



# XACBANK JSC FINANCIAL RESULTS 3Q 2024

October 14, 2024



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# Operational highlights

Q3 2024

XacBank has signed a **memorandum of cooperation with the Agricultural Bank of China** to implement the cross-border digital payment solution cooperation project for Chinese-Mongolian institutions. Upon implementation of the project, XacBank customers will have the opportunity to make payments safely and quickly by scanning the QR code of any system in China with the XacBank digital app, without the need to install or charge any other application.

XacBank received approval from the Bank of Mongolia to operate a **"Payment Card Clearing System"** in accordance with the Law on the National Payment System as well as rules and regulation of the Bank of Mongolia. The Bank is now able to transfer card payments and provide clearing services between payment service providers or other commercial banks and NBFIs and Fintech companies in Mongolia.

The Bank participated in the **Green Technology 2024 Day**, promoting Eco consumer loans with an annual interest rate of 6%, customers who are interested in energy-efficient electric heaters and insulation solutions can choose their products and get a loan on the spot.





# Operational highlights

Q3 2024

**XacBank has signed a cooperation agreement** with Oyu Tolgoi Foundation, the Khanbogd Development Accelerator under Oyu Tolgoi Company, to implement a program supporting entrepreneurs and small businesses. Within the framework of the program, XacBank will not only extend loans to micro and small and medium enterprises operating in Khanbogd soum, but also provide training, information, and consulting services to ensure sustainable business growth of local businesses.

Fitch Ratings has upgraded the **credit rating of XacBank to B+ (stable)** in line with Mongolian sovereign rating update.

In order to ensure the work-life balance of its employees and create opportunities to work more freely and enthusiastically, XacBank **shortened the working hours** from 8 hours to 7 hours during the month of September. Pilot program resulted in better productivity and increased satisfaction among employees, hence the decision to shorten the work-hour was extended until end of 2024.





# Financial Performance



Q3 2024

ROE*	Net profit	EPS	XAC	Tier 1 capital ratio	Liquidity ratio
26.2%	MNT 128.7 billions	MNT 122.3	MNT 761	18.2%	34.5%

### Key highlights:

- Q3 net profit after tax reached 43.4bn (+0.4% QoQ) and YTD net profit after tax accumulated 128.7bn (+26.7% YOY);
- Gross loan portfolio grew by 8.9% in Q3 and 31.2% YTD. Main driver of the growths were: consumer segment (+12% QoQ, +39% YTD), mortgage (+8% QoQ, +57% YTD), leasing (+11% QoQ, +29% YTD), MSME (+4% QoQ, +26% YTD), and corporate loans (+13% QoQ, +31% YTD);
- The asset quality remain strong with NPL ratio of 2.2%;
- Total deposit and current account was flat QoQ and +11.3% YTD;
- Tier 1 capital ratio is 18.2% (regulatory limit >12.5%) after paying interim dividend of MNT 18.9bn to the Shareholders;
- The Bank implemented share repurchased program for the first time effective from Sep 19, 2024. The current program volume is 2,300,000 shares or MNT 1.748 bn equivalent. As of Sep 30, 2024, total 154,996 shares were repurchased;
- Liquidity ratio is 34.5% (regulatory limit >25%);
- Other regulatory metrics are within the limited.

Notes: \* ROE is calculated based on quarterly net profit after taxes divided by average equity for the period. Numbers presented above are based on management account classifications.



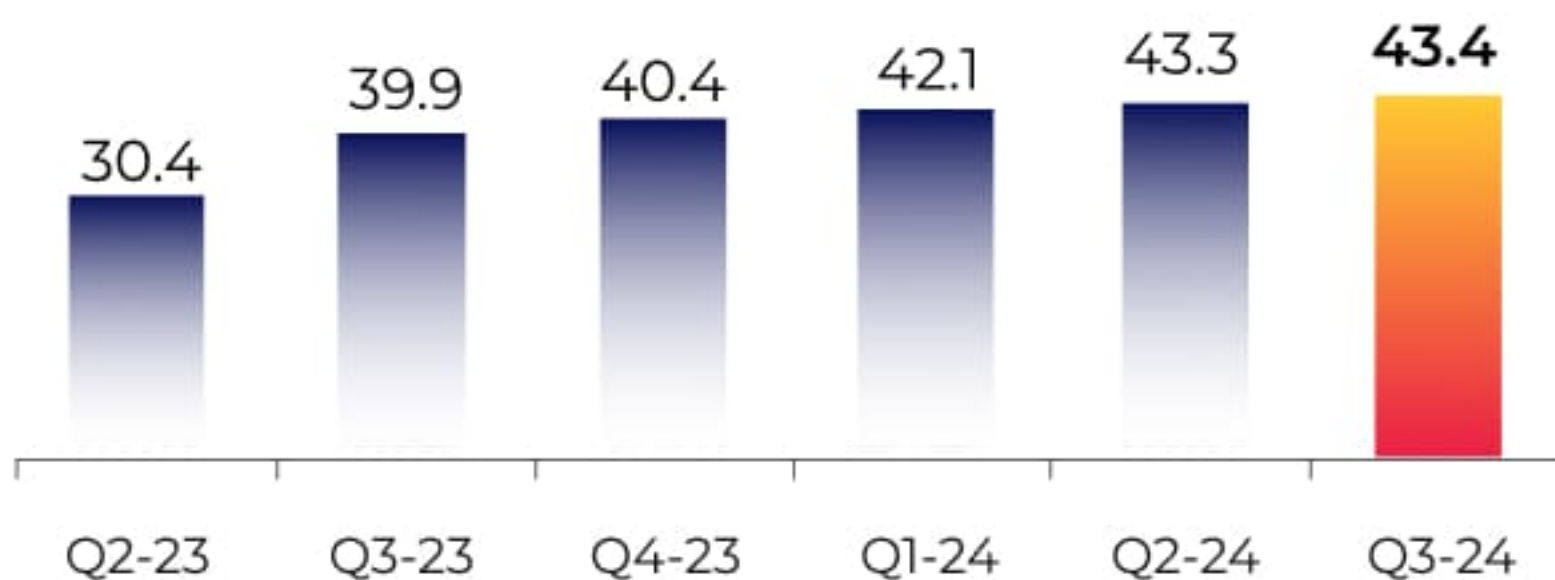
# Key Indicators



Q3 2024

## Net profit

In MNT billions



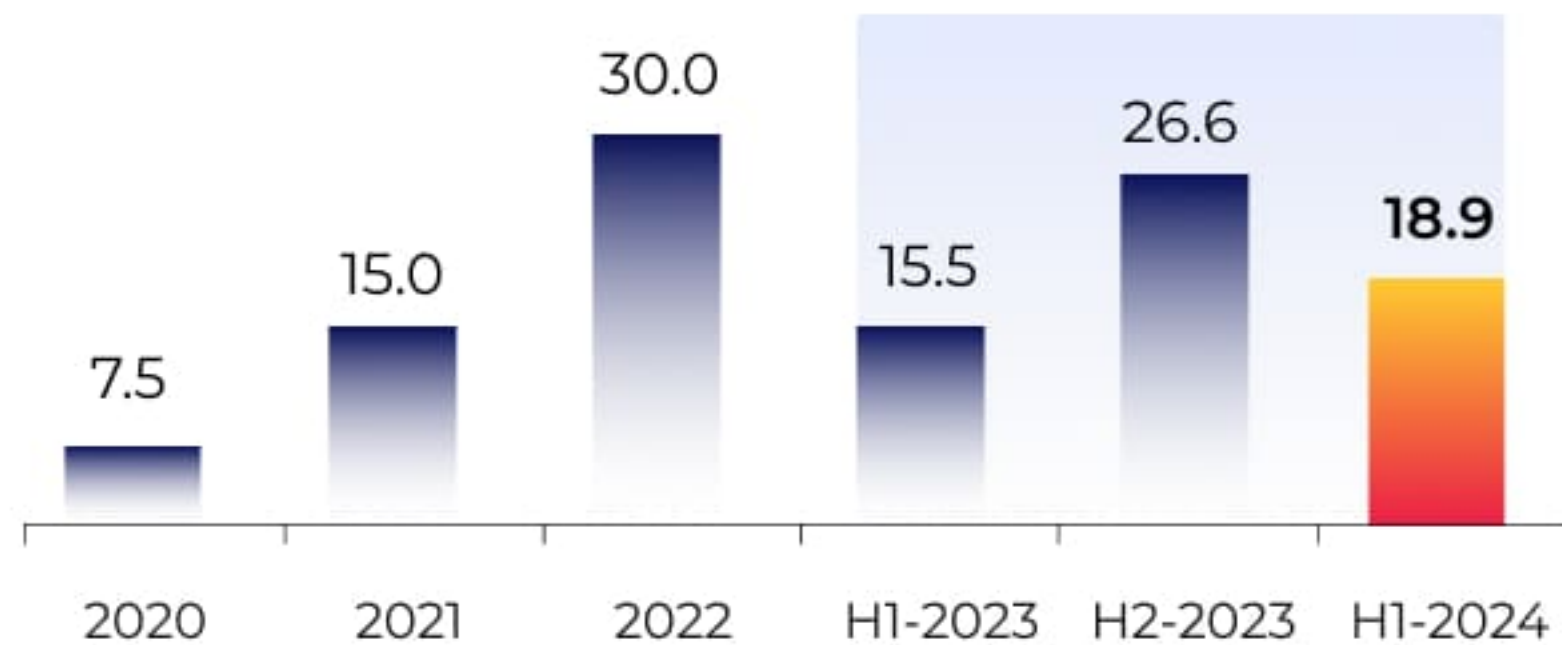
## ROE\*

Based on average equity



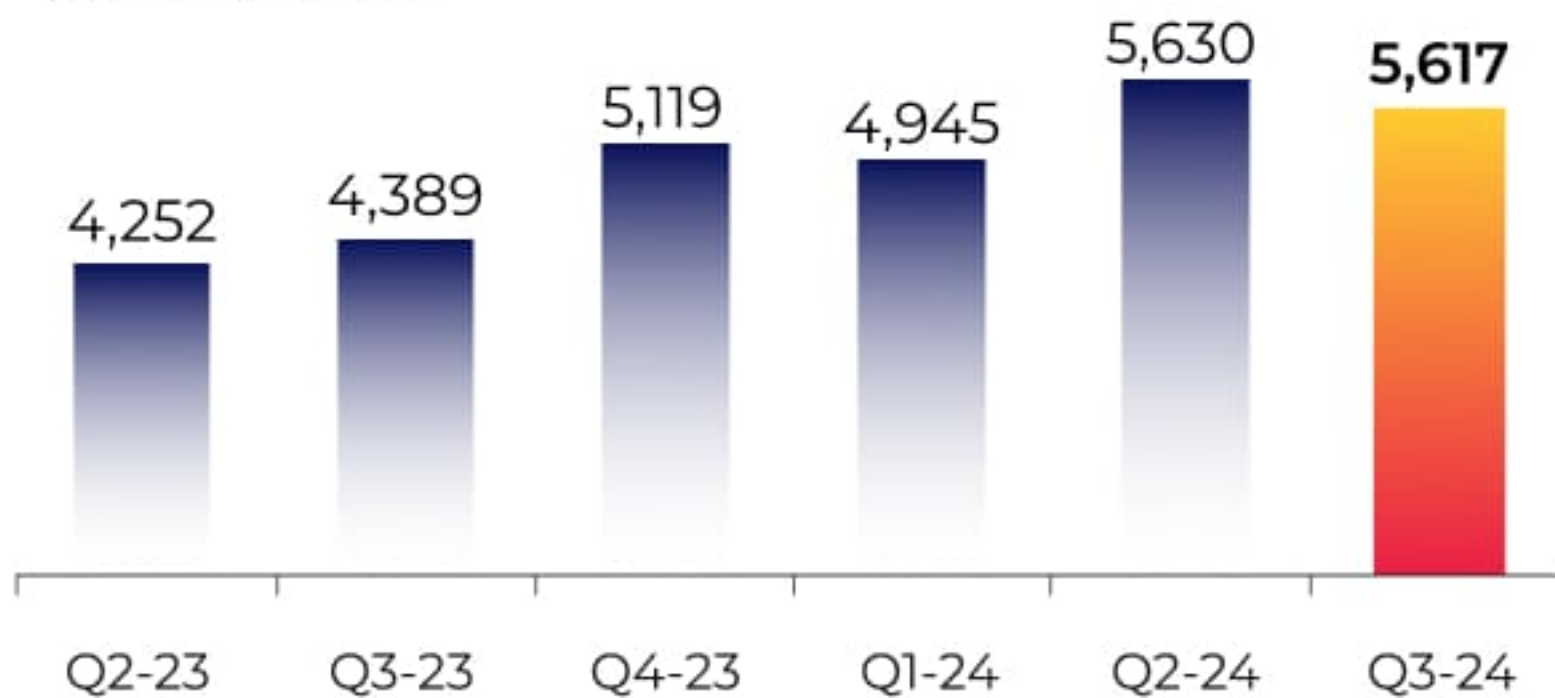
## Dividend

In MNT billions



## Total assets

MNT billions



## Tier 1 capital ratio



## Liquidity ratio



Notes: \*ROE is calculated based on quarterly net profit after taxes divided by average equity for the period.



# Lending

Q3 2024



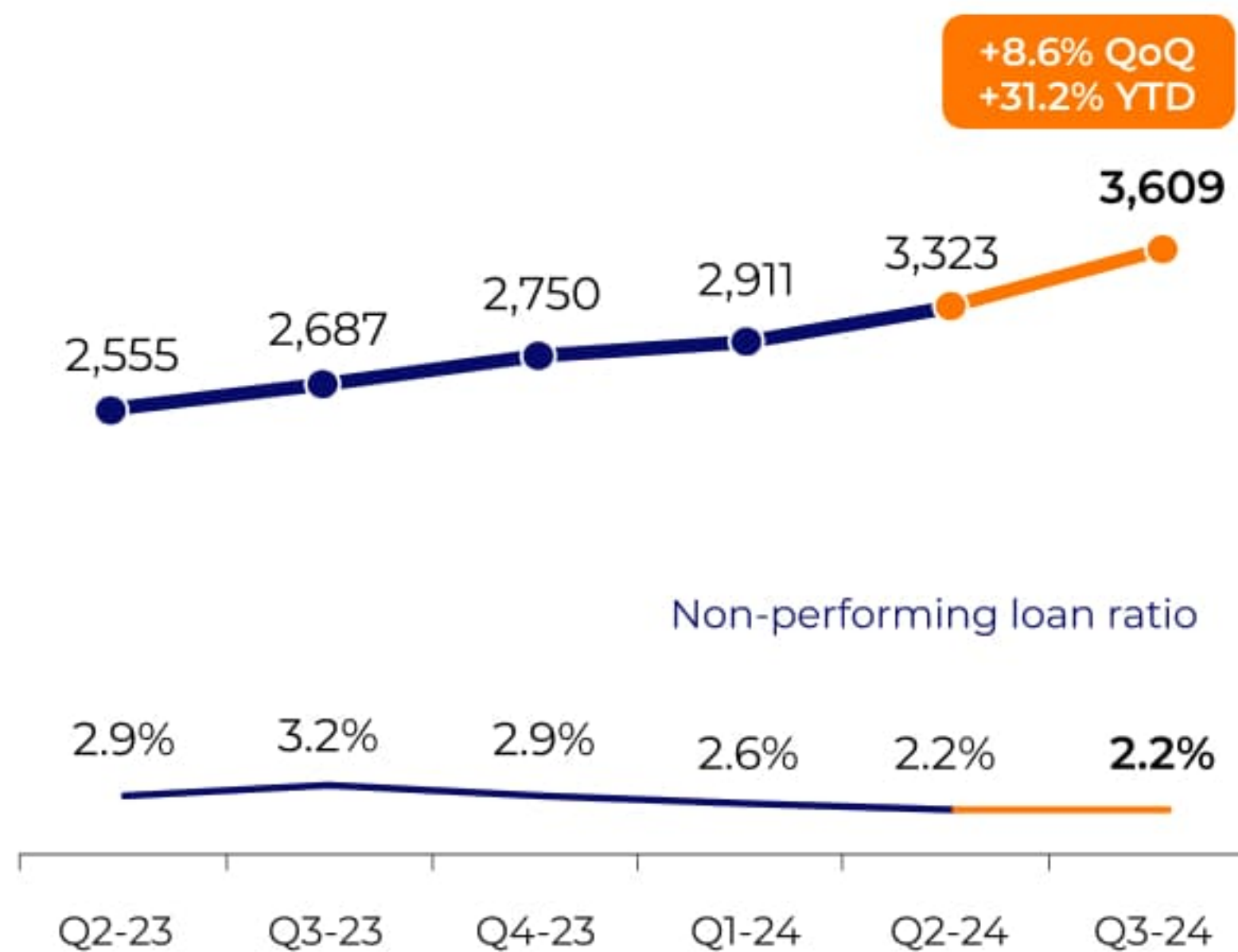
Gross loan and lease portfolio  
**MNT 3,609** billions

Number of loan accounts  
**176K** ▲ +7.6k QoQ

Number of digital loan accounts  
**110K** ▲ +7.8k QoQ

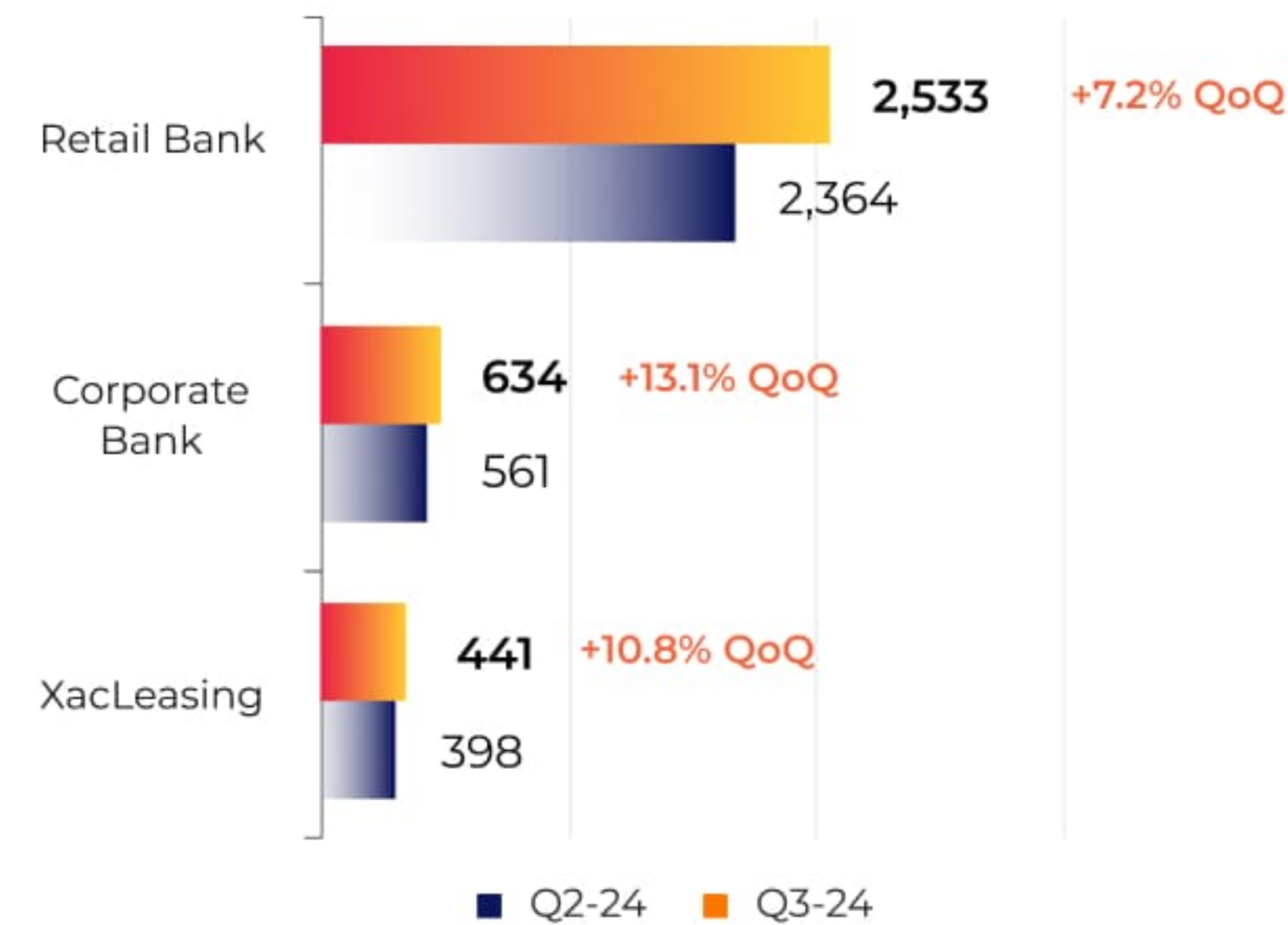
## Gross loan and lease portfolio

in MNT billions



## Segment

in MNT billions



## Notes:

- All segment demonstrated strong growth in Q3 thanks to improved market situation;
- Retail lending growth mainly produced through digital products and automation;
- Corporate line utilization increased in line with businesses seasonality of trading companies resulting in 13.1% QoQ growth;
- Leasing portfolio growth was driven primarily by passenger vehicle leases which is propelled by better catering to the needs and demand of leasing clients.



# Current Accounts and Deposits



Q3 2024

CASA & Deposits balance

**MNT 3,202** billions

Number of accounts

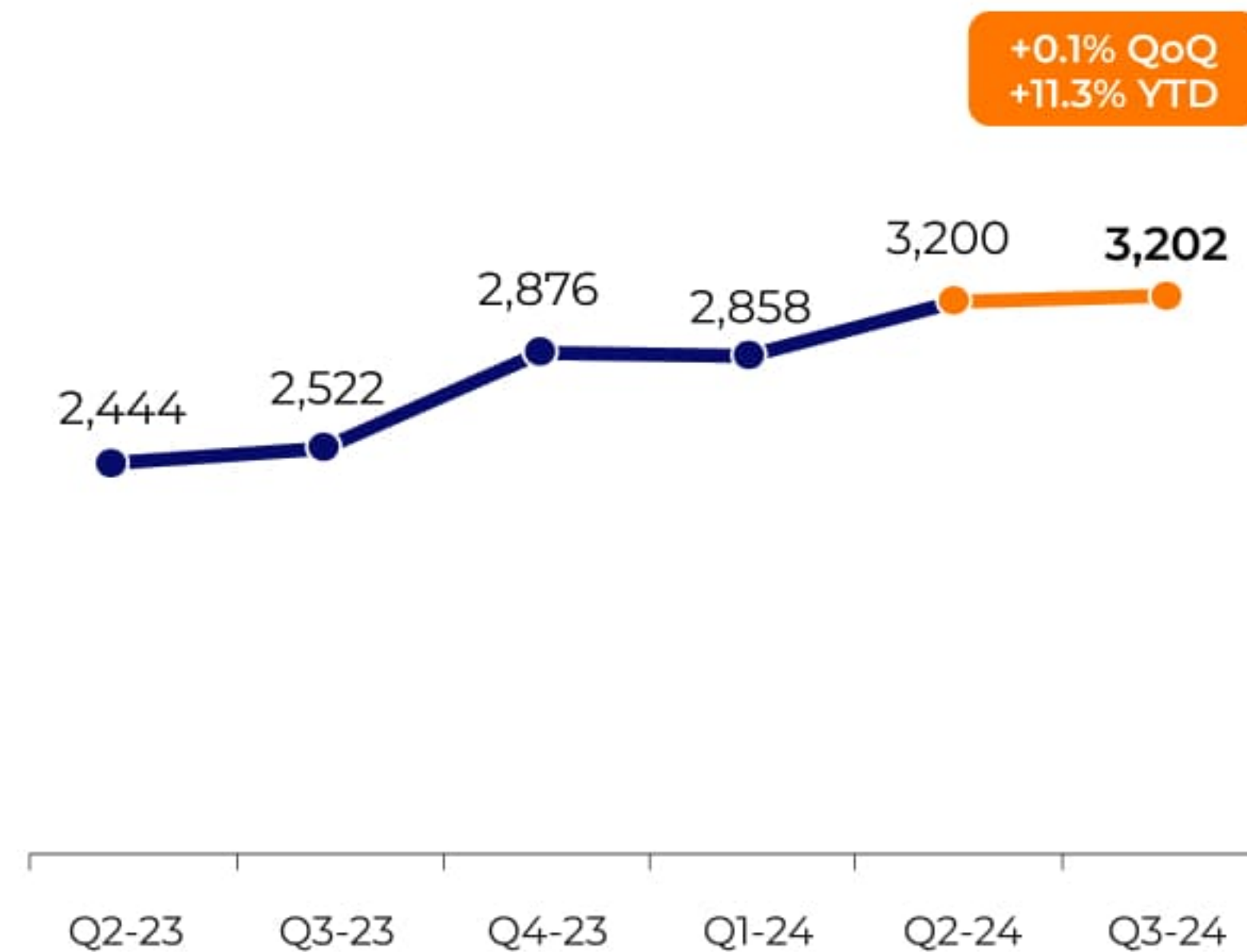
**1,361K** ▲ +31.7k QoQ

Number of time deposit accounts

**527K** ▲ +2.4k QoQ

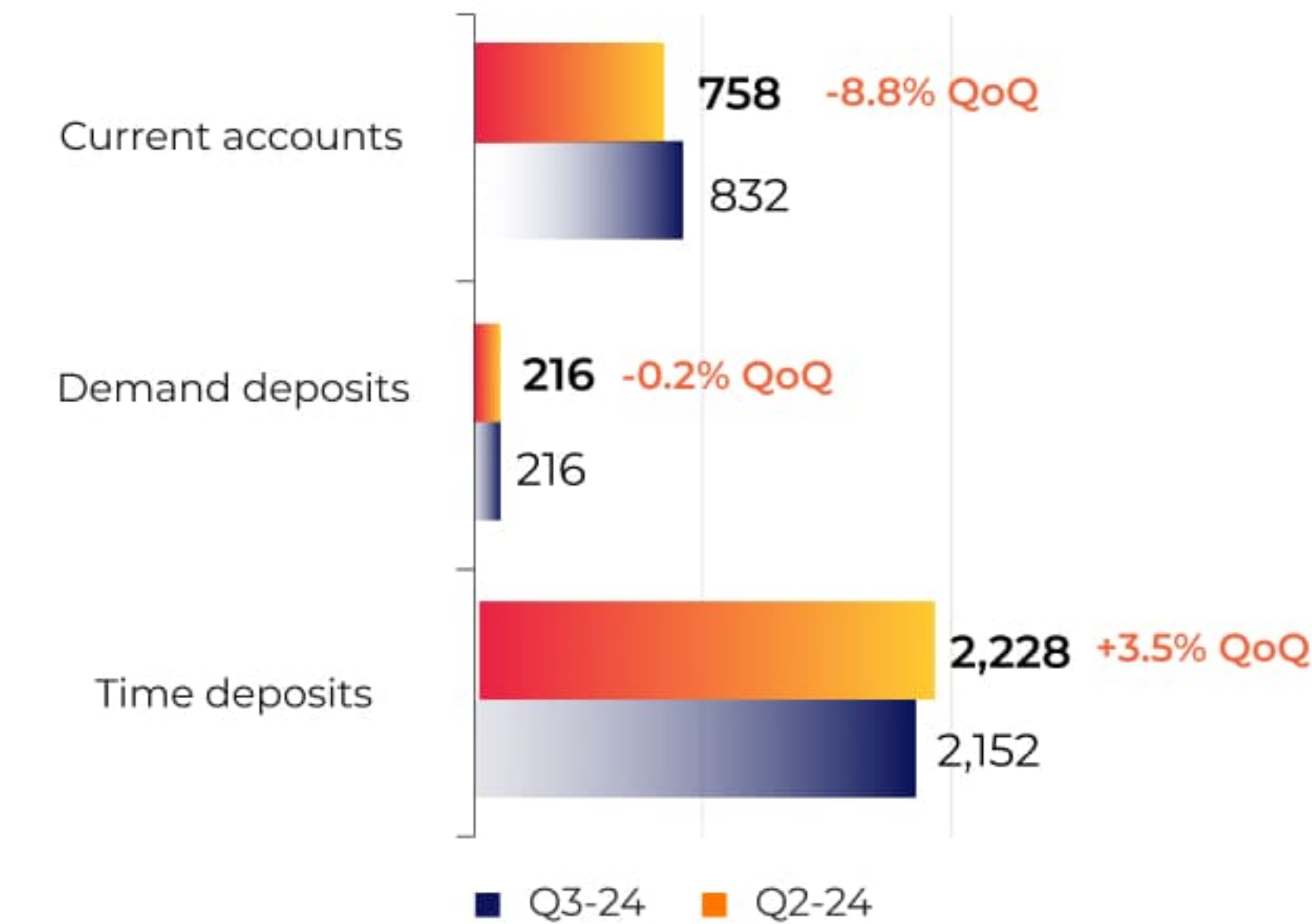
## CASA & Deposits

MNT billions



## By Products

in MNT billions



## Notes:

- Current account ranges between MNT 700-850bn during the period in line with seasonality of business activities;
- Demand deposit was flat;
- Time deposit grew 3.5% QoQ or 12.0% YTD mainly through long term child saving;

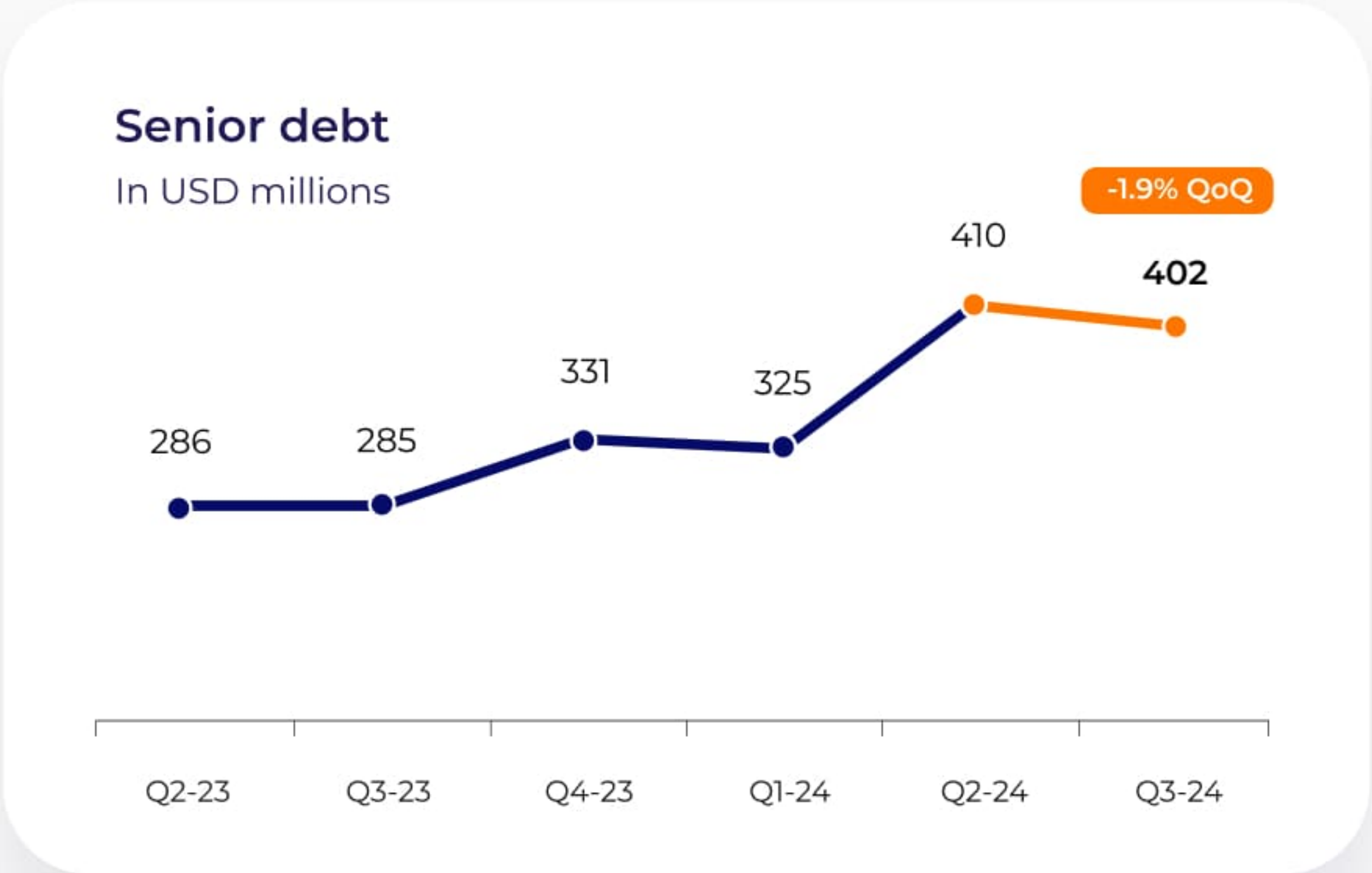


# Senior Debt



Q3 2024

- Senior debt declined 1.9% QoQ following the scheduled repayments;
- Bank is in discussion with number of long term lending partners for new senior debts in accordance with the funding plan for 2024. New funding expected by Oct-Nov 2024.



## Lenders:





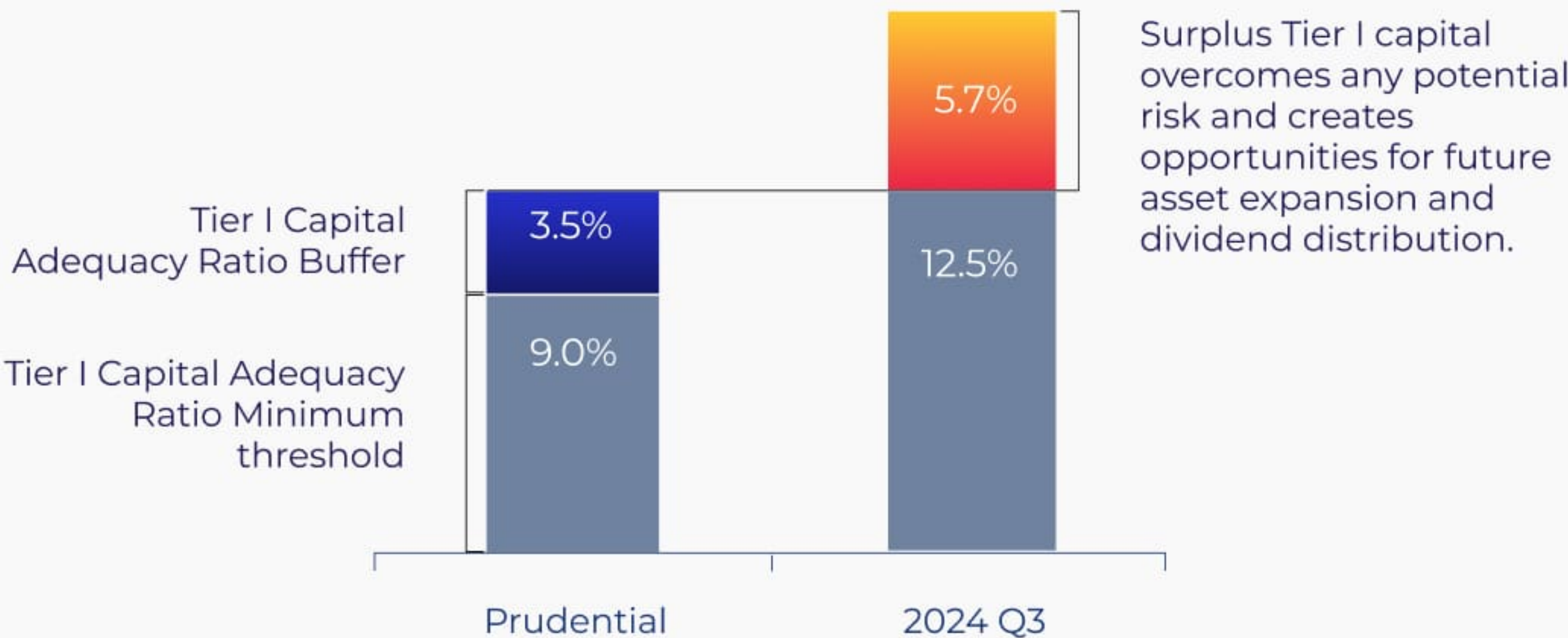
# Prudential Requirements



Q3 2024

Tier I Capital Adequacy Ratio  
**18.2%**

Liquidity Ratio  
**34.5%**



39.4 Cash

947.9



BoM treasury bills

526.0



Placements at BoM

166.2

"Placements at BBB-" or higher rated financial institutions

2.9 Other

Liquid assets: 1,682.4 MNT billion



# Prudential Requirements - Cont.



In %, unless otherwise specified	2023 Q3	2023 Q4	2024 Q1	2024 Q2	2024 Q3
Foreign currency exposure ratio (single currency) +/- 15%	4.3%	-1.3%	-1.9%	-2.3%	-6.2%
Foreign currency exposure ratio (total) +/- 30%	4.8%	-1.4%	-2.9%	-3.3%	-9.1%
Credit concentration ratio <300%	23.6%	38.6%	33.0%	52.9%	56.9%
Fixed asset to total assets ratio <8%	1.6%	1.3%	1.4%	1.2%	1.2%
Deposit concentration ratio <25%	6.9%	7.8%	7.8%	7.9%	7.4%

In %, unless otherwise specified	2023 Q3	2023 Q4	2024 Q1	2024 Q2	2024 Q3
Loans to bank related party and employees and other assets equivalent to the loan (less than 5% of capital)					
Bank shareholders	1.3%	0.8%	0.9%	0.7%	1.7%
Key management personnel	0.1%	0.1%	0.1%	0.1%	0.1%
Other related parties	3.6%	3.2%	3.0%	2.9%	2.8%
Total loans to bank related parties and employees and other assets equivalent to the loan (less than 20% of capital)					
Bank shareholders	1.4%	0.9%	0.9%	0.7%	1.7%
Key management personnel	0.3%	0.3%	0.3%	0.5%	0.4%
Other related parties	3.6%	3.2%	3.0%	2.9%	2.8%





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