BUSINESS PLAN

FINANCIAL YEAR 2025

OUR MISSION

"Banking Excellence for Uzbekistan"
To be top three most trusted and innovative bank in Uzbekistan, setting the benchmark for excellence in services we provide

39 BRANCHES ACROSS UZBEKISTAN

4300 EMPLOYEES

3,6 MILLION CUSTOMER DATABASE

216 OFF-SITE RETAIL CASH DESKS

OPERATING ENVIRONMENT

IPOTEKA BANK CONDUCTS ITS OPERATIONS ENTIRELY WITHIN A SINGLE MARKET, WITH 100% OF ITS ASSETS ALLOCATED LOCALLY

Uzbekistan - A Strategic Hub for Growth and Investment

Located at the heart of Central Asia, Uzbekistan is rapidly emerging as a dynamic, reform-driven economy. In 2024, the country recorded GDP growth of 6.5%, exceeding earlier projections and positioning itself among the fastest-growing economies in the region.

Robust Economic Indicators

GDP Growth: 6.5% in 2024, with a projected 6.0% growth for 2025.

Inflation: Peaked at 10.6% mid-year due to energy price liberalization, easing to 9.8% by December.

Foreign Direct Investment (FDI): FDI inflows increasing 53.6% YoY in 2024, reflecting growing investor trust.

Trade and Investment Climate

Uzbekistan's ambitious market reforms and privatization efforts have significantly boosted its attractiveness to foreign investors. A notable milestone was the successful privatization of Ipoteka Bank in 2023, underscoring the government's commitment to reducing state involvement and fostering a more competitive economy.

Uzbekistan Banking Penetration Overview (2024):

Loans to GDP: Total banking loans stand at 35.4% of GDP in 2024 (Central Bank of Uzbekistan).

Retail loans amounted about 11.8% of GDP, reflecting a nascent consumer credit market with substantial room for growth.

Corporate loans account for 23.6% of GDP, showing stronger business lending but still underdeveloped compared to regional peers.

Deposits to GDP: Total deposits in the banking system were 20.1% of GDP in 2024.

Retail deposits are comparatively low, with individual deposit penetration at 7.6% of GDP.

The share of corporate deposits in GDP amounted to 12.5%.

European Banking Sector Comparison

In established European markets (source: ECB, EBA reports):

Loans to GDP typically range between 70-90%, with retail lending representing a large portion of that figure.

Deposits to GDP average around 60-80%, supported by mature savings culture and well-developed financial infrastructure.

Implications for Ipoteka Bank and the Uzbekistan Market

- As part of the OTP Group, Ipoteka Bank is uniquely positioned to benefit from Uzbekistan's accelerating growth.
- Capital Strength - A reinforced capital base supports innovation and business expansion.
- Digital Transformation - The rise of digital platforms is driving financial inclusion and enabling broader access to banking services.
- Technological Integration - Seamless access to OTP Group's advanced technologies empowers digital transformation.
- The expanding middle class, rising digital adoption, and regulatory reforms provide a fertile environment to capture significant market share and unlock new revenue streams.
- The low penetration ratios in Uzbekistan reflect a banking sector at rapidly increasing phase of its growth curve, particularly in retail lending and deposit mobilization.
- This gap between Uzbekistan and Europe represents a massive opportunity to expand product offerings, deepen market reach, and promote financial inclusion.
- Uzbekistan's strong macroeconomic performance, progressive reforms, and untapped banking potential create an attractive environment for investment and growth. Ipoteka Bank, with the backing of the OTP Group, is poised to lead this transformation—driving innovation, expanding access to finance, and contributing meaningfully to the country's financial development.

2025 BUSINESS PLAN HIGHLIGHTS

THE 2025 BUSINESS PLAN BASED ON LOCAL GAAP POSITIONS IPOTEKA BANK FOR SUSTAINABLE GROWTH ACROSS KEY FINANCIAL AND OPERATIONAL METRICS

ASSETS

In 2025, Ipoteka Bank plans to expand its total asset base, with growth expected in gross customer loans (10-20% according to Local GAAP), particularly within the retail segment. The Bank will continue reinforcing its market leadership in mortgage loans.

Retail loans are anticipated to grow in the range of 25–30%, with consumer lending expanding at a faster pace than mortgages, supported by digital lending infrastructure and income-based credit models.
The mortgage portfolio is projected to continue growing steadily at 20-25% according to Local GAAP

Consumer loans, including cash and car loans, are expected to benefit from digital onboarding and targeted campaigns. These loans are projected to grow in the range of 30–40%, supported by New-to-Bank strategies, and flexible pricing models based on income segmentation

The Bank also expects continued growth in lending to corporate entities and small-to-medium enterprises (SME), which together are projected to account for approximately 30% of the gross loan portfolio. These segments will benefit from sector-focused credit programs.

NPL

The Non-Performing Loan (NPL) ratio is projected to decline, reaching a single-digit level by the end of 2025.

It reflects the Bank's continued efforts to improve collection processes and enhance portfolio monitoring.

Financial and other assets

Financial assets, including interbank placements and debt securities, are expected to be slightly higher than in 2024.

Other non-financial assets are projected to grow by approximately 10–15%, reflecting the Bank's continued investment in operational infrastructure.

Overall, the asset structure in 2025 is expected to remain well-balanced, with a strategic shift toward higher-yielding segments, while maintaining liquidity and operational resilience.

TOTAL ASSETS

▲ 10-20%

GROSS LOANS

▲ 10-20%

FINANCIAL ASSETS

▲ 2-5%

LIABILITIES

Total liabilities are expected to grow by 10–20% in 2025, driven by increases in deposit volumes, and funding from government programs and international financial institutions.

The Bank expects customer deposits to increase by 10-15%. The expansion of long-term deposit products will play a key role in funding future asset growth. Retail deposits are expected to grow approximately 25-30%. In particular, it will benefit from enhanced digital onboarding and customizable term deposit products.

Simultaneously, SME deposits are anticipated to increase by 20-25% through targeted relationship management and sector-specific packages.
The Bank remains committed to deepening client engagement across both retail and business segments while ensuring stable and diversified funding sources.

Loans and deposits from government sources and international financial institutions are expected to increase by 10-15%. These funds will support growth in strategic sectors such as affordable housing, SME development, and renewable energy projects.

Debt securities, including the Bank's domestic bond program, are expected to increase by around 20–25%, supporting a more diversified funding structure. The total volume of outstanding bonds is expected to remain a meaningful contributor to long-term funding.

EQUITY

Ipoteka Bank anticipates a healthy increase (5-10%) in shareholder's equity in 2025 through strong internal capital generation. Capital adequacy is expected to remain well above regulatory thresholds by efficient allocation of risk-weighted assets, allowing the Bank to absorb any potential shocks.

TOTAL LIABILITIES

▲ 10-20%

CUSTOMER DEPOSITS

▲ 10-15%

LOANS AND DEPOSITS FROM GOVERNMENT AND IFIs

▲ 10-15%

DEBT SECURITIRES

▲ 20-25%

EQUITY

▲ 5-10%

PROFIT AND LOSS HIGHLIGHTS

Net Interest Income
Net interest income is planned to increase by approximately 20–30% in 2025 (Local GAAP), supported by continued growth in retail lending and a more efficient funding structure. Mortgage and cash loans are expected to remain the primary drivers of interest income, supported by stable yields and risk-adjusted pricing strategies enhancing overall profitability.

Net Fee Income
Fee and commission income is expected to expand substantially, with potential growth exceeding 50%, driven by increased adoption of card products and digital transaction channels. In addition, the Bank is implementing targeted initiatives to diversify its fee-based services, including the expansion of debit and credit card offerings, insurance distribution (bancassurance), and remittance products.

Non-Interest Expenses
Operating expenses are expected to grow, in line with an expansion of IT, infrastructure, and human capital. Personnel expenses are projected to rise due to workforce capability enhancement, particularly in IT and customer-facing roles. Operating costs will also increase as the Bank invests in digital platforms, cybersecurity, and infrastructure upgrades. The Bank aims at maintaining its cost-to-income ratio below 40%.

Risk Costs
Total risk cost is projected to be under control, reflecting improved credit portfolio quality and more accurate risk-based segmentation. Prudent provisioning practices are expected to continue, with overall provision levels gradually declining as recent loan originations mature.

Profit After Tax
Ipoteka Bank maintains a solid net profit position in 2025, supported by improved revenue generation and optimal risk cost management. The Bank's underlying profitability is planned to remain stable, with positive profit for 2025 as a whole reflecting operational resilience and efficient resource allocation.

The 2025 business plan positions Ipoteka Bank for sustainable growth across key financial and operational metrics. With further knowledge transfer from OTP Group, by focusing on expanding the retail loan book, further strengthening funding base, and scaling digital platforms, the Bank aims at deepening its market leadership while enhancing profitability.