

Annual operational report /Form 1/				
Article 20 of the Law on Securities Markets outlines the general responsibilities of securities issuers. In accordance with this provision, issuers are required to submit specific information to both the Financial Regulatory Commission and the relevant trading body. This includes the submission of an annual activity report. Additionally, issuers must ensure the dissemination of this information to the public via their official website.				
Reporting Period: etc: From January 1, 2024, to December 31, 2024.		From January 1, 2024, to December 31, 2024.		
The name of the issuer, the registration certificate number, the securities code, and the phone number.		Company name: State bank JSC State registration number: 9016001018 Securities code: MN00SBM05643 Phone number: 976-11-310103		
The name of the registered trading entity.		"Mongolian Stock Exchange" LLC		
The industry sector of business operations.		Banking and finance		
Name of the auditing firm registered with the Financial Regulatory Commission that issued the audit opinion on the annual financial statements: Registration Date:		Ernst & Young Mongolia Audit LLC, 2013-05-08		
Total number of shares issued by the securities issuer:		755,096,250		
Name of the specialist who prepared the annual report: Name of the director who reviewed the report:		Prepared by: Suvd. D /Specialist of Treasury Department/ Reviewed by: Gantuya. M /Director of Treasury Department/		
Financial report for the reporting year /attach the financial report/				
1	Statement of financial position	The annual financial report is attached. Attachment №1.		
	Statement of other comprehensive income			
	Statement of changes in equity			
	Statement of cash flow			
1.1	Audit opinion on the annual financial report.			
	The annual financial report, verified by the audit opinion of Ernst & Young Mongolia Audit LLC, is attached. Attachment №2.			
1.2	Audit confirmation letter /The confirmation letter must be prepared within the scope of the content outlined in this manual/.			
	The audit confirmation letter regarding the independent audit conducted by Ernst & Young Mongolia Audit LLC and the opinion issued by them is included in the audit opinion attached as Attachment №2.			
2	An information that briefly explains the issuer's financial condition and operating results during the reporting period, the factors that affected the issuer's financial condition and operating results, the management's assessment, and the actions that will be taken in the future.			
2.1	Operational results (financial ratio indicators).	Based on the audited financial statements, the bank's key balance sheet indicators demonstrated significant growth in 2024. Total assets increased by 15.9% compared to the previous year, reaching MNT 6,223.8 billion. Income-generating assets, primarily loans and securities, grew by 38.8% year-over-year to MNT 5,243.3 billion. Total liabilities rose by 16.6%, amounting to MNT 5,589.7 billion, while total equity increased by 10.2%, reaching MNT 634.1 billion. In terms of the income statement, interest income reached MNT 674.3 billion in 2024, representing a 34.7% increase from the prior year. Interest expenses also rose by 45.1%, totaling MNT 372.2 billion. As a result, the bank recorded a net profit of MNT 107.97 billion for the year. Return on equity (ROE) stood at 20.02%, while return on assets (ROA) was 2.08%.		
2.2	Liquidity and financial resources, potential indicators.	Appropriate ratio criteria indicators.	Required	Ratio
		The ratio of Tier 1 capital to risk-weighted assets.	>9%	18.12%
		The ratio of equity to risk-weighted assets.	>12%	18.12%
		Liquidity ratio	>25%	38.79%
		The ratio of open foreign currency position to equity (per currency unit).	<(+/-15%)	-0.81%
		The ratio of open foreign currency position to equity (total).	<(+/-30%)	1.19%

2.3	<p><i>The impact of external and internal factors on the issuer's operations, the market share within the industry, changes in the types of products and services, and the measures that the issuer plans to implement in response to these changes.</i></p>	<p>As of the reporting period, the total assets of the banking system reached MNT 71.2 trillion, of which State Bank's assets accounted for MNT 6.2 trillion, representing 8.7% of the total market share. During the same period, 83,367 new customers registered for the Gyalstank 3.0 service, while the number of cardholders increased by 45,159. The bank now serves 1.9 million active customers with over 120 types of products and services.</p> <p>In 2024, State Bank successfully implemented its business plan and introduced a range of financial products aimed at supporting the middle-income segment and promoting environmentally and socially responsible banking practices. Newly launched offerings include:</p> <ul style="list-style-type: none"> <li>- Green Loan for Herders</li> <li>- Sustainable Development Loan</li> <li>- Digital Consumer Loan</li> <li>- ₮ Credit Card</li> <li>- Digital Savings Certificate</li> <li>- HAPPY Term Deposit</li> <li>- Health-Oriented Card Deposit Package</li> <li>- BiPay Service for Utility Payments via Fintech Applications</li> <li>- TAX REFUND Service for Foreign Citizens</li> </ul> <p>Significant enhancements were also made to the Gyalstank 3.0 platform, including over 10 new developments and upgrades. Notably, Salary and Pension Digital Loans were added, allowing for fully automated loan approval and issuance through digital contracts with e-signatures—enabling customers to access loans 24/7, with processing times under five minutes.</p> <p>Additional innovations and service enhancements include: Expanded product and service offerings on kiosk terminals with 11 new developments Launch of vertically designed debit and credit cards Introduction of long-term life and health insurance for mortgage borrowers, making State Bank the first in the market to offer this coverage.</p>
2.4	<p><i>Detailed information about off-balance sheet activities and transactions, as well as information on accounting policies.</i></p>	<p>Attached is the report on off-balance sheet items and transactions, provided as Attachment №3.</p>
2.5	<p><i>Information on the repayment of loans obtained during the reporting period, as well as details regarding loan collateral and guarantees.</i></p>	<p>During the reporting period, a total of USD 70 million and MNT 105.9 billion in funding was raised from foreign financial institutions, with no repayments made to date. As a result, the outstanding loan balance stands at USD 125 million and MNT 105.9 billion.</p>
3	<p><i>Information on related party transactions and material transactions conducted by the securities issuer during the reporting period, including the purpose, significance, and details of the parties involved in potential conflicts of interest, is provided below. This includes a comprehensive overview of all related party transactions executed within the reporting period.</i></p>	<p>Information on related party transactions and significant transactions is attached. Attachment №4.</p>
4	<p><i>Information on salaries and bonuses.</i></p>	<p>During the reporting period, the total amount of salaries and incentives paid to the bank's executive management and members of the Board of Directors amounted to MNT 5,322,900,000 (Five billion three hundred twenty-two million nine hundred thousand tugriks).</p>
5	<p><i>Information related to corporate governance.</i></p>	<p>Information related to corporate governance is attached as Attachment №5.</p>
6	<p><i>Information on market risk.</i></p>	<p>During the reporting period, the bank fully complied with the prudential ratio requirements set by the Bank of Mongolia and the limits established by the Financial Regulatory Commission (FRC). In accordance with the "Risk Management Policy," the bank evaluates market risks and implements preventive measures to mitigate potential threats. Additionally, to safeguard against foreign exchange risk, the bank has engaged in swap transactions with the Bank of Mongolia.</p> <p>The bank conducts macroeconomic analysis and, based on this, identifies potential risks that could affect its operations. Stress testing is performed regularly, and the management team is provided with detailed reports to support decision-making. The bank has established contingency plans and a Business Continuity Plan (BCP) to ensure</p>

		preparedness in times of crisis. If necessary, the bank will execute measures according to these plans to mitigate any adverse impacts.
7	<i>Information on shareholders' ownership / Names of shareholders owning 5% or more, their ownership percentage, and the total number of shareholders.</i>	
	Total issued shares: 755,096,250 shares Total number of shareholders: 9,980 Shareholders' names and ownership percentages: Ministry of Finance 49.26%, Deposit Insurance Corporation 45.03%, Public 5.71%	
8	<i>If the issuer has issued shares to the public for the purpose of implementing a project, the progress of the project implementation and a report on the use of the raised funds from the start of the project until its completion should be provided.</i>	
	In accordance with the amendments to the Banking Law, State Bank JSC fulfilled its obligation to become a publicly traded company, as required for systemically important banks. In October 2022, the bank listed its shares on the Mongolian Stock Exchange and raised a total of MNT 25.4 billion through a public offering. The raised funds were allocated to support the bank's core operations, with MNT 12.7 billion directed towards products aligned with environmental, social, and governance (ESG) principles for sustainable development, and another MNT 12.7 billion allocated for products aimed at supporting the middle-income segment. In line with government policies, the bank focused on reducing the centralization in Ulaanbaatar and increasing the accessibility of financial products and services for local residents and small to medium-sized enterprises (SMEs). As a result, 61% of the total expenditure, equivalent to MNT 15.5 billion, was allocated to regional areas. The use of the raised funds was fully in accordance with the planned allocation.	
9	<i>Information of dividends</i>	
	Regarding the dividend distribution from the 2023 financial performance: In accordance with the resolution of the State Bank JSC's Board of Directors (No. 10, dated February 19, 2024), it was decided to distribute dividends from the bank's net profit after tax for the year 2023. The dividends were allocated to shareholders through Central Securities Depository LLC on April 22, 2024.	
	№	Report on the distribution of dividends from the financial results of 2023.
	1	Dividend distribution date
	2	Total shares
	3	Total number of shareholders
	4	The amount of dividend allocated per share.
	5	The total amount of dividends distributed.
		2024.04.22
		755,096,250 shares
		9,211
		66.20 ₮
		49,987,371,750 ₮
10	<i>Report on the activities carried out by the issuer in the field of corporate social responsibility during the reporting period.</i>	
	<b>Customer Day 2024</b> This event was held in 6 provinces and 2 districts, where the bank provided information on its products and services to 37,843 individuals, resulting in the sale of products and services to 12,825 customers.	
	<b>Global Money Week</b> As part of the "Global Money Week 2024" program, financial literacy training was organized for 14,728 students through branches and offices.	
	<b>My Mongolia Program</b> In line with its objective to support the middle-income segment, State Bank successfully organized the "My Mongolia 2024" exhibition in collaboration with Global Event LLC from January 13 to February 8, 2024. The exhibition aimed to support small and medium-sized enterprises (SMEs) and was held for the second consecutive year.	
	<b>Honoring Campaign</b> The "Honoring Campaign" recognized the oldest 108 senior citizens, and 15 pensioners among participating customers were awarded.	
	<b>Sustainable Development - Green Future</b> In collaboration with the "Private Housing Innovation Development Center," the bank organized the "Sustainable Development - Green Future" exhibition. The event aimed to introduce environmentally friendly products and services, expand business cooperation, and promote eco-friendly purchasing in support of green technologies.	
	<b>Ability Expo Campaign</b> The "Ability Expo 2024" event was co-organized to enhance the social participation of people with disabilities. Over 800 individuals were educated on financial literacy and provided with information on products and services.	
	<b>One Employee, One Tree - "Let's Make Trees"</b> As part of its support for the national "Billion Trees" program, State Bank organized its fourth annual tree-planting campaign, planting 5,594 trees of 34 different species.	

**Cleanliness Campaign 2024 - "Gyalst Clean-Up"**

Under the "Environmentally Friendly Gyalst Clean-Up" campaign, the bank cleaned 7,000 hectares of land and collected 800 tons of waste, equivalent to approximately 425 vehicles of rubbish.

**Eco Card**

The bank sold 12,484 Eco Cards, raising MNT 42.4 million for the "Wildlife Protection Project" under the Khüreelen Project.

**Weather Alert**

To prevent the risks of natural disasters and weather-related dangers, 14 weather warnings were issued through the "Gyalstbank Application," reaching a total of 7.8 million customers.

**Charity Events**

In celebration of its 15th anniversary, State Bank contributed MNT 46.7 million to assist herders through the "15 Good Deeds - Let's Help Herders" campaign and donated MNT 55,555,555 to the "Never Forget Heart" project.

Signature of the Information Provider and the Person Confirming the Accuracy of the Information, Date: 2025.04.28

Full name: GANTUR.U

Position: CHIEF EXECUTIVE OFFICER

Signature: .....



Signature of the Person who prepared and submitted the information: 2025.04.28

Full name: GANTUYA.M

Position: DIRECTOR OF TREASURY DEPARTMENT

Signature: .....