

# 2023 AREPTA CONFERENCE AND AGM Presentation by TMRC



**7<sup>TH</sup> - 8<sup>TH</sup> DECEMBER 2023 - MOROGORO**

- ▶ Tanzania Mortgage Refinance Company Limited (TMRC) is a private sector financial institution with a sole purpose of supporting banks to do mortgage lending by refinancing and pre-financing banks' mortgage portfolios.
- ▶ TMRC is a mortgage liquidity facility (MLF), designed to support long term mortgage lending activities by Primary Mortgage Lenders (PML)
- ▶ TMRC's operation model was adopted from other successful liquidity facilities



TANZANIA MORTGAGE  
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# TMRC OVERVIEW

- ▶ TMRC was established in 2011 with support from the Government of Tanzania and the World Bank with the initial aim of supporting TMRC's member banks to extend long-term mortgage loans to the public through provision of long-term funds
- ▶ First group of Shareholders of TMRC are:
  - CRDB Bank Plc
  - Azania Bank Plc
  - EXIM Bank (T) Ltd &
  - TIB Bank Ltd
- ▶ The company started with Initial capital TZS 2.9 Billion in 2011
- ▶ As at 30<sup>th</sup> November 2023, There are 18 Shareholders of TMRC with paid up share capital of TZS 25.84 Billion



# TMRC SHAREHOLDERS: 30<sup>TH</sup> NOV 2023:



Creating Markets, Creating Opportunities



# TMRC SHAREHOLDING

## TMRC SHAREHOLDING AFTER MHB LTD ADMISSION

S/No.	SHAREHOLDER	# OF SHARES	PAID UP CAPITAL	% HOLDING (NEW)
1	CRDB Bank Plc	3,000,000	3,039,000,000	12.8%
2	Azania Bank Plc	2,500,000	2,632,500,000	10.7%
3	Shelter Afrique	2,332,500	2,456,123,000	10.0%
4	International Finance Corporation (IFC)	2,120,530	3,439,500,000	9.1%
5	NMB Bank Plc	1,800,000	1,740,000,000	7.7%
6	TIB Development Bank Ltd	1,500,000	1,450,000,000	6.4%
7	National Bank of Commerce Ltd	1,250,000	1,316,250,000	5.3%
8	Exim Bank (T) Ltd	1,200,000	1,200,000,000	5.1%
9	National Housing Corporation (NHC)	1,200,000	1,200,000,000	5.1%
10	DCB Commercial Bank Plc	1,100,000	1,100,000,000	4.7%
11	BancABC Ltd	1,000,000	1,000,000,000	4.3%
12	BOA Bank (T) Ltd	1,000,000	1,000,000,000	4.3%
13	First Housing Finance Ltd	1,000,000	1,485,098,000	4.3%
14	Peoples Bank of Zanzibar Ltd	625,000	658,125,000	2.7%
15	I & M Bank Ltd	625,000	658,125,000	2.7%
16	NCBA Bank Ltd	500,000	500,000,000	2.1%
17	Mkombozi Bank Plc	308,262	500,000,000	1.3%
18	Mwanga Hakika Bank Ltd	308,262	500,000,000	1.3%
	<b>TOTAL</b>	<b>23,369,554</b>	<b>25,874,721,000</b>	<b>100.0%</b>

- Provision of secure long term funding at competitive rates to mortgage lenders to continue lending to their clients only for residential Mortgages
- Assist in the standardization of mortgage best practices in Tanzania through specialized training to mortgage lenders on the origination of mortgages and enforcing its borrowers to comply while using TMRC funding.
- Contribute to the growth of Tanzanian capital markets through the issuance of TMRC bonds to source funds for long term lending to member banks



# OTHER LIQUIDITY FACILITIES

- ▶ Egypt - Egyptian Mortgage Refinance Company (EMRC)
- ▶ France - Caisse De Refinancement De Habitat (CRB)
- ▶ Indonesia - PT Sarana Multgriya Finansial (SMF)
- ▶ Malaysia - Cagamas Berhad
- ▶ West Africa – Regional Mortgage Refinance Fund (CRRH UEMOA)
- ▶ Nigeria - Nigeria Mortgage Refinance Company (NMRC)
- ▶ Mongolia - Mongolian Mortgage Corporation (MMC)
- ▶ Armenia - Armenian Mortgage Corporation (AMC)
- ▶ Jordan - Jordan Mortgage Refinance Company (JMRC)
- ▶ Pakistan – Pakistan Mortgage Refinance Company (PMRC)
- ▶ Kenya - Kenya Mortgage Refinance Company (KMRC)



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# TMRC FUNDING MECHANISM

Bank of  
Tanzania

Corporate Bond  
Market

TMRC

Mortgage  
Lenders





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# TANZANIA MORTGAGE MARKET @ GLANCE: SEPTEMBER 2023

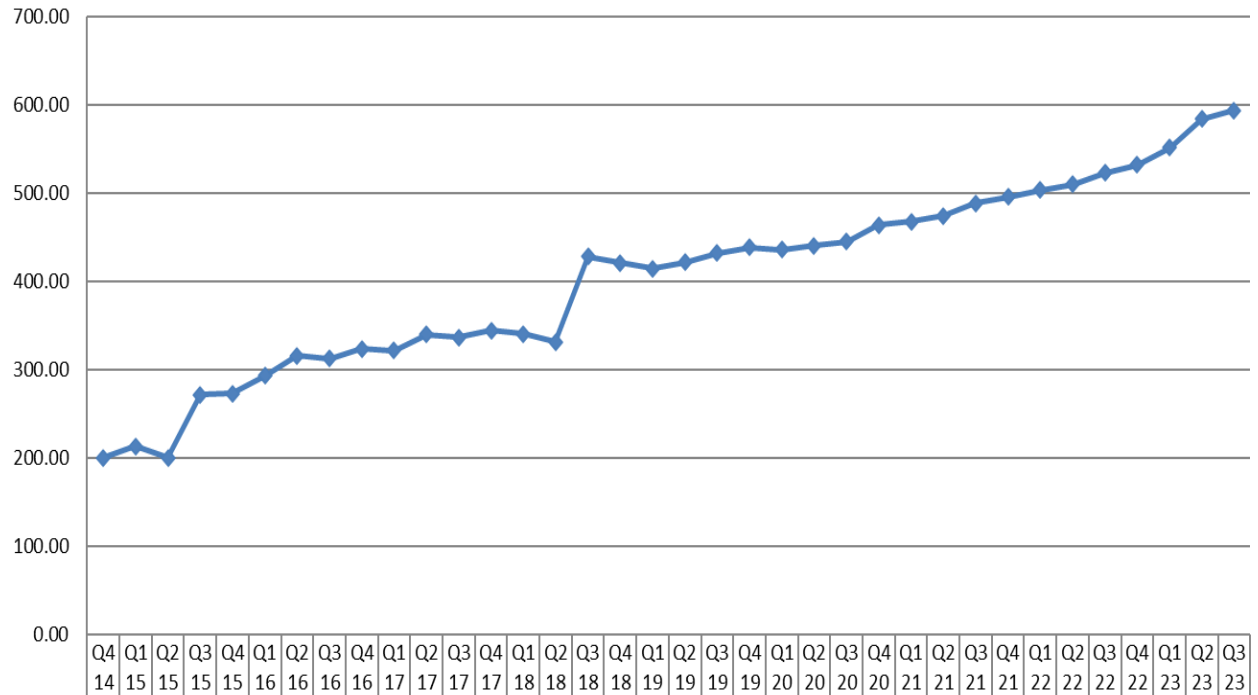
SNO	MORTGAGE LENDER	NO. OF ACCOUNTS	AMOUNT IN TZS BILLIONS	% MARKET SHARE
1	CRDB BANK PLC	1,584	197.70	33.30%
2	KCB BANK TANZANIA LIMITED	174	60.08	10.12%
3	NMB BANK PLC	476	52.34	8.81%
4	AZANIA BANK PUBLIC LIMITED COMPANY	425	46.33	7.80%
5	STANBIC BANK TANZANIA LTD	190	35.44	5.97%
6	EXIM BANK TANZANIA LIMITED	181	25.53	4.30%
7	FIRST HOUSING FINANCE COMPANY LIMITED	197	24.37	4.10%
8	DCB COMMERCIAL BANK PLC	440	20.87	3.51%
9	TANZANIA COMMERCIAL BANK PLC	418	17.58	2.96%
10	ABSA BANK TANZANIA LIMITED	97	17.07	2.87%
11	NATIONAL BANK OF COMMERCE LIMITED	106	14.52	2.44%
12	NCBA BANK TANZANIA LIMITED	67	13.71	2.31%
13	EQUITY BANK TANZANIA LIMITED	105	11.32	1.91%
14	BANK OF AFRICA TANZANIA LIMITED	130	10.76	1.81%
15	AFRICAN BANKING CORPORATION TANZANIA LTD	71	7.23	1.22%
16	AMANA BANK LIMITED	152	6.95	1.17%
17	I & M BANK TANZANIA LIMITED	39	6.42	1.08%
18	DIAMOND TRUST BANK TANZANIA PUBLIC LIMITED COMPANY	29	5.74	0.97%
19	STANDARD CHARTERED BANK TANZANIA LTD	20	3.49	0.59%
20	LETSHEGO FAIDIKA BANK TANZANIA LIMITED	41	2.33	0.39%
21	MWANGA HAKIKA BANK LTD	161	2.26	0.38%
22	ECOBANK TANZANIA LIMITED	15	2.24	0.38%
23	MAENDELEO BANK PLC	510	2.14	0.36%
24	MKOMBOZI COMMERCIAL BANK PLC	13	2.07	0.35%
25	MUCOBA BANK PLC	32	1.50	0.25%
26	AKIBA COMMERCIAL BANK PLC	35	0.91	0.15%
27	TIB DEVELOPMENT BANK LIMITED	9	0.87	0.15%
28	PEOPLES BANK OF ZANZIBAR LIMITED	11	0.84	0.14%
29	BANK OF BARODA TANZANIA LIMITED	4	0.51	0.09%
30	CITIBANK TANZANIA LIMITED	3	0.32	0.05%
31	INTERNATIONAL COMMERCIAL BANK TANZANIA LTD	4	0.31	0.05%
	TOTAL	5,739	593.76	100.00%



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# TANZANIA MORTGAGE MARKET @ GLANCE: SEPTEMBER 2023

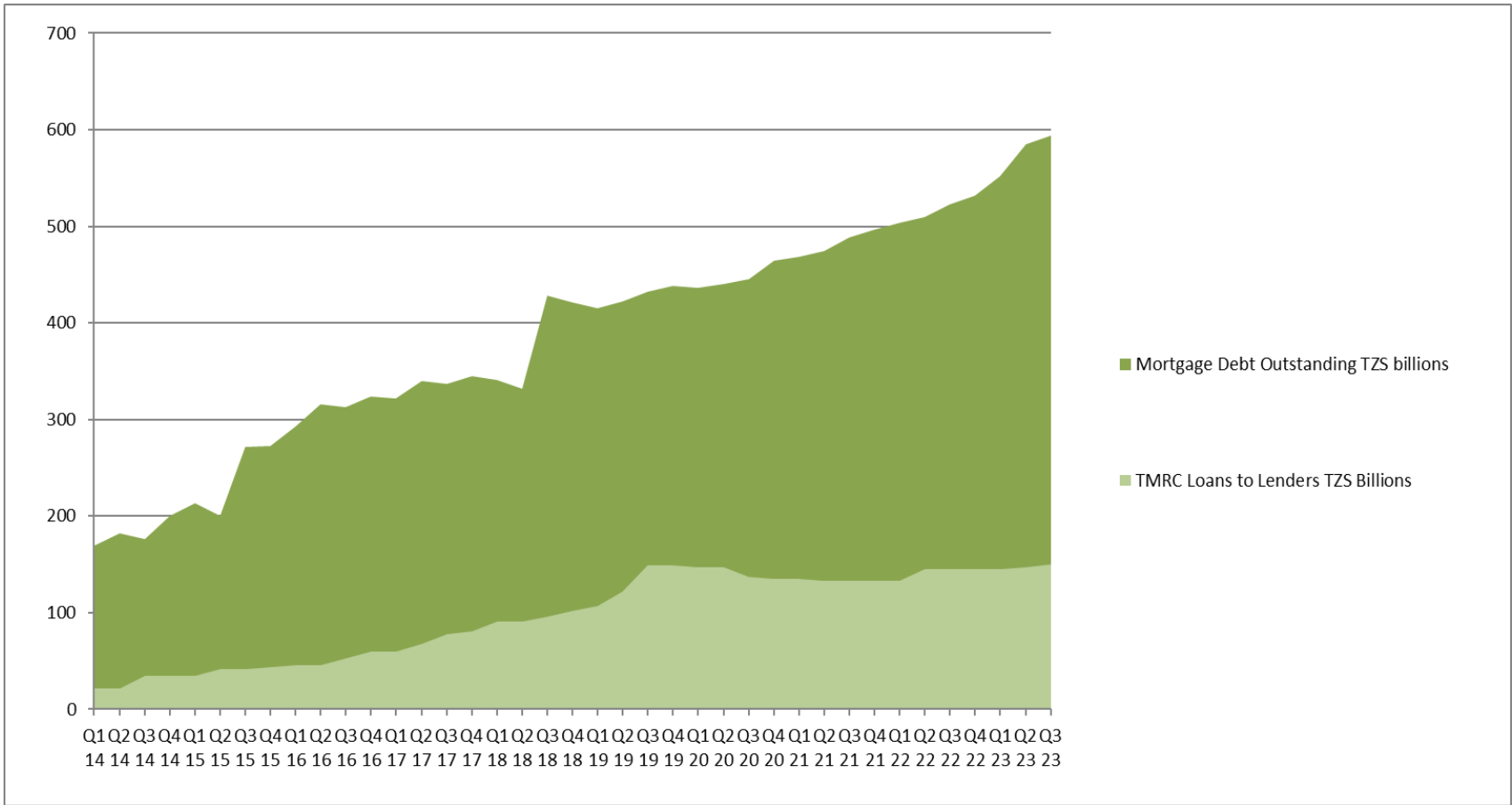
**Mortgage Debt Outstanding TZS billions**



— Mortgage Debt Outstanding TZS billions 200 213 200 271 272 293 315 312 324 321 339 336 344 340 331 428 421 414 421 432 438 436 440 445 464 468 474 488 496 504 510 523 532 552 585 594



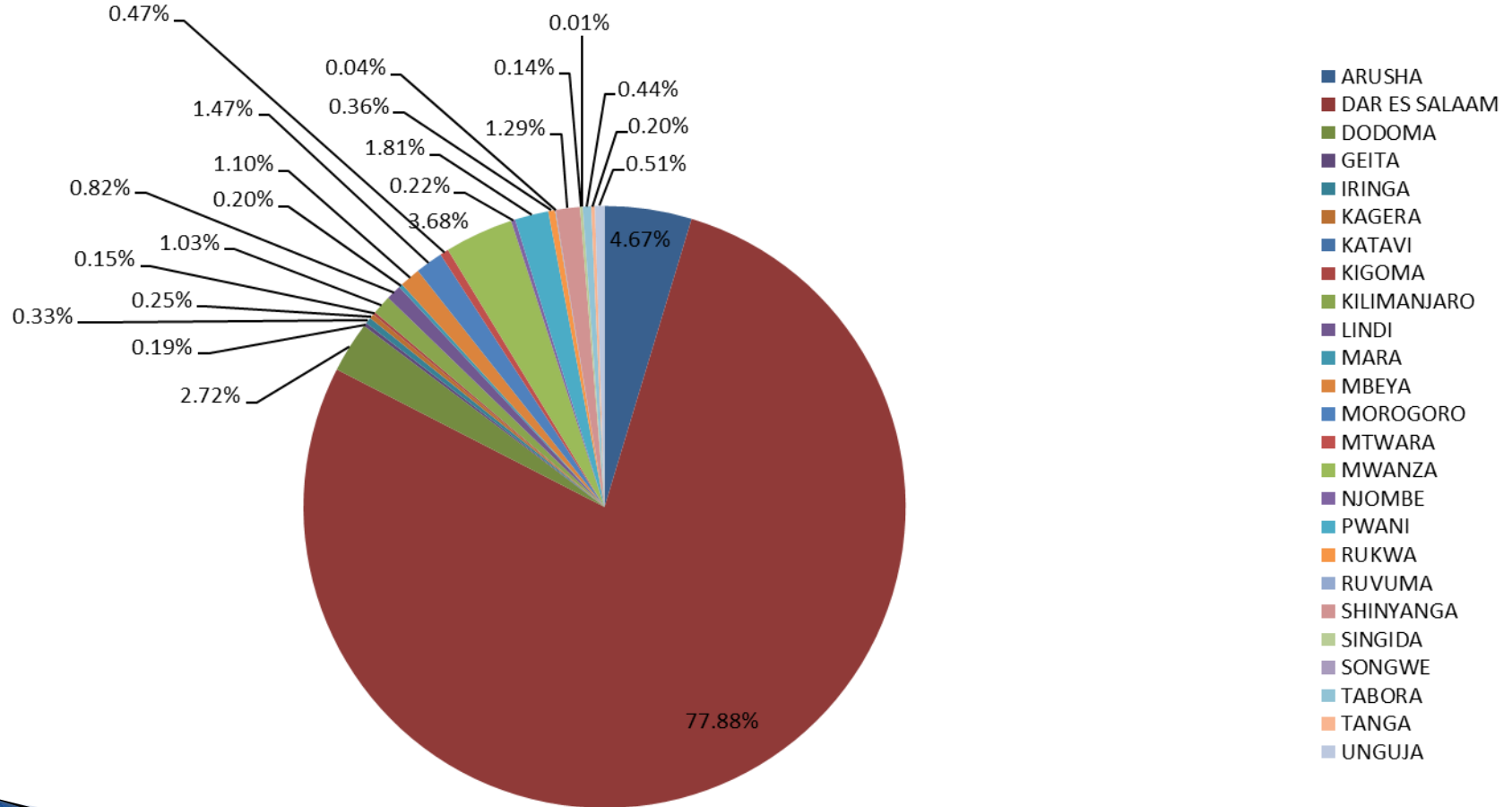
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# TANZANIA MORTGAGE MARKET @ GLANCE: SEPTEMBER 2023

- ▶ **TMRC role in supporting mortgage market:**
  - Long term lending to support primary mortgage lenders (PMLs)
  - Extended loans amounting to TZS 150.20bn vs total mortgage loan of TZS 593.76bn (25% of total market size)
  - Extended facilities to 16 PMLs
  - There is an opportunity to finance the remaining 75%
  - PMLs have increased from 3 in 2010 to 31 in 2023
  - Average mortgage loan interest has declined from 22%-24% to 15% - 19%



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# TANZANIA MORTGAGE MARKET @ GLANCE: SEPTEMBER 2023

- ▶ Mortgage market challenges:
  - Excessive demand compared to supply of housing units
  - Availability of close substitutes of mortgage product which are the preference of people (mortgage product cannibalization)
  - High price of available housing units
  - Low income hence affordability level of majority of Tanzanians
  - High mortgage interest rate which affects affordability
  - Cumbersome and lengthy mortgage loan acquisition process
  - Inadequate Titled land hence lack of Titles for most Tanzanians which is a must have for accessing mortgage.



# TANZANIA MORTGAGE MARKET @ GLANCE: SEPTEMBER 2023

▶ Initiatives to addresses the challenges in growing housing finance i.e. mortgage market:

- Considering starting funding developers for implementing project for constructions of affordable houses (Value less than TZS 50 Million)
- Considering growing support on Housing Microfinance for Incremental Constructions of residential houses.
- Offering some loans at concessionary terms, below commercial terms.
- In discussion with MLHSD for establishment of One Stop Centre for PMLs and Developers to fast-track mortgages registrations by banks and Title issuances to developers.



Thank you!