



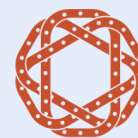
2025

Annual REPORT

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Deposit Insurance Corporation Of Mongolia

Message from the Chief Executive Officer



ХАДГАЛАМЖИЙН
ДААТГАЛЫН
КОРПОРАЦИ



Dear Readers,

It is our pleasure to present the 2025 Annual Report of the Deposit Insurance Corporation of Mongolia.

This report provides an overview of the Corporation's activities implemented in 2025, audited financial statements, key achievements, as well as future objectives and strategic directions. Within the framework of the Law on Deposit Insurance for Bank Deposits, in 2025 we continued to pursue our core objectives of ensuring the stability of the deposit insurance system and managing the assets of the Deposit Insurance Fund in a safe and efficient manner. In this regard, particular attention was given to strengthening governance structures, internal control systems, and the effective implementation of institutional functions.

During the reporting year, the assets of the Deposit Insurance Fund reached MNT 1 trillion, marking a historic milestone in the Corporation's operations.

Within the framework of international cooperation, the Corporation achieved a significant milestone by chairing, for the first time, the Election Committee of the Asia-Pacific Regional Committee of the International Association of Deposit Insurers (IADI), further strengthening its reputation and participation at the international level. In addition, cooperation was initiated with the U.S. Department of the Treasury's Office of Technical Assistance, laying the foundation for collaboration and exchange of experience in establishing a target fund size for the Deposit Insurance Fund, introducing a risk-based premium system, and enhancing the legal framework.

Furthermore, in an effort to improve public financial literacy, the Corporation co-organized the nationwide "Level Up" program, making a tangible contribution to promoting financial knowledge and awareness among citizens.

The sustainable growth and development of the Deposit Insurance Corporation are built upon the active cooperation of member banks and the responsible, dedicated efforts of our entire team. We would like to express our sincere gratitude to our member banks, international partners, and all employees for their continued support and collaboration.

Going forward, we will continue to responsibly fulfill our mission of protecting depositors' interests and strengthening the stability of the financial sector.

Deposit insurance corporation of Mongolia
Chief Executive Officer

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КОРПОРАЦИ
Deposit Insurance Corporation Of Mongolia

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About the Corporation

The Deposit Insurance Corporation of Mongolia is a non-profit legal entity established by the state under the Bank Deposit Insurance Law and carries out deposit insurance activities.

Vision:

To become a reputable deposit insurer for trusted users of financial system and to be recognized both internationally and in Mongolia.

Mission:

To ensure the stability of Mongolia's financial system and protect the interests of depositors in the banking sector.

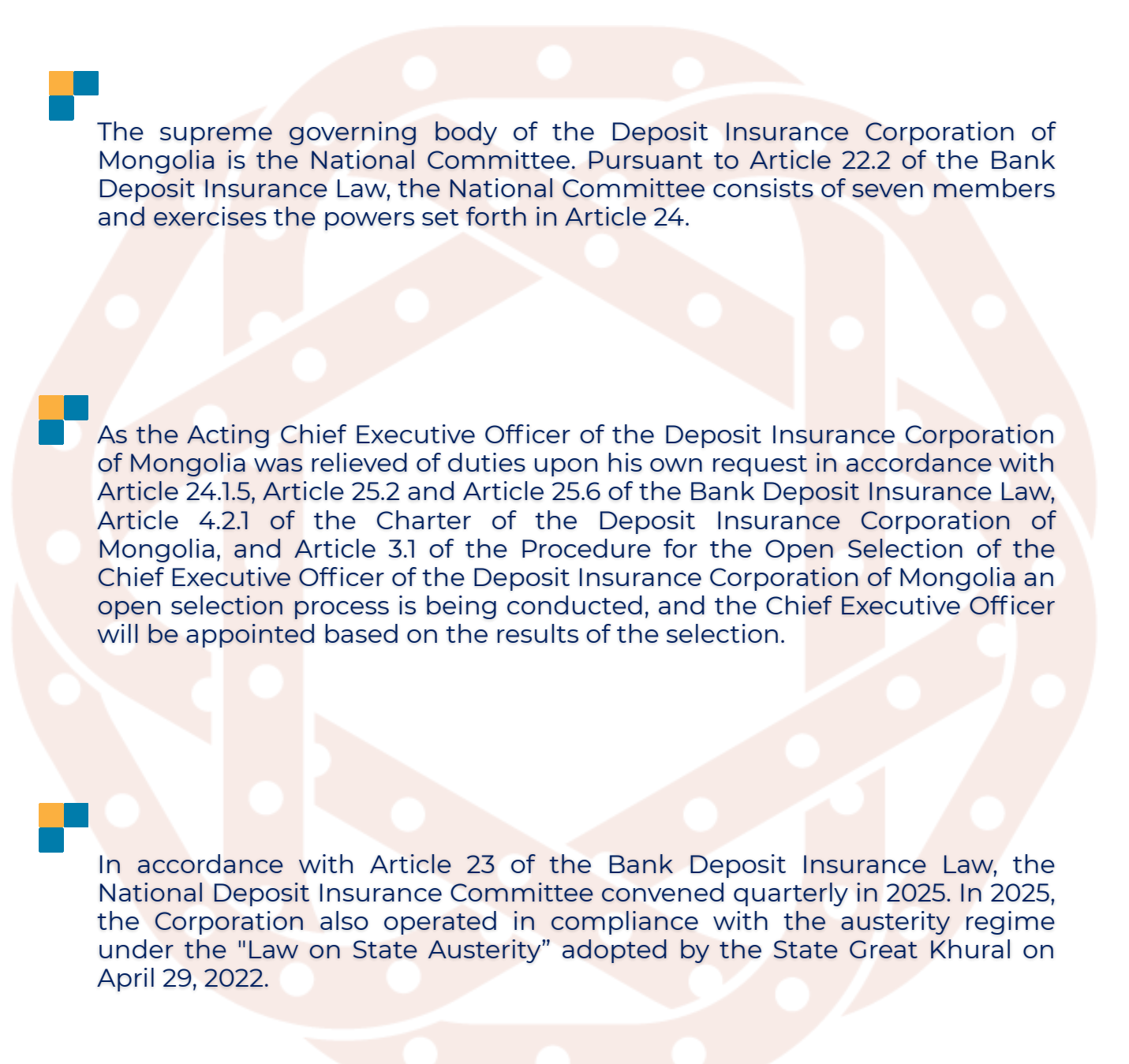
Objectives:

- To strengthen public confidence in banks;
- To increase the Corporation's role and participation in ensuring the stability of the financial system;
- To improve discipline in the banking sector;
- To conduct deposit insurance activities in accordance with international standards;
- To implement and maintain sound governance structures and functions.



1.1.CORPORATE GOVERNANCE

1.1 NATIONAL COMMITTEE



The supreme governing body of the Deposit Insurance Corporation of Mongolia is the National Committee. Pursuant to Article 22.2 of the Bank Deposit Insurance Law, the National Committee consists of seven members and exercises the powers set forth in Article 24.



As the Acting Chief Executive Officer of the Deposit Insurance Corporation of Mongolia was relieved of duties upon his own request in accordance with Article 24.1.5, Article 25.2 and Article 25.6 of the Bank Deposit Insurance Law, Article 4.2.1 of the Charter of the Deposit Insurance Corporation of Mongolia, and Article 3.1 of the Procedure for the Open Selection of the Chief Executive Officer of the Deposit Insurance Corporation of Mongolia an open selection process is being conducted, and the Chief Executive Officer will be appointed based on the results of the selection.



In accordance with Article 23 of the Bank Deposit Insurance Law, the National Deposit Insurance Committee convened quarterly in 2025. In 2025, the Corporation also operated in compliance with the austerity regime under the "Law on State Austerity" adopted by the State Great Khural on April 29, 2022.

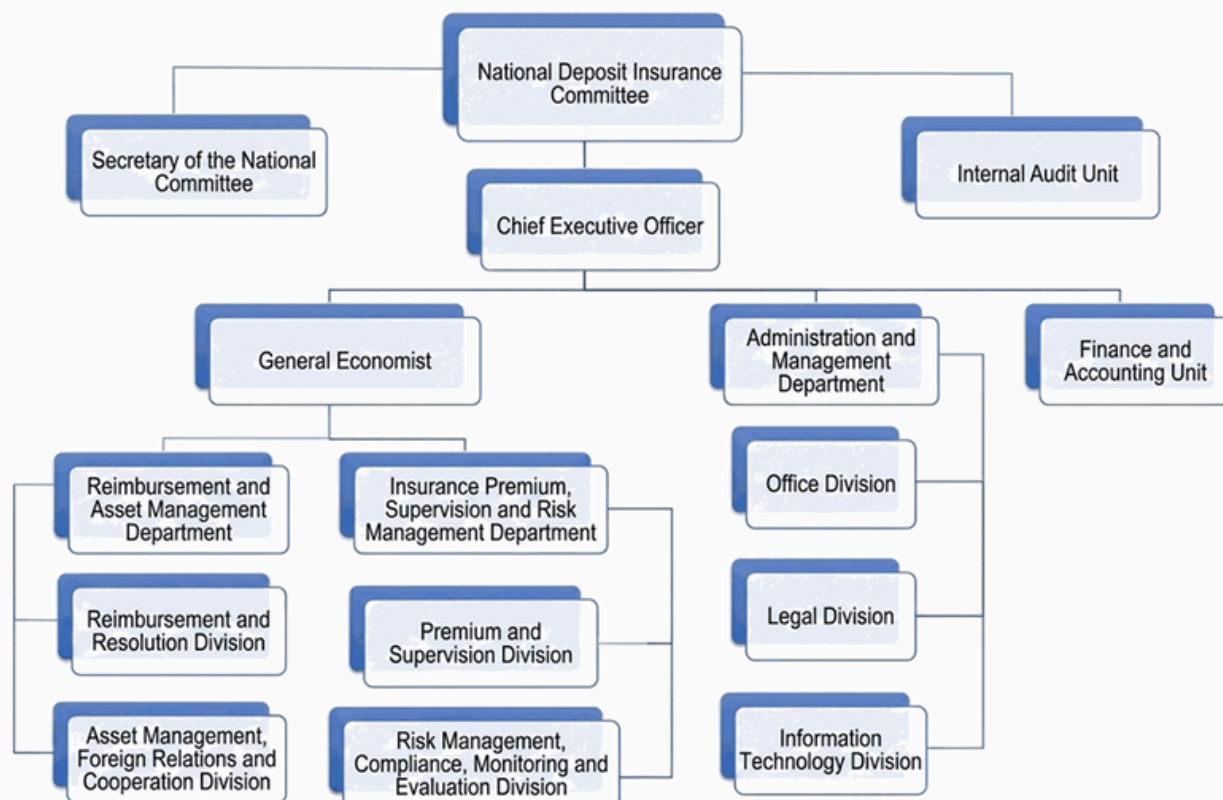
1.2 STRUCTURE AND ORGANIZATION

The structure, organization and functions of the Corporation were revised and approved by Resolution No. 36 of the National Deposit Insurance Committee dated August 13, 2025. The Deposit Insurance Corporation of Mongolia carries out its core activities with one General Economist, three departments, seven divisions, two units, and one position of Secretary of the National Committee. The following changes were made to the Corporation's structure and organization in 2025.

Under the revised structure and organization, the Internal Audit Unit and the Secretary of the National Committee report to the National Deposit Insurance Committee, while the Chief Executive Officer of the Corporation reports to the Committee. The General Economist, the Administration and Management Department, and the Finance and Accounting Unit report to the Chief Executive Officer. The Reimbursement and Asset Management Department and the Insurance Premiums, Supervision and Risk Management Department report directly to the General Economist.

The Administration and Management Department includes the Administration Division, the Legal Division, and the Information Technology Division.

The Asset Management and Reimbursement Department includes the Asset Management, Foreign Relations and Cooperation Division and the Reimbursement and Resolution Division.



1.2 STRUCTURE AND ORGANIZATION

The Insurance Premiums, Supervision and Risk Management Department includes the Insurance Premiums and Supervision Division and the Risk Management, Compliance, Monitoring and Evaluation Division. The total number of staff positions in the Corporation's Office was approved at 60 employees.

The Corporation worked to improve human resource capacity, enhance management and organizational arrangements, and ensure staff retention by continuously training and developing employees, while addressing their working conditions, salaries, incentives and social matters as needed. In relation to human resource risks, the Corporation implemented phased measures to improve employees' time management. During the reporting year, all employees participated in the following training programs aimed at improving their knowledge and skills:

- Training on personal data protection;
- Preliminary occupational safety and health briefing, including safe work practices in an office environment, prevention of accidents and injuries, and protection of health from adverse workplace factors;
- Training on communication skills;
- Training on information security, cybersecurity, and activities to protect information, devices, networks and systems in the digital environment against attacks;

II. CORE ACTIVITIES

2.1 COLLECTION OF DEPOSIT INSURANCE PREMIUMS

Activities related to deposit insurance premiums are regulated by the Bank Deposit Insurance Law, as well as the Procedure on Deposit Insurance Premiums and the Procedure on Submission of Bank Reports, Data and Information approved by the National Deposit Insurance Committee.

Pursuant to Section 4.2 of the Procedure on Deposit Insurance Premiums, quarterly deposit insurance premiums are calculated based on the following principles:

These include:

- The base for calculating the quarterly premium is the total amount of current and deposit accounts as of the last day of each month of the preceding quarter.
- From this amount, the balances of current and deposit accounts not covered by insurance under Articles 7.1, 7.2.2 and 7.2.3 of the Law are deducted.
- The resulting average amount is multiplied by the premium rate approved by the National Deposit Insurance Committee to calculate the quarterly premium.

By Resolution No. 18 of the National Deposit Insurance Committee dated December 2, 2024, the quarterly deposit insurance premium rate for 2025 was approved at 0.0625 percent.

Quarterly Deposit Insurance Premiums /2025/

Banking System	Quarterly Insurance Premium /MNT billion/				Total
	2025				
	I	II	III	IV	
Premium Amount	25.2	24.5	25.1	26.4	101.3



2.1 COLLECTION OF DEPOSIT INSURANCE PREMIUMS

The Deposit Insurance Corporation of Mongolia collected a total of MNT 101.3 billion from member banks in the form of quarterly premiums.

Of the total premium income collected, 89 percent was contributed by the five systemically important banks, while the remaining 11 percent was contributed by the other seven banks.

Since 2013, the Deposit Insurance Corporation of Mongolia has collected a total of MNT 634.0 billion in deposit insurance premium income. The quarterly changes in premium income are shown below.

Quarterly Growth of Premium Income /MNT billion/



62%

634.0 billion
Premium income

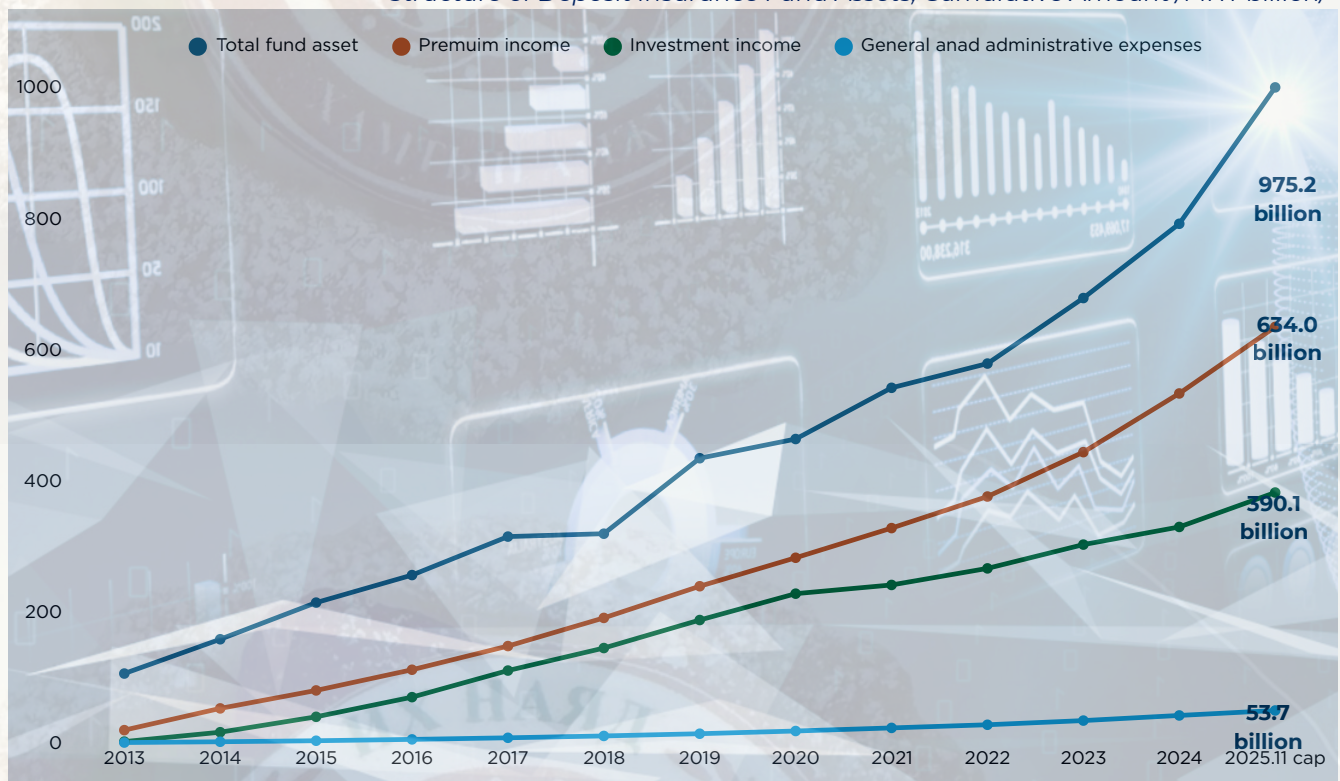
38%

390.1 billion
Investment return

2.2 MANAGEMENT OF THE DEPOSIT INSURANCE FUND

As of December 31, 2025, the assets of the Deposit Insurance Fund reached MNT 975.4 billion. Of this amount, MNT 634.0 billion was accumulated from premium income and MNT 390.1 billion from investment activities, while MNT 53.7 billion was spent on general and administrative expenses.

Structure of Deposit Insurance Fund Assets, Cumulative Amount /MNT billion/



2.2 MANAGEMENT OF THE DEPOSIT INSURANCE FUND

Adequacy of the Deposit Insurance Fund

Fund adequacy is determined by the extent to which the assets of the Deposit Insurance Fund are sufficient to reimburse insured current and deposit account holders of member banks. Fund adequacy is calculated by comparing the potential reimbursement amount of each bank as of the end of the relevant reporting period with the amount of assets in the Deposit Insurance Fund.

Adequacy of the Deposit Insurance Fund

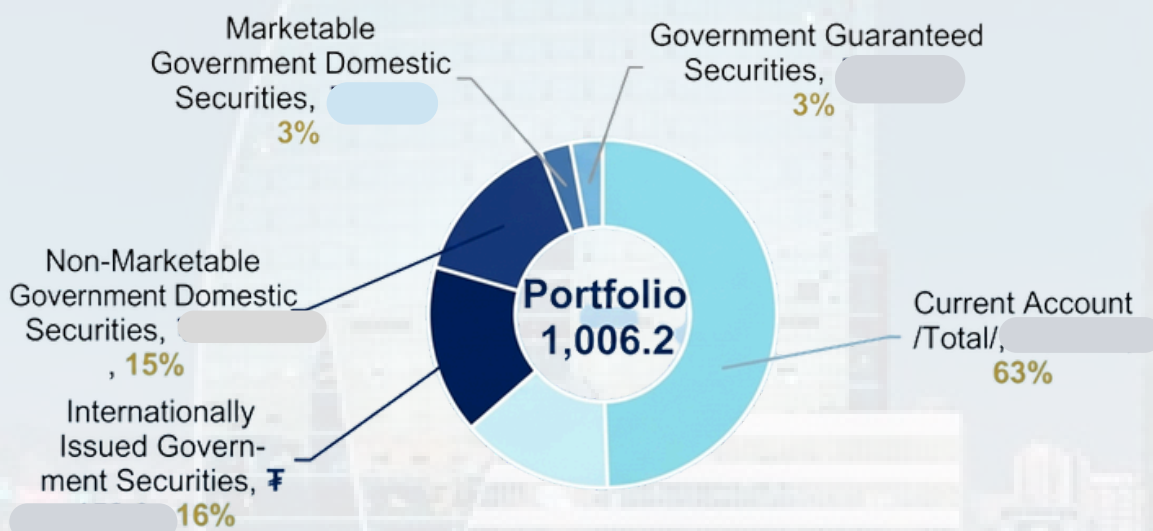
Total Current and Deposit Accounts	MNT 54.3 trn
Total Insured Deposits	MNT 11.9 trn
Deposit Insurance Fund Size	MNT 975.4 bn
Fund Assets / Total Current and Deposit Accounts	1.8 percent
Fund Assets / Total Insured Current and Deposit Accounts	8.2 percent

During the reporting period, the assets of the Deposit Insurance Fund reached MNT 975.4 billion, equivalent to 1.8 percent of total current and deposit accounts and 8.2 percent of total insured current and deposit accounts. This indicates that, in the event of an insured event, the current total assets of the Deposit Insurance Fund would be sufficient to pay reimbursement to current banks and deposit account holders of banks other than the five systemically important banks.

2.2. MANAGEMENT OF THE DEPOSIT INSURANCE FUND

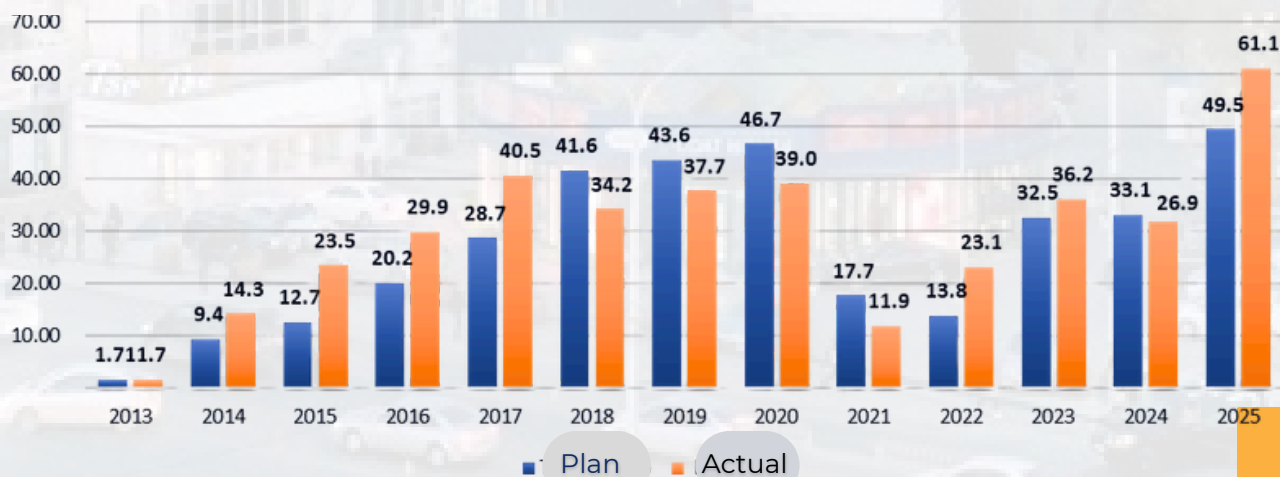
Investment Activities

In 2025, the investment portfolio of the Deposit Insurance Corporation of Mongolia increased by 20.8 percent compared to the previous year and reached MNT 1,006.2 billion. Of the portfolio, 63 percent was held in the current account at the Bank of Mongolia, 16 percent in securities purchased from foreign markets, 18 percent in domestic government securities, and 3 percent in government-guaranteed securities.



Investment Return

In 2025, investment activities generated return income of MNT 65.7 billion. The planned and actual investment return income for 2013-2025 is compared below:



2.3. DEPOSIT INSURANCE REIMBURSEMENT ACTIVITIES

Stand-by Agreement - Selection of the Reimbursement Bank

One of the core activities of the Deposit Insurance Corporation of Mongolia is to provide deposit insurance reimbursement to current and deposit account holders of a bank that has been compulsorily liquidated when an insured event occurs. Article 16.1 of the Bank Deposit Insurance Law provides that 'deposit insurance reimbursement shall be paid through a bank.' Accordingly, as part of preparedness activities, reimbursement banks are selected in accordance with the Procedure on Selection of a Reimbursement Bank approved by the National Deposit Insurance Committee.

The process for selecting a reimbursement bank is organized in two stages: preliminary selection and final selection. Banks participating in the preliminary selection must have fully met the prudential ratio requirements established by the Bank of Mongolia during the preceding six months, received a supervision rating of 'good' or 'satisfactory', and must not have been subject to enforcement measures under Article 48.1 of the Banking Law.

Based on the results of the preliminary selection, the National Deposit Insurance Committee updates and approves the shortlist. The regular preliminary selection was announced, and invitations to participate in the selection process were sent to member banks. Arig Bank and Bogd Bank passed the preliminary selection and were approved for inclusion in the shortlist of the National Deposit Insurance Committee.

2.3. DEPOSIT INSURANCE REIMBURSEMENT ACTIVITIES

Stand-by Agreements were concluded with the banks approved on the shortlist, the disbursement module of the deposit insurance reimbursement software was connected, and reimbursement drills and tests were successfully conducted.

The Deposit Insurance Corporation of Mongolia is gradually introducing deposit insurance reimbursement software into its operations in order to automate reimbursement activities. During the reporting period, the Corporation planned and successfully completed, with Arig Bank and Bogd Bank, which had entered into Stand-by Agreements, (i) the connection for receiving information in accordance with the SCV template, and (ii) the connection and testing of the reimbursement disbursement module. In addition, the software connection with National Investment Bank was completed, enabling depositor information to be received through the software. The Corporation plans to connect the software with other member banks going forward.

Training on the SCV Template Report

To ensure preparedness for insured events and accurately calculate potential reimbursement amounts, the Deposit Insurance Corporation of Mongolia receives quarterly premium reports and SCV (Single Customer View) template reports submitted by member banks in accordance with the Procedure on Submission of Bank Reports, Data and Information.

Due to instances where submitted reports and SCV information were inconsistent, a training session for the staff of member banks responsible for reports and data was organized on October 31, 2025. The training was held in the meeting room of the Deposit Insurance Corporation of Mongolia and was attended by 16 specialists from 10 banks.

On behalf of the Corporation, the training was conducted with the participation of the Head of the Reimbursement and Risk Management Department, the Senior Officer of the Reimbursement and Resolution Division, the officer responsible for reimbursement calculations, the officer of the Asset Management and Supervision Department responsible for premiums, reports and data, and the database officer of the Information Technology Division. As a result of the training, the quality of information submitted by member banks to the Corporation improved.

Figure 1. Training on the SCV Template Report



International Reimbursement Technical Committee

The Deposit Insurance Corporation of Mongolia is committed to aligning its activities with international standards. Within this framework, it cooperates closely with the International Association of Deposit Insurers and actively participates in regional committees and other committees. A representative of the Corporation serves as a member of the Reimbursement Technical Committee under the Association, and during the reporting period the Corporation contributed to the development of the paper “Selected Aspects for a Prompt and Effective Reimbursement: Addressing Targeted Challenges”.

During the committee's work, some member jurisdictions noted that they were revising their reporting templates with a focus on the SCV, or single customer view, principle, which attracted the interest of many members. As the Corporation had approved and introduced the SCV template in 2018 and has experience receiving reports from commercial banks under this template, it proposed to share this experience.

In its proposal, the Deposit Insurance Corporation of Mongolia explained that it receives quarterly information from member banks under a defined structure and format consisting of 14 types of tables in accordance with the SCV template. It also noted that template-based data enables insured and uninsured deposits to be identified more accurately before the commencement of reimbursement operations.

Box 1

Following the 2023 banking turmoil, the Federal Deposit Insurance Corporation of U.S.A presented several options related to increasing deposit insurance coverage. These options identified how they differ from the current legal and regulatory framework and how they would affect depositors. The document considered three options for deposit insurance coverage: limited coverage, which insures a certain share of depositors; unlimited coverage, which fully insures current and deposit accounts; and targeted coverage, which provides differentiated coverage depending on the type of current or deposit account.

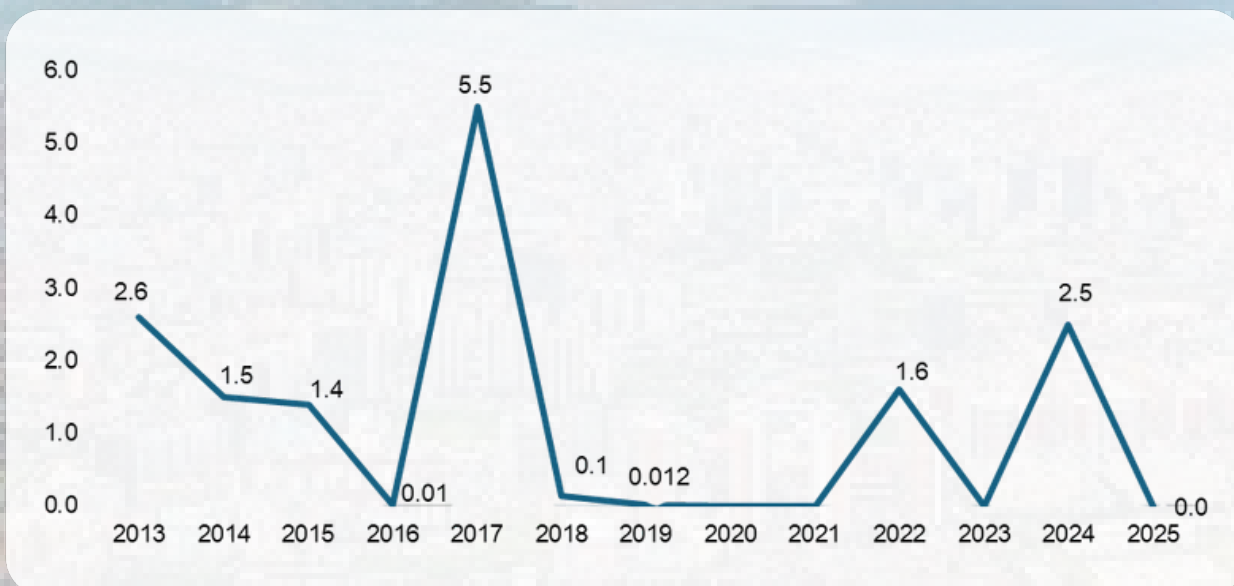
Limited coverage insures a specific portion of current and deposit accounts in accordance with the Core Principles for deposit insurance and is the most well-tested model of deposit insurance. However, this model was not particularly effective in addressing the financial stability and banking system issues related to the events of March 2023. In addition, under a limited coverage framework, changes in coverage have only a small impact on the resources of the deposit insurance fund.

Unlimited coverage, or full insurance of current and deposit accounts, differs from the current deposit insurance approach and is the model that could provide the greatest benefit to financial stability. However, it has negative implications for banks' risk-taking capacity and for other capital markets. This model also has a significant impact on the deposit insurance fund.

Targeted coverage considers different coverage levels depending on account type and is aimed at providing higher or unlimited coverage for corporate accounts. Targeted coverage provides greater financial stability than limited coverage and has a smaller impact on the deposit insurance fund.

<u>Feature</u>	Limited	Targeted	Unlimited
Coverage	All deposits are limited to a specified amount	Higher coverage for legal entities, lower coverage for other depositors	All deposits are fully insured
Stability	Low - risky for insured depositors with large balances	Medium - stability of legal entities increases	Highest level of stability
Adverse Social Impact	Low	Medium - monitoring by legal entities decreases.	High - monitoring by all depositors is completely lost.
<u>Implementation Complexity</u>	Low	Medium - account classification and a new scope of coverage must be determined	The need to increase fund adequacy arises.
Impact on the Deposit Insurer	Low	Medium - depends on the number of legal entities.	High - risk of a shortfall in fund assets.

Figure 2. Recovery of the Corporation's Receivables, 2013-2025 /MNT billion/



Recovery Activities

By Order No. A/157 of the Governor of the Bank of Mongolia dated July 22, 2013, Savings Bank, which was experiencing financial difficulties, was liquidated and its assets and liabilities were transferred to State Bank LLC. In connection with this operation, the Corporation provided financial support of MNT 119.9 billion, representing the difference between assets and liabilities, thereby creating a receivable claim against the receiver of Savings Bank.

Over the past period, two liquidators have been appointed to Savings Bank, and enforcement measures have been extended 10 times. A total of MNT 15.4 billion, or 12.9 percent, of the Corporation's funds have been recovered.

Contingency Plan

The sixth Core Principle of the 'Core Principles for Effective Deposit Insurance Systems' issued by the International Association of Deposit Insurers sets out the following requirements:

- The deposit insurer should be prepared in advance for the real risk of bank failure and other potential circumstances;
- Contingency plans, crisis management policies and procedures should be developed;
- The deposit insurer should cooperate closely with regulatory authorities in implementing measures to prevent and manage system-wide risks involving financial stability safety-net participants.

Based on these principles, the Corporation approved its 'Contingency Plan' and, during the reporting period, successfully conducted a simulation exercise to raise awareness of the plan's importance, improve coordination among departments and units, and test and enhance measures to be implemented in the event of an insured event.

The exercise was conducted based on a realistic scenario in which two banks were liquidated simultaneously during 'reimbursement operations' and 'financial support operations', and each unit implemented the necessary measures within the scope of its functions.



2.4 FINANCIAL ASSISTANCE

Article 3.1.3 of the Banking Law defines 'bank resolution' as a set of management, organizational, financial and other related comprehensive measures aimed at improving a bank's financial condition and reducing losses by changing the bank's structure, organization and share capital structure, including increasing or decreasing its share capital. Accordingly, the Bank of Mongolia uses the following tools when implementing bank resolution measures:

1. Purchase & Assumptions;
2. Bridge bank;
3. Change in the structure and amount of share capital;
4. Conversion of liabilities into shares.

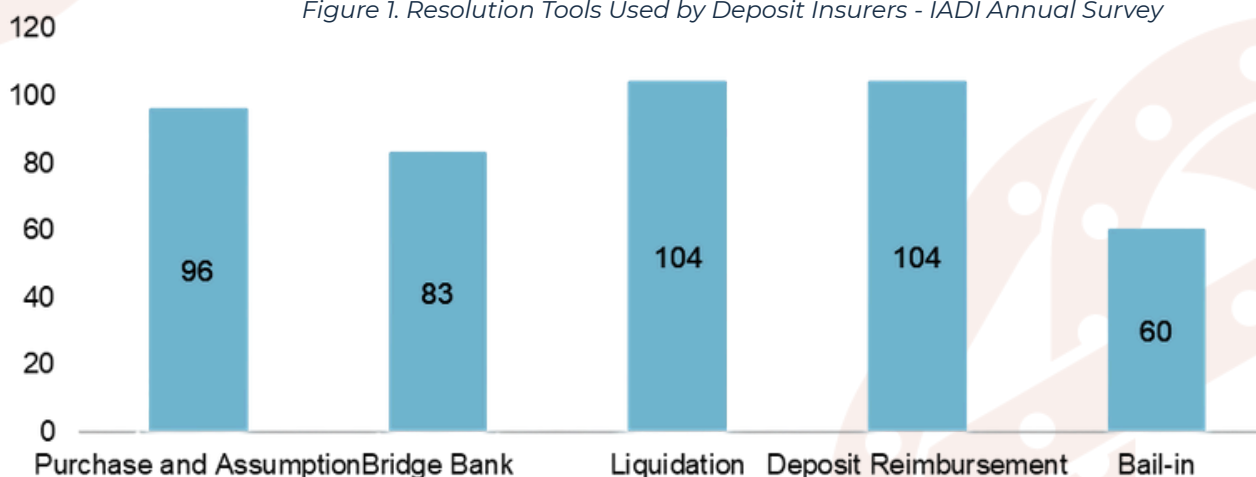
The Deposit Insurance Corporation of Mongolia participates by providing financial assistance to a bank when the tools of transferring assets and P&A, Bridge bank.

During the reporting period, based on information submitted by the Bank of Mongolia on banks subject to preventive measures, the Corporation conducted preliminary calculations of financial support for the reports of banks deemed necessary and continuously maintained its preparedness. In addition, the Corporation carried out research aimed at increasing its role in bank resolution and improving the calculation of financial assistance.

Box 2

A survey by the International Association of Deposit Insurers found that deposit insurers in different jurisdictions most commonly use the following resolution tools:

Figure 1. Resolution Tools Used by Deposit Insurers - IADI Annual Survey



As shown in the graph above, deposit insurers most commonly use liquidation and deposit insurance reimbursement, while the bail-in tool, under which liabilities are written down or converted into owners' equity, is used by 60 deposit insurers. Meanwhile, in the World Bank's study on resolution, liquidation, transfer of assets and liabilities, and establishment of a bridge bank were highlighted as effective resolution tools.

A seminar organized by the Bank for International Settlements and the International Monetary Fund classified bank resolution tools as follows:

1. Control and management tools

- A method of resolving a bank by changing the bank's management and organization and appointing new shareholders.

2. Reorganization and transfer tools

- Transfer of ownership of a distressed bank, or some of its assets and liabilities, to an acquiring bank or a bridge bank.
- Writing down the liabilities of a distressed bank or converting liabilities into equity.

3. Support powers

- Revocation of operating licenses and relevant agreements.
- Provision of support to banks carrying out similar activities.

4. Liquidation.

- Partial or full liquidation of a bank.



The above studies show that internationally the most commonly used bank resolution tools include transfer of assets and liabilities, establishment of a bridge bank, bail-in through write-down or conversion of liabilities into equity, replacement of bank management and shareholders, and liquidation.

2.1 BANK SUPERVISION ACTIVITIES

The supervisors and state inspectors of the Deposit Insurance Corporation of Mongolia carry out supervision activities in accordance with the Bank Deposit Insurance Law, the Law on Violations, the Law on Infringement Procedure, and the Rules of the State Inspector of the Deposit Insurance Corporation of Mongolia approved by the Governor of the Bank of Mongolia.

During the reporting period, the following supervision activities were conducted within the scope of the functions set forth in Article 25.1 of the Bank Deposit Insurance Law:

- On-site supervision - 7 banks
- Partial supervision - 1 bank
- Off-site supervision /quarterly/ - 12 banks

As a result of the above supervision activities, 13 recommendations were issued to banks to remedy identified violations and deficiencies, and their implementation was monitored.

Measures Taken to Ensure Legal Compliance

Within their powers, the state inspectors of the Deposit Insurance Corporation of Mongolia opened 8 violation cases against 2 banks that failed to pay quarterly premiums, imposed MNT 575.5 million in quarterly deposit insurance premiums and MNT 97.8 million in fines, and transferred MNT 144.4 million of unpaid premiums for 2024 to the relevant account.

III. DEPOSIT INSURANCE CORPORATION OF MONGOLIA'S PARTICIPATION IN THE FINANCIAL STABILITY COUNCIL

Since April 1, 2018, the Deposit Insurance Corporation of Mongolia has been a member of the Financial Stability Council and has participated in its regular quarterly meetings. In 2025, the Corporation attended a total of five meetings, exchanged views with other member organizations and cooperated with them.

At its five meetings held in 2025, the Financial Stability Council discussed and resolved the following matters:

1. Macroeconomic conditions and budget execution
2. Current economic conditions and outlook
3. Mining Exchange 2025 solutions and amendments to relevant regulations
4. Measures to increase exports of Mongolia's mining products
5. Changes in the state's foreign exchange reserves and the progress of gold financing
6. Overview of Mongolia's balance of payments

Financial Stability Council meetings held in 2025:

	Venue	Date of Meeting
1	Bank of Mongolia	Mar 18, 2025
2	Bank of Mongolia	Mar 25, 2025
3	Financial Regulatory Commission	Apr 1, 2025
4	Ministry of Finance	Apr 8, 2025

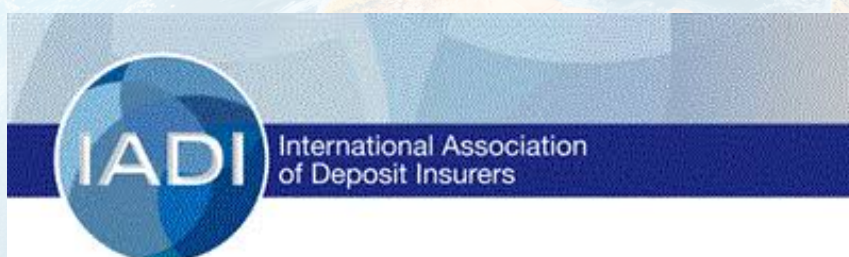
3.1 FOREIGN RELATIONS AND COOPERATION

International Association of Deposit Insurers

The International Association of Deposit Insurers is the international standard-setting body for deposit insurance systems and was established in 2002 to contribute to the stability of the global financial system and to promote cooperation among deposit insurers and other financial stability safety-net participants. As of 2025, it operates with 107 members and 10 associates.

In 2025, the International Association of Deposit Insurers (IADI) worked within the following priority areas:

1. Review of the IADI Core Principles for Effective Deposit Insurance Systems
2. Deposit insurance and bank resolution
3. Technological innovation and digital transformation
4. Collection of deposit insurance system and policy data
5. Capacity building and technical assistance
6. Regional outreach and membership expansion
7. Stakeholder outreach



During the past year, IADI's key work focused on the review of the IADI Core Principles for Effective Deposit Insurance Systems. The review began in March 2024 and was discussed and approved at the IADI Annual General Meeting in November 2025. The review expanded the 16 Core Principles that had been in effect since 2014 to 18 principles, incorporating new practices and changes to make them more resilient to current developments.

Participation in the 82nd Meeting of the Executive Council of the International Association of Deposit Insurers

Representatives of the Deposit Insurance Corporation of Mongolia participated in the 82nd Meeting of the Executive Council of the International Association of Deposit Insurers, held in Dubrovnik, Croatia in May 2025. They reviewed information on IADI's activities planned for 2025 and participated in relevant sub-meetings.

The 9th Summit and International Conference of the International Public Asset Management Forum Held in Mongolia

The 9th Summit of the International Public Asset Management Forum and the international conference on 'Resolving Non-Performing Loans and Strengthening Financial Stability - Policy, Investment and Innovation' were successfully organized in Ulaanbaatar on August 13-15, 2025.

The Deposit Insurance Corporation of Mongolia joined the Forum as an associate member in 2023 and co-organized this conference together with the Asian Development Bank, the Bank of Mongolia and the Mongolian Asset Management Corporation.

During the closing ceremony of the three-day conference, S. Baatarsuren, Acting Chief Executive Officer of the Deposit Insurance Corporation of Mongolia, delivered greetings to the distinguished guests, delegates and organizers.



Participation in Financial Education Training under the Level-Up Program

Under the LEVEL-UP program, UBTCLLOUD and Whalespace digital and financial education training was organized in Seoul, Republic of Korea, and representatives of the Deposit Insurance Corporation of Mongolia participated. The training was jointly organized by the Ministry of Education of the Republic of Korea, the Bank of Korea, Jeonbuk National University and the Korea Deposit Insurance Corporation of Mongolia.

Within the framework of the training, participants were introduced to the implementation of digital education by educational institutions in the Republic of Korea, and attended meetings to learn about and exchange experience on the activities and practices of the Gyeonggi Provincial Office of Education and Jeonbuk National University. During the training, participants also studied the public communication strategy and experience of the Korea Deposit Insurance Corporation of Mongolia.

Memorandum of Understanding Signed with the Deposit Guarantee Fund of the Republic of Armenia

Kh. Gerelt-Od, Head of the Administration and Management Department of the Deposit Insurance Corporation of Mongolia, participated in the international conference on 'The Role of the Deposit Insurance System in Financial Stability' organized as part of the 20th anniversary event of the Deposit Guarantee Fund of the Republic of Armenia. Within the framework of the event, the Deposit Insurance Corporation of Mongolia and the Deposit Guarantee Fund of Armenia signed a Memorandum of Understanding on cooperation on July 18, 2025 at the Training and Research Center of the Central Bank in Dilijan, Armenia.



The Memorandum aims to improve the deposit insurance systems of the parties and contribute to financial stability, and the parties agreed to cooperate in the following areas:

- Organizing bilateral official meetings;
- Exchanging annual reports and other official materials;
- Exchanging specialists.

Participation in the Global Training Program Organized by the Korea Deposit Insurance Corporation

Representatives of the Deposit Insurance Corporation of Mongolia participated in the 'Global Training Program' organized by the Korea Deposit Insurance Corporation of Mongolia. The program was held for the 11th time in Seoul, Republic of Korea, in September 2025 and is distinguished as one of the few training programs that provides detailed information on deposit insurance.

The training program, organized for representatives of deposit insurance organizations from around the world, brought together 47 participants from 23 countries and provided an opportunity to exchange experience on topics such as crisis-period policies, protection of depositors' interests, fund management and financial stability.



Participation in the 2025 Annual Meetings of the World Bank and the International Monetary Fund

The 2025 Annual Meetings of the World Bank and the International Monetary Fund were held in Washington, D.C., United States, in October 2025. Representatives of the Deposit Insurance Corporation participated as a member of Mongolia's financial stability safety net. They attended, as observers, the press conferences on the World Economic Outlook, the Financial Stability Report and the Fiscal Monitor, and participated in the IMF-IAIS discussion on insurance and financial stability.

Cooperation Initiated with the Office of Technical Assistance of the United States Department of the Treasury

Within the framework of cooperation with the Office of Technical Assistance (OTA) of the U.S. Department of the Treasury, the Deposit Insurance Corporation of Mongolia organized an official meeting and agreed to study experience and cooperate in the areas of establishing a target fund level, introducing a risk-based premium system, and improving the legal framework.



Memorandum of Understanding Signed with the Philippine Deposit Insurance Corporation of Mongolia

On November 27, 2025, the Deposit Insurance Corporation of Mongolia signed a Memorandum of Understanding with the Philippine Deposit Insurance Corporation of Mongolia to expand cooperation. The ceremony was attended by L. Amar, member of the National Deposit Insurance Committee, representing the Deposit Insurance Corporation of Mongolia, and Roberto Tan, President and Chief Executive Officer, representing the Philippine Deposit Insurance Corporation of Mongolia.

Figure 1. Representatives of the Deposit Insurance Corporation of Mongolia, member of the National Deposit Insurance Committee, and representatives of the Philippine Deposit Insurance Corporation of Mongolia



The Memorandum aims to expand cooperation between the deposit insurance organizations of the two countries and intensify the exchange of international experience and information. The Memorandum provides for cooperation in the following areas.

3.1 PUBLIC RELATIONS

The unit responsible for the Corporation's public relations function conducts its activities in accordance with Principle 10 of the Core Principles issued by the International Association of Deposit Insurers, which states that it is important to provide the public with regular and continuous information on the importance of the deposit insurance system and the scope of coverage.

We aimed to implement broad-based training, information and promotional activities in Ulaanbaatar and local areas in order to provide the public with information on the deposit insurance system and the Corporation's activities, increase bank employees' knowledge of deposit insurance, and improve the financial literacy of citizens and the public.

Activities to Provide Public Information on the Deposit Insurance System

During the reporting year, training and information sessions were organized for 615 employees and officers of seven government and non-government organizations in Ulaanbaatar and rural areas, as well as for 1,040 students from nine universities and higher education institutions. Information that current and deposit accounts at banks are insured and protected against risk was provided to a total of 1,955 citizens, and relevant manuals and brochures were distributed.

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To introduce the Corporation's activities and the deposit insurance system to the public, the official website was updated, social media channels were developed, and online information dissemination activities were implemented.

During the reporting period, as part of the development of the website and social media channels, in addition to current news and information related to the Corporation's activities, a total of 21 types of information aimed at improving public financial literacy were prepared in graphic and animated video formats and disseminated through the website and social media channels. These covered topics such as the importance and scope of deposit insurance, the amount of deposit insurance reimbursement, bank deposits and automatic savings and their importance, ways to prevent financial fraud, strategies to grow money, and investment advice.

Activities to Expand Cooperation with Member Banks

During the reporting period, in order to improve the understanding and knowledge of member bank employees regarding the deposit insurance system, online and in-person training was organized for a total of 516 employees, including tellers, product development specialists, loan and insurance specialists, and customer service staff from the five systemically important banks, as well as M Bank, Capiton Bank, Arig Bank and the local branches of TransBank.



Activities to Provide Basic Financial Education

During the reporting period, in order to provide children with basic financial education, training sessions were conducted for 915 students from a total of seven general education schools in Ulaanbaatar and rural areas on how to manage personal finances properly, the importance of savings and deposits, and insured deposits. Relevant manuals and printed materials were distributed.

In addition, in cooperation with banks and financial institutions, the Corporation implemented the annual international events 'World Savings Day' and 'Global Money Week', the 'Financial Market' knowledge-sharing day, and the 'Level-Up' program to provide basic financial knowledge to upper secondary school students.

Global Money Week 2025

The 'Global Money Week 2025' campaign was organized jointly with the Secretariat of the State Great Khural, the Bank of Mongolia, the General Department of Education and commercial banks from March 22 to April 14, 2025.

Зураг №5 (Дэлхийн мөнгөний долоо хоног -2025 нээлтийн ара хэмжээ)



Within the framework of the campaign implemented under the slogan 'Sound Financial Decisions - The Beginning of Tomorrow's Success', essay and drawing contests, the third economic Olympiad 'Arkhangai Future Financiers 2025', and presentation competitions among university students were organized in cooperation with the branches and divisions of the Bank of Mongolia in Sukhbaatar, Khentii, Arkhangai, Bayankhongor and Orkhon provinces.

In addition, information was delivered to a total of 12,616 children, youth and adults in Ulaanbaatar and rural areas through training and information activities.

World Savings Day 2025

The annual 'World Savings Day' campaign was successfully organized under the slogan 'Build Your Dreams through Savings' in Ulaanbaatar and rural areas from October 1 to October 31, 2025, in cooperation with the Bank of Mongolia, the Mongolian Bankers Association, the General Department of Education and commercial banks.

Within the framework of the campaign, in cooperation with the Bank of Mongolia branches in Sukhbaatar and Arkhangai provinces, contests were organized among general education school students, including an essay contest on 'Shall We Correct Wasteful Habits?', a reels contest on 'Finance Club - Good Example', a poetry writing contest under the theme 'Banking, Finance and Savings', and drawing and meme creation contests on 'Build Your Dreams through Savings'.

The opening event of the campaign was held in the conference hall of Building B of the Bank of Mongolia in Ulaanbaatar, and the closing event was held in Darkhan City, Darkhan-Uul province. Discussions with attending children and youth and entertaining competitions to test financial literacy knowledge were organized.

Figure 3. Opening event of World Savings Day 2025



A total of 60 children who successfully participated in the activities implemented under the campaign were awarded savings vouchers named after the Corporation. Within the framework of the campaign, information on the importance of savings and deposits and the deposit insurance system was delivered to approximately 5,000 children and youth in Ulaanbaatar and rural areas.

Figure 4. Closing event of World Savings Day 2025



'Financial Market' Knowledge-Sharing Day

The Deposit Insurance Corporation of Mongolia, in cooperation with the Financial Regulatory Commission, the Association of Mandatory Insurers, the Insurance Market Association and the Securities Investment Department, organized the 'Financial Market Knowledge-Sharing Day' for a total of 300 students from the Business School of the National University of Mongolia, the University of Finance and Economics, and CITI University. During the event, information was provided to students on the capital market, the activities of securities companies, and the deposit insurance system.

Figure 8. Financial Market Knowledge-Sharing Day - CITI University, 2025



Level-Up Program

At the initiative of the Speaker of the State Great Khural, the short-term 'Level-Up' program to improve the basic financial knowledge of upper secondary school students was jointly implemented by the Secretariat of the State Great Khural, the Bank of Mongolia, the Deposit Insurance Corporation of Mongolia, the Financial Regulatory Commission, the General Department of Education, Mexim Consulting LLC, and the Mongolian Karl Popper Debate Association.



A total of 5,033 students in grades 10 and 11 and 149 teachers from six districts of Ulaanbaatar (Bayangol, Sukhbaatar, Chingeltei, Songinokhairkhan, Khan-Uul and Bayanzurkh) and from Orkhon, Bulgan, Govi-Altai, Uvs, Zavkhan and Khovd provinces participated in the program over a period of six months.

Within the framework of the program, in addition to in-person financial education training, more than 1,000 pieces of content and posters were produced through social media development to disseminate and promote financial knowledge to the public. A total of 294 students participated in the debate competition, improving their financial knowledge, research and presentation skills, while also learning how to properly plan their daily finances, monitor spending and prevent financial risks.

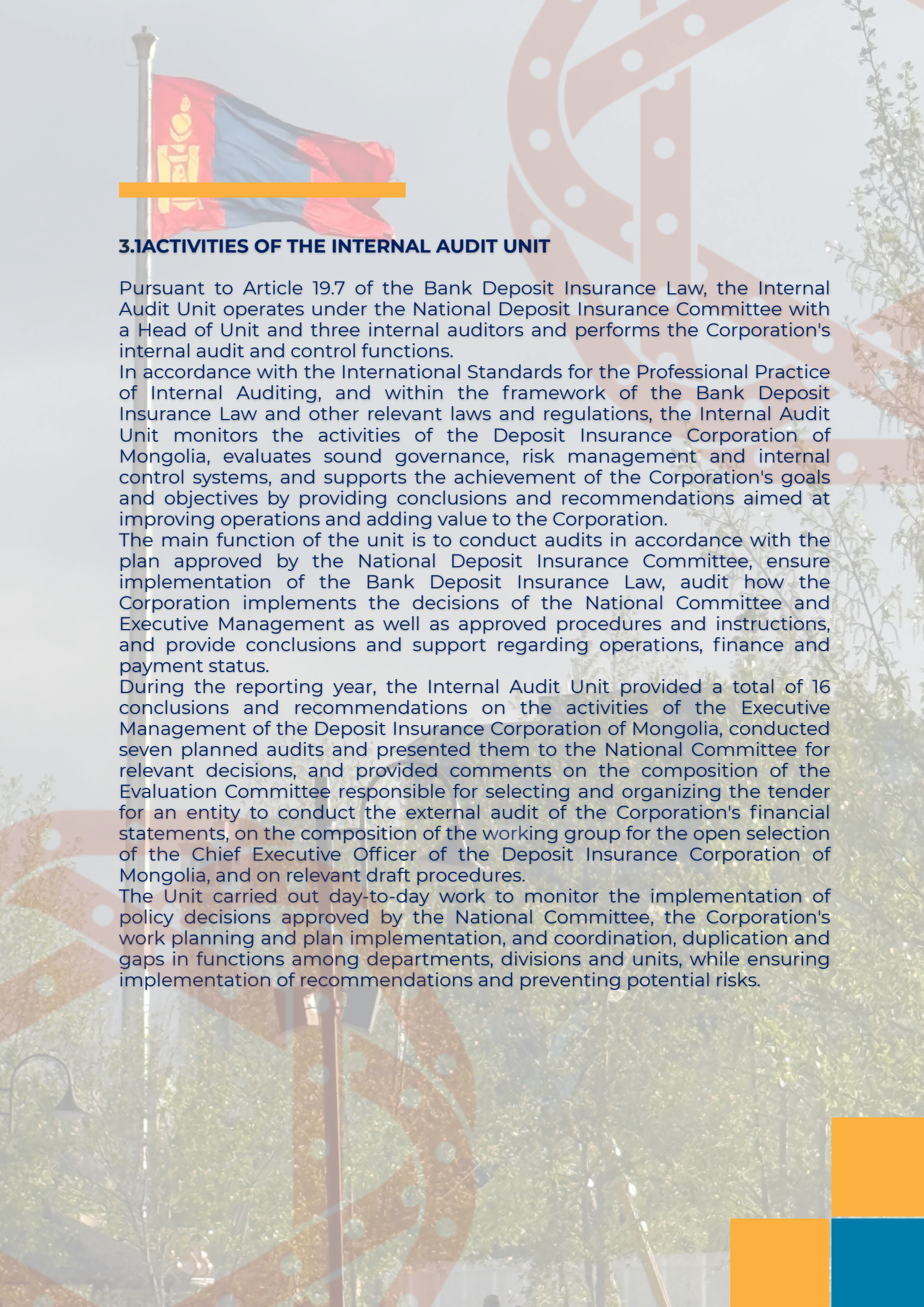
Furthermore, within the framework of the Level-Up program, the Deposit Insurance Corporation of Mongolia, the Bank of Mongolia, JCI Progress and the General Department of Education also jointly organized the 'Forum of Upper Secondary School Students for Disseminating Financial Education', involving 700 general education school students.



Within the Framework of Social Responsibility

In support of the national 'Billion Trees' movement initiated by the President of Mongolia, and within the framework of protecting the environment, maintaining ecological balance and increasing green spaces in the capital city, the staff of the Deposit Insurance Corporation of Mongolia planted 160 rosehip bushes during the spring tree-planting campaign and 110 lilac shrubs during the autumn tree-planting campaign on an 870 m² area of the National Garden Park.





3.1 ACTIVITIES OF THE INTERNAL AUDIT UNIT

Pursuant to Article 19.7 of the Bank Deposit Insurance Law, the Internal Audit Unit operates under the National Deposit Insurance Committee with a Head of Unit and three internal auditors and performs the Corporation's internal audit and control functions.

In accordance with the International Standards for the Professional Practice of Internal Auditing, and within the framework of the Bank Deposit Insurance Law and other relevant laws and regulations, the Internal Audit Unit monitors the activities of the Deposit Insurance Corporation of Mongolia, evaluates sound governance, risk management and internal control systems, and supports the achievement of the Corporation's goals and objectives by providing conclusions and recommendations aimed at improving operations and adding value to the Corporation.

The main function of the unit is to conduct audits in accordance with the plan approved by the National Deposit Insurance Committee, ensure implementation of the Bank Deposit Insurance Law, audit how the Corporation implements the decisions of the National Committee and Executive Management as well as approved procedures and instructions, and provide conclusions and support regarding operations, finance and payment status.

During the reporting year, the Internal Audit Unit provided a total of 16 conclusions and recommendations on the activities of the Executive Management of the Deposit Insurance Corporation of Mongolia, conducted seven planned audits and presented them to the National Committee for relevant decisions, and provided comments on the composition of the Evaluation Committee responsible for selecting and organizing the tender for an entity to conduct the external audit of the Corporation's financial statements, on the composition of the working group for the open selection of the Chief Executive Officer of the Deposit Insurance Corporation of Mongolia, and on relevant draft procedures.

The Unit carried out day-to-day work to monitor the implementation of policy decisions approved by the National Committee, the Corporation's work planning and plan implementation, and coordination, duplication and gaps in functions among departments, divisions and units, while ensuring implementation of recommendations and preventing potential risks.