
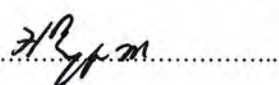


Semi-annual and quarterly operational reports /Form 2/					
<i>Article 20 of the Securities Market Law stipulates the ongoing obligations of the issuer, and the issuer is responsible for submitting quarterly and semi-annual operational reports to the Financial Regulatory Commission and the exchange in accordance with the below form, and shall disclose to the public through its website.</i>					
<i>Reporting period</i>		From January 1 st 2023 to June 30 th 2023			
<i>Issuer's name, state registration certificate number, securities symbol, phone number</i>		Issuer's name: Trade and Development bank ("TDB" or "Bank") SRCN: 9016001006 Securities symbol: MN00TDB05673 Phone number: 11328227			
<i>Name of listed exchange</i>		Mongolian stock exchange			
<i>Sector of business operation</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 report</i>		Prepared by: Sainbayar L – Public relations specialist, Office of RGB Reviewed by: Nyamsuren N – Secretary of Board of Directors			
1.	<i>The semi-annual and quarterly financial reports /fill out the summary report indicators and attach the financial statement/</i>				
	<i>Balance sheet</i>	<i>Appendix No.1 – Financial statement</i>			
	<i>Income statement</i>				
	<i>Statements of retained earnings</i>				
	<i>Cash flow statement</i>				
2. <i>The audit committee opinion on the semi-annual and quarterly financial statements, which was reviewed and confirmed by board audit committee</i>					
<i>Appendix No.2 -Audit committee report</i>					
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>		<i>Appendix No.1 – Financial statement</i>			
3.2.	<i>Liquidity ratios and financial resources</i>	№	Ratios	Required	TDB
		1	Tier 1 capital ratio	>9%	16.73%
		2	Capital adequacy ratio	>12%	16.73%
		3	Liquidity ratio	>25%	40.94%
		4	Single foreign currency ratio	<+/-15%	-10.98%
		5	Total foreign currency open position ratio	<+/-30	-17.03%
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>Although the inflation rate is likely to decline as of the first half of 2023, it is still higher than the target level. Moreover, the fact that the Bank of Mongolia's policy rate remained stable and did not decrease during the reporting period made it possible to keep the interest rates of the TDB's deposits and loan products and services at a stable level.</p> <p>Due to the improvement of the border and customs situation and the increase in the export of mining and mineral products, GDP increased by 7.9%, the value added in mining & quarrying industry increased by 49.6%, and the value-added in-service industry increased by 7.1% as of the first quarter.</p>			

		<p>In accordance with the growth of the sectors mentioned above and the changes in the behavior, demand, and needs of TDB's customers, we launched the following products and services with flexible terms to the market in the first half of 2023:</p> <ol style="list-style-type: none"> 1. Credit line product for transportation financing; 2. Credit line product secured by the receivables of chain stores; 3. Loan product secured by tender contracts; 4. Corporate savings product with the option to make withdrawals; 5. "Soft POS" payment solution for payment receipt through Android mobile phones; 6. Platinum package for VIP and Premier customers. <p>In order to meet the needs of our customers and increase customer satisfaction, we are continuing to implement the following national campaigns:</p> <ol style="list-style-type: none"> 1. The "Britto" loyalty ecosystem has been successfully built and the scope is being further expanded. 2. We are successfully implementing the "Mongolian with savings" campaign. In addition to supporting the financial education of our citizens, we are continuously increasing our current account and savings market share. <p>We increased our employees' salaries by 25% in the reporting period in accordance with our internal policies, such as improving the satisfaction of our employees, reducing turnover rate, attracting highly qualified applicants, and external factors such as the increase in the minimum wage.</p>																																													
3.4.	<i>Details of off-balance sheet transactions and information on accounting policies</i>	<i>Appendix No.1 – Financial statement</i>																																													
4.	<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>Board issued Resolution No.10 in 2023 to implement Trade and Development Bank's Procedures for conflicts of interest and major transaction.</p> <p>There was no major transaction made as defined in Company law Article 87, Section 87.1, June 30th, 2023</p> <p style="text-align: right;">(million MNT)</p> <table border="1" data-bbox="256 1283 1440 1535"> <thead> <tr> <th></th> <th>Related parties</th> <th>Asset category</th> <th>Outstanding</th> <th>Share to capital</th> </tr> </thead> <tbody> <tr> <td>1.</td> <td colspan="4">Loans and other equivalent asset provided to a related party (less than 5% of capital)</td> </tr> <tr> <td>1.1.</td> <td>Shareholder of the Banks</td> <td>Loan, receivable</td> <td>14,126.68</td> <td>1.12%</td> </tr> <tr> <td>1.2.</td> <td>Authorised officers of bank</td> <td>Loan</td> <td>635.4</td> <td>0.05%</td> </tr> <tr> <td>1.3.</td> <td>Other related parties</td> <td>Receivable</td> <td>36,577.3</td> <td>2.91%</td> </tr> <tr> <td>2.</td> <td colspan="4">Total loans and other equivalent asset provided to related parties (less than 5% of capital)</td> </tr> <tr> <td>2.1.</td> <td>Shareholders of bank</td> <td>Loan, receivable</td> <td>14,152.7</td> <td>1.13%</td> </tr> <tr> <td>2.2.</td> <td>Authorized officers of bank</td> <td>Loan, receivable</td> <td>7,856.9</td> <td>0.62%</td> </tr> <tr> <td>2.3.</td> <td>Other related parties</td> <td>Loan, other assters</td> <td>101,815.1</td> <td>8.10%</td> </tr> </tbody> </table>			Related parties	Asset category	Outstanding	Share to capital	1.	Loans and other equivalent asset provided to a related party (less than 5% of capital)				1.1.	Shareholder of the Banks	Loan, receivable	14,126.68	1.12%	1.2.	Authorised officers of bank	Loan	635.4	0.05%	1.3.	Other related parties	Receivable	36,577.3	2.91%	2.	Total loans and other equivalent asset provided to related parties (less than 5% of capital)				2.1.	Shareholders of bank	Loan, receivable	14,152.7	1.13%	2.2.	Authorized officers of bank	Loan, receivable	7,856.9	0.62%	2.3.	Other related parties	Loan, other assters	101,815.1	8.10%
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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 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 TDB'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 TDB's offerings are expected to be allocated towards following business segments:</p> <p>I. Corporate segment: 50.0%</p>																																														

II. SMB segment: 20.0%	
III. Retail segment: 30.0%	
NET PROCEEDS FROM TDB'S IPO:	MNT 83,500,000,000.00
- From which the amount to be allocated to Corporate segment	MNT 41,750,000,000.00
- From which the amount to be allocated to SMB segment	MNT 16,700,000,000.00
- From which the amount to be allocated to Retail segment	MNT 25,050,000,000.00
TOTAL AMOUNT OF ISSUED LOANS:	MNT 4,000,803,405.00
TOTAL IPO UTILIZATION PERCENTAGE:	4.79%
6. <i>Information related to corporate governance</i>	
<i>Appendix No.3</i>	
7. <i>Reports and information related to issuer governance</i>	
<p>In accordance with the Procedure for monitoring the implementation of the principles of good governance of banks approved in 2014 and revised in 2022 by the order of the President of the Bank of Mongolia, the report on the implementation of the principles of good governance is submitted every year within the period specified in the regulations.</p> <p>The bank successfully issued IPO offering in May, 2023, and listed in stock exchange. Due to changing legal entity, bank has been working on issuer's governance reports required by Corporate Governance code and related laws.</p> <p>Signature of the person who prepared the information, the person who confirmed the accuracy of the information and the date:</p>	
<p>Full name: ORKHON Onon</p> <p>Position: Chief Executive Officer</p> <p>Signature: </p>	
<p>Signature of the person who prepared and submitted the information and the date:</p> <p>Full name: NYAMSUREN Navaansharav</p> <p>Position: Secretary of Board of Directors</p> <p>Signature: </p>	
Submission date: June 20, 2023	

STATEMENT OF FINANCIAL POSITION (in compliance with IFRS)

Trade & Development Bank of Mongolia

MNT

2023-06-30

Balance sheet items		Beginning balance	Ending balance
1		ASSETS	
1.1	Cash and cash equivalents	2,502,344,099,431.28	2,130,121,573,546.89
1.1.1	Cash on hand	69,650,934,201.63	79,750,872,880.08
1.1.2	Deposits and placements with banks and other financial institutions (with maturity up to 3 months)	1,628,052,199,065.49	1,414,944,848,007.88
1.1.3	Cash equivalents	803,738,290,340.00	634,074,582,360.00
1.1.4	Accrued interest receivables	902,675,824.16	1,351,270,298.93
1.2	Deposits and placements with banks and other financial institutions	824,669,125,176.26	1,031,788,063,059.42
1.2.1	Balances with Bank of Mongolia	824,674,621,788.64	1,032,042,376,093.73
1.2.2	Deposits and placements with banks and other financial institutions	0.00	0.00
1.2.3	Other assets	0.00	0.00
1.2.4	Accrued interest receivables	0.00	0.00
1.2.5	Provision for impairment losses	-5,496,612.38	(254,313,034.31)
1.3	Investment securities	867,097,978,000.66	976,339,072,836.17
1.3.1	Trading investment securities	0.00	0.00
1.3.2	Available-for-sale investment securities	595,449,655,705.47	809,297,714,075.42
1.3.3	Held-to-maturity investment securities	232,438,594,497.59	127,474,916,053.57
1.3.4	Other securities classified as loans and advances	0.00	0.00
1.3.5	Investment in associates, subsidiaries and joint ventures	924,684,764.16	924,684,764.16
1.3.6	Pledged investment securities	0.00	0.00
1.3.7	Accrued interest receivables	38,463,394,791.31	38,820,109,700.89
1.3.8	Provision for impairment losses	-178,351,757.86	(178,351,757.87)
1.4	Loans and advances, net	4,137,182,398,303.64	4,263,733,044,191.08
1.4.1	Performing loans	3,269,634,366,576.30	3,541,463,507,224.23
1.4.2	Past due loans	389,330,610,135.91	509,781,533,633.28
1.4.3	Substandard loans	234,342,458,149.18	86,741,872,831.84
1.4.4	Doubtful loans	122,239,041,001.57	120,089,790,537.00
1.4.5	Bad loans	401,534,832,757.50	398,145,965,713.07
1.4.6	Deferred loan payments	-5,366,852,249.74	(3,998,791,548.85)
1.4.7	Accrued interest receivables	206,152,768,090.85	185,430,496,372.07
1.4.8	Reserve for probable loan losses	-480,684,826,157.92	(573,921,330,571.56)
1.5	Derivative financial instruments	265,374,430,565.84	204,929,361,147.49
1.6	Other financial assets	94,564,467,820.68	199,309,440,496.05
1.6.1	Receivables, net	74,836,122,649.33	187,563,356,628.37
1.6.2	Bank, interbranch settlements	17,526,441,858.10	9,359,144,749.04
1.6.3	Foreclosed other assets (net)	0.00	0.00
1.6.4	Other	2,201,903,313.25	2,386,939,118.64
1.7	Other non-financial assets	371,386,092,429.63	175,210,141,472.61
1.7.1	Other settlements	88,304,812,485.50	153,930,373,254.24
1.7.2	Inventory	4,169,502,941.87	8,851,736,492.31
1.7.3	Precious metals, net	84,657,012.16	84,657,012.16
1.7.4	Foreclosed other assets (net)	277,158,336,091.84	10,674,808,005.64
1.7.5	Income tax receivables	1,668,553,898.26	1,668,553,898.26
1.7.6	Deferred income tax asset	0.00	0.00
1.7.7	Other	230,000.00	12,810.00
1.8	Property and equipment, net	470,625,143,361.77	491,943,807,209.73
1.9	Investment properties	95,446,888,526.80	53,885,882,312.12
1.10	Held-for-sale assets	24,665,717,178.60	218,076,661,817.21
1.11	Intangible assets, net	1,421,360,723.96	27,011,707,627.44
1.12	Total assets	9,654,777,701,519.11	9,772,348,755,716.21
2		LIABILITY	
2.1	Current accounts	2,371,545,871,657.60	2,142,368,645,417.78
2.1.1	Current accounts	2,371,545,871,657.60	2,142,367,191,948.21
2.1.2	Accrued interest payables	0.00	1,453,469.58
2.2	Deposits	3,662,819,621,530.35	4,266,416,541,155.85
2.2.1	Savings deposits	441,741,502,836.94	511,415,415,430.08
2.2.2	Time deposits	3,141,701,009,476.26	3,642,615,981,104.19
2.2.3	Other deposits	4,602,284,000.00	3,419,784,958.90
2.2.4	Accrued interest payables	74,774,825,217.15	108,965,359,662.68
2.3	Deposits and placements of banks and other financial institutions	1,528,012,863,182.44	1,481,631,584,924.42
2.3.1	Deposits and placements of banks and other financial institutions	150,381,039,017.07	448,115,360,395.70
2.3.2	Borrowings	1,366,588,634,764.26	1,006,201,637,451.57
2.3.3	Deferred liabilities	-1,369,376,889.63	(480,499,106.80)
2.3.4	Accrued interest payables	12,412,566,290.74	27,795,086,183.95
2.4	Other liabilities	413,687,269,204.75	336,556,354,997.14
2.4.1	Debt securities issued	0.00	0.00
2.4.2	Bonds in issue	0.00	0.00
2.4.3	Project loan financing	42,050,781,565.82	43,204,862,592.49
2.4.4	Bills sold under repurchase agreements	290,051,220,309.13	147,069,151,230.46

2.4.5	Syndicated loans sources	0.00	0.00
2.4.6	Other	54,731,557,209.62	132,995,954,043.82
2.4.7	Deferred payments of other liabilities	0.00	0.00
2.4.8	Accrued interest payables	26,853,710,120.18	13,286,387,130.36
2.5	Derivative financial liabilities	166,203,537,135.51	163,274,312,997.81
2.6	Financial other liabilities	269,119,781,275.73	91,236,756,736.99
2.7	Non-financial other liabilities	65,377,494,374.14	33,490,180,924.27
2.8	Subordinated debt	0.00	0.00
2.9	Preferred stock (liabilities)	0.00	0.00
	Total Liabilities	8,476,766,438,360.53	8,514,974,377,154.25
3	Shareholders' equity		
3.1	Issued capital	323,810,302,838.88	340,852,904,364.70
3.1.1	Preferred stock	0.00	0.00
3.1.2	Common stock	323,810,302,838.88	340,852,904,364.70
3.2	Share premium	690,110.71	66,449,639,584.89
3.3	Treasury stock	0.00	0.00
3.4	Revaluation reserves	145,651,452,069.67	143,489,899,896.12
3.5	Retained earnings	594,796,775,055.85	689,087,988,958.95
3.6	Other equity	113,752,043,083.00	17,493,945,756.97
3.6.1	Share options	0.00	0.00
3.6.2	Reserves fund	494,515,551.61	494,515,551.61
3.6.3	Foreign currency exchange translation and valuation fund	0.00	0.00
3.6.4	Fund for loss allowances	110,252,114,872.91	0.00
3.6.5	Fund for social development	0.00	0.00
3.6.6	Convertible liabilities	0.00	0.00
3.6.7	Stock-backed loans	0.00	0.00
3.6.8	Other	3,005,412,658.48	16,999,430,205.36
3.7	Total equity	1,178,011,263,158.11	1,257,374,378,561.63
4	TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	9,654,777,701,518.63	9,772,348,755,715.88

EXECUTIVE DIRECTOR

DIRECTOR OF FMCD

FINANCIAL ANALYST



Egpa

O.ORKHON

D.ENKHTUYA

E.BADRAL

INCOME STATEMENT

Trade & Development Bank of Mongolia

2023/06/30

MNT

	Income statement items	Beginning balance	Ending balance
1	Interest income	674,078,052,010.72	341,849,943,136.40
1.1	Balances with the Bank of Mongolia	13,062,605,915.29	18,776,257,772.09
1.2	Due from other banks and financial institutions	9,518,807,248.07	11,475,757,150.44
1.3	Investments in securities	164,106,503,309.78	91,438,912,270.26
1.4	Loans and advances	487,390,135,537.58	220,159,015,943.61
1.5	Other	(0.00)	0.00
2	Interest expense	354,478,115,513.16	221,086,542,822.29
2.1	Current accounts	(0.55)	18,163,026,144.05
2.2	Savings	233,907,353,715.81	156,298,600,780.66
2.3	Borrowings	93,257,108,850.22	38,390,813,430.26
2.4	Securities	26,148,459,157.28	8,205,902,420.89
2.5	Others	1,165,193,790.39	28,200,046.43
3	Net interest income [(1)-(2)]	319,599,936,497.57	120,763,400,314.11
4	Provision expenses	24,768,699,401.56	57,784,973,729.38
4.1	Deposits and placements with banks and other financial institutions	0.00	0.00
4.2	Investment securities	0.00	0.00
4.3	Loans and advances	24,768,699,401.56	57,784,973,729.38
5	Net interest income after provision [(3)-(4)]	294,831,237,096.01	62,978,426,584.73
6	Other income	273,943,000,458.73	162,414,630,252.97
6.1	Non-interest income	277,449,216,903.22	160,701,053,153.49
6.1.1	Trading income	49,010,057,330.24	23,180,560,205.94
6.1.2	Gains from foreign currency exchange translation and valuation	99,158,755,558.59	3,726,122,442.73
6.1.3	Fees and commission income	77,922,725,878.59	47,683,016,329.45
6.1.4	Other non-interest income	51,357,678,135.80	86,111,354,175.37
6.2	Other income	(3,506,216,444.49)	1,713,577,099.48
7	Other expense	328,875,438,461.58	132,943,826,912.00
7.1	Non-interest expense	312,993,053,749.08	131,626,173,359.44
7.1.1	Other provision expense	11,362,016,870.06	34,260,956,006.20
7.1.2	Trading expense	8,464,793,562.06	5,466,461,849.80
7.1.3	Losses from foreign currency exchange translation and valuation	109,163,451,457.71	747,561,882.80
7.1.4	Fees and commission expense	31,844,263,250.35	17,781,287,375.58
7.1.5	Other operating expense	152,158,528,608.90	73,369,906,245.06
7.2	Other expense	15,882,384,712.50	1,317,653,552.56
8	Profit before tax (5+6-7)	239,898,799,093.15	92,449,229,925.70
9	Income tax expense	45,650,105,813.34	319,568,196.15
10	Profit after tax (8-9)	194,248,693,279.81	92,129,661,729.55
11	Net income (loss) from discontinued operations	0.00	0.00
12	Profit after tax(10+11)	194,248,693,279.81	92,129,661,729.55
13	Other comprehensive income	(1,351,661,405.31)	11,832,465,373.33
13.1	Net change in revaluation reserves of property, plant, and equipment	0.00	(2,161,552,173.55)
13.2	Net unrealized change in fair value of available-for-sale financial assets	(1,351,661,405.31)	13,994,017,546.88
13.3	Net changes in the fund of foreign currency exchange translation and valuation	0.00	0.00
13.4	Net changes in the fund for loss allowances	0.00	0.00
13.5	Other	0.00	0.00
14	Total comprehensive income for the year (10+11)	192,897,031,874.50	103,962,127,102.88

EXECUTIVE DIRECTOR

DIRECTOR OF FMCD

FINANCIAL ANALYST



O.ORKHON

D.ENKHTUYA

E.BADRAL

CASHFLOW STATEMENT

Trade & Development Bank of Mongolia

2023/06/30

	Indicators	Previous	Period
1	CASH FLOWS FROM OPERATING ACTIVITIES	***	***
1.1	Profit/loss before tax	239,898,799,093.15	92,449,229,925.70
1.2	Adjustments of income, expense:	-342,836,174,833.94	-5,686,319,911.40
1.2.1	Provisions, discount expense (+)	-17,199,199,530.63	108,129,441,291.88
1.2.2	Depreciation and amortisation (+)	-6,037,038,805.74	6,947,639,110.83
1.2.3	Gain of exchange rate and valuation (other from cash and its equivalents)		
1.2.4	Interest income (-)	-674,078,052,010.72	-341,849,943,136.40
1.2.5	Interest expense (+)	354,478,115,513.16	221,086,542,822.29
1.2.6	Gains (-) or losses (+) from disposal of fixed assets and long-term investments		
1.2.7	Other gains (-) or losses (+)		
1.3	Adjustments of assets and liabilities:	201,123,158,654.87	-269,723,865,852.72
1.3.1	Changes in operating assets	64,971,012,848.03	-207,066,046,087.78
1.3.2	Net increase (-), decrease (+) in short term investments	0.00	0.00
1.3.3	Net increase (-), decrease (+) in OREO	248,637,053,368.03	-591,221,460,060.14
1.3.4	Net increase (-), decrease (+) in other assets	-57,264,314,960.69	222,484,852,441.82
1.3.5	Net increase (-), decrease (+) in other non-financial assets	-276,763,866,647.25	149,382,247,336.13
1.3.6	Net increase (-), decrease (+) in deposits and current accounts	427,960,722,612.12	340,227,705,470.59
1.3.7	Increase (-), decrease (+) in other sources attracted from non- banking institutions	-542,130,864,755.25	-190,797,563,987.78
1.3.8	Net increase (-), decrease (+) in other financial liabilities	278,857,921,470.68	-11,368,683,805.81
1.3.9	Increase (-), decrease (+) in other non financial liabilities	56,855,494,719.20	18,635,082,840.26
1.4	Other adjustments:	420,405,041,295.16	169,739,121,468.30
1.4.1	Taken interest (+)	830,914,113,010.12	356,152,500,701.84
1.4.2	Repaid interest (-)	-364,858,965,901.62	-186,093,811,037.39
1.4.3	Repayment of Income tax (-)	-45,650,105,813.34	-319,568,196.15
1.4.4	Provision from written off loan, Receivable (-)		
1.4.5			
1.5	NET CASH FLOW FROM OPERATING ACTIVITIES	518,590,824,209.24	-13,221,834,370.11
2	CASH FLOW FROM INVESTING ACTIVITIES	***	***
2.1	Cash inflow (+)	3,869,810,352,780.46	1,303,686,021,436.43
2.1.1	Sale of assets	119,241,554,956.39	74,546,199,852.74
2.1.2	Sale of intangible assets	1,460,790,231.40	13,029,718.91
2.1.3	Sale of investment assets	31,944,309,579.52	34,954,657,070.95
2.1.4	Sale of investment subsidiary company	15,479,417,919.41	0.00
2.1.5	Sale of other long-term investments	0.00	0.00
2.1.6	Sale of loans and receivables are classified at amortized cost accounted investments	0.00	0.00
2.1.7	Sale of securities available for sale	3,325,206,369,185.35	948,957,759,109.11
2.1.8	Sale of securities held to the end of term	347,555,185,890.66	237,452,809,291.04
2.1.9	Dividends	0.00	0.00
2.1.10	Other cash inflow	28,922,725,017.73	7,761,566,393.68
2.2	Cash outflow (-)	-3,812,382,111,622.38	-1,582,295,798,313.68
2.2.1	Fixed assets acquired	123,800,855,616.33	76,129,405,502.48
2.2.2	Intangible assets acquired	803,514,903.87	26,011,129,610.11
2.2.3	Long-term investments disposed off	47,122,199,250.32	400,848,000.00
2.2.4	Subsidiary company	418,387,944.54	418,387,944.54
2.2.5	Loans and receivables are classified at amortized cost accounted investments	0.00	0.00
2.2.6	Purchase of available for sale securities	3,434,203,125,572.38	1,035,533,993,907.03
2.2.7	Purchase of securities held to the end of term	156,990,975,969.17	263,831,560,252.73
2.2.8	Purchase of other assets	0.00	0.00
2.2.9	Other outflows	49,043,052,365.78	179,970,473,096.79
2.3	CASH FLOW FROM INVESTING ACTIVITIES	57,428,241,158.08	-278,609,776,877.25
3	CASH FLOW FROM FINANCING ACTIVITIES	***	***
3.1	Cash inflow (+)	5,479,821,634,674.52	2,182,374,535,851.42
3.1.1	Received other funding	2,538,606,037,548.49	1,372,474,600,372.66
3.1.2	Received derivative	0.00	0.00
3.1.3	Received share and equity securities	0.00	0.00
3.1.4	Donation	0.00	0.00
3.1.5	Others	2,941,215,597,126.03	809,899,935,478.76
3.2	Cash outflow (-)	-5,806,058,396,513.06	-2,262,765,450,488.45
3.2.1	Paid in other funding	2,779,425,753,012.76	1,465,740,234,312.60
3.2.2	Paid in derivative	0.00	0.00
3.2.3	Paid in leasing payables	0.00	0.00
3.2.4	Purchase securities	-404,166.06	-17,042,601,525.82
3.2.5	Dividends paid (-)	0.00	0.00
3.2.6	Others	3,026,633,047,666.36	814,067,817,701.67
3.3	NET CASH FLOW FROM FINANCING ACTIVITIES	-326,236,761,838.54	-80,390,914,637.03
4	Exchange difference		0.00
5	TOTAL NET CASH FLOW	249,782,303,528.79	-372,222,525,884.39
6	BEGINNING BALANCE OF CASH AND CASH EQUIVALENTS	2,252,561,795,902.50	2,502,344,099,431.28
7	ENDING BALANCE OF CASH AND CASH EQUIVALENTS	2,502,344,099,431.28	2,130,121,573,546.89

EXECUTIVE DIRECTOR

DIRECTOR OF FMCD

FINANCIAL ANALYST

O ORKHON

D. ENKHTUYA

E. BADRAL

STATEMENT OF CHANGES IN EQUITY

Trade & Development Bank of Mongolia

2023/06/30

MNT

Equity indicators	Share capital	Share premium	Treasury shares	Revaluation reserves	Other reserves	Retained earnings	Total equity
1 Balances at 2021.12.31	323,809,898,672.82	26,276.77	-	151,189,070,348.31	59,448,777,526.68	485,660,947,419.03	1,020,108,720,243.61
2 Impact of changes in accounting policies and error correction	-	-	-	-	-	-	-
3 Corrected balance	323,809,898,672.82	26,276.77	-	151,189,070,348.31	59,448,777,526.68	485,660,947,419.03	1,020,108,720,243.61
4 Net profit, loss for the period	-	-	-	-	-	194,248,693,279.81	194,248,693,279.81
5 Other comprehensive income	-	-	-	-	(1,351,661,405.31)	-	(1,351,661,405.31)
6 Changes in equity	404,166.06	663,833.94	-	-	55,654,926,961.63	(55,654,926,961.63)	1,068,000.00
7 Allocated dividends	-	-	-	-	-	(34,995,556,960.00)	(34,995,556,960.00)
8 Implemented amount of revaluation surplus	-	-	-	(5,537,618,278.64)	0.00	5,537,618,278.64	0.00
9 Balances at 2022.12.31	323,810,302,838.88	690,110.71	-	145,651,452,069.67	113,752,043,083.00	594,796,775,055.85	1,178,011,263,158.11
10 Impact of changes in accounting policies and error correction	-	-	-	-	-	-	-
11 Corrected balance	323,810,302,838.88	690,110.71	-	145,651,452,069.67	113,752,043,083.00	594,796,775,055.85	1,178,011,263,158.11
12 Net profit, loss for the period	-	-	-	-	-	92,129,661,729.55	92,129,661,729.55
13 Other comprehensive income	-	-	-	(2,161,552,173.55)	13,994,017,546.88	-	11,832,465,373.33
14 Changes in equity	17,042,601,525.82	66,448,949,474.18	-	-	(110,252,114,872.91)	-	(26,760,563,872.91)
15 Allocated dividends	-	-	-	-	-	-	-
16 Implemented amount of revaluation surplus	-	-	-	-	-	2,161,552,173.55	2,161,552,173.55
17 Balances at 2023.06.30	340,852,904,364.70	66,449,639,584.89	-	143,489,899,896.12	17,493,945,756.97	689,087,988,958.95	1,257,374,378,561.63

EXECUTIVE DIRECTOR

DIRECTOR OF FMCD

FINANCIAL ANALYST



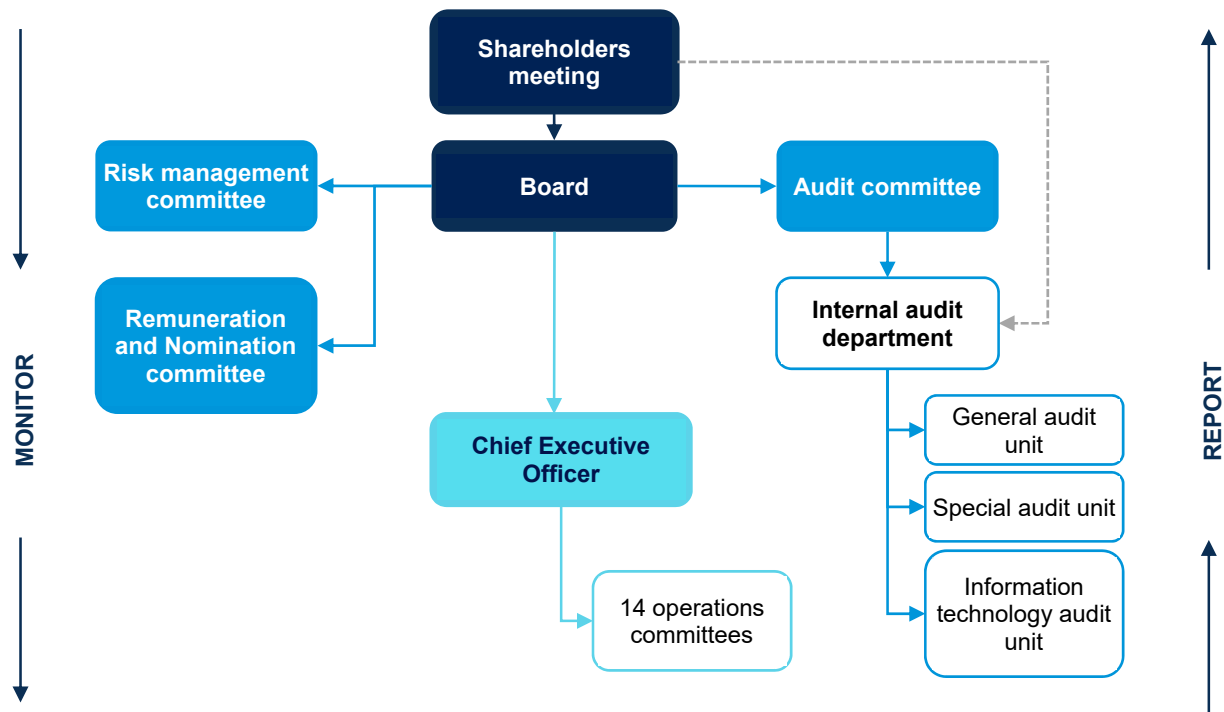
Богдвал

O.ORKHON

D.ENKHTUYA

E.BADRAL

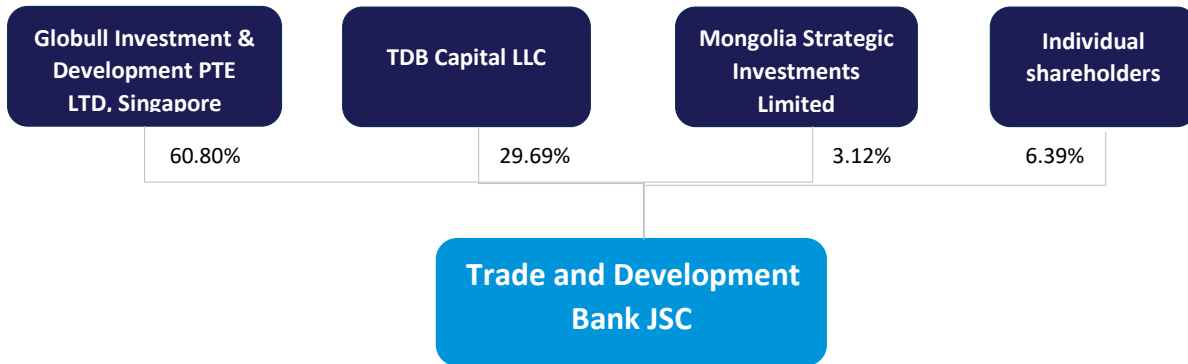
The Trade and Development Bank (TDB) is dedicated to the implementation of governance policies and prioritizes transparency and honesty across all levels. The Board of TDB (Board) offers guidance and strategic direction to oversee and facilitate banking operations.



Shareholders meeting

According to Section 59.1 of Article 59 of the Company Law, the highest governing body of the Bank shall be the Shareholders' Meeting, and Shareholders' Meetings shall be regular and extraordinary. The regular meeting of shareholders is convened within four months after the end of the financial year by the decision of the board of directors.

The bank's shareholders' meeting has the full right to discuss and resolve the issues stipulated in Article 62 of the Company Law, Article 29, Section 29.2 of the Bank Law, relevant laws and regulations, and the Bank's Charter.



Board

The Board implements its activities within the scope of the rights granted by the law, determines TDB's strategy, plan, organizational structure and policy, approves the budget plan, monitors the performance, provides recommendations and directions to the executive management, directs the activities of the bank, and aims to increase the value for all stakeholders.

The Board independently implements its powers as stipulated in the Company Law, the Banking Law, other relevant laws and regulations, and operating rules of the Board.

Composition of Board

The Board of TDB consists of 9 directors, with 3 of them fulfilling the criteria of independence as outlined in Company law, Banking law, and TDB's Charter.

The directors serving on TDB's Board possess extensive expertise in banking, finance, economics, law, and education, with each of them having accumulated over 25 years of experience. They exhibit a strong alignment with effective management practices, demonstrating aptitude in terms of knowledge, skills, education, ethics, and a commendable business reputation.

Moreover, the Board includes four female members, which accounts for 44.4 percent of the total board composition. This diversity fosters an environment conducive to making decisions that consider gender-related perspectives and promote gender sensitivity at the board level.

List of Board members		
Name	Position / Role	Country of Domicile
Randolph Stanley Koppa	Chairman	UNITED STATES OF AMERICA
Erdenebileg Doljin	Director	MONGOLIA
Khurelbaatar Dambijav	Director	MONGOLIA
Yanjmaa Dagmid	Director	MONGOLIA
Enkhmend Avgaan	Director	MONGOLIA
Ganbayar Tsognyam	Director	MONGOLIA
Bolormaa Jalbaa	Independent Director	MONGOLIA
Delgersaikhan Jamsrandorj	Independent Director	MONGOLIA
Narantuya Zagdkhuu	Independent Director	MONGOLIA

Board committees

To enhance operational efficiency and facilitate effective decision-making, the Board has implemented a framework comprising three key committees: The Remuneration and Nomination Committee, the Risk Management Committee, and the Audit Committee. Notably, independent directors of the Board are elected to lead these committees, ensuring their impartiality and integrity.

№	Committee name	Number of directors	Position	Name	Position in Board
1	Audit Committee	3	Chairman	Delgersaikhan.J	Independent Director
			Director	Yanjmaa.D	Director
			Director	Enkhmend.A	Director
2	Risk Management Committee	3	Chairman	Narantuya.Z	Independent Director
			Director	Delgersaihan.J	Independent Director
			Director	Randolph Koppa	Chairman
3	Remuneration and Nomination Committee	3	Chairman	Bolormaa.J	Independent Director
			Director	Erdenebileg.D	Director
			Director	Yanjmaa.D	Director

Audit Committee

The Audit Committee assumes the responsibility of overseeing the organization's management by delivering precise and reliable information to TDB's shareholders, the Board, and other stakeholders. It plays a pivotal role in offering systematic assessments on TDB's governance practices, compliance with laws, adherence to ethical standards, financial reporting, internal control systems, and internal audit activities. Additionally, the committee is entrusted with fortifying the overall good governance framework across all levels of the organization and providing support to the Board.

Risk Management Committee

The role of the risk management committee is to assess the risk management system, risk management policy, and risk appetite of TDB. This evaluation takes into consideration recommendations and standards set forth by international organizations, such as the Basel Committee, as well as the laws of Mongolia and the instructions and regulations stipulated by the authorized regulatory body. The committee's primary responsibility is to assist the Board in monitoring the implementation of these risk management measures.

Remuneration and Nomination Committee

The Remuneration and Nomination Committee is tasked with preparing TDB's salary, incentives, and succession plan for approval by the Board. It is responsible for overseeing the implementation of these policies and ensuring their alignment with TDB's development strategy, market share position, and the labor market conditions. The committee conducts regular monitoring to establish criteria for evaluating the knowledge, skills, education, and work experience of authorized officials. It assesses whether job requirements are met, identifies any potential conflicts of interest, and ensures the independent status of the Board's independent directors. The committee also takes responsibility for training, qualification, evaluation, and assessment of these officials. Furthermore, the committee performs functions as mandated by TDB's rules, applicable laws, the Code of Corporate Governance, and the Board.

Operation and Independence of Board

Procedures of the Board: The Board operates through meetings, and decisions are made in the form of resolutions, which can be reached either electronically, through physical meetings, or by voting from directors. Each Director of the Board holds one voting right when addressing any matter under discussion. For a Board meeting to be considered valid, it requires the participation of 66.66% of the directors or a majority of the directors, unless otherwise specified by the law or the rules. Similarly, a Board resolution becomes effective when it garners the votes of 66.66% of the directors participating in the meeting or a majority of the directors.

Chairman of the Board: The election of the Chairman of the Board occurs by a majority vote from all directors possessing voting rights. The Chairman holds the responsibility of facilitating the performance of duties by the Board members. They are also accountable for fostering and strengthening business relationships grounded in mutual respect and trust between the Board and the executive management. Moreover, the Chairman organizes the activities of the Board, arranges meetings, presides over them, and carries out functions such as record-keeping and monitoring. Currently, Randolph Koppa, a seasoned banker with 55 years of experience in the banking sector across 12 different countries, serves as the Chairman of the Board.

Independent directors of the Board: One-third of the directors on the bank's Board are independent directors, and these independent directors also serve as chairs of the standing committees within the Board of directors.

Apart from their involvement in instructions related to determining assets and right-of-use assets' market value, selecting external audit organizations, and approving conflict of interest transactions as specified by the Company Law, the independent directors of the Board have specific functions to fulfill.

Additionally, the independent director of the Board is required to submit work reports to the Bank of Mongolia quarterly and make them available to the public every six months, as per the "Procedures for Nomination, Appointment, and Dismissal of Independent Directors of the Bank's Board of Directors" approved by the Bank of Mongolia.

Additional information 1. Regulations and procedures approved by the Board

The Board of TDB has approved the following rules, regulations, and policies based on the Code of Corporate Governance, international good practices, and laws applicable laws in Mongolia:

1. Regulation of announcing shareholder meeting of TDB
2. Operating procedures of the Board of Directors of TDB
3. Code of Ethics of the TDB
4. Dividend policy of TDB
5. Charter of the Audit Committee of TDB
6. Internal audit policy of TDB
7. Procedures of the Internal Audit Department of TDB
8. Code of Ethics of Internal Auditors of TDB
9. The Risk Management Policy of TDB
10. The Regulation of Procedures of the Risk Management Committee
11. The Regulation of Remuneration and Nomination Committee
12. TDB Compliance Program and Related Procedures

13. Trade and Development Bank's Procedures for conflicts of interest and major transaction
14. Trade and Development Bank's Procedures for communication and cooperation with external stakeholders/third parties
15. Trade and Development Bank's Information Transparency and Reporting Procedures
16. Trade and Development Bank's Investor Relations Program
17. Trade and Development Bank's Operating procedure for Executive Management
18. Operating procedure of Office of Representing governing board