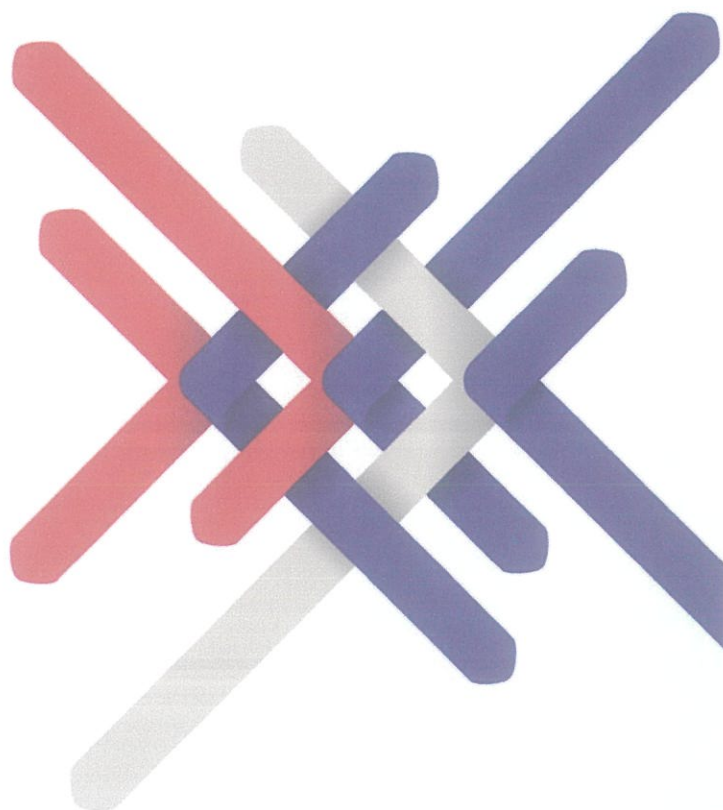


# **Financial Statements and Independent Auditor's Report**

## **Bodi Insurance JCS**

31 December 2024



# Corporate information

Name of organization:	Bodi Insurance JSC	
Founding Decision:	The company was initially established on February 5, 1995.	
Board of Directors:	Chairman	B. Bilegt
	Member	B. Boldkhuyag
	Member	G. Saruul
	Member	Sh. Sukhbaatar
	Member	Sh. Bejid
	Member	D. Dayanbilguun
	Independent Member	B. Bujinkham
	Independent Member	E. Byambajav
	Independent Member	L. Banzragch
Management team:	Chief Executive Officer	A. Enkhjargal
	Chief Operating Officer	M. Munkhbaatar
	Reinsurance Director	B. Khudertulga
	Insurance Director	B. Odgerel
	Director of Reporting and Planning Department	M. Byambatseren
	Director of Accounting Department	N. Sansartuya
Address	Mongolia, Ulaanbaatar, Chingeltei District, Baga Toirog-3, Bodi Tower	
Registration number:	2088606	
Principal activity:	General Insurance Operations	
Number of Employees:	154	
Auditor:	Grant Thornton Audit LLC - Professional firm specializing in assurance, tax and advisory services	

# Management Representation Letter

Management is responsible for the preparation and fair presentation of the Company's financial statements for the year ended December 31, 2024, and for the related statements of financial performance, cash flows, and changes in equity for the same period, in accordance with International Financial Reporting Standards (IFRS).

In the preparation of the financial statements, management has fulfilled the following responsibilities, which include:

- Selecting and applying appropriate accounting policies, making reasonable accounting estimates and assumptions, and ensuring adherence to all pertinent accounting standards.
- Taking necessary measures to safeguard the company's assets and to detect and prevent any instances of fraud or misconduct.
- Preparing the financial statements on a going concern basis.
- Constantly reviewing and disclosing potential litigation, claims, or contingencies arising from past events or that may result in future losses.

We, the Chairman of the Board of Directors of "Bodi Insurance" JSC, B. Bilegt, the Chief Executive Officer, A. Enkhjargal, and the Head of the Reporting and Planning Department, M. Byambatseren, hereby state that the accompanying financial statements of the Company, presented on pages 8 to 14 of this report, fairly present, in all material respects, the Company's financial position as at December 31, 2024, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the instructions and regulations approved by the Minister of Finance.

Chairman of the Board of Directors  
B. Bilegt

Date:



Chief Executive Officer  
A. Enkhjargal

Date:

Head of the Reporting and Planning Department  
M. Byambatseren

Date:

# Independent Auditor's Report

Grant Thornton Audit LLC  
Dalai Tower, UNESCO street,  
Sukhbaatar District-1,  
Ulaanbaatar 14230,  
Mongolia  
T + 97670 110744

## To shareholders of Bodi Insurance JSC:

### Opinion

We have audited the financial statements (hereinafter referred to as the "financial statements") of "Bodi Insurance" JSC (hereinafter referred to as the "Company"), which comprise the statements as at December 31, 2024, including:

- Statement of financial position,
- Statement of comprehensive income,
- Statement of changes in equity,
- Statement of cash flows,
- A summary of significant accounting policies, and
- Material accounting policy information and notes to the financial statements

In our opinion, the financial position of "Bodi Insurance" JSC as at December 31, 2024, and its financial performance and cash flows for the year then ended are presented fairly, in all material respects, in accordance with International Financial Reporting Standards and the instructions and regulations approved by the Minister of Finance.

### Basis of Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

### Independence

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (the "IESBA Code") together with the ethical requirements that are relevant to our audit of the financial statements as stated in the Code of Ethics for Professional Accountants of Mongolia, and we have fulfilled our other ethical responsibilities in accordance with those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



### Summary of audit approaches

Key audit matters	<ul style="list-style-type: none"> <li>The Company operates in the insurance industry and uses significant actuarial estimates in determining its insurance reserves, which we identified as a key audit matter.</li> </ul>
Materiality	<ul style="list-style-type: none"> <li>The total materiality used in the audit of the financial statements was 686,966.0 thousand MNT, and performance materiality was set at 75% of total materiality, amounting to 515,224.5 thousand MNT.</li> <li>The Company has selected insurance premium revenue as a material key performance indicator, as it aims to increase this revenue by fostering long-term institutional client relationships, thereby strengthening its market reputation and position. Profit before tax is also a key metric that financial statement users focus on.</li> </ul>

### Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements for the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, we do not provide a separate opinion on each matter.

Key audit matters	Auditors' Response
<b>Insurance Reserves and Calculation Methodology</b>  To determine the accuracy and completeness of the data, information requirements, calculations, methodology, and reporting of insurance reserves, as well as an appropriate solvency ratio.  The calculation of insurance reserves is considered a key audit matter due to the significant management judgment and major assumptions involved	<b>Audit Procedures Performed:</b>  Our audit procedures to assess whether the insurance reserves were adequately established in accordance with the Mongolian Financial Regulatory Commission (FRC) Resolution No. 02 of 2019 approving the "Regulations on the Formation, Utilization, and Supervision of Insurance Reserves, Mandatory Insurance Funds, and Other Funds" (Appendix Three of the "Insurance Package Regulations") and FRC Resolution No. 559 of 2023 on the "Solvency Requirements for Insurers and Procedures for Monitoring Them" included the following: <ul style="list-style-type: none"> <li>Assessing the data and information requirements for insurance reserves.</li> <li>Evaluating the calculation methods and methodologies used, and the accuracy and completeness of the reporting.</li> <li>Examining whether the types, terms, conditions, valuation, premiums, and registration of insurance contracts concluded with policyholders complied with relevant rules, regulations, laws legislation, and standards, and we recalculated the actuarial valuation of the insurance reserves.</li> </ul>

### Emphasis of matter

"Bodi Daatgal" JSC has prepared and presented its financial statements in accordance with the instructions, forms, and methodologies approved by the Minister of Finance's Order No. 132 dated July 7, 2020, "On Approving the Accounting Guidelines, Chart of Accounts, Financial Statement Forms, Disclosures, and Methodologies for Insurance Companies."

These guidelines are based on the fundamental accounting principles stipulated in IFRS and the Law on Accounting, providing standard account entries. For items not specifically covered in the guidelines, the Company is required to develop and apply a comprehensive accounting policy document and detailed chart of accounts that fully comply with relevant IFRS provisions and applicable laws, rules, and regulations in Mongolia.

The Company consistently adheres to the insurance package regulations approved and issued by the Financial Regulatory Commission in the preparation of its financial statements.

#### *Other information*

Management is responsible for the other information. The other information comprises the information included in the annual report of the Company for the year ended 31 December 2024, but does not include the financial statements and our auditor's report thereon. The annual report is expected to be made available to us after the date of this audit report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

#### *Responsibilities of Management and Those Charged with Governance for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and the instructions and regulations issued by the Minister of Finance. This responsibility includes designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error..

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

#### *Auditor's Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

#### *Auditor's responsibilities regarding fraud and other non-compliant acts*

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



The Company consistently adheres to the insurance package regulations approved and issued by the Financial Regulatory Commission in the preparation of its financial statements.

#### *Other information*

Management is responsible for the other information. The other information comprises the information included in the annual report of the Company for the year ended 31 December 2024, but does not include the financial statements and our auditor's report thereon. The annual report is expected to be made available to us after the date of this audit report.

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In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

#### *Auditor's Responsibilities for the Audit of the Financial Statements*

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Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

#### *Auditor's responsibilities regarding fraud and other non-compliant acts*

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- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the business activities within the company for the purpose of expressing an opinion on the financial statements. We are responsible for the direction, supervision, and performance of the audit of the company. We remain solely responsible for our audit opinion..

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We have communicated to those charged with governance that we have complied with relevant ethical requirements regarding independence, and we have also communicated all relationships and other matters, including related safeguards where applicable, that in our professional judgment may reasonably be thought to bear on our independence.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### *Regarding Solvency*

As at December 31, 2024, the Company's solvency ratio was at Level Two, which is considered adequate (2023: Level Two), in accordance with Section 2.19 of the "Solvency Requirements for Insurers and Procedures for Monitoring Them" approved by Appendix to the Financial Regulatory Commission Resolution No. 559 of 2023. This indicates that the Company has complied with the requirements of this regulation.

#### *Restriction on the Use of the Auditor's Report*

This report is intended solely for the shareholders of the Company in accordance with Article 94 of the Law on Companies and should not be used by other parties. We do not accept any responsibility to any third party in respect of this report.

The engagement partner on the audit resulting in this independent auditor's report is N. Erdenetsog.



**B. OSORGARAV**  
MANAGING PARTNER  
Date: \_\_\_\_\_



**N. ERDENETSOG**  
ENGAGEMENT PARTNER  
Date: \_\_\_\_\_