

Mortgage loan report

September 2016

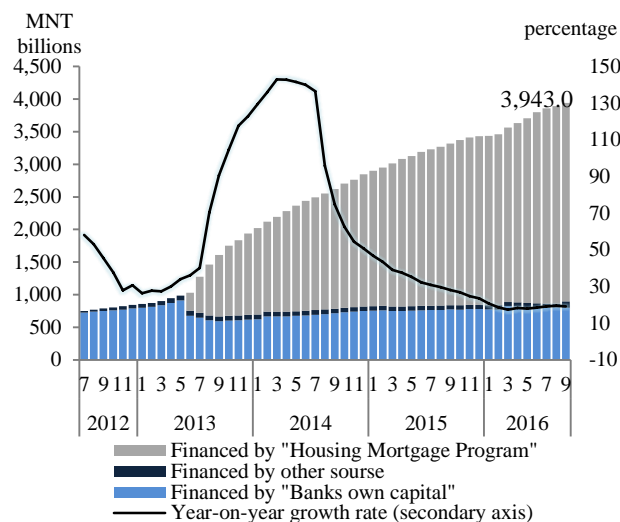
BRIEF:

- ❖ For the reporting month, mortgage loan was issued to 850 borrowers and the total number of borrowers reaching 87925.
- ❖ The total outstanding mortgage loan reaching MNT 3943.0 billion, of which 3,047.6 billion was issued by the “Housing Mortgage Program”.
- ❖ The amount of mortgage loan issued in the reporting month has decreased by 32.6 percent from the previous month.
- ❖ The amount of mortgage loan repaid in the reporting month has decreased by 22.9 percent from the previous month.
- ❖ The weighted average interest rate of issued mortgage loan stood at 8.7 percent.
- ❖ The weighted average maturity of outstanding mortgage loan is 19.7 years.
- ❖ The amount of issued loan per borrower has reached MNT 59.9 million by the end of the reporting month.
- ❖ The share of nonperforming loan in total outstanding mortgage loan was 1.1 percent, past due in arrears loan was 2.3 percent.

1. Total outstanding mortgage loan

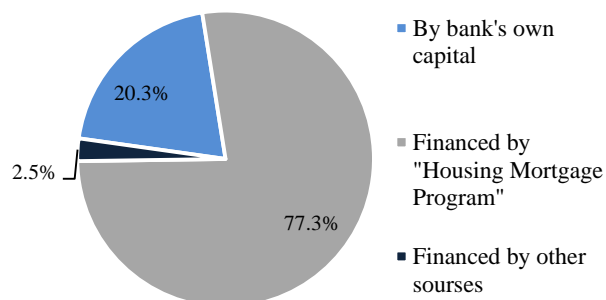
In end of the reporting month, year-on-year growth rate of total mortgage loan outstanding decreased by 0.4 percentage points from the previous month, by 8.0 percentage points from the same period of previous year.

Figure1. Total outstanding loan, year-on-year growth rate



Among the outstanding mortgage loan, 77.3 percent or MNT 3047.6 billion was issued by the “Housing Mortgage Program” (including refinanced mortgage loan with reduced interest rate of 5 percent, 8 percent per annum and refinanced from 8% to 5%), 20.3 percent or MNT 798.7 billion was financed by commercial banks’ own capital and 2.5 percent or MNT 96.8 billion was issued from other sources.

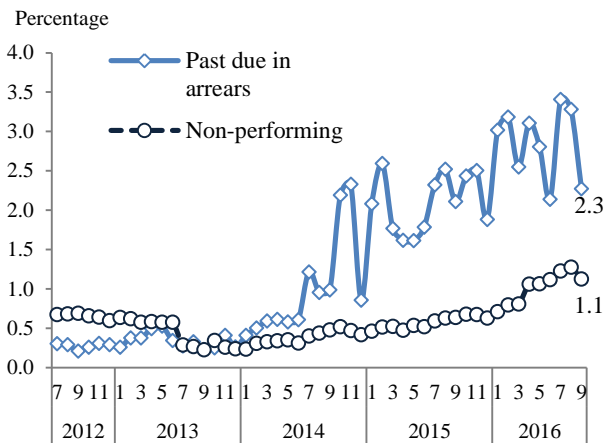
Figure 2. Outstanding mortgage loan by sources



By the end of the reporting month, mortgage loan in domestic currency made up 99.0 percent of the total outstanding mortgage loan.

The share of nonperforming loan in total outstanding mortgage loan is gradually increased. By the end of September 2016, the share of nonperforming loan in total outstanding mortgage loan was 1.1 percent. The share of past due in arrears loan has decreased by 1.0 percentage point from the previous month reaching 2.3 percent.

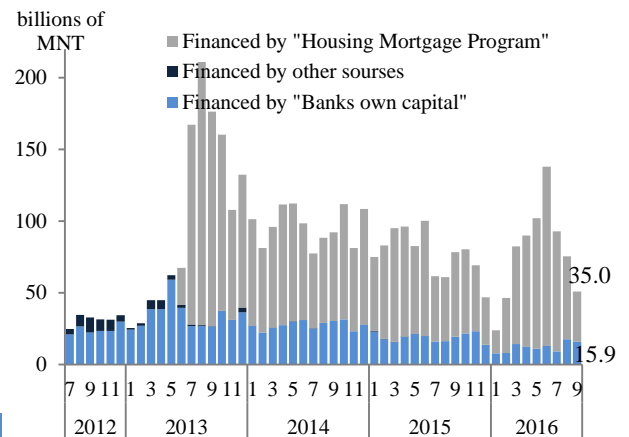
Figure 3. Past due in arrears and non-performing loan



2. Mortgage loan issued in the reporting month

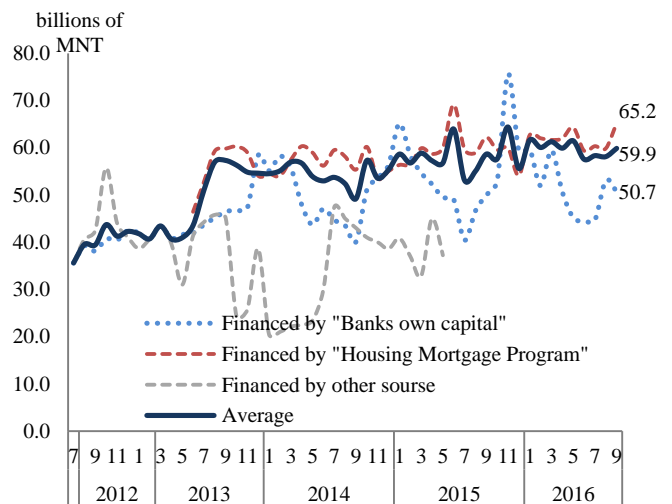
The amount of mortgage loan issued in the reporting month has decreased by 32.6 percent from the previous month, by 35.0 percent from the same period of previous year.

Figure 4. Mortgage loan issued in the reporting month



Majority of the mortgage loan issued in the reporting month (MNT 35.0 billion, which made up 68.8 percent) was issued by the “Housing Mortgage Program” with an interest rate of 5 percent and 8 percent per annum, 31.2 percent or MNT 15.9 billion was financed by commercial banks’ own capital.

Figure 5. Mortgage loan issued in the reporting month per borrower

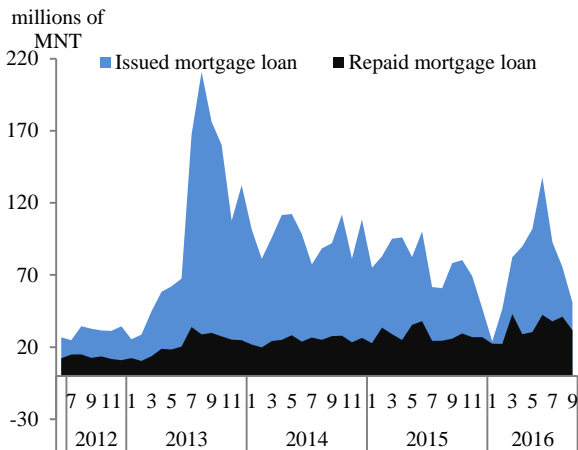


The amount of issued loan per borrower has reached MNT 59.9 million by the end of September 2016.

In the reporting month, MNT 31.6 billion mortgage loan has been repaid, which is 22.6

percent higher compared to the same period of previous year.

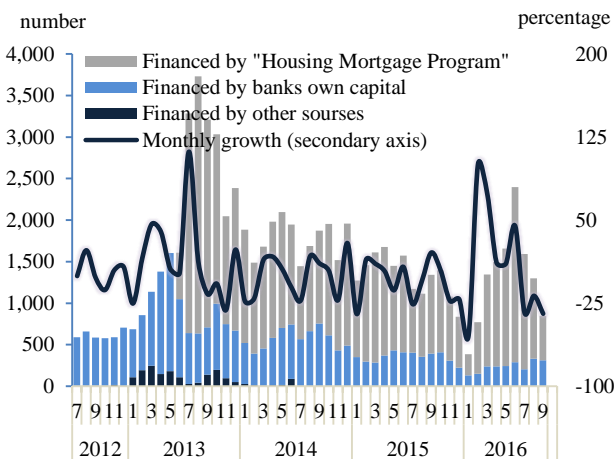
Figure 6. Mortgage loan issued and repaid in the reporting month



3. Number of borrowers

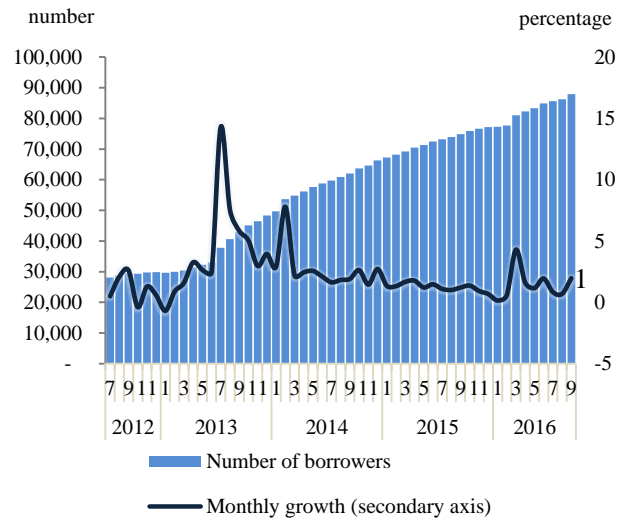
In the reporting month, mortgage loan by the “Housing Mortgage Program” was issued to 537 borrowers, mortgage loan from commercial banks’ own capital was issued to 313 borrowers.

Figure 7. Borrowers provided with mortgage loan in the reporting month



By the end of September 2016, the total number of borrowers has reached 87925.

Figure 8. Total number of borrowers

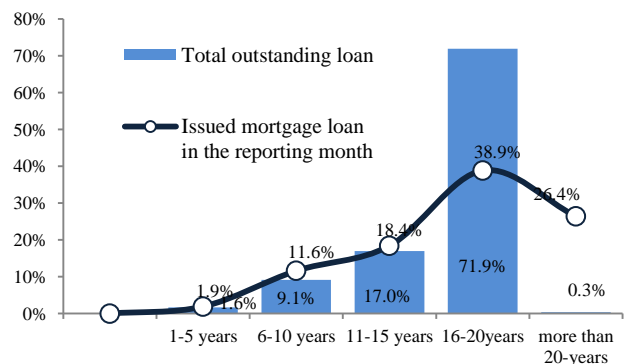


4. Maturity of mortgage loan

In the reporting month the maturity of mortgage loan issued in the reporting month ranges between 0.3 to 30 years and has the weighted average maturity of 19.7 years. The weighted average maturity of total outstanding mortgage loan is 16.5 years.

In the reporting month 38.9 percent of the mortgage loan issued for 16-20 years.

Figure 9. Outstanding mortgage loan, by maturity

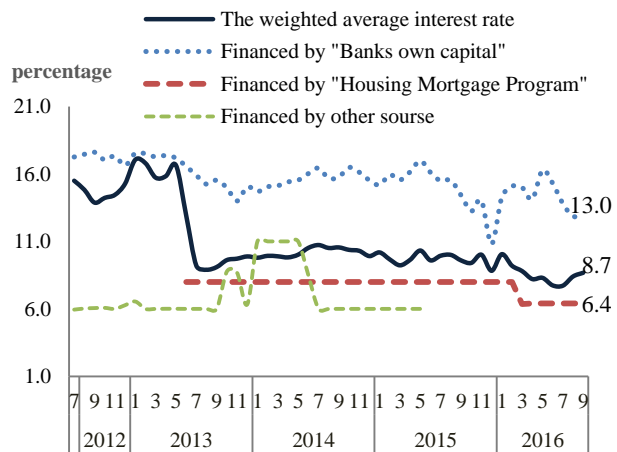


5. Interest rate of mortgage loan

The weighted average interest rate of issued mortgage loan stood at 8.7 percent. The weighted average interest rate of mortgage loan issued in the reporting month by commercial

banks' own capital stood at 13.0 percent per annum.

Figure 10. The weighted average interest rate of issued mortgage loan in the reporting month



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	From which:
			By "Housing Mortgage Program"				Number of borrowers of financed by "Housing Mortgage Program"
2008	12	217,977.5		8.4	19.8	16,522	
2009	12	226,040.6		8.6	18.7	16,784	
2010	12	333,776.6		9.6	16.0	16,700	
2011	12	669,662.8		12.9	14.8	26,869	
2012	12	845,204.4		13.0	15.3	29,887	
2013	12	1,938,945.3	1,248,633.8	16.1	9.9	48,320	30,600
2014	1	2,021,424.9	1,324,898.9	16.2	9.8	49,731	32,190
	2	2,121,802.6	1,382,084.1	16.1	9.9	53,611	33,346
	3	2,193,368.6	1,451,938.1	15.9	9.9	54,787	34,632
	4	2,280,503.5	1,538,506.8	16.0	9.8	56,137	36,081
	5	2,365,349.5	1,618,127.2	15.8	10.0	57,579	37,488
	6	2,440,007.1	1,684,583.9	15.2	10.5	58,793	38,659
	7	2,492,105.2	1,728,222.8	15.7	10.7	59,756	39,507
	8	2,553,827.2	1,780,078.3	15.6	10.5	60,851	40,405
	9	2,619,161.1	1,833,494.0	15.5	10.6	62,017	41,390
	10	2,703,792.6	1,903,636.6	15.8	10.4	63,652	42,772
	11	2,762,726.8	1,954,341.3	16.2	10.3	64,577	43,621
	12	2,844,706.3	2,027,952.9	16.7	9.9	66,334	45,283
2015	1	2,898,731.0	2,072,894.5	16.3	10.2	67,233	46,134
	2	2,949,116.5	2,121,339.7	16.6	9.7	68,126	47,108
	3	3,015,535.1	2,196,795.5	16.5	9.2	69,269	48,512
	4	3,082,551.7	2,263,794.5	16.6	9.6	70,498	49,691
	5	3,128,182.4	2,305,308.1	16.4	10.3	71,355	50,462
	6	3,192,029.1	2,363,999.7	16.4	9.6	72,412	51,438
	7	3,230,507.8	2,400,625.2	16.1	9.9	73,208	52,181
	8	3,267,175.5	2,433,968.6	16.3	10.0	73,949	52,858
	9	3,319,711.8	2,481,556.8	16.2	9.6	74,848	53,643
	10	3,370,510.2	2,534,505.4	16.8	9.4	75,877	54,612
	11	3,412,929.6	2,570,150.9	16.4	10.0	76,583	55,295
	12	3,432,957.6	2,590,987.6	16.7	8.8	77,105	55,830
2016	1	3,434,849.9	2,595,234.1	16.3	10.1	77,226	56,031
	2	3,459,596.6	2,623,837.0	16.6	9.2	77,673	56,577
	3	3,565,687.2	2,679,829.3	17.1	8.8	81,015	57,659
	4	3,625,870.6	2,751,292.4	16.1	8.2	82,156	59,001
	5	3,697,056.7	2,832,261.7	16.2	8.3	83,280	60,455
	6	3,792,276.2	2,929,375.2	16.4	7.7	84,906	62,080
	7	3,849,221.0	2,995,847.0	16.3	7.7	85,622	63,146
	8	3,886,362.9	3,029,623.4	16.4	8.4	86,221	63,729
	9	3,943,037.2	3,047,579.5	16.5	8.7	87,925	64,081