

“APPROVED BY”  
General Meeting of Shareholders  
JSC JV “Uzbek Leasing International A.O.”  
On October “\_\_\_”, 2021  
Protocol No. \_\_\_/2021

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## **JSC JV «UZBEK LEASING INTERNATIONAL A.O.» MEDIUM AND LONG-TERM DEVELOPMENT STRATEGY FOR 2021-2025**

### **Introduction**

This plan supersedes the earlier medium and long-term development strategy of the Company, which was approved by the Shareholders for the period of Year 2017 – 2020.

This plan is developed taking into account the real prospects and potential of the company and contains a clear statement of corporate objectives for Year 2021 - 2025, coordinating all efforts aimed at achieving the strategic corporate goals.

Since the leasing market is exposed to numerous factors (cost of funds, access, foreign exchange control and customer base), for the purpose of medium-long term planning, estimates and assumptions are made on best effort basis to orient the company to achieve the quantitative indicators. In this plan, the opportunities of the company development with an overview of company’s needs and available resources are projected after factoring in market trends in the leasing industry, the possibility of emergence of new niches / competitors, possible changes in foreign exchange and tax legislation, the development of the banking system and other sources of the resource base of the company.

### **Current market positioning and strategic goals for the forecast period**

Joint-stock Company “Uzbek Leasing International A.O.” (hereinafter the “Company”) was established in accordance with the Decree of the Cabinet of Ministers of the Republic of Uzbekistan for №6 from 5 January 1995. Currently, the Company’s shareholders are as follows:

National Bank for Foreign Economic Activity of the Republic of Uzbekistan	41.56%
Malayan Banking Berhad – Maybank (Malaysia)	19.70%
“Uzbek-Oman Investment Company” LLC	38.74%

The authorized and paid up capital of the Company is UZS 9,113,588,786.

The Company is positioned in the market as the **largest universal leasing company** providing services to entrepreneurs of the Republic, including representatives of different sectors of the national economy: metalworking, mining, construction industry, textiles, pharmaceutical, printing, food processing, agriculture, transport and communications, trade and public catering services and others.

In the area of international cooperation, the Company is an active participant in foreign economic cooperation and contributes to attracting foreign direct investment for the development of strategic sectors of the national economy.

**Our Vision**

To be the best in class among universal leasing companies in the Republic of Uzbekistan.

**Our Mission**

To empower growth and innovation.

**Our Values**

- Excellence: We deliver high quality service to create value.
- Leadership: We help in creating the leaders.
- Integrity: We always do what is right, fair, and ethical.
- Teamwork: We encourage and reward teamwork.
- Entrepreneurship: We encourage creativity and innovation.

**Our Strategic Goals**

The Company has been created to facilitate the needs of entrepreneurs in deploying modern technologies, modernization of business processes, increasing profits, creating new jobs, increasing production of consumer goods and services in the Republic of Uzbekistan by providing high-quality leasing services with top-notch specialists.

We aim

- 1) To be among top 5 private lessors in the Republic of Uzbekistan, by portfolio size.
- 2) To deliver the Return on Equity of at least 20% per annum.
- 3) To be the “go-to” private leasing company for Small and Medium Scale Enterprises.
- 4) To be the undisputed leader in foreign currency leases in the Republic of Uzbekistan.

**How the Company achieves its goals**

- 1) Build the customer loyalty and top of mind brand recall.
- 2) Establish excellent international standing and relationship.
- 3) Enhance corporate governance.
- 4) Maintain high quality assets by strengthening risk management capabilities.
- 5) Grow talent pipeline.
- 6) Leverage upon technology for future business growth and process re-engineering.

**SWOT Analysis**

<p><b>STRENGTHS</b></p> <ul style="list-style-type: none"> <li>- Good reputation and experience in the leasing market with large base of loyal clients</li> <li>- Largest equity amongst private leasing firms</li> <li>- High level of transparency with partners and clients, as well as excellent credit history with international financial institutions and suppliers</li> <li>- Highly motivated and well-educated young professionals</li> </ul>	<p><b>WEAKNESS</b></p> <ul style="list-style-type: none"> <li>- Increasing operational costs</li> <li>- Insufficient automation of processes</li> <li>- Lack of regular competitors’ scan and market analysis</li> <li>- Need for improvement of internal processes and information flow to enable real-time business monitoring</li> </ul>
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<b>OPPORTUNITIES</b>	<b>THREATS</b>
<ul style="list-style-type: none"> <li>- Regional Business Development, beyond Tashkent region</li> <li>- High demand for leasing services from the neighboring countries, i.e. opportunity to expand the Company's operations to the Central Asian countries no earlier than in 3-5 years, if by that time country's legislation will be favourable</li> <li>- Access to foreign investors</li> </ul>	<ul style="list-style-type: none"> <li>- Competition arising from low-cost lending by commercial banks for small and medium scale businesses, as well as emergence of large competitive leasing companies, subsidiaries of major commercial banks (local/foreign)</li> <li>- Change in legislation / taxation system, that may affect business growth and development</li> <li>- Increase in funding costs</li> <li>- Sharp devaluation in national currency that could result in insolvency of lessees</li> </ul>

### Financial Forecast of JSC "Uzbek Leasing International A.O." for FY2021 - FY2025

	in mln. UZS				
Uzbek soum exchange rate for US dollar	11 849	13 389	14 996	16 646	18 310
	Budgeted	Projected			
	Year 2021	Year 2022	Year 2023	Year 2024	Year 2025
Shareholders' equity	138 180	152 599	172 041	195 247	223 085
Debts	429 406	519 994	603 449	704 370	827 108
Finance lease receivables	537 243	672 593	775 490	899 617	1 050 194
<b>Total assets</b>	<b>567 587</b>	<b>703 149</b>	<b>810 721</b>	<b>940 487</b>	<b>1 097 904</b>
Interest income	105 956	129 061	148 805	172 623	201 517
Interest expenses - borrowings	-53 733	-54 862	-63 667	-74 315	-87 264
Operating expenses	-20 475	-28 821	-30 998	-33 370	-36 940
Other income/loss from non-core activities	1 109	2 575	2 970	3 445	4 021
(Provision for) / release of credit loss allowance	914	-1 669	-1 865	-2 111	-2 717
Profit before tax	33 771	46 284	55 244	66 272	78 617
Profits tax	-4 933	-7 400	-8 832	-10 596	-12 569
<b>Net profit</b>	<b>28 838</b>	<b>38 884</b>	<b>46 412</b>	<b>55 677</b>	<b>66 047</b>
ROE	20,87%	25,48%	26,98%	28,52%	29,61%
ROA	5,08%	5,53%	5,72%	5,92%	6,02%
D/E	3,11	3,41	3,51	3,61	3,71
Dividend payout ratio	50%	50%	50%	50%	50%
<b>Equity Structure</b>	<b>Year 2021</b>	<b>Year 2022</b>	<b>Year 2023</b>	<b>Year 2024</b>	<b>Year 2025</b>
National Bank of Uzbekistan	57 425	63 417	71 497	81 141	92 710
Maybank (Malayan Banking Berhad)	27 218	30 059	33 888	38 459	43 943
UzOman Capital	53 537	59 123	66 656	75 647	86 433
<b>Total Shareholders' equity</b>	<b>138 180</b>	<b>152 599</b>	<b>172 041</b>	<b>195 247</b>	<b>223 085</b>

Based on the availability of applications portfolio and projected demand for leasing services, the Company plans to continue to carry out lease operations in both national and foreign currency, via own financial resources and raising funds from foreign financial institutions.

*Disclaimer: The medium and long-term strategy and financial forecast for FY 2021 – FY 2025 is based on best effort estimates, and will be subject to revision from time to time due to economic or legislative changes which could affect the Company's operations. Any subsequent amendment to the medium and long-term strategy and financial forecast should be justified by the Management, reviewed and recommended by the Supervisory Board and approved by the Shareholders of the Company.*

07.10.2021