

GOLOMT BANK

**Condensed Interim Financial Statements for
the six months period ended**

30 June 2025

CONTENTS

Corporate Information

Management's responsibility statement

Independent Review Report to Golomt Bank JSC

Condensed Interim Financial Statements

Condensed Statement of Financial Position	6
Condensed Statement of Profit or Loss and Other Comprehensive Income	7
Condensed Statement of Changes in Equity	8
Condensed Statement of Cash Flows	9

Notes to the Condensed Interim Financial Statements

1	Introduction	11
2	Operating Environment of the Bank	12
3	Basis of Presentation	13
4	Change in Accounting Policies	14
5	Adoption of New or Revised Standards and Interpretations	14
6	New Accounting Pronouncements	14
7	Cash and Cash Equivalents	15
8	Due from Other Banks	15
9	Investments in Debt Securities	15
10	Investments in Equity Securities	20
11	Loans and Advances to Customers	20
12	Investment Properties	35
13	Other Assets	36
14	Intangible Assets	38
15	Premises and Equipment	39
16	Right of Use Assets	40
17	Assets Classified as Held for Sale	40
18	Due to Other Banks	41
19	Customer Accounts	41
20	Other Borrowed Funds	42
21	Debt securities in Issue	42
22	REPO Arrangements	43
23	Other Liabilities	43
24	Share Capital	44
25	Interest Income and Expense	45
26	Fee and Commission Income and Expense	46
27	Other Operating Income	46
28	Administrative and Other Operating Expenses	47
29	Other gains/(losses), net	47
30	Income Taxes	48
31	Dividends	48
32	Earnings per Share	48
33	Segment Analysis	49
34	Financial Risk Management	52
35	Management of Capital	58
36	Contingencies and Commitments	59
37	Derivative Financial Instruments	61
38	Fair Value Disclosures	61
39	Related Party Transactions	71
40	Event after the End of the Reporting period	75
41	Abbreviations	75

GOLOMT BANK JSC

Corporate Information

Incorporation decision

Golomt Bank JSC (the “Bank”) was incorporated on 06 March 1995.

Certificate and License

The Bank holds the State Registration Certificate No. 9007001012 with registration No.2075377 newly granted to the Bank by the State Registration Office of Mongolia on 7 April 2023.

The Bank holds the Special License No. 25 for Banking Activities dated 06 March 1995 issued by the Bank of Mongolia.

Board of Directors

Ch. Munkhtsetseg	<i>Chairwoman</i>
J. Unenbat	<i>Member</i>
D. Munkhtur	<i>Member</i>
O.Ganjoloo	<i>Member</i>
James B. Dwyer	<i>Independent Member</i>
Alexander Picker	<i>Independent Member</i>
Robert W.van Zwieten	<i>Independent Member</i>
Hans Holzhacker	<i>Independent Member</i>
Ronil Sujan	<i>Independent Member</i>

Executive Officers

A. Odonbaatar	<i>Chief Executive Officer</i>
G. Ganbold	<i>President</i>
M. Sainbileg	<i>Chief Information Officer</i>
T. Otgon	<i>Chief Risk Officer</i>
S. Munkhtuya	<i>Director of Financial Management Division</i>
M. Narankhuu	<i>Director of Credit Division</i>
B. Sodbolor	<i>Director of Treasury Management Division</i>
B. Sugar-Erdene	<i>Director of Corporate Banking Division</i>
Ts. Baigalmaa	<i>Director of SME Banking Division</i>
Z. Sugar	<i>Director of Retail Banking Division</i>
O. Battengel	<i>Director of Digital Banking Division</i>
G. Uyanga	<i>Director of Human Resource Management Division</i>
B. Zorig	<i>Director of Marketing and PR Division</i>
B. Enkhzaya	<i>Director of International Banking Division</i>
B. Enkhtuvshin	<i>Director of Credit Collection Division</i>
Yo. Purevbat	<i>Director of Operation Division</i>
J. Oyun	<i>Director of Digital Transformation Division</i>
Kh. Purevdorj	<i>Director of Administration Division</i>
G. Mandakh	<i>Director of Customer Registration Division</i>
A. Nyamsuren	<i>Director of Customer Service Division</i>
D. Bayarjargal	<i>Director of Information Technology Division</i>

Registered office

Head Office of Golomt bank
Sukhbaatar Square 5,
P.O.Box 22
Ulaanbaatar 15160, Mongolia

Auditors

KPMG Audit LLC
Blue Sky, Floor 6, Suite 602, Peace Avenue 17, SBD-1, Ulaanbaatar 14240,
Mongolia

Management's responsibility statement

The Golomt Bank JSC (the "Bank")'s management is responsible for the preparation of the condensed interim financial statements.


The condensed interim financial statements of the Bank have been prepared to comply with IAS 34 Interim Financial Reporting ("IAS 34"). The management is responsible for ensuring that these condensed interim financial statements present fairly the state of affairs of the Bank as at 30 June 2025 and the financial performance and cash flows for the period then ended on that date.

The management has responsibility for ensuring that the Bank keeps proper accounting records which disclose with reasonable accuracy the financial position of the Bank and which enable them to ensure that the condensed interim financial statements comply with the requirements set out in Note 2 to Note 6 to the last annual financial statements.

The management also has a general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Bank and to prevent and detect fraud and other irregularities.

The management considers that, in preparing the condensed interim financial statements including explanatory notes, they have used appropriate policies, consistently applied and supported by reasonable and prudent judgment and estimates, and that all applicable accounting standards have been followed.

The condensed interim financial statements of the Bank for the period ended 30 June 2025 were authorized for issuance by the Bank's management.



CH: MUNKHTSETSEG 9023051532 275 UBONBAATAR
Chairwoman, Board of Directors Chief Executive Officer

S. MUNKHTUYA
Director of Financial Management Division

Ulaanbaatar,
Mongolia

Date: 09 September 2025



KPMG Audit LLC

#602, Blue Sky Tower, Peace Avenue,
1st Khoroo, Sukhbaatar District,
Ulaanbaatar 14240, Mongolia

Tel : +976 7011 8101
Fax : +976 7011 8102
www.kpmg.com/mn

Independent Auditors' Report on Review of Condensed Interim Financial Statements

To: The Shareholders and Board of Directors of Golomt Bank Joint Stock Company

Introduction

We have reviewed the accompanying condensed statement of financial position of Golomt Bank JSC ("the Bank") as at 30 June 2025, the condensed statements of profit or loss and other comprehensive income, changes in equity and cash flows for the six-month period then ended, and notes to the interim financial statements ('the condensed interim financial statements'). Management is responsible for the preparation and presentation of these condensed interim financial statements in accordance with IAS 34, 'Interim Financial Reporting'. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review.

Scope of review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements as at and for the six-month ended 30 June 2025 are not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting'.


KPMG Audit LLC
Ulaanbaatar, Mongolia
9 September 2025
Approved by:

Pyung-Sik Kong
Partner

This report is effective as at 9 September 2025, the review report date. Certain subsequent events or circumstances, which may occur between the review report date and the time of reading this report, could have a material impact on the accompanying condensed interim financial statements and notes thereto. Accordingly, the readers of the review report should understand that the above review report has not been updated to reflect the impact of such subsequent events or circumstances, if any. Furthermore, this report is intended solely for the use of the shareholders of the Bank. To the fullest extent permitted by law, we do not assume responsibility towards or accept liability to any other party in relation to the contents of this report.

Golomt Bank JSC
Condensed Statement of Financial Position

<i>In thousands of Mongolian Tugriks</i>	Note	30 June 2025	31 December 2024
Assets			
Cash and balances with the Bank of Mongolia	7	2,270,558,909	2,531,290,330
Mandatory cash balances with the Bank of Mongolia		671,349,019	566,906,794
Reverse sale and repurchase agreement		-	55,710,082
Due from other banks	8	811,046,520	1,077,952,931
Investments in debt securities	9	1,999,684,453	2,910,397,027
Investments in equity securities	10	99,598,721	69,814,870
Loans and advances to customers	11	8,038,719,790	7,351,381,161
Assets classified as held for sale	17	101,446,198	39,545,781
Investment properties	12	8,014,077	8,014,077
Other assets	13	586,144,866	502,590,169
Derivative financial assets	37	284,283,736	235,679,985
Intangible assets	14	27,981,523	22,685,885
Premises and equipment	15	200,520,965	200,103,976
Right of use assets	16	31,047,726	24,886,485
Total assets		15,130,396,503	15,596,959,553
Liabilities			
Due to other banks	18	179,802,500	443,274,660
Customer accounts	19	9,687,602,224	9,376,843,081
Other borrowed funds	20	937,267,931	1,253,875,383
Debt securities in Issue	21	1,561,566,726	1,369,878,337
REPO arrangements	22	961,352,423	1,540,353,861
Current income tax liability		9,608,826	753,534
Deferred income tax liability		57,854,985	33,781,732
Derivative financial liabilities	37	18,345,181	904,691
Lease liabilities		31,702,172	25,396,842
Other liabilities	23	130,010,216	121,531,371
Total liabilities		13,575,113,184	14,166,593,492
Equity			
Share capital	24	202,164,327	202,164,327
Share premium	24	301,481,120	301,481,120
Retained earnings		936,268,349	798,606,421
Other reserves		115,369,523	128,114,193
Total equity		1,555,283,319	1,430,366,061
Total liabilities and equity		15,130,396,503	15,596,959,553

The notes set out on pages 11 to 75 form an integral part of these financial statements.

Golomt Bank JSC
Condensed Statement of Profit or Loss and Other Comprehensive Income

<i>In thousands of Mongolian Tugriks</i>	Note	Six months ended 30 June 2025	Six months ended 30 June 2024
Interest income	25	657,479,411	486,514,827
Other similar income	25	44,958,539	29,456,221
Interest expense	25	(419,500,366)	(252,114,922)
Other similar expense	25	(2,537,393)	(1,509,801)
Net interest income		280,400,191	262,346,325
Reversal of expected credit loss	11	33,232,807	15,550,056
Net interest income after expected credit loss		313,632,998	277,896,381
Fee and commission income	26	66,480,324	57,446,692
Fee and commission expense	26	(43,699,295)	(34,933,321)
Losses less gains from financial assets at fair value through profit or loss		(8,712,886)	(2,124,124)
Gains less losses from disposal of financial assets at fair value through other comprehensive income		2,892,753	(58,576)
Gains less losses from financial derivatives		42,819,956	118,202,272
Gains less losses from trading in precious metals		19,228,247	4,240,535
Foreign exchange translation losses less gains		(57,281,764)	(35,581,422)
Gains less losses from trading in foreign currencies		4,151,319	55,137,619
Losses less gains from loans at fair value through profit or loss		(156,874)	9,816
Losses less gains from modification of financial assets measured at amortised cost, that did not lead to derecognition		(1,800,796)	(1,033,975)
Reversal/(charge) of expected credit losses of debt securities at amortised cost		3,131	(46,427)
Reversal/(charge) of expected credit losses for debt securities at fair value through other comprehensive income		2,413,084	(649,870)
Gain from redemption of bonds		1,347,983	-
Expected credit losses of due from banks		(526,211)	(1,729,461)
Losses on initial recognition of assets at rates below market		(4,579)	(30,033)
(Losses)/reversal of expected credit losses of other assets	13	(352,377)	668,815
Gains less losses from asset held for sale		17,188,768	42,073,686
(Charge)/reversal of provision for guarantees and letters of credit	36	(315,531)	873,983
Gains less losses on revaluation of investment properties		-	999,067
Dividend received		3,447,759	2,333,868
Other operating income	27	9,210,304	1,180,128
Administrative and other operating expenses	28	(128,176,890)	(124,669,107)
Other gains/(losses), net	29	12,295,526	(1,192,168)
Profit before tax		254,084,949	359,014,378
Income tax expense	30	(46,968,336)	(83,242,141)
Profit for the period		207,116,613	275,772,237
Other comprehensive income/(loss):			
Items that may be reclassified subsequently to profit or loss:			
Debt securities at fair value through other comprehensive income:			
- Gains less losses arising during the year		1,129,166	(1,269,634)
- Gains less losses reclassified to profit or loss upon disposal		(2,892,753)	58,576
Income tax recorded directly in other comprehensive income		440,897	302,765
Items that will not be reclassified to profit or loss:			
Gains less losses on investments in equity securities at fair value through other comprehensive income		(7,914)	-
Income tax recorded directly in other comprehensive income		1,979	-
Other comprehensive income/(loss)		(1,328,625)	(908,293)
Total comprehensive income for the period		205,787,988	274,863,944
Basic earnings per share for profit attributable to the owners of the Bank	32	256.12	341.02
Diluted earnings per share for profit attributable to the owners of the Bank	32	256.12	341.02

The notes set out on pages 11 to 75 form an integral part of these financial statements.

Golomt Bank JSC
Condensed Statement of Changes in Equity

<i>In thousands of Mongolian Tugriks</i>	Note	Ordinary share capital	Share premium	Revaluation reserve for securities at FVTOCI	Revaluation reserve for premises	Other reserves	Retained earnings	Total equity
Balance at 1 January 2024		202,164,327	301,481,120	4,960,621	6,666,263	95,100,321	460,718,070	1,071,090,722
Profit for the period		-	-	-	-	-	275,772,237	275,772,237
Other comprehensive income/(loss)		-	-	(908,293)	-	-	-	(908,293)
Total comprehensive income for the period		-	-	(908,293)	-	-	275,772,237	274,863,944
Dividends declared and paid	31	-	-	-	-	-	(72,779,158)	(72,779,158)
Decrease in regulatory reserve		-	-	-	-	(21,977,390)	21,977,390	-
Use of operational risk reserve		-	-	-	-	(4,999)	-	(4,999)
Balance at 30 June 2024		202,164,327	301,481,120	4,052,328	6,666,263	73,117,932	685,688,539	1,273,170,509
Balance at 1 January 2025		202,164,327	301,481,120	9,554,071	14,901,681	103,658,441	798,606,421	1,430,366,061
Profit for the period		-	-	-	-	-	207,116,613	207,116,613
Other comprehensive income/(loss)		-	-	(1,328,625)	-	-	-	(1,328,625)
Total comprehensive income for the period		-	-	(1,328,625)	-	-	207,116,613	205,787,988
Dividends declared and paid	31	-	-	-	-	-	(80,865,730)	(80,865,730)
Decrease in regulatory reserve		-	-	-	-	(11,411,045)	11,411,045	-
Use of operational risk reserve		-	-	-	-	(5,000)	-	(5,000)
Balance at 30 June 2025		202,164,327	301,481,120	8,225,446	14,901,681	92,242,396	936,268,349	1,555,283,319

The notes set out on pages 11 to 75 form an integral part of these financial statements.

Golomt Bank JSC
Condensed Statement of Cash Flows

<i>In thousands of Mongolian Tugriks</i>	Note	2025	2024
Cash flows from operating activities			
Profit for the period		207,116,613	275,772,237
Adjustment to:			
Income tax expense	30	46,968,336	83,242,141
Reversal of expected credit loss	11	(33,232,807)	(15,550,056)
Losses less gains from financial assets at fair value through profit or loss		8,712,886	2,124,124
Gains less losses from disposal of financial assets at fair value through other comprehensive income		(2,893,357)	-
(Gains)/losses from financial derivatives, net	37	(42,819,956)	(59,673,617)
Losses less gains from modification of financial assets measured at amortised cost, that did not lead to derecognition		1,800,796	1,033,975
Losses less gains of loans at fair value through profit or loss		156,874	(9,816)
Charge of expected credit loss of due from other banks		526,211	1,729,461
Impairment of debt securities at fair value through other comprehensive income		(1,556,120)	22,831
(Reversal)/charge of expected credit losses of debt securities at amortised cost		(3,131)	46,427
Gain on redemption of bonds		(1,347,983)	-
Losses on initial recognition of assets at rates below market		4,579	30,033
Gains less losses on disposal of premises and equipment and assets held for sales	29	(12,320,646)	1,191,151
Foreign exchange translation losses		57,281,764	35,581,422
Charge/(reversal) of expected credit losses for other assets	13	352,377	(668,815)
Charge/(reversal) of expected credit losses for credit related commitment		315,531	(873,983)
Gains less losses from revaluation of investment properties	12	-	(999,067)
Gains less losses from asset held for sale		(17,188,768)	(42,073,686)
Depreciation expense	15, 16	17,594,206	16,426,445
Amortisation expense	14	4,553,002	3,913,711
Property and equipment written off	29	25,120	1,017
Interest income	25	(702,437,950)	(515,971,048)
Interest expense	25	422,037,759	253,624,723
Cash flows from operating activities before changes in operating assets and liabilities		(46,354,664)	38,919,610
(Increase) / decrease in mandatory cash balances with the Bank of Mongolia		(104,442,225)	20,138,328
Decrease / (increase) in reverse sale and repurchase agreement		55,694,823	646,835,975
Decrease / (increase) in due from other banks		295,468,454	276,126,681
(Increase) / decrease in debt securities at fair value through profit or loss		(103,609,179)	(85,565,973)
(Increase) / decrease in equity securities at fair value through profit or loss		-	(45,407,971)
(Increase) / decrease in loans and advances		(782,170,574)	(1,787,225,596)
(Increase) / decrease in other assets		(58,181,171)	(19,783,667)
Decrease / (increase) in assets classified as held for sale		45,660,244	18,379,400
(Decrease) / increase in due to banks		(263,162,380)	(9,231,553)
Increase / (decrease) in customer account		124,187,435	223,246,136
Increase / (decrease) in derivative instruments		97,741,274	104,548,472
Increase / (decrease) in other liabilities		5,754,760	125,811,932
Net cash from / (used in) operating activities before tax and interest		(733,413,203)	(493,208,226)
Income tax paid		(13,596,915)	(62,941,105)
Interest income received		688,949,149	511,634,572
Interest paid		(397,872,754)	(233,639,508)
Net cash from / (used in) operating activities		(455,933,723)	(278,154,267)

The notes set out on pages 11 to 75 form an integral part of these financial statements.

Golomt Bank JSC
Condensed Statement of Cash Flows

<i>In thousands of Mongolian Tugriks</i>	Note	2025	2024
Cash flows from investing activities			
Acquisition of debt securities at fair value through other comprehensive income		(14,206,788)	(222,774,518)
Proceeds from disposal of debt securities at fair value through other comprehensive income		104,042,902	458,767,849
Acquisition of equity securities at fair value through other comprehensive income		(34,371,335)	-
Acquisition of premises and equipment	15	(21,057,637)	(17,142,997)
Proceeds from disposal of premises and equipment	15	1,377,229	1,008,171
Acquisition of intangible assets	14	(1,848,640)	(9,998,051)
Prepayment for non-current assets		(25,523,110)	(30,119,443)
Net cash from / (used in) investing activities		8,412,621	179,741,011
Cash flows from financing activities			
Proceeds from repo arrangements		4,292,555,947	2,985,976,665
Repayment of repo arrangements		(4,874,280,168)	(3,534,598,910)
Proceeds from drawdown of other borrowed funds		226,761,746	268,922,543
Repayment of other borrowed funds		(546,651,674)	(482,320,547)
Payment of principal of lease liabilities		(5,687,441)	(4,293,265)
Proceeds from debt securities in issue		186,587,180	983,709,788
Repayment of debt securities in issue		(67,381,763)	-
Dividends paid	31	(80,865,730)	(72,779,158)
Net cash from / (used in) financing activities		(868,961,903)	144,617,117
Effect of exchange rate changes on cash and cash equivalents		123,083,618	(76,016,334)
Net increase/(decrease) in cash and cash equivalent		(1,193,399,387)	(29,812,473)
Cash and cash equivalents at the beginning of the period	7	4,956,835,197	2,984,637,271
Cash and cash equivalents at the end of the period	7	3,763,435,810	2,954,824,798

The notes set out on pages 11 to 75 form an integral part of these financial statements.

1 Introduction

As of 30 June 2025, the Bank's immediate parent company is Golomt Financial Group LLC (31 December 2024: Golomt Financial Group LLC). The Bank was incorporated and is domiciled in Mongolia. The Bank is a joint-stock company and was established in accordance with the legislation of Mongolia.

Mr. Bayasgalan.D, the owner of Golomt Financial Group as of 30 June 2025, represents the ultimate controlling party of the Bank as of 30 June 2025 and 31 December 2024.

The Bank's shareholders as of 30 June 2025 and 31 December 2024 are disclosed in Note 24.

The Bank holds the State Registration Certificate No. 9007001012 with registration No.2075377 re-granted by the State Registration Office of Mongolia on 7 April 2023. The Bank holds a full banking license No. 25 dated 6 March 1995 issued by the Bank of Mongolia, Central Bank of Mongolia.

In accordance with the effective Charter of the Bank, the Bank's principal activities include:

- Savings;
- Loan services;
- Card services;
- Guarantees and letters of credit;
- Money transfer;
- Sales, purchase, deposit and trading of foreign currencies;
- Sales, purchase, deposit and trading of precious metals;
- Foreign settlement;
- Issuance and trading of securities;
- Financial leasing service;
- Purchase and sales of loans and other financial instruments;
- Custodian banking;
- Factoring service;
- Other financial services not restricted under the legislation and other activities accepted by the Bank of Mongolia and other government institutions.

The Bank obtained the Special License for underwriting services, custodian banking and insurance intermediary services from the Financial Regulatory Commission of Mongolia ("FRC") on 2 June 2011, 27 August 2014 and 21 October 2014 respectively in accordance with the resolution No.163, No.295 and No.358 of FRC.

At 30 June 2025, the Bank had 85 branches within Mongolia (31 December 2024: 83 branches). Also, as at 30 June 2025 the Bank had 20 sub-branches (31 December 2024: 21 sub-branches).

The number of Bank employees as at 30 June 2025 was 2,766 (31 December 2024: 2,735).

The Bank's registered office and principal place of business is Sukhbaatar Square 5, P.O.Box 22, Ulaanbaatar 15160, Mongolia.

These financial statements are presented in Mongolian Tugriks ("MNT").

A glossary of various abbreviations used in this document is included in Note 41.

2 Operating Environment of the Bank

2.1 General

In 2025, Mongolia's economic environment weakened compared to the previous year, reflecting slower growth, sustained inflationary pressures, and depreciation of the national currency. Real GDP growth slowed to 2.4 percent year-on-year in the first quarter, well below the 5.0 percent growth projected by international organizations and local analysts. This slowdown is driven by a combination of weaker external demand, domestic fiscal tightening, and persistent inflation.

Export revenues, a critical source of foreign exchange, faced significant headwinds. Coal export prices fell sharply by over 45 percent year-on-year, averaging USD 70 per ton in June, while physical export volumes declined slightly to 38 million tons from 41 million tons during the same period last year. This drop in coal earnings was partially offset by a robust 62 percent increase in copper export revenues, supported by higher production volumes and concentrates from Oyu-Tolgoi undermining. However, copper earnings remain substantially smaller, as coal exports typically generate three times the revenue of copper. As a result, total export earnings contracted by 18 percent in the first half of 2025 compared to 2024, reducing foreign currency inflows and putting pressure on the exchange rate.

Consequently, the Mongolian tugrik depreciated by about 5 percent year-to-date, reaching MNT 3,581 per USD by July. The weaker currency, alongside higher global fuel and commodity prices driven by geopolitical tensions and renewed tariffs, has contributed to imported inflationary pressures. This combination has eroded household purchasing power, squeezed corporate profitability, and increased credit risks in the banking sector.

Fiscal pressures have increased as lower export revenues have constrained government income. The government responded by cutting planned expenditures by MNT 1.9 trillion to MNT 31.6 trillion, which will weigh on domestic demand and economic activity.

Within the financial sector, these macroeconomic challenges have led to a slowdown in banking activity. Deposit growth, which was 13.3 percent in 2024, is now expected to moderate to between 5 and 6 percent by year-end. Loan growth is also forecast to slow amid tighter liquidity conditions and elevated credit risks.

Looking ahead, the medium-term outlook is cautiously optimistic. The launch of five out of fourteen planned major investment projects in 2026 is expected to boost foreign direct investment and increase foreign currency inflows. These developments are projected to support infrastructure development and revitalize economic growth. GDP growth is forecast to improve to between 4 and 5 percent in 2026, accompanied by a gradual recovery in banking sector lending and funding capacity.

The long-term effects of the current and future economic situation are difficult to assess and management's current expectations and estimates could differ from the actual results.

For the purpose of measurement of expected credit losses ("ECL") the Bank uses supportable forward-looking information, including forecasts of macroeconomic variables. As with any economic forecast, however, the projections and likelihoods of their occurrence are subject to a high degree of inherent uncertainty and therefore the actual outcomes may be significantly different from those projected.

2.2 Currency transactions

Foreign currencies, particularly, US Dollar and EUR, play an important role in the underlying economics of many business transactions in Mongolia. The table below shows exchange rate of MNT relative to USD and EUR as set by the Central Bank of Mongolia.

Date	USD	EUR
30 June 2025	3,580.71	4,195.16
31 December 2024	3,420.25	3,566.98
31 December 2023	3,410.69	3,791.66
31 December 2022	3,444.60	3,669.02
31 December 2021	2,848.80	3,222.99

3 Basis of Presentation**3.1 General principles**

These interim financial statements for the six months ended 30 June 2025 have been prepared in accordance with IAS 34 *Interim Financial Reporting*, and should be read in conjunction with the Bank's last annual financial statements as at and for the year ended 31 December 2024 ('last annual financial statements'). They do not include all of the information required for a complete set of financial statements prepared in accordance with IFRS Accounting standards. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Bank's financial position and performance since the last annual financial statements. These interim financial statements were authorised for issue by the Bank's board of directors on 9 September 2025.

3.2 Use of estimates and judgments

The Bank makes estimates and assumptions that affect the amounts recognised in these interim financial statements, and the carrying amounts of assets and liabilities within the next financial year. Estimates and judgements are continually evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The significant judgements made by management in applying the Bank's accounting policies and the key sources of estimation uncertainty were same as those described in the last annual financial statements.

3.2.1 Measurement of fair value

A number of the Bank's accounting policies require the measurement of fair values, for both financial and non-financial assets and liabilities.

When measuring the fair value of an asset or a liability, the Bank uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability are categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy as at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair value is included in Note 38.

4 Change in Accounting Policies

The accounting policies applied in these interim financial statements are the same as those applied in the Bank's financial statements as of and for the year ended 31 December 2024. The policy for recognising and measuring income taxes in the interim period is consistent with that applied in the previous interim period and is described in Note 30.

5 Adoption of New or Revised Standards and Interpretations

New currently effective requirements:

Effective date	New accounting standards or amendments
1 January 2025	<ul style="list-style-type: none"> • Lack of Exchangeability – Amendments to IAS 21

The application of the new and amendments to IFRS Accounting Standards in the current year has had no material impact on the Bank's financial positions and performance for the current period and on the disclosures set out in these condensed financial statements.

6 New Accounting Pronouncements

The new and amendments to IFRS Accounting Standards that are issued, but not yet effective, up to the date of issuance of the Bank's financial statements are disclosed below. The Bank intends to adopt these standards, if applicable when they become effective.

The following new standards or amendments are not expected to have a significant impact on the Bank's financial statements.

Effective date	New accounting standards or amendments
1 January 2026	<ul style="list-style-type: none"> • Classification and Measurement of Financial Instruments (Amendments to IFRS 9, Financial Instruments and IFRS 7, Financial Instruments: Disclosures) • Annual improvements to IFRS Accounting Standards – Volume 11
1 January 2027	<ul style="list-style-type: none"> • IFRS 18, Presentation and Disclosure in Financial Statements • IFRS 19, Subsidiaries without Public Accountability: Disclosure
Available for optional adoption / effective date deferred indefinitely	<ul style="list-style-type: none"> • Sales or Contribution of Assets between the Investor and its Associate or Joint Venture – Amendments to IFRS 10 and IAS 28

7 Cash and Cash Equivalents

Cash and balances with the Bank of Mongolia (other than mandatory reserve)

<i>In thousands of Mongolian Tugriks</i>	30 June 2025	31 December 2024
Cash on hand	143,054,431	111,054,353
Current account with the Bank of Mongolia (other than mandatory reserve)	2,127,504,478	2,420,235,977
Cash and cash balances with the Bank of Mongolia	2,270,558,909	2,531,290,330

Cash and cash equivalents for the purposes of the cash flow statement are presented below:

<i>In thousands of Mongolian Tugriks</i>	30 June 2025	31 December 2024
Cash and balances with the Bank of Mongolia (Note 7)	2,270,558,909	2,531,290,330
Treasury bills of the Bank of Mongolia with original maturities of less than three months (Note 9)	755,481,396	1,735,200,101
Due from banks (Note 8)	740,437,666	693,671,475
Less: credit loss allowance	(3,042,161)	(3,326,709)
Total cash and cash equivalents	3,763,435,810	4,956,835,197

8 Due from Other Banks

<i>In thousands of Mongolian Tugriks</i>	30 June 2025	31 December 2024
Correspondent accounts with other banks	600,051,170	264,496,446
Short-term placements with other banks	137,971,243	427,332,193
Placements with other banks with original maturities of more than three months	73,024,107	386,124,292
Total due from other banks	811,046,520	1,077,952,931

9 Investments in Debt Securities

<i>In thousands of Mongolian Tugriks</i>	30 June 2025	31 December 2024
Debt securities at FVTOCI	1,236,649,663	2,281,166,365
Debt securities at FVTPL	755,863,788	622,382,940
Debt securities at AC	7,171,002	6,847,722
Total investments in debt securities	1,999,684,453	2,910,397,027

9 Investments in Debt Securities (continued)

The table below discloses investments in debt securities at 30 June 2025 by measurement categories and classes:

<i>In thousands of Mongolian Tugriks</i>	Debt securities at FVTOCI	Debt securities at FVTPL	Debt securities at AC	Total
Treasury bills of the Bank of Mongolia	755,481,396	-	-	755,481,396
MIK bonds – Senior RMBS	-	119,068,869	-	119,068,869
MIK bonds – Junior RMBS	-	179,571,000	-	179,571,000
Government bonds	468,167,068	235,282,768	-	703,449,836
SFC bonds – Senior	-	251,936	-	251,936
SFC bonds – Junior	-	6,088,892	-	6,088,892
Corporate bonds	-	46,886,289	-	46,886,289
Other bonds	20,338,177	168,714,034	7,179,765	196,231,976
Total investments in debt securities at 30 June 2025 (gross carrying value)	1,243,986,641	755,863,788	7,179,765	2,007,030,194
Less: Credit loss allowance	(7,336,978)	-	(8,763)	(7,345,741)
Total investments in debt securities at 30 June 2025 (carrying value)	1,236,649,663	755,863,788	7,171,002	1,999,684,453

The table below discloses investments in debt securities at 31 December 2024 by measurement categories and classes:

<i>In thousands of Mongolian Tugriks</i>	Debt securities at FVTOCI	Debt securities at FVTPL	Debt securities at AC	Total
Treasury bills of the Bank of Mongolia	1,735,200,101	-	-	1,735,200,101
MIK bonds – Senior RMBS	-	118,531,762	-	118,531,762
MIK bonds – Junior RMBS	-	174,649,485	-	174,649,485
Government bonds	535,358,518	130,538,848	-	665,897,366
SFC bonds – Senior	-	815,884	-	815,884
SFC bonds – Junior	-	7,922,296	-	7,922,296
Corporate bonds	-	32,263,279	-	32,263,279
Other bonds	20,357,808	157,661,386	6,859,616	184,878,810
Total investments in debt securities at 31 December 2024 (gross carrying value)	2,290,916,427	622,382,940	6,859,616	2,920,158,983
Less: Credit loss allowance	(9,750,062)	-	(11,894)	(9,761,956)
Total investments in debt securities at 31 December 2024 (carrying value)	2,281,166,365	622,382,940	6,847,722	2,910,397,027

9 Investments in Debt Securities (continued)

Investments in debt securities at FVTOCI

The following table discloses Treasury bills of the Bank of Mongolia measured at FVTOCI:

<i>In thousands of Mongolian Tugriks</i>	30 June 2025	31 December 2024
	Stage 1 (12-months ECL)	Stage 1 (12-months ECL)
Treasury bills of the Bank of Mongolia		
- Excellent	755,481,396	1,735,200,101
Less: Credit loss allowance	(626,908)	(1,483,872)
Carrying value (fair value)	754,854,488	1,733,716,229

The following table discloses government bonds measured at FVTOCI:

<i>In thousands of Mongolian Tugriks</i>	30 June 2025	31 December 2024
	Stage 1 (12-months ECL)	Stage 1 (12-months ECL)
Government bonds		
- Excellent	457,498,915	522,931,067
Less: Credit loss allowance	(6,417,920)	(7,969,752)
Add: Fair value adjustment from AC to FV	10,668,153	12,427,451
Carrying value (fair value)	461,749,148	527,388,766

The following table discloses other bonds measured at FVTOCI:

<i>In thousands of Mongolian Tugriks</i>	30 June 2025	31 December 2024
	Stage 1 (12-months ECL)	Stage 1 (12-months ECL)
Other bonds		
- Excellent	20,046,027	20,061,370
Less: Credit loss allowance	(292,150)	(296,438)
Add: Fair value adjustment from AC to FV	292,150	296,438
Carrying value (fair value)	20,046,027	20,061,370

9 Investments in Debt Securities (continued)

The following table discloses the changes in the credit loss allowance and gross carrying value of debt securities carried at fair value through other comprehensive income between the beginning and the end of the reporting period:

<i>In thousands of Mongolian Tugriks</i>	Credit loss allowance Stage 1 (12-months ECL)	Gross carrying value Stage 1 (12-months ECL)
<i>Treasury bills of the Bank of Mongolia at FVTOCI</i>		
At 1 January 2025	1,483,872	1,735,200,101
<i>Movements with impact on credit loss allowance charge for the period:</i>		
New originated or purchased	626,908	7,219,000,000
Derecognised during the period	(1,483,872)	(8,198,718,705)
At 30 June 2025	626,908	755,481,396
<i>Government bonds at FVTOCI</i>		
At 1 January 2025	7,969,752	535,358,518
<i>Movements with impact on credit loss allowance charge for the period:</i>		
New originated or purchased	371,460	14,630,600
Derecognised during the period	(1,923,292)	(101,149,545)
Total gross carrying value	6,417,920	448,839,573
<i>Movements without impact on credit loss allowance charge for the period:</i>		
FX and other movements	-	8,659,342
Fair value adjustment from AC to FV	-	10,668,153
At 30 June 2025	6,417,920	468,167,068
<i>Other Bonds at FVTOCI</i>		
At 1 January 2025	296,438	20,357,808
<i>Movements with impact on credit loss allowance charge for the period:</i>		
New originated or purchased	-	-
Derecognised during the period	(4,288)	-
Total gross carrying value	292,150	20,357,808
<i>Movements without impact on credit loss allowance charge for the period:</i>		
FX and other movements	-	(311,781)
Fair value adjustment from AC to FV	-	292,150
At 30 June 2025	292,150	20,338,177

9 Investments in Debt Securities (continued)

Investments in debt securities at AC

The following table discloses the changes in the credit loss allowance for investments in debt securities carried at AC between the beginning and the end of the reporting period:

<i>In thousands of Mongolian Tugriks</i>	Credit loss allowance Stage 1 (12-months ECL)	Gross carrying amount Stage 1 (12-months ECL)
Other bonds at AC		
At 1 January 2025	11,894	6,859,616
<i>Movements with impact on credit loss allowance charge for the period:</i>		
Derecognised during the period	(3,131)	-
FX and other movements	-	320,920
Changes in accrued interest	-	(771)
Total movements with impact on credit loss allowance charge for the period	(3,131)	320,149
At 30 June 2025	8,763	7,179,765

The following table discloses reconciliation of movements in debt securities measured at FVTPL within Level 3 of the fair value hierarchy during the period:

<i>In thousands of Mongolian Tugriks</i>	MIK bonds	SFC bonds	Corporate bonds	Total
At 1 January 2025	293,181,247	8,738,180	-	301,919,427
New originated or purchased	55,606,100	-	21,297,326	76,903,426
Derecognised during the period	(49,217,200)	(2,409,500)	(15,518,000)	(67,144,700)
Accrual less interest received	(930,278)	12,148	19,295	(898,835)
FX and other movements	-	-	537,959	537,959
Total gross carrying value at 30 June 2025	298,639,869	6,340,828	6,336,580	311,317,277
<i>In thousands of Mongolian Tugriks</i>	MIK bonds	SFC bonds	Total	
At 1 January 2024	237,986,552	22,379,486	260,366,038	
New originated or purchased	179,452,300	-	179,452,300	
Derecognised during the period	(124,257,605)	(13,641,306)	(137,898,911)	
Total gross carrying value at 31 December 2024	293,181,247	8,738,180	301,919,427	

10 Investments in Equity Securities

<i>In thousands of Mongolian Tugriks</i>	30 June 2025	31 December 2024
Equity securities at FVTPL	64,047,584	68,671,684
Equity securities at FVTOCI	35,551,137	1,143,186
Total investments in equity securities	99,598,721	69,814,870

The following table discloses reconciliation of movements in equity securities measured at FVTOCI within Level 3 of the fair value hierarchy during the year:

<i>In thousands of Mongolian Tugriks</i>	30 June 2025	31 December 2024
At 1 January	444,264	448,713
New originated or purchased	34,371,335	-
Derecognised during the period	-	-
FX and other movements	12,438	(4,449)
Fair value adjustment	-	-
Total gross carrying amount	34,828,037	444,264

11 Loans and Advances to Customers

<i>In thousands of Mongolian Tugriks</i>	30 June 2025	31 December 2024
Gross carrying amount of loans and advances to customers at AC	7,688,609,047	7,075,596,491
Less: Credit loss allowance	(152,220,172)	(172,192,723)
Total carrying amount of loans and advances to customers at AC	7,536,388,875	6,903,403,768
Loans and advances to customers at FVTPL / Mortgage/	500,623,621	439,372,589
Loans and advances to customers at FVTPL / SME/	1,707,294	5,461,570
Loans and advances to customers at FVTPL / Corporate/	-	3,143,234
Total loans and advances to customers	8,038,719,790	7,351,381,161

11 Loans and Advances to Customers (continued)

Gross carrying amount and credit loss allowance amount for loans and advances to customers at AC by classes at 30 June 2025 and 31 December 2024 are disclosed in the table below:

<i>In thousands of Mongolian Tugriks</i>	30 June 2025			31 December 2024		
	Gross carrying amount	Credit loss allowance	Carrying amount	Gross carrying amount	Credit loss allowance	Carrying amount
Loans to corporate customers						
Loans to Corporate	2,485,389,693	(74,531,849)	2,410,857,844	2,468,713,485	(113,537,000)	2,355,176,485
Loans to SME	2,000,254,795	(25,408,666)	1,974,846,129	1,722,046,754	(25,081,494)	1,696,965,260
Loans to individuals						
Consumer loans	2,106,837,012	(49,153,271)	2,057,683,741	1,948,272,050	(30,587,363)	1,917,684,687
Mortgage loans	1,096,127,547	(3,126,386)	1,093,001,161	936,564,202	(2,986,866)	933,577,336
Total loans and advances to customers at AC	7,688,609,047	(152,220,172)	7,536,388,875	7,075,596,491	(172,192,723)	6,903,403,768

11 Loans and Advances to Customers (continued)

As of 30 June 2025, loss on initial recognition of loans at rates below market in the amount of MNT 4,579 thousand has been recorded in profit or loss for the year.

The following table discloses the changes in the credit loss allowance and gross carrying amount for loans and advances to customers carried at amortised cost between the beginning and the end of the reporting period:

	Credit loss allowances				Gross carrying amount			
	Stage 1 (12-months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit impaired)	Total	Stage 1 (12-months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit impaired)	Total
<i>In thousands of Mongolian Tugriks</i>								
Corporate								
At 1 January 2025	4,265,213	7,648,017	101,623,770	113,537,000	2,160,518,307	130,147,202	178,047,976	2,468,713,485
Movements with impact on credit loss allowance charge for the period:								
Transfers:								
- from Stage 2 and Stage 3 to Stage 1	146,755	(146,755)	-	-	24,861,551	(24,861,551)	-	-
- from Stage 1 and Stage 3 to Stage 2	(1,752,017)	7,610,748	(5,858,731)	-	(4,141,099)	11,298,635	(7,157,536)	-
- from Stage 1 and Stage 2 to Stage 3	(2,872,814)	(114,395)	2,987,209	-	(6,261,813)	(15,852,346)	22,114,159	-
New originated or purchased	1,510,551	3,055,662	9,106,969	13,673,182	537,003,248	4,233,045	36,316,465	577,552,758
Derecognised during the period	(499,501)	(1,369,112)	(9,838,332)	(11,706,945)	(516,736,601)	(5,430,876)	(34,029,623)	(556,197,100)
FX and other movements	7,499,312	(6,017,756)	(42,452,944)	(40,971,388)	61,211,828	(8,812,966)	(57,078,312)	(4,679,450)
At 30 June 2025	8,297,499	10,666,409	55,567,941	74,531,849	2,256,455,421	90,721,143	138,213,129	2,485,389,693

11 Loans and Advances to Customers (continued)

	Credit loss allowances			Total	Gross carrying amount			Total
	Stage 1 (12-months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit im- paired)		Stage 1 (12-months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit im- paired)	
In thousands of Mongolian Tugriks								
Corporate								
At 1 January 2024	5,366,573	630	89,883,801	95,251,004	1,144,771,057	66,662,440	180,587,064	1,392,020,561
Movements with impact on credit loss allowance charge for the period:								
Transfers:								
- from Stage 2 and Stage 3 to Stage 1	4,556	-	(4,556)	-	4,973,607	-	(4,973,607)	-
- from Stage 1 and Stage 3 to Stage 2	(1,350,878)	2,647,431	(1,296,553)	-	(50,551,809)	63,549,287	(12,997,478)	-
- from Stage 1 and Stage 2 to Stage 3	(7,031,423)	(1,313,890)	8,345,313	-	(23,002,892)	(4,647,773)	27,650,665	-
New originated or purchased	3,249,434	3,834,575	8,617,725	15,701,734	1,589,169,500	56,786,232	15,381,767	1,661,337,499
Derecognised during the period	(1,069,154)	(630)	(3,893,430)	(4,963,214)	(539,495,884)	(47,000,885)	(17,987,649)	(604,484,418)
Write-offs	-	-	-	-	-	-	-	-
FX and other movements	5,096,105	2,479,901	(28,530)	7,547,476	34,654,728	(5,202,099)	(9,612,786)	19,839,843
At 31 December 2024	4,265,213	7,648,017	101,623,770	113,537,000	2,160,518,307	130,147,202	178,047,976	2,468,713,485

11 Loans and Advances to Customers (continued)

	Credit loss allowances				Gross carrying amount			
	Stage 1 (12-months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit impaired)	Total	Stage 1 (12-months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit impaired)	Total
<i>In thousands of Mongolian Tugriks</i>								
SME								
At 1 January 2025	1,094,651	4,759,643	19,227,200	25,081,494	1,604,255,879	42,111,537	75,679,338	1,722,046,754
Movements with impact on credit loss allowance charge for the period:								
Transfers:								
- from Stage 2 and Stage 3 to Stage 1	18,406	(16,946)	(1,460)	-	8,525,264	(5,487,914)	(3,037,350)	-
- from Stage 1 and Stage 3 to Stage 2	(1,115,796)	1,116,214	(418)	-	(44,920,619)	45,047,152	(126,533)	-
- from Stage 1 and Stage 2 to Stage 3	(153,246)	(6,169,965)	6,323,211	-	(5,937,175)	(15,572,100)	21,509,275	-
New originated or purchased	481,478	62,966	-	544,444	733,998,931	10,374,873	110,504	744,484,308
Derecognised during the period	(78,642)	(237,464)	(941,627)	(1,257,733)	(247,781,442)	(11,570,661)	(7,173,064)	(266,525,167)
FX and other movements	1,207,313	1,778,938	(1,945,790)	1,040,461	(184,687,375)	(2,499,398)	(12,564,327)	(199,751,100)
At 30 June 2025	1,454,164	1,293,386	22,661,116	25,408,666	1,863,453,463	62,403,489	74,397,843	2,000,254,795

11 Loans and Advances to Customers (continued)

	Credit loss allowances				Gross carrying amount			
	Stage 1 (12-months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit im- paired)	Total	Stage 1 (12-months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit impaired)	Total
<i>In thousands of Mongolian Tugriks</i>								
SME								
At 1 January 2024	1,067,134	330,671	27,910,662	29,308,467	1,101,685,726	24,369,243	104,515,841	1,230,570,810
<i>Movements with impact on credit loss allowance charge for the period:</i>								
Transfers:								
- from Stage 2 and Stage 3 to Stage 1	698	(1)	(697)	-	5,867,658	(3,598,764)	(2,268,894)	-
- from Stage 1 and Stage 3 to Stage 2	(4,384,672)	4,384,672	-	-	(17,163,445)	18,415,708	(1,252,263)	-
- from Stage 1 and Stage 2 to Stage 3	(229,126)	(486,386)	715,512	-	(2,972,885)	(4,426,643)	7,399,528	-
New originated or purchased	760,560	373,108	166,158	1,299,826	1,080,495,074	21,393,883	4,362,432	1,106,251,389
Derecognised during the period	(232,711)	(29,408)	(3,798,419)	(4,060,538)	(340,280,963)	(9,563,235)	(20,795,811)	(370,640,009)
Write-offs	-	-	(112,579)	(112,579)	-	-	(247,664)	(247,664)
FX and other movements	4,112,768	186,987	(5,653,437)	(1,353,682)	(223,375,286)	(4,478,655)	(16,033,831)	(243,887,772)
At 31 December 2024	1,094,651	4,759,643	19,227,200	25,081,494	1,604,255,879	42,111,537	75,679,338	1,722,046,754

11 Loans and Advances to Customers (continued)

	Credit loss allowances				Gross carrying amount			
	Stage 1 (12-months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit impaired)	Total	Stage 1 (12-months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit impaired)	Total
<i>In thousands of Mongolian Tugriks</i>								
Consumer								
At 1 January 2025	5,207,312	2,493,051	22,887,000	30,587,363	1,873,431,041	36,533,562	38,307,447	1,948,272,050
Movements with impact on credit loss allowance charge for the period:								
Transfers:								
- from Stage 2 and Stage 3 to Stage 1	46,169	(45,628)	(541)	-	5,139,368	(4,968,207)	(171,161)	-
- from Stage 1 and Stage 3 to Stage 2	(3,226,496)	3,227,073	(577)	-	(43,941,896)	43,953,090	(11,194)	-
- from Stage 1 and Stage 2 to Stage 3	(7,214,081)	(7,879,058)	15,093,139	-	(17,544,544)	(17,844,113)	35,388,657	-
New originated or purchased	1,623,291	666,426	223,688	2,513,405	641,519,944	9,468,180	586,479	651,574,603
Derecognised during the period	(498,094)	(92,332)	(1,616,463)	(2,206,889)	(310,008,857)	(1,624,821)	(2,938,705)	(314,572,383)
FX and other movements	10,437,412	6,061,817	1,760,163	18,259,392	(170,150,093)	(5,657,859)	(2,629,306)	(178,437,258)
At 30 June 2025	6,375,513	4,431,349	38,346,409	49,153,271	1,978,444,963	59,859,832	68,532,217	2,106,837,012

11 Loans and Advances to Customers (continued)

	Credit loss allowances				Gross carrying amount			
	Stage 1 (12-months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit im- paired)	Total	Stage 1 (12-months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit im- paired)	Total
<i>In thousands of Mongolian Tugriks</i>								
Consumer								
At 1 January 2024	3,446,496	1,081,154	31,970,215	36,497,865	1,138,389,096	15,400,042	44,961,221	1,198,750,359
<i>Movements with impact on credit loss allowance charge for the period:</i>								
Transfers:								
- from Stage 2 and Stage 3 to Stage 1	14,499	(9,997)	(4,502)	-	2,940,346	(1,900,582)	(1,039,764)	-
- from Stage 1 and Stage 3 to Stage 2	(586,864)	589,825	(2,961)	-	(9,465,670)	9,528,143	(62,473)	-
- from Stage 1 and Stage 2 to Stage 3	(2,858,467)	(1,199,542)	4,058,009	-	(7,287,007)	(2,578,133)	9,865,140	-
New originated or purchased	3,178,503	1,851,632	3,052,756	8,082,891	1,189,133,085	26,192,622	9,055,565	1,224,381,272
Derecognised during the period	(872,728)	(282,347)	(8,175,344)	(9,330,419)	(382,168,809)	(4,812,600)	(12,505,515)	(399,486,924)
Write-offs	-	(14,476)	(5,359,872)	(5,374,348)	-	(14,874)	(6,776,364)	(6,791,238)
FX and other movements	2,885,873	476,802	(2,651,301)	711,374	(58,110,000)	(5,281,056)	(5,190,363)	(68,581,419)
At 31 December 2024	5,207,312	2,493,051	22,887,000	30,587,363	1,873,431,041	36,533,562	38,307,447	1,948,272,050

11 Loans and Advances to Customers (continued)

	Credit loss allowances				Gross carrying amount			
	Stage 1 (12-months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit impaired)	Total	Stage 1 (12-months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit impaired)	Total
<i>In thousands of Mongolian Tugriks</i>								
Mortgage								
At 1 January 2025	107,015	30,225	2,849,626	2,986,866	904,098,783	12,843,185	19,622,234	936,564,202
Movements with impact on credit loss allowance charge for the period:								
Transfers:								
- from Stage 2 and Stage 3 to Stage 1	472	(465)	(7)	-	4,219,374	(3,753,631)	(465,743)	-
- from Stage 1 and Stage 3 to Stage 2	(55,861)	57,023	(1,162)	-	(9,838,448)	10,210,403	(371,955)	-
- from Stage 1 and Stage 2 to Stage 3	(3,715)	(34,633)	38,348	-	(1,260,650)	(1,699,900)	2,960,550	-
New originated or purchased	20,373	44,364	5,175	69,912	237,015,613	1,319,845	88,192	238,423,650
Derecognised during the period	(9,366)	(9,205)	(261,504)	(280,075)	(35,965,549)	(1,111,128)	(765,696)	(37,842,373)
FX and other movements	52,024	26,475	271,184	349,683	(39,684,500)	(577,317)	(756,115)	(41,017,932)
At 30 June 2025	110,942	113,784	2,901,660	3,126,386	1,058,584,623	17,231,457	20,311,467	1,096,127,547

11 Loans and Advances to Customers (continued)

	Credit loss allowances				Gross carrying amount			
	Stage 1 (12-months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit im- paired)	Total	Stage 1 (12-months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit im- paired)	Total
<i>In thousands of Mongolian Tugriks</i>								
Mortgage								
At 1 January 2024	360,915	74,731	3,698,606	4,134,252	618,686,448	7,877,177	28,382,630	654,946,255
<i>Movements with impact on credit loss allowance charge for the period:</i>								
Transfers:								
- from Stage 2 and Stage 3 to Stage 1	2,008	(467)	(1,541)	-	7,290,910	(2,104,843)	(5,186,067)	-
- from Stage 1 and Stage 3 to Stage 2	(14,608)	14,644	(36)	-	(7,681,420)	7,997,435	(316,015)	-
- from Stage 1 and Stage 2 to Stage 3	(210,539)	(85,837)	296,376	-	(2,647,644)	(2,208,957)	4,856,601	-
New originated or purchased	27,273	9,781	4,655	41,709	414,539,044	2,266,032	155,612	416,960,688
Derecognised during the period	(30,976)	(7,832)	(1,072,334)	(1,111,142)	(62,092,326)	(488,472)	(6,064,109)	(68,644,907)
Write-offs	-	-	(105,000)	(105,000)	-	-	(112,811)	(112,811)
FX and other movements	(27,058)	25,205	28,900	27,047	(63,996,229)	(495,187)	(2,093,607)	(66,585,023)
At 31 December 2024	107,015	30,225	2,849,626	2,986,866	904,098,783	12,843,185	19,622,234	936,564,202

11 Loans and Advances to Customers (continued)

The loans and advances to customers at FVTPL changes between the beginning and end of the reporting periods are as follows at 30 June 2025:

<i>In thousands of Mongolian Tugriks</i>	Mortgage	SME	Corporate	Total
At 1 January 2025	439,372,589	5,461,570	3,143,234	447,977,393
Movement between FVTPL and AC	7,807,523	-	-	7,807,523
New originated or purchased	118,116,731	-	-	118,116,731
Derecognised during the period	(59,286,554)	(1,795,713)	(3,143,234)	(64,225,501)
Write-offs	-	-	-	-
Repayment	(5,386,668)	(1,958,563)	-	(7,345,231)
At 30 June 2025	500,623,621	1,707,294	-	502,330,915

Movements in the expected credit loss allowance for loans to legal entities and individuals are as follows:

<i>In thousands of Mongolian Tugriks</i>	Loans to Corporate	Loans to SME	Consumer loans	Mortgage loans	Total
Expected credit loss allowance at 1 January 2025	113,537,000	25,081,494	30,587,363	2,986,866	172,192,723
Credit loss allowance charge/(recovery) during the year	(44,492,512)	(6,381,890)	17,502,075	139,520	(33,232,807)
Recovered amounts from previously written off loans	7,131,184	6,709,725	1,173,738	-	15,014,647
Foreign exchange difference	(1,643,823)	(663)	(109,905)	-	(1,754,391)
Expected credit loss allowance at 30 June 2025	74,531,849	25,408,666	49,153,271	3,126,386	152,220,172

<i>In thousands of Mongolian Tugriks</i>	Loans to Corporate	Loans to SME	Consumer loans	Mortgage loans	Total
Expected credit loss allowance at 1 January 2024	95,251,004	29,308,467	36,497,865	4,134,252	165,191,588
Credit loss allowance charge/(recovery) during the year	8,322,250	(8,163,902)	(4,637,766)	(1,042,386)	(5,521,804)
Recovered amounts from previously written off loans	11,249,005	4,057,680	4,200,635	-	19,507,320
Amounts written off during the year as uncollectible	-	(112,579)	(5,374,348)	(105,000)	(5,591,927)
Foreign exchange difference	(1,285,259)	(8,172)	(99,023)	-	(1,392,454)
Expected credit loss allowance at 31 December 2024	113,537,000	25,081,494	30,587,363	2,986,866	172,192,723

11 Loans and Advances to Customers (continued)

The credit quality of loans to corporate and individual customers carried at amortised cost is as follows at 30 June 2025:

<i>In thousands of Mongolian Tugriks</i>	Stage 1 (12- months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit impaired)	Total
Loans to Corporate				
- Excellent	2,256,455,421	-	-	2,256,455,421
- Good	-	90,721,143	-	90,721,143
- Satisfactory	-	-	31,966,197	31,966,197
- Special Monitoring	-	-	42,408,326	42,408,326
- Default	-	-	63,838,606	63,838,606
Gross carrying amount	2,256,455,421	90,721,143	138,213,129	2,485,389,693
Less: Credit loss allowance	(8,297,499)	(10,666,409)	(55,567,941)	(74,531,849)
Carrying amount	2,248,157,922	80,054,734	82,645,188	2,410,857,844

11 Loans and Advances to Customers (continued)

<i>In thousands of Mongolian Tugriks</i>	Stage 1 (12- months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit impaired)	Total
Loans to SME				
- Excellent	1,863,453,463	-	-	1,863,453,463
- Good	-	62,403,489	-	62,403,489
- Satisfactory	-	-	20,157,552	20,157,552
- Special monitoring	-	-	4,158,704	4,158,704
- Default	-	-	50,081,587	50,081,587
Gross carrying amount	1,863,453,463	62,403,489	74,397,843	2,000,254,795
Less: Credit loss allowance	(1,454,164)	(1,293,386)	(22,661,116)	(25,408,666)
Carrying amount	1,861,999,299	61,110,103	51,736,727	1,974,846,129
Consumer loans				
- Excellent	1,978,444,963	-	-	1,978,444,963
- Good	-	59,859,832	-	59,859,832
- Satisfactory	-	-	5,380,232	5,380,232
- Special monitoring	-	-	5,380,721	5,380,721
- Default	-	-	57,771,264	57,771,264
Gross carrying amount	1,978,444,963	59,859,832	68,532,217	2,106,837,012
Less: Credit loss allowance	(6,375,513)	(4,431,349)	(38,346,409)	(49,153,271)
Carrying amount	1,972,069,450	55,428,483	30,185,808	2,057,683,741
Mortgage loans				
- Excellent	1,058,584,623	-	-	1,058,584,623
- Good	-	17,231,457	-	17,231,457
- Satisfactory	-	-	4,062,848	4,062,848
- Special monitoring	-	-	6,636,415	6,636,415
- Default	-	-	9,612,204	9,612,204
Gross carrying amount	1,058,584,623	17,231,457	20,311,467	1,096,127,547
Less: Credit loss allowance	(110,942)	(113,784)	(2,901,660)	(3,126,386)
Carrying amount	1,058,473,681	17,117,673	17,409,807	1,093,001,161

11 Loans and Advances to Customers (continued)

The credit quality of loans to corporate and individual customers carried at amortised cost is as follows at 31 December 2024:

<i>In thousands of Mongolian Tugriks</i>	Stage 1 (12-months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit impaired)	Total
Loans to Corporate				
- Excellent	2,160,518,307	-	-	2,160,518,307
- Good	-	130,147,202	-	130,147,202
- Satisfactory	-	-	21,003,499	21,003,499
- Special Monitoring	-	-	35,719,170	35,719,170
- Default	-	-	121,325,307	121,325,307
Gross carrying amount	2,160,518,307	130,147,202	178,047,976	2,468,713,485
Less: Credit loss allowance	(4,265,213)	(7,648,017)	(101,623,770)	(113,537,000)
Carrying amount	2,156,253,094	122,499,185	76,424,206	2,355,176,485
Loans to SME				
- Excellent	1,604,255,879	-	-	1,604,255,879
- Good	-	42,111,537	-	42,111,537
- Satisfactory	-	-	5,406,517	5,406,517
- Special monitoring	-	-	14,110,341	14,110,341
- Default	-	-	56,162,480	56,162,480
Gross carrying amount	1,604,255,879	42,111,537	75,679,338	1,722,046,754
Less: Credit loss allowance	(1,094,651)	(4,759,643)	(19,227,200)	(25,081,494)
Carrying amount	1,603,161,228	37,351,894	56,452,138	1,696,965,260
Consumer loans				
- Excellent	1,873,431,041	-	-	1,873,431,041
- Good	-	36,533,562	-	36,533,562
- Satisfactory	-	-	2,117,233	2,117,233
- Special monitoring	-	-	4,019,333	4,019,333
- Default	-	-	32,170,881	32,170,881
Gross carrying amount	1,873,431,041	36,533,562	38,307,447	1,948,272,050
Less: Credit loss allowance	(5,207,312)	(2,493,051)	(22,887,000)	(30,587,363)
Carrying amount	1,868,223,729	34,040,511	15,420,447	1,917,684,687

11 Loans and Advances to Customers (continued)

<i>In thousands of Mongolian Tugriks</i>	Stage 1 (12- months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit impaired)	Total
<i>Mortgage loans</i>				
- Excellent	904,098,783	-	-	904,098,783
- Good	-	12,843,185	-	12,843,185
- Satisfactory	-	-	5,525,111	5,525,111
- Special monitoring	-	-	5,327,500	5,327,500
- Default	-	-	8,769,623	8,769,623
Gross carrying amount	904,098,783	12,843,185	19,622,234	936,564,202
Less: Credit loss allowance	(107,015)	(30,225)	(2,849,626)	(2,986,866)
Carrying amount	903,991,768	12,812,960	16,772,608	933,577,336

11 Loans and Advances to Customers (continued)

Economic sector risk concentrations within the customer loan portfolio are as follows:

<i>In thousands of Mongolian Tugriks</i>	30 June 2025		31 December 2024	
	Amount	%	Amount	%
Trade - Whole & Retail	1,894,910,677	23.13%	1,581,901,671	21.03%
Individuals	1,693,541,929	20.68%	1,434,297,921	19.06%
Mortgage & House maintenance	1,596,751,168	19.49%	1,375,936,791	18.29%
Mining & Exploration	639,086,546	7.80%	638,158,917	8.48%
Maintenance	407,852,057	4.98%	266,548,295	3.54%
Finance	397,909,092	4.86%	247,436,649	3.29%
Transport & Communication	372,206,045	4.54%	158,017,021	2.10%
Manufacturing	342,229,851	4.18%	276,763,325	3.68%
Construction	206,858,903	2.53%	362,477,558	4.82%
Real estate	141,478,293	1.73%	144,161,113	1.92%
Agriculture	136,951,927	1.67%	53,752,553	0.71%
Electricity & Oil	68,494,992	0.84%	231,279,020	3.07%
Hotel & Restaurant	66,566,325	0.81%	43,369,828	0.58%
Car	66,017,418	0.80%	8,574,305	0.11%
Education	54,536,930	0.67%	47,430,133	0.63%
Home appliances	46,618,763	0.57%	506,182,642	6.73%
Healthcare	34,542,326	0.42%	70,020,058	0.93%
Social services	8,843,004	0.11%	2,634,428	0.04%
Others	5,863,860	0.07%	61,235,608	0.81%
Tourism	4,927,983	0.06%	7,762,450	0.10%
Entrepreneurship	2,453,673	0.03%	1,162,345	0.02%
Public service	2,298,200	0.03%	4,471,253	0.06%
Total gross carrying value	8,190,939,962	100%	7,523,573,884	100%

12 Investment Properties

Below is the information on changes in investment properties as follows at 30 June 2025:

<i>In thousands of Mongolian Tugriks</i>	30 June 2025	31 December 2024
Investment properties at fair value at 1 January	8,014,077	6,586,475
Disposals	-	-
Fair value gain/(losses)	-	1,427,602
Closing balance of Investment properties at fair value	8,014,077	8,014,077

The Bank's intention is to keep the premises for the purposes of earning rental income, capital appreciation, or both, and not to occupy premises by the Bank.

13 Other Assets

<i>In thousands of Mongolian Tugriks</i>	30 June 2025	31 December 2024
Other financial assets at FV:		
Precious metals	7,972,857	13,154,667
Total other financial assets at FV	7,972,857	13,154,667
Other financial assets at AC:		
Receivables on cash and settlements services	48,714,851	5,734,890
Receivable from companies	8,419,944	9,347,187
Receivable from individuals	3,127,714	3,016,631
Other financial assets	3,288,850	2,739,041
Less: Credit loss allowance	(6,283,651)	(5,906,350)
Total other financial assets at AC	57,267,708	14,931,399
Total other financial assets	65,240,565	28,086,066
Other non-financial assets		
Prepayments for non-current assets	463,417,364	437,894,254
Prepayments for employees' benefits	19,431,461	13,974,105
Prepayments for rent	1,332,442	954,228
Other prepayments	25,850,646	13,196,119
Other non-financial assets	10,872,388	8,485,397
Total non-financial assets	520,904,301	474,504,103
Total other assets	586,144,866	502,590,169

13 Other Assets (continued)

Movements in the provision for asset impairment are as follows at 30 June 2025:

<i>In thousands of Mongolian Tugriks</i>	Receivable from compa- nies	Receivable from individ- uals	Receivables on cash and settle- ment services	Total
Expected credit loss allowance of other assets at 1 January 2025	3,453,076	2,446,781	6,493	5,906,350
Credit loss allowance charge/(recovery) during the year	163,205	179,023	10,149	352,377
Exchange difference	1,621	22,682	621	24,924
Expected credit loss allowance of other assets at 30 June 2025	3,617,902	2,648,486	17,263	6,283,651

Movements in the provision for asset impairment are as follows at 31 December 2024:

<i>In thousands of Mongolian Tugriks</i>	Receivable from compa- nies	Receivable from individ- uals	Receivables on cash and settle- ment services	Total
Expected credit loss allowance of other assets at 1 January 2024	4,002,023	2,260,851	2,926	6,265,800
Credit loss allowance charge/(recovery) during the year	(553,330)	186,687	3,490	(363,153)
Exchange difference	4,413	(94)	77	4,396
Amounts written off during the year as un- collectible	(30)	(663)	-	(693)
Expected credit loss allowance of other assets at 31 December 2024	3,453,076	2,446,781	6,493	5,906,350

14 Intangible Assets

<i>In thousands of Mongolian Tugriks</i>	Computer software licences	Land use right	Total
Cost at 1 January 2024	50,982,580	693,313	51,675,893
Accumulated amortization	(32,790,566)	(6,679)	(32,797,245)
Carrying amount at 1 January 2024	18,192,014	686,634	18,878,648
Additions	13,304,763	-	13,304,763
Transfers to premises and equipment	-	(672,984)	(672,984)
Amortisation	(8,817,863)	(6,679)	(8,824,542)
Carrying amount at 31 December 2024	22,678,914	6,971	22,685,885
Cost at 1 January 2025	64,287,343	20,329	64,307,672
Accumulated amortization	(41,608,429)	(13,358)	(41,621,787)
Carrying amount at 1 January 2025	22,678,914	6,971	22,685,885
Additions	1,609,727	238,913	1,848,640
Transfer from premises and equipment	-	8,000,000	8,000,000
Other transfer	(4,725)	-	(4,725)
Amortization	(4,549,754)	(3,248)	(4,553,002)
Transfers of accumulated amortization	4,725	-	4,725
Carrying amount at 30 June 2025	19,738,887	8,242,636	27,981,523

Golomt Bank JSC
Notes to the Condensed Interim Financial Statement – 30 June 2025

15 Premises and Equipment

<i>In thousands of Mongolian Tugriks</i>	Premises	Motor vehicles	Office equipment and computers	Furniture	Leasehold improvement	Construction in progress	Total premises and equipment
Cost/valuation at 1 January 2024	116,537,552	4,410,514	119,928,289	9,844,191	8,080,633	650,454	259,451,633
Accumulated depreciation	(17,006,956)	(1,796,909)	(81,034,267)	(4,431,778)	(4,098,732)	-	(108,368,642)
Carrying amount at 1 January 2024	99,530,596	2,613,605	38,894,022	5,412,413	3,981,901	650,454	151,082,991
Additions	11,620,809	1,306,872	26,967,373	2,054,751	4,867,790	8,000,000	54,817,595
Transfer from Intangible Assets	672,984	-	-	-	-	-	672,984
Transfers	650,454	-	(226,078)	226,078	-	(650,454)	-
Disposals	(449,756)	(161,800)	(3,246,388)	(94,462)	(300,000)	-	(4,252,406)
Write-offs	-	-	(5,068,622)	(437,363)	(1,680,547)	-	(7,186,532)
Depreciation	(3,943,990)	(542,043)	(18,224,008)	(638,605)	(2,240,608)	-	(25,589,254)
Transfers of accumulated depreciation	-	-	(3,926)	3,926	-	-	-
Disposals of accumulated depreciation	32,981	132,532	1,412,026	64,801	-	-	1,642,340
Write-offs of accumulated depreciation	-	-	5,068,596	436,372	1,680,547	-	7,185,515
Revaluation	21,730,743	-	-	-	-	-	21,730,743
Carrying amount at 31 December 2024	129,844,821	3,349,166	45,572,995	7,027,911	6,309,083	8,000,000	200,103,976
Cost/valuation at 1 January 2025	136,009,951	5,555,586	138,354,574	11,593,195	10,967,876	8,000,000	310,481,182
Accumulated depreciation	(6,165,130)	(2,206,420)	(92,781,579)	(4,565,284)	(4,658,793)	-	(110,377,206)
Carrying amount at 1 January 2025	129,844,821	3,349,166	45,572,995	7,027,911	6,309,083	8,000,000	200,103,976
Additions	6,013,366	326,000	12,060,323	862,962	1,794,986	-	21,057,637
Transfers	-	-	(4,296)	4,296	-	(8,000,000)	(8,000,000)
Disposals	-	-	(1,845,200)	(82,681)	-	-	(1,927,881)
Write-offs	-	(58,000)	(9,007,648)	(165,197)	(914,403)	-	(10,145,248)
Depreciation	(2,030,378)	(289,428)	(7,875,187)	(371,837)	(1,195,846)	-	(11,762,676)
Transfers of accumulated depreciation	-	-	(189)	189	-	-	-
Disposals of accumulated depreciation	-	-	1,007,932	67,097	-	-	1,075,029
Write-offs of accumulated depreciation	-	32,880	9,007,648	165,197	914,403	-	10,120,128
Carrying amount at 30 June 2025	133,827,809	3,360,618	48,916,378	7,507,937	6,908,223	-	200,520,965

16 Right of Use Assets

The Bank leases various offices and spaces for ATM, garages and warehouses. Rental contracts are typically made for fixed periods of 1 year to 10 years.

The right of use assets by class of underlying items is analysed as follows:

<i>In thousands of Mongolian Tugriks</i>	Buildings	Other	Total
Carrying amount at 1 January 2024	16,109,914	665,365	16,775,279
Additions	18,253,437	3,844	18,257,281
Disposals	(977,464)	(2,148)	(979,612)
Depreciation charge	(8,502,764)	(663,699)	(9,166,463)
Carrying amount at 31 December 2024	24,883,123	3,362	24,886,485
Additions	13,013,137	4,279,148	17,292,285
Disposals	(5,299,514)	-	(5,299,514)
Depreciation charge	(5,415,573)	(415,957)	(5,831,530)
Carrying amount at 30 June 2025	27,181,173	3,866,553	31,047,726

17 Assets Classified as Held for Sale

Assets classified as held for sale were repossessed collateral, acquired by the Bank in settlement of overdue loans.

Major classes of assets classified as held for sale are as follows:

<i>In thousands of Mongolian Tugriks</i>	30 June 2025	31 December 2024
Office and commercial spaces	20,996,860	19,462,024
Residential apartments or houses	65,260,367	11,634,001
Buildings	9,753,366	898,319
Other	5,435,605	7,551,437
Total assets held for sale	101,446,198	39,545,781

As of 30 June 2025, the Bank sold offices, commercial spaces and residential apartments in amount of MNT 22,973,111 thousand.

18 Due to Other Banks

<i>In thousands of Mongolian Tugriks</i>	30 June 2025	31 December 2024
Short-term placements of other banks	179,802,500	443,274,660
Total due to other banks	179,802,500	443,274,660

19 Customer Accounts

<i>In thousands of Mongolian Tugriks</i>	30 June 2025	31 December 2024
Individuals	4,691,403,315	4,401,002,994
- Current accounts	801,423,137	780,135,672
- Demand deposits	626,103,035	620,995,475
- Term deposits	3,263,877,143	2,999,871,847
Legal entities	3,633,708,138	3,817,798,645
- Current/settlement accounts	2,776,525,992	2,896,837,462
- Term deposits	857,182,146	920,961,183
State and public organizations	1,260,509,954	1,072,529,966
- Current/settlement accounts	543,215,975	627,827,458
- Term deposits	717,293,979	444,702,508
Other	101,980,817	85,511,476
- Current accounts	60,794,073	52,352,307
- Term deposits	41,186,744	33,159,169
Total customer accounts	9,687,602,224	9,376,843,081

At 30 June 2025, the Bank collateralised deposits of MNT 57,126,218 thousands (31 December 2024: MNT 50,761,476 thousands) for irrevocable commitments under bank guarantee and letter of credit.

20 Other Borrowed Funds

<i>In thousands of Mongolian Tugriks</i>	30 June 2025	31 December 2024
(a) Borrowed funds under projects		
Borrowed funds under Project /MNT/	431,514,398	384,637,262
Borrowed funds under Project /USD/	87,209	110,756
Total borrowed funds under projects	431,601,607	384,748,018
(b) Borrowings from foreign banks and financial institutions		
Borrowings from other foreign banks /USD/	384,445,066	733,903,539
(c) Trade finance from foreign banks and financial institutions		
Trade finance from foreign banks and financial institutions /USD/	109,364,464	129,171,672
Trade finance from foreign banks and financial institutions /EUR/	8,780,525	6,050,945
Trade finance from foreign banks and financial institutions /CNY/	3,076,269	-
Trade finance from foreign banks and financial institutions /KRW/	-	1,209
Total borrowings from foreign banks and financial institutions	505,666,324	869,127,365
TOTAL	937,267,931	1,253,875,383

Significant new borrowings and repayments between 1 Jan 2025 and 30 June 2025:

(a) Borrowed funds under project

The Bank obtained borrowing for an amount of MNT 94,500,000 thousand.

(b) Borrowings from foreign banks and financial institutions

The Bank obtained new borrowings for a total amount of USD 20,879 thousand with maturities ranging from 13 months to 37 months.

The Bank repaid borrowings for a total amount of USD 122,750 thousand.

21 Debt securities in Issue

On May 20, 2024, the Bank issued USD 300 million in senior notes on a standalone basis in the international debt market. The notes carried a coupon rate of 11% and a three-year maturity. In December, the Bank tapped the existing bonds with an additional USD 100 million issuance at an 8.5% yield, reflecting a 350 basis point compression compared to the initial offering. Furthermore, in January 2025, the Bank issued a USD 50 million sustainable bond with an 8% coupon, comprising USD 40 million allocated for green projects and USD 10 million for social initiatives.

<i>In thousands of Mongolian Tugriks</i>	30 June 2025	31 December 2024
Bond payable	1,561,566,726	1,369,878,337
Total debt securities in issue	1,561,566,726	1,369,878,337

22 REPO Arrangements

As of 30 June 2025, MNT 817,546,750 thousand (31 December 2024: MNT 1,402,962,803 thousand) of sale and repurchase agreements relate to placements from Bank of Mongolia and local banks bearing interest rate ranging from 12.0% to 14.0% p.a. (2024: from 7-12% p.a), with original maturities of 1 and 365 days (2024: 2-1,095 days). These placements are fully collateralized by the Bank of Mongolia treasury bills, MIK Senior bonds at FVTPL disclosed in Note 9.

As of 30 June 2025, the Bank entered into MNT 143,805,673 thousand (31 December 2024: MNT 137,391,058 thousand) of sale and repurchase agreements to increase its USD reserves. These placements are fully collateralized by the government bond disclosed in Note 9.

23 Other Liabilities

Other liabilities comprise the following:

<i>In thousands of Mongolian Tugriks</i>	30 June 2025	31 December 2024
Other financial liabilities at AC:	109,817,097	85,250,923
Liabilities for settlements of transactions	91,087,921	69,737,684
Liabilities for loans sold to MIK with recourse	226,925	273,523
Provision for credit related commitments	2,195,717	1,873,767
Other	16,306,534	13,365,949
Other non-financial liabilities:	20,193,119	36,280,448
Tax payables other than on income	5,518,608	6,162,072
Payables to employees	6,613,740	21,973,893
Other	8,060,771	8,144,483
Total other liabilities	130,010,216	121,531,371

24 Share Capital

<i>In thousands of Mongolian Tugriks except for number of shares</i>	Number of out-standing shares	Ordinary shares	Share premium	Total
At 1 January 2025	808,657,306	202,164,327	301,481,120	503,645,447
New shares issued	-	-	-	-
Treasury stocks	-	-	-	-
Share retirement	-	-	-	-
At 30 June 2025	808,657,306	202,164,327	301,481,120	503,645,447

The nominal registered amount of the Bank's issued share capital is MNT 202,164,327 thousand. Share premium represents the excess of contributions received over the nominal value of shares issued.

Ordinary shares:

The total authorised number of ordinary shares is 1,150,000,000 shares (31 December 2024: 900,000,000 shares), with a par value of MNT 250 per share (2024: MNT 250 per share). During the reporting period, the Bank did not issue shares.

The shareholders of the Bank as of 30 June 2025 and the percentages of ownership are as follows:

Shareholder	30 June 2025	31 December 2024
	Ownership (%)	Ownership (%)
Golomt Financial Group Co.,Ltd	77.20%	77.20%
Swiss-Mo Investment A.G	5.21%	5.21%
Bodi International Co.,Ltd	3.42%	3.42%
Golomt Investment Limited Co.,Ltd	2.57%	2.57%
Public shares	11.60%	11.60%
Total	100%	100%

25 Interest Income and Expense

<i>In thousands of Mongolian Tugriks</i>	Six months ended 30 June 2025	Six months ended 30 June 2024
Interest income calculated using the effective interest method		
Loans and advances to customers at AC	567,299,040	391,518,125
Debt securities at AC	295,784	74,017
Debt securities FVTOCI	80,569,530	76,714,174
Due from other banks at AC	3,606,647	6,404,730
Cash deposited in the Bank of Mongolia	5,032,877	11,268,765
Reverse repurchase agreements at AC	675,533	535,016
Total interest income calculated using the effective interest method	657,479,411	486,514,827
Other similar income		
Loans and advances to customers at FVTPL	15,067,662	13,483,224
Debt securities FVTPL	29,890,877	15,972,997
Total other similar income	44,958,539	29,456,221
Total interest income	702,437,950	515,971,048
Interest expense		
Customer accounts	(284,135,982)	(192,999,683)
Debt securities in issue	(89,731,065)	(14,050,899)
Other borrowed funds	(34,428,686)	(33,285,244)
Due to other banks	(2,403,262)	(1,014,630)
Repurchase agreements	(8,801,371)	(10,764,466)
Total interest expense	(419,500,366)	(252,114,922)
Other similar expense		
Interest expense related to lease liabilities	(2,537,393)	(1,509,801)
Total other similar expense	(2,537,393)	(1,509,801)
Total interest and other similar expense	(422,037,759)	(253,624,723)
Net interest income	280,400,191	262,346,325

26 Fee and Commission Income and Expense

<i>In thousands of Mongolian Tugriks</i>	Six months ended 30 June 2025	Six months ended 30 June 2024
Fee and commission income		
Commissions on operations with plastic cards	35,792,375	31,679,360
Remittance and other service fees	15,602,246	14,646,936
Commissions on documentary business and guarantees	5,534,659	5,193,868
Account service fee and commissions	3,123,755	2,158,272
Brokerage and other service fee	6,427,289	3,768,256
Total fee and commission income	66,480,324	57,446,692
Fee and commission expense		
Commissions on operations with plastic cards	(33,371,355)	(25,920,552)
Bank service expense	(8,550,003)	(7,278,790)
Online transaction expense	(1,539,682)	(1,306,498)
Brokerage and other service fee	(238,255)	(427,481)
Total fee and commission expense	(43,699,295)	(34,933,321)
Net fee and commission income	22,781,029	22,513,371

27 Other Operating Income

<i>In thousands of Mongolian Tugriks</i>	Six months ended 30 June 2025	Six months ended 30 June 2024
Rental income	1,210,815	1,166,227
Other income	7,999,489	13,901
Total other operating income	9,210,304	1,180,128

28 Administrative and Other Operating Expenses

<i>In thousands of Mongolian Tugriks</i>	Note	Six months ended 30 June 2025	Six months ended 30 June 2024
Staff costs		52,503,703	52,857,296
Information, consulting and other professional services		24,318,377	28,950,713
Depreciation of premises and equipment	15	11,762,676	12,163,552
Depreciation of right of use assets	16	5,831,530	4,262,893
Amortisation of intangible assets	14	4,553,002	3,913,711
Advertising and marketing services		3,665,904	1,305,039
Stationery expense		2,639,192	2,093,110
Security expense		1,837,491	1,399,901
Taxes (other than income tax)		1,395,391	1,195,280
Loan collection expenses		2,486,049	1,991,729
Telecommunications expense		2,609,264	1,997,301
Short term lease expense		282,338	445,956
Office cleaning expense		1,749,691	1,382,833
Utilities		1,568,030	1,110,155
Voluntary and mandatory insurance		811,311	692,202
Transportation		1,289,760	996,969
Entertainment		397,912	692,329
Travelling expenses		1,103,537	1,061,545
Donations		628,817	528,258
Customer engagement expenses		2,677,553	2,430,363
Other		4,065,362	3,197,972
Total administrative and other operating expenses		128,176,890	124,669,107

<i>In thousands of Mongolian Tugriks</i>	Six months ended 30 June 2025	Six months ended 30 June 2024
Staff costs consist of:		
Salaries, wages and bonus	45,913,543	46,520,223
Contribution to social and health fund	4,968,680	5,284,821
Staff benefits	1,008,202	489,525
Pension fund	371,607	250,622
Staff training	241,671	312,105
Total staff costs	52,503,703	52,857,296

29 Other gains/(losses), net

<i>In thousands of Mongolian Tugriks</i>	Six months ended 30 June 2025	Six months ended 30 June 2024
Gains less losses on disposal of premises and equipment	524,377	78,614
Gains less losses on disposal of asset held for sale	11,796,269	(1,269,765)
Loss on write-off of premises and equipment	(25,120)	(1,017)
Total other gains/(losses), net	12,295,526	(1,192,168)

30 Income Taxes

The Bank calculates the period income tax expense using the tax rate that would be applicable to expected total annual earnings, i.e. the estimated average annual effective income tax rate applied to the pre-tax income of the interim period.

Income tax expense recorded in profit or loss for the period comprises the following:

<i>In thousands of Mongolian Tugriks</i>	Six months ended 30 June 2025	Six months ended 30 June 2024
Current tax	22,452,207	45,120,137
Deferred tax	24,516,129	38,122,004
Income tax expense for the period	46,968,336	83,242,141

31 Dividends

<i>In thousands of Mongolian Tugriks</i>	Six months ended 30 June 2025	Six months ended 30 June 2024
Dividends payable at 1 January	-	-
Dividends declared during the year	80,865,730	72,779,158
Dividends paid during the year	(80,865,730)	(72,779,158)
Dividends payable at period end	-	-
Dividend per share	40.0%	36.0%

32 Earnings per Share

Basic earnings per share are calculated by dividing the profit or loss by the weighted average number of ordinary shares in issue during the period, excluding treasury shares. Basic and diluted earnings per share are calculated as follows:

<i>In thousands of Mongolian Tugriks /except for earning per share/</i>	Six months ended 30 June 2025	Six months ended 30 June 2024
Profit for the period attributable to the shareholders of the Bank	207,116,613	275,772,237
Weighted average number of ordinary shares in issue (thousands)	808,657	808,657
Effect of dilution:		
None	-	-
Weighted average number of ordinary shares adjusted for the effect of dilution (thousands)	808,657	808,657
Basic earnings per share	256.12	341.02
Diluted earnings per share	256.12	341.02

33 Segment Analysis

Operating segments are components that engage in business activities that may earn revenues or incur expenses, whose operating results are regularly reviewed by the chief operating decision maker (CODM), and for which discrete financial information is available. The CODM is the person – or group of persons – who allocates resources and assesses the performance for the entity. The functions of the CODM are performed by the Board of Directors of the Bank.

(a) Description of products and services from which each reportable segment derives its revenue

The Bank is organised on the basis of four main business segments:

Retail banking – incorporating banking services such as customer current accounts, savings and fixed deposits to individuals. Retail lending are mainly consumer loans and mortgages.

Mortgages – incorporating the provision of mortgage finance;

SME banking – representing current accounts, deposits, overdrafts, loan and other credit facilities, foreign currency and other products to SME customers;

Corporate – incorporating banking services such as current accounts, fixed deposits, overdrafts, loans and other credit facilities both in local and foreign currencies;

Other – including central treasury - Funding and centralised risk management activities through borrowings and investing in liquid assets such as short-term placements and corporate and government debt securities. Income and expenses that have not been allocated to the reportable segments as they are deemed to contribute to the overall performance of the Bank rather than a particular segment is also presented in the other segment.

(b) Factors that management used to identify the reportable segments

The Bank's segments are strategic business units that focus on different customers. They are managed separately because each business unit requires different marketing strategies and service level.

(c) Measurement of operating segment profit or loss, assets and liabilities

The CODM reviews financial information prepared based on accounting under International Financial Reporting Standards. The CODM evaluates performance of each segment based on profit before tax.

33 Segment Analysis (continued)

Segment information for the reportable segments as of and for the period ended 30 June 2025 is set out below:

30 June 2025					
<i>In thousands of Mongolian Tugriks</i>	Corporate	SME	Retail	Other	Total
Loans and advances to customers	2,410,857,844	1,976,553,423	3,651,308,523	-	8,038,719,790
Customer accounts	3,274,266,988	1,871,245,756	4,542,089,480	-	9,687,602,224
Investments in debt securities	351,866,985	-	-	1,647,817,468	1,999,684,453
Investments in equity securities	64,047,584	34,744,973	-	806,164	99,598,721
For the six months ended 30 June 2025					
<i>In thousands of Mongolian Tugriks</i>	Corporate	SME	Retail	Other	Total
Interest and other similar income	169,162,243	155,253,019	263,644,315	114,378,373	702,437,950
Interest and other similar expense	(81,568,127)	(22,031,537)	(183,766,360)	(134,671,735)	(422,037,759)
Net internal Funds Transfer Pricing ("FTP") income/expense	(8,121,508)	(52,483,993)	63,470,696	(2,865,195)	-
Net interest income	79,472,608	80,737,489	143,348,651	(23,158,557)	280,400,191
Reversal of expected credit loss	44,492,512	6,381,890	(17,641,595)	-	33,232,807
Net interest income after expected credit loss	123,965,120	87,119,379	125,707,056	(23,158,557)	313,632,998
Fee and commission income	10,022,552	16,214,652	38,199,808	2,043,312	66,480,324
Fee and commission expense	(5,718,405)	(8,785,017)	(26,849,502)	(2,346,371)	(43,699,295)
Net other non-interest income/expense	8,467,007	16,158,539	6,411,002	14,811,264	45,847,812
Administrative and other operating expenses	(26,477,451)	(23,569,523)	(52,193,270)	(25,936,646)	(128,176,890)
Profit before tax	110,258,823	87,138,030	91,275,094	(34,586,998)	254,084,949

33 Segment Analysis (continued)

Internal charges and transfer pricing adjustments have reflected in the performance of each business segment. More specific information on the revenues from external customers for each product and services, or each group of similar products and services is not available and the cost to develop such information is high. Hence the Bank presents operating segments on the basis of the four main segments.

Segment information for the reportable segments as of 31 December 2024 and for the period ended 30 June 2024 is set out below:

<i>In thousands of Mongolian Tugriks</i>	31 December 2024				
	Corporate	SME	Retail	Other	Total
Loans and advances to customers	2,358,319,719	1,702,426,830	3,290,634,612	-	7,351,381,161
Customer accounts	3,249,695,895	1,726,045,263	4,401,101,923	-	9,376,843,081
Investments in debt securities	334,182,706	-	-	2,576,214,321	2,910,397,027
Investments in equity securities	69,370,606	373,638	-	70,626	69,814,870
					
<i>In thousands of Mongolian Tugriks</i>	For the six months ended 30 June 2024				
	Corporate	SME	Retail	Other	Total
Interest and other similar income	111,725,591	118,104,403	185,736,033	100,405,021	515,971,048
Interest and other similar expense	(52,361,596)	(16,107,966)	(129,335,003)	(55,820,158)	(253,624,723)
Net internal Funds Transfer Pricing ("FTP") income/expense	5,216,500	(19,843,686)	51,443,689	(36,816,503)	-
					
Net interest income	64,580,495	82,152,751	107,844,719	7,768,360	262,346,325
Reversal of expected credit loss	5,301,486	5,379,559	3,982,966	886,045	15,550,056
					
Net interest income after expected credit loss	69,881,981	87,532,310	111,827,685	8,654,405	277,896,381
					
Fee and commission income	6,160,052	19,861,850	31,251,579	173,211	57,446,692
Fee and commission expense	(5,657,452)	(9,185,202)	(16,742,123)	(3,348,544)	(34,933,321)
Net other non-interest income/expense	11,445,544	7,713,479	8,457,868	155,656,842	183,273,733
Administrative and other operating expenses	(23,765,563)	(24,364,255)	(51,367,262)	(25,172,027)	(124,669,107)
					
Profit before tax	58,064,562	81,558,182	83,427,747	135,963,887	359,014,378

34 Financial Risk Management

The risk management within the bank is carried out with respect to financial risks, operational risk, compliance risk, counterparty and third-party risk, reputational risk, technology risk, legal risks and as well as risks that emerge from time to time. Financial risk comprises market risk (including currency risk, interest rate risk and other price risks), credit risk and liquidity risk.

Monitoring and controlling risks are primarily performed based on limits established by the relevant committees of the Bank. These limits reflect the business strategy and market environment of the bank as well as level of risk that the bank is willing to accept. The financial risk management policies were same as those described in the last annual financial statements.

34.1 Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Bank is exposed to daily calls on its available cash resources from overnight deposits, current accounts, maturing deposits, loan drawdowns, guarantees and from margin and other calls on cash-settled derivative instruments. The Bank does not maintain cash resources to meet all of these needs as experience shows that a minimum level of reinvestment of maturing funds can be predicted with a high level of certainty.

The Bank's liquidity risk management framework is designed to measure and manage liquidity at various levels of consolidation such that short- and medium-term payment obligations could be met under normal or stressed conditions. Liquidity management is implemented centrally on a real-time basis by the Treasury Division through all the bank's divisions and branches, in accordance with the forecasts and internal requirements and the director of the Treasury Division is consulted on each major credit decision regarding the impact of credit on overall liquidity position. The Board's Risk management committee sets liquidity risk standards in accordance with regulatory requirements and international best practice, thereby establishing a comprehensive framework to the bank's liquidity risk management. As part of a comprehensive liquidity risk evaluation, the ALCO incorporates and monitors the cumulative effect of the following factors: (i) short- and long-term cash flow management; (ii) maintaining a structurally sound balance sheet; (iii) foreign currency liquidity management; (iv) preserving a diversified funding base; (v) undertaking regular liquidity stress testing; and (vi) maintaining adequate liquidity contingency plans.

The Bank calculates liquidity ratios on a daily basis in accordance with the requirement of the Central Bank of Mongolia. The liquidity ratio during the period was as follows:

	30 June 2025	31 December 2024
Liquidity performance of the year end	32.13%	35.42%
Average during the period	33.16%	35.30%
Highest	36.21%	45.77%
Lowest	29.29%	29.19%

The Bank conducts the liquidity stress test in order to identify the sudden and severe stress events and ensure the adequate liquidity even after the economic shocks. Risk Appetite Statement defines the amount of liquidity buffer to add to absorb liquidity-related shocks and maintain the flow of lending to the real economy. The table below shows the assets and liabilities as at 30 June 2025 and 31 December 2024 by their remaining contractual maturity.

The amounts of liabilities disclosed in the maturity table are the contractual undiscounted cash flows, including gross finance lease obligations (before deducting future finance charges), gross loan commitments and financial guarantees. Such undiscounted cash flows differ from the amount included in the statement of financial position because the amount in the statement of financial position is based on discounted cash flows. Financial derivatives are included at the contractual amounts to be paid or received unless the Bank expects to close the derivative position before its maturity date in which case the derivatives are included based on the expected cash flows. For the purposes of the maturity analysis, embedded derivatives are not separated from hybrid (combined) financial instruments.

34 Financial Risk Management (continued)

34.1 Liquidity risk, continued

34.1.1 The maturity analysis of financial instruments based on undiscounted contractual obligation at 30 June 2025 is as follows:

<i>In thousands of Mongolian Tugriks</i>	Demand and less than 1 month	From 1 to 6 months	From 6 to 12 months	From 12 months to 5 years	Over 5 years	Total
Assets						
Cash and balances with the Bank of Mongolia	2,270,558,909	-	-	-	-	2,270,558,909
Mandatory cash balances with the Bank of Mongolia	671,349,019	-	-	-	-	671,349,019
Due from other banks	738,076,348	53,238,041	20,490,087	-	-	811,804,476
Investments in debt securities	762,430,577	39,417,950	165,276,150	754,962,458	1,070,156,403	2,792,243,538
Investments in equity securities	99,598,721	-	-	-	-	99,598,721
Loans and advances to customers	314,016,436	1,072,583,558	1,373,773,221	5,480,819,794	3,157,015,581	11,398,208,590
Derivative financial instruments-asset	950,796	17,638,494	15,889,199	249,805,247	-	284,283,736
- inflows	950,796	78,353,101	152,624,468	2,202,926,118	-	2,434,854,483
- outflows	-	(60,714,607)	(136,735,269)	(1,953,120,871)	-	(2,150,570,747)
Other financial assets	61,538,981	1,880,485	1,702,346	118,753	-	65,240,565
Total Financial Assets	4,918,519,787	1,184,758,528	1,577,131,003	6,485,706,252	4,227,171,984	18,393,287,554
Liabilities						
Due to other banks	179,932,639	-	-	-	-	179,932,639
Customer accounts						
- Current accounts	4,181,959,177	-	-	-	-	4,181,959,177
- Demand deposits	626,103,035	-	-	-	-	626,103,035
- Term deposits	798,214,695	2,407,613,363	1,744,510,775	165,067,508	941,140	5,116,347,481
Other borrowed funds	938,623	32,880,211	62,333,334	890,375,434	39,680,270	1,026,207,872
Debt securities in issue	-	79,447,477	78,128,149	1,701,396,043	-	1,858,971,669
REPO arrangements	815,871,408	2,175,905	-	173,255,052	-	991,302,365
Derivative financial liabilities	7,579,496	10,765,685	-	-	-	18,345,181
- inflows	-	-	-	-	-	-
- outflows	7,579,496	10,765,685	-	-	-	18,345,181
Other financial liabilities	101,147,798	330,481	8,338,588	230	-	109,817,097
Total Financial Liabilities	6,711,746,871	2,533,213,122	1,893,310,846	2,930,094,267	40,621,410	14,108,986,516
Credit related commitments	1,468,745,687	-	-	-	-	1,468,745,687
Guarantee and LC	750,418,060	-	-	-	-	750,418,060
Credit Line undrawn	718,327,627	-	-	-	-	718,327,627
Net Gap	(3,261,972,771)	(1,348,454,594)	(316,179,843)	3,555,611,985	4,186,550,574	2,815,555,351
Accumulated Net Gap	(3,261,972,771)	(4,610,427,365)	(4,926,607,208)	(1,370,995,223)	2,815,555,351	

34 Financial Risk Management (continued)

34.1 Liquidity risk, continued

34.1.2 The maturity analysis of financial instruments based on undiscounted contractual obligation at 31 December 2024 is as follows:

<i>In thousands of Mongolian Tugriks</i>	Demand and less than 1 month	From 1 to 6 months	From 6 to 12 months	From 12 months to 5 years	Over 5 years	Total
Assets						
Cash and balances with the Bank of Mongolia	2,531,290,330	-	-	-	-	2,531,290,330
Mandatory cash balances with the Bank of Mongolia	566,906,794	-	-	-	-	566,906,794
Reverse sale and repurchase agreement	55,740,608	-	-	-	-	55,740,608
Due from other banks	663,976,477	395,620,054	20,640,453	-	-	1,080,236,984
Investments in debt securities	1,743,085,824	-	39,014,217	845,972,300	1,052,507,791	3,680,580,132
Investments in equity securities	69,814,870	-	-	-	-	69,814,870
Loans and advances to customers	426,343,527	1,161,888,562	1,032,265,495	4,931,979,559	2,704,178,886	10,256,656,029
Derivative financial assets	931,090	66,545,731	13,963,271	154,239,893	-	235,679,985
- inflows	931,090	382,083,894	69,560,843	1,832,404,415	-	2,284,980,241
- outflows	-	(315,538,163)	(55,597,572)	(1,678,164,522)	-	(2,049,300,257)
Other financial assets	25,169,922	2,050,460	781,583	84,101	-	28,086,066
Total Financial Assets	6,083,259,442	1,626,104,807	1,106,665,019	5,932,275,853	3,756,686,677	18,504,991,798
Liabilities						
Due to other banks	440,482,104	3,506,308	-	-	-	443,988,412
Customer accounts						
- Current/settlement accounts	4,357,152,899	-	-	-	-	4,357,152,899
- Demand deposits	620,995,475	-	-	-	-	620,995,475
- Term deposits	681,095,237	2,145,410,450	1,652,674,157	141,793,420	2,444,743	4,623,418,007
Other borrowed funds	1,528,205	477,816,507	5,961,360	835,739,280	39,411,275	1,360,456,627
Debt Securities in Issue	-	74,627,044	75,863,956	1,594,996,381	-	1,745,487,381
REPO arrangements	1,381,670,857	20,560,487	2,172,311	171,201,335	-	1,575,604,990
Derivative financial liabilities	677,773	192,164	34,754	-	-	904,691
- inflows	-	-	(4,354,739)	-	-	(4,354,739)
- outflows	677,773	192,164	4,389,493	-	-	5,259,430
Other financial liabilities	82,212,276	790,145	2,248,272	230	-	85,250,923
Total Financial Liabilities	7,565,814,826	2,722,903,105	1,738,954,810	2,743,730,646	41,856,018	14,813,259,405
Credit related commitments	1,533,006,061	-	-	-	-	1,533,006,061
Guarantee and LC	694,733,899	-	-	-	-	694,733,899
Credit Line undrawn	838,272,162	-	-	-	-	838,272,162
Net Gap	(3,015,561,445)	(1,096,798,298)	(632,289,791)	3,188,545,207	3,714,830,659	2,158,726,332
Accumulated Net Gap	(3,015,561,445)	(4,112,359,744)	(4,744,649,534)	(1,556,104,327)	2,158,726,332	

34 Financial Risk Management (continued)

34.1 Liquidity risk, continued

34.1.3 The Bank does not use the above maturity analysis based on undiscounted contractual maturities of liabilities to manage liquidity. Instead, the Bank monitors expected maturities and the resulting expected liquidity gap. The maturity analysis of financial instruments of the Bank at 30 June 2025:

<i>In thousands of Mongolian Tugriks</i>	Demand and less than 1 month	From 1 to 6 months	From 6 to 12 months	From 12 months to 5 years	Over 5 years	Total
Assets						
Cash and balances with the Bank of Mongolia	2,270,558,909	-	-	-	-	2,270,558,909
Mandatory cash balances with the Bank of Mongolia	671,349,019	-	-	-	-	671,349,019
Due from other banks	738,022,413	53,089,523	19,934,584	-	-	811,046,520
Investments in debt securities	757,607,919	37,201,298	158,303,355	618,606,246	427,965,635	1,999,684,453
Investments in equity securities	99,598,721	-	-	-	-	99,598,721
Loans and advances to customers	222,498,374	626,558,594	956,840,858	4,269,156,941	1,963,665,023	8,038,719,790
Derivative financial instruments-asset	950,796	17,638,494	15,889,199	249,805,247	-	284,283,736
- inflows	950,796	78,353,101	152,624,468	2,202,926,118	-	2,434,854,483
- outflows	-	(60,714,607)	(136,735,269)	(1,953,120,871)	-	(2,150,570,747)
Other financial assets	61,538,981	1,880,485	1,702,346	118,753	-	65,240,565
Total Financial Assets	4,822,125,132	736,368,394	1,152,670,342	5,137,687,187	2,391,630,658	14,240,481,713
Liabilities						
Due to other banks	179,802,500	-	-	-	-	179,802,500
Customer accounts						
- Current accounts	625,715,706	233,705,892	618,201,522	477,796,785	2,226,539,272	4,181,959,177
- Demand deposits	93,679,179	34,989,334	92,554,191	71,533,462	333,346,869	626,103,035
- Term deposits	795,520,848	2,332,043,089	1,603,945,773	147,089,162	941,140	4,879,540,012
Other borrowed funds	937,616	32,303,145	61,090,723	813,147,381	29,789,066	937,267,931
Debt securities in issue	-	17,721,923	-	1,543,844,803	-	1,561,566,726
REPO arrangements	815,560,786	2,063,728	-	143,727,909	-	961,352,423
Derivative financial liabilities	7,579,496	10,765,685	-	-	-	18,345,181
- inflows	-	-	-	-	-	-
- outflows	7,579,496	10,765,685	-	-	-	18,345,181
Other financial liabilities	101,147,798	330,481	8,338,588	230	-	109,817,097
Total Financial Liabilities	2,619,943,929	2,663,923,277	2,384,130,797	3,197,139,732	2,590,616,347	13,455,754,082
Liquidity gap arising from financial instruments	2,202,181,203	(1,927,554,883)	(1,231,460,455)	1,940,547,455	(198,985,689)	784,727,631
Accumulated Net Gap	2,202,181,203	274,626,320	(956,834,135)	983,713,320	784,727,631	

34 Financial Risk Management (continued)**34.1 Liquidity risk, continued**

34.1.4 The Bank does not use the above maturity analysis based on undiscounted contractual maturities of liabilities to manage liquidity. Instead, the Bank monitors expected maturities and the resulting expected liquidity gap. The maturity analysis of financial instruments of the Bank at 31 December 2024:

<i>In thousands of Mongolian Tugriks</i>	Demand and less than 1 month	From 1 to 6 months	From 6 to 12 months	From 12 months to 5 years	Over 5 years	Total
Assets						
Cash and balances with the Bank of Mongolia	2,531,290,330	-	-	-	-	2,531,290,330
Mandatory cash balances with the Bank of Mongolia	566,906,794	-	-	-	-	566,906,794
Reverse sale and repurchase agreement	55,710,082	-	-	-	-	55,710,082
Due from other banks	663,217,532	394,103,743	20,631,656	-	-	1,077,952,931
Investments in debt securities	1,733,740,618	-	34,218,928	724,567,697	417,869,784	2,910,397,027
Investments in equity securities	69,814,870	-	-	-	-	69,814,870
Loans and advances to customers	334,553,552	765,806,506	678,013,332	3,875,577,789	1,697,429,982	7,351,381,161
Derivative financial assets	931,090	66,545,731	13,963,271	154,239,894	-	235,679,985
- inflows	931,090	382,083,894	69,560,843	1,832,404,415	-	2,284,980,242
- outflows	-	(315,538,163)	(55,597,572)	(1,678,164,522)	-	(2,049,300,257)
Other financial assets	25,169,922	2,050,460	781,583	84,101	-	28,086,066
Total Financial Assets	5,981,334,790	1,228,506,440	747,608,770	4,754,469,480	2,115,299,766	14,827,219,246
Liabilities						
Due to other banks	439,797,881	3,476,779	-	-	-	443,274,660
Customer accounts						
- Current/settlement accounts	651,928,651	243,496,472	644,099,676	497,813,001	2,319,815,099	4,357,152,899
- Demand deposits	92,914,972	34,703,902	91,799,162	70,949,914	330,627,525	620,995,475
- Term deposits	678,729,528	2,079,388,531	1,512,320,307	125,811,598	2,444,743	4,398,694,707
Other borrowed funds	1,527,026	473,497,401	5,477,489	743,509,628	29,863,839	1,253,875,383
Debt securities in issue	-	-	-	1,369,878,337	-	1,369,878,337
REPO arrangements	1,380,692,037	20,396,170	1,946,721	137,318,933	-	1,540,353,861
Derivative financial liabilities	677,773	192,164	34,754	-	-	904,691
- inflows	-	-	(4,354,739)	-	-	(4,354,739)
- outflows	677,773	192,164	4,389,493	-	-	5,259,430
Other financial liabilities	82,212,276	790,145	2,248,272	230	-	85,250,923
Total Financial Liabilities	3,328,480,144	2,855,941,564	2,257,926,381	2,945,281,641	2,682,751,206	14,070,380,936
Liquidity gap arising from financial instruments	2,652,854,646	(1,627,435,124)	(1,510,317,611)	1,809,187,839	(567,451,440)	756,838,310
Accumulated Net Gap	2,652,854,646	1,025,419,522	(484,898,089)	1,324,289,750	756,838,310	

34 Financial Risk Management (continued)

34.1 Liquidity risk, continued

The entire portfolio of trading securities is classified within demand and less than one month based on management's assessment of the portfolio's reliability.

The matching and/or controlled mismatching of the maturities and interest rates of assets and liabilities is fundamental to the management of the Bank. It is unusual for banks ever to be completely matched since business transacted is often of an uncertain term and of different types. An unmatched position potentially enhances profitability but can also increase the risk of losses. The maturities of assets and liabilities and the ability to replace, at an acceptable cost, interest-bearing liabilities as they mature, are important factors in assessing the liquidity of the Bank and its exposure to changes in interest and exchange rates.

The management believes that in spite of a substantial portion of customer accounts being on demand, diversification of these deposits by number and type of depositors, and the past experience of the Bank would indicate that these customer accounts provide a long-term and stable source of funding for the Bank.

Liquidity requirements in respect of guarantees and letters of credit are considerably lower than the amount of the related commitment because the Bank does not generally expect a third party to draw funds under the agreement. The total outstanding contractual amount of commitments to extend credits does not necessarily represent future cash requirements, since many of these commitments will expire or terminate without being funded.

The transition changes to systems, processes, risk management and valuation models, as well as managing tax and accounting implications. The Bank continue to monitor market developments in relation to the transition and their impact on the Bank's financial assets and liabilities to ensure that there are no unexpected consequences or disruptions from the transitions.

The Bank is working with its customers and other counterparties, such as international financial institutions to perform a transition of legacy IBOR-based financial instruments. The Bank is also enhancing its IT systems and internal processes to ensure smooth transition from IBOR to alternative benchmark interest rates.

In addition, the Rate Benchmark reform achieved important milestones for the following financial period:

- According to the transition, all swap contracts' fair value measurements adjusted through the Risk-free Reference rate method.

35 Management of Capital

The Bank's capital management has the following objectives: to observe the capital requirements established by the Central Bank, namely the requirements of the deposit insurance system; to maintain the Bank's operations as a going concern and to maintain its capital base at the level necessary to ensure a 12% (2024:12%) risk weighted capital ratio and 9%+4% conservation buffer (2024: 9%+4%) core capital ratio in accordance with the requirements set by the Bank of Mongolia. The control over compliance with the capital adequacy ratio set by the Bank of Mongolia is exercised daily on the basis of estimated and actual data as well as on the basis of monthly reports that contain corresponding calculations that are controlled by the Chairman of the Board of Directors and Chief Accountant of the Bank.

The Bank is keen on maintaining the necessary capital level in order to preserve the confidence of creditors, investors and the market as a whole as well as to develop the future activity of the Bank. In accordance with the current capital requirements set by the Central Bank, the banks should maintain the ratio of capital to risk weighted assets (capital adequacy ratio) above the prescribed minimum level.

The table below shows the regulatory capital structure prepared in accordance with the requirements of the Bank of Mongolia legislation based on unaudited financial statements that were submitted by the Bank to BoM:

	30 June 2025	31 December 2024
Core capital ratio	14.90%	14.67%
Risk weighted capital ratio	14.90%	14.67%
<u>Tier I capital</u>		
Ordinary shares	202,164,327	202,164,327
Share premium	301,481,120	301,481,120
Retained earnings	900,679,318	753,884,272
Other components of equity	572,573	577,573
Total Tier I Capital	1,404,897,338	1,258,107,292
<u>Tier II capital</u>		
Preferred shares	-	-
Total Tier II Capital	-	-
Total capital/capital base	1,404,897,338	1,258,107,292

The equity capital (different from regulatory capital stated in the table above) of the Bank amounted to MNT 1,429,461,747 thousand as of 30 June 2025 (31 December 2024: MNT 1,269,955,663 thousand) as per unaudited financial statements that were submitted by the Bank to BoM.

The Bank has complied with all externally imposed capital requirements as of 30 June 2025 and as of 31 December 2024.

36 Contingencies and Commitments

Legal proceedings. In the normal course of business, there are cases in which the Bank receives a claim against it. The Bank has formal controls and policies for managing legal claims. If management decides that there is material impact to the Bank, based on its own estimates and internal professional advice; the Bank makes adjustments to account for any adverse effects which claims may have on its financial statements. As of 30 June 2025, MNT 10,767 thousand (31 December 2024: MNT 10,767 thousand) provision was booked due to legal claims.

Tax legislation. Mongolian tax, currency and customs legislation is subject to varying interpretations, and changes, which can occur frequently. Management's interpretation of such legislation on as applied to the transactions and activity of the Bank may be challenged by the relevant authorities.

The Mongolian tax authorities may be taking a more assertive position in their interpretation of the legislation and assessments, and it is possible that transactions and activities that have not been challenged in the past may be challenged by tax authorities. As a result, significant additional taxes, penalties and interest may be assessed. Fiscal periods remain open to review by the authorities in respect of taxes for five calendar years preceding the year of review. Under certain circumstances reviews may cover longer periods.

The Mongolian tax legislation does not provide definitive guidance in certain areas, specifically in areas such as VAT, withholding tax, corporate income tax, personal income tax, transfer pricing and other areas. From time to time, the Bank adopts interpretations of such uncertain areas that reduce the overall tax rate of the Bank. As noted above, such tax positions may come under heightened scrutiny as a result of recent developments in administrative and court practices. The impact of any challenge by the tax authorities cannot be reliably estimated; however, it may be significant to the financial position and/or the overall operations of the entity.

Management believes that its interpretation of the relevant legislation is appropriate and the Bank's positions related to tax and other legislation will be sustained. Management believes that tax and legal risks are remote at present. The management performs regular re-assessment of tax risk and its position may change in the future as a result of the change in conditions that cannot be anticipated with sufficient certainty at present.

Compliance with covenants. The Bank is subject to certain covenants related to other borrowed funds obtained under a certain project. There were no breaches of covenants that would require immediate repayment of the borrowings as of 30 June 2025.

Credit related commitments. To meet the financial needs of customers, the Bank enters into various irrevocable commitments and contingent liabilities. Even though these obligations may not be recognised on the statement of financial position, they do contain credit risk and are therefore part of the overall risk of the Bank.

The primary purpose of these instruments is to ensure that funds are available to a customer as required. Guarantees, which represent irrevocable assurances that the Bank will make payments in the event that a customer cannot meet its obligations to third parties, carry the same credit risk as loans. Documentary and commercial letters of credit, which are written undertakings by the Bank on behalf of a customer authorising a third party to draw drafts on the Bank up to a stipulated amount under specific terms and conditions, are collateralised by the underlying shipments of goods to which they relate or cash deposits and therefore carry less risk than a direct borrowing.

Commitments to extend credit represent unused portions of authorisations to extend credit in the form of loans, guarantees or letters of credit. With respect to credit risk on commitments to extend credit, the Bank is potentially exposed to loss in an amount equal to the total unused commitments.

36 Contingencies and Commitments (continued)

However, the likely amount of loss is less than the total unused commitments since most commitments to extend credit are contingent upon customers maintaining specific credit standards.

<i>In thousands of Mongolian Tugriks</i>	30 June 2025	31 December 2024
Financial guarantees issued	98,840,447	102,351,920
Performance guarantees issued	501,837,948	422,916,404
Letters of credit	149,739,665	169,465,575
Undrawn credit lines	718,327,627	838,272,162
Total credit related commitments	1,468,745,687	1,533,006,061
Less: Expected credit loss allowance for impairment of credit related commitments	(2,195,717)	(1,873,767)
Total credit related commitments	1,466,549,970	1,531,132,294

Assets pledged and restricted. Mandatory cash balances with the Bank of Mongolia in the amount of MNT 671,349,019 thousand as of 30 June 2025 (31 December 2024: MNT 566,906,794) represent mandatory reserve deposits, which are not available to finance the Bank's day-to-day operations.

Treasury bills of the Bank of Mongolia with nominal amount of MNT 757,600,000 thousand (31 December 2024: MNT 1,410,200,000 thousand) were collateralised by Repo arrangement and MNT 2,400,000 thousand (31 December 2024: MNT 5,280,000 thousand) with maturity of 28 days were collateralised by Project on gold production-2 with Bank of Mongolia, respectively.

Government bonds with nominal amount of MNT 239,982,764 thousand (31 December 2024: MNT 218,283,775 thousand) were collateralised by Repo arrangement with foreign bank. Please see Note 22.

MIK senior bonds classified at FVTPL with nominal amount of MNT 109,918,300 thousand (31 December 2024: Nil) were collateralised by Repo arrangement. Please see Note 22.

37 Derivative Financial Instruments

The table below sets out fair values, at the end of the reporting period, of currencies receivable or payable under foreign exchange forward and swap contracts entered into by the Bank. The table reflects gross positions before the netting of any counterparty positions (and payments) and covers the contracts with settlement dates after the end of the respective reporting period.

Derivatives have potentially favourable (assets) or unfavourable (liabilities) conditions as a result of fluctuations in market interest rates, foreign exchange rates or other variables relative to their terms. The aggregate fair values of derivative financial assets and liabilities can fluctuate significantly from time to time.

Gross amounts before offsetting in the statement of financial position and related net amounts are given below.

<i>In thousands of Mongolian Tugriks</i>	30 June 2025	31 December 2024
Foreign exchange forwards and swaps: fair values, at the end of the reporting period, of		
- Financial assets at fair value through profit or loss	284,283,736	235,679,985
- Financial liabilities at fair value through profit or loss	(18,345,181)	(904,691)
Foreign exchange forwards and swaps, net fair value	265,938,555	234,775,294

<i>In thousands of Mongolian Tugriks</i>	30 June 2025	31 December 2024
Foreign exchange forwards and swaps: fair values, at the end of the reporting period, of		
- USD receivable on settlement (+)	2,432,870,968	2,283,881,420
- USD payable on settlement (-)	(2,153,037,602)	(2,049,367,879)
- MNT receivable on settlement (+)	31,928	4,354,739
- MNT payable on settlement (-)	-	(4,425,331)
- Other currencies receivable on settlement (+)	1,951,587	1,098,821
- Other currencies receivable on settlement (-)	(15,878,326)	(766,476)
Net fair value of foreign exchange forwards and swaps	265,938,555	234,775,294

38 Fair Value Disclosures

The fair value is defined as the amount at which the instrument could be exchanged in a current transaction between knowledgeable willing parties on arm's length conditions, other than in a forced sale or liquidation. Quoted financial instruments in active markets provide the best evidence of fair value. As no readily available market exists for major part of the Bank's financial instruments, their fair value is based on current economic conditions and the specific risks attributable to the instrument. The estimates presented below are not necessarily indicative of the amounts the Bank could realise in a market exchange from the sale of its full holdings of a particular instrument.

Fair value measurements are analysed by level in the fair value hierarchy as follows: (i) level one are measurements at quoted prices (unadjusted) in active markets for identical assets or liabilities, (ii) level two measurements are valuations techniques with all material inputs observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices), and (iii) level three measurements are valuations not based on observable market data (that is, unobservable inputs). Management applies judgement in categorising financial instruments using the fair value hierarchy. If a fair value measurement uses observable inputs that require significant adjustment, that measurement is a Level 3 measurement. The significance of a valuation input is assessed against the fair value measurement in its entirety.

38 Fair Value Disclosures (continued)

(a) Recurring fair value measurements

Recurring fair value measurements are those that the accounting standards require or permit in the statement of financial position at the end of each reporting period. The level in the fair value hierarchy into which the recurring fair value measurements are categorised are as follows:

<i>In thousands of Mongolian Tugriks</i>	30 June 2025				31 December 2024			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Assets at fair value								
Financial assets								
Investments in debt securities at FVTPL	444,546,511	-	311,317,277	755,863,788	320,463,513	-	301,919,427	622,382,940
Investments in debt securities at FVTOCI	481,795,175	754,854,488	-	1,236,649,663	547,450,136	1,733,716,229	-	2,281,166,365
Investments in equity securities at FVTPL	64,047,584	-	-	64,047,584	68,671,684	-	-	68,671,684
Investments in equity securities at FVTOCI	-	723,100	34,828,037	35,551,137	698,922	-	444,264	1,143,186
Loan and advances to customers at FVTPL	-	-	502,330,915	502,330,915	-	-	447,977,393	447,977,393
Derivative financial instruments-asset	-	284,283,736	-	284,283,736	-	235,679,985	-	235,679,985
Precious metals	7,972,857	-	-	7,972,857	13,154,667	-	-	13,154,667
Non-financial assets								
Premises	-	-	133,827,809	133,827,809	-	-	129,844,821	129,844,821
Investment properties	-	-	8,014,077	8,014,077	-	-	8,014,077	8,014,077
Total assets recurring fair value measurements	998,362,127	1,039,861,324	990,318,115	3,028,541,566	950,438,922	1,969,396,214	888,199,982	3,808,035,118
Liabilities at fair value								
Financial liabilities								
Derivative financial instruments	-	(18,345,181)	-	(18,345,181)	-	(904,691)	-	(904,691)
Total liabilities recurring fair value measurements	-	(18,345,181)	-	(18,345,181)	-	(904,691)	-	(904,691)

38 Fair Value Disclosures (continued)

(a) Recurring fair value measurements (continued)

The description of valuation technique and description of inputs used in the fair value measurement for level 2 measurements at 30 June 2025 and 31 December 2024:

<i>In thousands of Mongolian Tugriks</i>	30 June 2025	31 December 2024		
	Fair value	Fair value	Valuation technique	Inputs used
Other financial assets and liabilities				
Investments in debt securities at FVTOCI	754,854,488	1,733,716,229	Market value approach	Central bank policy rate
Investments in equity securities at FVTOCI	723,100	-	Asset-based valuation	The entity's assets and liabilities
Financial derivatives - asset	284,283,736	235,679,985	Interest rate parity theory	MNT discount rate based on risk-free rate, country risk premium and currency risk premium, US discount rate based on treasury yield, US leg based on US SOFR, constant and Z spread, MNT leg based on policy rate, or as provided in the corresponding swap agreement.
Financial derivatives - liabilities	(18,345,181)	(904,691)		
Total recurring fair value measurements at level 2	1,021,516,143	1,968,491,523		

Financial assets

Equity securities at FVTPL, which are classified as Level 1 for fair value measurement purposes, mostly relate to the Bank's investment in a joint stock companies established in Mongolia in the amount of MNT 64,047,584 thousand (31 December 2024: MNT 68,671,684 thousand of investment securities at fair value through profit or loss) are disclosed in Note 10. Companies are listed in the Mongolian Stock exchange and Foreign Stock exchange.

Precious metal, which are mostly consist of the gold bar are classified at Level 1 for fair value measurement purposes in the amount of MNT 7,972,857 thousand (31 December 2024: MNT 13,154,667 thousand) which was valued at publicly available price announced by the Bank of Mongolia.

Derivative financial instruments, which are classified as level 2 for fair value measurement purposes, in amount of MNT 284,283,736 thousand (31 December 2024: MNT 235,679,985 thousand) are related to unrealized gain from long-term and short-term swaps and are classified as financial assets at FVTPL.

Investments in debt securities at FVTPL, which are classified as level 1 for fair value measurement purposes, in the amount of MNT 444,546,511 thousand (31 December 2024: MNT 320,463,513 thousand, which were classified as level 1) are related to the Government Bond, Corporate Bond and Other Bond.

Investments in debt securities at FVTOCI, which are classified as level 1 for fair value measurement purposes, in the amount of MNT 481,795,175 thousand (31 December 2024: MNT 547,450,136 thousand, which were classified as level 1) are related to the Government Bond and Corporate Bond.

Investments in debt securities at FVTOCI, which are classified as level 2 for fair value measurement purposes, in the amount of MNT 754,854,488 thousand (31 December 2024: MNT 1,733,716,229 thousand, which were classified as level 2) are related to treasury bills of Bank of Mongolia. Please refer to Note 9.

38 Fair Value Disclosures (continued)**(a) Recurring fair value measurements (continued)**

Investments in debt securities at FVTPL, which are classified as level 3 for fair value measurement purposes, in the amount of MNT 311,317,277 thousand (31 December 2024: MNT 301,919,427 thousand, which were classified as level 3) are related to MIK Senior and Junior bonds, and SFC Senior and Junior bonds and Corporate Bond. Please refer to Note 9.

Investments in equity securities, which are classified as level 2 for fair value measurement purposes, in the amount of MNT 723,100 thousand (31 December 2024: Nil) are related to unquoted financial investments in corporate. Please refer to Note 10.

Investments in equity securities, which are classified as level 3 for fair value measurement purposes, in the amount of MNT 34,828,037 thousand (31 December 2024: MNT 444,264 thousand, which were classified as level 3) are related to unquoted financial investments in corporate. Please refer to Note 10.

Loans at FVTPL, which are classified at level 3 for fair value measurement purposes, in the amount of MNT 502,330,915 thousand (31 December 2024: MNT 447,977,393 thousand, which were classified as level 3) are related to Mortgage portfolio of loans and SME loan portfolio financed by long term REPO financing by the Bank of Mongolia and other corporate loans to be sold to MIK with recourse. The management determined fair value by discounting the future cash inflows using its market interest rate. As those FVTPL loans were under special government programs, market rate was defined as its own interest rate.

The following table sets out information about unobservable inputs used in measuring financial instruments categorised at Level 3 in the fair value hierarchy.

Financial assets at 30 June 2025:

<i>In thousands of Mongolian Tugriks</i>	Fair value	Valuation technique	Inputs used	Range of inputs	Reasonable change	Sensitivity of fair value measurement
Assets at fair value financial assets						
Investments in debt securities at FVTPL	311,317,277	Market value approach	Market price/ Own price	-	1.0%	+/-3,113,173
Investments in equity securities at FVTOCI	34,828,037	Asset-based valuation	The entity's assets and liabilities	-	10.0%	+/-3,482,803
Loans and advances to customers FVTPL	502,330,915	Discounted cashflow	Discount rate	5.00% - 17.00%	10.0%	+/-50,233,091
Total recurring fair value measurements at level 3	848,476,229					

38 Fair Value Disclosures (continued)

(a) Recurring fair value measurements (continued)

Financial assets at 31 December 2024:

<i>In thousands of Mongolian Tugriks</i>	Fair value	Valuation technique	Inputs used	Range of inputs	Reasonable change	Sensitivity of fair value measurement
Assets at fair value financial assets						
Investments in debt securities at FVTPL	301,919,427	Market value approach	Market price/ Own price	MNT 100,000	1.00%	+/-3,019,194
Investments in equity securities at FVTOCI	444,264	Asset-based valuation	The entity's assets and liabilities	-	10.00%	+/-44,427
Loans and advances to customers at FVTPL	447,977,393	Discounted cashflow	Discount rate	5.00% - 17.00%	10.00%	+/-44,797,739
Total recurring fair value measurements at level 3	750,341,084					

The methods and significant assumptions applied in determining the fair value of premises and investment properties were market comparison method and the valuation was based on comparable market value.

Non-financial assets at 30 June 2025:

<i>In thousands of Mongolian Tugriks</i>	Fair value	Valuation technique	Inputs used	Range of inputs (price per sq. m)	Reasonable change	Sensitivity of fair value measurement
Assets at fair value Non-financial assets						
Premises	133,827,809	Market comparison method	Market prices with appropriate adjustments, discounts/haircuts	1,818-12,360	10%	+/-13,382,781
Investment properties	8,014,077	Market comparison method	Market prices with appropriate adjustments, discounts/haircuts	8,000	10%	+/-801,408
Total recurring fair value measurements at level 3	141,841,886					

38 Fair Value Disclosures (continued)

(a) Recurring fair value measurements (continued)

Non-financial assets at 31 December 2024:

<i>In thousands of Mongolian Tugriks</i>	Fair value	Valuation technique	Inputs used	Range of inputs (price per sq. m)	Reasonable change	Sensitivity of fair value measurement
Assets at fair value Non-financial assets						
Premises	129,844,821	Market comparison method	Market prices with appropriate adjustments, discounts/haircuts	1,818-12,360	10%	12,984,482
Investment properties	8,014,077	Market comparison method	Market prices with appropriate adjustments, discounts/haircuts	8,000	10%	801,408
Total recurring fair value measurements at level 3	137,858,898	-	-	-	-	13,785,890

The Bank has written down its assets held for sale to fair value less costs to sell. The fair value belongs to level 3 measurements in the fair value hierarchy. The valuation technique and inputs used in the fair value measurement on 31 December 2024.

(b) Non-recurring fair value measurements

The valuation technique and inputs used in the fair value measurement at 30 June 2025.

<i>In thousands of Mongolian Tugriks</i>	Fair value	Valuation technique	Inputs used	Range of inputs (price per sq. m)	Sensitivity of fair value measurement
Assets held for sale	101,446,198	Market comparison method	Market prices with appropriate adjustments, discounts/haircuts	226.66-16,175.00	10,144,620

The valuation technique and inputs used in the fair value measurement at 31 December 2024.

<i>In thousands of Mongolian Tugriks</i>	Fair value	Valuation technique	Inputs used	Range of inputs (price per sq. m)	Sensitivity of fair value measurement
Assets held for sale	39,545,781	Market comparison method	Market prices with appropriate adjustments, discounts/haircuts	294.72-8,124.49	3,954,578

38 Fair Value Disclosures (continued)**(c) Assets and liabilities not measured at fair value but for which fair value is disclosed**

Fair value analysed by level in the fair value hierarchy and carrying value of assets not measured at fair value as of 30 June 2025 are as follows:

<i>In thousands of Mongolian Tugriks</i>	Level 1	Level 2	Level 3	Carrying amount
Financial assets				
Cash and balances with the Bank of Mongolia	143,054,431	2,127,504,478	-	2,270,558,909
Cash on hand	143,054,431	-	-	143,054,431
Cash and balances with the Bank of Mongolia	-	2,127,504,478	-	2,127,504,478
Mandatory cash balances with the Bank of Mongolia	-	671,349,019	-	671,349,019
Due from other banks	-	811,046,520	-	811,046,520
Correspondent accounts with other banks	-	600,051,170	-	600,051,170
Foreign	-	584,811,694	-	584,811,694
Domestic	-	15,239,476	-	15,239,476
Short term placements with other banks	-	137,971,243	-	137,971,243
Foreign	-	456,332	-	456,332
Domestic	-	137,514,911	-	137,514,911
Placements with other banks with original maturities of more than three months	-	73,024,107	-	73,024,107
Loans and advances to customers	-	-	7,410,693,640	7,536,388,875
Corporate loans	-	-	2,365,298,042	2,410,857,844
Loans to small and medium business	-	-	1,947,033,981	1,974,846,129
Consumer loans to individuals	-	-	2,014,764,862	2,057,683,741
Mortgage loans to individuals	-	-	1,083,596,755	1,093,001,161
Debt securities at AC	-	-	7,171,002	7,171,002
Other financial assets at AC	-	57,267,708	-	57,267,708
Total financial assets carried at amortised cost	143,054,431	3,667,167,725	7,417,864,642	11,353,782,033

38 Fair Value Disclosures (continued)

Fair value analysed by level in the fair value hierarchy and carrying value of assets not measured at fair value as of 31 December 2024 are as follows:

<i>In thousands of Mongolian Tugriks</i>	Level 1	Level 2	Level 3	Carrying amount
Financial assets				
Cash and balances with the Bank of Mongolia	111,054,353	2,420,235,977	-	2,531,290,330
Cash on hand	111,054,353	-	-	111,054,353
Cash and balances with the Bank of Mongolia	-	2,420,235,977	-	2,420,235,977
Mandatory cash balances with the Bank of Mongolia	-	566,906,794	-	566,906,794
Reverse sale and repurchase agreement	-	55,710,082	-	55,710,082
Due from other banks	-	1,077,952,931	-	1,077,952,931
Correspondent accounts with other banks	-	264,496,446	-	264,496,446
Foreign	-	259,179,533	-	259,179,533
Domestic	-	5,316,913	-	5,316,913
Short term placements with other banks	-	427,332,193	-	427,332,193
Domestic	-	32,137,229	-	32,137,229
Foreign	-	395,194,964	-	395,194,964
Placements with other banks with original maturities of more than three months	-	386,124,292	-	386,124,292
Loans and advances to customers	-	-	6,929,568,004	6,903,403,768
Corporate loans	-	-	2,359,664,437	2,355,176,485
Loans to small and medium business	-	-	1,743,292,972	1,696,965,260
Consumer loans to individuals	-	-	1,928,390,910	1,917,684,687
Mortgage loans to individuals	-	-	898,219,685	933,577,336
Debt securities at AC	-	-	6,847,722	6,847,722
Other financial assets	-	14,931,399	-	14,931,399
Total financial assets carried at amortised cost	111,054,353	4,135,737,183	6,936,415,726	11,157,043,026

38 Fair Value Disclosures (continued)

Fair value analysed by level in the fair value hierarchy and carrying value of liabilities not measured at fair value as of 30 June 2025 are as follows:

<i>In thousands of Mongolian Tugriks</i>	Level 1	Level 2	Level 3	Carrying amount
Financial Liabilities				
Due to other banks	-	179,802,500	-	179,802,500
Short-term placements of other banks	-	179,802,500	-	179,802,500
REPO Arrangements	-	961,352,423	-	961,352,423
Sale and repurchase agreements with other banks	-	961,352,423	-	961,352,423
Customer Accounts				
State and public organisations	-	1,257,678,268	-	1,260,509,954
- Current/settlement accounts	-	543,215,975	-	543,215,975
- Term deposits	-	714,462,293	-	717,293,979
Legal entities	-	3,620,791,618	-	3,633,708,138
- Current/settlement accounts	-	2,776,525,992	-	2,776,525,992
- Term deposits	-	844,265,626	-	857,182,146
Individuals	-	4,675,446,760	-	4,691,403,315
- Current/settlement accounts	-	801,423,137	-	801,423,137
- Demand deposits	-	626,103,035	-	626,103,035
- Term deposits	-	3,247,920,588	-	3,263,877,143
Other	-	101,909,227	-	101,980,817
- Current/settlement accounts	-	60,794,073	-	60,794,073
- Term deposits	-	41,115,154	-	41,186,744
Other borrowed funds	-	937,267,931	-	937,267,931
Debt securities in issue	-	1,596,752,723	-	1,561,566,726
Provision for credit related commitment	-	-	2,195,717	2,195,717
Lease liabilities	-	31,702,172	-	31,702,172
Other financial liabilities	-	107,621,380	-	107,621,380
Total financial liabilities carried at amortised cost	-	13,470,325,002	2,195,717	13,469,111,073

38 Fair Value Disclosures (continued)

Fair value analysed by level in the fair value hierarchy and carrying value of liabilities not measured at fair value as of 31 December 2024 are as follows:

<i>In thousands of Mongolian Tugriks</i>	Level 1	Level 2	Level 3	Carrying amount
Financial Liabilities				
Due to other banks	-	443,274,660	-	443,274,660
Short-term placements of other banks	-	443,274,660	-	443,274,660
REPO Arrangements	-	1,540,353,861	-	1,540,353,861
Sale and repurchase agreements with other banks	-	1,540,353,861	-	1,540,353,861
Customer Accounts				
State and public organisations	-	1,069,401,807	-	1,072,529,966
- Current/settlement accounts	-	627,827,458	-	627,827,458
- Demand deposits	-	-	-	-
- Term deposits	-	441,574,349	-	444,702,508
Legal entities	-	3,806,555,412	-	3,817,798,645
- Current/settlement accounts	-	2,896,837,462	-	2,896,837,462
- Demand deposits	-	-	-	-
- Term deposits	-	909,717,950	-	920,961,183
Individuals	-	4,382,412,580	-	4,401,002,994
- Current/settlement accounts	-	780,135,672	-	780,135,672
- Demand deposits	-	620,995,475	-	620,995,475
- Term deposits	-	2,981,281,433	-	2,999,871,847
Other	-	84,823,879	-	85,511,476
- Current/settlement accounts	-	52,352,307	-	52,352,307
- Demand deposits	-	-	-	-
- Term deposits	-	32,471,572	-	33,159,169
Other borrowed funds	-	1,253,875,383	-	1,253,875,383
Debt securities in issue	-	1,451,846,341	-	1,369,878,337
Provision for credit related commitments	-	-	1,873,767	1,873,767
Lease liabilities	-	25,396,842	-	25,396,842
Other financial liabilities	-	83,377,156	-	83,377,156
Total financial liabilities carried at amortised cost	-	14,141,317,921	1,873,767	14,094,873,087

39 Related Party Transactions

In the normal course of business, the Bank and the Bank enters into transactions with its major shareholders, directors and other related parties. These transactions include settlements, issuance of loans, deposit taking, guarantees, trade finance and foreign currency transactions. According to the Bank's policy the terms of related party transactions are equivalent to those that prevail in arm's length transactions.

Related party categories are as follows:

Immediate parent company	Golomt Financial Group LLC is the main shareholder of the Bank.
Entities under common control	Entities under common control are companies within Golomt Financial Group LLC and other companies the ultimate owner has control or significant influence.
Directors and key management personnel	The Board of Directors and executive managers of the Bank.
Other related parties	Related parties except the above three categories.

On 30 June 2025, the outstanding balances the Bank's related parties were as follows:

<i>In thousands of Mongolian Tugriks</i>	Directors and key management personnel	Immediate parent company	Entities under common control	Other related parties	Total
Gross amount of loans and advances to customers (contractual interest rate 6% - 24%)	26,672,141	-	51,127,774	15,983,933	93,783,848
Other assets	-	-	2,055,060	-	2,055,060
Customer accounts (contractual interest rate 0% - 15.6%)	68,867,072	13,428,052	34,426,060	8,511,111	125,232,295

On 31 December 2024, the outstanding balances with the Bank's related parties were as follows:

<i>In thousands of Mongolian Tugriks</i>	Directors and key management personnel	Immediate parent company	Entities under common control	Other related parties	Total
Gross amount of loans and advances to customers (contractual interest rate 6% - 24%)	8,427,530	-	237,319,765	16,405,023	262,152,318
Other assets	-	-	645,010	-	645,010
Customer accounts (contractual interest rate 0% - 15.6%)	49,939,267	11,880,052	199,802,852	9,038,925	270,661,096

39 Related Party Transactions (continued)

Movement in the loans and advances to the Bank's related party for the period ended 30 June 2025 were as follows:

<i>In thousands of Mongolian Tugriks</i>	Directors and key management personnel	Immediate parent company	Entities under common control	Other related parties	Total
Contractual interest rate	6% - 24%	24%	10.5% - 24%	16% - 24%	
Loans to customers					
Loans to customers as at 1 January 2025	8,427,530	-	237,319,765	16,405,023	262,152,318
Loans to customers issued during the year	175,731,723	108,433	2,104,978	15,332,067	193,277,201
Loans to customers repaid during the year	(157,623,927)	(108,477)	(189,054,217)	(16,736,103)	(363,522,724)
Accrued interest as at 30 June 2025	138,917	-	568,148	999,452	1,706,517
Less: Credit loss allowance	(18,291)	-	(1,680,229)	(25,279)	(1,723,799)
Exchange difference	16,189	44	1,869,329	8,773	1,894,335
Loans to customers as at 30 June 2025	26,672,141	-	51,127,774	15,983,933	93,783,848

Movement in the loans and advances to the Bank's related party for 2024 were as follows:

<i>In thousands of Mongolian Tugriks</i>	Directors and key management personnel	Immediate parent company	Entities under common control	Other related parties	Total
Contractual interest rate	6% - 24%	24%	9% - 24%	15% - 24%	
Loans to customers					
Loans to customers as at 1 January 2024	3,863,988	-	76,509,102	36,962,089	117,335,179
Loans to customers issued during the year	190,963,436	111,251	246,956,138	15,422,117	453,452,942
Loans to customers repaid during the year	(186,456,335)	(111,265)	(92,983,197)	(37,338,009)	(316,888,806)
Accrued interest as at 31 December 2024	60,968	-	7,738,301	1,374,246	9,173,515
Less: Credit loss allowance	(4,305)	-	(1,027,752)	(15,802)	(1,047,859)
Exchange difference	(222)	14	127,173	382	127,347
Loans to customers as at 31 December 2024	8,427,530	-	237,319,765	16,405,023	262,152,318

39 Related Party Transactions (continued)

As of 30 June 2025, the customer accounts balances and transactions with the Bank's related parties are as follows:

<i>In thousands of Mongolian Tugriks</i>	Directors and key management personnel	Immediate parent company	Entities under common control	Other related parties	Total
Contractual interest rate	0%-15.6%	0%-15.2%	0%-15.2%	0%-15.6%	
Customer accounts					
Customer accounts as at 1 January 2025	49,939,267	11,880,052	199,802,852	9,038,925	270,661,096
Customer accounts received during the year	1,577,816,542	129,075,663	870,966,117	55,585,891	2,633,444,213
Customer accounts repaid during the year	(1,560,803,844)	(127,900,354)	(1,037,815,040)	(57,052,973)	(2,783,572,211)
Accrued interest as at 30 June 2025	720,948	103,379	796,041	929,080	2,549,448
Exchange difference	1,194,159	269,312	676,090	10,188	2,149,749
Customer accounts as at 30 June 2025	68,867,072	13,428,052	34,426,060	8,511,111	125,232,295

The customer account balances at the year-end and transactions with the Bank's related parties for 2024 are as follows:

<i>In thousands of Mongolian Tugriks</i>	Directors and key management personnel	Immediate parent company	Entities under common control	Other related parties	Total
Contractual interest rate	0%-15.6%	0%-15.2%	0%-15%	0%-15.6%	
Customer accounts					
Customer accounts as at 1 January 2024	4,824,272	3,424,427	127,570,942	1,826,471	137,646,112
Customer accounts received during the year	2,803,561,404	146,609,859	2,569,218,009	89,300,131	5,608,689,403
Customer accounts repaid during the year	(2,758,881,051)	(138,319,455)	(2,508,746,689)	(82,663,595)	(5,488,610,790)
Accrued interest as at 31 December 2024	296,134	5,331	11,850,313	585,251	12,737,029
Exchange difference	138,508	159,890	(89,723)	(9,333)	199,342
Customer accounts as at 31 December 2024	49,939,267	11,880,052	199,802,852	9,038,925	270,661,096

39 Related Party Transactions (continued)

The income and expense items with the Bank's related parties for the period ended 30 June 2025 are as follows:

<i>In thousands of Mongolian Tugriks</i>	Directors and key management personnel	Immediate parent company	Entities under common control	Other related parties	Total
Interest income	759,421	-	10,977,069	1,757,370	13,493,860
Interest expense	1,895,794	115,344	6,339,036	684,662	9,034,836
Fee and commission income	23,580	13,199	67,012	862	104,653
Dividend paid	390,858	62,424,053	4,846,150	26,867	67,687,928

The income and expense items with the Bank's related parties for the period ended 30 June 2024 are as follows:

<i>In thousands of Mongolian Tugriks</i>	Directors and key management personnel	Immediate parent company	Entities under common control	Other related parties	Total
Interest income	543,346	-	5,486,185	2,524,751	8,554,282
Interest expense	845,097	70,303	884,628	447,690	2,247,718
Fee and commission income	24,641	13,979	76,376	1,352	116,348
Dividend paid	376,630	56,181,647	4,361,535	24,181	60,943,993

The outstanding balance of the guarantee and letter of credit issued for the Bank's related parties for the year ended 30 June 2025 and 31 December 2024 is as follows:

<i>In thousands of Mongolian Tugriks</i>	30 June 2025	31 December 2024
Guarantees	1,489,438	3,029,762
Export letters of credit	-	35,912,625
Undrawn credit lines	6,632,625	7,921,764
Total credit related commitments	8,122,063	46,864,151
Less: provision for impairment of credit related commitments	(25,911)	(6,264)
Total credit related commitments	8,096,152	46,857,887

The Bank's Board of Directors and key management compensation is presented below:

<i>In thousands of Mongolian Tugriks</i>	30 June 2025	30 June 2024
Salaries	3,982,592	2,860,473
Bonuses	700,570	1,999,782
Social security contributions	585,395	608,597
Total	5,268,557	5,468,852

Directors and key management personnel mainly represent members of the Bank's Board of Directors and Executive Board. Other related parties are mostly represented by companies controlled by the Bank's major shareholders and the Bank.

40 Event after the End of the Reporting period

There were no material subsequent events since the end of the period that would require disclosure or adjustment to the financial statements.

41 Abbreviations

The list of the abbreviations used in these financial statements is provided below:

Abbreviation	Full name
AC	Amortised Cost
ALCO	The Asset and Liability Committee
BOM	Bank of Mongolia
CODM	Chief Operating Decision Maker
ECL	Expected Credit Loss
EIR	Effective interest rate
FRC	Financial Regulatory Commission of Mongolia
FTP	Funds Transfer Pricing
FV	Fair Value
FVTOCI	Fair Value through Other Comprehensive Income
FVTPL	Fair Value Through Profit or Loss
GDP	Gross Domestic Product
IAS	International Accounting Standard
IBOR	Interbank Offered Rate
IFRS	International Financial Reporting Standard
LC	Letter of Credit
LIBOR	London Interbank Offered Rate
MIK	Mongolian Mortgage Corporation
MNT	Mongolian Tugriks
RMBS	Residential mortgage-backed securities
SFC	Securities Finance Corporation
SICR	Significant increase in credit risk
SME	Small and Medium-sized Enterprises
SOFR	Secured Overnight Financing Rate
YoY	Year-Over-Year