



GOLOMT BANK JSC 2024 PERFORMANCE REPORT

Annual operational reports /Form 1/	
Reporting period	2024.01.01 – 2024.12.31
Issuer's information	<p>Name: Golomt Bank JSC</p> <p>Registration №: 2075377</p> <p>Address: Head office of Golomt Bank, D.Sukhbaatar Square 5, P.O.Box 22, Ulaanbaatar 15160, Mongolia</p> <p>Tel: 1800-1646 (24/7) 7011-1646</p> <p>Fax: 11-313155</p> <p>E-mail: mail@golomtbank.com</p> <p>Website: golomtbank.com</p>
Name of listed exchange	Mongolian Stock Exchange JSC
Sector of business operation report	Banking, Financial sector
Total numbers of shares issued by the issuer	808,657,306 ordinary shares
Names of the specialist who prepared and the official whom reviewed the annual report	<p>Prepared by:</p> <p>B.Unenkhoo /Investment manager/</p> <p>Reviewed by:</p> <p>Z.Solongo /Secretary of Board of Directors/</p>

Fiscal year financial statement /Fill out the summary report indicators and attach the financial statement /

Balance sheet

Balance sheet

Golomt Bank JSC

Statement of Financial Position

In thousands of Mongolian Tugriks

Note 31 December 2024 31 December 2023

Assets

Cash and balances with the Bank of Mongolia	7	2,531,290,330	1,717,584,758
Mandatory cash balances with the Bank of Mongolia	8	566,906,794	468,929,955
Reverse sale and repurchase agreement	23	55,710,082	646,835,976
Due from other banks	9	1,077,952,931	1,403,654,333
Investments in debt securities	10	2,910,397,027	1,733,092,620
Investments in equity securities	11	69,814,870	24,082,823
Loans and advances to customers	12	7,351,381,161	4,712,108,705
Assets classified as held for sale	18	39,545,781	29,101,738
Investment properties	13	8,014,077	6,586,475
Other assets	14	502,590,169	489,826,692
Deferred income tax assets	31	-	6,916,322
Derivative financial assets	41	235,679,985	202,386,920
Intangible assets	15	22,685,885	18,878,648
Premises and equipment	16	200,103,976	151,082,991
Right of use assets	17	24,886,485	16,775,279

Total assets

15,596,959,553 11,627,844,235

Liabilities

Due to other banks	19	443,274,660	130,991,856
Customer accounts	20	9,376,843,081	8,036,633,655
Other borrowed funds	21	1,253,875,383	1,410,928,722
Debt securities in issue	22	1,369,878,337	-
REPO arrangements	23	1,540,353,861	711,674,163
Current income tax liability	31	753,534	42,008,579
Deferred income tax liability	31	33,781,732	-
Derivative financial liabilities	41	904,691	2,890,938
Lease liabilities	35	25,396,842	17,390,429
Other liabilities	24	121,531,371	204,235,171

Total liabilities

14,166,593,492 10,556,753,513

Equity

Share capital	25	202,164,327	202,164,327
Share premium	25	301,481,120	301,481,120
Retained earnings		798,606,421	460,718,070
Other reserves		128,114,193	106,727,205

Total equity

1,430,366,061 1,071,090,722

Total liabilities and equity

15,596,959,553 11,627,844,235

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

<i>In thousands of Mongolian Tugriks</i>	Note	2024	2023
Interest income calculated using the effective interest method	26	1,099,230,795	792,710,179
Other similar income	26	63,958,255	48,022,376
Interest expense	26	(595,259,875)	(361,580,996)
Other similar expense	26	(3,308,598)	(1,859,443)
Net interest income		564,620,577	477,292,116
Reversal of expected credit loss	12	5,521,804	28,074,700
Net interest income after expected credit loss		570,142,381	505,366,816
Fee and commission income	27	125,421,703	102,170,890
Fee and commission expense	27	(79,605,159)	(60,190,417)
Gains less losses from financial assets at fair value through profit or loss		3,882,111	3,439,577
Losses less gains from disposal of financial assets at fair value through other comprehensive income		(1,979,704)	(641,141)
Gains less losses from financial derivatives	41	59,622,496	(133,811,366)
Gains less losses from trading in precious metals		18,680,471	9,362,739
Foreign exchange translation losses less gains		(40,253,561)	(8,254,552)
Gains less losses from trading in foreign currencies		102,497,920	62,258,414
Losses less gains from loans at fair value through profit or loss		(760,284)	(805,488)
Losses less gains from modification of financial assets measured at amortised cost, that did not lead to derecognition		(368,474)	1,321,865
Expected credit losses of debt securities at amortised cost	10	(11,894)	61,009
Expected credit losses for debt securities at fair value through other comprehensive income	10	(2,059,116)	(2,540,274)
Reversal of expected credit losses of due from banks		511,971	1,407,047
Losses on initial recognition of assets at rates below market		(466,282)	(2,206)
Reversal/(losses) of expected credit losses of other assets	14	363,153	(1,557,516)
Gains less losses from asset held for sale	18	43,182,070	(12,248,114)
Reversal/(charge) of provision for guarantees and letters of credit	40	976,454	(1,266,673)
Gains less losses on revaluation of investment properties	13	1,427,602	-
Dividend received		5,251,201	75,636
Other operating income	28	3,015,175	2,288,280
Administrative and other operating expenses	29	(270,665,825)	(200,159,282)
Other gains/(losses), net	30	6,277,044	(240,148)
Profit before tax		545,081,453	266,035,096
Income tax expense	31	(126,327,771)	(56,864,051)
Profit for the year		418,753,682	209,171,045
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	32	4,130,023	53,714,970
- Gains less losses reclassified to profit or loss upon disposal	32	1,979,705	641,141
Income tax recorded directly in other comprehensive income	31	(1,527,433)	(13,589,028)
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		14,872	-
Revaluation of premises and equipment	32	13,682,426	-
Income tax recorded directly in other comprehensive income	31	(3,424,324)	-
Other comprehensive income/loss		14,855,269	40,767,083
Total comprehensive income for the year		433,608,951	249,938,128
Basic earnings per share for profit attributable to the owners of the Bank	34	517.84	258.66
Diluted earnings per share for profit attributable to the owners of the Bank	34	517.84	258.61

Golomt Bank JSC
Statement of Cash Flow

<i>In thousands of Mongolian Tugriks</i>	Note	2024	2023
Cash flows from operating activities			
Profit before tax		545,081,453	266,035,096
Adjustments for non-cash income and expenses:			
(Reversal)/charge of expected credit loss	12	(5,521,804)	(28,074,700)
Gains less losses from financial assets at fair value through profit or loss		(3,882,111)	(3,439,577)
Gains less losses from financial derivatives	41	(59,622,496)	230,906,300
Losses less gains from modification of financial assets measured at amortised cost, that did not lead to derecognition		368,474	(1,321,865)
Losses less gains of loans at fair value through profit or loss		760,284	805,488
Reversal of expected credit loss of due from other banks		(511,971)	(1,407,047)
Expected credit losses of debt securities at fair value through other comprehensive income		943,727	2,540,274
Expected credit losses of debt securities at amortised cost		11,894	(61,009)
Losses on initial recognition of assets at rates below market		466,282	2,206
Losses less gains on disposal of premises and equipment, assets held for sales and investment properties		1,770,256	240,148
Gains on revaluation of premises	30	(8,048,317)	-
Foreign exchange losses less gains		40,253,561	8,254,552
(Reversal)/losses of expected credit losses for other assets	14	(363,153)	1,557,516
(Reversal)/charges of expected credit losses for credit related commitment		(976,454)	1,266,673
Gains from revaluation of investment properties	13	(1,427,602)	-
Gains less losses from asset held for sale	18	(43,182,070)	12,248,114
Depreciation expense	16, 17	34,755,717	29,020,908
Amortisation expense	15	8,824,542	6,368,834
Property and equipment written off	16	1,017	736
Interest income	26	(1,163,189,050)	(840,732,555)
Interest expense	26	598,568,473	363,440,439
Cash flows used in operating activities before changes in operating assets and liabilities		(54,919,348)	47,650,531
(Increase) / decrease in mandatory cash balances with the Bank of Mongolia		(97,976,840)	(111,709,640)
(Increase) / decrease in reverse sale and repurchase agreement		590,291,636	(645,986,460)
Decrease / (increase) in due from other banks		263,311,768	263,696,887
Decrease / (increase) in debt securities at fair value through profit or loss		(277,889,606)	32,063,466
(Increase) / decrease in equity securities at fair value through profit or loss		(45,401,611)	-
(Increase) / decrease in loans and advances		(2,817,708,847)	(1,222,173,621)
Decrease / (increase) in other assets		17,615,765	(31,936,918)
Decrease / (increase) in assets classified as held for sale		72,551,792	33,618,152
Increase / (decrease) in due to banks		311,909,221	78,475,246
Increase / (decrease) in customer account		1,289,197,748	2,250,056,998
Decrease / (increase) in derivative instruments		93,400,874	129,223,514
Increase / (decrease) in other liabilities		(81,727,346)	71,662,263
Net cash from / (used in) operating activities before tax and interest		(737,344,794)	894,640,418
Income tax paid		(133,383,140)	(87,065,505)
Interest income received on financial assets at amortised cost		1,110,671,119	812,291,342
Interest income received on investments at fair value through profit or loss		35,909,690	20,318,547
Interest paid		(519,991,167)	(323,631,444)
Net cash from / (used in) operating activities		(244,138,292)	1,316,553,358

Golomt Bank JSC
Statement of Cash Flow

<i>In thousands of Mongolian Tugriks</i>	Note	2024	2023
Cash flows from investing activities			
Acquisition of debt securities at fair value through other comprehensive income		(209,067,934)	(843,094,384)
Proceeds from disposal of debt securities at fair value through other comprehensive income		512,775,689	390,779,306
Acquisition of equity securities at fair value through other comprehensive income		(683,342)	(36,317)
Proceeds from disposal of investment property		-	3,690,000
Acquisition of premises and equipment	16	(54,817,595)	(30,553,696)
Proceeds from disposal of premises and equipment	16	2,958,062	8,811,797
Acquisition of intangible assets	15	(13,304,763)	(4,299,094)
Prepayment for non-current assets	14	(30,016,089)	(176,045,161)
Net cash used in investing activities		207,844,028	(650,747,549)
Cash flows from financing activities			
Proceeds from repo arrangements	35	4,683,254,696	4,097,128,065
Repayment of repo arrangements	35	(3,853,776,334)	(3,586,092,454)
Proceeds from drawdown of other borrowed funds	35	1,276,322,604	460,432,436
Repayment of other borrowed funds	35	(1,323,379,686)	(836,817,398)
Payment of principal of lease liabilities	35	(13,016,781)	(10,247,841)
Issue of debt securities	35	1,337,438,060	-
Dividends paid	33	(72,779,158)	(40,432,865)
Net cash from financing activities		2,034,063,401	83,969,943
Effect of exchange rate changes on cash and cash equivalents		(25,571,211)	(40,552,969)
Net increase/(decrease) in cash and cash equivalent		1,972,197,926	709,222,783
Cash and cash equivalents at the beginning of the period	7	2,984,637,271	2,275,414,488
Cash and cash equivalents at the end of the period	7	4,956,835,197	2,984,637,271

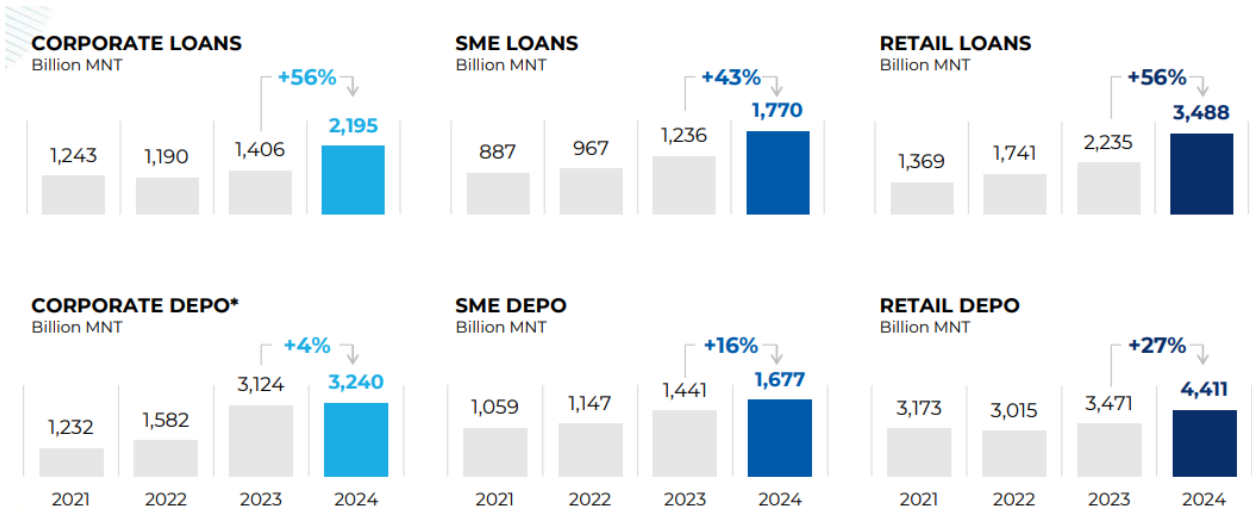
Golomt Bank JSC
Statement of Changes in Equity
31 December 2024

<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 2023		202,164,327	301,481,120	(35,806,462)	6,994,662	103,651,295	283,420,821	861,905,763
Profit for the year		-	-	-	-	-	209,171,045	209,171,045
Other comprehensive income		-	-	40,767,083	-	-	-	40,767,083
Total comprehensive income for 2023		-	-	40,767,083	-	-	209,171,045	249,938,128
Dividends declared and paid	33	-	-	-	-	-	(40,432,865)	(40,432,865)
Transfer of revaluation surplus on premises		-	-	-	(328,399)	-	328,399	-
Transfer from regulatory reserve		-	-	-	-	(7,690,697)	7,690,697	-
Share based payments		-	-	-	-	(847,461)	847,461	-
Movement in operational risk		-	-	-	-	(12,816)	12,816	-
Other		-	-	-	-	-	(320,304)	(320,304)
Balance at 31 December 2023		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 year		-	-	-	-	-	418,753,682	418,753,682
Other comprehensive income		-	-	4,593,450	10,261,819	-	-	14,855,269
Total comprehensive income for 2024		-	-	4,593,450	10,261,819	-	418,753,682	433,608,951
Dividends declared and paid	33	-	-	-	-	-	(72,779,158)	(72,779,158)
Transfer of revaluation surplus on premises		-	-	-	(479,780)	-	479,780	-
Transfer to regulatory reserve		-	-	-	-	8,211,349	(8,211,349)	-
Movement in operational risk		-	-	-	-	354,604	(354,604)	-
Use of operational risk reserve		-	-	-	-	(7,833)	-	(7,833)
Other		-	-	-	(1,546,621)	-	-	(1,546,621)
Balance at 31 December 2024		202,164,327	301,481,120	9,554,071	14,901,681	103,658,441	798,606,421	1,430,366,061

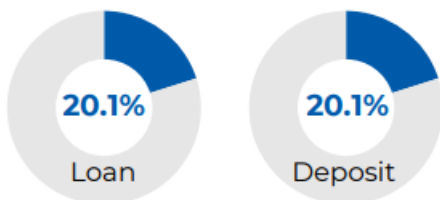
As of 31 December 2024, other reserves mainly consist of the regulatory reserves required by Bank of Mongolia (BOM). In accordance with the regulation of the BOM, it is required to recognize the excess difference of credit loss allowance and provision for repossessed collaterals determined in accordance with the regulations of BOM ("BOM impairment provision") in comparison to credit loss allowance and provision for repossessed collaterals determined under IFRS as a reserve in the statement of changes in equity. This reserve is created as appropriation of the Bank's retained earnings, as such treatment is in accordance with IFRS and the accounting regulations of the Bank of Mongolia and represents regulatory reserve.

1.1	Audit report on annual financial statement	<div data-bbox="493 79 621 136"> </div> <div data-bbox="493 220 1232 245"> <p>Auditors' Responsibilities for the Audit of the Financial Statements, Continued</p> </div> <div data-bbox="493 268 1393 365"> <p>We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.</p> </div> <div data-bbox="493 388 1393 556"> <p>From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.</p> </div> <div data-bbox="493 579 1393 630"> <p>The engagement partner on the audit resulting in this independent auditors' report is Pyung-Sik Kong, and the General Director of the audit firm is Soyolmaa Gungaanyambuu.</p> </div> <div data-bbox="493 646 792 806"> <p>KPMG Audit LLC Ulaanbaatar, Mongolia 28 March 2025</p> </div> <div data-bbox="493 877 734 1020"> <p>Signed by: Soyolmaa Gungaanyambuu General Director</p> </div> <div data-bbox="954 877 1188 1020"> <p>Approved by: Pyung-Sik Kong Partner</p> </div> <div data-bbox="493 1312 1393 1470"> <p>This report is effective as at 28 March 2025, the audit report date. Certain subsequent events or circumstances, which may occur between the audit report date and the time of reading this report, could have a material impact on the accompanying financial statements and notes thereto. Accordingly, the readers of the audit report should understand that the above audit 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.</p> </div>
2	A brief description of factors affecting the issuer's financial condition and results of operations during the reporting period, as well as the management's assessment and the measures to be taken in the future	
2.1	Operational performance	
	<p>Business operation</p> <ol style="list-style-type: none"> 1. To ensure the reliability of the energy sector, more than ₮70 billion in funding has been provided for energy production, distribution, and transmission activities. 2. Golomt Leasing center has started working with 22 official automotive and heavy equipment distributors with warranties, maintenance services, and showrooms. 	

- 3. The **MENTORSHIP** program, which aims to empower entrepreneurs, was organized for the third year and provided training, development and consulting services to 62 clients.
- 4. The business loan portfolio for **women entrepreneurs increased 9 times**.
- 5. Established **5 new branches** in order to bring bank services closer to citizens.



MARKET SHARE OF GOLOMT BANK, 2024Q4



Corporate customers	1.4 thous. YTD %: +7%
SME customers	96 thous. YTD %: +6%
Retail customers	1.1 million YTD %: +10%

INTERNATIONAL PARTNERSHIP
Rating upgrade (November 2024)

GOLOMT BANK'S
CREDIT RATING

B+ 
STABLE

	GOLOMT	SOVEREIGN
Moody's	B2/Stable/	B2/Stable/
S&P Global	B+/Stable/	B+/Positive/
Fitch	N/A	B+/Stable/

- Upgrade expected to boost investor confidence and reduce borrowing costs

GLOBAL DEVELOPMENT FINANCE PROGRAMS



IFC International
Finance Corporation
WORLD BANK GROUP



ADB **T&FP**
TRANSFORM & IMPROVE LIVES THROUGH FINANCIAL INCLUSION



European Bank
for Reconstruction and Development

USD CLEARING BANKS



INTERNATIONAL COOPERATION

CrownAgents
Bank



MIZUHO



Banca Popolare di Sondrio

ODDO BHF

OCBC Bank

CaixaBank



中國銀行
BANK OF CHINA



신한은행
SHINHAN BANK



中国农业银行
AGRICULTURAL BANK OF CHINA

IMPACT FUNDS



WATEREQUITY



GGSF
Global Gender Smart Fund



**Enabling
Capital**



**AGENTS
FOR
IMPACT.**



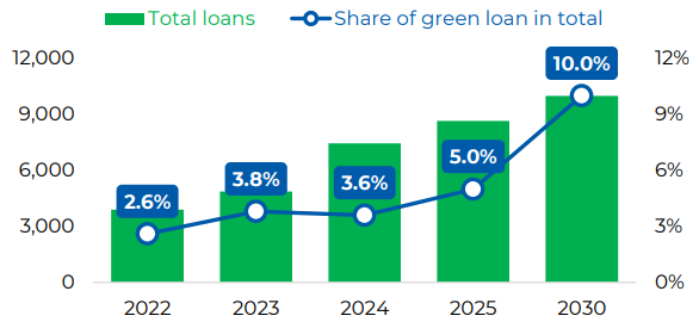
SAISON INTERNATIONAL

SUSTAINABLE & GREEN FINANCING

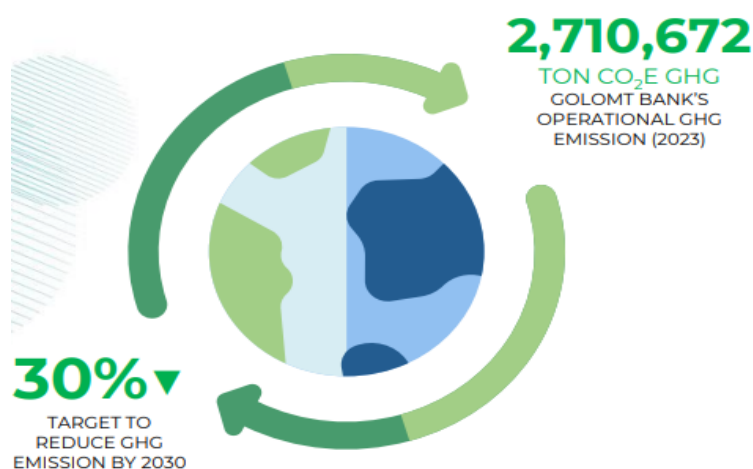
Banks's Goal: Achieve 10% green loan portfolio by 2030.

GOLOMT BANK'S GREEN LOAN PORTFOLIO

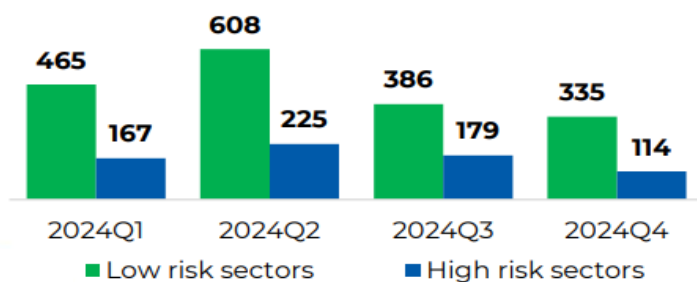
Billion MNT



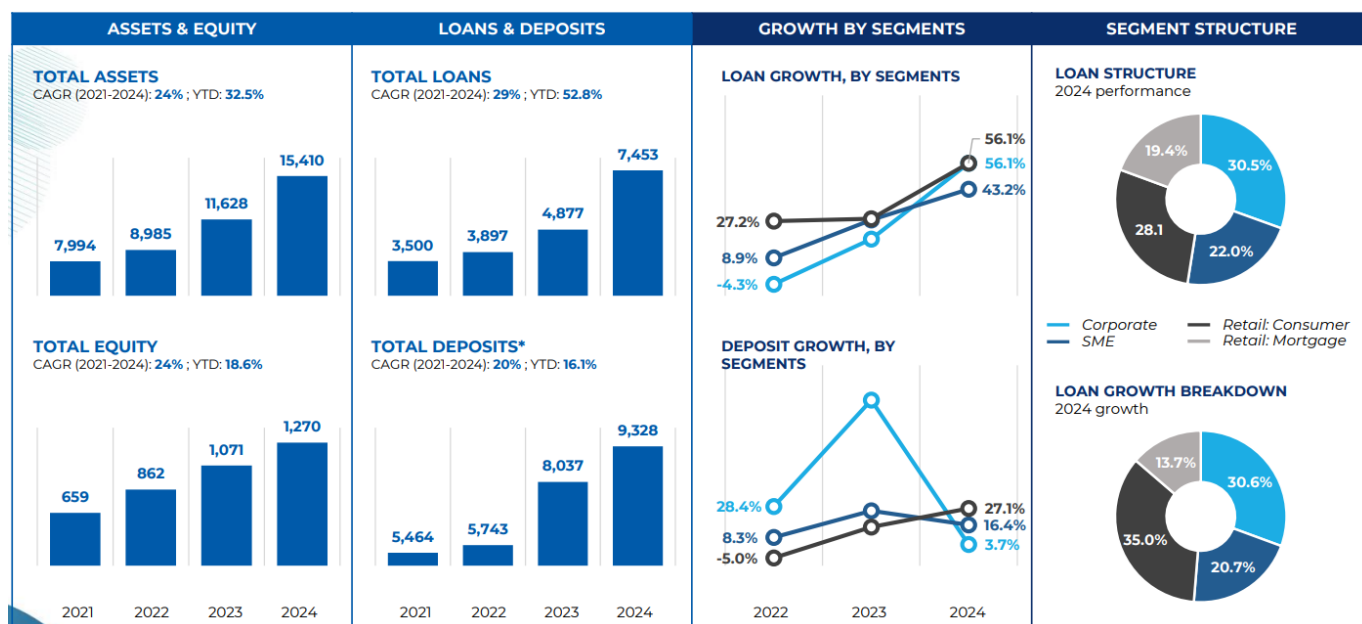
The banking sector, unlike other sectors, is important to measure the impact it creates through loans. Therefore, the bank has collaborated with the Development Finance Institution of the JPMorgan Bank to assess the actual impact of its sustainable finance. It has also collaborated with MUFG to develop the Bank's sustainable finance framework in accordance with international standards, which has obtained Second Party Opinion by the S&P Global rating agency.

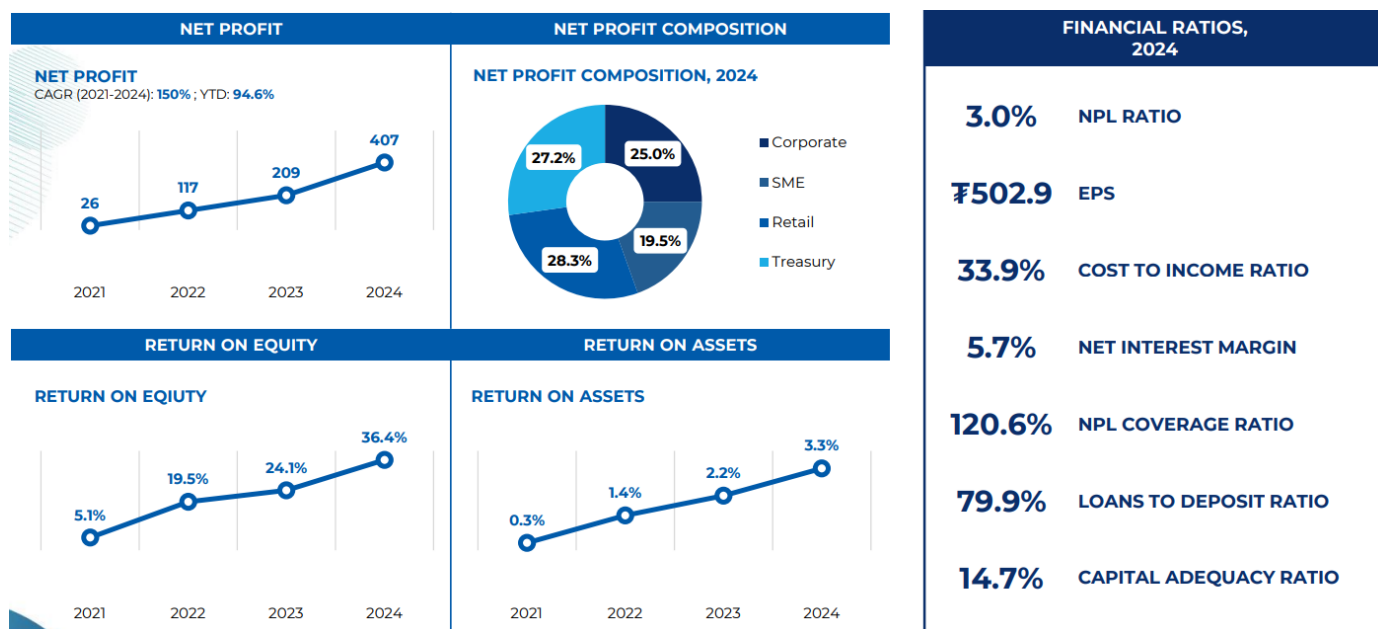
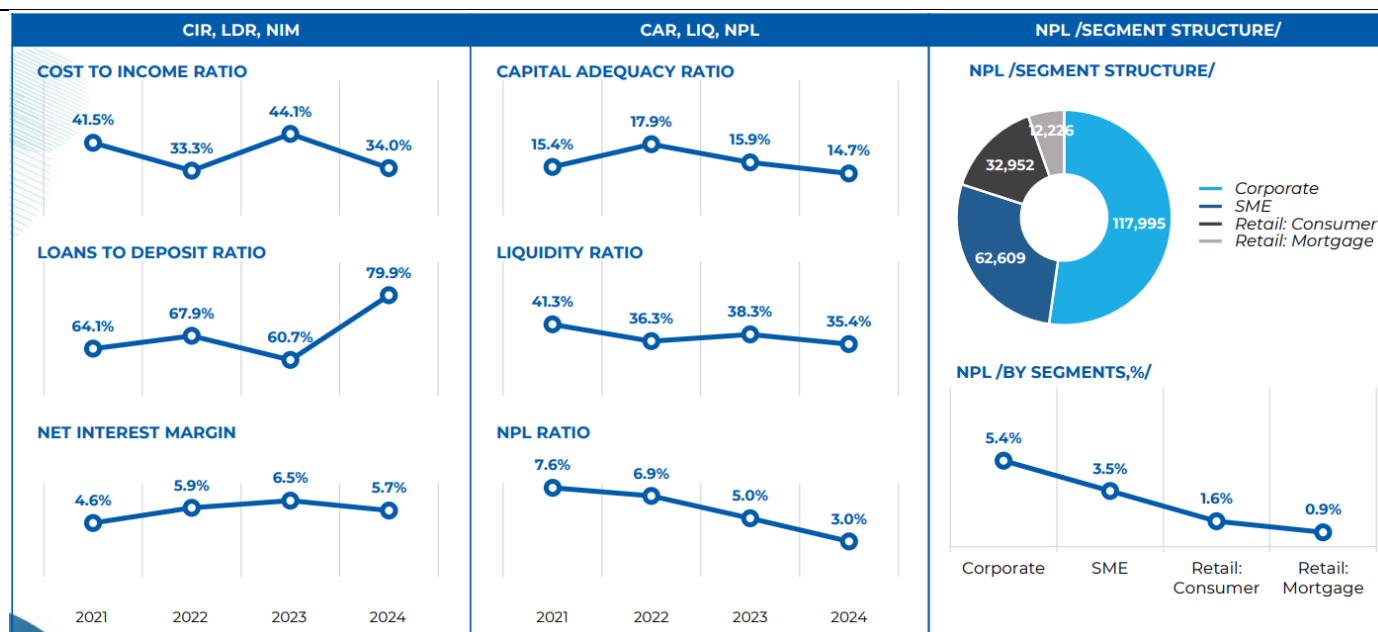


ENVIRONMENTAL & SOCIAL RISK ASSESSMENT PERFORMANCE IN THE LOAN ORIGATION PROCESS



FINANCIAL RESULTS





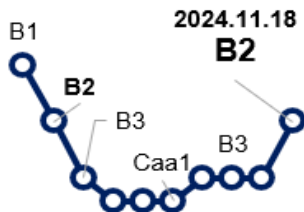
2.2 Liquidity ratios and financial resources

	2024Q1	2024Q2	2024Q3	2024Q4	Limits
Liquidity ratio	36.82%	33.67%	30.85%	35.42%	≥29%
LCR	136.9%	129.2%	109.5%	158.9%	≥100%
NSFR	115.7%	104.1%	101.3%	102.4%	≥100%

The external and internal factors affecting the operations of the issuer, its market share in the operating industry, changes or developments in the range of products and services, and measures planned to be taken by the issuer in response to changes and development.

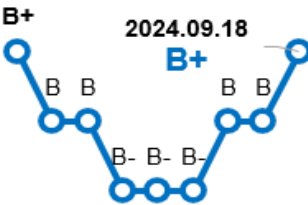
MONGOLIAN HISTORICAL CREDIT RATING

Moody's



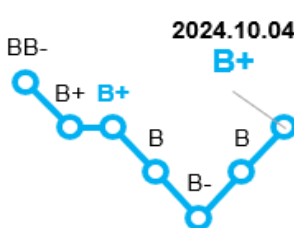
26-May	17-Jul	26-Aug	18-Nov	15-Feb	30-Mar	18-Jan	8-May	16-Mar	18-Nov
14	16	17	18	20	21	24			

Fitch rating



11-Dec	24-Nov	22-Jul	22-Nov	19-Feb	17-Nov	9-Jul	4-Jul	18-Sep
14	15	16	16	17	17	18	19	24

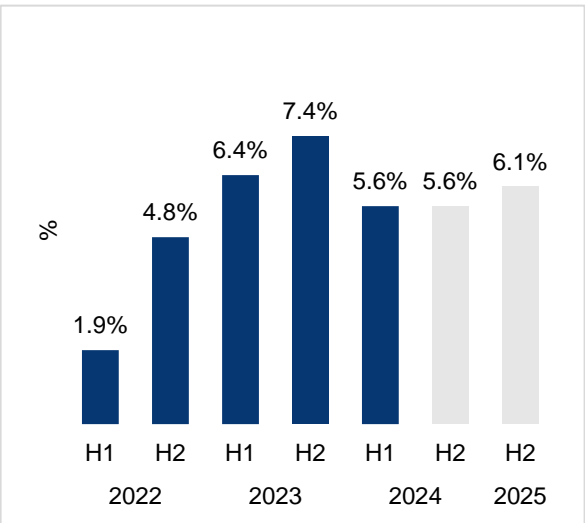
S&P



16-Apr	29-Apr	29-Apr	3-Nov	19-Aug	9-Nov	4-Oct
13	14	15	16	18	24	

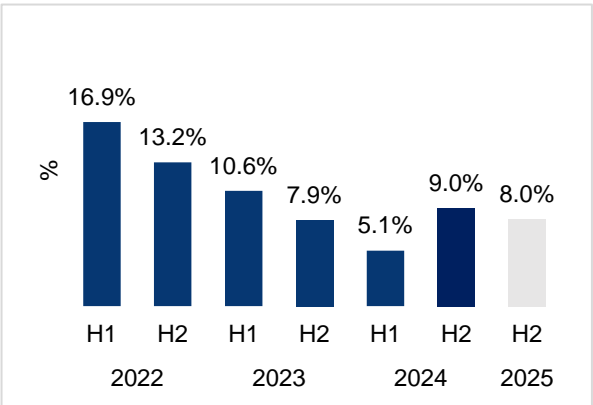
- For the first time since 2014, international credit rating agencies Fitch, S&P, and Moody's have upgraded Mongolia's sovereign credit rating to B+ and B2 levels. This improvement has created opportunities to increase the issuance of bonds in international markets and to successfully raise financing. Consequently, through the inflow of foreign direct investment, the financial account has been positively impacted, with more than USD 2 billion recorded in the financial account in November alone. As a result, the balance of payments has posted a surplus of USD 40 million.
- Furthermore, in December, the Trade and Development Bank successfully raised USD 200 million through a bond issuance, Golomt Bank raised an additional USD 100 million, and the Ulaanbaatar City Bond secured USD 500 million in financing. As a result of the impact of these bonds, the balance of payments is expected to record a surplus of USD 150 million by the end of 2024. (Bank of Mongolia Governor B. Lkhagvasuren, 2025)

MACROECONOMIC GROWTH ASSUMPTIONS



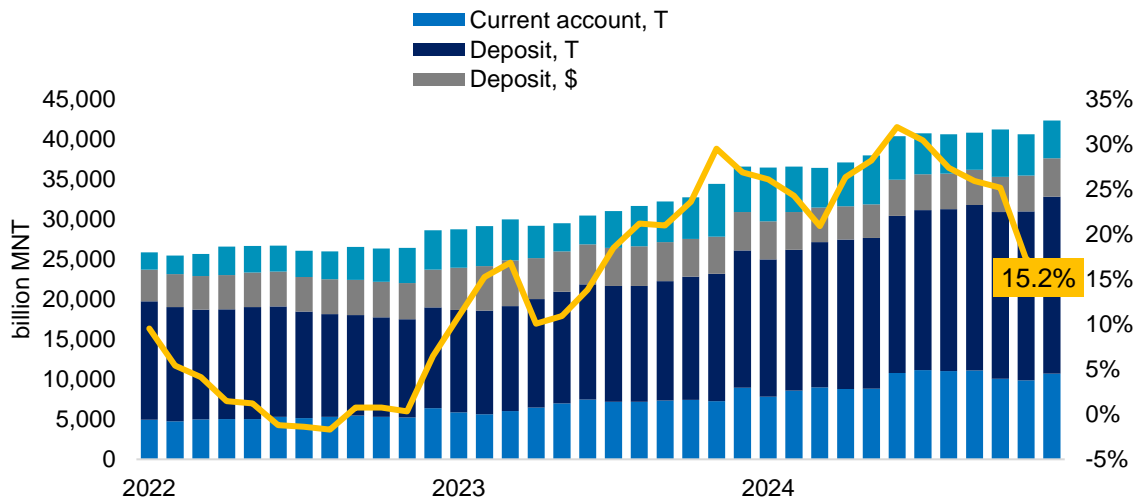
In 2023, the majority of economic recovery was driven by the mining and transportation sectors. However, in 2024, growth has been fueled by domestic demand, with the trade and services sectors playing a significant role in supporting economic expansion. As a result, based on the average projections of major international and domestic institutions, the economy is expected to grow by 5.6% by the end of 2024.

INFLATION PROJECTION



The year 2025 is also expected to be a challenging year in terms of controlling inflation, with similar patterns to those observed in 2024 reemerging. For instance, budget expenditures—particularly current expenditures—have significantly increased, and the continued distribution of dividends alongside rising domestic activity is expected to heighten inflationary pressures. Additionally, the increase in heating tariffs starting in May presents a high risk of accelerating inflation. Moreover, due to severe weather conditions and increased livestock mortality from dzud (harsh winter), meat prices are projected to rise in 2025, further fueling inflationary pressure. As a result, economists are warning that inflation could reach double-digit levels starting from April 2025.

MONEY SUPPLY



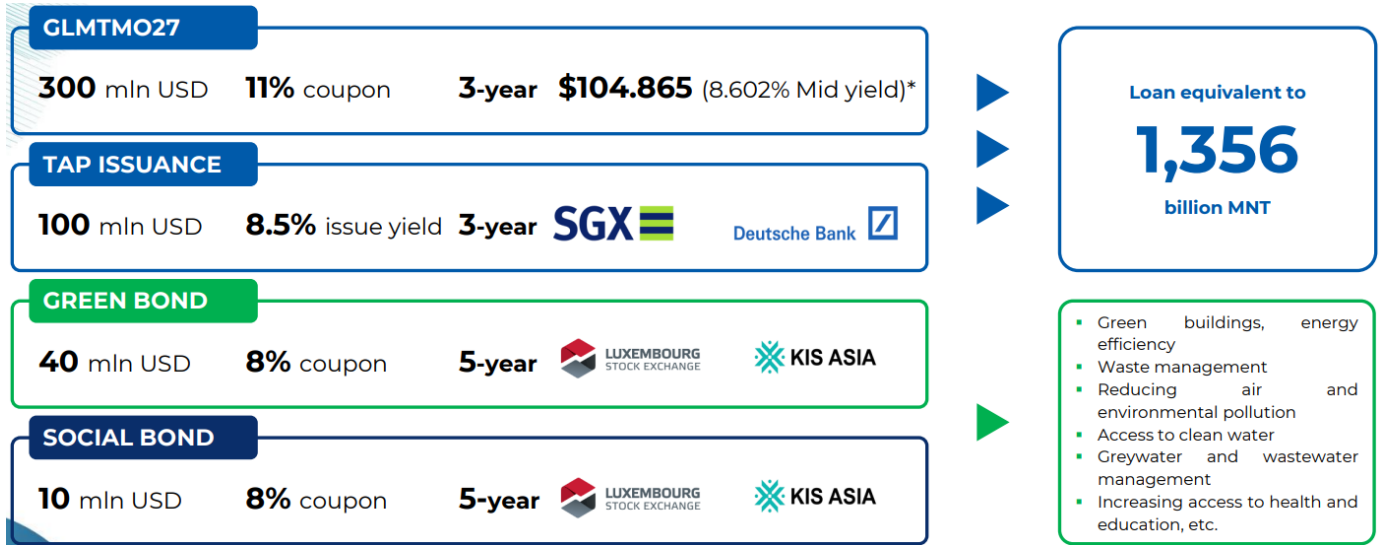
As of the preliminary performance for December 2024, the money supply reached MNT 43.3 trillion, an increase of MNT 5.7 trillion compared to the previous year. On the source side, the main contributors were a MNT 4.9 trillion (28.8%) increase in local currency time deposits and a MNT 1.8 trillion (19.7%) increase in local currency demand deposits.

At the end of the year, local currency time deposits amounted to MNT 22.1 trillion, rising by 4.7% from the previous month and by 28.8% year-on-year end. Within this amount, 86% was held by individuals and 14% by businesses and organizations. Meanwhile, foreign currency deposits stood at MNT 4.9 trillion, showing a decrease of 2.9% or MNT 142.6 billion from the previous year. In 2024, money supply remained elevated due to the scheduled parliamentary elections and expansionary fiscal policy. By mid-year, the annual growth rate had accelerated to 31.9%. However, over the last four months, the growth rate of money supply slowed to 15.2%, mainly due to a growing balance of payments deficit and a slowdown in the accumulation of net foreign assets. Nevertheless, the continued acceleration of credit growth has been expanding the money supply further, which poses risks of currency depreciation and increased inflation.

Another major channel contributing to money supply growth is foreign direct investment (FDI). As of November 2024, total FDI inflows into Mongolia reached USD 2.4 billion, equivalent to approximately MNT 8.1 trillion. This represents a 60% increase compared to the previous year, largely attributable to corporate bond issuances by domestic banks and initial investments into major infrastructure projects, which together have sustained the high level of money supply.

IMPLEMENTATION OF THE STRATEGY TO REDUCE COST OF FUNDS

A total of USD 450 million worth of bonds were issued on the international market .



KEY FINANCIAL ACHIEVEMENTS OF 2024

- The bank's total assets increased by MNT 4.0 trillion or 34.1% year-on-year, reaching MNT 15.6 trillion.
- The total loan portfolio expanded by 54.3% to MNT 7.5 trillion, while customer funding grew by 16.7%, reaching MNT 9.4 trillion.
- Through effective asset quality management, the ratio of non-performing loans (NPLs) was reduced by 2 percentage points to 3.0%, which is below the banking system average and reflects strong credit quality.
- Net profit after tax for 2024 surged by 100.2% year-on-year, reaching MNT 418.8 billion. Return on equity (ROE) rose to 33.6%.

Market Share:

21.6% share of total assets in the banking sector
20.1% share of total loans
20.1% share of customer deposits

STRATEGIC PRIORITIES FOR 2025

- 1. Expand International Market Presence:**
Strengthen the bank's position in international capital markets and support clients in expanding into foreign markets.
- 2. Support SMEs and Non-Mining Sectors:**
Collaborate with relevant institutions to provide favorable financing conditions for small and medium-sized enterprises (SMEs) and promote the expansion of non-mining sectors.
- 3. Enhance Customer Experience:**
Broaden VIP and tailor-made service offerings to strengthen personal finance and wealth management services for clients.
- 4. Focus on Risk Management:**
Continuously improve internal operations, ensure proper segmentation of customers, and maintain high asset and loan quality through sound risk management.
- 5. Strengthen Investor Relations:**
Adhere to international standards and enhance communication and transparency with investors.
- 6. Green Transition:**
Set medium- and long-term goals to reduce greenhouse gas emissions through both operations and financing, contributing meaningfully to Mongolia's green economic transition.

7. **AI-Powered Virtual Banking:**

Deliver personalized financial services to each client using artificial intelligence, while improving decision-making and operational efficiency under the “AI Virtual Bank” strategy.

2.4 Details of off-balance sheet transactions in the balance sheet and information on accounting policies

Credit related commitments

The Bank assumes various irrevocable contingent liabilities and commitments to meet the financial needs of its customers. Although these obligations are not recognized in the financial position statement, they still carry a certain level of risk and are therefore considered an integral part of the Bank’s overall risk exposure.

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.

The Bank is obligated to extend credit for the unused portion of credit lines established in the form of loans, guarantees, and letters of credit. In the case of unused credit lines, the Bank is exposed to credit risk only to the extent that the customer draws on the facility.

However, as the customer becomes entitled to access the credit line only upon meeting specific loan terms and conditions, the Bank’s potential loss exposure is typically lower than the total amount of the unused credit line.

<i>In thousands of Mongolian Tugriks</i>	31 December 2024
Financial guarantees issued	102,351,920
Performance guarantees issued	422,916,404
Letters of credit	169,465,575
Undrawn credit lines	838,272,162
Total credit related commitments	1,533,006,061
Less: Expected credit loss allowance for impairment of credit related commitments	(1,873,767)
Total credit related commitments	1,531,132,294

2.5 Information on loan repayment received during the reporting period, and loan pledges and guarantees

OTHER BORROWED FUND

In thousands of Mongolian Tugriks

31 December 2024

(a) Borrowed funds under projects

Borrowed funds under Project /MNT/	384,637,262
Borrowed funds under Project /USD/	110,756

Total borrowed funds under projects

384,748,018

(b) Borrowings from foreign banks and financial institutions

Borrowings from other foreign bank /USD/	733,903,539
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(c) Trade finance from foreign banks and financial institutions

Borrowings from foreign banks and financial institutions /USD/	129,171,672
Borrowings from foreign banks and financial institutions /EUR/	6,050,945
Borrowings from foreign banks and financial institutions /CNY/	-
Borrowings from foreign banks and financial institutions /KRW/	1,209

Total borrowings from foreign banks and financial institutions

869,127,365

TOTAL

1,253,875,383

(a) Borrowed funds under projects

In thousands of Mongolian Tugriks

31 December 2024

Government price stabilization program

Housing mortgage program	349,491,509
Fuel reserve program	4,628
Project on gold production 2	4,705,492
Project loan of KFW bank	104,267

Joint projects of Mongolian government and JICA

Borrowings under SME industry support fund	7,452,707
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Joint project of Credit guarantee fund and ADB

Borrowings under SME industry support fund	7,521,687
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Other government projects

Borrowings under Agriculture and Rural Development Project	14,889,445
Other borrowing under project	110,755
Borrowings under SME industry support fund	465,228
Student development program	2,300

Total

384,748,018

Most of these funds are obtained for specific purposes (issuing loans at advantageous rates to target customers), defined by the lenders or the Government of Mongolia, and therefore they are obtained at interest rates that may be lower than rates at which the Bank could source the funds from other lenders. Interest rates during 2024 on most of these borrowed funds range between 3% and 5% p.a., while interest rates on most of the loans issued from these sources range between 6% and 12.34% p.a. The management considered whether initial gain on recognition of these borrowings should be recognised and concluded that they meet the definition of a principal market and that no gains or losses should arise on initial recognition of related borrowings and loans to customers.

The major programs include funding from the Development Bank of Mongolia on funding specific sectors or types of projects that are related to key priorities for development of Mongolian economy (e.g., achieving diversification of economy) by the Government of Mongolia. These programs are briefly outlined below.

- Under Housing Mortgage Program, the Bank received funds since 2014 from the Bank of Mongolia for a mortgage loan program implemented by the Government at an interest rate of 1%, 2% and 4% p.a. Newly issued loans or refinanced loans need to meet specific requirements (apartments with maximum area of 80 square meters, down payment of at least 30% apartment purchase price, good customer's credit history with respective bank and other Mongolian banks etc.) in order to qualify for this program.

- As a result of such financing, the Bank is

able to advance funds to target customers as determined by its lenders, at advantageous rates of 5%, 6% and 8% p.a. defined by the Bank of Mongolia i.e., the Bank has no discretionary rights in determining interest rates on issued loans. The Bank approves all loans disbursement or refinancing under 6% interest rate and bears the credit risk.

- In 2023, the Bank participated in a program funded by UB-SME support center for financing SMEs to support stability of the entities. Under this program, the Bank obtained funding at zero cost with maturity date of 5 December 2026 and issued loans to the companies at advantageous interest rate of 3.0% p.a. The Bank bears the credit risk.
- In 2021, the Bank participated in a program funded by the Bank of Mongolia is for financing fuel companies to increase the fuel reserves. Under this program, the Bank obtained funding at interest rates of 6-14% p.a. with maturity date of 28 December 2024 and issued loans to fuel companies at advantageous interest rate of 9-17% p.a.
- In 2020, the Bank participated in a program funded by the Bank of Mongolia is for financing gold mining companies to increase the gold reserves and foreign exchange reserve of the Bank of Mongolia. Under this program, the Bank obtained

funding at interest rates of 6-12% p.a. with maturity date of 25 November 2025 and issued loans to mining companies at advantageous interest rate of 9-15% p.a.

- Since 2012, the Bank participates in the KFW program to support employment for providing small and medium sized loans to enterprises to create workplaces and manufacturing. The Bank received related funding from Bank of Mongolia at interest rate of 5% p.a., with maturity date of 25 June 2025. The Bank bears the credit risk in this arrangement.
- In 2011, the Bank received fund from JICA at an interest rate of 3.0% p.a. The project purpose is to support SMEs and environmental protection projects. Under this program, the Bank obtained funding at interest rates of 3% p.a. with maturity date of 24 December 2034 and issued loans to SMEs at advantageous interest rate of 7% p.a. The project unit's board committee decides to change the loan and funding interest rate in every half year.
- Since 2021, the Bank received fund from Asian Development Bank at an interest rate of 5% p.a. The joint project of Credit guarantee fund of Mongolia and ADB purpose is to support SMEs` in long term. The Bank can grant loans with the interest rate of 8.88-12.34% depending on the guarantee percentages. Both the Bank and CGF approves the loan disbursement and bears the credit risk separately.
- In 2016, the Bank received fund from Asian Development Bank at an interest rate of 4.5% p.a. The project purpose is to support agriculture and rural development project. The program was extended until 2031. The Bank can grant loans with the interest rate of 8%. The Bank approves all loan disbursement or refinancing and bears the credit risk.

(a) Borrowed funds under projects (continued)

The terms of the borrowing agreements with government organizations, central bank, and international financial institutions are provided in below table.

Category	Funding source	Name of Project	Currency	Disbursement date	Maturity date	Principle balance as of 31 December 2024 in thousands of original currencies	Principle balance as of 31 December 2024 in thousands of MNT
Government price stabilization program	Bank of Mongolia	Housing mortgage program	MNT	4/21/2016	7/1/2026	349,491,509	349,491,509
	Bank of Mongolia	Fuel reserve program	MNT	12/13/2021	12/28/2024	4,628	4,628
	Bank of Mongolia	Project on gold production 2	MNT	6/25/2020	11/25/2025	4,705,492	4,705,492
	Bank of Mongolia	Project loan of KFW bank	MNT	6/8/2012	6/25/2025	104,267	104,267
Joint projects of Mongolian government and JICA	JICA	Borrowings under SME industry support fund	MNT	12/19/2011	12/24/2034	7,452,707	7,452,707
Joint projects of Credit guarantee fund and ADB	ADB	Borrowings under SME industry support fund	MNT	3/22/2021	9/30/2033	7,521,687	7,521,687
Other government projects	Government	Borrowings under Agriculture and Rural Development Project	MNT	5/5/2016	8/1/2031	14,889,445	14,889,445
	Government	Other borrowing under project	USD	10/7/2014	5/1/2027	32	110,755
	Government	Borrowings under SME industry support fund	MNT	7/18/2023	7/17/2026	465,228	465,228
	Government	Student development program	MNT	11/30/2016	12/5/2026	2,300	2,300

b) Borrowings from foreign banks and financial institutions

Borrowings from other foreign bank represent loans obtained from foreign banks and financial institutions in the amount between USD 1,666 thousands and USD 100,000 thousands with maturity range of 24 months to 60 months as of 31 December 2024 (2023: between USD 2,500 thousands and USD 100,000 thousands with maturity range of 12 months to 97 months). USD 100,000 thousands of those borrowings are collateralized by the Bank's current account at the lending banks. During 2024, several borrowings have been obtained with total amount of USD 64,000 thousands with original maturity range of 24 to 37 months.

(c) Trade finance from foreign banks and financial institutions

The Bank obtained uncommitted revolving trade credit lines from international banks and financial institutions to finance its' trade customers. During 2024, the Bank utilised MNT 247,234,399 thousands (31 December 2023: MNT 184,427,134 thousands) of respective credit lines and issued loans for the same amount with the purpose to finance transaction of its' customers. The term of such funding is up to 1 years and cash flows from customers and payment to foreign banks are matching in terms of the timing of interest and principal amount repayment. The Bank bears the credit risk in the case of non-payment by the customer. At 31 December 2024, the Bank has no breach on borrowings from foreign banks and financial institutions.

3 Information on conflict-of-interest and significant transactions conducted by the issuer during the reporting period, the importance and the purpose of the transaction, and information about the person with a conflict of interest

Meeting Date: 2024.02.14

Agenda: Approval of Cooperation Agreement

Resolution: Approved entering into a general cooperation agreement with Mandal Insurance JSC.

Decision Process: Independent members of the Board of Directors participated and voted.

Meeting Date: 2024.02.16

1. Agenda: Approval to enter into a trust asset management agreement with BuuRELJUUTIIN TAL LLC
Resolution: Approved entering into a trust asset management agreement with BuuRELJUUTIIN TAL LLC.
Decision Process: Independent members of the Board of Directors participated and voted.
2. Agenda: Acquisition of shares registered under Steppe Beverage KFT as loan collateral
Resolution: Approved the acquisition of 52,193,070 shares of APU JSC, registered under Steppe Beverage KFT, as loan collateral. Also approved payment of transaction fees to Golomt Capital LLC.
Decision Process: Independent members of the Board of Directors participated and voted.
3. Agenda: Loan request from the Mongolian Mortgage Corporation HFC LLC
Resolution: Approved granting an investment loan to Mongolian Mortgage Corporation HFC LLC.
Decision Process: Independent members of the Board of Directors participated and voted.

Meeting Date: 2024.03.19

1. Agenda: Amendment and extension of strategic partnership agreement with Easy Pay LLC
Resolution: Approved the amendment and extension of the strategic partnership agreement with Easy Pay LLC, in accordance with the presented terms.
Decision Process: Independent members of the Board of Directors participated and voted.

Meeting Date: 2024.03.19

2. Agenda: Loan request from Tsetsens Mining & Energy LLC
Resolution: Approved the loan request from Tsetsens Mining & Energy LLC.
Decision Process: Independent members of the Board of Directors participated and voted.

Meeting Date: 2024.06.05

1. Agenda: Loan request from D. Bayasgalan
Resolution: Approved the loan request from D. Bayasgalan.
Decision Process: Independent members of the Board of Directors participated and voted.

2. Agenda: Extension of credit line for Bodi International LLC
Resolution: Approved the extension of the credit line for Bodi International LLC.
Decision Process: Independent members of the Board of Directors participated and voted.

Meeting Date: 2024.06.24

1. Agenda: Loan request from Easy Pay LLC
Resolution: Approved granting a credit line to Easy Pay LLC.
Decision Process: Independent members of the Board of Directors participated and voted.

Meeting Date: 2024.07.04

1. Agenda: Cooperation agreement
Resolution: Approved entering into a cooperation agreement with Golomt Capital LLC.
Decision Process: Independent members of the Board of Directors participated and voted

Meeting Date: 2024.09.24

1. Agenda: Sale of fixed assets
Resolution: Approved the sale of 66.88 square meters of office space located in Park Place Office, owned by Golomt Bank JSC, to Easy Pay LLC.
Decision Process: Independent members of the Board of Directors participated and voted.

Meeting Date: 2024.12.11

Agenda: Loan request from Mungunguur Hospital LLC

Resolution: Approved granting a women entrepreneur support loan and an investment loan to Mungunguur Hospital LLC.

Decision Process: Independent members of the Board of Directors participated and voted.

4 Information on Remuneration

<i>In thousands of Mongolian Tugriks</i>	2024	2023
Staff costs consist of:		
Salaries, wages and bonus	103,155,841	73,308,483
Contribution to social and health fund	11,335,116	8,845,970
Staff benefits	1,549,000	1,257,480
Pension fund	612,476	345,490
Staff training	633,617	494,498
Total staff costs	117,286,050	84,251,921

Significant increase in staff costs related to salary and bonus increases.

5 Information related to corporate governance

BOARD OF DIRECTORS

Chairlady of the Board – Munkhtsetseg Ch.

Ms. Munkhtsetseg Ch. graduated her secondary education at Soviet Secondary School No. 3 in 1988 and obtained her degree in Mining Electrical Mechanical Engineering from the Mongolian University of Science and Technology in 1993. She later earned her Master of Business Administration (MBA) from Johns Hopkins University (USA) in 2001. To further enhance her professional qualifications, she pursued executive education at Oxford University in 2015 and Harvard University in 2016.

She began her professional career in 1996 at the Mongolian Stock Exchange and has since held roles at prestigious institutions such as the World Bank, The Asia Foundation, and Nepko Publishing. In addition, she served as the editor-in-chief of *Toim* magazine starting in 2010.

With over 11 years of experience in board governance, Ms. Munkhtsetseg has served on the boards of various organizations, including the International School and Mass Media Group. She was appointed as a member of the Board of Directors of Golomt Bank in December 2012 and was subsequently named Chairperson of the Board in December 2013, a role she continues to hold.

Board Member – Unenbat J.

Mr. Unenbat J. graduated from the Moscow Institute of Economics and Statistics in 1985 with a degree in Economics and Statistics. He later earned a Master's degree in International Economic Relations from Columbia University (USA) in 1994 and was subsequently awarded the academic title of Associate Professor.

He commenced his career at the Bank of Mongolia in 1990 and served as the Governor from 1996 to 2000. In parallel, he represented Mongolia at the World Bank and the Asian Development Bank between 1998 and 1999. From 2000 to 2006, he served as Executive Director of the Mongolian Bankers Association and, between 2004 and 2016, as a member of the Supervisory Board of the Bank of Mongolia. In addition, he has led the Corporate Governance Development Center since 2009 and has held the position of Head of the Finance Department at the University of Finance and Economics. Mr. Unenbat is widely recognized for his research contributions in monetary policy and for his extensive experience in the banking and financial sectors.

He was first appointed as an independent board member of Golomt Bank in 2010 and has served as a full board member since 2020.

Board Member – Munkhtur D.

Munkhtur D. earned his Bachelor's degree in Financial Management from the National University of Mongolia in 1997, and his MBA from the University of Oklahoma (USA) in 2009. He began his career at Golomt Bank in 1996 as a Junior Staff and worked his way up through positions including Economist, Director of the Credit Department, and Director of the Accounting and Settlement Department. In 2011, he was appointed as First Deputy CEO.

He currently serves as CEO of Tsetsens Mining and Energy LLC. Under the Employee Share Ownership Program, he became a shareholder and has represented the 149 minority shareholders as a board member since 2012.

Board Member – Ganjooloo O.

Ganjooloo O. holds a Master's and Doctorate degree in Economic Theory from the Free University of Berlin (Germany), and is a Certified Public Accountant in both the United Kingdom and Mongolia.

He has worked at the German and Mongolian branches of PwC and previously served as CFO of Bodi International LLC. From

2016 to 2023, he was the CEO of Golomt Financial Group LLC. He currently serves as CFO of Tsetsens Mining and Energy LLC and has been a board member of Golomt Bank since 2022.

Independent Board Member – James B. Dwyer

Mr. Dwyer earned his bachelor's degree in Business Administration from the University of Notre Dame and an MBA from Columbia University. He served two consecutive terms as President of Columbia University's alumni association, representing over 40,000 members.

He first arrived in Mongolia in 2001 to participate in the privatization of Trade and Development Bank and Khan Bank. He later became Director of Operations at the North America Business Council. In 2007, he co-founded the Business Council of Mongolia and served as its CEO until 2016, and as Vice Chairman of the Board until April 2017.

Since the 1970s, Mr. Dwyer has held senior positions including Head of Global Consolidation & Acquisitions at UBS and investment banker at Wall Street financial institutions. He currently serves as an independent board member of Mandal Insurance JSC, Mongolian Growth Group, Sandly JSC's subsidiary, and the Mongolian Fintech Group. He is also a board member of the Mongolian Business Information Center.

He has served as an independent board member of Golomt Bank since 2018.

Independent Board Member – Alexander Picker

Alexander Picker holds Master's and Doctorate degrees in Business and Law from the University of Salzburg (Austria).

He began his career in 1989 at the present-day Austrian Bank and has held executive roles at institutions such as Die ERSTE Bank, International Moscow Bank (IMB), UniCredit Bank, JSC ATF Bank, Hypo Alpe-Adria Bank, and HBI Bundesholding AG.

From 2020 to 2023, he served as a senior advisor for major World Bank projects and was Chairman of the Supervisory Board of Ipoteka Bank in Uzbekistan. He currently serves as CEO of Moldindconbank in the Republic of Moldova.

He has been serving as an independent board member of Golomt Bank since 2021.

Independent Board Member – Robert W. van Zwieten

Robert W. van Zwieten holds law degrees from Leiden University (Netherlands) and Columbia University (USA), and an MBA from the University of Chicago Booth School of Business.

He is Co-Founder of Route17 and CEO of Serendra Group. He serves on the board of Climate Policy Initiative and holds board and committee positions at Hong Bao Media Holdings, SeaOil Philippines, and others.

He previously served as President and CEO of EMPEA (now GPCA), and held executive positions at the Singapore Exchange, Lehman Brothers, General Electric, and ABN Amro Bank. He also served as Director of Private Sector Capital Markets at the Asian Development Bank.

He has been an independent board member of Golomt Bank since 2023.

Independent Board Member – Hans Holzhacker

Mr. Holzhacker has been Chief Economist of the CAREC Institute since 2020. He previously served as Lead Economist for Central Asia at the EBRD (2017–2019), and has over 30 years of experience as an economist in Central and Eastern Europe and the CIS.

He has worked as Chief Economist at Golomt Bank and ATF Bank (Kazakhstan), and was a Senior Research Advisor at Narxoz University in Almaty. Previously, he worked at Bank Austria (UniCredit Group) in Vienna, focusing on Russia and Ukraine, and

managed sovereign ratings for Central Europe.

He also served as Senior Economist at the Institute of International Finance in Washington, D.C., and Head of Country Risk Research at Investmentbank Austria and GiroCredit Research.

He holds a Ph.D. in Sociology (1984) and a Master's in Economics (1988) from the University of Vienna.

He has served as an independent board member of Golomt Bank since 2024.

Secretary to the Board of Directors – Solongo Z.

Solongo Z. graduated with a Bachelor's degree from Sardar Patel University in Gujarat, India, in 2003, and earned an MBA in Corporate Governance from the Institute of Finance and Economics in 2017.

In 2017, she completed the IFC Board Secretary Master Program held in Singapore. Since joining Golomt Bank in 2007, she has served as Assistant and Secretary at the Executive Management level. She has been serving as Board Secretary since September 2015.

Director of Internal Audit – Tuya A.

Tuya A. holds a Bachelor's degree in Financial Management from HUIS (2008) and a Master's degree from the Australian National University (2015).

She worked in the Internal Audit Division of Golomt Bank from 2008 to 2017, served as Senior Auditor for IT and Performance Audit from 2017 to 2019, and was Director of Remote Audit and Quality Assurance from 2019 to 2023.

She was appointed Director of Internal Audit in 2023.

ANNUAL GENERAL MEETING

Annual general meeting for shareholders

The Annual General Meeting (AGM) of Golomt Bank JSC shareholders was held on April 15, 2024, in a hybrid format—both in person and online—at the Grand Ballroom of the Shangri-La Hotel, with a quorum of 88.48% of shareholders in attendance. During the meeting, the following items were discussed and approved:

Resolutions:

1. Approval of the Board of Directors' conclusion on Golomt Bank JSC's 2023 Annual Operational and Financial Reports
2. Approval of the Board of Directors' 2024 Annual Budget
3. Implementation of the "Employee Share Ownership Program"
4. Election of Members to the Board of Directors

Ordinary board members:

Munkhtsetseg Chultem;
Unenbat Jigjid;
Urs E.Schwarzenbach;
Munkhtur Dagva;
Ganzoloo Ochirpurev;

Independent board members:

James B.Dwyer;
Alenxander Picker;
Robert W.van Zwieten;
Hans Holz hacker;

In addition to the decisions made, the following reports and information were presented to the shareholders:.

1. Golomt Bank JSC's 2023 Annual Operational and Financial Reports
2. Audited Financial Statements for 2023 and the External Auditor's Opinion
3. Resolution of the Board of Directors on the Distribution of Dividends from Net Profit of 2023
4. Presentation on the Implementation of the Employee Share Ownership Program

BOARD OF DIRECTORS



Ms.Munkhtsetseg
Ch.
Chairlady of the
Board



Mr.Munkhtur D.
Board member



Mr.Unenbat J.
Board member



Mr.Ganjooloo O.
Board member



Mr.Dwyer
Independent
member



Mr. Alexander
Picker
Independent
member



Mr. Robert W.van
Zwieten
Independent
member



Mr. Hans
Holzhacker
Independent
member













Solongo Z.
Secretary to the
board of
directors





Tuya A.
Director of
Internal Audit

Board Committees:

	Members	Positions
Risk management committee	 Alexander Picker*	Committee Chairman
	 Robert W.van Zwieten*	Committee member
	 James B.Dwyer*	Committee member
	 Munkhtsetseg Ch.	Committee member

	 <p>Unenbat J.</p>	Committee member	
Audit committee	 <p>James B.Dwyer*</p>	Committee Chairman	
	 <p>Alexander Picker*</p>	Committee member	
	 <p>Munkhtsetseg Ch.</p>	Committee member	
	 <p>Munkhtur.D</p>	Committee member	
	 <p>Hans Holzhacker*</p>	Committee member	
Governance, Ethics, and Remuneration	 <p>James B.Dwyer*</p>	Committee Chairman	
	 <p>Alexander Picker*</p>	Committee member	
	 <p>Munkhtsetseg Ch.</p>	Committee member	
Nomination Committee	 <p>Alexander Picker*</p>	Committee Chairman	

		Committee member
		Committee member
	James B.Dwyer*	
	Munkhtsetseg.Ch	

EXECUTIVE BOARD



Odonbaatar A.

Chief Executive Officer



Ganbold G.

President



Sainbileg.M

Chief Information Officer



Munkhtuya S.

Chief Financial Officer



Narankhuu M.

Head of Credit Department



Otgon T.

Head of Risk Management
Department



Sodbolor B.

Head of Treasury
Department



Baigalmaa Ts.

Head of SME Banking
Department



Sugar-Erdene B.

Head of Corporate Banking
Department



Uyanga G.

Head of Human Resource
Management Department



Ochirhuyag N.

Head of Marketing and
Public Relations
Department



Mandakh G.

Head of Client Registration
Department



Purevbat Yo.

Head of Accounting and
Settlement Department



Enkhzaya B.

Head of International
Banking Department



Purevdorj. Kh

Head of Administration
Department



Battsengel O.

Head of Digital Banking
Department



Nyamsuren A.

Head of Customer Service
Department



Enkhtuvshin B.

Head of Loan Collection
Department



Oyun J.

Head of Digital
Transformation
Department



Sugar J.

Head of Retail Banking
Department

RISK MANAGEMENT

In 2024, the Bank placed strong emphasis on the quality of its loan portfolio, resulting in a non-performing loan (NPL) ratio of 3%, while the loan loss provision coverage reached a historic high of 121%.

Under its risk governance framework, Golomt Bank implemented risk management in accordance with the "Three Lines Model", identifying potential risks arising from market volatility through stress test results. The Bank also performed internal capital adequacy (ICAAP) and internal liquidity adequacy assessments (ILAAP) to evaluate capital and liquidity buffers, and reflected them in its Risk Appetite Statement, thereby enhancing the risk governance system using the traffic light methodology.

The key objective of these policies and methodologies is to ensure the long-term financial and non-financial sustainability of Golomt Bank, and to reinforce sound risk governance. These serve as the core reference and guiding principles in the Bank's risk management activities.

Compliance with the Three Lines of Defense model is ensured based on international best practices. Under this structure:

- The First Line of Defense consists of business units and supporting functions responsible for day-to-day operational risk management within the scope of their roles and internal policies.
- The Second Line of Defense includes risk and compliance units that monitor how risks are managed by the first line, assess overall risk exposures, and enforce risk limits at the Bank-wide level.
- The Third Line of Defense is comprised of independent internal audit units that provide objective assurance on the effectiveness of governance, risk management, and internal controls.

The Bank identifies key material risks based on the taxonomy of risks, sets risk limits accordingly, and documents these limits in the Risk Appetite Statement, which is reviewed and updated annually.

Moreover, Golomt Bank calculates capital adequacy internally under the Basel Committee's ICAAP framework and incorporates it into stress testing, which is reported to the relevant governance committees to ensure effective internal capital planning and management.

Strategic Risk Evaluation

In anticipation of, or in response to, changes in market conditions, the Bank evaluates how its profitability and capital may be affected relative to its risk appetite. This strategic assessment is conducted at regular intervals, grounded in key stress test scenarios, and the results are integrated into the Bank's annual business and strategic planning. These assessments are aligned with regulatory expectations and prudent risk limits.

MARKET RISK MANAGEMENT

Market risk refers to the possibility of financial loss due to adverse movements in market prices that affect the value and future cash flows of financial instruments. This includes risks arising from interest rate fluctuations, foreign exchange rate volatility, trading activities, investments, and asset price movements, especially for open positions held by the Bank.

During the reporting period, despite the beginning of macroeconomic stabilization in Mongolia, geopolitical tensions and volatility in equity and commodity markets posed challenges. Nevertheless, the Bank successfully mitigated potential losses by implementing a robust market risk management framework, further strengthening its internal controls.

In 2024, the Bank fully complied with the open foreign currency position limits set by the Bank of Mongolia and operated within the thresholds defined in its own Risk Appetite Statement. Additionally, the Bank applied the Value at Risk (VaR) methodology to assess potential foreign exchange losses and monitored exposures on a daily basis within the limits approved by the Asset and Liability Management Committee (ALCO).

LIQUIDITY RISK MANAGEMENT

Liquidity risk refers to the risk of being unable to meet financial obligations as they come due, due to insufficient cash or liquid assets.

Throughout 2024, the Bank maintained liquidity in line with both the prudential norms of the Bank of Mongolia and its internal risk appetite framework. To manage short-term liquidity risk, the Liquidity Coverage Ratio (LCR) was regularly calculated and maintained. For medium- and long-term liquidity risk, the Bank monitored the Net Stable Funding Ratio (NSFR) in accordance with regulatory and internal standards.

To enhance its liquidity risk management and prepare for potential liquidity stress scenarios, the Bank developed internal policies, procedures, methodologies, and contingency plans aligned with international best practices.

Furthermore, under the Basel III framework, the Bank identified potential liquidity risks using the Internal Liquidity Adequacy Assessment Process (ILAAP), performed regular stress testing, and applied the results to decision-making processes to effectively manage liquidity risk.

7 Information on shareholder’s ownership

Nº	Shareholder name	Number of shares	Percentage of the Golomt Bank’s share capital
1	Golomt Financial Group LLC	624,240,527	77.20%
2	Swiss-Mo Investment AG	42,120,816	5.21%
3	Bodi International LLC	27,661,497	3.42%
4	Golomt Investment Limited	20,800,000	2.57%
5	Public	93,834,466	11.60%
	Total	808,657,306	100%

As of December 31, 2024, a total of **19,638 shareholders** held the Bank’s **entire issued 808,657,306 common shares**. The breakdown is as follows: :

Golomt Financial Group LLC	Golomt Financial Group LLC was established in 2014. It is a wholly Mongolian-owned investment and financing company that operates as a centralized investment entity. The company follows a long-term investment strategy and holds common shares of Golomt Bank as well as certain convertible loans into equity.
Swiss-Mo Investment AG	Swiss-Mo Investment AG is an investment fund based in Switzerland, founded in 2010. The fund holds equity investments in sectors such as foreign exchange trading, airports, aviation, and hospitality. It became a shareholder of Golomt Bank following its investment in 2011.
Bodi International LLC	Bodi International LLC is one of Mongolia’s largest conglomerates, established in 1993 with domestic investment. It operates across multiple sectors, including real estate development and management, construction, energy, mining, and tourism.
Golomt Investment Limited	Golomt Investment Limited was founded in 2014 with investment from Bodi International LLC, one of Mongolia’s leading conglomerates.
Public	In 2022, Golomt Bank conducted its initial public offering (IPO), officially launching trading on the primary market. As a result, more than 93,000 shares—representing 11.6% of the Bank’s total shares—are now held by public investor

8 If the issuer had an IPO for the purpose of implementing a project, a report on the progress of project implementation and the use of funds raised during the period from the start of the project to its completion

"GOLOMT BANK JSC" REPORT ON UTILIZATION OF RAISED FUNDS

/As of 12/31/2023/

PLANNED USE OF PROCEEDS FROM CAPITAL RAISING

The issuer plans to allocate the net proceeds—after deducting direct expenses related to the public offering—from the total amount of MNT 103,317,524,755 raised through the initial public offering to finance the Bank's core business activity, which is loan issuance.

- Direct expenses related to the offering will be covered from the raised funds;
- By increasing the Bank's equity capital, the Capital Adequacy Ratio (CAR) will improve, which will, in turn, enable the Bank to expand its risk-weighted assets—specifically, its loan portfolio—by approximately MNT 790 billion. This will serve as a key foundation for sustaining long-term business growth.

UTILIZATION OF RAISED FUNDS

Between November 23 and November 30, 2022, the Bank conducted its initial public offering (IPO), offering 10.09% of its total shares, or 80,402,743 common shares, to the public at a price of MNT 1,285 per share. Due to strong demand, the Bank exercised its oversubscription option by issuing an additional 12,060,411 shares (equal to 15% of the initially offered shares), thereby successfully raising a total of MNT 118,815,152,890 from the public—representing 11.43% of the Bank's total outstanding shares. The allocation of the total raised funds is as follows:

1. Direct expenses related to the securities offering:

MNT 2.1 billion

In accordance with Resolution No. 1/4659 dated December 6, 2022, issued by the Financial Regulatory Commission, the funds raised from the public—totaling MNT 118,815,152,890—were officially transferred through the Central Securities Depository on December 8, 2022. From the total proceeds, MNT 2,103,028,206 was deducted as direct offering-related expenses, in compliance with IFRS (International Financial Reporting Standards) and net of corporate income tax. As a result, the net proceeds of MNT 116,712,124,684 were recorded as an increase in the Bank's equity capital.

2. Loan disbursement: MNT 116.7 billion

Capital adequacy ratio /as reported by the Bank of Mongolia/

Indicators (million MNT)	11/30/2022	12/31/2022	12/31/2023	Difference (12/31/2023-11/30/2022)	
TIER 1	673,839	811,978	940,109	266,270	40%
Total equity	673,839	811,978	940,109	266,270	40%
Risk-weighted assets	4,600,320	4,601,535	5,926,932	1,326,612	29%
TIER 1 Capital adequacy ratio (>9%+buffer 4%)	14.65%	17.65%	15.86%	1.21%	
Total capital adequacy ratio (>12%)	14.65%	17.65%	15.86%	1.21%	

As of November 30, 2022, the Bank's total capital used to calculate the capital adequacy ratio increased by MNT 266.3 billion, or 40%, reaching MNT 940.1 billion. During this period, the capital adequacy ratio rose by 1.21 percentage points, indicating enhanced risk-bearing capacity and maintaining the Bank's ability to expand its loan portfolio.

Between December 9, 2022, and November 10, 2023, the Bank disbursed a total of MNT 7,854.6 billion in loans to its customers. In accordance with the "Regulation on Prudential Ratios and Requirements for Bank Operations," banks are required to finance at least 13% of risk-weighted assets with their own capital. Given that 11.43% of the Bank's total equity was raised through its public share offering, MNT 116.7 billion of newly disbursed loans during this period were financed from the raised funds.

The allocation of the MNT 116.7 billion financed from the raised capital is as follows:

- Corporate Business Loans: MNT 43.5 billion (37.3%)
- SME and Individual Business Loans: MNT 30.3 billion (26.0%)

- Consumer Loans: MNT 24.2 billion (20.7%)
- Mortgage Loans: MNT 18.7 billion (16.0%)

As of November 10, 2023, the Bank has fully utilized the raised funds.

9 Dividend information

Reporting year	BoD Resolution Date	Dividend per Share	Total Dividend	Record Date	Payment Date
2024	2025.02.17	100 MNT	80.8 billion MNT	2025.03.26	2025.04.25

10 Information on the report of activities carried out by the issuer in the field of social responsibility during the reporting period

SOCIAL RESPONSIBILITY

“Cultural Heritage Hub” Project

Initiated in 2022 in cooperation with the Institute of Archaeology of the Mongolian Academy of Sciences, the “Cultural Heritage Hub” project aims to deepen the preservation, protection, academic research, and promotion of Mongolia’s tangible heritage and historical monuments. It is the first private-sector investment project in Mongolian archaeology, significantly contributing to the study of Mongolia’s history, religion, and culture. A sub-project titled “Inget Tolgoi” has seen successful archaeological excavations and gained domestic and international attention for its historical significance.

“OneSky” Child Development Organization

Since 2023, Golomt Bank has collaborated with the international non-profit “OneSky” to support the health and education of children living in remote districts of Ulaanbaatar. “OneSky,” operating in Vietnam, China, and Hong Kong, established a “Family Center” in Mongolia in 2018. The center offers internationally accredited, science-based programs covering children’s physical, cognitive, language, emotional development, nutrition, and environmental safety. These are delivered through free “Family Empowerment” trainings to children, parents, and caregivers.

Student scholarship program

With the aim of contributing to national development through education and supporting students financially and professionally, Golomt Bank was the first in the business sector to initiate a national “Student Scholarship Program.” Since its inception, over 1,800 students from more than 50 universities across Mongolia have received scholarships regardless of field of study. In 2024, over 1,500 third- and fourth-year students applied, and the most outstanding candidates were selected. On the occasion of the 20th anniversary, the scholarship amount was raised to MNT 2 million per student. Scholars also have opportunities to work full-time or part-time at Golomt Bank by invitation. They receive personal and professional training through Golomt Academy, access to healthcare programs, and mentorship and coaching. For the 2024–2025 academic year, a total of MNT 200 million was granted to 100 students, bringing the cumulative scholarship amount to MNT 1.3 billion and total beneficiaries to over 1,900.

“Heart Never Forgets” Project

Supported by Golomt Bank’s “Altantulhuur” Children’s Fund since 2020, the “Heart Never Forgets” project provides free medical screenings and surgeries to children. In 2022, the project reached thousands of children in Mongolia, Kyrgyzstan, and Tuva, diagnosing and operating on many. Golomt Bank not only contributes financially every year but also supports other necessary aspects of the project. As a result, more than 40,000 children have been examined, and over 1,200 have undergone successful surgeries. Originally targeting 44 surgeries annually, the program has now expanded to provide 350–360 surgeries per year.

Morin Khuur Ensemble

For the 14th consecutive year, Golomt Bank has served as the official partner and main sponsor of the Mongolian Morin Khuur Ensemble, promoting traditional art and culture globally. During this partnership, the Ensemble has earned national and international acclaim through works such as “Playing Love” and “Novel Melody.” The collaboration has supported over 40 major performances both domestically and abroad.

"Opportunities for All" Project

In 2024, Golomt Bank partnered with the Special Olympics Committee of Mongolia and the Rotary Club of Ulaanbaatar to support the "Opportunities for All" project. One of the main events of this initiative was successfully held in Uvurkhangai Province, involving over 230 children with intellectual disabilities and their families. The event included medical screenings and educational training.

The key objective of this project is to promote inclusion and development for children with intellectual disabilities through sports. A sports festival was organized to increase participation and extend the project's benefits to a wider range of families and children.

Signature of the person who prepared and submitted the information and the date:

Full name: Solongo Zalaa-Uul

Position: Secretary to the Board of Directors

Signature:

A handwritten signature in black ink, appearing to be 'S. Zalaa-Uul', written over a dotted line.

Date: 2025.04.30

