

## SUMMARY METHODOLOGY

### General Provisions

The *Statistics* section of the Bank of Russia website contains information on housing (mortgage) loans, early repayment of mortgage loans, transfer of rights and securitization of mortgage loans.

The subsection entitled *Participants in Housing (Mortgage) Loan Market* presents data on the number of credit institutions operating on the primary and secondary housing (mortgage) loan market since the beginning of the year.

The subsection entitled *Housing (Mortgage) Loans* provides information on housing loans / mortgage loans / mortgage loans against the pledge of claims under share construction participation agreements / loans to resident individuals granted by credit institutions to resident individuals in rubles and foreign currency.

The subsection entitled *Early Repayment of Mortgage Loans* shows data on volumes and sources of early repayment of mortgage loans (rights of claim).

The subsection entitled *Secondary Mortgage Loan Market* shows information on the development of mechanisms for refinancing mortgage loans (rights of claim on mortgage loans). Secondary market is understood as a secondary capital market in which credit institutions are participants.

The housing loan category includes the following types of loans granted to resident individuals:

(a) loans granted for the purchase and development of a land-plot for housing construction (land loan);

(b) loans granted for construction financing (construction loan);

(c) loans granted for the purchase of housing (housing loan).

The mortgage loan category includes housing loans granted to resident individuals against the collateral of real estate according to the procedure established by Federal Law No. 102-FZ, dated July 16, 1998, ‘On Mortgage (Real Estate Mortgage)’.

The category of mortgage loans against the pledge of claims under share construction participation agreements comprises mortgage loans granted to resident individuals according to the procedure established by the Federal Law No. 214-FZ, dated December 30, 2004, ‘About participation in share construction of apartment houses and other real estate objects and about modification of some legal acts of the Russian Federation’.

The category of loans to resident individuals comprises loans granted to resident individuals for purchasing goods (works, services) for personal, family, home or other needs not connected with any entrepreneurial activities (housing loans).

Regional information presented in the *Statistics* section of the Bank of Russia website is broken down in accordance with the Constitution of the Russian Federation (Article 5) by constituent entity of the Russian Federation (Article 65) and by federal district as determined by President of the Russian Federation Decree No. 849, dated May 13, 2000 (as amended). Information on autonomous areas is reflected separately for each autonomous area and also included in the data on the region of which it is part.

The source of information has been the reports compiled by credit institutions in the form 0409316 “Information on Granted Funds to Individuals”, established by Bank of Russia Ordinance No. 4927-U, dated October 8, 2018, “On the List, Forms and Procedure for Compiling and Presenting Credit Institutions Reporting Forms to the Central Bank of the Russian Federation”, prior to 2008 the source of information was the reporting form 0409302 “Funds Extended and Accepted by Credit Institutions”.

The list of **30 largest banks of the Russian Federation** is published in the Bank of Russia Bulletin (Vestnik Banka Rossii) and its electronic version is available on the Bank of Russia website. The actual list of **30 largest banks of the Russian Federation** is used for each reporting period.

## **Individual Indicators Highlights**

### **Participants in Housing (Mortgage) Loan Market**

**Number of operating credit institutions** is the number of credit institutions licensed to engage in banking activities. The source of information is the State Register of Credit Institutions.

**Number of credit institutions granting housing loans / mortgage loans / mortgage loans against the pledge of claims under share construction participation agreements / loans to resident individuals** is the number of credit institutions conducting operations of housing (mortgage) lending to households during the reporting period or having debts on housing (mortgage) loans.

**Number of credit institutions purchasing rights of claim under mortgage loans** - the number of credit institutions conducting operations for the purchase of rights of claim for mortgage loans during the reporting period and having investments rights of claim for mortgage loans.

**Number of credit institutions refinancing previously granted mortgage loans** – the number of credit institutions which granted loans for the repayment previously granted (purchased) mortgage loans since the beginning of the year.

**Number of credit institutions refinancing on the secondary mortgage loan market** – the number of credit institutions conducting operations of issuing of mortgage-backed securities, the sale of mortgage loans /rights of claim thereon to another institutions, the transfer of credit risk for mortgage loans /rights of claim thereon to the third parties (the creation of derivatives). Data for the period from 01.01.2009 to 01.01.2008 is generated on a semi-annual/annual basis with a cumulative total from the beginning of the year, starting from 01.04.2018 data is presented on a quarterly basis.

**Refinancing** is a change in the status of the asset being refinanced (sale, issue of mortgage-backed securities and derivatives based on the asset being refinanced, etc.).

The regional breakdown of *Participants in Housing (Mortgage) Loan Market* subsection is formed by grouping information by location of credit institutions according to the State Register of Credit Institutions.

### **Housing (Mortgage) Loans**

**Volume of housing loans / mortgage loans / mortgage loans against the pledge of claims under share construction participation agreements / total loans granted to resident individuals** is the amount of funds provided during the reporting period under loan/additional agreements. This indicator is compiled for the reporting period (month).

**Debt on housing loans / mortgage loans / mortgage loans against the pledge of claims under share construction participation agreements / loans to resident individuals** is the balance of debt (including overdue debt) on loans as of the reporting date.

**Overdue debt on housing loans / mortgage loans / mortgage loans against the pledge of claims under share construction participation agreements / loans to resident individuals** is the balance of overdue debt on loans as of the reporting date.

**Weighted average maturity of loans** characterizes average maturities of housing loans / mortgage loans / mortgage loans against the pledge of claims under share construction participation agreements granted by credit institutions during the reporting period and is calculated using the following formula:

$$T = \frac{(V1 \times T1 + V2 \times T2 + \dots + Vn \times Tn)}{(V1 + V2 + \dots + Vn)}, \text{ where:}$$

T — the average weighted maturity during the reporting month;

T1...n — the average weighted maturity of loans granted by the credit institution n;

V1... n — the volume of loans granted by the credit institution n.

**Weighted average interest rate on the loans** describes average interest rates on housing loans / mortgage loans / mortgage loans against the pledge of claims under share construction participation agreements granted by credit institutions during the reporting month and is calculated by the formula:

$$P = \frac{(V1 \times P1 \times T1 + V2 \times P2 \times T2 + \dots + Vn \times Pn \times Tn)}{(V1 \times T1 + V2 \times T2 + \dots + Vn \times Tn)}, \text{ where:}$$

P — average weighted interest rate on credits granted during the reporting month;  
P1... n — average weighted interest rate on the loans granted by the credit institution n during the reporting month;  
V1... n — the volume of loans provided by the credit institution n during the reporting month;  
T1... n — the average weighted maturity of loans granted by the credit institution n during the reporting month.

**Rights of claim under mortgage loans acquired by credit institutions** mean the balance of debt on the rights of claim under mortgage loans acquired by credit institutions as of the reporting date.

The regional breakdown of the *Housing (Mortgage) Loans* subsection is formed by grouping information by borrowers' location.

#### **Early Repayment of Mortgage Loans for the quarter**

**Volume of early repaid mortgage loans/rights of claim thereon** is a sum of deposited funds, which are exceeding the value of principal payment that is fixed in the repayment schedule on the payment date to repaid main debt on mortgage loans. This indicator is compiled for the quarter.

The regional breakdown of the *Early Repayment of Mortgage Loans* subsection is formed by grouping information by borrowers' location.

Data on early repayment of mortgage loans/rights of claim thereon, which is compiled on semiannual basis, is published in the subsection "Retrospective Information".

#### **Secondary Mortgage Loan Market for the quarter**

**Volume of refinanced mortgage loans/rights of claim thereon with the sale of the pool of mortgage loans/rights of claim thereon** is an amount of mortgage loans/rights of claim thereon refinanced during the reporting period by selling mentioned loans/rights of claim thereon to partners including with the subsequent issue of securities. This indicator is compiled for the quarter.

**Volume of refinanced mortgage loans/rights of claim thereon with the asset kept on the credit institution's balance sheet** is an amount of mortgage loans/rights of claim refinanced during the reporting period by issuing of mortgage-backed securities with the refinanced asset kept on the credit institution's balance sheet, the transfer of credit risk for HMLs/rights of claim thereon to the third parties (the creation of derivatives). This indicator is compiled for the quarter.

**Volume of funds attracted** is a nominal value of an issued security. This indicator is compiled for the quarter.

**Resident specialized organizations** are resident organizations, which have received mortgage loans/rights of claim thereon as a result of selling mentioned loans/rights of claim thereon, including mortgage agents whose exclusive activity is to purchase rights of claim on mortgage-secured loans and/or mortgages and that are entitled, under the Federal Law No 152-FZ, dated November 11, 2003, 'On Mortgage-Backed Securities', to issue mortgage bonds.

**Special purpose vehicles (SPVs)** are special organizations established under foreign legislation in the form of a partnership, trust, or corporation for purchasing credit institutions' assets and issuing securities.

**Other organizations** are non-profit organizations established as foundations based on voluntary property contributions for the development of housing and social construction.

**Unit investment fund (PIF)** is a self-contained property complex consisting of property placed by its founder(s) into the trust of its management company on the condition of joining this with the other trust founders' property, and of property obtained in the process of such trust management, a share in title whereto is certified by a security issued by the management company. A unit investment fund is not a legal entity. An investment unit is a registered security certifying its holder's interest in title to the property constituting the unit investment fund.

The regional breakdown of the *Secondary Mortgage Loan Market* subsection is formed by grouping information by the location of credit institutions in accordance with the State Register of Credit Institutions.

Data on secondary mortgage loan market, which is compiled on semiannual basis, is published in the subsection "Retrospective Information".

## Retrospective Information

### Primary Housing (Mortgage) Loan Market

**Volume of housing loans / mortgage loans / mortgage loans against the pledge of claims under share construction participation agreements granted to resident individuals** is the amount of funds provided during the reporting period under loan/additional agreements. This indicator is compiled cumulatively since the beginning of the year, including data on loans granted by credit institutions that had their banking licenses revoked in the reporting period.

**Debt on housing loans / mortgage loans / mortgage loans against the pledge of claims under share construction participation agreements** is the balance of debt (including overdue debt) on loans as of the reporting date.

**Weighted average maturity of loans granted since the beginning of the year** characterizes average maturities of housing loans / mortgage loans / mortgage loans against the pledge of claims under share construction participation agreements granted by credit institutions since the beginning of the year and is calculated using the following formula:

$$T = \frac{(V1 \times T1 + V2 \times T2 + \dots + Vn \times Tn)}{(V1 + V2 + \dots + Vn)}, \text{ where:}$$

T — the average weighted maturity;

T1...n — the average weighted maturity of loans granted by the credit institution n;

V1... n — the volume of loans granted by the credit institution n.

**Weighted average maturity of loans granted during the month** characterizes average maturities of housing loans / mortgage loans / mortgage loans against the pledge of claims under share construction participation agreements granted by credit institutions during the month. It is formed by calculation for housing loans / mortgage loans / mortgage loans against the pledge of claims under share construction participation agreements granted in rubles.

**Weighted average interest rate on the loans granted since the beginning of the year** describes average interest rates on housing loans / mortgage loans / mortgage loans against the pledge of claims under share construction participation agreements granted by credit institutions since the beginning of the year and is calculated by the formula:

$$P = \frac{(V1 \times P1 \times T1 + V2 \times P2 \times T2 + \dots + Vn \times Pn \times Tn)}{(V1 \times T1 + V2 \times T2 + \dots + Vn \times Tn)}, \text{ where:}$$

P — average weighted interest rate;

P1... n — average weighted interest rate on the loans granted by the credit institution n;

V1... n — the volume of loans provided by the credit institution n;

T1... n — the average weighted maturity of loans granted by the credit institution n.

**Weighted average interest rate on loans granted during the month** characterizes average interest rates on housing loans / mortgage loans / mortgage loans against the pledge of claims under share construction participation agreements granted by credit institutions during the month. It is formed by calculation for housing loans / mortgage loans / mortgage loans against the pledge of claims under share construction participation agreements granted in rubles.

**Rights of claim under mortgage loans acquired by credit institutions** mean the balance of debt on the rights of claim under mortgage loans acquired by credit institutions as of the reporting date.

The regional breakdown of the *Primary Housing (Mortgage) Loan Market* subsection is formed by grouping information by borrowers' location.

**Loans to resident individuals** are loans granted for purchasing goods (works, services) for personal, family, home or other needs not connected with any entrepreneurial activities.

### **Rubric “Early Repayment of Mortgage Loans on semiannual basis”**

**Volume of early repaid mortgage loans/rights of claim thereon** is an amount of mortgage loans/rights of claim thereon repaid prematurely during the reporting period. Calculated as a sum of deposited funds, which are exceeding the annual (semiannual) value of payment of principal that is prescribed in the mortgage loans / additional agreements to repaid main debt on mortgage loans. This indicator is compiled cumulatively since the beginning of the year.

The regional breakdown of the *Early Repayment of Mortgage Loans* subsection is formed by grouping information by borrowers’ location.

### **Rubric “Secondary Mortgage Loan Market on semiannual basis”**

**Refinancing of mortgage loans/rights of claim thereon with the asset kept on the credit institution’s balance sheet** means refinancing whereby the asset refinanced is recorded on the credit institution’s balance sheet (issue of mortgage-backed securities by the credit institution, or creation of derivatives based on the refinanced asset).

**Refinancing of mortgage loans/rights of claim thereon with the sale of the pool of mortgage loans/rights of claim thereon** means refinancing based on the sale of the asset (asset sale without forming an additional financial instrument, or asset sale followed by the issue of mortgage-backed securities).

**Volume of refinanced mortgage loans/rights of claim thereon** is an amount of mortgage loans/rights of claim refinanced during the reporting period by issuing of mortgage-backed securities, the sale of HMLs/rights of claim thereon to another institutions, the transfer of credit risk for HMLs/rights of claim thereon to the third parties (the creation of derivatives). This indicator is compiled cumulatively since the beginning of the year.

**Volume of funds attracted** is a nominal value of an issued security. This indicator is compiled cumulatively since the beginning of the year.

**Resident specialized organizations** are resident organizations, which have received mortgage loans/rights of claim thereon as a result of selling mentioned loans/rights of claim thereon, including mortgage agents whose exclusive activity is to purchase rights of claim on mortgage-secured loans and/or mortgages and that are entitled, under the Federal Law No 152-FZ, dated November 11, 2003, ‘On Mortgage-Backed Securities’, to issue mortgage bonds.

**Special purpose vehicles (SPVs)** are special organizations established under foreign legislation in the form of a partnership, trust, or corporation for purchasing credit institutions’ assets and issuing securities.

**Other organizations** are non-profit organizations established as foundations based on voluntary property contributions for the development of housing and social construction.

**Unit investment fund (PIF)** is a self-contained property complex consisting of property placed by its founder(s) into the trust of its management company on the condition of joining this with the other trust founders’ property, and of property obtained in the process of such trust management, a share in title where to is certified by a security issued by the management company. A unit investment fund is not a legal entity. An investment unit is a registered security certifying its holder’s interest in title to the property constituting the unit investment fund.

The regional breakdown of the *Secondary Mortgage Loan Market* subsection is formed by grouping information by the location of credit institutions in accordance with the State Register of Credit Institutions.