KAPDEPO
INVESTMENT BANK

ANALYTICAL OVERVIEW
OF THE ISSUER



RIDING A GROWTH WAVE

“Ipoteka-bank”

www.kapdepo.com

November, 2026

Issuer Overview

JSC “Ipoteka-bank” is one of Uzbekistan's largest universal banks, specializing in retail, mortgage and corporate lending. Established in 2005, the bank became part of the international OTP Group following the completion of the first stage of its privatization in June 2023, when Hungary's OTP Bank Plc. acquired a controlling stake. As of 1 June 2026, OTP Bank Plc. holds 72.89% of the share capital, remaining the bank's largest shareholder. The bank operates through a nationwide network of 39 branches, offering a wide range of banking services to individuals, small and medium-sized enterprises, corporate clients and financial institutions. Beyond its core banking operations, the group is developing subsidiaries in leasing and insurance, building an integrated financial services ecosystem.

In recent years, Ipoteka-bank has been implementing a large-scale transformation program aimed at improving business process efficiency, digitalizing banking services and strengthening corporate governance. As part of this program, the bank is modernizing internal processes, developing digital service channels and adopting modern technologies and OTP Group best practices, with a particular focus on customer service quality and risk management efficiency.

The Ministry of Economy and Finance of the Republic of Uzbekistan holds 17.5% of the bank's shares, while the International Finance Corporation (IFC) owns 8.70% of the share capital. The remaining 0.92% is held by other legal entities and individuals. The presence of a strategic foreign investor supports the adoption of international corporate governance standards, modern technologies and advanced risk management practices.

International Credit Ratings of the Bank

Fitch Ratings

The rating was affirmed in September 2026

Fitch also upgraded the bank's Viability Rating to “b+”

BB Outlook — “positive”

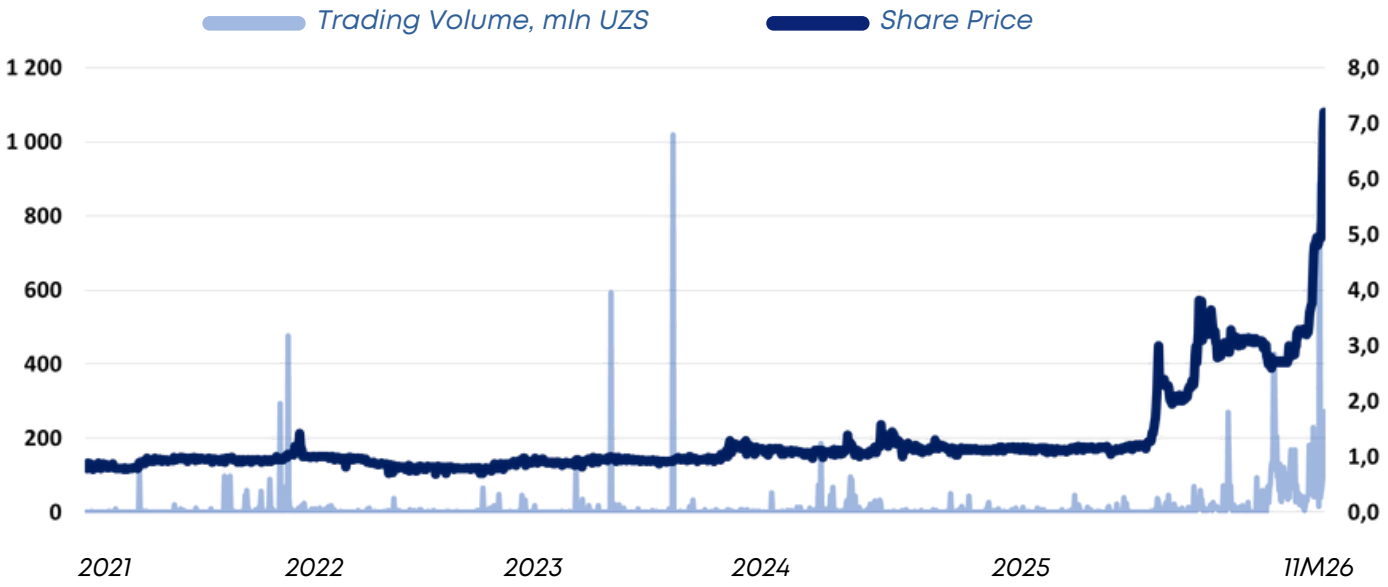
S&P Global Ratings

The rating was upgraded from “BB-” in May 2026

The bank's short-term rating was also affirmed at “B”

BB Outlook — “stable”

Trading Volume and Share Price Performance Since 2021:



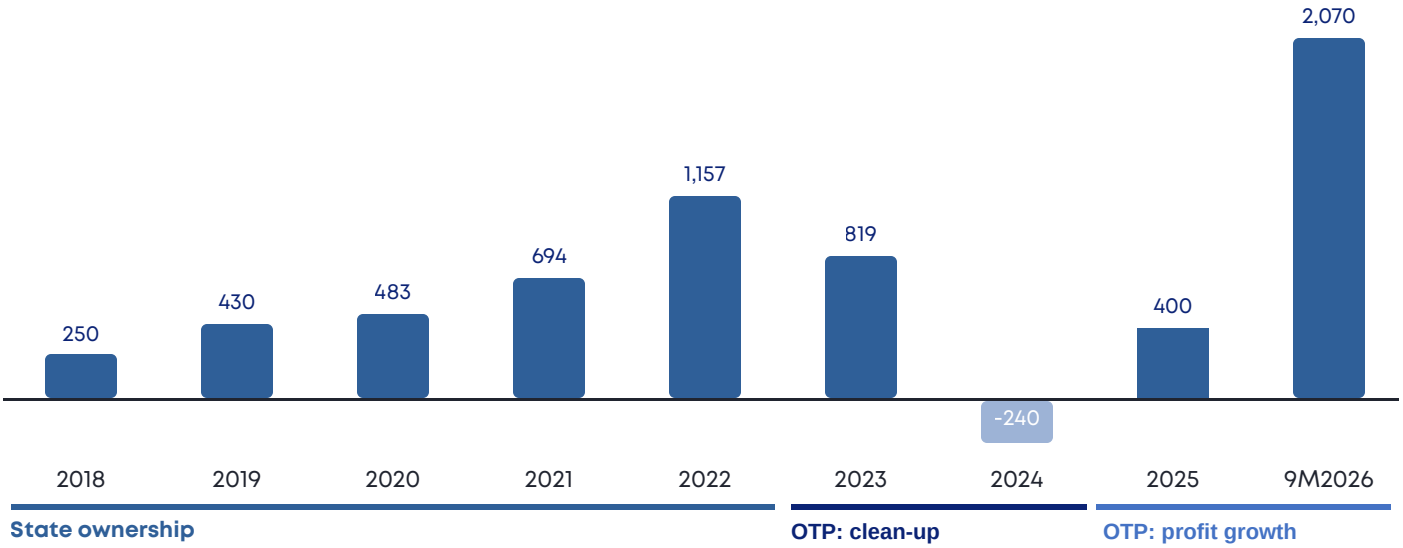
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Company History (1/2)

From the Privatization Decision to Today (2019–2026)

In seven years, Ipoteka-bank became Uzbekistan's first major state-owned bank sold to a foreign bank, went through a clean-up of bad loans and reached record profit.
Below we show how it happened, step by step.

Net Profit (NAS), bln UZS



01 The State Prepares the Sale: 2019 — June 2023

- **June 2019: Course Set for Privatization**
  Cabinet of Ministers Resolution No. 523 launched the bank's transformation with IFC's participation, preparing it for sale to a strategic investor. At the time, the state owned more than 90% of the shares.
- **November 2020: First Eurobonds**
  The bank raised $300 mln for five years at 5.5% on the London Stock Exchange, with demand exceeding $500 mln. The issue was fully repaid in November 2025.
- **April 2021: First Soum-Denominated Eurobond**
  785 bln UZS at 16% for three years — Uzbekistan's first corporate Eurobonds in the national currency. Repaid in April 2024.
- **September 2021: Memorandum with OTP**
  Hungary's OTP Bank agreed with the government to acquire about 75% of the shares. In spring 2022, OTP put the deal on hold but remained interested.
- **2022: Best Year Under State Ownership**
  Net profit under NAS reached 1.16 trln UZS, a record at the time, with return on equity of 21.3%. The bank ranked fifth in the country by assets.
- **December 2022: Agreement Signed**
  On 12 December, OTP and the Ministry of Finance signed the sale and purchase agreement for the state stake. Closing was planned by July 2023.
- **13 June 2023: Deal Closed**
  OTP acquired 73.71% of the shares; the state budget received about $324 mln. OTP committed to buy out the remaining state stake later. This was the first privatization of a major state-owned bank and the first entry of a foreign bank into the privatization of Uzbekistan's banks.

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Company History (2/2)

02 Under OTP Control: June 2023 — 2024

December 2023: OTP Recapitalizes the Bank
OTP bought an additional share issue worth 844.6 bln UZS (about $70 mln). Charter capital rose to 3.83 trln UZS, and OTP's stake increased to 79.6%.

2023–2024: Loan Portfolio Clean-Up
The new owner recognized problems in the corporate loan book. Loan loss provisions rose from 2.1 trln UZS in 2023 to 3.8 trln in 2024, and the NPL ratio reached 10.2% by the end of 2024.

2024: Loss Driven by Provisions
The year ended with a 240 bln UZS loss: provisions wiped out all net interest income (3.6 trln), leaving it 192 bln negative. In September, Sandro Rtveladze became CEO.



03 Recovery: 2025 — Present

2025: Return to Profit
The bank still posted a loss of 392.5 bln UZS in the first half, but turned profitable from Q3, earning 400 bln for the year. The NPL ratio fell from 10.2% to 3.55%. In June, Fitch upgraded the bank's rating to BB.

October 2025 — May 2026: Market Funding and IFC
The bank placed Eurobonds worth $300 mln and 1.2 trln UZS, with demand exceeding supply 2.8 and 3.4 times. In May 2026, IFC converted a $35 mln loan into an 8.7% stake: OTP now holds 72.9% and the state 17.5%.

January — September 2026: Record Profit
Net profit under NAS reached 2.07 trln UZS, almost 20 times higher than a year earlier. In June, the bank resumed dividends: 943 bln UZS, or 0.225 UZS per ordinary share. Under the agreement, OTP must buy out the remaining state stake by the end of 2026.

Financial Results (NAS)

In bln soums (UZS)	2023	2024	2025	9M2026
Total Assets	47,638	52,069	54,728	58,533
Investments	139.3	146.8	10,090	805.7
Total Liabilities	40,059	44,732	46,994	49,268
Total Equity	7,579	7,337	7,735	9,265
Demand Deposits	7,239	10,138	9,260	9,469
Savings Deposits	0	0	0	0
Time Deposits	10,535	15,553	18,553	19,853
Interest Income	7,859	10,565	11,411	9,448
Interest Expense	4,921	6,932	7,704	6,139
Net Interest Income	2,938	3,633	3,707	3,309
Loan Loss Provisions (ECL)	2,119	3,825	3,988	1,318
Non-Interest Income	2,903	2,565	3,786	2,907
Non-Interest Expense	808.9	942.1	1,147	814.9
Operating Expenses	1,261	1,671	1,915	1,732
Income Tax Expense	188.6	0	43.6	278.3
Net Profit	818.9	-240.2	399.9	2,072
Number of Shares (bln)	3,826	3,834	3,834	4,217
Share Price	0.9	1.2	1.3	3.3
Dividends During the Year	0	0	0	0.23
Gross Loan Portfolio	37,264	35,094	35,443	37,439
NPL Ratio	4.7%	10.2%	3.5%	3.3%
Total Deposits	17,773	25,692	27,814	29,322
Inflation (%)	8.8%	9.8%	7.3%	6.4%
USD/UZS Exchange Rate	12,338	12,920	12,025	11,821

Multiples	Book price	EPS	ROA	ROE	P/E	P/B
7.0 UZS, TTM	2.2	0.6	4.0%	25.6%	12.5	3.2

Forecast

One of the key changes over the past year has been the improvement in the quality of the bank's loan portfolio. In 9M 2026, Ipoteka-bank posted one of the largest profits in the banking sector, earning 2.07 trln UZS — roughly 20 times more than in the same period last year.

According to our analysis, the bank's shares trade approximately 7% below fair value. We expect the market to gradually close this discount as earnings stabilize and the loan portfolio maintains its high quality.

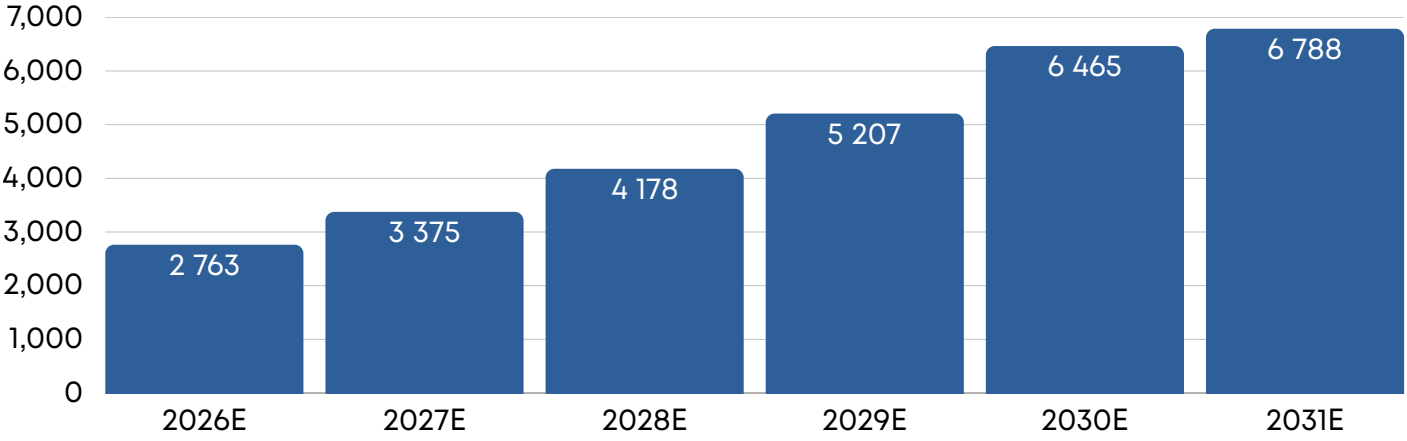
Fair value per share
= 7.5 UZS

Current share price (end of October 2026):
7.0 UZS. **Upside potential: +7.1%**

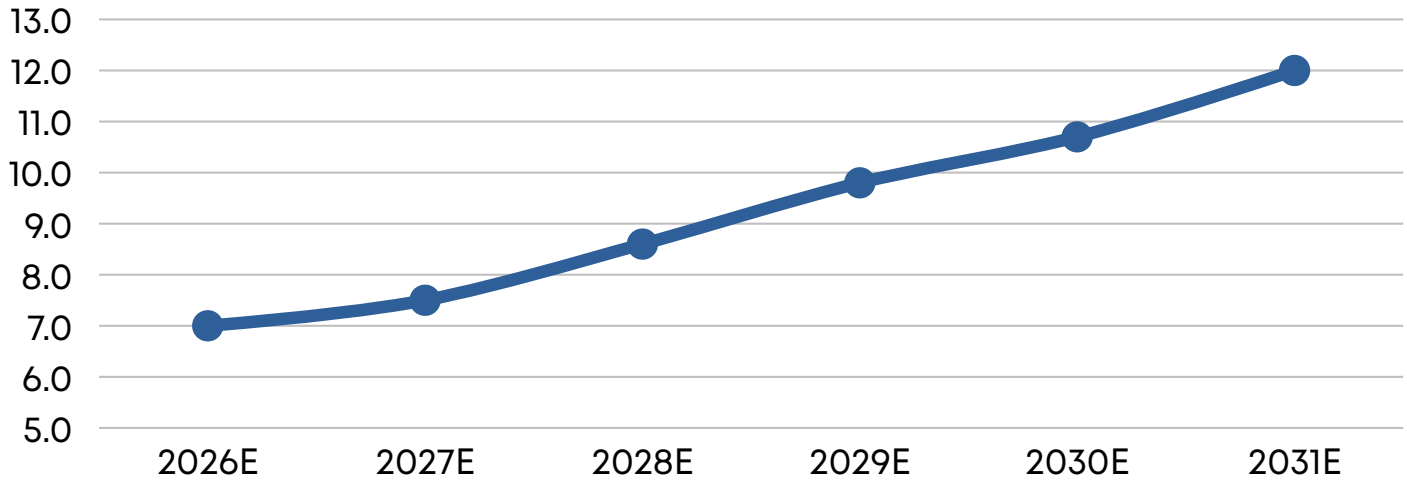
Investment view: **Undervalued**.
Investment horizon: 1–5 years

The market has yet to fully price in the sustained improvement in the bank's financial performance

Net Profit Dynamics and Forecast, bln UZS



Ordinary Share Price Dynamics and Forecast, UZS



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Conclusion

In the coming years, the key task for Ipoteka-bank will be to return to loan growth without compromising portfolio quality. Since OTP Group's arrival, the bank has carried out extensive work on problem assets, and the results are already visible.

The NPL ratio fell from 10.2% at the end of 2024 to 3.3% as of 1 October 2026, below the banking system average (3.8%). The provisioning burden has also eased: while provisions amounted to about 4 trln UZS annually in 2024–2025, they fell to 1.3 trln UZS in the first nine months of 2026. In addition, the bank released 1.1 trln UZS of previously created provisions. Against this backdrop, net profit for January–September 2026 reached 2.07 trln UZS, compared with 102.5 bln UZS a year earlier.

Retail lending remains the core of the bank's business. According to the Central Bank, as of 1 October 2026 loans to individuals reached 30.8 trln UZS, or 82% of the loan portfolio. Ipoteka-bank accounts for 12.4% of all retail loans in the country, one of the highest shares among banks. This structure reduces dependence on individual large borrowers, whose problems were one of the reasons for the deterioration in asset quality in 2023–2024. At the same time, the funding structure remains somewhat imbalanced: 81% of deposits come from legal entities, and loans exceed deposits by about 1.3 times.

Under our residual income model, the fair value of an ordinary share is about 7.50 UZS. With the current market price at 7.0 UZS, the upside potential is estimated at approximately 7%. Based on forecast 2026 earnings, the shares trade at a P/E of about 10.7x; at the estimated fair value, the multiple would be 11.4x. In the long term, we expect the share price to rise to 12 UZS by 2031 — about 70% above the current level, implying average annual growth of about 10% from fair value.

However, the high profit in 2026 does not yet mean that the bank has returned to full-fledged growth. A significant part of the improvement in financial results is due to lower provisioning and the release of previously created provisions. The key question for investors is therefore whether the bank can sustain further growth through its core business. This requires expanding the loan portfolio while maintaining the quality of new loans and attracting funding on acceptable terms.

Thus, the further performance of the shares will depend on how successfully Ipoteka-bank moves from recovery to sustainable growth. The estimated fair value assumes this scenario: the bank needs to keep expanding lending, keep the cost of risk low and maintain a stable interest margin.

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