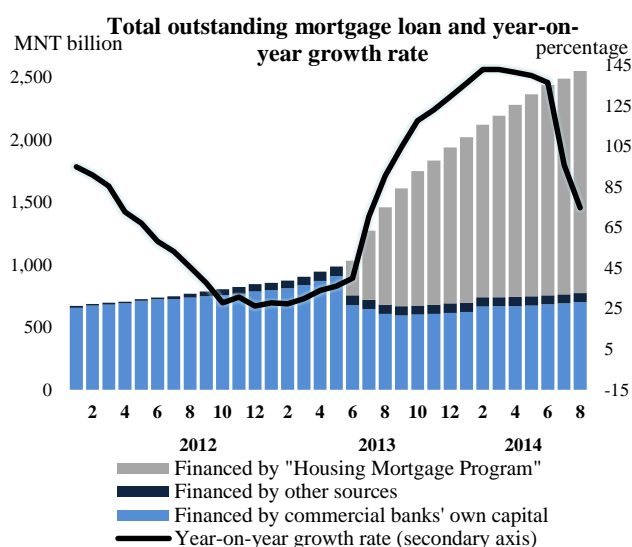


## Mortgage loan report

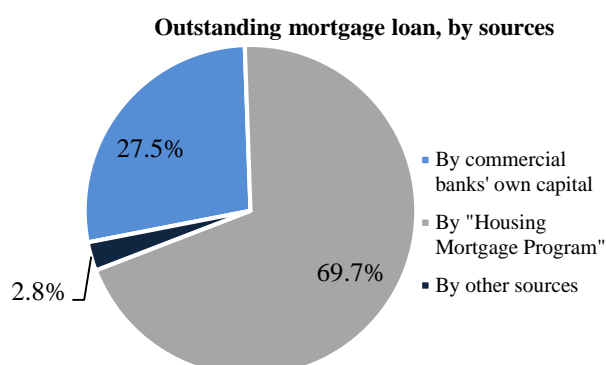
August 2014

For the month of August 2014, a total amount of MNT 88.4 billion mortgage loan was issued to 1689 borrowers, with the total outstanding mortgage loan reaching MNT 2553.8<sup>1</sup> billion and the total number of borrowers reaching 60851.

Year-on-year growth rate of total mortgage loan outstanding decreased by 21.1 percentage points from the previous month, by 54.7 percentage points from the beginning of year and by 15.7 percentage points compared to the same period of the previous year.

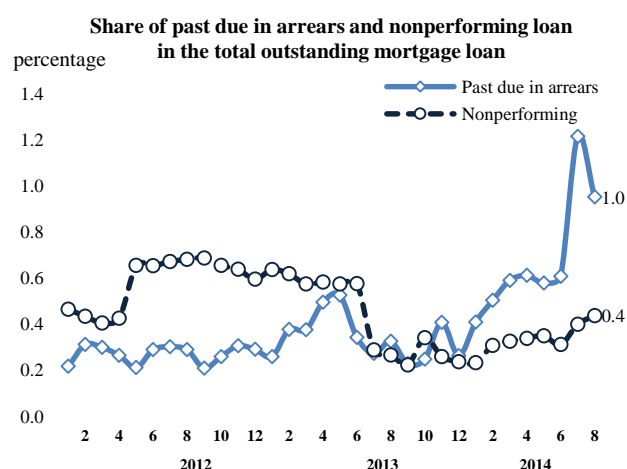


Among the outstanding mortgage loan, 69.7 percent or MNT 1780.1 billion was issued by the "Housing Mortgage Program" (including refinanced mortgage loan with reduced interest rate of 8 percent per annum), 27.5 percent or MNT 702.4 billion was financed by commercial banks' own capital and 2.8 percent or MNT 71.3 billion was issued from other sources.



By the end of the reporting month, mortgage loan in domestic currency made up 97.9 percent of the total outstanding mortgage loan.

The share of nonperforming loan in the total outstanding mortgage loan is relatively stable.

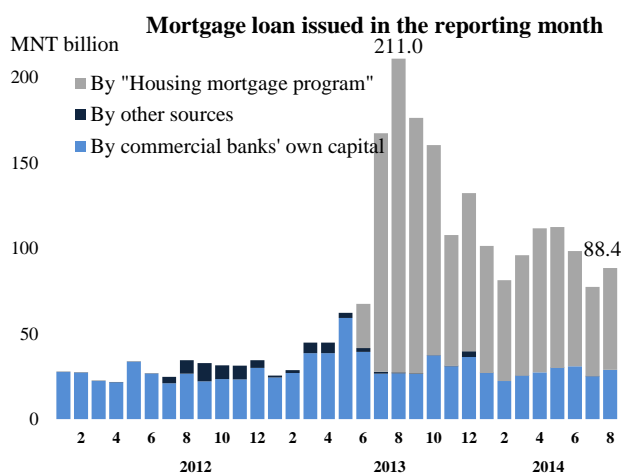


By the end of August 2014, the share of nonperforming loan in total outstanding mortgage loan was 0.4 percent.

### Mortgage loan issued in the reporting month

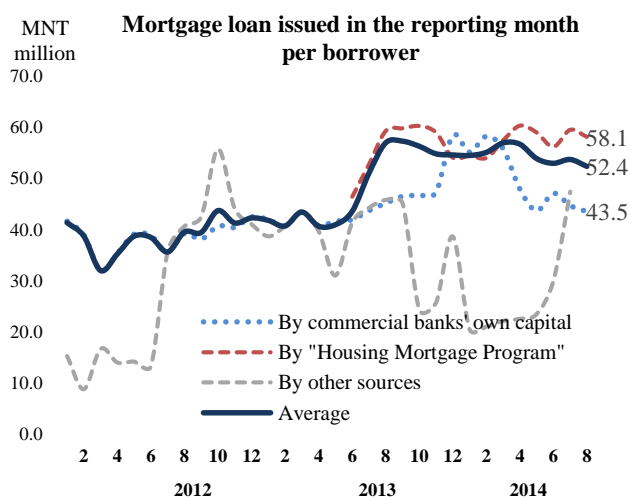
The amount of mortgage loan issued in the reporting month has increased by 14.3 percent from the previous month.

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

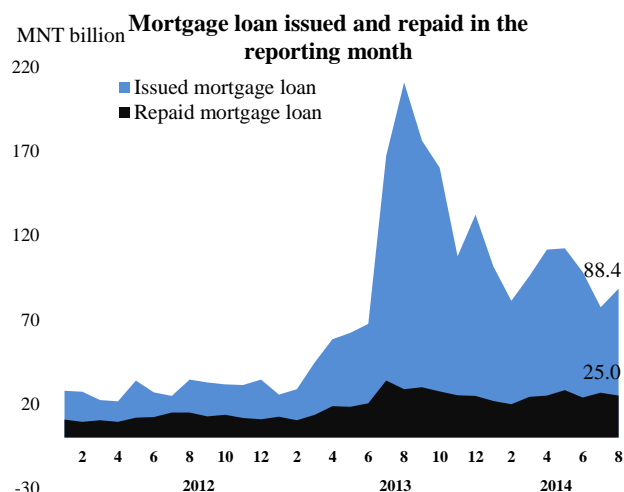


Majority of the mortgage loan issued in the reporting month (MNT 59.5 billion, which made up 67.3 percent) was issued by the “Housing Mortgage Program” with an interest rate of 8 percent per annum.

From the midterm of 2010, the amount of issued loan per borrower has been constantly increasing and reached MNT 52.4 million by the end of August 2014.

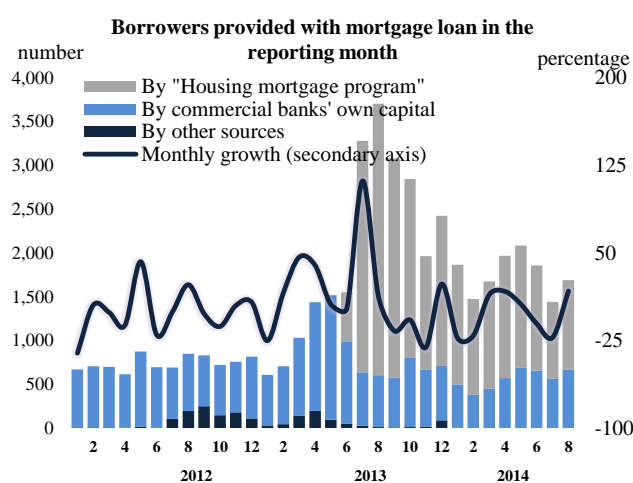


In the reporting month, MNT 25.0 billion mortgage loan has been repaid, which is 6.0 percent lower compared to the same period of the previous year.

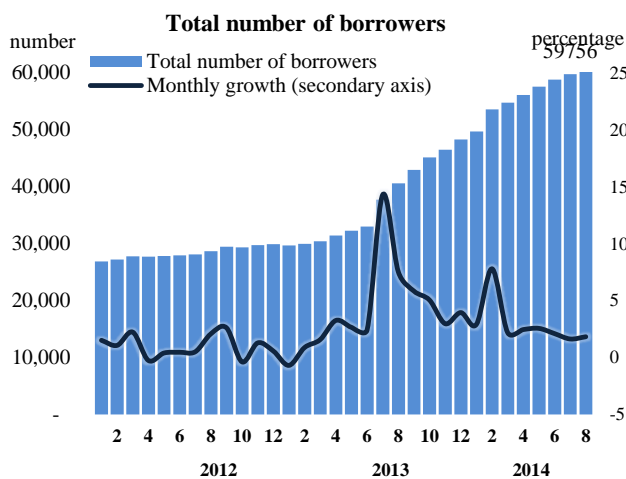


### Number of borrowers

In the reporting month, mortgage loan by the “Housing Mortgage Program” was issued to 1024 borrowers, mortgage loan from commercial banks’ own capital was issued to 665 borrowers.



By the end of August 2014, the total number of borrowers has reached 60851.



### Term and interest rate of mortgage loan

The term of mortgage loan issued in the reporting month ranges between 0.5 to 20 years and has a weighted average term of 15.6 years. The weighted average term of total outstanding mortgage loan is 14.9 years.

The weighted average interest rate of issued mortgage loan stood at 10.5 percent. The weighted average interest rate of mortgage loan issued in the reporting month by commercial banks' own capital by domestic currency was 15.8 percent, while by foreign currency was 13.3 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
	6	2,440,007.1	1,684,583.9	182.3	10.5	58,793
	7	2,492,105.2	1,728,222.8	187.9	10.7	59,756
	8	2,553,827.2	1,780,078.3	186.7	10.5	60,851