MOODY'S AFFIRMS MONGOLIA'S B3 RATING, MAINTAINS STABLE OUTLOOK

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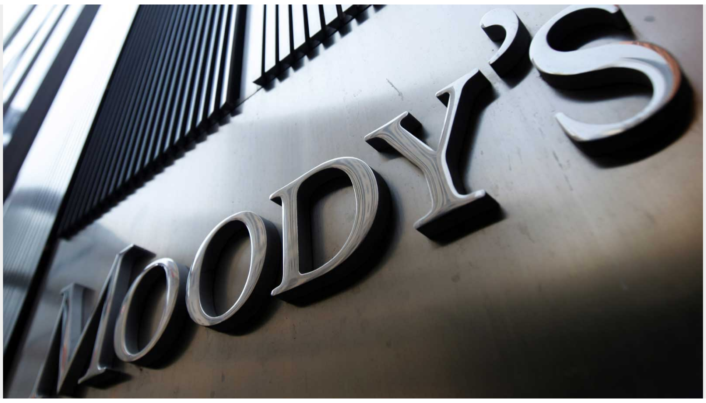

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Moody's has affirmed the Government of Mongolia's long-term B3 issuer and foreign currency senior unsecured bond ratings and maintained the stable outlook. The short-term issuer ratings are affirmed at Not Prime.

Mongolia's B3 rating balances elevated liquidity and external risks against strong growth prospects, as well as a debt repayment profile that has settled at more sustainable levels compared to the past. Following a recent sovereign debt refinancing transaction, Mongolia's financing needs for the next few years have diminished to more manageable, albeit still high, levels. Moreover, the recent relaxation in China's COVID policies, coupled with continued progress on Mongolia's infrastructure and logistics networks and the development of major mining projects will support a gradual recovery in foreign currency revenue and allow GDP growth to rise to potential rates over the next few years. At B3, the credit profile also incorporates institutional weaknesses and a lack of economic diversity that raises volatility in growth and fiscal outcomes.

The stable outlook is premised on the view that external liquidity risks will remain elevated but manageable. While financing pressures may spike at various junctures given Mongolia's sizeable market debt obligations through to the end of 2026, Moody's expects that the government will continue to have access to markets at costs that are not prohibitive, containing probable risks of a credit event to levels consistent with a B3 rating.

Mongolia's local-currency country ceilings remain at B1. The two-notch gap to the sovereign rating reflects a large government footprint in the economy, high commodity reliance in overall revenues, and still-high external imbalances. The foreign-currency country ceiling remains at B3, representing a two-notch gap to the local currency ceiling, to take into consideration Moody's assessment of weak policy effectiveness and high external debt that point to transfer and convertibility risks at times of heightened external vulnerability.