

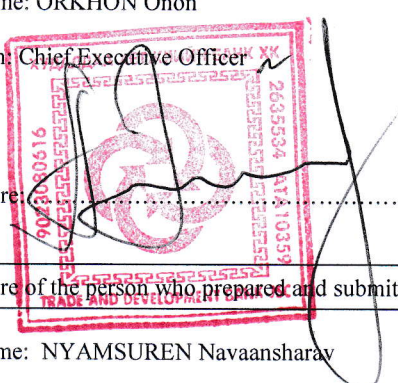
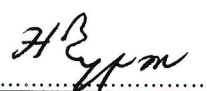
**TRADE AND DEVELOPMENT BANK JSC  
2025 SEMI-ANNUAL OPERATIONAL REPORT**

**Semi-annual and quarterly operational reports /Form 2/**

Article 20 of the Securities Market Law stipulates the ongoing obligations of the issuer, and the issuer is responsible for submitting quarterly and semi-annual operational reports to the Financial Regulatory Commission and the exchange in accordance with the below form, and shall disclose to the public through its website.

<i>Reporting period</i>	From January 1 <sup>st</sup> 2025 to June 30 <sup>th</sup> 2025				
<i>Issuer's name, state registration certificate number, securities symbol phone number</i>	Issuer's name: Trade and Development bank JSC ("TDB" or Bank) SRCN: 9007001015 Securities symbol: MN00TDB05673 Phone number: 11 328227				
<i>Name of listed exchange</i>	Mongolian stock exchange				
<i>Sector of business operations</i>	Banking and Finance				
<i>Total number of shares issued by the issuer</i>	50,600,927				
<i>Names of the specialist who prepared and the official who reviewed the semi-annual and quarterly</i>	Prepared by: Sainbayar L – Foreign relations specialist, Office of RGB Reviewed by: Nyamsuren N – Secretary of Board of Directors				
1	<i>The semi-annual and quarterly financial reports /full out the summary report indicators and attach the financial statement/</i>				
	<i>Balance sheet</i>	Appendix No. 1 – Financial statement			
	<i>Income statement</i>				
	<i>Statement of retained earnings</i>				
	<i>Cash flow statement</i>				
2	<i>The audit committee opinion on the semi-annual and quarterly, financial statements, which was reviewed and confirmed by board audit committee</i>				
	Appendix No. 2				
3	<i>External and internal factors affecting the issuer's financial operations during the reporting period, management reports and opinions based on analysis of financial statements, income, expenses, and profit indicators</i>				
3.1.	<i>Operational performance /Financial ratios/</i>	<i>№</i>	<i>Ratios</i>	<i>Required</i>	<i>TDB</i>
		1	Tier 1 Capital Adequacy Ratio	>9%	13.1%
		2	Capital adequacy ratio	>12%	13.1%
		3	Foreign currency exposure ratio (total)	<+/-15%	-4.4%
		4	Foreign currency exposure ratio (single currency)	<+/-15%	-2.9%

3.2	Liquidity ratios and financial resources	<table><tr><td>No</td><td>Ratios</td><td>Required</td><td>TDB</td></tr><tr><td>1</td><td>Liquidity ratio</td><td>&gt;25%</td><td>41.9%</td></tr></table>	No	Ratios	Required	TDB	1	Liquidity ratio	>25%	41.9%																																			
No	Ratios	Required	TDB																																										
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3.3.	The external and internal factors affecting the activities of the issuer, changes in the range of its products and services, and measures planned to be taken by the issuer in response to these changes.																																												
	<div><div>-</div><div>In response to the regulatory requirement that, starting from the 2026, all banks must officially classify their loan portfolios according to the newly introduced “Sustainable Development Goals (SDG) Finance Taxonomy” issued by the Financial Stability Council and the Bank of Mongolia, Trade and Development Bank is conducting research and analysis to introduce new social and green loan products to the market. At the same time, we are working to improve and align our future activities in the direction of sustainable financing, including monitoring and reporting, transparency, and improving the products and services delivered to clients in accordance with international standards.</div><div>-</div><div>During the reporting period – the Bank continued its active engagement in both international and development finance markets. In February 2025, the Bank successfully tapped an additional USD 100 million under its existing USD 200 million private placement, bringing the total issuance to USD 300 million. This expansion enabled the transaction to become index-eligible for international investors, increasing visibility and access within global capital markets. However, following the issuance, newly introduced tariff-related concerns from the United States prompted investor caution, particularly regarding high-yield emerging market bonds. In response to these developments, the Bank has strategically shifted its focus toward securing concessional financing from IFIs and DFIs. Notably, TDB successfully secured the second tranche of funding from the U.S. International Development Finance Corporation (DFC), which is being deployed to further support the growth and resilience of small and medium sized enterprises (SMEs) in Mongolia. Furthermore, we’re currently in the final approval stage with one of the IFIs for a new facility aimed at supporting green and social projects across the country – further aligning with our commitment to sustainable finance and development.</div></div>																																												
3.4.	Details of off-balance sheet transactions and information on accounting policies																																												
	Appendix No. 1 – Financial statement																																												
4	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/																																												
	<div><div>During the reporting period, the Bank's Board did not issue any decisions regarding conflict-of-interest agreements. Based on the approval granted by the Board in 2022, seven agreements were concluded with special-purpose companies, subsidiaries of Mongolian Mortgage Corporation HFC LLC, to sell portfolios of mortgage loans under the mortgage loan program implemented by the Government of Mongolia since 2013.</div><div>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.</div><div>As of June 30, 2025<div><table><tr><th>Bank related party</th><th>Type of assets</th><th>Outstanding balance</th><th>Related party ratio</th></tr><tr><td>1.</td><td colspan="3">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>0.00%</td></tr><tr><td>1.2.</td><td>Bank authorized person</td><td>Loan</td><td>419.3</td><td>0.03%</td></tr><tr><td>1.3.</td><td>Other related party</td><td>Receivable</td><td>43,392.7</td><td>2.91%</td></tr><tr><td>2.</td><td colspan="3">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>0.00%</td></tr><tr><td>2.2.</td><td>Bank authorized person</td><td>Loan, Receivable</td><td>2,209.3</td><td>0.15%</td></tr><tr><td>2.3.</td><td>Other related party</td><td>Loan, Other Assets</td><td>101,432.6</td><td>6.80%</td></tr></table></div></div><div>* Clause 3.1.2 of Article 3 of the Banking Law defines the related party definition..</div><div>During the reporting period, the Bank has not entered any major transactions defined in Section 87.1 of Article 87 of the Company Law.</div></div>			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	-	0.00%	1.2.	Bank authorized person	Loan	419.3	0.03%	1.3.	Other related party	Receivable	43,392.7	2.91%	2.	Total related parties’ exposure (not exceed 20% of the Bank capital)			2.1.	Bank shareholder	Loan, Receivable	-	0.00%	2.2.	Bank authorized person	Loan, Receivable	2,209.3	0.15%	2.3.	Other related party	Loan, Other Assets	101,432.6	6.80%
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5	<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 from the start of the project</i>
	<p>Within the framework of its medium-term strategy of becoming a “Green Bank”, Trade and Development Bank of Mongolia (TDBM) has set to use net proceeds from its Initial Public Offering (IPO) of 5% of the Bank's total issued shares, to finance its sustainable loans in line with eligible categories specified in TDBM's Sustainability Framework. From the primary market, TDBM received 2,528 orders, total of MNT 105.5 billion (equivalent to approx. USD 30.5 million) for the Bank's shares, which surpassed its initial target of MNT 83.5 billion (or USD 24.2 million equivalent), and closed its IPO with oversubscription status of 126.4%.</p> <p>In accordance with TDBM's strategy to expand its presence in Small &amp; Medium Business (SMB) and retail markets, net proceeds from Bank's offerings were allocated towards following business segments and by end of 3<sup>rd</sup> quarter of 2024, TDB successfully allocated 100% all funding from IPO.</p>
6	<i>Information related to corporate governance</i>
	Appendix No. 3
7	<i>Reports and information related to issuer governance</i>
	Appendix No. 3
Signature of the person who prepared the information, the person who confirmed the accuracy of the information and the date:	
<p>Full name: ORKHON Onon</p> <p>Position: Chief Executive Officer</p> <p>Signature: </p>	
Signature of the person who prepared and submitted the information and the date:	
<p>Full name: NYAMSUREN Navaansharav</p> <p>Position: Secretary of Board of Directors</p> <p>Signature: </p>	
Submission date:	



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

STATEMENT OF FINANCIAL POSITION

\*000 MNT

No	Balance sheet items	Beginning balance	Ending balance
1	<b>Assets</b>	0	0
1.1	<b>Cash and cash equivalents</b>	3,572,256,753	2,591,760,711
1.1.1	Cash on hand	64,286,886	91,525,833
1.1.2	Deposits and placements with banks and other financial institutions (with maturity up to 3 months)	1,669,655,007	1,147,779,682
1.1.3	Cash equivalents	1,837,294,011	1,352,250,290
1.1.4	Accrued interest receivables	1,020,849	204,906
1.2	<b>Deposits and placements with banks and other financial institutions</b>	2,756,341,403	2,665,051,700
1.2.1	Balances with Bank of Mongolia	2,756,935,248	2,665,645,545
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	-593,845
1.3	<b>Investment securities</b>	1,066,849,253	1,254,536,432
1.3.1	Trading investment securities	0	0
1.3.2	Available-for-sale investment securities	1,040,448,518	1,212,969,523
1.3.3	Held-to-maturity investment securities	0	2,521,787
1.3.4	Other securities classified as loans and advances	0	0
1.3.5	Investment in associates, subsidiaries and joint ventures	164,244	164,244
1.3.6	Pledged investment securities	0	0
1.3.7	Accrued interest receivables	26,236,491	38,880,878
1.3.8	Provision for impairment losses	0	0
1.4	<b>Loans and advances, net</b>	6,179,569,553	7,690,783,856
1.4.1	Performing loans	5,680,941,171	7,178,895,800
1.4.2	Past due loans	409,081,945	455,896,834
1.4.3	Substandard loans	90,870,751	51,533,636
1.4.4	Doubtful loans	6,461,441	22,329,277
1.4.5	Bad loans	162,916,235	218,360,340
1.4.6	Deferred loan payments	-22,505,082	-22,505,082
1.4.7	Accrued interest receivables	160,017,967	141,500,971
1.4.8	Reserve for probable loan losses	-308,214,875	-355,227,920
1.5	<b>Derivative financial instruments</b>	88,784,131	83,942,942
1.6	<b>Other financial assets</b>	113,516,923	153,306,075
1.6.1	Receivables, net	101,901,106	140,572,250
1.6.2	Bank, interbranch settlements	9,475,546	10,744,159
1.6.3	Foreclosed other assets (net)	0	0
1.6.4	Other	2,140,271	1,989,665
1.7	<b>Other non-financial assets</b>	441,793,725	293,158,700
1.7.1	Other settlements	36,142,983	59,607,504
1.7.2	Inventory	14,513,521	6,741,134
1.7.3	Precious metals, net	163,162	9,640,362
1.7.4	Foreclosed other assets (net)	389,450,166	215,612,443
1.7.5	Income tax receivables	1,334,843	1,334,843
1.7.6	Deferred income tax asset	0	0
1.7.7	Other	189,050	222,414
1.8	<b>Property and equipment, net</b>	557,507,597	584,699,099
1.9	<b>Investment properties</b>	80,749,541	59,813,135
1.10	<b>Held-for-sale assets</b>	95,381,015	132,611,744
1.11	<b>Intangible assets, net</b>	47,618,788	48,264,304
1.12	<b>Total assets</b>	15,000,368,683	15,557,928,698
2	<b>LIABILITIES</b>	0	0
2.1	<b>Current accounts</b>	3,589,983,877	2,901,145,520
2.1.1	Current accounts	3,589,983,300	2,901,144,935
2.1.2	Accrued interest payables	576	585
2.2	<b>Deposits</b>	6,065,437,491	6,849,491,593
2.2.1	Savings deposits	646,864,177	771,108,677
2.2.2	Time deposits	5,262,513,396	5,865,571,538
2.2.3	Other deposits	1,155,000	1,557,005
2.2.4	Accrued interest payables	154,904,918	211,254,373
2.3	<b>Deposits and placements of banks and other financial institutions</b>	2,605,363,346	2,854,640,835
2.3.1	Deposits and placements of banks and other financial institutions	976,901,747	395,238,238
2.3.2	Borrowings	1,621,308,559	2,447,916,569
2.3.3	Deferred liabilities	-5,577,059	-5,686,572
2.3.4	Accrued interest payables	12,730,100	17,172,599
2.4	<b>Other liabilities</b>	816,269,796	1,191,395,309
2.4.1	Debt securities issued	0	0
2.4.2	Bonds in issue	666,848,059	1,070,092,035
2.4.3	Project loan financing	39,292,368	36,889,390
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	79,718,966

2.4.7	Deferred payments of other liabilities	0	0
2.4.8	Accrued interest payables	7,458,576	4,694,918
2.5	Derivative financial liabilities	70,630,118	69,336,921
2.6	Financial other liabilities	139,481,989	165,478,844
2.7	Non-financial other liabilities	97,216,480	33,754,724
2.8	Subordinated debt	0	0
2.9	Preferred stock (liabilities)	0	0
2.10	Total Liabilities	13,384,383,096	14,065,243,747
3	SHAREHOLDERS' EQUITY	0	0
3.1	Issued capital	340,852,904	340,852,904
3.1.1	Preferred stock	0	0
3.1.2	Common stock	340,852,904	340,852,904
3.2	Share premium	64,069,779	64,069,779
3.3	Treasury stock	0	0
3.4	Revaluation reserves	143,364,654	139,031,790
3.5	Retained earnings	892,938,857	903,582,289
3.6	Other equity	174,759,391	45,148,189
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	0
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	44,866,163	44,653,673
3.7	Total equity	1,615,985,586	1,492,684,951
4	TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	15,000,368,683	15,557,928,698

CHIEF EXECUTIVE OFFICER



ORKHON.O

HEAD OF FINANCIAL MANAGEMENT  
AND CONTROL DEPARTMENT

ENKHTUYA.D

SENIOR SPECIALIST

MUNKHBAYAR.M



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

# INCOME STATEMENT

\*000 MNT

№	Income statement items	Beginning balance	Ending balance
1	<b>Interest income</b>	<b>1,085,996,675</b>	<b>660,462,784</b>
1.1	Balances with the Bank of Mongolia	37,798,844	8,496,640
1.2	Due from other banks and financial institutions	48,189,863	19,551,191
1.3	Investments in securities	234,071,425	129,326,147
1.4	Loans and advances	765,936,544	485,196,545
1.5	Other	0	17,892,262
2	<b>Interest expense</b>	<b>602,479,107</b>	<b>476,266,561</b>
2.1	Current accounts	58,066,542	23,335,074
2.2	Savings	469,211,146	327,194,243
2.3	Borrowings	64,570,979	31,708,769
2.4	Securities	8,827,830	93,821,519
2.5	Others	1,802,610	206,956
3	<b>Net interest income [(1)-(2)]</b>	<b>483,517,568</b>	<b>184,196,223</b>
4	<b>Provision expenses</b>	<b>0</b>	<b>38,661,062</b>
4.1	Deposits and placements with banks and other financial institutions	0	0
4.2	Investment securities	0	0
4.3	Loans and advances	0	38,661,062
5	<b>Net interest income after provision [(3)-(4)]</b>	<b>483,517,568</b>	<b>145,535,161</b>
6	<b>Other income</b>	<b>216,911,342</b>	<b>194,865,890</b>
6.1	<b>Non-interest income</b>	<b>215,435,121</b>	<b>192,643,180</b>
6.1.1	Trading income	48,621,463	25,625,487
6.1.2	Gains from foreign currency exchange translation and valuation	18,315,365	36,175,264
6.1.3	Fees and commission income	116,961,225	78,184,506
6.1.4	Other non-interest income	31,537,068	52,657,922
6.2	Other income	1,476,221	2,222,711
7	<b>Other expense</b>	<b>312,223,045</b>	<b>228,686,319</b>
7.1	<b>Non-interest expense</b>	<b>297,878,626</b>	<b>227,595,111</b>
7.1.1	Other provision expense	28,910,036	34,537,625
7.1.2	Trading expense	4,524,781	0
7.1.3	Losses from foreign currency exchange translation and valuation	1,186,163	41,213,645
7.1.4	Fees and commission expense	48,601,606	32,335,888
7.1.5	Other operating expense	214,656,039	119,507,952
7.2	Other expense	14,344,419	1,091,208
8	<b>Profit before tax (5+6-7)</b>	<b>388,205,865</b>	<b>111,714,733</b>
9	Income tax expense	89,570,244	140,853
10	<b>Profit after tax (8-9)</b>	<b>298,635,621</b>	<b>111,573,880</b>
11	Net income (loss) from discontinued operations	0	0
12	<b>Profit after tax(10+11)</b>	<b>298,635,621</b>	<b>111,573,880</b>
13	<b>Other comprehensive income</b>	<b>9,451,129</b>	<b>-4,545,354</b>
13.1	Net change in revaluation reserves of property, plant, and equipment	0	-4,332,864
13.2	Net unrealized change in fair value of available-for-sale financial assets	9,451,129	-212,490
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	<b>Total comprehensive income for the year (10+11)</b>	<b>308,086,749</b>	<b>107,028,526</b>

№	Off-balance items	*000 MNT
1	Contingencies and commitments (net)	1,355,961,298

CHIEF EXECUTIVE OFFICER

ORKHON.O

HEAD OF FINANCIAL MANAGEMENT  
AND CONTROL DEPARTMENT

ENKHTUYA.D

SENIOR SPECIALIST

MUNKHBAYAR.M



CASHFLOW STATEMENT

\*000 MNT

No	Indicators	Previous	Period
1	<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	***	***
1.1	Profit/loss before tax	388,205,865	111,714,733
1.2	<b>Adjustments of income, expense:</b>	<b>(654,728,808)</b>	<b>(157,189,348)</b>
1.2.1	Provisions, discount expense (+)	(183,563,186)	19,636,376
1.2.2	Depreciation and amortisation (+)	12,351,946	7,370,500
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)	(660,462,784)
1.2.5	Interest expense (+)	602,479,107	476,266,561
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	<b>Adjustments of assets and liabilities:</b>	<b>(908,130,092)</b>	<b>(1,237,778,772)</b>
1.3.1	Changes in operating assets	(1,706,939,607)	91,454,281
1.3.2	Net increase (-), decrease (+) in short term investments	0	0
1.3.3	Net increase (-), decrease (+) in OREO	(1,244,436,501)	(1,624,056,761)
1.3.4	Net increase (-), decrease (+) in other assets	171,053,772	(23,368,454)
1.3.5	Net increase (-), decrease (+) in other non-financial assets	(213,270,904)	59,158,821
1.3.6	Net increase (-), decrease (+) in deposits and current accounts	1,107,925,062	38,866,283
1.3.7	Increase (-), decrease (+) in other sources attracted from non-banking institutions	1,037,924,769	193,531,719
1.3.8	Net increase (-), decrease (+) in other financial liabilities	(113,605,252)	81,926,002
1.3.9	Increase (-), decrease (+) in other non financial liabilities	53,218,570	(55,290,662)
1.4	<b>Other adjustments:</b>	<b>437,755,909</b>	<b>213,867,985</b>
1.4.1	Taken interest (+)	1,116,782,467	634,054,399
1.4.2	Repaid interest (-)	(589,456,313)	(420,045,561)
1.4.3	Repayment of Income tax (-)	(89,570,244)	(140,853)
1.4.4	Provision from written off loan, Receivable (-)	0	0
1.4.5		0	0
1.5	<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>(736,897,125)</b>	<b>(1,069,385,401)</b>
2	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
2.1	<b>Cash inflow (+)</b>	<b>1,637,282,315</b>	<b>1,452,866,880</b>
2.1.1	Sale of assets	96,240,769	12,195,535
2.1.2	Sale of intangible assets	3,124,412	473,792
2.1.3	Sale of investment assets	2,478,546	0
2.1.4	Sale of investment subsidiary company	5,031,979	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	1,300,057,921
2.1.8	Sale of securities held to the end of term	423,918,804	142,559
2.1.9	Dividends	0	0
2.1.10	Other cash inflow	221,959,542	134,965,094
2.2	<b>Cash outflow (-)</b>	<b>(1,763,027,858)</b>	<b>(1,479,060,363)</b>
2.2.1	Fixed assets acquired	154,293,824	26,530,376
2.2.2	Intangible assets acquired	23,453,186	1,810,167
2.2.3	Long-term investments disposed off	23,989,866	3,053,461
2.2.4	Subsidiary company	4,271,538	0
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	1,302,758,731
2.2.7	Purchase of securities held to the end of term	16,409,182	2,664,346
2.2.8	Purchase of other assets	0	0
2.2.9	Other outflows	137,846,152	142,243,281
2.3	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>	<b>(125,745,543)</b>	<b>(26,193,483)</b>
3	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
3.1	<b>Cash inflow (+)</b>	<b>5,973,424,391</b>	<b>2,881,368,490</b>
3.1.1	Received other funding	5,452,632,480	2,012,266,195
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	869,102,294
3.2	<b>Cash outflow (-)</b>	<b>(5,405,692,459)</b>	<b>(2,766,285,648)</b>
3.2.1	Paid in other funding	4,865,482,618	1,801,067,633
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	864,016,161
3.3	<b>NET CASH FLOW FROM FINANCING ACTIVITIES</b>	<b>567,731,932</b>	<b>115,082,842</b>
4	Exchange difference	0	0
5	<b>TOTAL NET CASH FLOW</b>	<b>(294,910,736)</b>	<b>(980,496,042)</b>
6	<b>BEGINNING BALANCE OF CASH END CASH EQUIVALENTS</b>	<b>3,867,167,489</b>	<b>3,572,256,753</b>
7	<b>ENDING BALANCE OF CASH AND CASH EQUIVALENTS</b>	<b>3,572,256,753</b>	<b>2,591,760,711</b>

CHIEF EXECUTIVE OFFICER

ORKHON.O

HEAD OF FINANCIAL MANAGEMENT  
AND CONTROL DEPARTMENT

ENKHTUYA.D

SENIOR SPECIALIST

MUNKHBAYAR.M



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
	<b>Balances at 2023.12.31</b>	<b>340,852,904</b>	<b>64,069,779</b>	<b>0</b>	<b>143,479,413</b>	<b>170,688,278</b>	<b>689,288,519</b>	<b>1,408,378,894</b>
1	Impact of changes in accounting policies and error correction	0	0	0	0	0	0	0
2	<b>Corrected balance</b>	<b>340,852,904</b>	<b>64,069,779</b>	<b>0</b>	<b>143,479,413</b>	<b>170,688,278</b>	<b>689,288,519</b>	<b>1,408,378,894</b>
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	1,995,956
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
	<b>Balances at 2024.12.31</b>	<b>340,852,904</b>	<b>64,069,779</b>	<b>0</b>	<b>143,364,654</b>	<b>174,759,391</b>	<b>892,938,857</b>	<b>1,615,985,586</b>
1	Impact of changes in accounting policies and error correction	0	0	0	0	0	0	0
2	<b>Corrected balance</b>	<b>340,852,904</b>	<b>64,069,779</b>	<b>0</b>	<b>143,364,654</b>	<b>174,759,391</b>	<b>892,938,857</b>	<b>1,615,985,586</b>
3	Net profit, loss for the period	0	0	0	0	0	111,573,880	111,573,880
4	Other comprehensive income	0	0	0	-4,061,458	-212,490	0	-4,273,948
5	Changes in equity	0	0	0	0	-129,398,712	0	-129,398,712
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
	<b>Balances at 2025.06.30</b>	<b>340,852,904</b>	<b>64,069,779</b>	<b>0</b>	<b>139,031,790</b>	<b>45,148,189</b>	<b>903,582,289</b>	<b>1,492,684,951</b>

CHIEF EXECUTIVE OFFICER

ORKHON.O

HEAD OF FINANCIAL MANAGEMENT  
AND CONTROL DEPARTMENT

ENKHTUYA.D

SENIOR SPECIALIST

MUNKHBAYAR.M



## APPENDIX 3

### Corporate Governance

Aligned with policies, rules, regulations, and directives governing corporate governance, we conduct thorough and pragmatic governance evaluations. Our aim is to safeguard the interests of investors and customers, foster long-term value creation, and adapt beneficial domestic and international practices across the RGB and all bank units. By defining Bank's strategic plan, organizational structure, and policies, we prioritize enhancing stakeholder value.

#### Shareholders information



The Investor Relations Program was approved by the RGB in order to provide equity to the shareholders. Furthermore, the full rights of the shareholders are included in the charter of the Company, which ensures equal and transparent access to information, regardless of the size of the holding.

Furthermore, detailed regulations outlined in the Company Law, as well as Banking Law of Mongolia and regulations sanctioned by relevant regulatory bodies protect the rights of all shareholders to receive information and vote on an equal basis. This approach not only delineates principles for equitable service and communication with each shareholder but also establishes an office under the RGB to efficiently engage with shareholders. This initiative supports organizational responsibility and governance, fosters trust and participation through relevant channels, and safeguards common interests, thus facilitating the expansion of stable and transparent communication.

### Representative governing board (RGB)

TDB aims to maintain a creative and effective structure of the RGB with members who adequately meet the needs of diverse skills, knowledge, experience, conflicts of interest, independence, and gender balance, and are elected by the Shareholders' Meeting.

As Governing body of the company, RGB has a total of 9 members, 1/3 of which are independent members accordance to the charter of TDB. The adoption of the charter in compliance with the Company Law and Banking Law is the main guide for implementing the principles of good governance and ensuring the independence and participation of independent members in the decision-making of the RGB.

The authority of the member of the Board shall begin on his/her elected date and expire on the date of release. The ordinary and independent members of the Board shall meet the professional, educational, ethical and other requirements set forth in Banking Law, Company Law, other related laws, and legislations and the Charter. This represents TDB's Board members have decent work experience and the knowledge, skills, education, ethical and in terms of business reputation.

Board introduction: <https://www.tdbm.mn/en/investment/toloolon-udirdah-zovlol>

## **Board committees**

In order to improve its operations and make decision-making more efficient and effective, the RGB has established Remuneration and Nomination Committee, Risk Management Committee and an Audit Committee, and independent members of the RGB are elected as the heads of these committees. Also Bank established Sustainability Committee within the Board in February 2024, pioneering in Mongolian financial sector to establish designated Committee with the purpose of supporting and advising Bank's usual business into sustainable and environmental practices and integrating sustainability goals into banking operations.

Board committee introduction: <https://www.tdbm.mn/en/investment/toloolon-udirdah-zovloliin-dergedeh-horood>

### **Remuneration and Nomination Committee**

Committee consists of 3 members who have rights and duties to support the effective performance of the RGBs' supervision and management, 2/3 or 2 members are independent members. The committee is responsible for reviewing the composition of the RGB, selecting and evaluating members, nominating executive management and management level directors, evaluating and reporting on the activities of RGB, determining the amount and policy of their remuneration and incentives, Bank's structure, organization and governance.

### **Risk Management Committee**

Committee has 3 members and is chaired by an independent member of the Representative Governing Board according to Banking Law. It is a direction committee to support the implementation of the recommendations, standards, risk management systems and policies established by the Basel Committee, Mongolian laws and regulations, regulators and international organizations, and to provide direction to the RGB. Independently covering a wide range of operations, and performs verification of risk protection, market and operational risks, and compliance implementation as well as evaluations and recommendations

### **Audit Committee**

In order to ensure the independence of the internal audit, the Internal Audit Department works under the direct supervision of the Representative Governing Board and reports to the Audit Committee chaired by an independent member of the Board, which enables the independent implementation of the functions of the control. The Audit Committee is responsible for the management of the organization by providing accurate and factual information to Bank's shareholders, the RGB and other stakeholders, providing systematic opinions on Bank's governance, implementation of laws, ethical standards, financial reporting, internal control system, external and internal audit activities, with the aim of strengthening the good governance system at all organizational levels.

### **Sustainability committee**

Board Sustainability Committee's responsibilities will include but not limited to support and advise on advancing the development of sustainability strategies and policies to address environmental, social and governance matters within the banking operations and enhance governance on overseeing the implementation of sustainability goals and successful transition to climate disclosures.



## Management

The Charter of TDB JSC stated that the executive management of the Bank shall be carried out by the Chief executive officer (CEO) appointed by the Board of Directors, and Mr. Orkhon. O has been serving as the CEO of the Bank since January 2016. In addition to the members of the Board of Directors, the following officials are designated as authorized officers of the Bank by the Charter, and a during reporting period First deputy CEO responsible for Digital Transformation has been appointed.

№	Position	Name	Number of shares owned
1	Board secretary	Nyamsuren. N	-
2	Chief executive officer	Orkhon. O	290
2	President		
3	First Deputy CEO	Enkhmend. A	-
4	First Deputy CEO	Banzragch. O	-
5	First Deputy CEO	Martijn Christoffel de Jong	-
6	Director of Audit department	Lkhagvasuren. Ch	-
7	Director of Financial management and controlling department	Enkhtuya. D	-

## Transparency

- The Annual General Meeting of Shareholders was successfully held on April 25, 2025, and the following issues were discussed and resolved:

- Board of Directors' opinion on operational and financial reports of "TDB" JSC;
- Election of members of the Board of Directors of the "TDB" JSC;
- Budget expenditure of the Board of Directors.

- The following reports were issued during the reporting period:

- o Report on the implementation of the principles of governance in accordance with the Regulation for the supervision of the smplementation of the principles of governance in the Bank approved by the Order of the President of the Bank of Mongolia;
- o Report on the Implementation of the Principles of Corporate Governance of the Bank for 2024 in accordance with the Corporate Governance Codex of the Financial Regulatory Commission;
- o Environmental and Social Governance Report;
- o 2024 Annual Report;
- o 2024 Audited Financial report;
- o 2024 Board of Directors' Report;
- o Report on the operation of the committees under the Board of Directors for 2024;
- o Report on the cooperation of TDB JSC with other stakeholders in 2024;

- o Quarterly operation report of independent members of the Board of Directors;
  - o Assessment of the Board of Directors, its committees and Board of Directors members;
  - o Board of Directors' opinion on operational and financial reports of "TDB" JSC;
- During the reporting period, the Board meeting resolved and issued a total of 20 resolutions at 7 meetings.

As a public joint-stock company, we regularly submit periodic reports in accordance with the relevant procedure and regulations of the Financial Regulatory Commission and the Mongolian Stock Exchange, and publicly disclose information that may affect share prices, changes in management, and transactions with conflicts of interest through our official website and the MSE website.

### **Dividend information**

By resolution No. 19 of the Board of Directors dated April 24, 2025, it was decided to distribute a dividend of MNT 2,000.00 (two thousand) for per ordinary share of the Bank from the net profit of 2024, and the registration date of shareholders entitled to receive dividend was as April 7, 2025. In accordance with the approval of the Bank of Mongolia, dividends were distributed to shareholders through the Central Securities Depository after deducting relevant tax.