FINANCIAL
REGULATORY
COMMISSION

FINANCIAL MARKET REVIEW

THIRD QUARTER OF 2025

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ABBREVIATIONS and ACRONYMS

AFI	Alliance for Financial Inclusion
ADB	Asian Development Bank
ATM	Automated teller machine
ESG	Environmental, Social, Governance
FPO	Follow up on public offering
GIZ	German corporation for int. Cooperation
GDP	Gross domestic product
GS	Government securities
IAIS	International Association of Insurance Supervisors
IPO	Initial public offering
IFC	International finance corporation
IPO	Initial public offering
JICA	Japan International Cooperation Agency
MV	Market valuation
MMC	Mongolian Mortgage Corporation
MAPIX	Mongolian agricultural commodity price index
MSE	Mongolian Stock Exchange
MCSD	Central securities depository
MLAP	Monetary loan activity providers
MSX	Mongolian Securities Exchange
NASCCM	National Association of Savings and Credit Cooperatives of Mongolia
NBFI	Non–bank financial institution
NFAT	Net profit after tax
PRC	People's Republic of China
P2P	Peer to peer
QR	Quick response code
REB	Real estate brokers
ROK	Republic of Korea
RMBS	Residential mortgage backed securities
ROA	Return on assets
ROE	Return on equity
SC	Securities company
SCC	Saving and credit cooperative
SFC	Securities Finance Corporation
SPC	Special purpose company
UN	United Nations
USA	United States of America
UNEP FI	United Nations Environment Program Financing Initiative
WALIR	Weighted average loan interest rate
WAIRD	Weighted average interest rate on deposits
B2B	Business to business
IPO	Initial public offering
OTC	Over the counter
P2P	Peer to peer

Capital market

Market capitalization
13,187.3 billion MNT
MV/GDP 16.5%

TOP-20 index
49,327.20

Trading volume
847.8 billion MNT

Number of SCs
53

Liquidity
1.1%

MSE A **19,358.87**
MSE B **14,493.08**

Trading volume of mining products exchange
4,238.5 billion MNT

Insurance market

Number of insurance companies
21

Total assets
800.8 billion MNT

Number of insurance contracts
1,338,950

Total insurance and reinsurance premiums
472.9 billion MNT

Insurance compensation
147.2 billion MNT

Reserve fund
395.8billion MNT

Net profit
42.0 billion MNT

Reinsurance premium costs
165.5 billion MNT

Density **141,855** MNT

NBFI

577 NBFIs

89.0% Licensed to operate on credit

Total assets
8.5 trillion MNT

3.7 million Costumers

Total loan
7.0 trillion MNT

Total borrowers
2.8 million

WALIR
3.7%

Total income **1,941.1** billion MNT
Total expenses **1,223.6** billion MNT

SCC

Licensed SCCs
176

78,172 members

Non-performing loans (of total loans)
3.0%

Net profit
12.7 billion MNT

Total savings
260.2 billion MNT

Total assets
380.0 billion MNT

TOTAL LOAN
294.8 billion MNT

2.4% WALIR

1.4% WAIRD

REBs

REB organizations **281**

Sold through intermediaries
2,253.7 billion MNT

Rented through an intermediary
216.5 billion MNT

DPMS

Legal entities **51**
Citizens **495**

Precious metal purchases
293.8 billion MNT

Precious metal sales
312.1 billion MNT

Capital market

Market valuation

13,187.3
billion MNT

Financial market status

Accounts

2,609,579

Accessibility

Total trading

847.8
billion MNT

Products and services

Profitability

Assets of SCs

243.1

billion MNT

Tax collected from the state budget, social insurance contributions

11.1

billion MNT

Stability

Centralized

Market valuation 80.7%

Top-10 JSCs

Regulatory environment

SECURITIES MARKET STATUS

The securities market comprised 630 regulated entities, including Joint Stock Companies (JSCs).

Private Investment Fund (Article 5.3 of the Law on Investment Funds) **46**

Professional associations and self–regulatory organizations **1**

Infrastructure Organization

Business organization **3**	Settlements **2** (1 duplicate)	Central deposit and securities trading payments **4**
Securities Settlement Institution **1** (duplicate)	Mining products exchange 1 (duplicate)	Agricultural Exchange 1

Professional participants

Securities firms **53**	IMCs **34**	Mutual Funds **7**
Exchange trading broker for mining products **14** (9 duplicate)	Mineral commodities brokers **9**	Financial Rating Agency **4**
Underwriting banks **2** (1 duplicate)		

Asset–backed securities

Asset–backed securities issuer **71 (SPS)**	Asset management **5**	Accounts Payable Asset Portfolio Controller **2**

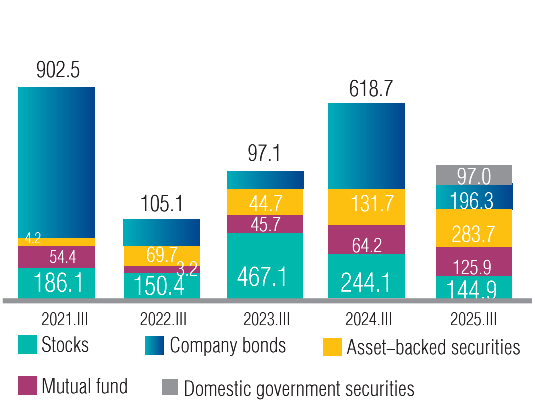
Registered

Auditing firms **56** (7 duplicate)	Securities valuation firms **25** (duplicate)	Legal consultancies **45**
JSCs **311**	*Listed on the Mongolian Stock Exchange – 163 JSCs* *Listed on the Ulaanbaatar Stock Exchange – 2 JSCs*	

** Securities firms include brokers and dealers, underwriters, and investment consultancy firms*

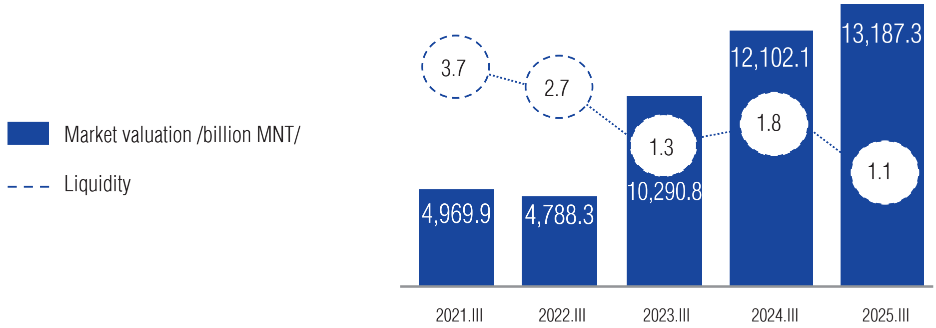
SECURITIES TRADING

- In the third quarter of 2025, securities trading totaled 847.8 billion MNT, marking a 19.9 percent decrease from the previous year. Compared to the same period in 2021, this represents a 26.1 percent decrease.
- Of the total trades, shares accounted for 17.1%, investment fund units for 14.8%, corporate bonds for 23.2%, and asset–backed securities for 33.5%, government domestic securities for 11.4%.



Market valuation and liquidity

- Market valuation increased by 9.0% compared to the same period last year, reaching 13,187.3 billion MNT. Liquidity also improved, rising by 1.1%.



TOP 20 49,327.20

MSE A 19,358.87

MSE B 14,493.08

Securities market index

- The TOP–20 Index rose by 1,462.73 points, marking an 3.1% increase.
- The MSE A index increased by 998.26 points (5.4%).
- The MSE B index grew by 917.41 points (6.0%).

INDUSTRY CLASSIFICATION OF JSCs LISTED ON THE MONGOLIAN STOCK EXCHANGE

INDUSTRY	28.7%
CONSTRUCTION	10.8%
TOURISM	1.3%
AGRICULTURE AND LIVESTOCK	8.3%
SHOPPING, HOTELS, CATERING	4.5%
COMMUNICATIONS	1.3%
BANKING AND FINANCE	22.9%
TRANSPORT LOGISTICS	2.5%
MINING	10.2%
OTHER	9.5%

The composition of the TOP–20 index portfolio is determined by market valuation, average daily turnover, number of trading days, and market concentration. Although only 22.9% of registered companies were in the banking and financial sector, they accounted for 65.2% of the TOP–20 index portfolio.

SECTOR CLASSIFICATION OF JSCs INCLUDED IN THE TOP–20 INDEX (BY MV)

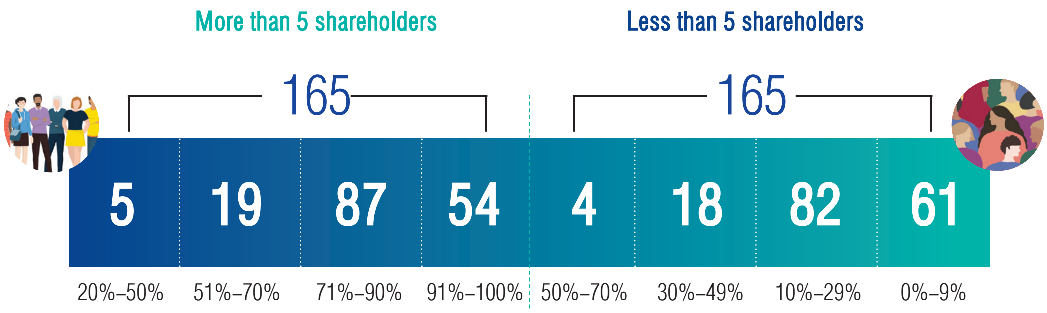
INDUSTRY	16.8%
INFORMATION TECHNOLOGY	0.4%
BANKING AND FINANCE	65.2%
MINING	16.1%
COMMUNICATIONS	0.8%
TRANSPORT LOGISTICS	0.7%

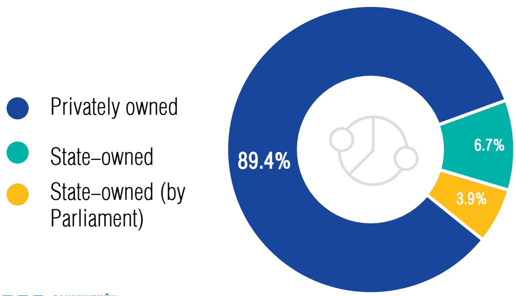
SECURITIES REGISTERED IN A MCSD

Shares listed on the MSE	22,340,052,231
Shares listed on the Ulaanbaatar Exchange	764,040,458
Bonds listed on the MSE, ChingisKhaan Exchange and the Ulaanbaatar Exchange	9,105,000
Government bonds	1,080,000
Bonds registered (private)	21,486,944,078
Shares registered (private)	346,841,615,263
Total	**391,442,837,030**

STOCK CONCENTRATION

The table below illustrates the ownership concentration of 165 JSCs actively traded on the stock exchange, highlighting the proportion of shareholders owning more than 5% and those owning 5% or less.



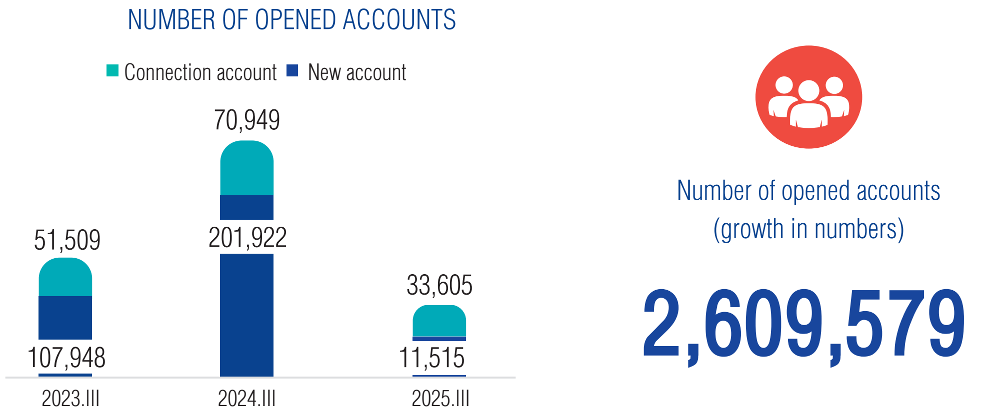


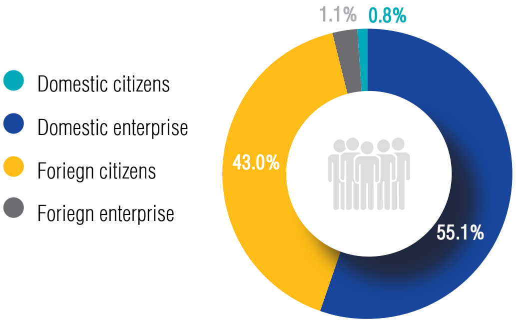
STOCKS, BY EQUITY STRUCTURE

- 311 JSCs were registered with the FRC's securities registry. Of these, 89.4% were privately owned, 6.7% were state–owned, and 3.9% were owned by Parliament.

NUMBER OF SECURITIES ACCOUNTS

- 11,515 new securities accounts were opened: bringing the total to 2,609,579. Additionally, 33,605 new escrow accounts were created, increasing the overall number to 705,542.





COMMERCIAL STRUCTURE

- Domestic entities conducted the majority of transactions (55.1%), highlighting their strong presence in the capital market. Domestic individuals accounted for 43.0% of total trades, while foreign individuals and foreign entities contributed 1.1%, and 0.8%, respectively.

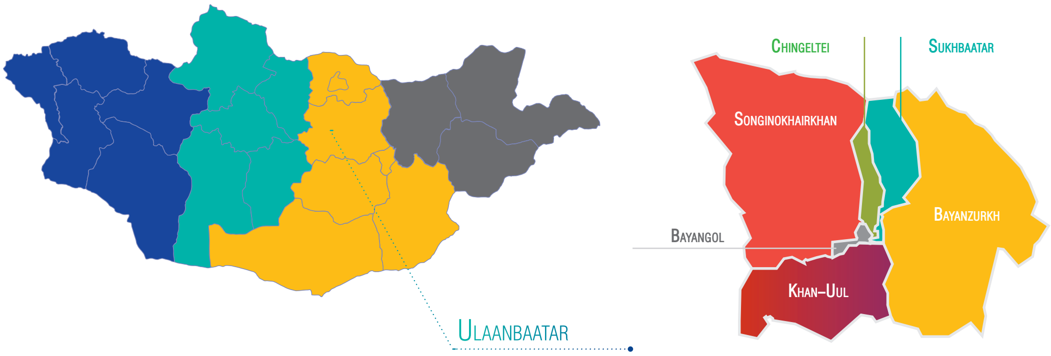
NUMBER OF TRADE PARTICIPANTS, FREQUENCY /INCREASING AMOUNT/

- A total of 91,218 citizens and 1,727 entities participated in trading, resulting in 230,862 trades. Among the participants, 97.3% were domestic citizens, 1.8% were domestic entities, 0.8% were foreign citizens, and 0.1% were foreign entities.

	Number of traders		Number of trades /duplicated/	
FORIEGN ENTERPRISE	106	0.1%	562	0.2%
FORIEGN CITIZENS	766	0.8%	2,485	1.1%
DOMESTIC ENTERPRISE	1,621	1.8%	9,336	4.0%
DOMESTIC CITIZENS	90,442	97.3%	218,479	94.7%
TOTAL	92,945	100.0%	230,862	100.0%

LOCATION OF THE SECURITIES COMPANY

- A total of 53 operational securities companies are based in Ulaanbaatar.

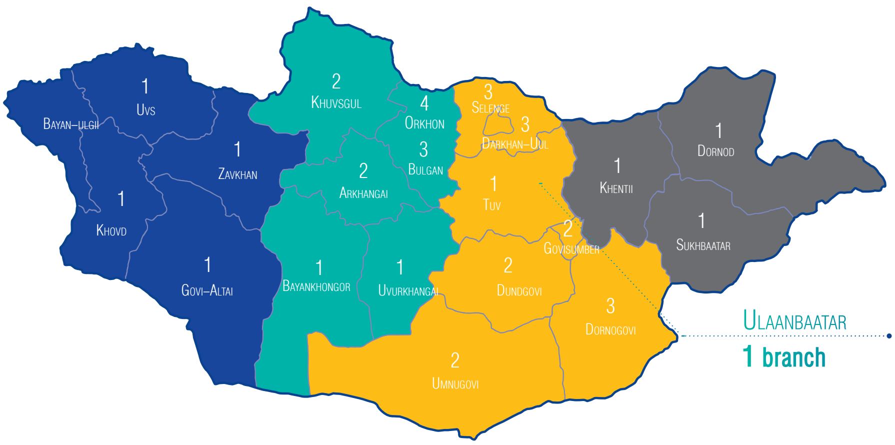


53 SCs

Chingeltei	Sukhbaatar	Khan-uul	Bayanzurkh	Bayangol
SCs 11	SCs 31	SCs 2	SCs 6	SCs 3

LOCATION OF BRANCH REPRESENTATIVE OF SECURITIES COMPANIES

- There are 37 branch representatives of securities companies, 36 are located in the provinces, and 1 is in Ulaanbaatar.

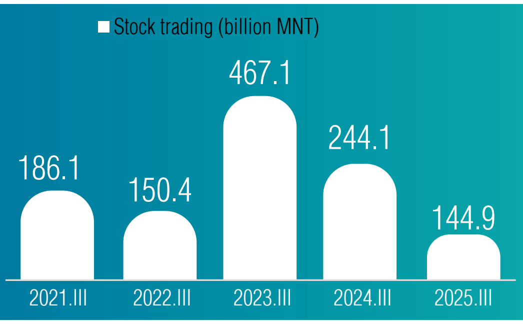


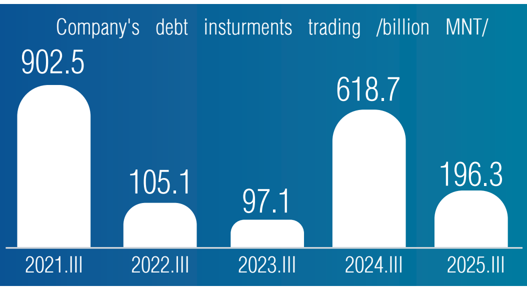
Western Region	Mountain Region	Central Region	Eastern Region
BRANCH 4	BRANCH 13	BRANCH 16	BRANCH 3

PRODUCTS AND SERVICES

STOCK TRADING

Stock trading totaled 144.9 billion MNT, reflecting a 40.6 % increase compared to the same period last year, but a 22.2 % decrease compared to the same period in 2021.





DEBT INSTRUMENTS OF THE COMPANY

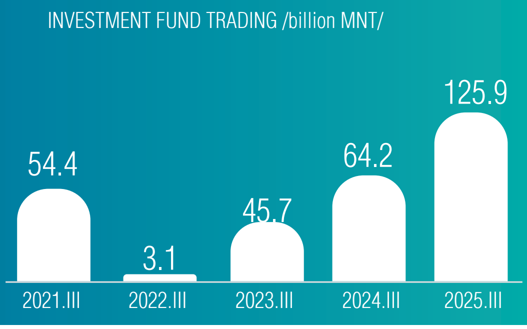
- Corporate bond trading reached 196.3 billion MNT, representing a 68.3% decrease compared to the same period last year and 78.2% decrease compared to 2021.

DEBT INSTRUMENTS OF THE COMPANY /OPEN/

Company	Registered	Bond amount /billion, MNT/
"Business–Invest development NBFI" LLC	2024.12.27	10.0
"Khan Bank" JSC Gender bond	2025.06.26	30.0
"Shunkhlai" LLC	2025.08.21	50.0
"Suu" LLC	2025.08.21	5.0

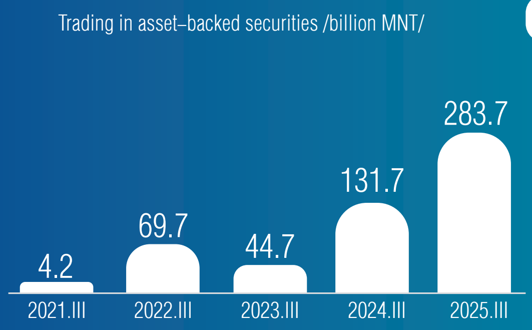
INVESTMENT FUND TRADING

- Trading of investment funds reached 125.9 billion MNT, representing a 95.2% increase compared to the same period of the previous year, and a 2.3–fold increase compared to 2021.



TRADING IN NEWLY ISSUED DEBT INSTRUMENTS

Company	Registered	Investment fund amount /billion MNT/
"Mandal fixed income mutual fund" LLC	2025.08.21	1.1



TRADING IN ASSET–BACKED SECURITIES

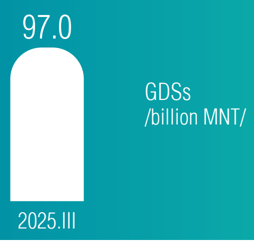
- Trading of asset-backed securities reached 283.7 billion MNT, representing a 2.2–fold increase compared to the same period of the previous year and a 67.1–fold increase compared to 2021.

TRADING IN NEWLY ISSUED DEBT INSTRUMENTS

Company	Registered	amount of asset–backed securities /billion MNT/
"Omni Asset II SPC" LLC	2025.06.13	14.0
"Ashid capital asset SPC" LLC	2025.06.26	40.0

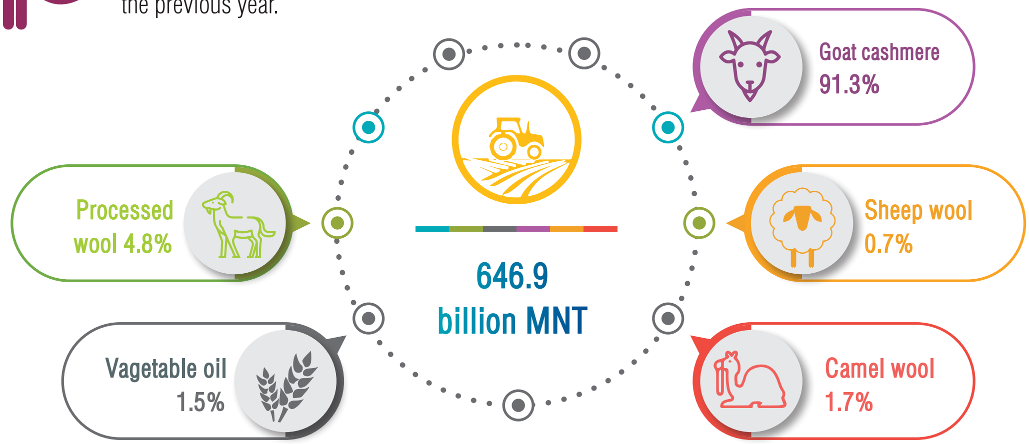
GOVERNMENT DOMESTIC SECURITIES

- The trading volume of Government Domestic Securities (GDSs) reached 97.0 billion MNT.



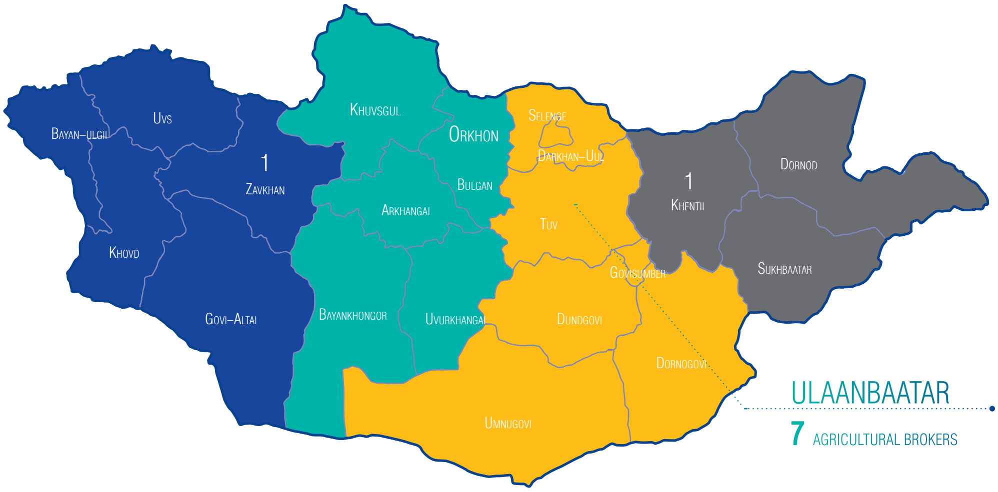
AGRICULTURAL AND RAW PRODUCTS MARKET

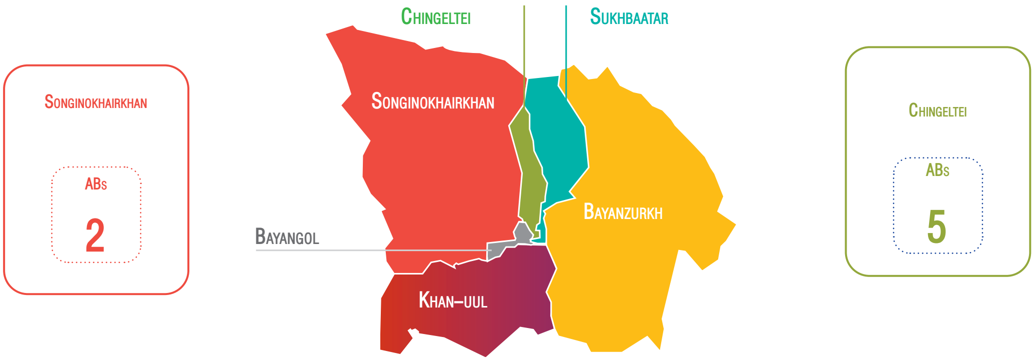
A total of 646.9 billion MNT worth of five types of commodities were traded through the Mercantile Exchange, which is a decrease of 296.2 billion MNT or 31.4 percent compared to the same period of the previous year.



LOCATION OF SCs AND AGRICULTURAL BROKERAGES

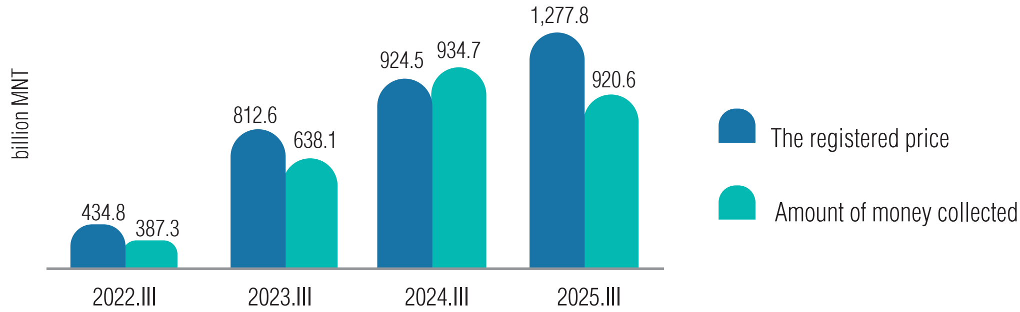
- Nine agricultural brokerages are currently operating, with seven based in Ulaanbaatar and two in the provinces.

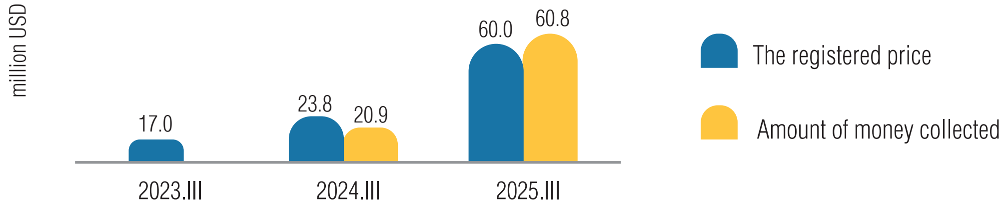




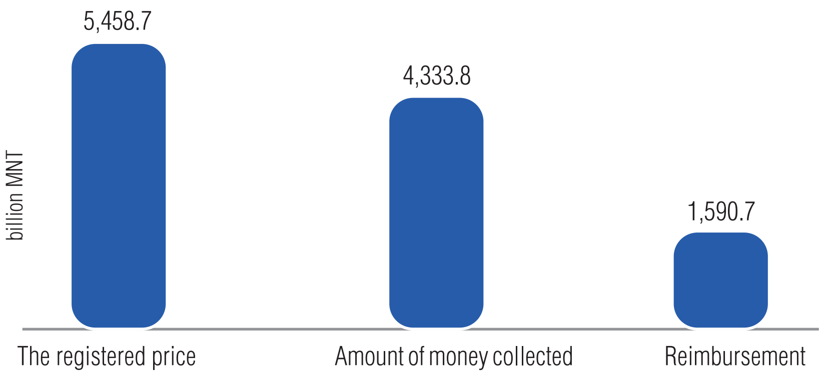
OVER–THE–COUNTER (OTC) MARKET

A total of 83 securities issuers and 237 tranch or 94 debt instruments were registered in the OTC market. Debt instruments worth 1,277.8 billion MNT were registered, of which 920.6 billion MNT successfully raised . Additionally, 60.0 million USD worth of debt instruments were registered, of which 60.8 million USD was collected.





Since the launch of OTC market trading in September 2021, following the registration of the first debt instruments, a total of 5,458.7 billion MNT in worth of debt instruments have been registered, with 4,333.8 billion MNT successfully collected. Additionally, 238.9 million USD in debt instruments were registered, with 178.3 million USD collected. A total of 1,590.7 billion MNT and 15.3 million USD in debt instruments have expired and been successfully repaid.



OTC MARKET PARTICIPANTS

A total of 39 direct participants are registered in the over–the–counter (OTC) market of the Mongolian Association of Securities Dealers. These include: 24 underwriters, 23 dealers, 31 brokers, 6 investment fund companies. Additionally, 4,756 individual indirect participants and 430 legal entity indirect participants are registered through the direct participants.

UNDERWRITER **24**

DEALER **23**

BROKER **31**

INVESTMENT FUND **6**

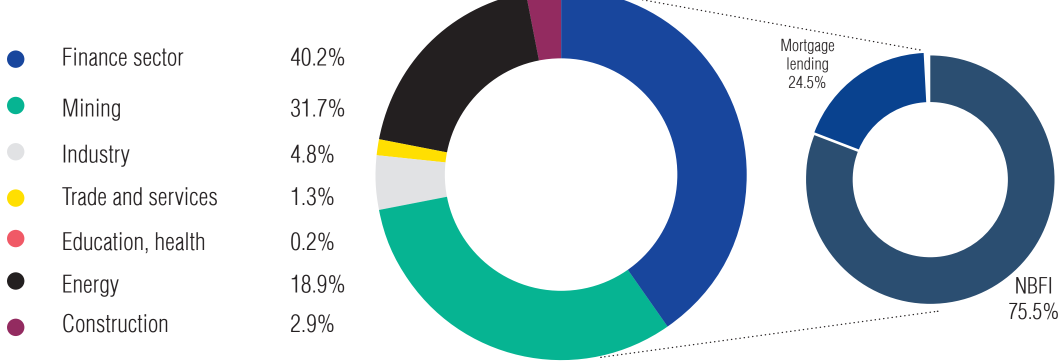
INDIVIDUAL **4,756**

LEGAL ENTITIES **430**

BOND SECTOR CLASSIFICATION

40.2% of total bonds belong to the financial sector, followed by trade and services (1.3%), construction (26.9%), mining (31.7%), energy (18,9%), manufacturing (4.8%), education (1.2%), health and education (0.2%) and construction (2.9%).

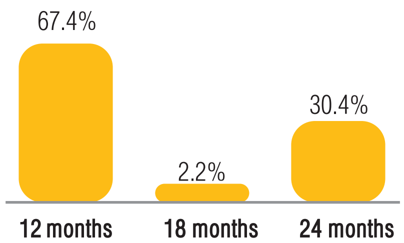
BOND SECTOR CLASSIFICATION



Within the financial sector, 75.5% of bonds are held by non–bank financial institutions (NBFIs), 24.5% by monetary loan activity providers.

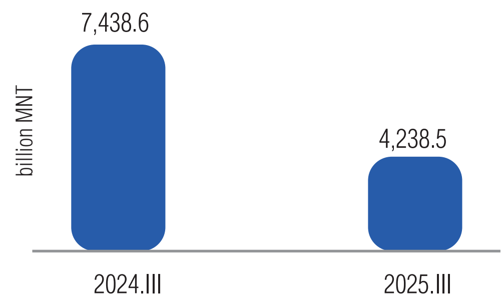
BOND TERMS /BY TRANCHE/

In terms of bond duration, 67.4% have terms of 12 months, 2.2% have terms of 18 months, 30.4% have terms of 24 months.



MINING PRODUCTS MARKET

A total of 393 trades involving 16.8 million tons of mining products were conducted, amounting to 4,238.5 billion MNT in transactions. This represents a 43.0% decrease compared to the same period last year.

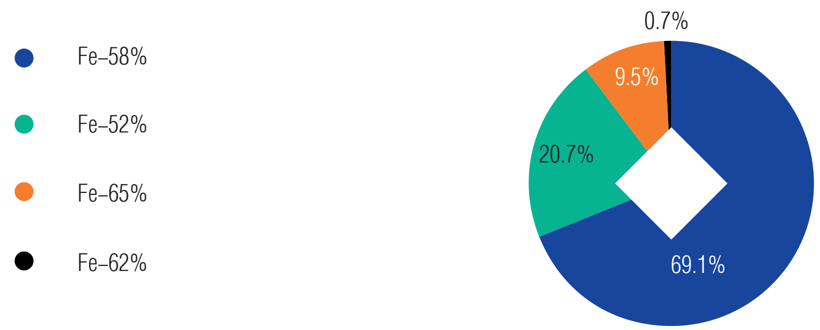


Of the total trade volume, 21.3% was in iron ore and concentrate, 71.8% in coal, 5.9% in copper concentrate, and 1.0% in fluorspar.

Products	Number of lots	Product size /thousand tons/	Total amount / billion MNT/
Coal	1,959	12,537.6	3,044.4
Iron ore and concentrate	1,263	4,151.7	902.2
Fluorspar ore and concentrate	638	41.5	43.3
Copper concentrate	35	35.0	248.6
Total	**3,895**	**16,765.8**	**4,238.5**

IRON ORE AND CONCENTRATE TRADE

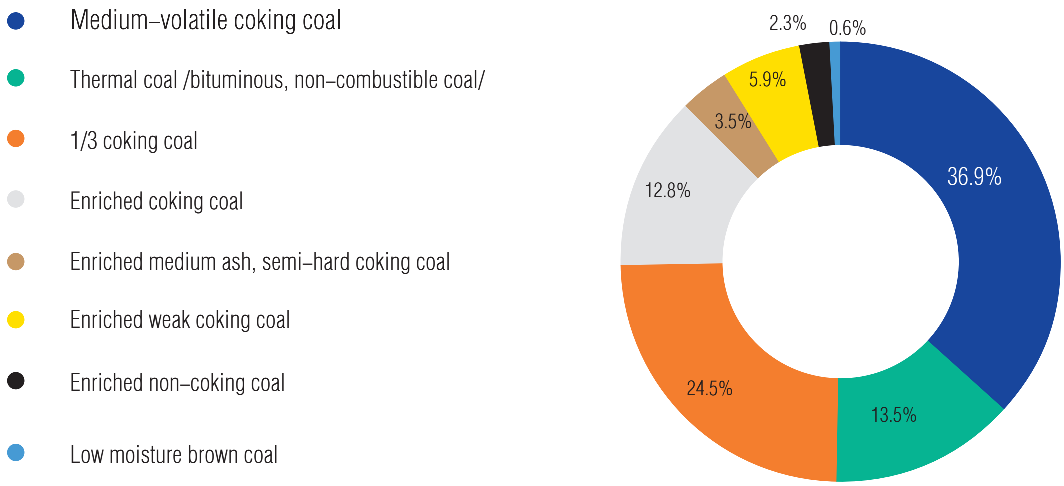
A total of 1,263 packages, equaling 4,151.7 thousand tons of iron ore and concentrate, were traded for 902.2 billion MNT. Of the total trade in iron concentrate: 69.1% are Fe–58%, 20.7% are Fe–52%, 9.5% are Fe–65%, and 0.7% are Fe–62%.



COAL TRADE

A total of 1,959 packages, or 12,537.6 thousand tons of coal, were traded for 3,044.4 billion MNT. The breakdown of coal types by percentage of the total trade is as follows:

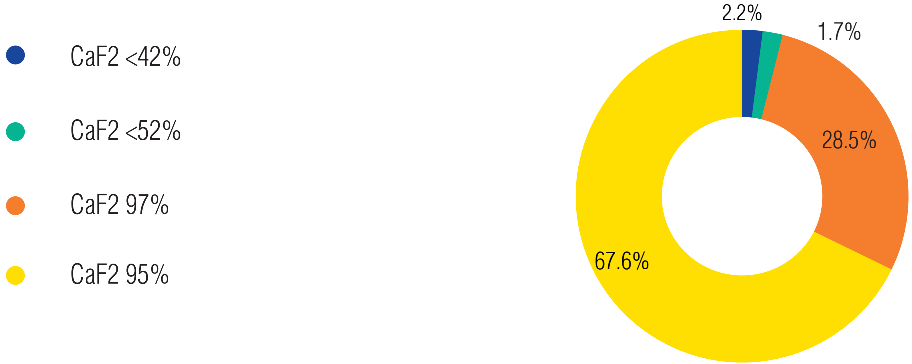
1/3 coking coal: 24.5%, concentrated coking coal: 12.8%, Thermal coal: 13.5%, Medium–volatile coking coal: 36.9%, Enriched medium–ash, semi–hard coking coal: 3.5%, concentrated non–coking coal: 2.3%, concentrated weak coking coal: 5.9%, low–moisture lignite coal: 0.6%.



FLOUSPAR ORE AND CONCENTRATE TRADING

A total of 638 packages, equaling 41.5 thousand tons of fluorspar ore and concentrate, were traded for 43.3 billion MNT. Of the total trade:

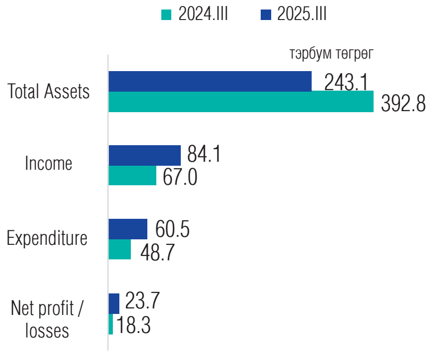
28.5% consisted of CaF2–97% fluospar concentrate, 67.6% consisted of CaF2–95% flouspar concentrate, 2.2% consisted of CaF2–<42% flourspar ore, 1.7% consisted of CaF2–<52% flourspar ore.



COPPER CONCENTRATE TRADE

A total of 35 packages, or 35.0 thousand tons, of a copper concentrate with a copper content of 22.35% were traded for 248.6 billion MNT.

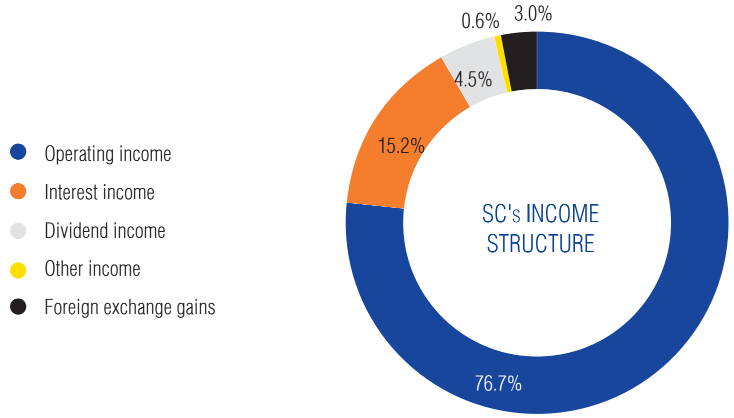
PROFITABILITY



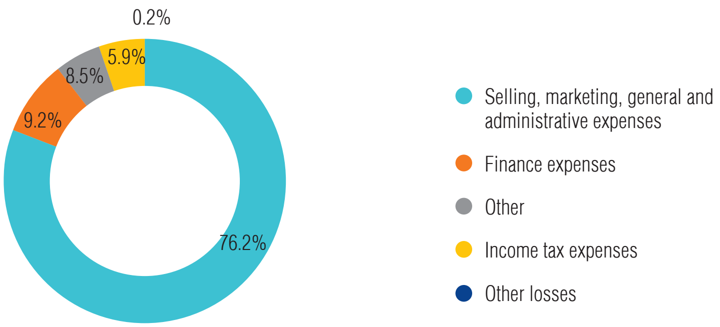
PROFITABILITY OF SECURITIES COMPANIES

- The total assets of securities companies amounted to 243.1 billion MNT, reflecting an 38.1% increase compared to the same period last year.
- Compared to the previous year, income increased by 17.1 billion MNT, while expenses increased by 11.8 billion MNT, resulting in a net profit of 23.7 billion MNT.

SC's INCOME STRUCTURE



SC's EXPENDITURE STRUCTURE



CENTRALIZED TAXATION AND SOCIAL SECURITY CONTRIBUTIONS

4.0 billion MNT
Social insurance premium

3.6 billion MNT
Income tax

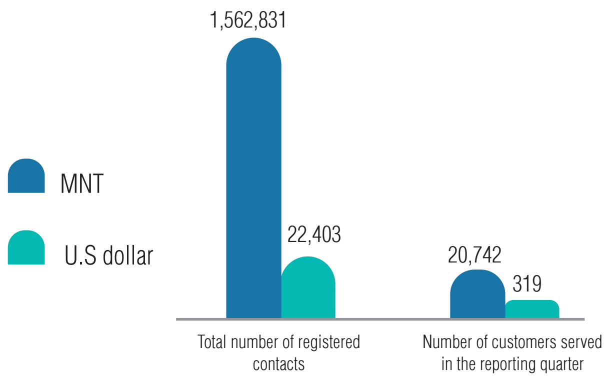
1.7 billion MNT
Personal income tax

- Securities companies paid 4.0 billion MNT for social insurance contributions, 1.7 billion MNT for personal income tax, and 3.6 billion MNT for corporate income tax. In total, they contributed 9.3 billion MNT to the state budget.

CASH ACCOUNT NOMINEE REPORT

- A total of 1,585,234 clients are registered with 22 companies providing services through nominee cash accounts. During the reporting quarter, 21,061 clients received services through nominee accounts.

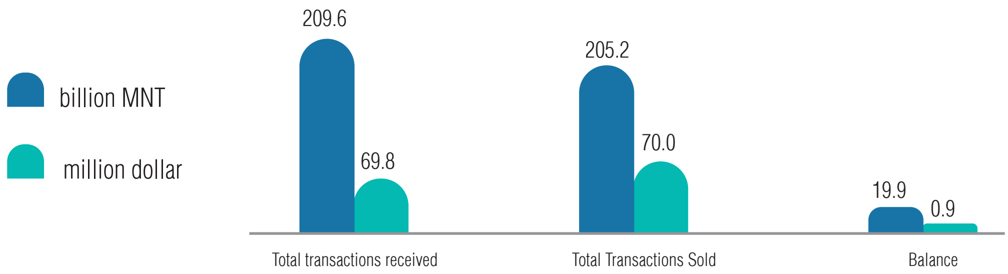
NUMBER OF NOMINEE ACCOUNTS COSTUMERS



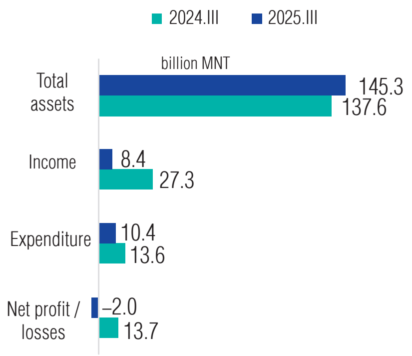
TOTAL NUMBER OF REGISTERED CONTACTS

1,585,234

During the reporting quarter, transactions totaling 209.6 billion MNT and 69.8 million USD were made, and the total remaining balance of clients' nominee cash accounts amounted to 19.9 billion MNT and 0.9 million USD.

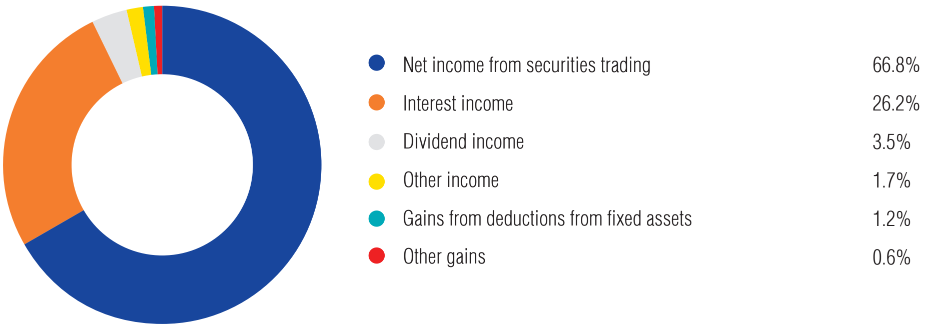


FINANCIAL STATEMENT INDICATORS OF IMC

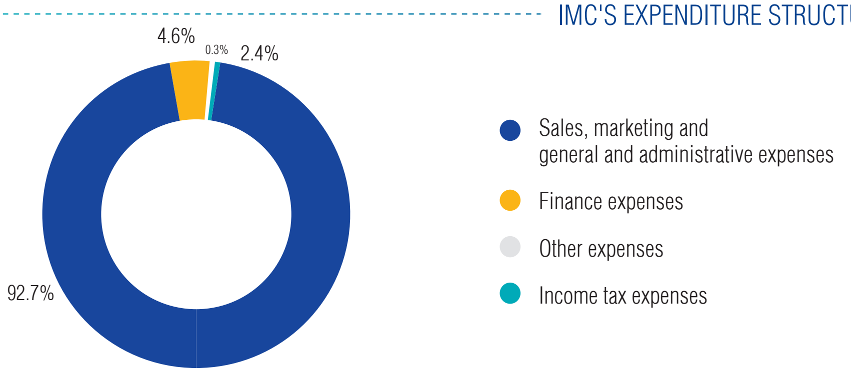


- The total assets of investment management companies amounted to 145.3 billion MNT, reflecting an 5.6% increase compared to the same period last year.
- Compared to the previous year, income decreased by 18.9 billion MNT, while expenses reduced by 3.2 billion MNT, resulting in a net profit of 2.0 billion MNT.

IMC's INCOME STRUCTURE



IMC'S EXPENDITURE STRUCTURE



CENTRALIZED TAXES AND SOCIAL INSURANCE PREMIUMS TO THE STATE BUDGET OF SECURITIES COMPANIES

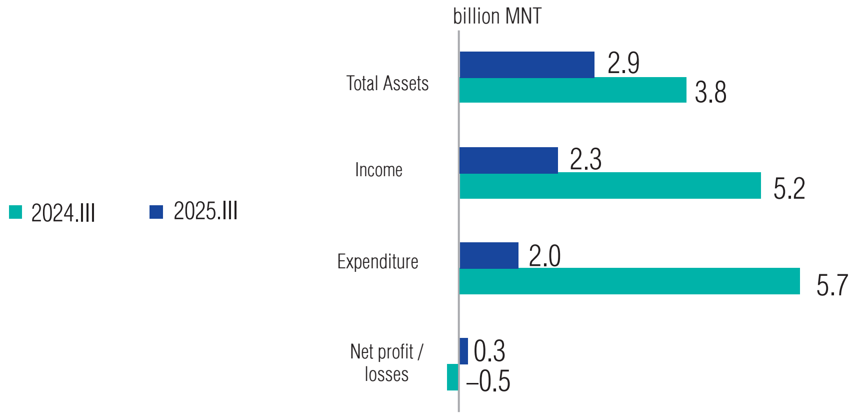
1.3 billion MNT Social insurance premium

0.3 billion MNT Income tax

0.2 billion MNT Personal income tax

- Investment management companies paid 1.3 billion MNT for social insurance contributions, 0.2 billion MNT for personal income tax, and 0.3 billion MNT for corporate income tax. In total, securities companies contributed 1.8 billion MNT to the state budget.

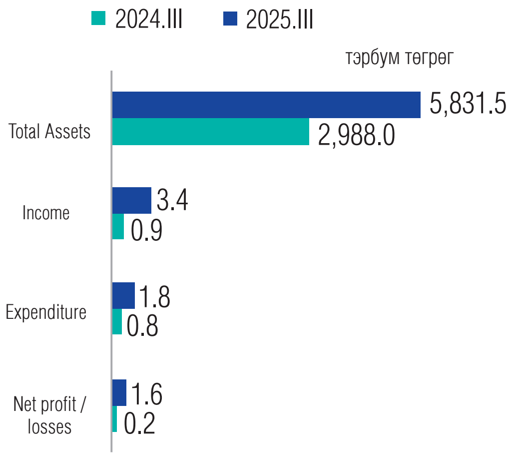
FINANCIAL STATEMENT INDICATORS OF AGRICULTURAL EXCHANGES



PROFITABILITY OF AGRICULTURAL COMMODITY EXCHANGES

- The total assets of agricultural commodity exchanges amounted to 2.9 billion MNT, reflecting a 25.8 % decrease compared to the same period last year.
- Compared to the previous year, income decreased by 2.9 billion MNT, while expenses decreased by 3.7 billion MNT, resulting in a net profit of 0.3 billion MNT.

FINANCIAL STATEMENT INDICATORS OF CUSTODIANS

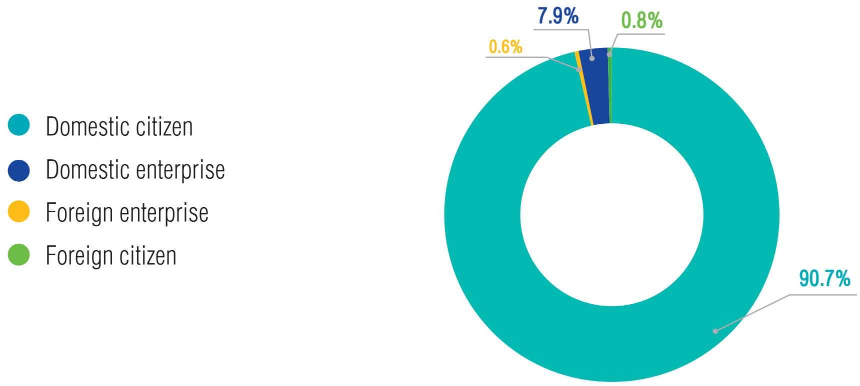


PROFITABILITY OF CUSTODIAN BANKS

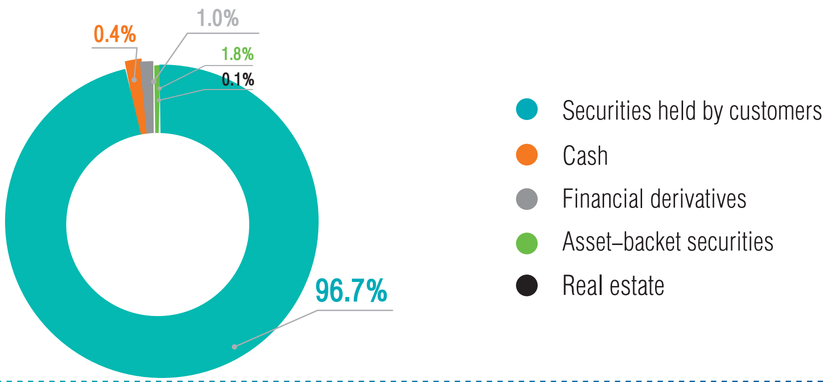
- The total assets of custodian banks amounted to 5,831.5 billion MNT, marking a 95.2% increase compared to the same period last year.
- Compared to the same period last year, income increased by 2.5 billion MNT, while expenses increased by 1.0 billion MNT, resulting in a profit of 1.6 billion MNT.

CUSTOMER STRUCTURE OF CUSTODIAN BANKS

- The majority (90.7 %) of customers were domestic citizens, 7.9% were domestic entities, 0.8 % were foreign citizens, and 0.6 % were foreign entities.

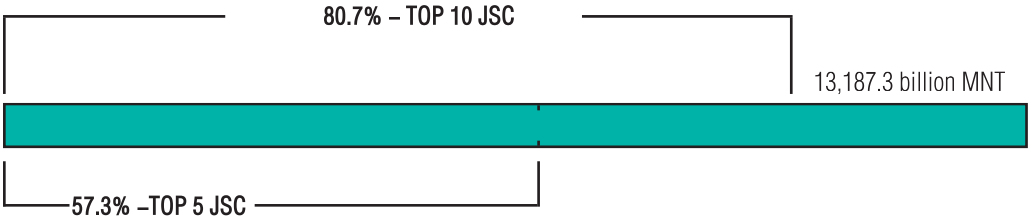


- In terms of the classification of assets deposited in the custodian banks: 96.7% were securities, 1.8% were asset–backed securities, 1.0% were derivative financial instruments, 0.4% were cash, and 0.1% were real estate.



STABILITY

The 10 companies with the highest market valuation accounted for 80.7% of the total market value, while the top 5 companies represented 57.3%.



REGULATORY ENVIRONMENT

POLICY AND LEGISLATION

The Financial Regulatory Commission organized a discussion on the draft "Regulation on Providing Securities Lending and Borrowing Services"

In May 2024, the State Great Khural (Parliament of Mongolia) adopted amendments to the Law on the Securities Market, creating an opportunity to introduce securities lending and borrowing services into the market. Within this framework, the Financial Regulatory Commission developed the draft "Regulation on Providing Securities Lending and Borrowing Services," aligning it with international best practices and the characteristics of the domestic market, and organized the third round of public and industry consultations to collect feedback.

The discussion was attended by representatives of capital market infrastructure institutions, self–regulatory organizations, securities companies, and the public, who exchanged views and provided comments. Once adopted, the regulation is expected to help determine market supply and demand more efficiently, increase trading activity and the number of investors, and improve market liquidity indicators, among other benefits.

БОДЛОГО ЗОХИЦУУЛАЛТЫН ОРЧИН

INTERNATIONAL COOPERATION

COOPERATION WITH THE KOREA SECURITIES FINANCE CORPORATION (KSFC) OFFICIALLY LAUNCHED

On 21 August 2025, Chairman of the Financial Regulatory Commission (FRC) of Mongolia, T. Jambaajamts, and President of the Korea Securities Finance Corporation (KSFC), Kim Jong–Gak, signed a Memorandum of Understanding (MoU) to launch bilateral cooperation.

As part of its efforts to further develop the capital market, the FRC is working to establish a regulatory framework for securities lending and borrowing. The signing of this MoU enables the two institutions to begin phased cooperation in this area and provides opportunities to receive technical and economic advice and support from KSFC. Establishing this regulatory framework will diversify the capital market and play an important role in increasing trading activity and market liquidity.

Within the framework of the MoU, the two sides will expand cooperation between the securities markets of both countries, exchange information, and organize medium– and long–term training programs for FRC specialists, market professionals, and infrastructure institutions with the participation of KSFC's expert team. Advisory support, knowledge–sharing, and capacity–building activities will also be conducted, laying the foundation for elevating bilateral cooperation to a new level.

SIGNED A MEMORANDUM OF UNDERSTANDING WITH KAZAKHSTAN'S FINANCIAL SERVICES AUTHORITY

A delegation led by the Speaker of the State Great Khural, D. Amarbayasgalan, paid a working visit to the Republic of Kazakhstan from 4–7 September 2025.

Within the framework of this visit, Chairman of the Financial Regulatory Commission (FRC) T. Jambaajamts and Chairwoman of the Astana Financial Services Authority (AFSA) Evgeniya Bogdanova signed a Memorandum of Understanding.

The MoU enables the two institutions to exchange information on cross–border financial activities and carry out technical cooperation focused on companies providing fintech–based virtual asset services. It also provides for mutual assistance in conducting financial supervision to support the safe and sound operation of capital market, insurance, and fintech sector institutions, as well as cooperation aimed at strengthening the institutional capacity of both authorities.

ASIAN SECURITIES FORUM HELD IN ULAANBAATAR

The 30th Asian Securities Forum, organized in cooperation with the Mongolian Securities Dealers Association (MSDA), was successfully held in Ulaanbaatar. The region's most prestigious forum in the securities sector brought together more than 100 capital market professionals from over 20 countries across the Asia–Pacific. Participants discussed capital market development trends, future cooperation, sustainable finance, digital transformation, regional integration, and the protection of investor interests.

Organized by the Asian Securities Forum, which represents more than 24,000 investors from over 20 Asian countries, this event marked the first time the forum was held in Mongolia. Hosting the forum served as an important indication that Mongolia's capital market is progressing successfully at the regional level. Furthermore, it was a landmark event that helped showcase Mongolia's capital market, key projects, and market participants to the international community on a broader scale.

INSURANCE MARKET

Total assets

800.8 billion MNT

Capital growth 14.1%

Financial market status

Insurance density

141,855 MNT

Accessibility

Total fees for brokered insurance and reinsurance

113.1 billion MNT

Products and services

Profitability

Net profit

42.0
billion MNT

Tax collected by the state, Social security contributions

16.4
billion MNT

Stability

Share of reinsurance premiums in total premium income

33.5%

Regulatory environment

FINANCIAL MARKET STATUS

INSURANCE SECTOR STRUCTURE

As of the third quarter of 2025, the Financial Regulatory Commission has granted licenses, permits, and rights to the following entities operating in the insurance sector:

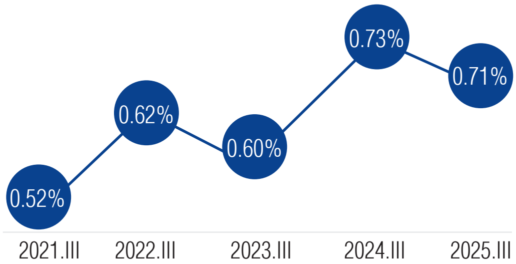
355 licensed entities, including insurance companies, brokers, loss assessors, audit firms, actuaries, and auditors, 1,109 insurance agents.

Non–life insurance	17
Life insurance	3
Reinsurance	1
Insurance intermediaries	62
Insurance loss adjusters	29
Insurance agents	1,109

Auditing firms	48
Auditors	155
Actuaries	40

INSURANCE PENETRATION

- Insurance penetration reached 0.71%, marking: reflecting: A 0.02 percentage point decrease compared to the same period last year, and a 0.19 percentage point increase compared to 2021.



NUMBER OF INSURANCE CONTRACTS

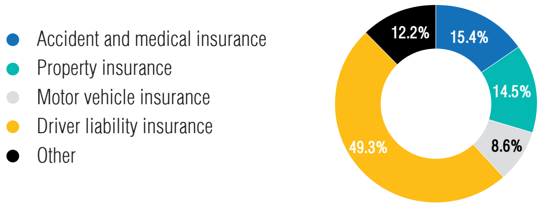
A total of 1,338,950 insurance contracts were issued, distributed as follows:

–80.2% (1,074,296 contracts) with individuals. 19.8% (264,654 contracts) with legal entities.

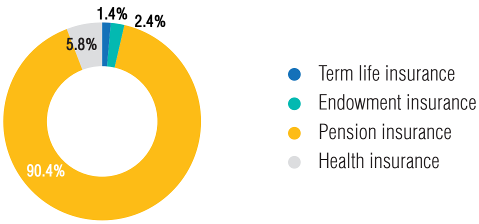
Individuals **1,074,296**

Legal entities **264,654**

INSURANCE CONTRACT (BY TYPE)



LIFE INSURANCE CONTRACT (BY TYPE)



Gender ratio of contracts concluded with individuals /percentage/

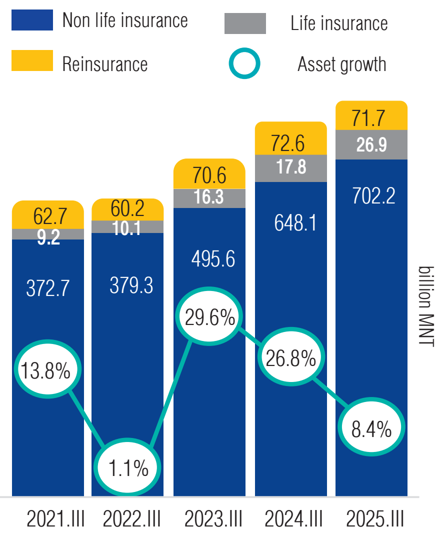
Insurance contracts were issued to individuals by gender:

69.9% were male individuals.

30.1% were female individuals.

TOTAL ASSETS OF INSURANCE COMPANIES

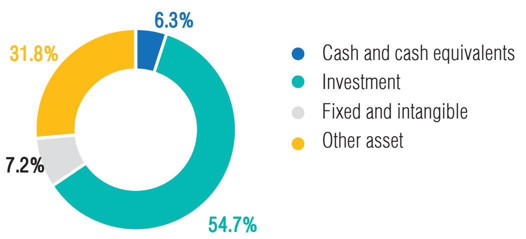
- The total assets of the insurance sector grew by 8.4% year–on–year, reaching 800.8 billion MNT, reflecting an 80.1% increase compared to the same period in 2021.
- Non–life insurance companies recorded an 8.3% asset growth, reaching 702.2 billion MNT, accounting for 87.7% of the sector's total assets.
- The total assets of life insurance companies increased by 51.5%, reaching 26.9 billion MNT, representing 3.4% of the sector's total assets.
- Reinsurance companies' total assets declined by 1.2% compared to the same period of last year, standing at 71.7 billion MNT, making up 9.0% of the sector's total assets.



ASSET STRUCTURE AND MARKET SHARE (BY TOTAL ASSETS)

The distribution of insurance companies' total assets is as follows:

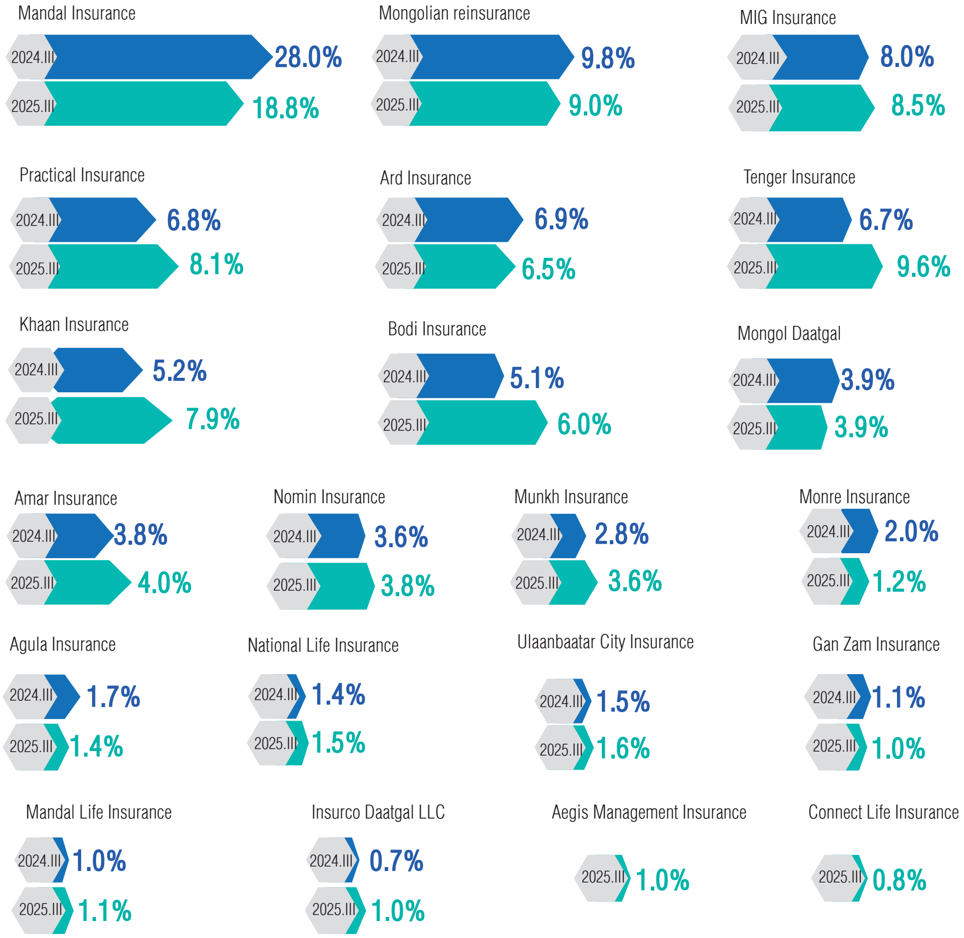
Investments: 437.9 billion MNT (54.7%), Other Assets: 255.0 billion MNT (31.8%), Fixed and Intangible Assets (net): 57.3 billion MNT (7.2%), Cash and Equivalent Assets: 50.5 billion MNT (6.3%).



Insurance companies are categorized based on their share of total assets:

2 companies hold a market share above 9%, 5 companies hold a share between 6 and 9%, 5 companies hold a share between 3 and 6%, 9 companies hold a share below 3%.

Percentage share of total assets of insurance and reinsurance companies



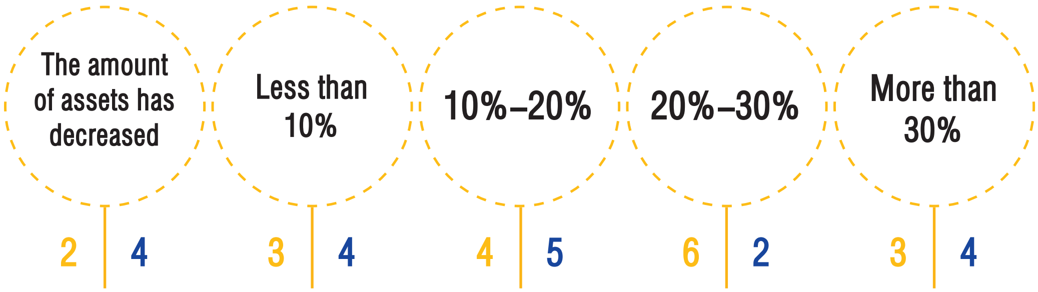
ASSETS GROWTH DISTRIBUTION OF INSURANCE COMPANIES

When categorized by capital growth:

4 companies recorded an increase of over 30%, 2 companies experienced growth of 20–30%, 5 companies had growth between 10–20%, 4 companies reported growth of less than 10%.

Additionally, 4 insurance companies experienced a decline in capital size. In Q4 2024, Agis Management Insurance LLC began operations, its asset growth was excluded from calculations.

2023.III–2024.III / 2024.III–2025.III



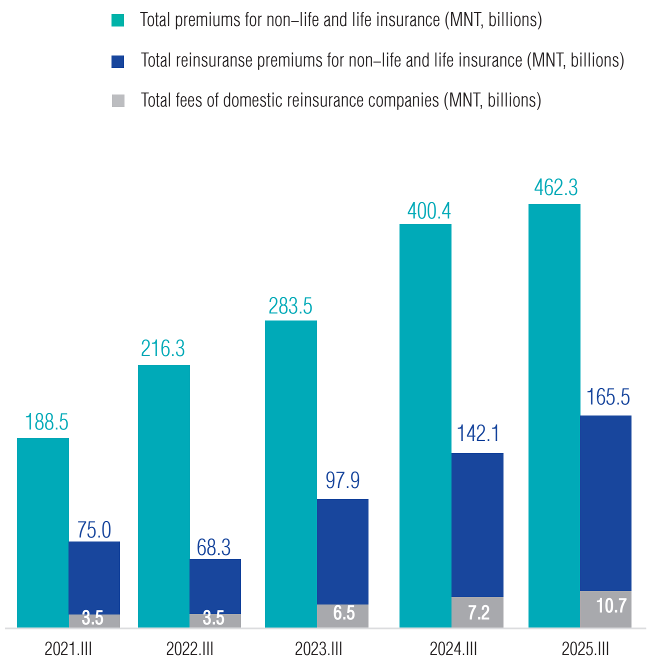
TOTAL PREMIUMS

- total premiums collected by non–life and life insurance companies reached 462.3 billion MNT, Breakdown by Insurance Type:

– Non–life insurance companies collected 456.9 billion MNT, accounting for 98.8% of total premiums.

– Life insurance companies collected 5.4 billion MNT, making up 1.2% of the total.

- A total of 165.5 billion MNT was collected from reinsurance premiums. Of this, 10.7 billion MNT (6.4%) was paid to domestic reinsurers.
- Total premiums grew by 15.5% compared to the same period last year and increased by 2.5–fold compared to the same period of 2021.

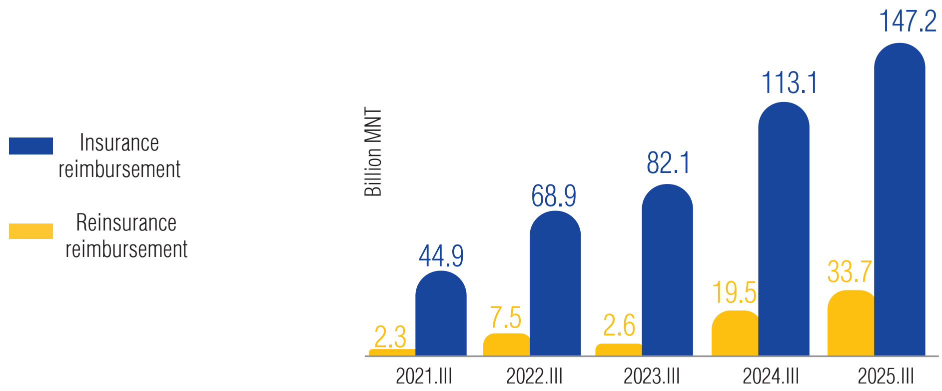


Total non–life insurance premium

	2024.III	2025.III
Property insurance	28.7%	27.8%
Motor vehicle	25.0%	22.8%
Mandatory driver's liability	10.9%	9.7%
Accident and medical treatment	14.8%	18.0
Other	7.7%	11.1%
Liability	8.0%	6.1%
Aircraft liability	2.0%	1.6%
Construction	2.1%	1.7%
Life	0.8%	1.2%

TOTAL REIMBURSEMENT

- Total compensation expenditures reached 147.2 billion MNT, reflecting: A 30.1% increase compared to the same period of last year, A 3.3–fold increase compared to the same period of 2021.
- Non–life insurance companies paid 144.0 billion MNT, accounting for 97.8% of total compensation expenditures.
- compensation expenditures handled by Reinsurersincreased 1.7–fold, reaching 33.7 billion MNT compared to the same period of last year.



2024.III 2025.III **Non–life insurance reimbursement**

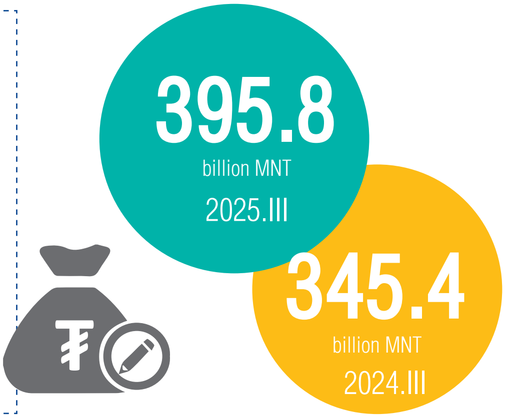
	2024.III	2025.III
Mandatory driver's liability	27.9%	23.8%
Motor vehicle	28.2%	24.0%
Accident and medical treatment	15.3%	21.5%
Property insurance	10.2%	5.1%
Other	15.4%	9.6%
Finance insurance	0.0%	0.0%
Life	1.3%	2.2%
Liability	1.7%	1.6%
Construction	0.0%	12.2%

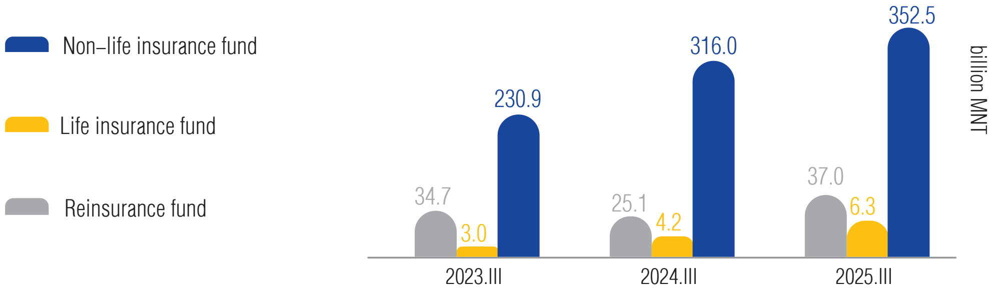
RESERVE FUND

- e total reserve fund of the insurance sector reached 395.8 billion MNT.
- Non–life insurance companies' reserves grew by 11.5%, reaching 352.5 billion MNT.

Life insurance companies' reserves increased by 49.6%, reaching 6.3 billion MNT.

Reinsurance companies' reserves reaching 37.0 billion MNT.

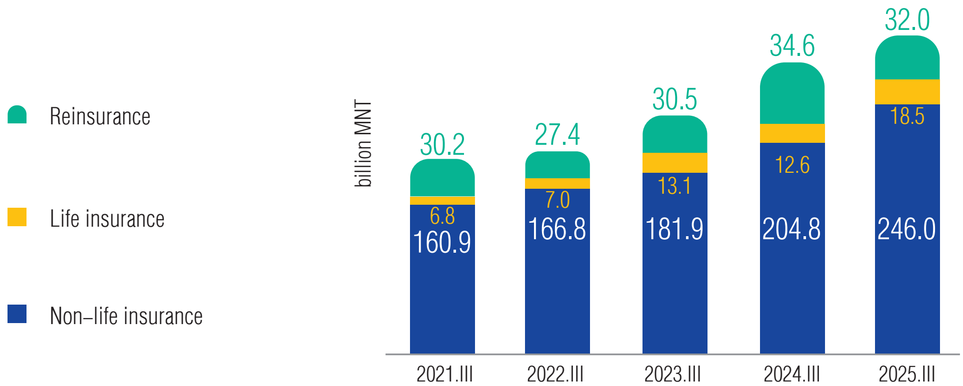




EQUITY CAPITAL

The sector's equity reached 296.5 billion MNT, which is an increase of 49.8% compared to the same period in 2021 and by 17.7% compared to the same period last year.

Of this, 83.0% is accounted for non–life insurance companies, 6.2% by life insurance companies, and 10.8% by reinsurance companies.

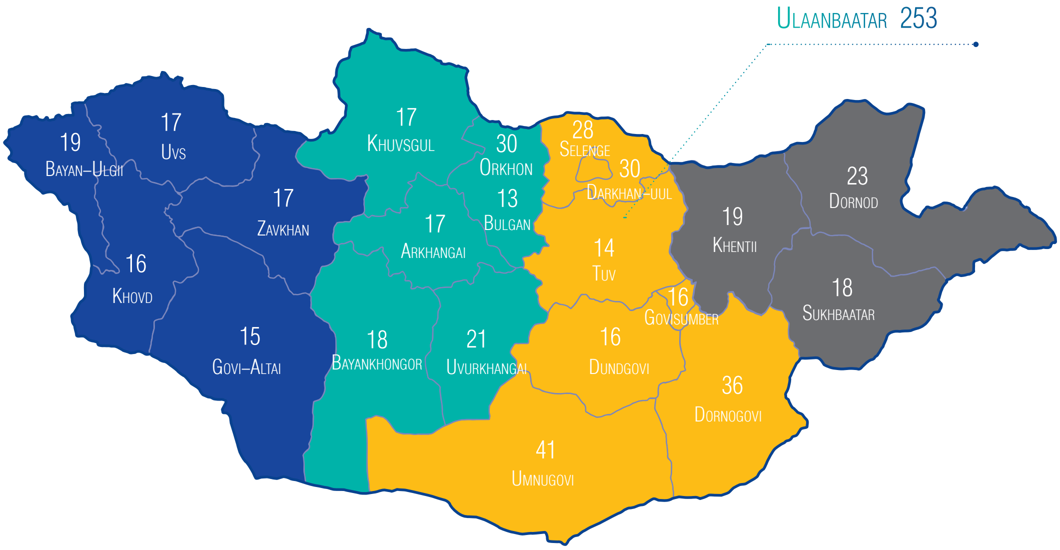


ACCESSIBILITY

BRANCH REPRESENTATIVE ------ Rural area

669 representatives and 441 branches operate across insurance companies, intermediaries, and loss assessment companies.

INSURANCE COMPANIES, BROKERS, AND LOSS ADJUSTERS (BY LOCATION)



WESTERN REGION	MOUNTAIN REGION	CENTRAL REGION	EASTERN REGION
INSURER 43	INSURER 53	INSURER 72	INSURER 27
INTERMEDIARY 36	INTERMEDIARY 49	INTERMEDIARY 86	INTERMEDIARY 26
LOSS ADJUSTERS 5	LOSS ADJUSTERS 14	LOSS ADJUSTERS 23	LOSS ADJUSTERS 7

REPRESENTATIVES

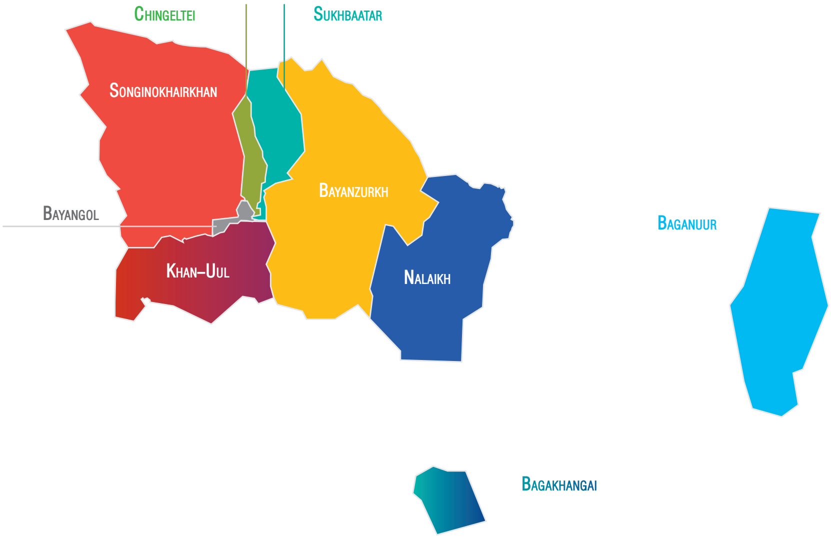
115	231	219	104

BRANCH REPRESENTATIVE

ULAANBAATAR

- A total of 253 representative offices were registered in Ulaanbaatar, including:

37 branches of insurance companies, 227 branches of insurance brokers, 45 branches of loss assessors.92.9% of these offices are located in the six central districts of the capital.



- The total number of representative offices in Ulaanbaatar reached 440.
- Additionally, 15 representative offices of insurance companies were registered with the Financial Regulatory Commission, including one office each in China and South Korea.

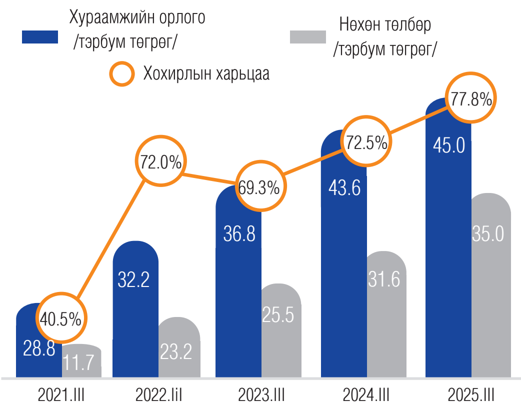
	SONGINOKHAIRKHAN	CHINGELTEI	SUKHBAATAR	BAYANZURKH
INSURANCE	3	5	8	4
BROKER	19	37	48	41
LOSS ADJUSTER	10	4	8	10

	KHAN–UUL	BAYANGOL	NALAIKH	BAGANUUR
INSURANCE	2	4	3	7
BROKER	39	33	6	4
LOSS ADJUSTER	5	7	0	1

	BAGAKHANGAI
INSURANCE	1
BROKER	0
LOSS ADJUSTER	0

COMPULSORY INSURANCE

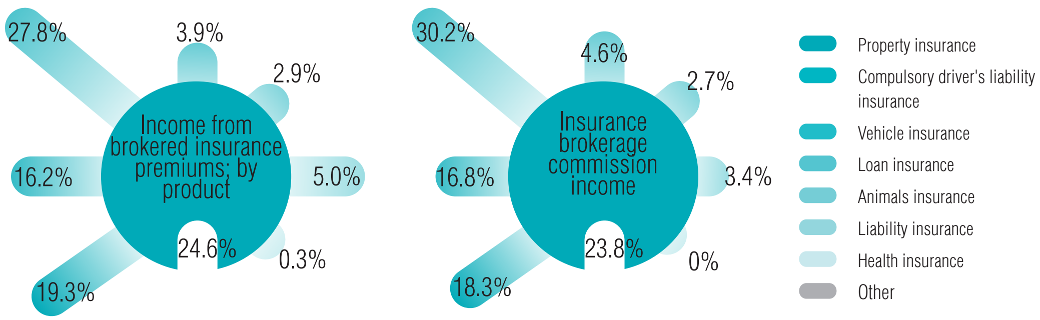
- Total premiums reached 45.0 billion MNT, marking a 3.2% increase compared to the same period last year. This accounts for 9.7% of the total insurance premium income.
- Reimbursements rose by 10.8% year–on–year, with 35.0 billion MNT disbursed as compensation. This represents 23.8% of the total compensation costs within the sector.



INSURANCE INTERMEDIARIES

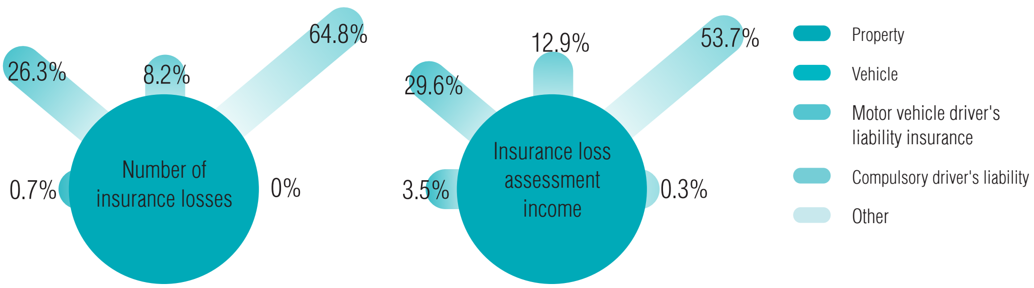
Insurance brokers collected a total of 113.1 billion MNT in premiums.

Premium income from insurance intermediaries increased by 19.6%, reaching 23.7 billion MNT in the reporting quarter, compared to 19.8 billion MNT in the same period last year.



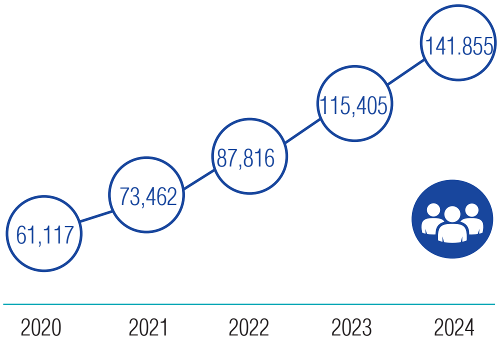
INSURANCE LOSS ASSESSOR

- 32,238 cases assessed, value 63.6 billion MNT.
- Revenue 4.5 billion MNT. d by (26.8% increaseyear–on–year),



INSURANCE DENSITY

The insurance density indicator, which measures premium income per capita, provides insight into market availability and demand. Since the population is counted once a year, it is not possible to calculate insurance density quarterly.



- Insurance density increased to 141,855 MNT, reflecting:

A 22.9% increase from 2023

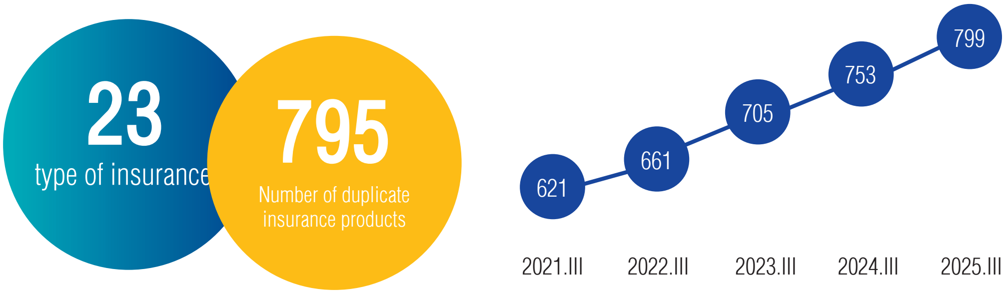
A 132.1% increase compared to 2020

- Per capita premiums by sector:

Non–life insurance: 140,579 MNT(+22.8% year–on–year)

life insurance: 1,277 MNT (+37.8% year–on–year)

PRODUCTS AND SERVICES



- A total of 23 types of non–life and life insurance products are available, with Compulsory Driver's Liability Insurance being the only mandatory product; all others are voluntary.
- The number of overlapping insurance products increased by 42 products from the same period last year to 795, an increase of 174 products compared to the same period in 2021.

Owners' equity	Non–life insurance	Life Insurance	Reinsurance
Owners' equity	98.8	19.3	24.5
Pocket shares	(2.5)	–	–
Additional paid–in capital	16.2	–	–
Stability reserve	2.5	–	–
Asset revaluation reserve	10.3	0.4	–
Foreign exchange translation reserve	–	–	–
Other equity	2.7	–	4.2
Retained earnings and losses	118.0	(1.2)	3.3
Owners' equity result	246.0	18.5	32.0

PROFITABILITY

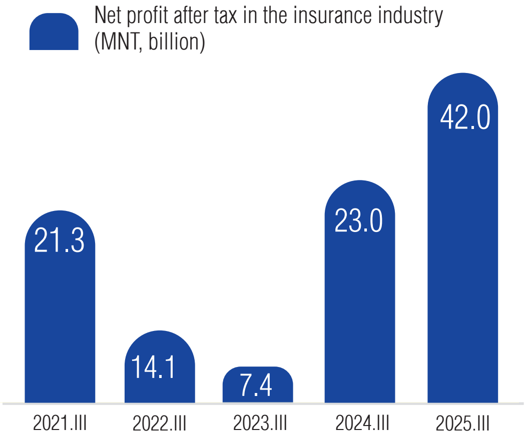
NET PROFIT OF INSURANCE COMPANIES

- The net profit of insurance companies grew by 82.8% year–on–year, reaching 42.0 billion MNT–with a 97.7% increase compared to the same period in 2021.
- Post–tax Performance

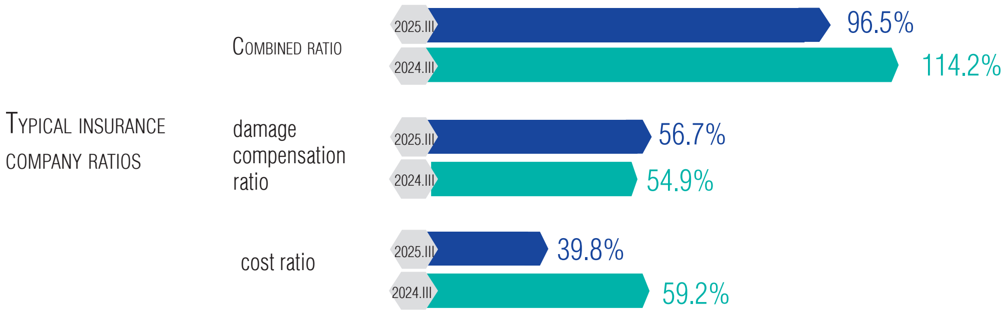
–6 companies reported a decline in profit.

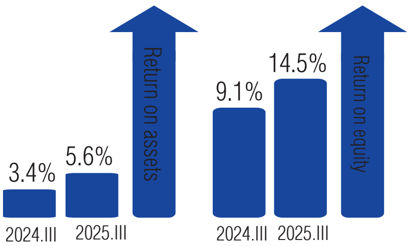
–4 companies saw an increase of up to 50%. –3 companies experienced growth between 50 and 100%.

–6 companies achieved more than 100% profit growth.



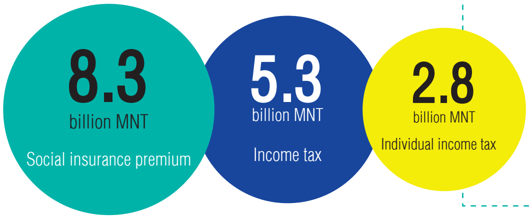
KEY RATIOS





PROFITABILITY INDICATORS

- Return on assets (ROA) increased by 2.2 percentage points, reaching 5.6% year–on–year. Return on equity (ROE) rose by 5.4 percentage points, reaching 14.5%.



- Total contributions to the state budget:

–Social insurance premiums: 8.3 billion MNT

–Personal income tax: 2.8 billion MNT

–Corporate income tax: 5.3 billion MNT

–Total tax contribution: 16.4 billion MNT

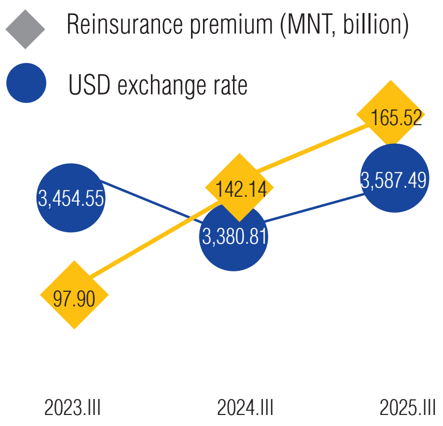
STABILITY

MARKET RISK

- In the reporting quarter, domestic reinsurers transferred 10.6 billion MNT of the total 165.5 billion MNT to reinsurers, while the remaining 154.9 billion MNT was ceded to foreign reinsurance companies.
- During the reporting quarter, reinsurance premiums sent abroad accounted for 33.5% of total insurance premiums collected.
- Currency exchange rate risk remains a major challenge for insurance companies in Mongolia, particularly those engaged in international transactions such as reinsurance.

33.5% Share of reinsurance premiums in total premiums

Reinsurance premium

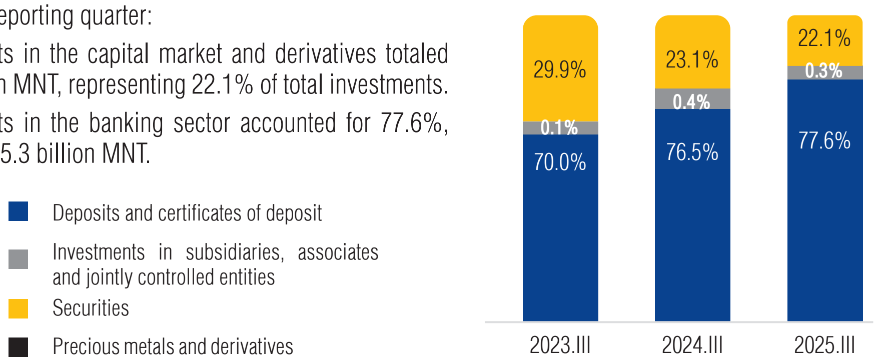


INVESTMENT CLASSIFICATION OF INSURANCE COMPANIES (AS A PERCENTAGE)

- In the reporting quarter:

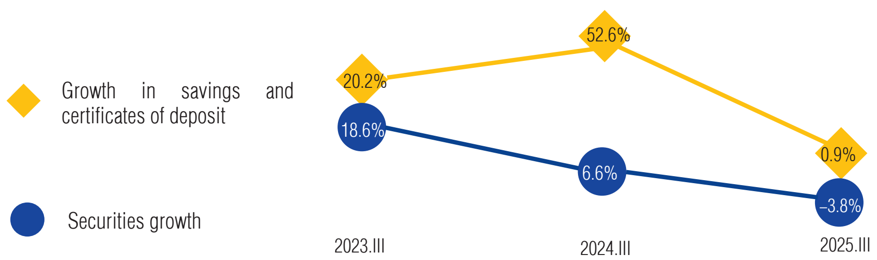
Investments in the capital market and derivatives totaled 95.6 billion MNT, representing 22.1% of total investments.

Investments in the banking sector accounted for 77.6%, totaling 335.3 billion MNT.



PERCENTAGE OF INVESTMENT GROWTH OF INSURANCE COMPANIES

Investment of insurance companies in the capital market decreased by 3.8% compared to the same period last year. Investments in deposits and deposit certificates (banking sector) increased by 0.9% compared to the same period last year.



REGULATORY ENVIRONMENT

POLICY AND LEGISLATION

- In collaboration with the Ministry of Finance, the draft revised version of the Insurance Package Law is being finalized for presentation at the Cabinet meeting and submission to the State Great Khural (Parliament). Once approved, the law is expected to increase insurance penetration, raise the share of insurance premium income in GDP, expand the risk retained by the domestic reinsurer, reduce the proportion of reinsurance premiums ceded abroad, rebalance the structure of the insurance market, targeting a 40/60, ratio between long-term and general insurance, establish a preventive risk-management system through full digitalization, improve policyholder satisfaction, and enhance public confidence in the insurance sector.
- Pursuant to Order A/48 of the Minister of Labor and Social Protection, dated October 30, 2024, a working group was established, with active participation of the FRC's Insurance Department. The Commission submitted proposals to improve the regulatory framework for private supplementary pension schemes, with a particular focus on enabling the participation of long-term insurers.
- 14 years after the first life insurance company was established in Mongolia, the second company was established in 2022, and the third company in 2025. Also, the "Insurance Package Rules" reflecting the revised mortgage insurance regulations were approved by Financial Regulatory Commission Decree No. 66 of 2025, and the Financial Regulatory Commission's Resolution No. 300 of 2025 approved measures to implement the regulations. Starting from August 1, 2025, mortgage borrowers' life and health insurance will be provided only by life insurers.

INTERNATIONAL COOPERATION

- Mr N. Khuderchuluun, Commissioner and Vice Chairman of the FRC, met with the authorities of the Seoul Guarantee Insurance Company of the Republic of Korea. During the meeting, the Mongolian delegation also engaged with executives from Seoul Guarantee Insurance Company to exchange views on the guarantee insurance markets of both countries. The parties agreed to strengthen professional-level cooperation in the development of guarantee operations and to promote human resource development in the sector.
- Representatives of the Insurance market department of the FRC participated in a training on the Korean insurance infrastructure, compulsory insurance system, and operations organized by the Korea Development Institute (KDI), where they exchanged experiences and views on further collaboration.
- On September 4, 2025, representatives of the Insurance Market Department participated in the "Capacity Building" regular training organized by AM Best agency.

MEETINGS AND SEMINARS

- Pursuant to Order No. 199 of 20 May 2025 issued by the Chairman of the Financial Regulatory Commission, the renewed composition of the Insurance Policy Council was approved. The Council held its first meeting on 26 August 2025 and its second meeting on 3 November 2025.
- In connection with the amendments to the Law on Driver's Insurance, a meeting was organized on 27 August 2025 with the participation of the Financial Regulatory Commission, the Mandatory Insurance Fund, and insurance companies to discuss measures for expediting the verification of insurance claims, improving insurance services, and ensuring prompt settlement of claims for citizens and policyholders. Additionally, from 23 to 25 September 2025, a representative of the Insurance Department of the Financial Regulatory Commission participated in the "Pacific Insurance Conference (PIC 2025)" held in Seoul, Republic of Korea. During the conference, participants received information on the challenges and emerging trends in the regional insurance sector, the potential use of artificial intelligence within the insurance ecosystem, the experience of countries implementing the STJOCS–17 standard, and reforms to risk–based solvency frameworks. The conference also featured discussions on trends related to the sustainability of the insurance sector and the leadership role of professional associations at the international level.
- Within the framework of the first phase of the national assessment on combating money laundering and terrorism financing established under Order A/76 of 28 February 2025 issued by the Minister of Justice and Home Affairs, the Financial Regulatory Commission with members of the relevant working group, participated in the preparation of the assessment report. A working group tasked with conducting the sectoral risk assessment was established, and the results of the assessment report were presented at the Policy Council meeting on 8 April 2025. The report included an analysis of the risk levels, impact, trends, and current conditions of the insurance, non–bank financial institution, savings and credit cooperative, and securities sectors. The assessment findings emphasized their significance in improving Mongolia's financial sector risk management policies and regulatory framework.
- In response to a request submitted by Fins Broker LLC to the Financial Regulatory Commission, training sessions were organized on the topics "Leadership in Implementing Underwriting Functions" and "Underwriting Processes and Insurance Contracts."
- A representative of the Insurance Department of the Financial Regulatory Commission participated in the "OLIS 2025 Autumn" international seminar held from 23 to 28 October 2025. During the seminar, trainings and discussions were conducted on the business operations and service characteristics of life insurance companies in Japan, sector management and knowledge sharing, regional cooperation enhancement, and capacity building for participants.

NBFIs

Total assets
8.5 trillion MNT

Capital growth **32.9%**

Financial market status

Costumers **3.7** million

Average loan amount
2.5 million MNT

Accessibility

Credit NBFIs
88.6%

Foreign currency exchange NBFIs
10.9%

Products and services

Profitability

Total income

1,941.1

billion MNT

Tax collected by the state, social security contributions

117.0

billion MNT

Stability

Z index

17.9

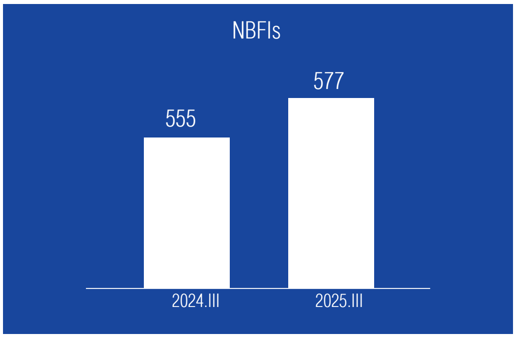
Percentage of non-performing loans

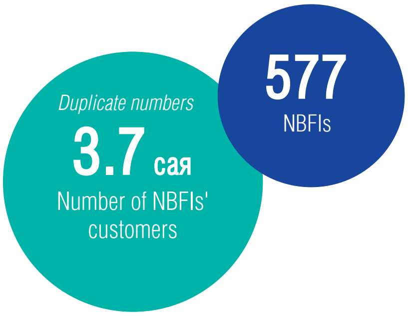
8.9%

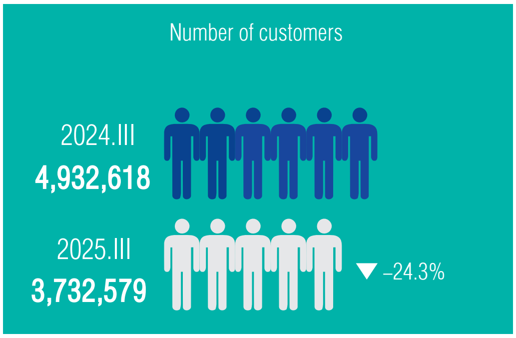
Regulatory environment

MARKET OUTLOOK

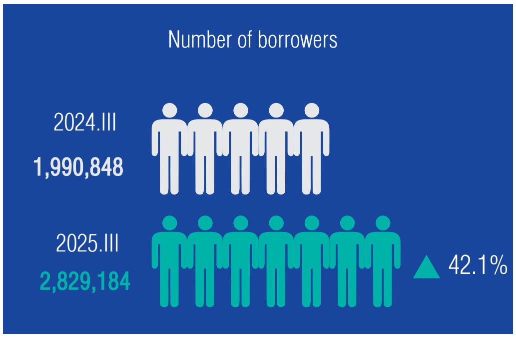
In the third quarter of 2025, the Financial Regulatory Commission licensed 577 NBFIs, marking a 4.0% increase compared to the same period last year.





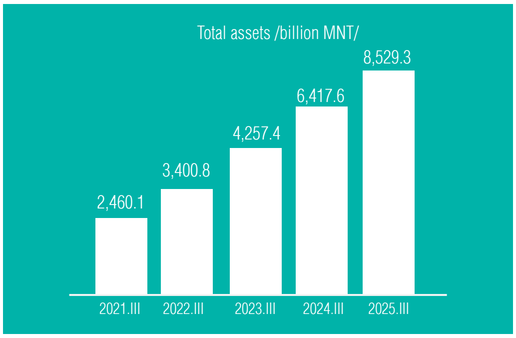


Of these, 4.7% have international investments, while 95.3% are domestically funded.



TOTAL ASSETS OF NBFIS

The total assets of NBFIs reached 8,529.3 billion MNT, reflecting an increase of 2,111.7 billion MNT (32.9%) compared to last year and a 2.5–fold increase since the same period in 2021.



Assets structure of NBFIs (billions MNT)

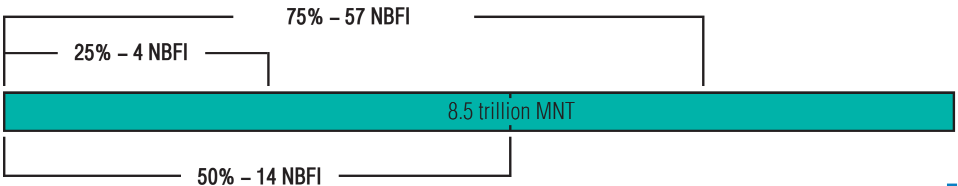
FINANCIAL ASSETS VALUE	8,146.1	95.5%
Cash	831.4	9.7%
Investment	127.3	1.5%
Credit /net/	6,860.0	80.4%
Factoring settlement receivables (net)	77.4	0.9%
Derivative financial assets	7.0	0.1%
Other	243.0	2.9%
AMOUNT OF NON–FINANCIAL ASSETS	383.2	4.5%
TOTAL ASSETS	8,529.3	100.0%

- The total assets of the NBFI sector reflect an increase of 2,111.7 billion MNT (32.9%) compared to last year. An 83.8% increase in loans drove this growth.

Liability structure of NBFIs (billions MNT)

Total liabilities	**3,921.6**	**46.0%**
LIABILITIES	3,692.9	43.3%
Source of Trust Services	1,293.3	15.2%
Resources drawn from banks and financial institutions	1,445.0	16.9%
Other	709.9	8.3%
Derivative financial liabilities	3.7	0.0%
Other financial liabilities	219.6	2.6%
Secondary debt	21.4	0.3%
Preference shares (liabilities)	–	0.0%
AMOUNT OF NON–FINANCIAL LIABILITIES	228.7	2.7%
OWN EQUITY	**4,607.7**	**54.0%**
Share capital	2,110.7	24.7%
Additional paid–in capital	106.1	1.2%
Pocket stock	2.6	0.0%
Addition to revaluation of fixed assets and intangible assets	22.5	0.3%
Retained earnings and losses	2,254.3	26.4%
Other property	116.7	1.4%
TOTAL LIABILITIES AND EQUITY	8,529.3	100.0%

- Of this, 46.0% was attributed to an increase in liabilities, while 54.0% was due to an increase in equity.
- Funding sources saw significant growth: trust service source increased by 21.7%, sources from banks and financial institutions grew by 40.8, and debt certificates issued by NBFIs rose by 25.7%.



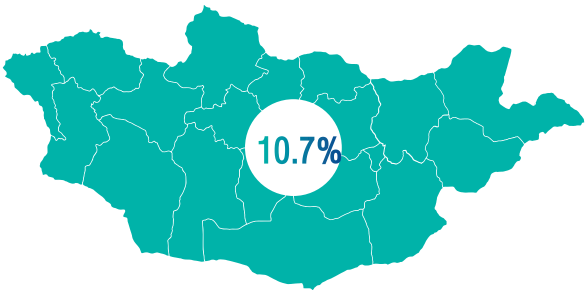
	Number of NBFIs		Total assets		Total loans		Percentage of non-performing loans in loan portfolio	Customers	
	No.	%	Amount (MNT, billions)	%	Amount (MNT, billions)	%		No.	%
Top 25 %	4	0.7%	2,132.3	24.6%	1,774.5	25.5%	2.7%	392,362	10.5%
Top 50 %	14	2.4%	4,264.7	50.1%	3,626.4	52.0%	4.5%	1,675,410	44.9%
Top 75 %	57	9.9%	6,397.0	75.1%	5,347.4	76.7%	6.6%	3,253,309	87.2%
TOTAL OF SECTOR	**577**	**100.0%**	**8,529.3**	**100.0%**	**6,968.4**	**100.0%**	**8.9%**	**3,732,579**	**100.0%**

Loans issued by NBFIs, representing 25%, 50% and 75% of the sector's total assets, accounted for 2.7%, 4.5%, and 6.6% of total outstanding loans, respectively. The loan quality of NBFIs with a high share of the sector's total assets was below the sector average.

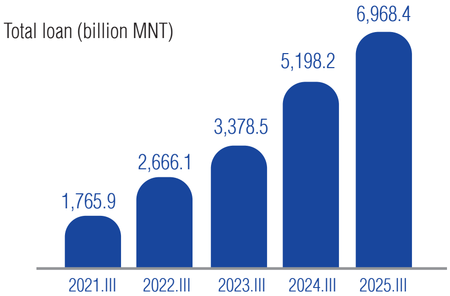
	Number of NBFIs	Total assets		Total loans		Costumers	
		Amount (MNT, billions)	%	Amount (MNT, billions)	%	No.	%
With domestic investment	550	7,502.2	88.0%	6,177.2	88.6%	3,634,605	97.4%
With foreign investment	27	1,027.1	12.0%	791.2	11.4%	97,974	2.6%

Foreign-invested NBFIs included:

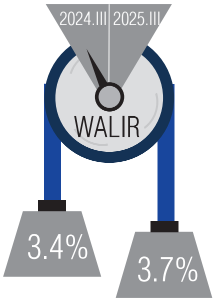
12 (44.4%) from Japan, 7 (25.9%) from South Korea, 3 (11.1%) from China, and others from Seychelles, Malaysia, and Canada.



The total assets of NBFIs represented 10.7% of Mongolia's GDP.



Loan interest: The weighted average loan interest rate on loans issued by NBFIs marked an increase of 0.3 percentage points compared to the same period of last year.



TOTAL LOAN

The total value of loans in the non–bank financial sector reflects an increase of 1.8 trillion MNT (34.1%) compared to the same period last year and a 3.9–fold increase (5.2 trillion MNT) compared to 2021.

NORMAL

86.4% (-3.7%)

OVERDUE

4.7% (+1.0%)

NON–PERFORMING

8.9% (+2.7%)

10.9 trillion MNT	Issued loan	Paid loan	9.8 trillion MNT

Sector	Issued loan	Paid loan
Wholesale and retail	6.4%	6.7%
Construction	2.3%	2.4%
Transportation and warehousing activities	2.0%	1.9%
Financial and insurance activities	1.7%	1.4%
REBs activity	1.3%	1.1%
Hotel, accommodation, housing and catering services	0.7%	0.8%
Agriculture, forestry, fishing, hunting	0.4%	0.4%
Other	85.2%	85.3%

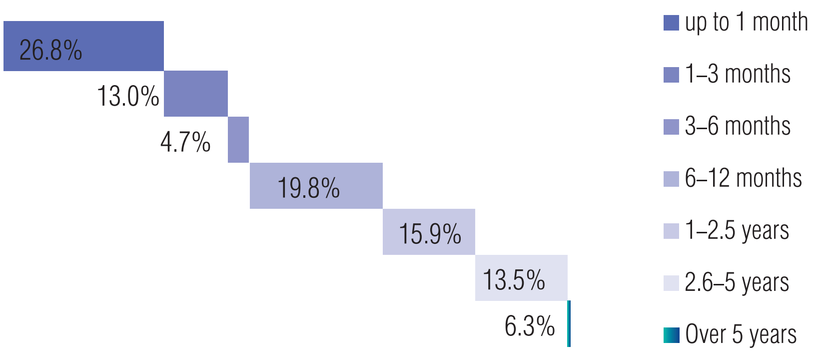
INDIVIDUALS		LEGAL ENTITIES
89.3%	LOAN BALANCE	10.7%
92.8%	LOANS ISSUED	7.2%
93.7%	PAID LOAN	6.3%

89.3% of outstanding loans were issued to individuals, and 10.7% were issued to legal entities.

Loan issued Paid loan

CONSUMER LOANS

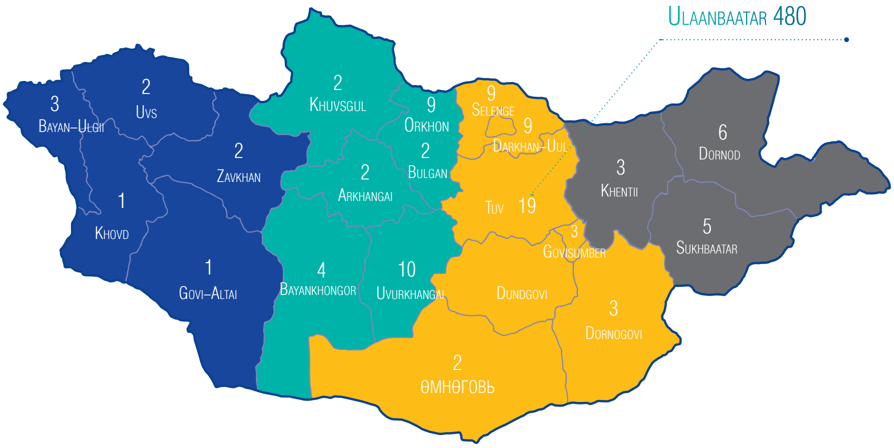
Consumer loans accounted for 64.4% of granted loans and 68.6% of paid loans.

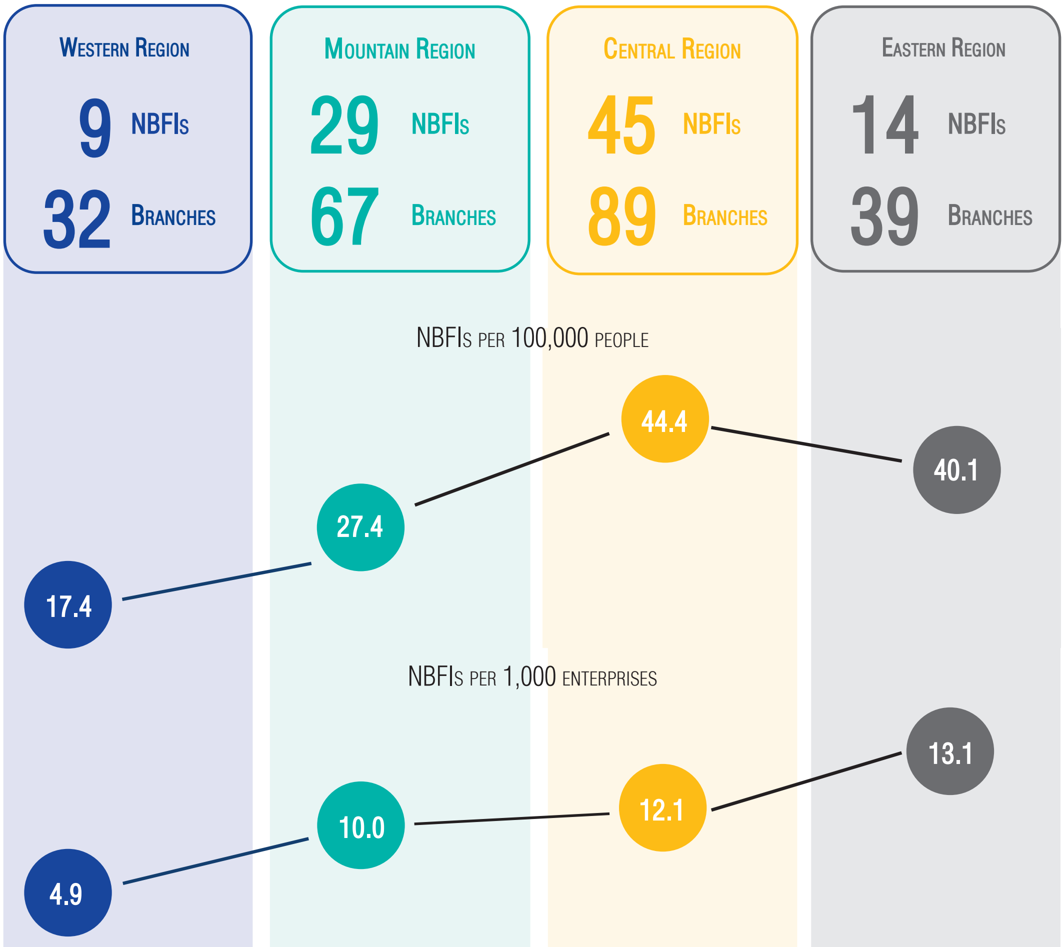


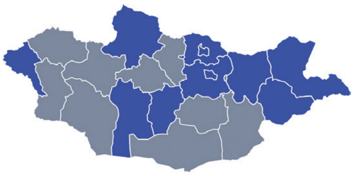
The largest share of loans issued by the NBFI sector are for loans with terms of up to 1 month and 6–12 months.

ACCESSIBILITY

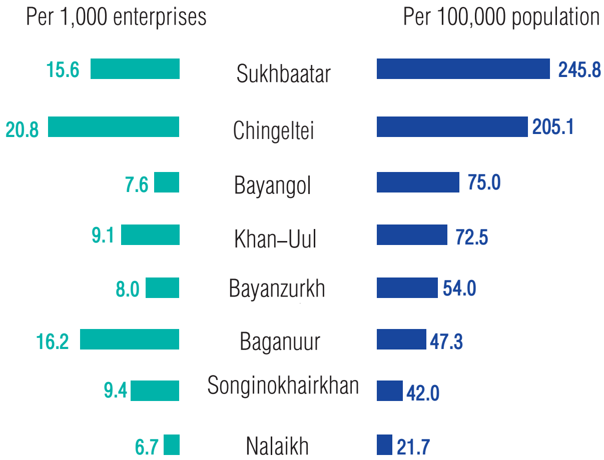
Nationwide, there are 577 licensed NBFIs, with a total of 569 branches (including 1 branch in Australia). The majority (83.2%) of these NBFIs operate in Ulaanbaatar.







Sector accessibility is assessed using key financial inclusion indicators developed by the International Alliance for Financial Inclusion (AFI). Twelve (57.1%) of the 21 provinces have 3 or more NBFIs.



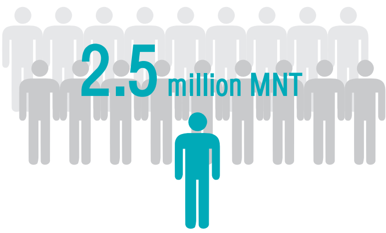
Distribution of NBFIs in Ulaanbaatar (480 NBFIs): 33.0% in Sukhbaatar district, 27.2% in Chingeltei, 13.6% in Bayangol, 11.7% in Bayanzurkh, 12.6% in Khan Uul, 1.7% in Songinokhairkhan, and 0.2% in Baganuur district.

BY ACCESSIBILITY AND GEOGRAPHICAL LOCATION OF NBFIS

- Nationwide, there were, on average, 57.8 NBFIs per 100,000 people aged 18–64 and 10.6 NBFIs per 1,000 businesses.
- These ratios were 31.8 and 9.8 in the rural areas. In the Central Region, there were 44.4 NBFIs per 100,000 people, while the Eastern Region recorded 13.1 NBFIs per 1,000 businesses, reflecting varying levels of access.
- In Ulaanbaatar, there were 85.5 NBFIs per 100,000 people and 10.9 NBFIs per 1,000 legal entities, demonstrating better access compared to rural areas.

58 NBFIs per 100,000 people nationwide

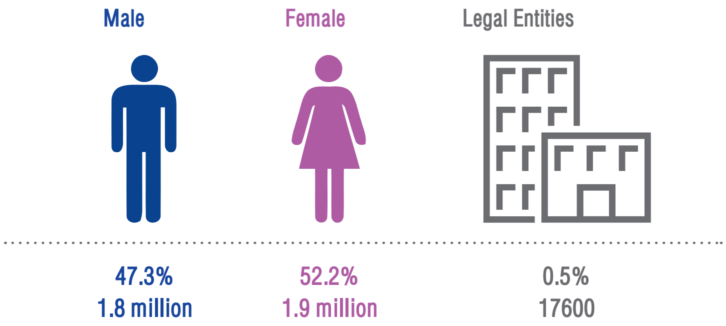
11 NBFIs per 1,000 enterprises



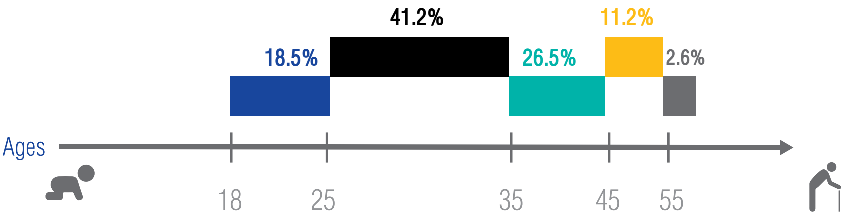
AVERAGE LOAN

- In Mongolia, the average loan amount for an NBFI borrower was 2.5 million MNT, with regional differences: 1.7 million MNT in rural areas, and 2.5 million MNT in Ulaanbaatar.
- Nationwide, this indicator was 2.6 million MNT in the same period last year, reflecting a 3.8% decrease from the reporting quarter.

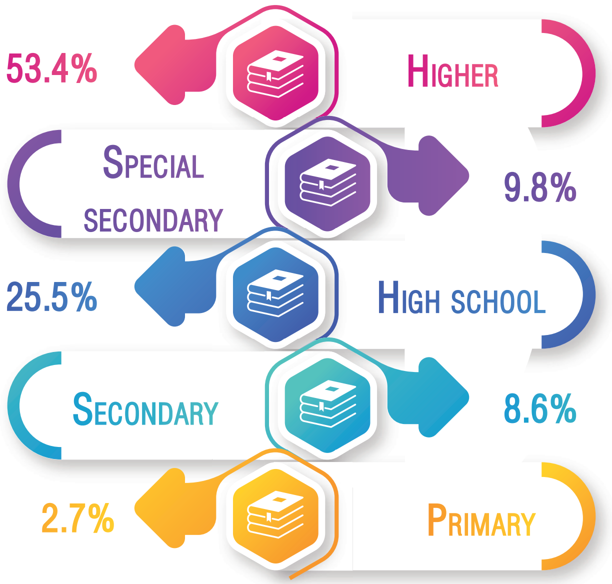
Customers of NBFIs



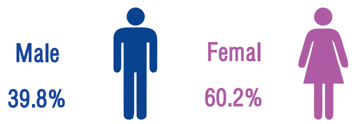
Borrowers of NBFIs (by age)



Borrowers of NBFIs (by level of education)



NBFI employees



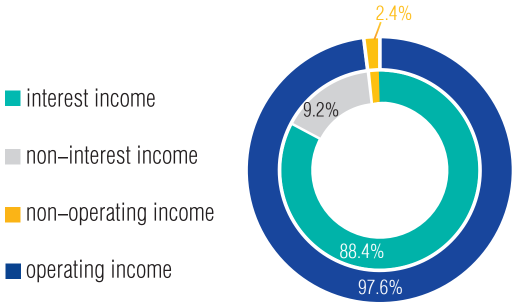
PRODUCTS AND SERVICES

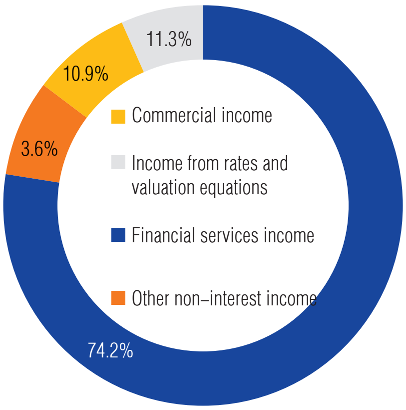
NUMBER OF NBFIS AND TYPES OF SERVICES (DUPLICATE)

PRODUCT AND SERVICE REVENUE

The total income of NBFIs reached 1,941.1 billion MNT.

The majority of this revenue (97.6%) was generated from operating income, with 88.4% (1,716.2 billion MNT) from interest income, and 9.2% (178.6 billion MNT) from noninterest income.



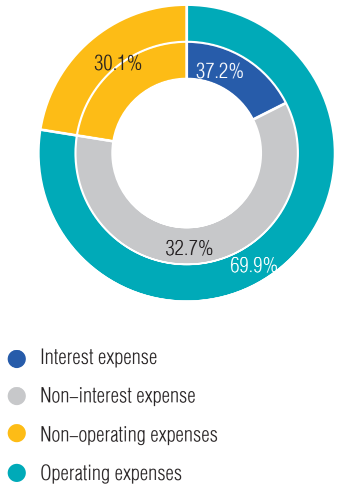


BREAKDOWN OF NON–INTEREST INCOME

- non–interest income was distributed as follows: 74.2% (132.5 billion MNT) from services premiums, 11.3% (20.2 billion MNT) from foreign exchange rate and valuation adjustments, 10.9% (19.4 billion MNT) from trading, and 3.6% (6.4 billion MNT) from other non–interest income.

COSTS OF PRODUCTS AND SERVICES

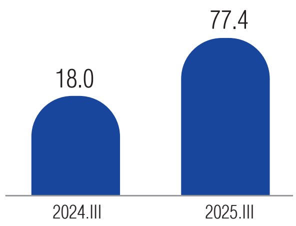
- The total cost of NBFIs amounted to 1,223.6 billion MNT, with 69.9% allocated to operating expenses, including 32.7% (399.9 billion MNT) for non–interest expenses and 37.2% (455.8 billion MNT) for interest expenses.



Expenditures related to product and service risks totaled 208.3 billion MNT, broken down as follows: 93.1% for credit risk expenses, 0,3% for risk funds for assets placed in banks and financial institutions, 2.7% for receiv–ables risk fund expenses, 2.6% for factoring service risk fund expenses, 0.4% for other proprietary risk fund expenses, and 0.9% for other asset risk fund expenses.

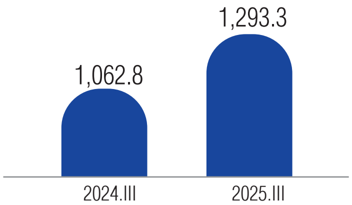
- There are 4 banks and 58 NBFIs licensed to provide factoring services by the FRC. NBFIs' factoring receivables increased by 4.3–fold compared to the same period last year.

Net receivables for factoring services (billions MNT)

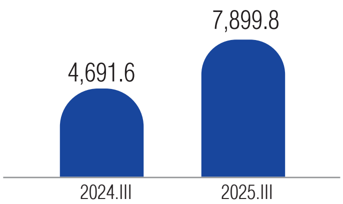


- A total of 90 NBFIs provided trust services in the sector, with their centralized resources increasing by 21.7% compared to the same period last year.

Trust service payable (billions MNT)



Income from remittance services (million MNT)



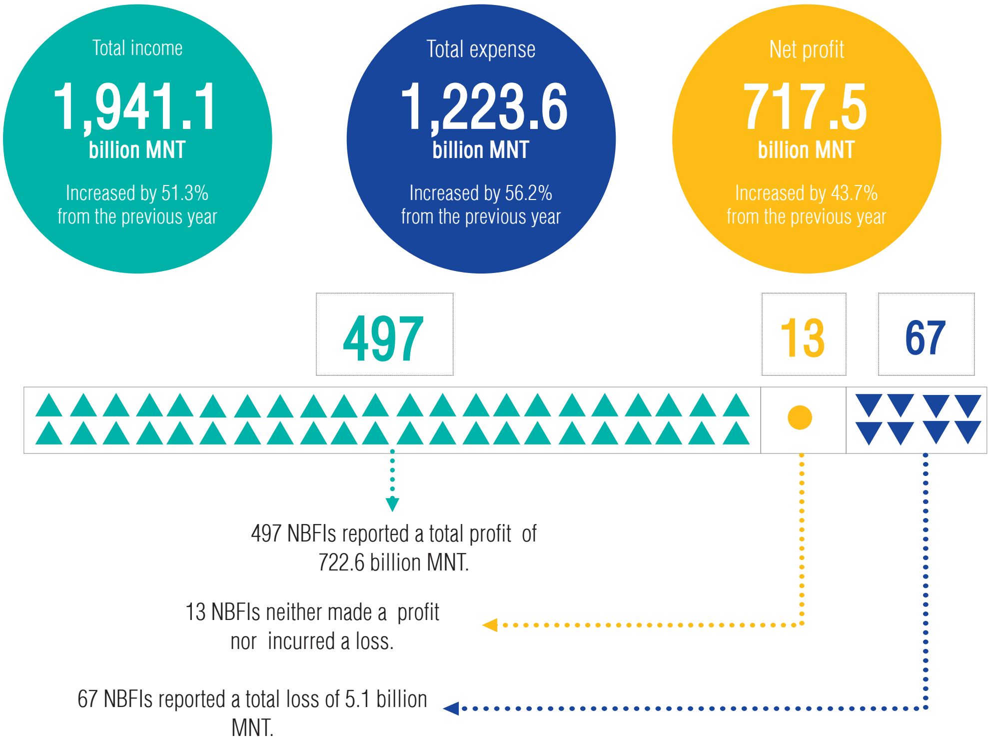
- 55 NBFIs are licensed to provide remittance services. Of these, 13 NBFIs earned 7,899.8 million MNT in revenue from remittance services, an increase of 3,208.2 million MNT compared to the same period last year.

CURRENCY TRADING NEWS

In the reporting quarter, NBFIs purchased a total of 1,782.1 billion MNT worth of currency and sold 1,781.2 billion MNT worth. The US dollar accounted for 51.6% of the currency purchased and 51.9% of the currency sold.

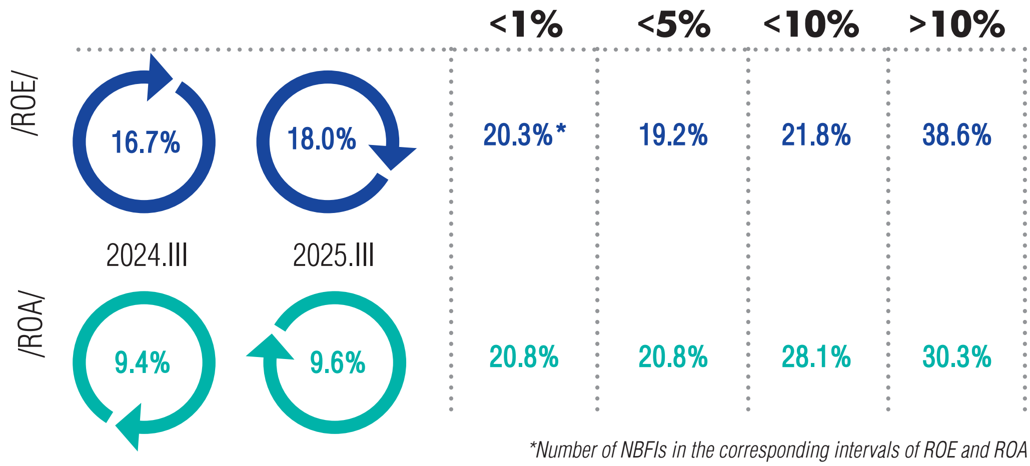
Currency name	Bought	Sold
	Result (MNT, billions)	Result (MNT, billions)
Us dollars	918.9	924.5
Chinese yuan	494.9	493.8
Russian ruble	197.1	189.3
EURO	94.0	91.2
Korean won	40.4	44.2
Japanese Yen	25.5	25.1
Other	11.4	13.0

PROFITABILITY

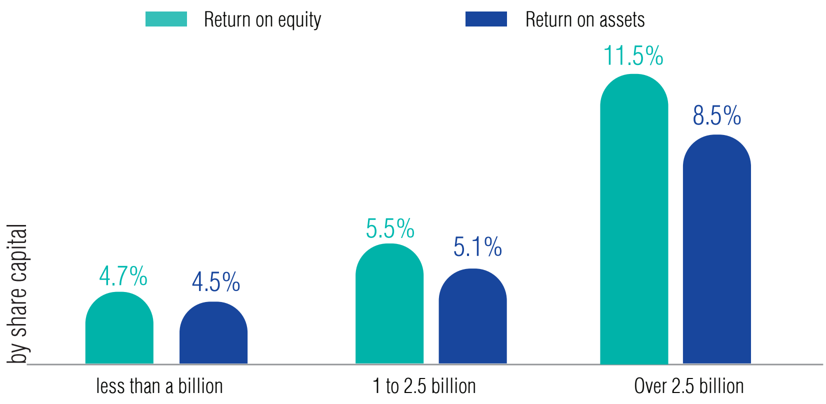


DISTRIBUTION OF ROA AND ROE

The Return on Assets (ROA) of NBFIs reached 9.6%, remaining increased by 0.2 percentage points from the same period last year. The Return on Equity (ROE) increased by 1.3 percentage points compared to the same period. The distribution of ROE across NBFIs was as follows: 20.3% had a ROE of less than 1%, 19.2% had a ROE of 1% to 5%, 21.8% had a ROE of 5% to 10%, and 38.6% had a ROE of more than 10%. The distri–bution of ROA across NBFIs was as follows: 20.8% had a ROE of less than 1%, 20.8% had a ROE of 1% to 5%, 28.1% had a ROE of 5% to 10%, and 30.3% had a ROE of more than 10%.



*Number of NBFIs in the corresponding intervals of ROE and ROA

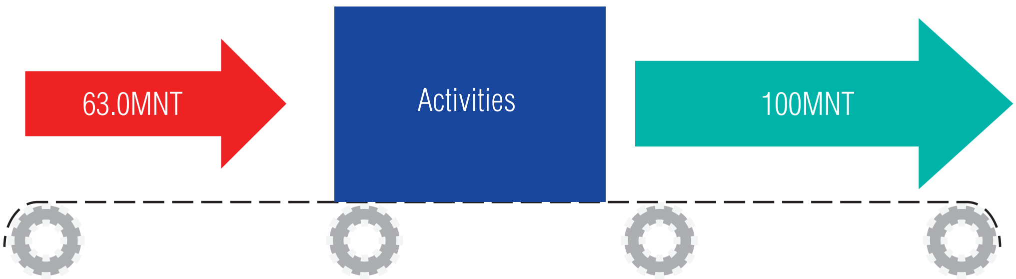


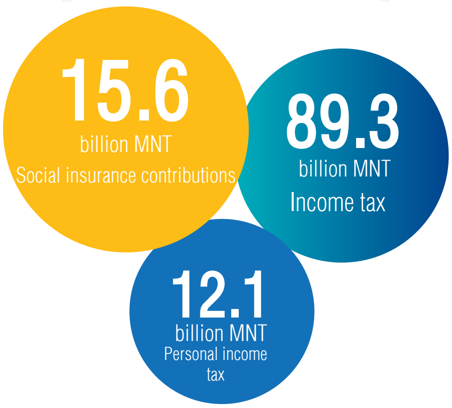
RETURN ON ASSETS AND RETURN ON EQUITY RATIO (BY ASSET CLASSIFICATION)

In terms of ROA (return on asset) and the ROE (return on equity) by share capital, the data shows: half of NBFIs with equity of less than 1.0 billion MNT had a ROA of less than 4.5%. half of NBFIs with equity between 1.0 to 2.5 billion MNT had a ROA of less than 5.1%, and half of NBFIs with equity of more than 2.5 billion MNT had a ROA of less than 8.5%. Return on Equity ROE: NBFIs with equity of less than 1.0 billion MNT had an ROE of 4.7%. NBFIs with equity between 1.0 and 2.5 billion MNT had an ROE of 5.5%. NBFIs with equity of more than 2.5 billion MNT had a ROE of 11.5%.

COST, REVENUE RATIO

The cost–to–income ratio, which measures the average amount spent by NBFIs to earn 1 MNT, was 63.8%, an increase of 4.4 percentage points compared to last year. In other words, NBFIs spend an average of 63.8 MNT to earn 100.0 MNT.



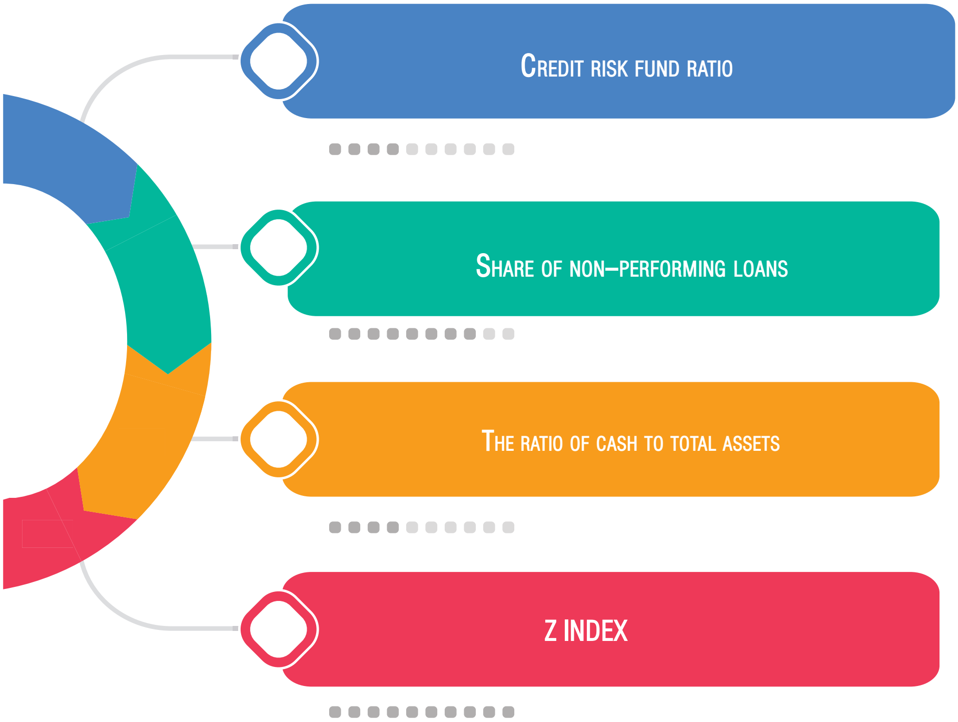


- All NBFIs collectively contributed:

15.6 billion MNT to social insurance,
12.1 billion MNT for individual income tax,
89.3 billion MNT for corporate income tax,
A total of 117.0 billion MNT was collected for the state budget.

STABILITY

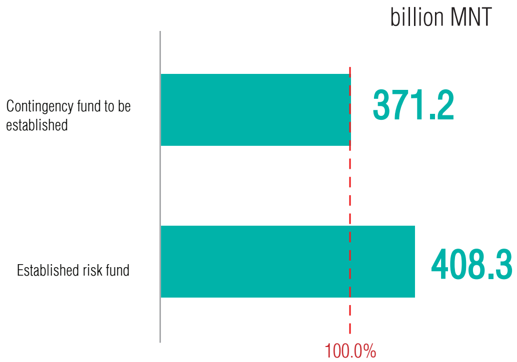
- Regarding stability, four key indicators of NBFIs were calculated following AFI's guidelines to assess financial access and financial stability.



CREDIT RISK FUND RATIO

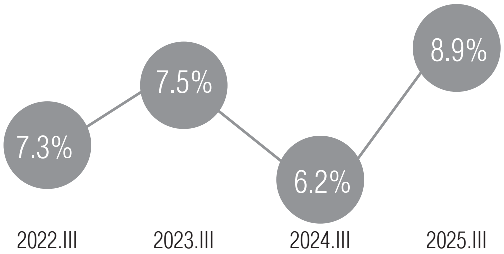
The ratio reached 110.0%, driven by the establishment of a contingency fund.

110.0%



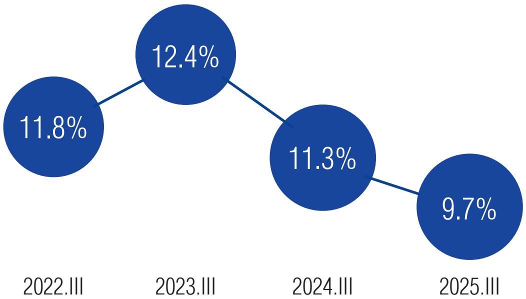
NON–PERFORMING LOANS

In the reporting quarter, non–performing loans totaled 621.6 billion MNT, reflecting a 2.7 percentage point increase from the same period last year.



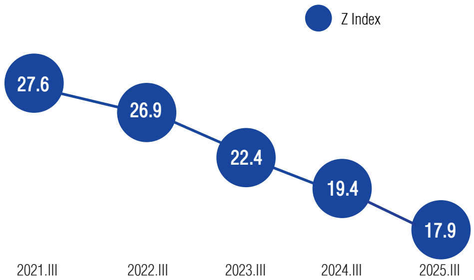
TOTAL CASH ASSETS COMPARATIVE RATIO

- The ratio of cash assets to total assets declined by 1.6 percentage points from the same period last year.



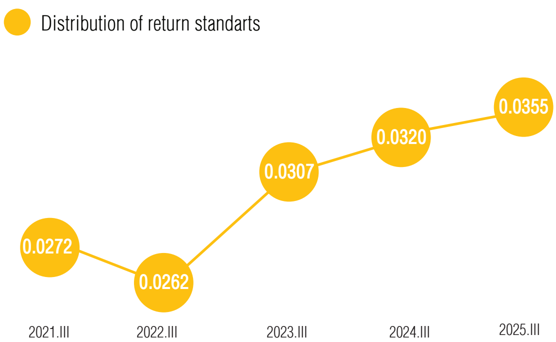
Z INDEX

The Z index – which measures the probability of an NBFI going bankrupt, is calculated by dividing the sum of ROA and ROE by the volatility of ROA. A higher Z index indicates lower risk and greater stability, as it reflects strong profitability and equity leverage, while a lower index suggests increased income uncertainty. The Z index for the non–bank financial sector declined by 1.5 percentage points compared to the same period last year.



STANDARD DEVIATION

The standard deviation of ROA, calculated based on returns from the last four quarters, measures the extent of variation from the average. The standard deviation was 0.0035 percentage points increase from the same period last year.



FINTECH

	Total loans		Borrowers		Average loan amount per borrower (MNT, thousands)
	Amount (MNT, billions)	%	Number	%	
Fintech	2,090.3	30.0%	2,637,111	93.2%	792.7
Traditional	4,878.1	70.0%	192,073	6.8%	25,396.9
TOTAL	**6,968. 4**	**100.0%**	**2,829,184**	**100.0%**	**2,463.0**

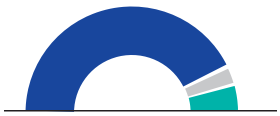
- The majority of customers in the sector (88.2%) and 93.2% of borrowers are clients of NBFIs or recipients of technology–based loan services.

77 NBFIs

5 Technology–based only

72 Technology + Traditional

Notes: Fintech includes technology–based and the combination of technology and traditional loan services.



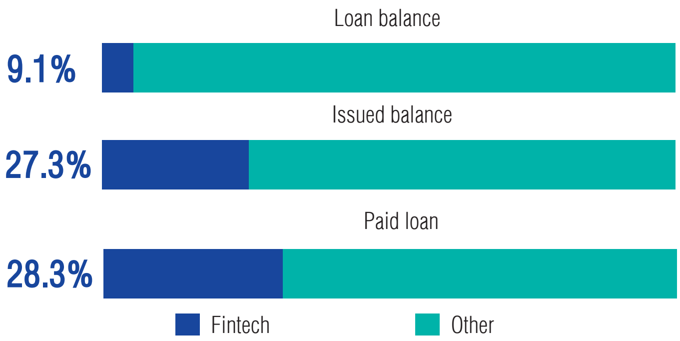
85.7% normal

5.0% overdue loans

9.3% poor quality

Among the outstanding loans of NBFIs utilizing technological advancement in financial services, 85.7% were categorized as normal loans, 5.0% as overdue loans, and 9.3% as non–performing loans.

TECHNOLOGY BASED ONLY

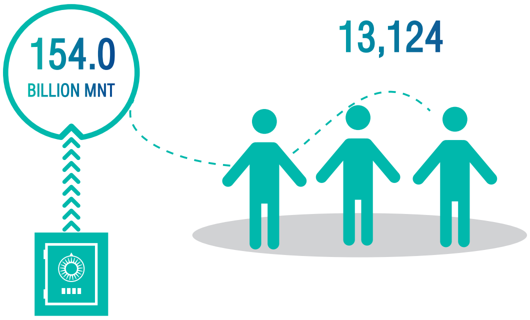


Among the five NBFIs that provide exclusively technology–based loans:

They serve 40.6% of borrowers in the sector.

These loans account for only 9.1% of the total loan balance, but represent 27.3% of all loans granted and 28.3% of repaid loans, indicating strong credit turnover.

GREEN LOAN



The balance of green loans: Green loan products had a combined balance of 154.0 billion MNT, making up 2.2% of the total loan portfolio and serving 13,124 bor–rowers.

	Total loan balance /MNT, million/	Number of borrowers
Energy supply and infrastructure	521.4	22
Energy efficiency	24,999.9	7,640
Sustainable urban planning and construction	23,142.4	1,106
Pollution reduction and prevention	15.5	7
Sustainable water and waste	1,011.1	27
Sustainable agriculture	8,845.7	420
Sustainable land use and biodiversity	6,263.0	321
Transport with low carbon emissions	63,683.2	2,943
Information, communication and technology	1,469.1	54
Health	11,244.5	252
Education and Culture	9,206.3	311
Accessible infrastructure	3,608.1	21

NORMAL

90.4%

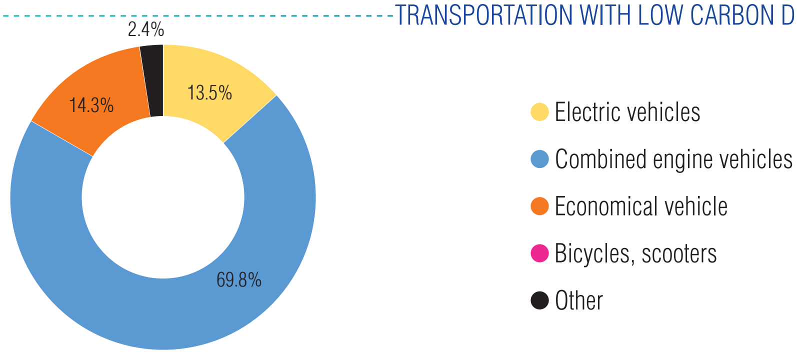
OVERDUE

4.8%

NON–PERFORMING

4.8%

TRANSPORTATION WITH LOW CARBON DIOXIDE EMISSIONS



LOANS ISSUED /THIRD QUARTER OF 2025/

Type	Loan amount granted (million MNT)	Number of borrowers
Energy supply and infrastructure	351.8	36
Energy efficiency	21,989.8	7,457
Sustainable urban planning and construction	11,500.4	170
Pollution reduction and prevention	3.0	1
Sustainable water and waste	1,641.2	30
Sustainable agriculture	11,630.5	369
Sustainable land use and biodiversity	1,754.8	72
Low–carbon transport	51,022.3	1,807
Information, communication and technology	2,376.0	34
Health	12,329.0	194
Education and Culture	6,920.0	219
Accessible infrastructure	1,007.3	9
Total	**122,526.2**	**10,398**

REGULATORY ENVIRONMENT

POLICY AND LEGISLATION

- **Implementation of the law on “Loan Information”**

The Bank of Mongolia, in cooperation with "Buren Skor ZMS" LLC, and "Titan CRA ZMS" LLC signed agreements with 511 NBFIs, representing 95.9% of the 490 NBFIs engaged in lending activities.

- **Implementation of the Law on Combating Money Laundering and Anti–Terrorism Financing**

Under Article 7.1 of the Law, 100 NBFIs reported 19,487 transactions totaling 2,057.6 billion MNT. Under Article 7.2, 12 NBFIs reported 5,554 transactions totaling 38.2 billion MNT to the Financial Information Office of the Bank of Mongolia, fulfilling their compliance obligations.

- **Implementation of the Regulation for setting and centralizing fees for regulatory services**

A total of 576 NBFIs collected regulatory service fees, amounting to 1,469.5 million MNT. Of this, 1,456.0 million MNT (from 564 NBFIs, or 97.8%) was successfully deposited into the designated account of the FRC.

1. By Resolution No. 68 of the Financial Regulatory Commission (FRC) approved in 2025, the following regulations were adopted;

•The Regulation for Calculating and Monitoring Non–Bank Financial Activity and Prudential Ratio Indicators,

•Regulations for Increasing or Reducing the Amount of Capital Contributed by Non–bank Financial Institutions.

The following arrangements were made in the above regulation.

–For NBFIs, the ratio of liabilities collected through trust services to equity shall not exceed 60%,

–If the share of green loans in the total loan portfolio is more than 2%, the ratio of loans collected through trust services to equity shall be 65–80%

–For NBFIs that raise funds through the issuance of debt instruments from others, the ratio of issued debt instruments to equity shall not exceed 30%

–For NBFIs that issue asset–backed securities, the amount of funds raised through the issuance of asset–backed securities shall not exceed 60% of their equity

–NBFIs shall not raise funds in the form of loans or other sources from domestic commercial banks or entities engaged in monetary loan activities.

POLICY AND LEGISLATION

2. Resolution No. 77 of 2025 of the Financial Regulatory Commission (FRC), amendments were introduced to the Regulation on Non–Bank Financial Loan Activities, and by Resolution No. 78 of 2025, amendments were made to the Regulation on the Prudential Ratios and Operational Requirements for Non–Bank Financial Institutions (NBFIs). Under these amendments, the debt–to–income ratio for consumer loans issued by NBFIs must not exceed 60 percent, and the loan–to–value ratio for passenger–vehicle–backed loans must not exceed 60 percent.
3. On 8 April 2025, the FRC organized a training session for 300 NBFIs to present the policy measures implemented by the Commission and the amendments introduced to the relevant regulations.
4. On 24 September 2025, the FRC, in cooperation with the Mongolian Non–Bank Financial Institutions Association, organized a training for NBFI chief executive officers on the newly approved regulations as part of the CEO certification program.
5. By Order No. 264 issued by the State Great Khural (Parliament of Mongolia) on 16 June 2025, a working group was established to develop the revised draft Law on Non–Bank Financial Activities. The working group held its inaugural meeting on 16 October 2025.

SCCs

Financial market status

Total assets

380.0 billion MNT

Capital growth 7.2%

Accessibility

18–64 years old citizens 26

1 in every 100 people is a member of the SCC

44.5%

higher education

Products and services

Total savings

96.7% of total deposits are term deposits.

Profitability

Net profit

12.7

billion MNT

Tax collected by the state, Social security contributions

4.3

billion MNT

Stability

Percentage of non–performing loans (on total loans)

3.0%

Share of cash in total assets

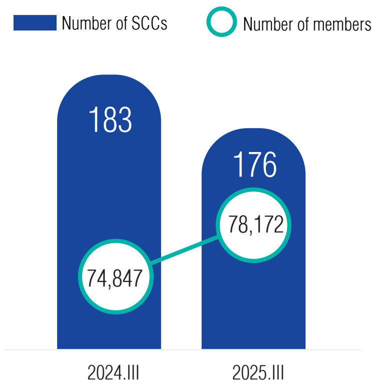
14.4%

Regulatory environment

MARKET OUTLOOK

FINANCIAL MARKET STATUS

- The number of licensed SCCs decreased by 7 (3.8%) compared to the same period last year.
- The number of SCC members increased by 4.4%.
- Compared to the same period in 2021: the number of SCCs decreased by 21.8%, while the number of members increased by 3.2%.



EMPLOYEES

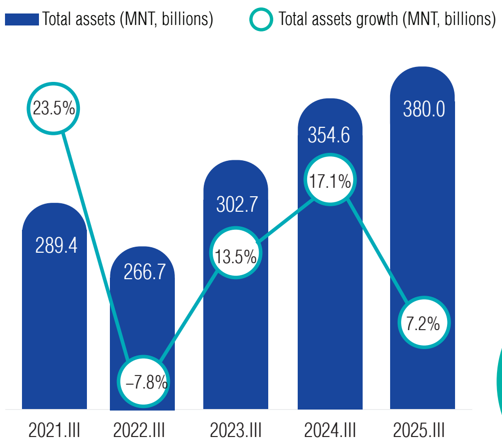
590

73.2% of total workers in SCCs are female, representing a decrease of 26.3% from the same period last year.

TOTAL MEMBERS

28,616 Borrowers

46,185 Depositors



TOTAL ASSETS AND THEIR GROWTH

- Net worth grew by 9.9% compared to the previous year, but decreased by 16.3% compared to 2021.

Total loans
294.8 billion MNT

Total savings
260.2 billion MNT

TOTAL MARKET SHARE

Total assets of the sector:

- 43 SCCs with net capital greater than 1 billion MNT each comprised 90.7% of the market.
- 24 SCCs with net capital ranging from 500 million MNT to 1 billion each comprised 4.3% of the market.
- 109 SCCs with net capital of less than 500 million MNT each comprised 5.0% of the market.

Over 1 billion MNT
90.7%
43 SCCs

4.3%
24 SCCs
500 million to 1 billion

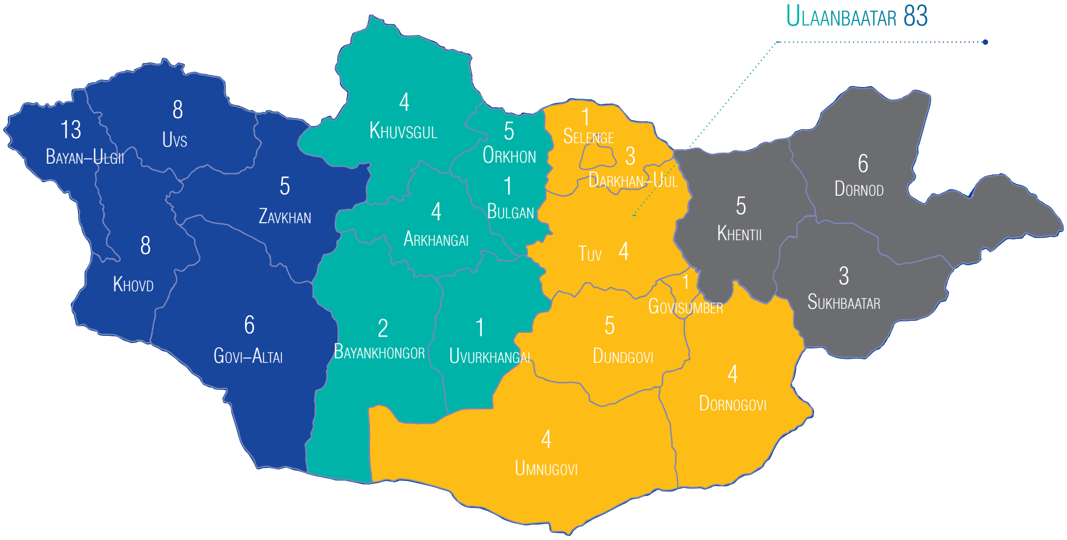
Less than 500 million MNT
5.0%
109 SCCs

Report structure (billion MNT)

Total assets	**380.0**	**100.0%**
Currents assets	**366.0**	**96.3%**
Cash	54.7	14.4%
Loan /net/	301.1	79.2%
Other assets	10.2	2.7%
Non–financial assets	**14.0**	**3.7%**
Tax receivables	0.2	0.0%
Health and social security contributions receivable	0.1	0.0%
Prepaid expenses/bills	3.5	0.9%
Inventory	0.3	0.1%
Other assets to be owned /net/	1.0	0.3%
Other non–financial assets	2.3	0.6%
Investment property/net/	0.0	0.0%
Fixed assets /net/	4.5	1.2%
Intangible assets/net/	2.1	0.6%
Total liabilities and equity	**380.0**	**100.0%**
Financial liabilities	**286.4**	**75.4%**
Savings	278.1	73.2%
Sources from banks and financial institutions	2.0	1.7%
Other financial liabilities	6.3	0.5%
Non–financial liabilities	**6.9**	**1.8%**
Own assets	**86.7**	**22.8%**
Equity contributed by members	30.0	7.9%
Other parts of the property	0.4	0.1%
Property of cooperatives	56.3	14.8%

- Current assets made up 96.3% of total assets, while non–current assets accounted for 3.7%.
- Cash assets represented 14.4% of net capital, 79.2% of the loan balance, and 2.7% of other non–current assets.
- Liabilities accounted for 75.4% of total finances, 22.8% of own assets, and 1.8% of other assets.

ACCESSIBILITY



Western Region
40 SCCs
8 Branches

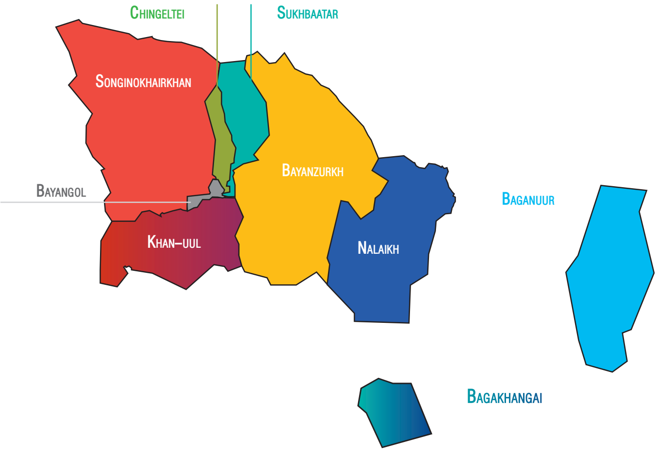
Mountain Region
17 SCCs
18 Branches

Central Region
22 SCCs
20 Branches

Eastern Region
14 SCCs
11 Branches

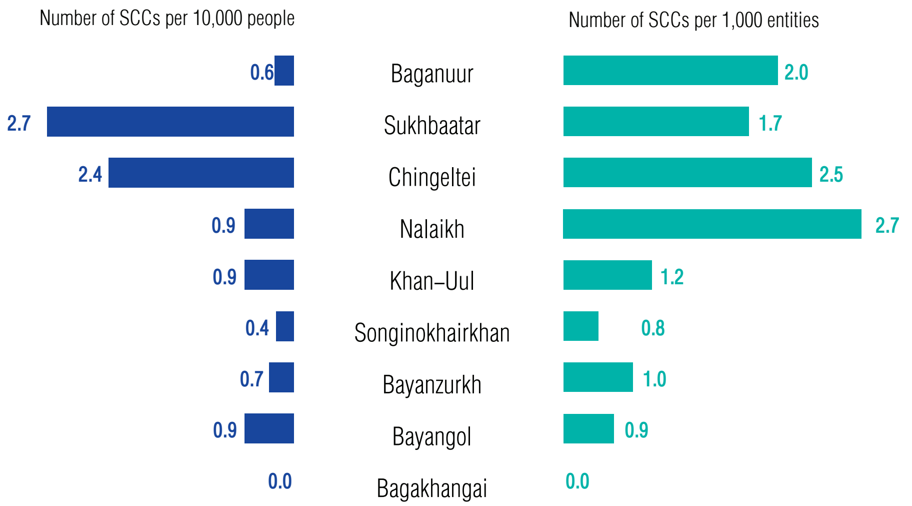
Ulaanbaatar
83 SCCs
12 Branches

- 83 SCCs are located in Ulaanbaatar, and 93 SCCs are located in rural areas.
- Rural Areas; distributed as follows: 43.0% in the Western Region, 23.7% in the Central Region, 18.3% in the Mountain Region, 15.0% in the Eastern Region.
- In Ulaanbaatar; 96.4% are located in the six central districts, and the remaining 3.6% are in three remote districts.



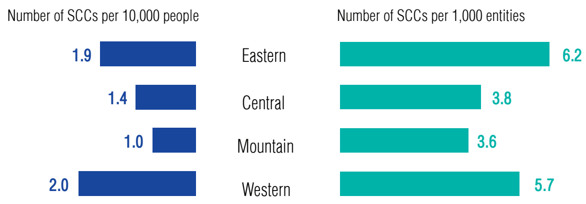
CHINGELTEI	18
SUKHBAATR	21
BAYANGOL	11
SONGINOKHAIRKHAN	6
BAYANZURKH	13
KHAN-UUL	11
NALAIKH	2
BAGANUUR	1
BAGAKHANGAI	0

Using the basic indicators for financial inclusion assessment of AFI member countries, the sector's level of inclusion was calculated by the number of credit unions per 10,000 people of working age (18–64 years) and per 1,000 businesses as follows.



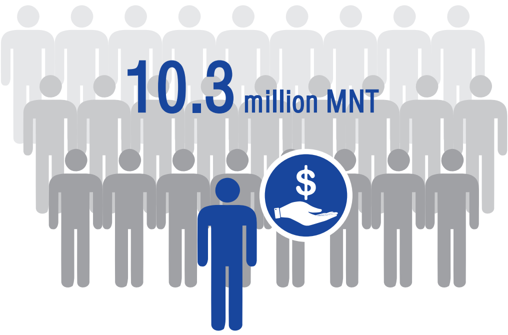
- Based on the number of credit unions per 1,000 businesses, Nalaikh and Chingeltei districts lead, while Soginokhairkhan district ranks the lowest in this indicator.
- In terms of the number of credit unions per 10,000 people, Sukhbaatar and Chingeltei districts are leading.

[1] *https://www.afi-global.org/sites/default/files/publications/fidwg-core-set-measuring-fi.pdf*



When the accessibility indicator is classified into four regions, the western region leads in terms of the number of SCCs per 10,000 people, while the eastern region leads in terms of the number of SCCs per 1,000 businesses.

Average loan per member



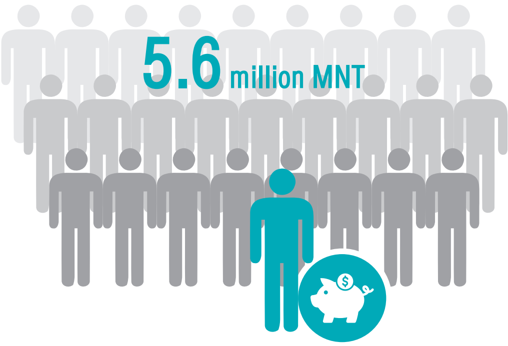
ACCESS TO CREDIT SERVICES

- One in 58 individuals aged 18 to 64 was both a member of an SCC and received a loan
- In rural areas, the ratio was 1 in 48, while in Ulaanbaatar it was 1 in 74.
- The average loan among all members who received loans was 10.3 million MNT nationwide.
- In Ulaanbaatar, the average loan was 18.4 million MNT, compared to 4.6 million MNT in rural areas.

ACCESS TO SAVINGS

- Nationally, one in 43 individuals aged 18 –64 was engaged in saving at an SCC.
- In rural areas, the ratio was 1 in 48, while in Ulaanbaatar, it was slightly higher at 1 in 39.
- The average savings among all members holding savings accounts was 5.6 million MNT.
- In Ulaanbaatar, the average savings per member were 8.4 million MNT, compared to 2.8 million MNT in rural areas.

Average amount of savings per member



MEMBERS OF SCCs

Male	Female	Legal entities
48.2%	51.3%	0.5%

32.4% Female–led

BY AGE

18–35 Years	36–45 Years	46–55 Years	Over 55 Years
23.7%	30.8%	23.6%	21.9%

BY EDUCATION

Higher	Special Secondary	High school	Secondary	Primary
44.5%	17.3%	22.0%	12.0%	4.2%

Total number of employees 590

Female 432

Male 158

Total number of borrowers 28,616

Female 16,664

Male 11,836

Legal entities 116

Total number of depositors 46,185

Female 25,748

Male 20,340

Legal entities 97

Total number of members 78,172

Female 40,125

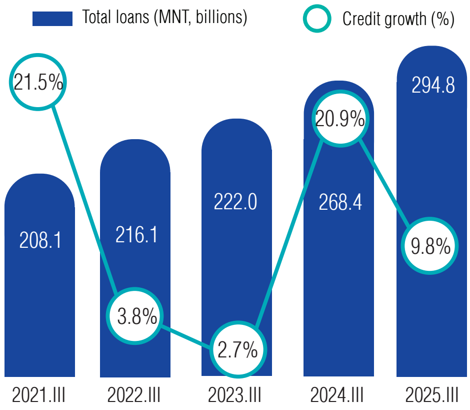
Male 37,692

Legal entities 355

PRODUCTS AND SERVICES

LOANS FROM SCCs

- Total loans amount increased by 26.8 billion MNT (9.8%) compared to the previous year, and by 86.7 billion MNT (41.7%) compared to 2021.
- Net loans reached 301.1 billion MNT, with a credit risk fund of 6.1 billion MNT compared to the previous year.



NORMAL

92.8%

OVERDUE

4.2%

NON–PERFORMING

3.0%

LOAN QUALITY OF SCCs

- Normal loans increased by 8.0%, totaling 273.6 billion MNT.
- Overdue loans increased by 49.2%; however rose by 12.4 billion MNT from the previous year.
- Non–performing loans increased by 29.9% to 8.7 billion MNT and grow by 8.8% from the previous year.

PURPOSE OF SCC LOANS

- The total loans;

40.1% of loans were household activies;

8.5% were for financial and insurance;

6.2% for the for the wholesale and retail sectors and car/motorcycle maintenance.

- Repayment Sources;

11.8% from the wholesale and retail sectors and car/motorcycle maintenance;

6.0% from construction sector;

5.6% from financial and insurance activities.

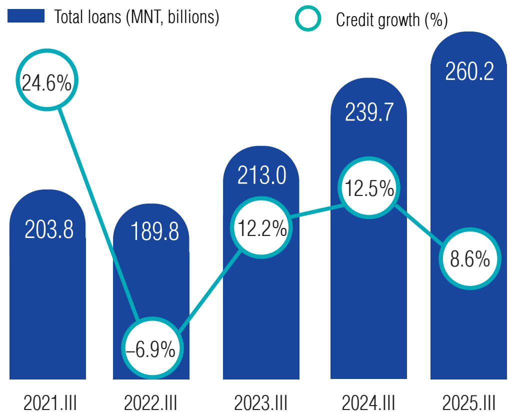
- Closed Loans;

59.9% from household activities;

6.9% from financial and insurance activities;

3.6% from the wholesale and retail sectors and car/motorcycle maintenance.

Sector	LOAN PAID	LOAN GRANTED	CLOSED LOAN
Household activities that employ people	0.2%	40.1%	59.9%
Wholesale and retail trade, maintenance of cars and motorcycles	11.8%	6.2%	3.6%
Agriculture, forestry, fishing, hunting	2.5%	1.5%	0.9%
Financial and insurance activities	5.6%	8.5%	6.9%
Construction	5.2%	1.9%	0.8%
Real estate activity	6.0%	1.5%	0.1%
Hotels, apartments, apartments and catering services	2.0%	0.6%	0.1%
Industry	4.8%	1.6%	0.4%
Personal health and social activities	0.6%	0.3%	0.2%
Other	61.3%	37.8%	27.1%



SCCs SAVINGS

- Total savings: increased by a 8.6% or 20.5 billion MNT compared to 2024.
- 56.4 billion MNT increase, or 27.7% compared to 2021.

TOTAL SAVINGS

- 251.6 billion MNT savings are term savings, while 8.6 billion MNT savings are non–term savings.

96.7%
term deposite

3.3%
fixed

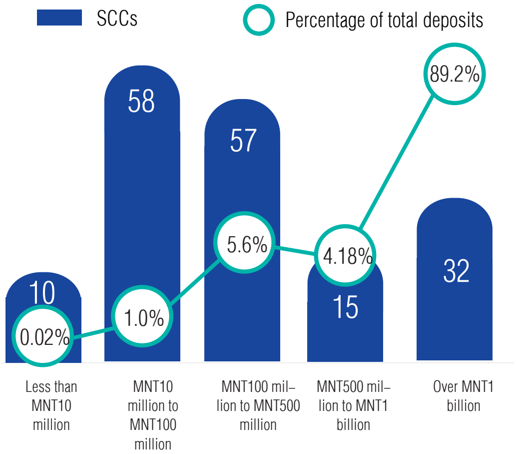
Deposits attracted
172 SCCs

No deposits
4 SCCs

- 172 SCCs (96.7%) collected savings.
- 4 SCCs (2.3%) had no deposits.

PERCENTAGE OF TOTAL SAVINGS

- Savings over 1 billion MNT: 32 SCCs (collected 232.1 billion MNT)
- Savings between 10 million MNT and 1 billion MNT: 130 SCCs (collected 28.0 billion MNT).
- Savings under 10 million MNT: 10 SCCs (collected 0.1 billion MNT).
- 4 SCC had no collected savings.

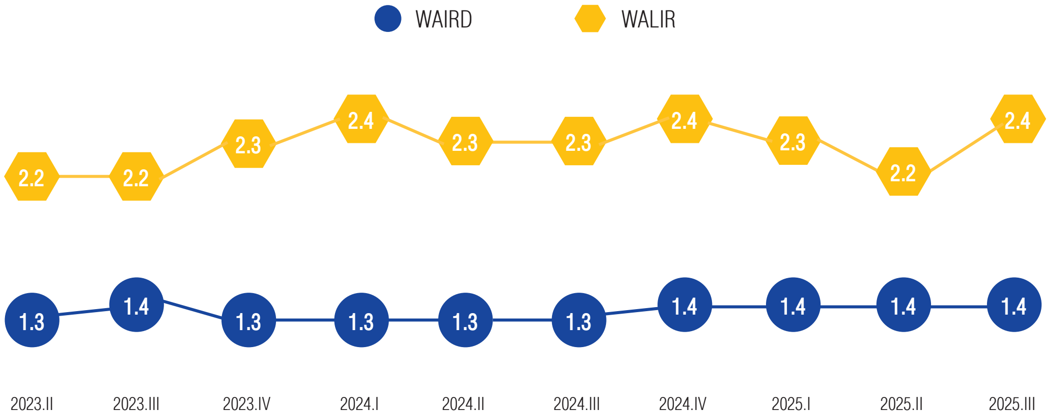


1.4%

Weighted average monthly interest rate on time deposits

2.4%

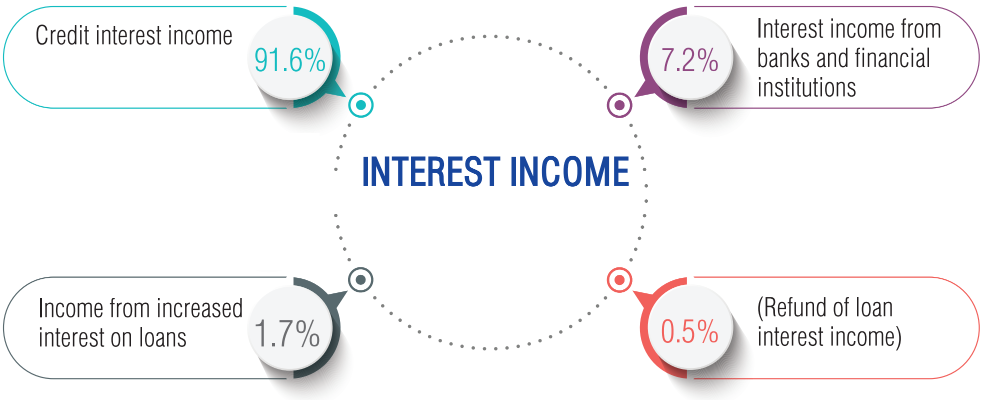
Weighted average monthly interest rate on the loan



INCOME

Total interest income:

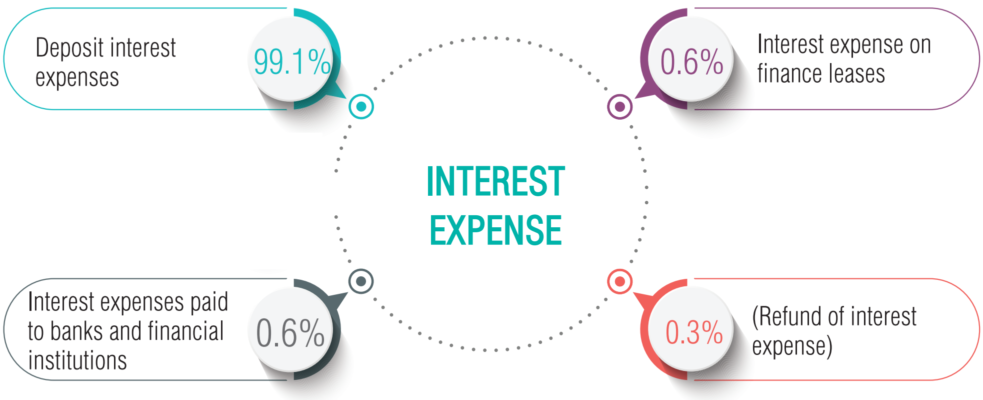
- 64.5 billion MNT, a 19.5% increase compared to previous year.
- 59.1 billion MNT from Loan interest
- 4.6 billion MNT from interest income from banks and financial institutions
- 1.1 million MNT from increased interest income
- 0.3 million MNT from refund of interest income



Expenses

Total interest expenses:

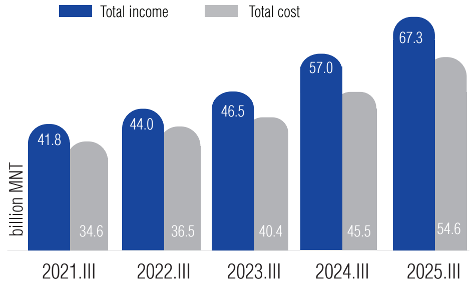
- 33.7 billion MNT, a 14.1% increase compared to the previous year.
- 33.4 billion MNT paid as deposit interest
- 0.2 billion MNT paid to banks and financial institutions
- 0.2 billion MNT as finance leases:
- 0.1 billion MNT as Refund of interest expenses:

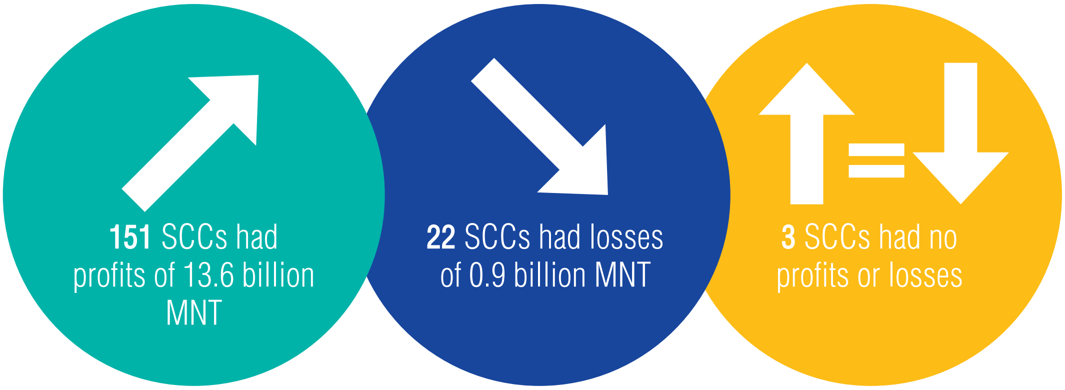


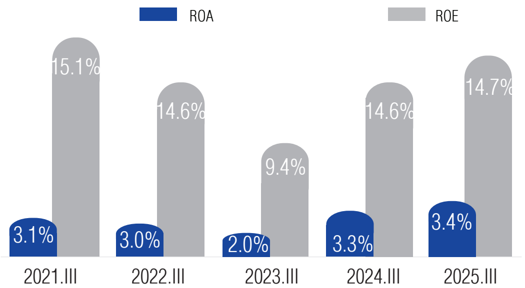
PROFITABILITY

INCOME AND EXPENSES OF SCCs

- Total Income: 67.3 billion MNT
- Total expenses:54.6 billion MNT
- Net profit: 12.7 billion MNT.

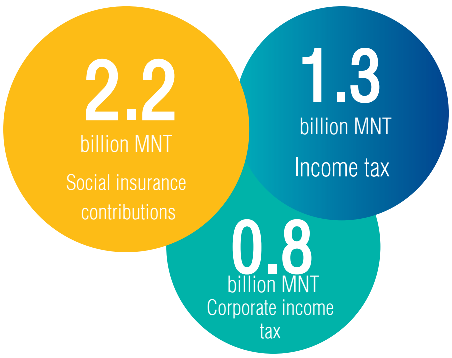






TOTAL RETURN ON EQUITY

- ROE: 0.1 percentage points increase compared to the previous year.
- Return on Assets (ROA): 0.1 percentage points increase



- A total of 4.3 billion MNT was collected for the state budget. Of which;

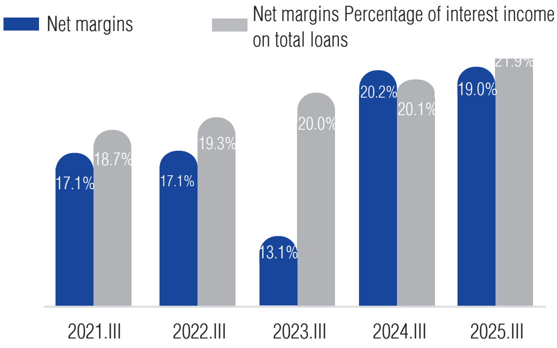
social insurance tax: 2.1 billion MNT

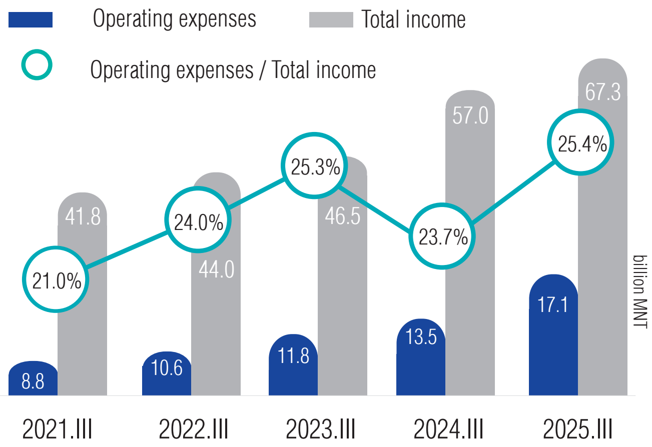
personal income tax: 1.3 billion MNT

Corporate Income Tax: 0.8 billion MNT.

KEY RATIOS

- Share of interest income in total loans: increased by 1.8 percentage points compared to the previous year.
- Ratio of net income to total income: decreased by 1.3 percentage points compared to the previous year.





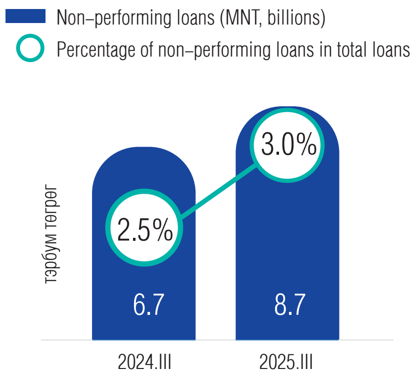
COST REVENUE RATIO

- SCCs spent an average of 25.4 MNT to earn 100.0 MNT.

STABILITY

The stability of SCCs is being assessed by the PEARLS methodology, focusing on four key indicators:

1. Asset quality and protection.
2. Effective financial structure.
3. Return and cost share.
4. Liquidity.

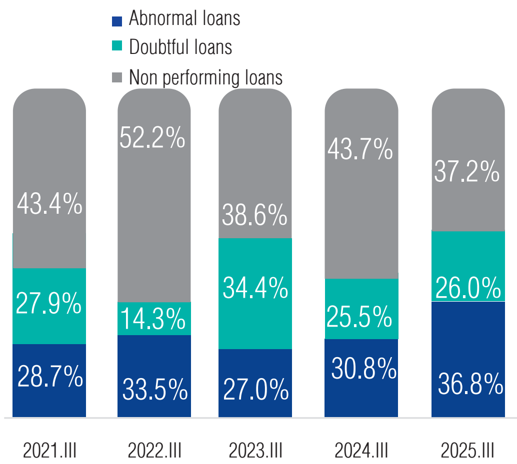


NON–PERFORMING LOANS

- The total amount of non–performing loans has reached 8.7 billion MNT in the reporting quarter.
- The share of non–performing loans on total loans increased by 0.5 percentage points, which is below the prudential ratio standard of 5.0% for SCCs.

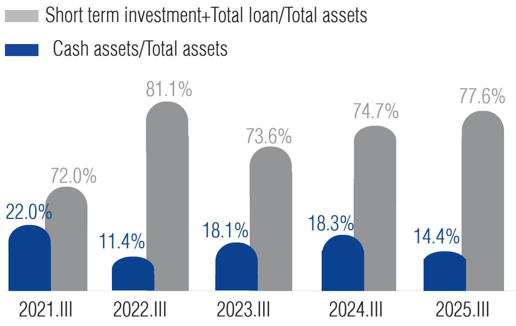
CLASSIFICATION OF NON–PERFORMING LOANS

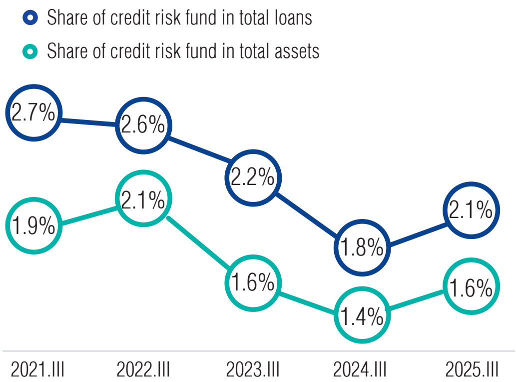
- Abnormal loans increased by 6.0 percentage points compared to previous year.
- Doubtful loans increased by 0.5 percentage points.
- Non–performing loans decreased by 6.5 percentage points.



LIQUIDITY OF SCCs

- Monetary assets to total assets ratio: decreased by 3.9 percentage points compared to the previous year.
- Short–term investments and total loans to total assets ratio 77.6%.





CREDIT RISK FUND

- Share of credit risk fund in total loans: increased by 0.3%.

Ratio	Adequate level	3rd quarter OF THE YEAR
Loans received from others/Total loans	<20%	0.7%
Total savings/Total assets	40%–80%	68.5%
(Total Loan Balance – Risk Fund)/Total assets	60%–85%	76.0%
Equity of cooperatives/Total assets	>5%	14.8%
Reserve fund/Total assets	>3%	4.5%
Operating expenses/Total assets	<10%	4.5%

REGULATORY ENVIRONMENT

POLICY AND LEGISLATION

Implementation of Article 10.2.4 of the Law on Auditing:

In accordance with the law, out of 169 savings and credit cooperatives (SCCs) required to have their 2024 financial statements certified by an independent audit organization, 92.3% or 156 SCCs– submitted their audited year–end financial statements to the Financial Regulatory Commission.

Implementation of the Credit Information Law:

In accordance with the law, 61.9% or 109 SCCs engaged in savings and credit activities have joined the credit information database and entered into cooperation agreements with service providers. Of these, 51.4% (56 SCCs) operate in Ulaanbaatar and 48.6% (53 SCCs) operate in rural areas.

Implementation of the Law on Combating Money Laundering and Terrorist Financing:

In accordance with the law, 15 SCCs reported a total of 180 cash transactions each valued at 20 million MNT or more, amounting to 9,071,006.97 thousand MNT, to the Financial Information Unit of the Bank of Mongolia. No suspicious transactions were detected.

Implementation of the “Regulation for Determining and Centralizing Regulatory Service Fees”:

Under this regulation, 75 out of 95 SCCs obligated to pay regulatory service fees have transferred a total of 45,554.90 thousand MNT to the designated account of the Financial Regulatory Commission.

MEETINGS AND SEMINARS

- In cooperation with the Alliance for Financial Inclusion (AFI), preparatory work is underway to implement a project aimed at expanding green financing through savings and credit cooperatives. This project will develop standardized green financial products for the SCCs, enabling rural women entrepreneurs to access financing through savings, lending, and development–oriented cooperative services.
- A working group responsible for conducting and reporting on the National Risk Assessment of Mongolia on financing money laundering and terrorism was established by the Minister of Justice and Home Affairs Resolution No. A/76 on 28 February 2025, as well as for the working group established under Order A/171 of 2025 of the Minister to assess the vulnerabilities of the savings and credit cooperative sector. This working group organized the initial consultation of the SCC sector.

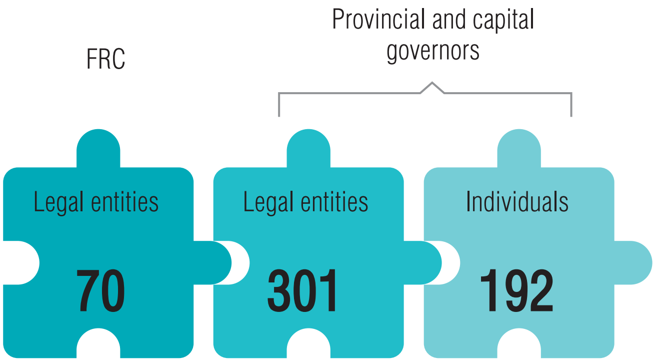
MONETARY LOAN ACTIVITY PROVIDER


Profitability
Regulatory environment

FINANCIAL MARKET OUTLOOK

Statistic of MLAPs

In the reporting quarter, 563 entities provided monetary loan services, including 371 legal entities and 192 individuals; of these, 70 legal entities are registered with the FRC.



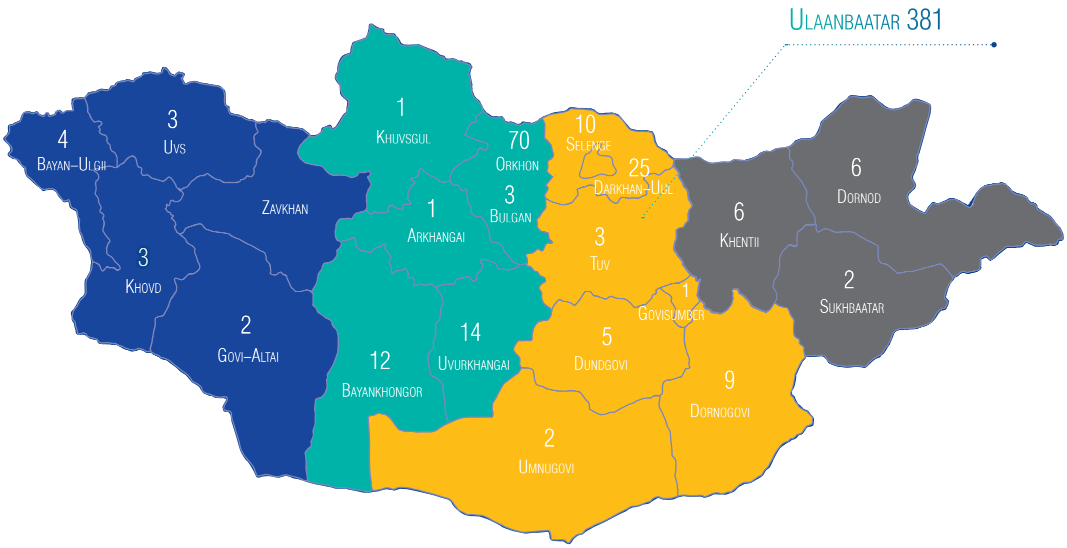
Share capital

Up to 100 million MNT	Up to 100–300 million MNT	301 million MNT–1 billion MNT	Over 1 billion MNT
444	47	52	15

- Compared to the same period of the previous year, (MLAP):

In terms of equity capital, 444 entities have equity capital of up to 100 million MNT, 52 entities have between 100 million and 300 million MNT, 52 have between 300 million and 1 billion MNT, and 15 entities have equity capital exceeding 1 billion MNT.

ACCESSIBILITY



Western Region	Mountain region	Central region	Eastern region
12 MLAPs	101 MLAPs	55 MLAPs	14 MLAPs
5 Branches	14 Branches	27 Branches	6 Branches

ULAANBAATAR

381 MLAPs 115 Branches

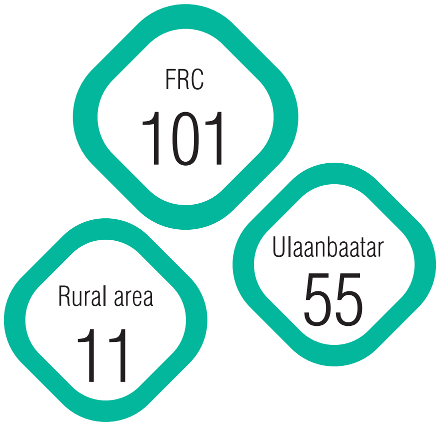
- Of the 182 monetary loan activity providers operating in the provinces, 6.6 percent are located in the Western region, 7.7 percent in the Eastern region, 30.2 percent in the Central region, and 55.5 percent in the Khangai region.
- By region, the Western region has 8 individuals and 4 legal entities registered to conduct monetary lending activities; the Khangai region has 83 individuals and 18 legal entities, the Central region has 18 individuals and 37 legal entities, and the Eastern region has 5 individuals and 9 legal entities registered for monetary loan activity providers.

- 381 MLAPs are registered in Ulaanbaatar, 98.9% of MLAPs are located in the six central districts, while 1.1% are in the two remote districts.

The distribution by district 24.7% –Bayanzurkh, 22.0% – Bayangol, 18.1% – Sukhbaatar, 13.1% – Khan–Uul, 11.3% – Chingeltei, 9.7% – Songinokhairkhan, 0.8% – Nalaikh, 0.3% – Baganuur.

Chingeltei	12 Branches
Sukhbaatar	4 Branches
Bayangol	17 Branches
Songinokhairkhan	20 Branches
Bayanzurkh	44 Branches
Khan–Uul	11 Branches
Nalaikh	3 Branches
Baganuur	4 Branches
Bagakhangai	0

A total of MLAPs operate nationwide through 167 branches. Of which, 115 branches are located in Ulaanbaatar and 52 branches are in rural areas.



Of these providers, 101 are registered with the Financial Regulatory Commission (FRC).

CREDIT GUARENTEE FUND

Total assets

310.5
billion MNT

Financial market status

Average amount of one guarantee

31.1
million MNT

Accessibility

Number of requests submitted

1,818

Products and services

Profitability

Operating income

19.1 billion MNT

Main activity results

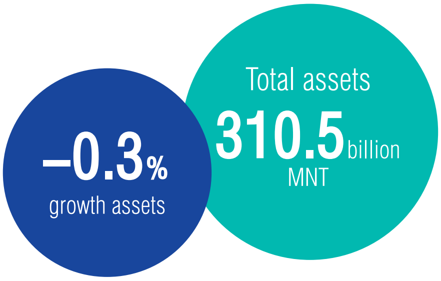
(2.7) billion MNT

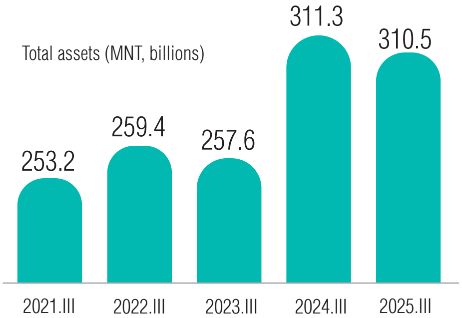
Stability

Percentage of non-performing guarantees

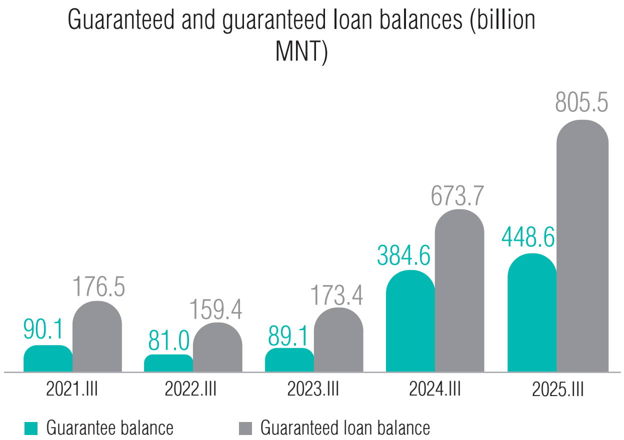
2.2%

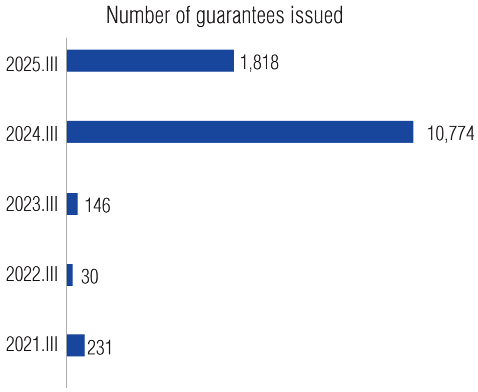
FINANCIAL MARKET STATUS

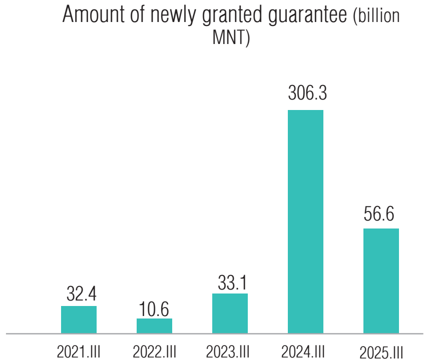




- Total Assets: 12.3 billion MNT
- Total Assets decreased by 0.3% (779.7 billion MNT) compared to the same period last year.
- Guarantee Balance increased by 16.6% (64.0 billion MNT) compared to the same period last year.
- Guaranteed Outstanding Balance increased by 19.6% (131.8 billion MNT) compared to the same period last year.

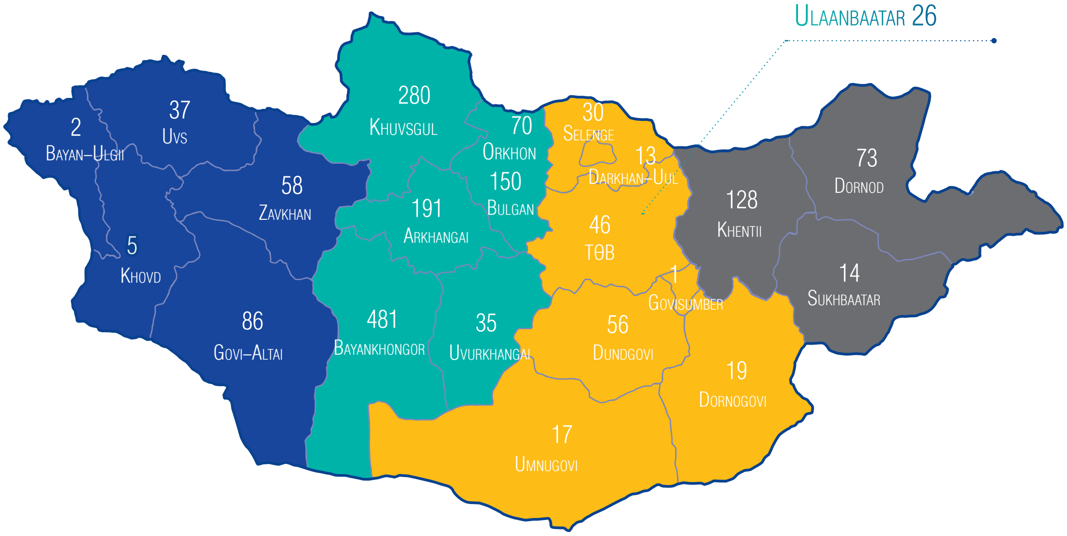






The total amount of credit guarantees issued decreased by 81.5%, while the number of guarantees fell by 83.1% compared to the same period of the previous year.

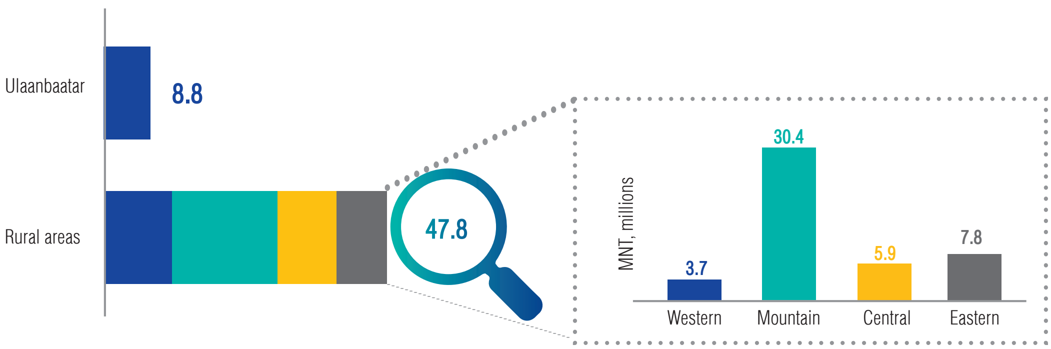
ACCESSIBILITY

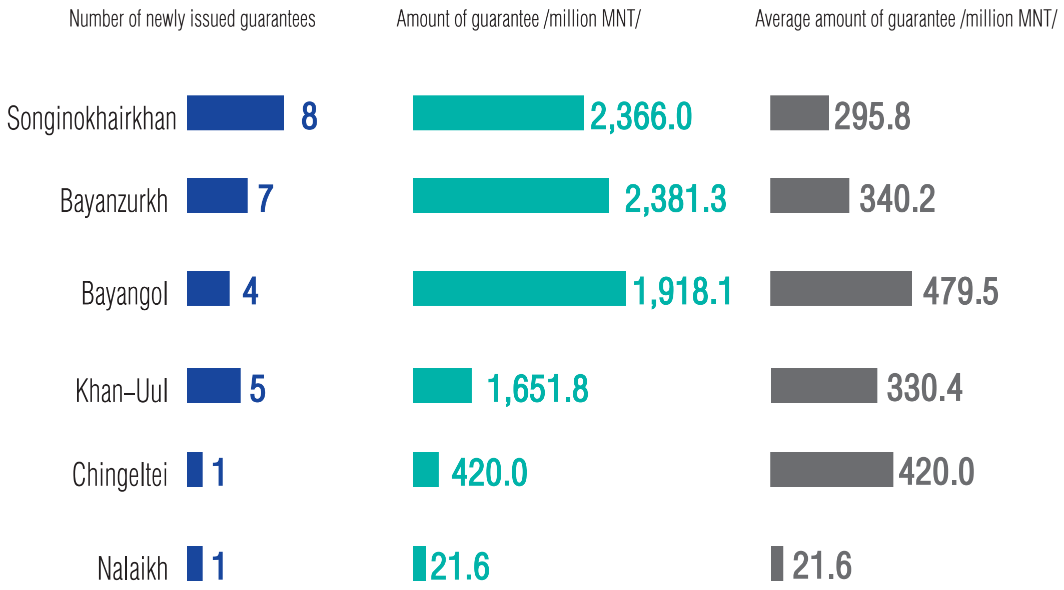


Western Region	Mountain Region	Central Region	Eastern Region
7.5 billion MNT loan	57.0 billion MNT loan	13.6 billion MNT loan	17.1 billion MNT loan
188 guarantees	1,207 guarantees	182 guarantees	215 guaratees

Ulaanbaatar	18.5 billion MNT	26 guarantees

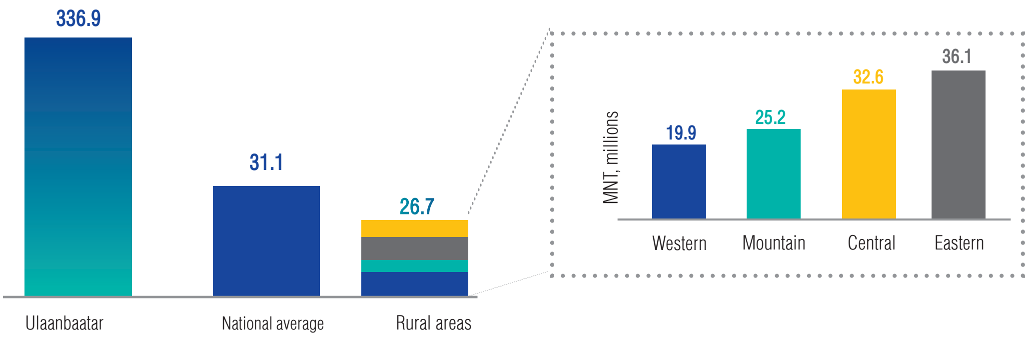
TOTAL GUARANTEE AMOUNT /billion MNT/





AVERAGE AMOUNT OF GUARANTEE

- Ulaanbaatar: 336.9 million MNT,
- Rural Area: 26.7 million MNT,
- National Average: 31.1 million MNT.
- Highest Amount in Eastern Region: 36.1 million MNT.



PRODUCTS AND SERVICES

	Number of applications for a guarantee	Number of applications approved	Percentage
2022.III	56	31	55.4%
2023.III	202	155	76.7%
2024.III	10,775	10,775	100.0%
2025.III	1,818	1,818	100.0%

APPLICATIONS FOR GUARANTEES:

Total Received: 1818

Approved: 100% of the received applications were approved

Increase: 5.9–fold decrease compared to the same period of last year.

Activities

wholesale and retail activities	Processing factory	Human health and social welfare activities	Other
12.5%	5.9%	4.0%	77.6%

Sector Distribution of Guarantees: Other sector: New Cooperative – Wealthy Herder Program and Mortgage

GUARANTEES PROVIDED /BY SOURCE/

New Cooperative – Wealthy Herder Program: 35.3 billion MNT, MON–3338 Project (ADB): 13.1 billion MNT, Mortgages: 4.6 billion MNT, Bank: 2.5 billion MNT, Atar IV campaign: 405.0 million MNT, White gold: 614.8 million MNT, SME Development Fund: 84.0 million MNT, Small and Medium Enterprises development project: 58.0 million MNT.

Amount of guarantee provided

New Cooperative – Wealthy Herder Program	62.2%
MON–3338 Project (ADB)	23.2%
Mortgages	8.2%
Bank	4.4%
Atar IV campaign	0.7%
White Gold	1.1%
Medium Enterprises development project	0.1%
SME Development Fund	0.1%

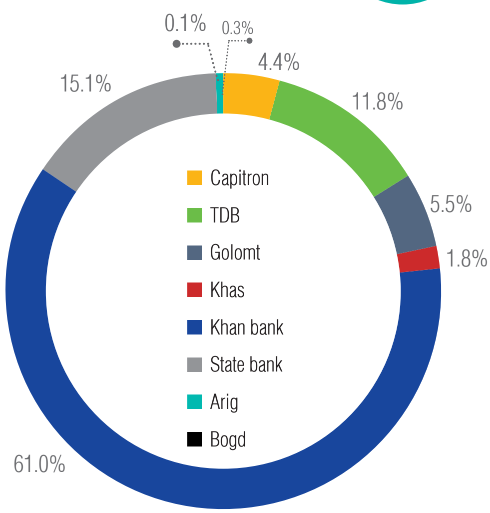
AVERAGE TIME TO ISSUE A CONFIRMATION

- Average Term of Issued Guarantees: 84.6 months (approximately 7.1 years).
- Increase: 5.2 months compared to the same period last year.

84.6 MONTHS

GUARANTEED BY THE BANK

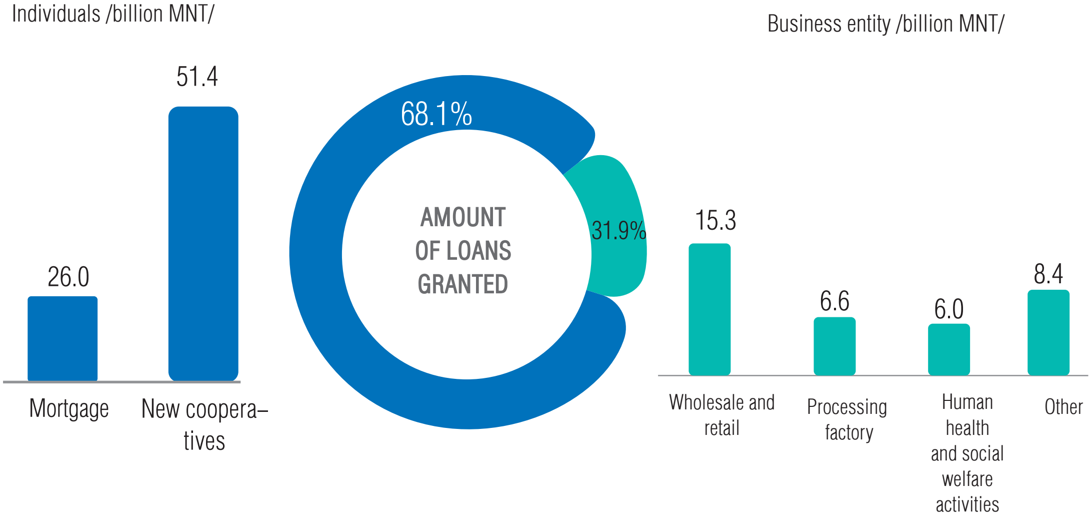
Distribution by Banks: State Bank: 15.1%, Khan Bank: 61.0%, Trade Development Bank: 11.8%, Capitron: 4.4%, Golomt Bank: 5.5%, Xac Bank: 1.8%, Bogd Bank: 0.3% and Arig Bank: 0.1%.



AMOUNT OF CREDIT GRANTED BY ACTIVITY

Guaranteed Loans Breakdown: 68.1% were citizens, 31.9% were entities. For entities: Wholesale and Retail: 13.5%, Manufacturing: 5.3%, Health Sector: 5.8%, other sector: 7.3%.

For citizens: Majority from New Cooperative – Wealthy Herder Program: 45.2% and mortgage guarantees:22.9%.



PROFITABILITY

19.1
billion MNT
INCOME
Decreased by 11.5 times from the same period of the previous year.

21.8
billion MNT
COST
Increased by 3.3 times from the same period of the previous year.

(2.7)
billion MNT
Results
Decreased by 1.2 times from the same period of the previous year.

Income structure

Financial interest income
90.0%

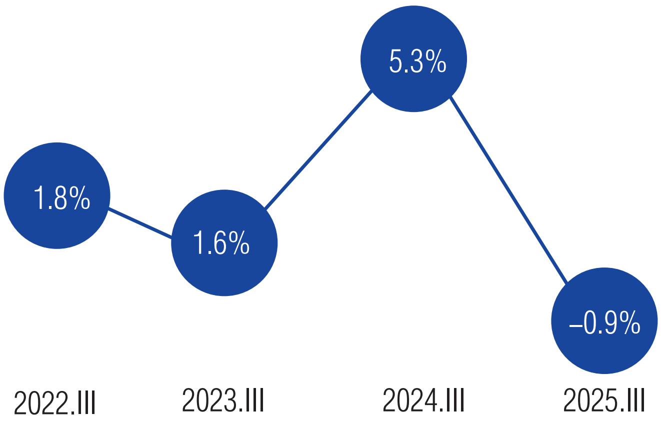
Guarantee premium income
10.0%

Cost structure

Projects
42.6%

Other expenses of general management
57.4%

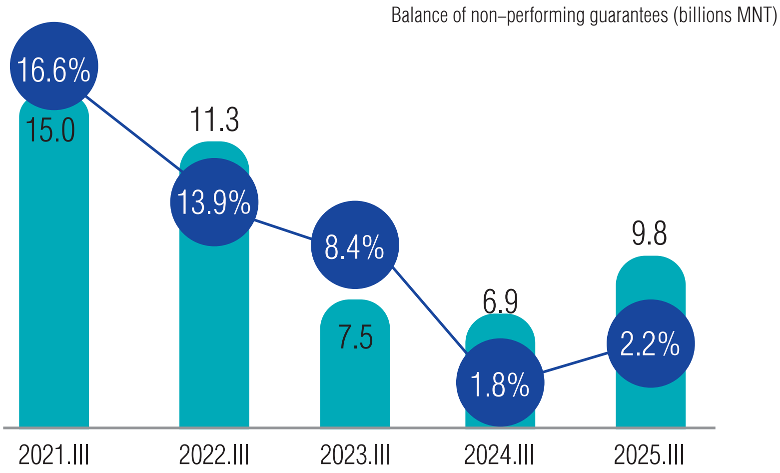
Return on total assets



RETURN ON TOTAL ASSETS

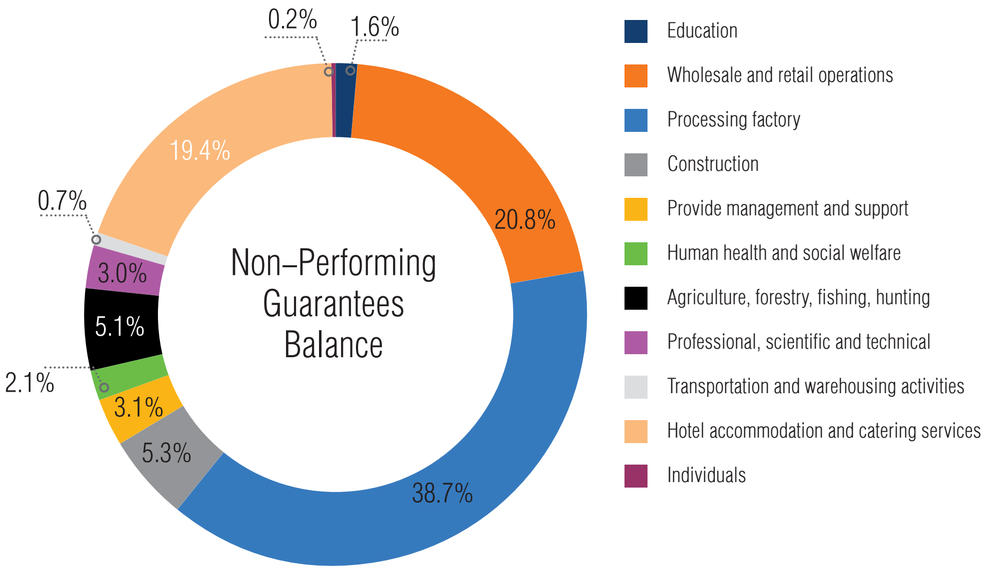
Efficiency of Total Assets: Decreased by 6.2 percentage points compared to the same period last year.

STABILITY



Balance of Non–Performing Guarantees: Increased by 0.4 percentage (2.9 billion MNT) from the same period last year.

"By economic sector, the outstanding balance of non–performing guarantees is distributed as follows."



REAL ESTATE BROKERS (and AGENTS)

Regulated entities

281

Market outlook

Brokerage deal

2,253.7

billion MNT

Products and services

Accessibility

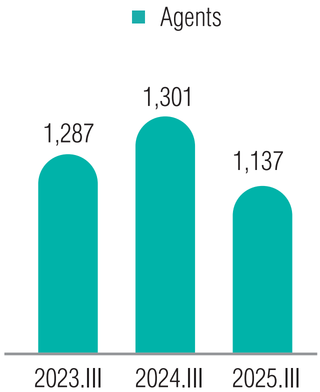
96.1% of entities operated in Ulaanbaatar

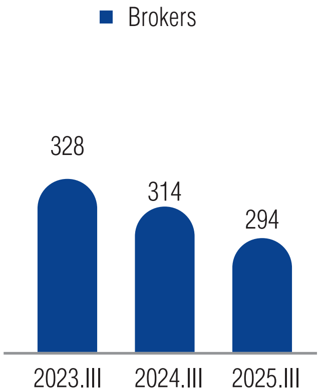
Regulated environment

MARKET OUTLOOK

In the reporting period, there were 281 licensed real estate brokerages operating, marking a decrease of 20 entities (6.6%) from the same period last year.

The number of brokers reached 294, an decrease of 20 (6.6%) compared to last year, while the number of agents reached 1,137, marking a decrease of 164 (12.6%) from the same period last year.





Average Staff per Entity: Brokers: 1

Agents: 4 (with the highest number of agents per entity reaching 98).

SHARE CAPITAL

Total share capital: 5.7 billion MNT from 411 shareholders.

SHAREHOLDER STRUCTURE

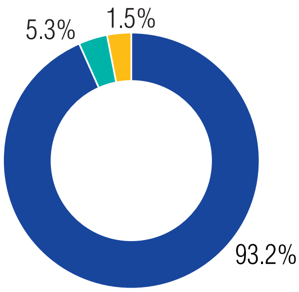
Individuals: 93.2%

Legal entities: 5.3%

Jointly Owned: 1.5% (individuals and legal entities)

The reporting period, 15.2% (864.3 million MNT)

- Individuals
- Legal Entities
- Individuals and Legal Entities



In the reporting period, foreign investment accounted for 15.2% (864.3 million MNT) of the total paid–in capital.

84.8%

Domestic investment

15.2%

Foreign investment

TOTAL ASSETS

Total Assets: 223.3 billion MNT
Current Assets: 170.4 billion MNT (76.3%)
Non–Current Assets: 52.9 billion MNT (23.7%)
Debt: 176.8 billion MNT (79.2%)
Owner's Capital: 46.5 billion MNT (20.8%)

Classification of assets and resources	Amount (billion, MNT)	Proportion of assets and resources
CURRENT ASSETS	170.4	76.3%
NON–CURRENT ASSETS	52.9	23.7%
NON–CURRENT ASSETS	176.8	79.2%
OWNER'S PROPERTY	46.5	20.8%

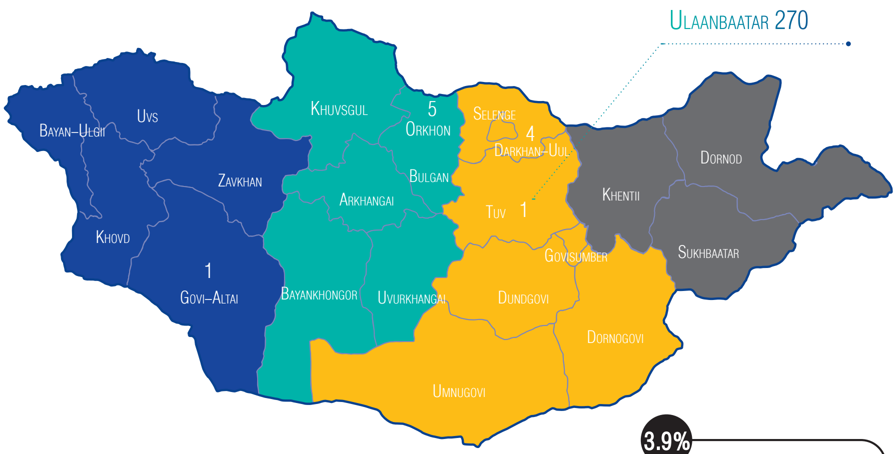
MARKET SHARE

15 companies account for 77.3% of the market.
266 companies account for 22.7% of the market.
29 companies with assets over 1 billion MNT account for 86.3% of the market.
15 companies with assets between 500 million MNT and 1 billion MNT account for 4.7%.
61 companies with assets between 100 million MNT and 500 million MNT account for 6.6%.
176 companies with assets under 100 million MNT account for 2.5%.

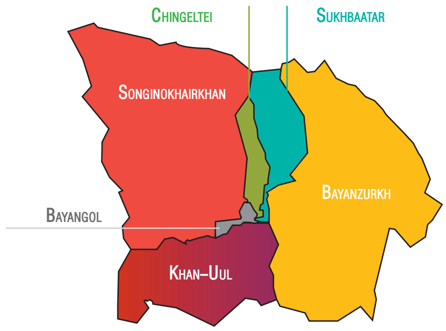
Amount of assets	Organizations	Percentage of Market share
Up to 100 million MNT	176	2.5%
100 million MNT – 500 million MNT	61	6.6%
500 million MNT – 1 billion MNT	15	4.7%
More than 1 billion MNT	29	86.3%

ACCESSIBILITY

Geographical Distribution of Licensed Entities:



3.9% RURAL AREA 11



34.1% Sukhbaatar 92

27.4% Khan-Uul 74

8.9% Chingeltei 24

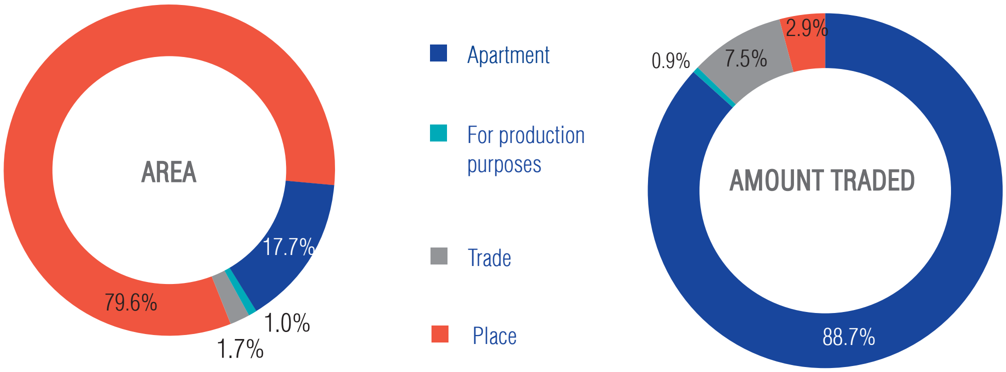
9.6% Bayangol 26

19.3% Bayanzurkh 52

0.7% Songinokhairkhan 2

Sukhbaatar District: 34.1%, Khan Uul District: 27.4%, Bayanzurkh District: 19.3%, Chingeltei District: 0.7%, Bayangol District: 9.6%, Songinokhairkhan District: 0.7%, Provinces: 3.9% (11 entities).

SELLING AND BUYING SERVICES

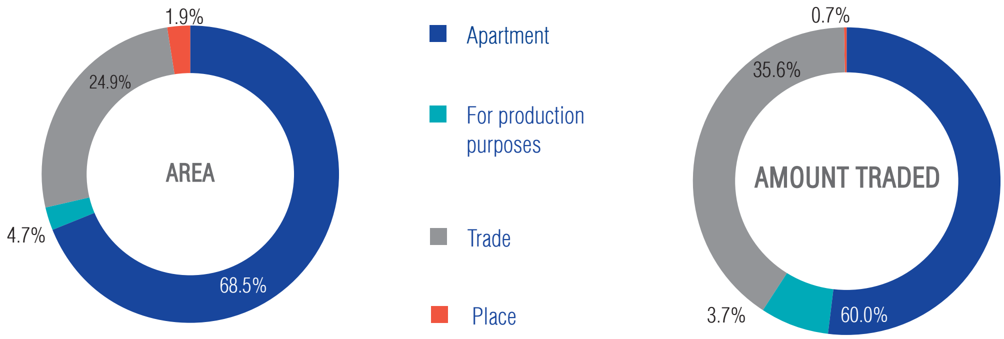


Sold Real Estate:
Land: 79.6%
Residential: 17.7%
Commercial: 1.7%
Industrial: 1.0%

Value of Sales:
Residential: 88.7%
Commercial: 7.5%
Land: 2.9%
Industrial: 0.9%

Size Distribution of Real Estate Sold
Less than 50 square meters: 21.5%
51 to 100 square meters: 46.5%
101 to 200 square meters: 19.4%
More than 201 square meters: 12.6%

RENTING AND LEASING SERVICE



Rental and Lease Deals:
Residential: 68.5%
Commercial: 24.9%
Industrial: 4.7%
Land: 1.9%

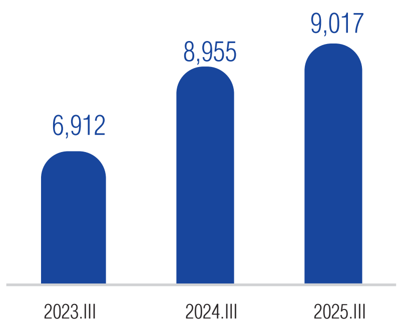
Value of Rental and Lease:
Residential: 60.0%
Commercial: 35.6%
Industrial: 3.7%
Land: 0.7%

Size Distribution of Real Estate Rented/Leased
Less than 50 square meters: 18.0%
51 to 100 square meters: 35.3%
101 to 200 square meters: 23.0%
More than 201 square meters: 23.7%

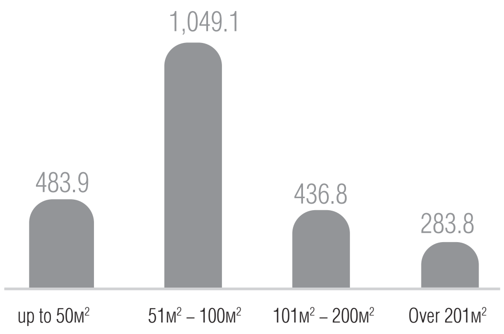
SELLING AND BUYING BROKERAGE

Total Deals: 9,017 (of 281 entities)
Combined Area: 3,050.3 thousand square meters
Total Value: 2,253.7 billion MNT

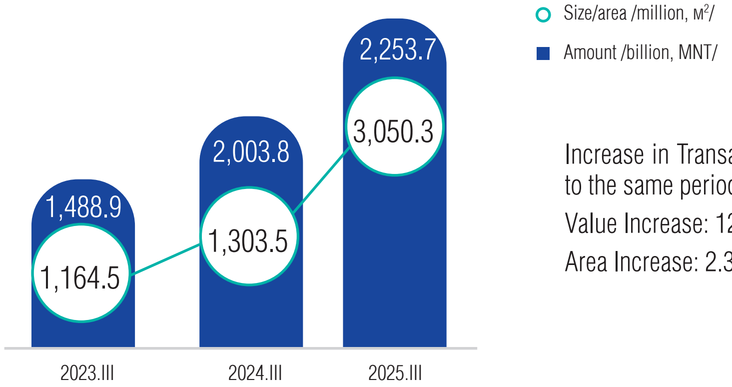
Deals



Size/area (billion MNT)



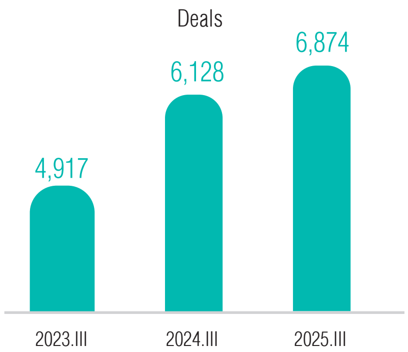
Real estate sales

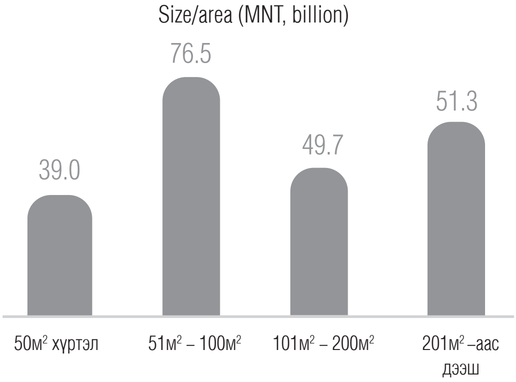


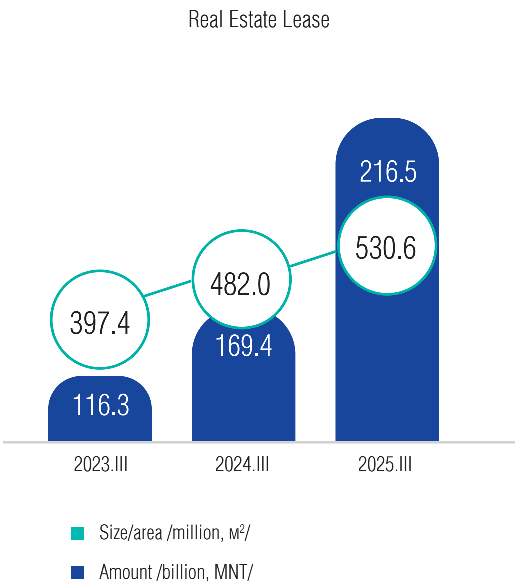
Increase in Transaction Amount compared to the same period last year:
Value Increase: 12.5%
Area Increase: 2.3%

RENTING AND LEASING SERVICES

Total Area Rented or Leased: 530,6 thousand square meters
Total Value: 2156.5 billion MNT,
Total Deals: 6,874 (of 281 entities)







Change in Transaction Amount compared to the same period last year:

Value Increase: 27.8%

Decrease in Area: 10.3%

PROFITABILITY

Total income	Total cost	Net profit
114.9 billion MNT	107.2 billion MNT	7.7 billion MNT

87	124	70
Profit: 87 entities had 14.1 billion MNT profit.	Loss: 124 entities had 6.5 billion MNT loss.	70 entities had no profit and no loss.

2025.III

	2025.III	<1%	1-5%	5-10%	>10%
/ROA/	3.0%	280	1	–	–
/ROE/	16.0%	265	15	–	1

REGULATORY ENVIRONMENT

POLICY AND LEGISLATION

- Information on fraud and scam prevention was disseminated to the public through television, radio, and the FRC's official website to enhance financial literacy and prevent crime.

POLICY AND LEGISLATION

- The 8th Asia–Pacific Conference of the REMAX franchise was held in Ulaanbaatar from 02 to 05 July 2025, and representatives of the Financial Regulatory Commission participated in the event.
- In order to enhance the professional competence, capacity, and financial literacy of specialists in the real estate brokerage sector, a "Broker License Training" program was organized in cooperation with the Umbrella Association of Real Estate Entrepreneurs on August 20–22, 2025. Certificates were awarded to 30 brokers who successfully passed the examination. Additionally, a training which is aimed at providing guidance to representatives of real estate brokerage organizations on the implementation of sector–related laws, regulations, and operational standards was conducted on 19 September 2025, with a total of 77 participants in attendance.
- Two officers of the Financial Regulatory Commission worked and organized a training program on the enforcement of relevant laws and regulations in Darkhan–Uul and Orkhon provinces on 23–26, September 2025. A total of 68 participants from real estate brokerage organizations attended the training.

DEALERS IN PRECIOUS METALS AND STONES

Number of dealers

51 Legal Entities

495 Individuals

Market outlook

Precious metals sold and bought

293.8 billionMNT

Products and services

Accessibility

72.9%

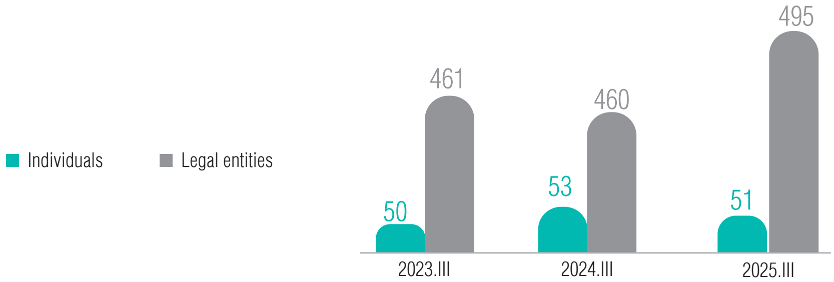
Operated in Ulaanbaatar

Regulatory environment

MARKET OUTLOOK

NUMBER OF ENTITIES WITH LICENSES

In the reporting quarter, 51 legal entities (dealers in precious metals and stones or articles made from them) and 495 individuals held licenses. Compared to the same period last year, the number of licensed legal entities decreased by 3.8%, while the number of licensed individuals engaged in business activities increased by 7.6%.



Entities (dealers in precious metals and stones, and dealers in products made by them) **51**

495 Individuals (dealers in products made from precious metals and stones)

SHARE CAPITAL

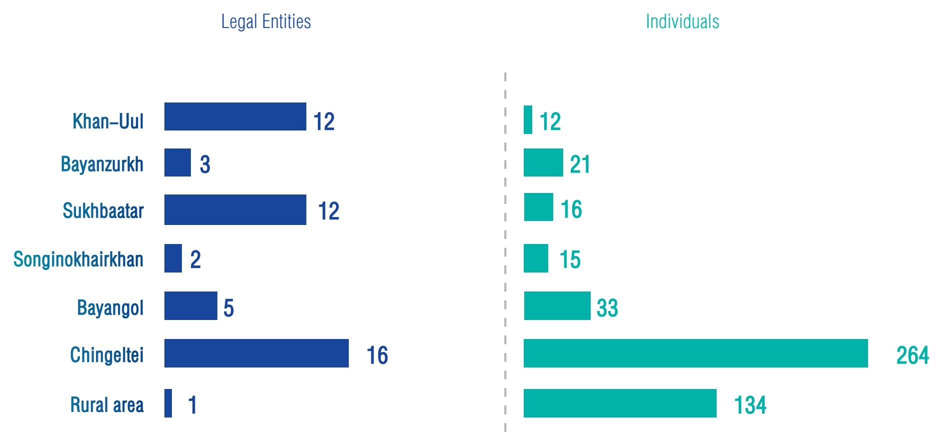
The share capital for 81 shareholders in these 51 regulated entities amounted to 6.3 billion MNT.

72.9% (361) of licensed dealers operated in Ulaanbaatar, while 27.1% (134) were based in rural areas.

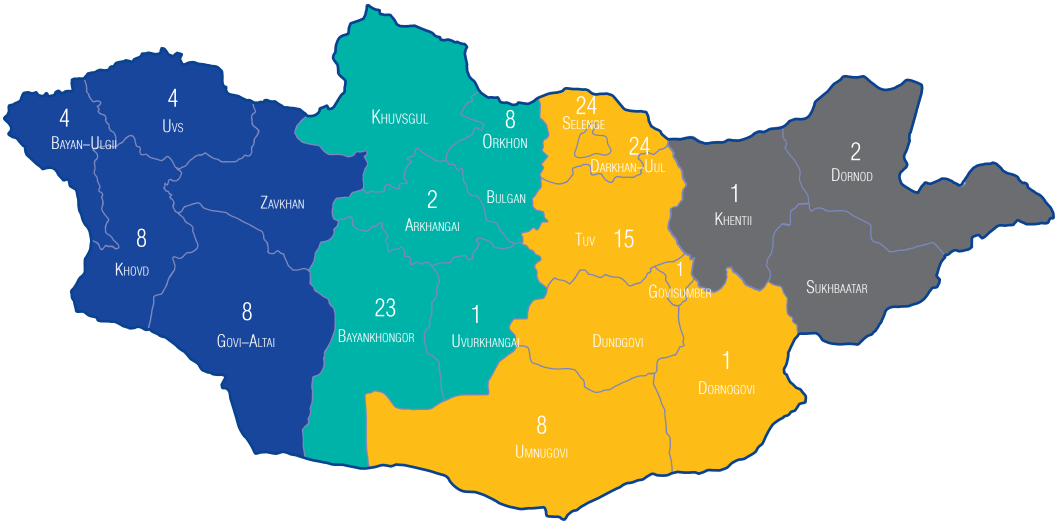
Ulaanbaatar **72.9%**

ACCESSIBILITY

LOCATION OF DPMS: ULAANBAATAR



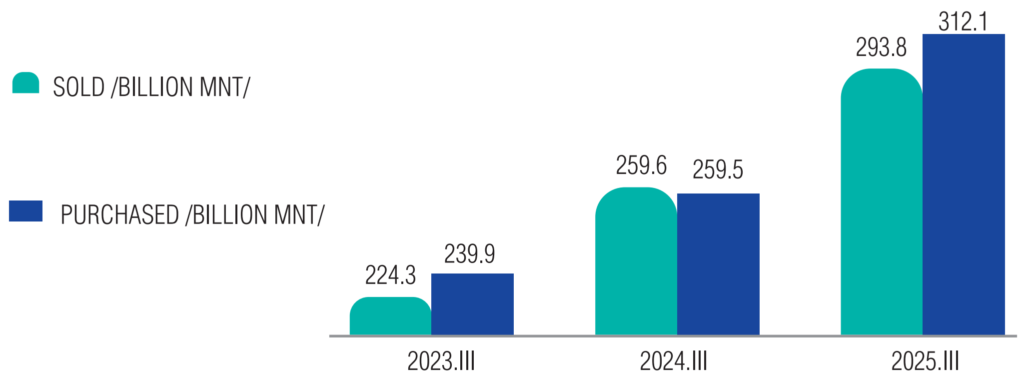
RURAL AREA, INDIVIDUALS, /NUMBER/



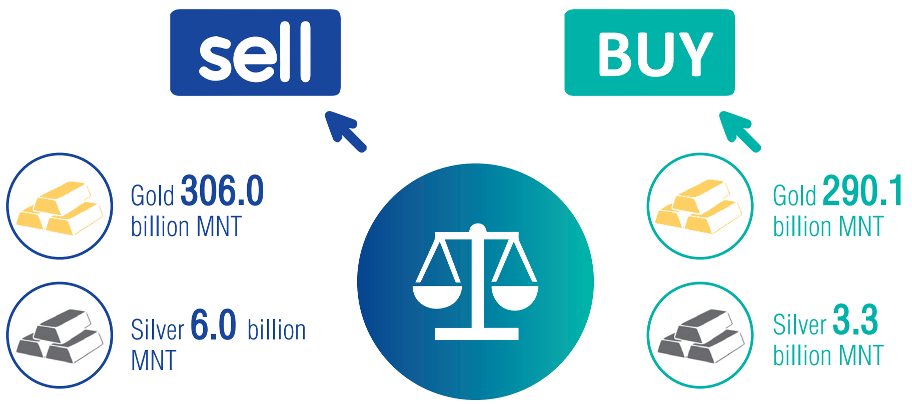
PRODUCTS AND SERVICES

METALS BOUGHT AND SOLD

In the third quarter of 2025, a total of 1,380 kg of metals, valued at 293.8 billion MNT, were purchased. Conversely, 985.0 kg of metals, valued at 312.1 billion MNT, were sold. The amount of metals bought increased by 13.2%, while the amount sold increased by 20.3%.



TRADE BETWEEN DEALERS IN PRECIOUS METALS, INDIVIDUALS AND ENTITIES



JEWELRY TRANSACTIONS

AMOUNT OF PURCHASED PRICE	SOLD PRICE AMOUNT
26.2 billion MNT	45.5 billion MNT

In the reporting quarter, jewelry worth 26.2 billion MNT was purchased, and jewelry worth 45.5 billion MNT was sold.

CLASSIFICATION OF ASSETS AND RESOURCES	Amount /MNT, billion/	Proportion of assets and resources
CURRENT ASSETS	74.3	84.6%
NON-CURRENT ASSETS	13.5	15.4%
LIABILITIES	51.6	58.8%
OWNER'S PROPERTY	36.2	41.2%

PROFITABILITY

Total income
62.7
billion MNT

Total cost
52.9
billion MNT

Net profit
9.8
billion MNT

REGULATORY ENVIRONMENT

MEETINGS AND SEMINARS

- to improve the knowledge and skills of citizens engaged in dealing with precious metals and stones, or articles made from them, training sessions were organized in Darkhan–Uul and Orkhon provinces in September 2025. A total of 19 citizens participated.
- On August 19, 2025, as part of the National Risk Assessment for Combating Money Laundering and Terrorist Financing in the dealers in precious metals and stones, or articles made from them, a survey was conducted involving 135 citizens and 31 legal entities, along with focus group interviews. Based on findings the relevant assessment report was presented On September 30, 2025, at the first discussion on sectors risk assessment

SANDBOX

Number of requests 24*

The company under test 5

Market outlook

4 participants

28.3 billion MNT trading

OTC market trading system

2,223 by agreements

473.1 billion MNT trading

Repo brokerage services

P2P loan service

11,504
costumers

4.1
billion MNT loan

Mutual Funding Services

4,549
investors

322.9
million MNT financing

B2B loan service

292
Registered customers

124.6
billion MNT loan

TESTED PRODUCTS AND SERVICES

Requests /by products and services/

The Sandbox unit received a total of 24 applications to test products and services in the sandbox environment. Currently 7 products and services including repo, certificate of deposit, trust services, P2P lending , incentive– and donation–based crowdfunding, OTC blockchain trading system, and B2B financing from five companies are being tested.

5
Testing products

7*
Products, by Sandbox

B2B credit services

The B2Bfinancing service entered the sandbox environment in January 2024. This service addresses the short–term financing needs of enterprises by enabling the efficient circulation of excess reserves in the organization's current account.

292
Registered costumers

124.6
billion MNT
Amount of B2B loans granted

During the reporting period, the service registered 292 customers and facilitated loans totaling 124.6 billion MNT, of which 101.7 billion MNT has been repaid. The average interest rate on these loans is 1.5%, with loan terms of 7, 14, 21, 28, and 42 days.

B2B loan term
7, 14, 21, 28, 42 days

B2B average loan interest rate
1.5%

** Increased statistics*

Repo brokerage services

Repo services have been operating in the sandbox environment since December 2021. An integrated trading, payment, registration, and storage platform has been tested, tintroducing repo trading, depository receipst, commercial paper, factoring (discounted claims), and trust services.

Certificate of Deposit

From September 2023 to the end of the reporting quarter, a total of 303.2 million MNT worth of certificates of deposit have been traded.

Default trade amount

291.2 million MNT

Secondary trading amount

12.1 million MNT

Trust

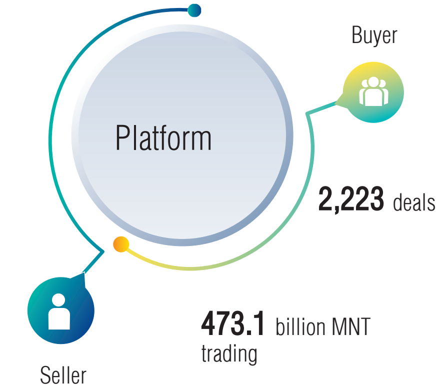
From October 2023 to the end of the reporting quarter, a total of 9.6 billion MNT worth of trust services been intermediated.

Default trade amount

8.1 billion MNT

Secondary trading amount

1.5 billion MNT



Since the launch of repo transactions through the platform , a total of 2,223 trades amounting to 473.1 billion MNT have been executed by 52 lenders and 43 borrowers.

In the reporting quarter 54 trades totaling 20.7 billion MNT were executed with excess supply, and 10 trades totaling 3.3 billion MNT with excess demand. The average maturity of repo loans was 43 days, with an average interest rate of 21.8 %

Average repo interest rate

21.8%

Average term of repo loan

43 days

7 days 14 days 28 days 84 days

Table. Generel Indicators of Repo transaction

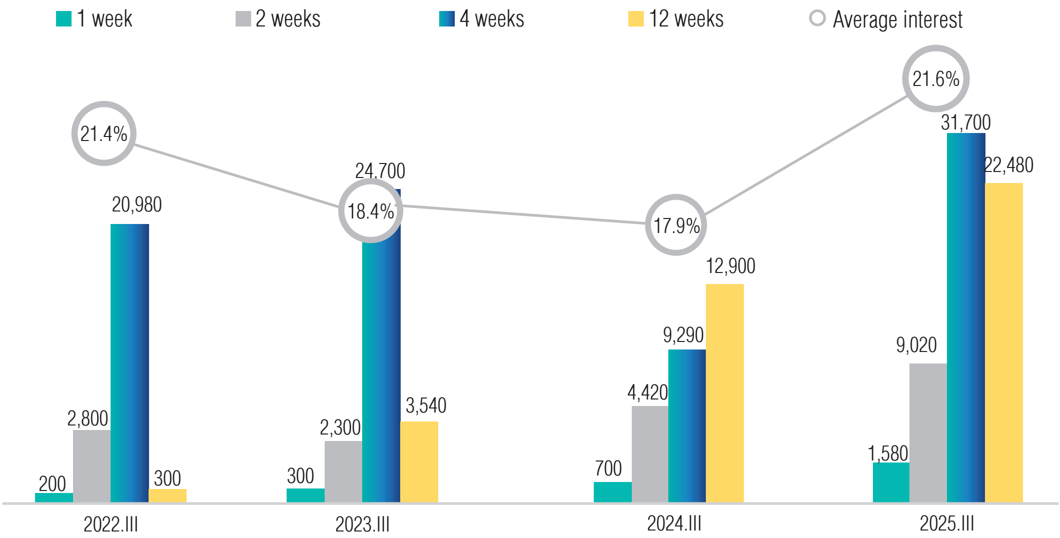
Time	Number of creditors	Number of borrowers	Number of trades	Trade amount	Average interest	Average loan term
2022.III	13	14	164	24,280,000,000	21.4	26
2023.III	16	20	140	30,840,000,000	18.4	35
2024.III	18	20	114	27,310,000,000	17.9	42
2025.III	32	26	247	64,780,000,000	21.7	43

The average interest rate and average maturity of repo transactions have increased compared to previous years.

Specifically, the average maturity of repo loans was 26 days in 2022, whereas it reached 43 days in 2025, extending by 17 days, which indicates rising demand for longer term loans

During the same period, the number of lenders increased from 13 to 32 (a 2.5–fold increase), and the number of borrowers rose from 14 to 26 (a 1.9–fold increase). Accordingly, the number of transactions grew from 164 to 247 (1.5 times), and the transaction volume expanded from 24.3 billion MNT to 64.8 billion MNT, a 2.7–fold increase.

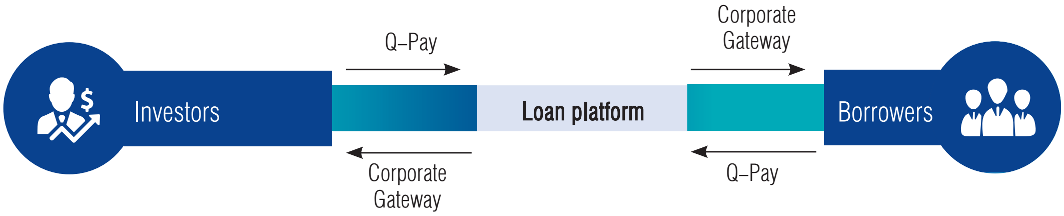
Figure. Repo transaction interest rate and trading amount /MNT, million/ with terms

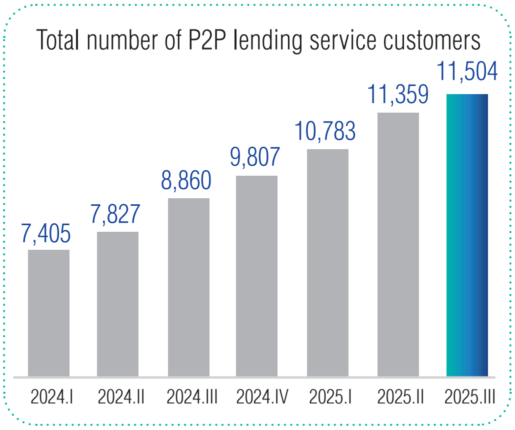


distribution of repo loans by maturity: 4–week maturity: 48.9%, 12–week maturity: 34.7% ,Two–week maturity: 13.9%, One–week maturity: 2.5%

P2P loan service

The P2P loan service, in testing since December 2022, uses artificial intelligence and blockchain technology for credit evaluation and loan registration, and is currently developing a service that directly connects investors with borrowers.





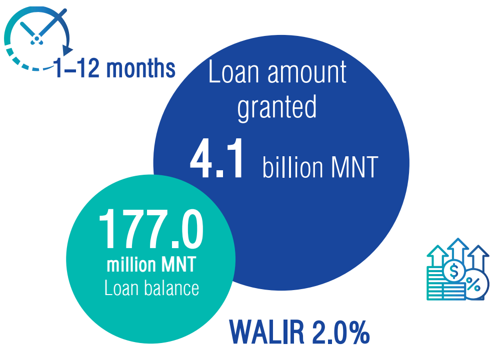
98.4% borrowers

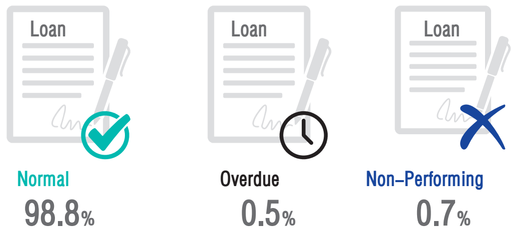
1.6% investors

It has served a total of 11,504 customers, of which 1.6% are investors, and 98.4% are borrowers.

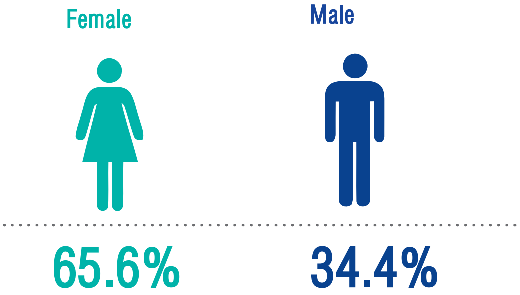
A total of loans of 4.1 billion MNT in loans have been issued, of which 3.9 billion MNT has been repaid, leaving an outstanding balance of 177.0 million MNT

Loan term Less than 3 months: 74.0%, more than 3 months: 26.0%, investment portfolio: One–year: 30.0%, less than one year: 70.0%

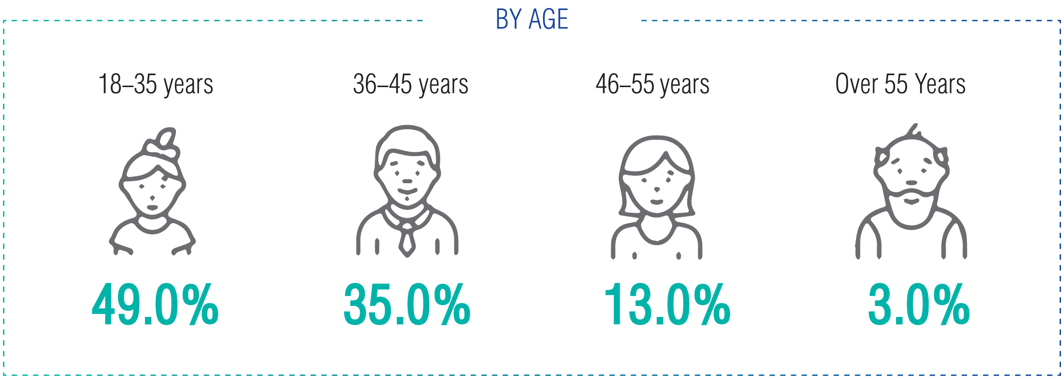


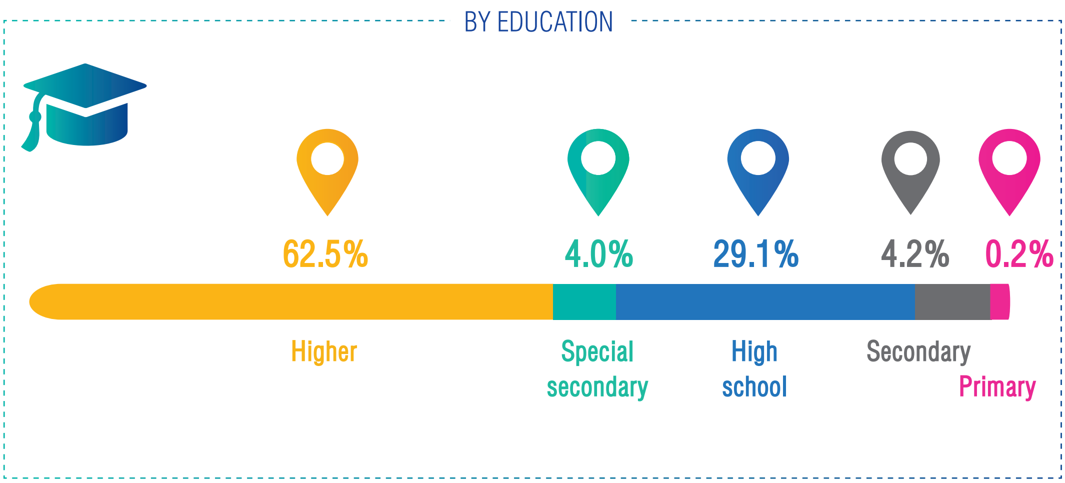


Of the total loans facilitated through the P2P platform, 98.8 %are performing, 0.5 % are past due, and 0.7 % are non–performing. In addition, the weighted average monthly interest rate of P2P loans stands at 2.0 %.



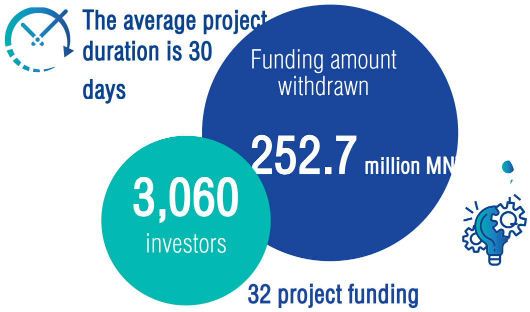
Demographical breakdown of customers , gender 65.6% % are women, 34.4% % are men. age 49.0% fare aged 18–35 , 35% are 36–45, 13.0% are 46–55, and 3.0% are over 55. Education, 62.4% have higher education, 4.0% have special secondary education, 29.1% have completed high school, 4.2% have secondary education, and 0.3% have primary education.





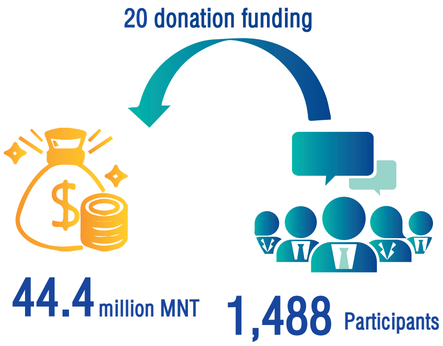
Crowdfunding

crowdfunding services, Launched in December 2022, are currently being tested acoss with incentive–, loan– and donation–based models

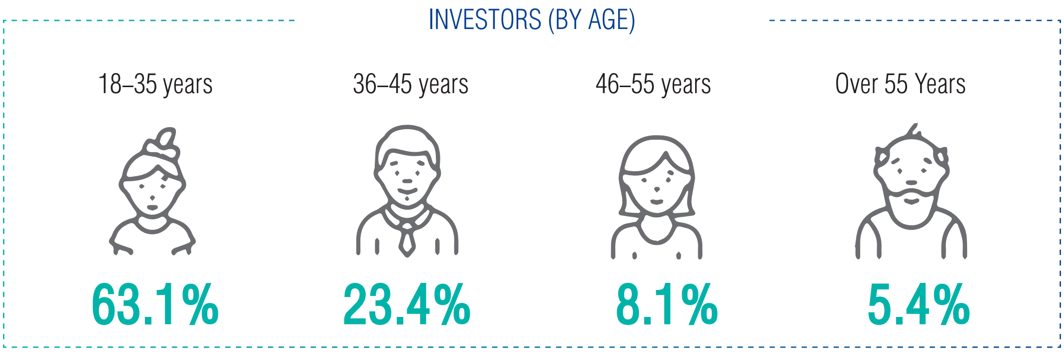


a total of 322.9 million MNT was raised from 4,549 investors across 53 projects valued at 2.1 billion MNT.

Of these, 32 incentive–based projects raised 252.7 million MNT(average funding realization rate 30.8%).



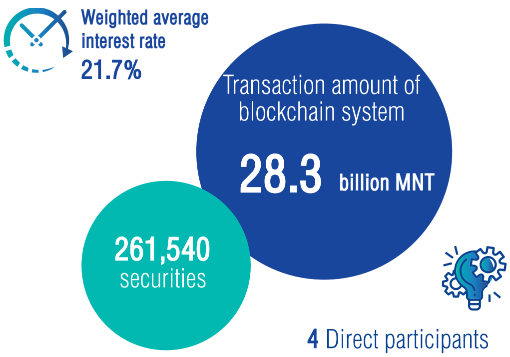
- 20 donation–based projects raised 44.4 million MNT from 1,488 investors .
- One company raised 25 million MNT by offering its shares at an interest rate of 2.5%.



Among the investors, 63.1% are aged 18–35 , 23.4% are aged , 8.1% are aged 46–55, and 5.4% are over 55.

Blockchain trading system

The OTC blockchain trading system, operational in November 2023, has significantly enhanced the efficiency of trading and securities settlement in both the primary and secondary markets. This system enables automated trading and eliminates time constraints, offering 24/7 availability.

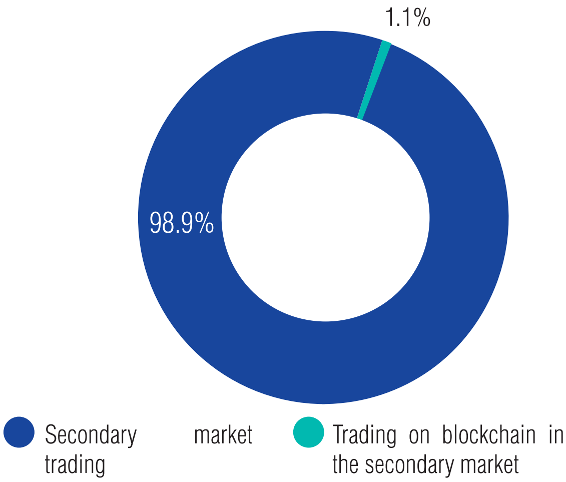


General information about the blockchain system trading

In the reporting period, 261,540 securities worth 28.3 billion MNT were traded viathe blockchain system. The weighted average bond interest rate was 21.7 %. There are 4 direct participants involved in secondary market blockchain trading during the period.

Блокчэйн системийн арилжааны эзлэх хувь

The total secondary market trade value on the OTC market reached 2,629.0 billion MNT. Of which , 1.1% (or 28.3 billion MNT) occurred on the blockchain system.



REGULATORY ENVIRONMENT

In the framework of the improvement of the regulatory environment:

"Technical Assistance Program for Developing the Legal, Regulatory, and Supervisory Environment for the Fintech Sector in Mongolia," which was implemented with the objective of developing Mongolia's fintech sector, creating an enabling environment for innovation, enhancing consumer protection, expanding remote identification as well as the use of electronic and digital signatures, has been successfully completed.Funded by the Asian Development Bank and jointly implemented by the Financial Regulatory Commission, the Bank of Mongolia, and the Ministry of Finance, the project developed the Fintech Innovation Roadmap of Mongolia, which outlines proposals and recommendations on clarifying the regulatory environment of the sector, strengthening public–private cooperation, protecting consumer rights, and leveraging digital solutions. Additionally, recommendations were developed to promote the use of technological advancements in supervision and enhance automated reporting systems.As a result, remote supervision will be more efficient and timely, information quality will improve, and sectoral risks will be identified proactively. In particular, these two documents will serve as a foundation for future policies and actions aimed at fostering an innovation–friendly regulatory environment and expanding access to fintech services.

As part of the work to promote the Sandbox environment to the public:

Participated as a speaker and panelist in the session titled "The Use of Artificial Intelligence to Enhance Financial Inclusion" at the Global Policy Forum, jointly organized by the Alliance for Financial Inclusion (AFI) and the Bank of Namibia.The presentation covered the use and regulation of artificial intelligence in the financial sector, as well as Mongolia's fintech sector and the regulatory sandbox environment.

Within the framework of monitoring and collaborating with participants in the sandbox environment:

96 meetings were held with 35 companies interested in sandbox participation.

The FRC is conducting both on–site and off–site supervision based on participants reports.

The FRC regularly participates in training sessions and international discussions focused on fintech and regulatory innovation

A digital database is under development to collect and generate weekly, monthly, and quarterly reports tailored to each of the five products under testing.

The FRC also conducts regular research on product development and regulatory trends to ensure alignment with global best practices.

VIRTUAL ASSET SERVICES

VASPs

12

Market outlook

Costumers

686,513

Accessibility

Day trading of
foreign virtual assets

209.1 million MNT

Products and services

Profitability

Total income

10.4 billion MNT

Loss

5.3 billion MNT

Regulatory environment

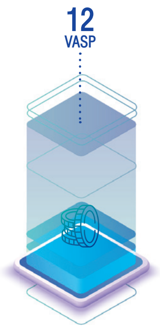
MARKET OUTLOOK

NUMBER OF VIRTUAL ASSET SERVICE PROVIDERS

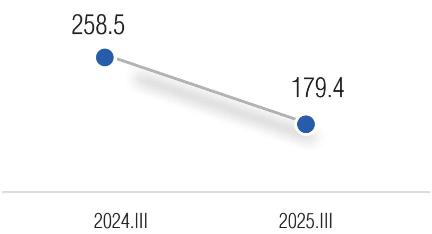
In the third quarter of 2025, there are 12 VASPs in operation, with a domestic market valuation decreasing by 30.6% (79.0 billion MNT) compared to the same period last year.

Areas of activity /duplicate/

ACTIVITY	VASP
Transfer of virtual assets	12
Trade between single and multiple virtual assets	10
Trade between virtual assets and official currencies	12
Storage and management of virtual assets and related tools	12
Organizing activities related to offering and selling virtual assets to the public, participating in financial activities and providing services, maintaining and managing assets and related instruments	10



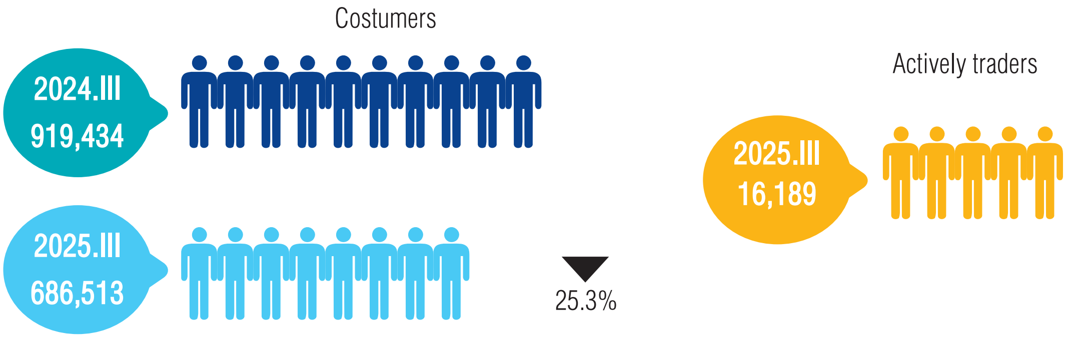
Domestic market valuation (MNT, billion)



MARKET SHARE (BY TOTAL TRADE)

12 VASPs have 23 shareholders: 100% ownership–4 shareholders, 50–99% ownership – 10 shareholders, 10–49% ownership – 6 shareholders, less than 3% ownership – 3 shareholders. Among the shareholders, 8 are individuals, 15 are entities.

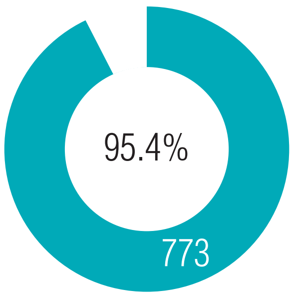
ACCESSIBILITY



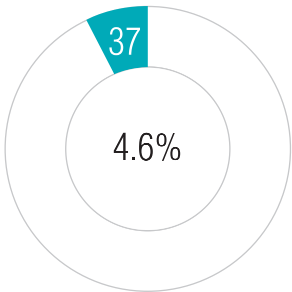
71.8% (493,016) of total licensed VASP customers are verified, and 3.3% (16,189) of customers are actively trading.

NUMBER OF INTERNAL AND EXTERNAL VIRTUAL ASSETS TRADED ON THE VIRTUAL ASSET PROVIDER

810 VAs were traded through VASPs, with 37 (4.6%) domestic VAs, and 773 (95.4%) foreign VAs.



Domestic VAs decreased by 15.9% compared to the same period last year.

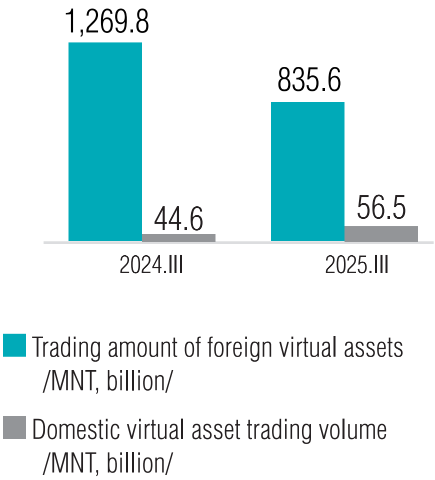


PRODUCTS AND SERVICES

VIRTUAL ASSET TRADING

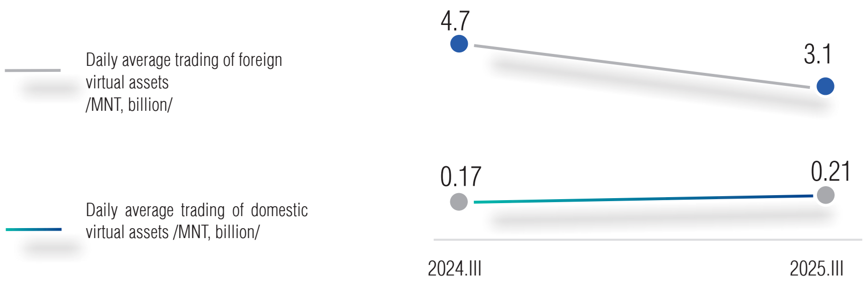
Total traded through VASPs: 892.0 billion MNT

- Trade of foreign virtual assets decreased by 434.2billion MNT
- Trade of domestic virtual assets increased by 11.9 billion MNT compared to the same period last



AVERAGE DAILY TRADING

average trade: foreign VAs 3.1 billion MNT, domestic VAs 0.2 billion MNT



PROFITABILITY

TOTAL ASSETS

VASPs have total assets of 60.8 billion MNT, with 45.2 billion MNT (74.4%) classified as current assets and 15.6 billion MNT (25.6%) as non–current assets. Considering the source of assets, 43.2 billion MNT (71.0%): owner's equity: 17.6 billion MNT (29.0%)

Statistics	Amount /MNT, billion/	Proportion of assets and resources
Current assets	45.2	74.4%
Non–current Assets	15.6	25.6%
Liabilities	43.2	71.0%
Owner's property	17.6	29.0%

5.1
billion MNT
INCOME
decreased by 46.1 times from the same period of the previous year.

10.4
billion MNT
COST
Increased by 33.7 times from the same period of the previous year.

5.3
billion MNT
LOSS
Increased by 4.2 times from the same period of the previous year.

Profit decreased by 4.4 billion MNT, expenditure increased by 2.6 billion MNT, and losses increased by 7.0 billion MNT compared to the same period last year.

APPENDIX

CAPITAL MARKET DATA

Statistics	2023.III	2024.III	2025.III
Market valuation (MNT, billions)	10,290.8	12,102.1	13,187.3
MV/GDP	19.5%	17.2%	16.5%
Liquidity	1.3%	1.8%	1.1%
Stock trading (MNT, billions)	467.1	244.1	144.9
Dept instrument trading (MNT, billions)	97.1	618.7	196.3
Asset–backed securities trading (MNT, billions)	44.7	131.7	283.7
Investment fund (MNT, billions)	45.7	64.2	125.9
Government securities (MNT, billions)	–	–	97.0
TOP–20 index	35,436.88	47,864.47	49,327.20
MSE A index	15,249.91	18,360.61	19,358.87
MSE B index	12,197.78	15,410.49	14,493.08
Number of JSCs	322	310	311
Number of SCs	52	52	53
Commercial value of agricultural products (MNT, billions)	824.6	943.1	646.9
Trading volume of mining products exchange (MNT, billions)	3,370.4	7,438.6	4,238.5

INSURANCE MARKET DATA

Statistics	2023.III	2024.III	2025.III
Total assets (MNT, billions)	582.5	738.5	800.8
Total insurance and reinsurance premiums (MNT, billions)	290.0	407.6	472.9
Total compensation (MNT, billions)	82.1	113.1	147.2
Reserve fund (MNT, billions)	268.6	345.4	395.8
Reinsurance fee (MNT, billions)	97.9	142.1	165.5
Net profit (MNT, billions)	7.4	23.0	42.0
Professional participants:			
Non–life insurance	15	16	17
Life insurance	2	2	3
Reinsurance	1	1	1
Insurance agent	2,381	2,499	1,109
Insurance broker	64	60	62
Damage assessor	25	29	29
Actuary	40	40	40
Auditor	145	147	155
Auditor's company	44	45	48

NBFI DATA

/billion MNT

Statistics	2023.III	2024.III	2025.III
Total assets	4,257.4	6,417.6	8,529.3
Current assets	4,121.9	6,151.6	8,146.4
Cash	529.3	726.6	831.4
Short–term investments	41.7	72.4	127.3
Total loans	3,378.5	5,198.2	6,968.4
Normal loans	3,007.0	4,686.0	6,019.3
Overdue loans	119.6	190.0	327.4
Non–performing loans	251.9	322.2	621.6
Credit risk fund	188.8	244.5	408.3
Other real estate to be owned and other property to be owned (net)	21.5	31.9	46.6
Non–current assets	135.4	266.0	383.2
Total liabilities	1,667.7	3,038.3	3,921.6
Trust service payayble	519.3	1,062.8	1,293.3
Payables to domestic and foreign banks and financial institutions	470.6	1,026.3	1,445.0
Project loan financing	28.2	19.8	418.8
Owner's property	2,589.7	3,379.3	4,607.7
Secondary charity	76.0	75.2	21.4
Share capital	1,453.1	1,714.9	2,110.7
Accumulated profit	994.8	1,501.7	2,254.3
Number of NBFIs	521	555	577
Ulaanbaatar	428	457	480
Provinces	93	98	97
Customers	4,141,367	4,931,618	3,732,579
Total income	814.7	1,282.6	1,941.1
Interest income	694.3	1,117.0	1,716.2
Non–interest income	102.7	143.6	178.6
Non–operating income	17.4	21.9	46.1
Total cost	512.3	783.3	1,223.6
Interest expenses	98.3	273.3	455.8
Non–interest expenses	292.7	322.8	399.9
Potential risk costs	69.2	85.9	208.3
Non–core operating expenses	7.2	101.3	159.6
Net profit	302.4	499.3	717.5

SCC'S DATA

/billion MNT

Statistics	2023.III	2024.III	2025.III
Total assets	302.7	354.6	380.0
Current assets	298.5	345.3	366.0
Cash	54.7	64.9	54.7
Liability	217.1	274.0	301.1
Other financial assets	6.2	6.4	10.2
Non–financial assets	4.2	9.3	14.0
Total liabilities and equity	302.7	354.6	380.0
Financial liabilities	238.0	272.6	286.4
Non–financial liabilities	238.0	3.0	6.9
Own capital	64.7	79.0	86.7
Total income	46.5	57.0	67.3
Interest income	44.4	54.0	64.5
Non–interest income	1.4	1.1	1.0
Other operating income	0.7	1.9	1.8
Total expenses	40.4	45.5	54.6
Interest expenses	25.9	29.5	33.7
Risk fund expenses	1.9	1.5	2.4
Operating costs	11.8	13.5	17.1
Other costs	0.1	0.0	0.1
Income tax expenses	0.7	1.0	1.3
Net income	6.1	11.5	12.7
Number of SCCs	192	183	176
Number of Ulaanbaatar SCCs	101	92	83
Number of local SCCs	91	91	93
Members	71,649	74,847	78,172

Accordance with the "Accounting Procedure to be Followed by Legal Entities and Organizations Engaged in Savings and Credit Cooperative Activities," as revised and approved by Order No. A/49 of 2024 issued by the Minister of Finance.

Other financial assets and cash equivalents are calculated as the total of interest accrued on financial assets and interest accrued on loans.

CREDIT GUARANTEE FUND

/billion MNT

Statistics	2023.III	2024.III	2025.III
Total assets	257.6	311.6	310.5
Warranty balance	89.1	384.8	448.6
Of which: overdue	2.9	3.6	9.7
:non–performing	7.5	6.9	9.8
Guaranteed loan balance	173.4	673.9	805.5
Of which: overdue	5.4	7.3	16.4
:non–performing	15.9	15.9	17.1
Operating income	9.5	21.6	19.1
Operating expense	5.3	6.5	21.8
Net result for the reporting period	4.2	15.1	(2.7)
Number of requests for bail submitted	202	10,775	1,818
Number of guarantees issued	146	10,774	1,818
Guarantee provided	33.1	306.3	56.6
of which: agriculture	0.5	2.9	1.4
manifacturing	12.5	9.7	3.4
wholesaling and retailing	14.6	19.5	7.1
other	5.5	274.2	44.5
Average period of guarantee issued /in months/	164.1	79.4	84.6

REBs DATA

Statistics	2023.III	2024.III	2025.III
REBs (including agencies)	314	301	281
Brokers	328	314	294
Agents	1,287	1,301	1,137
Area of real estate bought and sold (m^2)	1,164.6	1,303.5	3,050.2
Value of real estate bought and sold	1,488.9	2,003.8	2,253.7
Area of real estate rented and leased (m^2)	397.4	481.6	530.5
Value of real estate rented and leased	116.3	169.4	216.5

DPMS DATA

Statistics	2023.III	2024.III	2025.III
Entities (DPMS, and dealers in products made from them)	50	53	51
Individuals (DPMS, and dealers in products made from them)	461	460	495
Weight of bought precious metals (gram)	1,793.3	1,376.3	1,380
Value of purchased precious metals (MNT, billion)	224.3	259.6	293.8
Weight of sold precious metals (gram)	2,298.5	1,120.0	985.0
Value of sold precious metals (MNT, billion)	239.9	259.5	312.1
Total value of bought products (MNT, billion)	13.5	18.1	26.2
Total value of sold products (MNT, billion)	20.4	30.7	45.5

VASP DATA

/Тэрбум төгрөг/

Statistics	2024.III	2025.III
Number of VASP	12	12
Costumers	919,434	686,513
Of which: Actively trades	24,380	16,189
Number of domestic virtual assets	44	37
Valuation of domestic virtual assets market	258.5	179.4
Domestic virtual asset trading volume	44.6	56.5
Foreign virtual asset trading volume	1,269.8	835.6
Share capital	24.9	24.9
Total assets	**64.5**	**60.1**
Operating Profit/Loss	1.7	(5.3)