



**RESOLUTION OF THE GOVERNOR OF
THE BANK OF MONGOLIA**

Date: November 25, 2011

No. 691

Capital Ulaanbaatar

Re: Regarding the liquidity ratio

In accordance with the Article 28.1.2 of The Law on Central Bank (The Bank of Mongolia), it is hereby decreed:

1. The Article 3.2, 3.3 and 3.4 of the ‘The Regulation On Setting and Monitoring Prudential Ratios To Banking Operation’ approved under Decree #460 by the Governor of the BOM on July 30, 2010, are revised as stated below:

“3.2. Liquid assets equal to the sum of cash in hand, balances placed with the BOM, balances placed with other banks and financial institutions, precious metals, the BOM and government bills and government backed Development Bank of Mongolia bills less the balance of transfer delays in the clearing account. The securities, the maturity and interests of which were not specified in the contract or their rights to redeem were not been granted to the holder, the claims on banks which had their license revoked by the BOM, liquidated, went bankrupt, with appointed conservator and receiver or encumbered deposits in the forms of collaterals contracted to be enforced to other banks shall not be included in the liquid assets.”

“3.3. The total liabilities shall be estimated as the sum of current and savings account, funding from other bank and financial institutions, other funding and other liabilities less the transfer delays in the clearing account.”

“3.4. The liquidity ratio shall be calculated as the liquid assets divided by the total liabilities and the minimum amount of the liquidity ratio shall be set by the decree of the Governor of the BOM.”

2. The Annex 14 of “The Regulation on Setting and Prudential Ratios to Banking Operation” approved under Decree #460 by the Governor of the BOM on July 30, 2010 is herewith revised as shown in the Annex.

3. The parts “...both in togrog and foreign currency...” and “...respectively...” stated in section 2 of the Decree #213 of the BOM Governor dated on April 8, 2011 are removed respectively.

4. Minimum liquidity ratio requirement is set at 25 percent effective from January 1, 2012.

5. Herewith the adoption and the compliance of this decree are assigned to Executive Directors of commercial banks whereas the enforcement of this decree is assigned to the Supervision Department (Mr. Lkhagvasuren. B) respectively.

THE GOVERNOR OF
THE BANK OF MONGOLIA

**Duly signed and
stamped**

PUREVDORJ. L

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ANNEX

Annex #14 of The regulation on Setting and Monitoring
Prudential Ratios Banking Operation

LIQUIDITY RATIO REPORT

Date:		(in thousand togrogs)
RATIO INDICATORS		
A	LIQUID ASSETS /1+2+3+4+5-6-7/	-
1	Cash in hand	-
2	Balances placed with the BOM	-
3	Balances placed with other banks and financial institutions	-
4	Aggregate amount of precious metal, BOM bills, Government bills and repo securities	-
5	Government backed Development Bank of Mongolia securities	-
6	Interbank clearing delay account	-
7	Adjustment	-
B	LIABILITIES /1+2+3+4+5-6-7/	-
1	Current accounts	-
2	Savings accounts	-
3	Due to bank and financial institutions	-
4	Other funding	-
5	Other liabilities	-
6	Interbank clearing delay account	-
7	Adjustment	-
C	LIQUIDITY RATIO (A/B*100)	--
D	PRUDENTIAL RATIO	25.00%
E	UNACCOMPLISHED PERCENTAGE /D-C/	
F	REQUIRED ADDITIONAL LIQUID ASSETS	

Notes: Subordinated debts shall not be included in liabilities
The interbank deposits shall be netted.

Prepared and presented accurately by:

Chief Executive Officer: /name/

Head of Finance and Accounting Department: /name/

Accountant of Finance and Accounting Department: /name/