



FINANCIAL
REGULATORY
COMMISSION



البنك المركزي
البحريني
الهيئة
الرقابية
المالية



FINANCIAL
MARKET REVIEW
2ND QUARTER OF 2022

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Financial market status	Accessibility	Products and services	Profitability	Stability	Regulatory environment
56	58	62	66	68	70

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Financial market status	Accessibility	Products and services	Profitability	Stability
74	75	77	78	79

VI. Real estate brokers

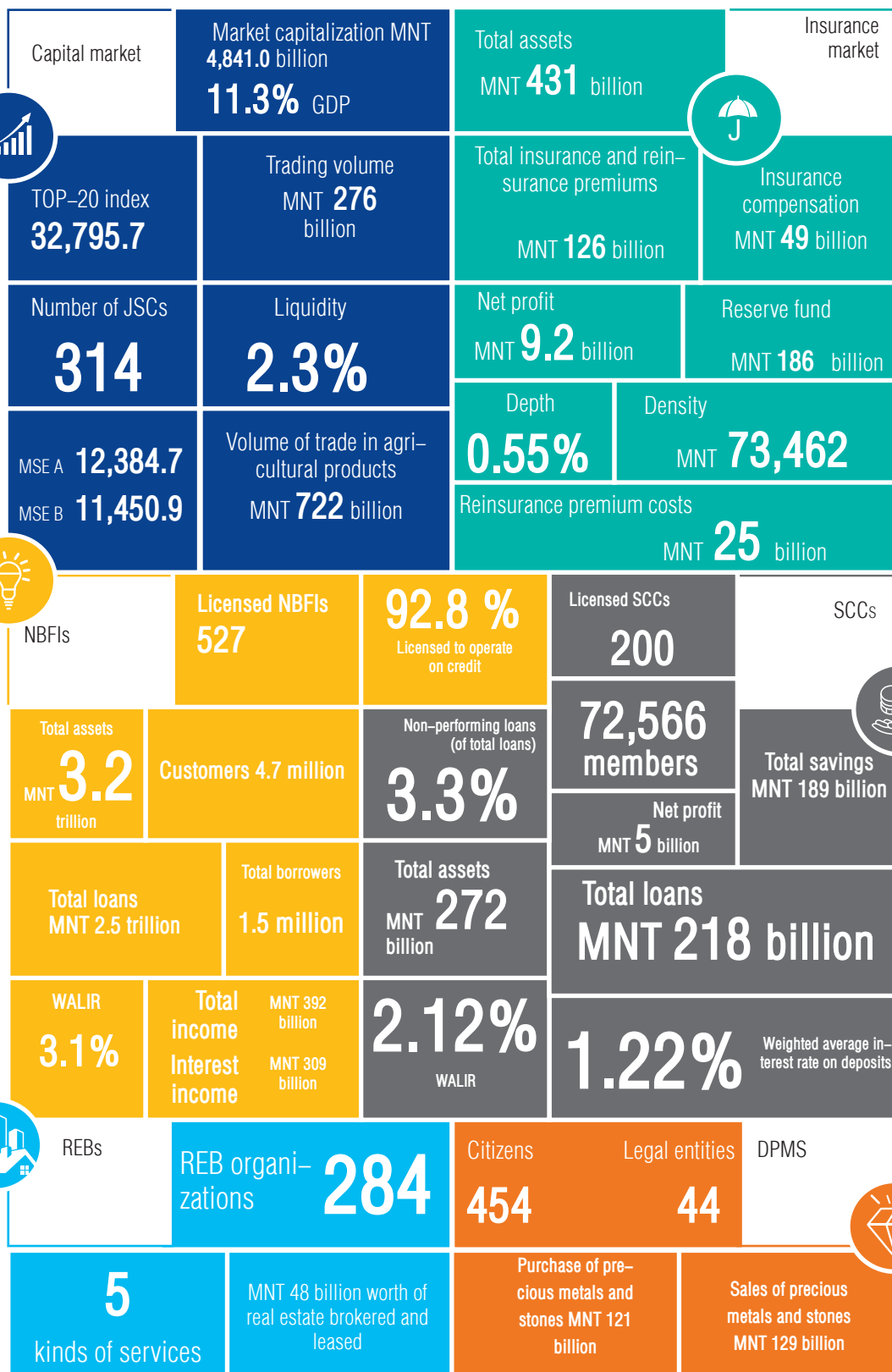
Market outlook	Accessibility	Products and services	Regulatory environment
82	83	84	86

VII. Dealers in precious metals and stones

Market outlook	Accessibility	Products and services	Regulatory environment
90	91	92	93

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 **4,841.0** billion



Financial market status

Accounts

2,435,229



Accessibility

Total trading

MNT **276** billion



Products and services

Profitability



Assets of SCs MNT
128 billion

Stability



Fluctuations in the
TOP-20 index

3,038.8

Regulatory environment



FINANCIAL MARKET STATUS



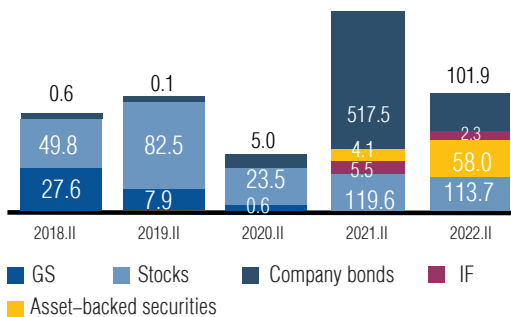
There were 581 regulated entities and JSCs operating in the securities market.

Stock exchanges 2	Central deposit and securities trading payments 1	Collateral securities portfolio registration controllers 1
IMCs 35	Settlements 2 (duplicate)	Custodian banks 3
Underwriting banks 2	Trustees 7	JCCs 314
Securities firms* 56	Agricultural commodity exchanges 1	Agricultural and commodity broker 10
Auditing firms 46	Securities valuation firms 22	Legal consultancies 35
Mutual investment fund 4	Issuers of assets-backed securities 40	Professional association 1

Private Investment Funds (Law on Investment funds; Paragraph 5.3)
29

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

Securities trading (MNT, billions)

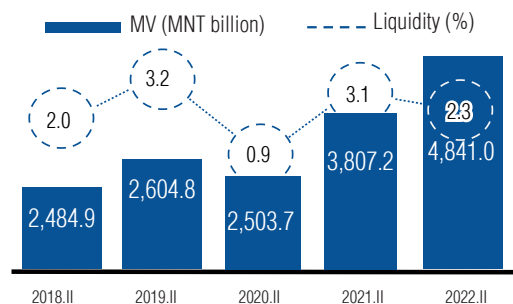


Securities Trading

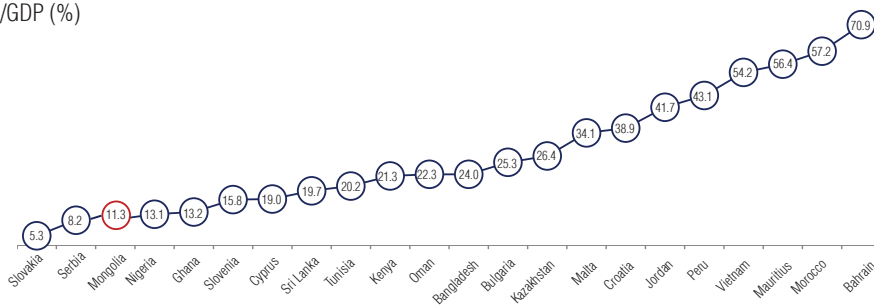
- In the second quarter of 2022, a total of MNT275.9 billion worth of securities was traded; a decrease of MNT370.7 billion (57.0%) from the second quarter of the previous year, and a 3.5-fold increase on the second quarter of 2018.
- 36.9% of all trades were corporate bonds, 0.9% were investment fund units, 21.0% were asset-backed securities and 41.2% were shares.

Market capitalization and liquidity

- Market capitalization increased by 27.2% (to MNT4.8 trillion) compared to the same period of the previous year, while liquidity was 2.3%.



MV/GDP (%)



o The MSE's value ranked third in terms of GDP within the frontier market of the FTSE list.

Note

According to the FTSE of 30 September, 2021, Mongolia is included in the category of frontier market 'Observation list'.



TOP 20 32,795.68

MSE A 12,384.65

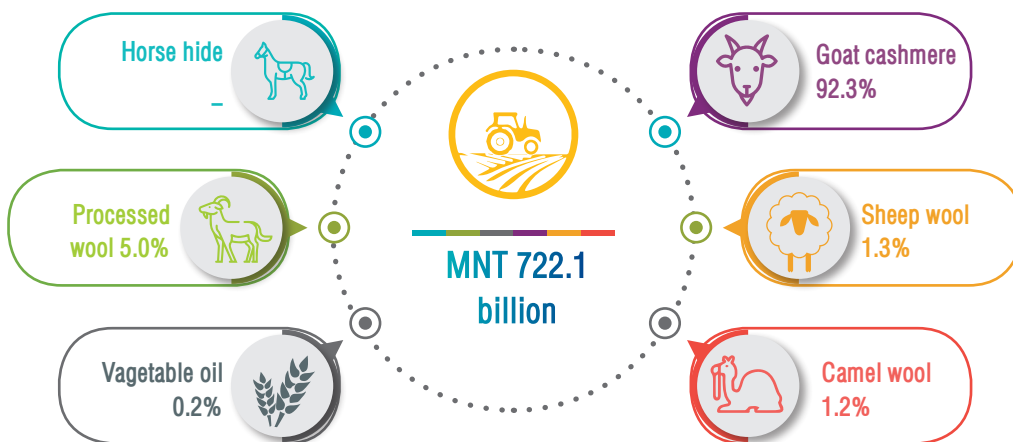
MSE B 11,450.93

Securities market indexes

- o TOP – 20 Index decreased by 713.33 points (2.1%) compared to the same period of the previous year.
- o MSE A Index – increased by 1,860.10 points (17.7%) compared to the same period of the previous year.
- o MSE B Index – increased by 21.00 units (0.2%) compared to the same period of the

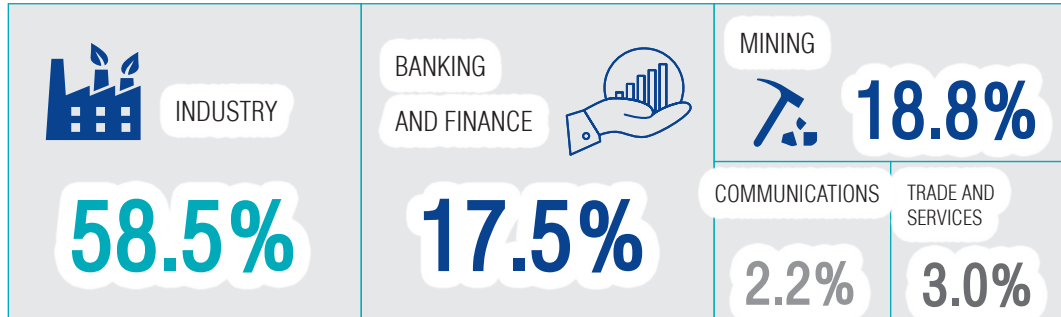


As of the second quarter of 2022, a total of MNT722.1 billion worth of goods was traded on the Mongolian Agricultural Commodity Exchange (MACE), an increase of MNT105.2 billion (17.1%) compared to same period of the previous year. Five types of products were traded.



ACCESSIBILITY

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



STOCK CONCENTRATION



More than 5 shareholders

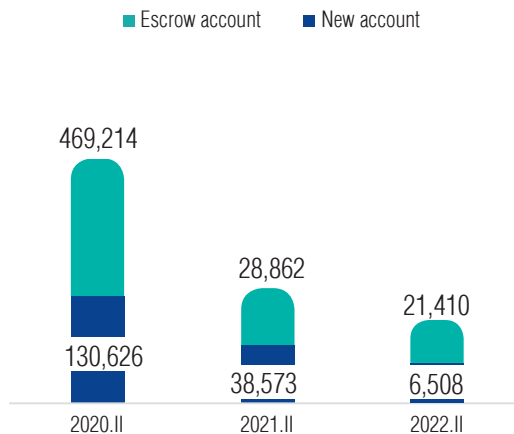
81% of the shares were owned by 0.05%

Less than 5 shareholders

19% of the shares were owned by 99.95%



NUMBER OF OPENED ACCOUNTS



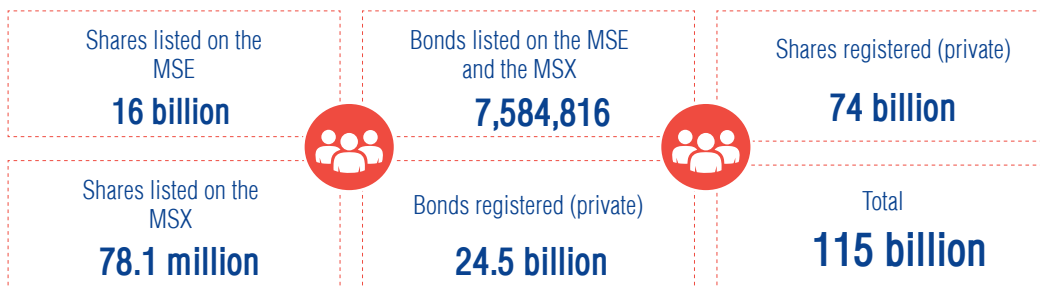
- In the second quarter of 2022, 6,508 accounts were created; bringing the total number of accounts to 2,435,229. Another 21,410 new



Number of opened accounts
(growth in numbers)

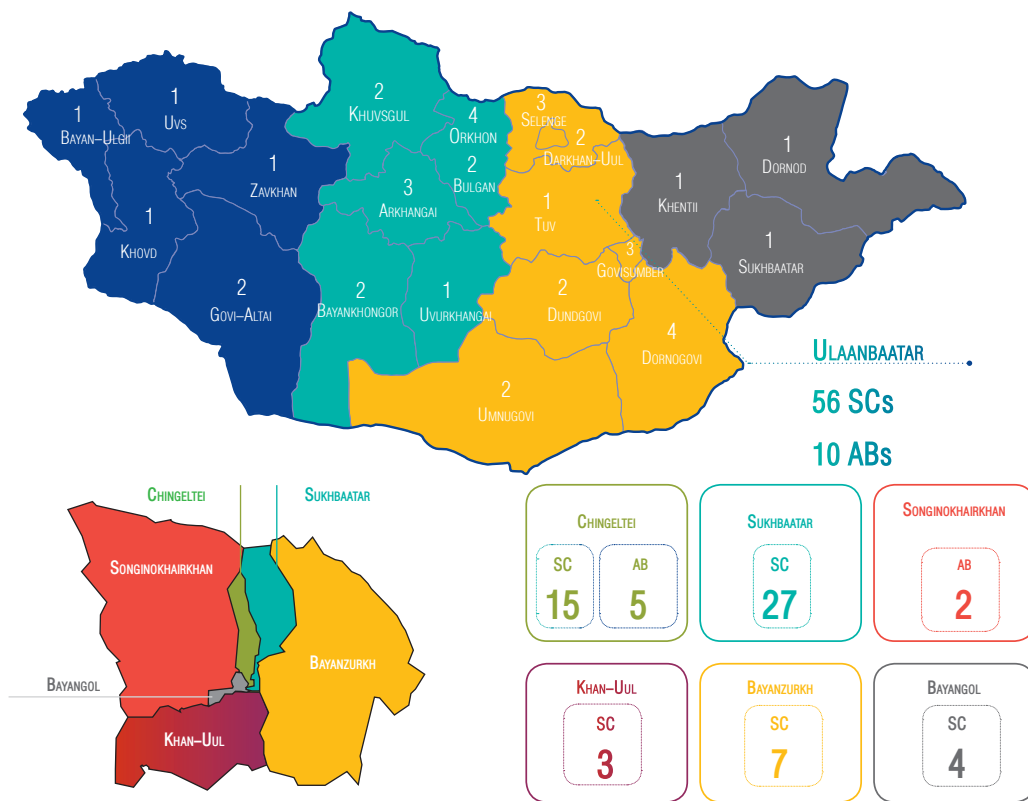
2,435,229

SECURITIES LISTED IN THE MCS D



LOCATION OF SCS AND AGRICULTURAL BROKERAGES

- o In 2022 second quarter, 56 security companies and their 40 branches were operating.
- o In 2022 second quarter, 10 ABCs were operating, of which seven were located in Ulaanbaatar and three in rural areas.



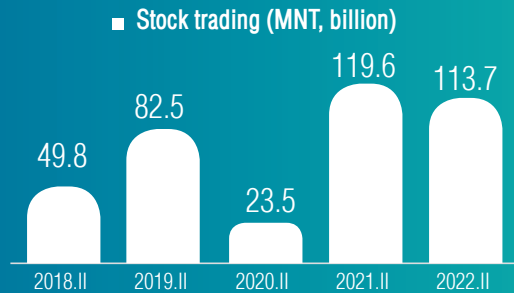
BRANCH REPRESENTATIVES



PRODUCTS AND SERVICES

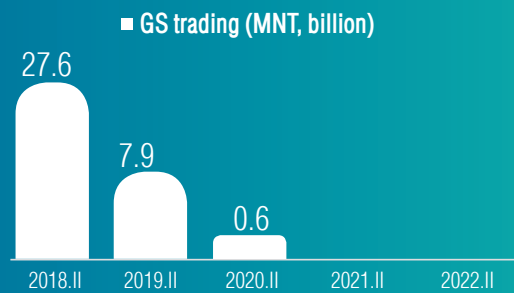
STOCK TRADING

- In the second quarter of 2022, stock trading amounted MNT113.7 billion; a decrease of MNT5.9 billion (4.9%) compared to the same period of the previous year, and a 2.3-fold increase compared to the same period of 2018.



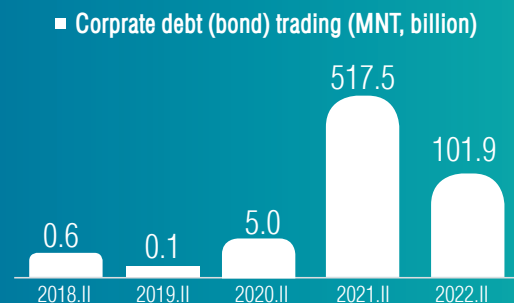
GS TRADING

- In Q2 of 2022, no government bonds were traded. The chart shows the government bond trading for the Q2 of 2018–2020.



CORPRATE DEBT (BOND) TRADING

- In the second quarter of 2022, corporate bond trading reached MNT101.9 billion; a decrease of MNT415.6 billion (80.4%) compared to the second quarter of the previous year, and 161.4-fold increase compared to the same period of 2018.



NEW PRODUCTS

CLOSED AND OPEN SHARES ISSUED /MNT, BILLION /

Company	Date of registration	Withdrawal amount
CLOSED		
Common stock issued on a closed basis in order to exchange debt of Sharyn Gol JSC	2022.01.26	0.225
Additional stock issued on a closed basis Bluesky Securities LLC	2022.03.09	0.056
“Tandem Invest NBF” JC – additional common shares issued within closed framework	2022.06.08	7.35
FPO		
Erdenes Soliushins JSC	2022.05.25	1.9
Invescor BBSB JSC	2022.06.08	16.7

CLOSED-END DEBT INSTRUMENTS OF THE COMPANY /MNT, BILLION/

Company	Date of registration	Withdrawal amount
“ARD CREDIT NBF” JC	2022.03.09	7.0

OPEN STOCK /MNT, BILLION/

Issuer of securities	Date of registration	Period	Interest	Withdrawal amount
Omni Active TKK LLC	2022.01.12	24 months	14.5%	5.0
Simple Asset TKK LLC	2022.06.08	18 months	15%	50.0

CLOSED STOCK /MNT, BILLION/

Issuer of securities	Date of registration	Period	Interest	Withdrawal amount
“SFC asset three” LLC	2022.06.22	15 years	9%	217.0

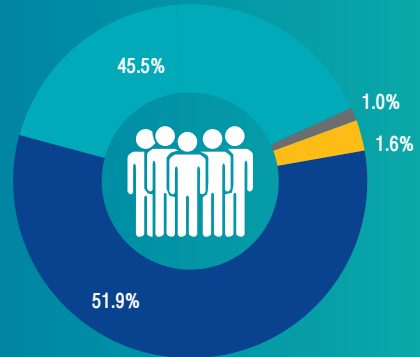
NOTE

TRADING ON OTC MARKET

In the second quarter of 2022, total MNT292.6 billion from all 30 issuers in the OTC market MNT150.1 billion was attracted.

TRADING STRUCTURE, BY INVESTOR

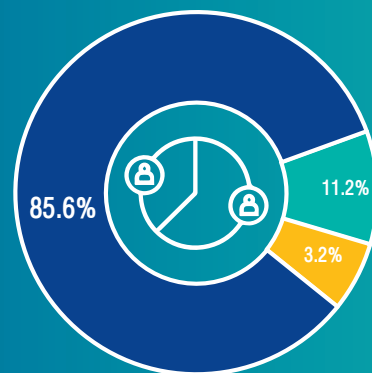
- Domestic enterprises accounted for the largest share of traders. In the second quarter of 2022, individuals' trades accounted for 51.9%, and domestic enterprises' transactions accounted for 45.5%. Foreign enterprises' trade transactions accounted for 1.0% and foreign individuals' transactions accounted for 1.6%.



- Domestic enterprises 45.5%
- Domestic citizens 51.9%
- Foreign enterprises 1.0%
- Foreign citizens 1.6%

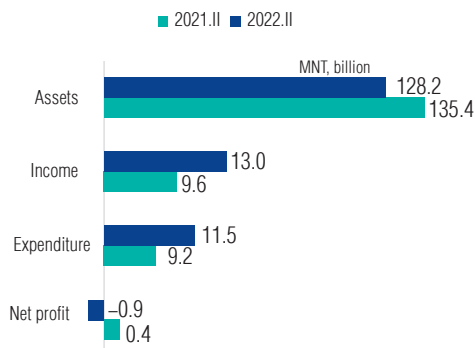
STOCKS, BY EQUITY STRUCTURE

- In the second quarter of 2022, there were 314 JSCs in the FRC's securities register.
- 85.6% were private, 11.2% were state-owned, and 3.2% state-owned (Parliament).



- Privately owned 85.6%
- State – owned 11.2%
- State-owned (by Parliament)

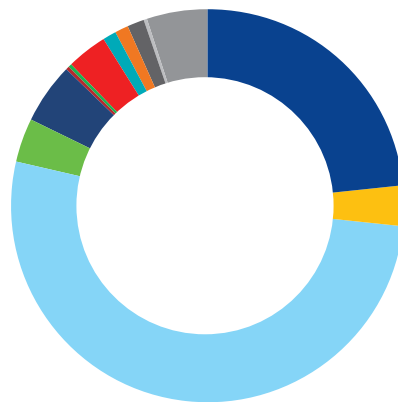
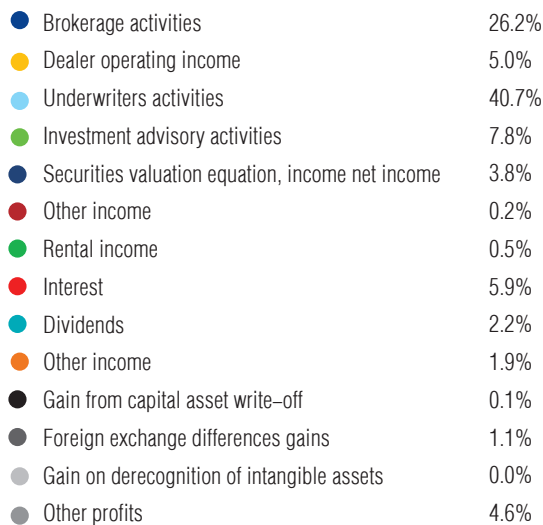
PROFITABILITY



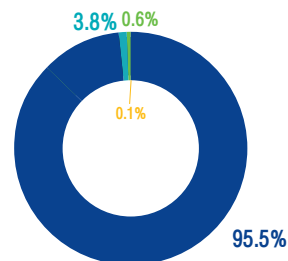
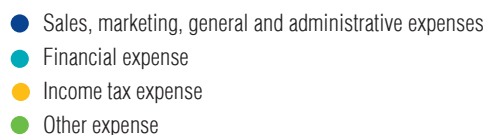
PROFITABILITY OF SCs

- Total assets of securities companies amounted to MNT128.2 billion in the second quarter of 2022; a decrease of MNT7.2 billion (5.3%) compared to the same period of the previous year.
- Compared to the same period of 2021, revenue increased by MNT3.4 billion and expenditure increased by MNT2.3 billion, resulting in a net loss of MNT0.9 billion.

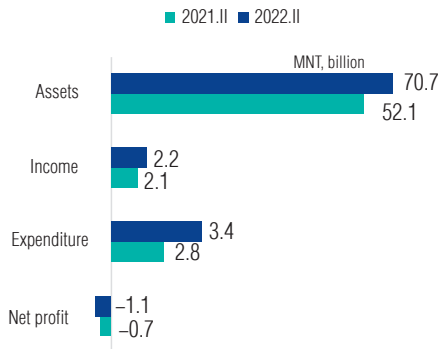
SC'S REVENUE STRUCTURE



SC'S COST STRUCTURE



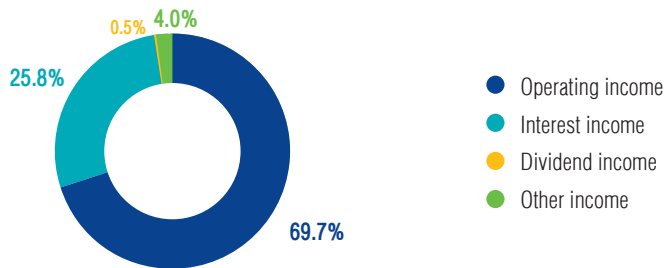
FINANCIAL STATEMENTS OF IMCs (INVESTMENT MANAGEMENT COMPANY)



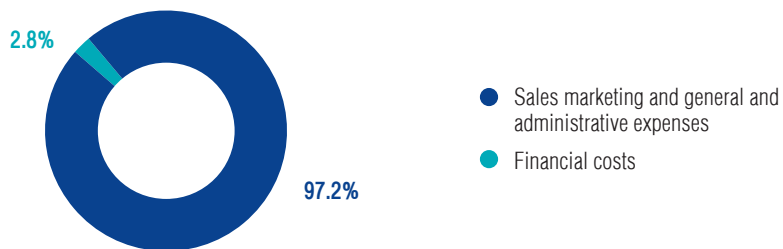
PROFITABILITY OF IMCs

- o In the second quarter of the 2022, total assets of IMCs reached MNT70.7 billion, a 1.4-fold increase compared to the same period of 2021.
- o Compared to the second quarter of 2021, revenue increased by MNT0.1 billion and expenditure increased by MNT0.6 billion, resulting in a net loss of MNT1.1 billion

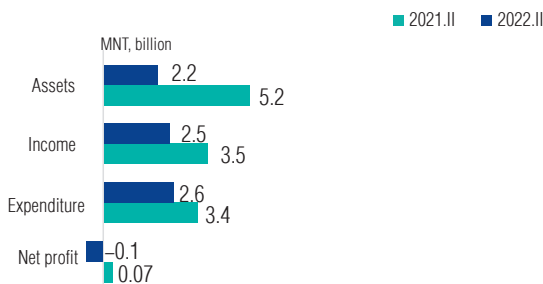
IMC INCOME STRUCTURE



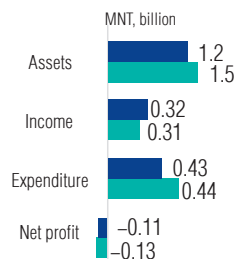
IMC COST STRUCTURE



FINANCIAL STATEMENT INDICATORS OF MCE



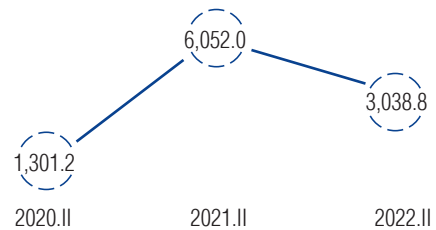
FINANCIAL STATEMENT INDICATORS OF CUSTODIANS



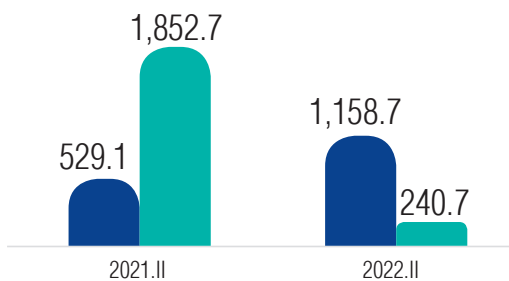
STABILITY

FLUCTUATIONS IN THE TOP-20

- Stock price fluctuations within the TOP-20 index were 3,038.8 units in the second quarter of 2022; a decrease of 3,013.2 points compared to the same period of the previous year.



■ MSE A ■ MSE B

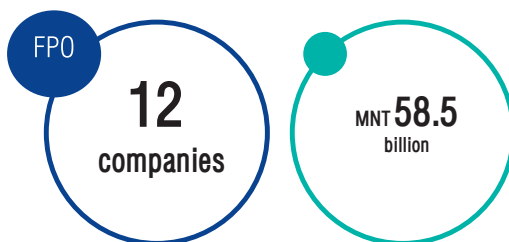
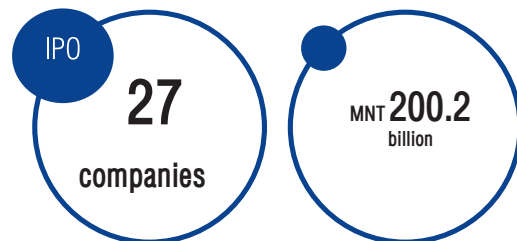


MSE A AND MSE B INDEX FLUCTUATIONS

- Standard deviation of index A grew up by 629.6 units, and the volatility of the MSE B decreased by 1,612.0 units in the second quarter 2022.

IPO INFORMATION

- During 2005 to the second quarter of 2022, a total of 27 companies made IPOs and raised a total of MNT200.2 billion from the primary market.

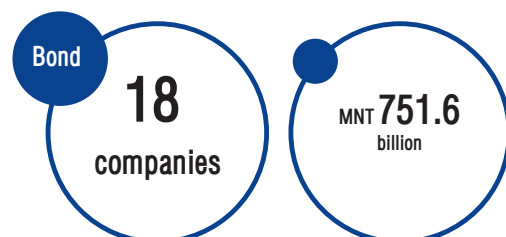


FPO INFORMATION

- During 2007 to the second quarter of 2021, 12 companies (with some duplication) raised a total of MNT58.5 billion by issuing additional shares (through 14 trades).

PRIMARY MARKET TRADING INFORMATION OF CORPORATE BONDS

- The primary bond market in Mongolia commenced trading in 2001. During 2001 to the second quarter of 2022, 18 companies (with some duplication) raised a total of MNT751.6 billion (in 29 trades).



REGULATORY ENVIRONMENT



INTERNATIONAL COOPERATION

Infrastructure organizations

By the FRC Chairman's Order No. 330 (30 September, 2020) a working group was established; to organize events to celebrate the thirtieth anniversary of the establishment of the stock market and the Mongolian Stock Exchange. Within this framework, the IPO Mongolia 2022 Forum – Accessible Capital Market event took place (15 April) jointly with the Mongolian Stock Exchange and Mongolian Stock Exchange Association and in cooperation with a non-governmental organization that serves its 'members'; for enterprises and entrepreneurs who interested in issuing securities to raise long-term low-cost capital from the public. The event showed how to increase attention, and attract foreign and domestic investors; to contribute to creating a responsible company with good governance and sustainable growth.



POLICY AND LEGISLATION

Law on Securities Market

The working group responsible for amending the legal environment of the stock market – re-established by the Minister of Finance's Order No. 52 (5 April, 2021) – approved the concept of amending the Law on Securities Market. The draft amendments were approved by the Ministry of Finance, posted on the website for public comment, and discussed at the cabinet meeting and planned to be submitted to the Parliament by 2022 spring session.

Investment fund regulations

Since adoption of the Law on Investment Funds by Parliament (2013), the FRC has adopted regulations related to investment management companies and mutual investment funds; in accordance with international financial market regulatory changes. In this regard, within the requirements of the General Administration Law, five regulations related to the operations of the fund were combined into one draft regulation, and two regulations related to the operation of management companies were combined into one draft regulation. 'Granting a special license for the establishment and operation of an investment fund and its control procedure' and a draft of 'Special investment management activities approval procedure' were harmonized with the Law on Investment Funds. This eliminated legislative and regulatory gaps within mutual and private



POLICY AND LEGISLATION

Investment funds' activities, improved conditions for registration and related documents, and streamlined and simplified related procedures.

Procedure for asset-backed securities

Studies were undertaken to conform the Asset backed securities issuance, registration and granting special licenses (FRC Resolution No.266 ,2011) with the General Administrative Law. Topics included:

- asset-backed securities issuance and securitization related international regulations,
- experiences of developed countries to be incorporated with the regulation, and
- draft version of Asset backed securities issuance, registration and granting special licenses regulation (FRC Resolution No. 360, 22 June, 2022).



INSURANCE MARKET

Total assets

MNT 431.4 billion

Capital growth **0.6%**



Financial market status

Insurance density

MNT 73,462

Density increase/growth
20.2%



Accessibility

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

MNT 38.0 billion



Products and services

Profitability



Net profit
MNT **9.2** billion

Stability



Reinsurance premium cost
20.5%

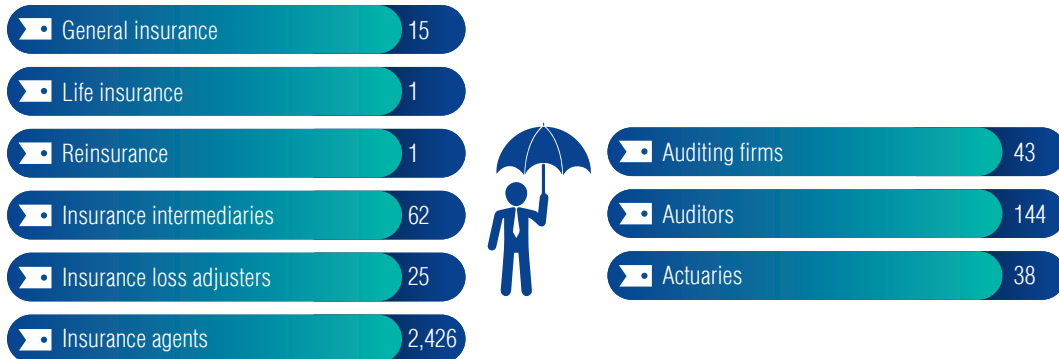
Regulatory environment



FINANCIAL MARKET STATUS

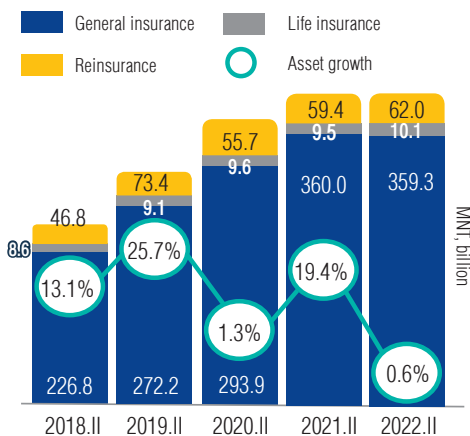
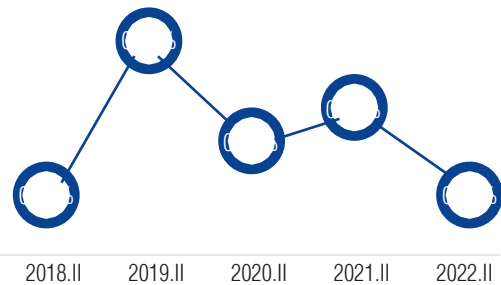
INSURANCE SECTOR STRUCTURE

On the basis of special licenses, permits and rights granted by the FRC, a total of 329 insurance companies, brokers, loss assessors, audit companies, actuaries and auditors were operating; along with 2,426 insurance agents



INSURANCE DENSITY

- The insurance depth reached 0.55%; a decrease of 0.03 percentage points compared to the previous year.

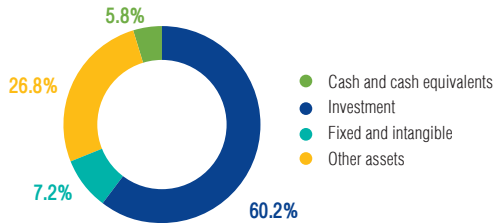


TOTAL ASSETS OF INSURANCE COMPANIES

- In the second quarter of 2022, total assets increased (by 0.6%) to MNT431.4 billion; an increase of 52.9% compared to the same period of 2018.
- Compared to other types of insurance, the total assets of ordinary insurance companies decreased by 0.2% to MNT359.3 billion; accounting for 83.3% of the total assets of the sector.
- The total assets of long-term insurance companies increased by 6.3% from the previous year, to MNT10.1 billion; accounting for 2.3% of the sector.
- The total assets of reinsurance companies increased by 4.4% compared to the previous year and reached MNT62 billion; accounting for 14.4% of the total assets of the sector.

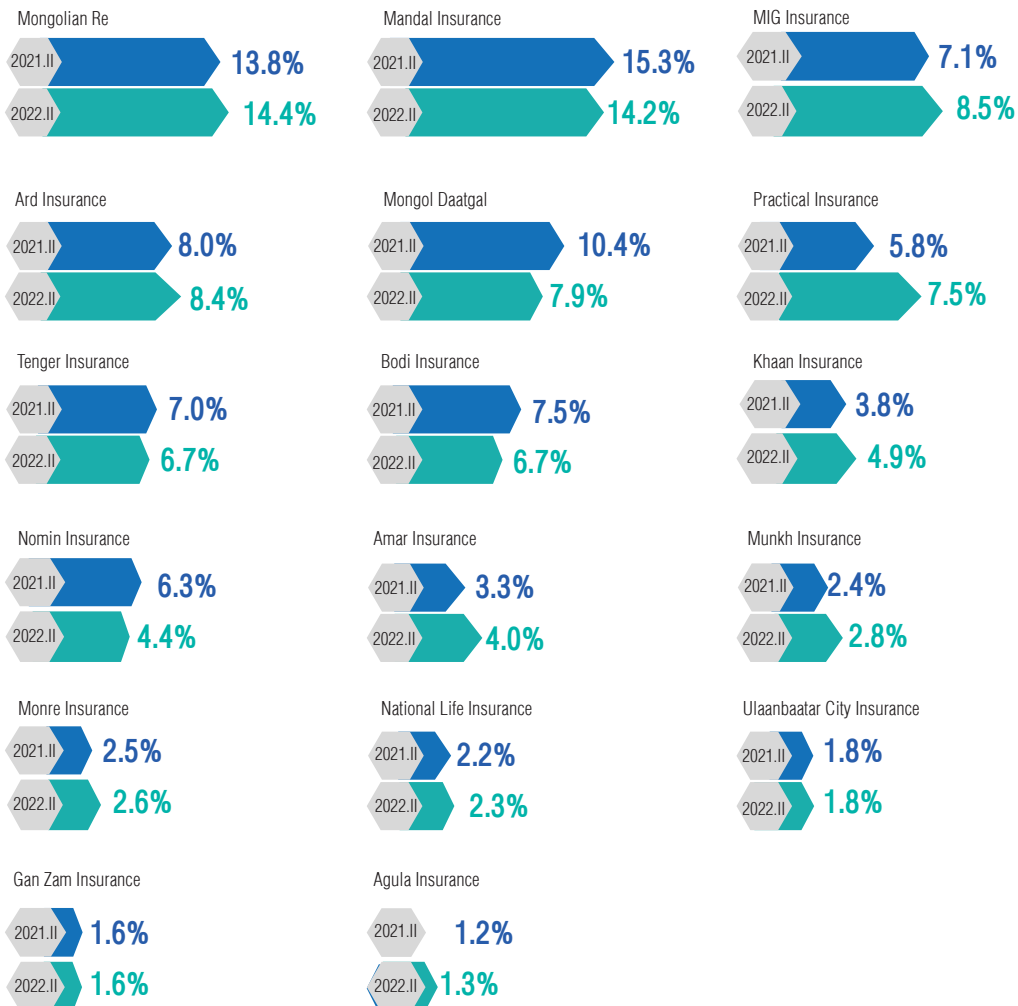
MARKET SHARE (BY TOTAL ASSETS)

Within the total assets structure of insurance companies, MNT25.2 billion (5.8%) was money and cash equivalents, MNT259.5 billion (60.2%) was investments, MNT30.9 billion (7.2%) was fixed and intangible assets (net amount), and MNT115.8 billion (26.8%) was other types of assets.



In terms of percentage of the total assets of insurance companies, two each had more than 9%, six each had 6–9%, three each had 3–6%, six had less than 3%.

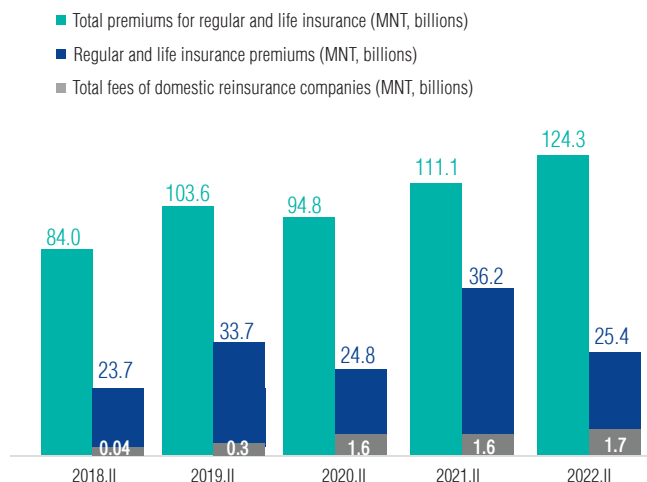
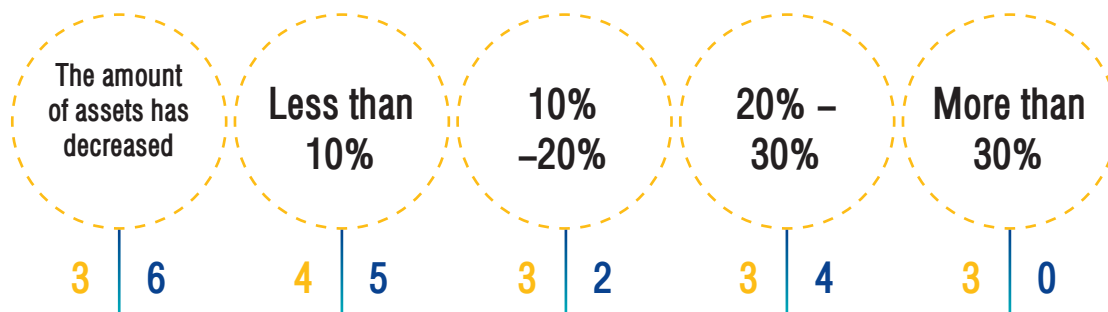
Percentage share of total assets of insurance and reinsurance companies



ASSETS GROWTH DISTRIBUTION OF INSURANCE COMPANIES

The average assets growth of all insurance companies was 17.1% in the second quarter of 2021 and 4.8% in the second quarter of 2022. Grouped by capital growth, there were four companies with an increase of 20–30%, two with an increase of 10–20%, six with an increase of less than 10%, and five companies with a decrease in total assets.

2021.II / 2022.II

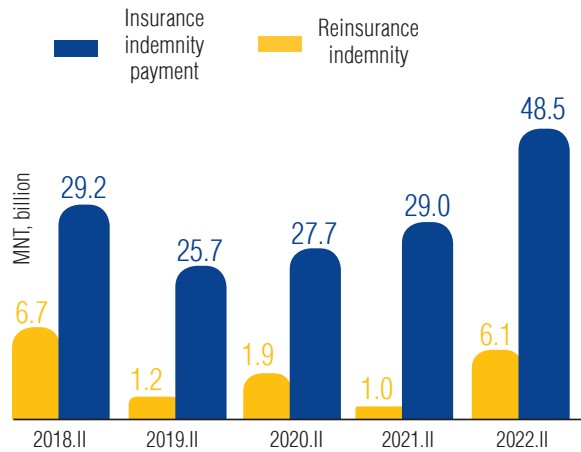


TOTAL PREMIUMS

- o In the second quarter of 2022, ordinary and long-term insurance companies collected a total of MNT124.3 billion in insurance premiums; of which, ordinary insurance companies accounted for MNT122.6 billion (98.7%), and long-term insurance companies for MNT0.971.6 billion (1.3%).
- o A total of MNT25.4 billion was spent on double insurance premiums; of which MNT1.7 billion (6.7%) was paid to domestic double insurers.
- o Total regular and long-term insurance premiums in the second quarter of 2022 increased by 11.9% compared to same period of the previous year. Compared to the same period of 2018, the increase was 48.0%.

INSURANCE AND REINSURANCE INDEMNITY PAYMENT/REIMBURSEMENT

- o In the second quarter of 2022, total compensation expenditures of insurance companies reached MNT48.5 billion, an increase of 67.2% compared to the previous year. Compared to second quarter of the 2018, the increase was 66.1%. Of this, 98.6% was accounted for by compensation of ordinary insurance companies.
- o The amount of reinsurer's compensation increased 6.1-fold to MNT6.1 billion.



RESERVES FUND

- o Total reserve fund of the insurance market decreased by 1.8% in the second quarter of 2022 (compared to the previous year) to MNT185.9 billion.
- o In the second quarter of 2022, total reserves of ordinary insurance companies decreased (from the previous year) by 2.9% to MNT155.1 billion. During the same period, long-term insurance companies' reserves increased by 14.0% to MNT3.0 billion, and double insurance companies reserves increased by 2.9% to MNT27.8 billion

MNT **185.9**
billion
2022.HI

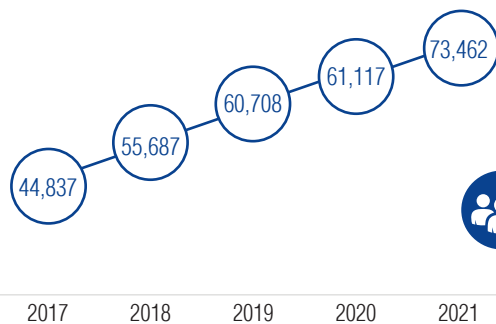
MNT
89.3
billion
2021.HI



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 MNT73,462 in 2021; an increase of 20.2% compared to 2020 and 63.8% compared to 2017.
- In terms of the insurance density, ordinary insurance premiums (per capita) increased by 20.2% to MNT72,921, while long-term insurance premiums increased by 20.6% to MNT541 per person.

INSURANCE CONTRACT

In the second quarter of 2022, a total of 803,961 insurance contracts were concluded. Among these, 680,597 (84.7%) were insurance contracts concluded with individuals, and 123,364 (15.3%) were insurance contracts concluded with legal entities.

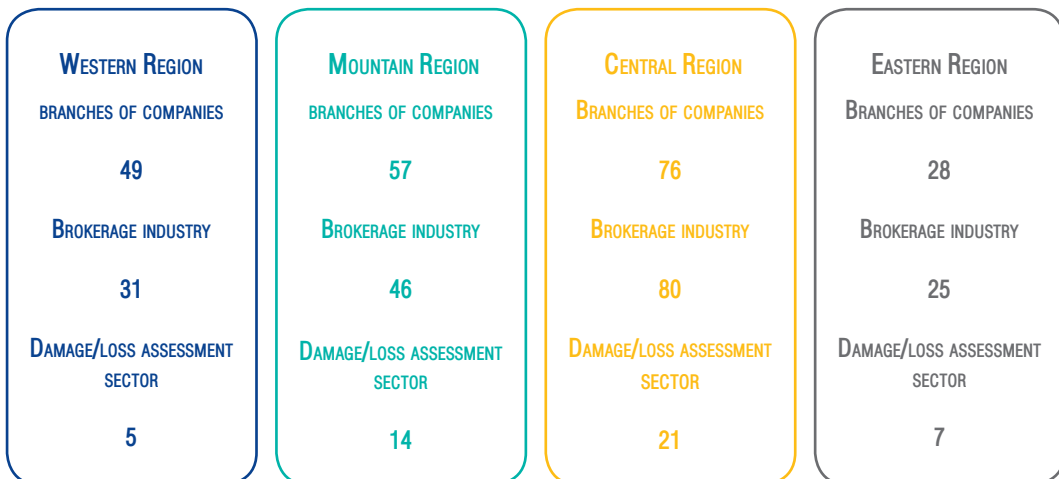
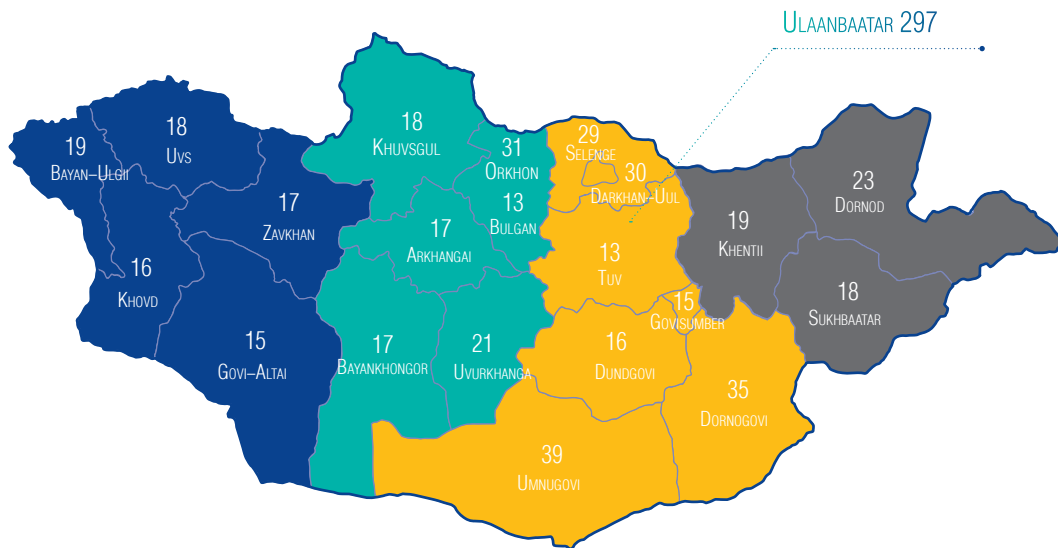
Individuals **680,597**
 Legal entities **123,364**



BRANCHES REPRESENTATIVE

THE LOCAL AREA

Another indicator of the availability of insurance services is the number of insurance company branches and intermediaries. In the second quarter of 2022, a total of 1,787 branches and representative offices of insurance companies, intermediaries, and loss assessment companies, were operating throughout 21 provinces.



REPRESENTATIVES

482

585

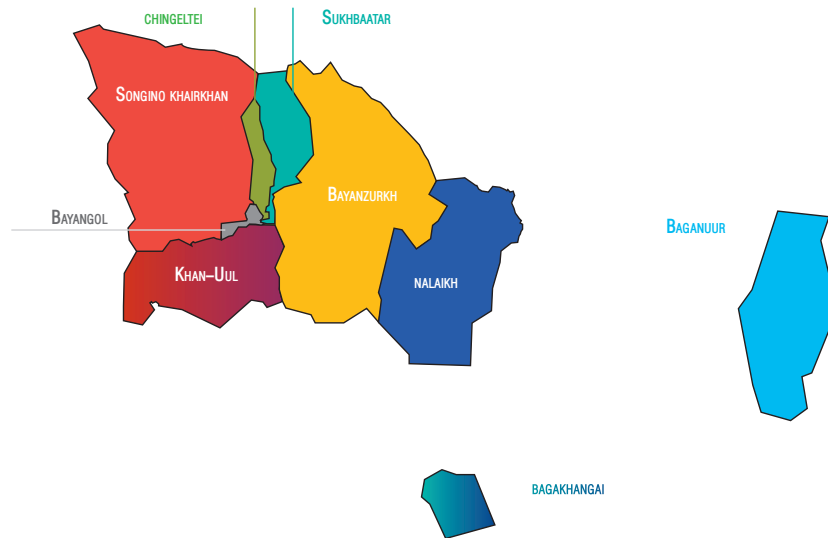
488

232

A BRANCHES REPRESENTATIVE

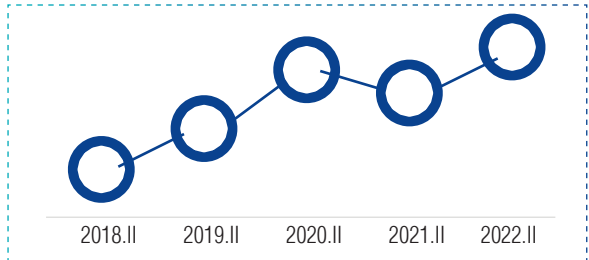
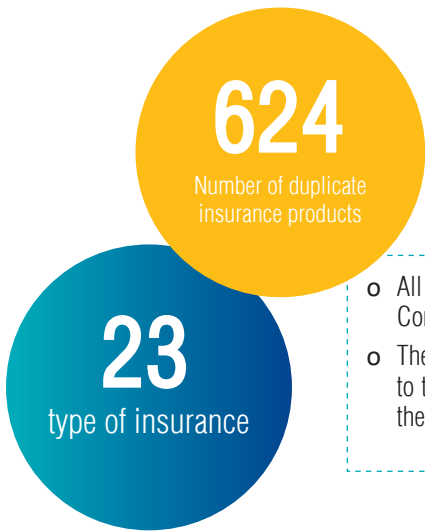
ULAANBAATAR

- o In Ulaanbaatar, a total of 297 representative offices (48 branches of insurance companies, 208 branches of insurance brokers, and 41 branches of loss adjusters) were registered in the second quarter of 2022. By district, 92.3% of the branches were located in the six-central districts of the capital.
- o During the second quarter of 2022, there was a total of 639 representative offices in Ulaanbaatar.
- 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	16	39	47	36
LOSS ASSESSOR	9	4	8	9
	KHAN-UUL	BAYANGOL	NALAIKH	BAGANUUR
INSURANCE	3	4	3	8
BROKER	32	28	6	4
LOSS ASSESSOR	3	7	0	1
	BAGAKHANGAI			
INSURANCE	1			
BROKER	0			
LOSS ASSESSOR	0			

PRODUCTS AND SERVICES



- o All 23 forms of regular and long-term insurance are voluntary; except for the Compulsory Driver's Liability Insurance.
- o The number of reinsurance products reached 624; an increase of 24 compared to the second quarter of 2021, and an increase of 56 products compared to the second quarter of 2018.

Total insurance premium

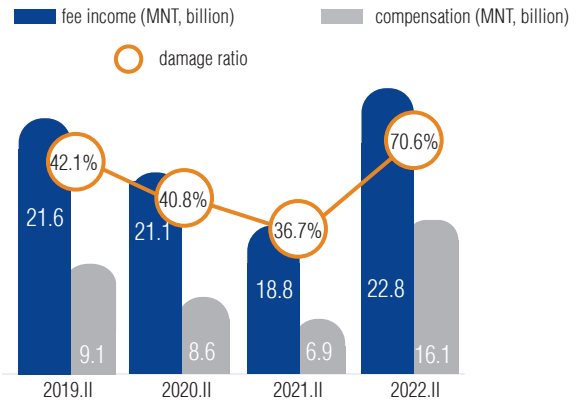


Insurance indemnity



COMPULSORY INSURANCE

- o The total of Compulsory Driver's Liability Insurance premiums reached MNT22.8 billion – an increase of 21.3% compared to same period of the previous year – and constituted 18.3% of total insurance premium income.
- o MNT16.1 billion compensation was paid, which accounted for 33.2% of the sector's total compensation costs for the second quarter of 2022. The amount of reimbursement was an increase of 133.3% compared to the same period of the previous year. A total of MNT16.1 billion in compensation was provided in the second quarter of 2022; equivalent to 33.2% of the industry's total income.



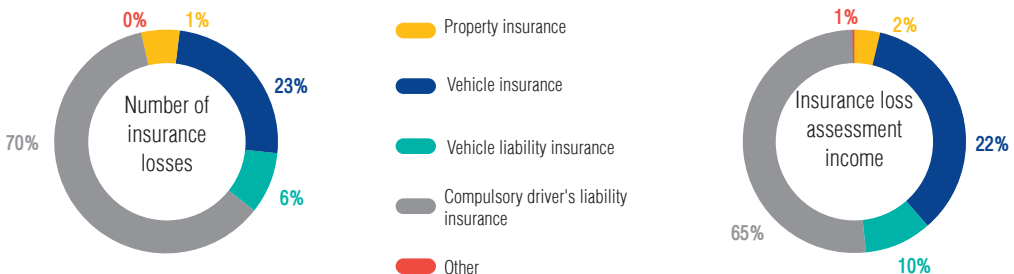
INSURANCE INTERMEDIARIES

- o Premiums and double insurance premiums collected by insurance intermediaries reached MNT38.0 billion. Revenues from insurance intermediaries increased by 16.7% to MNT7.7 billion; compared to MNT6.6 billion in the same period of previous year.



INSURANCE LOSS ADJUSTERS

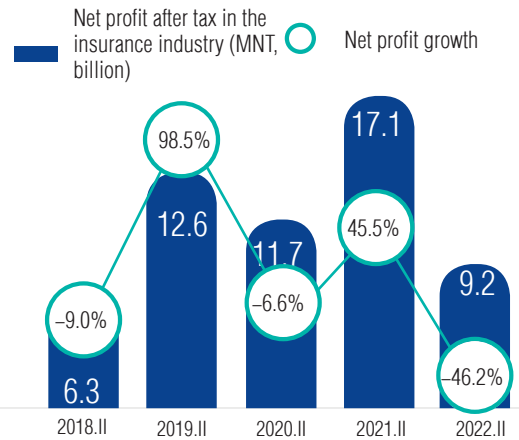
- o Insurance loss assessment companies valued a total of 18,600 losses at MNT21.8 billion in the second quarter of 2022. Total insurance loss assessment income reached MNT1.1 billion; an increase of 114.9%, compared to the same period of the previous year.



PROFITABILITY

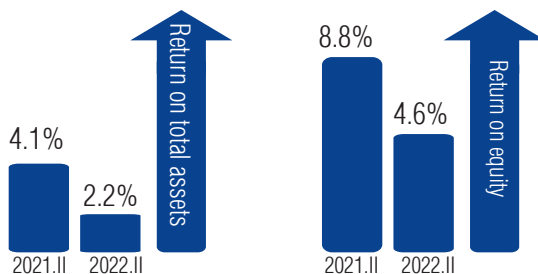
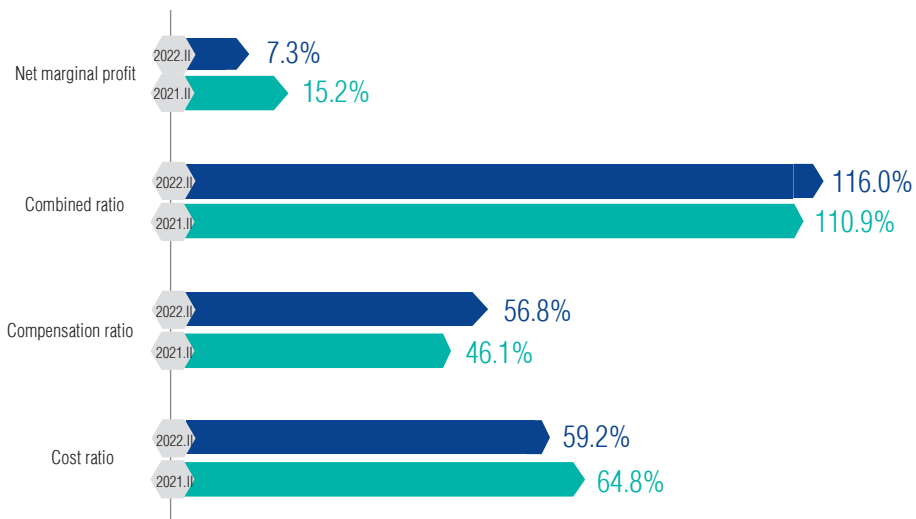
NET PROFIT INDICATOR OF INSURANCE COMPANIES

- o The net profit of insurance companies decreased by 46.2% (compared to the second quarter 2021) to MNT9.2 billion; an increase was 46.0% compared to the second quarter of 2018.
- o In terms of net profit after tax, nine companies exhibited decreases, three had increases up to 50%, one had an increases between 50 and 100% and four insurance companies had increases of more than 100%.



KEY RATIOS

- o The compensation ratio increased by 10.7 percentage points compared to the second quarter 2022.
- o The expenditure ratio increased by 5.6 percentage points to 59.2% compared to the previous year.
- o The net profit margin of the insurance sector decreased by 7.9 percentage points, to 7.3% in the second quarter of 2022.



PROFITABILITY COEFFICIENT

- o Return on assets in the market decreased by 1.9 points to 2.2% in the second quarter of 2022.
- o Return on equity decreased by 4.2 percentage points to 4.6% in the second quarter of 2022.

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 MNT70 billion annually (over the previous three years) to other countries.
- The cost of double insurance premiums collected by insurance companies abroad amounted to 20.5% of total insurance premiums in the second quarter of 2022.

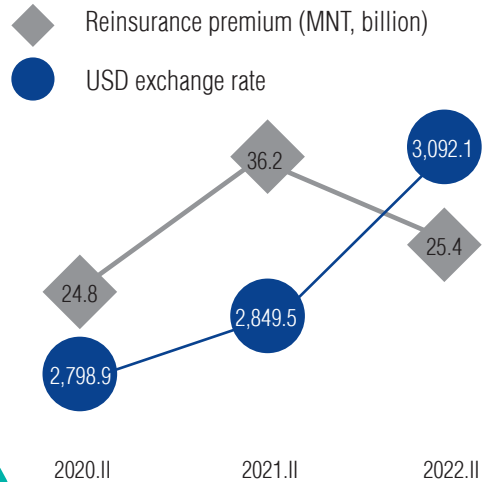
20.5%

Total reinsurance premiums percentage

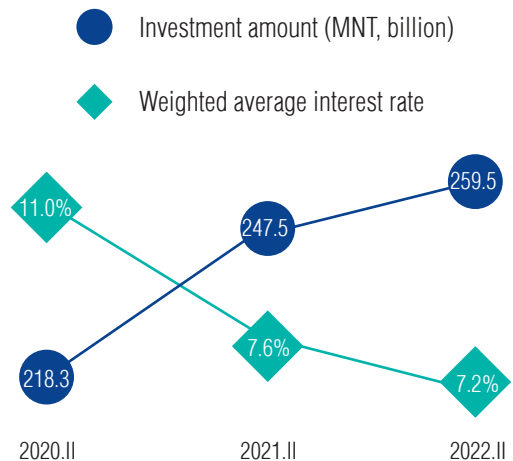
- 60.2% of the total assets of insurance companies were investments, of which 70.7% were in the form of deposits (and made as investment certificates of deposit).
- In the second quarter of 2021, insurance companies earned a total of MNT11.1 billion in interest income from deposits, certificates of deposit, and securities investments.

Investment fund
60.2%

Reinsurance premium



Weighted average interest rate on total insurance investment and savings



REGULATORY ENVIRONMENT



INTERNATIONAL COOPERATION

- o The Mutual Exchange Forum on Inclusive Insurance (MEFIN Network) organized training on 'Regulating Climate and Disaster Risk Insurance (CDRI) in Asia: Reality and Options' (5 July), and professional participants of the industry, and the FRC representatives participated.
- o Within the framework of the World Bank project Strengthening Fiscal and Financial Stability, a local consultant on determining policies of insurance market development was selected.
- o The World Bank included FRC employees in training themed 'General insurance' organized by Chartered Insurance Institution (CII).



POLICY AND LEGISLATION

- o According to the FRC Chairman's Order No. 245 (2022) the insurance market policy council was renewed and its first meeting took place.
- o A meeting between the heads of insurance companies was held on 6 May. Topics in the meeting included:
 - o – Insurance Industry 2022 No. 1 Summary of Quarterly Activity Report,
 - o – health professional liability insurance for organizations and medical professionals,
 - o – revision of 'Insurer's solvency criteria, procedure and monitoring'
 - o – Insurance Package Policy –Appendix II, and
 - o – presentation of Electronic Insurance Procedures.
- o On 13 May, the Insurance industry e-discussion was held, and included the following topics:
 - o – FRC introduction of the requirements for electronic transition in the insurance sector and its regulation,
 - o – Mongolian Insurance Association's introduction to electronic operations implemented in the insurance sector,
 - o – Bodhi Insurance JSC, and Tenger Insurance LLC talked about insurance underwriting, product sales, electronic transition in payment, compensation and other activities,
 - o – the Mongolian Association of Insurance Brokers introduced the role of electronic operations to expand insurance sales channels,
 - o – Fins Brokers LLC's introduction on reinsurance and collective insurance.
- o The selection of an insurance intermediary company on mandatory driver's liability insurance brokerage activities (on the border port auto-road) was organized jointly with the General Border Protection Agency (24 July). The selection process was held under the 'Selection of a company



MEETINGS AND SEMINARS,

To carry out insurance mediation activities at the border port procedure' which is approved by the FRC Chairman and Head of the General Border Protection Agency's Joint Order 167/05 (2012).



POLICY AND LEGISLATION

- o Following drafts of laws and study reports of the needs and requirements, impact and cost reports were submitted to the Ministry of Finance as indicated on Paragraph 38.2 of the Law on Legislation:
 - o Draft revision of the Law on Insurance,
 - o Draft revision of the Law on Insurance Brokerage,
 - o Draft revision of the Law on Compulsory Driver's Liability Insurance Organized meetings with industry professional as indicated on Law on Legislation and posted draft laws on the website of the FRC and Ministry of Finance; for input from the citizens, and insurance industry participants.
- o The regulations related to green insurance were reflected in the following four procedures of 'Insurance Package Policy' approved by the resolution of FRC No. 2, 2019, by the FRC resolution 'Additions and changes to the regulations', No. 129, 2022.
 - o Attachment 1. Requirements for insurers and insurance professional participants, compliance indicator
 - o Attachment 2. Insurer's solvency criteria and monitoring Procedure
 - o Attachment 4. Nettotal amount of to be centralized to insurance reserve fund and compulsory insurance fund, its conditions and requirements for placement in investments
 - o Attachment 11. Reports and news from insurers and insurance professional participants, application instructions.
- o Several meetings were organized, to exchange opinions with representatives of the Ministry of Health. One topic was research on professional liability insurance (for healthcare institutions and medical professionals) to expand accountability related to compulsory insurance within the sector. A meeting on the 'needs and requirements of medical specialist professional insurance' was held (3 June, 2022). During discussions, proposals for amendments to the Law on Health were presented, and a sub-working group will be established to open discussions and collect opinions from among employees in the health sector.



POLICY AND LEGISLATION

- o In order to adopt risk-based capital methodology within the market; a draft proposal of the amendments of Insurance Package Policy (Appendix II), Insurer's solvency criteria and its control procedures (approved by FRC resolution No. 02, 2019), was posted on the FRC website under the General Administrative Law. The goal of risk-based capital methodology aims to:
 - o • improve the risk management system,
 - o • implement in an optimal manner,
 - o • change risk evaluation methodology in accordance with the international standards,
 - o • provide an opportunity to realistic, detailed and customized calculations to the insurer's risk and
 - o • determine the investment risk. Three meetings were held with the Mongolian actuaries community, and two more with insurance company actuaries; to receive relevant opinions and finalize draft regulations. The FRC participated in a working group, to: create a legal environment for disaster risk insurance, to develop recommendations, and to participate in conferences, meetings, etc.
- o A meeting was held with an international consultant of the 'Disaster risk assessment, strengthening capacity for planning and risk transfer' project – funded by the Japan Foundation for Poverty Alleviation and ADB – to exchange views (and submit proposals) for the law developed by this project.



NBFIs

Total assets

MNT **3.2**
trillion



Financial market status

Capital growth **40.6%**

Average loan amount

MNT **1.6** million

Customers **4.7** million



Accessibility

Credit NBFIs

92.8%

7.2%

Foreign currency exchange NBFIs



Products and services

Profitability



Total income

MNT **392.0**
billion

Stability



Z index

28.0

Percentage of non-performing
loans

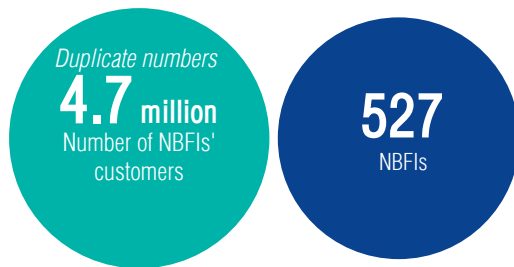
7.0%

Regulatory environment



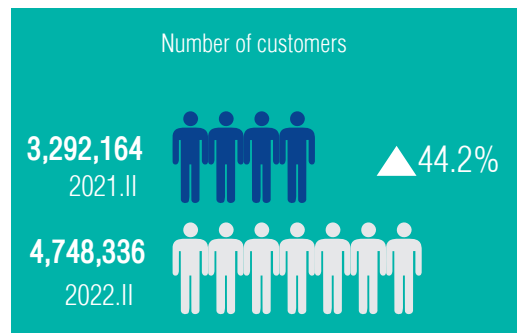
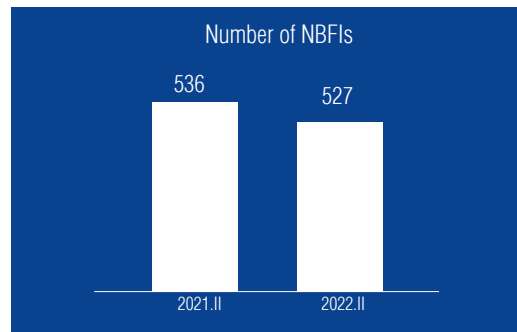
FINANCIAL MARKET STATUS

- 527 NBFIs were licensed by the FRC in the second quarter of 2022; a decrease of nine compared to the same period of the previous year, and a decrease of 12 from the same period of 2018.



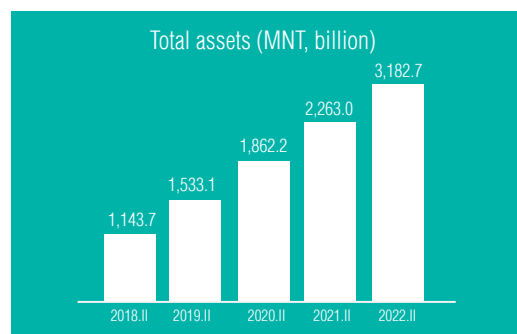
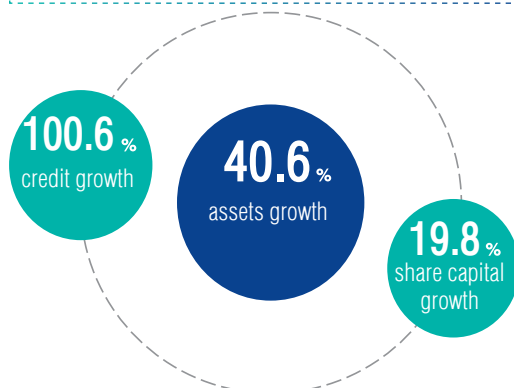
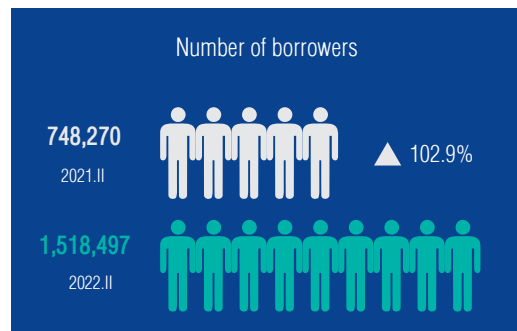
Twenty-seven (5.1%) of NBFIs had foreign investment, and 94.9% had domestic investment only.

5.1%
Institutions with foreign investments












ASSETS OF NBFIs















In the second quarter of 2022, total assets of NBFIs reached MNT3.2 trillion; an increase of MNT919.8 billion (40.6%) from the same period of the previous year, and MNT2.0 trillion (178.3%) from the same period of 2018.



Assets structure of NBFIs (MNT, billions)

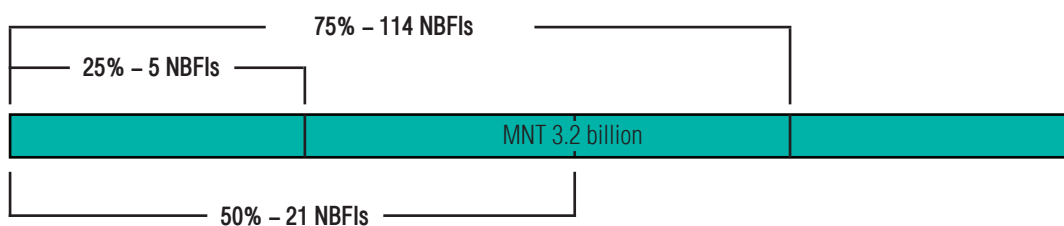
Total assets	3,182.7	100.0%	
Current assets	3,079.6	96.8%	
Cash	391.3	12.3%	
Credit (net)	2,367.2	74.4%	
Short-term investment (net)	16.8	0.5%	
Factoring settlement receivables (net)	9.5	0.3%	
Other property ownership and other ownership (net)	18.6	0.6%	
Other assets	276.2	8.7%	
Non-current assets	103.1	3.2%	

Liability structure of NBFIs (MNT, billions)

Total liabilities	3,182.7	100.0%	
Liabilities	1,201.1	37.7%	
Financial resources	300.3	9.4%	
Liabilities to domestic and foreign banks, and financial institutions	395.0	12.4%	
Other resources	54.2	1.7%	
Bonds issues by NBFIs	196.6	6.2%	
Project loans financing	20.7	0.6%	
Other liabilities	234.3	7.4%	
Owner's property	1,981.6	62.3%	
Share capital	1,230.0	38.7%	
Other property	45.9	1.4%	
Funds	2.3	0.1%	
Retained earnings/losses	632.9	19.9%	
Secondary payable	70.5	2.2%	

Market share, in terms of total assets of the sector, was:

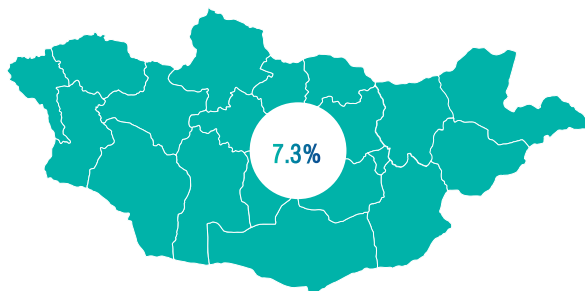
- Five largest NBFIs accounted for 25% of total assets,
- 21 NBFIs accounted for 50%, and
- 114 NBFIs accounted for 75%.



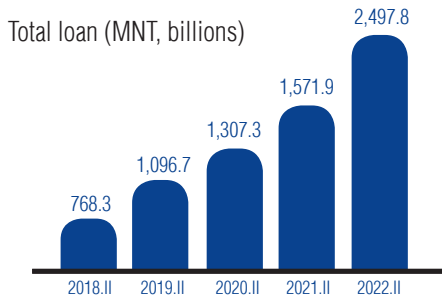
	Number of NBFIs		Total assets		Total loans		Percentage of non-performing loans in loan portfolio	Customers	
	No.	%	Amount (MNT, billions)	%	Amount (MNT, billions)	%		No.	%
25 %	5	0.9%	852.8	26.8%	695.4	27.8%	4.6%	205,190	4.3%
50 %	21	4.0%	1,592.6	50.0%	1,325.5	53.0%	4.7%	3,881,540	81.7%
75 %	114	21.6%	2,389.2	75.0%	1,952.0	78.1%	5.9%	4,626,312	97.5%
100%	527	100.0%	3,182.7	100.0%	2,497.8	100.0%	7.0%	4,748,336	100.0%

Loans of NBFIs which accounted for 25%, 50% and 75% of the total assets of the non-bank financial sector, accounted for 27.8%, 53.0% and 78.1% of the total outstanding loans, respectively. Although the share of total assets and total loans were similar, the share of non-performing loans (among all loans) was 4.6%, 4.7% and 5.9%, respectively. Some of the 21 NBFIs accounting for 50% of the sector's total assets, used technology to provide inclusive services. Most (94.7%) of the total were customers of these NBFIs alone.

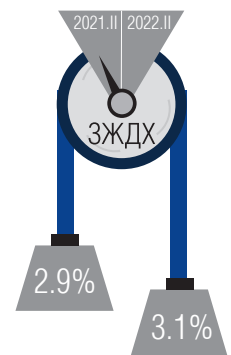
	Number of NBFIs	Total assets		Total loans		Customers	
		Amount (MNT, billions)	%	Amount (MNT, billions)	%	No.	%
With domestic investment	500	2,735.9	85.7%	2,121.3	84.9%	4,623,911	97.4%
With foreign investment	27	446.8	14.3%	376.5	15.1%	124,425	2.6%



In the second quarter of 2022, the total assets of NBFIs amounted to 7.3% of Mongolia's GDP.



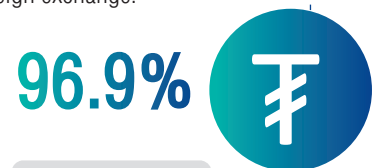
Loan interest rate: In the second quarter of 2022, the weighted average monthly interest rate (on loans issued by NBFIs) reached 3.1%; an increase of 0.2 percentage points from the same period of the previous year and a



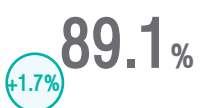
TOTAL LOANS

In the second quarter of 2022, the total value of loans in the sector increased by MNT925.9 billion (58.9%) from the same period of the previous year; and increased by MNT1.7 trillion (2.3-fold) from the second quarter of 2018.

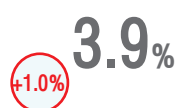
In the second quarter of 2022, 96.9% of all loans were disbursed in MNT, and the remaining 3.1% were disbursed in foreign exchange.



NORMAL



OVERDUE



NON-PERFORMING



MNT 2.4 billion | Issued loan

Paid loan | MNT 1.9 billion

Wholesale and retail



Construction



Mining



Cars and motorcycles repair services



Accommodation and catering



Processing factories



Agricultural



Other





88.8%

92.5%

92.1%

LOAN BALANCE

LOANS ISSUED

PAID LOAN

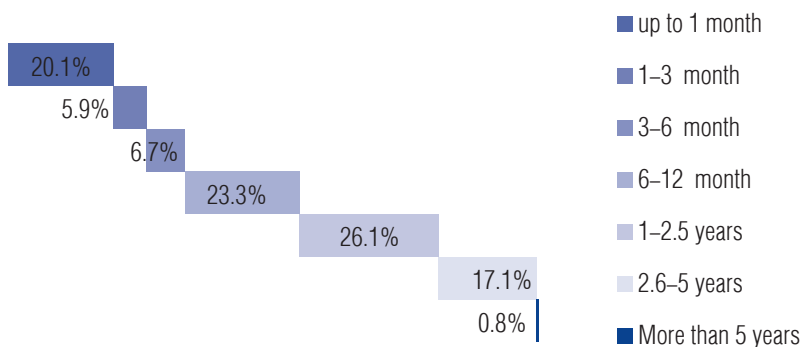
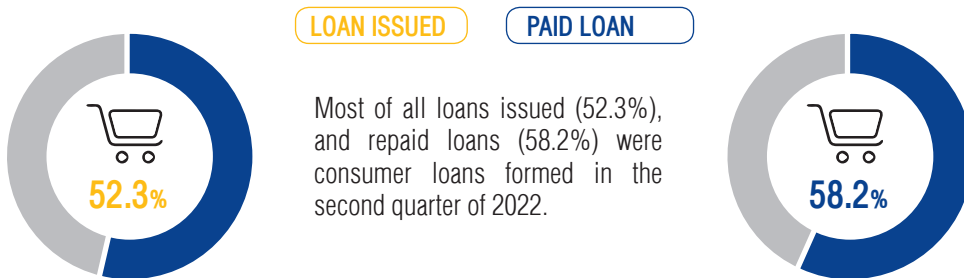


11.2%

7.5%

7.9%

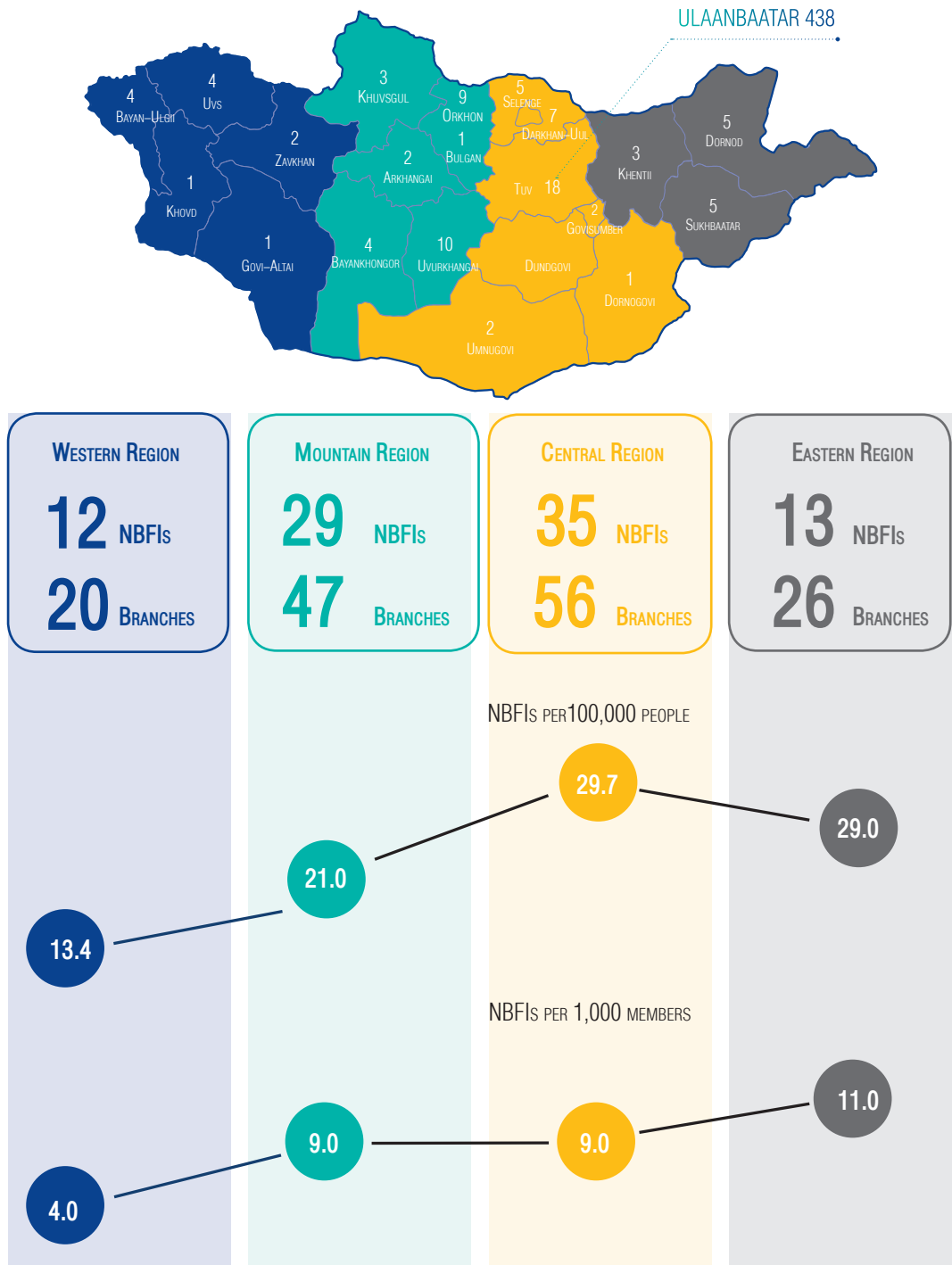
In the second quarter of 2022, 88.8% of outstanding loans were to individuals and 11.2% were to legal entities.

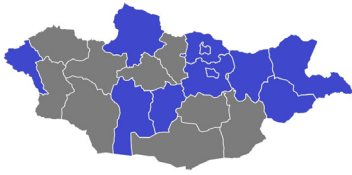


In the second quarter of 2022, 17.1% of NBFIs' loans were of 2.6 to 5.0 years' duration, 26.1% were 1.0 to 2.5 years, 23.3% were 6 to 12 months, and 20.1% were up to one month.

ACCESSIBILITY

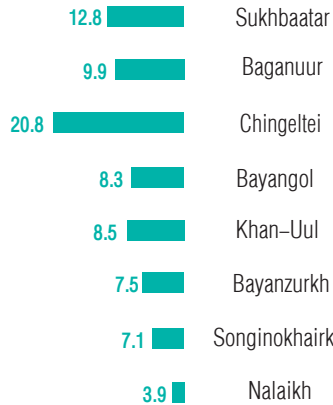
Nationwide, there were 527 licensed NBFIs with a total of 405 branches, and most (83.1%) operated in Ulaanbaatar.



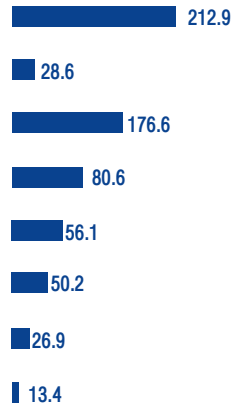


Twelve (57.1%) of the country's 21 provinces had three or more NBFIs.

Per 1,000 enterprises



Per 100,000 population



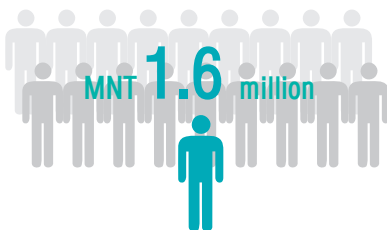
Of the 438 NBFIs operating in Ulaanbaatar, 33.6% were in Sukhbaatar district, 27.6% in Chingeltei, 16.4% in Bayangol, 11.6% in Bayanzurkh, 8.2% in Khan Uul, 2.3% in Songinokhairkhan, and 0.2% in Baganuur district.

BY ACCESSIBILITY AND GEAGRAPHICAL LOACATION OF NBFIs

- There was an average of 48 NBFIs per 100,000 people aged 18–64 years, and 31 NBFIs per 1,000 businesses throughout Mongolia.
- Locally, these ratios were 23 and eight in the regions generally. Central Region led in terms of access to NBFIs, with 30 NBFIs per 100,000 people, and 11 per 1,000 enterprises.
- In Ulaanbaatar, there were 77 NBFIs per 100,000 people and 10 per 1,000 businesses; indicating good access, compared to the situation in rural areas.

47 NBFIs per
100,000
people nationwide

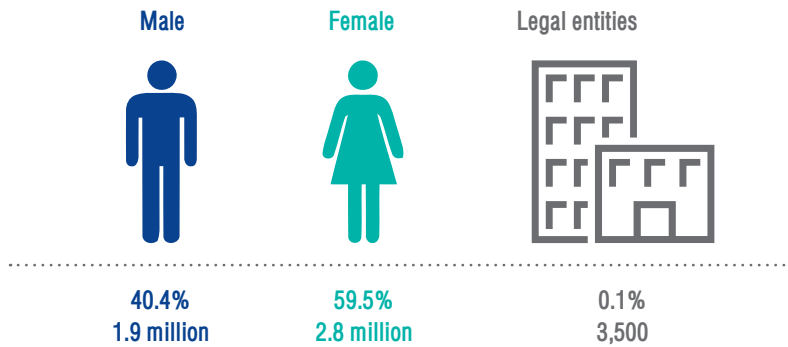
31 NBFIs per
1,000 enterprises



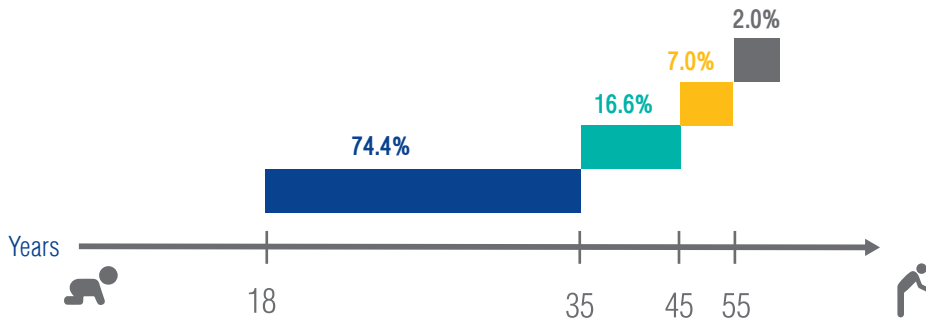
AVERAGE LOAN

- In the second quarter of 2022, the average NBFi borrower had a loan of MNT1.6 million; ranging from MNT3.2 million in rural areas to MNT2.4 million in Ulaanbaatar.
- This compares to MNT2.1 million nationwide in 2021; since when the average loan amount per borrower from NBFIs decreased by MNT447.200 (21.3%).
- The total number of borrowers was 1.5 million; and 78.0% of people of working age (18–64 years) had loans from NBFIs.

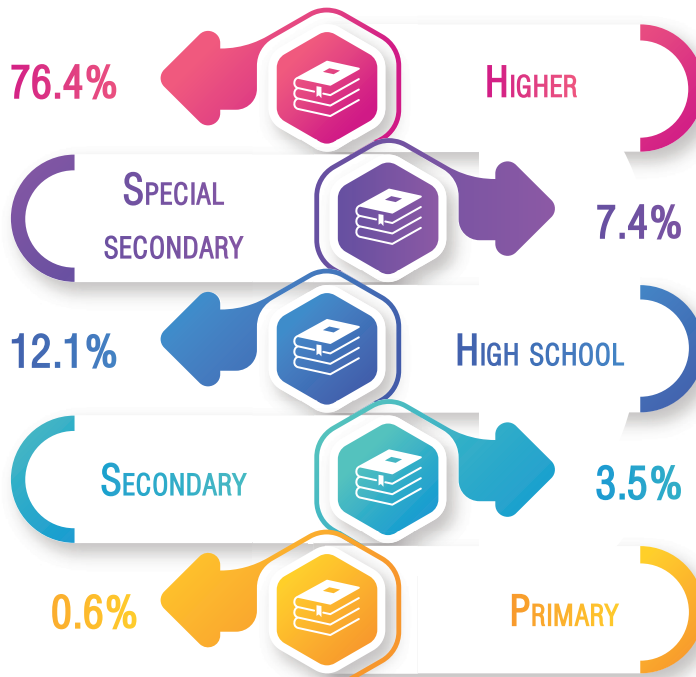
Customers of NBFIs



Borrowers of NBFIs (by age)

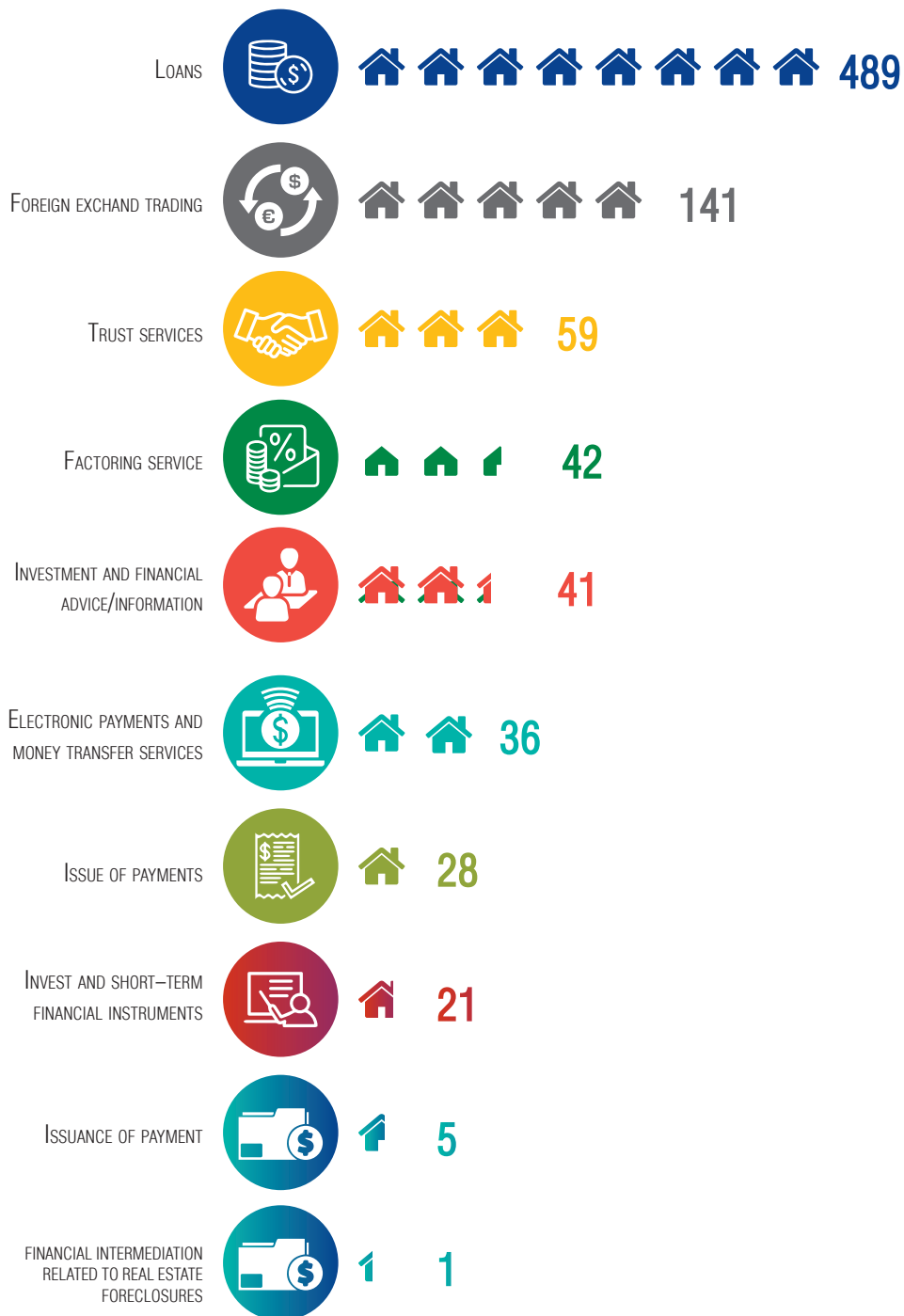


Borrowers of NBFIs (by level of education)



PRODUCTS AND SERVICES

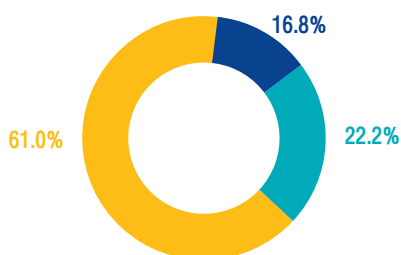
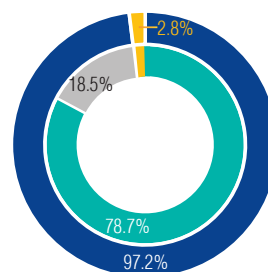
NUMBER OF NBFIS AND TYPES OF SERVICES (WITH DOUBLE COUNTING)



REVENUE FROM PRODUCTS AND SERVICES

- o In the second quarter of 2022, the total income of NBFIs reached MNT392.0 billion.
- o Most (97.2%) of total revenue was operating income, interest, and non-interest income. Of this, 78.7% (MNT308.6 billion) of the total revenue was interest income and 18.5% (MNT72.5 billion) was non-interest income.

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



- Commercial income
- Income from rates and valuation equations
- Financial services income

BREAKDOWN OF NON-INTEREST INCOME

- o Non-interest income was generated by non-interest income service fees and commissions (61.0%), foreign exchange rate and valuation equations (22.2%), and trading (16.8%)

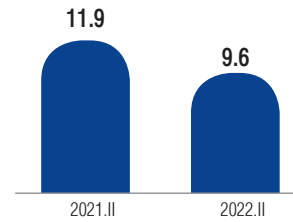
COSTS OF PRODUCTS AND SERVICES

- o Most – MNT242.8 billion (77.5%) – was operating expenses, MNT144.9 billion (59.7%) was non-operating expenses, and MNT43.2 billion (17.8%) was income tax expenses.
- o Interest expenses (a component of operating expenses) accounted for MNT3.7 billion of total expenditure, non-interest expenses were MNT17.4 million, and income tax expenses were MNT17.5 million.

Expenditures related to product and service risks (or potential risks) accounted for a total of MNT33.6 billion, of which 88.6% were credit risk expenses, 9.8% were other real estate risk expenses, 1.5% were property risks expenses, and 0.5% were factoring services risk expenses.

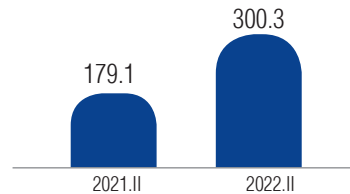
- o Factoring services are the sales of the entire rights to demand a monetary payment obligation, from a creditor to a third party. The recipient of this right is responsible for exercising the right and the consequences. In the second quarter of 2022, a total of MNT9.6 billion of net factoring receivables was registered in the sector.

Net receivables for factoring services (MNT billions)

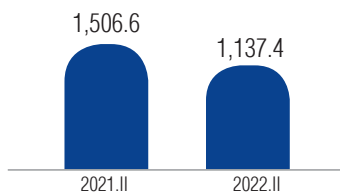


- o A total of 59 NBFIs provided trust services in the sector.
- o Total liabilities for trust services amounted to MNT300.3 billion; an increase of 67.7% from the same period of the previous year.

Trust service payable (MNT, billions)



Remittance service income (MNT, billions)



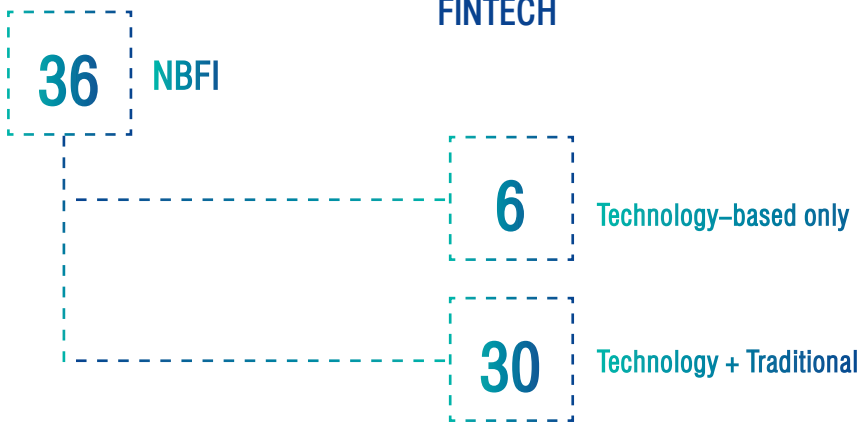
- o In the second of 2022, NBFIs earned a total of MNT1.1 billion from remittance services. This was a decrease of MNT369.2 million (24.5%) from the same period of the previous year.
- o A total of 36 NBFIs in the sector operate the service holding a special license; and 10 of them earned money from remittance services.

CURRENCY TRADING NEWS

In the second quarter of 2022, NBFIs purchased a total of MNT5.9 trillion worth of currency and sold MNT5.7 trillion worth. The South Korean Won accounted for 63.9% of the currency purchased and 63.2% of the currency sold.

CURRENCY NAME	Bought	Sold
	Result (MNT, billions)	Result (MNT, billions)
CHINESE YUAN	731.8	745.7
RUSSIAN RUBLE	715.8	710.9
US DOLLARS	75.4	75.8
EURO	16.6	26.3
KOREAN WON	3,755.9	3,636.7
JAPANESE YEN	580.0	559.2
OTHER	2.7	2.7

FINTECH



- o Most of all customers (92.8%) and borrowers (76.4%) in the sector were clients of NBFIs, and had access to technology-based credit services.
- o Most (36.0%) of all borrowers received loans through their mobile phones.

o In the second quarter of 2022, 90.6% of outstanding loans of NBFIs (using technological advances in financial services) were normal loans, 3.9% were overdue loans, and 5.5% were non-performing loans.

92.8%

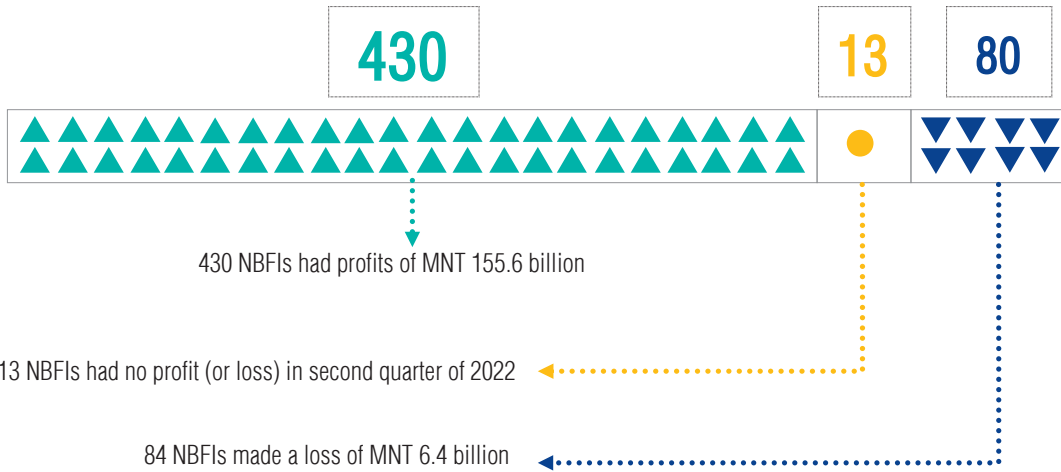
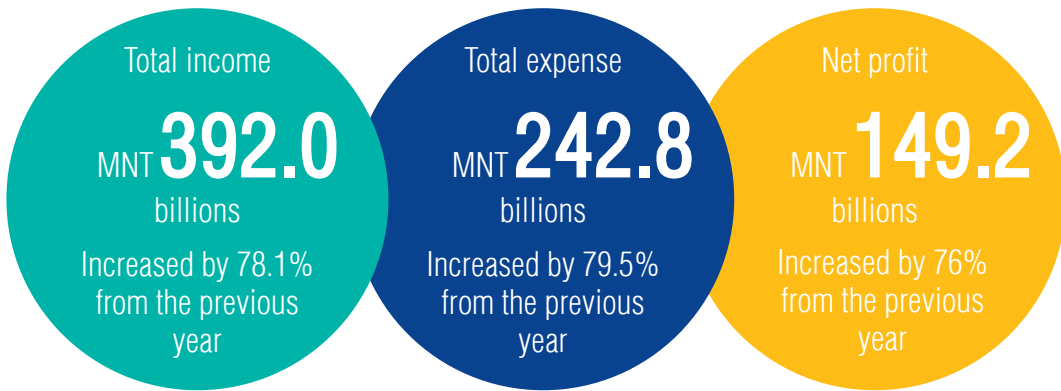


90.6% normal
3.9% overdue loans
5.5% poor quality

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	319.8	12.8%	1,159,569	76.4%	275.8
Traditional	2,178.0	87.2%	358,928	23.6%	6,068.0
TOTAL	2,497.8	100.0%	1,518,497	100.0%	1,644.9

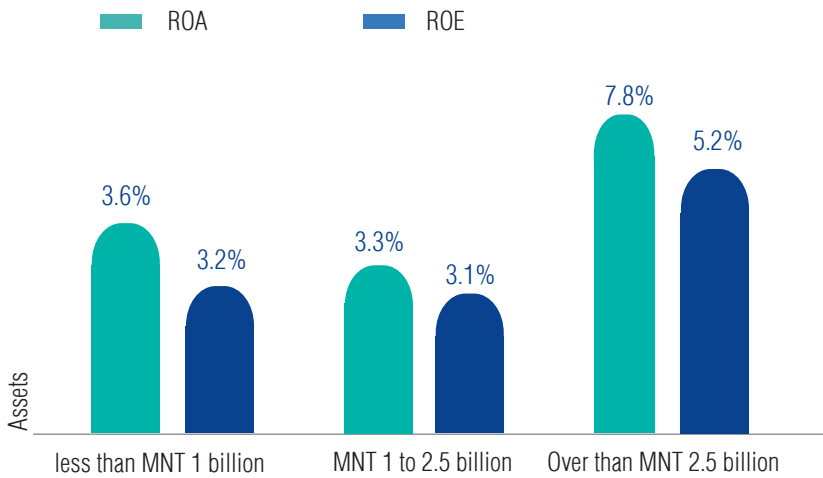
PROFITABILITY



	<1%	<5%	<10%	>10%		
Return on equity (ROE)	5.9% 2021.II	8.4% 2022.II	29.9%*	26.0%	21.6%	21.0%
Return on assets (ROA)	4.1%	5.5%	30.4%	29.8%	22.4%	15.7%

Number of NBFIs in the corresponding intervals of ROE and ROA

(*) For example: 29.8% of all NBFIs had no ROE of less than 1%



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

In terms of the ROA and the ROE of NBFIs (by share capital), half of NBFIs with equity of less than MNT1 billion had a ROA of less than 0.6%. Half of NBFIs with a share capital of MNT1.0 to 2.5 billion had a ROA of less than 1.9% and half of NBFIs with equity of more than MNT2.5 billion had a ROA of less than 3.2%. In terms of ROA, the relevant values were 0.6%, 2.1% and 3.9% (in the three categories of assets, by size).

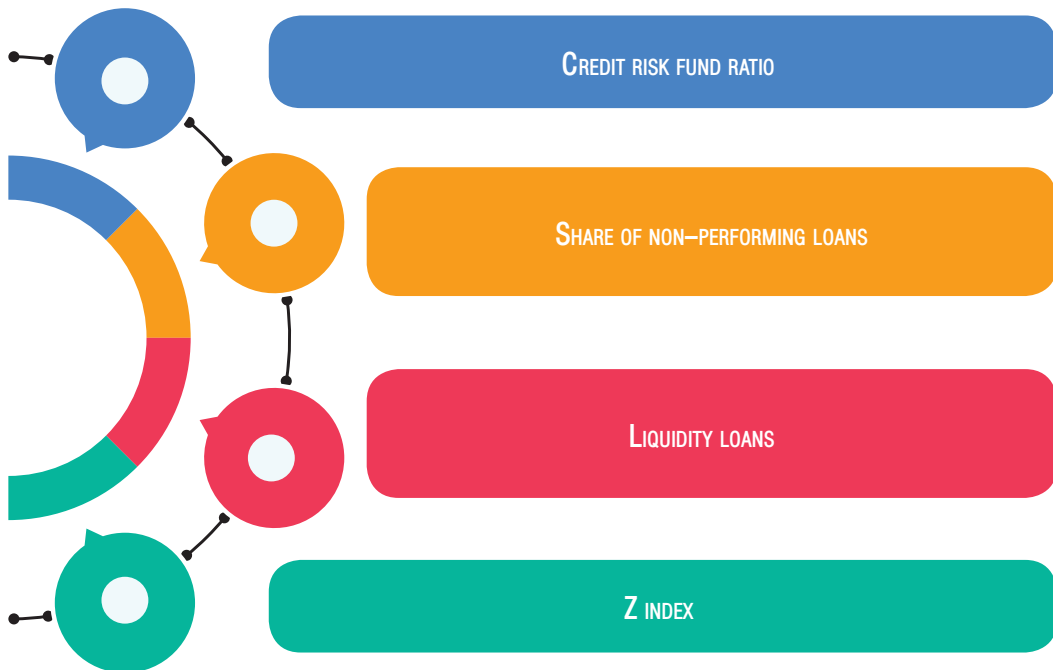
COST REVENUE RATION

The ratio of expenses to income (which estimates NBFIs' average costs to earn MNT1.0) was 48.0% in second quarter, an increase of 2.1 percentage points from the same period of the previous year. That is, NBFIs spent an average of MNT48.0 to earn MNT100.00.



STABILITY

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



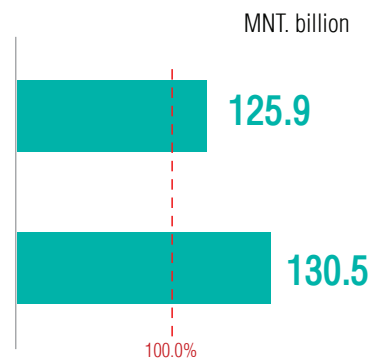
CREDIT RISK FUND RATIO

- o In the second quarter of 2022, the ratio was 103.7% – accomplished by the creation of a contingency fund – and showing the ability to cover risks by 103.7%.
- o This was an increase of 2.4 percentage points from the same period of the previous year.

103.7%

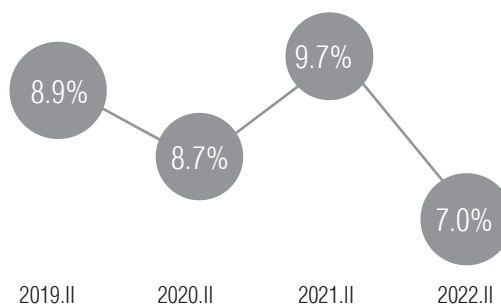
Contingency fund
to be established

Established risk
fund



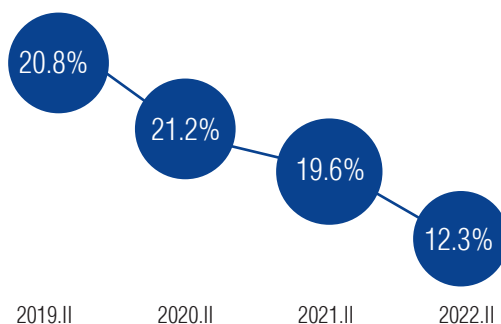
SHARE OF NON-PERFORMING LOANS

In the second quarter of 2022, non-performing loans reached MNT174.2 billion, and the amount of non-performing loans (among total loans) decreased by 2.7 percentage points to 7.0% from the same period of the previous year.



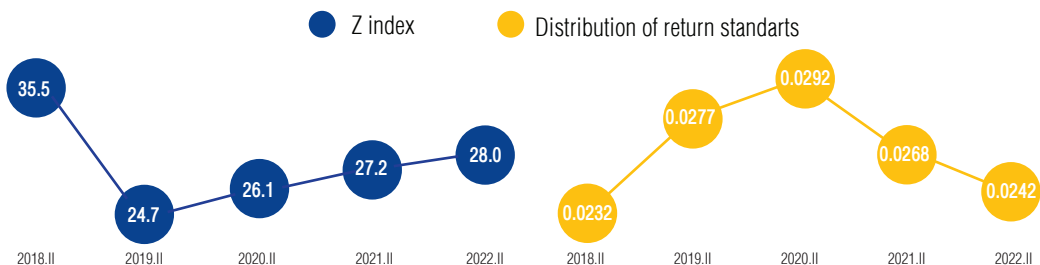
LIQUIDITY RATIO

- o The ratio of cash and cash equivalents to total assets (liquidity) reached 12.3% in the second quarter of 2022.
- o Cash growth in the second quarter of 2022 was 11.8%. That is, liquidity decreased by 7.3 percentage points from the same period of the previous year.



Z INDEX

The Z index – showing the probability of an NBF1 going bankrupt – is calculated by the sum of the ROA and the ratio of equity to the volatility of the ROA. The value of the Z index is higher when profitability and equity leverage are high, and lower when income uncertainty is high. That is, a high value of the index indicates low risk and stability. In the second quarter of 2022, the Z index of the non-bank financial sector increased by 0.8 points to 28.0, from the same period of the previous year.



REGULATORY ENVIRONMENT



INTERNATIONAL COOPERATION

The FRC cooperated with the following international organizations and associations, in the field of policy and regulation of the NBFi sector:

- ADB; within the framework of the Support to digital financial products and business model project.
- The European Bank for Reconstruction and Development (EBRD), and the Economic Policy and Competitiveness Research Center; to develop a 'Cooperation Plan to Promote Equal Gender Participation in the Microfinance Market'.
- Mongolian Sustainable Financing Association; to assess the current understanding and information of NBFIs within the Sustainable Financial System, and to identify potential environmental and social risk factors for lending activities. Subsequently, external certification of the assessment was conducted by means of interviews with NBFIs, and a draft regulation – on standard environmental and social governance management for financial institutions – developed.
- The IFC, Sustainable Financing Association, and other stakeholders. Planning activities and measures to be taken in 2022, within the framework of the Green Financing Market Development project and the Supply Chain Finance Market Development project.
- AFI. Organized training on Green Finance for more than 300 NBFIs as part of the Regulated Entities' Green Finance Capacity project.
- The Office of the President of Mongolia, the Ministry of Environment and Tourism, the Mongolian Sustainable Financing Association, the Ministry of Finance, and the BoM. Organizing a regional conference on the theme of 'The Revival of Green Development, and Green Financing' (29 and 30 March, 2022). A national sustainability roadmap was adopted and there were discussions on opportunities and challenges for implementing climate change strategies and policies, in financial institutions.
- IFC. An Environmental and Social Risk Assessment System was developed for introduction into the activities of NBFIs; as part of the Green Financing Market Development project.
- Alliance for Financial Inclusion (AFI). Participation in the meeting of the Working Group on Accessible Green Financing, organized to exchange new knowledge, training, and practical suggestions on financial inclusion (7, 8, and 9 May, 2022).
- ADB. Completion of draft documents and the memorandum on the 'Developing Fintech Legal and Regulatory Frameworks for Mongolia' project – to be implemented jointly by the ADB and FRC – during an online meeting (4 August 2022).



POLICY AND LEGISLATION

o To improve the legal framework of the NBFi sector, a revised draft of the Law on Non-Banking Financial Activities was submitted to Parliament, rules and regulations were revised in accordance with relevant legislation, and the following policy and regulatory measures were introduced:

- o According to the minutes of FRC's first meeting of the year (23 February, 2022) the deadline for receiving requests to increase the share capital of NBFIs was been extended to 30 March, 2022.
- o The Regulation of Non-bank financial credit activity was approved by FRC Resolution No. 160 (6 April, 2022), and registered in the State Unified Fund of Administrative Standards Act No. 5807 (28 April, 2022).
- o On 20 April, 2022, the revised draft of the Law on Non-Banking Financial Activities was submitted to Parliament. At a meeting of the Standing Economic Committee of the Parliament (10 May, 2022) the draft was supported – by a majority vote – to be discussed in Parliament. In the general session of Parliament (19 May, 2022) the bill was supported, and referred to the Standing Committee on Economic Affairs of the Parliament (to be prepared for discussion).
- o According to Resolution No. 6 of the Economic Standing Committee (31 May, 2022) a working group responsible for preparing the draft law and the submission for discussion, and a sub-working group to provide professional and methodological assistance, were established.
- o According to Resolution No. 287 (25 May, 2022) of the FRC, the Regulations for risk-based supervision of non-bank financial institutions were amended and registered in the Administrative Norms Act (8 June, 2022).
- o Accounting instructions for non-banking financial activities, financial reporting forms, consolidated lists of accounts, and financial reporting disclosure drafts, were submitted to the Ministry of Finance by the FRC official letter No. 7/897 (9 March, 2022).
- o The deadline for registration of NBFIs engaged in fintech credit services (as stipulated in the third part of the FRC Resolution No. 160) was extended to 31 December, 2022.
- o As of the end of the year 2021, in accordance with Paragraph 15.4 of the Law on Non-Banking Financial Activities, 425 (82.2%) of all NBFIs had implemented their obligation to verify their financial statements by external audit. Conversely, 394 NBFIs had not yet informed the public.



SCCs

Total assets

MNT 271.6 billion

Capital growth **0.4%**



Financial market status

Total branches **63**

42.2% of all members have higher education



Accessibility

Loans for consumption and other related purposes

70.5%



Products and services

Profitability



Net profit

MNT **6.5**
billion

Stability



Percentage of non-performing
loans (on total loans)

3.3%

Regulatory environment



FINANCIAL MARKET STATUS

NUMBER AND MEMBERS OF SCCs

- o In the second quarter of 2022, there were 200 licensed SCCs; a decrease of 34 (14.5%) compared to the same period of the previous year.
- o In the second quarter of 2022, the number of SCC's members had decreased by 1,153 (1.6%) to 72,566, compared to same period of the previous year.
- o The number of SCCs decreased by 30.8% in the reporting quarter of 2022, compared to 289 in the second quarter of 2018. The number of SCC's members in the reporting period had increased by 18.6%, from the 61,177 in the second quarter of 2018.



EMPLOYEES

688

Total 688 workers (71.2% female workers)
increased by 13.2%

TOTAL

34,185

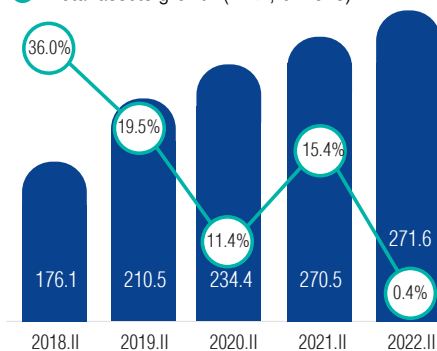
Borrowers

37,860

Depositors

■ Total assets (MNT, billions)

○ Total assets growth (MNT, billions)



TOTAL ASSETS AND THEIR GROWTH

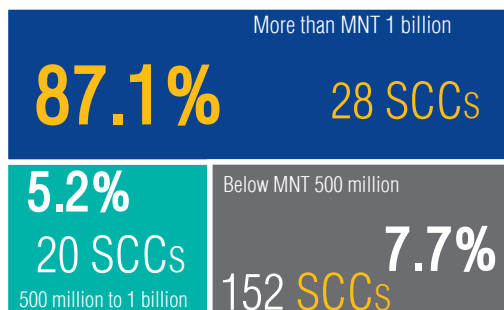
- o In the second quarter of 2022, net worth increased by 0.4% to MNT271.6 billion compared to the same period of the previous year.
- o The rate of capital growth decreased by 15.0 percentage points compared to the same period of the previous year.
- o In the second quarter of 2022, the total net worth of SCCs increased by MNT95.5 billion (54.2%) – compared to the second quarter of 2018 – to reach MNT271.6 billion.

Total loans MNT
218 billion

Total savings
MNT 189
billion

TOTAL MARKET SHARE

- o 28 SCCs with net capital greater than MNT1 billion each, comprised 87.1% of the market.
- o 20 SCCs with net capital of MNT500 million to 1 billion each, comprised 5.2% of the market.
- o 152 SCCs with net capital of less than MNT500 million each, comprised 7.7% of the market.



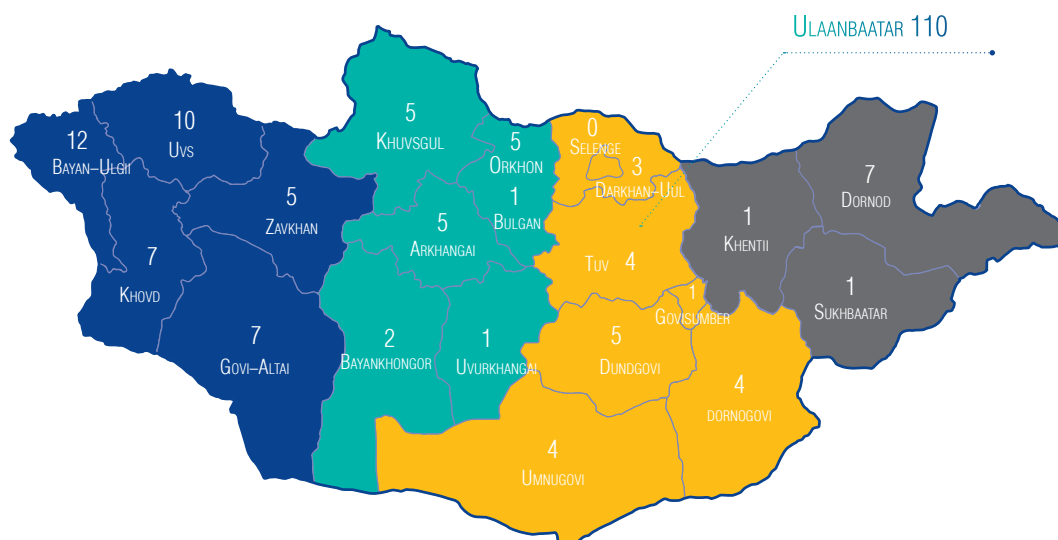
Assets and Liability structure of SCCs (MNT, billions)

Total assets	271.6	100%
Currents assets	267.7	98.6%
Cash	35.2	13.0%
Loan	212.2	78.1%
Receiveables	17.8	6.6%
Other current assets	1.3	0.5%
Other assets	0.9	0.3%
Non-current asset	3.9	1.4%
Fixed assets	3.7	1.4%
Intangible assets	0.2	0.1%
Investment and others	0.0	0.0%
Total liabilities and equity	271.6	100%
Liabilities	218.1	80.3%
Savings	189.4	69.7%
Short-term loan	10.4	3.8%
Other short-term debt/current liabilities	14.6	5.4%
Long term debt	3.7	1.4%
Own assets	53.5	19.7%
Member contribution	26.1	9.6%
Re-evaluation surcharge	0.2	0.1%
Cooperative property	27.2	10.0%

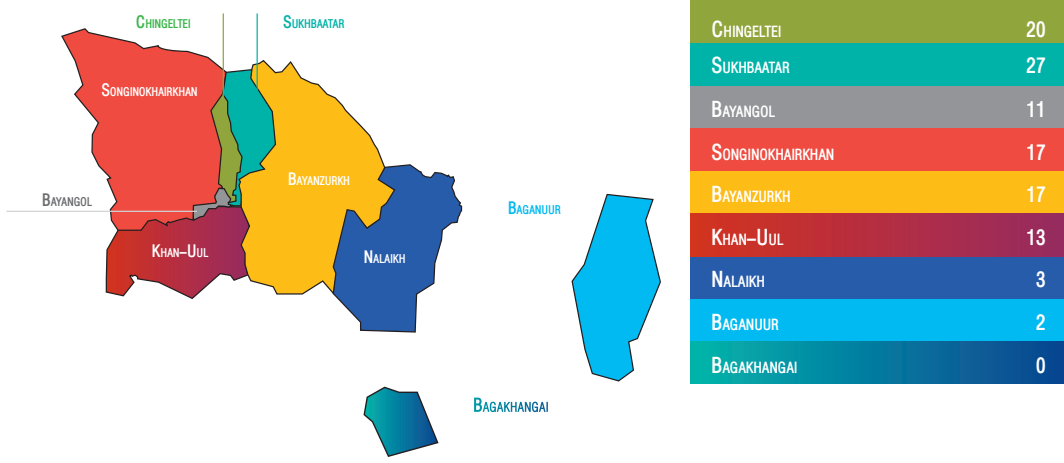


- o Current assets were 98.6% and non-current assets were 1.4% of the total assets.
- o Current assets as a proportion of total assets were as follows: cash 13.0%, loans balance 78.1%, 6.6%, receivable balances, and 'others' were 0.9%.
- o Liabilities were 80.3% – and own assets 19.7% – of net capital.

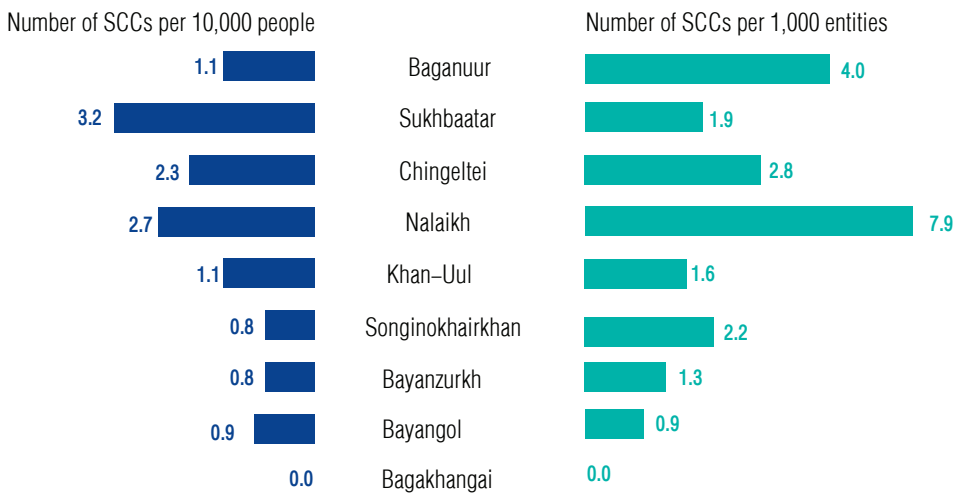
ACCESSIBILITY



- Of all 200 listed SMEs, 110 were in Ulaanbaatar, and 90 were in rural areas.
- Of all SMEs in rural areas, 45.6% were in Western Region, 10.0% in Eastern Region, 21.1% in Mountain Region, and 23.3% in Central Region.
- Of all 110 SMEs in Ulaanbaatar, 95.5% were in the central six districts, and 4.5% were in the three remote districts.

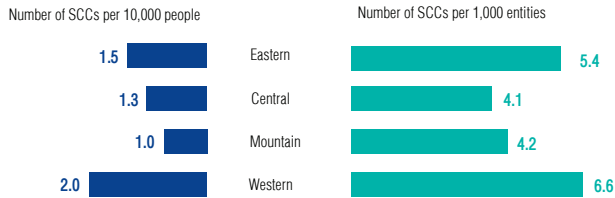


Financial inclusion indicators released by the AFI Data Working Group (2013) are shown below. These include the number of SCCs per 10,000 people (aged 18 to 64 years) and the number of SCCs per 1,000 entities.



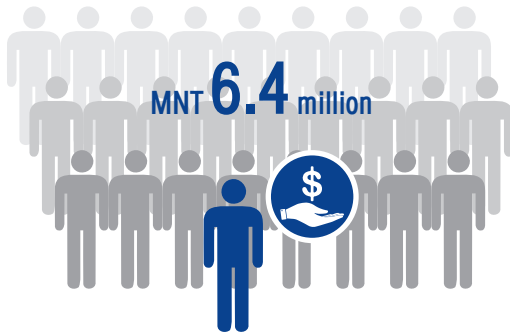
- o With respect to the number of SCCs per 1,000 entities, Nalaikh district had 7.9, Baganuur district 4.0, Chingeltei district 2.8, Songinokhairkhan district 2.2, and Bayangol district had 0.9 (the least).
- o For the number of SCCs per 10,000 people, Sukhbaatar, Nalaikh, and Chingeltei districts lead with 3.2, 2.7, and 2.3 respectively.

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



Western Region had the most SCCs, per 1,000 entities and per 10,000 people.

Average loan per member



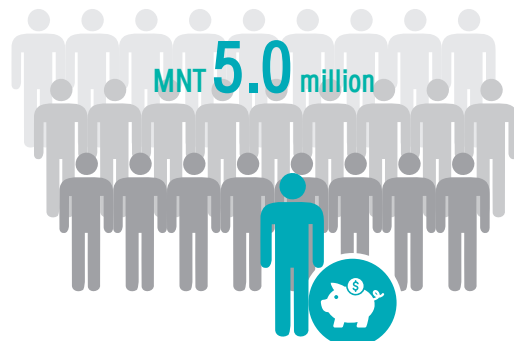
ACCESS TO LOANS

- o Nationally, one in 57 of all 18 to 64-year-olds was a member of an SCC, and in receipt of a loan.
- o One in 64 people in rural areas, and one in 50 in Ulaanbaatar, were members of SCCs, and in receipt of loans.
- o The average individual loan among all members who received loans was MNT6.4 million nationally.
- o The average loan (per member) was MNT9.6 million in Ulaanbaatar and 2.8 million in rural areas.

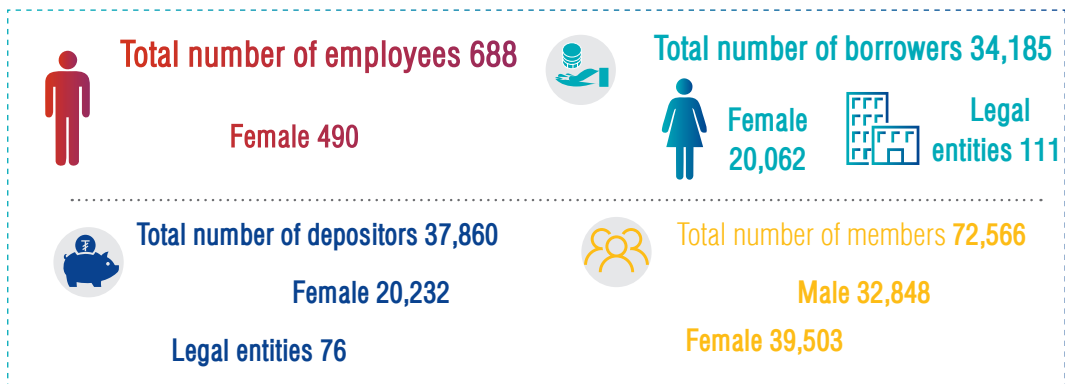
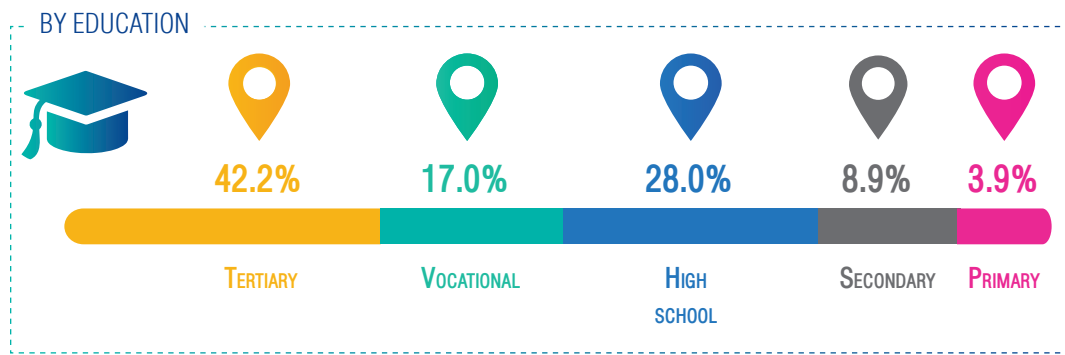
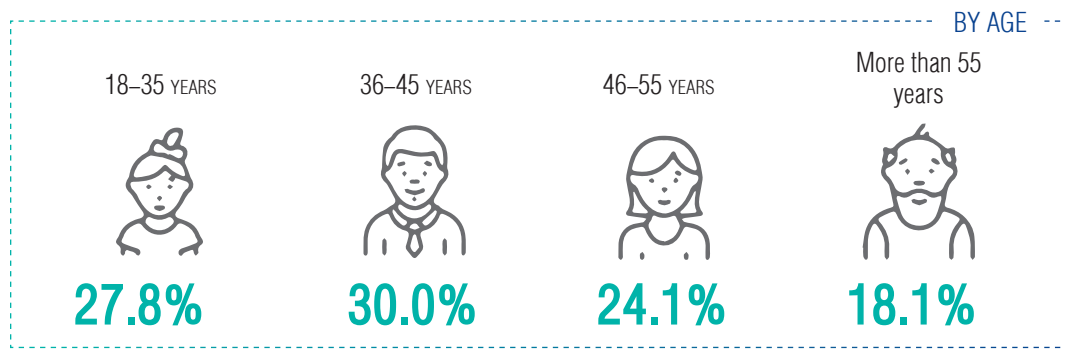
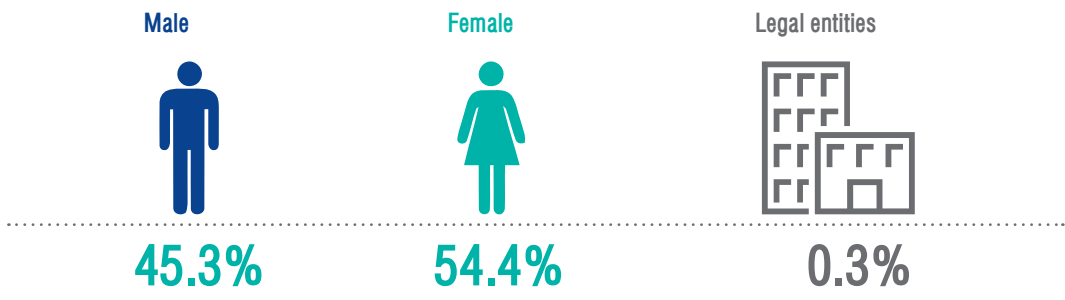
ACCESS TO SAVINGS

- o Nationally, one in 51 of all 18 to 64-year-olds was a member of an SCC, and engaged in saving.
- o One in 56 people in rural areas, and one in 47 in Ulaanbaatar was a member of an SCC and engaged in saving.
- o The average individual savings among all members holding saving accounts was MNT5.0 million.
- o The average savings per member was MNT7.9 million in Ulaanbaatar and MNT2.0 million in rural areas.

Average amount of savings per member



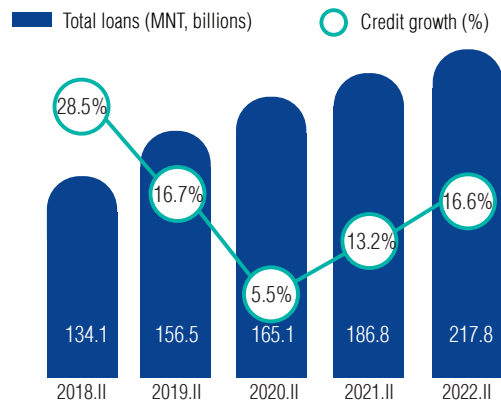
MEMBERS OF SCCs



PRODUCTS AND SERVICES

LOANS FROM SCCs

- In the second quarter of 2022, loans totaled MNT217.8 billion; an increase of 16.6% compared to the same period the previous year.
- Net loans increased by 16.7% – to MNT212.2 billion – compared to the same period the previous year, and the credit risk fund increased by 11.8% to MNT5.6 billion.
- In the second quarter of 2022, the total balance of loans of SCCs (MNT217.8 billion) was an increase of MNT83.7 billion (62.4%) from the second quarter of 2018.



NORMAL

94.1%



OVERDUE

2.6%



POOR QUALITY

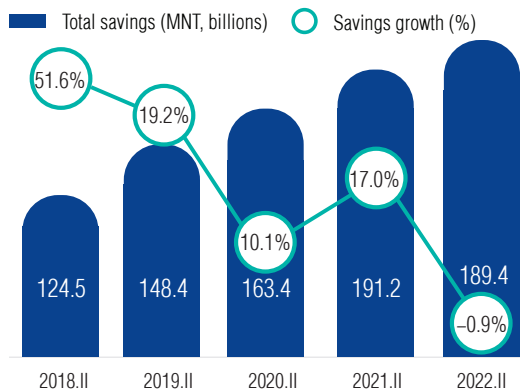
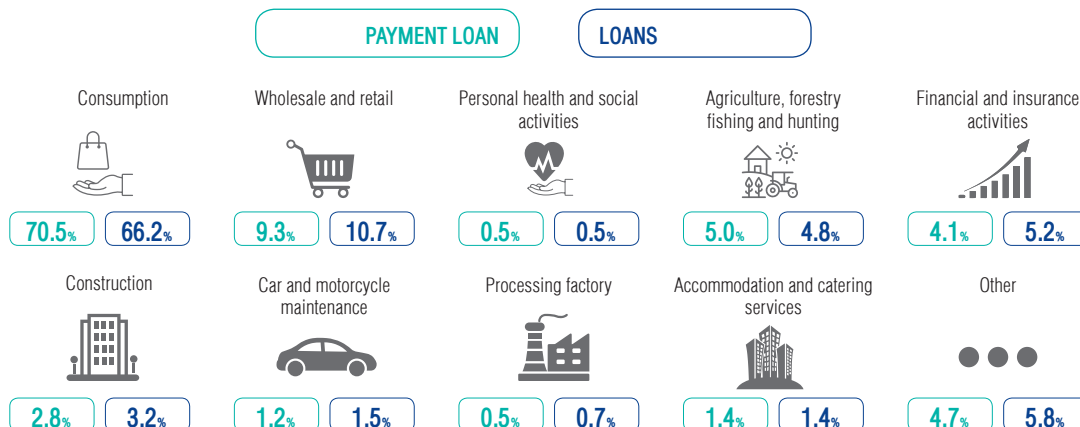
3.3%

LOAN QUALITY OF SCCs

- In the second quarter of 2022, normal loans increased to MNT204.9 billion; up by 17.3% from the same period the previous period.
- Normal loans accounted for 94.1% of total loans.
- Overdue loans increased to MNT5.6 billion; up 10.0% from the same period the previous year.
- Non-performing loans increased to MNT7.2 billion; up 4.7% from the same period the previous year.
- In the second quarter of 2022, SCCs' non-performing loans decreased by MNT1.03 billion (12.4%) to MNT2.1 billion, compare to the second quarter of 2018.

PURPOSE OF SCC LOANS

- Most (66.2%) of loans were issued for general consumption, 10.7% for the wholesale and retail sector, and 4.8% for agriculture.
- Of the total repaid loans, 70.5% were from general consumption, 9.3% from wholesale and retail trade, and 5.0% from the agricultural sector.



SCCs SAVINGS

- o Total savings in SCCs decreased by 0.9% to MNT189.4 billion compared to 2021.
- o In the second quarter of 2022, the total savings in SCCs increased by MNT64.9 billion (52.1%) to MNT189.4 billion, compared to the second quarter of 2018.

TOTAL SAVINGS

- o Term savings accounted for 98.3%, and non-term savings accounted for 1.7%.



98.3%

TERM

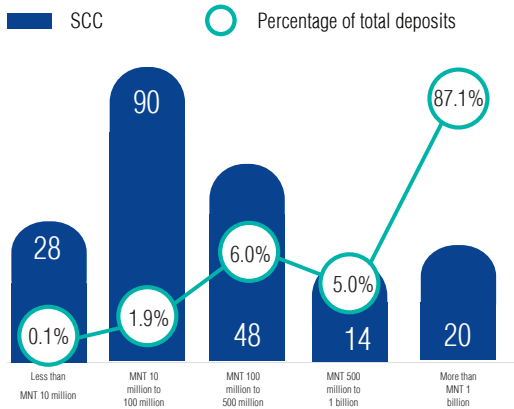


1.7%

NON-TERM



- o In the second quarter of 2022, 196 SCCs (98.0%) had total savings of MNT189.4 billion.
- o The remaining four SCCs (2.0%) had no deposits at all.



PERCENTAGE OF TOTAL SAVINGS

- 20 SCCs with savings of more than MNT1 billion each, accounted for MNT164.9 billion (87.1%) of total deposits in the sector.
- 152 SCCs with savings of MNT10 million to 1.0 billion each, accounted for MNT24.3 billion (12.8%) of total deposits in the sector.
- 28 SCCs with savings of less than MNT10 million each, accounted for MNT0.1 billion (0.1%) of total deposits in the sector.



1.22%

Weighted average monthly interest rate on deposits



2.12%

Weighted average monthly interest rate

	2020.IV	2021.I	2021.II	2021.III	2021.IV	2022.I	2022.II
WAIR	3.0	2.4	2.5	2.2	2.2	2.1	2.12
WAIRD	1.5	1.4	1.4	1.4	1.2	1.1	1.22

SCCs WITH OTHER ACTIVITIES

2021.II

2022.II

Licensed to provide project implementation programs

80

59

Licensed to provide financial leasing services

3

4

Licensed to act as insurance agents

4

5

Remittance services

1

1

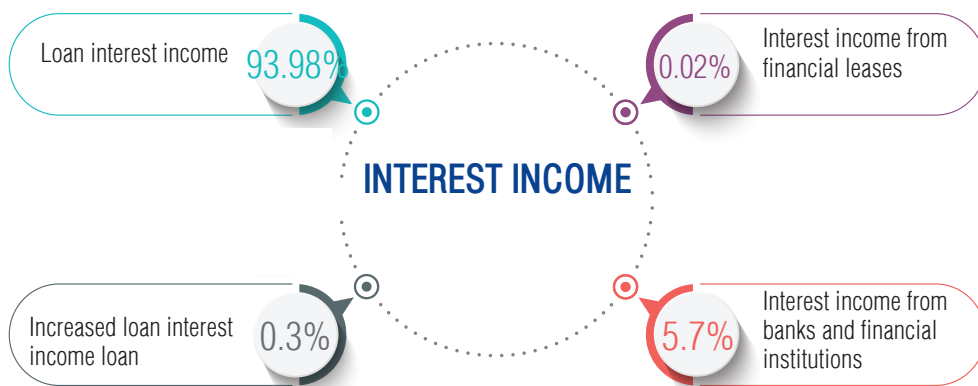
Licensed branches

61

63

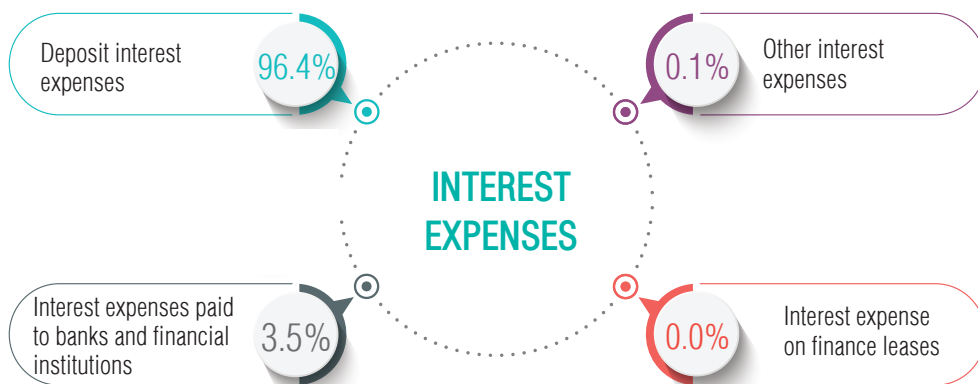
INCOME

- o Total interest income of SCCs increased by 9.4%, to MNT28.3 billion, compared to the second quarter of the 2021.
- o The largest portion of the total interest income (94.0%) was loan interest income.
- o Interest income from banks and financial institutions accounted for 5.7%, and increased interest income from loans accounted for 0.3%.
- o Income from leasing interest amounted to MNT5.7 million (0.02%), and the interest income of securities amounted to MNT133.9 million.



EXPENSES

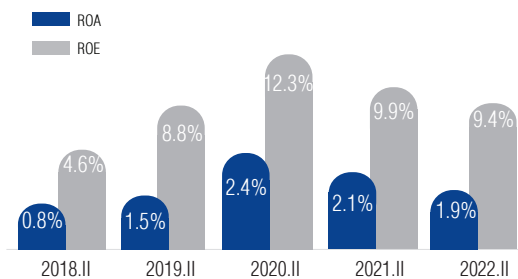
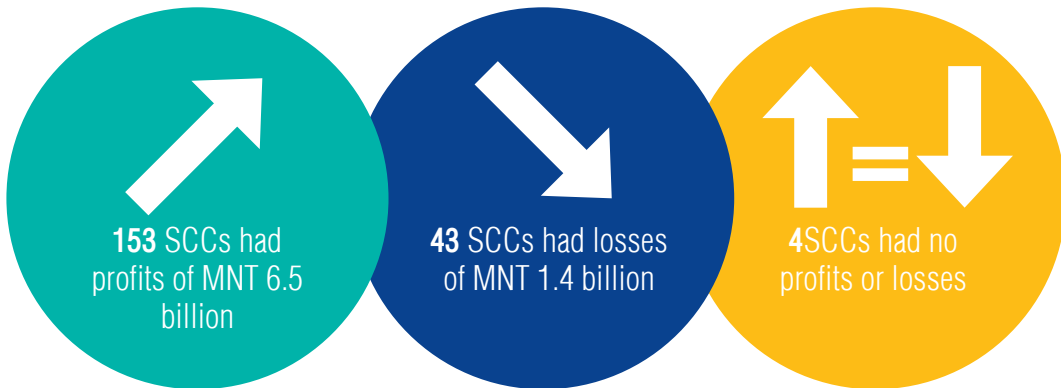
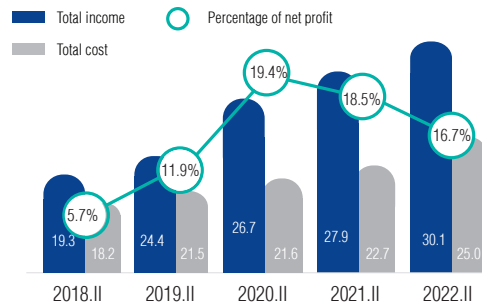
- o Total interest expenses of SCCs increased by 5.8%, compared to 2021, and reached MNT16.1 billion.
- o Deposit interest rate was the largest (96.4%) of total interest expenses.
- o Interest paid to banks and financial institutions, which accounted for 3.5% of interest expenses, increased by 139.4% compared to second quarter of the 2021, to MNT570.7 million.
- o Other interest expenses were MNT16 million (0.1%).



PROFITABILITY

INCOME AND EXPENSES OF SCCs

- o In the second quarter of 2022, SCCs earned MNT30.1 billion in revenue, spent MNT25.0 billion in expenses, and earned MNT5.0 billion in profit.
- o The share of net profits from total revenue decreased by 1.8 percentage points from 2021,

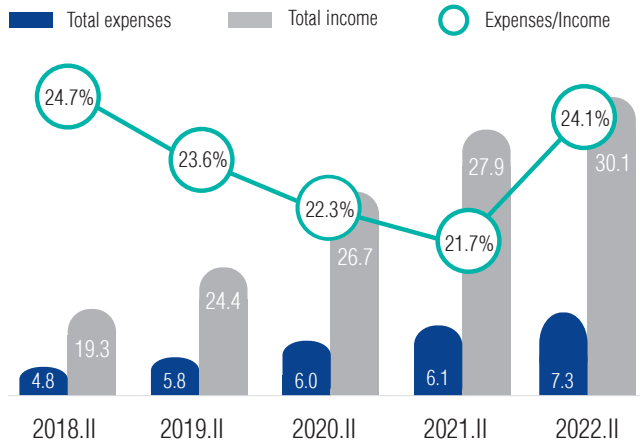
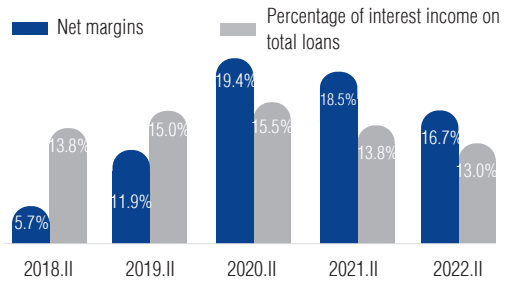


TOTAL RETURN ON EQUITY

- o Return on equity of SCCs decreased by 0.5 percentage points to 9.4%, compared to second quarter of the previous year.
- o Return on equity decreased by 0.2 percentage points to 1.9%.

KEY RATIOS

- o In the second quarter of 2022, the share of interest income in total loans decreased by 0.8 percentage points from the same period of 2021 and reached 13.0%.
- o The average income from loan services for SCCs was equivalent to MNT13.0 from each MNT100.
- o The ratio of net income to total income decreased by 1.8 percentage points, compared to the same period of 2021 and reached 16.7%.



COST REVENUE RATIO

- o SCCs spent an average of MNT24.1 to earn MNT100.

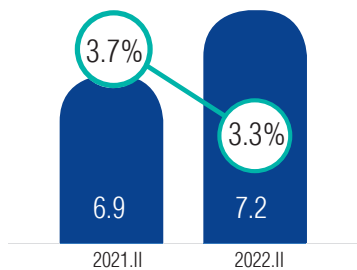


STABILITY

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

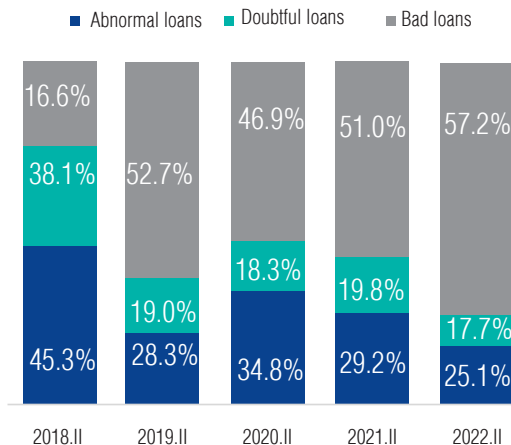


NON-PERFORMING LOANS OF SCCs

- Total amount of non-performing loans increased by MNT0.2 billion compared to the same period of 2021 and reached MNT7.2 billion.
- Share of non-performing loans on total loans decreased by 0.4 percentage points to 3.3%. According to prudential ratio standards of SCCs, this indicator should be less than 5.0%.

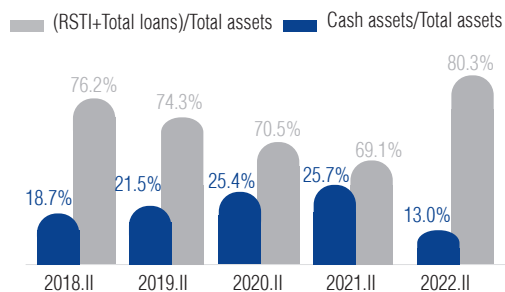
CLASSIFICATION OF NON-PERFORMING LOANS

- The share of abnormal loans in the nonperforming loans category decreased by 4.1 percentage points – compared to the same period of 2021 – to 25.1%.
- Doubtful loans decreased by 2.1 percentage points to 17.7% compared to the same period of 2021, while the share of bad debts in non-performing loans increased 6.2 percentage points to 57.2% compared to the same period of 2021.

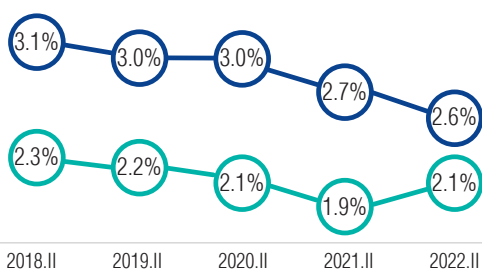


LIQUIDITY OF SCCs:

- o In the second quarter, the ratio of monetary assets to total assets was equal to 13.0%.
- o The ratio of short-term investments and total loans to total assets was equal to 80.3%.



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



CREDIT RISK FUND

- o In the second quarter of 2022, the share of the credit risk fund in total loans was 2.6%, and the share of the credit risk fund in total assets amounted to 2.1%.

Ratio	Adequate level	2022-II
Loans received from others/Total loans	<20%	6.5%
Total savings/Total assets	20%–80%	69.7%
Net loans/Total assets	60%–85%	78.1%
Equity of cooperatives/Total assets	>5%	10.0%
Reserve fund/Equity of cooperatives	>10%	39.9%
Savings protection fund/Equity of cooperatives	>5%	9.6%
Stabilization fund/Equity of cooperatives	>5%	9.4%
Operating expenses/Total assets	<15%	2.7%

REGULATORY



POLICY AND LEGISLATION

- By the FRC's letter No. 1/1531 (25 April, 2022) a revised draft of the Law on SCCs was submitted along with references required by the Law on Legislation. Also, a presentation and comparative research (related to the draft revision of the Law on SCCs) was prepared and submitted (3 May, 2022). A presentation and concept of the draft revision of the Law on SCCs were submitted online (19 May, 2022).
- The draft Law on Compulsory Deposit Insurance of SCC, and the presentation (and concept) of the draft revision of the Law on SCCs, were delivered to the Deposit Insurance Corporation (27 April, 2022).
- According to the FRC Chief Executives' Order No. A/19 (21 April, 2022) a joint working group of the FRC, the Credit Guarantee Fund, and the National Association of Savings and Credit Cooperatives of Mongolia was established. Its functions included:
 - savings and credit cooperatives to be included in Credit Guarantee Fund service,
 - investigating the possibility of guaranteeing loans to micro, small, and medium-sized enterprises and service providers of cooperative members, and
 - determining possible solutions.
- The working group completed tasks, including;
 - Development of the legal framework related to: activities of SCCs, loan products, and procedures of SCCs.
 - Research on credit activities of six SCCs over the previous three years.
 - Research on loans granted to 40 large borrowers of SCCs, and loan collateral.



INTERNATIONAL COOPERATION

- In accordance with the 'Expanding the Capacity of the Micro Finance Sector to Support Financial Access' – implemented jointly with the Asian Development Bank (ADB) – a meeting was held (8 April, 2022) with national and international consultants to discuss a monthly plan. During 24 to 29 April, 2022 – according to the FRC Chairman's order No. A/20 (21 April, 2022) – training on 'Risk management of SCCs' for SCCs was held in Orkhon (Darkhan-Uul province).
- Three meetings were held with national and international consultants of the ADB project, and the following tasks were discussed:
 - Results of risk assessments based on the previous eight quarterly financial reports of 47 SSCs (within the framework of the introduction of the risk-based supervision system of SCCs.
 - Draft revision of the Law on SCCs.
 - Draft revision of the 'Indicators of the appropriate ratios of SCC' (as approved by the the FRC Resolution



MEETINGS AND SEMINARS

- On 27 April, 2022, consultants of the ADB project met with the Director of the Deposit Insurance Corporation (and related employees) and exchanged suggestions on the issue of deposit insurance of SCCs.
- On 3 May 2022, AFI participated online in a meeting of the working group for financial education for SMEs, organized by the BoM.
- On 5 May, 2022, an online meeting was used to introduce the Sainscor Credit Information Service of Titan CR A CIS LLC. The company had received a special license from the BoM to provide the Sainscor Credit Information Service to the SSCs.
- On 10 May, 2022, the FRC met with international consultants of the Women in Business (WiB) Programme in Central Asia implemented by the EBRD, where they exchanged opinions and provided statistics (and gender-based data).
- The FRC's official letter 1/1817 (11 May, 2022) regarding the payment of CIT of SSCs from 2019 to 2021, issues of tax registration of SSCs, and tax awareness training for SSCs was delivered to the Mongolian Taxation Authority. It was decided to jointly organize relevant training in August 2022.
- On 13 May, 2022, consultants of the ADB project met with representatives of Parliament, the Ministry of Finance, the Savings Insurance Corporation, and the National Association of Savings and Credit Cooperatives of Mongolia, regarding approval of the revised draft of the Law on SSCs.
- On 6 June, 2022, the FRC met with an official of the Ministry of Finance – related to issue the new approval of 'The Savings and Credit Cooperative Accounting procedure' – and decided to establish a jointly working group.
- According to the BoM President's Order No. A-127 (29 April, 2022) a working group to develop 'Procedures for calculating loan and deposit interest rates and information transparency' was established, and representatives of the FRC were included.



CREDIT GUARENTEE FUND

Total assets
MNT 258.9
billion



Financial market status

Average amount of
one guarantee
MNT 327
million



Accessibility

Number of requests
submitted 38

Number of requests
approved 23



Products and services

Profitability



Total income

MNT **4.9** billion

Total profit

MNT **3.9** billion

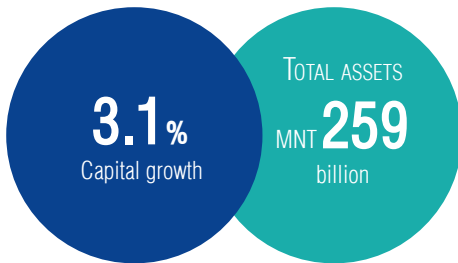
Stability



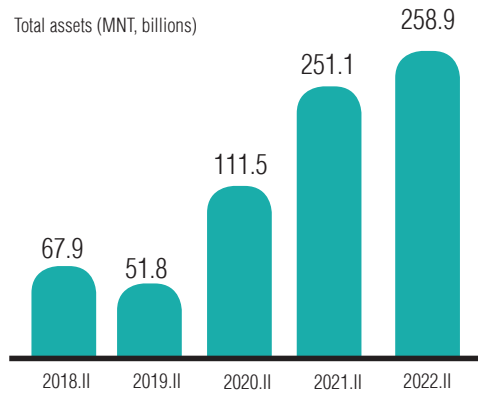
Percentage of non-performing
guarantees

12.5%

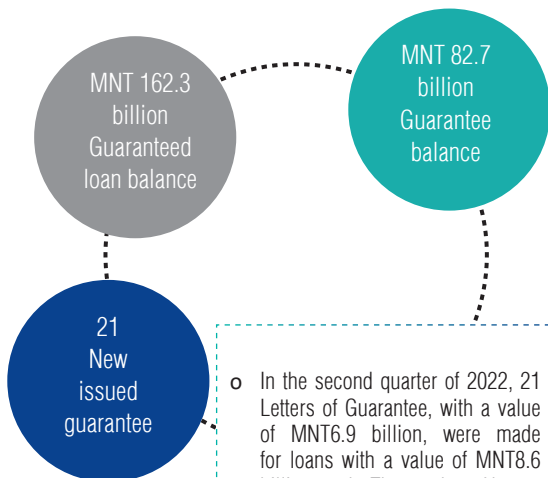
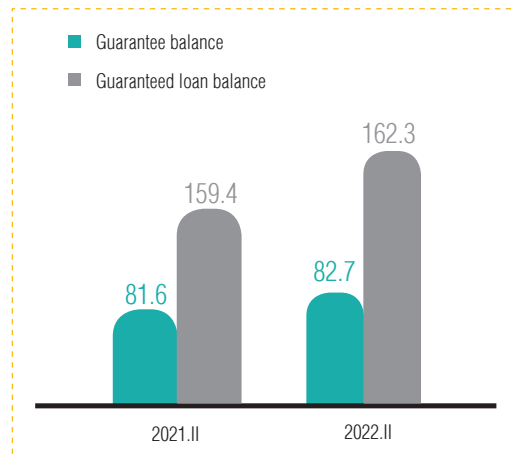
FINANCIAL MARKET STATUS



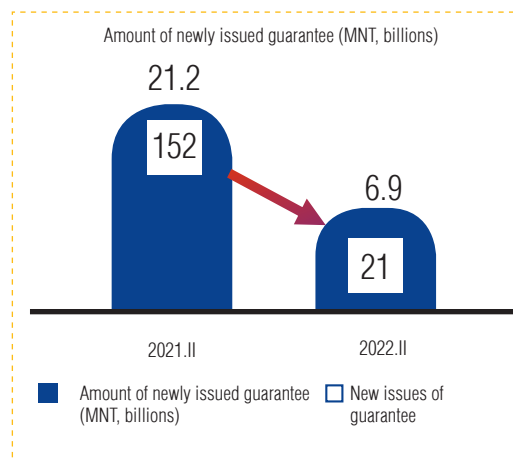
In the second quarter of 2022, total assets of the Fund increased by MNT7.8 billion (3.1%) to reach MNT258.9 billion.



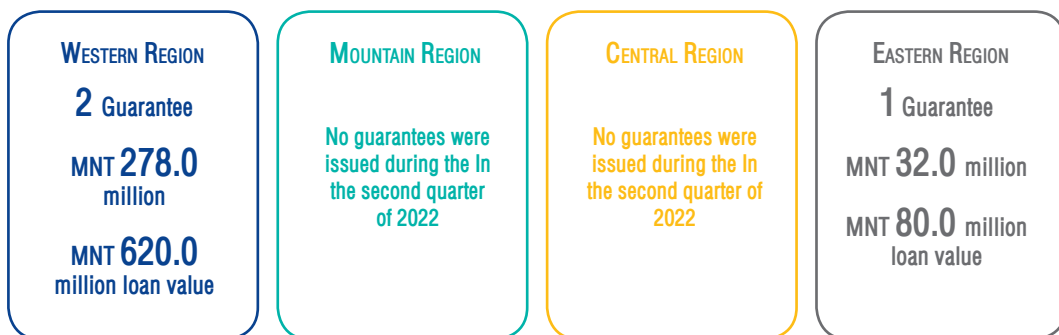
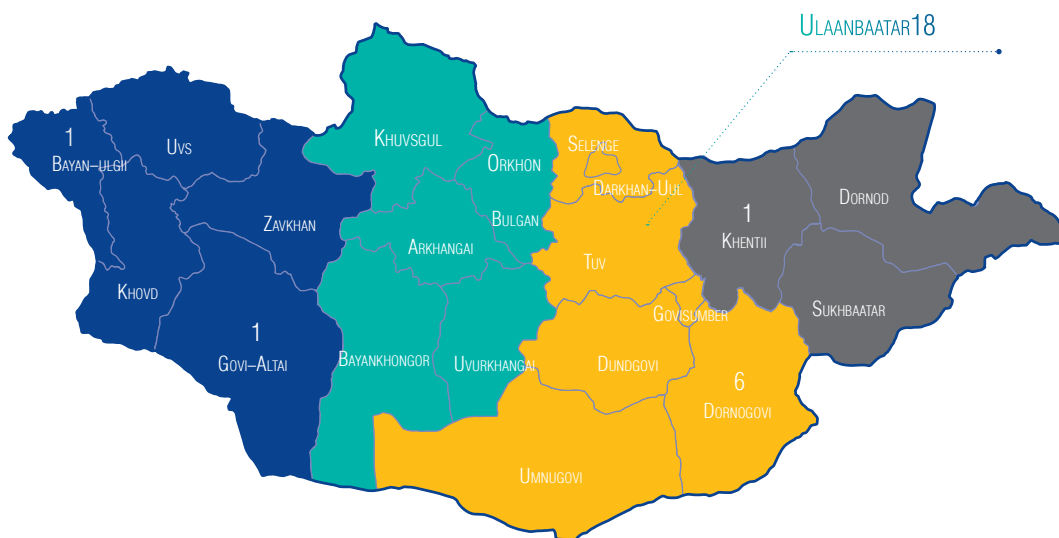
- o In the second quarter of 2022, the Fund's guarantee balance reached MNT82.7 billion, an increase of MNT1.1 billion (1.3%) compared to the same period of 2021.
- o The guaranteed outstanding balance increased by MNT2.9 billion (1.8%) from the same period of 2021 to reach MNT162.3 billion.



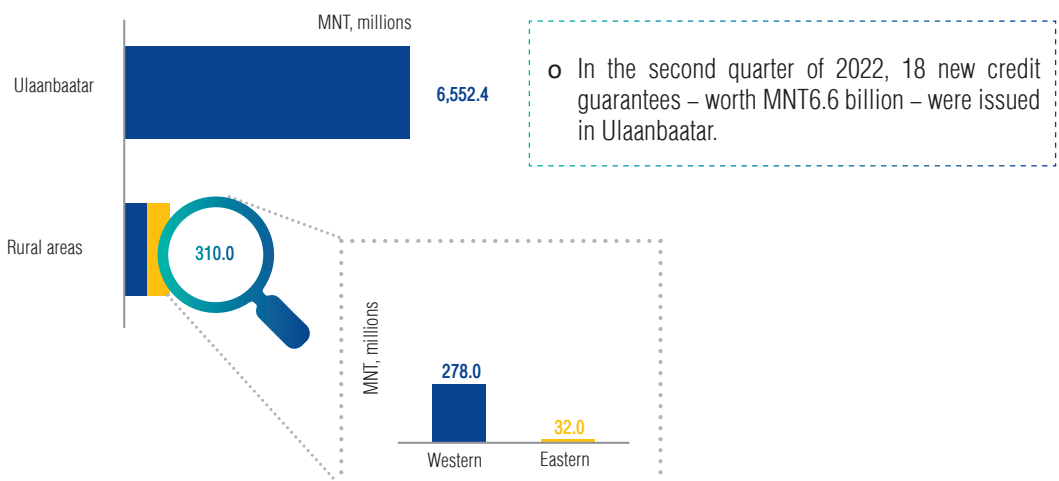
- o In the second quarter of 2022, 21 Letters of Guarantee, with a value of MNT6.9 billion, were made for loans with a value of MNT8.6 billion newly. The number of letters of guarantee was decreased by 7.2 times, and the amount of letters of guarantee was decreased by 3.1 times compared to the same period of 2021.

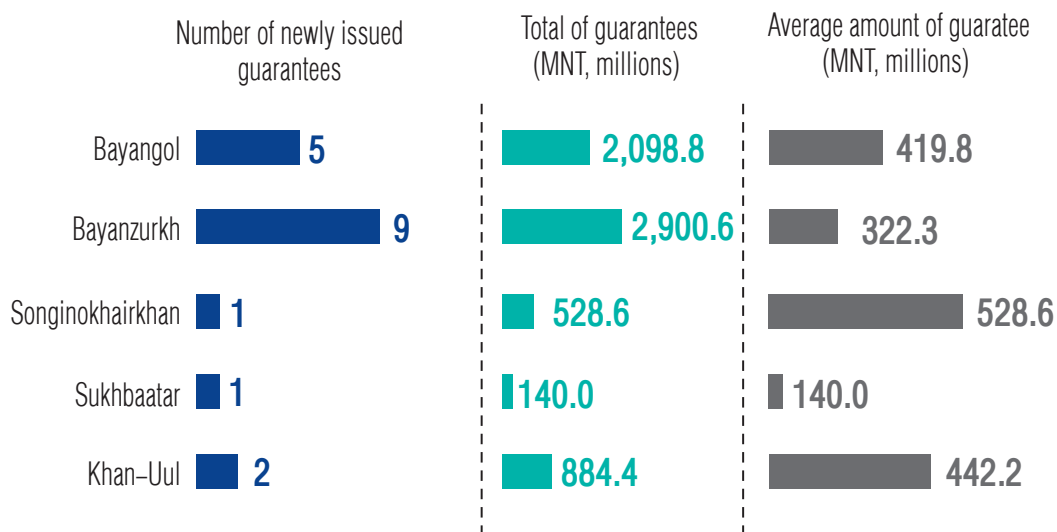


ACCESSIBILITY

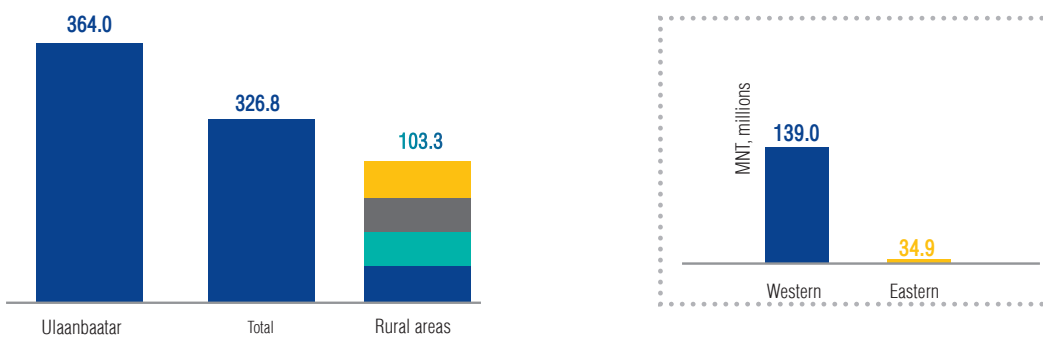


AVERAGE AMOUNT OF GUARANTEE





- o The average amount of a guarantee issued in Ulaanbaatar was MNT364.0 million, and in rural areas it was MNT103.3 million. The average amount of a guarantee issued nationwide was MNT326.8 billion.
- o The highest amount of guarantee issued per person in Western Region was MNT139.0 million.



PRODUCTS AND SERVICES

	Number of applications for a guarantee	Number of applications approved	Approval rate
2019.II	112	63	56.3%
2020.II	53	27	50.9%
2021.II	241	180	74.7%
2022.II	38	23	60.5%

In the second quarter of 2022, a total of 38 applications for guarantees were received; of which 23 were approved, and 21 requests were guaranteed. The number of submitted applications was lower (by 6.3 times) and approved guarantees were lower (by 7.8 times) than the same period of 2021. The proportion of approved requests was 60.5; a decrease of 14.2 percentage points compared to previous year.

2022.II



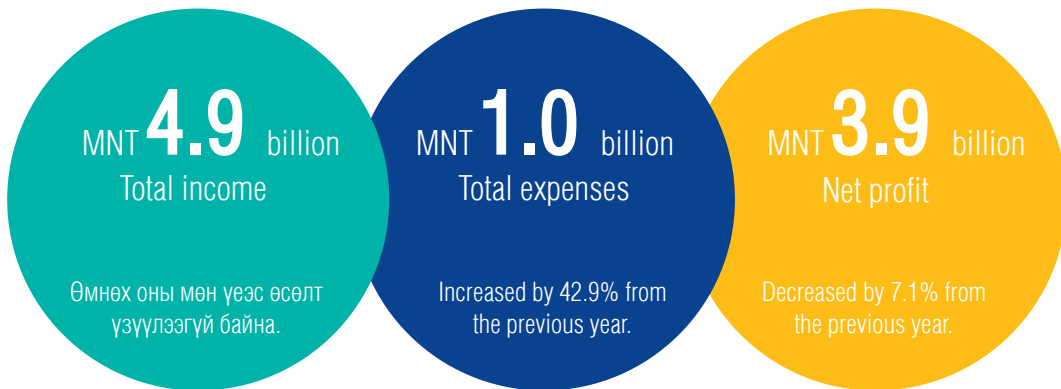
In the second quarter of 2022, 25.2% of all guarantees were issued for education, 17.1% – for health and social welfare, 14.8% for the wholesale, retail and production sector, 8.2% for construction, 13.2% for services, and 21.5% for other sectors.

- o The average term of the guarantees issued in the second quarter of 2021 was 85.3 months (7.1 years).
- o This was a reduction of 41.7 months (3.5 years) in compared to the same period of previous year.

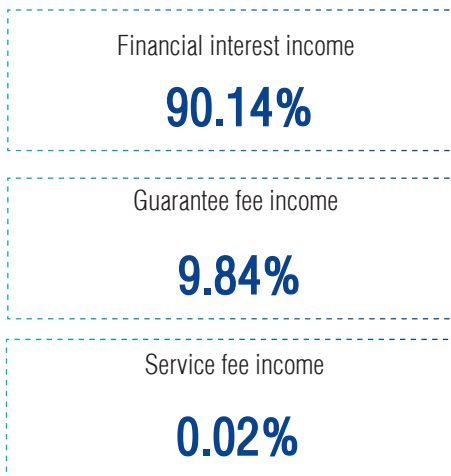
85.3
MONTH

- o In the second quarter of 2022, 33.3% of the guarantees were issued by Capitron Bank, 23.8% by Golomt bank, 23.8% by Khan bank, 9.5% by the State Bank, and 9.6% by Trade Development Bank and Transcapital NBFI.

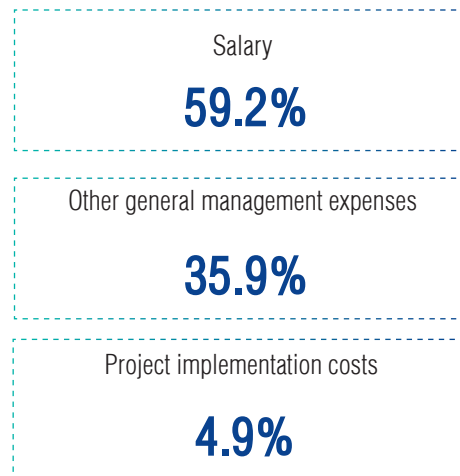
PROFITABILITY



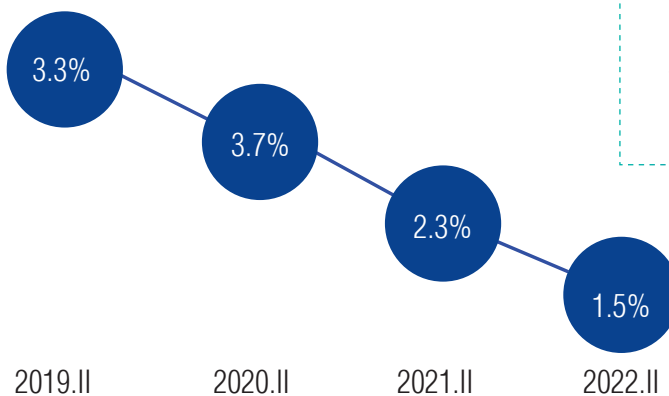
Revenue structure



Cost structure



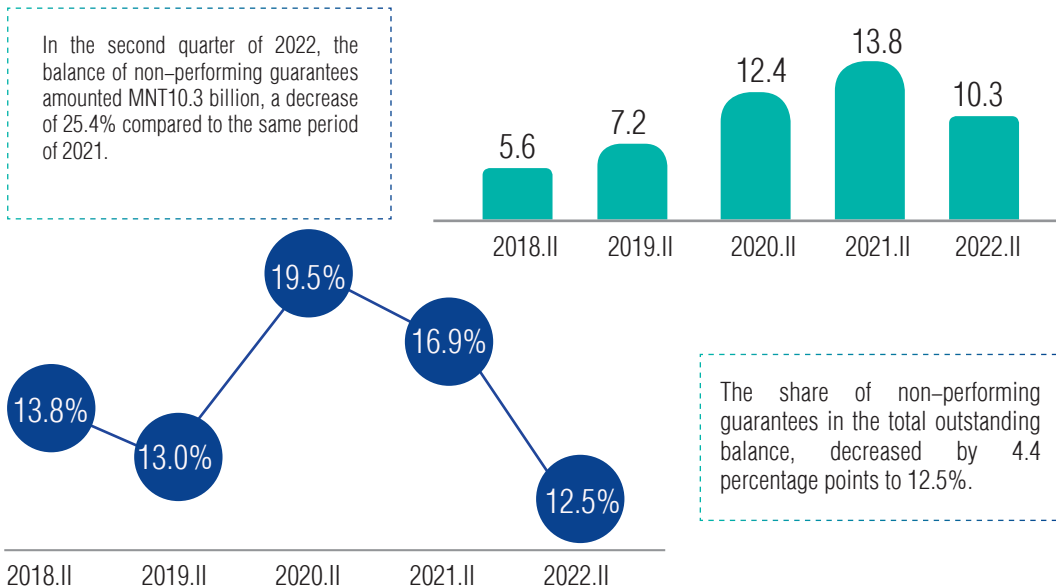
Return on total assets



In the second quarter of 2022, return on total assets of the Fund guarantees was 1.5%, a decrease of 0.8 percentage points in compared to the same period of 2021.

STABILITY

Balance of poor quality guarantees (MNT, billions)



- Among non-performing loans, 48.2% were in the manufacturing sector, 14.2% in wholesaling and retailing, 8.5% in agriculture, 7.9% in construction, and 21.2% in other sectors.
- 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.



REAL ESTATE BROKERS (and AGENTS)

Regulated entities

284



Market outlook

Intermediate (selling
and buying) real
estates of MNT 617.1
billion – Products
and services



Product and services



Accessibility



98.9% of entities
operated in Ulaanbaatar

Regulated environment



MARKET OUTLOOK



Entities with
licensed issued
by the FRC

284

According to Sections 6.1.1, 6.1.2, and 6.1.3 of the Law on the Legal Status of the FRC, the FRC approves and oversees the implementation of rules and regulations related to licensing, authorization, registration and supervision.

In the second quarter of 2022, 284 licensed real estate entities were operating; an increase of 79 compared to the same period of 2021.

Entities with licenses

Brokers
301



Agents
1,392



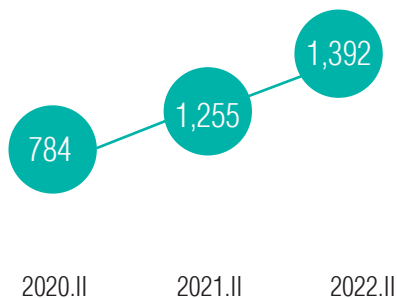
On average, entities had one broker, and five agents. The highest number of agents per entity was 82.



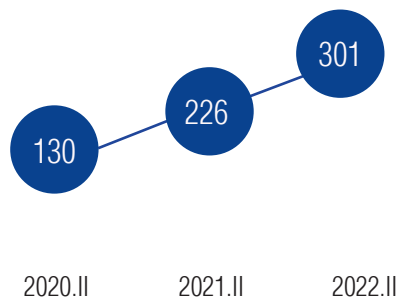
SHARE CAPITAL

The total share capital of 418 shareholders of licensed entities was MNT5.9 billion.

Agents

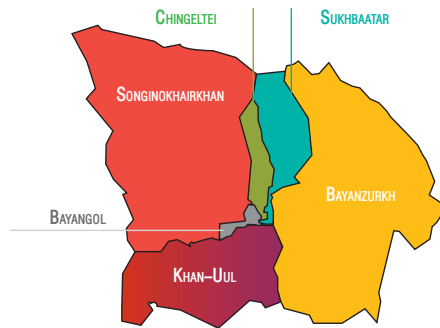


Brokers



ACCESSIBILITY

LOCATION OF ENTITIES WITH LICENSES



SUKHBAATAR

82

KHAN-UUL

73

CHINGELTEI

34

BAYANGOL

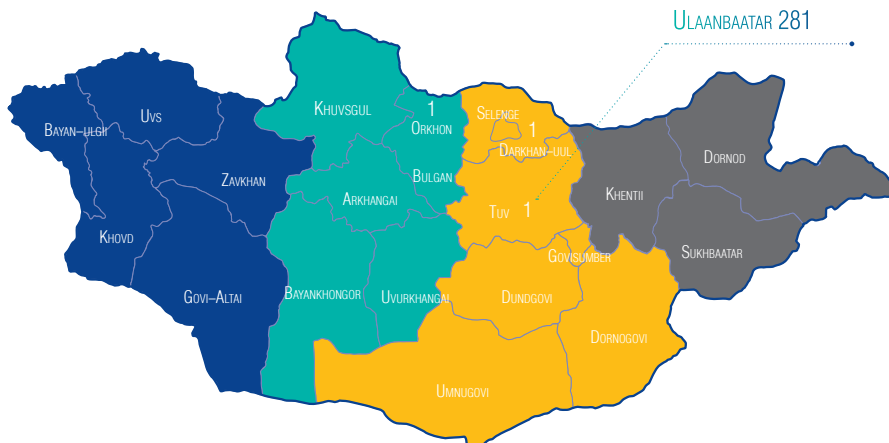
36

BAYANZURKH

50

SONGINOKHAIRKHAN

6

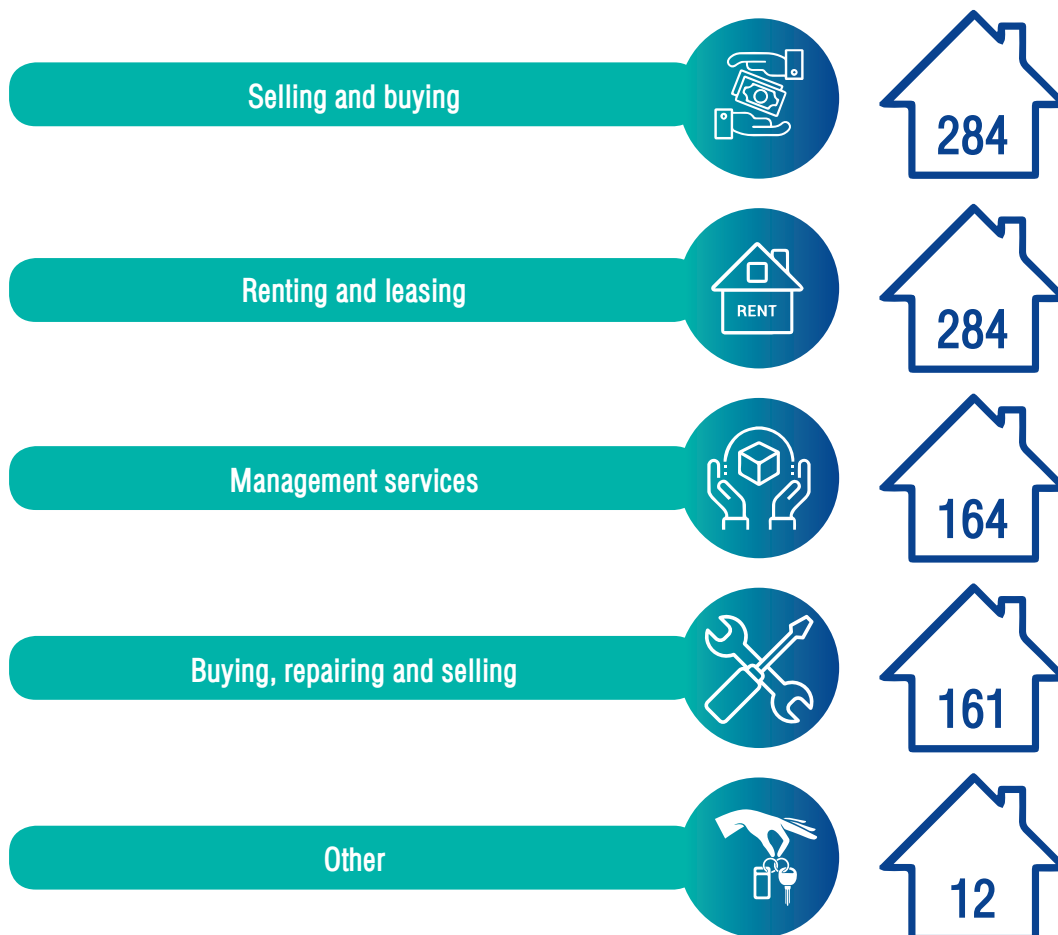


LOCATION OF ENTITIES WITH LICENSES

Among licenses entities, 28.9% of were in Sukhbaatar district, 25.7% in Khan Uul, 12.0% in Chingeltei, 17.6% in Bayanzurkh, 12.7% in Bayangol, and 2.0% in Songinokhairkhan district. Three entities (1.1%) were in rural areas.

PRODUCTS AND SERVICES

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



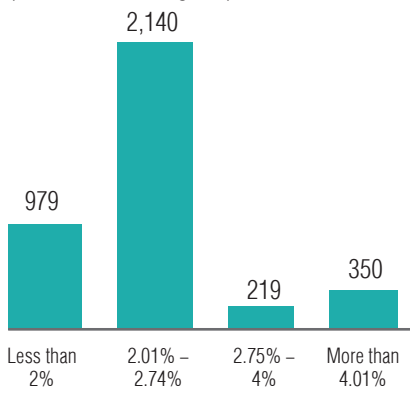
NOTE

The population of Mongolia is 3.5 million, and is expected to reach four million by 2041. In Ulaanbaatar – the capital, and with the highest density – there are 412,000 households, of which, 199,000 live in apartments, 91,000 in traditional Mongolian dwellings (gers), and 112,000 in houses.

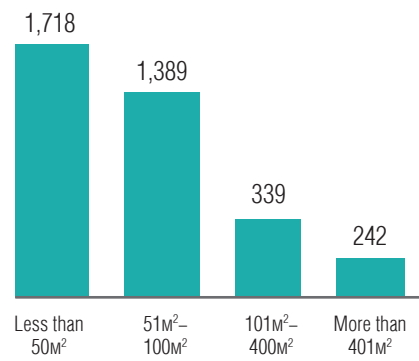
BUYING AND SELLING SERVICES RENTING AND LEASING SERVICES

In the second quarter of 2022, real estate with the total size of 765,000 m² and a value of MNT617.1 billion, was bought and sold through 3,688 deals.

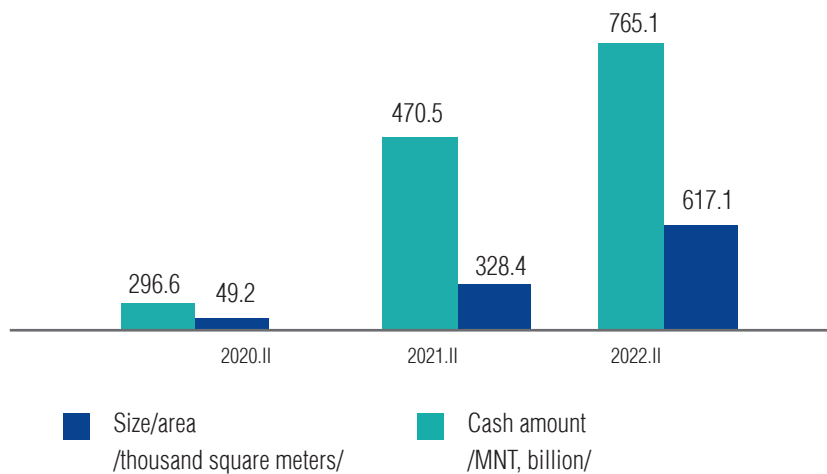
Percentage of fee
(number of REBs/agents)



Size/area
(number of REBs/agents)



RENTING AND LEASING SERVICES

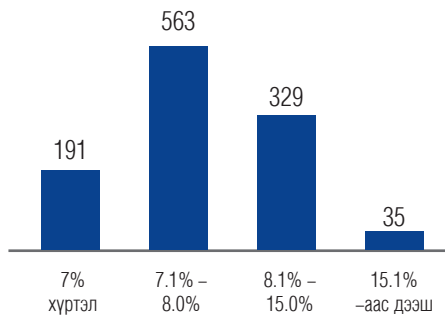


RENTING, LEASING, HIRING AND EMPLOYMENT SERVICES

In the second quarter of 2022, real estate with the total size of 172,000 m² and a value of MNT42.8 billion was rented and leased through 1,777 deals.

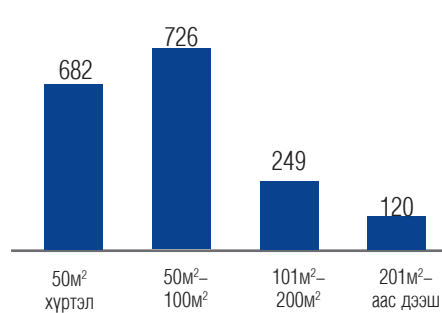
Contribution amount

/By the number of transactions leased/

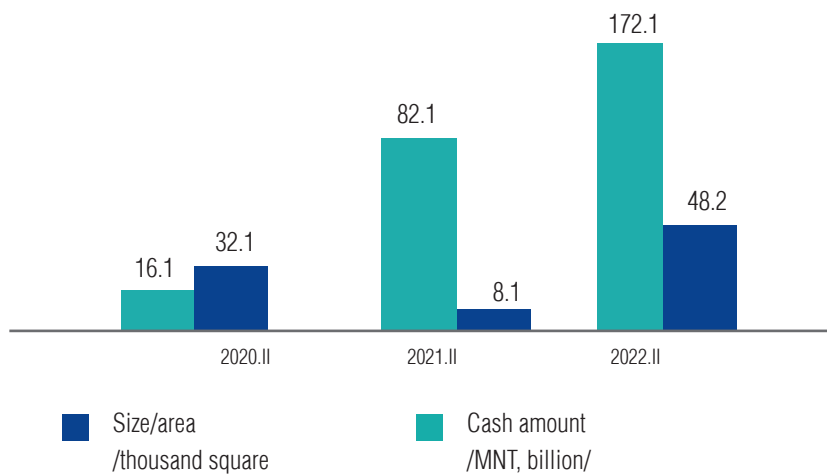


Size/area

/By the number of transactions leased/



REAL ESTATE FOR RENT



БОДЛОГО ЗОХИЦУУЛАЛТ



POLICY AND LEGISLATION

o The 'Regulation on Issuing and Registering Licenses, Permissions and Authorizations' approved by the FRC's Resolution №120 (2020), was revised. The revision was published on the FRC website (6 June, 2022) to obtain feedback and comments according to the Administrative Law.



MEETINGS AND SEMINARS

- o Meetings with related officials of the Ministry of Construction and Urban Development took place on 24 March, and 10 May, 2022; to obtain information on real estate sectors at the Housing Information Portal.
- o To create an integrated real estate information portal, FRC officials were acquainted with the functions of the 'Integrated real estate brokerage platform' created by Gerege Systems LLC and ANR – United Association of Real Estate Agents.
- o In cooperation with the Association of Real Estate Entrepreneurs, a meeting with entities was conducted, and a pledge to plant 1.3 million trees – within the scope of the '1 Billion Trees' national movement – initiated by the President of Mongolia.



DEALERS IN PRECIOUS METALS AND STONES

Number of dealers

44

Legal entities

454

Individuals



Market outlook

Precious metals sold
and bought

MNT 121
trillion



Products and services

Accessibility



80.0%

Operated in Ulaanbaatar

Regulatory environment



MARKET OUTLOOK

NUMBER OF ENTITIES WITH LICENSES

In the second quarter of 2022, 44 licensed entities and 454 individuals were operating after the first license was issued on 6 May, 2020.

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

44



69

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

Individuals (dealers in precious metals and stones)

136



249

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

SHARED CAPITAL

The amount of share capital of 74 shareholders in 44 licenses entities was MNT9.3 billion.

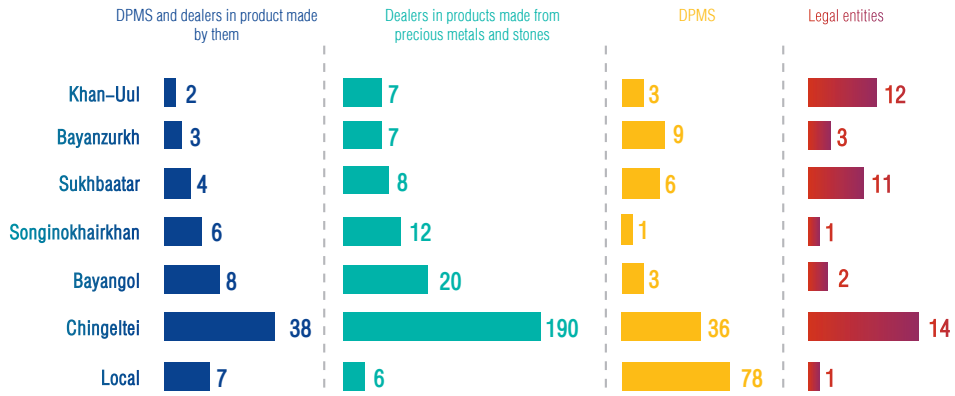
363 (80.0%) of licensed individuals operated in Ulaanbaatar, and 91 (20.0%) in rural areas.

In Ulaanbaatar

80.0%

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, 57.3% of DPMS were in the provinces, and 42.7% in Ulaanbaatar.

DPMS and dealers in products made from precious metals and stones

Umnugovi 2
Darkhan-Uul 1
Govi-Altai 2
Khentii 1
Uvs 1

Dealers in products made from precious metals and stones

Khovd 2
Darkhan-Uul 4

DPMS

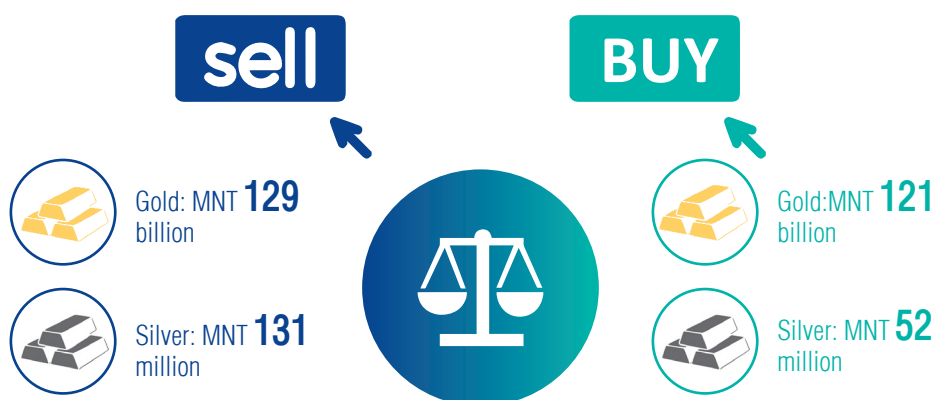
Bayankhongor 15
Selenge 21
Tuv 14
Darkhan-Uul 11
Govi-Altai 3
Umnugovi 6
Uvs 2
Dornogovi 1
Uvurkhangai 1
Khovd 4

PRODUCTS AND SERVICES

METALS BOUGHT AND SOLD

In the second quarter of 2022, 725.7 kg of gold with a value of MNT120.89 billion was bought and 754.7 kg of gold with a value of MNT129.4 billion was sold. The amount of gold bought was decreased by 34.1% and the amount sold was decreased by 46.1%.

TRADE BETWEEN DEALERS IN PRECIOUS METALS, INDIVIDUALS AND ENTITIES



AMOUNT OF JEWELRY BOUGHT AND SOLD



AMOUNT OF PURCHASED PRICE

In the second quarter of 2022 – according to data of precious metals sales in E-barimt (tax refund system) – 264 individuals and entities sold 16,555 products made of precious metals and stones (with a value of MNT4.8 billion) to 4,586 customers.

REGULATORY ENVIRONMENT



MEETINGS AND SEMINARS

- o In a joint meeting with the Ministry of Culture and the United Association of Dealers in Precious Metals and Stones took (13 January, 2022), discussions included: views on developing cooperation between the public and private sectors, ensuring the equal participation of industry participants in cultural activities, and collaboration in protecting cultural heritage.
- o In a meeting with the BoM and the United Association of Dealers of Precious Metals and Stones (21 January, 2022) challenges faced by dealers (and measures to be taken) were discussed.
- o In a meeting with the BoM and Mongolian Tax Authority (22 March, 2022) participants discussed the status and legal environment of dealers, and agreed to cooperate in improving regulation of the sector.
- o 'Mongolian Jewelry & Metal Expo-2022' was organized during 15-17 April, 2022 at the 'Misheel Expo' center.

CAPITAL MARKET DATA

Statistic	2020.II	2021.II	2022.II
Market value (MNT, billion)	2,503.7	3,807.2	4,841.0
MV/GDP	6.8%	10.3%	11.3%
Liquidity	0.9%	3.1%	2.3%
Stock trading (MNT, billions)	23.5	119.6	113.7
Dept instrument trading (MNT, billions)	5.0	517.5	101.9
GS's trading (MNT, billions)	0.6	0.0	0.0
Investment fund (MNT, billions)	0.0	5.5	2.3
TOP-20 index	16,208.94	33,509.01	32,795.68
MSE A index	8,062.47	10,524.55	12,384.65
MSE B index	7,480.85	11,429.93	11,450.93
Number of JSCs	304	312	314
Number of SCs	53	54	56
MACE trading amount (MNT, billions)	162.1	616.9	722.1

INSURANCE MARKET QUANTITATIVE INFORMATION

Statistic	2020.II	2021.II	2022.II
Total assets (MNT, billions)	359.2	428.9	431.4
Total insurance and reinsurance premiums (MNT, billions)	96.4	112.8	126.0
Total compensation (MNT, billions)	27.7	29.0	48.5
Reserve fund (MNT, billions)	159.7	189.3	185.9
Reinsurance fee (MNT, billions)	24.8	36.2	25.4
Net profit (MNT, billions)	11.7	17.1	9.2
Professional participants:			
General insurance	15	15	15
Life insurance	1	1	1
Reinsurance	1	1	1
Insurance agent	2,453	2,422	2,426
Insurance broker	55	56	62
Damage assessor	26	26	25
Actuary	32	32	38
Auditor	144	142	144
Auditor's company	45	42	43

NBFi DATA

/Тэрбум төгрөг/

Statistic	2020.II	2021.II	2022.II
Total assets	1,862.2	2,263.0	3,182.7
Current assets	1,791.4	2,178.7	3,079.6
Cash	395.3	443.9	391.3
Short-term investments	10.3	19.7	16.8
Total loans	1,307.3	1,571.9	2,497.8
Normal loans	1,131.1	1,373.1	2,225.5
Overdue loans	62.3	46	98.1
Non-performing loans	113.9	152.7	174.2
Credit risk fund	88.8	116	130.5
Other real estate to be owned and other property to be owned (net)	12.9	13.6	18.6
Non-current assets	70.7	84.3	103.1
Total liabilities	1,862.2	2,263.0	3,182.7
Trust service payable	118.6	179.1	300.3
Payables to domestic and foreign banks and financial institutions	212.3	201.4	395.1
Project loan financing	23.4	18.6	20.7
Owner's property	1,337.7	1,553.4	1,981.6
Secondary charity	0.8	8.1	70.5
Share capital	977.3	1,047.9	1,230.0
Accumulated profit	325.9	446.3	632.9
Number of NBFIs	542	536	527
Ulaanbaatar	465	457	438
Provinces	77	79	89
Customers	2,766,913	3,292,164	4,748,336
Total income	200.2	220.0	392.0
Interest income	163.7	174.5	308.6
Non-interest income	32.5	34.7	72.5
Non-operating income	4.0	10.9	10.7
Total cost	123.6	135.3	242.8
Interest expenses	22.3	17.8	43.2
Non-interest expenses	70.6	83.1	144.9
Potential risk costs	21	23.2	33.6
Non-core operating expenses	1.7	1.8	3.7
Net profit	76.6	84.8	149.2

SCC'S DATA

/Тэрбум төгрөг/

Statistic	2020.II	2021.II	2022.II
Total assets	234.6	270.5	271.6
Current assets	230.2	262.2	267.7
Cash	59.5	69.4	35.2
Receipts	8.1	9.1	17.8
Non-current assets	4.2	8.3	3.9
Fixed assets (net)	4.0	4.2	3.7
Intangible assets	0.2	4.1	0.2
Investment and other non-current assets	0.0	0.0	0.0
Total loans	165.1	186.8	217.8
Normal loans	152.8	174.8	204.9
Overdue loans	5.1	5.1	5.6
Non-performing loans	7.1	6.9	7.2
Liabilities	188.9	214.6	218.1
Savings	163.4	191.2	189.4
Short-term loans	2.7	2.7	10.4
Long-term liabilities	7.1	3.9	3.7
Other current liabilities	15.7	16.8	14.6
Own assets	45.5	55.9	53.5
Members' contributions	18.2	22.6	26.1
Property of cooperatives	27.1	33.0	27.2
Accumulated income (loss)	15.1	15.5	7.9
Total income	26.7	27.9	30.1
Total income	25.7	25.8	28.3
Other operating income	0.5	0.8	0.7
Non-operating income	0.6	1.3	1.1
Total expenses	21.6	22.7	25.0
Interest expenses	14.2	15.2	16.1
Potential contingency fund costs	0.8	0.9	1.1
Operating costs	6.0	6.1	7.3
Non-operating expenses	0.2	0.1	0.0
Net income	5.2	5.2	5.0
Number of SCCs	256	234	200
Number of Ulaanbaatar SCCs	155	136	110
Number of local SCCs	101	98	90
Number of members (thousands)	72,230	73,719	72,566

CREDIT GUARANTEE FUND

	/Тэрбум төгрөг/		
Statistic	2020.II	2021.II	2022.II
Total assets	111.5	251.1	258.9
Warranty balance	63.9	81.6	82.7
Of which: overdue	8.1	1.9	2.2
:non-performing	12.4	13.8	10.3
Guaranteed loan balance	121.7	159.4	162.3
Of which: overdue	10.2	1.5	5.0
:non-performing	23.8	25.6	23.0
Operating income	3.8	4.9	4.9
Operating expense	0.7	0.7	1.0
Operating result	3.1	4.2	3.9
Total guarantees	27	152	21
Of which: individual	0	0	0
:entities	27	152	21
Total guarantee amount	6.3	21.2	6.9
of which: individuals	0.0	0.0	0.0
:entities	6.3	21.2	6.9
of which: agriculture	0.7	0.5	0
manufacturing	0.8	4.1	0.1
wholesaling and retailing	3.0	11.2	1.0
services	1.8	2.6	0.9
other	0.0	2.8	4.9
Average term of warranty (month)	96.9	43.6	85.3
Number of applications for a guarantee	53	241	38
Of which: allowed	27	180	23

REB DATA

Statistic	2021.II	2022.II
REBs (including agencies)	205	284
Brokers	226	301
Agents	1,255	1,392
Area of real estate bought and sold (m ²)	470,454.5	765,039.0
Value of real estate bought and sold	328,364,762,000.0	617,145,290,809.5
Area of real estate rented and leased (m ²)	82,060.9	172,057.2
Value of real estate rented and leased	8,091,947,600.0	48,172,358,794.9

DPMS DATA

Statistic	2021.II	2022.II
Entities (DPMS, and dealers in products made from them)	38	44
Individuals (DPMS, and dealers in products made from them)	63	69
Individuals (dealers in products made from precious metals and stones)	233	249
Individuals (DPMS)	120	136
Weight of bought precious metals (gram)	1,736,954.04	798,523.3
Value of purchased precious metals (MNT)	261,150,096,323.32	120,922,180,622.8
Weight of sold precious metals (gram)	2,030,298.24	792,173.2
Value of sold precious metals (MNT)	320,846,485,174.63	129,519,540,083.2
Total value of bought products (MNT)	1,824,558,496.65	–
Total value of sold products (MNT)	2,564,232,534.05	4,858,578,652.2





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