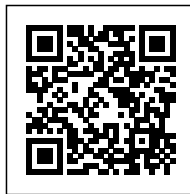


GOM ANNOUNCES TO TAKE ACTION TO REDUCE EXTERNAL DEBT

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Since 2012, the Government of Mongolia has issued a total of seven sovereign bonds with a maturity of 3-10 years, including Chinggis, Dim Sum, Mazaalai, Khuraldai, Gerege, Nomad, and Century. The Mongolian Government debt reached MNT 26.9 trillion in 2021, which at current values is equivalent to 50.8 percent of Mongolia's GDP. According to the Ministry of Finance, Mongolia's total external debt is 2-3 times higher than that of other developing countries.

As these liabilities increase, so do interest payments on foreign loans and investment dividends. For instance, over the past 14 years, the Mongolian Government has paid USD 6.4 billion in interest on loans and bonds, and USD 7.8 billion in investment dividends and interest payments.

Due to the rising external debt, the Parliament and the Government of Mongolia are redefining their policies and paying special attention to reducing debt. The Government has announced plans to implement counter-cyclical debt management. For example, loans from donor countries and development partners are expected to minimize while using the existing loans more efficiently. The Ministry of Finance has stated that it will pursue a strict policy to use loan programs and loans from multilateral development partners only within the framework of the "New Recovery Policy" and investments approved by the Parliament.

SOVEREIGN BONDS, USD MILLION

Date of issue	Short name	Debt incurred	Coupon	Duration	Payment	Balance, 2021	Rating M/S&P/F	Description
2012/12	Chinggis-500	\$500.0	4.125%	5 years	\$500.0	-	B1/BB-/B+	Funding for projects and programs
2012/12	Chinggis-1000	\$1000.0	5.125%	10 years	\$863.2	\$136.8		
2015/06	Dim Sum	\$161.2	7.500%	3 years	\$161.2	-	B2/B+/B+	Compensation for the budget deficit
2016/04	Mazaalai	\$500.0	10.875%	5 years	\$500.0	-	B2/B/B	
2017/03	Khuraldai	\$600.0	8.750%	7 years	-	\$600.0	/B-/B-	Debt settlement / Development Bank 2012 USD 580 million Eurobond
2017/10	Gerege	\$800.0	5.625%	5.5 years	\$266.9	\$533.1	/B-/B-	Debt settlement Chinggis 0.5, Dim Sum
2020/09	Nomad	\$600.0	5.125%	5.5 years	-	\$600.0	/B/B	Net debt settlement Chinggis 1.0, Mazaalai
2021/06	Century	\$500.0	3.500%	6 years	-	\$500.0	/B/B	Net debt settlement, Chinggis 1.0, Gerege
2021/06	Century	\$500.0	4.450%	10 years	-	\$500.0	/B/B	
Total		\$5161.2			\$2291.4	\$2869.9		

Source: Ministry of Finance