



**PRE-READING MATERIALS FOR THE
EXTRAORDINARY GENERAL MEETING
OF THE SHAREHOLDERS OF XACBANK JSC**



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ANNOUNCEMENT OF THE EXTRAORDINARY GENERAL MEETING OF XACBANK JSC SHAREHOLDERS

The Board of Directors of XacBank JSC has announced the extraordinary general meeting of the shareholders (the “EGM”) through online ballot voting by its Resolution No. R-2024-34 dated 16 July 2024 pursuant to Article 73.1 of the Company Law.

XacBank Official Address: XacBank HQ Bldg, Prime Minister Amar’s Street, Sukhbaatar District, Ulaanbaatar-14200, Post Branch 20A, PO Box-72, Mongolia.

Delivery Date of Ballot Template to Shareholders: 24 July 2024 through delivery to brokerage companies, and disclosure by XacMeeting App and the XacBank website.

Period for Receipt of Online Ballot Votes: Between 09:00 hours on 25 July 2024 and 16:00 hours on 04 September 2024.

Record Date of Shareholders: The record date for shareholders eligible to participate in Online Ballot Voting is set on 08 August 2024.

EGM Agenda:

- Declaration and distribution of interim dividend from 2024 first half-year earnings.

Starting from 24 July 2024, shareholders may review the pre-reading materials through the Bank’s website (www.xacbank.mn), or, on the XacMeeting application, an application dedicated to organizing XacBank shareholders’ meeting. Shareholders are invited to submit their votes electronically via XacMeeting application within the specified period.

Contact details:

Phone: +(976)-8508-1888

E-mail: investor-relations@xacbank.mn

Working hours: between 10:00 and 17:00 on working days

19 July 2024

EGM ORGANIZING COMMITTEE



THE BOARD RESOLUTION ANNOUNCING THE EGM THROUGH ONLINE BALLOT VOTING

BOARD OF DIRECTORS RESOLUTION



Date: 16 July, 2024

No. R-2024-34

Ulaanbaatar

Announcement of the Extraordinary General Meeting
of the Shareholders of XacBank Organized through Online Ballot Voting

Based on Article 73.1 of the Company Law, Article 2.2 of the Procedure for delivering the announcement of a shareholders' meeting of joint-stock companies approved by Financial Regulatory Commission (the "FRC") by its Resolution No.377 dated 14 December 2018, and pursuant to decisions made by its online voting held between 08-16 July 2024, the Board of Directors (the "Board") of XacBank (the "Bank") hereby adopts the following resolutions:

IT IS NOTED THAT:

1. WHEREAS, the Board has recommended to the shareholders, the declaration and distribution of interim dividend by its Resolution No. R-2024-33 dated 16 July 2024;
2. WHEREAS, as per Clause 8.6 (ii) of the Charter of the Bank, the dividend distribution is considered a Strategic Matter, requiring final approval from the shareholders' meeting; and
3. WHEREAS, the Board considers it appropriate to organize the extraordinary shareholders' meeting through online ballot voting, with the purpose of approving the declaration and distribution of interim dividend to the shareholders of the Bank.

NOW THEREFORE BE IT RESOLVED THAT:

1. The Extraordinary General Meeting of Shareholders of the Bank ("EGM") shall be organized through online ballot voting.
2. The Chief Auditor of the Bank, Undarmaa Enkhbayar, is hereby appointed as the Chair of the Organizing Committee. The Chief Executive Officer, Tsevegjav Gumenjav, shall appoint the members of the Organizing Committee pursuant to applicable internal rules and policies.
3. The Board Secretariat is hereby directed to submit the notice of the EGM to the FRC and the Mongolian Stock Exchange (the "MSE") by 19 July 2024.
4. The Organizing Committee, is hereby directed to publish the notice of the EGM on the website of MSE, daily newspapers, the Bank's official website (www.xacbank.mn), official social media addresses, and other media outlets by 19 July 2024, and to re-publish the notice in the same form as the original 15 days following the initial publication.
5. The record date for registering shareholders eligible to participate in the EGM through online ballot voting shall be set on 08 August 2024.
6. The Organizing Committee is hereby directed to deliver the agenda of the EGM, draft resolutions, ballots, and any other related documents to the securities broker and dealer companies by 24 July 2024.

XacBank HQ Building,
Prime Minister Amar's Street,
Post branch No.20A, P.O.Box-72,
Ulaanbaatar-14200, Mongolia.

Enquiry: +(976)-1800-1888
Telephone: +(976)-7577-1888
Web: www.xacbank.mn
E-mail: info@xacbank.mn

The board resolution announcing the egm through online ballot voting

7. The agenda of the EGM as Annex 1, the list of documents pertaining to the agenda of the EGM as Annex 2, the composition of the Tabulating Committee as Annex 3, and the ballot of the EGM as Annex 4 are hereby approved.
8. The Organizing Committee is hereby directed to ensure access for shareholders to review the documents pertaining to the agenda of the EGM on the XacMeeting application, an application dedicated to organizing XacBank shareholders' meeting.
9. The Organizing Committee is hereby directed to ensure that all votes from shareholders for the EGM are received between 9:00 hours on 25 July 2024 and 16:00 hours on 04 September 2024 through online ballot voting via XacMeeting application.
10. The Board Secretariat is hereby directed to submit the resolutions adopted from the EGM through online ballot voting and other relevant documents to the MSE and FRC within the time specified in the Company Law, Law on Securities Market, and other relevant regulations.

CHAIRMAN OF THE
BOARD OF DIRECTORS

GENERAL COUNSEL,
CORPORATE SECRETARY



SANJAY GUPTA

N.MUNKHTSELMEG



Decision item:

**Approval of Distribution of Interim Dividend from
2024 first half year earnings**

Summary of Dividend Proposal

Interim Dividend Proposal from 1H 2024's Net Profit

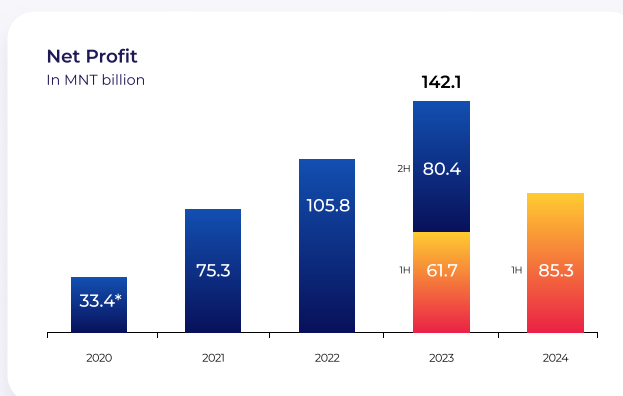
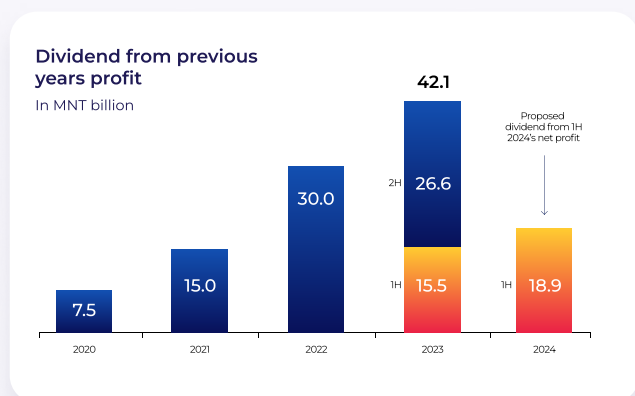
- Based on Article 46.1 of the Company Law and Clause 8.6 (ii) of the Charter of XacBank JSC, the Bank is presenting an interim dividend proposal from 1H 2024's net profit pursuant to Board approval dated 16th of July, 2024.

Dividend per share	MNT 18.00
Total Dividend amount	MNT 18,948,600,000.00
Date of dividend payment	Subject to approvals (see next slide for dates)
Method of dividend	Cash dividend (bank transfer) through Depository Clearing House
Shareholders record date	August 08, 2024

Dividend History

Interim Dividend Proposal from 1H 2024's Net Profit

- The Bank is proposing an interim dividend of MNT 18.00 per share from 1H 2024's net profit;
- The final dividend of 2024's profit to be recommended by the Board after completion of audited financial statements in Q1 2025.



* Xacleasing and XacBank merged in 2021, and XacLeasing's income statement retrospectively added to XacBank's statements as of Dec 31, 2021.

Post Dividend Capital Ratio

Interim Dividend Proposal from 1H 2024's Net Profit

- The proposed dividend would result in a 60 bps decrease in the Tier I Capital ratio.
- However, the post-dividend capital ratio has a sufficient buffer to meet regulatory requirements of 12.5%.

In MNT billions	1H 2023	2H 2023	1H 2024 Actual
Net profit	61.7	80.4	85.3
Dividend (MNT billions)	15.5	26.6	18.9
Dividend per share in MNT	14.75	25.25	18.00
Tier I ratio (before proposed dividend)			18.6%*
Tier I ratio (after proposed dividend)			18.0%

* As of Jun 30, 2024, tier I ratio was 18.6%.

Estimated Dividend Payment Date

Interim Dividend Proposal from 1H 2024's Net Profit

- The Interim Dividend is to be paid in cash within a period not exceeding 7 days subsequent to the latter of either obtaining the Bank of Mongolia's consent or the date of the Shareholders' Resolution.

BOARD OF DIRECTORS
RESOLUTION



Date: 16 July, 2024

No. R-2024-33

Ulaanbaatar

Recommendation of Dividend Distribution

Based on Articles 46.1 of the Company Law and Clause 8.6 (ii) of the Charter of XacBank JSC (the "Bank"), and pursuant to decisions made by its online voting held between 08-16 July 2024, the Board of Directors (the "Board") of the Bank hereby adopts the following resolutions:

IT IS NOTED THAT:

1. **WHEREAS**, the Bank reported profitability of MNT 85.3 billion and a tier-one capital adequacy ratio at 18.6% for the first half of 2024;
2. **WHEREAS**, dividend distribution is considered a Strategic Matter as defined in the Charter of the Bank;
3. **WHEREAS**, the Management of the Bank has proposed to the Board the distribution of an interim cash dividend from the Bank's earnings for the first half of the year 2024 to the shareholders of the Bank (the "Interim Dividend"); and
4. **WHEREAS**, as per Clause 8.6 (ii) of the Charter of the Bank, the Board now wishes to recommend to the shareholders to approve the declaration and distribution of Interim Dividend in the amount as stated below.

NOW THEREFORE BE IT RESOLVED THAT:

1. Approval of the declaration and distribution of Interim Dividend is hereby recommended in the total gross amount of MNT 18,948,600,000.00 (eighteen billion nine hundred forty eight million six hundred thousand) by a declaration of dividend in the amount of MNT 18.00 (eighteen) per share, subject to the Bank of Mongolia and the shareholders' final approvals.
2. Subject to the shareholders' approval of the declaration and distribution of Interim Dividend, the date upon which shareholders are deemed eligible for participation in the Extraordinary General Meeting (the "EGM") that will decide the declaration and distribution of Interim Dividend, which falls on 08 August 2024, shall concurrently be established as the Record Date for the shareholders entitled to the disbursement of the said Interim Dividend, regardless of the manner in which the EGM is conducted.
3. Subject to the shareholders' approval, the Interim Dividend shall be paid in cash, within a period not exceeding 7 days subsequent to the latter of either obtaining the Bank of Mongolia's consent or securing the shareholders' approval. The funds will be disbursed via Mongolian Central Securities Depository unless a shareholder expressly requests in writing

the disbursement to be made through the designated bank account pursuant to applicable laws and regulations.

CHAIRMAN OF THE
BOARD OF DIRECTORS



SANJAY GUPTA

GENERAL COUNSEL,
CORPORATE SECRETARY

N.MUNKHTSELMEG

A large orange triangle in the top right corner of the page, featuring a repeating pattern of stylized flowers and leaves in a lighter orange color.

Draft Shareholders' Resolution

SHAREHOLDERS MEETING RESOLUTION

[Draft]

Decision on the Interim Dividend Distribution from Earnings of First Half-Year of 2024

Based on Article 46.1 of the Company Law and Clause 8.6 (ii) of the Charter of XacBank JSC (the “Bank”), and pursuant to decisions made through its online ballot voting held between 25 July 2024 and 04 September 2024, the Shareholders of the Bank hereby adopt the following resolutions:

IT IS NOTED THAT:

1. WHEREAS, dividend distribution is considered a Strategic Matter as defined in the Bank Charter, it is thereby required that such decisions receive the approval of the shareholders of the Bank;
2. WHEREAS, the Board of Directors (the “Board”) of the Bank, by its Resolution No. R-2024-33 dated 16 July 2024, has recommended to the Shareholders the distribution of an interim cash dividend from the Bank’s earnings for the first half of the year 2024 (the “Interim Dividend”) to the shareholders of the Bank;
3. WHEREAS, as per Clause 8.6 (ii) of the Charter of the Bank and subject to the Bank of Mongolia’s consent, the Shareholders now wish to declare and distribute the Interim Dividend in the amount as stated below as recommended by the Board.

NOW THEREFORE BE IT RESOLVED THAT:

1. The declaration and distribution of the Interim Dividend are hereby approved in the total gross amount of MNT 18,948,600,000.00 (eighteen billion nine hundred forty-eight million six hundred thousand) by a declaration of dividend in the amount of MNT 18.00 (eighteen) per share.
2. It is hereby approved that the record date for registering shareholders eligible to participate in this extraordinary shareholders’ meeting organized through online ballot voting, which is set on 8 August 2024, shall concurrently be established as the Record Date for shareholders entitled to the disbursement of the said Interim Dividend.
3. It is hereby approved that the Interim Dividend shall be paid in cash within a period not exceeding 7 days subsequent to the latter of either obtaining the Bank of Mongolia’s consent or the date of this Resolution. The funds will be disbursed to the shareholders via Mongolian Central Securities Depository.

CHAIRMAN OF THE
SHAREHOLDERS’ MEETING

SANJAY GUPTA

COMPOSITION OF THE EGM TABULATING COMMITTEE

Attachment 3 to XacBank Board Resolution R-2024-34
dated 16 July 2024

Chair of the Committee: Anand B., Managing Partner, KE Partners LLP

Committee members: Otgon T., Junior Associate, KE Partners LLP

Soyolzul B., Junior Associate, KE Partners LLP

Annex 4 to the announcement of EGM

BALLOT TEMPLATE

Name of the Company: XacBank JSC

Surname and given name of the shareholder: _____

Registration number of the shareholder: _____

Type of shares held: _____

Number of shares held: _____

You may cast your vote between 9:00 hours on 25 July 2024 and 16:00 hours on 04 September 2024 through online ballot voting via XacMeeting application.

No.	Agenda items	In favor	Against	Abstain
1.	Declaration and distribution of interim dividend from XacBank earnings for the first half year of 2024	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Notes/Remarks:

1. You may submit your vote electronically via XacMeeting application within the specified period.
2. If you're submitting your vote through a Proxy, it shall be considered valid only if the Proxy submits the vote with a Power of Attorney as well, in accordance with the laws of Mongolia.

This section shall be completed by the Tabulating Committee of the EGM.

Whether or not the ballot is considered valid and counted (underline): Yes / No

Name and signature of the Chair of the Tabulating Committee: _____ /

Grounds for invalidating the ballot: _____

