

GOLOMT BANK

**Condensed Interim Financial Statements for
the six months period ended**

30 June 2024

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GOLOMT BANK JSC

Corporate Information

Incorporation decision

Golomt Bank JSC (the “Bank”) was incorporated on 06 March 1995.

Certificate and License

The Bank holds the State Registration Certificate No. 9007001012 with registration No.2075377 newly granted to the Bank by the State Registration Office of Mongolia on 7 April 2023.

The Bank holds the Special License No. 25 for Banking Activities dated 06 March 1995 issued by the Bank of Mongolia.

Board of Directors

Ch. Munkhtsetseg	<i>Chairwoman</i>
J. Unenbat	<i>Member</i>
D. Munkhtur	<i>Member</i>
O.Ganjoloo	<i>Member</i>
James B. Dwyer	<i>Independent Member</i>
Alexander Picker	<i>Independent Member</i>
Robert W.van Zwieten	<i>Independent Member</i>
Hans Holzacker	<i>Independent Member</i>

Executive Officers

A. Odonbaatar	<i>Chief Executive Officer</i>
G. Ganbold	<i>President</i>
M. Sainbileg	<i>Chief Information Officer</i>
S. Munkhtuya	<i>Director of Financial Management Division</i>
M. Narankhuu	<i>Director of Credit Division</i>
T. Otgon	<i>Director of Risk Management Division</i>
B. Sodbolor	<i>Director of Treasury Management Division</i>
B. Sugar-Erdene	<i>Director of Corporate Banking Division</i>
Ts. Baigalmaa	<i>Director of SME Banking Division</i>
Z. Sugar	<i>Director of Retail Banking Division</i>
O. Battsengel	<i>Director of Digital Banking Division</i>
G. Uyanga	<i>Director of Human Resource Management Division</i>
N. Ochirkhuyag	<i>Director of Marketing and PR Division</i>
B. Enkhzaya	<i>Director of International Banking Division</i>
B. Enkhtuvshin	<i>Director of Credit Collection Division</i>
Yo. Purevbat	<i>Director of Operation Division</i>
J. Oyun	<i>Director of Digital Transformation Division</i>
Kh. Purevdorj	<i>Director of Administration Division</i>
G. Mandakh	<i>Director of Customer Registration Division</i>
A. Nyamsuren	<i>Director of Customer Service Division</i>
D. Bayarjargal	<i>Director of Information Technology Division</i>

Registered office

Head Office of Golomt bank
Sukhbaatar Square 5,
P.O.Box 22
Ulaanbaatar 15160, Mongolia

Auditors

KPMG Audit LLC
Blue Sky, Floor 6, Suite 602, Peace Avenue 17, SBD-1, Ulaanbaatar 14240,
Mongolia

Management's responsibility statement

The Golomt Bank JSC (the "Bank")'s management is responsible for the preparation of the condensed interim financial statements.

The condensed interim financial statements of the Bank have been prepared to comply with IAS 34 Interim Financial Reporting ("IAS 34"). The management is responsible for ensuring that these condensed interim financial statements present fairly the state of affairs of the Bank as at 30 June 2024 and the financial performance and cash flows for the period then ended on that date.

The management has responsibility for ensuring that the Bank keeps proper accounting records which disclose with reasonable accuracy the financial position of the Bank and which enable them to ensure that the condensed interim financial statements comply with the requirements set out in Note 2 to Note 6 to the last annual financial statements.

The management also has a general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Bank and to prevent and detect fraud and other irregularities.

The management considers that, in preparing the condensed interim financial statements including explanatory notes, they have used appropriate policies, consistently applied and supported by reasonable and prudent judgment and estimates, and that all applicable accounting standards have been followed.

The condensed interim financial statements of the Bank for the period ended 30 June 2024 were authorized for issuance by the Bank's management.

			
CH. MUNKHTSETSEG		A. ODOONBAATAR	S. MUNKHTUYA
Chairwoman, Board of Directors		Chief Executive Officer	Head of Financial Management Division

Ulaanbaatar,
Mongolia

Date: 10 September 2024



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Independent Auditors' Report on Review of Condensed Interim Financial Statements

To: The Shareholders and Board of Directors of Golomt Bank Joint Stock Company

Introduction

We have reviewed the accompanying condensed statement of financial position of Golomt Bank JSC ("the Bank") as at 30 June 2024, the condensed statements of profit or loss and other comprehensive income, changes in equity and cash flows for the six-month period then ended, and notes to the interim financial statements ('the condensed interim financial statements'). Management is responsible for the preparation and presentation of these condensed interim financial statements in accordance with IAS 34, 'Interim Financial Reporting'. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review.

Scope of review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Other matter

The condensed statements of profit or loss and other comprehensive income, changes in equity and cash flows for the six-month period ended 30 June 2023, presented for the comparative purposes, have not been reviewed.



Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements as at and for the six-month ended 30 June 2024 are not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting'.



10 September 2024

Approved by:

Pyung-Sik Kong
Partner

This report is effective as at 10 September 2024, the review report date. Certain subsequent events or circumstances, which may occur between the review report date and the time of reading this report, could have a material impact on the accompanying condensed interim financial statements and notes thereto. Accordingly, the readers of the review report should understand that the above review report has not been updated to reflect the impact of such subsequent events or circumstances, if any. Furthermore, this report is intended solely for the use of the shareholders of the Bank. To the fullest extent permitted by law, we do not assume responsibility towards or accept liability to any other party in relation to the contents of this report.

Golomt Bank JSC
Condensed Statement of Financial Position

<i>In thousands of Mongolian Tugriks</i>	Note	30 June 2024	31 December 2023
Assets			
Cash and balances with the Bank of Mongolia	7	1,007,331,561	1,717,584,758
Mandatory cash balances with the Bank of Mongolia		448,791,626	468,929,955
Reverse sale and repurchase agreement		-	646,835,976
Due from other banks	8	1,003,566,115	1,403,654,333
Investments in debt securities	9	2,341,739,098	1,733,092,620
Investments in equity securities	10	69,458,372	24,082,823
Loans and advances to customers	11	6,519,637,500	4,712,108,705
Assets classified as held for sale	17	51,084,045	29,101,738
Investment properties	12	7,585,542	6,586,475
Other assets	13	540,398,618	489,826,692
Deferred income tax assets		-	6,916,322
Derivative financial assets	37	248,132,850	202,386,920
Intangible assets	14	24,962,988	18,878,648
Premises and equipment	15	155,131,863	151,082,991
Right of use assets	16	21,310,905	16,775,279
Total assets		12,439,131,083	11,627,844,235
Liabilities			
Due to other banks	18	121,670,181	130,991,856
Customer accounts	19	8,282,176,426	8,036,633,655
Other borrowed funds	20	1,195,947,304	1,410,928,722
Debt securities in Issue	21	997,760,687	-
REPO arrangements	22	160,086,922	711,674,163
Current income tax liability		24,187,611	42,008,579
Deferred income tax liability		30,902,917	-
Derivative financial liabilities	37	2,209,776	2,890,938
Lease liabilities		21,845,629	17,390,429
Other liabilities	23	329,173,121	204,235,171
Total liabilities		11,165,960,574	10,556,753,513
Equity			
Share capital	24	202,164,327	202,164,327
Share premium	24	301,481,120	301,481,120
Retained earnings		685,688,539	460,718,070
Other reserves		83,836,523	106,727,205
Total equity		1,273,170,509	1,071,090,722
Total liabilities and equity		12,439,131,083	11,627,844,235

Golomt Bank JSC
Condensed Statement of Profit or Loss and Other Comprehensive Income

<i>In thousands of Mongolian Tugriks</i>	Note	Six months ended 30 June 2024	Six months ended 30 June 2023
Interest income	25	486,514,827	360,624,423
Other similar income	25	29,456,221	23,393,102
Interest expense	25	(252,114,922)	(159,609,033)
Other similar expense	25	(1,509,801)	(888,884)
Net interest income		262,346,325	223,519,608
Reversal of expected credit loss	11	15,550,056	33,593,338
Net interest income after expected credit loss		277,896,381	257,112,946
Fee and commission income	26	57,446,692	48,062,900
Fee and commission expense	26	(34,933,321)	(27,272,244)
Losses less gains from financial assets at fair value through profit or loss		(2,124,124)	(2,990,835)
Losses less gains from disposal of financial assets at fair value through other comprehensive income		(58,576)	1,092
Gains/(losses) from financial derivatives, net		118,202,272	(70,717,257)
Gains less losses from trading in precious metals		4,240,535	1,656,929
Foreign exchange translation losses less gains		(35,581,422)	(11,282,387)
Gains less losses from trading in foreign currencies		55,137,619	41,897,541
Gains less losses from loans at fair value through profit or loss		9,816	5,842,499
Losses less gains from modification of financial assets measured at amortised cost, that did not lead to derecognition		(1,033,975)	(114,973)
Expected credit losses /reversal/ of debt securities at amortised cost		(46,427)	30,852
Reversal/(charge) of expected credit losses for debt securities at fair value through other comprehensive income		(649,870)	41,102
Reversal/(losses) of expected credit losses of due from banks		(1,729,461)	1,642,689
Losses on initial recognition of assets at rates below market		(30,033)	(101,697)
Reversal of expected credit losses of other assets	13	668,815	612,470
Gains less losses from asset held for sale		42,073,686	9,345
Impairment provision charge for and loss from decrease in fair value of repossessed collateral		-	(10,998,892)
Provision reversal/(charge) for guarantees and letters of credit	36	873,983	(934,329)
Gains less losses on revaluation of investment properties	12	999,067	-
Dividend received		2,333,868	37,372
Other operating income	27	1,180,128	934,754
Administrative and other operating expenses	28	(124,669,107)	(92,489,174)
Other gains/(losses), net	29	(1,192,168)	140,181
Profit before tax		359,014,378	141,120,884
Income tax expense	30	(83,242,141)	(27,193,243)
Profit for the period		275,772,237	113,927,641
Other comprehensive income/(loss):			
Items that may be reclassified subsequently to profit or loss:			
Debt securities at fair value through other comprehensive income:			
- Gains less losses arising during the year		(1,269,634)	28,731,993
- Gains less losses reclassified to profit or loss upon disposal		58,576	(1,092)
Income tax recorded directly in other comprehensive income	30	302,765	(7,182,725)
Items that will not be reclassified to profit or loss:			
Gains less losses on investments in equity securities at fair value through other comprehensive income		-	-
Income tax recorded directly in other comprehensive income		-	-
Other comprehensive income/loss		(908,293)	21,548,176
Total comprehensive income for the period		274,863,944	135,475,817
Basic earnings per share for profit attributable to the owners of the Bank	32	341.02	140.88
Diluted earnings per share for profit attributable to the owners of the Bank	32	341.02	140.86

Golomt Bank JSC
Condensed Statement of Changes in Equity

<i>In thousands of Mongolian Tugriks</i>	Note	Ordinary share capital	Share premium	Revaluation reserve for securities at FVTOCI	Revaluation reserve for premises	Other reserves	Retained earnings	Total equity
Balance at 1 January 2023		202,164,327	301,481,120	(35,806,462)	6,994,662	103,651,295	283,420,821	861,905,762
Profit for the year		-	-	-	-	-	113,927,641	113,927,641
Other comprehensive income		-	-	21,548,176	-	-	-	21,548,176
Total comprehensive income for the period		-	-	21,548,176	-	-	113,927,641	135,475,817
Dividends declared and paid	31	-	-	-	-	-	(40,432,865)	(40,432,865)
Transfer from regulatory reserve		-	-	-	-	9,871,316	(9,871,316)	-
Share based payments		-	-	-	-	(847,461)	847,461	-
Movement in operational risk		-	-	-	-	(7,016)	7,016	-
Other		-	-	-	-	-	(314,503)	(314,503)
Balance at 30 June 2023		202,164,327	301,481,120	(14,258,286)	6,994,662	112,668,134	347,584,254	956,634,211
Balance at 1 January 2024		202,164,327	301,481,120	4,960,621	6,666,263	95,100,321	460,718,070	1,071,090,722
Profit for the year		-	-	-	-	-	275,772,237	275,772,237
Other comprehensive income		-	-	(908,293)	-	-	-	(908,293)
Total comprehensive income for the period		-	-	(908,293)	-	-	275,772,237	274,863,944
Dividends declared and paid	31	-	-	-	-	-	(72,779,158)	(72,779,158)
Transfer to regulatory reserve		-	-	-	-	(21,977,390)	21,977,390	-
Use of operational risk reserve		-	-	-	-	(4,999)	-	(4,999)
Balance at 30 June 2024		202,164,327	301,481,120	4,052,328	6,666,263	73,117,932	685,688,539	1,273,170,509

The notes set out on pages 11 to 74 form an integral part of these financial statements.

Golomt Bank JSC
Condensed Statement of Cash Flows

<i>In thousands of Mongolian Tugriks</i>	Note	2024	2023
Cash flows from operating activities			
Profit for the year		275,772,237	113,927,641
Adjustment to:			
Income tax expense	30	83,242,141	27,193,243
Reversal of expected credit loss	11	(15,550,056)	(33,593,338)
Losses less gains from financial assets at fair value through profit or loss		2,124,124	2,990,835
(Gains)/losses from financial derivatives, net		(59,673,617)	72,242,477
Losses less gains from modification of financial assets measured at amortised cost, that did not lead to derecognition		1,033,975	114,973
Gains less losses of loans at fair value through profit or loss (Reversal)/charge of expected credit loss of due from other banks		(9,816)	(5,842,499)
Impairment of debt securities at fair value through other comprehensive income		1,729,461	(1,642,689)
(Reversal)/charge of expected credit losses of debt securities at amortised cost		22,831	(298,035)
Losses on initial recognition of assets at rates below market		46,427	(30,852)
Losses less gains on disposal of premises and equipment, assets held for sales and investment properties		30,033	101,697
Foreign exchange losses		1,191,151	(140,917)
Reversal of expected credit losses for other assets	13	35,581,422	11,282,387
Reversal/charge of expected credit losses for credit related commitment		(668,815)	(612,470)
Gains less losses from revaluation of investment properties		(873,983)	934,329
Gains less losses from asset held for sale	12	(999,067)	-
Depreciation expense	15, 16	(42,073,686)	(9,345)
Amortisation expense	14	16,426,445	14,061,149
Property and equipment written off	15	3,913,711	3,249,695
Impairment provision charge for and loss from decrease in fair value of repossessed collateral		1,017	736
Interest income	25	-	10,998,892
Interest expense	25	(515,971,048)	(384,017,525)
		253,624,723	160,497,917
Cash flows from operating activities before changes in operating assets and liabilities		38,919,610	(8,591,699)
(Increase) / decrease in mandatory cash balances with the Bank of Mongolia		20,138,328	8,203,956
(Increase) / decrease in reverse sale and repurchase agreement		646,835,975	(19,985,769)
Decrease / (increase) in due from other banks		276,126,681	1,045,289,411
Decrease / (increase) in debt securities at fair value through profit or loss		(85,565,973)	21,708,200
(Increase) / decrease in equity securities at fair value through profit or loss		(45,407,971)	-
(Increase) / decrease in loans and advances		(1,787,225,596)	(525,991,308)
Decrease / (increase) in other assets		(19,783,667)	296,102
Decrease / (Increase) in repossessed collateral		-	(43,191,321)
Decrease / (increase) in assets classified as held for sale		18,379,400	54,123,751
Increase / (decrease) in due to banks		(9,231,553)	(25,056,163)
Increase / (decrease) in customer account		223,246,136	430,743,300
Decrease / (increase) in derivative instruments		104,548,472	21,212,572
Increase / (decrease) in other liabilities		125,811,932	(31,421,595)
Net cash from / (used in) operating activities before tax and interest		(493,208,226)	927,339,437
Income tax paid		(62,941,105)	(46,334,470)
Interest income received on financial assets at amortised cost		496,287,677	371,072,061
Interest income received on investments at fair value through profit or loss		15,346,895	8,533,085
Interest paid		(233,639,508)	(142,545,220)
Net cash from / (used in) operating activities		(278,154,267)	1,118,064,893

Golomt Bank JSC
Condensed Statement of Cash Flows

<i>In thousands of Mongolian Tugriks</i>	Note	2024	2023
Cash flows from investing activities			
Acquisition of debt securities at fair value through other comprehensive income		(222,774,518)	(252,371,599)
Proceeds from disposal of debt securities at fair value through other comprehensive income		458,767,849	109,751,746
Acquisition of premises and equipment	15	(17,142,997)	(10,627,332)
Proceeds from disposal of premises and equipment	15	1,008,171	1,415,955
Acquisition of intangible assets	14	(9,998,051)	(1,610,712)
Prepayment for non-current assets		(30,119,443)	(84,254,697)
Net cash from / (used in) investing activities		179,741,011	(237,696,639)
Cash flows from financing activities			
Proceeds from repo arrangements		2,985,976,665	252,087,796
Repayment of repo arrangements		(3,534,598,910)	(292,750,987)
Proceeds from drawdown of other borrowed funds		268,922,543	161,620,318
Repayment of other borrowed funds		(482,320,547)	(212,608,311)
Payment of principal of lease liabilities		(4,293,265)	(4,148,489)
Issue of Debt securities	21	983,709,788	-
Dividends paid	31	(72,779,158)	(40,432,865)
Net cash from / (used in) financing activities		144,617,117	(136,232,538)
Effect of exchange rate changes on cash and cash equivalents		(76,016,334)	(28,035,440)
Net increase/(decrease) in cash and cash equivalent		(29,812,473)	716,100,276
Cash and cash equivalents at the beginning of the period	7	2,984,637,271	2,275,414,488
Cash and cash equivalents at the end of the period	7	2,954,824,798	2,991,514,764

1 Introduction

As of 30 June 2024, the Bank's immediate parent company is Golomt Financial Group LLC (31 December 2023: Golomt Financial Group LLC). The Bank was incorporated and is domiciled in Mongolia. The Bank is a joint-stock company and was established in accordance with the legislation of Mongolia.

Mr. Bayasgalan.D, the owner of Golomt Financial Group as of 30 June 2024, represents the ultimate controlling party of the Bank as of 30 June 2024 and 31 December 2023.

The Bank's shareholders as of 30 June 2024 and 31 December 2023 are disclosed in Note 24.

The Bank holds the State Registration Certificate No. 9007001012 with registration No.2075377 re-granted by the State Registration Office of Mongolia on 7 April 2023. The Bank holds a full banking license No. 25 dated 6 March 1995 issued by the Bank of Mongolia, Central Bank of Mongolia.

In accordance with the effective Charter of the Bank, the Bank's principal activities include:

- Savings;
- Loan services;
- Card services;
- Guarantees and letters of credit;
- Money transfer;
- Sales, purchase, deposit and trading of foreign currencies;
- Sales, purchase, deposit and trading of precious metals;
- Foreign settlement;
- Issuance and trading of securities;
- Financial leasing service;
- Purchase and sales of loans and other financial instruments;
- Custodian banking;
- Other financial services not restricted under the legislation and other activities accepted by the Bank of Mongolia and other government institutions.

The Bank obtained the Special License for underwriting services, custodian banking and insurance intermediary services from the Financial Regulatory Commission of Mongolia ("FRC") on 2 June 2011, 27 August 2014 and 21 October 2014 respectively in accordance with the resolution No.163, No.295 and No.358 of FRC.

At 30 June 2024, the Bank had 79 branches within Mongolia (31 December 2023: 75 branches). Also, as at 30 June 2024 the Bank had 24 sub-branches (31 December 2023: 23 sub-branches).

The number of Bank employees as at 30 June 2024 was 2,696 (31 December 2023: 2,474).

The Bank's registered office and principal place of business is Sukhbaatar Square 5, P.O.Box 22, Ulaanbaatar 15160, Mongolia.

These financial statements are presented in Mongolian Tugriks ("MNT").

A glossary of various abbreviations used in this document is included in Note 41.

2 Operating Environment of the Bank

2.1 General

Mongolia's economy grew by 7.8% in the first quarter of 2024, primarily driven by a boost in consumption fuelled by the government spending. The trade and service sectors contributed 4.1% to the total GDP growth, while the mining sector remained significant at 1.9%. However, harsh winter led to the death of 6.3 million livestock, negatively impacting GDP growth by 1.3%.

Monetary policy has eased, with the policy rate decreased to 11%. The economy is recovering and money supply is growing due to relatively softer policy rates and improved coal exports volume. Despite these positive trends, coal price is decreasing in the international markets and this leads slower export growth. Moreover, import amount increased by 25.9% from previous year, due to rising wages.

This suggest that the balance of payments surplus will not be as high as in 2023. Furthermore, newly issued bonds of Golomt Bank JSC along with macroeconomic short-term expansion factors indicate that the banking sector's lending and borrowings are expected to grow.

As the mining along with other sectors grow, profitability of companies expands. Erdenes Tavan Tolgoi JSC (“ETT”) for instance had net profit of 3.2 trillion MNT in 2023. Public companies disbursed 2.2 trillion MNT dividend in 2024, ETT alone disbursed 360,000 MNT to every citizen. Election year budget increase have increased government employee salary by 10-20%, followed by private sector salary increase. These increase in salaries and pension have led to higher domestic consumption and higher household income. These are creating increase in demand for more loan. As a result, as of May 2024, banking sector total loan has increased by 28.1% YoY, reaching 31.5 trillion MNT, whereas total deposits increased by 28.0% YoY, reaching 40.4 trillion MNT.

Mongolia's capital markets are growing rapidly, with the top 5 banks now listed on the Mongolian Stock Exchange. The total market value has reached 11.8 trillion MNT, accounting for 17.1% of the total GDP in Q1 2024. There are approximately 2.5 million brokerage accounts, and the securities trading volume reached 204.9 billion MNT, which is 2.4 times higher than the same period last year and 21.4 times higher than in 2020. This expansion of the capital market is beneficial for the overall economy.

The long-term effects of the current and future economic situation are difficult to assess and management’s current expectations and estimates could differ from the actual results.

For the purpose of measurement of expected credit losses (“ECL”) the Bank uses supportable forward-looking information, including forecasts of macroeconomic variables. As with any economic forecast, however, the projections and likelihoods of their occurrence are subject to a high degree of inherent uncertainty and therefore the actual outcomes may be significantly different from those projected.

2.2 Currency transactions

Foreign currencies, particularly, US Dollar and EUR, play an important role in the underlying economics of many business transactions in Mongolia. The table below shows exchange rate of MNT relative to USD and EUR as set by the Central Bank of Mongolia.

Date	USD	EUR
30 June 2024	3,381.05	3,614.34
31 December 2023	3,410.69	3,791.66
31 December 2022	3,444.60	3,669.02
31 December 2021	2,848.80	3,222.99
31 December 2020	2,849.51	3,495.78

3 Basis of Presentation

3.1 General principles

These interim financial statements for the six months ended 30 June 2024 have been prepared in accordance with IAS 34 *Interim Financial Reporting*, and should be read in conjunction with the Bank's last annual financial statements as at and for the year ended 31 December 2023 ('last annual financial statements'). They do not include all of the information required for a complete set of financial statements prepared in accordance with IFRS Accounting standards. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Bank's financial position and performance since the last annual financial statements.

These interim financial statements were authorised for issue by the Bank's board of directors on 10 September 2024.

3.2 Use of estimates and judgments

The Bank makes estimates and assumptions that affect the amounts recognised in these interim financial statements, and the carrying amounts of assets and liabilities within the next financial year. Estimates and judgements are continually evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The significant judgements made by management in applying the Bank's accounting policies and the key sources of estimation uncertainty were same as those described in the last annual financial statements.

3.2.1 Measurement of fair value

A number of the Bank's accounting policies require the measurement of fair values, for both financial and non-financial assets and liabilities.

When measuring the fair value of an asset or a liability, the Bank uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability are categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy as at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair value is included in Note 38.

4 Change in Accounting Policies

The accounting policies applied in these interim financial statements are the same as those applied in the Bank's financial statements as of and for the year ended 31 December 2023. The policy for recognising and measuring income taxes in the interim period is consistent with that applied in the previous interim period and is described in Note 30.

5 Adoption of New or Revised Standards and Interpretations

New currently effective requirements:

Effective date	New accounting standards or amendments
1 January 2024	<ul style="list-style-type: none"> • Non-current Liabilities with Covenants – Amendments to IAS 1 • Classification of Liabilities as Current or Non-current – Amendments to IAS 1 • Lease Liability in a Sale and Leaseback – Amendments to IFRS 16 • Supplier Finance Arrangements – Amendments to IAS 7 and IFRS 7

The application of the new and amendments to IFRS Accounting Standards in the current year has had no material impact on the Bank's financial positions and performance for the current period and on the disclosures set out in these condensed financial statements.

6 New Accounting Pronouncements

The new and amendments to IFRS Accounting Standards that are issued, but not yet effective, up to the date of issuance of the Bank's financial statements are disclosed below. The Bank intends to adopt these standards, if applicable when they become effective.

The following new standards or amendments are not expected to have a significant impact on the Bank's financial statements.

Effective date	New accounting standards or amendments
1 January 2025	<ul style="list-style-type: none"> • Lack of Exchangeability – Amendments to IAS 21
1 January 2026	<ul style="list-style-type: none"> • Classification and Measurement of Financial Instruments (Amendments to IFRS 9, Financial Instruments and IFRS 7, Financial Instruments: Disclosures)
1 January 2027	<ul style="list-style-type: none"> • IFRS 18, Presentation and Disclosure in Financial Statements
Available for optional adoption / effective date deferred indefinitely	<ul style="list-style-type: none"> • Sales or Contribution of Assets between the Investor and its Associate or Joint Venture – Amendments to IFRS 10 and IAS 28

7 Cash and Cash Equivalents

Cash and balances with the Bank of Mongolia (other than mandatory reserve)

<i>In thousands of Mongolian Tugriks</i>	30 June 2024	31 December 2023
Cash on hand	131,511,862	92,126,135
Current account with the Bank of Mongolia (other than mandatory reserve)	875,819,699	1,625,458,623
Cash and cash balances with the Bank of Mongolia	1,007,331,561	1,717,584,758

Cash and cash equivalents for the purposes of the cash flow statement are presented below:

<i>In thousands of Mongolian Tugriks</i>	30 June 2024	31 December 2023
Cash and balances with the Bank of Mongolia (Note 7)	1,007,331,561	1,717,584,758
Treasury bills of the Bank of Mongolia with original maturities of less than three months (Note 9)	1,345,833,758	596,669,278
Due from banks (Note 8)	605,688,686	672,637,313
Less: credit loss allowance	(4,029,207)	(2,254,078)
Total cash and cash equivalents	2,954,824,798	2,984,637,271

8 Due from Other Banks

<i>In thousands of Mongolian Tugriks</i>	30 June 2024	31 December 2023
Correspondent accounts with other banks	513,763,820	459,510,978
Short-term placements with other banks	87,895,659	210,872,256
Placements with other banks with original maturities of more than three months	401,906,636	733,271,099
Total due from other banks	1,003,566,115	1,403,654,333

9 Investments in Debt Securities

<i>In thousands of Mongolian Tugriks</i>	30 June 2024	31 December 2023
Debt securities at FVTOCI	1,937,748,637	1,424,489,434
Debt securities at FVTPL	397,257,466	308,603,186
Debt securities at AC	6,732,995	-
Total investments in debt securities	2,341,739,098	1,733,092,620

9 Investments in Debt Securities (continued)

The table below discloses investments in debt securities at 30 June 2024 by measurement categories and classes:

<i>In thousands of Mongolian Tugriks</i>	Debt securities at FVTOCI	Debt securities at FVTPL	Debt securities at AC	Total
Treasury bills of the Bank of Mongolia	1,402,431,471	-	-	1,402,431,471
MIK bonds – Senior RMBS	-	74,729,056	-	74,729,056
MIK bonds – Junior RMBS	-	157,821,808	-	157,821,808
Government bonds	520,813,386	107,660,323	-	628,473,709
SFC bonds – Senior	-	2,613,957	-	2,613,957
SFC bonds – Junior	-	9,875,873	-	9,875,873
Corporate bonds	2,798,568	32,259,588	-	35,058,156
Other bonds	20,046,027	12,296,861	6,779,422	39,122,310
Total investments in debt securities at 30 June 2024 (gross carrying value)	1,946,089,452	397,257,466	6,779,422	2,350,126,340
Less: Credit loss allowance	(8,340,815)	-	(46,427)	(8,387,242)
Total investments in debt securities at 30 June 2024 (carrying value)	1,937,748,637	397,257,466	6,732,995	2,341,739,098

The table below discloses investments in debt securities at 31 December 2023 by measurement categories and classes:

<i>In thousands of Mongolian Tugriks</i>	Debt securities at FVTOCI	Debt securities at FVTPL	Debt securities at AC	Total
Treasury bills of the Bank of Mongolia	978,034,840	-	-	978,034,840
MIK bonds – Senior RMBS	-	77,955,061	-	77,955,061
MIK bonds – Junior RMBS	-	160,031,491	-	160,031,491
Government bonds	404,364,214	48,237,148	-	452,601,362
SFC bonds – Senior	-	9,746,078	-	9,746,078
SFC bonds – Junior	-	12,633,408	-	12,633,408
Corporate bonds	49,781,326	-	-	49,781,326
Total investments in debt securities at 31 December 2023 (gross carrying value)	1,432,180,380	308,603,186	-	1,740,783,566
Less: Credit loss allowance	(7,690,946)	-	-	(7,690,946)
Total investments in debt securities at 31 December 2023 (carrying value)	1,424,489,434	308,603,186	-	1,733,092,620

9 Investments in Debt Securities (continued)

Investments in debt securities at FVTOCI

The following table discloses Treasury bills of the Bank of Mongolia measured at FVTOCI:

<i>In thousands of Mongolian Tugriks</i>	30 June 2024	31 December 2023
	Stage 1 (12-months ECL)	Stage 1 (12-months ECL)
Treasury bills of the Bank of Mongolia		
- Excellent	1,402,431,471	978,034,840
Less: Credit loss allowance	(629,327)	(2,149,817)
Carrying value (fair value)	1,401,802,144	975,885,023

The following table discloses government bonds measured at FVTOCI:

<i>In thousands of Mongolian Tugriks</i>	30 June 2024	31 December 2023
	Stage 1 (12-months ECL)	Stage 1 (12-months ECL)
Government bonds		
- Excellent	515,410,283	396,967,818
Less: Credit loss allowance	(7,411,313)	(5,461,749)
Less: Fair value adjustment from AC to FV	5,403,103	7,396,395
Carrying value (fair value)	513,402,073	398,902,464

The following table discloses corporate bonds measured at FVTOCI:

<i>In thousands of Mongolian Tugriks</i>	30 June 2024	31 December 2023
	Stage 1 (12-months ECL)	Stage 1 (12-months ECL)
Corporate bonds		
- Excellent	2,798,568	50,563,560
Less: Credit loss allowance	(20,682)	(79,380)
Less: Fair value adjustment from AC to FV	-	(782,233)
Carrying value (fair value)	2,777,886	49,701,947

9 Investments in Debt Securities (continued)

The following table discloses other bonds measured at FVTOCI:

<i>In thousands of Mongolian Tugriks</i>	30 June 2024	31 December 2023
	Stage 1	Stage 1
	(12-months ECL)	(12-months ECL)
Other bonds		
- Excellent	20,046,027	-
Less: Credit loss allowance	(279,493)	-
Less: Fair value adjustment from AC to FV	-	-
Carrying value (fair value)	19,766,534	-

The following table discloses the changes in the credit loss allowance and gross carrying value of debt securities carried at fair value through other comprehensive income between the beginning and the end of the reporting period:

<i>In thousands of Mongolian Tugriks</i>	Credit loss allowance	Gross carrying value
	Stage 1	Stage 1
	(12-months ECL)	(12-months ECL)
Treasury bills of the Bank of Mongolia at FVTOCI		
At 1 January 2024	2,149,817	978,034,840
<i>Movements with impact on credit loss allowance charge for the period:</i>		
New originated or purchased	(1,520,490)	2,050,000,000
Derecognised during the period	-	(1,625,603,369)
At 30 June 2024	629,327	1,402,431,471
Government bonds at FVTOCI		
At 1 January 2024	5,461,749	404,364,214
<i>Movements with impact on credit loss allowance charge for the period:</i>		
New originated or purchased	1,949,564	179,538,740
Derecognised during the period	-	(65,496,541)
Total gross carrying value	7,411,313	518,406,413
<i>Movements without impact on credit loss allowance charge for the period:</i>		
FX and other movements	-	(2,996,130)
Fair value adjustment from AC to FV	-	5,403,103
At 30 June 2024	7,411,313	520,813,386

9 Investments in Debt Securities (continued)

The following table discloses the changes in the credit loss allowance and gross carrying value of debt securities carried at fair value through other comprehensive income between the beginning and the end of the reporting period:

<i>In thousands of Mongolian Tugriks</i>	Credit loss allowance Stage 1 (12-months ECL)	Gross carrying value Stage 1 (12-months ECL)
Corporate Bonds at FVTOCI		
At 1 January 2024	79,380	49,781,326
<i>Movements with impact on credit loss allowance charge for the period:</i>		
New originated or purchased	-	1,899,251
Derecognised during the period	(58,698)	(48,882,009)
Total gross carrying value	20,682	2,798,568
<i>Movements without impact on credit loss allowance charge for the period:</i>		
FX and other movements	-	-
Fair value adjustment from AC to FV	-	-
At 30 June 2024	20,682	2,798,568
Other Bonds at FVTOCI		
At 1 January 2024	-	-
<i>Movements with impact on credit loss allowance charge for the period:</i>		
New originated or purchased	279,493	20,046,027
Derecognised during the period	-	-
Total gross carrying value	279,493	20,046,027
<i>Movements without impact on credit loss allowance charge for the period:</i>		
FX and other movements	-	-
Fair value adjustment from AC to FV	-	-
At 30 June 2024	279,493	20,046,027

9 Investments in Debt Securities (continued)

Investments in debt securities at AC

The following table discloses the changes in the credit loss allowance for investments in debt securities carried at AC between the beginning and the end of the reporting period:

<i>In thousands of Mongolian Tugriks</i>	Credit loss allowance Stage 1(12-months ECL)	Gross carrying amount Stage 1(12-months ECL)
Other bonds at AC		
At 1 January 2024	-	-
<i>Movements with impact on credit loss allowance charge for the period:</i>		
New originated or purchased	46,427	6,779,422
Changes in accrued interest	-	-
Total movements with impact on credit loss allowance charge for the period	-	-
At 30 June 2024	46,427	6,779,422

10 Investments in Equity Securities

<i>In thousands of Mongolian Tugriks</i>	30 June 2024	31 December 2023
Equity securities at FVTPL	69,013,170	23,634,110
Equity securities at FVTOCI	445,202	448,713
Total investments in equity securities	69,458,372	24,082,823

The investments in equity securities MNT 69,458,372 consist of corporate shares as at 30 June 2024. (31 December 2023: MNT 24,082,823 thousand).

The table below discloses investments in equity securities movement at 30 June 2024:

<i>In thousands of Mongolian Tugriks</i>	Equity securities at FVTPL	Equity securities at FVTOCI	Total
At 1 January 2024	23,634,110	448,713	24,082,823
<i>Movements for the period:</i>			
New originated or purchased	45,407,971	-	45,407,971
Derecognised during the period	-	-	-
Total gross carrying amount	69,042,081	448,713	69,490,794
At 1 January 2024			
<i>Movements for the period:</i>			
FX and other movements	-	(3,511)	(3,511)
Fair value adjustment	(28,911)	-	(28,911)
Total investments in equity investments securities at 30 June 2024	69,013,170	445,202	69,458,372

11 Loans and Advances to Customers

<i>In thousands of Mongolian Tugriks</i>	30 June 2024	31 December 2023
Gross carrying amount of loans and advances to customers at AC	6,166,391,458	4,476,287,985
Less: Credit loss allowance	(152,075,787)	(165,191,588)
Total carrying amount of loans and advances to customers at AC	6,014,315,671	4,311,096,397
Loans and advances to customers at FVTPL / Mortgage/	490,249,420	381,628,167
Loans and advances to customers at FVTPL / SME/	6,658,661	5,460,766
Loans and advances to customers at FVTPL / Corporate/	8,413,748	13,923,375
Total loans and advances to customers	6,519,637,500	4,712,108,705

11 Loans and Advances to Customers (continued)

Gross carrying amount and credit loss allowance amount for loans and advances to customers at AC by classes at 30 June 2024 and 31 December 2023 are disclosed in the table below:

<i>In thousands of Mongolian Tugriks</i>	30 June 2024			31 December 2023		
	Gross carrying amount	Credit loss allowance	Carrying amount	Gross carrying amount	Credit loss allowance	Carrying amount
<i>Loans to corporate customers</i>						
Loans to Corporate	1,978,400,772	(91,913,126)	1,886,487,646	1,392,020,561	(95,251,004)	1,296,769,557
Loans to SME	1,605,582,586	(23,988,316)	1,581,594,270	1,230,570,810	(29,308,467)	1,201,262,343
<i>Loans to individuals</i>						
Consumer loans	1,772,342,386	(32,926,138)	1,739,416,248	1,198,750,359	(36,497,865)	1,162,252,494
Mortgage loans	810,065,714	(3,248,207)	806,817,507	654,946,255	(4,134,252)	650,812,003
Total loans and advances to customers at AC	6,166,391,458	(152,075,787)	6,014,315,671	4,476,287,985	(165,191,588)	4,311,096,397

11 Loans and Advances to Customers (continued)

As of 30 June 2024, loss on initial recognition of loans at rates below market in the amount of MNT 30,033 thousand has been recorded in profit or loss for the year.

The following table discloses the changes in the credit loss allowance and gross carrying amount for loans and advances to customers carried at amortised cost between the beginning and the end of the reporting period:

	Credit loss allowances				Gross carrying amount			
	Stage 1 (12-months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit impaired)	Total	Stage 1 (12-months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit impaired)	Total
<i>In thousands of Mongolian Tugriks</i>								
Corporate								
At 1 January 2024	5,366,573	630	89,883,801	95,251,004	1,144,771,057	66,662,440	180,587,064	1,392,020,561
Movements with impact on credit loss allowance charge for the period:								
Transfers:								
- from Stage 2 and Stage 3 to Stage 1	-	-	-	-	-	-	-	-
- from Stage 1 and Stage 3 to Stage 2	(778,848)	8,022,878	(7,244,030)	-	(29,888,227)	37,083,181	(7,194,954)	-
- from Stage 1 and Stage 2 to Stage 3	-	-	-	-	-	(48,361,595)	48,361,595	-
New originated or purchased	897,742	1,630,029	-	2,527,771	886,653,724	40,197,538	13,762,846	940,614,108
Derecognised during the period	(974,049)	(630)	(3,893,430)	(4,868,109)	(308,725,352)	(25,124,285)	(15,410,553)	(349,260,190)
FX and other movements	(2,122,636)	-	1,125,096	(997,540)	(10,113,315)	6,823,440	(1,683,832)	(4,973,707)
At 30 June 2024	2,388,782	9,652,907	79,871,437	91,913,126	1,682,697,887	77,280,719	218,422,166	1,978,400,772

11 Loans and Advances to Customers (continued)

	Credit loss allowances			Total	Gross carrying amount			Total
	Stage 1 (12-months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit im- paired)		Stage 1 (12-months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit im- paired)	
<i>In thousands of Mongolian Tugriks</i>								
Corporate								
At 1 January 2023	2,769,000	5,943,212	95,194,025	103,906,237	875,097,660	129,978,866	158,593,412	1,163,669,938
<i>Movements with impact on credit loss allowance charge for the period:</i>								
Transfers:								
- from Stage 2 and Stage 3 to Stage 1	5,155	(5,155)	-	-	19,714,951	(19,714,951)	-	-
- from Stage 1 and Stage 3 to Stage 2	(630)	630	-	-	(6,848,005)	6,848,005	-	-
- from Stage 1 and Stage 2 to Stage 3	(4,111,596)	(17)	4,111,613	-	(24,254,451)	(7,585,592)	31,840,043	-
New originated or purchased	4,926,908	-	4,455,618	9,382,526	933,689,045	53,628,119	23,698,845	1,011,016,009
Derecognised during the period	(1,651,974)	(2,477,456)	(4,606,946)	(8,736,376)	(603,329,088)	(89,695,444)	(14,046,131)	(707,070,663)
Write-offs	-	-	(6,248,532)	(6,248,532)	-	-	(18,292,565)	(18,292,565)
FX and other movements	3,429,710	(3,460,584)	(3,021,977)	(3,052,851)	(49,299,055)	(6,796,563)	(1,206,540)	(57,302,158)
At 31 December 2023	5,366,573	630	89,883,801	95,251,004	1,144,771,057	66,662,440	180,587,064	1,392,020,561

11 Loans and Advances to Customers (continued)

	Credit loss allowances				Gross carrying amount			
	Stage 1 (12-months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit impaired)	Total	Stage 1 (12-months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit impaired)	Total
<i>In thousands of Mongolian Tugriks</i>								
SME								
At 1 January 2024	1,067,134	330,671	27,910,662	29,308,467	1,101,685,726	24,369,243	104,515,841	1,230,570,810
Movements with impact on credit loss allowance charge for the period:								
Transfers:								
- from Stage 2 and Stage 3 to Stage 1	718	(226)	(492)	-	5,572,098	(4,842,098)	(730,000)	-
- from Stage 1 and Stage 3 to Stage 2	(17,381)	17,565	(184)	-	(16,465,721)	18,013,327	(1,547,606)	-
- from Stage 1 and Stage 2 to Stage 3	(34,890)	(112,307)	147,197	-	(797,965)	(4,154,434)	4,952,399	-
New originated or purchased	2,794,514	24,744	47,368	2,866,626	727,365,115	19,319,175	3,768,306	750,452,596
Derecognised during the period	(114,084)	(4,099)	(3,502,309)	(3,620,492)	(198,185,220)	(6,369,102)	(14,870,865)	(219,425,187)
FX and other movements	(5,746)	(184,797)	(4,375,742)	(4,566,285)	(140,768,719)	(4,756,428)	(10,490,486)	(156,015,633)
At 30 June 2024	3,690,265	71,551	20,226,500	23,988,316	1,478,405,314	41,579,683	85,597,589	1,605,582,586

	Credit loss allowances				Gross carrying amount			
	Stage 1 (12-months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit impaired)	Total	Stage 1 (12-months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit impaired)	Total
<i>In thousands of Mongolian Tugriks</i>								
SME								
At 1 January 2023	1,065,322	91,951	35,424,039	36,581,312	791,059,714	41,056,905	117,279,217	949,395,836
Movements with impact on credit loss allowance charge for the period:								
Transfers:								
- from Stage 2 and Stage 3 to Stage 1	197	(197)	-	-	3,447,476	(3,321,296)	(126,180)	-
- from Stage 1 and Stage 3 to Stage 2	(19,741)	19,909	(168)	-	(15,173,497)	15,929,230	(755,733)	-
- from Stage 1 and Stage 2 to Stage 3	(854,947)	(1,156,036)	2,010,983	-	(8,295,153)	(6,824,899)	15,120,052	-
New originated or purchased	844,752	308,266	179,829	1,332,847	783,338,354	7,538,420	4,430,693	795,307,467
Derecognised during the period	(361,327)	(10,217)	(5,574,514)	(5,946,058)	(264,550,193)	(24,310,897)	(24,542,716)	(313,403,806)
Write-offs	-	-	(88,056)	(88,056)	-	-	(109,280)	(109,280)
FX and other movements	392,878	1,076,995	(4,041,451)	(2,571,578)	(188,140,975)	(5,698,220)	(6,780,212)	(200,619,407)
At 31 December 2023	1,067,134	330,671	27,910,662	29,308,467	1,101,685,726	24,369,243	104,515,841	1,230,570,810

11 Loans and Advances to Customers (continued)

	Credit loss allowances			Total	Gross carrying amount			Total
	Stage 1 (12-months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit impaired)		Stage 1 (12-months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit impaired)	
<i>In thousands of Mongolian Tugriks</i>								
Consumer								
At 1 January 2024	3,446,496	1,081,154	31,970,215	36,497,865	1,138,389,096	15,400,042	44,961,221	1,198,750,359
Movements with impact on credit loss allowance charge for the period:								
Transfers:								
- from Stage 2 and Stage 3 to Stage 1	18,546	(17,184)	(1,362)	-	3,787,120	(3,308,237)	(478,883)	-
- from Stage 1 and Stage 3 to Stage 2	(812,961)	813,184	(223)	-	(13,202,327)	13,208,373	(6,046)	-
- from Stage 1 and Stage 2 to Stage 3	(951,122)	(1,289,554)	2,240,676	-	(2,541,550)	(3,151,818)	5,693,368	-
New originated or purchased	1,857,182	341,286	169,380	2,367,848	839,446,487	6,890,869	640,176	846,977,532
Derecognised during the period	(391,162)	(106,967)	(4,867,579)	(5,365,708)	(226,153,096)	(1,989,318)	(7,267,430)	(235,409,844)
FX and other movements	1,308,422	472,151	(2,354,440)	(573,867)	(28,376,942)	(4,608,737)	(4,989,982)	(37,975,661)
At 30 June 2024	4,475,401	1,294,070	27,156,667	32,926,138	1,711,348,788	22,441,174	38,552,424	1,772,342,386

	Credit loss allowances			Total	Gross carrying amount			Total
	Stage 1 (12-months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit impaired)		Stage 1 (12-months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit impaired)	
<i>In thousands of Mongolian Tugriks</i>								
Consumer								
At 1 January 2023	3,617,123	1,189,627	49,019,603	53,826,353	818,074,029	13,464,780	55,853,444	887,392,253
Movements with impact on credit loss allowance charge for the period:								
Transfers:								
- from Stage 2 and Stage 3 to Stage 1	9,283	(8,124)	(1,159)	-	1,894,514	(1,564,334)	(330,180)	-
- from Stage 1 and Stage 3 to Stage 2	(378,842)	378,964	(122)	-	(5,321,057)	5,329,509	(8,452)	-
- from Stage 1 and Stage 2 to Stage 3	(2,556,102)	(1,667,921)	4,224,023	-	(6,004,159)	(3,399,614)	9,403,773	-
New originated or purchased	1,832,114	618,655	695,112	3,145,881	709,618,984	9,093,778	1,830,225	720,542,987
Derecognised during the period	(829,257)	(252,438)	(9,735,691)	(10,817,386)	(324,505,104)	(3,774,206)	(11,716,587)	(339,995,897)
Write-offs	-	-	(4,554,972)	(4,554,972)	-	-	(9,312,479)	(9,312,479)
FX and other movements	1,752,177	822,391	(7,676,579)	(5,102,011)	(55,368,111)	(3,749,871)	(758,523)	(59,876,505)
At 31 December 2023	3,446,496	1,081,154	31,970,215	36,497,865	1,138,389,096	15,400,042	44,961,221	1,198,750,359

11 Loans and Advances to Customers (continued)

	Credit loss allowances				Gross carrying amount			
	Stage 1 (12-months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit impaired)	Total	Stage 1 (12-months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit impaired)	Total
<i>In thousands of Mongolian Tugriks</i>								
Mortgage								
At 1 January 2024	360,915	74,731	3,698,606	4,134,252	618,686,448	7,877,177	28,382,630	654,946,255
Movements with impact on credit loss allowance charge for the period:								
Transfers:								
- from Stage 2 and Stage 3 to Stage 1	2,442	(2,441)	(1)	-	2,687,678	(2,211,529)	(476,149)	-
- from Stage 1 and Stage 3 to Stage 2	(121,594)	121,643	(49)	-	(6,828,251)	6,992,753	(164,502)	-
- from Stage 1 and Stage 2 to Stage 3	(124,997)	(59,216)	184,213	-	(781,860)	(2,085,060)	2,866,920	-
New originated or purchased	44,372	-	-	44,372	208,253,354	-	-	208,253,354
Derecognised during the period	(8,749)	(6,536)	(1,018,616)	(1,033,901)	(25,111,487)	(129,245)	(3,668,684)	(28,909,416)
FX and other movements	188,800	18,876	(104,192)	103,484	(22,859,678)	(234,645)	(1,130,156)	(24,224,479)
At 30 June 2024	341,189	147,057	2,759,961	3,248,207	774,046,204	10,209,451	25,810,059	810,065,714

11 Loans and Advances to Customers (continued)

	Credit loss allowances			Total	Gross carrying amount			Total
	Stage 1 (12-months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit im- paired)		Stage 1 (12-months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit im- paired)	
<i>In thousands of Mongolian Tugriks</i>								
Mortgage								
At 1 January 2023	317,039	145,318	4,374,100	4,836,457	418,404,283	8,012,000	32,209,046	458,625,329
<i>Movements with impact on credit loss allowance charge for the period:</i>								
Transfers:								
- from Stage 2 and Stage 3 to Stage 1	3,054	(2,776)	(278)	-	5,066,938	(3,271,683)	(1,795,255)	-
- from Stage 1 and Stage 3 to Stage 2	(34,418)	34,418	-	-	(5,515,363)	5,515,363	-	-
- from Stage 1 and Stage 2 to Stage 3	(500,921)	(7,736)	508,657	-	(2,381,454)	(1,932,824)	4,314,278	-
New originated or purchased	177,684	28,865	51,094	257,643	288,875,106	1,016,433	417,736	290,309,275
Derecognised during the period	(30,181)	(1,747)	(661,956)	(693,884)	(40,391,933)	(1,225,362)	(5,693,289)	(47,310,584)
Write-offs	-	-	(15,430)	(15,430)	-	-	(15,430)	(15,430)
FX and other movements	428,658	(121,611)	(557,581)	(250,534)	(45,371,129)	(236,750)	(1,054,456)	(46,662,335)
At 31 December 2023	360,915	74,731	3,698,606	4,134,252	618,686,448	7,877,177	28,382,630	654,946,255

11 Loans and Advances to Customers (continued)

The loans and advances to customers at FVTPL changes between the beginning and end of the reporting periods are as follows at 30 June 2024:

<i>In thousands of Mongolian Tugriks</i>	Mortgage	SME	Corporate	Total
At 1 January 2024	381,628,166	5,460,766	13,923,376	401,012,308
Movement between FVTPL and AC	(4,257,532)	-	-	(4,257,532)
New originated or purchased	121,349,578	2,655,828	-	124,005,406
Derecognised during the period	(3,583,216)	(1,302,088)	-	(4,885,304)
Write-offs	-	-	-	-
Repayment	(4,887,576)	(155,845)	(5,509,628)	(10,553,049)
At 30 June 2024	490,249,420	6,658,661	8,413,748	505,321,829

Movements in the expected credit loss allowance for loans to legal entities and individuals are as follows:

<i>In thousands of Mongolian Tugriks</i>	Loans to Corporate	Loans to SME	Consumer loans	Mortgage loans	Total
Expected credit loss allowance at 31 December 2023	95,251,004	29,308,467	36,497,865	4,134,252	165,191,588
Credit loss allowance charge/(recovery) during the year	(5,301,487)	(5,379,559)	(3,982,965)	(886,045)	(15,550,056)
Foreign exchange difference	1,963,609	59,408	411,238	-	2,434,255
Expected credit loss allowance at 30 June 2024	91,913,126	23,988,316	32,926,138	3,248,207	152,075,787

During 2024, the Bank has recovered MNT 2,939,612 thousand (31 December 2023: MNT 7,078,190 thousand) from previously written-off loans as circumstances and expectations have changed positively for certain borrowers.

<i>In thousands of Mongolian Tugriks</i>	Loans to Corporate	Loans to SME	Consumer loans	Mortgage loans	Total
Expected credit loss allowance at 1 January 2023	103,906,237	36,581,312	53,826,353	4,836,457	199,150,359
Credit loss allowance charge/(recovery) during the year	(6,624,443)	(7,258,274)	(13,505,207)	(686,776)	(28,074,700)
Amounts written off during the year as uncollectible	(6,248,534)	(88,056)	(4,554,972)	(15,429)	(10,906,991)
Foreign exchange difference	4,217,744	73,485	731,691	-	5,022,920
Expected credit loss allowance at 31 December 2023	95,251,004	29,308,467	36,497,865	4,134,252	165,191,588

11 Loans and Advances to Customers (continued)

The credit quality of loans to corporate and individual customers carried at amortised cost is as follows at 30 June 2024:

<i>In thousands of Mongolian Tugriks</i>	Stage 1 (12-months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit impaired)	Total
Loans to Corporate				
- Excellent	1,682,697,887	-	-	1,682,697,887
- Good	-	77,280,719	-	77,280,719
- Satisfactory	-	-	60,512,290	60,512,290
- Special Monitoring	-	-	37,052,837	37,052,837
- Default	-	-	120,857,039	120,857,039
Gross carrying amount	1,682,697,887	77,280,719	218,422,166	1,978,400,772
Less: Credit loss allowance	(2,388,782)	(9,652,907)	(79,871,437)	(91,913,126)
Carrying amount	1,680,309,105	67,627,812	138,550,729	1,886,487,646

11 Loans and Advances to Customers (continued)

<i>In thousands of Mongolian Tugriks</i>	Stage 1 (12-months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit impaired)	Total
Loans to SME				
- Excellent	1,478,405,314	-	-	1,478,405,314
- Good	-	41,579,683	-	41,579,683
- Satisfactory	-	-	15,178,480	15,178,480
- Special monitoring	-	-	12,113,618	12,113,618
- Default	-	-	58,305,491	58,305,491
Gross carrying amount	1,478,405,314	41,579,683	85,597,589	1,605,582,586
Less: Credit loss allowance	(3,690,265)	(71,551)	(20,226,500)	(23,988,316)
Carrying amount	1,474,715,049	41,508,132	65,371,089	1,581,594,270
Consumer loans				
- Excellent	1,711,348,788	-	-	1,711,348,788
- Good	-	22,441,174	-	22,441,174
- Satisfactory	-	-	2,980,341	2,980,341
- Special monitoring	-	-	3,571,722	3,571,722
- Default	-	-	32,000,361	32,000,361
Gross carrying amount	1,711,348,788	22,441,174	38,552,424	1,772,342,386
Less: Credit loss allowance	(4,475,401)	(1,294,070)	(27,156,667)	(32,926,138)
Carrying amount	1,706,873,387	21,147,104	11,395,757	1,739,416,248
Mortgage loans				
- Excellent	774,046,204	-	-	774,046,204
- Good	-	10,209,451	-	10,209,451
- Satisfactory	-	-	9,848,543	9,848,543
- Special monitoring	-	-	6,410,663	6,410,663
- Default	-	-	9,550,853	9,550,853
Gross carrying amount	774,046,204	10,209,451	25,810,059	810,065,714
Less: Credit loss allowance	(341,189)	(147,057)	(2,759,961)	(3,248,207)
Carrying amount	773,705,015	10,062,394	23,050,098	806,817,507

11 Loans and Advances to Customers (continued)

The credit quality of loans to corporate and individual customers carried at amortised cost is as follows at 31 December 2023:

<i>In thousands of Mongolian Tugriks</i>	Stage 1 (12-months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit impaired)	Total
Loans to Corporate				
- Excellent	1,144,771,057	-	-	1,144,771,057
- Good	-	66,662,440	-	66,662,440
- Satisfactory	-	-	59,550,995	59,550,995
- Special Monitoring	-	-	7,494,349	7,494,349
- Default	-	-	113,541,720	113,541,720
Gross carrying amount	1,144,771,057	66,662,440	180,587,064	1,392,020,561
Less: Credit loss allowance	(5,366,573)	(630)	(89,883,801)	(95,251,004)
Carrying amount	1,139,404,484	66,661,810	90,703,263	1,296,769,557
Loans to SME				
- Excellent	1,101,685,726	-	-	1,101,685,726
- Good	-	24,369,243	-	24,369,243
- Satisfactory	-	-	11,622,312	11,622,312
- Special monitoring	-	-	15,550,723	15,550,723
- Default	-	-	77,342,806	77,342,806
Gross carrying amount	1,101,685,726	24,369,243	104,515,841	1,230,570,810
Less: Credit loss allowance	(1,067,134)	(330,671)	(27,910,662)	(29,308,467)
Carrying amount	1,100,618,592	24,038,572	76,605,179	1,201,262,343
Consumer loans				
- Excellent	1,138,389,096	-	-	1,138,389,096
- Good	-	15,400,042	-	15,400,042
- Satisfactory	-	-	9,632,809	9,632,809
- Special monitoring	-	-	4,392,656	4,392,656
- Default	-	-	30,935,756	30,935,756
Gross carrying amount	1,138,389,096	15,400,042	44,961,221	1,198,750,359
Less: Credit loss allowance	(3,446,496)	(1,081,154)	(31,970,215)	(36,497,865)
Carrying amount	1,134,942,600	14,318,888	12,991,006	1,162,252,494

11 Loans and Advances to Customers (continued)

<i>In thousands of Mongolian Tugriks</i>	Stage 1 (12- months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit impaired)	Total
<i>Mortgage loans</i>				
- Excellent	618,686,448	-	-	618,686,448
- Good	-	7,877,177	-	7,877,177
- Satisfactory	-	-	11,440,266	11,440,266
- Special monitoring	-	-	5,735,921	5,735,921
- Default	-	-	11,206,443	11,206,443
Gross carrying amount	618,686,448	7,877,177	28,382,630	654,946,255
Less: Credit loss allowance	(360,915)	(74,731)	(3,698,606)	(4,134,252)
Carrying amount	618,325,533	7,802,446	24,684,024	650,812,003

11 Loans and Advances to Customers (continued)

Economic sector risk concentrations within the customer loan portfolio are as follows:

<i>In thousands of Mongolian Tugriks</i>	30 June 2024		31 December 2023	
	Amount	%	Amount	%
Trade - Whole & Retail	1,349,578,562	20.23%	1,273,782,445	26.12%
Mortgage & House maintenance	1,300,315,133	19.49%	1,036,574,420	21.25%
Individuals	1,293,269,328	19.38%	977,479,856	20.04%
Home appliances	470,180,027	7.05%	207,398,409	4.25%
Mining & Exploration	408,252,168	6.12%	195,460,267	4.01%
Maintenance	376,972,721	5.65%	252,196,009	5.17%
Construction	352,183,648	5.28%	234,932,684	4.82%
Finance	310,473,295	4.65%	94,556,590	1.94%
Manufacturing	304,011,809	4.56%	246,005,454	5.04%
Transport & Communication	177,542,079	2.66%	80,421,746	1.65%
Others	94,531,817	1.42%	90,740,777	1.86%
Real estate	53,814,419	0.81%	40,849,324	0.84%
Healthcare	43,783,084	0.66%	34,661,558	0.71%
Education	34,928,972	0.52%	31,191,730	0.64%
Agriculture	33,849,671	0.51%	22,091,777	0.45%
Hotel & Restaurant	31,325,526	0.47%	20,428,655	0.42%
Electricity & Oil	14,645,387	0.22%	14,094,758	0.29%
Car	12,958,313	0.19%	13,610,877	0.28%
Tourism	4,246,141	0.06%	376,769	0.01%
Social services	3,029,020	0.05%	2,789,782	0.06%
Public service	1,054,660	0.02%	7,656,406	0.16%
Entrepreneurship	767,507	0.01%	-	0.00%
Total gross carrying value	6,671,713,287	100%	4,877,300,293	100%

12 Investment Properties

Below is the information on changes in investment properties as follows at 30 June 2024:

<i>In thousands of Mongolian Tugriks</i>	30 June 2024	31 December 2023
Investment properties at fair value at 1 January	6,586,475	10,276,475
Disposals	-	(3,690,000)
Fair value gain, net	999,067	-
Closing balance of Investment properties at fair value	7,585,542	6,586,475

The Bank's intention is to keep the premises for the purposes of earning rental income, capital appreciation, or both, and not to occupy premises by the Bank.

13 Other Assets

<i>In thousands of Mongolian Tugriks</i>	30 June 2024	31 December 2023
Other financial assets at FV:		
Precious metals	31,982,317	26,922,637
Total other financial assets at FV	31,982,317	26,922,637
Other financial assets at AC:		
Receivables on cash and settlements services	22,256,774	21,742,284
Receivable from companies	13,859,238	8,287,581
Receivable from individuals	3,593,601	2,870,192
Other financial assets	2,478,907	2,207,247
Less: Credit loss allowance	(5,596,067)	(6,265,800)
Total other financial assets at AC	36,592,453	28,841,504
Total other financial assets	68,574,770	55,764,141
Other non-financial assets		
Prepayments for non-current assets	437,997,608	407,878,165
Prepayments for employees' benefits	9,846,002	7,337,146
Prepayments for rent	827,896	619,436
Other prepayments	16,545,231	12,073,534
Other non-financial assets	6,607,111	6,154,270
Total non-financial assets	471,823,848	434,062,551
Total other assets	540,398,618	489,826,692

13 Other Assets (continued)

Movements in the provision for asset impairment are as follows at 30 June 2024:

<i>In thousands of Mongolian Tugriks</i>	Receivable from com- panies	Receivable from indi- viduals	Receivables on cash and settlement services	Other financial assets	Total
Expected credit loss allowance of other assets at 1 January 2024	4,002,023	2,260,851	2,926	-	6,265,800
Credit loss allowance charge/(recov- ery) during the year	(815,904)	146,630	459	-	(668,815)
Exchange difference	(975)	116	(59)	-	(918)
Expected credit loss allowance of other assets at 30 June 2024	3,185,144	2,407,597	3,326	-	5,596,067

Movements in the provision for asset impairment are as follows at 31 December 2023:

<i>In thousands of Mongolian Tugriks</i>	Receivable from com- panies	Receivable from indi- viduals	Receivables on cash and settlement services	Other financial assets	Total
Expected credit loss allowance of other assets at 1 January 2023	3,082,241	1,647,003	163	-	4,729,407
Credit loss allowance charge/(recov- ery) during the year	935,279	622,450	(213)	-	1,557,516
Exchange difference	(14,619)	(2,083)	2,976	-	(13,726)
Amounts written off during the year as uncollectible	(878)	(6,519)	-	-	(7,397)
Expected credit loss allowance of other assets at 31 December 2023	4,002,023	2,260,851	2,926	-	6,265,800

14 Intangible Assets

<i>In thousands of Mongolian Tugriks</i>	Computer software licences	Land use right	Total
Cost at 1 January 2023	52,087,582	693,313	52,780,895
Accumulated amortization	(31,832,507)	-	(31,832,507)
Carrying amount at 1 January 2023	20,255,075	693,313	20,948,388
Additions	4,299,094	-	4,299,094
Transfers	(5,404,096)	-	(5,404,096)
Amortisation	(6,362,155)	(6,679)	(6,368,834)
Transfers of accumulated amortization	5,404,096	-	5,404,096
Carrying amount at 31 December 2023	18,192,014	686,634	18,878,648
Cost at 1 January 2024	50,982,580	693,313	51,675,893
Accumulated amortization	(32,790,566)	(6,679)	(32,797,245)
Carrying amount at 1 January 2024	18,192,014	686,634	18,878,648
Additions	9,998,051	-	9,998,051
Amortisation	(3,910,463)	(3,248)	(3,913,711)
Carrying amount at 30 June 2024	24,279,602	683,386	24,962,988

Golomt Bank JSC
Notes to the Condensed Interim Financial Statement – 30 June 2024

15 Premises and Equipment

<i>In thousands of Mongolian Tugriks</i>	Premises	Motor vehicles	Office equipment and computers	Furniture	Leasehold improvement	Construction in progress	Total premises and equipment
Cost/valuation at 1 January 2023	117,118,937	3,915,940	105,832,403	9,323,585	11,868,981	650,454	248,710,300
Accumulated depreciation	(14,408,556)	(1,530,263)	(69,590,387)	(4,095,858)	(7,717,595)	-	(97,342,659)
Carrying amount at 1 January 2023	102,710,381	2,385,677	36,242,016	5,227,727	4,151,386	650,454	151,367,641
Additions	7,313,436	694,000	20,029,969	819,994	1,696,297	-	30,553,696
Transfers	-	-	15,865	(15,865)	-	-	-
Disposals	(7,894,821)	(199,426)	(3,819,344)	(129,331)	-	-	(12,042,922)
Write-offs	-	-	(2,130,604)	(154,192)	(5,484,645)	-	(7,769,441)
Depreciation	(3,760,495)	(433,340)	(15,533,137)	(537,671)	(1,865,801)	-	(22,130,444)
Transfers of accumulated depreciation	-	-	(11,369)	11,369	-	-	-
Disposals of accumulated depreciation	1,162,095	166,694	1,970,022	36,945	-	-	3,335,756
Write-offs of accumulated depreciation	-	-	2,130,604	153,437	5,484,664	-	7,768,705
Carrying amount at 31 December 2023	99,530,596	2,613,605	38,894,022	5,412,413	3,981,901	650,454	151,082,991
Cost/valuation at 1 January 2024	116,537,553	4,410,514	119,928,289	9,844,191	8,080,633	650,454	259,451,634
Accumulated depreciation	(17,006,957)	(1,796,909)	(81,034,266)	(4,431,778)	(4,098,732)	-	(108,368,642)
Carrying amount at 1 January 2024	99,530,596	2,613,605	38,894,023	5,412,413	3,981,901	650,454	151,082,992
Additions	1,161,418	646,472	12,239,101	902,374	2,193,632	-	17,142,997
Transfers	153,637	-	(151,067)	151,067	-	(153,637)	-
Disposals	-	(32,000)	(1,306,921)	(93,081)	(300,000)	-	(1,732,002)
Write-offs	-	-	(5,065,626)	(428,592)	(1,680,547)	-	(7,174,765)
Depreciation	(1,872,529)	(246,776)	(8,815,343)	(289,518)	(939,386)	-	(12,163,552)
Transfers of accumulated depreciation	-	-	(5,142)	5,142	-	-	-
Disposals of accumulated depreciation	-	32,000	707,237	63,208	-	-	802,445
Write-offs of accumulated depreciation	-	-	5,065,600	427,601	1,680,547	-	7,173,748
Carrying amount at 30 June 2024	98,973,122	3,013,301	41,561,862	6,150,614	4,936,147	496,817	155,131,863

16 Right of Use Assets

The Bank leases various offices and spaces for ATM, garages and warehouses. Rental contracts are typically made for fixed periods of 1 year to 10 years.

The right of use assets by class of underlying items is analysed as follows:

<i>In thousands of Mongolian Tugriks</i>	Buildings	Other	Total
Carrying amount at 1 January 2023	13,821,702	1,370,920	15,192,622
Additions	11,551,050	3,906	11,554,956
Disposals	(3,081,835)	-	(3,081,835)
Depreciation charge	(6,181,003)	(709,461)	(6,890,464)
Carrying amount at 31 December 2023	16,109,914	665,365	16,775,279
Additions	11,101,022	-	11,101,022
Disposals	(2,302,503)	-	(2,302,503)
Depreciation charge	(3,917,629)	(345,264)	(4,262,893)
Carrying amount at 30 June 2024	20,990,804	320,101	21,310,905

17 Assets Classified as Held for Sale

Assets classified as held for sale were previously classified as repossessed collateral, acquired by the Bank in settlement of overdue loans.

Major classes of non-current assets classified as held for sale are as follows:

<i>In thousands of Mongolian Tugriks</i>	30 June 2024	31 December 2023
Office and commercial spaces	36,321,443	14,483,918
Residential apartments or houses	12,850,434	12,809,144
Buildings	802,447	900,000
Other	1,109,721	908,676
Total assets held for sale	51,084,045	29,101,738

As of 30 June 2024, the Bank sold offices, commercial spaces and residential apartments in amount of MNT 27,950,840 thousands.

18 Due to Other Banks

<i>In thousands of Mongolian Tugriks</i>	30 June 2024	31 December 2023
Short-term placements of other banks	121,670,181	130,991,856
Total due to other banks	121,670,181	130,991,856

19 Customer Accounts

<i>In thousands of Mongolian Tugriks</i>	30 June 2024	31 December 2023
Individuals	3,743,659,405	3,512,056,303
- Current accounts	743,032,309	619,272,411
- Demand deposits	540,070,959	516,937,911
- Term deposits	2,460,556,137	2,375,845,981
Legal entities	3,535,306,803	3,131,324,697
- Current/settlement accounts	2,660,631,813	2,166,380,896
- Demand deposits	-	-
- Term deposits	874,674,990	964,943,801
State and public organizations	908,976,578	1,309,557,722
- Current/settlement accounts	805,943,557	1,237,585,943
- Demand deposits	-	-
- Term deposits	103,033,021	71,971,779
Other	94,233,640	83,694,933
- Current accounts	64,436,228	39,472,029
- Demand deposits	-	-
- Term deposits	29,797,412	44,222,904
Total customer accounts	8,282,176,426	8,036,633,655

At 30 June 2024, the Bank collateralised deposits of MNT 122,054,358 thousands (31 December 2023: MNT 155,826,085 thousands) for irrevocable commitments under bank guarantee and letter of credit.

20 Other Borrowed Funds

<i>In thousands of Mongolian Tugriks</i>	30 June 2024	31 December 2023
(a) Borrowed funds under projects		
Borrowed funds under Project /MNT/	444,409,096	358,586,882
Borrowed funds under Project /USD/	136,626	165,202
Total borrowed funds under projects	444,545,722	358,752,084
(b) Borrowings from foreign banks and financial institutions		
Borrowings from other foreign bank /USD/	635,488,679	955,190,880
(c) Trade finance from foreign banks and financial institutions		
Trade finance from foreign banks and financial institutions /USD/	113,671,388	94,221,889
Trade finance from foreign banks and financial institutions /EUR/	1,424,605	461,538
Trade finance from foreign banks and financial institutions /JPY/	816,910	2,302,331
Total borrowings from foreign banks and financial institutions	751,401,582	1,052,176,638
TOTAL	1,195,947,304	1,410,928,722

Significant new borrowings and repayments between 1 Jan 2024 and 30 June 2024

(a) Borrowed funds under project

The Bank obtained borrowing for an amount of MNT 89,786,549 thousand at an interest rate of 2% with a maturity of 18 months.

(b) Borrowings from foreign banks and financial institutions

The Bank obtained new borrowings for an amount of USD 6,000 thousand, USD 7,000 thousand and USD 10,000 thousand at an interest rate of 9.7%, 9.8% and 9.7% p.a. respectively, with maturities ranging from 30 months to 37 months.

The Bank repaid borrowings for an amount of USD 3,088 thousand, USD 7,777 thousand and USD 100,000 thousand at an interest rate of 7.1%, 5.2% and 1.9% p.a. respectively.

21 Debt securities in Issue

On 20 May, 2024, the Bank issued USD 300 million senior notes on a standalone basis with a coupon rate of 11% and a three-year term in the international debt market.

<i>In thousands of Mongolian Tugriks</i>	30 June 2024	31 December 2023
Bond payable	997,760,687	-
Total debt securities in issue	997,760,687	-

22 REPO Arrangements

As of 30 June 2024, MNT 21,476,245 thousands (31 December 2023, MNT 547,659,994 thousands) of sale and repurchase agreements relate to placements from local banks bearing interest rate ranging from 7.0% to 14.0% p.a. with original maturities of 365 and 1095 days (2023: 5-1095 days). These placements are fully collateralized by the Bank of Mongolia treasury bills, SFC senior bonds at FVTPL and corporate bonds disclosed in Note 9.

As of 30 June 2024, the Bank entered into MNT 138,610,677 thousands (31 December 2023: MNT 164,014,169 thousands) of sale and repurchase agreements to increase its USD reserves. These placements are fully collateralized by the corporate bond at FVTOCI bills disclosed in Note 9.

23 Other Liabilities

Other liabilities comprise the following:

<i>In thousands of Mongolian Tugriks</i>	30 June 2024	31 December 2023
Other financial liabilities at AC:	305,392,345	183,426,999
Liabilities for settlements of transactions	240,806,039	163,115,308
Liabilities for loans sold to MIK with recourse	42,187,945	581,652
Provision for credit related commitments	1,974,670	2,848,492
Other	20,423,691	16,881,547
Other non-financial liabilities:	23,780,776	20,808,172
Tax payables other than on income	4,303,645	8,771,190
Payables to employees	14,096,306	10,220,723
Other	5,380,825	1,816,259
Total other liabilities	329,173,121	204,235,171

24 Share Capital

<i>In thousands of Mongolian Tugriks except for number of shares</i>	Number of out-standing shares	Ordinary shares	Share premium	Total
At 1 January 2024	808,657,306	202,164,327	301,481,120	503,645,447
New shares issued	-	-	-	-
Treasury stocks	-	-	-	-
Share retirement	-	-	-	-
At 30 June 2024	808,657,306	202,164,327	301,481,120	503,645,447

The nominal registered amount of the Bank's issued share capital is MNT 202,164,327 thousands. Share premium represents the excess of contributions received over the nominal value of shares issued.

Ordinary shares:

The total authorised number of ordinary shares is 808,657,306 shares (31 December 2023: 808,657,306 shares), with a par value of MNT 250 per share (2023: MNT 250 per share).

The shareholders of the Bank as of 30 June 2024 and the percentages of ownership are as follows:

Shareholder	30 June 2024	31 December 2023
	Ownership (%)	Ownership (%)
Golomt Financial Group Co.,Ltd	77.20%	77.20%
Swiss-Mo Investment A.G	5.21%	5.21%
Bodi International Co.,Ltd	3.42%	3.42%
Golomt Investment Limited Co.,Ltd	2.57%	2.57%
Public shares	11.60%	11.60%
Total	100%	100%

25 Interest Income and Expense

<i>In thousands of Mongolian Tugriks</i>	Six months ended 30 June 2024	Six months ended 30 June 2023
Interest income calculated using the effective interest method		
Loans and advances to customers at AC	391,518,125	256,950,766
Debt securities at AC	74,017	301,236
Debt securities FVTOCI	76,714,174	77,938,943
Due from other banks at AC	6,404,730	12,037,205
Cash deposited in the Bank of Mongolia	11,268,765	12,817,759
Reverse repurchase agreements at AC	535,016	578,514
Total interest income calculated using the effective interest method	486,514,827	360,624,423
Other similar income		
Loans and advances to customers at FVTPL	13,483,224	12,121,634
Debt securities FVTPL	15,972,997	11,271,468
Total other similar income	29,456,221	23,393,102
Total interest income	515,971,048	384,017,525
Interest expense		
Customer accounts	(192,999,683)	(114,118,095)
Debt securities in issued	(14,050,899)	-
Other borrowed funds	(33,285,244)	(38,092,580)
Due to other banks	(1,014,630)	(701,776)
Repurchase agreements	(10,764,466)	(6,696,582)
Total interest expense	(252,114,922)	(159,609,033)
Other similar expense		
Interest expense related to lease liabilities	(1,509,801)	(888,884)
Total other similar expense	(1,509,801)	(888,884)
Total interest and other similar expense	(253,624,723)	(160,497,917)
Net interest income	262,346,325	223,519,608

26 Fee and Commission Income and Expense

<i>In thousands of Mongolian Tugriks</i>	Six months ended 30 June 2024	Six months ended 30 June 2023
Fee and commission income		
Commissions on operations with plastic cards	31,679,360	25,848,843
Remittance and other service fees	14,646,936	11,579,240
Commissions on documentary business and guarantees	5,193,868	4,751,619
Account service fee and commissions	2,158,272	2,595,716
Brokerage and other service fee	3,768,256	3,287,482
Total fee and commission income	57,446,692	48,062,900
Fee and commission expense		
Commissions on operations with plastic cards	(25,920,552)	(20,599,225)
Bank service expense	(7,278,790)	(5,818,192)
Online transaction expense	(1,306,498)	(821,431)
Brokerage and other service fee	(427,481)	(33,396)
Total fee and commission expense	(34,933,321)	(27,272,244)
Net fee and commission income	22,513,371	20,790,656

27 Other Operating Income

<i>In thousands of Mongolian Tugriks</i>	Six months ended 30 June 2024	Six months ended 30 June 2023
Rental income	1,166,227	875,677
Other income	13,901	59,077
Total other operating income	1,180,128	934,754

28 Administrative and Other Operating Expenses

<i>In thousands of Mongolian Tugriks</i>	Note	Six months ended 30 June 2024	Six months ended 30 June 2023
Staff costs		52,857,296	39,585,644
Information, consulting and other professional services		28,950,713	16,526,709
Depreciation of premises and equipment	15	12,163,552	10,500,968
Depreciation of right of use assets	16	4,262,893	3,560,182
Amortisation of software and other intangible assets	14	3,913,711	3,249,695
Advertising and marketing services		1,305,039	1,203,761
Stationery expense		2,093,110	1,991,770
Security expense		1,399,901	1,187,921
Taxes (other than income tax)		1,195,280	1,989,967
Loan collection expenses		1,991,729	1,320,951
Telecommunications expense		1,997,301	1,313,059
Short term lease expense		445,956	306,072
Office cleaning expense		1,382,833	1,065,763
Utilities		1,110,155	1,000,022
Voluntary and mandatory insurance		692,202	589,573
Transportation		996,969	899,362
Entertainment		692,329	331,371
Travelling expenses		1,061,545	613,603
Donations		528,258	391,930
Customer engagement expenses		2,430,363	1,670,075
Other		3,197,972	3,190,776
Total administrative and other operating expenses		124,669,107	92,489,174

<i>In thousands of Mongolian Tugriks</i>	Six months ended 30 June 2024	Six months ended 30 June 2023
Staff costs consist of:		
Salaries, wages and bonus	46,520,223	34,281,398
Contribution to social and health fund	5,284,821	4,169,873
Staff benefits	489,525	749,954
Pension fund	250,622	144,842
Staff training	312,105	239,577
Total staff costs	52,857,296	39,585,644

29 Other gains/(losses), net

<i>In thousands of Mongolian Tugriks</i>	Six months ended 30 June 2024	Six months ended 30 June 2023
Gains less losses on disposal of premises and equipment	78,614	122,697
Losses less gains on disposal of asset held for sale	(1,269,765)	18,220
Loss on write-off of premises and equipment	(1,017)	(736)
Total other gains/(losses), net	(1,192,168)	140,181

30 Income Taxes

The Bank calculates the period income tax expense using the tax rate that would be applicable to expected total annual earnings, i.e. the estimated average annual effective income tax rate applied to the pre-tax income of the interim period.

Income tax expense recorded in profit or loss for the period comprises the following:

<i>In thousands of Mongolian Tugriks</i>	Six months ended 30 June 2024	Six months ended 30 June 2023
Current tax	45,120,137	53,732,440
Deferred tax	38,122,004	(26,539,197)
Income tax expense for the period	83,242,141	27,193,243

31 Dividends

<i>In thousands of Mongolian Tugriks</i>	Six months ended 30 June 2024		Six months ended 30 June 2023	
	Ordinary	Preference	Ordinary	Preference
Dividends payable at 1 January				
Dividends declared during the year	72,779,158	-	40,432,865	-
Dividends paid during the year	(72,779,158)	-	(40,432,865)	-
Dividends payable	-	-	-	-
Dividend per share	36.0%	-	20.0%	-

32 Earnings per Share

Basic earnings per share are calculated by dividing the profit or loss by the weighted average number of ordinary shares in issue during the period, excluding treasury shares. Diluted earnings per share are resulted from share options and share appreciation for current employees. Basic and diluted earnings per share are calculated as follows:

<i>In thousands of Mongolian Tugriks /except for earning per share/</i>	Six months ended 30 June 2024	Six months ended 30 June 2023
Profit for the period attributable to the shareholders of the Bank	275,772,237	113,927,641
Weighted average number of ordinary shares in issue (thousands)	808,657	808,657
Effect of dilution:		
Shares options and share appreciation	-	165
Weighted average number of ordinary shares adjusted for the effect of dilution (thousands)	808,657	808,822
Basic earnings per share	341.02	140.88
Diluted earnings per share	341.02	140.86

33 Segment Analysis

Operating segments are components that engage in business activities that may earn revenues or incur expenses, whose operating results are regularly reviewed by the chief operating decision maker (CODM), and for which discrete financial information is available. The CODM is the person – or group of persons – who allocates resources and assesses the performance for the entity. The functions of the CODM are performed by the Board of Directors of the Bank.

(a) Description of products and services from which each reportable segment derives its revenue

The Bank is organised on the basis of four main business segments:

Retail banking – incorporating banking services such as customer current accounts, savings and fixed deposits to individuals. Retail lending are mainly consumer loans and mortgages.

Mortgages – incorporating the provision of mortgage finance;

SME banking – representing current accounts, deposits, overdrafts, loan and other credit facilities, foreign currency and other products to SME customers;

Corporate – incorporating banking services such as current accounts, fixed deposits, overdrafts, loans and other credit facilities both in local and foreign currencies;

Other – including central treasury - Funding and centralised risk management activities through borrowings and investing in liquid assets such as short-term placements and corporate and government debt securities. Income and expenses that have not been allocated to the reportable segments as they are deemed to contribute to the overall performance of the Bank rather than a particular segment is also presented in the other segment.

(b) Factors that management used to identify the reportable segments

The Bank's segments are strategic business units that focus on different customers. They are managed separately because each business unit requires different marketing strategies and service level.

(c) Measurement of operating segment profit or loss, assets and liabilities

The CODM reviews financial information prepared based on accounting under International Financial Reporting Standards. The CODM evaluates performance of each segment based on profit before tax.

33 Segment Analysis (continued)

Segment information for the reportable segments as of and for the period ended 30 June 2024 is set out below:

	30 June 2024				
<i>In thousands of Mongolian Tugriks</i>	Corporate	SME	Retail	Other	Total
Loans and advances to customers	1,894,901,394	1,588,252,931	3,036,483,175	-	6,519,637,500
Customer accounts	3,039,990,164	1,509,568,004	3,732,618,258	-	8,282,176,426
Investments in debt securities	280,078,168	-	-	2,061,660,930	2,341,739,098
Investments in equity securities	69,013,170	373,638	-	71,564	69,458,372
	For the six months ended 30 June 2024				
<i>In thousands of Mongolian Tugriks</i>	Corporate	SME	Retail	Other	Total
Interest and other similar income	111,725,591	118,104,403	185,736,033	100,405,021	515,971,048
Interest and other similar expense	(52,361,596)	(16,107,966)	(129,335,003)	(55,820,158)	(253,624,723)
Net internal Funds Transfer Pricing ("FTP") income/expense	5,216,500	(19,843,686)	51,443,689	(36,816,503)	-
Net interest income	64,580,495	82,152,751	107,844,719	7,768,360	262,346,325
Reversal of expected credit loss	5,301,486	5,379,559	3,982,966	886,045	15,550,056
Net interest income after expected credit loss	69,881,981	87,532,310	111,827,685	8,654,405	277,896,381
Fee and commission income	6,160,052	19,861,850	31,251,579	173,211	57,446,692
Fee and commission expense	(5,657,452)	(9,185,202)	(16,742,123)	(3,348,544)	(34,933,321)
Net other non-interest income/expense	11,445,544	7,713,479	8,457,868	155,656,842	183,273,733
Administrative and other operating expenses	(23,765,563)	(24,364,255)	(51,367,262)	(25,172,027)	(124,669,107)
Profit before tax	58,064,562	81,558,182	83,427,747	135,963,887	359,014,378

33 Segment Analysis (continued)

Internal charges and transfer pricing adjustments have reflected in the performance of each business segment. More specific information on the revenues from external customers for each product and services, or each group of similar products and services is not available and the cost to develop such information is high. Hence the Bank presents operating segments on the basis of the four main segments.

Segment information for the reportable segments as of 31 December 2023 and for the period ended 30 June 2023 is set out below:

<i>In thousands of Mongolian Tugriks</i>	31 December 2023				
	Corporate	SME	Retail	Other	Total
Loans and advances to customers	1,310,692,932	1,206,723,110	2,194,692,663	-	4,712,108,705
Customer accounts	3,124,424,067	1,441,420,318	3,470,789,270	-	8,036,633,655
Investments in debt securities	310,067,985	-	-	1,423,024,635	1,733,092,620
Investments in equity securities	23,634,110	373,638	-	75,075	24,082,823
<i>In thousands of Mongolian Tugriks</i>	For the six months ended 30 June 2023				
	Corporate	SME	Retail	Other	Total
Interest and other similar income	76,752,476	62,733,850	128,367,253	116,163,946	384,017,525
Interest and other similar expense	(19,801,810)	(10,320,555)	(89,014,777)	(41,360,775)	(160,497,917)
Net internal Funds Transfer Pricing (“FTP”) income/expense	(6,900,702)	(2,645,876)	42,622,344	(33,075,766)	-
Net interest income	50,049,964	49,767,419	81,974,820	41,727,405	223,519,608
Reversal of expected credit loss	10,010,647	4,457,737	17,838,977	1,285,977	33,593,338
Net interest income after expected credit loss	60,060,611	54,225,156	99,813,797	43,013,382	257,112,946
Fee and commission income	5,915,796	14,687,750	27,115,615	343,739	48,062,900
Fee and commission expense	(3,943,013)	(7,313,364)	(13,125,247)	(2,890,620)	(27,272,244)
Net other non-interest income/expense	4,925,409	8,072,440	7,242,872	(64,534,265)	(44,293,544)
Administrative and other operating expenses	(20,338,174)	(16,179,237)	(53,428,446)	(2,543,317)	(92,489,174)
Profit before tax	46,620,629	53,492,745	67,618,591	(26,611,081)	141,120,884

34 Financial Risk Management

The risk management within the bank is carried out with respect to financial risks, operational risk, compliance risk, counterparty and third-party risk, reputational risk, technology risk, legal risks and as well as risks that emerge from time to time. Financial risk comprises market risk (including currency risk, interest rate risk and other price risks), credit risk and liquidity risk.

Monitoring and controlling risks are primarily performed based on limits established by the relevant committees of the Bank. These limits reflect the business strategy and market environment of the bank as well as level of risk that the bank is willing to accept. The financial risk management policies were same as those described in the last annual financial statements.

34.1 Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Bank is exposed to daily calls on its available cash resources from overnight deposits, current accounts, maturing deposits, loan drawdowns, guarantees and from margin and other calls on cash-settled derivative instruments. The Bank does not maintain cash resources to meet all of these needs as experience shows that a minimum level of reinvestment of maturing funds can be predicted with a high level of certainty.

The Bank's liquidity risk management framework is designed to measure and manage liquidity at various levels of consolidation such that short- and medium-term payment obligations could be met under normal or stressed conditions. Liquidity management is implemented centrally on a real-time basis by the Treasury Division through all the bank's divisions and branches, in accordance with the forecasts and internal requirements and the director of the Treasury Division is consulted on each major credit decision regarding the impact of credit on overall liquidity position. The Board's Risk management committee sets liquidity risk standards in accordance with regulatory requirements and international best practice, thereby establishing a comprehensive framework to the bank's liquidity risk management. As part of a comprehensive liquidity risk evaluation, the ALCO incorporates and monitors the cumulative effect of the following factors: (i) short- and long-term cash flow management; (ii) maintaining a structurally sound balance sheet; (iii) foreign currency liquidity management; (iv) preserving a diversified funding base; (v) undertaking regular liquidity stress testing; and (vi) maintaining adequate liquidity contingency plans.

The Bank calculates liquidity ratios on a daily basis in accordance with the requirement of the Central Bank of Mongolia. The liquidity ratio during the period was as follows:

	30 June 2024	31 December 2023
Liquidity performance of the year end	33.67%	39.10%
Average during the period	38.04%	45.55%
Highest	45.77%	41.30%
Lowest	30.81%	30.98%

The Bank conducts the liquidity stress test in order to identify the sudden and severe stress events and ensure the adequate liquidity even after the economic shocks. Risk Appetite Statement defines the amount of liquidity buffer to add to absorb liquidity-related shocks and maintain the flow of lending to the real economy. The table below shows the assets and liabilities as at 30 June 2024 and 31 December 2023 by their remaining contractual maturity.

The amounts of liabilities disclosed in the maturity table are the contractual undiscounted cash flows, including gross finance lease obligations (before deducting future finance charges), gross loan commitments and financial guarantees. Such undiscounted cash flows differ from the amount included in the statement of financial position because the amount in the statement of financial position is based on discounted cash flows. Financial derivatives are included at the contractual amounts to be paid or received unless the Bank expects to close the derivative position before its maturity date in which case the derivatives are included based on the expected cash flows. For the purposes of the maturity analysis, embedded derivatives are not separated from hybrid (combined) financial instruments.

34 Financial Risk Management (continued)

34.1 Liquidity risk, continued

34.1.1 The maturity analysis of financial instruments based on undiscounted contractual obligation at 30 June 2024 is as follows:

<i>In thousands of Mongolian Tugriks</i>	Demand and less than 1 month	From 1 to 6 months	From 6 to 12 months	From 12 months to 5 years	Over 5 years	Total
Assets						
Cash and balances with the Bank of Mongolia	1,007,331,561	-	-	-	-	1,007,331,561
Mandatory cash balances with the Bank of Mongolia	448,791,626	-	-	-	-	448,791,626
Due from other banks	574,923,171	66,265,838	365,864,499	-	-	1,007,053,508
Investments in debt securities	1,406,434,812	-	2,870,102	729,410,991	815,056,964	2,953,772,869
Investments in equity securities	69,458,372	-	-	-	-	69,458,372
Loans and advances to customers	243,296,107	1,066,933,922	1,039,652,829	4,356,531,845	2,415,032,687	9,121,447,390
Derivative financial instruments-asset	14,645,408	4,521,770	69,915,556	159,050,116	-	248,132,850
- inflows	14,645,408	27,647,275	383,938,834	1,403,206,828	-	1,829,438,345
- outflows	-	(23,125,505)	(314,023,278)	(1,244,156,712)	-	(1,581,305,495)
Other financial assets	58,655,038	610,743	9,245,168	63,821	-	68,574,770
	3,823,536,095	1,138,332,273	1,487,548,154	5,245,056,773	3,230,089,651	14,924,562,946
Total Financial Assets						
Liabilities						
Due to other banks	121,824,426	-	-	-	-	121,824,426
Customer accounts						
- Current accounts	4,274,043,907	-	-	-	-	4,274,043,907
- Demand deposits	540,070,959	-	-	-	-	540,070,959
- Term deposits	530,624,989	1,619,655,013	1,367,283,657	116,044,346	5,098,873	3,638,706,878
Other borrowed funds	3,658,949	94,572,940	829,402,213	315,599,545	35,253,808	1,278,487,455
Debt Securities in Issue	-	56,245,851	55,328,799	1,237,464,300	-	1,349,038,950
REPO arrangements	-	146,510,079	20,474,586	-	-	166,984,665
Derivative financial liabilities	1,449,176	194,015	566,585	-	-	2,209,776
- inflows	-	(11,529,085)	(172,796,232)	-	-	(184,325,317)
- outflows	1,449,176	11,723,100	173,362,817	-	-	186,535,093
Other financial liabilities	295,233,873	2,060,473	8,065,059	32,940	-	305,392,345
	5,766,906,279	1,919,238,371	2,281,120,899	1,669,141,131	40,352,681	11,676,759,361
Total Financial Liabilities						
Credit related commitments	1,540,219,616	-	-	-	-	1,540,219,616
Guarantee and LC	827,502,911	-	-	-	-	827,502,911
Credit Line undrawn	712,716,705	-	-	-	-	712,716,705
Net Gap	(3,483,589,800)	(780,906,098)	(793,572,745)	3,575,915,642	3,189,736,970	1,707,583,969
Accumulated Net Gap	(3,483,589,800)	(4,264,495,898)	(5,058,068,643)	(1,482,153,001)	1,707,583,969	

34 Financial Risk Management (continued)

34.1 Liquidity risk, continued

34.1.2 The maturity analysis of financial instruments based on undiscounted contractual obligation at 31 December 2023 is as follows:

<i>In thousands of Mongolian Tugriks</i>	Demand and less than 1 month	From 1 to 6 months	From 6 to 12 months	From 12 months to 5 years	Over 5 years	Total
Assets						
Cash and balances with the Bank of Mongolia	1,717,584,758	-	-	-	-	1,717,584,758
Mandatory cash balances with the Bank of Mongolia	468,929,955	-	-	-	-	468,929,955
Reverse sale and repurchase agreement	646,835,976	-	-	-	-	646,835,976
Due from other banks	658,048,221	391,330,142	14,801,796	345,577,143	-	1,409,757,302
Investments in debt securities	651,385,000	363,050,731	56,513,798	421,755,038	816,525,253	2,309,229,820
Investments in equity securities	24,082,823	-	-	-	-	24,082,823
Loans and advances to customers	343,322,244	731,184,531	845,069,668	2,831,760,149	1,896,510,622	6,647,847,214
Derivative financial assets	202,709	84,031,984	4,772,182	113,380,045	-	202,386,920
- inflows	202,709	370,874,015	28,239,806	577,685,345	-	977,001,874
- outflows	-	(286,842,031)	(23,467,624)	(464,305,299)	-	(774,614,954)
Other financial assets	51,677,977	212,790	949,572	2,862,828	60,974	55,764,141
Total Financial Assets	4,562,069,663	1,569,810,178	922,107,016	3,715,335,203	2,713,096,849	13,482,418,909
Liabilities						
Due to other banks	131,113,624	-	-	-	-	131,113,624
Customer accounts						
- Current/settlement accounts	4,062,711,279	-	-	-	-	4,062,711,279
- Demand deposits	516,937,911	-	-	-	-	516,937,911
- Term deposits	519,179,537	1,877,114,400	1,071,897,580	109,501,940	7,821,031	3,585,514,488
Other borrowed funds	295,054	412,963,195	121,045,686	930,428,197	35,164,709	1,499,896,841
REPO arrangements	503,300,337	26,905,191	179,262,751	20,401,926	-	729,870,205
Derivative financial liabilities	127,797	2,685,645	77,496	-	-	2,890,938
- inflows	-	(51,926,634)	(11,793,209)	-	-	(63,719,843)
- outflows	127,797	54,612,279	11,870,705	-	-	66,610,781
Other financial liabilities	182,888,614	351,037	93,782	93,566	-	183,426,999
Total Financial Liabilities	5,916,554,153	2,320,019,468	1,372,377,295	1,060,425,629	42,985,740	10,712,362,285
Credit related commitments	1,346,547,369	-	-	-	-	1,346,547,369
Guarantee and LC	776,594,051	-	-	-	-	776,594,051
Credit Line undrawn	569,953,318	-	-	-	-	569,953,318
Net Gap	(2,701,031,859)	(750,209,290)	(450,270,279)	2,654,909,574	2,670,111,109	1,423,509,255
Accumulated Net Gap	(2,701,031,859)	(3,451,241,149)	(3,901,511,428)	(1,246,601,854)	1,423,509,255	

34 Financial Risk Management (continued)

34.1 Liquidity risk, continued

34.1.3 The Bank does not use the above maturity analysis based on undiscounted contractual maturities of liabilities to manage liquidity. Instead, the Bank monitors expected maturities and the resulting expected liquidity gap. The maturity analysis of financial instruments of the Bank at 30 June 2024:

<i>In thousands of Mongolian Tugriks</i>	Demand and less than 1 month	From 1 to 6 months	From 6 to 12 months	From 12 months to 5 years	Over 5 years	Total
Assets						
Cash and balances with the Bank of Mongolia	1,007,331,561	-	-	-	-	1,007,331,561
Mandatory cash balances with the Bank of Mongolia	448,791,626	-	-	-	-	448,791,626
Due from other banks	574,887,785	65,639,842	363,038,488	-	-	1,003,566,115
Investments in debt securities	1,401,802,144	-	2,777,886	599,348,837	337,810,231	2,341,739,098
Investments in equity securities	69,458,372	-	-	-	-	69,458,372
Loans and advances to customers	167,626,563	706,529,009	717,587,910	3,396,207,538	1,531,686,480	6,519,637,500
Derivative financial instruments-asset	14,645,408	4,521,770	69,915,556	159,050,116	-	248,132,850
- inflows	14,645,408	27,647,275	383,938,834	1,403,206,828	-	1,829,438,345
- outflows	-	(23,125,505)	(314,023,278)	(1,244,156,712)	-	(1,581,305,495)
Other financial assets	58,655,038	610,743	9,245,168	63,821	-	68,574,770
Total Financial Assets	3,743,198,497	777,301,364	1,162,565,008	4,154,670,312	1,869,496,711	11,707,231,892
Liabilities						
Due to other banks	121,670,181	-	-	-	-	121,670,181
Customer accounts						
- Current accounts	639,493,665	238,851,984	631,814,022	488,317,641	2,275,566,595	4,274,043,907
- Demand deposits	80,806,834	30,181,492	79,836,429	61,704,134	287,542,070	540,070,959
- Term deposits	528,791,755	1,581,148,534	1,248,380,661	104,641,736	5,098,874	3,468,061,560
Other borrowed funds	3,650,146	93,230,232	816,500,880	254,150,199	28,415,847	1,195,947,304
Debt securities in Issue	-	-	-	997,760,687	-	997,760,687
REPO arrangements	-	140,369,482	19,717,440	-	-	160,086,922
Derivative financial liabilities	1,449,176	194,015	566,585	-	-	2,209,776
- inflows	-	(11,529,085)	(172,796,232)	-	-	(184,325,317)
- outflows	1,449,176	11,723,100	173,362,817	-	-	186,535,093
Other financial liabilities	295,233,873	2,060,473	8,065,059	32,940	-	305,392,345
Total Financial Liabilities	1,671,095,630	2,086,036,212	2,804,881,076	1,906,607,337	2,596,623,386	11,065,243,641
Liquidity gap arising from financial instruments	2,072,102,867	(1,308,734,848)	(1,642,316,068)	2,248,062,975	(727,126,675)	641,988,251
Accumulated Net Gap	2,072,102,867	763,368,019	(878,948,049)	1,369,114,926	641,988,251	

34 Financial Risk Management (continued)

34.1 Liquidity risk, continued

34.1.4 The Bank does not use the above maturity analysis based on undiscounted contractual maturities of liabilities to manage liquidity. Instead, the Bank monitors expected maturities and the resulting expected liquidity gap. The maturity analysis of financial instruments of the Bank at 31 December 2023:

<i>In thousands of Mongolian Tugriks</i>	Demand and less than 1 month	From 1 to 6 months	From 6 to 12 months	From 12 months to 5 years	Over 5 years	Total
Assets						
Cash and balances with the Bank of Mongolia	1,717,584,758	-	-	-	-	1,717,584,758
Mandatory cash balances with the Bank of Mongolia	468,929,955	-	-	-	-	468,929,955
Reverse sale and repurchase agreement	646,835,976	-	-	-	-	646,835,976
Due from other banks	657,959,541	388,664,714	14,801,245	342,228,833	-	1,403,654,333
Investments in debt securities	647,957,515	348,407,445	52,540,943	361,673,835	322,512,882	1,733,092,620
Investments in equity securities	24,082,823	-	-	-	-	24,082,823
Loans and advances to customers	282,947,434	478,566,056	613,929,774	2,124,619,840	1,212,045,601	4,712,108,705
Derivative financial assets	202,709	84,031,984	4,772,182	113,380,045	-	202,386,920
- inflows	202,709	370,874,014	28,239,806	577,685,345	-	977,001,874
- outflows	-	(286,842,030)	(23,467,624)	(464,305,300)	-	(774,614,954)
Other financial assets	51,677,977	212,790	949,572	2,862,828	60,974	55,764,141
Total Financial Assets	4,498,178,688	1,299,882,989	686,993,716	2,944,765,381	1,534,619,457	10,964,440,231
Liabilities						
Due to other banks	130,991,856	-	-	-	-	130,991,856
Customer accounts						
- Current/settlement accounts	607,873,522	227,041,806	600,573,604	464,172,486	2,163,049,861	4,062,711,279
- Demand deposits	77,345,607	28,888,717	76,416,768	59,061,139	275,225,680	516,937,911
- Term deposits	517,453,008	1,837,676,695	997,170,071	96,863,660	7,821,031	3,456,984,465
Other borrowed funds	293,607	411,058,436	112,025,539	859,548,306	28,002,834	1,410,928,722
REPO arrangements	502,920,576	26,597,847	163,097,346	19,058,394	-	711,674,163
Derivative financial liabilities	127,797	2,685,645	77,496	-	-	2,890,938
- inflows	-	(51,926,634)	(11,793,209)	-	-	(63,719,843)
- outflows	127,797	54,612,279	11,870,705	-	-	66,610,781
Other financial liabilities	182,888,614	351,037	93,782	93,566	-	183,426,999
Total Financial Liabilities	2,019,894,587	2,534,300,183	1,949,454,606	1,498,797,551	2,474,099,406	10,476,546,333
Liquidity gap arising from financial instruments	2,478,284,101	(1,234,417,194)	(1,262,460,890)	1,445,967,830	(939,479,949)	487,893,898
Accumulated Net Gap	2,478,284,101	1,243,866,907	(18,593,983)	1,427,373,847	487,893,898	

34 Financial Risk Management (continued)

34.1 Liquidity risk, continued

The entire portfolio of trading securities is classified within demand and less than one month based on management's assessment of the portfolio's reliability.

The matching and/or controlled mismatching of the maturities and interest rates of assets and liabilities is fundamental to the management of the Bank. It is unusual for banks ever to be completely matched since business transacted is often of an uncertain term and of different types. An unmatched position potentially enhances profitability but can also increase the risk of losses. The maturities of assets and liabilities and the ability to replace, at an acceptable cost, interest-bearing liabilities as they mature, are important factors in assessing the liquidity of the Bank and its exposure to changes in interest and exchange rates.

The management believes that in spite of a substantial portion of customer accounts being on demand, diversification of these deposits by number and type of depositors, and the past experience of the Bank would indicate that these customer accounts provide a long-term and stable source of funding for the Bank.

Liquidity requirements in respect of guarantees and letters of credit are considerably lower than the amount of the related commitment because the Bank does not generally expect a third party to draw funds under the agreement. The total outstanding contractual amount of commitments to extend credits does not necessarily represent future cash requirements, since many of these commitments will expire or terminate without being funded.

The transition changes to systems, processes, risk management and valuation models, as well as managing tax and accounting implications. The Bank continue to monitor market developments in relation to the transition and their impact on the Bank's financial assets and liabilities to ensure that there are no unexpected consequences or disruptions from the transitions.

The Bank is working with its customers and other counterparties, such as international financial institutions to perform a transition of legacy IBOR-based financial instruments. The Bank is also enhancing its IT systems and internal processes to ensure smooth transition from IBOR to alternative benchmark interest rates.

In addition, the Rate Benchmark reform achieved important milestones for the following financial period:

- has successfully transitioned all derivatives referencing LIBORs that ceased publication on 21 December 2021.
- According to the transition, all swap contracts' fair value measurements adjusted through the Risk-free Reference rate method.

35 Management of Capital

The Bank's capital management has the following objectives: to observe the capital requirements established by the Central Bank, namely the requirements of the deposit insurance system; to maintain the Bank's operations as a going concern and to maintain its capital base at the level necessary to ensure a 12% (2023:12%) risk weighted capital ratio and 9%+4% conservation buffer (2023: 9%+4%) core capital ratio in accordance with the requirements set by the Bank of Mongolia. The control over compliance with the capital adequacy ratio set by the Bank of Mongolia is exercised daily on the basis of estimated and actual data as well as on the basis of monthly reports that contain corresponding calculations that are controlled by the Chairman of the Board of Directors and Chief Accountant of the Bank.

The Bank is keen on maintaining the necessary capital level in order to preserve the confidence of creditors, investors and the market as a whole as well as to develop the future activity of the Bank. In accordance with the current capital requirements set by the Central Bank, the banks should maintain the ratio of capital to risk weighted assets (capital adequacy ratio) above the prescribed minimum level.

The table below shows the regulatory capital structure prepared in accordance with the requirements of the Bank of Mongolia legislation based on unaudited financial statements that were submitted by the Bank to BoM:

	30 June 2024	31 December 2023
Core capital ratio	14.45%	15.86%
Risk weighted capital ratio	14.45%	15.86%
<u>Tier I capital</u>		
Ordinary shares	202,164,327	202,164,327
Share premium	301,481,120	301,481,120
Retained earnings	620,184,897	436,232,258
Other components of equity	225,803	230,804
Treasury stock	-	-
Total Tier I Capital	1,124,056,147	940,108,509
<u>Tier II capital</u>		
Preferred shares	-	-
Treasury stock/ Preferred shares	-	-
Total Tier II Capital	-	-
Total capital/capital base	1,124,056,147	940,108,509

The equity capital of the Bank amounted to MNT 1,124,056,147 thousand as of 30 June 2024 (31 December 2023: MNT 940,108,509 thousand) as per unaudited financial statements that were submitted by the Bank to BoM.

Statutory Core Capital Adequacy Ratio and Risk Weighted Capital Adequacy Ratio are different from those above as they are calculated based on the Bank of Mongolia accounting manual. The Bank of Mongolia has the right to request the Bank to provide additional provision for statutory accounting purposes.

The breakdown of risk weighted assets into the various categories of risk weights as at 30 June 2024 is as follows:

<i>In thousands of Mongolian Tugriks</i>	30 June 2024	31 December 2023
	Risk Weighted Assets	Risk Weighted Assets
Total	7,777,069,189	5,926,932,112

The Bank has complied with all externally imposed capital requirements as of 30 June 2024 and as of 31 December 2023.

36 Contingencies and Commitments

Legal proceedings. In the normal course of business, there are cases in which the Bank receives a claim against it. The Bank has formal controls and policies for managing legal claims. If management decides that there is material impact to the Bank, based on its own estimates and internal professional advice; the Bank makes adjustments to account for any adverse effects which claims may have on its financial statements. As of 30 June 2024, MNT 559 thousand (31 December 2023: MNT 801 thousand) provision was booked due to legal claims.

Tax legislation. Mongolian tax, currency and customs legislation is subject to varying interpretations, and changes, which can occur frequently. Management's interpretation of such legislation on as applied to the transactions and activity of the Bank may be challenged by the relevant authorities.

The Mongolian tax authorities may be taking a more assertive position in their interpretation of the legislation and assessments, and it is possible that transactions and activities that have not been challenged in the past may be challenged by tax authorities. As a result, significant additional taxes, penalties and interest may be assessed. Fiscal periods remain open to review by the authorities in respect of taxes for five calendar years preceding the year of review. Under certain circumstances reviews may cover longer periods.

The Mongolian tax legislation does not provide definitive guidance in certain areas, specifically in areas such as VAT, withholding tax, corporate income tax, personal income tax, transfer pricing and other areas. From time to time, the Bank adopts interpretations of such uncertain areas that reduce the overall tax rate of the Bank. As noted above, such tax positions may come under heightened scrutiny as a result of recent developments in administrative and court practices. The impact of any challenge by the tax authorities cannot be reliably estimated; however, it may be significant to the financial position and/or the overall operations of the entity.

Management believes that its interpretation of the relevant legislation is appropriate and the Bank's positions related to tax and other legislation will be sustained. Management believes that tax and legal risks are remote at present. The management performs regular re-assessment of tax risk and its position may change in the future as a result of the change in conditions that cannot be anticipated with sufficient certainty at present.

Compliance with covenants. The Bank is subject to certain covenants related to other borrowed funds obtained under a certain project. As disclosed in Notes 20, there were no breaches of covenants that would not require immediate repayment of the borrowings as of 30 June 2024.

Credit related commitments. To meet the financial needs of customers, the Bank enters into various irrevocable commitments and contingent liabilities. Even though these obligations may not be recognised on the statement of financial position, they do contain credit risk and are therefore part of the overall risk of the Bank.

The primary purpose of these instruments is to ensure that funds are available to a customer as required. Guarantees, which represent irrevocable assurances that the Bank will make payments in the event that a customer cannot meet its obligations to third parties, carry the same credit risk as loans. Documentary and commercial letters of credit, which are written undertakings by the Bank on behalf of a customer authorising a third party to draw drafts on the Bank up to a stipulated amount under specific terms and conditions, are collateralised by the underlying shipments of goods to which they relate or cash deposits and therefore carry less risk than a direct borrowing.

Commitments to extend credit represent unused portions of authorisations to extend credit in the form of loans, guarantees or letters of credit. With respect to credit risk on commitments to extend credit, the Bank is potentially exposed to loss in an amount equal to the total unused commitments.

36 Contingencies and Commitments (continued)

However, the likely amount of loss is less than the total unused commitments since most commitments to extend credit are contingent upon customers maintaining specific credit standards.

<i>In thousands of Mongolian Tugriks</i>	30 June 2024	31 December 2023
Financial guarantees issued	71,790,813	67,081,997
Performance guarantees issued	396,398,778	386,870,682
Letters of credit	359,313,320	322,641,372
Undrawn credit lines	712,716,705	569,953,318
Total credit related commitments	1,540,219,616	1,346,547,369
Less: Expected credit loss allowance for impairment of credit related commitments	(1,974,670)	(2,848,492)
Total credit related commitments	1,538,244,946	1,343,698,877

Assets pledged and restricted. Mandatory cash balances with the Bank of Mongolia in the amount of MNT 448,791,626 thousand as of 30 June 2024 (31 December 2023: MNT 468,929,955) represent mandatory reserve deposits, which are not available to finance the Bank's day-to-day operations.

Treasury bills of the Bank of Mongolia with nominal amount of MNT 41,000,000 thousand (31 December 2023: MNT 522,400,000 thousands) were collateralised by Repo arrangement and MNT 9,200,000 thousands with maturity of 28 days were collateralised by Project on gold production-2 with Bank of Mongolia, respectively.

Government bonds with nominal amount of MNT 243,093,759 thousand (31 December 2023: MNT 233,976,744 thousands) were collateralised to obtain borrowings from foreign bank. Please see Note 20.

SFC senior bonds classified at FVTPL with nominal amount of MNT 2,596,800 thousand (31 December 2023: MNT 7,737,100 thousand) were collateralised by Repo arrangement. Please see Note 22.

As of 30 June 2024, there are no corporate bonds classified by FVTOCI. (31 December 2023: MNT 19,110,096 thousand) were collateralised by Repo arrangement. Please see Note 22.

USD 100,000 thousands of borrowing from a foreign bank is secured for the lending banks by the collateral of the Bank's due from other banks – placements with other banks.

37 Derivative Financial Instruments

The table below sets out fair values, at the end of the reporting period, of currencies receivable or payable under foreign exchange forward and swap contracts entered into by the Bank. The table reflects gross positions before the netting of any counterparty positions (and payments) and covers the contracts with settlement dates after the end of the respective reporting period.

Derivatives have potentially favourable (assets) or unfavourable (liabilities) conditions as a result of fluctuations in market interest rates, foreign exchange rates or other variables relative to their terms. The aggregate fair values of derivative financial assets and liabilities can fluctuate significantly from time to time.

Gross amounts before offsetting in the statement of financial position and related net amounts are given below.

<i>In thousands of Mongolian Tugriks</i>	30 June 2024	31 December 2023
Foreign exchange forwards and swaps: fair values, at the end of the reporting period, of		
- Financial assets at fair value through profit or loss	248,132,850	202,386,920
- Financial liabilities at fair value through profit or loss	(2,209,776)	(2,890,938)
Foreign exchange forwards and swaps, net fair value	245,923,074	199,495,982

<i>In thousands of Mongolian Tugriks</i>	30 June 2024	31 December 2023
Foreign exchange forwards and swaps: fair values, at the end of the reporting period, of		
- USD receivable on settlement (+)	2,004,702,386	1,040,721,717
- USD payable on settlement (-)	(1,449,136)	-
- MNT receivable on settlement (+)	-	-
- MNT payable on settlement (-)	(1,766,391,412)	(841,097,938)
- Other currencies receivable on settlement (+)	9,061,276	-
- Other currencies receivable on settlement (-)	(40)	(127,797)
Net fair value of foreign exchange forwards and swaps	245,923,074	199,495,982

38 Fair Value Disclosures

The fair value is defined as the amount at which the instrument could be exchanged in a current transaction between knowledgeable willing parties on arm's length conditions, other than in a forced sale or liquidation. Quoted financial instruments in active markets provide the best evidence of fair value. As no readily available market exists for major part of the Bank's financial instruments, their fair value is based on current economic conditions and the specific risks attributable to the instrument. The estimates presented below are not necessarily indicative of the amounts the Bank could realise in a market exchange from the sale of its full holdings of a particular instrument.

Fair value measurements are analysed by level in the fair value hierarchy as follows: (i) level one are measurements at quoted prices (unadjusted) in active markets for identical assets or liabilities, (ii) level two measurements are valuations techniques with all material inputs observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices), and (iii) level three measurements are valuations not based on observable market data (that is, unobservable inputs). Management applies judgement in categorising financial instruments using the fair value hierarchy. If a fair value measurement uses observable inputs that require significant adjustment, that measurement is a Level 3 measurement. The significance of a valuation input is assessed against the fair value measurement in its entirety.

38 Fair Value Disclosures (continued)

(a) Recurring fair value measurements

Recurring fair value measurements are those that the accounting standards require or permit in the statement of financial position at the end of each reporting period. The level in the fair value hierarchy into which the recurring fair value measurements are categorised are as follows:

<i>In thousands of Mongolian Tugriks</i>	30 June 2024				31 December 2023			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Assets at fair value								
Financial assets								
Investments in debt securities at FVTPL	152,216,772	-	245,040,694	397,257,466	48,237,148	-	260,366,038	308,603,186
Investments in debt securities at FVTOCI	533,168,608	-	1,404,580,029	1,937,748,637	448,604,411	-	975,885,023	1,424,489,434
Investments in equity securities at FVTPL	69,013,170	-	-	69,013,170	23,634,110	-	-	23,634,110
Investments in equity securities at FVTOCI	-	-	445,202	445,202	-	-	448,713	448,713
Loan and advances to customers at FVTPL	-	-	505,321,829	505,321,829	-	-	401,012,308	401,012,308
Repossessed financial assets	-	-	-	-	-	-	-	-
Derivative financial instruments-asset	-	248,132,850	-	248,132,850	-	202,386,920	-	202,386,920
Precious metals	31,982,317	-	-	31,982,317	26,922,637	-	-	26,922,637
Non-financial assets								
Premises	-	-	98,973,122	98,973,122	-	-	99,530,596	99,530,596
Investment properties	-	-	7,585,542	7,585,542	-	-	6,586,475	6,586,475
Total assets recurring fair value measurements	786,380,867	248,132,850	2,261,946,418	3,296,460,135	547,398,306	202,386,920	1,743,829,153	2,493,614,379
Liabilities at fair value								
Financial liabilities								
Derivative financial instruments	-	(2,209,776)	-	(2,209,776)	-	(2,890,938)	-	(2,890,938)
Total liabilities recurring fair value measurements	-	(2,209,776)	-	(2,209,776)	-	(2,890,938)	-	(2,890,938)

38 Fair Value Disclosures (continued)

(a) Recurring fair value measurements (continued)

The description of valuation technique and description of inputs used in the fair value measurement for level 2 measurements at 30 June 2024 and 31 December 2023:

<i>In thousands of Mongolian Tugriks</i>	30 June 2024	31 December 2023	Valuation technique	Inputs used
	Fair value	Fair value		
Other financial assets				
Financial derivatives	248,132,850	202,386,920	Interest rate parity theory	MNT discount rate based on risk-free rate, country risk premium and currency risk premium, US discount rate based on treasury yield, US leg based on US SOFR, constant and Z spread, MNT leg based on policy rate, or as provided in the corresponding swap agreement.
Total recurring fair value measurements at level 2	248,132,850	202,386,920		

Financial assets

Equity securities, which are classified as Level 1 for fair value measurement purposes, mostly relate to the Bank's investment in a joint stock companies established in Mongolia in the amount of MNT 69,013,170 thousand (31 December 2023: MNT 23,634,110 thousand of investment securities at fair value through profit or loss) are disclosed in Note 10. Companies are listed in the Mongolian Stock exchange and Foreign Stock exchange.

Precious metal, which are mostly consist of the gold bar are classified at Level 1 for fair value measurement purposes in the amount of MNT 31,982,317 thousand (31 December 2023: MNT 26,922,637 thousand) which was valued at publicly available price announced by the Bank of Mongolia.

Derivative financial instruments, which are classified as level 2 for fair value measurement purposes, in amount of MNT 248,132,850 thousand (31 December 2023: MNT 202,386,920 thousand) are related to unrealized gain from long-term and short-term swaps and are classified as financial assets at FVTPL.

Investments in debt securities at FVTPL, which are classified as level 1 for fair value measurement purposes, in the amount of MNT 152,216,772 thousand (31 December 2023: MNT 48,237,148 thousand, which were classified as level 1) are related to the Government Bond.

Investments in debt securities at FVTOCI, which are classified as level 1 for fair value measurement purposes, in the amount of MNT 533,168,608 thousand (31 December 2023: MNT 448,604,411 thousand, which were classified as level 1) are related to the Government Bond and Corporate bond.

Investments in debt securities at FVTOCI, which are classified as level 3 for fair value measurement purposes, in the amount of MNT 1,404,580,029 thousand (31 December 2023: MNT 975,885,023 thousand, which were classified as level 3) are related to treasury bills of Bank of Mongolia. Please refer to Note 9.

38 Fair Value Disclosures (continued)

(a) Recurring fair value measurements (continued)

Investments in debt securities at FVTPL, which are classified as level 3 for fair value measurement purposes, in the amount of MNT 245,040,694 thousand (31 December 2023: MNT 260,366,038 thousand, which were classified as level 3) are related to MIK Senior and Junior bonds, and SFC Senior and Junior bonds. Please refer to Note 9.

Investments in equity securities, which are classified as level 3 for fair value measurement purposes, in the amount of MNT 445,202 thousand (31 December 2023: MNT 448,713 thousand, which were classified as level 3) are related to unquoted financial investments in corporate. Management applied valuation technique to determine the fair value as at 30 June 2024, which is based on price per net asset of similar company, which is listed in Mongolian Stock Exchange. Please refer to Note 10.

If the market price of debt and equity securities, classified as level 3 for fair value measurement purposes, would increase/(decrease) by 10%, the fair value of these investment would increase/(decrease) by MNT 24,504,069 thousand and 44,520 thousand (31 December 2023: MNT 26,036,604 thousand and MNT 44,871 thousands) respectively.

Loans at FVTPL, which are classified at level 3 for fair value measurement purposes, in the amount of MNT 505,321,829 thousand (31 December 2023: MNT 401,012,308 thousand, which were classified as level 3) are related to Mortgage portfolio of loans, SME and Corporate loan portfolio financed by long term REPO financing by the Bank of Mongolia and other corporate loans to be sold to MIK with recourse. The management determined fair value by discounting the future cash inflows using its market interest rate. As those FVTPL loans were under special government programs, market rate was defined as its own interest rate.

If the interest rate would increase/(decrease) by 10%, the fair value of those loans would increase/(decrease) by MNT 50,532,183 thousand (2023: MNT 40,101,231 thousand).

There were no transfers between levels 1 to 3 of the fair value hierarchy for the assets and liabilities which are recorded at fair value.

38 Fair Value Disclosures (continued)

(a) Recurring fair value measurements (continued)

The following table sets out information about unobservable inputs used in measuring financial instruments categorised at Level 3 in the fair value hierarchy.

Financial assets at 30 June 2024:

<i>In thousands of Mongolian Tugriks</i>	Fair value	Valuation technique	Inputs used	Range of inputs	Reasonable change	Sensitivity of fair value measurement
Assets at fair value financial assets						
Investments in debt securities at FVTPL	245,040,694	Discounted Cash Flow	US treasury yield curve, Mongolian Euro bond yields	US treasury yield: 4.3%-5.5% Euro bond yield: 6.7%-7.1%	0.5%	7,927,783
Investments in debt securities at FVTOCI	1,404,580,029	Discounted Cash Flow	US treasury yield curve, Mongolian Euro bond yields	US treasury yield: 4.3%-5.5% Euro bond yield: 6.7%-7.1%	0.5%	214,384
Investments in equity securities at FVTOCI	445,202	Asset-based valuation	The entity's assets and liabilities	-	10.0%	44,520
Total recurring fair value measurements at level 3	1,650,065,925					8,186,687

Financial assets at 31 December 2023:

<i>In thousands of Mongolian Tugriks</i>	Fair value	Valuation technique	Inputs used	Range of inputs	Reasonable change	Sensitivity of fair value measurement
Assets at fair value financial assets						
Investments in debt securities at FVTPL	260,366,038	Discounted Cash Flow	US treasury yield curve, Mongolian Euro bond yields	US treasury yield: 3.8%-5.6% Euro bond yield: 3.6%-6.7%	0.5%	8,679,786
Investments in debt securities at FVTOCI	975,885,023	Discounted Cash Flow	US treasury yield curve, Mongolian Euro bond yields	US treasury yield: 3.8%-5.6% Euro bond yield: 3.6%-6.7%	0.5%	708,602
Investments in equity securities at FVTOCI	448,713	Asset-based valuation	The entity's assets and liabilities	-	10.0%	44,871
Total recurring fair value measurements at level 3	1,236,699,774					9,433,259

38 Fair Value Disclosures (continued)

(a) Recurring fair value measurements (continued)

The methods and significant assumptions applied in determining the fair value of premises and investment properties were market comparison method and the valuation was based on comparable market value.

Non-financial assets at 30 June 2024:

<i>In thousands of Mongolian Tugriks</i>	Fair value	Valuation technique	Inputs used	Range of inputs (price per sq. m)	Reasonable change	Sensitivity of fair value measurement
Assets at fair value Non-financial assets						
Premises	98,973,122	Market comparison method	Market prices with appropriate adjustments, discounts/haircuts	1,818-12,435	10%	9,897,312
Investment properties	7,585,542	Market comparison method	Market prices with appropriate adjustments, discounts/haircuts	7,500	10%	758,554
Total recurring fair value measurements at level 3	106,558,664					10,655,866

Non-financial assets at 31 December 2023:

<i>In thousands of Mongolian Tugriks</i>	Fair value	Valuation technique	Inputs used	Range of inputs (price per sq. m)	Reasonable change	Sensitivity of fair value measurement
Assets at fair value Non-financial assets						
Premises	99,530,596	Market comparison method	Market prices with appropriate adjustments, discounts/haircuts	1,818-12,435	10%	9,953,060
Investment properties	6,586,475	Market comparison method	Market prices with appropriate adjustments, discounts/haircuts	7,500	10%	658,648
Total recurring fair value measurements at level 3	106,117,071					10,611,708

The Bank has written down its assets held for sale to fair value less costs to sell. The fair value belongs to level 3 measurements in the fair value hierarchy. The valuation technique and inputs used in the fair value measurement on 31 December 2023.

38 Fair Value Disclosures (continued)

(b) Non-recurring fair value measurements

The valuation technique and inputs used in the fair value measurement at 30 June 2024.

<i>In thousands of Mongolian Tugriks</i>	Fair value	Valuation technique	Inputs used	Range of inputs (price per sq. m)	Sensitivity of fair value measurement
Assets held for sale	51,084,045	Market comparison method	Market rental prices with appropriate adjustments, discounts/haircuts	266.47-7,393.39	5,108,405

The valuation technique and inputs used in the fair value measurement at 31 December 2023.

<i>In thousands of Mongolian Tugriks</i>	Fair value	Valuation technique	Inputs used	Range of inputs (price per sq. m)	Sensitivity of fair value measurement
Assets held for sale	29,101,738	Market comparison method	Market rental prices with appropriate adjustments, discounts/haircuts	266.47-7,393.39	2,910,174

38 Fair Value Disclosures (continued)

(c) Assets and liabilities not measured at fair value but for which fair value is disclosed

Fair value analysed by level in the fair value hierarchy and carrying value of assets not measured at fair value as of 30 June 2024 are as follows:

<i>In thousands of Mongolian Tugriks</i>	Level 1	Level 2	Level 3	Carrying amount
Financial assets				
Cash and balances with the Bank of Mongolia	131,511,862	875,819,699	-	1,007,331,561
Cash on hand	131,511,862	-	-	131,511,862
Cash and balances with the Bank of Mongolia	-	875,819,699	-	875,819,699
Mandatory cash balances with the Bank of Mongolia	-	448,791,626	-	448,791,626
Due from other banks	-	1,003,566,115	-	1,003,566,115
Correspondent accounts with other banks	-	513,763,820	-	513,763,820
Foreign	-	481,001,961	-	481,001,961
Domestic	-	32,761,859	-	32,761,859
Short term placements with other banks	-	87,895,659	-	87,895,659
Foreign	-	21,694,900	-	21,694,900
Domestic	-	66,200,759	-	66,200,759
Placements with other banks with original maturities of more than three months	-	401,906,636	-	401,906,636
Loans and advances to customers	-	-	6,178,359,000	6,014,315,671
Corporate loans	-	-	1,940,439,983	1,886,487,646
Loans to small and medium business	-	-	1,662,876,244	1,581,594,270
Consumer loans to individuals	-	-	1,793,394,517	1,739,416,248
Mortgage loans to individuals	-	-	781,648,256	806,817,507
Debt securities at AC	-	-	6,732,995	6,732,995
Other financial assets at AC	-	36,592,453	-	36,592,453
Total financial assets carried at amortised cost	131,511,862	2,364,769,893	6,185,091,995	8,517,330,421

38 Fair Value Disclosures (continued)

Fair value analysed by level in the fair value hierarchy and carrying value of assets not measured at fair value as of 31 December 2023 are as follows:

<i>In thousands of Mongolian Tugriks</i>	Level 1	Level 2	Level 3	Carrying amount
Financial assets				
Cash and balances with the Bank of Mongolia	92,126,135	1,625,458,623	-	1,717,584,758
Cash on hand	92,126,135	-	-	92,126,135
Cash and balances with the Bank of Mongolia	-	1,625,458,623	-	1,625,458,623
Mandatory cash balances with the Bank of Mongolia	-	468,929,955	-	468,929,955
Due from other banks	-	1,403,654,333	-	1,403,654,333
Correspondent accounts with other banks	-	459,510,979	-	459,510,979
Foreign	-	430,661,722	-	430,661,722
Domestic	-	28,849,257	-	28,849,257
Short term placements with other banks	-	210,872,256	-	210,872,256
Domestic	-	108,512,806	-	108,512,806
Foreign	-	102,359,450	-	102,359,450
Placements with other banks with original maturities of more than three months	-	733,271,098	-	733,271,098
Loans and advances to customers	-	-	4,448,958,636	4,311,096,397
Corporate loans	-	-	1,352,829,304	1,296,769,557
Loans to small and medium business	-	-	1,270,012,090	1,201,262,343
Consumer loans to individuals	-	-	1,199,130,467	1,162,252,494
Mortgage loans to individuals	-	-	626,986,775	650,812,003
Other financial assets	-	28,841,504	-	28,841,504
Total financial assets carried at amortised cost	92,126,135	3,526,884,415	4,448,958,636	7,930,106,947

38 Fair Value Disclosures (continued)

Fair value analysed by level in the fair value hierarchy and carrying value of liabilities not measured at fair value as of 30 June 2024 are as follows:

<i>In thousands of Mongolian Tugriks</i>	Level 1	Level 2	Level 3	Carrying amount
Financial Liabilities				
Due to other banks	-	121,670,181	-	121,670,181
Short-term placements of other banks	-	121,670,181	-	121,670,181
REPO Arrangements	-	160,086,922	-	160,086,922
Sale and repurchase agreements with other banks	-	160,086,922	-	160,086,922
Customer Accounts				
State and public organisations	-	908,696,071	-	908,976,578
- Current/settlement accounts	-	805,943,557	-	805,943,557
- Term deposits	-	102,752,514	-	103,033,021
Legal entities	-	3,525,625,085	-	3,535,306,803
- Current/settlement accounts	-	2,660,631,813	-	2,660,631,813
- Term deposits	-	864,993,272	-	874,674,990
Individuals	-	3,738,004,860	-	3,743,659,405
- Current/settlement accounts	-	743,032,309	-	743,032,309
- Demand deposits	-	540,070,959	-	540,070,959
- Term deposits	-	2,454,901,592	-	2,460,556,137
Other	-	94,199,457	-	94,233,640
- Current/settlement accounts	-	64,436,228	-	64,436,228
- Demand deposits	-	-	-	-
- Term deposits	-	29,763,229	-	29,797,412
Other borrowed funds	-	1,195,947,304	-	1,195,947,304
Debt Securities in Issue	1,010,636,418	-	-	997,760,687
Lease liabilities	-	21,845,629	-	21,845,629
Other financial liabilities	-	303,417,675	1,974,670	305,392,345
Total financial liabilities carried at amortised cost	1,010,636,418	10,069,493,184	1,974,670	11,084,879,494

38 Fair Value Disclosures (continued)

Fair value analysed by level in the fair value hierarchy and carrying value of liabilities not measured at fair value as of 31 December 2023 are as follows:

<i>In thousands of Mongolian Tugriks</i>	Level 1	Level 2	Level 3	Carrying amount
Financial Liabilities				
Due to other banks	-	130,991,856	-	130,991,856
Short-term placements of other banks	-	130,991,856	-	130,991,856
Long-term placement of other banks	-	-	-	-
REPO Arrangements	-	711,674,163	-	711,674,163
Sale and repurchase agreements with other banks	-	711,674,163	-	711,674,163
Customer Accounts				-
State and public organisations	-	1,308,103,110	-	1,309,557,722
- Current/settlement accounts	-	1,237,585,943	-	1,237,585,943
- Demand deposits	-	-	-	-
- Term deposits	-	70,517,167	-	71,971,779
Legal entities	-	3,124,802,105	-	3,131,324,697
- Current/settlement accounts	-	2,166,380,896	-	2,166,380,896
- Demand deposits	-	-	-	-
- Term deposits	-	958,421,209	-	964,943,801
Individuals	-	3,479,835,940	-	3,512,056,303
- Current/settlement accounts	-	619,272,411	-	619,272,411
- Demand deposits	-	493,189,978	-	516,937,911
- Term deposits	-	2,367,373,550	-	2,375,845,981
Other	-	83,030,526	-	83,694,933
- Current/settlement accounts	-	39,472,029	-	39,472,029
- Demand deposits	-	-	-	-
- Term deposits	-	43,558,497	-	44,222,904
Other borrowed funds	-	1,410,928,722	-	1,410,928,722
Lease liabilities	-	17,390,429	-	17,390,429
Other financial liabilities	-	180,578,507	2,848,492	183,426,999
			-	
Total financial liabilities carried at amortised cost	-	10,447,335,358	2,848,492	10,491,045,824

39 Related Party Transactions

In the normal course of business, the Bank and the Bank enters into transactions with its major shareholders, directors and other related parties. These transactions include settlements, issuance of loans, deposit taking, guarantees, trade finance and foreign currency transactions. According to the Bank’s policy the terms of related party transactions are equivalent to those that prevail in arm’s length transactions.

Related party categories are as follows:

Immediate parent company	Golomt Financial Group LLC is the main shareholder of the Bank.
Entities under common control	Entities under common control are companies within Golomt Financial Group LLC and other companies the ultimate owner has control or significant influence.
Directors and key management personnel	The Board of Directors and executive managers of the Bank.
Other related parties	Related parties except the above three categories.

On 30 June 2024, the outstanding balances the Bank’s related parties were as follows:

<i>In thousands of Mongolian Tugriks</i>	Directors and key management personnel	Immediate parent company	Entities under common control	Other related parties	Total
Gross amount of loans and advances to customers (contractual interest rate 6% - 22%)	12,749,426	-	68,000,735	36,524,833	117,274,994
Other assets	-	-	775,820	-	775,820
Customer accounts (contractual interest rate 0% - 15.9%)	36,398,164	7,023,791	247,156,256	7,233,930	297,812,141

On 31 December 2023, the outstanding balances with the Bank’s related parties were as follows:

<i>In thousands of Mongolian Tugriks</i>	Directors and key management personnel	Immediate parent company	Entities under common control	Other related parties	Total
Gross amount of loans and advances to customers (contractual interest rate 0% - 22%)	3,863,988	-	76,509,102	36,962,089	117,335,179
Other assets	-	-	106,340	-	106,340
Customer accounts (contractual interest rate 0% - 15%)	4,824,272	3,424,427	127,570,942	1,826,471	137,646,112

39 Related Party Transactions (continued)

As of 30 June 2024, the customer accounts balances and transactions with the Bank's related parties are as follows:

<i>In thousands of Mongolian Tugriks</i>	Directors and key management personnel	Immediate parent company	Entities under common control	Other related parties	Total
Contractual interest rate	0%-16%	0-14%	0%-15%	0-16%	
Customer accounts					
Customer accounts as at 01 January 2024	4,824,272	3,424,427	127,570,942	1,826,471	137,646,112
Customer accounts received during the year	1,529,150,830	94,950,638	1,451,589,890	57,853,249	3,133,544,607
Customer accounts repaid during the year	(1,498,069,585)	(91,396,585)	(1,332,523,620)	(52,605,080)	(2,974,594,870)
Accrued interest as at 30 June 2024	609,001	55,532	662,689	172,498	1,499,720
Exchange difference	(116,354)	(10,220)	(143,647)	(13,208)	(283,429)
Customer accounts as at 30 June 2024	36,398,164	7,023,792	247,156,254	7,233,930	297,812,140

The customer account balances at the year-end and transactions with the Bank's related parties for 2023 are as follows:

<i>In thousands of Mongolian Tugriks</i>	Directors and key management personnel	Immediate parent company	Entities under common control	Other related parties	Total
Contractual interest rate	0% - 13%	0% - 8%	0% - 15%	0% - 5%	
Customer accounts					
Customer accounts as at 01 January 2023	3,274,463	7,601,797	78,937,512	831,273	90,645,045
Customer accounts received during the year	47,418,266	103,357,673	4,427,957,760	89,101,068	4,667,834,767
Customer accounts repaid during the year	(45,902,567)	(107,647,906)	(4,378,017,267)	(88,098,513)	(4,619,666,253)
Accrued interest as at 31 December 2023	41,487	12,140	674,212	-	727,839
Exchange difference	(7,377)	100,723	(1,981,275)	(7,357)	(1,895,286)
Customer accounts as at 31 December 2023	4,824,272	3,424,427	127,570,942	1,826,471	137,646,112

39 Related Party Transactions (continued)

The income and expense items with the Bank's related parties for the period ended 30 June 2024 are as follows:

<i>In thousands of Mongolian Tugriks</i>	Directors and key management personnel	Immediate parent company	Entities under common control	Other related parties	Total
Interest income	543,346	-	5,486,185	2,524,751	8,554,282
Interest expense	845,097	70,303	884,628	447,690	2,247,718
Fee and commission income	24,641	13,979	76,376	1,352	116,348
Dividend paid	376,630	56,181,647	4,361,535	24,181	60,943,993

The income and expense items with the Bank's related parties for the period ended 30 June 2023 are as follows:

<i>In thousands of Mongolian Tugriks</i>	Directors and key management personnel	Immediate parent company	Entities under common control	Other related parties	Total
Interest income	213,589	-	2,683,161	940,377	3,837,127
Interest expense	114,900	55,772	376,648	334,988	882,308
Fee and commission income	4,470	13,196	105,760	250	123,676
Dividend paid	2,136,751	31,212,026	2,461,055	13,434	35,823,266

The outstanding balance of the guarantee and letter of credit issued for the Bank's related parties for the year ended 30 June 2024 and 31 December 2023 is as follows:

<i>In thousands of Mongolian Tugriks</i>	30 June 2024	31 December 2023
Guarantee		
Credit related commitment as at 01 January	215,406,039	249,715,787
Guarantees issued / exchange revaluation	67,314,978	119,551,645
Guarantee closed	(213,600,747)	(249,689,588)
Export letters of credit issued	71,002,050	90,755,720
Undrawn credit lines	1,575,644	5,072,475
Total credit related commitments	141,697,964	215,406,039
Less: provision for impairment of credit related commitments	(23)	(73)
Total credit related commitments	141,697,941	215,405,966

The Bank's Board of Directors and key management compensation is presented below:

<i>In thousands of Mongolian Tugriks</i>	30 June 2024	30 June 2023
Salaries	2,860,473	2,984,131
Bonuses	2,097,000	3,135,200
Social security contributions	608,597	748,195
Share-based payment	-	-
Total	5,566,070	6,867,526

Directors and key management personnel mainly represent members of the Bank's Board of Directors and Executive Board. Other related parties are mostly represented by companies controlled by the Bank's major shareholders and the Bank.

40 Event after the End of the Reporting period

There were no material subsequent events since the end of the period that would require disclosure or adjustment to the financial statements.

41 Abbreviations

The list of the abbreviations used in these financial statements is provided below:

Abbreviation	Full name
AC	Amortised Cost
ALCO	The Asset and Liability Committee
BOM	Bank of Mongolia
CODM	Chief Operating Decision Maker
ECL	Expected Credit Loss
EIR	Effective interest rate
FRC	Financial Regulatory Commission of Mongolia
FTP	Funds Transfer Pricing
FV	Fair Value
FVTOCI	Fair Value through Other Comprehensive Income
FVTPL	Fair Value Through Profit or Loss
GDP	Gross Domestic Product
IBOR	Interbank Offered Rate
IFRS	International Financial Reporting Standard
LC	Letter of Credit
LIBOR	London Interbank Offered Rate
MIK	Mongolian Mortgage Corporation
MNT	Mongolian Tugriks
OCI	Other Comprehensive Income
RMBS	Residential mortgage-backed securities
SFC	Securities Finance Corporation
SICR	Significant increase in credit risk
SME	Small and Medium-sized Enterprises
YoY	Year-Over-Year
