

Appendix 4 of "Securities Admission Rule",  
approved by Financial Regulatory Committee resolution  
#225 dated 11 June 2021

Semi-annual operational report /Form 2/	
<i>Article 20 of the Securities Market Law legislates the common obligations of the issuer, and the issuer is responsible for submitting information to the Financial Regulatory Committee as well as the listed exchange in the form stipulated below, and to publish information to the public through its own website.</i>	
<i>Reporting period</i>	From January 1st, 2024 to June 30 <sup>th</sup> , 2024
<i>Issuer's information</i>	Issuer's name: XacBank JSC State registration number: 9016001007 Stock ticker: XAC Phone number: +976-75771888
<i>Name of listed exchange</i>	Mongolian Stock Exchange
<i>Sector of business operation</i>	Banking, Finance
<i>External auditor information</i>	Name: Ernst and Young Mongolia Audit LLC FRC registration date: May 08, 2013
<i>Issued shares</i>	1,052,700,000
<i>Prepared by:</i> <i>Reviewed by:</i>	Prepared by: Tamir G. /Head of Financial Management and International Relations Division/ Reviewed by: Erdenebayar G. /Chief Financial Officer/ Reviewed by: Munkhtselmeg N. /General Counsel and Corporate Secretary/
1.	<i>Annual financial reports</i>
	<i>Balance statement</i>
	<i>Income statement</i>
	<i>Equity statement</i>
	<i>Cash flow statement</i>
The financial statements of XacBank JSC as of June 30, 2024 are attached /Appendix No. 1/	
2.	<i>Independent auditor's report</i>
Interim financial reports of XacBank JSC as of June 30, 2024 are under review by external auditor.	
3.	<i>Report and analysis on internal and external factors affecting the financial performance of the Issuer. Brief explanation of strategies to use against the factors.</i>

3.1.	<i>Operational performance /Financial ratios/</i>	<p>The Bank concluded its interim financial year for 2024 with a net profit of MNT 85.3bn (up 38.3% YoY), aROE of 26.6%, and EPS of MNT 81.0. The continued increase in profitability is attributable to strong asset growth, an optimal balance structure and improved asset quality.</p> <p>During the reporting period, total assets of the Bank increased to MNT 5,629.7bn (up 10.0% YTD), supported by strong growth in the loan and lease portfolio of the retail bank (up 23.0% YTD), the corporate bank (up 15.6% YTD), and XacLeasing (up 16.1% YTD) to MNT 2,364bn, MNT 560.1bn, and MNT 398.1bn, respectively. The retail loan portfolio demonstrated strong growth in line with sustained efforts to promote and small business loan products to the market, while the XacLeasing portfolio grew largely through used car and heavy machinery leases.</p> <p>The Bank's non-performing loan to gross loan portfolio ratio further improved to 2.2%, down by 0.7ppts YTD, which is one of the best performance in the banking sector.</p> <p>The Bank provides a wide range of savings as well as current account services with various tenors and withdrawal options, which are efficient, reliable and most importantly user friendly. By expanding its digital channels for accessing the Bank's products and services in parallel with successful marketing campaigns, the Bank was able to increase its total deposits and current account balance to MNT 3,199.0bn or up 11.3% YTD.</p> <p>During the reporting period, the Bank raised USD 104.3mn in senior debts from well-known IFIs and DFIs including EBRD, PROPARCO, DWM, and FMO. New funding allows the Bank to support women-led business owners and energy-efficient businesses.</p>																								
3.2.	<i>Liquidity and Capital Adequacy</i>	<table border="1"> <thead> <tr> <th></th> <th>Minimum threshold</th> <th>as of Jun 30, 2024</th> </tr> </thead> <tbody> <tr> <td>Tier 1 Capital Ratio</td> <td>&gt;12.5%</td> <td>18.6%</td> </tr> <tr> <td>Capital Adequacy Ratio</td> <td>&gt;12%</td> <td>18.6%</td> </tr> <tr> <td>Liquidity Ratio</td> <td>&gt;25%</td> <td>38.7%</td> </tr> <tr> <td>Foreign Currency Exposure Ratio (Single Currency)</td> <td>+/- 15%</td> <td>-2.3%</td> </tr> <tr> <td>Foreign Currency Exposure Ratio (Total)</td> <td>+/- 30%</td> <td>-3.3%</td> </tr> <tr> <td>Credit Concentration</td> <td>&lt;300%</td> <td>52.9%</td> </tr> <tr> <td>Deposit Concentration Ratio</td> <td>&lt;25%</td> <td>7.9%</td> </tr> </tbody> </table>		Minimum threshold	as of Jun 30, 2024	Tier 1 Capital Ratio	>12.5%	18.6%	Capital Adequacy Ratio	>12%	18.6%	Liquidity Ratio	>25%	38.7%	Foreign Currency Exposure Ratio (Single Currency)	+/- 15%	-2.3%	Foreign Currency Exposure Ratio (Total)	+/- 30%	-3.3%	Credit Concentration	<300%	52.9%	Deposit Concentration Ratio	<25%	7.9%
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3.3	<i>The external and internal factors affecting the operations of the issuer, its market share in the operating industry, changes or developments in the range of products and services, and measures planned to be taken by the issuer in response to changes and development.</i>	<p><b>External factors:</b></p> <p>Mongolia's real GDP grew by 7.8 percent in the first quarter of 2024 compared to the same period the previous year. The mining sector contributed 1.9 percentage points to the growth, while the transportation and service sectors each added 1.3 percentage points. Other sectors, including trading, production, and construction, also contributed 1.3 percentage points to the total growth. However, the agriculture sector has faced challenges due to severe "dzud" conditions, constraining economic growth by 1.3 percentage points. The mining sector accounted for 1/4<sup>th</sup> of the total economic growth, primarily driven by high coal exports. Real GDP growth contributes to increase in total asset as well as improvements in the asset quality of the banking sector.</p> <p>The inflation gradually decreased throughout 2024, reached 5.1% nationwide and 4.8% in Ulaanbaatar as of Jun 2024. Inflation remained</p>																								

within the 6±2%, which was a target level of the Bank of Mongolia. As impact of imported goods on inflation declined, and prices of domestic food products were expected to stabilize, which led to a decline in inflation. Consequently, the Monetary Policy Committee (MPC) has decided to reduce the policy rate by total 2 percentage points to 11 percent during last two MPC meetings. Impact on net interest income of a commercial bank due to decline in policy rate will depend on the asset and liability structure of a bank and usually materializes with certain time lag.

As of Jun 2024, total export increased by 4 percent to USD 7.9 billion and total imports rose by 26 percent to USD 5.4 billion. As a result, the foreign trade balance was in surplus of USD 2.5 billion. The balance of payment was in surplus of USD 351 million as of May 2024, down by USD 152 million YoY. International reserves reached USD 4.8 billion, down by 1.7% YTD.

Dollarization effect on banking sector is slowing in line with stable MNT rate against USD, reducing the negative impact on the LCY liquidity of banks thanks to sustained net surplus in international trade and positive balance of payment.

**Internal factors:**

In 2024, in addition to reducing the interest rate of loans to support women entrepreneurs, XacBank invested more in its effort to connect with micro, small and medium-sized entrepreneurs and organized 9 small scale conference and meetings in key shopping centers in both Ulaanbaatar and rural region. The Bank introduced its business loan products to more than 500 entrepreneurs during these events.

During the reporting period, XacBank successfully signed "Retirement Savings Fund Service Agreement" with major national enterprises such as Rio Tinto Mongolia LLC and MAK LLC.

In the framework of the "MSME Business Loan Program for GHG Emission Reduction" project implemented with the financing of the Green Climate Fund under United Nations, XacBank has launched the "ISO standard implementation for SME" program in order to provide real assistance to small and medium-sized businesses to expand their operations, improve the quality of their products and services, increase their competitiveness, and then supply their goods for export. Within the framework of the program, 16 companies out of over 100 were selected and received the certificate that 80% of the consulting services and certifying costs required for the introduction of ISO standards are covered by XacBank.

The Bank opened its' first Premium branch on April 18, 2024, with the aim of providing complete banking services such as transactions, loans, financial leases, deposits, physical gold trading, etc., in a comfortable and reliable environment.

In order to expand the leasing service of eco-friendly vehicles, the Bank established a cooperation with Mership LLC, the official distributor of the Dongfeng, and Electric Motors Corporation LLC, the official distributor of the IM brand.

3.4 *Information on off-balance sheet items*

Off-balance report is attached /Appendix №2/

4.

*Information on conflict of interest and significant transactions conducted by the issuer during the reporting period, the importance and the purpose of the transaction, and information about the person with a conflict of interest / all conflicts of interest transactions made during the reporting period shall be included/*

In accordance with Clause 56.2.4 of the Securities Market Law, following XacBank's transition to a public joint-stock company, information on related parties and conflict of interest transactions has been consistently disclosed to the public on both the Bank's website and the Mongolian Stock Exchange's website. Please refer to the following link:

<https://www.xacbank.mn/page/ad-hoc?lang=en>

<https://mse.mn/en/company/568>

Additionally, in accordance with the Banking Law, the Bank compiles a quarterly report concerning loans and other equivalent assets provided to the related parties, and subsequently makes this information available to the public on its website. Please refer to the following link:

<https://www.xacbank.mn/page/the-loans-and-other-equivalent-assets-provided-to-the-related-parties?lang=en>

In the first half of 2024, the Board of Directors (the "Board") approved a total of 6 conflicts of interest and related party transactions. This approval was conducted in accordance with the requirements outlined in Section 17.9 of the Banking Law, which stipulates that transactions should not entail preferential terms compared to those offered to customers within the bank's ordinary course of business.

**During the reporting period, no major transactions were approved.**

4. *If the issuer has issued shares to the public for the purpose of implementing a project, a report on the progress of project implementation and the use of funds raised from the start of the project*

During the reporting period, no additional shares were issued, and no new capital was raised through the issuance of new shares.

6. *Governance related information*

**Shareholding Structure**

The shareholding structure of the company as of the reporting period is as follows:



**The Board Composition**

The following directors were elected on the Board of XacBank for tenure until 2026 Annual General Meeting of Shareholders:

No.	Full name	Board membership	Percentage of shares held
1	Sanjay Gupta	Chairman	0.08%
2	Albertus Bruggink	Non-executive director	-

3	Andrzej Witak	Non-executive director	-
4	Dominic Jacques	Non-executive director	-
5	Michael Madden	Non-executive director	-
6	Suzannah Carr	Non-executive director	-
7	Tsevegjav G.	Executive director	0.10%
8	Tselmuun N.	Non-executive director	-
9	Niraj Vedwa	Independent non-executive director	-
10	Stewart Hall	Independent non-executive director	-
11	Ulambayar B.	Independent non-executive director	-
12	Amy Choi	Independent non-executive director	-

### The Board Committees' Composition

No.	Bank Audit Committee	Board Risk Management Committee	Governance, nomination and compensation committee
Chair	Ulambayar B.	Albertus Bruggink	Michael Madden
Members	Niraj Vedwa	Ulambayar B.	Tselmuun N.
	Amy Choi	Niraj Vedwa	Ulambayar B.
	Andrzej Witak	Amy Choi	Niraj Vedwa
	Suzannah Carr	Stewart Hall	Amy Choi
	Stewart Hall	Dominic Jacques	Stewart Hall

### Executive Management Team

No	Full name	Position	Percentage of shares held
1	Tsevegjav G.	Chief Executive Officer	0.10%
2	Erdenebayar G.	Chief Financial Officer	0.08%
3	Ulambayar E.	Chief Retail Banking Officer	0.05%
4	Erkin B.	Chief Corporate Banking Officer	0.04%
5	Dauryenbyek S.	Chief Leasing Officer	0.04%
6	Munkhsaikhan J.	Chief Business Development Officer	0.02%
7	Iliya Avramov	Chief Risk Officer	0.00%
8	Zul G.	Chief Operations Officer	0.04%
9	Unurbat Kh.	Chief Information Technology Officer	0.03%
10	Undarmaa E.	Chief Auditor	0.03%
11	Munkhtselmeg N.	General Counsel/ Corporate Secretary	0.01%

### 7. Governance report

Since reorganizing into a joint-stock company, XacBank has reported its Corporate Governance Code implementation evaluation report for 2023 in accordance with the Financial Regulatory Commission's Corporate Governance Code. The report has been publicly announced through the Mongolian Stock Exchange and the Bank's website. Please refer to the following links to find the report:

<https://mse.mn/en/company/568>

<https://xacbank.mn/page/financial-operational-result?lang=en>

#### 1. Shareholders' Meeting

Following XacBank's reorganization into a joint-stock company, the first Annual General Meeting of the Shareholders (the "AGM") of XacBank was convened on 29 April 2024, in the Ball room of Shangri-La Hotel. This meeting was organized through a combination of in person and virtual attendance. The AGM quorum was constituted with the attendance of 95.88% of the shareholders and considered valid. The following 10 decisions were adopted by the shareholders:

- The annual operational report for 2023 and the Board review were approved;
- The audited financial statements for 2023 and the Board review were approved;

- The declaration and distribution of dividend from the Bank's earnings for the financial year 2023 to the shareholders was approved in the total gross amount of MNT 26,580,675,000 by a declaration of dividend in the amount of MNT 25.25 per share;
- Amendment to the Dividend Policy of XacBank JSC was approved;
- Entry into the Framework Agreement by XacBank with EBRD was approved;
- Entry into the Policy Agreement by XacBank with IFC was approved;
- Reorganization of XacBank through merging TenGer Financial Group LLC into XacBank was approved;
- Directors on the Board of XacBank for tenure until 2026 AGM were elected;
- The Board director remuneration update was approved; and
- The Board budget for the fiscal year 2024 was approved.

Please refer to the websites of the Mongolian Stock Exchange and XacBank to find the resolutions.

<https://xacbank.mn/page/shareholders-meeting-resolution?lang=en>

In connection with the reorganization of XacBank through merging TenGer Financial Group LLC into XacBank, shareholders have been notified in accordance with Article 54 of the Company Law, of their right to demand that XacBank repurchases their shares pursuant to their opposition to or non-participation on the voting concerning the merger as stipulated in Sections 24.1 and 53.1 of the said law. This notice was published in the daily newspapers, official websites of the Mongolian Stock Exchange and the Bank. The period for exercising the right to demand ended on June 17, 2024, and no requests were received during that period. Please refer to the following links to find the notice.

<https://xacbank.mn/article/huvitsaa-erguulen-hudaldan-avahiig-shaardah-erh>

<https://mse.mn/mn/news/12215>

## **2. Meetings of the Board and the Board Committees**

In the first half of 2024, the Board convened a total of 4 meetings, including 2 regular meetings, and conducted 11 online voting. During these sessions, a total of 32 resolutions were passed. At each of the regular meetings, the Board received updates on the measures implemented in accordance with the decisions and recommendations adopted at its previous meeting.

Additionally, the Board Governance, Nomination and Compensation Committee held 3 meetings and conducted 4 online voting, the Board Risk Management Committee held 3 meetings and conducted 8 online voting, and the Bank Audit Committee held 3 meetings, respectively. Each committee provided relevant recommendations to the Board throughout these sessions.

## **3. Board Leadership**

In the first half of 2024, the Board approved, amended, and restated the following policies, plans, and programs in compliance with the applicable regulations for joint-stock companies as specified in the Company Law, regulations of the FRC, and Corporate Governance Code:

### **Newly approved:**

1. Transition Planning Roadmap of Climate Risk Management 2023-2025– This strategic blueprint was approved to align XacBank's governance practices with international best standards and support the transition towards Paris Agreement Alignment;
2. Share Redemption Procedures for Shareholders of XacBank in Relation to XacBank Merger– In connection with the shareholders' approval of Reorganization of XacBank through Merging TenGer Financial Group LLC into XacBank passed at the AGM, the Board has approved the share redemption procedures in accordance with the Company Law. The scope of this procedure is limited to the exercise of demand rights in connection with the Reorganization of the XacBank through Merging TenGer

Financial Group LLC into XacBank. The proceeding was successfully organized in accordance with this procedure.

3. Stakeholder Engagement Policy – Pursuant to the Corporate Governance Roadmap of XacBank 2023-2026, this policy was approved to establish the fundamental requirements for effective communication and cooperation with stakeholders who are essential for long-term value building and sustainable growth of the Bank;

4. Board Training Program for 2024 – Pursuant to the Corporate Governance Roadmap of XacBank 2023-2026, this program was approved to equip Board directors, who provide strategic guidance and oversight of the Bank with relevant knowledge and skills;

5. Board Action Plan after evaluation for 2024 – The Board reviewed its evaluation for 2023 and, based on this review, approved the action plan for 2024.

**Amended:**

1. Insider Trading Policy– Certain amendments were made to the policy to further strengthen the Bank's governance and its commitment to legal compliance.

**Amended and restated:**

1. Board Evaluation Policy.

2. Furthermore, the Board amended the Dividend Policy of XacBank to distribute dividends to shareholders within the period specified by the Financial Regulatory Commission, and this was approved by the shareholders at the AGM.

3. The Code of Conduct, Conflict of Interest and Disclosure

In 2023, XacBank approved the "Code of Conduct and Conflict of Interest Policy for Directors and Employees" to demonstrate its commitment to the highest standards of ethical behavior to ensure a lawful and ethical conduct of businesses and an ethical culture based on such standards and conduct, which is currently being implemented in its operations.

XacBank approved the "Conflict of Interest and Related Party Transaction Policy" in 2023, to ensure that transactions do not entail preferential terms compared to those offered to customers within the bank's ordinary course of business, and thereby, preventing the violation of shareholders' common interests. In compliance with relevant laws and regulations, information regarding conflict of interest transactions is published on the Mongolian Stock Exchange and the Bank's website. \

4. Engagement with the Bank's Stakeholders

Pursuant to its internal regulations, XacBank communicates with the shareholders through its designated phone number (+976-8508-1888) and e-mail address (investor-relations@xacbank.mn). Additionally, XacBank approved and adopted the Stakeholder Engagement Policy to establish the fundamental requirements for effective communication and cooperation with stakeholders who are essential for long-term value building and sustainable growth of the Bank, and regularly disseminates information to them through its website, xacbank.mn.

5. Information Transparency

In 2023, the 'Public Information Disclosure Policy' was approved to ensure transparent reporting and to inform shareholders and regulatory bodies in accordance with relevant requirements. This policy is currently being implemented in the Bank's operations, with the Board actively monitoring its implementation. Relevant information can be found on the Mongolian Stock Exchange and XacBank's website.

Accuracy and validity of the report confirmed by:

Name: Tsevegjav G.  
Title: Chief Executive Officer

Signature: .....  
(corporate seal)



Reviewed by:

Name: Erdenebayar G.  
Title: Chief Financial Officer

Signature: .....

Name: Munkhtselmieg N.  
Title: General Counsel and Corporate Secretary

Signature: .....

Prepared by:

Name: Tamir G.  
Title: Head of Financial Management and International Relations Department

Signature: .....



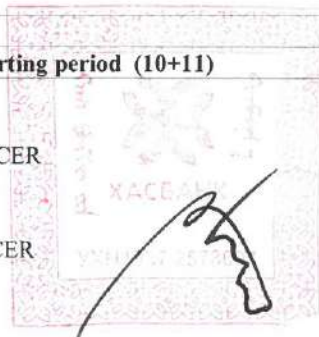
As of 30 June 2024

(MNT)

Д/д	Items of income and expense	Beginning balance /2023.12.31/	Ending balance /2024.06.30/
<b>1</b>	<b>Interest income</b>	<b>534,681,934,898.43</b>	<b>338,301,768,518.83</b>
1.1	Interest income of due from the Bank of Mongolia	18,493,666,754.83	7,584,900,096.55
1.2	Interest income of due from other banks and financial institutions	2,043,397,174.31	2,466,586,195.82
1.3	Interest income of investment	108,166,769,987.52	71,739,692,942.20
1.4	Interest income of loan	398,094,295,060.12	252,826,639,391.43
1.5	Other interest income	7,883,805,921.65	3,683,949,892.83
<b>2</b>	<b>Interest expense</b>	<b>284,186,728,864.60</b>	<b>191,085,885,711.21</b>
2.1	Interest expense of current accounts	2,048,818,003.17	2,029,577,643.85
2.2	Interest expense of savings	160,471,736,723.62	102,921,362,949.13
2.3	Interest expense of borrowings	90,525,572,173.73	53,417,308,775.00
2.4	Interest expense of debt instruments	755,740,806.45	434,038,568.75
2.5	Other interest expense	30,384,861,157.62	32,283,597,774.48
<b>3</b>	<b>Net interest income/expense [(1)-(2)]</b>	<b>250,495,206,033.83</b>	<b>147,215,882,807.62</b>
<b>4</b>	<b>Impairment loss on</b>	<b>189,605,187.53</b>	<b>45,257,504.18</b>
4.1	Due from banks and financial institutions	27,810,398.73	45,257,504.18
4.2	Investment	161,794,788.80	-
4.3	Loans	-	-
<b>5</b>	<b>Net income after impairment loss [(3)-(4)]</b>	<b>250,305,600,846.30</b>	<b>147,170,625,303.44</b>
<b>6</b>	<b>Other revenue</b>	<b>79,396,034,576.19</b>	<b>43,069,069,897.80</b>
6.1	<i>Non-interest income</i>	75,156,652,836.71	41,833,747,835.99
6.1.1	Gain or (loss) on trading of financial instruments	9,883,302,313.05	7,404,615,751.69
6.1.2	Gain or (loss) on translation or revaluation of financial instruments	-	-
6.1.3	Income from service fee and charges	50,216,255,097.62	28,687,891,031.89
6.1.4	Other non-interest income	15,057,095,426.04	5,741,241,052.41
6.2	<i>Other income and gains</i>	4,239,381,739.48	1,235,322,061.81
<b>7</b>	<b>Other expense</b>	<b>139,013,018,221.72</b>	<b>76,747,769,386.69</b>
7.1	<i>Non-interest expense</i>	132,746,382,073.29	75,425,630,056.55
7.1.1	Other impairment loss	138,076,004.05	-
7.1.2	Gain or (loss) on trading	-	-
7.1.3	Gain or (loss) on translation or revaluation	1,367,843,716.12	2,419,967,128.26
7.1.4	Expenses of service fee and charges	13,984,689,156.22	8,332,015,709.52
7.1.5	Other operating expenses	117,255,773,196.89	64,673,647,218.77
7.2	<i>Other expense and loss</i>	6,266,636,148.43	1,322,139,330.14
<b>8</b>	<b>Profit or (loss) before tax (5+6-7)</b>	<b>190,688,617,200.78</b>	<b>113,491,925,814.55</b>
9	Income tax expense	48,629,972,339.20	28,182,551,801.06
<b>10</b>	<b>Profit or (loss) after tax (8-9)</b>	<b>142,058,644,861.58</b>	<b>85,309,374,013.49</b>
11	Net profit or (loss) after tax from discontinued activities	-	-
<b>12</b>	<b>Profit or (loss) for the reporting period (10+11)</b>	<b>142,058,644,861.58</b>	<b>85,309,374,013.49</b>
13	Other comprehensive income	277,438,018.66	(750,610,303.51)
13.1	Increase or decrease of revaluation surplus of PPE and intangible assets	-	-
13.2	Increase or decrease of Reserve for revaluation of available for sale securities	277,438,018.66	(750,610,303.51)
13.3	Increase or decrease of reserve of translation and revaluation	-	-
13.4	Increase or decrease of non-distributable regulatory reserve for BOM loan loss provisions	-	-
13.5	Other	-	-
<b>14</b>	<b>Profit or (loss) for the reporting period (10+11)</b>	<b>142,336,082,880.23</b>	<b>84,558,763,709.98</b>

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER



TSEVEGJAV GUMENJAV

ERDENEБAYAR GANZORIG



As of 30 June 2024

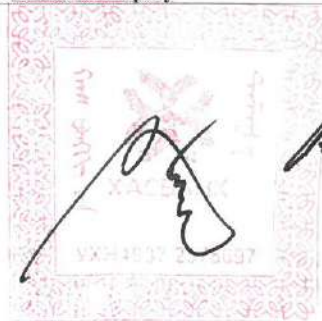
(MNT)

	Items of the statement of financial position	Beginning balance /2023.12.31/	Ending balance /2024.06.30/
<b>1</b>	<b>ASSETS</b>		
<b>1.1</b>	<b>Cash and cash equivalents</b>	<b>1,798,147,992,594.32</b>	<b>1,646,712,715,508.43</b>
1.1.1	Cash on hand	67,977,909,064.34	35,846,877,369.33
1.1.2	Due from banks and financial institutions	681,381,802,075.26	648,856,848,572.80
1.1.3	Cash equivalents	1,046,019,649,335.77	960,398,470,537.78
1.1.4	Accrued interest on cash and cash equivalents	2,768,632,118.95	1,610,519,028.51
<b>1.2</b>	<b>Due from banks and financial institutions</b>	<b>239,378,374,785.05</b>	<b>293,545,692,341.32</b>
1.2.1	Due from the Bank of Mongolia	239,748,124,782.71	293,703,977,105.93
1.2.2	Due from other banks and financial institutions	-	-
1.2.3	Other assets	-	-
1.2.4	Accrued interest on due from banks and financial institutions	-	-
1.2.5	Provision for impairment of due from banks and financial institutions	(369,749,997.66)	(158,284,764.61)
<b>1.3</b>	<b>Investment</b>	<b>129,152,996,712.65</b>	<b>163,157,038,119.55</b>
1.3.1	Trading securities (FVTPL)	-	-
1.3.2	Available for sale securities	110,341,006,303.51	106,488,992,565.51
1.3.3	Securities held to maturity	-	40,000,000,000.00
1.3.4	Securities classified as loan and receivables	-	-
1.3.5	Investment in subsidiary, associate, and joint venture	-	-
1.3.6	Encumbered securities	13,000,000,000.00	10,750,000,000.00
1.3.7	Accrued interest on investment	8,611,935,846.58	7,585,530,547.43
1.3.8	Provision for impairment of investment	(2,799,945,437.44)	(1,667,484,993.39)
<b>1.4</b>	<b>Loan (net)</b>	<b>2,720,350,929,155.55</b>	<b>3,301,125,297,346.35</b>
1.4.1	Loan within due	2,598,497,195,012.58	3,194,332,976,870.22
1.4.2	Past due loan	70,274,791,549.97	54,301,514,497.67
1.4.3	Substandard loan	12,500,326,182.10	11,204,134,772.59
1.4.4	Doubtful loan	8,935,542,630.26	8,515,282,535.56
1.4.5	Loss loan	59,542,875,356.97	54,363,827,410.91
1.4.6	Deferred transaction cost (fees on loans)	(12,626,372,320.92)	(15,808,175,113.93)
1.4.7	Accrued interest on loan	45,712,172,337.38	53,194,944,977.35
1.4.8	Loan loss provision	(62,485,601,592.79)	(58,979,208,604.02)
<b>1.5</b>	<b>Derivative financial assets</b>	<b>56,800,917,709.73</b>	<b>47,363,005,020.14</b>
<b>1.6</b>	<b>Other financial assets</b>	<b>29,432,407,965.53</b>	<b>28,945,595,075.98</b>
1.6.1	Receivables from others (net)	29,432,407,965.53	28,945,595,075.98
1.6.2	Interbank receivables	-	-
1.6.3	Repossessed collaterals – financial assets (net)	-	-
1.6.4	Other financial assets	-	-
<b>1.7</b>	<b>Other non-financial assets</b>	<b>59,821,906,730.31</b>	<b>62,348,478,489.35</b>
1.7.1	Other settlements	29,682,244,268.86	33,656,742,429.96
1.7.2	Inventories materials and valuables (excluding precious materials)	2,598,458,154.79	2,518,511,264.37
1.7.3	Gold and other precious metals (net)	94,439,362.68	94,439,362.68
1.7.4	Repossessed collaterals – non financial assets (net)	9,443,968,093.99	8,281,550,974.14
1.7.5	Current income tax prepayment	25,631,356.00	25,608,116.00
1.7.6	Deferred income tax assets	8,870,068,127.59	7,850,542,444.78
1.7.7	Other non financial assets	9,107,097,366.41	9,921,083,897.42
<b>1.8</b>	<b>Property, plant and equipment</b>	<b>66,281,751,529.55</b>	<b>67,927,091,488.92</b>
<b>1.9</b>	<b>Investment properties</b>	<b>-</b>	<b>-</b>
<b>1.10</b>	<b>Non-current asset held for sale</b>	<b>1,387,249,583.82</b>	<b>732,210,492.26</b>
<b>1.11</b>	<b>Intangible asset</b>	<b>18,667,114,054.76</b>	<b>17,794,844,692.24</b>
	<b>Total assets</b>	<b>5,119,421,640,821.26</b>	<b>5,629,651,968,574.54</b>
<b>2</b>	<b>LIABILITIES</b>		
<b>2.1</b>	<b>Current accounts</b>	<b>663,709,615,898.36</b>	<b>785,731,743,213.88</b>
2.1.1	Nominal amount	663,709,615,898.36	785,731,743,213.88
2.1.2	Accrued interest payable on current accounts	-	-
<b>2.2</b>	<b>Savings accounts</b>	<b>2,156,508,994,821.87</b>	<b>2,348,450,831,127.20</b>
2.2.1	Demand deposit savings	170,993,684,035.36	201,633,616,286.02
2.2.2	Time deposit savings	1,959,803,296,756.07	2,119,341,794,935.25
2.2.3	Other types of current and savings accounts	13,088,144,288.41	12,974,404,078.45
2.2.4	Accrued interest payable on savings accounts	12,623,869,742.02	14,501,015,827.48
<b>2.3</b>	<b>Due to banks and financial institutions</b>	<b>1,297,532,571,172.34</b>	<b>1,602,922,447,838.99</b>
2.3.1	Deposits placed by other banks and financial institutions	79,443,211,983.04	89,649,947,517.33
2.3.2	Loan from other banks and financial institutions	1,211,903,841,708.19	1,508,421,411,687.19
2.3.3	Deferred transaction fee	(10,590,809,897.39)	(12,065,694,731.80)
2.3.4	Accrued interest payable on due to banks and financial institutions	16,776,327,378.50	16,916,783,366.28
<b>2.4</b>	<b>Other borrowed funds</b>	<b>184,089,127,506.02</b>	<b>40,974,146,858.95</b>

2.4.1	Bonds and bills issued by the bank	-	-
2.4.2	Securities issued by the bank	-	-
2.4.3	Project loan financing	7,966,933,135.20	13,276,645,106.08
2.4.4	Repurchase agreements (repos)	162,431,954,446.64	10,576,316,833.29
2.4.5	Syndicated fund	405,883,400.37	406,566,354.88
2.4.6	Other	13,264,265,143.65	16,464,969,970.17
2.4.7	Deferred transaction fee	-	-
2.4.8	Accrued interest payable on other borrowed funds	20,091,380.16	249,648,594.54
2.5	<b>Derivative financial liabilities</b>	<b>14,332,115,283.25</b>	<b>22,081,607,414.30</b>
2.6	<b>Other financial liabilities</b>	<b>106,181,310,540.68</b>	<b>93,234,225,912.72</b>
2.7	<b>Other non-financial liabilities</b>	<b>75,005,168,084.95</b>	<b>71,743,464,984.71</b>
2.8	<b>Subordinated debt</b>	-	-
2.9	<b>Preferred shares (liability)</b>	-	-
	<b>Total liabilities</b>	<b>4,497,358,903,307.46</b>	<b>4,965,138,467,350.75</b>
3	<b>EQUITY</b>		
3.1	<b>Share capital</b>	<b>105,270,000,000.00</b>	<b>105,270,000,000.00</b>
3.1.1	Preferred shares (equity)	-	-
3.1.2	Common shares	105,270,000,000.00	105,270,000,000.00
3.2	<b>Paid-in capital</b>	<b>30,586,768,164.70</b>	<b>30,586,768,164.70</b>
3.3	<b>Treasury share</b>	-	-
3.4	<b>Revaluation surplus</b>	<b>18,528,613,201.77</b>	<b>18,467,264,409.77</b>
3.5	<b>Retained earnings</b>	<b>399,787,063,887.69</b>	<b>444,149,300,016.28</b>
3.6	<b>Other components of equity</b>	<b>67,890,292,259.64</b>	<b>66,040,168,633.04</b>
3.6.1	Share option	-	-
3.6.2	Reserve funds	11,439,407,367.49	11,439,407,367.49
3.6.3	Reserve of translation and revaluation	-	-
3.6.4	Non-distributable regulatory reserve for BOM loan loss provisions	53,253,543,574.30	52,154,030,251.20
3.6.5	Reserve for staff social development funds	-	-
3.6.6	Equity part of convertible debt instrument	-	-
3.6.7	Equity part of convertible borrowings	-	-
3.6.8	Reserve for revaluation of available for sale securities	3,197,341,317.86	2,446,731,014.35
3.6.9	Reserve for revaluation of hedging instrument	-	-
3.6.10	Other	-	-
3.7	<b>Total owners' equity</b>	<b>622,062,737,513.80</b>	<b>664,513,501,223.79</b>
	<b>Total liabilities and equity</b>	<b>5,119,421,640,821.26</b>	<b>5,629,651,968,574.54</b>

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER



TSEVEGJAV GUMENJAV

ERDENEБAYAR GANZORIG



STATEMENT OF CHANGES IN EQUITY

As of 30 June 2024

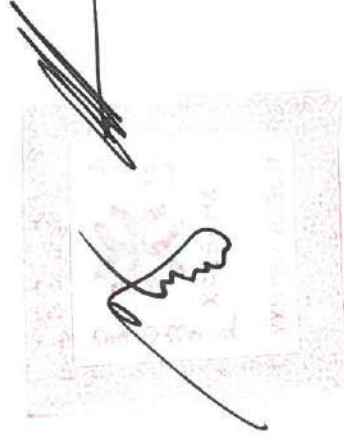
Equity items	Share capital	Share premium	Treasury share	Revaluation reserve for premises	Other components of equity	Retained earnings	Total equity
<b>balance as of 31 December 2022</b>	<b>100,000,000,000.00</b>	<b>1,817,773,344.70</b>	-	<b>18,528,613,201.77</b>	<b>77,179,488,781.95</b>	<b>278,161,784,485.15</b>	<b>475,687,659</b>
Adjustment of changes in accounting policies and error							
<b>Adjusted balance</b>	<b>100,000,000,000.00</b>	<b>1,817,773,344.70</b>	-	<b>18,528,613,201.77</b>	<b>77,179,488,781.95</b>	<b>278,161,784,485.15</b>	<b>475,687,659</b>
Net profit or loss for the period	-	-	-	-	277,438,018.66	142,058,644,861.58	142,058,644
Other comprehensive income	5,270,000,000.00	28,768,994,820.00	-	-	(9,566,634,540.96)	9,566,634,540.96	34,038,994
Changes in equity						(30,000,000,000.00)	(30,000,000)
Distributed dividends	-	-	-	-	-	-	277,438
Realized amount of revaluation surplus							34,038,994
<b>balance as of 31 December 2023</b>	<b>105,270,000,000.00</b>	<b>30,586,768,164.70</b>	-	<b>18,528,613,201.77</b>	<b>67,890,292,259.64</b>	<b>399,787,063,887.69</b>	<b>622,062,737</b>
Adjustment of changes in accounting policies and error							
<b>Adjusted balance</b>	<b>105,270,000,000.00</b>	<b>30,586,768,164.70</b>	-	<b>18,528,613,201.77</b>	<b>67,890,292,259.64</b>	<b>399,787,063,887.69</b>	<b>622,062,737</b>
Net profit or loss for the period	-	-	-	-	-	85,309,374,013.49	85,309,374
Other comprehensive income					(750,610,303.51)		(750,610)
Changes in equity							
Distributed dividends	-	-	-	-	(1,099,513,323.10)	1,099,513,323.10	
Realized amount of revaluation surplus						(42,108,000,000.00)	(42,108,000)
<b>balance as of 30 June 2024</b>	<b>105,270,000,000.00</b>	<b>30,586,768,164.70</b>	-	<b>18,467,264,409.77</b>	<b>66,040,168,633.04</b>	<b>444,149,300,016.28</b>	<b>664,513,501</b>

CHIEF EXECUTIVE OFFICER

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TSEVEGIYAV GUMENJAV

ERDENEBAIYAR GANZORIG



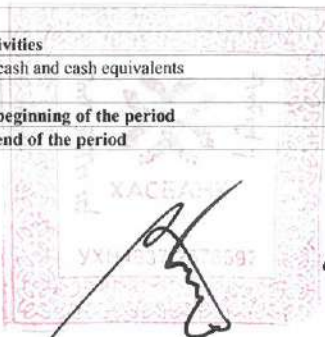
As of 30 June 2024

(MNT)

	Items	Beginning balance /2023.12.31/ ***	Ending balance /2024.06.30/ ***
<b>1</b>	<b>Cash flows from operating activities:</b>		
1.1	Profit or (loss) after tax	194,418,421,246.12	112,222,196,697.26
1.2	Adjustments of gain or loss:	(252,480,122,859.05)	(146,744,714,146.93)
1.2.1	Impairment loss (+)	(15,102,577,047.73)	(5,048,787,874.04)
1.2.2	Depreciation and amortization expense (+)	10,146,808,585.81	5,548,479,163.42
1.2.3	Revaluation gain (-) or losses (+) on financial instruments excluding cash and cash equivalents	-	-
1.2.4	Accrued interest income (-)	(534,681,934,898.43)	(338,301,768,518.83)
1.2.5	Accrued interest expense (+)	284,186,728,864.60	191,085,885,711.21
1.2.6	Gains (-) or losses (+) on disposal of assets	2,970,851,636.71	(28,522,628.69)
1.2.7	Other gains (-) or losses (+)	-	-
1.3	Adjustments of changes in assets and liabilities:	6,628,490,628.42	(457,699,985,910.09)
1.3.1	Increase (-) or decrease (+) in due to banks and financial institutions	16,338,808,226.98	(53,955,852,323.22)
1.3.2	Increase (-) or decrease (+) in trading securities	-	-
1.3.3	Increase (-) or decrease (+) in loans	(680,810,825,679.69)	(570,595,266,191.51)
1.3.4	Increase (-) or decrease (+) in other financial assets	35,800,593,188.14	10,064,973,906.22
1.3.5	Increase (-) or decrease (+) in other non-financial assets	2,615,867,361.58	(2,195,834,969.93)
1.3.6	Increase (+) or decrease (-) in current accounts and savings accounts	445,671,582,170.33	312,086,817,535.40
1.3.7	Increase (+) or decrease (-) in due to banks and financial institutions	104,070,253,111.79	(147,312,947,466.34)
1.3.8	Increase (+) or decrease (-) in other financial liabilities	68,377,283,373.51	(5,197,592,496.91)
1.3.9	Increase (+) or decrease (-) in other non-financial liabilities	14,564,928,875.78	(594,283,903.81)
1.4	Other adjustments:	198,385,791,928.82	113,291,463,216.26
1.4.1	Interest received (+)	520,447,996,974.56	331,845,401,178.02
1.4.2	Interest paid (-)	(271,602,169,302.54)	(188,838,726,423.60)
1.4.3	Payment of income tax (-)	(46,440,564,183.66)	(29,715,211,538.16)
1.4.4	Written-off loan and receivables with loan loss provision (-)	(4,019,471,559.55)	-
1.4.5			
1.5	Net cash flows from operating activities	146,952,580,944.31	(378,931,040,143.50)
<b>2</b>	<b>Cash flows from investing activities:</b>	***	***
2.1	Total cash inflows (+)	12,934,655,240.08	7,199,418,998.91
2.1.1	Proceeds from disposal of PPE	18,744,790.82	1,718,998.87
2.1.2	Proceeds from disposal of intangible assets	-	-
2.1.3	Proceeds from disposal of investment properties	-	-
2.1.4	Proceeds from disposal of investment in subsidiary, associate, and joint venture	-	-
2.1.5	Proceeds from disposal of other non-current assets	915,910,449.26	2,096,500,000.05
2.1.6	Proceeds from disposal of securities classified as loan and receivables	-	-
2.1.7	Proceeds from disposal of securities available for sale	-	2,851,199,999.99
2.1.8	Proceeds from disposal of securities held to maturity	12,000,000,000.00	-
2.1.9	Dividend received	-	-
2.1.10	Other proceeds	-	2,250,000,000.00
2.2	Total cash outflows (-)	(34,506,166,456.58)	(46,813,486,225.07)
2.2.1	Acquisition of PPE	12,157,026,883.46	6,115,888,342.10
2.2.2	Acquisition of intangible assets	2,701,939,573.12	697,597,882.97
2.2.3	Acquisition of investment properties	-	-
2.2.4	Acquisition of investment in subsidiary, associate, and joint venture	-	-
2.2.5	Acquisition of securities classified as loan and receivables	-	-
2.2.6	Acquisition of securities available for sale	18,926,200,000.00	-
2.2.7	Acquisition of securities held to maturity	-	40,000,000,000.00
2.2.8	Acquisition of other non-current assets	-	(0.00)
2.2.9	Other outflows	721,000,000.00	-
2.3	Net cash flows from investing activities	(21,571,511,216.49)	(39,614,067,226.16)
<b>3</b>	<b>Cash flows from financing activities:</b>	***	***
3.1	Total cash inflows (+)	803,183,143,887.81	406,465,954,737.29
3.1.1	Repayment of other borrowed funds	769,144,149,067.81	406,465,954,737.29
3.1.2	Proceeds from subordinated debt	-	-
3.1.3	Proceeds from issuance of shares	34,038,994,820.00	-
3.1.4	Donation	-	-
3.1.5	Other	-	-
3.2	Total cash outflows (-)	(408,127,346,351.64)	(139,356,124,453.53)
3.2.1	Repayment of other borrowed funds	378,127,346,351.64	97,248,124,453.53
3.2.2	Repayment of subordinated debt	-	-
3.2.3	Finance lease payment	-	-
3.2.4	Repurchase of treasury shares	-	-
3.2.5	Dividends paid	30,000,000,000.00	42,108,000,000.00
3.2.6	Other	-	-
3.3	Net cash flows from financing activities	395,055,797,536.17	267,109,830,283.76
<b>4</b>	<b>Effect of exchange rate changes on cash and cash equivalents</b>		
<b>5</b>	<b>Net cash flows</b>	520,436,867,263.98	(151,435,277,085.90)
<b>6</b>	<b>Cash and cash equivalents at the beginning of the period</b>	1,277,711,125,330.34	1,798,147,992,594.32
<b>7</b>	<b>Cash and cash equivalents at the end of the period</b>	1,798,147,992,594.32	1,646,712,715,508.43

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER



TSEVEGJAV GUMENJAV

ERDENEBAJYAR GANZORIG



## STATEMENT OF OFF-BALANCE SHEET

As of 30 June 2024

(in MNT)

No	Items of off-balance sheet	Amount
1	Credit related commitments	249,669,063,130.3
2	Collateral received	5,726,218,914,314.4
3	Written-off loan and other assets	104,941,346,193.8
4	Derivative financial instruments	1,422,616,591,497.3
5	Fiduciary assets	-
6	Assets pledged	-
7	Other off-balance sheet accounts	347,576,053,667.9
	<b>Total</b>	<b>7,851,021,968,803.7</b>

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