

# **ANNUAL MANAGEMENT REPORT**

FINANCIAL YEAR 2024

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# KEY HIGHLIGHTS 2024

**#1**

LARGEST PRIVATE BANK  
5<sup>th</sup> LARGEST IN THE INDUSTRY

**#1**

LARGEST LOAN PORTFOLIO  
AMONG PRIVATE BANKS  
5<sup>th</sup> IN THE INDUSTRY

**#1**

LARGEST RETAIL PORTFOLIO IN THE  
INDUSTRY

**#1**

LARGEST MORTGAGE PORTFOLIO  
IN THE INDUSTRY

**#1**

LARGEST IN PLASTIC CARDS  
AMONG PRIVATE BANKS

**#1**

LARGEST TOTAL EQUITY AMONG  
PRIVATE BANKS  
6<sup>th</sup> IN THE INDUSTRY

# A NEW ERA OF LEADERSHIP

Ipoteka bank's recently formed management team represents a powerful convergence of global expertise, cultural diversity, and strategic vision. With distinguished leadership experience spanning markets from the UK and EU to Central Asia, Africa, and East Asia, this dynamic board brings a new level of depth and agility to the bank.

This transformation signals more than a change in leadership - it marks the beginning of a new growth chapter. With bold ambition and unified direction, Ipoteka bank is poised for a significant and sustained leap in performance, market influence, and long-term value creation.



**Sandro Rtveladze**

***Chairman of the Management Board (CEO)***

Sandro Rtveladze is a seasoned banking professional with a strong international track record. He has held senior leadership roles across Georgia, Ghana, Uzbekistan, and Russia, including key positions at Peoples Bank, Liberty Bank, Bayport, TBC Bank Uzbekistan, and OTP Bank Russia. Since September 2024, he serves as Chairman of the Management Board of JSCMB Ipoteka Bank, OTP Group. Sandro holds a degree from Jacobs University (Germany) and a Master's from the University of Oxford (UK).

# A NEW ERA OF LEADERSHIP

STRATEGIC  
REPORT

FINANCIAL  
PERFORMANCE

BUSINESS  
PERFORMANCE

GOVERNANCE &  
SUSTAINABILITY

SUMMARY



**Adam Szentpeteri**

*Deputy Chairman of the  
Management Board, Strategy  
and Finance (CFO)*



**Viktor Vorobey**

*Deputy Chairman of the  
Management Board, Risk  
Management (CRO)*



**Elyor Inomjonov**

*Deputy Chairman of the  
Management Board,  
Corporate Governance*



**Dmitriy Volchek**

*Deputy Chairman of the  
Management Board, Head of  
the Information Technology*



**Dmitriy Sapronov**

*Deputy Chairman of the  
Management Board, Retail and  
MSE Banking*



**Nodirbek Rakhbarov**

*Deputy Chairman of the  
Management Board, Problem  
Assets management*



**Irakli Elashvili**

*Deputy Chairman of the  
Management Board, Corporate  
Banking and Market Instruments*



**Maksim Bykov**

*Deputy Chairman of the  
Management Board, Chief  
Operating Officer*



## OUR MISSION

OUR MISSION IS TO CREATE LASTING ECONOMIC VALUE FOR BOTH OUR SHAREHOLDERS AND CLIENTS.

WE ARE COMMITTED TO DELIVERING EXCEPTIONAL SERVICE AND ACHIEVING MARKET LEADERSHIP IN OUR KEY FOCUS AREAS — PRIORITIES THAT ARE ESSENTIAL TO THE BANK'S LONG-TERM SUCCESS.



**39** BRANCHES ACROSS  
UZBEKISTAN



**4300** EMPLOYEES



**3,6** MILLION CUSTOMER  
DATABASE



**216** OFF-SITE  
RETAIL CASH DESKS

# OPERATING ENVIRONMENT

IPOTEKA BANK'S OPERATIONS ARE FOCUSED ON THE UZBEKISTAN BANKING MARKET WITH 100% OF ITS TOTAL ASSETS BASED IN UZBEKISTAN.

## Uzbekistan - A Strategic Hub for Growth and Investment

Located at the heart of Central Asia, where Europe meets 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 boosted by 53.6% YoY in 2024, reflecting growing investor confidence.

### 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 make up about 11.8% of GDP, reflecting a nascent consumer credit market with substantial room for growth.

Corporate loans represent 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, indicating limited household participation in formal banking.

Corporate deposits make up the majority of deposit volumes (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.

- Market Expansion - The Bank is well-placed to serve underbanked populations and roll out diversified financial products.
- 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 the beginning 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.



# STRATEGY

## Medium-term strategy

The medium-term outlook for Ipoteka Bank is underpinned by favorable macroeconomic fundamentals, including Uzbekistan's youthful, fast-growing, and underbanked population. The Bank is targeting loan portfolio growth of 20–25% on average per year. A gradual uplift in net interest margin (NIM) is anticipated, supported by asset repricing strategies and enhanced operational efficiency. Strategic initiatives are also underway to maintain asset quality and optimize the risk-adjusted return profile through disciplined cost of risk management and portfolio diversification.

## Main strategic targets

Ipoteka Bank has set clear strategic goals to strengthen its market position and improve key financial indicators by 2028. The Bank aims to remain a leader in retail lending and become one of the top three in daily banking services. It plans to grow its active daily banking customer base through digital onboarding and integration with its wider ecosystem. Profitability is expected to increase in parallel, supported by stronger revenue generation, better cost efficiency, and disciplined cost control.

### Digital Transformation & Technology Enablement

In 2024, Ipoteka Bank accelerated its digital transformation agenda in alignment with OTP Group's integration roadmap, with a focus on operational resilience, IT modernization and end-to-end efficiency. Key investments were directed toward optimizing core infrastructure and advancing customer-facing digital channels to drive engagement and scale.

### Core Banking System (CBS)

Following a strategic reassessment in light of global market developments, the Bank reaffirmed its commitment to a full CBS transformation. The program remains a top strategic initiative. The objective is to increase automation, reduce reliance on legacy vendors, and enable greater agility and scalability in product delivery.

### Retail and Corporate Digital Channels

Significant progress was achieved in upgrading the retail digital experience. In parallel, the development of new mobile and web platforms for corporate clients is ongoing, with a focus on user satisfaction and digital onboarding.

### Card Infrastructure Modernization

A proprietary, in-house card processing platform was developed to support Mastercard and VISA products, enhancing processing independence and cost control. Mastercard certification has been successfully completed. Data Management: A new enterprise data warehouse (DWH) is under development. The system aims to centralize data, enable self-service analytics, and support regulatory reporting.

### Infrastructure, Governance & Talent Enablement

In 2024, Ipoteka Bank made significant strides in modernizing its technology backbone and operational frameworks, laying a robust foundation for scalable growth, enhanced resilience, and long-term digital maturity.

### Infrastructure Modernization

The Bank completed the development of a new primary data center and initiated the migration of its core banking infrastructure - an essential step toward platform agility, cost efficiency, and cloud readiness. Complementary upgrades included enterprise-wide network modernization, enhanced endpoint protection, and the implementation of 24/7 system monitoring to support continuous operations and improved system reliability.

### IT Governance & Service Management

Bank operations intizom va yetkazib berishdagi barqarorlikni ta'minlash uchun hodisalarni boshqarish va yangilanishlarni chiqarish bo'yicha jarayonlarni sezilarli darajada takomillashtirmoqda. Shuningdek, modulli ilovalarni ishlab chiqishni qo'llab-quvvatlash va yangi asosiy bank tizimini joriy etishni tezlashtirish uchun maxsus integratsiya guruhi tashkil etildi.

### Human Capital & Agile Delivery

Recognizing the importance of talent in driving transformation, the Bank finalized preparations for the launch of the DBOS Academy in 2025 - an internal capability-building program aimed at strengthening in-house IT expertise. Agile delivery methodologies were embedded across IT and project management functions, enhancing execution speed, ownership, and cross-functional collaboration.

### Strategic Outlook

Collectively, these initiatives have positioned Ipoteka Bank to deliver greater operational resilience, regulatory compliance, and customer-centric innovation - aligning with OTP Group's long-term vision and the evolving demands of Uzbekistan's rapidly modernizing banking landscape.

# IPOTEKA BANK POSITIONING IN UZBEKISTAN

As of the end of 2024, Ipoteka Bank is the largest privately owned bank in Uzbekistan by asset size, with total assets reaching 50,5 trillion UZS according to standalone IFRS, making it the fifth largest bank in the industry overall.

The Bank also holds the largest mortgage portfolio in the market, totaling 15,9 trillion UZS, which represents 23% of the industry. The Bank operates a wide-reaching network of 39 branches across Uzbekistan. The number of active retail clients reached 1.7 million and surged by almost 13% in 2024. Ipoteka Bank ranks first in the use of its bank cards for payments in Tashkent city public transport, accounting for 18% of total card transactions in this segment. The Bank has approximately 4,300 employees and supports financial inclusion through 216 off-site retail cash desks. The organizational development and the integration of operations according to the OTP Group standards continued in 2024.

**#1**

bank by  
**Total Assets**  
Among Private  
Banks in 2024  
#5 Among All Banks

**#1**

bank by  
**Total Loan Portfolio**  
Among Private  
Banks in 2024  
#5 Among All Banks

**#1**

bank by  
**Retail  
Portfolio**  
Among All Banks in  
2024

**#1**

bank by  
**Total Equity**  
Among Private  
Banks in 2024  
#6 Among All Banks

**#1**

bank by  
**Number of  
Plastic Cards**  
Among Private  
Banks in 1Q 2025  
#3 Among All Banks

**#2**

bank by  
**Deposit  
Portfolio**  
Among Private  
Banks in 2024  
#3 Among All Banks

**BB-**

**Positive Outlook**  
**S&P Global**  
Updated in May  
2025

**BB**

**Stable Outlook**  
**Fitch**  
Updated in June  
2025

# FINANCIAL HIGHLIGHTS

As of year-end 2024, Ipoteka bank is the largest privately owned bank in Uzbekistan with a universal banking model and a strong presence across retail, corporate, sme, and microbanking segments. The bank continues to deliver robust performance across all key financial metrics. Backed by the strength and expertise of the OTP Group, Ipoteka bank is shaping the future of Uzbekistan's banking sector - expanding access, driving innovation, and contributing to the country's long-term economic transformation era.

**ROE**  
**23%**

**Net Profit**  
**\$99.6mln**

**Total Assets**  
**\$3.9mlrd**

**Gross Loans**  
**\$3.1mlrd**

**ROA**  
**2.7%**

**Deposits**  
**\$1.4mlrd**

**Cost to  
Income**  
**40.2%**

**Risk Cost  
Rate**  
**2.6%**

**NIM**  
**7.8%**

**Net Loans to  
Deposits**  
**181%**

**NSFR\***  
**114.1%**

**CAR\***  
**16.0%**  
*Min talab: 13.0%*

Source: Standalone IFRS

\* Local GAAP

# MAIN DEVELOPMENTS OVER THE PAST 12 MONTHS

## REGULATORY DEVELOPMENTS

- Throughout the reporting period, the Central Bank of Uzbekistan (CBU) adjusted its monetary policy stance in response to evolving macroeconomic conditions. The base rate was reduced by 50 basis points to 13.5% on 25 July 2024.
- From July 1, 2024, Central bank reduced required reserve ratio on foreign currency deposits from 18% to 14%.
- The Central Bank set the maximum amount of guaranteeing citizens' deposits at UZS 200 million in one bank. Currently, deposits are guaranteed without a limit.
- According to amendments of Regulation on the maximum amount of risk per borrower, the Regulation has been supplemented with a clause on the bank's credit risk for factoring services. The document entered into force on December 15, 2024.
- From January 1, 2025 the Payment-to-Income ratio (PTI) of an individual when granting a cash loan, decreased to 50%. It was 60% from July 1, 2024 to January 1, 2025.
- The number of plastic cards issued to individual account holders has been limited. Each person will be permitted a maximum of 5 cards per bank, with an aggregate cap of 20 cards across all financial institutions

## OTHER BANKING ACTIVITIES

In 2024, Ipoteka Bank modernized its retail mobile banking application by migrating to the React Native framework, significantly lowering front-end development costs while enhancing scalability and responsiveness to customer needs. On the human capital side, the Bank onboarded more than 1,000 new employees in 2024, reflecting continued investment in organizational capacity to support growth and transformation initiatives.

# BALANCE SHEET AND P&L REVIEW

Strong financial results have been delivered in 2024 underscoring continued operational momentum and disciplined balance sheet management. Profit after tax reached UZS 1,287 billion (standalone IFRS), translating into a robust return on equity (ROE) of 23%. Net interest income rose by 10% to UZS 3,700 billion, supported by the expansion of the retail loan book, higher allocation to government securities, and active interbank placements. Net interest margin (NIM) remained solid at 7.8%.

**Fee and commission income** totaled UZS 316 billion, while other operating income reached UZS 291 billion. Operating expenses increased by 22% to UZS 1,753 billion, reflecting continued investment in technology, talent and infrastructure. Despite this, operational efficiency remained strong, with a cost-to-income ratio of 40.2% and operating profit of UZS 2,555 billion.

**Total risk cost** for the year amounted to UZS 1,112 billion, with credit risk cost accounting for UZS 1,049 billion — equating to a 2.6% risk cost rate on loans. This reflects the ongoing refinement of risk management processes and a stabilizing credit environment. The Stage 3 loan ratio rose to 20.6%, driven by the reclassification of certain corporate exposures, while coverage remained strong at 63.8%.

**The Bank's funding and liquidity position** improved significantly, with the net loan-to-deposit ratio declining to 181% - down from 307% as at the end of June 2023 - and 110% excluding state-backed and subsidized mortgage loans. This reflects continued balance sheet optimization and a more sustainable funding mix heading into 2025.

## BALANCE SHEET DYNAMICS AND LOAN PORTFOLIO COMPOSITION

As of year-end 2024, Ipoteka Bank's total assets reached UZS 50,511 billion on a standalone IFRS basis, reflecting a resilient balance sheet and strong growth momentum. Financial assets rose by 74% year-on-year to UZS 16,458 billion, driven by increased exposure to low-risk, high-quality instruments, including government and CBU bonds, as well as interbank placements - supporting liquidity and capital efficiency.

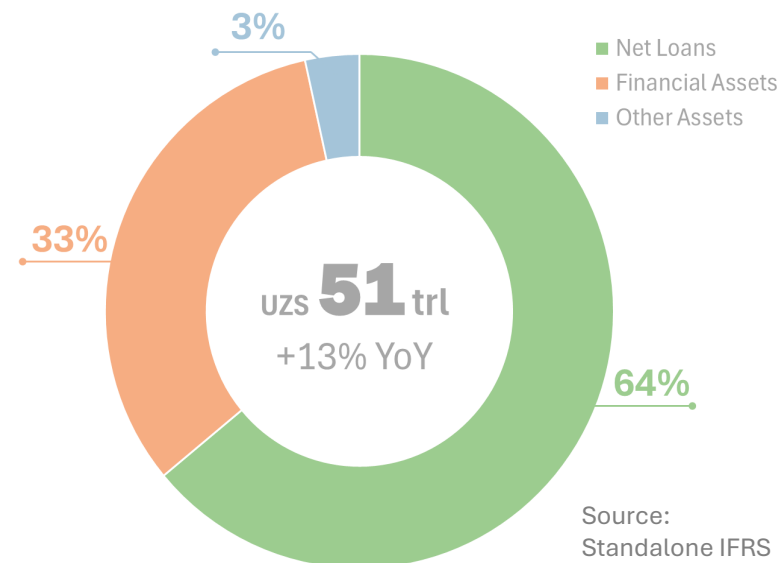


Gross loans stood at UZS 39,589 billion in 2024 according to standalone IFRS data, with the portfolio weighted toward retail exposures. Mortgage lending accounted for 40% of total loans, followed by consumer (22%), corporate (21%), and SME (17%) segments. The retail loan book expanded by 13% to UZS 24,494 billion, supported primarily by mortgage growth, which also rose 13% to UZS 15,899 billion - underpinned by a state-backed affordable housing program. In parallel, the Bank prioritized the enhancement of credit processes through automation, risk control and organizational efficiency, resulting in a more stable and scalable lending platform amid moderate origination activity.

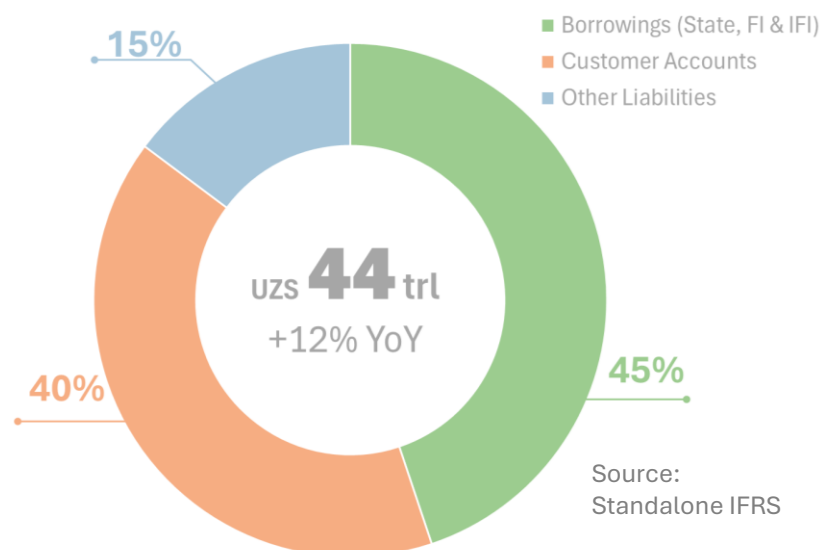
As of the end of 2024, Ipoteka Bank maintained a well-diversified funding base and a strengthened capital position. Borrowings from government sources, state institutions and international financial organizations totaled UZS 19,849 billion, reflecting continued access to stable, long-term funding.

Customer deposits grew by 46% in 2024 to UZS 17,855 billion, supported by a 36% increase in retail deposits and strong momentum in institutional funding, state and budgetary organizations rose by 11.5%, while corporate deposits surged by 81.2%. The Bank further diversified its funding mix through the successful issuance of UZS 1.4 trillion in three-year local currency Eurobonds in April 2024, contributing to the UZS 5,298 billion total in debt securities outstanding. This issuance not only improved liquidity and supported asset-liability matching but also contributed to the ongoing de-dollarization of the balance sheet. Total capital rose by 25.9% to UZS 6,265 billion, primarily driven by retained earnings accumulation. The Bank's capital adequacy remained solid, with a Tier 1 capital ratio of 14.6% and a total capital ratio of 16.0% as of the year-end 2024, in line with regulatory expectations and supporting future growth ambitions.

## TOTAL ASSETS BY PRODUCT AS OF DEC 31, 2024



## TOTAL LIABILITIES BY PRODUCT AS OF DEC 31, 2024



# BUSINESS PERFORMANCE

## CORPORATE BANKING

In 2024, Ipoteka Bank reinforced its position as a leading private-sector financial institution in Uzbekistan's corporate banking landscape. The Bank delivered tailored financial solutions and high-touch relationship management to a growing base of corporate clients, while strengthening its role in financing strategic, socially impactful and sustainability-linked projects.

A key milestone was the successful conclusion of a USD 20 million loan agreement with the European Bank for Reconstruction and Development (EBRD), comprising USD 10 million dedicated to women in business initiatives and USD 10 million allocated under the Green Economy Financing Facility. These funds support the Bank's long-term commitment to inclusive finance, environmental sustainability, and the empowerment of female entrepreneurs.

Ipoteka Bank operates with dedicated departments to serve the distinct needs of Large Corporates and International Corporates, ensuring tailored relationship management and specialized banking solutions.

### LARGE CORPORATES

Serves domestic and regional clients with annual turnover > EUR10 million or remaining credit exposure of EUR 1 million

Provides comprehensive banking solutions: lending (investment loans, working capital facilities, project finance), cash management, account management

### INTERNATIONAL CORPORATES

Focused on clients with turnover > \$10 million and ≥ 50% foreign ownership, Embassies and consulates of foreign countries, representative offices of foreign organizations

Provides comprehensive banking solutions: lending (investment loans, working capital facilities, project finance), cash management, account management

### MIDDLE CORPORATES

Serves domestic and regional clients with annual turnover < EUR 10 million and credit exposure ≤ EUR 1 million

Provides comprehensive banking solutions: lending (investment loans, working capital facilities, project finance), cash management, account management

The Bank provides a full spectrum of credit and non-credit products to meet the working capital, investment and expansion needs of its corporate clientele. These include tailored lending facilities, trade finance instruments such as letters of credit and guarantees, as well as factoring and deposit solutions designed to enhance liquidity management. In 2024, the Bank launched a new suite of corporate banking products based on international best practices — enabling clients to optimize cash flow, manage risk, and pursue long-term growth.

Ipoteka Bank's Relationship Manager (RM)-driven service model remains a cornerstone of its corporate banking strategy. This high-touch model ensures each client benefits from a dedicated advisor who provides deep industry knowledge and tailored financial strategies. In 2024, the RM model was rolled out across regional markets, enhancing service accessibility and consistency throughout the Bank's nationwide footprint.

The Bank also advanced its project finance capabilities by structuring and executing long-term financing for infrastructure and development projects of national importance - further cementing its role as a trusted financial partner for complex, large-scale initiatives.

Through client-centric solutions, institutional-grade service, and a forward-looking approach to sustainable finance, Ipoteka Bank continues to position itself as a key enabler of business success and national economic development.

## 2024 CORPORATE HIGHLIGHTS

In 2024, the Bank expanded strategic partnerships with major corporates such as Asia Trans Gas, ACWA Power, and Uzbekneftegaz. Notably, the Bank continued to finance large-scale renewable energy and energy efficiency projects with ACWA Power, reinforcing its role in Uzbekistan's green transition.

The Bank's ability to access international capital markets was demonstrated by the successful refinancing of a UZS 1.4 trillion local currency Eurobond in April 2024 — an important signal of investor confidence and financial strength. Ipoteka Bank also maintained robust correspondent relationships with leading global financial institutions, including OTP Bank, JPMorgan Chase, Commerzbank, Landesbank Baden-Württemberg, Raiffeisen Bank International, and Agricultural Bank of China. These partnerships support the delivery of a full suite of cross-border banking services, including international payments, trade finance, and structured guarantee operations.

Additionally, Ipoteka Bank continued to benefit from funding partnerships with major multilateral institutions such as the International Finance Corporation (IFC), the European Bank for Reconstruction and Development (EBRD), and the Asian Development Bank (ADB), which further strengthen the Bank's liquidity and lending capacity for corporate clients.

# RETAIL BANKING

In 2024, Ipoteka Bank solidified its position as Uzbekistan’s market leader in retail and mortgage banking. The Bank’s retail strategy focused on product innovation, end-to-end process optimization, and inclusive service delivery - ensuring both scalability and customer-centricity across its core segments.

STRATEGIC REPORT

FINANCIAL PERFORMANCE

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SUMMARY

### MORTGAGE LENDING

Ipoteka Bank retained its leadership in mortgage disbursements, driven by a comprehensive optimization of underwriting, risk, and distribution processes. Time-to-Yes (TTY) was reduced to 1.2 working days, down from 2.07 at the start of the year — marking a historic improvement in credit decision speed. A remote mortgage service was launched, enabling digital application, identity verification, scoring, and loan pre-qualification, transforming the client journey into a seamless hybrid experience.

A second-phase transformation was initiated in 2025, covering product development, pricing, promotion, and collections. Strategic growth areas included tailored offers for self-employed clients, financing of properties under construction, joint programs with developers, and channel-specific campaigns, all supported by enhanced reporting and sales analytics.

### MICRO (CASH) LOANS

Microloans remain a strategic retail product, aimed at delivering accessible liquidity to middle-income customers. In 2024, key enhancements included an increase in online loan limits from UZS 30 million to UZS 100 million, the removal of guarantor requirements for in-branch lending, and the launch of NTB (new-to-bank) pilots for verified income clients.

Approval rates improved from 33.5% to 38.2% through streamlined processes, and a comprehensive end-to-end process review was conducted to identify further optimization potential. In 2025, the Bank plans to implement batch scoring with personalized offers, introduce income-based and risk-based pricing models using NPV frameworks, and expand NTB loans through a dedicated agile product team.

### AUTO LOANS

Ipoteka Bank partnered with UzAuto and BYD to launch market-leading auto finance solutions. The UzAuto program offers a competitive 20.5% rate with a five-year term, providing the lowest monthly payments in the market. This structure aligns with the upcoming 2025 regulatory cap on debt-to-income (DTI) at 50%, keeping the product accessible for clients with lower official income.

In parallel, the BYD program promotes electric vehicle adoption through a reduced 10% down payment and a 27% annual interest rate, supporting the Bank’s commitment to sustainability.

## BANCASSURANCE

As the first and only bank in Uzbekistan to launch bancassurance, Ipoteka Bank introduced bundled banking and insurance offerings in 2024. A pilot credit life insurance product was launched in November, enhancing borrower protection while supporting risk mitigation and customer peace of mind.

## INTERNATIONAL REMITTANCES

In 2024, Ipoteka Bank launched two cross-border remittance solutions — Payporter and KASSA 24 for HUMO and UzCard holders. Payporter processed 8,407 transactions totaling USD 1.01 million in the first three months, while KASSA 24 facilitated 4,689 transfers worth USD 276K.

Transaction volumes grew steadily, with Payporter's transfers increasing sixfold between September and December, signaling strong customer uptake and product scalability. These services have significantly enhanced financial inclusion and positioned the Bank as a leader in digital remittance innovation.

## YOUTH BANKING – STUDENT CARD

The Student Card, launched in September 2024, combines debit functionality, student ID, and public transport access (ATTO) into a single, free-to-issue card. Designed for the student demographic, it offers low transaction fees, app-based account management, and real-time notifications.

Enhancements planned for 2025 include discounted public transport, expanded retail partnerships, and integrated student benefit programs — reinforcing Ipoteka Bank's leadership in youth financial services.

## SAVINGS AND DEPOSITS

Constructor v2.0, a next-generation customizable term deposit product, enables clients to select currency, maturity, and payout options, with interest rates dynamically adjusted based on configuration. This product is available both online and in-branch, enhancing accessibility and user control.

To strengthen the Bank's Net Stable Funding Ratio (NSFR), deposit pricing has been strategically restructured — rewarding longer tenors while gradually reducing rates on short-term products.

The Savings Account, launched in tandem with OTP Group banks, offers high-competitive annual interest, daily accrual, partial withdrawal flexibility, and no maturity date, combining the most attractive features of term and demand deposits. Its growing popularity reflects strong alignment with customer demand for simplicity, liquidity, and competitive returns.

# RISK MANAGEMENT

In 2024, Ipoteka Bank made decisive strides in building a best-in-class risk management framework aligned with international standards and OTP Group's institutional practices. As the Bank continues its strategic transformation from a formerly state-owned institution to a modern, privately-owned universal bank, its risk function has been recentered to ensure resilience, transparency and long-term value creation.

## Enterprise Risk Governance and Structure

Key structural enhancements were made to realign the Bank's risk organization with OTP Group's Group Risk Strategy. A new Risk Appetite Framework was introduced, defining quantitative and qualitative risk tolerance thresholds across credit, market, liquidity, operational, and ESG risk categories. Group lending and risk policies were harmonized across all business segments, supported by the implementation of operational lending limits for corporate exposures and an overhaul of credit decision-making governance.

The **Risk Analysis and Modeling Directorate** underwent leadership renewal, to lead the enhancement of portfolio modeling, stress testing, and scenario analysis. In parallel, the Operational Risk Management function was separated from Enterprise Risk Management (ERM) and elevated into a dedicated directorate under the Chief Risk Officer. This allowed the ERM unit to focus on strategic, market, and enterprise-level risks, while operational risks are now independently governed with strengthened oversight.

## Currency Risk Management

The Bank continues to maintain a prudent approach to foreign exchange exposure, in line with its ALM strategy and local regulatory frameworks. In 2024, Ipoteka Bank recorded gains in net FX revaluation, driven by a gain on USD positions and loss on EUR positions. Market volatility remained contained: annualized volatility stood at 0.41% for EUR/UZS and 0.14% for USD/UZS. The Bank actively manages its open FX positions, with a particular focus on minimizing unhedged structural currency mismatches.

## Cybersecurity and Operational Resilience

Recognizing the escalating complexity of cyber threats, Ipoteka Bank significantly enhanced its information security posture. The Identity and Access Management (IAM) program was initiated in alignment with OTP Group standards, with Phase 1 completed in September 2024. In parallel, several strategic systems were launched, including Security Information and Event Management (SIEM), Web Protection Services (WPS), and Secure Mail Gateway (SMG) - all operational by January 2025.

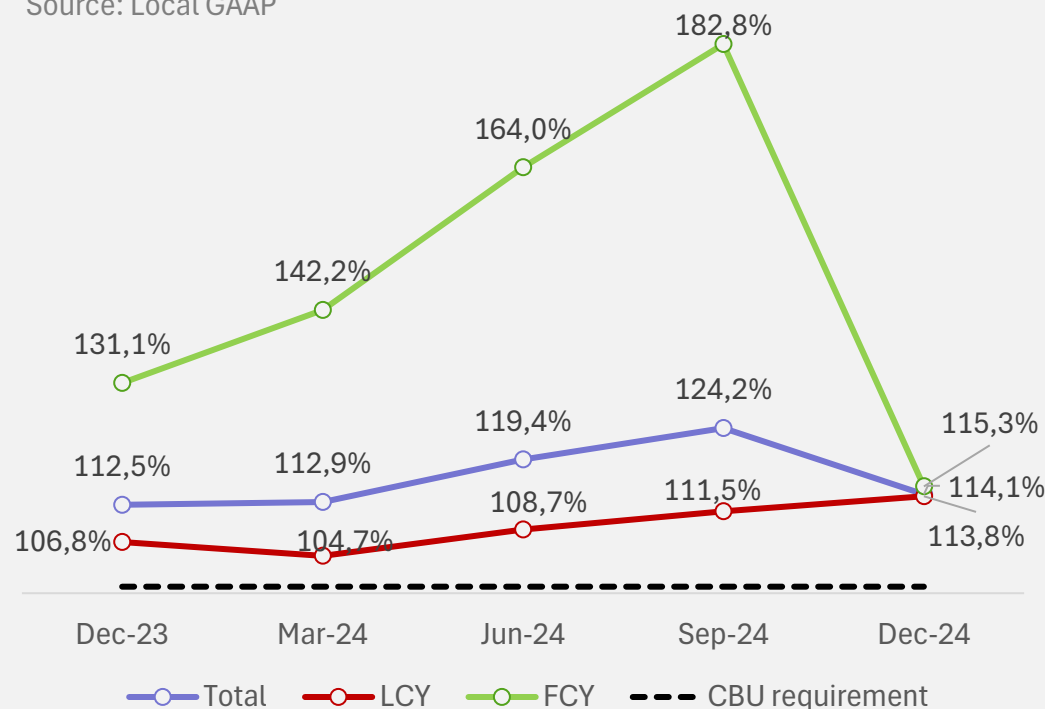


## Liquidity Risk Management

Ipoteka Bank maintained robust liquidity buffers throughout 2024, significantly exceeding regulatory and internal thresholds.

### NET STABLE FUNDING RATIO

Source: Local GAAP



The Net Stable Funding Ratio (NSFR) averaged 114% by year-end, peaking at 124% in September 2024.

LCY NSFR remained stable between 107% and 113%, reflecting a strong reliance on domestic funding.

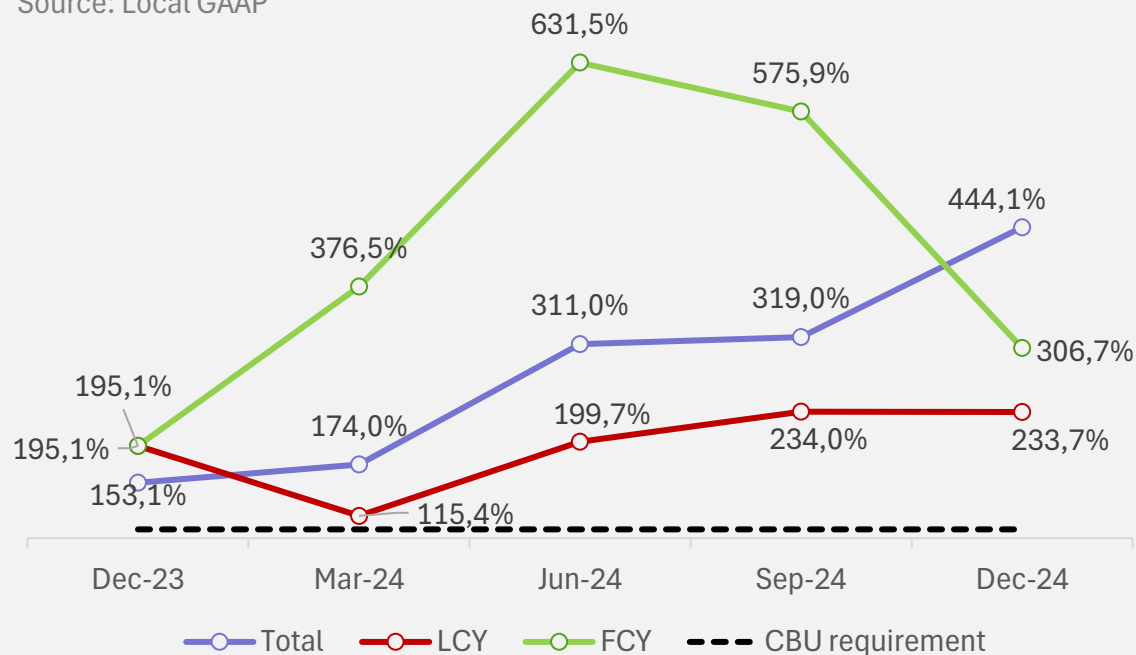
FCY NSFR rose sharply to 183% in September but declined to 115% in Q4 due to a technical maturity reclassification of USD 300 million in Eurobonds—reducing their ASF factor from 100% to 30%. Despite this, the ratio remained well above the regulatory floor.

The Liquidity Coverage Ratio (LCR) rose from 153% to 444% by the end of 2024, underpinned by a growing stock of high-quality liquid assets (HQLA).

LCY LCR climbed steadily from 195% to 234%, while FCY LCR peaked at 632% in Q2 before adjusting to 307% following a shift in short-term FX placement strategy.

## LIQUIDITY COVERAGE RATIO

Source: Local GAAP



These metrics affirm the Bank's strong liquidity position and capacity to absorb market shocks without compromising operational continuity.

# CAPITAL MANAGEMENT

## Capital Adequacy and Regulatory Compliance

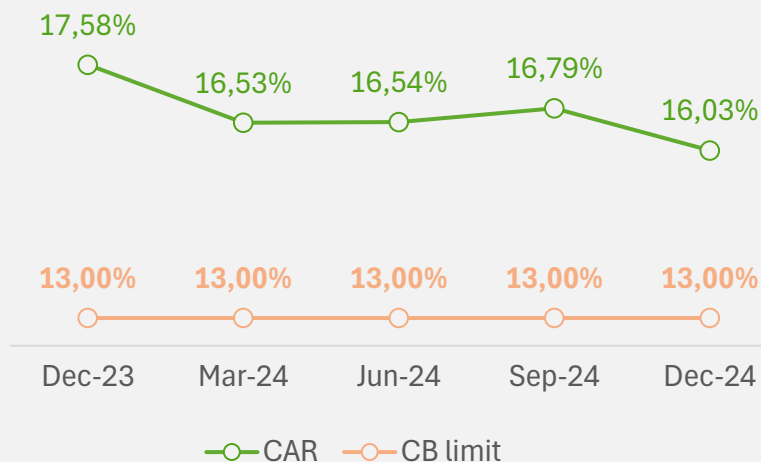
Throughout 2024, Ipoteka Bank maintained a capital position well above the 13% minimum regulatory requirement set by the Central Bank of Uzbekistan. The Capital Adequacy Ratio (CAR), under Local GAAP:

- Declined from 17.58% (Dec 2023) to 16.53% (Mar 2024) due to RWA growth,
- Improved to 16.79% (Sep 2024) on the back of internal capital generation,
- Ended the year at 16.03%, reflecting temporary reduction in capital to UZS 7.9 trillion against RWAs of UZS 49.6 trillion.

Despite modest fluctuations, the Bank's capital base remained resilient, supporting both balance sheet growth and risk absorption capacity.

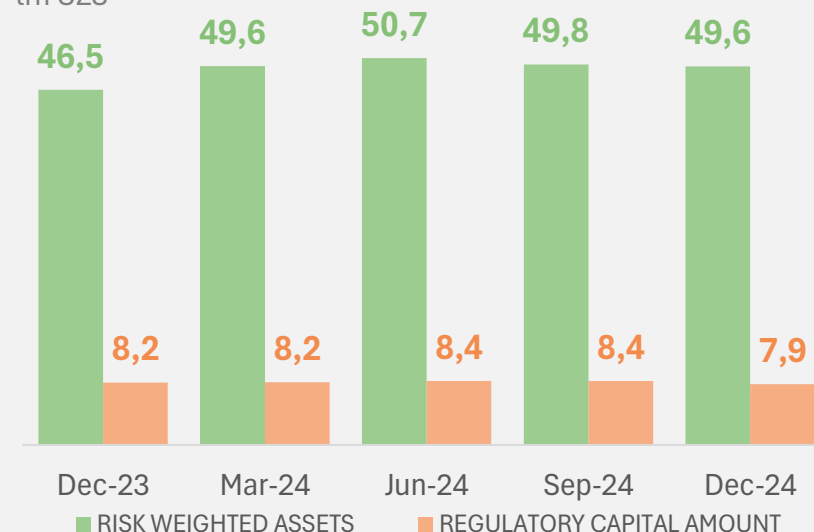
### CAPITAL ADEQUACY RATIO (CAR)

Source: Local GAAP



### RISK WEIGHTED ASSETS AND REGULATORY CAPITAL

trn UZS



# SUSTAINABILITY AND ESG RISK MANAGEMENT

STRATEGIC  
REPORT

FINANCIAL  
PERFORMANCE

BUSINESS  
PERFORMANCE

GOVERNANCE &  
SUSTAINABILITY

SUMMARY

In 2024, Ipoteka Bank embedded Environmental, Social and Governance (ESG) principles into its risk framework and business strategy, accelerating its alignment with OTP Group’s sustainability agenda. A Group-aligned ESG Strategy was approved in March 2024, setting out a roadmap for integrating environmental and social impact into corporate, retail and MSE portfolios.

The Bank launched a comprehensive ESG risk management framework, including ESG stress testing, environmental and social management system (ESMS) alignment, and the integration of ESG factors into credit risk assessments. A diagnostic was conducted in partnership with the International Finance Corporation (IFC) to identify green financing opportunities, while collaboration with EBRD and the Green Climate Fund (GCF) resulted in a gender lens assessment to guide deployment under the Green Economy Financing Facility (GEFF).

Environmental compliance also advanced, with the Bank becoming the first in Uzbekistan to obtain positive results from the State Environmental Expertise (SEE) across 18 branches—minimizing waste costs and regulatory exposure.

To deepen impact, the Sustainable Development Department was expanded, ESG training was institutionalized, and a Green PR strategy was launched via the Bank’s sustainability portal, promoting transparency and stakeholder engagement.

## KEY ESG ACHIEVEMENTS IN 2024

Issuance of UZS 1.4 trillion local currency Eurobonds, rated by JPMorgan as high-intensity development finance contributing to UN SDGs.

Completion of the Bank’s first Sustainability Report under Corporate Sustainability Reporting Directive (CSRD), audited by Ernst & Young, covering OTP Group subsidiaries and aligned with international best practices. A green loan portfolio reaching UZS 109.3 billion, with a target of UZS 494.4 billion by 2028.

Execution of 17 CSR and sponsorship projects, including the award-winning "Businesswomen in Central Asia" program, for which the Bank received the “First Among Equals” award from Kursiv Uzbekistan.

# SUMMARY STATEMENT

In 2024, Ipoteka Bank advanced its transformation journey with discipline and determination, laying the foundations for long-term, sustainable growth. Guided by a newly assembled and highly experienced management team, the Bank successfully transitioned from a legacy state-owned institution into a dynamic, privately owned financial player fully integrated into OTP Group.

Building on its inherited strengths - market leadership in retail and mortgage banking and a strong position among the top five banks nationwide - Ipoteka Bank delivered solid financial results, enhanced operational efficiency, and modernized its governance and control frameworks. Prudent reserves were created, capital buffers were reinforced, and the balance sheet was strategically repositioned to support growth with stability.

As Ipoteka Bank transitions into a new growth phase under OTP Group's ownership, its risk management framework stands as a strategic enabler - anchoring market confidence, ensuring capital discipline, and supporting sustainable, profitable expansion across all business segments. In 2025 and beyond, the Bank will continue to enhance its integrated risk capabilities, with a particular focus on credit portfolio diversification, ESG risk modeling and operational resilience in an evolving regulatory environment.

Set against a favorable macroeconomic backdrop - characterized by strong GDP growth, demographic momentum, and a still underpenetrated banking sector—Ipoteka Bank is uniquely positioned to lead the next chapter of financial sector development in Uzbekistan. With strategic clarity, institutional discipline, and executional strength, the Bank is poised to unlock its full potential and deliver lasting value to its clients, communities, and shareholders.