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NEWS RELEASE

For Immediate Release

MORTGAGE DEFAULT RATES DROP BY HALF IN JUST 2 YEARS

50-59 year olds overtake 21-29 year olds as biggest defaulters

23 August 2010 [Singapore] – DP Credit Bureau Pte Ltd (DPCB) today released figures showing the percentage of mortgagors in Singapore that have fallen behind in their repayments has halved over the last two years.

In March 2008, the average rate of default across all age groups was 0.89%. This fell to 0.59% in March 2009 and by March 2010 the rate was a low 0.43%. This means that in 2008 one in every 112 mortgagors were in default on their repayments, and this figure has dropped to just one in every 233.

Mr Lincoln Teo, General Manager of DPCB said there were several factors which explain why borrowers are being more diligent in their loan repayments.

“The numbers represent an improvement in the property market leading to more positive sentiment. This indirectly drives better payment behavior from mortgagors. A home mortgage is the most important loan many people take out during their lives. Typically, one would choose to default on other borrowings and not a mortgage.”

“We have also seen greater consumer awareness on the maintenance of one’s credit worthiness and how important it is for securing credit. Over the last two years, the



credit bureau has seen a growing number of borrowers being diligent in their loan repayments in order to maintain or improve their credit standing,” Mr Teo said.

While the proportion of loans in default is trending lower, there are variations across different age groups.

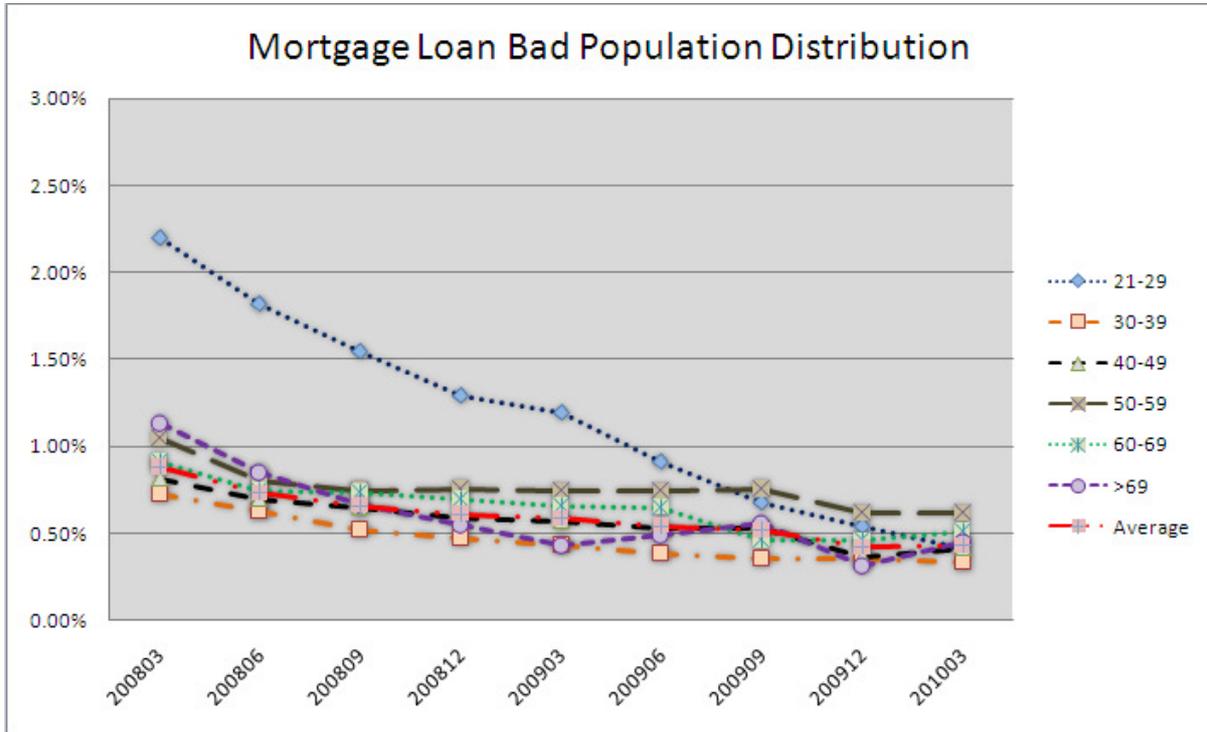
Traditionally 21-29 year olds have had the highest percentage of defaults on their mortgages. In March 2008 the percentage of 21-29 year olds in default on their mortgage was 2.2%. This has steadily fallen over the last two years to 0.42%.

Interestingly, 50-59 years old have overtaken 21-29 year olds as the age bracket with the highest percentage of loans in arrears, with 0.62% behind in their payments. The lowest rate belongs to 30-39 year olds with just 0.34% in default.

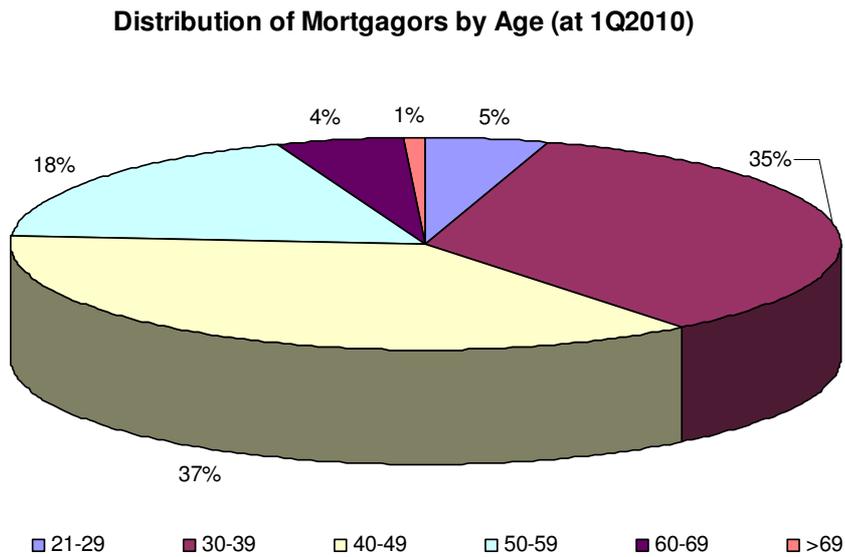
Commenting on variations across ages, Mr Teo said it is encouraging to see younger people being more consistent in meeting their mortgage obligations, but this may not mean that they are handling other credit responsibly.

“Data from DP Credit Bureau shows younger borrowers are more likely to be in default on their car loan, credit cards and overdrafts than all other age groups. So when young people get into difficulties with credit they will continue to pay their mortgage while falling behind on their other loans. With increasing property prices and bigger mortgages, this group may also be shouldering a larger debt burden which may not be sustainable in the long run. “

“While 50-59 year olds currently have the highest rate of default, the numbers have improved over the last two years. One explanation is that when people in this age bracket lose their employment, many find it hard to get another job, placing great pressure on their ability to continue servicing their mortgages,” Mr Teo said.



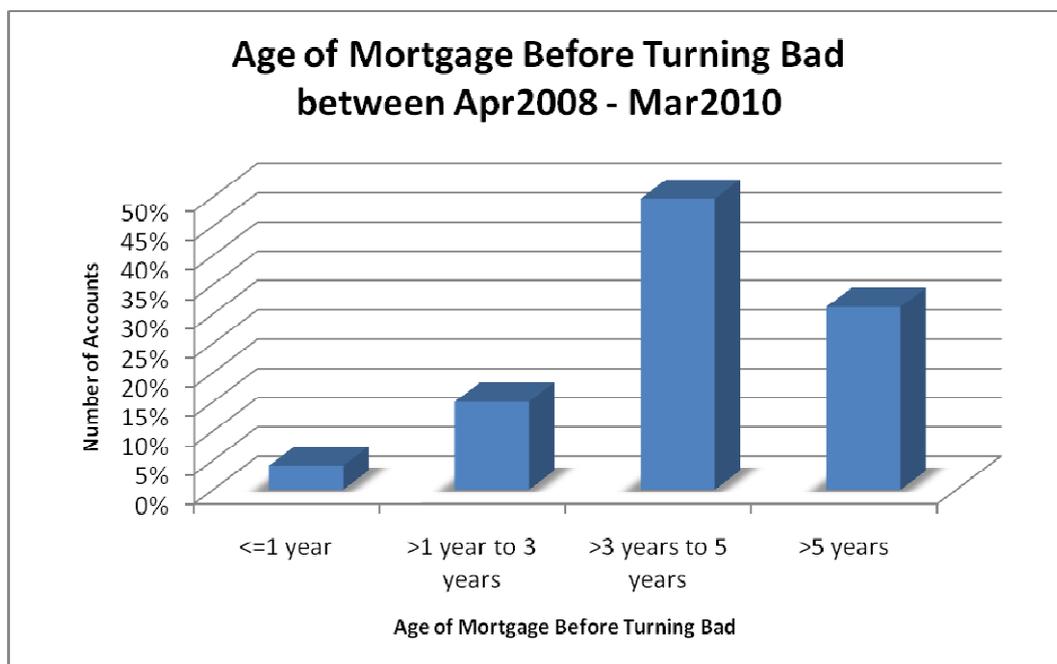
PROFILE OF BORROWERS



The group with the most mortgagors are the 40-49 years olds accounting for 37% of all loans, down from 39% two years ago. They are closely followed by 30-39 year olds who have taken out 35% of all mortgages, up from 32% two years ago.

Over time there has been a shift towards younger borrowers, with the percentage of loans given to 21-29 year olds increasing, while for people over 50 the percentage of loans is declining.

Nearly half (49.7%) of all mortgage defaults take place between the third and the fifth year of the loan. Defaults within the first year of the loan are rare (4.1%), while those between two and three years represent 15.0% of all defaults. More established loans – those older than five years - account for 31.0% of the total number of loans in default.



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