

# FINANCIAL PERFORMANCE AS Q1'2024

**/Unaudited, BOM based/**

Apr, 2024

## FINANCIAL HIGHLIGHTS /2024Q1/

As of the end of March 2024, annual inflation dropped to 7.0% from 7.9% at the end of 2023. In March, the Monetary Policy Committee of the Bank of Mongolia reduced the policy rate by 1% to 12%. Money supply remained high compared to the end of 2023 and reached 37.6 trillion MNT as of the end of February 2024, which is an increase of 24.3% YOY. Notably, foreign currency reserves surged to a historic high of 5.2 billion US dollars. As a result, the exchange rate of MNT strengthened against the US dollar, and the exchange rate of the US dollar reached 3,375.99 MNT at the end of the 1st quarter of 2024.

The bank witnessed a significant uptick in deposits and total loans from the end of the 1st quarter of the previous year, registering increases of 29.0% and 37.4%, respectively. The bank's market shares for deposits and total loans increased to 20.3% and 18.0%, respectively as end of Feb 2024.

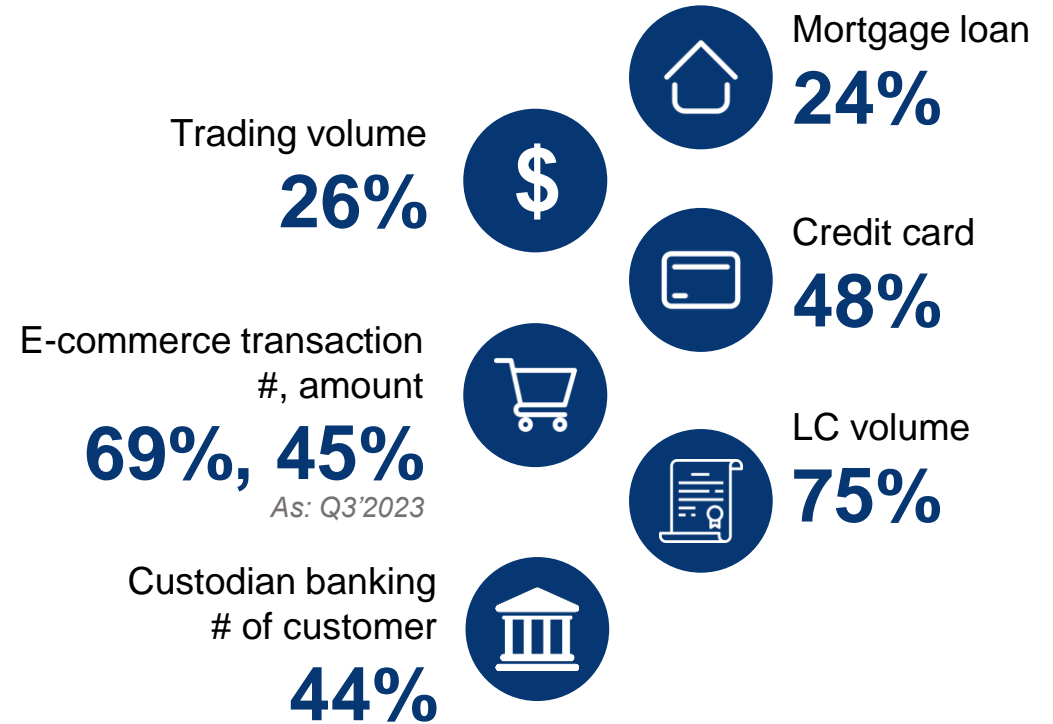
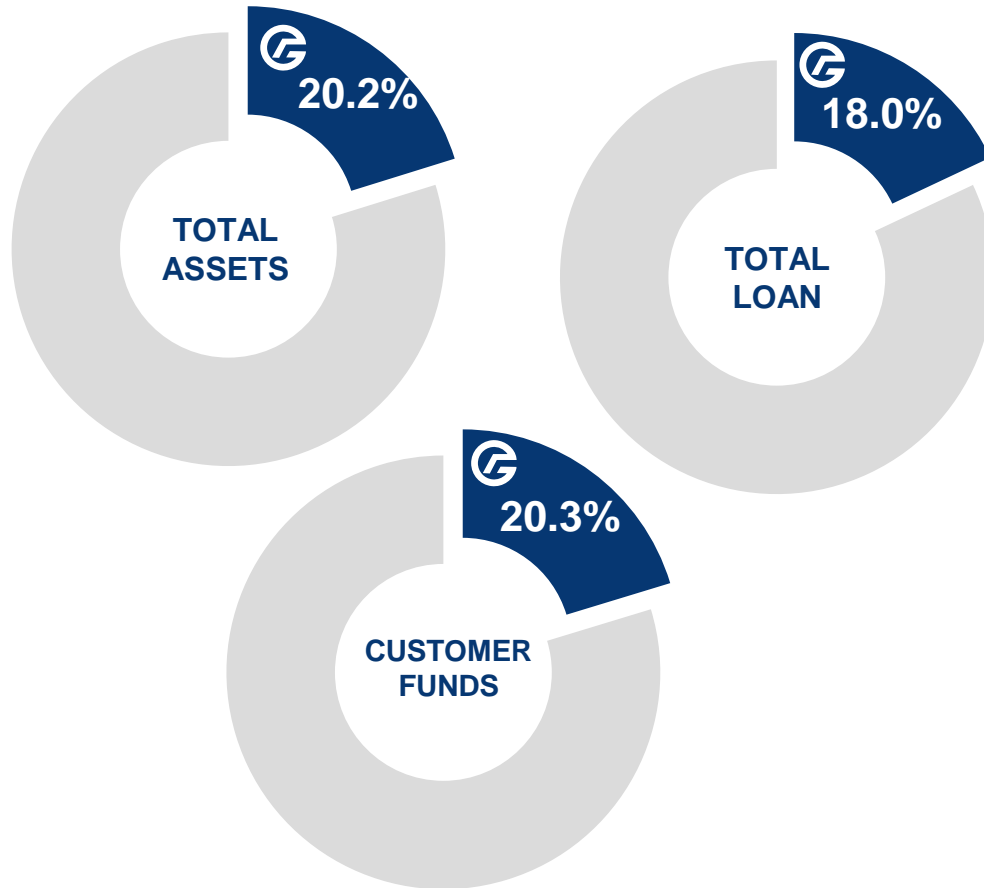
As of March 2024, interest income surged by 30.5% YOY to MNT 279.8 billion, and net interest income rose by 21.8% to MNT 126.8 billion due to loan expansion and a high-interest rate environment in the market. Non-interest income saw a notable increase of 105.6% due to business growth and market conditions. The cost-income ratio was efficiently maintained at 33.0%.

Operating profit, excluding the impact of currency swaps and before provision expenses, increased by 25.5% YOY, reaching MNT 111.6 billion. Continued asset quality management led to a reduction in the Non-performing loans (NPL) ratio to 4.3% from 8.5% at the end of the 1st quarter of the previous year, accompanied by an 81.7% decrease YOY in provision expenses, totaling 7.6 billion.

Profit after tax saw a 156.1% increase, reaching 86.2 billion in the 1st quarter of 2024. Net interest margin also improved, from 6.1% at the end of March 2023 to 6.3%. The return on equity (ROE) increased from 15.6% in 1Q2023 to 35.0% in 1Q2024.

*Unaudited, BOM based*

# FINANCIAL MARKET SHARES as Feb of 2023



Source: based on BOM statistics



# BALANCE PERFORMANCE

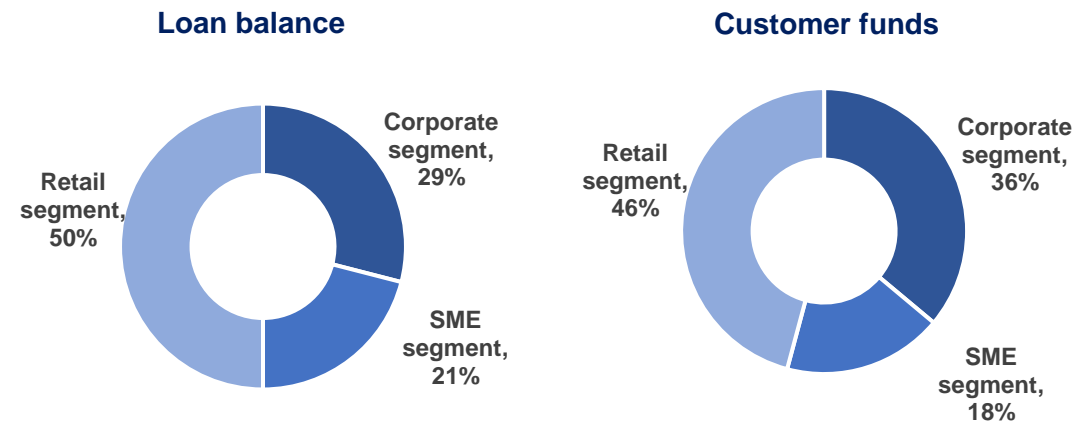
BALANCE SHEET (MNT bln)	2023Q1	2023Q4	2024Q1	YTD	%
Cash and cash equivalents	2,188	3,614	2,233	(1,380.3)	-38.2%
Due from banks	1,471	1,203	901	(301.9)	-25.1%
Investment securities	831	1,175	1,266	91.1	7.8%
<b>Loans (net)</b>	<b>3,651</b>	<b>4,576</b>	<b>5,141</b>	<b>565.1</b>	<b>12.3%</b>
Fixed assets	385	559	565	6.5	1.2%
Other asset	554	343	238	(105.0)	-30.6%
<b>TOTAL ASSET</b>	<b>9,080</b>	<b>11,469</b>	<b>10,344</b>	<b>(1,124.5)</b>	<b>-9.8%</b>
<b>Due to customers</b>	<b>5,788</b>	<b>7,725</b>	<b>7,467</b>	<b>(257.7)</b>	<b>-3.3%</b>
Current accounts	2,727	3,979	3,819	(160.3)	-4.0%
Savings	3,060	3,745	3,648	(97.4)	-2.6%
Due to banks	2,004	2,193	1,382	(810.5)	-37.0%
Other funds	312	380	256	(123.2)	-32.5%
Other liabilities	99	225	216	(8.4)	-3.8%
<b>TOTAL LIABILITIES</b>	<b>8,203</b>	<b>10,522</b>	<b>9,322</b>	<b>(1,199.8)</b>	<b>-11.4%</b>
<b>TOTAL EQUITY</b>	<b>877</b>	<b>947</b>	<b>1,022</b>	<b>75.3</b>	<b>8.0%</b>
NPL	8.5%	5.0%	4.3%		
NPL coverage ratio (%)	83.3%	106.2%	111.7%		
CAR, Tier 1 (%)	17.5%	15.9%	15.3%		
Liquidty ratio	36.7%	38.3%	36.8%		

Unaudited, BOM based

## Balance performance

- Customer funds decreased by ₮257.7 billion /3.3%/ YTD to ₮7.5 trillion, due to seasonal impact of corporate segment.
- Net loan increased by ₮565.1 billion /12.3%/ to ₮5.1 trillion. 59% of the total loan increase was from retail segment.
- CAR, Tier1 ratio was 15.3% as of the end of 2024Q1.

### Segment structure (%) \*



\* By internal segment policy

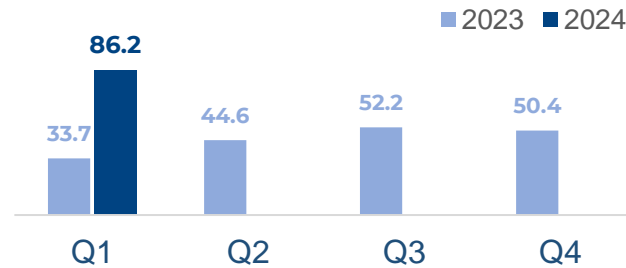
# PROFIT PERFORMANCE

INCOME STATEMENT (MNT bln)	2023Q1	2023Q4	2024Q1	YoY	%
Interest income	214.4	962.0	279.8	65.4	30.5%
Interest expense	110.2	507.3	153.0	42.7	38.8%
<b>Net interest income</b>	<b>104.2</b>	<b>454.7</b>	<b>126.8</b>	<b>22.7</b>	<b>21.8%</b>
<b>Net non interest income</b>	<b>22.8</b>	<b>(3.1)</b>	<b>46.9</b>	<b>24.1</b>	<b>105.6%</b>
Fee and commission income	22.8	103.3	26.2	3.3	14.5%
Net trading gain	11.0	(56.4)	28.5	17.6	160.4%
Trading gain	16.0	59.0	21.2	5.2	32.7%
SWAP impact	(5.0)	(115.4)	7.3	12.3	244.4%
Other non-interest income	2.7	13.0	7.3	4.5	167.7%
Non-interest expense	13.7	63.0	15.0	1.3	9.8%
<b>Operating income</b>	<b>127.0</b>	<b>451.6</b>	<b>173.7</b>	<b>46.7</b>	<b>36.8%</b>
<b>Operating income -without SWAP</b>	<b>132.0</b>	<b>567.0</b>	<b>166.4</b>	<b>34.4</b>	<b>26.1%</b>
Operation expense	43.1	198.3	54.8	11.7	27.2%
<b>Operating profit</b>	<b>83.8</b>	<b>253.4</b>	<b>118.9</b>	<b>35.0</b>	<b>41.8%</b>
<b>Operating profit -without SWAP</b>	<b>88.9</b>	<b>368.8</b>	<b>111.6</b>	<b>22.7</b>	<b>25.5%</b>
Provision expense	41.4	22.4	7.6	(33.9)	-81.7%
<b>Profit before tax</b>	<b>42.4</b>	<b>231.0</b>	<b>111.3</b>	<b>68.9</b>	<b>162.5%</b>
Tax	8.7	50.2	25.1	16.3	187.2%
<b>Profit after tax</b>	<b>33.7</b>	<b>180.8</b>	<b>86.2</b>	<b>52.5</b>	<b>156.1%</b>
NIM*	6.1%	6.3%	6.3%		
CIR without SWAP	32.7%	35.0%	33.0%		
ROE	15.6%	20.5%	35.0%		
ROA	1.6%	1.9%	3.2%		

\* By internal method

Unaudited, BOM based

## Quarterly net profit /bln ₮/



Quarterly net profit change (QOQ):  
Q1'2024/Q1'2023 +156.1%

## Profit performance:

- Net interest income was ₮126.8 billion, 21.8% increase YOY.
- Net non-interest income was ₮46.9 billion, 105.6% increase YOY.
- Operating profit, excluding the impact of currency swaps and before provision expenses, increased by 25.5% and reached to ₮111.6 billion.
- Provision expense decreased by 81.7% and reached to ₮7.6 billion.
- Net profit after tax increased by 156.1% to ₮86.2 billion.
- Profitability ratios improved from previous year.



## Disclaimer

According to the Accounting Law of Mongolia, enterprises and organizations follow the International Financial Reporting Standards (IFRS), while the Commercial Banks follows the "Accounting Package Materials" approved by the joint decree of the President of the Bank of Mongolia and the Minister of Finance. This regulation does not include changes in some standards updated since 2017 (IFRS-9, IFRS-15, IFRS-16, etc.). Therefore, the quarterly reports prepared in accordance with the above regulation may be different from the IFRS based financial reports. Also, the segment structure of loans, customer funds and operating profit is based on internal methodology.



**THANK YOU FOR  
YOUR ATTENTION**