

C-8

Product name	Regulation on Project Financing of Real Estate Construction
Target clients	Corporate clients: companies engaged in the construction of residential housing in the city of Tashkent and in the “New Tashkent” area.
Conditions concerning the applicant	<ul style="list-style-type: none"> -Project initiator is a legal entity that must have the minimum rating required for construction, as stipulated by the decisions of the President and the Government of the Republic of Uzbekistan, based on the rating system established by the Ministry of Construction and Housing and Communal Services (https://reyting.mc.uz). -The Project Initiator or its founders must have in their portfolio a completed real estate construction project with a usable area of at least 10,000.0 sq.m. In this case, the Project Initiator shall submit a certificate on the construction history, accompanied by the construction contract and the commissioning certificate; -The project initiator and its affiliated companies must have the necessary construction permits in accordance with current legislation, including the regulatory documents specified in clause 3.7.1 of this Regulation, as well as the documents outlined in the Resolution No.200 of the Cabinet of Ministers of the Republic of Uzbekistan dated April 20, 2022, “On Approval of Unified Administrative Construction Regulations”; -The project initiator and its affiliated companies must have fulfilled all obligations towards consumers and must not be involved in any court proceedings with them; -The Project Initiator / affiliated group of companies or their founders must have at least 2 years of direct experience in the field of construction; -The Client has been operating without a loss for the last financial year; -The Client doesn't have negative own equity based on last year's financials;

	<p>.-The Client timely settles its financial obligations in JSCMB “Ipoteka-bank” and other banks and in the last 90 days:</p> <ul style="list-style-type: none"> • no overdue obligation >DPD3 is reported; • no overdue debt on K-2 accounts. <p>Absence of overdue obligations is counted from the day of submitting of the loan application.</p> <p>-The Client's current account is not blocked at the time of submission of the request;</p> <p>-The Client must meet the pre-filtering criteria (Internal risk list, Internal blacklist, Watch list, Fraud list, etc.) - after entry into force.</p>
Conditions related to the project	<p>-The residential complex must be registered on the platform of the Ministry of Construction and Housing and Communal Services (https://mc.uz/ru/activity/ulush-platform);</p> <p>Unless otherwise required by applicable legislation, to commence financing, at least 30 percent of the project budget value (including the cost of the land plot and estimated construction costs) must be utilized from the own funds of the Project Initiator / parent company;</p> <p>-The land plot on which the residential building to be financed is located must, in accordance with the established procedure, belong to the project initiator;</p> <p>-Pre-sale ratio must not be less than 20 percent in residential buildings under construction in the city of Tashkent. Lower pre sale ratio can be considered for other regions.</p>
Creditable rating category	At least 3rd class of creditability
Source of financing	The Bank’s own funds and attracted funds
Purpose of the loan	For the purpose of project financing of the construction of fully residential properties as well as residential properties containing non-residential premises.
Possible currencies	National (UZS). Foreign currencies (US Dollar (USD) / Euro (EUR)) based on CLC decision.
Maximum loan amount	The amount of the loan/financing provided by the Bank to the project initiator, together with investors’ funds, may amount to up to 70% of the estimated project cost.
Loan utilization period	Up to 36 months
Possibility of re-utilization (revolver)	Not applicable
Grace period (for repayment of the loan and the interest/fees -bank income)	Up to 24 months
General type of utilization method	Project financing (allocation) is carried out in stages, based on the certificates of completed construction and installation works (Forms 2 and 3), the construction schedule, and the list of upcoming payments.

Fund allocation/utilization period	Up to 24 months
Interest rate	As per the decision of the Credit and Limit Committee (detailed in Annex 1).
Accepted collaterals	<p>Primary collateral:</p> <ul style="list-style-type: none"> - pledge of movable and immovable property; - guarantee by a third party; - Pledge of the project initiator's or a third party's deposit in the bank; - pledge of facilities whose construction is financed by the Bank, together with land plots (in the form of unfinished construction without an assigned ID number, on a stage-by-stage basis); - Other types of collateral not prohibited by law and specified in the bank's internal regulations. <p>Additional collateral:</p> <ul style="list-style-type: none"> - Guarantee (for an amount not less than the estimated cost) of the project initiator's founders who are not state organizations (with state participation); - Pledge of income from the future sale of apartments in these residential properties, and, if applicable, from the sale of non-residential complexes; - Pledge of shares in the charter capital of the SPV (except in cases where guarantees from equity holders have been obtained).
Commission fees	Individually, in compliance with laws, credit line terms, and internal regulations
Loan repayment	<p>Interest: Interest accrued during the grace period is paid starting from the month following the end of the grace period.</p> <p>Principal: Repaid in equal monthly installments after the grace period. If the loan is provided under a specially attracted line (state programs, lines from foreign financial institutions, etc.), a different repayment procedure may apply.</p>

Annex-1

No	Product type	Financing in Uzbek Soum (UZS)	Financing in US Dollars (USD)	Financing in Euros (EUR)	Note
1	REC-1	FTP + bank margin	FTP + bank margin	FTP + bank margin	By lending at a conventional interest rate. In this case, the loan amount allocated for construction financing is determined regardless of the volume of funds received from apartment sales, and income is calculated based on a commercial interest rate on this loan.
2	REC-2	Escrow rate + bank margin	-	-	Through lending at a preferential interest rate. In this case, the loan amount allocated for construction financing is equal to the volume of funds received from apartment sales, and income on this loan is calculated at a preferential interest rate. No interest is accrued on funds deposited into the “escrow” account. Additionally, the preferential interest rate is equal to the bank’s margin.
3	REC-3	0%	0%	0%	Financing from funds received in the “escrow” account. Construction project financing is carried out using a portion of the funds deposited into the “escrow” account. The bank provides financing to the project initiator based on the principal portion of the funds accumulated in the “escrow” account.
4	REC-6	FTP - ΔFTP + bank margin	FTP - ΔFTP + bank margin	FTP - ΔFTP + bank margin	Through lending at a flexible interest rate. The annual interest rate on loans allocated by the bank to developers through project financing is determined based on the volume of funds accumulated in the “escrow” account. In this case, the principle of gradually reducing the loan interest rate as the funds in the “escrow” account increase is applied.



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