



FINANCIAL
REGULATORY
COMMISSION

FINANCIAL MARKET REVIEW

2023



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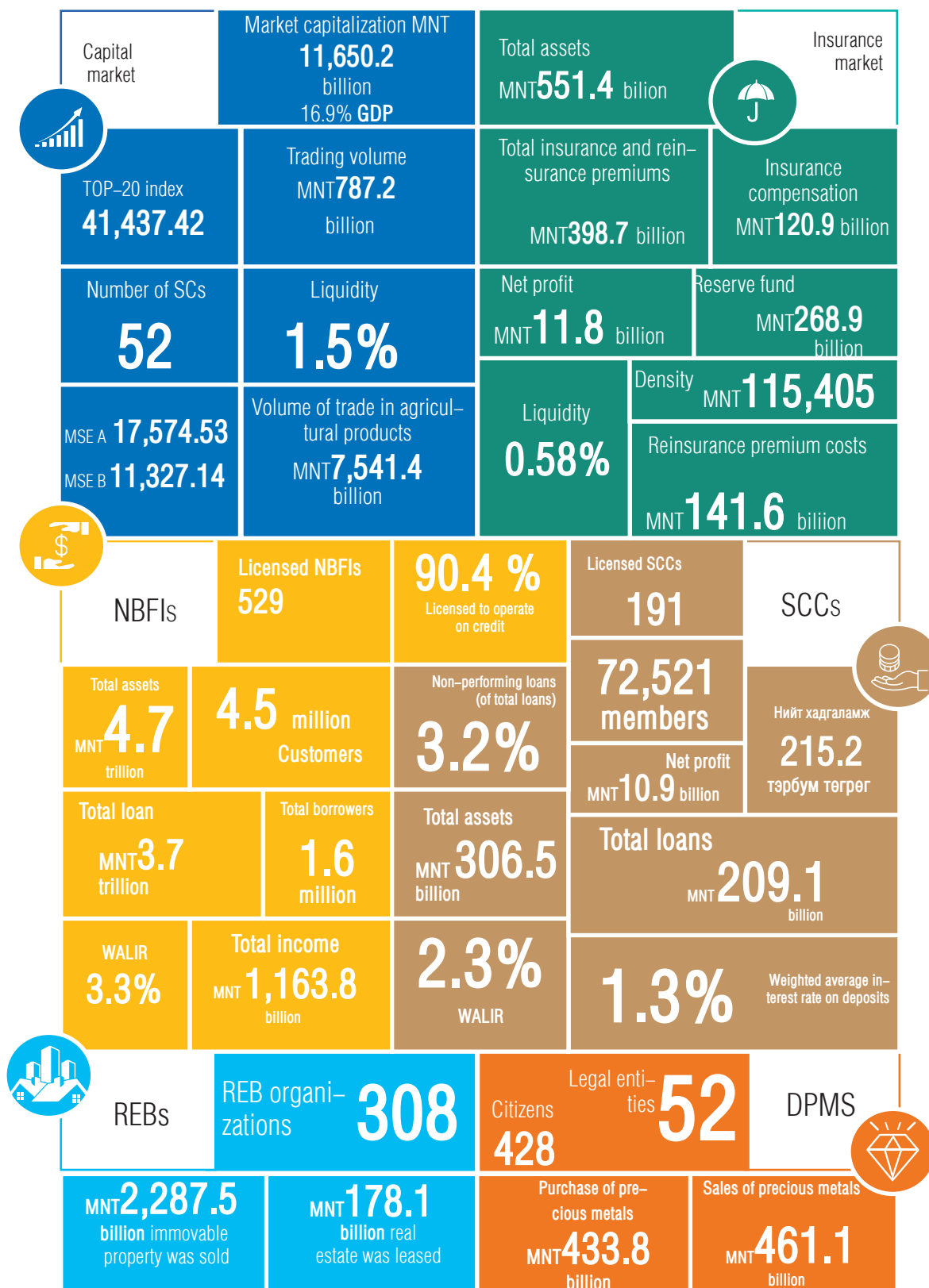
Regulatory
environment

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ABBREVIATIONS and ACRONYMS

USA	United States of America	ATM	Automated teller machine
ADB	Asian Development Bank	ESG	Environmental, Social, Governance
NBFI	Non-bank financial institution	JICA	Japan International Cooperation Agency
PRC	People's Republic of China	IAIS	International Association of Insurance Supervisors
ROK	Republic of Korea	IPO	Initial public offering
GDP	Gross domestic product	FPO	Follow up on public offering
GS	Government securities	UNEP FI	United Nations Environment Program Financing Initiative
WALIR	Weighted average loan interest rate		
MV	Market valuation		
MMC	Mongolian Mortgage Corporation		
NASCCM	National Association of Savings and Credit Cooperatives of Mongolia		
MSE	"Mongolian Stock Exchange		
MSX	Mongolian Securities Exchange		
UN	United Nations		
NFAT	Net profit after tax		
SPC	Special purpose company		
IFC	International finance corporation		
REB	Real estate brokers		
SC	Securities company		
SCC	Saving and credit cooperative		
SFC	Securities Finance Corporation		
SPC	Special purpose company		
RMBS	Residential mortgage backed securities		
ROA	Return on assets		
ROE	Return on equity		
MAPIX	Mongolian agricultural commodity price index'		
AFI	Alliance for Financial Inclusion		





Capital market

Market valuation
MNT11,650.2
billion



Financial market status

Accounts
2,555,610



Accessibility

Total trading
MNT787.2 billion



Products and services

Profitability



Assets of SCs

MNT331.5
billion

Tax collected from
the state budget,
social insurance
contributions

MNT6.8
billion

Stability



Market valuation

41% Top-10 JSCs

Regulatory Environment



FINANCIAL MARKET STATUS



There were 602 regulated entities and JSCs operating in the securities market

Private Investment Funds (Law on Investment funds; Paragraph 5.3

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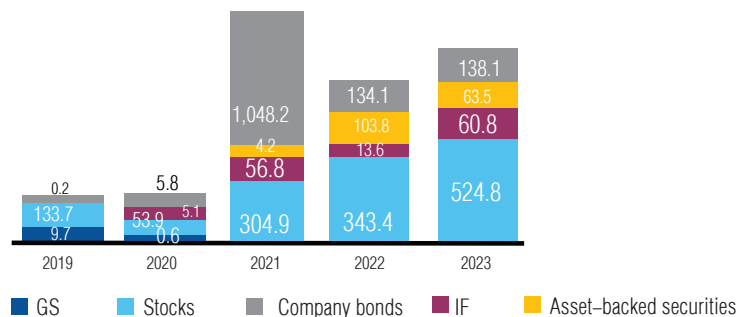
Stock exchanges 3	Central deposit and securities trading payments 1	Accounts Payable Asset Portfolio Controller 1
IMCs 36	Settlements 2 /1 duplicate/	Custodian banks 3
Underwriting banks 2	Asset management 8	JSCs 309
Securities firms* 52	Agricultural commodity exchanges 1	Agricultural commodity brokers 10
Auditing firms 49 /8 duplicate/	Securities valuation firms 24 /duplicate/	Legal consultancies 43
Asset-backed securities issuer 59 /SPC/	Mutual investment fund 6	Self regulatory 2 /1 duplicate/
Mining products exchange organization 1 /duplicate/	Exchange trading broker for mining products 3 /duplicate/	Financial Rating Agency 1

* Securities firms include brokers and dealers, underwriters, and investment consultancy firms

SECURITIES TRADING

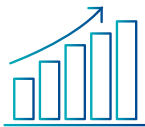
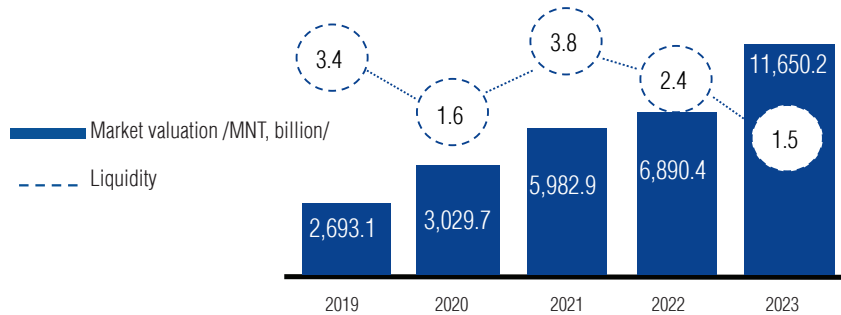
- The securities trading amounted to a total of MNT 787.2 billion, representing a 32.3 percent increase from the previous year and a 5.5-fold increase from the same period in 2019.
- Of all trades, 66.7% were shares, 7.7 % were investment fund units, 17.5 % were corporate bonds, and 8.1 % were asset-backed securities.

Securities trading (MNT, billions)



Market capitalization and liquidity

- o The market capitalization increased by 1.7% to MNT11,650.2 billion compared to the previous year. Liquidity also improved, rising by 1.5%.

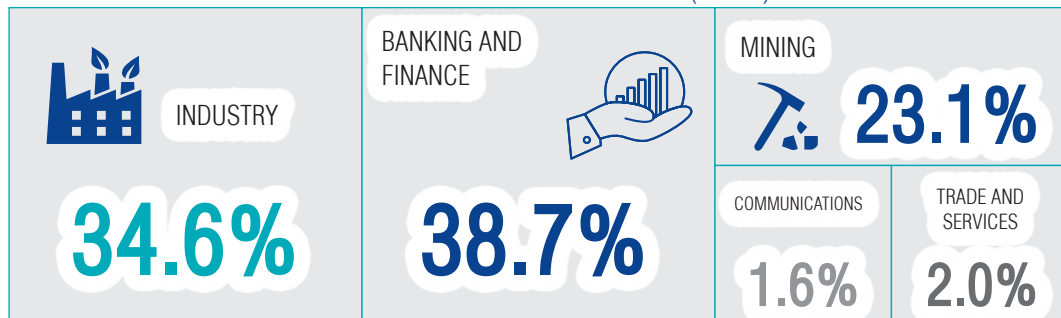


TOP 20 41,437.42

MSE A 17,574.53

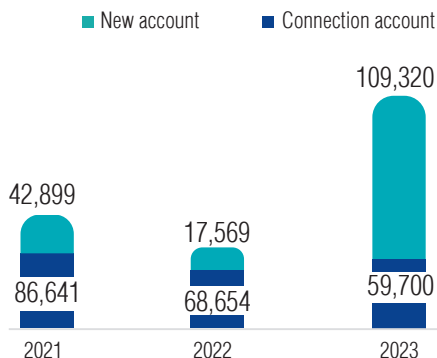
MSE B 11,327.14

SECTOR CLASSIFICATION OF JSCS INCLUDED IN THE TOP-20 INDEX (BY MV)



NUMBER OF OPENED ACCOUNTS

- o A total of 109,320 accounts were created, bringing the total number of accounts to 2,555,610. Additionally another 59,700 new escrow accounts were created, bringing the total to 590,455.



Number of opened accounts
(growth in numbers)

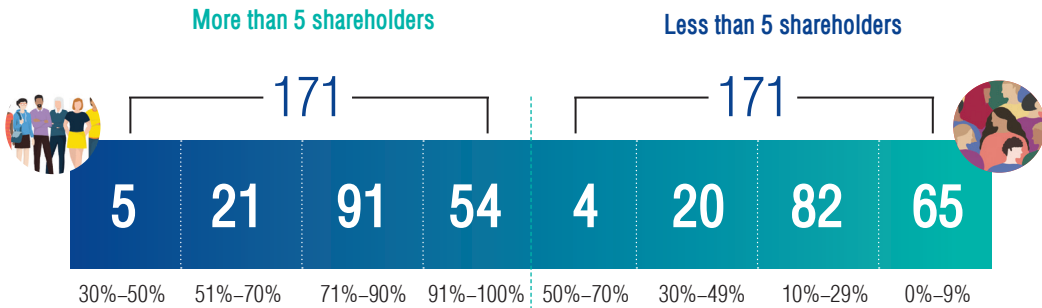
2,555,610

SECURITIES LISTED IN THE MCSD

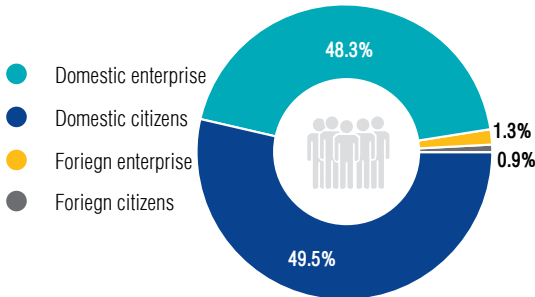
Shares listed on the MSE 25,179,790,376	Bonds listed on the MSE and the MSX 6,414,439	Shares registered (private) 74,448,877,831
Shares listed on the MSX 764,040,458	Bonds registered (private) 21,500,185,493	Total 121,899,308,597

STOCK CONCENTRATION

The table below illustrates the ownership concentration of 171 JSCs actively traded on the stock exchange. It calculates the percentage of shareholders who own more than 5% or less.

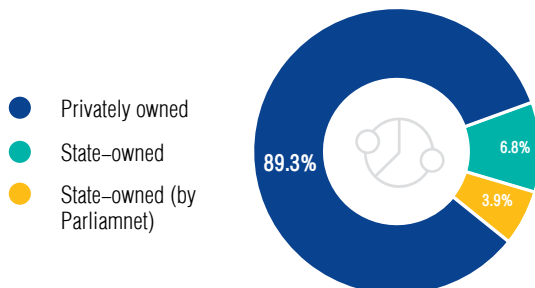


TRADING STRUCTURE /BY INVESTORS/



In 2023, domestic enterprises comprised the largest share of traders. Domestic citizens' trade transactions accounted for 49.5% of the total, while domestic enterprises' transactions accounted for 48.3%. Foreign enterprises' trade transactions represented 1.3%, and trade transactions by foreign citizens' accounted for 0.9%.

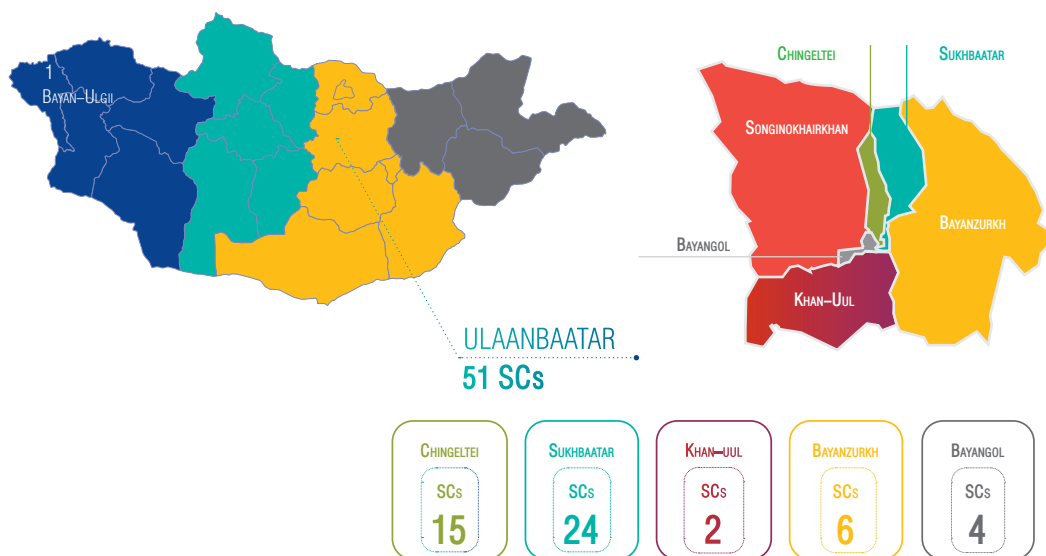
STOCKS, BY EQUITY STRUCTURE



In 2023, there were 309 JSCs registered with the FRC's securities registration. 89.3% were private, 6.8% were state-owned, and 3.9% state-owned by Parliament.

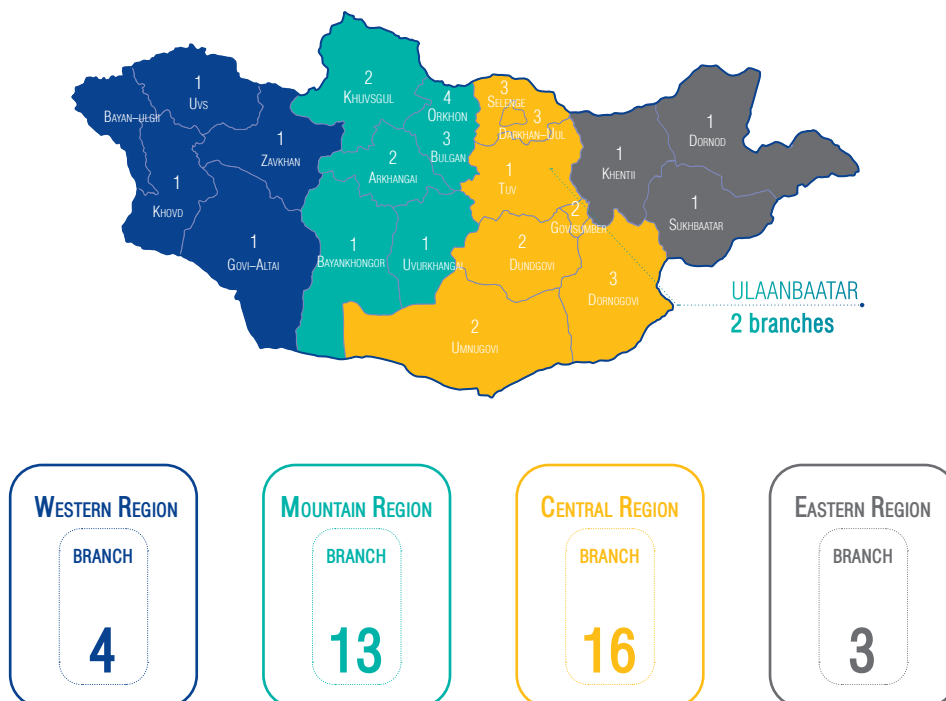
LOCATION OF THE SECURITIES COMPANY

- o There are total of 52 operational securities companies, with 51 located in Ulaanbaatar and 1 in Bayan-Ulgii.



LOCATION OF BRANCH REPRESENTATIVE OF SECURITIES COMPANY

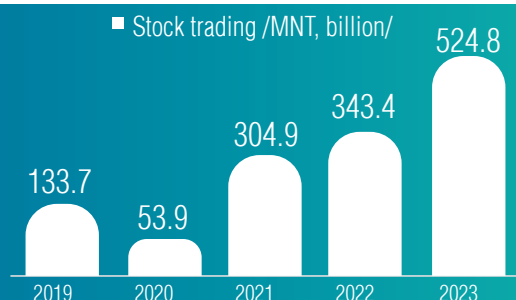
- o Additionally, there are 38 branch representatives of securities companies, with 36 located in provinces and 2 in Ulaanbaatar.



PRODUCTS AND SERVICES

STOCK TRADING

o Stock trading reached MNT524.8 billion, marking a 3.9-fold increase compared to the same period in 2019 and a 1.5-fold increase compared to the previous year.

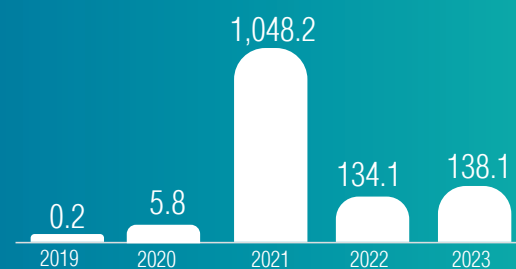


NEW SHARES /IPO/

COMPANY	Date of registration	Withdrawal amount /MNT, billion/
"Gazar Shim" JSC	2023.01.25	10.5
"Khan Bank" JSC	2022.12.09	183.4
"Trade and Development Bank" JCS	2023.05.12	83.5
"Khas Bank" JCS	2023.05.12	35.7
"Monlogistics Holding" LLC	2023.06.13	11.0
"MOST Fintech" LLC	2023.10.25	5.8
"Innovation Investment" LLC	2023.11.08	8.3
Total		338.2

DEBT INSTRUMENTS OF THE COMPANY

o Corporate bond trading reached MNT138.1 billion, an increase of 3.0 % compared to the previous year.

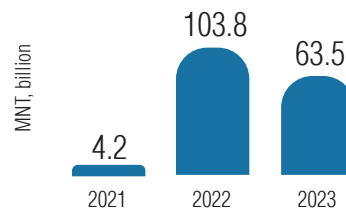


NEWLY ISSUED CORPORATE DEBT INSTRUMENTS TRADING

COMPANY	Date of registration	Withdrawal amount / MNT, billion/
"Sendly" JSC	2023.01.13	8.5
"Business-Invest Development" JSC	2023.05.12	8.0
"Khan Bank" JCS /green bond/	2023.06.13	17.0
"Ashid capital NBFI" XXK	2023.06.23	20.0
"LendMn NBFI" JSC	2023.08.11	9.0
"Invescore NBFI" JSC, Invescore bond-2.0 /Trench-3,4,5/	2023.08.25	30.0
"Ashid capital NBFI" XXK	2023.10.02	15.0
Total		107.5

ASSET-BACKED SECURITIES TRADING

- o Asset-backed securities trading reached MNT63.5 billion, indicating a decrease of 38.8 % compared to the same period in the previous



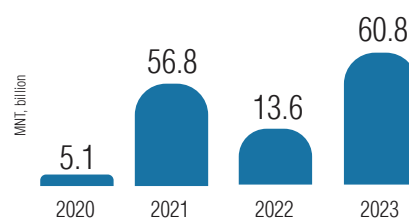
NEWLY ISSUED ASSETS-BACKED SECURITIES

Company	Date of registration	Withdrawal amount / MNT, billion/
"Bers ABS Plus SPC" LLC	2023.03.31	9.0
"Bichil ABS Plus SPC" LLC	2023.06.02	20.0
"Omni Asset SPC" LLC	2023.11.08	6.0
"Bers ABS Loyalty SPC" XXK	2023.12.22	15.0
Total		50.0

Policy document	Issuer of securities	Date of registration	Withdrawal amount / MNT, billion/
"Interest Rate Reduction Strategy" program	"SFC active five SPC" LLC	2023.05.12	43.3
	SFC active six SPC" LLC	2023.11.08	40.0
"Establishing a long-term sustainable housing financing system" program	"MIK active 33" LLC	2023.06.13	265.1
	"MIK active 34 SPC"	2023.11.08	405.3
Total			753.7

INVESTMENT FUND TRADING

- o The trading volume of investment funds reached MNT 60.8 billion, marking a significant 4.5-fold increase compared to the same period in the previous year.



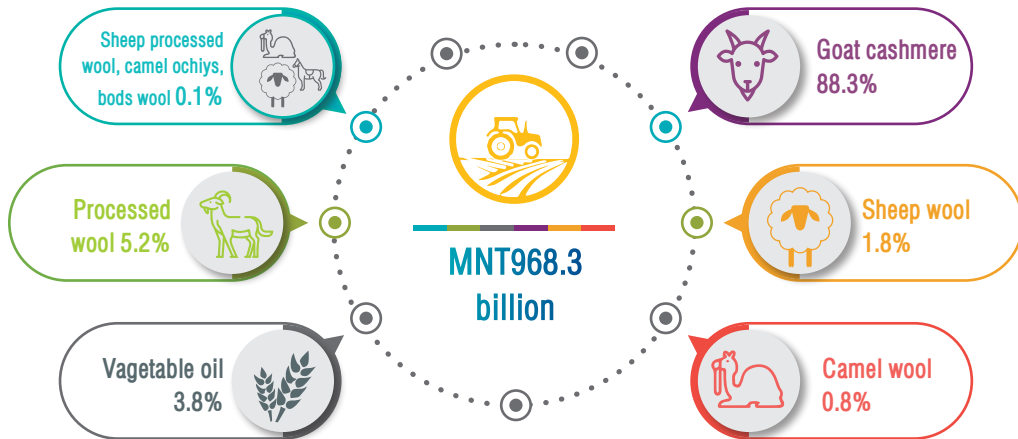
NEWLY INVESTMENT FUND

Company	Date of registration	Withdrawal amount / MNT, billion/
"Ashid asset Management" LLC	2023.01.13	1.01
"Invescore asset Management" LLC	2023.11.17	0.4
Total		1.4

AGRICULTURAL AND RAW PRODUCTS MARKET



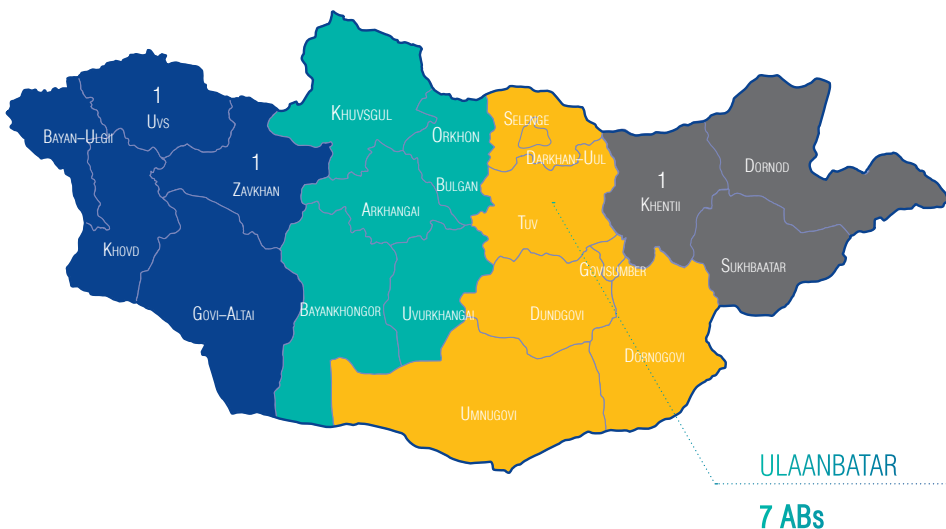
A total of 11 types of goods worth MNT 968.3 billion were traded on the Agricultural Exchange, reflecting a decrease of MNT 141.7 billion (12.8%) from the same period of the previous year.

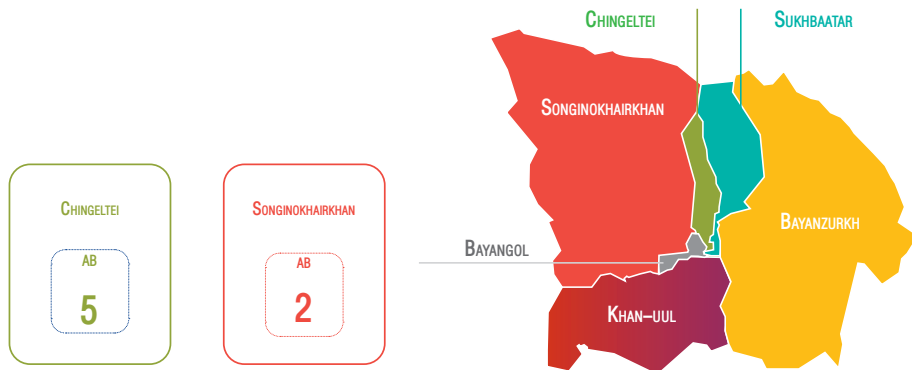


Among the products that constituted 0.1 percent of the total trade on the Agricultural Exchange were; Sheep wool: MNT 81.4 million, camel wool: MNT 8.4 million, camel hair: MNT 18.9 million, wool: MNT 206.0 million, raw cowhide: MNT 6.6 million, and leather: MNT 6.6 million.

LOCATION OF SCs AND AGRICULTURAL BROKERAGES

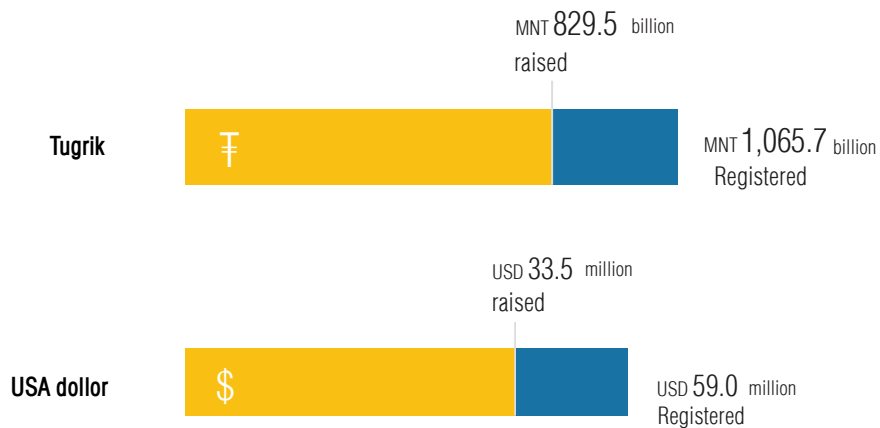
- 10 agricultural brokers are operating, 7 of them are in Ulaanbaatar and 3 are in the provinces





OTC MARKET

In the over-the-counter market, a total of 195 tranche debt instruments from 63 issuers were registered, amounting to MNT 1,065.7 billion. Additionally, MNT 829.5 billion was collected.



Furthermore, debt instruments worth US dollars 59 million were registered with US dollars 33.5 million successfully collected. As a result, since the over-the-counter market trading began in September 2021 with the registration of the first debt instruments, a total of MNT2,441.4 billion in debt instruments were registered, with MNT1,743.1 billion collected.

MINING PRODUCTS MARKET

A total of 299 trades of 7,541.4 billion were made at the coal auction. This Includes; 204 trades involving 14.9 million tons of coal, totaling MNT 7,345.2 trillion. Additionally, 677.4 thousand tons of iron concentrate were traded in 95 transactions, amounting to MNT 196.2 billion.

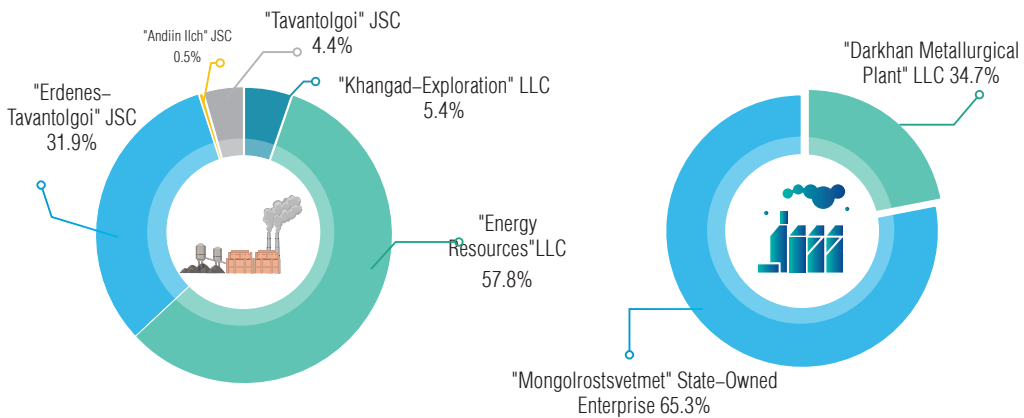


2,234 packages
14,937,600 tons of coal
 MNT**7,345.2** billion

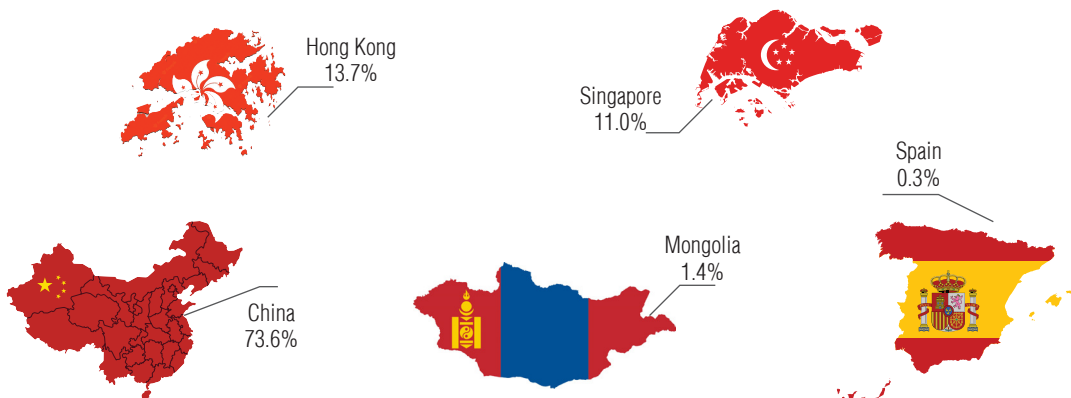


212 packages
677,450 tons of iron concentrate
 MNT**196.2** billion

SELLING SIDE OF MINING PRODUCTS /NUMBER OF TRANSACTIONS/



COUNTRIES PURCHASING MINING PRODUCTS /NUMBER OF TRANSACTIONS/



COAL TRADE

Concentrated coking coal



230 package
1,472,000 tons
MNT950.0 billion

Concentrated weak coking coal



22 package
140,800 tons
MNT68.1 billion

1/3 coking coal



459 package
2,937,600 tons
MNT1,074.9 billion

Medium volatiles, coking coal



1,377 package
8,812,800 tons
MNT4,798.8 billion

Power coal



35 package
224,000 tons
MNT141.1 billion

Power coal



168 package
1,075,200 tons
MNT238.5 billion

Medium volatiles, coking coal



17 package
108,800 tons
MNT35.8 billion

Semi-solid coking coal with concentrated medium ash



24 package
153,600 tons
MNT36.6 billion

Hard coking coal



2 package
12,800 tons
MNT1.4 billion

IRON ORE AND CONCENTRATE TRADING

Fe-52% iron concentrate with content



70 package 228,750 tons
MNT61.5 billion

Fe-58% iron concentrate with content



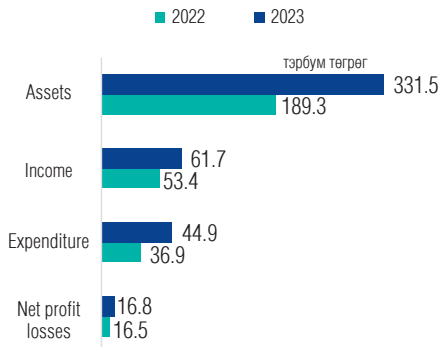
72 package 238,700 tons
MNT63.4 billion

Fe-65% iron concentrate with content



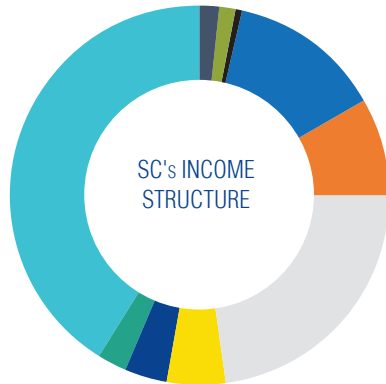
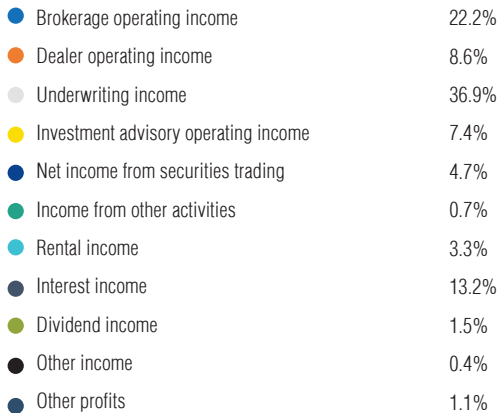
70 package 210,000 tons
MNT71.3 billion

PROFITABILITY

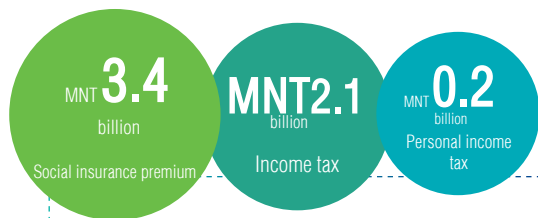
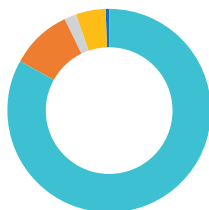
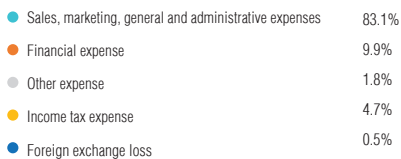


PROFITABILITY OF SECURITIES COMPANIES

- o The total assets of securities companies amounted to 331.5 billion, marking an increase of 75.1 % compared to the same period of 2022.
- o Compared to the same period of 2022, income increased by MNT8.3 billion, and expenses increased by MNT8.0 billion, resulting in a net profit of

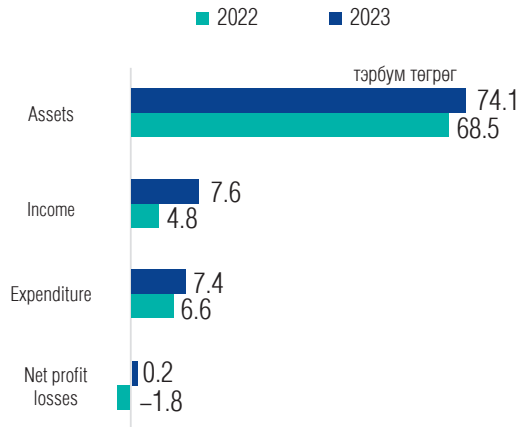


SC'S EXPENDITURE STRUCTURE



- o Securities companies paid MNT3.4 billion for social insurance contributions, MNT0.2 billion for personal income tax, and MNT2.1 billion for entity income tax. In total, securities companies paid MNT5.7 billion to the state budget.

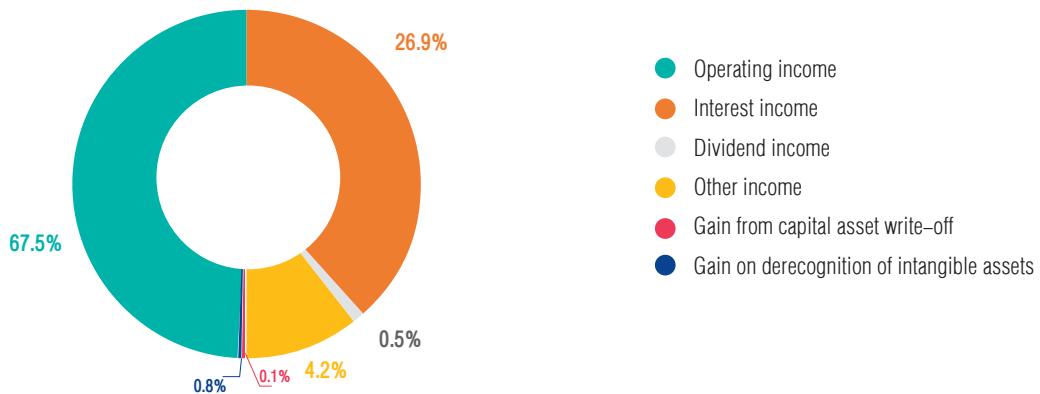
PROFITABILITY OF INVESTMENT MANAGEMENT COMPANIES



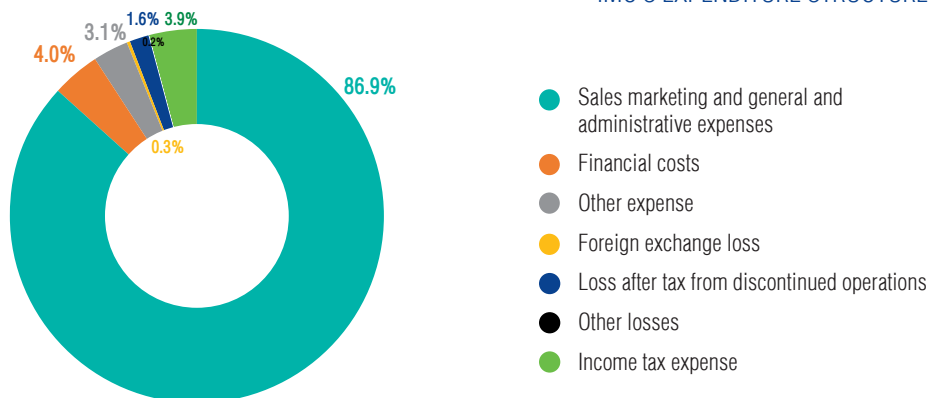
PROFITABILITY OF IMCS

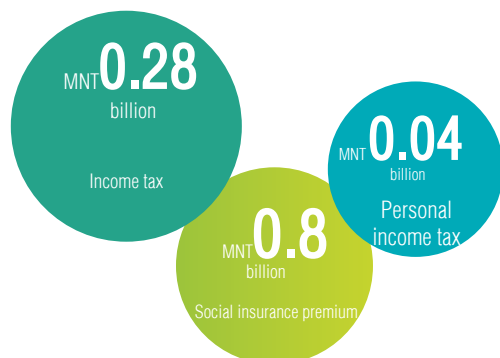
- o The total assets of investment management companies amounted to MNT74.1 billion, marking an increase of 8.0 % compared to the same period of 2022.
- o Compared to the same period of 2022, income increased by MNT2.8 billion, and expenses increased by MNT0.8 billion. The net profit was MNT0.2 billion.

IMC'S REVENUE STRUCTURE



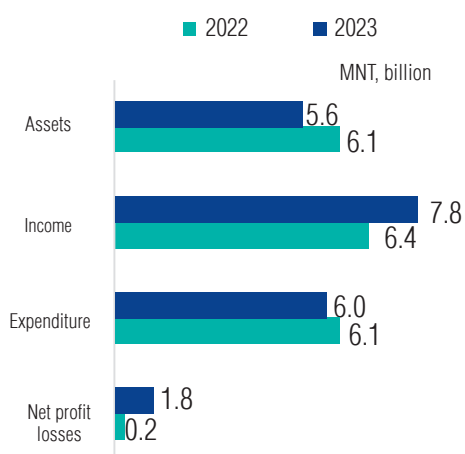
IMC'S EXPENDITURE STRUCTURE





- Investment management companies paid MNT0.8 billion for social insurance contributions, MNT0.04 billion for personal income tax, and MNT0.28 billion for entity income tax. In total, MNT1.12 billion was paid by investment management companies to the state.

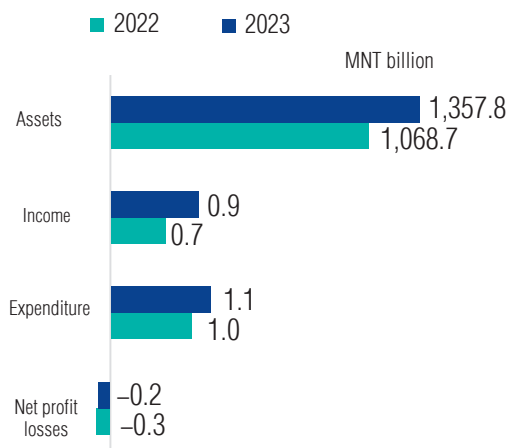
PROFITABILITY OF AGRICULTURAL COMMODITY EXCHANGES



PROFITABILITY OF MCE

- The total assets of agricultural commodity exchanges amounted to MNT5.6 billion, indicating a decrease of 8.5 % compared to the same period of 2022.
- Compared to the same period of 2022, income increased by MNT1.4 billion, and expenses decreased by MNT0.1 billion. The net profit was MNT1.8 billion.

FINANCIAL STATEMENT INDICATORS OF CUSTODIANS

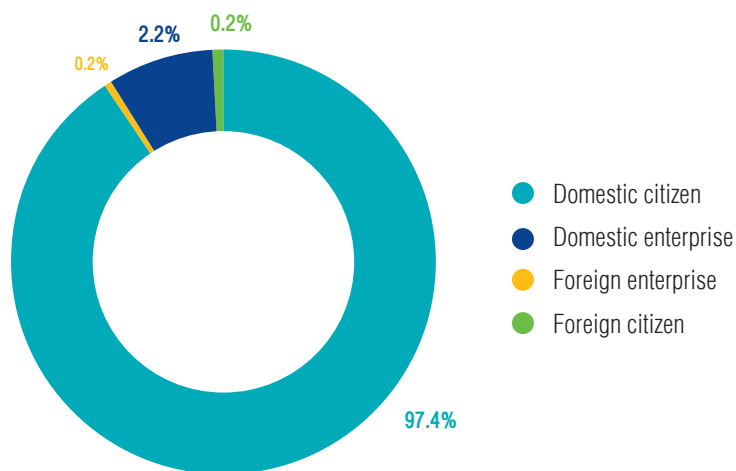


PROFITABILITY OF CUSTODIAN BANKS

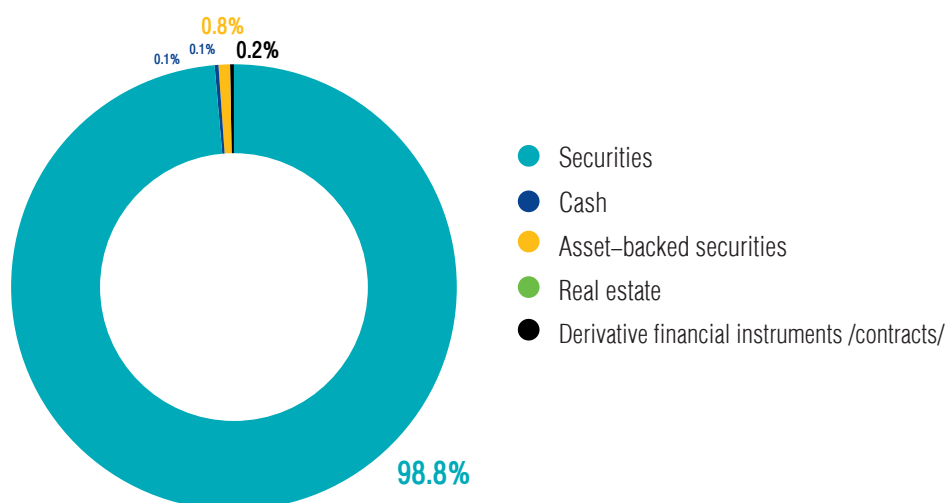
- The total assets of custodian banks amounted to MNT1,357.8 billion, marking an increase of 27.1 % compared to the same period of 2022.
- Compared to the same period in 2022, income increased by MNT0.2 billion, and expenses increased by MNT0.1 billion. The net profit MNT0.2 billion.

CUSTOMER STRUCTURE OF CUSTODIAN BANKS

- o Most (97.4 %) customers were domestic citizens, 2.2 % were domestic enterprises, 0.2 % were foreign citizens, and 0.2 % were foreign enterprises.

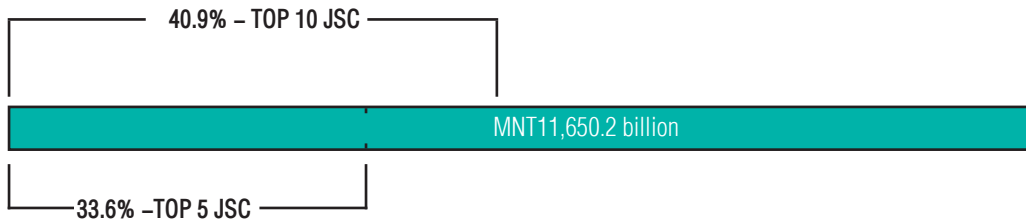


- o According to the classification of the assets deposited in the custodian banks, 98.8% were securities, 0.8% were asset-backed securities, 0.1% were cash, 0.2% were derivatives (contracts), and 0.1% were real state.



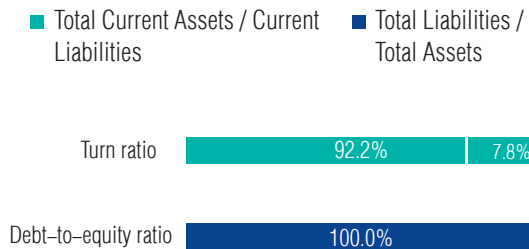
STABILITY

According to the market value of the joint-stock companies included in the TOP-20 index basket of the trading organization, the 10 companies with the highest market capitalization accounted for 40.9% of the total market capitalization, and the 5 JSCs with the highest value constitute 33.6 percent.



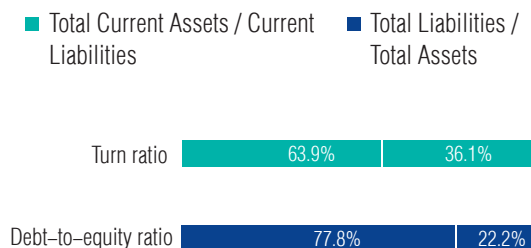
SOLVENCY ASSESSMENT OF SECURITIES COMPANIES

- Out of 51 securities companies, the current ratio of 47 (92.2%) companies was above 1, while 5 (7.8 %) was below 1.
- The debt ratio of 51 companies was below 1.



SOLVENCY ASSESSMENT OF INVESTMENT MANAGEMENT COMPANIES

- The current ratio of 32 (63.9%) companies was above 1, while 36 (36.1 %) were below 1.
- The debt ratio of 28 (77.8%) companies was below 1, while 8 (22.2%) companies were above 1.



REGULATORY ENVIRONMENT



POLICY AND LEGISLATION

Reform of the legal framework

- o In the "Guidelines for Improving the Legislation of Mongolia until 2024" adopted by the State Great Khural Resolution No. 12 of 2021, the Ministry of Finance and the Financial Regulatory Commission will be responsible for developing the draft law on amendments to the Securities Market Law. In this context, a working group "responsible for making necessary amendments and changes to the relevant legal framework of the capital market" was established, which was newly approved by Order No. 52 of 2021 of the Minister of Finance. The working group developed the draft law on amendments to the Securities Market Law, the Law on Investment Funds, and the Law on Companies, and the government discussed them and submitted them to the State Great Khural in December 2023.

Reform of regulations and methods for business evaluation

- o In June 2022, the State Great Khural approved the revision of the Law on Asset Valuation. In this regard, there is a need to re-approve the "Methodology for Business Evaluation" approved by the joint order of the Minister of Finance and the Chairman of the FRC No. 274/240 of 2011 by international standards. In this context, "Regulations for business evaluation" and "Methodology for business evaluation" were approved by joint order No. A/144/348 of 2023 of the Minister of Finance and the Chairman of the FRC. .

Regulation of investment bank

- o In January 2023, the State Great Khural approved the Law on Investment Bank. Subsequently, the following 3 regulations and the requirements to be followed in the lending and credit activities of diversified investment banks were approved by the joint order of the Governor of the Bank of Mongolia and the Chairman of the FRC, numbered No. A-164/386, A-165/385 of 2023.
 - o Regulations were established for determining the types and amounts of securities and financial instruments for the sale and purchase of securities and financial instruments by a diversified investment banks, along with the procedures to be followed for transactions;
 - o Indicators of appropriateness of investment banking operations and regulations for monitoring these operations were introduced.
 - o Furthermore, requirements for loans from diversified investment banks were outlined.

Supporting professional investors

- o In support of professional investors and aiming to enhance the regulatory environment of investment funds, the Financial Regulatory Commission (FRC) approved changes in accordance with Resolution 464 of 2023. These changes ease the requirements for mutual fund assets, addressing the challenges faced by investment management companies and mutual funds operating in the market.

Reform of the banking sector:

- o According to the Law on Amendments to the Law on Banking approved by the State Great Khural in 2021, banks with exerting influence in the system were mandated to reorganize their corporate form and transition into open joint-stock companies by June 30, 2023. This involved issuing shares to the public on the stock market and meeting the requirements of not exceeding 20 percent shareholding concentration by December 31, 2023.

The Financial Regulatory Commission (FRC) successfully facilitated the initial public offering (IPO) of systemically important banks, thereby enhancing the regulatory environment to comply with the legal requirements of becoming open joint-stock companies. The FRC provided guidance and support regarding securities issuance as a public offering and ensured regulatory policies aligned with international standards.

In line with these efforts, "Bogd Bank" JSC and five systemically important banks – "State Bank" JSC, "Golomt Bank" JSC, "Khan Bank" JSC, "Trade & Development Bank" JSC, and "Khas Bank" JSC – underwent IPO processes. The collective IPOs yielded a successful collection of MNT 478.54 billion from over 72,000 investors, resulting in a market value increase of MNT 5.86 trillion.



MINING PRODUCTS EXCHANGE

In December 2022, the State Great Khural approved the Law on Mining Products Exchange. In this regard, the FRC has approved the following regulations and is monitoring the implementation of the Law on Mining Products Exchange by registering them in the Administrative Norms Act.

- o Procedures for issuing special licenses for mining products exchanges and brokers and their supervision;
- o General procedures for trading payments and calculations at mining products exchange;
- o Conditions, requirements, and criteria for issuers of derivative financial instruments, as well as standards for derivative financial instruments and procedures for trading them;
- o Procedures for creating, using, and disseminating information to the general database of trading and exchange rates of mining products.

According to the Law on Mining Products Exchange, 11 regulations were approved to govern the operations of mining products exchanges. Through Resolution No. 385, 458 and 465 of the FRC, 7 of these regulations were authorized for enforcement by the 'Mongolian Stock Exchange' JSC (MSE).

Additionally, the Law on Mining Products Exchange, stipulates that the service fee of the exchange shall be determined by the FRC, considering proposals and studies submitted by the exchange. In accordance with this provision, Resolutions No. 386 and 793 of 2023 by the FRC approved the "Mining Product Exchange Service Fee" and "Mining Product Exchange Broker Service Fee".

The trading of raw coal, concentrated coal, iron, and fluor spar ores and concentrates on the mining products exchange was approved by Government Resolution No. 223 (2023). These products are successfully traded by the 'Mongolian Stock Exchange JSC (MSE). For example, in 2023, the exchange facilitated the trading of a total of 15.6 million tons of mining products worth MNT 7.54 trillion.

Since the introduction of trading mining products through the stock exchange, numerous opportunities have emerged for public trading, fostering fairness and transparency, enabling transactions with higher-priced products, and establishing a unified export policy.



COOPERATION

The following measures were taken to bring Mongolia's stock market to an international level, to connect the countries of the world with the domestic stock market, to create the possibility of dual registration of domestic companies on foreign stock exchanges, to create a favorable legal environment for increasing foreign investment in Mongolia through the stock market, and to increase the activity and interest of foreign investors to invest in the stock market of Mongolia.

- 1.The FRC delegations participated in the international ASEAN+3 bond market forum jointly organized by the Asian Development Bank, the Financial Supervisory Service /FSS/ and the Korea Deposit Insurance Corporation of the Republic of Korea, and made presentations on the development of the stock market, current situation, future policies and regulatory measures, and the domestic bond market, which trades in national currency.
- 2.The 'Shanghai Stock Exchange' and the 'Mongolian Stock Exchange' signed a Memorandum of Understanding (MoU) with the scope of development of the capital market, information exchange, development of shares, bonds and investment fund products, improvement of corporate governance, elaboration of the infrastructure, and issuance of joint products. Within this framework, the "Mongolian Capital Markets Day 2023" was organized in Shanghai, China.
- 3.The FRC Chairman met representatives of the Australian Securities and Investments Commission (ASIC) and the Leader of Market Infrastructure. During the meeting, the two sides discussed the development of the Mongolian capital market, the engagement of Australian investors in the Mongolian capital market, and the potential cooperation between the regulatory authorities and self-regulatory bodies of the two countries.
- 4.FRC delegations also met with the management of the Hong Kong Securities and Futures Commission to discuss cooperation between regulatory bodies aimed at developing the Mongolian stock market. During the meeting, the Securities and Futures Commission of Hong Kong agreed to support Mongolian enterprises in dual registration and issuing depository receipts on the Hong Kong Stock Exchange, as well as to facilitate further cooperation between the stock exchanges within the framework of granting the Mongolian Stock Exchange "Recognized Stock Exchange" status.
- 5.Additionally, an event titled "Mongolia's Capital Market Connectivity Hong Kong" was organized in Hong Kong, a special administrative region of the People's Republic of China.



INSURANCE MARKET

Total assets

MNT551.4 billion

Capital growth **16.1%**



Financial market status

Insurance density

MNT115,405

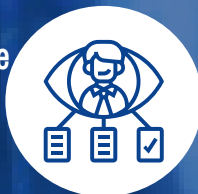
Density increase/growth
31.4%



Accessibility

Total fees for brokered
insurance and reinsurance

MNT100.6 billion



Products and services

Profitability



Net profit
MNT **11.8**
billion

Tax collected
by the state,
Social security
contributions **15.2**

Stability



Reinsurance
premium cost
36.1%

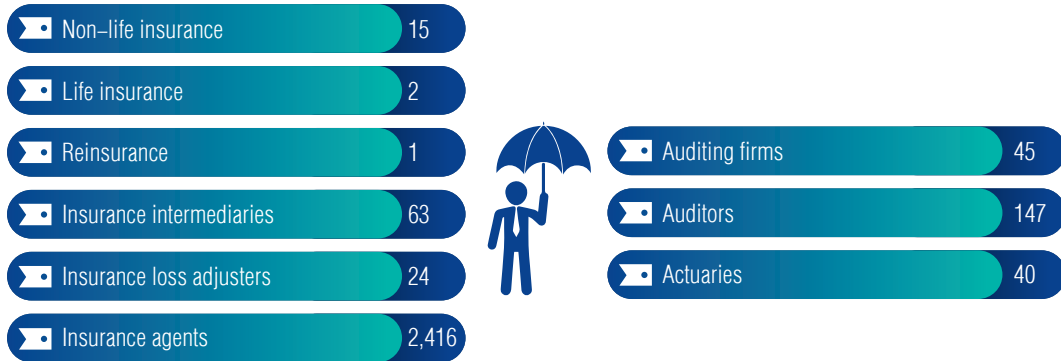
Regulatory environment



FINANCIAL MARKET STATUS

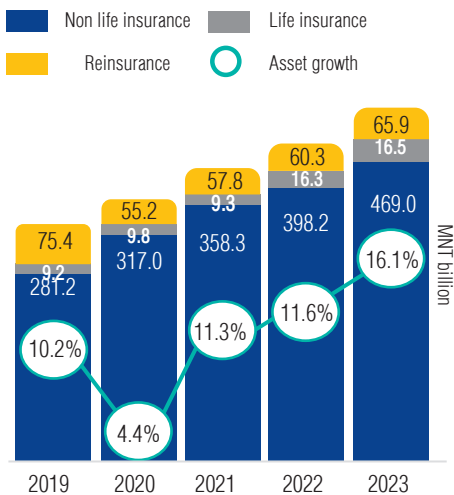
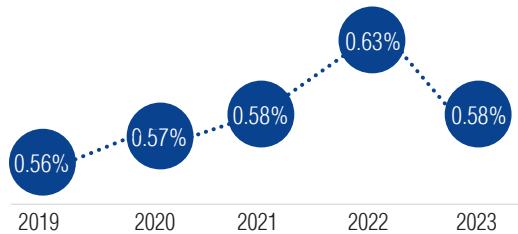
INSURANCE SECTOR STRUCTURE

In the insurance sector, there are a total of 337 companies, including insurance companies, brokers, loss assessors, audit companies, actuaries, and auditors, operating, under licenses, permits, and rights granted by the Financial Regulatory Commission. Additionally, there are 2,416 insurance agents.



INSURANCE DENSITY

- In 2023, the insurance depth reached 0.58%, representing a decrease of 0.05 percentage points compared to the previous year.

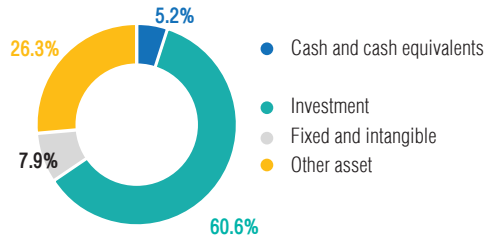


TOTAL ASSETS OF INSURANCE COMPANIES

- Total assets increased by 16.1% to MNT551.4 billion compared to the previous year, representing a 50.7% increase compared to 2019.
- The total assets of non-life insurance companies increased by 17.8% compared to the previous year, reaching MNT 469 billion, which accounts for 85% of the sector's total assets.
- Total assets for life insurance companies increased by 0.6% from the previous year, totaling MNT16.5 billion and representing 3% of the sector.
- Reinsurance companies saw a 9.3% increase in total assets compared to the previous year, reaching MNT65.9 billion, which accounts for 12% of the sector's total assets.

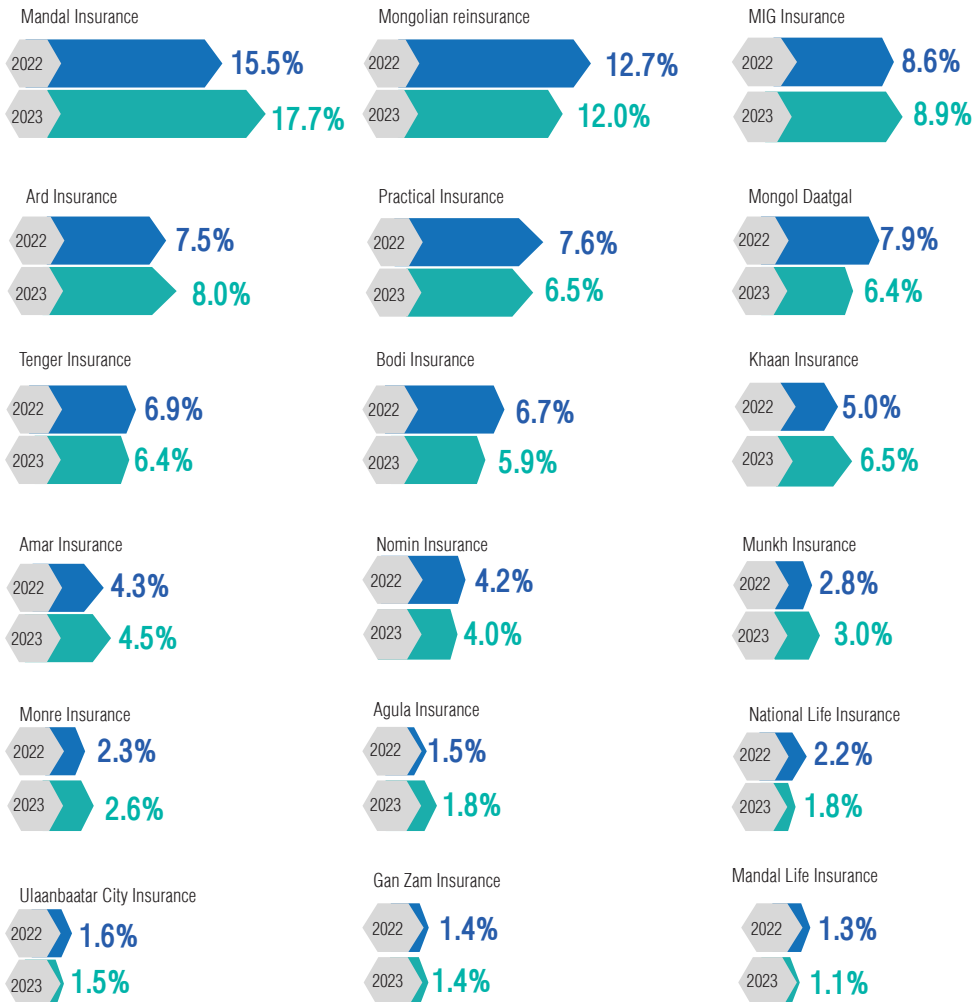
ASSET STRUCTURE AND MARKET SHARE (BY TOTAL ASSETS)

Within the total assets structure of insurance companies, MNT28.4 billion (5.2%) constituted money and cash equivalents, MNT333.5 billion (60.6%) comprised investments, MNT43.3 billion (7.9%) represented fixed and intangible assets (net amount), and MNT145 billion (26.3%) constituted other types of assets.



In terms of the percentage of the total assets, two companies each accounted for more than 9%, six companies each had 6–9%, four companies each had 3–6%, and six companies had less than 3%.

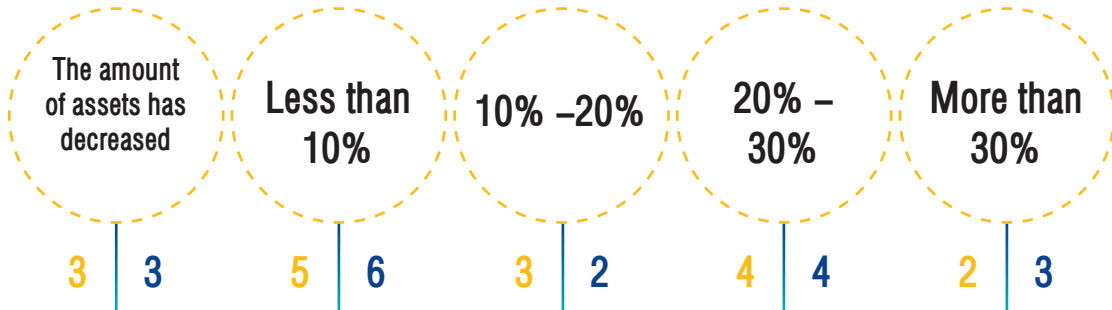
Percentage share of total assets of insurance and reinsurance companies



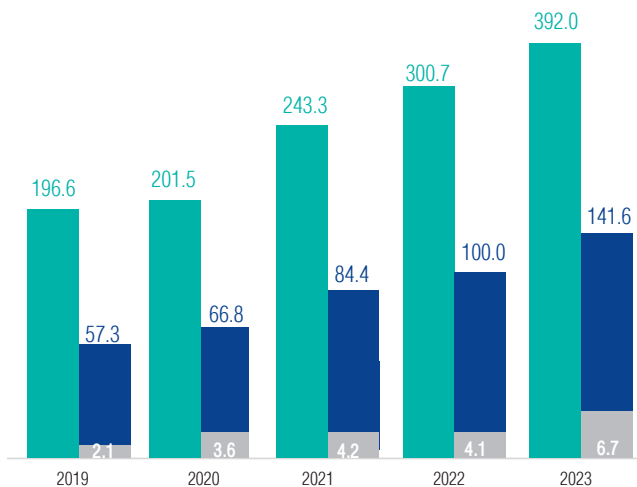
ASSETS GROWTH DISTRIBUTION OF INSURANCE COMPANIES

The average assets growth of all insurance companies was 13% in 2022 and increased to 15.6% in the reporting year. When grouped by capital growth, there were three companies with an increase of up to 30%, four with an increase of 20–30%, two with an increase of 10–20%, six with an increase of 0–10%, and three companies with a decrease in total assets.

2021–2022 / 2022–2023



- Total premiums for non-life and life insurance (MNT, billions)
- Total reinsurance premiums for non-life and life insurance (MNT, billions)
- Total fees of domestic reinsurance companies (MNT, billions)



TOTAL PREMIUMS

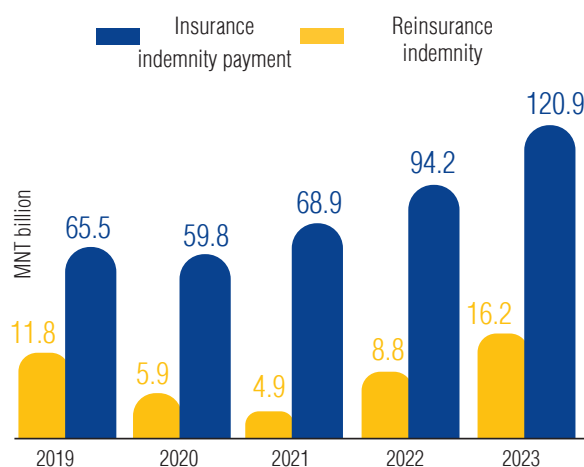
- Non-life and life insurance companies collected a total of MNT 392 billion in premiums. Non-life insurance companies accounted for MNT388.9 billion (99.2%), while life insurance companies accounted for MNT3.1 billion (0.8%).
- The total premiums of non-life and life insurance increased by 30.4% compared to the previous year and surged by 99.4% compared to the same period in 2019.

PREMIUMS PAID FOR REINSURANCE

- A total of MNT 141.6 billion was spent on reinsurance premiums, of which MNT 6.7 billion (4.8%) was paid to domestic reinsurers.

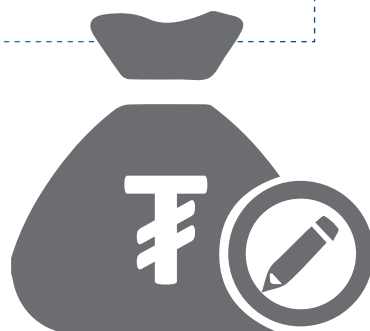
INSURANCE AND REINSURANCE INDEMNITY PAYMENT/REIMBURSEMENT

- o The total compensation expenditures of insurance companies reached MNT120.9 billion, marking a 28.3% increase compared to the previous year. Compared to 2019, the increase was 84.6%. Of this total, 98.3% was allocated for compensation by non-life insurance companies.
- o Additionally, the amount of reinsurer's compensation increased by 84.1% to MNT16.2 billion.



RESERVES FUND

- o The total reserve fund of the insurance market increased by 24% compared to the previous year, reaching MNT268.9 billion.
- o The total reserve of non-life insurance companies increased by 28.6% compared to the previous year, reaching MNT234.4 billion. During the same period, reserves for life insurance companies increased by 9.2% to MNT3.1 billion, while reserves for reinsurance companies increased by 1.2% to MNT31.4 billion.



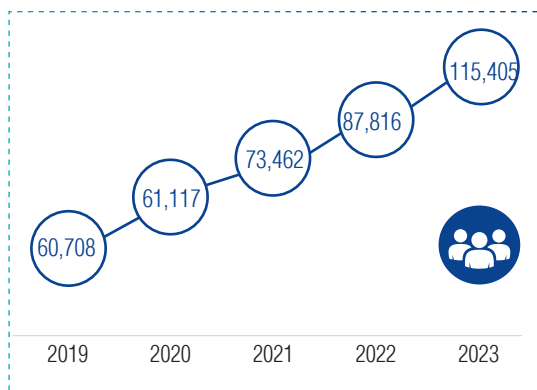
MNT **268.9**
billion
2023

MNT **216.9**
billion
2022

ACCESSIBILITY

INSURANCE DENSITY

The insurance density indicator, which represents the ratio of premium income per capita, reflects the availability and demand of the market. As the population figure is typically calculated once a year, insurance density is not calculated on a quarterly basis.



- Insurance density reached MNT 115,405 in 2023 marking a 31.4% increase compared to 2022 and a 90.1% increase compared to 2019.
- In terms of the insurance density, non-life insurance premiums per capita increased by 31.5% to MNT 111,420, while life insurance premiums increased by 16.5% to MNT 926.

Source: <https://countrymeters.info/en/Mongolia>

INSURANCE CONTRACT

A total of 1,546,378 insurance contracts were concluded. Out of these, 1,279,721 contracts (82.8%) were concluded with individuals, while 266,657 contracts (17.2%) were concluded with legal entities.

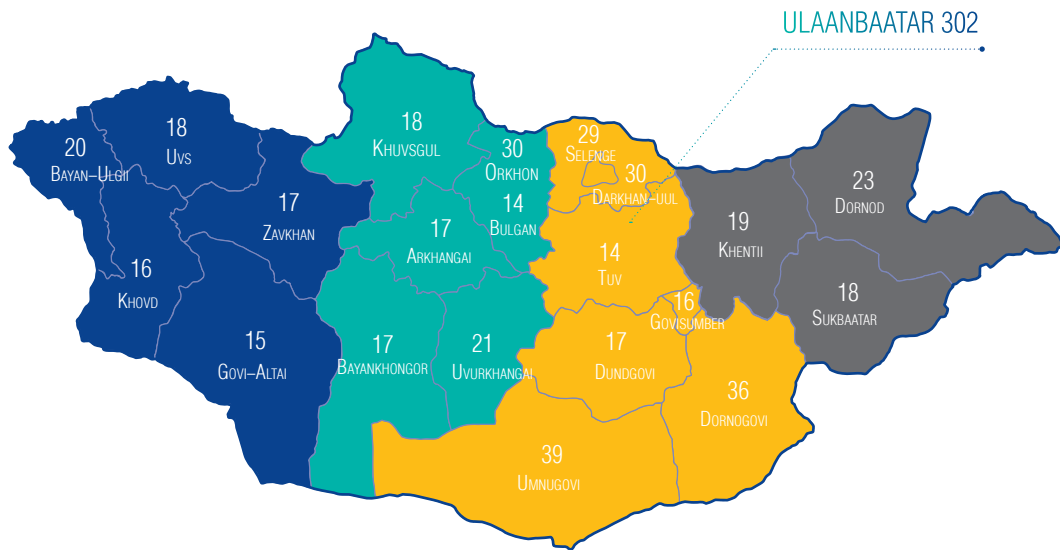
Individuals **1,279,721**
 Legal entities **266,657**



BRANCH REPRESENTATIVE

Another measure of the availability of insurance services is the presence of insurance company branches and intermediaries. In total, there are 1,799 representatives and 444 branches operating across insurance companies, intermediaries, and loss assessment companies.

LOCATION OF INSURANCE



WESTERN REGION	MOUNTAIN REGION	CENTRAL REGION	EASTERN REGION
INSURER	INSURER	INSURER	INSURER
46	56	77	28
INTERMEDIARY	INTERMEDIARY	INTERMEDIARY	INTERMEDIARY
35	47	83	25
LOSS ADJUSTERS	LOSS ADJUSTERS	LOSS ADJUSTERS	LOSS ADJUSTERS
5	14	21	7

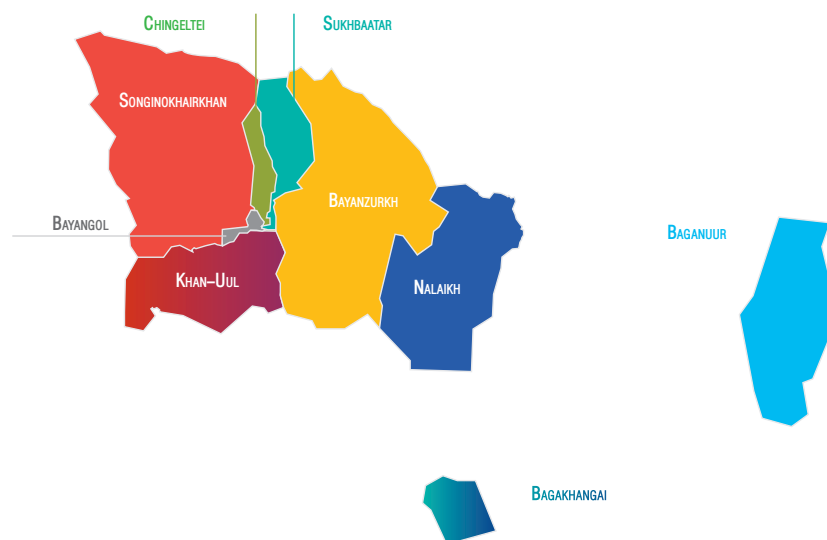
REPRESENTATIVES



BRANCH REPRESENTATIVE

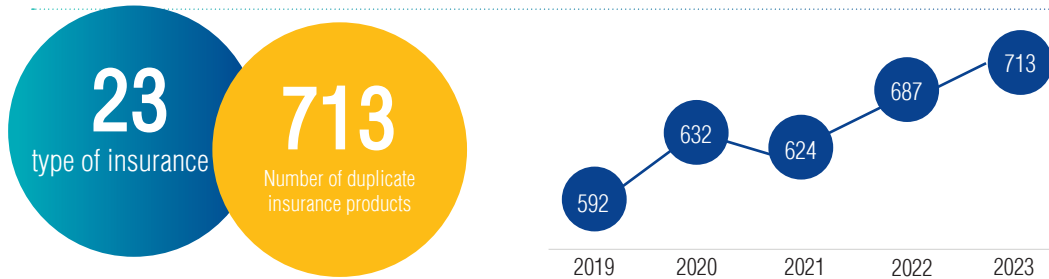
ULANBAATAR

- o A total of 302 representative offices were registered in Ulaanbaatar, comprising 43 branches of insurance companies, 215 branches of insurance brokers, and 44 branches of loss adjusters. Among these, 92.7% of the branches were located in the six central districts of the capital.
- o The total number of representative offices in Ulaanbaatar amounted to 617.
- o Additionally, there were 12 representative offices of insurance companies registered with the Financial Regulatory Commission, one of which was located in China.



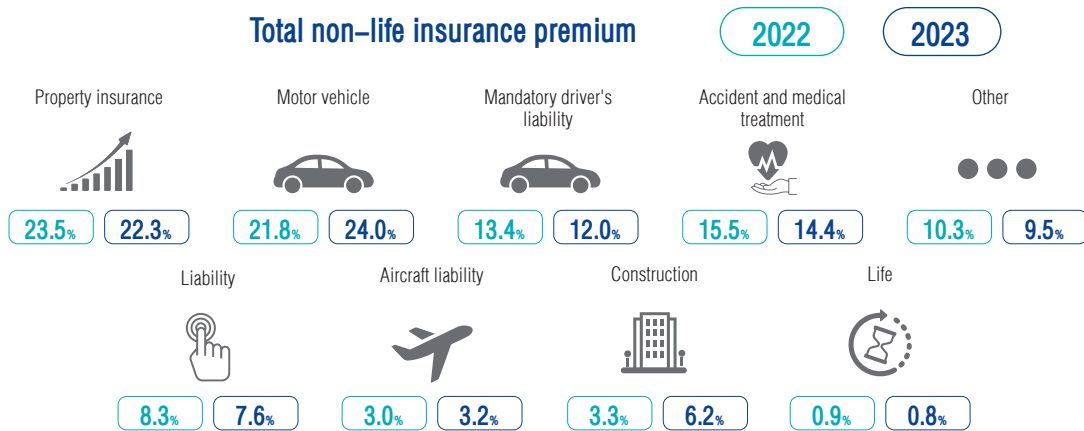
	SONGINOKHAIRKHAN	CHINGELTEI	SUKHAATAR	BAYANZURKH
INSURANCE	4	5	11	5
BROKER	17	39	48	38
LOSS ADJUSTER	9	5	8	9
	KHAN-UUL	BAYANGOL	NALAIKH	BAGANUUR
INSURANCE	3	4	3	7
BROKER	35	28	6	4
LOSS ADJUSTER	4	8	0	1
	BAGAKHANGAI			
INSURANCE	1			
BROKER	0			
LOSS ADJUSTER	0			

PRODUCTS AND SERVICES

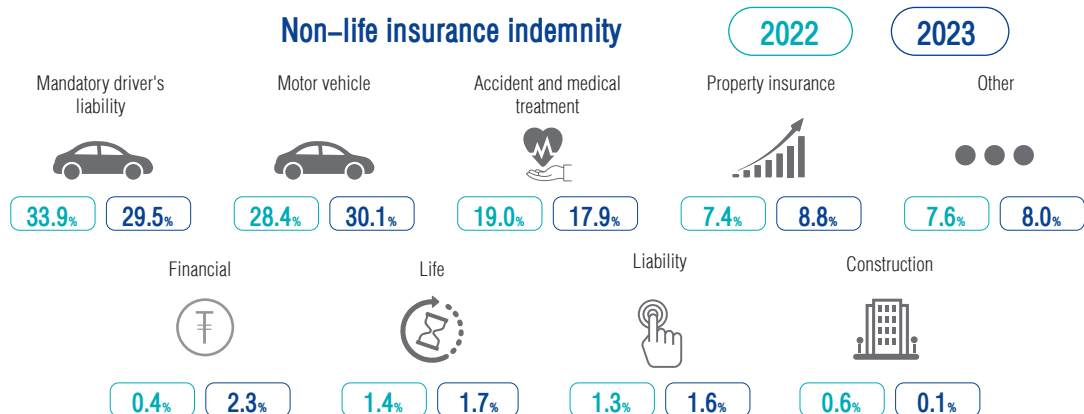


- o Out of the 23 forms of non-life and life insurance, all are voluntary; except for the Compulsory Driver's Liability Insurance.
- o The number of reinsurance products reached 713, marking an increase of 26 compared to 2022 and a growth of 121 compared to 2019.

Total non-life insurance premium

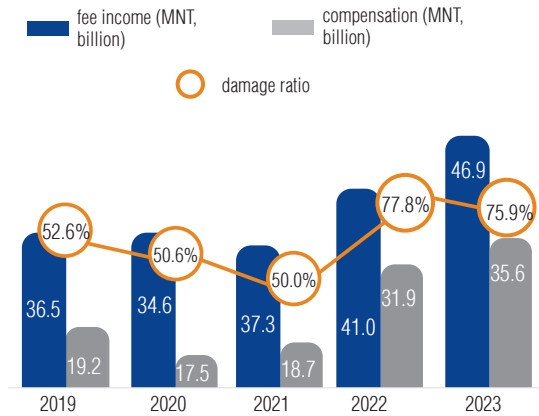


Non-life insurance indemnity



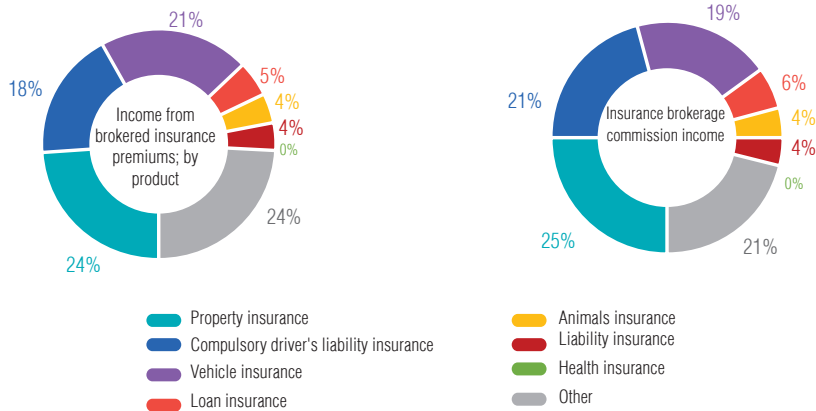
COMPULSORY INSURANCE

- o The total premiums for Compulsory Driver's Liability Insurance reached MNT46.9 billion – marking a 14.4% increase compared to the previous year and accounted for 12% of total insurance premium income.
- o In comparison to the previous year, reimbursements increased by 11.6%. During the reporting year, MNT 35.6 billion was disbursed as compensation, representing 29.5% of the total compensation costs within the sector.



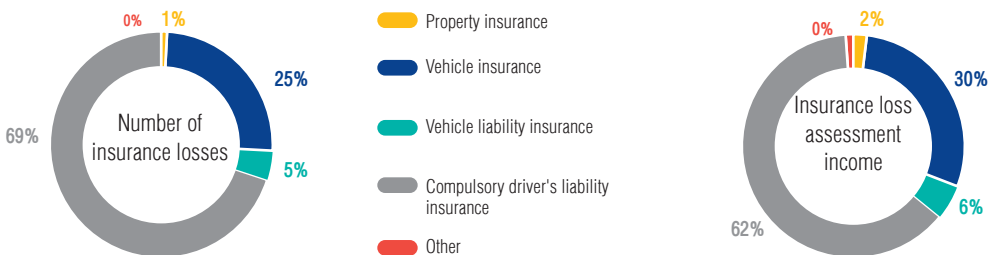
COMPULSORY INSURANCE

The insurance and reinsurance premiums collected by insurance brokers totaled MNT 100.6 billion. Notably, the premium income of insurance intermediaries increased by 27.6% in the reporting year, reaching MNT 19.4 billion compared to MNT 15.2 billion in the previous year.



INSURANCE DAMAGE ASSESSOR

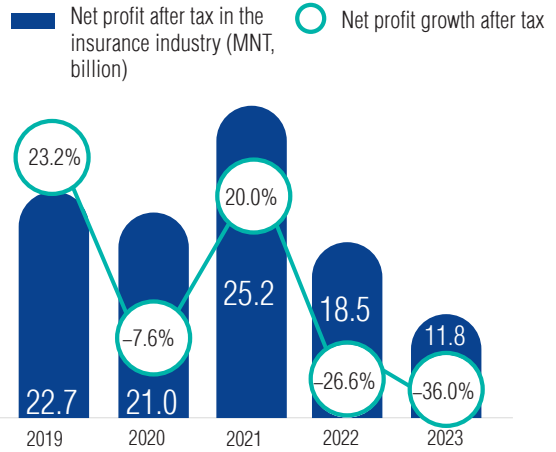
- o Regarding insurance damage assessment, insurance loss assessment companies evaluated a total of 44,452 losses, amounting to MNT 83.4 billion in value. The total income from insurance loss assessment increased by 41.4% compared to the previous year, reaching MNT 4.3 billion.



PROFITABILITY

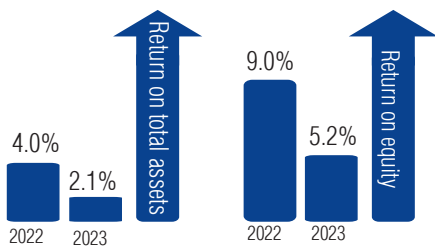
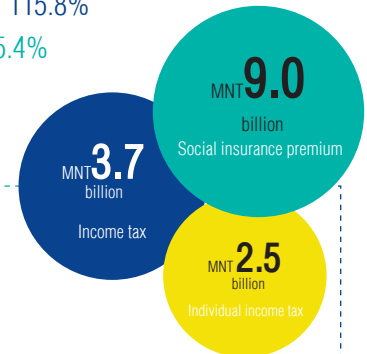
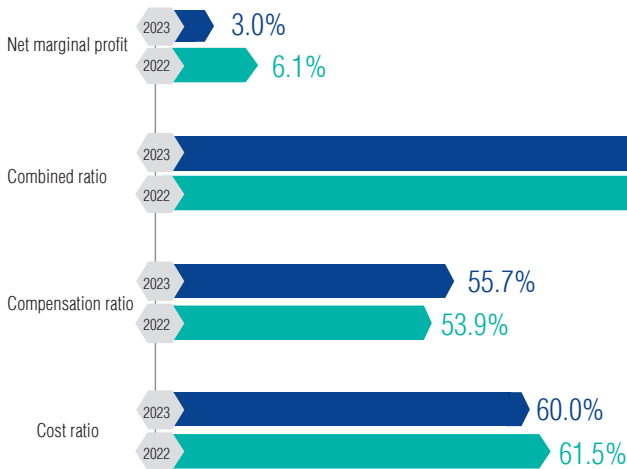
NET PROFIT INDICATOR OF INSURANCE COMPANIES

- o The net profit of insurance companies decreased by 36% compared to 2022 and reaching MNT11.8 billion.
- o In terms of net profit after tax, ten companies exhibited decreases, five had increases of up to 50%, one had increases between 50 and 100%, and two insurance companies had increases of more than 100%.



KEY RATIOS

- o The compensation ratio increased by 1.7 percentage points to 55.7% compared to 2022.
- o The expenditure ratio decreased by 1.5 percentage points to 60%.
- o The net profit margin of the insurance sector decreased by 3.1 percentage points to 3%.



PROFITABILITY COEFFICIENT

- o Return on assets in the market decreased by 1.9 percentage points to 2.1%. Return on equity decreased by 3.8 percentage points to 5.2%.

- o Insurance companies made the following payments: MNT9.0 billion for social insurance premiums, MNT2.5 billion for personal income tax, and MNT3.7 billion for corporate income tax. In total, MNT15.2 billion was collected and contributed to the state budget.

STABILITY

MARKET RISK

- Currency exchange rate risk remains a significant challenge in the Mongolian insurance market.
- A majority of insurance companies engaged in double insurance abroad transferred an average of over MNT84.7 billion annually to other countries during the previous three years.
- Reinsurance premiums collected by insurance companies abroad accounted for 36.1% of the total insurance premiums in the reporting year.

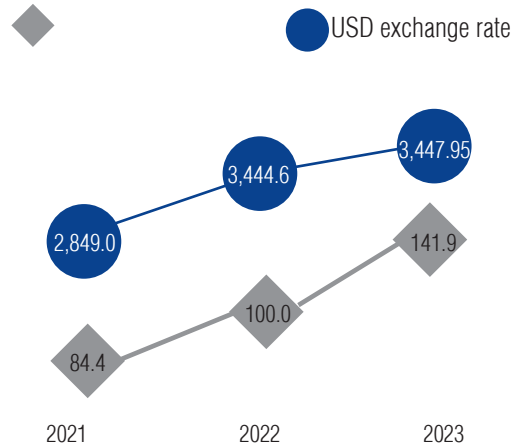
36.1%

Total reinsurance premiums percentage

- Investments accounted for 60.6% of the total assets of insurance companies, with deposits in the form of investment certificates of deposit representing 70.9% of these investments.
- In 2023, insurance companies generated a total of MNT34.6 billion in interest income from deposits, certificates of deposit, and investments in securities.

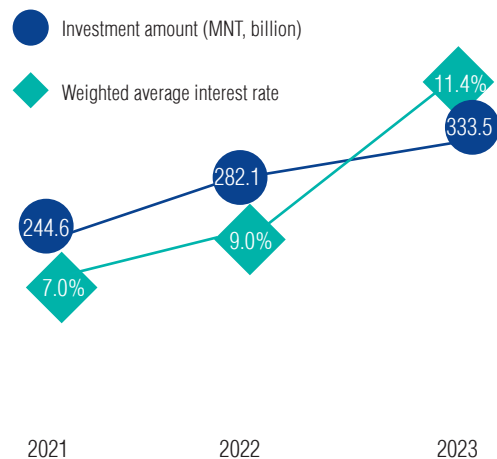
Investment fund

60.6%



Жич: 1. Давхар даатгалын хураамжийг өссөн дүнгээр тооцсон.
2. Монголбанкны 2023.12.31-ны өдрийн ам.долларын ханш.

Weighted average interest rate on total insurance investment and savings



POLICY AND LEGISLATION



POLICY AND LEGISLATION

- The revised draft of insurance package laws was finalized, and the Financial Regulatory Commission is currently working on presenting a revised draft at a government meeting and submitting it to the State Great Khural of Mongolia.
- Additionally, the Financial Regulatory Commission is actively participating in the sub-working group for the implementation of the Law on Livestock Indexed Insurance, established by the Standing Committee on Environment, Food, and Agriculture of the State Great Khural of Mongolia.
- In the context of finalizing the draft law on Personal Supplementary Pensions, the Financial Regulatory Commission is collaborating as part of the sub-working group established by the Standing Committee on Social Policy of the State Great Khural of Mongolia.
- Additionally, the "Regulation on Insurer's Solvency Criteria and Monitoring It" was approved by resolution No.559 of 2023 of the Financial Regulatory Commission. With the implementation of this regulation, the insurer's risk management system will become sophisticated and transparent. It will also be crucial to introduce a system for early identification and prevention of insurance market risks.
- Amendments have been made to Annexes 1, 3, 4, 11, 13, and 19 of the "Insurance Package Rules". These amendments include requirements for authorized officials of insurance institutions and additional financial reporting forms.
- Furthermore, the FRC has collaborated with government and non-government authorities to clarify the risks that must be transferred due to the characteristics of risks in each sector. The collaborative effort aims to create a unified regulatory environment for compulsory insurance.
- Efforts to improve the tax legal environment in the insurance sector have been developed, and proposals have been submitted to the Standing Committee on Budget of the State Great Khural of Mongolia for consideration.
- Additionally, the Financial Regulatory Commission is working on making amendments to the regulation on "Mortgage Insurance Activities".



INTERNATIONAL COOPERATION

- On October 2nd to –6th 2023, the project “Insuring SMEs using blockchain” jointly implemented with the German Corporation for International Cooperation /GIZ/ and Monre Insurance LLC, organized training sessions aimed at enhancing the skills of actuaries in the insurance sector.
- As part of this project, all officials of the Insurance Market Department underwent training in five courses organized by the Chartered Insurance Institute of England.
- Furthermore, there was an exchange of views and experiences within the framework of cooperation with the Korean Financial Services Commission (FSC).



MEETINGS

- According to orders No. 187 and No. 188 of 2023 issued by the Chairman of the Financial Regulatory Commission, two working groups with representatives from the FRC and insurance sector participants were established to improve public insurance education. One of the working groups has organized relevant meetings and trainings according to the plan.
- Regular meetings and discussions are being organized in cooperation with the Ministry of Finance to finalize the draft Law on Insurance, Insurance Brokerage and Driver's Insurance.
- In the framework to improving the draft of Appendix 2 of the Insurance Package Rule titled "Regulation on Insurer's Solvency Criteria and Monitoring It", relevant meetings were held to gather feedback from insurance sector participants.
- Additionally, a discussion was organized with the participation of the insurance sector and the insurance intermediary bank regarding the implementation of the Law on Livestock Indexed Insurance.



NBFIs

Total assets

MNT **4.7**
trillion



Financial market status

Capital growth **32.5%**

Customers **4.5** million

Average loan amount
MNT **2.3** million



Accessibility

Credit NBFIs
90.4%



Products and services

Foreign currency exchange NBFIs
9.1%

Profitability



Total income

MNT **1,163.8**
billion

Tax collected by the
state, social security
contributions

MNT **111.4**
billion

Stability



Z index

21.2

Percentage of non-
performing loans

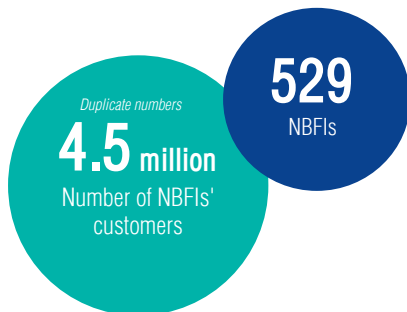
7.0%

Regulatory environment



NON-BANKING FINANCIAL INSTITUTION

529 NBFIs were licensed by the Financial Regulatory Commission in 2023, representing a 3.1% increase from the previous year and a 1.7% decrease from 2019.

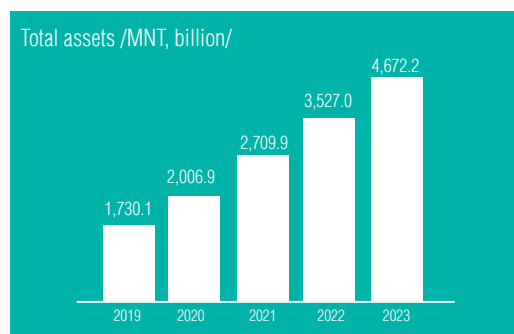
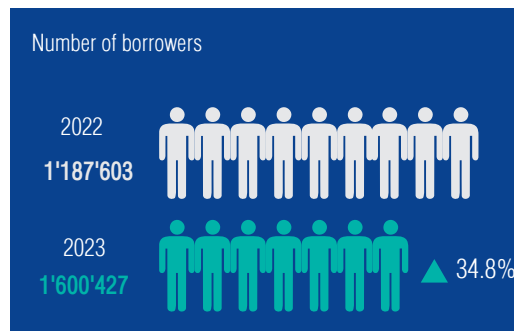
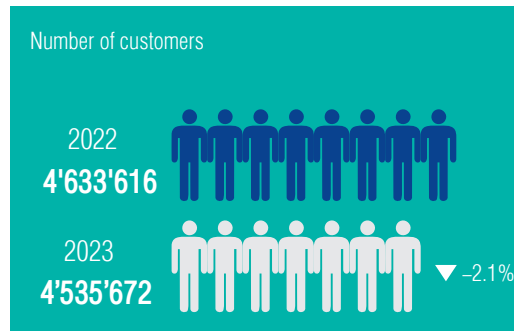
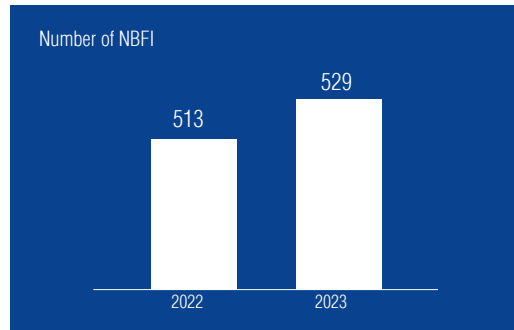
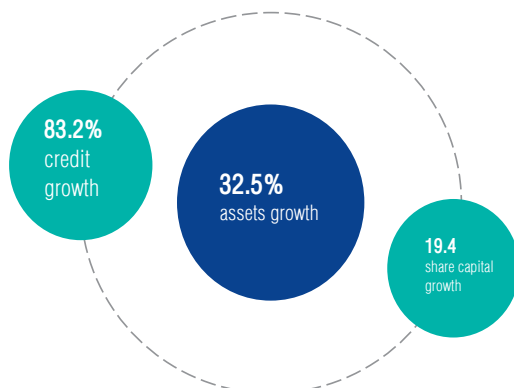


Among these, 24 (4.5%) have international investments and while 505 (95.5%) have domestic investments.



ASSETS OF NBFIS

In 2023, the total assets of NBFIs reached MNT4.7 trillion, marking an increase of MNT1,145.2 billion (32.5%) from the previous year and a substantial increase of MNT2.9 trillion, equivalent to a 2.7-fold increase from 2019.

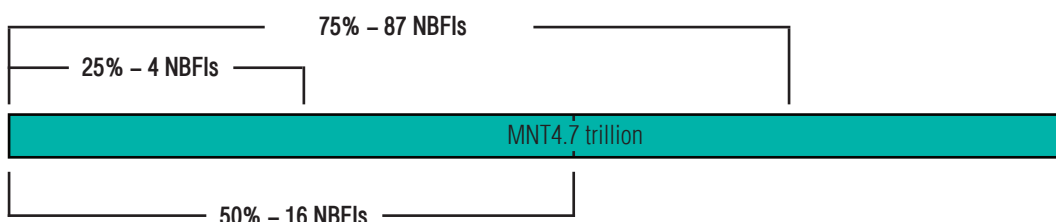


Assets structure of NBFIs (MNT, billions)			
Total assets	4,672.2	100.0%	
Current assets	4,526.2	96.9%	
Cash	652.9	14.0%	
Credit (net)	3,475.9	74.4%	
Short-term investment (net)	50.7	1.1%	
Factoring settlement receivables (net)	14.7	0.3%	
Other property ownership and other ownership (net)	25.9	0.5%	
Receivables from financial derivative instruments (derivatives)	4.0	0.1%	
Other assets	302.1	6.5%	
Non-current assets	146.1	3.1%	

Liability structure of NBFIs (MNT, billions)			
Total liabilities	4,672.2	100.0%	
Liabilities	1,926.9	41.3%	
Financial resources	651.9	14.0%	
Liabilities to domestic and foreign banks, and financial institutions	586.4	12.5%	
Other resources	47.0	1.0%	
Bonds issues by NBFIs	316.3	6.8%	
Project loans financing	23.8	0.5%	
Other liabilities	301.5	6.5%	
Owner's property	2,745.3	58.7%	
Share capital	1,498.0	32.1%	
Other property	62.5	1.3%	
Funds	1.6	0.0%	
Retained earnings/losses	1,107.2	23.7%	
Secondary debt	76.0	1.6%	

The market share, in terms of total assets of the sector, was distributed as follows:

- The four largest NBFIs accounted for 25% of total assets,
- 16 NBFIs accounted for 50%.
- 87 NBFIs accounted for 75%.



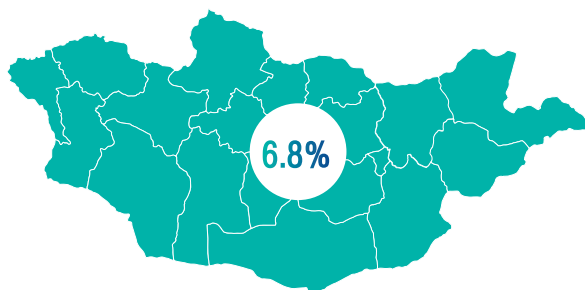
	Number of NBFIs		Total assets		Total loans		Percentage of non-performing loans in loan portfolio	Customers	
	No.	%	Amount (MNT, billions)	%	Amount (MNT, billions)	%		No.	%
Top 24 %	4	0.8%	1,177.1	25.2%	926.2	25.2%	1.2%	230,499	5.1%
Top 50 %	16	3.0%	2,349.8	50.3%	1,923.6	52.3%	2.6%	3,837,417	84.6%
Top 75 %	87	16.4%	3,506.4	75.0%	2,863.0	77.9%	4.7%	4,307,247	95.0%
TOTAL OF SECTOR	529	100.0%	4,672.2	100.0%	3,675.8	100.0%	7.0%	4,535,672	100.0%

Loans of NBFIs constituting 25%, 50% and 75% of the total assets of the non-bank financial sector, accounted for 25.2%, 52.3% and 77.9% of the total outstanding loans, respectively. The percentage of non-performing loans among all loans stood at 1.2%, 2.6% and 4.7%, respectively.

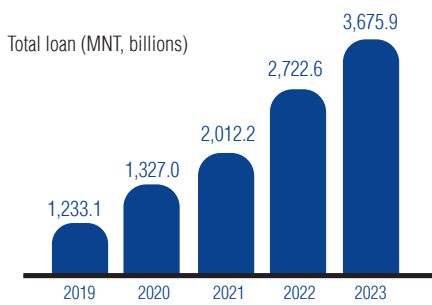
Some of the 16 NBFIs, representing 50% of the sector's total assets, utilized technology to offer inclusive services, serving the majority of customers (84.6%).

	Number of NBFIs	Total assets		Total loans		Customers	
		Amount (MNT, billions)	%	Amount (MNT, billions)	%	No.	%
With domestic investment	505	3,936.4	84.3%	3,088.6	84.0%	4,433,003	97.7%
With foreign investment	24	735.8	15.7%	587.3	16.0%	102,669	2.3%

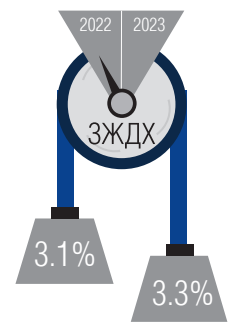
NBFIs with foreign investments included eleven (45.8%) from Japan, six (25%) from South Korea, two (8.3%) from the US, and the remaining from Singapore, Malaysia, the UK, Canada and China. Foreign-invested NBFIs accounted for 15.7% of the total sector assets and provided services to 2.3% of all customers.



In 2023, the total assets of NBFIs amounted to 6.8% of Mongolia's GDP.



In 2023, the weighted average monthly interest rate on loans issued by NBFIs reached 3.3%, marking an increase of 0.2 percentage points from the previous year.



TOTAL LOANS

The total value of loans in the non-bank financial sector increased by MNT953.3 billion (35%) from the previous year, representing an increase of MNT2.4 trillion, equivalent to a 3-fold increase from 2019.

In 2023, the majority of loans, specifically 97.4% of them, were disbursed in the local currency (MNT), while the remaining 2.6% of loans were disbursed in foreign exchange.



NORMAL

89.7%

+1.2%



OVERDUE

3.3%

-0.6%



NON-PERFORMING

7.0%

-0.6%

MNT7,153.5 billion | Issued loan

Paid loan | MNT6,179.0 billion

Wholesale and retail



7.3% 7.3%

Construction



3.4% 3.3%

Mining



0.7% 0.7%

Cars and motorcycles repair services



1.9% 2.2%

Accommodation and catering



1.4% 1.3%

Processing factories



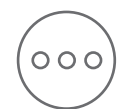
0.6% 0.7%

Agricultural



0.5% 0.4%

Other



84.2% 84.1%



88.2%

90.6%

90.9%



11.8%

9.4%

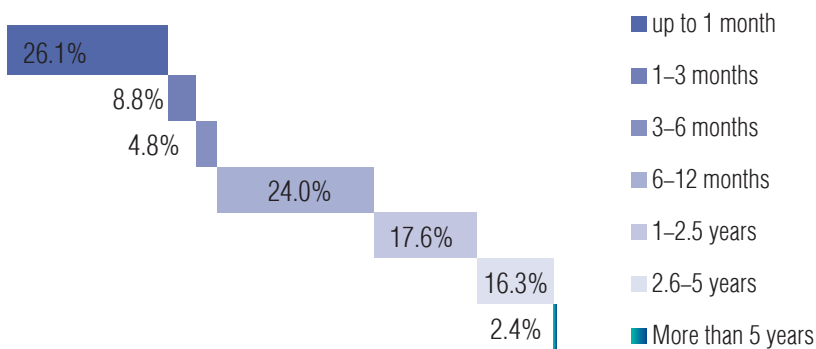
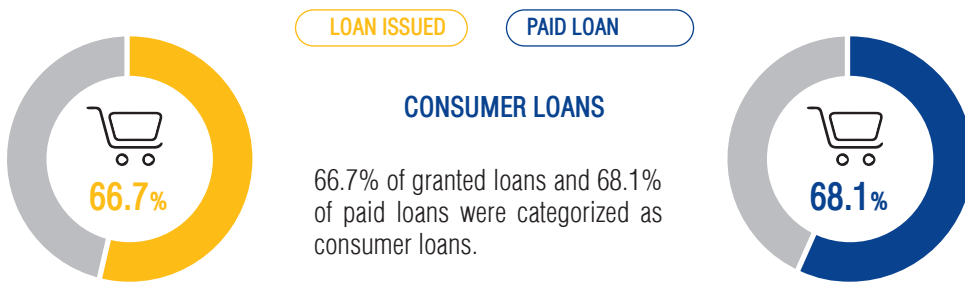
9.1%

LOAN BALANCE

LOANS ISSUED

PAID LOAN

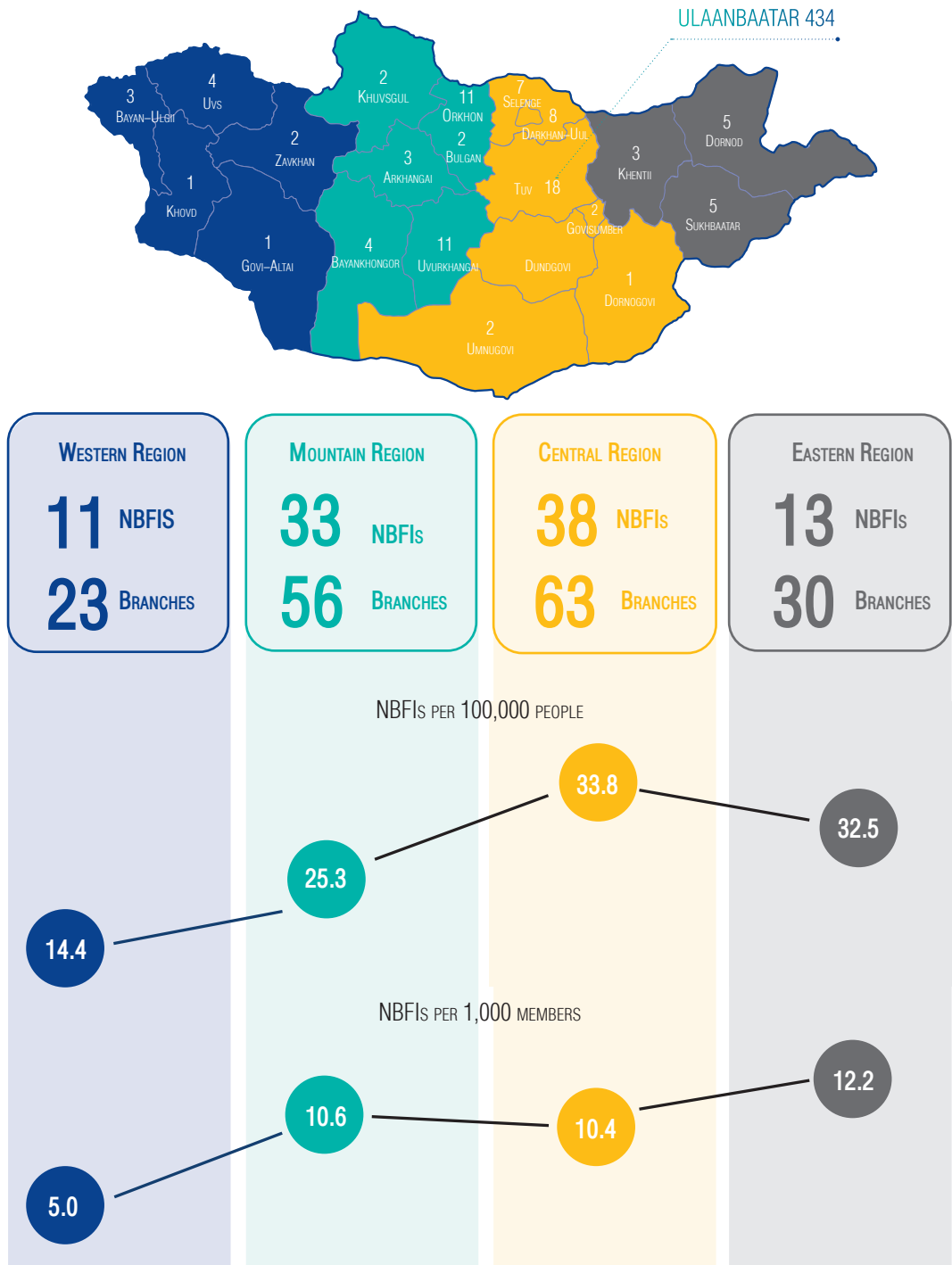
Approximately 88.2% of outstanding loans were provided to individuals, and 11.8% were to legal entities.



According to the terms of loans issued by the NBF sector, 24% had a duration of 6–12 months, 26.1% were short-term loans with a duration of 1 month, and 17.6% had a duration of 1–2.5 years.

ACCESSIBILITY

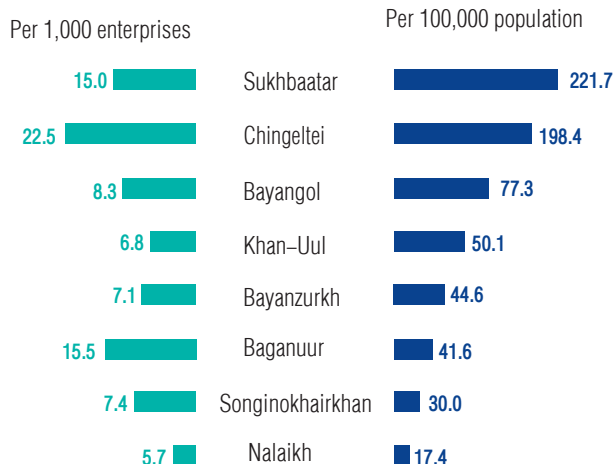
Nationwide, there were 529 licensed NBFIs, comprising a total of 446 branches. The majority (82%) of these branches were located in Ulaanbaatar.





Sector accessibility is calculated using key indicators for assessing financial inclusion, as developed by the International Alliance for Financial Inclusion (AFI).

Out of the country's 21 provinces, 12 (57.1%) had three or more NBFIs.



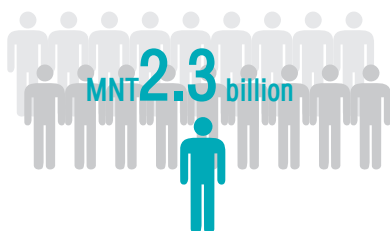
Among the 428 NBFIs operating in Ulaanbaatar, their distribution across districts was as follows: 32.7% in Sukhbaatar district, 28% in Chingeltei, 16.6% in Bayangol, 10.8% in Bayanzurkh, 9.6% in Khan Uul, 2.1% in Songinokhairkhan, and 0.2% in Baganuur district.

BY ACCESSIBILITY AND GEOGRAPHICAL LOCATION OF NBFIS

- On average, there were an average of 50 NBFIs per 100,000 people aged 18–64 years and 10 NBFIs per 1,000 businesses throughout Mongolia.
- Locally, these ratios were 26 NBFIs per 100,000 people and 9 NBFIs per 1,000 businesses in the regions generally. Specifically, in the Central Region, there were NBFIs of 33 NBFIs per 100,000 people, and in the Eastern Region, there were 12 NBFIs per 1,000 enterprises, indicating varying levels of access.
- In Ulaanbaatar, there were 75 NBFIs per 100,000 people and 10 NBFIs per 1,000 businesses, demonstrating better access compared to rural areas.

50 NBFIs per
100,000
people nationwide

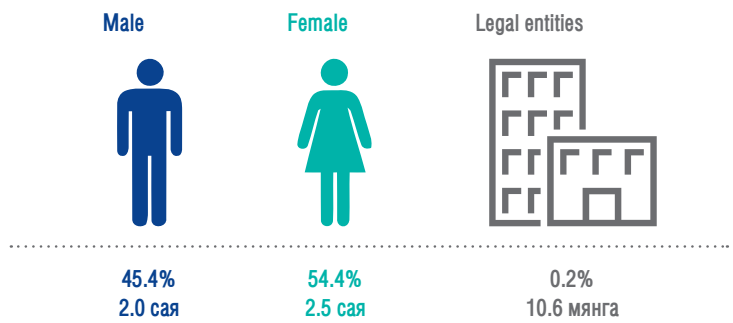
10 NBFIs per
1,000 enterprises



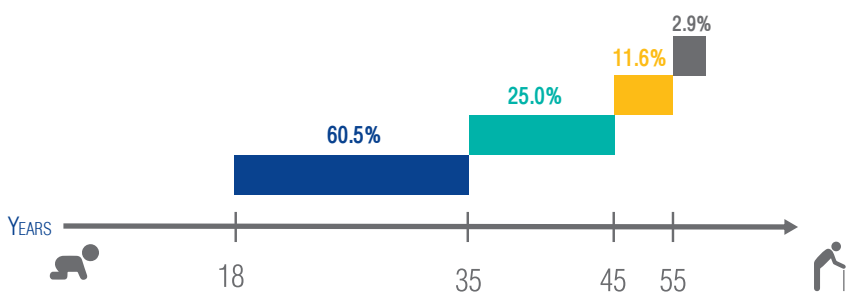
AVERAGE LOAN

- In 2023, the average NBFi borrower had a loan of MNT2,296.8 thousand, ranging from MNT1,867.9 thousand in rural areas to MNT2,306.9 in Ulaanbaatar.
- This compares to MNT4.26 thousand nationwide in the previous year, indicating a 0.2% increase in the average loan amount per borrower from NBFIs.
- The total number of borrowers was 1.6 million, with 81 out of every 100 people of working age (18–64 years) having loans from NBFIs.

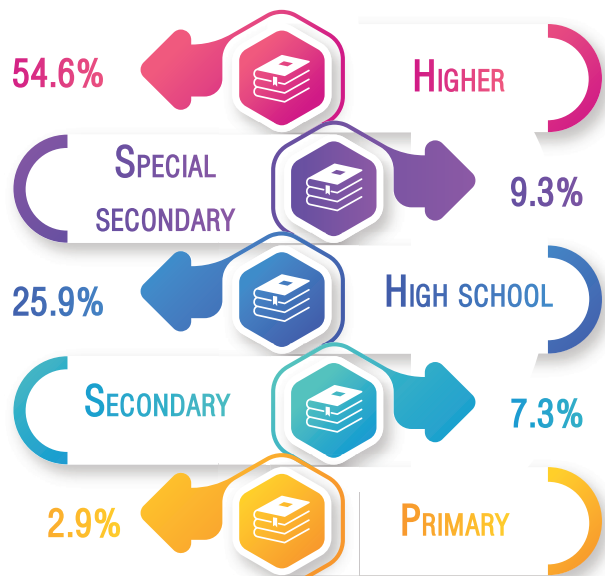
Customers of NBFIs



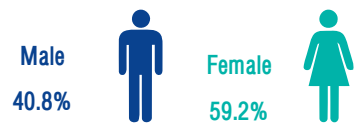
Borrowers of NBFIs (by age)



Borrowers of NBFIs (by level of education)



NBFI employees



PRODUCTS AND SERVICES

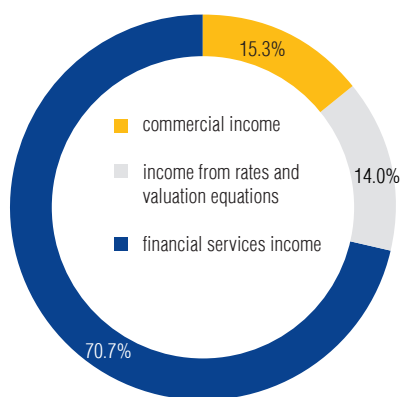
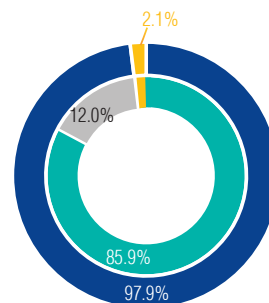
NUMBER OF NBFIS AND TYPES OF SERVICES (WITH DOUBLE COUNTING)



REVENUE FROM PRODUCTS AND SERVICES

- o In 2023, the total income of NBFIs reached MNT1,163.8 billion.
- o Most of the total revenue (97.9%) was generated from operating income, interest, and non-interest income. Specifically, 85.9% (MNT999.1 billion) of the total revenue was from interest income, and 12% (MNT140 billion) was from non-interest income.

- interest
- non-interest income
- non-operating income
- operating income



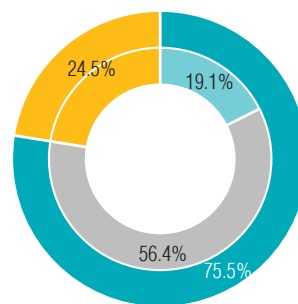
BREAKDOWN OF NON-INTEREST INCOME

- o the breakdown of non-interest income was as follows: financial services income accounted for 70.7%, foreign exchange rate and valuation adjustments contributed (14%), and trading activities constituted 15.3%.

COSTS OF PRODUCTS AND SERVICES

- o The total cost of NBFIs amounted to MNT 713.7 billion. Operating expenses accounted for 75.5% of this total, with MNT 412.4 billion (56.4%) attributed to non-interest expenses and MNT 140 billion (19.1%) were interest expenses.

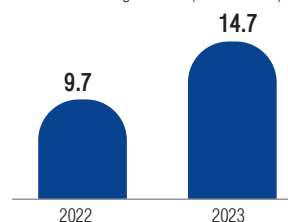
- interest
- non-interest income
- non-operating income
- operating income



Expenditures related to product and service risks (or potential risks) amounted to a total of MNT93.5 billion, with 93.8% attributed to credit risk expenses, 3.2% to other real estate risk expenses, 2.9% to receivables risk expenses and, 0.1% to factoring service risk expenses.

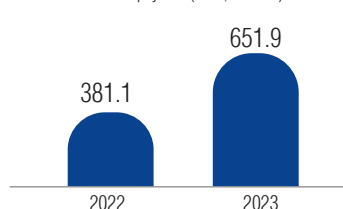
- o In 2023, a total of MNT14.7 billion of net factoring receivables was registered in the sector.

Net receivables for factoring services (MNT billions)

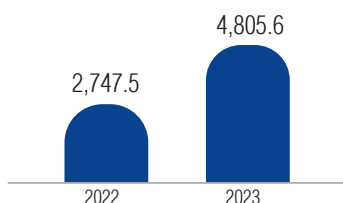


- o Additionally, 82 NBFIs provided trust services in the sector, with total liabilities for trust services amounting to MNT651.9 billion representing a 71% increase from the previous year.

Trust service payable (MNT, billions)



Remittance service income (MNT, millions)



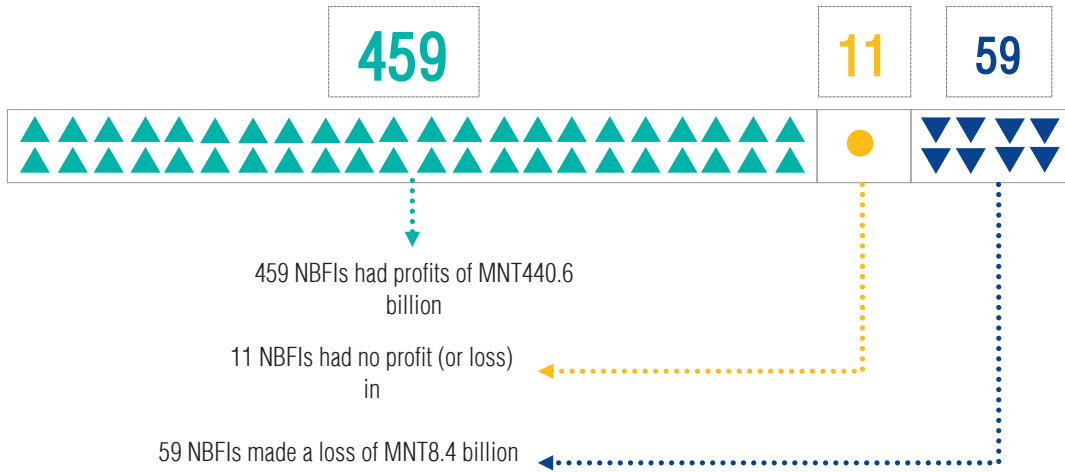
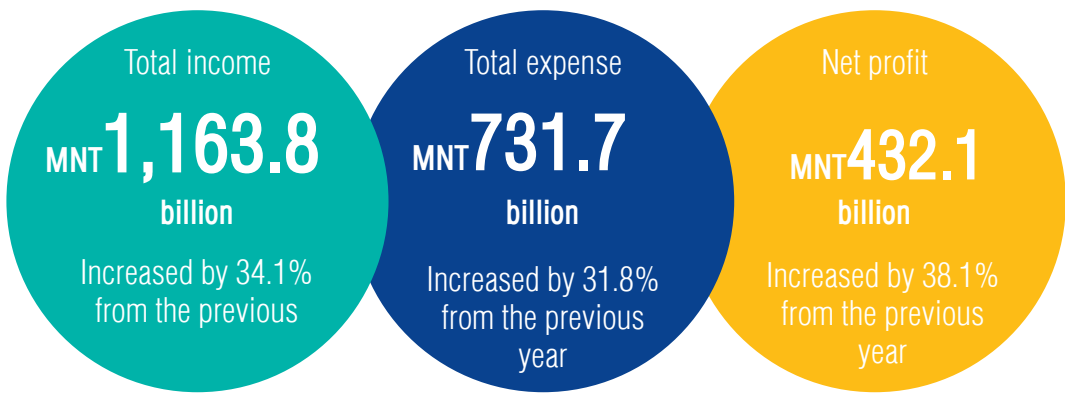
- o As of 2023, NBFIs earned MNT 4.8 billion in revenue from remittance services, representing an increase of MNT 2.1 billion from the previous year. Additionally, as of 2023, 46 NBFIs are licensed to provide remittance services, with 12 of them earning revenue from such services.

CURRENCY TRADING NEWS

In 2023, NBFIs purchased a total of MNT3,848.1 billion worth of currency and sold MNT3,785.7 billion worth. The Yuan accounted for 43.6% of the currency purchased and 45.9% of the currency sold.

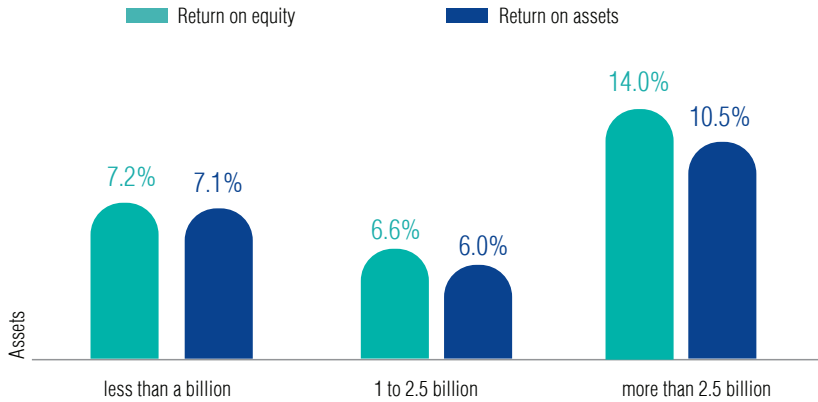
CURRENCY NAME	Bought	Sold
	Result (MNT, billions)	Result (MNT, billions)
CHINESE YUAN	1,678.6	1,737.9
US DOLLARS	1,572.5	1,459.7
JAPANESE YEN	214.7	206.9
EURO	193.1	189.3
RUSSIAN RUBLE	117.1	118.6
KOREAN WON	58.6	59.0
OTHER	13.5	14.3

PROFITABILITY



		<1%	<5%	<10%	>10%	
Return on equity (ROE)	2022	15.7%	21.7%*	17.6%	16.3%	44.4%
	2023	17.5%	17.6%	16.3%	44.4%	
Return on assets (ROA)	2022	10.0%	22.3%	18.7%	18.5%	40.5%
	2023	10.5%	22.3%	18.7%	18.5%	40.5%

Number of NBFIs in the corresponding intervals of ROE and ROA
 (*) For example: 21.7% of all NBFIs had no ROE of less than 1%

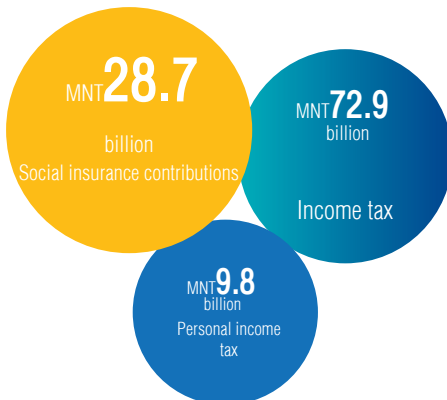


RETURN ON ASSETS AND RETURN ON EQUITY RATIO (BY ASSET CLASSIFICATION)

In terms of the ROA (return on asset) and the ROE (return on equity) of NBFIs by share capital, the data shows that half of NBFIs with equity of less than MNT1.0 billion had a ROA of less than 7.1%. Similarly, half of NBFIs with a share capital of MNT1.0 to 2.5 billion had a ROA of less than 6%, and half of NBFIs with equity of more than MNT2.5 billion had a ROA of less than 10.5%. In terms of ROE, the relevant values were 7.2%, 6.6% and 14% for the three categories of assets by size.

COST, REVENUE RATIO

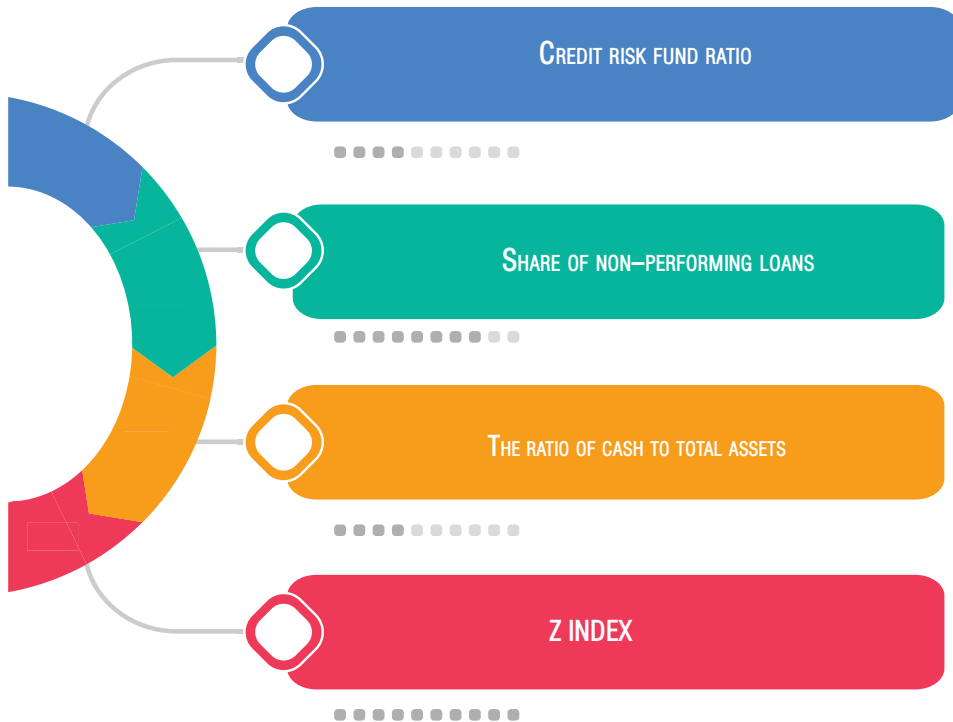
Additionally, the ratio of expenses to income was 62.9% in the reporting year, indicating an increase of 13.3 percentage points from the previous year.



- o In 2023, all NBFIs paid MNT28.7 billion to social insurance premiums, MNT9.8 billion for individual income tax, MNT72.9 billion for corporate income tax, and contributed MNT111.4 billion to the state budget.

STABILITY

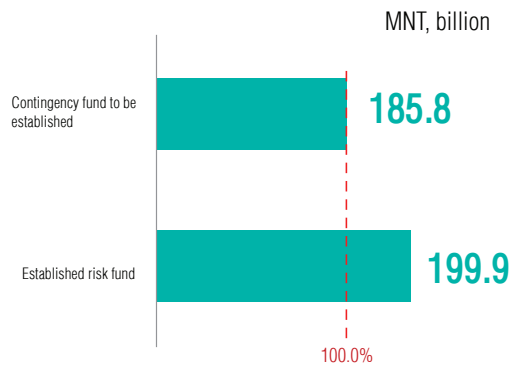
- o Regarding stability, four indicators of NBFIs were calculated in accordance with AFI's guidelines to determine financial access and financial stability.



CREDIT RISK FUND RATIO

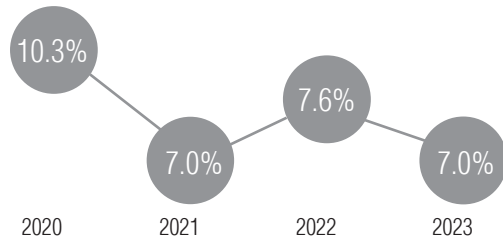
- o In 2023, the ratio reached 107.6%, achieved through the establishment of a contingency fund, marking an increase of 2.2 percentage points from the previous year.

107.6%



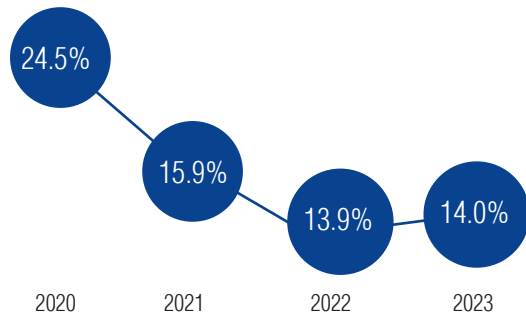
NON-PERFORMING LOANS

In the reporting year, non-performing loans amounted to MNT259.1 billion, constituting 7% of total loans, indicating a decrease of 0.6 percentage points from the previous year.



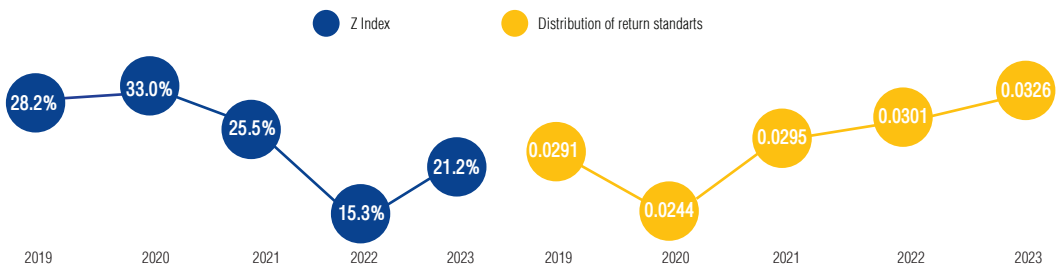
TOTAL CASH ASSETS COMPARATIVE RATIO

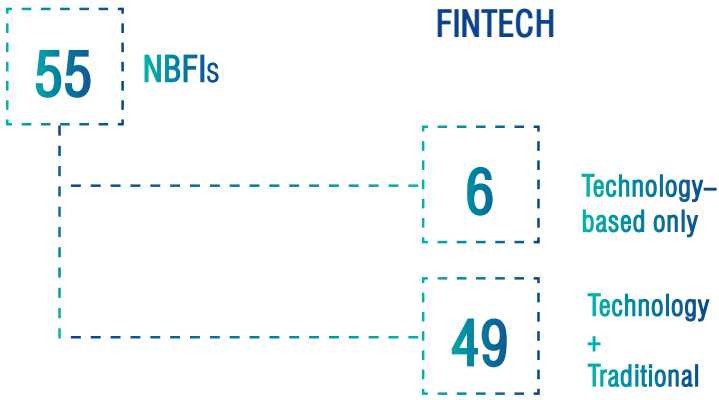
The ratio of cash assets to total assets increased by 0.1 percentage points to 14% in the reporting year.



Z INDEX

The Z index – indicating the probability of an NBF1 going bankrupt – increased by 5.9 percentage points to 21.2 in 2023 from the previous year, reflecting improved stability.





94.1%

Fintech borrowers

- o The majority of customers in the sector (94.1) and 82.4% of borrowers are customers of these NBFIs or recipients of technology-based loan services.
- o In 2023, 39.3% of all borrowers obtained loans exclusively through mobile platforms.
- o Furthermore, among outstanding loans of NBFIs utilizing technological advances in financial services, 91% were categorized as normal loans, 2.9% as overdue loans, and 6.1% as non-performing loans.

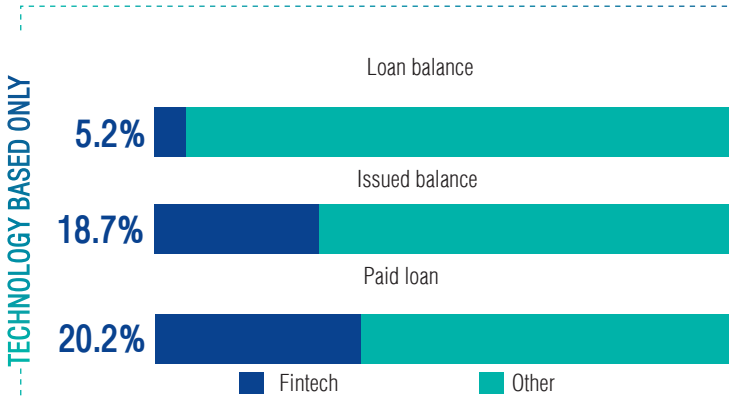


91.0% normal

2.9% overdue loans

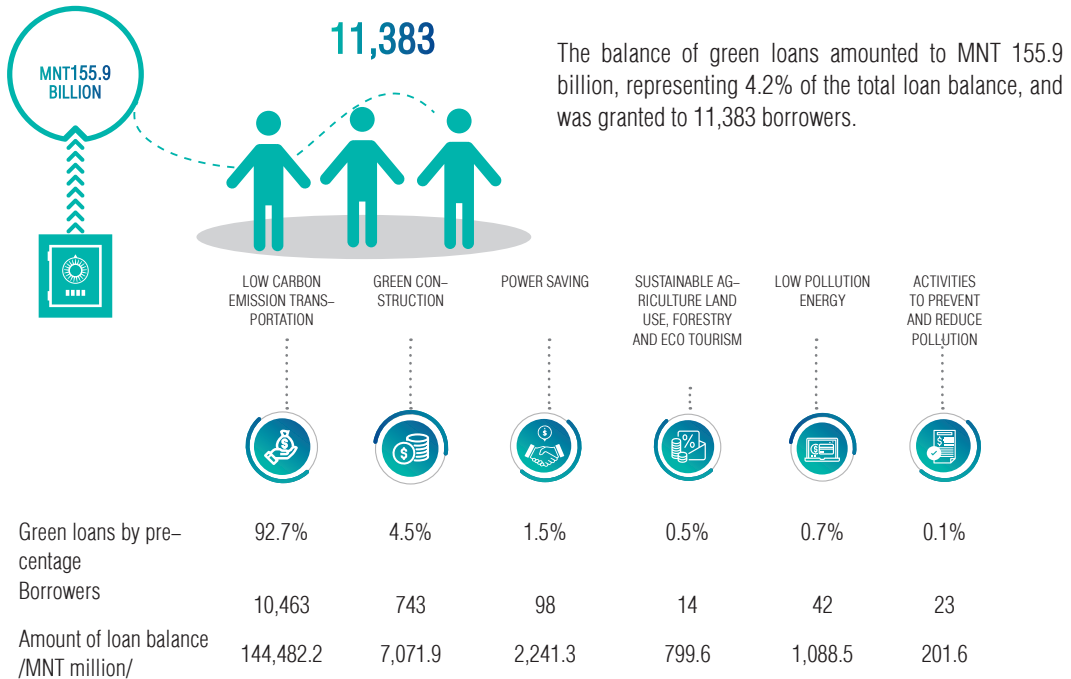
6.1% poor quality

	Total loans		Borrowers		Average loan amount per borrower (MNT, thousands)
	Amount (MNT, billions)	%	Number	%	
Fintech	758.5	20.6%	1,318,717	82.4%	575.2
Traditional	2,917.4	79.4%	281,710	17.6%	10,355.9
TOTAL	3,675.9	100.0%	1,600,427	100.0%	2,296.8

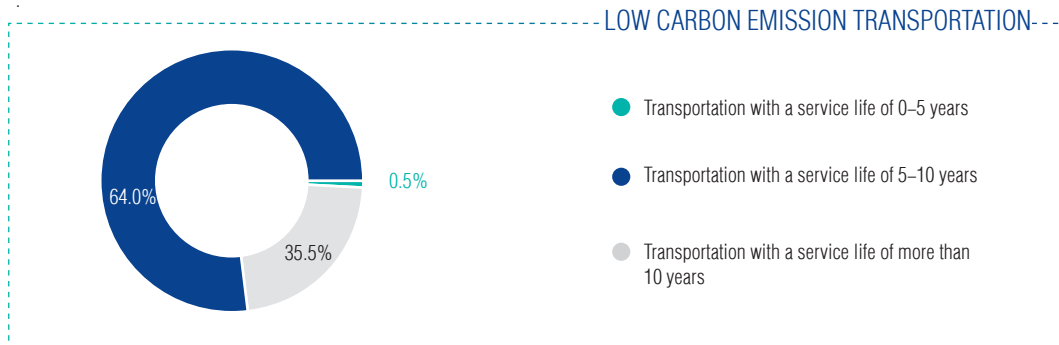


Despite comprising a small share of the total loan balance in the sector, – loans issued and repaid by NBFIs were generally favorable.

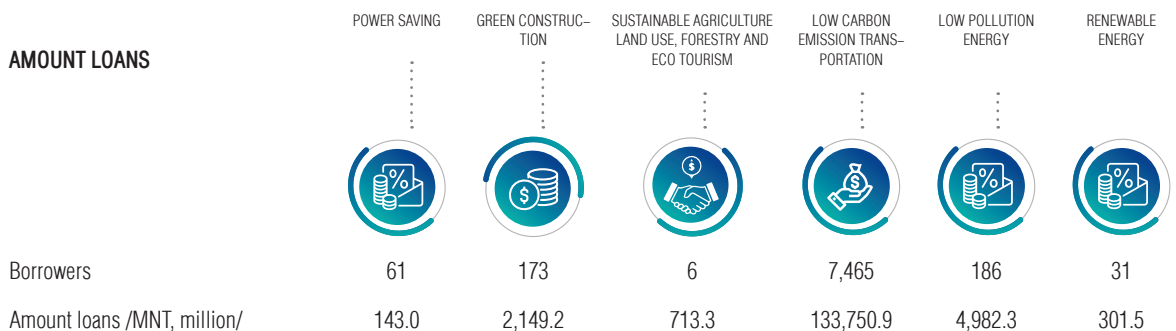
GREEN LOAN



Loans issued during the reporting quarter: A total of 28 NBFCs issued 6 types of green loan products worth MNT142.0 billion.



AMOUNT LOANS



REGULATORY ENVIRONMENT



POLICY AND LEGISLATION

- The following measures have been implemented to enhance the legal framework concerning non-banking financial institutions.
 - Amendments to the "Regulation on Trust Service" were approved by Resolution No. 434 of the Financial Regulatory Commission on September 1, 2023. This amendment was subsequently registered in the State Unified Fund for Administrative Norms under Act No. 434, dated September 26, 2023.
 - Amendments to the "Accounting Regulation on Entities and Organizations Engaged in Non-Banking Financial Activities" were approved by joint order A/226/528 of the Minister of Finance and the Chairman of the Financial Regulatory Commission on December 8, 2023.
 - In alignment with sustainable development goals, the appropriate ratio of non-bank financial trust services was approved by Resolution No. 794 of the Financial Regulatory Commission on December 28, 2023.

Implementation of Article 15 of the Law on "Non-Banking Financial Activities"

- In 2022, 468 accounting for 92.3% of the total, fulfilled the obligation of verifying their financial statements through external audit. Additionally, 441 NBFIs constituting 86.9% of the total, adhered to the obligation of public disclosure.

Implementation of law on "Loan Information"

- According to the Law on "Loan Information" mandates that NBFIs engage in the provision, receipt, and exchange of information. This is accomplished through formal contracts with licensed loan information service providers authorized by the Bank of Mongolia
- All 478 NBFIs involved in lending activities are required to enter into an agreement with either "Buren Skor" LLC, "Titan CRA" LLC, or the Bank of Mongolia.

Implementation of the Law on Combating Money Laundering and Anti-Terrorism Financing

- o In accordance with Article 7.1 of the Law on Combating Money Laundering and Anti-Terrorism Financing¹, MNT 3.4 billion was reported for 130 named NBFIs (in 16,698 cases), and under Article 7.2 MNT 7 billion was reported for 6 named NBFIs (in 158 cases) to the financial information office of Bank of Mongolia, thus fulfilling the obligations under the law.

Implementation of the "Regulation for setting and centralizing fees for regulatory services"

- o In 2023, a total of 489 NBFIs collected the regulatory service fee, amounting to MNT 1,222.8 million. This sum has been deposited into the relevant account of the Financial Regulatory Commission.



INTERNATIONAL COOPERATION

The Financial Regulatory Commission (FRC) is actively engaged in collaborations with various international organizations and associations to shape policies and regulations concerning NBFIs.

- From November 18 to 25, 2023, the representatives from the Financial Regulatory Commission and the Mongolian Sustainable Finance Association (MFSA) convened meetings with several key organizations. Those included business organizations, policy regulatory bodies from Singapore, stock exchanges, and investor organizations. The discussions aimed to foster cooperation and exchange insights on regulatory practices and sustainable finance initiatives.
- In response to an initiative from the Office of the President, a series of policy discussions were organized focusing on climate financing systems and measures to combat climate change. These discussions took place on December 12 and 19, 2023. Representatives from the Financial Regulatory Commission actively participated in these sessions, contributing their expertise and perspectives to the discourse.



MEETINGS

- Within the framework of the ADB project "Regulation on Trust Service and Regulating non-bank financial foreign currency trading activities and Supervising Regulation" a discussion was organized on October 12, 2023 at 10:00 a.m.
- Training sessions were organized in Khentii, Dornod, and Sukhbaatar provinces from October 22 to 25, 2023 as part of the "Expanding the Capacity of the Nonbank Finance Sector to Support Financial Access" project, implemented in cooperation with the ADB. The training focused on empowering non-banking financial institutions in the Eastern Region.



SCCs

Total assets

MNT306.5 billion

Capital growth **14.5%**



Financial market status

Total branches **61**

Total members

72,521



Accessibility

Total savings

MNT 215.2
billion



Products and services

Profitability



Net profit

MNT **10.9**
billion

Tax collected by the
state, Social security
contributions

MNT **3.7**
billion

Stability



Percentage of non-performing
loans (on total loans)

3.2%

Share of cash in total assets
24.7%

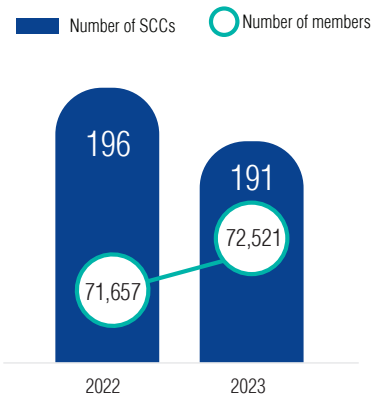
Regulatory environment



FINANCIAL MARKET STATUS

NUMBER AND MEMBERS OF SCCS

- o There were 191 licensed SCCs, which decreased by 5 (2.6%) compared to the same period of the previous year.
- o The number of SCC members increased by 1,2% to 72,521 compared to the same period in 2022 when there were 71,657.
- o In the reporting year, the number of SCCs decreased by 26.8 % compared to 2019. However, the number of SCC members



EMPLOYEES

1,035

Өнгөрсөн оноос 35.8 хувиар өссөн ба 62.3 хувь нь эмэгтэй ажиллагсад байна.

TOTAL MEMBERS

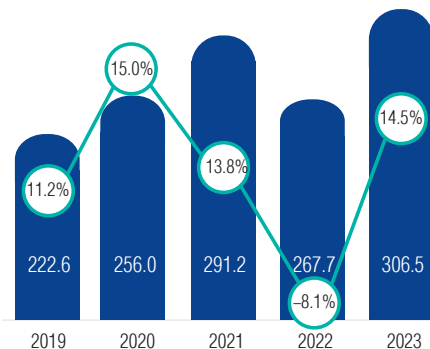
29,515

Borrowers

43,294

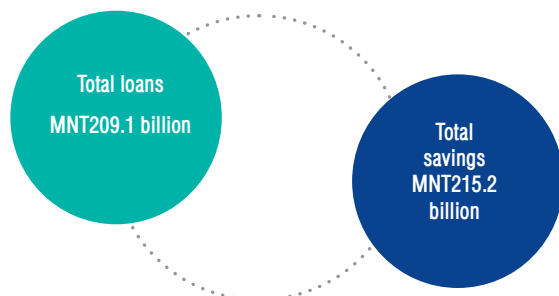
Depositors

■ Total assets (MNT, billions) ○ Total assets growth (MNT, billions)



TOTAL ASSETS AND THEIR GROWTH

- o Net worth increased by 14.5 % to MNT306.5 billion compared to the previous year.
- o The total net worth of SCCs increased by MNT83.9 billion (37.7 %) – compared to 2019.



TOTAL MARKET SHARE

Total assets of the sector;

- o 33 SCCs with net capital greater than MNT1 billion each comprised 88.4% of the market.
- o 21 SCCs with net capital ranging from MNT500 million to 1 billion each comprised 4.9% of the market.
- o 137 SCCs with net capital of less than MNT500 million each comprised 6.7% of the market.

88.4%

More than MNT1 billion

33 SCCs

4.9%

Less than MNT500 million

21 SCCs

500 million to 1 billion

6.7%

137 SCCs

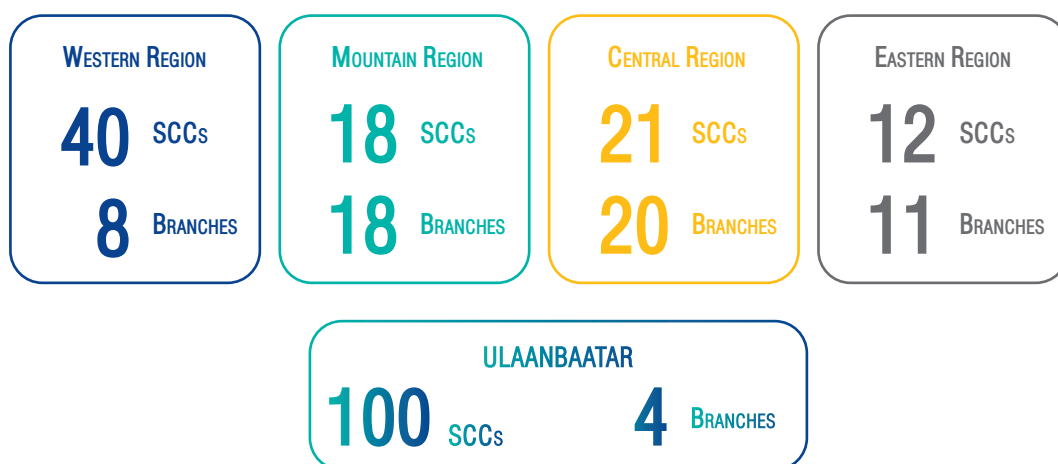
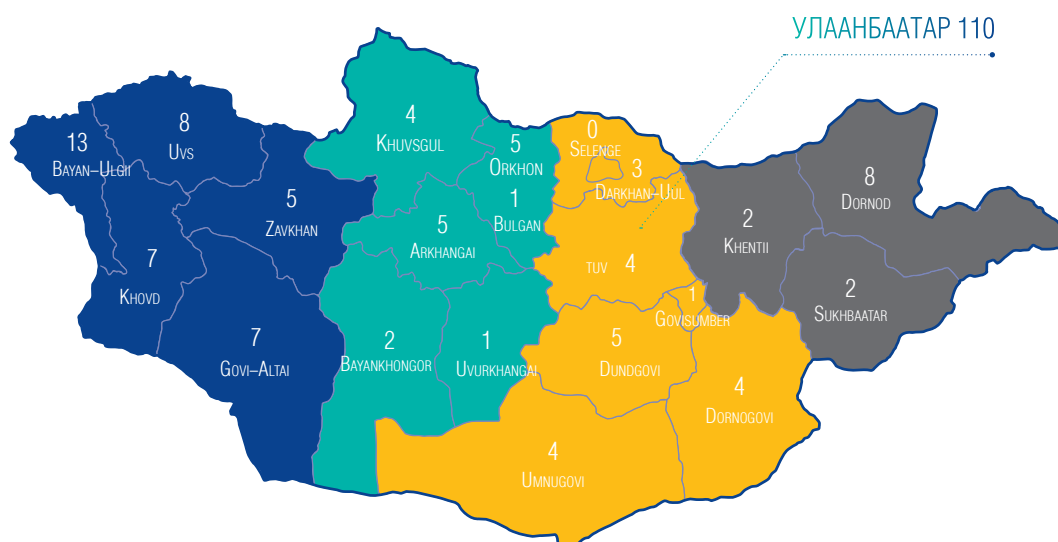
Assets and Liability structure of SCCs (MNT, billions)

Total assets	306.5	100.0%
Currents assets	302.4	98.7%
Cash	75.6	24.7%
Short term investment	0.9	0.3%
Loan /Net/	204.2	66.6%
Receivables	17.2	5.6%
Other current assets	3.6	1.2%
Other assets /net/	0.9	0.3%
Non-current asset	4.1	1.3%
Fixed assets	4.0	1.3%
Intangible assets	0.1	0.0%
Investment and others	0.0	0.0%
Total liabilities and equity	306.5	100.0%
Liabilities	237.0	77.3%
Savings	215.2	70.2%
Short-term loan	2.3	0.7%
Other short-term debt/current liabilities	18.4	6.0%
Long term debt	1.1	0.4%
Own assets	69.5	22.7%
Member contribution	27.5	9.0%
Re-evaluation surcharge	0.2	0.1%
Cooperative property	41.8	13.6%

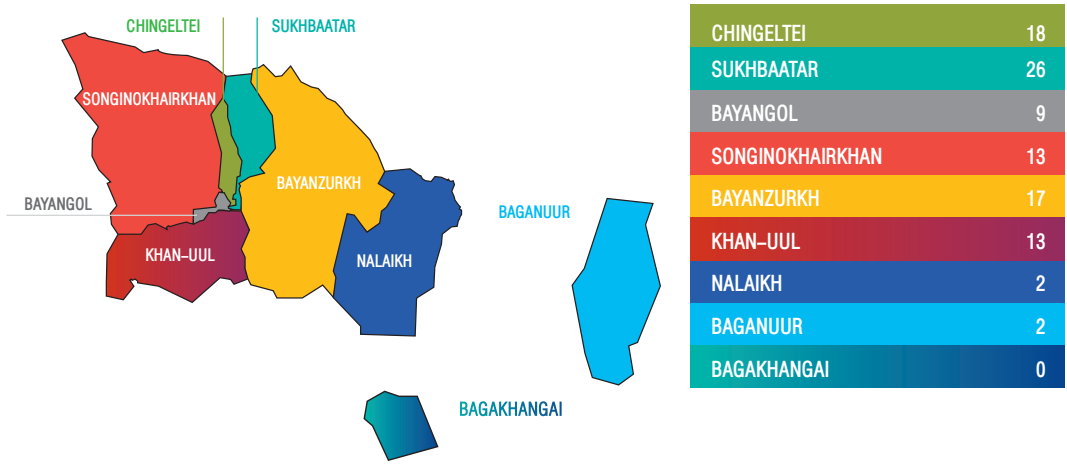


- o Current assets accounted for 98.7 and non-current assets for 1.3% of the total assets.
- o Cash assets represented 24.7% of net capital and 66.6% of the loan balance, while receivables accounted for 5.6%. Other assets constituted 2.4%, with 0.3% attributed to other owned assets, and 0.3% to short-term investment of net capital.
- o Liabilities accounted for 77.3% of net capital, while own assets represented 22.7% of net capital.

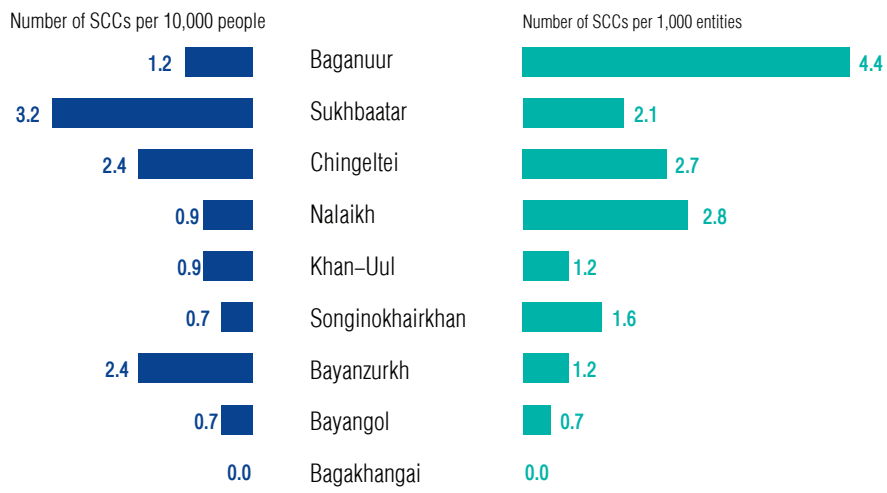
ACCESSIBILITY



- Among the 91 SCCs located in rural areas, 44.0% were in the Western Region, 23.1% in the Eastern Region, 19.7% in the Mountain Region, and 13.2% in the Central Region.
- Out of the 101 SCCs in Ulaanbaatar, 96.0% were situated in the central six districts, with the remaining 4.0% located in the three remote districts.

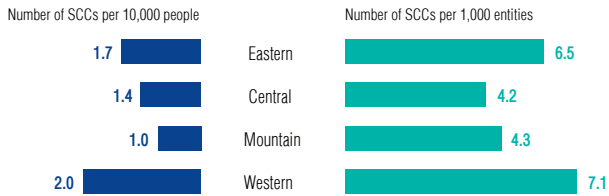


Financial inclusion indicators, such as the number of Savings and Credit Cooperatives (SCCs) per 10,000 people aged 18 to 64 years and per 1,000 entities were released by the AFI Data Working Group in 2013,



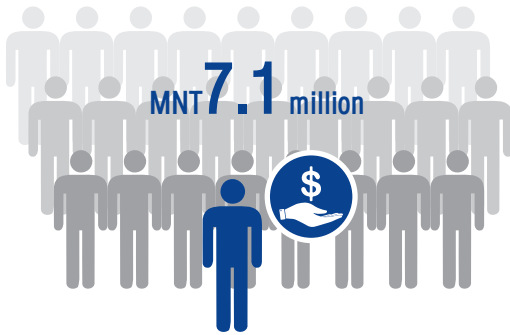
- o Regarding the number of SCCs per 1,000 entities, Nalaikh district had 2.8 SCCs, Baganuur district had 4.4 SCCs and Bayangol district had the least with 0.7 SCCs .
- o Concerning the number of SCCs per 10,000 people, Sukhbaatar, Chingeltei, and Bayanzurkh districts led with 3.2, 2.4, and 2.4 SCCs respectively.

¹ <https://www.afi-global.org/sites/default/files/publications/fidwg-core-set-measuring-fi.pdf>



The Western Region had the highest number of SCCs, per 1,000 entities and per 10,000 people as indicated

Average loan per member



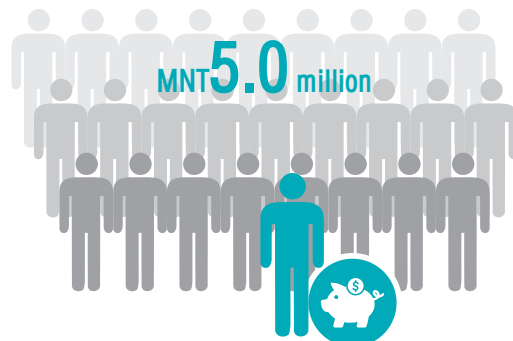
ACCESS TO LOANS

- o Nationally, one in 66 individuals aged 18 to 64– was both a member of an SCC, and received a loan.
- o In rural areas, the ratio was slightly better, with one in 63 individuals being members of SCCs and receiving loans, while in Ulaanbaatar, it was one in 71 individuals.
- o The average individual loan among all members who received loans was MNT7.1 million nationwide.
- o The average loan per member was higher in Ulaanbaatar at MNT11.8 million compared to MNT3.2 million in rural areas.

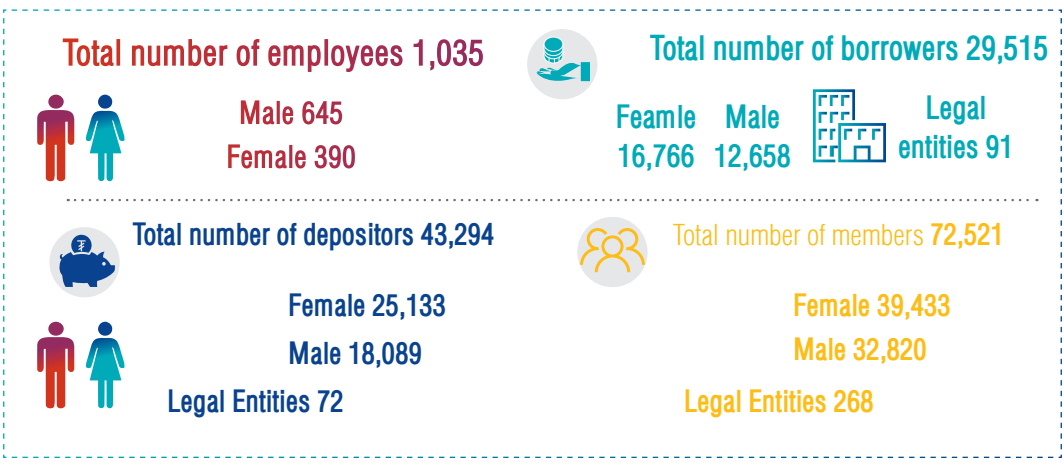
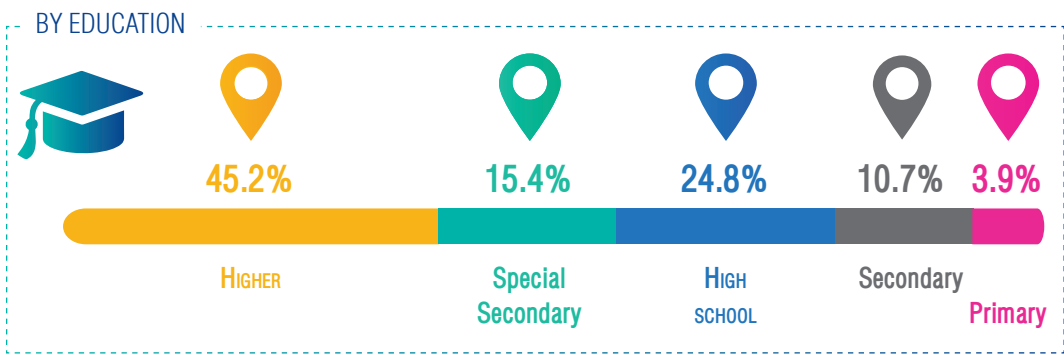
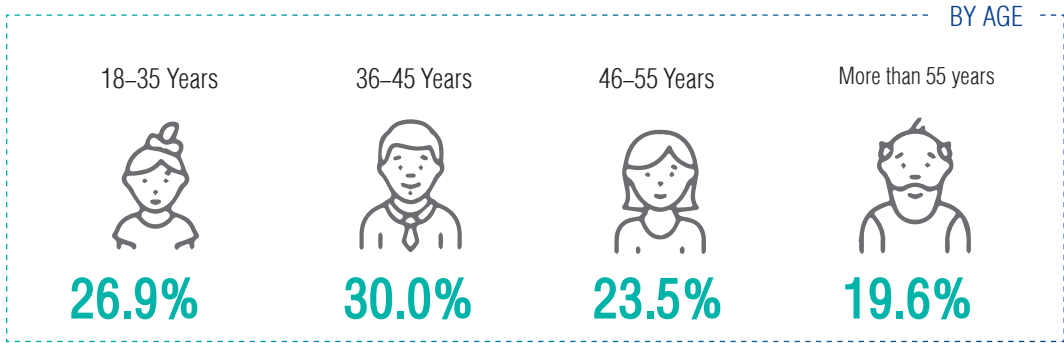
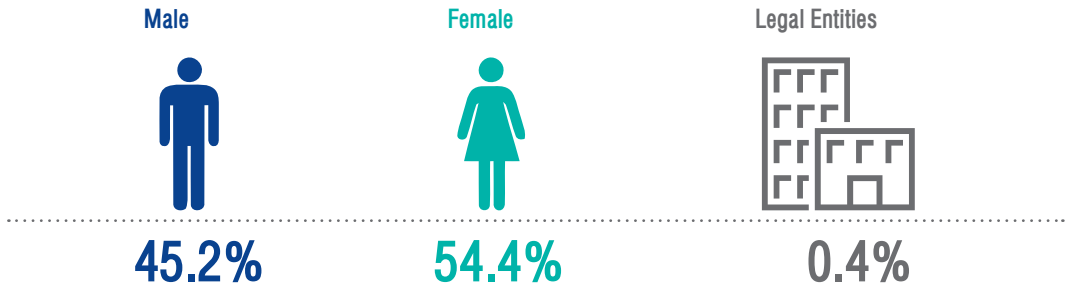
ACCESS TO SAVINGS

- o Nationally, one in 45 individuals aged 18 to 64 was engaged in saving at an SCC.
- o In rural areas the ratio was slightly lower, with one in 50 individuals being members of SCCs and engaged in saving, while in Ulaanbaatar, it was slightly higher at one in 41 individuals.
- o The average individual savings among all members holding savings accounts was MNT5.0 million.
- o The average savings per member was higher in Ulaanbaatar at MNT7.4 million compared to MNT2.2 million in rural areas.

Average amount of savings per member



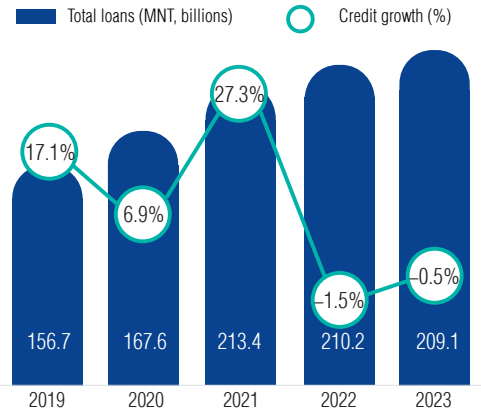
MEMBERS OF SCCs



PRODUCTS AND SERVICES

LOANS FROM SCCs

- Total loans amounted to MNT209.1 billion; which decreased by 0.5% (MNT 1.1 billion) compared to 2022, and increase by 33.4% (MNT 52.4 billion) compared to 2019.
- Net loans decreased by 0.4% – to MNT204.2 billion – compared to the previous year, while the credit risk fund decreased by 7.9% to MNT4.8 billion.



NORMAL

92.7%



OVERDUE

4.1%



NON-PERFORMING

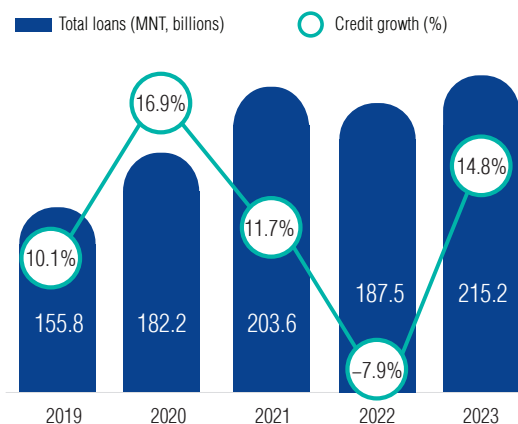
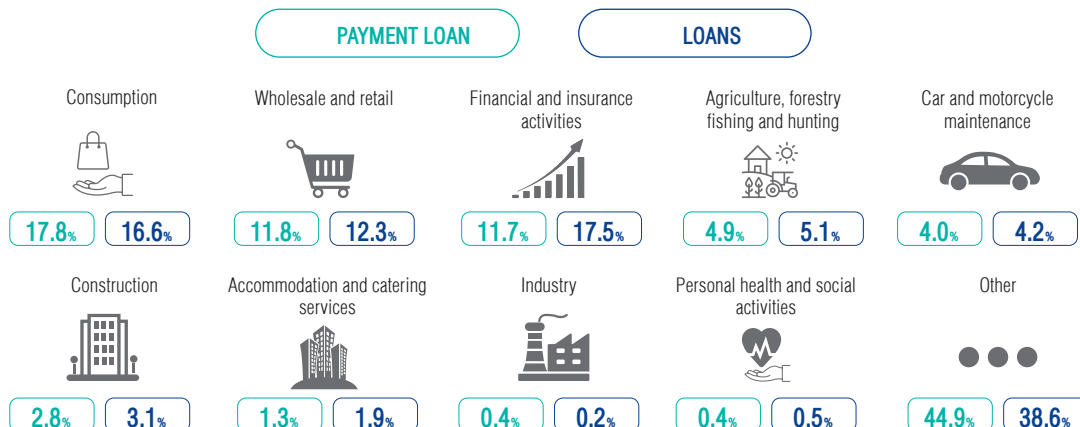
3.2%

LOAN QUALITY OF SCCs

- Normal loans decreased by 1.7% to MNT193.9 billion from the previous year, constituting 92.7% of total loans.
- Overdue loans increased by 43.7%; rising by MNT8.5 billion from the previous year. Non-performing loans decreased by 5.3%; increasing by MNT6.7 billion from the previous year.
- SCCs' non-performing loans increased by MNT0.5 billion (8.5%) compared to 2019.

PURPOSE OF SCC LOANS

- The majority (16.6%) of loans were issued for general consumption, followed by 12.3% for the wholesale and retail sectors, and 17.5% for financial and insurance purposes.
- Of the total repaid loans, 17.8% were from general consumption, 11.8% from wholesale and retail trade, and 11.7% from financial and insurance sectors.



SCCs SAVINGS

- o Total savings in SCCs increased by 14.8% to MNT215.2 billion compared to the previous year.
- o The total savings in SCCs surged by MNT59.4 billion (38.1%) compared to 2019.

TOTAL SAVINGS

- o Term savings accounted for 97.4% of total savings, while non-term savings accounted for 2.6%.



97.4%

Term deposit



2.6%

non-term deposit



Deposits attracted

189 SCCs



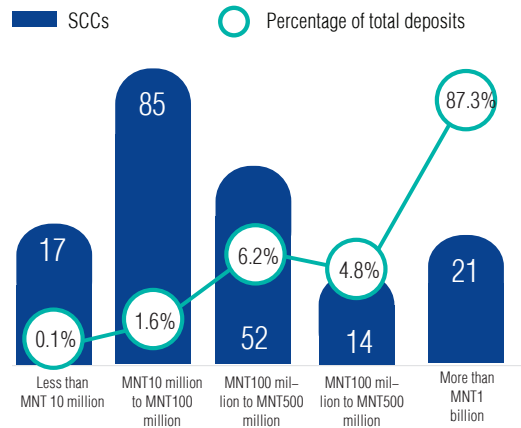
No deposits

2 SCCs

- o 189 SCCs (97.4%) held total savings amounting to MNT215.2 billion.
- o The remaining 2 SCCs (2.6%) had no deposits at all.

PERCENTAGE OF TOTAL SAVINGS

- o 21 SCCs with savings exceeding MNT1 billion each constituted MNT187.8 billion (87.3%) of total deposits in the sector.
- o 151 SCCs with savings ranging from MNT10 million to 1 billion each accounted for MNT27.3 billion (12.66%) of total deposits.
- o 17 SCCs with savings less than MNT10 million each accounted for MNT0.08 billion (0.04%) of total deposits.



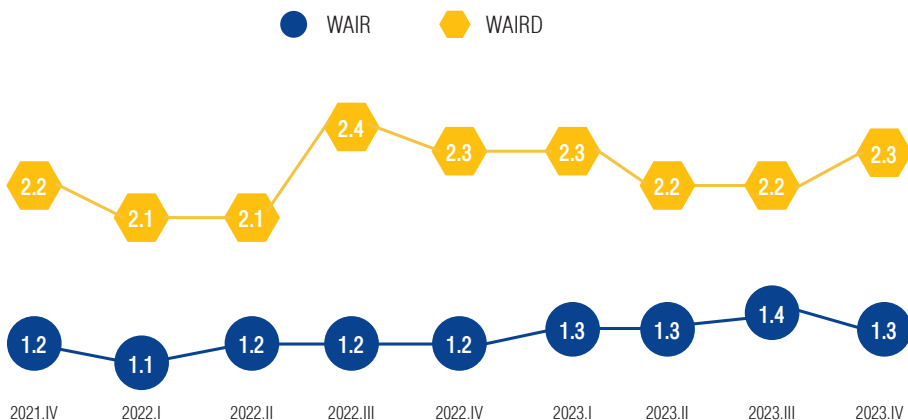
1.3%

Weighted average monthly interest rate on deposits



2.3%

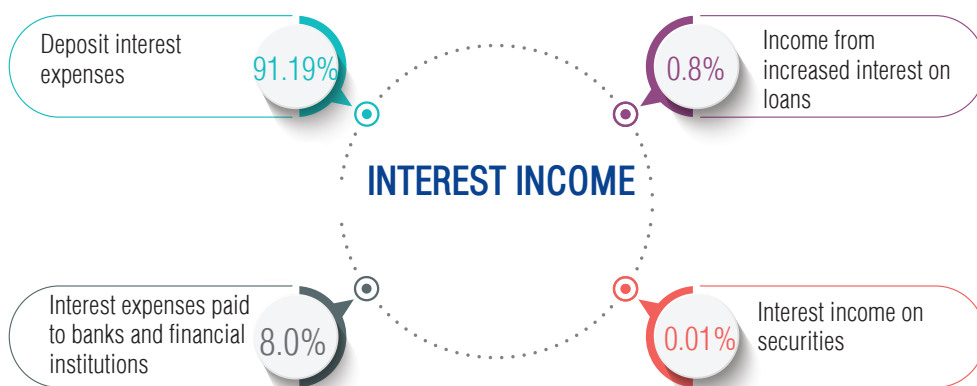
Weighted average monthly interest rate



INCOME

The total interest income of SCCs increased by 9.5%, to MNT61.2 billion, compared to 2022.

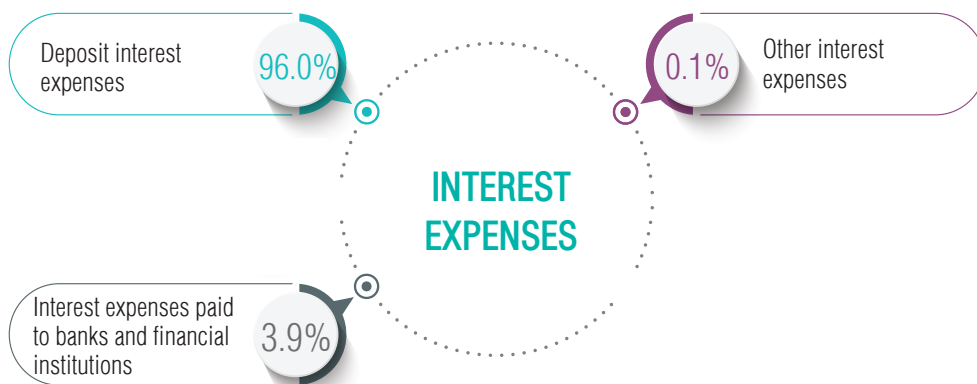
- o Loan interest income comprised the majority at MNT55.9 billion (91.19%), while interest income from banks and financial institutions accounted for MNT4.9 billion (8.0%).
- o Increased interest income from loans contributed MNT435.7 million (0.8%), and interest income from securities was MNT8.1 million (0.01%).



EXPENSES

Total interest expenses of SCCs increased by 13.1% to MNT34.2 billion compared to 2022.

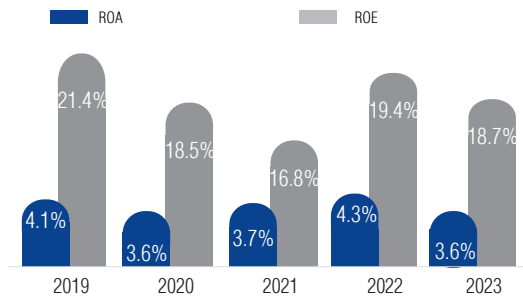
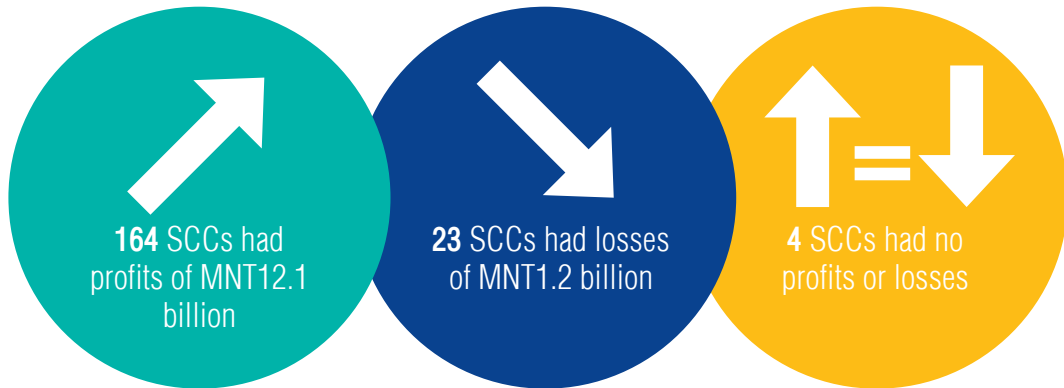
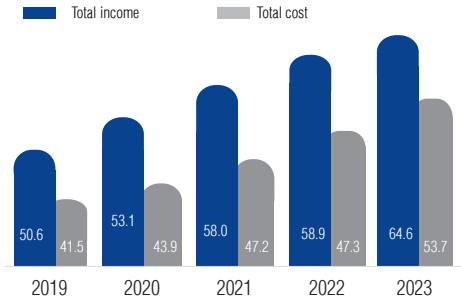
- o Deposit interest rates was MNT32.9 billion (96.0%) of total interest expenses.
- o Interest paid to banks and financial institutions accounted for MNT1.3 billion. (3.9%).
- o Other interest expenses amounted MNT39.9 million (0.1%).



PROFITABILITY

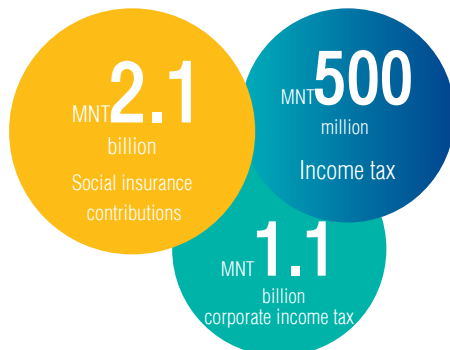
INCOME AND EXPENSES OF SCCs

- o SCC earned MNT64.6 billion in revenue and spent MNT53.7 billion in expenses, resulting in a profit of MNT10.9 billion. o The share of net profits from total revenue decreased by 2.7 percentage points from 2022 and to reach 17.0%.



TOTAL RETURN ON EQUITY

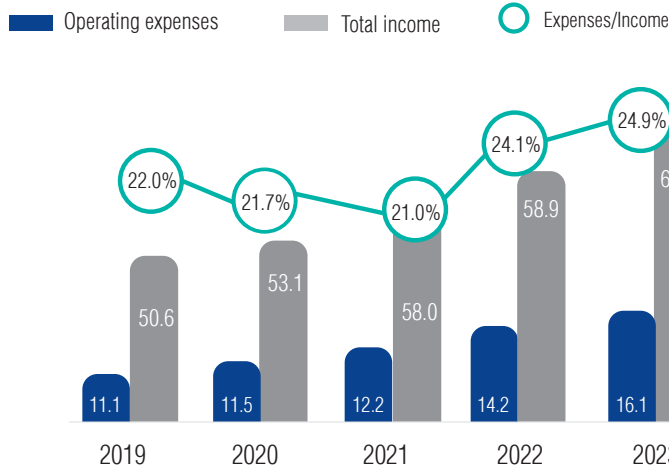
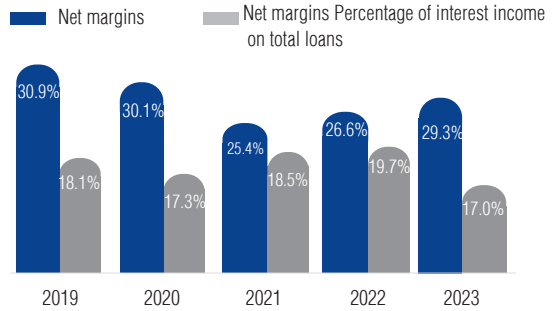
- o The return on equity of SCCs decreased by 0.7 percentage points to 18.7%, compared to the previous year.
- o The return on equity decreased by 0.7 percentage points to 3.6%.



- o SCC spent MNT2.1 billion on social security and health insurance, MNT1.1 billion on Corporate Income Tax, and 0.5 billion on personal income tax.

KEY RATIOS

- o The share of interest income in total loans increased by 2.7 percentage points from 2022 and reached 29.3%.
- o The ratio of net income to total income decreased by 2.7 percentage points compared to 2022, reaching 17.0%.



COST REVENUE RATIO

- o SCCs spent an average of MNT24.9 to earn MNT100.

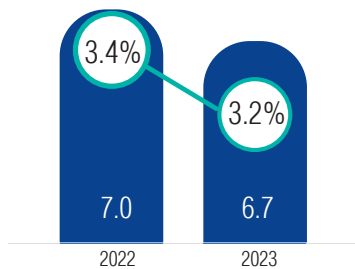


STABILITY

SCCs assess the potential risks of their operations based on four key indicators (PEARLS) methodology, including:

1. Asset quality and protection.
2. Effective financial structure.
3. Return and cost share.
4. Liquidity.

■ Non-performing loans (MNT, billions)
○ Percentage of non-performing loans in total loans



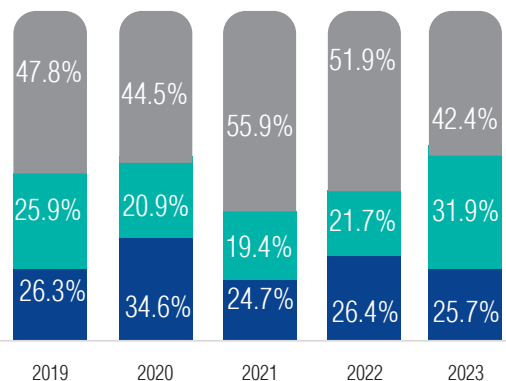
NON-PERFORMING LOANS OF SCCS

- The total amount of non-performing loans decreased by MNT0.3 billion compared to 2022 and reached MNT6.7 billion.
- The share of non-performing loans on total loans decreased by 0.2 percentage points to 3.2%, meeting the prudential ratio standards of SCCs, (less than 5.0%).

CLASSIFICATION OF NON-PERFORMING LOANS

- The share of abnormal loans in the nonperforming loans category decreased by 0.7 percentage points – compared to 2022 – to 25.7%.
- Doubtful loans increased by 10.2 percentage points to 31.9%, while the share of bad debts in non-performing loans was 42.4% and decreased by 9.5% compared to 2022.

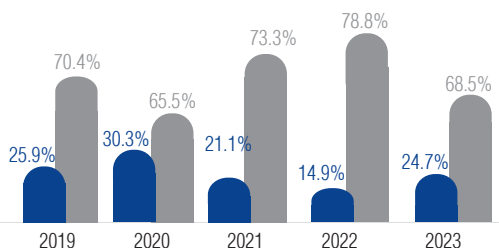
■ Abnormal loans ■ Doubtful loans ■ Non performing loans



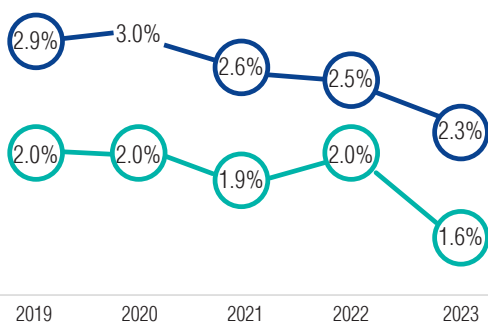
LIQUIDITY OF SCCS

- In the reporting period, the ratio of monetary assets to total assets was equal to 24.7%.
- The ratio of short-term investments and total loans to total assets was equal to 68.5%.

■ (RSTI+Total loans)/Total assets ■ Cash assets/Total assets



- Share of credit risk fund in total loans
- Share of credit risk fund in total assets



CREDIT RISK FUND

- In the first quarter of 2023, the share of the credit risk fund in total loans was 2.3%, and the share of the credit risk fund in total assets

Ratio	Adequate level	END OF THE YEAR
Loans received from others/Total loans	<20%	1.6%
Total savings/Total assets	20%–80%	70.2%
Net loans/Total assets	60%–85%	66.6%
Equity of cooperatives/Total assets	>5%	13.6%
Reserve fund/Equity of cooperatives	>3%	30.3%
Savings protection fund/Equity of cooperatives	>5%	6.9%
Stabilization fund/Equity of cooperatives	>5%	6.8%
Operating expenses/Total assets	<15%	5.3%

REGULATORY ENVIRONMENT



POLICY AND LEGISLATION

- o The draft of the revised Law on Savings and Credit Cooperatives, along with accompanying laws, concepts, presentations, research, impact assessments, and cost estimates, was submitted to the relevant members of the Standing Committee on Economy of the State Great Khural.



INTERNATIONAL COOPERATION

- o Under the ADB's project (TA-6883 REG) 'Accelerating Gender Equality in East Asia for an Inclusive and Green Recovery', basic research was completed to determine the green financing needs of micro, small, and medium enterprises of SCC women members. The results of the research and the possibility of introducing international practices for developing green credit products and increasing green financing in SCCs were presented to the SCCs meeting organized on October 26, 2023, in a discussion that included representatives of policymakers and supporting organizations.
- o Additionally, In cooperation with ADB, the project "Project to Expand the Capacity of the Nonbank Finance Sector to Support Financial Access" under TA-9654MON was successfully implemented in the SCC market during 2019-2023.



MEETINGS AND SEMINARS

- o By Article 2.1.16 of the "Conditions and Requirements for the Operation of Savings and Credit Cooperatives" approved by Resolution No. 384 of 2023 of the FRC, The National Association of Savings and Credit Cooperatives of Mongolia organized training courses and issued certificates to participants who met the requirements.





CREDIT GUARENTEE FUND

Total assets

MNT299.1
billion



Financial market status

Average amount of
one guarantee

MNT **157.9**
million



Accessibility

Number of
requests submitted

440



Products and services

Number of requests
approved

355

Profitability



Total income

MNT **11.0** billion

Total profit

MNT **5.3** billion

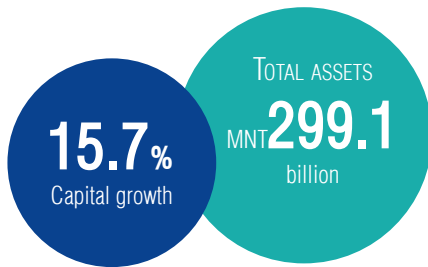
Stability



Percentage of non-performing
guarantees

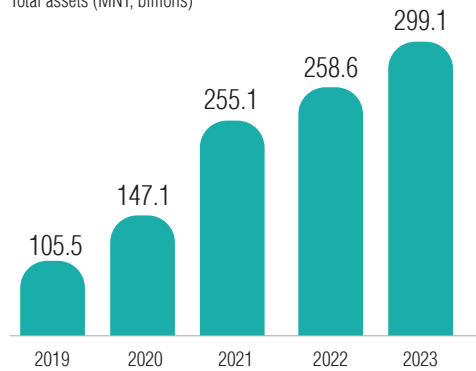
6.4%

FINANCIAL MARKET STATUS



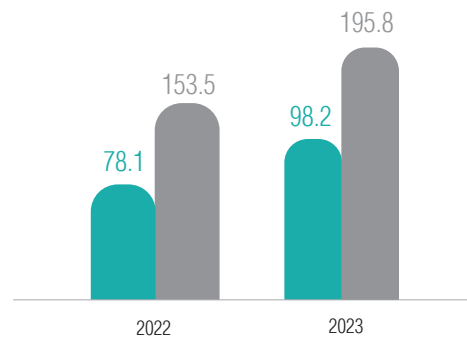
Total assets of the Fund reached MNT 299.1 billion; an increase of 15.7% or MNT40.5 billion, compared to 2022.

Total assets (MNT, billions)



- o The Fund's guarantee balance reached MNT98.2 billion, an increase of MNT20.1 billion (25.7%), compared to 2022.
- o The guaranteed outstanding balance increased by MNT42.3 billion (27.6%) to reach MNT195.8 billion, compared to 2022.

Guarantee balance
Guaranteed loan balance



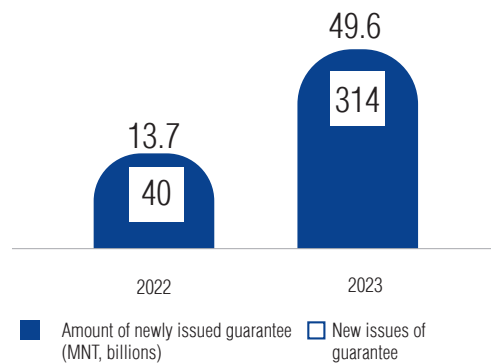
MNT195.8 billion
Guaranteed loan balance

MNT98.2 billion
Guarantee balance

314
New issued guarantee

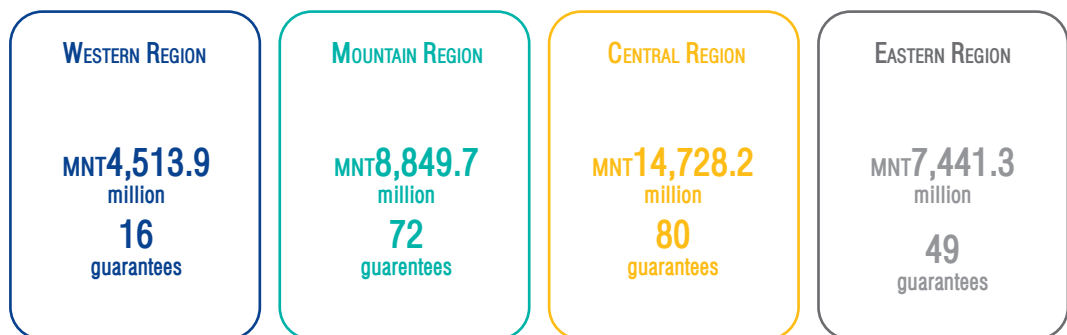
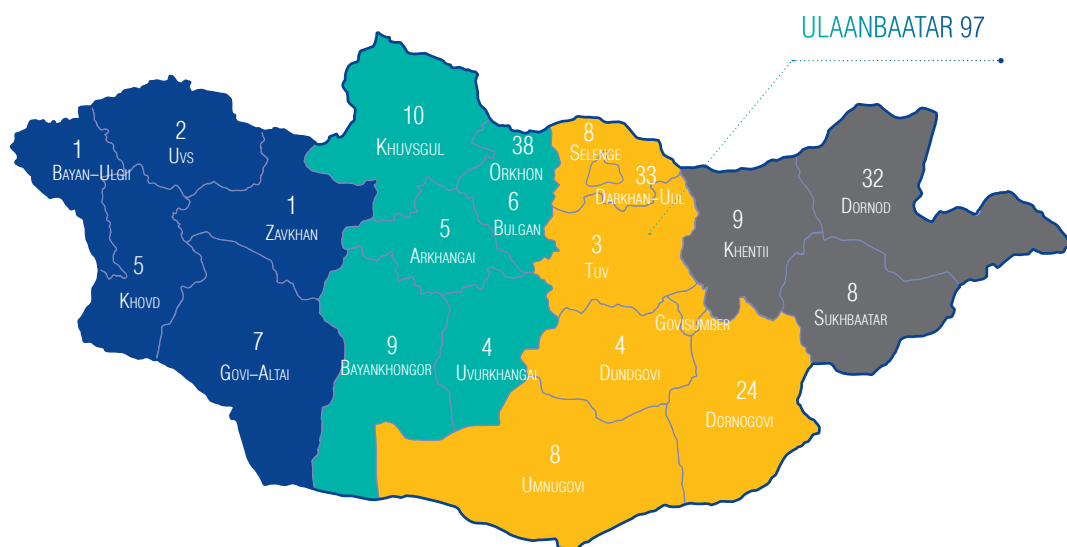
- o In 2023, credit guarantees worth MNT49.6 billion were issued for 314 credits worth MNT99.2 billion. The number of credit guarantees increased by 7.8 times while the amount increased by 3.6 times.

New issues of guarantee (MNT, billions)

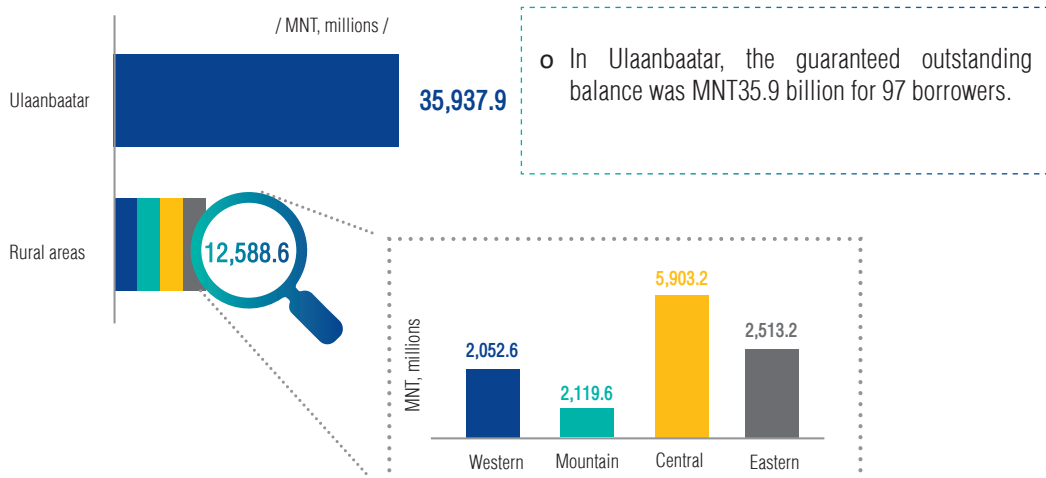


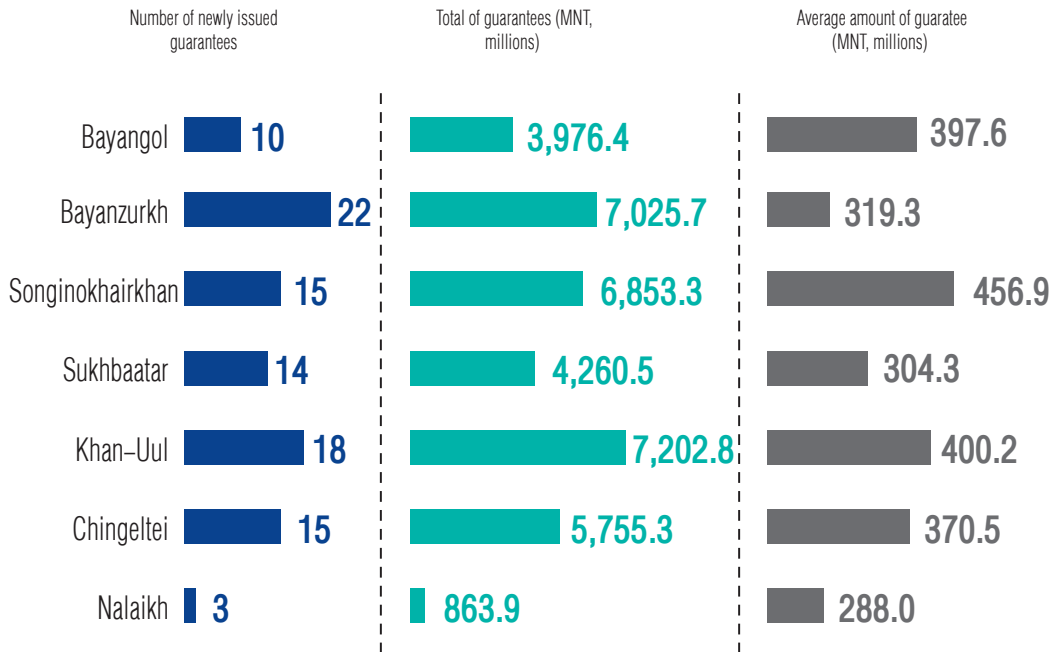
ACCESSIBILITY

Availability of 2023 credit guarantee



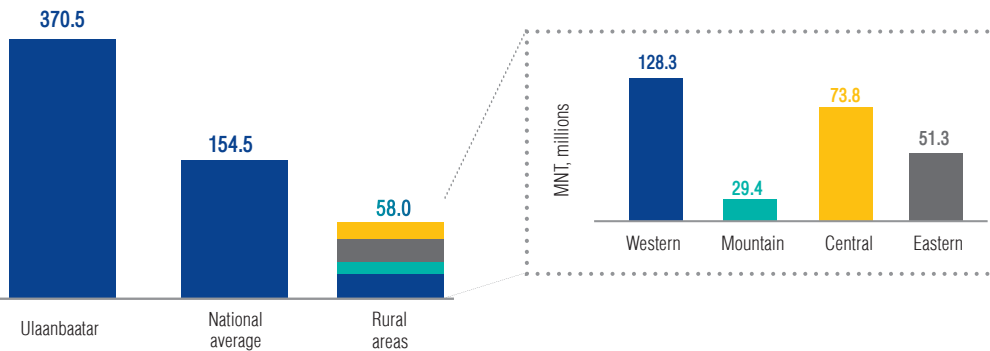
AVERAGE AMOUNT OF GUARANTEE





AVERAGE AMOUNT OF GUARANTEE

- o The average guarantee amount in Ulaanbaatar stood at MNT 370.5 million while MNT58.0 million in the provinces. The national average guarantee amount was MNT154.5 million.
- o Notably, in the western region, the loan outstanding reached the highest figure, amounting to MNT 128.3 million



PRODUCTS AND SERVICES

	Number of applications for a guarantee	Number of applications approved	Percentage
2020	128	72	56.3%
2021	334	244	73.0%
2022	75	42	56.0%
2023	440	355	80.7%

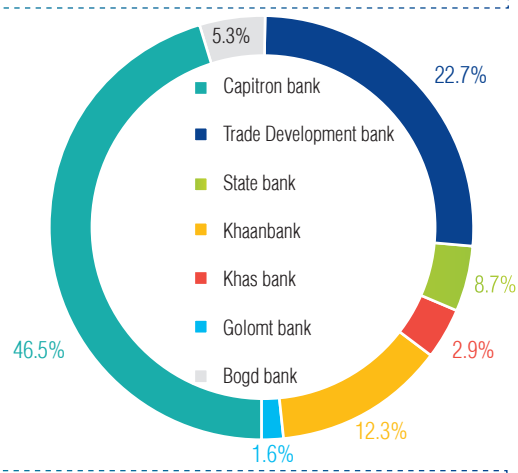
A total of 440 applications for guarantees were received, and 355 were approved. Of which, 314 guarantees were issued. The number of submitted applications increased by 5.9 times, and approved guarantees increased by 8.5 times. The percentage of approved requests was 80.7; an increase of 24.7 percentage points.



38.3% of guarantees were issued for wholesale and retail, 38.9% for manufacturing, and 22.8% for other sectors.

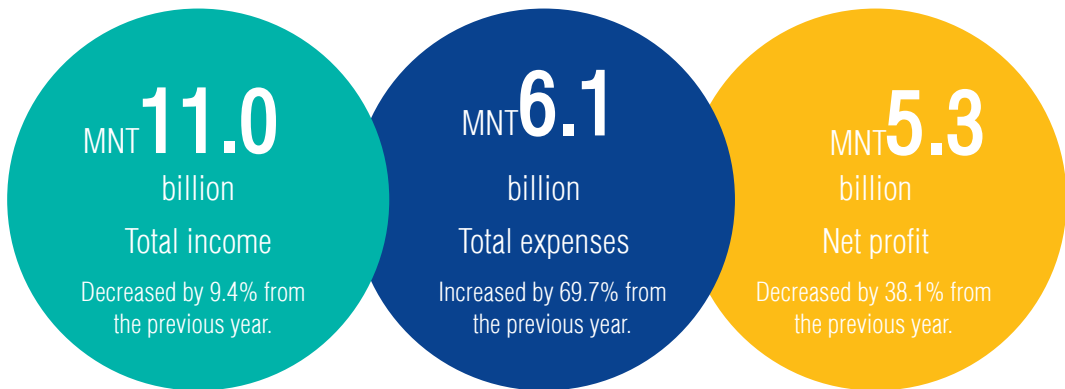
- o The average term of the issued guarantees was 193.6 months (16.1 years) in 2023.
- o This was an increase of 108.8 months (9.1 years) compared to 2022.

193.6
MONTHS

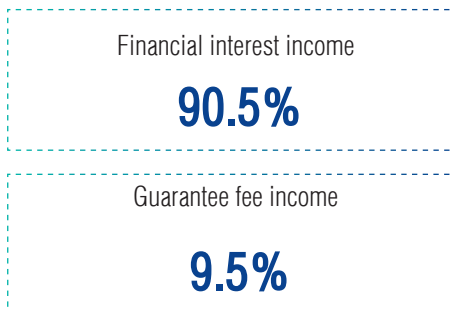


In 2023, 46.5% of the guarantees were issued by Capitron Bank, 22.7% by the Trade Development Bank, 12.3% by Khan Bank, 8.7% by State Bank, 5.3% by Bogd Bank, 2.9% by Xac Bank, and 1.6% by Golomt Bank.

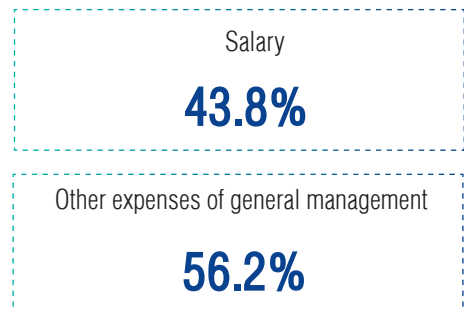
PROFITABILITY



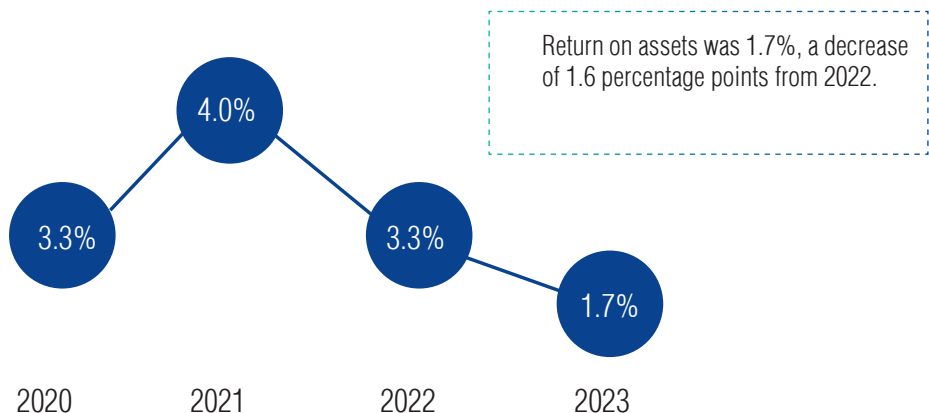
Income structure



Cost structure



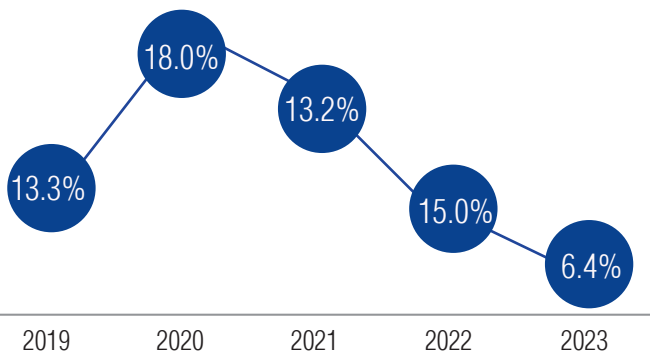
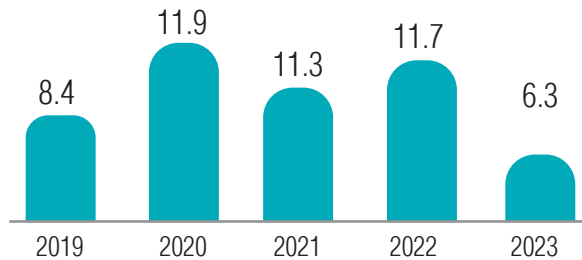
Return on total assets



STABILITY

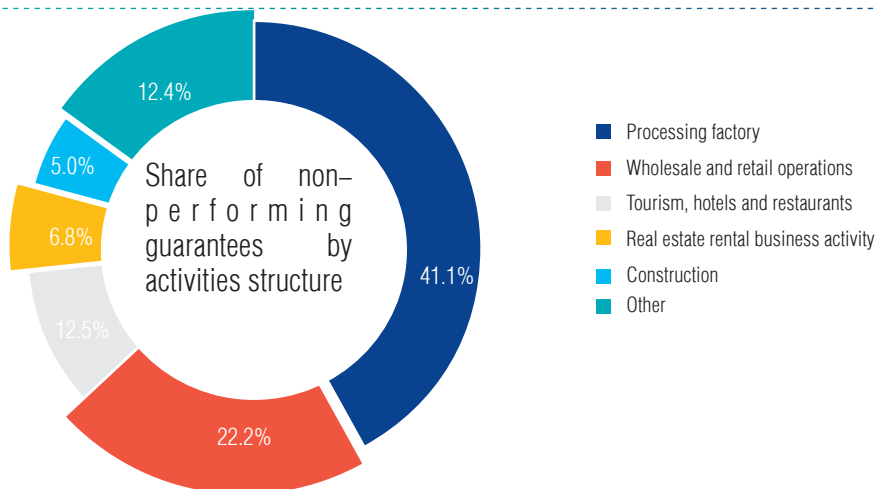
The balance of non-performing guarantees was MNT6.3 billion.

Balance of non-performing guarantees (MNT, billions)



The share of non-performing guarantees in the total outstanding balance decreased by 8.6 percentage points to 6.4% from the previous year.

o Among non-performing loans, 41.1% were in the manufacturing sector, 22.2% in the wholesale and retail, 12.5% in the tourism sector, 6.8% in the real estate sector, 5.0% in the construction sector, and 12.4% in other sectors.





REAL ESTATE BROKERS (and AGENTS)

Regulated entities

308



Market outlook

Real estate was bought and transferred

MNT2,287.5
billion



Product and service

Accessibility



98.7% of entities
operated in Ulaanbaatar

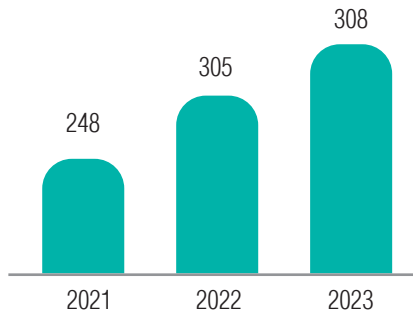
Regulated environment



MARKET OUTLOOK



308 licensed real state entities operated; an increase of 3 compared to 2022.



The number of brokers was 321; an increase of 2 (0.6%). The number of agents was 1,284; a decrease of 211 (14.1%).

Statistics



On average, entities had one broker and four agents. The highest number of agents per entity was 75.

SHARE CAPITAL

The share capital of 465 shareholders was MNT6.7 billion



TOTAL ASSETS

Total assets were MNT 242.8 billion. MNT 196.4 billion or (80.9%) of the total assets were current assets, and the remaining 19.1% (MNT46.4 billion) were non-current assets. MNT207.9 billion (85.6%) of total assets were debt, and MNT34.9 billion (14.4%) was owners' capital.

Classification of assets and resources	Amount / MNT, billion/	Proportion of assets and resources
CURRENT ASSETS	196.4	80.9%
NON-CURRENT ASSETS	46.4	19.1%
LIABILITIES	207.9	85.6%
OWNER'S PROPERTY	34.9	14.4%

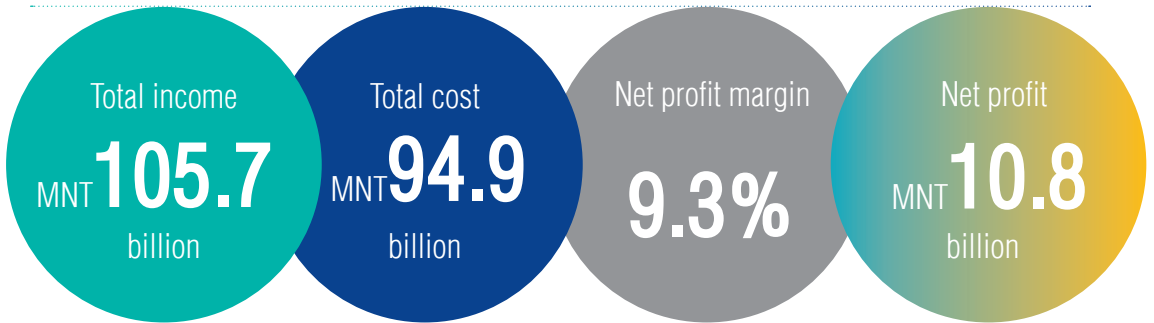
Considering the market share in terms of total assets, 10 companies accounted for 80.1% of the market, and 57 companies accounted for 95%. Considering the market share in terms of total assets, 11 companies constitute 80.7%.

101 companies with more than MNT90 million worth of assets accounted for 58.1%, 28 companies with MNT60 million to MNT90 million worth of assets accounted for 9.1%, and 179 companies with up to MNT60 million worth of assets accounted for 58.1%.

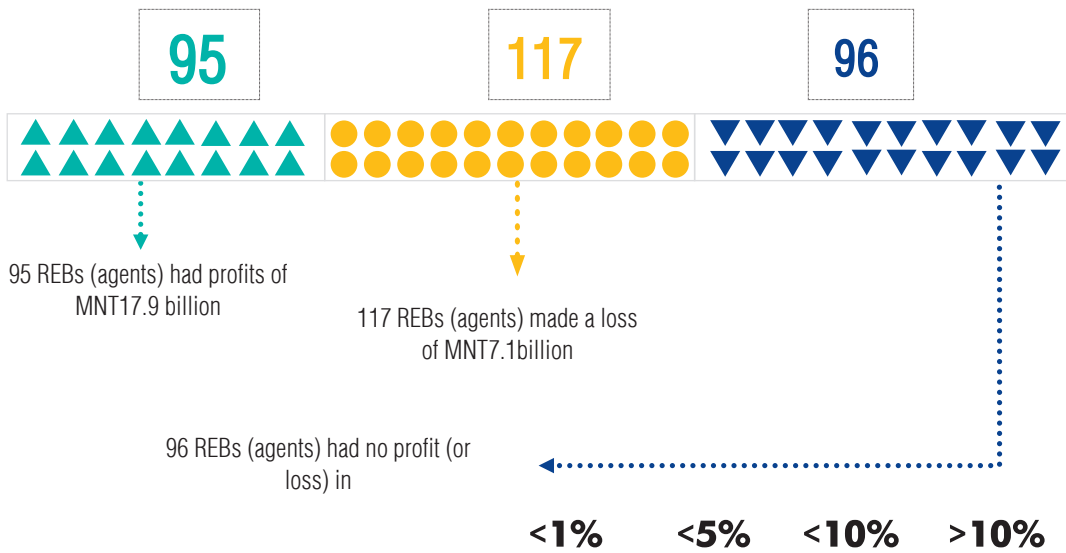
MARKET SHARE

Amount of assets	Companies	Market share
Up to MNT15million	89	0.4%
Up to MNT30 million	53	0.4%
Up to MNT60 million	36	0.7%
Up to MNT90 million	28	0.9%
More than MNT90 million	102	97.6%

PROFITABILITY



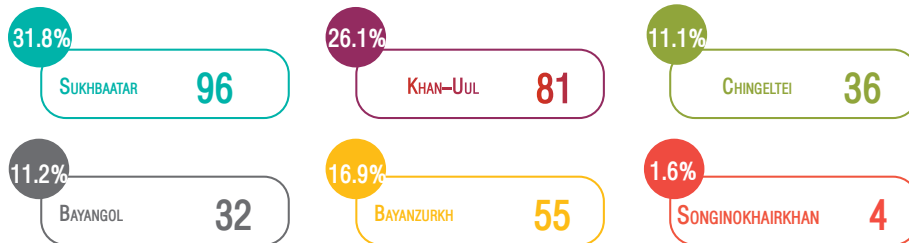
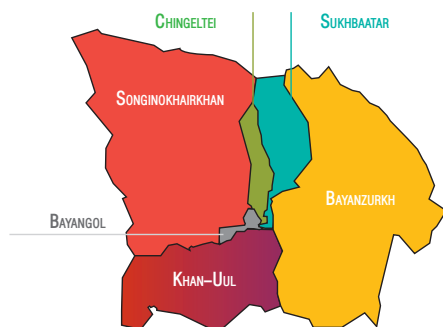
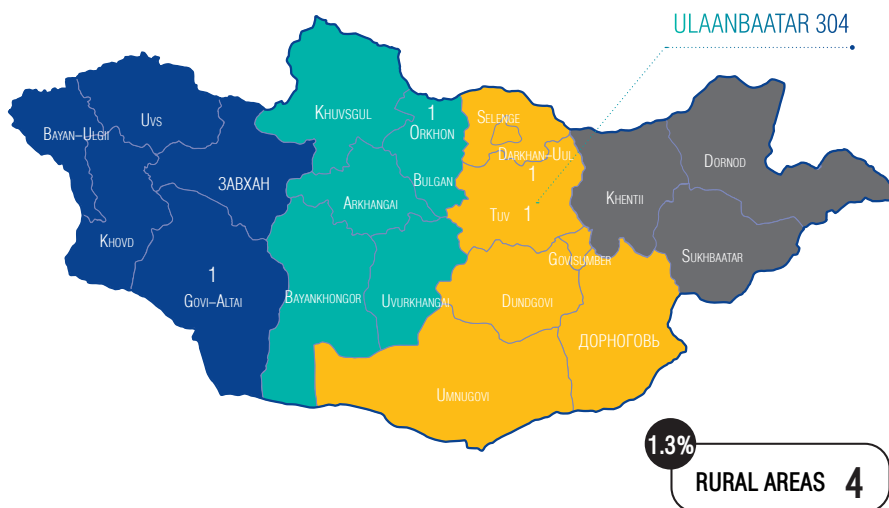
Real estate entities' income was MNT105.7 billion and expenditure was MNT94.9 billion. Net profit was MNT10.8 billion.



		<1%	<5%	<10%	>10%
ROE	<p>29.0%</p> <p>2023</p>	162	12	7	127
ROA	<p>4.2%</p>	220	13	20	55

ACCESSIBILITY

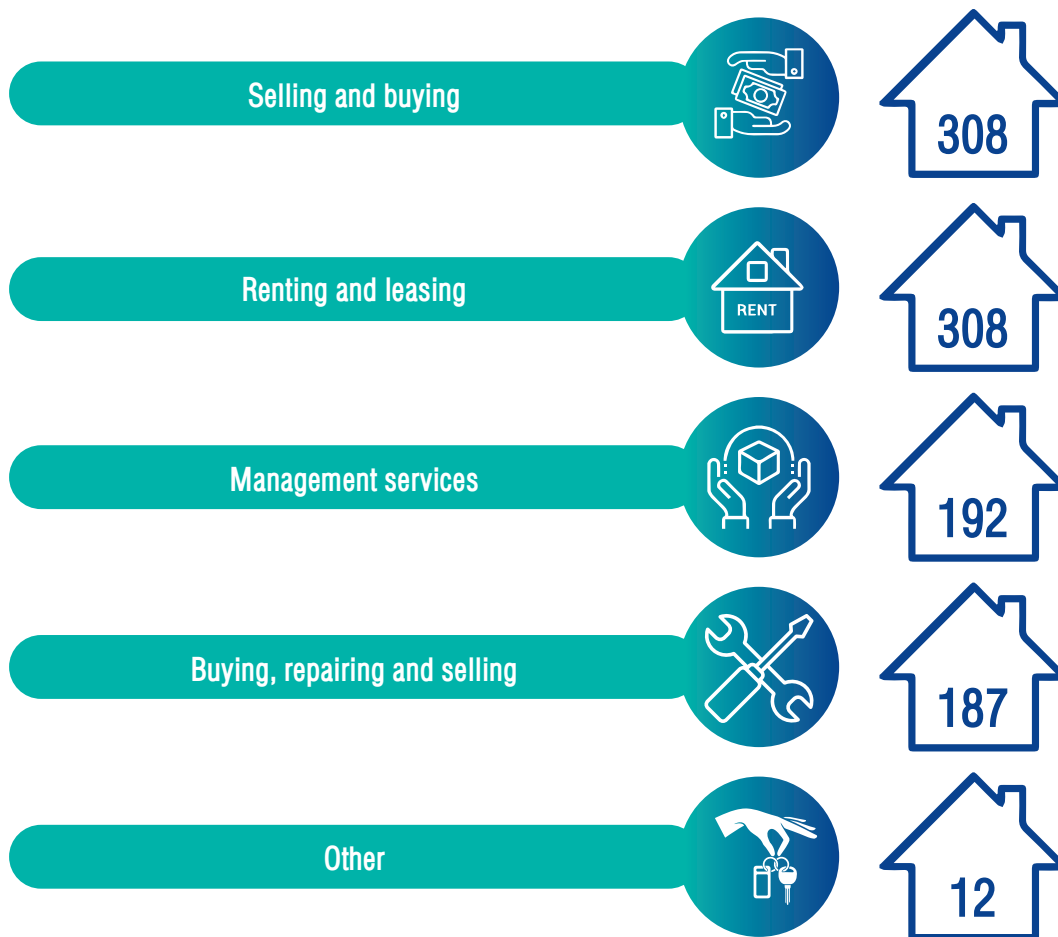
LOCATION OF ENTITIES WITH LICENSES



Among licensed entities, 31.2% were in Sukhbaatar district, 26.3% in Khan Uul, 17.6% in Bayanzurkh, 10.4% in Bayangol, 11.9% in Chingeltei, and 1.3% in Songinokhairkhan district.

PRODUCTS AND SERVICES

NUMBER OF REB AND AGENTS, AND TYPES OF SERVICES (WITH DOUBLE-COUNTING)

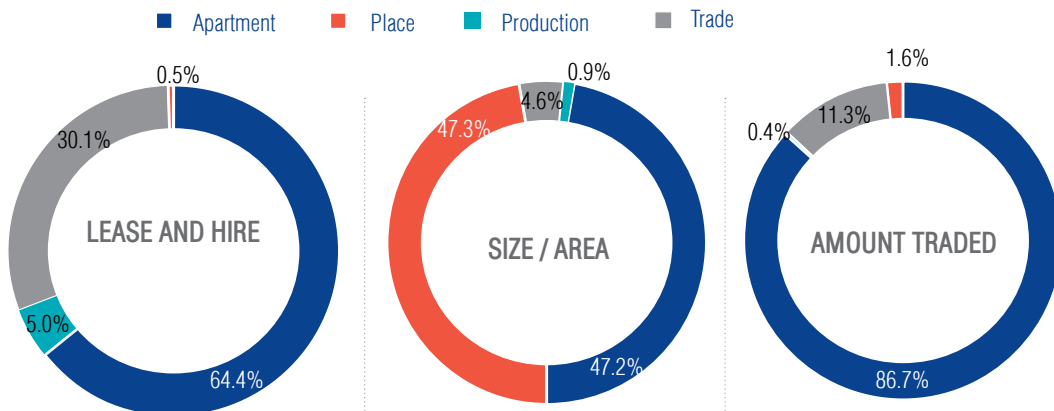


NOTE

The average price of 1 square meter of an old apartment was MNT3.6million. Notably, the Sukhbaatar district recorded the highest price at MNT4.3 million, while the Songinokhairkhan district had the lowest at MNT2.6 million. For new apartments, the average price per square meter was MNT4.0 million. In the Sukhbaatar district, the price reached the highest at MNT4.3 million, while the Songinokhairkhan district had the lowest at MNT2.7 million.

PRODUCTS AND SERVICES

SELLING AND BUYING BROKERAGE (BY TYPE OF REAL ESTATE)/



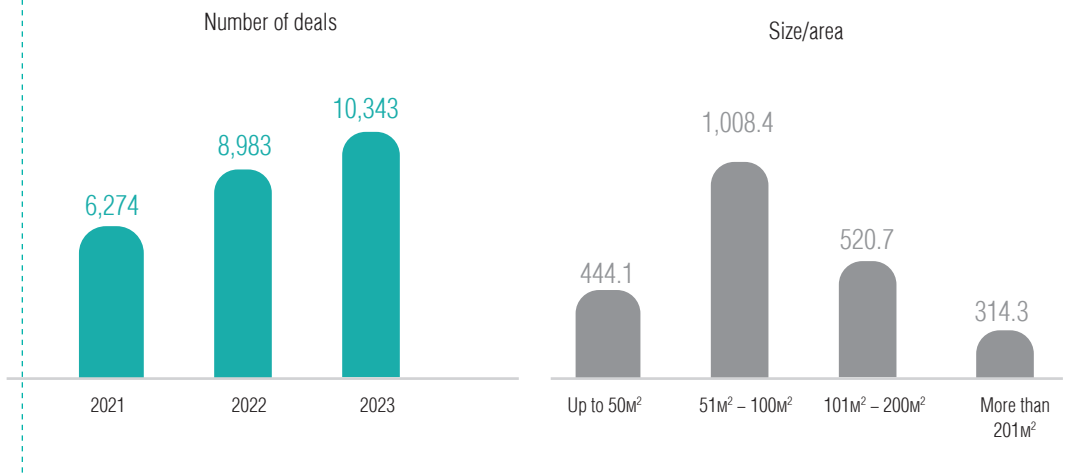
Most (64.4%) of deals in rented and leased real estate were residential, 30.1% were commercial, 5.0% were industrial real estate, and 0.5% were land.

47.3% of sold real estate were land, 47.3% were residential, 4.6% were commercial, and 0.9% were industrial.

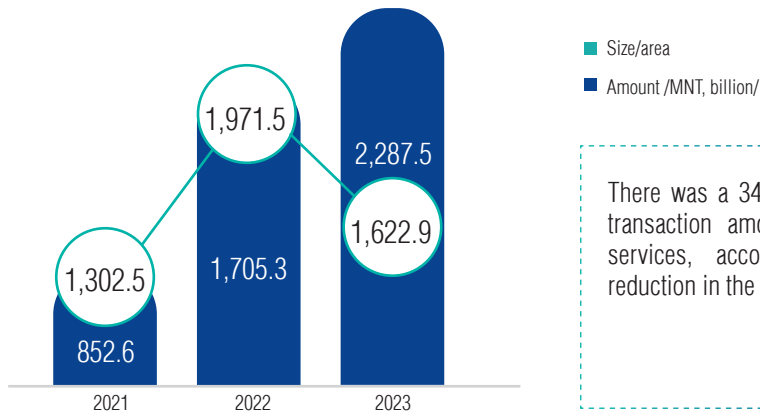
86.7% of the value of all sales were residential, 11.3% were commercial, 1.6% were land, and 0.4% were industrial.

RENTING AND LEASING

A total of 10,343 real estate deals, encompassing a combined area of 1,622,900 square meters and valued at MNT2,287.5 billion, were conducted.



Real estate sales

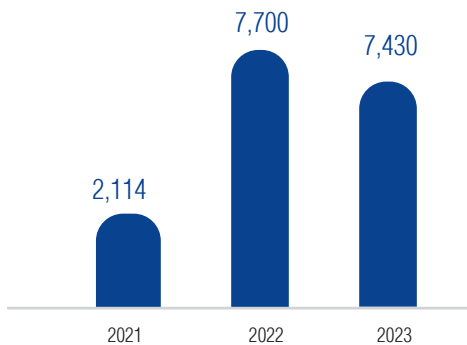


There was a 34.1% increase in the total transaction amount of sold real estate services, accompanied by a 17.7% reduction in the total area.

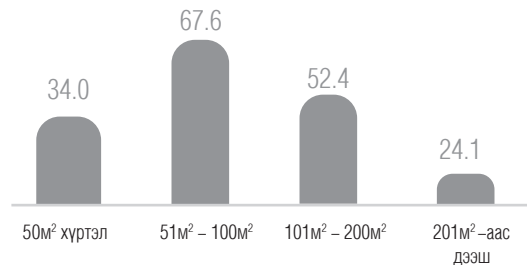
RENTING, LEASING, HIRING AND EMPLOYMENT SERVICES

Real estate with a total area of 600,000 m² and a value of MNT178.1 billion was rented or leased through 7,430 deals.

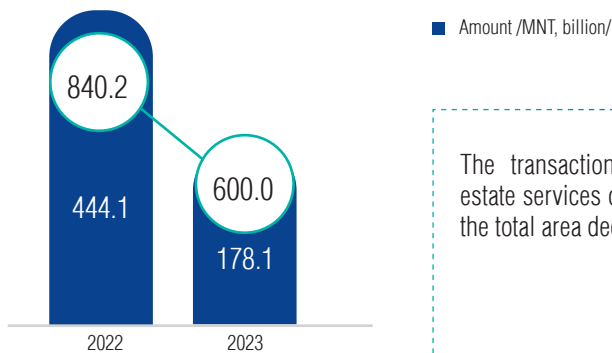
Number of deals



Size/area



Real Estate Lease



The transaction amount of rented real estate services decreased by 59.9% while the total area decreased by 28.6%.

District	Price /MNT, thousand/
Nalaikh	1,124.4
Songinokhairkhan	2,758.2
Bayanzurkh	3,068.0
Bayangol	3,087.3
Sukhbaatar	3,383.2
Khan-Uul	3,438.3
Chingeltei	3,560.3

The average price of one square meter of the purchased residential real estate through real estate entities is presented.

STABILITY

SHORT-TERM CONVERTIBILITY

212 of the total real estate entities have short-term outstanding loans.

LONG-TERM CONVERTIBILITY

In terms of long-term liquidity, there are 31 NDF institutions. According to the ratio of their liabilities and assets, there are 15 whose liabilities are less than 50 percent of the total assets, 6 whose liabilities are between 50 and 100 percent, and 9 more than 100.



REGULATORY ENVIRONMENT



POLICY AND LEGISLATION

- o The 'Regulation on remote and on-site supervision for REAs/REBs' was revised by the FRC's Resolution No.235 on 23 June 2023.
- o A draft code of conduct for the real estate sector's professional participants was developed, and discussion among professional associations and real estate sector's representatives was organized.
- o The profession of real estate brokers and agents was included in the National Occupational Standards, and occupational standards were approved by resolution No.03 of the National Council for Employment on 03 February 2023, based on delivering a request to the Ministry of Labour and Social Protection.



COOPERATION

- o The profession of real estate brokers and agents was included in the National Occupational Standards, and occupational standards were approved by resolution No.03 of the National Council for Employment on 03 February 2023, based on delivering a request to the Ministry of Labour and Social Protection.
- o With the goal of creating an integrated database of real estate information in Mongolia, the FRC developed the report template for the real estate industry in the "Integrated Housing Information Portal" system operated by the Ministry of Building and Urban Development. A system is currently being tested, and relevant authorities will be able to see statistics related to real estate in Mongolia.
- o A total of 5 meetings with the Board of Directors, a Strategic Planning Committee, and the legal department of the Umbrella Association of Real Estate Entrepreneurs was organized, and an action plan was developed.



MEETINGS AND SEMINARS

“The ‘Voice of Realtors–2023 Forum’ took place. “Mr. D. Bayarsaikhan (FRC Chairman), and other representatives including the Global Coordinator of the National Association of Realtors for Asia/Pacific, Global Ambassador of the National Association of Realtors for Mongolia and Japan, and CEO of Washington Realtors attended the forum and exchanged their views on global trends, challenges and possibilities..

- o Managing compliance risks open discussion was organized by the collaboration of the FRC, the Umbrella Association of Real Estate Entrepreneurs, and the Financial Education Hub on 28 February 2023. Representatives from the Ministry of Construction and Urban Development, the General Authority for State Registration of Mongolia, the Independent Authority against Corruption of Mongolia, the Division for Combating Economic Crimes of the Criminal Police Department, the National Counter Terrorism Council of Mongolia, commercial banks, and real estate entities attended and discussed challenges in the sector. .

Training: “Within the memorandum of understanding with the Umbrella Association of Real Estate Entrepreneurs, a total of 20 certified trainings, granting permission to operate as REAs, were organized, engaging 1,031 participants, under the Training Contract. 370 participants attended the 12 training sessions for financial officers and managers .

Other: In accordance with its responsibilities to protect the rights and interests of investors and customers, the FRC published and posted posters with a QR code, calling for people to receive services through licensed REBs/REAs on its and Umbrella Association of Real Estate Entrepreneurs’ websites, in order to provide citizens and the public with financial education, stop the illegal activities of unlicensed persons, and prevent crimes and violations.

Furthermore, a sector introduction video, a short video, and three Facebook reels were created and are ready to be released to the public.



DEALERS IN PRECIOUS METALS AND STONES

Number of dealers

52

Legal entities

428

Individuals



Market outlook

Precious metals sold
and bought

MNT433.8
billion



Products and services

Accessibility



75.5%

Operated in Ulaanbaatar

Regulatory environment



MARKET OUTLOOK

NUMBER OF ENTITIES WITH LICENSES

52 licensed entities and 428 individuals were operating after the first license was issued by the FRC on 6 May 2020.

Entities (dealers in precious metals and stones, and dealers in products made by them)

52



86

Individuals (dealers in precious metals and stones, and dealers in products made from them)

Individuals (dealers in precious metals and stones)

122



220

Individuals (dealers in products made from precious metals and stones)

SHARE CAPITAL

The amount of share capital of 84 shareholders in 52 regulated entities was MNT10.0 billion

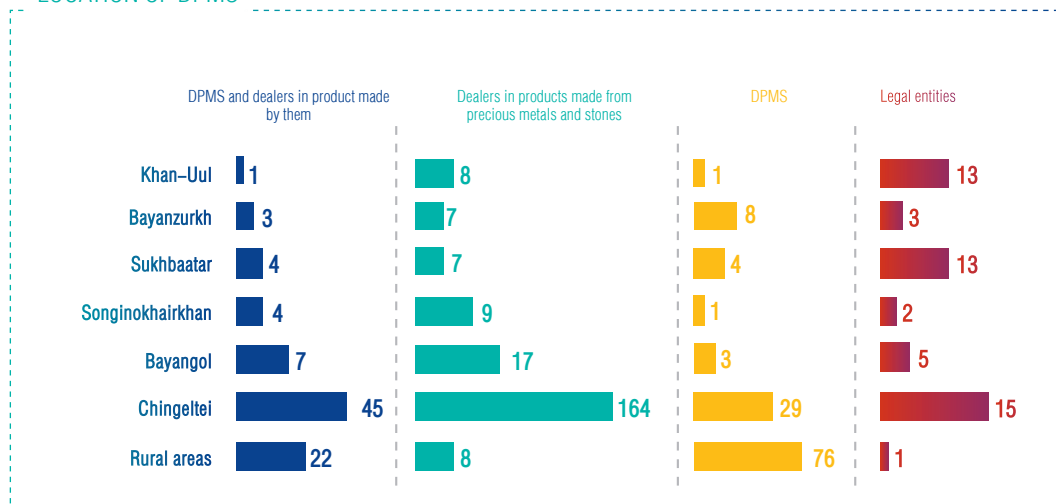
75.5% (323) of licensed dealers operated in Ulaanbaatar, and 24.5% (105) in rural areas.

In Ulaanbaatar

75.5%

ACCESSIBILITY

LOCATION OF DPMS



- The majority of dealers in precious metals and stones were located in the provinces, while the majority of dealers in products made from precious metals and stones were concentrated in Ulaanbaatar. Specifically, among dealers in precious metals and stones, 62.3% were situated in the provinces, while 37.7% were based in Ulaanbaatar.

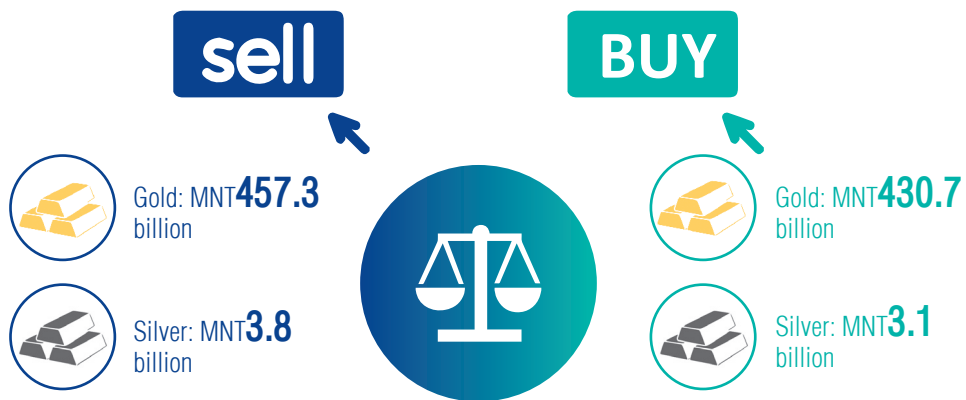
<p>DPMS and dealers in products made from precious metals and stones</p> <p>Umnugovi 2 Darkhan-uul 5 Govi-Altai 2 Khentii 1 Uvs 1 Bayankhongor 10 Orkhon 1</p>	<p>Dealers in products made from precious metals and stones</p> <p>Khovd 2 Darkhan-Uul 5 Bayankhongor 1</p>	<p>DPMS</p> <p>Bayankhongor 13 Selenge 22 Tuv14 Darkhan-Uul 10 Govi-Altai 3 Umnugovi 5 Uvs 2 Dornogovi 1 Uvurkhangai 1 Khovd 4 Dornod 1</p>
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PRODUCTS AND SERVICES

METALS BOUGHT AND SOLD

A total of 3,223.7 kilograms of metals, valued at MNT433.8 billion, were bought, while 3,337.1 kilograms of metals, valued at MNT461.1 billion, were sold. The amount of metals bought decreased by 38.1%, and the amount of metals sold decreased by 31.3%.

TRADE BETWEEN DEALERS IN PRECIOUS METALS, INDIVIDUALS AND ENTITIES



AMOUNT OF JEWELRY BOUGHT AND SOLD



**AMOUNT OF
PURCHASED
PRICE**

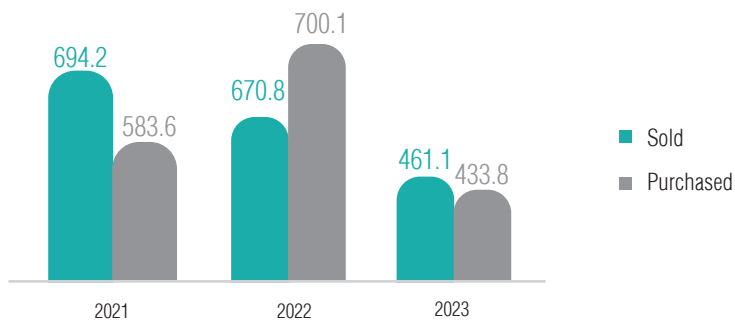
MNT**33.4** billion

**SOLD PRICE
AMOUNT**

MNT**20.8** billion

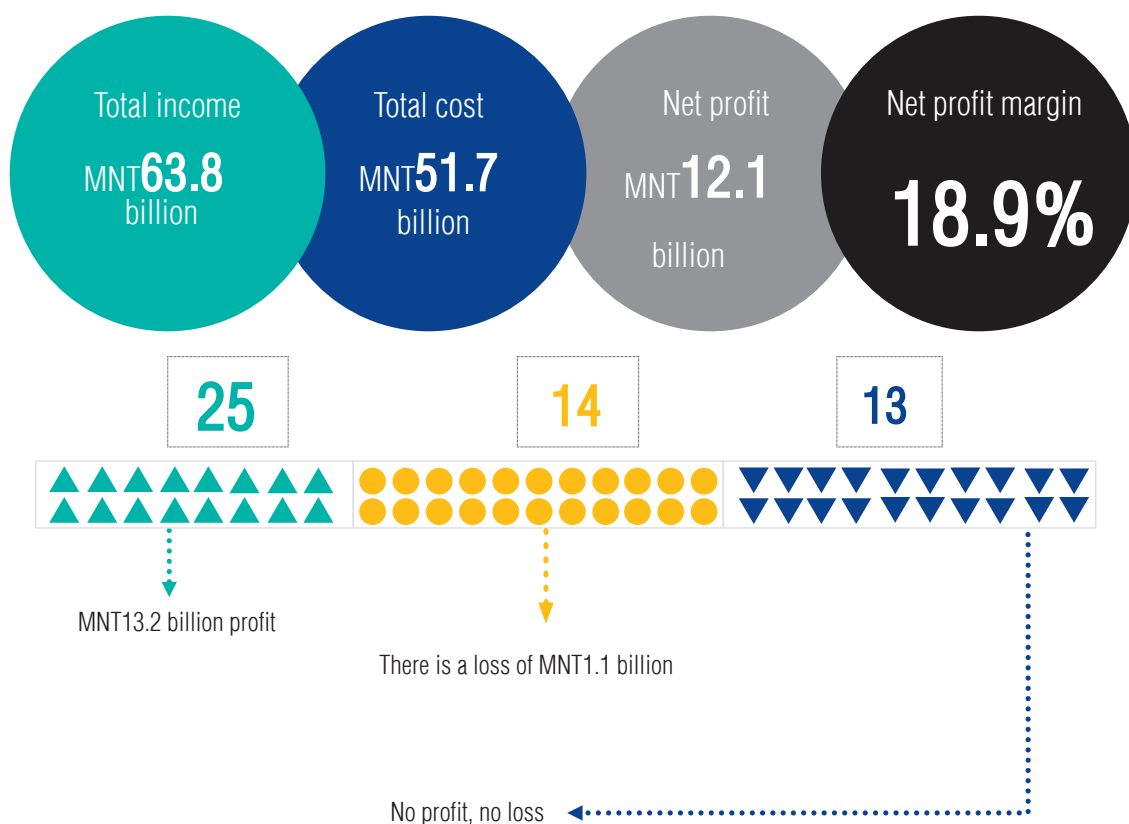
The amount purchased: Jewelry with a value of MNT 33.4 billion was bought, and MNT20.8 billion was sold.

PRECIOUS METAL SALES AMOUNT /MNT, BILLION/



CLASSIFICATION OF ASSETS AND RESOURCES	Amount /MNT, billion/	Proportion of assets and resources
CURRENT ASSETS	52.1	81.3%
NON-CURRENT ASSETS	12.0	18.7%
LIABILITIES	36.3	56.6%
OWNER'S PROPERTY	27.8	43.4%

PROFITABILITY



REGULATORY ENVIRONMENT



POLICY AND LEGISLATION

- The 'Regulation on on-site and off-site supervision for DPMS' was revised by the FRC's Resolution No.233 on 23 June 2023.
- Under this Regulation, the following was regulated. These are: dealers submit reports to the FRC by the 10th of the month after each quarter, antique dealers submit trade reports according to the specified form, dealers of precious metals and articles made of precious metals send information to the e-barimt system whenever a transaction is made, and dealers of precious metal and stones submit information from which provinces and districts precious metals are mined.



COOPERATION

- A meeting with the Bank of Mongolia, Criminal Police Unit, Ecological Police Unit, Mineral Resources and Petroleum Authority, and three professional associations was held to discuss solutions to sector challenges, and build common understanding.
- Participated in the discussion of the draft revision of the Law on Minerals drafted by the working group of the Ministry of Mining and Heavy Industry.



MEETINGS AND SEMINARS

- o Recommendation on AML/CFT and DPMS legal and regulatory environment was provided to approx. 500 individuals and entities during the “Mongolian Jewelry and Metal–2023” organized on 13–16 April 2023, in order to promote activities of DPMS.
- o On the occasion of the 100th anniversary of the development of the standardization and metrology industry in Mongolia and the 60th anniversary of the Assaying Department, the “Open Day” event was organized on September 28, 2023, to increase public awareness and make cooperation among government organizations tight. The FRC participated and provided information to the public.
- o On 25 August 2023, the FRC attended the “Responsible Gold Mining and Gold Mining Operations and Provenance in Mongolia” meeting, involving representatives of Argor Heraeus SA (Metal processing company in Switzerland), Bank of Mongolia, and commercial banks.
- o Discussion on Compliance – Improving AML/CFT Framework in cooperation with the professional association of DPMS and Financial Education Hub NGO was organized for more than 10 DPMS on 17 January 2023.
- o A meeting to discuss improving the law and legal framework of the sector and regulation of illegal mining took place, involving the Coordination Council for Crime Prevention, Asia Foundation, and other government authorities.
- o Statements to suspend license No.11/2011 dated 15 May 2023 were delivered to 198 individuals by the FRC. Within this, a total of 3 training took place, and 67 individuals attended.
- o Training for DPMS took place according to the FRC Chief Executive’s Order No.A/74 dated 01 December 2023 and involved 69 individuals and 31 legal entities.
- o A total of three certified trainings, granting permission to operate as DPMS, were organized, engaging 92 participants.

Other: In accordance with its responsibilities to protect the rights and interests of investors and customers, the FRC published and posted posters with a QR code, calling for people to receive services through licensed individuals and legal entities, on its websites, in order to provide citizens and the public with financial education, stop the illegal activities of unlicensed persons, and prevent crimes and violations.

Furthermore, one sector introduction video, one short video, and two Facebook reels were created and are ready to be released to the public.



SANDBOX

Number of requests **19***



Market outlook

A Tested product **6**

972
by agreement



Repo brokerage services

MNT 179.7
billion tradin

P2P loan service



5,485

Customers

MNT **1.7**
billion trading

Mutual Funding Services



331

Investors

MNT **44.7**
million funding

Insurtech services



315

Insurer

15
insurance service

TESTED PRODUCT

By type of request, product or service submitted to Sandbox

We received 19 requests to test products and services in the sandbox environment. Out of these, 8 were discussed at the Sandbox Council meeting. Subsequently, 7 were added to the Sandbox environment.



Insurtech services



The insurtech service entered the Sandbox environment on 30 December 2022. This service allows users to select and use insurance products that meet their needs and risks without any intermediaries, develop risk-based roadmaps and assess insurance risks.



1,606

Registered customer

315 the insured

5 form

15 type



The number of customers registered in the Insurtech service platform reached 1,606. The platform has provided services in five categories (including smart devices, driver's liability, health, and accidents) offering a total of 15 types of insurance services to 315 insured individuals.

Smart device insurance



0.1%

Car insurance



1.1%

Driver Liability Insurance



12.5%

Health Insurance



86.3%

Repo brokerage services



Repo services entered the Sandbox on 17 December 2021, and a request to extend the testing period was submitted in 2022. According to recommendation No.05 dated 12 December 2022, and the FRC Chairman's Order No.557, the testing period was extended. Integrated payment, registration and storage platform to introduce depository receipt, commercial paper, factoring (discounted claims), and trust services have been tested for its second year.

Depository receipt

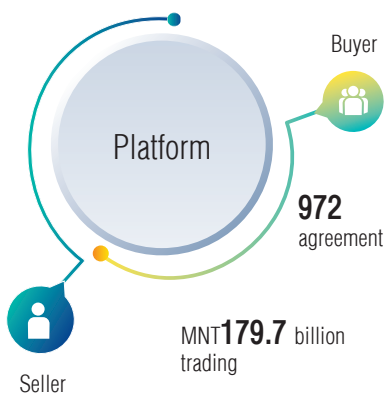
Depository receipt was started to be traded in September 2023.

Trade amount MNT52.5 million

Trust

Trust with 6-month to 12-month terms was started to be traded in October 2023.

Trade amount MNT200.0 million



A total of 35 lenders and 31 borrowers participated in the repurchase agreement, resulting in trading with a value of MNT 179.7 billion through 972 agreements.



Average tenure of repo loans

34 days



Average interest rate on repo

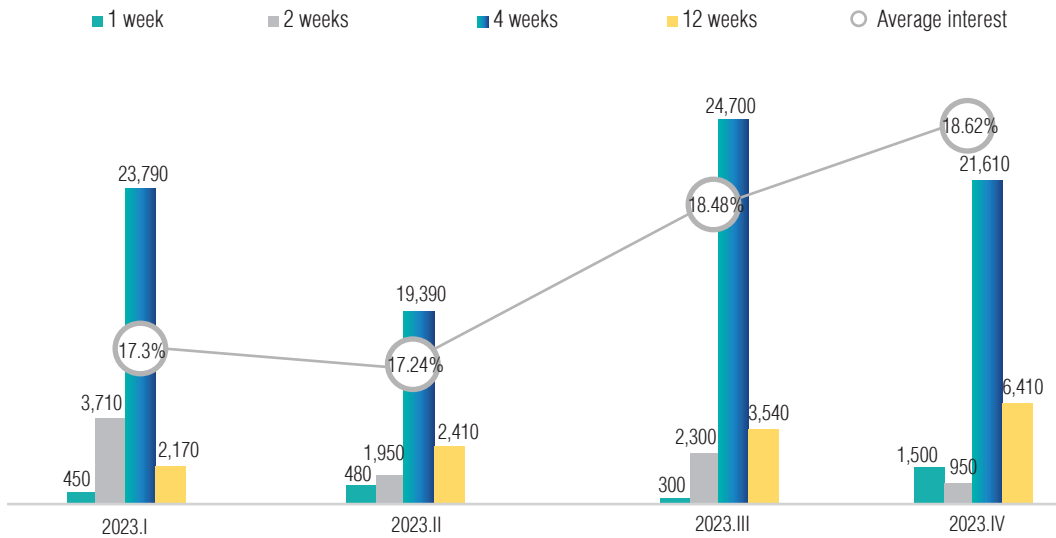
17.8%

The overall outlook of the market is shown in the below table.

Time	Number of creditors	Number of borrowers	Number of trades	Trade amount	Average interest	Average loan term
I season	18	14	149	30,120,000,000	17.16	31
II season	17	19	117	24,250,000,000	17.11	31
III season	16	20	140	30,840,000,000	18.56	35
IV season	13	18	127	30,470,000,000	18.64	37
Total	-	-	533	115,680,000,000	17.8675	34

The average term of repo loans is 34 days, with an average interest rate of 17.8%.

Money market interest rate and trading amount, repo loan term

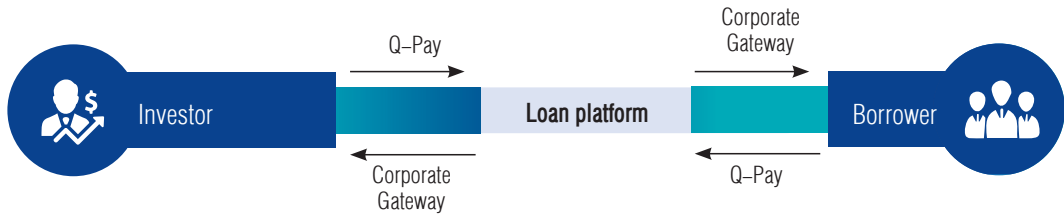


In the fourth quarter of 2023, the amount of repo made in the money market decreased by 1.2%, completed agreement decreased by 13%, and average weighted interest increased by 0.1 percentage points compared to the previous quarter.

P2P loan service



P2P lending entered the Sandbox Environment on 30 December 2022. It is a service that directly connects investors and borrowers using artificial intelligence and blockchain technology for credit assessment and registration.

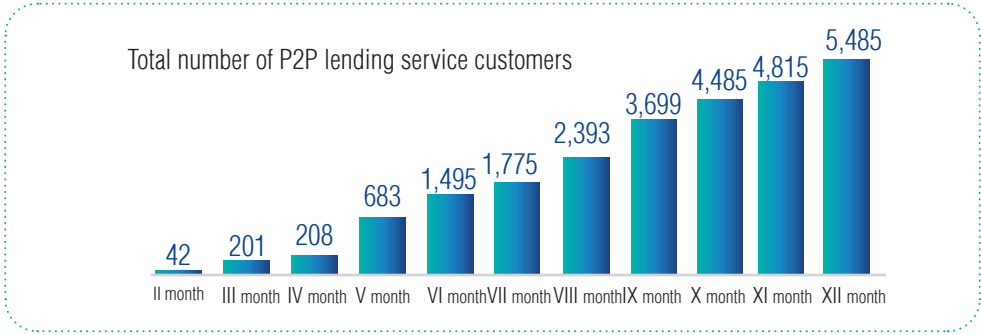


98.8%
borrower



1.2%
investors

5,485 customers received P2P lending services. Among them, 1.2% were investors and 98.8% were borrowers.



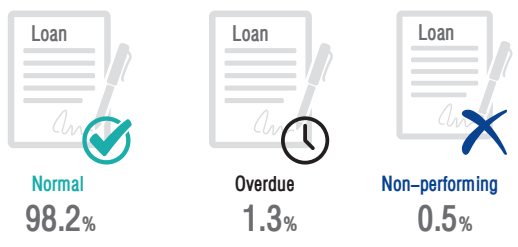
- o A total of MNT1.7 billion in loans were granted through the platform, and MNT759.3 million was repaid, leaving an outstanding loan amount of MNT941.3 million.
- o Within the investment portfolio through the platform, 42.1% represents a one-year investment, while 57.9% constitutes investments with a duration of less than one year.

3-9 month

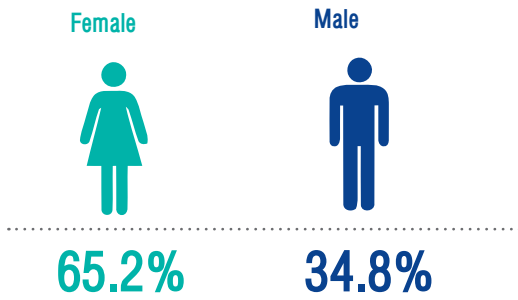
Loan amount granted
MNT **1.7** billion

MNT 941.3 million
Loan balance

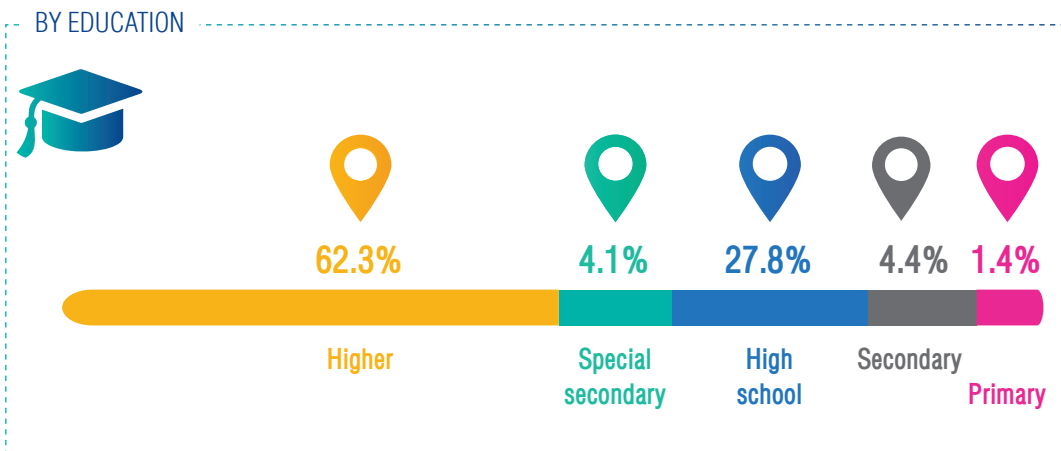
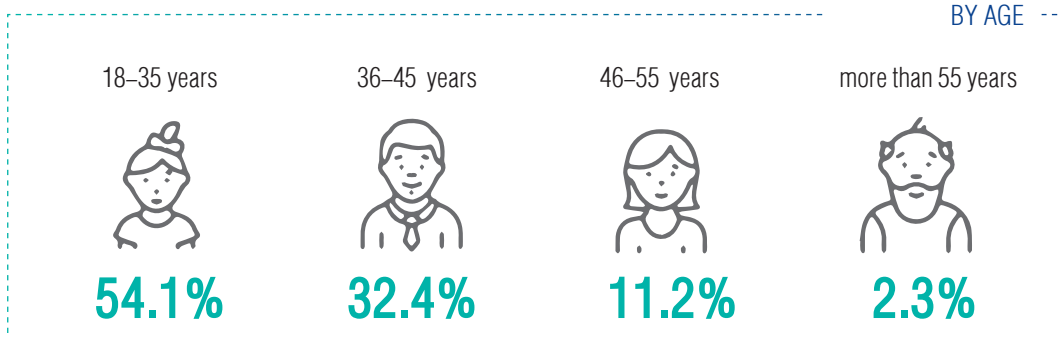
Weighted average interest rate on loans 2.0%



98.2% of total loans provided through the P2P platform are categorized as normal loans, 1.3% were overdue, and 0.5% were non-performing loans. The monthly weighted average interest rate is 2.0%.



Among P2P customers, 65.2% are women, and 34.8% are men. In terms of age demographics, 54.1% fall within the 18–35 age group, 32.4% are aged 36–45, 11.2% are aged 46–55, and 2.3% are over 55 years old. Education-wise, 62.3% of customers have higher education, 4.1% have special secondary education, 27.8% have completed high school, 4.4% have secondary education, and 1.4% have primary education.



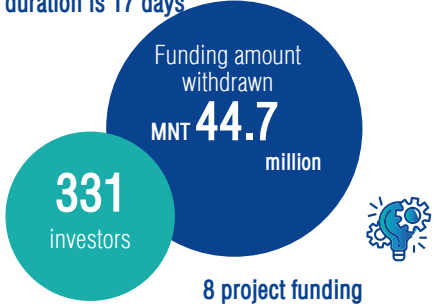
Crowdfunding Services



Crowdfunding services entered the Sandbox environment on 30 December 2022, where crowdfunding services are currently being tested. Concurrently, efforts are underway to introduce a loan-based crowdfunding service to the market. Incentive-based crowdfunding is being tested. Introducing loan-based and donation-based crowdfunding services in the market in stages is under progress.



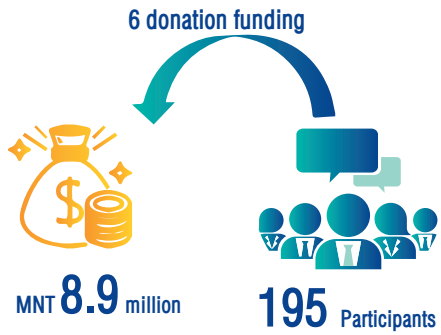
The average project duration is 17 days



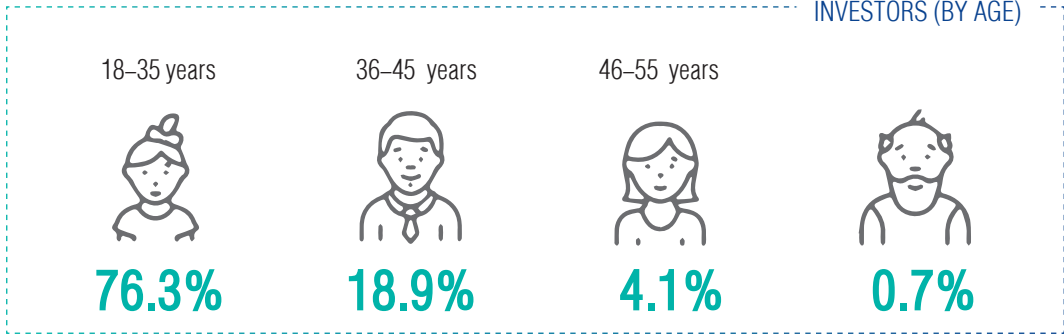
In 2023, incentive-based crowdfunding successfully raised MNT44.7 million from 291 investors across 8 projects. Notably, 7 of these projects completed their campaigns in less than one month. The average duration of these projects was 15 days.

Donation-based 6 crowdfunding projects were posted on this platform, resulting in the successful raising of MNT8.9 million from 195 contributors.

A loan-based crowdfunding project raised MNT11.0 million from two investors.



Among the investors, 76.3% are aged 18–35 years, 18.9% are in the 36–45 age range, 4.1% are aged 46–55, and 0.7% are over 55 years old.



REGULATORY ENVIRONMENT

POLICY AND LEGISLATION

The Regulation on Sandbox Environment was revised by the joint order 190/71/A-72 of the Chairman of the FRC, Minister of Finance, and President of Bank of Mongolia on 03 April 2023.

Meeting and seminars

56 meetings were held with 18 companies that wanted to test their products and services in the Sandbox environment.

Based on the reports submitted from the participants, regular off-site supervision is conducted, and on-site supervision is actively carried out.



Relevant reports on products being tested in the sandbox were developed, and accordingly, a digital database was created by collecting weekly, monthly and quarterly reports.

Regular studies of the international development and regulatory environment of products and services in the Sandbox are conducted.

Cooperation

A baseline survey of establishing the Fintech Innovation Hub, aimed at accelerating the development of the technology-based financial market, has been conducted. With the technical assistance of the ADB, we are collaborating with the project-implementing organizations toward developing the Fintech Ecosystem.

Increasing public awareness on sandbox environment

The "Financial Innovation TechSprint" competition was co-organized with the "Unread Media", in the context of using technological advances and innovations to develop a smart, sustainable and accessible financial sector.



The "Manual on Sandbox Regulatory Environment" was developed.



VIRTUAL ASSET SERVICES

Registered platform

12



Market outlook

The amount of capital
withdrawn from the
primary market

MNT**241.9** billion



Products and services

Accessibility



Number of costumers

921,022

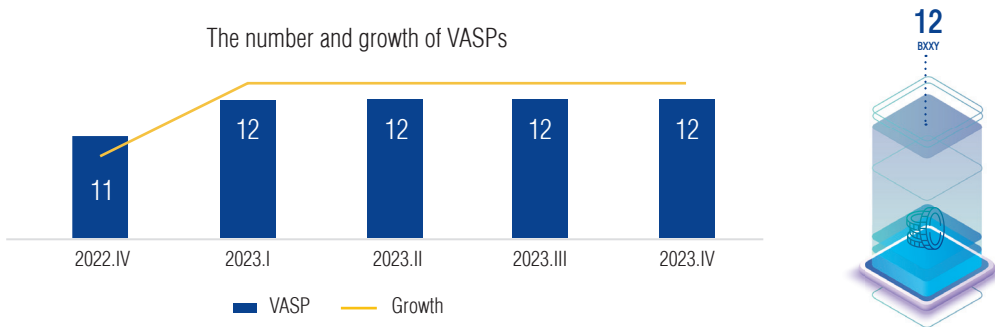
Regulatory environment



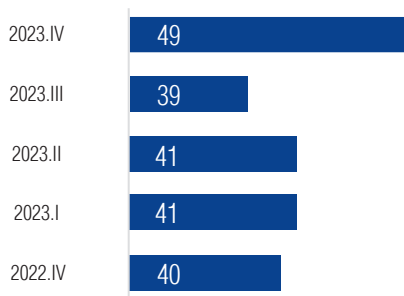
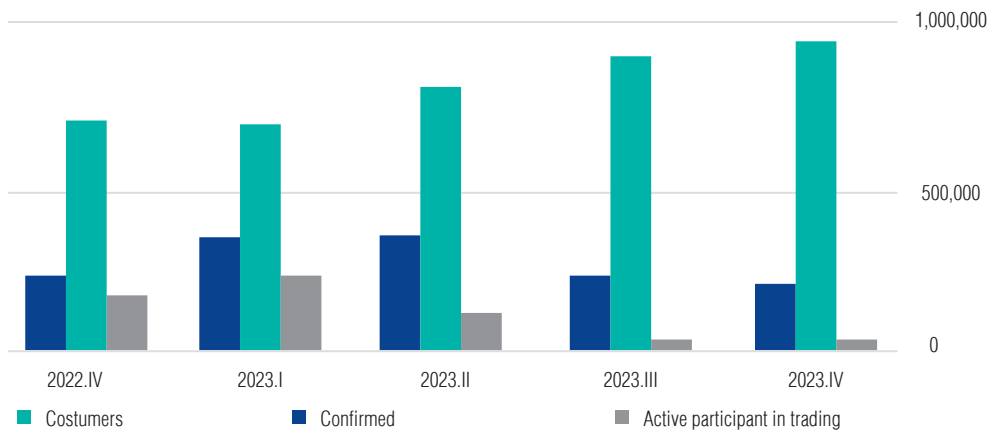
MARKET OUTLOOK

12 virtual asset service providers (VASPs) are operating. 10 virtual asset service providers (VASPs) were registered to provide 5 services that were stipulated in Paragraph 6.1 of the Law on VASPs, and 2 were registered to provide 3 services that were stipulated in Section 6.1.1, 6.1.3, 6.1.4 of the Law on VASPs.

The number and growth of VASPs



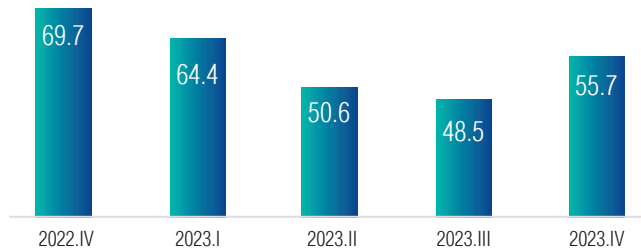
There were 921,022 (with duplication) customers of the VASPs; and 1.6% were active in the trading.



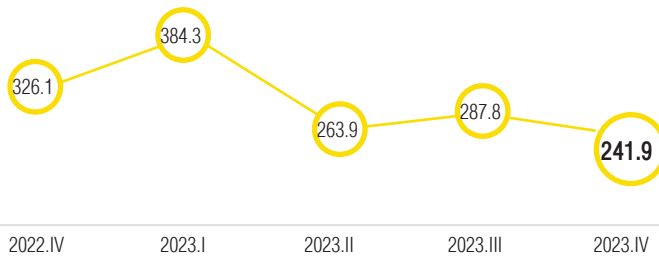
49 domestic VAs are traded, an increase of 19.5% compared to the first quarter.

Total assets /MNT, billion/

The total assets of VASPs were MNT55.7 billion; a decrease of 20.1% compared to 2022



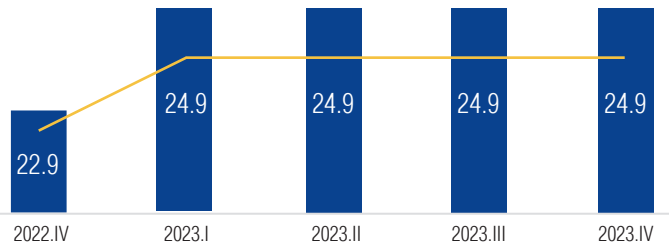
Valuation of domestic virtual assets market /MNT, billion/



The market capitalization of domestic VAs was MNT241.9 billion; a decrease of 15.9% compared to the previous quarter.

Share capital /MNT, billion/

The share capital was increased by 8.7% compared to 2022.



MARKET CAPITALIZATION

MNT **136.6**
billion

AVERAGE DAILY TRADE

MNT **150.1**
million



The trading amount of domestic VAs reached MNT136.6 billion, while the average daily trading amount was MNT150.1 million.

REGULATORY ENVIRONMENT



POLICY AND LEGISLATION

The amendment to the Virtual Asset Service Provider Registration Regulation was approved by FRC's Resolution No.253 in 2023. According to Appendix 3 of this Regulation, VASPs pursue standards other than MNS ISO/IEC 27001.

VASPs are obliged to verify MNS ISO/IEC 27001 information and technology standards by external authorized organizations.



COOPERATION

- o A joint working group consisting of government bodies was established by the FRC Chairman's Order No.59 of 2023. The working group analyzed relevant information on registered and unregistered virtual assets and VASPs, and developed risk assessment reports.
- o Collaborating with the Association of Exchanges of Mongolia, the FRC made a conclusion on whether registered VASPs meet the standards of continuous and reliable operation of technological infrastructure, confidentiality, security, internal control, and AML/CFT standards.





APPENDIX



CAPITAL MARKET DATA

Statistic	2021	2022	2023
Total assets (MNT, billions)	5,982.9	6,890.4	11,650.2
MV/GDP	15.3%	14.0%	16.9%
Liquidity	3.8%	2.4%	1.5%
Stock trading (MNT, billions)	304.9	343.4	524.8
Debt instrument trading (MNT, billions)	1,048.2	134.1	138.1
GS's trading (MNT, billions)	4.2	69.7	63.5
Investment fund (MNT, billions)	56.8	13.6	60.8
TOP-20 index	44,411.60	37,565.55	41,437.42
MSE A index	15,482.77	14,137.94	17,574.53
MSE B index	12,202.56	12,667.44	11,327.14
Number of JSCs	314	318	310
Number of SCs	55	52	52
Commercial value of agricultural products / billion MNT/	792.7	1,110.0	968.3

INSURANCE MARKET DATA

Statistic	2021	2022	2023
Total assets (MNT, billions)	425.4	474.9	551.4
Total insurance and reinsurance premiums (MNT, billions)	247.5	304.8	398.7
Total compensation (MNT, billions)	68.9	94.2	120.9
Reserve fund (MNT, billions)	193.7	216.9	268.9
Reinsurance fee (MNT, billions)	84.4	100.0	141.6
Net profit (MNT, billions)	25.2	18.5	11.8
Professional participants:			
Non-life insurance	15	15	15
Life insurance	1	2	2
Reinsurance	1	1	1
Insurance agent	2,403	2,376	2,416
Insurance broker	57	63	63
Damage assessor	25	25	24
Actuary	36	40	40
Auditor	144	137	147
Auditor's company	44	40	45

NBFi DATA

/Тэрбум төгрөг/

Statistic	2021	2022	2023
Total assets	2,709.9	3,527.0	4,672.2
Current assets	2,616.5	3,415.8	4,526.2
Cash	429.7	490.5	652.9
Short-term investments	22.6	29.1	50.7
Total loans	2,012.2	2,722.6	3,675.9
Normal loans	1,821.9	2,409.1	3,297.4
Overdue loans	50.0	106.5	119.4
Non-performing loans	140.2	207.0	259.1
Credit risk fund	114.7	151.4	199.9
Other real estate to be owned and other property to be owned (net)	13.6	24.2	25.9
Non-current assets	93.5	111.2	146.1
Total liabilities	910.8	1,335.4	1,926.9
Trust service payable	246.9	381.1	651.9
Payables to domestic and foreign banks and financial institutions	282.9	396.8	586.4
Project loan financing	19.9	30.0	23.8
Owner's property	1,799.1	2,191.6	2,745.3
Secondary charity	70.2	76.0	76.0
Share capital	1,114.1	1,275.7	1,498.0
Accumulated profit	563.3	774.8	1,107.2
Number of NBFIs	534	513	529
Ulaanbaatar	451	420	434
Provinces	83	93	95
Customers	4,820,624	4,633,616	4,535,672
Total income	521.3	867.8	1,163.8
Interest income	421.7	701.9	999.1
Non-interest income	87.0	149.9	140.0
Non-operating income	12.5	15.8	24.5
Total cost	311.3	554.9	731.7
Interest expenses	48.0	95.6	140.0
Non-interest expenses	193.5	335.2	412.4
Potential risk costs	37.3	69.1	93.5
Non-core operating expenses	6.7	8.2	179.3
Income tax expense	25.8	46.8	72.9
Net profit	210.0	312.9	432.1

SCC'S DATA

	/Тэрбум төгрөг/		
Statistic	2021	2022	2023
Total assets	291.2	267.7	306.5
Current assets	280.1	263.6	302.4
Cash	61.3	40.0	75.6
Liability	9.1	15.8	17.2
Non-current Assets	11.1	4.1	4.0
Fixed assets /net/	3.9	3.9	3.9
Intangible assets	7.2	0.2	0.1
Investments and other non-current assets	0.0	0.0	0.0
Total loans	213.4	210.2	209.1
Normal loans	202.1	197.2	193.9
Overdue loans	3.9	5.9	8.5
Non-performing loans	7.4	7.0	6.7
Liabilities	227.3	207.9	237.0
Savings	203.6	187.5	215.2
Short term loan	6.4	2.6	2.3
Long-term liabilities	2.2	3.1	1.1
Other	15.1	14.7	18.4
Own assets	63.9	59.8	69.5
Members' contributions	25.4	25.9	27.5
Property of cooperatives	38.4	33.7	41.8
Accumulated income /loss/	21.8	14.7	20.0
Total income	58.0	58.9	64.6
Total income	54.2	55.9	61.2
Other operating income	1.3	0.9	1.2
Non-operating income	2.5	2.1	2.2
Total expenses	47.2	47.3	53.7
Interest expenses	31.9	30.2	34.2
Potential contingency fund costs	2.0	1.6	2.2
Operating costs	12.2	14.2	16.1
Non-operating expenses	0.3	0.1	0.1
Net income	10.7	11.6	10.9
Number of SCCs	209	196	191
Number of Ulaanbaatar SCCs	116	107	100
Number of local SCCs	93	89	91
Number of members /thousands/	75.400	71,657	72,521

CREDIT GUARANTEE FUND

/Тэрбум төгрөг/

Statistic	2021	2022	2023
Total assets	255.1	258.6	299.1
Warranty balance	85.4	78.1	98.2
Of which: overdue	1.3	4.2	1.8
:non-performing	11.3	11.7	6.3
Guaranteed loan balance	167.1	153.5	195.8
Of which: overdue	2.8	7.4	2.1
:non-performing	24.3	24.6	19.3
Operating income	10.6	12.2	11.0
Operating expense	2.6	3.6	6.1
Operating result	8.0	8.6	4.9
Total guarantees	241	40	314
Amount of bail issued	33.7	13.7	49.6
of which: agriculture	0.6	0.3	0.5
manufacturing	6.5	5.4	19.0
wholesaling and retailing	19.7	3.1	19.2
services	6.9	4.9	10.9
Average period of guarantee issued /in months/	43.8	84.8	193.6
Number of requests submitted for bail	334	75	440
Of which: Number of approved requests	244	42	355

REBs DATA

Statistic	2022	2023
REBs (including agencies)	305	308
Brokers	319	321
Agents	1,495	1,284
Area of real estate bought and sold (m ²)	1,971.5	1,622.9
Value of real estate bought and sold	1,705.3	2,287.5
Area of real estate rented and leased (m ²)	840.2	600.0
Value of real estate rented and leased	444.1	178.1

DPMS DATA

Statistic	2022	2023
Entities (DPMS, and dealers in products made from them)	47	52
Individuals (DPMS, and dealers in products made from them)	70	86
Individuals (dealers in products made from precious metals and stones)	255	220
Individuals (DPMS)	140	122
Weight of bought precious metals (kilogram)	8,490.8	3,223.7
Value of purchased precious metals (MNT, billion)	700.8	433.8
Weight of sold precious metals (kilogram)	8,325.3	3,337.1
Value of sold precious metals (MNT, billion)	670.8	461.1
Total value of bought products (MNT, billion)	–	33.4
Total value of sold products (MNT, billion)	14.7	20.8

