



FINANCIAL
REGULATORY
COMMISSION



FINANCIAL
MARKET REVIEW
2ND QUARTER OF 2021

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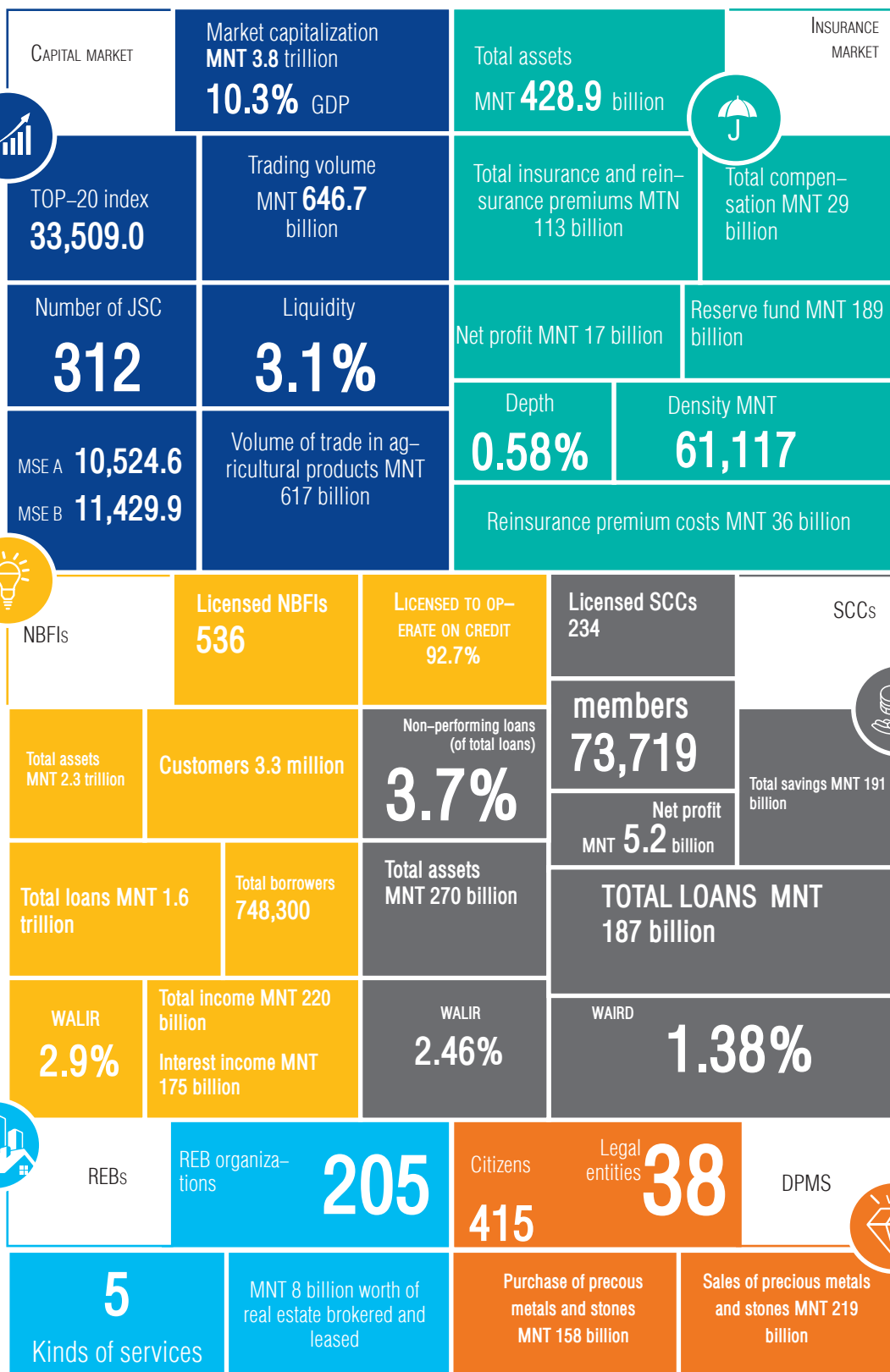


VII. Dealers on precious metals and stones



ABBREVIATIONS and ACRONYMS

AB	Agricultural broker	MSX	Mongolian Securities Exchange
ADB	Asian Development Bank	MV	Market valuation
AFI	Alliance for Financial Inclusion	NBFI	Non-bank financial institution
AML/CFT	Anti-money laundering and combating the financing of terrorism	NPAT	Net profit after tax
DPMS	Dealers in precious metals and stones	REB	Real estate brokers
ESG	Environmental, social and governance	RMBS	Residential mortgage backed securities
FPO	Follow up on public offering	ROA	Return on assets
FRC	Financial Regulatory Commission (of Mongolia)	ROE	Return on equity
FTSE	Financial Times Stock Exchange	SC	Securities company
GDP	Gross domestic product	SCC	Saving and credit cooperative
GS	Government securities	SPC	Special purpose company
IFC	International Finance Corporation	WAIRD	Weighted average interest rate on deposits
IMC	Investment management company	WALIR	Weighted average loan interest rate
IPO	Initial public offering	UN	United Nations
JICA	Japan International Cooperation Agency	UNEP FI	United Nations Environment Program Financing Initiative
JSC	Joint stock company		
LLC	Limited liability company		
MACE	Mongolian Agricultural Commodity Exchange		
MAPIX	Mongolian agricultural commodity price index ¹		
MCE	Mongolian Commodity Exchange		
MCSD	Mongolian Central Securities Depository		
MEFIN	Mutual Exchange Forum on Inclusive Insurance		
MIK	Mongolian Mortgage Corporation		
MNT	Mongolian tugrik		
MSE	Mongolian Stock Exchange		





CAPITAL MARKET

Market valuation MNT
3.9 trillion



Financial market status

Accounts
2,414,684



Accessibility

Total trading
MNT 647 billion



Products and services

Profitability



Assets of SCs
MNT 135
billion

Stability



Fluctuations in the
TOP-20 index
6,052

Regulatory
environment



FINANCIAL MARKET STATUS

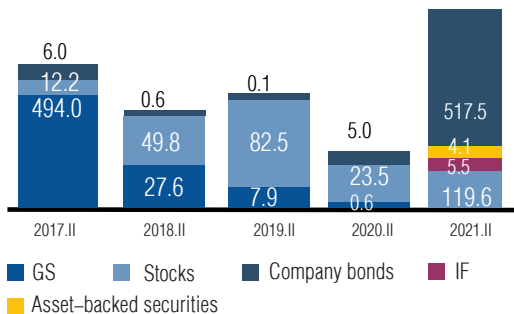


There were 578 regulated entities and JSCs operating in the securities market.

Stock exchanges 2	Central deposit and securities trading payments 1	Collateral securities portfolio registration controllers 1
IMCs 26	Settlements 2 (duplicate)	Custodian banks 3
Underwriting banks 2	Trustees 7	JCCs 312
Securities firms* 54	Agricultural commodity exchanges 1	Agricultural and commodity brokers 12
Auditing firms 60	Securities valuation firms 25	Legal consultancies 35
Securities Trust Leader 2	Issuers of assets-backed securities 34 /ТЗК/	

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

Securities trading (MNT, billions)

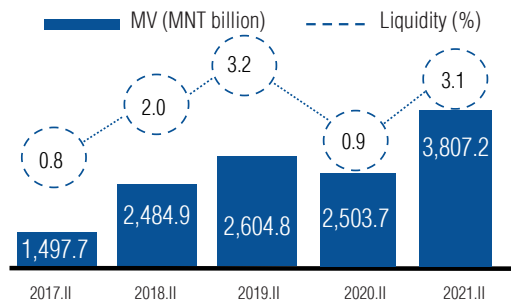


Securities Trading

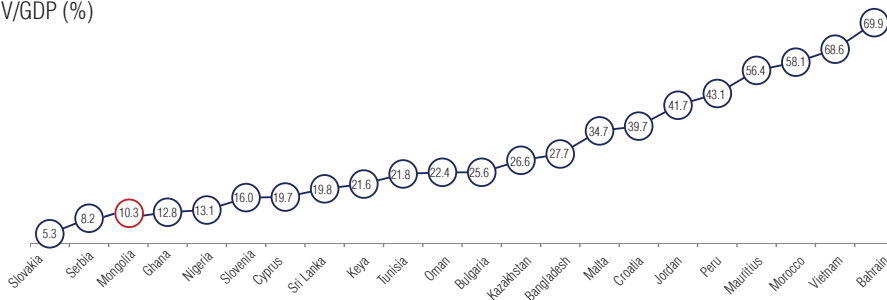
- In Q2 of 2021, a total of MNT 646.7 billion worth of securities were traded, an increase 22 times from the Q2 of 2020 and 26.2% from Q2 of 2017.
- 80.0% of all trades were corporate bonds, 0.9% were investment fund units, 0.6% were asset-backed securities and 18.5% were shares.

Market capitalization and liquidity

- Market capitalization increased by 52.1% to MNT 3.8 trillion compared to the same period of the previous year, while liquidity increased by 2.2 percentage points to 3.1%.
- The increase in liquidity was mainly due to an increase of MNT 96.0 billion or (407.7%) in stock trading.



MV/GDP (%)



o The Mongolian Stock Exchange valuation ranked 3rd in terms of GDP within the FTSE list. This was relatively low compared to other, similar countries.



TOP 20 33,509.0

MSE A 10,524.6

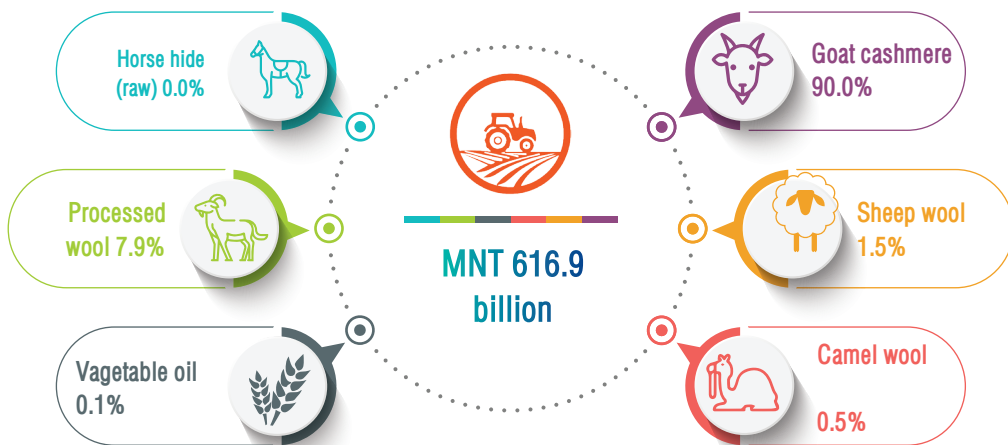
MSE B 11,429.9

Securities market indices

- o TOP –20 Index increased 17,300.1 (106.7%) compared to the same period of the previous year.
- o MSE A Index – increased 2,462.1 (30.5%) compared to the same period of the previous year.
- o MSE B Index – increased 3,949.1 (52.8%) compared to the same period of the previous year.

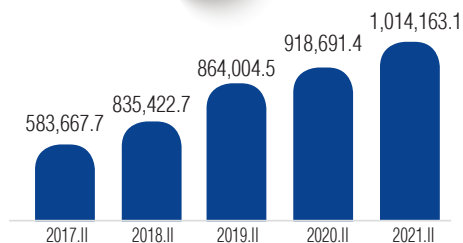


As of the Q2 of 2021, a total of MNT 616.9 billion worth of goods were traded by the MACE (Mongolian Agricultural Commodity Exchange), an increase of MNT 454.8 billion (280.5%) compared to the previous year. Five types of products were traded.



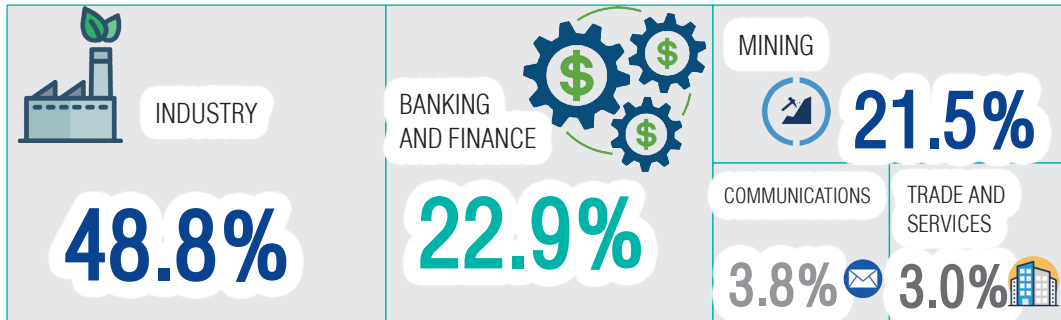
MCE's MAPEX Index

The MACE's MAPIX reached 1,014,163.1 points in Q2 of 2021; an increase of 95,471.7 points (10.4%), and 73.8% compared to 2017.



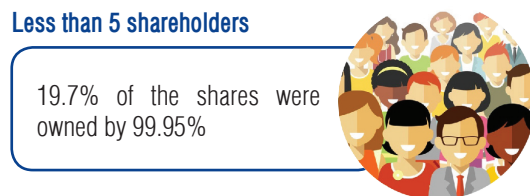
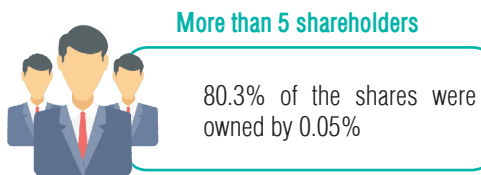
ACCESSIBILITY

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

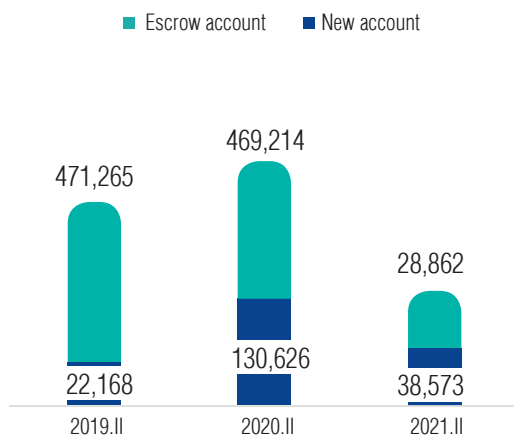


STOCK CONCENTRATION

- o In the TOP – 20 Index, the concentration of JSCs was assessed as overly centralized: they accounted for 80.3% of the total number of shares and 0.05% of the number of shareholders.



NUMBER OF OPENED ACCOUNTS



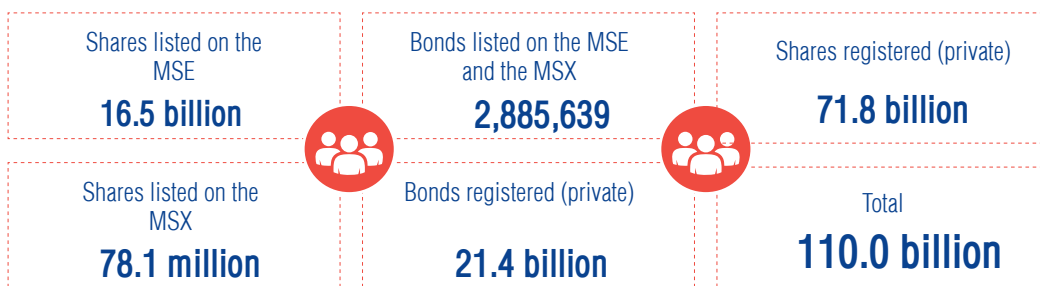
- o In Q2 of 2021, 28,862 accounts were created bringing the total number of accounts to 2,414,684 while the number of escrow accounts increased by 38,573 to reach 416,008.
- o Compared to the same period of 2020, the total number of accounts increased by 5.1%.



Number of opened accounts
(growth in numbers)

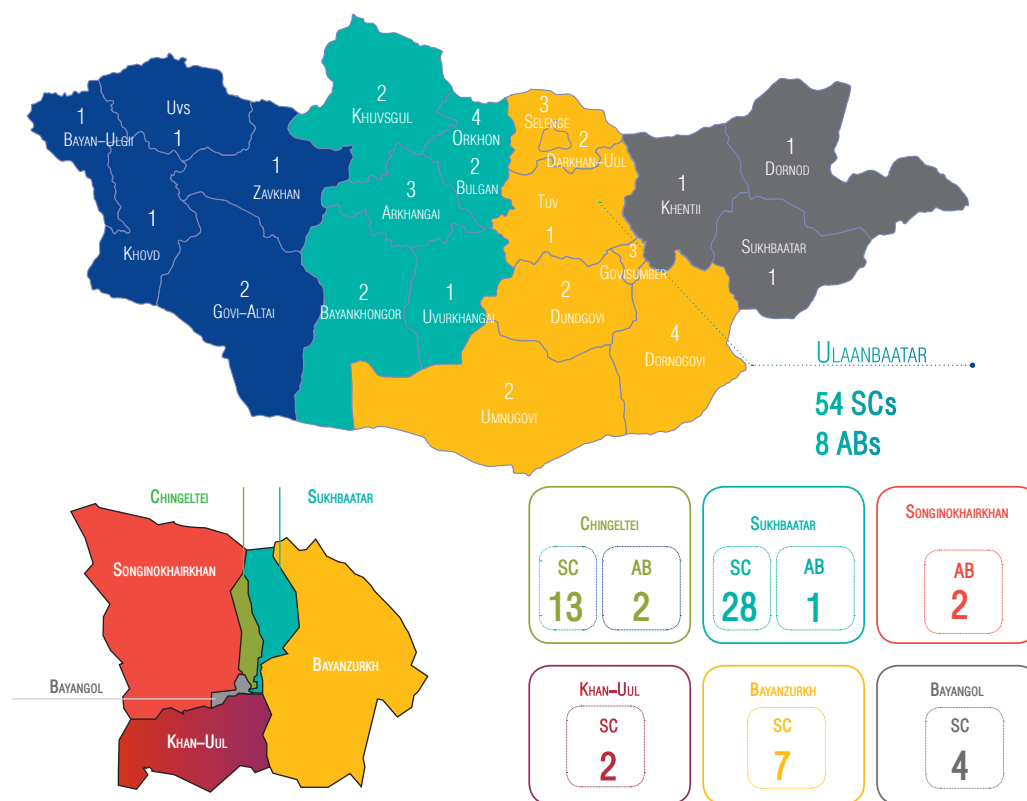
2,414,684

SECURITIES LISTED IN THE MCS D

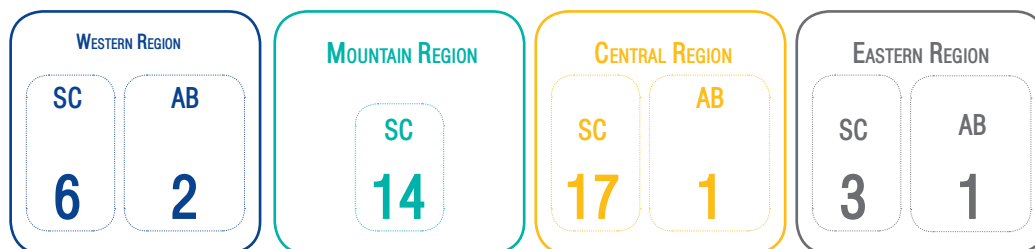


LOCATION OF SCS AND AGRICULTURAL BROKERAGES COMPANIES

- o In Q2 of 2021, a total of 54 security companies and their 40 branches were operating.
- o In Q2 of 2021, a total of 12 ABCs were operating, of which 8 were located in Ulaanbaatar and 4 in rural areas.



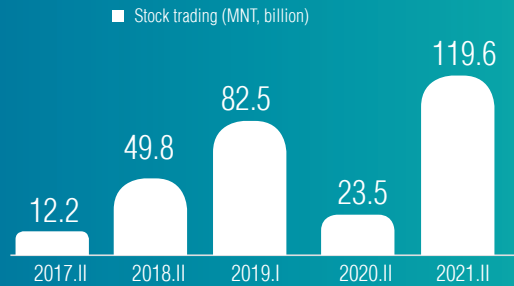
BRANCH REPRESENTATIVES



PRODUCTS AND SERVICES

STOCK TRADING

- In Q2 of 2021 stock trading reached MNT 119.6 billion; an 8.8-fold increase compared to the same period of 2017 and 4.1 times compared to the same period of the previous year.

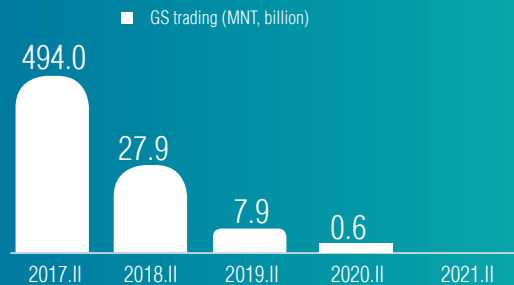


HIGHLIGHT

GOBI JSC launched a program to reward 1500 employees with company shares. Since its privatization in 2007, GOBI JSC has invested a total of MNT 148 billion, increasing its sales revenue 11-fold and its share price by 13-fold. As a part of the employee incentive program, a total of 800,900 shares were purchased and placed in the employees' accounts.

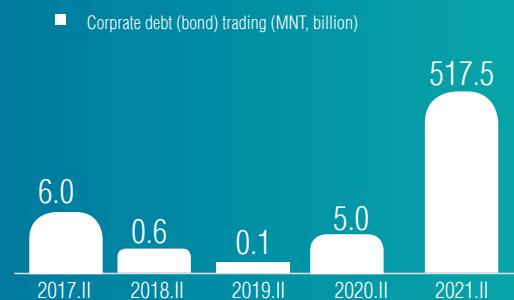
GS TRADING

- In Q2 of 2021, no government bonds were traded. The chart shows the government bond trading for the Q2 of 2017–2020.



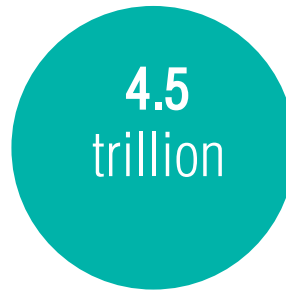
CORPRATE DEBT (BOND) TRADING

- In Q2 of 2021, corporate bond trading reached MNT 517.5 billion, an 85.2-fold increase on the same period in 2017 and 102.5 times that of the same period in 2019.



Primary Market Trading on Corporate bond

- o “ETT Bond” issued by “Erdenes Tavantolgoi” JSCs, or a two–year bond with a face value of MNT 100,000 and USD 100, guaranteed by income, was successfully traded. A total of 973 individuals and enterprises participated in securities trading and submitted 2.6 million orders worth MNT 347.7 billion. According to the refinancing agreement of the banks, MNT 330 billion (MNT 677.7 billion of total portfolio financing) was raised.
- o Successfully completed the primary market order of the first tranche of “Invescore NBFi” JSC’s “Invescore Bond” with face value of MNT 100,000 with annual interest rate of 13% and with two–year maturity. A total of 72 orders were received, with MNT 8.0 billion raised from 11 strategic and 61 public investors.
- o The “LendMN NBFi” JSC, was issued the “LendMN Bond” offered to the public at MNT 100,000 nominal price, with annual interest rate of 14%, two–year maturity. A total of 504 individuals and 505 companies submitted orders, and successfully raised MNT 5.0 billion.



ASSET-BACKED SECURITIES

- o Residential mortgages were launched – to establish a long term and stable residential financing system – in 2013. The MIK Housing Finance Company established 25 Special Purpose Companies, issued RMBS 83,539 creditors and registered MNT 4.4 trillion worth of asset–backed securities with the FRC. In Mongolia, asset–backed securities were backed by real–estate properties credit. As of the second quarter of 2021, a total of 61,538 borrowers had outstanding securities of MNT 2.96 trillion.
- o In accordance with Article 6.5 of the “A resolution on the measures to ensure financial and economic stability, prevent risks and make the digital transition in public services during the COVID–19 pandemic” Capital city Housing Corporation JSC established three SPCs and registered MNT 87.9 billion worth of asset–backed securities. (867 civil servants have been leased and included in the ownership program). During the reporting quarter, Capital city Housing Corporation III LLC registered MNT 13.9 billion worth of securities.

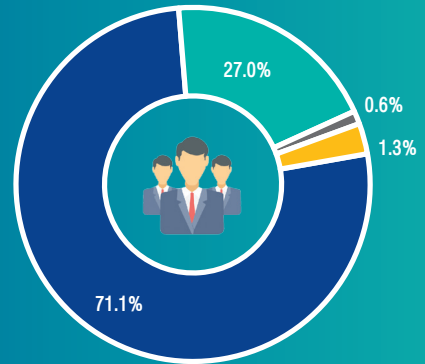
The issuing of asset–backed securities gained popularity among stock market participants, and the variety of underlying assets was increasing. For instance:

1. Securities backed by funds issued by mobile operators.
2. Asset–backed securities backed by rental income.
3. For the first time, loans secured by loans from non–bank financial institutions were publicly traded through a trading organization.

****Mongolian Asset Management Corporation” LLC changed its name to “Securities Finance Corporation” LLC.**

TRADING STRUCTURE, BY INVESTOR

- Domestic enterprises accounted for the largest share of traders. In Q2 of 2021, domestic citizens' trade transactions accounted for 27%, and domestic enterprises' transactions accounted for 71.1%. Foreign enterprises' trade transactions accounted for 1.3% and foreign citizens' trade transactions accounted for 0.6%.



○ Domestic enterprises 71.1%

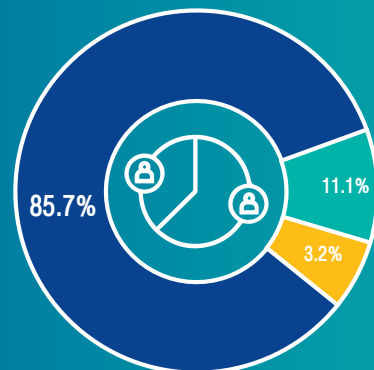
○ Domestic citizens, 27.0%

● Foreign enterprises, 1.3%

● Foreign citizens, 0.6%

STOCKS, BY EQUITY STRUCTURE

- In Q2 of 2021, there were 315 JSCs in the FRC's securities registration.
- 85.7% were private, 11.1% were state-owned, and 3.2% state-owned (by Parliament)

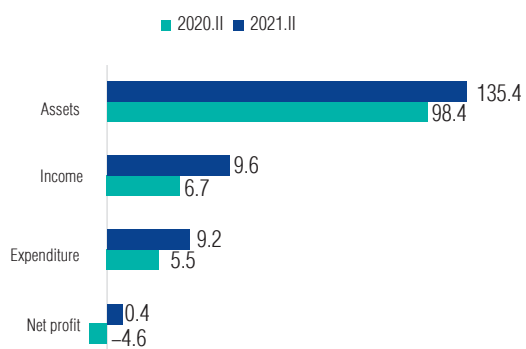


○ Privately owned 85.7%

○ State-owned 11.1%

● State-owned (by Parliament) 3.2%

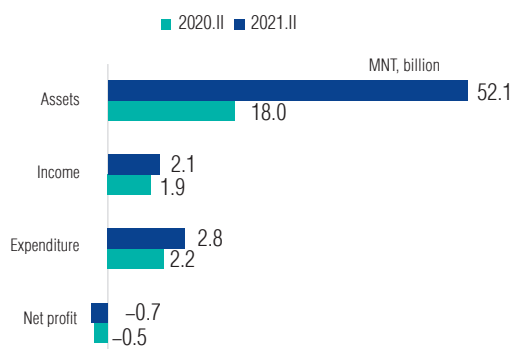
PROFITABILITY



PROFITABILITY OF SCS

- Total Assets of securities companies reached MNT 135.4 billion in Q2 of 2021, an increase of 37.6% on the same period of the previous year.
- Compared to the same period of 2020, revenue increased by MNT 2.9 billion and expenditure increased by MNT 3.7 billion, while net profit reached MNT 0.4 billion.

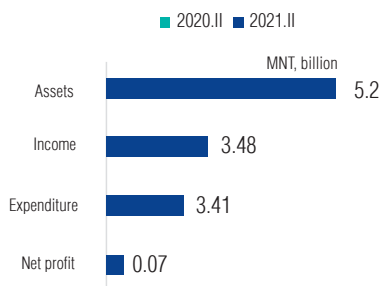
FINANCIAL STATEMENTS OF IMCS (INVESTMENT MANAGEMENT COMPANY)



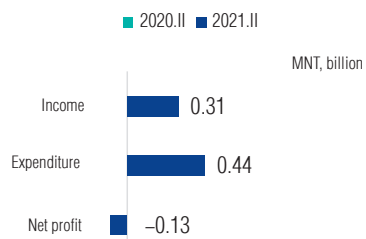
PROFITABILITY OF SCS

- In the 2nd quarter of the 2021, total assets of IMCs reached MNT 52.1 billion, an increase of 189.4% compared to the same period of 2021.
- Compared to the 2nd quarter of 2020, revenue increased by MNT 0.2 billion and expenditure increased by MNT 0.6 billion, resulting in a net loss of MNT 0.7 billion.

FINANCIAL STATEMENT INDICATORS OF MCE



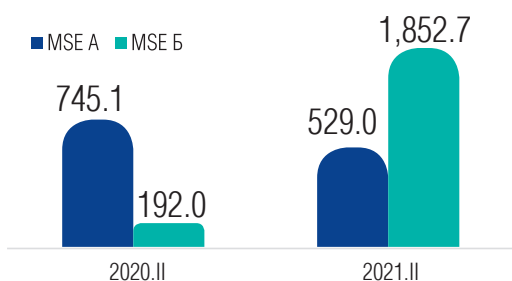
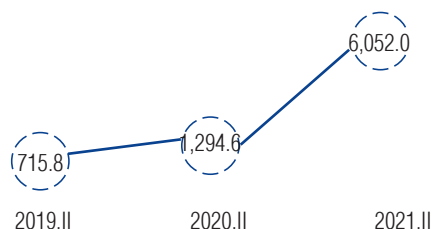
FINANCIAL STATEMENT INDICATORS OF CUSTODIANS



STABILITY

FLUCTUATIONS IN THE TOP-20 INDEX

- Stock price volatility is calculated within the TOP-20 index and is based on the standard deviation from its arithmetic mean, ranging from 4,948.13 points to 7422.2 points. Fluctuations above 7,422.2 indicate a red zone or high risk. Fluctuations in stock prices in the second quarter of 2021 were 6,052.0 points, indicating a yellow zone of risk.



MSE A AND MSE B INDEX FLUCTUATIONS

- Regarding the volatility of the stock price for the MSE A and MSE B indices, there was no risk that the standard deviation of the MSE A index during the reporting period was 531.2 points. The MSE B index 1,852.7 points (an increase of 1,660.7 points), indicated that it was in the yellow risk

IPO INFORMATION

- From 2005 to Q2 of 2021, a total of 24 companies made IPOs and raised a total of MNT 139.8 billion from the primary market.

IPO

24
companies

MNT
139.8
billion

FPO

9
companies

MNT
39.0
billion

FPO INFORMATION

- Mongolia's first FPO was held in 2007.
- From 2007 to Q2 of 2021, 9 companies (with some duplication) had raised a total of MNT 39.0 billion by issuing additional shares through 11 trades.

PRIMARY MARKET TRADING INFORMATION OF CORPORATE BONDS

- The primary bond market in Mongolia commenced trading in 2001. From 2001 to Q2 of 2021, (with some duplication) 17 companies raised a total of MNT 386.3 billion in 20 trades.

Bond

17
companies

MNT
386.3
billion

REGULATORY ENVIRONMENT



INTERNATIONAL COOPERATION

- Phase 2 of the project Capacity Building of the Capital Market was implemented in cooperation with JICA. Within the framework of the project the FRC and JICA collaborated on the development of a draft regulation on OTC market operation and approved by FRC Resolution on No.995 of 2020 to improve the regulatory environment for corporate bonds and over-the-counter markets.
- Within the framework of the Green Finance Market Development Project jointly implemented by the FRC and the IFC, an additional regulation on "Green bond" was included and approved in the Regulation on Company Debt Instruments adopted by FRC Resolution No.266 of June 11, 2021.



POLICY AND LEGISLATION

- The working group responsible for amending the legal environment of the stock market, re-established by the order No. 52 of the Minister of Finance on April 5, 2021, approved the concept of the draft law on amending the Law on Securities Market. The draft law was approved by the Ministry of Finance and posted on the website for public comment. In addition, a draft law on amendments to the Investment Fund Law was drafted. In order to expand the fund's activities, new regulations have been introduced to expand the form of the investment fund's legal entity, and increase the variety of investment instruments, and exchange-traded funds.
- In accordance with Article 36 of the Banking Law approved by the Parliament on January 29, 2021. A working group established in collaboration with the Bank of Mongolia developed a draft on "Procedure for approving changes in the share capital and shareholder structure of a listed bank" and has begun to collect public comments and conduct discussions.
- The "Regulation on Securities Registration," adopted by FRC resolution No. 408 of 2015, was amended to incorporate changes to the public offering process, stages, underwriting company responsibilities, ordering forms, and requirements for law, valuation, and audit firms. A draft regulation was created and adopted by FRC Resolution No. 225 of 11 June 2021 based on international regulations and recommendations on operating regulations, information, and forms to be submitted by securities issuers.
- The "Loan Interest Rate Reduction Strategy" approved by Parliament Resolution No. 21 of 2020 includes specific measures to improve the transparency of securities registration and joint stock company information, reduce the criteria and requirements for issuing corporate bonds, and improve the regulatory environment. Accordingly, in connection with the preferential registration of the company's debt instruments and to eliminate duplication of control over the issuance of corporate bonds by the FRC and trading organizations – the "Regulation on Registration of Debt Instruments of the Company" was approved by the FRC Resolution No. 226 of June 11, 2021, which reflects the conditions for reducing the registration period.



INSURANCE MARKET

Total assets

MNT **428.9** billion

Capital growth **19.4%**



Financial market status

Insurance density

MNT **61,117**

Density increase/growth
0.7%



Accessibility

Increase in premiums from
increase intermediaries
(intermediaries increase)
and reinsurance

MNT **31.4** billion



Products and services



Profitability



Net profit
MNT **17.1**
billion

Stability



Reinsurance premium cost
32.1%

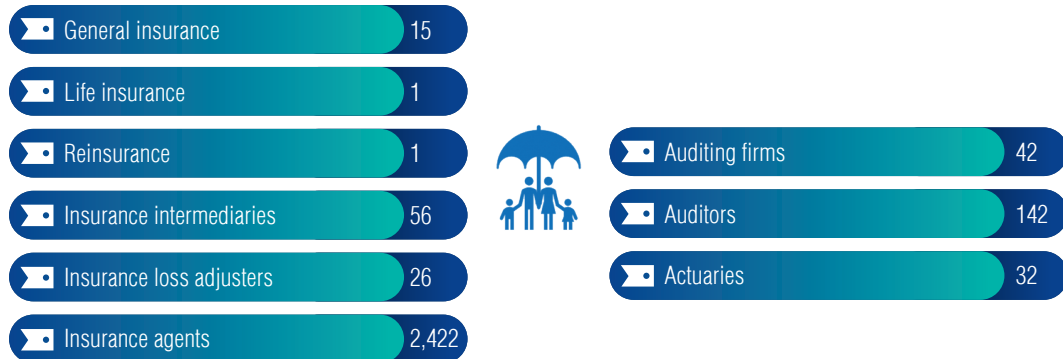
Regulatory
environment



FINANCIAL MARKET STATUS

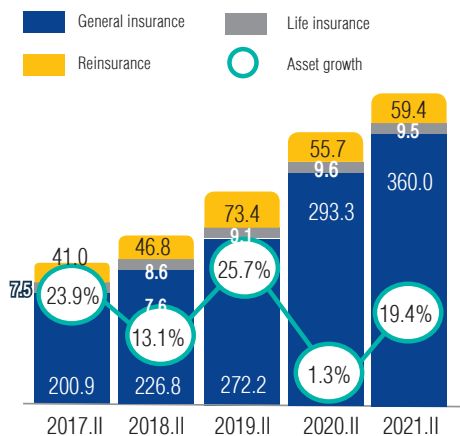
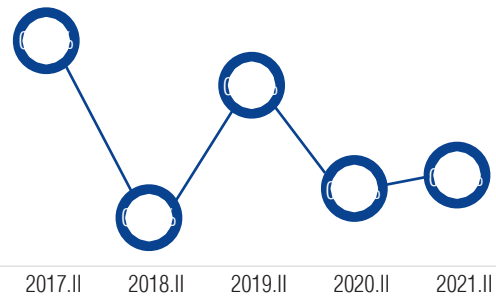
INSURANCE SECTOR STRUCTURE

A total of 315 (excluding double insurance intermediaries) insurance companies, brokers, damage assessors, audit companies, actuaries, auditors, and 2,422 insurance representatives, operated in the reporting year under the FRC's licensing, permission, and registration.



INSURANCE DENSITY

- In the second quarter of 2021, the insurance depth reached 0.58%; an increase of 0.01 percentage points compared to the previous year, and a decrease of 0.09 percentage compared to the same period in 2017.

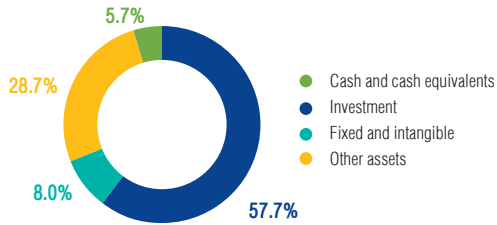


TOTAL ASSETS OF INSURANCE COMPANIES

- In the reporting quarter, total assets increased by 19.4% from the previous year to MNT 428.9 billion; and increased by 72.0% from second quarter of 2017
- Compared to other types of insurance, the total assets of ordinary insurance companies increased by 22.5% to MNT 360.0 billion, accounting for 83.9% of the total assets of the sector.
- The total assets of double insurance companies increased by 6.6% compared to the previous year and reached MNT 59.4 billion, accounting for 13.8% of the total assets of the sector.
- The total assets of long-term insurance companies decreased by 0.7% from the previous year, reaching MNT 9.5 billion, and accounting for 2.23% of the sector.

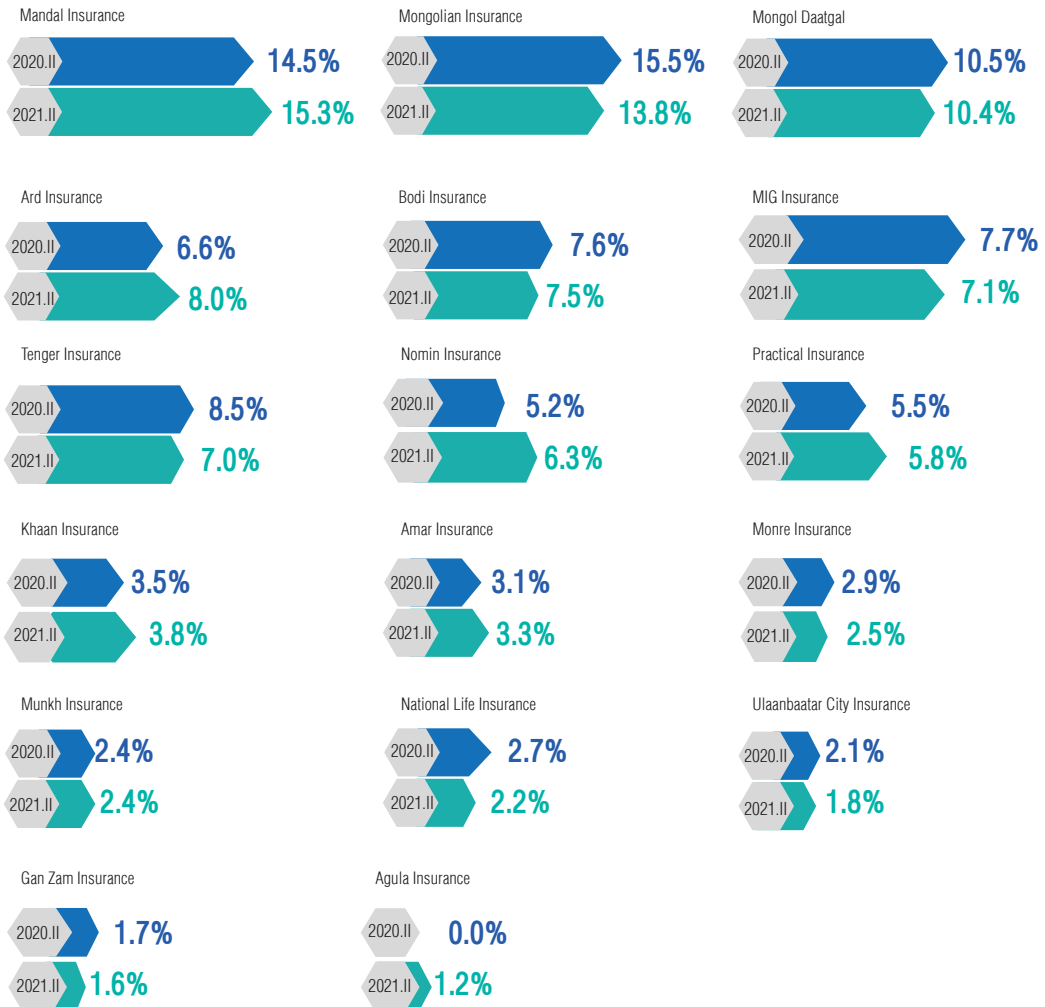
MARKET SHARE (BY TOTAL ASSETS)

Regarding the total assets structure of insurance companies, MNT 24.4 billion (5.7%) was money and cash equivalents, MNT 247.5 billion (57.7%) was investments, MNT 34.1 billion (8.0%) was fixed and intangible assets (net amount), and MNT 122.9 billion (28.7%) was other types of assets.



In terms of the percentage of the total assets of insurance companies, three each had more than 9%, five had 6 to 9%, three had 3 to 6%, six had less than 3% ceased operations.

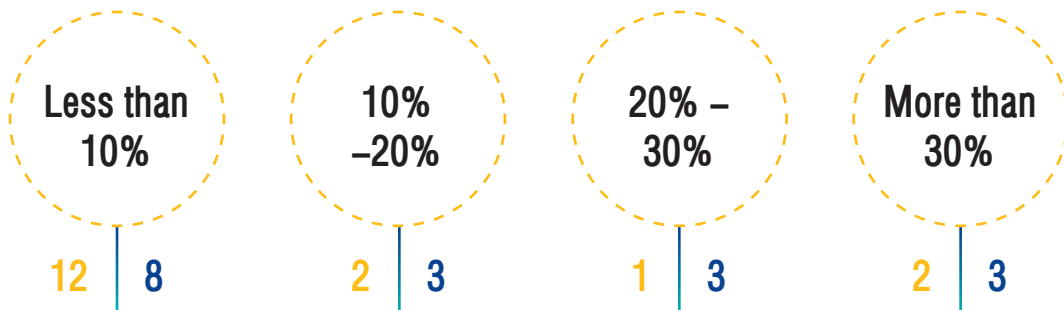
Percentage share of total assets of insurance and reinsurance companies



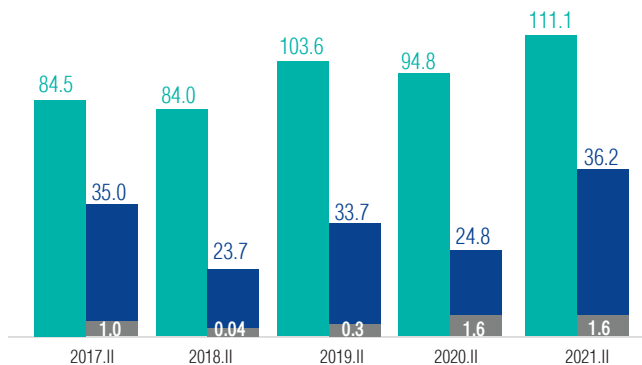
ASSETS GROWTH DISTRIBUTION OF INSURANCE COMPANIES

The average assets growth of all insurance companies was 3.1% in the second quarter of 2020 and 17.1% in the current reporting quarter. Grouped by capital growth, there were three companies with an increase of more than 30%, three with an increase of 20–30%, three with an increase of 10–20%, eight with an increase of less than 10, and three companies with a decrease in total assets.

2020.II / 2021.II



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

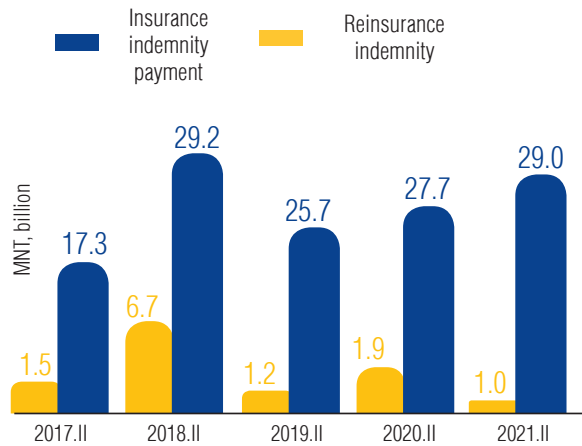


TOTAL PREMIUMS

- In the second quarter of 2021, ordinary and long-term insurance companies collected a total of MNT 111.1 billion in insurance premiums; of which, ordinary insurance companies accounted for MNT 110.16 billion (99.1%), and long-term insurance companies for MNT 0.97 billion (0.9%).
- A total of MNT 36.2 billion was spent on double insurance premiums; of which MNT 1.6 billion (4.5%) was paid to domestic double insurers.
- Total regular and long-term insurance premiums in the second quarter of 2021 increased by 17.2% compared to the previous year. Compared to 2017, the increase was 31.5%.

INSURANCE AND REINSURANCE INDEMNITY PAYMENT/REIMBURSEMENT

- o In the second quarter of 2021, total compensation expenditures of insurance companies reached MNT 29.0 billion, an increase of 4.5% compared to the previous year. Compared to second quarter of the 2017, it increased by 67.6%.
- o Of this, 96.7% was accounted for by compensation of ordinary insurance companies.
- o The amount of double insurer's compensation decreased by 50.8% to MNT 0.95 billion during the reporting period.



RESERVES FUND

- o The total reserve fund of the insurance market increased by 18.5% in the reporting quarter (previous year) to MNT 189.3 billion.
- o In the reporting quarter, total reserves of ordinary insurance companies increased (from the previous year) by 22.1% to MNT 159.6 billion, long-term insurance companies reserves increased by 0.1% to MNT 2.6 billion, and double insurance companies reserves increased by 2.8% to MNT 27.1 billion.

MNT **189.3**
billion
2021.II

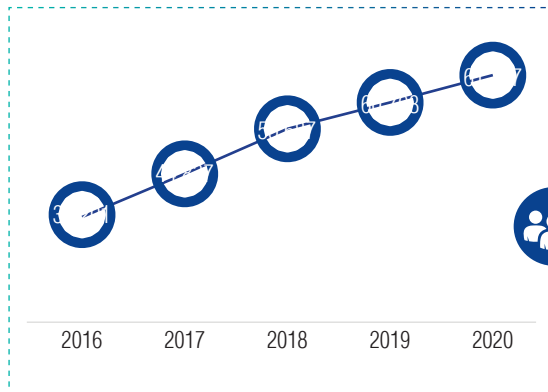
M N T
159.7
billion
2020.II



ACCESSIBILITY

INSURANCE DENSITY

The insurance density indicator (the ratio of premium income per capita) reflects the availability and demand of the market. Since the population is calculated once a year, the density of insurance cannot be calculated quarterly.



- Insurance density reached MNT 61,117 in 2020, an increase of 0.7% compared to 2019 and 36.3% compared to 2017.
- In terms of the insurance density, ordinary insurance premiums per capita increased by 0.6% to MNT 60.668, while long-term insurance premiums increased by 14.2% to MNT 449 per person.
- In 2019, the average insurance density of developed countries was \$4.664, while the average insurance density of developing countries was \$175.

INSURANCE CONTRACT

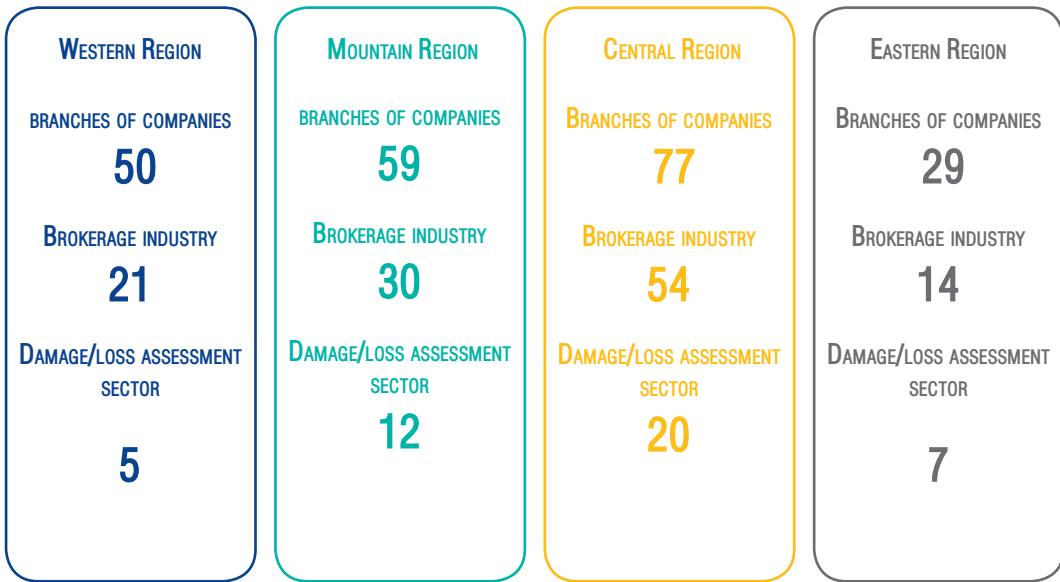
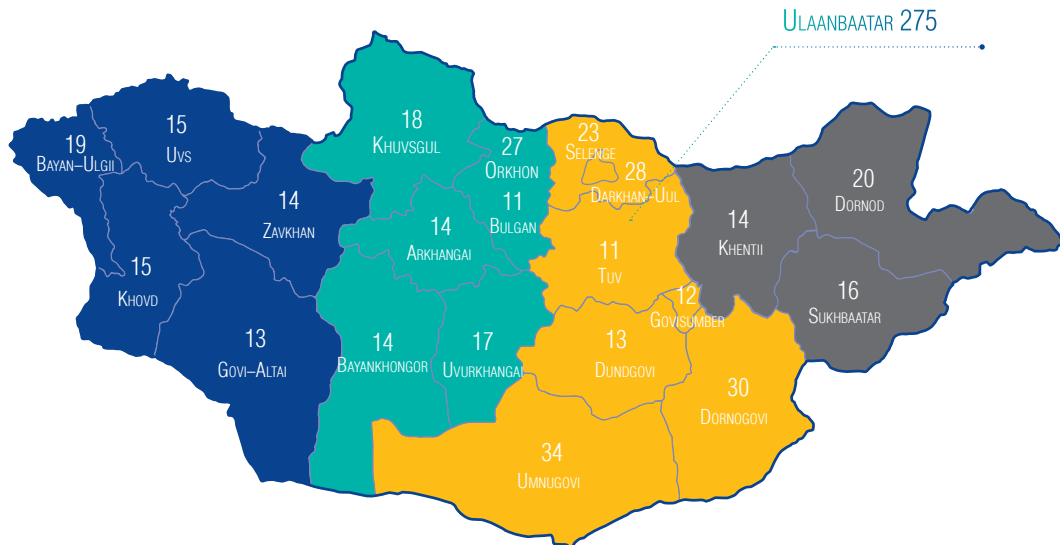
In the second quarter of 2021, a total of 671,691 million insurance contracts were concluded. Among these, 576,686 (85.9%) were insurance contracts concluded with individuals, and 95,005 (14.1%) were insurance contracts concluded with legal entities.

Individuals **576,686**

Legal entities **95,005**



Another indicator of the availability of insurance services is the number of insurance company branches and intermediaries. In the second quarter of 2021, a total of 2,202 branches and representative offices of insurance companies, intermediaries, and loss assessment companies were located in 21 provinces. By location, Mountain Region had the largest number of branches at 699, Central Region 650, the Western Region 572, and Eastern Region 281.



REPRESENTATIVES

496

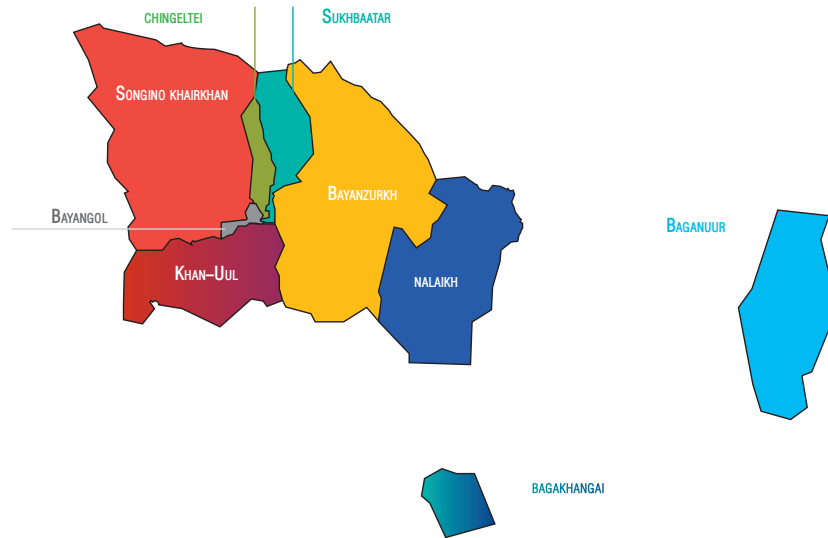
598

499

231

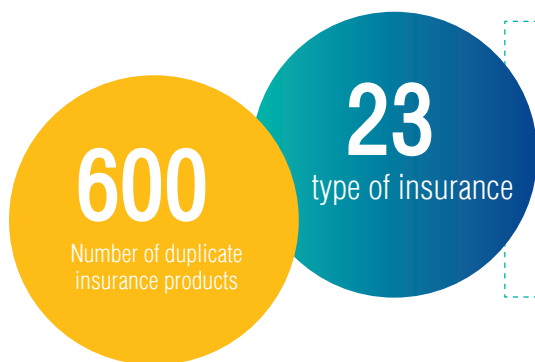
BRANCHES REPRESENTATIVE

- o In Ulaanbaatar, 47 branches of insurance companies, 186 branches of insurance brokers, and 42 branches of loss adjusters were registered with the FRC during the reporting period.
- o By district, 92.7% of the branches were located in the six–central districts of the capital.
- o In addition, there were 12 representative offices of insurance companies registered with the FRC, of which one was located in China.



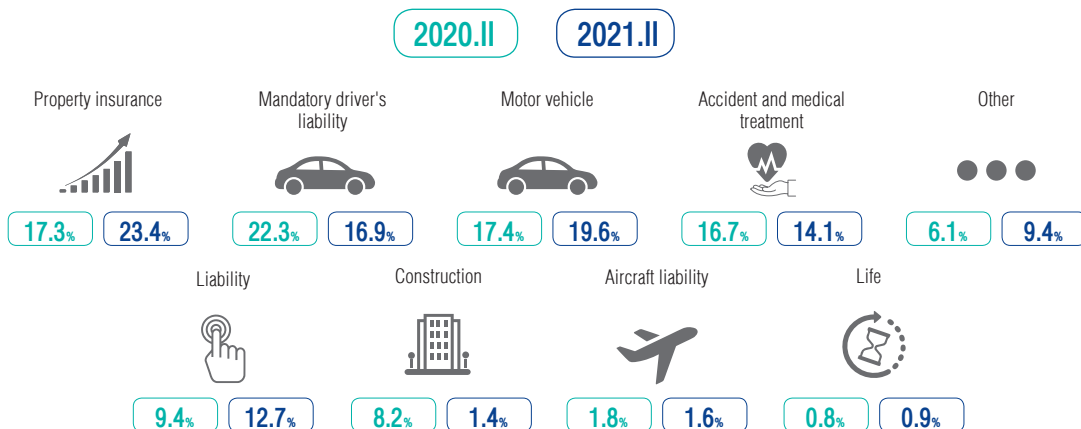
	SONGINO KHAIRKHAN	CHINGELTEI	SUKHBAATAR	BAYANZURKH
INSURANCE	4	9	11	5
BROKER	13	35	44	30
LOSS ASSESSOR	9	5	8	9
	KHAN-UUL	BAYANGOL	NALAIKH	BAGANUUR
INSURANCE	3	4	3	7
BROKER	29	27	4	4
LOSS ASSESSOR	3	7	0	1
	BAGAKHANGAI			
INSURANCE	1			
BROKER	0			
LOSS ASSESSOR	0			

PRODUCTS AND SERVICES

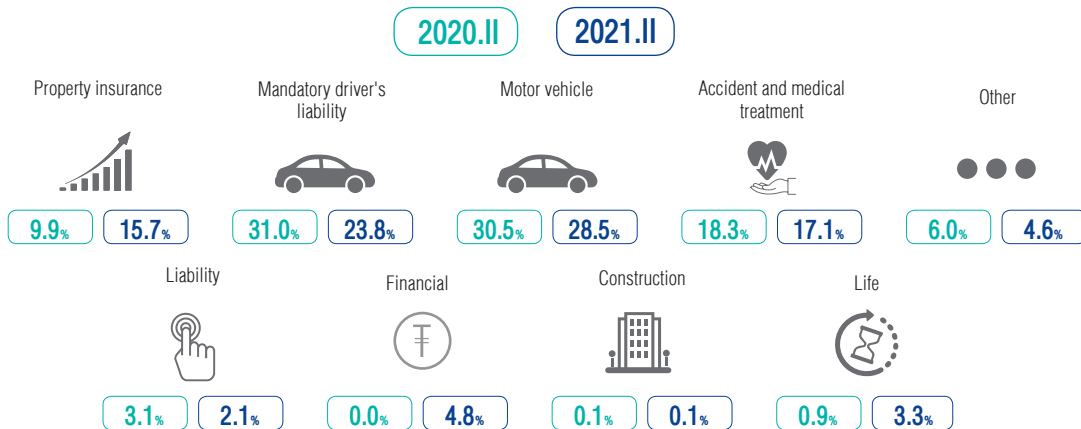


- All 23 forms of regular and long-term insurance are voluntary except for the Compulsory Driver's Liability Insurance.
- The number of reinsurance products reached 600; a decrease of 17 compared to second quarter of the 2020, and an increase of 58 products in second quarter of the 2017.

Total insurance premium

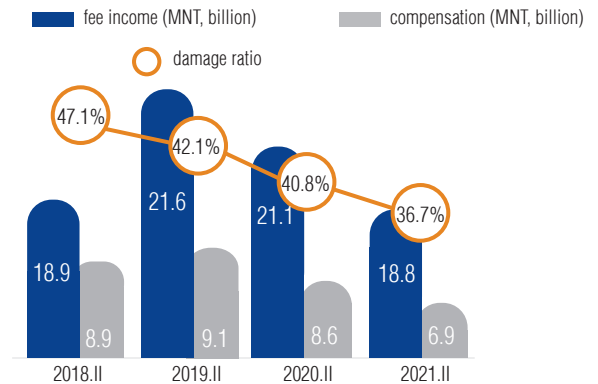


Insurance indemnity



COMPULSORY INSURANCE

- o The total of compulsory driver's liability insurance premiums reached MNT 18.8 billion; accounting for 16.9% of the total insurance premium income in the reporting quarter; and a decrease of 20.0% from the previous year.
- o MNT 6.9 billion was paid in this form, which accounted for 23.8% of the sector's total compensation costs for the quarter.



INSURANCE INTERMEDIARIES

- o Premiums and double insurance premiums collected by insurance intermediaries reached MNT 31.4 billion in the second quarter of 2021. In the reporting quarter, revenues from insurance intermediaries increased by MNT 1.2 billion to MNT 6.6 billion; from MNT 5.4 billion the previous year.

INSURANCE LOSS ADJUSTERS

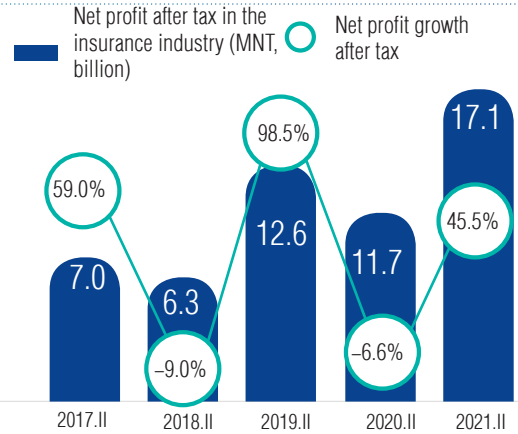
- o Insurance loss assessment companies valued a total of 10,184 losses at MNT 11.0 billion in the reporting quarter. Total insurance loss assessment income increased by MNT 40.5 billion to MNT 523.4 billion, from the previous year.



PROFITABILITY

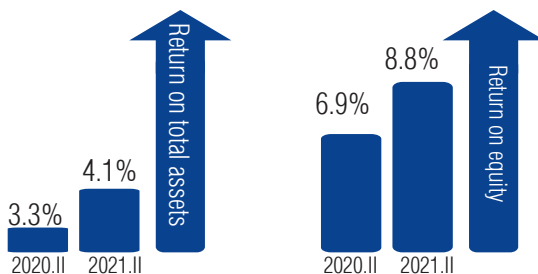
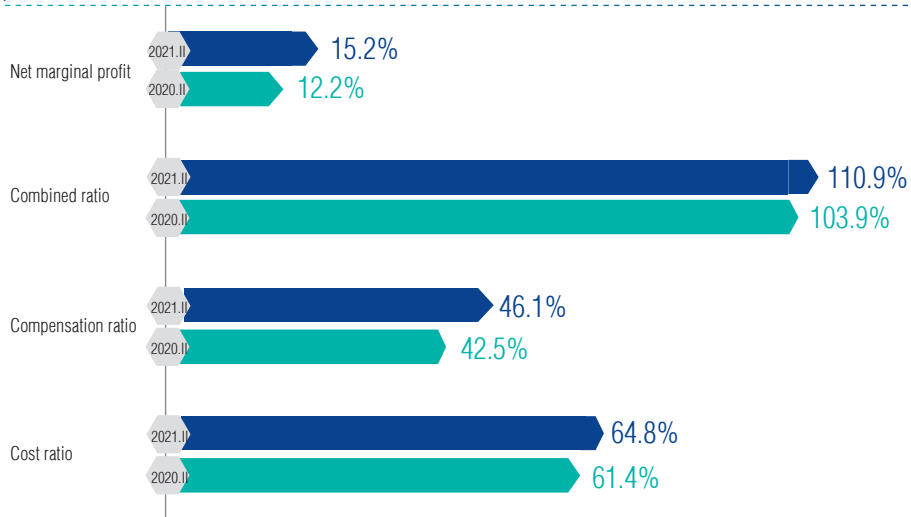
NET PROFIT INDICATOR OF INSURANCE COMPANIES

- o The net profit of insurance companies increased by 45.5% (compared to the previous year) to MNT 17.1 billion in the reporting quarter. The increase was 144.2% compared to second quarter of 2017.
- o In terms of net profit after tax, nine companies exhibited decreases, two had increases up to 50%, two had increases of 50 to 100% and three insurance companies had increases of more than 100%.



KEY RATIOS

- o In the reporting quarter, the compensation ratio increased by 3.7 percentage points compared to the previous year.
- o The expenditure ratio increased by 3.4 percentage points to 64.8% from the previous year.
- o The net profit margin of the insurance sector increased by 3.0 percentage points to 15.2% in the reporting quarter.



PROFITABILITY COEFFICIENT

- o Return on assets in the market was 3.3% in the second quarter of 2020, and increased by 0.8 percentage points in the second quarter of 2021 to 4.1%. Return on total assets increased from 6.9% in second quarter of the 2020, by 1.9 percentage points in second quarter of the 2021 to 8.8%.

STABILITY

MARKET RISK

- One of the most pressing issues in the Mongolian insurance market was exchange rate risk.
- Most insurance companies were double insured abroad and had transferred an average of more than MNT 60 billion a year (over the previous three years) to other countries.
- The cost of double insurance premiums collected by insurance companies abroad amounted to 32.1% of total insurance premiums in the reporting quarter.

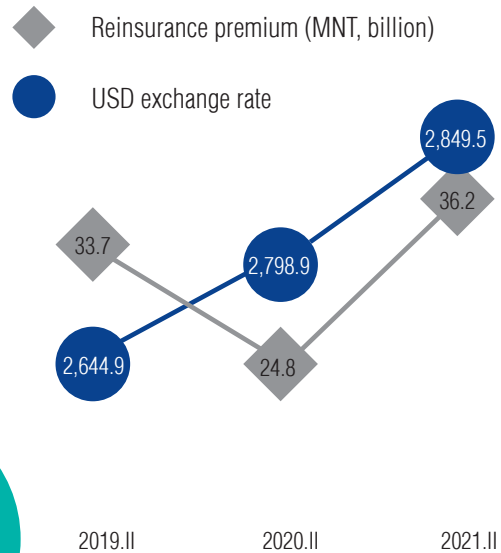
32.1%

Total reinsurance
premiums percentage

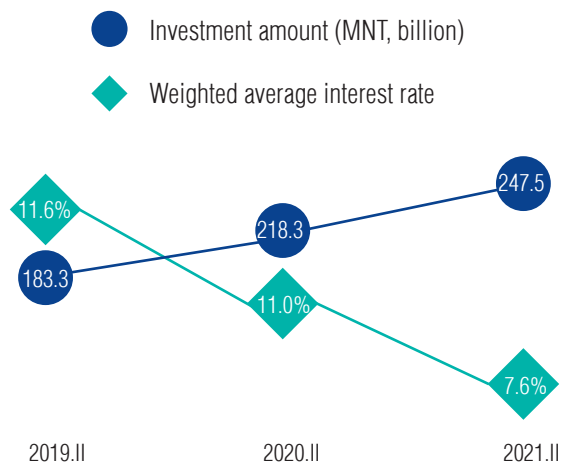
- 57.7% of the total assets of insurance companies were investments, of which 81.3% were in the form of deposits (and made as investment certificates of deposit) in the reporting quarter.
- In the second quarter of 2021, insurance companies earned a total of MNT 20.3 billion in interest income from deposits, certificates of deposit, and securities investments.

Investment
fund
57.7%

Reinsurance premium



Weighted average interest rate on total insurance investment and savings



REGULATORY ENVIRONMENT



INTERNATIONAL COOPERATION

- The FRC is in the working group on “Ensuring the flexibility of insurance companies” organized by the International Association of Insurance Supervisors (IAIS), exchanging views, and cooperating on how to protect countries from cyber risks.
- ADB: TA-9880: “Strengthening Disaster Risk Assessment, Planning and Risk Transfer Capacity” Technical Assistance Project was being implemented in the National Emergency Management Agency (NEMA). The FRC's representation is a member of the Steering Committee of the project and regularly participates in trainings and seminars implemented by the project.
- On March 18, 2021, the German Association for International Cooperation (GIZ), in cooperation with the Mutual Exchange forum on Inclusive Insurance (MEFIN) held a conference entitled “Reducing the Cost of Climate and Disaster Risk Insurance through Risk Reduction” online meeting was organized. The FRC participated in the 10th Public-Private International Consultative Meeting, which was attended by about 80 insurance industry experts and representatives of regulatory agencies from MEFIN members and other relevant organizations.



POLICY AND LEGISLATION

- The FRC received comments from relevant organizations for project amendments to the “Regulation on centralization, account placement and disbursement of driver's insurance fund” and “Procedures for compiling, locating and monitoring the index-based livestock reinsurance company fund” approved by FRC Resolution No. 213 of 2018.
- According to the FRC Chairman's Order No. 112 of 2021, a working group was established to improve the legal environment of the insurance sector, and the Law on Insurance, the Law on Driver's Insurance and the Law on Insurance Professional Participants was drafted.
- Relevant proposals were submitted to the draft Law on Private Supplementary Pensions being developed by the Ministry of Labor and Social Welfare.



NBFIs

Total assets

MNT **2.3**
trillion



Financial market status

Capital growth **21.5%**

Average loan amount

MNT **2.1** million

Customers **3.3** million



Accessibility

Credit NBFIs

92.7%

7.3%

Foreign currency exchange NBFIs



Products and services

Profitability



Total income

MNT **220**
billion

Stability



Z index

27.2

Percentage of non-
performing loans

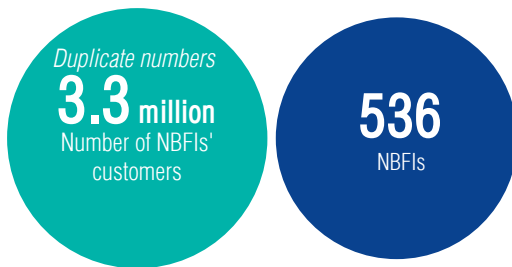
9.7%

Regulatory environment



FINANCIAL MARKET STATUS

- 536 NBFIs were licensed by the FRC in the second quarter of the 2021; a decrease of 1.1% from the previous year and an increase of 0.6% from second quarter of the 2017.

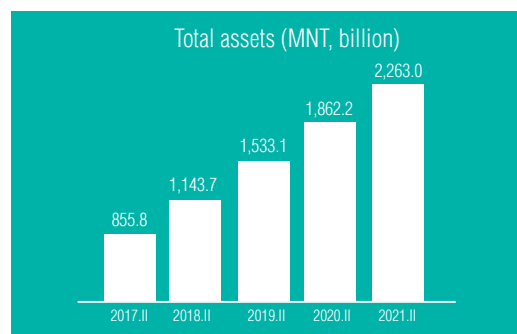
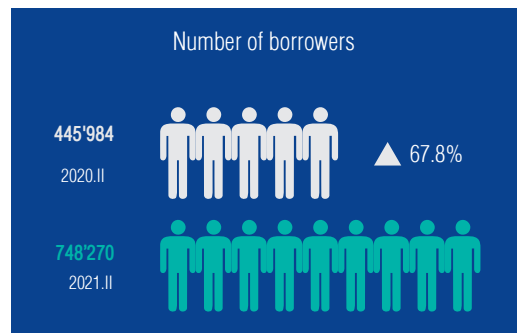
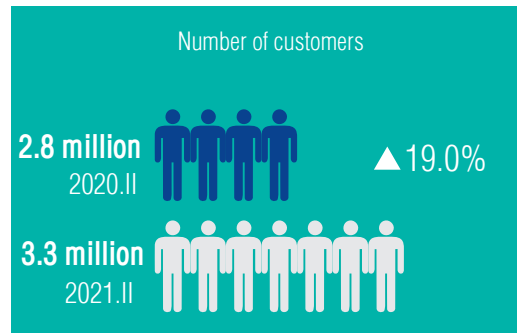
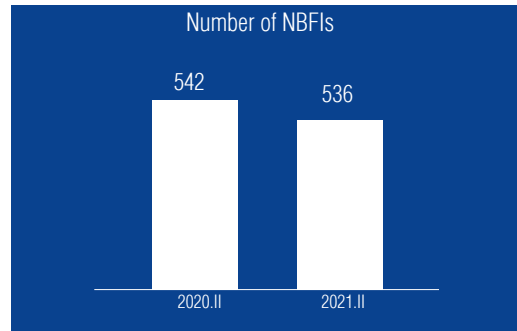
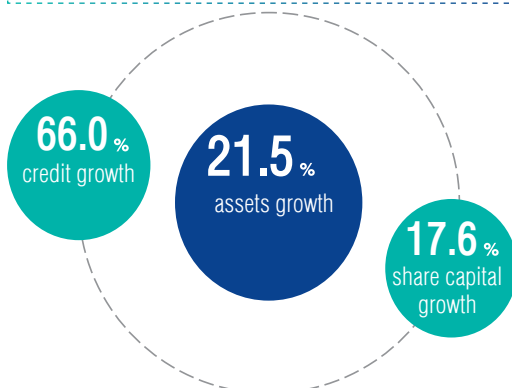


5.6% of all NBFIs had foreign investment, and 94.4% had national investment.



ASSETS OF NBFIs

In the second quarter of 2021, the total assets of NBFIs reached MNT 2.3 trillion; an increase of MNT 400.8 billion (21.5%) from the previous year, and MNT 1.3 trillion (164.4%) from the second quarter of 2017.



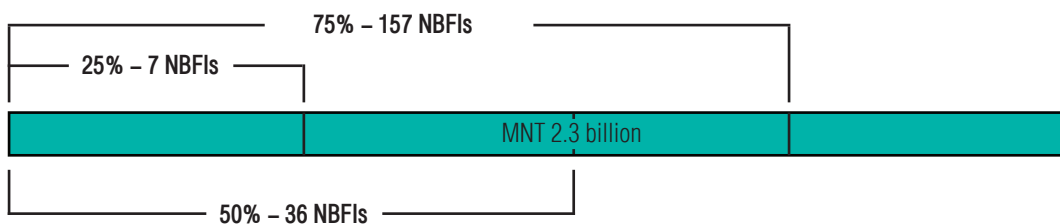
Assets structure of NBFIs (MNT, billions)

Total assets	2,263.0	100.0%	
Current assets	2,178.7	96.3%	
Cash	443.9	19.6%	
Credit (net)	1,571.9	69.4%	
Short-term investment (net)	19.7	0.9%	
Factoring settlement receivables (net)	11.9	0.5%	
Other property ownership and other ownership (net)	13.6	0.6%	
Other assets	233.8	10.3%	
Non-current assets	84.3	3.7%	

Liability structure of NBFIs (MNT, billions)

Total liabilities	2,263.0	100.0%	
Liabilities	709.5	31.4%	
Financial resources	179.1	7.9%	
Liabilities to domestic and foreign banks, and financial institutions	201.4	8.9%	
Other resources	48.6	2.1%	
Bonds issues by NBFIs	87.8	3.9%	
Project loans financing	18.6	0.9%	
Other liabilities	174.1	7.7%	
Owner's property	1,553.4	68.6%	
Share capital	1047.9	46.3%	
Other property	50.3	2.2%	
Funds	0.8	0.0%	
Retained earnings/losses	446.3	19.7%	
Secondary payable	8.1	0.4%	

- o Market share (share of total assets) in terms of total assets of the sector
- o The seven largest NBFIs account for 25% of total assets.
- o 36 NBFIs account for 50% of assets.
- o 157 NBFIs account for 75% of assets.



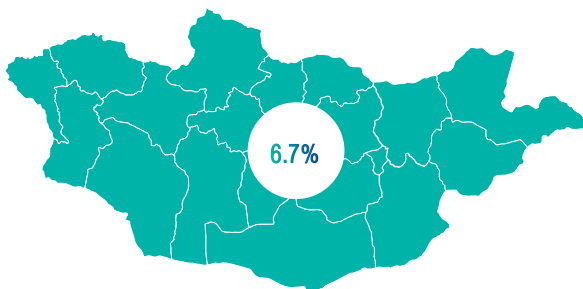
Share of total assets	Number of NBFIs		Total assets		Total loans		Percentage of non-performing loans in loan portfolio	Customers	
	No.	%	Amount (MNT, billions)	%	Amount (MNT, billions)	%		No.	%
25 %	7	1.3	604.3	26.7	447.8	28.5	4.7	1,169,464	35.5
50 %	36	6.7	1,136.2	50.2	848.3	54.0	7.2	3,116,845	94.7
75 %	157	29.3	1,697.4	75.0	1,230.1	78.3	9.0	3,209,126	97.5
100 %	536	100.0	2,263.0	100.0	1,571.9	100.0	9.7	3,292,164	100.0

Loans of NBFIs – which accounted for 25,50 and 75% of the total assets of the non-bank financial sector – accounted for 28.5, 54.0 and 78.3% of the total outstanding loans in the sector, respectively. Although the share of total assets and total loans were similar, the share of non-performing loans (among all loans) was 4.7, 7.2 and 9.0%, respectively. That is, the loan quality of NBFIs with a large share in the sector is good compared, to the industry average.

Some of the 36 NBFIs which accounted for 50% of the sector's total assets, used technology to provide inclusive services. 94.7% of the total were customers of these NBFIs alone.

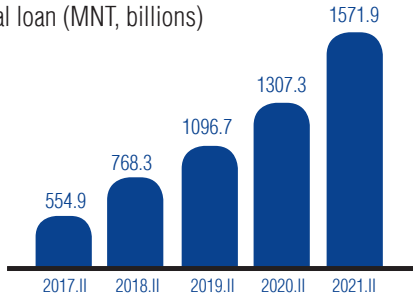
Item	Number of NBFIs	Total assets		Total loans		Customers	
		Amount (MNT, billions)	%	Amount (MNT, billions)	%	No.	%
With domestic investment	506	1,943.4	85.9	1,334.6	84.9	3,170,167	96.3
With foreign investment	30	319.6	14.1	237.3	15.1	121,997	3.7

Of all the NBFIs with foreign investments, 12 (40.0%) were from Japan, 8 (26.7%) from South Korea, two from the United States, two from the United Kingdom, and the rest from Malaysia and Hong Kong. Although NBFIs with foreign investment owned 14.1% of the sector's total assets, they provided services to just 3.7% of all customers.

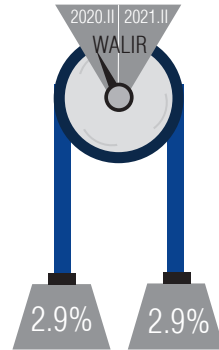


In the second quarter of 2021, the total assets of NBFIs amounted to 6.7% of Mongolia's GDP.

Total loan (MNT, billions)



Loan interest rate: In the second quarter of 2021, the weighted average monthly interest rate (on loans issued by NBFIs) reached 2.9%; a decrease of 0.6 percentage points from the second quarter of 2017.



TOTAL LOANS

In the second quarter of 2021, the total value of loans of the sector increased by MNT 264.6 billion (20.2%) from the previous year, and by MNT 1.0 trillion (183.3%) from the second quarter of 2017.

In the second quarter of 2021, 96.5% of all loans were disbursed in MNT and the remaining 3.5% were disbursed in foreign currency.

96.5%



NORMAL

87.4%

+0.8%



OVERDUE

2.9%

-1.8%



NON-PERFORMING

9.7%

+1.0%

MNT1,131.7 billion | Issued loan

Paid loan | MNT 885.8 billion

Wholesale and retail



10.1%

11.7%

Construction



6.3%

6.4%

Cars and motorcycles repair services



4.5%

3.2%

Mining



2.4%

1.9%

Accommodation and catering



2.0%

2.5%

Processing factories



1.5%

1.7%

Agricultural



0.9%

0.7%

Other



72.3%

71.9%



85.3%

88.2%

88.7%

LOAN BALANCE

LOANS ISSUED

PAID LOAN

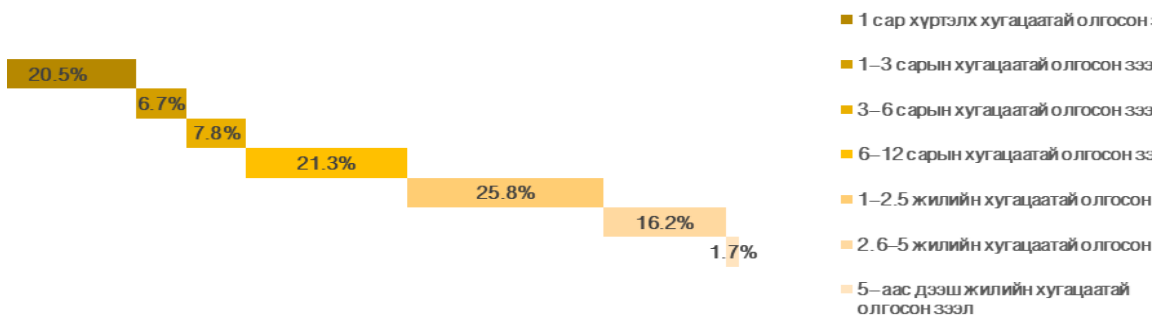
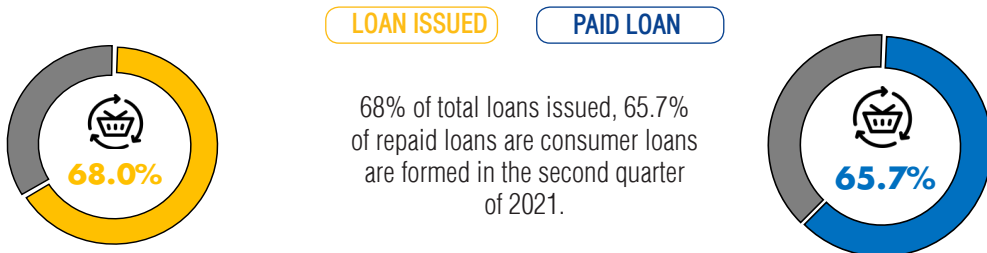


14.7%

11.8%

11.3%

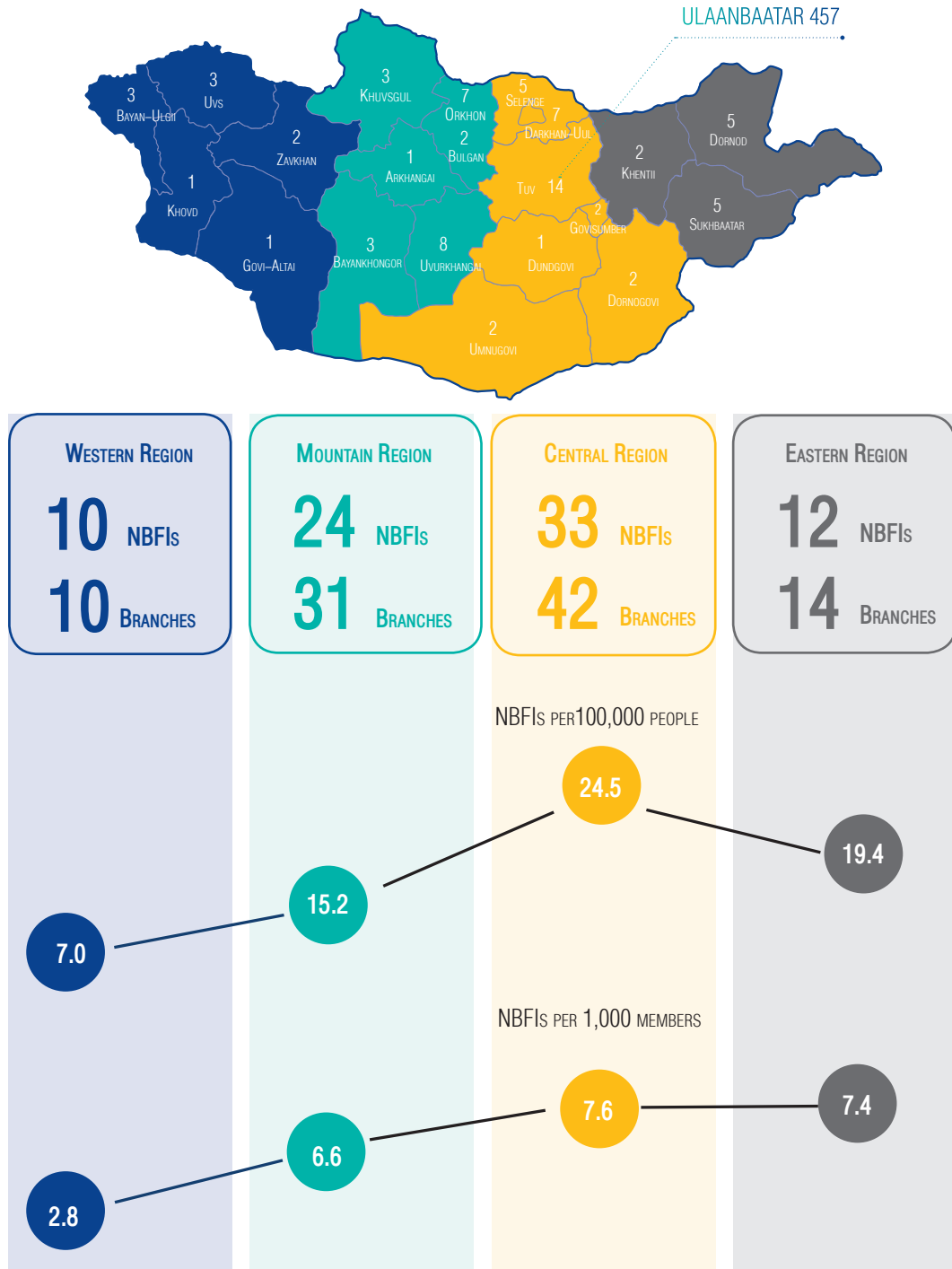
As of the second quarter of 2021, 85.2% of total loans are outstanding loans to individuals and 14.8% are outstanding loans to legal entities.

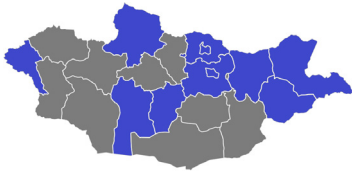


In the second quarter of 2021, 25.8% of loans issued by NBFIs were loans with a term of 1–2.5 years, 21.3% were loans with a term of 6–12 months, and 20.5% were loans with a term of up to one month.

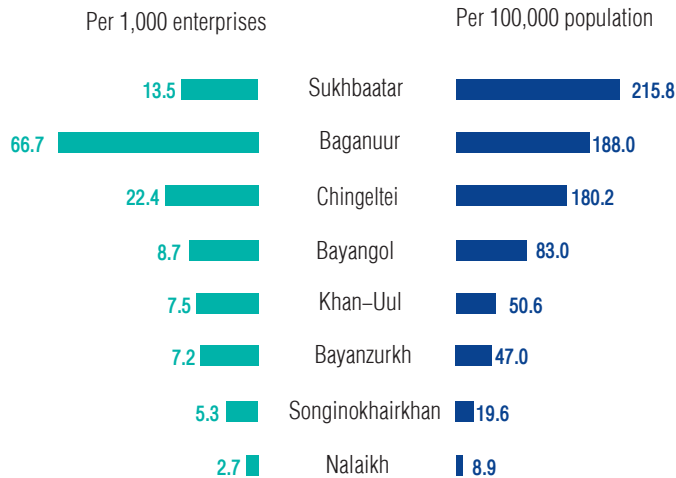
ACCESSIBILITY

Nationwide, there were 536 licensed NBFIs with a total of 308 branches. The majority (85.3%) of NBFIs operated in Ulaanbaatar.





Eleven(52.4%) provinces of the total of 21 had three or more NBFIs.

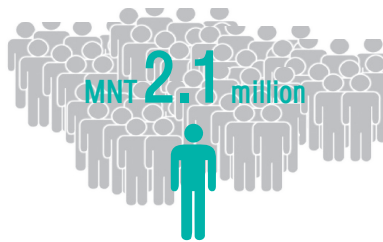


BY ACCESSIBILITY AND GEAGRAPHICAL LOACATION OF NBFIs

- o There were 43 NBFIs for 100,000 people aged 18–64 and 29 NBFIs for 1,000 businesses throughout Mongolia.
- o Locally these levels were 16 and 6 in the regions generally; with Central Region leading in terms of access to NBFIs, with eight NBFIs per 100,000 people, and 25 per 1,000 enterprises.
- o In Ulaanbaatar, there are 75 NBFIs per 100,000 people and 10 per 1,000 businesses, indicating good access; compared to the countryside.

43 NBFIs per
100,000
people nationwide

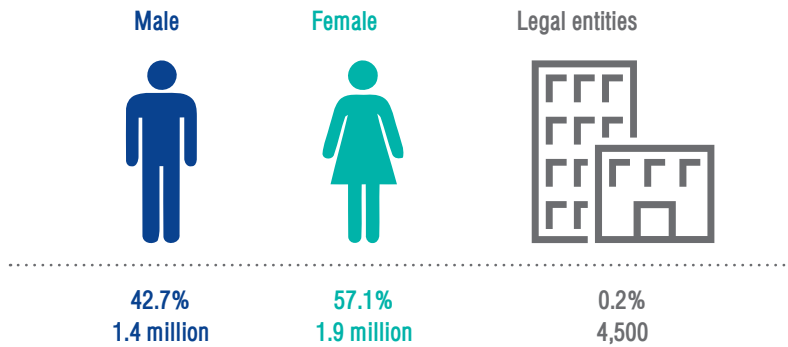
29 NBFIs per
1,000 enterprises



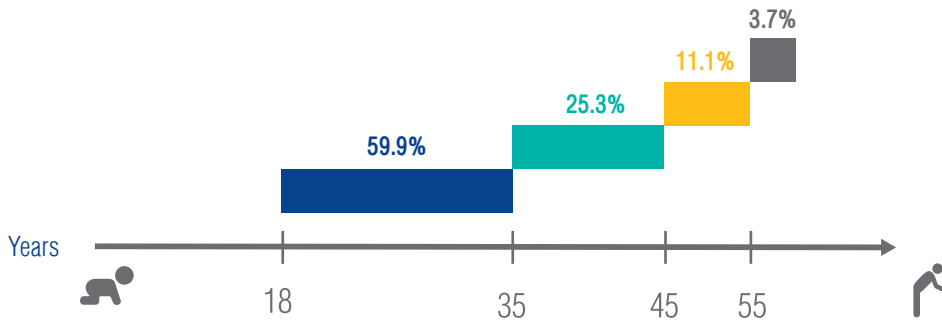
AVERAGE LOAN

- o In the second quarter of 2021, the average NBF loan borrower in Mongolia received a loan of MNT 2.1 million; ranging from MNT 3.0 million in rural areas to MNT 2.1 million in Ulaanbaatar.
- o This compares to MNT 2.9 million nationwide in previous year; since when the average loan amount per borrower from NBFIs decreased by MNT 830,600 (28.3%).
- o The decrease (in the average value) was due to an increase in the number of borrowers.
- o The total number of borrowers was 748,300 which meant that 38 out of 100 people of working age (18–64) had loans from NBFIs.

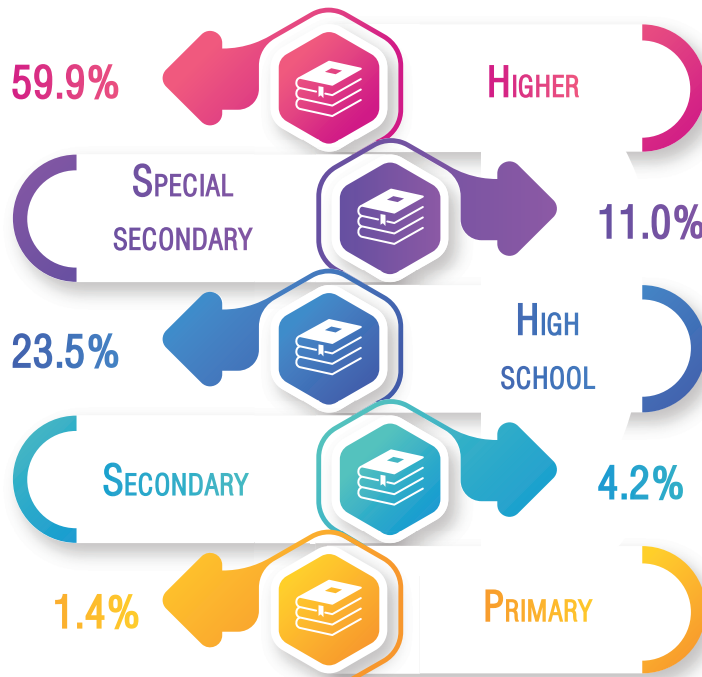
Customers of NBFIs



Borrowers of NBFIs (by age)



Borrowers of NBFIs (by level of education)



PRODUCTS AND SERVICES

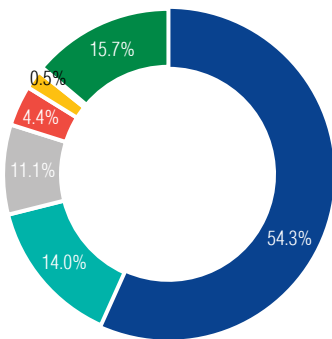
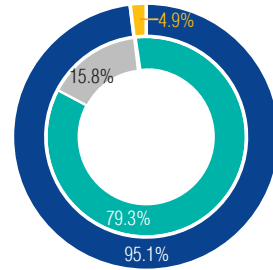
NUMBER OF NBFIs AND TYPES OF SERVICES (WITH DOUBLE COUNTING)



REVENUE FROM PRODUCTS AND SERVICES

- o In the second quarter of 2021, the total income of NBFIs reached MNT 220.0 billion.
- o 95.1% of total revenue was operating income, interest and non-interest income. Of this, 79.3% (MNT 174.5 billion) of total revenue was interest income and 15.8% (MNT 34.7 billion) was non-interest income.

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



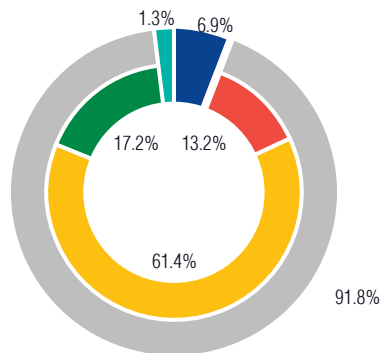
- service fees
- exchange and valuations
- commerce
- remittances
- financial advisory and information services
- other

BREAKDOWN OF NON-INTEREST INCOME

- o Non-interest income was generated by non-interest income service fees and commission (54.3%), foreign exchange rate and valuation equation (14.0%), trading (11.1%), remittance(4.4%), financial consulting and information services (0.5%), and others (15.7%).

COSTS OF PRODUCTS AND SERVICES

- o Most (91.8%) were operating expenses, 1.3% were non-operating expenses and 6.9% were income tax expenses.
- o Interest expenses (a component of operating expenses) accounted for 13.2% of total expenditure, non-interest expense for 61.4%, and contingency risk for 17.2%.

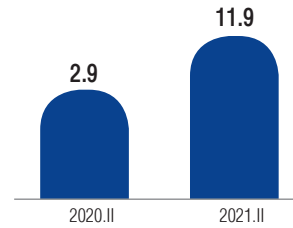


- interest
- non-interest
- potential risks
- non-core operations
- operating
- income tax
- unusual costs

Expenditures related to product and service risks (or potential risks) accounted for a total of MNT 23.3 billion, of which 88.7% were credit risk expenses, 9.2% were other property risks and 2.1% were receivables risk expenses.

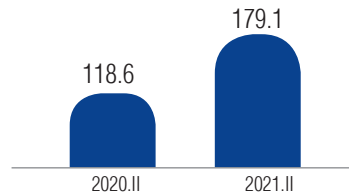
- o Factoring services are the sales of the entire rights to demand a monetary payment obligation, from a creditor or creditor, to a third party. The recipient of this right is responsible for exercising the right and the consequences. In the second quarter of 2021, a total of MNT 11.9 billion net factoring receivables were registered in the sector.

Net receivables for factoring services (MNT billions)

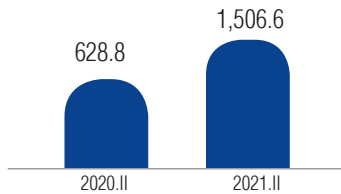


- o A total of 44 NBFIs provided trust services in the sector.
- o Total liabilities for trust services amounted to MNT 179.1 billion; an increase of 50.9% from the previous year.

Trust service payable (MNT, billions)



Remittance service income (MNT, billions)



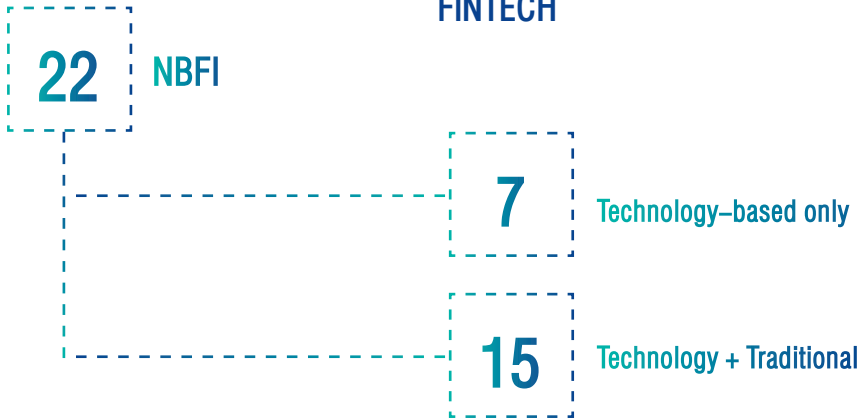
- o In the second quarter of 2021, NBFIs earned a total of MNT 1.5 trillion from remittance services. This was an increase of MNT 877.8 million from the previous year.
- o A total of 36 organizations in the sector were licensed to provide remittance services, of which 12 earned revenue in the reporting quarter.

CURRENCY TRADING NEWS

In the second quarter of 2021, NBFIs purchased a total of MNT 1,014.6 billion worth of currency and sold MNT 1,046.9 billion worth. The Chinese yuan accounted for 52.2% of the currency purchased and 50.9% of the currency sold.

CURRENCY NAME	Bought Result (MNT, billions)	Sold Result (MNT, billions)
CHINESE YUAN	529.3	533.3
US DOLLARS	404.8	433.0
EURO	58.7	59.1
KOREAN WON	10.9	10.8
JAPANESE YEN	5.4	5.2
OTHER	5.5	5.5

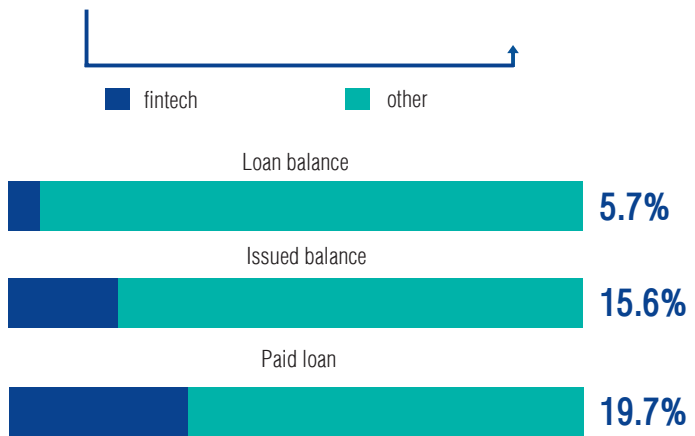
FINTECH



- o Most (90.7%) of all customers in the sector were customers of NBFIs and they had access to technology-based credit services.
- o Nearly half (56.3%) of all borrowers received loans only through their mobile phones.

o In the second quarter of 2021, 93.4% of outstanding loans of NBFIs (using technological advances in financial services) were normal loans, 1.4% were overdue loans, and 5.3% were non-performing loans.

90.7%



93.4% normal

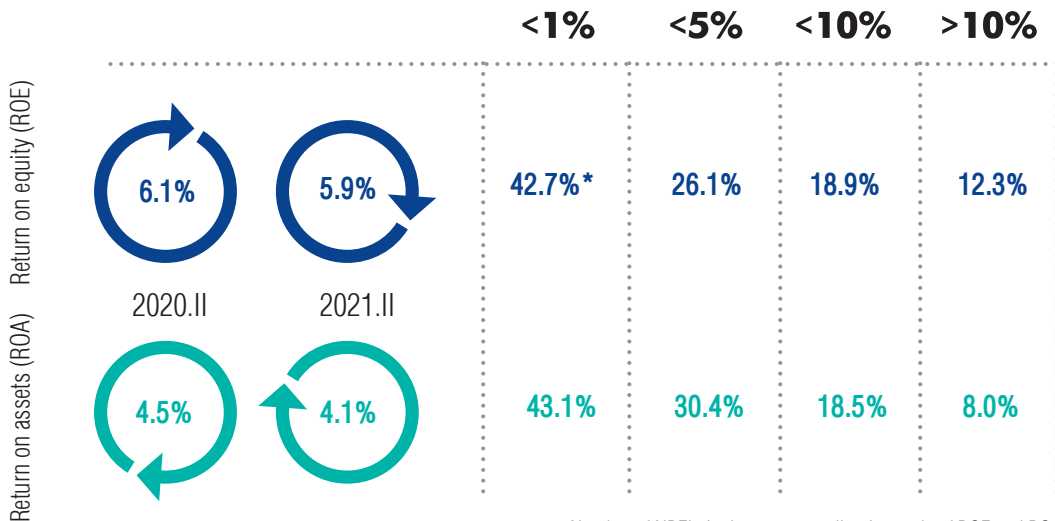
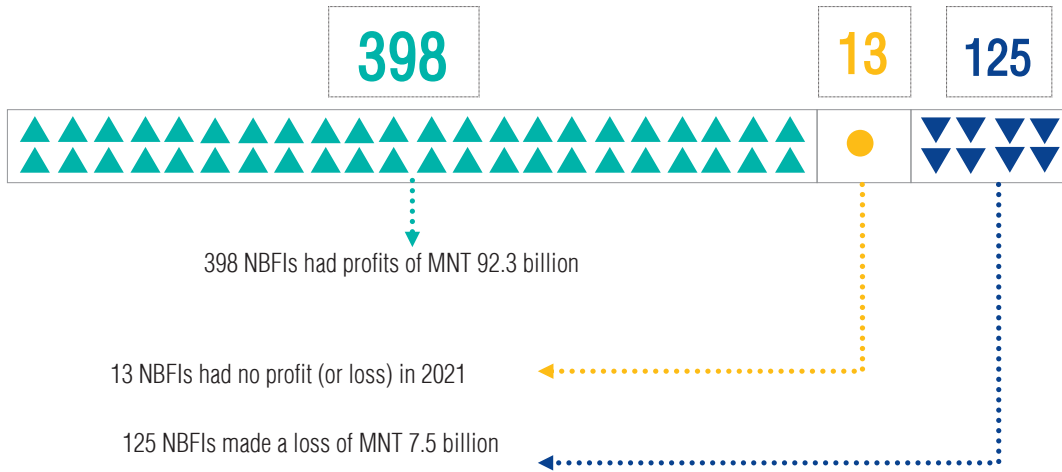
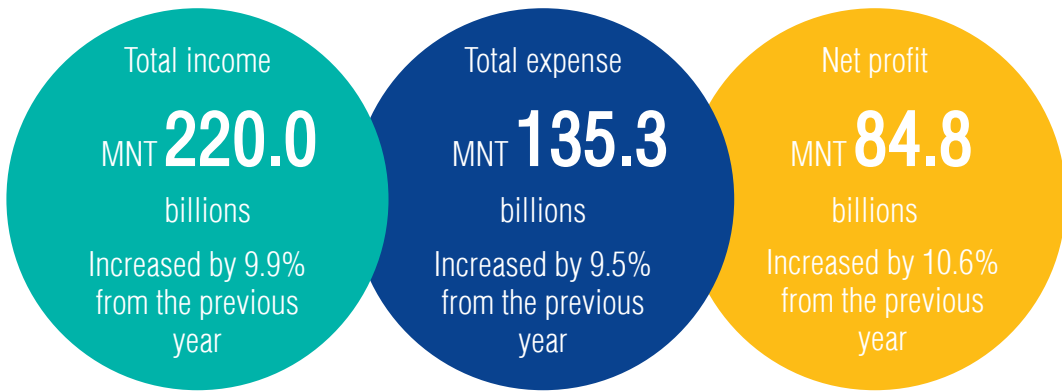
1.4% overdue loans

5.3% poor quality

Although it had a small share in the total loan balance of the sector – in terms of the share of loans issued and repaid – the loans from these NBFIs were on good terms.

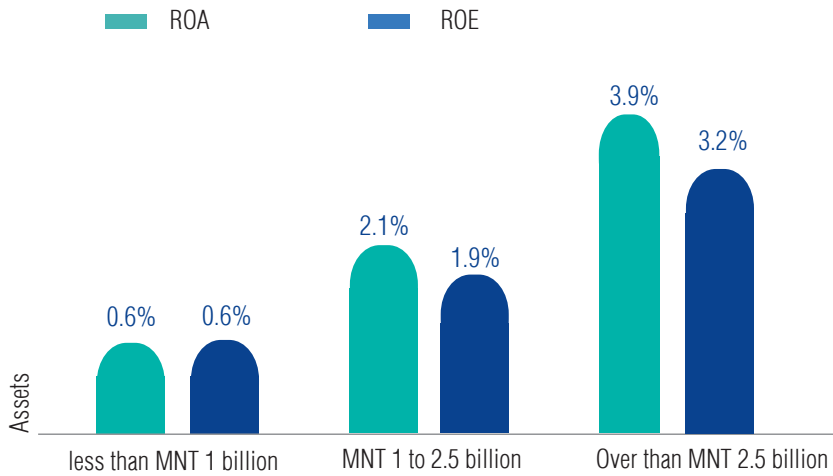
	Total loans		Borrowers		Average loan amount per borrower (MNT, thousands)
	Amount (MNT, billions)	%	Number	%	
Fintech	152.4	9.7	421,424	56.3	361.6
Traditional	1,419.5	90.3	326,846	43.7	4,343.1
TOTAL	1,571.9	100.0	748,270	100.0	2,100.7

PROFITABILITY



Number of NBFIs in the corresponding intervals of ROE and ROA

(*) For example: 42.7% of all NBFIs had no ROE of less than 1%



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

In terms of returns on total assets and the ROE of NBFIs (by share capital), half of NBFIs with equity of less than MNT 1 billion had a return on total assets of less than 0.6%. Half of NBFIs with a share capital of MNT 1.0 to 2.5 billion had a ROA of less than 1.9% and half of NBFIs with equity of more than MNT 2.5 billion had a return on total assets of less than 3.2%. In terms of return on assets, the relevant values are 0.6, 2.1 and 3.9% (in the three categories of assets, by size)..

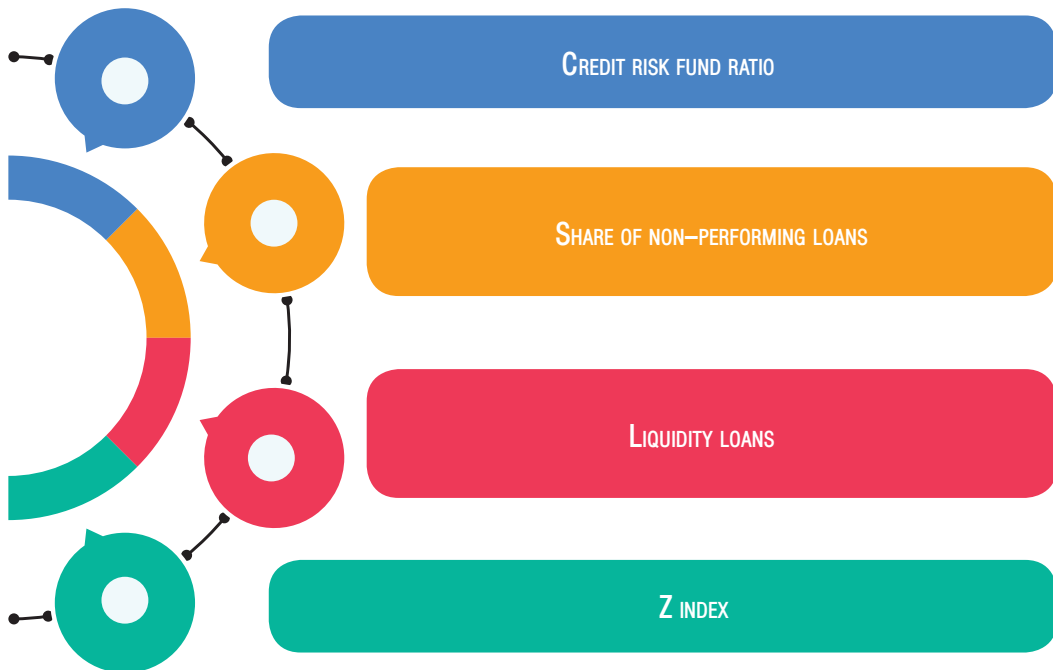
COST REVENUE RATION

The ratio of expenses to income (which estimates the average cost of NBFIs to earn one MNT) was 45.4% in the reporting quarter, a decrease of 0.5 percentage points from the previous year. That is, NBFIs spent an average of MNT 45.9 to earn MNT 100.0.



STABILITY

- o The following four indicators of NBFIs were calculated in accordance with the AFI guidelines of Alliance for Financial Inclusion to determine financial access and financial stability.



CREDIT RISK FUND RATIO

- o In the second quarter of 2021, the ratio was 101.3; accomplished by creation of a contingency fund and showing the ability to cover the risk by 101.3%.
- o This was a decrease of 1.4 percentage points from the previous year.

101.3%

Contingency fund
to be established

114.5

Established risk
fund

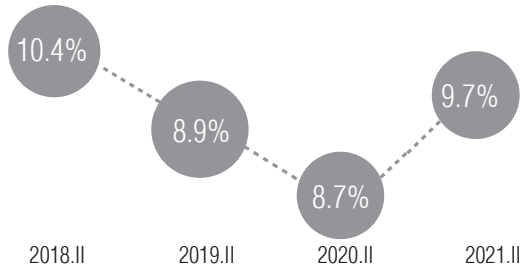
116.0

MNT billions

100.0%

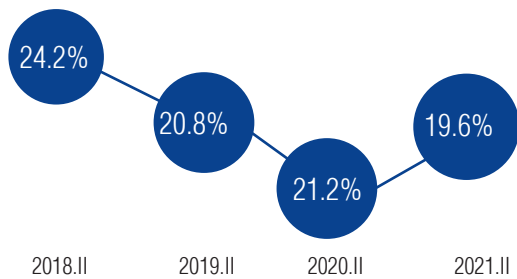
SHARE OF NON-PERFORMING LOANS

In the reporting quarter, non-performing loans reached MNT 152.7 billion, and the amount of non-performing loans (among total loans) increased to 9.7%. This was an increase of 1.0 percentage points from the previous year.



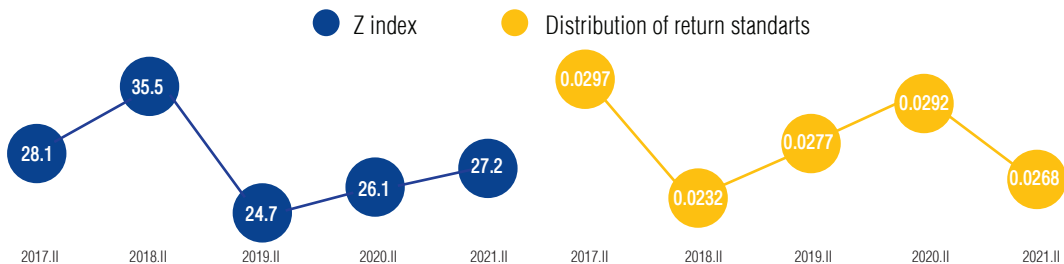
LIQUIDITY RATIO

- o The ratio of cash and cash equivalents to total assets (liquidity) reached 19.6% in the reporting quarter.
- o Cash growth in the second quarter of 2021 was 12.3%; 9.2 percentage points lower than total capital growth, so liquidity had decreased by 1.6 percentage points from the previous year.



Z INDEX

The Z index shows the probability of an NBF1 going bankrupt; calculated by the sum of the return on assets and the ratio of equity to the volatility of the return on assets. The value of the Z index is higher when profitability and equity leverages are high, and low when returns are high and income uncertainly is high. That is, a high value of the index indicates low risk and stability. In the second quarter of the 2021, the Z index of the non-bank financial sector increased by 1.1 points 27.2 from the previous year.



REGULATORY ENVIRONMENT



INTERNATIONAL COOPERATION

- In cooperation with international professional associations and training institutions operating in the field of FRC regulation, an online seminar on "Introduction to risk-based supervision of non-bank financial institutions" was organized as part of a project implemented by the ADB.
- On February 26 2021, FRC met with representatives of the ADB to discuss the "Climate Change Financing" project being implemented by the ADB. The ADB encourages non-bank financial institutions to participate in the project, and the FRC has expressed support for regulators.
- Within the framework of the "Inclusive Green Finance Capacity of Regulated Entities" project implemented by the Alliance for Financial Inclusion (AFI), a training on "Green Finance" was organized for more than 300 microfinance institutions. The Commission also worked on the "Inclusive Green Finance" working group and participated in online conferences and seminars.
- The International Finance Corporation (IFC) developed a "Manual for Procurement or Factoring" under a Memorandum of Understanding between the FRC.
- IFC, a member of the World Bank Group, in collaboration with relevant organizations, organized an e-webinar on "Using Technology Solutions in Receivable Financing" to develop the Supply Chain Financing Market in Mongolia.
- The ADB conducted a joint survey on "International Fintech Regulation" and fintech-based credit customers as part of a project to support the non-bank financial sector to increase access to financial services.



POLICY AND LEGISLATION

- Within the framework of developing, updating and amending the rules and regulations of non-bank financial institutions in accordance with the legislation, the following regulations were updated and registered in the State Unified Administrative Norms Act.
- The Resolution on Amendments to the "Regulation on Regulation and Supervision of the Loan Guarantee Fund" was discussed at the FRC meeting on February 24, 2021 and approved by Resolution No. 65. Administration Norms Act registered on March 2, 2021
- FRC Resolution No. 441 of 2019 (On re-approval of the minimum share capital and step-by-step increase schedule for non-bank financial institutions) was discussed on February 24, 2021 and approved by Resolution No. 66. Registered in the State Unified Fund of Administrative Norms on March 2, 2021.
- "Regulation on registration and control of closed bonds to be issued by non-bank financial institutions" was developed, discussed at the FRC meeting on April 28, 2021, and approved by Resolution No. 165.
- A resolution on measures to be taken by NBFIs during the pandemic was developed, discussed at the FRC meeting on June 23, 2021, and approved by Resolution No. 262.



SCCs

Total assets

MNT 270.5 billion

Capital growth 15.4%



Financial market status

Total branches 64

42.7% of all members have higher education



Accessibility

Loans for consumption and other related purposes

80.9%



Products and services

Profitability



Net profit
MNT **5.2**
billion

Stability



Percentage of non-performing
loans (on total loans)

3.7%

Regulatory environment



FINANCIAL MARKET STATUS

NUMBER AND MEMBERS OF SCCs

- In the second quarter of 2021, the 234 licensed SCCs was decrease of 22 or 8.6% compared to 2020.
- In the second quarter of 2021, 73,719 members of SCCs, was an increase of 2.1% compared to 2020 (when the total SCC's members 72,230)
- In second quarter of 2021, the total number of SCCs decreased by 18.5%, and total members of SCCs – 50,687 increased by 42.5% compared to the second quarter of 2017.



EMPLOYEES

793

Total 793 workers (72.3% female workers)
increased by 2.9%

TOTAL

32,534

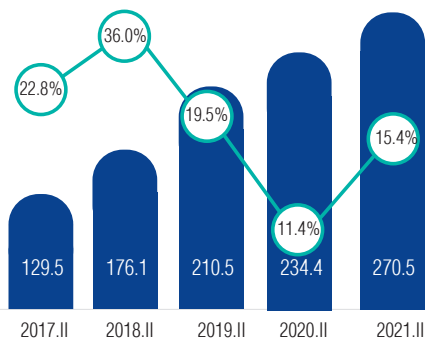
Borrowers

35,122

Depositors

■ Total assets (MNT, billions)

○ Total assets growth (MNT, billions)



TOTAL ASSETS AND THEIR GROWTH

- Net worth increased by 15.4% to MNT270.5 billion compared to the previous year.
- Rate of capital growth increased by 4.0 percentage points compared to 2020.
- In the second quarter of 2021, the total net worth of SCCs (MNT270.5 billion) was an increased of MNT141.0 billion (108.9%) compared to the second quarter of 2017.

Total loans MNT
187 billion

Total savings
MNT 156
billion

TOTAL MARKET SHARE

- 23 SCCs with net capital greater than MNT1 billion comprised 85.9% of the market.
- 18 SCCs with net capital of MNT500 million to 1 billion, comprised 5.0% of the market.
- 193 SCCs with net capital of under MNT500 million comprised 9.1% of the market.

85.9%

23 SCCs

5.0%
18 SCCs9.1%
193 SCCs

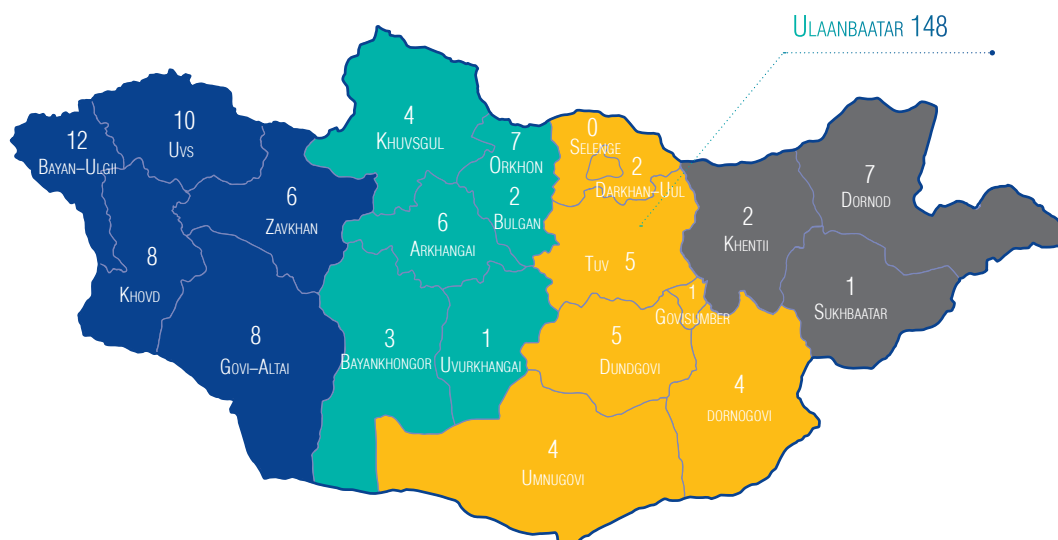
Assets and Liability structure of SCCs (MNT, billions)

Total assets	270.5	100.0%
Currents assets	262.2	96.9%
Cash	69.4	25.7%
Loan	181.8	67.2%
Receivables	9.1	3.4%
Other current assets	0.9	0.4%
Other assets	0.7	0.3%
Non-current asset	8.3	3.1%
Fixed assets	4.2	1.5%
Intangible assets	4.1	1.5%
Investment and others	0.02	0.0%
Total liabilities and equity	270.5	100.0%
Liabilities	214.6	79.3%
Savings	191.2	70.7%
Short-term loan	2.7	1.0%
Other short-term debt/current liabilities	16.8	6.2%
Long term debt	3.9	1.5%
Own assets	55.9	20.7%
Member contribution	22.6	8.4%
Re-evaluation surcharge	0.3	0.1%
Cooperative property	0.3	12.2%



- Current assets were 96.9% of total assets, and non-current assets were 3.1% of the net capital.
- Cash assets were 25.7% of net capital, loan balance 67.2 %, and the balance of receivables was 3.4% of net capital.
- Liabilities were 79.3% of net capital, and own assets were 20.7% of net capital.

ACCESSIBILITY



WESTERN REGION

44 SCCs

8 BRANCHES

MOUNTAIN REGION

23 SCCs

17 BRANCHES

CENTRAL REGION

21 SCCs

20 BRANCHES

EASTERN REGION

10 SCCs

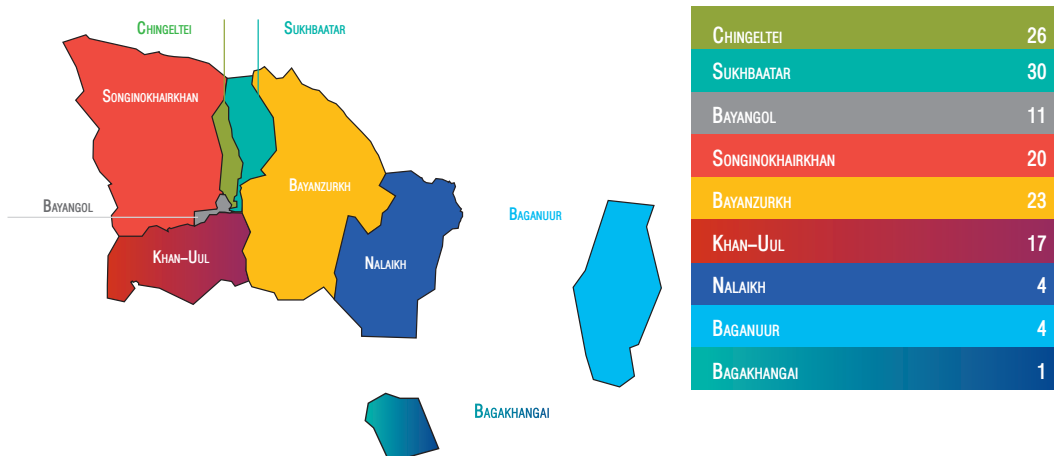
12 BRANCHES

ULAANBAATAR

136 SCCs

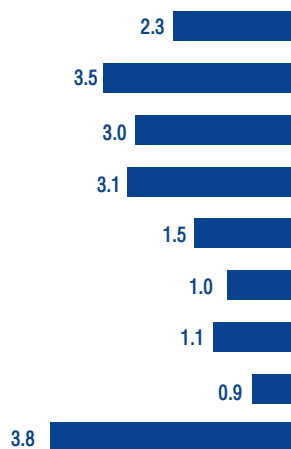
7 BRANCHES

- Of all 234 listed SCCs, 136 were in Ulaanbaatar, and 98 are in rural areas.
- Of all SCCs in rural areas, 44.9% were in Western Region, 10.2% in Eastern Region, 23.5% in Mountain Region, 21.4% in Central Region.
- Of all 136 SCCs in Ulaanbaatar, 93.4 % were in the central six districts, and 6.6% in the three remote districts.

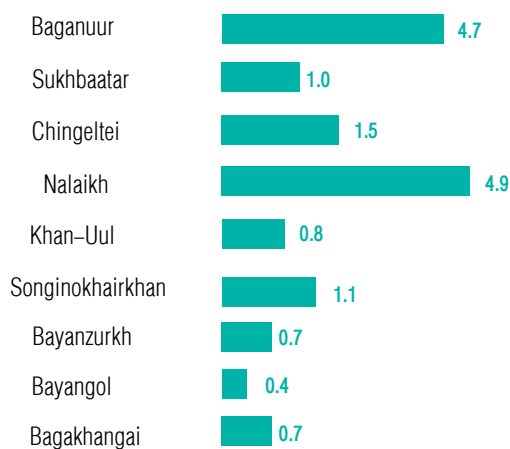


Financial inclusion indicators released by the AFI Data Working Group (in 2013) are shown below. These include the number of SCCs per 10,000 people (aged 18 to 64 years) and the number of SCCs per 1,000 entities.

Number of SCCs per 10,000 people

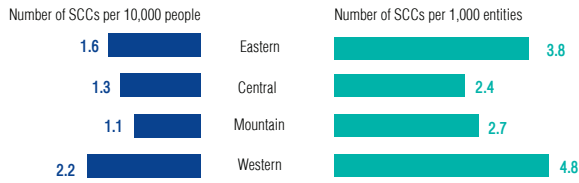


Number of SCCs per 1,000 entities



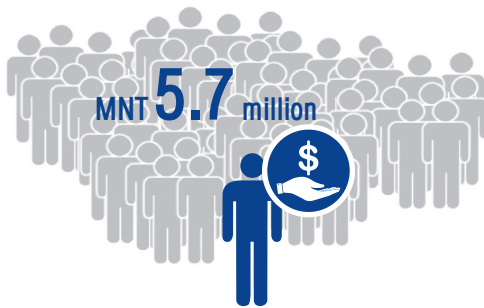
- o With respect to the number of SCCs per 1,000 entities, Nalaikh district had 4.9, Baganuur district 4.7, and Chingeltei district 1.5, Bayangol district had least with 0.4.
- o For the number of SCCs per 10,000 people Bagakhangai, Sukhbaatar, Nalaikh, and Chingeltei districts leading indicator with 3.8, 3.5, 3.1 and 3.0.

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



Western Region had most, in terms of the number of SCCs per 1,000 entities and per 10,000 people.

Average loan per member



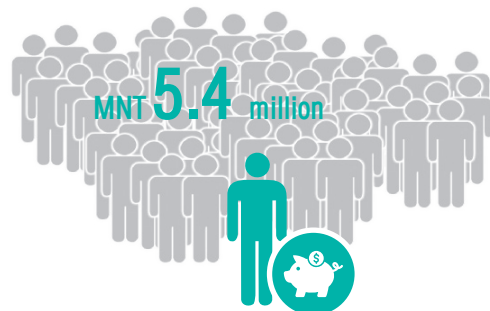
ACCESS TO LOANS

- o Nationally, one in 59 of all 18 to 64 year olds was a member of an SCC, and in receipt of a loan.
- o One in 75 in rural areas, and one in 48 in Ulaanbaatar were members of SCCs, and in receipt of loans.
- o Average loan (per member) among all members who received loans was MNT5.7 million nationally.
- o Average loan (per member) was MNT8.2 million in Ulaanbaatar and 2.5 million in rural areas.

ACCESS TO SAVINGS

- o Nationally, one in 55 of all 18–64 year olds was a member of an SCC and engaged in saving.
- o One in 62 people in rural areas, and one in 48 in Ulaanbaatar was a member of an SCC and engaged in saving.
- o Average savings per member (among all members holding saving accounts) was MNT5.4 million.
- o Average savings per member was MNT8.6 million in Ulaanbaatar and MNT1.9 million in rural areas.

Average amount of savings per member



MEMBERS OF SCCs

Male



49.1%

Female



50.7%

Legal entities



0.2%

BY AGE

18–35 YEARS



28.7%

36–45 YEARS



29.9%

46–55 YEARS



24.5%

More than 55 years



16.9%

BY EDUCATION



42.7%

TERTIARY



14.6%

VOCATIONAL



30.2%

HIGH SCHOOL



8.7%

SECONDARY



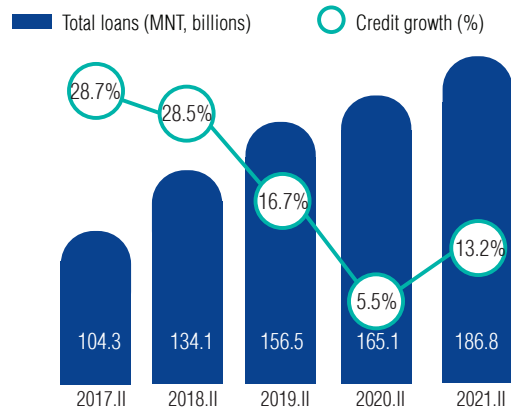
3.8%

PRIMARY

PRODUCTS AND SERVICES

LOANS FROM SCCs

- In the reporting quarter of 2021, loans totaled MNT186.8 billion, an increase of 13.2% from 2020.
- Net loans increased to MNT181.8 billion (13.5%) from 2020, and credit risk fund increased to MNT5.0 billion (2.0%)
- In the reporting quarter of 2021, the total balance of loans of SCCs (MNT 186.8 billion) was an increase of MNT 82.5 billion (79.0%) from second quarter of 2017.



NORMAL

93.6%



OVERDUE

2.7%



POOR QUALITY

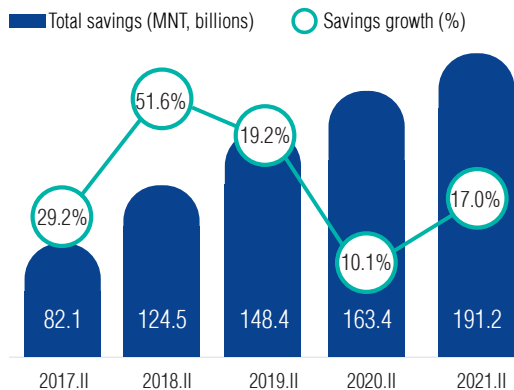
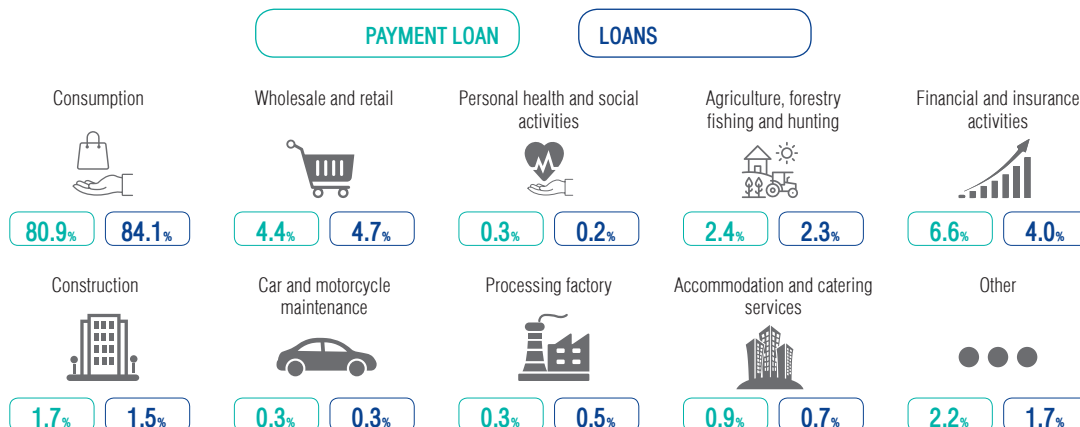
3.7%

LOAN QUALITY OF SCCs

- In the reporting quarter of 2021, normal loans increased to MNT174.8 billion, up 14.4% from 2020.
- Normal loans accounted for 93.6% of total loans.
- Overdue loans decreased to MNT5.1 billion, down 0.6% from 2020.
- Non-performing loans decreased to MNT 6.9 billion (down 2.7%)
- In the reporting quarter of 2021, non-performing loans SCCs increased to MNT 6.9 billion (43.7%) from second quarter of 2017 increased by MNT2.1 billion.

PURPOSE OF SCC LOANS

- Most (80.9%) of loans were issued for general consumption, 4.4% for wholesale and retail trade, and 2.4% for the agricultural sector.
- Of the total repaid loans, 84.1% were from general consumption, 4.7% from wholesale and retail trade, 2.63% from agricultural sector.



SCCs SAVINGS

- o Total savings in SCCs increased by 17.0% to MNT192.0 billion compared to 2020.
- o In the reporting quarter of 2021, the total savings in SCCs MNT191.2 billion increased by MNT104.04 billion (132.8%) compared to second quarter of 2017.

TOTAL SAVINGS

- o Term savings accounted for 97.7%, non-term savings accounted for 2.3%.



97.7%

TERM

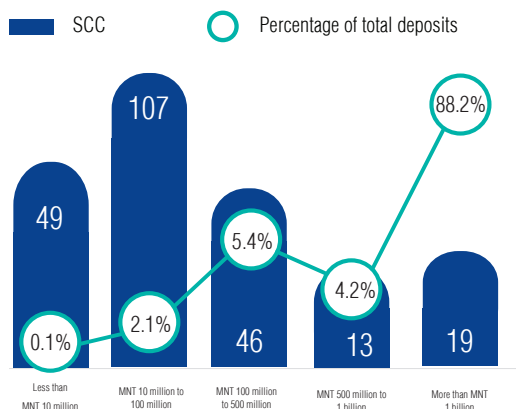


2.3%

NON-TERM



- o In the reporting quarter of 2021, 223 SCCs (95.3%) had total savings of MNT191.2 billion.
- o The remaining 11 SCCs (4.7%) had no deposits at all.



PERCENTAGE OF TOTAL SAVINGS

- o 19 SCCs with savings of more than MNT1 billion, accounted for MNT168.6 billion (88.2%) of total deposits of the sector.
- o 166 SCCs with savings of MNT10 million to billion, accounted for MNT 22.4 billion (11.7%) of total deposits of the sector.
- o 49 SCCs with savings of less than MNT10 million accounted for MNT0.2 billion (0.1%) of total deposits of the sector.
- o 14 SCCs did not withdraw savings.



1.38%

Weighted average monthly interest rate on deposits



2.46%

Weighted average monthly interest rate

	2020.I	2020.II	2020.III	2020.IV	2021.I	2021.II
WAIR	3.1	2.9	2.9	3.0	2.4	2.5
WAIRD	1.5	1.5	1.5	1.5	1.4	1.4

SCCs WITH OTHER ACTIVITIES

2020.II

2021.II

Licensed to provide project implementation programs

97

80

Licensed to provide financial leasing services

3

3

Licensed to act as insurance agents

4

4

Remittance services

*

1

Licensed branches

61

64

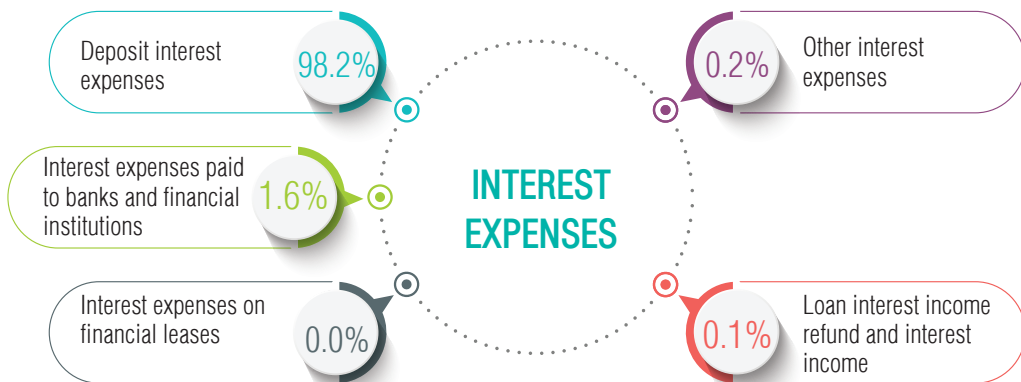
INCOME

- o Interest to SCCs increased by 0.7%, compared to 2020, and reached MNT25.8 billion.
- o The largest portion of total interest income (94.1%) was loan interest.
- o Interest income from banks and financial institutions accounted for 5.5%, and increased interest income from loans accounted for 0.4%.
- o Income from financial leasing and securities was not accounted.



EXPENSES

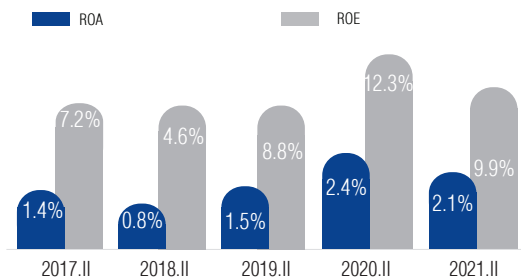
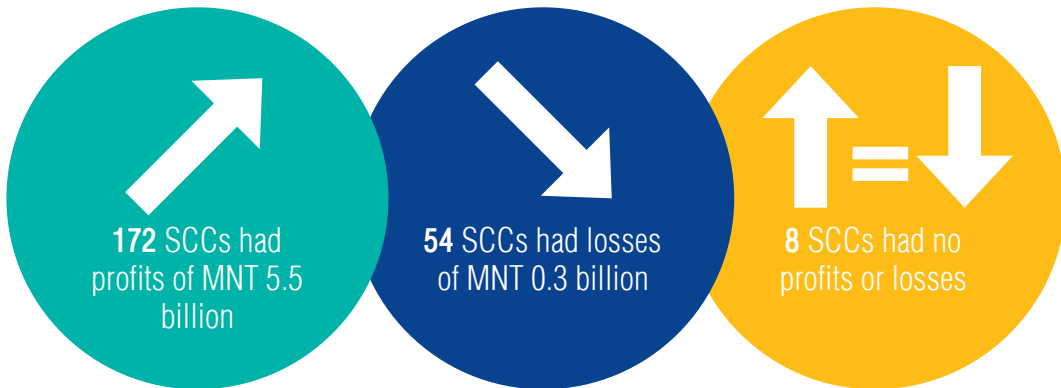
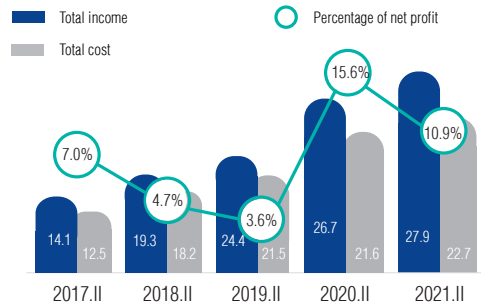
- o Interest expenses of SCCs increased by 7.3%, compared to 2020, and reached MNT15.2 billion.
- o Deposit interest rate was the highest (98.2%) of total interest expenses.
- o Interest paid to banks and financial institutions, which accounted for 1.6% of interest expenses, decreased by 11.2% compared to 2020, to MNT238.4 million.
- o Interest expenses on financial leasing were MNT250,000.



PROFITABILITY

INCOME AND EXPENSES OF SCCs

- o In the reporting quarter of 2021, SCCs earned MNT27.9 billion in revenue, spent MNT22.7 billion in expenses and earned MNT5.2 billion in profit.
- o The share of net profits from total revenue decreased by 0.85 percentage points from 2020, and reached 18.6%.

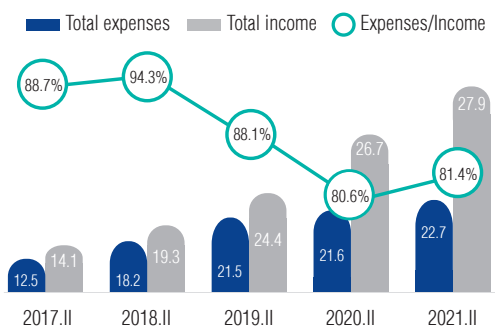
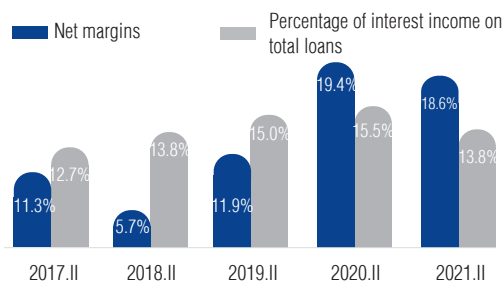


TOTAL RETURN ON EQUITY

- o ROE of SCCs decreased by 2.4 percentage points compared to the previous year and reached 9.9%.
- o ROA decreased by 0.3 percentage points to 2.1%.

KEY RATIOS

- o In the reporting quarter 2021, the share of interest income on total loans to members decreased by 1.7 percentage points from 2020, and reached 13.8%.
- o The average income from loan services for SCCs was equivalent to MNT13.8 from each MNT100.
- o The ratio of net income to total income decreased by 0.9 percentage points from 2020 to 18.6%.



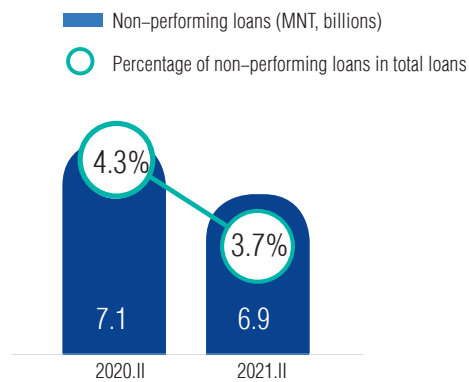
COST REVENUE RATIO

- o SCCs spent an average of MNT21.7 to earn MNT100.

STABILITY

SCCs assess the potential risks of their operations in accordance with the following four key indicators (PEARLS) methodology. Including:

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

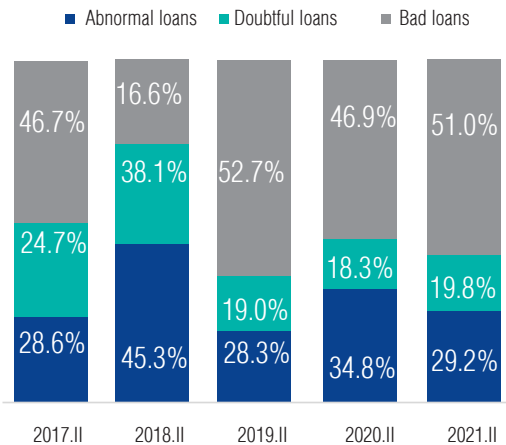


NON-PERFORMING LOANS OF SCCs

- Total amount of non-performing loans decreased by MNT 0.2 billion from 2020, to MNT6.9
- Share of non-performing loans to total loans decreased by 0.6 percentage points to 3.7% in 2020. According to prudential ratio standards of SCCs, this indicator should be less than 5.0%.

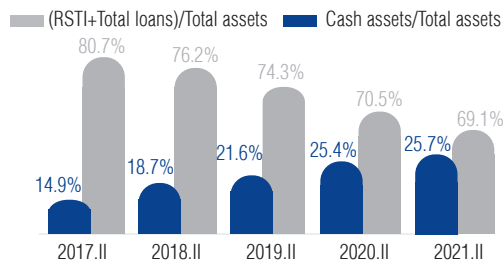
CLASSIFICATION OF NON-PERFORMING LOANS

- The share of abnormal loans in the non-performing loans category decreased by 5.6 percentage to 29.2% from 2020.
- Doubtful loans increased 1.5 percentage points to 19.8% from 2020 while the share of bad debts in non-performing loans amounted to 51.0%.

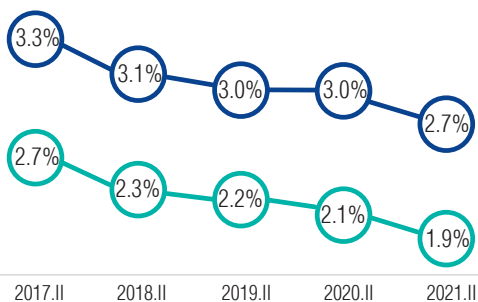


LIQUIDITY OF SCCs:

- In the reporting quarter, the ratio of monetary assets to total assets was equal to 25.7%.
- The ratio of short-term investments and total loans to total assets was equal to 69.1%.



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



CREDIT RISK FUND

- In the reporting quarter of 2021, the share of the credit risk fund in total loans was 2.7%, and the share of credit risk fund in total assets amounted to 1.9%.

Ratio	Adequate level	2021-II
Loans received from others/Total loans	<20%	3.6%
Total savings/Total assets	20%–80%	70.7%
Net loans/Total assets	60%–85%	67.2%
Equity of cooperatives/Total assets	>5%	12.2%
Reserve fund/Equity of cooperatives	>10%	31.3%
Savings protection fund/Equity of cooperatives	>5%	6.6%
Stabilization fund/Equity of cooperatives	>5%	6.4%
Operating expenses/Total assets	<15%	2.2%

REGULATORY ENVIRONMENT



POLICY AND LEGISLATION

- o Since the transition of Mongolia into emergency situation to prevent from disaster conditions, economic condition has faced a risk of deactivation to cause abnormal business activities of citizens and economic entities and to show negative conditions on their purchasing powers and financial conditions; therefore, amendments and changes have been made into loan and credit classification terms of “Procedure on Credit and Savings Fund Assets classification and Assets Risk Fund Creation and Expenditure” approved by Joint Resolution Nr. 145/ 124 of Chairman of Financial Regulatory Committee and Minister of Finance in 2015 in order to reduce possible risks of financial sector and to maintain a sustainable condition. In conformity with Resolution Nr. 266 on June 23, 2021, Credit Classification Groups’ quality reduction terms have been set to reduce gradually until December 31, 2021.
- o SCCs deliver Financial Regulatory Commission annually or semi-annually with the reports on the amendments and changes into the own assets and registration of members in conformity with statement 43.3 of Article 43, Mongolian Law on SCCs. Due to temporary conditions, we have started activities to transmit the registration of over 72.000 members of 249 SCCs with official Special Licenses into the electronic forms as of Fourth Quarter of 2020 Fiscal Year. As of June 30, 2021, the electronic system has registered information data of 64,181 members of 222 SCCs.



MEETINGS AND SEMINARS

- o The FRC organized meeting (at the Loan Information Office at Bank of Mongolia) on transmission of information on customers and clients of SCCs through sub-system of Financial Regulatory Commission and on creation of mutual information database with State Registration of Legal Entities at General Authority of State Registration, respectively.



CREDIT GUARENTEE FUND

Total assets

MNT **251.1**
billion



Financial market status

Average amount of
one guarantee

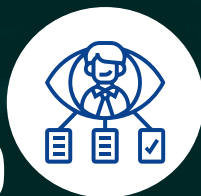
MNT **139.7**
million



Accessibility

Number of requests
submitted **241**

Number of requests
approved **180**



Products and services

Profitability



Total income
MNT **4.9** billion

Total profit
MNT **4.2** billion

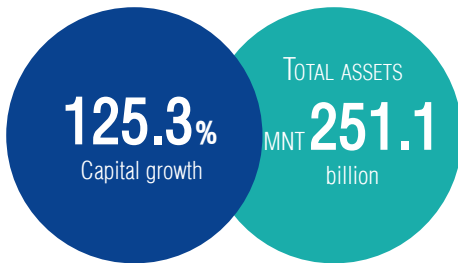
Stability



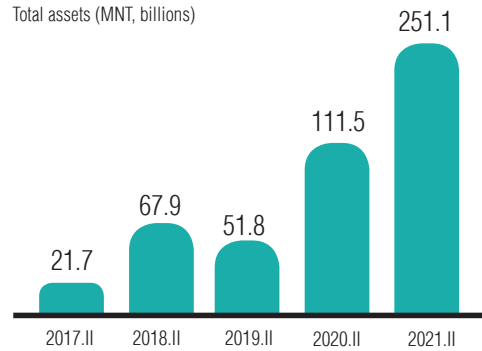
Percentage of non-performing
guarantees

16.9%

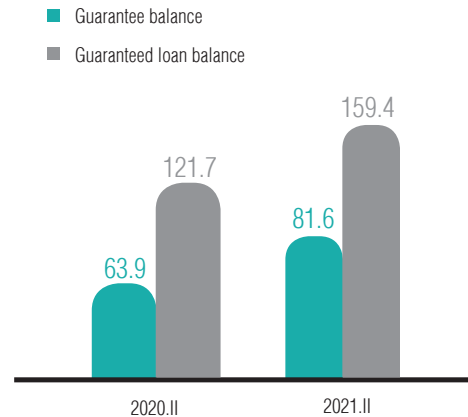
FINANCIAL MARKET STATUS



In the second quarter of 2021 the total assets of the Fund increased by MNT139.6 billion (125.3%) to reach MNT251.1 billion.



- o In the second quarter of 2021 the Fund's guarantee balance reached MNT 81.6 billion, an increase of MNT17.8 billion (27.8%) compared to 2020.
- o Guaranteed outstanding balance increased by MNT37.7 billion (31.0%) from 2020 to reach MNT159.4 billion.



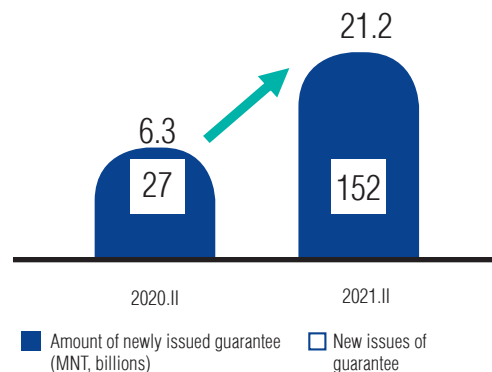
MNT 159.4 billion
Guaranteed loan balance

MNT 81.6 billion
Guarantee balance

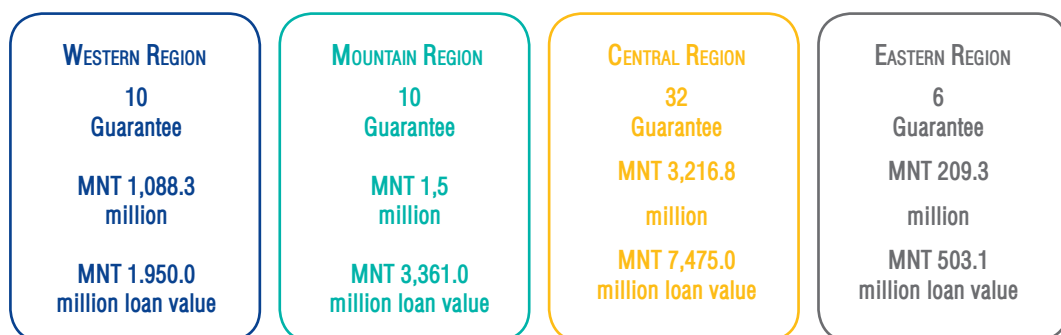
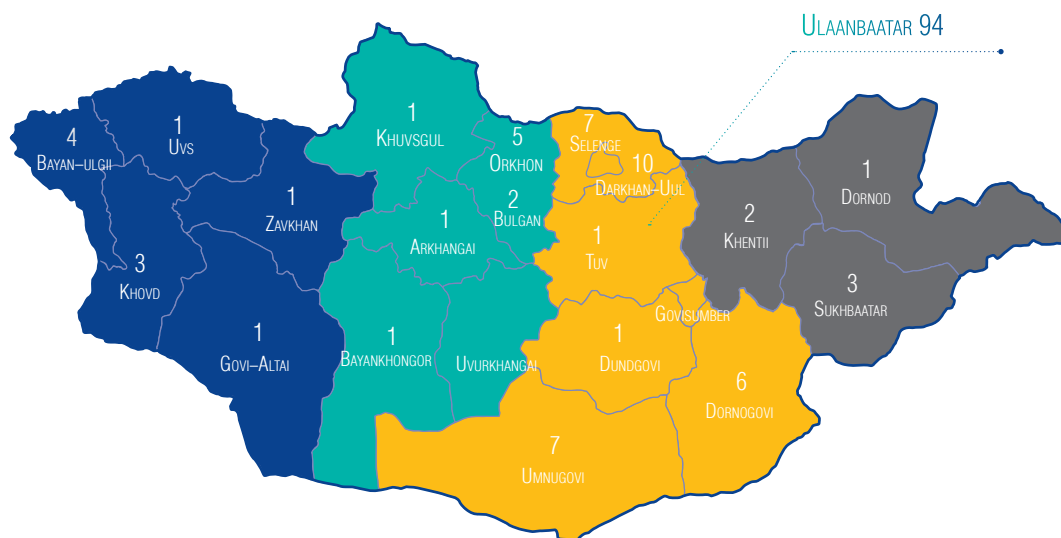
MNT 152 billion
New issued guarantee

- o In the second quarter of 2021, 152 Letters of Guarantee were made for MNT21.2 billion newly that is 5.6 times more than same period of previous and 3.4 times more by its amount. During the fiscal term, comparatively less numbers of Fund's guarantee have been issued and granted.

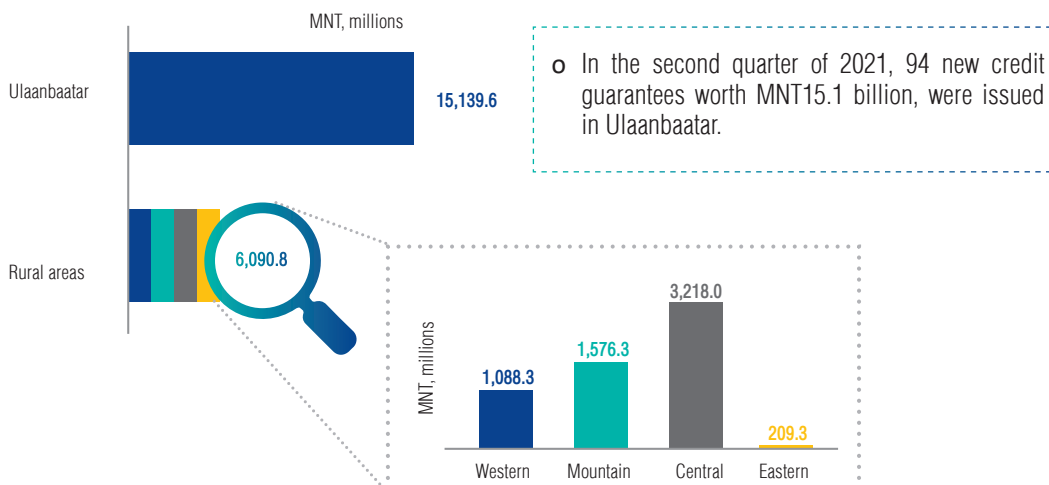
Amount of newly issued guarantee (MNT, billions)

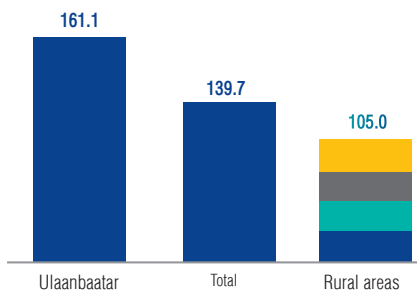
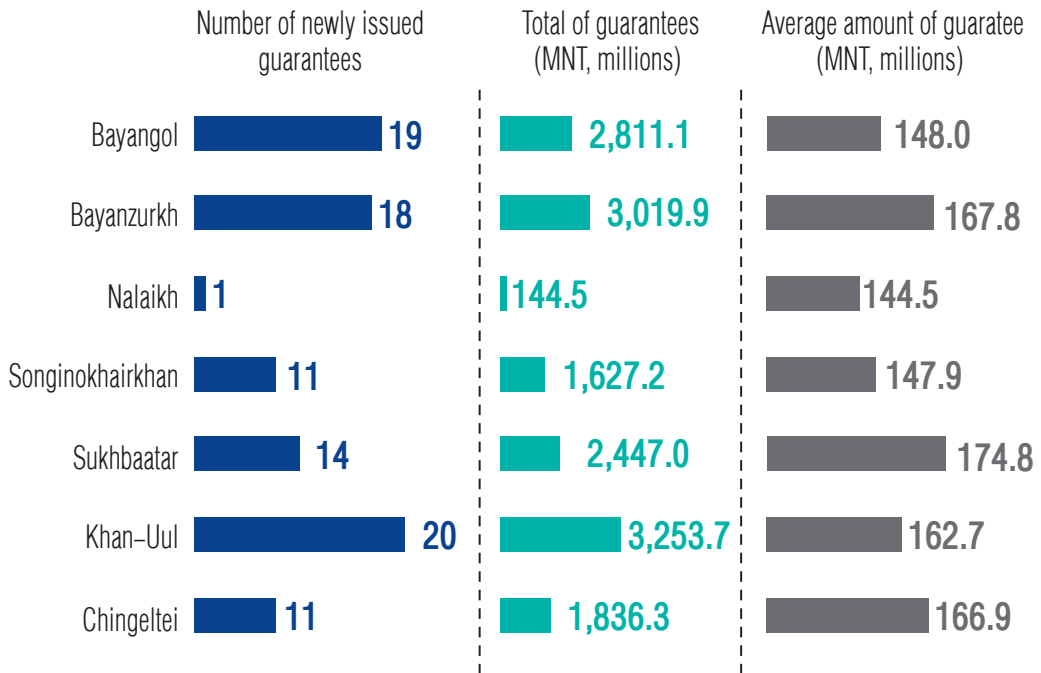


ACCESSIBILITY

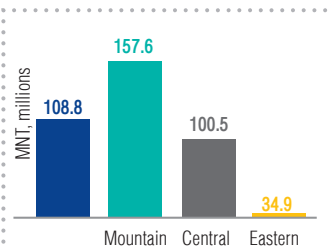


AVERAGE AMOUNT OF GUARANTEE





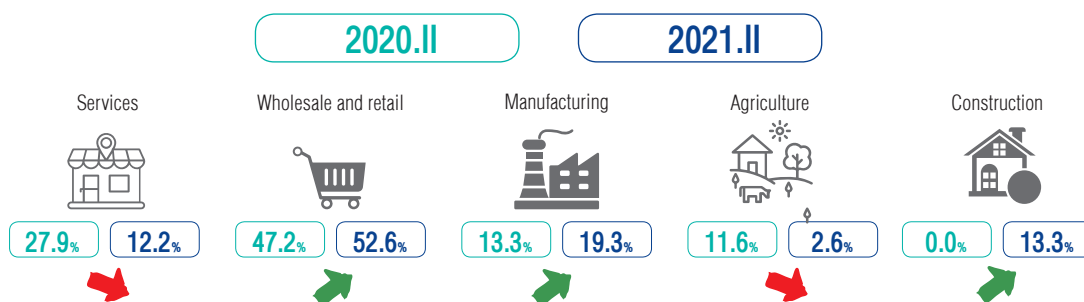
- o Average amount of a guarantee issued in Ulaanbaatar was MNT161.1 million. Amount of a guarantee issued in rural areas was MNT105.0 million, MNT 139.7 million worth of guarantees was issued per person, nationwide.
- o Highest rate of guarantee issued per person in Mountain Region; MNT157.6 million.



PRODUCTS AND SERVICES

	Number of applications for a guarantee	Number of applications approved	Approval rate
2018.II	216	94	44.9%
2019.II	112	63	56.3%
2020.II	53	27	50.9%
2021.II	241	180	74.7%

In the second quarter of 2021, a total of 241 applications for guarantees were received, of which 180 were approved. Of the 152 requests guarantee. The number of submitted applications were higher (by 4.5%) and approved guarantees were higher (by 6.7%) than in 2020. Percentage of request applications approval were increased 23.8 percentage point (by 74.7%) compared to previous year.



As of the second quarter of 2021, 52.6% of total Funds of Guarantee have been issued for wholesale and retail sectors, 19.3 percent – for private production sector, 13.3 percent – for construction sector, 12.2 percent – for service sector, 2.6 percent – for agricultural sector, respectively. Percentages for Funds of guarantees for wholesale and retail sectors and for production sector have increased by 5.4 and 6.0 points in comparison with same period of previous year.

- o The average terms of the Fund of guarantee issued in the second quarter of 2021 were 43.6 months or 3.6 years.
- o This data reduced by 52.4 months or 4.4 years in comparison with same period of 2020.
- o During the fiscal period, many Funds of Guarantee with comparatively shorter terms have been issued and granted.



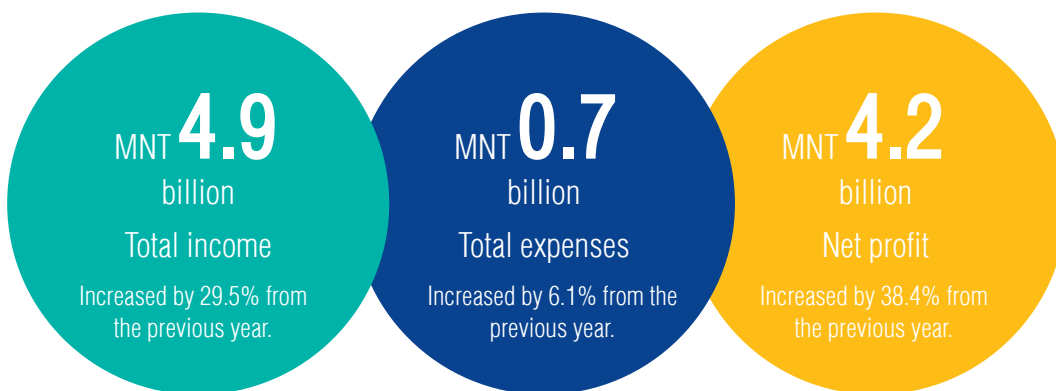
Issuance of loan guarantee (by bank)

- State bank 31.9%
- Capitron 3.5%
- TDB 25.4%
- Khaan 17.2%
- Golomt 15.2%
- Khas 6.8%

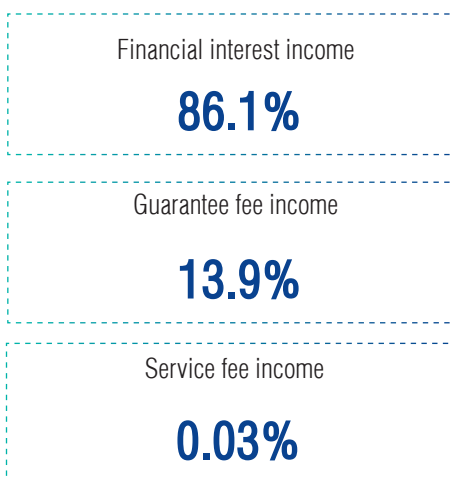
In the reporting quarter of 2021, 31.9% of the Fund's guarantees were issued by the State Bank, 25.4% by the Trade Development Bank, 17.2% by the Khan bank, 15.2% by the Golomt bank, 6.8% by the Khas Bank, 3.5% by the Capitron bank.

79.7
MONTH

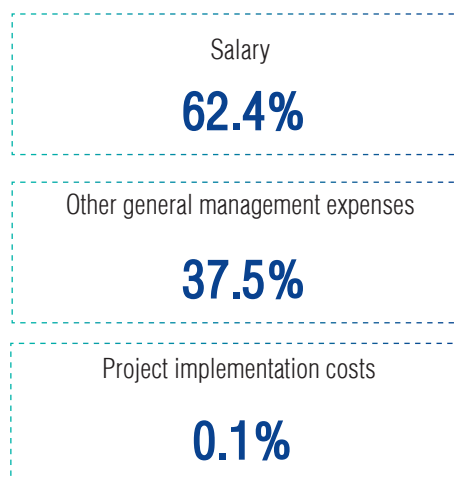
PROFITABILITY



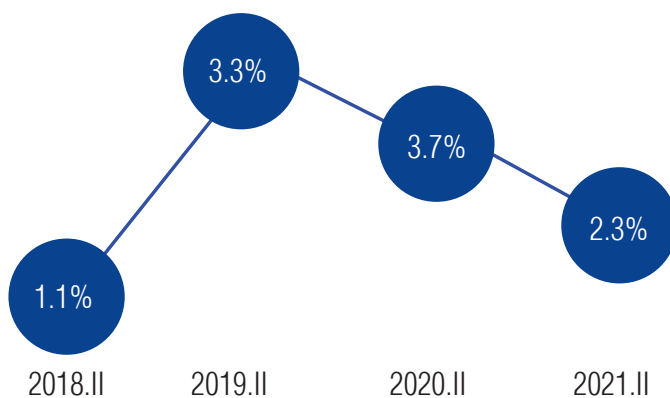
Revenue structure



Cost structure



Return on total assets

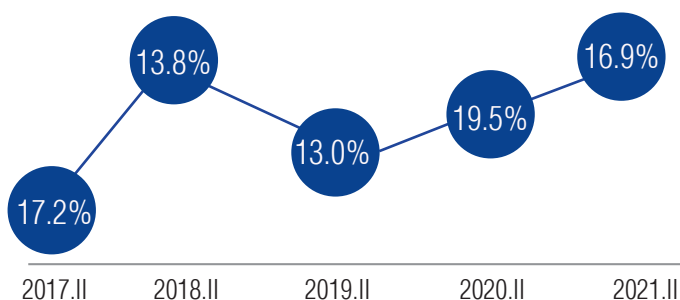
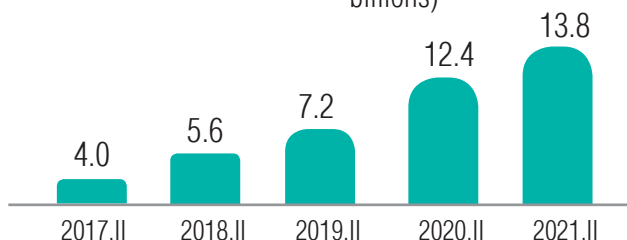


As of the second quarter of 2021, the efficiency of the total assets of the Fund was 2.3%, a reduction of 1.4 percentage points in compared to the same period of 2020.

STABILITY

In the second quarter of 2021, the balance of non-performing guarantees amounted MNT13.8 billion.

Balance of poor quality guarantees (MNT, billions)



The share of non-performing guarantees in the total outstanding balance decreased by 2.6 percentage points since 2020, and amounted to 16.9%.

- Among non-performing loans, 43.1% were in the manufacturing sector, 27.4% in services, 12.2% in the agriculture sector, 11.8% in wholesaling and retailing, and 5.5% in the construction sector.
- The share of non-performing guarantees in the manufacturing and agriculture sectors declined year-by-year, while the share of non-performing guarantees in the services sector increased.



Agriculture



Production



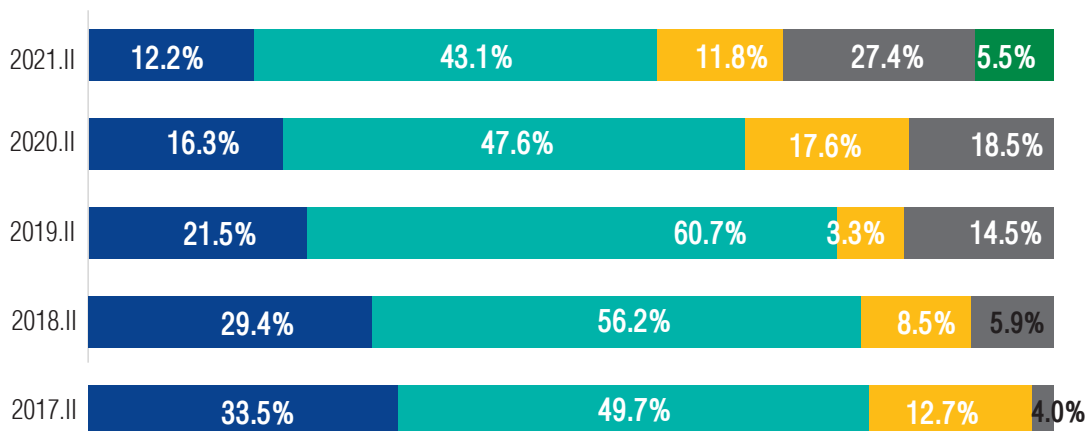
Wholesale and retail



Services



Construction





REAL ESTATE BROKERS (and AGENTS)

Regulated entities

205



Market outlook

Intermediate (selling
and buying) real estates
of MNT 470.0 billion –
Products and services



Product and services

Accessibility



98.5% of entities operated
in Ulaanbaatar

Regulated environment



MARKET OUTLOOK



Real estate brokers (and agents) are now under the control and regulation of the FRC, according to amendments to the Law on the Legal Status of the FRC and Law on Licensing; made at the plenary session of Parliament on January 17, 2020.

At the Commission's meeting on 22 April 2021, the first licenses were issued to REBs. As of the 2nd quarter of 2021, 205 entities were provided with licenses.

Entities with licenses

Brokers
226



Agents
1,255



On average, entities had one broker, and six agents. The highest number of agents was 106.

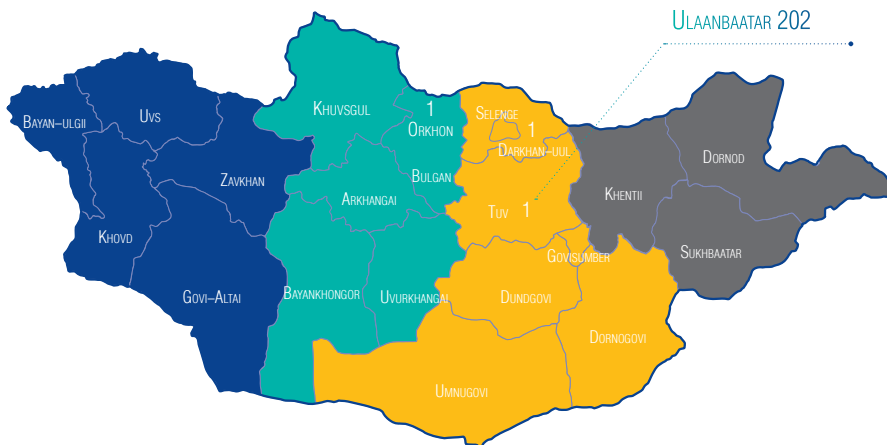
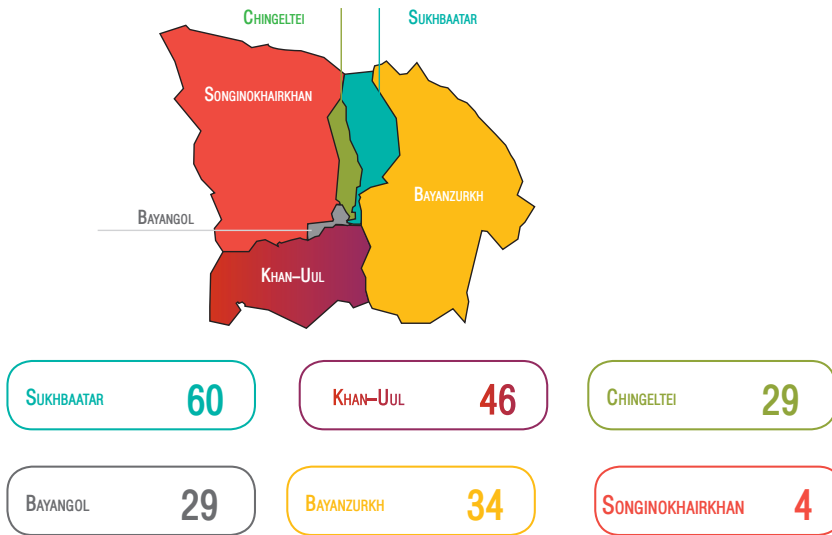


SHARE CAPITAL

The total share capital of 289 shareholders of entities with licenses was MNT20 billion.

ACCESSIBILITY

LOCATION OF ENTITIES WITH LICENSES

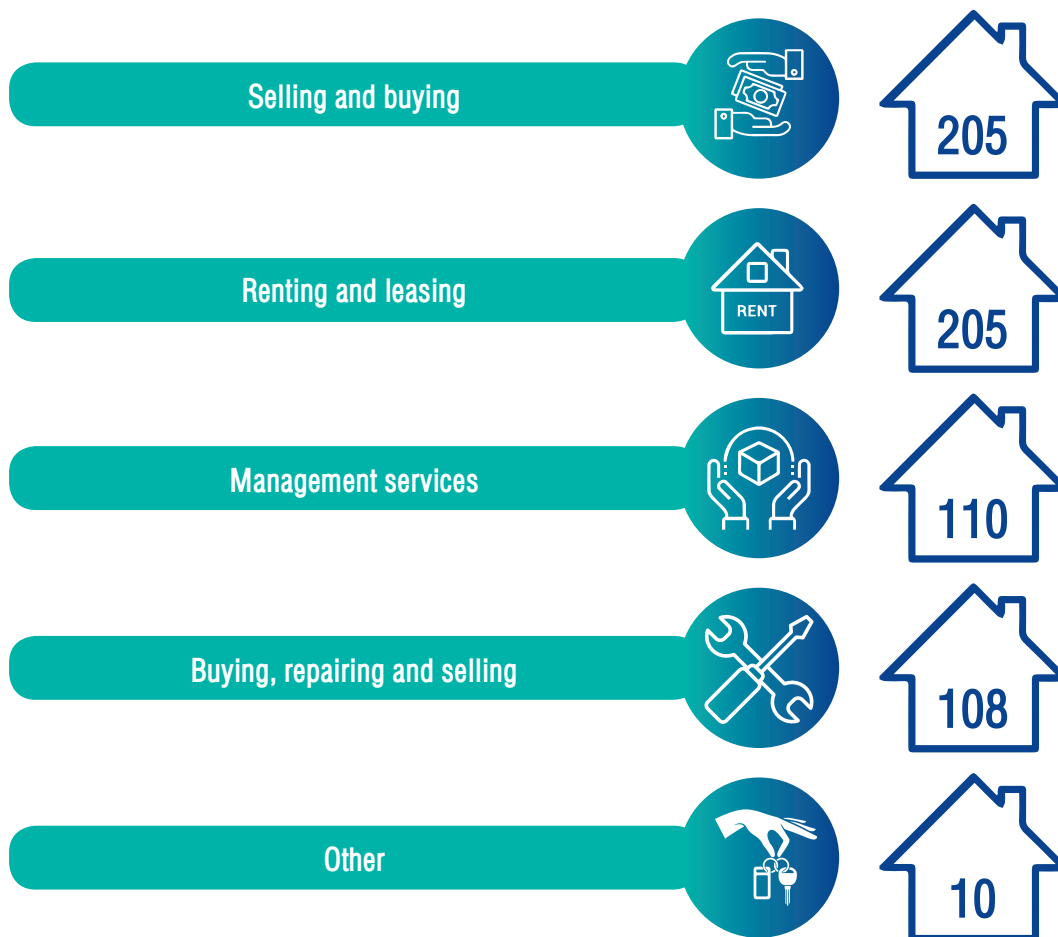


LOCATION OF ENTITIES WITH LICENSES

Among the entities with licenses in Ulaanbaatar 29.3% of were in Sukhbaatar district, 22.4% in KhanUul, 14.1% in Chingeltei, 16.6% in Bayanzurkh, 14.1% in Bayangol, and 2% in Songinokhairkhan district. Three entities (1.5%) were in the provinces.

PRODUCTS AND SERVICES

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

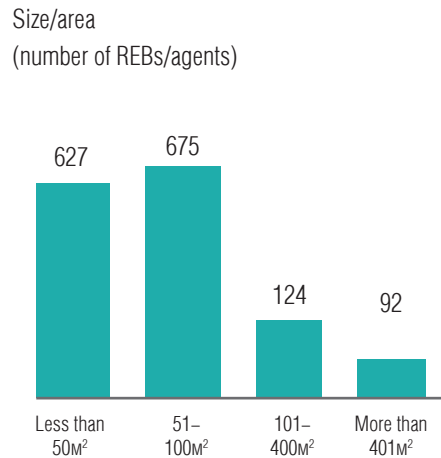
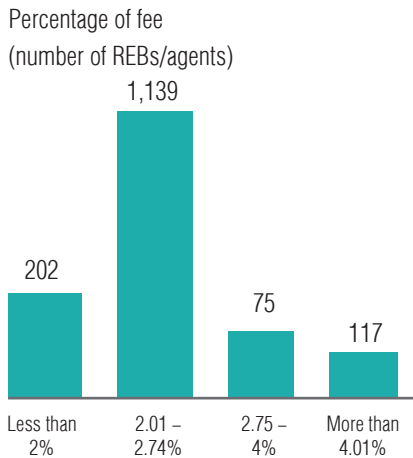


NOTE

3,944 people were involved in mortgages and received MNT271.0 billion in loans, as of May 2021. This was 2.8 times more than in the same period in the previous year.

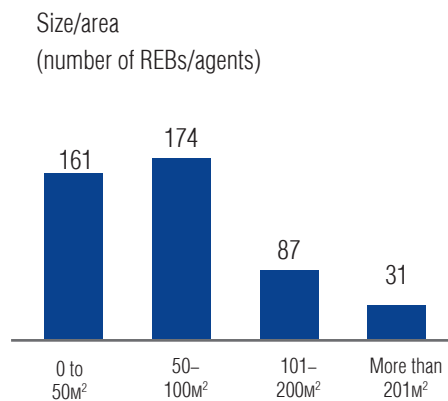
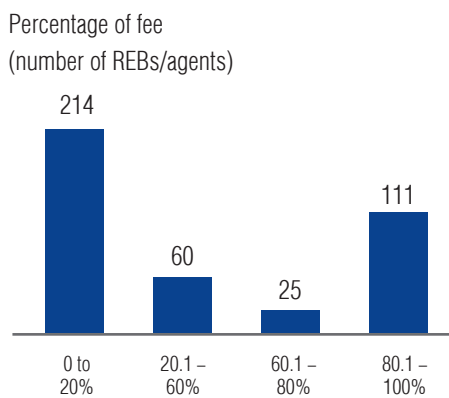
**BUYING AND SELLING SERVICES
RENTING AND LEASING SERVICES**

In the 2nd quarter of 2021, real estate with the total size of 470,000 m² and a value of MNT328.3 billion was bought and sold through 2,085 transactions.



RENTING AND LEASING SERVICES

In the 2nd quarter of 2021, real estate with the total size of 82,000 m² and a value of MNT8 billion was rented and leased through 855 transactions.



Note: The rental fee is deducted from the monthly rent

REGULATORY ENVIRONMENT



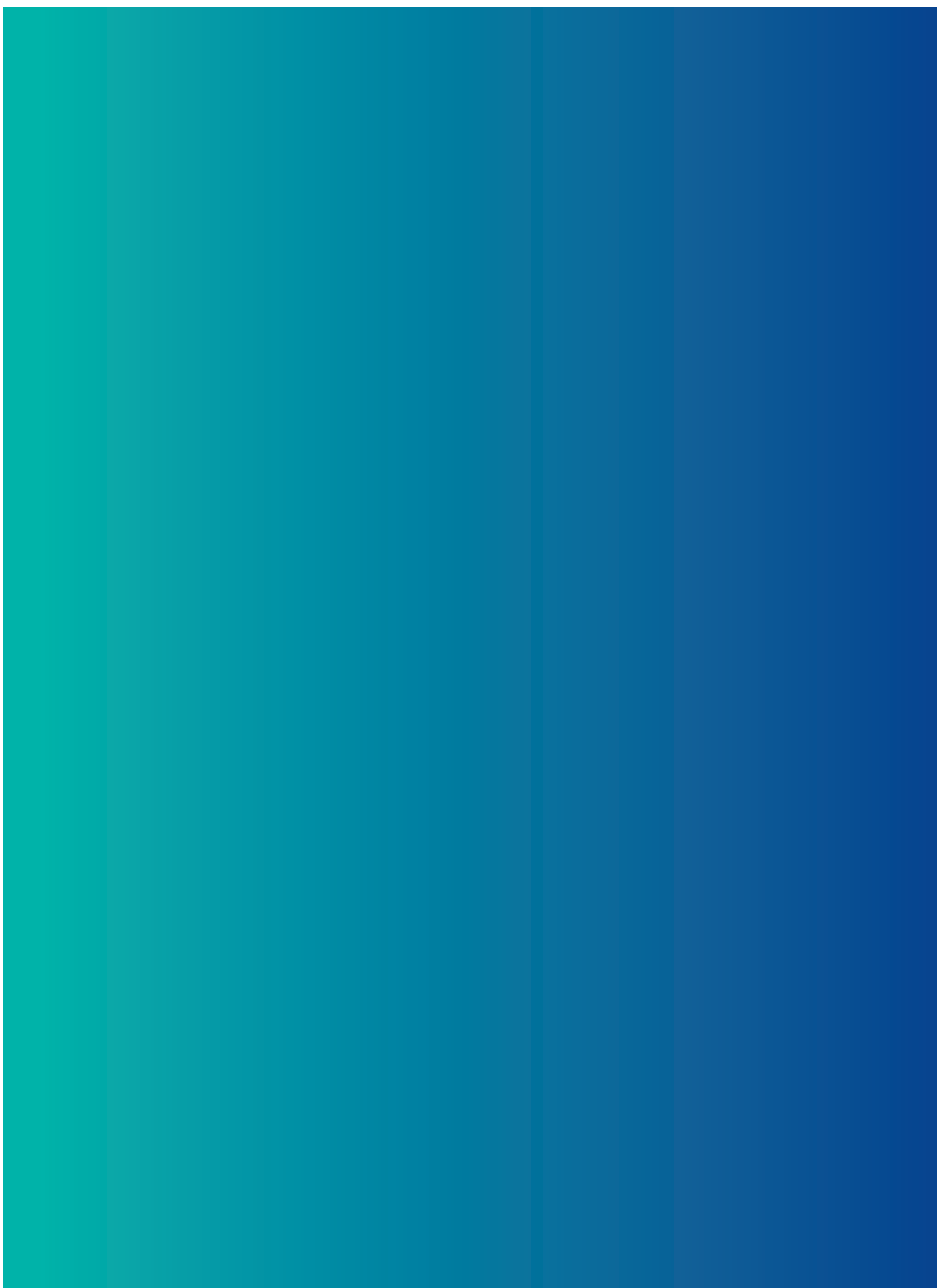
POLICY AND LEGISLATION

- o Conducted comparative analyses (in five countries) on the regulation and policy of REBs, and developed a draft of the action plan.
- o Undertook research to create a legal environment to regulate non-financial businesses and professional service providers, and developed an introduction on further measures to be taken.
- o “Regulations of the requirements for professional associations of REBs” was adopted by the FRC Resolution No.152, on 14 April 2021.
- o Developed a revised draft on “Procedure for remote and on-site inspections of REBs” (adopted by FRC Resolution No.181), posted on a website, and organized public discussion.



MEETINGS AND SEMINARS

- o Cooperating with “The National Association of Realtors” the FRC has organized training four times, and 203 people attended.





DEALERS IN PRECIOUS METALS AND STONES

Number of dealers

38

Legal entities

415

Individuals



Market outlook

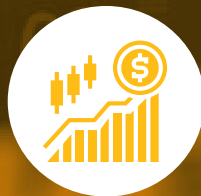
Precious metals sold
and bought

MNT **1.8**
trillion



Products and services

Accessibility



83.2%

Operated in Ulaanbaatar

Regulatory environment



MARKET OUTLOOK

NUMBER OF ENTITIES WITH LICENSES

In the 2nd quarter of 2021, 38 entities and 415 individuals operated with licenses. The first license was issued on 6 May, 2020.

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

38



63

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

Individuals (dealers in precious metals and stones)

119



233

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

SHARED CAPITAL

The amount of shared capital of 57 shareholders in 38 entities with licenses was MNT8.4 billion

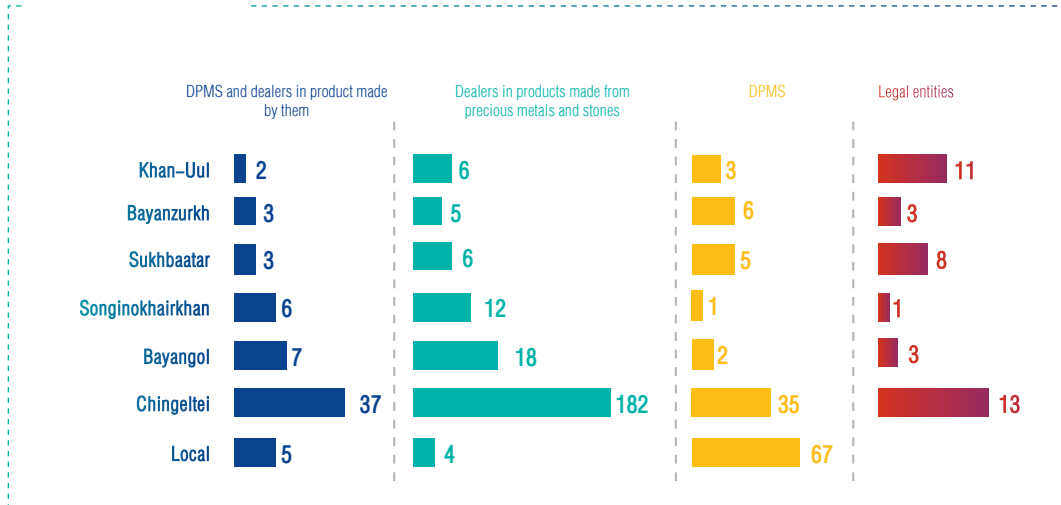
Most (83.2%) of entities and individuals with licenses operated in Ulaanbaatar, while 16.8% were in the provinces.

In Ulaanbaatar

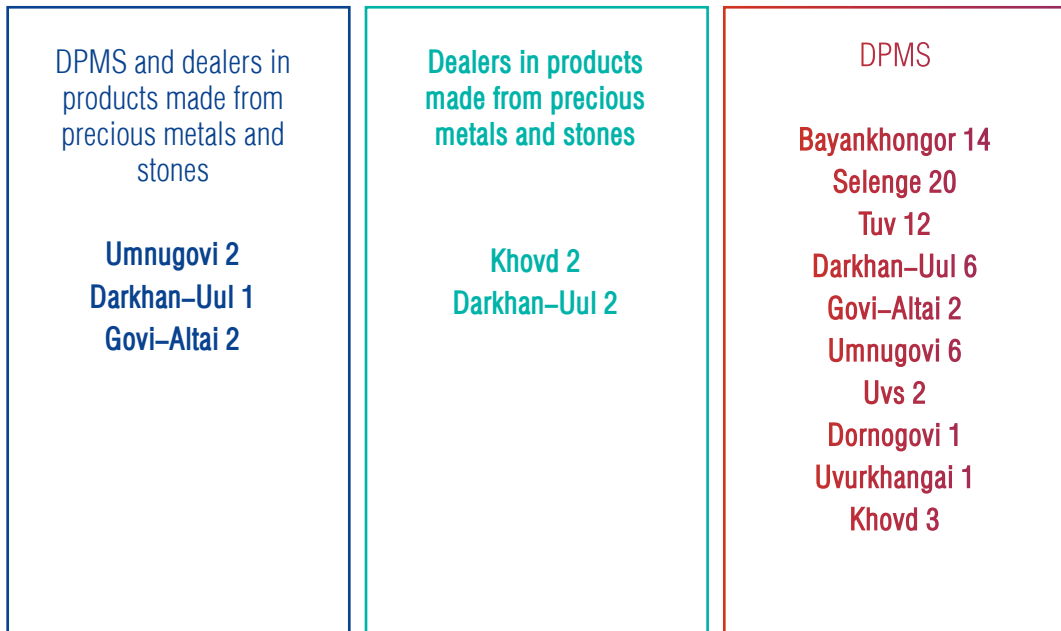
83.2%

ACCESSIBILITY

LOCATION OF DPMS



DPMS were mostly located in provinces, while dealers in products made from precious metals and stones were in Ulaanbaatar. In particular, 56.4% of DPMS were in the provinces, and 43.6% in Ulaanbaatar.



PRODUCTS AND SERVICES

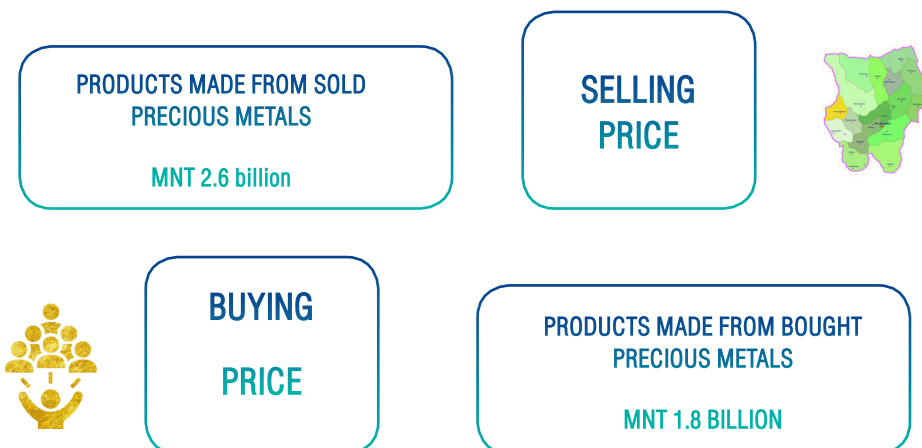
METALS BOUGHT AND SOLD

In the 2nd quarter of 2021, precious metals with a value of MNT263.0 billion bought and MNT323.4 billion were sold.

TRADE BETWEEN DEALERS IN PRECIOUS METALS, INDIVIDUALS AND ENTITIES



AMOUNT OF JEWELRY BOUGHT AND SOLD



REGULATORY ENVIRONMENT



MEETINGS AND SEMINARS

- o The Association of DPMS organized training (issuing authorization) during 6 and 7 May 2021, and 42 people attended. Topics included regulation environment, supervision, and the Fina system.

CAPITAL MARKET DATA

Statistic	2019.II	2020.II	2021.II
Market value (MNT, billion)	2,604.8	2,503.7	3,807.2
MV/GDP	7.0%	6.8%	10.3%
Liquidity	3.2%	0.9%	3.1%
Stock trading (MNT, billions)	82.5	23.5	119.6
Dept instrument trading (MNT, billions)	0.09	5.0	517.5
GS's trading (MNT, billions)	7.9	0.6	–
Investment fund (MNT, billions)	–	–	5.5
TOP-20 index	20,785.2	16,208.9	33,509.0
MSE A index	9,743.0	8,062.5	10,524.6
MSE B index	8,116.7	7,480.9	11,429.9
Number of JSCs	307	304	312
Number of SCs	52	53	54
MACE trading amount (MNT, billions)	523.0	162.1	616.9
MAPIX	864,004.5	918,691.4	1,014,163.1

INSURANCE MARKET QUANTITATIVE INFORMATION

Statistic	2019.II	2020.II	2021.II
Total assets (MNT, billions)	354.7	359.2	428.9
Total insurance and reinsurance premiums (MNT, billions)	104.0	96.4	112.8
Total compensation (MNT, billions)	25.7	27.7	29.0
Reserve fund (MNT, billions)	158.9	159.7	189.3
Reinsurance fee (MNT, billions)	33.7	24.8	36.2
Net profit (MNT, billions)	12.6	11.7	17.1
Professional participants:			
General insurance	15	15	15
Life insurance	1	1	1
Reinsurance	2	1	1
Insurance agent	2,493	2,453	2,422
Insurance broker	52	55	56
Damage assessor	26	26	26
Actuary	30	32	32
Auditor	144	144	142
Auditor's company	44	45	42

NBFi DATA

/MNT, billion/

Statistic	2019.II	2020.II	2021.II
Total assets	1,533.1	1,862.2	2,263.0
Current assets	1,477.9	1,791.4	2,178.7
Cash	318.8	395.3	443.9
Short-term investments	2.4	10.3	19.7
Total loans	1,096.7	1,307.3	1,571.9
Normal loans	956.5	1,131.1	1,373.1
Overdue loans	42.9	62.3	46.0
Non-performing loans	97.4	113.9	152.7
Credit risk fund	72.2	88.8	116.0
Other real estate to be owned and other property to be owned (net)	10.3	12.9	13.6
Non-current assets	55.2	70.7	84.3
Total liabilities	378.0	524.5	709.5
Trust service payable	84.1	118.6	179.1
Payables to domestic and foreign banks and financial institutions	167.3	212.3	201.4
Project loan financing	17.8	23.4	18.6
Owner's property	1,155.2	1,337.7	1,553.4
Secondary charity	0.8	0.8	8.1
Share capital	892.2	977.3	1,047.9
Accumulated profit	230.1	325.9	446.3
Number of NBFIs	538	542	536
Ulaanbaatar	463	465	457
Provinces	75	77	79
Customers	2,348,014	2,766,913	3,292,164
Total income	158.3	200.2	220.0
Interest income	132.9	163.7	174.5
Non-interest income	22.4	32.5	34.7
Non-operating income	3.0	4.0	10.9
Total cost	94.0	123.6	135.3
Interest expenses	15.1	22.3	17.8
Non-interest expenses	53.3	70.6	83.1
Potential risk costs	16.2	21.0	23.2
Non-core operating expenses	1.5	1.7	1.8
Net profit	64.3	76.6	84.8

SCC'S DATA

	/MNT, billion/		
Statistic	2019.II	2020.II	2021.II
Total assets	210.5	234.4	270.5
Current assets	205.8	230.2	262.2
Cash	45.4	59.5	69.4
Receipts	6.8	8.1	9.1
Non-current assets	4.8	4.2	8.3
Fixed assets (net)	4.7	4.0	4.2
Intangible assets	0.1	0.2	4.1
Investment and other non-current assets	0.0	0.0	0.0
Total loans	156.5	165.1	186.8
Normal loans	145.3	152.8	174.8
Overdue loans	4.9	5.1	5.1
Non-performing loans	6.4	7.1	6.9
Liabilities	174.3	188.9	214.6
Savings	148.4	163.4	191.2
Short-term loans	6.1	2.7	2.7
Long-term liabilities	6.5	7.1	3.9
Other current liabilities	13.4	15.7	16.8
Own assets	36.3	45.5	55.9
Members' contributions	17.5	18.2	22.6
Property of cooperatives	18.6	27.1	33.0
Accumulated income (loss)	9.5	15.1	15.5
Total income	24.4	26.7	27.9
Total income	23.4	25.7	25.8
Other operating income	0.5	0.5	0.8
Non-operating income	0.5	0.6	1.3
Total expenses	21.5	21.6	22.7
Interest expenses	13.7	14.2	15.2
Potential contingency fund costs	1.5	0.8	0.9
Operating costs	5.8	6.0	6.1
Non-operating expenses	0.2	0.2	0.1
Net income	2.9	5.2	5.2
Number of SCCs	275	256	234
Number of Ulaanbaatar SCCs	174	155	136
Number of local SCCs	101	101	98
Number of members (thousands)	67.4	72.2	73.7

CREDIT GUARANTEE FUND

	/MNT, billion/		
Statistic	2019.II	2020.II	2021.II
Total assets	51.2	111.5	251.1
Warranty balance	55.1	63.9	81.6
Of which: overdue	3.8	8.1	1.9
:non-performing	7.2	12.4	13.8
Guaranteed loan balance	106.2	121.7	159.4
Of which: overdue	6.1	10.2	1.5
:non-performing	17.4	23.8	25.6
Operating income	2.6	3.8	4.9
Operating expense	0.6	0.7	0.7
Operating result	2.0	3.1	4.2
Total guarantees	63	27	152
Of which: individual	26	0	0
:entities	37	27	152
Total guarantee amount	11.2	6.3	21.2
of which: individuals	4.0	0	0.0
:entities	7.2	6.3	21.2
of which: agriculture	1.1	0.7	0.5
manufacturing	2.7	0.8	4.1
wholesaling and retailing	2.5	3.0	11.2
services	4.9	1.8	2.6
other	0.0	0.0	2.8
Average term of warranty (month)	87.1	96.9	43.6
Number of applications for a guarantee	112	53	241
Of which: allowed	63	27	180

REB DATA

Statistic	2020.IV	2021.II
REBs (including agencies)	167	205
Brokers	188	226
Agents	1,171	1,255
Area of real estate bought and sold (m ²)	163,059.0	470,454.5
Value of real estate bought and sold	101,325,031,690.	328,364,762,000
Area of real estate rented and leased (m ²)	26,779.4	82,060.9
Value of real estate rented and leased	2,318,251,015	8,091,947,600

DPMS DATA

Statistic	2020.IV	2021.II
Entities (DPMS, and dealers in products made from them)	30	38
Individuals (DPMS, and dealers in products made from them)	57	63
Individuals (dealers in products made from precious metals and stones)	231	233
Individuals (DPMS)	111	120
Weight of bought precious metals (gram)	4,079,924.3	1,736,954.04
Value of purchased precious metals (MNT)	624,211,590,095	261,150,096,323
Weight of sold precious metals (gram)	3,640,581.4	2,030,298.24
Value of sold precious metals (MNT)	576,920,753,040	320,846,485,174
Total value of bought products (MNT)	176,127,420.1	1,824,558,496.65
Total value of sold products (MNT)	194,105,540	2,564,232,534





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