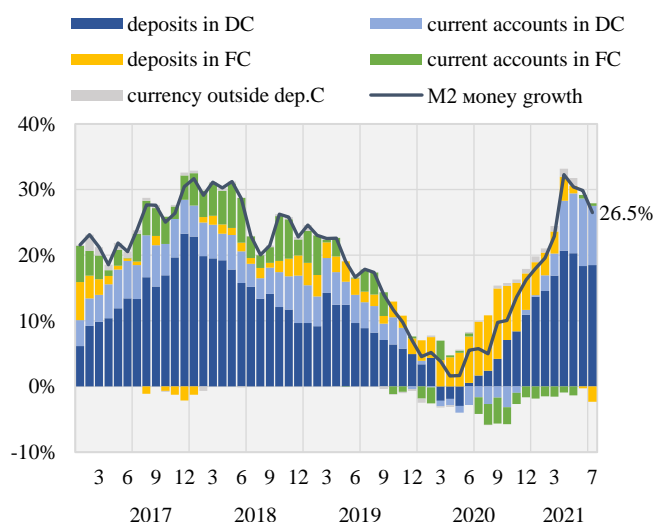


# 1 MONEY SUPPLY

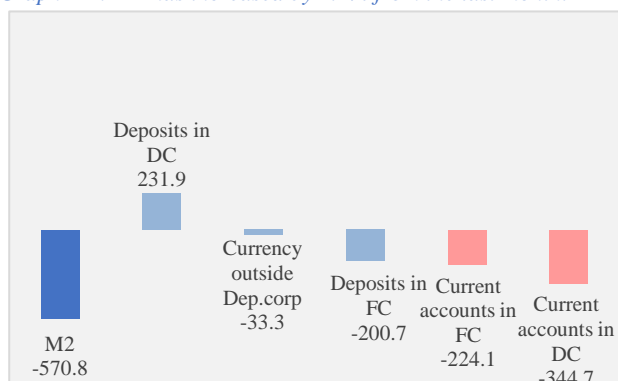
## 1.1 Money supply growth

The year-on-year growth rate of money supply (M2) has **increased by 26.5% compared to the previous period, reaching a total of 27.1 trillion MNT**. The M2 growth rate can be broken down into the following: 18.5% increase in domestic currency deposits, 9.0% increase in domestic currency current accounts, 0.9% increase in currency in circulation, 0.4% increase in foreign currency current accounts, and a -2.3% decrease in foreign currency deposits. Compared to the previous month, M2 has fallen by 2.1% due to a decrease in both private sector's domestic currency deposits and current account, public sector's foreign deposits and individuals sector's domestic current account. However, domestic currency deposits in the private sector has fallen.

Graph 1-1: M2 annual growth rate was recorded at 26.5%.



Graph 1-2: M2 has increased by 1.2% from the last month.



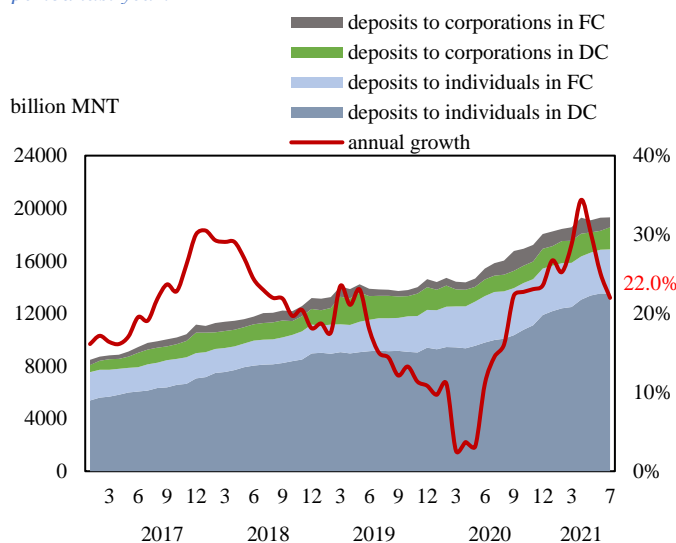
## 1.2 Savings

**The total amount of savings deposits was 19.3 trillion MNT**, of which 87.3% or 16.9 trillion MNT were from personal bank deposits, and 12.7% or 2.4 trillion MNT were from corporate deposits. In this month 21.2% of personal bank deposits and 30.5% of corporate deposits were deposited as foreign currency. As a result, foreign currency deposits accounted for 19.9% of total deposits

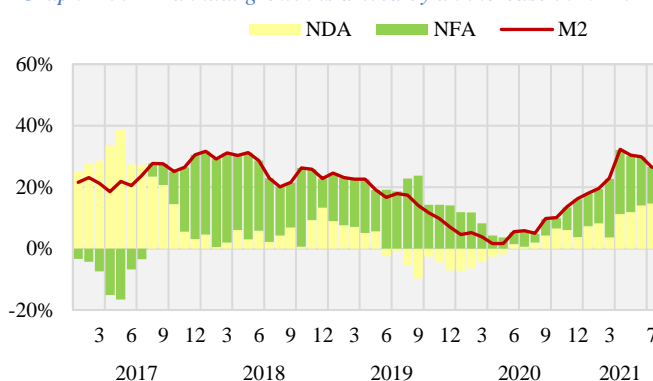
## 1.3 M2 distribution

In terms of M2 money supply, the Net Domestic Assets (NDA) of the Central Bank and other depository corporations are 21.6 trillion MNT, and the Net Foreign Assets (NFA) are 5.6 trillion MNT. Compared to the same period last year, 14.7% of M2 monetary growth is accounted for in the NFA and 11.8% is accounted for in the NDA.

Graph 1-1: Total deposits has increased by 22% compared to the same period last year.



Graph 1-3: M2 annual growth is driven by an increase in NFA.



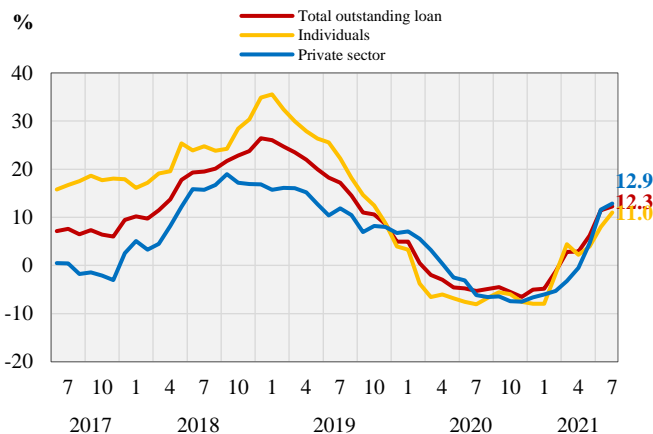
## 2 BANKS' LOAN

### 2.1 Growth

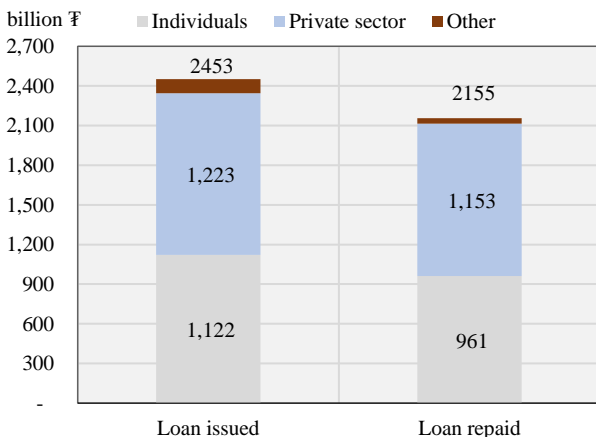
Banks' outstanding loans **increased by 12.3 percent year-on-year to 19.3 trillion MNT**. Of which, loans to private sector has increased by 12.9 percent to 9.2 trillion MNT, and loans to individuals has increased by 11.0 percent to 9.5 trillion MNT. Of the total outstanding loans, 1.7 trillion MNT or 9.1 percent were in foreign currency.

Compared to the previous month, outstanding loan has increased by 1.6 percent or equivalent of 297.0 billion MNT. Of which, loans to private sector increased by 0.8 percent and loans to individuals increased by 1.7 percent.

Graph 2-1: Total outstanding loans increased by 12.3 percent compared to the same period of the previous year, reaching 19.3 trillion MNT.



Graph 2-3: In the reporting month, 2,452.5 billion MNT is issued out and 2,155.1 billion MNT were repaid.



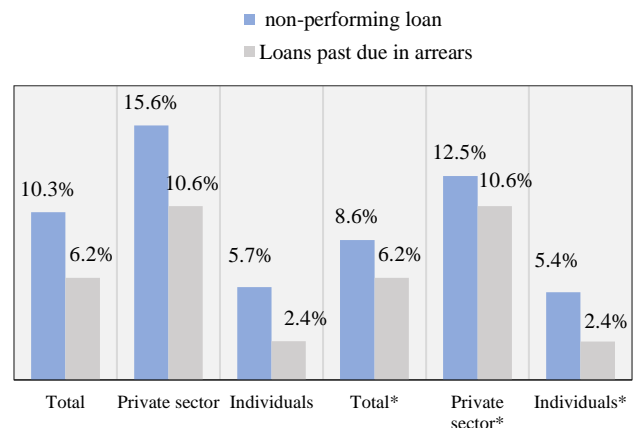
### 2.2 Lending and repayment

In the reporting month, lending has decreased by 991.0 billion MNT and repayment has decreased by 369.3 billion MNT compared to the previous month. In this month, 5.9 percent or equivalent of 145.8 billion MNT is issued in foreign currency.

### 2.3 Non-performing loans

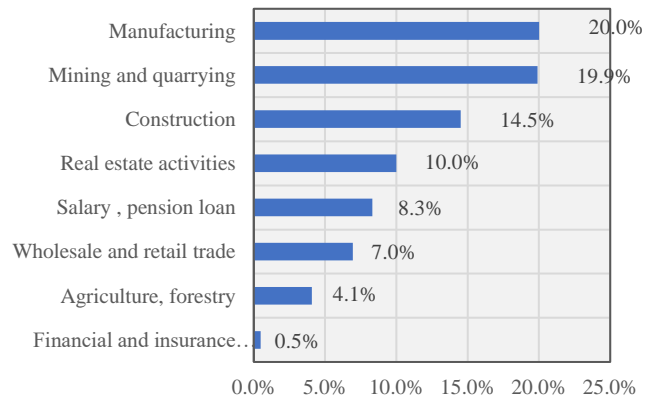
72.4 percent of non-performing loans and 81.2 percent of overdue loans are loans from private organizations. Compared to the previous month, **non-performing loans decreased by 28.4 billion MNT and reached to 1,977.5 billion MNT**. 11.5 percent of non-performing loans were issued in foreign currency. Manufacturing sector loan has accounted for 20.0 percent of NPLs and 19.9 percent were in mining, 14.5 percent were in construction, 10.0 percent were in real estate, and 8.3 percent were in salary and pension loan.

Graph 2-2: 10.3% of total loans are non-performing loans and 6.2% are overdue loans.



Note: \* 12 operational banks

Graph 2-4: 73.4% of non-performing loans are from private sector and 27.3% from individuals.



Source: Bank of Mongolia

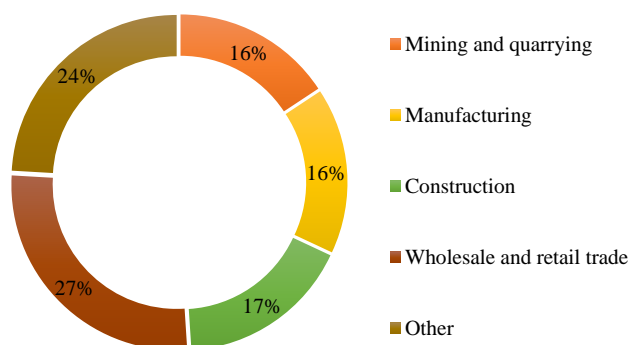
## Monetary and Financial Statistics

### 2.3 Private sectors' loan

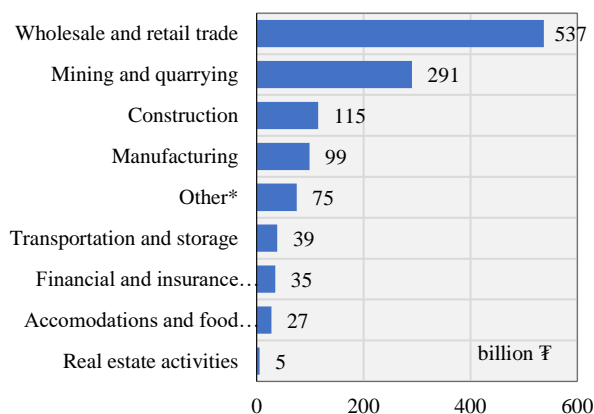
**Outstanding loan of the private sector has increased by 73.5 billion MNT from the previous month.**

Monthly changes in by economic sector is as follows: mining sector loan has increased by 152.2 billion MNT, transportation and storage activities loan has increased by 18.4 billion MNT, construction sector loan has increased by 13.9 billion MNT and financial and insurance activities loan increased by 11.1 billion MNT. Manufacturing sector loan has decreased by 97.7 billion MNT and wholesale and retail trade loan has decreased by 47.7 billion MNT. Within the months of reporting, 1,223.0 billion MNT of new loans were issued to private sector, of which 11.5 percent or 140.6 billion MNT were issued in foreign currency.

Graph 2-5: Trade, construction, manufacturing, and mining sector has accounted for the largest share of private loans.



Graph 2-7: In this month, most loans were issued to trade and manufacturing sector.



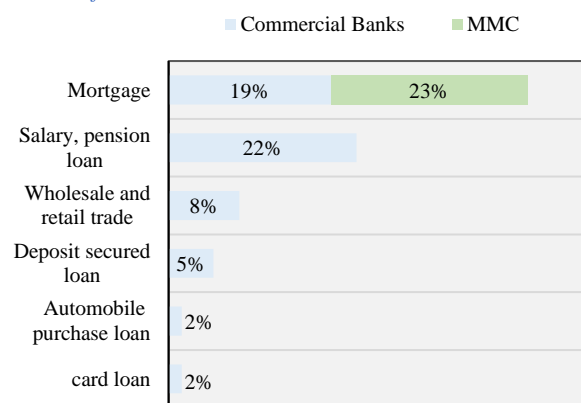
\* Sectors such as electricity, gas, water supply, agriculture, information technology, finance and insurance, professional science, administration, public administration, education and health.

### 2.4 Individuals' loan

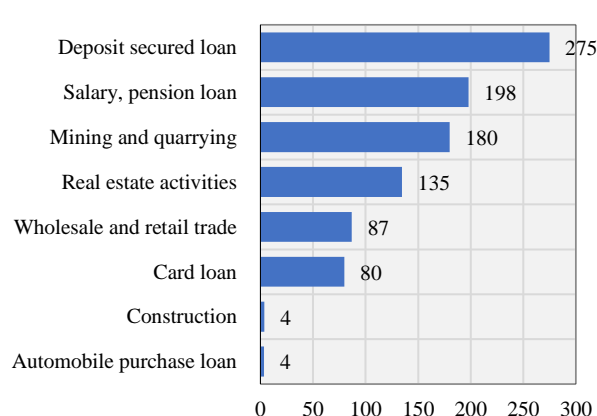
**Outstanding loan has increased by 160.9 billion MNT from the previous month.**

Outstanding mortgage loan has increased by 63.6 billion MNT (including portfolios transferred to MMC) and deposit secured loan has increased by 13.5 billion MNT. Salary and pension loan decreased by 9.3 billion MNT, automobile purchase loan decreased by 6.6 billion MNT, card loan has decreased by 2.7 billion MNT and trade sector loan decreased by 1.1 billion MNT. During the reporting month, 1,122.2 billion MNT of new loans were issued to individuals, of which 0.5 percent were issued in foreign currency.

Graph 2-6: Mortgage loan has accounted for 42.0% (including the portfolio transferred to MMC) and salary and pension loans accounted for 22.0%.



Graph 2-8: In this month, the majority of loans issued to individuals were deposit backed, salary and pension loan.



\*Sectors such as agriculture, manufacturing, electricity, gas, water supply, transportation, warehousing, services, information technology, professional science, administration, public administration, education, health, etc..

# 3 MORTGAGE LOAN

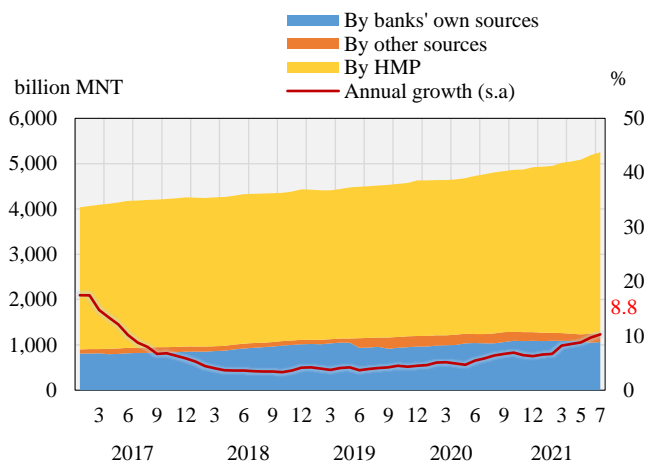
## 3.1 Outstanding of mortgage loan

As of July 2021, **101,746 borrowers have a total of MNT 5,253.1 billion** in mortgage loan. Of this, 77,868 borrowers received MNT 4,002.1 billion in subsidized loan. Around three quarters (76.2 percent) of outstanding mortgage loan is issued by Housing Mortgage Program (HMP), 20.2 percent is issued by banks' own sources, and 3.6 percent by other sources.

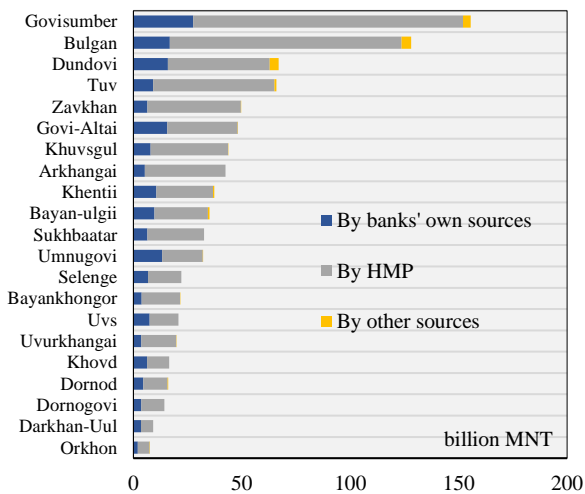
## 3.2 Location

**16.8 percent or MNT 884.7 billion** of total mortgage loans were accounted for rural areas. 77.3 percent of outstanding mortgage loan is issued by HMP, 21.0 percent is issued by banks' own sources, and 1.7 percent is issued by other sources in rural areas.

Graph 3-1: Annual growth of mortgage loan is at 8.2%.



Graph 3-2: 16.8% or MNT 884.7 billion of total loans are in rural areas.



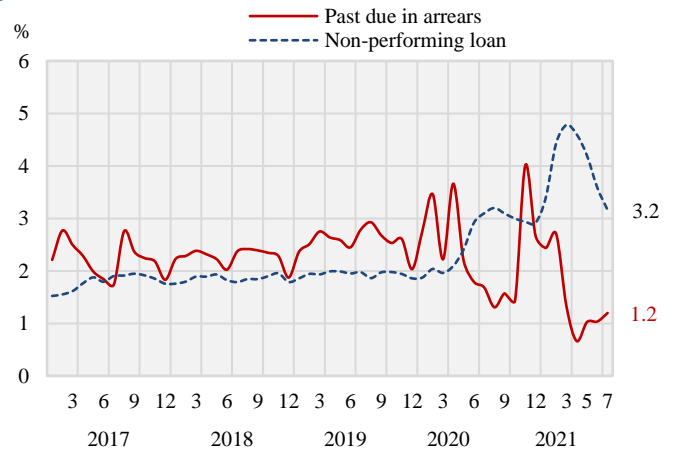
## 3.3 Quality of mortgage loan

**95.6 percent of total outstanding mortgage loans are standart**, 1.2 percent are past due in arrears and 3.2 percent are non-performing loans. 48.1 percent of non-performing mortgage loans were issued by banks' own sources, 48.3 percent were issued by HMP, 3.6 percent were issued by other sources.

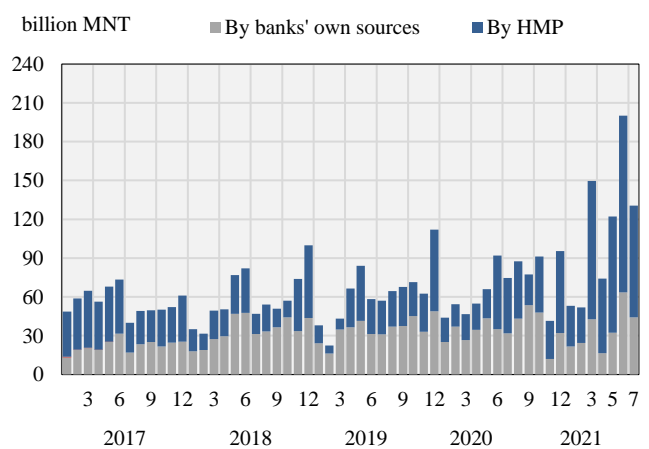
## 3.4 Source

In the reporting month, **1,570 borrowers were issued new mortgage loans worth MNT 130.5 billion**, of which 66.1% were financed by the HMP.

Graph 3-3: Overdue loan has increased by 9.2 billion MNT and non-performing loan has increased by 20.1 billion MNT compared to the previous month.



Graph 3-6: During the reporting month, 1570 new borrowers were issued new mortgage loans.



Source: Bank of Mongolia

Monetary and Financial Statistics

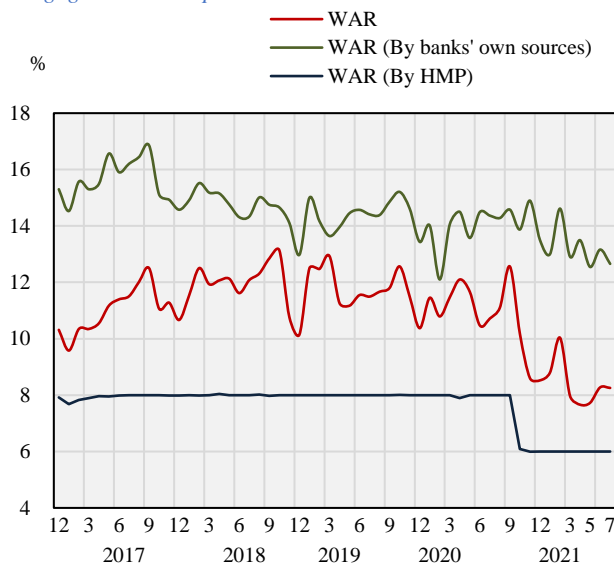
3.5 Interest rate of mortgage loan

The weighted average interest rate on new mortgage loans remained same from the same period of the previous year and decreased by 2.5 percentage points from the previous month, reaching 8.3 percent.

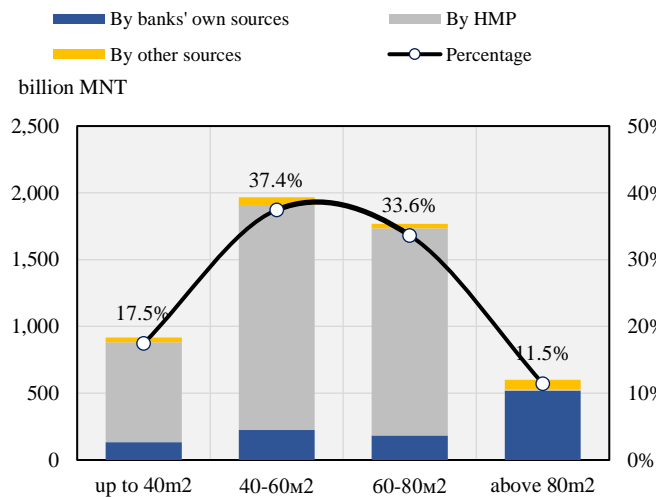
3.6 Collateral value

88.5 percent of apartments sold on mortgage loans are apartments with an area of up to 80 square meters.

Graph 3-5: The weighted average interest rate on newly issued mortgage loan is 8.0 percent.



Graph 3-6: The size of the mortgage collateral area



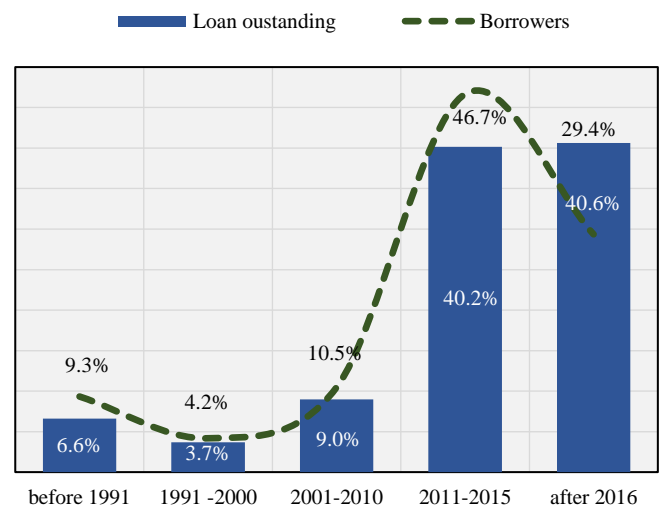
3.7 Year of commissioning

76.0 percent of mortgages sold were apartments built since 2011, which accounted for 80.8 percent of total mortgage loans.

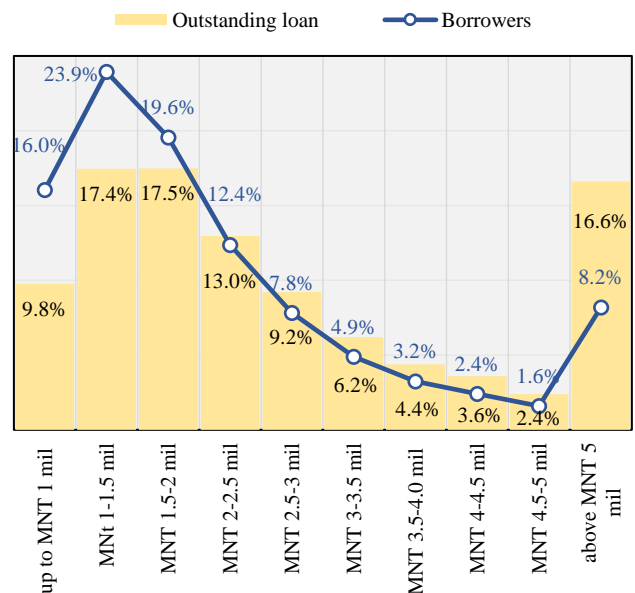
3.8 Distribution of borrower's income

Individuals with a household income of up to MNT 2.5 million make up 71.9 percent of the total borrowers and 57.7 percent of the total outstanding loans, respectively.

Graph 3-7: Mortgage collateral, by year of commissioning



Graph 3-8: Income distribution of borrowers



Source: Bank of Mongolia

# 4 Rate

## 4.1 Interest rate on new deposit

In July 2021, the weighted average interest rate (WAR) of **total new deposit in DC was 6.7 percent and the WAR of deposit in foreign currency was 3.3 percent**. WAR in DC has decreased by 3.8 percentage points compared to the same period of the previous year. The WAR on newly issued term deposits is 7.4 percent while the WAR on demand deposits are free<sup>1</sup>.

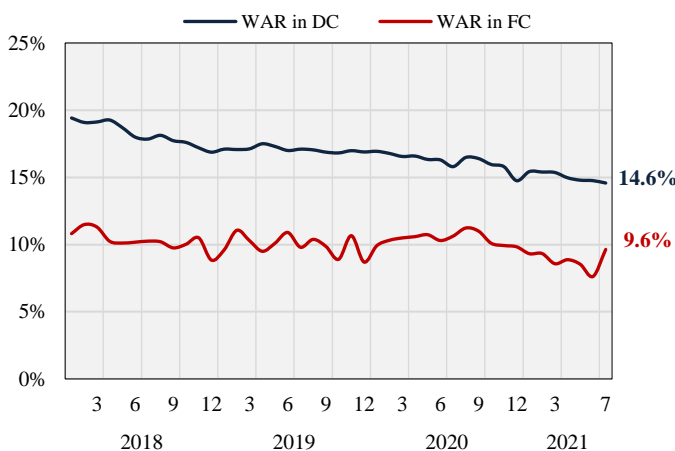
Graph 4-1: The interest rate on new deposit in DC has increased by 0.3 percentage points from the previous month.



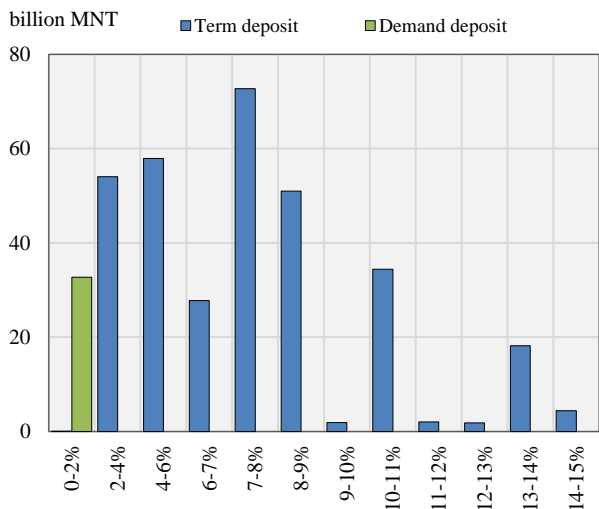
## 4.2 Interest rate on newly issued loans

In the reporting month, **the WAR of loans issued in DC has reached to 14.6 percent, WAR of loans issued in foreign currency has reached to 9.6 percent**, WAR in DC has decreased by 1.2 percentage points and WAR in FC has decreased by 1.0 percentage points compared to the same period of the previous year. While the WAR of individuals loan issued in DC is 14.8 percent, the WAR of private loans in DC is 14.9 percent.

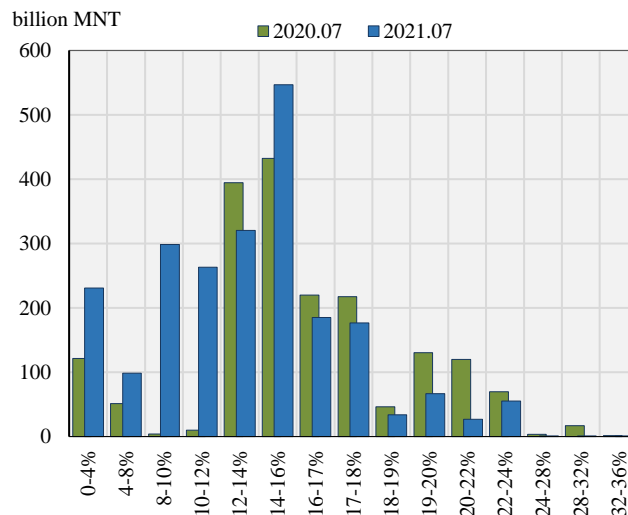
Graph 4-2: The WAR on newly issued loans in DC is at 14.6%.



Graph 4-3: The interest rate on new time deposit is 7.4% and the interest rate on demand deposit is free.



Graph 4-4: Distribution of interest rate on newly issued loan



Source: Bank of Mongolia

<sup>1</sup> Law on Prevention, Combat, and Reduction of Social and Economic Impacts of the COVID-19.

Monetary and Financial Statistics

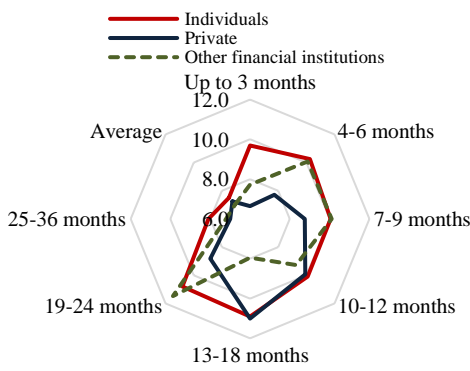
4.3 Interest rate on outstanding deposits

WAR for total outstanding deposits in DC is at 7.4 percent. On the other hand, the WAR of total deposits in FC is at 2.4 percent, decreased by 1.9 percentage points compared to the same period of the previous year. WAR for individuals' deposits in DC is at 7.5 percent, where WAR of individuals' deposits in FC is 2.5 percent, and WAR of private sector's deposit in DC is at 7.2 percent.

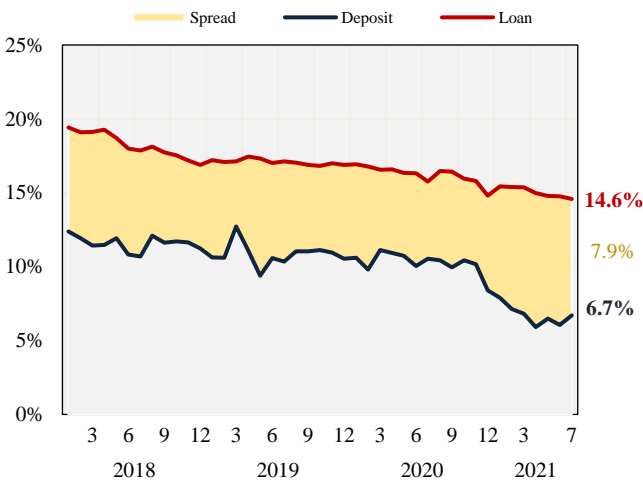
4.4 Interest rate spread

As of July 2021, the difference between the interest rate on new loans in DC and new deposits in DC is at 7.9 percentage points.

Graph 4-5: The weighted MNT deposit interest rate is 7.4%



Graph 4-7: The difference between deposit and loan interest rates increased by 2.6 percentage points from the previous year

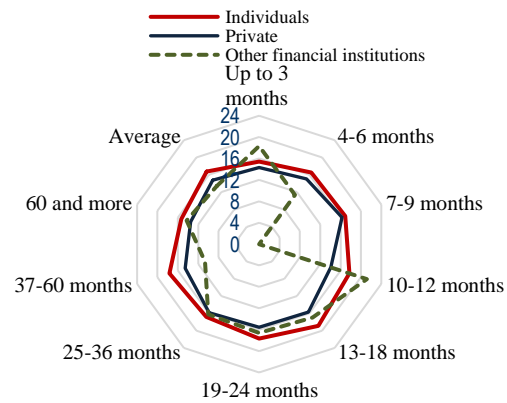


4.5 Loan outstanding interest

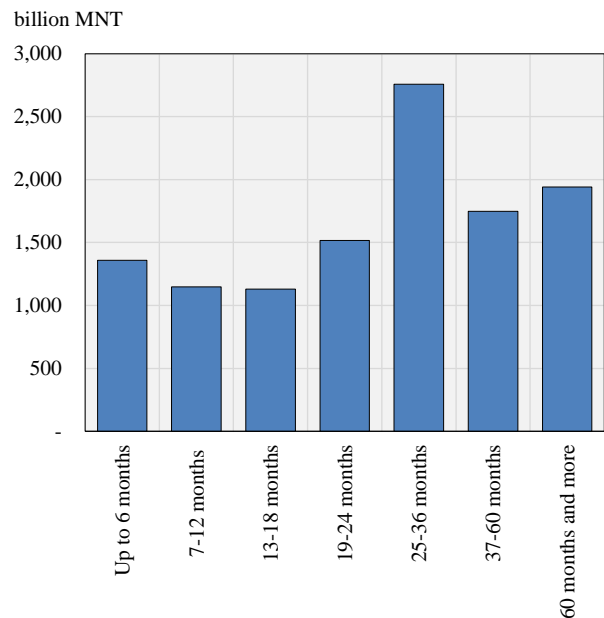
WAR of total outstanding loans in DC is at 15.9 percent and loans in FC is at 9.3 percent. Out of this, WAR of individual's total outstanding loans is at 16.7 percent and the WAR of loan in FC is at 11.9 percent. The WAR for private loans is 14.8 percent and the interest rate on foreign currency loans is 10.1 percent.

The 44.4 percent of total outstanding loans are loans that will be repaid in 2 years.

Graph 4-6: WAR of individual's total outstanding loans has increased by 1.3 percentage points



Graph 4-8: Term structure of loan outstanding



Source: Bank of Mongolia

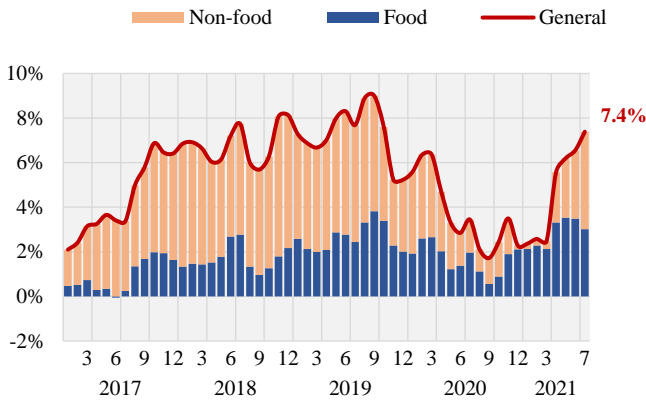


# 5 INFLATION

## 5.1 National inflation

As of July 2021, the national Consumer Price Index (CPI) was recorded at 1.3% and the monthly inflation rate was 1.3%. In terms of annual inflation, 4.4 percentage point is due to non-food price inflation while 3.0 is explained by food price inflation.

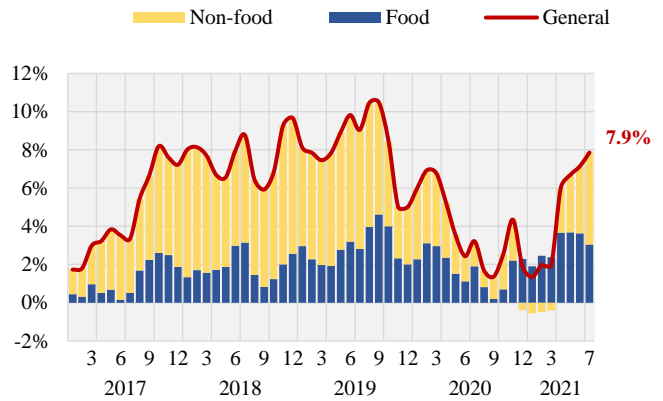
Graph 5-1: National inflation rate is at 7.4%.



## 5.2 Annual inflation in Ulaanbaatar

The CPI of Ulaanbaatar as of July 2021 was recorded at 7.9%, of which non-food price inflation accounted for 3.0% and food price inflation accounted for 4.8%. The increase in food price inflation can be attributed to mostly in increase of meat price. While the decrease in non-food price inflation can be explained mostly by an increase in hard fuel price.

Graph 5-2: Annual inflation in Ulaanbaatar is at 7.9%.



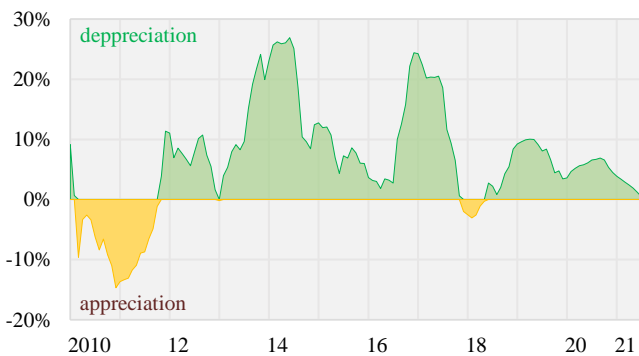
Source: National Statistics Office of Mongolia

# 6 EXCHANGE RATE

## 6.1 Exchange rate of the US dollar

The end of the month exchange rate of the Tugrik (MNT) against the US dollar has reached 2,849.12, depreciating by 0.01% compared to the previous month, and depreciating by 0.2% compared to the same period last year. The average exchange rate for the reporting month was 2,848.97 MNT.

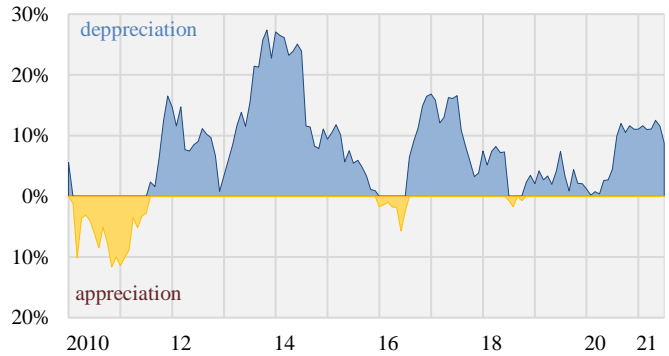
Graph 6-1: Changes in MNT against USD, annual growth (%)



## 6.2 Exchange rate of the Chinese yuan

The end of the month exchange rate of the Tugrik (MNT) against the Chinese yuan (RMB) reached 441.27, depreciating by 0.04% compared to the previous month. The lowest recorded exchange rate for the reporting month was 437.73 MNT, and the highest recorded rate was 441.27 MNT.

Graph 6-2: Changes in MNT against RMB, annual growth (%)



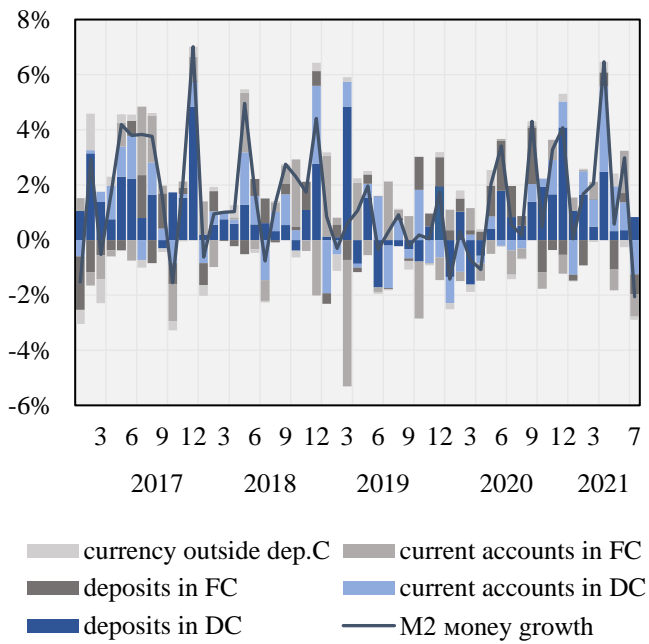
Source: Bank of Mongolia



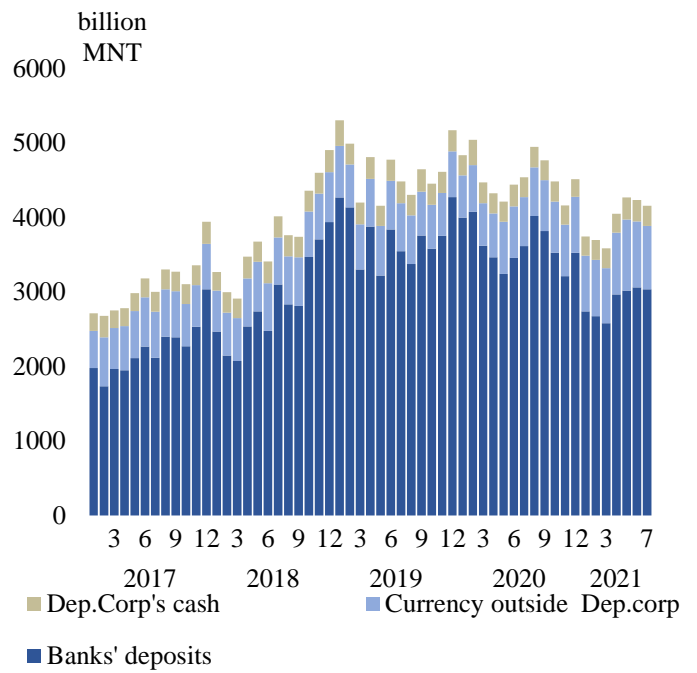
ANNEX

1. MONEY SUPPLY

Graph 1.1. M2 monthly changes

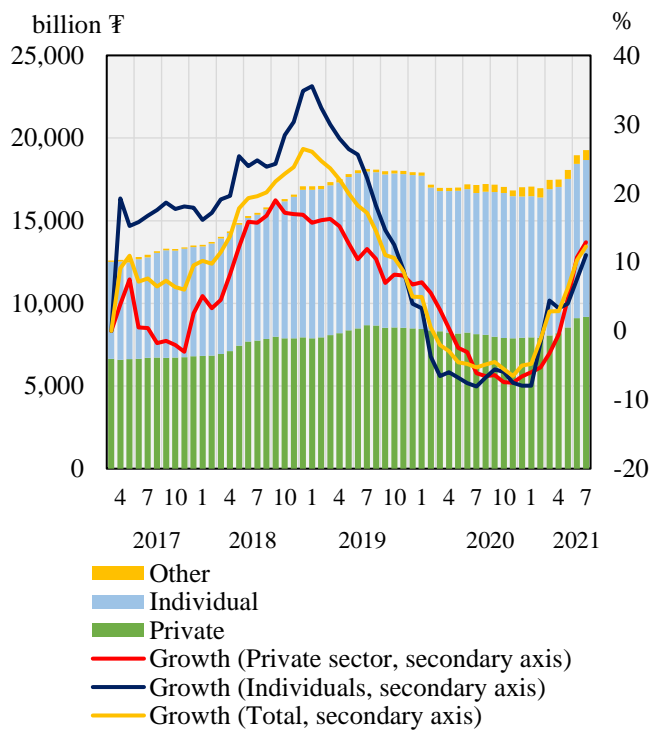


Graph 1.2. Monetary base

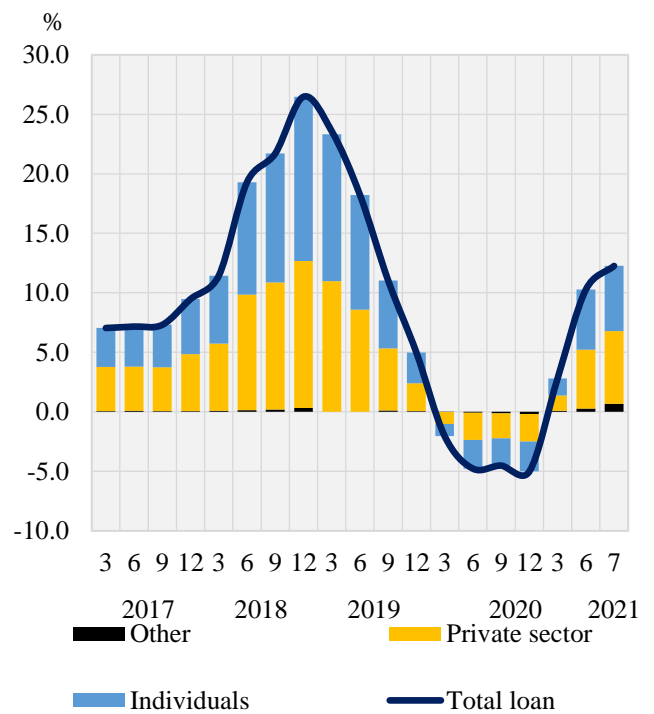


2. LOAN

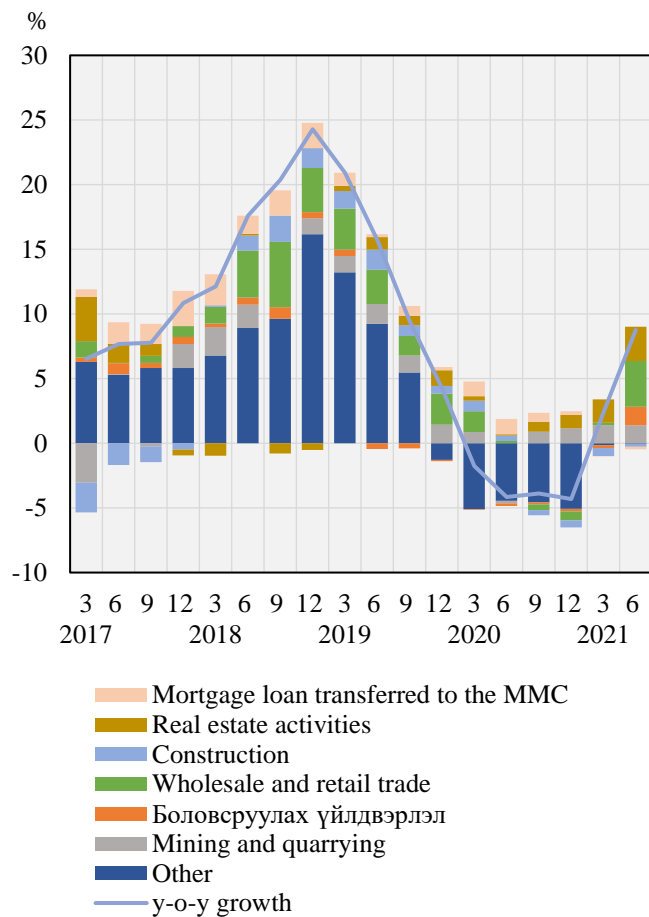
Graph 2.1. Total loan outstanding



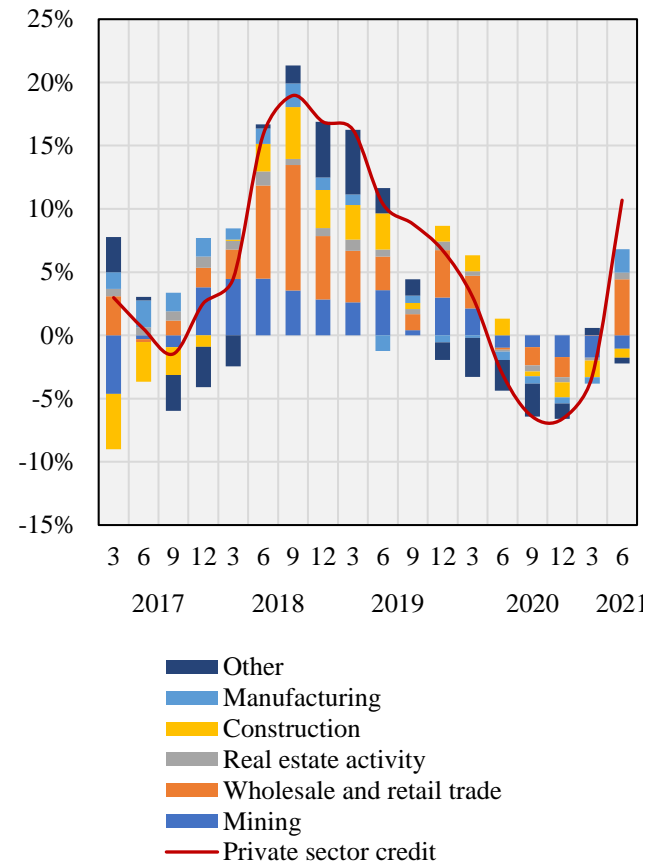
Graph 2.2. Credit growth, by sectoral classification



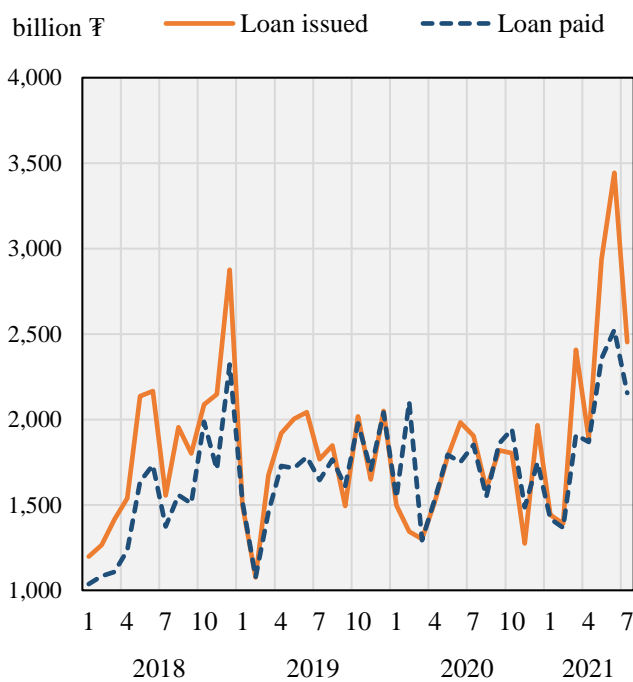
Graph 2.3. Individual's credit growth, by industrial classification



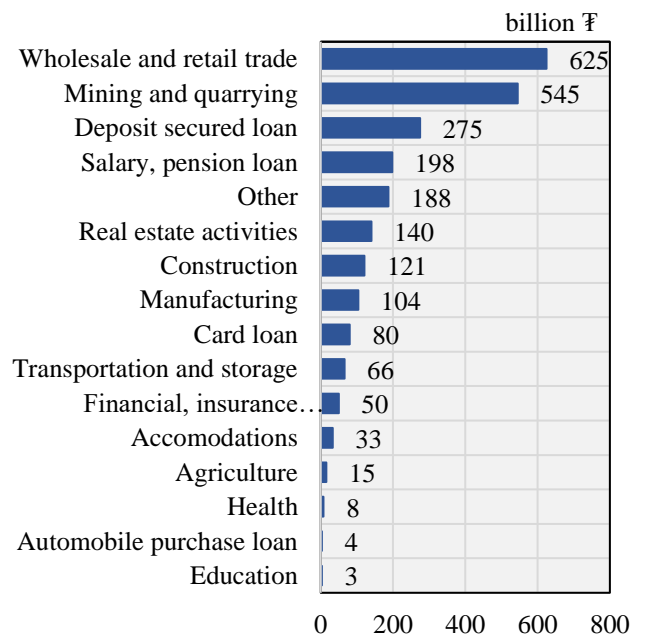
Graph 2.4. Private sector's credit growth, by industrial classification



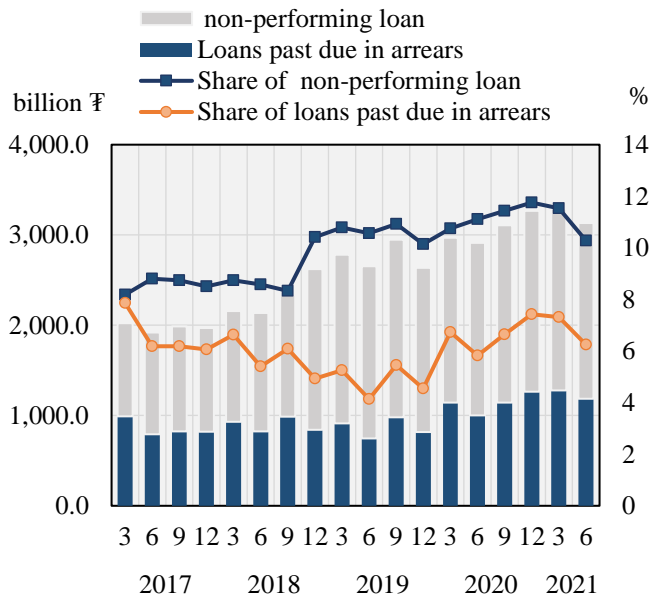
Graph 2.5. Total loan issued and repaid in the reporting month



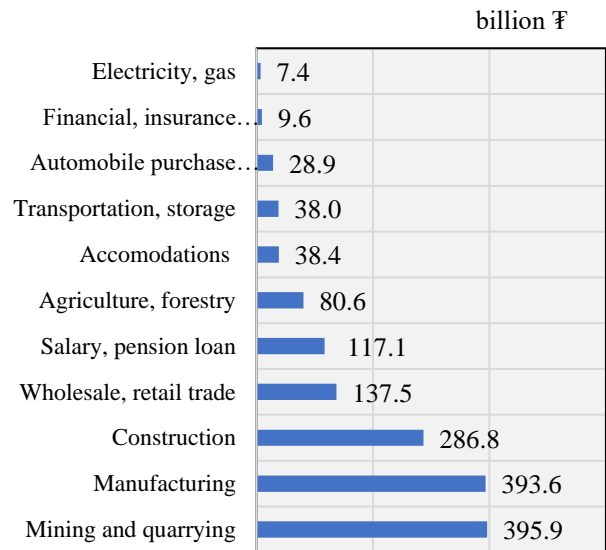
Graph 2.6. Total loan issued in the reporting month, by industrial classification



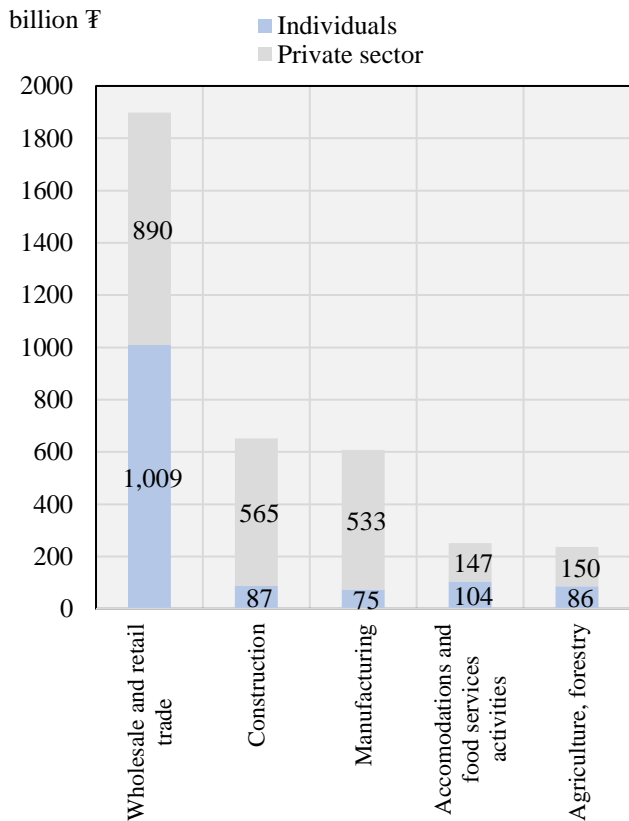
Graph 2.7. Total non-performing loan and loans past due in arrears



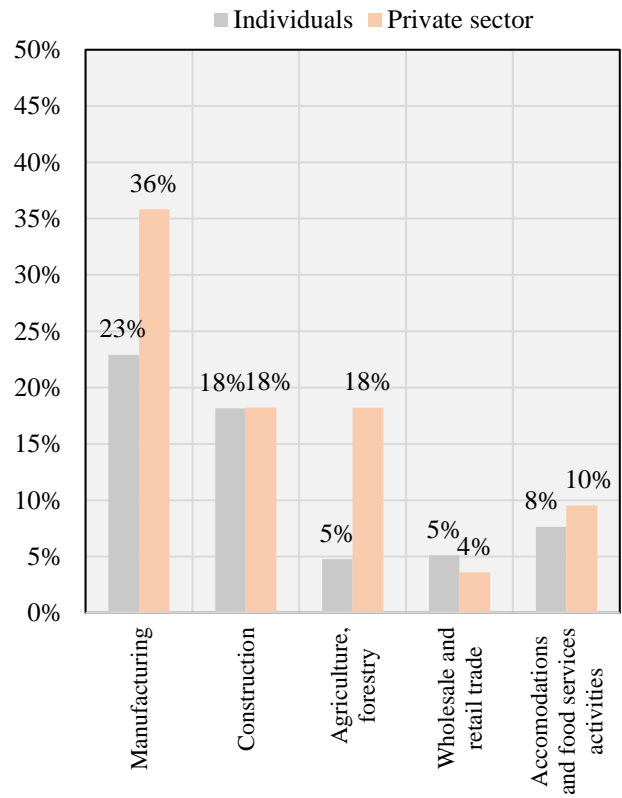
Graph 2.8. Total non-performing loan



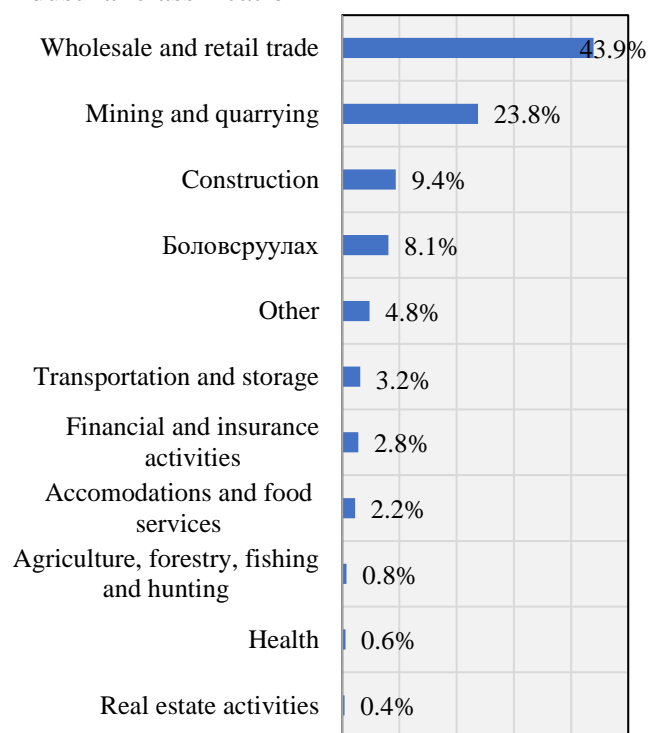
Graph 2.9. Total loan outstanding to SMEs



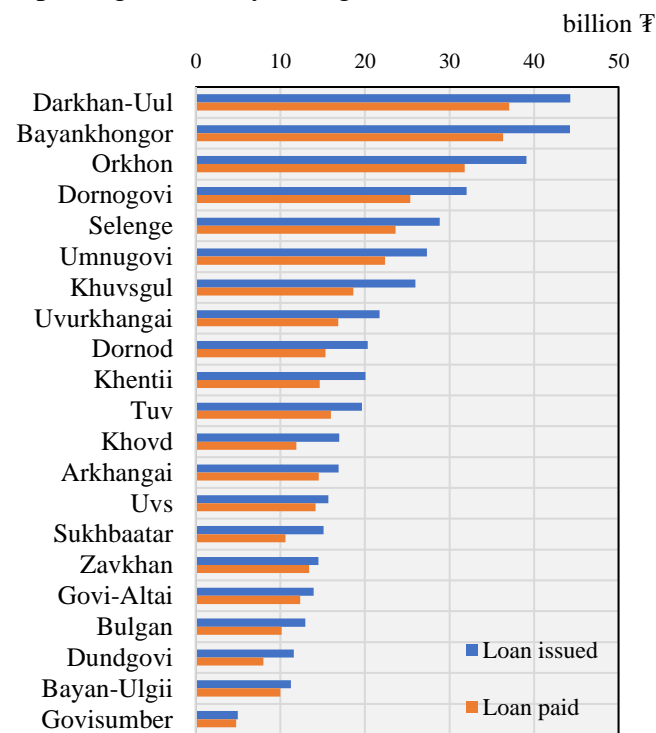
Graph 2.10. Share of non-performing loan to SMEs, by industrial classification



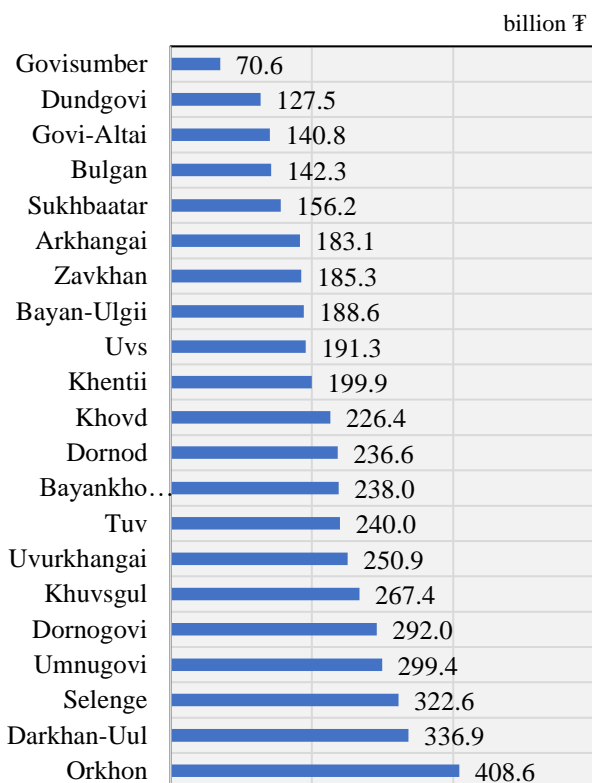
Graph 2.11. Loan issued in private sector, by industrial classification



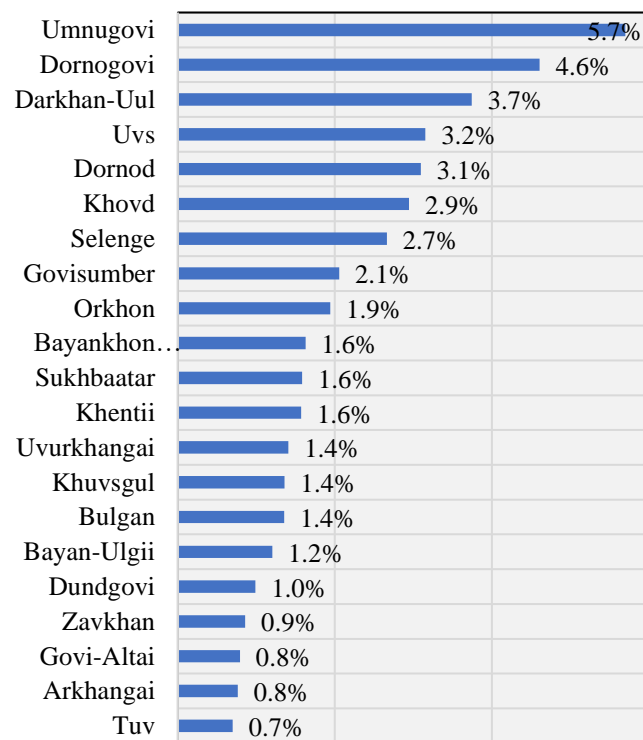
Graph 2.12. Loan issued and repaid in the reporting month, by aimags



Graph 2.13. Total loan outstanding, by aimags

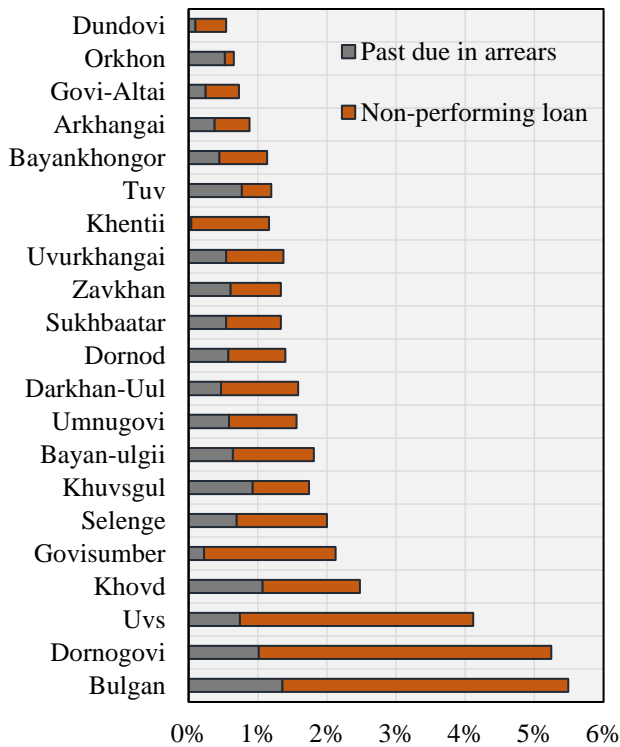


Graph 2.14. Percentage of non-performing loans in total loans, by aimags

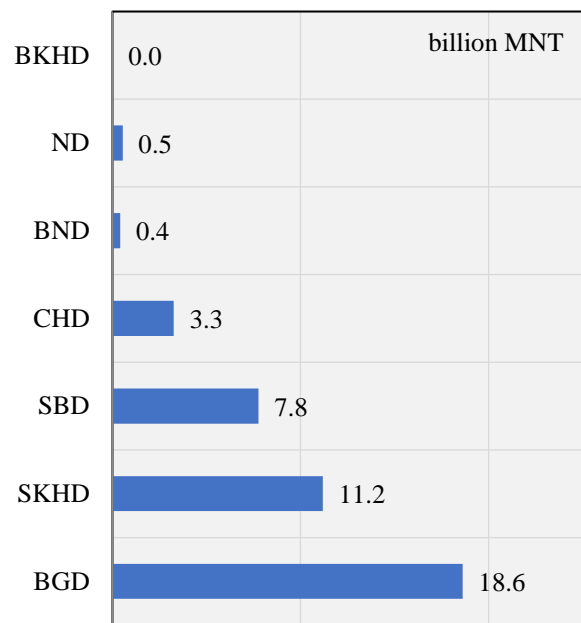


### 3. MORTGAGE LOAN

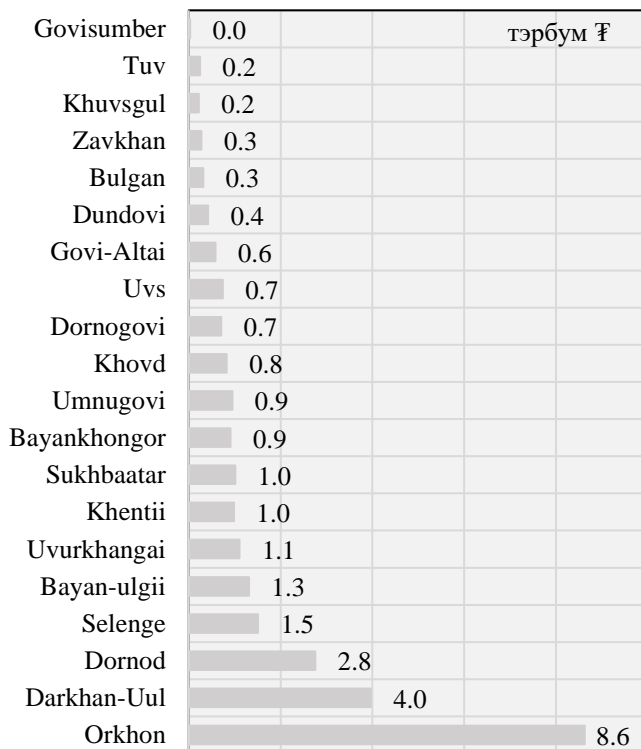
Graph 3.1 Percentage of overdue and non-performing loans in total loans, by aimags



Graph 3.2 Mortgage issued loan in the reporting month in Ulaanbaatar city, by districts



Graph 3.3 Mortgage issued loan in the reporting month in rural areas, by aimags



Graph 3.4 Mortgage borrower's age category

