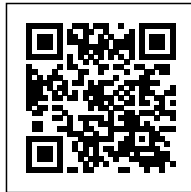


THE GOVERNMENT OF MONGOLIA OFFERS 5-YEAR BOND

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The government of Mongolia issued a 5-year bond to refinance the “Gerege” and “Khuraldai” bonds, according to the Ministry of Finance. The transaction is related to a voluntary exchange and tender offer for outstanding bonds maturing in 2023 (Gerege) and 2024 (Khuraldai), a total of USD 1.1 billion in debt.

Initially, the Government had issued USD 650 million in bonds with a term of five years, and an interest rate expectation of 11-12 percent. However, a total of USD 4 billion in orders were received from 138 investors, leading to a decrease in the interest rate to 8.65 percent.

Fitch Ratings has assigned Mongolia's proposed US dollar bonds a 'B' rating, which is in line with Mongolia's 'B' Long-Term Foreign-Currency Issuer Default Rating (IDR). The rating has a Stable Outlook and was last affirmed on 18 May, 2022. Factors that could potentially lead to negative rating action/downgrade include:

External Finances: Heightened external stress, which may be evident from restricted access to external financing sources or a marked decline in foreign reserves, potentially as a result of prolonged border disruptions with China.

Public Finances: Failure to reduce the budget deficit and stabilize the government debt/GDP ratio.

Structural Features: Political instability sufficient to significantly disrupt strategic mining projects or FDI inflows.