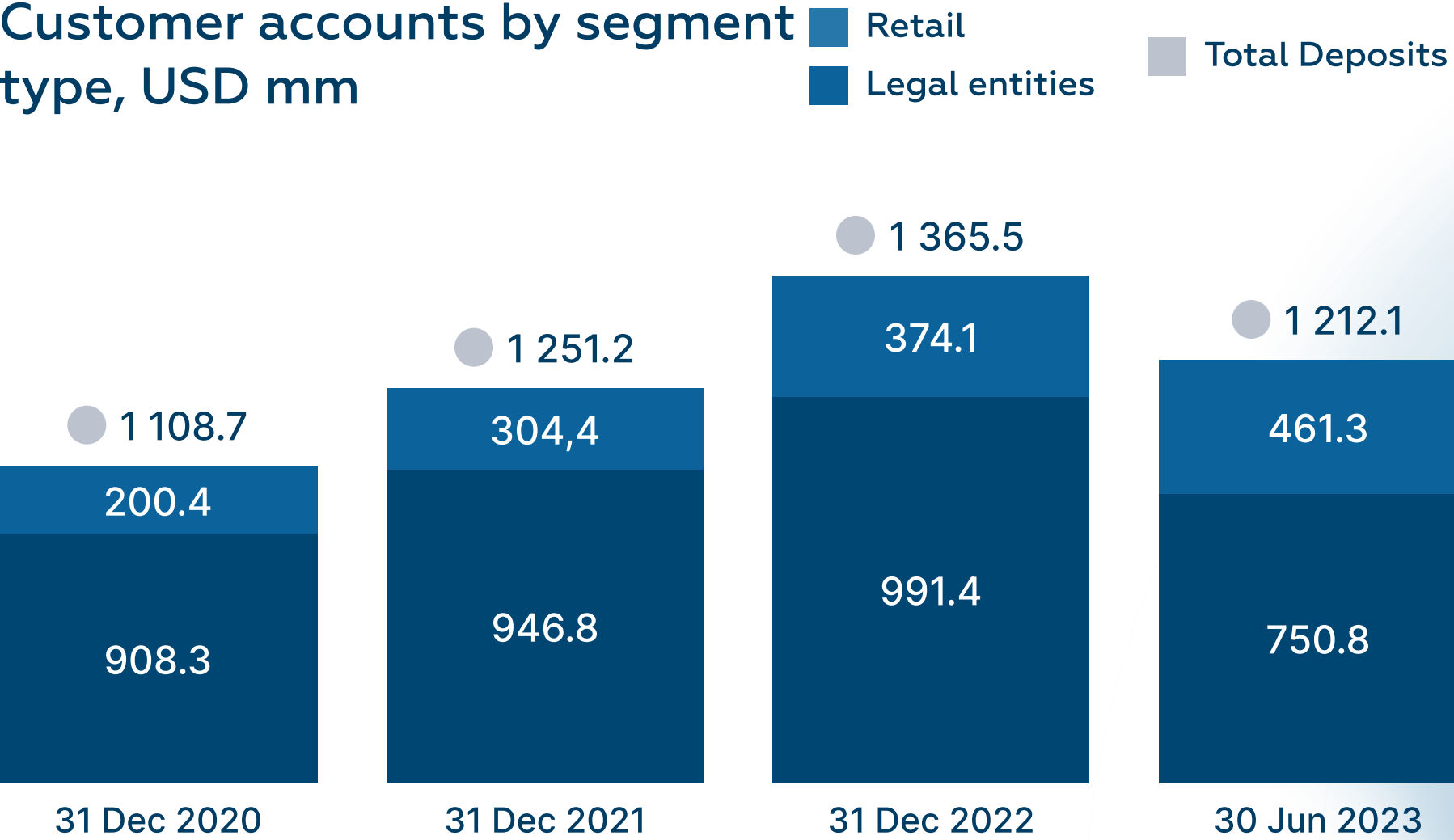


GOOD GROWTH OF DEPOSITS

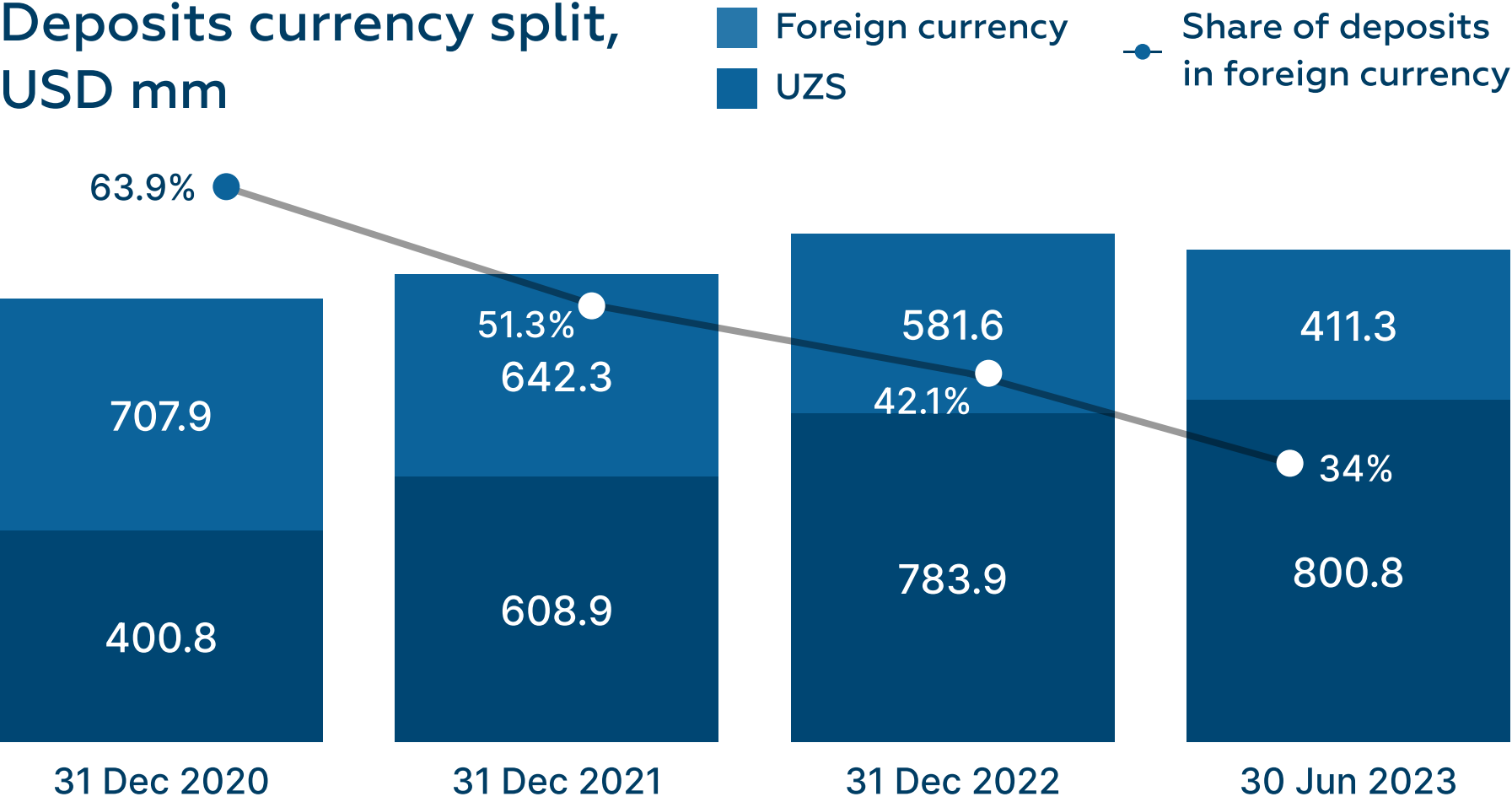
Total liabilities split, USD mm



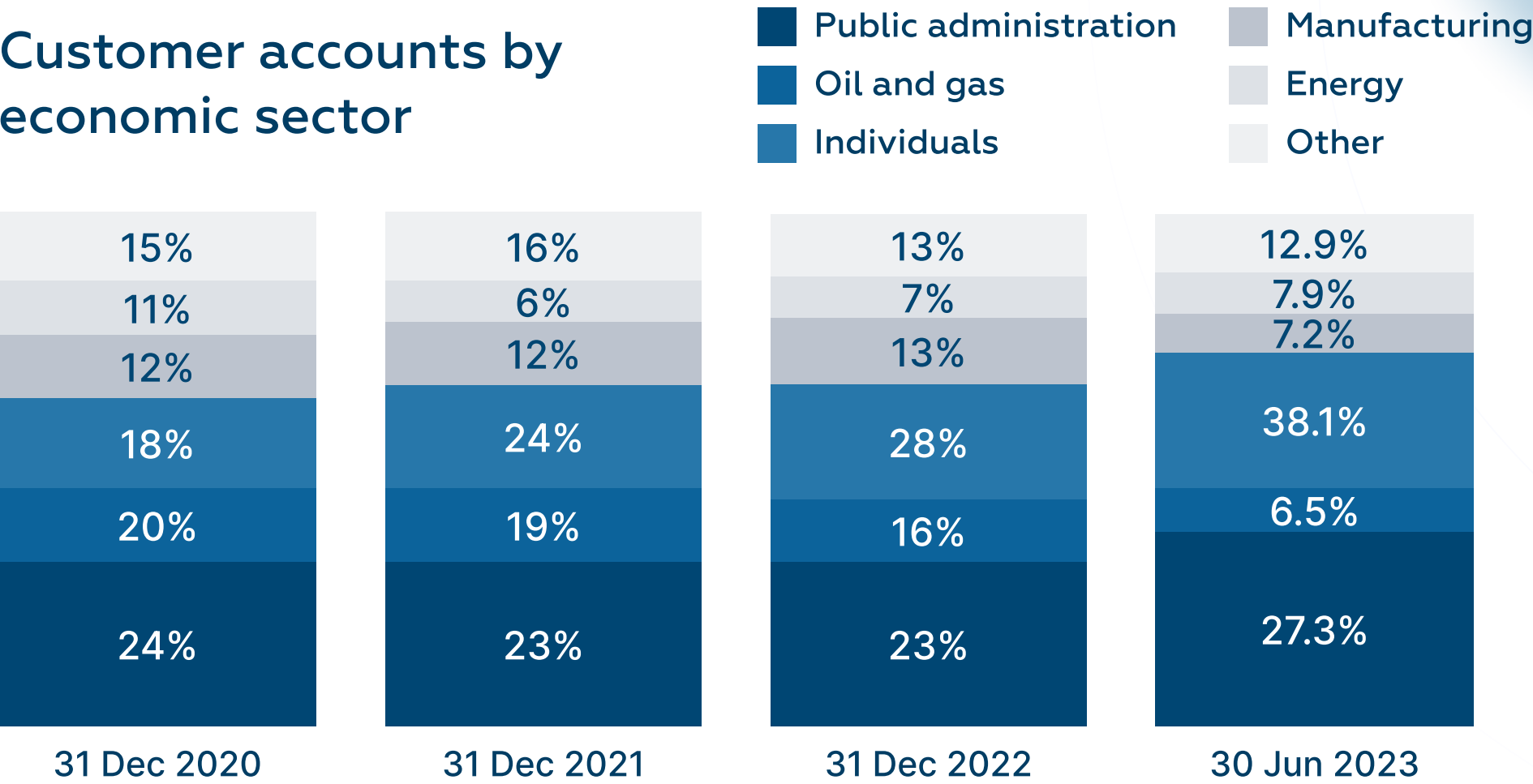
Customer accounts by segment type, USD mm



Deposits currency split, USD mm

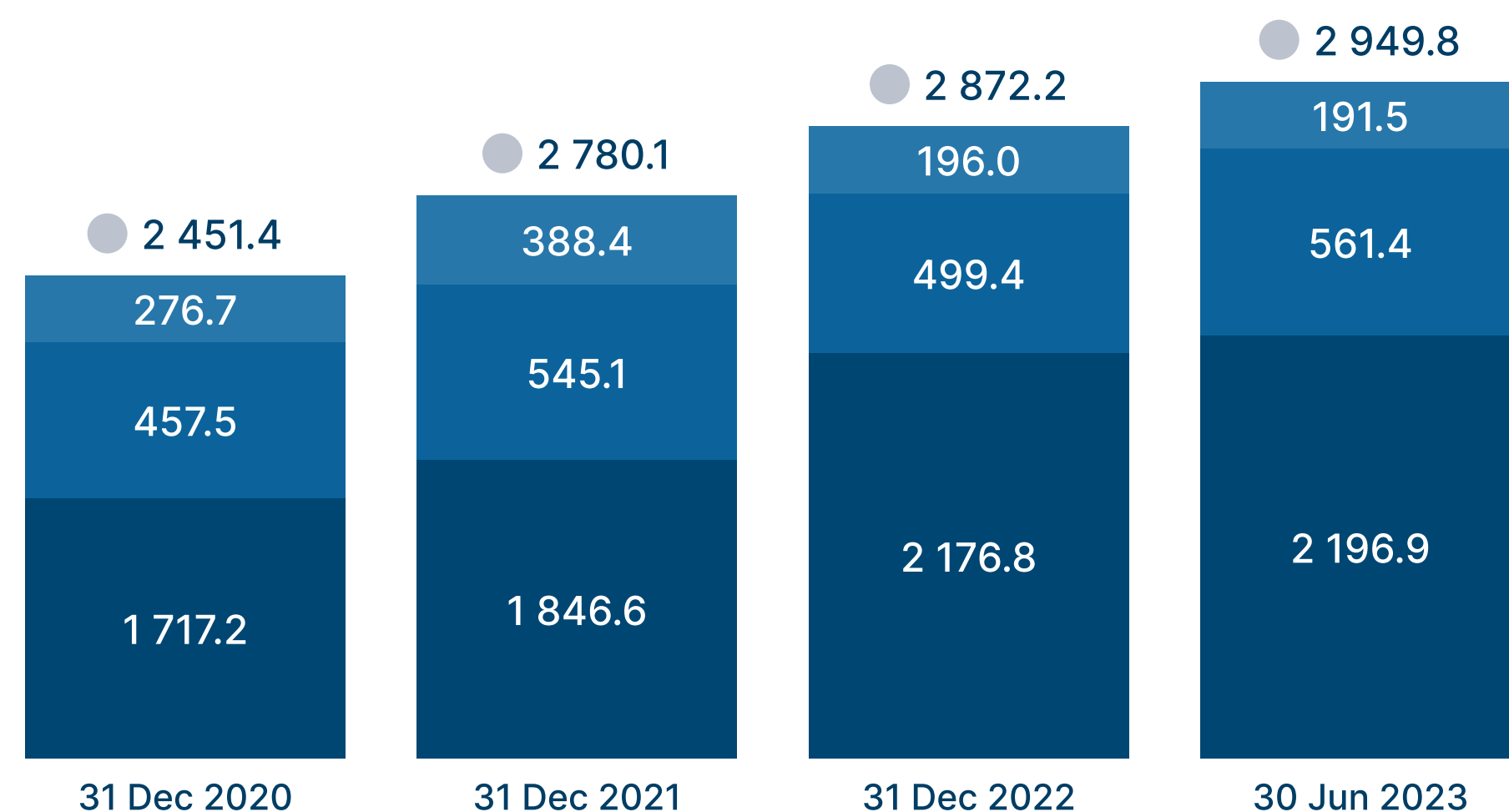


Customer accounts by economic sector



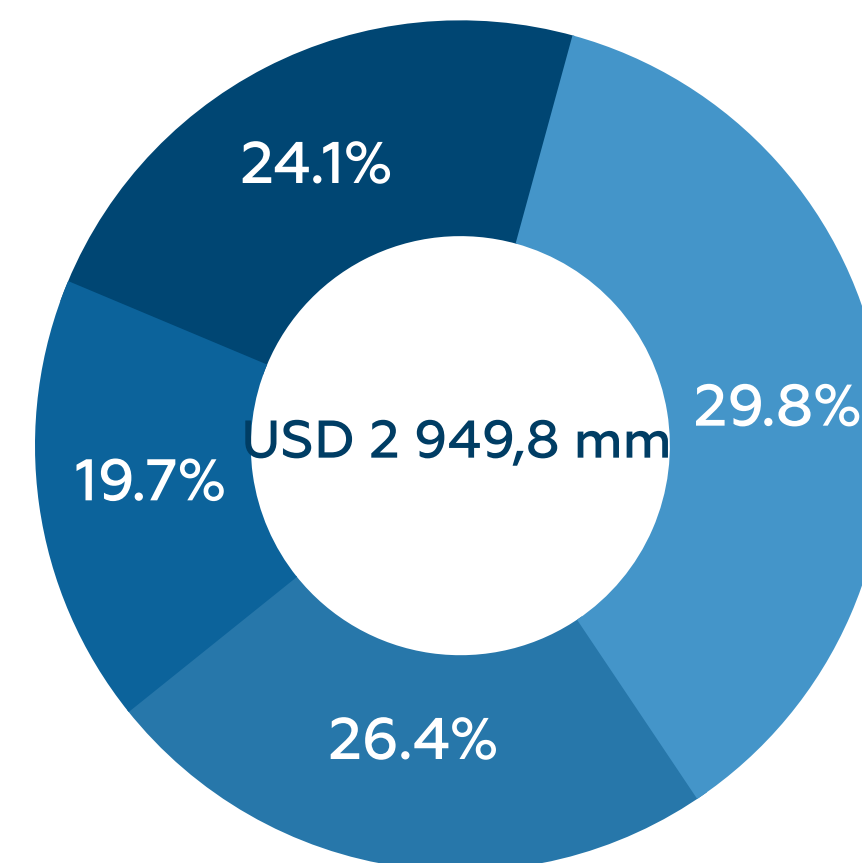
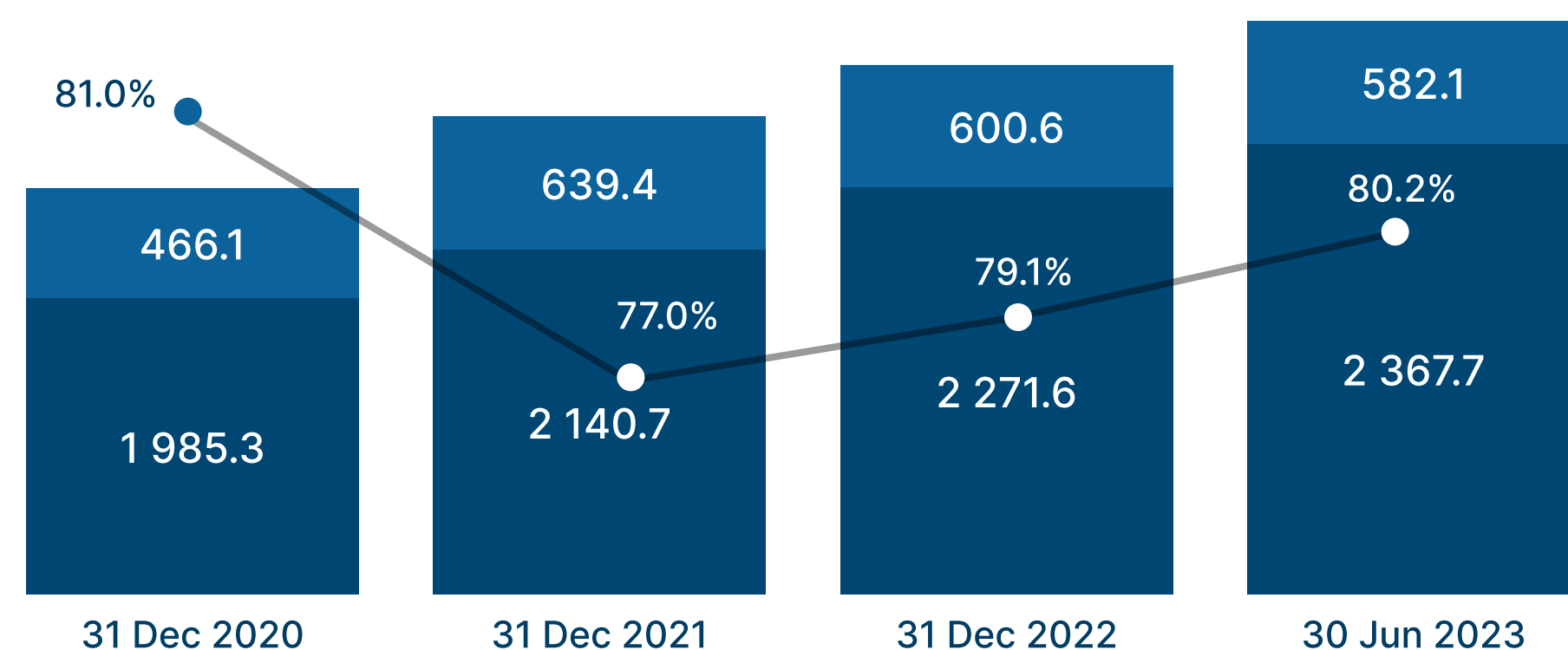
Funding geographical concentration, USD mm

Total OBF  
 Russian banks  
 FLS of Uzbekistan  
 IFI



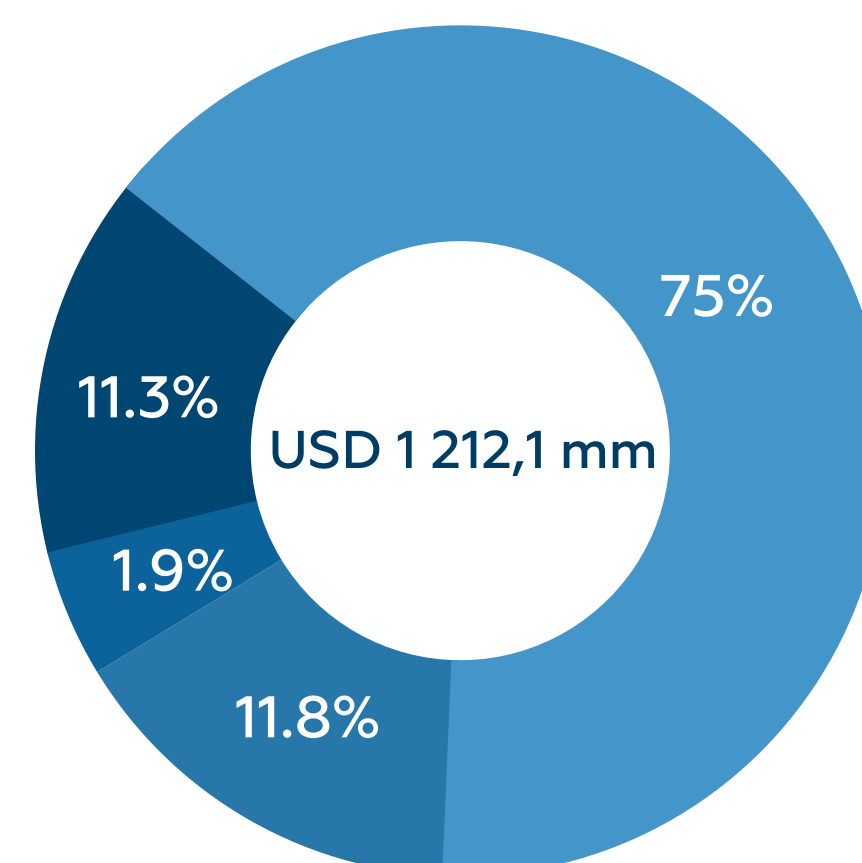
Other borrowed funds currency split, USD mm

UZS  
 Foreign currency  
 Share of OBF in foreign currency



Other borrowed funds maturity profile, 30 Jun 2023

Up to 12 month  
 From 1 to 3 years  
 From 3 to 5 years  
 Over 5 years



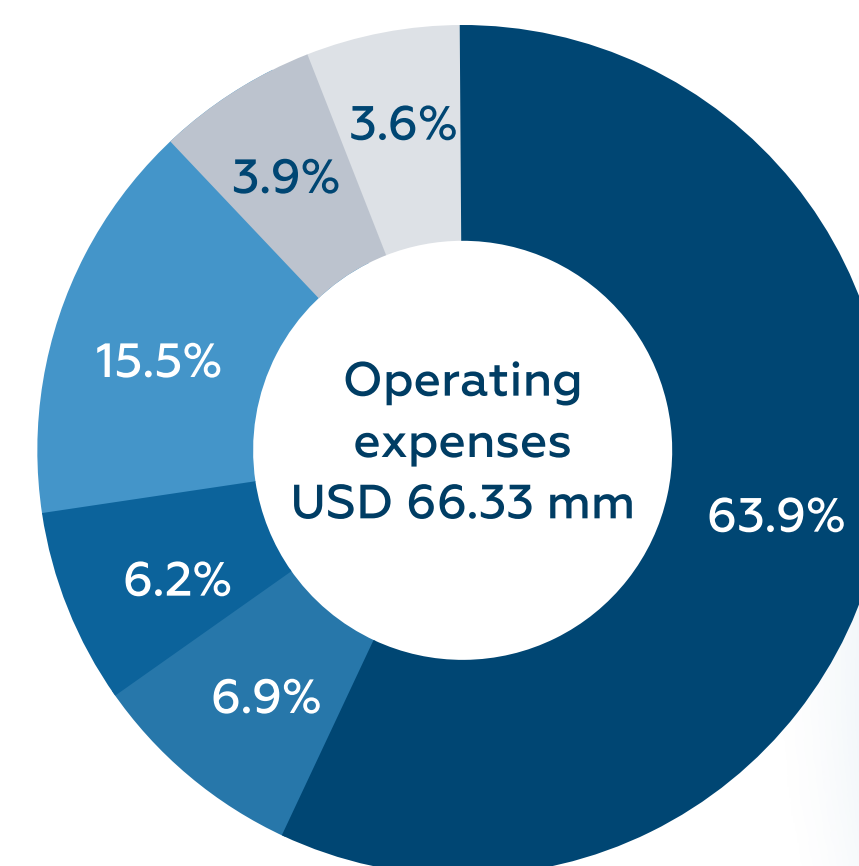
Customer accounts breakdown by maturity, 30 Jun 2023

Up to 12 month  
 From 1 to 3 years  
 From 3 to 5 years  
 Over 5 years

## Income statement overview, USD mm

	2020	2021	2022	1H 2023
Net interest income before provision	154.8	195.6	220.2	133.5
Net F & C income	30.6	25.4	28.2	16.6
Operating expenses	75.4	96.4	121.7	66.3
Net profit	10.7	79	55.2	16.4

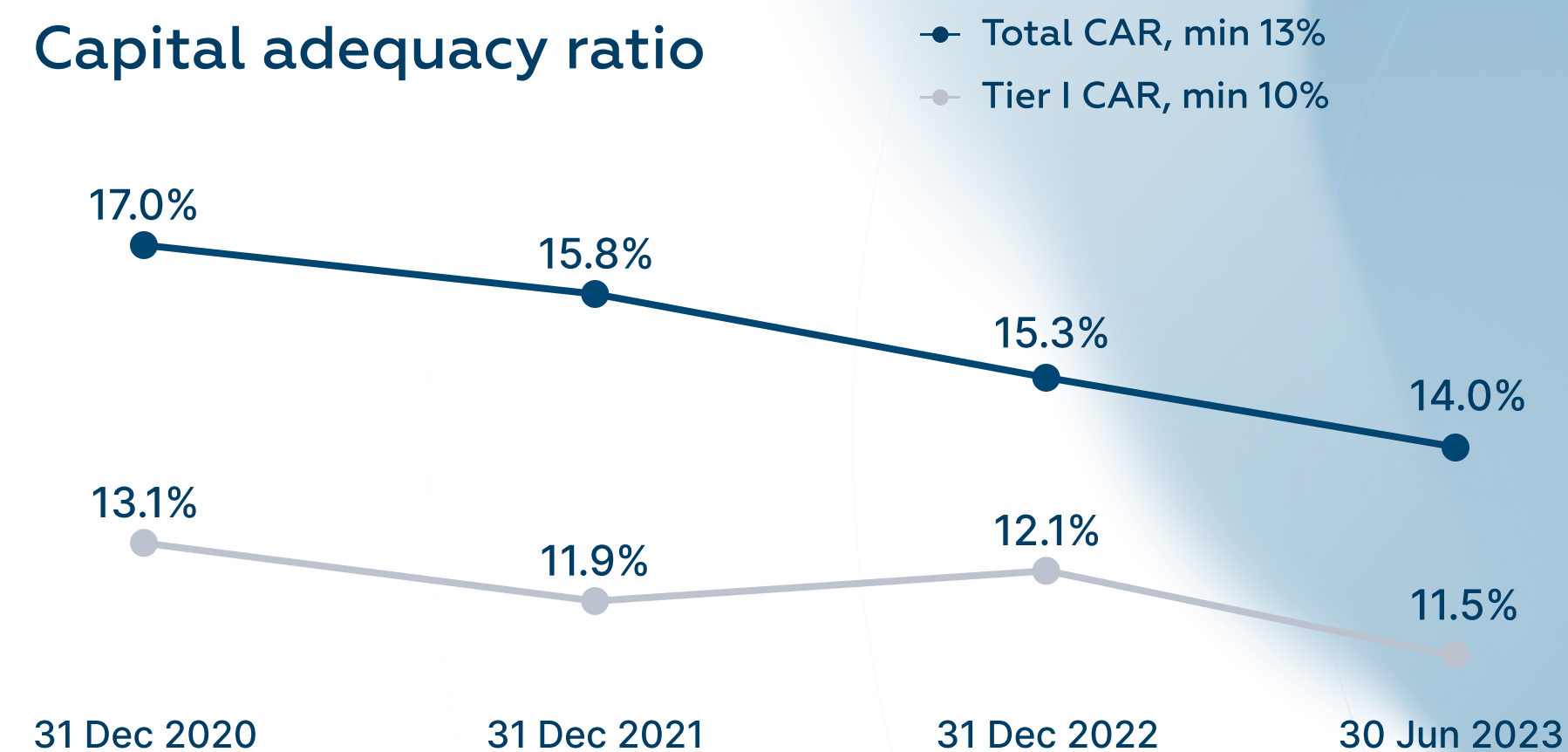
- Since SQB was targeted for privatization in 2020, it has not received ordinary capital support from the state, and it will continue up to the eventual sale of the controlling stake
- The bank will have to rely on internal profit generation to support its capital ratios.



## Operating expenses composition as of 30 Jun 2023

- Staff costs
- Depreciation and amortisation
- Taxes other than income tax
- Other
- Security services
- Charity expenses

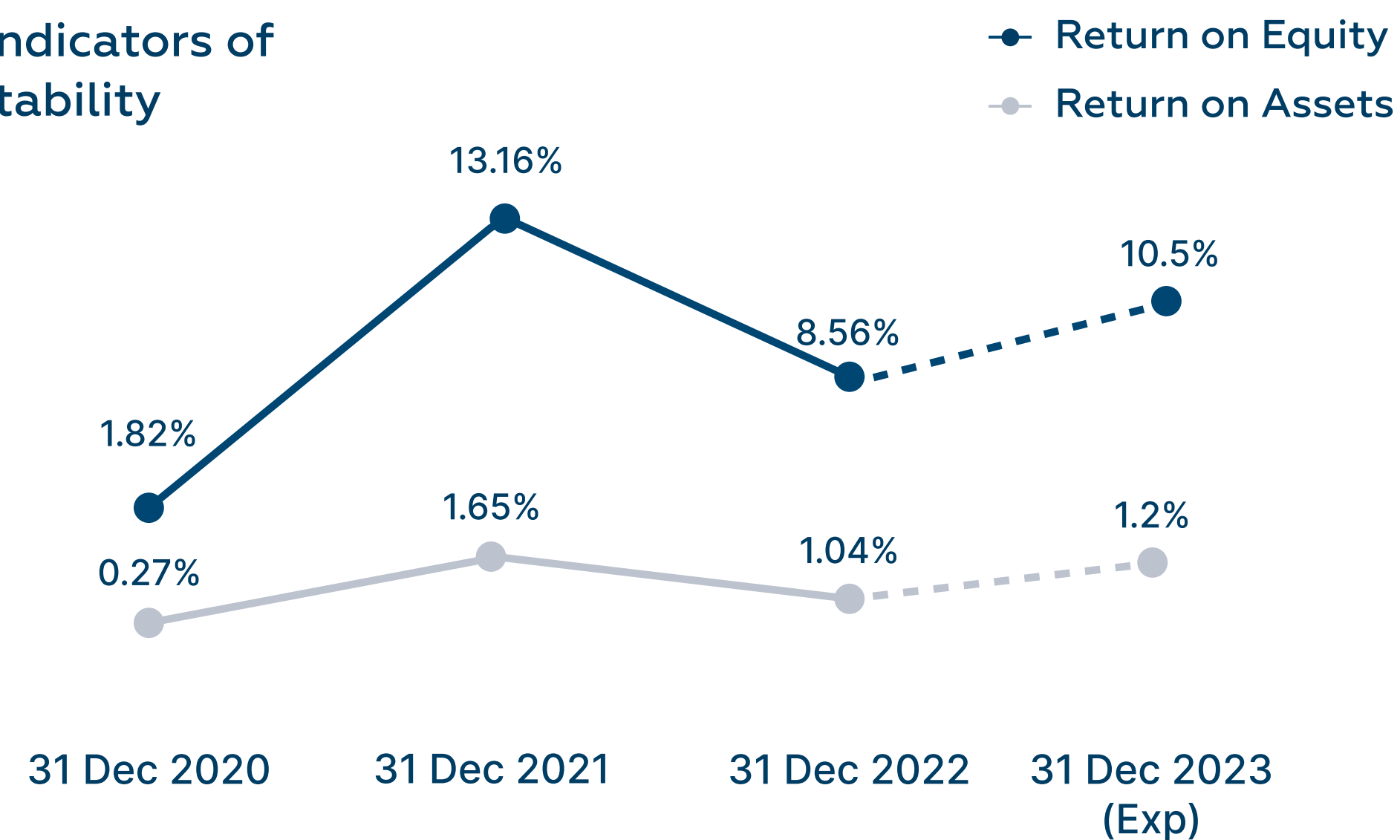
## Capital adequacy ratio



\*As of January 1, 2024, Total CAR is 16.1% and Tier I CAR is 11%.



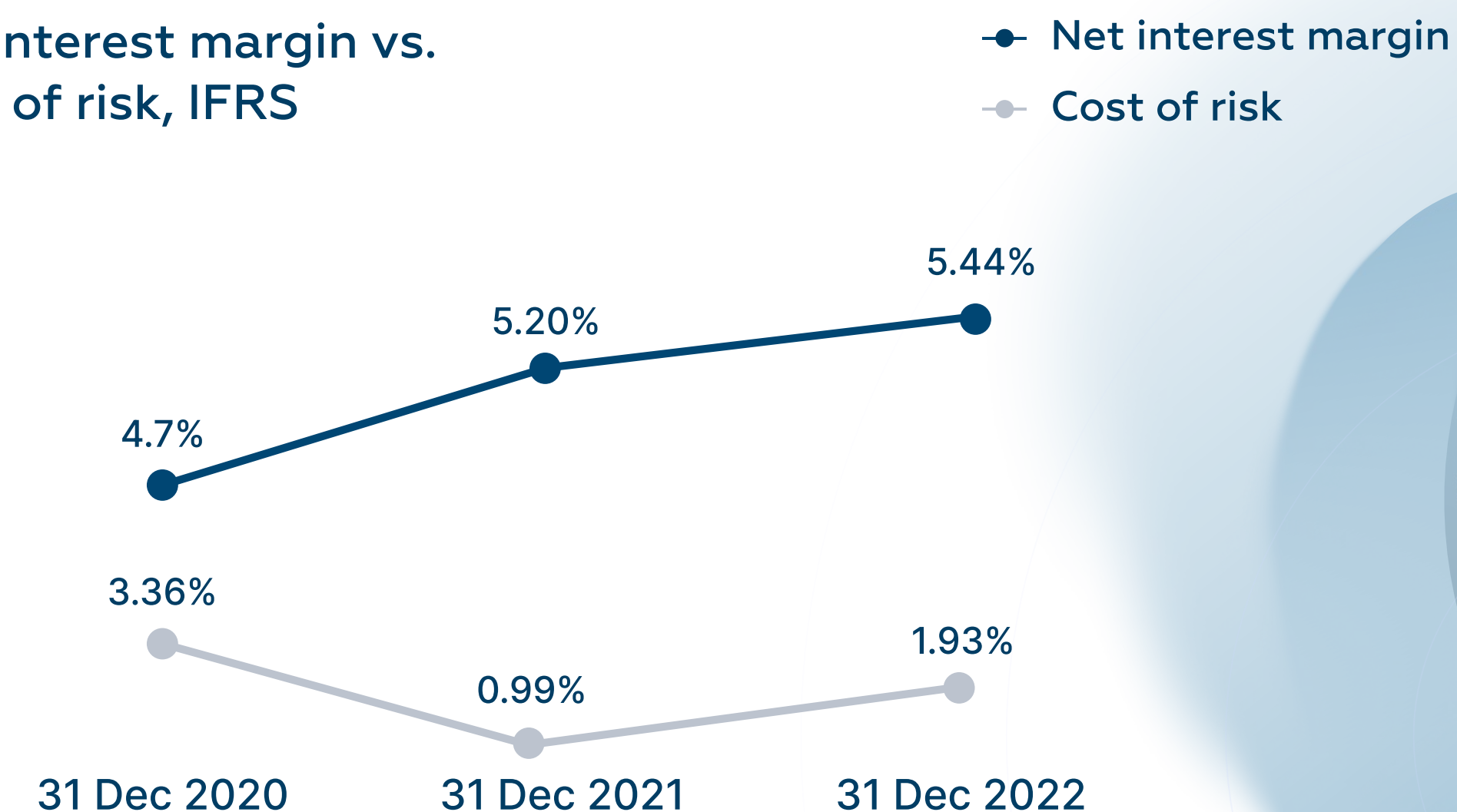
## Key indicators of profitability



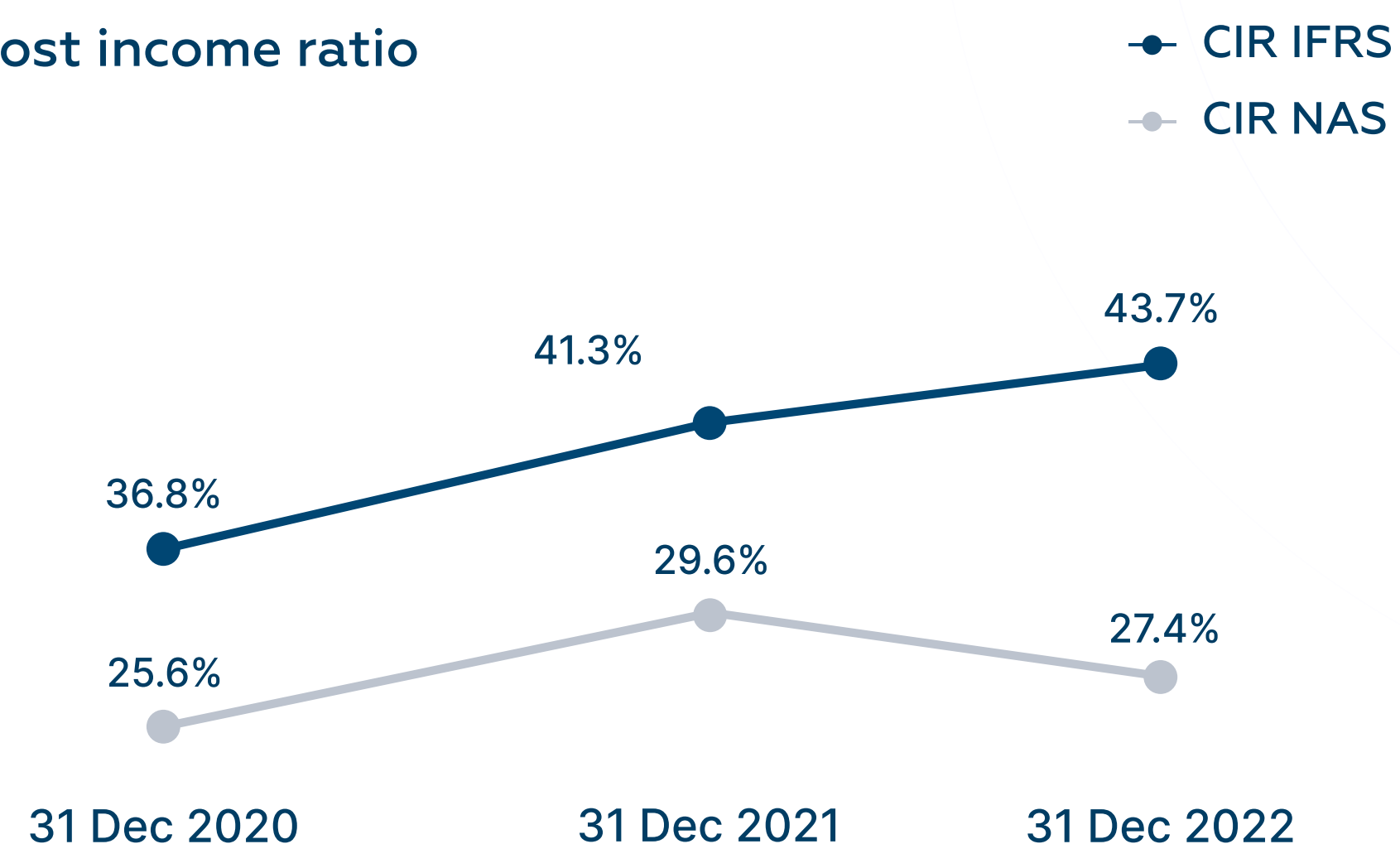
- Due to SQB's shift from low-margin directed lending to commercial business in the past five years, the bank's core profitability has gradually improved, with the net interest margin equal to 5.4% in 2022.
- The bank has maintained good operating efficiency compared to other state-owned banks of Uzbekistan, with its cost to-income ratio averaging 41% in 2020–2022

## PROFITABILITY

### Net interest margin vs. Cost of risk, IFRS



### Cost income ratio





# APPENDIX



## INTERNATIONAL RECOGNITION



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



Most Active Issuing Bank in Uzbekistan 2020  
Deal of the Year - Green Trade 2020, 2021, 2022



Climate Financing Leadership  
Certificate (CMT) 2022



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



Best Partner



2021, 2022 Quality  
Recognition Award



Awards for Excellence  
2022: Best bank in  
Uzbekistan



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



1995-2021 Long-standing  
Partnership Award



Best implementation of digital  
compliance control system



**WE CREATE FUTURE  
TOGETHER**