



KDB Bank Uzbekistan

BUSINESS PLAN



FINANCIAL YEAR

2026

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Business Environment & Outlook

Economic Outlook of Uzbekistan

Review of 2025

- In 2025, the economy of Uzbekistan continued to demonstrate stable and steady growth. According to the National Statistics Committee of the Republic of Uzbekistan, the country's gross domestic product (GDP) grew by 7.7% year-on-year.
- Inflation declined to 7.3% in 2025, compared to 9.8% in 2024.
- Positive momentum was also observed in investment activity. In particular, investment in fixed assets increased by 10.5%.
- The country's foreign trade turnover rose by 20.7%, reaching USD 81.2 bln. Exports totaled USD 33.8 bln, while imports amounted to USD 47.4 bln, resulting in a trade deficit of USD 13.6 bln.

Outlook for 2026¹

- Looking ahead to 2026, GDP growth is projected at 6.6% by the Ministry of Economy and Finance of the Republic of Uzbekistan (MEF) and 6.0% by the International Monetary Fund (IMF). These projections reflect ongoing structural reforms aimed at increasing value added, improving labor productivity, reducing shadow economy, and attracting foreign investment.
- Inflation is expected to remain stable, with MEF projecting 7.0% and IMF 7.3% for 2026.
- Foreign trade turnover is forecasted to reach USD 84.0 bln, supported by favorable trade conditions and continued government measures to promote exports. Export volumes are projected at USD 36.6 bln, while imports are expected to remain USD 47.4 bln, resulting in a narrower trade deficit of USD 10.8 bln.

Macroeconomic Indicators

Indicator	Unit	FY2023	FY2024	FY2025	FY2026 (P)
Real GDP growth	%	6.3	6.5	7.7	5.9 - 6.6
MEF	-	-	-	-	6.6
IMF	-	-	-	-	6.0
Nominal GDP	USD bln	102.6	115.0	147.1	159.2
Inflation rate	%	8.8	9.8	7.3	7.0 - 7.3
MEF	-	-	-	-	7.0
IMF	-	-	-	-	7.3
Foreign trade turnover	USD bln	62.5	65.9	81.2	84.0
Goods: exports fob	USD bln	24.4	26.9	33.8	36.6
Goods: imports fob	USD bln	38.1	39.0	47.4	47.4
Trade balance	USD bln	-13.7	-12.1	-13.6	-10.8

Exchange rates

UZS / USD	12,338.77	12,920.48	12,025.33
UZS / USD (avg.)	11,737.16	12,652.69	12,577.35

¹Source: IMF, MEF

Business Environment & Outlook

Banking Sector of Uzbekistan

Review of 2025

- As of year-end of 2025, total assets of Uzbekistan's banking sector increased by 29.2%, reaching USD 76.9 bln (in USD equivalent). Total capital of commercial banks grew by 26.7%, amounting to USD 11.3 bln.
- As of the same date, there were 35 commercial banks, of which 9 were state-owned. State-owned banks accounted for 63.5% of total sector assets and 60.2% of total capital.
- The structure of banking sector assets consisted primarily of loans (63.5%), followed by cash balances with banks (16.1%), securities (11.1%), and other assets (9.3%). On the liabilities side, the sector was funded mainly by customer deposits (45.1%) and borrowings from financial institutions (32.0%), along with bonds (4.1%), other liabilities (4.2%) and equity (14.6%).
- In 2025, KDB Bank Uzbekistan remained one of the most profitable banks in the sector, demonstrating strong return on assets (ROA = 6.0%) and return on equity (ROE = 31.9%).

- Profitability is expected to remain strong, driven by solid net interest margins and manageable provisioning costs.

Outlook for 2026²

- According to Fitch Ratings, the financial performance of Uzbekistan's banking sector is expected to remain stable in 2026, supported by continued economic growth.
- Privatization will remain a key priority, with the government aiming to reduce the number of state-owned banks to four by 2030 in line with the "Uzbekistan-2030" strategy.
- Banks are expected to continue actively attracting external borrowings due to the limited availability of long-term domestic funding.
- Asset quality is projected to remain stable, supported by a declining share of legacy non-performing loans and lower dollarization levels.
- Capital adequacy and liquidity buffers are expected to remain sufficient, while regulatory measures will continue to mitigate the risk of overheating in the credit market.

²Source: S&P Global Ratings, Fitch Ratings

³Source: Central Bank of the Republic of Uzbekistan

Top 20 Banks of Uzbekistan³

Financial Summary for FY2025

(Unit: USD mln)

Rank	Bank	Assets	Equity	Net Income	ROA*	ROE*
1	National Bank of Uzbekistan	12,037	1,661	153	1.4%	9.9%
2	Agro Bank	8,615	1,145	8	0.1%	0.7%
3	UzPromStroyBank	8,519	988	149	2.0%	17.2%
4	Asaka Bank	5,143	685	20	0.4%	3.1%
5	Kapital Bank	4,786	584	142	3.4%	29.2%
6	Ipoteka Bank	4,551	643	32	0.7%	5.3%
7	Xalq Bank	4,334	883	56	1.4%	7.5%
8	Business Development Bank	3,174	438	40	1.4%	10.5%
9	Hamkor Bank	2,986	558	136	5.3%	28.7%
10	Aloqa Bank	2,622	320	20	0.9%	7.3%
11	Mikrokredit Bank	2,555	477	13	0.6%	3.5%
12	Ipak Yuli Bank	2,360	368	74	3.6%	23.2%
13	Turon Bank	1,810	174	2	0.1%	1.2%
14	Orient Finance Bank	1,583	332	83	5.8%	29.5%
15	Anor Bank	1,287	113	24	2.4%	25.4%
16	Invest Finance Bank	1,243	152	9	0.8%	7.0%
17	TBC Bank	1,208	208	0	0.0%	0.0%
18	Trast Bank	1,192	305	69	6.9%	26.3%
19	KDB Bank Uzbekistan	1,088	207	55	6.0%	31.9%
20	Davr Bank	1,016	169	50	5.9%	36.9%

*Note: Return on Assets (ROA) and Return on Equity (ROE) are found dividing Net Income by the average of Total Assets and Total Equity in the beginning and end of 2025, respectively.

Business Plan & Management Strategies

Vision

To become a **Leading Corporate and Investment Bank in the CIS region** with foreign ownership, recognized for sustainable growth, strong risk management, and long-term client relationships

Management strategies in 2026

The Bank's strategy for 2026 is focused on strengthening profitability, enhancing risk management practices, and ensuring sustainable growth through diversification of assets and funding sources.



Growth and Diversification of Operating Assets

Key objectives:

- Achieve sustainable growth of loan and investment portfolios
- Reduce concentration risk
- Maintain strong asset quality
- Diversify income streams
- Strengthen market position in corporate banking



Growth and Diversification of Funding Base

Key objectives:

- Strengthen and diversify funding sources
- Reduce reliance on large depositors
- Improve liquidity profile and resilience
- Optimize cost of funding
- Enhance capacity to support asset growth

Business Plan & Management Strategies

Financial Growth Plan

The Bank's financial projections for 2026 have been prepared in line with risk-based supervision principles, taking into account global financial market trends as well as the domestic economic environment in Uzbekistan.

Key Points of Projected Financial Statements

Unit: USD ths, %

Items	2026		2025		
	Plan (A)	Growth (A-C)/C	Plan (B)	Actual (C)	Performance (C/B)
FINANCIAL POSITION					
Total Assets	1,167,920	7.4%	854,241	1,087,721	127.3%
Cash in Vault, Bank Deposits, M/M Placements, Repo investments	724,000	0.1%	498,961	723,108	144.9%
Loans	335,000	16.5%	287,460	287,513	100.0%
Securities	100,112	44.3%	60,099	69,374	115.4%
Other Assets	8,808	14.0%	7,721	7,726	100.1%
Total Liabilities	913,300	3.7%	690,300	880,632	127.6%
Customer Deposits	650,000	7.5%	500,000	604,906	121.0%
Interbank Borrowings	257,500	-0.1%	185,000	257,665	139.3%
Other Liabilities	5,800	-67.9%	5,300	18,061	340.8%
Total Equity	254,620	23.0%	163,941	207,089	126.3%
INCOME STATEMENT					
Net Interest Income	71,562	16.5%	47,157	61,432	130.3%
Net Non-Interest Income	18,460	17.3%	14,970	15,742	105.2%
Loan loss provision (Creation - / Return +)	(196)		(753)	96	
Net Operating Revenue	89,825	16.2%	61,374	77,270	125.9%
Operating Expenses	(16,798)	19.1%	(15,142)	(14,109)	93.2%
Provision on standard assets	(457)		(1,232)	(215)	
Net Income before Tax	72,570	15.3%	45,000	62,947	139.9%
Net Income after Tax	61,684	12.3%	37,350	54,948	147.1%
<i>Ex. Rate: UZS/USD</i>	<i>12,810.00</i>	<i>6.5%</i>	<i>14,327.50</i>	<i>12,025.33</i>	
<i>Average Ex. Rate: UZS/USD</i>	<i>12,505.00</i>	<i>-0.6%</i>	<i>13,676.25</i>	<i>12,577.35</i>	

Note: The Business Plan is prepared in accordance with the local accounting standards. As the Uzbek Soum is the functional currency of Uzbekistan, all figures were initially calculated in UZS and subsequently converted into USD using the forecasted exchange rates (USD 1 = UZS 12,810.00 as of December 31, 2026 and USD 1 = 12,505.00 – average exchange rate for 2026) for presentation purposes only.

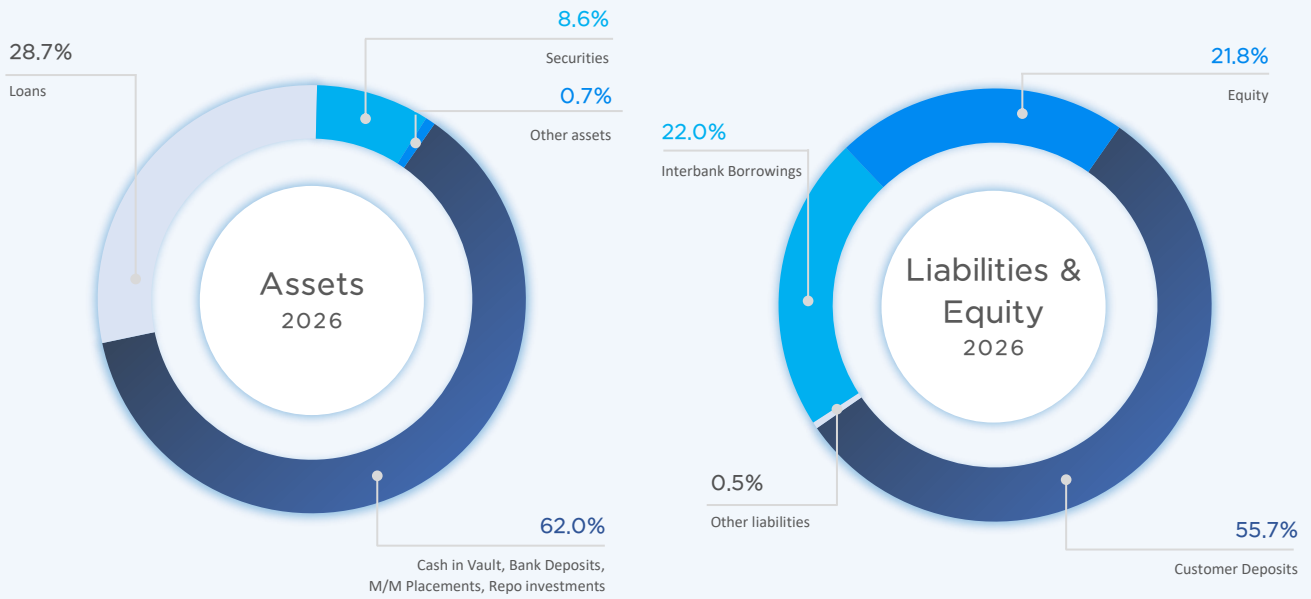
Business Plan & Management Strategies

Notes to Key Points of Projected Financial Statements

According to the Business Plan, Total Assets are projected to reach USD 1,167.9 mln by the end of FY2026. This growth is driven by the expansion of operating assets in line with the Bank’s strategic objectives. Total Liabilities are expected to increase to USD 913.3 mln, primarily supported by the growth of customer deposits.

Key improvements in Projected Financial Position include:

- Increase in Operating Assets by USD 78.2 mln
- Increase in Customer Deposits by USD 45.1 mln
- Growth of Equity by USD 47.5 mln.

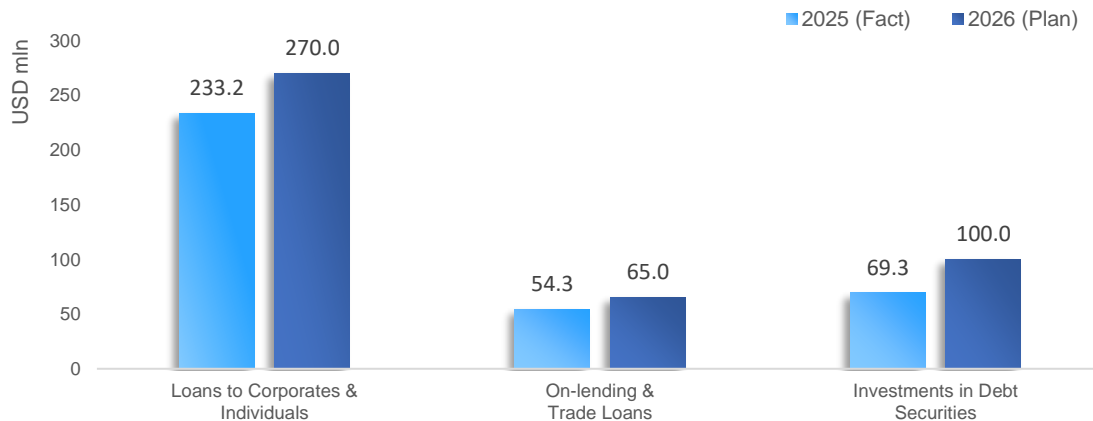


Growth and Diversification of Operating Assets

The Bank aims to ensure sustainable growth and diversification of its operating assets by expanding its high-quality loan portfolio, increasing low-risk investment portfolio, and reducing concentration risk across industries and borrowers.

In 2026, the Bank plans to increase its operating assets by USD 78.2 mln (or 21.9% in USD equivalent) as follows:

- Increase in loans to corporates and individuals by USD 36.8 mln (or 15.8%);
- Increase in on-lending and trade loans to local banks by USD 10.7 mln (or 19.7%);
- Increase in investments in debt securities by USD 30.7 mln (or 44.4%).



Business Plan & Management Strategies

To grow its operating assets from USD 356.8 mln to USD 435 mln during 2026, the Bank will focus on attracting new borrowers to loan products, investing in debt securities, and developing new lending products.

Attracting new borrowers is essential for the Bank not only to expand its loan portfolio, but also to mitigate concentration risk in it. The Bank will therefore continue to focus its marketing efforts on industry-leading companies and investment projects with high growth potential. Alongside large state-owned corporates, the Bank will also target financially sound medium- to large-sized private companies (about 80% of the entities in the Bank's current marketing plan are private companies). The number of corporate borrowers (incl. local banks) is expected to increase from 40 in 2025 to 45 in 2026, with a long-term target of 70 borrowers by 2030.

As usual, the Bank will maintain a conservative approach when reviewing the financial performance and business plan of the borrowers before financing their projects. In particular, the Bank will mainly grant loans to leading companies of mining and metallurgy, energy, transportation, telecommunications, beverages & food processing, cable products, construction materials, chemical products, pharmaceuticals, textile, plastic goods, and paper & hygienic products industries with financially sound performance.

Syndicated financing and project finance activities will be strengthened. This will allow the Bank to participate in large transactions while managing risk exposure and to strengthen its market position and international cooperation.

In addition, as the domestic capital market is expected to develop further, the Bank plans to expand its investments into debt securities issued not only by the Central Bank and the Ministry of Finance and Economy of the Republic of Uzbekistan, but also by local banks and corporates.

In line with the government's policy to support small business entities and export-oriented companies, the Bank will increase on-lending and trade financing to local banks.

The Bank's Risk Appetite Statement and Credit Policy establish limits on maximum exposure to a single borrower or group of related borrowers, exposure to a single industry sector, large exposures, and the volume of credit applications approved within the preceding 12 months. These controls are expected to effectively mitigate concentration risk in the loan portfolio amid its projected growth.

Moreover, as part of its risk management strategy, the Bank plans to reduce the limit on large exposures from the current level of 495% to 450% by the end of 2026, with a long-term target of 350% by 2030.

Growth and Diversification of Funding Base

The Bank aims to ensure a stable, cost-efficient, and diversified funding base to support the growth of operating assets, while ensuring prudent liquidity and minimizing concentration risk.

Customer Deposits

The Bank will continue its efforts to grow the amount of customer deposits to USD 650 mln at the end of 2026 from USD 604.9 mln at the end of 2025. To achieve the above deposits target, the Bank will enhance client relationship management to retain core deposits. The Bank will also focus on attracting USD-denominated corporate term deposits with competitive interest rates.

The Bank will avoid aggressive attraction of high-cost term deposits in UZS considering the relatively high market interest rates which are more suitable for retail-oriented banks rather than corporate-focused banks. The Bank mainly relies on its equity to fund UZS-denominated operating assets.

As of December 31, 2025, the Bank bore relatively low concentration risk in its deposit portfolio following its marketing efforts on attraction of primary bank accounts of corporates, onshore accounts of investment projects, and companies with foreign investment in recent years. In particular, the share of Top 1, Top 10, and Top 20 corporate depositors in total deposits equaled to 9.1%, 35.3%, and 47.3% (vs. 11.8%, 42.4%, and 54.1% as of December 31, 2024).

Business Plan & Management Strategies

Interbank Borrowings

The Bank will seek to gradually increase the share of longer-term funding by establishing and expanding credit lines with foreign financial institutions as well as exploring opportunities for bilateral and syndicated borrowings, which is in line with the local government's policy to attract credit lines to the country's economy from abroad.

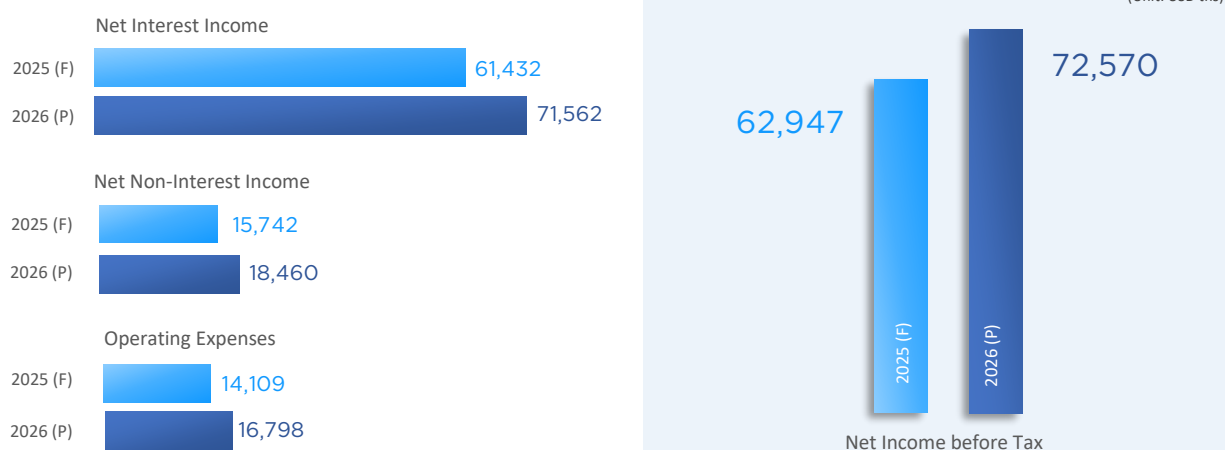
As a preparation for debut issuance of a corporate bond in international capital markets in coming years, the Bank plans to approach third-party foreign financial institutions in order to attract long-term borrowings for about USD 80 mln.

Long-term borrowings from KDB HQ will remain essential and may serve as a contingency source of long-term funding in case the Bank is unable to attract the sufficient volume of corporate term deposits and long-term borrowings from third-party foreign banks.

Liquidity Management

The Bank will enhance liquidity management practices by implementing behavioral analysis of client funds, maintaining adequate liquidity buffers to manage unexpected outflows, expanding interbank money market operations, including overnight and short-term placements in foreign currencies, as well as strengthening internal monitoring of liquidity gaps and stress scenarios.

Profitability



Net Interest Income

In 2026, net interest income is expected to increase by USD 10,130 ths (or 16.5%) compared to 2025 due to the following main changes in interest income and expenses:

- Growth of interest income (▲ USD 13,561 ths) from loans and investments in debt securities following the expansion of the Bank's operating assets, particularly due to the significant growth of security investments in UZS;
- Growth of interest income (▲ USD 2,396 ths) from money market placements and repo investments;
- Growth of interest expenses (▲ USD 5,827 ths) due to higher costs associated with attracting customer deposits.

Net Non-Interest Income

In 2026, net non-interest income is expected to increase by USD 2,718 ths (or 17.3%) compared to 2025. In particular, the Bank is going to expand its fee-based activity in trade finance, bank guarantee, and syndicated loan arrangement (▲ USD 423 ths), foreign exchange operations (▲ USD 1,355 ths), and transaction banking & card business (▲ USD 931 ths).

Business Plan & Management Strategies

Operating Expenses

Operating expenses of the Bank is expected to grow by USD 2,689 ths (or 19.1%) and reach USD 16,798 ths* in 2026 (Detailed information on operating expenses is given in the section 'Approved budget & details').

* Although the budget for operating expenses amounts to 19,512 ths, the Bank's actual operating expenses are expected to be around USD 16,798 ths based on the observations on actual execution of approved budget in recent years.

Net Income Before Tax

Based on the expectations of net interest income, net non-interest income, operating expenses, and provisions for credit loss and standard assets (USD 650 ths), the Bank's net income before tax is planned to reach USD 72,570 ths in 2026 compared to USD 62,947 ths a year ago.

Development of New Banking Products

The Bank aims to expand and diversify its product offering to better meet evolving client needs, enhance competitiveness, and increase the share of non-interest income.

In 2026, the Bank will focus on developing and promoting the following key products and services:

Islamic Finance

The Bank will explore opportunities to introduce Islamic finance products in line with growing demand for Shariah-compliant financial solutions.

Factoring

The Bank plans to develop factoring services to support corporate clients in managing working capital and improving liquidity. This product will be particularly relevant for suppliers and exporters requiring faster cash conversion cycles.

Syndicated Loan Financing

The Bank will expand its participation in syndicated loan transactions, both as a participant and, where appropriate, as an arranger. This will enable the Bank to diversify risk exposure and strengthen cooperation with foreign financial institutions.

Project Finance

The Bank will explore opportunities and strengthen its capabilities in project finance, focusing on structured financing solutions for large-scale investment projects in key sectors of the economy.

Transaction Banking Products

Taking into account the current demand in the local market, the Bank will introduce and promote transaction banking (incl. card) products (e.g., escrow account services) to support secure, transparent, and inexpensive settlement mechanisms for corporate and individual clients.

Enhancement of Loan Pricing Framework

In 2026, the Bank aims to enhance its loan pricing framework and further develop its Funds Transfer Pricing (FTP) system to ensure a more accurate, risk-based, and transparent approach to pricing and profitability management.

The Bank will establish FTP system as a key tool for managing balance sheet profitability and liquidity as well as for improving decision-making in asset and liability management (ALM).

Business Plan & Management Strategies

Annual Budget & Details

Budget for Operating Expenses

In 2026, the annual budget for the Bank's operating expenses is conservatively projected to grow by USD 5,404 ths (or 38.3%) compared to the actual operating expenses in 2025 mainly due to the improvements in the fields such as cybersecurity, IT system, card processing, and automated banking system.

In particular, the Bank has a plan to upgrade (or even replace) its current automated banking system – Unibanks. Accordingly, the Bank is going to conduct Information Strategy Planning (ISP) that involves auditing the current IT environment, identifying strengths, weaknesses, and gaps, assessing the capacity of teams, and developing a high-level timeline.

(Unit: UZS million, USD thousand)

Items	Budget 2026		Actual 2025		Change in USD		Remarks
	UZS	USD	UZS	USD	Amount	%	
Salary & Other Staff Cost	152,282	12,178	124,803	9,923	2,255	22.7%	Local & Foreign staff salaries and other staff related costs
Rent & Maintenance	37,004	2,959	16,274	1,294	1,665	128.7%	Payments for IT software & licences, building security, utilities, other repair & maintenance costs
Trip & Transportation	1,807	145	1,513	121	24	20.1%	Business trip and fuel expenses
Administrative Expenses	9,265	741	4,814	383	358	93.5%	Communication expenses, stationery & office supply expenses, subscription fees to periodicals
Representation & Membership Fees	12,126	970	10,683	849	121	14.2%	Membership fee to Deposit Guarantee Fund, charity, representation, entertainment, etc.
Depreciation & Amortization	22,400	1,790	13,596	1,081	709	65.7%	Depreciation of fixed assets and amortization of intangible assets
Other expenses	6,617	529	5,514	438	91	20.7%	Payments for insurance, audit, legal and other consulting services, to independent Supervisory Board members, taxes other than income tax, etc.
Reserve	2,501	200	253	20	180	-	Reserves for unforeseen expenses in case of urgent necessity
Total	244,002	19,512	177,450	14,109	5,403	38.3%	
Average Exchange Rate		12,505.00		12,577.35			

Business Plan & Management Strategies

Annual Budget & Details

Budget for Capital Expenditures

(Unit: USD ths)

#	Major Expenses	Projection 2026
	Improvement of IT	8,465
1	- Improvement of IT Infrastructure & cybersecurity	6,215
	- IT Development (incl. Digital Banking Solutions)	2,250
2	Card Business	1,140
	General Affairs (vehicles, furniture, equipment, etc.)	630
3	- Head office	580
	- Oybek branch	50
	TOTAL	10,235

Improvement of IT

In 2026, the Bank is going to spend USD 8,465 ths to enhance its IT infrastructure, cybersecurity, and digital capacity. In particular, it is planned to spend USD 2,850 ths for upgrading the disaster recovery center, USD 2,000 ths for defining requirements (Requirement Definition Project) in relation to the upgrade of the Bank's automated banking system, and USD 3,615 ths for procurement of other IT hardware, software, licenses, and works.

Card Business

In 2026, the Bank plans to spend USD 1,140 ths for further development of Card Business, particularly USD 400 ths – to purchase new ATMs & POS-terminals, USD 640 ths – to finalize the upgrade of VISA Processing Center, and USD 100 ths – for other purposes.

General Affairs (vehicles, furniture, equipment, reconstruction works, etc.)

In 2026, the Bank is planning to spend USD 630 ths (USD 580 ths – Head office, USD 50 ths – Oybek branch) to purchase new vehicles, furniture, and equipment, as well as to reconstruct its building.