

FINANCIAL MARKET REVIEW

2025



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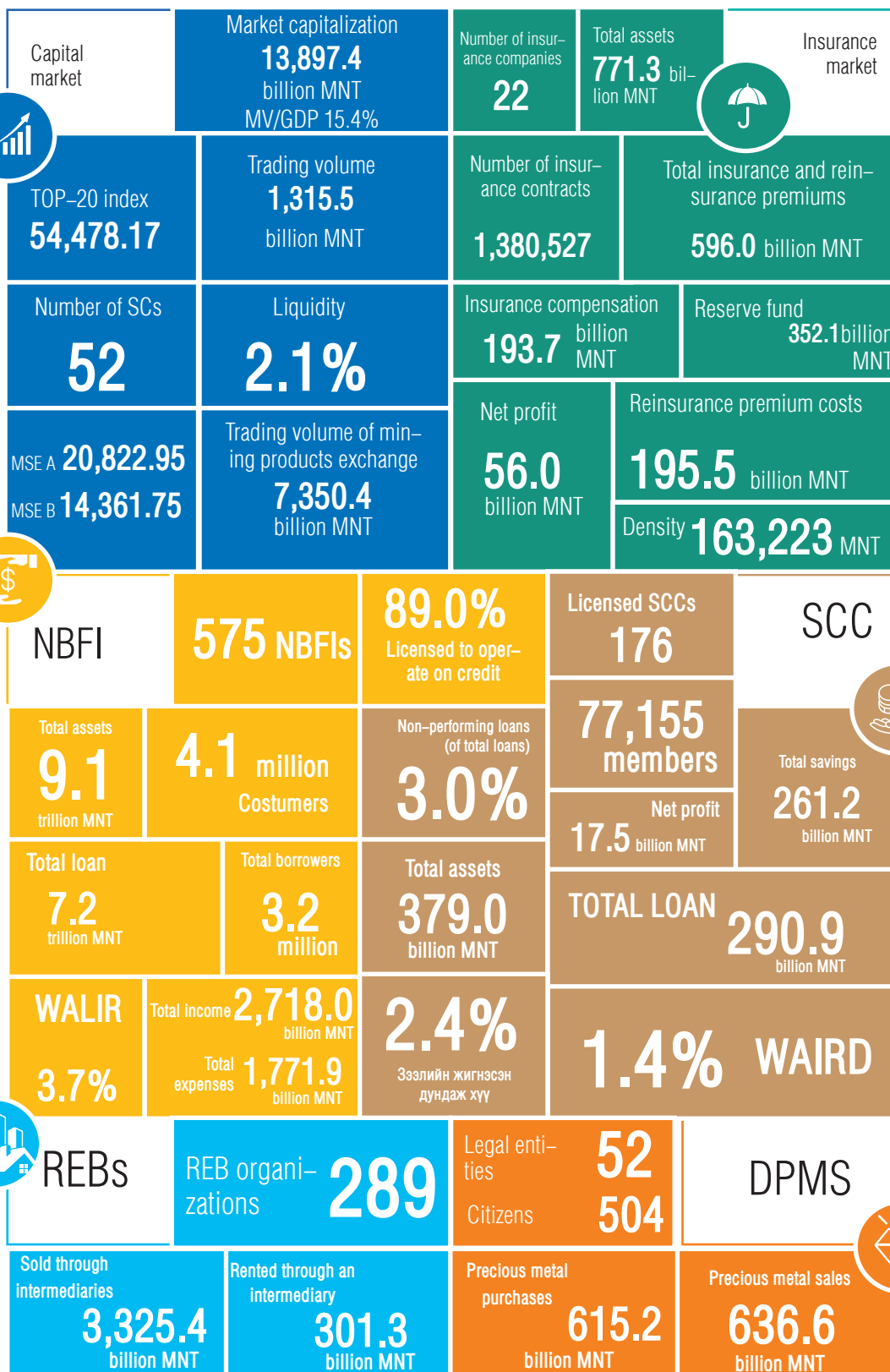
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Profitability

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ABBREVIATIONS and ACRONYMS

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





Capital market

Market valuation

13,879.4
billion MNT



Financial market status

Accounts

2,610,534



Accessibility

Total trading

1,315.5
billion MNT



Products and services

Profitability



Assets of SCs

273.0
billion MNT

Tax collected from
the state budget,
social insurance
contributions

15.4
billion
MNT

Stability



Centralized

Market valuation **79.7%**
Top-10 JSCs

Regulatory environment



SECURITIES MARKET STATUS



The securities market comprised 634 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 52	IMCs 35	Mutual Funds 8
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 72 (SPS)	Asset management 5	Accounts Payable Asset Portfolio Controller 2 (1 duplicate)
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Registered

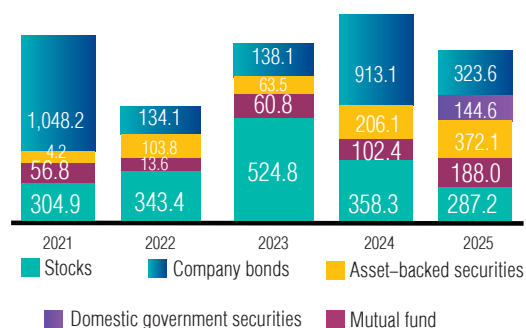
Auditing firms 58 (7 duplicate)	Securities valuation firms 25 (duplicate)	Legal consultancies 50
JSCs 311	Listed on the Mongolian Stock Exchange – 162 JSCs Listed on the Ulaanbaatar Stock Exchange – 2 JSCs	

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

SECURITIES MARKET TRADING

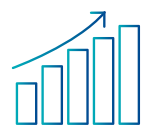
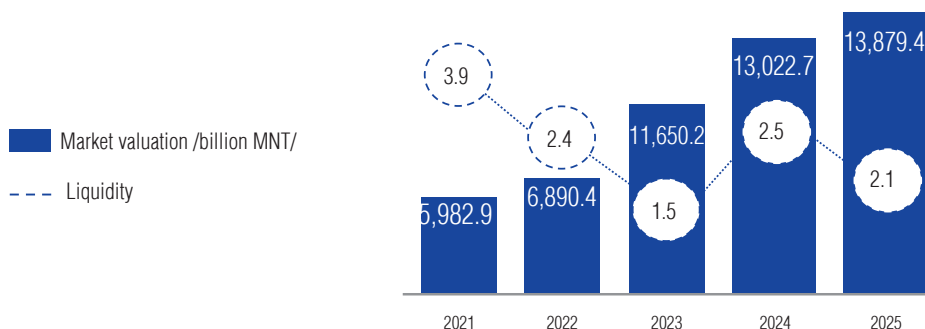
- In the third quarter of 2025, securities trading totaled 1,315.5 billion MNT, marking a 16.6 percent decrease from the previous year. Compared to the same period in 2021, this represents a 7.0 percent decrease.
- Of the total trades, shares accounted for 14.3%, investment fund units for 21.8%, corporate bonds for 24.6%, and asset-backed securities for 28.3%, government domestic securities for 11.0%.

Securities trading (billion, MNT)



Market valuation and liquidity

- Market valuation increased by 6.6% compared to the same period last year, reaching 13,879.4 billion MNT. Liquidity also improved, rising by 2.1%.



TOP 20 54,478.17

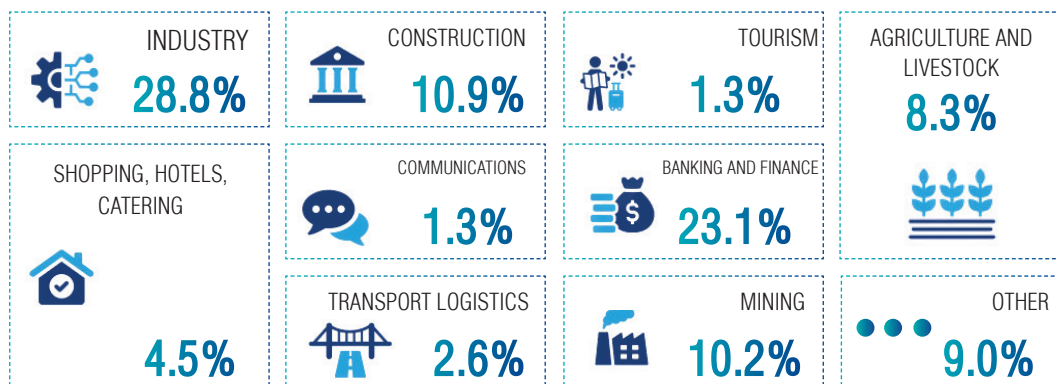
MSE A 20,822.95

MSE B 14,361.75

Securities market index

- The TOP-20 Index rose by 3,181.78 points, marking an 6.2% increase.
- The MSE A index increased by 1,026.98 points (5.2%).
- The MSE B index decreased by 835.63 points (5.5%).

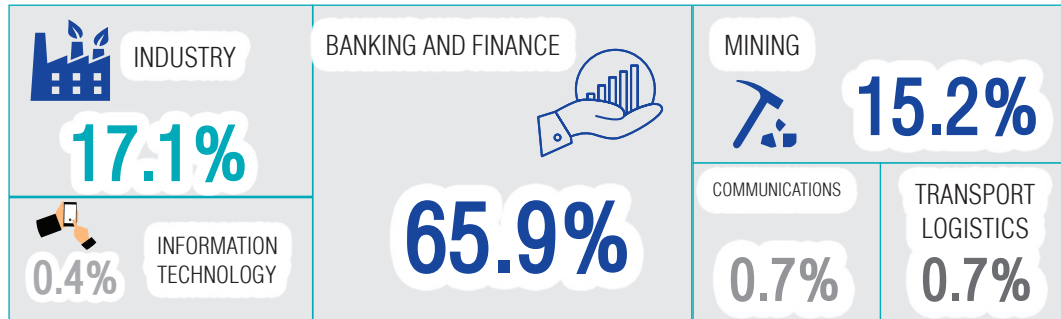
INDUSTRY CLASSIFICATION OF JSCs LISTED ON THE MONGOLIAN STOCK EXCHANGE



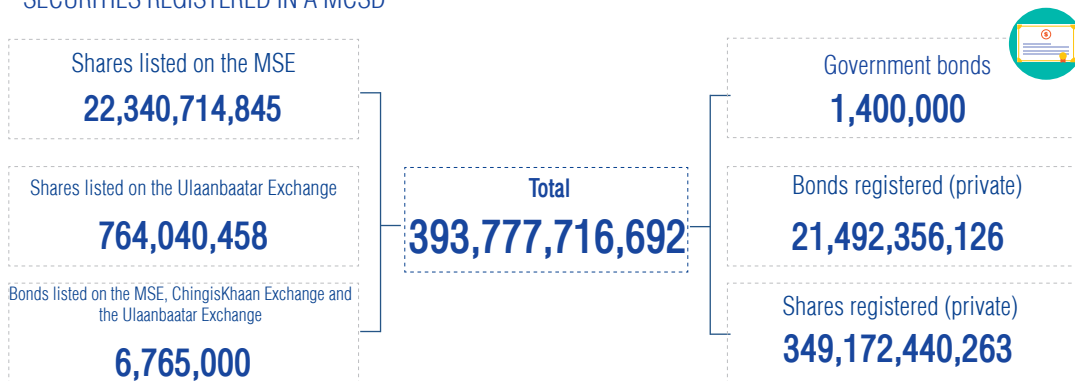
The composition of the TOP-20 Index portfolio is determined by market valuation, average daily turnover, number of trading days, and market concentration.

While only 23.1% of registered companies belong to the banking and financial sector, they accounted for 65.9% of the TOP-20 Index portfolio, indicating significant concentration in this sector.

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

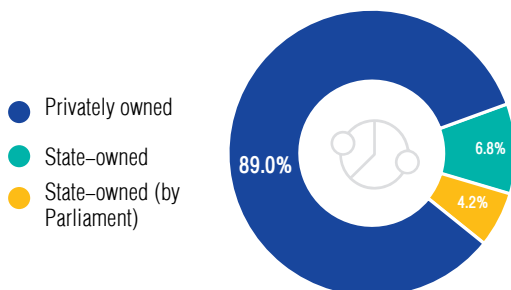
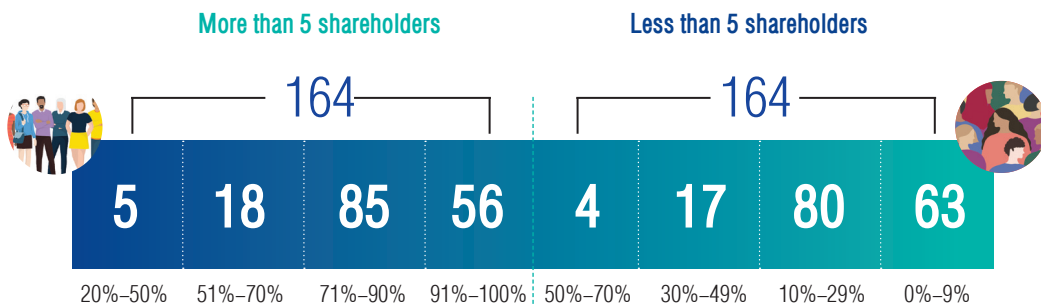


SECURITIES REGISTERED IN A MCS D



STOCK CONCENTRATION

The table below illustrates the ownership concentration of 164 actively traded JSCs on the stock exchange, highlighting the proportion of shareholders owning more than 5% and those owning 5% or less.



SHAREHOLDING STRUCTURE

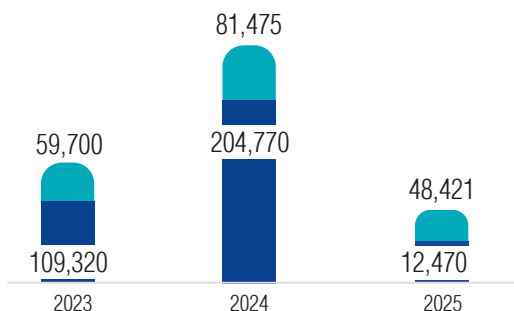
- 308 JSCs were registered with the FRC's securities registry. Of these, 89.0% were privately owned, 6.8% were state-owned, and 4.2% were owned by Parliament.

NUMBER OF SECURITIES ACCOUNTS

- o 12,470 new securities accounts were opened: bringing the total to 2,610,534. Additionally, 48,421 new escrow accounts were created, increasing the overall number to 720,358.

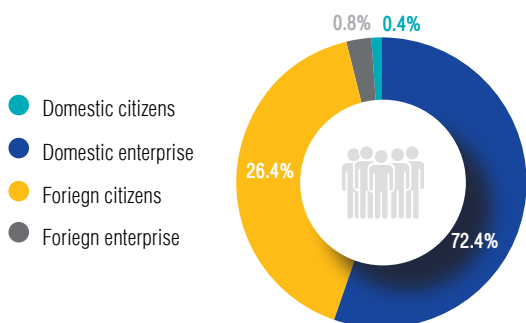
NUMBER OF OPENED ACCOUNTS

■ Connection account ■ New account



Number of opened accounts
(growth in numbers)

2,610,534



COMMERCIAL STRUCTURE

- o Domestic entities conducted the majority of transactions (72.4%), highlighting their strong presence in the capital market. Domestic individuals accounted for 26.4% of total trades, while foreign individuals and foreign entities contributed 0.8%, and 0.4%, respectively.

NUMBER OF TRADE PARTICIPANTS

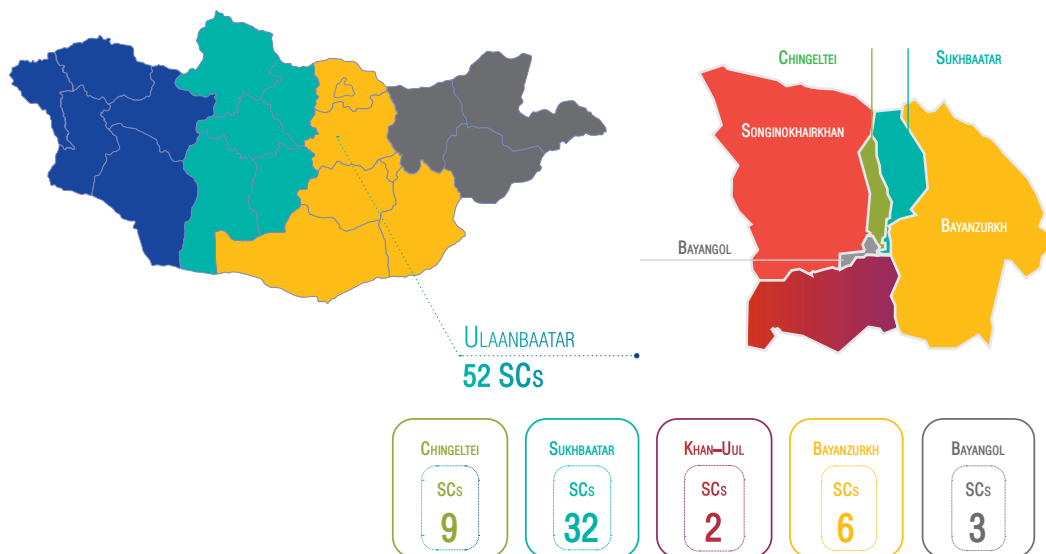
- o A total of 125,832 citizens and 2,425 entities participated in trading, resulting in 326,181 trades. Among the participants, 95.3% were domestic citizens, 1.8% were domestic enterprises, 0.8% were foreign citizens, and 0.1% were foreign enterprises.



	Number of traders		Number of trades /duplicated/	
FORIEGN ENTERPRISE	142	0.1%	789	0.3%
FORIEGN CITIZENS	1,021	0.8%	3,306	1.0%
DOMESTIC ENTERPRISE	2,283	1.8%	14,769	4.5%
DOMESTIC CITIZENS	124,811	95.3%	307,317	94.2%
TOTAL	128,257	100.0%	326,181	100.0%

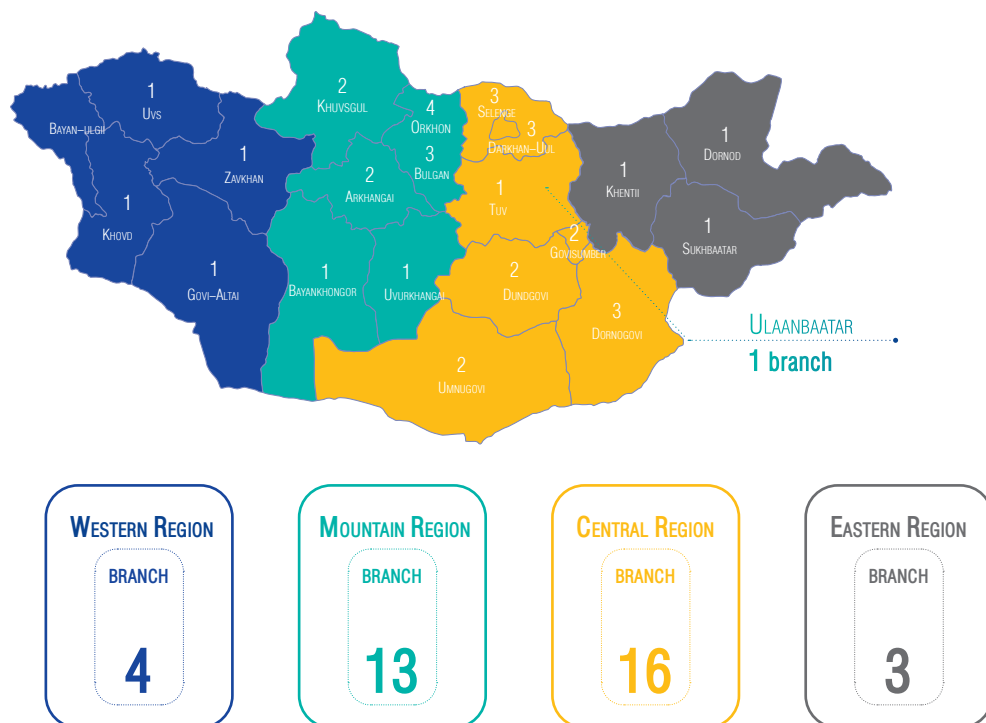
LOCATION OF SCs

- o A total of 52 operational securities companies are based in Ulaanbaatar.



LOCATION OF BRANCH REPRESENTATIVE OF SECURITIES COMPANIES

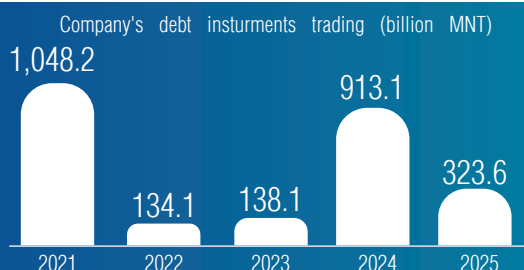
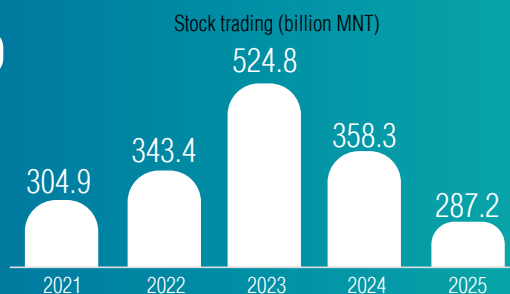
- o There are 37 branch representatives of securities companies, 36 are located in the provinces, and 1 is in Ulaanbaatar.



PRODUCTS AND SERVICES

STOCK TRADING

Stock trading totaled 287.2 billion MNT, reflecting a 19.9 % decrease compared to the same period last year, but a 5.8 % decrease compared to the same period in 2021.



DEBT INSTRUMENTS OF THE COMPANY

- Corporate bond trading reached 323.6 billion MNT, representing a 64.6% decrease compared to the same period last year and 69.1% decrease compared to 2021.

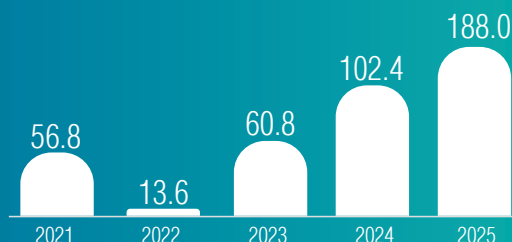
DEBT INSTRUMENTS OF THE COMPANY /OPEN/

Company	Registered	Bond amount /billion, MNT/
"Shunkhlai" LLC	2025.11.27	50.0

INVESTMENT FUND TRADING

- Trading of investment funds reached 188.0 billion MNT, representing a 83.6% increase compared to the same period of the previous year, and a 3.3-fold increase compared to 2021.

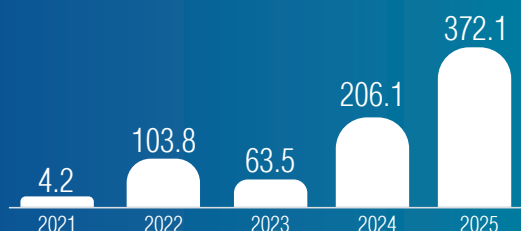
INVESTMENT FUND TRADING /billion MNT/



TRADING IN NEWLY ISSUED INVESTMENT FUNDS /OPEN/

Company	Registered	Investment fund amount /billion, MNT/
"ESP Future Mutual Fund" LLC	2025.11.27	1.0

Trading in asset-backed securities /billion MNT/



TRADING IN ASSET-BACKED SECURITIES

- Trading of asset-backed securities reached 372.1 billion MNT, representing an 80.6% increase compared to the same period of the previous year and an 88.0% increase compared to 2021.

TRADING IN NEWLY ISSUED DEBT INSTRUMENTS

Company	Registered	amount of asset-backed securities /billion MNT/
"Bers ABS Pro SPC" LLC	2025.09.25	29.0
"CECI asset Van SPC" LLC	2025.10.09	3.0
"GSB active 2 SPC"	2025.11.27	30.0

GOVERNMENT DOMESTIC SECURITIES

- The trading volume of Government Domestic Securities (GDSs) totaled 144.6 billion MNT.

144.6



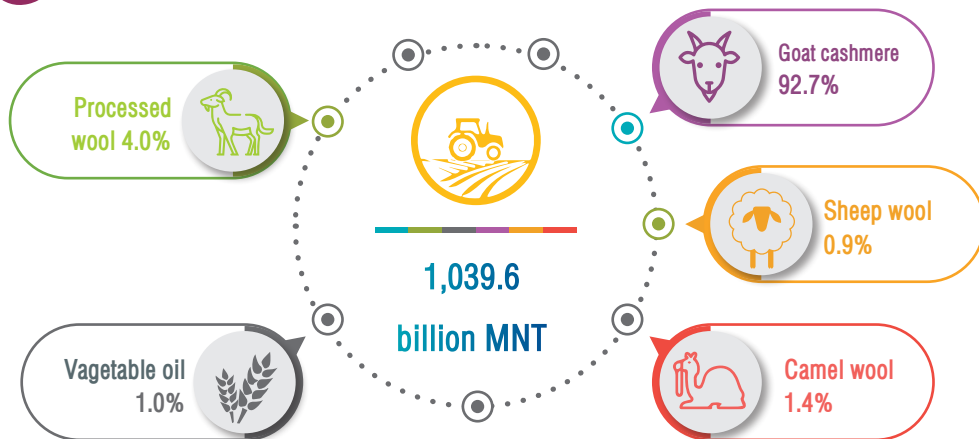
2025

GDSs
/billion MNT/

AGRICULTURAL AND RAW PRODUCTS MARKET

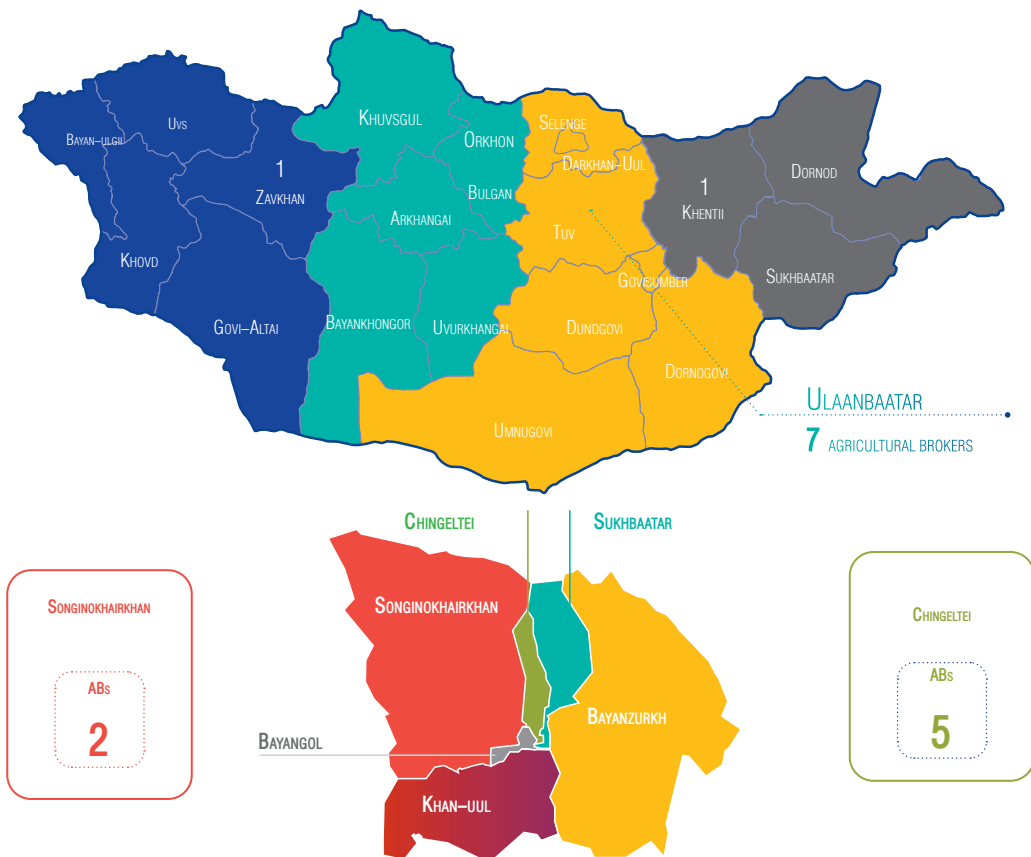


A total of 1,039.6 billion MNT worth of five types of commodities were traded through the Mercantile Exchange, reflecting an increase of 43.7 billion MNT (4.4%) compared to the same period last year.



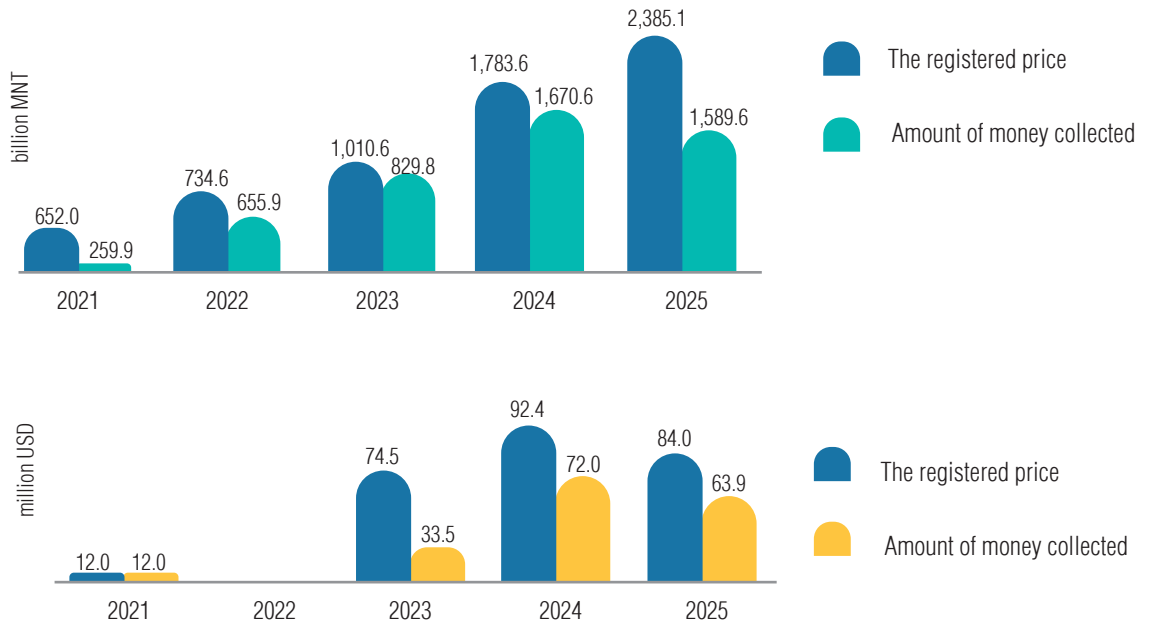
LOCATION OF SCs AND AGRICULTURAL BROKERAGES

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



OVER-THE-COUNTER (OTC) MARKET

A total of 125 securities issuers and 405 tranches or 105 debt instruments were registered in the OTC market. Debt instruments worth 2,385.1 billion MNT were registered, of which 1,589.6 billion MNT was successfully raised. Additionally, USD 84.0 million worth of debt instruments were registered, of which USD 63.9 million was collected.

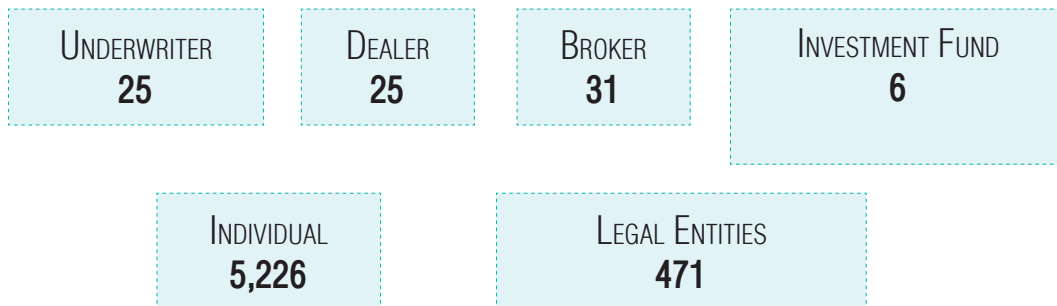


Since the launch of OTC market trading in September 2021, following the registration of the first debt instruments, a total of 6,565.9 billion MNT worth of debt instruments has been registered, with 5,002.8 billion MNT successfully collected. Additionally, USD 262.9 million in debt instruments were registered, with USD 181.4 million collected. A total of 1,825.8 billion MNT and USD 49.4 million in debt instruments have matured and been successfully repaid.



OTC MARKET PARTICIPANTS

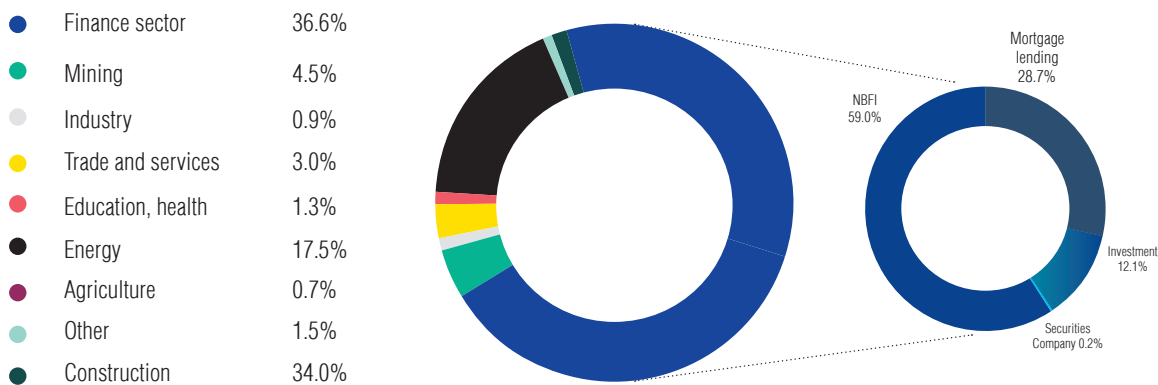
A total of 39 direct participants are registered in the over-the-counter (OTC) market of the Mongolian Association of Securities Dealers. These include: 25 underwriters, 25 dealers, 31 brokers, 6 investment fund companies. Additionally, 5,226 individual indirect participants and 471 legal entity indirect participants are registered through the direct participants.



BOND SECTOR CLASSIFICATION

36.6% of total bonds belong to the financial sector, followed by construction (34.0%), energy (17.5%), mining (4.5%), trade and services (3.0%), health and education (1.3%), education (1.2%), manufacturing (0.9%), agriculture (0.7%), and others (1.5%).

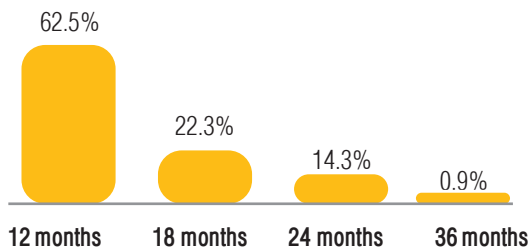
BOND SECTOR CLASSIFICATION



Within the financial sector, 59.0% of bonds are held by non-bank financial institutions (NBFIs), 12.1% by monetary loan activity providers, and 0.2% by securities companies.

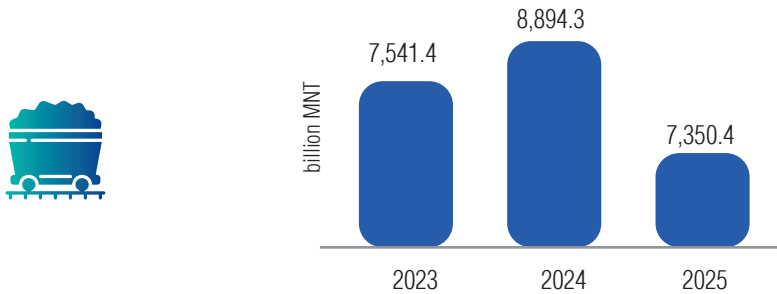
BOND TERMS /BY TRANCHE/

In terms of bond duration, 62.5% of bonds have a term of 6–12 months, 22.3% have a term of 18 months, 14.3% have a term of 24 months, and 0.9% have a term of 36 months.



MINING PRODUCTS MARKET

A total of 619 trades involving 27.8 million tons of mining products were conducted, amounting to 7,350.4 billion MNT in transactions. This represents a 17.4% decrease compared to the same period last year.



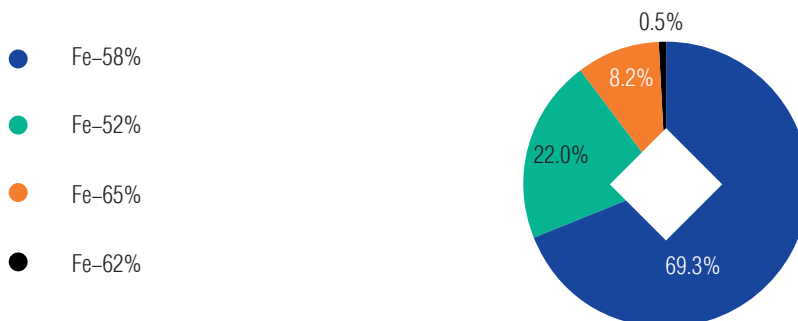
Of the total trade volume, 21.3% was in iron ore and concentrate, 71.8% in coal, 5.9% in copper concentrate, and 1.0% in fluorspar.

Products	Number of lots	Product size /thousand tons/	Total amount / billion MNT/
Coal	3,405	21,792.0	5,583.1
Iron ore and concentrate	1,791	5,894.1	1,339.1
Fluorspar ore and concentrate	793	51.5	51.9
Copper concentrate	50	50.0	376.4
Total	6,039	27,787.6	7,350.4

IRON ORE AND CONCENTRATE TRADE

A total of 1,791 packages, equivalent to 5,894.1 thousand tons of iron ore and concentrate, were traded for 1,339.1 billion MNT.

The breakdown of iron concentrate by iron content is as follows: Fe-58%: 69.3%, Fe-52%: 22.0%, Fe-65%: 8.2%, and Fe-62%: 0.5%.

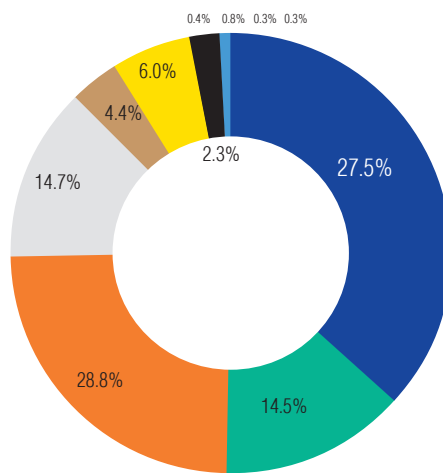


COAL TRADE

A total of 3,405 packages, or 21,792.0 thousand tons of coal, were traded for 5,583.1 billion MNT. The breakdown of coal types by percentage of the total trade is as follows:

1/3 coking coal: 27.5%, Washed coking coal: 14.7%, Washed weakly coking coal: 6.0%, Low-moisture lignite: 0.4%, Washed non-coking coal: 2.3%, 1/2 semi-coking (semi-soft coking coal): 0.8%, Washed medium-ash semi-hard coking coal: 4.4%, Washed medium-ash weakly coking coal: 0.3%, Medium-volatile coking coal: 28.8%, High-volatile gas coal: 0.4%, Thermal coal (bituminous, non-coking coal): 14.5%.

- 1/3 coking coal
- Medium volatile matter, coking coal
- Enriched medium ash, semi-hard coking coal
- Washed coking coal
- 1/2 coal to be pledged
- Washed weakly coking coal
- Thermal coal /bituminous, non-combustible coal/
- Enriched coking coal
- Enriched weak coking coal
- Low moisture brown coal
- High in volatile matter, gaseous coal

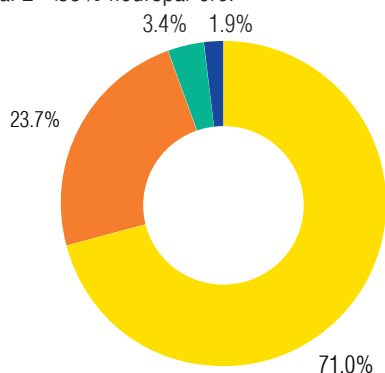


FLOUSPAR ORE AND CONCENTRATE TRADING

A total of 793 packages, equivalent to 51.5 thousand tons of fluorspar ore and concentrate, were traded for 51.9 billion MNT. Of the total trade:

23.7% consisted of CaF₂-97% fluorspar concentrate, 71.0% consisted of CaF₂-95% fluorspar concentrate, 1.9% consisted of CaF₂-<55% fluorspar ore, 3.4% consisted of CaF₂-<42% fluorspar ore.

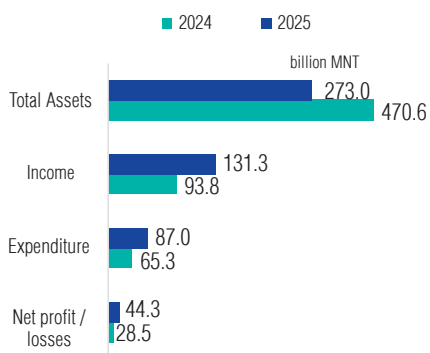
- CaF₂ 95%
- CaF₂ 97%
- CaF₂ <55%
- CaF₂ <42%



COPPER RESOURCES TRADE

A total of 50 packages, or 50.0 thousand tons, of a copper concentrate with a copper content of 22.35% were traded for 376.4 billion MNT.

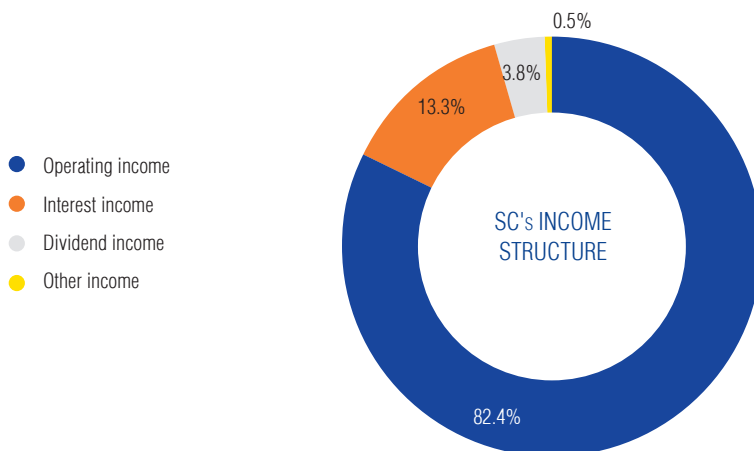
PROFITABILITY



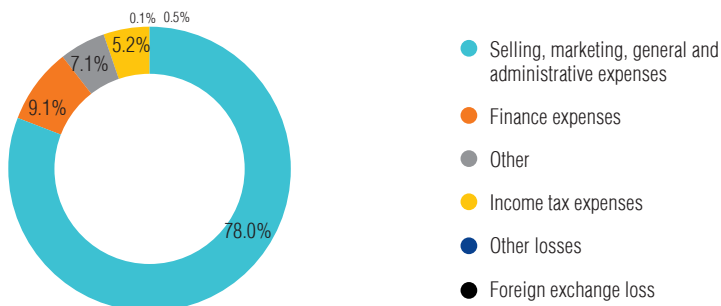
PROFITABILITY OF SECURITIES COMPANIES

- The total assets of securities companies amounted to 273.0 billion MNT, reflecting a 42.0% increase compared to the same period last year.
- Compared to the previous year, income increased by 37.5 billion MNT, while expenses rose by 21.7 billion MNT, resulting in a net profit of 44.3 billion MNT.

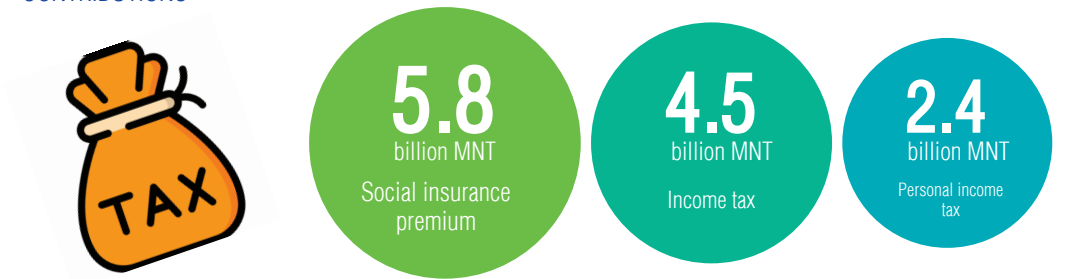
SC's INCOME STRUCTURE



SC's EXPENDITURE STRUCTURE



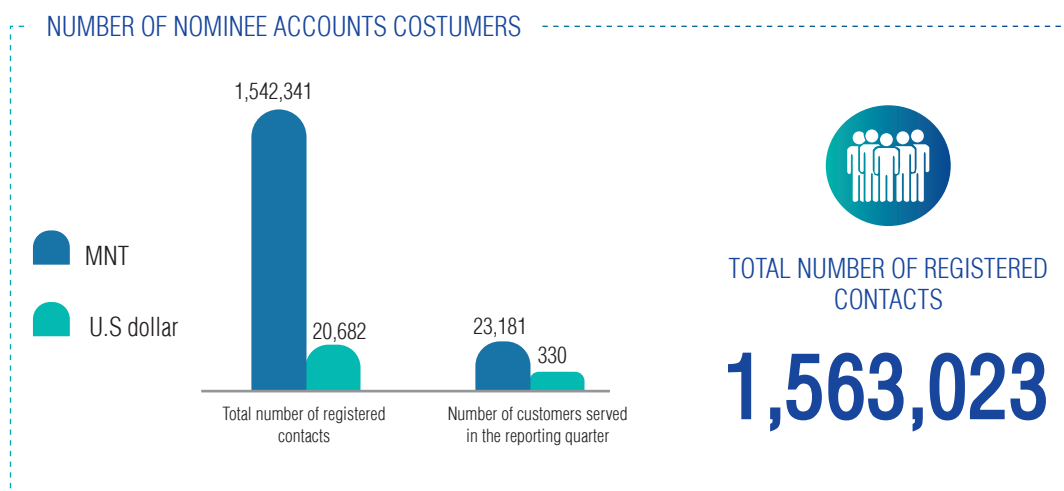
CENTRALIZED TAXATION AND SOCIAL SECURITY CONTRIBUTIONS



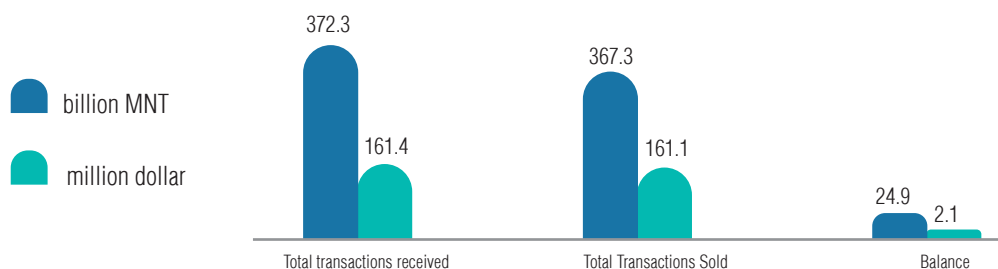
- o Securities companies paid 5.8 billion MNT in social insurance contributions, 2.4 billion MNT in personal income tax, and 4.5 billion MNT in corporate income tax.
- o Total contributions to the state budget amounted to 12.7 billion MNT.

CASH ACCOUNT NOMINEE REPORT

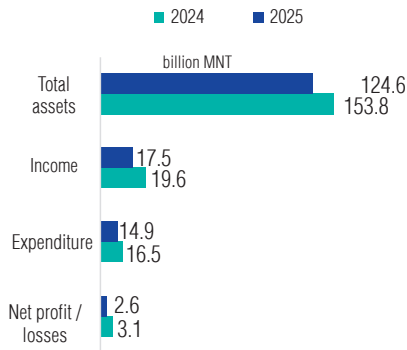
- o A total of 1,563,023 clients are registered with 22 companies providing services through nominee cash accounts. During the reporting quarter, 23,511 clients received services through nominee accounts.



In the reporting quarter, transactions totaled 372.3 billion MNT and 161.4 million USD, with the total remaining balance in clients' nominee cash accounts amounting to 24.9 billion MNT and 2.1 million USD.

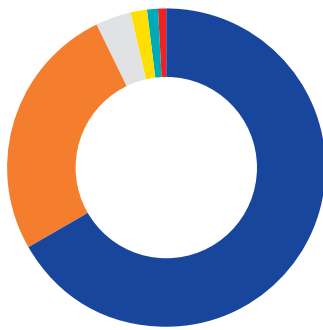


PROFITABILITY OF IMCs



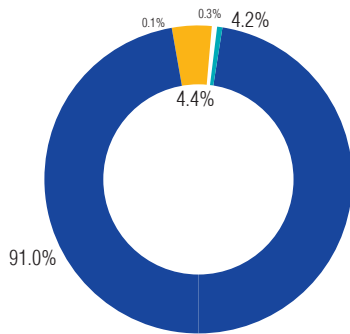
- The total assets of investment management companies amounted to 124.6 billion MNT, reflecting an 18.9% increase compared to the same period last year.
- Income decreased by 2.1 billion MNT compared to the previous year, while expenses were reduced by 1.6 billion MNT, resulting in a net profit of 2.6 billion MNT.

IMC's INCOME STRUCTURE



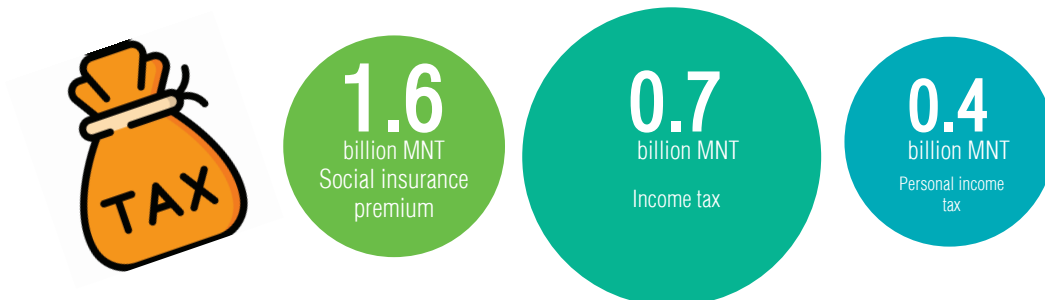
Net income from securities trading	64.4%
Interest income	16.1%
Dividend income	1.9%
Other income	14.2%
Gains from deductions from fixed assets	0.5%
Other gains	2.9%

IMC'S EXPENDITURE STRUCTURE



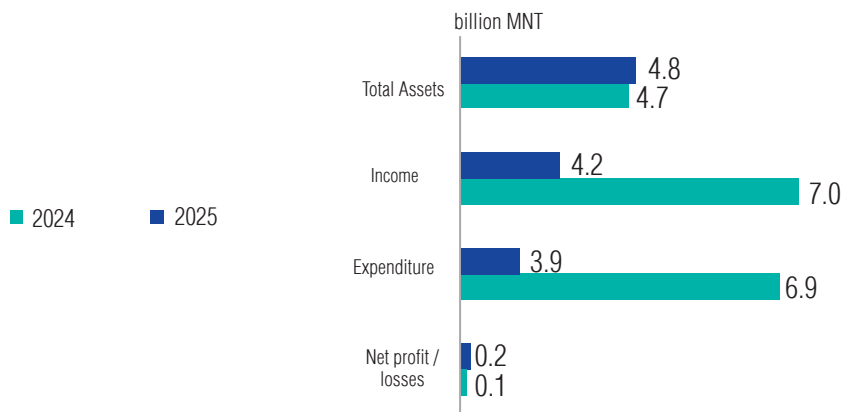
Sales, marketing and general and administrative expenses	91.0%
Finance expenses	4.4%
Other expenses	4.2%
Income tax expenses	0.3%
Other loss	0.1%

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



- o IMCs paid 1.6 billion MNT for social insurance contributions, 0.4 billion MNT for personal income tax, and 0.7 billion MNT for corporate income tax. In total, securities companies contributed 2.7 billion MNT to the state budget.

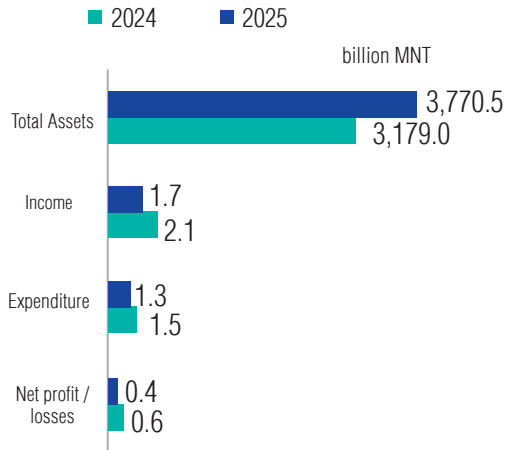
FINANCIAL STATEMENT INDICATORS OF AGRICULTURAL EXCHANGES



PROFITABILITY OF AGRICULTURAL COMMODITY EXCHANGES

- o The total assets of agricultural commodity exchanges amounted to 4.8 billion MNT, reflecting a 3.6% increase compared to the same period last year.
- o Income decreased by 2.8 billion MNT compared to the previous year, while expenses decreased by 3.0 billion MNT, resulting in a net profit of 0.2 billion MNT.

FINANCIAL STATEMENT INDICATORS OF CUSTODIANS



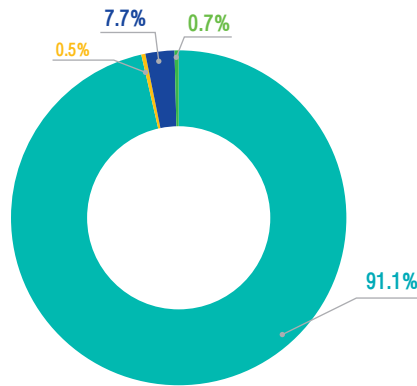
PROFITABILITY OF CUSTODIAN BANKS

- o The total assets of custodian banks amounted to 3,770.5 billion MNT, marking a 18.6% increase compared to the same period last year.
- o Compared to the same period last year, income decreased by 0.4 billion MNT, while expenses decreased by 0,2 billion MNT, resulting in a profit of 0.4 billion MNT.

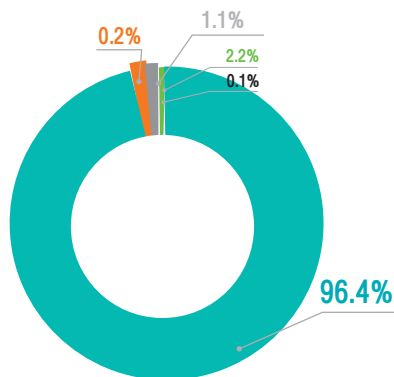
CUSTOMER STRUCTURE OF CUSTODIAN BANKS

- o The majority (91.1 %) of customers were domestic citizens, 7.7% were domestic enterprises, 0.7 % were foreign citizens, and 0.5 % were foreign enterprises.

- Domestic citizen
- Domestic enterprise
- Foreign enterprise
- Foreign citizen



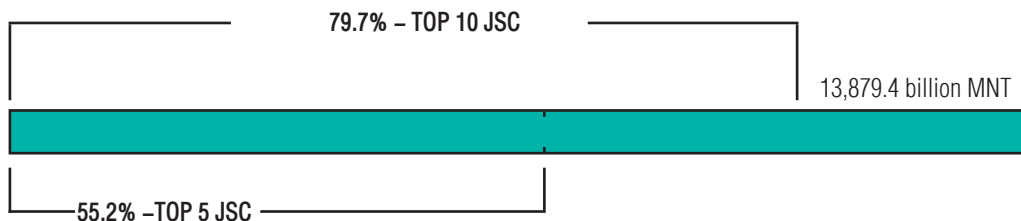
- o In terms of the classification of assets deposited in the custodian banks: 96.4% were securities, 2.2% were asset-backed securities, 1.1% were derivative financial instruments, 0.2% were cash, and 0.1% were real estate.



- Securities held by customers
- Cash
- Financial derivatives
- Asset-backed securities
- Real estate

STABILITY

The 10 companies with the highest market valuation accounted for 79.7% of the total market value, while the top 5 companies represented 55.2%.



REGULATORY ENVIRONMENT



POLICY AND LEGISLATION

Discussion on the Draft Regulation for Securities Lending and Borrowing Services

Following amendments to the Law on the Securities Market by the State Great Khural, a legal foundation has been established in Mongolia to regulate securities lending and borrowing services, creating an opportunity to develop the necessary regulatory framework.

In this context, the Financial Regulatory Commission (FRC) engaged all capital market stakeholders and conducted comprehensive research and analysis to draft the regulation in line with international standards and best practices. Subsequently, through Resolution No. 482, the FRC approved the "Regulation on Providing Securities Lending and Borrowing Services", thereby establishing the regulatory framework for this new service in Mongolia's capital market.

Globally, securities lending and borrowing is a critical component of capital markets, serving as a key mechanism for enhancing market liquidity and activity. The establishment of this legal framework represents an important milestone, signaling the advancement of Mongolia's capital market toward its next stage of development.

REGULATORY ENVIRONMENT



INTERNATIONAL COOPERATION

Financial Sector Reforms and Capital Market Opportunities Presented at the “Mongolia Day” Forum

The 12th Joint Consultative Meeting between public and private sector representatives of Mongolia and Japan was successfully held in Tokyo. Chairman T. Jambajamts of the Financial Regulatory Commission (FRC) participated, presenting on Mongolia’s financial sector legal reforms, capital market development trends, improvements in the investment environment, and green finance initiatives.

As part of the consultative meeting, the “Mongolia Day” investment forum was organized to strengthen bilateral financial and economic cooperation and attract Japanese investment. Conducted under the framework of the “Special Strategic Partnership for Peace and Prosperity” between Mongolia and Japan, the forum provided a platform to deepen financial sector collaboration, explore new investment opportunities, and expand public–private partnerships and development cooperation initiatives.

Japan remains Mongolia’s largest donor country, and the meeting and forum played a pivotal role in promoting Mongolia’s financial system internationally, attracting foreign investment, and further strengthening the strategic partnership between the two nations.

During the visit, the Chairman also met with Mongolian citizens residing and working in Japan, sharing updates on Mongolia’s economic policies, financial market reforms, capital market opportunities, and cross–border remittance improvements, while addressing their questions and concerns.

Blockchain–Based Market Reforms Presented at the Singapore FinTech Festival

A delegation from the Financial Regulatory Commission participated in the Singapore FinTech Festival 2025, delivering a presentation titled “Reform of Over–the–Counter Market Trading and Settlement Based on Blockchain Technology.”

The presentation outlined Mongolia’s transition to a fully blockchain–based system for OTC market trading and settlement. It highlighted the objectives of the initiative, challenges encountered, pilot phases, and achieved results, while demonstrating the progress of Mongolia’s domestic capital market to international investors.



INTERNATIONAL COOPERATION

Continuous 24/5 trading has been introduced, creating a real-time, transparent, and open environment for investors.

Settlement of over the counter (OTC) market transactions has been made faster and more efficient, and trading previously limited to six hours per day can now operate continuously on a 24/5 basis. This has enabled the creation of a real-time, transparent, and open environment for investors. As a result, Mongolia has become one of the first countries in the world to implement such a solution.

The regular meeting of the Securities Market Policy Council was held.

The regular meeting of the Securities Market Policy Council under the Financial Regulatory Commission of Mongolia took place, during which key ongoing initiatives aimed at developing the capital market were discussed.

In particular, the Council reviewed the report of a working group tasked with increasing the participation of foreign individuals and legal entities in Mongolia's capital market and simplifying the process of opening securities accounts. In this context, it was considered appropriate to introduce internationally recognized customer identification and verification solutions—such as the Legal Entity Identifier (LEI), Trulioo, Sumsb, e-KYC, and the Portfolio Investment Account (PIA) model—to facilitate easier access for foreign investors to open accounts and participate in trading in Mongolia's capital market. Proposals were also made to amend relevant regulations and guidelines accordingly.

Furthermore, the draft regulation on “Securities Borrowing and Lending Services” was discussed, with agreement reached to approve it within 2025. It was also agreed that capital market infrastructure institutions should introduce necessary amendments and updates to their respective rules and procedures.

An open day on the securities market titled “Capital Market and 1072 Shares” was organized.

With the aim of ensuring Mongolia's financial stability, developing the financial market, and supporting the country's economic growth by increasing citizens' financial literacy and participation, the event was jointly organized by the Mongolian Stock Exchange, the Central Securities Depository, and the Mongolian Association of Securities Dealers. The open day was held in Selenge, Darkhan-Uul, Orkhon, Bulgan, Khuvsgul, Sukhbaatar, Dornod, and Khentii provinces.

During the event, training sessions were conducted on identifying and preventing financial fraud and scams, as well as on the basic concepts of the capital market. Approximately 2,600 citizens and members of the public from eight provinces actively participated.



INSURANCE MARKET

Total assets
771.3 billion MNT
Capital growth **16.4%**



Financial market status

Insurance density
163,223 MNT



Хүртээмжтэй байдал

Total fees for brokered
insurance and reinsurance

166.5 billion MNT



Products and services

Profitability



Net profit

56.0
billion MNT

Tax collected by the
state, Social security
contributions

23.5
billion MNT

Stability



Share of reinsurance
premiums in total
premium income

31.5%

Regulatory environment



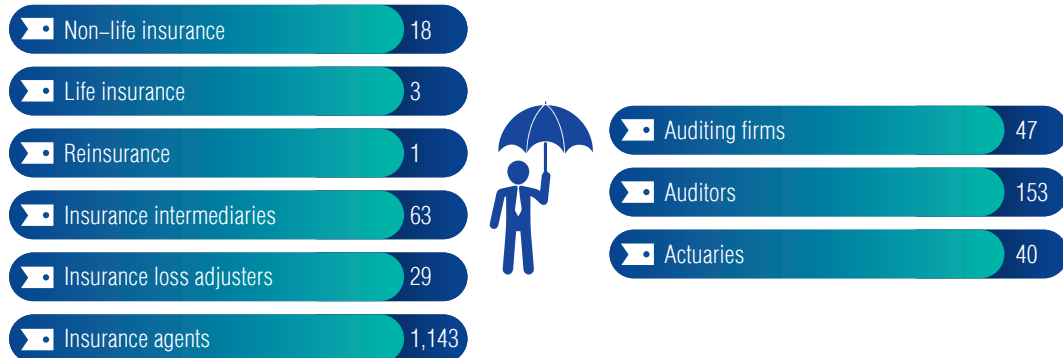
FINANCIAL MARKET STATUS

INSURANCE SECTOR STRUCTURE

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

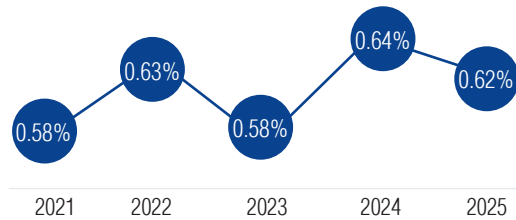
-354 licensed entities, including insurance companies, brokers, loss assessors, audit firms, actuaries, and auditors

-1,143 registered insurance agents.



INSURANCE PENETRATION

- Insurance penetration reached 0.62%,
- A decrease of 0.02 percentage points compared to the same period last year, an increase of 0.04 percentage points compared to 2021.



INSURANCE CONTRACTS

A total of 1,815,714 insurance contracts were issued, of which :

-81.4% (1,477,077) were issued to individuals.

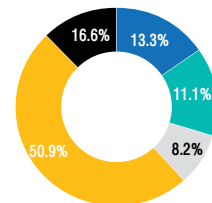
-18.6% (338,637)were issued to legal entities.

Individuals **1,477,077**

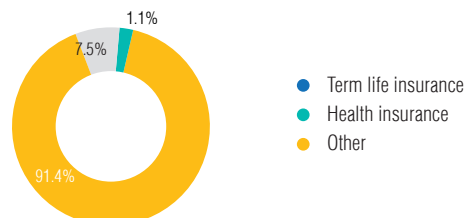
Legal entities **338,637**

INSURANCE CONTRACT (BY TYPE)

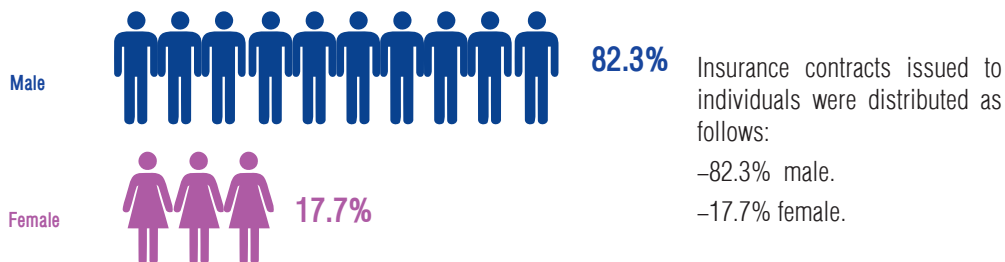
- Driver liability insurance
- Accident and medical insurance
- Property insurance
- Other
- Motor vehicle insurance



УРТ ХУГАЦААНЫ ДААТГАЛЫН ГЭРЭЭНИЙ ТӨРӨЛ

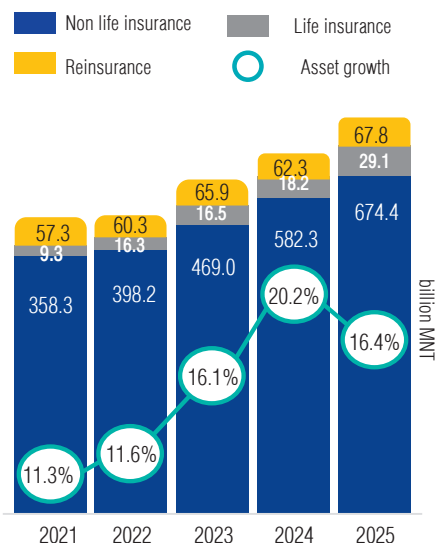


Gender ratio of contracts concluded with individuals /percentage/



TOTAL ASSETS OF INSURANCE COMPANIES

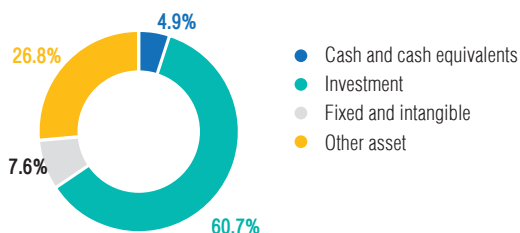
- o Total sector assets increased by 16.4% year-on-year, reaching 771.3 billion MNT, reflecting an 81.3% increase compared to 2021.
- o Non-life insurance: 674.4 billion MNT (+15.8%) 87.4% of total assets.
- o Life insurance: 29.1 billion MNT (+60.1%), 3.8% of total assets.
- o Reinsurance: 67.8 billion MNT (+8.8%), 8.8% of total assets.



ASSET STRUCTURE AND MARKET SHARE /BY TOTAL ASSETS/

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

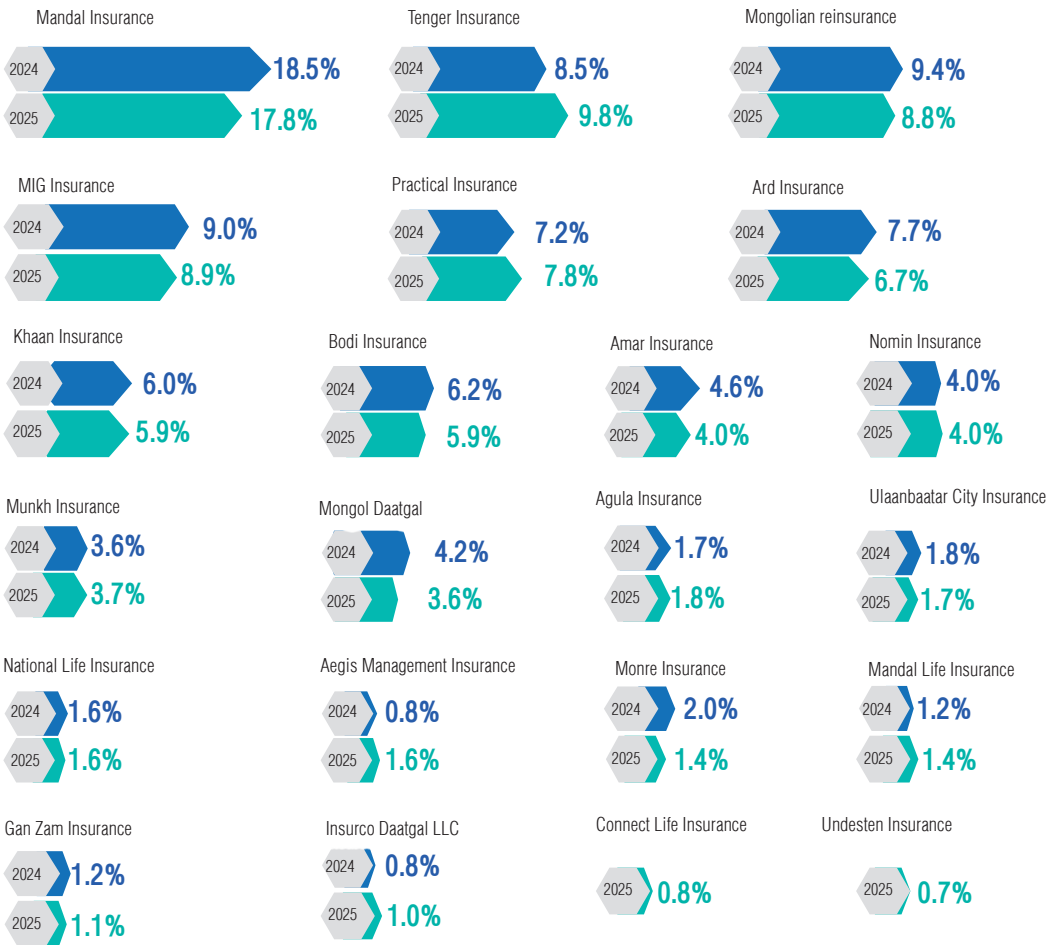
-Investments: 468.1 billion MNT (60.7%), Other assets: 206.4 billion MNT (26.8%), Fixed and intangible assets (net): 58.8 billion MNT (7.6%), Cash and equivalent assets: 37.9 billion MNT (4.9%)



MARKET SHARE by total assets:

- 2 companies: above 9%,
- 4 companies: 6 – 9[UU1.1]%,
- 6 companies : 3 – 6%,
- 10 companies: 3%.

Percentage share of total assets of insurance and reinsurance companies

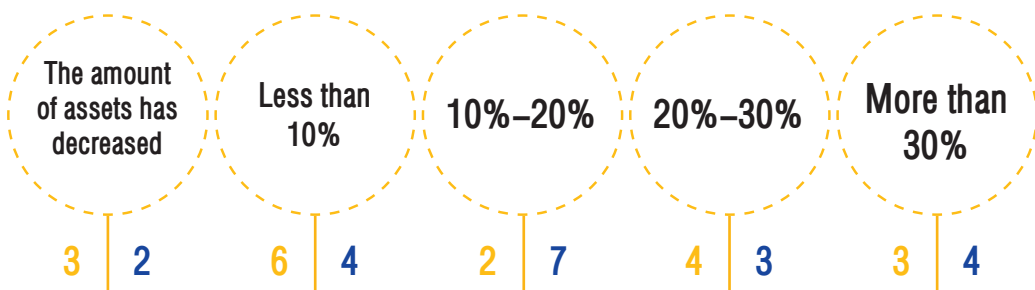


ASSETS GROWTH DISTRIBUTION OF INSURANCE COMPANIES

When categorized by capital growth:

4 companies: growth over 30%, 3 companies: growth between 20–30%, 7 companies: growth between 10–20%, 4 companies: growth below 10%. Additionally, 2 companies decline in capital.

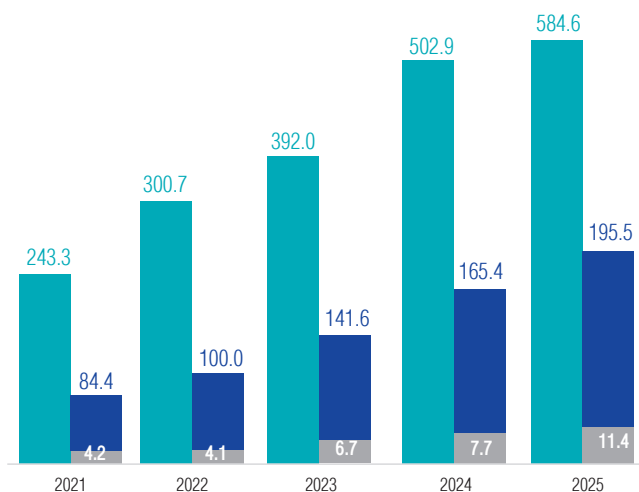
2023–2024 / 2024–2025



TOTAL PREMIUMS

- o Total premiums reached 584.6 billion MNT
- o Non-life 475.7 billion MNT, (98.5%)
- o Life: 8.8 billion MNT, (1.5%)
- o Reinsurance premiums: 195.5 billion MNT. domestic reinsurers 11.4 billion MNT (5.8%)
- o Growth: + 16.2% year-on-year, 2.4 times higher than 2021.

- Total premiums for non-life and life insurance (MNT, billions)
- Total reinsurance premiums for non-life and life insurance (MNT, billions)
- Total fees of domestic reinsurance companies (MNT, billions)



Total non-life insurance premium

2024

2025

Property insurance



25.6% 25.1%

Motor vehicle



26.8% 23.8%

Mandatory driver's liability



11.0% 10.3%

Accident and medical treatment



15.0% 17.5%

Other



8.4% 8.2%

Liability



8.4% 10.1%

Aircraft liability



1.9% 1.4%

Construction



2.0% 2.1%

Life



0.9% 1.5%

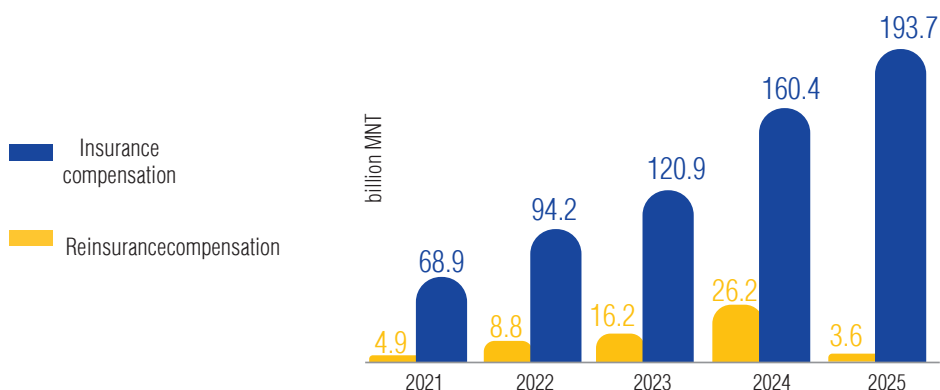
TOTAL CLAIMS (COMPENSATION)

- o Total claims paid compensation 193.7 billion MNT, + 20.8% year-on-year, 2.8 times higher than 2021.

Non-life insurers: 189.1 billion MNT

(97.6%).

Reinsurers 3.6 billion MNT (significant decrease year-on-year).



2024

2025

Non-life insurance reimbursement

Mandatory driver's liability



27.5%

24.8%

Motor vehicle



27.9%

25.7%

Accident and medical treatment



16.7%

23.4%

Property insurance



9.2%

4.3%

Other



15.7%

8.2%

Finance insurance



0.0%

0.0%

Life



1.3%

2.4%

Liability



1.6%

1.7%

Construction

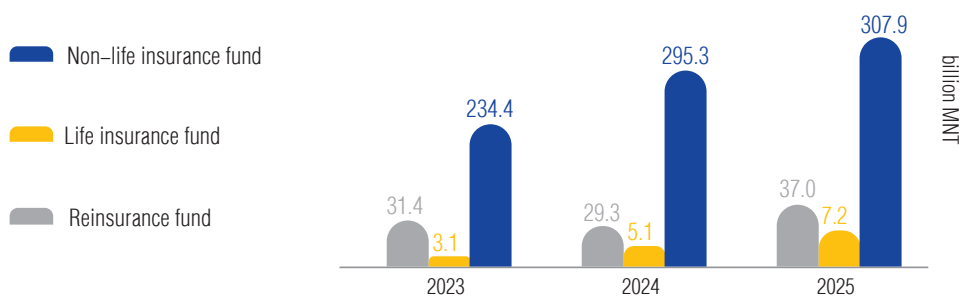
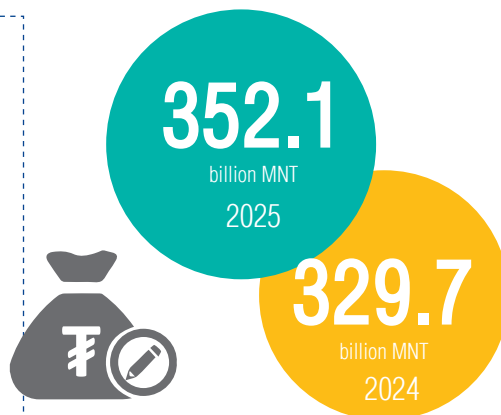


0.1%

9.5%

RESERVE FUND

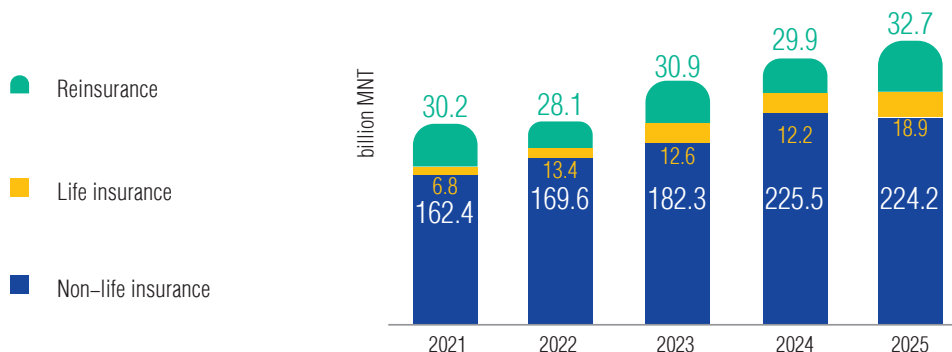
- o Total reserves 352.1 billion MNT.
- o Non-life: 307.9 billion MNT (+4.3%),
- o Life 7.2 billion MNT (39.8%), g.
- o Reinsurance: 37.0 billion MNT.



EQUITY CAPITAL

Total equity: 275.8 billion MNT, +3.1% year-on-year
+38.3% compared to 2021.

Distribution of this, non-life: 81.3%, Life: 6.8%, Reinsurance: 11.9%.



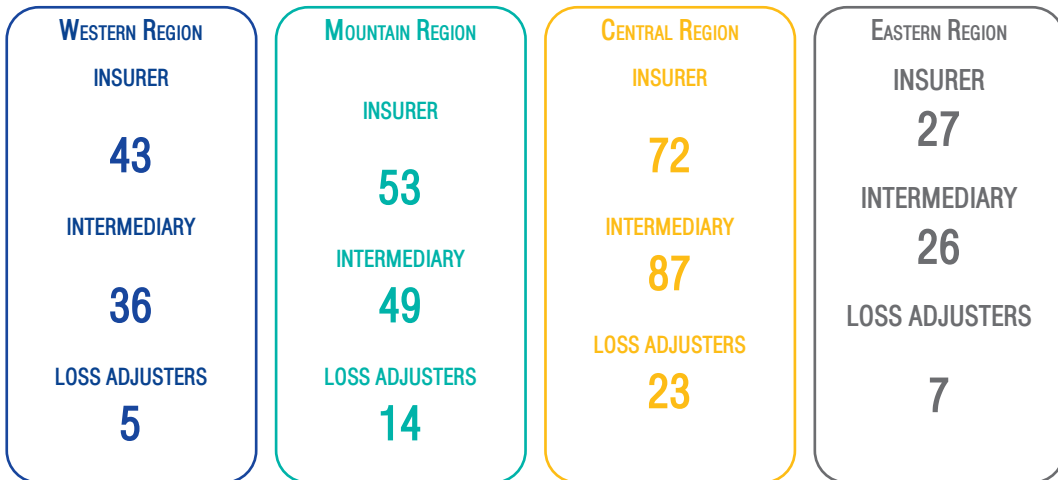
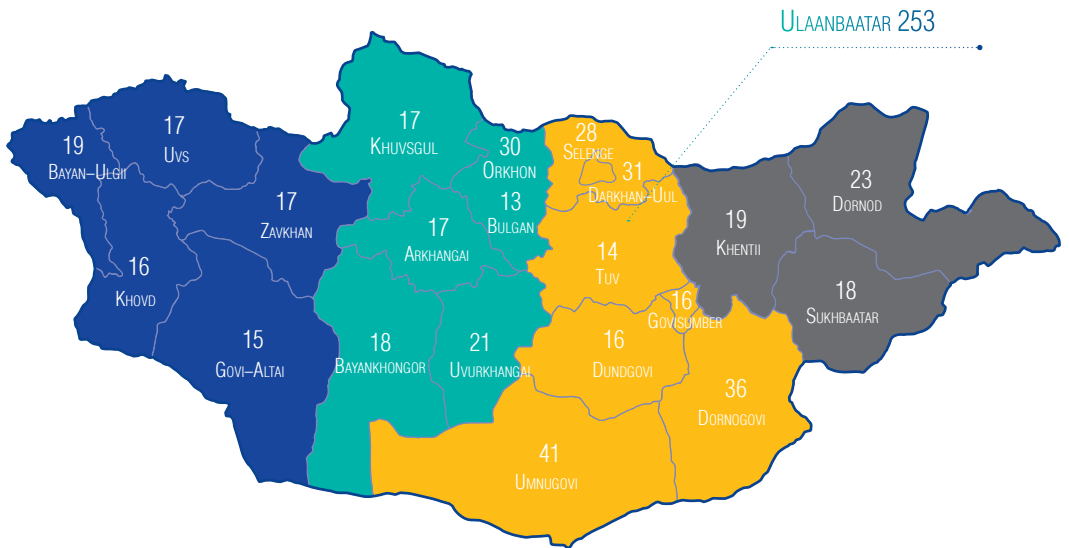
ACCESSIBILITY

BRANCH REPRESENTATIVE

Rural area

682 representatives and 442 branches operate across insurers, intermediaries, and loss assessors.

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



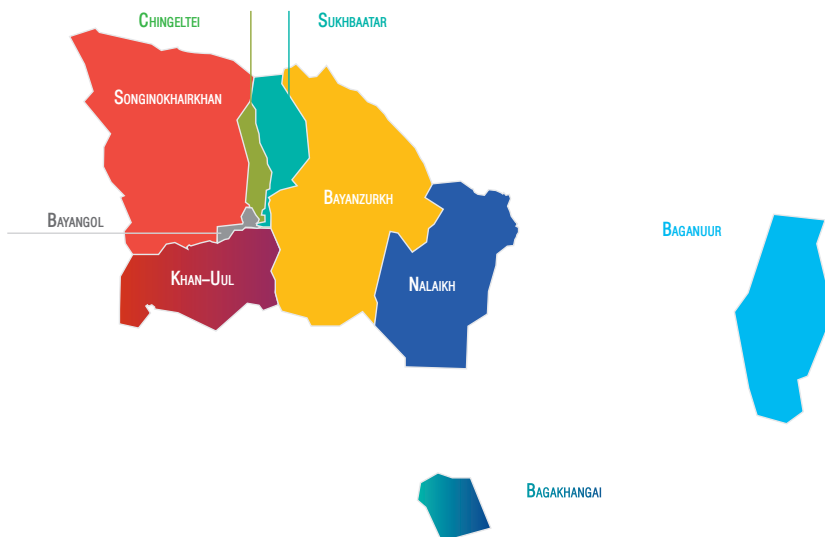
REPRESENTATIVES



BRANCH REPRESENTATIVE

ULAANBAATAR

- o 253 representative offices registered in, including:
37 insurance company branches, 227 broker branches, 45 loss assessors branches, 92.9% located in six central districts.

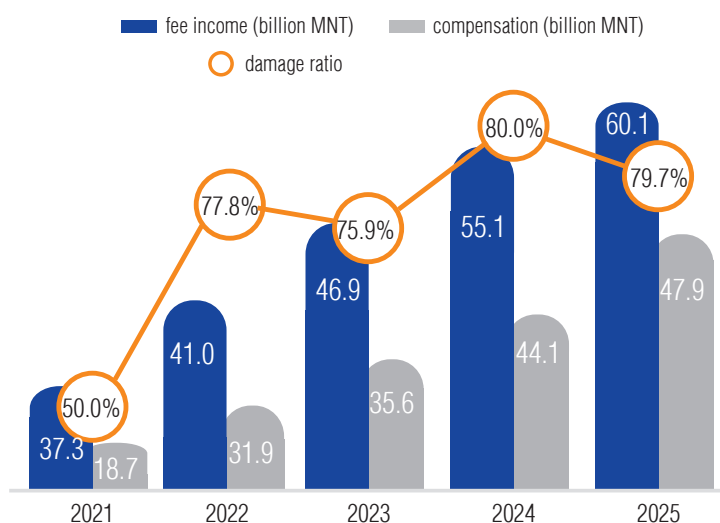


- o Total offices in Ulaanbaatar: 461
- o 12 additional offices registered abroad (China and South Korea).

	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			

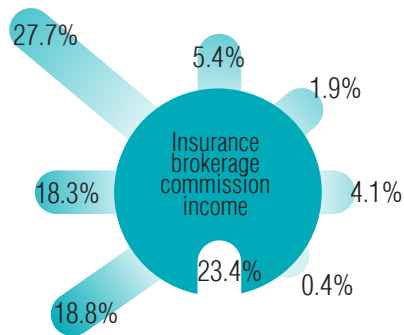
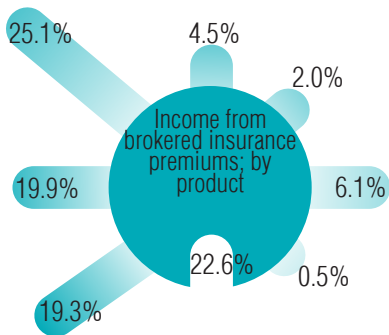
COMPULSORY INSURANCE

- Premiums: 60.1 billion MNT (+9.1%). Share of total premiums: 10.3%.
- Reimbursements rose by year-on-year, with Claims paid: 47.9 billion MNT (+8.6%). Share of total claims 24.7% of the total compensation costs within the sector.



INSURANCE INTERMEDIARIES

Brokers collected 166.5 billion MNT in premiums.
 Intermediary income: 34.4 billion MNT (+27.6% year-on -year),

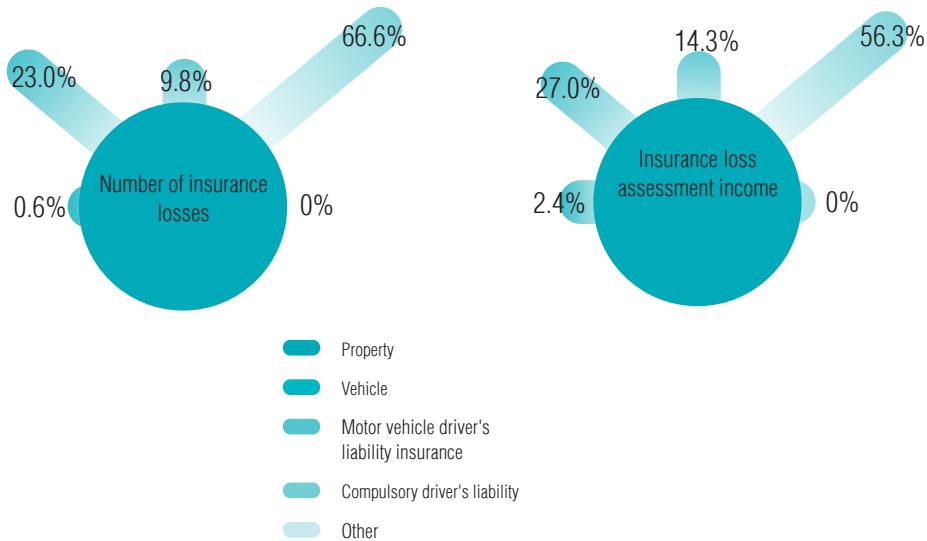


- Property insurance
- Compulsory driver's liability insurance
- Vehicle insurance
- Loan insurance
- Animals insurance
- Liability insurance
- Health insurance
- Other



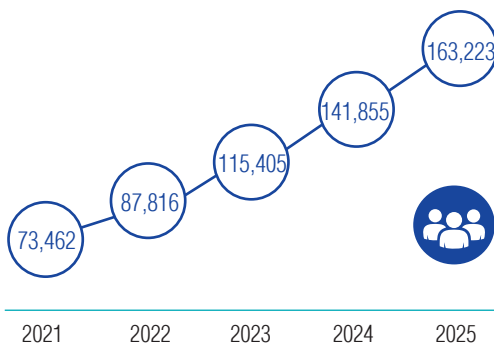
INSURANCE LOSS ASSESSOR

- o 44,097 cases assessed, total value 87.3 billion MNT. Total insurance loss assessment revenue increased by 19.2% compared to the same period of last year, reaching 6.1 billion MNT.



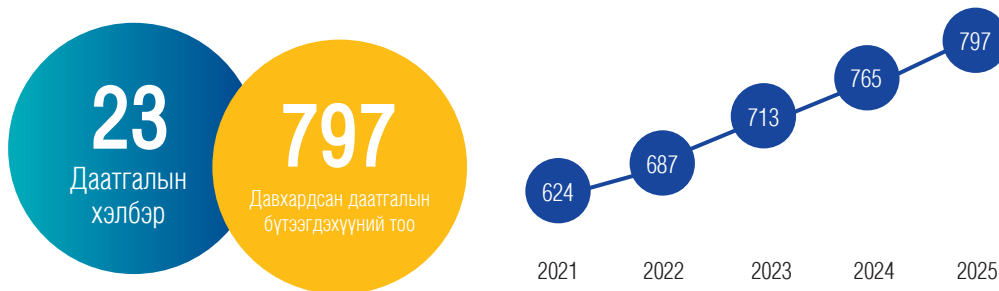
INSURANCE DENSITY

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.



- o In 2025, insurance density increased to 163,223 MNT, reflecting:
 - A 15.1% increase from 2024
 - A 1.2-fold increase compared to 2021
- o Per capita premiums by sector:
 - Non-life insurance: 160,753 MNT(+14.4% year-on-year)
 - life insurance: 2,470 MNT (+93.5% year-on-year)

PRODUCTS AND SERVICES



- 23 insurance product types available. Only compulsory product: Driver's Liability Insurance
- Overlapping products 797 products total increased by 32 year-on-year, an increase of 173 products since 2021.

	Owners' equity	Non-life insurance	Life Insurance	Reinsurance
Owners' equity	115.5	19.3	24.5	
Pocket shares	(2.5)	-	-	
Additional paid-in capital	18.0	-	-	
Stability reserve	2.5	-	-	
Asset revaluation reserve	16.0	0.4	-	
Foreign exchange translation reserve	-	-	-	
Other equity	1.1	-	4.2	
Retained earnings and losses	119.0	(0.8)	4.1	
Owners' equity result	269.6	18.9	67.8	

INSURER'S GUARANTEE

In December 2022, the Parliament amended the Law on Insurance and the Law on Procurement of Goods, Works, and Services with State and Local Property Assets to allow insurers to issue guarantees. This makes it possible to accept insurer guarantees in government procurement and settle mortgage loan prepayments with insurer guarantees.

Within this framework, insurers began issuing guarantees starting in August 2024. In 2025, 10 insurers issued guarantees, 1,299 guarantees worth a total value of 611.8 billion MNT were issued in the reporting year.

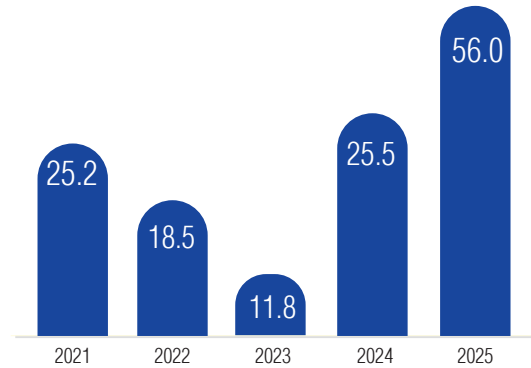
Type of guarantee	Number of guarantees	Percentage of the guarantee amount
TENDER GUARANTEE	941	5.7%
PERFORMANCE GUARANTEE	309	44.9%
ADVANCE PAYMENT GUARANTEE	42	49.2%
QUALITY ASSURANCE	7	0.2%

PROFITABILITY

NET PROFIT OF INSURANCE COMPANIES

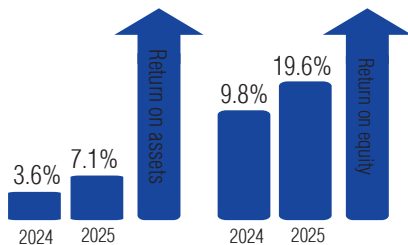
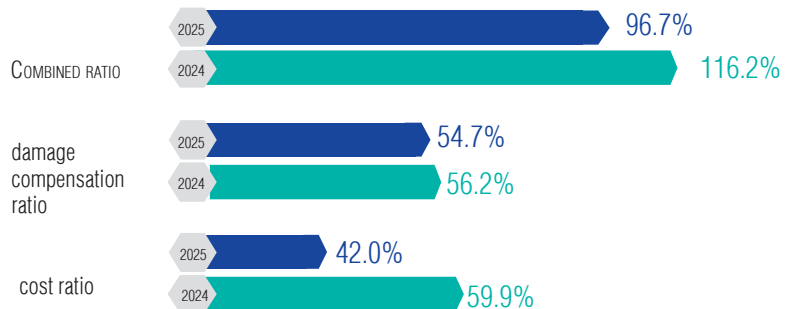
- o Net profit: 56.0 billion MNT (+ 119.8% year-on-year), with a 1.2-fold increase compared to the same period in 2021.
- o Post-tax Performance
 - 6 companies reported a decline in profit.
 - 2 companies saw an increase of up to 50%.
 - 6 companies experienced growth between 50 and 100%.
 - 6 companies achieved more than 100% profit growth.

Net profit after tax in the insurance industry (MNT, billion)



KEY RATIOS

TYPICAL INSURANCE COMPANY RATIOS



PROFITABILITY INDICATORS

- o Return on assets (ROA) increased by 3.5 percentage points, reaching 7.1% year-on-year. Return on equity (ROE) rose by 9.8 percentage points, reaching 19.6%.

11.7
billion MNT

Social insurance premium

7.7
billion MNT

Income tax

4.1
billion MNT

Individual income tax

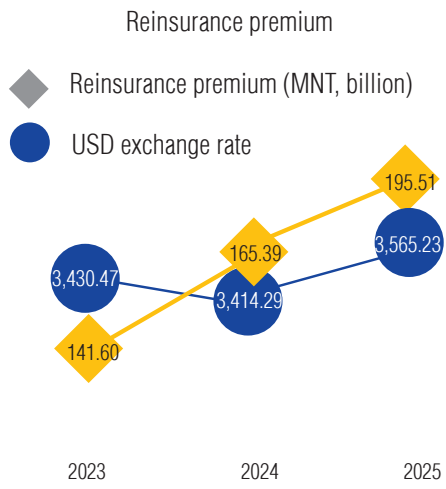
- o Total contributions to the state budget:
 - Social insurance premiums: 11.7 billion MNT
 - Personal income tax: 7.7 billion MNT
 - Corporate income tax: 4.1 billion MNT
 - Total tax contribution: 23.5 billion MNT

STABILITY

MARKET RISK

- o Total reinsurance premiums: 195.5 billion MNT
- o Domestic reinsurers: 11.4 billion MNT
- o Foreign reinsurers: 184.1 billion MNT (~94.2% of reinsurance premiums)
- o Share of premiums sent abroad:
- o 31.5% of total insurance premiums collected were ceded to foreign reinsurers. Currency exchange rate risk A significant challenge for insurance companies, especially those involved in international reinsurance transactions, due to exposure to foreign currencies. The Mongolian insurance sector relies heavily on foreign reinsurance, which increases exposure to exchange rate fluctuations and related financial risks.

33.5% Share of reinsurance premiums in total premiums

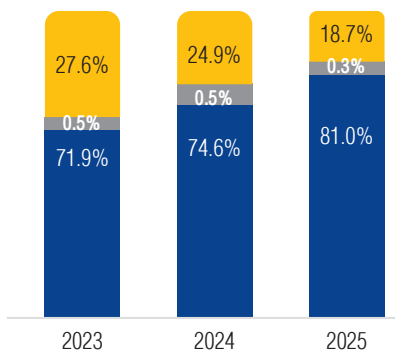


INVESTMENT CLASSIFICATION OF INSURANCE COMPANIES (AS A PERCENTAGE)

In the reporting year:

- o Investments in the capital market and derivatives totaled 87.5 billion MNT, representing 18.7% of total investments.
- o Investments in the banking sector accounted for 81.0%, totaling 379.2 billion MNT.

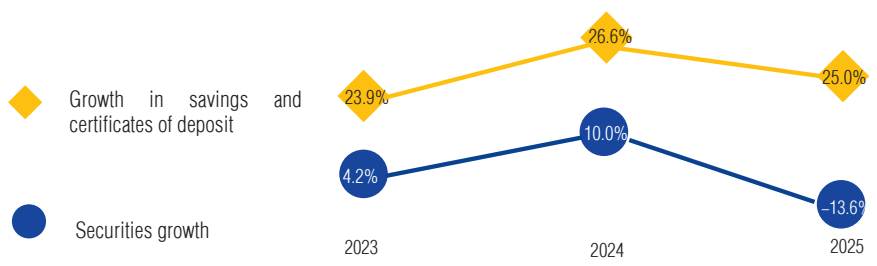
- Deposits and certificates of deposit
- Investments in subsidiaries, associates and jointly controlled entities
- Securities
- Precious metals and derivatives



PERCENTAGE OF INVESTMENT GROWTH OF INSURANCE COMPANIES

Investment of insurance companies in the capital market decreased by 13.6% compared to the same period last year.

Investments in deposits and deposit certificates (banking sector) increased by 25.0% compared to the same period last year.



REGULATORY ENVIRONMENT



POLICY AND LEGISLATION

- In connection with the activities of issuing guarantees by insurers, the Financial Regulatory Commission approved Resolution No. 500 dated December 25, 2025, revised Appendix 17 to the Insurance Package Rules, and amended Appendixes 2, 3, 4, and 10. This will increase the maximum amount of guarantees issued by domestic insurance companies by four times. Therefore, it will allow all types of guarantees to be issued with the participation of reinsurance.
- To improve the regulation of liability insurance for healthcare workers as reflected in the draft "Primary Law on Medical Professionals", an official letter No. 1/4417 dated December 8, 2025, was transmitted to Mr Munkhsaikhan T, a member of the State Great Khural (Parliament) of Mongolia. In this context, officials of the Insurance Market Department of FRC are working to provide relevant research and information. The adoption of the above law will have a positive impact on improving social security for healthcare professionals.
- Officials of the FRC are working at the "Responsible for finalizing and discussing the revised draft of the Law on Occupational Safety and Hygiene" working group established by Order No. A/88 of the Minister of Family, Labor and Social Security dated April 10, 2025. The relevant proposals for the draft law have been finalized and submitted to the Ministry of Family, Labour and Social Protection of Mongolia. In this regard, on November 5, 2025, a meeting was held with representatives of the ministry. During the meeting, views were exchanged, and proposals for inclusion in the draft law were finalized.



INTERNATIONAL COOPERATION

- o Representatives of the Financial Regulatory Commission participated in the annual meeting of the International Association of Insurance Supervisors (IAIS), held in Tirana, Albania, on November 13–14, 2025. Over 500 representatives from insurance regulatory authorities worldwide attended the meeting, discussed activity reports, shared supervisory experiences and exchanged insights on global insurance regulation practices.
- o A proposal was submitted for participation in the 5th project of the "Inclusive Insurance Innovation Lab (iii-Lab) Program" a joint initiative by the German Agency for International Cooperation (GIZ), the Global Leadership Academy (GLAC), and the Access to Insurance Initiative (A2ii) Insurance Market Department officials participated in an online meeting on November 20, 2025, and discussing project details and exchanging insights on relevant insurance issues.



MEETINGS AND SEMINARS

- o The composition of the Insurance Policy Council was updated by Order No. 199 of the Chairman of the Financial Regulatory Commission on May 20, 2025. The Insurance Policy Council's meeting held 4 sessions during the year and issued 1 formal recommendation.



NBFIs

Total assets

9.1 trillion MNT

Capital growth **27.4%**



Financial market status

Customers **4.1** million

Average loan amount
2.3 million MNT



Accessibility

Credit NBFIs
89.0%

Foreign currency exchange NBFIs
28.7%



Products and services

Profitability



Total income

2,718.0
billion MNT

Tax collected by the
state, social security
contributions

141.2
billion MNT

Stability



Z index

19.0

Percentage of non-
performing loans

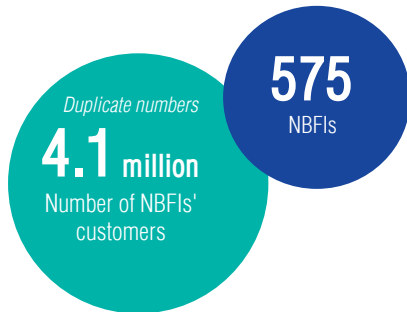
8.4%

Regulatory environment



MARKET OUTLOOK

Number of licensed 575 NBFIs, representing 0.3% increase from 2024.

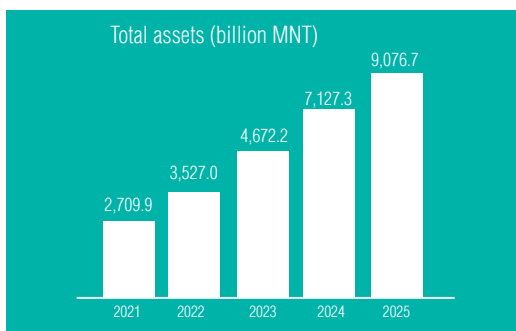
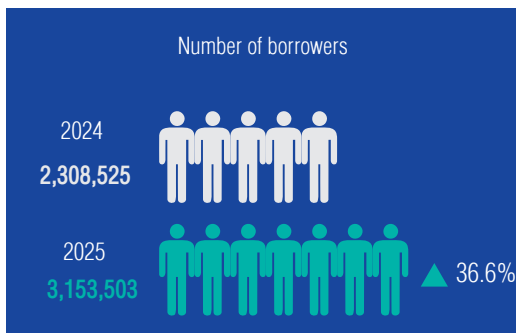
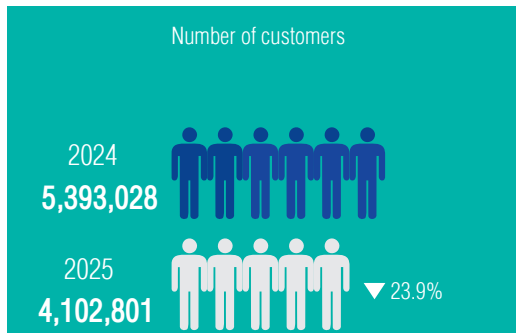
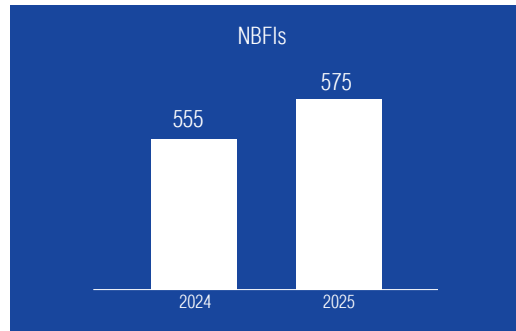


Of these, 4.5% internationally funded, while 95.5% domestically funded.



TOTAL ASSETS OF NBFIs

The total assets of NBFIs reached 9,076.7 billion MNT, reflecting an increase of 1,949.4 billion MNT (27.4%) compared to last year and a 3.3-fold increase since 2021.



Assets structure of NBFIs (billions MNT)

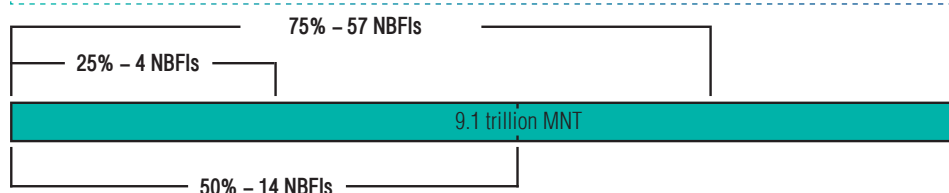
FINANCIAL ASSETS VALUE	8,653.8	95.3%	
Cash	1,048.1	11.5%	
Investment	143.9	1.6%	
Credit /net/	7,089.4	78.1%	
Factoring settlement receivables (net)	99.6	1.1%	
Derivative financial assets	15.8	0.2%	
Other	257.1	2.8%	
AMOUNT OF NON-FINANCIAL ASSETS	422.9	4.7%	
TOTAL ASSETS	9,076.7	100.0%	

- o The total assets of the NBFIs sector reflect an increase by 27.4% compared to last year. A 75.2% increase in loans drove this growth.

Liability structure of NBFIs (billions MNT)

Total liabilities	4,121.3	45.4%	
LIABILITIES	3,869.2	42.6%	
Source of Trust Services	1,438.6	15.8%	
Resources drawn from banks and financial institutions	1,402.4	15.4%	
Other	723.1	8.0%	
Derivative financial liabilities	4.9	0.1%	
Other financial liabilities	218.8	2.4%	
Secondary debt	80.9	0.9%	
Preference shares (liabilities)	0.5	0.0%	
AMOUNT OF NON-FINANCIAL LIABILITIES	252.1	2.8%	
OWN EQUITY	4,955.4	54.6%	
Share capital	2,233.3	24.6%	
Additional paid-in capital	107.7	1.2%	
Pocket stock	2.6	0.0%	
Addition to revaluation of fixed assets and intangible assets	23.1	0.2%	
Retained earnings and losses	2,452.7	27.0%	
Other property	141.2	1.6%	
TOTAL LIABILITIES AND EQUITY	9,076.7	100.0%	

- o Of this, 45.4% was attributed to an increase in liabilities, while 54.6% was due to an increase in equity. Funding sources saw significant growth:
- o Trust service source increased by 21.0%, sources from banks and financial institutions grew by 13.0, and debt certificates issued by NBFIs rose by 19.0%.



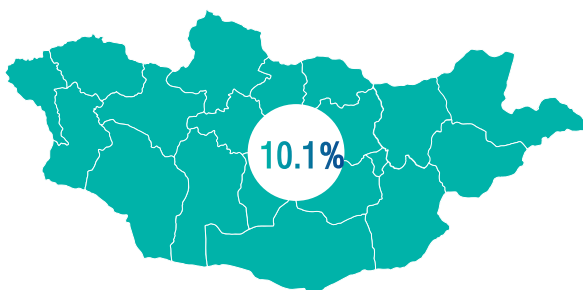
	Number of NBFIs		Total assets		Total loans		Percentage of non-performing loans in loan portfolio	Customers	
	No.	%	Amount (MNT, billions)	%	Amount (MNT, billions)	%		No.	%
Top 25 %	4	0.7%	2,049.9	23.1%	1,774.5	24.6%	2.6%	392,362	9.6%
Top 50 %	14	2.4%	4,272.7	47.1%	3,626.4	50.3%	4.3%	1,675,410	40.8%
Top 75 %	57	9.9%	6,409.3	70.6%	5,347.4	74.1%	6.4%	3,253,309	79.3%
TOTAL OF SECTOR	575	100.0%	9,076.7	100.0%	7,216.3	100.0%	8.4%	4,102,801	100.0%

The share of non-performing loans in the loan portfolio, which accounts for 75% of the non-bank financial market's total assets, is lower than the overall share.

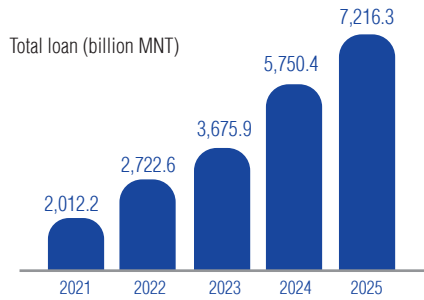
	Number of NBFIs	Total assets		Total loans		Customers	
		Amount (MNT, billions)	%	Amount (MNT, billions)	%	No.	%
With domestic investment	549	8,037.9	88.6%	6,460.7	89.5%	3,995,230	97.4%
With foreign investment	26	1,038.8	11.4%	755.6	10.5%	107,571	2.6%

Foreign-invested NBFIs included:

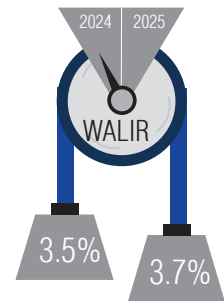
12 (46.2%) from Japan, 6 (23.1%) from South Korea, 3 (11.5%) from China, and others from Seychelles, Malaysia, and Canada.



The total assets of NBFIs represented 10.1% of Mongolia's GDP.



Loan interest: The weighted average monthly interest rate on loans issued by NBFIs marked an increase of 0.2 percentage points compared to last year.



TOTAL LOAN

The total value of loans in the non-bank financial sector reflects an increase of 1.5 trillion MNT (25.5%) compared to last year and a 3.6-fold increase (5.2 trillion MNT) compared to 2021.



NORMAL

87.2%

-3.6%



OVERDUE

4.4%

+1.3%



NON-PERFORMING

8.4%

+2.3%

15.1 trillion MNT Issued loan

Paid loan **13.7 trillion MNT**

Wholesale and retail

Construction

Transportation and warehousing activities

Financial and insurance activities



6.7%

6.2%

2.4%

2.5%

1.8%

2.2%

1.9%

1.7%

REBs activity



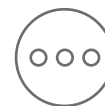
Hotel, accommodation, housing and catering services



Agriculture, forestry, fishing, hunting



Other



1.3%

1.2%

0.7%

0.8%

0.4%

0.4%

84.8%

85.0%

INDIVIDUALS



88.5%

91.5%

92.5%

LEGAL ENTITIES



11.5%

8.5%

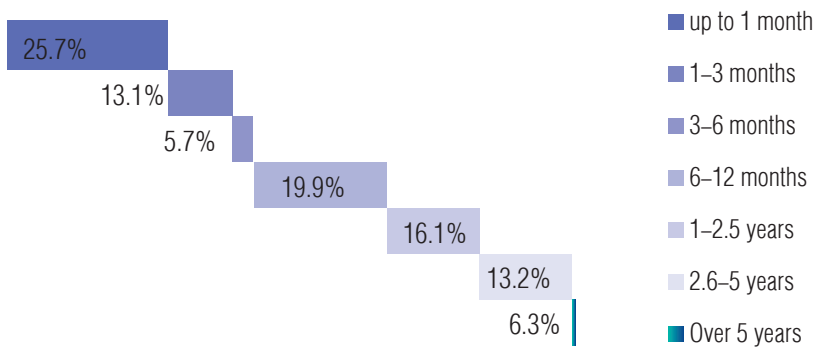
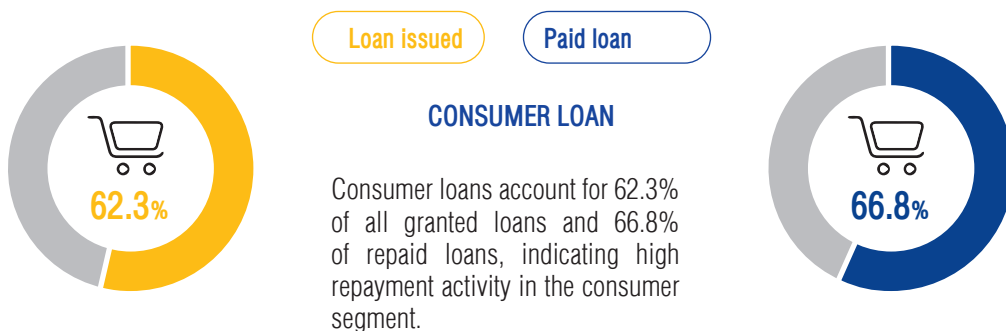
7.5%

LOAN BALANCE

LOANS ISSUED

PAID LOAN

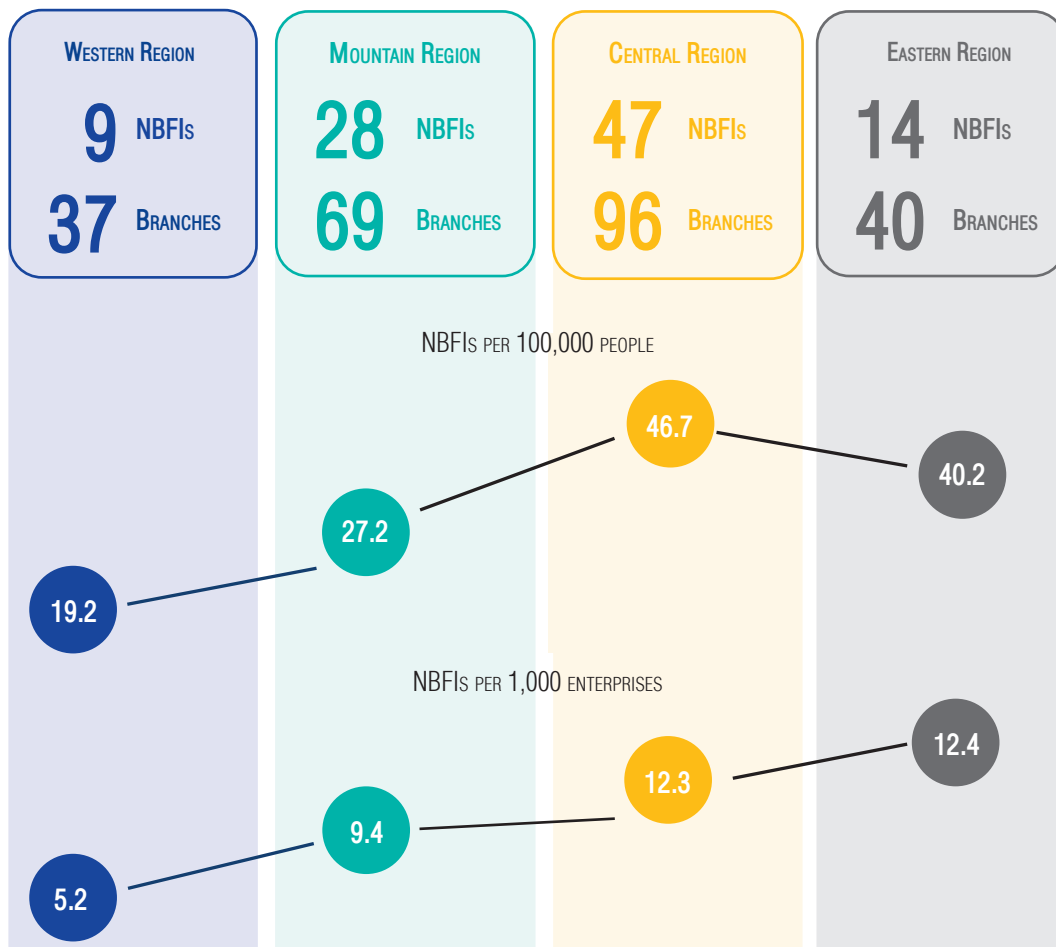
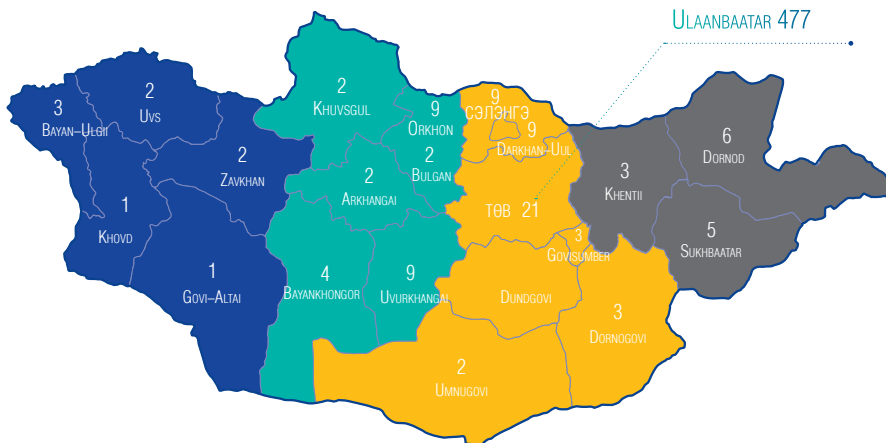
The outstanding loans to individuals are 77.0% higher than loans to legal entities. This shows a strong focus on personal lending within the sector.

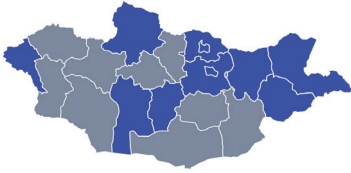


The largest portion of loans are for short-term periods: up to 1 month and 6–12 months.

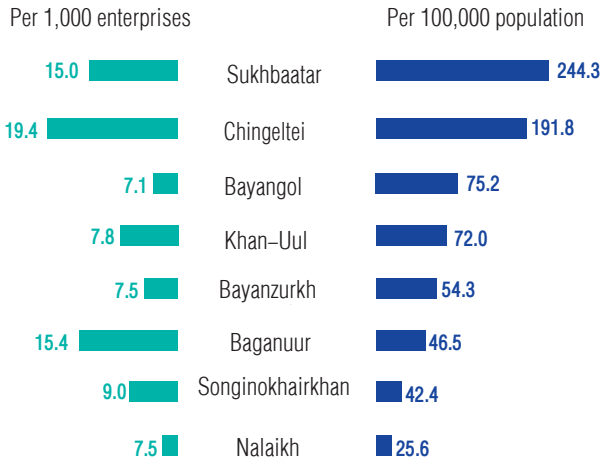
ACCESSIBILITY

Nationwide, there are 575 licensed NBFIs, with a total of 591 branches (including 1 branch in Australia). The majority (83.0%) 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.



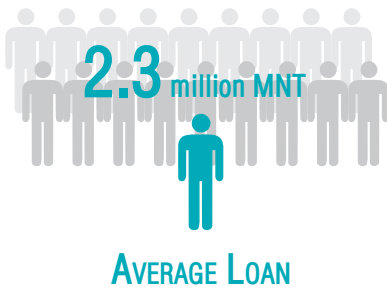
Distribution of NBFIs in Ulaanbaatar (477 NBFIs): 33.5% in Sukhbaatar district, 25.8% in Chingeltei, 14.0% in Bayangol, 12.2% in Bayanzurkh, 12.6% in Khan Uul, 1.7% in Songinokhairkhan, and 0.2% in Baganuur district.

ACCESSIBILITY AND GEOGRAPHICAL DISTRIBUTION OF NBFIs

- Nationwide, there were, on average, 57.8 NBFIs per 100,000 people aged 18–64 and 10.0 NBFIs per 1,000 businesses.
- These ratios were 32.8 and 9.7 in the rural areas. In the Central Region, there were 46.7 NBFIs per 100,000 people, while the Eastern Region recorded 12.4 NBFIs per 1,000 businesses, reflecting varying levels of access.
- In Ulaanbaatar, there were 84.4 NBFIs per 100,000 people and 10.1 NBFIs per 1,000 legal entities, demonstrating better access compared to rural areas.

58 NBFIs per
100,000
people nationwide

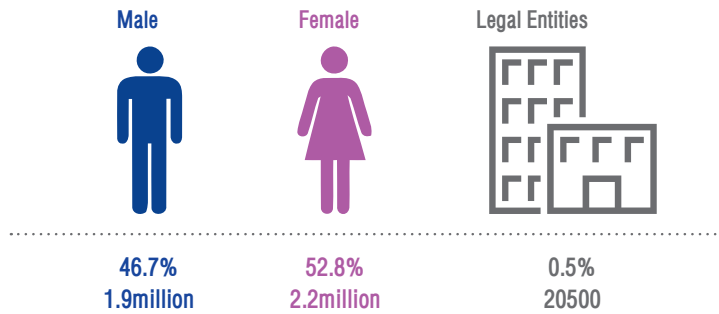
10 NBFIs per
1,000 enterprises



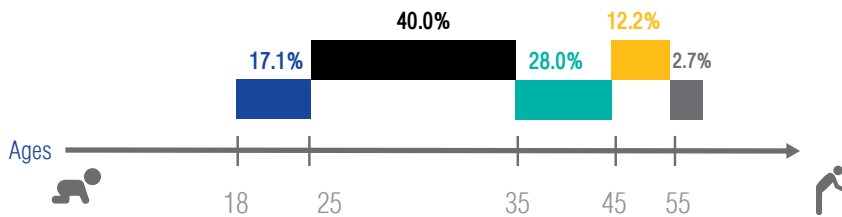
- In Mongolia, the average loan amount for an NBFi borrower was 2.3 million MNT, with regional differences: 1.9 million MNT in rural areas, and 2.3 million MNT in Ulaanbaatar.

Compared to last year's nationwide average of 2.5 million MNT, the average loan amount decreased by 8.1%, indicating smaller individual loans.

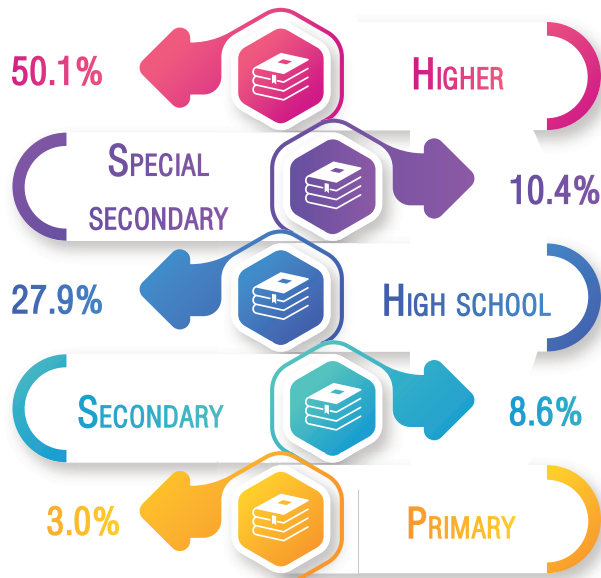
Customers of NBFIs



Borrowers of NBFIs (by age)



Borrowers of NBFIs (by level of education)



PRODUCTS AND SERVICES

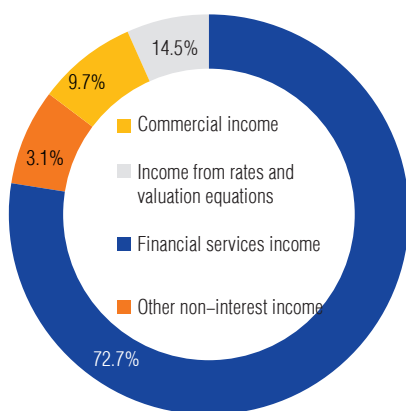
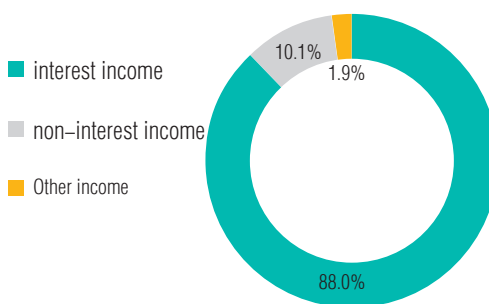
NUMBER OF NBFIS AND TYPES OF SERVICES (DUPLICATE)



PRODUCT AND SERVICE REVENUE

The total income of NBFIs reached 2,718.0 billion MNT.

The majority of this revenue came from operating income, with 88.0% (2,390.6 billion MNT) from interest income, 10.1% (273.9 billion MNT) from noninterest income, and 1.9% from other income.

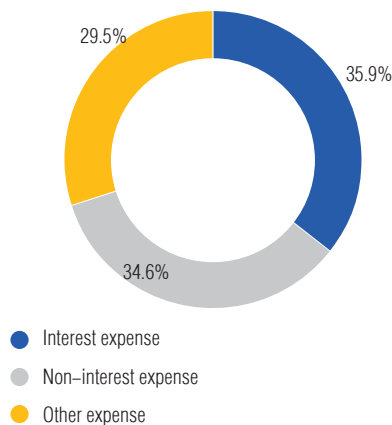


BREAKDOWN OF NON-INTEREST INCOME

- Non-interest income was distributed as follows: 72.7% (199.2 billion MNT) from service premiums, 14.5% (39.6 billion MNT) from exchange rate and valuation adjustments, 9.7% (26.6 billion MNT) from trading, and 3.1% (8.5 billion MNT) from other non-interest income.

COSTS OF PRODUCTS AND SERVICES

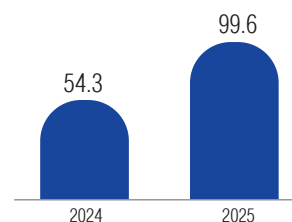
- The total costs of NBFIs amounted to 1,771.0 billion MNT, of which 70.5% was allocated to operating expenses, including 34.6% (612.48 billion MNT) for non-interest expenses and 35.9% (636.2 billion MNT) for interest expenses.



Expenditures related to product and service risks totaled 296.2 billion MNT, distributed as follows: 91.0% for credit risk expenses, 2.8% for risk funds for assets placed in banks and financial institutions, 2.2% for receivables risk fund expenses, 2.6% for factoring service risk fund expenses, 0.6% for other proprietary risk fund expenses, 0.6% for other asset risk fund expenses and 0.2% for by securities risk fund expenses.

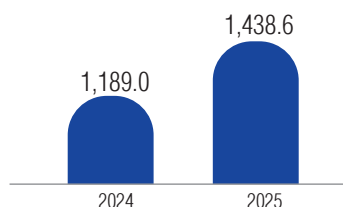
- o The Financial Regulatory Commission (FRC) has licensed 4 banks and 60 NBFIs to provide factoring services. Factoring receivables of NBFIs' increased 1.8-fold compared to the same period last year.

Net receivables for factoring services (billions MNT)

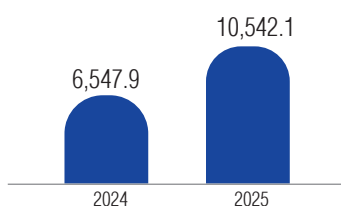


- o A total of 91 NBFIs provided trust services, with their centralized resources growing by 21.0% year-on-year.

Trust service payable (billions MNT)



Income from remittance services (million MNT)



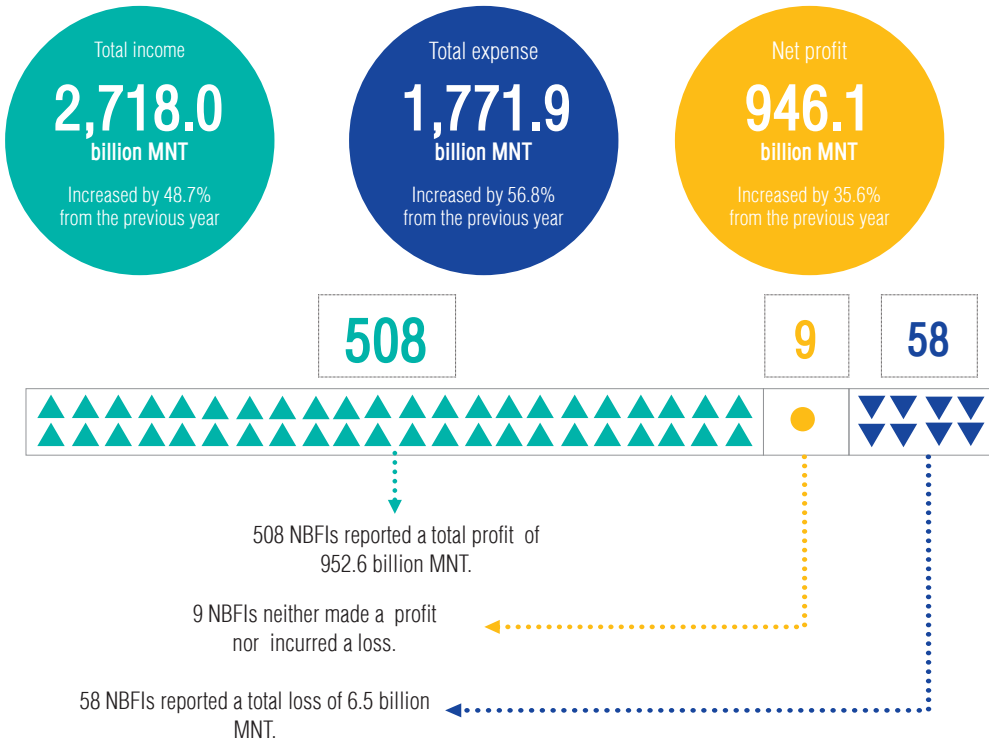
- o 55 NBFIs are licensed to offer remittance services. Of these, 14 NBFIs generated revenue, reporting an increase of 3,994.2 million MNT compared to the same period last year.

CURRENCY TRADING NEWS

During the reporting quarter, NBFIs purchased foreign currency totaling 2,119.7 billion MNT and sold 2,091.0 billion MNT. The US dollar accounted for 48.3% of the currency purchases and 46.7% of total currency sales.

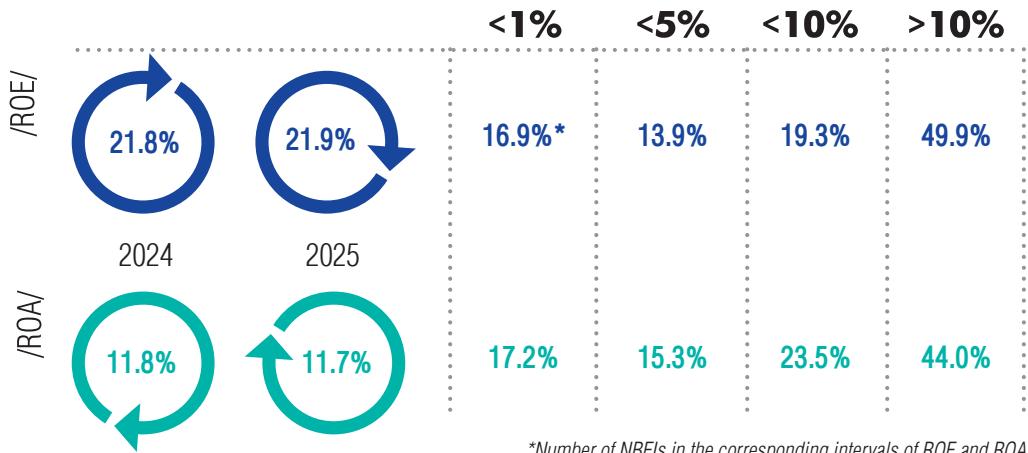
CURRENCY NAME	Bought	Sold
	Result (MNT, billions)	Result (MNT, billions)
US DOLLARS	1,023.2	977.4
CHINESE YUAN	591.9	592.2
RUSSIAN RUBLE	321.2	339.9
EURO	95.5	89.0
KOREAN WON	42.3	41.8
JAPANESE YEN	28.2	31.8
OTHER	17.4	18.9

PROFITABILITY

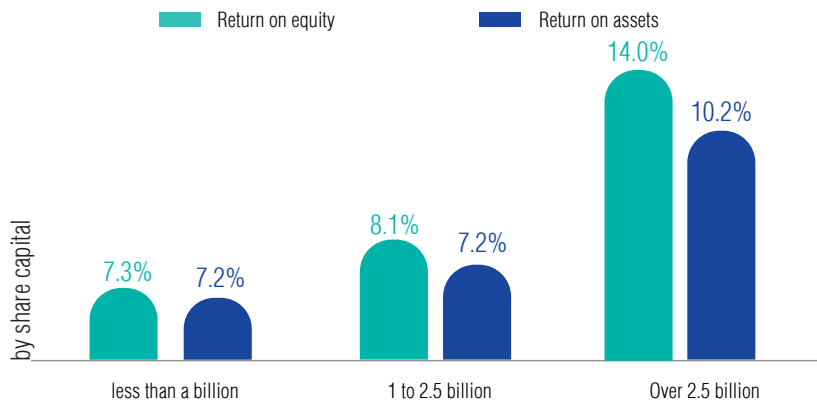


DISTRIBUTION OF ROA AND ROE

The Return on Assets (ROA) of NBFIs reached 11.7%, remaining at the same level as last year. The Return on Equity (ROE) decreased by 0.8 percentage points compared to the last year. The distribution of ROE across NBFIs was as follows: 17.2% had a ROE of less than 1%, 15.3% had a ROE of 1% to 5%, 23.5% had a ROE of 5% to 10%, and 44.0% had a ROE of more than 10%. The distribution of ROA across NBFIs was as follows: 16.9% had a ROE of less than 1%, 13.9% had a ROE of 1% to 5%, 19.3% had a ROE of 5% to 10%, and 49.9% had a ROE of more than 10%.



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



RETURN ON ASSETS (ROA) AND RETURN ON EQUITY (ROE) RATIO BY EQUITY SIZE

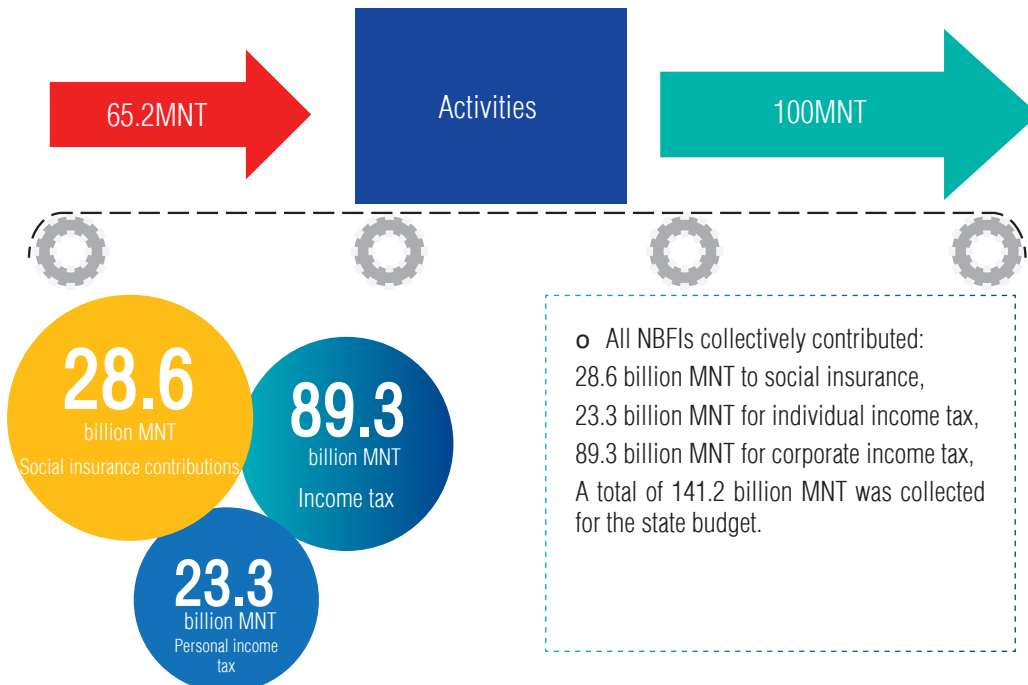
Among NBFIs with equity of less than 1.0 billion MNT, half reported an ROA below 7.2%.

For NBFIs with equity between 1.0 and 2.5 billion MNT, half also recorded an ROA below 7.2%.

Among NBFIs with equity exceeding 2.5 billion MNT, half reported an ROA below 10.2%. Return on Equity ROE: NBFIs with equity of less than 1.0 billion MNT recorded an ROE of 4.3%. Those NBFIs with equity between 1.0 and 2.5 billion MNT had an ROE of 8.1%. NBFIs with equity of more than 2.5 billion MNT had a ROE of 14.0%.

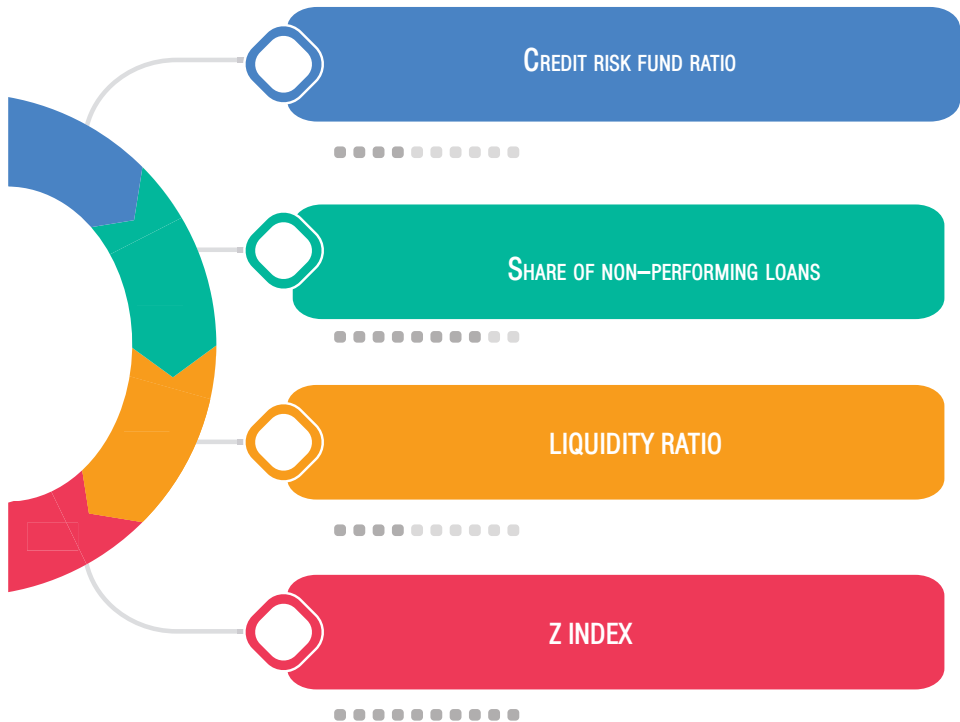
COST-TO-INCOME RATIO

The cost-to-income ratio of NBFIs stood at 65.2%, reflecting an increase of 3.4 percentage points compared to the previous year. This indicates that NBFIs spend, on average, 65.2 MNT to generate 100.0 MNT of income.



STABILITY

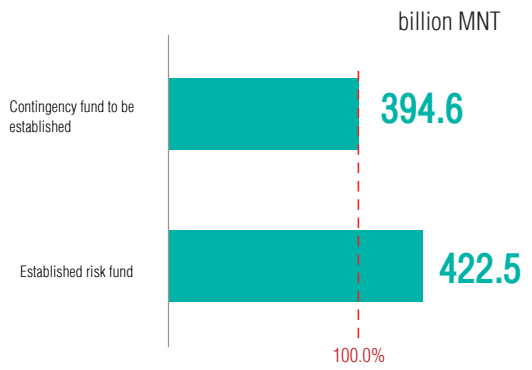
o Regarding stability, four key indicators of NBFIs were calculated following AFI's guidelines to assess financial access and financial stability.



CREDIT RISK FUND RATIO

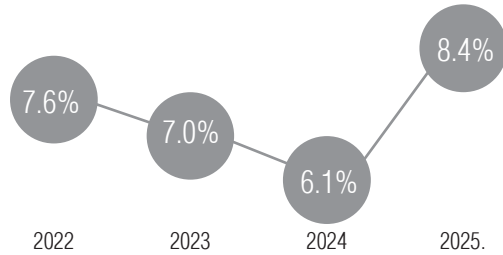
The ratio reached 107.1%, driven by the establishment of a contingency fund.

107.1%



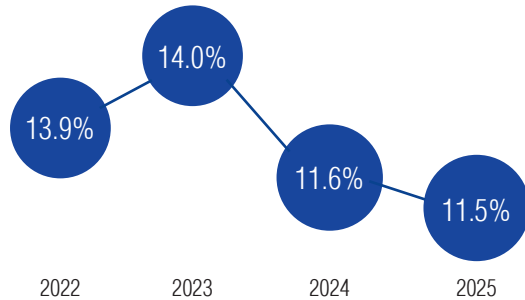
NON-PERFORMING LOANS

In the reporting year, non-performing loans totaled 605.6 billion MNT, reflecting a 2.3 percentage point increase from last year.



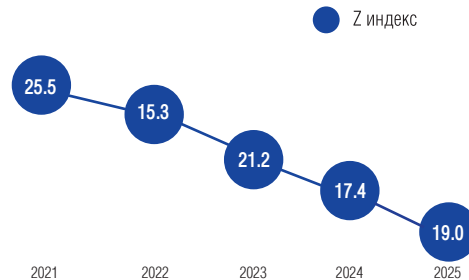
TOTAL CASH ASSETS COMPARATIVE RATIO

- o The ratio of cash assets to total assets decreased by 0.1 percentage points compared to the previous year.



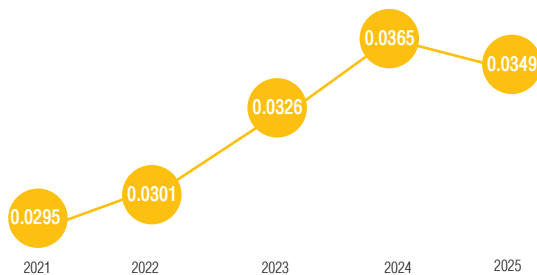
Z INDEX

The Z index – which measures the probability of insolvency for NBFIs, – is calculated as the sum of return on assets (ROA) and return on equity (ROE) divided by the standard deviation (volatility) of ROA. A higher Z index indicates greater financial stability and lower risk, reflecting stronger 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 last year.



STANDARD DEVIATION

- o Distribution of return standarts

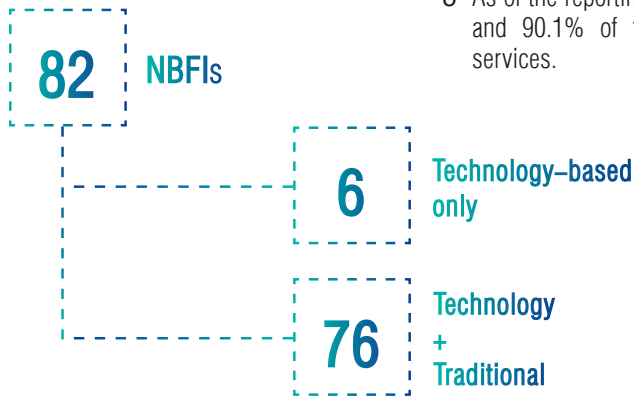


The standard deviation of ROA, calculated based on returns from the last four quarters, measures the extent of variation from the average. The standard deviation was 0.0016 percentage points, a decrease from last year.

FINTECH

	Total loans		Borrowers		Average loan amount per borrower (MNT, thousands)
	Amount (MNT, billions)	%	Number	%	
Fintech	2,285.1	31.7%	2,840,399	90.1%	804.5
Traditional	4,931.1	68.3%	313,104	9.9%	15,749.2
TOTAL	7,216.2	100.0%	3,153,503	100.0%	2,288.3

- o As of the reporting period, 89.8% of total NBFI customers and 90.1% of total borrowers have accessed fintech services.



Note: Fintech refers to both fully technology-based financial services and hybrid models combining digital platforms with traditional lending services.

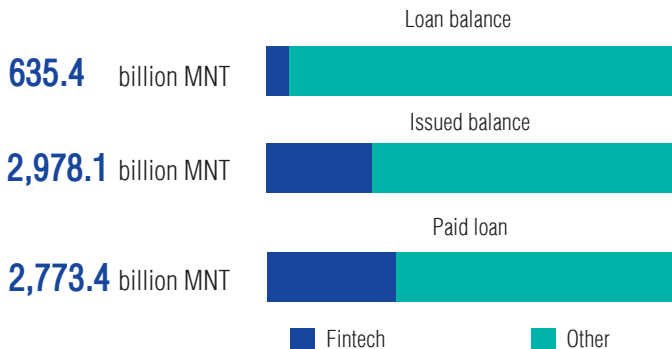


83.8% normal
6.7% overdue loans
9.4% poor quality



Among outstanding loans issued through fintech-enabled services:
83.8% are classified as performing (normal) loans
6.7% are overdue loans
9.4% are non-performing loans

TECHNOLOGY BASED ONLY



Among the six NBFIs that provide exclusively technology-based lending services:

- They serve 40.6% of borrowers in the sector.

- These loans account for only 9.1% of the total outstanding loan balance, but represent 27.3% of all loans issued, and 28.3% of total loan repayments. This indicates a high loan turnover rate and strong operational efficiency within fully digital lending models.

GREEN LOAN



Green loan balance: The total outstanding balance of the green loan product: reached 152.7 billion MNT, accounting for 2.1% of the total loan portfolio. These loans were extended to 15,129 borrowers.

	Total loan balance /MNT, million/	Number of borrowers
Energy supply and infrastructure	1,400.2	26
Energy efficiency	32,079.7	7,746
Sustainable urban planning and construction	27,738.7	1,197
Pollution reduction and prevention	66.5	147
Sustainable water and waste	985.3	72
Sustainable agriculture	9,752.1	489
Sustainable land use and biodiversity	6,396.7	303
Transport with low carbon emissions	46,275.8	2,101
Information, communication and technology	3,501.0	2,238
Health	11,711.8	378
Education and Culture	9,303.0	412
Accessible infrastructure	3,527.4	20



NORMAL

87.5%



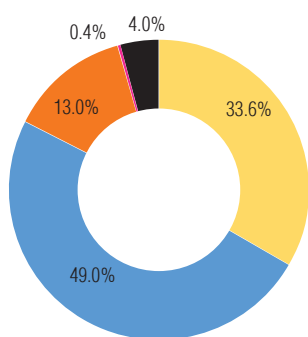
OVERDUE

5.9%



NON-PERFORMING

6.6%



TRANSPORTATION WITH LOW CARBON DIOXIDE EMISSIONS:

- Electric vehicles
- Combined engine vehicles
- Economical vehicle
- Bicycles, scooters
- Other

LOANS ISSUED /2025/

Type	Loan amount granted (million MNT)	Number of borrowers
Energy supply and infrastructure	1,354.6	47
Energy efficiency	38,526.6	18,662
Sustainable urban planning and construction	21,150.0	485
Pollution reduction and prevention	115.8	265
Sustainable water and waste	2,892.0	88
Sustainable agriculture	18,230.7	516
Sustainable land use and biodiversity	6,964.7	67
Low-carbon transport	55,243.8	3,190
Information, communication and technology	6,597.4	3,534
Health	16,572.6	376
Education and Culture	11,497.7	378
Accessible infrastructure	1,309.1	13
Total	180,455.0	27,621

REGULATORY ENVIRONMENT



POLICY AND LEGISLATION

1. Resolution No. 68 (2025) – Financial Regulatory Commission adopted the following regulations;

- Regulation on Calculating and Monitoring Non-Bank Financial Activity and Prudential Ratio Indicators

- Regulation on Increasing or Reducing the Capital Contributions of Non-bank Financial Institutions.

The regulation introduced the following key requirements: The ratio of liabilities raised through trust services to equity shall not exceed 60%.

If green loans account for more than 2% of the total loan portfolio, the ratio of trust service liabilities to equity may range between 65–80%.

For NBFIs issuing debt instruments, the ratio of issued debt instruments to equity shall not exceed 30%.

For NBFIs issuing asset-backed securities, the total funds raised through such instruments shall not exceed 60% of equity.

NBFIs are prohibited from raising funds in the form of loans or similar sources from domestic commercial banks or entities engaged in lending activities.

2. Resolutions No. 77 and No. 78 (2025) – Financial Regulatory Commission

Under Resolution No. 77 (2025), amendments were made to the Regulation on Non-Bank Financial Loan Activities.

Under Resolution No. 78 (2025), amendments were introduced to the Regulation on Prudential Ratios and Operational Requirements for NBFIs.

Key amendments include:

The debt-to-income (DTI) ratio for consumer loans issued by NBFIs shall not exceed 60%.

The loan-to-value (LTV) ratio for loans secured by passenger vehicles shall not exceed 60%.



POLICY AND LEGISLATION

Law on “Loan Information”

As of the end of 2025, the Bank of Mongolia, in cooperation with "Buren Skor ZMS" LLC, and "Titan CRA ZMS" LLC signed agreements with 512 NBFIs, representing 97.5% of the 499 NBFIs engaged in lending activities.

Law on Combating Money Laundering and Anti-Terrorism Financing

Under Article 7.1 of the Law, 119 NBFIs reported 38,193 transactions totaling 4,057.6 billion MNT. Under Article 7.2, 12 NBFIs reported 5,806 transactions totaling 52.6 billion MNT to the Financial Information Office of the Bank of Mongolia, fulfilling their compliance obligations.

Regulation on Centralizing regulatory service fees

A total of 572 NBFIs collected regulatory service fees, amounting to 1,455.9 million MNT. Of this, 1,469.5 million MNT (collected from 570 NBFIs) was successfully transferred to the designated account of the Financial Regulatory Commission.



SCCs

Total assets

379.0 billion MNT

Capital growth **6.2%**



Financial market status

18–64 years old citizens **26**

1 in every people is a member of the SCC

44.3%
higher education



Accessibility

97.8% of total deposits are term deposits.



Products and services

Profitability



Net profit

17.5
billion MNT

Tax collected by the
state, Social security
contributions

6.0
billion MNT

Stability



Percentage of non-performing
loans (on total loans)

3.0%

Share of cash in total assets

16.7%

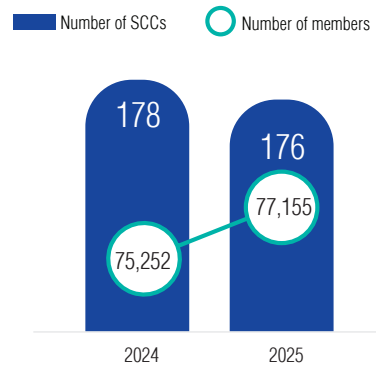
Regulatory
environment



MARKET OUTLOOK

NUMBER OF SCCs AND MEMBERS

- The number of licensed SCCs decreased by 2 (1.1%), reached 176, compared to the same period last year.
- Compared to the same period in 2021: the number of SCCs decreased by 15.8%, while the number of members increased by 2.3%.
- 71.7% of total workers in SCCs are female, representing a decrease of 9.3% from the same period last year.



EMPLOYEES

565

71.7% of total workers in SCCs are female, representing a decrease of 9.3% from the s last year.

TOTAL MEMBERS

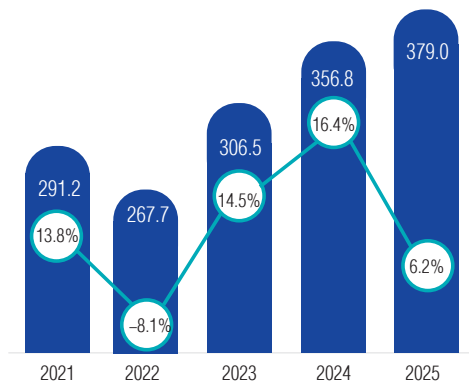
28,327

Borrowers

49,257

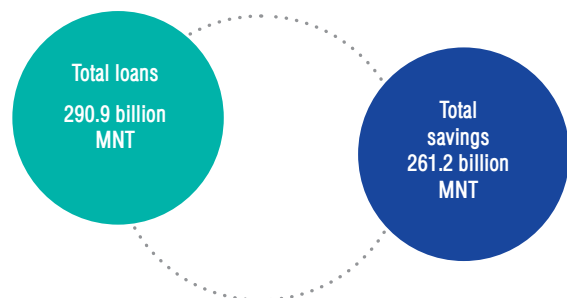
Depositors

■ Total assets (MNT, billions) ○ Total assets growth (MNT, billions)



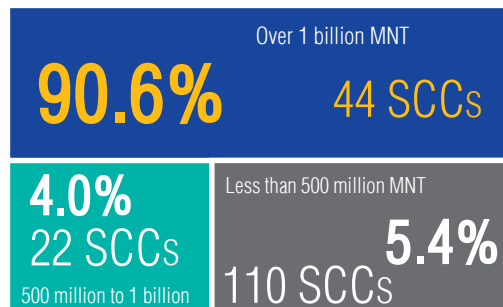
TOTAL ASSETS AND THEIR GROWTH

- Net worth increased by 6.2% compared to the previous year, reaching 379.0 billion MNT, reflecting a growth of 30.1% compared to 2021.



TOTAL MARKET SHARE

- o 44 SCCs with net capital greater than 1 billion MNT each comprised 90.6% of the market.
- o 22 SCCs with net capital ranging from 500 million MNT to 1 billion each comprised 4.0% of the market.
- o 110 SCCs with net capital of less than 500 million MNT each comprised 5.4% of the market.

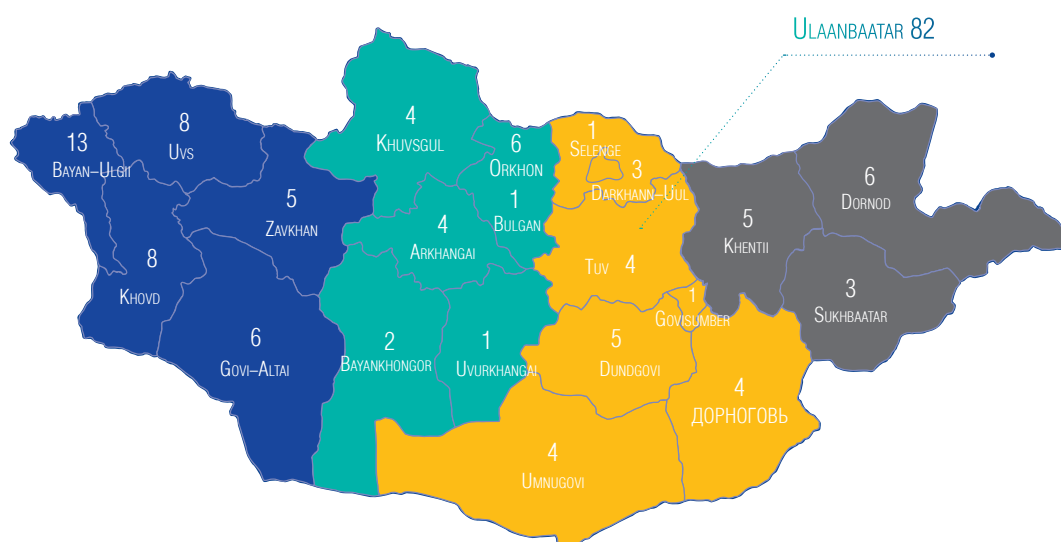


Report structure (billion MNT)

Total assets	379.0	100.0%
Currents assets	364.8	96.3%
Cash	63.4	16.7%
Loan /net/	297.4	78.5%
Other assets	4.0	1.1%
Non-financial assets	14.2	3.7%
Tax receivables	0.3	0.1%
Health and social security contributions receivable	0.1	0.0%
Prepaid expenses/bills	3.3	0.8%
Inventory	0.2	0.0%
Other assets to be owned /net/	0.6	0.2%
Other non-financial assets	2.2	0.6%
Investment property/net/	0.0	0.0%
Fixed assets /net/	4.9	1.3%
Intangible assets/net/	2.6	0.7%
Total liabilities and equity	379.0	100.0%
Financial liabilities	282.4	74.5%
Savings	279.2	73.7%
Sources from banks and financial institutions	2.0	0.5%
Other financial liabilities	1.2	0.3%
Non-financial liabilities	4.4	1.2%
Own assets	92.2	24.3%
Equity contributed by members	30.3	8.0%
Other parts of the property	0.6	0.2%
Property of cooperatives	61.3	16.1%

- o Current assets made up 96.3% of total assets, while non-current assets accounted for 3.7%.
- o Cash assets represented 16.7% of net capital, 78.5% of the loan balance, and 1.1% of other non-current assets.
- o Liabilities accounted for 74.5% of total finances, 24.8% of own assets, and 1.2% of other assets.

ACCESSIBILITY



WESTERN REGION

40 SCCs
4 BRANCHES

MOUNTAIN REGION

18 SCCs
10 BRANCHES

CENTRAL REGION

22 SCCs
11 BRANCHES

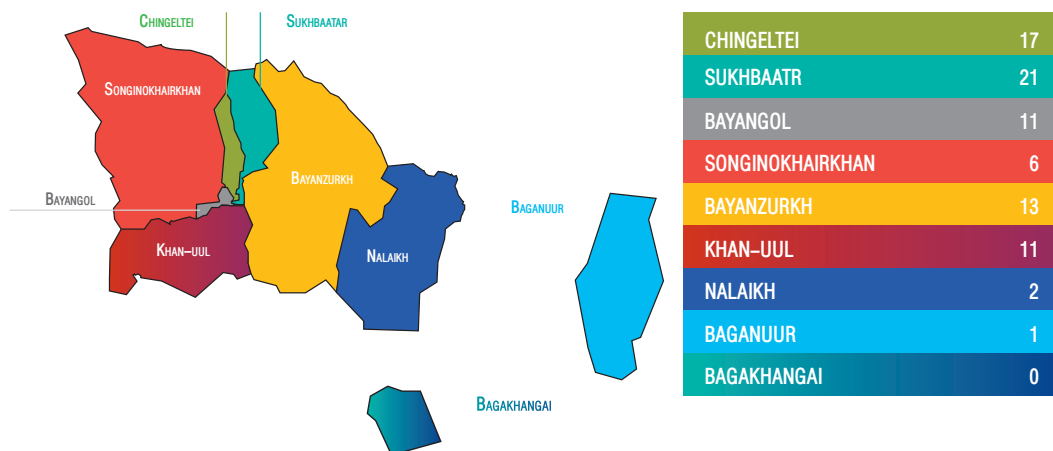
EASTERN REGION

14 SCCs
5 BRANCHES

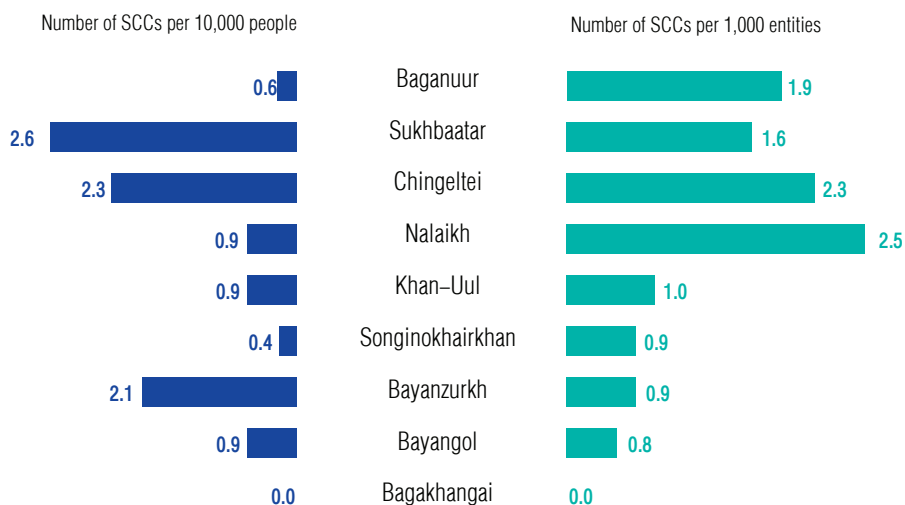
ULAANBAATAR

82 SCCs
13 BRANCHES

- o 82 SCCs are located in Ulaanbaatar, and 94 SCCs are located in rural areas.
- o Rural Areas; distributed as follows:
 - 42.6% in the Western Region
 - 23.4% in the Central Region
 - 19.1% in the Mountain Region
 - 14.9% in the Eastern Region.
- o In Ulaanbaatar; 96.3% are located in the six central districts, and the remaining 3.7% are in two remote districts.

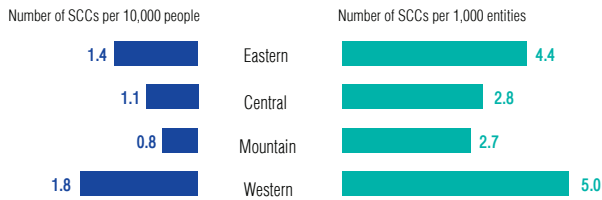


Using the basic indicators for financial inclusion assessment of AFI member countries, the sector’s level of inclusion was calculated by the number of credit unions per 10,000 people of working age (18–64 years) and per 1,000 businesses as follows.



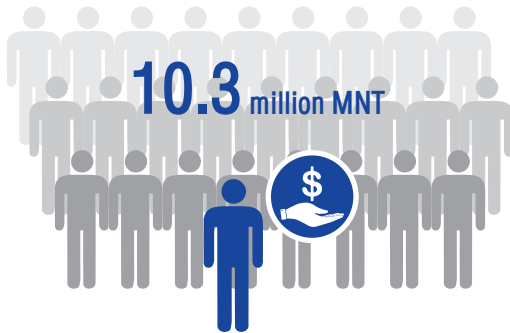
- o Based on the number of credit unions per 1,000 businesses, Nalaikh (2.5) and Chingeltei (2.3) districts lead, while Bayangol district ranks the lowest in this indicator, at 0.8.
- o In terms of the number of credit unions per 10,000 people, Sukhbaatar (2.6) and Chingeltei (2.3) districts are leading.

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



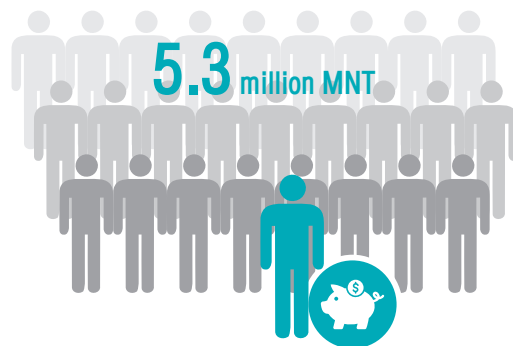
ACCESS TO CREDIT SERVICES

- One in 71 individuals aged 18 to 64 was both a member of an SCC and received a loan.
- In rural areas, the ratio was 1 in 64, while in Ulaanbaatar it was 1 in 80.
- The average loan among all members who received loans was 10.3 million MNT nationwide.
- In Ulaanbaatar, the average loan was 17.4 million MNT, compared to 4.9 million MNT in rural areas.

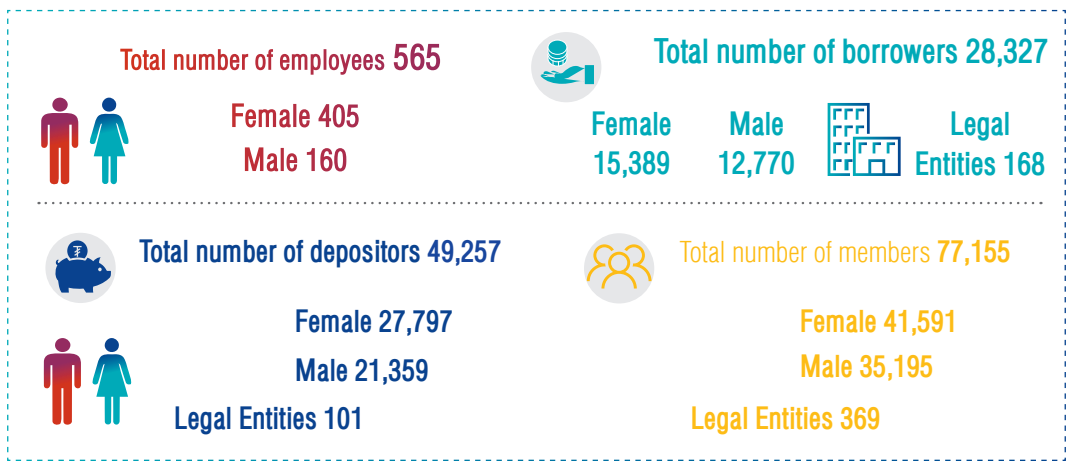
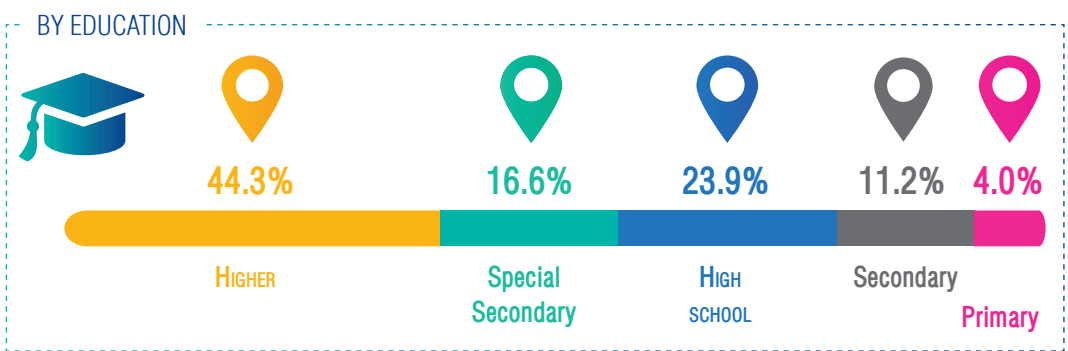
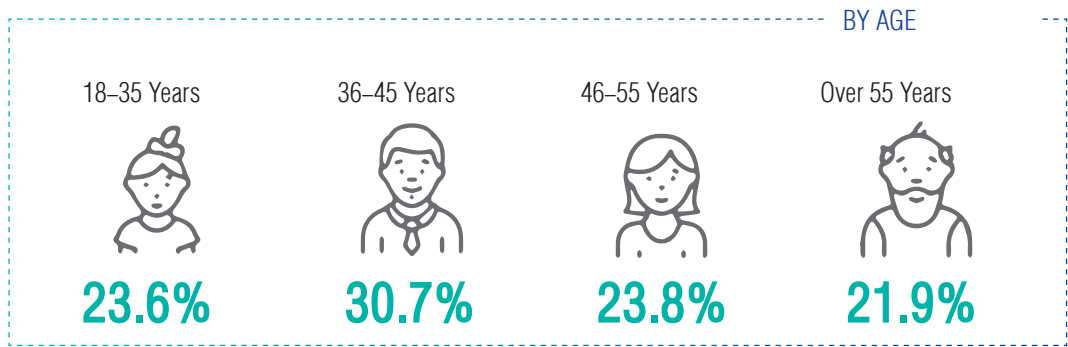
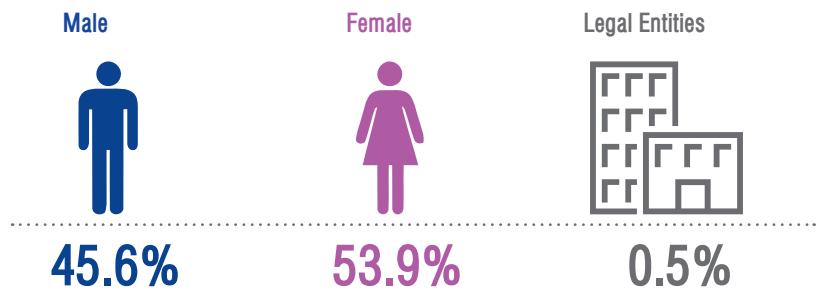
ACCESS TO SAVINGS

- Nationally, one in 41 individuals aged 18–64 was engaged in saving at an SCC.
- In rural areas, the ratio was 1 in 44, while in Ulaanbaatar, it was slightly higher at 1 in 38.
- The average savings among all members holding savings accounts was 5.3 million MNT.
- In Ulaanbaatar, the average savings per member were 7.5 million MNT, compared to 2.9 million MNT in rural areas.

Average amount of savings per member



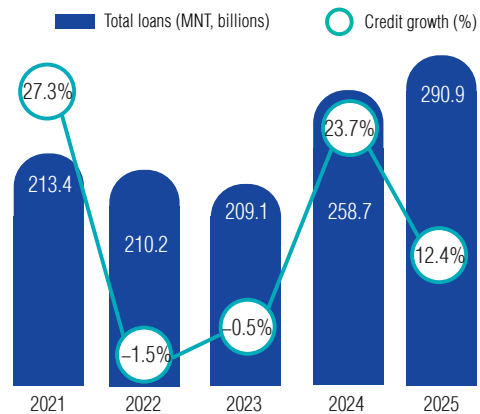
MEMBERS OF SCCs



PRODUCTS AND SERVICES

LOANS FROM SCCs

- Reported period, total loan increased by 12.4% (32.2 billion MNT), reached 290.9 billion MNT compared to the previous year.
- Total loans increased 77.5 billion MNT (36.3%) compared to the 2021,
- Net loan reached 297.4 billion MNT.



NORMAL

92.0%



OVERDUE

5.0%



NON-PERFORMING

3.0%

LOAN QUALITY OF SCCs

Normal loans increased by 9.1%, totaling 267.5 billion MNT.

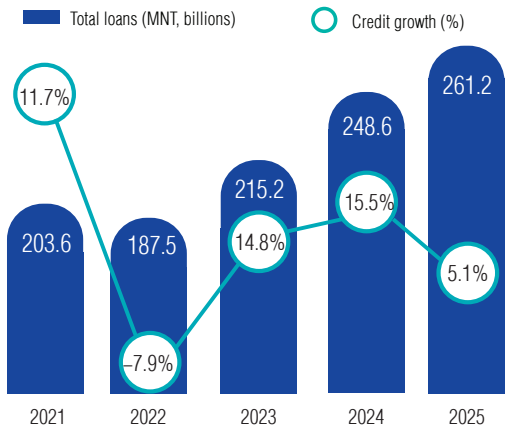
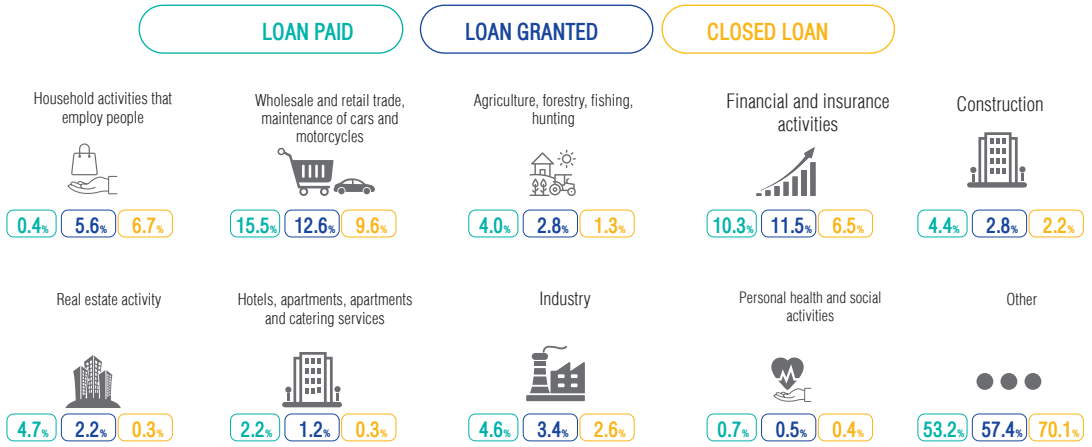
Overdue loans increased by 95.2%, totaling 14.7 billion MNT.

Non-performing loans increased by 43.4%; reaching 8.7 billion MNT from the previous year.

Non-performing loans decreased by 17.9% (1.3 billion MNT) compared to the previous 2021.

PURPOSE OF SCC LOANS

- The total loans;
 - 12.6% of loans were for the wholesale and retail sectors and car/motorcycle maintenance;
 - 11.5% were for financial and insurance purposes;
 - 5.6% for household activities.
- Repayment Sources;
 - 15.5% from the wholesale and retail sectors and car/motorcycle maintenance;
 - 10.3% from financial and insurance activities;
 - 4.6% from manufacturing sector.
- Closed Loans;
 - 9.6% from the wholesale and retail sectors and car/motorcycle maintenance;
 - 6.7% from household activities;
 - 6.5% from financial and insurance activities.

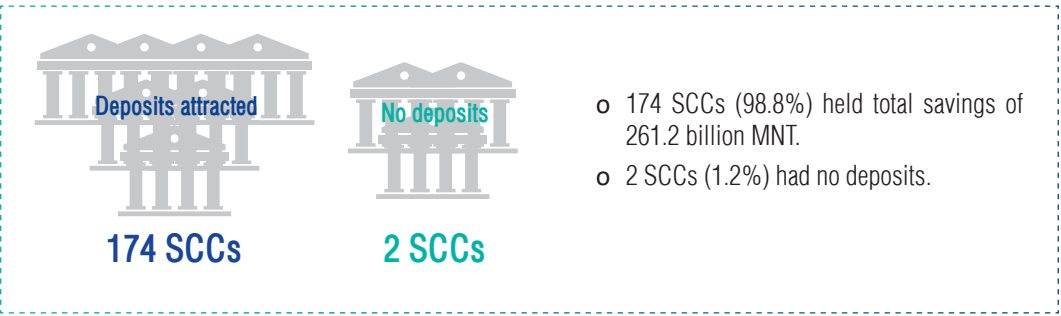
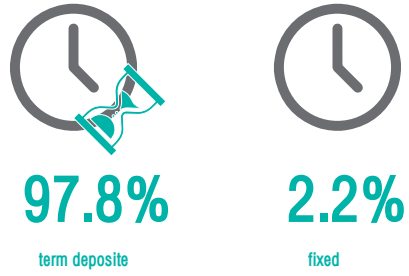


SCCs SAVINGS

- Number of savings: increased by 5.1%, totaling 261.2 billion MNT.
- 57.6 billion MNT increase, or 28.3%, compared to 2021.

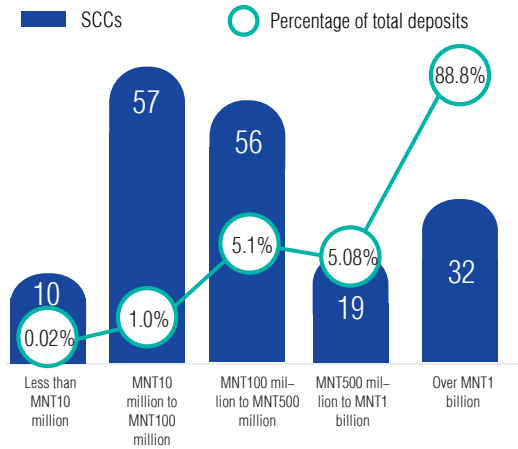
TOTAL SAVINGS

- 97.8% of total savings are term savings, 2.2% of total savings are non-term savings.



PERCENTAGE OF TOTAL SAVINGS

- o 32 SCCs with savings over 1 billion MNT: 88.8% of total saving (232.0 billion MNT)
- o 132 SCCs with savings between 10 billion MNT to 1 billion MNT: 11.18% of total saving (29.1 billion MNT)
- o 10 SCCs with savings under 10 billion MNT: 0.02% of total saving (0.1 billion MNT)



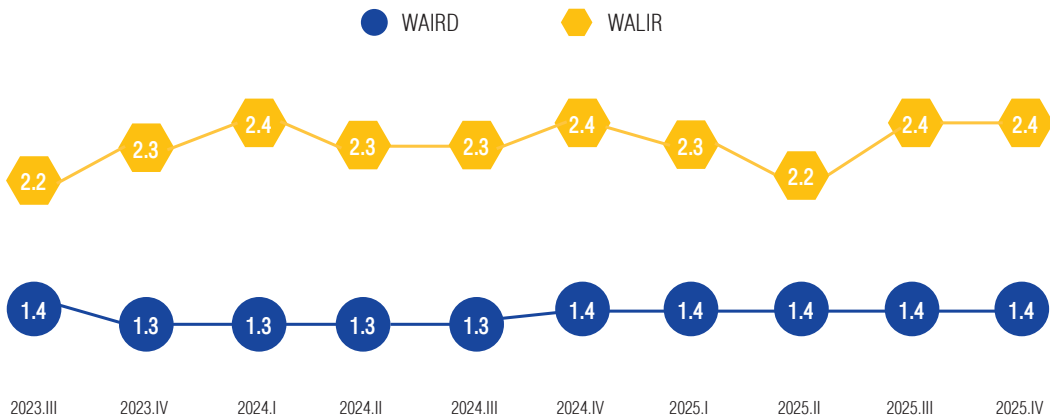
1.4%

Weighted average monthly interest rate on time deposits



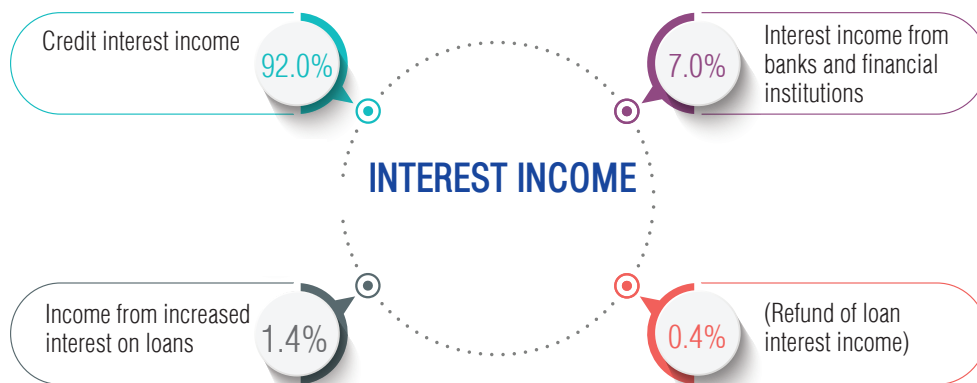
2.4%

Weighted average monthly interest rate on the loan



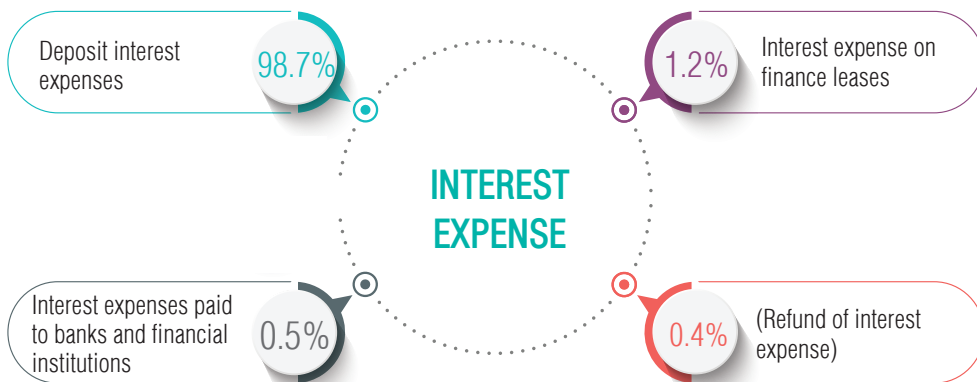
INCOME

- o 86.7 billion MNT, a 16.9% increase, compared to the previous year.
- 79.7 billion MNT (92.0%) from Loan interest
- 6.1 billion MNT(7.0%) from interest income from banks and financial institutions
- 1.2 million MNT (1.4%) from increased interest income
- 0.3 million MNT(0.4%) from interest income from securities



Expenses

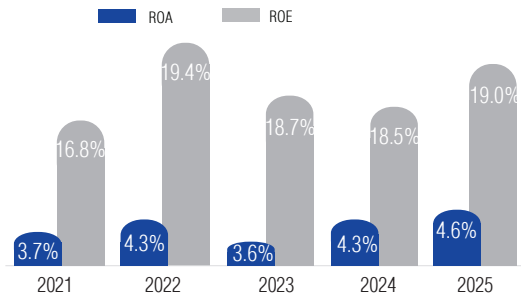
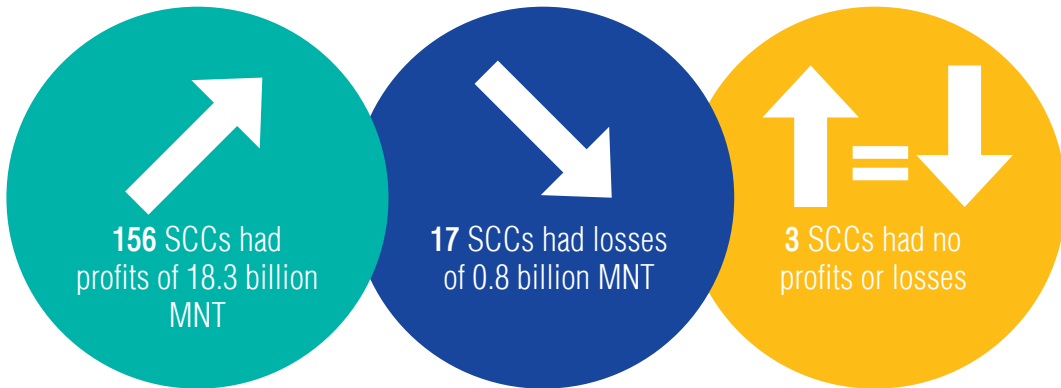
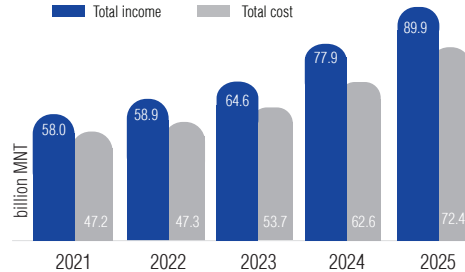
- o 44.3 billion MNT, a 8.8% increase compared to the previous year.
- 43.8 billion MNT(98.7%) paid as saving interest:
- 0.2 billion MNT(0.5%) paid to banks and financial institutions
- 0.5 billion MNT(1.2%) paid to financial institutions:
- 0.2 billion MNT (0.4%) as Refund of interest expenses.



PROFITABILITY

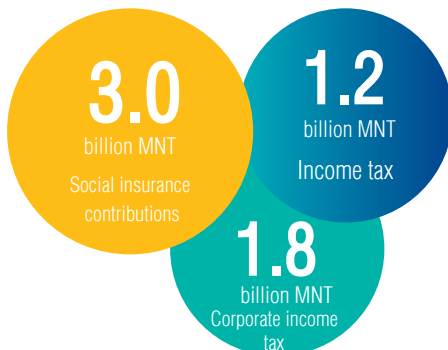
INCOME AND EXPENSES OF SCCs

- Total Income: 89.9 billion MNT
- Total expenses: 72.4 billion MNT
- Net profit: 17.5 billion MNT.



TOTAL RETURN ON EQUITY

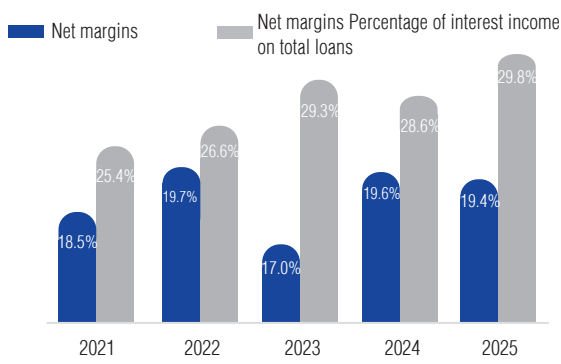
- ROE: 19.0% increased by 0.5 percentage compared to the previous year.
- Return on Assets (ROA): 4.6% increased by 0.3 percentage.



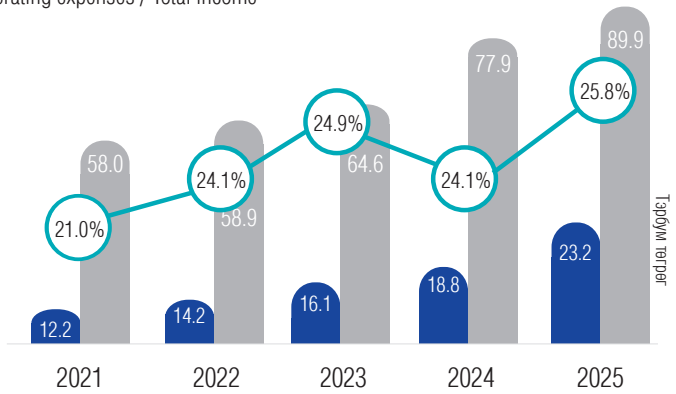
- The state budget received MNT 3.0 billion from social insurance tax, MNT 1.2 billion from personal income tax, and MNT 1.8 billion from corporate income tax

KEY RATIOS

- o Share of interest income in total loans: increased by 1.2 percentage points to 29.8% compared to the previous year.
- o Ratio of net income to total income: decreased by 0.2 percentage points to 19.4% compared to the previous year.

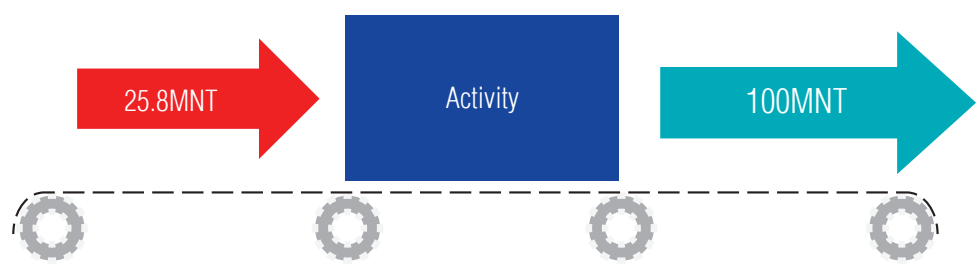


- Operating expenses
- Total income
- Operating expenses / Total income



COST REVENUE RATIO

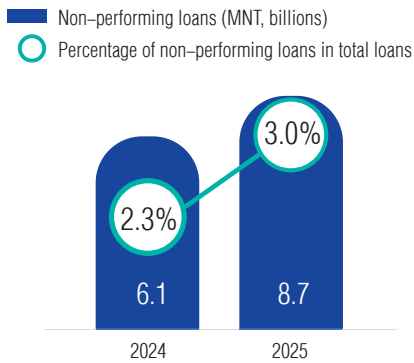
- o SCCs spent an average of 25.8 MNT to earn 100.0 MNT.



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.

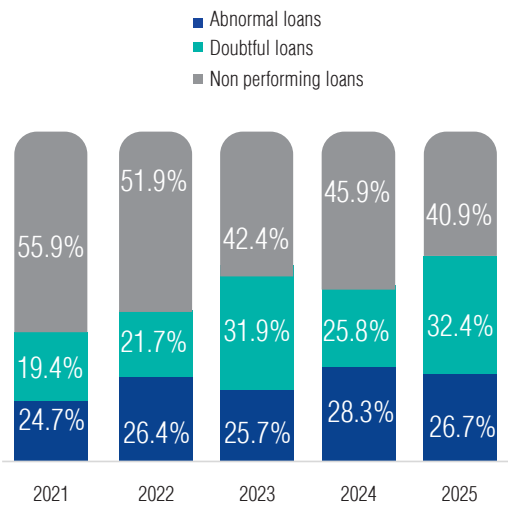


NON-PERFORMING LOANS

- The total amount of non-performing loans has increased by 2.6 billion MNT to 8.7 billion MNT.
- The share of non-performing loans on total loans increased by 0.4 percentage points to 3.0%, which is below the prudential ratio standard of 5.0% for SCCs.

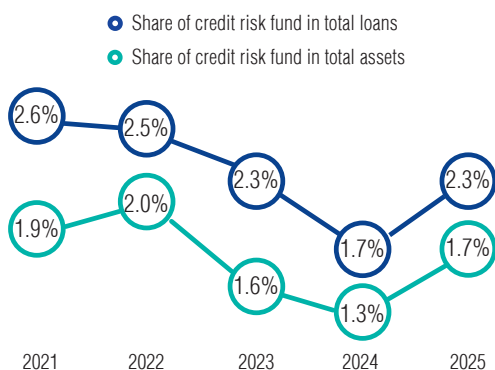
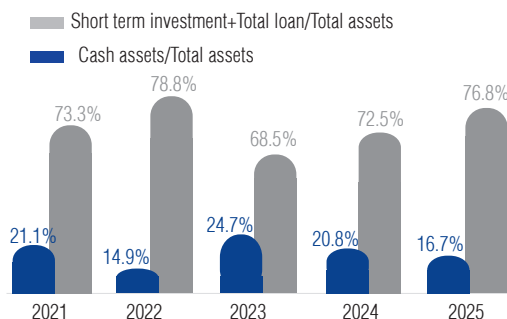
CLASSIFICATION OF NON-PERFORMING LOANS

- Abnormal loans decreased by 1.6 percentage points to 26.7% compared to previous year.
- Doubtful loans decreased by 5.5 percentage points to 32.4%, while non-performing loans decreased by 5.0 percentage points to 40.9% compared to the previous year.



LIQUIDITY OF SCCs

- o Monetary assets to total assets ratio: 16.7%
- o Short-term investments and total loans to total assets ratio: 76.8%.



CREDIT RISK FUND

- o Share of credit risk fund in total loans: 2.3%.
- o Share of credit risk fund in total assets: 1.7%.

Ratio	Adequate level	2025
Loans received from others/Total loans	<20%	0.7%
Total savings/Total assets	40%–80%	68.9%
(Total Loan Balance – Risk Fund)/Total assets	60%–85%	75.0%
Equity of cooperatives/Total assets	>5%	16.2%
Reserve fund/Total assets	>3%	4.5%
Operating expenses/Total assets	<10%	6.1%

REGULATORY ENVIRONMENT



POLICY AND LEGISLATION

Amendments and implementation of laws, regulations, and procedures

Public consultations on the draft revised “Law on Savings and Credit Cooperatives” were organized in October in Darkhan–Uul, Orkhon, Bulgan, Selenge, Dundgovi, and Dornogovi provinces, and in December in Ulaanbaatar. The draft law was initiated and developed by Members of Parliament D. Uuriintuya and B. Zayabal and was submitted to the State Great Khural on December 31, 2025.

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, 163 SCCs (96.4%) submitted their audited year–end financial statements to the Financial Regulatory Commission.

Implementation of the Credit Information Law

In accordance with the law, 112 SCCs (63.6%) out of 176 licensed SCC engaged in savings and credit activities have joined the credit information database and entered into cooperation agreements with service providers. Of these, 58 SCCs (51.8%) operate in Ulaanbaatar, while 54 SCCs (48.2%) operate in rural areas.

Implementation of the Law on Combating Money Laundering and Terrorist Financing

In accordance with the law, 18 SCCs reported a total of 279 cash transactions, each valued at 20 million MNT or more, amounting to 14,080,725.04 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, 93 out of 94 SCCs obligated to pay regulatory service fees transferred a total of 49,662.36,thousand MNT to the designated account of the Financial Regulatory Commission.



INTERNATIONAL COOPERATION

- o The sub-working group “Assessing Vulnerabilities in the Savings and Credit Cooperative Sector” established by the Order No. A/171 (2025) of the Minister of Justice and Internal Affairs. The second regular meeting or a discussion among sector participants was organized on October 28, 2025.
- o Representatives of the Savings and Credit Cooperative sector participated in the Global Financial Inclusion (AFI) meeting held in Papua New Guinea from October 28–31, 2025. During the meeting, member countries shared their experiences on how digital financial services are being used in green finance and gender-sensitive policies within financial inclusion frameworks.
- o The Nature Conservancy (TNC) and the Mongolian National Association of Savings and Credit Cooperatives jointly organized “Savings and Credit Cooperatives of rural areas and Natural Resource Co-management Experience Sharing Forum” on November 14, 2025. A total of 160 representatives from 23 provinces participated and exchanged ideas and experiences.



MEETINGS AND SEMINARS

- o By Order No. 449 (2025) of the Chairman of the FRC, the composition of the Council on Microfinance Policy was updated and approved. The regular meeting of the council was organized on December 18, 2025.



MONETARY LOAN ACTIVITY PROVIDER

Total assets

1.4 trillion MNT



Financial market outlook

Ulaanbaatar

413

Rural area

179



Accessibility



Application Form

APPROVED

Profitability



Total income

374.1

billion MNT

Profit for the reporting
period

131.2

billion MNT

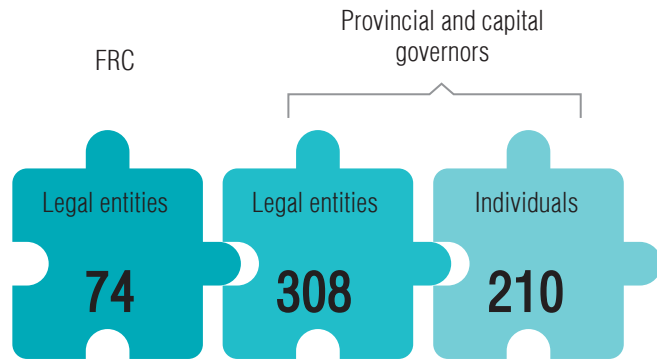
Regulatory environment



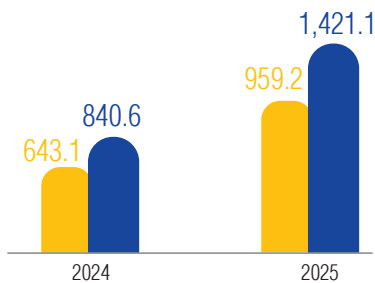
FINANCIAL MARKET OUTLOOK

Statistic of MLAPs

In the reporting quarter, 592 entities provided monetary loan services, including 382 legal entities and 210 individuals; of these, 74 legal entities are registered with the FRC.



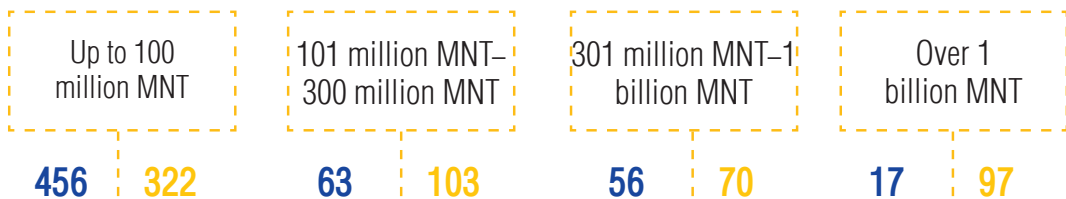
Total assets, total loan (billion MNT)



Compared to the same period of the previous year, Monetary loan activity providers (MLAP):

- Total assets increased by 48.2%, or MNT 461.9 billion;
- Total loan portfolio reached MNT 641.8 billion, representing an increase of 30.7%, or MNT 197.5 billion.

Share capital



- In terms of equity capital, 456 entities have equity capital of up to 100 million MNT, 130 entities have between 101 million and 300 million MNT, 70 entities have between 301 million and 1 billion MNT, and 97 entities have equity capital exceeding 1 billion MNT.

MLAP capital structure (billion MNT)

CURRENT ASSETS	1,379.9	97.1%
Cash	56.8	4.0%
TOTAL LOAN	840.6	59.2%
OTHER PROPERTY ASSETS	110.1	7.7%
OTHER ASSETS	372.4	26.2%
NON-CURRENT ASSETS	41.2	2.9%
TOTAL ASSETS	1,421.1	100.0%

- o Current assets account for 97.1% of the total assets of monetary loan activity providers. Of this, 4.0% consists of cash, 59.2% of total loans, 7.7% of other owned assets, and 26.2% of other assets.
- o Meanwhile, non-current assets make up 2.9% of the total assets.

MLAP dept structure (billion MNT)

DEPT	745.8	52.5%
Loan	304.0	21.4%
Debt instrument	113.4	8.0%
Other dept	328.4	23.1%
OWNER'S PROPERTY	675.3	47.5%
Share capital	102.0	7.2%
Retained earnings / Loss	573.3	40.3%
TOTAL DEPT and OWNER'S PROPERTY	1,421.1	100.0%

- o The liability structure of the sector shows that 52.5% consists of liabilities, while 47.5% is composed of equity.



NORMAL
100.0%



OVERDUE
87.1%



NON-PERFORMING
12.9%

2025

COLLATERAL (BY ASSET)

Unsecured



60.1%

Jewelry



16.6%

Vehicles



15.8%

Ownership rights



4.2%

Income



1.5%

Electrical appliances



0.7%

ReBs



0.4%

Equipment



0.2%

Inventory, clothing



0.1%

Furniture and furnishings



0.0%

Animals

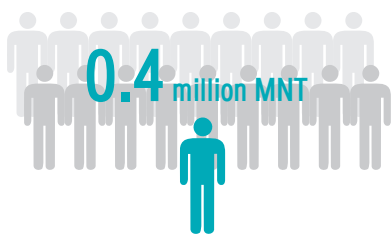


0.0%

Other



0.4%



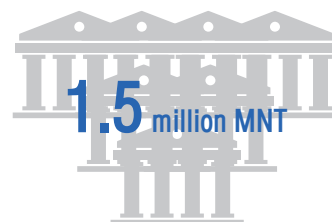
CITIZEN

- On average, a citizen borrowed 0.4 million MNT per borrower nationwide, while this figure is 0.2 million MNT in rural areas and 1.2 million MNT in Ulaanbaatar.

AVERAGE LOAN

LEGAL ENTITIES

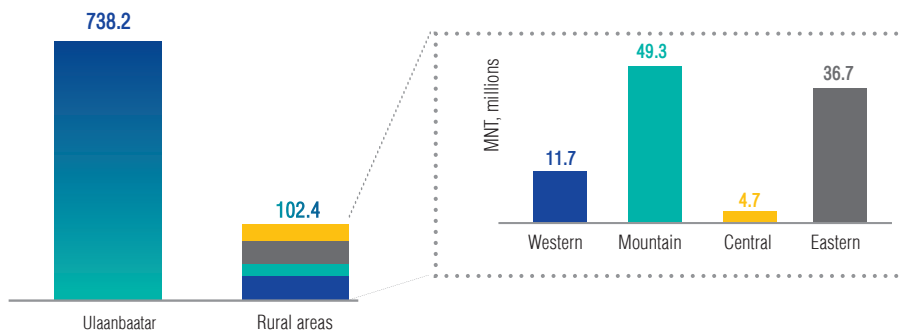
- The average loan amount provided per borrower by legal entities engaged in MLAP is 1.5 million MNT nationwide, with the figure reaching 1.8 million MNT in rural areas and 1.5 million MNT in Ulaanbaatar.



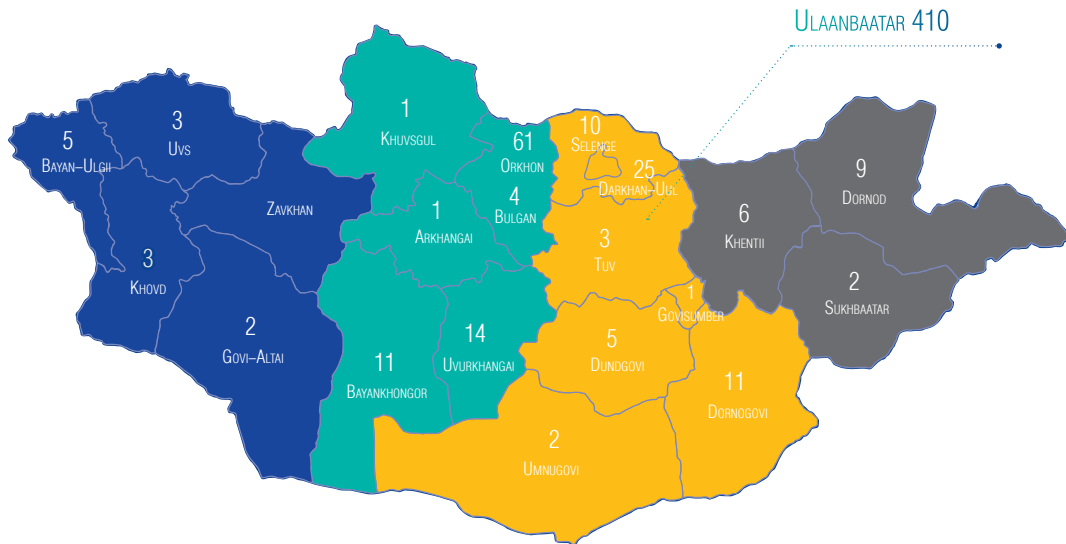
Average Loan

TOTAL LOAN (BILLION MNT)

- In Ulaanbaatar, the outstanding loan balance of entities engaged in MLAP amounts to 738.2 billion MNT, of which 732.8 billion MNT is loans provided by legal entities and 5.4 billion MNT is loans provided by individuals.
- In rural areas, the outstanding loan balance totals 102.4 billion MNT, of which 99.9 billion MNT is loans provided by legal entities and 2.5 billion MNT is loans provided by individuals.



ACCESSIBILITY



WESTERN REGION

13 MLAPs

5 BRANCHES

MOUNTAIN REGION

92 MLAPs

15 BRANCHES

CENTRAL REGION

57 MLAPs

27 BRANCHES

EASTERN REGION

17 MLAPs

6 BRANCHES

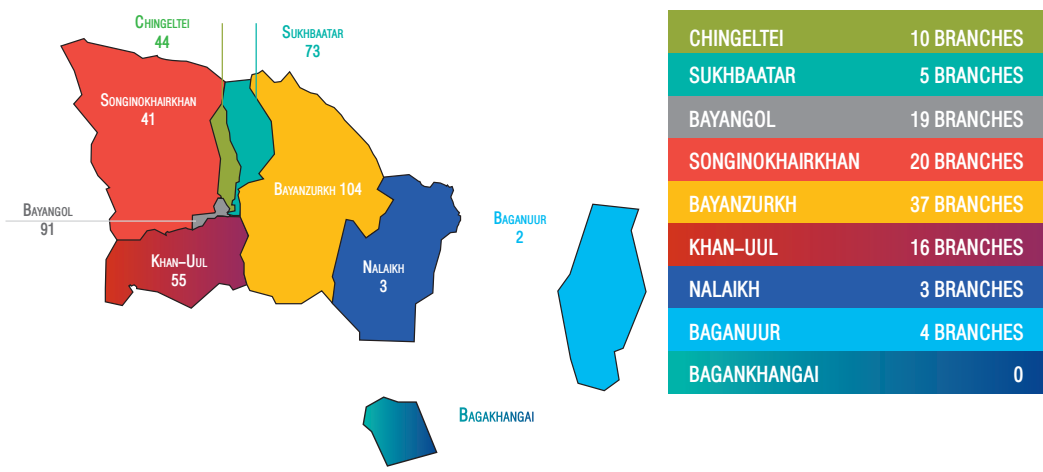
ULAANBAATAR

410 MLAPs

114 BRANCHES

- Of the 179 monetary loan activity providers operating in the provinces, 7.3 percent are located in the Western region, 9.5 percent in the Eastern region, 31.8 percent in the Central region, and 51.4 percent in the Khangai region.
- By region, the Western region has 9 individuals and 4 legal entities registered to conduct monetary lending activities; the Khangai region has 74 individuals and 18 legal entities, the Central region has 20 individuals and 37 legal entities, and the Eastern region has 8 individuals and 9 legal entities registered for monetary loan activity providers.

- o 98.8% of MLAPs are located in the six central districts, while 1.2% are in the two remote districts.
- o The distribution by district 25.2% –Bayanzurkh, 22.0% – Bayangol, 17.7% – Sukhbaatar, 13.1% – Khan-Uul, 10.7% – Chingeltei, 9.9% – Songinokhairkhan, 0.7% – Nalaikh, 0.5% – Baganuur.
- o Of these providers, 99 are registered as individuals and 314 as legal entities.



A total of MLAPs operate nationwide through 167 branches, of which 114 branches are located in Ulaanbaatar and 53 branches in rural areas.

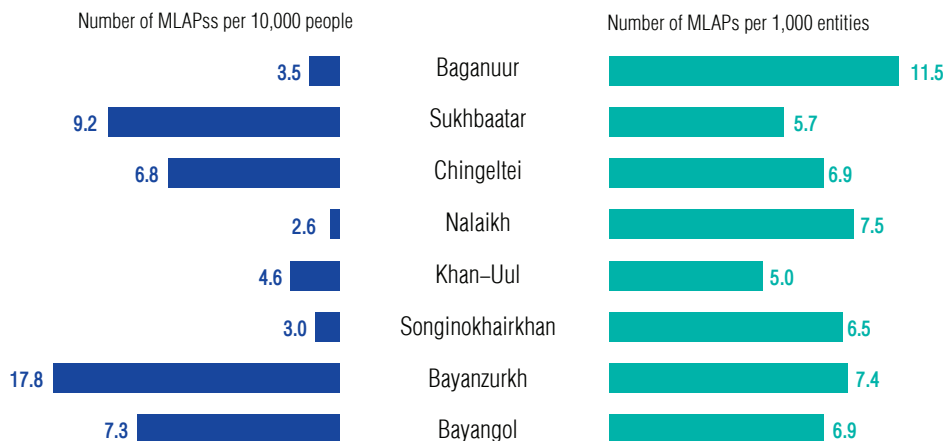
FRC
98

Rural area
11

Ulaanbaatar
58

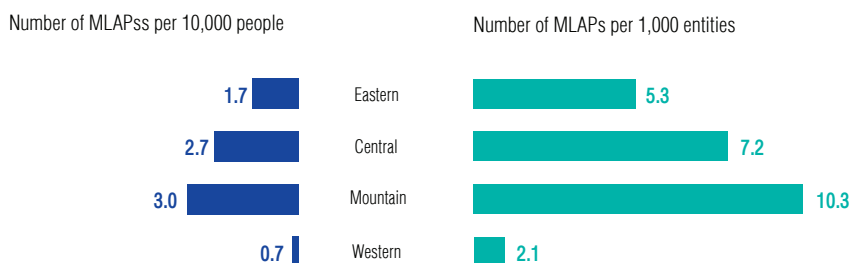
98 of these providers are registered with the Financial Regulatory Commission (FRC).

Using the core indicators of the Alliance for Financial Inclusion (AFI) to assess financial inclusion across countries, sector accessibility is calculated based on the number of MLAPs per 10,000 working-age individuals (aged 18–64) and per 1,000 entities.



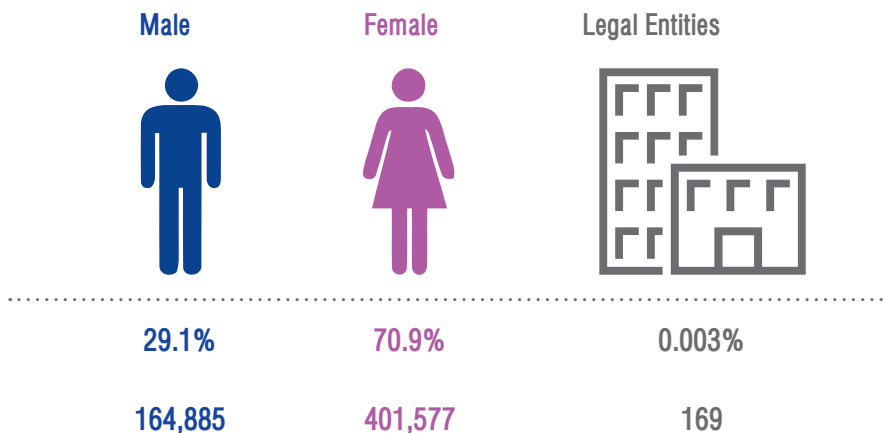
- o In terms of MLAPs per 1,000 entities, Baganuur District and Nalaikh District rank highest with 11.5 and 7.5, respectively, while Khan-Uul District ranks lowest with 5.0.
- o In terms of MLAPs per 10,000 people, Bayanzurkh District and Sukhbaatar District lead with 17.8 and 9.2, respectively.

<https://www.afi-global.org/sites/default/files/publications/fidwg-core-set-measuring-fi.pdf>

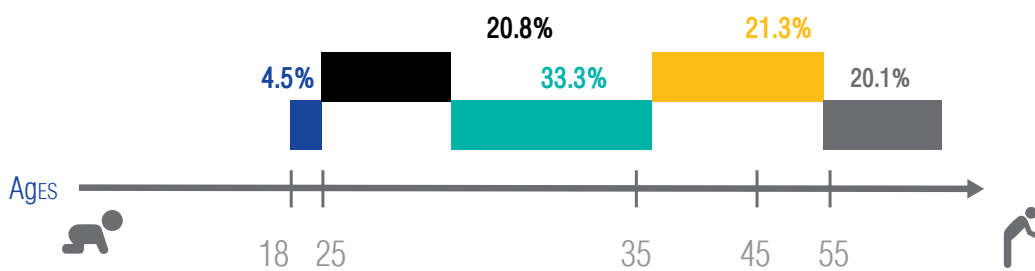


When accessibility indicators are classified into four regions, the Khangai region ranks highest in terms of the number of MLAPs per 10,000 people and per 1,000 entities.

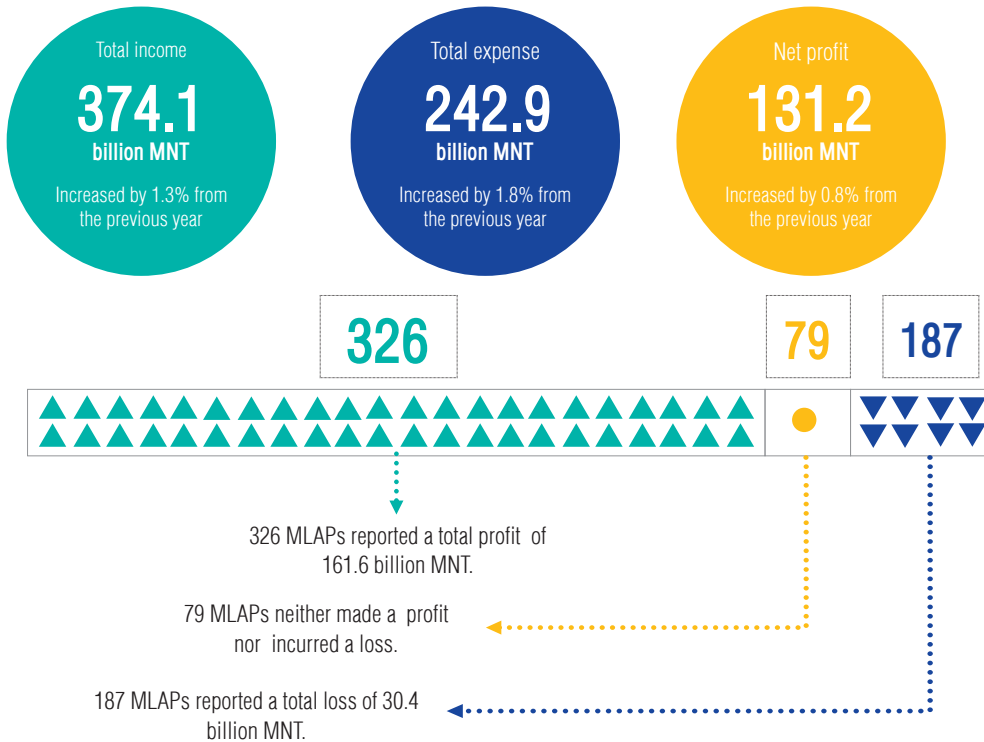
Total borrowers



NBFI borrowers /by ages/



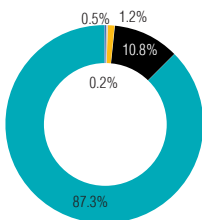
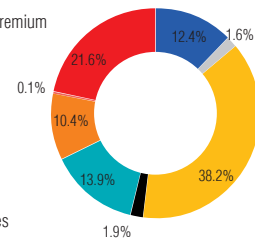
PROFITABILITY



COST STRUCTURE

- Of the total expenses, 38.2% are operational expenses, 21.6% are sources, 12.4% are salaries, 10.3% are income tax, 1.9% are rent, 1.6% are social and health insurance contributions, 0.1% are related to the enforcement of obligations and 13.9% are other expenses.

- Salary expenses
- Social insurance and health insurance premium expenses
- Operating expenses
- Rent expenses
- Other expenses
- Income tax expenses
- Costs related to the performance of duties
- Resource expenses



- Accrued interest income
- Interest income from deposits and transactions
- Other interest income
- Other income
- Interest income from loans

INCOME STRUCTURE

- Of the total income, 87.3% comes from loan interest, 0.5% from current and savings account interest, 1.2% from other types of interest, and the remaining 10.8% comes from other income.

REGULATORY ENVIRONMENT



POLICY AND LEGISLATION

A lawsuit was filed by “Toonot Khuree” LLC with the Administrative Chamber of the Supreme Court of Mongolia, seeking to invalidate Resolution No. 01 of 2025 issued by the Policy Council on Monetary Loan Activities under the Financial Regulatory Commission. However, the court, through Decision No. 221/ШШШ2025/0025 dated October 20, 2025, upheld the appellate administrative court’s ruling and dismissed the claim in its entirety. Accordingly, the maximum interest rate of 4.5% per month on loans provided by entities engaged in monetary loan activities, as established by Resolution No. 01 of 2025 of the Policy Council, remains valid and in force.

In accordance with Guideline No. 414, approved by the Chairman of the Financial Regulatory Commission on November 7, 2025, on-site inspections were conducted around Urgoo Cinema and along the southern section of Ard Ayush Avenue in the 13th khoroo of Bayangol District. The inspections aimed to verify compliance with relevant laws and regulations among registered individuals and legal entities engaged in monetary loan activities and to identify unregistered operators.

Findings of the inspection included:

3 individuals conducting monetary loan activities without registration;

3 legal entities charging interest rates exceeding the prescribed maximum limit.

Fines were imposed on the violators in accordance with the Law on Violations. Pursuant to Article 18.6 of the Law on Regulating Monetary Loan Activities, the relevant entities were ordered to suspend operations until identified violations are remedied, cease issuing new loans, return pledged collateral to borrowers without claiming interest, and terminate existing loan agreements.

Additionally, in accordance with Article 18.4 of the same law, the entities were required to offset any excess payments made by borrowers against the principal loan amount and refund any remaining balance to the borrowers.



CREDIT GUARANTEE FUND

Total assets

310.8
billion MNT



Financial market status

Average amount of
one guarantee

31.7
million MNT



Accessibility

Number of
requests submitted

2,491



Products and services

Profitability



Operating income

23.5 billion MNT

Main activity results

(1.4) billion MNT

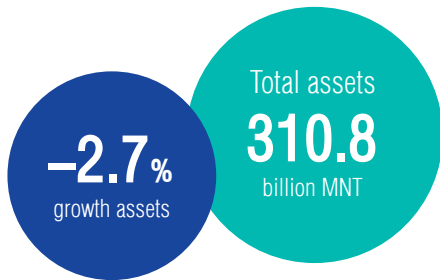
Stability



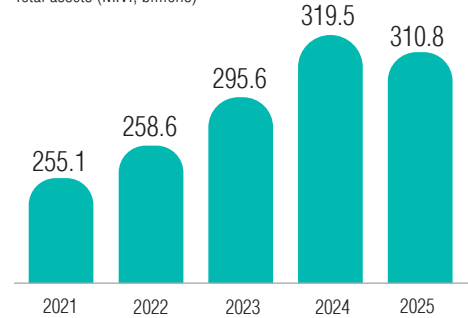
Percentage of non-performing
guarantees

1.6%

FINANCIAL MARKET STATUS



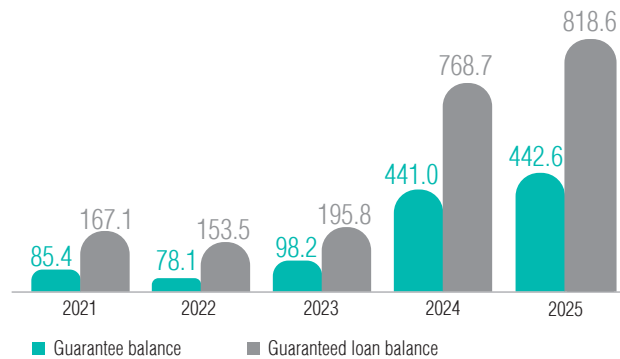
Total assets (MNT, billions)



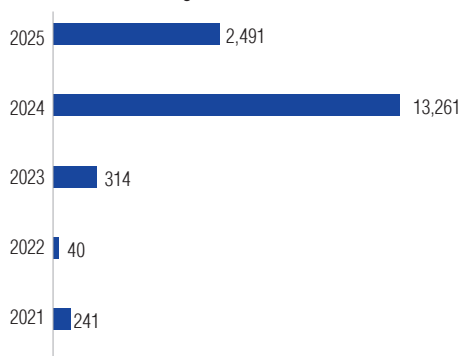
Total Assets decreased by 2.7% (8.7 billion MNT) compared to the same period last year

- o Guarantee Balance increased by 0.4% (1.6 billion MNT) compared to the same period last year.
- o Guaranteed Outstanding Balance increased by 6.5% (49.9 billion MNT) compared to the same period last year.

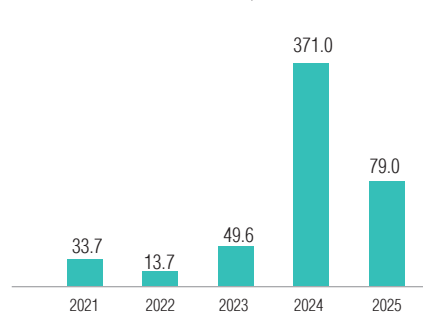
Guaranteed and guaranteed loan balances (billion MNT)



Number of guarantees issued

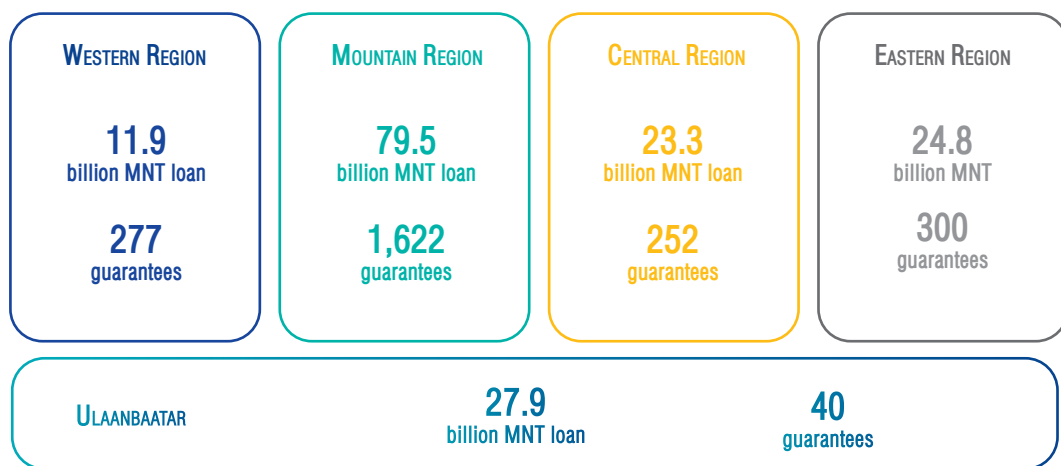
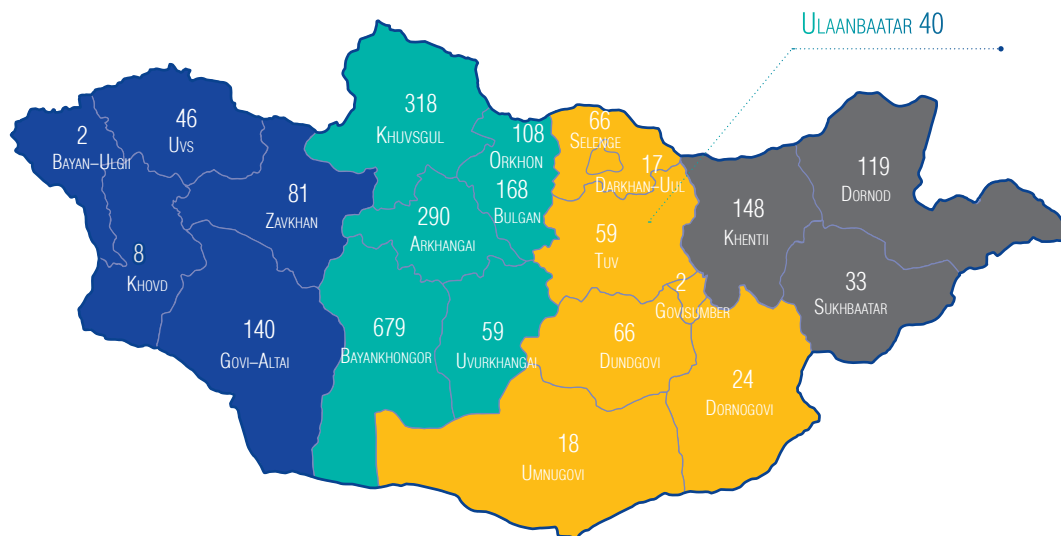


Amount of newly granted guarantee (billion MNT)

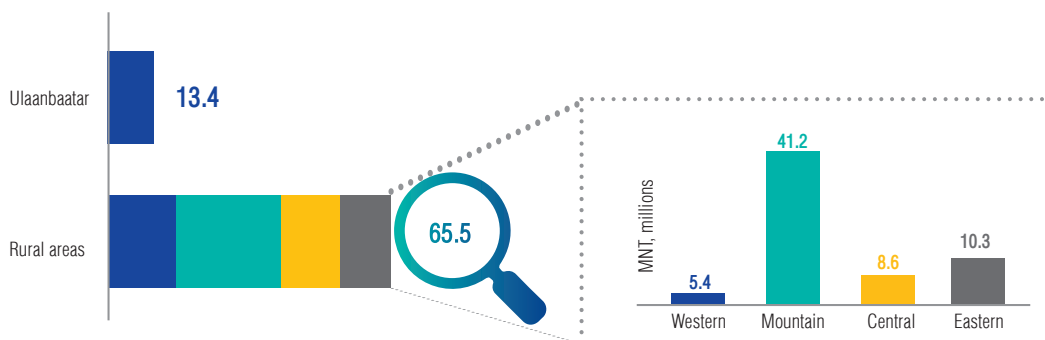


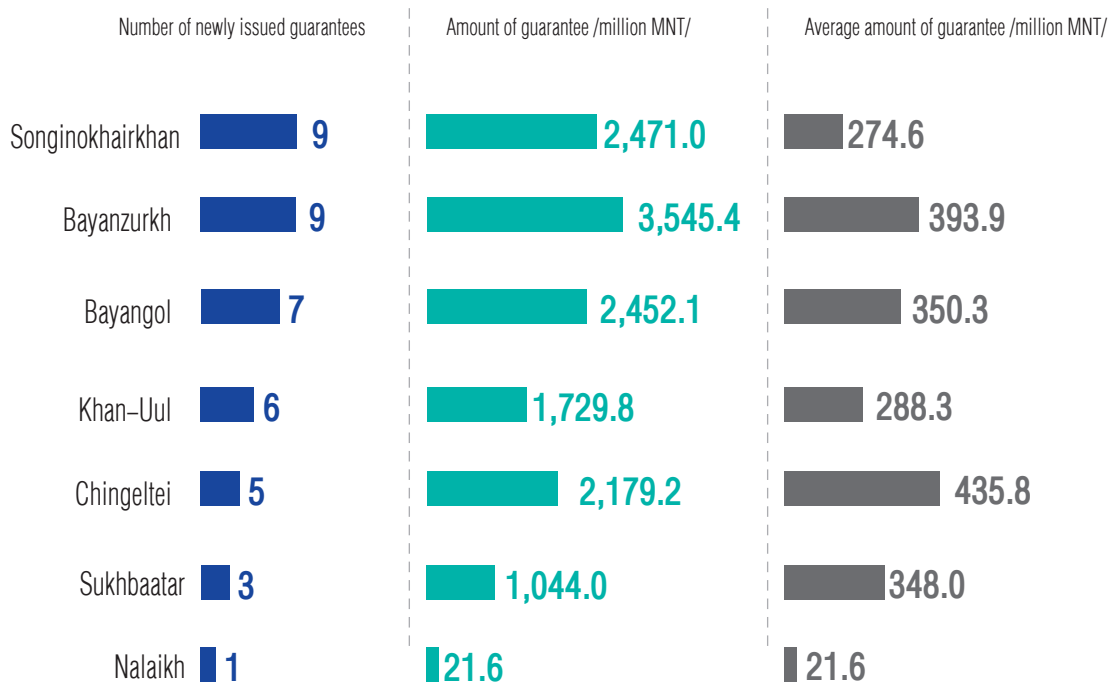
Credit Guarantees Issued decreased by 78.7%, while number of Credits decreased by 81.2% compared to the same period in 2024.

ACCESSIBILITY



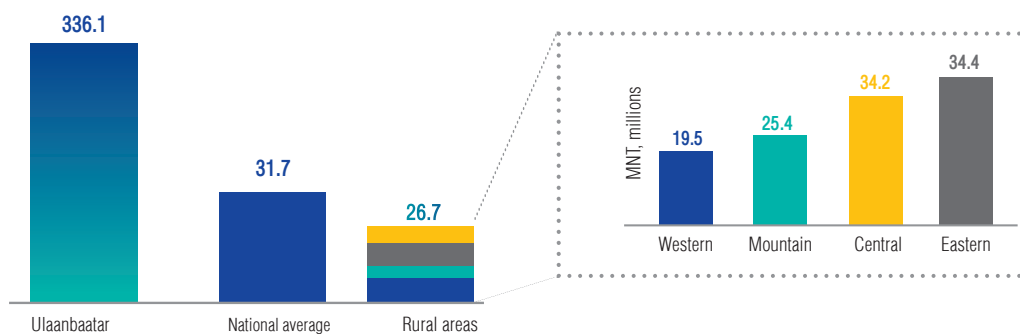
TOTAL GUARANTEE AMOUNT /billion MNT/





AVERAGE AMOUNT OF GUARANTEE

- o Ulaanbaatar: 336.1 million MNT,
- o Rural Area: 26.7 million MNT,
- o National Average: 31.7 million MNT.
- o Highest Amount in Eastern Region: 34.4 million MNT.

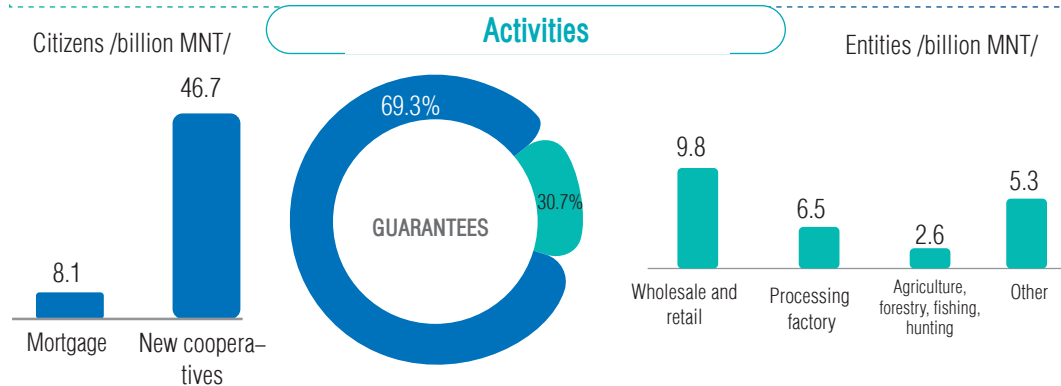


PRODUCTS AND SERVICES

	Number of applications for a guarantee	Number of applications approved	Percentage
2022	75	42	56.0%
2023	440	355	80.7%
2024	13,263	13,261	99.9%
2025	2,491	2,491	100.0%

APPLICATIONS FOR GUARANTEES:

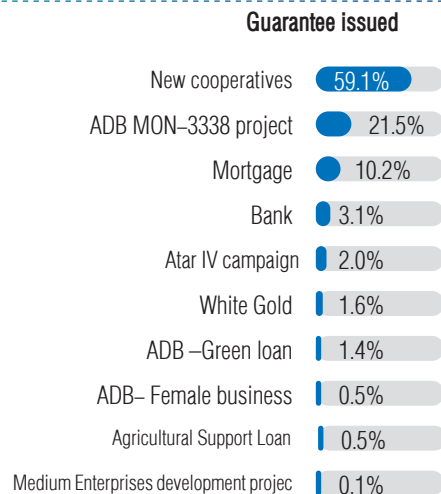
Applications for Guarantees: Total Received: 2491, Approved: 100% of the received applications were approved, Decrease: 5.3-fold decrease compared to the same period of last year.



Citizens: 67.9% and, entities: 32.1%, For Entities: 32.1%; Includes; Wholesale and retail operations: 39.3%, Manufacturing industry: 22.0%, Agriculture, forestry, fishing, hunting: 14.8%, Other sector: 23.9%, For Citizensthe 'New Cooperative – Wealthy Herder' program: 60.3%, mortgage loans: 39.7%.

GUARANTEES (BY SOURCE)

The New Cooperative – Wealthy Herder' program: 46.7 billion MNT, the Asian Development Bank's MON-3388 project: 17.0 billion MNT, Mortgage 8.1 billion MNT, Bank: 2.8 billion MNT, ATAR-IV campaign: 1.6 billion MNT, White Gold: 1.3 billion MNT, the Asian Development Bank's green loan: 1.1 billion MNT, the Women's Business Support Loan: 414 million MNT, the Agriculture Support Loan: 360 million MNT and SME Development Fund: 58.0 million MNT.



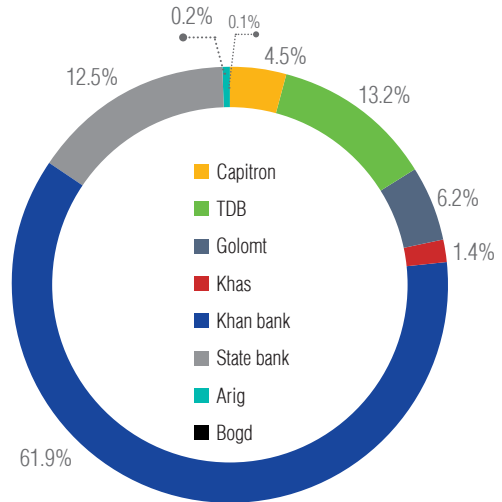
AVERAGE TIME TO ISSUE A CONFIRMATION

- Average Term of Issued Guarantees: 91.5 months (approximately 7.6 years).
- Increase: 13.4 months compared to the previous year.



GUARANTEED BY THE BANK

Distribution by Banks: Khan Bank: 48.9 billion MNT, Trade Development Bank: 10.4 billion MNT, State Bank: 9.9 billion MNT, Golomt Bank: 4.9 billion MNT, Capitron: 3.6 billion MNT, Xac Bank: 1.1 billion MNT, Bogd Bank: 0.1 billion MNT, Arig Bank: 0.1 billion MNT

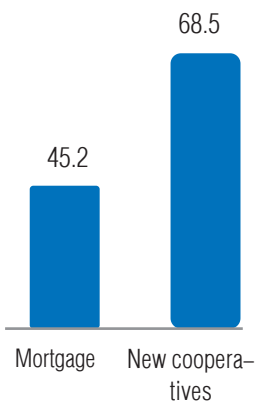


AMOUNT OF CREDIT GRANTED BY ACTIVITY

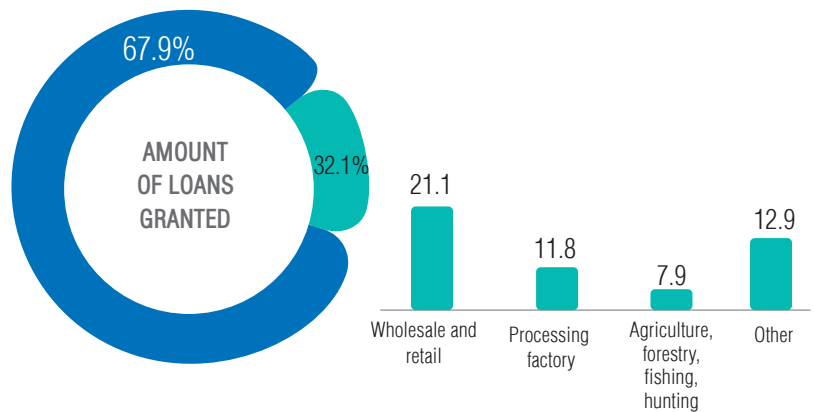
Of the total guaranteed loans;

Citizens: 67.9% and, entities: 32.1%. For Entities: 32.1%; Includes; Wholesale and retail operations: 39.3%, Manufacturing industry: 22.0%, Agriculture, forestry, fishing, hunting: 14.8%, Other sector: 23.9%, For Citizen the 'New Cooperative – Wealthy Herder' program: 60.3%, mortgage loans: 39.7%.

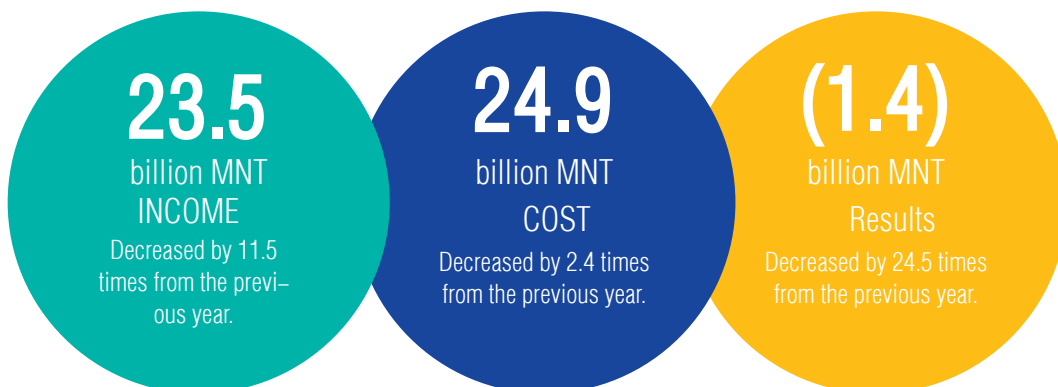
Individuals /billion MNT/



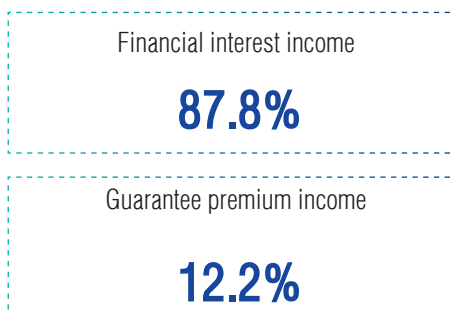
Entities /billion MNT/



PROFITABILITY



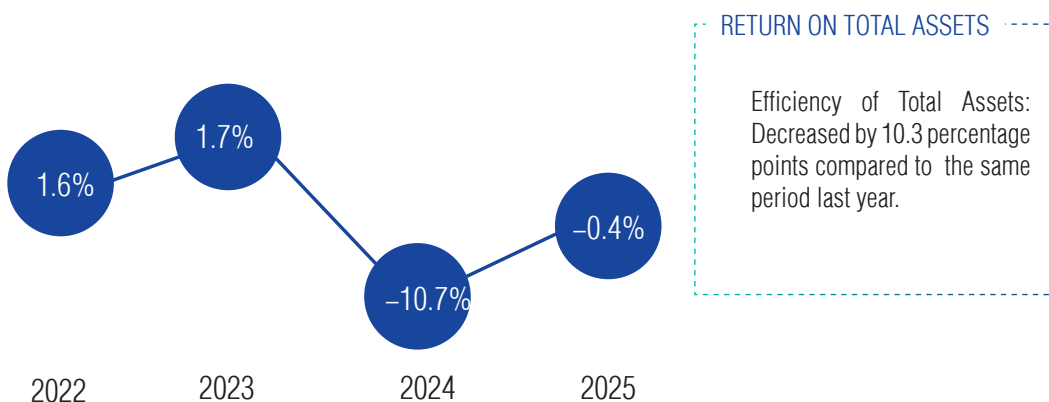
Income structure



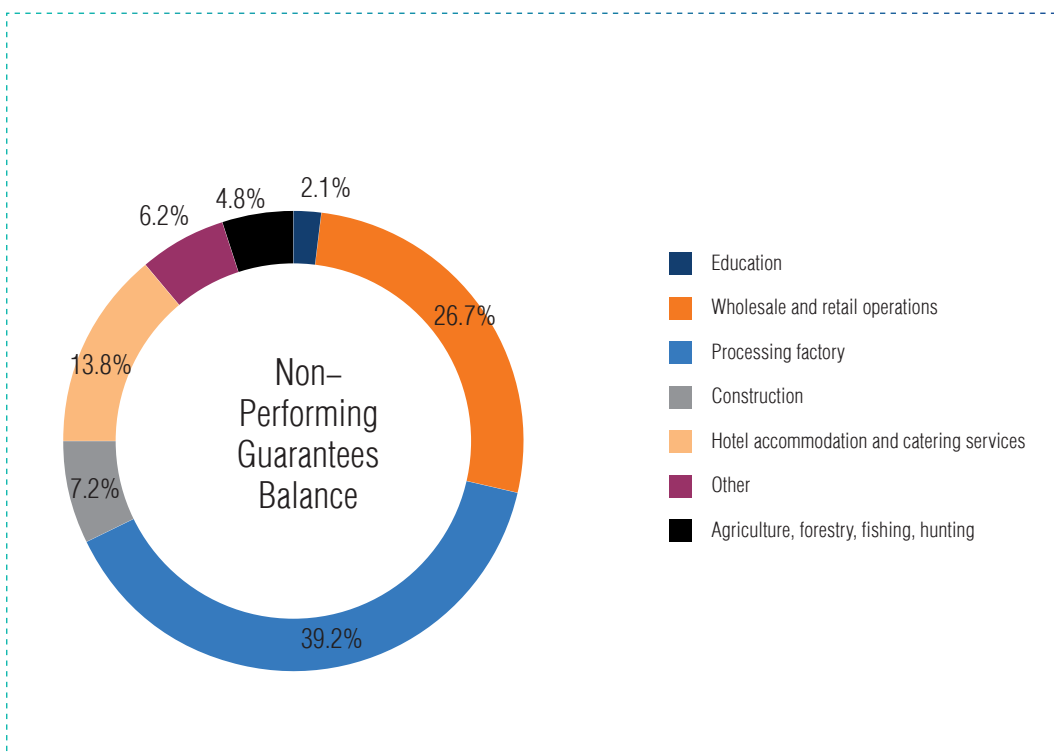
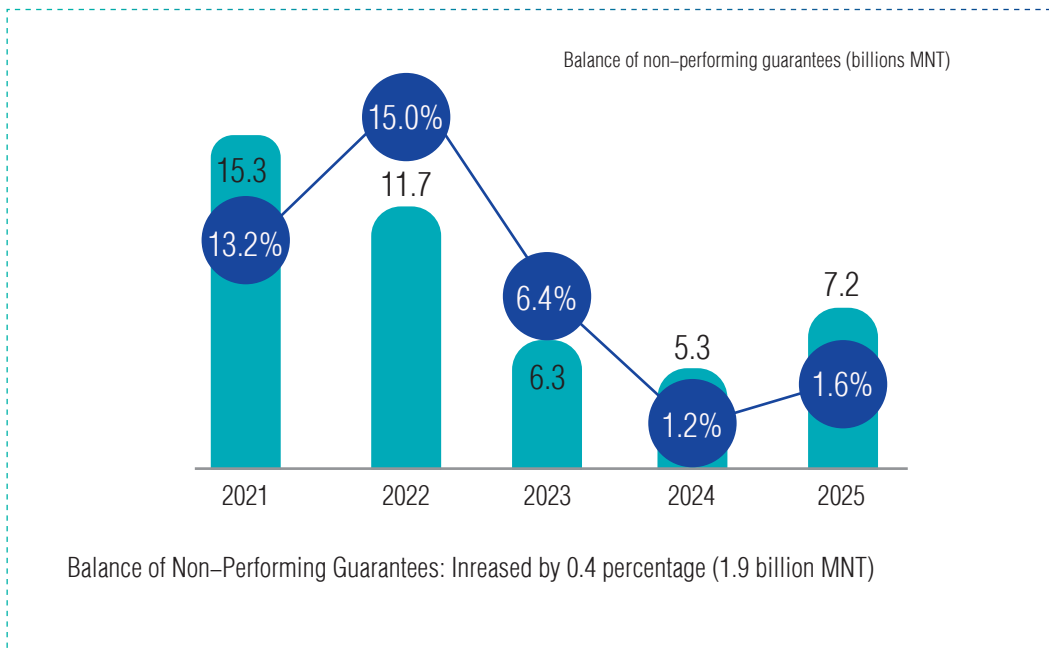
Cost structure



Return on total assets



STABILITY





REAL ESTATE BROKERS (and AGENTS)

Regulated entities

289



Market outlook

Sales amount
3,325.4
billion MNT



Products and services

Accessibility



95.8% of entities
operated in Ulaanbaatar

Regulated environment



MARKET OUTLOOK



During the reporting period, 289 licensed real estate brokerages were operating, representing a decrease of 23 entities (7.4%) compared to the same period last year.



Licensed organizations

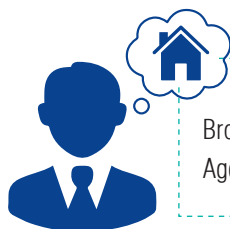
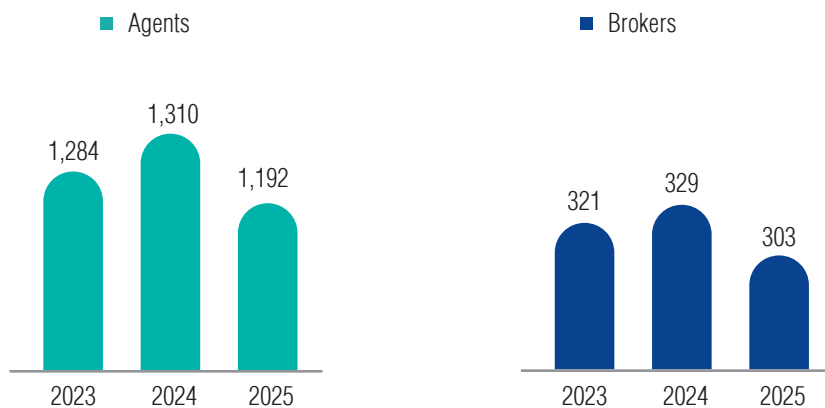
Brokers **303**

Agents **1,192**



The number of brokers decreased by 26 (7.9%), reaching 303.

The number of agents decreased by 118 (9.0%), reaching 1,118.



Brokers: 1

Agents: 4 (with the highest number of agents per entity reaching 87)

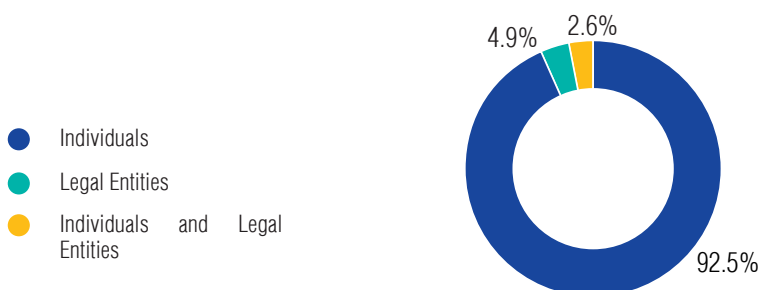
SHARE CAPITAL

Total share capital: 5.8 billion MNT with 425 shareholders



SHAREHOLDER STRUCTURE

Individuals: 92.5%
Legal entities: 4.9%
Jointly Owned: 2.6% (individuals and legal entities)



In the reporting period, foreign invest accounted for 14.9% (864.3 million MNT) of total share capital.

85.1%

Domestic investment



14.9%

Foreign investment

TOTAL ASSETS

Total Assets: 221.2 billion MNT

Current Assets: 160.5 billion MNT (72.6%), Non-Current Assets: 60.7 billion MNT (27.5%), Debt: 183.1 billion MNT (82.8%), Owner's Capital: 38.1 billion MNT (17.2%)

Classification of assets and resources	Amount (billion, MNT)	Proportion of assets and resources
CURRENT ASSETS	160.5	72.6%
NON-CURRENT ASSETS	60.7	27.4%
ӨР ТӨЛБӨР	183.1	82.8%
OWNER'S PROPERTY	38.1	17.2%

MARKET SHARE

15 companies account for 74.0% of the market.

274 companies account for 26.0% of the market.

32 companies with assets over 1 billion MNT account for 86.5% of the market.

16 companies with assets between 500 million MNT and 1 billion MNT account for 4.5%.

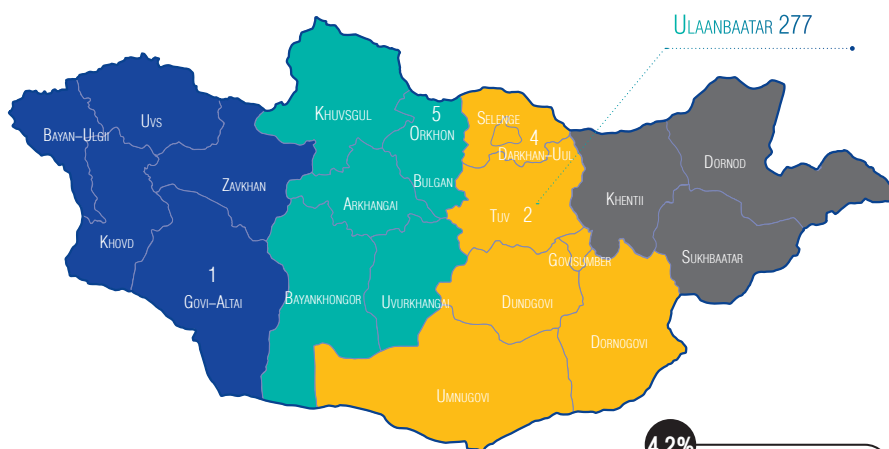
66 companies with assets between 100 million MNT and 500 million MNT account for 6.5%.

175 companies with assets under 100 million MNT account for 2.5%.

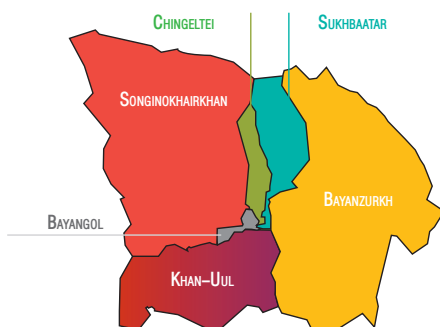
Amount of assets	Organizations	Percentage of Market share
Up to 100 million MNT	175	2.5%
100 million MNT – 500 million MNT	66	6.5%
500 million MNT – 1 billion MNT	16	4.5%
More than 1 billion MNT	32	86.5%

ACCESSIBILITY

Geographical Distribution of Licensed Entities:



4.2%
RURAL AREA 12



33.2%
SUKHBAATAR 96

25.6%
KHAN-UUL 74

8.3%
CHINGELTEI 24

9.3%
BAYANGOL 27

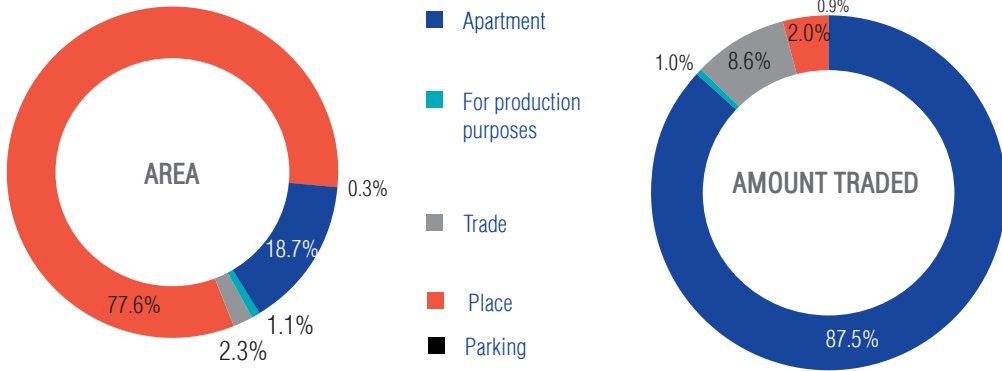
18.7%
BAYANZURKH 54

0.7%
SONGINOKHAIRKHAN 2

Sukhbaatar District: 33.2%, Khan Uul District: 25.6%, Bayanzurkh District: 18.7%, Chingeltei District: 8.3%, Bayangol District: 9.3%, Songinokhairkhan District: 0.7%, Provinces: 4.2% (12 entities).

SELLING AND BUYING SERVICES

SELLING, PURCHASING, AND TRANSFER SERVICES



Sold Real Estate:

Land: 77.6%
 Residential: 18.7%
 Commercial: 2.3%
 Industrial: 1.1%
 Car park: 0.3%

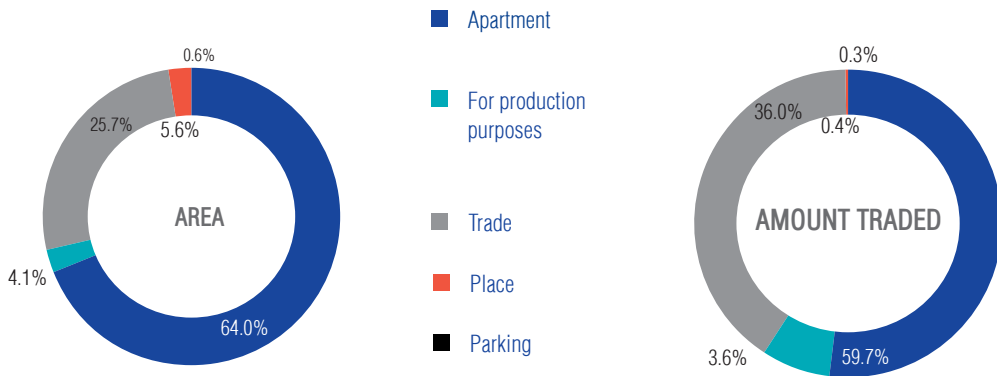
Value of Sales:

Residential: 87.5%
 Commercial: 8.6%
 Land: 2.0%
 Industrial: 1.0%
 Car park: 0.9%

Size Distribution of Real Estate Sold

Less than 50 square meters: 21.6%, 51 to 100 square meters: 46.0%, 101 to 200 square meters: 18.8%
 More than 201 square meters: 13.6%

RENTING AND LEASING SERVICE



Rental and Lease Deals:

Residential: 64.0%
 Commercial: 25.7%
 Industrial: 4.1%
 Land: 5.6%
 Car park: 0.6%

Value of Sales:

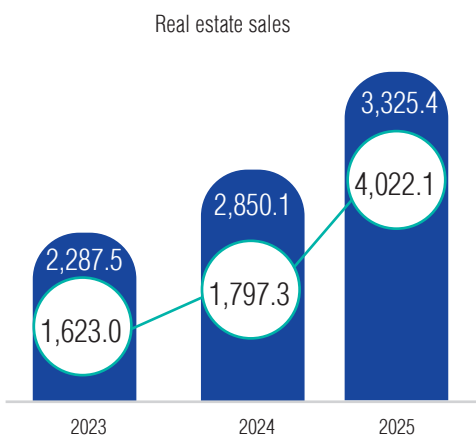
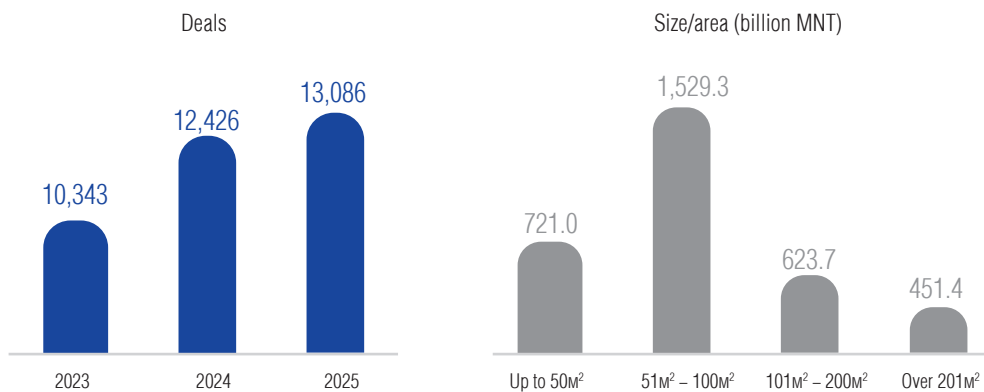
Residential: 59.7%
 Commercial: 36.0%
 Industrial: 3.6%
 Land: 0.4%
 Car park: 0.3%

Size Distribution of Real Estate Rented/Leased

- Less than 50 square meters: 18.7%
- 51 to 100 square meters: 35.3%
- 101 to 200 square meters: 22.2%
- More than 201 square meters: 23.8%

SELLING AND BUYING BROKERAGE

Total Deals: 13,086 (of 289 entities)
 Combined Area: 4,022.1 thousand square meters
 Total Value: 3,325.4 billion MNT



○ Size/area /million, m²/
 ■ Amount /billion, MNT/

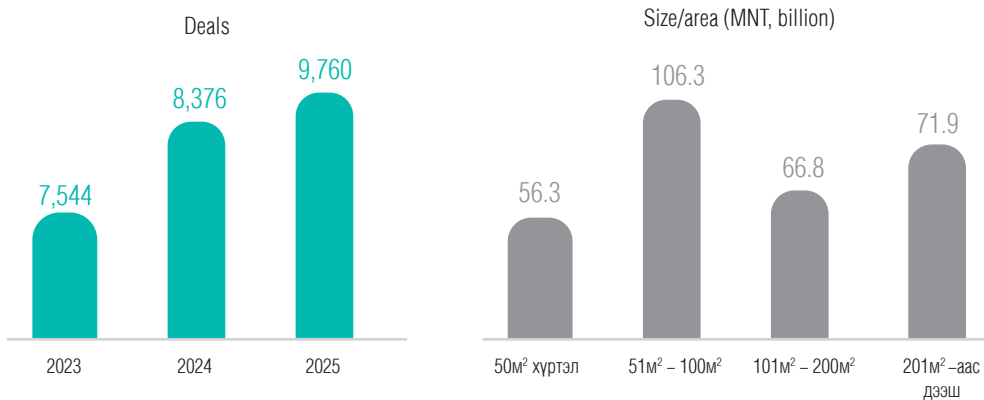
Increase in Transaction Amount compared to the same period last year:
 Value Increase: 16.7%
 Area Increase: 2.2%

RENTING AND LEASING SERVICES

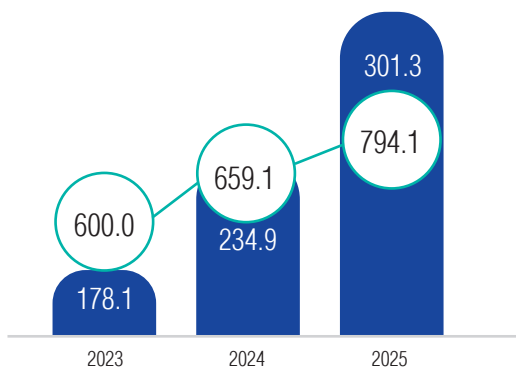
Total Area Rented or Leased: 794.1 thousand square meters

Total Value: 301.3 billion MNT,

Total Deals: 9,760 (of 289 entities)



Real Estate Lease



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

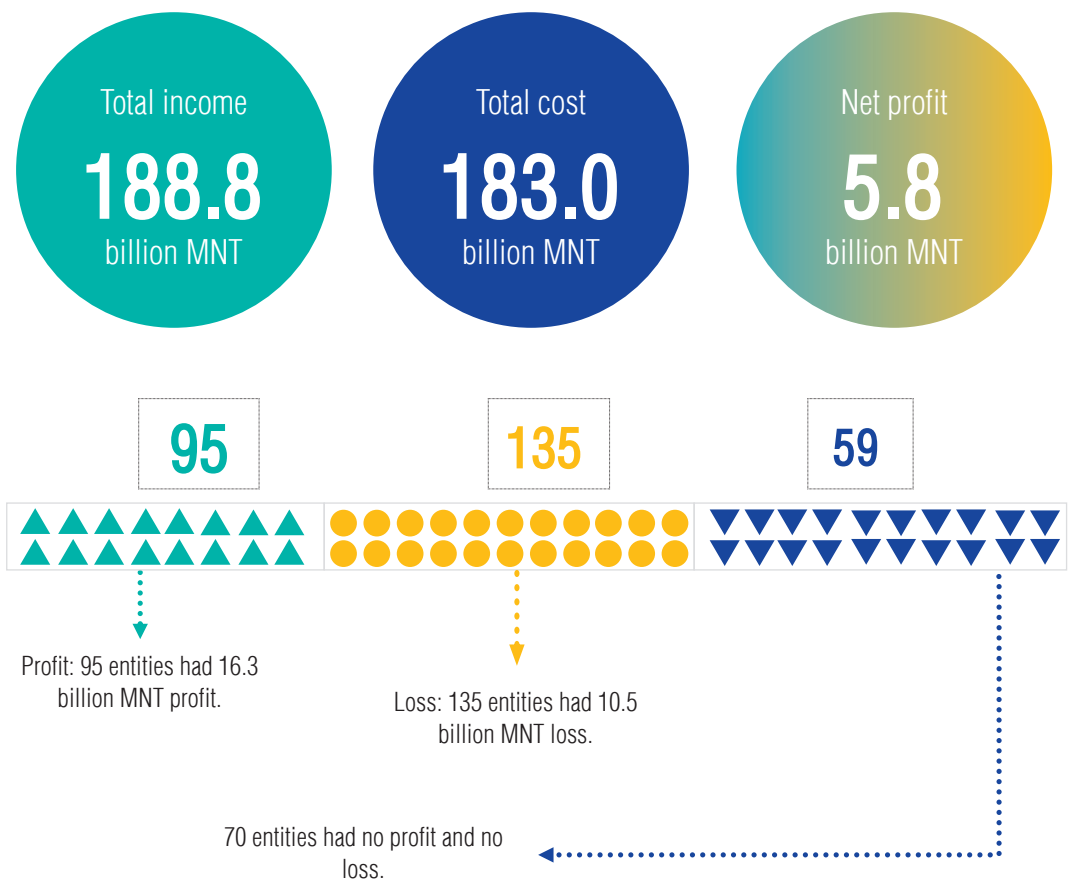
Value Increase: 28.3%

Area Increase: 20.5%

- Size/area /million, m²
- Amount /billion, MNT/



PROFITABILITY



	<1%	1-5%	5-10%	>10%
/ROA/	283	5	-	1
/ROE/	261	25	-	3

2025 ROA target: 3.0%

2025 ROE target: 15.0%

REGULATORY ENVIRONMENT



POLICY AND LEGISLATION

- o In order to provide financial education to citizens and the public, and to prevent crimes and fraud, information on fraud prevention was disseminated to the public through television, radio, and the website of the FRC.



MEETINGS AND SEMINARS

- o A working group, established by Order No. B/199 of the Chief Executive of the FRC, was responsible for improving and refining regulations and standards in line with amended and revised laws in the real estate brokerage sector. The group developed proposals and recommendations to enhance and streamline the regulatory framework.
- o According to the public petitions regarding the exemption of the 2% tax on income from the sale of property, a working group established under Resolution No. 21 of the Standing Committee on Budget on October 1, 2025. The working group responsible for studying taxation issues related to real estate sales and transfers, and for developing recommendations, conducted research and prepared proposals. Representatives of FRC worked in this working group. Officials also processed data on real estate price indices and fluctuations for 2022–2024, based on transactions conducted through brokerage organizations, and delivered the information via an electronic system.
- o Under Order No. A/171 of the Minister of Justice and Internal Affairs, a working group was established to conduct the “Risk Assessment for anti–money laundering and combating the financing of terrorism (AML/CFT) in the Real Estate Sector, in accordance with the World Bank methodology. Three officials from the FRC participated in the sub–working group and carried out the risk assessment.



DEALERS IN PRECIOUS METALS AND STONES

Number of dealers

52 Legal Entities

504 Individuals



Market outlook

Precious metals sold
and bought

615.2
billion MNT



Products and services

Accessibility



72.6%

Operated in Ulaanbaatar

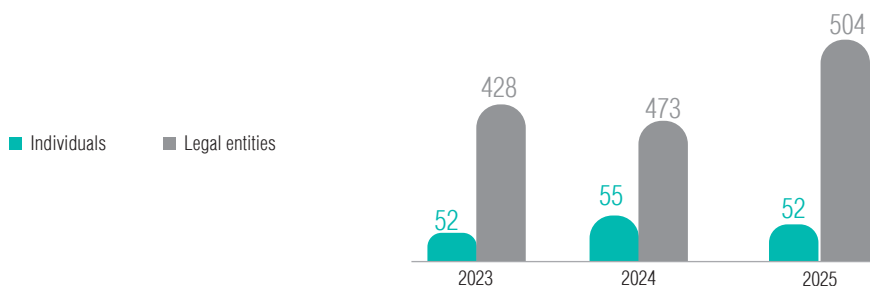
Regulatory environment



MARKET OUTLOOK

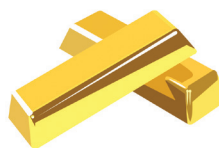
NUMBER OF ENTITIES WITH LICENSES

In 2025, there were 52 legal entities with licenses (dealers in precious metals and stones or articles made from them), as well as 504 individuals with licenses. The number of legal entities decreased 5.5%, while individuals increased by 6.6%.



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

52



504

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

SHARE CAPITAL

The share capital for 82 shareholders in these 52 regulated entities amounted to 6.3 billion MNT.

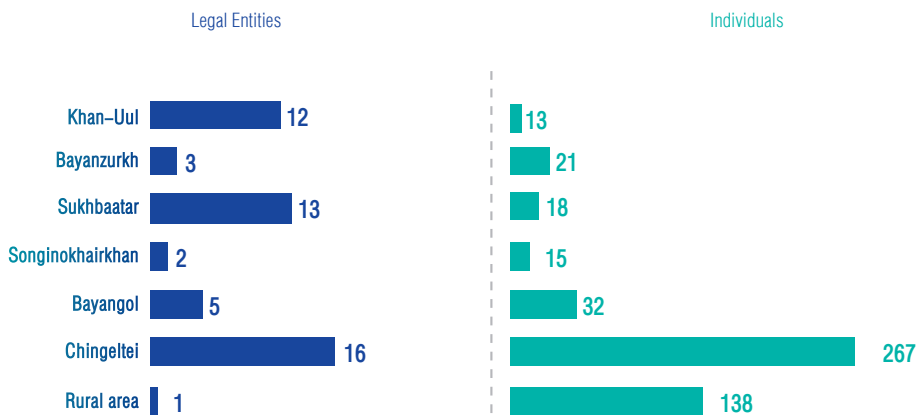
72.6% (366) of licensed dealers operated in Ulaanbaatar, while 27.4% (138) were based in rural areas.

Ulaanbaatar

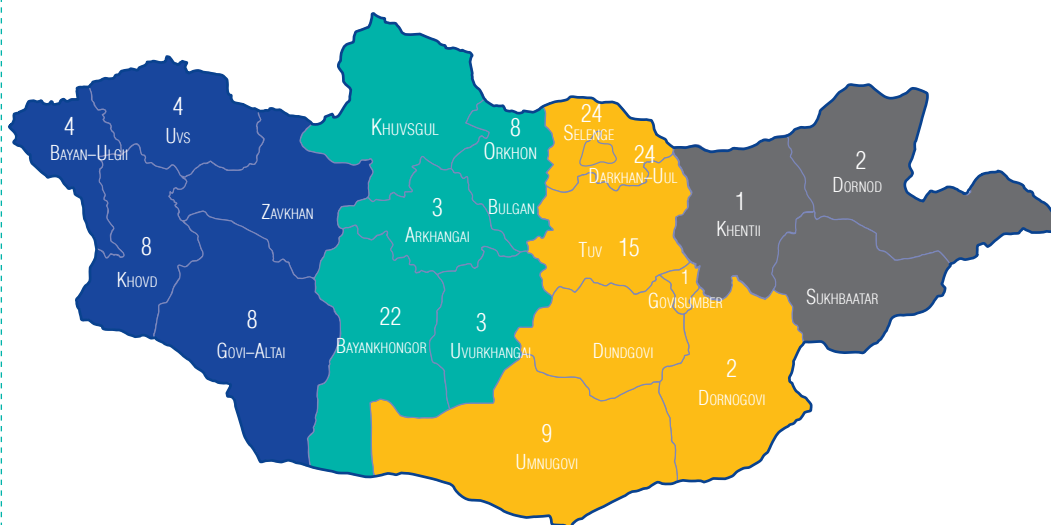
72.6%

ACCESSIBILITY

LOCATION OF DPMS: ULAANBAATAR



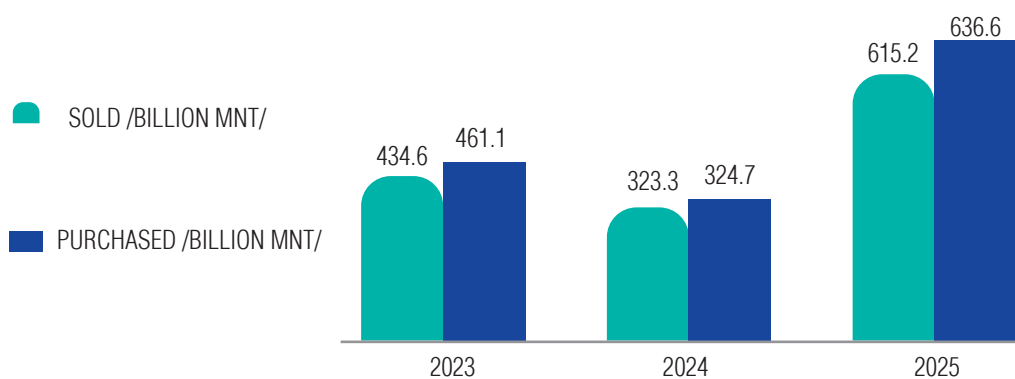
RURAL AREA, INDIVIDUALS, /NUMBER/



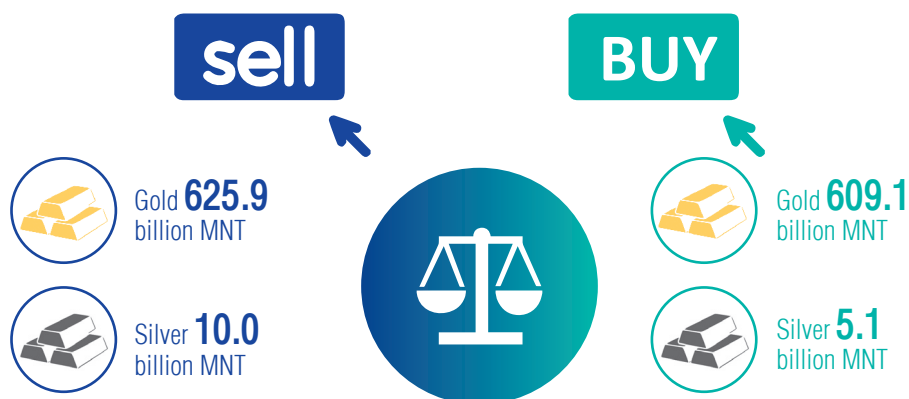
PRODUCTS AND SERVICES

METALS BOUGHT AND SOLD

In 2025, a total of 2.1 tons of metals, valued at 615.2 billion MNT, were purchased. Conversely, 1.7 tons of metals, valued at 636.6 billion MNT were sold. The amount of metals bought increased by 90.3%, while the amount sold increased by 96.1%.



TRADE BETWEEN DEALERS IN PRECIOUS METALS, INDIVIDUALS AND ENTITIES



JEWELRY TRANSACTIONS



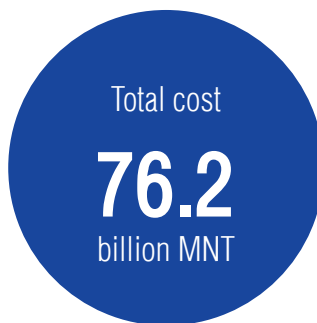
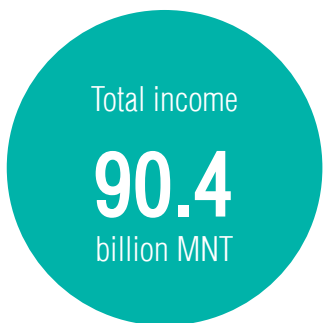
PURCHASE PRICE
57.9 billion MNT

SOLD PRICE AMOUNT
80.1 billion MNT

JEWELRY transactions, jewelry worth 29.7 billion MNT was purchased, jewelry worth 48.6 billion MNT was sold.

CLASSIFICATION OF ASSETS AND RESOURCES	Amount /MNT, billion/	Proportion of assets and resources
CURRENT ASSETS	80.9	84.7%
NON-CURRENT ASSETS	14.6	15.3%
LIABILITIES	52.5	55.0%
OWNER'S PROPERTY	43.0	45.0%

PROFITABILITY



REGULATORY ENVIRONMENT



MEETINGS AND SEMINARS

- Under Order No. A/171 of the Minister of Justice and Internal Affairs, a working group was established to conduct the “Risk Assessment for anti–money laundering and combating the financing of terrorism (AML/CFT) in the sectors of dealers in precious metals and stones or articles made from them, in accordance with the World Bank methodology. Three officials from the FRC participated in the sub–working group and carried out the risk assessment.
- A training for dealers in precious metals and stones or articles made from them and Artisanal and small–scale miners was organized on November 6, 2025, in Bayankhongor Province. A total of 22 participants attended the training.



SANDBOX

Number of requests **25**^{*}
The company under test **6**



Market outlook

Primary market

668.1
billion MNT

Secondary market

584.5
billion MNT



Over-the-counter market
blockchain 24/5



2,361 by agreements

508.2
billion
MNT
trading



Repo brokerage services

P2P loan service



11,524

cosutmers

4.1

billion MNT loan

Mutual Funding Services



4,760

investors

354.1

million MNT financing

B2B loan service



319

Registered customers

157.0

billion MNT loan

TESTED PRODUCTS AND SERVICES

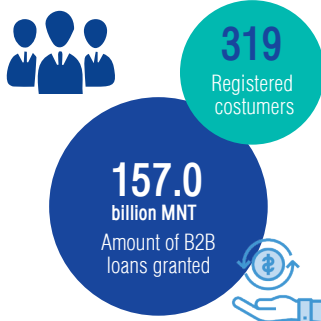
Requests /by products and services/

The Sandbox Unit received a total of 25 applications to test products and services in the sandbox environment. Currently, 10 products and services from nine companies are being tested, including repo transactions, certificates of deposit, trust services, P2P lending, incentive- and donation-based crowdfunding, the OTC blockchain trading system, and B2B financing. In 2025, two services from two companies successfully exited the sandbox, bringing the total number of products and services currently being tested to six from four companies.



B2B credit services

The B2B financing service, which entered the sandbox in January 2024, addresses the short-term financing needs of enterprises by enabling the efficient circulation of excess reserves within organizations' current accounts.



During the reporting period, the service registered 319 customers and facilitated loans totaling 157.0 billion MNT, of which 142.1 billion MNT has been repaid. The average interest rate on these loans is 1.5%, with loan terms of 7, 14, 21, 28, 42, and 91 days.



B2B loan term

7, 14, 21, 28, 42, 91 days



B2B average loan interest rate

1.5%

Repo brokerage services

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

Certificate of Deposit

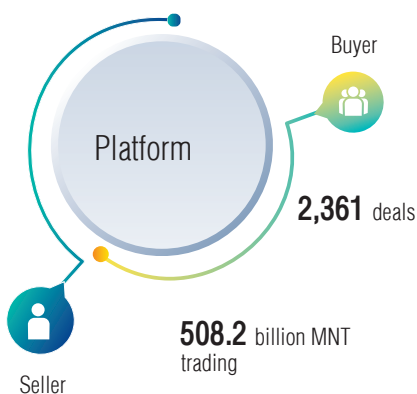
From September 2023 to the end of the reporting quarter, certificates of deposit totaling 360.2 million MNT were traded.

Default trade amount	Secondary trading amount
348.1 million MNT	12.1 million MNT

Trust

From October 2023 to the end of the reporting quarter, trust services amounting to 12.6 billion MNT were intermediated.

Default trade amount	Secondary trading amount
10.7 billion MNT	1.9 billion MNT



Since the launch of repo transactions through the platform, a total of 2,361 trades valued at 508.2 billion MNT have been executed by 53 lenders and 44 borrowers.

The average maturity of repo loans was 42 days, with an average interest rate of 20.1%.



Average repo interest rate **20.1%**



Average term of repo loan

42 days



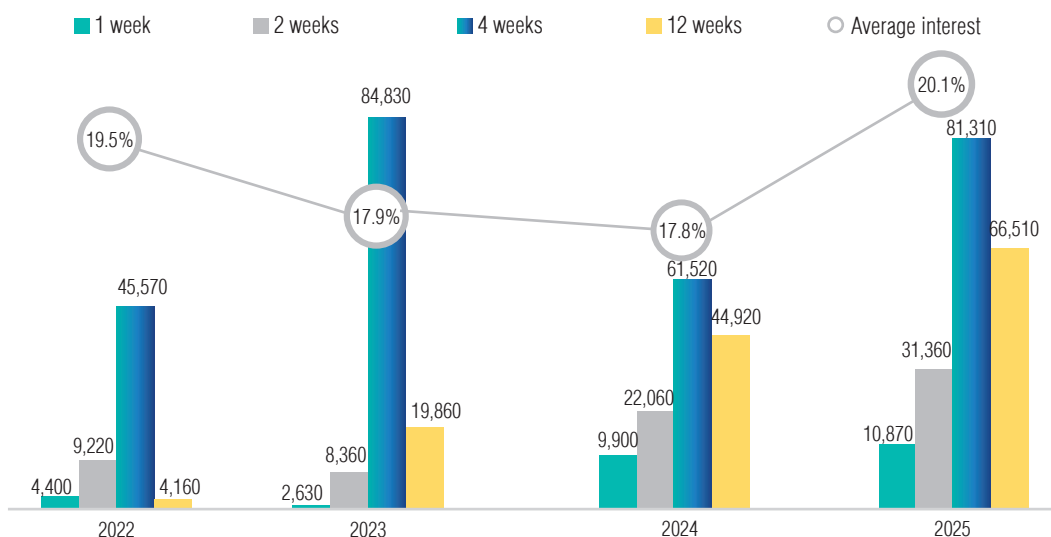
Table. General Indicators of Repo transaction

Time	Number of creditors	Number of borrowers	Number of trades	Trade amount	Average interest	Average loan term
2021	4	3	7	710,000,000	17.6	16
2022	47	46	432	63,350,000,000	19.5	25
2023	63	69	533	115,680,000,000	17.9	34
2024	80	92	583	138,400,000,000	17.8	37
2025	103	109	806	190,050,000,000	20.1	42

Based on repo transaction indicators, both the average lending rate and average loan tenor increased significantly in 2025 compared to 2022. The average lending rate rose from 19.5% in 2022 to 20.1% in 2025, while the average loan tenor extended from 25 days to 42 days, an increase of 17 days, reflecting growing demand for longer-term financing. The weighted average interest rate of repo loans reached 20.1%, marking an increase of 2.3 percentage points compared to the same period last year.

During the same period, the number of lenders (duplicated count) increased from 47 to 103, a 2.2-fold growth, while the number of borrowers (duplicated count) rose from 40 to 109, a 2.7-fold increase. Although the number of transactions decreased from 432 to 247, the total transaction value grew substantially from MNT 63.35 billion to MNT 190.05 billion, a threefold increase, reflecting rapid expansion in both the size of the repo market and the volume of financing.

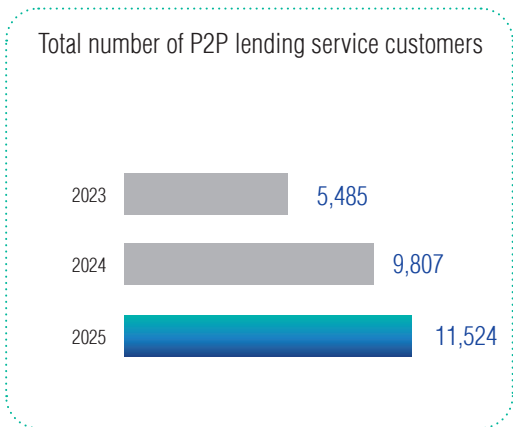
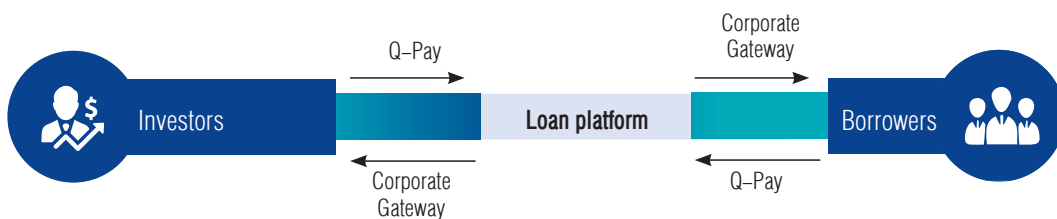
Figure. Repo transaction interest rate and trading amount /MNT, million/ with terms



Distribution of repo loans by maturity: 4-week maturity: 53.8%, 12-week maturity: 26.7% ,Two-week maturity: 14.0%, One-week maturity: 5.5%

P2P loan service

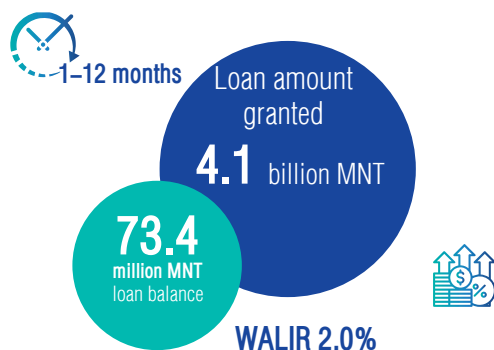
The P2P loan service, in testing since December 2022, uses artificial intelligence and blockchain technology for credit evaluation and loan registration, and is currently developing a service that directly connects investors with borrowers.



It has served a total of 11,524 customers, of which 1.7% are investors, and 98.3% are borrowers.

A total of loans of 4.1 billion MNT in loans have been issued and leaving an outstanding balance of 73.4 million MNT.

Loan term Less than 3 months: 74.0%, more than 3 months: 26.0%, investment portfolio: One-year: 29.0%, less than one year: 71.0%.





Normal
98.8%



Overdue
0.5%



Non-Performing
0.7%

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 %.

Female



65.6%

Male



34.4%

Demographical breakdown of customers , gender 65.6% are women, 34.4% are men. age 49.1% are aged 18-35 , 34.8% are 36-45, 13.0% are 46-55, and 3.1% are over 55. Education, 63.0% have higher education, 4.0% have special secondary education, 29.0% have completed high school, 4.0% have secondary education, and 4.0% have primary education.

BY AGES

18-35



49.1%

36-45



34.8%

46-55



13.0%

Over 55



3.1%

BY EDUCATION



63.0%

Higher



4.0%

Special secondary



29.0%

High school

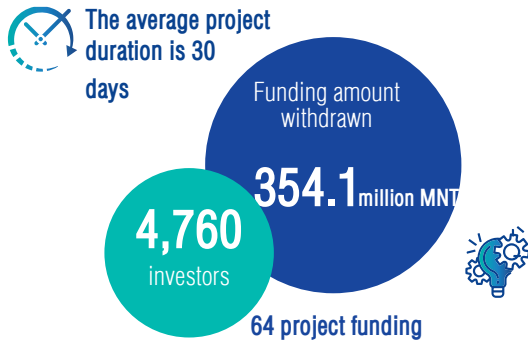


4.0%

Secondary

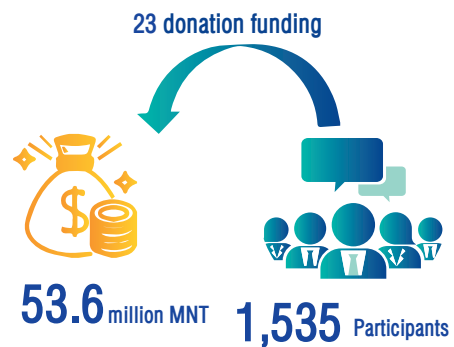
Crowdfunding

The crowdfunding services entered the sandbox environment in November 2023, and reward-based, equity-based, and donation-based crowdfunding services were successfully tested and have exited the sandbox environment.

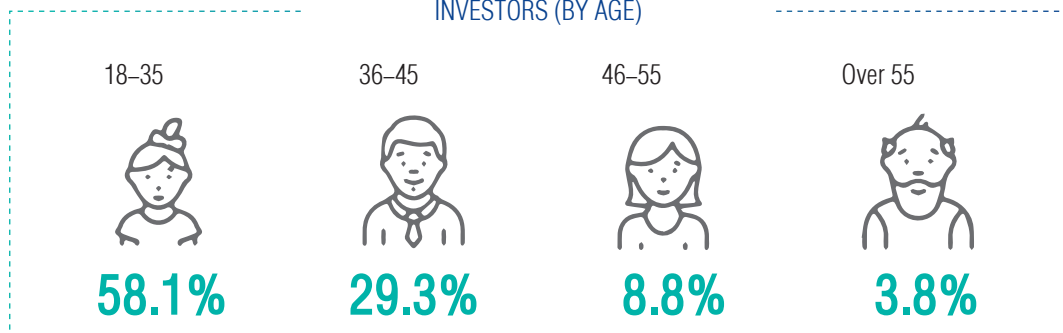


a total of 354.1 million MNT was raised from 4,760 investors across 64 projects valued at 2.6 billion MNT. Of these, 40 incentive-based projects raised 275.5 million MNT (average funding realization rate 25.5%).

- o 23 donation-based projects raised 53.6 million MNT from 1,535 investors .
- o One company raised 25 million MNT by offering its shares at an interest rate of 2.5%.



INVESTORS (BY AGE)

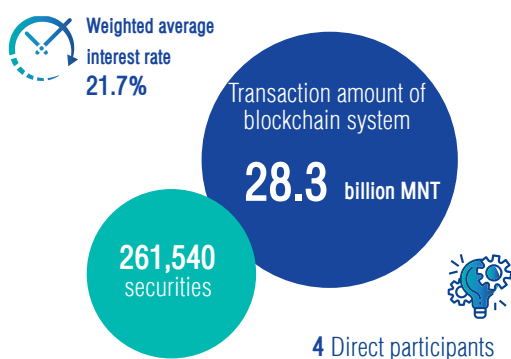


Among the investors, 58.1% are aged 18-35 , 29.3% are aged , 8.8% are aged 46-55, and 3.8% are over 55.

Blockchain trading system

The OTC blockchain trading system, operational since November 2023, has significantly improved the efficiency of trading and securities settlement in both the primary and secondary markets. The system enables automated trading and operates 24/5, eliminating traditional time constraints.

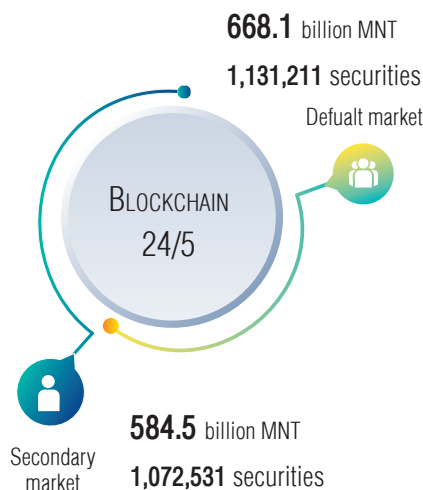
General information about the blockchain system trading



During the reporting period, a total of 261,540 securities worth 28.3 billion MNT were traded via the blockchain system. The weighted average bond interest rate was 21.7%. There were four direct participants engaged in secondary market blockchain trading during this period.

OTC market operations in blockchain systems

Over-the-counter (OTC) market operations were fully migrated to a blockchain system starting from September. Following the full transition, a total of 1,131,211 securities were traded in the primary market with a value of 668.1 billion MNT, while 1,072,531 securities were traded in the secondary market with a value of 584.5 billion MNT.



REGULATORY ENVIRONMENT

In the framework of the improvement of the regulatory environment:

By Joint Order No. 124/75/A/86, dated April 15, 2025, issued jointly by the Chairman of the Financial Regulatory Commission, the Minister of Finance, and the Governor of the Bank of Mongolia, amendments were made to the "Regulation on the Sandbox Regulatory Environment." These amendments introduce provisions for the transition of products and services that have successfully completed testing in the sandbox environment into the regulated market, as well as interim supervisory and regulatory arrangements prior to the establishment of a full regulatory framework. In addition, the amendments include measures to:

- allow participants to temporarily suspend their operations during the sandbox period;
- ensure compliance with anti-money laundering and counter-terrorism financing (AML/CFT) legislation; and
- restrict the use of the sandbox regulatory environment for the purpose of circumventing licensing requirements.

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

Participated in the Alliance for Financial Inclusion (AFI) Eastern Europe and Central Asia regional meeting, where experiences on the sandbox regulatory environment were shared, and discussions were held on key considerations for implementing sandbox frameworks in the region.

Served as a moderator for the "Financial Innovation" panel discussion at the Mongolia–Republic of Korea Financial Cooperation Forum, where discussions covered experiences with the sandbox regulatory environment, financial innovation policies, regulatory challenges, and opportunities for bilateral cooperation.

The Asian Development Bank (ADB) funded project titled "Knowledge and Support Technical Assistance on Developing Fintech Legal and Regulatory Frameworks for Mongolia" was successfully implemented and completed over a period of 18 months.

Representatives of the Financial Regulatory Commission participated as speakers and panelists 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 highlighted the application and regulation of artificial intelligence in the financial sector, Mongolia's fintech ecosystem, and the development of a regulatory sandbox environment to foster innovation while ensuring consumer protection.

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

103 meetings were held with 37 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



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

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



VIRTUAL ASSET SERVICE PROVIDERS MARKET

VASPs
12



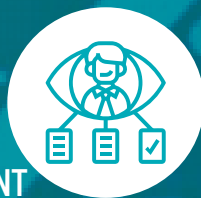
Market outlook

Customers
709,567



Accessibility

Day trading of
domestic virtual
assets
221.4 million MNT



Products and services

Profitability



Total income

6.4 billion MNT

Total cost

15.5 billion MNT

Regulatory environment



MARKET OUTLOOK

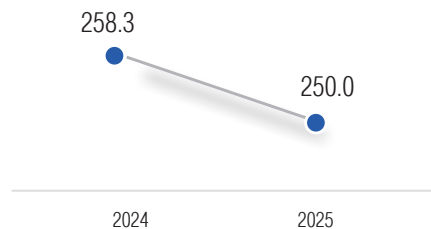
NUMBER OF VIRTUAL ASSET SERVICE PROVIDERS

There are 12 VASPs in operation, with a domestic market valuation decreased by 3.2% (8.3 billion MNT) compared to the same as the last year.

Areas of activity /duplicate/



Domestic market valuation (MNT, billion)

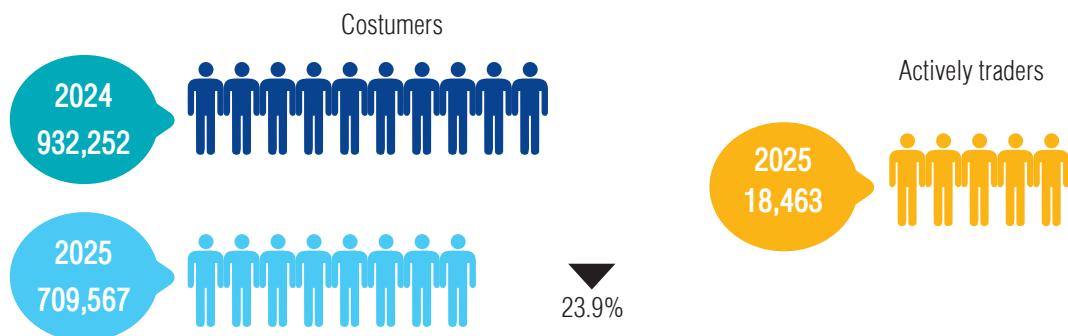


MARKET SHARE (BY TOTAL TRADE)

The 12 VASPs have a total of 23 shareholders, with the ownership distribution as follows:

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 and 15 are legal entities.

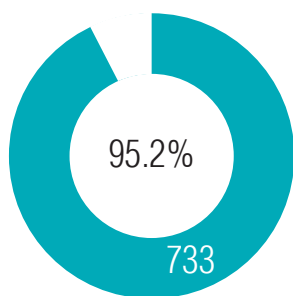
ACCESSIBILITY



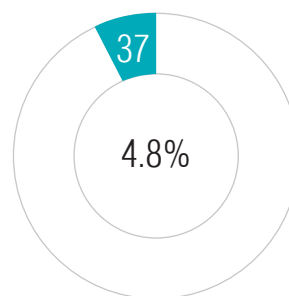
The total number of licensed VASP customers;
67.9% (481,591) are verified
3.8% (18.463) are actively trading

NUMBER OF INTERNAL AND EXTERNAL VIRTUAL ASSETS TRADED ON VIRTUAL ASSET PROVIDERS (VASPs)

A total of 770 virtual assets (VAs) were traded through VASPs, of which 37 VAs (4.8%) were domestic and 733 VAs (95.2%) were foreign. The volume of domestic VAs decreased by 11.9% compared to the same period last year.



Domestic VAs decreased by 11.9% compared to the last year.

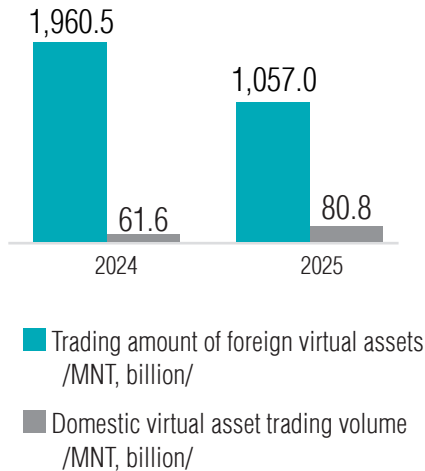


PRODUCTS AND SERVICES

VIRTUAL ASSET TRADING

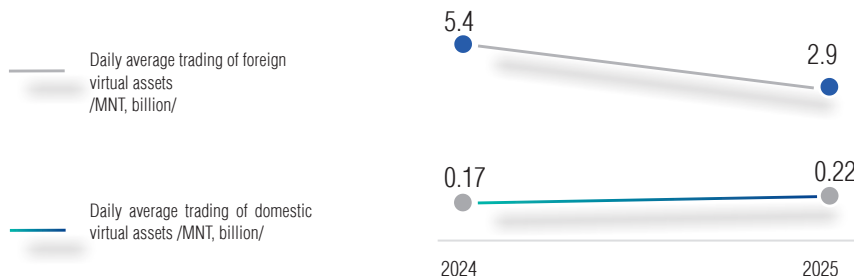
A total of 1,137.8 billion MNT was traded through VASPs:

- Trade of foreign virtual assets decreased by 903.4 billion MNT
- Trade of domestic virtual assets increased by 19.2 billion MNT from the same period of the previous year.



AVERAGE DAILY TRADING

The average trade of foreign virtual assets was 2.9 billion MNT, and the average trade of domestic virtual assets was 0.2 billion MNT



PROFITABILITY

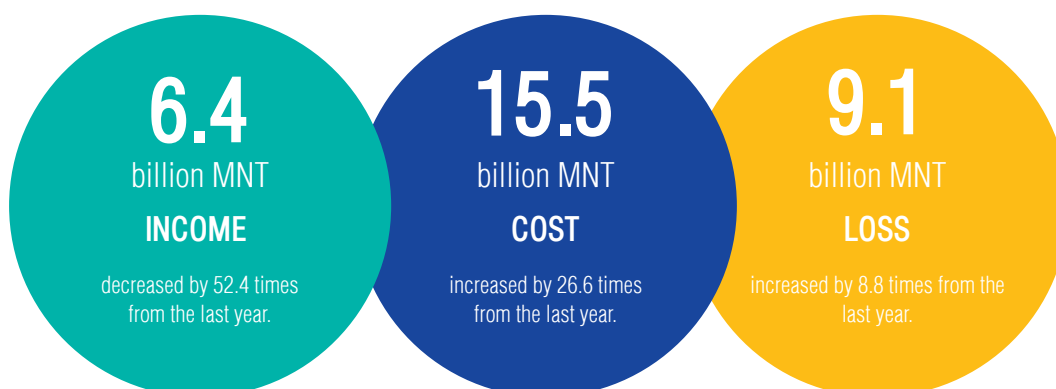
TOTAL ASSETS

VASPs reported total assets of 53.9 billion MNT, comprising: Current assets: 42.3 billion MNT (78.5%)

Non-current assets: 11.6 billion MNT (21.5%)

By source of funds: Debt: 41.4 billion MNT (76.7%), Owner's equity: 12.5 billion MNT (23.3%)

Statistics	Amount /MNT, billion/	Proportion of assets and resources
Current assets	42.3	78.5%
Non-current Assets	11.6	21.5%
Liabilities	41.4	76.7%
Owner's property	12.5	23.3%



Income decreased by 7 billion MNT from the previous year.

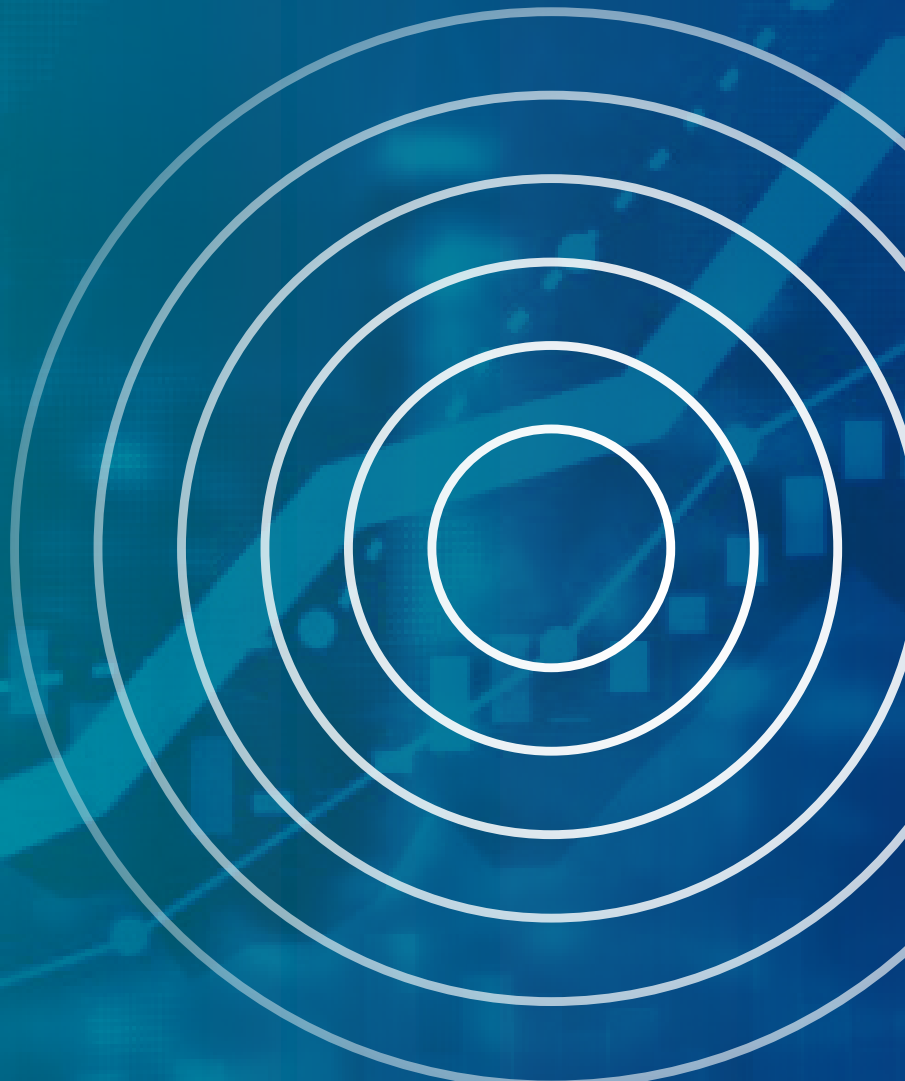
Expenditures increased by 3.3 billion MNT from the previous year.

A total loss of 10.3 billion MNT.





APPENDIX



CAPITAL MARKET DATA

Statistics	2023	2024	2025
Market valuation (MNT, billions)	11,650.2	13,022.7	13,879.4
Liquidity	1.5%	2.5%	2.1%
Stock trading (MNT, billions)	524.8	358.3	287.2
Debt instrument trading (MNT, billions)	138.1	913.1	323.6
Asset-backed securities trading (MNT, billions)	63.5	206.1	372.1
Investment fund (MNT, billions)	60.8	102.4	188.0
Government securities (MNT, billions)	-	-	144.6
TOP-20 index	41,437.42	51,296.39	54,478.17
MSE A index	17,574.53	19,795.97	20,822.95
MSE B index	11,327.14	15,197.38	14,361.75
Number of JSCs	310	311	308
Number of SCs	52	53	52
Commercial value of agricultural products (MNT, billions)	968.3	995.9	1,039.6
Trading volume of mining products exchange (MNT, billions)	7,541.4	8,894.3	7,350.4

INSURANCE MARKET DATA

Statistics	2023	2024	2025
Total assets (MNT, billions)	551.4	662.8	771.3
Total insurance and reinsurance premiums (MNT, billions)	398.7	510.6	596.0
Total compensation (MNT, billions)	120.9	160.4	193.7
Reserve fund (MNT, billions)	268.9	329.7	352.1
Reinsurance fee (MNT, billions)	141.6	165.4	195.5
Net profit (MNT, billions)	11.8	25.5	56.0
Owner's property	225.8	267.6	275.8
Professional participants:			
Non-life insurance	15	17	18
Life insurance	2	2	3
Reinsurance	1	1	1
Insurance agent	2,416	2,504	1,143
Insurance broker	63	60	63
Damage assessor	24	29	29
Actuary	40	40	40
Auditor	147	151	153
Auditor's company	45	47	47

NBFİ DATA

billion MNT

Statistics	2023	2024	2025
Total assets	4,672.2	7,127.3	9,076.7
Current assets	4,526.2	6,808.6	8,653.8
Cash	652.9	825.7	1,048.1
Short-term investments	50.7	68.3	143.9
Total loans	3,675.9	5,750.4	7,216.3
Normal loans	3,297.4	4,223.0	6,292.1
Overdue loans	119.4	176.4	318.6
Non-performing loans	259.1	351.0	605.6
Credit risk fund	199.9	262.5	422.5
Other real estate to be owned and other property to be owned (net)	25.9	39.8	43.3
Non-current assets	146.1	318.7	422.9
Total liabilities	1,926.9	3,456.0	4,121.4
Trust service payable	651.9	1,189.0	1,438.6
Payables to domestic and foreign banks and financial institutions	586.4	1,240.5	1,402.4
Project loan financing	23.8	15.6	0.2
Owner's property	2,745.3	3,671.3	4,955.4
Secondary charity	76.0	74.3	80.9
Share capital	1,498.0	1,790.4	2,233.3
Accumulated profit	1,107.2	1,706.3	2,452.7
Number of NBFİs	529	573	575
Ulaanbaatar	434	476	477
Provinces	95	97	98
Customers	4,535,672	5,393,028	4,102,801
Total income	1,163.8	1,828.2	2,718.0
Interest income	999.1	1,644.1	2,390.6
Non-interest income	140.0	154.5	273.9
Non-operating income	24.5	29.6	52.5
Total cost	731.7	1,130.3	1,771.9
Interest expenses	140.0	398.8	636.2
Non-interest expenses	412.4	459.0	612.4
Potential risk costs	93.5	114.5	296.2
Non-core operating expenses	179.3	158.0	227.1
Net profit	432.1	697.9	945.1

SCC'S DATA

billion MNT

Statistics	2023	2024	2025
Total assets	306.5	356.8	379
Current assets	302.4	345.1	364.8
Cash	75.6	74.1	63.4
Receivables	17.2	17.3	17.7
Non-current assets	4	11.7	14.2
Fixed assets /net/	3.9	4.5	4.9
Intangible assets	0.1	0.8	2.6
Total loan	209.1	258.7	290.9
Normal loan	193.9	245.1	267.5
Overdue loan	8.5	7.5	14.7
Non-performing loans	6.7	6.1	8.7
Debt	237	274	286.8
Savings	215.2	248.6	279.2
Short-term and long-term liabilities	19.5	2.9	1.9
Own capital	69.5	82.7	92.2
Members' equity	27.5	28.9	30.3
Cooperative members' equity	41.8	53.4	61.3
Accumulated income /loss/	20	28.2	31.5
Total income	64.6	77.9	89.9
Interest income	61.2	74.1	86.7
Other operating income	1.2	1.4	1.4
Non-operating income	2.2	2.4	1.9
Total expenses	53.7	62.6	72.4
Interest expenses	34.2	40.8	44.3
Risk fund expenses	2.2	1.4	2.9
Operating costs	16.1	18.8	23.2
Non-Operating costs	0.1	0.1	0.1
Net income	10.9	15.3	17.5
Number of SCCs	191	178	176
Number of Ulaanbaatar SCCs	100	87	82
Number of local SCCs	91	91	94
Members	72,521	75,252	77,155

CREDIT GUARANTEE FUND

Statistics	billion MNT		
	2023	2024	2025
Total assets	295.6	319.5	310.8
Warranty balance	98.2	441.0	442.6
Of which: overdue	1.8	4.2	11.0
:non-performing	6.3	5.3	7.2
Guaranteed loan balance	195.8	768.7	818.6
Of which: overdue	2.1	3.0	13.2
:non-performing	19.3	18.1	15.9
Operating income	11.9	26.5	23.5
Operating expense	6.2	59.5	24.9
Net result for the reporting period	5.8	(33.0)	(1.4)
Number of requests for bail submitted	440	13,263	2,491
Number of guarantees issued	314	13,261	2,491
Guarantee provided	49.6	371.0	79.0
of which: agriculture	0.5	3.0	2.6
manufacturing	19.0	12.0	6.5
wholesaling and retailing	19.2	23.3	9.8
other	10.9	332.7	60.1
Average period of guarantee issued /in months/	193.6	78.1	91.5

REBs DATA

Statistics	2023	2024	2025
REBs (including agencies)	308	312	289
Brokers	321	329	303
Agents	1,284	1,310	1,192
Area of real estate bought and sold (m ²)	1,622.9	1,797.3	4,022.1
Value of real estate bought and sold	2,287.5	2,850.1	3,325.4
Area of real estate rented and leased (m ²)	600.0	659.1	794.1
Value of real estate rented and leased	178.1	234.9	301.3

DPMS DATA

Statistics	2023	2024	2025
Entities (DPMS, and dealers in products made from them)	52	55	52
Individuals (DPMS, and dealers in products made from them)	428	473	504
Weight of bought precious metals (gram)	3,223.7	1,624.9	2,186.0
Value of purchased precious metals (MNT, billion)	433.8	323.3	615.2
Weight of sold precious metals (gram)	3,337.1	1,365.9	1,761.7
Value of sold precious metals (MNT, billion)	461.1	324.7	636.6
Total value of bought products (MNT, billion)	20.8	29.7	57.9
Total value of sold products (MNT, billion)	33.4	48.6	80.1

VASP DATA

Statistics	2024	2025
Number of VASP	12	12
Costumers	932,252	709,567
Of which: Actively trades	14,011	18,463
Number of domestic virtual assets	42	37
Valuation of domestic virtual assets market	258.3	250.0
Domestic virtual asset trading volume	61.6	80.8
Foreign virtual asset trading volume	1,960.5	1,057.0
Share capital	24.9	24.9
Total assets	77.9	53.9
Operating Profit/Loss	1.2	(9.1)

