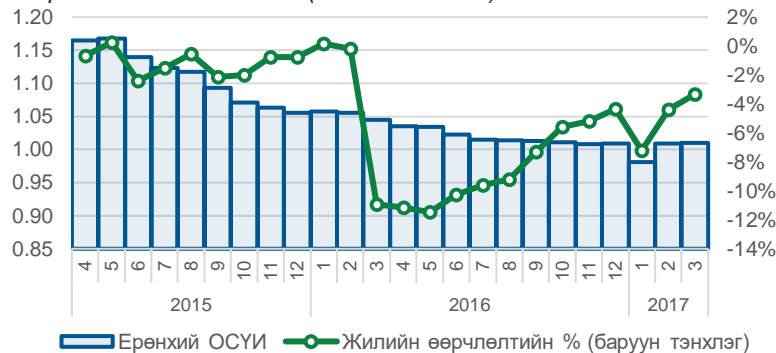


Real Estate Market Indicators – 2017.I quarter

The House Price Index is estimated by the Hedonics regression method, as of March 2017, it reached 1.010 units that is 3.3% lower than previous year. New house price index dropped by 0.7 percent to 1,154, while the old house price index dropped by 6.1 percent to 0.913.

Graphic: House Price index (2015.4 – 2017.3)



The average price of a new apartment per square meter is 2.05 million MNT, its square meter price depends upon class is from 1.7 to 7.2 million MNT. The average price of old 2 bedroom apartment per square meter is 1.77 million MNT.

The office building is an average of 1m2 by 3.61 million MNT, one household and one household with a family of 1m2 with 1.96 million MNT and a fence with 38.85 million MNT.

From the beginning of the year, a total of 3,027 apartments were sold, of which 75.9% were new apartments and 24.1% were old apartments. Sales activity of the apartment has increased by 20.9% compared to the previous year.

In the market, construction projects of the 84,000 household apartments are carried out, thus the project of 41,000 household apartments is receiving orders, the project of 30,000 household is commissioned and remaining project of 11,000 household apartments has not yet been commissioned.

90.3% of these apartments are standard and middle class while 9.7% are business and high class.

The number of apartment with receiving order increased by 23.0% from the previous year and 68.2% of the 1,033 apartment with receiving order is multi-family and 48.2% is single-family house. 67.4% or 696 of apartment with receiving order is in use.

The most demanded rental apartment in real estate market is two bedroom apartment and average rental price increased by 1.0 percent to 556 thousand MNT from last year.

Office rental price per square meter is between 15,000 and 29,000 MNT depending on the district and the highest average price of rental office is in the Sukhbaatar district.

Real estate price	2016-03	2017-03
House price index (2013.1 base)		
General index	1.045	1.010
New apartment	1.162	1.154
Old apartment	0.972	0.913
Apartment price (1m2 million ₮)		
New apartment	2.04	2.05
High grade	5.85	7.19
Business grade	3.47	3.40
Average grade	2.16	2.16
Standart grade	1.63	1.69
Old apartment (2 room)	1.89	1.77
Other real estate price (1m2 million ₮)		
Average office price	3.47	3.61
Average price house price	1.84	1.96
Detached housing price	40.60	38.85

Source: Bank of Mongolia, Tenkhleg zuuch LLC

Apartment sale	2016-03	2017-03
Sale, from the beginning of the year (household)		
New apartment	1,867.0	2,299.0
Old apartment	636.0	728.0
Detached house	6,163.0	6,519.0
Order status (household)		
Under construction in total	91,817	83,607
Order did not start	40,169	33,511
Order stopped	7,637	9,075
Receiving order	44,011	41,021
Commission time (household)		
Receiving order	27,656	30,066
Commissioned	15,570	10,439
This year to be commissioned	785	516
Next year to be commissione	0	0
Class (household)		
High class	814	642
Business class	3,954	3,346
Middle class	22,581	22,009
Standart class	16,662	15,024

Source: Tenkhleg zuuch LLC

House sale	2016-03	2017-03
Order status (household)		
Under construction in total	4,951	4,682
Receiving order	840	1,033
Order stopped	4,111	3,649
Order did not start	0	0
Order type (household)		
Townhouse (multi-family)	942	705
House (single-family)	333	498
Commission date (household)		
Commissioned	297	696
This year to be commissione	978	507
Next year to be commissioned	0	0

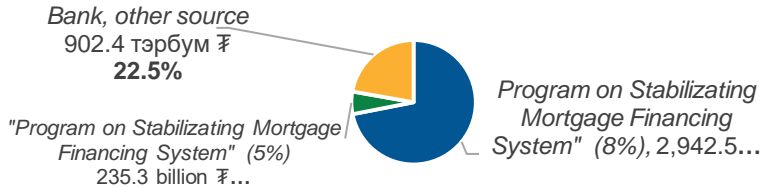
Source: Tenkhleg zuuch LLC

Rent	2016-03	2017-03
Apartment rental price (thousand ₮)		
1 room apartment	423.7	417.3
2 bedroom apartment	549.9	555.5
3 bedroom apartment	693.6	680.1
4 bedroom apartment	858.0	862.8
Office rental price (1m2 thousand ₮)		
Average rental price	23.6	21.9

Mortgage loan performance – 2017.I quarter

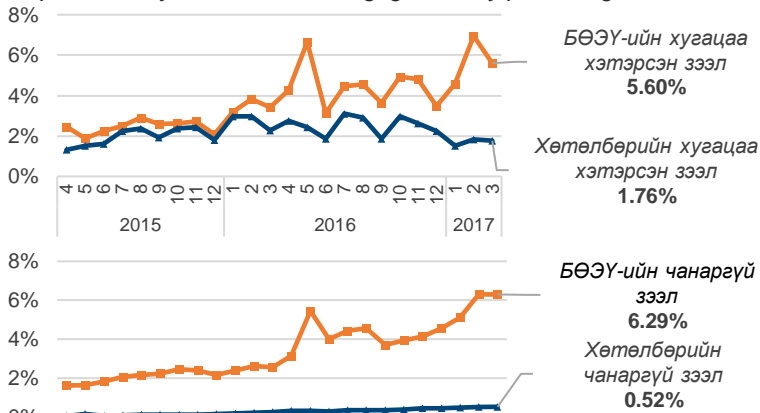
Total mortgage loan accounts reached 69,876 and loan outstanding reached MNT 4,091.2 billion, which indicates an increase of 14.7 percent from the previous year. 77.8% of the mortgage loan outstanding is issued under "Program on Stabilizing Mortgage Financing System" and 70.4% of which was purchased by MIK.

Graphic: Mortgage loan by outstanding, interest



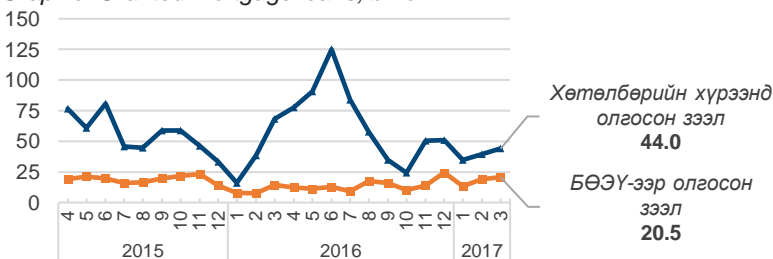
As of March, loan with violation more than 0 day was increased from 3.47% to 4.28%. 2.60% of total loan portfolio is overdue loan and 1.68% of total loan portfolio is non-performing loan. Non-performing loan percentage is increased by 101.1% from the previous year.

Graphic: Quality indicators of mortgage loan by percentage



Mortgage grant has increased by 12.2% from the beginning of the year and of which loan grant of "Program on Stabilizing Mortgage Financing System" decreased by 3.6% to MNT 118.4 billion, and loan grant by banks and other sources increased by 77.2% to MNT 52.9 billion.

Graphic: Granted mortgage loans, billion MNT



Weighted average term of granted mortgage loan in that month is 18.8 years and 10.26% interest rate. As of March, the average mortgage loan outstanding is MNT 58.55 million.

The general characteristics of the MIK's purchased loan portfolio are shown in the "Indicators of Aggregate loan portfolio".

Loan outstanding	2016-03	2017-03
Amount (billion ₮)		
Total mortgage loan	3,565.3	4,091.2
Loan of "Program on Stabilizing Mortgage Financing System"	2,679.8	3,182.0
Not sold to MIK	521.8	940.8
8% interest	488.5	701.3
5% interest	33.3	239.4
Sold to MIK	2,158.0	2,241.2
Banks, other sources	63.4	95.2

Account number (account)	2016-03	2017-03
Total mortgage loan	2,716	69,876
Loan of "Program on Stabilizing Mortgage Financing System"	792	66,718
Banks, other source	1,924	3,158

Source: Bank of Mongolia

Loan quality	2016-03	2017-03
Overdue loan rate (%)		
Total mortgage loan	2.64%	2.60%
Loan of "Program on Stabilizing Mortgage Financing System"	2.26%	1.76%
Banks, other sources	3.42%	5.60%

Non-performing loan (%)	2016-03	2017-03
Total mortgage loan	0.84%	1.68%
Loan of "Program on Stabilizing Mortgage Financing System"	0.24%	0.52%
Banks, other source	2.53%	6.29%

Source: Bank of Mongolia

Granted loan	2016-03	2017-03
Amount, from the beginning of the year (billion ₮)		
Total mortgage loan	152.6	171.3
Loan of "Program on Stabilizing Mortgage Financing System"	122.7	118.4
8% interest	111.8	111.0
5% interest	11.0	7.4
Banks, other source	29.9	52.9
Tugrug loan	29.4	52.9
Foreign currency loan	0.4	0.0

Account number, from the beginning of the year (account)	2016-03	2017-03
Total mortgage loan	2,504	2,717
Loan of "Program on Stabilizing Mortgage Financing System"	1,983	1,793
Banks, other source	521	924

Source: Bank of Mongolia

Other loan indicators	2016-03	2017-03
Weighted average time (year)		
Total mortgage loan	15.7	17.0
Loan granted in that month	17.1	18.8

Weighted average interest (%)	2016-03	2017-03
Loan granted in that month	8.81%	10.26%
"Program on Stabilizing Mortgage Financing System"	6.40%	8.00%
Banks, other source	15.00%	15.31%

Average loan outstanding (million ₮)	2016-03	2017-03
Total mortgage loan	1,312.71	58.55
Loan of "Program on Stabilizing Mortgage Financing System"	3,383.62	47.69
Banks, other source	32.96	30.14

Source: Bank of Mongolia