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USAID/Mongolia

**Mongolia's Private Commercial
Banking Potential:
Preliminary Assessment**

Final Report

November 11, 1992

Price Waterhouse

November 11, 1992

Mr. Bryan Kurtz
Senior Investment Officer - Asia
Bureau for Private Enterprise
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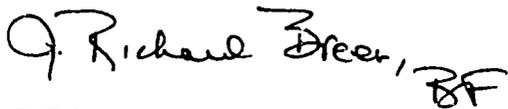
RE: Mongolia's Private Commercial Banking Potential: Preliminary Assessment

Dear Mr. Kurtz:

We are pleased to present three copies of the Final Report entitled Mongolia's Private Commercial Banking Potential: Preliminary Assessment. This report was prepared by Mr. Thomas Downen and was reviewed by Price Waterhouse, Prime Contractor under FSDP. Copies of this report have also been forwarded to Mr. William Nance, at the Office of the A.I.D. Representative in Mongolia.

We appreciate the opportunity to be of service to you on this important assignment and look forward to working with you in the future.

Sincerely,

Handwritten signature of J. Richard Breen, with the initials "BF" written below it.

J. Richard Breen, Director
Financial Sector Development Project

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EXECUTIVE SUMMARY

Recently, at least two groups of potential Mongolian investors expressed interest in establishing private banks in that country for the first time. Public policy changes now underway could possibly facilitate such a development. Recognizing that the financial and regulatory systems currently in place are at a rudimentary stage, the Office of the AID Representative has requested PRE/I to sponsor an initial assessment in response to the growing interest in establishing a private commercial banking system in Mongolia.

The objectives of this project were to provide an assessment of the current private sector commercial banking environment in Mongolia and to develop a series of practical recommendations for next steps to be taken by USAID/UlaanBaatar and other interested parties.

Based on Price Waterhouse's findings, a series of recommendations, or next steps, were developed and presented to USAID Mongolia:

- Establish a Bankers' Association
- Develop International Banking Strategies
- Formulate Strategic, Long and Short Term Strategies

I. INTRODUCTION

A. Background

Recently, at least two groups of potential Mongolian investors expressed interest in establishing private banks in that country for the first time. Public policy changes now underway could possibly facilitate such a development. Recognizing that the financial and regulatory systems currently in place are at a rudimentary stage, the Office of the AID Representative requested PRE/I to sponsor an initial assessment in response to the growing interest in establishing a private commercial banking system in Mongolia.

B. Objectives

The objectives of this engagement were to provide an assessment of the current private sector commercial banking environment in Mongolia and to develop a series of practical recommendations for next steps to be taken by USAID/UlaanBaatar and other interested parties.

C. Scope and Methodology

The scope of this engagement included the following:

- Meet with officials from the Central Bank, Ministry of Finance, Ministry of Labor, Small Enterprise Development Centre, and private sector representatives to assess interest in and potential for the development of private banks.
- Review legislation governing the establishment and supervision of banks and the role of the Central Bank.
- Review issues such as minimum requirements for establishing privately-owned commercial banks, capital availability, communications, human resource needs, equipment and infrastructural requirements, etc.
- Based on this preliminary assessment of the banking environment, develop a report outlining a series of next steps for USAID/UlaanBaatar and other interested parties, including recommendations for subsequent additional work as needed.

To achieve the objectives noted above, Price Waterhouse performed a review of the Mongolian banking system, including:

- Meetings with the Minister of Finance, representatives from the Central Bank, and

senior managers of every bank in Mongolia. Discussions included minimum requirements for establishing privately-owned commercial banks, capital availability, communications, human resource needs, equipment and infrastructural requirements, etc. (for a complete list of interviews, refer to Appendix A).

- Reviewing the Mongolian commercial banking laws (see Appendix B for an English translation).

Based on Price Waterhouse's findings, a series of recommendations, or next steps, were developed and presented to USAID Mongolia.

II. ENGAGEMENT RESULTS

Price Waterhouse's activities during the review period were geared to the accomplishment of the specific tasks outlined in the scope of work.

The Mongolian banking system consists of the Central Bank (Bank of Mongolia) and ten commercial banks. It is a two-tier system with clear separation between the Central Bank and the commercial banks. Prior to 1990, only one bank, Bank of Mongolia, existed in the country. It provided all banking functions on a nationwide basis (see Appendix C for the temporary statute of the Bank of Mongolia).

Of the commercial banks, four of the largest are spin-offs of the old Bank of Mongolia. One is a joint venture with Mongolian and Russian shareholders and at least one new bank is in the process of formation. Most of the banks are joint stock companies and are still directly or indirectly government controlled through shareholding companies that are in the process of privatization (see Appendix D for general and charter information on the Joint Stock Industrial Bank). The recently opened Central Asia Bank is the country's first truly privately owned bank.

The Banking Law gives commercial banks broad powers, barring them only from insurance and real estate transactions (see Appendix B for the most recent Mongolian banking law). Obtaining a new banking license appears to be a simple, straightforward process, and capital is available, mainly from company funds. The minimum capital requirement is only 50 million Tughriks, about \$200,000 at the current 250:1 exchange rate. The banking law is silent on foreign bank ownership or branches. Several Asian banks are said to be interested in opening branches in Mongolia. A foreign group, possibly American, called Perestroika, has also made inquiries about obtaining a possible equity interest in a local bank.

Individual bank strategies are not yet highly developed. They vary from broad, nationwide "universal banking" entities to smaller, purely wholesale institutions or specialized banks building on a strong shareholder base. All are headquartered in the capital. Most have branch operations, and the larger banks have inherited large national networks. All but two of the banks are managed by former Bank of Mongolia senior staff members who are said to be "the cream of the crop" from that institution. The shortage of good management is probably the single most important factor limiting formation of new banks. Moreover, with a population of only two million people, the market has limited scope for expansion.

All the banks have been profitable from the start due to:

- a strong demand for credit on the part of corporations (lending to individuals is essentially non-existent),
- cheap government funding in 1990, the Central Bank extended loans at 5% to other

Mongolian banks; and

- a high rate of inflation that has caused "paper" profits (estimates of the current inflation rate vary wildly, so determining inflation-adjusted bank earnings/profits is impossible).

Almost all but the newest Mongolian banks have paid at least one dividend, and most are currently paying dividends semi-annually. After a period of rapid loan growth, banks are beginning to focus on deposits with some success. Most of the deposits are company funds ("correspondent accounts"), although personal savings accounts are increasing as banks begin to advertise and offer competitive interest rates (see Appendix E for the consolidated balance sheet of all Mongolian commercial banks, as well as individual bank balance sheets, including that of the Bank of Mongolia).

Under the former political regime, most individuals did not have bank accounts in what was then a cash economy. Significant funding is still coming from the Central Bank, and float in the system is enormous because of poor internal communications. Foreign currency deposits are also growing. While the country has no exchange control laws or regulations, banks apply a variety of measures to limit cash withdrawals. Many companies maintain accounts offshore with foreign banks, as do all of the commercial banks.

The banks indicate that they are focusing on profitability, improved service for customers and support for the private sector. Banks initially competed for loans which was easy in a period of strong credit demand. Price was the main competitive tool. As Central Bank funding became more expensive and loan demand remained strong, banks began to stress deposit gathering. Again price was the primary tool. New products have not appeared; however, advertising is increasing. One bank is discussing the possible introduction of credit cards with VISA.

The ability to facilitate international trade transactions is also seen as a competitive necessity, but so far only the four largest commercial banks are licensed to provide these services. The international arm of the Bank of Mongolia still has 93% of this segment of the business, maintains most of the foreign connections and possesses the business experience in this area.

In general, after two years of operations, the banking system is about where one would expect it to be in the process of converting from a centralized to a market-oriented industry. The legal and corporate framework is beginning to come together. New banks have a reasonably good start and a competitive environment is developing.

The banking industry still has formidable obstacles to overcome, however. The country faces enormous economic problems which provide a difficult backdrop for the development of a financial services industry. The concepts of property ownership and other standard commercial rules and regulations are just being developed. In fact, recently written

commercial business laws are being reviewed by the government because shareholders rights had not been protected strongly enough. More importantly, proper contract laws are needed to provide a foundation for business endeavors, a situation which does not exist in Mongolia.

There are enormous domestic and international communications problems facing the country, and the banks in particular. This shortcoming is exacerbated by a lack of English language skills among high level business managers. Management's (particularly CEOs') ability to speak English, the language of international business, is imperative. None of the CEOs, and only one of the bankers with whom the consultant visited, spoke English. They understand the importance of being able to communicate well with the international financial community and realize that this constraint will have to be addressed.

Skilled staff is in very short supply, and demand for training is a universally high priority. One of the major problems confronting the banks is that few people have been trained/educated in free market banking concepts and lack basic commercial lending skills (Price Waterhouse understands that this need is already being addressed by USAID, and therefore did not focus on this issue except to establish training priorities at the request of the local AID office).

Banks' facilities are woefully inadequate, limiting their ability to improve service. For example, central offices lack links with branch offices, so financial statements are consolidated over the telephone. Further, several of the banks had stand-alone personal computers that were not being used.

Commercial banks are suspicious that the central government will not be able to stay out of their affairs. The Central Bank still questions the ability of bank management to operate sound institutions in a free market economy. The Central Bank is managed by people who were trained under the old Communist regime and who are not familiar with free-market or commercial banking concepts. The Central Bank is particularly concerned that by the end of this year most of the banks will be undercapitalized because of their continued rapid growth. The Agricultural Bank seems to be a source of particular concern because of loan problems developing in that sector. Further, there is a major governmental debate over the long-term roles of the Finance Ministry and the Central Bank.

The public perception is that the banking system has not changed, despite the change of political regimes. Transactions still require paper shuffling and rubber stamps. A significant dollar economy is developing at the retail level. Recent government decisions to limit cash withdrawals as an anti-inflationary measure have further weakened public and business confidence in the system. The result has been increased cash hoarding and the growth of dollar-based activity, particularly among small businesses.

III. ENGAGEMENT RECOMMENDATIONS

The Price Waterhouse consultant visited all the banks, which were appreciative that a U.S. government agency was demonstrating real interest in the Mongolian private sector. Conversations held with the banks' management were candid, and it is clear that the new banks have a lot to learn about operating in a free market environment. Many of the problems faced by the banks are of a general and non-competitive nature, including: personnel training, the regulatory and legal environment, development of common operating standards, improving the clearing system, etc. Normally, these issues are dealt with through a Bankers' Association, which does not exist in Mongolia. All of the banks seemed receptive to Price Waterhouse's suggestion that an association be formed, and they indicated a desire to move ahead with the idea as soon as possible. USAID could accelerate the process by providing an experienced trade association professional to work with the local bankers. In addition to advance preparation, perhaps one week of help would be adequate to assist the group to adopt a charter, elect officers, institute priorities, approve a budget, etc. Establishing a library of international banking publications also should be given high priority.

Second, all the banks are struggling with efforts to establish international connections. They have not thought through what they are trying to accomplish, or what information should be made available to foreign correspondent banks. Materials, including financial statements, background information, etc., currently prepared for that purpose are inadequate and need to be upgraded. Technical assistance in the international banking domain by a trained, international banker would be productive. Developing banking strategies with management and disseminating information concerning Western banking practices would most effectively be done on a one-on-one basis and could take up to three weeks.

A third constraint is the lack of strategic, long and short-term planning. Most bankers have a difficult time translating free market concepts into action plans. Bank management recognizes this shortcoming and would welcome opportunities to "strategize" with Western bankers. This can be accomplished in a number of ways, including: group visits with their counterparts, at home or abroad, or one-on-one discussions with an experienced commercial banker for several days in UlaanBaatar. Price Waterhouse understands that an USAID-sponsored advisor plans to visit Mongolia in the near future. That person may be able to serve in this role, spending one or two days with each bank.

The proposed recommendations are summarized as follows:

Establish a Bankers' Association

- Develop common operating methods
- Improve the clearing system
- Train personnel
- Clarify regulatory & legal environment
- Create a library of international banking publications

Develop International Banking Strategies

- Provide technical assistance by an experienced international banker
- Educate Mongolian bankers about free market banking practices
- Upgrade information, materials that are sent to international banks

Formulate Strategic, Long and Short Term Strategies

- Provide assistance with planning by an experienced international banker
- Plan meetings, at home or abroad, with Western banking counterparts

APPENDIX A

LIST OF BANKS AND OFFICERS VISITED
(including telephone numbers)

MONGOLIAN BANKS

The Bank of Mongolia, Commerce Str 6
Demchigjavn Mololjamts, Governor (22169)
N Yanzan, Deputy Governor (22166)
B Enhhuyag (Eric), Head Accounting & Interbank Settlement
Department (27086)
J Unenbat, Senior Officer, Statistics and Research
Department (22074)
Ts Amgalan, Officer of Banking Supervision Department (Legal
Advisor) (27086)

Investment and Technological Innovation Bank
B Sovd, Managing Director (24340)

Mongol Daatgal Bank (Insurance Bank)
Smaravyn Goohuu, Chairman (23614)

State Bank of Mongolia (International)
Enebishiin Sandagdorj, Chairman and General Director (21171)

Mongol Horshoo Bank (Mongolian Cooperative Bank), Karl Marx
Str 4
Mijidin Terbish, General Director (25239)
Ddmbin Gotov, Vice Director (29433)

Peoples Bank of Mongolia, Commercial Str
M Sukhee, Deputy Director (26523)

Joint Stock Industrial Bank (Monubank)
G Yansanjav, General Director (41054)

Mongolian Agricultural Central Bank, Enkhtaivan Str 51
Chojil Chuluunbaatar, General Director (68744)

"Highway" Bank (Autoroad Bank)
Cerenkhoo Sangidorzh, General Director (68744)

Central Asia Bank, Ltd P PO Box 651
Kh Buyantogtokh, General Director (28079)
L Serdamba, Council Member (Gemu Co Ltd)

Joint Mongol - Buryat International Bank (Selenge)
Tseveljav Otgonii, President of Board (28456)
Oma Davaagiin, Vice President of Board (51073)

"11th" Bank - Bourgeois Bank (In Formation)
Mr Adiya, General Director

Unknown Bank
Mr Bayarmanlay, Spokesman

OTHER CONTACTS

Ministry of Finance

Dalrain Davaasambuu, Minister (20247)
Dolgoryn Solongo, Economist, Foreign Economic Relations
Department (20275)

Mongolian Stock Exchange Sukhbaatar Sq 14
Naidansurengiin Zolzhargal, Chairman (24424)

Company "SAR"

Ishnyamin Yanjin, Director (28405)

"Manlai" Company PO Box 48/42

Amgaasediin Batmunh, General Director (56106)

US Embassy

Alaina Teplitz, Economic and Commercial Officer

APPENDIX B

LEGAL FRAMEWORK

- LAW ON ECONOMIC ENTITIES
- BANKING LAW
- PRIVATIZATION LAW
- TAX LAW
- FOREIGN INVESTMENT LAW
- PETROLEUM LAW

Translation from Mongolian
THIRD VERSION

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THE MPR¹ LAW ON ECONOMIC ENTITIES²

CHAPTER ONE
GENERAL BASIS

Article 1. The Purpose of the Law

The purpose of the law is to regulate issues related to the founding, registering, dissolving and handling of the activities of an economic entity, as well as to the organization of its management, and to the rights, obligations and liabilities of its members.

Article 2. Economic Entities

1. An economic entity is a person³ permanently engaged in production or services, to be held liable with its own property for the duties resulting from its own activities.

An economic entity can be founded by competent state organizations or by private citizens.

2. The economic entities may be of the following types:

- 1) sole proprietorship ;
- 2) cooperative⁴;
- 3) company.

According to their form of property, economic entities may be state-owned, private or mixed.

1 Mongolian People's Republic (renamed "Mongolia" in early 1992).

2 The law has been referred to as "Economic Units Law" also. Mr. Ganbold, member of the Standing Economic Committee of the Baga Hural, which drafted the law, opted for "entities" rather than "units" (in an oral review session of the draft translation with translator Ms. Yanjema on 1-26-92). The title of the law can be indicative of how emerging private businesses are viewed in Mongolia: "Entities" conveys the notion of independent, self-contained business organizations (in their various forms as specified in the law); "units" stresses the fact that these business organizations are pieces of a whole--and therefore arguably less independent.

3 The Mongolian term can be understood to include natural and artificial persons.

4 Similar to partnerships.

3. The specific legal features of state-owned enterprises (industries) will be defined by the provisions of chapter 5 of this Law. [Former] agriculture cooperatives may be formed as any type of economic entity.

4. Foreign citizens, entities and persons without any citizenship may form economic entities in the MPR territory unless otherwise stipulated by MPR legislation and MPR international treaties.

Article 3. Founding and Registering of Economic Entities

1. An economic entity is formed at the initiative of the founder.

2. The Local People's Khural Executive Administration (PKhEA) registers sole proprietorships based on the application of a citizen, other economic entities are registered by the State Tax Administration⁵ (hereinafter "Registration Agency") based on the written contract and the charter presented by the founder.

If so stipulated by MPR legislation, permission and certification by competent organizations shall be obtained, in case the engagement in production or services requires specific qualifications or special permission.

3. The following shall be included in the contract⁶:

- 1) name, nationality, address, residence of the economic entity;
- 2) names, qualifications, addresses of the members;
- 3) business to be engaged, legal basis for the activity, duration period.

4. Cooperatives and companies shall have a charter. The following shall be reflected in the charter:

- 1) name, address, residence of the economic entity;
- 2) business to be engaged;
- 3) amount of charter capital funds⁷;
- 4) organizational structure of production and management;
- 5) dissolution and final valuation;
- 6) distribution of income and losses;
- 7) members' rights and obligations;
- 8) other provisions in accordance with this law.

5. Disputes arising from the contract and the charter shall be settled in compliance with the contract.

6. The Registration Agency shall be notified within 14 days about any amendments and changes to the contract and the charter.

7. The founder presents his application to the Registration Agency within 30 days after drafting the contract or approval of the charter which have to be certified by the notary

5 The State Tax Administration is within the Ministry of Finance.

6 Between partners/members of the economic entity.

7 "Charter fund" indicates the "capital stock" or amount of money or property contributed by shareholders or members of the cooperative to be used as the financial foundation for the business to be conducted; see also provisions under art. 23ff.

office. The Registration Agency registers the economic entity and issues to the economic entity the state registration certificate according to this law. The certificate stipulates the legal basis for this economic entity. The Registration Agency makes a public announcement of the registration of this economic entity.

8. The economic entity is entitled to start its operation from the date of the receipt of the state registration certificate.

9. The Registration Agency can refuse to register the economic entity if an appropriate basis for this refusal is defined, namely if the Registration Agency finds the economic entity's contract or charter not in compliance with MPR legislation. If the economic entity does not accept this decision about the refusal to register, it can present its claims to the court.

10. The Registration Agency notifies the statistical organization at the appropriate level within a week's time about amendments to the register and changes in the entity itself, its contract or charter, and publicly announces these amendments and changes.

Article 4. Financial Control and Audit

1. According to MPR legislation the State Finance Organization⁸ controls and audits the financial activities of economic entities.

2. For the purposes of enlisting professional expertise and of reviewing its own financial and economic activities, the economic entity may contract an independent auditor.

3. A professional individual registered with the State Finance Organization can function as an independent auditor. A person who works under the direct supervision of a member or employee of the economic entity in question is not allowed to work as an independent auditor for this economic entity.

A person who left this very economic entity is not allowed to work as an independent auditor for this economic entity for two years after the dismissal.

4. The independent auditor has the right to acquaint himself with the fiscal documents of the economic entity, to demand from the management and employees of this economic entity any explanation and specification connected with attaining his goals and with fulfilling his duties.

5. The independent auditor enjoys the right to insist on his participation in the meeting of all members, on his views and conclusions being heard, and on announcing and convening meetings of all members.

Article 5. Halting the Operation of an Economic Entity

The operation of an economic entity may be halted on the following bases:

- 1) expiration of the duration period stipulated by the contract and the charter,

⁸ State Finance Organization: deliberately general term for the financial administration of the state; specific official body and its competency are yet to be defined.

- 2) the decision of the economic entity to stop its activities without transferring its rights to another person⁹;
- 3) court decision;
- 4) on other bases stipulated by the law.

Article 6. Final Valuation and Dissolution of an Economic Entity

1. The economic entity which terminated its operation has to make its final valuation. If it is not stipulated otherwise, in cases other than indicated in item 3, article 5 of this law, it shall be conducted by the administration of the economic entity.

2. The person conducting the final valuation:

- 1) informs the bank and interested persons about it;
- 2) drafts the final balance sheet and submits it to the meeting of all members for approval;
- 3) notifies the Registration Agency about the completion of the final valuation and requests this economic entity to be eliminated from the State Register.

3. The disputes between the person conducting the final valuation and a member of the economic entity shall be settled by the court.

4. While conducting the final valuation of an economic entity, after serving all debts, first, all members' shares of the property shall be returned in-kind or their price shall be paid, the remaining property shall be distributed among the members in proportion to each one's contribution. If it is impossible to return the members' shares of the property to their full amount, than the remaining property shall be distributed to the members in proportion to their shares of the property.

In case a member is declared dead or missing the final valuation shall be effected with his successor.

5. An economic entity is entitled to start its operation indicated in the contract and the charter within a year and six months otherwise it will be excluded from the State Register.

6. Once an economic entity terminated its operation, the entity is considered to be dissolved by eliminating it from the State Register, and the Registration Agency shall make a public announcement of the elimination.

Article 7. Other Provisions

1. Economic entities are entitled to independently conduct foreign trade operations.

2. Economic entities are obliged to supply the bank, fiscal and statistical organizations with true information and reports on a regular basis, according to the procedures adopted by these organizations.

3. Shareholding companies are obliged to publish once a year the results of their operation, if not otherwise stipulated by MPR legislation.

⁹ Again, including natural and artificial persons; compare fn. 3.

CHAPTER TWO

SOLE PROPRIETORSHIPS

Article 8. Definition of Sole Proprietorships

1. A sole proprietorship is an economic entity whose owner alone, not in connection with a cooperative or a company, regularly engages in production or provision of services in order to supply himself with a permanent source of income. The firm is based on the owner's private property.
2. A citizen who is a private entrepreneur¹⁰ is not allowed to be a member of economic entities other than of shareholding companies, and is also excluded from being the founder of a shareholding company.

Article 9. Registration of Sole Proprietorships

1. A citizen shall present his application to become the owner of a sole proprietorship to the local PKhEA for registration. The application shall include the following:
 - 1) name, address, register number¹¹;
 - 2) name of the economic entity, address, residence;
 - 3) business to be engaged in.
2. Within seven days upon receipt of the application the sole proprietorship will be listed in the State Register.
3. The Registration Agency shall be informed about changes in the application within seven days.

CHAPTER THREE

COOPERATIVES

Article 10. Definition of Cooperatives

1. Cooperatives may be classified as cooperatives with full liability, and cooperatives with non-full (or limited) liability.
2. A cooperative with full liability is an economic entity which runs its own business based on the members' joint property and labor, and the liability connected with this business is borne jointly by the members with the property of the cooperative and with their own personal property.

The name of the cooperative with full liability will be followed by the identifying abbreviation "BKhKh".

¹⁰ I.e. the proprietor.

¹¹ The owner's personal identification number from his internal passport issued by the police.

3. A cooperative with limited liability is an economic entity which does business based on the members' joint property. The liability connected with this business is borne at least by one member with all his personal property (fully), while the other members are only liable for the share of property they contributed to the cooperative (non-full or limited).

The name of the cooperative with limited liability will be followed by the identifying abbreviation "BBKhKh".

Article 11. Forming and Registering a Cooperative

1. Citizens form a cooperative based on the contract and the charter, drafted according to article 3 of this law.
2. Members of cooperatives are not allowed to be members of other types of economic entities, except of shareholding companies, but cannot be the founders of shareholding companies.
3. The members of a cooperative are obliged to submit together the application for the registration of the cooperative to the State Tax Agency¹² and are obliged to have the cooperative registered. The cooperative will be registered in the State Register within 14 days after the receipt of the application.
4. Changes in the membership of the cooperative is reason to dissolve the cooperative.

Article 12. The Property of a Cooperative with Full Liability

1. The capital contributed to the cooperative by its members, and the capital accrued as a result of its activities constitute the property of this cooperative. In-kind contributions lent to the cooperative by its members on a contract basis for a certain period of time will also be included in the property of the cooperative.
2. The members of the cooperative will jointly own the property of the cooperative.

Article 13. Rights and Obligations of the Members of a Cooperative with Full Liability

1. Every member can represent the cooperative;¹³ every member participates personally in its activities, shares the profit in proportion to the property contributed by him, and bears the liability.¹⁴
2. A member of a cooperative has to get the consent of the other members when negotiating and concluding contracts related to the activities of the cooperative.
3. Each member has one vote regardless of the amount of capital he contributed to the property.
4. The cooperative member is entitled to receive the property he contributed back in-kind, in case the activities of the cooperative are terminated. If it is impossible to return the property in-kind its value can be paid in cash.

¹² State Tax Administration within the Ministry of Finance, see fn. 5.

¹³ I.e. every member has the capacity to represent the cooperative; see also provisions in art. 14.

¹⁴ Mandatory tasks rather than indication of "capacities."

Article 14. Management of a Cooperative with Full Liability

1. Each member is entitled to run the cooperative. However, the contract may indicate a specific member or several specific members as being entitled to run the cooperative. In this case other members have no right to run the cooperative.
2. The member entitled to run the cooperative can represent the cooperative without any further authorization, other members can do so only with specific authorization.
3. If the members find that the member entitled to run the cooperative does not fulfill his obligations or has failed to fulfill them properly they may release him from these obligations.
4. The administration of the cooperative is obliged to regularly inform its members about its activities.

Article 15. The Responsibilities of a Cooperative with Full Liability

1. A cooperative bears full responsibility with its own property for the liability arising from its activities. If the property of the cooperative is not sufficient to serve the debt arising from its liabilities the members shall pay jointly from their own property. In this context, it is prohibited to foresee any discounts or limitations in the contract or the charter.
2. When considering and settling disputes over debt payments of the cooperative, the court will not insist on the presence of all members of the cooperative. But if the court decides about paying the debt with a member's property than this member has to be present when the decision is made.

Article 16. Forming and Registering a Cooperative with Limited Liability

1. A cooperative is formed based on the contract and the charter, which are drafted as stipulated in article 3 of this law. In the contract and the charter, in addition to the provisions of article 3, the members with full liability and those with limited liability shall be indicated separately.
2. All members with full liability shall together submit the application for the registration of the cooperative to the State Tax Agency.

The cooperative shall be registered in the State Register within 14 days after the receipt of the application, and the public announcement of the registration shall indicate the number of members with limited liability and the amount of capital contributed by them.

Article 17. The Property of a Cooperative with Limited Liability

The capital contributed to the cooperative by its members and the capital accrued as a result of its activities constitute the property of this cooperative. In-kind contributions lent to the cooperative by its members on a contract basis for a certain period of time will also be included in the property of the cooperative.

Article 18. Rights and Obligations of the Members of a Cooperative with Limited Liability

1. The cooperative member with full liability shall personally participate in its activities. The member with limited liability may participate in the activities of the cooperative.
2. Members with limited liability are not entitled to run or represent the cooperative. If this is stipulated otherwise in the contract and the charter, these two documents are invalid.

THE BANKING LAW OF THE MPR

CHAPTER ONE. GENERAL PROVISIONSArticle 1. Purpose of the Law

The purpose of the banking Law of the MPR is to consolidate the MPR's banking system, to define the legal basis and coordinate banking activities.

Article 2. Banking in the MPR

1. The bank shall be an institution for keeping monetary deposits, issuing loans on its behalf, performing transactions and providing current and deposit accounts.

2. The bank shall not bear responsibility for obligations undertaken by the State, and the State shall not take responsibility for obligations undertaken by the bank unless it assumes the responsibility specifically.

Article 3. Banking system in the MPR

The banking system in the MPR shall comprise the Central bank of the MPR and commercial banks.

Article 4. Bank operations

The bank shall perform the following operations:

- (1) providing accounts for monetary deposits, making payments and settlements;
- (2) issuing loans;
- (3) transferring budget revenues and expenditures;
- (4) issuing a guarantee on loans and payments;
- (5) buying, selling and storing precious metals and foreign currency;
- (6) making external disbursements;
- (7) issuing, buying and selling securities;
- (8) storing valuables;
- (9) performing other operations not banned by law.

Article 5. Prohibited activities

It shall be prohibited for banks:

- (1) to engage in material production;
- (2) to perform all forms of insurance services;
- (3) to participate in land market operations.

Article 6. Banking legislation

The bank shall be guided in its activity by this Law and other laws and regulations of the MPR as well as by the Charter adopted in accordance with Law.

Article 7. Monetary unit of the MPR

1. The monetary unit of the MPR shall be a tugrug. One tugrug shall be equal to one hundred mongo.

2. The form and design of tugrug and mongo shall be approved by the MPR's Baga Hural.

3. All payments and settlements on the territory of the MPR shall be made in tugrug. The Central bank of the MPR may authorize the use of other means of payment as substitute for tugrug.

CHAPTER TWO. THE CENTRAL BANK OF THE MPR

Article 8. Definition and Charter of the MPR's Central Bank

1. The Central bank of the MPR shall be a bank authorized to execute monetary policy and to control the issue of notes and coins in the MPR. The Central Bank of the MPR shall be named Mongol Bank.

2. The Charter of Mongol Bank shall be approved by the MPR's Baga Hural.

Article 9. Management of Mongol Bank

1. Mongol Bank shall be governed by a President. The President of Mongol Bank shall be appointed by the MPR's Baga Hural at the nomination of its Chairman on the basis of prior consultation with the Prime Minister of the MPR, for the period of 5 years.

The nominees of the President of Mongol Bank for offices of the first Vice-President and the Vice-President of Mongol Bank shall be appointed by the MPR's Baga Hural for a period of 5 years.

2. The President of Mongol Bank shall be accountable to the MPR's Baga Hural.

3. The MPR's Baga Hural shall determine the salary of the President of Mongol Bank.

Article 10. Branches of Mongol Bank

In order to settle inter-bank payments Mongol Bank may establish its branches. Managers of branches shall be appointed by the President of Mongol Bank.

Article 11. Activities of Mongol Bank

Mongol Bank shall execute monetary policy of the State by:

- (1) supplying currency notes necessary for circulation;
- (2) ensuring the stability of tugrug;
- (3) determining the minimum reserves required for commercial banks;
- (4) carrying out unified interest rate policy;
- (5) issuing loans to commercial banks as the last creditor;
- (6) organizing and making inter-bank settlements;
- (7) managing the Government lending;
- (8) acting as an agent of the Government in selling securities;
- (9) maintaining the state reserves of precious metals and foreign currency;
- (10) coordinating the activity of banking institutions to protect the interest of customers;
- (11) supervising the activity of commercial banks.

Article 12. Issue of banknotes and withdrawal from circulation

1. Mongol Bank shall have the sole right to issue, withdraw banknotes and to determine the amount necessary for circulation.

2. Mongol Bank shall arrange the printing of banknotes, minting of ... determining their legal tender, withdrawing, replacing and destroying them.

3. Notes issues shall be backed up by the asserts of Mongol Bank.

Article 13. Ensuring the stability of tugrug

Mongol Bank shall be responsible for ensuring the stability of tugrug. To fulfill this duty Mongol Bank shall be vested with such extraordinary rights as to change the interest rate, determine the external asset backing (gold, convertible currencies) of banknotes in circulation, coordinate the tugrug exchange rate policy and reduce the amount of loans to commercial banks.

Article 14. Determining the amount of adequate liquidity

In compliance with the monetary policy Mongol Bank shall determine the volume of reserves of the adequate liquidity (cash deposits, balances) of commercial banks

Article 15. Unified interest rate policy

Taking into account the rate of the Government securities, their market price quotation, rates of inter-bank loans granted to fill the shortage of adequate liquidity of commercial banks Mongol Bank shall as a lender of last resort, implement the policy on the interest rate by determining the interest rate of lending to commercial banks.

Article 16. Inter-bank settlements

Inter-bank settlements shall be made through bank accounts.

Article 17. Government lending

Mongol Bank shall act as an agent for the Government when it issues securities on the market and in repaying the principal and interest.

Article 18. Operations related to
Government securities

1. While carrying out the monetary policy Mongol Bank shall use the Government securities as the first means of sale and purchase.

2. The Government securities shall be collateral.

Article 19. Operations related to precious
metals and foreign currency stock

Mongol Bank on its own behalf or through agent banks, shall have custody of, maintain accounts for and carry out transactions in relation to the State reserves of precious metals and foreign currency.

Article 20. Capital and reserve
funds of Mongol Bank

1. Mongol Bank shall have an authorized capital, a reserve fund and other funds.

2. The MPR State Baga Hural shall approve the amount of the authorized capital of Mongol Bank.

Article 21. Balance sheet of Mongol Bank

Mongol Bank shall submit its annual financial statement including balance sheet, profit distribution, revenue and expenditure budgets to the MPR State Baga Hural for approval.

Article 22. Supervision and control over
activities of Mongol Bank

The MPR State Baga Hural shall exercise the supervisory power over the activities of Mongol Bank.

Article 23. Relations between Mongol
Bank and commercial banks

In carrying out its coordinating and supervisory role set out by ... the Mongol Bank shall be guided by the principle of ensuring the independence of the commercial banks.

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Article 24. International relations
of Mongol Bank

Mongol Bank shall cooperate with international and foreign banks and financial institutions in conformity with the legislation of the MPR and international agreements undertaken by the MPR and the MPR interest.

Article 25. Establishment of foreign banks,
branches and representative offices

1. The MPR Government shall, at the recommendation of Mongol Bank, decide questions concerning the establishment of foreign banks, branches and representative offices in the territory of the MPR and terminating their activities.

2. A foreign bank operating in the territory of the MPR shall be directed in its activities by this Law and other MPR legislation unless it is stipulated otherwise by the international agreements concluded by the MPR.

Article 26. Profit distribution

1. After having deducted from its profits accrued to appropriate funds in accordance with regulations adopted by the MPR State Baga Hural Mongol Bank shall allocate the remainder of profits into the State budget revenue.

2. Mongol Bank shall be exempted from corporation tax.

CHAPTER THREE. COMMERCIAL BANKS

Article 27. Types of commercial banks

Commercial banks (hereinafter referred to as "the bank") shall be divided into public and privately owned according to the ownership of the authorized capital; joint stock, limited, with foreign capital participation and foreign by their establishment; general and specialized according to their services and activities.

Article 28. Establishment of bank

1. Enterprises, organizations as well as individuals with the exception of those financed by the State budget and public charity fund raising organizations may apply to the Mongol Bank for authorization to establish a bank.

2. Mongol Bank shall make its decision within 30 days after having received the application for authorization on establishment of the bank and other documents.

3. The State Registrar shall register the bank. The bank shall be authorized to start its operation upon receiving the state registration certificate.

Article 29. Documents required to submit for establishment of a bank

1. The founder of the bank shall submit to Mongol Bank:

- (1) an application for authorization to establish the bank;
- (2) the statutes of the bank;
- (3) economic feasibility estimation;
- (4) recommendation and conclusion made by appropriate organizations on the creditworthiness of the founder of the bank.

2. If it becomes known that the above-mentioned documents have been fraudulent Mongol Bank shall declare its authorization certificate invalid and terminate the activities of the bank and make the decision public.

Article 30. Refusal in granting authorization certificate

Mongol Bank shall refuse an authorization certificate to establish a bank on grounds:

- (1) the Statutes of the bank conflict with MPR legislation;
- (2) the bank would not be financially viable.

Article 31. Statutes of bank

1. The bank shall adopt its Statutes in conformity with the MPR laws. The Statutes of the bank shall contain:

- the name of the bank, location and address;
- the scope of activities and services;
- the amount of the authorized capital;
- management and organizational structure;
- procedure of termination of operations.

2. The bank shall notify Mongol Bank promptly of amendments made to its Statutes for registration.

Article 32. Establishment of branches

1. The bank may, with a prior approval of Mongol Bank, establish its branches on the territory of the MPR and specify their functions within the scope of its authority.

2. Establishing of branches of the bank abroad shall be approved by Mongol Bank.

3. The Statutes of the bank shall set out regulations on the activities of its branches.

Article 33. Capital and reserves of the bank

1. The authorized capital of the bank shall be subscribed by its shareholders. The authorized capital shall be maintained at the announced level.

2. The authorized capital of the bank shall make up not less than 50 million tugrug.

3. The bank may set up a reserve fund and other funds from its assets and profits.

4. The bank shall establish its own rules on setting up these funds.

Article 34. Taxation

The bank shall pay corporation tax according to the MPR laws.

Article 35. Requirements of banking activities

The requirements to be met by the bank in its activities are:

- (1) to provide personal and business customs with loan and payment facilities and other banking services;
- (2) forth by Mongol Bank in accordance with Article 14 of this law;
- (3) to insure a certain part of its eligible liabilities in compliance with the MPR laws;

(4) to maintain secrecy of its customers' account, operations (information on customers' accounts, deposits and operations may only be disclosed either at the consent of the customer or at the request of judicial, procurator and investigation bodies);

(5) to safekeep customers' deposits of money and withdraw them on demand;

(6) customers shall not be restricted from benefitting from services provided by more than one bank;

(7) prohibition on forming any union or association with other businesses in order to gain monopoly in banking activities and seek higher profits.

Article 36. Interbank operations

1. The bank shall receive its supply of banknotes on the basis of an order and repay the sum through its account with Mongol Bank.

2. Interbank operations shall be varied out on the basis of an agreement.

3. Interbank indebtedness shall be effected through banks' accounts with Mongol bank.

Article 37. Rate of interest

The bank shall be entitled to fix the interest rate on both loans and private deposits.

Article 38. Deposits of money

1. Citizens of the MPR, foreign subjects as well as stateless persons shall have the right to deposit their money with any bank. Customers shall be entitled to select banks, open one or several accounts, withdraw their deposits, and benefit from profits including interest.

2. If a customer dies intestate or without making a will to instruct the bank, probate over deposits of the deceased shall be granted according to the MPR laws.

3. Customers' deposits of money shall be protected from any deduction to cover payments or seizure unless there is a valid court ruling.

4. Customers may make complaints about their deposits to the court.

Article 39. Safe custody of valuables

The bank may offer a safe deposit service for its customers and shall set out conditions for the safe custody service contract in conformity with the MPR laws.

Article 40. International payment transactions

The bank shall carry out international payments, purchase or sell foreign currencies subject to the authorization of Mongol Bank.

Article 41. Financial statement

The bank shall submit its annual financial statement including its balance sheet to the Mongol Bank and other financial bodies as is specified by applicable regulations. The bank shall make public its brief report on the balance sheet, profit and loss account in the press using the official form approved by Mongol Bank and within the specified time.

Article 42. Termination of operation
and liquidation of the bank

1. The operations ...

- (1) the decision of the founders of the bank as is specified by the Statutes;
- (2) the decision of Mongol Bank according to Paragraph 2 of Article 29 of this law;
- (3) bankruptcy order made by a competent body;
- (4) other provisions of legal acts.

2. The shall be liquidated from the date the State Registrar has made its decision public to terminate the bank's operations.

3. The final settlement of the indebtedness of the liquidated bank shall be made according to the MPR laws.

CHAPTER FOUR. SUPERVISION AND RESPONSIBILITY

Article 43. Banking supervision

Mongol Bank shall exercise prudential control over the commercial bank's activities within the scope of this law.

Article 44. Legal responsibility to be born by those infringing the banking law

Those violating the Banking Law shall be subject to penalties as prescribed under the applicable laws of the MPR.

Article 45. Settlement of disputes

Disputes arising from and noncompliance with the decision taken by Mongol Bank shall be settled by court.

Article 46. Promulgation of the Law

This Law shall enter into force on May 1, 1991.

THE PRIVATIZATION LAW OF THE MPR

CHAPTER ONE. GENERAL PROVISIONS

Article 1. Purpose of the Law

The purpose of the present Law is to regulate relations connected with the transferring (hereinafter named as "the privatization") of a certain part of the State-owned property of the MPR to citizens and legal persons of the MPR, and to define principle features of the privatization of agricultural farms.

Article 2. Principles of privatization

The privatization shall be carried out on the principle of openness, State and public control, of priority right of employees of enterprises and organizations to be privatized, to buy shares and property of their enterprises and organizations.

Article 3. State-owned property

a) The property of enterprises and organizations (hereinafter named as "the enterprise") shall be subject to privatization.

b) The list of enterprises to be retained at the State ownership shall be approved by the MPR Government.

Article 4. Right of ownership to the property privatized

a) Every citizen of the MPR has the equal right to own the State property to be privatized in any form and methods stipulated in the present Law as well as in other Laws of the MPR.

b) Foreign citizens and stateless persons can own the State property exclusively during its privatization on the payment basis (on the basis of selling and distribution of shares indicated in the MPR's legislation).

Article 5. Guidance and supervision of privatization

a) The providing of a single guidance and State control over the process of privatization shall be done by the MPR Government at the scale of the whole country, and by local People's Hurals and their Executive Boards.

b) The MPR Government and Executive Boards of local Hurals shall set up privatization commissions authorized to arrange (organize)

and ensure the process of privatization with the methodological guidance in accordance with the MPR's legislation, decisions by the MPR Government, local Hurals and their Executive Boards as well as with decisions on privatization of a particular property.

The authority, organization and procedure of the activity of privatization commissions shall be defined by the MPR Government on the basis of provisions of the present Law.

c) The administration of State enterprises shall carry out privatization of its property on the basis of decisions of privatization commissions of the appropriate level...

d) The administration of State enterprises may set up privatization assistance commissions in order to ensure the right of public representatives to attend and supervise the process of privatization.

Article 6. Procedure for property assessment

The procedure of assessment of property of enterprises to be privatized shall be defined by the MPR Government.

Article 7. Privatization fund

a) In Order to finance the process of privatization and to render the financial assistance for arrangements connected with privatization a privatization fund shall be set up.

b) The privatization fund shall be formed from the sale of properties privatized, State and local budgets as well as credits and financial assistance from the MPR organizations, citizens and foreign organizations, citizens and stateless persons, and from other sources.

c) The purpose and the procedure of forming and distribution of the privatization fund shall be defined by the MPR Government.

Article 8. Contract with the owner

a) The administration and employees of the enterprises to be privatized should fulfill the existing contracts between them before signing a new labour or collective agreement.

The new labour and collective contract shall be concluded within 6 months after transferring of ownership rights to the property of the enterprise.

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b) The organization which issues the decision to privatize its property, may conclude a contract which contains directions of the activity of the enterprise and mutual obligations concerning the volume of production, supply, and the number of employees with a person to whom the ownership right is shifted.

Article 9. Certificate for ownership

The organization which issues the decision to privatize its property shall give a certificate affirming the ownership right to a new owner.

Article 10. Settlement of disputes

a) In case of disagreement with the decision of the appropriate organization a complaint shall be made to the higher body of this organization within 14 days of receiving such decision.

b) The property disputes arising from the privatization shall be settled by courts.

CHAPTER TWO. METHODS OF PRIVATIZATION

Article 11. Methods of privatization

The transferring of the property and shares of an enterprise to citizens of the MPR on the private ownership through the investment coupons shall be carried out by the way of selling in cash or on credit, or in combination with other forms indicated in the Law.

Article 12. Investment coupon and its owner's right

a) Citizens of the MPR born before or on the day of enforcement of the present Law, have the right to acquire an investment coupon (hereinafter named as "coupon").

If the legitimate owner is incapable or on military service, or lives abroad or has any other good excuse to be absent, the coupon could be issued to his/her legitimate representative or agent.

b) The coupon shall define the right to acquire the property and the right to acquire shares, which is guaranteed by basic funds of the State, separately.

c) The legitimate owner of a coupon will have the right to transfer or sell it to another person. Nevertheless, the right to acquire shares shall be intransferable.

d) The fee shall be paid on the receipt of coupons. Coupons not used within the period indicate may be returned to the issuing organization together with the refundable fee (and fees refunded).

e) The design, procedure for printing, distributing and using of coupons as well as the amount of fees, and the exception from paying the fees shall be defined by the MPR Government.

g) Coupons shall be valid for 2 years. In case of necessity, the MPR Government may extend this period.

CHAPTER THREE. TRANSFER OF THE PROPERTY OF ENTERPRISES TO INDIVIDUALS

(SMALL-SCALE PRIVATIZATION)

Article 13. Property eligible to small-scale privatization

The property of small enterprises engaged in trade and services as well as independent production units of big enterprises shall be subject to small-scale privatization.

Article 14. Methods of small-scale privatization

The property eligible to small-scale privatization shall be transferred to a private ownership through auctions. The general procedure for holding the auctions will be defined by the MPR Government.

Article 15. Favourable terms and priority right

a) If an employee buys a certain part of property of the enterprise where he/she is employed he/she shall be given a 10 per cent discount of the selling price.

b) Citizens using the privatized property on the basis of the lease contract have the priority right to acquire this property first if they wish to do so.

CHAPTER FOUR. TRANSFER OF THE PROPERTY OF
ENTERPRISES TO PRIVATE OWNERSHIP
THROUGH AUCTIONS

(WIDE PRIVATIZATION)

Article 16. Property eligible to wide privatization

The property of enterprises except those indicated in Article 3 (2) and 13 of the present Law shall be subject to wide privatization.

Article 17. Methods of wide privatization

The wide privatization shall be carried out through the purchase of enterprises shares by citizens of the MPR and the use of coupons and shareholding companies.

Article 18. Programme of privatization

The privatization of the property of enterprises shall be carried out in accordance with "The Programme of Privatization" approved by privatization commissions on the appropriate level. Such programme shall be worked out either by the enterprise administration concerned or organization or person authorized by a privatization commission of the appropriate level.

Article 19. Selling of shares

The shares of enterprises shall be sold on stock exchange only. The stock exchange regulations will be approved by the MPR Government.

Article 20. Priority right

The employees of the privatized enterprises have the priority right to purchase shares of their enterprise first on declared price.

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CHAPTER FIVE. PRIVATIZATION OF THE PROPERTY
OWNED BY AGRICULTURAL FARMS

Article 21. Basic principles of the privatization
of the property of agricultural farms

1) The privatization of the property of agricultural farms shall be carried out in accordance with the present Law, the Company Law and other legislation of the MPR on the basis of decisions by all members of the farm. Members of the farm concerned shall select the method of privatization themselves. The MPR Government shall render the methodological and organizational assistance to this process.

2) The coupon issued to members of the farm is guaranteed, first of all, by the basic funds of the farm.

The coupon issued to a member (not member of the agricultural farm) of the family (member of the agricultural farm) shall be guaranteed by the State property. If the farm transfers its property to the value of the coupon, to a member of the family which is not a member of that farm, he/she can not be given the State property again. This provision does not affect the right of a member of the farm and a member of the agricultural farm) of the family which is a member of the agricultural farm, to purchase the State-owned property to be privatized.

TAX LAW OF THE MONGOLIAN PEOPLE'S REPUBLIC

CHAPTER 1. GENERAL INFORMATION

Article 1. The Purpose of the Tax Law

The main purpose of the law is to guarantee a social duty of enterprises, organizations and individuals involved in all aspects of ownership, for equal and just participation in forming the MPR's budget - the centralized fund for the economic and social development, and to regulate relations arising from the carrying out of this duty.

Article 2. Legislation Regulating Tax Relations in the MPR

Relations arising from the payment of taxes (hereinafter referred to as "the taxes" shall be regulated by this law or other legislations issued in conformity with this law, unless international treaties of MPR stipulate otherwise.

Article 3. Types of Taxes

The taxation of the MPR will consist of direct and indirect taxes.

Direct taxes will be imposed on the monetary income and property of enterprises, organizations and individuals. Indirect tax will include turnover tax and payments for use of land and natural resources.

The taxes shall be paid in cash or by written order.

CHAPTER 2. INDIVIDUAL INCOME TAX

Article 4. Taxpayers

The citizens of the MPR, foreigners residents and stateless persons in the MPR shall pay income taxes, unless legislation of the MPR and international treaties of the MPR stipulate otherwise.

Article 5. Income and Property to be imposed by Taxes

The taxes shall be imposed on the following income and properties:

- 1) basic and additional salaries and wages (could be in kind as well); lease, rent, services obtained; productivity bonuses, pensions and allowances;
- 2) earnings received from activities and services besides the main job;
- 3) shares received after enterprises and organizations liquidated;
- 4) income from self-employment;
- 5) author's awards;
- 6) income received in foreign currencies;
- 7) inheritance;
- 8) income received from sale of private livestock and agricultural products;
- 9) other incomes except those exempted from the taxation under Article 9 of this law.

Article 6. Tax Rate

1. Monthly taxable income determined in Article 5 (a,f) is fixed at the following rates:

Monthly Income : (in tugriks)	Tax rates
501 - 700	6.33 TG plus 2,4% from the amount of income exceeding 500 tgks
701 - 900	11.13 tgks plus 2,6% - " - 700 tgks
901-1,200	16.33 tgks plus 2,7% - " - 900 tgks
1,201-1,500	24.33 tgks plus 2,9% - " - 1,200 tgks
2,001-3,000	50.63 tgks plus 5,0% - " - 2,000 tgks
2,501-3,000	75.63 tgks plus 10.0% - " - 2,500 tgks
3,001-4,000	125,63 tgks plus 20.0% - " - 3,000 tgks
4,001-5,000	325,63 tgks plus 30.0% - " - 4,000 tgks
5,001-6,000	625,63 tgks plus 40.0% - " - 5,000 tgks
6,001- above	1,025,63 tgks plus 50.0% - " - 6,000 tgks

Comments: The tax rate per month should not exceed 46% of the total income.

2. According to the provisions of Article 5 (2-5), Article 7 (9) the income up to 500 tugriks shall be taxed at the rate 1,25 per cent; the income above 501 tugriks shall be taxed at the rates given in part 1 of this Article.

Awards from the scientific, literature and art works estimated up to 1,500 tugriks shall be taxed at the rate given in Article 2, awards up to 30,000 tugriks - at the rate 3 per cent; awards, exceeding 30,000 tugriks shall be taxed at the rate 5 per cent.

Article 7. Income from Self-employment or Contract Work and Services

Income received from the contract work and services executed by the families or the groups on the enterprises and organizations, income from the contract work executed by the individuals according to the Civil Code shall be taxed at the rate given in part 1 of Article 6.

In order to determine the taxable income per one person the total amount of income by the contract shall be divided by the number of individuals involved in the contract and number of months work has been done. The final calculation of tax amount shall be determined as the contract executed completely.

The procedure of taxation of the self-employed or other incomes, which are difficult to calculate, shall be defined by the Government of the MPR.

Article 8. Income tax of Mongolian Citizens Employed Abroad

Income tax of Mongolian citizens employed abroad and receiving their salaries from MPR shall be determined by the Government of the MPR.

Article 9. Income exempted from tax

The following categories of income shall be exempted from personal income tax:

- 1) Monthly principal and additional salaries and wages; income in kind; (recognised as salary, wage); income received from self-employment; work and services under contract, pensions and allowances up to 500 tugriks. and lease: pensions up to 500 TG;

- 2) Income of disabled persons of I group of disability or those who received II group of disability because of being blind, deaf and dumb.
- 3) Children allowances and others, except those received because of temporary disability, pregnancy and after-birth.
- 4) All one-time awards except those received as a result of principal job.
- 5) Income from sales of products of private holdings for the state and local centralized ...
- 6) Recompence for health injuries and damages occured to workers during their work;
- 7) . Compensations from insurance agencies to persons;
- 8) Income from lottery, state credits, money borrowed;
- 9) Gifts and money presented;
- 10) Travel expences and daily allowances;
- 11) money and help for charity;

CHAPTER 3. TAXATION OF ENTERPRISES AND ORGANIZATIONS

Article 10. Taxpayers

All enterprises and organizations notwithstanding the form of their ownership shall be the taxpayers.

Article 11. Taxable Income

1. The taxable income of the taxpayer shall be the amount remaining from its gross income after the costs of materials (raw materials, semi-processed goods, steamwater, energy, fuel, packing, spare parts) transport expences, social security, payments for use of land and natural resources have been deducted.

2. The revenue tax shall be imposed on income from sale of spirits, alcohol, wines, tobacco, gold, silver, jewelry.

Article 12. Tax rate

Annual income of enterprises and organizations shall be taxed at the following rate:

Annual Income (tugriks, ml)	:	Tax (in %)
0- 1,000,000	:	8%
1,000,001- 5,000,000	:	80 thousand tgks plus 15% from the amount of income exceeding 1 mil. tgks
5,000,001-10,000,000	:	680 thousand tgks plus 22% -"- 5 mil tgks
10,000,001-20,000,000	:	1,700 thousand tgks plus 30% -"- 10 mil tgks
20,000,001-30,000,000	:	4,780 thousand tgks plus 35% -"- 20 mil tgks
30,000,000 - above	:	8,580 thousand tgks plus 46% -"- 30 mil tgks

Comments:

1. In order to provide equal economic conditions and balanced development of the enterprises and organizations (with the state ownership) the rate of tax could be increased by 20 units by decision of the Government of the MPR.

2. Enterprises with foreign capital participation shall be taxed as above. Nevertheless the taxes shall not exceed 40 per cent of the profit.

3. Rates of revenues tax and payments for use of land and natural resources will be set by the Government of the MPR.

Article 13. Tax Reductions

1. Taxable income shall be reduced by:

1) up to 60% amount of own capital and long-term bank credit invested during the respective year for production of highly efficient products, innovation and introduction of progressive technics and technologies, and for training of specialists;

- 2) the amount spent on ensuring the ecological balance;
- 3) contributions made for charity or state and social significance;

2. The taxes could be reduced by the following percentage:

- 1) Tax imposed on agricultural enterprises - by 60%;
- 2) Tax imposed on food (meat, milk, flour, bread) manufactures - by 60%;
- 3) Tax imposed on enterprises and organizations with disabled employers - by the percentage of disabled persons in the staff;
- 4) Tax imposed on small-scale plants considered by the legislation of MPR as such during the first 2 years of activity - by 50%;

3. The Ministry of Finance, executive administration of local People's Hural shall have the right to reduce the taxes according to Article 13.

CHAPTER 4. PAYMENT OF STATE TAXES

Article 14. Payment Procedure

Enterprises, organizations and individuals shall pay the taxes on their income to the appropriate budget and submit a report at least two times per month.

The MPR Government will define the distribution to state and local budgets the taxes imposed on income (profit) of an entity with foreign capital participation and state enterprises and organizations. Self-employed and citizens with additional income on non-permanent basis shall pay their taxes quarterly to a local budget. The payment of annual income shall be made on an income-tax definition list.

Article 15. Rights and Duties of Taxpayers

1. Taxpayer shall have the following rights:

- 1) To enjoy the reduction or exemption from the taxes according the provisions of the present law;
- 2) To make a complaint to administrative bodies and courts, should the taxes imposed upon are considered groundless. The complaint shall not be a reason for non-payment of the taxes. Payment of the taxes could be suspended by the decision of a court investigating this complaint.

2. Taxpayers shall have the following duties:

1) The enterprises and organizations should send the schedule of monthly and quarterly tax payments for coming fiscal year to the appropriate financial organizations in 2 months advance before the end of the fiscal year; self-employed persons should send the income and tax definition list, which determines the calculation of tax to the financial organization within 21 days after fiscal year begins.

2) To fix own income truthfully and to pay tax within prescribed time limit, to provide the financial organizations with the report on tax payment;

3) To inform the appropriate financial organizations about the truthful reasons and calculation of tax reduction to be made;

4) To take immediate measures for correction of infringements and deficiencies revealed by the tax control agencies.

Article 16. The Tax Control

The tax control will be carried out by the MPR Ministry of Finance (State Tax Agency), and executive administration of local People's Hural. The Charter of the State Tax Agency will be approved by the Government of the MPR.

Article 17. The Responsibilities for
Violation of Tax Legislation

The following responsibilities shall be borne for violation of the tax legislation:

- 1) should the taxable income be reduced intentionally or hidden, the tax shall be recovered and a fine equal to it shall be imposed on.
 - 2) for each day of tax payment delayed, 1% of the tax non-paid completely, will be paid as a forfeit.
 - 3) the taxpayers, who do not face the criminal responsibility for being self-employed in production and services banned by the MPR's legislation, will be fined from 700 to 1,000 tugriks with the confiscation of means of production and services and income received.
 - 4) should the taxpayers be engaged in production and services not banned by the MPR's legislation, without appropriate licence, they shall be fined from 500 to 800 tugriks with the confiscation of income received.
 - 5) those, who evade paying the taxes and fines, shall be fined from 500 to 1,000 tugriks.
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FOREIGN INVESTMENT LAW OF THE
MONGOLIAN PEOPLE'S REPUBLIC *

Article 1. Purpose of the Law

The purpose of the present Law is to establish a legal framework for foreign investment in the MPR on the basis of equality and mutual benefits, and to regulate relations arising from these activities.

Article 2. Definition of the Law

1. "An entity with foreign capital participation" means an enterprise or organization whose initial capital has been wholly or partly contributed by a foreign legal and/or natural person.
2. "A foreign participant" means a foreign legal and/or a natural person.
3. "A Mongolian participant" means a MPR legal and/or natural person participating in foreign investment activity.
4. "Foundation documents" mean an agreement or treaty establishing an entity with foreign capital participation, and the charter of such an entity.

Article 3. Spheres of investment

1. Foreign participants may invest in any branch of the national economy unless legislation stipulates otherwise.
2. The MPR gives priority to foreign investments in the following areas:
 - a. production geared to export promotion or import substitution;
 - b. production of goods and services of high scientific standards utilizing advanced machinery and equipment, technology and techniques;
 - c. enhanced processing of natural resources and raw materials of agricultural origin, production of finished articles, and geological prospecting;

* The MPR Great People's Hural passed the law on March 23, 1990. It entered into force on Mat 1, 1990.

- d. development of economic infrastructure in the field of energy, roads, transportation and communication and other spheres;
- e. development of the international tourist industry and all corresponding services.

Article 4. Legal guarantees

1. Entities with foreign capital participation shall conduct their activities in accordance with the present laws and legislation of the MPR.

2. The MPR shall protect rights and interests of foreign participants in compliance with its legislation and with internationally recognized norms, as well as foundation documents of the entity with foreign capital participation. Foreign investments in the MPR shall not be nationalized.

3. If provisions of the present law are amended after the entry into force of the foundation documents of any entity with foreign capital participation, it shall be up to entity with foreign capital participation to decide whether to apply the foundation documents or the amended provisions of the present law.

4. Foreign participants shall have the following rights:

- a. To take part in the management of any entity with foreign capital participation;
- b. To transfer their rights and obligations to other foreign or Mongolian participants;
- c. To have profit in proportion to their share in the entity's capital as well as to possess, use and dispose of it in accordance with their wishes, including the transfer of the profit abroad.

Article 5. Forms of investment

1. Foreign and Mongolian participants can invest in the following forms:

- a. cash in foreign and/or local currencies;

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- b. building, equipment, machinery, i.e. tools, components, spare parts etc;
 - c. patents, technology, know-how and technical services;
 - d. other mutually agreed forms.

2. Capital contributions of Foreign and Mongolian participants shall be valued on the basis of prices to be agreed upon depending on world market prices.

Article 6. Procedures to establish entities with foreign capital participation

1. To set up an entity with foreign capital participation, its Foreign and Mongolian participants shall submit an application and a draft of the entity's foundation documents to the MPR Council of Ministers. A decision concerning the establishment of the entity shall be made within 60 days upon the receipt of the application.
2. Initial period of existence of the entity with foreign capital participation and its extension shall be specified in the foundation documents.
3. Entities with foreign capital participation shall be subject to registration in the MPR Ministry of Finance.

Article 7. Export, import activities and supplies

1. Entities with foreign capital participation shall conduct export, import operations related to their activities either themselves or in cooperation with foreign trade organizations of the MPR.
 2. When buying raw and other materials needed for their activities from the domestic market and selling their products, entities with foreign capital participation shall settle their payments in mongolian tugriks or other mutually agreed currencies, on the basis of world market or other agreed prices.
 3. Relevant national organizations shall render assistance to entities with foreign capital participation in procuring equipment and raw, and other materials necessary for their activities.
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Article 8. Taxes, duties, auditing

1. Entities with foreign capital participation shall pay to the MPR a differentiated tax on their profits which are earned either in Mongolian tugriks or in foreign currency. However, the taxes shall not exceed 40 per cent of the profit. Taxes shall be paid in the same currency in which the profit is earned.
2. Entities with foreign capital participation may be exempted from profit taxes in the first three years of their activities.
3. A foreign participant shall be exempted from any taxes on repatriation of its share of profit abroad.
4. Goods exported and imported by an entity with foreign capital participation for its production needs shall be exempted from customs duties.
5. Entities with foreign capital participation shall operate under the supervision of financial organizations of the MPR, unless their foundation documents stipulate otherwise.
6. Entities with foreign capital participation may have accounts with the State Bank of the MPR in Mongolian tugriks and/or any other currency.

Article 9. Exploitation of natural resources

Entities with foreign capital participation in the territory of the MPR shall pay fees for the use of land, forest, water and other natural resources. They shall guarantee the environmental protection while conducting their activities.

Article 10. Employment, salaries, and social welfare

1. Entities with foreign capital participation shall recruit engineers, workers and other personnel on the basis of contracts.
2. Employees of entities with foreign capital participation shall pay income tax from their salaries and other income in accordance with MPR legislation.
3. Foreign employees of entities with foreign capital participation may transfer abroad their tax-free their salaries and other income.

4. Social welfare issues of employees of companies with foreign capital participation shall be regulated by MPR legislation, unless foundation documents of the company stipulate otherwise.

Article 11. Settlement of disputes

Any dispute that may arise in connection with the activities of entities with foreign capital participation between:

- such an entity and Mongolian state, cooperative, public organizations and enterprises;
- entities with foreign capital participation;
- participants of such an entity;

such an entity and Mongolian citizens shall be settled in courts and arbitration bodies of the MPR, unless foundation documents stipulate otherwise.

Article 12. Material responsibility

Entities with foreign capital participation shall be subject to material responsibility for any damage to the Mongolian state caused by their activities in violation of the provisions of the present law and their foundation documents.

PETROLEUM LAW OF THE MONGOLIAN PEOPLE'S REPUBLIC *

SECTION I. GENERAL PROVISIONS

Article 1. Objectives of the Law

The objective of this Law shall be the regulation of the relation connected with the operations of mongolian or foreign companies or individuals related to the exploration, protection, production, processing, transportation, storage and marketing of Petroleum occurring in the entrails of the earth in the MPR.

Article 2. Definition of the Law

1. "Petroleum" means liquid petroleum and different compounds of hydrocarbons in a gaseous or solid state occurring in the entrails of the earth and which may be produced in association with or separately.

2. "Petroleum Operations" means an operations related to the exploration, protection, production, processing, transportation, storage and marketing of Petroleum.

3. "Petroleum Administration" means an organization authorized by the MPR Government to enter into Contracts related to Petroleum Operations and exercise supervision over implementation thereof.

4. "Contractor" means mongolian or foreign companies or individuals who entered into Contracts with the Petroleum Administration to carry out Petroleum Operations on the MPR territory.

Article 3. Ownership of Petroleum

All petroleum occurring in the entrails of the earth in the MPR shall be exclusively the property of the State.

Article 4. State Management of Petroleum Operations

1. Petroleum Operations on the MPR territory shall be carried out subject to the permit of the MPR Government and Petroleum Administration.

* Ratified by the President of the MPR on 13 February 1991

APPENDIX C

THE TEMPORARY STATUTE OF THE BANK OF MONGOLIA

The Temporary Statute of the Bank of Mongolia

The aim of the temporary statute of the Bank of Mongolia is to determine rights and duties of the Bank of Mongolia, and to regulate relations connected with its activities.

Section 1. General Provisions

1. The Bank of Mongolia shall: implement policy designed to promote and maintain internal and external stability of the tugrik, an appropriate payment mechanism, and the proper functioning of a sound financial system in Mongolia; maintain adequate external reserves; protect the interests of banking customers; and conduct monetary policy to sustain the economic development of Mongolia.
2. The Bank of Mongolia shall have a seal showing the State emblem, a seal bearing its name, and official stationery. It may have its own symbol.
3. The Bank of Mongolia shall have rights and duties prescribed by the Banking Law of the MPR and other legislation of the MPR. It shall be a legal entity.
- 4.1 The Bank of Mongolia shall have its head office in Ulaanbaatar.
- 4.2 The Bank of Mongolia may establish branches and representative offices within Mongolia and abroad.
- 4.3 The Bank of Mongolia may appoint agents within Mongolia and abroad.
5. The Bank of Mongolia shall have authorized capital approved by the Baga Hural in order to carry out its functions.
6. The net profit of the Bank of Mongolia for each financial year shall be determined after deducting from revenue all operating expenses for that year. From the net profit for the financial year, the Bank of Mongolia shall allocate to paid-up capital, reserve capital, and other of its funds, amounts approved by the Baga Hural with the remainder being remitted to the State budget.
- 7.1 Each year, the Bank of Mongolia shall submit its annual budget, its statement of the allocation of the net profit, and its balance sheet for approval by the Baga Hural.
- 7.2 The Bank of Mongolia shall submit to the Baga Hural for comment no less than twice a year reports on the state of the Mongolian economy and on the monetary situation, comments on the fiscal situation, and reports on the activities of the Bank of Mongolia.

7.3 The financial year of the Bank of Mongolia shall coincide with the financial year of the Government of the MPR.

7.4 The Bank of Mongolia shall account for all its transactions in its accounts.

7.5 The Bank of Mongolia shall prepare a financial statement on a monthly basis.

Section 2. The management of the Bank of Mongolia

8. The Governor's powers include the following:

a. to manage directly all activities of the Bank of Mongolia and its branches, to represent the Bank of Mongolia, and to issue orders in connection with the activities of the Bank of Mongolia;

b. to determine the organization, structure and staffing of the Bank of Mongolia and to hire, fire, and determine the remuneration of employees on the basis of their professional qualifications and abilities;

c. to establish and close branches and representative offices and to appoint and dismiss heads of such branches and offices;

d. to establish a Board of the Bank of Mongolia which shall consist of the First Deputy Governor, the Deputy Governor and other members, in order to advise and assist in all matters regarding the activities of the Bank of Mongolia.

9.1 No employee of the Bank of Mongolia shall represent the interests of any business entity.

9.2 Each employee of the Bank of Mongolia shall perform his obligations honestly and shall not, by virtue of his position in the bank, derive any undue material benefit for himself or for persons with whom he has family, business, or financial connections.

9.3 Except for the purpose of the performance of their duties, the exercise of their functions, or when required to do so by any court, or under the provision of any law, employees of the Bank of Mongolia must not disclose to any person any information relating to its affairs or those of any bank, person, or company which information they have acquired in the performance of their duties or the exercise of their functions.

Section 3. The activities of the Bank of Mongolia

10.1 The Bank of Mongolia may issue instructions, rules, and guidelines in accordance with the Banking Law and this statute.

- 10.2 The Bank of Mongolia shall issue and withdraw currency from circulation, and shall determine the appropriate level of currency in circulation.
- 10.3 The Bank of Mongolia is in charge of printing banknotes, the security and safekeeping of unissued and returned notes, setting up reserve stocks, verifying the authenticity of banknotes, and withdrawing and destroying worn and soiled banknotes.
- 10.4 The aggregate amount of banknotes in circulation must be noted in the Bank of Mongolia's accounts as liabilities, but this will not include reserve stocks:
- 10.5 The Bank of Mongolia shall supply currency to commercial banks' cashier departments. It can impose a charge for this service.
11. In cooperation with the commercial banks, the Bank of Mongolia shall establish an interbank clearing unit for the speedy and efficient clearing of payments.
12. The Bank of Mongolia shall facilitate transactions connected with the revenues and expenditures of the State Budget.
13. The Bank of Mongolia shall assist in managing government borrowing by conducting securities operations, i.e., printing securities, promoting money and securities markets, and shall act as agent in selling securities.
14. The Bank of Mongolia may make a temporary advance to the Government at the market interest rate and a maturity not exceeding three months beyond the end of the financial year in which it is given.
- 15.1 The Bank of Mongolia may purchase securities issued by the Government only when these are issued at market rates of interest and only in accordance with its monetary policy objectives.
- 15.2 The prohibition in 15.1 does not prohibit:
- (i) discounting by the Bank of Mongolia of securities issued by the Government maturing within 90 days from the date of discount;
 - (ii) dealing in, selling, or purchasing government securities for its own account;
 - (iii) the activities of the Bank of Mongolia under Articles 11(7), 11(8), 17, and 18 of the Banking Law.

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- 16.1 The aggregate amount of the advances and holdings of securities under Articles 14 and 15, at any time within any given financial year must not exceed 10 percent of the domestic budgetary revenues for the previous financial year.
- 16.2 The Bank of Mongolia may, in exceptional circumstances, permit the total to increase upon the request of the Government to an amount not exceeding 15 percent of the revenue defined as referred to in 16.1.
- 16.3 If, in the opinion of the Bank of Mongolia, the limit in 16.1 is likely to be exceeded, the Bank of Mongolia shall submit to the Baga Hural a report on the Bank of Mongolia's outstanding advances and holdings of government securities, and the reasons and circumstances that may lead to such excess, together with recommendations to remedy the situation. If the limit in 16.1 is exceeded in accordance with 16.2, the Bank of Mongolia shall make further reports and recommendations in order to remedy the situation and avoid its recurrence.
17. The Bank of Mongolia shall not purchase securities guaranteed by the Government or by government agencies except as provided for in this statute.
18. If the Bank of Mongolia is of the view that any measure currently under consideration by the Government is likely to affect the achievement of the Bank of Mongolia's objectives, the Bank shall inform and advise the Government accordingly.
19. The Bank of Mongolia must submit a report to the Government when the external reserve has declined or may decline in a way as to jeopardize its adequacy, including an account of the causes, and recommendations on measures necessary to remedy the situation.
20. The Bank of Mongolia must conduct its activity consistently with the activities of the Government and government agencies.
- 21.1 The Bank of Mongolia must maintain an external reserve consisting of the following:
- (i) monetary gold;
 - (ii) foreign exchange in the form of currency or bank balances held abroad;
 - (iii) any internationally recognized reserve asset;
 - (iv) bills of exchange and instruments bearing a government guarantee denominated in foreign currencies and payable at any place outside Mongolia;

(v) treasury bills issued by foreign governments and acceptable in the market; and

(vi) securities issued by international financial organizations.

21.2 The Bank of Mongolia is the depository of the official external assets of Mongolia, provided, it may designate such agents as it may select with which these assets may be held.

22. The Bank of Mongolia may carry out the following operations in gold, foreign currency or precious metals:

a. buy, sell, or deal in gold coins, or bullion or other precious metals;

b. buy, sell, or deal in foreign exchange;

c. buy and sell treasury bills and other securities issued/guaranteed by foreign governments and international financial organizations;

d. open and maintain accounts abroad;

e. open and maintain accounts and act as agent or correspondent for foreign central banks, foreign governments, foreign government agencies and international financial organizations.

23.1 Any net gain or loss in any financial year of the Bank of Mongolia arising from any change in the book or realized value of the Bank of Mongolia's assets denominated in currencies or units of account other than domestic currency, such as gold, SDRs, or foreign currencies, as a result of any change in the value of such currencies or units of account in terms of the togrog shall be credited to a Special Account.

23.2 Any net gain or loss referred to in 23.1 shall be excluded from the annual net profits of the Bank of Mongolia.

24. The Bank of Mongolia may administer exchange controls in accordance with any laws and regulations in force from time to time.

25. The Bank of Mongolia may establish a foreign exchange market in the MPR.

26. The Bank of Mongolia may cooperate with international and foreign banks, and international financial organizations and participate in their activities in conformity with the interests of the MPR and legislation of the MPR and international agreements undertaken by the MPR.

27. In preparing its recommendation on the establishment or closure of a foreign bank in Mongolia under Article 25 of the Banking law, the Bank of Mongolia must take into account:

a. the impact of the foreign bank on competitive business conditions in Mongolia;

b. reciprocal treatment for Mongol undertakings in the foreign bank's home jurisdiction;

c. whether the foreign bank has sufficient asset size, business expertise, a good record in its home and in other countries, and a favorable earnings record over the previous 5 years;

d. participation by Mongols as directors, managers and employees in the subsidiary, branch or representative office to be established;

e. whether it will maintain for use in Mongolia the aggregate of its deposit liabilities to Mongol residents;

f. whether the subsidiary, branch, or office would cause the average outstanding total Mongol assets of all such foreign subsidiaries, branches or offices to be increased to more than 50 percent of the total domestic assets of all banks;

g. whether the subsidiary, branch or office complies with relevant requirements of the Banking Law and this statute.

27.2 A foreign bank may have a representative office in Mongolia provided that:

a. the business of the representative office is confined to promoting the services of the foreign bank and acting as a liaison between clients of the foreign bank and other offices of the foreign bank;

b. the name of the foreign bank, which must be used by the representative office, qualified by the words "representative office," is not in the opinion of the Bank of Mongolia incorrect or misleading.

28. The Bank of Mongolia may purchase and safekeep precious metals and stones, as well as historical and cultural valuables made of precious metals and stones, and at the same time shall be responsible for repairing and exhibiting them.

29.1 The Bank of Mongolia has the right to open, charge fees for services, and subsequently change the account in the name of a bank which is operating on the territory of the MPR.

29.2 If a commercial bank violates provisions of the Banking law or this statute, the Bank of Mongolia shall freeze transactions in any account maintained by the bank with the Bank of Mongolia.

30.1 The Bank of Mongolia shall prescribe required reserves against deposit liabilities of commercial banks. Such reserves shall be maintained by way of cash holdings or by way of special deposits on current accounts with other commercial banks or by way of special deposits on current accounts with the Bank of Mongolia.

30.2 The Bank of Mongolia may prescribe different reserve ratios for different classes of deposit and other similar liabilities and may prescribe the method of their computation, provided that:

- a. the reserve ratios shall be uniform for all commercial banks;
- b. any such prescription of, or increase in, the required reserve ratios shall be effective only after notice has been communicated to the commercial bank;
- c. the Bank of Mongolia may impose on any bank which fails to maintain required reserves a charge at a rate of 1 percent a day on the deficiency for as long as the deficiency continues. Such interest may be recovered by deduction from any balance of the commercial bank with the Bank of Mongolia.

31.1 The Bank of Mongolia may purchase from, sell to, discount and rediscount for commercial banks bills of exchange and promissory notes bearing two or more signatures, and maturing within 90 days from the date of their acquisition by it, provided that bills of exchange and promissory notes drawn or made for the purposes of supporting seasonal agricultural operations may mature within 180 day from the date of their acquisition.

31.2 The Bank of Mongolia may purchase from, sell to, discount and rediscount any securities of the Government maturing within 90 days from the date of their acquisition by it.

31.3 The Bank of Mongolia may purchase from, sell to, discount and rediscount for commercial banks its own securities.

31.4 The Bank of Mongolia must fix and publicly announce its minimum rates for discounts, rediscounts, loans or overdrafts. It may establish differential rates for various classes of transactions or maturities.

32. The Bank of Mongolia may, on such terms and conditions as it may from time to time determine, grant to banks short-term advances that are secured by:

- (i) bills of exchange, promissory notes, government securities;

(ii) other securities issued by government and public organizations;

(iii) warehouse receipts issued in respect of staple goods duly insured against risk of loss or damage;

(iv) deposits with the Bank of Mongolia or depositories acceptable to the Bank of Mongolia of any assets which the Bank of Mongolia is permitted to buy or sell or deal in.

33.1 The Bank of Mongolia is empowered to obtain such data and information as it may require for the proper discharge of its functions and responsibilities.

33.2 The Bank of Mongolia may publish such information and data in aggregate form.

34.1 In accordance with Article 43 of the Banking law, the Bank of Mongolia may inspect a commercial bank's books, records, documents and accounts for the purpose of ascertaining whether it is complying with the provisions of the law.

34.2 Management and employees of a commercial bank must furnish such information as requested for the purpose of the inspection.

35. The Bank of Mongolia, in a case of a violation of the Banking law or this statute, may charge a fee of up to 2000 togrög from officers of top management level of the commercial bank (manager, chief accountant, other officers) or may suspend its activities.

36. The Bank of Mongolia may grant or revoke licenses.

37. The Bank of Mongolia shall inform the state register service of all decisions to revoke licenses.

38.1 The Bank of Mongolia shall determine prudential ratios (capital adequacy ratio, ratio of high liquid assets, ratio of attracted funds) to be maintained by the commercial banks and monitor their observance.

38.2 The Bank of Mongolia shall determine the maximum amount of loans for each commercial bank, expressed as a percentage of its capital, to any single borrower.

39. The Bank of Mongolia shall determine for the commercial banks the level of shareholdings in business units:

1. The maximum size of shareholdings in business units;

2. The ratio between the level of shareholdings and the capital of the commercial bank;

3. Sections (1), (2) do not apply to:

(i) the acquisition of shares in the process of retaining repayment of credit granted;

(ii) the acquisition of shares by the commercial banks in its own branches;

(iii) the acquisition of shares for the purpose of reselling them to third parties.

40.1 The Bank of Mongolia may appoint an administrator to a commercial bank for a certain duration upon the request of the commercial bank.

40.2 During the tenure of the administrator, all decisions issued by the commercial bank shall be considered effective with the approval of the administrator.

41. If, during or at the end of the appointment of the administrator, the Bank of Mongolia deems the rehabilitation of the bank to be more costly than its dissolution, it shall declare the bank insolvent and liquidate it.

APPENDIX D

**JOINT STOCK INDUSTRIAL BANK: INFORMATION, OWNERSHIP AND
CHARTER**

MONGOLIAN INDUSTRIAL BANK

Joint Stock Industrial Bank, the pioneer among the Mongolian commercial banks, was established on the 27th July 1990. Our Bank is a shareholding Bank, with the authorized capital of 100 mln. tugrigs. The Bank activities are characterized by the following figures:

in mln. tug.

	as on 01.01.1992 (annual)	01.04.1992 (quarterly)	01.07.1992 (half a year)
Total Bank turnover	10440,0	6204,0	14200,0
Credit granted	1024,0	745,0	1254,2
Bank profit	12,0	8,0	15,0

Among our shareholders there are about 100 enterprises, companies, corporations and other organizations, both under state authority and with private forms of property. Some of them are the state largest trade corporations of our country, such as Arisimpex (sheep skin coats, leather and fur garments), Noosimpex (woollen goods, woollen and cashmere garments), Mongolian Carpets Factory, etc.

The majority of our customers are enterprises of Light and Food industry, producing leather and fur goods, famous "Nappa", footwear, foodstuffs, including the popular sorts of Mongolian pure vodka "Chingis", "Arkhi", "Mandukhai", etc.

The main part of our shareholders production is made for export, and, therefore, our Bank, representing foreign economic interests of our clientele, starts to establish correspondent relationship with foreign Banks to facilitate our business activity in the nearest future.

Taking into account the annual net profit per capita of the Bank

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staff and our shareholder we can conclude that our Bank ranks first among the other commercial banks in Mongolia.

Our address:

Ulaanbaatar-52079, MONUBANK, MONGOLIA; tlx: 79301 (ARISIMPEX);

tlgrm: 52079 MONUBANK, MONGOLIA.

THE LIST OF OUR SHAREHOLDERS

1. SHOE INDUSTRY
2. BREWERY
3. FUEL & POWER GENERATION SYSTEM
4. "ARISIMPEX" FIRM (sheep skin coats, leather and fur garments)
5. HIDES & SKINS PRIMARY PROCESSING PLANT
6. BOVINES' HIDES TANNERY
7. BREAD-BAKING PLANT
8. SCIENTIFIC & EXPERIMENTAL CENTER OF TANNING INDUSTRY
9. FOOTWEAR & FOOTSTUFFS INDUSTRY
10. "GEMINI", MONGOLIAN-GERMAN LTD COMPANY
11. HEATING NET ENTERPRISE
12. "NOOSIMPEX" FIRM (woollen goods and woollen garments)
13. "UGALZ" COMPANY ("Nappa" leather goods)
14. SHEEP SKINS TANNERY
15. ELECTRIC NET ENTERPRISE
16. "UJAN" COMPANY (leather goods)

THE STATUTE of the JOINT STOCK INDUSTRIAL BANK

Chapter 1. GENERAL PRINCIPLE.

Article 1. Joint-Stock Industrial Bank (hereinafter called "Bank") is an independent commercial bank. The Bank is founded on the basis of shareholders' property, keeps money accumulating, gives credit on its own behalf, manages money circulation, keeps work of account current and its circulation.

Article 2. The purposes of the Bank are to serve shareholders with loans and accounts, to consolidate their financial state and profit-and-loss accounting with the help of the banking lever, to raise the level of production and its sale and to widen the bank service, to bring it closer to its client organizations.

Article 3. The Bank works fully on the basis of profit-and-loss accounting, with an independent balance. The Bank enjoys the right of a judicial body from the day of its foundation.

Article 4. The information about the foundation of the Bank will be officially and publicly announced.

Article 5. The Bank subjecting to the permission of the Mongol Bank may establish its subsidiary bodies on the Mongolian territory and abroad. The functions of these bodies fall within the authority and power of the Bank.

Article 6. Industrial enterprises and economic organizations will be provided with the bank service on the basis of contracts. This question can be decided by the Bank itself.

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Article 7. The Bank will be responsible for any obligation it has undertaken. Shareholders will not be responsible for obligations of the Bank. The state will not carry any responsibility for any obligation of the Bank or vice versa.

Article 8. The Mongolian Banking Law, the statute of the Mongol Bank and this statute are a guideline for the Bank activities.

Article 9. The money, the property and forced paying action of the corresponding organizations in the Bank will be decided on the basis of current laws in Mongolia.

Article 10. The bank staff must keep confidentially the money and circulation in the accounts of the corresponding organizations in the Bank.

In case of need, determination about the circulation and the remnant in the accounts of the industries and economic organizations will be made for certain industries, economic organizations, justice, organizations of investigation and financial arbiter organizations, in accordance with the established order.

Article 11. The Bank should have its own symbol and printed official blanks.

Article 12. The location of the Bank General Committee is in Ulaanbaatar city.

Chapter 2. THE BANK PROPERTY.

Article 13. The Bank property consists of the following treasures:

- statutory fund;
- reserve fund.

The Bank subjecting to the decisions of the Shareholders' Council establishes production and social development, financial incentive and other funds.

The resolution about the fund establishment and its usage must be adopted by the meeting of the shareholders' council.

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...The statutory fund of the Bank consists of 100.0 min. tugriq. The statutory fund will be accumulated through:

- the increase of the number of shareholders;
- the increase of the size of resources;
- profits, etc.

Article 15. The Bank will issue shares in amounts consistent with the statutory fund, consisting of the resources of shareholders and these shares will be distributed to the stockholders. The least denomination of the share will be that of 10.000 tugriqs.

Article 16. Reserve funds are the profits which remain after tax deductions and the establishment of the statutory and other funds. The reserve fund is used to widen the bank activities, to meet its obligations as well as to cover the losses incurred.

Chapter 3. THE SOURCES OF THE BANK CREDITS.

Article 17. The Bank provides credit with the guarantee and interests on a scheduled repayment.

Article 18. Credit sources are as follows:

- the resources of the Bank itself, other funds established from profits;
- the remaining part of the resources in the accounts of the industrial enterprises and economic organizations in the Bank;
- credits from other banks;
- savings;
- non-divided profits, etc.

OF THE BANK.

Article 19. The Bank must be prepared at all times to meet its obligations by regulating its balance of payment.

a) The time of a credit given must be based upon maintaining the balance between maturity of the loan and sources of its payment.

b) The resources accumulated from other sources should not exceed the resources of the Bank itself by more than 7 times.

c) The highest limit of the remnant of credit debt should not exceed the total of joint stocks by more than 3 times.

d) The Bank will transfer to a special account in the Mongol Bank a certain part of the resources accumulated from the different national economic organizations to ensure stable money circulation.

e) Ensure the safety of the corresponding organizations and individuals' resources.

Chapter 5. THE CIRCULATION OF THE BANK.

Article 20. The Bank will independently do the following service and circulation, as allowed by the "Mongolian Banking Law":

a) serve industries, economic organizations, institutions and individuals providing credits and services;

b) open an account, provide cash for the corresponding organizations and other relevant banks;

c) buy, sell, save and circulate the documents of payment and the shares;

d) circulate goods and other materials, letters of credit,

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cheques and others;

e) foreign payments, accounts and the work connected with the currency circulation will be done on the basis of permission from the Mongol Bank;

f) the Bank is allowed to establish working relations with relevant foreign banks;

g) the Bank will circulate in the limit of the right, determined by this statute.

Article 21. The Bank will realize its credit account and other services with industries and economic organizations on the basis of the conditions of the contracts.

Article 22. The Bank will receive a supplement from the Mongol Bank being of the cash rights determined by the Mongol Bank otherwise the Bank will pay exceeded rights' money to the Mongol Bank.

Article 23. The Bank will open an account #440 in the Mongol Bank and execute its actions through that account in order to clear the accounts of relevant banks.

Article 24. In accordance with the established order, the Bank will control the payment for the corresponding organizations' salaries.

Article 25. According to the current laws and order of the payments, the Bank will make budgetary and labour salary and other payments from the accounts of the industries and economic organizations.

Article 26. The Bank will independently determine the limit of the loan interest, in accordance with the assets' and liabilities' circulation and other taxes.

Article 27. The Bank will provide its own resources as a loan to the activities of industries and economic organizations.

organizations', correspondents' interest and bring into harmony the service.

Article 29. The Bank will enjoy the following rights:

- to receive from the borrowing industries and economic organizations a report, regarding the given loan, balance, payment ability and other informations;
- to receive verification for the project decisions in establishing, expanding, renewing and technologically broadening the industrial enterprises, which are to be implemented by the loan of the Bank;
- to demand immediate payment of the granted loan, provided to an organizations which have broken its obligations in the contract, and to stop giving credit to the same organizations;
- to question and bring a motion about the disbanding and reforming the payment ability of the industries and economic organizations into the relevant higher standing institutions, in accordance with the established order, in case the law is established by the documents.

Chapter 6. THE DISTRIBUTION OF THE BANK PROFITS.

Article 30. Profits which are left after the budget tax deduction, will be distributed in accordance with the order, adopted by the Bank Council meeting of the shareholders.

Chapter 7. THE BOARD OF THE BANK.

Article 31. The resolution, passed by the Bank Council meeting,

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elected by the shareholders' meeting or the meeting of the shareholders representatives, will be a guideline for the activities of the Bank.

The General Committee, appointed by the Bank Council, will lead the everyday activities of the Bank.

The members of the General Committee can be simultaneously the members of the Council.

Article 32. Shareholders meetings can be regular and non-regular. The regular meetings will be held within one month after the Bank report and balance are issued.

The non-regular meetings will be held following the request of the Bank Council, or shareholders who contributed less than 1/4th of the statutory fund, or the Revision Committee.

The Chairman of the Council will send to shareholders information regarding agenda, time, place and other documents connecting with the meeting, at least 2 weeks before a meeting.

Article 33. All shareholders have the right to participate in a meeting.

In order to restrict a domination of an industrial enterprise, the highest limit of a capital investment of a shareholder will not exceed 30% of statutory fund.

Article 34. The shareholders meeting:

- a) will elect the Council and Revision Committee;
- b) will decide questions about the establishment of the bank subsidiary bodies and the office of representatives.
- c) will determine the personnel staff and structure of the Bank, its subsidiary bodies and representatives' institutions;
- d) will discuss and approve the bank conclusion of the balance, the report of profits and losses, the report and

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conclusion of the Revision Committee;

e) will approve the distribution of the bank profits;

f) will decide questions connected with the activities of the Bank and other necessary problems.

Article 35. The Bank Council:

a) will define the policy of credit, account and other circulating processes of the Bank;

b) will determine the main conditions of credit granting;

c) will provide control over the work of the General Committee and will make necessary conclusions.

Article 36. The Chairman of the Bank Council will convoke a meeting at least once a year.

Article 37. A decision of the meeting of the shareholders and Council will be adopted by the majority or votes who contributed to the statutory fund.

If the votes are equally divided, the Chairman of the Bank Council will have a casting vote.

A decision of the meeting would be effective if 2/3rds of Council members took part in the meeting.

Article 38. The General Committee will lead everyday activities of the Bank and be responsible for its results.

Article 39. The General Committee has a right to make a decision on the questions discussed. A decision would be made by the votes of the majority, if 2/3rds of the members of the General Committee took part in it. If the votes are equally divided, the Chairman of the General Committee will make a casting vote. A member of the General Committee has a right to inform his vote to the Council, if the votes are different.

Article 40. The General Director of the Bank will be responsible

for his work and report to the Shareholders Council, according to the rights and obligations allowed by this statute.

Article 41. The General Director of the Bank will enjoy the following rights, representing the Bank:

a) to make direct contact, on its own behalf, with the other organizations and to conclude contracts on a loan and for other purposes;

b) to spend the property of the Bank in accordance with Mongolian Law;

c) to dismiss and to appoint other staffs of the General Committee, the Heads of the subsidiary bodies;

d) to determine the information concerning confidential activities of the Bank;

e) to establish an order and regulations of the Bank in accordance with the Mongolian Law. The orders and instructions will be observed within the frame of the bank activities.

Chapter 8. THE REGISTRATION AND REPORT OF THE BANK ACTIVITIES.

Article 42. The registration and circulation of the documents will be organized in accordance with the regulations and orders, adopted by the Mongol Bank.

Article 43. The results of the bank activities will be reflected in a seasonal and in an annual report.

An annual report will be adopted by the shareholders meeting and delivered to the Mongol Bank.

Information about the cash activities and payment abilities of the Bank will be delivered to the Mongol Bank at an established time.

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An annual report of the activities, profits and losses reports of the Bank will be published.

Article 44. A one-year period of the bank circulation is from the first of January to the thirty-first of December.

Chapter 9. REVISION OF THE ACTIVITIES OF THE BANK.

Article 45. The Revision Committee will control and revise the activities of the Bank.

-The Revision Committee staff will be neither the members of the Bank Council and the General Committee, nor the bank staff.

-The Revision Committee members will be responsible for making honest checking and conclusion of the implementation of the obligations, determined by the law and certificates.

-The Revision Committee, in the discharge of its work, is allowed to hire independent specialists.

-The Revision Committee will examine and make conclusions on the Bank according to the laws and regulations on banking activities internal, loan, account, currency and other circulation.

-The recommendation to eradicate shortcomings, the report of revisions, balance and the conclusion of the profits and losses report will be adopted by the meeting of the Bank Council.

-The Revision Committee will revise in accordance with the plan adopted. The revision will be done by the votes of 1/10th of shareholders.

In accordance with the revision results, the Revision Committee has a right to call for a non-regular meeting of the shareholders, Council and General Committee.

Article46.The activities of the Bank may be revised at the level of the Mongol Bank and Mongolian Banking Law.

Chapter10.THE CESSATION OF THE ACTIVITIES OF THE BANK.

Article47.The Bank will halt its work in accordance with the decision of the meeting of the Bank Council,which must be based upon Mongolian Banking Law,the company law and other laws and regulations of Mongolia.

Article48.The property of a bank which has been dissolved must be given to staff salaries,to implement obligations of the owners of the savings and to make payments to the budget and the other banks and distribute the remaining properties to the shareholders.

Article49.The information about the cessation of the activities of the Bank will be published.

Article50.Any changes connected with the laws and regulations can be trusted by the meeting of the shareholders to the Bank Council.

A statute changed and adopted by the meeting of the shareholders will be delivered to the Mongol Bank.in accordance with the established regulations.

JOINT STOCK INDUSTRIAL BANK

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APPENDIX E

INDUSTRY FINANCIAL DATA

- CONSOLIDATED BALANCE SHEET OF COMMERCIAL BANKS
- INDIVIDUAL BANK BALANCE SHEETS
- MONEY SUPPLY
- INTEREST RATES

CONSOLIDATED BALANCE SHEET OF / RCIAL BANKS
(In Mongolian togrogs '000)

ASSETS		01/01/92	02/01/92	03/01/92	04/01/92	05/01/92	06/01/92	07/01/92	08/01/92
1 Cash		307336.9	324013.4	353310.9	354127.1	328040.6	417421.2	304682.2	490383.4
2 Current Account with the BoM		37900.0	37900.0	37900.0	22000.0	16000.0	323800.0	2033463.8	3844747.8
3 Deposits with the Other Com. Banks		10929.0	9160.3	7338.5	7347.9	12237.3	13887.3	39056.8	40095.5
4 Foreign Assets		3204410.5	2593198.5	2332798.4	1574331.4	2071538.3	1939124.8	1698229.2	1941704.5
In Convertible Foreign Currency		3122863.5	2533603.8	2293205.7	1534925.3	2032670.0	1898389.2	1697795.6	1941270.9
Cash		50774.3	51338.5	41636.1	51876.6	63408.3	32492.8	57335.1	127861.5
Current Accounts & Deposits		3072091.2	2502267.3	2251569.6	1483048.7	1969261.7	1843896.4	1640440.5	1813409.4
In Nonconvertible Foreign Currency		81545.0	39592.7	39592.7	39406.1	38863.3	40735.6	433.6	433.6
Clearing Accounts		81545.0	39592.7	39592.7	39406.1	38863.3	40735.6	433.6	433.6
5 Loans to Banks									
6 Loans to Nonbanks		12851468.7	13596482.5	13834132.4	14537793.1	15617743.2	16800698.2	17934301.9	17977789.6
In Convertible Foreign Currency		278473.6	305215.5	308066.9	319392.1	294834.7	327621.2	329966.2	354133.7
In Domestic Currency		12572595.1	13291267.0	13526065.5	14218401.0	15322908.5	16473077.0	17624615.7	19443635.9
Public Enterprises		10167874.4	10632409.9	10502633.3	10869136.2	11263101.9	11922264.8	12839800.5	13793387.8
Cooperatives		1081274.9	1048095.8	1141349.3	1231226.1	1497035.7	1564046.2	1618124.8	1888725.9
Private Companies		917741.4	1187322.5	1458264.2	1707348.0	2076631.6	2560272.0	2732246.4	3346985.5
Individuals		406104.4	423438.8	413838.7	410690.7	486119.3	426494.0	414444.0	412356.7
7 Claims on Government		1357030.0	1366334.1	1391473.0	1390181.5	1392574.9	1823484.6	1826357.1	1847028.7
Non Trade Settlement									
Trade Settlement		1353209.7	1353209.7	1353209.7	1353209.7	1353209.7	1770279.5	1770279.5	1770279.5
Advance Financing of HoF		3763.3	6113.2	10110.4	11789.8	21006.2	29833.1	40086.6	63932.2
Overdrafts		57.0	7211.2	28152.9	25182.0	18359.0	23352.0	15991.0	12817.0
8 Securities		0.0	1142.0	1142.0	1142.0	1142.0	1142.0	1209.0	1209.0
Issued by the Government			1142.0	1142.0	1142.0	1142.0	1142.0	1209.0	1209.0
Issued by the Others									
9 Interest in Arrears		8074.5	31002.8	11567.2	5929.9	5096.2	8156.5	12023.2	25660.8
10 Investment			250.7	494.5	930.7	66435.6	114649.8	43614.8	10390.8
11 Interbank Settlement		11328091.1	11823625.1	13586511.2	13904822.6	15790164.2	17054085.7	15053310.9	1153829.7
12 Interbranch Settlement		33572236.2	31217280.5	28820762.9	14329773.8	16975400.2	21312999.0	31543281.8	44977913.7
13 Monometary Gold & Precious Metals		34.3	63.1	72.8	72.8	72.8	72.7	71.4	116.2
14 Fixed Assets		69664.4	71621.9	76214.8	80519.1	90477.4	92342.7	103627.4	114769.1
15 Debit Items		4504059.4	4527185.3	4523183.7	4205478.8	4243758.6	4289572.9	4340932.1	4401866.0
Total		67251455.0	65399461.2	64976922.3	50414450.7	56610701.3	64191037.4	75182441.6	78748704.8
Memorandum Item: External Debt		49023988.6	49122042.2	49023988.6	49022420.4	49363046.5	49367506.7	49476995.5	49476995.5
LIABILITIES		01/01/92	02/01/92	03/01/92	04/01/92	05/01/92	06/01/92	07/01/92	08/01/92
1 Capital		1910164.5	1980887.5	2053786.3	2002004.8	2011743.5	1976023.8	2034748.0	2027664.7
Paid-Up Capital (010)		1377922.8	1429984.7	1471330.3	1494059.3	1510704.9	1481781.6	1543572.0	1057758.6
Accrued Interest Fund (012)		230405.0	230405.0	230405.0	230405.0	230405.0	230405.0	230405.0	679405.0
Other Funds		301836.7	320497.8	352051.0	277620.5	270633.6	263837.2	258771.0	289501.1
2 Foreign Liabilities		5201376.3	5470596.5	5513995.4	4774229.0	3563008.6	3563693.5	3387468.3	3509013.7
In Convertible Foreign Currency		4316910.6	4298188.4	4301111.4	3532297.8	2211523.4	2170007.9	2154788.8	2162435.2
Short Term Liabilities		4118618.4	4096461.2	4096461.2	3370268.6	2050018.0	2030018.0	2029119.5	2045433.8
Funds of Non Residents		198292.2	201727.2	204652.0	162029.2	161505.4	119989.9	125669.3	117001.4
In Nonconvertible Foreign Currency		884465.7	1172408.1	1212884.0	1241931.2	1351485.2	1395685.6	1232679.5	1346338.5
Clearing Accounts		252154.0	51760.6	572985.8	609150.0	730734.1	777090.8	653831.7	772692.2
Liquidation Account		522720.2	522720.2	522909.7	515102.7	514968.9	515365.8	478754.6	478384.5
Current Account of Non Residents		109591.5	114927.3	116988.5	117678.5	105782.2	103029.0	100093.2	95481.8
3 Current Account of Nonbanks		6828516.3	6881062.5	7021635.2	6958345.0	7276758.6	8776421.0	9004925.0	9879154.9
In Convertible Foreign Currency		642723.2	573480.6	596006.3	663266.6	637397.9	667600.0	705914.2	808320.7
In Domestic Currency		6185793.1	6307581.9	6425628.9	629078.4	6639360.7	8108821.0	8299010.8	9070834.2
Public Enterprises		4682499.4	4852902.4	4827389.7	4691164.0	4932117.1	5775231.0	5941530.8	6096707.8
Cooperatives		569677.4	534300.9	539219.9	539878.7	511793.8	523961.2	568631.7	606332.7
Private Companies		283345.4	382162.2	467026.0	467021.5	626501.3	704217.3	699932.4	1046433.2
Individuals		29055.8	35443.4	27344.5	23850.0	24529.0	19120.1	14528.5	14520.9
Budget Units		622215.1	502773.0	534248.8	571164.2	544419.5	1086291.4	1074267.4	1306819.6
4 Saving Deposits		2587122.6	2567286.5	2640139.8	2636839.9	2704961.0	2747966.9	2993888.1	3167893.5
Individuals		1579128.1	1571370.5	1595314.3	1586893.8	1578520.5	1606175.7	1837835.8	1993199.4
In Domestic Currency		1533353.2	1545913.8	1571237.7	1562766.4	1549570.2	1578510.2	1803916.4	1959228.8
In Convertible Foreign Currency		25772.9	25456.7	24080.6	24127.4	28950.3	27665.5	33919.4	33970.6
Enterprises		445194.5	433118.0	482025.5	487146.1	563640.5	578991.2	993252.3	610835.1
Budget		562800.0	562800.0	562800.0	562800.0	562800.0	562800.0	562800.0	563839.0
5 Borrowing from the BoM		1520600.0	1520600.0	1833100.0	1956534.0	2391334.0	2815154.0	3368598.1	6087706.3
For cover R.R. deficiency		15900.0	15900.0	15900.0			107800.0		2650965.6
For cover L.R. deficiency		1299700.0	1299700.0	1612200.0	1751334.0	2186534.0	2502354.0	3163598.1	3221740.7
For Special Government Fund		205000.0	205000.0	205000.0	205000.0	205000.0	205000.0	205000.0	205000.0
6 Borrowing from other Com. Banks									
7 Interbank Settlement		11895156.7	12148647.8	12730691.7	14808594.9	16153834.2	16848149.3	15696507.5	1889672.7
8 Interbranch Settlement		35046374.6	32732014.3	30635314.9	14762692.8	17897463.4	22631016.8	33497603.3	46327577.8
9 Fund of Residents in Forex		27297.7	27163.6	25627.5	25824.8	32354.5	39740.3	34644.0	37473.3
Current Account of Commercial Banks		11785.2	11639.5	10881.4	10268.8	16788.0	24140.2	34644.0	37473.3
Accumulated Interest		15512.5	15524.1	15546.1	15556.0	15566.5	13600.1		
10 Profit of Current Year			30462.3	79553.4	119594.9	409242.9	497294.4	607078.1	738607.1
11 Profit of Last Year		208890.4	197208.4	197208.4	197208.4				
12 Credit items		672546.2	662320.1	892560.0	699272.5	666734.4	733641.5	939562.7	1193935.3
13 Long Term Foreign Liabilities		1353209.7	1353209.7	1353209.7	1473209.7	3503024.2	3539935.9	3615418.5	3790005.5
Total		67251455.0	65399461.2	64976922.3	50414450.7	56610701.3	64191037.4	75182441.6	78748704.8
Memorandum Item: External Debt		49023988.6	49122042.2	49023988.6	49022420.4	49363046.5	49367506.7	49476995.5	49476995.5

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BALANCE SHEET OF COMMERCIAL BANKS: AGRICULTURAL BANK
(In Mongolian togrogs '000)

A S S E T S	01/01/92	02/01/92	03/01/92	04/01/92	05/01/92	06/01/92	07/01/92	08/01/92
1 Cash	140812.6	188167.0	228745.0	175060.0	156445.0	203313.0	189834.0	185429.0
2 Current Account with the Bot								
3 Deposits with the Other Com. Banks							709788.0	616222.0
4 Foreign Assets	218.9	4176.0	590.0	550.0	429.0	244.0	239.0	174.0
In Convertible Foreign Currency	218.9	4176.0	590.0	550.0	429.0	244.0	239.0	174.0
Cash	218.9	4176.0	590.0	550.0	429.0	244.0	239.0	174.0
Current Accounts & Deposits								
In Nonconvertible Foreign Currency	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Clearing Accounts								
5 Loans to Banks								
6 Loans to Nonbanks	2305884.6	2411104.0	2609575.0	2793794.0	3182772.0	3646240.0	4087316.0	4214214.0
In Convertible Foreign Currency								
In Domestic Currency	2305884.6	2411104.0	2609575.0	2793794.0	3182772.0	3646240.0	4087316.0	4214214.0
Public Enterprises	1705376.1	1730737.0	1830877.0	1912416.0	2060226.0	2407740.0	2791107.0	2660672.0
Cooperatives	435982.6	468531.0	515259.0	549847.0	718986.0	733354.0	776219.0	920886.0
Private Companies	57817.7	89808.0	146264.0	215957.0	290941.0	402979.0	426351.0	526307.0
Individuals	108708.2	122028.0	117175.0	115574.0	112609.0	101967.0	93639.0	98349.0
7 Claims on Government	69.0	719.0	8948.0	10226.0	22160.0	27849.0	22472.0	36008.0
Non Trade Settlement								
Trade Settlement								
Advance Financing of Hof	69.0	269.0	1170.0	1856.0	3803.0	4497.0	6481.0	23191.0
Overdrafts		450.0	7678.0	8370.0	18357.0	23352.0	19991.0	12817.0
8 Securities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Issued by the Government								
Issued by the Others								
9 Interest in Arrears	213.3	256.0	335.0	379.0	520.0	404.0	493.0	
10 Investment		221.0	9.0	28.0	335.0	2210.0		3540.0
11 Interbank Settlement	742685.9	743102.0	985635.0	991260.0	775026.0	1063162.0	653680.0	367913.0
12 Interbranch Settlement	2213120.1	2712932.0	2739034.0	2986624.0	3052338.0	3477375.0	6506166.0	8164839.0
13 Nonmonetary Gold & Precious Metals								
14 Fixed Assets	14217.2	14089.0	14965.0	16030.0	17167.0	17747.0	20145.0	20869.0
15 Debit Items	546.0	5318.0	6372.0	2485.0	3730.0	5368.0	7920.0	39000.0
Total	5417767.6	6080084.0	6394148.0	6976436.0	7211142.0	8444112.0	12200053.0	13648238.0
Memorandum Items: External Debt								
LI A B I L I T I E S								
	01/01/92	02/01/92	03/01/92	04/01/92	05/01/92	06/01/92	07/01/92	08/01/92
1 Capital	130198.2	127428.0	132475.0	143139.0	129468.0	126310.0	113202.0	126755.0
Paid-Up Capital (010)	117902.5	113707.0	113622.0	116124.0	105129.0	110675.0	89920.0	103452.0
Accrued Interest Fund (012)								
Other Funds	12295.7	13721.0	18853.0	27015.0	23339.0	15835.0	25282.0	23303.0
2 Foreign Liabilities	9740.6	10384.0	7915.0	6225.0	5621.0	4651.0	3219.0	2028.0
In Convertible Foreign Currency	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Short Term Liabilities								
Funds of Non Residents								
In Nonconvertible Foreign Currency	9740.6	10384.0	7915.0	6225.0	5621.0	4651.0	3219.0	2028.0
Clearing Accounts								
Liquidation Account								
Current Account of Non Residents	9740.6	10384.0	7915.0	6225.0	5621.0	4651.0	3219.0	2028.0
3 Current Account of Nonbanks	930402.2	1023587.0	1025361.0	1085941.0	929438.0	1137630.0	1139804.0	1226809.0
In Convertible Foreign Currency			590.0	550.0	601.0	754.0	434.0	
In Domestic Currency	930402.2	1023587.0	1024771.0	1085391.0	928837.0	1136876.0	1139370.0	1226809.0
Public Enterprises	350830.2	509326.0	473498.0	521825.0	427397.0	563677.0	559795.0	605352.0
Cooperatives	396485.5	338908.0	353475.0	327985.0	272166.0	287621.0	334600.0	314145.0
Private Companies	18257.6	43371.0	77826.0	79167.0	84182.0	111001.0	96703.0	117226.0
Individuals	8144.4	7745.0	9567.0	9231.0	5650.0	7358.0	4989.0	4511.0
Budget Units	156684.5	124237.0	110405.0	147183.0	139442.0	167219.0	143283.0	185575.0
4 Saving Deposits	637048.3	613436.0	631319.0	615354.0	587973.0	600834.0	717285.0	769974.0
Individuals	627050.8	601164.0	621698.0	607383.0	581848.0	593979.0	707084.0	761348.0
In Domestic Currency	627050.8	601164.0	621698.0	607383.0	581848.0	593979.0	707084.0	761348.0
In Convertible Foreign Currency								
Enterprises	9997.5	12272.0	9621.0	8171.0	6127.0	6855.0	4126.0	3.0
Budget							10201.0	7387.0
5 Borrowing from the Bot	400000.0	400000.0	750000.0	764354.0	764354.0	1120154.0	2063281.0	2102274.0
For cover R.R. deficiency								
For cover L.R. deficiency	400000.0	400000.0	750000.0	764354.0	764354.0	1120154.0	2063281.0	2102274.0
For Special Government Fund								
6 Borrowing from other Com. Banks								
7 Interbank Settlement	945732.4	1073387.0	1209346.0	1286384.0	1130784.0	870366.0	1303323.0	743944.0
8 Interbranch Settlement	2329427.1	2799891.0	2794527.0	3045049.0	3613929.0	4513945.0	6756969.0	9402841.0
9 Fund of Residents in Forex	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Current Account of Commercial Banks								
Accumulated Interest								
10 Profit of Current Year		2131.5	13495.5	900.5	48316.0	69415.0	100135.0	135060.0
11 Profit of Last Year	28622.5	28622.5	28622.5	28622.5				
12 Credit Items	6596.3	1217.0	1087.0	267.0	257.0	607.0	835.0	136353.0
Total	5417767.6	6080084.0	6394148.0	6976436.0	7211142.0	8444112.0	12200053.0	13648238.0
Memorandum Items: External Debt								

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ASSETS	01/01/92	02/01/92	03/01/92	04/01/92	05/01/92	06/01/92	07/01/92	08/01/92
1 Cash	249.4	143.0	191.1	595.0	747.4	6.3	477.8	17.8
2 Current Account with the BoM							3580.3	3.2
3 Deposits with the Other Com. Banks								
4 Foreign Assets	0.0	421.8	573.8	562.4	486.4	381.9	381.9	456.0
In Convertible Foreign Currency	0.0	421.8	573.8	562.4	486.4	381.9	381.9	456.0
Cash								
Current Accounts & Deposits								
In Nonconvertible Foreign Currency	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Clearing Accounts								
5 Loans to Banks								
6 Loans to Nonbanks	67506.9	70077.1	71361.0	77841.2	80777.0	86200.5	83916.4	92648.8
In Convertible Foreign Currency								
In Domestic Currency	67506.9	70077.1	71361.0	77841.2	80777.0	86200.5	83916.4	92648.8
Public Enterprises	50572.1	49934.7	51106.2	56127.8	55652.0	55454.8	54983.8	54037.5
Cooperatives	10491.3	12221.3	10821.3	11617.8	13017.8	13467.8	11770.0	12920.0
Private Companies	6329.7	7739.7	9279.5	9956.6	11978.6	17118.6	17009.7	25334.7
Individuals	163.8	181.4	153.9	137.0	128.6	159.3	152.9	156.6
7 Claims on Government	0.0	0.0	0.0	0.0	239.6	239.6	239.6	545.9
Non Trade Settlement								
Trade Settlement								
Advance Financing of MoF								
Overdrafts								
8 Securities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Issued by the Government								
Issued by the Others								
9 Interest in Arrears	18.6	23.4		17.2	46.2	63.4	4.2	81.1
10 Investment								
11 Interbank Settlement	4222.7	4224.8	4224.8	4224.8	19579.5	14133.8		
12 Interbranch Settlement								
13 Nonmonetary Gold & Precious Metals								
14 Fixed Assets	220.0	245.0	260.3	783.7	783.6	1355.6	1316.4	1238.7
15 Debit Items					9.9	4.4		
Total	7227.6	75135.1	76611.0	84024.3	101996.6	102385.5	89916.6	94991.5
Memorandum Item: External Debt								
LIABILITIES								
	01/01/92	02/01/92	03/01/92	04/01/92	05/01/92	06/01/92	07/01/92	08/01/92
1 Capital	53607.9	54212.6	54212.6	54202.3	54202.3	54721.6	54709.2	54672.7
Paid-Up Capital (010)	53495.6	53495.6	53495.6	53485.7	53495.6	53495.6	53495.6	53495.6
Accrued Interest Fund (012)								
Other Funds	191.9	717.0	717.0	716.6	706.7	1226.0	1213.6	1177.1
2 Foreign Liabilities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
In Convertible Foreign Currency	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Short Term Liabilities								
Funds of Non Residents								
In Nonconvertible Foreign Currency	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Clearing Accounts								
Liquidation Account								
Current Account of Non Residents								
3 Current Account of Nonbanks	16967.7	17468.4	21430.0	26616.3	27863.6	12924.6	14332.2	22069.0
In Convertible Foreign Currency								
In Domestic Currency	16967.7	17468.4	21430.0	26616.3	27863.6	12924.6	14332.2	22069.0
Public Enterprises	11616.5	11415.0	16024.7	21648.6	22810.5	8400.0	9494.1	11767.0
Cooperatives	1416.6	1665.0	506.2	1061.5	1142.7	1827.3	2217.6	1501.7
Private Companies	3932.0	4385.8	4896.5	3904.9	3891.8	2695.5	2612.3	3892.1
Individuals								
Budget Units	2.6	2.6	2.6	1.3	18.6	1.8	0.2	8.2
4 Saving Deposits	0.0	0.0	0.0	0.0	1263.8	1077.2	995.1	1066.9
Individuals	0.0	0.0	0.0	0.0	1263.8	1077.2	995.1	1066.9
In Domestic Currency								
In Convertible Foreign Currency								
Enterprises								
Budget					1263.8	1077.2	995.1	1066.9
5 Borrowing from the BoM	0.0	0.0	0.0	0.0	0.0	0.0	0.0	14489.2
For cover R.R. deficiency								14489.2
For cover L.R. deficiency								
For Special Government Fund								
6 Borrowing from other Com. Banks		1638.8	592.7	2602.6	17290.5	31761.3	17863.9	22521.8
7 Interbank Settlement								
8 Interbranch Settlement								
9 Fund of Residents in Forex	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Current Account of Commercial Banks								
Accumulated Interest								
10 Profit of Current Year		189.7	375.6	602.8	1194.3	1592.2	2015.4	2681.0
11 Profit of Last Year	1025.1							
12 Credit items	547.3	1625.6	0.1	0.3	182.1	308.6	0.8	0.9
Total	7227.6	75135.1	76611.0	84024.3	101996.6	102385.5	89916.6	94991.5
Memorandum Item: External Debt								

BALANCE SHEET OF COMMERCIAL BANKS: COOPERATIVE BANK
(In Mongolian togrogs '000)

A S S E T S	01/01/92	02/01/92	03/01/92	04/01/92	05/01/92	06/01/92	07/01/92	08/01/92
1 Cash	574.0	3818.7	2329.0	3179.4	4660.1	9993.7	9844.0	5585.7
2 Current Account with the BoM	6500.0	6500.0	6500.0	6500.0	500.0	500.0	125020.0	100989.6
3 Deposits with the Other Com. Banks	307.0	111.5	398.2	328.3	825.5			
4 Foreign Assets	3937.6	5228.8	5889.4	5021.7	4998.7	1774.3	3385.0	2178.6
In Convertible Foreign Currency	3937.6	5228.8	5889.4	5021.7	4998.7	1774.3	3385.0	2178.6
Cash	3937.6	5228.8	5889.4	5021.7	4998.7	1774.3	3385.0	2178.6
Current Accounts & Deposits								
In Nonconvertible Foreign Currency	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Clearing Accounts								
5 Loans to Banks								
6 Loans to Nonbanks	214230.4	290017.5	336928.1	359526.6	464282.9	486184.4	518290.0	615752.4
In Convertible Foreign Currency								
In Domestic Currency	214230.4	290017.5	336928.1	359526.6	464282.9	486184.4	518290.0	615752.4
Public Enterprises	31377.6	53247.4	55596.0	51464.3	60463.5	34154.7	54183.0	79455.4
Cooperatives	102751.0	125372.6	137262.1	139056.3	175912.2	206346.4	205786.0	257598.8
Private Companies	76342.4	107513.9	139430.1	163459.6	213048.3	230889.2	244967.0	277421.3
Individuals	3749.4	3883.6	4639.9	5546.4	14858.9	6794.1	13354.0	1276.9
7 Claims on Government	2226.1	2686.5	3212.9	1478.7	1483.7	2829.9	4133.0	4782.9
Non Trade Settlement								
Trade Settlement								
Advance Financing of MoF	2226.1	2686.5	3212.9	1478.7	1483.7	2829.9	4133.0	4782.9
Overdrafts								
8 Securities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Issued by the Government								
Issued by the Others								
9 Interest in Arrears	584.0	584.0	584.0	584.0		584.0		
10 Investment								
11 Interbank Settlement	55849.3	98523.0	187962.4	169844.2	191011.7	159236.9	156389.0	144493.8
12 Interbranch Settlement	80177.6	94870.0	2180.7	1194.8	4234.6	115036.1	95575.0	88718.6
13 Nonmonetary Gold & Precious Metals	26.9	55.7	65.4	65.4	65.4	65.3	64.0	63.0
14 Fixed Assets	4363.5	4959.8	5578.2	5903.2	6740.6	3668.3	4735.0	8730.9
15 Debit Items	322.2	682.8	1579.0	3805.4	6607.6	32198.7	27665.0	19377.8
Total	374318.6	508038.3	553207.3	556931.7	685410.8	812071.6	945100.0	991274.1

Memorandum Item: External Debt

LIABILITIES	01/01/92	02/01/92	03/01/92	04/01/92	05/01/92	06/01/92	07/01/92	08/01/92
1 Capital	96478.1	97505.5	107971.7	114807.9	115478.6	118815.9	118813.0	119267.1
Paid-Up Capital (010)	93001.7	93203.7	102955.6	106832.9	107540.3	110731.6	110770.0	111473.7
Accrued Interest Fund (012)								
Other Funds	3976.4	4301.8	5016.1	7975.0	7938.3	8084.3	8043.0	7813.4
2 Foreign Liabilities	221.7	235.7	271.7	316.7	336.7	391.7	392.0	491.7
In Convertible Foreign Currency	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Short Term Liabilities								
Funds of Non Residents								
In Nonconvertible Foreign Currency	221.7	235.7	271.7	316.7	336.7	391.7	392.0	491.7
Clearing Accounts								
Liquidation Account								
Current Account of Non Residents	221.7	235.7	271.7	316.7	336.7	391.7	392.0	491.7
3 Current Account of Nonbanks	108317.5	183110.6	213501.9	191313.8	234753.5	203973.7	291525.0	345484.0
In Convertible Foreign Currency	4079.9	4718.1	3072.4	3699.4	3984.8			
In Domestic Currency	104237.7	178392.5	210429.5	187614.4	220768.7	203973.7	291525.0	345484.0
Public Enterprises	35770.2	102566.4	100231.7	82482.0	84591.5	73014.7	154163.0	172310.9
Cooperatives	42499.3	45007.9	62044.8	64565.0	82059.5	72084.5	78145.0	82746.6
Private Companies	23808.2	28681.7	45899.0	37299.4	58798.4	58069.1	55681.0	86623.0
Individuals	123.3	128.1	75.5	75.5	33.7	33.6	34.0	1.3
Budget Units	2036.7	2008.4	2179.5	3192.5	3285.6	771.8	3502.0	3602.2
4 Saving Deposits	23525.7	20924.5	26336.3	34035.5	47829.5	76434.7	76390.0	96065.6
Individuals	11059.0	11089.9	11596.4	11536.2	18636.3	26284.2	31217.0	35578.2
In Domestic Currency	11059.0	11089.9	11596.4	11536.2	18636.3	26284.2	31217.0	35578.2
In Convertible Foreign Currency								
Enterprises	12466.7	9734.6	14739.9	18499.3	29193.2	50150.5	45173.0	60487.4
Budget								
5 Borrowing from the BoM	0.0	0.0	0.0	0.0	0.0	0.0	20763.0	1006.5
For cover R.R. deficiency								
For cover L.R. deficiency								
For Special Government Fund							20763.0	1006.5
6 Borrowing from other Com. Banks								
7 Interbank Settlement	70849.6	109355.0	176554.1	194257.5	170230.6	233869.5	144393.0	77247.9
8 Interbranch Settlement	51148.1	65478.7	1803.3	1325.9	76707.9	120490.5	234677.0	277694.2
9 Fund of Residents in Fore.	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Current Account of Commercial Banks								
Accumulated Interest								
10 Profit of Current Year		9476.0	6690.7	4633.8	37237.0	41441.1	53265.0	59963.3
11 Profit of Last Year	19204.7	19204.7	19204.7	19204.7				
12 Credit items	4023.1	2447.0	872.9	1935.9	2837.0	16654.5	8882.0	14033.8
Total	374318.6	508038.3	553207.3	556931.7	685410.8	812071.6	945100.0	991274.1

Memorandum Item: External Debt

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BALANCE SHEET OF COMMERCIAL BANKS: INDUSTRIAL BANK
(In Mongolian togrogs '000)

ASSETS		01/01/92	02/01/92	03/01/92	04/01/92	05/01/92	06/01/92	07/01/92	08/01/92
1 Cash		3549.7	6699.7	2809.7	9533.8	10887.6	18137.2	12792.1	18994.5
2 Current Account with the BoM									
3 Deposits with the Other Comm. Banks								14720.0	77841.1
4 Foreign Assets									
In Convertible Foreign Currency		1725.0	1820.0	1911.2	2321.3	2282.0	2605.4	3262.1	3108.0
Cash		1725.0	1820.0	1911.2	2321.3	2282.0	2605.4	3262.1	3108.0
Current Accounts & Deposits									
In Nonconvertible Foreign Currency		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Clearing Accounts									
5 Loans to Banks									
6 Loans to Nonbanks		83402.9	188955.3	266529.7	267294.8	285634.1	489114.2	532920.3	441882.9
In Convertible Foreign Currency									
In Domestic Currency		83402.9	188955.3	266529.7	267294.8	285634.1	489114.2	532920.3	441882.9
Public Enterprises		80264.4	185539.9	263439.7	264431.3	283912.8	486533.0	530364.0	439426.6
Cooperatives		2133.5	2527.0	2112.2	2112.2	612.2	1350.0	1350.0	2250.0
Private Companies		500.0	500.0	627.0	477.0	850.0	1000.0	1000.0	1000.0
Individuals		505.0	388.4	350.8	274.3	259.1	231.2	206.3	206.3
7 Claims on Government		0.0	147.7	297.7	447.7	597.7	1083.1	0.0	250.0
Non Trade Settlement									
Trade Settlement									
Advance Financing of MoF			147.7	297.7	447.7	597.7	1083.1		
Overdrafts									250.0
8 Securities		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Issued by the Government									
Issued by the Others									
9 Interest in Arrears									
10 Investment									
11 Interbank Settlement		116270.3	101341.3						
12 Interbranch Settlement									
13 Nonmonetary Gold & Precious Metals									
14 Fixed Assets		224.3	474.8	506.7	515.8	522.5	836.9	2132.3	2139.0
15 Debit Items		25.5	57.7	55.7	22.8	49.0	1917.4	405.1	308.2
Total		207197.7	299496.5	272110.7	280156.2	299972.9	513694.2	566251.9	544723.7
Memorandum Item: External Debt									
LIABILITIES		01/01/92	02/01/92	03/01/92	04/01/92	05/01/92	06/01/92	07/01/92	08/01/92
1 Capital		61560.0	67963.0	68178.5	68168.6	68168.4	78143.6	82016.6	84190.7
Paid-Up Capital (010)		61560.0	66910.0	67133.2	67133.3	67133.2	77133.2	79133.2	80133.2
Accrued Interest Fund (012)									
Other Funds			1053.0	1045.3	1035.3	1035.2	1010.4	2883.4	4057.5
2 Foreign Liabilities		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
In Convertible Foreign Currency		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Long Term Liabilities									
Funds of Non Residents									
In Nonconvertible Foreign Currency		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Clearing Accounts									
Liquidation Account									
Current Account of Non Residents									
3 Current Account of Nonbanks		98586.5	141905.6	184661.1	126166.6	130533.6	188684.4	233003.5	209543.7
In Convertible Foreign Currency		1725.0	1820.0	1911.2	2223.3	2236.7	2605.4	3262.2	3108.0
In Domestic Currency		96861.5	140085.6	182749.9	123943.3	128296.9	186079.0	229741.3	205435.7
Public Enterprises		4375.4	136534.2	177397.8	105810.6	116643.2	161564.0	185064.2	146731.8
Cooperatives		2029.7	1875.2	1799.6	1762.4	365.6	1615.6	792.3	913.5
Private Companies		421.1	267.8	196.4	359.8	727.0	865.0	535.6	624.6
Individuals									
Budget Units		35.3	1408.4	3374.1	16010.5	10561.1	22034.4	43349.2	57165.8
4 Saving Deposits		15000.0	0.0	0.0	0.0	0.0	0.0	500.0	500.0
Individuals		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
In Domestic Currency									
In Convertible Foreign Currency									
Enterprises		15000.0							
Budget								500.0	500.0
5 Borrowing from the BoM		0.0	0.0	0.0	0.0	0.0	0.0	0.0	235746.0
For cover R.R. deficiency									235746.0
For cover L.R. deficiency									
For Special Government Fund									
6 Borrowing from other Comm. Banks									
7 Interbank Settlement		25072.0	89087.7	14000.7	81863.5	94251.3	235335.1	235726.3	15814.0
8 Interbranch Settlement									
9 Fund of Residents in Forex		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Current Account of Commercial Banks									
Accumulated Interest									
10 Profit of Current Year			194.7	1240.3	3956.4	7019.0	11330.6	15005.5	-703.7
11 Profit of Last Year		6702.2							
12 Credit items		277.0	46.5	1.1	1.1	0.6	0.5		0.0
Total		207197.7	299496.5	272110.7	280156.2	299972.9	513694.2	566251.9	544723.7
Memorandum Item: External Debt									

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ASSETS	01/01/92	02/01/92	03/01/92	04/01/92	05/01/92	06/01/92	07/01/92	08/01/92
1 Cash	57437.8	42423.0	38112.0	52081.0	45427.0	54960.0	73404.0	56296.0
2 Current Account with the BoM	15900.0	15900.0	15900.0				544653.0	1133500.0
3 Deposits with the Other Com. Banks	430.5	3731.0	2252.0	3303.0	1183.0	2338.0	9133.0	6403.0
4 Foreign Assets	9972.2	10688.0	12312.0	15049.0	24239.0	25706.0	31915.0	38043.0
In Convertible Foreign Currency	9972.2	10688.0	12312.0	15049.0	24239.0	25706.0	31915.0	38043.0
Cash	9322.2	9898.0	10029.0	12766.0	23437.0	20183.0	25395.0	35880.0
Current Accounts & Deposits	650.0	790.0	2283.0	2283.0	802.0	5323.0	6320.0	2163.0
In Nonconvertible Foreign Currency	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Clearing Accounts								
5 Loans to Banks								
6 Loans to Nonbanks	3999460.6	4302360.0	4195676.0	4271048.0	4464199.0	4598914.0	4571254.0	5523960.0
In Convertible Foreign Currency	8252.4	9023.0	6883.0	10275.0	13020.0	15699.0	15467.0	19251.0
In Domestic Currency	3991208.2	4293337.0	4188793.0	4260773.0	4451179.0	4683215.0	4555787.0	5304709.0
Public Enterprises	3140853.2	3462212.0	3243715.0	3227929.0	3246630.0	3366836.0	3232453.0	4065311.0
Cooperatives	296180.0	190621.0	199407.0	232291.0	263170.0	266009.0	273568.0	294887.0
Private Companies	41985.8	509878.0	611991.0	669446.0	804924.0	910510.0	917375.0	1011628.0
Individuals	134279.2	130626.0	13680.0	131107.0	136453.0	139960.0	132391.0	132683.0
7 Claims on Government	0.0	6395.0	16479.0	20758.0	5926.0	10428.0	14144.0	17994.0
Non Trade Settlement								
Trade Settlement								
Advance Financing of MoF		795.0	2044.0	3948.0	5926.0	10428.0	14144.0	17994.0
Overdrafts		5800.0	14435.0	16810.0				
8 Securities	0.0	1142.0	1142.0	1142.0	1142.0	1142.0	1209.0	1209.0
Issued by the Government		1142.0	1142.0	1142.0	1142.0	1142.0	1209.0	1209.0
Issued by the Others								
9 Interest in Arrears	6664.2	29470.0	9977.0	3437.0	2978.0	4899.0	7118.0	7818.0
10 Investment					62854.0	106446.0	43632.0	102423.0
11 Interbank Settlement	2801245.4	1756769.0	1960692.0	2116578.0	2400173.0	2327478.0	1860474.0	378575.0
12 Interbranch Settlement	6262637.4	3824997.0	3068532.0	4015780.0	4634792.0	6239127.0	9457757.0	13681967.0
13 Nonmonetary Gold & Precious Metals								
14 Fixed Assets	19883.4	20584.0	21967.0	22536.0	25566.0	28075.0	30105.0	32320.0
15 Debit Items	6567.4	8732.0	12260.0	18009.0	22441.0	25698.0	23354.0	27354.0
Total	13180218.9	10022991.0	9355301.0	10539721.0	11710920.0	13633011.0	16568352.0	21010462.0
Memorandum Item: External Debt								
LIABILITIES	01/01/92	02/01/92	03/01/92	04/01/92	05/01/92	06/01/92	07/01/92	08/01/92
1 Capital	937995.5	937119.0	947844.0	950449.0	962833.0	950337.0	950941.0	962653.0
Paid-Up Capital (010)	760804.0	760904.0	770904.0	773454.0	785834.0	773308.0	773969.0	276045.0
Accrued Interest Fund (012)	160405.0	160405.0	160405.0	160405.0	160405.0	160405.0	160405.0	670405.0
Other Funds	16786.5	15810.0	16335.0	16590.0	16594.0	16624.0	16567.0	16243.0
2 Foreign Liabilities	3189.4	2935.0	1325.0	947.0	537.0	533.0	1448.0	3951.0
In Convertible Foreign Currency	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Short Term Liabilities								
Funds of Non Residents								
In Nonconvertible Foreign Currency	3189.4	2935.0	1325.0	947.0	537.0	533.0	1448.0	3951.0
Clearing Accounts								
Liquidation Account								
Current Account of Non Residents	3189.4	2935.0	1325.0	947.0	537.0	533.0	1448.0	3951.0
3 Current Account of Nonbanks	1116120.7	1270959.0	1323942.0	1196738.0	1394685.0	1634897.0	1621283.0	1975290.0
In Convertible Foreign Currency	13734.6	17845.0	18995.0	24233.0	29781.0	33354.0	42136.0	51703.0
In Domestic Currency	1102366.1	1253114.0	1306947.0	1172505.0	1364904.0	1601543.0	1579147.0	1923587.0
Public Enterprises	896300.0	1062369.0	1091638.0	95413.0	1078787.0	1305817.0	1304325.0	1574799.0
Cooperatives	39720.2	39007.0	38494.0	49088.0	49072.0	44182.0	42441.0	51942.0
Private Companies	100302.9	113253.0	138574.0	122206.0	193988.0	192749.0	186769.0	226734.0
Individuals	8155.1	6994.0	6736.0	6083.0	6236.0	5076.0	4495.0	5248.0
Budget Units	57887.9	30481.0	31505.0	40415.0	36821.0	53719.0	41117.0	64864.0
4 Saving Deposits	878312.3	876488.0	865621.0	866113.0	867610.0	871528.0	865661.0	893511.0
Individuals	109584.7	110705.0	112244.0	109915.0	108993.0	110819.0	120380.0	130445.0
In Domestic Currency	105396.2	106471.0	107990.0	105728.0	104807.0	106127.0	115640.0	125915.0
In Convertible Foreign Currency	4188.5	4234.0	4234.0	4187.0	4186.0	4692.0	4740.0	4530.0
Enterprises	205927.6	202983.0	190597.0	193398.0	195817.0	197909.0	182481.0	200266.0
Budget	562800.0	562800.0	562800.0	562800.0	562800.0	562800.0	562800.0	562800.0
5 Borrowing from the BoM	730100.0	730100.0	730100.0	714200.0	714200.0	822000.0	315402.0	2364612.0
For cover R.R. deficiency	15900.0	15900.0	15900.0			107800.0		2052412.0
For cover i.R. deficiency	682200.0	682200.0	682200.0	682200.0	682200.0	682200.0	283402.0	280200.0
For Special Government Fund	32000.0	32000.0	32000.0	32000.0	32000.0	32000.0	32000.0	32000.0
6 Borrowing from other Com. Banks								
7 Interbank Settlement	2962959.2	2064188.0	1992622.0	2597216.0	2850466.0	2847360.0	2219765.0	279678.0
8 Interbranch Settlement	6464695.3	4051641.0	3381476.0	4091560.0	4771793.0	6332932.0	10488537.0	14289786.0
9 Fund of Residents in Forex	0.0	0.0	0.0	0.0	0.0	0.0	0.0	119.0
Current Account of Commercial Banks								119.0
Accumulated Interest								
10 Profit of Current Year		12919.2	31420.2	45763.2	147055.0	172667.0	205845.0	240336.0
11 Profit of Last Year	76241.8	76241.8	76241.8	76241.8				
12 Credit items	10604.7	400.0	2669.0	493.0	1721.0	761.0	450.0	486.0
Total	13180218.9	10022991.0	9355301.0	10539721.0	11710920.0	13633011.0	16568352.0	21010462.0
Memorandum Item: External Debt								

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(In Mongolian togrogs '000)

A B B E T S	01/01/92	02/01/92	03/01/92	04/01/92	05/01/92	06/01/92	07/01/92	08/01/92
1 Cash	79828.1	68504.3	64001.2	76503.1	78217.4	81160.9	107790.4	114437.5
2 Current Account with the BoM	15300.0	15300.0	15300.0	15300.0	15300.0	215300.0	547724.2	1063093.7
3 Deposits with the Other Comm. Banks	1332.3							9672.1
4 Foreign Assets	3363.0	1757.9	1839.7	4986.1	1704.4	1484.2	0.0	6787.1
In Convertible Foreign Currency	3363.0	1757.9	1839.7	4986.1	1704.4	1484.2	0.0	8787.1
Cash	3363.0	1757.9	1839.7	4986.1	1704.4	1484.2		8787.1
Current Accounts & Deposits								
In Nonconvertible Foreign Currency	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Clearing Accounts								
5 Loans to Banks								
6 Loans to Nonbanks	3839730.0	4070125.6	3986804.6	3803196.6	3837639.0	3906971.9	4136273.9	4446639.4
In Convertible Foreign Currency								200.0
In Domestic Currency	3839730.0	4070125.6	3986804.6	3803196.6	3837639.0	3906971.9	4136273.9	4446439.4
Public Enterprises	3372651.1	3502258.3	3369942.8	3125726.3	3123763.1	3129450.0	3318373.3	3366546.6
Cooperatives	160531.8	190823.4	209198.6	230131.3	230465.8	241765.0	236636.6	282034.7
Private Companies	231493.9	303001.0	334956.4	374997.8	412869.8	466668.2	512962.3	726964.0
Individuals	75053.2	74042.9	72706.8	72341.2	70539.3	69087.9	68301.7	70894.1
7 Claims on Government	1.8	904.6	805.9	172.0	219.0	825.7	1274.6	1274.6
Non Trade Settlement								
Trade Settlement								
Advance Financing of MoF				170.0	217.0	825.7	1274.6	1274.6
Overdrafts	1.8	904.6	805.9	2.0	2.0			
8 Securities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
issued by the Government								
issued by the Others								
9 Interest in Arrears	567.0	638.9	671.2	661.2	652.1	1022.4	1607.5	
10 Investment		29.7	485.5	851.1	3246.6	5993.8	1982.8	3627.8
11 Interbank Settlement	6990852.4	7715633.2	8594021.1	9534939.9	11356381.9	12041095.9	11451410.6	143355.6
12 Interbranch Settlement	7635447.4	7075969.3	5461367.5	7092844.2	8736617.6	10867819.2	14430683.2	31461076.1
13 Nonmonetary Gold & Precious Metals								
14 Fixed Assets	23058.9	22891.0	23564.1	24382.4	24778.5	28037.4	29405.0	30250.3
15 Debit Items	486.1	14480.7	2808.8	3622.5	5886.8	15189.4	63102.3	25303.1
Total	18598367.0	18986438.2	18151869.6	20537759.2	24080843.3	27165100.8	30771454.5	27307527.3
Memorandum Items: External Debt								
LIABILITIES								
1 Capital	153405.1	187670.5	192146.6	201520.2	202412.5	213537.6	237835.5	239490.2
Paid-Up Capital (010)	116336.4	132793.7	139134.7	147934.7	149108.7	160208.7	184208.7	166288.7
Accrued Interest Fund (012)								
Other Funds	39068.7	54876.8	53011.9	53685.5	53303.8	53328.9	53626.8	53111.5
2 Foreign Liabilities	4778.8	11742.0	9654.6	21641.2	23662.2	15098.0	15874.2	20748.0
In Convertible Foreign Currency	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Long Term Liabilities								
Funds of Non Residents								
In Nonconvertible Foreign Currency	4778.8	11742.0	9654.6	21641.2	23662.2	15098.0	15874.2	20748.0
Clearing Accounts								
Liquidation Account								
Current Account of Non Residents	4778.8	11742.0	9654.6	21641.2	23662.2	15098.0	15874.2	20748.0
3 Current Account of Nonbanks	2178408.5	2213588.9	2339696.7	2098072.6	2291431.3	2762125.8	2780865.6	2934629.3
In Convertible Foreign Currency	5155.2	3343.2	4440.7	1530.3	4197.9	4594.8		
In Domestic Currency	2173253.3	2210245.7	2335256.0	2086542.3	2287233.4	2757531.0	2780865.6	2934629.3
Public Enterprises	1692439.1	1703154.3	1813244.3	1515220.8	1749444.5	2082880.3	2060895.0	1978174.4
Cooperatives	73509.3	89040.6	84348.7	77734.1	87534.6	94933.0	87058.5	124407.3
Private Companies	91300.8	136658.6	132752.6	144913.9	168723.0	195279.1	232138.0	342341.3
Individuals	8540.8	17588.7	8265.5	5749.5	4589.9	4144.9	3048.6	2961.0
Budget Units	307463.3	263803.5	296644.9	265924.0	277941.4	380285.7	397725.5	486745.3
4 Saving Deposits	856315.4	869218.1	870114.5	885018.9	889647.6	895228.1	974945.0	1037078.5
Individuals	791691.6	806256.6	808218.5	814645.6	818662.6	825240.1	914133.0	976755.2
In Domestic Currency	791691.6	806256.6	808218.5	814645.6	818662.6	825240.1	914133.0	976755.2
In Convertible Foreign Currency								
Enterprises	64623.8	62961.5	61896.0	70373.3	70985.0	69988.0	60812.0	60323.3
Budget								
5 Borrowing from the BoM	390500.0	390500.0	353000.0	313000.0	748000.0	708000.0	668000.0	795303.9
For cover R.R. deficiency								
For cover L.R. deficiency	217500.0	217500.0	180000.0	140000.0	575000.0	535000.0	493000.0	622303.9
For Special Government Fund	173000.0	173000.0	173000.0	173000.0	173000.0	173000.0	173000.0	173000.0
6 Borrowing from other Comm. Banks								
7 Interbank Settlement	7403549.1	8299604.0	8803789.0	9719046.2	10846129.5	11356329.2	10954100.0	217553.2
8 Interbranch Settlement	7562037.7	6969746.9	5323970.9	7223116.0	8947230.3	11024544.4	14876878.5	21720528.4
9 Fund of Residents in Forex	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Current Account of Commercial Banks								
Accumulated Interest								
10 Profit of Current Year			12959.0	42096.6	96569.4	111602.5	132693.1	158702.7
11 Profit of Last Year	36063.3	32108.6	32108.6	32108.6				
12 Credit items	11309.1	12259.2	14429.7	22038.9	35760.5	78635.2	130262.6	193581.1
Total	18598367.0	18986438.2	18151869.6	20537759.2	24080843.3	27165100.8	30771454.5	27307527.3
Memorandum Items: External Debt								

ASSETS	01/01/92	02/01/92	03/01/92	04/01/92	05/01/92	06/01/92	07/01/92	08/01/92
1 Cash	2.5	838.6	7988.7	14809.2	17660.0	23793.0	32010.6	30507.3
2 Current Account with the BoM								552271.7
3 Deposits with the Other Com. Banks								
4 Foreign Assets	3162436.2	2547393.8	2293190.9	1528092.7	2022692.3	1876759.5	1652845.7	1837382.8
In Convertible Foreign Currency	3080891.2	2508001.1	2253598.2	1488686.6	1983804.0	1836023.9	1652412.1	1836949.2
Cash	9450.0	6723.8	4311.6	7920.9	15344.3	6194.5	18291.6	49284.2
Current Accounts & Deposits	3071441.2	2501477.3	2249286.6	1480765.7	1968459.7	1829029.4	1634120.5	1787665.0
In Nonconvertible Foreign Currency	81545.0	39592.7	39592.7	39406.1	38888.3	40735.6	433.6	433.6
Clearing Accounts	81545.0	39592.7	39592.7	39406.1	38888.3	40735.6	433.6	433.6
5 Loans to Banks								
6 Loans to Nonbanks	1373972.3	1217742.2	1231544.1	1563610.4	1697736.4	1535050.6	1881421.6	2126387.6
In Convertible Foreign Currency	267480.1	267508.6	267063.7	272683.5	270973.1	269775.1	261132.1	272320.7
In Domestic Currency	1106492.2	950233.6	964480.4	1292926.9	1426763.3	1265275.5	1620289.5	1854066.9
Public Enterprises	1104305.9	947751.9	961885.1	1290333.8	1423938.4	1260197.1	1610535.3	1870949.4
Cooperatives	176.1	176.1	138.1	61.1	61.1	61.1	61.1	61.1
Private Companies	1723.7	2032.3	2207.8	2310.9	2538.8	4828.0	9508.2	32887.7
Individuals	286.5	273.3	249.4	221.1	203.0	189.3	184.9	168.7
7 Claims on Government	1353209.7	1353515.3	1354830.6	1354830.6	1359189.2	1776847.2	1778575.1	1778575.1
Non Trade Settlement								
Trade Settlement	1353209.7	1353209.7	1353209.7	1353209.7	1353209.7	1770279.5	1770279.5	1770279.5
Advance Financing of Non		305.6	1620.9	1620.9	5979.5	6567.7	8295.6	8295.6
Overdrafts								
8 Securities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Issued by the Government								
Issued by the Others								
9 Interest in Arrears	27.4	27.4		388.2				
10 Investment							1245.5	17761.7
11 Interbank Settlement		784806.7	1249912.1	380397.9	387435.5	775411.0	683537.5	
12 Interbranch Settlement	17310718.4	17377518.1	17377343.5	109.2	62.9	153.4	179.1	369.8
13 Nonmonetary Gold & Precious Metals	7.4	7.4	7.4	7.4	7.4	7.4	7.4	7.4
14 Fixed Assets	312.3	329.5	521.1	519.7	509.2	561.7	586.5	651.7
15 Debt Items	4495614.6	4195348.0	4496715.8	4175841.5	4205014.3	4204722.7	4213584.0	4280400.9
Total	27696300.8	27777927.0	28012054.2	9020606.8	9690307.2	10193306.5	10243993.0	10624316.0
Memorandum Item: External Debt	49023988.6	49122042.2	49023988.6	49022420.4	49563046.5	49567506.7	49476995.5	49476995.5
LIABILITIES	01/01/92	02/01/92	03/01/92	04/01/92	05/01/92	06/01/92	07/01/92	08/01/92
1 Capital	27235.4	272180.1	292752.0	203271.4	200945.8	200956.9	169787.5	151540.9
Paid-Up Capital (010)	50000.0	50000.0	50000.0	50000.0	50000.0	50000.0	50000.0	50000.0
Accrued Interest Fund (012)								
Other Funds	22235.4	222180.1	242752.0	153271.4	150945.8	150956.9	119787.5	101540.9
2 Foreign Liabilities	5183434.2	5445292.8	5194821.1	4745089.1	3532831.7	3544693.8	3366534.1	3481788.0
In Convertible Foreign Currency	4316910.6	4290188.4	4301111.4	3532297.8	2211523.4	2170007.9	2154788.8	2152455.2
Short Term Liabilities	4118618.4	4096461.2	4096461.2	3370268.6	2050018.0	2050018.0	2029119.5	2043453.8
Funds of Non Residents	198292.2	201727.2	204850.2	162029.2	161505.4	119989.9	125669.3	117001.4
In Nonconvertible Foreign Currency	866523.6	1147104.4	1193709.7	1212791.3	1321308.3	1374685.9	1211745.3	1319332.8
Clearing Accounts	252154.0	534760.6	572985.8	609150.0	730734.1	777090.8	653831.7	772692.2
Liquidation Account	522720.2	522720.2	522909.7	515102.7	514968.9	515565.8	478734.6	478384.5
Current Account of Non Residents	91649.4	89623.6	97814.2	88538.6	75605.3	82079.3	79159.0	68256.1
3 Current Account of Nonbanks	1687959.2	1303396.4	1215704.3	1536032.3	1587124.3	1979838.9	1879474.4	2007392.7
In Convertible Foreign Currency	586370.5	517348.9	529163.8	596586.1	561872.6	585885.4	660882.0	680964.7
In Domestic Currency	1101588.7	786047.5	686540.5	939446.2	1025251.7	1393953.5	1219392.4	1326478.0
Public Enterprises	1098010.7	780230.4	674994.8	928832.5	1014650.7	1030662.3	944233.3	1053999.5
Cooperatives	993.1	2461.3	4571.1	1588.8	1765.4	2128.2	3585.1	1534.1
Private Companies	2553.7	3089.5	4453.0	3626.8	5406.7	11445.8	5947.8	11255.1
Individuals								
Budget Units	31.2	266.3	2521.6	5678.1	3428.9	849717.2	265626.2	259619.3
4 Saving Deposits	18286.5	17889.2	16316.8	15638.1	15877.0	13835.4	14236.4	14650.8
Individuals	18286.5	17889.2	16316.8	15638.1	15877.0	13835.4	14236.4	14650.8
In Domestic Currency	106.7	126.1	171.8	178.9	296.9	173.1	787.6	817.7
In Convertible Foreign Currency	18179.8	17763.1	16345.0	15459.2	15580.1	13662.3	13448.8	13833.1
Enterprises								
Budget								
5 Borrowing from the BoM	0.0	0.0	0.0	165000.0	165000.0	165000.0	248675.2	165000.0
For cover R.R. deficiency								
For cover L.R. deficiency				165000.0	165000.0	165000.0	248675.2	165000.0
For Special Government Fund								
6 Borrowing from other Com. Banks								
7 Interbank Settlement				161431.9	1736.3	21838.0	90671.9	84098.4
8 Interbranch Settlement	18509032.5	18703464.3	18728172.3	109.2	63.0	53.4	179.2	595.9
9 Fund of Residents in Forex	27297.7	27163.6	25627.5	25824.8	32354.5	39740.3	34644.0	37354.3
Current Account of Commercial Banks	11785.2	11639.5	10081.4	10268.8	16788.0	24140.2	34644.0	37354.3
Accumulated Interest	15512.5	15524.1	15546.1	15556.0	15566.5	15600.1		
10 Profit of Current Year		7899.4	10090.9	19648.5	29211.7	34842.1	33251.0	41583.2
11 Profit of Last Year	7153.9	7153.9	7153.9	7153.9				
12 Credit Items	637391.7	640367.6	668905.7	668197.9	622138.7	625711.8	791120.8	850306.3
13 Long Term Foreign Liabilities	1353209.7	1353209.7	1353209.7	1473209.7	3503024.2	3539935.9	3615418.5	3790005.5
Total	27696300.8	27777927.0	28012054.2	9020606.8	9690307.2	10193306.5	10243993.0	10624316.0
Memorandum Item: External Debt	49023988.6	49122042.2	49023988.6	49022420.4	49563046.5	49567506.7	49476995.5	49476995.5

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ASSETS	01/01/92	02/01/92	03/01/92	04/01/92	05/01/92	06/01/92	07/01/92	08/01/92
1 Cash	1126.2	9018.6	8374.3	4370.9	5323.1	5366.5	24163.2	36253.7
2 Foreign Assets	1989006.3	1988402.8	1988402.8	1988402.8	1988402.8	1988413.9	1988463.0	1991303.9
Monetary Gold	1988402.8	1988402.0	1988402.8	1988402.8	1988402.8	1988402.8	1988402.8	1988402.8
Reserve Position in the Fund								
Holdings of SDRs								
IMR, ADB, IDA bonds								
Convertible Foreign Currency	603.7	0.0	0.0	0.0	0.0	13.1	1062.2	3101.1
Cash	603.7							
Current Accounts & Deposits						13.1	1062.2	3101.1
3 Claims on Government	81975.7	310764.1	437223.7	309410.4	309432.5	454609.2	602931.4	517781.6
Claims on Central Government	81975.7	310764.1	437223.7	309410.4	309432.5	454609.2	602931.4	517781.6
Government Securities				8364.5	8364.5	8364.5	8364.5	
Advance Financing	81975.7	66086.2	71367.0	71367.1	70367.1	69167.1	524.5	13939.5
Overdraft Facilities		244677.9	363836.7	229678.8	230700.9	387077.6	594042.4	503842.1
Claims on Local Government								
4 Loans to Commercial Banks	1528500.0	1520600.0	1718200.0	1956534.0	2391554.0	2815154.0	3407773.3	7178061.6
For cover N.R. deficiency	21800.0	13900.0	13900.0			107800.0		
For cover L.R. deficiency	1301700.0	1293706.0	1497300.0	1751534.0	2186534.0	2502344.0	3202773.3	6973051.6
For Special Government Fund	205000.0	205000.0	205000.0	205000.0	205000.0	205000.0	205000.0	205000.0
5 Loans to Nonbanks	2809.9	2871.2	2801.3	2316.4	1984.2	1893.9	3443.3	1430.5
Public Enterprises							1531.9	
Cooperatives	70.2	250.0	465.8					
Private Companies	72.4	53.9						30.3
Individuals	2667.3	2567.4	2394.5	2316.4	1984.2	1893.9	1511.4	1399.1
6 Interbank Settlement	7862163.4	10988105.2	9947223.0	10109736.7	9070832.7	9966148.9	6208500.2	699317.5
7 Interbranch Settlement	50797006.7	38869472.8	35928799.5	30852220.7	33189375.1	35392203.3	34578478.0	39457097.9
8 Monetary Gold & Precious Metals	1193813.9	114122.0	1194122.0	1190706.1	1190990.6	1196603.1	1159037.5	1200948.4
9 Fixed Assets	70067.9	67057.0	69938.9	70871.3	70561.5	68985.6	68816.8	68813.3
10 Other Assets	53291.6	98063.0	35782.2	19631.8	18517.4	59916.9	32898.6	10623.0
Total	63579761.8	55048538.8	51330839.7	46304241.1	48236975.9	51933497.3	48076127.3	50161831.4
LIABILITIES	01/01/92	02/01/92	03/01/92	04/01/92	05/01/92	06/01/92	07/01/92	08/01/92
1 Capital	3070354.2	3070354.2	3093605.8	3080439.3	3068276.7	3068702.7	3178599.5	3231708.3
Authorized Capital	100000.0	100000.0	100000.0	100000.0	100000.0	100000.0	185000.0	185000.0
Reserve Capital	14609.5	14609.5	14609.5	14609.5	14609.5	14609.5	14609.5	
Revaluation of Forex								
Revaluation of Gold	2429771.2	2429771.2	2429771.2	2429771.2	2429771.2	2429771.2	2429771.2	2429771.2
Other Funds	525973.5	525973.5	549225.1	536058.6	523896.0	524322.0	549218.8	616937.1
2 Foreign Liabilities	317168.4	317168.2	317168.2	317168.2	317168.2	317168.2	317872.4	320056.0
In Convertible Foreign Currency	317168.2	317168.2	317168.2	317168.2	317168.2	317168.2	317872.4	320056.0
Quota in Intern. Fin. Organ.	317168.2	317168.2	317168.2	317168.2	317168.2	317168.2	317872.4	320056.0
Funds of Non-Residents								
In Nonconvertible Foreign Currency	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Funds of Non-Residents	0.2							
3 Current Account of Commercial Banks	37800.0	32600.0	31500.0	16000.0	16000.0	32300.0	2097692.1	4093777.5
4 Currency in Circulation	2003044.7	2003044.7	218730.9	2113467.9	2240274.5	2410513.1	2748585.2	3027392.5
5 Current Account of Nonbanks	163625.9	108970.8	96832.1	101201.2	124016.2	185409.5	170358.0	185002.6
In Convertible Foreign Currency	57.6							
In Domestic Currency	163568.3	108970.8	96832.1	101201.2	124016.2	185409.5	170358.0	185002.6
Public Enterprises	27247.0	1776.3	1573.7	3592.8	1320.3	4234.0	46186.1	22740.7
Cooperatives		3.3	2.6					1.5
Private Companies	0.8	0.6	0.6					
Individuals	3.2	1.3	3.3	2.0	2.0	3.6	2.0	2.0
Budget Units	138317.3	107189.3	95249.9	97606.4	122693.9	181151.9	124170.7	162258.4
6 Saving Deposits	646091.1	645056.2	962224.4	673266.3	707673.3	684093.5	677648.1	674017.6
Individuals	2.4	3.0	3.0	3.0	2.0	1.0	1.0	
Enterprises								
Budget	646088.7	645053.2	962221.4	673263.3	707671.3	684092.5	677647.1	674017.6
7 Government Securities								
8 Interbank Settlement	7538157.4	7990600.6	10224985.9	9169314.1	8325430.0	8949107.0	5551545.3	231933.9
9 Interbranch Settlement	49533490.4	40481276.0	34168058.2	30771757.5	33144646.6	35703985.6	33086083.9	33323999.5
10 Fund of Mongolbank in Forex			12796.3	17943.3	23302.1	31354.6	49483.4	62990.0
11 Profit of Current Year			215085.5	215085.5	215085.5	215085.5		
12 Profit of Last Year	215085.5	215085.5	215085.5	215085.5	215085.5	215085.5		
13 Other Liabilities	52944.2	184402.6	20230.4	26397.8	54902.4	66336.1	98257.6	10943.5
Total	63579761.8	55048538.8	51330839.7	46304241.1	48236975.9	51933497.3	48076127.3	50161831.4

(6245)

LOANS OUTSTANDING

(in millions of togrogs)

	01.01.1991	01.04.1991	01.07.1991	01.10.1991	01.01.1992	01.02.1992	01.03.1992	01.04.1992	01.05.1992	01.06.1992	01.07.1992
Total Loans Outstanding	8418.60	10056.20	11746.40	12345.60	12854.20	13599.40	13837.00	14540.10	15619.70	16802.60	17958.00
Of which by Sectors					1.00	1.06	1.02	1.05	1.07	1.08	1.07
To Public Sector	7975.50	9266.00	10062.20	10273.00	10446.30	10937.60	10810.70	11188.50	11557.90	12249.90	13191.70
To Private Sector	443.10	790.20	1684.20	2072.60	2407.90	2661.80	3026.30	3351.60	4061.90	4552.70	4766.30
Of which by Banks					1.00	1.11	1.14	1.11	1.21	1.12	1.05
BITB		1472.40	2720.30	3548.50	3999.50	4302.40	4195.70	4271.00	4464.20	4698.90	4571.30
Cooperative Bank		101.30	188.00	247.90	214.20	290.00	336.90	359.50	464.30	486.20	518.30
Insurance Bank		157.00	598.20	951.30	967.30	1046.10	1135.70	1399.50	1604.70	1952.00	2016.60
Industrial Bank		111.90	135.30	101.20	83.40	128.90	266.50	267.30	285.60	489.10	532.90
Agricultural Bank		191.50	985.10	2405.50	2305.90	2411.10	2609.60	2793.80	3182.80	3646.20	4087.30
People's Bank				3779.30	3839.70	4070.10	3966.80	3803.20	3837.60	3907.00	4136.30
Autoroad Bank		34.60	81.60	73.30	67.50	70.10	71.40	77.80	80.80	86.20	83.90
State Bank (International)		7987.50	7037.90	1238.60	1373.90	1217.90	1231.60	1565.70	1697.70	1535.10	1881.40
Central Asia Bank											126.60
BoM					2.80	2.80	2.80	2.30	2.00	1.90	3.40

(Source: BoM, SMO)

W

Deposit - Info

MONEY SUPPLY

(in millions of togrogs)

(changes: in percent)

	01.01.1991	01.04.1991	01.07.1991	01.10.1991	01.01.1992	01.02.1992	01.03.1992	01.04.1992	01.05.1992	01.06.1992	01.07.1992
Currency in Circulation (monthly changes)	742.7	927.7 7.7	1248.3 10.0	1573.0 7.9	2003.0 8.3	2003.0 .0	2188.0 9.2	2113.5 -3.4	2240.3 6.0	2410.5 7.6	2748.6 14.0
Commercial Bank's Cash	5.7	27.8	81.3	312.7	308.7	333.0	361.7	358.5	333.3	423.0	528.8
Currency Outside Banks (monthly changes)	737.0	899.9 7.0	1167.0 9.0	1260.3 2.6	1694.3 10.4	1670.0 -1.4	1826.3 9.4	1755.0 -3.9	1907.0 8.7	1987.5 4.2	2219.8 11.7
Money (M-1) (monthly changes)	4749.9	4828.8 .5	5137.6 1.0	6238.1 6.7	7295.5 5.3	7476.6 2.5	7709.3 3.1	7480.5 -3.0	8003.2 7.0	9014.3 12.6	9490.7 5.3
Currency Outside Banks	737.0	899.9	1167.0	1260.3	1694.3	1670.0	1826.3	1755.0	1907.0	1987.5	2219.8
Private Sector Demand Deposits (BoM)	573.6	410.3	288.9	2.6	10.4	.0	.0	.0	.0	.0	.0
Public Sector Demand Deposits (BoM)	3342.3	2715.4	2096.5	697.4	27.2	1.8	1.6	3.6	1.3	4.3	46.2
<u>Demand Deposits (Commercial Banks)</u>	97.0	803.3	1585.2	4277.8	5563.6	5804.8	5881.4	5721.9	6094.9	7022.5	7224.7
Quasi Money (monthly changes)	883.2	1267.5 12.8	1935.6 15.0	2233.2 5.0	2667.1 6.1	2578.0 -3.3	2663.3 3.3	2739.3 2.9	2779.6 1.5	2852.8 2.6	3139.0 10.0
Time Saving Deposits	726.3	1139.3	1546.8	1725.0	1998.5	1979.0	2053.2	2049.9	2113.2	2157.5	2399.2
Individuals	726.3	1002.0	1337.5	1469.8	1553.3	1545.9	1571.2	1562.8	1549.6	1578.5	1803.9
Enterprises		137.3	209.3	255.2	445.2	433.1	482.0	487.1	563.6	579.0	595.3
Foreign Currency Deposits	157.0	128.2	388.8	508.2	668.6	599.0	610.1	689.4	666.4	695.3	739.8
Money (M-2) (monthly changes)	5633.1	6096.3 2.6	7073.2 4.0	8471.3 6.2	9962.6 5.5	10054.6 .9	10372.6 3.2	10219.8 -1.5	10782.8 5.5	11867.1 10.1	12629.7 6.4

(Source: BoM, SRD)

W

INTEREST RATES

(In percent)

	1990		1991		1992				
	July 3	Dec 3	May 1	Sep 1	Jan 1	Apr 1	May 1	June 1	July 1
DEPOSIT RATES									
Current Accounts									
Central Government									
State Enterprises									
Private Sector						0.5-1	0.5-1	0.5-1	0.5-1
						0.5-1	0.5-1	0.5-1	0.5-1
Savings Account									
Domestic Currency									
Small Savings Account									
With Term									
Less than 1 year	3	3	3	3	3	3	3	3	3
Between 1 and 5 years	3-4	3-4	3	5	4-5	4-8	3-11	3-11	4-11
	8	8	8	8	5-8	5-8	7-20	7-25	7-36
Foreign Currency									
Less than 1 year									
Between 1 and 5 years			3	5	3-8	3-8	3-8	3-8	3-8
			8	8	5-8	5-10	5-10	5-10	5-10
LOAN RATES									
Mongolbank rate									
				5-15	5-15	30	30	30	30
Commercial Loans									
Short Term (less than 1 year)									
State Enterprises	0.2-10	0.2-10	4-10	8-10	8-25	8-30	8-30	8-35	25-50
Agriculture	0.2-8	0.2-8	4-8	8-10	10	15	15	15	15
Consumer	3-8	3-8	8-10	8-10	18-25	25-40	25-42	25-42	25-50
Long Term									
1-5 years	2-8	2-8	4-10	8-16	8-16	15-20	-	-	-
5-10 years	2-10	2-10	8-12	16-18	25-30	25-30	-	-	-

Source: BoM: SRD, MCD)