

MORTGAGE IN THE RUSSIAN FEDERATION IN JANUARY–MAY 2015

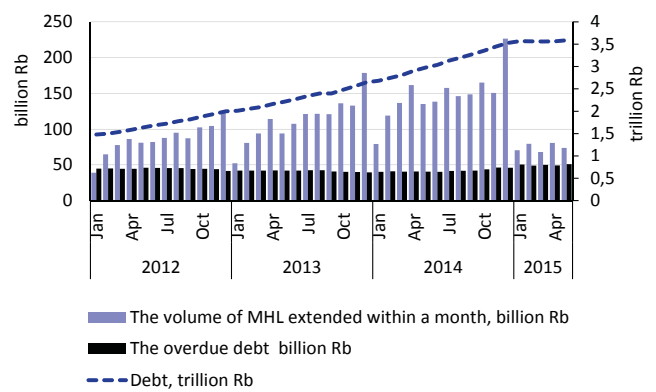
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Within the first five months of 2015, a decrease in the volume of mortgage housing lending (MHL) as compared to the respective period of 2014 amounted to 38.34% and 40.96% in quantitative and monetary terms, respectively. Within the above period, Rb 372,754bn worth of 228,230 MHL was extended. As of 1 June 2015, the outstanding debt on MHL rose by 20.51% as compared to 1 June 2014 and amounted to Rb 3,586 trillion. In 2015 the share of the overdue debt in the outstanding debt rose as of 1 June to 0.96% and 15.63% as regards MHL in rubles and foreign currency, respectively. The weighted average rate on MHL in rubles extended within a month amounted to 13.46% in May 2015 having fallen by 1.25 p.p. as compared to the maximum value in February 2015. In 2015 the total number of MHL in foreign currency amounted to 43 loans.

According to the data of the Central Bank of the Russian Federation, within five months of 2015 228,230 mortgage housing loans (MHL) for the total amount of Rb 372,754bn were extended, that is, a decrease of 38.34% and 40.96% in quantitative terms and monetary terms, respectively, as compared to the respective period of 2014. In May 2015, 43775 MHL for the total sum of Rb 73,765bn were extended, that is, a decrease of 44.09% and 45.37% in quantitative and monetary terms, respectively, as compared to the respective indices of the previous year (Fig. 1). As of 1 June 2015, the outstanding debt on MHL rose by 20.51% as compared to 1 June 2014 and amounted to Rb 3,586 trillion (Fig. 1).

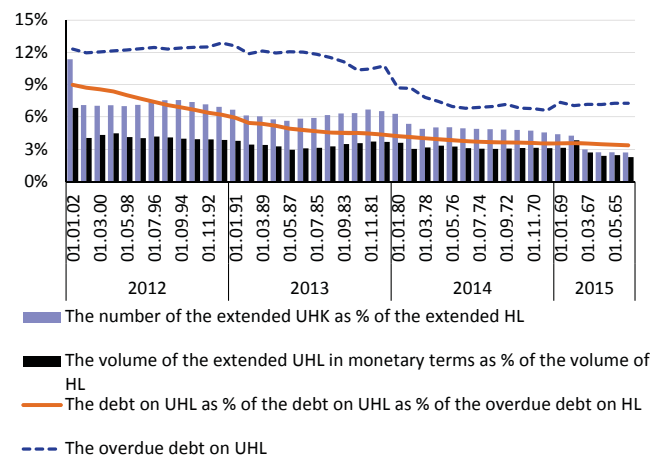
According to the data of the Central Bank of the Russian Federation, the volume of MHL in foreign currency (Rb 1,475bn) extended from the beginning of the year amounted as of 1 June 2015 to 0.4% of the total volume of MHL which was a decrease of 0.1 p.p. on the respective period of 2014. Within the same period, the share of the debt on MHL in foreign currency (Rb 112,942bn) in the total debt fell by 0.39 p.p. to 3.15%. Within five months of 2015, the volume of MHL in foreign currency amounted to 11.97% and 46.33% in quantitative terms and monetary terms, respectively as compared to the same period of 2014.

Within five months of 2015, 6335 unsecured housing loans (UHL) were extended, that is, 32.94% of those extended within the same period of 2014. In monetary terms, the volume of UHL (Rb 8,671bn) amounted to 42.92% of the volume of the extended UHL in January–May 2014. Within five months of 2015, the number of UHL amounted to 2.70% and 2.27% of the number of the extended housing loans and the volume of housing loans extended within the same period in monetary terms, respectively (Fig. 2). As of 1 June 2015, the outstanding debt on UHL amounted to Rb 124,635bn or 3.36% of the debt on housing loans, that is, a decrease of 0.39 p.p. as



Source: on the basis of the data of the Central Bank of the Russian Federation.

Fig. 1. Dynamics of mortgage housing lending



Source: on the basis of the data of the Central Bank of the Russian Federation.

Fig. 2. Dynamics of UHL against HL in general

compared to the data as of 1 June 2014 (Fig. 2). In May, the share of the overdue debt on UHL in the overdue debt on HL remained generally unchanged as compared to April 2015 and amounted to 7.27% (Fig. 2).

Table 1

GROUPING OF THE DEBT ON MHL BY THE PERIOD OF DELAY IN PAYMENTS IN THE 2014–2015

		The total amount of the debt on MHL, million Rb	including							
			Without overdue payments		With overdue payments*					
			Million Rb	%	From 1 day to 90 days		From 91 days to 180 days		over 180 days	
Million Rb	%	Million Rb			%	Million Rb	%			
2014	1 Jan	2648859	2544229	96.05	50593	1.91	6887	0.26	47150	1.78
	1 Feb	2682513	2559117	95.4	67600	2.52	7779	0.29	48017	1.79
	1 Mar	2746088	2614001	95.19	75517	2.75	7964	0.29	48606	1.77
	1 Apr	2809819	2676353	95.25	72212	2.57	8429	0.3	52825	1.88
	1 May	2905295	2768456	95.29	76119	2.62	8425	0.29	52295	1.8
	1 Jun	2976065	2845416	95.61	67557	2.27	10416	0.35	52676	1.77
	1 Jul	3036731	2894006	95.3	80169	2.64	10021	0.33	52535	1.73
	1 Aug	3132713	2990801	95.47	77691	2.48	10338	0.33	53883	1.72
	1 Sep	3200790	3059635	95.59	76499	2.39	10563	0.33	54093	1.69
	1 Oct	3278091	3120087	95.18	92442	2.82	11146	0.34	54416	1.66
	1 Nov	3356655	3197886	95.27	90629	2.7	11748	0.35	56392	1.68
	1 Dec	3449437	3298352	95.62	78992	2.29	12073	0.35	60020	1.74
2015	1 Jan	3528379	3369955	95.51	83270	2.36	13055	0.37	62099	1.76
	1 Feb	3566643	3367625	94.42	115559	3.24	15693	0.44	67766	1.90
	1 Mar	3564417	3379780	94.82	102299	2.87	16396	0.46	65942	1.85
	1 Apr	3559016	3358999	94.38	111753	3.14	23134	0.65	65130	1.83
	1 May	3562733	3364645	94.44	111514	3.13	22445	0.63	64129	1.80
	1 Jun	3586275	3399789	94.80	90374	2.52	26180	0.73	69932	1.95

* % of the total amount of the debt.

Source: the data of the Central Bank of the Russian Federation.

Table 2

DISTRIBUTION OF FEDERAL DISTRICTS BY THE NUMBER OF MHL EXTENDED PER 1000 PERSONS IN 2014 AND 2015

Federal district	01.06.2014 per 1000		01.06.2015 per 1000			
	Number, units	Volume, million Rb	Number, units	Volume, million Rb	Debt on MHL, million Rb	Including the overdue debt, % of the outstanding debt
North-Western Federal District	3.08	5.64	2.13	3.60	29.96	1.10
Privolzhsky Federal District	3.16	4.17	1.93	2.48	22.20	0.83
Urals Federal District	3.01	5.25	1.92	3.06	36.78	0.92
Siberian Federal District	2.95	4.40	1.58	2.20	25.59	1.09
Russian Federation	2.58	4.40	1.56	2.55	24.55	1.42
Far Eastern Federal District	2.19	4.56	1.46	2.78	29.53	0.56
Central Federal District	2.35	5.11	1.43	3.03	27.46	2.49
Southern Federal District	2.00	3.05	1.24	1.88	17.23	1.12
North-Caucasian Federal District	0.81	1.22	0.56	0.85	7.78	1.40
Crimean Federal District	0.00	0.00	0.01	0.02	0.06	0.79

Source: on the basis of the data of the Central Bank of the Russian Federation.

As of June 1, 2015, the overdue debt (Fig. 1) on MHL (Rb 50,934bn) was Rb 10,263bn or 25.23% more than the overdue debt as of 1 June 2014. As of 1 June 2015, the share of the overdue debt in the outstanding debt on MHL amounted to 1.42%, which was 0.05 p.p. more than that as of 1 June 2014.

According to the data of the Central Bank of the Russian Federation, as of 1 June 2015 the share of the debt without overdue payments in the total debt on MHL increased by 0.81 p.p. as compared to 1 June 2014, having amounted to 94.80%; it is to be noted that as of 1 June 2015 the share of the debt on MHL

Table 3

**DISTRIBUTION OF REGIONS OF THE RF BY THE NUMBER OF MHL EXTENDED PER 1,000 PERSONS IN 2015
(12 REGIONS WITH THE LARGEST NUMBER OF MHL PER 1,000 PERSONS)**

Region of the RF	01.06.2014 per 1000		01.06.2015 per 1000			
	Number, units	Volume, million Rb	Number, units	Volume, million Rb	Debt on MHL, million Rb	Including the overdue debt as % of the outstanding debt
Archangelsk Region	3.30	5.07	2.61	3.89	31.11	0.46
Magadan Region	3.38	7.58	2.59	5.50	41.47	0.11
Republic of Tatarstan	3.66	4.69	2.56	3.10	22.45	0.63
Republic of Udmurtia	4.00	4.56	2.49	2.84	25.18	0.54
Tyumen Region	3.79	8.44	2.45	4.97	66.35	0.44
Ulyanovsk Region	4.00	4.76	2.43	2.69	25.37	0.51
Republic of Komi	4.42	7.48	2.42	3.71	35.75	0.33
Vologda Region	3.81	4.85	2.41	2.90	27.26	0.83
Murmansk Region	3.31	5.47	2.39	3.92	25.88	0.46
St. Petersburg	3.06	6.95	2.24	4.46	36.48	1.58
Republic of Chuvashia	3.99	5.27	2.20	2.79	27.53	0.43
Moscow Region	2.73	7.16	2.15	5.65	43.35	2.34

Source: on the basis of the data of the Central bank of the Russian Federation.

with payments overdue for over 180 days (defaulted loans) in the total debt amounted to 1.95% (Table 1) against 1.77% as of 1 June 2014.

In distribution of federal districts by the number of MHL extended per 1,000 persons in January–May 2015, the North-Western Federal District (Table 2) was rated the first with Rb 3.6m worth of 2.13 MHL per 1,000 persons, that is, 69.25% and 63.75% as regards the number and the volume of MHL, respectively, as compared to January–May 2014. The share of overdue payments in the outstanding debt was the smallest one in the Far Eastern District (0.56%) and the highest one (2.49%) in the Central District (Table 2).

Among the regions, as regards the number and volume of MHL per 1,000 persons the Archangelsk Region is rated the first (2.61 units and Rb 3.89m, respectively) (Table 3), that is, 79.17% and 76.77% as regards the number and the volume, respectively, as compared to the respective indices of January–July 2014 (Table 3).

In May 2015, the weighted average period of lending as regards MHL in rubles extended within a month amounts to 14.3 years which is 0.59% higher than in April 2015. As regards MHL in foreign currency extended from the beginning of the year, the weighted average period of lending amounted to 3.4 years as of 1 June 2015, having decreased 3.6 times over as compared to 1 June 2014.

In May 2015, the weighted average rate on MHL in rubles extended within a month fell by 1.25 p.p.

to 13.45% from the maximum value in February; as compared to April it fell by 0.59 p.p. As of 1 June, the weighted average rate on MHL in rubles extended from the beginning of the year amounted to 14.22%. The weighted rate on MHL in foreign currency extended from the beginning of the year fell within May by 0.83 p.p. and amounted to 10.74%.

On 13 July 2015, the President of the Russian Federation signed the Federal Law on Facilitation of Development and Upgrading of Efficiency of Management in Housing and Amendment of Individual Statutory Acts of the Russian Federation which provides for establishment on the basis of the AHML of a single institute of development in the sphere of housing. The new institute will be entrusted with management functions in respect of the Federal Fund for Facilitation of Housing Development, non-profit organizations established by the single institute of development and subsidiary business entities, including credit institutions.

The OAO AHML signed an agreement with the Gasprombank and the VTB24 bank on cooperation within the frameworks of the state aid program to mortgage borrowers. It is to be noted that the DeltaKredit, the Absolut Bank, the Otkrytie Bank of Khanty-Mansyisk, the Zenit Bank, the LOKO Bank and FORA Bank joined the program.

According to the estimates of the OAO AHML, in January–June 2015 11 originators fulfilled Rb 47,058,827,000 worth of MHL securitization deals. ●