

Annual operational report /Form 1/					
Article 20 of the Securities Market Law stipulates the ongoing obligations of the issuer, and the issuer is responsible for submitting annual operational report to the Financial Regulatory Commission and the exchange in accordance with the below form, and shall disclose to the public through its website.					
Reporting period	From January 1 st 2025 to December 31 st 2025				
Issuer's name, state registration certificate number, securities symbol, phone number	Issuer's name: Trade and Development bank JSC ("TDB" or "Bank") SRCN: 9007001015 Securities symbol: MN00TDB05673 Phone number: 11 328227				
Name of listed exchange	Mongolian stock exchange				
Sector of business operation	Banking and Finance				
Name and date of registration of the audit firm registered with the FRC that issued an audit opinion on the year-end financial statements	"BAKER TILLY DALAIVAN AUDIT" LLC, 2013/05/08				
Total number of shares issued by the issuer	50,600,927				
Names of the specialist who prepared and the official who reviewed the annual report	Prepared by: Sainbayar.L – Foreign relations specialist, Office of RGB Reviewed by: Nyamsuren.N – Secretary of Board of Directors				
1.	<i>Financial statement for the reporting period /fill out the summary report indicators and attach the financial statement/</i>				
	<i>Balance sheet</i>				
	<i>Income statement</i>				
	<i>Statements of retained earnings</i>				
	<i>Cash flow statement</i>				
<i>Appendix No 1- Financial statement</i>					
1.1.	<i>Audit report on annual financial statement</i>				
	<i>Audited financial report of "BAKER TILLY DALAIVAN AUDIT" LLC</i> https://issuers.mse.mn/uploads/audit_concl_files/563_1773733564audit_eng.pdf				
1.2.	<i>Audit opinion letter /the opinion letter must be developed within the context of the content mentioned in this instruction/</i>				
	<i>Audited financial report of "BAKER TILLY DALAIVAN AUDIT" LLC</i> https://issuers.mse.mn/uploads/audit_concl_files/563_1773733564audit_eng.pdf				
2.	<i>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.</i>				
2.1.	<i>Operational performance /Financial ratios /</i>	№	Ratios	Required	TDB
		1	Tier 1 capital ratio	>9%	14.48%
		2	Capital adequacy ratio	>13%	14.48%
		3	Single foreign currency ratio	<+/-15%	10.33%
		4	Total foreign currency open position raio	<+/-30%	22.10%

2.2.	<i>Liquidity ratios and financial resources</i>	№	<i>Ratios</i>	<i>Required</i>	<i>TDB</i>
		1	<i>Liquidity ratio</i>	>25%	43.40%
2.3.	<i>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.</i>				
	<p>In 2025, Mongolia’s economy reached MNT 89.9 trillion, representing a growth of 6.8 percent compared to the previous year. The agricultural sector emerged as the primary driver of economic growth, expanding by 33.2 percent year-on-year and independently contributing 2.9 percentage points to overall economic growth. In addition, the combined stable growth of other sectors, including mining, construction, and services, resulted in economic performance exceeding the forecasts of the Bank of Mongolia (5.8 percent) and the Asian Development Bank (5.7 percent). As a result, 2025 was a year marked by positive impacts on the business environment and the operations of the financial sector.</p> <p>During the reporting period, Mongolia’s sovereign credit ratings were upgraded, reflecting improvements in the macroeconomic fundamentals. Fitch Ratings affirmed Mongolia’s rating at “B+, Stable,” S&P Global Ratings upgraded it to “BB-, Stable,” and Moody’s Investors Service maintained its rating at “B1, Stable.” This improvement in the sovereign credit rating enhanced the banking and financial sector’s ability to attract external funding, strengthened investor confidence, and had a positive underlying impact on financing conditions.</p> <p>In line with the favorable macroeconomic environment and increased market activity, Trade and Development Bank continued to implement its policy in 2025 aimed at simultaneously enhancing growth, asset quality, and service accessibility. During the reporting year, growth in the Bank’s loan portfolio was mainly driven not only by increased lending to the mining, trade, construction, and manufacturing sectors, but also by growth in consumer loans. In particular, within the consumer loan segment, the Bank introduced fully digital, end-to-end online delivery of salary- and pension-backed loans without any in-person customer interaction. This initiative significantly improved accessibility and processing speed, while providing tangible support for expanding loan distribution channels.</p> <p>Within the scope of the Bank’s core products and services, there have been no major changes; however, the Bank is focusing on diversifying its funding sources and increasing the share of long-term, stable sources. In this context, it is pursuing a policy of developing products in trade finance, structured finance, and sustainable development/green finance. These areas are becoming more attractive financing solutions for international banks, investors, and development finance institutions.</p> <p>As a result of increased economic activity, improved customer cash flows, and the Bank’s internal efforts to strengthen non-performing asset management and accelerate recoveries, repayments of non-performing loans improved notably. Consequently, the non-performing loan ratio declined to 4.1 percent, representing a meaningful improvement in asset quality management. This outcome demonstrates the Bank’s commitment not only to expanding its portfolio, but also to stabilizing and enhancing the quality of its loan assets.</p> <p>The reporting year also marked significant progress in terms of the Bank’s international standing and capacity to attract external funding. In 2025, Trade and Development Bank fully drew down the contractually approved USD 120 million financing from the U.S. Government agency, the Development Finance Corporation (DFC). This strategic milestone expanded the Bank’s external funding base and was closely aligned with its policy objectives of supporting small and medium-sized enterprises, women-owned businesses, and green financing initiatives aimed at addressing climate change.</p> <p>From a financial performance perspective, the Bank maintained strong growth momentum in 2025. Total assets increased by 21.8 percent, the loan portfolio expanded by 28.1 percent, customer current account and deposit balances grew by 12.3 percent, and shareholders’ equity rose by 6.7 percent, respectively. These indicators reflect the Bank’s continued strengthening of its market position, expansion of its customer base, and enhancement of its funding capacity. At the same time, they</p>				

underscore the ongoing need to sustain growth by ensuring a balanced and prudent approach that aligns profitability with sound asset quality and liquidity management.

TDB marketshare:

№	Indicator	Marketshare	
		2024	2025
1	Total asset	21.0%	21.4%
2	Net loan	17.6%	18.8%
3	Total current account	23.0%	26.2%
4	Total deposit	22.1%	22.4%

In 2025, within the framework of implementing its medium- and long-term strategic objectives of becoming a customer-centric and digital bank, Trade and Development Bank focused its efforts on product and service innovation, channel development, process automation, information security enhancement, and the modernization of payment infrastructure. The following initiatives, introduced in alignment with the Bank’s strategy, customer needs, and prevailing technological trends, went beyond the mere launch of new services and were aimed at improving customer experience, increasing operational efficiency, accelerating decision-making, and strengthening the risk management framework.

During the reporting year, the Bank introduced and enhanced the following products and services:

1. In the small and medium-sized enterprise (SME) segment, the Bank enabled customers with POS revenue-backed loans to submit applications for additional financing and electronically execute loan agreements through TDB Online, supported by corresponding enhancements to security features. In parallel, by fully implementing a rapid income assessment methodology based on confidence-weighted calculations for individuals with business income, the Bank established a foundation for reducing credit appraisal and decision-making timelines and accelerating service delivery to customers. The expansion of data-driven decision-making practices reflects the Bank’s shift toward more agile operations and the provision of financing solutions that are better aligned with customer needs.
2. As part of its strategy to expand the retail banking segment, the Bank introduced the following new products and services to the market:
 - 1) The Bank launched **Happy Pay**, a convenient electronic payment solution in the form of a digital wallet, expanding its suite of cashless payment services.
 - 2) The “**Happy Family**” bundled product offering designed for families was introduced, along with the **Britto Puppy Card**, the latest addition to the Britto Visa card series tailored specifically for children.
 - 3) For customers using Android-based smartphones, the Bank introduced **Google Pay**, one of the world’s leading global payment solutions, thereby enhancing the range of international digital payment options available to its customers.
 - 4) The end-to-end process for car loan applications—from submission through to loan disbursement—was fully automated via **TDB Online**, enabling customers to complete the entire process digitally.
 - 5) Customers with deposit-backed loans were provided with the ability to make loan repayments and terminate deposit agreements remotely via **TDB Online**, without the need to visit a branch.
 - 6) The Bank enabled customers to remotely register their children as banking customers, apply for payment cards, and open savings accounts on their behalf, further enhancing accessibility and convenience for family banking services.
3. The Bank developed and successfully deployed an **artificial intelligence-based chatbot** operating on a 24/7 basis, designed to respond to frequently asked customer questions and deliver real-time information on products and services as part of its core operations.
4. In line with its strategic objective of becoming a customer-centric and digital bank, Trade and Development Bank renewed the design and layout of its branches and transaction centers, while also increasing the number of **paperless digital branches**.
5. The Bank obtained certification under the updated **PCI DSS (Payment Card Industry Data Security Standard) version 4.0**, reinforcing the security of payment card data and further strengthening its information security framework.

	<p>6. The Bank entered into memoranda of understanding with leading ophthalmology hospitals in the Republic of Korea, thereby enabling cardholding customers to receive discounts ranging from 10 to 49 percent on medical services at partner hospitals.</p> <p>7. As part of its payment infrastructure modernization, the Bank replaced legacy POS terminals with Android-based PAX POS devices, completing a comprehensive renewal of its POS network. As a result, approximately 90 percent of POS merchants are now equipped with modern devices that comply with international security standards.</p> <p>In 2025, Trade and Development Bank achieved tangible progress in its key focus areas—growth, digital transformation, customer experience, security, and international partnerships—while supporting the growth of its financial indicators through improvements to products, services, processes, and infrastructure. Going forward, the Bank is working to further strengthen the foundation for sustainable growth by balancing improvements in the quality of growth, profitability, asset quality, technological reliability, and customer value. In addition, to reduce the risks of rising funding costs and widening market yields, it is actively expanding cooperation with international commercial banks, institutional investors, and development finance corporations. Specifically, it is exploring and implementing opportunities to attract funding through bilateral and syndicated credit lines, trade finance funding sources, and long-term financing from development finance institutions at relatively low cost. Through these measures, the Bank aims to keep funding costs under control, ensure stable liquidity, and continue business operations sustainably even amid geopolitical and market uncertainty.</p>																																														
2.4.	<p><i>Details of off-balance sheet transactions and information on accounting policies</i></p>	<table border="1"> <thead> <tr> <th><i>Off-balance items</i></th> <th><i>MNT'000</i></th> </tr> </thead> <tbody> <tr> <td><i>Contingencies and commitments (net)</i></td> <td>1,534,878,776</td> </tr> </tbody> </table>	<i>Off-balance items</i>	<i>MNT'000</i>	<i>Contingencies and commitments (net)</i>	1,534,878,776																																									
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3.	<p><i>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 / all conflicts of interest transactions made during the reporting period shall be included/</i></p> <p>The Bank's Board of Directors issued 15 resolutions in 2025 regarding contract transactions involving conflicts of interest, each of which was publicly disclosed on the Bank's website and its own website.</p> <p>In accordance with Article 38 of the Law on Banking, the Bank informs the public through its website about loans granted to related parties, letters of credit issued, other obligations, work, and services.</p> <p>As of December 31, 2025 (million MNT)</p> <table border="1"> <thead> <tr> <th colspan="2">Bank related party</th> <th>Type of assets</th> <th>Outstanding balance</th> <th>Related party ratio</th> </tr> </thead> <tbody> <tr> <td>1.</td> <td colspan="4">Single related party exposure (not exceed 5% of the Bank capital)</td> </tr> <tr> <td>1.1.</td> <td>Bank shareholder</td> <td>Loan, Receivable</td> <td>-</td> <td>-</td> </tr> <tr> <td>1.2.</td> <td>Bank authorized person</td> <td>Loan</td> <td>990.58</td> <td>0.06%</td> </tr> <tr> <td>1.3.</td> <td>Other related party</td> <td>Receivable</td> <td>61,996.28</td> <td>3.77%</td> </tr> <tr> <td>2.</td> <td colspan="4">Total related parties exposure (not exceed 20% of the Bank capital)</td> </tr> <tr> <td>2.1.</td> <td>Bank shareholder</td> <td>Loan, Receivable</td> <td>-</td> <td>-</td> </tr> <tr> <td>2.2.</td> <td>Bank authorized person</td> <td>Loan, Receivable</td> <td>4,905.43</td> <td>0.30%</td> </tr> <tr> <td>2.3.</td> <td>Other related party</td> <td>Loan, Other Assets</td> <td>161,046.84</td> <td>9.79%</td> </tr> </tbody> </table> <p>* Clause 3.1.2 of Article 3 of the Banking Law defines the related party definition.</p> <p>During the reporting period, the Bank has not entered any major transactions defined in Section 87.1 of Article 87 of the Company Law.</p>		Bank related party		Type of assets	Outstanding balance	Related party ratio	1.	Single related party exposure (not exceed 5% of the Bank capital)				1.1.	Bank shareholder	Loan, Receivable	-	-	1.2.	Bank authorized person	Loan	990.58	0.06%	1.3.	Other related party	Receivable	61,996.28	3.77%	2.	Total related parties exposure (not exceed 20% of the Bank capital)				2.1.	Bank shareholder	Loan, Receivable	-	-	2.2.	Bank authorized person	Loan, Receivable	4,905.43	0.30%	2.3.	Other related party	Loan, Other Assets	161,046.84	9.79%
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4.	<i>Information on Compensation (salary, bonus etc).</i>
	<p>The Bank has been successfully implementing the “Beehive Program”, approved by the Board of Directors for the 2022–2026 period. Within the framework of this program, in 2025, the Bank increased the performance-based salaries of a total of 2,328 employees by up to 25 percent, demonstrating a tangible commitment to enhancing employees’ financial well-being. As a result, the program has contributed to higher employee satisfaction levels and enabled the Bank to achieve its targeted employee retention rate, reflecting the program’s successful implementation.</p> <p>The amount of expenses for members of the Board of Directors is approved each year at the bank’s annual shareholders’ meeting, and remuneration is paid in the amount approved by the Board; the Bank is implementing a remuneration policy based on chairing and participating in meetings of committees under the Board.</p> <p>For executive management, when an employment contract term has ended or when a need arises to assess performance, matters are presented to the meetings of the Board’s Remuneration and Nomination Committee along with reports and performance results, and relevant actions are taken. During the reporting period, the remuneration Board members and executive management accounted for 5.5% of the total payroll fund.</p>
5.	<i>Information related to corporate governance</i>
	<i>Appendix No: 2</i>
6.	<i>Information on market risks</i>
	<p>Market risk refers to the risk of adverse impacts on the Bank’s financial instruments, profitability, and capital arising from changes in foreign exchange rates, interest rates, securities prices, and other market-related factors. The Bank continuously measures, monitors, and manages market risk in accordance with its approved risk appetite, internal limit framework, prudential ratio requirements set by the Bank of Mongolia, and relevant policies, procedures, and methodologies, and regularly reports such risks at the management level.</p> <p>During the reporting period, the global and domestic economic environment remained characterized by heightened geopolitical uncertainty, persistent inflationary pressures, elevated policy interest rates, volatility in foreign exchange markets, and fluctuations in capital market valuations. These factors increased the importance of effective market risk management across the banking sector. In response, the Bank consistently implemented a comprehensive framework aimed at identifying, measuring, monitoring, containing, and mitigating potential adverse impacts arising from market risk.</p> <p>In 2025, the Bank regularly measured and monitored exposures related to foreign exchange open positions, interest rate risk, and valuation changes in its securities portfolio, closely managing potential risks arising from market developments.</p> <ul style="list-style-type: none"> • Within the scope of foreign exchange risk, the Bank monitored open positions by individual currencies and in aggregate, ensuring compliance with prudential ratio requirements set by the Bank of Mongolia as well as internal limits. Appropriate measures were implemented on a timely basis to mitigate potential adverse effects arising from exchange rate fluctuations. As one of the primary tools for measuring this risk, the Bank applied the Value at Risk (VaR) methodology to calculate daily potential losses under adverse exchange rate movements. The results were reported to management and monitored against limits approved by the Asset and Liability Management Committee (ALCO). • In managing interest rate risk, the Bank assessed repricing gaps between assets and liabilities, the structure of interest-sensitive assets and liabilities, and the impact of changes in market interest rates on net interest income and the economic value of equity, in line with Basel III principles. During the reporting period, the results of interest rate risk assessments were regularly presented to the ALCO, and where necessary, appropriate measures were undertaken in coordination with asset–liability structure, funding conditions, and internal limit compliance. • For the securities portfolio, the Bank evaluated market risk based on prevailing market conditions, portfolio composition, instrument maturities, and price sensitivity, applying the Basel III-compliant Market Risk Capital Charge (MRCC) methodology. Prudential limits were established and duly observed. The assessment incorporated potential impacts of market price movements, yield fluctuations, and interest rate changes on portfolio valuation, alongside regular sensitivity analyses and stress testing exercises for ongoing monitoring. <p>Throughout the reporting period, the Bank continuously implemented its market risk measurement framework, limit monitoring, stress testing, and management reporting processes, while progressively enhancing methodologies and controls in response to evolving market conditions. Looking ahead, the Bank will continue to</p>

	<p>closely monitor developments in interest rates, foreign exchange markets, and securities markets, while further strengthening its market risk management methodologies, limit framework, stress testing practices, and the overall quality of risk reporting.</p>												
7.	<p><i>Information of shareholders ownership /names of shareholders with ownership of 5 or more percentage of total shares, and number of total shareholders/</i></p>												
	<div style="text-align: center;"> <h3>SHAREHOLDERS</h3> <table border="1" style="margin-left: auto; margin-right: auto;"> <tr> <td>TOTAL NUMBER OF ISSUED SHARES</td> <td style="text-align: center;">50,600,967</td> </tr> <tr> <td>TOTAL NUMBER OF SHAREHOLDERS</td> <td style="text-align: center;">2,829</td> </tr> </table> <p style="text-align: right; font-size: small;">As of 2025/12/31</p> </div>	TOTAL NUMBER OF ISSUED SHARES	50,600,967	TOTAL NUMBER OF SHAREHOLDERS	2,829								
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8.	<p><i>If the issuer has issued shares to the public 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.</i></p>												
	<p>Trade and Development Bank (TDB) has fully allocated the funds raised to financing projects that meet the criteria of green and social loan categories outlined in TDB’s Sustainable Financing Framework, in line with its long-term strategic sub-direction of becoming a “Green Bank.”</p> <p>Specifically, during the primary market offering, orders totaling MNT 105.5 billion were received from 2,528 investors. The target amount of MNT 83.5 billion was successfully closed on May 28, 2023, with a subscription rate of 126.4%.</p> <p>In accordance with TDB’s strategic plan to establish a sound asset structure and expand into the retail and SME markets, the allocation of the raised funds to green and social loan financing across business segments was successfully completed as of September 30, 2024. The allocation was as follows:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="text-align: center;">Total raised funds</td> <td style="text-align: right;">MNT 83,500,000,000.00</td> </tr> <tr> <td>- Sustainable loans issued to Corporate segment (50.0%)</td> <td style="text-align: right;">MNT 41,750,000,000.00</td> </tr> <tr> <td>- Sustainable loans issued to SME segment (20.0%)</td> <td style="text-align: right;">MNT 16,700,000,000.00</td> </tr> <tr> <td>- Sustainable loans issued to Retail segment (30.0%)</td> <td style="text-align: right;">MNT 25,050,000,000.00</td> </tr> <tr> <td style="text-align: center;">Total loans issued</td> <td style="text-align: right;">MNT 83,500,000,000.00</td> </tr> <tr> <td style="text-align: center;">Utilization rate of raised funds</td> <td style="text-align: right;">100.00%</td> </tr> </table>	Total raised funds	MNT 83,500,000,000.00	- Sustainable loans issued to Corporate segment (50.0%)	MNT 41,750,000,000.00	- Sustainable loans issued to SME segment (20.0%)	MNT 16,700,000,000.00	- Sustainable loans issued to Retail segment (30.0%)	MNT 25,050,000,000.00	Total loans issued	MNT 83,500,000,000.00	Utilization rate of raised funds	100.00%
Total raised funds	MNT 83,500,000,000.00												
- Sustainable loans issued to Corporate segment (50.0%)	MNT 41,750,000,000.00												
- Sustainable loans issued to SME segment (20.0%)	MNT 16,700,000,000.00												
- Sustainable loans issued to Retail segment (30.0%)	MNT 25,050,000,000.00												
Total loans issued	MNT 83,500,000,000.00												
Utilization rate of raised funds	100.00%												
9.	<p><i>Dividend information</i></p>												
	<p>During the reporting period, pursuant to Resolution No. 19 of the Board of Directors dated April 24, 2025, dividends were distributed to all shareholders from the Trade and Development Bank's net profit for 2024.</p> <p>Registration date for shareholders entitled to receive dividends: 2025.04.07 Dividend per share: MNT 2,000 (two thousand) Total dividend distribution amount: MNT 101,201,854,000 (one hundred one billion, two hundred one million, eight hundred fifty-four thousand.)</p>												
10.	<p><i>Information on the report of activities carried out by the issuer in the field of social responsibility during the reporting period</i></p>												
	<p><i>Appendix No: 3</i></p>												

Signature of the person who prepared the information, the person who confirmed the accuracy of the information and the date:

Full name: ORKHON O

Position: Chief Executive Officer, "Trade and Development bank" JSC's

Signature:

(Stamp)



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

Full name: NYAMSUREN. N

Position: Secretary of the Board of Directors

Signature:

Handwritten signature of Nyamsuren N.

Company name: Trade and Development bank of Mongolia
 Register: 2635534

STATEMENT OF FINANCIAL POSITION

*000 MNT

No	Balance sheet items	Beginning balance (2024.12.31)	Ending balance (2025.12.31)
1	Assets	0	0
1.1	Cash and cash equivalents	3,572,256,753	3,130,545,021
1.1.1	Cash on hand	64,286,886	78,685,103
1.1.2	Deposits and placements with banks and other financial institutions (with maturity up to 3 months)	1,669,655,007	1,231,089,462
1.1.3	Cash equivalents	1,837,294,011	1,820,175,329
1.1.4	Accrued interest receivables	1,020,849	595,127
1.2	Deposits and placements with banks and other financial institutions	2,756,341,403	4,622,059,198
1.2.1	Balances with Bank of Mongolia	2,756,935,248	4,622,372,134
1.2.2	Deposits and placements with banks and other financial institutions	0	0
1.2.3	Other assets	0	0
1.2.4	Accrued interest receivables	0	0
1.2.5	Provision for impairment losses	-593,845	-312,936
1.3	Investment securities	1,066,849,253	1,231,647,017
1.3.1	Trading investment securities	0	0
1.3.2	Available-for-sale investment securities	1,040,448,518	1,189,691,963
1.3.3	Held-to-maturity investment securities	0	9,665,545
1.3.4	Other securities classified as loans and advances	0	0
1.3.5	Investment in associates, subsidiaries and joint ventures	164,244	1,769,992
1.3.6	Pledged investment securities	0	0
1.3.7	Accrued interest receivables	26,236,491	30,552,896
1.3.8	Provision for impairment losses	0	-33,379
1.4	Loans and advances, net	6,179,569,553	7,919,104,322
1.4.1	Performing loans	5,680,941,171	7,534,221,952
1.4.2	Past due loans	409,081,945	289,336,647
1.4.3	Substandard loans	90,870,751	30,816,068
1.4.4	Doubtful loans	6,461,441	42,528,453
1.4.5	Bad loans	162,916,235	252,497,026
1.4.6	Deferred loan payments	-22,505,082	-22,780,064
1.4.7	Accrued interest receivables	160,017,967	172,791,714
1.4.8	Reserve for probable loan losses	-308,214,875	-380,307,473
1.5	Derivative financial instruments	88,784,131	86,412,028
1.6	Other financial assets	113,516,923	67,187,369
1.6.1	Receivables, net	101,901,106	53,863,780
1.6.2	Bank, interbranch settlements	9,475,546	10,551,010
1.6.3	Foreclosed other assets (net)	0	0
1.6.4	Other	2,140,271	2,772,579
1.7	Other non-financial assets	441,793,726	473,336,912
1.7.1	Other settlements	36,142,983	51,111,916
1.7.2	Inventory	14,513,521	5,606,155
1.7.3	Precious metals, net	163,162	161,016,258
1.7.4	Foreclosed other assets (net)	389,450,166	254,433,955
1.7.5	Income tax receivables	1,334,843	1,167,988
1.7.6	Deferred income tax asset	0	0
1.7.7	Other	189,051	640
1.8	Property and equipment, net	557,507,598	574,699,475
1.9	Investment properties	80,749,541	100,192,970
1.10	Held-for-sale assets	95,381,015	8,936,905
1.11	Intangible assets, net	47,618,788	49,905,429
1.12	Total assets	15,000,368,684	18,264,026,646
2	LIABILITIES	0	0
2.1	Current accounts	3,589,983,877	3,894,221,594
2.1.1	Current accounts	3,589,983,300	3,894,221,594
2.1.2	Accrued interest payables	577	0
2.2	Deposits	6,065,437,491	7,234,500,339
2.2.1	Savings deposits	646,864,177	752,506,300
2.2.2	Time deposits	5,262,513,396	6,284,235,497
2.2.3	Other deposits	1,155,000	1,142,005
2.2.4	Accrued interest payables	154,904,918	196,616,537
2.3	Deposits and placements of banks and other financial institutions	2,605,363,346	3,847,769,691
2.3.1	Deposits and placements of banks and other financial institutions	976,901,747	1,206,997,927
2.3.2	Borrowings	1,621,308,558	2,628,287,705
2.3.3	Deferred liabilities	-5,577,059	-4,299,285
2.3.4	Accrued interest payables	12,730,100	16,783,344
2.4	Other liabilities	816,269,796	1,316,964,551
2.4.1	Debt securities issued	0	0
2.4.2	Bonds in issue	666,848,059	996,456,798
2.4.3	Project loan financing	39,292,368	240,257,043
2.4.4	Bills sold under repurchase agreements	21,990,771	0
2.4.5	Syndicated loans sources	0	0

2.4.6	Other	80,680,022	75,788,791
2.4.7	Deferred payments of other liabilities	0	0
2.4.8	Accrued interest payables	7,458,576	4,461,918
2.5	Derivative financial liabilities	70,630,118	92,386,360
2.6	Financial other liabilities	139,481,989	90,465,018
2.7	Non-financial other liabilities	97,216,480	63,619,754
2.8	Subordinated debt	0	0
2.9	Preferred stock (liabilities)	0	0
2.10	Total Liabilities	13,384,383,097	16,539,927,305
3	SHAREHOLDERS' EQUITY	0	0
3.1	Issued capital	340,852,905	340,852,905
3.1.1	Preferred stock	0	0
3.1.2	Common stock	340,852,905	340,852,905
3.2	Share premium	64,069,779	64,069,779
3.3	Treasury stock	0	0
3.4	Revaluation reserves	143,364,654	143,093,248
3.5	Retained earnings	892,938,857	1,021,846,904
3.6	Other equity	174,759,392	154,236,504
3.6.1	Share options	0	0
3.6.2	Reserves fund	494,516	494,516
3.6.3	Foreign currency exchange translation and valuation fund	0	0
3.6.4	Fund for loss allowances	129,398,712	100,110,188
3.6.5	Fund for social development	0	0
3.6.6	Securities convertible into shares (equity)	0	0
3.6.7	Resources convertible into shares (equity)	0	0
3.6.8	Available-for-Sale Securities Revaluation Fund	0	0
3.6.9	Hedge Instrument Revaluation Fund	0	0
3.6.10	Other	44,866,164	53,631,800
3.7	Total equity	1,615,985,587	1,724,099,341
4	TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	15,000,368,684	18,264,026,646

CHIEF EXECUTIVE OFFICER

ORKHON.O

HEAD OF FINANCIAL MANAGEMENT
AND CONTROL DEPARTMENT

ENKHTUYA.D



Company name: Trade and Development bank of Mongolia
 Register: 2635534

INCOME STATEMENT

*000 MNT

No	Income statement items	Beginning balance (2024.12.31)	Ending balance (2025.12.31)
1	Interest income	1,085,996,674	1,435,726,251
1.1	Balances with the Bank of Mongolia	37,798,844	16,021,069
1.2	Due from other banks and financial institutions	48,189,863	33,959,615
1.3	Investments in securities	234,071,424	249,672,212
1.4	Loans and advances	765,936,543	1,095,290,865
1.5	Other	0	40,782,490
2	Interest expense	602,479,107	1,008,587,568
2.1	Current accounts	58,066,542	46,050,417
2.2	Savings	469,211,146	682,328,128
2.3	Borrowings	64,570,979	67,679,628
2.4	Securities	8,827,830	212,266,127
2.5	Others	1,802,610	263,269
3	Net interest income [(1)-(2)]	483,517,567	427,138,682
4	Provision expenses	-34,362,102	111,180,051
4.1	Deposits and placements with banks and other financial institutions	0	0
4.2	Investment securities	0	0
4.3	Loans and advances	-34,362,102	111,180,051
5	Net interest income after provision [(3)-(4)]	517,879,669	315,958,631
6	Other income	182,549,241	352,899,791
6.1	Non-interest income	181,073,020	327,958,812
6.1.1	Trading income	48,621,463	52,484,388
6.1.2	Gains from foreign currency exchange translation and valuation	18,315,365	22,731,339
6.1.3	Fees and commission income	116,961,225	142,793,159
6.1.4	Other non-interest income	-2,825,033	109,949,927
6.2	Other income	1,476,221	24,940,979
7	Other expense	312,223,047	429,412,526
7.1	Non-interest expense	297,878,626	419,068,474
7.1.1	Other provision expense	28,910,036	23,611,284
7.1.2	Trading expense	4,524,782	5,508,379
7.1.3	Losses from foreign currency exchange translation and valuation	1,186,163	32,482,088
7.1.4	Fees and commission expense	48,601,606	67,516,766
7.1.5	Other operating expense	214,656,039	289,949,957
7.2	Other expense	14,344,421	10,344,052
8	Profit before tax (5+6-7)	388,205,863	239,445,896
9	Income tax expense	89,570,244	38,895,925
10	Profit after tax (8-9)	298,635,619	200,549,971
11	Net income (loss) from discontinued operations	0	0
12	Profit after tax (10+11)	298,635,619	200,549,971
13	Other comprehensive income	9,451,129	8,765,637
13.1	Net change in revaluation reserves of property, plant, and equipment	0	0
13.2	Net unrealized change in fair value of available-for-sale financial assets	9,451,129	8,765,637
13.3	Net changes in the fund of foreign currency exchange translation and valuation	0	0
13.4	Net changes in the fund for loss allowances	0	0
13.5	Other	0	0
14	Total comprehensive income for the year (12+13)	308,086,748	209,315,608

No	Off-balance items	*000 MNT
1	Contingencies and commitments (net)	1,534,878,776

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HEAD OF FINANCIAL MANAGEMENT
 AND CONTROL DEPARTMENT

ENKHTUYA.D



Company name: Trade and Development bank of Mongolia
 Register: 2635534

CASHFLOW STATEMENT

*000 MNT

№	Indicators	Previous (2024.12.31)	Period (2025.12.31)
1	CASH FLOWS FROM OPERATING ACTIVITIES	***	***
1.1	Profit/loss before tax	388,205,863	239,445,897
1.2	Adjustments of income, expense:	(654,728,807)	(364,756,292)
1.2.1	Provisions, discount expense (+)	(183,563,185)	44,749,308
1.2.2	Depreciation and amortisation (+)	12,351,946	17,633,083
1.2.3	Gain of exchange rate and valuation (other from cash and its equivalents)	0	0
1.2.4	Interest income (-)	(1,085,996,675)	(1,435,726,251)
1.2.5	Interest expense (+)	602,479,107	1,008,587,568
1.2.6	Gains (-) or losses (+) from disposal of fixed assets and long-term investments	0	0
1.2.7	Other gains (-) or losses (+)	0	0
1.3	Adjustments of assets and liabilities:	(908,130,091)	(1,149,282,145)
1.3.1	Changes in operating assets	(1,706,939,607)	(1,865,553,218)
1.3.2	Net increase (-), decrease (+) in short term investments	0	0
1.3.3	Net increase (-), decrease (+) in OREO	(1,244,436,501)	(1,846,166,036)
1.3.4	Net increase (-), decrease (+) in other assets	171,053,772	60,281,166
1.3.5	Net increase (-), decrease (+) in other non-financial assets	(213,270,904)	(121,019,392)
1.3.6	Net increase (-), decrease (+) in deposits and current accounts	1,107,925,062	1,431,589,522
1.3.7	Increase (-), decrease (+) in other sources attracted from non-banking institutions	1,037,924,769	1,187,049,831
1.3.8	Net increase (-), decrease (+) in other financial liabilities	(113,605,252)	29,961,614
1.3.9	Increase (-), decrease (+) in other non financial liabilities	53,218,570	(25,425,633)
1.4	Other adjustments:	437,755,910	379,831,934
1.4.1	Taken interest (+)	1,116,782,467	1,386,355,104
1.4.2	Repaid interest (-)	(589,456,313)	(967,627,244)
1.4.3	Repayment of Income tax (-)	(89,570,244)	(38,895,926)
1.4.4	Provision from written off loan, Receivable (-)	0	0
1.4.5		0	0
1.5	NET CASH FLOW FROM OPERATING ACTIVITIES	(736,897,125)	(894,760,607)
2	CASH FLOW FROM INVESTING ACTIVITIES	***	***
2.1	Cash inflow (+)	1,637,282,315	2,979,769,589
2.1.1	Sale of assets	96,240,769	48,332,758
2.1.2	Sale of intangible assets	3,124,412	1,802,813
2.1.3	Sale of investment assets	2,478,546	0
2.1.4	Sale of investment subsidiary company	5,031,978	5,031,979
2.1.5	Sale of other long-term investments	0	0
2.1.6	Sale of loans and receivables are classified at amortized cost accounted investments	0	0
2.1.7	Sale of securities available for sale	884,528,264	2,664,279,113
2.1.8	Sale of securities held to the end of term	423,918,804	434,084
2.1.9	Dividends	0	0
2.1.10	Other cash inflow	221,959,542	259,888,841
2.2	Cash outflow (-)	(1,763,027,858)	(2,910,044,096)
2.2.1	Fixed assets acquired	154,293,824	62,199,313
2.2.2	Intangible assets acquired	23,453,186	5,511,559
2.2.3	Long-term investments disposed off	23,989,866	43,433,296
2.2.4	Subsidiary company	4,271,538	1,605,748
2.2.5	Loans and receivables are classified at amortized cost accounted investments	0	0

2.2.6	Purchase of available for sale securities	1,402,764,109	2,647,637,800
2.2.7	Purchase of securities held to the end of term	16,409,182	6,164,192
2.2.8	Purchase of other assets	0	0
2.2.9	Other outflows	137,846,153	143,492,189
2.3	CASH FLOW FROM INVESTING ACTIVITIES	(125,745,543)	69,725,493
3	CASH FLOW FROM FINANCING ACTIVITIES	***	***
3.1	Cash inflow (+)	5,973,424,391	6,396,878,276
3.1.1	Received other funding	5,452,632,480	4,377,510,420
3.1.2	Received derivative	0	0
3.1.3	Received share and equity securities	0	0
3.1.4	Donation	0	0
3.1.5	Others	520,791,911	2,019,367,856
3.2	Cash outflow (-)	(5,405,692,459)	(6,013,554,895)
3.2.1	Paid in other funding	4,865,482,618	4,040,509,616
3.2.2	Paid in derivative	0	0
3.2.3	Paid in leasing payables	0	0
3.2.4	Purchase securities	0	0
3.2.5	Dividends paid (-)	104,541,515	101,201,854
3.2.6	Others	435,668,326	1,871,843,424
3.3	NET CASH FLOW FROM FINANCING ACTIVITIES	567,731,932	383,323,381
4	Exchange difference	0	0
5	TOTAL NET CASH FLOW	(294,910,736)	(441,711,732)
6	BEGINNING BALANCE OF CASH END CASH EQUIVALENTS	3,867,167,489	3,572,256,753
7	ENDING BALANCE OF CASH AND CASH EQUIVALENTS	3,572,256,753	3,130,545,021

CHIEF EXECUTIVE OFFICER

ORKHON.O

HEAD OF FINANCIAL MANAGEMENT
AND CONTROL DEPARTMENT

ENKHTUYA.D



Company name: Trade and Development bank of Mongolia
 Register: 2635534

STATEMENT OF CHANGES IN EQUITY

*000 MNT

No	Equity indicators	Share capital	Share premium	Treasury shares	Revaluation reserves	Other reserves	Retained earnings	Total equity
	Balances at 2023.12.31	340,852,905	64,069,779	0	143,479,413	170,688,278	689,288,519	1,408,378,994
1	Impact of changes in accounting policies and error correction	0	0	0	0	0	0	0
2	Corrected balance	340,852,905	64,069,779	0	143,479,413	170,688,278	689,288,519	1,408,378,994
3	Net profit, loss for the period	0	0	0	0	0	298,635,621	298,635,621
4	Other comprehensive income	0	0	0	0	9,451,129	0	9,451,129
5	Changes in equity	0	0	0	0	-5,380,015	7,375,972	1,995,957
6	Allocated dividends	0	0	0	0	0	-104,541,515	-104,541,515
7	Implemented amount of revaluation surplus	0	0	0	-114,759	0	2,180,261	2,065,502
	Balances at 2024.12.31	340,852,905	64,069,779	0	143,364,654	174,759,391	892,938,857	1,615,985,587
1	Impact of changes in accounting policies and error correction	0	0	0	0	0	0	0
2	Corrected balance	340,852,905	64,069,779	0	143,364,654	174,759,391	892,938,857	1,615,985,587
3	Net profit, loss for the period	0	0	0	0	0	200,549,971	200,549,971
4	Other comprehensive income	0	0	0	0	8,765,637	0	8,765,637
5	Changes in equity	0	0	0	0	-29,288,524	29,288,524	0
6	Allocated dividends	0	0	0	0	0	-101,201,854	-101,201,854
7	Implemented amount of revaluation surplus	0	0	0	-271,406	0	271,406	0
	Balances at 2025.12.31	340,852,905	64,069,779	0	143,093,248	154,236,504	1,021,846,904	1,724,099,341

CHIEF EXECUTIVE OFFICER

ORKHON.O

HEAD OF FINANCIAL MANAGEMENT
AND CONTROL DEPARTMENT

ENKHTUYA.D



TDB

TDB

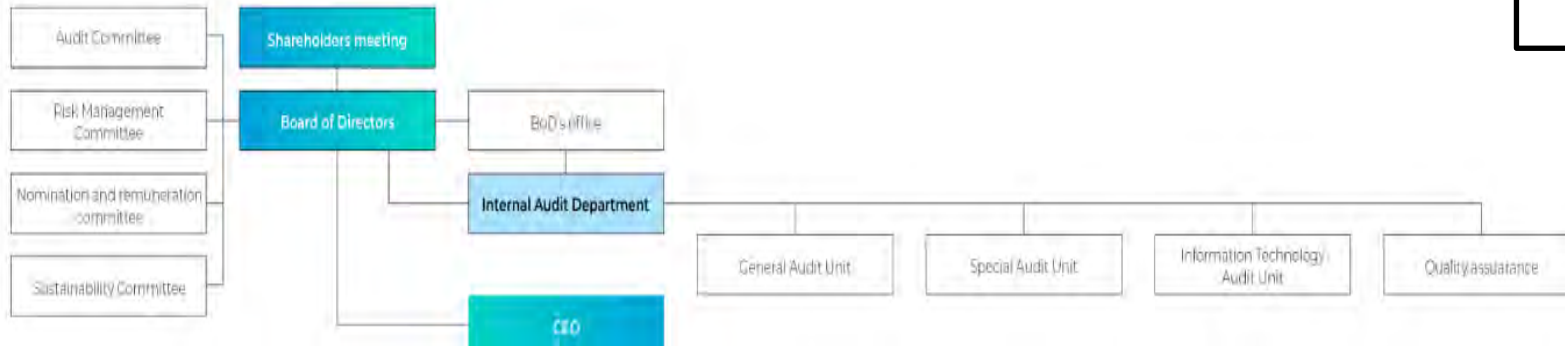
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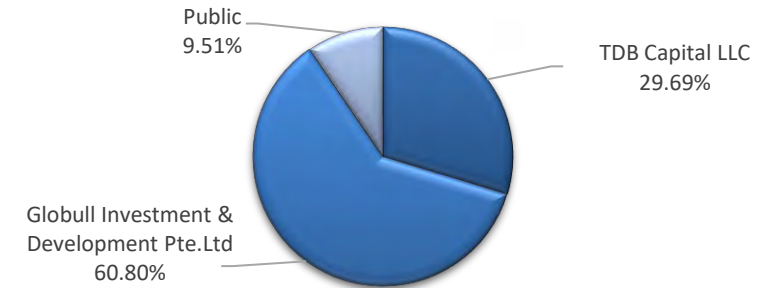
CORPORATE GOVERNANCE

CORPORATE GOVERNANCE

Trade and Development Bank JSC adheres to the corporate governance principles approved by the regulatory authorities in its daily operations, placing high importance on protecting the rights and interests of investors, customers, and other stakeholders, creating long-term value, ensuring the bank's stability, reducing financial risks, improving the governance framework, and localizing international best practices. The Bank ensures alignment across the Board of Directors and all units by defining the bank's strategic plan, organizational structure, and policies, thereby strengthening stakeholder cooperation.



SHAREHOLDERS

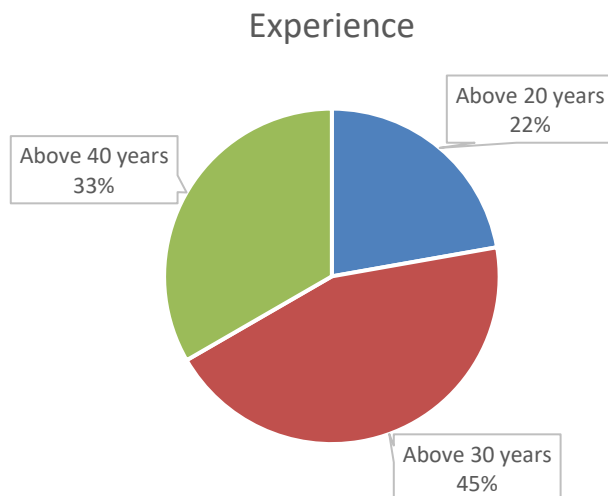
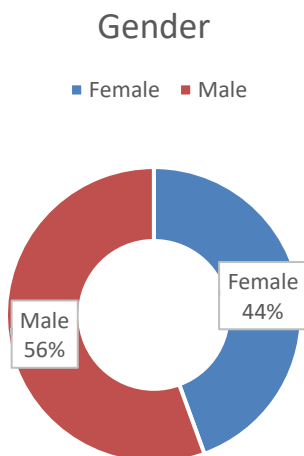


TOTAL NUMBER OF ISSUED SHARES
50,600,967

TOTAL NUMBER OF SHAREHOLDERS
2,829
As of 2025/12/31

Board of Directors

During the intervals between Shareholders’ Meetings, the highest governing body of the Bank is the Board of Directors (hereinafter referred to as the “BoD”). The BoD aims to operate with a productive and effective structure composed of members who collectively ensure appropriate diversity of skills, knowledge, experience, conflict-of-interest safeguards, independence, and gender balance.



Laws, Regulations, and Procedures Followed by the Board of Directors

- ✓ Company Law
- ✓ Banking Law
- ✓ Charter of TDB JSC
- ✓ Board of Directors Operational Procedure
- ✓ Securities Market Law
- ✓ Regulation on calculating, maintaining, reporting, and supervising restrictions on banking activities
- ✓ Regulation on monitoring compliance with principles of sound corporate governance
- ✓ Procedure for nominating, appointing, and dismissing independent members of the Board
- ✓ Corporate Governance Code
- ✓ List of inside information in the securities market and reporting procedures
- ✓ Regulations for notifying and organizing Shareholders’ Meetings of public companies
- ✓ Regulation on information disclosure by securities issuers
- ✓ Procedures for distributing dividends
- ✓ Internal regulations and instructions

BOARD OF DIRECTORS**RANDOLPH S. KOPPA**
Chairman**ERDENEBILEG. D**
Director**YANJMAA. D**
Director**KHURELBAATAR. D**
Director**ENKHMEND. A**
Director**OTGONBILEG. D**
Director**Ж.ДЭЛГЭРСАЙХАН**
Independent Director
Until 2025.10.28**Ж.БОЛОРМАА**
Independent Director**Г.БАТЖАРГАЛ**
Independent Director

As a publicly listed joint-stock company that conducts licensed activities authorized by the Bank of Mongolia and the Financial Regulatory Commission, and that raises funds from the public, the Board of Directors operates in compliance with applicable laws and regulations, as well as the rules, procedures, and instructions approved by the competent authorities.

In 2025, the Board of Directors held 18 meetings, during which 71 agenda items were discussed and resolved, resulting in 64 resolutions. The average meeting attendance rate was 77.8%. In addition, during the reporting period, the following governance-related policies, procedures, and regulations were approved and amended as necessary:

- Regulation on competency assessment of employees of units subordinate to the Board of Directors of Trade and Development Bank;
- Regulation on the database of related parties of TDB JSC;
- Operating Regulation of the Board-level Sustainability Committee;
- Trade and Development Bank Regulation on Combating Money Laundering and Terrorist Financing.”

BOARD COMMITTEES

Audit Committee

Risk Management Committee

Remuneration and Nomination Committee

Sustainability Committee

Committees shall be chaired by an independent member and shall consist of at least 2/3 of independent members.

The Audit Committee aims to strengthen good governance across all levels of the organization by providing systematic assessments of the Bank's governance framework, legal compliance, ethical standards, financial reporting, internal control system, and the performance of both external and internal audit functions. It ensures accurate and reliable information is delivered to shareholders, the Board of Directors, and other stakeholders

This committee supports the Board in ensuring effective compliance with Mongolian laws, regulations of supervisory and international institutions, Basel Committee recommendations, risk-management frameworks, and policies. It operates independently across a wide scope of activities, providing assurance on the effectiveness of controls, assessments of market, operational, and compliance risks, along with recommendations.

This committee supports the Board by ensuring effective performance of oversight and governance duties, evaluating board structure and composition, selecting and assessing board members, nominating executive management and senior directors, evaluating board performance, and determining compensation policies and structures. It also provides guidance on organizational structure and governance development.

This committee is responsible for defining the Bank's sustainability governance framework, strategy, objectives, and targets, and for integrating international best practices into the Bank's own operations and those of its stakeholders. It promotes green and sustainable business principles through initiatives that enhance environmental, social, and governance practices at all levels of the Bank, aspiring to be a national leader in sustainability.

Chair:
Delgersaikhan. J (until 28 October 2025)

Members:
Bolormaa. J
Otgonbileg. D

Chair:
Batjargal. G (from 1 July 2025)

Members:
Randolph Koppa
Delgersaikhan. J (until 28 October 2025)/

Chair:
Bolormaa. J

Members:
Yanjmaa. D
Batjargal. G (from 1 July 2025)

Chair:
Randolph Koppa

Members:
Sergelen. N
Chimidbaldir. G
Khaliun. P

TRANSPARENCY

- The Annual General Meeting of Shareholders was successfully held on 25 April 2025, during which the following matters were discussed and resolved:
 - The conclusion issued by the Board of Directors on the operational and financial reports of Trade and Development Bank JSC;
 - Election of members of the Board of Directors of Trade and Development Bank JSC;
 - Approval of the budget of the Board of Directors of Trade and Development Bank JSC.

- During the reporting period, the following reports were prepared and submitted:
 - Report on the implementation of the principles of sound corporate governance, prepared in accordance with the regulation on supervision and inspection of compliance with corporate governance principles approved by order of the Governor of the Bank of Mongolia;
 - 2024 Corporate Governance Compliance Report of TDB JSC, prepared in accordance with the Corporate Governance Code issued by the Financial Regulatory Commission;
 - Environmental, Social, and Governance (ESG) Report;
 - 2025 Operational Report;
 - 2025 Audited Financial Statements;
 - 2025 Activity Report of the Board of Directors;2025 Activity Reports of the Board Committees;
 - Report on cooperation with other stakeholders by TDB JSC in 2025;Semi-annual activity reports of the Independent Members of the Board of Directors.

EXECUTIVE MANAGEMENT

ХХБ ХК-ийн дүрмэнд Банкны гүйцэтгэх удирдлагыг ТУЗ-өөс томилогдсон Гүйцэтгэх захирал хэрэгжүүлэхээр заасан бөгөөд ноён О.Орхон 2016 оны 1 сараас тус банкны Гүйцэтгэх захирлаар ажиллаж байна. ТУЗ-ийн гишүүдээс гадна дараах албан тушаалтнуудыг Банкны эрх бүхий албан тушаалтан байхаар дүрмэнд заасан ба Дижитал шилжилт хариуцсан Гүйцэтгэх захирлын тэргүүн орлогч шинээр томилогдсон байна

No.	Position	Name
1	Board Secretary	Nyamsuren. N
2	Chief Executive Officer	Orkhon. O
3	President	
4	First Deputy Chief Executive Officer	Enkhmend. A
5	First Deputy Chief Executive Officer	Banzragch. O
6	First Deputy Chief Executive Officer	Martijn Christoffel de Jong
7	Director of Internal Audit Department	Lkhagvasuren. Ch
8	Director of Finance, Management and Control Department	Enkhtuya. D



Board of Directors' Report on the 2024 operational and financial Performance of the Trade and Development Bank of Mongolia

In 2024, the Mongolian banking sector focused on consolidating the impact of significant changes and reforms from the previous year, thereby strengthening the foundation for sustained future growth. Trade and Development Bank (TDB) actively pursued initiatives aimed at further improving its governance and transparency, leveraging its status as a publicly listed company to enhance its competitiveness in the market. The banking sector as a whole maintained its growth trajectory while placing a strong emphasis on digital transformation and the refinement of risk management practices, which were key features of 2024.

The strengthened Board of Directors (BoD) of TDB, following its transition to a publicly listed company, played a crucial role in implementing the bank's strategic objectives in 2024. The expanded BoD, with its diverse range of expertise, consistently provided strategic guidance and recommendations aimed at supporting the bank's continuous business growth, establishing an optimal risk management system, and integrating domestic and international best practices and standards into its operations. Throughout 2024, the BoD operated based on the Company Law, the Banking Law, other relevant legislation, the Principles of Proper Banking Governance, and TDB's Charter. Through resolutions and decisions made by the BoD and its committees, it directed the bank's operations, prioritized the interests of shareholders and other stakeholders, and focused on enhancing their value.

The BoD's assessment of the bank's 2024 performance and audited financial statements is based on an independent and objective evaluation conducted by the BoD members regarding the implementation of TDB's long-term and medium-term strategies, as well as the fulfillment of the approved financial and operational plans for the year.

In 2024, the Executive Management team and all employees of TDB diligently worked towards achieving the bank's long-term goals, as approved by the BoD, which include:

- Further deepening **Customer-centricity**,
- Strengthening its position in the **International banking**,
- Realizing the vision of becoming a **Platform bank** with innovative services based on **technological advancements**.

We are confident that these efforts have diligently worked towards meeting the planned objectives in terms of increasing the bank's assets and profitability and strengthening its market position.

2024 was an exceptional year marked by successful progress in strategic objectives, further solidifying market leadership and international reputation, and achieving tangible results in innovation and sustainable development. Through the concerted efforts of the Executive Management and all employees, within the framework of the bank's three long-term strategic pillars, we collectively achieved the following significant milestones in 2024.



Under the long-term Strategic Objective of Becoming a Customer-Centric Bank:

The bank prioritized placing the customer at the core of all its operations, focusing on delivering modern, accessible, and reliable services tailored to their needs and continuously improving the customer experience. To offer customers world-class, convenient, and secure payment solutions, Apple Pay was successfully launched for the first time in Mongolia, opening new possibilities for digital payments. The confidentiality and security of customer card and personal data are maintained in accordance with the highest international standards. To create a pleasant and modern environment for customers, a project was initiated in collaboration with A1 Architects, one of the leading national companies, to renovate the interior design and furnishings of the bank's branches, making a tangible investment in service quality.

Under the Strategic Objective of Becoming an International Bank:

In 2024, TDB made significant strides in enhancing Mongolia's and its own reputation in the international financial markets, conducting operations in line with global standards, and expanding its foreign relations and cooperation. The bank strengthened its USD nostro account relationship with Bank of New York Mellon, successfully fulfilling its role in reliably and continuously connecting Mongolia to the global USD payment system. In a historic achievement, TDB became the first Mongolian bank and financial institution to secure direct long-term financing from the U.S. government agency, the International Development Finance Corporation (DFC). This represents a crucial source of funding that will significantly contribute to the growth of micro, small, and medium-sized enterprises (SMEs) and women entrepreneurs in Mongolia, as well as efforts to combat climate change. Furthermore, TDB successfully issued the first Social and Green Bonds from Mongolia on the Vienna Stock Exchange in Austria, targeted at international professional investors, and attracted investment from a top 10 global asset management company, opening new avenues for accessing the international sustainable finance market. These achievements, reflecting the bank's financial stability and sound governance, positively influenced Moody's Investors Service to upgrade TDB's credit rating to B2 with a "Stable" outlook.

Under the Strategic Objective of Becoming a Platform Bank:

Significant progress was made in effectively integrating technological advancements into operations, enhancing the accessibility, efficiency, and reliability of the bank's services. The bank successfully met the international Payment Card Industry Data Security Standard (PCI DSS) 4.0, ensuring the confidentiality and security of customer information for the 8th consecutive year. To deliver banking services regardless of geographical location and increase financial inclusion, Agent Banking services were successfully launched, creating an innovative channel that brings banking services closer to the public. The bank's website, a key information channel for customers and the public, was revamped in collaboration with Canada's Image X company to meet modern requirements and improve the digital user experience.

Sustainable Development and Creating Shared Value:

TDB consistently implemented sustainable development goals in its operations and actively supported small and medium-sized enterprises (SMEs), a cornerstone of the economy. An agreement was signed with the German Agency for International Cooperation (GIZ) to implement the "SFME" project aimed at supporting SMEs, and cooperation was initiated with Digital Credit LLC. Furthermore, Memorandums of Understanding and agreements were established with organizations such as the Khanbogd Development Accelerator of the Oyu Tolgoi Fund, the Global Green Growth Institute (GGGI), the Metropolitan SME Support Center, and the Credit Guarantee Fund, marking significant steps in promoting regional green development and increasing financial inclusion for SMEs. The first-ever "BE LADY" forum for women entrepreneurs was successfully organized, and TDB was recognized as a "Gender Leading Organization" by the Sustainable Finance Association for its efforts in promoting gender equality. The bank also actively participated in and supported the traditionally held "Trade Finance Forum 2024," the EuroChamber Mongolia event, and UN-Day 2024.

Employee Evaluation and Organizational Culture:

The unwavering dedication and tangible contributions of all banking employees, the key to the bank's success and its most valuable capital, are highly appreciated. As part of its policy to retain and incentivize talented personnel, the Executive Management made a significant decision to increase the performance-based salaries of non-executive employees by up to 25%, which is considered a form of incentive towards the staff.

The Board of Directors concludes that in 2024, Trade and Development Bank successfully implemented its defined objectives within its three core strategic directions, strengthened its position on the international stage, deepened its customer-centric culture, and introduced technological innovations, thereby reinforcing its leadership in sustainable development and social responsibility. The bank honorably fulfilled its obligations to all stakeholders and enhanced their value, resulting in an exceptionally successful year. These tangible achievements in 2024 provide a solid foundation for the bank's continued sustainable growth and development, and we are confident that they will drive even greater success in the future.

Financial Performance

In terms of financial performance, 2024 was an exceptionally successful year, with net profit increasing by 97.5% compared to the previous year, reaching MNT 298.6 billion. This significant growth was primarily driven by the robust increase in the bank's core revenue streams, with interest income growing by 42.0% and fee and commission income by 24.8%. Additionally, measures taken to improve the quality of the loan portfolio resulted in a substantial decrease of 54.3% in non-performing loans. Furthermore, by achieving share of loan portfolios of the three segments of the bank - corporate, retail, and retail segments - to 50/20/30 percent of the total portfolio, and the share of risk-weighted assets to 60/18/22 percent, the bank reduced concentration risk and will continuously increase sustainable growth and profitability.

The bank's total assets grew by 23.3% to MNT 15.0 trillion, demonstrating sustained growth. Simultaneously, the bank's equity, an indicator of its financial strength and stability, increased by 14.7% to MNT 1.6 trillion, further strengthening the foundation for future growth and development. While maintaining sustainable growth, the bank also focused on effectively managing risks, maintaining a reliable liquidity ratio of 49.5% to ensure financial stability.

As of the end of 2024, TDB alone accounted for 21.0% of the total assets of Mongolia's banking sector (with total assets of MNT 15.0 trillion), 17.5% of total loans, 23.9% of total mobilized funds, and 17.3% of total profit, further highlighting its influential and leading position in the banking system.

Through these indicators, TDB has solidified its leading position in Mongolia's economy and banking sector, reaffirming its status as a reputable and reliable partner both domestically and internationally, making 2024 a successful year. Based on good performance of the operation and financial report of the bank and assessment made by Board is to conclude TDB's overall performance was "GOOD".



SOCIAL RESPONSIBILITY

SOCIAL RESPONSIBILITY



For over a decade, TDB has pursued a consistent salary growth strategy, raising wages by 10–30% annually. In early 2023, TDB announced the 'Beehive' program, which would increase employee salaries annually by up to 25% over four consecutive years. As a result, the average monthly salary for TDB specialists has now reached \$1,000 under the 'Beehive' program in 2025.



TDB organized the annual 'Trade Finance Forum-2025' under the theme 'Together towards sustainability'. The forum discussed solutions to apply sustainable financing and ESG principles to foreign trade and the energy sector.



TDB executives attended the 55th World Economic Forum in Davos-Klosters, Switzerland.



We supported the #SciCon2025 event, where over 1,000 young individuals, aspiring scientists, engineers, and innovators discussed emerging scientific challenges, shared ideas, and built networks. This event contributed directly to ongoing progress in the scientific community.



We provided support for STEAMEX 2025, recognized as the largest international education event in Mongolia. Furthermore, the Bank donated technical waste materials that could not be used in banking operations to the Dudu Children's Museum. This museum uses these materials for science workshops aimed at young children and sends the waste to an eco-friendly recycling facility after use.



In 2025, TDB enriched the library of the special education class for children with Down syndrome at General Education School No. 55 in Ulaanbaatar with a generous donation of books. Through this initiative, the "Boundless Dream" project has invested intellectual resources in the education of over 200,000 children, 10,000 teachers, and educators across 60 schools and kindergartens. Moreover, as part of its "Boundless Dream" project, TDBM donated over 20 types of standard-compliant surgical instruments to the Otolaryngology Department of the National Center for Maternal and Child Health of Mongolia. On the occasion of World Autism Awareness Month, we further demonstrated our commitment by fully equipping a special education classroom for children with autism at the "Developmental Rehabilitation Center for Children with Disabilities."



SOCIAL RESPONSIBILITY



Since 2013, Bloomberg TV Mongolia has annually celebrated transformative contributions to Mongolia's economic growth through the prestigious "Bloomberg Awards." The awards recognize excellence in investments, projects, policies, and solutions that shape the nation's development. Since 2024, the initiative has evolved to spotlight "Catalysts"—visionary individuals and organizations driving progress in sustainable development and the green economy. TDB served as the primary sponsor of this year's event.

FRENCH - MONGOLIAN BUSINESSES VIP NETWORKING EVENT

To mark the 60th anniversary of Mongolia-France diplomatic relations, TDB co-organized the Mongolia-France Business Forum with Bpifrance under the guidance of the Embassy of France. This event supports improved cooperation between banking and financial institutions, facilitating business opportunities and international partnerships.



BUSINESS ENVIRONMENT

Mongolia's oldest commercial bank, Trade and Development Bank (TDB), marks its 35th anniversary by sponsoring the Mongolian Basketball League's SG Apes team. Through this partnership, TDB demonstrates its commitment to advancing team sports, encouraging youth aspirations, and driving positive change, including increased youth engagement and teamwork.

During the reporting period, we organized and supported a variety of events, including the European Union – Mongolia Business and Investment Forum, the European Christmas Party by TDB, the CSR Awards Night 2025, the French National Day, the Annual Meeting of the New Champions, CE-MENT EXPO 2025, SIBOS 2025, and MinePro 2025. Through these efforts, the Trade and Development Bank helped foster improved business conditions and strengthen the economic and social value of cooperation between Mongolia and third-party countries.

SOCIAL RESPONSIBILITY

Bloomberg
LED MEDIA SCREEN

BUSINESS
Networking & Certificate
Awarding Event

 **SME**
DAY
2025

 **JICA**

 **World Health Organization**

TDB actively supports initiatives promoting societal welfare and environmental sustainability, in collaboration with both government and private sector organizations. As part of this effort, 16 distinct video campaigns from nine organizations were broadcast free of charge for over 14 consecutive days on the digital screens outside TDB's headquarters.

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In partnership with the German Society for International Cooperation /GIZ/, we successfully organized the "SME EMPOWERMENT PROGRAM-2025" for small and medium-sized enterprises, helping participants access new skills, tools, and growth opportunities. We participated in the food, agriculture, and SMEs exhibition organized as part of the 100th anniversary of the Ministry of Food, Agriculture, and Light Industry and the national "White Gold" movement, providing exposure and networking opportunities for SME clients. We facilitated our SME clients' participation in the SME Day 2025 event organized by JICA, providing them with favorable conditions to showcase their products and services.

These initiatives are significant steps toward strengthening the market competitiveness and economic capacity of entrepreneurs, while contributing meaningfully to the implementation of national sector policies.

ONE BAG – ONE WORLD

We have eliminated plastic bags for all bank operations and replaced them with biodegradable alternatives, helping reduce plastic waste and promote environmental sustainability in daily banking activities.

Initiated by the Japan International Cooperation Agency (JICA), the "Mongolia Open Innovation and Co-Creation for SDGs" program was successfully organized with the participation of the Trade and Development Bank (TDB). TDB chose to support the project aimed at "Development of Technology for Reusing Old HEV/EV Batteries," which was selected as one of the top five projects.

We started an official collaboration with the World Health Organization in Mongolia in the health sector. This marks the first formal partnership between the WHO's Mongolia Country Office and a private sector entity. TDB remains dedicated to supporting initiatives that enhance public health awareness and disseminate preventative health recommendations.