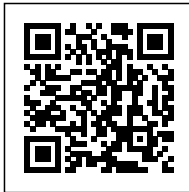


OVERVIEW OF MONGOLIA'S FINANCIAL SECTOR IN 2022

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According to the Financial Regulatory Commission of Mongolia, the market value and total assets of the financial sector were 23.2 percent of GDP in 2022. The stock market experienced a 15.2 percent increase in market value from the previous year, reaching MNT 6.9 trillion due to the issuance of IPOs by two systemically influential banks and the privatization of state-owned companies. Additionally, the asset-backed securities market experienced high supply, with a total of MNT 594.5 billion securities traded in the market, while the non-exchange market saw 45 issuers issuing bonds of 52 companies and successfully collecting 498.3 billion MNT.

The insurance market maintained stable growth, with total assets increasing by 11.6 percent to reach MNT 474.9 billion. The total fee collected increased by 23.6 percent to reach MNT 300.7 billion, while compensation fees amounted to MNT 94.4 billion, an increase of 34.9 percent from the previous year.

In the real estate sector, there was a significant increase in sale and purchase activities, totaling MNT 1.7 trillion, as well as real estate rental and leasing activities, which reached MNT 102.1 billion, both showing a significant increase from the previous year. Overall, the financial sector in Mongolia showed positive growth and development in 2022.

The country's financial sector includes commercial banks, non-bank financial institutions, insurance companies, and securities companies, with the Financial Regulatory Commission (FRC) serving as the primary regulatory body.

The banking sector is dominated by a few large banks, with state-owned banks accounting for a significant

share of the sector's assets. The sector has seen consolidation and increased competition in recent years, with foreign banks also entering the market.

The securities market in Mongolia is relatively small but has been growing in recent years, with the introduction of new financial instruments such as asset-backed securities. The FRC oversees the market, and the Mongolian Stock Exchange is the primary platform for securities trading.