



GROWING TOGETHER

Performance report

First half of 2024



MACROECONOMICS HIGHLIGHTS

Based on statistics presented as of July 29, 2024.



International reserves rose by 26.7% compared to YoY to

USD 4.8 billion.

INFLATION RATE 5.1%,

Is at Central bank's target level for the last 7 months.

Coal export continued to increase and reached

40.6 million tons

MNT vs



USD

strengthened by 0.9% or MNT 29.9**.

from the beginning of the year.



BANK OF POLICY RATE MONGOLIA by 2% to 11% YTD.
REDUCED

State budget equilibrated balance has surplus of

MNT 1.3 trillion.

Mongolia's balance of payment reached surplus of

USD 351.4 million***.

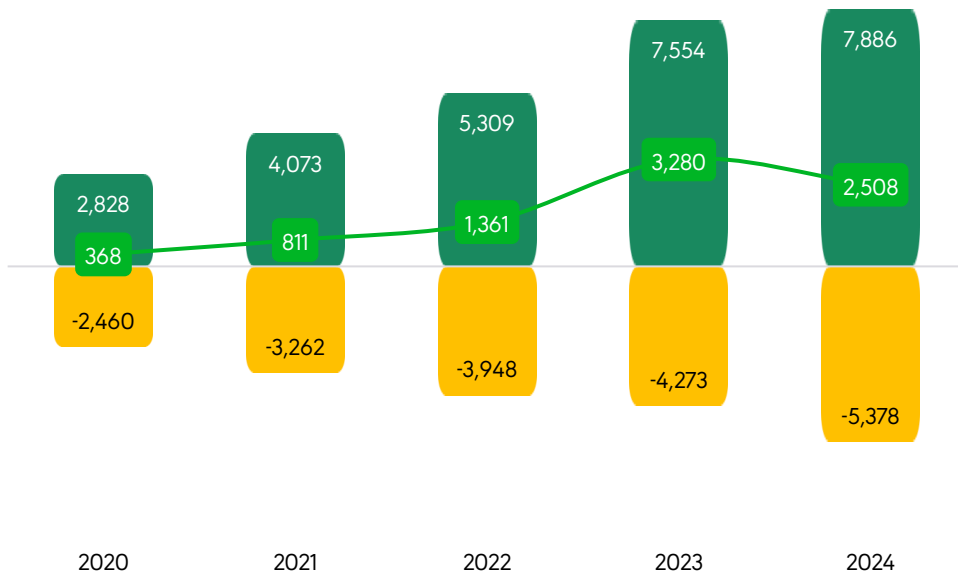
FOREIGN TRADE

Net exports experienced a **23.5%** or **USD 772.4 million** YoY and recorded a surplus of **USD 2.51 billion**.

FOREIGN TRADE

/million US dollars/

■ First 6 months export ■ First 6 months import ■ First 6 months net export



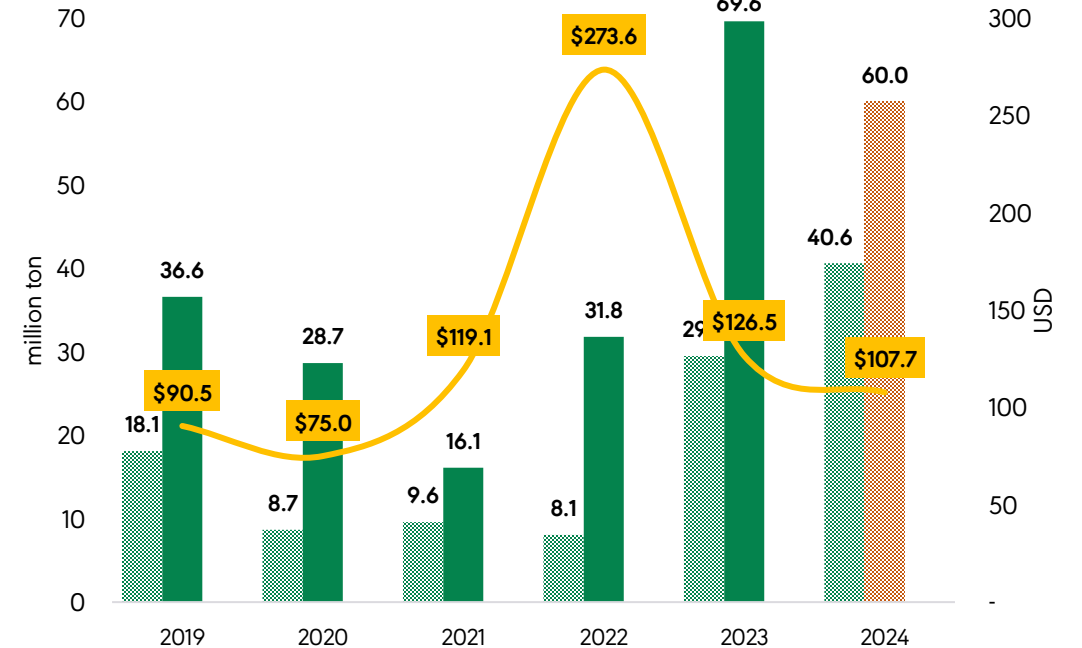
Source: National statistic committee

- In June 2024, total imports increased by **25.9%** or **USD 1.1 billion**, YoY and reached **USD 5.4 billion**. Its' **21.0%** is machine and equipment, and **19.7%** is oil products.
- In June 2024, total exports increased by **4.4%** or **USD 332.7 million**, YoY and reached **USD 7.9 billion**. Its' revenue's **59.9%** or **USD 4.7 billion** has constituted by coal income.

COAL EXPORT PHYSICAL VOLUME

/million, tons/

■ First 6 months exports ■ Export ■ Projected volume ■ Border Price /r.o/



Source: National statistic committee, Ministry of Finance

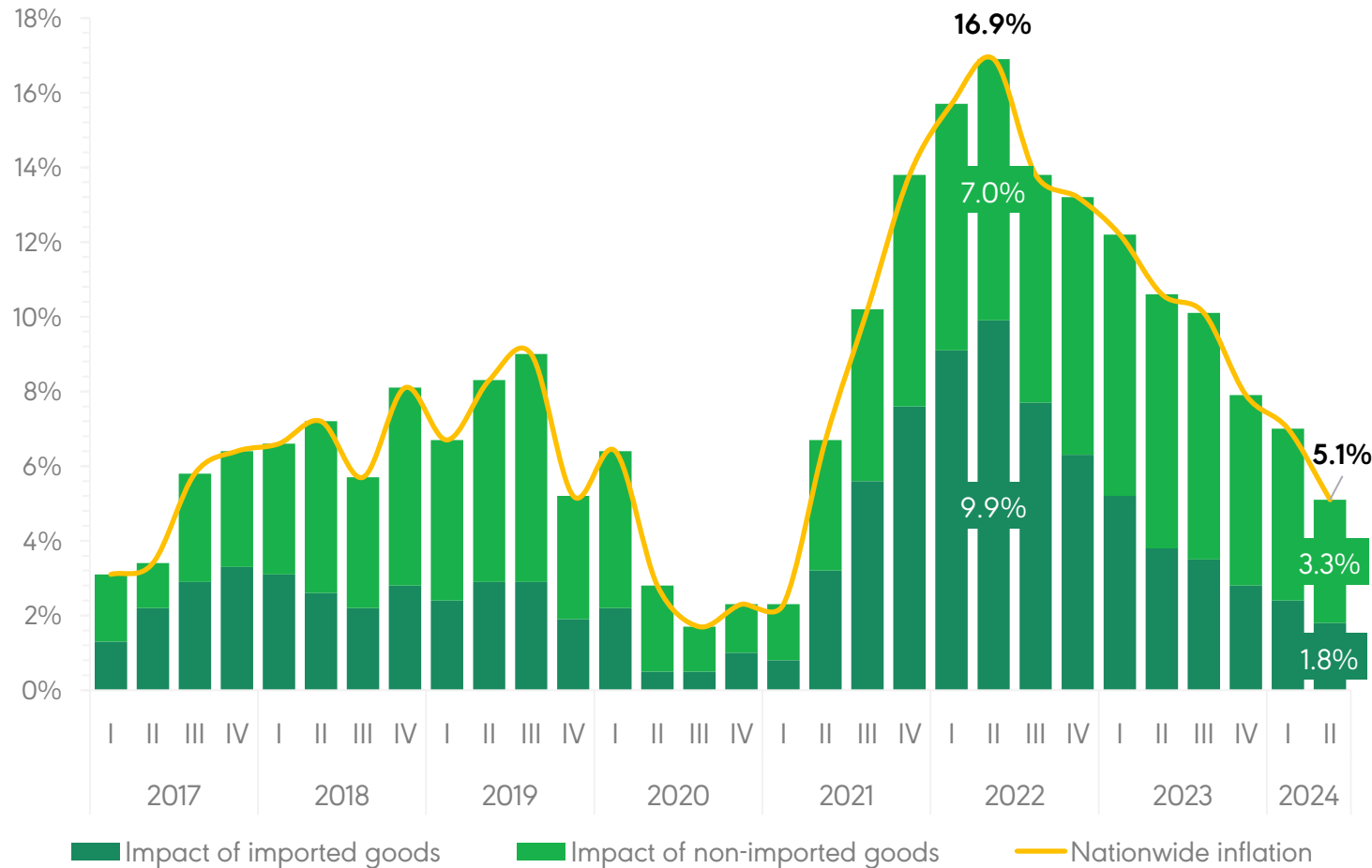
- In June 2024, **coal export volume** has increased by **37.6%** or **40.6 million tons**, YoY and **the average border price** has decreased by **18.8%** or **USD 107.7 million**, YoY. Therefore, **coal export price** has decreased by **7.5%** or **USD 4.7 billion**.
- In 2024, the total of **60.0 million tons** coal was planned to export, and it has **performed 67.7%** of its plan in June 2024.

INFLATION

In June 2024, the nationwide inflation rate reached **5.1%**.

INFLATION RATE

/percentage/



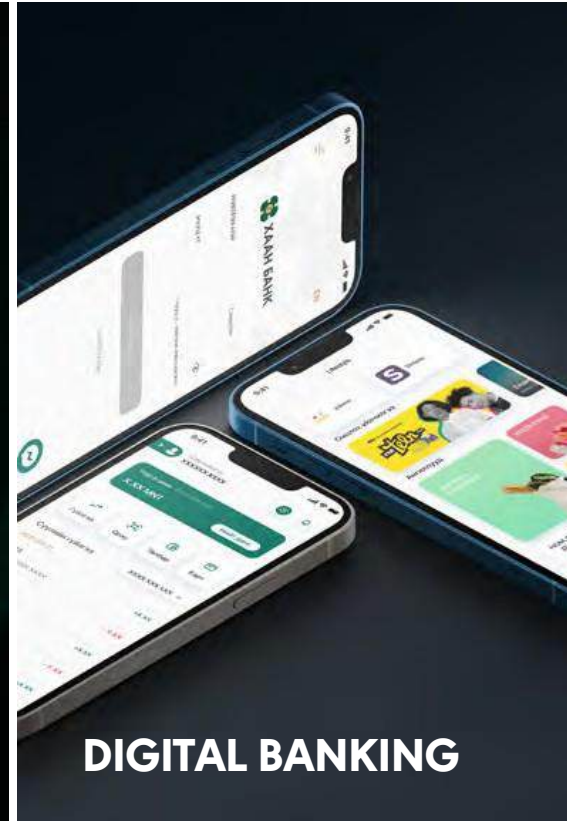
NATIONWIDE INFLATION BY COMPOSITION

/percentage/

Groups of goods and services	M6 2020	M6 2021	M6 2022	M6 2023	M6 2024
Overall Index	2.9%	6.6%	16.9%	10.7%	5.1%
Food & non-alcoholic beverages	1.5%	3.4%	5.6%	5.1%	1.4%
Alcoholic beverages, tobacco	0.2%	0.0%	0.1%	0.1%	0.1%
Clothing, cloth & footwear	0.6%	0.3%	1.8%	1.4%	0.6%
Housing, water, electricity, & fuels	0.3%	0.3%	1.4%	0.6%	0.4%
Furnishing, household & equipment	0.1%	0.2%	0.8%	0.5%	0.3%
Health	0.1%	0.4%	1.5%	0.5%	0.5%
Transport	-0.8%	1.3%	3.7%	0.2%	-0.1%
Communication, postal service	0.0%	0.0%	0.1%	0.1%	0.1%
Recreation & culture	0.0%	0.0%	0.2%	0.1%	0.1%
Education	0.4%	0.0%	0.2%	0.3%	0.7%
Restaurants & hotels	0.2%	0.3%	0.6%	0.5%	0.3%
Insurance & financial services	0.0%	-0.1%	0.1%	0.0%	0.0%
Miscellaneous goods & Services	0.2%	0.3%	0.9%	1.2%	0.7%

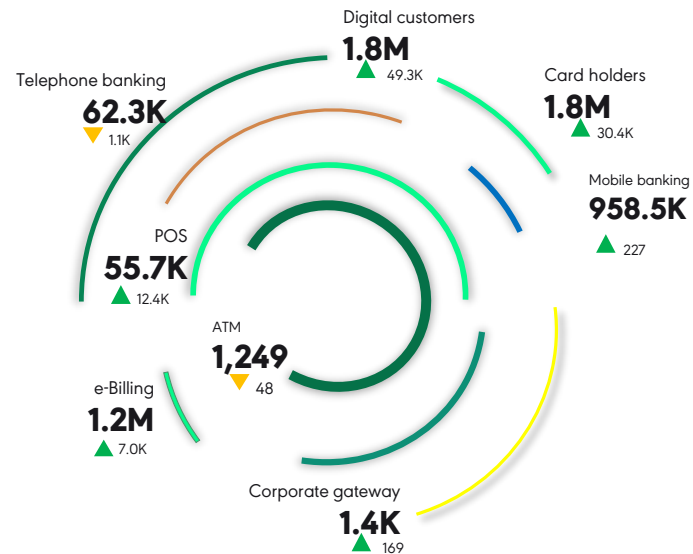
KEY OBJECTIVES OF 2024-2026

SUSTAINABLE BUSINESS STRATEGY



CUSTOMER EXPERIENCE

The number of digital customers making transactions continued to grow



Newly improved services

- ✓ Internet banking **transaction limit increased to MNT 50 million**,
- ✓ Voluntary social security payments are enabled to pay through Bank's application,
- ✓ Foreign exchange is enabled at Bank application for retail customers,
- ✓ Account statement verification from most Embassies for visa processing is enabled online,
- ✓ Payment is enabled using electronic invoices created at other platforms such as e-barimt

Campaigns and Promotions



New products and services

- ✓ Wool and cashmere value chain finance,
- ✓ Repo-funding loan,
- ✓ Crop value chain finance,
- ✓ Green loan for **promoting sustainable wool and cashmere supply**,
- ✓ "Pre-approved" digital mortgage loan,
- ✓ Business loans to support digital transition of **woman entrepreneurs**,
- ✓ Olympic designed card,
- ✓ Renewed K Card,

DIGITAL BANKING

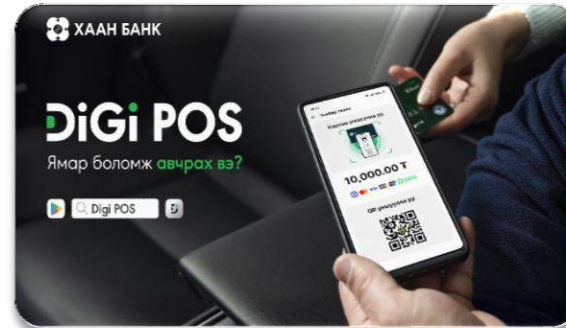
DIGI PAY



DIGI PAY, one-of-a-kind Digitag feature was launched successfully. The DiGi Pay allows easy payments without any fees and commissions. As of June 2024, more than 51 thousand customers are making payments this this wallet

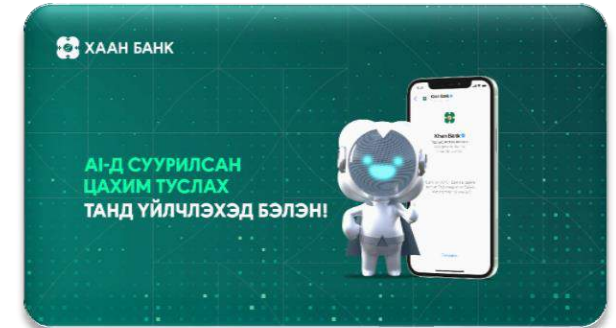


DIGI POS



DiGi POS, a digital form of POS, was launched for merchants to accept payments anytime and anywhere via contactless card or NFC, a mobile phone's remote reading technology. As of June 2024, more than 8,000 merchants have been signed on.

DIGI CHATBOT



AI-based "Digi", a digital assistant was launched. Digi enables saving customers' time by answering questions from customer's mobile phone. The digital assistant has reduced employee attended inquiries by 78% since its launch.

ORGANIZATIONAL DEVELOPMENT

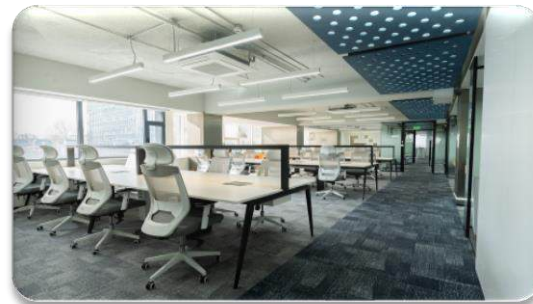
BUSINESS CENTERS



As part of ongoing expansion of Business centers targeted for small and medium entrepreneurs, Bank has established 17 centers in provinces. The establishment demonstrates the bank's strong commitment for small and medium entrepreneurs' support.

INNOVATION LAB

An "Innovation Lab" was established. Khan Bank is the first one in the banking and financial sector to create the lab that aims to support the development of **innovation-driven startups, students, and young people.**



DIGITAL BRANCH



The Digital branch, "Digi Go", complete with modern ATMs, Kiosks and tablets are being set up at 6 locations. Apart from providing digital banking services, the Digi Go branches offer meeting rooms for customers free of charge.

SMART OFFICE

The digital transformations of the Bank transforms some of the job roles. Over **60 employees** from the rural areas are now remotely working for head office.

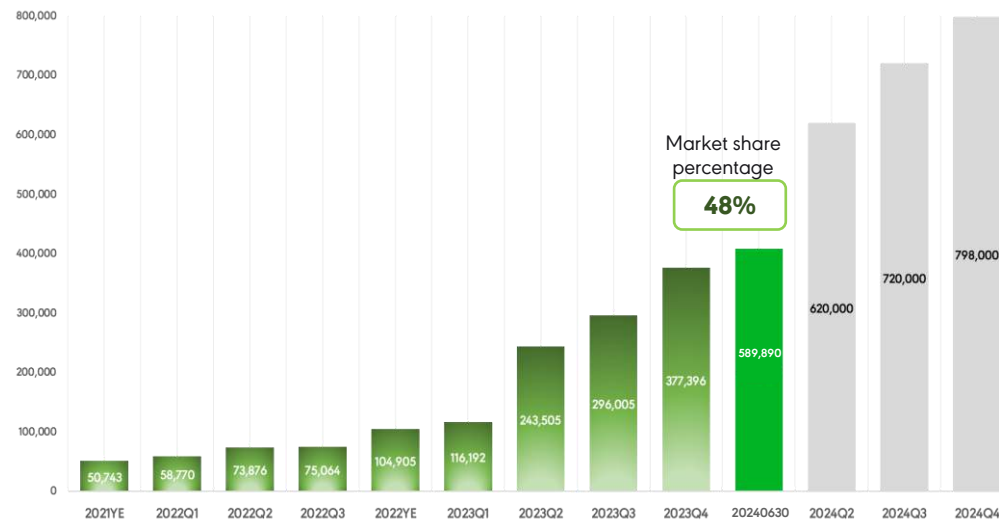


SUSTAINABLE DEVELOPMENT, SOCIAL RESPONSIBILITY

GREEN FUNDING

- As of 30 June 2024, green loan portfolio has reached **MNT 589.9 billion**.
- And it has constituted **5.23%** of total loan portfolio.

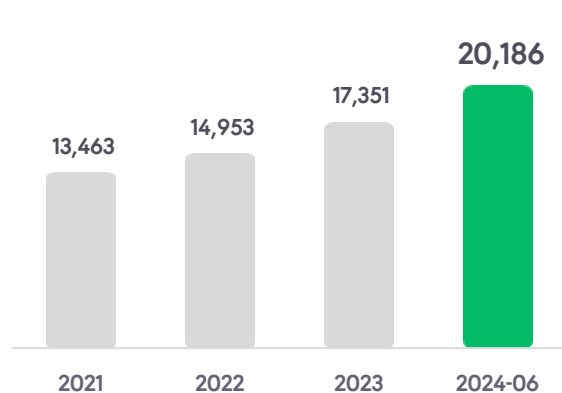
As part of its **social responsibility**, the Bank has invested **MNT 12.7 billion** in over **510 projects** across the fields of **environment, social development, health, and education**.



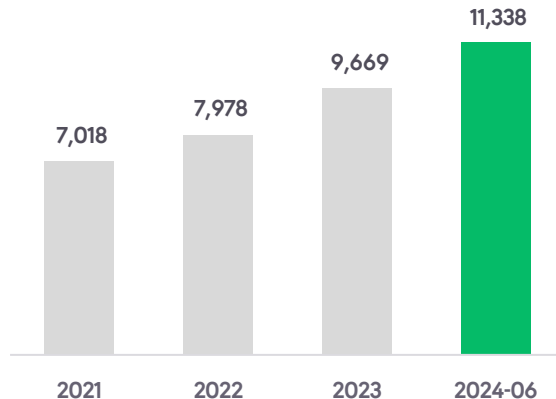
FINANCIAL PERFORMANCE

FINANCIAL INDICATORS

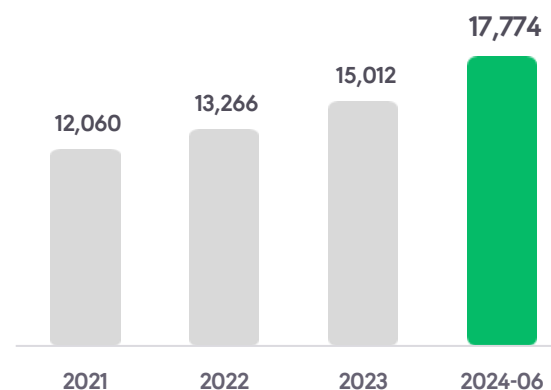
TOTAL ASSETS (MNT billions)



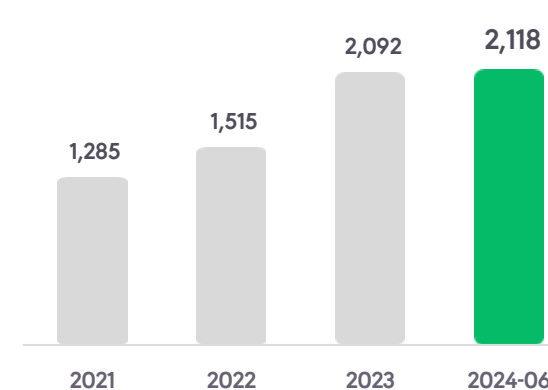
TOTAL LOANS (MNT billions) *(by audit reporting)*



TOTAL DEPOSITS (MNT billions)

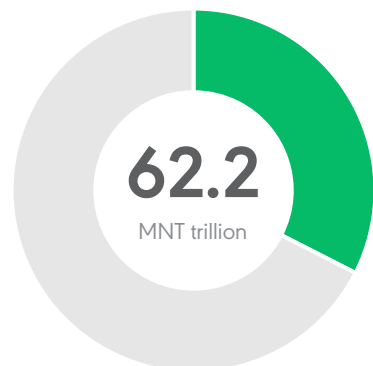


TOTAL CAPITAL (MNT billions)



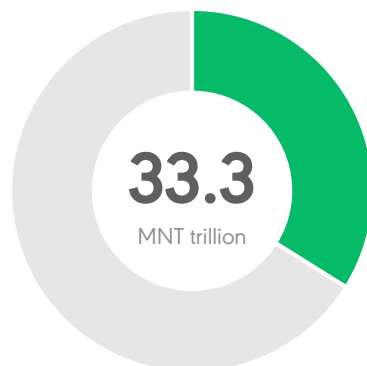
MARKET SHARE *(as of June 2024, based on Bank of Mongolia reports)*

TOTAL ASSETS



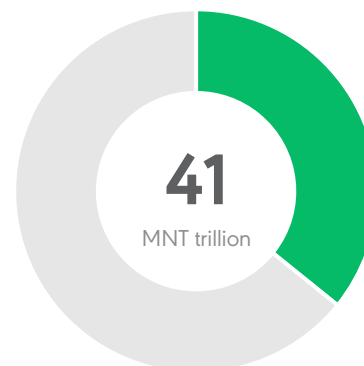
20.2
MNT trillion
32.5%

TOTAL LOANS



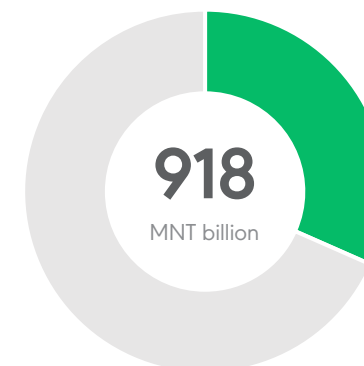
11.3
MNT trillion
33.9%

CUSTOMER DEPOSITS



14.7
MNT trillion
35.8%

NET PROFIT AFTER TAX

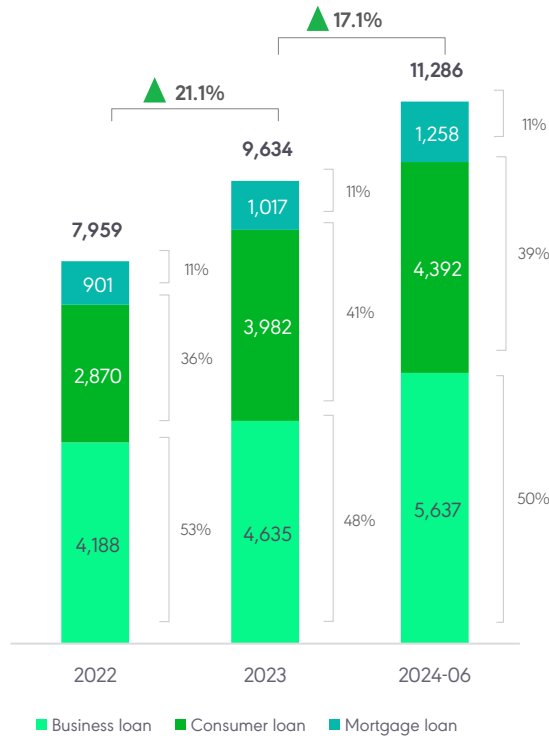


290
MNT billion
31.6%

BUSINESS GROWTH, RISK MONITORING

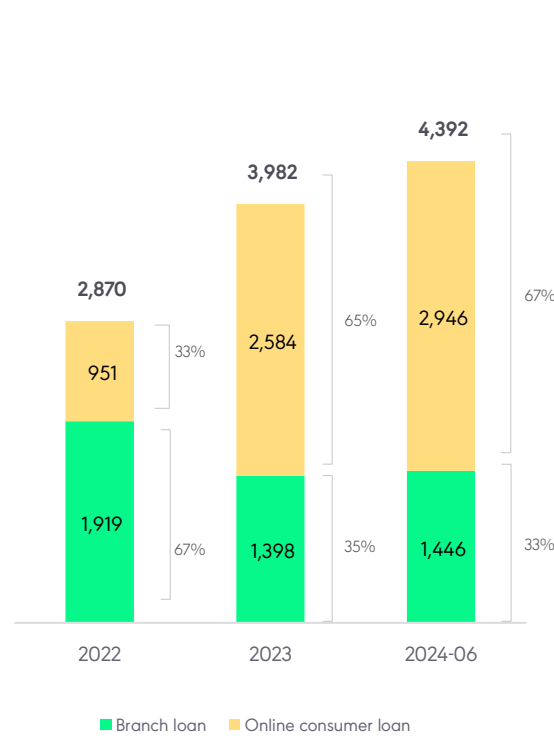
TOTAL LOANS

(MNT billions*)



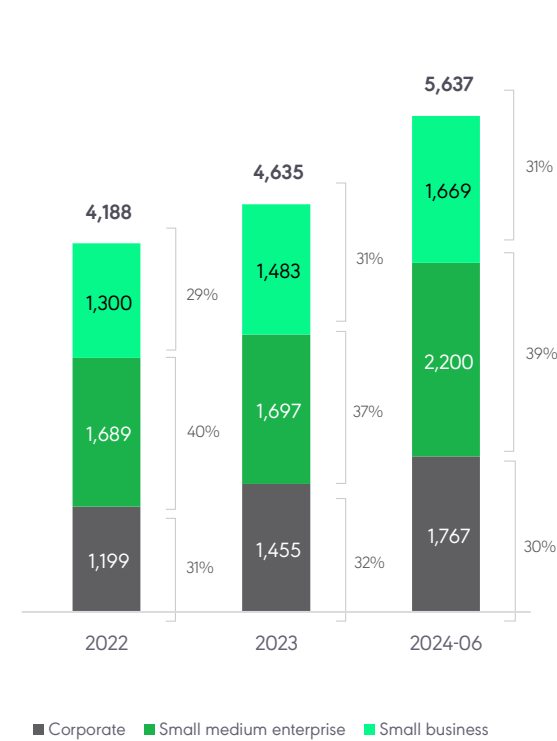
CONSUMER LOANS

(MNT billions*)



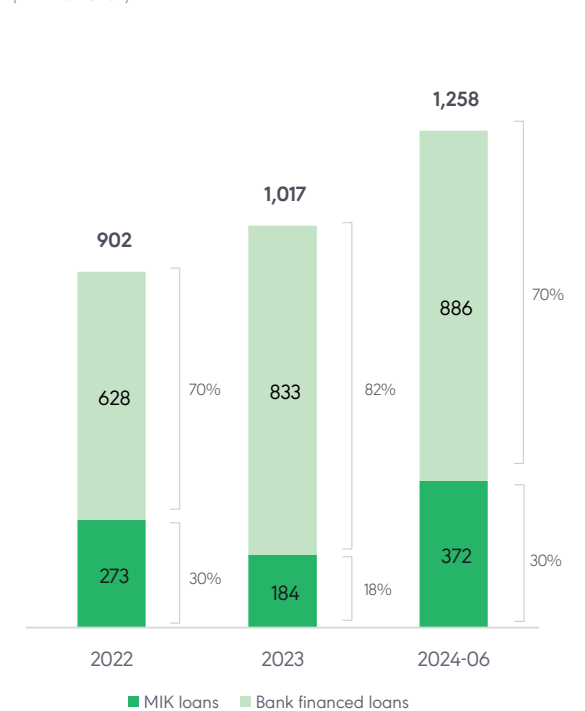
BUSINESS LOANS

(MNT billions*)



MORTGAGE LOANS

(MNT billions*)



THE BANK'S RISK MANAGEMENT

- Implementation of the international standard ICAAP and ILAAP reports has commenced. Additionally, the Stabilization Plan for 2022-2027 has been prepared and submitted to the Bank of Mongolia.
- The risk management system has been updated to align with the expansion of online and green business initiatives.

CREDIT RISK

The ratio of non-performing loans to the total loan portfolio was **4.5%**.

INTERNATIONAL MARKET RAISED

LONG TERM FUNDING

KHAN BANK SIGNED AN AGREEMENT TO RAISE THE FUNDING OF \$186.75 MILLION FROM INTERNATIONAL MARKETS IN THE FIRST HALF OF 2024.

\$186,750,000



MONGOLIA'S FIRST SOCIAL BOND* ISSUED TO INTERNATIONAL MARKET

\$130,000,000



SUPPORTING GREEN BUSINESSES, WOMEN ENTREPRENEURS AND WOMEN ENTREPRENEURS WHO ARE MAKING DIGITAL TRANSITION.

\$10,000,000



SUPPORTING WOMEN ENTREPRENEURS

\$10,000,000



*SOCIAL BOND is an innovative tool for sustainable financing, designed to fund targeted projects that support essential social services such as education, healthcare, food security, sustainable food systems, SMEs, housing, and basic infrastructure.

SUPPORTING MICRO AND SME

\$27,500,000



SUPPORTING MICRO AND SME

\$6,000,000



SUPPORTING MICRO AND SME

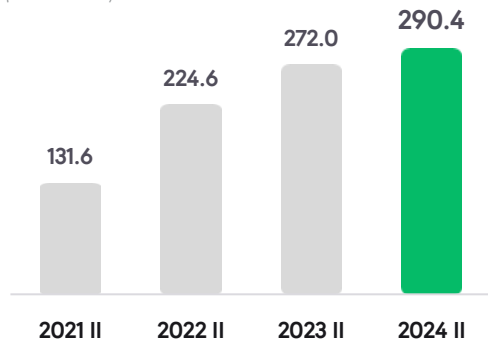
\$3,250,000



PROFITABILITY, FINANCIAL RATIOS

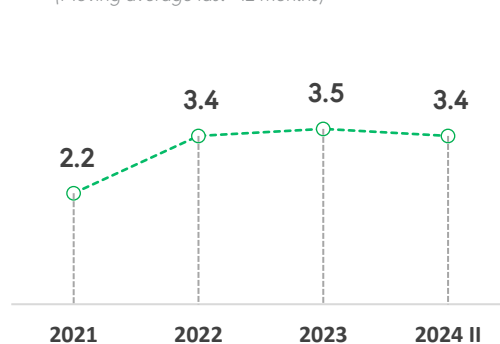
NET PROFIT AFTER TAX

(MNT billions)



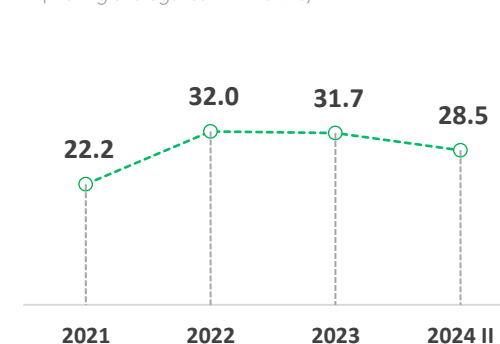
RETURN ON ASSETS, %

(Moving average last - 12 months)

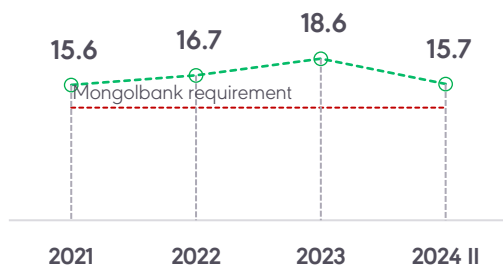


RETURN ON CAPITAL, %

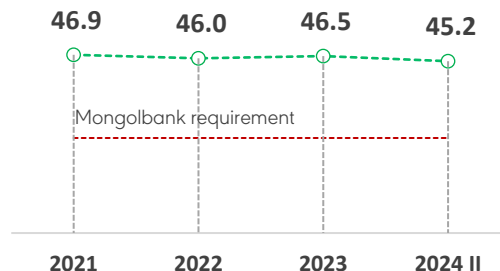
(Moving average last - 12 months)



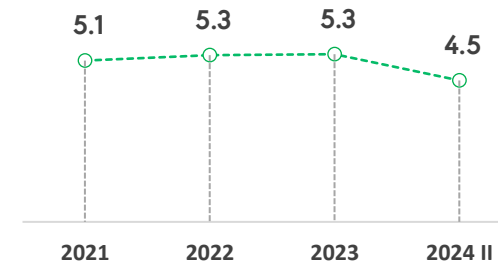
TIER 1 CAPITAL ADEQUACY RATIO, %



LIQUIDITY RATIO, %



NPL RATIO, %



DIVIDEND DISTRIBUTION

Dividend per share:

MNT 141.73

2024.02.15:

Board of Directors' resolution on dividend distribution

2024.04.25:

Transferred the dividend to the shareholders' account through "Mongolia's Centralized Securities Depository" LLC

Net profit after tax of 2023:

MNT 558,782,873 THOUSAND

Percentage of dividend distribution from the net profit after tax in 2023:

48.5%

Total amount of dividend:

MNT 271,015,823 THOUSAND

DISBURSEMENTS OF FUNDS RAISED FROM IPO



Digital transformation and IT investment

Total: MNT 64.1 billion

- ✓ Cloud transformation - MNT 4.3 billion
- ✓ Data Backup and Storage extension works - MNT 6 billion
- ✓ Digital transformation - MNT 13.9 billion
- ✓ Cyber security and its internal process automation - MNT 5.1 billion
- ✓ Digital products development and innovation - MNT 29.2 billion

Usage: **91%**

Financing for green project and programs

Total: MNT 62.4 billion

- ✓ Introduced green loan products specified for purchasing energy-saving apartments and houses, building energy-efficient houses, improving living conditions, and green construction.

Usage: **100%**

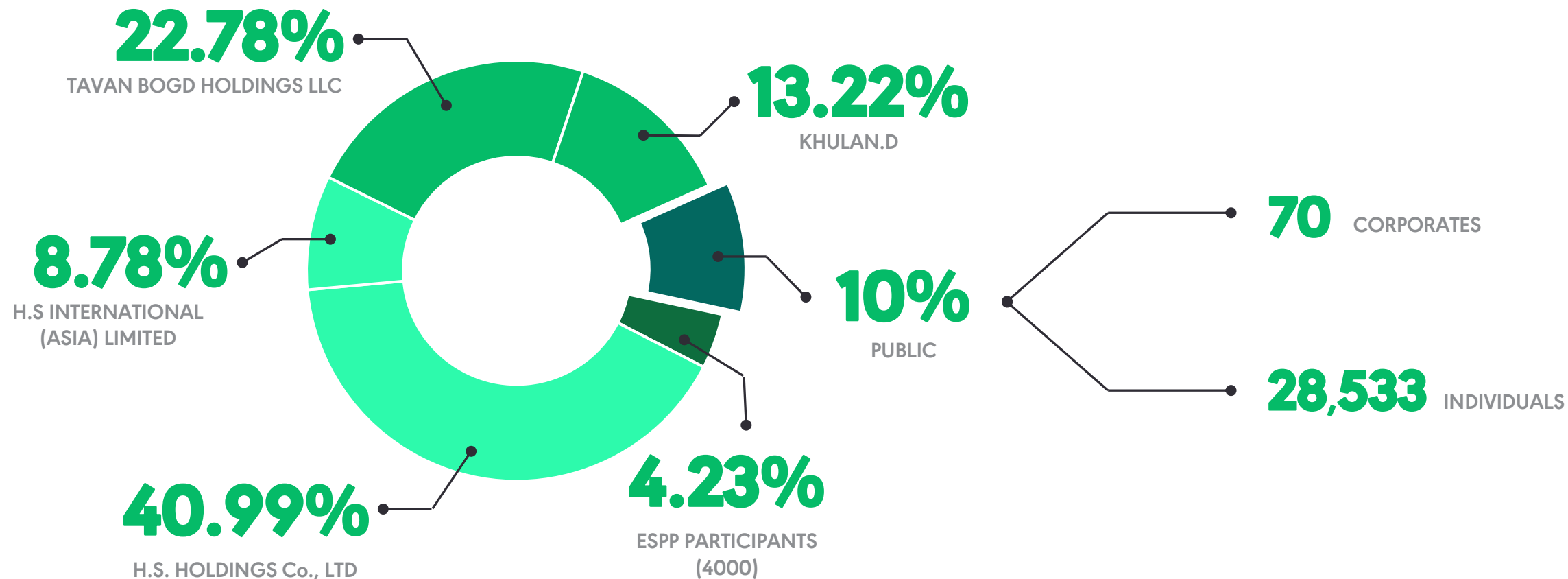
Long term loans /Mortgage and Investment Loans/

Total: MNT 56.9 billion

- ✓ Granted MNT 56.9 billion for 258 customers with condition of 36-84 months period to finance mortgage loans and long-term business investments.

Usage: **100%**

"KHAN BANK" JSC - SHAREHOLDING STRUCTURE



FIRST HALF OF 2024 ACHIEVEMENTS

DOMESTIC REWARDS



- "Top 10 Tax Paying Enterprises" 5th year in a row.
- Ranked number 2 of "TOP-100 Enterprises".
- "Best MSF Institution" and honored as the "Leading Bank of 2024" of the MSFA.
- "Top 10 Enterprises of the Year" and "Entrepreneur of the Banking Industry" in Mongolia by Mongolian National Chamber of Commerce and Industry

INTERNATIONAL REWARDS



- "Mongolia's Best Bank", recognized as a leader in digital customer experience by "The Digital Banker" .
- The first institution in Mongolia to comply with IDCXS:2022:02 standard for its customer experience
- "Best Bank Leading Digital Solutions", "Best Bank Supporter of SME" and "Best Bank Implementer of ESG" respectively in 2023 by "Asiamoney" magazine.
- "Most Active Letter of Credit Opening Bank" of the European Bank for Reconstruction and Development for the 13th year.



THANK YOU

Address: Khan Bank Tower Chinggis Avenue-6, Stadium Orgil-1, Khan-Uul district, 15 khoroo, Ulaanbaatar 17010, Mongolia

Tel: 1800-1917

E-mail: help@khanbank.com