



**GOLOMT BANK**  
*Investing for a brighter future*

**GOLOMT BANK JSC 2023 SEMI-ANNUAL  
OPERATIONAL REPORT**

<i>Reporting period</i>	2023.01.01 – 2023.06.30	
<i>Issuer's information</i>	Company name:	Golomt Bank JSC
	Registration number:	2075377
	Official Address:	Head office of Golomt Bank, 5 Sukhbaatar square, 1 <sup>st</sup> Khoroo, Sukhbaatar district, Ulaanbaatar, Mongolia 15160
	Telephone:	1800-1646 (24/7) 7011-1646 (Extension number)
	Fax:	11-313155
	E-mail:	mail@golomtbank.com
	Website:	golomtbank.com
<i>Registered trading entity</i>	Mongolian stock exchange	
<i>Business sector</i>	Bank, financial sector	
<i>Number of shares outstanding</i>	808,657,306	
<i>The name of the specialist who prepared the report and the official who reviewed it</i>	The Report was prepared by: Nomunshur Otgon /Investment Manager/ The Report was reviewed by: Solongo Zalaa-Uul /Secretary of the Board of Directors/	
1	Semi-annual financial statements	
	The Balance sheet	Appendix No.1
	The Income Statement	
	Statement of Retained earnings	
	The Cash Flow statement	
2	Opinion of the Audit Committee of the Board of Directors, which discussed and approved the semi-annual financial statements	The Audit Committee of the Board of Directors has discussed and approved the 2023 semi-annual financial report of Golomt bank JSC at the Committee meeting held on 20 <sup>th</sup> of July, 2023.

3 Financial results, prudential ratios performance, effects of external and internal environment on Issuer's activities, off-balance sheet items

		<b>FINANCIAL STATEMENTS</b>			
		2023/06/30 (In millions of MNT)			
		<b>Balance sheet Items</b>			
3.1	Financial statements	<b>1. ASSETS</b>			
		1.1. Cash and cash equivalents	1,940,939		
		1.2. Deposits with other banks and financial institutions	1,429,907		
		1.3. Financial investments	853,523		
		1.3.1. Investments in subsidiary	-		
		1.4. Loans and advances to customers (net)	4,034,919		
		1.4.1. Performing loans	3,970,632		
		1.4.2. Non-performing loans	314,311		
		1.4.3. Deferred loan payments	(19,133)		
		1.4.4. Accrued interest receivables	32,649		
		1.4.5. Provision for loan impairment	(263,540)		
		1.5. Derivative financial assets	360,229		
		1.6. Other financial assets	14,884		
		1.7. Other non-financial assets	42,249		
		1.8. Premises and equipments	469,616		
		1.9. Investment properties	6,586		
		1.10. Assets for sale	13,475		
		1.11. Intangible assets	21,169		
			<b>Total assets</b>	<b>9,187,497</b>	
			<b>2. LIABILITIES</b>		
			2.1. Current accounts	2,928,038	
			2.2. Savings	3,116,731	
			2.3. Due to other banks and financial institutions	1,894,632	
			2.4. Other funds	277,255	
			2.5. Other liabilities	124,505	
				<b>Total liabilities</b>	<b>8,341,162</b>
			<b>3. EQUITY</b>		
			3.1. Share capital	202,164	
			3.2. Share premium	301,481	
			3.3. Treasury stock	-	
			3.4. Revaluation surplus	6,995	
	3.5. Retained earnings	333,333			
	3.6. Other components of equity	2,362			
		<b>Total equity</b>	<b>846,335</b>		
		<b>Total liabilities and equity</b>	<b>9,187,497</b>		
		<b>Off-balance items</b>			
		Contingencies and commitments (net)	1,183,877		

## INCOME STATEMENT

2023/06/30 (In millions of MNT)

Income statement Items		
<b>1.</b>	<b>Interest income</b>	<b>448,841</b>
1.1.	Balances with the Bank of Mongolia	12,818
1.2.	Due from other banks and financial institutions	12,037
1.3.	Investments in securities	85,579
1.4.	Loans and advances to customers	261,710
1.5.	Other	76,697
<b>2.</b>	<b>Interest expense</b>	<b>235,370</b>
2.1.	Customer accounts	8,735
2.2.	Savings	110,844
2.3.	Borrowed funds	38,090
2.4.	Securities	-
2.5.	Other	77,702
<b>3.</b>	<b>Net interest income</b>	<b>213,471</b>
4.	Provision expenses	5,609
<b>5.</b>	<b>Net interest income after provision</b>	<b>207,862</b>
<b>6.</b>	<b>Other income</b>	<b>109,627</b>
6.1.	Non-interest income	101,855
6.1.1.	Gains from trading in foreign currencies	53,034
6.1.2.	Gains from foreign currency exchange translation	-
6.1.3.	Fees and commission income	48,821
6.1.4.	Other non-interest income	-
6.2.	Other income	7,771
<b>7.</b>	<b>Other expense</b>	<b>221,385</b>
7.1.	Non-interest expense	219,878
7.1.1.	Other provision expense	14,507
7.1.2.	Losses from trading in foreign currencies	-
7.1.3.	Losses from foreign currency exchange translation	86,442
7.1.4.	Fees and commission expense	26,371
7.1.5.	Other operating expense	92,557
7.2.	Other expense	1,508
<b>8.</b>	<b>Profit before tax</b>	<b>96,104</b>
9.	Income tax expense	17,868
<b>10.</b>	<b>Profit after tax</b>	<b>78,236</b>
<b>11.</b>	<b>Other comprehensive income</b>	<b>39,828</b>
<b>12.</b>	<b>Total comprehensive income</b>	<b>118,064</b>

		Ratios	Requirement	Actual
3.2.	Prudential ratios by the Bank of Mongolia	Tier 1 capital ratio	>9%+4% conservation buffer	16.30%
		Capital adequacy ratio	>12%	16.30%
		Liquidity ratio	>25%	33.33%
		Single foreign currency open position ratio	<±15%	-8.12%
		Total foreign currency open position ratio	<±30%	-18.75%
3.3.	Effects of external and internal environment on Issuer's activities:	<p>The amount of funds and loans disbursed are budgeted in accordance with the macroeconomic situation. In the last year, due to external and internal policy and impact, liquidity in the domestic market has plunged significantly. Since the March 2022 FOMC meeting, the US Federal Reserve rate has hiked 10 times in the first half of 2023 to a total of 4.25 percent. As a result of this phenomenon, outflows of money increased. Thus, the Bank of Mongolia has tightened the policy interest rate in line with the Federal Reserve policy, and is following a strict monetary policy from the beginning of 2022 to the first half of 2023. Funding costs have increased in line with the external and domestic environment, and the Bank's products have undergone the following changes.</p> <ul style="list-style-type: none"> <li>• Introduced new flexible savings and investment savings products for financial institutions</li> <li>• Increased the interest rate on local currency and foreign currency deposits, and started providing bonus interest to loyal customers of the bank</li> <li>• Introduced new overnight and day deposit products for financial institutions</li> <li>• Started to accruing interest on current accounts</li> <li>• Launched a forward trading product for gold customers</li> <li>• Wealth management consulting services were launched and investment savings products were introduced</li> <li>• Digital bank flexible deposit was introduced</li> <li>• The terms of the National Savings Product have been updated and re-introduced</li> </ul>		

### Credit-related commitments

To meet the financial needs of customers, the Bank enters into various irrevocable commitments and contingent liabilities. Even though these obligations may not be recognised on the statement of financial position, they do contain credit risk and are therefore part of the overall risk of the Bank. The primary purpose of these instruments is to ensure that funds are available to a customer as required. Guarantees, which represent irrevocable assurances that the Bank will make payments in the event that a customer cannot meet its obligations to third parties, carry the same credit risk as loans. Documentary and commercial letters of credit, which are written undertakings by the Bank on behalf of a customer authorising a third party to draw drafts on the Bank up to a stipulated amount under specific terms and conditions, are collateralised by the underlying shipments of goods to which they relate or cash deposits and therefore carry less risk than a direct borrowing.

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

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

<i>In thousands of Mongolian Tugriks</i>		<b>31 December 2022</b>
Financial guarantees issued		65,873,365
Performance guarantees issued		367,638,803
Letters of credit		188,950,744
Undrawn credit lines		491,435,260
<b>Total credit related commitments</b>		<b>1,113,898,172</b>
Less: Expected credit loss allowance for impairment of credit related commitments		(1,306,495)
<b>Total credit related commitments</b>		<b>1,112,591,678</b>

### Loans and other equivalent assets provided to related parties of the bank

Related parties		Category of assets	Balance	Share to capital
1	Loans and other equivalent asset provided to a related party (less than 5% of capital)			
1.1	Shareholder of the Bank	Loan, Credit line, Guarantee	34,727	4.10%
1.2	Key management personnel	Loan, Credit line, Guarantee	1,411	0.17%
1.3	Other related parties	Loan	40,023	4.73%
2	Total Loans and other equivalent asset provided to related parties (less than 20% of capital)			
2.1	Shareholder of a Bank	Receivable, Loan, Credit line, Guarantee	34,727	4.14%
2.2	Key management personnel	Loan, Credit line, Guarantee	7,128	0.84%
2.3	Other related parties	Loan, Credit line, Guarantee, Receivable, Shares	82,280	9.68%

5 Report on utilization of IPO funds Appendix No.2

**SHAREHOLDERS**

<b>№</b>	<b>Shareholders</b>	<b>Number of shares</b>	<b>Percentage</b>
1	Golomt Financial Group LLC /GFG/	624,240,527	77.20%
2	Swiss-Mo Investment AG	42,120,816	5.21%
3	Bodi International LLC	27,661,497	3.42%
4	Golomt Investment Ltd.	20,800,000	2.57%
5	Public	93,834,466	11.60%
	<b>Total</b>	<b>808,657,306</b>	<b>100%</b>

Golomt Financial Group LLC /GFG/	Golomt Financial Group LLC is a financial group holding company and the major shareholder of Golomt Bank. It holds equity investments in financial sector businesses (such as insurance and brokerage) and is solely owned by Mr. Bayasgalan Danzandorj, who is the ultimate beneficiary owner, one of the founders, former CEO and former Chairman of Golomt Bank.
Swiss-Mo Investment AG	Swiss-Mo Investments AG is a Swiss investment fund, holds equity interests in exchange, airports, airlines and hotel businesses. It is majority-owned by leading Swiss philanthropist, investor, Mr. Urs Ernst Schwarzenbach. In June 2011, it invested \$20 million, and holds 8.22% stake in Golomt bank.
Bodi International LLC	Bodi International LLC was established in 1993 with national investment and is one of the largest group companies. Today, the group manages more than 10 subsidiaries and affiliated companies, and operates successfully in the industries of real estate development, management, construction, energy, mining, and tourism.
Golomt Investment Ltd.	Golomt Investments Limited was established in 2014 as Bodi International LLC's subsidiary company. Bodi International LLC founded in 1993, operates successfully in the real estate development, management, construction, energy, mining and tourism sectors. It also manages more than 10 subsidiaries and affiliates.
Public	Golomt Bank officially started the primary market trading in November, 2022. Golomt Bank's IPO was recorded as the largest IPO in the history of the Mongolian Stock Exchange and in the shortest time to collect MNT 114.4 billion from the public, and it is openly traded on the Mongolian Stock Exchange.

**SHAREHOLDER'S MEETING****Extraordinary shareholder's meeting**

Extraordinary shareholder's meeting of Golomt Bank was held on February 2, 2023 at the Ballroom of Shangri-La Hotel with 90.96 percent attendance through combination of in-person, and online participation. The meeting addressed and approved the following matters:

Decisions:

1. Determination of share capital  
The number of shares of Golomt Bank was increased by 92,463,154 ordinary shares, totaling 808,657,306 shares issued to the public. The share capital amount was set at 202,164,326,500 MNT.
2. Approval of Bank's charter  
The charter of Golomt Bank JSC was approved based in the presentation at the shareholder's meeting
3. Appointment of Board of Directors  
The following nominees for regular and independent members of the Board of Directors were elected until the 2023 annual general meeting.  
*Regular member of Board of Directors:*  
Mrs. Munkhtsetseg Chultem;  
Mr. Unenbat Jigjid;  
Mr. Urs Ernst Schwarzenbach;

Mrs. Bolormaa Luvsandorj;  
Mr. Munkhtur Dagva;  
Mr. Ganjooloo Ochirpurev;

*Independent member of Board of Directors:*

Mr. James B.Dwyer;  
Mr. Antonio López Abelló;  
Mr. Alexander Picker;

## Annual general meeting

The annual general meeting of Golomt Bank was held on April 26, 2023, with 90.03 percent attendance, combining in-person and online participation. The meeting addressed and approved the following matters:

Decisions:

1. Board conclusion of the Bank's 2022 operational and financial report  
Shareholder's meeting approved the Board of Directors' opinion on Golomt Bank's operational and financial results for 2022, along with the audited financial statements.
2. Work report of the Board of Directors of 2022 and 2023 budget  
2023 budget of Board of Directors approved in accordance with the presentation presented at the shareholder's meeting.
3. Appointment of Board of Directors  
The following nominees who received the highest votes among the nominees for regular and independent members of the Board of Directors were elected until the 2025 annual general meeting.

*Regular member of Board of Directors:*

Mrs. Munkhtsetseg Chultem;  
Mr. Unenbat Jigjid;  
Mr. Urs Ernst Schwarzenbach;  
Mr. Munkhtur Dagva;  
Mr. Ganjooloo Ochirpurev

*Independent member of Board of Directors:*

Mr. James B.Dwyer;  
Mr. Antonio López Abelló;  
Mr. Alexander Picker;  
Mr. Robert W van Zwieten;

4. Approval of Shareholder's meeting Procedures, and Board of Directors' Procedures  
The Golomt Bank JSC shareholder's meeting procedure, Board of Directors' Procedures were approved in accordance with Appendix No.1 and Appendix No.2, respectively.

We have also presented and discussed following items during the meeting

1. Golomt Bank 2022 operational and financial report
2. 2022 audited financial results by independent auditor
3. Dividend distribution decision of the Board from net profit of 2022

## BOARD OF DIRECTORS



Mrs. Munkhtsetseg  
Chultem  
Chair of the Board  
of Directors



Mr. Urs Ernst  
Schwarzenbach  
Board member



Mr. Munkhtur  
Dagva  
Board member



Mr. Unenbat  
Jigjid  
Board member



Mr. Ganjooloo  
Ochirpurev  
Board member



Mr. James  
Bernard Dwyer  
Independent  
member



Mr. Antonio  
López Abelló  
Independent member



Mr. Alexander  
Picker  
Independent  
member



Mr. Robert W. van  
Zwieten  
Independent  
member










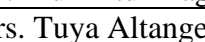


Mrs. Solongo  
Zalaa-Uul  
Secretary of the  
Board of  
Directors









Mrs. Tuya  
Altangerel  
Director of  
Internal Audit  
Division

**BOARD COMMITTEES:**

	<b>Members</b>	<b>Position</b>
Risk Management Committee	 Mr. James Bernard Dwyer*	Chair
	 Mr. Antonio López Abelló*	Member
	 Mr. Alexander Picker*	Member
	 Mrs. Munkhtsetseg Chultem	Member
	 Mr. Unenbat Jigjid	Member
	 Mrs. Solongo Zalaa-Uul	Secretary
Audit Committee	 Mr. James Bernard Dwyer*	Chair
	 Mr. Antonio López Abelló*	Member
	 Mr. Alexander Picker*	Member
	 Mrs. Munkhtsetseg Chultem	Member
	 Mr. Munkhtur Dagva	Member
	 Mrs. Tuyaa Altangerel	Secretary



Governance, Ethics, Remuneration Committee	 Mr. Antonio López Abelló*	Chair
	 Mr. James Bernard Dwyer*	Member
	 Mrs. Munkhtsetseg Chultem	Member
	 Mrs. Solongo Zala-Uul	Secretary
Nomination Committee	 Mr. Alexander Picker *	Chair
	 Mr. Robert W van Zwieten*	Member
	 Mrs. Munkhtsetseg Chultem	Member
	 Mrs. Solongo Zala-Uul	Secretary

*\*Independent member of Board of Directors*

## MANAGEMENT TEAM



Mr. Norihiko Kato  
Chief Executive Officer



Mr. Odonbaatar Amarzaya  
Deputy Chief Executive Officer



Mr. Ganbold Galsan  
President



Mr. Sainbileg Mandakh  
Chief Information Officer



Mrs. Munkhtuya Suren  
Director of Financial Management Division



Mr. Narankhuu Munkhbat  
Director of Credit Division



Mrs. Otgon Tolya  
Director of Risk Management Division



Mr. Sodbold Bolor  
Director of Treasury Management Division



Mrs. Baigalmaa Tserenjav  
Director of Retail Business Division



Mr. Myagmardorj Zanaabaatar  
Director of Corporate Banking Division



Mrs. Uyanga Ganbold  
Director of Human Resource Management Division



Mr. Ochirkhuyag Nariyakhuu  
Director of Marketing and PR Division



Mrs. Ganchimeg Altangerel  
Director of SME Banking Division



Mr. Purevbat Yondon  
Director of Operation Division



Mrs. Enkhzaya Bayrsaikhan  
Director of International Banking Division



Mr. Purevdorj Khalzan  
Director of Administration Division



Mr. Battengel Oidov  
Director of Information Technology Division



Mr. Nyamsuren Amgalan  
Director of Business Process Management Division

7 Reports and information related to Issuer’s governance

**Board meeting, decisions and resolutions**

During the first half of 2023, Golomt Bank's Board of Directors conducted 8 regular and special meetings, where a comprehensive range of 31 issues were discussed and 21 resolutions and decisions were approved. The resolutions and decisions adopted by the Board of Directors can be categorized as follows:

1. Strategy and Investment-related Resolutions:
  - A total of 10 strategic policy decisions were made, which were derived from thorough discussions held during both board meetings and committee meetings.
  - These decisions encompassed various areas, including strategy formulation, business plan development, and budgeting for the year 2023.
2. Internal Operations and Structural Improvements
  - A total of 11 decisions were reviewed and are currently being implemented to enhance internal operations and optimize the bank's structure.
3. Policy Documents, Regulations, and Governance Enhancements
  - The Board of Directors undertook the task of improving and updating 3 policies and procedures to enhance overall governance, ensuring compliance with regulatory requirements and best practices.

**Information transparency and Reporting**

As Golomt Bank has transitioned into an open joint-stock company, it has diligently upheld its commitment to public disclosure, strictly adhering to the regulations set forth by the regulatory bodies. The bank ensures that the public remains well-informed by making comprehensive reports readily accessible through the “Investor Relations” section of Golomt bank websites, thereby enabling all shareholders to access these reports individually.

- Audited financial report 2022
- Annual operation report 2022
- Report on utilization of IPO funds
- Dividend distribution report
- Decisions and resolutions of Annual general meetings and extraordinary general meetings of shareholders
- Corporate Governance Code Implementation report
- Sustainable Development Report/Environmental, Social, Governance (ESG) report
- Semi-Annual financial reports

Moreover, Golomt Bank has effectively organized annual general meeting and extraordinary general meeting of shareholders, in combination with online and in-person format enabling all shareholder’s participation. After each meeting, the resolutions and decisions reached are promptly communicated to the public.

To further enhance the transparency and strengthen its relationship with investors, we established “Investor Relations Unit”. This dedicated unit is consistently engaged in providing the necessary information to investors, facilitating a smooth flow of communication and ensuring transparent and accountable approach to disseminating information.

By proactively adopting these measures Golomt Bank JSC remains committed to maintaining the trust and confidence of its valued stakeholders.

Signature and Date of the Person Issuing and Confirming the Information:

Name: Mrs. Sologo Zalaa-Uul

Position: Secretary of the Board of Directors

Signature: .....

Submission date: 2023.07.17



**GOLOMT BANK JSC**  
**STATEMENT OF FINANCIAL POSITION**

**6/30/2023**

/in thousands of MNT/

<b>№</b>	<b>Balance sheet items</b>	<b>Opening Balance</b>	<b>Closing Balance</b>
<b>1</b>	<b>ASSETS</b>	<b>0.0</b>	<b>0.0</b>
1.1	<b>Cash and cash equivalents</b>	2,236,452,492.6	1,940,939,172.3
1.1.1	Cash on hand	101,014,386.6	109,770,022.9
1.1.2	Due from other banks and financial institutions	1,530,401,568.3	941,499,927.2
1.1.3	Cash equivalents	604,672,712.0	889,432,556.9
1.1.4	Accrued interest receivables	363,825.7	236,665.3
1.2	<b>Deposits with other banks and financial institutions</b>	1,435,169,647.9	1,429,907,443.1
1.2.1	Balances with the Bank of Mongolia	357,581,958.6	349,378,002.5
1.2.2	Due from other banks and financial institutions	1,076,702,695.9	1,077,418,799.3
1.2.3	Other assets	0.0	0.0
1.2.4	Accrued interest receivables	4,700,591.7	3,417,856.8
1.2.5	Credit loss allowance	-3,815,598.4	-307,215.5
1.3	<b>Financial investments</b>	648,091,787.7	853,522,535.2
1.3.1	Investment securities fair value through profit or loss	91,754,809.3	102,866,009.3
1.3.2	Investment securities available for sale	146,689,777.8	285,676,336.7
1.3.3	Investment securities held to maturity	153,265,925.5	210,291,346.2
1.3.4	Other securities classified as loans and receivables	0.0	0.0
1.3.5	Investments in subsidiary	0.0	0.0
1.3.6	Pledged securities	222,952,580.0	221,320,273.0
1.3.7	Accrued interest receivables	24,695,982.1	27,553,222.1
1.3.8	Credit loss allowance	8,732,713.1	5,815,347.9
1.4	<b>Loans and advances to customers (net)</b>	3,697,633,344.7	4,034,918,850.0
1.4.1	Performing loans	3,358,379,680.3	3,670,306,614.9
1.4.2	Special mention loans	221,222,460.3	300,325,717.7
1.4.3	Substandard loans	45,764,975.8	58,400,016.3
1.4.4	Doubtful loans	47,430,410.7	86,812,868.2
1.4.5	Loss loans	171,707,139.0	169,098,040.6
1.4.6	Deferred loan payments	-19,565,191.6	-19,133,451.0
1.4.7	Accrued interest receivables	71,844,229.3	32,648,546.8
1.4.8	Provision for loan impairment	-199,150,359.2	-263,539,503.4
1.5	<b>Derivative financial assets</b>	436,146,109.2	360,229,498.2
1.6	<b>Other financial assets</b>	53,204,362.7	14,884,014.5
1.6.1	Other financial assets	12,334,700.4	8,927,754.6
1.6.2	Receivables on cash and settlements services	13,812,625.8	146,841.6
1.6.3	Repossessed collaterals	6,146,251.5	0.0
1.6.4	Other	20,910,785.0	5,809,418.3
1.7	<b>Other non-financial assets</b>	288,581,708.6	42,248,922.9


1.7.1	Other prepayments	245,962,785.9	15,147,073.7
1.7.2	Inventory	4,470,902.4	5,487,577.6
1.7.3	Precious metals	160,633.1	7,392,415.0
1.7.4	Repossessed collaterals	37,045,069.6	12,675,256.0
1.7.5	Tax receivables	0.0	0.0
1.7.6	Deferred tax assets	0.0	307,613.4
1.7.7	Other	942,317.6	1,238,987.3
1.8	<b>Premises and equipments</b>	151,367,641.3	469,616,376.2
1.9	<b>Investment properties</b>	10,276,475.1	6,586,475.1
1.10	<b>Assets for sale</b>	6,687,574.6	13,474,915.4
1.11	<b>Intangible assets</b>	20,948,388.0	21,168,682.4
1.12	<b>Total assets</b>	8,984,559,532.3	9,187,496,885.3
2	<b>LIABILITIES</b>	0.0	0.0
2.1	<b>Current accounts</b>	2,701,602,797.6	2,928,038,411.3
2.1.1	Principle balance of current accounts	2,701,602,797.6	2,928,033,211.1
2.1.2	Accrued interest liabilities	0.0	5,200.2
2.2	<b>Savings</b>	2,917,007,681.1	3,116,730,821.9
2.2.1	Demand deposits	415,285,451.6	427,427,177.8
2.2.2	Term deposits	2,403,983,437.1	2,566,654,423.1
2.2.3	Other deposits	36,549,073.1	35,843,617.1
2.2.4	Accrued interest liabilities	61,189,719.4	86,805,603.8
2.3	<b>Due to other banks and financial institutions</b>	1,999,288,881.4	1,894,632,434.5
2.3.1	Placements of other banks	136,015,007.8	134,881,216.6
2.3.2	Borrowings from other banks and financial institutions	1,862,895,556.4	1,758,061,307.0
2.3.3	Deferred payments of due to other banks	-10,709,024.4	-10,147,735.6
2.3.4	Accrued interest liabilities	11,087,341.5	11,837,646.6
2.4	<b>Other funds</b>	306,165,446.8	277,255,102.6
2.4.1	Debt securities issued by bank	0.0	0.0
2.4.2	Issued securities of the bank	0.0	0.0
2.4.3	Borrowed funds under projects	33,351,388.2	32,539,638.1
2.4.4	REPO Arrangements	196,064,993.0	155,142,112.7
2.4.5	Co-financed borrowed funds	19,759,217.0	26,607,304.3
2.4.6	Other	41,292,200.0	50,288,031.2
2.4.7	Deferred payments of other funds	-16,572.3	-2,215.0
2.4.8	Accrued interest liabilities	15,714,221.0	12,680,231.3
2.5	<b>Derivative financial liabilities</b>	0.0	106,727.0
2.6	<b>Other financial liabilities</b>	127,001,773.2	78,647,633.5
2.7	<b>Other non-financial liabilities</b>	71,587,189.7	45,750,768.6
2.8	<b>Subordinary debts</b>	0.0	0.0
2.9	<b>Preferred shares (liabilities)</b>	0.0	0.0
2.10	<b>Total liabilities</b>	8,122,653,769.8	8,341,161,899.4
3	<b>EQUITY</b>	0.0	0.0
3.1	<b>Share capital</b>	202,164,326.5	202,164,326.5
3.1.1	Preferred shares	0.0	0.0
3.1.2	Ordinary shares	202,164,326.5	202,164,326.5
3.2	<b>Share premium</b>	301,481,120.0	301,481,120.0
3.3	<b>Treasury stock</b>	0.0	0.0

3.4	Revaluation reserve for premises	6,994,662.0	6,994,662.0
3.5	Retained earnings	283,420,820.9	333,332,734.6
3.6	Other components of equity	67,844,833.1	2,362,142.8
3.6.1	Share-based options	847,460.8	0.0
3.6.2	Reserves	66,997,372.3	351,195.9
3.6.3	Foreign currency translation reserves	0.0	0.0
3.6.4	Provision reserves	0.0	0.0
3.6.5	Social development reserves	0.0	0.0
3.6.6	Convertible securities (equity)	0.0	0.0
3.6.7	Convertible debts (equity)	0.0	0.0
3.6.8	Revaluation reserve for available for sale securities	0.0	0.0
3.6.9	Revaluation reserve for Hedge instrument	0.0	0.0
3.6.10	Other	0.0	2,010,946.9
3.7	Total equity	861,905,762.5	846,334,985.9
4	Total liabilities and equity	8,984,559,532.3	9,187,496,885.3

Chief Executive Officer

Director of Financial Management Division

Director of Accounting Policy and Controlling Department

Norihiko Kato 

Munkhtuya Suren 

Urantugs Sukhee 

**GOLOMT BANK JSC**  
**INCOME STATEMENT**

**6/30/2023**

/in thousands of MNT/

No	Income statement Items	Opening Balance	Closing Balance
1	<b>Interest income</b>	609,909,165.5	448,841,183.7
1.1	Balances with the Bank of Mongolia	20,131,191.9	12,817,758.6
1.2	Due from other banks and financial institutions	22,922,861.4	12,037,205.2
1.3	Investments in securities	98,909,162.9	85,578,634.2
1.4	Loans and advances to customers	454,067,741.8	261,710,479.2
1.5	Other	13,878,207.6	76,697,106.5
2	<b>Interest expense</b>	224,338,381.8	235,369,817.8
2.1	Customer accounts	0.0	8,734,596.2
2.2	Savings	163,358,682.3	110,843,528.6
2.3	Borrowed funds	57,326,436.8	38,089,590.5
2.4	Securities	0.0	0.0
2.5	Other	3,653,262.7	77,702,102.6
3	<b>Net interest income</b>	385,570,783.7	213,471,365.9
4	<b>Provision expenses</b>	49,549,713.1	5,608,896.0
4.1	Due from other banks	3,584,406.3	0.0
4.2	Securities	-4,181.5	0.0
4.3	Loans and advances to customers	45,969,488.3	5,608,896.0
5	<b>Net interest income after provision</b>	336,021,070.6	207,862,469.9
6	<b>Other income</b>	200,988,399.2	109,630,988.3
6.1	<b>Non-interest income</b>	196,807,806.2	101,859,522.7
6.1.1	Gains from trading in foreign currencies	69,242,251.2	53,038,254.9
6.1.2	Gains from foreign currency exchange translation	38,154,919.7	0.0
6.1.3	Fees and commission income	84,131,978.3	48,821,267.8
6.1.4	Other non-interest income	5,278,657.0	0.0
6.2	Other income	4,180,593.0	7,771,465.6
7	<b>Other expense</b>	343,211,486.1	221,389,553.0
7.1	<b>Non-interest expense</b>	324,385,375.7	219,881,994.3
7.1.1	Other provision expense	103,553,807.2	14,507,211.1
7.1.2	Losses from trading in foreign currencies	0.0	4,227.7
7.1.3	Losses from foreign currency exchange translation	10,071,182.7	86,442,229.1
7.1.4	Fees and commission expense	39,961,184.8	26,371,314.2
7.1.5	Other operating expense	170,799,200.9	92,557,012.2
7.2	Other expense	18,826,110.4	1,507,558.7
8	<b>Profit before tax</b>	193,797,983.7	96,103,905.2
9	Income tax expense	77,295,935.8	17,868,245.3
10	<b>Profit after tax</b>	116,502,048.0	78,235,659.9
11	Net income and expenses from discontinued operations	0.0	0.0
12	<b>Net profit and loss for the reporting period</b>	116,502,048.0	78,235,659.9
13	<b>Other comprehensive income</b>	-38,236,097.2	39,828,356.1
13.1	Increases and decreases in revaluation reserve for premises	0.0	0.0

13.2	Increases and decreases in revaluation reserve for securities Available for sale	-38,236,097.2	39,828,356.1
13.3	Increases and decreases in foreign currency translation and valuation funds	0.0	0.0
13.4	Increases and decreases in provision reserves	0.0	0.0
13.5	Other	0.0	0.0
14	<b>Total comprehensive income</b>	<b>78,265,950.7</b>	<b>118,064,016.0</b>

Chief Executive Officer

Norihiko Kato -2

Director of Financial Management Division

Munkhtuya Suren

Director of Accounting Policy and Controlling Department

Urantugs Sukhee

Official red stamp of the company with the text '9023051502' and '2075377'. Three handwritten signatures in blue ink are present over the stamp and the text below.



**GOLOMT BANK JSC**  
**STATEMENT OF CASH FLOWS**

МОНГОЛ УАС  
**6/30/2023**

/in thousands of MNT/

No	Items	Opening Balance	Closing Balance
1	<b>Cashflows from operating activities</b>	0.0	ГОЛОМТ БАНН 0.0
1.1	Profit before tax	193,797,983.7	96,103,905.2
1.2	<b>Adjustments to profit and losses:</b>	-224,600,159.8	СС -118,515,509.9
1.2.1	Credit loss allowance	144,244,638.5	-132,987,413.1
1.2.2	Depreciation and Amortisation expense	33,140,758.8	27,474,753.8
1.2.3	Foreign exchange translation gains less losses (other than Cash and cash equivalents)	-31,511,361.7	-78,245,279.8
1.2.4	Interest income	-609,909,165.5	40,235,787.1
1.2.5	Interest expense	224,338,381.8	23,337,400.0
1.2.6	Property and equipment written off	15,096,588.3	1,669,242.0
1.2.7	Other gains, losses	0.0	0.0
1.3	<b>Adjustments to Assets and liabilities:</b>	-503,593,415.2	252,535,677.7
1.3.1	(Increase) / decrease in due from other banks	-271,601,331.8	5,262,204.8
1.3.2	(Increase) / decrease in Investment Securities	12,248,807.9	-11,111,200.0
1.3.3	(Increase) / decrease in loans and advances	-567,177,199.6	-337,285,505.3
1.3.4	(Increase) / decrease in other financial assets	-79,911,039.4	114,236,959.2
1.3.5	(Increase) / decrease in other non-financial assets	26,387,569.9	223,578,946.4
1.3.6	Increase / decrease in customer account	284,574,135.7	426,158,754.5
1.3.7	Increase / decrease in due to banks	31,075,728.4	-75,928,611.5
1.3.8	Increase / decrease in to other financial liabilities	12,528,795.2	-66,539,449.4
1.3.9	Increase / decrease in to other non-financial liabilities	48,281,118.5	-25,836,421.0
1.4	<b>Other adjustments</b>	344,592,187.7	-232,734,429.7
1.4.1	Interest received	621,556,128.6	-205,625,905.5
1.4.2	Interest paid	-225,243,450.6	25,463,802.3
1.4.3	Tax paid	-51,720,490.3	-46,304,938.1
1.4.4	Written-off loans and receivables from provision for loan impairment	0.0	-6,267,388.4
1.4.5		0.0	0.0
1.5	<b>Net cash flows from operating activities</b>	-189,803,403.6	-2,610,356.8
2	<b>Cash flows from investing activities</b>	***	***
2.1	<b>Cash from investing activities</b>	8,163,689.5	39,087,832.0
2.1.1	Proceeds from disposal of premises and equipments	508,280.4	30,620,452.6
2.1.2	Proceeds from disposal of intangible assets	0.0	0.0
2.1.3	Proceeds from disposal of investment properties	7,516,430.4	0.0
2.1.4	Proceeds from disposal of investments in	0.0	0.0
2.1.5	Proceeds from disposal of other long term assets	0.0	0.0
2.1.6	Proceeds from disposal of investment securities classified as loans and receivables	0.0	0.0
2.1.7	Proceeds from disposal of investment securities available for sale	138,978.8	0.0
2.1.8	Proceeds from disposal of investment securities held to maturity	0.0	8,430,007.1

2.1.9	Dividends received	0.0	37,372.3
2.1.10	Other	0.0	0.0
2.2	<b>Cash used in investing activities</b>	<b>-372,564,556.3</b>	<b>-317,586,079.3</b>
2.2.1	Acquisition of premises and equipments	21,121,361.5	120,349,166.6
2.2.2	Acquisition of intangible asset	9,162,995.2	0.0
2.2.3	Acquisition of investment properties	0.0	0.0
2.2.4	Acquisition of investments in subsidiary	0.0	0.0
2.2.5	Acquisition of investment securities classified as loans and receivables	0.0	0.0
2.2.6	Acquisition of investment securities available for sale	112,280,199.6	138,986,558.9
2.2.7	Acquisition of investment securities held to	0.0	58,250,353.7
2.2.8	Prepayment for non-current assets	230,000,000.0	0.0
2.2.9	Other	0.0	0.0
2.3	<b>Net cashflows from investing activities</b>	<b>-364,400,866.7</b>	<b>-278,498,247.3</b>
3	<b>Cashflows from financing activities</b>	<b>***</b>	<b>***</b>
3.1	<b>Cash from financing activities</b>	<b>1,790,656,881.8</b>	<b>2,097,800.4</b>
3.1.1	Proceeds from drawdown of other borrowed funds	1,201,130,205.5	2,097,800.4
3.1.2	Proceeds from subordinated loans	0.0	0.0
3.1.3	Proceeds from issuance of shares	165,315,152.9	0.0
3.1.4	Donations	0.0	0.0
3.1.5	Other	424,211,523.4	0.0
3.2	<b>Cash used in financing activities</b>	<b>-1,461,515,119.8</b>	<b>-100,168,845.3</b>
3.2.1	Repayment of other borrowed funds	970,908,033.2	59,735,980.0
3.2.2	Repayment of subordinated loans	0.0	0.0
3.2.3	Repayment of principal of lease liabilities	5,758,791.2	0.0
3.2.4	Acquisition of treasury shares	30,659,700.0	0.0
3.2.5	Dividends paid	555,405.5	40,432,865.3
3.2.6	Other	453,633,189.9	0.0
3.3	<b>Net cashflows from financing activities</b>	<b>329,141,762.0</b>	<b>-98,071,044.9</b>
4	Effect of exchange rate changes on cash and cash equivalents	84,779,711.9	83,666,328.7
5	<b>Net increase/(decrease) in cash and cash equivalent</b>	<b>-140,282,796.5</b>	<b>-295,513,320.2</b>
6	<b>Cash and cash equivalents at the beginning of the period</b>	<b>2,376,735,289.1</b>	<b>2,236,452,492.6</b>
7	<b>Cash and cash equivalents at the end of the period</b>	<b>2,236,452,492.6</b>	<b>1,940,939,172.3</b>

Chief Executive Officer

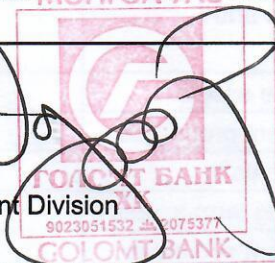
Director of Financial Management Division

Director of Accounting Policy and Controlling Department

Norihiko Kato

Munkhtuya Suren

Urantugs Sukhee



## STATEMENT OF CHANGES IN EQUITY

/in thousands of MN

No	Items	Share capital	Share premium	Treasury shares	Revaluation reserve for premises	Other components of equity	Retained earnings	Total equity
8	Balance at 1 January 2022	194,739,048.0	165,365,193.9	-9,712,800.0	7,245,102.6	46,880,543.3	191,515,845.6	596,032,933
1	Changes in Accounting policy	0.0	4,120,850.0	0.0	0.0	7,588,033.7	50,920,206.9	62,629,090
2	Adjusted balance	194,739,048.0	169,486,043.9	-9,712,800.0	7,245,102.6	54,468,577.1	242,436,052.6	658,662,024
3	Profit for the year	0.0	0.0	0.0	0.0	0.0	100,473,571.2	100,473,571
4	Other comprehensive income	0.0	0.0	0.0	0.0	2,647,040.6	-3,065,728.6	-418,688
5	Changes in Equity	7,425,278.5	131,995,076.1	9,712,800.0	0.0	-31,992,619.2	-31,564,907.5	85,575,627
6	Dividends declared and paid	0.0	0.0	0.0	0.0	0.0	-555,405.5	-555,405
7	Transfer of revaluation surplus on premises	0.0	0.0	0.0	-250,440.6	0.0	250,440.6	0
8	Balance at 31 December 2022	202,164,326.5	301,481,120.0	0.0	6,994,662.0	25,122,998.5	307,974,022.8	843,737,129
1	Changes in Accounting policy	0.0	0.0	0.0	0.0	42,721,834.6	-24,553,201.8	18,168,632
2	Adjusted balance	202,164,326.5	301,481,120.0	0.0	6,994,662.0	67,844,833.1	283,420,820.9	861,905,762
3	Profit for the year	0.0	0.0	0.0	0.0	0.0	78,235,659.9	78,235,659
4	Other comprehensive income	0.0	0.0	0.0	0.0	37,817,409.3	0.0	37,817,409
5	Changes in Equity	0.0	0.0	0.0	0.0	-103,300,099.6	12,109,119.0	-91,190,980
6	Dividends declared and paid	0.0	0.0	0.0	0.0	0.0	-40,432,865.3	-40,432,865
7	Transfer of revaluation surplus on premises	0.0	0.0	0.0	0.0	0.0	0.0	0
8	Balance at 30 June 2023	202,164,326.5	301,481,120.0	0.0	6,994,662.0	2,362,142.8	333,332,734.6	846,334,985

Chief Executive Officer

Director of Financial Management Division

Director of Accounting Policy and Controlling Department

Norihiro Kato

Munkhtuya Suren

Urantugs Sukhee

# REPORT ON UTILIZATION OF IPO FUNDS BY “GOLOMT BANK” JSC

/As of Jun 30, 2023/

## IPO fund utilization plan

The issuer plans to finance the bank loan with the net amount, which deducts direct costs from the MNT 103,317,524,755, to be collected through the offering of shares to the public and the utilization plan includes the following :

- Direct expenses related to the issuance of securities will be covered using the collected funds;
- By increasing the bank's equity, the capital adequacy ratio will improve. This will allow for an expansion of risk-weighted assets or the loan portfolio by over MNT 790 billion. The expansion plan will serve as the primary foundation for achieving sustainable business growth in the future.

## IPO fund utilization

Golomt Bank offered 10.09 percent of its shares equivalent to 80,402,743 shares, to the public at a price of MNT 1,285 per share from November 23, 2022 to November 30, 2022. Due to high subscription demands, an additional 12,060,411 shares, equivalent to 15 percent of the shares offered were issued. Total MNT 118,815,152,890 (11.43 percent of the total shares) was successfully raised from the public.

The utilization of the collected funds amounting to MNT 118,815,152,890 as follows:

### 1. Direct issuance cost: MNT 2.1 billion

On 8 December 2022, a total of MNT 118,815,152,890 was raised from the public through the Securities Central Savings Center with the permission of the Financial Regulatory Commission No. 1/4659 dated 6 December 2022. After deducting MNT 2,103,028,206 to cover the cost of issuing securities in accordance with IFRS and netting the corporate income tax, the bank's equity was increased by MNT 116,712,124,684.

### 2. Loan disbursement: MNT 63.2 billion

#### Capital adequacy indicators /BOM based/

Indicators (mln MNT)	11/30/2022	12/31/2022	30/06/2023	Difference (6/30/2023-11/30/2022)	
Tier-1 capital	673,839	811,978	837,329	163,491	24%
Total capital	673,839	811,978	837,329	163,491	24%
Risk weighted assets	4,600,320	4,601,535	5,136,318	535,998	12%
Tier-1 ratio (>9.0% buffer 4.0%)	14.65%	17.65%	16.30%	1.65%	
Capital adequacy ratio (>12.0%)	14.65%	17.65%	16.30%	1.65%	

Based on the bank's Capital Adequacy Ratio (CAR) indicators the total equity of the bank increased by MNT 163.5 billion or 24 percent, reaching MNT 837.3 billion compared to November 30, 2022. This increase in equity resulted in a 1.65 percentage point improvement in the capital adequacy ratio, enhancing the bank's risk weighted capacity and allowing for an increase in the loan portfolio.

The bank disbursed a total worth of MNT 4,251.6 billion in loans to customers between 2022/12/09 and 2023/06/30. According to the "Regulation on setting and monitoring prudential ratios of banking operation", a minimum of 13% of the risky assets shall be financed through equity. 11.43 percent of the total equity capital was collected through IPO, MNT 63.2 billion of the loan granted since then were financed with IPO fund.

According to the plan, total of MNT 63.2 billion in loans were financed from the raised fund as follows:

- Business loans for large enterprises - MNT 23.6 billion /37.3 percent/
- Business loans for SME - MNT 16.4 billion MNT /26.0 percent/
- Consumer loans - MNT 13.1 billion /20.7 percent/
- Mortgage loans - MNT 10.1 billion /16.0 percent/

### 3. Unutilized funds: MNT 53.5 billion

The remaining MNT 53.5 billion, which has not been utilized, has been placed in the securities issued by the Bank of Mongolia. According to the plan, these funds will be disbursed as loans in the future.