

FINANCIAL MARKET REVIEW

SECOND QUARTER OF 2024



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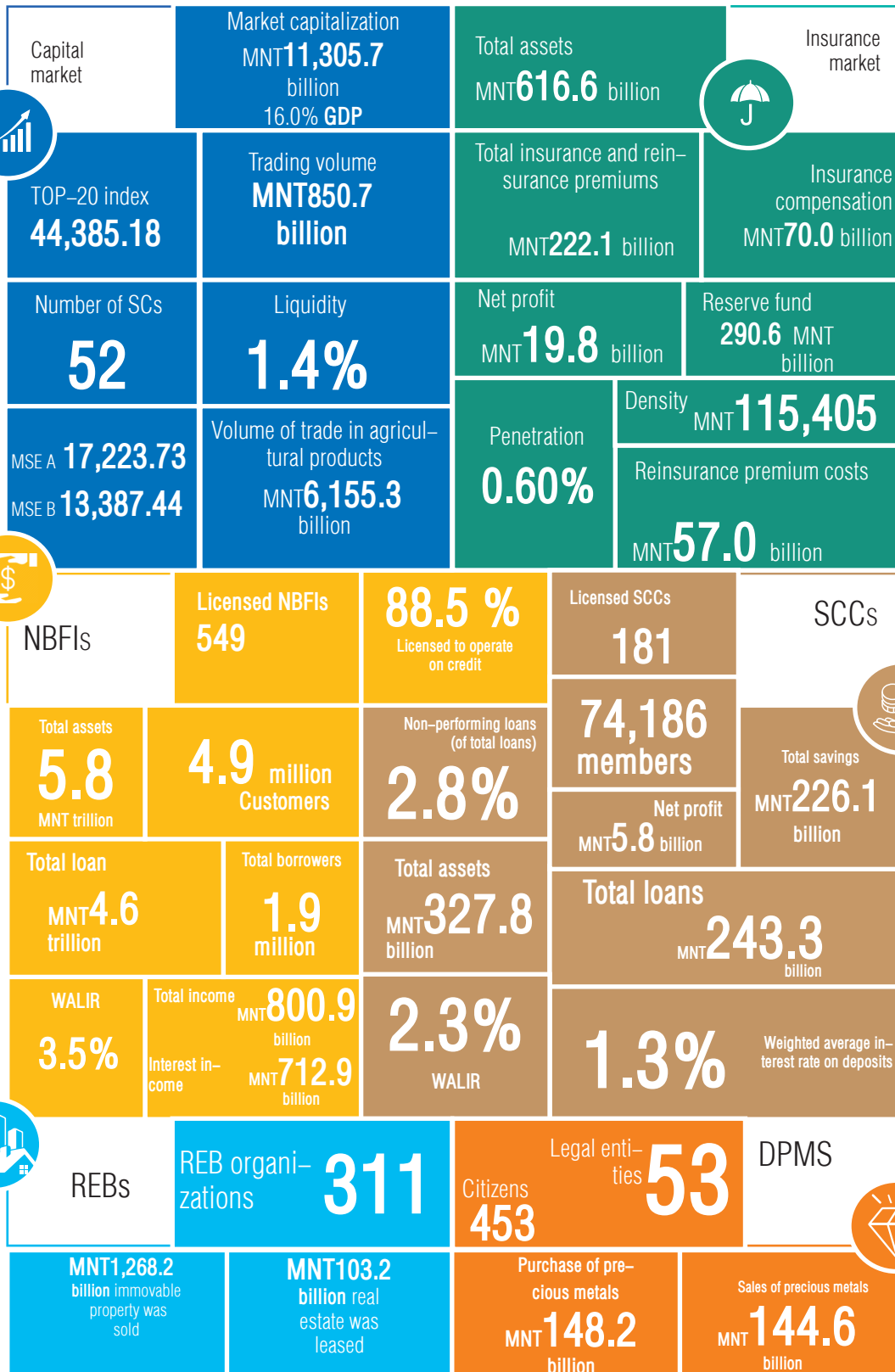
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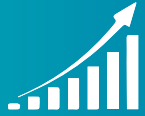
Regulatory
environment

127

ABBREVIATIONS and ACRONYMS

AFI	Alliance for Financial Inclusion	RMBS	Residential mortgage backed securities
ADB	Asian Development Bank	ROA	Return on assets
ATM	Automated teller machine	ROE	Return on equity
ESG	Environmental, Social, Governance	SC	Securities company
FPO	Follow up on public offering	SCC	Saving and credit cooperative
GIZ	German corporation for int. Cooperation	SFC	Securities Finance Corporation
GDP	Gross domestic product	SPC	Special purpose company
GS	Government securities	UN	United Nations
IAIS	International Association of Insurance Supervisors	USA	United States of America
IPO	Initial public offering	UNEP FI	United Nations Environment Program Financing Initiative
IFC	International finance corporation		
IPO	Initial public offering	WALIR	Weighted average loan interest rate
JICA	Japan International Cooperation Agency		
MV	Market valuation		
MMC	Mongolian Mortgage Corporation		
MAPIX	Mongolian agricultural commodity price index'		
MSE	"Mongolian Stock Exchange		
MCSD	Central securities depository		
MSX	Mongolian Securities Exchange		
NASCCM	National Association of Savings and Credit Cooperatives of Mongolia		
NBFI	Non-bank financial institution		
NFAT	Net profit after tax		
PRC	People's Republic of China		
P2P	Peer to peer		
QR	Quick response code		
REB	Real estate brokers		
ROK	Republic of Korea		





Capital market

Market valuation

MNT11,305.7
billion



Financial market status

Accounts

2,594,155



Accessibility

Total trading

MNT850.7 billion



Products and services

Profitability



Assets of SCs

MNT **221.8**
billion

Tax collected from
the state budget,
social insurance
contributions

MNT **3.9**
billion

Stability



Market valuation **69.8%**
Top-10 JSCs

Regulatory Environment



FINANCIAL MARKET STATUS



There were 608 regulated entities and JSCs operating in the securities market

Infrastructure Organization

Business organization 3	Settlements 2 /1 duplicate/	Central deposit and securities trading payments 1
Securities Settlement Institution 1 /duplicate/	Mining products exchange 1 /duplicate/	Agricultural Exchange 1

Professional participant

Securities firms 52	IMCs 33	Mutual Funds 6
Custodian banks 3	Underwriting banks 2	Agricultural commodity brokers 9
Exchange trading broker for mining products 7 /duplicate/		Financial Rating Agency 3

Asset-backed securities

Asset-backed securities issuer 63 /SPS/	Asset management 8	Accounts Payable Asset Portfolio Controller 1
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Registered

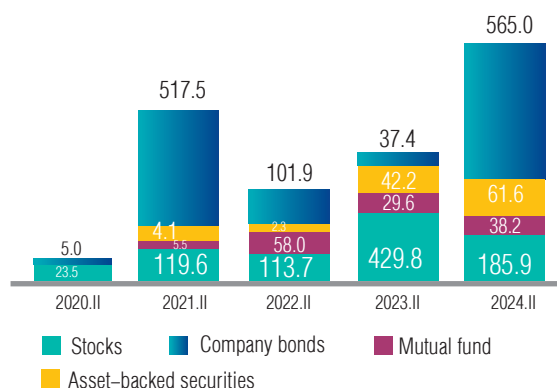
Auditing firms 52 /8 duplicate/	Securities valuation firms 23 /duplicate/	Legal consultancies 44
JSCs 311	<i>Монголын хөрөнгийн биржэд бүртгэлтэй – 172 ХХ</i> <i>Улаанбаатар үнэт цаасны биржэд бүртгэлтэй – 2 ХХ</i>	

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

SECURITIES TRADING

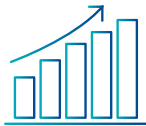
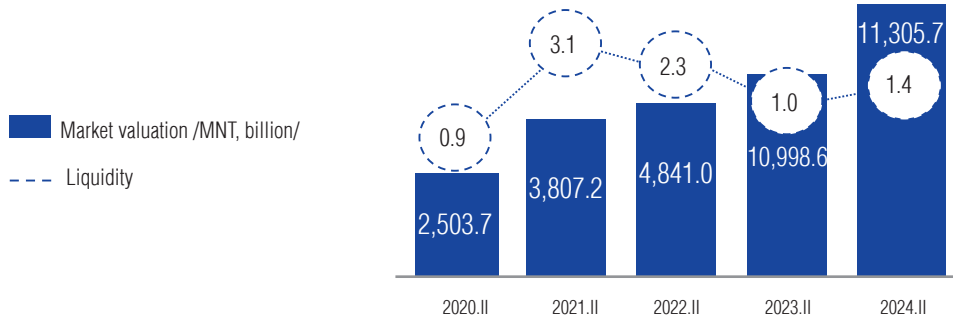
- The total securities trading volume reached 850.7 billion MNT, marking a 57.8% increase from last year and a 29.2-fold increase compared to the same period in 2020.
- Of all transactions, 21.9% were shares, 4.5% were investment fund units, 66.4% were corporate bonds, and 7.2% were asset-backed securities.

Securities trading (MNT, billions)



Market capitalization and liquidity

- Market capitalization increased by 2.8%, reaching 11,305.7 billion MNT compared to last year. Liquidity also improved, rising by 1.4%.



ТОП 20 **44,385.18**

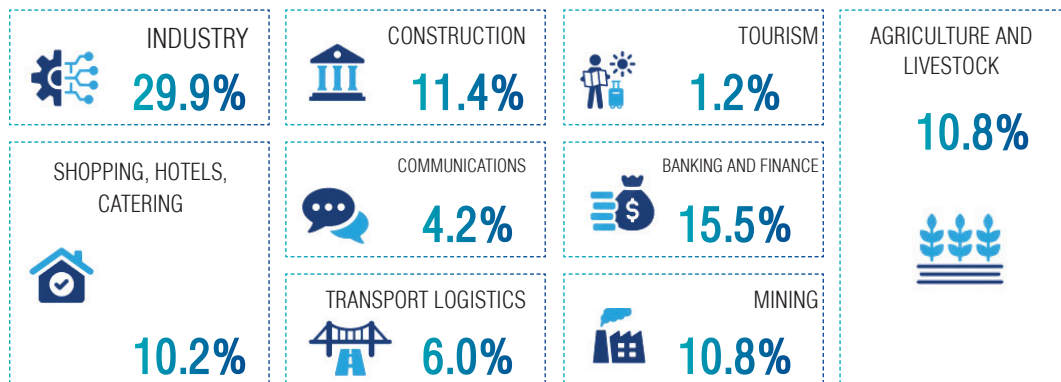
MSE A **17,233.73**

MSE B **13,387.44**

Securities market index

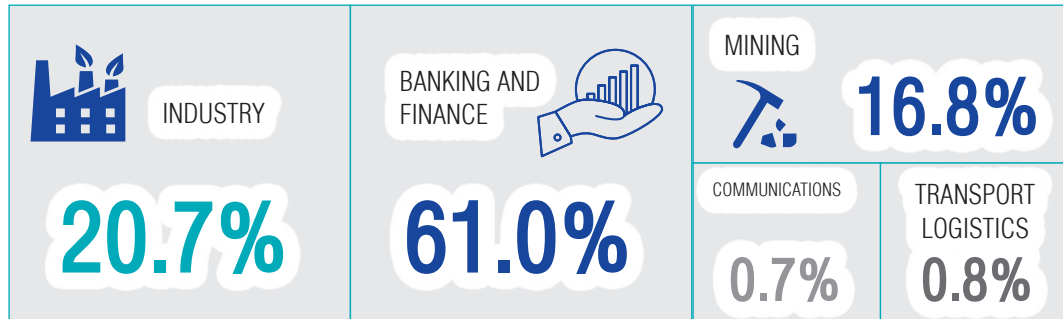
- The TOP 20 Index increased by 7,486.02 points, representing a 20.3% growth.
- The MSE A index rose by 1,007.50 points, 6.2% increase.
- The MSE B index climbed by 1,208.83 points, a 9.9% increase.

INDUSTRY CLASSIFICATION OF JSCs LISTED ON THE MONGOLIAN STOCK EXCHANGE

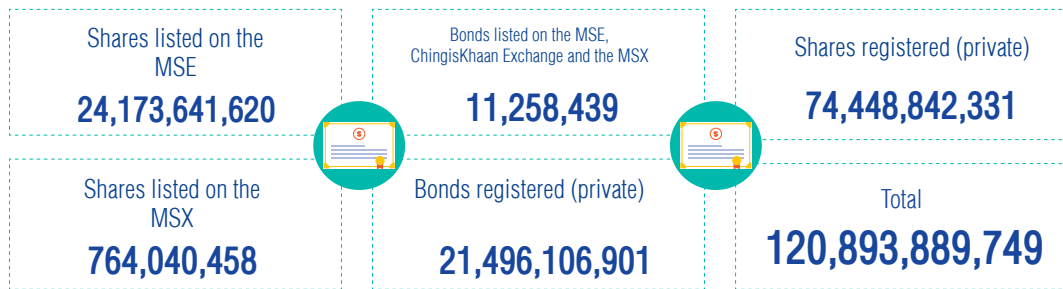


The TOP 20 index portfolio is formed based on market capitalization, average daily turnover, number of trading days, and market concentration. In the second quarter of 2024, 15.5% of registered companies were in the banking and financial sector, which accounted for 61.0% of the portfolio of the TOP 20 Index portfolio.

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

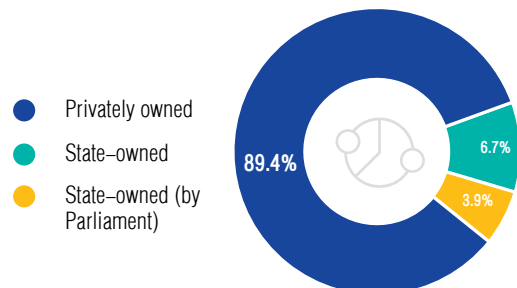
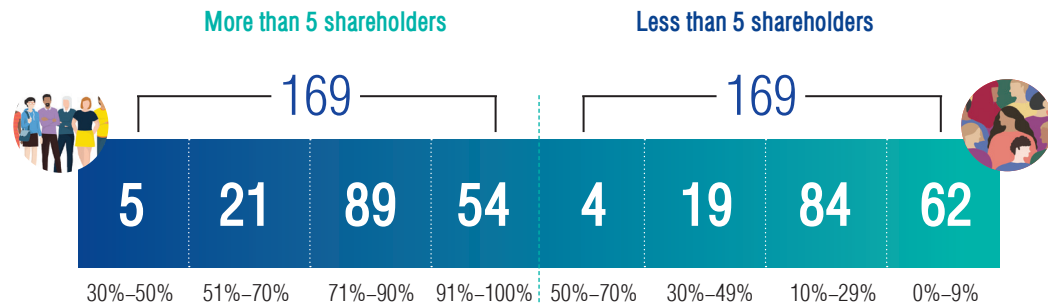


SECURITIES REGISTERED IN A



STOCK CONCENTRATION

The table below illustrates the ownership concentration of 169 publicly traded JSCs on the stock exchange, showing the percentage of shareholders who own more than or less than 5% of shares.



STOCKS, BY EQUITY STRUCTURE

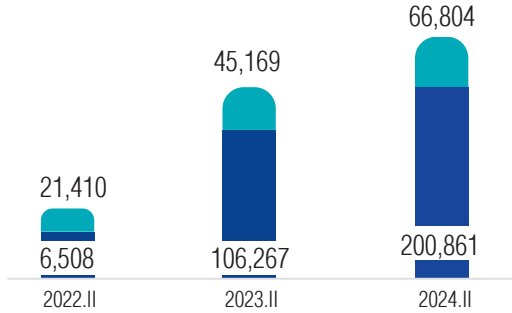
- In the second quarter of 2024, there were 311 JSCs registered with the FRC's securities registration. Of these, 89.4 % were privately owned, 6.7 % were state-owned, and 3.9% were owned by Parliament.

NUMBER OF SECURITIES ACCOUNTS

- o A total of 200,861 new accounts were created, bringing the overall number of securities accounts to 2,594,155. Additionally 66,804 new escrow accounts were opened ; raising the total to 657,266.

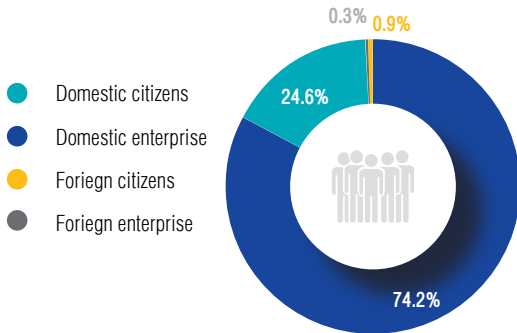
NUMBER OF OPENED ACCOUNTS

■ Connection account ■ New account



Number of opened accounts
(growth in numbers)

2,594,155



COMMERCIAL STRUCTURE

- o The majority of the transactions, (74.2%) were conducted by domestic enterprises, highlighting their high activity in the capital market. Domestic individuals accounted for 24.6% of transactions, while foreign individuals made up 0.9%, and foreign enterprises 0.3%.

NUMBER OF TRADE PARTICIPANTS

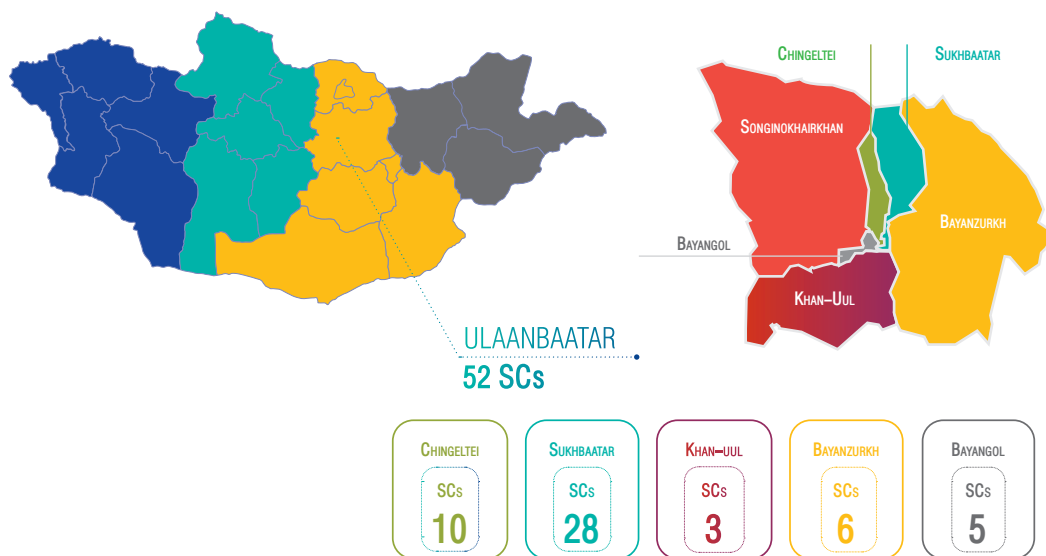
- o A total of 64,240 citizens and 1,275 enterprises participated in trading, completing 165,307 trades. Among those 97.3% were domestic citizens, 1.9% domestic enterprises, 0.7% foreign citizens, and 0.1% foreign enterprises.



	Number of traders		Number of trades /duplicated/	
FORIEGN ENTERPRISE	43	0.1%	231	0.1%
FORIEGN CITIZENS	478	0.7%	1,974	1.2%
DOMESTIC ENTERPRISE	1,232	1.9%	10,543	6.4%
DOMESTIC CITIZENS	63,762	97.3%	152,559	92.3%
TOTAL	65,515	100.0%	165,307	100.0%

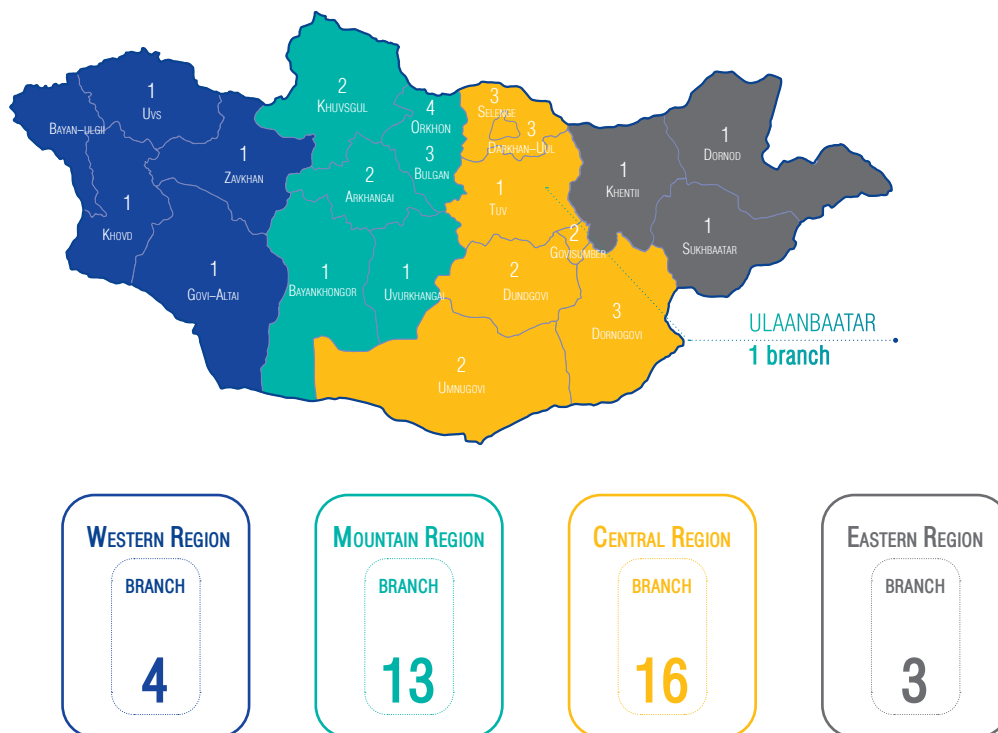
LOCATION OF THE SECURITIES COMPANY

- o 52 operational securities companies were located in Ulaanbaatar.



LOCATION OF BRANCH REPRESENTATIVE OF SECURITIES COMPANY

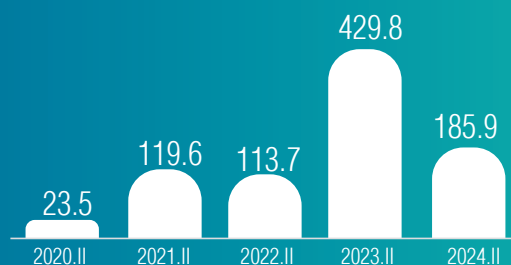
- o Additionally, there are 37 branch representatives of securities companies, 36 of which are located in provinces and 1 in Ulaanbaatar.



PRODUCTS AND SERVICES

STOCK TRADING

Stock trading reached 185.9 billion MNT, representing a 56.7% decrease compared to the same period in 2020 but a 7.9-fold increase compared to last year.

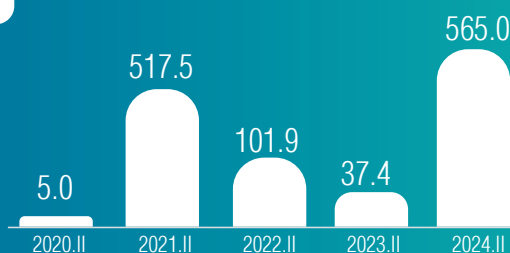


IPO

Company	Registered	Amount collected from the public
"MGL Aqua" JSC	2024.04.29	MNT15.2 billion

DEBT INSTRUMENTS OF THE COMPANY

- Corporate bond trading reached 565.0 billion MNT, marking a 15.1-fold increase compared to the same period in 2020, and a 113.0-fold increase compared to last year. Notably 88.5% of total bond trading was attributed to debt instruments issued under the "Capital Governor's Program".

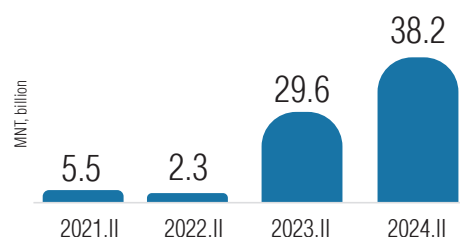


TRADING IN NEWLY ISSUED DEBT INSTRUMENTS

Company	Registered	Debt instrument amount
"Ashid capital NBF1" LLC	2023.02.23	MNT20.0 billion
"As part of the Capital City Governor's Program"	2024.06.05	MNT500.0 billion

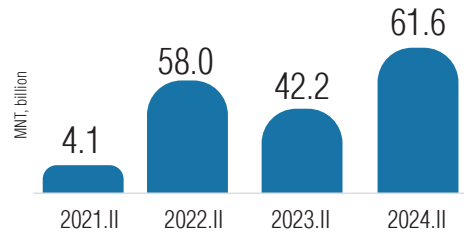
INVESTMENT FUND TRADING

- The trading volume of investment funds reached 38.2 billion MNT, reflecting a 29.0% increase compared to the same period last year.



TRADING IN ASSET-BACKED SECURITIES

- o Asset-backed securities trading reached 61.6 billion MNT, indicating an increase of 45.9% compared to the same period last year.



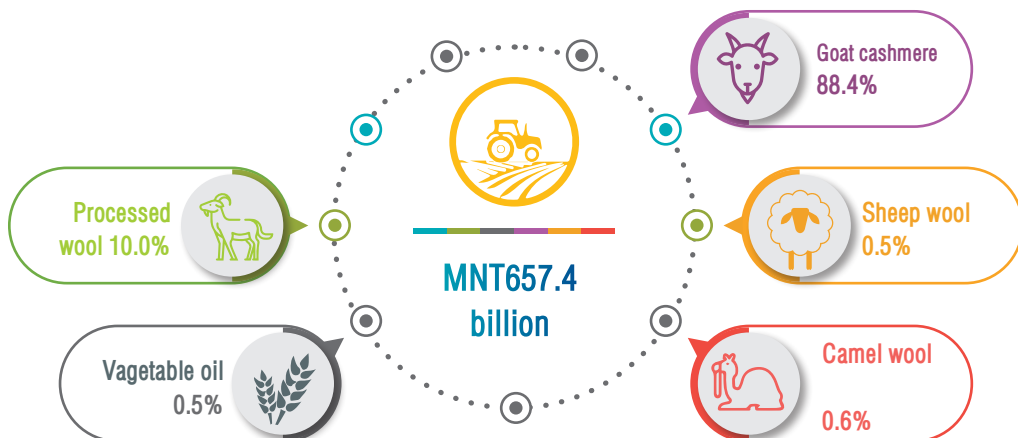
NEWLY ISSUED CORPORATE DEBT INSTRUMENTS TRADING

Company	Registered	Debt instrument amount
"Bers ABS loyalty SPS" LLC	2023.12.22	MNT15.0 billion
"Bichil ABS loyalty SPS" LLC	2024.03.22	MNT20.0 billion
"BID asset SPS" LLC	2023.12.22	MNT15.0 billion

AGRICULTURAL AND RAW PRODUCTS MARKET

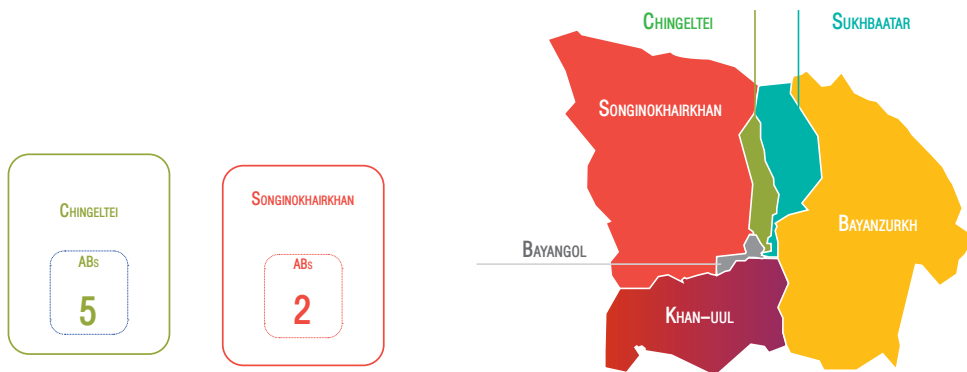
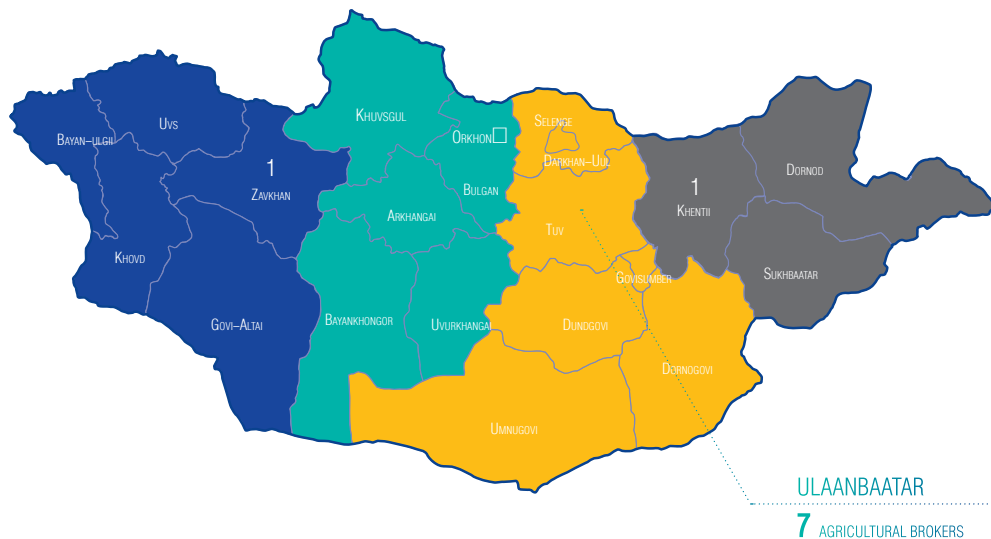


A total of 6 types of goods worth 657.4 billion MNT were traded on the Agricultural Exchange, reflecting an increase of 162.5 billion MNT (32.8 %) compared to the same period last year.



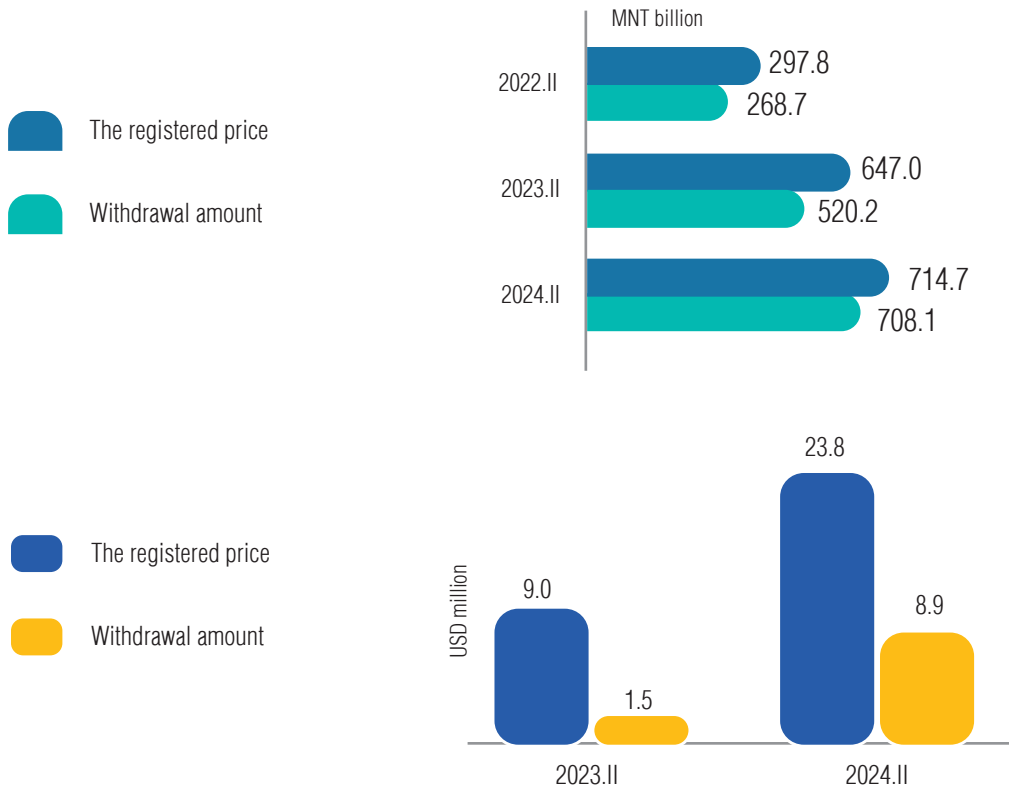
LOCATION OF SCs AND AGRICULTURAL BROKERAGES

- o There are 9 agricultural brokers are operating, 7 are located in Ulaanbaatar and 2 are in the provinces.

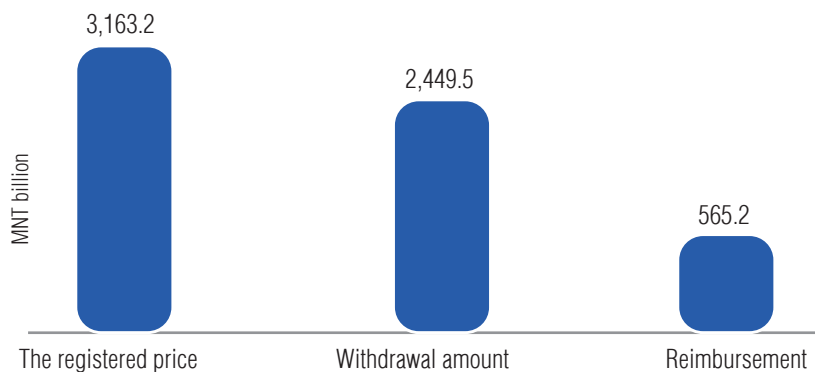


OTC MARKET

During the reporting quarter, 53 securities issuers and 62 debt instruments were registered on the OTC market. Debt instruments worth 714.7 billion MNT were registered, while 708.1 billion MNT were withdrawn and collected. Additionally debt instruments totaling 23.8 million USD were registered, with 8.9 million USD successfully collected.

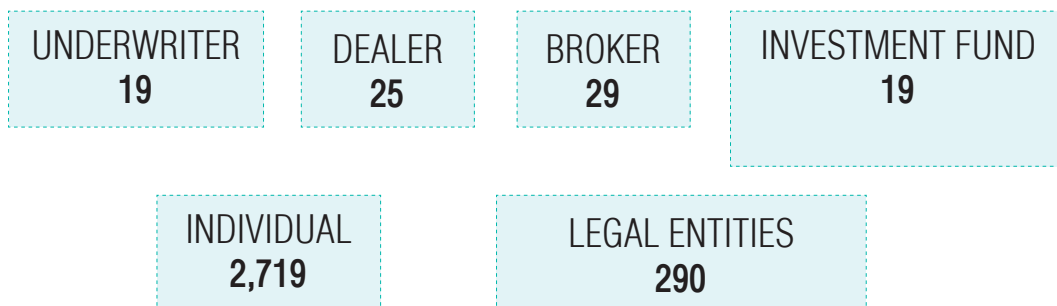


Since the OTC market trading began in September 2021 with the registration of the first debt instruments, a total of 3,163.2 billion MNT in debt instruments have been registered, with 2,449.5 billion MNT collected. Additionally debt instruments worth 94.8 million USD were registered with 54.4 million USD collected. A total of 565.2 billion MNT in debt instruments expired and were successfully repaid.

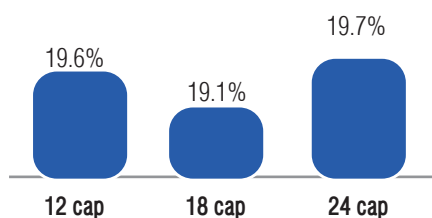
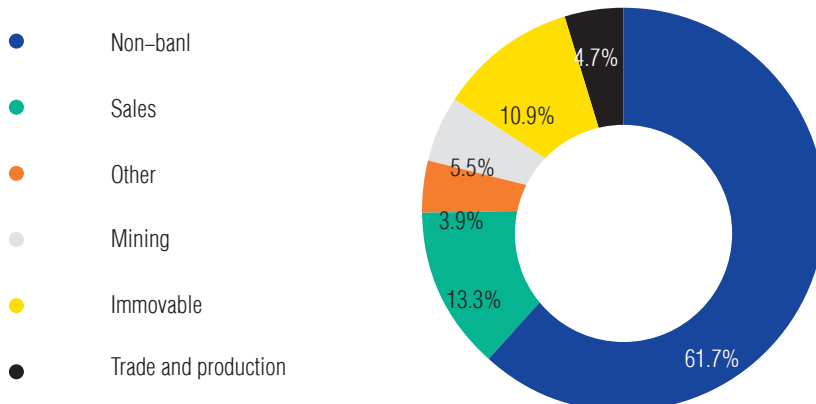


NON-EXCHANGE MARKET PARTICIPANTS

There are 30 registered direct participants in the OTC market of the Mongolian Securities Dealer Association. These include 19 underwriters, 25 dealers, 29 brokers, and 1 investment fund company. In addition, 2,719 individual indirect participants and 290 legal entity indirect participants are registered through direct participants.



CLASSES OF REGISTERED BONDS BRANCHES /SECOND QUARTER OF THE 2024/

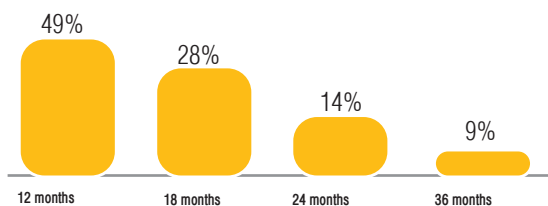


WEIGHTED AVERAGE INTEREST RATE / BY TERM/

The overall average interest rate of bonds registered in MNT is 19.5%. Specifically, the interest rates are 19.7% for 24-month bonds, 19.1% for 18-month bonds, and 19.6% for 12-month bonds.

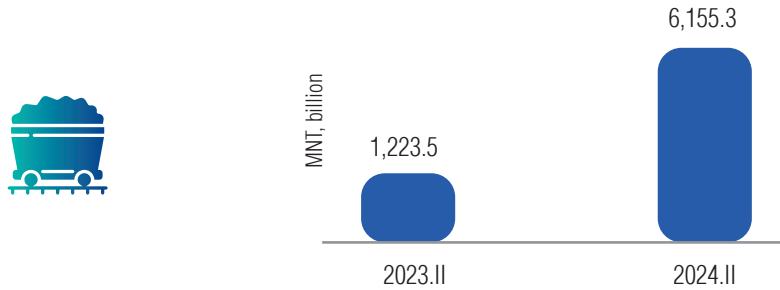
BOND TERMS / BY TRANCHE/

In terms of bond duration, 49% of bonds have a 12 month term, 28% have an 18 month term, 14% have a 24 month term, and 9% have a 36 month term.



MINING PRODUCTS MARKET

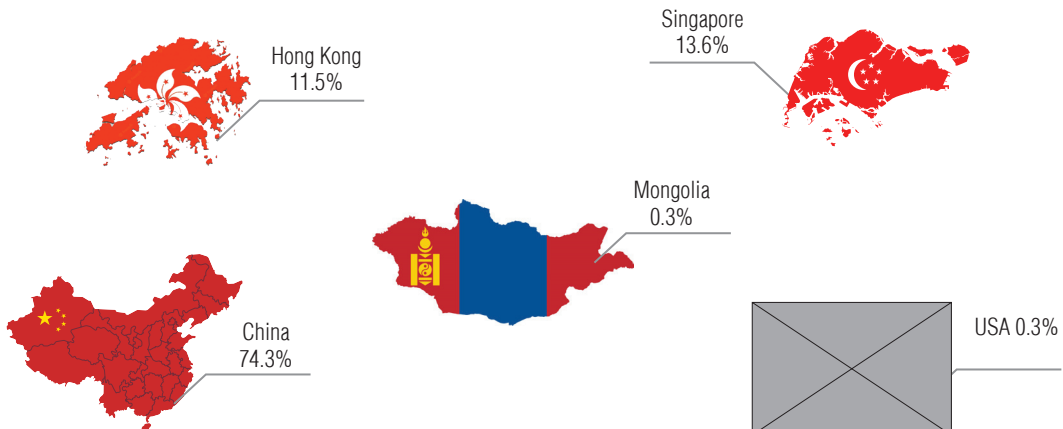
In the second quarter of 2024, a total of 339 trades involving 15.5 million tons of mining products were conducted. The total value of mining products traded reached 6,155.3 billion MNT, marking a 5.0-fold increase compared to the same period last year.



Of the total trades, 95.3% involved coal, 3.9% iron ore and concentrate, 0.7% copper concentrate, and 0.1% fluoride.

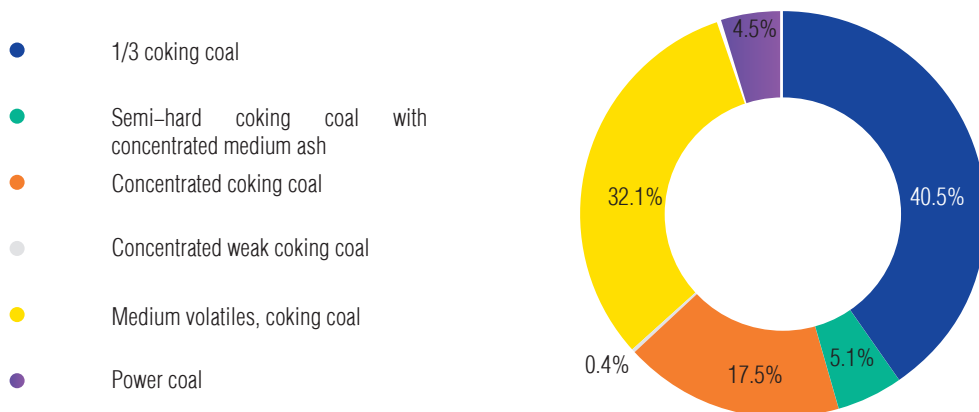
Products	Number of packages	Size /thousand tons/	Total amount /MNT, billion/
Coal	2,274	14,553.6	5,867.6
Iron ore and concentrate	304	980.1	241.9
Fluorite concentrate	67	4.4	5.3
Copper concentrate	6	6.0	40.5
Total	2,651	15,543.5	6,155.3

Out of a total of 339 trades, China participated in 252 trades, Singapore in 46 trades, Hong Kong in 39 trades, while both America and Mongolia each participated in 1, trade.



COAL TRADE

A total of 2,274 packages, equivalent to 14,553.6 thousand tons of coal, were traded for 5,867.5 billion MNT. The breakdown of trades by company as follows "Erdenes Tavantolgoi" JSC:10,777.6 thousand tons of coal for 4,208.9 billion MNT, "Tavantolgoi" LLC: 627.2 thousand tons of coal for 300.0 billion MNT, "Energy Resources" LLC; 3,065.6 thousand tons of coal 1,323.3 billion MNT, "Khangad Exploration" LLC: 51.2 thousand tons of coal for 23.6 billion MNT, "Mongol Alt (MAK)" LLC: 32.0 thousand tons of coal for 11.7 billion MNT.



In the overall trade, 1/3 coking coal accounted for 40.5%, followed by:

- Medium volatile coking coal: 32.1%
- Concentrated coking coal: 17.5%
- Semi-solid coking coal with concentrated medium ash: 5.1%
- Power coal: 4.5%
- Concentrated weak coking coal: 0.4%

IRON ORE AND CONCENTRATE TRADING

A total of 304 packages, equivalent to 980.1 thousand tons of iron ore and concentrate were traded for 241.9 billion MNT. The breakdown by company is as follows:"Darkhan Metallurgical Plant" LLC:485.1 thousand tons of iron ore and concentrated for 106.2 billion in MNT, "Mongolroostsvetmet" SOE: 195.0 thousand tons of iron ore and concentrated for 135.7 billion MNT.

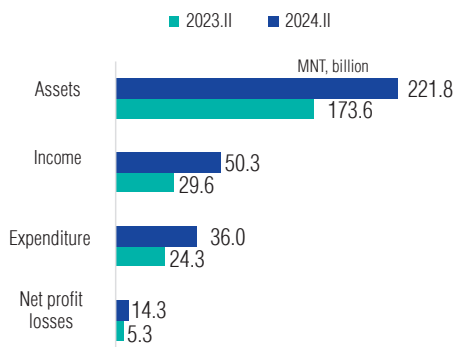


TRADING OF COPPER CONCENTRATE AND SOLDER JOHNSHIN CONCENTRATE

A total of 6 packages, equivalent to 6.0 thousand tons of concentrate with a copper content of 22.35%, was purchased by "Erdenet Mining Corporation"SOE, purchased 67 packages, totaling 4.4 thousand tons of CaF2-95% fluorite concentrate, for 40.5 billion MNT.

"Mongolroostsvetmet" SOE traded for 5.3 billion MNT.

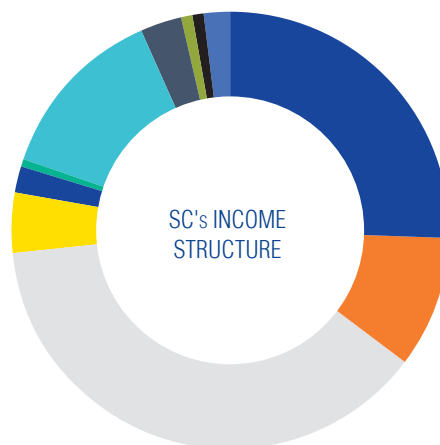
PROFITABILITY



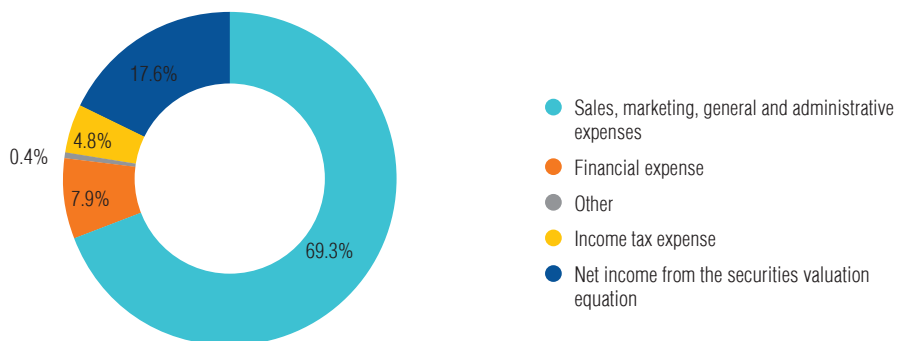
PROFITABILITY OF SECURITIES COMPANIES

- The total assets of securities companies amounted to 221.8 billion MNT, marking a 27.8% increase compared to the same period last year.
- Income increased by 20.7 billion MNT, while expenses rose by 11.7 billion MNT, resulting in a net profit of 14.3 billion MNT compared to the same period last year.

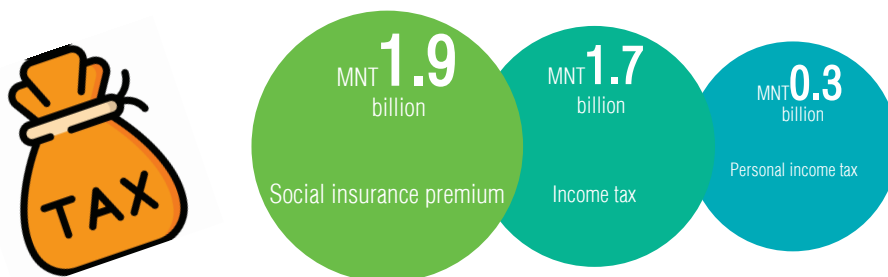
ҮЦК-ИЙН ОРЛОГЫН БҮТЭЦ



SC'S EXPENDITURE STRUCTURE

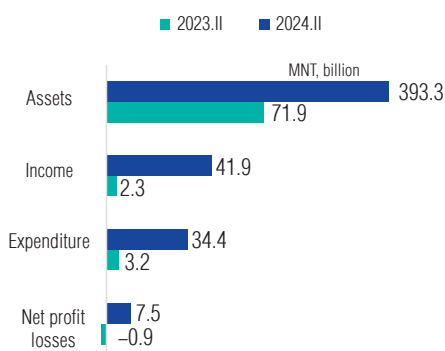


CENTRALIZED TAXATION AND SOCIAL SECURITY CONTRIBUTIONS



- o Securities companies contributed a total of 3.9 billion MNT to the state budget, including 1.9 billion MNT for social insurance contributions, 0.3 billion MNT for personal income tax, 1.7 billion MNT for entity income tax

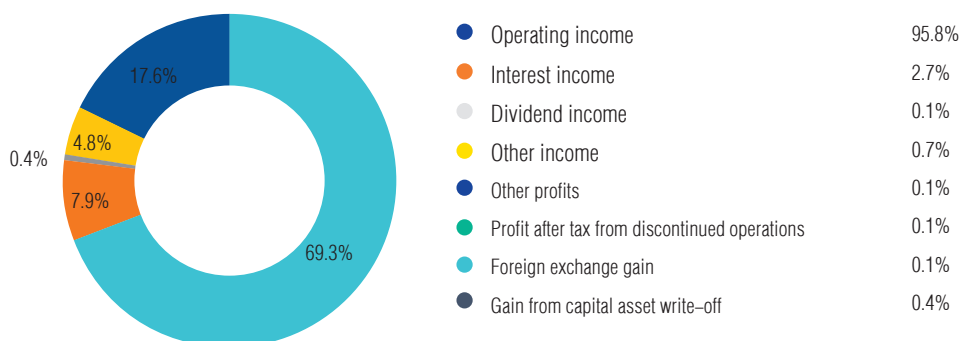
PROFITABILITY OF INVESTMENT MANAGEMENT COMPANIES



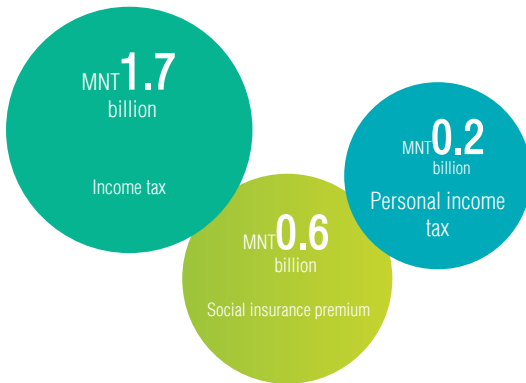
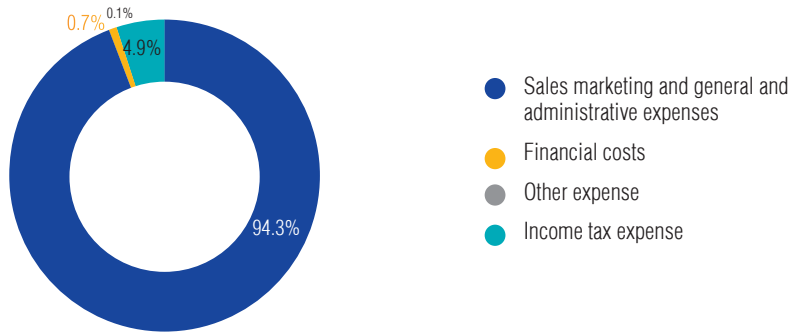
PROFITABILITY OF SCs

- o The total assets of investment management companies amounted to 393.3 billion MNT, reflecting a 5.5 % increase compared to the same period last year.
- o Income increased by 39.6 billion MNT, while expenses rose by 31.3 billion MNT resulting in a loss 7.5 billion MNT compared to the same period

IMC'S REVENUE STRUCTURE

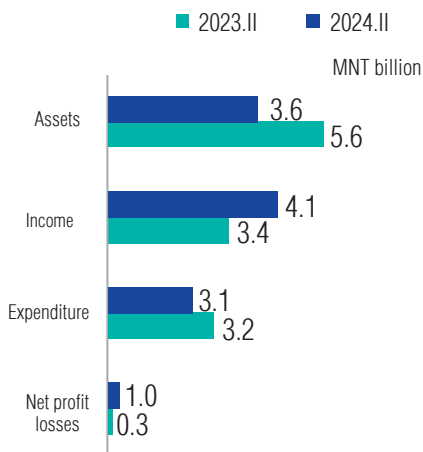


IMC'S EXPENDITURE STRUCTURE



- Investment management companies contributed a total of 2.5 billion MNT to the state budget, including 0.6 billion MNT for social insurance contributions, 0.2 billion MNT for personal income tax, 1.7 billion MNT for entity income tax

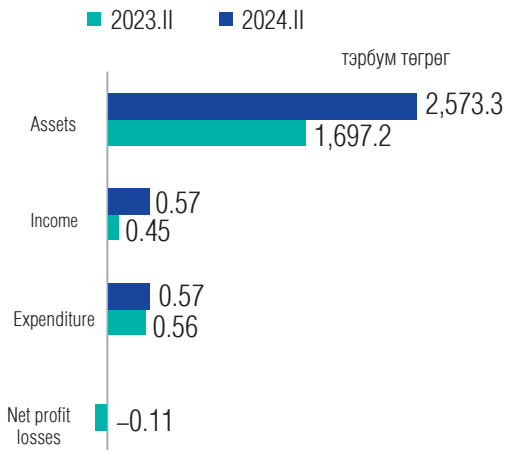
PROFITABILITY OF AGRICULTURAL COMMODITY EXCHANGES



PROFITABILITY OF AGRICULTURAL EXCHANGES

- The total assets of agricultural commodity exchanges amounted to 3.6 billion MNT, indicating a 34.7 % decrease compared to the same period last year.
- income increased by 0.7 billion MNT, while expenses decreased by 0.1 billion MNT. Resulting in a net profit of 1.0 billion MNT compared to the same period last year.

FINANCIAL STATEMENT INDICATORS OF CUSTODIANS

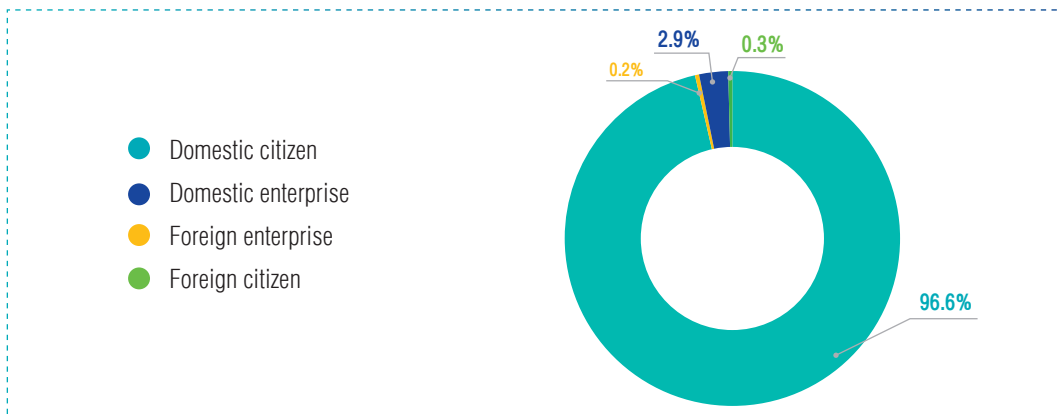


PROFITABILITY OF CUSTODIAN BANKS

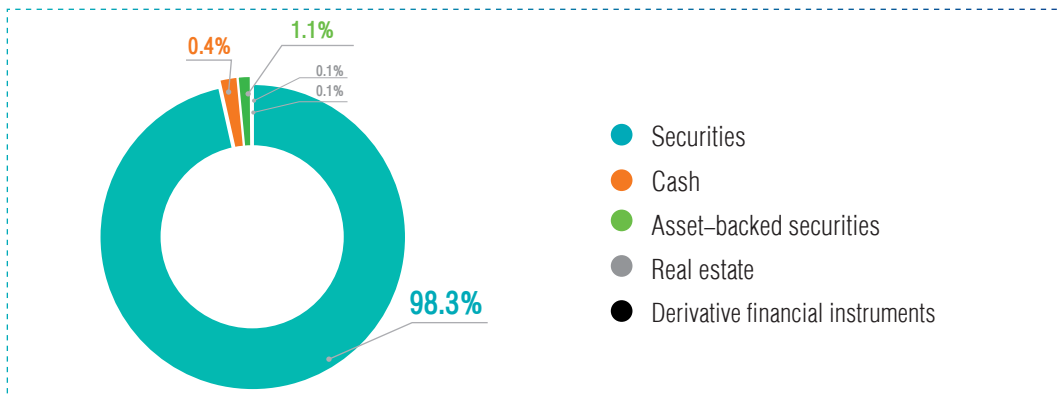
- o The total assets of custodian banks amounted to 2,573.3 billion MNT, marking a 51.6% increase compared to the same period last year.
- o income increased by 0.12 billion MNT, while expenses rose by 0.01 billion MNT, resulting in no losses.

CUSTOMER STRUCTURE OF CUSTODIAN BANKS

- o The customer base comprised: 96.6% domestic citizens; 2.9% domestic entities; 0.3% foreign citizens; 0.2% foreign entities.

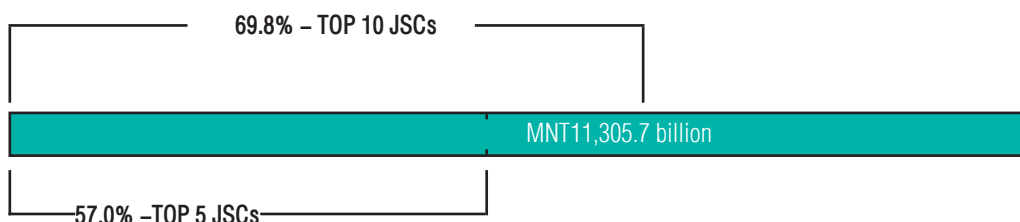


- o In terms of asset classification deposited in custodian banks: 98.3% were securities; 1.1% were asset-backed securities; 0.4% were cash; 0.1% were real.



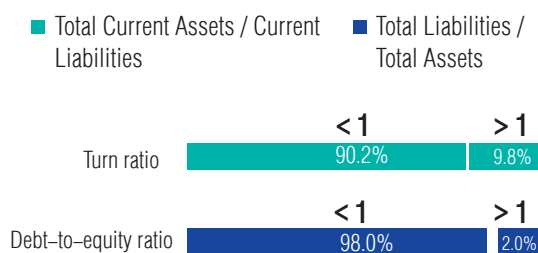
STABILITY

The 10 companies with the highest market capitalization accounted for 69.8% of the total market capitalization, while the 5 JSCs with the highest value constituted 57.0%.



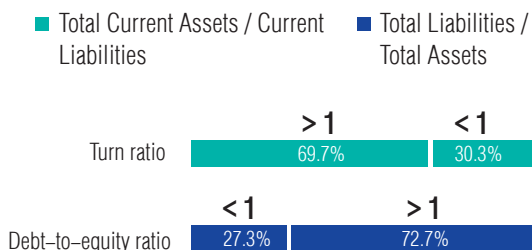
SOLVENCY ASSESSMENT OF SECURITIES COMPANIES

- Out of 51 securities companies: 46 companies (90.2%) had a current ratio above 1, while 5 companies (9.8%) had a current ratio below 1.
- Only 1 company (2.0%) had a debt ratio greater than 1, while 50 companies (98.0%) had a current ratio lower than 1.



SOLVENCY ASSESSMENT OF IMCs

- Among these, 23 companies (69.7%) had a current ratio above 1, while 10 companies (30.3%) had a current ratio below 1.
- The debt ratio of 24 companies (72.7%) was below 1, while 9 companies (27.3%) had a debt ratio above 1.



POLICY AND LEGISLATION



POLICY AND LEGISLATION

- o In accordance with the "Main Directions for Improvement of the Legislation of Mongolia until 2024," approved by the State Great Khural's Resolution No.12 of 2021, the draft law on amendments to the Securities Market Law along with the draft laws on the Investment Fund Law and the Company Law, were discussed by the Government. The initial discussion of the draft law occurred during the plenary session of the State Great Khural on March 28, 2024. With the support of the majority of Members of Parliament the amendments were finally approved on May 16, 2024, following a plenary session on April 4, 2024. The Financial Regulatory Commission is currently developing the relevant rules and regulations in response.
- o The "Regulation on Special Notation and Registration of Asset-backed Securities Package," originally approved in 2013 by a joint order of the Minister of Justice and Internal Affairs and the Chairman of the Financial Regulatory Commission, was revised and re-approved on March 4, 2024. The revision was made to align with the requirements of the General Administrative Law and to enhance the regulatory environment.
- o The revised Law on Asset Valuation was approved by the State Great Khural in June 2022 and took effect on January 1, 2023. As a result of this new law, some companies engaged in asset valuation needed to either transfer their activities to another legal entity or establish a new legal entity to register as an entity conducting asset valuation activities. Consequently, they were unable to meet specific conditions and requirements outlined in the "Securities Registration Rules", which were approved by the FRC's Resolution No.225 of 2021. Amendments and changes to the "Securities Registration Rules" were subsequently made by the FRC's Resolution No.248 on June 5, 2024.
- o On November 10, 2023, the State Great Khural approved amendments to the Corporate Income Tax Law and the Personal Income Tax Law. Article 18.14 of the Corporate Income Tax Law stipulates that the procedure for determining, withholding, reporting, and paying tax on the sale of government, provincial, municipal, and domestic taxpayer securities (bonds, shares, and other securities) traded in primary and secondary markets will be jointly approved by the Minister of Finance and the Chairman of the Financial Regulatory Commission. In response, the Ministry of Finance and the FRC collaboratively developed these procedures, which were approved by the joint order A/105/239 on June 7, 2024.



COOPERATION

- The Financial Regulatory Commission (FRC) and the Mongolian National Chamber of Commerce and Industry (MNCCI) have approved the "Program to Increase the Participation of TOP-100 Enterprises in the Capital Market." This program aims to enhance the ability of TOP-100 enterprises to attract funding from the capital market.
- to support this initiative A working group was established. This group is tasked with developing regulations to simplify the issuance of securities, thereby reducing the conditions, requirements, and time needed for TOP-100 companies to conduct an IPO and issue corporate bonds. Key measures include: eliminating the need for asset valuation for IPOs, and removing requirements for deposits or guarantees for bond issuance. Relevant regulations were published on the FRC's website on April 24, 2024, for public consultation in accordance with Article 62.1 of the General Administrative Law, with the aim of final approval.
- Additionally, another working group was formed to jointly develop regulatory adjustment projects. These projects focus on simplifying and reducing the conditions, requirements, time needed, and costs for TOP-100 enterprises to issue shares and corporate bonds on the securities market. Necessary tasks are being carried out according to the established plan.
 1. In collaboration with the Financial Regulatory Commission, the Mongolian National Chamber of Commerce and Industry (MNCCI), and professional participant organizations, a "One-Stop Service for Advice and Information on the Securities Market" was organized on Tuesdays from April 23 to May 14, 2024. This service aimed to provide enterprises with guidance on: – Resolving difficulties in issuing shares and bonds in the capital market, – Understanding the advantages and significance of becoming a public company, – Navigating the IPO process, – Enhancing corporate governance.
 2. In partnership with the Mongolian National Chamber of Commerce and Industry, a meeting titled "Advantages of Becoming a Public Company and Its Impact on the Securities Market" was successfully held on April 12, 2024. The event aimed to: – introduce the challenges faced by companies in going public – discuss measures being implemented within the working group, – facilitate an exchange of views among company leaders.
- key advantages for TOP-100 enterprises: expanding business operations, increasing profit and revenue, boosting company reputation, attracting long-term affordable financing, improving corporate governance and transparency. Participating in the capital market through an IPO, issuing corporate bonds, and engaging in other activities can help achieve these benefits.





INSURANCE MARKET

Total assets

MNT616.6 billion

Capital growth **19.0%**



Financial market status

Insurance density

***MNT115,405**



Accessibility

Total fees for brokered
insurance and reinsurance

MNT70.0 billion



Products and services

Profitability



Net profit

MNT19.8
billion

Tax collected
by the state,
Social security
contributions

MNT9.1
billion

Stability



Reinsurance
premium cost

MNT25.7
billion

Regulatory environment

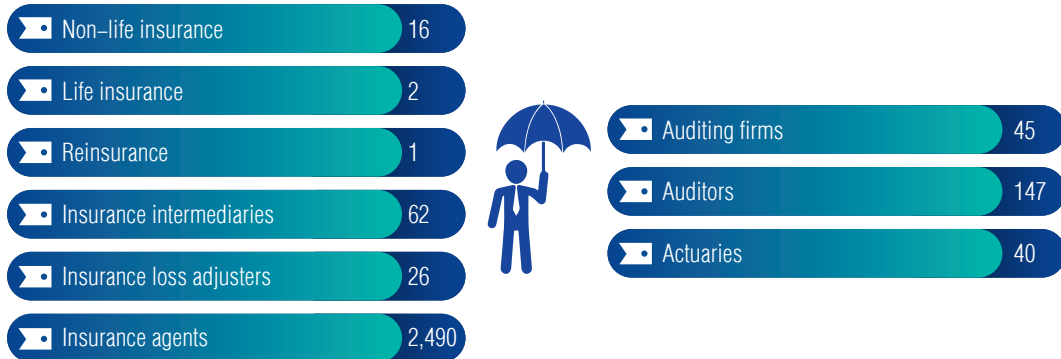


FINANCIAL MARKET STATUS

INSURANCE SECTOR STRUCTURE

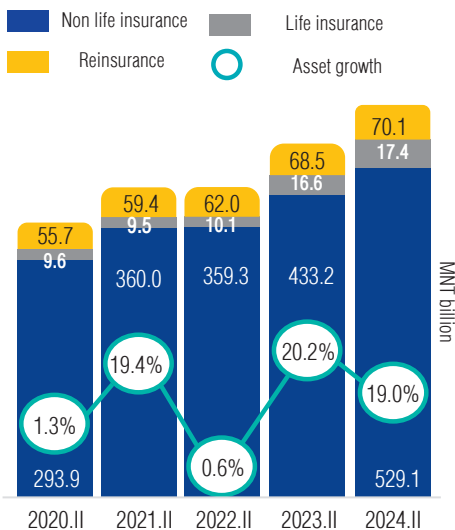
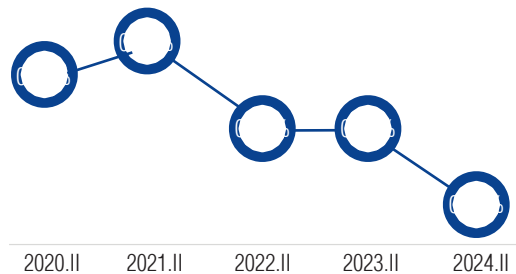
Based on special licenses, permits, and rights granted by the Financial Regulatory Commission, the following entities are currently operating:

–339 insurance companies, brokers, loss assessors, audit companies, actuaries, and auditors, – 2,490 insurance agents.



INSURANCE DENSITY

- The deepening reached 0.32% reflecting: an increase of 0.23 percentage points compared to the same period last year and a decrease of 0.25 percentage points compared to the same period in 2020.



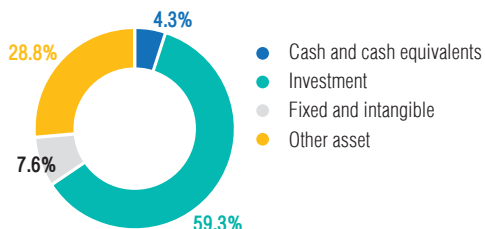
TOTAL ASSETS OF INSURANCE COMPANIES

- In the reporting quarter, total assets increased by 19.0% compared to last year reaching 616.6 billion MNT, which represents a 71.7% increase compared to the same period in 2020.
- non-life insurance companies Total assets increased by 22.1% compared to the same period last year, reaching 529.1 billion MNT, and accounting for 85.8% of the sector's total assets.
- reinsurance companies Total assets increased by 2.3% compared to the same period last year, reaching 70.1 billion MNT, which accounts for 11.4% of the sector's total assets.
- Compared to the same period last year, the total capital of life insurance companies increased by 4.7%, reaching 17.4 billion MNT, and accounting for 2.8% of the sector.

ASSET STRUCTURE AND MARKET SHARE (BY TOTAL ASSETS)

The asset structure of insurance companies is as follows ,

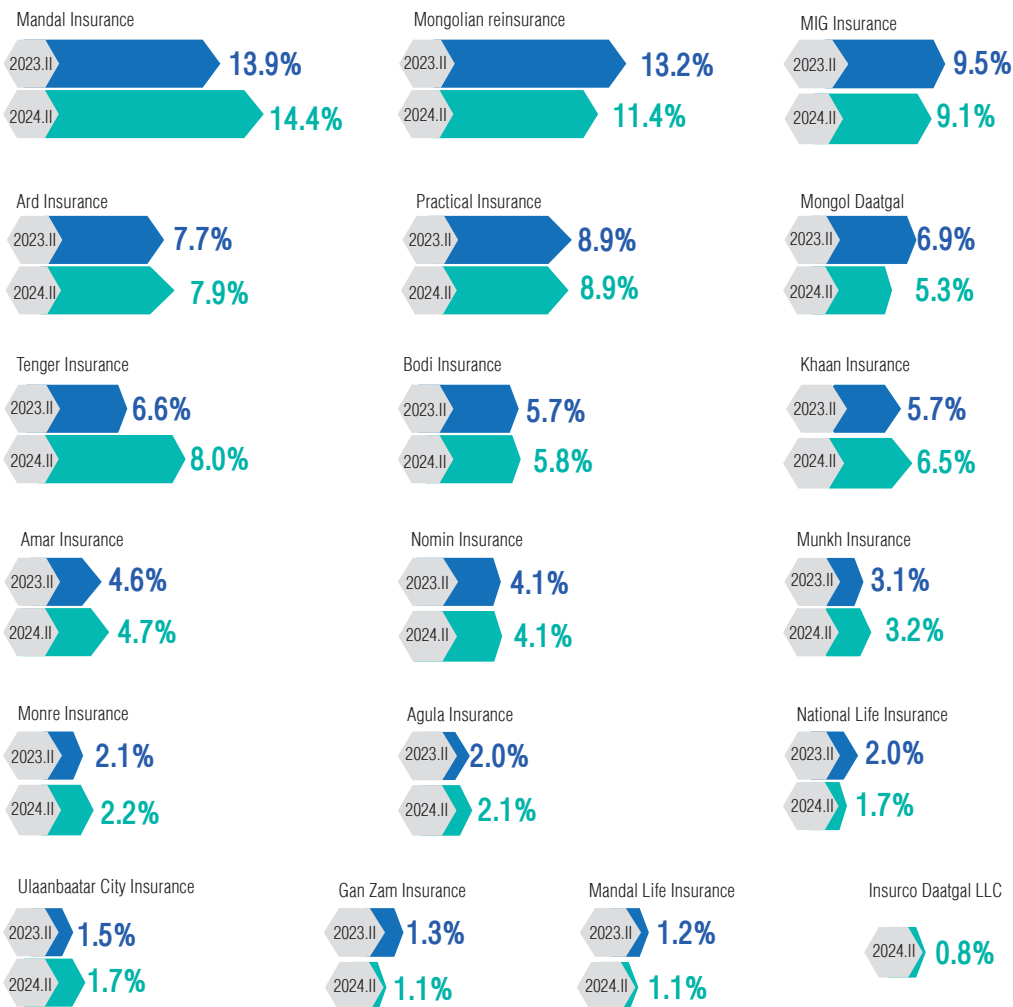
Investments: 365.8 billion MNT (59.3%), Other Assets: 177.7 billion MNT (28.8%), Fixed and Intangible Assets (net amount): 47.0 billion MNT (7.6%) Cash and Equivalent Assets: 26.1 billion MNT (4.3%)



Insurance companies are distributed based on their total assets' shares as follows:

3 companies hold a share above 9%, 4 companies hold between 6 and 9%, 5 companies hold between 3 and 6%, 7 companies hold less than 3%.

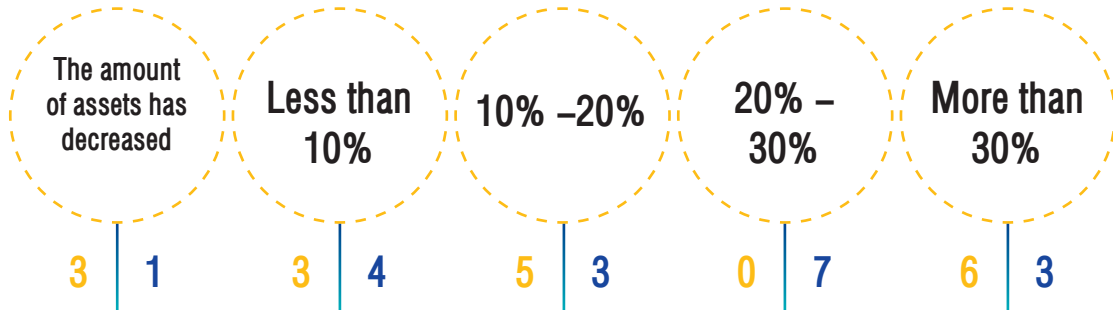
Percentage share of total assets of insurance and reinsurance companies



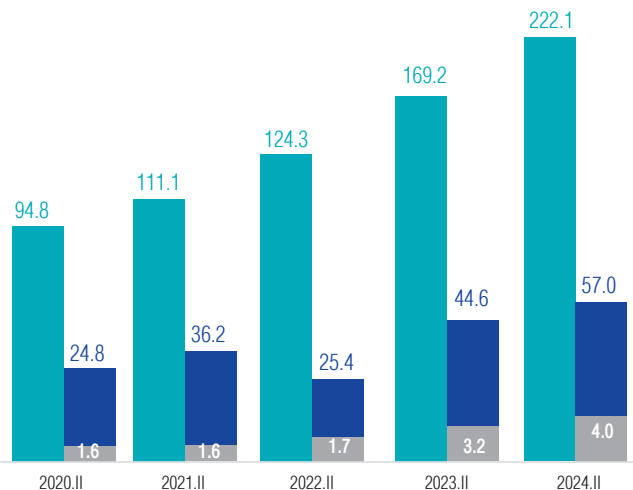
ASSETS GROWTH DISTRIBUTION OF INSURANCE COMPANIES

The average asset growth of all insurance companies was 20.0% in the same period last year and 18.2% in the reporting quarter. When grouped by capital growth: 3 companies experienced an increase of more than 30%, 7 companies saw growth between 20–30%, 3 companies had growth between 10–20%, 4 companies experienced less than 10% growth. Additionally, 1 insurance company experienced a decrease in capital size.

2022.II–2023.II / 2023.II–2024.II



- 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

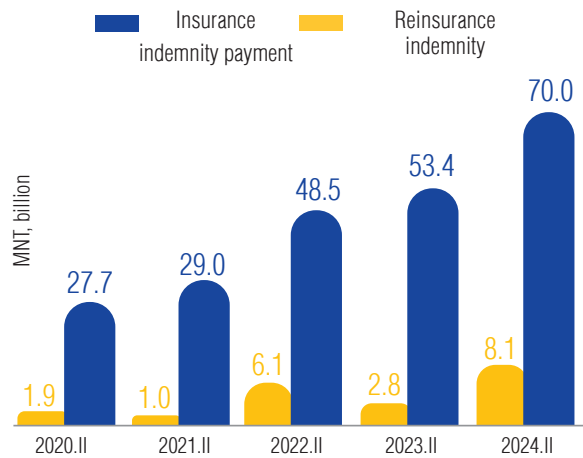
- Non-life and life insurance companies collected a total of 222.1 billion MNT, reflecting an increase of 31.3% from the same period last year and 134.3% compared to the same period in 2020.
- non-life insurance companies collected 220.4 billion MNT, accounting for 99.2% of the total. Life insurance companies collected 1.7 billion MNT, accounting for 0.8%.
- A total of MNT 57.0 billion was spent on reinsurance premiums, with MNT 4.0 billion, or 7.1%, paid to domestic insurers.

PREMIUMS PAID FOR REINSURANCE

- Non-life and life insurance premiums increased by 31.3% compared to the same period in 2020 and by 1.3% compared to last year.

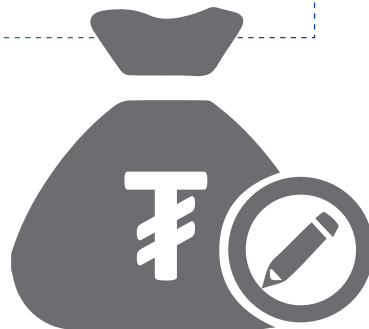
REINSURANCE/INSURANCE REIMBURSEMENT

- o The total compensation expenditures of insurance companies amounted to 70.0 billion MNT, marking a 31.0% increase compared to the same period last year. Compared to the same period in 2020, this represents 1.5-fold increase. Non-life insurance companies paid out 69.0 billion MNT in compensation, accounting for 98.6%.
- o The compensation expenditures handled by the reinsurer increased by 1.9-fold, reaching 8.1 billion MNT compared to the same period last year.



RESERVES FUND

- o In the reporting quarter, the total reserve fund of the insurance sector increased by 19.0% compared to last year, reaching 290.6 billion MNT.
- o The total reserve of non-life insurance companies increased (from last year) by 23.4% to 257.1 billion MNT. During the same period, life insurance companies' reserves increased by 1.8% to 3.6 billion MNT, and reinsurance companies' reserves decreased by 7.7% to 29.9 billion MNT.



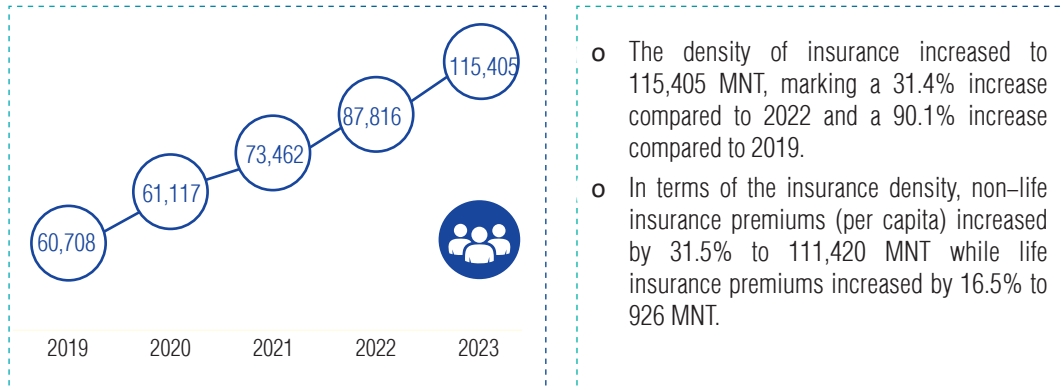
MNT **290.6**
billion
2024.II

MNT **244.2**
billion
2023.II

ACCESSIBILITY

INSURANCE DENSITY

The insurance density indicator, which reflects the ratio of premium income per capita, indicates market availability and demand. Since the population is calculated annually, insurance density is not reported quarterly and will be estimated at the end of 2023.



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

INSURANCE CONTRACT

A total of 1,006,823 insurance contracts were concluded. Of these, 83.0% (or 836,135 contracts) were with individuals, and 17.0% (or 170,532 contracts) were with legal entities

Individuals **836,135**
Legal entities **170,532**

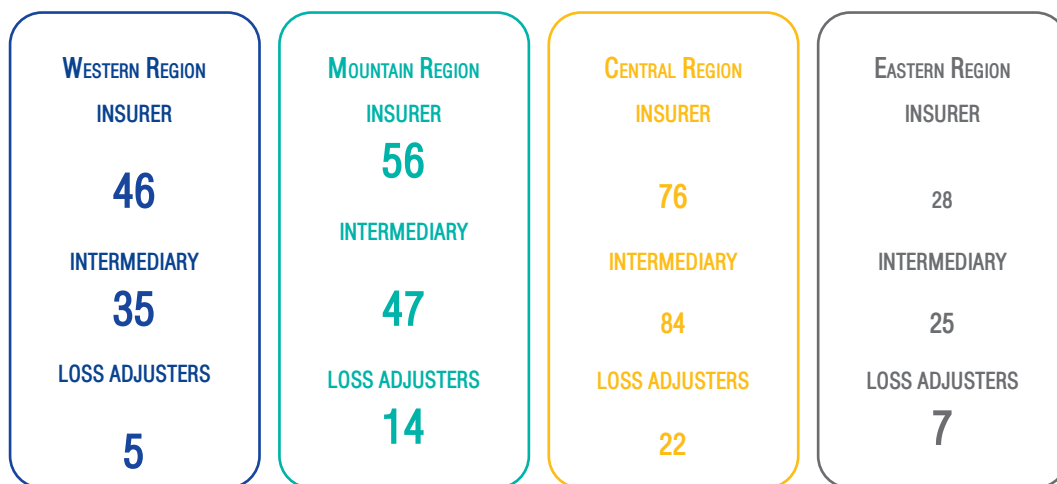
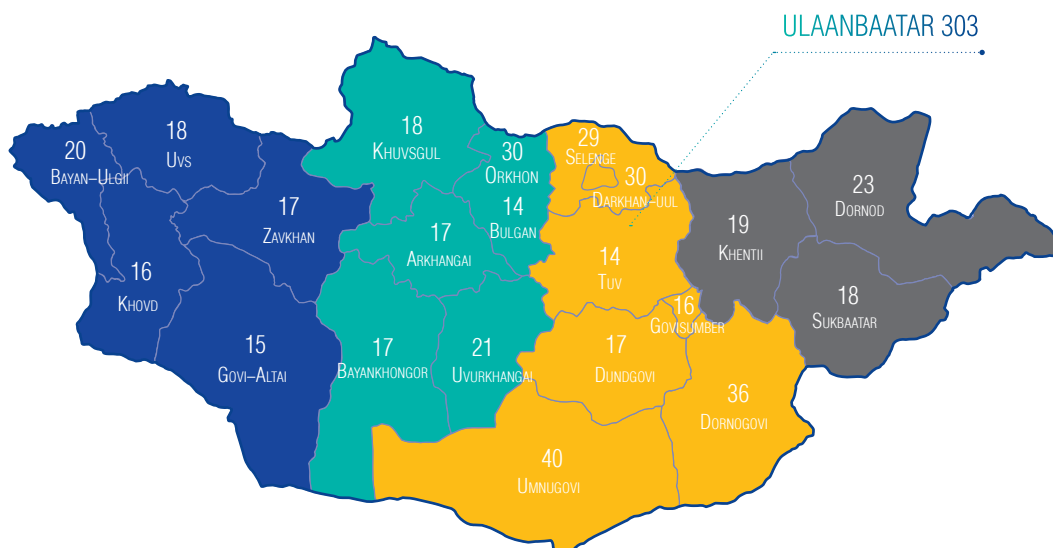
Gender ratio of contracts concluded with individuals /percentage/



BRANCH REPRESENTATIVE

1,836 representatives and 445 branches are actively operating across insurance companies, intermediaries, and loss assessment companies, reflecting the availability and outreach of insurance service.

LOCATION OF INSURANCE



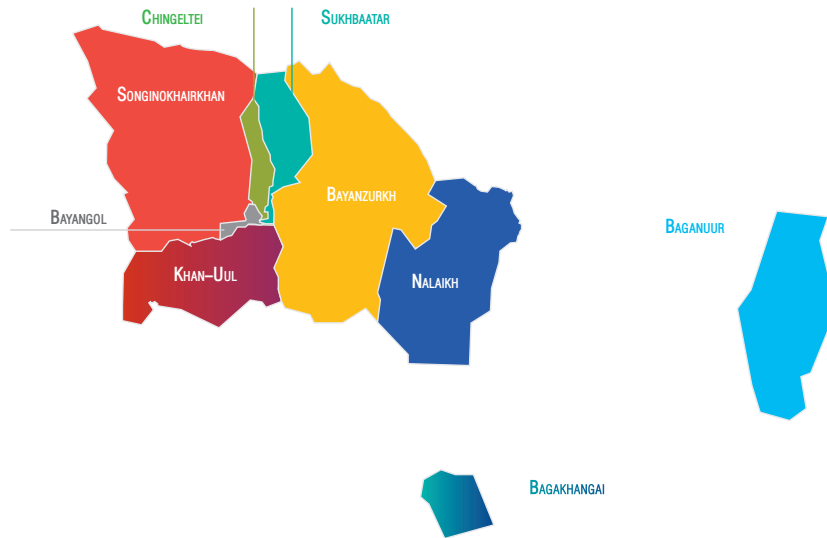
REPRESENTATIVES



BRANCH REPRESENTATIVE

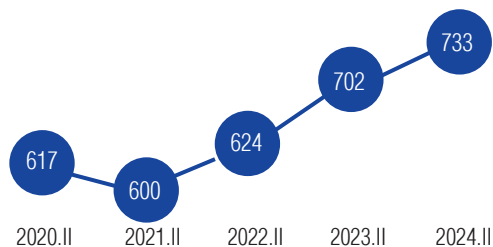
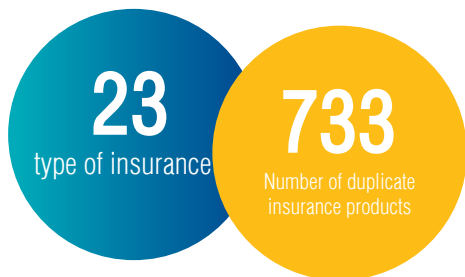
ULAANBAATAR

- 303 representative offices were registered in Ulaanbaatar: comprising 44 branches of insurance companies, 217 branches of insurance brokers, and 42 branches of loss adjusters. 92.7% of these branches were located in the six central districts of the capital.
- The total number of representative offices in Ulaanbaatar reached 654.
- Additionally, 14 representative offices of insurance companies were registered with the Financial Regulatory Commission, with 1 office located in China and 1 office in South Korea.



	SONGINOKHAIRKHAN	CHINGELTEI	SUKHBAATAR	BAYANZURKH
INSURANCE	4	5	11	5
BROKER	18	39	48	38
LOSS ADJUSTER	10	4	7	9
	KHAN-UUL	BAYANGOL	NALAIKH	BAGANUUR
INSURANCE	3	5	3	7
BROKER	36	28	6	4
LOSS ADJUSTER	4	7	0	1
	BAGAKHANGAI			
INSURANCE	1			
BROKER	0			
LOSS ADJUSTER	0			

PRODUCTS AND SERVICES



- o 23 forms of non-life and life insurance are available, with all being voluntary except for Compulsory Driver's Liability Insurance.
- o The number of reinsurance products reached 733, marking an increase of 31 compared to the same period last year and a growth of 116 compared to the second quarter of 2020.

Total non-life insurance premium

2023.H2

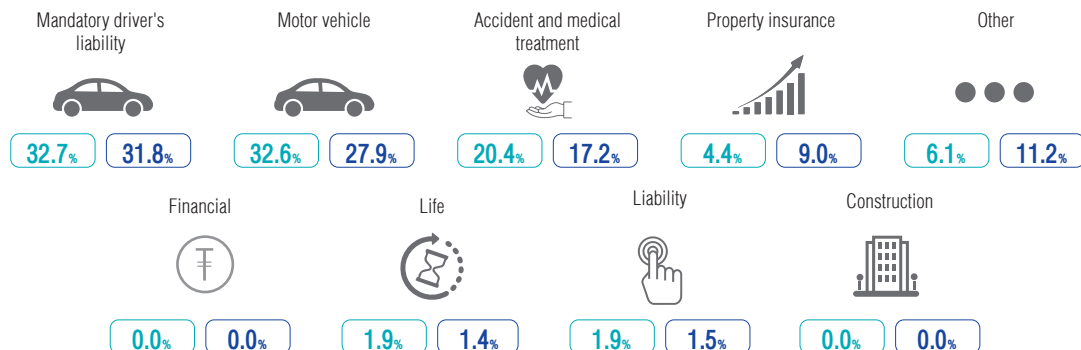
2024.H2



Non-life insurance indemnity

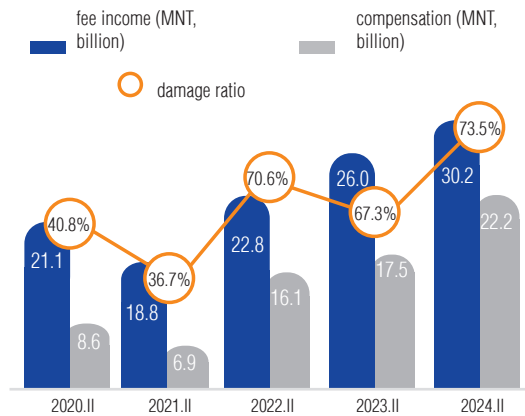
2023.H2

2024.H2



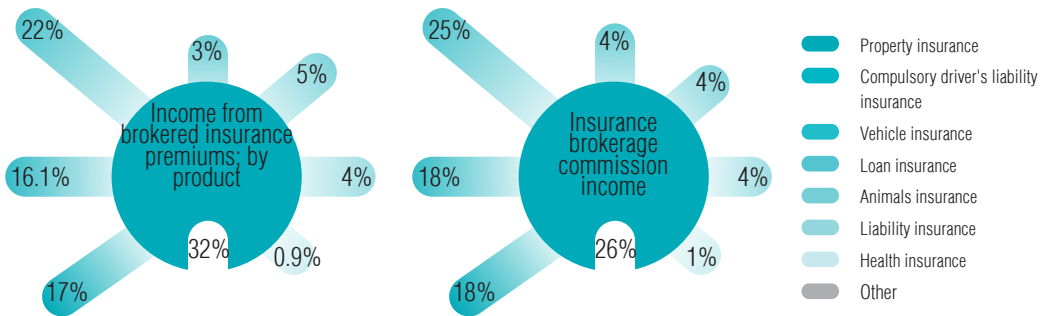
COMPULSORY INSURANCE

- o The total premiums reached 30.2 billion MNT – an increase of 16.2% compared to the same period last year – this represents 13.6% of the total insurance premium income.
- o reimbursements increased by 26.9% compared to the same period last year. 22.2 billion MNT was disbursed as compensation representing 38.9% of the total compensation costs within the sector.



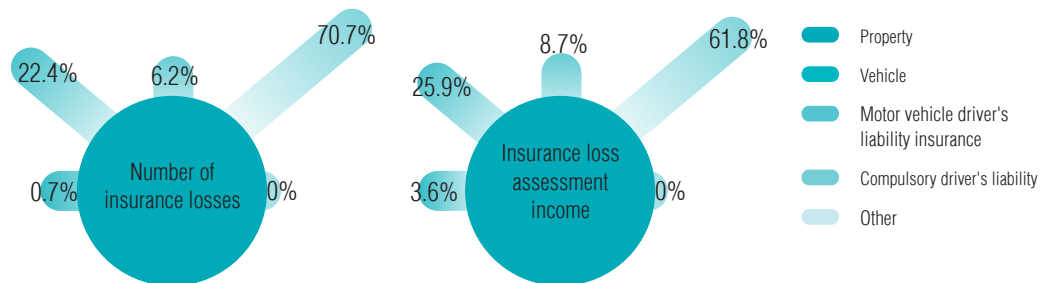
INSURANCE INTERMEDIARIES

The collected premiums by insurance brokers: 69.2 billion MNT. Notably, the premium income of insurance intermediaries rose by 33.9% reaching 13.5 billion MNT in the reporting quarter (compared to 10.1 billion MNT in the same period last year).



INSURANCE DAMAGE ASSESSOR

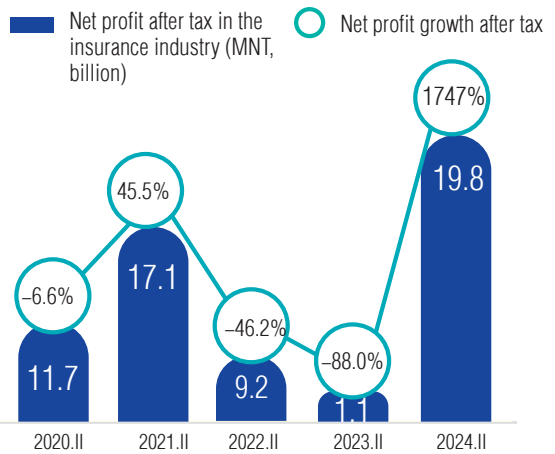
- o total assessed losses 21,288 cases with a total value of 38,9 billion MNT. income from insurance loss assessment increased by 25.2% compared to last year, reaching 2.5 billion MNT.



PROFITABILITY

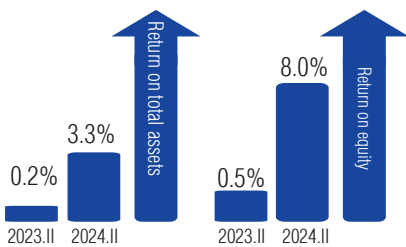
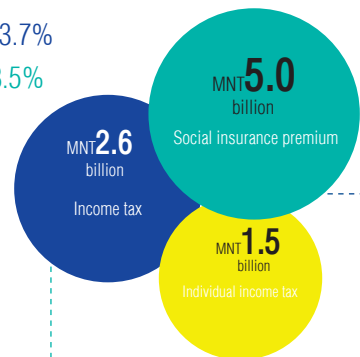
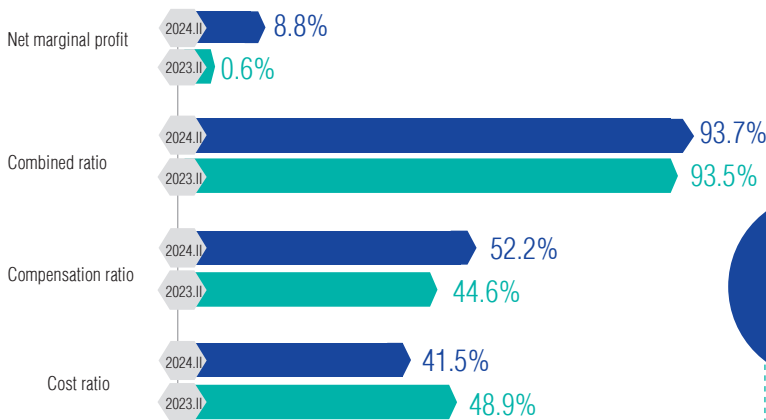
NET PROFIT INDICATOR OF INSURANCE COMPANIES

- o net profit of insurance companies increased 17.5-fold reaching 19.8 billion MNT; which is 69.2% higher than the same period in 2020.
- o net profit after tax performance: 12 companies saw decreases in profit 2 companies showed increases of up to 50%, 2 companies showed increases between 50–100%.
- o 3 companies had more than 100% profit growth.



KEY RATIOS

- o compensation ratio increased by 7.6 percentage points compared to the same period last year.
- o expenditure ratio decreased by 7.4 percentage points, reaching 41.5%.
- o net profit margin of the insurance sector improved by 8.1 percentage points reaching 8.8%.



PROFITABILITY COEFFICIENT

- o Return on assets decreased by 4.2 percentage points, falling to 0.2% compared to the same period last year. Return on equity decreased by 1.7 percentage points dropping to 0.5%.

- o social insurance premiums, 5.0 billion MNT personal income tax 1.5 billion MNT, corporate income tax 2.6 billion MNT for. In total, 9.1 billion MNT was collected and contributed to the state budget by insurance companies.

STABILITY

MARKET RISK

- Currency exchange rate risk continues to be a significant challenge for insurance companies operating in Mongolia, especially those involved in international transactions like reinsurance.
- A majority of Mongolian insurance companies engaging in reinsurance abroad transferred an annual average of over 62.0 billion MNT to foreign countries during the last three years.
- In the reporting quarter reinsurance premiums sent abroad accounted for 25.7% of the total insurance premiums collected.

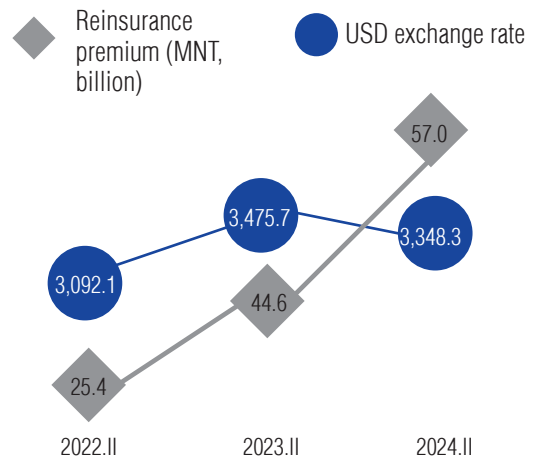
25.7%

Share of reinsurance premiums in total premiums

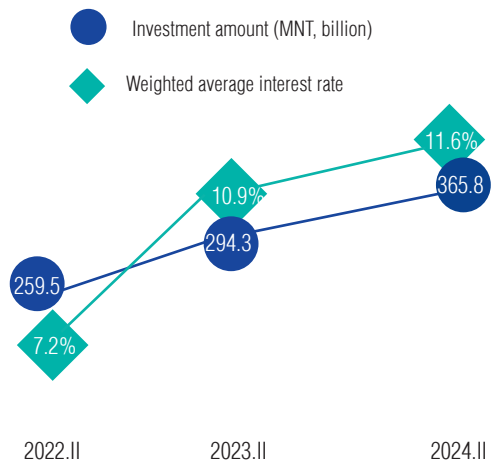
- Investments make up 59.3% of the total assets held by insurance companies. Of this 72.0% is held in the form of investment certificates of deposit.
- Insurance companies generated a total of 34.6 billion MNT in interest income from deposits, certificates of deposit, and securities investments.

Investment amount

59.3%



Weighted average interest rate on total insurance investment and savings



POLICY AND LEGISLATION



POLICY AND LEGISLATION

- A new insurance package law concept, including draft laws on insurance, insurance brokerage, and driver's insurance has been approved. The Financial Regulatory Commission (FRC) is collaborating with the Ministry of Finance to finalize these draft laws. The next steps involve presenting these drafts at the Government meeting and submitting them to the State Great Khural for approval .
- In line with the General Administrative Law, FRC is revising and amending regulations that governs insurance activities, incorporating suggestions from the public.
- Revision include the "Regulation on the use of indicators for calculating the driver's insurance premium", initially approved by the FRC's Resolution No. 211 in 2018;
- The FRC is also working on amendments to the regulation governing "Mortgage Insurance Activities".
- Amendments will be made to the "Regulation for drivers' insurance coverage for motor vehicle owners transiting or temporarily entering the territory of Mongolia".



INTERNATIONAL COOPERATION

- o AM Best agency (the International credit rating organization) and "Mongolian National Reinsurance" JSC jointly organized training for more than 30 insurance sector experts on April 5, 2024. The training covered the following topics. •Risk-based capital/RBC/, •Own Risk and Solvency Assessment/ ORSA/
- o Representatives participated in the meeting with the project consultants organized on June 10, 2024, within the framework of ADB's "Program for the professional and technical assistance the development of the legal and regulatory environment of the fintech sector in Mongolia".
- o ISBC Project Collaboration: Under the "Insuring Small and Medium Enterprises (SME) through Blockchain Technology (ISBC)" project, implemented by the German GIZ, representatives from the FRC are participating in a team dedicated to the quality translation of five training manuals organized by the English Insurance Institute.



MEETINGS

- o On April 12, 2024, a discussion was held with representatives involved driver's insurance activities.
- o to address the challenges and solutions related to the implementation of the "IFRS-17" insurance contract standard in the insurance sector, a discussion was jointly organized with the Ministry of Finance with the participation of sector experts on May 6, 2024.







NBFIs

Total assets

MNT**5.8** trillion



Financial market status

Capital growth **45.9%**

Customers

4.9 million

Average loan amount
MNT**2.5** million



Accessibility

Credit NBFIs
88.5%

Foreign currency exchange NBFIs
10.9%



Products and services

Profitability



Total income
MNT**800.9**
billion

Tax collected by the
state, social security
contributions MNT**70.6**
billion

Stability



Z index
20.7

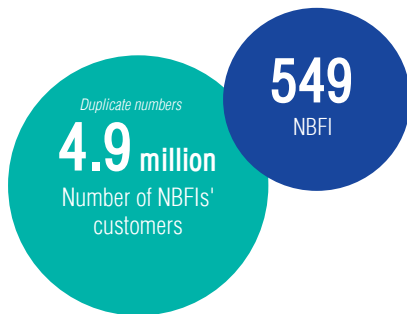
Percentage of non-
performing loans
6.2%

Regulatory environment



FINANCIAL MARKET OUTLOOK

In the second quarter of 2024, the Financial Regulatory Commission licensed 549 NBFIs, marking a 5.2% increase compared to the same period last year.

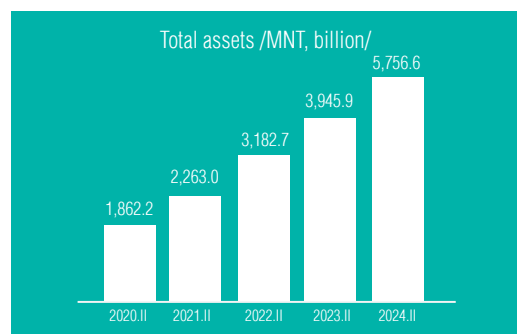
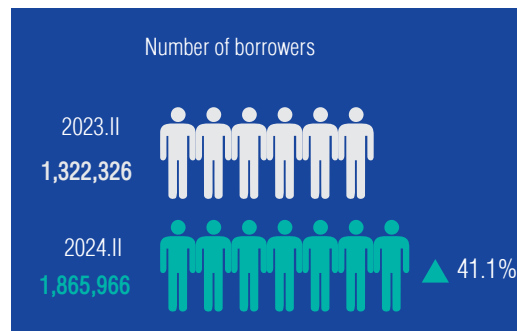
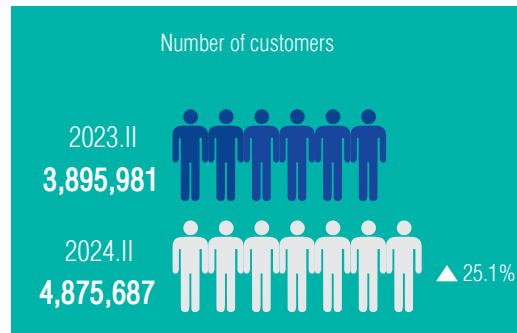
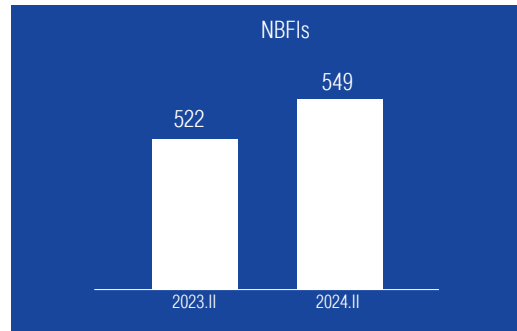
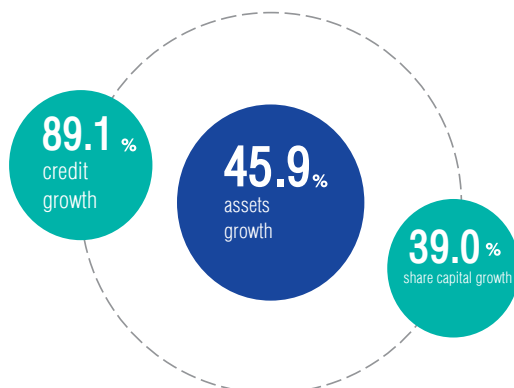


Of these, (4.7%) have international investments, while 95.3% have domestic investments.



ASSETS OF NBFIs

The total assets of NBFIs reached 5.8 trillion MNT, reflecting a 1,810.7 billion MNT (45.9%) increase from last year and a 3.1-fold increase compared to the second quarter of 2020.



Assets structure of NBFIs (MNT, billions)

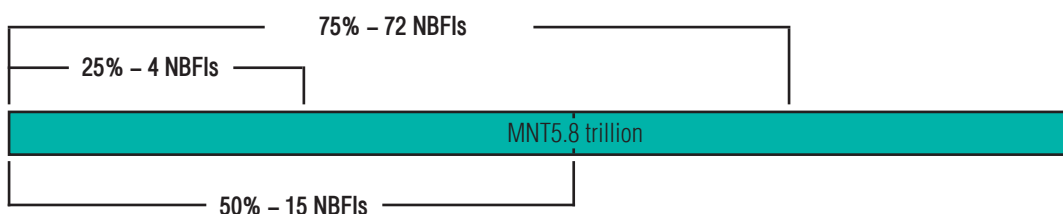
Total assets	5,490.5	95.4%	
Cash	706.7	12.3%	
Investment	77.0	1.3%	
Credit (net)	4,558.2	79.2%	
Factoring settlement receivables (net)	21.9	0.4%	
Derivative financial assets	1.3	0.0%	
Other	125.4	2.2%	
AMOUNT OF NON-FINANCIAL ASSETS	266.1	4.6%	
TOTAL ASSETS	5,756.6	100.0%	

Liability structure of NBFIs (MNT, billions)

Total liabilities	2,581.9	44.9%	
Liabilities	2,384.2	41.5%	
Source of Trust Services	884.8	15.4%	
Resources drawn from banks and financial institutions	871.9	15.2%	
Other	471.1	8.2%	
Derivative financial liabilities	0.4	0.0%	
Other financial liabilities	155.0	2.7%	
Secondary debt	1.0	0.0%	
Preference shares (liabilities)	-	0.0%	
AMOUNT OF NON-FINANCIAL LIABILITIES	197.7	3.4%	
OWN EQUITY	3,174.7	55.1%	
Share capital	1,682.2	29.2%	
Additional paid-in capital	82.0	1.4%	
Pocket stock	(2.6)	0.0%	
Addition to revaluation of fixed assets and intangible assets	13.9	0.2%	
Retained earnings and losses	1,329.2	23.1%	
Other property	70.0	1.2%	
TOTAL LIABILITIES AND EQUITY	5,756.6	100.0%	

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,
- 15 NBFIs accounted for 50%.
- 72 NBFIs accounted for 75%.



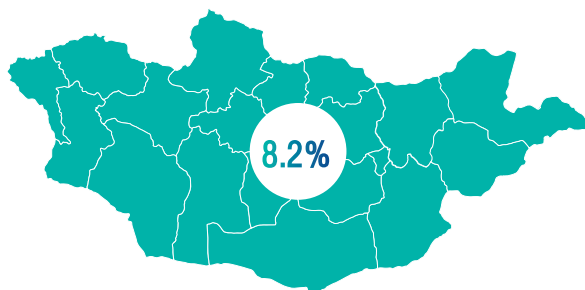
	Number of NBFIs		Total assets		Total loans		Percentage of non-performing loans in loan portfolio	Customers	
	No.	%	Amount (MNT, billions)	%	Amount (MNT, billions)	%		No.	%
Top 24 %	4	0.7%	1,463.2	25.4%	1,192.2	26.0%	1.1%	170,305	3.5%
Top 50 %	15	2.7%	2,920.4	50.7%	2,416.3	52.6%	2.3%	1,143,324	23.4%
Top 75 %	72	13.1%	4,320.0	75.0%	3,550.2	77.3%	4.0%	4,599,786	94.3%
TOTAL OF SECTOR	549	100.0%	5,756.6	100.0%	4,590.5	100.0%	6.2%	4,875,687	100.0%

Loans of NBFIs, accounting 25%, 50% and 75% of the sector's total assets, made up 26.0%, 52.6% and 77.3% of the total outstanding loans, respectively.

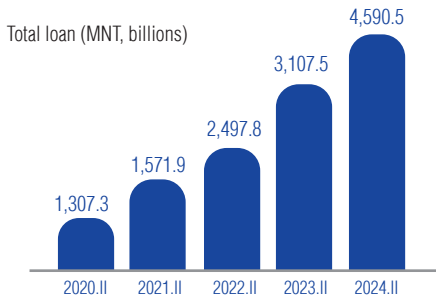
The loan quality of NBFIs with high sector percentages is below average compared to the sector average.

	Number of NBFIs	Total assets		Total loans		Customers	
		Amount (MNT, billions)	%	Amount (MNT, billions)	%	No.	%
With domestic investment	523	4,871.2	84.6%	3,934.2	85.7%	4,786,674	98.2%
With foreign investment	26	885.4	15.4%	656.3	14.3%	89,013	1.8%

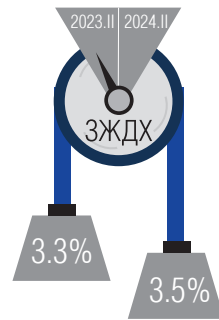
NBFIs with foreign investments included 13 (50.0%) from Japan, six (23.1%) from South Korea, two from the US, and others from Seychelles, Malaysia, the UK, Canada and China. Foreign-invested NBFIs accounted for 15.4% of the total sector assets and provided services to 1.8% of all customers



In the second quarter of 2024, the total assets of NBFIs accounted for 8.2% of Mongolia's GDP.



In the second quarter of 2024, the weighted average monthly interest rate on loans issued by NBFIs reached 3.5%, an increase of 0.2 percentage points compared to last year.



TOTAL LOANS

In the reporting quarter, the total value of loans in the non-bank financial sector increased by 1,483.0 billion MNT (47.7%) compared to the same period of last year, and by 3.3 trillion MNT (251.1%) compared to the second quarter of 2020.



NORMAL

90.8%

+1.8%



OVERDUE

3.0%

-0.3%



NON-PERFORMING

6.2%

-1.5%

MNT5.5 trillion | Issued loan

Paid loan | MNT4.6 trillion

Wholesale and retail



8.0%

7.5%

Construction



2.2%

2.3%

Mining



0.6%

0.6%

Cars and motorcycles repair services



1.5%

1.7%

Accommodation and catering



1.0%

1.1%

Processing factories



0.5%

0.5%

Agricultural



0.5%

0.4%

Other



85.7%

85.9%

CITIZEN



89.1%

93.4%

93.4%

LEGAL ENTITIES



10.9%

6.6%

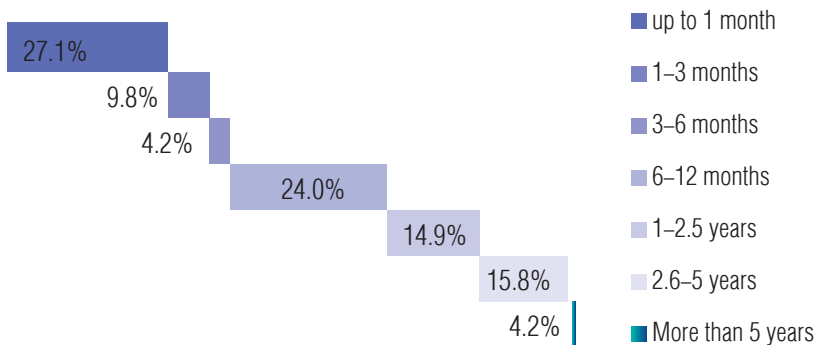
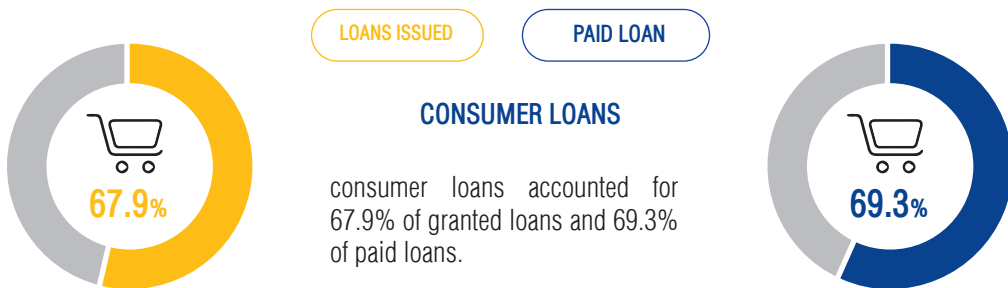
6.6%

LOAN BALANCE

LOANS ISSUED

PAID LOAN

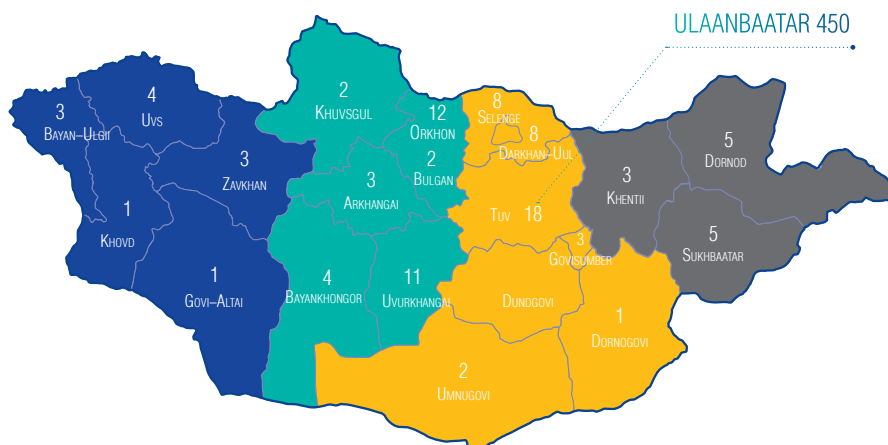
Approximately 89.1% of outstanding loans were issued to individuals, while 10.9% were issued to legal entities.

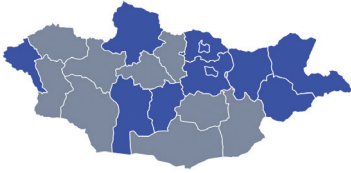


In terms of loans issued by the NBFIs sector, 27.1% are up to 1 month, 24.0% are 6-12 months, 15.8% are 2.6-5 years, and 14.9% are 1-2.5 years.

ACCESSIBILITY

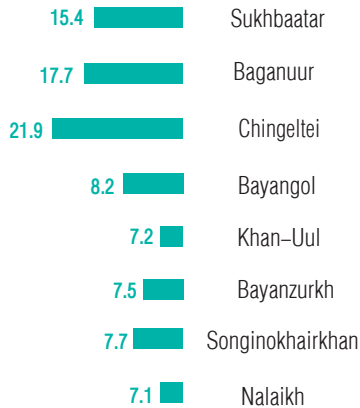
Nationwide, there were 549 licensed NBFIs, which included a total of 455 branches.



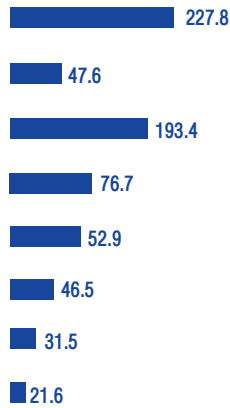


Sector accessibility is assessed using key indicators for financial inclusion developed by the International Alliance for Financial Inclusion (AFI).

Per 1,000 enterprises



Per 100,000 population



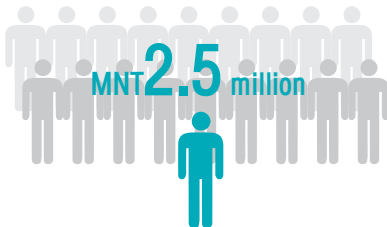
Among the 450 NBFIs operating in Ulaanbaatar, their distribution across districts is as follows: 32.9% in Sukhbaatar district, 28.2% in Chingeltei, 16.2% in Bayangol, 11.1% in Bayanzurkh, 9.4% in Khan Uul, 2.0% in Songinokhairkhan, and 0.2% in Baganuur district.

BY ACCESSIBILITY AND GEOGRAPHICAL LOCATION OF NBFIs

- On average, there were 51.2 NBFIs per 100,000 people aged 18–64 and 10.4 NBFIs per 1,000 businesses throughout Mongolia.
- In the regions, these ratios were 27.7 NBFIs per 100,000 people and 9.9 NBFIs per 1,000 businesses. Specifically, in the Central Region, there were 35.8 NBFIs per 100,000 people, and in the Eastern Region, there were 12.5 NBFIs per 1,000 businesses, indicating varying levels of access.
- In Ulaanbaatar, there were 76.5 NBFIs per 100,000 people and 10.6 NBFIs per 1,000 businesses, indicating better access compared to rural areas.

51 NBFIs per
100,000
people nationwide

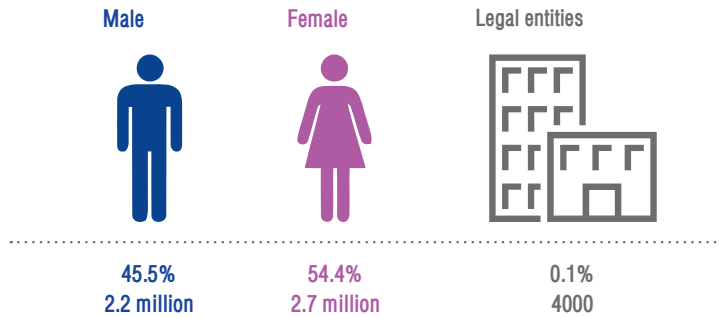
10 NBFIs per
1,000 enterprises



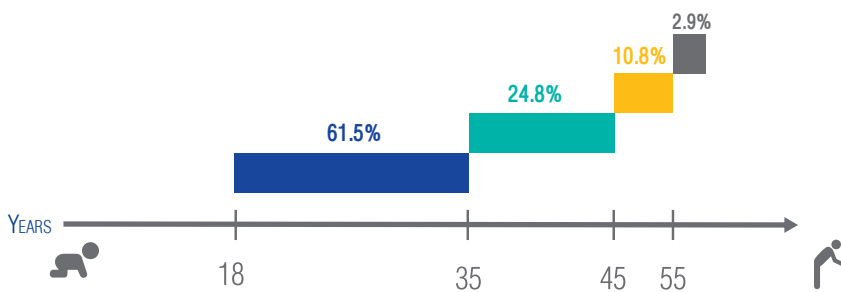
AVERAGE LOAN

- The average NBFi borrower had a loan of 2.5 million MNT, ranging from 1.9 million MNT in rural areas to 2.5 million MNT in Ulaanbaatar.
- This compares to 2.4 million MNT nationwide in the same period last year, indicating a 4.7% increase in the average loan amount per borrower from NBFIs.
- The total number of borrowers was 1.9 million, with 95.1% of working age (individuals 18–64 years) having loans from NBFIs.

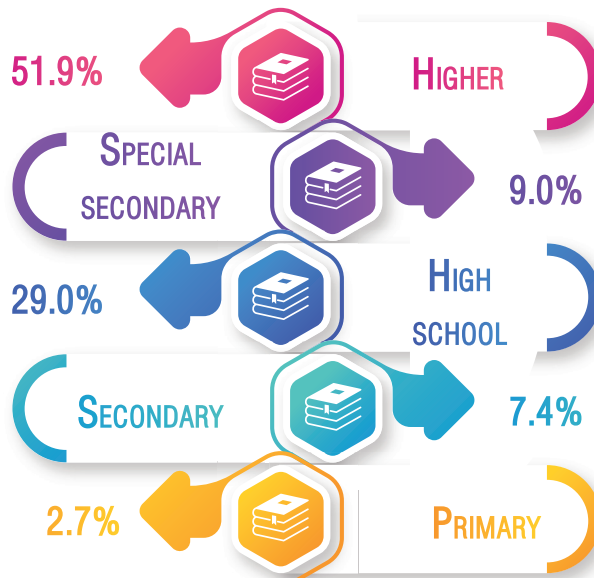
Customers of NBFIs



Borrowers of NBFIs (by age)



Borrowers of NBFIs (by level of education)



NBFI employees



PRODUCTS AND SERVICES

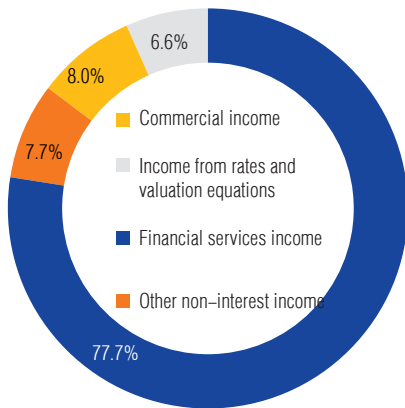
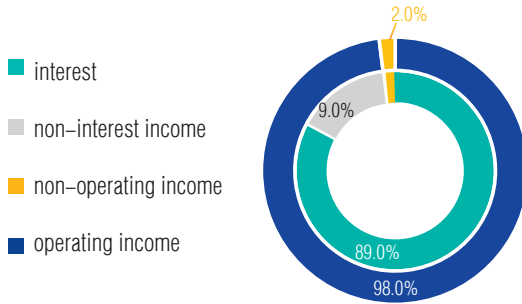
NUMBER OF NBFIS AND TYPES OF SERVICES (WITH DOUBLE COUNTING)



PRODUCT AND SERVICE REVENUE

The total income of NBFIs reached 800.9 billion MNT.

Most of the total revenue (98.0%) was generated from operating income, with interest income accounting for 89.0% (712.9 billion MNT) and non-interest income for 9.0% (72.1 billion MNT).

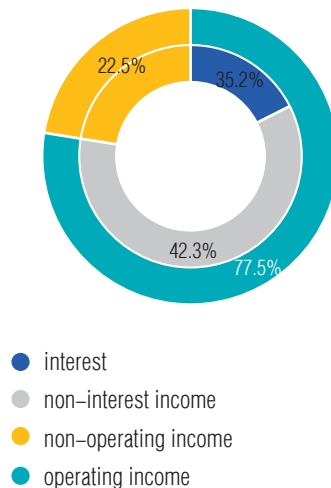


BREAKDOWN OF NON-INTEREST INCOME

- The breakdown of non-interest income was as follows: financial services income accounted for 77.7%, foreign exchange rate and valuation adjustments contributed (6.6%), trading accounted for (8.0%) and other non-interest income accounted for (7.7%).

COSTS OF PRODUCTS AND SERVICES

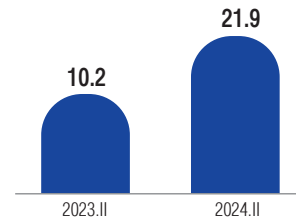
- The total cost of NBFIs amounted to 475.8 billion MNT. Operating expenses accounted for 77.5% of this total, with 201.3 billion MNT (42.3%) attributed to non-interest expenses and 167.7 billion MNT (35.2%) were interest expenses.



Expenditures related to product and service risks amounted to 46.2 billion MNT, with 93.8% attributed to credit risk expenses, 2.6% to other real estate risk expenses, 0.6% to receivables risk expenses, 1.1% to factoring service risk expenses, and 0.4% to the cost of other capital investment funds. Additionally, 1.5% was attributed to other capital investment funds.

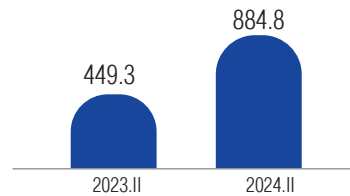
- o The sector registered A total of 21.9 billion MNT in net factoring receivables

Net receivables for factoring services (MNT billions)

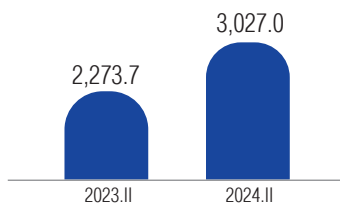


- o A total of 76 NBFIs provided trust services in the sector, with total liabilities for these services amounting to 884.8 billion MNT; representing an increase of 96.9% from the same period last year.

Trust service payable (MNT, billions)



Income from remittance services /MNT, million/



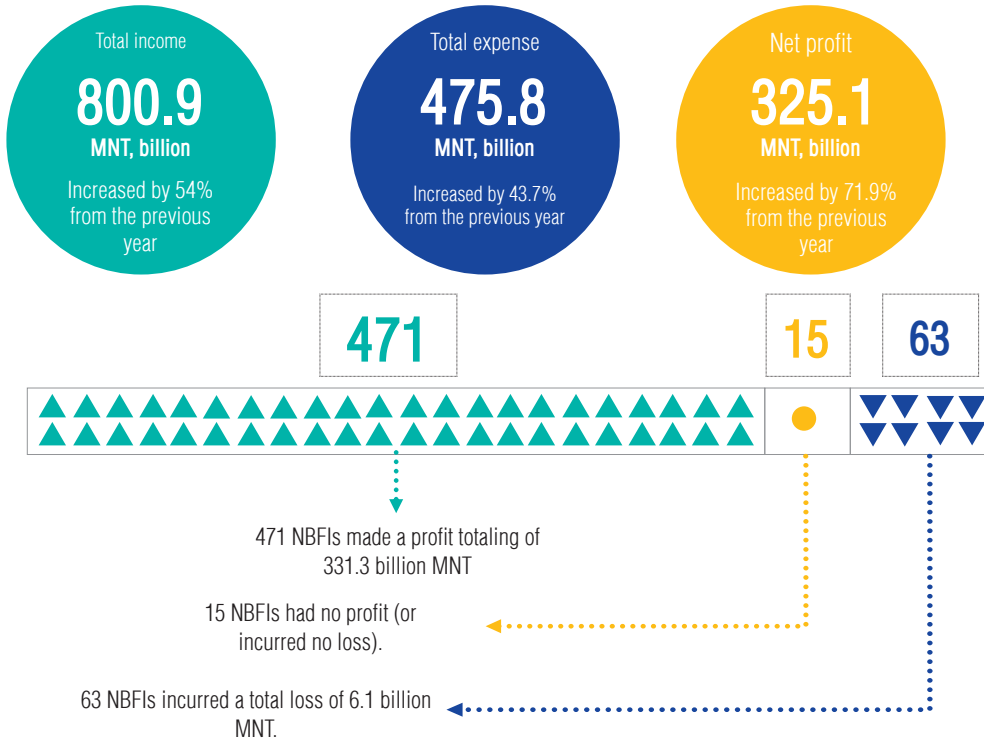
- o NBFIs earned 3.0 billion MNT in revenue from remittance services, an increase of 753.2 million MNT from the same period last year. Additionally, 51 NBFIs licensed to provide remittance services, with 14 generating revenue from these services.

CURRENCY TRADING NEWS

NBFIs purchased a total of 1,613.4 billion MNT worth of currency and sold 1,741.5 billion MNT worth. The US dollar accounted for 48.8 %of the currency purchased and 44.2% of the currency sold.

CURRENCY NAME	Bought	Sold
	Result (MNT, billions)	Result (MNT, billions)
US DOLLARS	787.2	769.1
CHINESE YUAN	616.1	610.2
RUSSIAN RUBLE	99.7	103.4
EURO	63.1	66.7
KOREAN WON	27.4	173.1
JAPANESE YEN	14.1	12.7
OTHER	5.9	6.2

PROFITABILITY

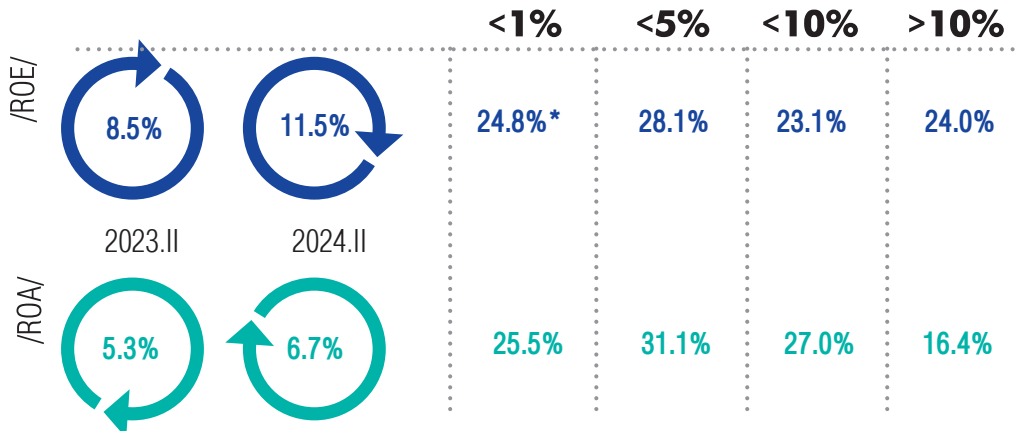


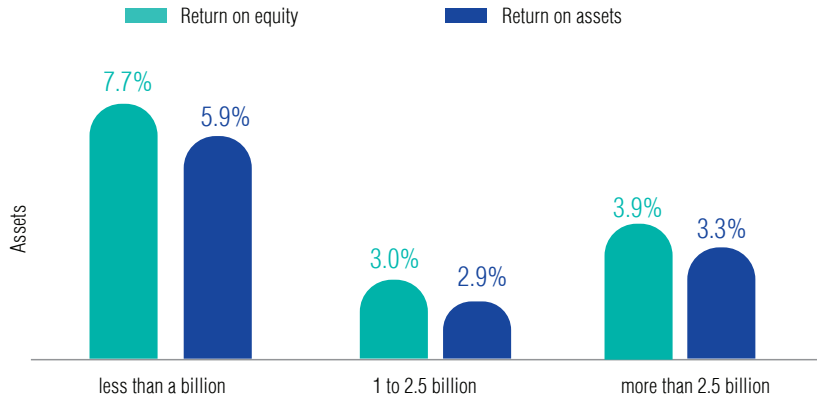
DISTRIBUTION OF ROA AND ROE

The ROA (Return on Assets) of NBFIs reached 11.5%, increasing by 3 percentage points compared to the same period last year. The ROE (Return on Equity) reached 6.7%, an increase of 1.4 percentage points from the same period last year.

- 24.8% of all NBFIs have a ROE of less than 1%,
- 28.1% have a ROE of 1% to 5%,
- 23.1% have a ROE of 5% to 10%,
- 24.0% have a ROE of more than 10%.

For ROA, the corresponding distribution was as follows: 25.5, 31.1, 27.0, and 16.4% respectively.





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

In terms of ROA (return on asset) and the ROE (return on equity) by share capital, the data shows:

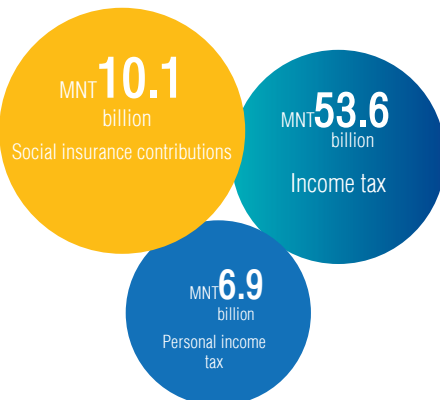
- half of NBFIs with equity of less than 1.0 billion MNT had a ROA of less than 5.9%.
- half of NBFIs with a with equity between 1.0 to 2.5 billion MNT had a ROA of less than 2.9%.
- half of NBFIs with equity of more than 2.5 billion MNT had a ROA of less than 3.3%.

Regarding ROE:

- NBFIs with equity of less than 1.0 billion MNT had a ROE of 7.7%.
- NBFIs with equity between 1.0 and 2.5 billion MNT had a ROE of 3.0%.
- NBFIs with equity of more than 2.5 billion MNT had a ROE of 3.9%.

COST, REVENUE RATIO

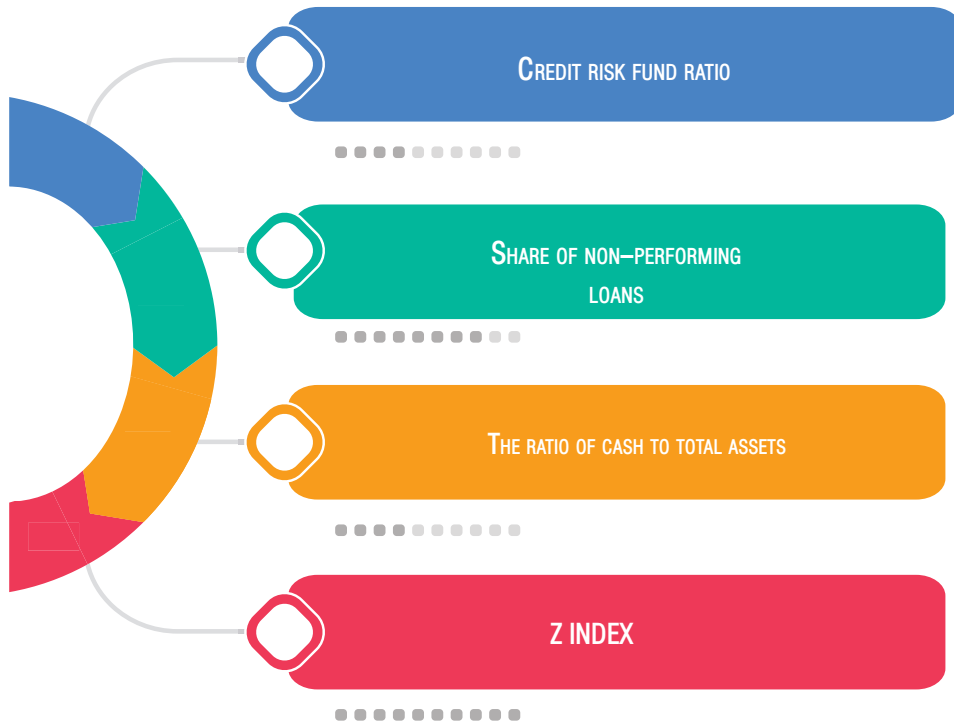
The cost-to-income ratio, which measures the average amount spent by NBFIs to earn 1 MNT was 59.4%; a decrease of 4.2 percentage points compared to the same period of last year. In other words, NBFIs spend an average of 59.4 MNT to earn 100.0 MNT.



- o All NBFIs collectively contributed the following amounts: 10.1 billion MNT to social insurance, 6.9 billion MNT for individual income tax, 53.6 billion MNT for corporate income tax, A total of 70.6 billion MNT was collected to the state budget.

STABILITY

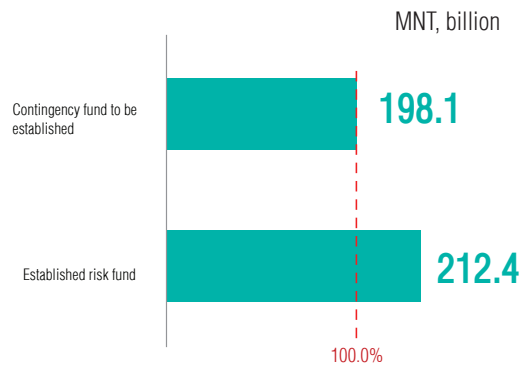
- o Four key indicators of NBF1 stability were calculated in accordance with AFI's guidelines to assess financial access and stability.



CREDIT RISK FUND RATIO

The credit risk fund ratio was 107.2%, supported by the creation of a contingency fund. This marks a decrease of 1.8 percentage points compared to the same period of last year.

107.2%



MNT, billion

198.1

Contingency fund to be established

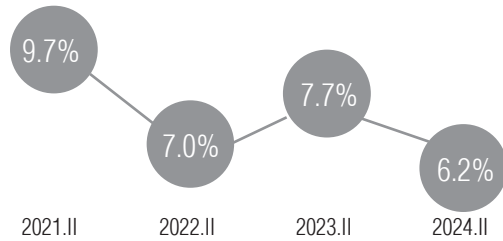
212.4

Established risk fund

100.0%

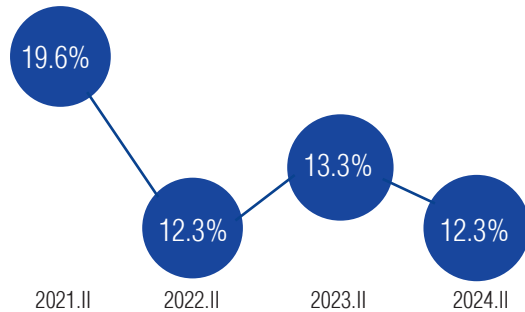
NON-PERFORMING LOANS

During the reporting quarter, non-performing loans reached 282.8 billion MNT, accounting for 6.2%. This represents a decrease of 1.1 percentage points compared to the same period last year.



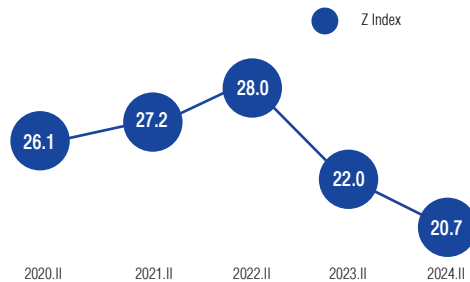
TOTAL CASH ASSETS COMPARATIVE RATIO

- o The ratio of cash assets to total assets decreased by 1.0 percentage points to 12.3% compared to the same period last year.



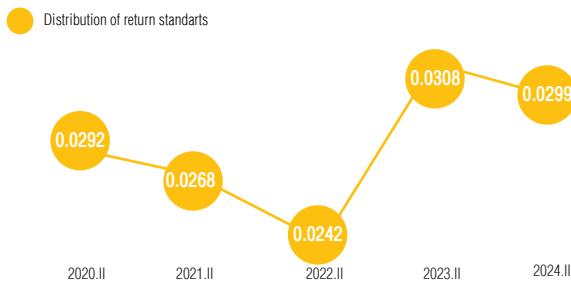
Z INDEX

The Z index – which indicates the probability of an NBF going bankrupt – decreased by 1.3 percentage points from the same period last year.



STANDARD DEVIATION

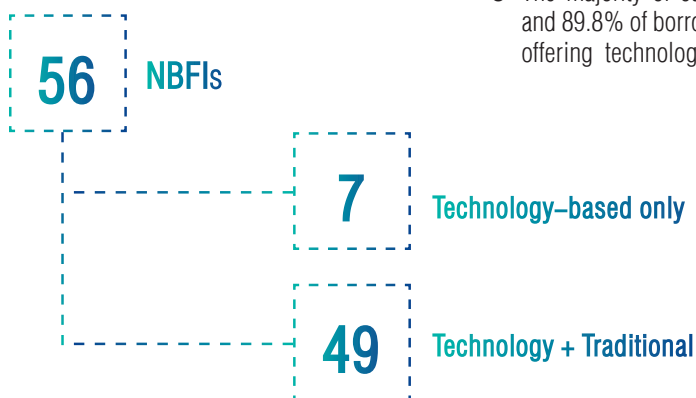
The standard deviation of ROA is calculated based on the returns of the last four quarters. It is a statistical measure of how much data from the average. In the reporting quarter, the standard deviation was 2.99%, a decrease of 0.09 percentage points compared to the same period last year.



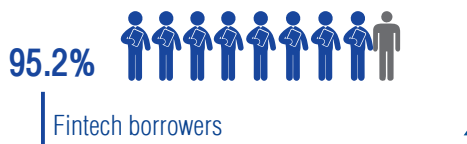
FINTECH

	Total loans		Borrowers		Average loan amount per borrower (MNT, thousands)
	Amount (MNT, billions)	%	Number	%	
Fintech	991.5	21.6%	1,675,055	89.8%	591.9
Traditional	3,598.9	78.4%	190,911	10.2%	18,851.4
TOTAL	4,590.5	100.0%	1,865,966	100.0%	2,460.1

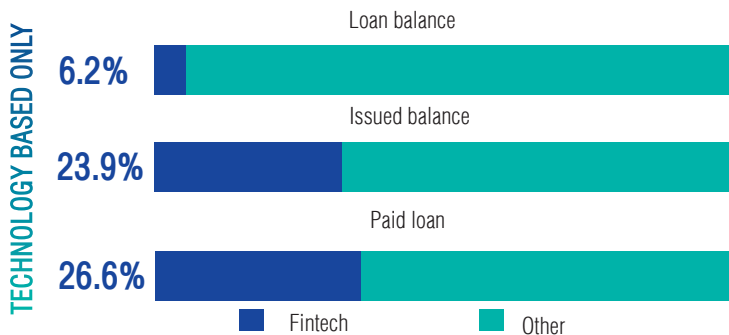
- o The majority of customers in the sector (95.2%) and 89.8% of borrowers are customers of 56 NBFIs offering technology-based loan services.



92.2% normal
 2.7% overdue loans
 5.1% poor quality

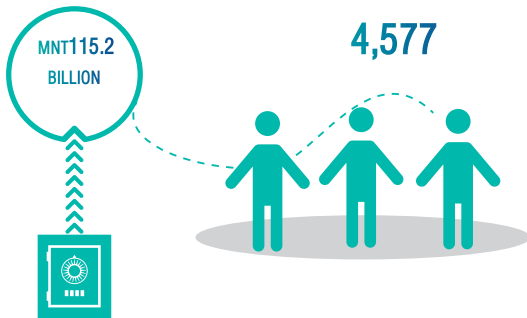


Among the outstanding loans of NBFIs fintech services, 92.2% were classified as normal loans, 2.7% as overdue loans, and 5.1% as non-performing loans.



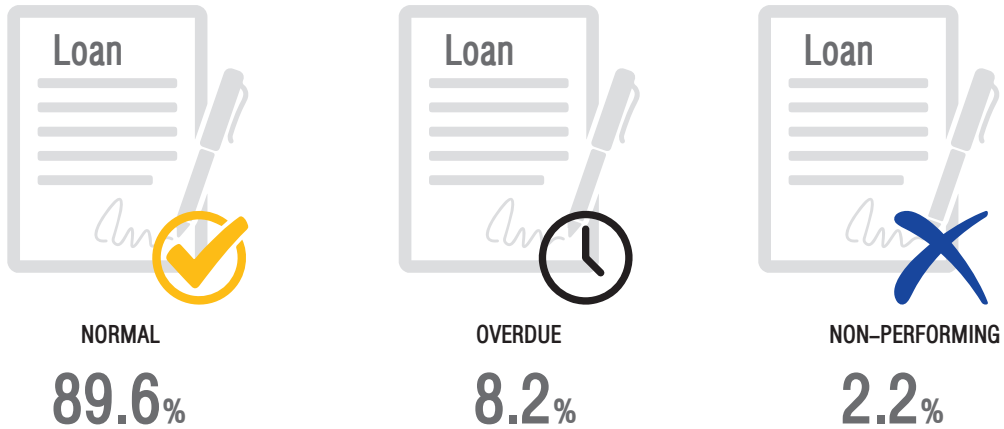
For the 7 NBFIs that provide exclusively technology-based loans, they account for 44.3% of borrowers in the sector. Although these loans make up only 6.2% of the total loan balance, they represent 23.9% of the granted and 26.6% of the loans repaid, indicating strong credit turnover of these NBFIs.

GREEN LOAN

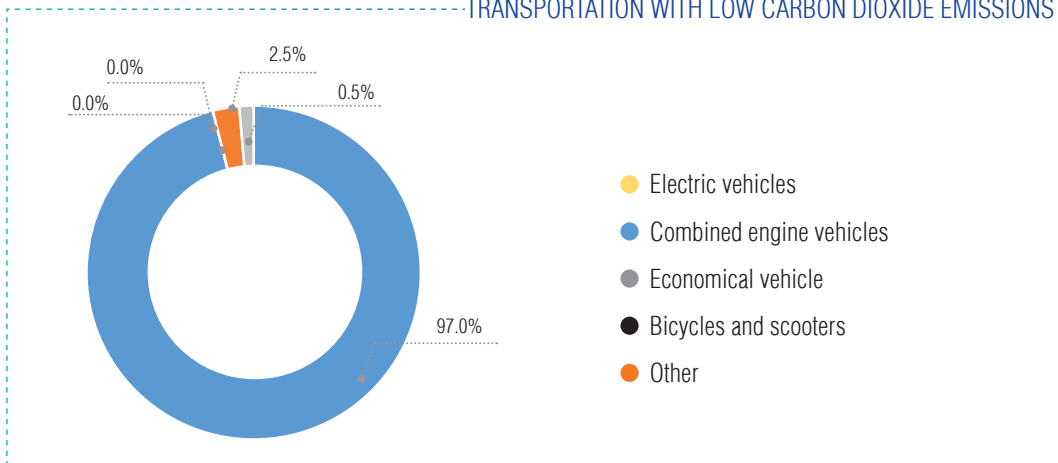


The balance of 12 different green loan products amounted to 115.2 billion MNT, representing 2.5% of the total loan balance, and was granted to 4,577 borrowers.

	Green loan (%)	Number of borrowers	Total loan balance /MNT, million/
Energy supply and infrastructure	0.1%	4	101.5
Energy efficiency	0.2%	67	240.1
Sustainable urban planning and construction	8.2%	721	9,401.0
Pollution reduction and prevention	11.6%	156	13,395.0
Sustainable water and waste	0.0%	–	–
Sustainable agriculture	5.0%	1	5,810.6
Sustainable land use and biodiversity	0.9%	5	998.0
Transport with low carbon emissions	65.2%	3,620	75,137.4
Information, communication and technology	0.0%	–	–
Health	0.2%	1	273.1
Education and Culture	0.0%	1	4.0
Accessible infrastructure	8.6%	2	9,877.0



TRANSPORTATION WITH LOW CARBON DIOXIDE EMISSIONS



LOANS ISSUED /SECOND SEASON OF 2024/

Type	Green loan (%)	Number of borrowers	Loan amount granted
Energy supply and infrastructure	0.4%	52	122.4
Energy efficiency	0.4%	24	137.4
Sustainable urban planning and construction	10.4%	238	3,399.7
Pollution reduction and prevention	11.3%	69	3,710.7
Sustainable land use and biodiversity	0.0%	1	10.0
Transport with low carbon emissions	73.9%	1,110	24,291.0
Health	0.1%	1	30.0
Education and Culture	0.0%	1	4.0
Accessible infrastructure	3.5%	1	1,151.0

Loans issued during the reporting quarter: A total of 26 NBFIs issued 9 types of green loan products totaling 32.9 billion MNT.



POLICY AND LEGISLATION

"he "Regulation for accounting to be followed by entities and organizations engaged in non-banking financial activities" was revised by Joint Order No. A/226/528 issued on December 8, 2023, by the Chairman of the Financial Regulatory Commission and the Minister of Finance. NBFIs have been adhering to this revised regulation since January 1, 2024.

IFRS-9 (Financial Instruments), IFRS-13 (Fair Value Measurement), and IFRS-7 (Financial Instruments): outline the classification, measurement, and recording of financial instruments, including non-current assets held for sale, discontinued operations, and the recognition of financial assets and liabilities. These are further detailed in IFRS-5.

Implementation of Clause 15.4 of Article 15 of the Law on Non-Banking Financial Activities.

- External Audit Compliance: In the second quarter of 2024, 485 NBFIs accounting for 94.2% of the total, fulfilled their obligation to verify financial statements through external audits.
- Public Disclosure Compliance: Additionally, 470 NBFIs, representing 97.0% of the total, complied with the obligation for publicly disclose their financial information.

Implementation of the law on "Loan Information"

- Mandates for NBFIs: The Law on "Loan Information" requires non-banking financial institutions (NBFIs) to provide, receipt, and exchange of loan information through formal contracts with licensed loan information service providers authorized by the Bank of Mongolia.
- In the second quarter of 2024, the Bank of Mongolia, along with "Buren Skor ZMS" LLC, and "Titan CRA ZMS" LLC signed agreements with 464 NBFIs, representing 95.5% of the 486 NBFIs involved in lending operations.

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

- In the second quarter of 2024, 516 NBFIs collected regulatory service fees, totaling 1,293.0 million MNT. Of this, 1,273.9 million MNT, or 98.5% was deposited into the relevant account of the Financial Regulatory Commission.

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

- In accordance with Article 7.1 of the Law on Combating Money Laundering and Anti-Terrorism Financing, 106 NBFIs reported transactions totaling 657.7 million MNT across 5,457 cases. Under Article 7.2, 6 NBFIs reported transactions totaling 2,474.0 million MNT across 193 cases to the Financial Information Office of the Bank of Mongolia, thereby fulfilling their legal obligations.



INTERNATIONAL COOPERATION

Policy Regulation and International Collaboration.

- o Sustainability Workshop: On April 30, 2024, the "Sustainability, Environment, and Climate Reporting Workshop and Discussion" was jointly organized by the Mongolian Sustainable Finance Association, the Bank of Mongolia, the FRC, and international partners, including GCF/TDBM, CTIF, UNDP, ESCAP, FC4S, and IFC. The event addressed various aspects of sustainability, environmental concerns, and climate reporting.
- o ADB Funded project the "Knowledge and Support Technical Assistance on Developing Fintech Legal and Regulatory Frameworks for Mongolia" has been implemented since November 2023. On June 10, 2024, the project consulting company and ADB representatives held a meeting to discuss the draft of the first-stage recommendations developed within the project framework. During this meeting, the Financial Regulatory Commission discussed the fintech environment of NBFIs and introduced the legal framework.



SCCs

Total assets

MNT**327.8** billion

Capital growth **10.8%**



Financial market status

Total branches **61**

Total members

43.7%
higher education



Accessibility

Total savings

MNT**242.3**
billion



Products and services

Profitability



Net profit

MNT **5.8**
billion

Tax collected by the
state, Social security
contributions

MNT **2.3**
billion

Stability



Percentage of non-performing
loans (on total loans)

2.8%

Share of cash in total assets

20.1%

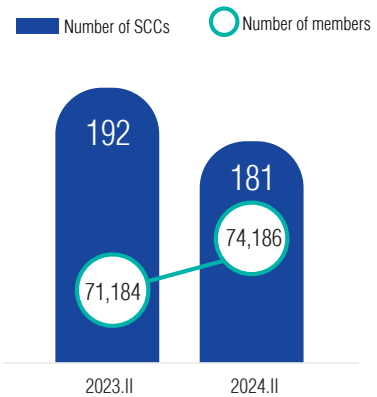
Regulatory
environment



FINANCIAL MARKET STATUS

NUMBER AND MEMBERS OF SCCs

- There were 181 licensed SCCs, a decrease of 11 (5.7%) compared to the same period last year.
- The number of SCC members increased by 4.2% , reaching 74,186, compared to 71,184.in the same period in 2023
- In the reporting year, the number of SCCs decreased by 29.3% compared to 2020: However, the number of SCC members increased by 2.7%.



EMPLOYEES

622

decreased by 8.8 percent from the same period last year

TOTAL MEMBERS

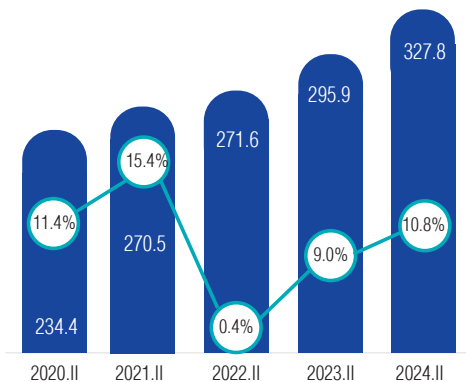
29,936

Borrowers

43,466

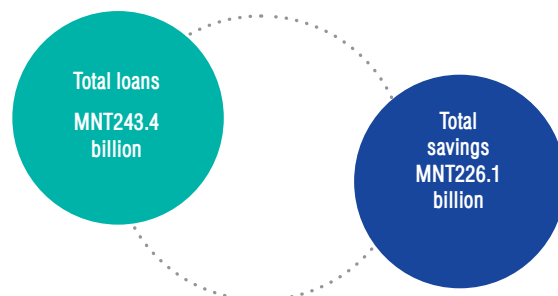
Depositors

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



TOTAL ASSETS AND THEIR GROWTH

- In the reporting quarter, net worth increased by 10.8% compared to last year, rising to 327.8 billion MNT, which represents a growth of 39.8% to – compared to 2020.



TOTAL MARKET SHARE

Total assets of the sector

- 35 SCCs with net capital greater than 1 billion MNT each comprised 89.0% of the market.
- 23 SCCs with net capital ranging from 500 million MNT to 1 billion each comprised 5.1% of the market.
- 123 SCCs with net capital of less than 500 million MNT each comprised 5.9% of the market.

89.0%

More than MNT1 billion

35 X3X

5.1%

23 SCCs

500 million to 1 billion

Less than MNT500 million

123 SCCs

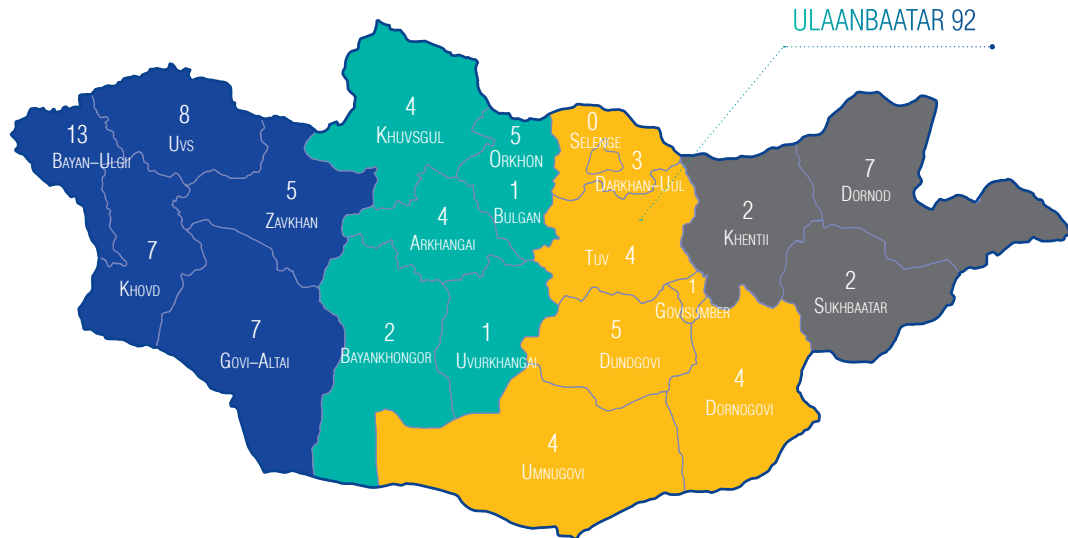
5.9%

Report structure (MNT, billion)

Total assets	327.8	100.0%
Currents assets	318.6	97.2%
Cash	65.8	20.1%
Short term investment	246.6	75.2%
Other	6.1	1.9%
Non-financial assets	9.2	2.8%
Tax receivables	0.4	0.1%
Health and social security contributions receivable	0.0	0.0%
Prepaid expenses/bills	3.2	1.0%
Inventory	0.3	0.1%
Other assets to be owned /net/	0.7	0.2%
Other non-financial assets	0.1	0.0%
Real estate for investment /net/	0.0	0.0%
Fixed assets /net/	4.4	1.4%
Intangible assets /net/	0.1	0.0%
Total liabilities and equity	327.8	100.0%
Financial liabilities	251.6	76.8%
Savings	242.3	74.0%
Resources drawn from banks and financial institutions	7.7	2.3%
Other financial liabilities	1.6	0.5%
Non-financial liabilities	3.0	0.9%
Own assets	73.2	22.3%
Equity contributed by members	28.6	8.7%
Other parts of the property	0.4	0.1%
Property of cooperatives	44.2	13.5%

- Current assets accounted for 97.2% OF TOTAL ASSETS while non-current assets for 2.8 % . .
- Cash assets represented 20.1% of net capital, 75.2% of the loan balance, and 1.9% of other non-current assets.
- Liabilities accounted for 76.8% of finances, 22.3% of own assets, and 0.9% of other assets.

ACCESSIBILITY



WESTERN REGION

40 SCCs

8 BRANCHES

MOUNTAIN REGION

17 SCCs

18 BRANCHES

CENTRAL REGION

21 SCCs

20 BRANCHES

EASTERN REGION

11 SCCs

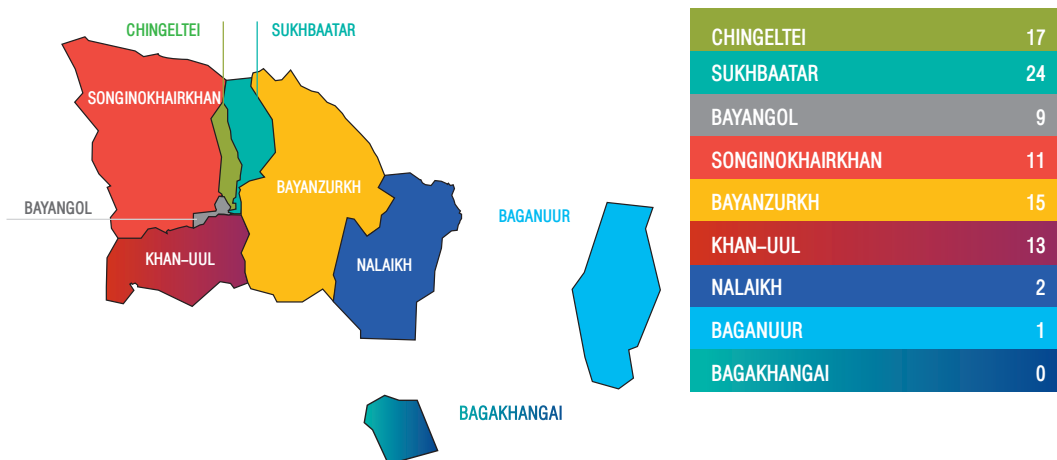
11 BRANCHES

ULAANBAATAR

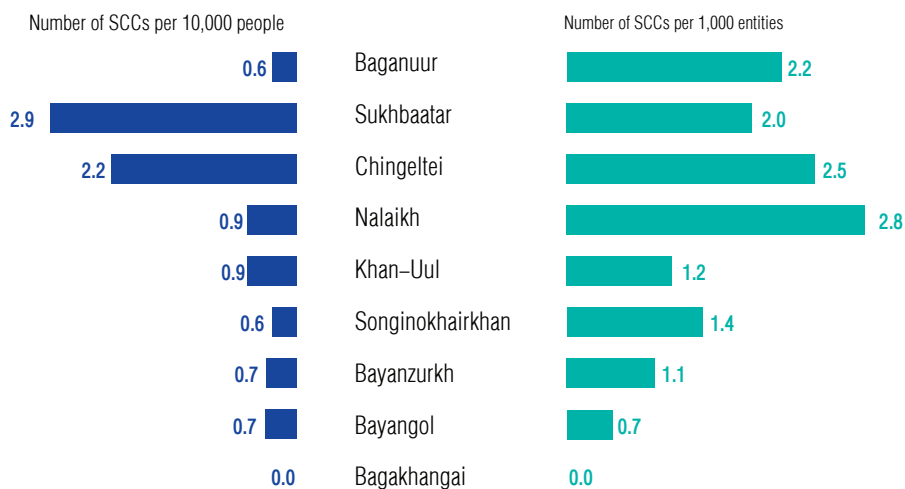
92 SCCs

4 BRANCHES

- there are 92 SCCs located in Ulaanbaatar, and 89 located in rural areas
- Among the 89 SCCs located in rural areas, 44.9% were in the Western Region, 23.6% in the Central Region, 19.1% in the Mountain Region, and 12.4% in the Eastern Region.
- Out of the 92 SCCs in Ulaanbaatar, 96.7% were situated in the central six districts, while the remaining 3.3% were located in the three remote districts.

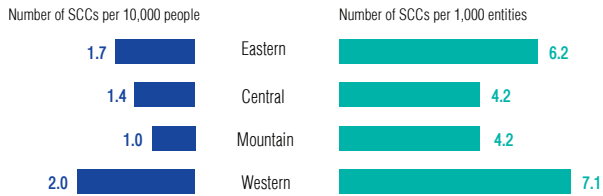


Financial inclusion indicators released by the AFI Data Working Group (2013) are as follows . SCCs per 10,000 people (aged 18 to 64 years) and the number of SCCs per 1,000 entities.



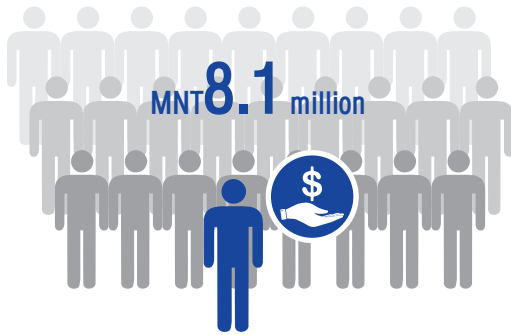
- o Regarding the number of SCCs per 1,000 entities, Nalaikh district had 2.8 SCCs, Chingeltei district had 2.5 SCCs and Bayangol district had the least with 0.7 SCCs.
- o Concerning the number of SCCs per 10,000 people, Sukhbaatar, and Chingeltei districts led with 2.9, 2.2, and 1.2 SCCs respectively.

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



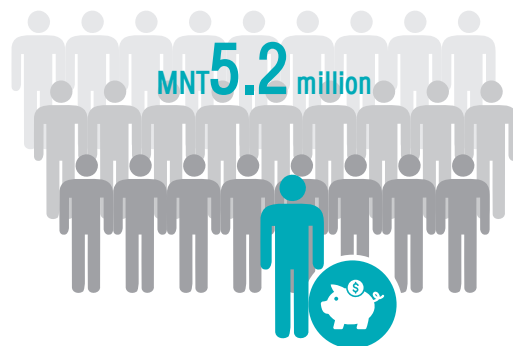
ACCESS TO LOANS

- 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 69 individuals.
- o The average individual loan among all members who received loans was 8.1 million MNT nationwide.
- o The average loan per member was 13.4 million MNT in Ulaanbaatar compared to 3.6 million MNT in rural areas.

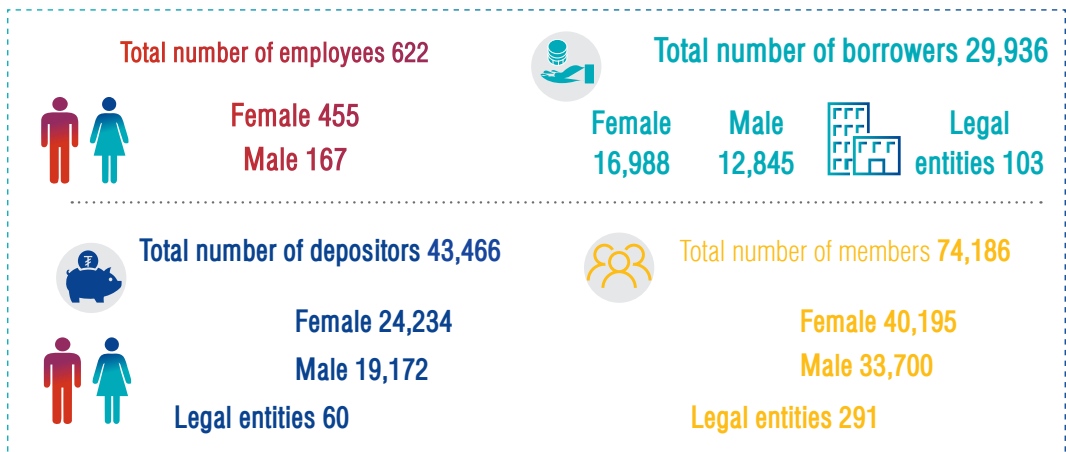
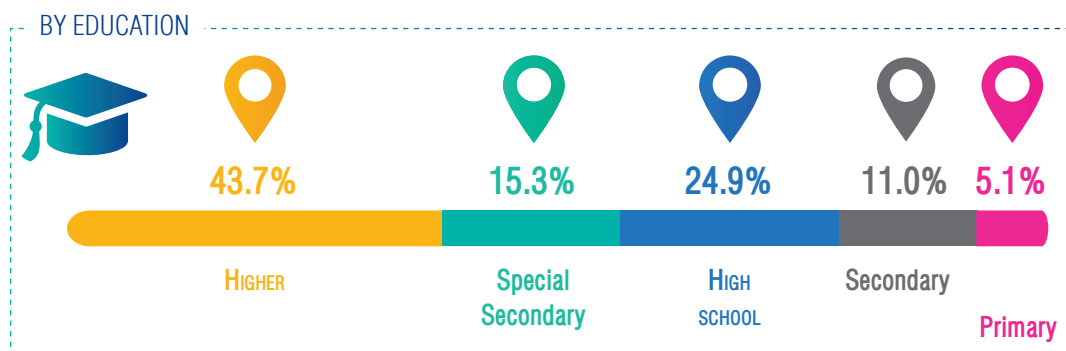
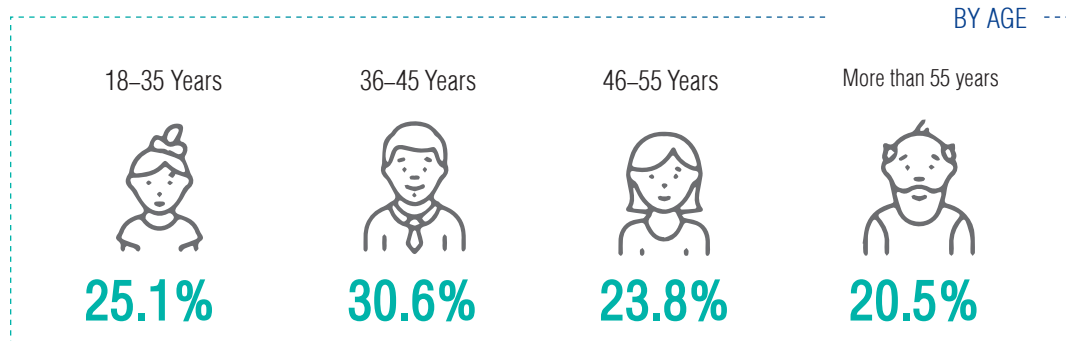
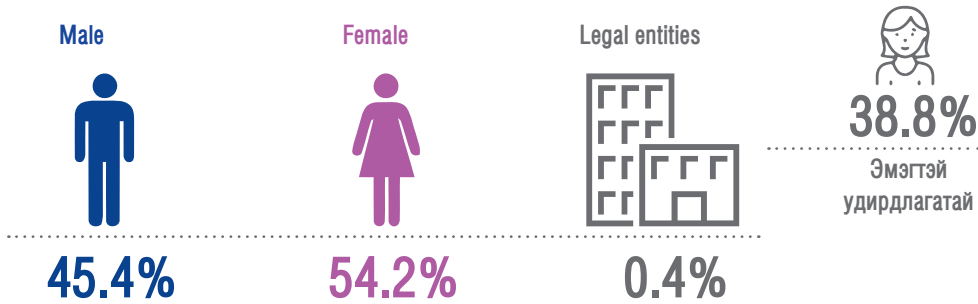
ACCESS TO SAVINGS

- 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 5.2 million MNT.
- o The average savings per member was 7.6 million MNT in Ulaanbaatar compared to 2.4 million MNT in rural areas.

Average amount of savings per member



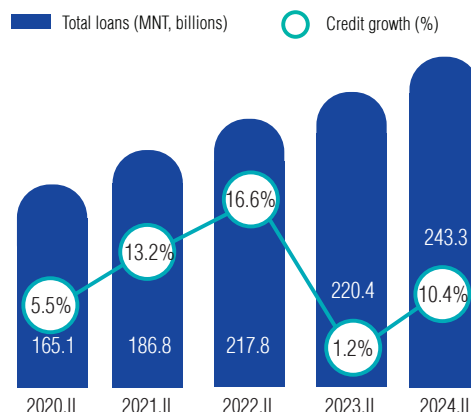
MEMBERS OF SCCs



PRODUCTS AND SERVICES

LOANS FROM SCCs

- o In the reporting quarter, total loans amounted to 243.3 billion MNT; which increased by 10.4% (22.9 billion MNT) compared to the same period of 2023, and increased by 47.4% (78.3 billion MNT) compared to 2020.
- o Net loans reached 246.6 billion MNT, while the credit risk fund reached 4.9 billion MNT.



NORMAL

94.2%



OVERDUE

3.0%



NON-PERFORMING

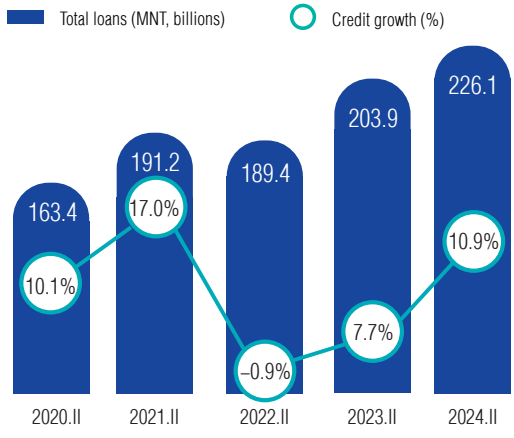
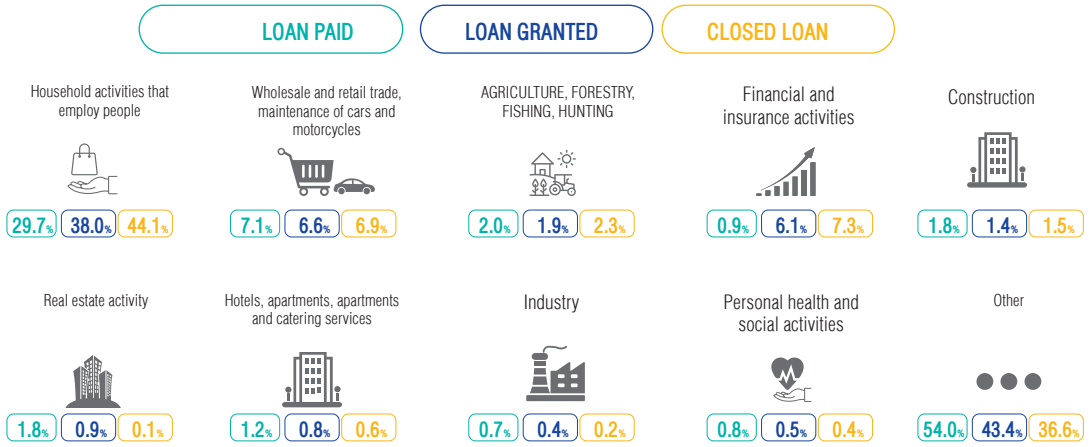
2.8%

LOAN QUALITY OF SCCs

- o Normal loans increased by 11.8% to 229.3 billion MNT from last year, constituting 94.2% of total loans.
- o Overdue loans decreased by 10.4% to 7.2 billion MNT from last year.
- o Non-performing loans decreased by 6.1% to 6.8 billion MNT from last year.
- o SCCs' non-performing loans decreased by 0.3 billion MNT (4.1%) compared to the same period of 2020.

PURPOSE OF SCC LOANS

- o The majority (38.0%) of loans were issued for general consumption, followed by 6.6% for the wholesale and retail sectors, and 9.2% for financial and insurance purposes.
- o Of the total repaid loans, 29.7% were from general consumption, 7.1% from wholesale and retail trade, and 2.0% from the agriculture, forestry, fishing and hunting sectors.
- o Of the total closed loans, 44.1% were from household activities, 7.3% from financial and insurance activities, and 6.9% from wholesale and retail trade, as well as car and motorcycle maintenance.



SCCs SAVINGS

- o In the reporting quarter, total savings in SCCs increased by 10.9% to 226.1 billion MNT compared to last year.
- o The total savings in SCCs surged by 62.7 billion MNT (38.4%) compared to 2020.

TOTAL SAVINGS

- o Term savings accounted for 97.8% of total savings, while non-term savings accounted for 2.2%.



97.8%

term deposit



2.2%

fixed



Deposits attracted

180 SCCs



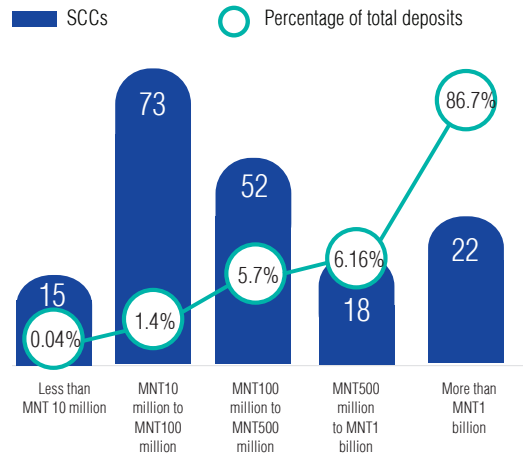
No deposits

1 SCCs

- o 180 SCCs (99.4%) held total savings amounting to 226.1 billion MNT.
- o The remaining 1 SCC (0.6%) had no deposits at all.

PERCENTAGE OF TOTAL SAVINGS

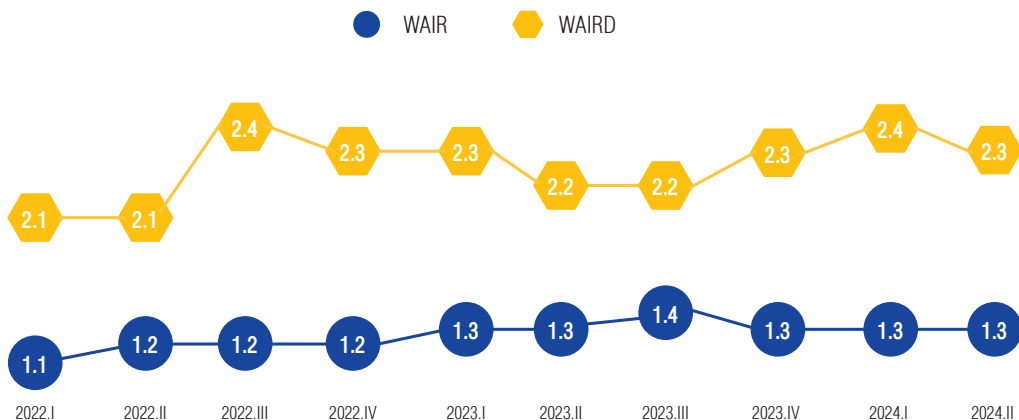
- 22 SCCs with savings exceeding 1 billion MNT each constituted 196.1 billion MNT (86.7%) of total deposits in the sector.
- 143 SCCs with savings ranging from 10 million MNT to 1 billion each accounted for 29.9 billion MNT (13.26%) of total deposits.
- 15 SCCs with savings of less than 10 million MNT each accounted for 0.1 billion MNT (0.04%) of total deposits.
- 1 SCC with not collected savings of all.



1.3%

Weighted average monthly interest rate
on time deposits

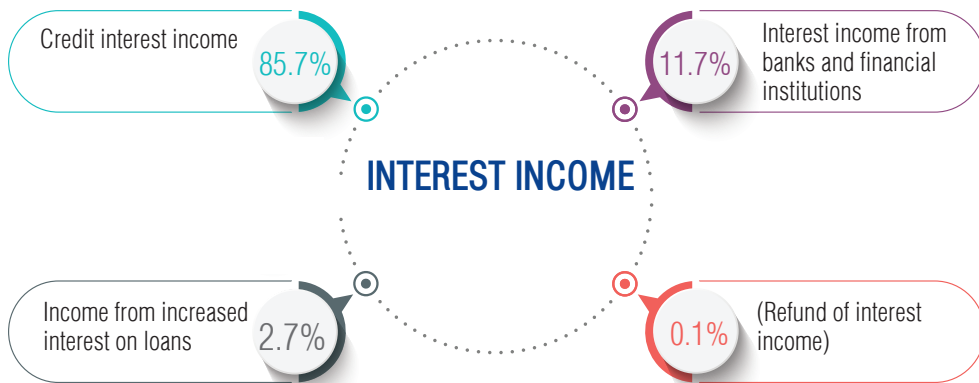
2.3%

Weighted average monthly interest rate
on the loan

INCOME

In the reporting quarter, the total interest income of SCCs increased by 17.6%, reaching 33.7 billion MNT, compared to 2023.

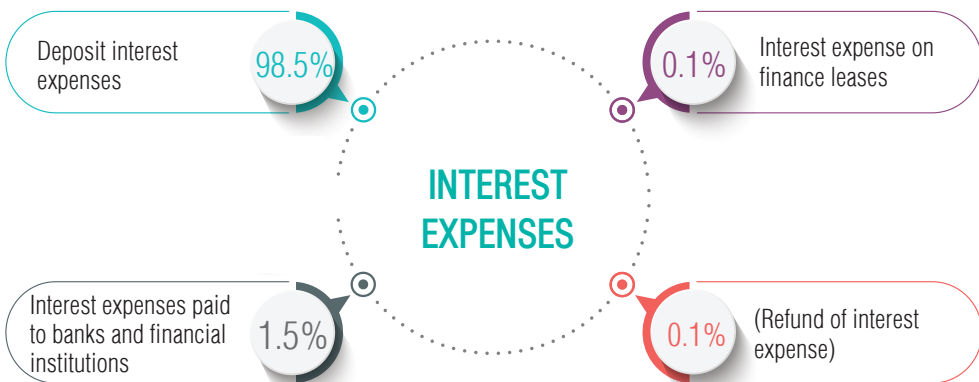
- o Loan interest income comprised the majority at 28.9 billion MNT (85.7%), while interest income from banks and financial institutions accounted for 3.9 billion MNT (11.7%).
- o Increased interest income from loans contributed 0.9 billion MNT (2.7%), and interest income from securities was 0.04 billion MNT (0.1%).



Expenses

In the reporting quarter, total interest expenses of SCCs increased by 11.4% to 19.3 billion MNT compared to the same period of 2023.

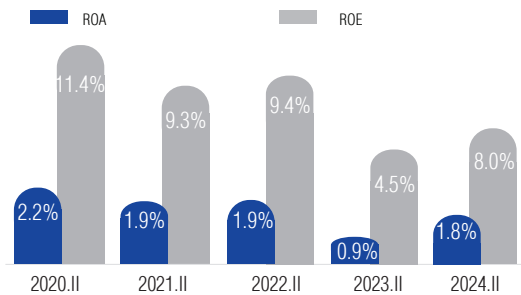
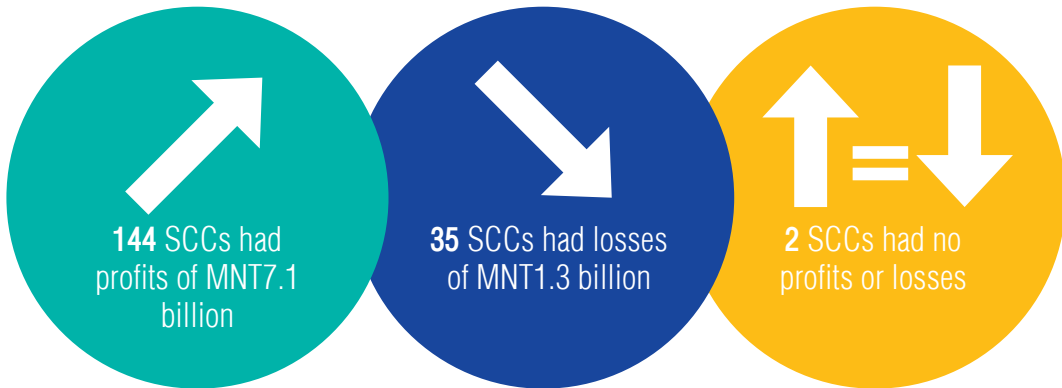
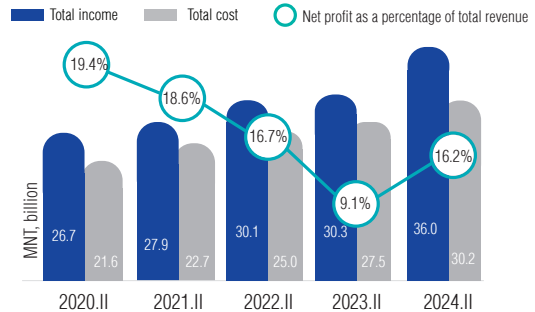
- o Deposit interest rates were 19.0 billion MNT (98.5%) of total interest expenses.
- o Interest paid to banks and financial institutions accounted for 0.03 billion MNT (1.5%).
- o Refund of interest expense amounted to 0.02 billion MNT (0.1%).



PROFITABILITY

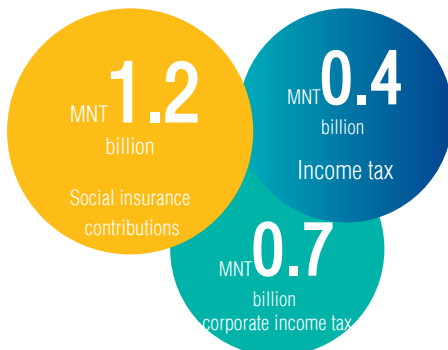
INCOME AND EXPENSES OF SCCs

- o SCC earned 36.0 billion MNT in income and spent 30.2 billion MNT in expenses, resulting in a net profit of 5.8 billion MNT.
- o The share of net profits from total revenue increased by 7.1 percentage points from 2023 to reach 16.2 %.



TOTAL RETURN ON EQUITY

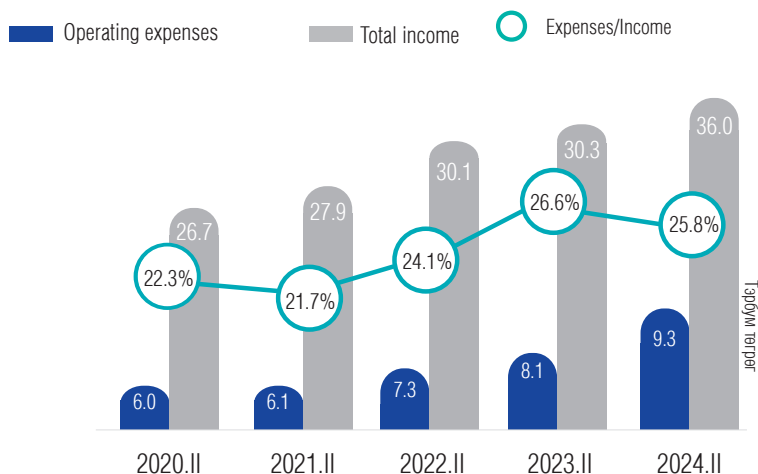
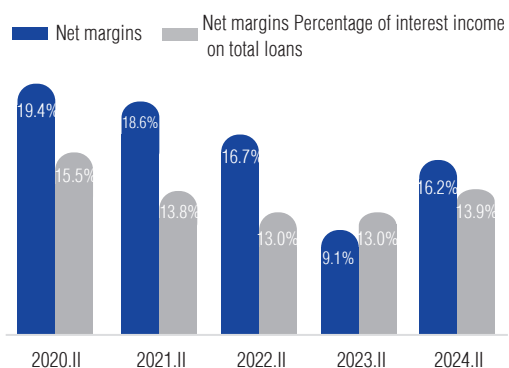
- o The ROE of SCCs increased by 3.5 percentage points to 8.0%, compared to the previous year, resulting in a ROA of 1.8%.



- o SCC spent 1.2 billion MNT on social insurance tax, 0.4 billion MNT on personal income tax, and 0.7 billion MNT on Entity Income Tax.

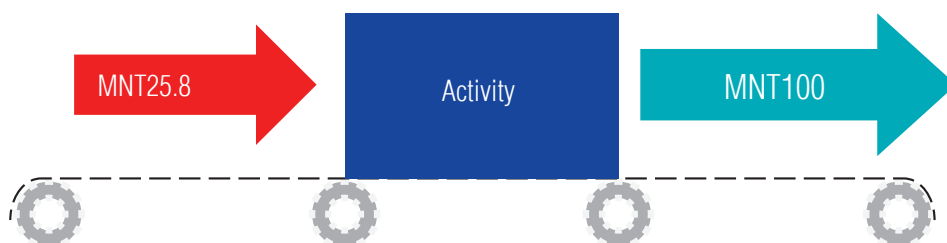
KEY RATIOS

- o The share of interest income in total loans increased by 0.9 percentage points from 2023 and reached 13.9%.
- o The ratio of net income to total income increased by 7.1 percentage points compared to 2023, reaching 16.2%.



COST REVENUE RATIO

- o SCCs spent an average of 25.8 MNT to earn 100 MNT.

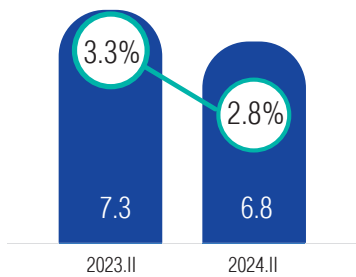


STABILITY

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



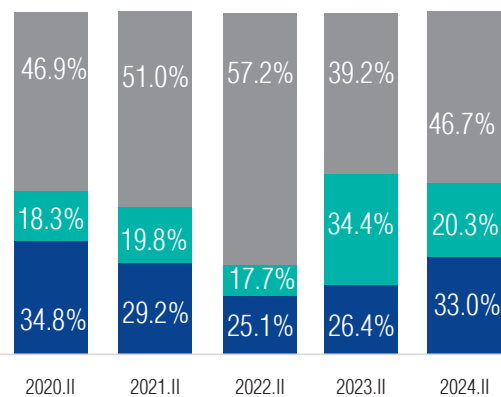
NON-PERFORMING LOANS

- The total amount of non-performing loans decreased by 0.5 billion MNT compared to 2023 reaching 6.8 billion MNT.
- The share of non-performing loans on total loans decreased by 0.5 percentage points to 2.8%, meeting the prudential ratio standard for SCCs, (less than 5.0%).

CLASSIFICATION OF NON-PERFORMING LOANS

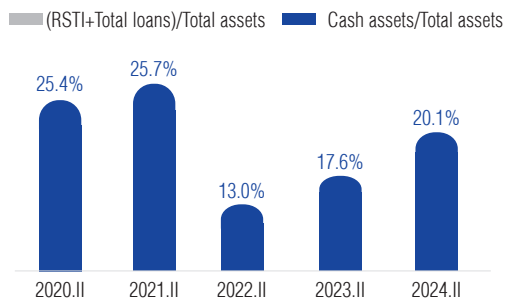
- share decreased by 6.6 percentage points – compared to 2023 – to 33.0%.
- Doubtful loans decreased by 14.1 percentage points to 20.3%, constitute 46.7% of non-performing loans, increasing by 7.5% compared to 2023.

- Abnormal loans
- Doubtful loans
- Non performing loans

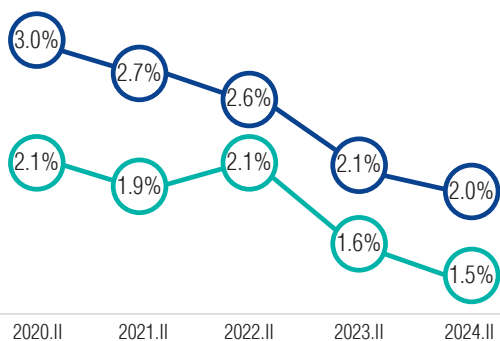


LIQUIDITY OF SCCs

- o monetary assets to total assets ratio 20.1%.
- o short-term investments and total loans to total assets ratio 74.2%.



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



CREDIT RISK FUND

- o share of credit risk fund in total loans 2.0%, share of credit risk fund in total assets 1.5%.

Ratio	Adequate level	END OF THE YEAR
Loans received from others/Total loans	<20%	3.2%
Total savings/Total assets	20%–80%	69.0%
Net loans/Total assets	60%–85%	75.2%
Equity of cooperatives/Total assets	>5%	13.5%
Reserve fund/Equity of cooperatives	>3%	32.7%
Savings protection fund/Equity of cooperatives	>5%	7.3%
Stabilization fund/Equity of cooperatives	>5%	7.1%
Operating expenses/Total assets	<15%	2.8%

REGULATORY ENVIRONMENT



POLICY AND LEGISLATION

- “Accounting Regulations: Developed by the FRC in collaboration with the Ministry of Finance. Approved by Order No. A/49 on March 28, 2024. Training on the regulation held from April 11 to 18 and May 9, 2024, attended by 145 delegations from various sectors.
- Criteria Revision: “Criteria for the Appropriate Ratio of Savings and Credit Cooperatives” revised by Resolution No. 286 on June 5, 2024, and registered under No. 6880.
- Monitoring Regulation: Regulation for Monitoring the Operation of Savings and Credit Cooperatives” approved by Order No. 254 on June 27, 2024.



INTERNATIONAL COOPERATION

- DB Project (TA-6883 REG): Focused on gender equality and green recovery. Completed research on green financing needs for SCC women members. Results presented at a meeting on October 26, 2023, with policymakers and supporting organizations. TA 9654-MON Project: “Expanding the Capacity of the Nonbank Finance Sector to Support Financial Access” was implemented in collaboration with ADB from 2019 to 2023.



MEETINGS

- o Training on "Savings and Credit Cooperative Activities" organized by the National Association of Saving and Credit Cooperatives of Mongolia.
- o Topics included "Overview of the Non-Bank Financial Market" and "Sustainable Financial Fundamentals and International Trends".
- o 23 participants received certificates during the training.



MONEY LOAN SERVICE PROVIDER

Total assets
MNT771.2
billion



Financial market outlook



Accessibility



Products and services

Profitability



Total revenue
MNT**97.7** billion

profit
MNT**40.0**
billion

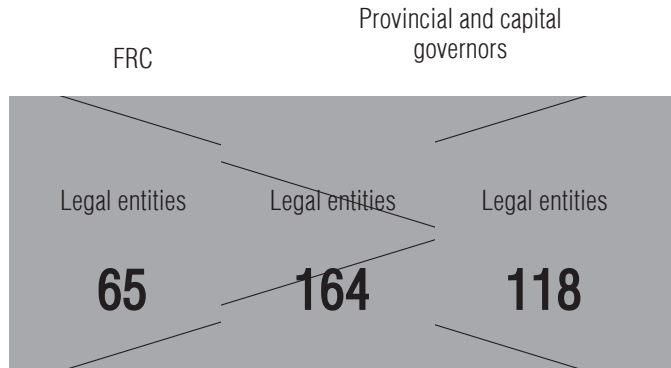
Stability



FINANCIAL MARKET OUTLOOK

Data information

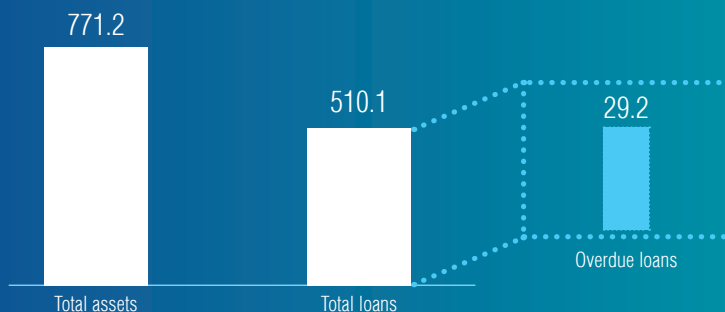
In the second quarter of 2024, 347 entities provided money loan services, including 229 legal entities and 118 citizens. Of the 229 legal entities, 65 are registered with the FRC and 164 with the province and capital governors.



Asset of money loan service provider and loans

A total of 771.2 billion MNT are assets, 510.1 billion MNT are outstanding loans, and overdue loans are 29.2 billion MNT of total loans.

Total assets and total loans (MNT, billion)



asset structure /MNT, billion/

CURRENT ASSETS	700.4	90.8%
MONEY AND ASSETS	46.9	6.1%
TOTAL LOANS	510.1	66.2%
OTHER ASSETS TO BE OWNED	23.9	3.1%
OTHER PROPERTY	119.5	15.5%
NON-CURRENT ASSETS	70.8	9.2%
TOTAL ASSETS	771.2	100.0%

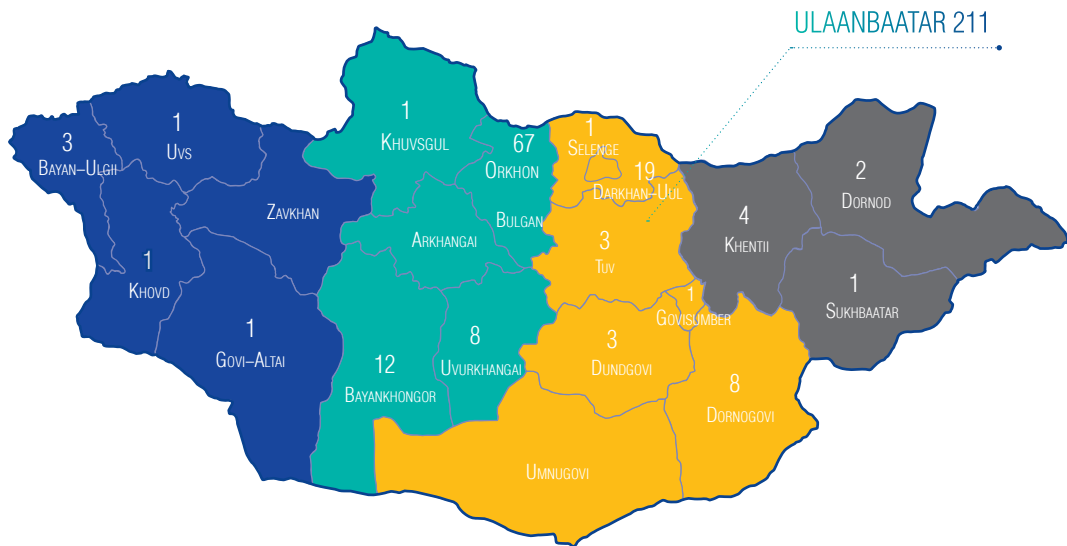
The current assets accounted for 90.8% (700.4 billion MNT) of the total assets of the Money loan service providers including 6.1% cash assets, 66.2% total loans, 3.1% privately owned assets, and 15.5% other assets. While the non-current assets accounted for 9.2% (70.8 billion MNT).

structure of the passive /MNT, billion/

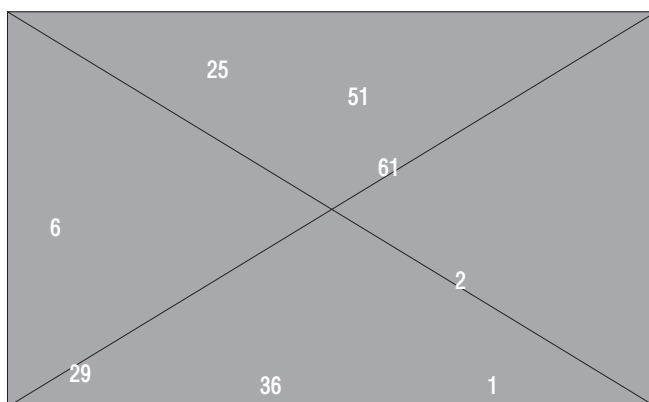
PAYMENT OF DEBT	974.1	48.5%
LOAN	125.4	16.3%
DEBT DOCUMENTS ISSUED	76.3	9.9%
OTHER DEBT PAYMENTS	172.3	22.3%
PROPRIETARY PROPERTY	397.1	51.5%
SHARE CAPITAL	108.4	14.1%
ACCUMULATED PROFIT/LOSS	288.7	37.4%
TOTAL LIABILITIES AND OWNERS' EQUITY	771.2	100.0%

The liabilities accounted for 48.5% of the total assets including 125.4 billion MNT in loans, 76.3 billion MNT in debt instruments, and 172.3 billion MNT in other loans. While the property of the owners is 51.5% (397.1 billion MNT).

ACCESSIBILITY

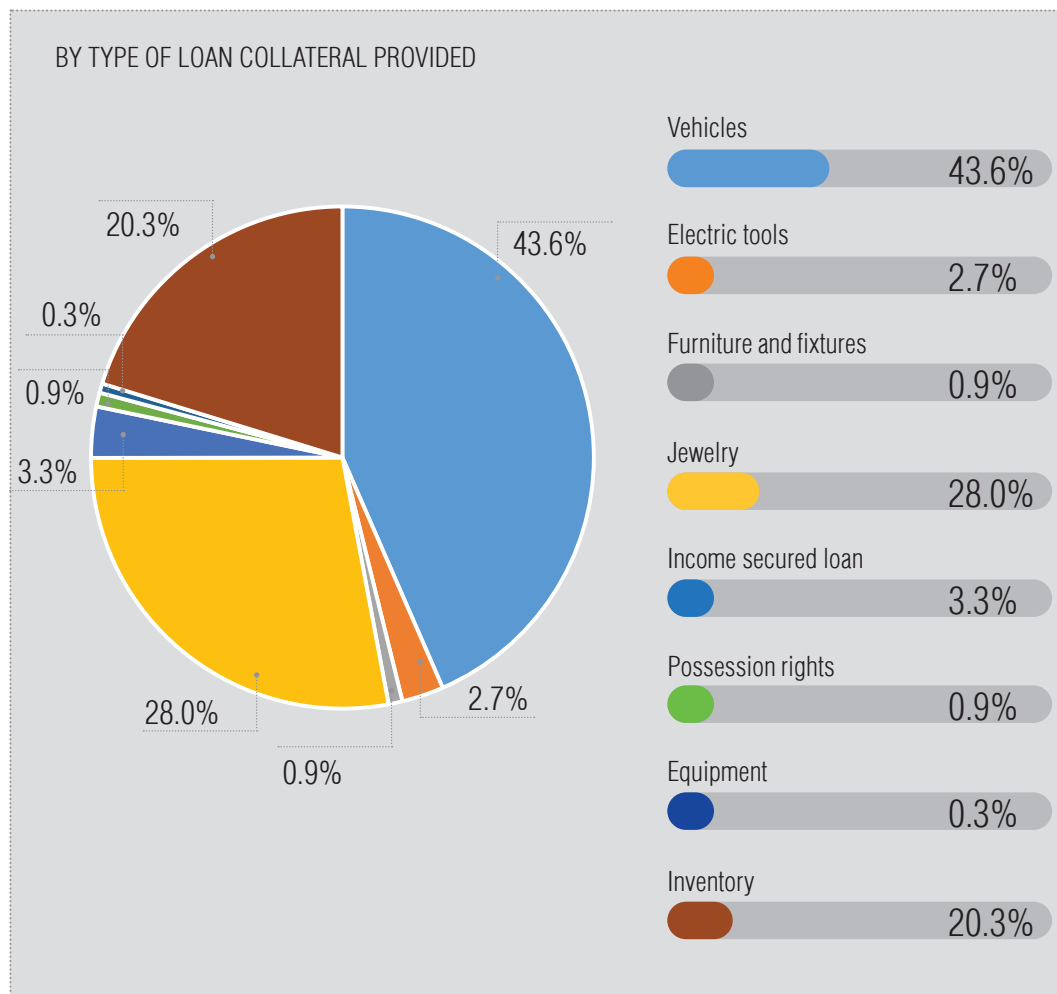


- o Nationwide, there were 347 licensed Money loan service providers, and the majority (60.8%) of these were located in Ulaanbaatar.
- o For regional, 3 citizens and 3 entities were in the Western Region, 76 citizens and 12 entities in the Mountain Region, 10 citizens and 25 entities in the Central Region, and 3 citizens and 4 entities in the Eastern Region.



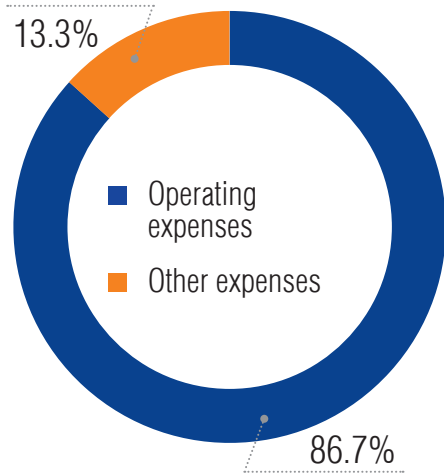
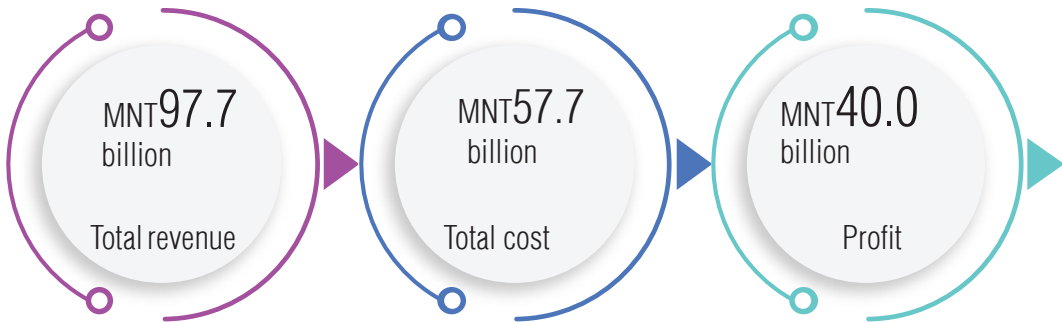
- o Of the 211 Money loan service providers in Ulaanbaatar, 28.9% were in Bayanzurkh district, 24.2% in Sukhbaatar, 17.1% in Bayangol, 13.7% in Khan-Uul, 11.8% in Chingeltei, 2.9% in Songinokhairkhan, 0.9% in Nalaikh, and 0.6% in Baganuur district.
- o 26 of the money loan service providers are citizens and 185 are legal entities.

PRODUCTS AND SERVICES



Total loans were issued for 43.6% for vehicles, 28.0% for jewelry, 3.3% for income-secured loans, 2.7% for electronics, 0.9% for furniture, 0.9% for property rights, 0.3% for equipment, and 20.2% for other types, respectively.

PROFITABILITY

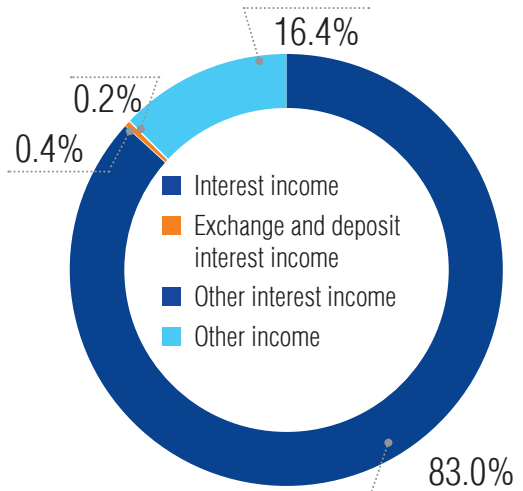


COST STRUCTURE

The operating expenses accounted for 50.0 billion MNT (86.7%) of total expenses, while other expenses were 7.7 billion MNT (13.3%).

REVENUE STRUCTURE

The total income earned was 83% from the loan interest, 0.4% from exchange and deposit interest, 0.2% from other interest income, and 16.4% from other income.



REGULATORY ENVIRONMENT



POLICY AND LEGISLATION

On 04 November 2022, the Law on the regulation of money loans was approved by the Parliament and enforced on March 1, 2023. The FRC developed the following regulations to comply with laws and regulations and registered in the State Unified Fund of Administrative Acts. .

- o "Regulation of registration and activities of entities engaged in money loan " was developed, and discussed at the meeting of the FRC on 13 March 2023 and approved by resolution 81 of FRC. Registered in the State Unified Fund of Administrative Act No. 6184 dated 23 March 2023.
- o "Regulation for maintaining a record book and submitting reports of money loan activities" was developed; and discussed at the meeting of the FRC on 13 March 2023, and approved by resolution 82 of FRC. Registered in the State Unified Fund of Administrative Norms Act No. 6185 dated 23 March 2023.
- o "Regulation for issuing personal numbers to entities engaged in money loan activities" was developed; discussed at the meeting of the FRC on 13 March 2023, and approved by resolution 83 of FRC. Registered in the State Unified Fund of Administrative Norms Act No. 6186 dated 23 March 2023.
- o "Regulations for training in money loan activities" was developed, and discussed at the meeting of the FRC on 13 March 2023, and approved by resolution 84 of FRC. Registered in the State Unified Fund of Administrative Norms Act No. 6187 dated 23 March 2023.
- o "Regulations for the policy council of money loan activities" was developed and discussed at the meeting of the FRC on 13 March 2023, and approved by resolution 85 of FRC. Registered in the State Unified Fund of Administrative Norms Act No. 6188 dated 23 March 2023.
- o " Regulation for issuing personal numbers to entities engaged in money loan activities " was revised, and discussed at the meeting of the FRC on 03 April 2023, and approved by resolution 162 of FRC. Registered in the State Unified Fund of Administrative Norms Act No. 6781 dated 25 April 2023.

- o Implementation of the Regulation for determining and collecting fees for regulatory services;

39.0 million MNT regulatory service fees must be collected from 65 money loan service providers registered on FRC. As of the second quarter of 2024, 16.0 million MNT regulatory service fees were collected from 42 money loan service providers on account of FRC.



CREDIT GUARENTEE FUND

Total assets
MNT300.7
billion



Financial market status

Average amount of
one guarantee
MNT30.8
million



Accessibility

Number of requests
submitted 5,441

Number of requests
approved 5,441



Products and services

Profitability



Total income
MNT **10.0**
billion

Profit for the reporting period
MNT **4.6** billion

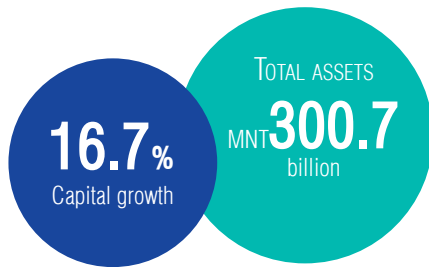
Stability



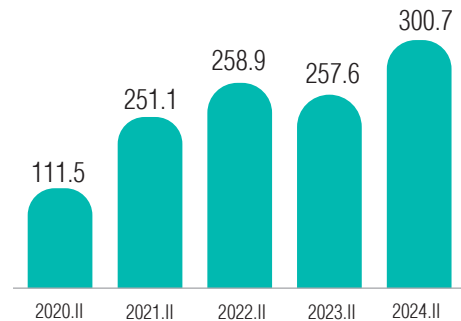
Percentage of non-performing
guarantees

2.4%

FINANCIAL MARKET STATUS



Total assets (MNT, billions)

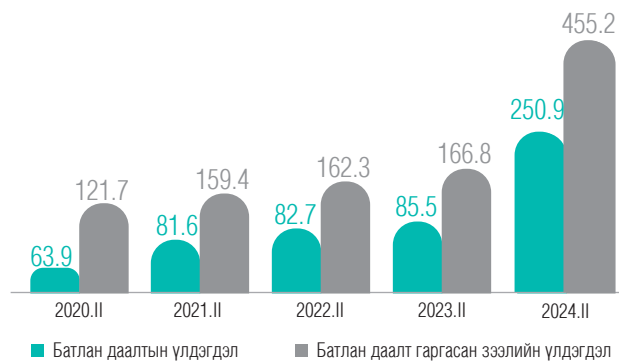


Total Assets: 300.7 billion MNT

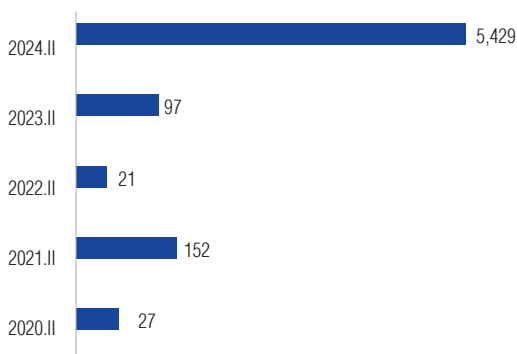
Increase: 16.7% (43.1 billion MNT) compared to the same period in 2023.

- o Guarantee Balance: 250.9 billion MNT
- o Increase: 165.4 billion MNT (2.9%) compared to the same period in 2023.
- o Guaranteed Outstanding Balance: 455.2 billion MNT
- o Increase: 288.4 billion MNT (2.7-fold) compared to the same period in 2023.

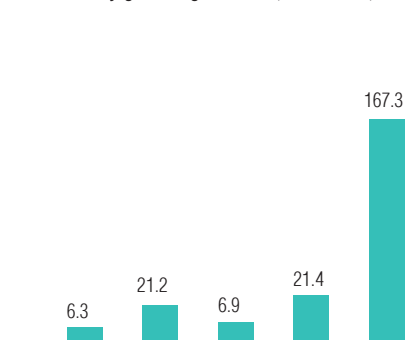
Guaranteed and guaranteed loan balances (MNT, billion)



New issues of guarantee (MNT, billions)

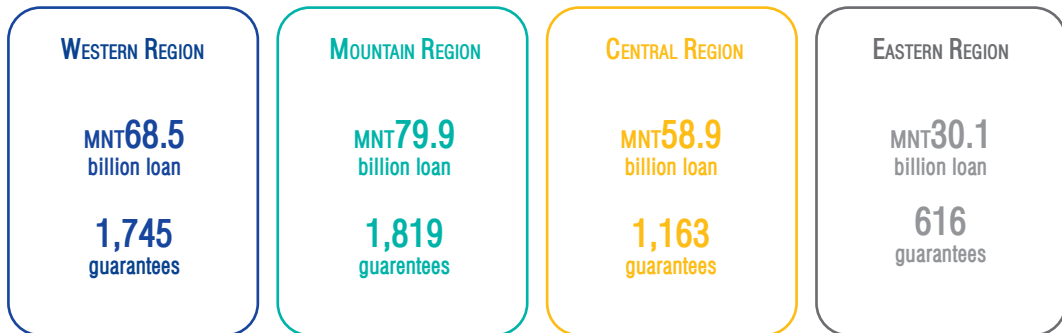
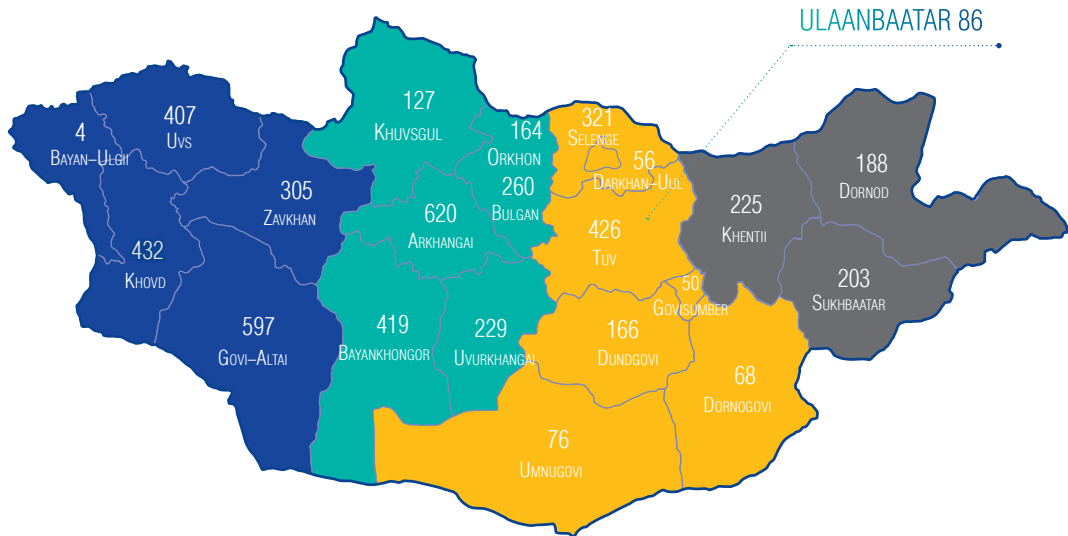


Amount of newly granted guarantee (MNT, billions)

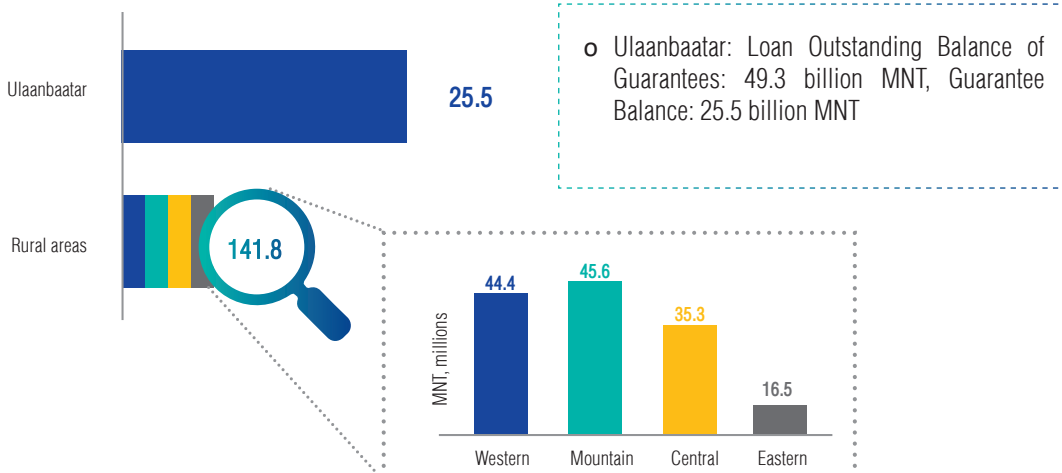


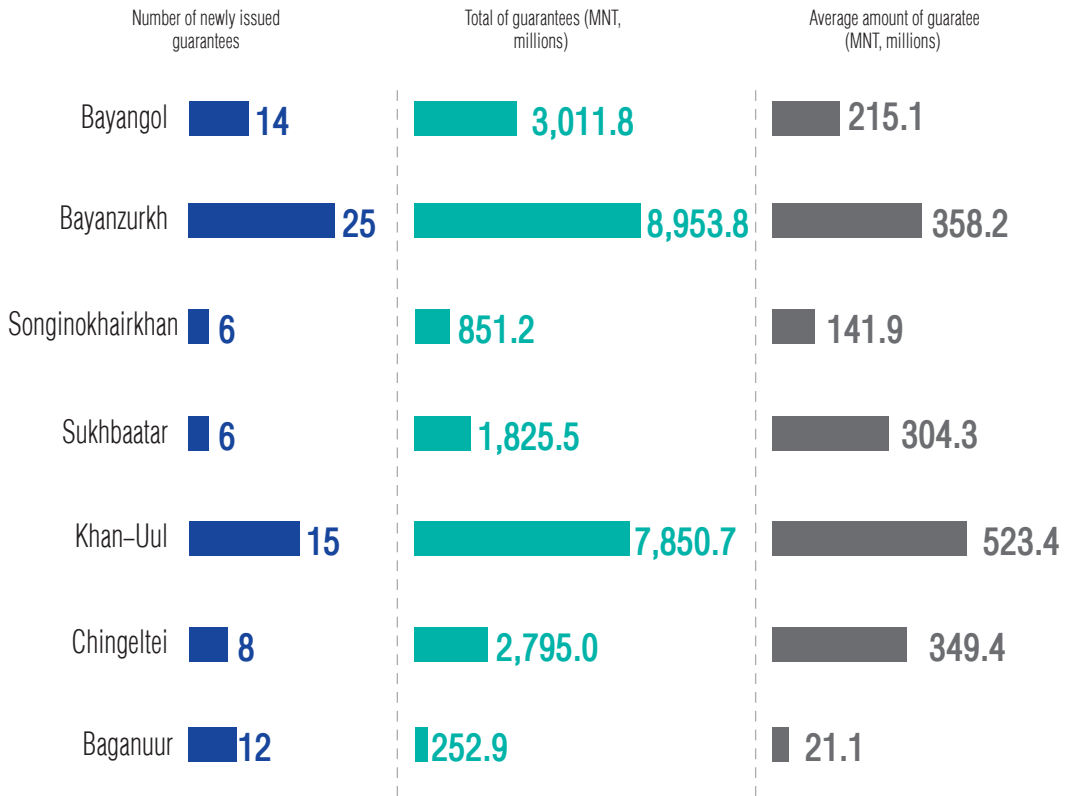
Credit Guarantees Issued: 167.3 billion MNT, Number of Credits: 5,429, Increase: 56.0-fold compared to the same period in 2023.

ACCESSIBILITY



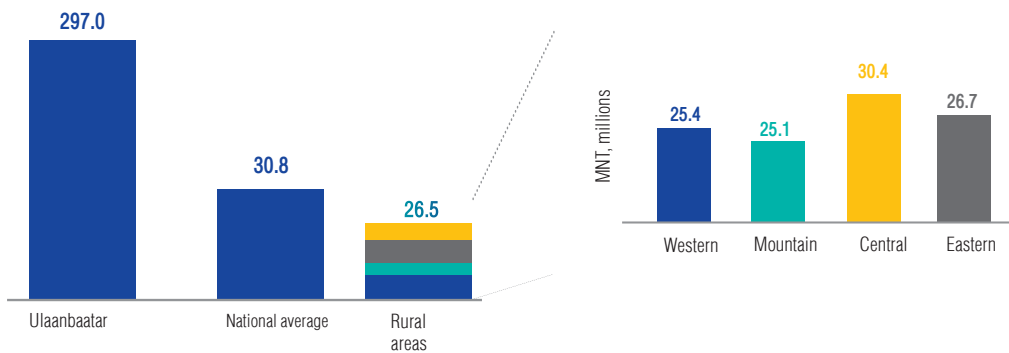
TOTAL GUARANTEE AMOUNT (MNT, million)





AVERAGE AMOUNT OF GUARANTEE

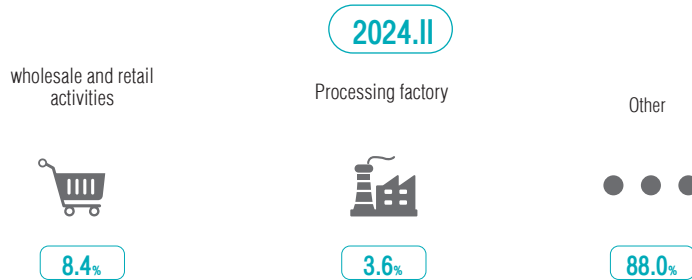
- Ulaanbaatar: 297.0 million MNT, Rural Area: 26.5 million MNT, National Average: 30.8 million MNT
- Highest Amount in Central Region: 30.4 million MNT.



PRODUCTS AND SERVICES

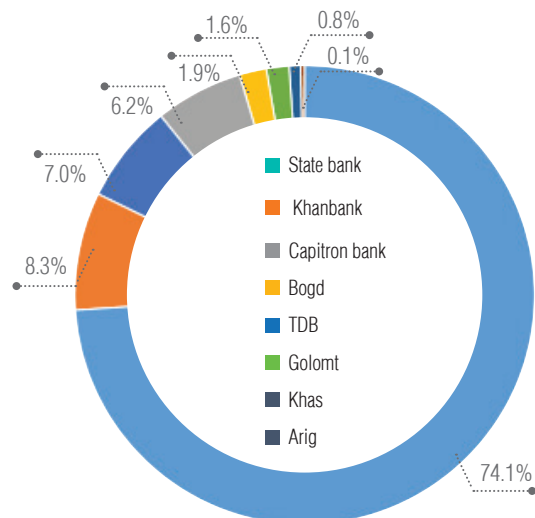
	Number of applications for a guarantee	Number of applications approved	Percentage
2021.II	241	180	74.7%
2022.II	38	23	60.5%
2023.II	132	102	77.3%
2024.II	5,441	5,441	100.0%

Applications for Guarantees: Total Received: 5,441, Total Approved: 5,441, Increase: 41.2-fold compared to the same period in 2023.



Sector Distribution of Guarantees: Wholesale and Retail: 8.4%, Manufacturing: 3.6%
Other Sectors: 88.0% (includes programs like "New Cooperative – Wealthy Herder" and mortgage guarantees).

Distribution by Banks: State Bank: 74.1%, Khan Bank: 8.3%, Trade Development Bank: 7.0%, Capitron: 6.2%, Bogd Bank: 1.9%, Golomt Bank: 1.6%, Xac Bank: 0.8%, Arig Bank: 0.1%.

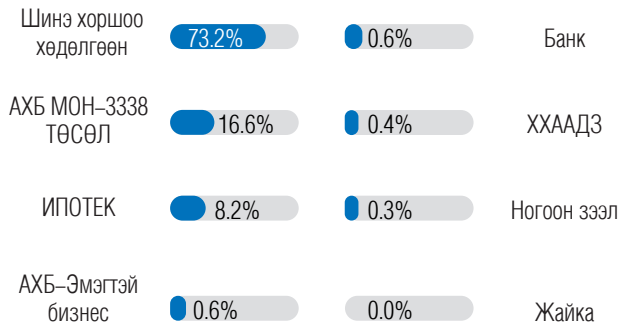


New Cooperative – Wealthy Herder Program: 73.2%, MON–3338 Project (ADB): 16.6%, Mortgages: 8.2%
 Project Supporting Women Entrepreneurs (ADB): 0.6%, Other Loans and Projects: 0.7%.

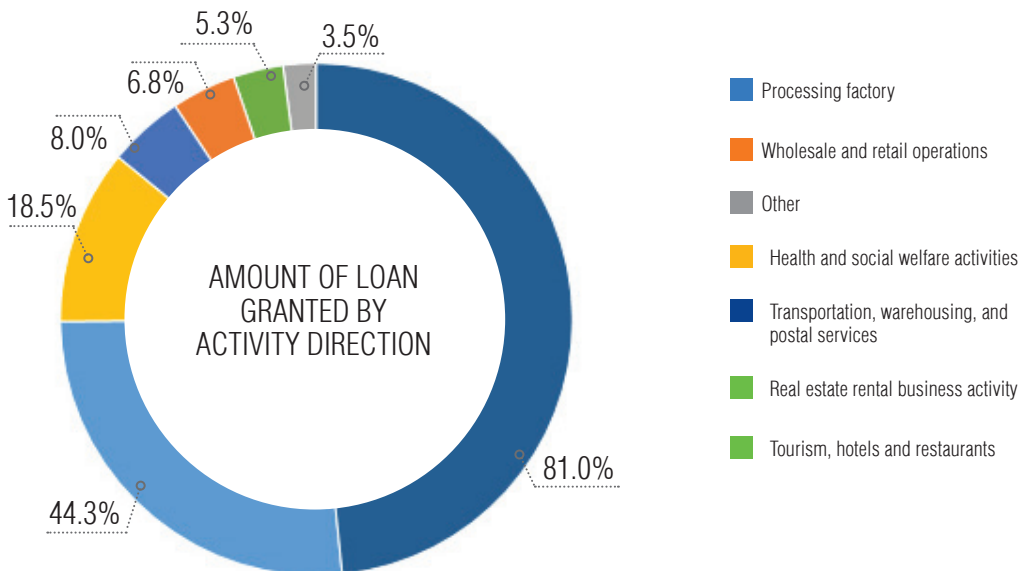
- o Average Term of Issued Guarantees: 80.2 months (approximately 6.7 years).
- o Increase: 84 months (or 7 years) compared to the same period in 2023..

80.2
MONTHS

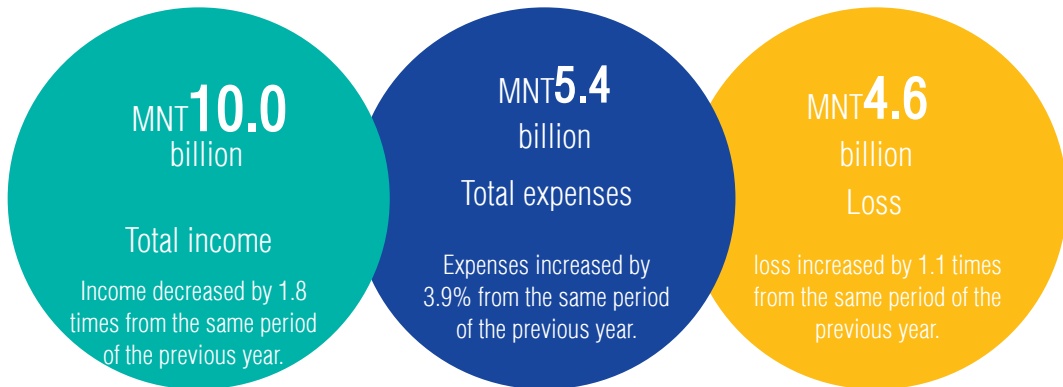
Олгосон батлан даалтын хэмжээ



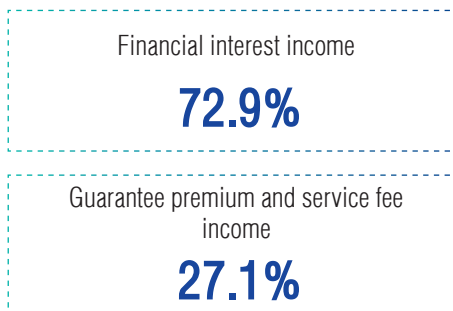
Guaranteed Loans Breakdown: Wholesale and Retail: 9.7%, Manufacturing: 4.0%, Health Sector: 1.8%, Transportation Sector: 1.5%, Real Estate Sector: 1.2%, Tourism Sector: 0.8%, Other Sectors: 81.0% (Majority from New Cooperative – Wealthy Herder Program and mortgage guarantees)



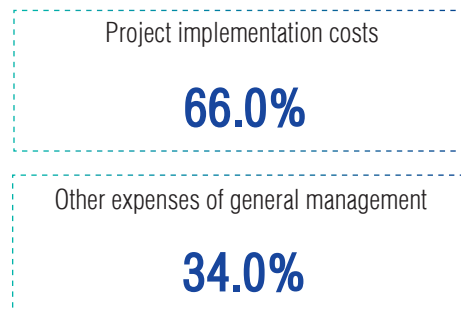
PROFITABILITY



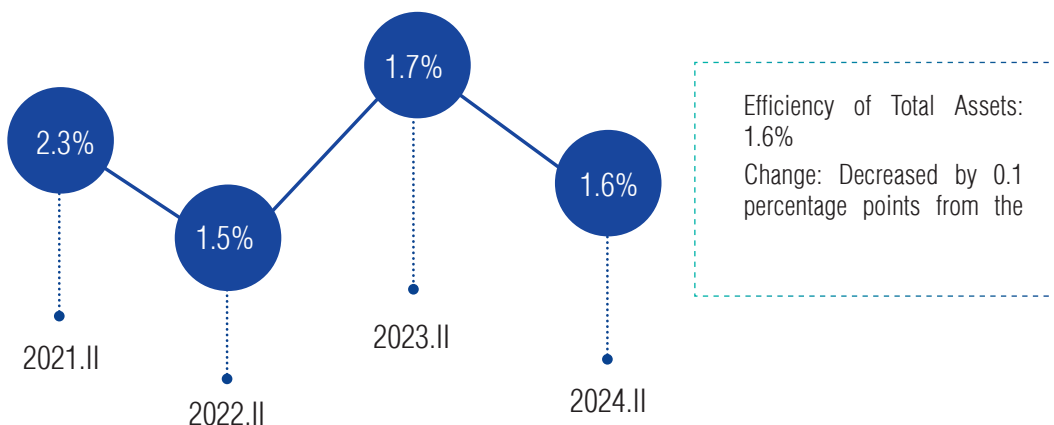
Income structure



Cost structure



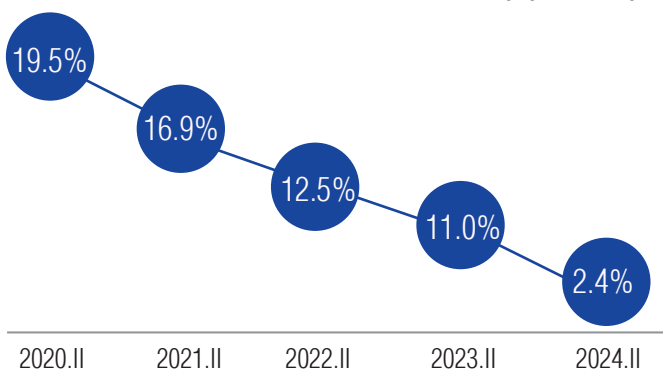
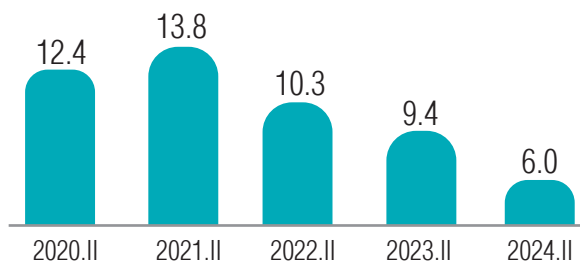
Return on total assets



STABILITY

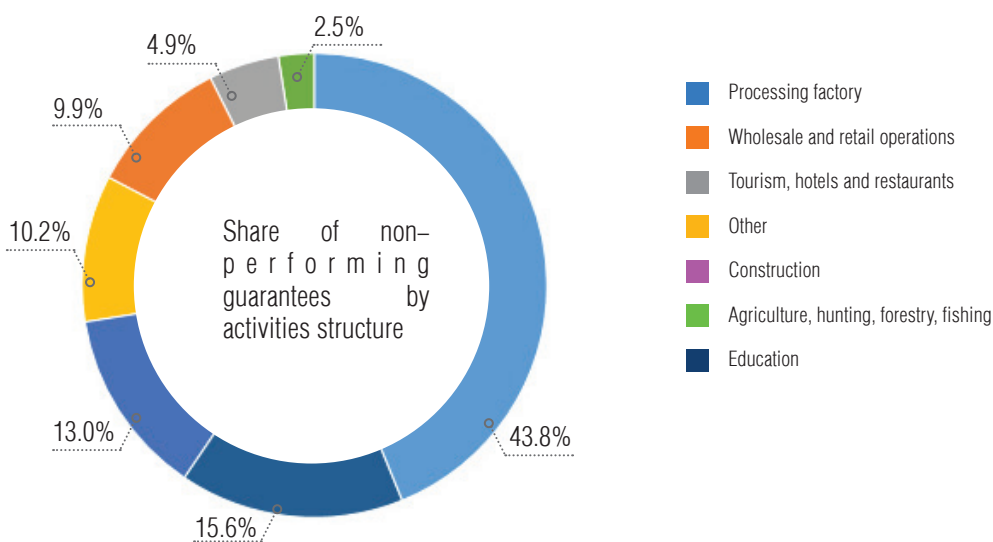
Balance of non-performing guarantees (MNT, billions)

Balance of Non-Performing Guarantees: 6.0 billion MNT



Share of Non-Performing Guarantees: 2.4% (decreased by 8.6 percentage points from the same period last year).

- Distribution of Non-Performing Loans: Manufacturing: 43.8%, Wholesale and Retail: 15.6%, Tourism Sector: 13.0%, Construction Sector: 9.9%, Agricultural Sector: 4.9%, Education Sector: 2.5%, Other Sectors: 10.3%.





REAL ESTATE BROKERS (and AGENTS)

Regulated entities

311



Market outlook

Real estate was bought
and transferred

MNT 1,268.2
billion



Product and service

Accessibility



98.7% of entities
operated in Ulaanbaatar

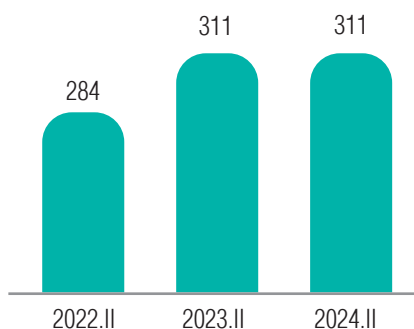
Regulated environment



MARKET OUTLOOK



Total Licensed Real Estate Entities: 311 (no change from the same period last year).



Average Staff per Entity:

Brokers: 1

Agents: 4 (highest number of agents per entity: 90).

Statistics



On average, entities had one broker and four agents. The highest number of agents per entity was 90.

SHARE CAPITAL

Total Share Capital: 6.7 billion MNT from 464 shareholders.
 Individuals: 94.5%
 Entities: 3.9%
 Jointly Owned: 1.6% (individuals and entities).

TOTAL ASSETS

Total Assets: 258.5 billion MNT, Current Assets: 223.9 billion MNT (86.6%), Non-Current Assets: 34.6 billion MNT (13.4%), Debt: 212.8 billion MNT (82.3%), Owner's Capital: 45.7 billion MNT (17.7%)

Classification of assets and resources	Amount (MNT, billion)	Proportion of assets and resources
CURRENT ASSETS	223.9	86.6%
NON-CURRENT ASSETS	34.6	13.4%
LIABILITIES	212.8	82.3%
OWNER'S PROPERTY	45.7	17.7%

Market Share by Total Assets:

15 companies account for 83.6% of the market.

64 companies account for 95.7%.

107 companies with assets over 90 million MNT account for 97.9%.

26 companies with assets between 60 million MNT and 90 million MNT account for 0.8%.

178 companies with assets under 60 million MNT account for 1.4%.

MARKET SHARE

Amount of assets	Companies	Market share
Up to MNT15million	37	0.1%
Up to MNT30 million	144	0.8%
Up to MNT60 million	178	1.4%
Up to MNT90 million	204	2.1%
More than MNT90 million	107	97.9%

PROFITABILITY



	<1%	<5%	<10%	>10%
Өөрийн хөрөнгийн өгөөж /ROE/	183	193	205	106
Нийт хөрөнгийн өгөөж /ROA/	234	245	263	48

2024.II

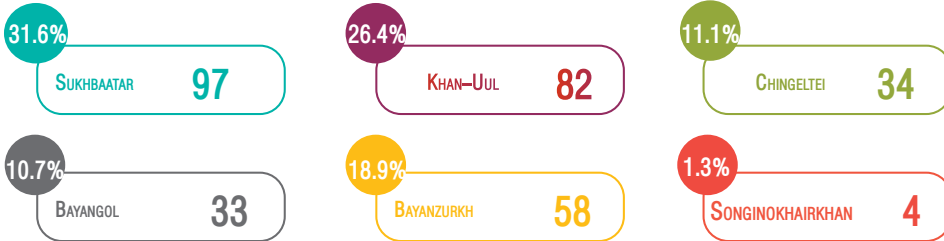
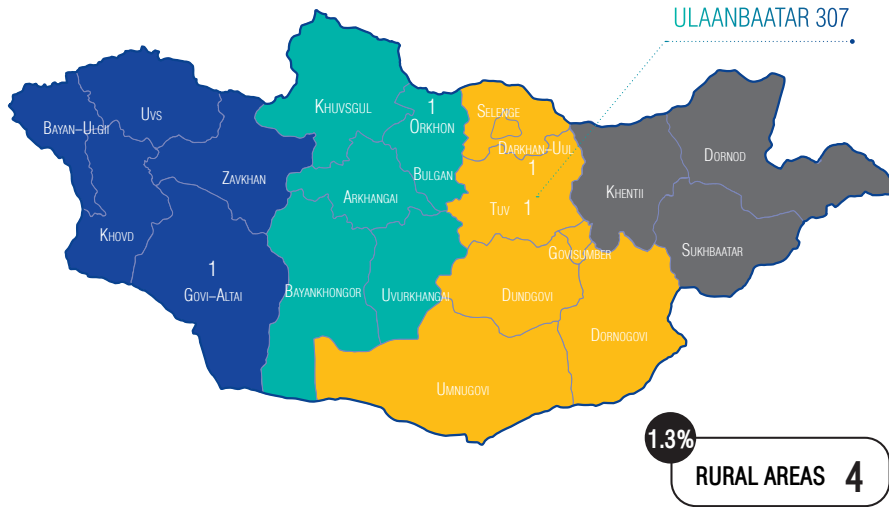
13.5%

3.9%

ROE болон ROA-ийн харгалзах интервал дахь ҮХЭХЗБ-ын тоо

ACCESSIBILITY

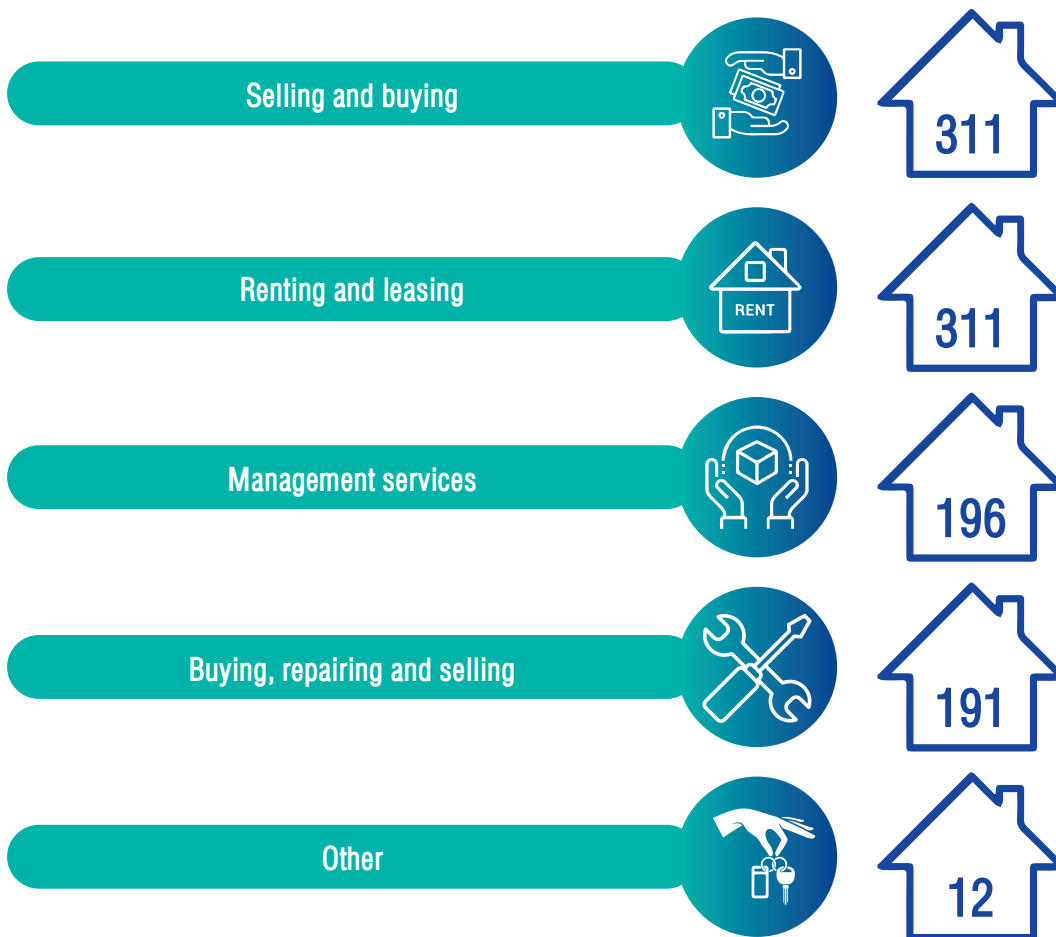
Geographical Distribution of Licensed Entities:



Sukhbaatar District: 31.6%, Khan Uul District: 26.4%, Bayanzurkh District: 18.9%, Bayangol District: 10.7%, Chingeltei District: 11.1%, Songinokhairkhan District: 1.3%, Provinces: 1.3% (4 entities).

PRODUCTS AND SERVICES

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

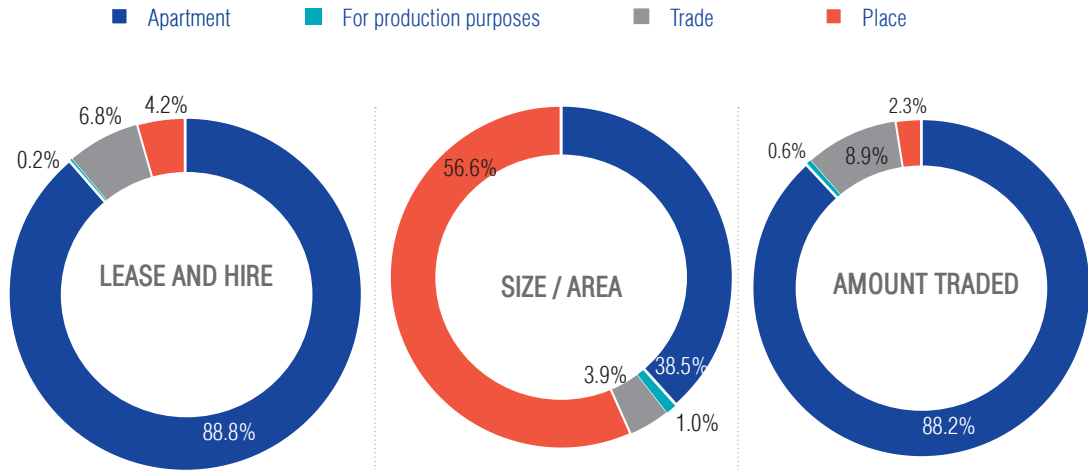


NOTE

Reporting Quarter: All 311 licensed REBs provided reports. Highest Average Price: Chingeltei District – 3,771,858.6 MNT. Lowest Average Price: Songinokhairkhan District – 2,741,521.8 MNT.

PRODUCTS AND SERVICES

RENTING AND LEASING, AND SELLING AND BUYING SERVICES



Rental and Lease Deals:

Residential: 88.8%
 Commercial: 6.8%
 Industrial: 4.2%
 Land: 0.2%

Sold Real Estate:

Land: 56.6%
 Residential: 38.5%
 Commercial: 3.9%
 Industrial: 1.0%

Value of Sales:

Residential: 88.2%
 Commercial: 8.9%
 Land: 2.3%
 Industrial: 0.6%

Size Distribution of Real Estate Sold

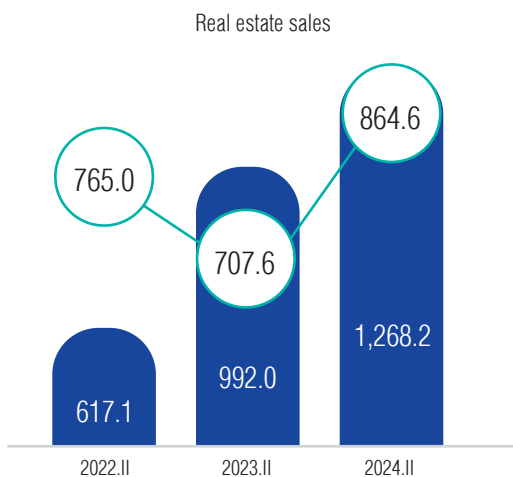
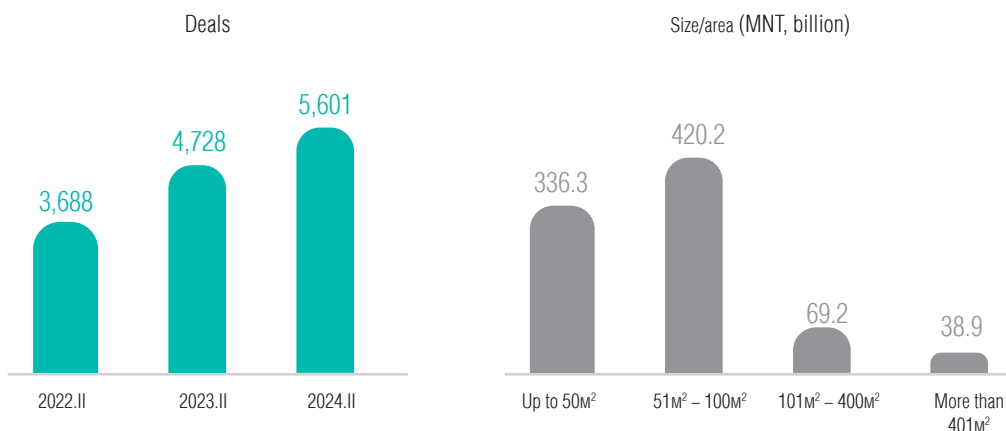
Less than 50 square meters: 38.9%
 51 to 100 square meters: 48.6%
 101 to 400 square meters: 8.0%
 More than 401 square meters: 4.5%

Size Distribution of Real Estate Rented/Leased

Less than 50 square meters: 42.5%
 51 to 100 square meters: 41.7%
 101 to 400 square meters: 14.0%
 More than 401 square meters: 1.8%

SELLING AND BUYING BROKERAGE

Total Deals Conducted: 5,601, Combined Area: 864.6 thousand square meters, Total Value: 1,268.2 billion MNT.

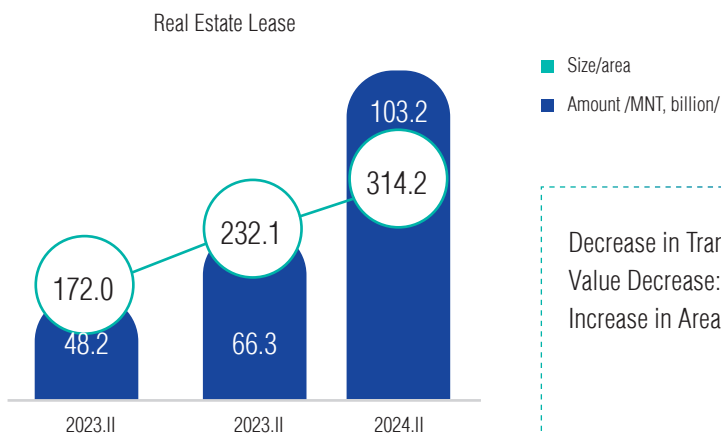
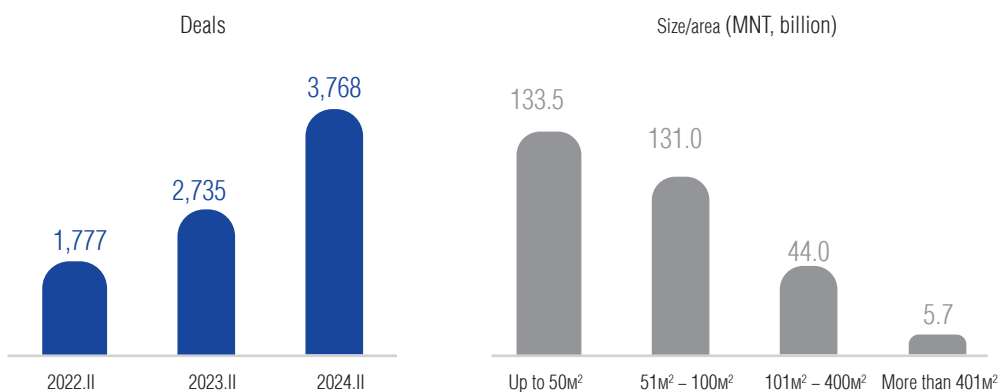


Increase in Transaction Amount:
 Value Increase: 27.8% (276.6 billion MNT)
 Area Increase: 22.2% (157.0 thousand square meters)

- Size/area
- Amount /MNT, billion/

RENTING, LEASING, HIRING AND EMPLOYMENT SERVICES

Rental and Lease Transactions: Total Area Rented or Leased: 314,200 square meters, Total Value: 103.2 billion MNT, Total Deals: 3,768.



Decrease in Transaction Amount:
Value Decrease: 55.7%
Increase in Area: 35.4%



REGULATORY ENVIRONMENT



POLICY AND LEGISLATION

- "Code of Conduct for the Real Estate Brokerage Industry" has been developed, drawing insights from practices in South Korea, Singapore, and Japan.
- In accordance with Article 62, Section 62.1 of the General Administrative Law, a draft resolution for the approval of "Procedures for the operation of special licenses, authorizations, and registration of real estate brokerage organizations" has been prepared. The draft has been made available for public comment on the FRC's website.



COOPERATION

- Forum: "Voice of Realtors–2024", Date: June 12, 2024, Hosted by: Real Estate Academy of Mongolia
- Participants: Representatives from the Financial Regulatory Commission (FRC), UFE (presumably a relevant organization), Japan's "JARECO" Professional Association, Representatives from the Asia-Pacific maritime regions, Over 100 realtors with international licenses and members of the National Association of Realtors in the US



MEETINGS AND SEMINARS

- o From April 18–23, 2024, the Financial Regulatory Commission, the " Umbrella Association of Real Estate Entrepreneurs ", and "Unegui Group" LLC organized two joint meetings. These meetings aimed to enhance public education, protect consumer rights, and implement measures for fraud prevention within the real estate sector. .
- o held on June 13, 2024, a meeting was held to Determine the mid-term development policy and strategy for the Real Estate sector for the 2024–2027 period. This meeting focused on , revising the roadmap, studying international best practices and empowering the established. "Umbrella Association of Real Estate Entrepreneurs"
- o On April 4, 2024, training session was organized in collaboration with "Umbrella Association of Real Estate Entrepreneurs", for 58 authorized officials from 56 real estate brokerage organizations. The topics covered included "On-site and Off-site inspections" and "Implementation of the Law on Settlement in National Currency". Additionally, the "Real Estate Brokerage Training" which granted permissions to brokerage employees, was held six times, with a total attendance of .273 individuals



DEALERS IN PRECIOUS METALS AND STONES

Number of dealers

53

Legal entities

453

Individuals



Market outlook

Precious metals sold
and bought

MNT 148.2
billion



Products and services

Accessibility



74.0%

Operated in Ulaanbaatar

Regulatory environment



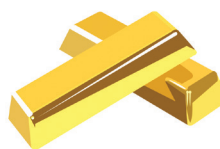
MARKET OUTLOOK

NUMBER OF ENTITIES WITH LICENSES

As of the reporting quarter, after the first license was issued by the FRC on May 6, 2020, there were 53 entities and 453 individuals operating in the sector.

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

53



111

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 share capital for 85 shareholders in these 53 regulated entities amounted to 10.1 billion MNT.

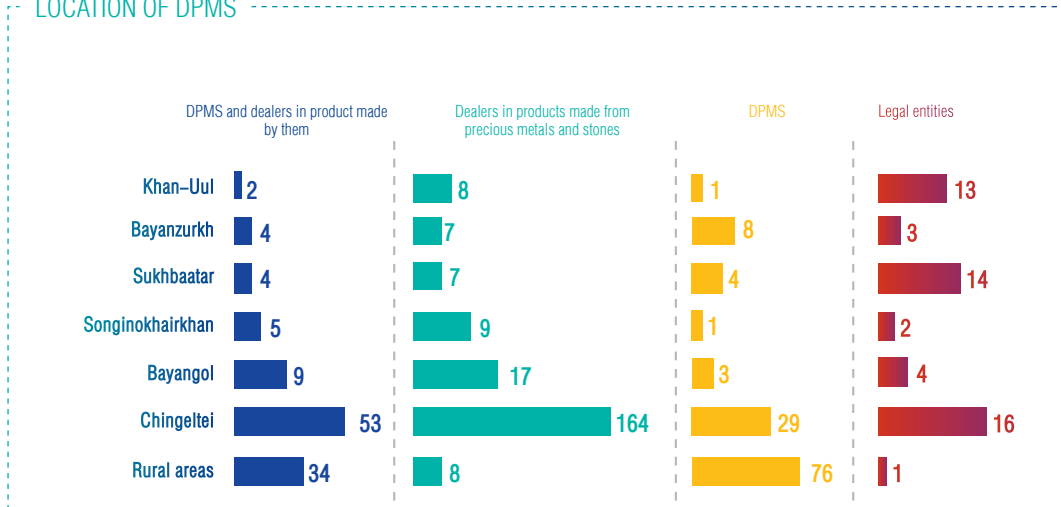
Additionally, 74.0% (335) of licensed dealers operated in Ulaanbaatar, while 26.0% (118) were based in rural areas.

In Ulaanbaatar

74.0%

ACCESSIBILITY

LOCATION OF DPMS



- The majority of dealers in precious metals and stones are located in the provinces, comprising 63.3% of the total. In contrast, most dealers in products made from precious metals and stones are concentrated in Ulaanbaatar, where 36.6% of dealers are based.

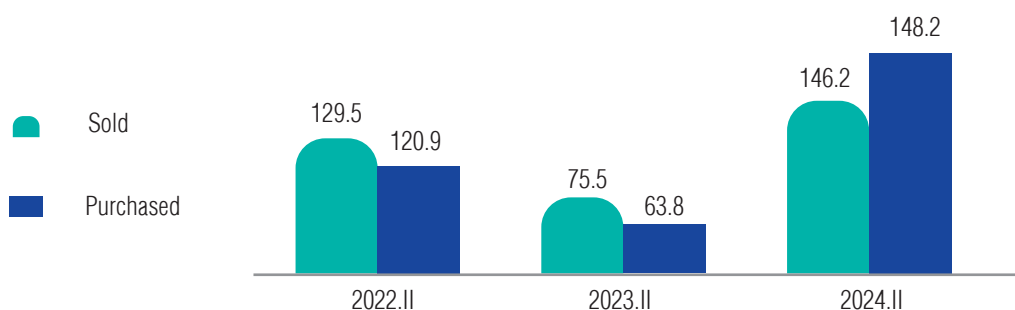
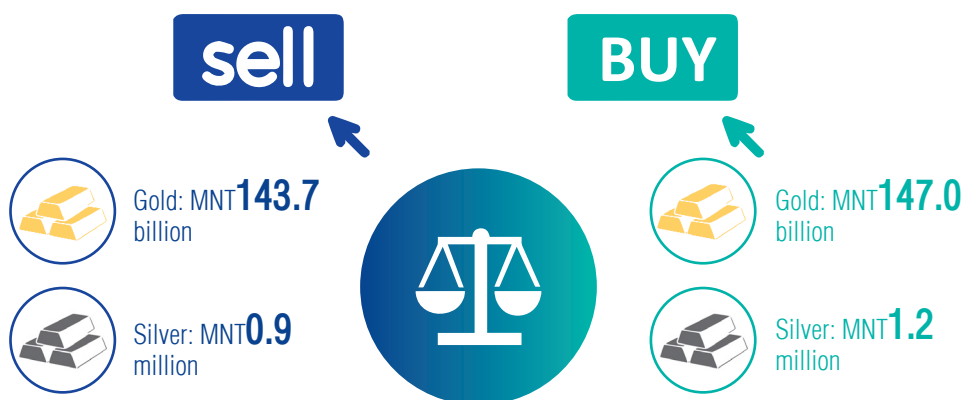


PRODUCTS AND SERVICES

METALS BOUGHT AND SOLD

In the reporting period, a total of 928.2 kilograms of metals, valued at 148.2 billion MNT, were purchased. Conversely, 651.4 kilograms of metals, valued at 144.6 billion MNT, were sold. The amount of metals bought increased by 2.3-fold, while the amount sold decreased by 1.9-fold.

TRADE BETWEEN DEALERS IN PRECIOUS METALS, INDIVIDUALS AND ENTITIES



AMOUNT OF JEWELRY BOUGHT AND SOLD



AMOUNT OF
PURCHASED PRICE

MNT**11.7** billion

SOLD PRICE
AMOUNT

MNT**20.1** billion

Specifically, jewelry worth 20.1 billion MNT was bought, and 11.7 billion MNT worth of jewelry was sold.

PRECIOUS METAL SALES AMOUNT /MNT, BILLION/



Precious metals valued at 148.2 billion MNT were purchased, while precious metals worth 144.6 billion MNT were sold.

CLASSIFICATION OF ASSETS AND RESOURCES	Amount /MNT, billion/	Proportion of assets and resources
CURRENT ASSETS	62.6	83.7%
NON-CURRENT ASSETS	12.2	16.3%
LIABILITIES	42.7	57.0%
OWNER'S PROPERTY	32.2	43.0%

PROFITABILITY



REGULATORY ENVIRONMENT



POLICY AND LEGISLATION

- o In accordance with Article 62.1 of the General Administrative Law, a draft of amendments to the 'Regulation on on-site and off-site supervision for DPMS' and the "Regulation for special licenses, permits, and registration of dealers in precious metals, precious stones, or articles made from them" was posted on the FRC website for public opinion.



INTERNATIONAL COOPERATION

- o Representatives of the Bank of Mongolia, the FRC, and PlanetGOLD Mongolia participated in the "Responsible Mineral Supply Chain" forum organized by the Organisation for Economic Co-operation and Development (OECD) from May 21–25, 2024 in Paris, France.
- o During the "MONGOLIAN JEWELLERY & METAL FORUM, EXPO 2024" organized by the FRC to enhance coordination between public and private sector organizations, the Department of Standards and Metrology signed an agreement with the "National Association of Precious Metals, Precious Stones and Jewelry".



MEETINGS AND SEMINARS

- On 28 May 2024, a joint meeting was held by the State Treasury Exhibition of the Bank of Mongolia, the FRC, and the National Association of Precious Metals and Stones and Jewelry to exchange opinions and discuss future measures.
- On 11 April 2024, the FRC and the National Association of Precious Metals, Precious Stones and Jewelry organized the "MONGOLIAN JEWELLERY & METAL FORUM, EXPO 2024," where information was shared regarding dealers of precious metals and stones.
- Training sessions included a virtual training for the Department of Standards and Metrology officers and FRC local representatives on 24 February 2024, attended by 104 participants, covering FRC measures, licensing, registration, supervision, AML/CFT, reporting requirements, and irregularities. On 21 March 2024, the FRC provided training for senior experts and state inspectors of the Department of Standards and Metrology in 21 provinces on relevant issues in the field. Additionally, on 15 March 2024, the FRC discussed the "legal framework and regulation of dealers" during a workshop aimed at empowering local financial specialists.
- From 06 to 24 May 2024, training was organized for dealers in Govi–Altai, Khovd, and Selenge provinces, with a total of 94 participants attending. Under training contracts with the National Association of Precious Metals and Stones and Jewelry, lessons on sector regulations were provided to 200 participants across 6 training sessions.



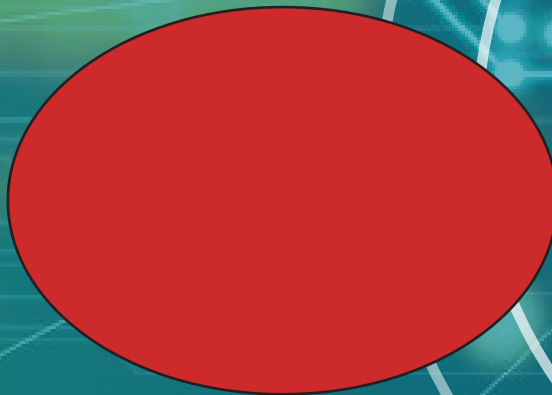
SANDBOX

Number of requests **20***

Tested products **6**



Market outlook



A



Repo brokerage services

1,269
by agreement



MNT **255.4**
billion trading

P2P loan service



7,827

Customers

MNT **2.6**
billion loan

Mutual Funding Services



4,345

Investors

MNT **264.7**
million trading

Insurtech services



51

Registered customers

MNT **20.2**
billion loan

SANDBOX OVERVIEW

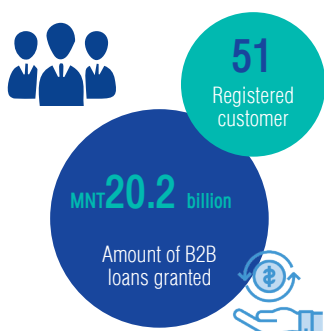
Tested product

Out of 20 product and service testing requests in the sandbox environment, 8 products were admitted, with 6 currently undergoing testing in Q2 2024.



B2B credit services

The B2B service, launched in February 2024, aims to meet the short-term financing needs of enterprises by circulating excess reserves.



As of Q2 2024, it has registered 51 customers and facilitated loans amounting to 20.2 billion MNT, with 14.2 billion MNT repaid. The average interest rate for these loans is 1.5%, with terms of 14, 21, and 28 days.



Average interest rate on B2B loans



Repo brokerage services

Repo services have been in the sandbox since December 2021. From September 2023 to Q2 2024,

Certificate of Deposit

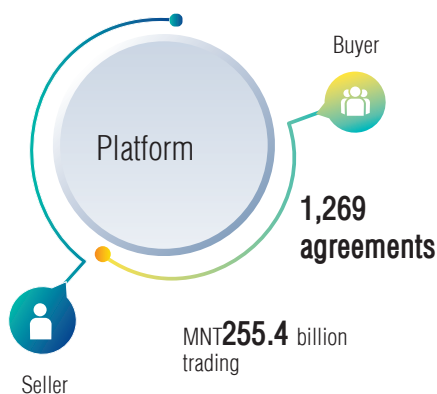
74.7 million MNT in certificates of deposit and

Default trade amount	Secondary trading amounts
MNT 62.6 million	MNT 12.1 million

Trust

2.4 billion MNT in trust services were mediated.

Default trade amount	Secondary trading amounts
MNT 1.9 billion	MNT 0.5 billion



A total of 41 lenders and 32 borrowers participated in repurchase agreements, trading 255.4 billion MNT across 1,269 agreements. The average term for repo loans is 33 days, with an average interest rate of 17.7%. In the reporting quarter, 158 repo transactions were completed, with a total value of 41.3 billion MNT, marking a 70% increase in total transaction amount compared to last year.

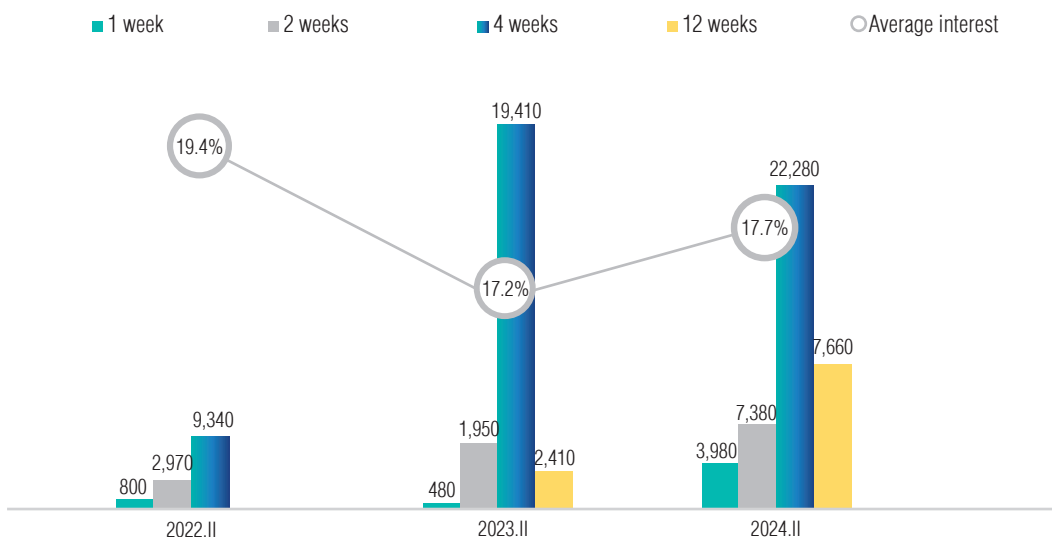


Money market statistics

Time	Number of creditors	Number of borrowers	Number of trades	Trade amount	Average interest	Average loan term
2023.II	17	19	117	24,250,000,000	17.2	31
2024.II	19	25	158	41,300,000,000	17.7	33

In the reporting quarter, 158 repo transactions were completed, with a total value of 41.3 billion MNT, marking a 70% increase in total transaction amount compared to last year.

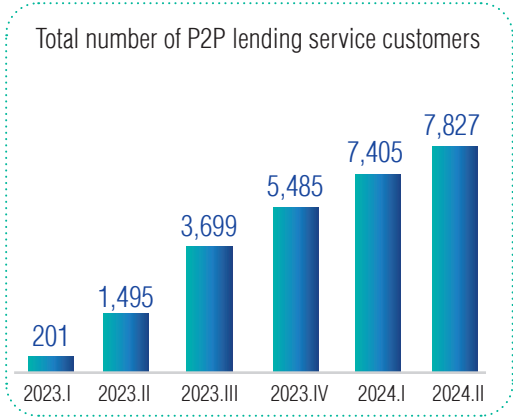
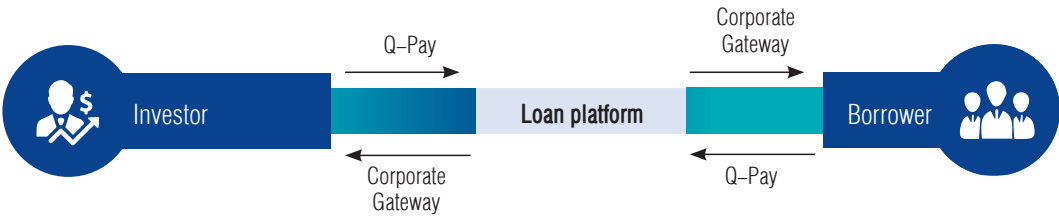
Money market interest rate and trading amount, repo loan period /MNT, million/



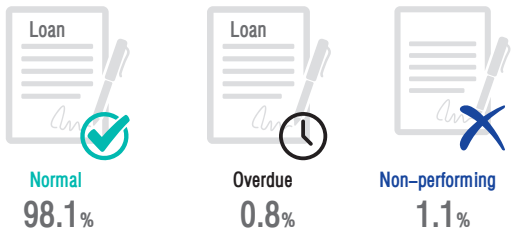
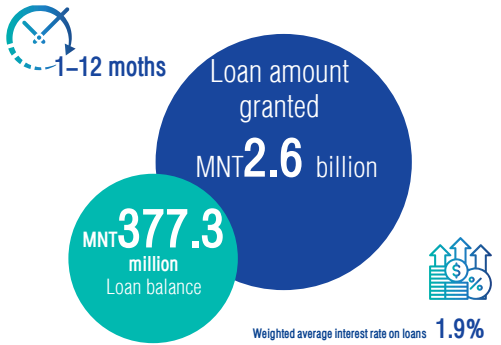
Most of the total repo transactions made in the same period of last year (4-week) and (1-week) repo transactions were the least.

P2P loan service

The P2P loan service, testing since December 2022, utilizes AI and blockchain for credit evaluation.



It has served 7,827 customers, with loans totaling 2.6 billion MNT granted and 2.2 billion MNT repaid, leaving 377.3 million MNT outstanding. The majority (98.9%) of customers are borrowers. The average monthly interest rate is 1.9%. Demographically, 64.8% of customers are women, with 49.9% aged 18–35.



Female



64.8%

Male



35.2%

BY AGE

18–35 Years



49.9%

36–45 Years



34.7%

46–55 Years



12.4%

More than 55 Years



3.0%

BY EDUCATION



61.9%

Higher



4.2%

Special
secondary

29.3%

High
school

4.3%

Secondary

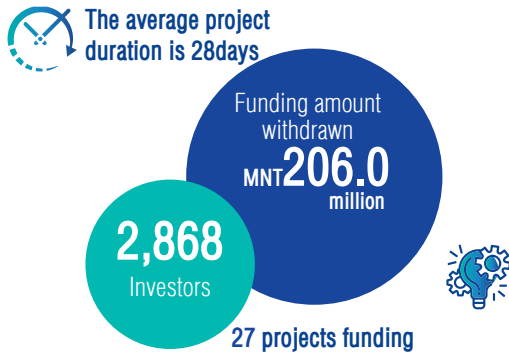


0.3%

Primary

Crowdfunding Services

The two companies entered the sandbox environment and tested the crowdfunding service in December 2022. From 2022, the first crowdfunding service provider has started to test its products and services and the second crowdfunding service provider has been gradually introducing crowdfunding services based on incentives, loans, shares, and donations in the sandbox environment since November 2023.

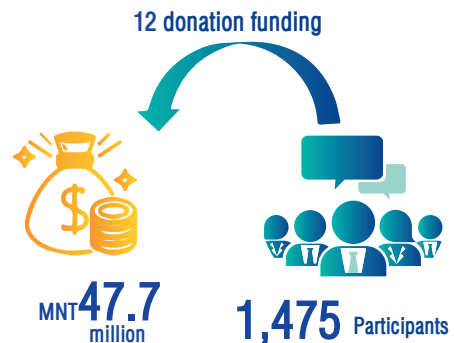


Incentive-based crowdfunding successfully raised 206.0 million MNT from 2868 investors across 27 projects. 20 incentive crowdfunding projects worth 197.5 million MNT were successfully implemented. For projects, on average, the total necessary funds were raised with 70.0% realization.

19 of these 27 projects funded by the platform are less than 1 month, and the average project duration is 20 days.

Donation-based 12 crowdfunding projects were posted on this platform, and 11.5 million MNT were successfully donated out of 47.7 million MNT donations from a total of 1,475 contributors.

A loan-based one crowdfunding project raised 11.0 million MNT from two investors.



INVESTORS (BY AGE)

18–35 Years



65.3%

36–45 Years



22.6%

46–55 Years



8.3%

More than 55 years

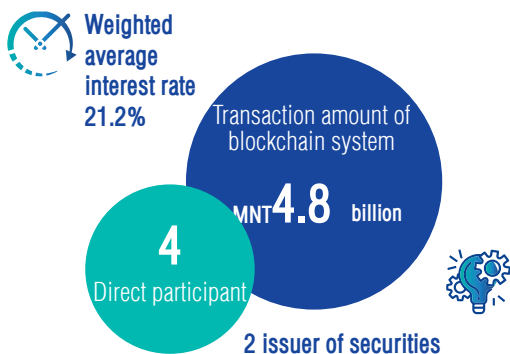


3.8%

Among the investors, 65.3% are aged 18–35 years, 22.6% are in the 36–45 age range, 8.3% are aged 46–55, and 3.8% are over 55 years old

Blockchain trading system

Since November 2024, the OTC blockchain trading system has been operating in a sandbox environment. The implementation of the blockchain system in OTC market trade will enable automated trading and securities settlement in both primary and secondary markets, with no time constraints and round-the-clock availability.

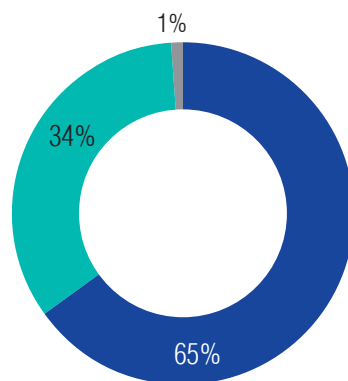


The OTC blockchain trading system began operation in November 2024. As of the reporting quarter, 47,862 securities valued at 4.8 billion MNT have been traded, with a weighted average bond interest rate of 21.2%.

Two bond issuers participated in the secondary trading of the blockchain system, and the loan package intended to finance the bonds was focused on growing.

Trading share of the blockchain system

65% of all trades on the OTC market during the reporting quarter were on the main market, 34% were on the traditional secondary market, and 1% were on the blockchain secondary market.



● Primary ● Secondary /traditional/ ● Secondary /blockchain/



REGULATORY ENVIRONMENT

In the framework of the improvement of the regulatory environment:

A professional assistance program funded by the Asian Development Bank aims to enhance the legal and regulatory framework for the fintech industry in Mongolia, focusing on a roadmap for fintech development and policy recommendations for implementing supotech. The FRC, in collaboration with the Central Bank of Mongolia and Ministry of Finance, is the main implementer of the project, running until 2025. The Economic and Financial Terminology Dictionary was developed collaboratively to include fintech-related terms.

As part of the Public awareness of the sandbox environment:

A presentation on the sandbox environment was delivered at the meeting of payment systems of central banks of Southeast Asia.

A training session titled “Fintech Market Development and Regulatory Environment” was conducted in the central region training organized by the Mongolian Institute of Certified Public Accountants, and a session on “Sandbox Regulation” was held for the officials of the Anti-Corruption Agency.

As part of monitoring and collaborating with participants in the sandbox environment:

A total of 69 meetings were held with 27 companies interested in testing their products and services within the sandbox environment.

Based on participant reports, FRC has been working on-site and off-site supervision of their activities regularly

Regularly participates in trainings and meetings on fintech development and regulatory environment.



A digital database is being developed to gather news and reports on a weekly, monthly, and quarterly basis, including reports and news forms tailored for each of the six testing items.



FRC regularly conduct research on the development and regulatory environment for testing products and services internationally.





VIRTUAL ASSET SERVICES

Registered platform

12



Market outlook

Number of costumers

883,658



Accessibility

Day trading of
foreign virtual assets

MNT4.6 billion



Products and services

Profitability



Total assets

MNT**5.3** billion

Net profit

MNT**(0.5)** billion

Regulatory environment

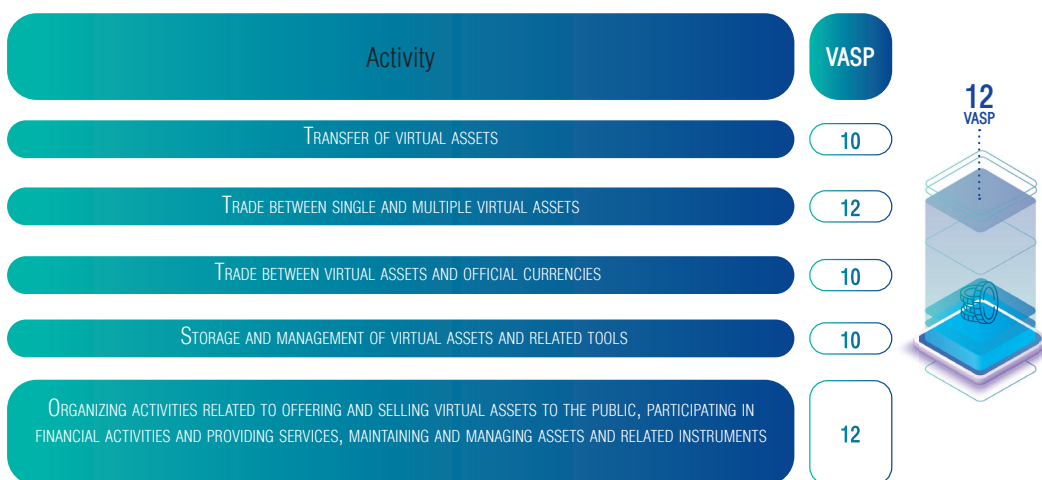


MARKET OUTLOOK

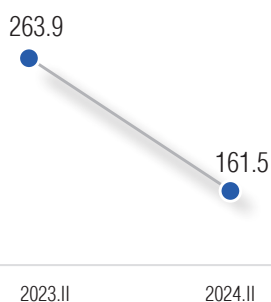
NUMBER OF VIRTUAL ASSET SERVICE PROVIDERS

There are 12 VASPs operational, with a market capitalization of 161.5 billion MNT, representing a 1.6-fold decrease compared to the previous year.

Areas of activity /duplicate/



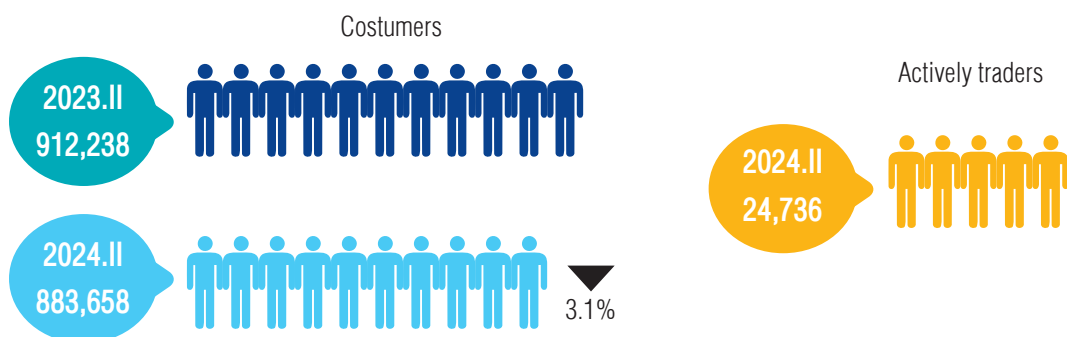
Market valuation (MNT, billion)



MARKET SHARE (BY TOTAL TRADE)

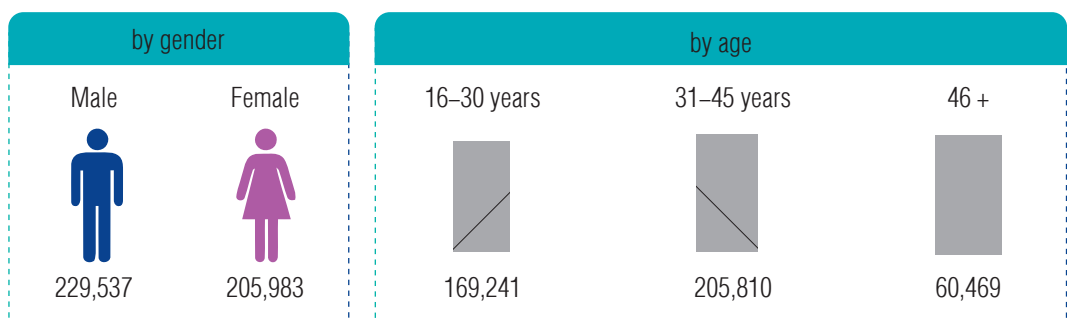
Considering the market share of VASPs in terms of total trading, 1 VASP accounts for more than 20.0%, 1 VASP accounts for 10–20%, and 10 VASPs account for less than 10.0%.

ACCESSIBILITY

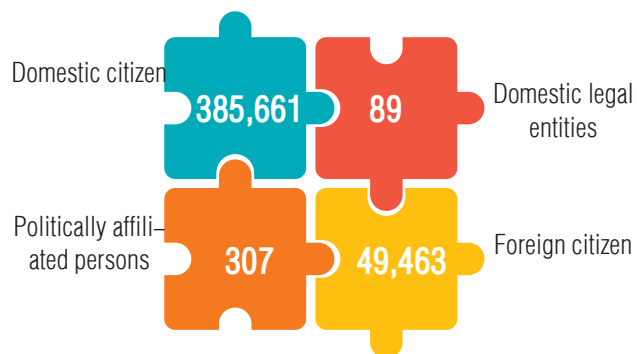


883,658 customers are registered, with 49.3% verified.

CONFIRMED COSTUMERS



CLASSIFICATION OF VERIFIED CUSTOMERS:



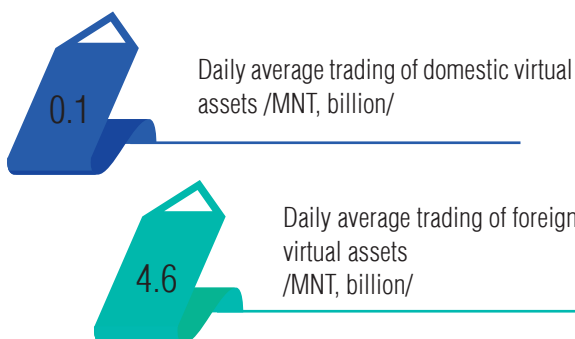
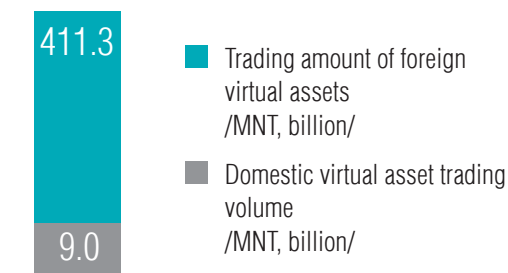
The trading volume for VASPs reached 420.3 billion MNT, with 411.3 billion MNT from foreign virtual assets and 9.0 billion MNT from domestic assets. A total of 724 virtual assets are traded, of which 45 are domestic.

PRODUCTS AND SERVICES

VIRTUAL ASSET TRADING

A total of 420.3 billion MNT was traded on the registered virtual asset service provider. Of which:

- Foreign virtual assets trading amounted to 411.3 billion MNT or 97.9%.
- 9.0 billion MNT or 2.1% of the total trading was domestic virtual asset trading.

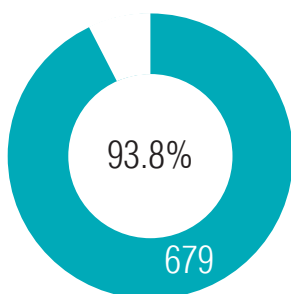


The average trade of foreign virtual assets was 4.6 billion MNT, and the average trade of domestic virtual assets was 0.1 billion MNT.



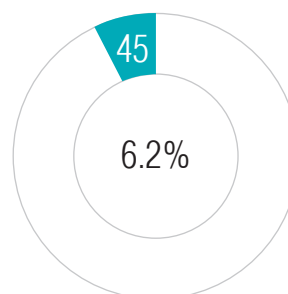
NUMBER OF INTERNAL AND EXTERNAL VIRTUAL ASSETS TRADED ON THE VIRTUAL ASSET PROVIDER

A total of 724 VAs are being traded through 12 VASPs, of which 45 (6.2%) were domestic VAs and 679 (93.8%) were foreign VAs.



Foreign VAs account for 93.8% of the total traded virtual assets.

Domestic VAs increased by 9.8% from the same period of last year.



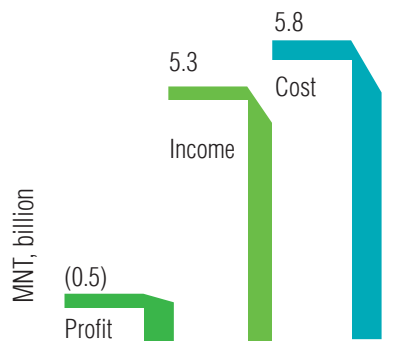
ACCESSIBILITY

TOTAL ASSETS

VASPs have total assets of 65.9 billion MNT, with 71.6% classified as current assets. In the reporting quarter, VASPs generated 5.3 billion MNT in revenue but incurred losses of 0.5 billion MNT.

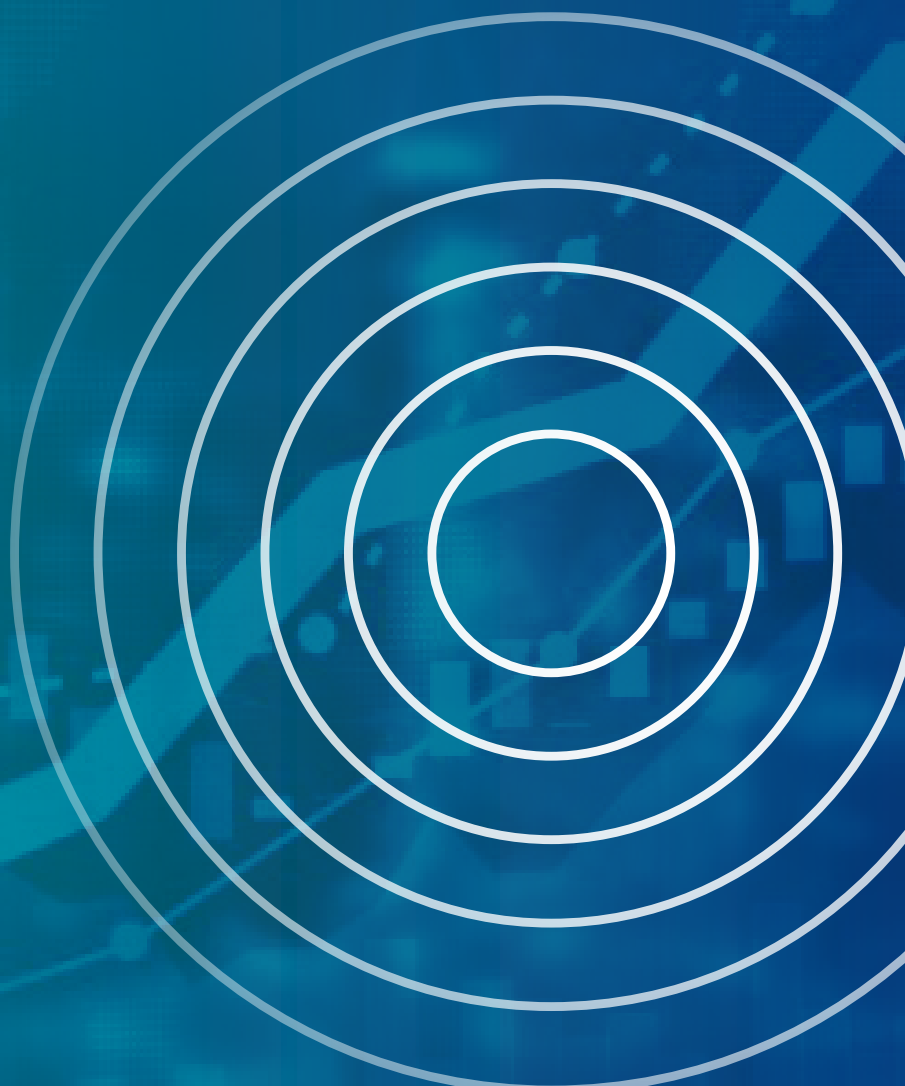
Classification of assets and resources	Amount /MNT, billion/	Proportion of assets and resources
Current assets	47.2	71.6%
Non-current Assets	18.7	28.4%
Liabilities	45.4	68.9%

In the reporting quarter, VASPs earned a total of 5.3 billion MNT, spent 5.8 billion MNT, and made a loss of 0.5 billion MNT.





APPENDIX



CAPITAL MARKET DATA

Statistics	2022.II	2023.II	2024.II
Market valuation (MNT, billions)	4,841.0	10,998.6	11,305.7
MV/GDP	11.3%	20.8%	16.0%
Liquidity	2.3%	1.0%	1.4%
Stock trading (MNT, billions)	113.7	429.8	185.9
Debt instrument trading (MNT, billions)	101.9	37.4	565.0
Asset-backed securities trading (MNT, billions)	58.0	42.2	61.6
Investment fund (MNT, billions)	2.3	29.6	38.2
TOP-20 index	32,795.68	36,899.16	44,385.18
MSE A index	12,384.65	16,216.23	17,223.73
MSE B index	11,450.93	12,178.61	13,387.44
Number of JSCs	314	321	311
Number of SCs	56	52	52
Commercial value of agricultural products (MNT, billions)	722.1	494.9	657.4
Trading volume of mining products exchange (MNT, billions)	–	1,223.5	6,155.3

INSURANCE MARKET DATA

Statistic	2022.II	2023.II	2024.II
Total assets (MNT, billions)	431.4	518.3	616.6
Total insurance and reinsurance premiums (MNT, billions)	126.0	172.4	226.1
Total compensation (MNT, billions)	48.5	53.4	70.0
Reserve fund (MNT, billions)	185.9	244.2	290.6
Reinsurance fee (MNT, billions)	25.4	44.6	57.0
Net profit (MNT, billions)	9.2	1.1	19.8
Professional participants:			
Non-life insurance	15	15	16
Life insurance	1	2	2
Reinsurance	1	1	1
Insurance agent	2,426	2,381	2,490
Insurance broker	62	64	62
Damage assessor	25	25	26
Actuary	38	40	40
Auditor	144	145	147
Auditor's company	43	44	45

NBFI DATA

/Тэрбум төгрөг/

Statistic	2022.II	2023.II	2024.II
Total assets	3,182.7	3,945.9	5,756.6
Current assets	3,079.6	3,815.1	5,490.5
Cash	391.3	524.6	706.7
Short-term investments	16.8	34.9	77.0
Total loans	2,497.8	3,107.5	4,590.5
Normal loans	2,225.5	2,766.9	4,169.7
Overdue loans	98.1	103.1	137.9
Non-performing loans	174.2	237.4	282.8
Credit risk fund	130.5	177.5	212.4
Other real estate to be owned and other property to be owned (net)	18.6	21.4	29.6
Non-current assets	103.1	130.7	266.1
Total liabilities	3,182.7	1,477.7	2,581.9
Trust service payable	300.3	449.3	884.8
Payables to domestic and foreign banks and financial institutions	395.1	428.2	871.9
Project loan financing	20.7	33.3	19.5
Owner's property	1,981.6	2,468.1	3,174.7
Secondary charity	70.5	75.9	66.2
Share capital	1,230.0	1,440.0	1,682.2
Accumulated profit	632.9	889.3	1,329.2
Number of NBFIs	527	522	549
Ulaanbaatar	438	427	450
Provinces	89	95	99
Customers	4,748,336	3,895,987	4,875,687
Total income	392.0	520.2	800.9
Interest income	308.6	439.1	712.9
Non-interest income	72.5	68.4	72.1
Non-operating income	10.7	12.6	15.9
Total cost	242.8	331.1	475.8
Interest expenses	43.2	60.7	167.7
Non-interest expenses	144.9	189.2	201.3
Potential risk costs	33.6	50.7	46.2
Non-core operating expenses	3.7	4.9	60.6
Net profit	149.2	189.1	325.1

SCC'S DATA

Statistic	/Тэрбум төгрөг/		
	2022.II	2023.II	2024.II
Total assets	271.6	295.9	327.8
Current assets	267.7	291.8	318.6
Cash	35.2	52.2	65.8
Liability	17.8	16.7	17.9*
Non-current Assets	3.9	4.1	9.2
Fixed assets /net/	3.7	4.0	4.3
Intangible assets /net/	0.2	0.2	0.1
Total loans	217.8	220.4	243.3
Normal loans	204.9	205.1	229.3
Overdue loans	5.6	8.0	7.2
Non-performing loans	7.2	7.3	6.8
Liabilities	218.1	234.3	254.6
Total savings	189.4	203.9	242.3
Short and long term liabilities	14.1	13.9	7.8
Own assets	53.5	61.6	73.2
Members' contributions	26.1	27.2	28.6
Property of cooperatives	27.2	34.2	44.3
Accumulated income /loss/	7.9	12.0	19.0
Total income	30.1	30.3	36.0
Interest income	28.3	28.7	33.7
Non-operating income	1.1	1.1	0.9
Other operating income	0.6	0.5	1.4
Total expenses	25.0	27.5	30.2
Interest expenses	16.1	17.4	19.3
Potential contingency fund costs	1.1	1.5	0.9
Operating costs	7.3	8.1	9.3
Non-operating expenses	0.0	0.1	0.0
Net income	5.0	2.8	5.8
Number of SCCs	200	192	181
Number of Ulaanbaatar SCCs	110	101	92
Number of local SCCs	90	91	89
Members	72,566	71,184	74,186
УБ ХЗХ-дын тоо	114	101	95
Number of local SCCs	91	90	89
Members /thousand/	74,966	69,962	73,293

Тайлбар: Сангийн сайдын 2024 оны А/49 дүгээр тушаалаар шинэчлэн баталсан "Хадгаламж, зээлийн хоршооны үйл ажиллагаа эрхлэх аж ахуйн нэгж, байгууллагын дагаж мөрдөх нягтлан бодох бүртгэлийн журам"-ын дагуу боловсруулсан болно.

*Бусад санхүүгийн хөрөнгө, мөнгө түүнтэй адилтгах хөрөнгөнд хуримтлуулж тооцсон хүүгийн авлага болон зээлд хуримтлуулж тооцсон хүүгийн авлагын нийлбэрээр тооцов.

CREDIT GUARANTEE FUND

/Тэрбум төгрөг/

Statistic	2022.II	2023.II	2024.II
Total assets	258.9	257.6	300.7
Warranty balance	82.7	85.5	250.9
Of which: overdue	2.2	2.6	1.1
:non-performing	10.3	9.4	6.0
Guaranteed loan balance	162.3	166.8	455.2
Of which: overdue	5.0	4.7	1.7
:non-performing	23.0	20.1	18.1
Operating income	4.9	5.7	10.0
Operating expense	1.0	1.4	5.4
Operating result	3.9	4.3	4.6
Total guarantees	21	97	5,429
Amount of bail issued	6.9	21.4	167.3
of which: citizens	0.0	0.6	134.1
entities	6.9	20.8	33.2
of which: agriculture	0.0	0.3	1.2
manufacturing	0.1	8.7	5.9
wholesaling and retailing	1.0	9.5	14.0
services	5.8	2.3	12.1
Average period of guarantee issued /in months/	85.3	164.2	80.2
Number of requests submitted for bail	38	132	5,441
Of which: Number of approved requests	23	102	5,441

REBs DATA

Statistic	2023.II	2024.II
REBs (including agencies)	311	311
Brokers	324	324
Agents	1,269	1340
Area of real estate bought and sold (m ²)	707.6	864.6
Value of real estate bought and sold	992.0	1,268.2
Area of real estate rented and leased (m ²)	232.1	314.2
Value of real estate rented and leased	66.3	103.2

DPMS DATA

Statistic	2023.II	2024.II
Entities (DPMS, and dealers in products made from them)	49	53
Individuals (DPMS, and dealers in products made from them)	71	111
Individuals (dealers in products made from precious metals and stones)	251	220
Individuals (DPMS)	139	122
Weight of bought precious metals (kilogram)	236.8	928.2
Value of purchased precious metals (MNT, billion)	41.3	148.2
Weight of sold precious metals (kilogram)	259.6	651.4
Value of sold precious metals (MNT, billion)	49.0	144.6
Total value of bought products (MNT, billion)	3.8	11.7
Total value of sold products (MNT, billion)	4.1	20.1

VASP DATA

/MNT, billion/

Statistics	2023.II	2024.II
Number of VASP	12	12
Costumers	912,238	883,658
Of which: Actively trades	85,312	24,736
Confirmed	458,205	435,520
Number of domestic virtual assets	41	45
Valuation of domestic virtual assets market	263.9	161.5
Amount of domestic virtual asset trades performed on registered virtual asset service provider /increased amount/	27.2	9.0
Share capital	24.9	24.9
Total assets	50.6	65.9
Operating Profit/Loss	(7.0)	(0.5)



