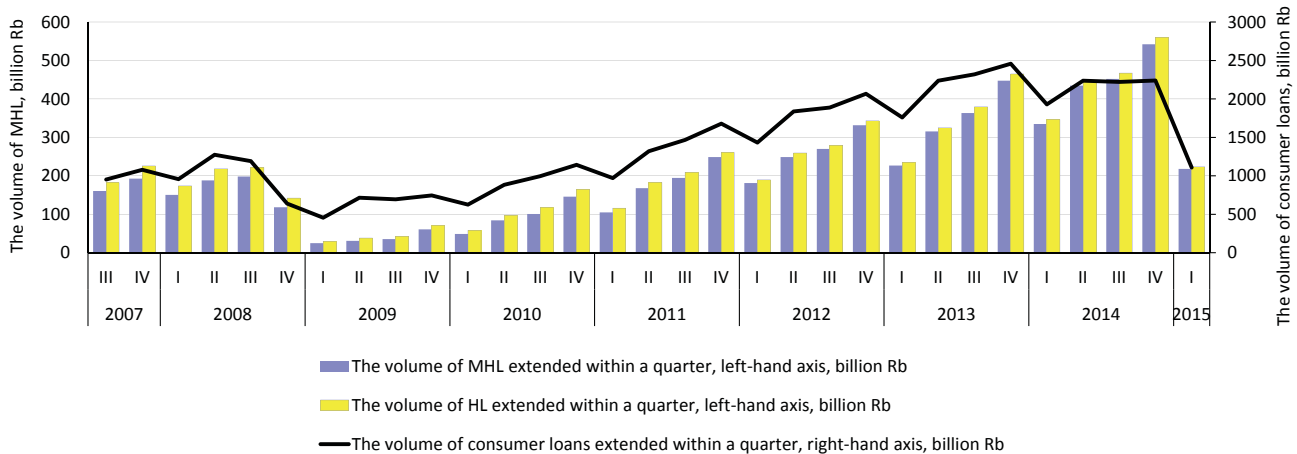


MORTGAGE IN THE RUSSIAN FEDERATION IN Q1 2015

G.Zadonsky

In Q1 2015 credit institutions provided Rb 218.13bn worth of 135184 mortgage housing loans (MHL) which was 31.76% and 34.85% lower in quantitative and monetary terms, respectively, as compared to Q1 2014. In 2015, the average weighted rate on MHL in rubles increased substantially: as regards MHL extended from the beginning of the year and those in March it rose by 2.08 p.p. to 14.53% and 1.53 p.p. to 14.7%, respectively.



Source: on the basis of the data of the Central bank of Russia.

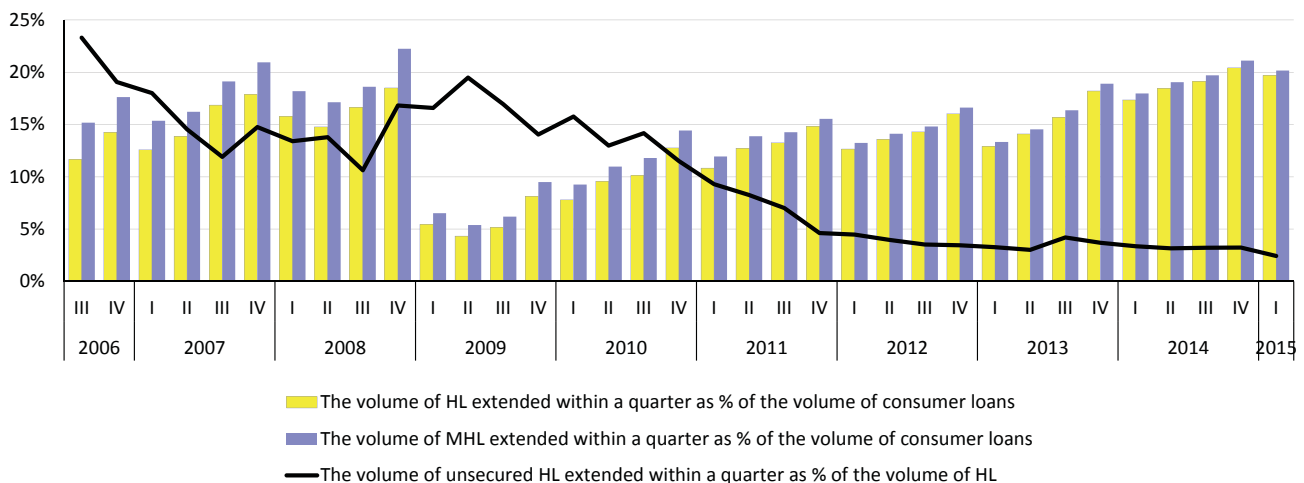
Fig. 1. Dynamics of provision of loans within a quarter

According to the data of the Central Bank of Russia, in Q1 2015 credit institutions extended 138,953 housing loans (HL) including Rb 218.13bn worth of 135,184 MHL (Fig. 1) and Rb 5,322bn worth of 3,769 unsecured housing loans (UHL) as the difference between HL and MHL.

In Q1 2015, the total volume of MHL decreased by 34.85% in money terms as compared to Q1 2014 (Fig. 1). As of 1 April 2015, the outstanding debt on MHL increased by 26.67% as compared to 1 April 2014

and amounted to Rb 3.559 trillion. In Q1 2015, the share of MHL in foreign currency in monetary terms as percentage of the total volume of mortgage lending fell 0.07 p.p. as compared to that of Q1 2014 and amounted to 0.44%.

In Q1 2015, the share of UHL in the volume of HL fell by 0.92 p.p. to 2.44% (Fig. 2) and 50% to Rb 5.32bn in quantitative and monetary terms, respectively, as compared to Q1 2014. In Q 1 2015, the share of HL in



Source: on the basis of the data of the Central Bank of Russia.

Fig. 2. Dynamics of the ratio between the volumes of consumer and housing lending

GROUPING OF THE DEBT ON MHL BY THE PERIOD OF DELAY IN PAYMENTS

		The total amount of the debt on MHL	including							
			Without overdue payments		With overdue payments					
					From 1 to 90 days		from 91 to 180 days		over 180 days	
Million Rb	Million Rb	%	Million Rb	%	Million Rb	%	Million Rb	%		
2014	01.Jul	3036731	2894006	95.30	80169	2.64	10021	0.33	52535	1.73
	01.Aug	3132713	2990801	95.47	77691	2.48	10338	0.33	53883	1.72
	01.Sep	3200790	3059635	95.59	76499	2.39	10563	0.33	54093	1.69
	01.Oct	3278091	3120087	95.18	92442	2.82	11146	0.34	54416	1.66
	01.Nov	3356655	3197886	95.27	90629	2.7	11748	0.35	56392	1.68
	01.Dec	3449437	3298352	95.62	78992	2.29	12073	0.35	60020	1.74
2015	01.Jan	3528379	3369955	95.51	83270	2.36	13055	0.37	62099	1.76
	01.Feb	3566635	3367617	94.42	115559	3.24	15693	0.44	67766	1.9
	01.Mar	3564409	3379773	94.82	102298	2.87	16396	0.46	65942	1.85
	01.Apr	3558974	3358960	94.38	111752	3.14	23133	0.65	65129	1.83

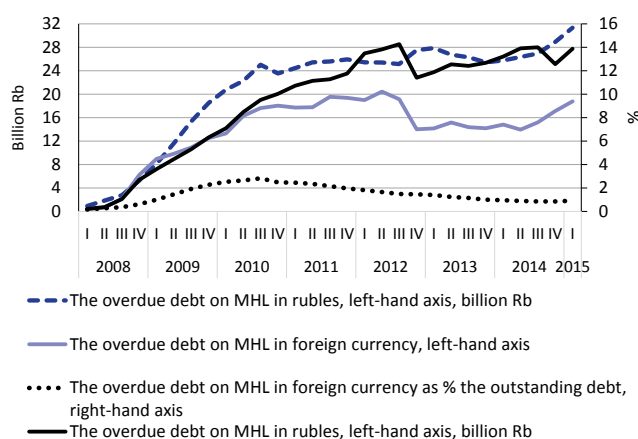
Source: the data of the Central Bank of Russia.

the volume of consumer loans amounted to 20.16%, that is 4.63 p.p. higher than in Q1 2014.

According to the data of the Central Bank of Russia, as of 1 April 2015 the overdue debt on MHL amounted to Rb 50,142bn or Rb 31,340bn on loans in rubles and Rb 18,802bn on loans in foreign currency (Fig. 3). As of the end of Q1 2015, the total overdue debt was 23.48% higher than that as of 1 April 2014, while as a share of the outstanding debt (1.41%) it was 0.4 p.p. lower. As compared to the end of Q1 2014, the overdue debt on MHL in rubles increased in monetary terms and decreased as a percentage of the outstanding debt from 0.96% as of 1 April 2014 to 0.92% as of 1 April 2015. Within the same period, the overdue debt on MHL in foreign currency increased both in monetary terms and as a percentage of the outstanding debt: from 13.22% to 13.89% (Fig. 3).

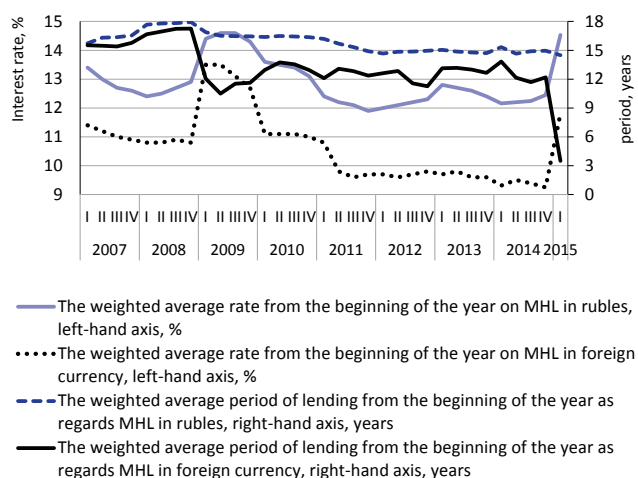
According to the data of the Central Bank of Russia, the amount of the debt on MHL without overdue payments fell from Rb 3,369,955bn as of 1 January 2015 to Rb 3,358,960bn as of 1 April 2015, while as a share of the total debt it decreased by 1.13 p.p. to 94.38% (Table 1). Within the same period, the volume of the debt on defaulted MHL – loans with payments overdue for over 180 days – increased to Rb 65,129bn, while as a share of the total debt it rose by 0.07 p.p. to 1.83% (Table 1).

According to the data of the Central Bank of Russia, in Q1 2015 the trend of growth in weighted average interest rate on MHL in rubles extended from the beginning of the year not only remained, but intensified. As of 1 April 2015 the interest rate amounted to 14.53%, which is an increase of 2.37 p.p. as compared to 1 April 2014 (Fig. 4). In March 2015, the weighted average rate on MHL in rubles increased by 2.7 p.p. as compared to March 2014 and amounted to 14.7%. In



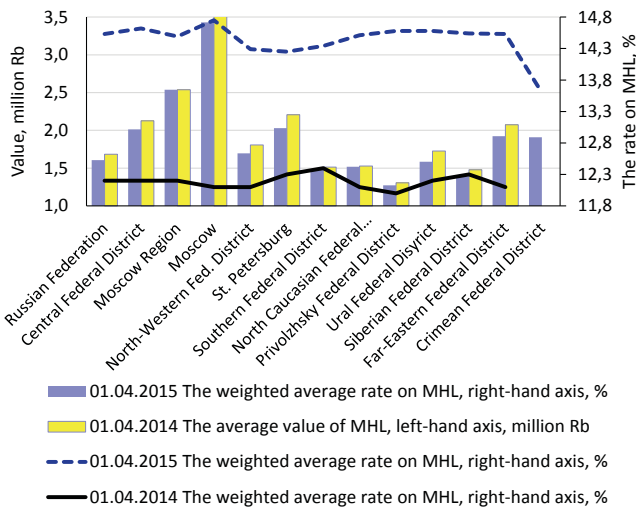
Source: on the basis of the data of the Central Bank of Russia.

Fig. 3. The dynamics of the overdue debt on mortgage housing loans as of the end of a quarter

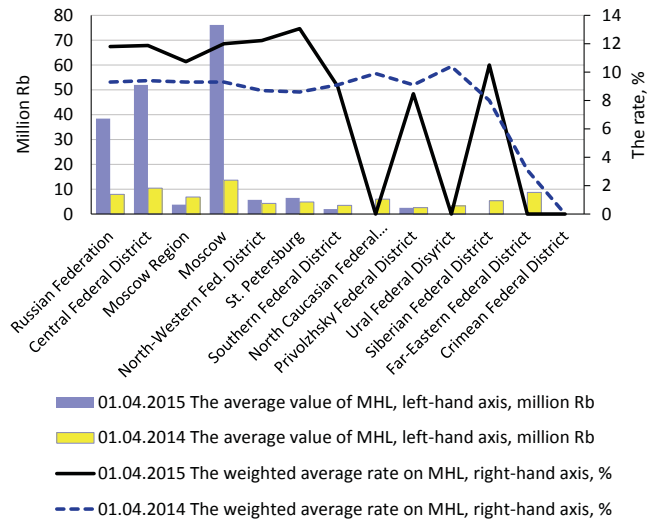


Source: the data of the Central Bank of Russia.

Fig. 4. The weighted average data on MHL extended from the beginning of the year



Source: on the basis of the data of the Central Bank of Russia.
 Fig.5. The average weighted data on MHL in rubles extended from the beginning of the year



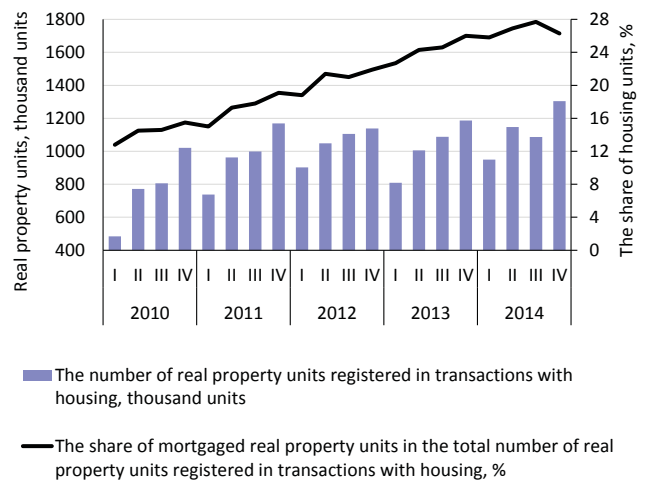
Source: on the basis of the data of the Central Bank of Russia.
 Fig.6. The average weighted data on MHL in foreign currency extended from the beginning of the year by region

2015 the weighted average rate on MHL in foreign currency extended from the beginning of the year rose by 2.49 p.p. as compared to 1 April 2014 and amounted to 11.8% (Fig.4).

In Q1 2015 the weighted average period of lending as regards loans in rubles extended from the beginning of the year amounted to 14.5 years, while that as regards loans in foreign currency, to 3.5 years against 12.2 years and 13.8 years in 2014 and Q1 2014, respectively (Fig. 4).

As of 1 April 2015, the average amount of the loan as regards MHL in rubles extended from the beginning of the year decreased as compared to 1 April 2014. the nationwide average sum of the loan amounted to Rb 1,607m, having decreased by 4.53% as compared to 1 April 2014. As of 1 April 2015, the highest average value of a loan (Rb 3.43m) was registered in Moscow, while the lowest one in the Privolzhsky Federal District (Rb 1,273m) (Fig. 5).

As of 1 April 2015, the average amount of MHL loans in foreign currency extended from the beginning of the year increased as compared to 1 April 2014 in Moscow, the Central Federal District, the Russian Federation, St. Petersburg and the North-Western Federal District. As of 1 April 2015, the highest average value of loans was registered in Moscow (Rb 76.2m), the Central Federal District (Rb 52.0m) and the Russian Federation



Source: The Rosreestr and calculations of the OAO AHML.
 Fig. 7. Dynamics of the number of mortgaged real property units in transactions with housing

(Rb 38.4m). As of 1 April 2015, the maximum interest rate on MHL in foreign currency was registered in St. Petersburg and amounted to 13.1% (Fig. 6).

In Q4 2014, the share of transactions with mortgaged housing in the total number of housing transactions exceeded by 1.15 p.p. the respective index of Q4 2013 and amounted to 26.3% (Fig. 7).