



Mortgage Refinancing  
Company of Uzbekistan

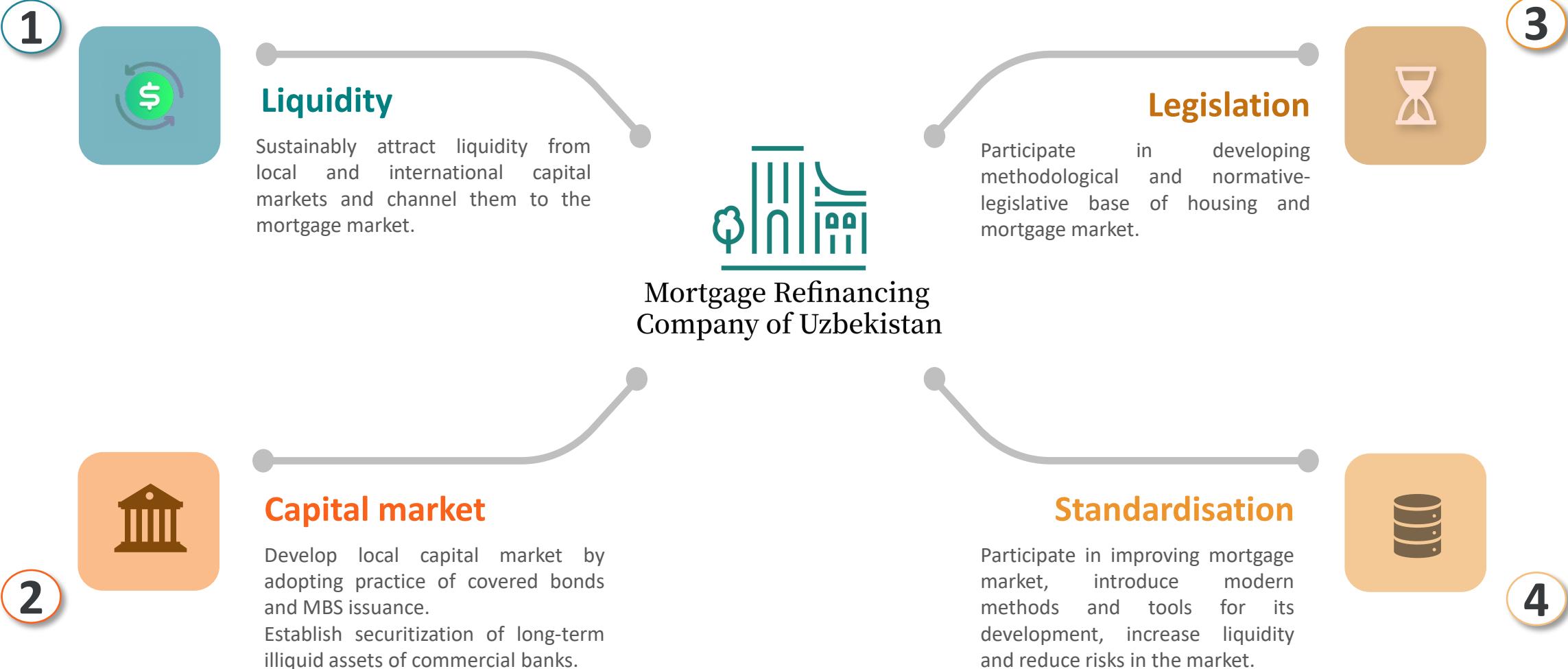
# Mortgage Refinancing Company of Uzbekistan

Results | Challenges | Priorities

November 2024

## UzMRC's objectives and mandate

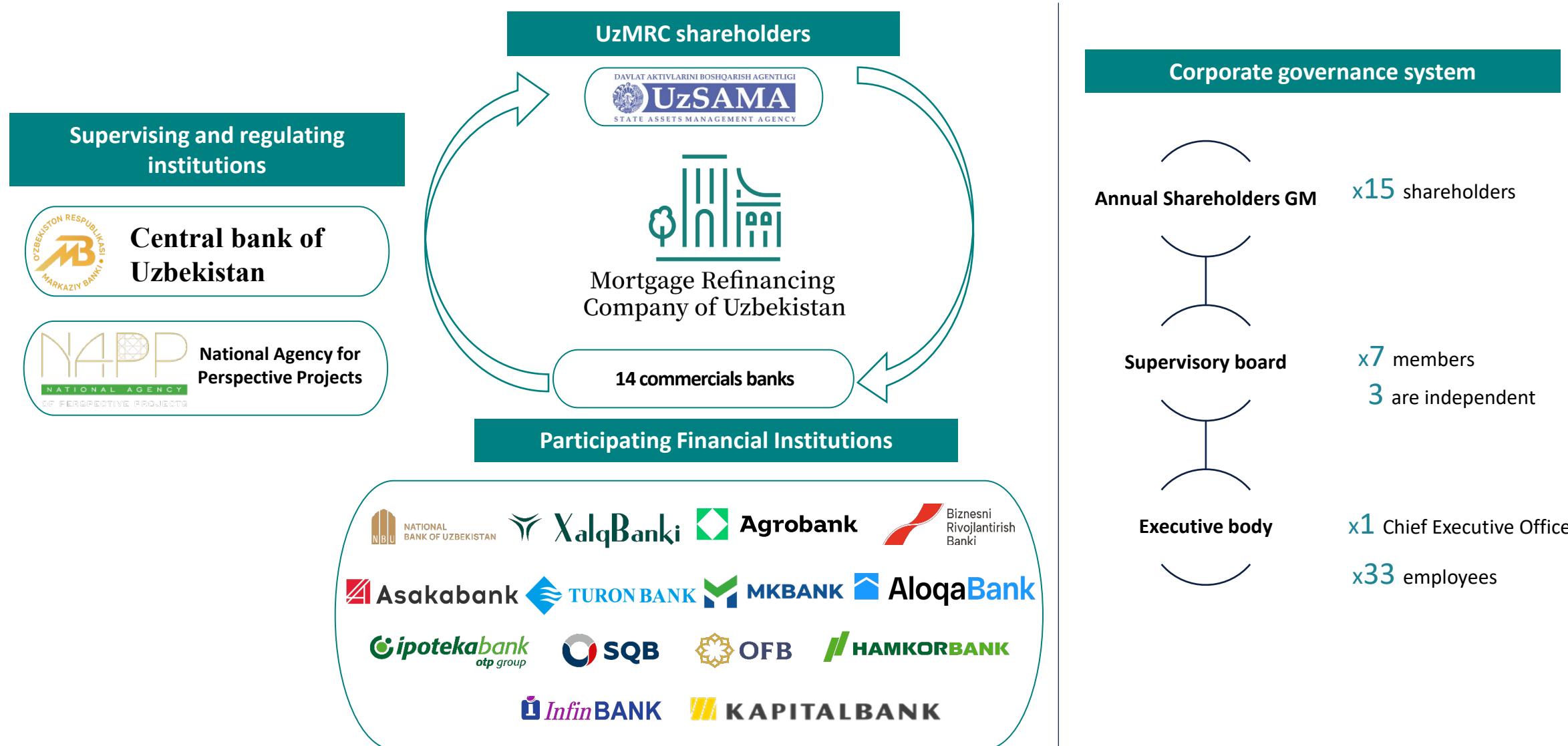
UzMRC was established by decree (# 5715) of President of Uzbekistan in November 2019 and started its active operations in October 2020.





Mortgage Refinancing  
Company of Uzbekistan

## UzMRC Corporate Governance



## Development stages

- Established in Nov 2019;
- The authorized capital of UzMRC raised up to **UZS 100 bln** due to the investment of 12 commercial banks and state;
- UzMRC was registered by the Central Bank in the registry of refinancing organizations;
- The first refinancing activity was launched and initially **1,173** mortgage loans were financed.

**2019-20**



**2021-22**

- **1<sup>st</sup> line of financing** (USD 150 mln) from ADB was fully utilized ahead of schedule. More than **11,000 mortgage loans** were **refinanced**;
- The terms of the **1<sup>st</sup> ADB loan line** were fully fulfilled and UzMRC's activities were conducted based on international standards;
- **A renovation mortgage loan** was introduced.
- Became a member of the International Secondary Mortgage Market Association (**ISMMA**).

- Additional **USD 150 mln** sovereign credit line was attracted from ADB;
- Refinanced mortgage loans **reached 16 thousand**;
- **UZS 140 bln** local currency **corporate bonds** were issued and proceeds utilized;
- Became member of the Secondary Mortgage Market Association of Asia (**ASMMA**).

**2024**

- **UUZS 2.6 tln** mortgages are going to be refinanced;
- Green mortgage loans and capital market debt instrument are introduced;
- Direct resource is attracted from DFI (IFC, USD 45 mln).

**2023- 24**

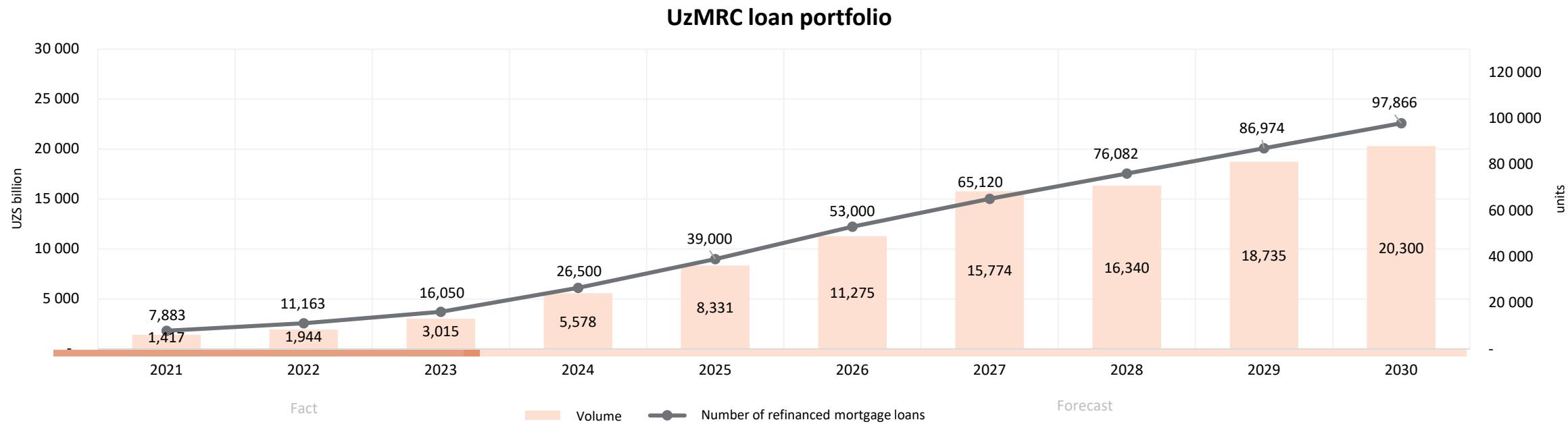


**2025-30**

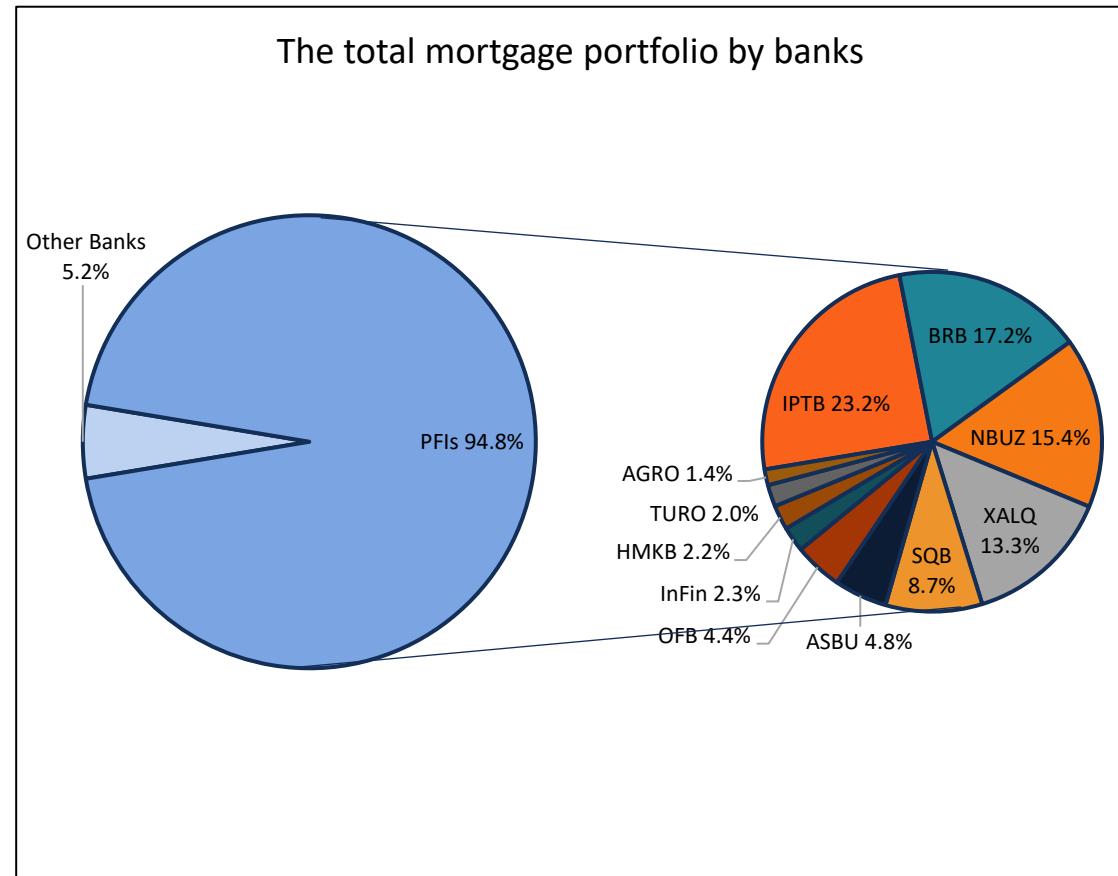
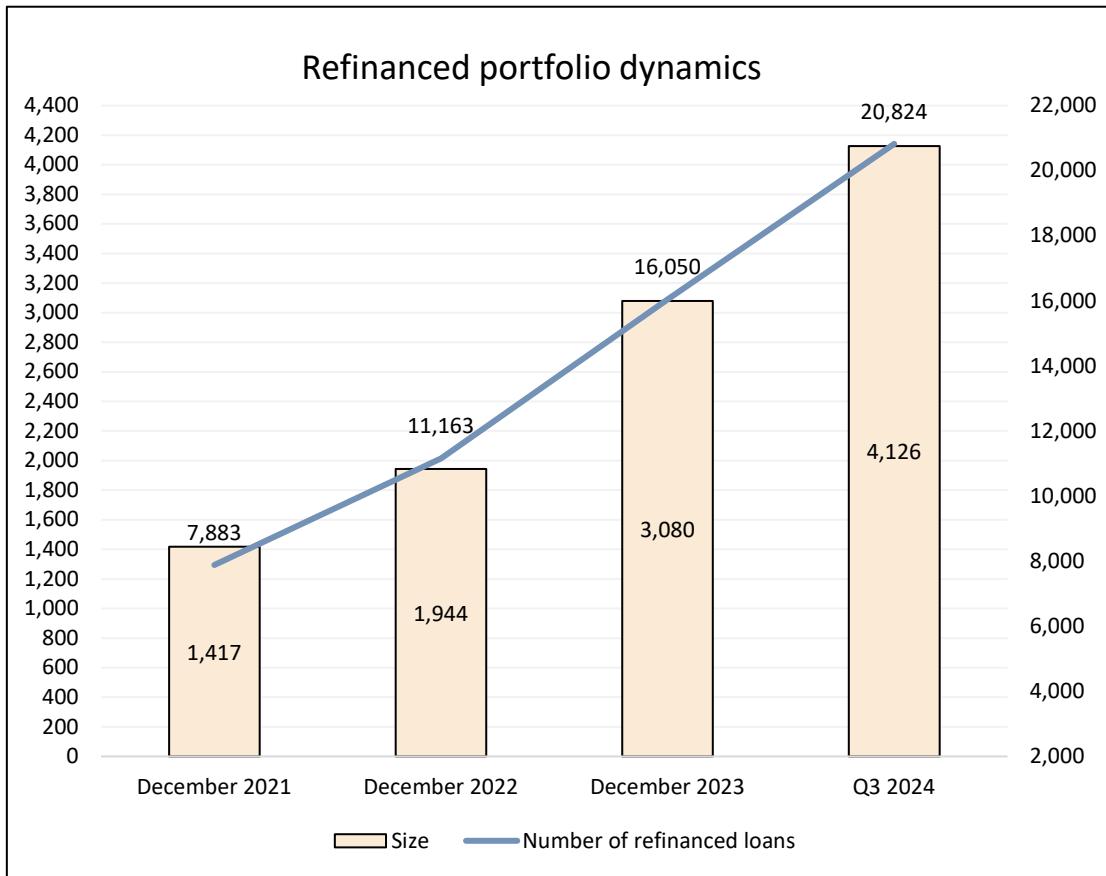
- Increase the number of shareholders additionally **for 5 members**;
- The loan portfolio will be increased **up to 5 times** to a total of **approx. UZS 20 trln**;
- **Up to 90,000+** mortgage loans will be refinanced;
- The product base will be expanded, including: a) **Green mortgages** refinance, b) mortgage **guarantee** and c) **reverse** mortgage instruments will be introduced;
- **Securitization** will be introduced (*after approval of the relevant law and regulatory document*).
- **Up to USD 600 mln** Eurobonds are going to be issued.

# UzMRC products and portfolio dynamics

UzMRC PRODUCTS (UZS bln)											
Products	Fact				Forecast						
	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
① Mortgage loans for purchase	303	1 379	1 873	2 906	4 878	7 731	10,700	14 774	15 240	17 485	18,800
② Mortgage loans for renovation	-	38	71	109	250	350	450	550	600	700	850
③ Corporate bonds	-	-	-	140	450	250	125	450	500	550	650



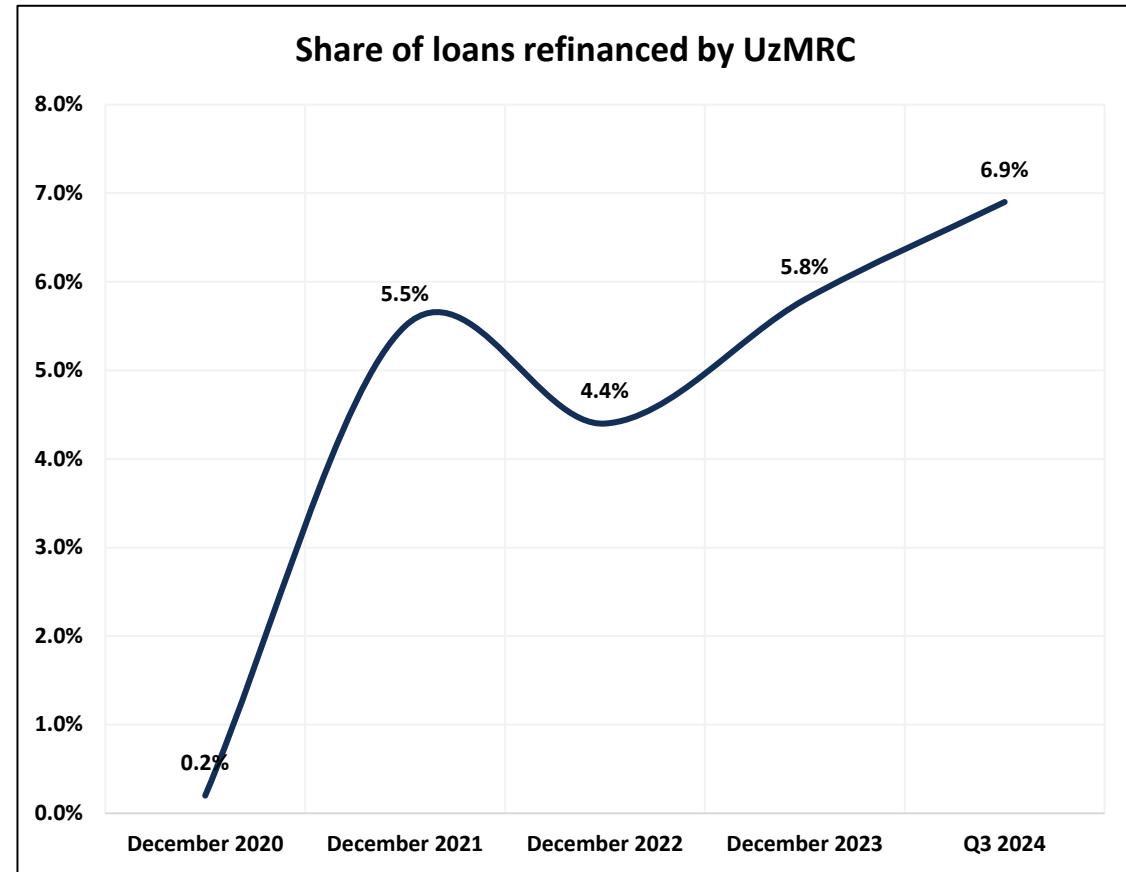
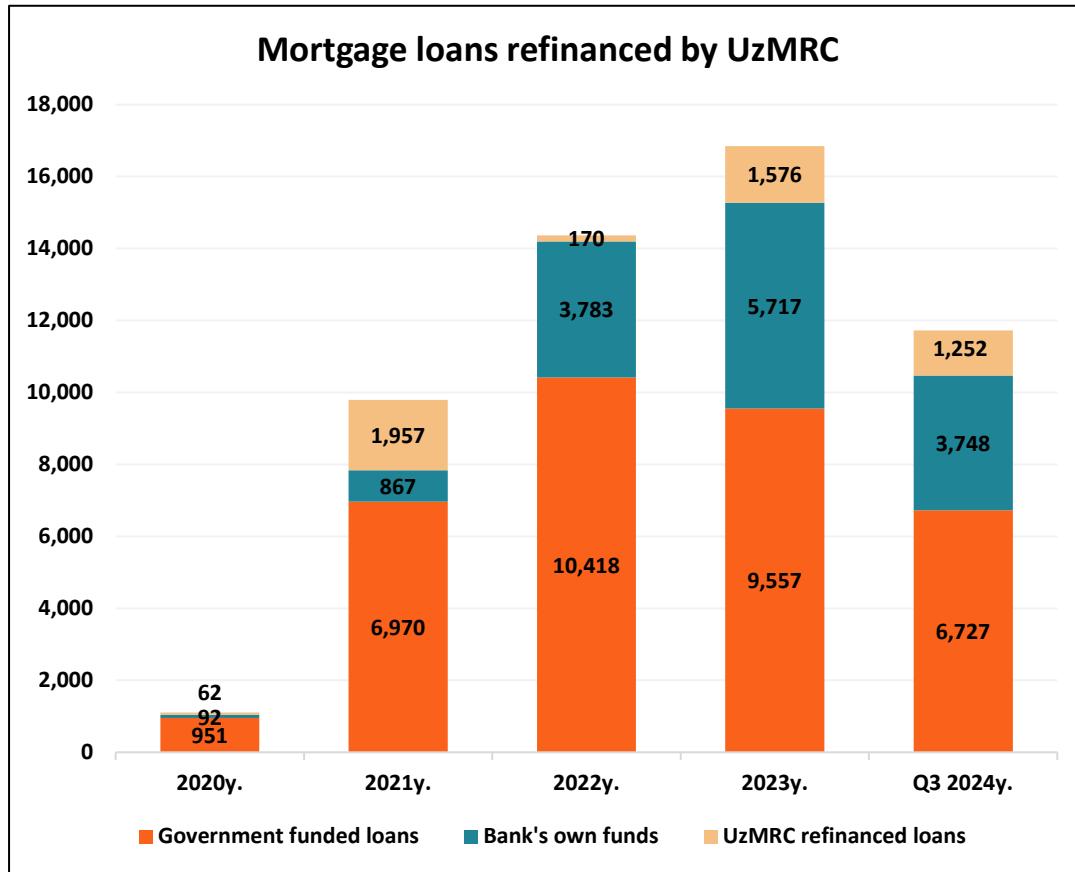
## Portfolio dynamics & coverage



By the end of the quarter, the number of refinanced loans reached 20,824 (UZS 4.1 trillion).

94.8% of mortgage loans were generated by PFIs.

# Mortgage loans refinanced by UzMRC

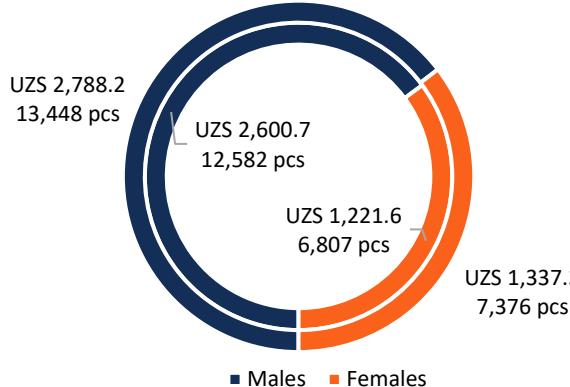


During the third quarter of 2024, a total of UZS 11,727 billion of mortgage loans were allocated to the population. Of this, 10.7%, i.e. UZS 1,252 billion, were loans refinanced by UzMRC.

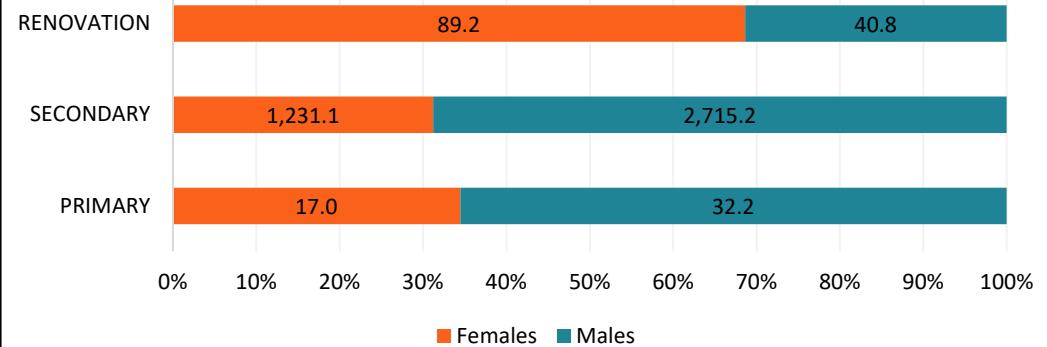
By the end of Q3 2024, the share of mortgage loans refinanced by UzMRC in total mortgage loans reached 6.9%.

## Results of lending activity during 2024

**Mortgages (quantity and amount) by gender**  
 Inner circle – Q2 2024, Outer circle – Q3 2024



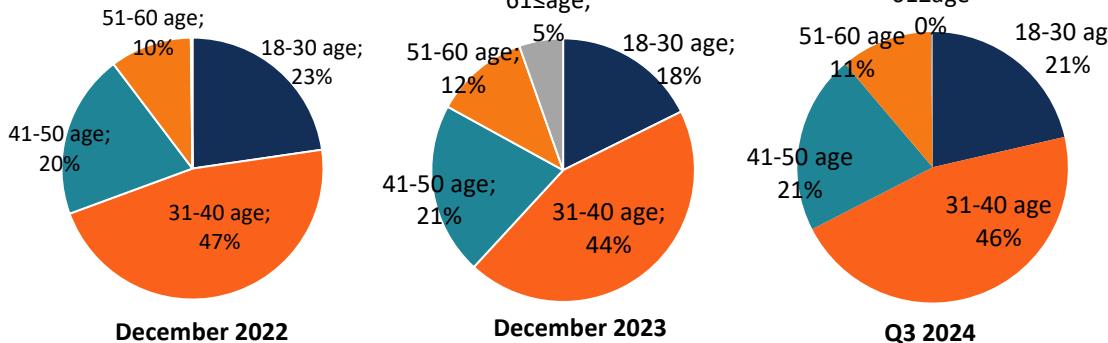
**Mortgages by gender and purpose, UZS billion**



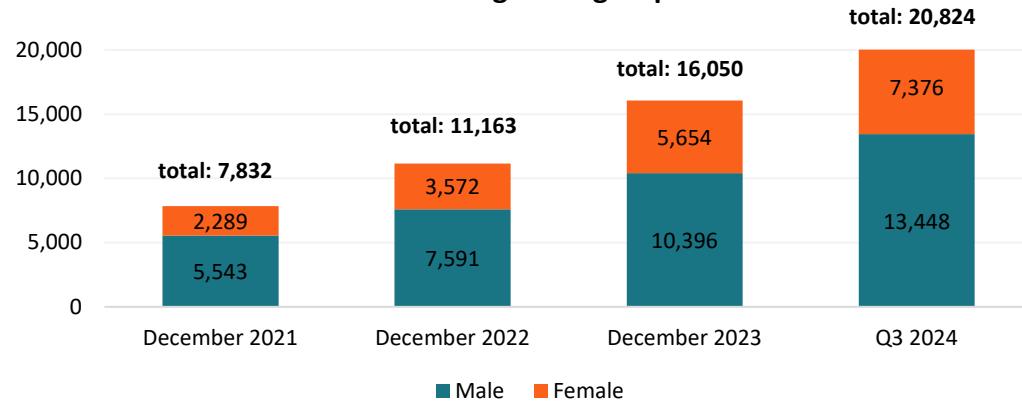
In Q3 2024, 35.4% of refinanced loans were disbursed to women and 64.6% to men.

In Q3 2024, the share of women loans allocated for renovation was at 68.6% and decreased by 5.9% compared to the previous quarter.

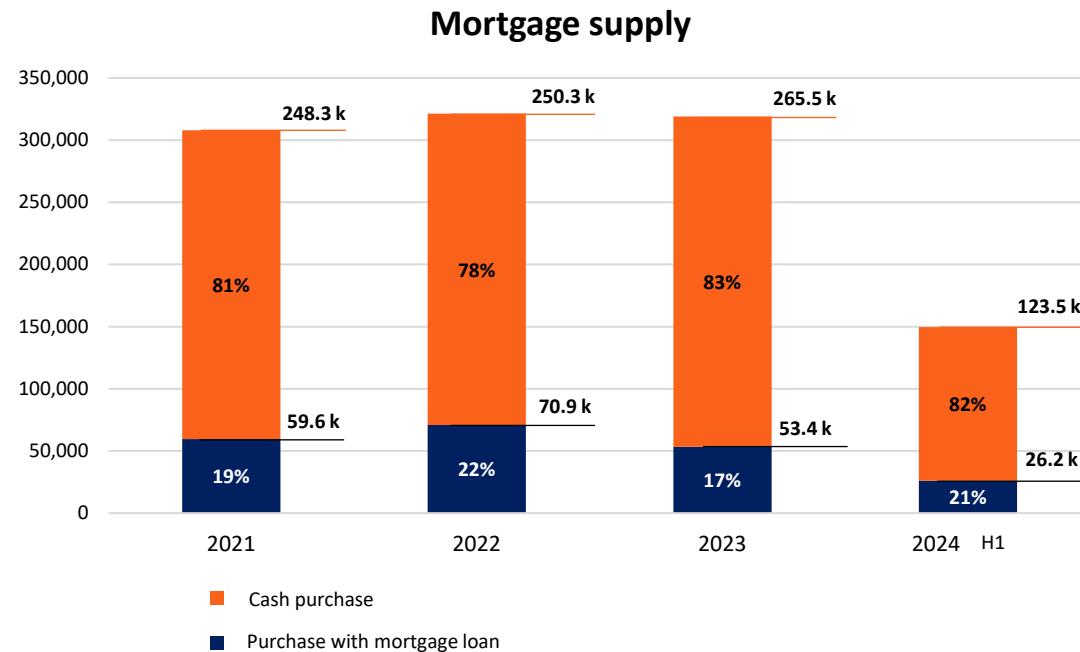
**In the age group**



**In the gender group**



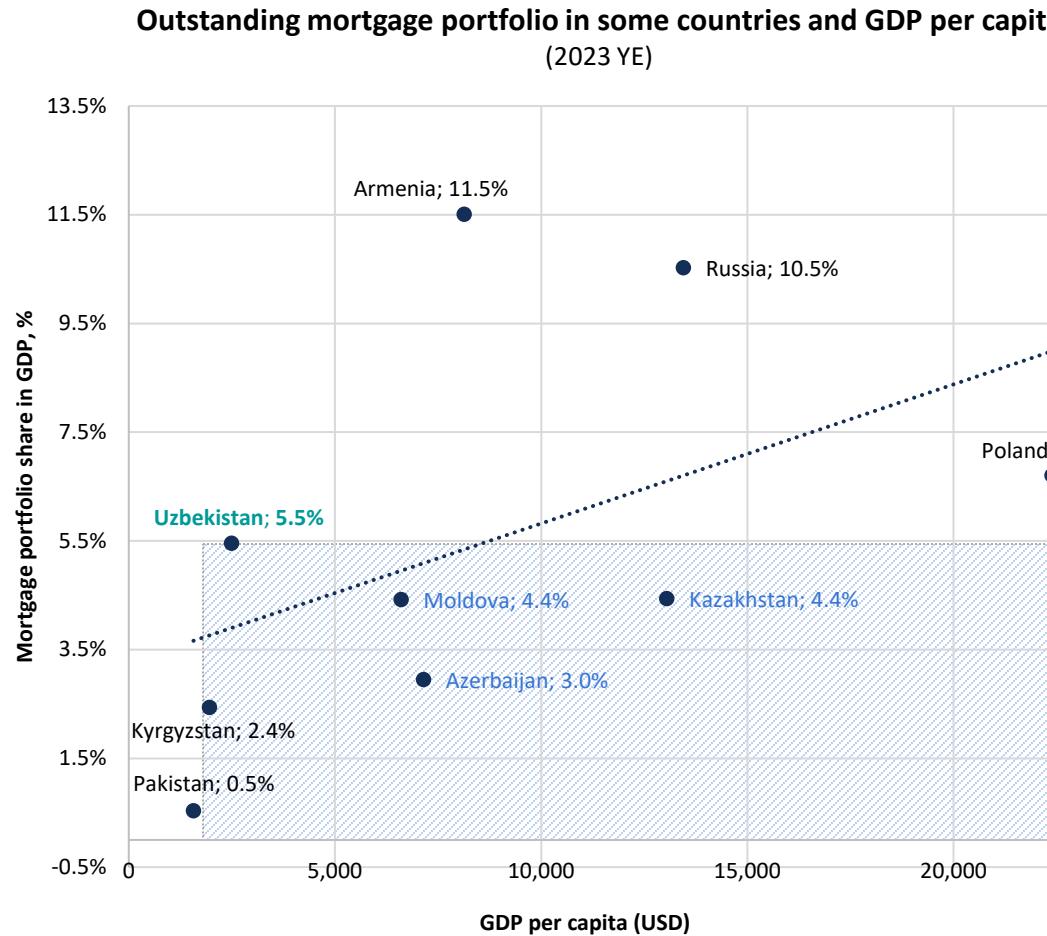
## Housing market overview



### Challenges in Uzbek housing market

- ① **Mortgage penetration level is low - 24%** (USA - 70%, Great Britain - 60-70%, Russia - 64%).
- ② **Government Mortgage program** is concentrated **explicitly on primary market**, as a result distorting the market and driving prices up;
- ③ Dominant Government role squeezing out private sector and overburdening SOB's balance sheet.

## Mortgage market share and other countries



Outstanding mortgage portfolio share compared to GDP per capita is higher than in other peer countries (Kazakhstan, Azerbaijan , Moldova, etc.).

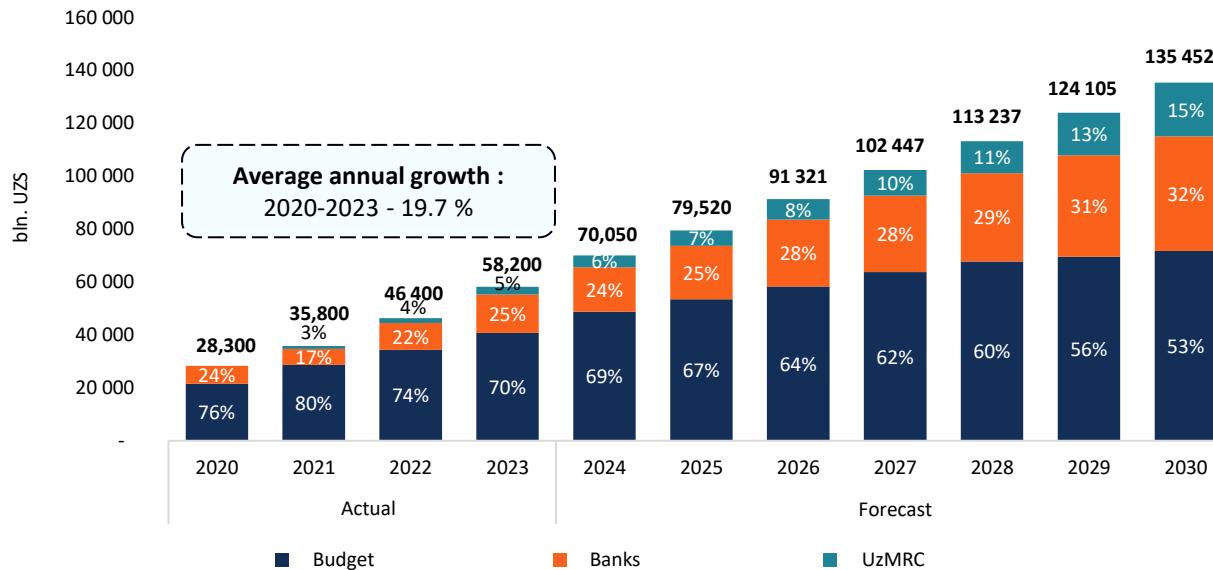
## Comparative analysis of the mortgage market in CIS

Indicators	UZ	RU	KZ	KG	
Central Bank key rate	13.5 %	16 %	14.75%	13%	
Average annual interest rate	17.10 %	7.11 %	14.40 %	17.00 %	
Average tenor of mortgage	18.6 years	23.6 years	9.8 years	12.2 years	
Maximum available tenor for mortgage	20 years	30 years	25 years	25 years	
Average amount of mortgage loan	\$ 20,230	\$ 53,468	\$ 32,763	\$ 42,610	
Mortgage Balance / GDP	2019	3.8%	17.5%	3.0%	2.6%
	2020	4.9%	9.4%	5.0%	3.8%
	2021	5.3%	10.0%	3.6%	2.9%
	2022	5.2%	10.0%	4.0%	2.8%
	2023	5.5%	10.5%	4.4%	2.4%
Apartment price in the capital's primary market (per sq.m)	\$ 1475	\$4180	\$ 1340	\$ 1230	
Apartment price in the secondary market of the capital (per sq.m)	\$ 1310	\$3965	\$ 1395	\$ 1350	

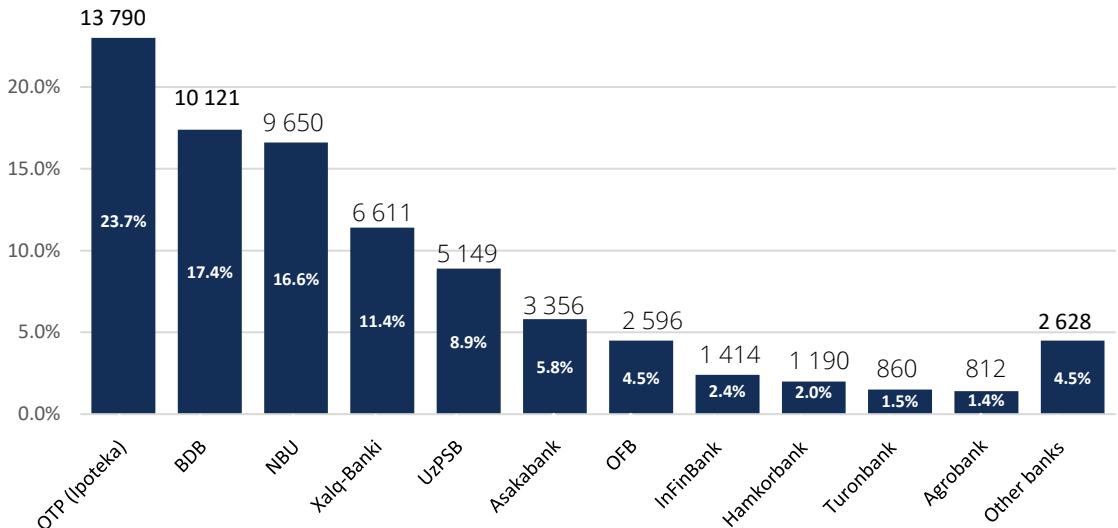
Source: Central Bank of Uzbekistan and UzMRC calculations

## Dynamics and composition of the mortgage market

**Dynamics of the mortgage balance by source**

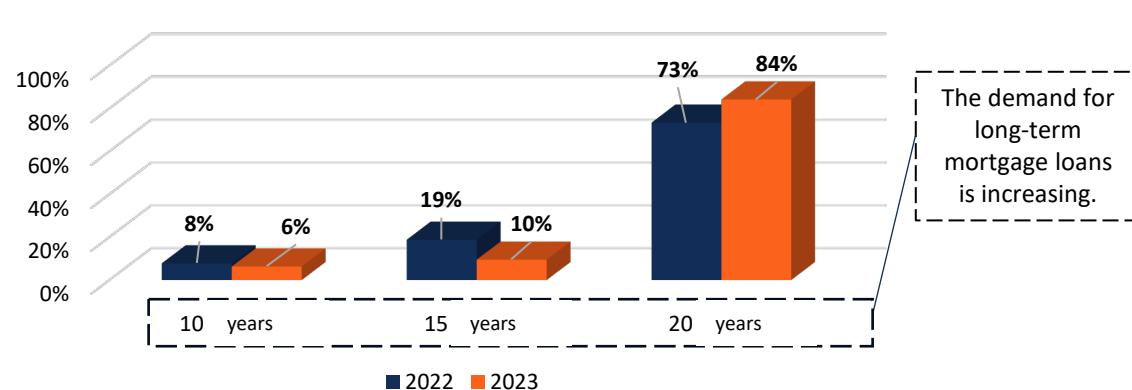


**Overall mortgage balance outstanding by banks, 2023 (UZS bln)**

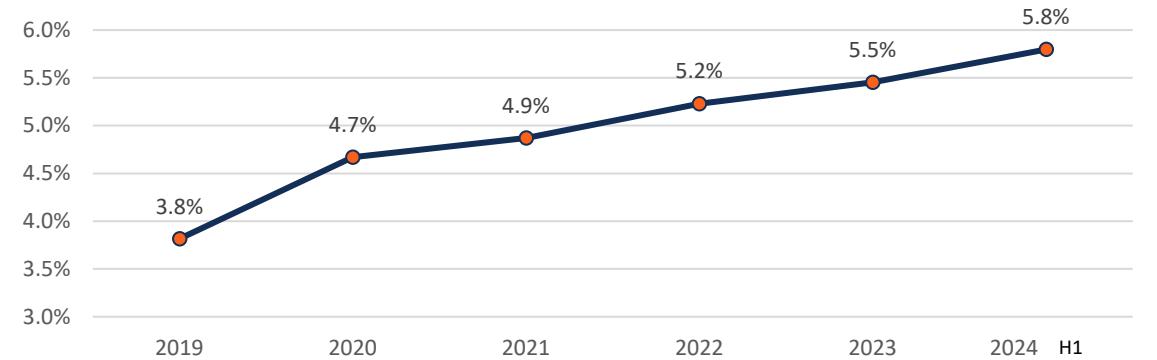


**Total mortgage portfolio by tenor**

(Budget, Banks and UzMRC funds )



**Mortgage loans portfolio share in GDP**

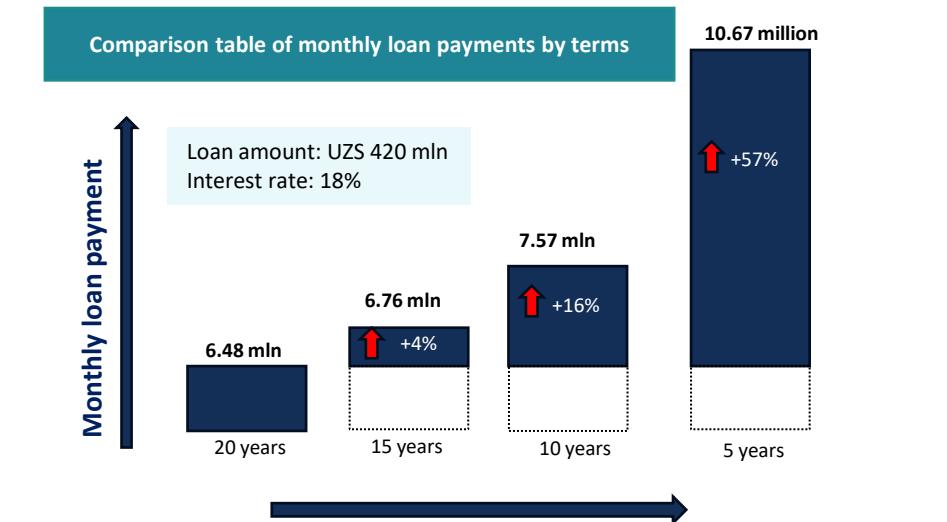
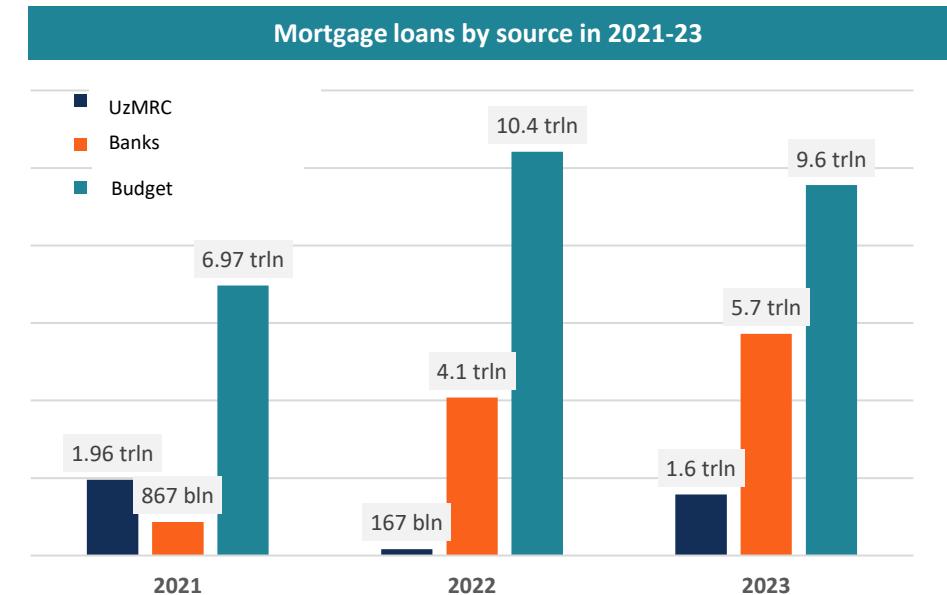


## Available mortgage loans and their qualities



of mortgages originated in 2023:

- **35%** is **commercial at an average rate of 23% - 25%** and **65%** from the **budget** and **UzMRC funds** offered at a rate of **17-18%**.
- **76%** - with **20 year** tenor, **11%** - with **15 year** tenor and **13%** - with **10 year** tenor.
- **57%** - **budget** and **43%** - **UzMRC and bank funds**.



## Approach to financing UzMRC's activities

Housing finance in national currency is of high importance for the future of the housing sector and its participants



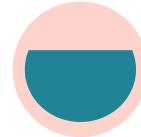
2020-23

### **State**

ADB (sovereign) – USD 300 million equiv.

### **Local capital market**

Corporate bonds – UZS 140 billion



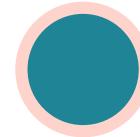
2024

### **Local capital market**

- Corporate bonds – UZS 400 billion
- Corporate **Green** bonds – UZS 50 billion

### **International capital markets**

- IFC – USD 45 million equivalent



2025-30

### **Local capital market**

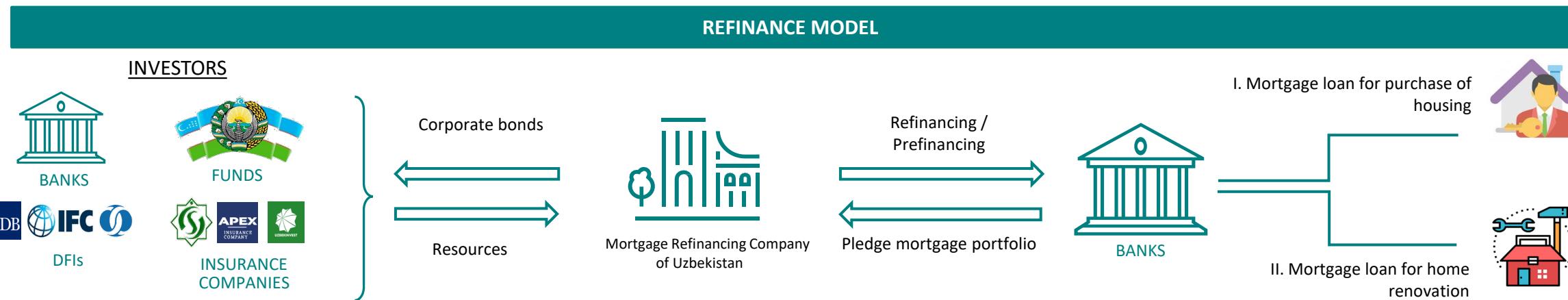
- Corporate bonds – (USD 120 mln eq.)
- Mortgage bonds – (USD 120 mln eq.)
- Budget funds – (USD 190 mln eq.)

### **International capital markets**

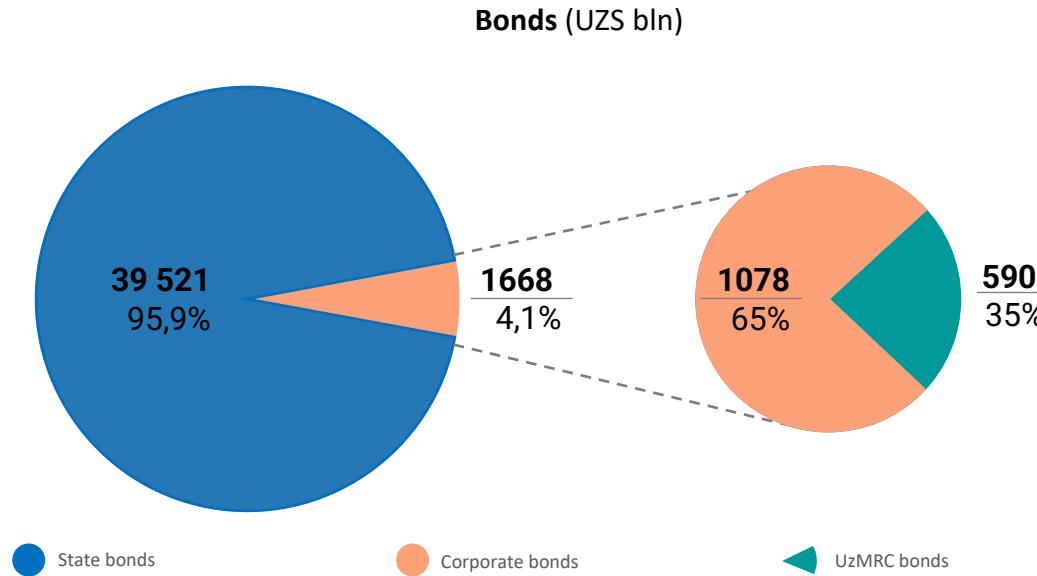
- International development organizations – (USD 800 mln)
- Eurobond – (USD 600 mln)

# Issued bonds

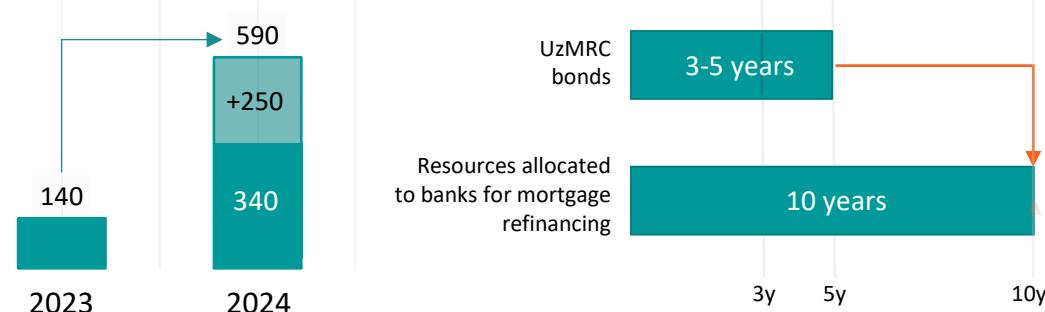
CORPORATE BONDS ISSUED WITHIN THE LIMITS OF EQUITY CAPITAL IN 2023-2024				
Emissions:	First	Second	Third	Fourth
Emission date:	17 October 2023	10 July 2024	18 September 2024	14 November 2024
Type:	Corporate	Corporate	Corporate "Green"	Corporate
Volume issued:	UZS 140 bn	UZS 150 bn	UZS 50 bn	UZS 250 bn
Coupon rate:	19.0 %	19.0 %	18.0 %	19.0 %
PAR value:	UZS 1 mln	UZS 1 mln	UZS 1 mln	UZS 1 mln
Tenor:	3 years (1095 days)	3 years (1095 days)	5 years (1826 days)	3 years (1094 days)
Interest repayments:	Semi-annually	Semi-annually	Quarterly	Quarterly
Placement type:	Private	Private	Private – UZSE	Private – UZSE
Ticker No. in UZSE "Tashkent":	IQMK3	IQMK3V2	IQMK5E	IQMK3V4



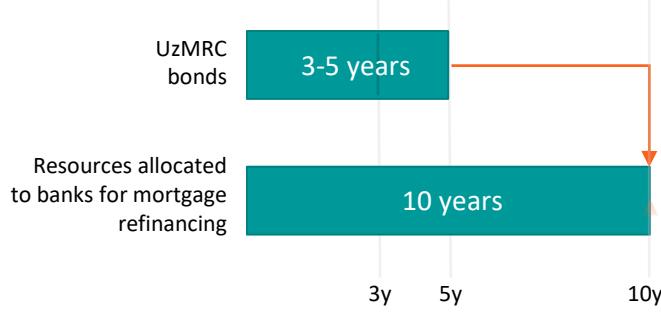
## Local capital market on the run



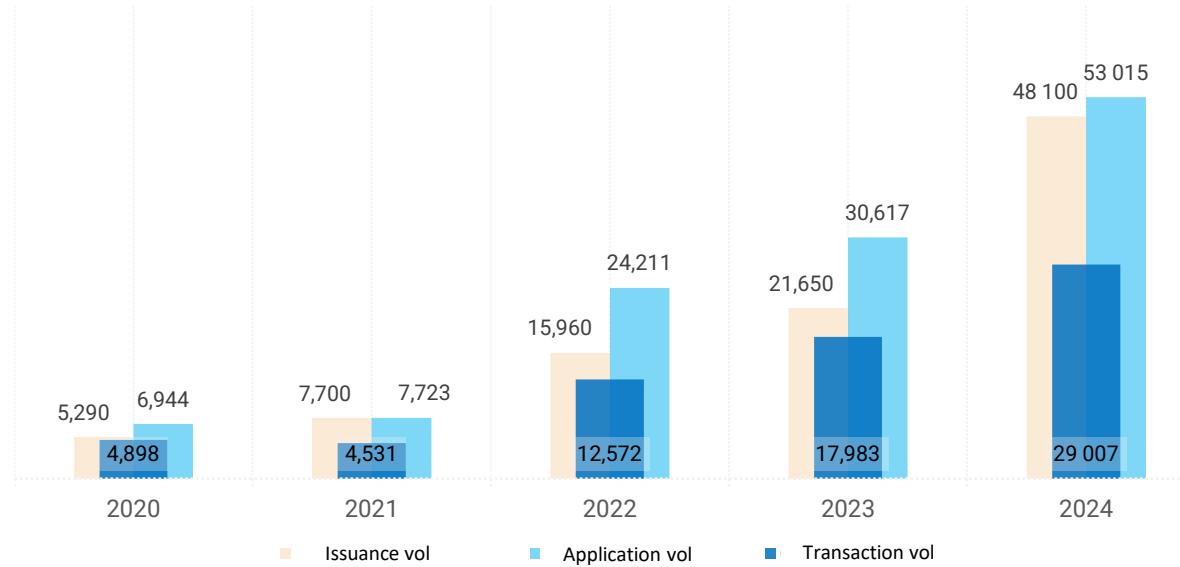
**Resources allocated to banks through UzMRC bonds (UZS bln)**



**Maturity transformation**



### Dynamics of government securities trading 2020-2024



As of **November 18, 2024**, the total volume of bonds in circulation on the local capital market amounts to **UZS 41.2 trillion**, with the following breakdown:

- ✓ The share of government securities in the capital market is **95.9%**;
- ✓ The share of corporate bonds in the capital market is **4.1%**;
- ✓ The share of UzMRC corporate bonds in the total volume is **35%**.

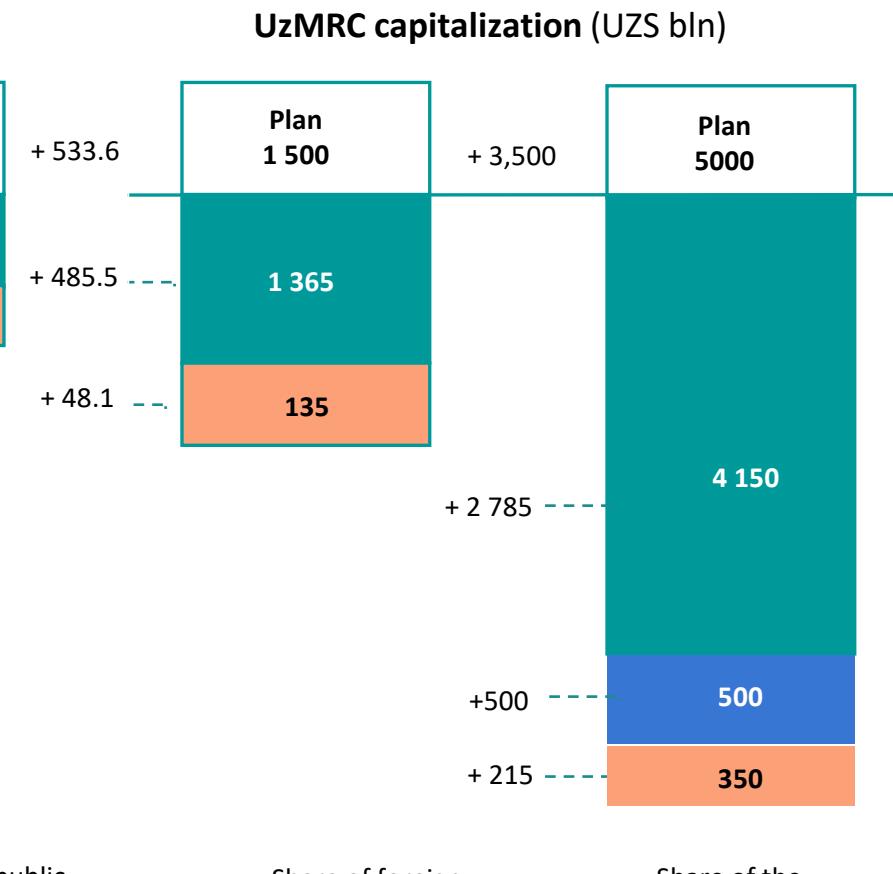
The trading dynamics of government securities between 2020 and 2024 show that the volume of submitted bids exceeds the issuance volume by an average of **126%**, and the volume of unsatisfied bids averages **41%**.

## Plans on increase UzMRC's authorized capital to sustainably finance future activities

№	Shareholders	Actual (01.07.24)	
		UZS bln	%
1	State share	342,2	35,4%
2	Banks with state shares	537,3	55,6%
3	Private banks	86,9	9,0%
4	Foreign investors	-	-
	<b>TOTAL</b>	<b>966,4</b>	<b>100%</b>

PLAN (31.12.25)		PLAN (01.07.30)	
UZS bln	%	UZS bln	%
645	43,0%	1 750	35,0%
720	48,0%	2 400	48,0%
135	9,0%	350	7,0%
-	-	500	10,0%
<b>1 500,00</b>	<b>100%</b>	<b>5 000,00</b>	<b>100%</b>

<b>Actual</b>	<b>966,4</b>
	<b>879,5</b>
	<b>86,9</b>



As a result of the authorized capital increase, UzMRC:

1. Is going to be able to attract from international financial institutions **up to USD 500 million** resources.
2. Is going to be able to attract from international and local capital markets up to **UZS 5 trillion**.