

**TRADE AND DEVELOPMENT BANK JSC
2024 SEMI-ANNUAL OPERATIONAL REPORT**

Semi-annual and quarterly operational reports /Form 2/

Article 20 of the Securities Market Law stipulates the ongoing obligations of the issuer, and the issuer is responsible for submitting quarterly and semi-annual operational reports to the Financial Regulatory Commission and the exchange in accordance with the below form, and shall disclose to the public through its website.

<i>Reporting period</i>	From January 1 st 2024 to June 30 th 2024
<i>Issuer's name, state registration certificate number, securities symbol phone number</i>	Issuer's name: Trade and Development bank JSC ("TDB" or Bank) SRCN: 9007001015 Securities symbol: MN00TDB05673 Phone number: 11 328227
<i>Name of listed exchange</i>	Mongolian stock exchange
<i>Sector of business operations</i>	Banking and Finance
<i>Total number of shares issued by the issuer</i>	50,600,927
<i>Names of the specialist who prepared and the official who reviewed the semi-annual and quarterly</i>	Prepared by: Sainbayar L – Public relations specialist, Office of RGB Reviewed by: Nyamsuren N – Secretary of Board of Directors

The semi-annual and quarterly financial reports /full out the summary report indicators and attach the financial statement/

		*000 MNT	
№	Balance sheet items	Ending balance (2024.06.30)	
	1 Assets	0.0	
	1.1 Cash and cash equivalents	3,456,325,024.1	
	1.2 Deposits and placements with banks and other financial institutions	1,569,769,294.3	
	1.3 Investment securities	779,148,249.8	
	1.4 Loans and advances, net	5,586,904,295.6	
	1.5 Derivative financial instruments	50,068,792.7	
	1.6 Other financial assets	163,573,927.9	
	1.7 Other non-financial assets	218,688,232.6	
	1.8 Property and equipment, net	569,736,899.7	
	1.9 Investment properties	56,759,674.3	
	1.10 Held-for-sale assets	136,772,380.8	
	1.11 Intangible assets, net	38,289,151.7	
	1.12 Total assets	12,626,035,923.4	
	2 LIABILITIES	0.0	
	2.1 Current accounts	3,718,189,143.7	
	2.2 Deposits	4,790,168,315.9	
	2.3 Deposits and placements of banks and other financial institutions	2,207,732,902.1	
	2.4 Other liabilities	212,164,499.6	
	2.5 Derivative financial liabilities	20,088,851.5	
	2.6 Financial other liabilities	207,138,535.7	
	2.7 Non-financial other liabilities	71,589,409.7	
	2.8 Subordinated debt	0.0	
	2.9 Preferred stock (liabilities)	0.0	
	2.10 Total Liabilities	11,227,071,658.3	
	3 SHAREHOLDERS' EQUITY	0.0	
	3.1 Issued capital	340,852,904.4	
	3.2 Share premium	64,069,779.4	
	3.3 Treasury stock	0.0	
	3.4 Revaluation reserves	139,303,196.0	
	3.5 Retained earnings	813,342,605.0	
	3.6 Other equity	41,395,780.4	
	3.7 Total equity	1,398,964,265.1	
	4 TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	12,626,035,923.4	

	№	Income statement items	Ending balance
			(2024.06.30)
<i>Income statement</i>	1	Interest income	511,463,096.3
	2	Interest expense	282,155,777.4
	3	Net interest income [(1)-(2)]	229,307,318.9
	4	Provision expenses	17,254,328.9
	5	Net interest income after provision [(3)-(4)]	212,052,990.1
	6	Other income	175,445,985.5
	7	Other expense	199,264,079.0
	8	Profit before tax (5+6-7)	188,234,896.5
	9	Income tax expense	14,090,314.1
	10	Profit after tax (8-9)	174,144,582.4
	11	Net income (loss) from discontinued operations	0.0
	12	Profit after tax(10+11)	174,144,582.4
	13	Other comprehensive income	1,310,012.9
	14	Total comprehensive income for the year (10+11)	175,454,595.4
	№	Off-balance items	*000 MNT
	1	Contingencies and commitments (net)	1,268,030,702
<i>Statement of retained earnings</i>			*000 MNT
	№	Equity indicators	Total equity
		Balances at 2022.12.31	1,178,011,263.2
	1	Impact of changes in accounting policies and error correction	0.0
	2	Corrected balance	1,178,011,263.2
	3	Net profit, loss for the period	151,218,467.1
	4	Other comprehensive income	58,029,931.2
	5	Changes in equity	81,111,690.9
	6	Allocated dividends	-59,992,458.3
	7	Implemented amount of revaluation surplus	0.0
		Balances at 2023.12.31	1,408,378,894.1
	1	Impact of changes in accounting policies and error correction	0.0
	2	Corrected balance	1,408,378,894.1
	3	Net profit, loss for the period	174,144,582.4
	4	Other comprehensive income	3,490,273.9
	5	Changes in equity	-134,778,727.7
	6	Allocated dividends	-52,270,757.6
7	Implemented amount of revaluation surplus	0.0	
	Balances at 2024.06.30	1,398,964,265.1	
<i>Cash flow statement</i>			*000 MNT
	№	Indicators	Ending balance (2024.06.30)
	1	CASH FLOWS FROM OPERATING ACTIVITIES	***
	1.1	Profit/loss before tax	188,234,896.5
	1.2	Adjustments of income, expense:	(251,717,555.4)
	1.3	Adjustments of assets and liabilities:	(679,039,459.5)
	1.4	Other adjustments:	317,308,998.9
	1.5	NET CASH FLOW FROM OPERATING ACTIVITIES	(425,213,119.4)
	2	CASH FLOW FROM INVESTING ACTIVITIES	***
	2.1	Cash inflow (+)	882,912,114.6
	2.2	Cash outflow (-)	(738,825,944.3)
	2.3	CASH FLOW FROM INVESTING ACTIVITIES	144,086,170.3
	3	CASH FLOW FROM FINANCING ACTIVITIES	***
	3.1	Cash inflow (+)	1,792,965,079.9
3.2	Cash outflow (-)	(1,922,680,595.6)	
3.3	NET CASH FLOW FROM FINANCING ACTIVITIES	(129,715,515.7)	
4	Exchange difference	0.0	
5	TOTAL NET CASH FLOW	(410,842,464.8)	
6	BEGINNING BALANCE OF CASH END CASH EQUIVALENTS	3,867,167,489.0	
7	ENDING BALANCE OF CASH AND CASH EQUIVALENTS	3,456,325,024.1	

2	<i>The audit committee opinion on the semi-annual and quarterly, financial statements, which was reviewed and confirmed by board audit committee</i>																									
Appendix No. 2 – Report of the 2024 half-year financial report of TDB had discussed at the meeting of the Audit Committee of the Board of Directors on July 4, 2024.																										
3	<i>External and internal factors affecting the issuer's financial operations during the reporting period, management reports and opinions based on analysis of financial statements, income, expenses, and profit indicators</i>																									
3.1.	<i>Operational performance /Financial ratios/</i>	Appendix No. 1 – Financial statement																								
3.2.	<i>Liquidity ratios and financial resources</i>	№	Ratios	Required																						
		1	Tier 1 Capital Adequacy Ratio	>9%																						
		2	Capital adequacy ratio	>12%																						
		3	Liquidity ratio	>25%																						
		4	Foreign currency exposure ratio (single currency)	<+/-15%																						
		5	Foreign currency exposure ratio (total)	<+/-30																						
3.3.	<i>The external and internal factors affecting the activities of the issuer, changes in the range of its products and services, and measures planned to be taken by the issuer in response to these changes.</i>																									
<p>Economic growth in Mongolia reached 7.4% in the first quarter of 2024, driven by stable foreign demand for commodities, high production of mining products, and increased activity in the service sector. This robust growth has positively influenced all aspects of the bank's operations.</p> <p>Additionally, the Bank of Mongolia's effective monetary policy has successfully brought the inflation rate down to a single digit, stabilizing at the target figure of 6.0%. This stability has increased the real interest rate, enhancing customers' propensity to save.</p> <p>The government's 2024 budget, which includes higher salaries and allowances, has elevated individual demand for loans. Our bank has efficiently met this demand through accessible and efficient online loan services and products, contributing significantly to the rapid expansion of our retail market. Furthermore, changes by the Bank of Mongolia to the bad credit history of 155,315 individuals and enterprises have increased loan demand. We are addressing this pent-up demand within our risk policy framework.</p> <p>The passage of the National Wealth Fund Act has increased mortgage funding, fueling growth in mortgage loans and stimulating the construction industry. For the first time, Mongolia's foreign currency reserves have exceeded \$5 billion, strengthening the MNT exchange rate against the US dollar. This improvement positively impacts the import market, enhancing settlement activities for individuals, small and medium enterprises, and large corporations.</p> <p>Our bank executes US dollar transactions quickly and at low cost through our nostro-account recently opened at BNY Mellon Bank in the United States. This not only boosts our share in the international settlement market but also supports cross-border trade and settlement, contributing to Mongolia's economic recovery.</p> <p>Moreover, major economies have started lowering their benchmark interest rates, creating favorable conditions for attracting low-cost funds from foreign banks and financial institutions, and issuing potential debt instruments. The draft laws and regulations under consideration by the Parliament, which would enable remote customer registration, are expected to positively impact our ability to attract new customers if approved.</p> <p>The bank's market share in key areas:</p> <table border="1" data-bbox="191 1415 1490 1614"> <thead> <tr> <th rowspan="2">№</th> <th rowspan="2">Indicators</th> <th colspan="2">Market share</th> </tr> <tr> <th>2023</th> <th>May 2024</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Assets</td> <td>21.1%</td> <td>20.3%</td> </tr> <tr> <td>2</td> <td>Loans</td> <td>19.0%</td> <td>18.7%</td> </tr> <tr> <td>3</td> <td>Due to customers</td> <td>23.2%</td> <td>22.4%</td> </tr> <tr> <td>4</td> <td>International settlement (outward)</td> <td>39.1%</td> <td>42.3%</td> </tr> </tbody> </table> <p>TDB continually introduces innovative products and services to the market with flexible terms and conditions that align with Mongolia's economic landscape, business activities, and evolving customer needs. In 2024, our strategic focus is on enhancing operational efficiency, re-engineering processes, and accelerating digital transformation while simultaneously improving profitability.</p> <p>The bank is also successfully advancing its large-scale national campaigns to meet customer needs, enhance satisfaction, and promote financial education.</p> <ul style="list-style-type: none"> • "Britto" Campaign: This initiative has successfully built a loyalty ecosystem and significantly increased its share of the Visa card market, growing from 13.9% in 2021 to 29.0% in 2023. • "Savings Mongolia" Campaign: This ongoing campaign supports financial education for citizens while steadily increasing the bank's stable funding base. Currently, 350,000 customers are actively participating in this campaign. 					№	Indicators	Market share		2023	May 2024	1	Assets	21.1%	20.3%	2	Loans	19.0%	18.7%	3	Due to customers	23.2%	22.4%	4	International settlement (outward)	39.1%	42.3%
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	Finally, the bank is successfully launching the leading international core banking system, "Temenos Transact 24", and the digital banking platform, "Temenos Infinity". Looking ahead, TDB plans to continue upgrading its technology and advancing digital transformation. Our goals include fully transitioning to a customer-centric business model and enhancing the quality, speed, and availability of services to meet international standards.																																													
3.4.	<i>Details of off-balance sheet transactions and information on accounting policies</i>																																													
	<p>The activities and transactions recorded outside the financial statement are recorded in accordance with the Joint Order of the President of the Bank of Mongolia and the Minister of Finance No. A-294/340, "Bank Accounting Instructions", and the Joint Order of the President of the Bank of Mongolia and the Minister of Finance No. A-155/134 "Classification of Assets and Risk Management of Assets"</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr style="background-color: #4F81BD; color: white;"> <th style="text-align: center;">Off-balance items</th> <th style="text-align: center;">MNT'000</th> </tr> </thead> <tbody> <tr style="background-color: #D9E1F2;"> <td style="text-align: center;">Contingencies and commitments (net)</td> <td style="text-align: center;">1,268,030,702</td> </tr> </tbody> </table>	Off-balance items	MNT'000	Contingencies and commitments (net)	1,268,030,702																																									
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4	<p><i>Information on conflict of interest and significant transactions conducted by the issuer during the reporting period, the importance and the purpose of the transaction and information about the person with a conflict of interest /all conflicts of interest transactions made during the reporting period shall be included/</i></p> <p>TDB's issues related to conflicts of interest transactions are regulated by the Company Law, the "Trade and Development Bank's Procedures for conflicts of interest and major transactions," approved by the Board of Directors in February 2023, and the "Guideline for conflicts of interest and major transactions," approved by the Chief Executive Officer's order in March 2023.</p> <p>During the reporting period, the Board of directors approved seven conflict-of-interest deals, and the approval resolutions were made to the public by relevant laws and regulations. Please refer to the following link for Board resolutions authorizing conflict-of-interest transactions. https://mse.mn/mn/company/567</p> <p>Also, 5 conflict-of-interest agreements were made accordance with authority given before reporting duration.</p> <p>June 30, 2024 (MNT million)</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th colspan="2">Bank related party</th> <th>Type of assets</th> <th>Outstanding balance</th> <th>Related party ratio</th> </tr> </thead> <tbody> <tr> <td>1</td> <td colspan="4">Single related party exposure (not exceed 5% of the Bank capital)</td> </tr> <tr> <td>1.1.</td> <td>Bank shareholder</td> <td>Loan, Receivable</td> <td style="text-align: right;">5,100.0</td> <td style="text-align: right;">0.36%</td> </tr> <tr> <td>1.2.</td> <td>Bank authorized person</td> <td>Loan</td> <td style="text-align: right;">3,371.9</td> <td style="text-align: right;">0.24%</td> </tr> <tr> <td>1.3.</td> <td>Other related party</td> <td>Receivable</td> <td style="text-align: right;">41,770.3</td> <td style="text-align: right;">2.99%</td> </tr> <tr> <td>2.</td> <td colspan="4">Total related parties exposure (not exceed 20% of the Bank capital)</td> </tr> <tr> <td>2.1.</td> <td>Bank shareholder</td> <td>Loan, Receivable</td> <td style="text-align: right;">5,100.0</td> <td style="text-align: right;">0.36%</td> </tr> <tr> <td>2.2.</td> <td>Bank authorized person</td> <td>Loan, Receivable</td> <td style="text-align: right;">4,991.7</td> <td style="text-align: right;">0.36%</td> </tr> <tr> <td>2.3.</td> <td>Other related party</td> <td>Loan, Other Assets</td> <td style="text-align: right;">88,656.6</td> <td style="text-align: right;">6.34%</td> </tr> </tbody> </table> <p>During the reporting period, the Bank had not entered any major transactions defined in Section 87.1 of Article 87 of the Company Law.</p>	Bank related party		Type of assets	Outstanding balance	Related party ratio	1	Single related party exposure (not exceed 5% of the Bank capital)				1.1.	Bank shareholder	Loan, Receivable	5,100.0	0.36%	1.2.	Bank authorized person	Loan	3,371.9	0.24%	1.3.	Other related party	Receivable	41,770.3	2.99%	2.	Total related parties exposure (not exceed 20% of the Bank capital)				2.1.	Bank shareholder	Loan, Receivable	5,100.0	0.36%	2.2.	Bank authorized person	Loan, Receivable	4,991.7	0.36%	2.3.	Other related party	Loan, Other Assets	88,656.6	6.34%
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5	<p><i>If the issuer has issued shares to the public for the purpose of implementing a project, a report on the progress of project implementation and the use of funds raised from the start of the project</i></p> <p>Within the framework of its medium-term strategy of becoming a "Green Bank", Trade and Development Bank of Mongolia (TDB) has set to use net proceeds from its Initial Public Offering (IPO) of 5% of the Bank's total issued shares, to finance its sustainable loans in line with eligible categories specified in TDB's Sustainability Framework. From the primary market, TDB received 2,528 orders, total of MNT 105.5 billion (equivalent to approx. USD 30.5 million) for the Bank's shares, which surpassed its initial target of MNT 83.5 billion (or USD 24.2 million equivalent), and closed its IPO with oversubscription status of 126.4%.</p> <p>In accordance with TDB's strategy to expand its presence in Small & Medium Business (SMB) and retail markets, net proceeds from Bank's offerings are expected to be allocated towards following business segments:</p> <p>I. Corporate segment: 50.0% II. SMB segment: 20.0% III. Retail segment: 30.0%</p> <p>As of June 30, 2024, utilization of net proceeds from IPO is at 86.83%, and while the funds allocated to the SMB and Retail segments have been fully disbursed according to an intended purpose, the Corporate segment with total allocation of 50.0% of the IPO funds has utilized 36.8% from it.</p>																																													
6	<i>Information related to corporate governance</i>																																													
	Appendix No. 3																																													

7	Reports and information related to issuer governance	
	<p style="text-align: center;">Social activities supporting the domestic economy</p> <p style="text-align: center;">World Economic Forum 2024</p>  <p>Mr. Randolph Koppa, Chairman of the Board of Directors of the TDB, participated in the "Davos 2024" World economic forum. He emphasized that Mongolia's reconnection to the global US Dollar payment systems for the first time since the country's inclusion in the Financial Action Task Force (FATF) grey list in October 2019. This is testament to our persistent efforts to enhance our compliance with international financial standards and rebuild trust with international partners."</p> <p style="text-align: center;">Global Gateway project</p>  <p>TDB participated in the event "Global Gateway project as a Platinum sponsor organized by the European-Mongolian Joint Chamber of Commerce and Industry which aims to increase opportunities for companies in Mongolia to expand business relations and cooperation between Mongolia and European countries.</p> <p style="text-align: center;">Trade Finance Forum 2024</p>  <p>Traditional Trade finance forum was successfully organized. The aim of the TFF was to discuss latest trends and developments, and also to look forward to new opportunities, challenges to overcome. TFF had full supports and participations from our valued customers and trusted business partners.</p>	<p style="text-align: center;">Everyone is a Environmentalist</p> <p style="text-align: center;">Boundless Dream</p>  <p>On the occasion of World Autism Awareness Month, the "Boundless Dream" project was implemented for children with autism. In doing so, the Academy for Autism and Children in need was equipped with a "fully furnished study room for children to play". By having a classroom will help to develop their language and communication skills and engagement in social interaction.</p> <p style="text-align: center;">SteamEx</p>  <p>STEAMEX 2024, The largest international educational event, was held in Mongolia for the first time. During the event, total 100 teachers from each of the 21 provinces were participated and their registration fee was covered by the Bank. This event provided opportunities to participate program of hands-on experiment and creation-based program to empower primary school and science teachers.</p> <p style="text-align: center;">Adjust and use electricity</p>  <p>Bank encouraged and supported our customers and employees to engage campaign "Proper usage of electricity".</p> <p>In order to reduce our consumption of electricity while promoting a culture of efficient energy use, we are replacing our lighting and electrical appliances in the office with less energy consuming, and operating our high energy consuming appliances during off-peak hours.</p>

Signature of the person who prepared the information, the person who confirmed the accuracy of the information and the date:

Full name: **ORKHON Onon**

Position: Chief Executive Officer


Signature: 



Signature of the person who prepared and submitted the information and the date:

Full name: **NYAMSUREN Navaansharav**

Position: Secretary of Board of Directors

Signature: 

Submission date:

Company name: Trade and Development bank of Mongolia

Register: 2635534

STATEMENT OF FINANCIAL POSITION (in compliance with IFRS)

*000 MNT

No	Balance sheet items	Beginning balance (2023.12.31)	Ending balance (2024.06.30)
1	Assets	0.0	0.0
1.1	Cash and cash equivalents	3,867,167,489.0	3,456,325,024.1
1.1.1	Cash on hand	68,202,440.3	96,182,447.9
1.1.2	Deposits and placements with banks and other financial institutions (with maturity up to 3 months)	2,839,863,505.2	2,032,409,618.9
1.1.3	Cash equivalents	955,865,808.8	1,325,210,927.6
1.1.4	Accrued interest receivables	3,235,734.7	2,522,029.7
1.2	Deposits and placements with banks and other financial institutions	1,049,226,841.3	1,569,769,294.3
1.2.1	Balances with Bank of Mongolia	1,049,656,108.4	1,570,198,561.4
1.2.2	Deposits and placements with banks and other financial institutions	0.0	0.0
1.2.3	Other assets	0.0	0.0
1.2.4	Accrued interest receivables	0.0	0.0
1.2.5	Provision for impairment losses	-429,267.1	-429,267.1
1.3	Investment securities	967,259,402.4	779,148,249.8
1.3.1	Trading investment securities	0.0	0.0
1.3.2	Available-for-sale investment securities	931,422,293.5	749,250,264.0
1.3.3	Held-to-maturity investment securities	0.0	0.0
1.3.4	Other securities classified as loans and advances	0.0	0.0
1.3.5	Investment in associates, subsidiaries and joint ventures	5,196,223.0	5,196,223.0
1.3.6	Pledged investment securities	0.0	0.0
1.3.7	Accrued interest receivables	30,656,400.9	24,717,277.8
1.3.8	Provision for impairment losses	-15,515.0	-15,515.0
1.4	Loans and advances, net	4,933,457,222.6	5,586,904,295.6
1.4.1	Performing loans	4,232,500,717.5	5,070,941,528.4
1.4.2	Past due loans	361,745,446.4	408,938,196.2
1.4.3	Substandard loans	98,094,237.3	28,623,274.6
1.4.4	Doubtful loans	122,352,069.1	105,750,426.7
1.4.5	Bad loans	339,800,150.1	295,696,404.9
1.4.6	Deferred loan payments	-8,890,827.4	-8,890,827.4
1.4.7	Accrued interest receivables	199,842,821.3	146,812,258.4
1.4.8	Reserve for probable loan losses	-411,987,391.7	-460,966,966.3
1.5	Derivative financial instruments	172,188,576.6	50,068,792.7
1.6	Other financial assets	163,492,442.1	163,573,927.9
1.6.1	Receivables, net	130,963,553.7	137,559,786.1
1.6.2	Bank, interbranch settlements	29,370,837.2	23,389,656.5
1.6.3	Foreclosed other assets (net)	0.0	0.0
1.6.4	Other	3,158,051.2	2,624,485.2
1.7	Other non-financial assets	345,746,019.5	218,688,232.6
1.7.1	Other settlements	30,097,273.7	44,885,207.9
1.7.2	Inventory	5,151,016.0	7,575,554.6
1.7.3	Precious metals, net	24,703,648.8	84,657.0
1.7.4	Foreclosed other assets (net)	284,291,614.4	164,449,544.5
1.7.5	Income tax receivables	1,501,698.5	1,501,698.5
1.7.6	Deferred income tax asset	0.0	0.0
1.7.7	Other	768.1	191,570.1
1.8	Property and equipment, net	581,214,456.8	569,736,899.7
1.9	Investment properties	53,256,860.0	56,759,674.3
1.10	Held-for-sale assets	8,259,130.1	136,772,380.8
1.11	Intangible assets, net	25,308,105.0	38,289,151.7
1.12	Total assets	12,166,576,545.4	12,626,035,923.4
2	LIABILITIES	0.0	0.0
2.1	Current accounts	3,913,330,516.8	3,718,189,143.7
2.1.1	Current accounts	3,913,329,939.0	3,718,188,591.6
2.1.2	Accrued interest payables	577.8	552.2
2.2	Deposits	4,594,267,409.6	4,790,168,315.9
2.2.1	Savings deposits	504,899,398.1	643,448,211.6

Appendix No 1

2.2.2	Time deposits	3,973,579,336.0	3,988,147,595.5
2.2.3	Other deposits	782,138.0	3,320,000.0
2.2.4	Accrued interest payables	115,006,537.5	155,252,508.8
2.3	Deposits and placements of banks and other financial institutions	1,669,206,994.4	2,207,732,902.1
2.3.1	Deposits and placements of banks and other financial institutions	836,004,691.5	852,435,811.6
2.3.2	Borrowings	794,115,155.5	1,300,411,180.4
2.3.3	Deferred liabilities	-376,189.5	-243,241.3
2.3.4	Accrued interest payables	39,463,336.9	55,129,151.4
2.4	Other liabilities	152,377,331.9	212,164,499.6
2.4.1	Debt securities issued	0.0	0.0
2.4.2	Bonds in issue	0.0	0.0
2.4.3	Project loan financing	41,045,873.5	42,340,791.7
2.4.4	Bills sold under repurchase agreements	45,590,568.3	82,596,561.0
2.4.5	Syndicated loans sources	0.0	0.0
2.4.6	Other	59,989,736.0	78,956,702.0
2.4.7	Deferred payments of other liabilities	0.0	0.0
2.4.8	Accrued interest payables	5,751,154.1	8,270,444.9
2.5	Derivative financial liabilities	159,109,749.3	20,088,851.5
2.6	Financial other liabilities	177,218,603.1	207,138,535.7
2.7	Non-financial other liabilities	92,687,046.2	71,589,409.7
2.8	Subordinated debt	0.0	0.0
2.9	Preferred stock (liabilities)	0.0	0.0
2.10	Total Liabilities	10,758,197,651.3	11,227,071,658.3
3	SHAREHOLDERS' EQUITY	0.0	0.0
3.1	Issued capital	340,852,904.4	340,852,904.4
3.1.1	Preferred stock	0.0	0.0
3.1.2	Common stock	340,852,904.4	340,852,904.4
3.2	Share premium	64,069,779.4	64,069,779.4
3.3	Treasury stock	0.0	0.0
3.4	Revaluation reserves	143,479,413.2	139,303,196.0
3.5	Retained earnings	689,288,519.2	813,342,605.0
3.6	Other equity	170,688,277.9	41,395,780.4
3.6.1	Share options	0.0	0.0
3.6.2	Reserves fund	494,515.5	494,515.6
3.6.3	Foreign currency exchange translation and valuation fund	0.0	0.0
3.6.4	Fund for loss allowances	134,778,727.7	0.0
3.6.5	Fund for social development	0.0	0.0
3.6.6	Securities convertible into shares (equity)	0.0	0.0
3.6.7	Resources convertible into shares (equity)	0.0	0.0
3.6.8	Available-for-Sale Securities Revaluation Fund	35,415,034.7	0.0
3.6.9	Hedge Instrument Revaluation Fund	0.0	0.0
3.6.10	Other	0.0	40,901,264.9
3.7	Total equity	1,408,378,894.1	1,398,964,265.1
4	TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	12,166,576,545.4	12,626,035,923.4

Company name: Trade and Development bank of Mongolia

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INCOME STATEMENT

*000 MNT

No	Income statement items	Beginning balance (2023.12.31)	Ending balance (2024.06.30)
1	Interest income	764,712,399.4	511,463,096.3
1.1	Balances with the Bank of Mongolia	41,860,603.6	25,966,029.5
1.2	Due from other banks and financial institutions	35,335,322.8	26,823,298.5
1.3	Investments in securities	173,619,149.6	125,705,856.9
1.4	Loans and advances	513,897,323.4	332,967,911.5
1.5	Other	0.0	0.0
2	Interest expense	469,048,440.4	282,155,777.4
2.1	Current accounts	37,883,523.9	29,506,639.3
2.2	Savings	339,751,292.0	217,412,476.9
2.3	Borrowings	78,350,667.0	32,491,425.1
2.4	Securities	10,962,353.7	2,744,583.8
2.5	Others	2,100,603.8	652.3
3	Net interest income [(1)-(2)]	295,663,959.0	229,307,318.9
4	Provision expenses	78,768,202.1	17,254,328.9
4.1	Deposits and placements with banks and other financial institutions	0.0	0.0
4.2	Investment securities	171,520.1	0.0
4.3	Loans and advances	78,596,682.0	17,254,328.9
5	Net interest income after provision [(3)-(4)]	216,895,756.9	212,052,990.1
6	Other income	224,577,343.6	175,445,985.5
6.1	Non-interest income	213,991,794.8	173,282,898.4
6.1.1	Trading income	43,917,804.9	23,449,573.1
6.1.2	Gains from foreign currency exchange translation and valuation	1,563,764.0	24,818,045.4
6.1.3	Fees and commission income	94,497,318.6	67,001,362.3
6.1.4	Other non-interest income	74,012,907.3	58,013,917.7
6.2	Other income	10,585,548.8	2,163,087.1
7	Other expense	244,666,919.6	199,264,079.0
7.1	Non-interest expense	242,183,648.9	197,045,612.4
7.1.1	Other provision expense	17,821,155.9	67,969,135.1
7.1.2	Trading expense	1,091,075.7	1,300,130.6
7.1.3	Losses from foreign currency exchange translation and valuation	8,835,292.0	0.0
7.1.4	Fees and commission expense	38,800,035.5	21,951,324.3
7.1.5	Other operating expense	175,636,089.8	105,825,022.4
7.2	Other expense	2,483,270.7	2,218,466.7
8	Profit before tax (5+6-7)	196,806,180.9	188,234,896.5
9	Income tax expense	45,587,713.8	14,090,314.1
10	Profit after tax (8-9)	151,218,467.1	174,144,582.4
11	Net income (loss) from discontinued operations	0.0	0.0
12	Profit after tax(10+11)	151,218,467.1	174,144,582.4
13	Other comprehensive income	58,029,931.2	1,310,012.9
13.1	Net change in revaluation reserves of property, plant, and equipment	-2,172,038.9	-4,176,217.2
13.2	Net unrealized change in fair value of available-for-sale financial assets	60,201,970.1	5,486,230.1
14	Total comprehensive income for the year (10+11)	209,248,398.3	175,454,595.4

No	Off-balance items	*000 MNT
1	Contingencies and commitments (net)	1,268,030,702

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CASHFLOW STATEMENT

*000 MNT

No	Indicators	Beginning balance (2023.12.31)	Period (2024.06.30)
1	CASH FLOWS FROM OPERATING ACTIVITIES	***	***
1.1	Profit/loss before tax	196,806,180.9	188,234,896.5
1.2	Adjustments of income, expense:	(337,283,219.1)	(251,717,555.4)
1.2.1	Provisions, discount expense (+)	(53,967,334.3)	(30,795,579.4)
1.2.2	Depreciation and amortisation (+)	12,348,074.2	8,385,343.0
1.2.3	Gain of exchange rate and valuation (other from cash and its equivalents)	0.0	0.0
1.2.4	Interest income (-)	(764,712,399.4)	(511,463,096.3)
1.2.5	Interest expense (+)	469,048,440.4	282,155,777.4
1.2.6	Gains (-) or losses (+) from disposal of fixed assets and long-term investments	0.0	0.0
1.2.7	Other gains (-) or losses (+)	0.0	0.0
1.3	Adjustments of assets and liabilities:	1,527,175,090.6	(679,039,459.5)
1.3.1	Changes in operating assets	(224,504,824.3)	(520,367,498.9)
1.3.2	Net increase (-), decrease (+) in short term investments	0.0	0.0
1.3.3	Net increase (-), decrease (+) in OREO	(1,084,599,374.7)	(817,729,043.2)
1.3.4	Net increase (-), decrease (+) in other assets	291,042,635.4	159,712,106.1
1.3.5	Net increase (-), decrease (+) in other non-financial assets	(21,153,630.7)	9,834,588.4
1.3.6	Net increase (-), decrease (+) in deposits and current accounts	2,433,000,143.1	(39,486,412.4)
1.3.7	Increase (-), decrease (+) in other sources attracted from non-banking institutions	(14,890,405.3)	597,895,273.1
1.3.8	Net increase (-), decrease (+) in other financial liabilities	70,448,598.9	(96,489,971.7)
1.3.9	Increase (-), decrease (+) in other non financial liabilities	77,831,948.1	27,591,499.2
1.4	Other adjustments:	303,296,238.3	317,308,998.9
1.4.1	Taken interest (+)	772,766,340.8	556,973,809.9
1.4.2	Repaid interest (-)	(423,882,388.7)	(225,574,496.9)
1.4.3	Repayment of Income tax (-)	(45,587,713.8)	(14,090,314.1)
1.4.4	Provision from written off loan, Receivable (-)	0.0	0.0
1.4.5		0.0	0.0
1.5	NET CASH FLOW FROM OPERATING ACTIVITIES	1,689,994,290.7	(425,213,119.4)
2	CASH FLOW FROM INVESTING ACTIVITIES	***	***
2.1	Cash inflow (+)	2,531,046,210.6	882,912,114.6
2.1.1	Sale of assets	86,076,764.5	41,833,472.8
2.1.2	Sale of intangible assets	3,053,935.2	0.0
2.1.3	Sale of investment assets	40,936,017.0	2,478,545.6
2.1.4	Sale of investment subsidiary company	0.0	0.0
2.1.5	Sale of other long-term investments	0.0	0.0
2.1.6	Sale of loans and receivables are classified at amortized cost accounted investments	0.0	0.0
2.1.7	Sale of securities available for sale	1,518,798,414.0	295,755,277.1
2.1.8	Sale of securities held to the end of term	654,692,710.9	365,565,803.5
2.1.9	Dividends	0.0	0.0
2.1.10	Other cash inflow	227,488,369.0	177,279,015.6
2.2	Cash outflow (-)	(2,691,098,117.1)	(738,825,944.3)
2.2.1	Fixed assets acquired	181,822,895.3	108,694,415.9
2.2.2	Intangible assets acquired	27,856,592.1	10,453,948.4
2.2.3	Long-term investments disposed off	5,753,185.6	0.0
2.2.4	Subsidiary company	4,689,926.1	4,271,538.2
2.2.5	Loans and receivables are classified at amortized cost accounted investments	0.0	0.0
2.2.6	Purchase of available for sale securities	1,588,876,902.1	464,439,868.9
2.2.7	Purchase of securities held to the end of term	692,218,871.9	16,409,182.2
2.2.8	Purchase of other assets	0.0	0.0
2.2.9	Other outflows	189,879,744.0	134,556,990.7
2.3	CASH FLOW FROM INVESTING ACTIVITIES	(160,051,906.5)	144,086,170.3
3	CASH FLOW FROM FINANCING ACTIVITIES	***	***
3.1	Cash inflow (+)	4,158,536,043.6	1,792,965,079.9
3.1.1	Received other funding	2,822,912,720.6	1,683,828,439.2

Appendix No 1

3.1.2	Received derivative	0.0	0.0
3.1.3	Received share and equity securities	0.0	0.0
3.1.4	Donation	0.0	0.0
3.1.5	Others	1,335,623,323.0	109,136,640.7
3.2	Cash outflow (-)	(4,323,655,038.2)	(1,922,680,595.6)
3.2.1	Paid in other funding	3,092,822,144.6	1,701,595,742.1
3.2.2	Paid in derivative	0.0	0.0
3.2.3	Paid in leasing payables	0.0	0.0
3.2.4	Purchase securities	(17,042,601.5)	0.0
3.2.5	Dividends paid (-)	0.0	0.0
3.2.6	Others	1,247,875,495.1	221,084,853.5
3.3	NET CASH FLOW FROM FINANCING ACTIVITIES	(165,118,994.6)	(129,715,515.7)
4	Exchange difference	0.0	0.0
5	TOTAL NET CASH FLOW	1,364,823,389.6	(410,842,464.8)
6	BEGINNING BALANCE OF CASH END CASH EQUIVALENTS	2,502,344,099.4	3,867,167,489.0
7	ENDING BALANCE OF CASH AND CASH EQUIVALENTS	3,867,167,489.0	3,456,325,024.1

Company name: Trade and Development bank of Mongolia

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STATEMENT OF CHANGES IN EQUITY

*000 MNT

No	Equity indicators	Share capital	Share premium	Treasury shares	Revaluation reserves	Other reserves	Retained earnings	Total equity
	Balances at 2022.12.31	323,810,302.8	690.1	0.0	145,651,452.1	113,752,043.1	594,796,775.1	1,178,011,263.2
1	Impact of changes in accounting policies and error correction	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2	Corrected balance	323,810,302.8	690.1	0.0	145,651,452.1	113,752,043.1	594,796,775.1	1,178,011,263.2
3	Net profit, loss for the period	0.0	0.0	0.0	0.0	0.0	151,218,467.1	151,218,467.1
4	Other comprehensive income	0.0	0.0	0.0	0.0	32,409,622.0	25,620,309.2	58,029,931.2
5	Changes in equity	17,042,601.6	64,069,089.3	0.0	0.0	24,526,612.8	-24,526,612.8	81,111,690.9
6	Allocated dividends	0.0	0.0	0.0	0.0	0.0	-59,992,458.3	-59,992,458.3
7	Implemented amount of revaluation surplus	0.0	0.0	0.0	-2,172,038.9	0.0	2,172,038.9	0.0
	Balances at 2023.12.31	340,852,904.4	64,069,779.4	0.0	143,479,413.2	170,688,277.9	689,288,519.2	1,408,378,894.1
1	Impact of changes in accounting policies and error correction	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2	Corrected balance	340,852,904.4	64,069,779.4	0.0	143,479,413.2	170,688,277.9	689,288,519.2	1,408,378,894.1
3	Net profit, loss for the period	0.0	0.0	0.0	0.0	0.0	174,144,582.4	174,144,582.4
4	Other comprehensive income	0.0	0.0	0.0	-1,995,956.2	5,486,230.1	0.0	3,490,273.9
5	Changes in equity	0.0	0.0	0.0	0.0	-134,778,727.6	0.0	-134,778,727.6
6	Allocated dividends	0.0	0.0	0.0	0.0	0.0	-52,270,757.6	-52,270,757.6
7	Implemented amount of revaluation surplus	0.0	0.0	0.0	-2,180,261.0	0.0	2,180,261.0	0.0
	Balances at 2024.06.30	340,852,904.4	64,069,779.4	0.0	139,303,196.0	41,395,780.4	813,342,605.0	1,398,964,265.1

Corporate Governance

Aligned with policies, rules, regulations, and directives governing corporate governance, we conduct thorough and pragmatic governance evaluations. Our aim is to safeguard the interests of investors and customers, foster long-term value creation, and adapt beneficial domestic and international practices across the RGB and all bank units. By defining Bank’s strategic plan, organizational structure, and policies, we prioritize enhancing stakeholder value.

Shareholders information



The Investor Relations Program was approved by the RGB in order to provide equity to the shareholders. Furthermore, the full rights of the shareholders are included in the charter of the Company, which ensures equal and transparent access to information, regardless of the size of the holding.

Furthermore, detailed regulations outlined in the Company Law, as well as Banking Law of Mongolia and regulations sanctioned by relevant regulatory bodies protect the rights of all shareholders to receive information and vote on an equal basis. This approach not only delineates principles for equitable service and communication with each shareholder but also establishes an office under the RGB to efficiently engage with shareholders. This initiative supports organizational responsibility and governance, fosters trust and participation through relevant channels, and safeguards common interests, thus facilitating the expansion of stable and transparent communication.

Representative governing board (RGB)

TDB aims to maintain a creative and effective structure of the RGB with members who adequately meet the needs of diverse skills, knowledge, experience, conflicts of interest, independence, and gender balance, and are elected by the Shareholders’ Meeting.

List of Board members		
Name	Position	County of residence
Randolph Stanley Koppa	Chairman	United States of America
Erdenebileg Doljin	Director	Mongolia
Khurelbaatar Dambijav	Director	Mongolia
Yanjmaa Dagmid	Director	Mongolia
Enkhmend Avgaan	Director	Mongolia
Otgonbileg Demchigjav	Director	Mongolia
Bolormaa Jalbaa	Independent Director	Mongolia
Delgersaikhan	Independent Director	Mongolia
Narantuya Zagdkhuu	Independent Director	Mongolia

As Governing body of the company, RGB has a total of 9 members, 1/3 of which are independent members accordance to the charter of TDB. The adoption of the charter in compliance with the Company Law and Banking Law is the main guide for implementing the principles of good governance and ensuring the independence and participation of independent members in the decision-making of the RGB.

The authority of the member of the Board shall begin on his/her elected date and expire on the date of release. The ordinary and independent members of the Board shall meet the professional, educational, ethical and other requirements set forth in Banking Law, Company Law, other related laws, and legislations and the Charter. This represents TDB's Board members have decent work experience and the knowledge, skills, education, ethical and in terms of business reputation.

Board committees

In order to improve its operations and make decision-making more efficient and effective, the RGB has established Remuneration and Nomination Committee, Risk Management Committee and an Audit Committee, and independent members of the RGB are elected as the heads of these committees. Also Bank established Sustainability Committee within the Board in February 2024, pioneering in Mongolian financial sector to establish designated Committee with the purpose of supporting and advising Bank's usual business into sustainable and environmental practices and integrating sustainability goals into banking operations.

Committee name	Chair of committee	Members
Remuneration and Nomination Committee	Mrs. Bolormaa. J Independent director	Mrs. Narantuya. Z Independent director Mrs. Yanjmaa. D Director
Audit committee	Mr. Delgersaikhan. J Independent director	Mrs. Bolormaa. J Independent director Ms. Otgonbileg. D Director
Risk Management Committee	Independent director	Mr. Delgersaikhan. J Independent director Randolph Koppa Chairman

Remuneration and Nomination Committee

Committee consists of 3 members who have rights and duties to support the effective performance of the RGBs' supervision and management, 2/3 or 2 members are independent members. The committee is responsible for reviewing the composition of the RGB, selecting and evaluating members, nominating executive management and management level directors, evaluating and reporting on the activities of RGB, determining the amount and policy of their remuneration and incentives, Bank's structure, organization and governance.

Risk Management Committee

Committee has 3 members and is chaired by an independent member of the Representative Governing Board according to Banking Law. It is a direction committee to support the implementation of the recommendations, standards, risk management systems and policies established by the Basel Committee, Mongolian laws and regulations, regulators and international organizations, and to provide direction to the RGB. Independently covering a wide range of operations, and performs verification of risk protection, market and operational risks, and compliance implementation as well as evaluations and recommendations

Audit Committee

In order to ensure the independence of the internal audit, the Internal Audit Department works under the direct supervision of the Representative Governing Board and reports to the Audit Committee chaired by an independent member of the Board, which enables the independent implementation of the functions of the control. The Audit Committee is responsible for the management of the organization by providing accurate and factual information to Bank's shareholders, the RGB and other stakeholders, providing systematic opinions on Bank's governance, implementation of laws, ethical standards, financial reporting, internal control system, external and internal audit activities, with the aim of strengthening the good governance system at all organizational levels.