



**Creating  
Opportunities**

**Investor  
Presentation**  
*2021 results*

May, 2022

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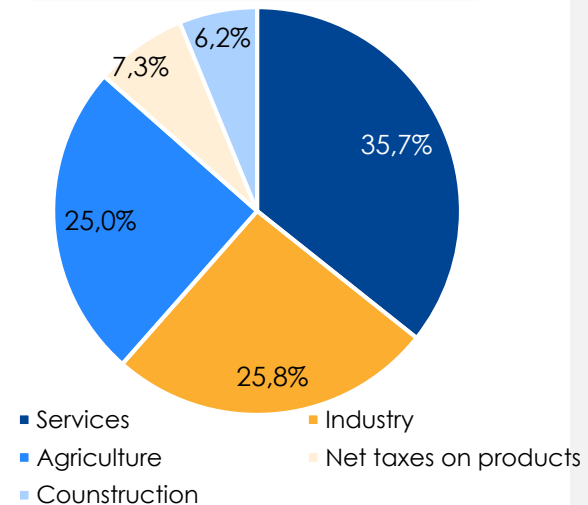
*Prepared based on IFRS 2021 preliminary results*

# Macroeconomic outlook

Steady growth despite the pandemic headwinds

Macro Indicators	2019	2020	2021	2022 (forecast)
Population	33.3mln	34.6mln	34.8mln	35.0mln
GDP	UZS 511.8tn USD 57.9bn	UZS580.2tn USD55.2bn	UZS 734.5tn USD 69.2bn	UZS 840.0tn USD 74.2bn
GDP growth	5.6%	1.6%	7.4%	5.6%
Unemployment	5.9%	10.5%	9.6%	n/a
Official reserve assets, U.S.\$ bn	29.2	34.9	35.1	n/a
Foreign trade turnover, U.S.\$ bn	42.2	36.3	42.1	46.3

## GDP composition, 2021



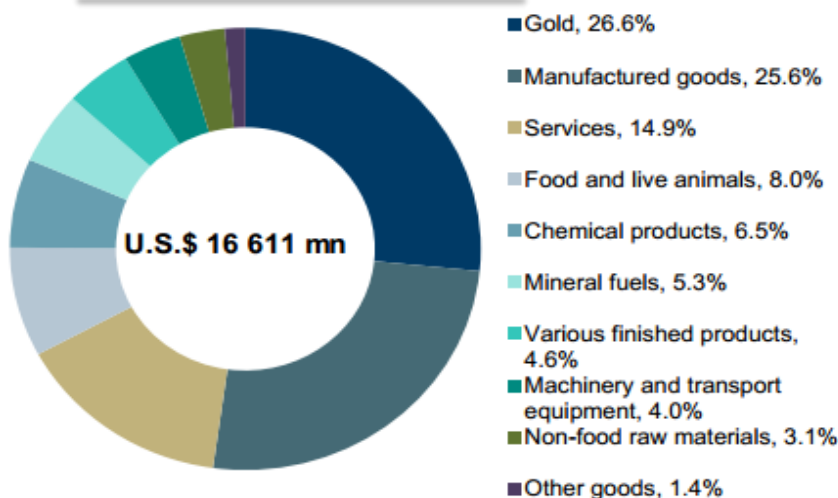
## Economic review

- GDP growth (**7.4%**) - one of the highest in CIS
- Inflation rate (**9.8%**) - in line with targeting policy

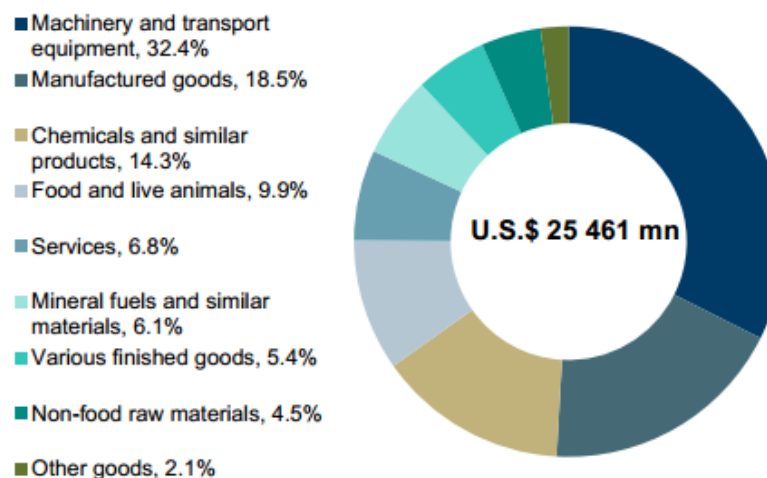
## Regulatory policies

- Change in CAR methodology (Mar 2021)
- Refinancing % rate: up from **14%** to **17%** (Mar 2022)
- Continued “cautious” FX loan attraction
- By 2025, the state aims to increase private banks share from **18%** to **60%**

## Structure of Exports in 2021



## Structure of Imports in 2021

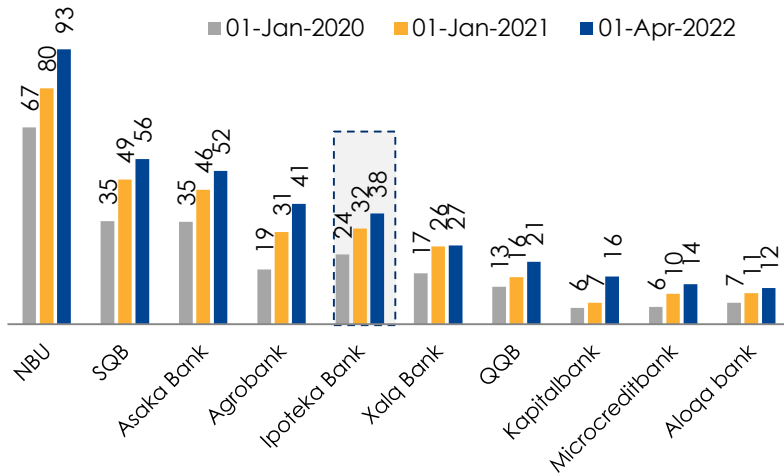


# Among the leading banks in the country

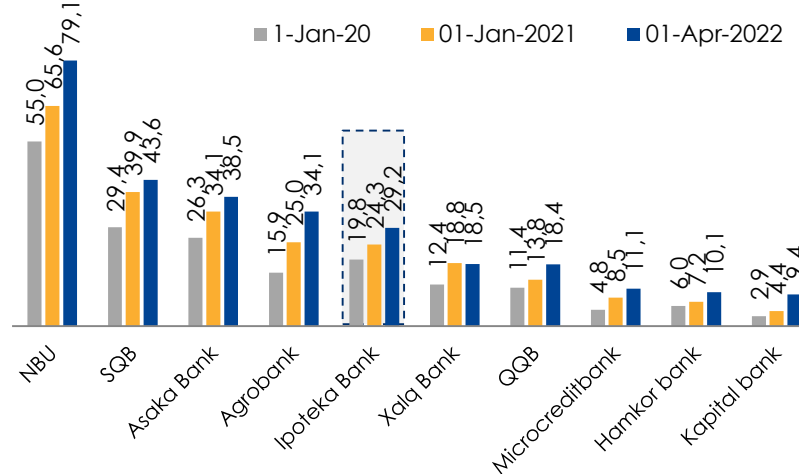
The leading mortgage bank



## Top-10 banks by total assets, UZS tn

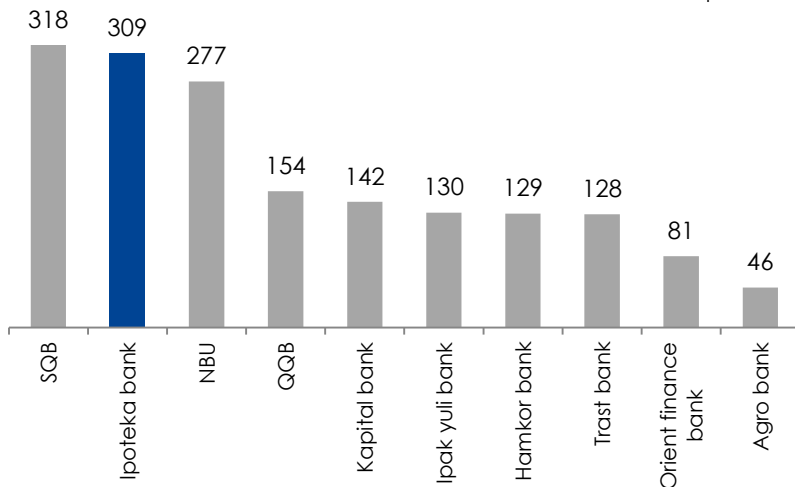


## Top-10 banks by gross loans, UZS tn



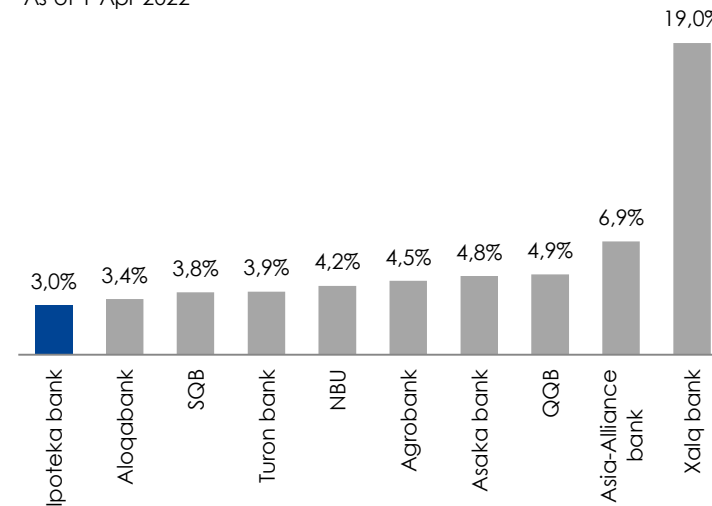
## Top-10 banks by Net profit, UZS bn

As of 1-Apr-2022



## Top-10 SOBs by NPLs, %

As of 1-Apr-2022



## As of 01-Apr-2022:

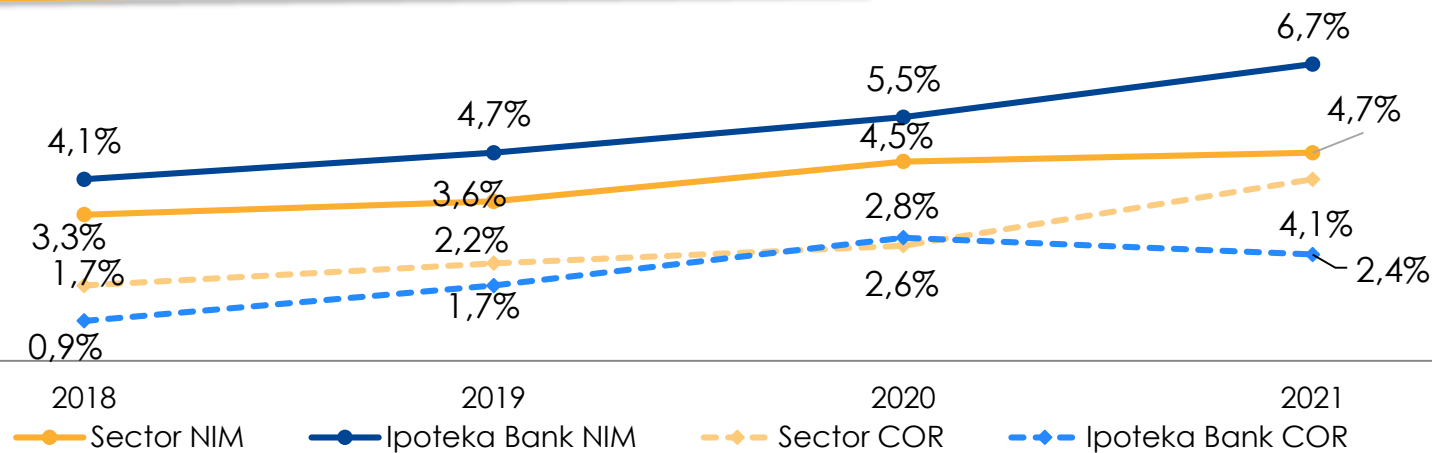
- 5<sup>th</sup> largest bank by assets and by loans (8.4% share)
- Ranked **No. 1** by residential mortgage loans with 1/3<sup>rd</sup> market share
- Ranked 4<sup>th</sup> by **total deposits**
- Transformation leader among state banks
- Lowest NPL among state banks

1) Net interest margin is calculated as net interest income divided by average interest earning assets. The average interest earning assets are calculated as simple average of interest earning assets at the beginning and the ending of the period; 2) Return on average equity is calculated as net profit for the period divided by the average of total equity. The average equity is calculated as simple average of total equity as at the beginning and the ending of the period;

# Ahead of the banking sector on profitability

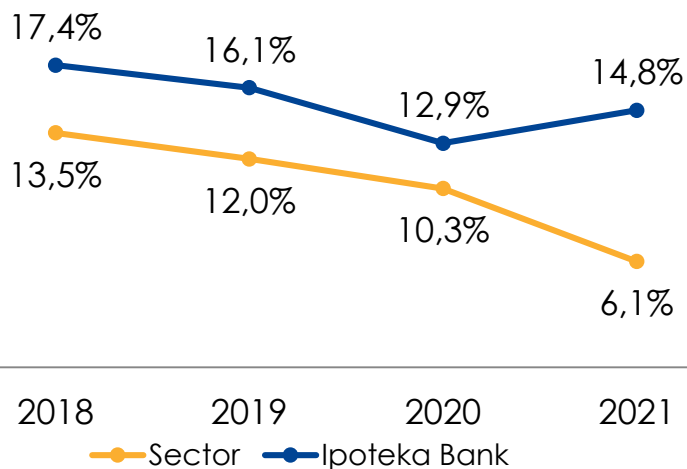
## Ipoteka-bank NIM<sup>1</sup> and COR<sup>2</sup> vs banking sector

Based on local GAAP

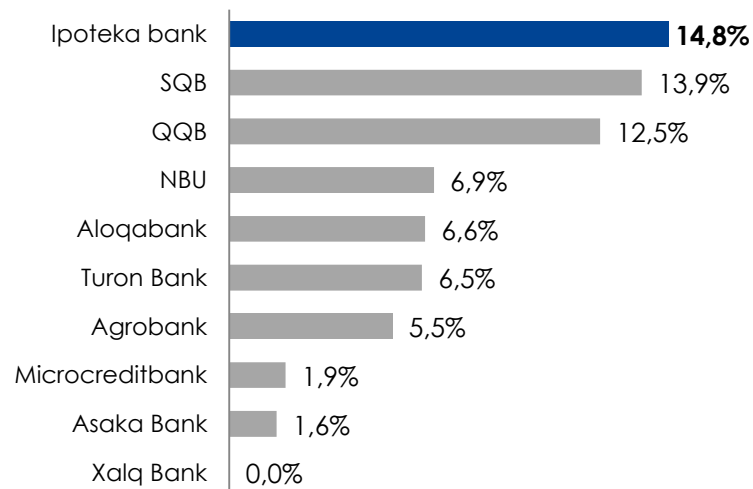


- Ranked 1<sup>st</sup> by ROE among SOBs
- Cost of risk fully covered by NIM
- Higher ROE ratio than banking sector (15% vs 6%)
- 4,000 staff serving 1.6 million clients

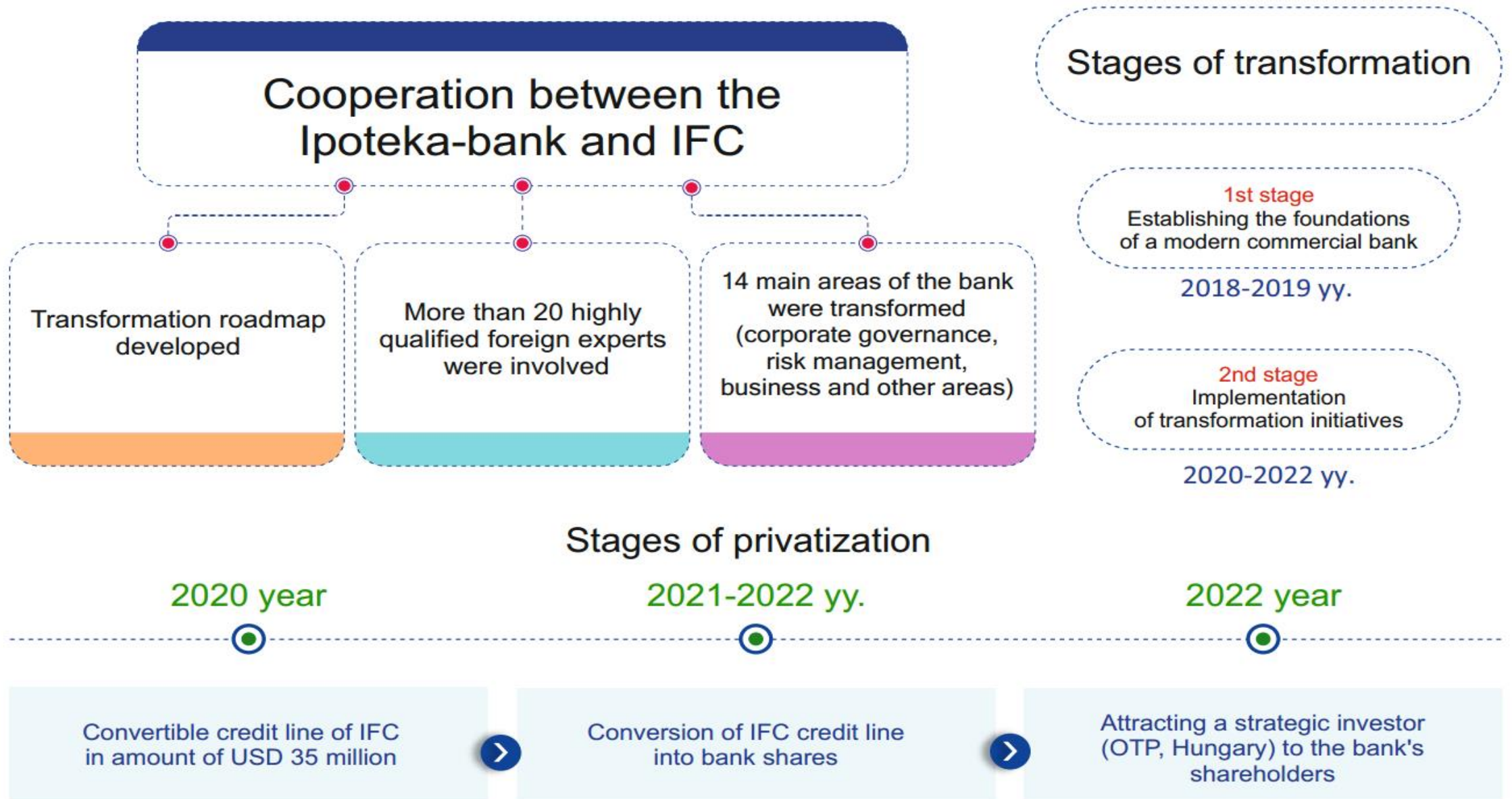
## Ipoteka-bank ROE<sup>3</sup> vs banking sector



## ROE of TOP-10 Banks as of 01.01.2022



1) Net interest margin is calculated as net interest income divided by average interest earning assets. The average interest earning assets are calculated as simple average of interest earning assets at the beginning and the ending of the period; 2) Cost of risk is calculated as charge for credit losses on loans and advances to customers divided by average gross loans and advances to customers. The average gross loans and advances to customers are calculated as simple average of gross loans and advances to customers at the beginning and the ending of the period; 3) Return on average equity is calculated as net profit for the period divided by the average of total equity. The average equity is calculated as simple average of total equity as at the beginning and the ending of the period;



## Key financials, UZS bn

IFRS data

	01.01.2019	01.01.2020	01.01.2021	1H'2021	01.01.2022
Total Assets	19,831	23,845	32,604	34,211	<b>40,164</b>
Total loans	17,598	19,840	24,345	26,166	<b>29,263</b>
Total Equity	1,612	3,548	4,040	4,444	<b>4,927</b>
Net Interest Income	647	1,035	1,410	671	<b>2,122</b>
Total Operating Income	850	1,311	1,779	1,779	<b>2,618</b>
Net Profit for the Period	178	339	405	404	<b>887</b>

## Key balance sheet and performance indicators, %

IFRS data

	01.01.2019	01.01.2020	01.01.2021	1H'2021	01.01.2022
Net Interest Margin	4.5	5.2	5.8	6.0	<b>7.0</b>
Cost to Income Ratio	59.3	47.2	37.4	34.0	<b>34.2</b>
Return on Average Equity	11.9	13.1	10.7	19.1	<b>19.8</b>
90+ dpd as % of Gross Loans	0.8	1.9	2.5	4.4	<b>4.4</b>
Capital Adequacy Ratio <sup>1</sup>	13.1	25.6	17.0	14.4	<b>14.4</b>

1) Calculated by CBU methodology based on local GAAP data

## As of 01-Jan-2022:

- Ipoteka-bank operates in **all 14 regions** via a network of **39 branches and >100 banking services centres**
- Uzbek government holds 93.7% of the Bank's shares**
- To be privatized in 2022 as per roadmap approved by the Ministry of Finance

**Credit ratings re-affirmed by all rating agencies in 2021**

MOODY'S

**B1**  
(Positive)

S&P Global  
Ratings

**BB-**  
(Stable)

FitchRatings

**BB-**  
(Stable)



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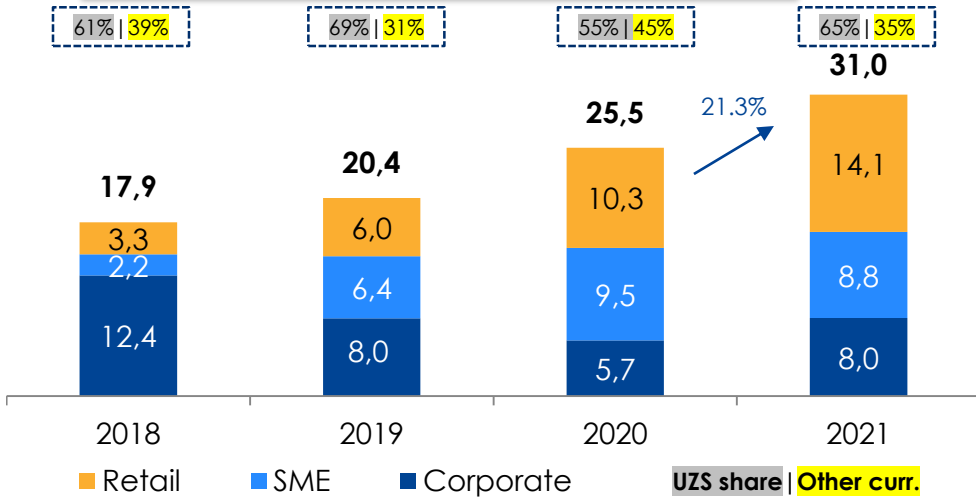
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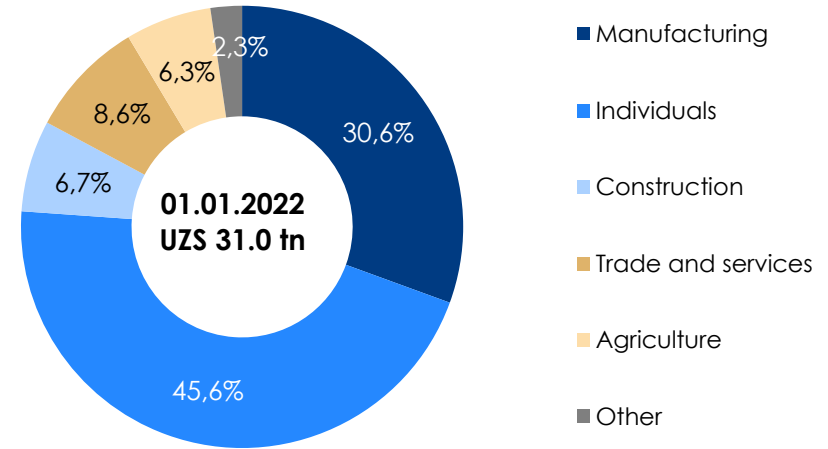
# Loan portfolio overview (IFRS data)

Targeting towards well-balanced loan portfolio and leadership in retail market

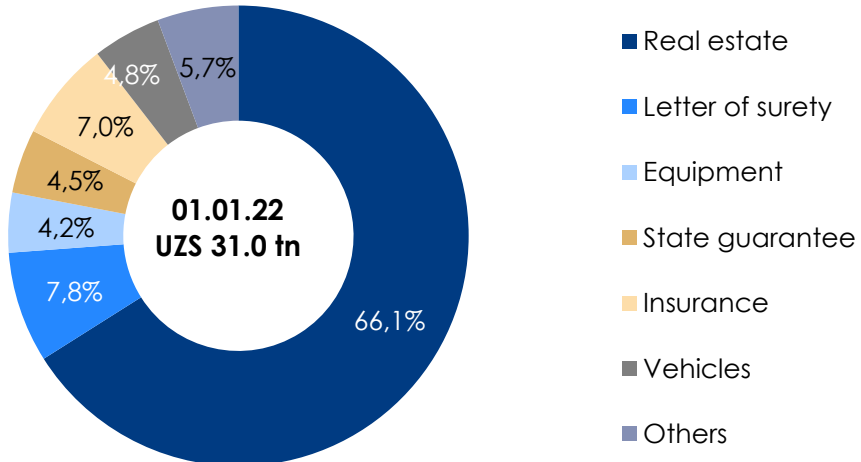
## Gross loan portfolio by customer segment (tn. UZS)



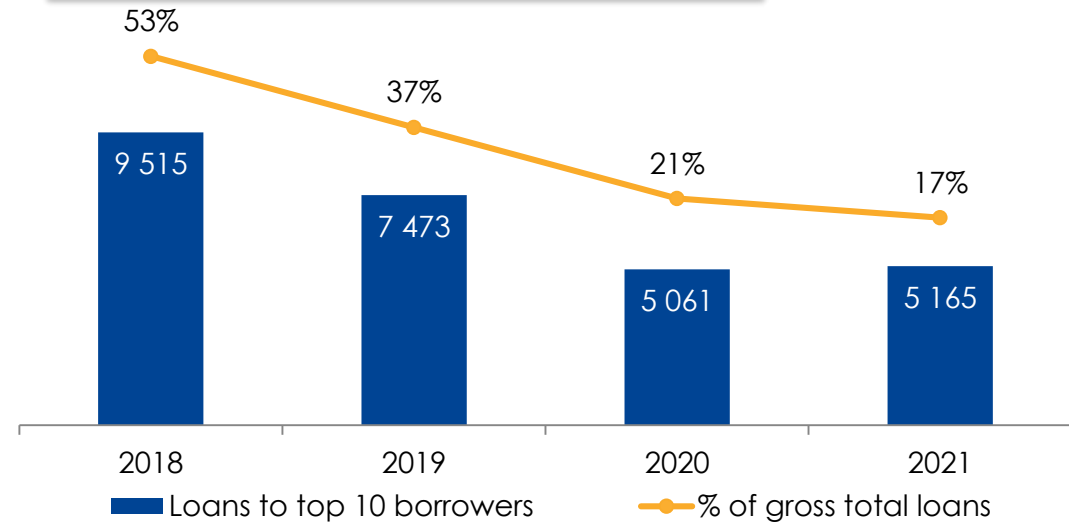
## Gross loan portfolio by economic sector



## Gross loan portfolio by collateral type

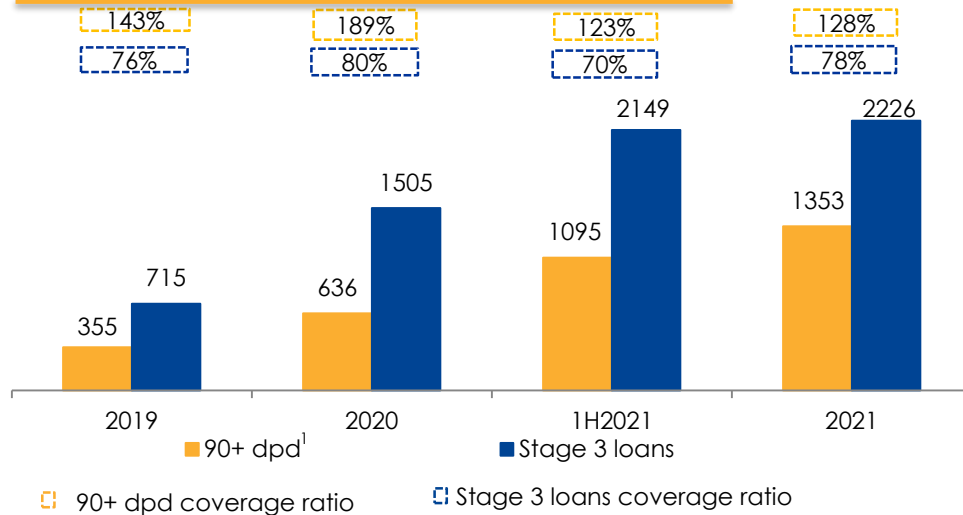


## Top-10 borrowers, UZS bn

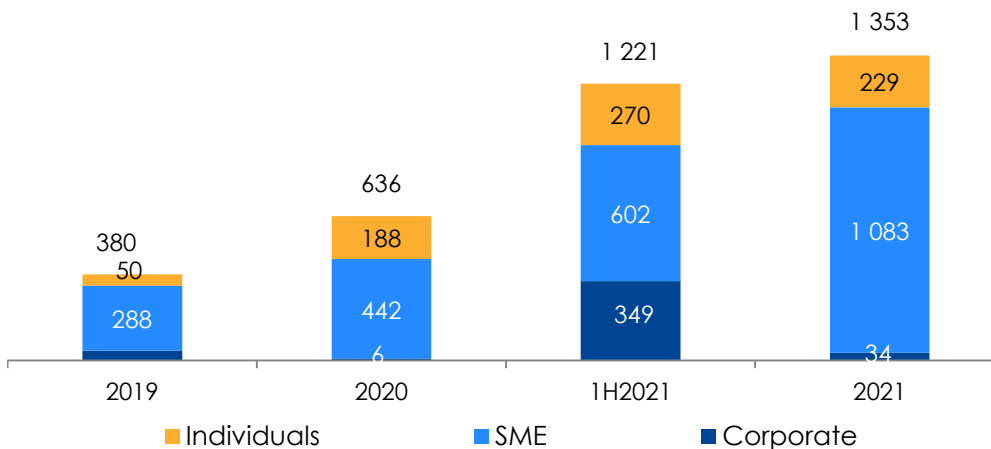


# Loan portfolio quality

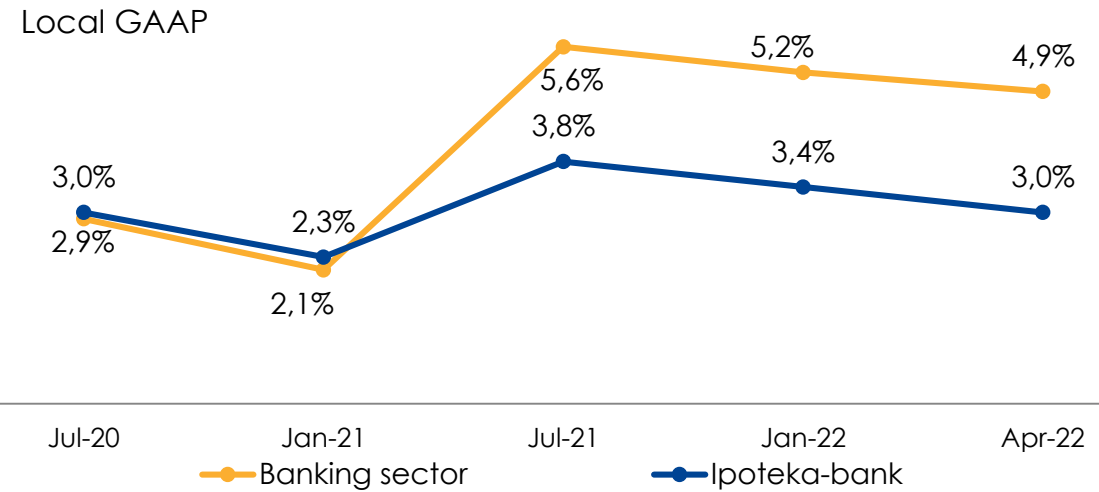
## Problem loans dynamics, UZS bn



## 90+ dpd loans by customer segment, UZS bn



## NPL (local GAAP)<sup>2</sup>, Ipoteka-bank vs sector



- Better than market performance in NPL management
- Centralized loan collection: *soft, hard and legal phases*
- Maintaining Stage 3 levels under control
- Fully collateralized portfolio

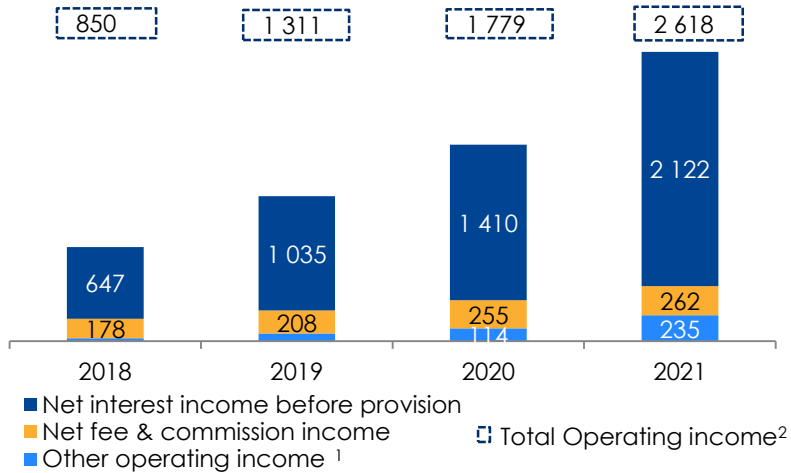
1) 90+ dpd = Loans with overdue payments on principal loan amount and/or interest by more than 90 days.

2) NPL Local GAAP = Loans in the category of "unsatisfactory", "doubtful" or "bad" in accordance with the CBU's classification procedure.

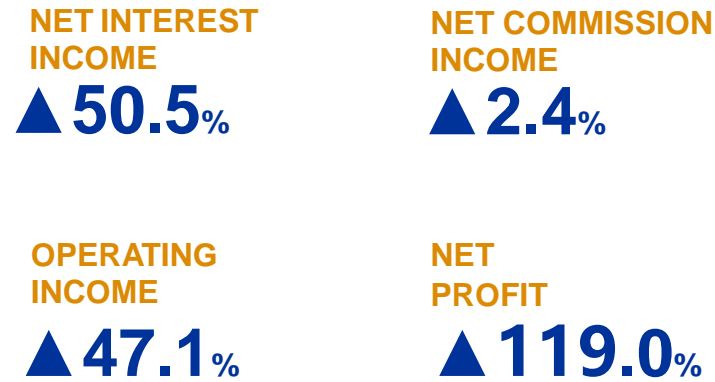
# Operating income and efficiency

Strong performance thanks to cost optimization

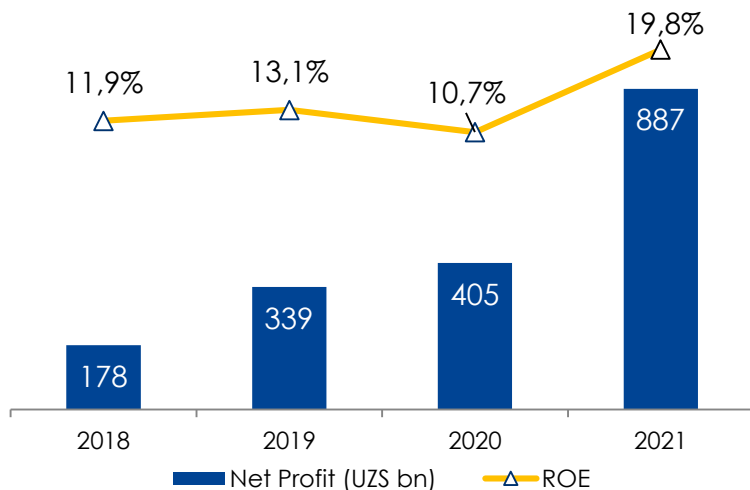
## Operating income, UZS bn



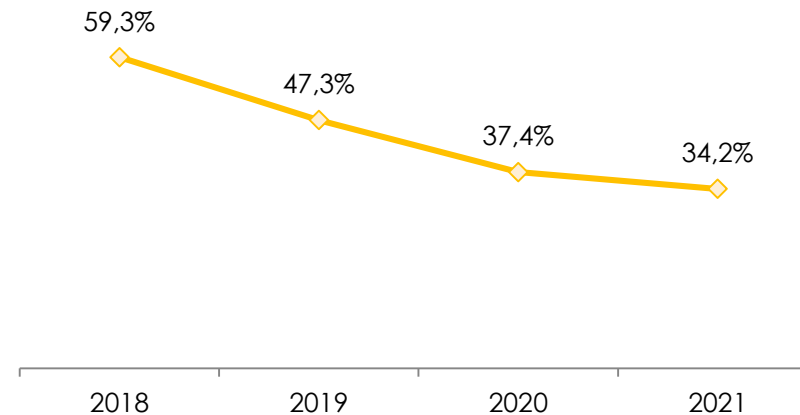
## Operating income growth in 2021



## Net profit and ROE



## Cost to income ratio<sup>3</sup>



- Steady growth in operating income
  - stable and balanced indicators
- Higher NII and NIM
  - thanks to improving cost management and effective fund management

1) Other operating income includes net gain from foreign exchange translation, net gain from trading in foreign currencies, dividend income, other operating income and share of results from associates; 2) Total operating income is calculated as the sum of net interest income before provision, net F&C income and net gain from foreign exchange translation, net gain from trading in foreign currencies, dividend income, other operating income, share of results from associates; 3) Cost-to-income ratio is calculated as administrative and other operating expenses for the period divided by the sum of net interest income before provision for credit losses and net non-interest income (which comprises net fee and commission income, net gain/(loss) from trading in foreign currencies, net gain from foreign exchange translation, dividend income and other operating incomes) for the same period.

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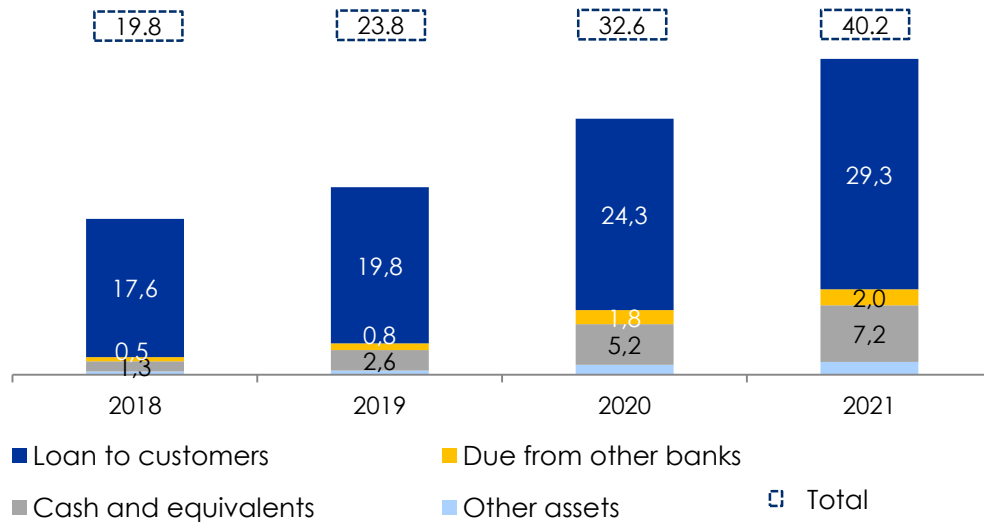
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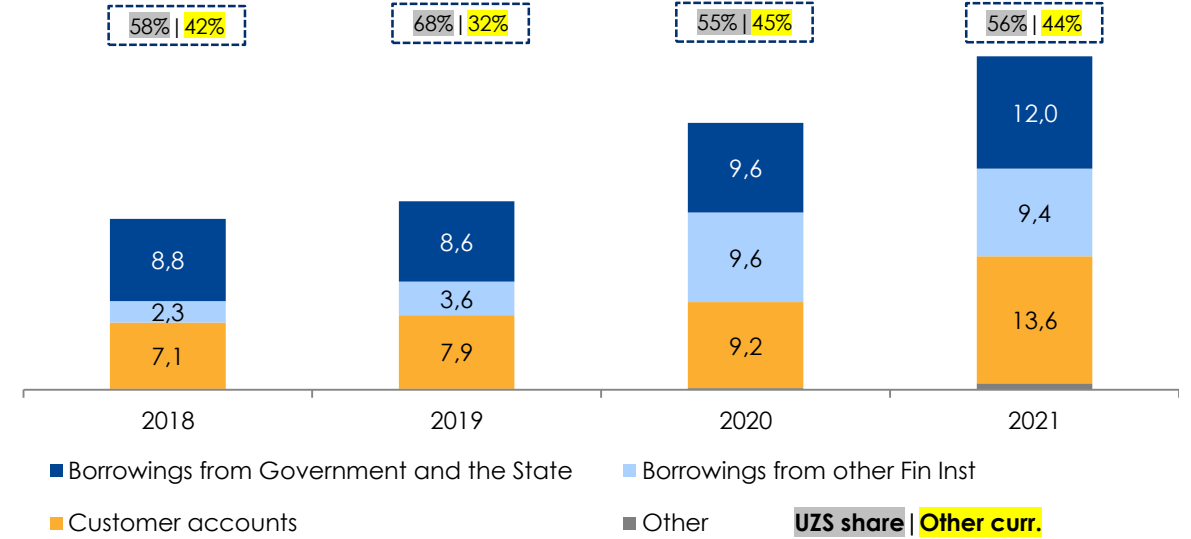
# Balance sheet and funding base

Optimization of the funding sources supporting profitability

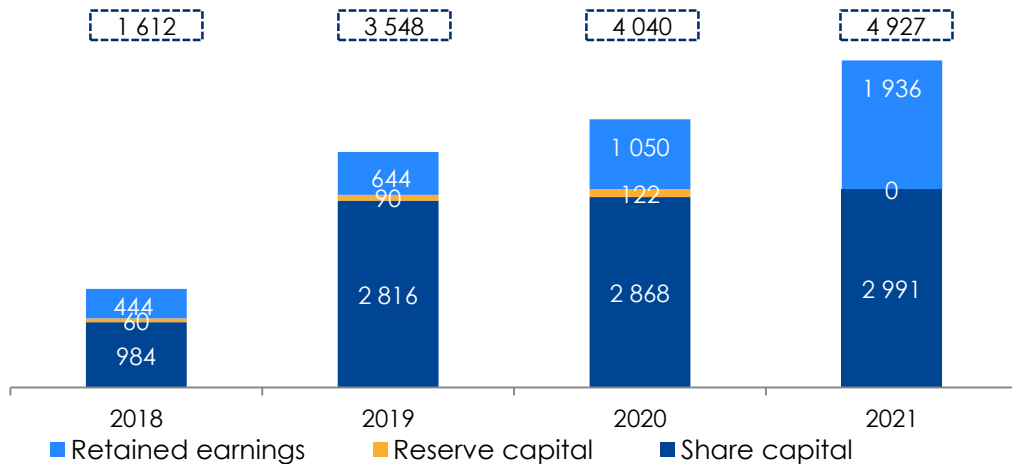
## Assets' composition, UZS tn



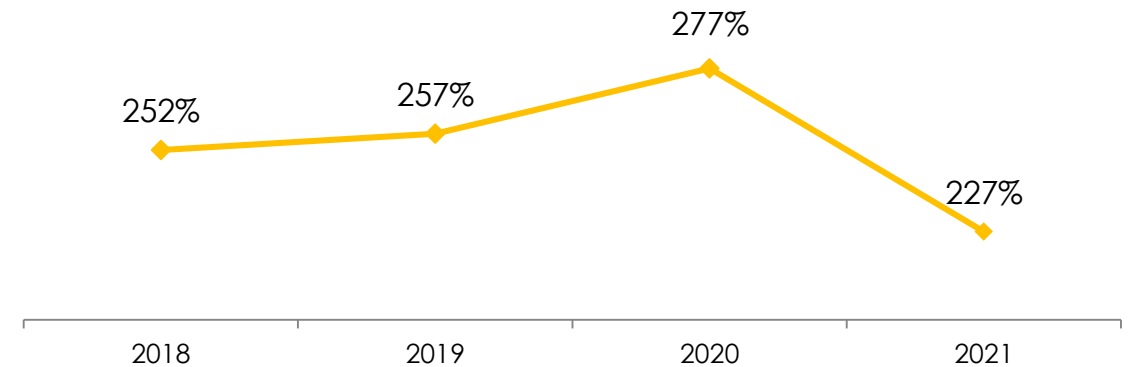
## Funding base composition, UZS tn



## Equity composition, UZS bn



## Loan-to-deposits ratio



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## 1. Money transfers

Moderately  
Low risk

### Status

- ❑ Types of cross-border money transfers:
  - Traditional transfers (WU, MG, etc.)
  - Non-traditional transfers(thru mobile applications)

### Measures

- ❑ Shifted settlement accounts to non-sanctioned locations and banks
- ❑ Amended existing agreements, higher collateral

## 2. Export operations

Low risk

### Status

- ❑ Export proceeds Russia (equivalent):
  - 2021 - USD127 mn; 2022 (Jan-Apr) – USD48 mn.
- ❑ Top-10 exporters: sectors of metallurgy, textile, other.

### Measures

- ❑ Clients were advised to use payment routes in compliance with sanctions (using compliant banks)
- ❑ Exporters seeking alternative distribution routes

## 3. Correspondent relations with Russia

Moderately  
Low risk

### Status

- ❑ Closure of accounts in SDN sanctioned banks (<USD2mn)
- ❑ Balances are kept at minimum and actively managed

### Measures

- ❑ Re-routed transactions to non-sanctioned banks (Raiffeisen, Asia Invest Bank)

## 4. Borrowings from Russian banks

Low risk

### Status

- ❑ Funding attracted from Russia:
  - USD1.2 mn (Gazprombank)

### Measures

- ❑ To repay and stop new funding

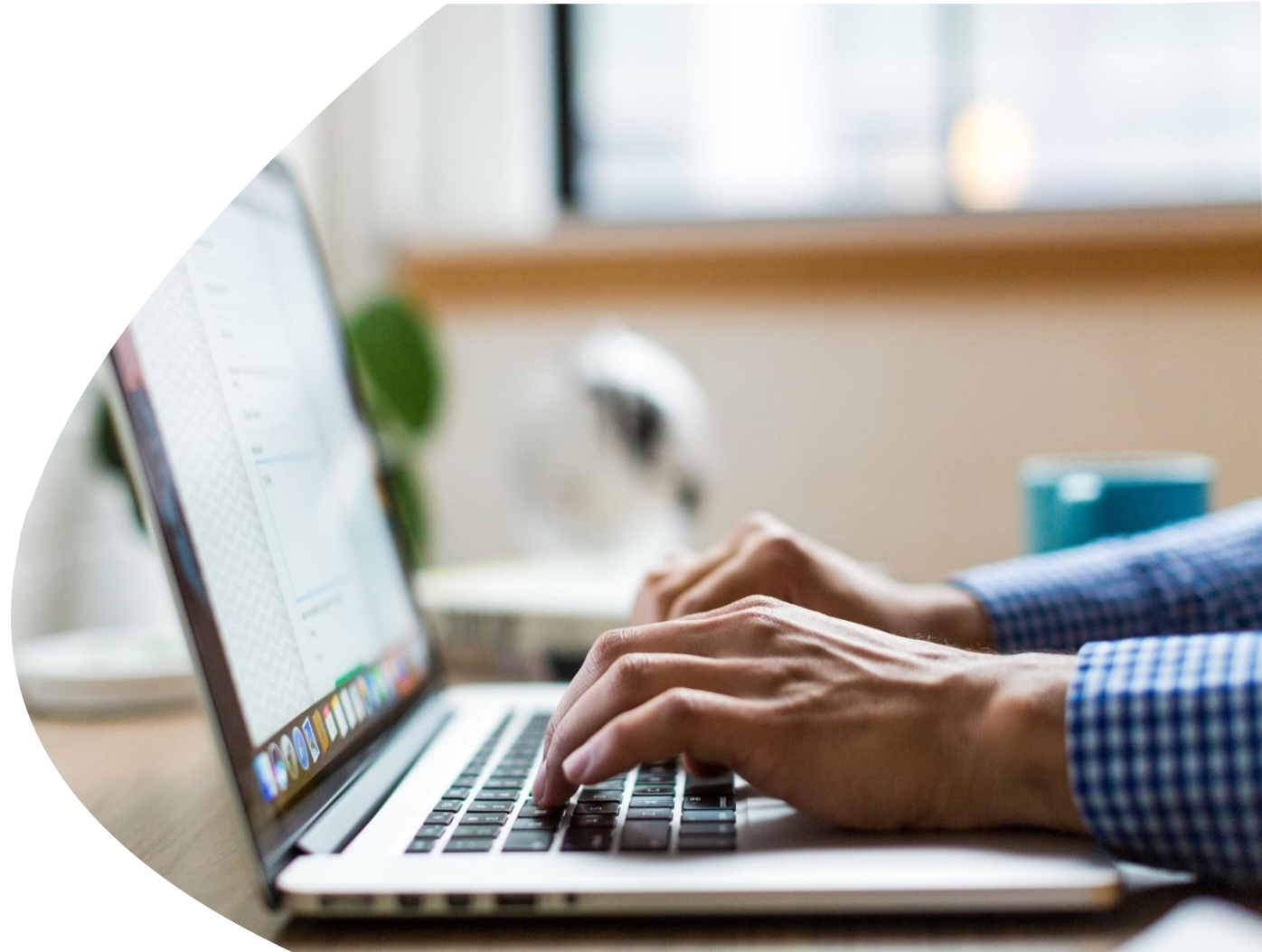


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### VISION

OFFERING A WIDE RANGE OF SOLUTIONS TO CLIENTS, SUPPORTING PRIVATE SECTOR AND ENGAGING PERFORMANCE-DRIVEN TEAM TO JOIN THE RANKS OF 5 TOP BANKS IN TERMS OF EFFICIENCY (AS MEASURED BY ROE)

### MISSION:

#### CUSTOMERS

- Focus on client benefit
- Trusted and long-term relations
- High quality services

#### SHAREHOLDERS

- Focus on shareholders' interest
- Transparent and efficient operations

#### EMPLOYEES

- Working environment that motivates employees to realize and develop their potential and that encourages responsibility and initiatives

#### SOCIETY

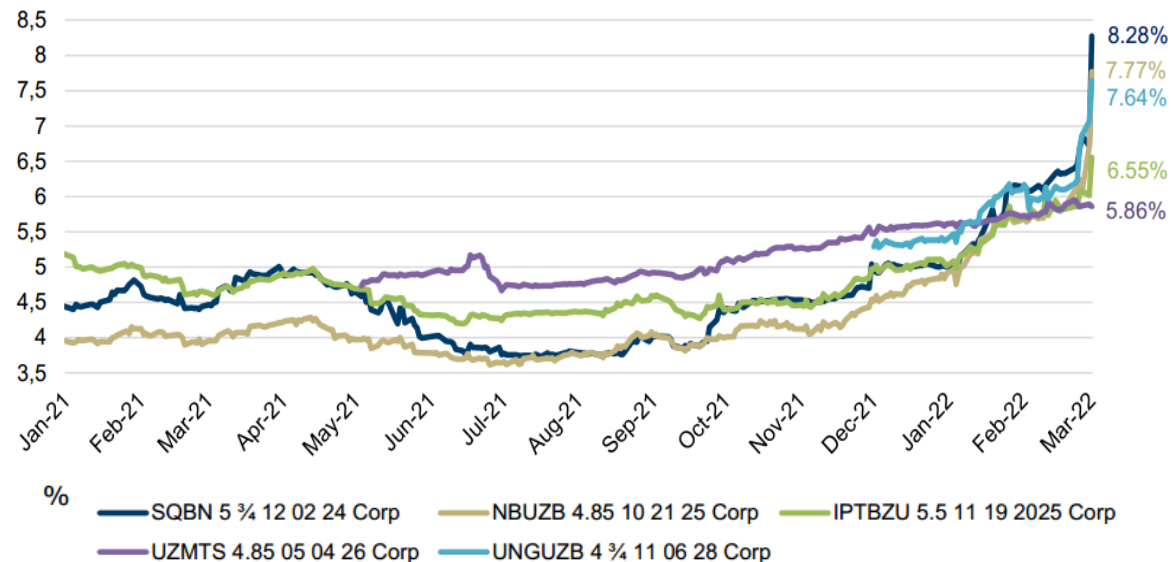
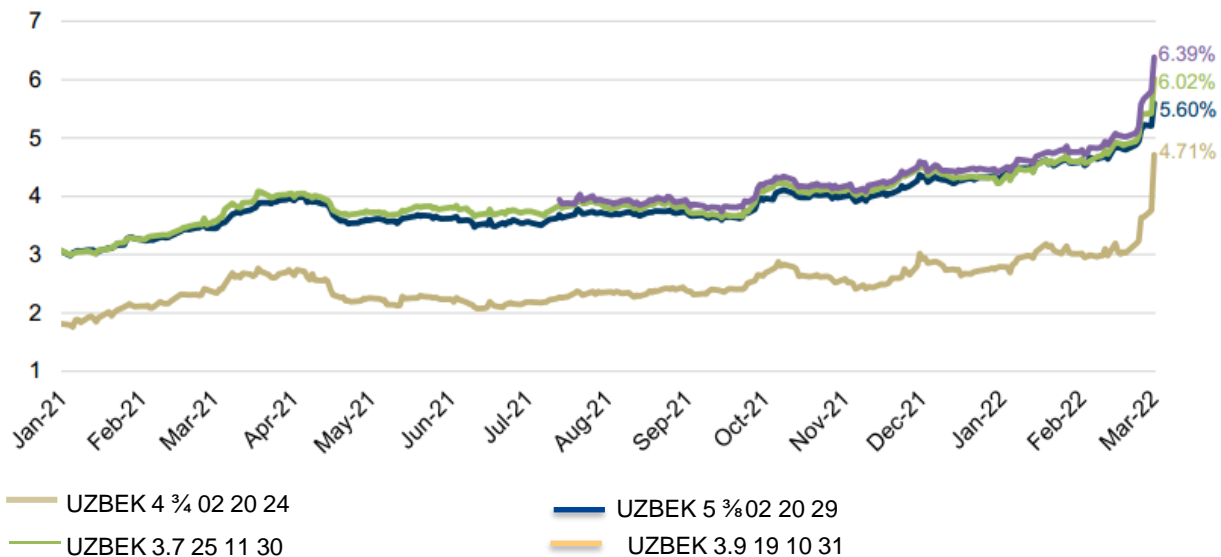
- Promote healthy lifestyle
- Financial literacy
- Support women business
- Environmental protection

### STRATEGIC GOALS

- Enhancing information technology
- Transformation of branches into active sales and consulting centers
- Developing employees' efficiency & improving work environment
- Diversification of banking activities with focus on private & retail
- Maintain leading positions thru maximum usage of gained experiences
- Re-engineering business processes for faster services and better efficiency

# Sovereign and corporate Eurobonds

### Yield- to-maturity (%)



### Price (% , relative to the nominal value)

