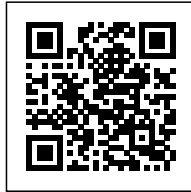


DOMESTIC CREDIT TO BUSINESSES REACHES MNT 10.9 BILLION

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In the first half of 2022, the domestic credit to the private sector by banks reached MNT 10.9 billion. This is a 19.5 percent increase from the same period last year. Private sector accounted for 43.5 percent of total gross loans in the Mongolian banking system.

According to the Bank of Mongolia (BoM), the weighted average interest rate hit 14.7 percent in the reporting period. Depending on terms, the business loan interest rate of systemically important banks, such as Khan Bank and Trade and Development Bank, was around 16 percent.

Due to rising inflation, the Bank of Mongolia has raised the interest rate by four percentage points to 10 percent. The oil price hike in the global market weighted in on inflation, disrupting transportation and logistics, and pressuring transportation costs. This, in turn, caused difficulties for businesses, explained the BoM.