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# Housing Finance in Kyrgyz Republic

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March 2022



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# Kyrgyz Republic

**AREA:** 199 900 km<sup>2</sup>

**LANGUAGE:** Kyrgyz, Russian

**POPULATION:** 6.5 million

**CURRENCY:** Kyrgyz som (KGS)

**GDP per capita:** \$1330

**MORTGAGE to GDP ratio:** 2,5%

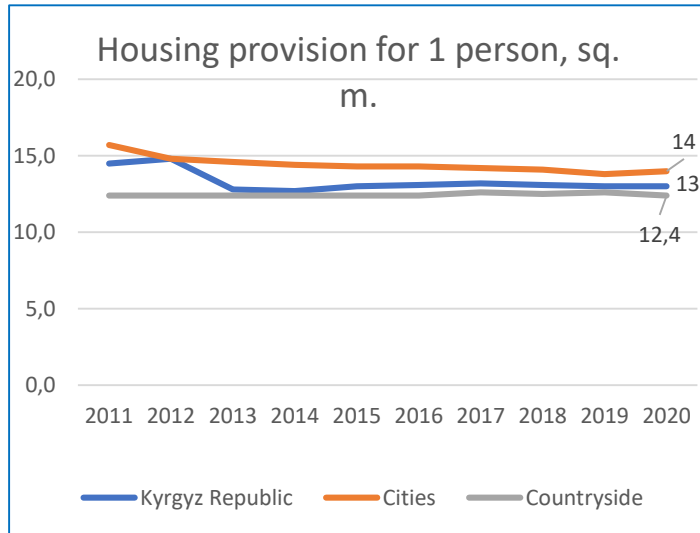
**HOUSING per capita:** 13 sq. m.

**MOODY'S RANKING:** B2 STABLE





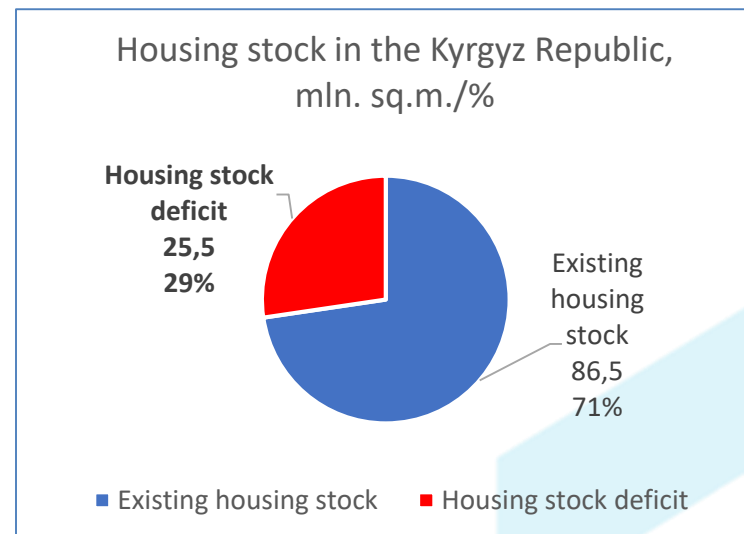
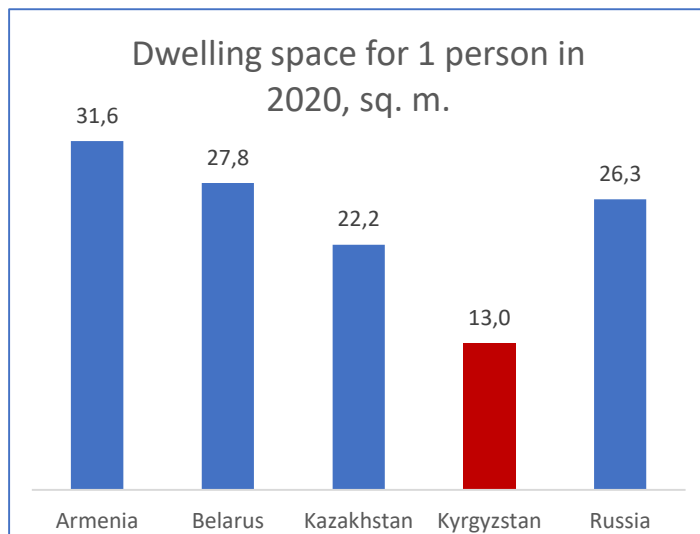
# Housing provision in Kyrgyz Republic



According to UN social standards, housing provision for one person should be at least **30 sq. m.**

In Kyrgyzstan, as of the end of 2020, housing provision per person amounted to **13.0 sq. m.**

In the rating of the EAEU countries Kyrgyzstan has **the lowest** level of housing provision.





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Population of the Kyrgyz Republic (2021)  
6 637 500 people

Unsecured housing (2021)  
200,000 people\*

# Demand for housing

13  
sq.m

Housing provision  
per person  
as of 2021.



Housing stock of the KR private (2021)  
86,463,000 sq. m.

Deficit of the housing stock of the Kyrgyz  
Republic (2021)  
33,000,000 sq. m.



Provision at the expense of the SMC  
by the end of 2026 60,000 people\*\*



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The area of housing by the end of 2026 at  
the expense of SMC 800,000 sq.m.

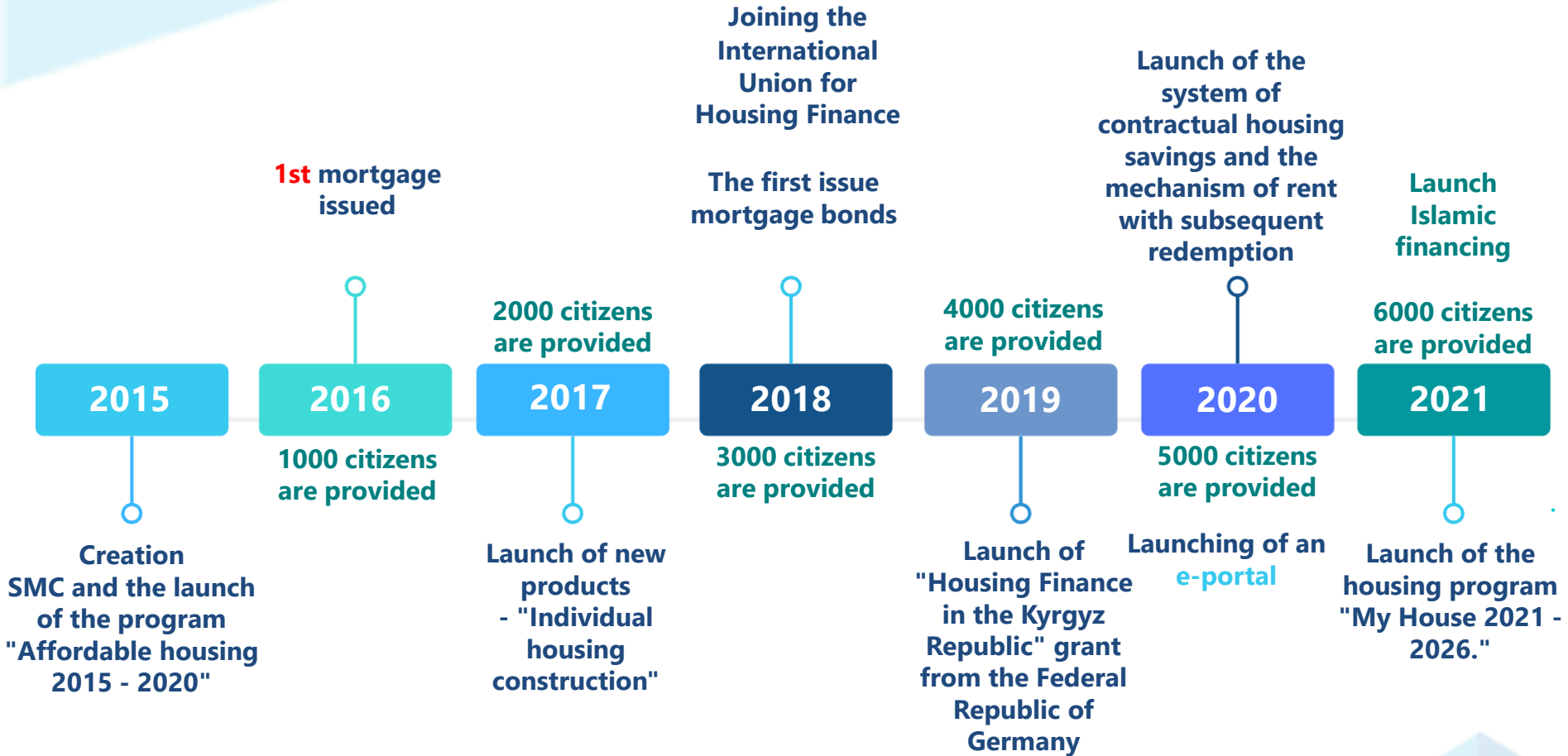
\*On the unofficial side

\*\* Indirect meaning





# Milestones





## SMC activities

1

**Financing/Refinancing mortgage loans**

2

**Issuing of mortgage-backed securities**

3

**Rental housing with subsequent redemption**

4

**Launching a contractual housing savings system**

5

**Attracting investment**

6

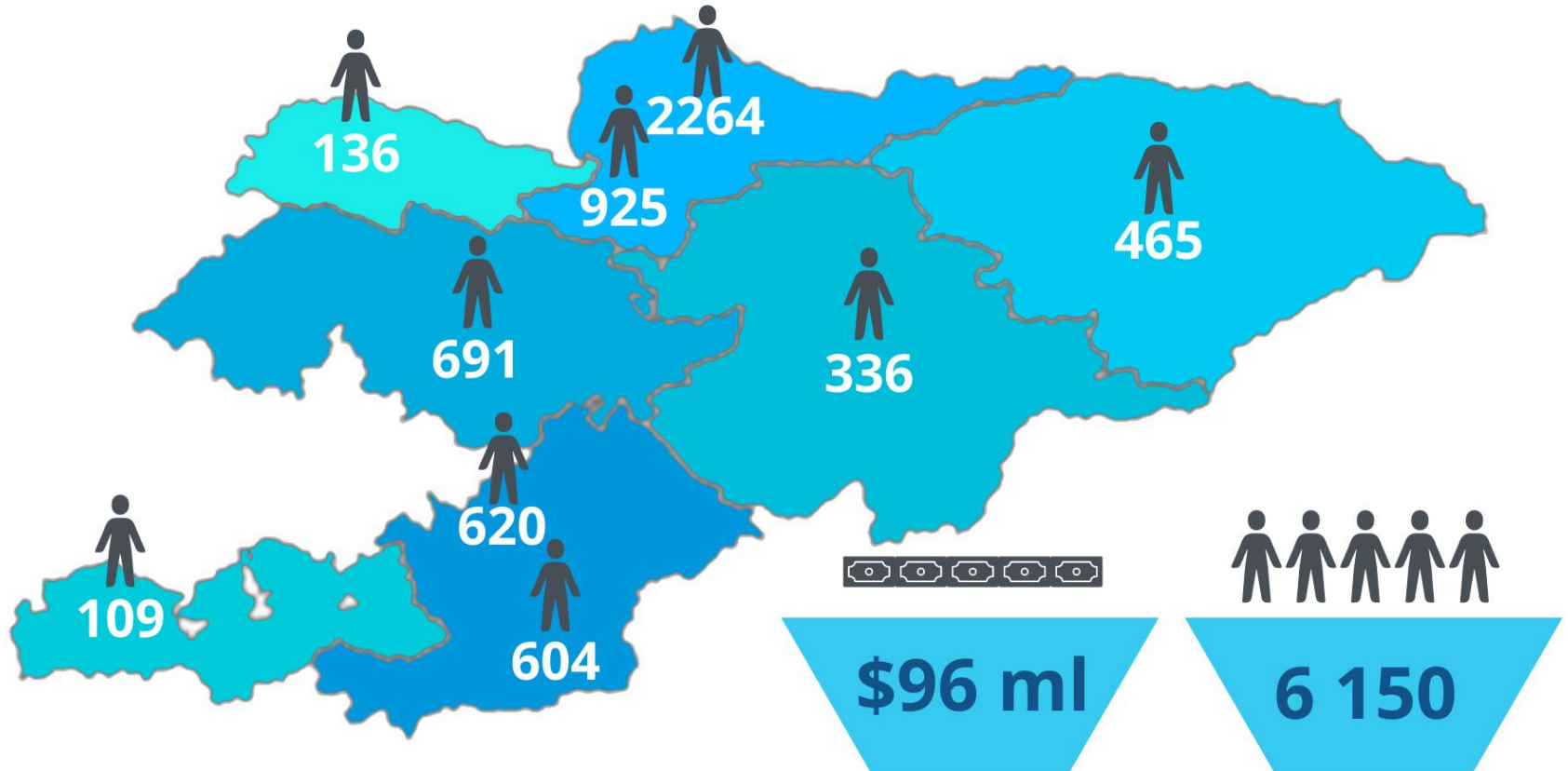
**«Digitalization of services»**

7

**«New financial instruments» (Islamic finance)**



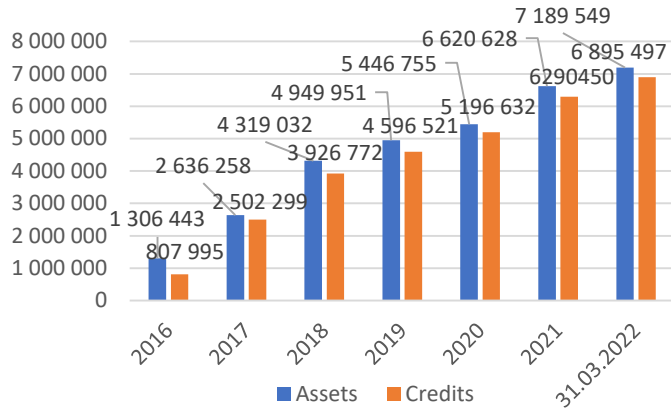
# Total housing provided over the period of work



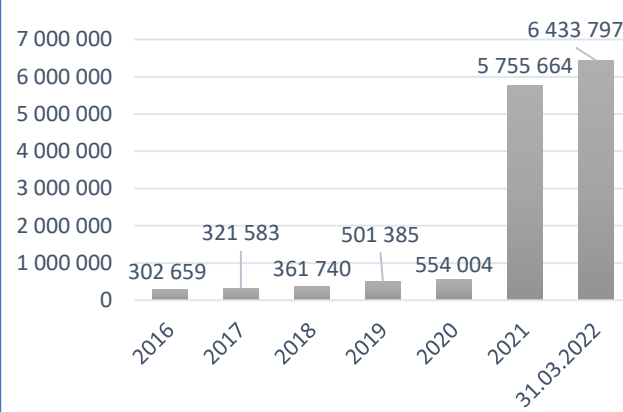


# Key performance indicators

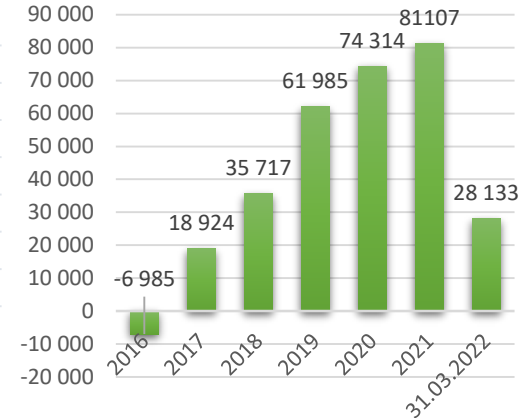
### Assets and loans (thousands of KGS)



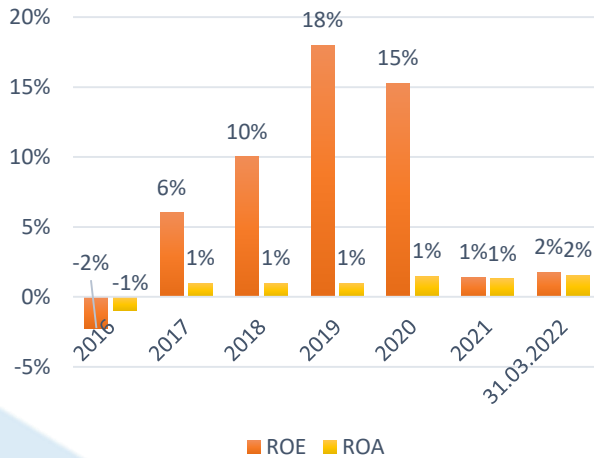
### Total capital (thousands of KGS)



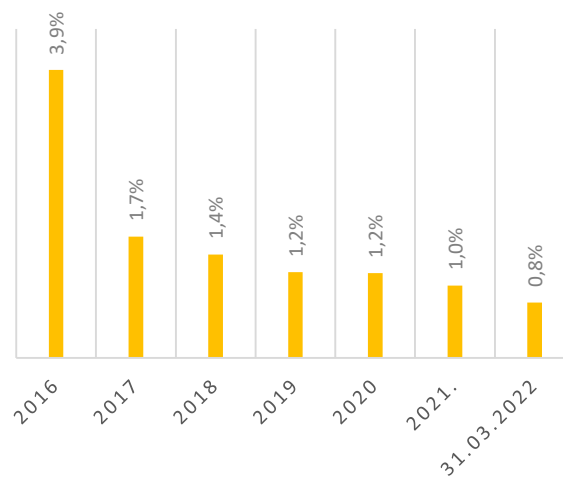
### Net income (thousands of KGS)



### ROA, ROE



### Operating expenses ratio %

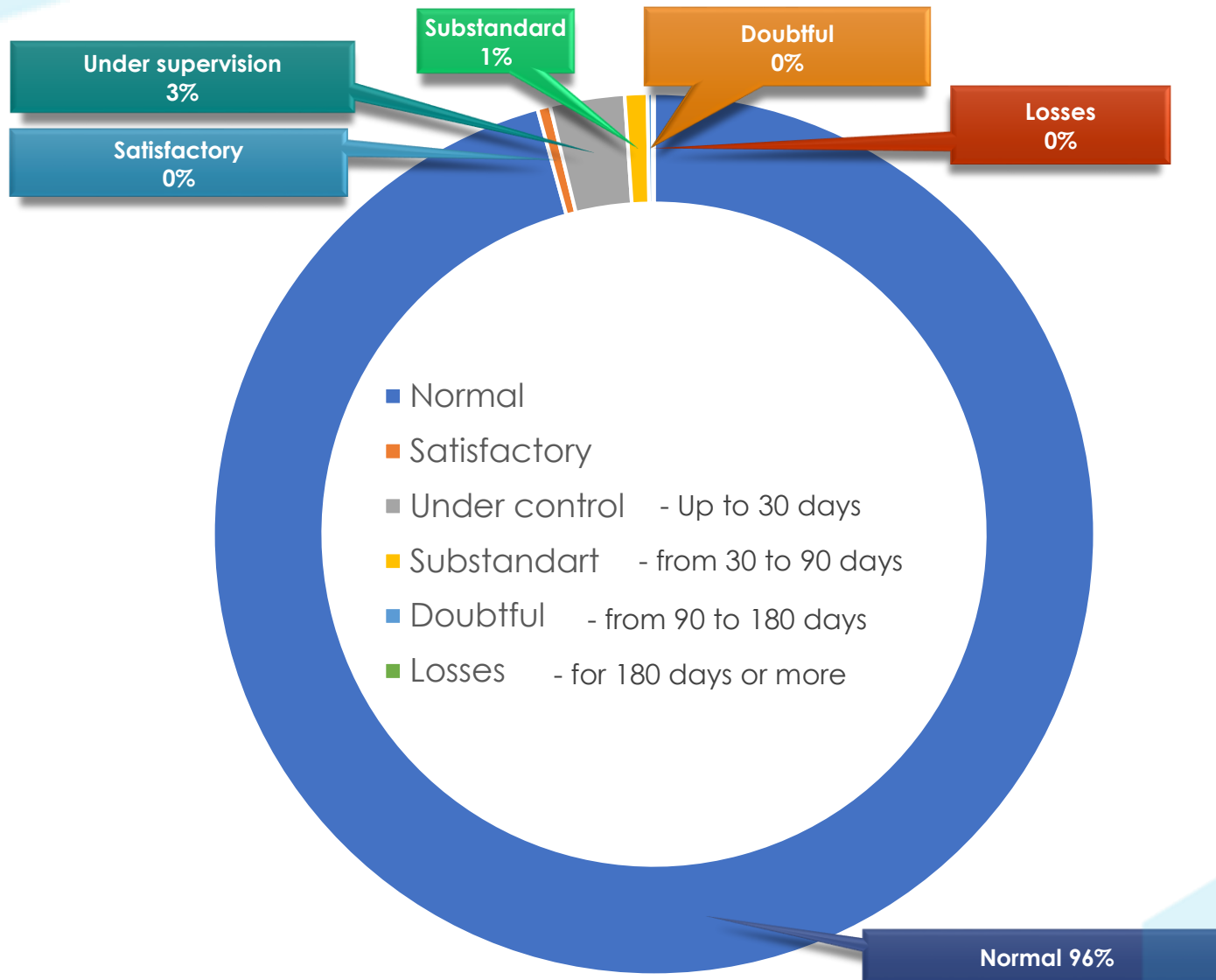


### Credit level in assets





# Loan portfolio quality





## Expected Results « My Home 2021-2026 »

By the end of 2026, the following targets will be met:

- attracted investment from international donors and the issuance of securities totaling **at least 30 billion KGS**;
- The purchase and construction of housing of **at least 740,000 square meters** was financed;
- **at least 15,000 families** were provided with housing.
- increase in the authorized capital of the SMC **from 6.4 billion KGS to 20.0 billion KGS**



# Refinancing mortgage loans

12

PARTNER BANKS

2

MORTGAGE:

- **Preferential Mortgage** – 4% per year
- **Affordable Mortgage (for all)** – 8% per year

2

TYPES:

- **Finished housing purchase**
- **Housing construction**

10%

DOWNPAYMENT of **Preferential Mortgage**

20%

DOWNPAYMENT of **Affordable Mortgage**

25

MATURITY PERIOD (years)

5

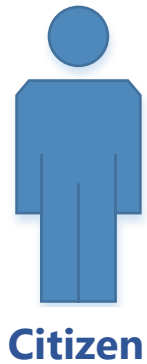
MAX. LOAN AMOUNT (mln. KGS)

6.2

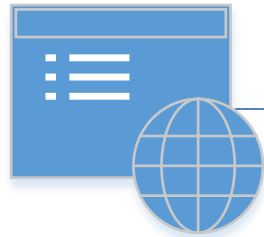
TOTAL PORTFOLIO (bln. KGS) ~ \$73 mln



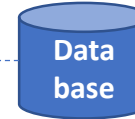
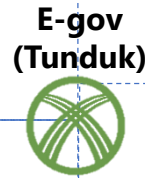
# Digitalization of SMC services



Online  
1. Registration  
2. Service fee



www.portal.gik.kg



Lack of housing

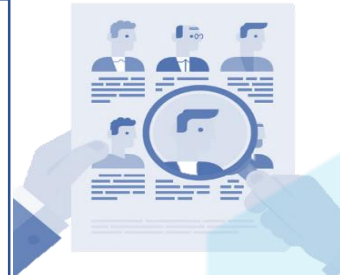
Definition of experience (private)

Definition of experience (all)

Passport data

II

**Partner banks**  
(review and issuance)



Since the launch of the electronic portal, **more than 28 000 new applications** have been registered.



# Residential apartment building in Bishkek and Naryn

## Naryn

The start of construction - September 2017.  
Total area 4 002m<sup>2</sup>, living area 2 640m<sup>2</sup>,  
basement area – 554 m<sup>2</sup>

Residential apartment building- 60 apartments

Cost 1 m<sup>2</sup> living area **32 487 KGS (439 USD)**  
Cost 1 m<sup>2</sup> total area **25 740 KGS (347 USD)**

**Construction put into operation**

**The mechanism of rent-to-own was applied**



## Bishkek

The start of construction - September 2017.  
Total area – 6 903 m<sup>2</sup>, basement- 643,1m<sup>2</sup>,  
living area – 6074,8 m<sup>2</sup>,

Residential apartment building-135 apartments.

Cost 1 m<sup>2</sup> living area **36 046 KGS (468 USD)**  
Cost 1 m<sup>2</sup> total area **30 350 KGS (394 USD)**

**Construction put into operation**

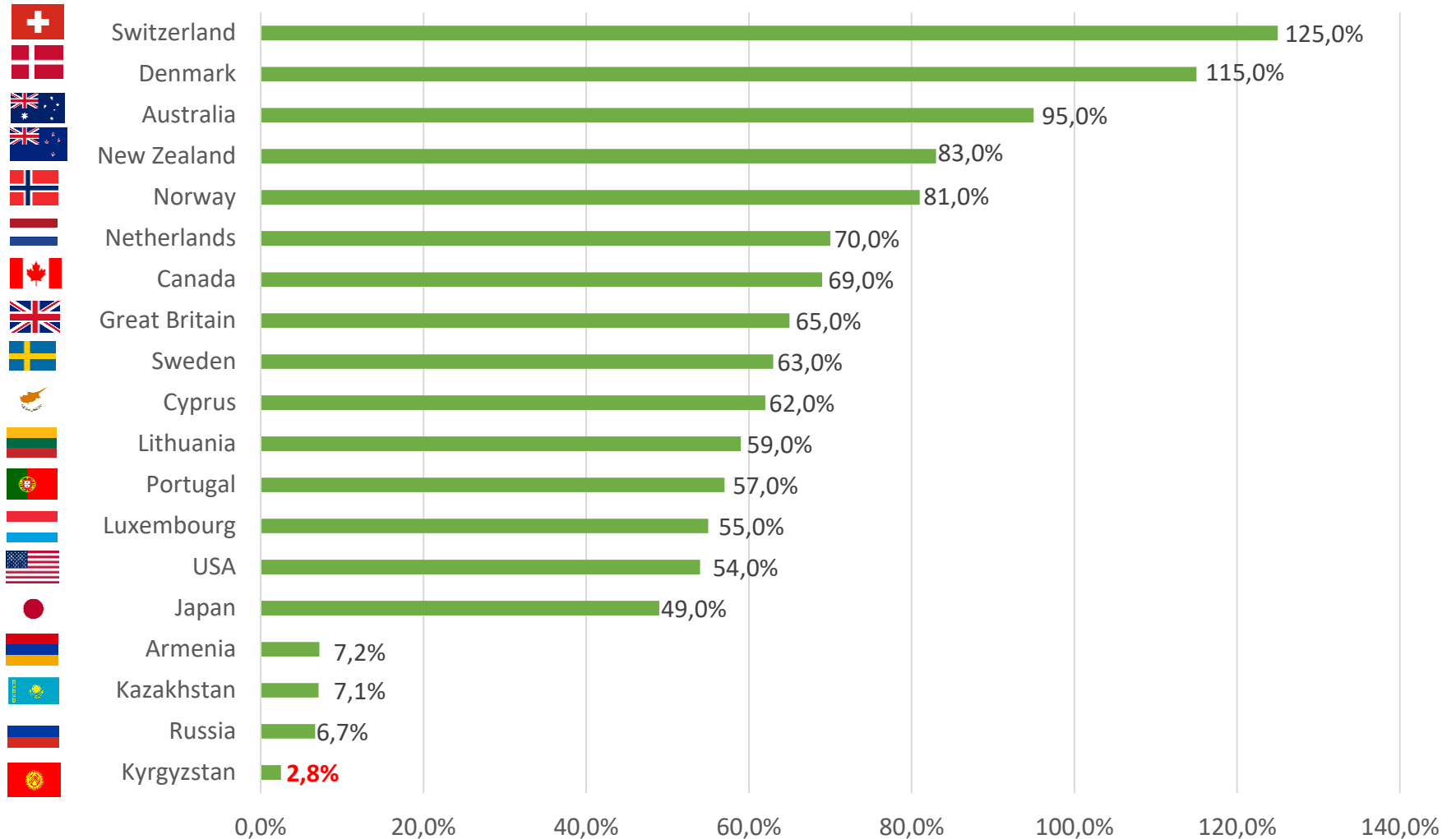
**The mechanism of rent-to-own was applied**





# Overview of the mortgage market

Mortgage to GDP ratio





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# Attraction of investments

# KfW

German Development Bank



THE WORLD BANK



**SFD**  
الصندوق السعودي للتنمية  
Saudi Fund for Development



**Eurasian Development Bank**



Asian Development Bank



Islamic Development Bank



**International  
Finance  
Corporation**  
WORLD BANK GROUP

**Mortgage Securities**



# International cooperation



Russian Federation



The Republic of Kazakhstan



STATE HOUSING DEVELOPMENT AGENCY OF THE REPUBLIC OF AZERBAIJAN



Japan Housing Finance Agency



Korea housing finance corporation



OJSC "Qishlok Qurilish Bank",  
Uzbekistan



Mortgage Refinancing Company of Uzbekistan



International Union for Housing Finance

Since January 2018, SMC has become Member of the International Union for Housing Finance



Member of the International Secondary Mortgage Market Association



Participation in the 8th Global Housing Finance Conference  
May 30, 2018, Washington, USA



ASMMA  
Asian Secondary Mortgage Market Association



## Thank you for your attention!

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