

**RISK ASSESSMENT MATRIX OF REPORTING ENTITY'S OPERATION
TO COMBATING MONEY LAUNDERING AND FINANCING OF TERRORISM**

1. Quantitative database of coordination organisation

A.SECURITIES COMPANY

Risk Type	Risk Measurement		Very low	Low	Average	High	Very High	Result of assessment	Assessment result of last year	Changes		
			1	2	3	4	5					
15	Structure risk											
	60	Organisation dimension /total assets/	30 million-200 million	200 million-300 million	300 million-1.2 billion	1.2 billion - 1.3 billion	More than 1.3 billion	Average assessment	Average assessment	Increased/Decreased		
	30	Activity direction	Investment advisor	Broker	Broker, Dealer	Broker, Underwriter	Broker, Dealer, Underwriter	Average assessment	Average assessment	Increased/Decreased		
	10	Years in operation	Longer than 10 years	8 years - 10 years	6 years - 8 years	2 years - 6 years	Less than 2 years	Average assessment	Average assessment	Increased/Decreased		
85	60	Business Risk										
		30	Customers risk									
		15	Resident natural person	Less than 500	500 - 1000	1000 - 2500	2500 -5000	More than 5000	Average assessment	Average assessment	Increased/Decreased	
		25	Resident legal person	Less than 100	100 - 250	250 - 500	500 - 1000	More than 1000	Average assessment	Average assessment	Increased/Decreased	
		25	Non resident natural person	Less than 100	100 - 250	250 - 500	500 - 1000	More than 1000	Average assessment	Average assessment	Increased/Decreased	
		35	Non resident legal person	Less than 100	100 - 250	250 - 500	500 - 1000	More than 1000	Average assessment	Average assessment	Increased/Decreased	
		30	Transaction risk									
15	Domestic citizen	Less than 500million	500 million- 1 billion	1 billion - 2.5 billion	2.5 billion - 5 billion	More than 5 billion	Average assessment	Average assessment	Increased/Decreased			

		25	Resident legal person	Less than 100 million	100 million-250 million	250 million-500 million	500 million-1 billion	More than 1 billion	Average assessment	Average assessment	Increased/Decreased	
		25	Non resident natural person	Less than 100 million	100 million-250 million	250 million-500 million	500 million-1 billion	More than 1 billion	Average assessment	Average assessment	Increased/Decreased	
		35	Non resident legal person	Less than 100 million	100 million-250 million	250 million-500 million	500 million-1 billion	More than 1 billion	Average assessment	Average assessment	Increased/Decreased	
	30	Risks of Products and Service										
		50	Broker	Less than 500 million	500 million-1 billion	1 billion - 1.5 billion	1.5 billion - 2 billion	More than 2 billion	Average assessment	Average assessment	Increased/Decreased	
		25	Dealer	Less than 250 million	250 million-500 million	500 million-1 billion	1 billion - 1.5 billion	More than 1.5 billion	Average assessment	Average assessment	Increased/Decreased	
		25	Underwriter	Less than 250 million	250 million-500 million	500 million-1 billion	1 billion - 1.5 billion	More than 1.5 billion	Average assessment	Average assessment	Increased/Decreased	
	10	Risks of products distributing channel										
		70	Central Office	Less than 500 million	500 million-1 billion	1 billion - 1.5 billion	1.5 billion - 2 billion	More than 2 billion	Average assessment	Average assessment	Increased/Decreased	
		30	Local branches	Less than 250 million	250 million-500 million	500 million-1 billion	1 billion - 1.5 billion	More than 1.5 billion	Average assessment	Average assessment	Increased/Decreased	
	40	Quality assessment										
		25	Corporate governance	The supervisors should evaluate						Average assessment	Average assessment	Increased/Decreased
		20	Preventive measures against money laundering and terrorism financing	The supervisors should evaluate						Average assessment	Average assessment	Increased/Decreased
		15	Risk management	The supervisors should evaluate						Average assessment	Average assessment	Increased/Decreased

	10	Internal supervision, internal and external auditing	The supervisors should evaluate	Average assessment	Average assessment	Increased/Decreased
	12.5	Compliance	The supervisors should evaluate	Average assessment	Average assessment	Increased/Decreased
	5	Training and human resource	The supervisors should evaluate	Average assessment	Average assessment	Increased/Decreased
	12.5	Reporting and Remarks	The supervisors should evaluate	Average assessment	Average assessment	Increased/Decreased
Total Result of Assessment						

B.INSURANCE COMPANIES

Risk Type	Risk Measurement	Very low	Low	Average	High	Very high	Result of assessment	Assessment result of last year	Changes		
		1	2	3	4	5					
15	Structure Risk										
	60	Organisation dimension /total assets/	Less than 100 million	100 million- 500 million	500 million- 1 billion	1 billion - 5 billion	More than 5 billion	Average assessment	Average assessment	Increased/Decreased	
	10	Activity direction	Openly exchanged stocks on stock market	Ownership of individual person	Ownership of Legal Entity	Foreign Invested	Ownership of Politically Exposed Person	Average assessment	Average assessment	Increased/Decreased	
	30	Years in operation	Longer than 50- years	40 years - 50 years	10 years - 40 years	5 years - 10 years	Up to 5 years	Average assessment	Average assessment	Increased/Decreased	
85	60	Business Risk									
		40	Customers Risk								
		85	Resident natural person	Less than 1000	1000 - 10000	10000 - 50000	50000 - 100000	More than 100000	Average assessment	Average assessment	Increased/Decreased
		15	Resident legal person	Less than 1000	1000 - 10000	10000 - 50000	50000 - 100000	More than 100000	Average assessment	Average assessment	Increased/Decreased
		40	Geographical risk								
	15	Ulaanbaatar city	Less than 500 million	500 million- 1 billion	1 billion - 2 billion	2 billion - 5 billion	More than 5 billion	Average assessment	Average assessment	Increased/Decreased	

	25	Rural areas	Less than 500 million	500 million- 1 billion	1 billion - 2 billion	2 billion - 5 billion	More than 5 billion	Average assessment	Average assessment	Increased/Dec reased
10	Risks of Products and Service									
	20	Personal Accident	Less than 500 million	50 million- 100 million	100 million- 500 million	500 million- 1 billion	More than 1 billion	Average assessment	Average assessment	Increased/Dec reased
	40	Assets Insurance	Less than 100 million	100 - 500 million	500 million- 1.5 billion	1.5 billion - 3 billion	More than 3 billion	Average assessment	Average assessment	Increased/Dec reased
	40	Driver's Responsibility Insurance	Less than 50 million	50 million- 100 million	100 million- 500 million	500 million- 1 billion	More than 1 billion	Average assessment	Average assessment	Increased/Dec reased
10	Risks of Product Distribution Channel									
	10	Representative of Insurance	Less than 500 million	500 million- 1 billion	1 billion - 2 billion	2 billion - 5 billion	More than 5 billion	Average assessment	Average assessment	Increased/Dec reased
	30	Insurance Intermediary	Less than 500 million	500 million- 1 billion	1 billion - 2 billion	2 billion - 5 billion	More than 5 billion	Average assessment	Average assessment	Increased/Dec reased
	10	Branch	Less than 100 million	100 million- 500 million	500 million- 1 billion	1 billion - 2.5 billion	More than 2.5 billion	Average assessment	Average assessment	Increased/Dec reased
	50	Central office	Less than 500 million	500 million- 1 billion	1 billion - 2 billion	2 billion - 5 billion	More than 5 billion	Average assessment	Average assessment	Increased/Dec reased
40	Quality Assessment									
	25	Company governance	The supervisors should evaluate					Average assessment	Average assessment	Increased/Dec reased
	20	Preventive measures against money laundering and terrorism financing	The supervisors should evaluate					Average assessment	Average assessment	Increased/Dec reased
	15	Risk management	The supervisors should evaluate					Average assessment	Average assessment	Increased/Dec reased
	10	Internal supervision, internal and external auditing	The supervisors should evaluate					Average assessment	Average assessment	Increased/Dec reased
	12.5	Compliance	The supervisors should evaluate					Average assessment	Average assessment	Increased/Dec reased
	5	Training and human resource	The supervisors should evaluate					Average assessment	Average assessment	Increased/Dec reased
	12.5	Reporting and Remarks	The supervisors should evaluate					Average assessment	Average assessment	Increased/Dec reased

Total Result of Assessment

C. INSURANCE INTERMEDIARIES

Risk Type	Risk Measurement	Very low	Low	Average	High	Very high	Result of assessment	Assessment result of last year	Changes		
		1	2	3	4	5					
15	Structure risk										
	60	Organisation dimension /total assets/	Less than 5 million	5 million- 50 million	50 million- 500 million	500 million- 1.5 billion	1.5 billionaac дээш	Average assessment	Average assessment	Increased/De creased	
	10	Activity direction	Openly exchanged stocks on stock market	Ownership of individual person	Ownership of Legal Entity	Foreign Invested	Ownership of Politically Exposed Person	Average assessment	Average assessment	Increased/De creased	
	30	Years in operation	Longer than 50 years	40 years - 50 years	10 years - 40 years	5 years - 10 years	Up to 5 years	Average assessment	Average assessment	Increased/De creased	
85	60	Business Risk									
		40	Customers Risk								
		85	Domestic citizen	Less than 1000	1000 - 10000	10000 - 50000	50000 - 100000	More than 100000	Average assessment	Average assessment	Increased/De creased
		15	Resident legal person	Less than 1000	1000 - 10000	10000 - 50000	50000 - 100000	More than 100000	Average assessment	Average assessment	Increased/De creased
		40	Geographical Risk								
		15	Ulaanbaatar city	Less than 500 million	500 million- 1 billion	1 billion - 2 billion	2 billion - 5 billion	More than 5 billion	Average assessment	Average assessment	Increased/De creased
		25	Rural area	Less than 500 million	500 million- 1 billion	1 billion - 2 billion	2 billion - 5 billion	More than 5 billion	Average assessment	Average assessment	Increased/De creased
		10	Risk of Products and Service								
		40	Assets Insurance	Less than 100 million	100 million- 500 million	500 million- 1.5 billion	1.5 billion - 3 billion	More than 3 billion	Average assessment	Average assessment	Increased/De creased
		50	Vehicle's Insurance	Less than 50 million	50 million- 100 million	100 million- 500 million	500 million- 1 billion	More than 1 billion	Average assessment	Average assessment	Increased/De creased
		10	Driver's Responsibility Insurance	Less than 50 million	50 million- 100 million	100 million- 500 million	500 million- 1 billion	More than 1 billion	Average assessment	Average assessment	Increased/De creased
10	Risks of Product Distribution Channel										

		10	Central Office	Less than 100 million	100 million-500 million	500 million-1 billion	1 billion - 2.5 billion	More than 2.5 billion	Average assessment	Average assessment	Increased/Decreased
		50	Branches	Less than 100 million	100 million-500 million	500 million-1 billion	1 billion - 2.5 billion	More than 2.6 billion	Average assessment	Average assessment	Increased/Decreased
40	Quality Assessment										
	25	Corporate governance	The supervisors should evaluate						Average assessment	Average assessment	Increased/Decreased
	20	Preventive measures against money laundering and terrorism financing	The supervisors should evaluate						Average assessment	Average assessment	Increased/Decreased
	15	Risk management	The supervisors should evaluate						Average assessment	Average assessment	Increased/Decreased
	10	Internal supervision, internal and external auditing	The supervisors should evaluate						Average assessment	Average assessment	Increased/Decreased
	12.5	Compliance	The supervisors should evaluate						Average assessment	Average assessment	Increased/Decreased
	5	Training and human resource	The supervisors should evaluate						Average assessment	Average assessment	Increased/Decreased
	12.5	Reporting and Remarks	The supervisors should evaluate						Average assessment	Average assessment	Increased/Decreased
Total Result of Assessment											

D. NON BANK FINANCIAL INSTITUTIONS

Risk Type	Risk Measurement		Very low	Low	Average	High	Very High	Result of assessment	Assessment result of last year	Changes		
			1	2	3	4	5					
15	Structure Risk											
	60	Organisation dimension /total assets/	Less than 800 million	800 million- 1 billion	1 billion - 2.5 billion	2.5 billion - 5 billion	More than 5 billion	Average assessment	Average assessment	Increased/Decreased		
	10	Activity direction	Openly exchanged stocks on stock market	Ownership of individual person	Ownership of Legal Entity	Foreign Invested	Ownership of Politically Exposed Person	Average assessment	Average assessment	Increased/Decreased		
	30	Years in operation	Longer than 8 years	8 years - 10 years	6 years - 8 years	2 years - 6 years	Up to 2 years	Average assessment	Average assessment	Increased/Decreased		
85	60	Business Risk										
		40	Customer Risk									
		10	Resident natural person	Less than 100 million	100 million- 500 million	500 million- 1 billion	1 billion - 1.5 billion	More than 1.5 billion	Average assessment	Average assessment	Increased/Decreased	
		15	Resident legal person	Less than 100 million	100 million- 500 million	500 million- 1 billion	1 billion - 1.5 billion	More than 1.5 billion	Average assessment	Average assessment	Increased/Decreased	
		15	Non resident natural person	Less than 100 million	100 million- 500 million	500 million- 1 billion	1 billion - 1.5 billion	More than 1.5 billion	Average assessment	Average assessment	Increased/Decreased	
		25	Non resident legal person	Less than 100 million	100 million- 500 million	500 million- 1 billion	1 billion - 1.5 billion	More than 1.5 billion	Average assessment	Average assessment	Increased/Decreased	
		35	Politically exposed person	Less than 100 million	100 million- 500 million	500 million- 1 billion	1 billion - 1.5 billion	More than 1.5 billion	Average assessment	Average assessment	Increased/Decreased	
40	Geographical risk											

		10	Ulaanbaatar city	Less than 100 million	100 million-500 million	500 million-1 billion	1 billion - 1.5 billion	More than 1.5 billion	Average assessment	Average assessment	Increased/Decreased
		15	Rural area	Less than 100 million	100 million-500 million	500 million-1 billion	1 billion - 1.5 billion	More than 1.5 billion	Average assessment	Average assessment	Increased/Decreased
		15	Free economic zone	Less than 100 million	100 million-500 million	500 million-1 billion	1 billion - 1.5 billion	More than 1.5 billion	Average assessment	Average assessment	Increased/Decreased
		25	Sanctioned countries from FAFT	Less than 100 million	100 million-500 million	500 million-1 billion	1 billion - 1.5 billion	More than 1.5 billion	Average assessment	Average assessment	Increased/Decreased
		35	Other countries	Less than 100 million	100 million-500 million	500 million-1 billion	1 billion - 1.5 billion	More than 1.5 billion	Average assessment	Average assessment	Increased/Decreased
	10	Risk of Products and Service									
		40	Amount of cash transaction service	Less than 50 million	50 million-100 million	100 million-500 million	500 million-1 billion	More than 1 billion	Average assessment	Average assessment	Increased/Decreased
		50	Trust service payment	Less than 50 million	50 million-100 million	100 million-500 million	500 million-1 billion	More than 1 billion	Average assessment	Average assessment	Increased/Decreased
		10	Amount of foreign currency exchange	Less than 50 million	50 million-100 million	100 million-500 million	500 million-1 billion	More than 1 billion	Average assessment	Average assessment	Increased/Decreased
	10	Risk of Service Distribution Channel									
		20	Service centers	Less than 100 million	100 million-500 million	500 million-1 billion	1 billion - 1.5 billion	More than 1 billion	Average assessment	Average assessment	Increased/Decreased
		32.5	Branches and agents	Less than 100 million	100 million-500 million	500 million-1 billion	1 billion - 1.5 billion	More than 1 billion	Average assessment	Average assessment	Increased/Decreased

		47.5	Cellphone based service	Less than 100 million	100 million-500 million	500 million-1 billion	1 billion - 1.5 billion	More than 1.5 billion	Average assessment	Average assessment	Increased/Decreased
40	Чанарын үнэлгээ										
	25	Corporate governance		The supervisors should evaluate					Average assessment	Average assessment	Increased/Decreased
	20	Preventive measures against money laundering and terrorism financing		The supervisors should evaluate					Average assessment	Average assessment	Increased/Decreased
	15	Risk management		The supervisors should evaluate					Average assessment	Average assessment	Increased/Decreased
	10	Internal supervision, internal and external auditing		The supervisors should evaluate					Average assessment	Average assessment	Increased/Decreased
	12.5	Compliance		The supervisors should evaluate					Average assessment	Average assessment	Increased/Decreased
	5	Training and human resource		The supervisors should evaluate					Average assessment	Average assessment	Increased/Decreased
	12.5	Reporting and Remarks		The supervisors should evaluate					Average assessment	Average assessment	Increased/Decreased
Total result of Assessment											

E. SAVINGS AND CREDIT COOPERATIVES

Risk Type	Risk Measurement		Very low	Low	Average	High	Very high	Result of assessment	Assessment result of last year	Changes		
			1	2	3	4	5					
15	Structure risk											
	60	Organisation dimension /total assets/	Less than 100 million	100 million-300 million	300 million-1 billion	1 billion - 10 billion	More than 10 billion	Average assessment	Average assessment	Increased/Decreased		
	10	Ownership type	Openly exchanged stocks on stock market	Ownership of individual person	Ownership of Legal Entity	Foreign Invested	Ownership of Politically Exposed Person	Average assessment	Average assessment	Increased/Decreased		
	30	Years in operation	More than 10 years	8 years - 10 years	6 years - 8 years	2 years - 6 years	Up to 2 years	Average assessment	Average assessment	Increased/Decreased		
85	60	Business Risk										
		40	Customers Risk									
		10	Domestic citizen	Less than 50	50 - 100	100 - 500	500 - 1000	More than 1000	Average assessment	Average assessment	Increased/Decreased	
		15	Resident legal person	Less than 50	50 - 100	100 - 500	500 - 1000	More than 1000	Average assessment	Average assessment	Increased/Decreased	
		15	Non resident natural person	Less than 50	50 - 100	100 - 500	500 - 1000	More than 1000	Average assessment	Average assessment	Increased/Decreased	
		25	Non resident legal person	Less than 50	50 - 100	100 - 500	500 - 1000	More than 1000	Average assessment	Average assessment	Increased/Decreased	
		35	Politically exposed person	Less than 50	50 - 100	100 - 500	500 - 1000	More than 1000	Average assessment	Average assessment	Increased/Decreased	
		40	Geographical Risk									
		10	Ulaanbaatar city	Less than 50 million	50 million-100 million	100 million-500 million	500 million-1 billion	More than 1 billion	Average assessment	Average assessment	Increased/Decreased	
		15	Rural are	Less than 50 million	50 million-100 million	100 million-500 million	500 million-1 billion	More than 1 billion	Average assessment	Average assessment	Increased/Decreased	
		15	Free economic zone	Less than 50 million	50 million-100 million	100 million-500 million	500 million-1 billion	More than 1 billion	Average assessment	Average assessment	Increased/Decreased	
		25	Sanctioned countries from FAFT	Less than 50 million	50 million-100 million	100 million-500 million	500 million-1 billion	More than 1 billion	Average assessment	Average assessment	Increased/Decreased	

	35	Other countries	Less than 50 million	50 million-100 million	100 million-500 million	500 million-1 billion	More than 1 billion	Average assessment	Average assessment	Increased/Decreased
10	Risks of Products and Service									
	50	Savings amount	Less than 50 million	50 million-100 million	100 million-500 million	500 million-1 billion	More than 1 billion	Average assessment	Average assessment	Increased/Decreased
	50	Credit amount	Less than 50 million	50 million-100 million	100 million-500 million	500 million-1 billion	More than 1 billion	Average assessment	Average assessment	Increased/Decreased
10	Risk of Service Distribution Channel									
	20	Service center	Less than 50 million	50 million-100 million	100 million-500 million	500 million-1 billion	More than 1 billion	Average assessment	Average assessment	Increased/Decreased
	32.5	Branches and agents	Less than 50 million	50 million-100 million	100 million-500 million	500 million-1 billion	More than 1 billion	Average assessment	Average assessment	Increased/Decreased
	47.5	Cellphone based service	Less than 50 million	50 million-100 million	100 million-500 million	500 million-1 billion	More than 1 billion	Average assessment	Average assessment	Increased/Decreased
40	Quality Assessment									
	25	Company governance	The supervisors should evaluate					Average assessment	Average assessment	Increased/Decreased
	20	Preventive measures against money laundering and terrorism financing	The supervisors should evaluate					Average assessment	Average assessment	Increased/Decreased
	15	Risk management	The supervisors should evaluate					Average assessment	Average assessment	Increased/Decreased
	10	Internal supervision, internal and external auditing	The supervisors should evaluate					Average assessment	Average assessment	Increased/Decreased
	12.5	Compliance	The supervisors should evaluate					Average assessment	Average assessment	Increased/Decreased
	5	Training and human resource	The supervisors should evaluate					Average assessment	Average assessment	Increased/Decreased
	12.5	Reporting and Remarks	The supervisors should evaluate					Average assessment	Average assessment	Increased/Decreased
Total result of Assessment										