

# Investment opportunities: Banks in Uzbekistan

September 2020

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**AVESTA**  
INVESTMENT GROUP

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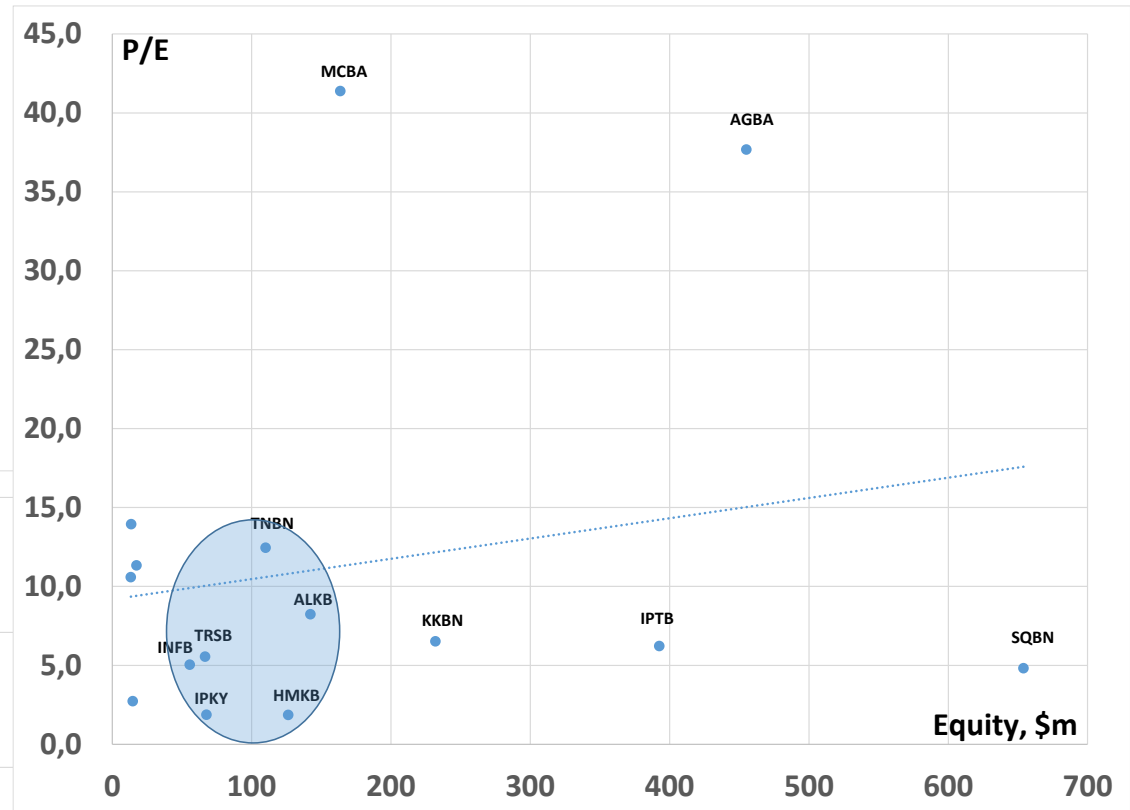
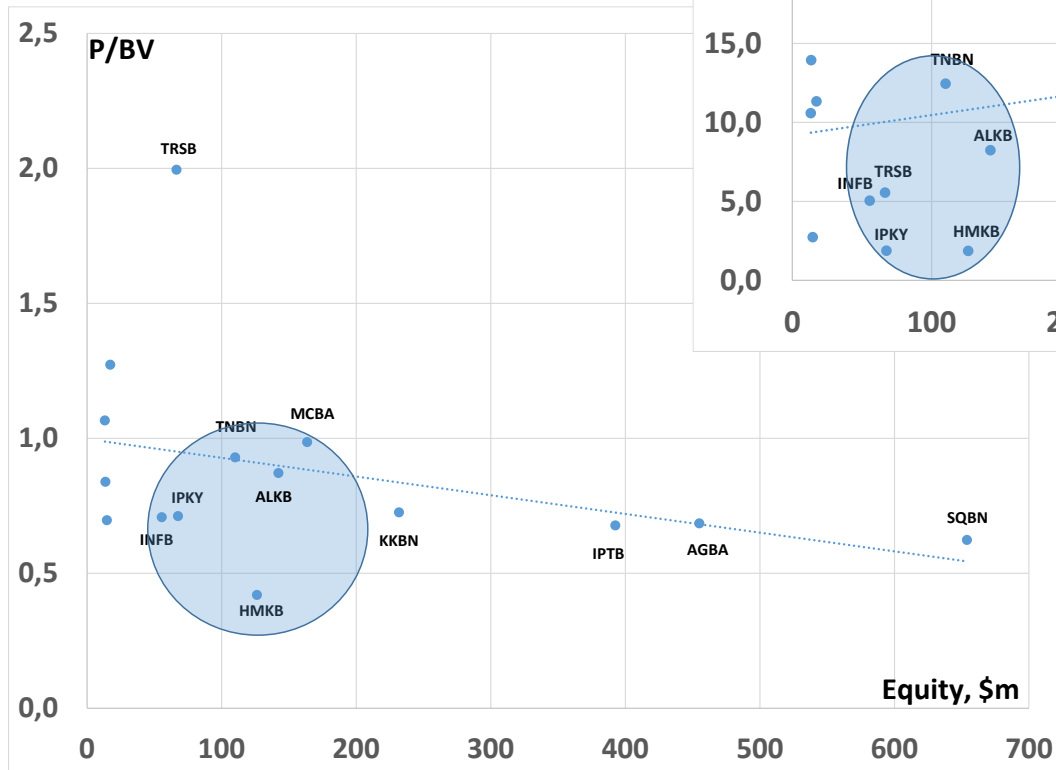
Listed equities

Last M&A deals and new players

Obstacles for foreigners

# Listed equities

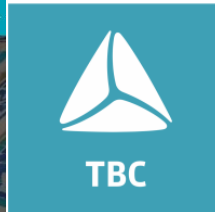
Total turnover of listed bank equities in 8M20 reached \$13.2m, while real retail turnover not exceeded \$0.2m – rest are M&A and private transactions.



Due to low liquidity, we believe that real ratios for state-owned banks outside the blue zone (except IPTB and SQBN) are 2-3 times lower.

# Last M&A deals and new names

## New players:



ANOR BANK  
and TBC UZ



## Sufficient M&A:

### Hamkorbank:



#### Responsibility

\$7.88m for 7.66% at

1.2xBV and 5xEPS

Following with

1.95% sale from

local investor at

1xBV and primary

placement of 2.6%

at 1.2xPV

### Ipak Yuli:



DEG&Triodos

24% for \$25m

at 0.9xBV and

3.1xEPS

### Kapital:



Local

investors

took 36%

for \$4.67m

at 0.2xBV

and 1xEPS



responsAbility

## Obstacles for foreigners:

- Off-shore based companies and persons could not invest at all – means that most of minority investments funds are off the limit;
- Shareholders (up to beneficiaries) of non-offshore companies should not be in off-shores – means investors cannot use main tax-optimization schemes with SPV;
- Local company should not have more than 50% foreign equity – means that local investment vehicle option is also not acceptable.
- Financial investors could not have more than 50% in bank (only IFIs, banks and other credit institutions)

### Who could invest?

- Individuals from non-off-shore;
- IFIs
- Strategic investors from non-offshore directly or through non-offshore SPV.

### Which popular jurisdiction are non-off-shore:

- Luxembourg
- Singapore
- Scotland

**THANK YOU!**

## **Contacts**

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