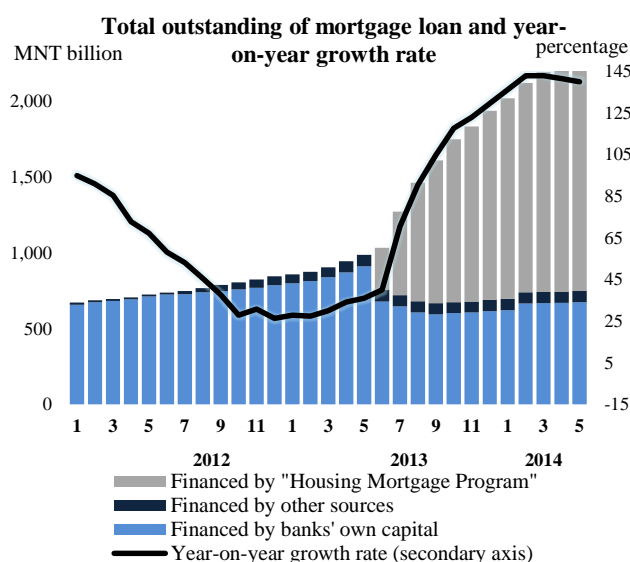


## Mortgage loan report

May 2014

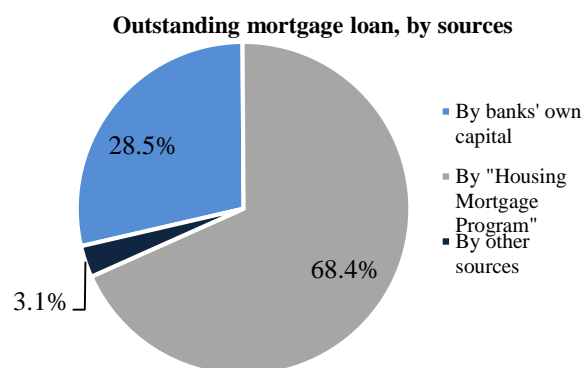
For the May 2014 total of MNT 112.3 billion mortgage loan was issued to 2084 borrowers, with total outstanding mortgage loan reaching MNT 2365.3<sup>1</sup> billion and total number of borrowers reaching 57579.

Growth rate of total outstanding mortgage loan has accelerated since June 2013 as government launched “Housing Mortgage Program” with an interest rate of 8 percent per annum. Year-on-year growth rate of total mortgage loan outstanding increased by 1.6 percentage point from the previous month, 10.4 percentage point from the beginning of year, 103.9 percentage point compared to the same period of previous year.



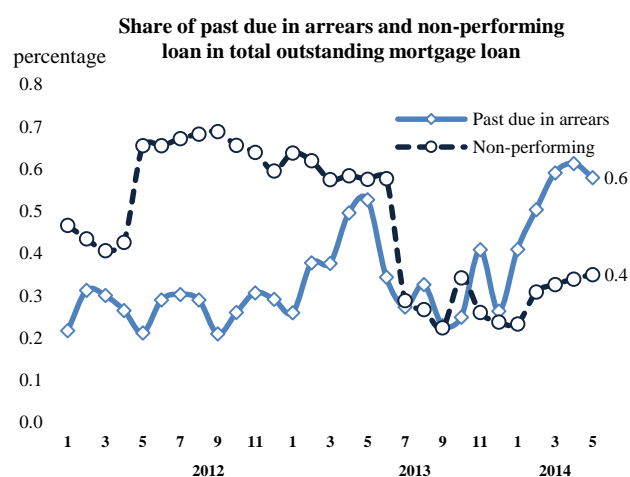
Among the outstanding mortgage loan, 68.4 percent or MNT 1618.1 billion was issued by “Housing Mortgage Program” (including refinanced mortgage loan with reduced interest

rate of 8 percent per annum), 28.5 percent or MNT 674.5 billion was financed by commercial banks’ own capital and 3.1 percent or MNT 72.8 billion was issued from other sources.



By the end of the reporting month, domestic currency mortgage loan made up to 97.4 percent of total outstanding mortgage loan.

Comparative share of past due in arrears and non-performing loan in total outstanding mortgage loan is stable.

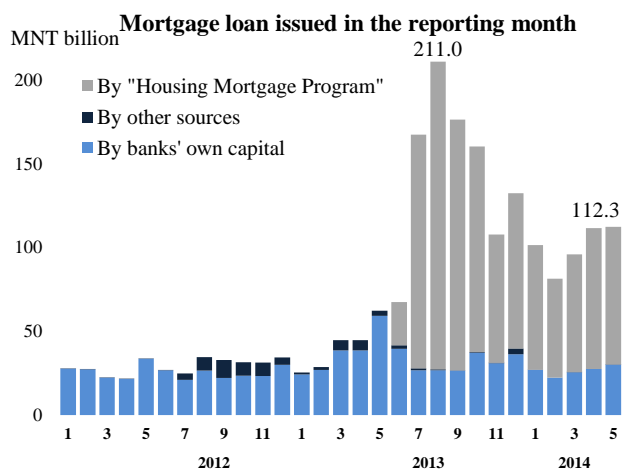


By the end of May 2014, share of non-performing loan in total outstanding mortgage loan was 0.4 percent.

<sup>1</sup> Mortgage loan outstanding transferred to MIK included.

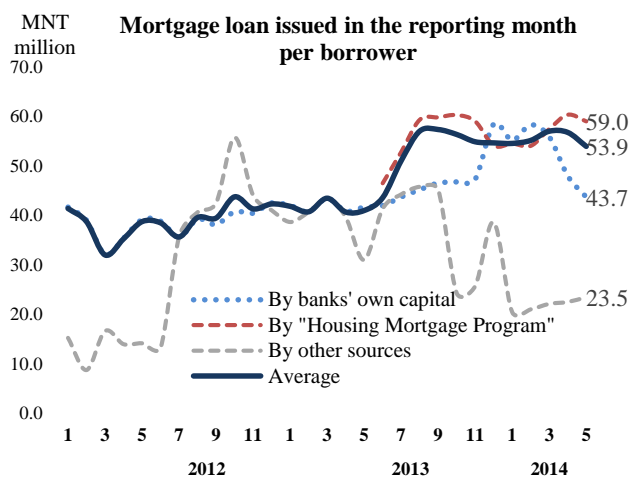
## Mortgage loan issued in the reporting month

Mortgage loan issued in the reporting month has increased by 0.6 percent from the previous month, 80.7 percent from the same period of previous year.

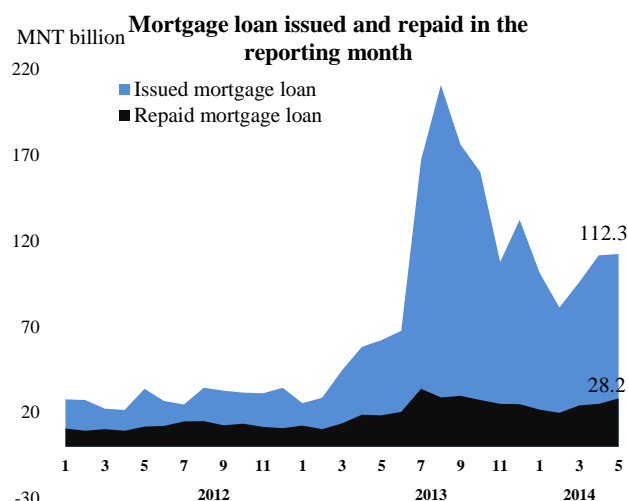


Major amount (MNT 82.3 billion, which was made up of 73.2 percent of mortgage loan issued in the reporting month) was issued by “Housing Mortgage Program” with an interest rate of 8 percent per annum.

From the midterm of 2010, amount of issued loan per borrower has been constantly increasing and reached MNT 53.9 million by the end of May 2014.

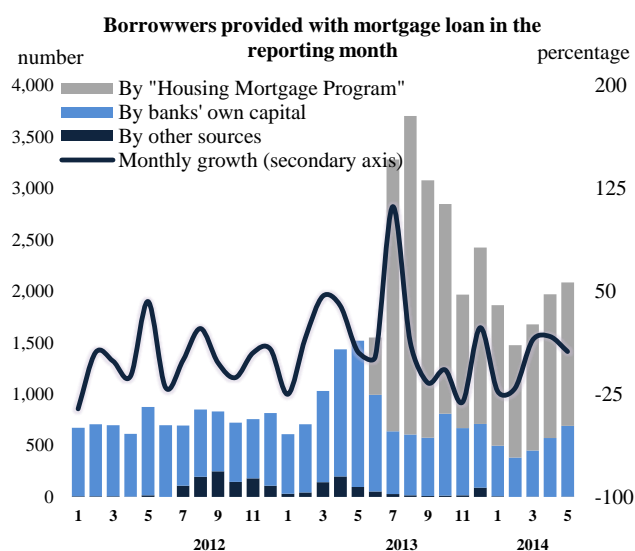


In the reporting month, MNT 28.2 billion mortgage loan has been repaid, that is 54.2 percent greater compared to the same period of the previous year.

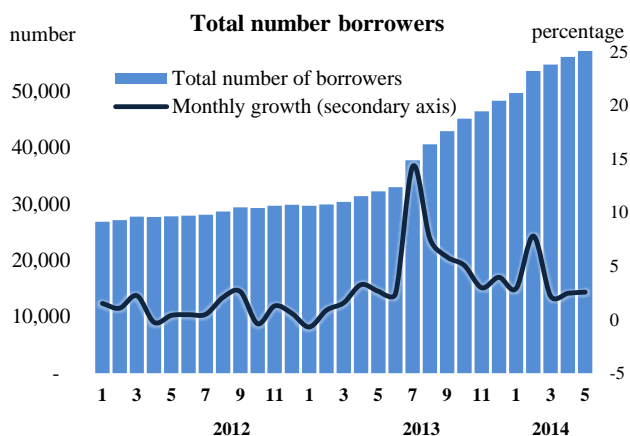


## Number of borrowers

In the reporting month, mortgage loan by “Housing Mortgage Program” was issued to 1395 borrowers, mortgage loan from banks’ own capital was issued to 688 borrowers.



By the end of May 2014, total number of borrowers has reached 57579.



### Term and interest rate of mortgage loan

Term of mortgage loan issued in the reporting month ranges between 0.5 to 20 years and has weighted average term of 15.8 years. Weighted average term of total outstanding mortgage loan is 14.9 years.

Weighted average interest rate of issued mortgage loan stood at 10.0 percent. Weighted average interest rate of mortgage loan issued in the reporting month by commercial banks' own capital by domestic currency was 15.6 percent, while by foreign currency was 8.7 percent per annum.

**Appendix 1. Consolidated mortgage loan report of commercial banks.**

Year	Month	Outstanding mortgage loan (MNT million)	From which:	Weighted average term of loan issued in the reporting month (month)	Weighted average interest rate of loan issued in the reporting month (in annual basis)	Total number of borrowers
			By “Housing Mortgage Program”			
2008	12	217,977.5		100.7	19.8	16,522
2009	12	226,040.6		103.4	18.7	16,784
2010	12	333,776.6		115.0	16.0	16,700
2011	12	669,662.8		154.3	14.8	26,869
2012	12	845,204.4		155.5	15.3	29,887
2013	1	856,633.6		149.1	17.0	29,683
	2	873,666.4		156.1	16.8	29,946
	3	903,557.5		158.6	15.7	30,419
	4	944,516.8		155.4	15.8	31,412
	5	986,182.2		147.8	16.6	32,247
	6	1,032,156.7	276,328.4	168.3	12.9	33,028
	7	1,273,003.6	553,346.9	202.4	9.2	37,751
	8	1,461,753.4	781,483.2	207.6	8.9	40,596
	9	1,611,383.8	943,976.7	206.0	9.1	42,968
	10	1,750,781.6	1,076,924.5	193.9	9.6	45,138
	11	1,834,042.7	1,155,409.2	192.8	9.7	46,482
	12	1,938,945.3	1,248,633.8	192.8	9.9	48,320
2014	1	2,021,424.9	1,324,898.9	194.4	9.8	49,731
	2	2,121,802.6	1,382,084.1	193.2	9.9	53,611
	3	2,193,368.6	1,451,938.1	190.7	9.9	54,787
	4	2,280,503.5	1,538,506.8	192.1	9.8	56,137
	5	2,365,349.5	1,618,127.2	189.3	10.0	57,579