



XACBANK JSC FINANCIAL AND OPERATIONAL RESULTS

AS OF DECEMBER 31, 2024



A 3D rendering of an orange classical building facade with columns and a pediment, featuring a circular emblem with a stylized flower design.

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Operational highlights

Secured USD 236 million in Senior Debt Financing



To empower women entrepreneurs in micro, small, and medium enterprises (MSMEs) and advance energy-efficient businesses, a USD 236.0 million loan agreement was signed with leading DFIs and IFIs, including FMO, ADB, DEG, EBRD, Proparco, responsAbility, Finnfund, TripleJump, DWM, and Symbiotics. USD 176 million of the total funding was disbursed to XacBank in 2024.

Credit Rating Upgraded



Following the upgrade of Mongolia's credit rating by international agencies, XacBank's credit rating was also upgraded to "B2 Stable" by Moody's and "B+ Stable" by Fitch Ratings, respectively.

Received Global Climate Partnership Award



XacBank's Energy-Efficient Housing Project was recognized as the winning project of 2024 by the Global Climate Partnership Fund (GCPF). The award was presented during a ceremony held on October 18 in Zurich, Switzerland.

Share Buyback Program



In accordance with the decision of the Board of Directors and the approval of regulatory authorities, a share buyback program has been initiated to enhance the liquidity of shares held by minor shareholders by repurchasing a portion of publicly traded shares from the open market.

Operational highlights

New products and services

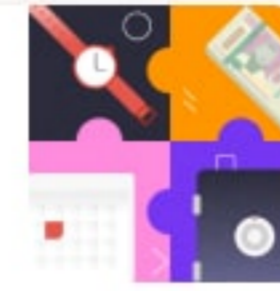
#Odoо Asuudalgui 🧐

An over-drafting service was launched, by which clients are able to make settlements and transactions up to certain limit on current accounts.



Target Savings

A new savings product with flexible terms, tailored to meet specific financial goals, was introduced on the digital banking application.



Partnership with Oyu Tolgoi Catalyst Fund for Khanbogd Development (OTCF)

Residents and legal entities operating or starting a business in Khanbogd sum, Umnugovi province, can now access business loans with preferential terms.



amq

The Bank introduced the updated version of instant loan service, to address urgent and unexpected financial needs of our customers.



Slice

The POS revenue backed loan was improved and re-launched. The product is now 100% accessible via digital app.

Project Loans

Number of lending programs were implemented in collaboration with the Ministry of Food, Agriculture, and Light Industry (MoFALI) to provide loans for herders, as well as with the Ministry of Environment and Tourism to support the tourism industry.

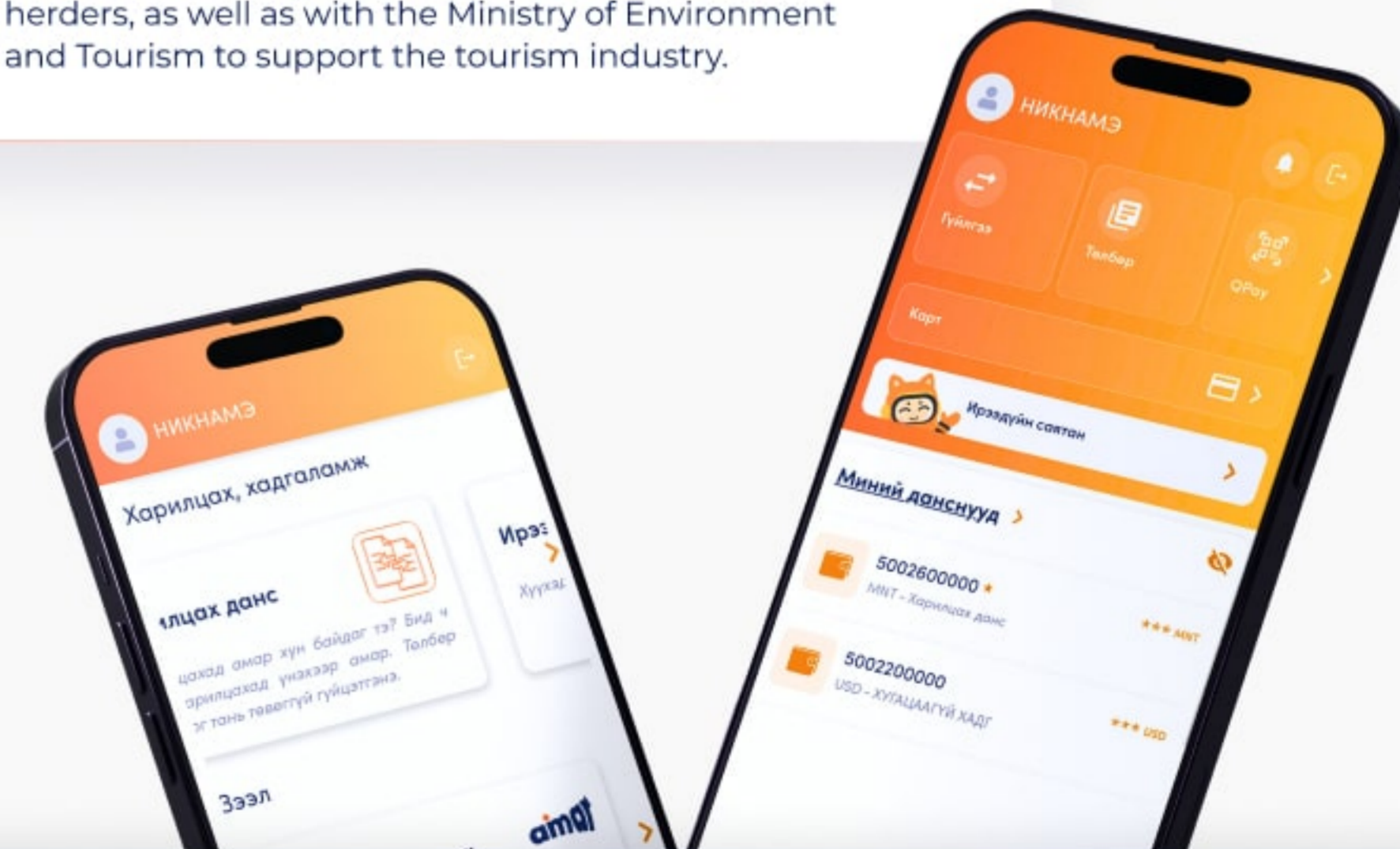


YPTAMP

In collaboration with Storepay (BNPL fin-tech company), we have successfully introduced the online loan service, allowing customers to purchase products with longer term, providing a fast and efficient digital solution.

POS Revenue Backed Loans

The "Slice" BNPL service was launched, allowing customers to make purchases in four installments without any interest or fees.



Operational highlights

New card products



Temuulel card



The Temuulel Card, designed for children and teenagers aged from 7 to 18, was updated to allow access to public transportation at child fares, manage accounts via digital banking application, and earn cashback and participate in other promotions.



Broncos card

A limited-edition "Broncos Card" was released for basketball enthusiasts and fans of the team, the 8-time champions of the National Basketball League.



Olymp card

A limited-edition card dedicated to the Paris 2024 Summer Olympics was released.



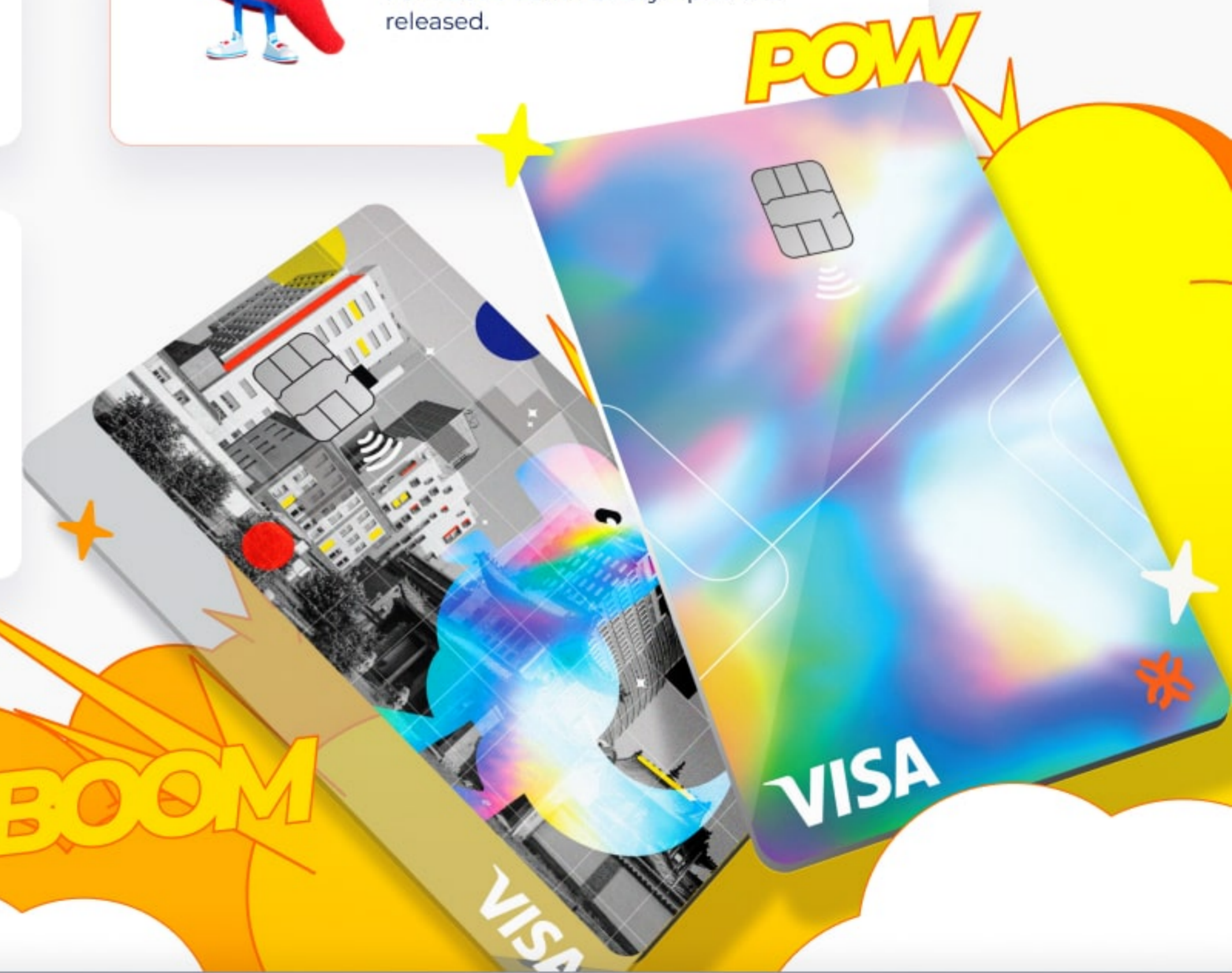
Future card

A new environmentally friendly card made from recycled plastic was introduced for students. It has reached 12,000 students from more than 80 universities.



Co-branding cards

The co-branding cards was released for the 30th anniversary of Mongolyn Alt (MAK) LLC, the 75th anniversary of the Ulaanbaatar Railway, and for the herders and farmers who are supplier of Suu JSC.



Financial performance

As of December 31, 2024

Net profit	ROE	XAC (stock price)	EPS	Tier 1 ratio	Liquidity ratio
170.9	25.6%	826.0 MNT	162 MNT	19.2% >12.5%	38.4% >25.0%

Profitability

- In 2024, the bank's net profit after tax reached MNT 170.9 billion, a 20.3% increase year-on-year (YoY). The growth in the bank's loan portfolio and the improvement in asset quality were the main factors contributing to the increase in profit.
- As of December 31st, 2024, the Bank's Return on equity (ROE) is 25.6%, and the earnings per share (EPS) is MNT 162.
- During 2024, a total of MNT 45.5 billion, or MNT 43.25 per share, was distributed as dividends to shareholders.

Balance sheet

- The gross loan portfolio reached MNT 3,697 billion, up by 34.5% YoY.
- The retail banking loan portfolio grew by 34.6%, reaching MNT 2,587 billion, driven by strong growth in consumer loans and lending for women-owned businesses.
- Better collaboration with vendor companies and solid performance of new leasing branches for used cars have resulted in 36.1% growth for leasing portfolio, reaching MNT 467 billion in 2024.
- The corporate banking loan portfolio reached MNT 643 billion, up by 32.7% in 2024.
- In 2024, current accounts and deposits reached MNT 3,425 billion (up 19.1% YoY), while senior debt increased by 35.8% to USD 449 million.

Ratios

- As of the end of 2024, all regulatory metrics set by the Bank of Mongolia are within the limit.
- Tier 1 capital ratio is 19.2%, 6.7 ppts above the regulatory minimum requirement of 12.5%.
- The liquidity ratio is 38.4% (regulatory limit >25%).
- NPL ratio was further improved to 2.0% as of end of 2024.

Key indicators

As of December 31, 2024

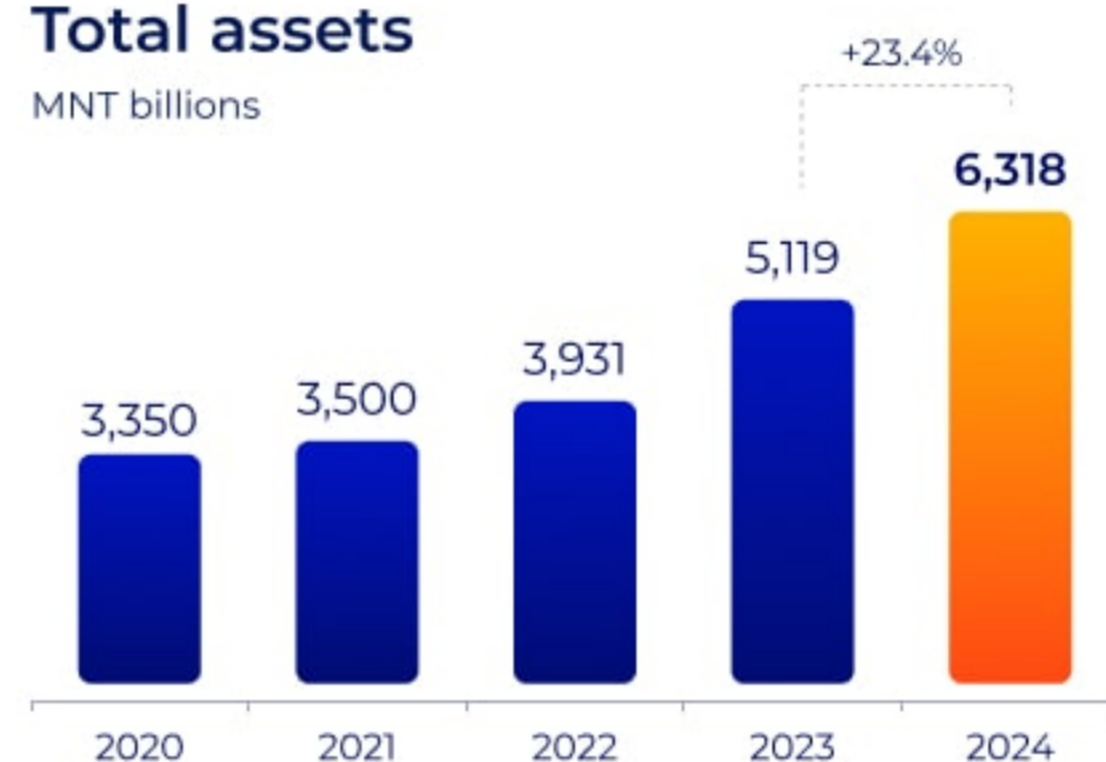
Net profit

MNT billions



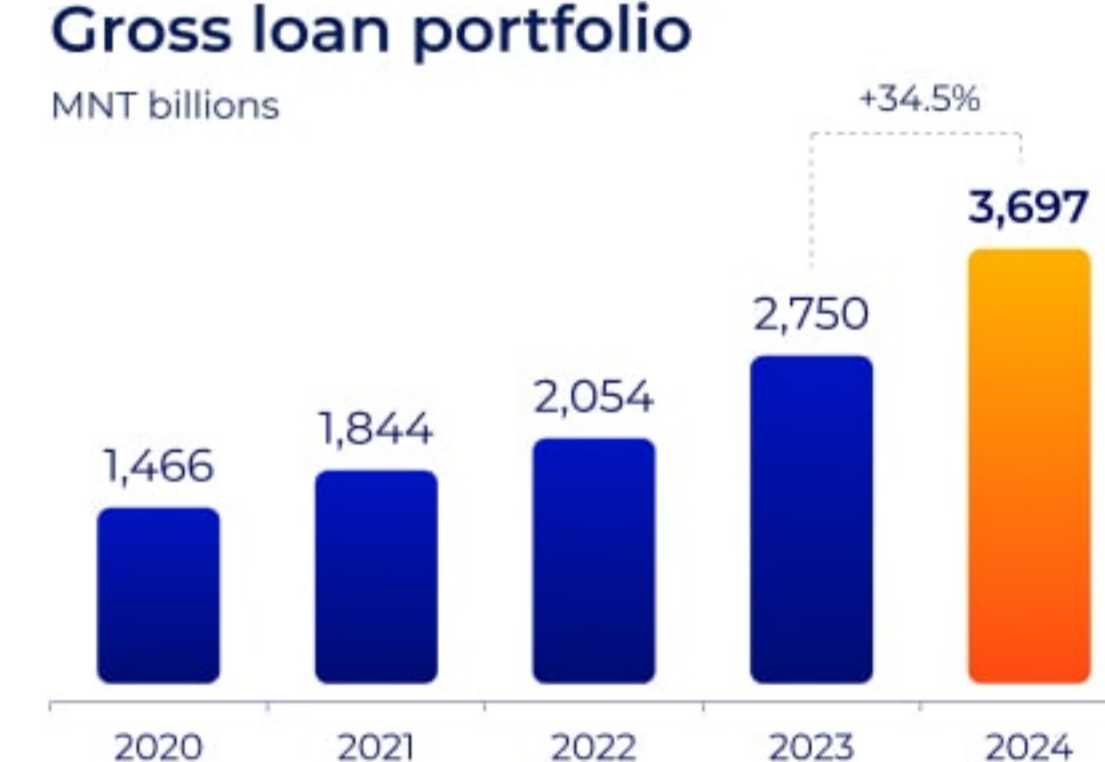
Total assets

MNT billions



Gross loan portfolio

MNT billions



ROE

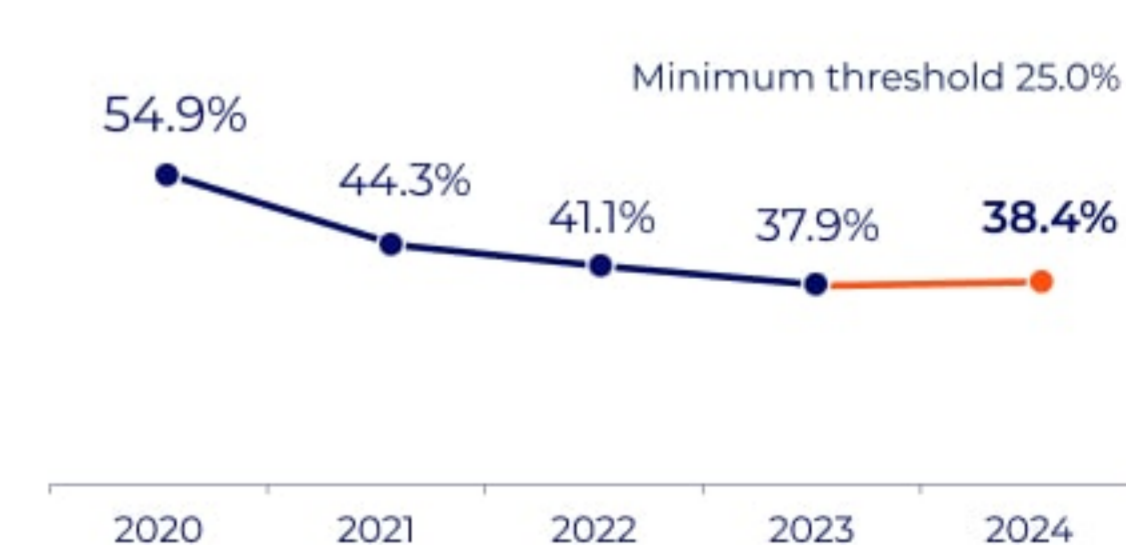
based on average equity of last 12 months



Tier 1 ratio



Liquidity ratio



Lending

As of December 31, 2024

Number of loan accounts

188k ▲ 14.5% YoY

Number of digital loan accounts

112k ▲ 17.5% YoY

Interest income from loan

561 MNT billions ▲ 40.3% YoY

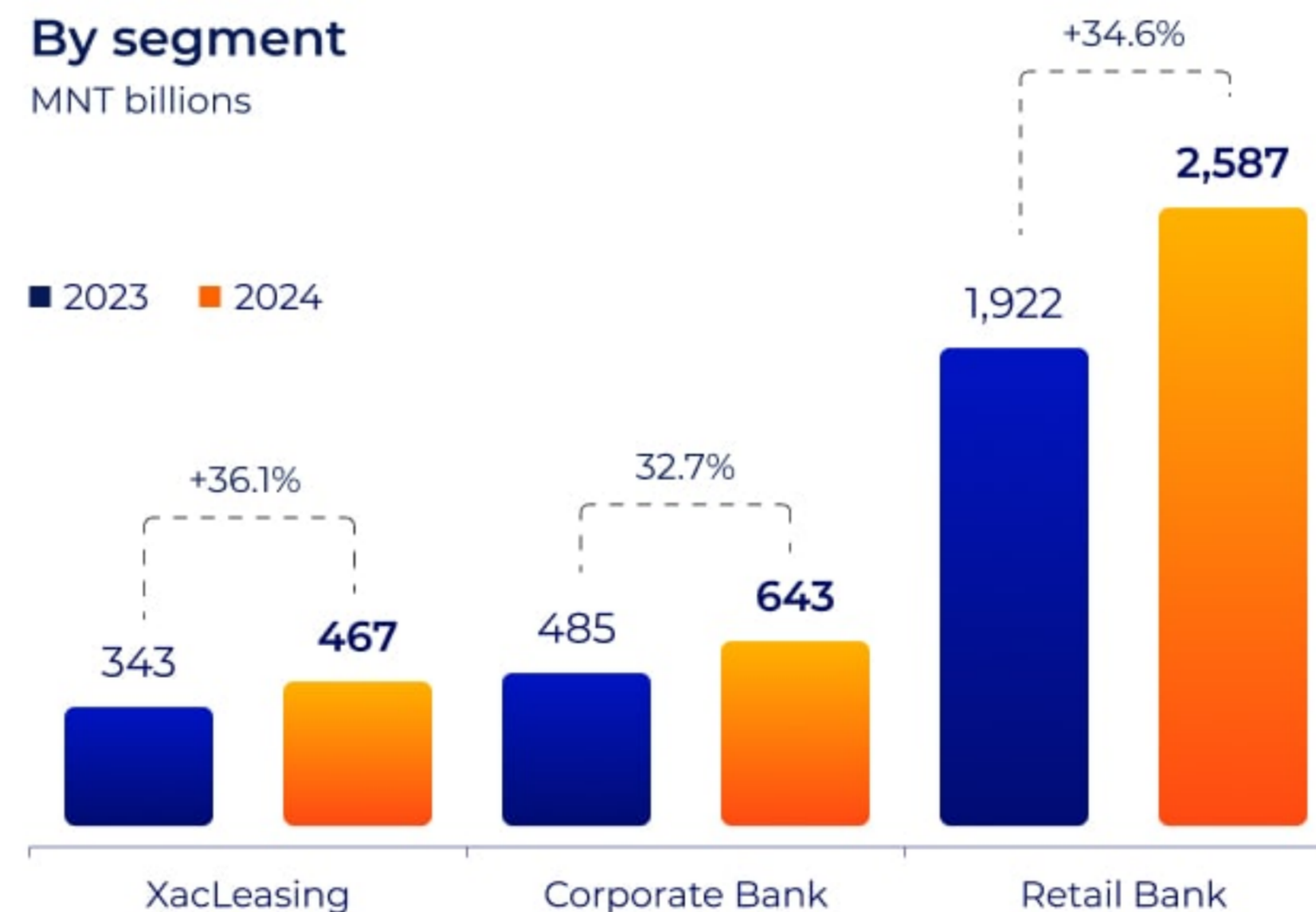
Gross loan portfolio

MNT billions



By segment

MNT billions



- In 2024, the growth in the loan portfolio was primarily driven by increases in micro and small business loans, consumer loans, and the leasing portfolio.
- The NPL ratio has consistently decreased in recent years, reaching 2.0% as of December 31, 2024, due to the overall growth of the loan portfolio and effective measures implemented in the loan recovery process.

Current accounts and deposits

As of December 31, 2024

Number of accounts

1.4 millions ▲ 8.6% YoY

Number deposit accounts

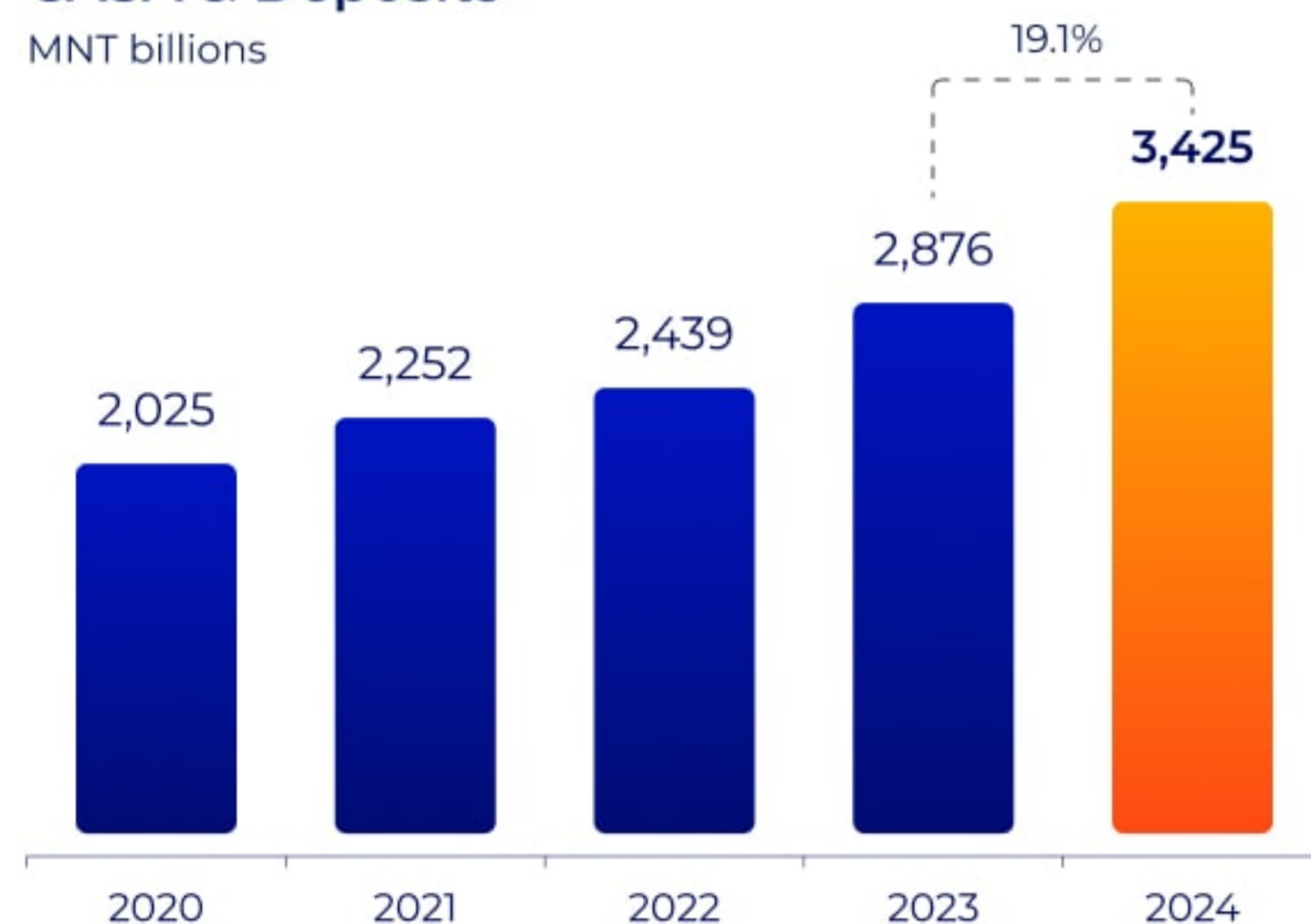
531k ▲ 5.1% YoY

Interest paid to customers

219 MNT billions ▲ 35.0% YoY

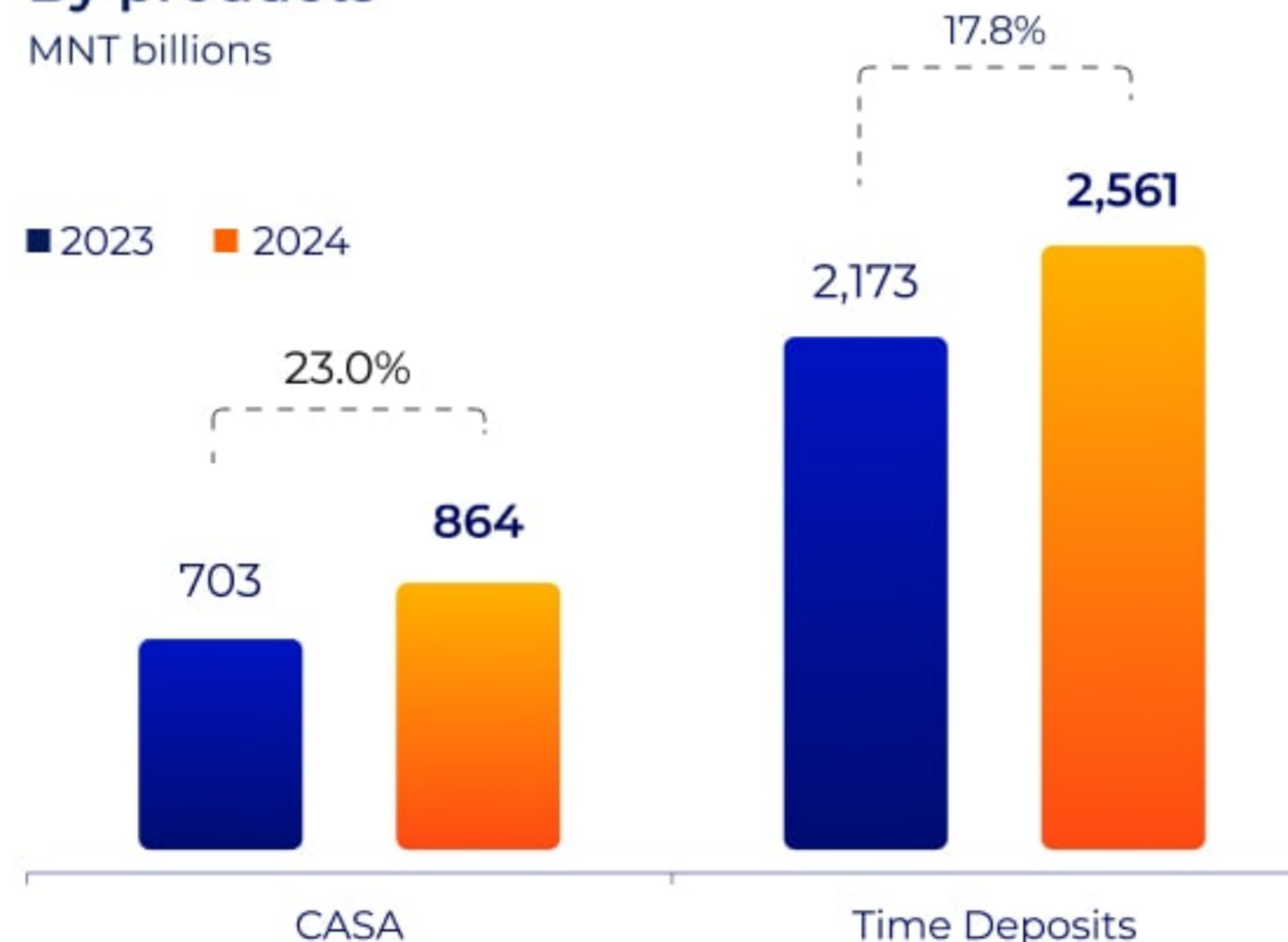
CASA & Deposits

MNT billions



By products

MNT billions



- XacBank offers wide range of current account and deposit products that meet the specific needs of the customers while maintaining steady growth over the past years.
- Through the successful implementation of promotion programs for deposit holders, the bank's total current account and deposits grew by 19.1% in 2024.

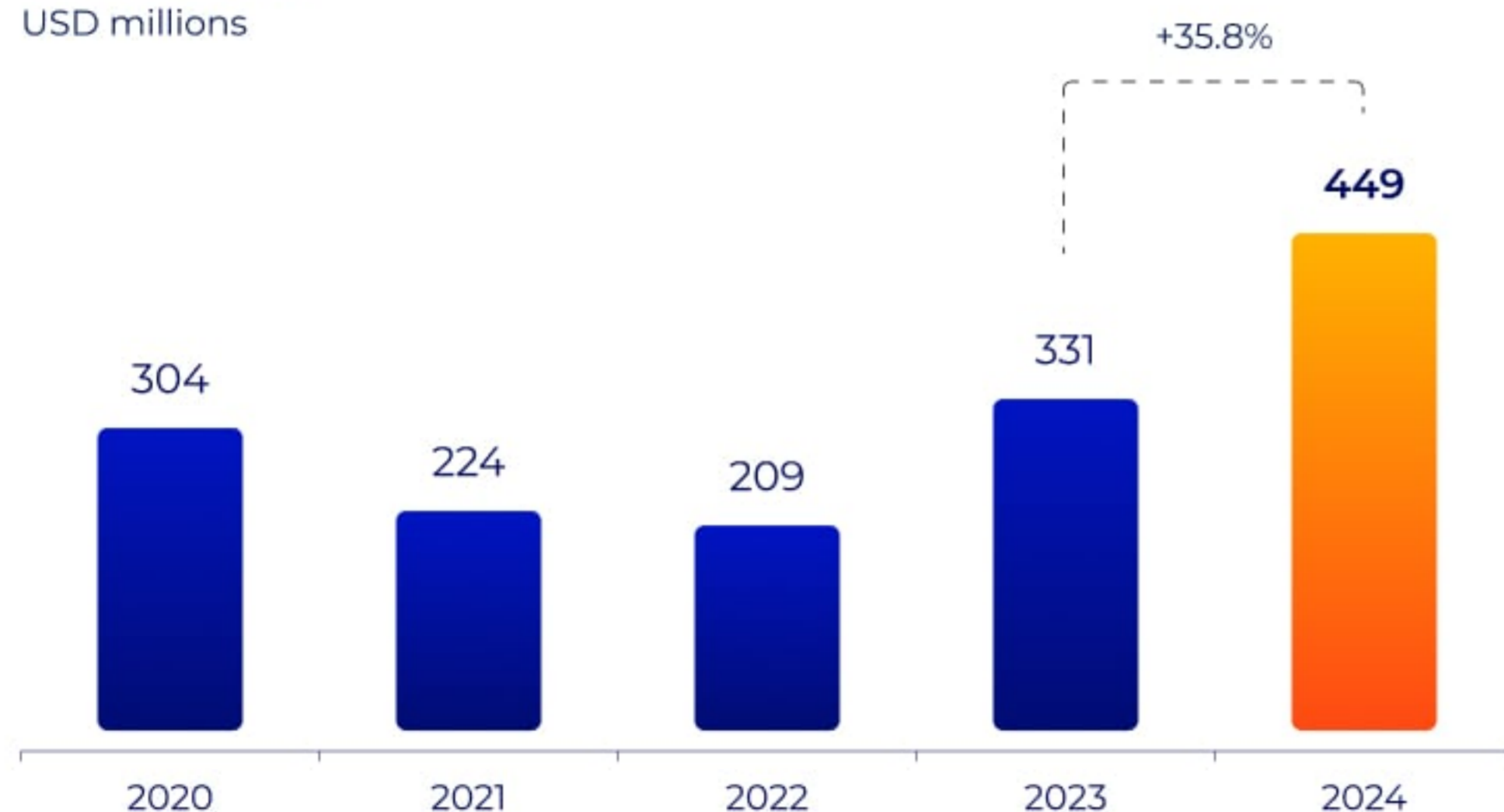
Senior debt

As of December 31, 2024

In 2024, the bank signed loan agreements with leading DFIs and IFIs, including FMO, ADB, DEG, EBRD, Proparco, responsAbility, Finnfund, TripleJump, DWM, and Symbiotics, totaling USD 236 million, of which USD 176 million was disbursed to XacBank in 2024. The remaining USD 60 million is expected to be disbursed in early 2025.

Senior debt

USD millions



Senior debt agreements signed in 2024

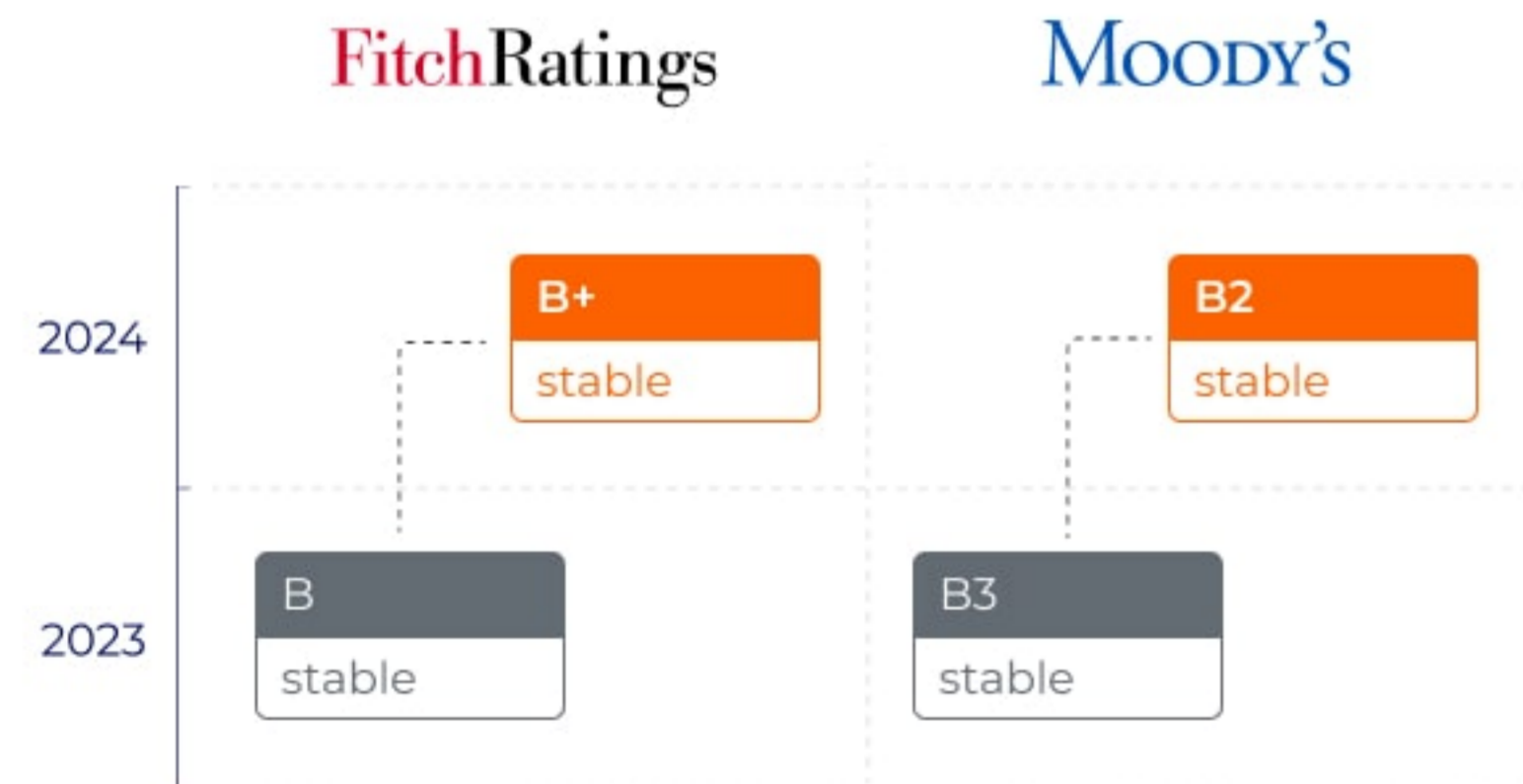


Credit rating

As of December 31, 2024

Since 2008, XacBank has continuously had its credit rating assessed by the international rating agencies, Moody's Investors Service and Fitch Ratings. In 2024, alongside the upgrade of Mongolia's sovereign credit rating, XacBank's credit rating was improved by one notch to "B2 stable" from Moody's and "B+ stable" from Fitch Ratings.

Credit rating



The rating agencies considered the following factors when upgrading XacBank's credit rating:*

- **Better OE:** Improved business prospects for the banking sector, driven by Mongolia's steady medium-term economic growth.
- **Robust growth:** XacBank continues to sustain its loan portfolio growth while maintaining better than average asset quality and capital adequacy compared to industry.
- **Asset quality:** Latest reported regulatory non-performing loan ratio fell to 2.2% by end-1H24, well below the system average of 5.9%.
- **Sustained profitability:** Net income is likely to increase further in 2024 on loan growth after a 34% increase in 2023.
- **Higher-than-peer capital buffer:** Profitability continues to support its above-average capitalisation, notwithstanding rapid loan growth and its dividend payment policy
- **Funding and liquidity:** Funding from international financial institutions rose by 57% in 2023 to account for 27% of XacBank's total funding at end-2023.

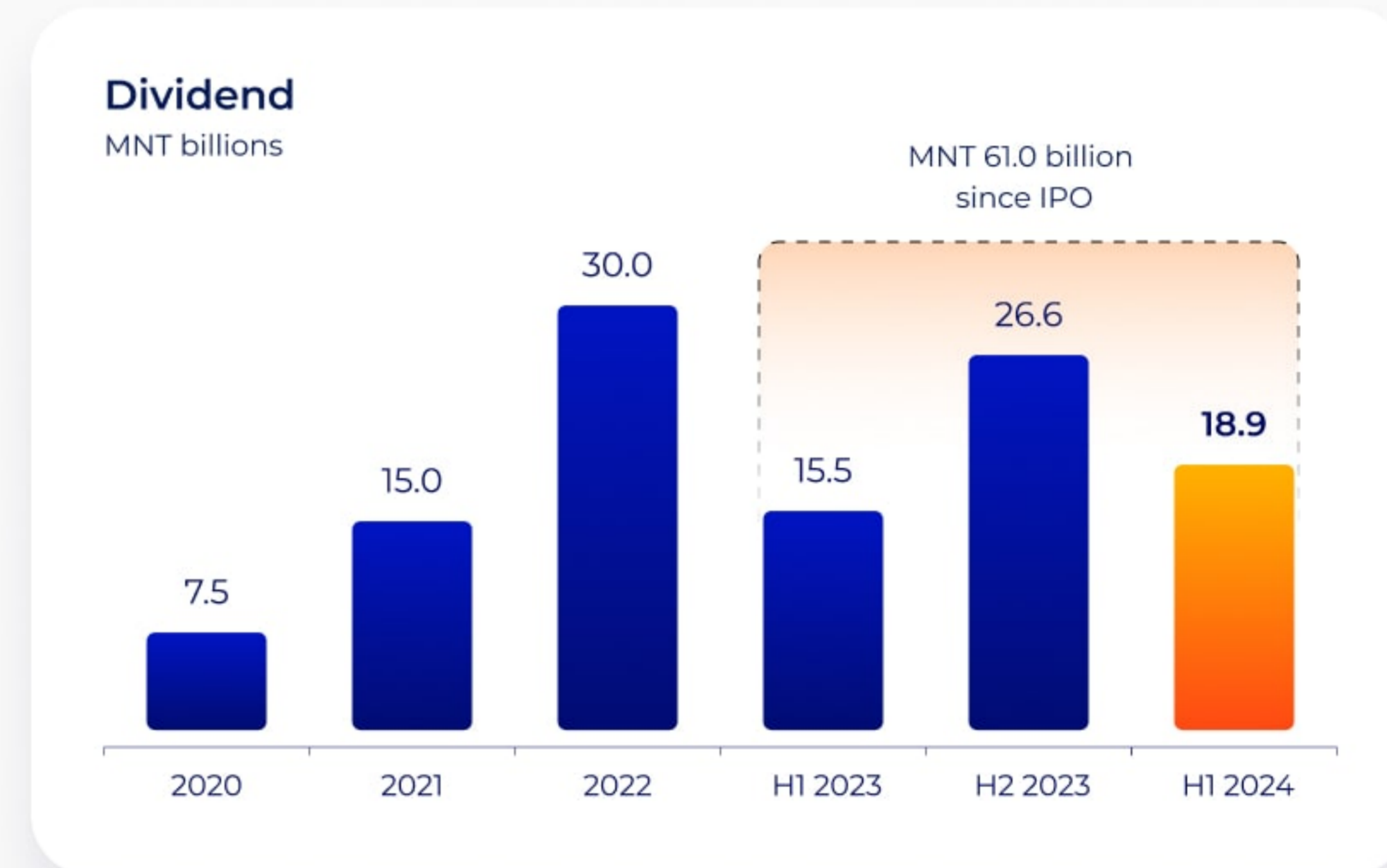
* Source: Fitch Ratings report

Stock information

As of December 31, 2024

As of December 31, 2024, the closing price of XacBank's shares was MNT 826.0, up by 31.3% compared to the previous year's closing price.

During the reporting period, dividends of MNT 25.25 per share from the retained earnings of the second half of 2023 were distributed on April 30, 2024, and dividends of MNT 18.0 per share from the retained earnings of the first half of 2024 were distributed on September 9, 2024. In total, the bank distributed MNT 45.5 billion in dividends in 2024, resulting in a dividend yield of 6.9%*.



*The dividend yield was calculated by comparing the total dividend per share distributed in 2024 to the closing price of shares as of December 31, 2023.

Prudential requirements: CAR, liquidity ratio

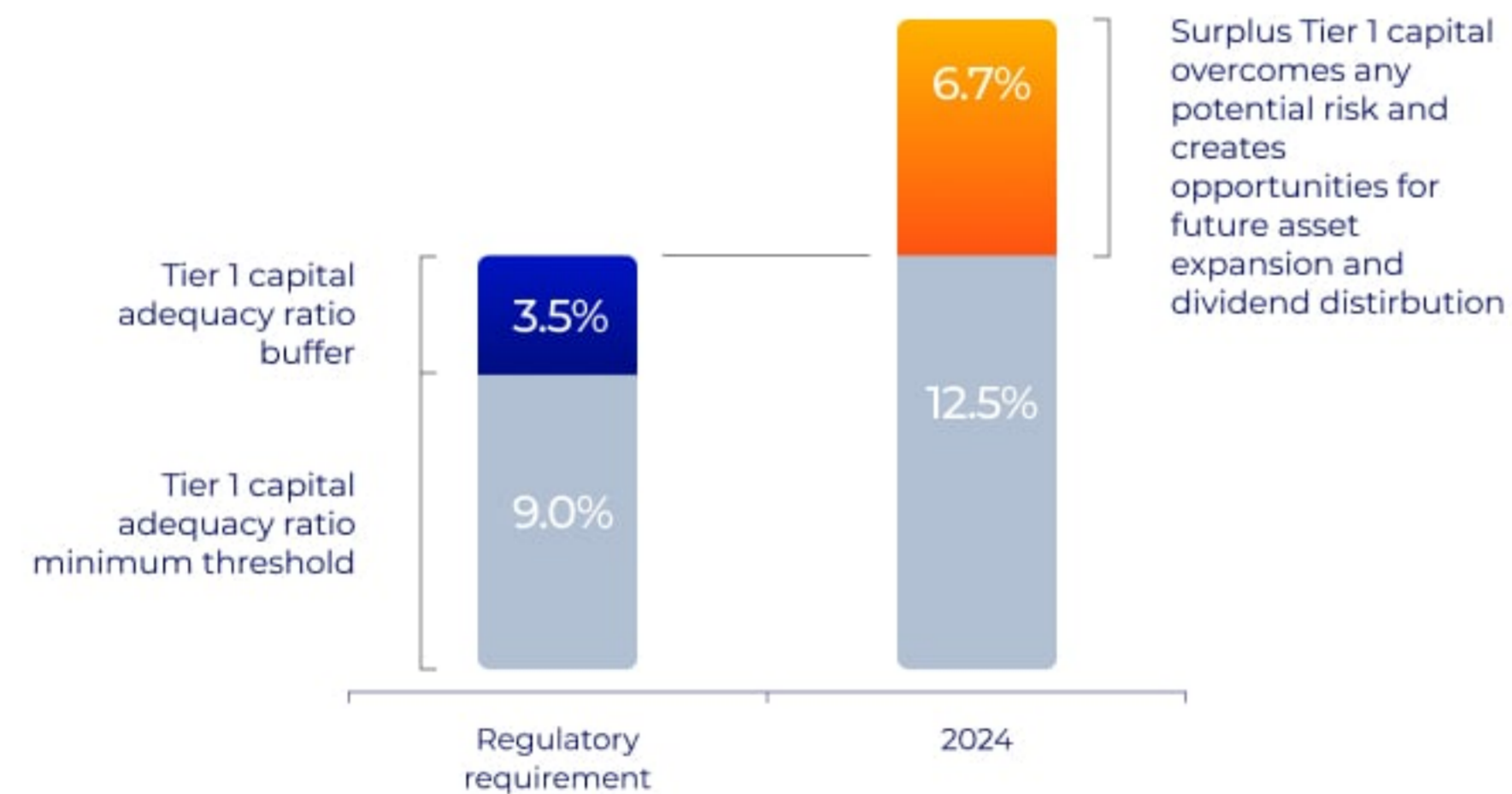
As of December 31, 2024

Tier 1 capital adequacy ratio

19.2% Minimum threshold 12.5%

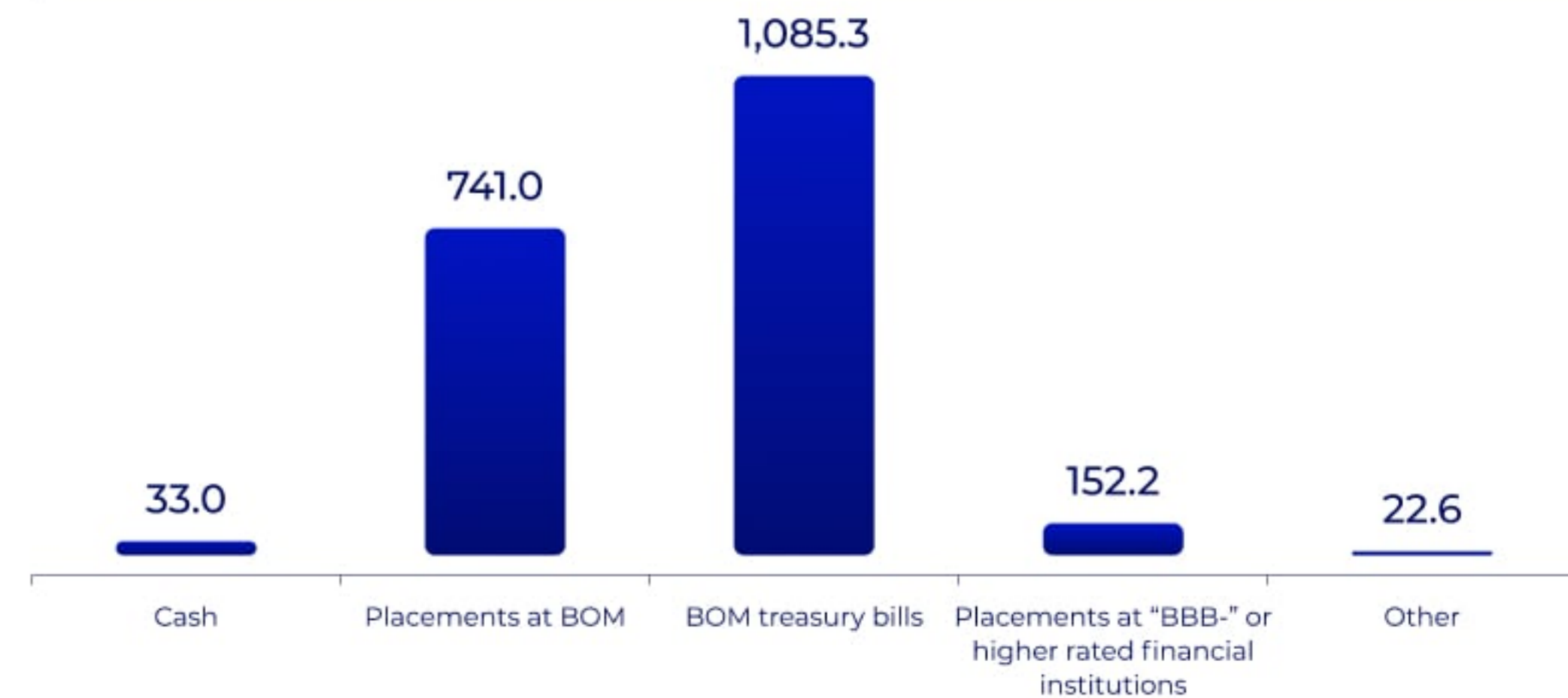
Liquidity ratio

38.4% Minimum threshold 25.0%



Liquid assets

MNT 2,034.2 billions



Prudential requirements: other ratios

	2022	2023	2024
Foreign currency exposure ratio (single currency) +/- 15%	6.2%	-1.3%	-1.7%
Foreign currency exposure ratio (total currency) +/- 30%	6.9%	-1.4%	-2.0%
Credit concentration ratio <300%	66.6%	38.6%	41.7%
Fixed asset to total assets ratio <8%	1.7%	1.3%	1.2%
Deposit concentration ratio <25%	7.7%	7.8%	7.9%

	2022	2023	2024
Loans to bank related party and employees and other assets equivalent to the loan (less than 5% of capital)			
Bank shareholders	0.0%	0.8%	2.2%
Key management personnel	0.1%	0.1%	0.1%
Other related parties	1.6%	3.2%	0.0%
Total loans to bank related parties and employees and other assets equivalent to the loan (less than 20% of capital)			
Bank shareholders	0.0%	0.8%	2.3%
Key management personnel	0.3%	0.3%	0.3%
Other related parties	3.8%	3.2%	0.1%

Board of directors



Sanjay Gupta
Chairman



Michael Madden
Non-executive director



Tselmuun Nyamtaishir
Non-executive director



Ulambayar Bayansan
Independent non-executive
director



Niraj Vedwa
Independent non-executive
director



Andrzej Witak
Non-executive director



Tsevegjav Gumenjav
Executive director



Albertus Bruggink
Non-executive director



Suzannah Herring Carr
Non-executive director



Amy Choi
Independent non-executive
director



Dominic Jacques
Non-executive director



Stewart Donald Hall
Independent non-executive
director

Executive management team



Tsevegjav Gumenjav
Chief executive officer



Erdenebayar Ganzorig
Chief financial officer



Ulambayar Enebish
Chief retail banking officer



Erkin Bavaan
Chief business banking officer



Dauryenbyek Syerikjan
Chief leasing officer



Iliya Avramov
Chief risk officer



Zul Ganzorig
Chief operations officer



Unurbat Khurelbaatar
Chief information
technology officer






Munkhtselmeg Nyamsuren
General counsel / Corporate
secretary



Undarmaa Enkhbayar
Chief auditor

The operation of Board of Directors

As of December 31, 2024

<p>7</p> <p>Board meetings</p>	<p>16</p> <p>Online votings</p>	<p>53</p> <p>Resolutions</p>
 <p>Governance, Nomination and Compensation Committee</p> <p>5 meetings, 4 online votings</p>	 <p>Risk Management Committee</p> <p>5 meetings, 14 online votings</p>	 <p>Audit Committee</p> <p>6 meetings</p>



Newly approved:

1. Transition Planning Roadmap of Climate Risk Management 2023-2025;
2. Share Redemption Procedures for Shareholders;
3. Stakeholder Engagement Policy;
4. Board Training Program for 2024;
5. Board Action Plan After Evaluation for 2024;
6. Succession Policy for Executive Management.



Amended:

1. Insider Trading Policy.

Amended and Restated:

1. Dividend Policy /approved by the shareholders at the AGM/;
2. Board Evaluation Policy;
3. Savings Incentive Match Plan for Employees;
4. Board Director Selection and Nomination Policy;
5. Bank Audit Committee Charter and Internal Audit Documents.



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🌐 <https://www.xacbank.mn>