

Economy and Business Opportunities in Mongolia

Webinar organised in collaboration with the Austrian Chamber of Commerce

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1st April 2026



European Bank
for Reconstruction and Development

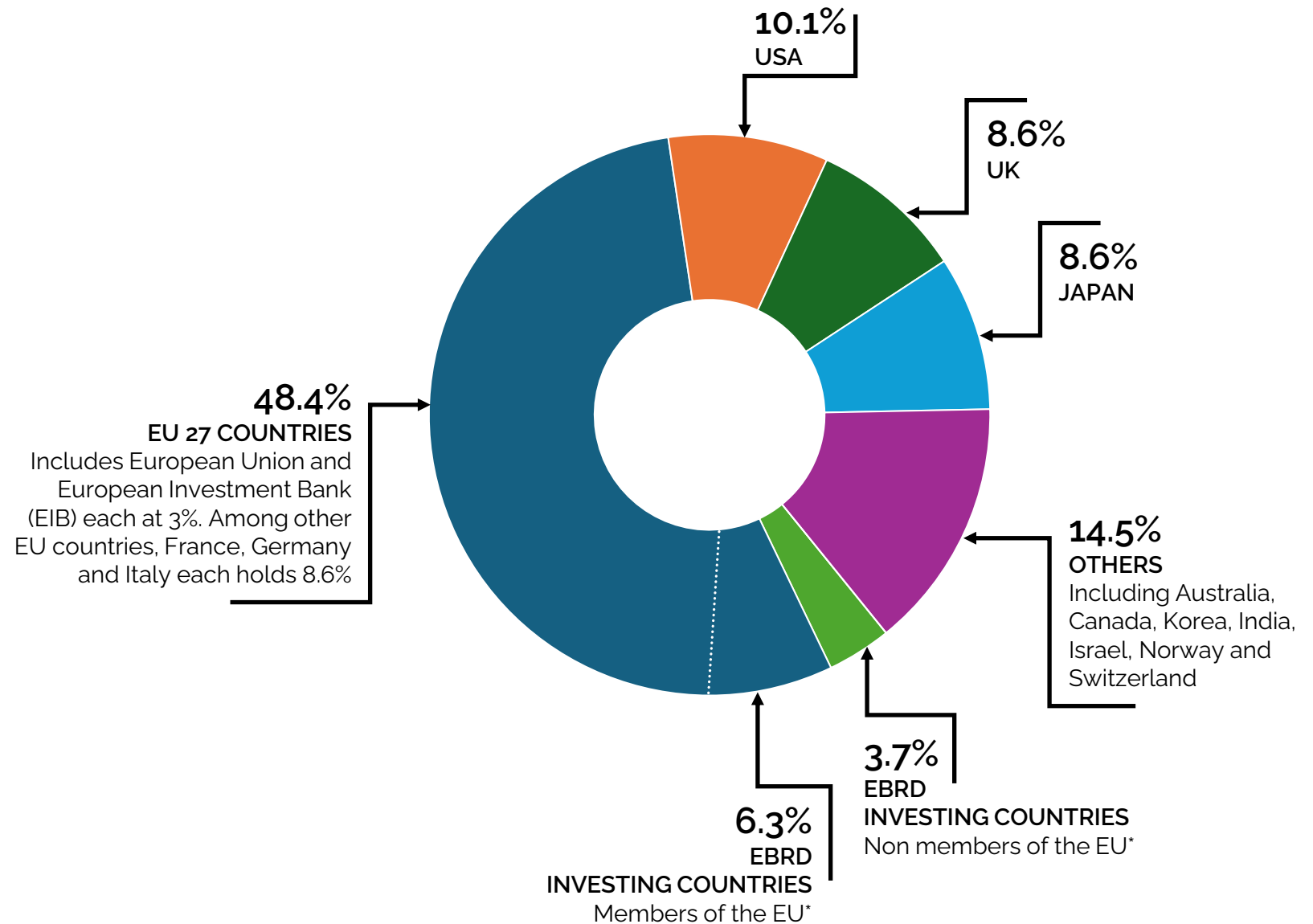
EBRD Shareholding

ESTABLISHED
1991

THE EBRD IS OWNED BY
77 COUNTRIES

TRIPLE-A RATING

CAPITAL BASE
EUR 34 billion



As at December 2025

For a full list of the shareholding of the EBRD visit: <http://www.ebrd.com/shareholders>

*The EBRD has excluded the Russian Federation and Belarus from receiving funding for projects or technical cooperation, following the invasion of Ukraine.



EBRD in Mongolia

EBRD – in Mongolia since 2006

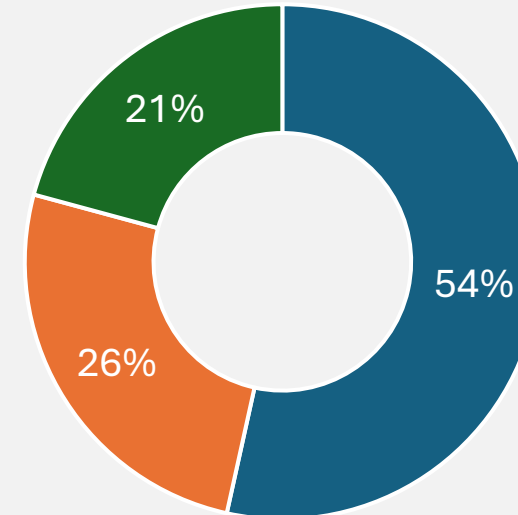


Number of projects **166**

Cumulative EBRD investment
EUR 2,580 million of which **89%** in private sector

Current portfolio
EUR 1,132 million of which **76%** in private sector

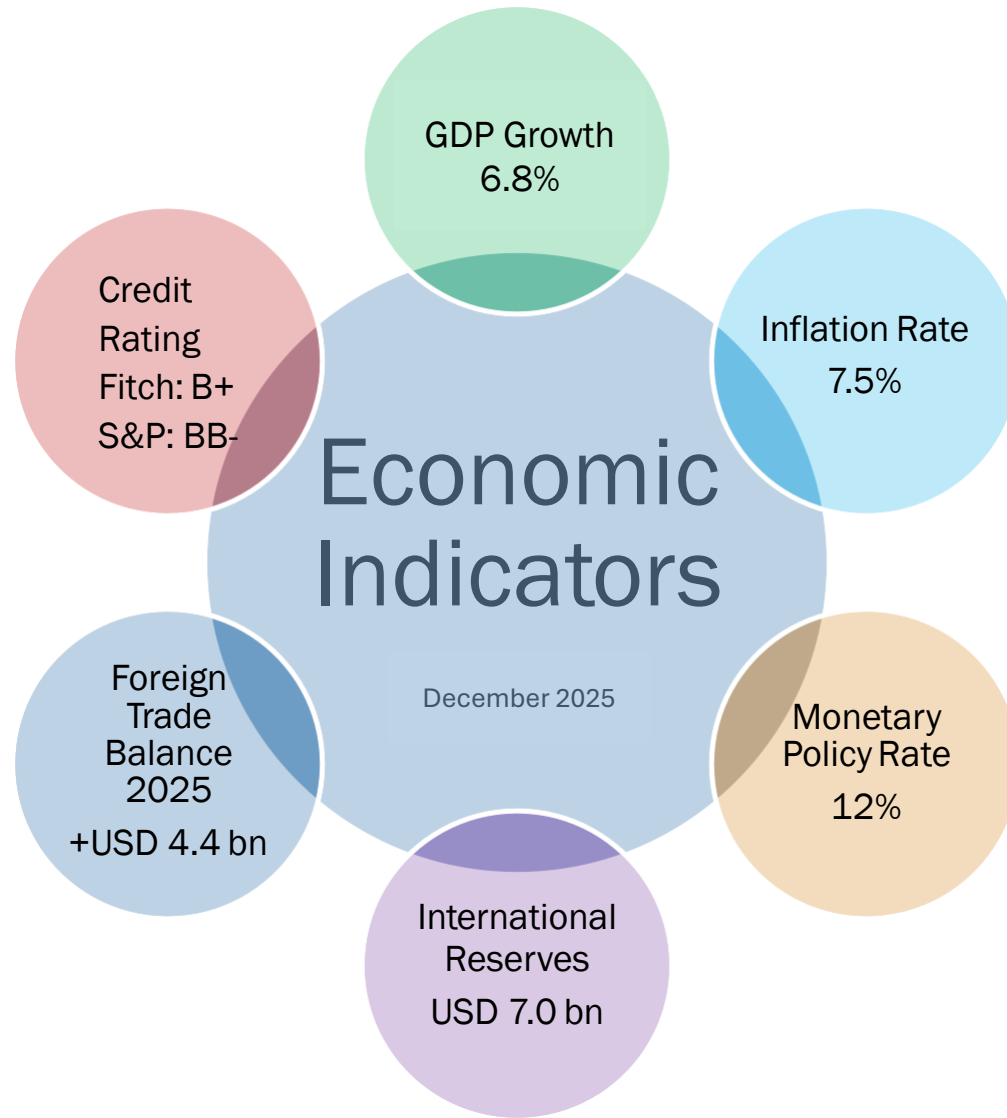
Current EBRD portfolio in Mongolia



- Industry, commerce, agribusiness
- Sustainable infrastructure
- Financial institutions

Mongolia - Growing Economy leads to Business Opportunities

Mongolia – Key Economic Data



GDP Growth Year 2023:
7.0%

GDP Growth Year 2024:
4.9%

GDP Growth Year 2025:
6.8%

REAL GDP GROWTH
(by sectors)

GDP	2024.IV	2025.IV
	5.1	6.8
Agriculture	-28.7	33.2
Mining	10.8	10.6
Manufacturing	-4.2	10.0
Electricity, water	4.8	9.4
Construction	14.0	15.9
Wholesale, retail trade	11.9	-4.6
Transportation	16.4	4.8
Information, communication	17.4	7.2
Other services	8.9	3.5
Net taxes on products	14.7	0.3

Source: National Statistics Office



Agribusiness, Real Estate and Tourism



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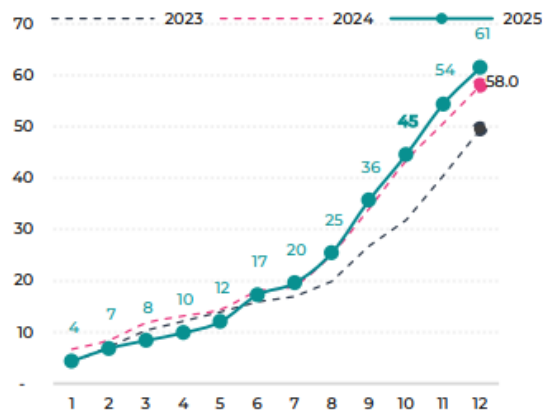
Agribusiness – Opportunities for Growth

Overview Agricultural Sector



MEAT

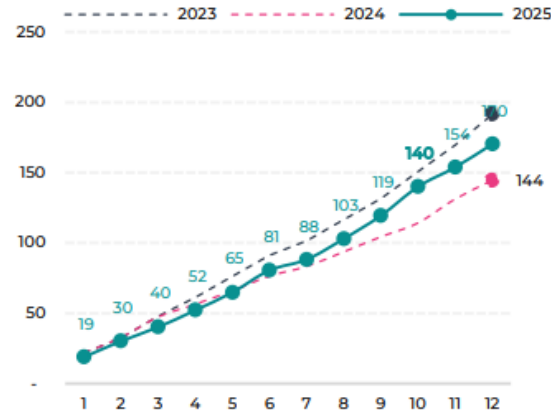
(thousand tons)



Source: National Statistics Office

WHEAT FLOUR

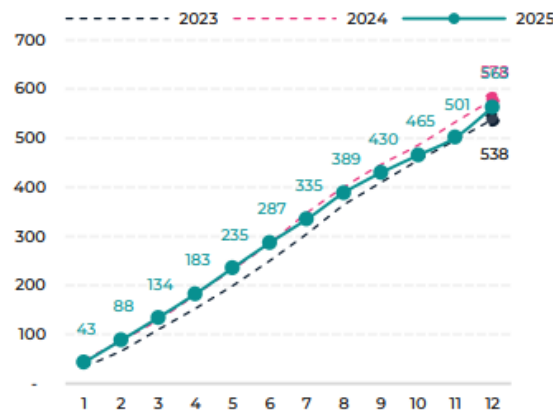
(thousand tons)



Source: National Statistics Office

BEVERAGES

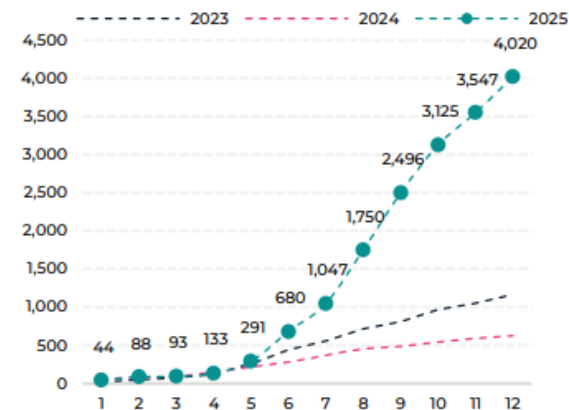
(thousand tons)



Source: National Statistics Office

CASHMERE PRODUCTS

(tons)



Source: National Statistics Office

- Processed livestock meat reached 61.5 thousand tons in 2025, an increase of 6 percent compared to the same period last year.
- The increase in the physical volume of processed meat was driven by higher processing of beef and horse meat. In addition, real output of meat processing and canning operations, which account for around 8–10 percent of manufacturing output, grew by 20.6 percent year on year (adjusted using the 2024-based producer price index).

- Flour production reached 170.3 thousand tons in 2025, an increase of 17.9 percent compared to the same period last year.
- With the rise in flour production volume, the manufacturing of grain flour, starch, and starch products—accounting for about 5–7 percent of the processing sector—grew by 7.5 percent in real terms (adjusted for the 2024-based producer price index) compared to the previous year.

- The production volume of alcoholic and non-alcoholic beverages reached 562.9 thousand tons in 2025, a decrease of 2.7 percent compared to the same period last year.
- Although production volume increased, the real output of beverages—accounting for about 20–25 percent of the manufacturing sector—fell by 3.6 percent year-over-year (adjusted for the 2024-based producer price index).

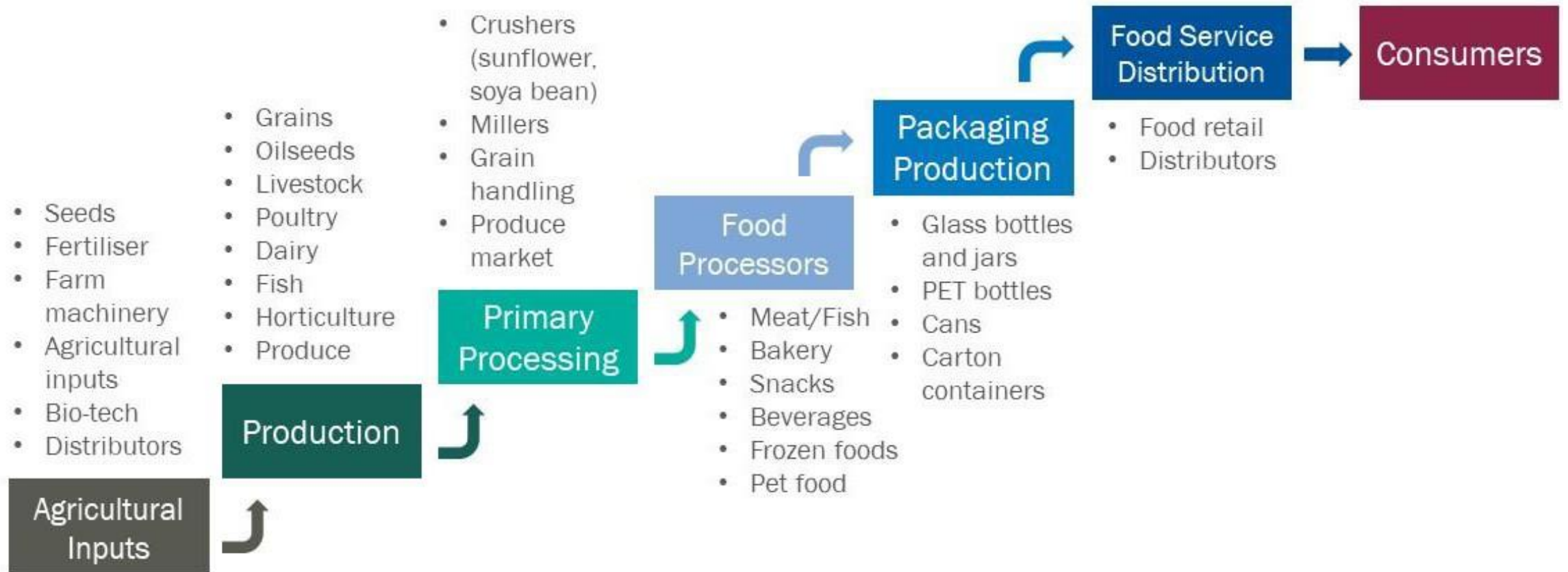
- Combed cashmere production reached 4 thousand tons in 2025, a sharp increase of 543 percent compared to the same period last year.
- Despite the rise in cashmere output, real production in spinning, weaving, and fabric preparation—which accounts for about 3–5 percent of the manufacturing sector—was 10.2 percent higher year-over-year (adjusted for the 2024-based producer price index).

Source: Ministry of Economy and Development (MED), Monthly Economic Update, December 2025

Agribusiness at the EBRD - Financing the entire food chain



Deep sector expertise with strong local market coverage



EBRD – Agribusiness in Mongolia



Strategic direction / investment sectors/ opportunities

- Food retail
- Agriculture and farming, and support (seed, fertilizer production and distribution)
- Food manufacturing industry
- Beverage manufacturing (bottling, bottle manufacturing etc.)
- Agricultural machinery and equipment
- Agricultural production
- Wholesale of food

Tourism & Hospitality – One of the Country's Priority Areas

Overview Tourism and Hospitality Sector



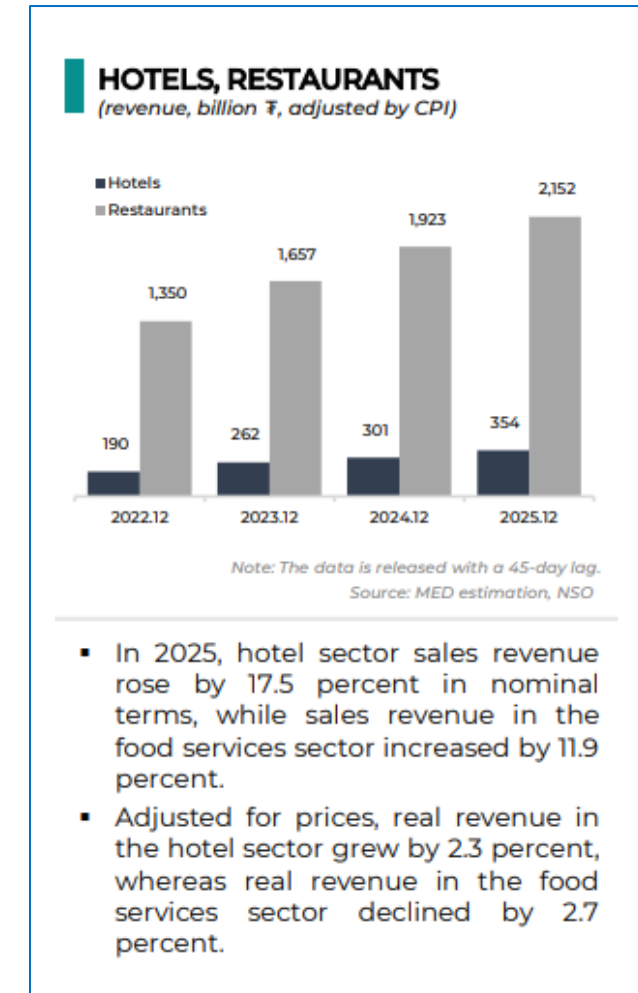
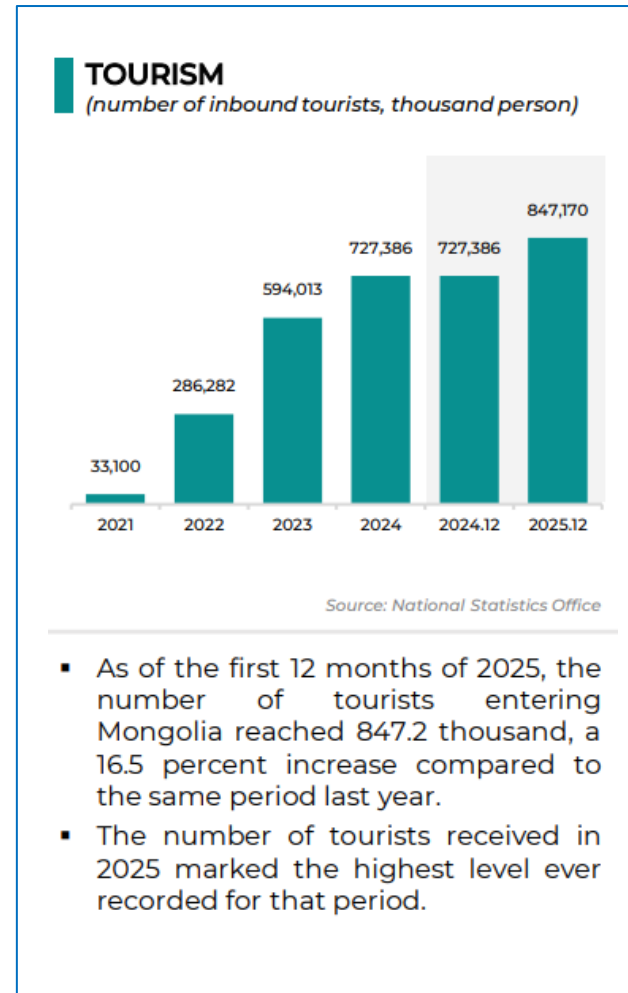
Mongolia aims to become a major global tourist destination

Goals:

- Attract 2 million visitors annually by 2030
- Increase tourism revenue to USD 3-4 billion, constituting ~10% of the GDP.

Measures:

- Developing regional tourism clusters
- Improving infrastructure
- Promoting four-season tourism.



Source: Ministry of Economy and Development (MED), Monthly Economic Update, January 2026

Real Estate – Increasing Demand

Real Estate Sector experiences significant growth



Mongolia's real estate sector – Increasing demand

- Mongolia's residential property market is gathering pace on the back of continuously improving economic conditions
- Particularly in residential properties, driven by urbanization and a growing middle class.
- The market is projected to reach USD 58.41 billion by 2029, with residential real estate dominating.

Increasing prices for real estate

- While housing prices in Ulaanbaatar have fluctuated, recent data indicates a rising trend.
- For new apartments in Ulaanbaatar, the average price stood at MNT 5.0 million (USD 1,414) per sqm. in December 2025, up 10.8% y-o-y.

Increased demand also for affordable housing

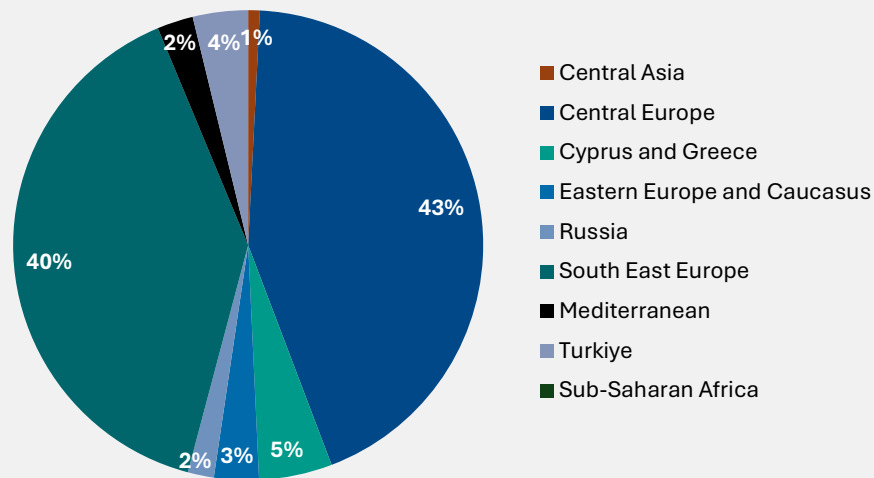
- Around half of the residents in Ulaanbaatar still live in traditional 'ger' districts, housing which are not well connected to permanent infrastructure. This is creating a large demand in the lower-end market, encouraged by rising wages and massive government-sponsored access to mortgage financing.



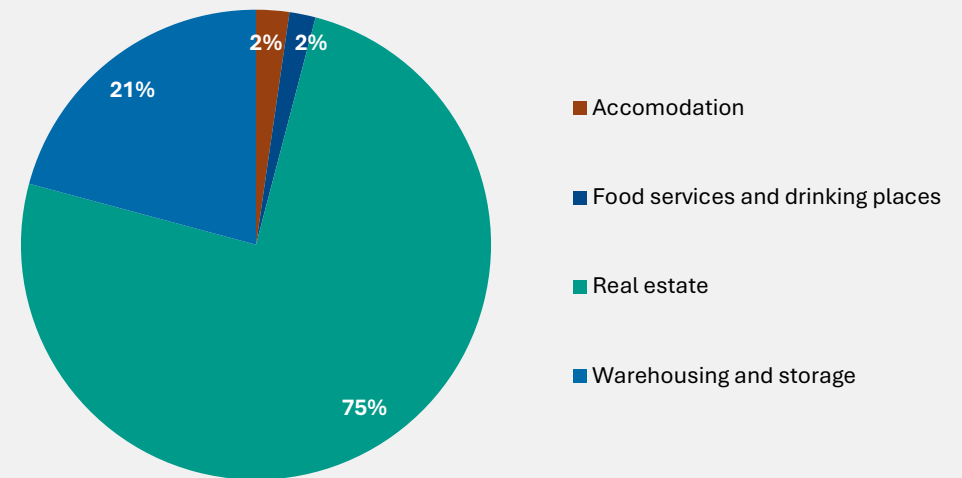
EBRD's Real Estate sector outreach at a glance

EBRD Real Estate team aims to redress the fundamental undersupply of modern, high-quality, energy efficient commercial, logistics and residential real estate in the Bank operating regions

Current portfolio distribution, by regions



Current portfolio distribution, by sub-sectors



As of February 2026, by value of portfolio operations



Manufacturing & Services



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EBRD Investment in Manufacturing and Services (M&S)



We support both SMEs and large conglomerates with our extensive experience with complex projects in various industries through project finance, restructurings and privatisations.

EBRD Investment Snapshot in M&S Sector Mongolia

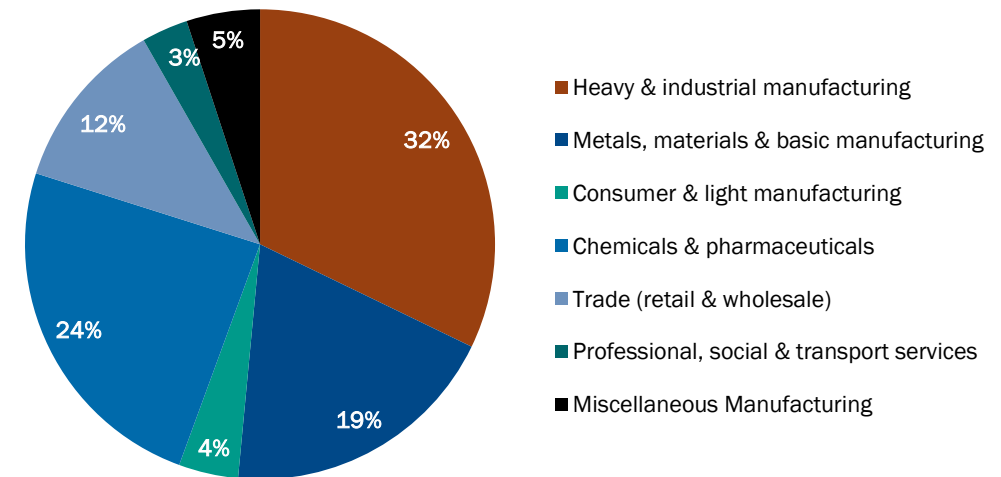
Active portfolio: €73 million in 13 companies

In 2025: €21 million / 4 projects

Strategic priorities/investment opportunities/ areas:

- Automotive
- Chemicals
- Building Materials
- Forestry and Paper
- Steel and non-ferrous industrial metals
- Healthcare and Pharmaceuticals
- Aerospace
- Non-consumable goods and Retail

M&S Portfolio by sub sector



As of February 2026, by value of portfolio operations

Project Highlights - Manufacturing & Services






EBRD has the most active SME clients in M&S Sector in Mongolia and number of SME clients in M&S portfolio reached 18 in 2025.

EBRD Investment Snapshot in M&S Sector



Selected investments in M&S Sector

 <p>Nomin TavTrade 2012</p> <p>USD 12.4 million Senior Secured Loan</p> <p>Retail Expansion</p>	 <p>Khanburgedei 2013</p> <p>USD 8 million Risk Sharing Loan with XacBank</p> <p>Working capital and Expansion</p>	 <p>Tavan Bogd 2024</p> <p>USD 15 million Senior Secured Loan</p> <p>Capex for New Service Center</p>
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Mongolian Mining Sector



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Importance of the Mining Sector in Mongolia



26% of GDP

2025, Source: NSO

85% of exports

2025, Source: NSO, Customs

81% of FDI

2024, Source: Mongolbank

1,771

mining licenses

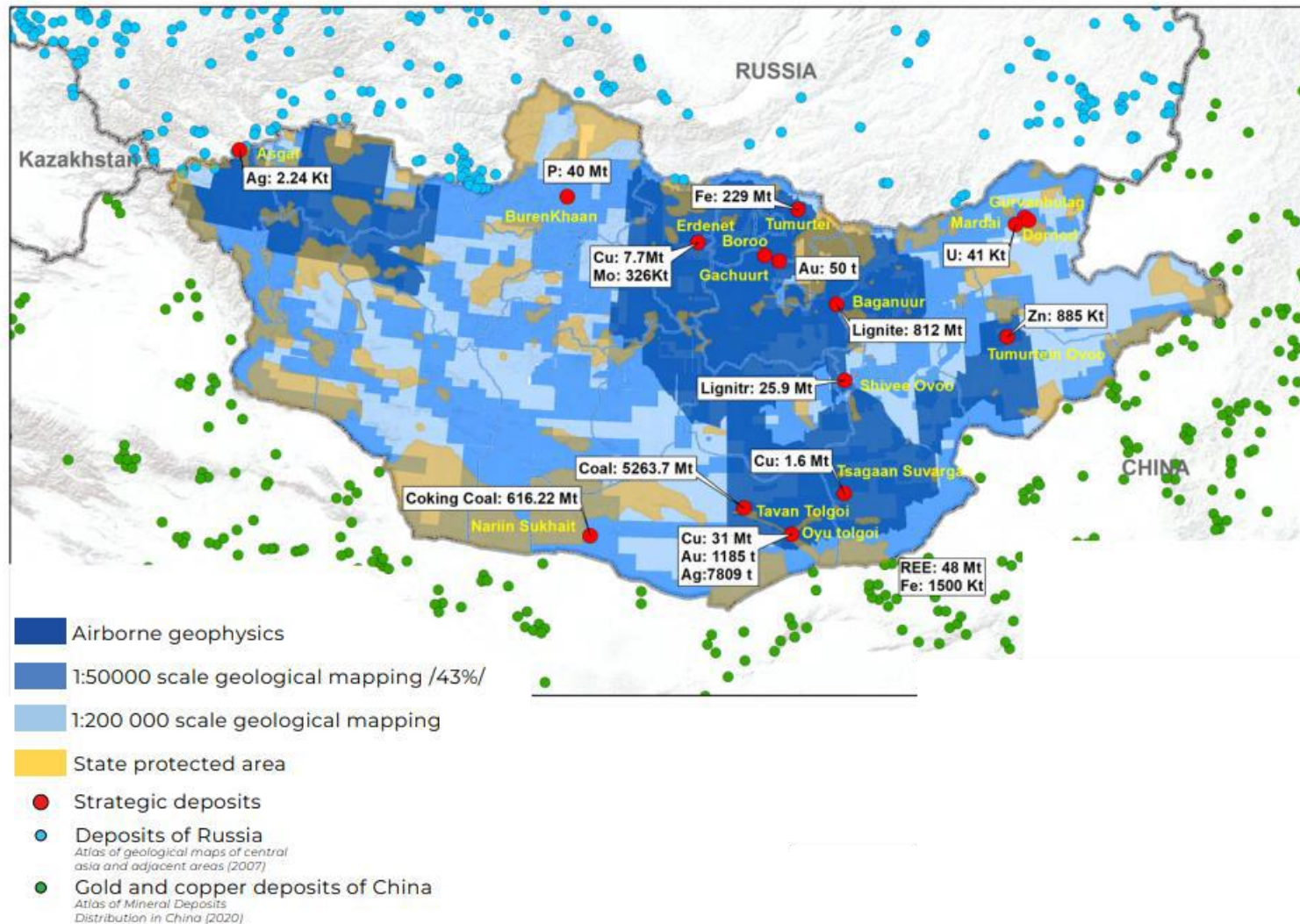
1.2% of the country's territory

1,031

exploration licenses

3.3% of the country's territory

Mineral Resources in Mongolia



Proven Reserves

- Copper - 69.9m tonnes
- Coal - 33.4bn tonnes
- Iron ore - 1.8bn tonnes
- Gold - 448.1bn tonnes
- Zinc - 4.4m tonnes
- Fluorspar - 34.2m tonnes
- Uranium - 192.2k tonnes
- Crude oil - 332.6m tonnes

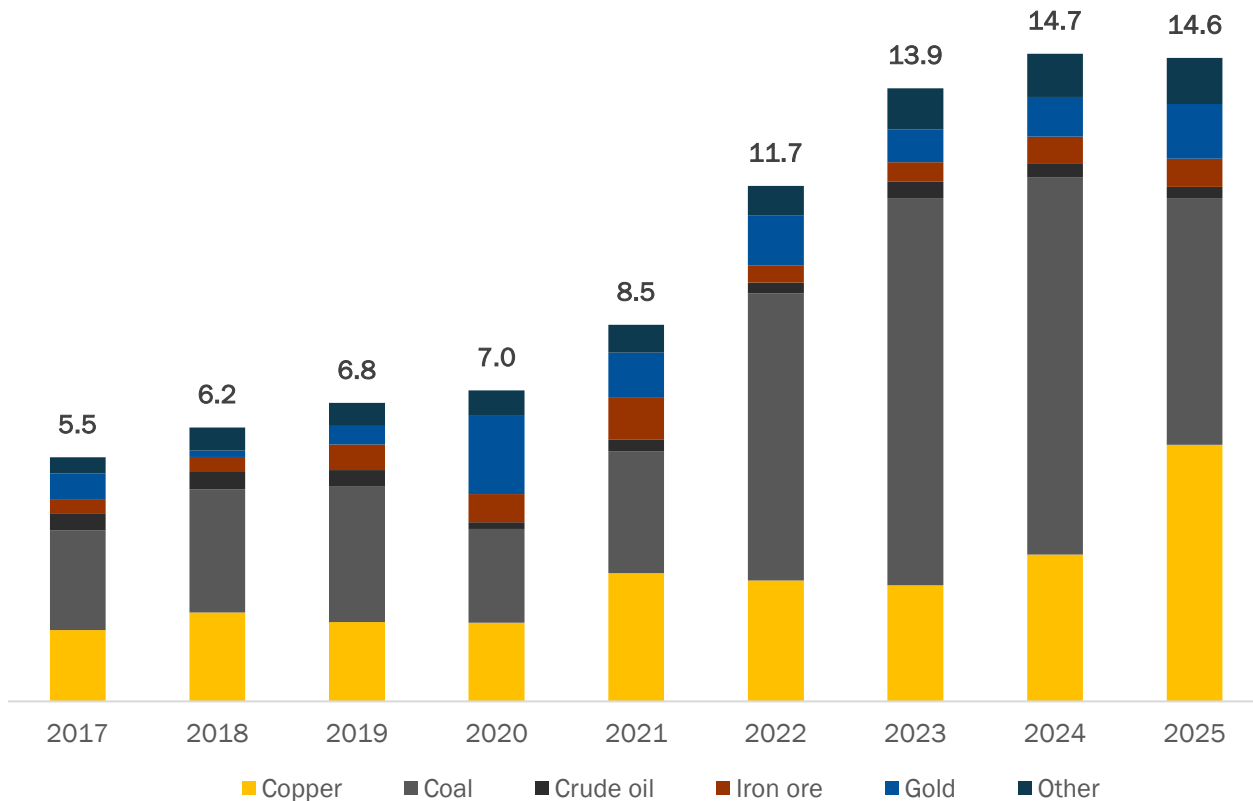
Source: MMHI

Key Commodities and Potential of Critical Minerals



Coking coal and copper dominate exports. High critical minerals potential!

Mongolia Mineral Resource Exports (USD bn)



Production volume & key producers*

Coking coal (84mt) Erdenes TT, MMC, MAK, Usukh Zoos etc	Copper (2,3mt) Oyu Tolgoi, Erdenet Mining Corporation
Gold (11t) Boroo Gold, Bayan Airag, Khan Altai etc	Crude oil (3.5m bbl) PetroChina

Potential for critical minerals

- Graphite
- Lithium
- Fluorspar,
- Tungsten
- Rare earth minerals

*In 2025



Mongolian Energy Sector

A sector with high development potential



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Mongolian Energy Sector Overview



Generation and Consumption

- **Total Installed Capacity:** ~1.6 GW, dominated by coal-fired plants.
- **Electricity Consumption (2024):** 11,445.9 GWh supply, 9,131.9 GWh domestic use.
- **Growth Trend:** Continues rising year-on-year based on 2020–2024 official electricity balance.
- **2030 Outlook:** Demand expected to exceed ~15,000 GWh (projection based on multi-year trajectory).
- **Imports:** About 24% of electricity was imported in 2024 (mainly Russia & China).
- **Pricing:** Electricity tariffs historically subsidized; cost-reflective reforms only began in Nov 2024.



Transmission and Distribution

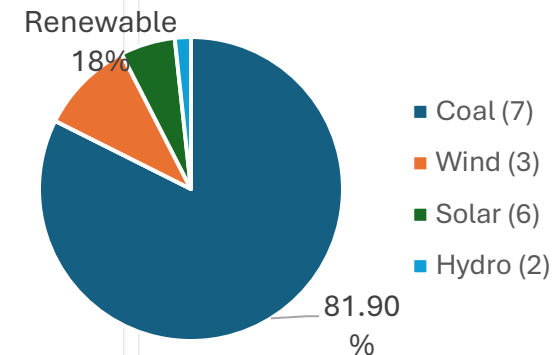
- Long, inefficient and ageing network with transmission & distribution loss on average 3.5%.
- Need to increase capacity in order to meet growing consumption.
- Dispatching is not automated and lacks online load demand/production forecasts from VRE plants and CHPs.



Government Policy

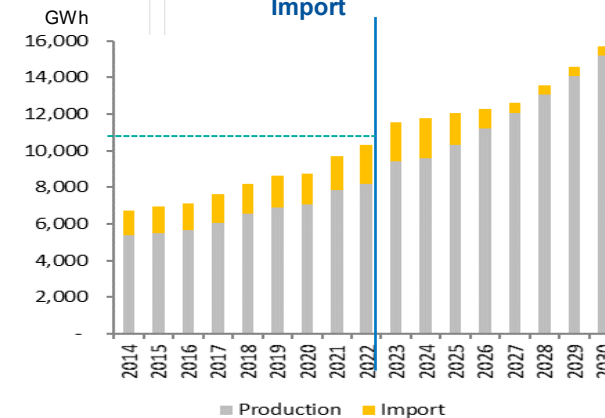
- Mongolia targets reaching 30% of installed capacity from RES by 2030.

Installed Generation Capacity by Source



Data source: NSO brochure

Historical and Projected Domestic Production+ Import



Data source: Ministry of Energy, March 2022

Key Challenges of the Mongolian Energy Sector



Mainly technical and regulatory challenges that can be gradually resolved leading to a high number of business opportunities to support Mongolia's transition to green energy.

Insufficient grid capacity

Limited RES absorption capacity

Inflexible system lack of balancing load

Lack of automation and smart solution

Mismatch between end user tariff and production cost

Retroactive PPA amendments and tariff negotiation pressures

Harsh climate conditions putting additional emphasis on heating

Inconsistency in strategic policy setting and implementation among authorities

Opportunities and the Way Forward



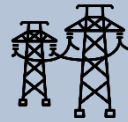
Opportunities

Huge RE potential of 2.6 TW -
RE export to neighboring countries

Abundant mineral resources -
RE solution for mining activities



The Way Forward



Build transmission lines – in line with GoM’s New Revival Policy



Support development of RES + Storage and attract international investors



Achieve competitive pricing by carrying out sizeable auctions for RES



Continue exploring other environmental friendly technologies (hydro, waste/biomass to energy)



Be open-minded to new technological solutions for heating (heat pumps, thermal solar)



Continue exploring interconnection to neighbouring countries



Financial Sector in Mongolia



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Overview Banking Sector



Mongolian banking sector is concentrated and locally owned

- 12 commercial banks, with total assets of USD 20.5 billion, roughly the same size as the economy
- 5 systemically important banks (“SIBs”) (88% of Total Banking Assets) completed IPOs on the local stock exchange in 2023

Amendment to the Banking law require banks to diversify their ownership

- Banks must comply with the 20% single-shareholder cap; implementation deadline is 31 Dec 2026.
- Implementation of this requirement continues to be a challenge given lack of investors ongoing geopolitical tensions, provisions in the Banking law prohibiting a cross ownership (>5%), and the insufficient depth of the local capital market.
- All systemic banks (except XacBank, already diversified) have several large owners who need to dilute their stakes.
- EBRD and IFC are qualifying shareholders of XacBank
- State participation is insignificant with only one bank (State Bank JSC, accounting for 7.9% of total banking assets) owned by the government (94.3%)

Banking sector profitability reached historical high

- Banking assets grew 19.6% in 2025, while NPLs remained at low 5.0%.
- Robust loan growth, stable asset quality, and expanding deposits strengthened overall profitability.
- SIBs demonstrated strong profitability, with ROE ranging from 16–25% in 2025.

Overview Non-Bank Financial Sector



Strong growth recorded in 2024 moderated in 2025 following tightening of NBFIs sector's regulations

- Total assets grew by 27.4% in 2025 (2024: 52.5%), reaching USD 2.6bn (ca. 9% of the total assets of the financial sector), equivalent to 10.1% of Mongolian GDP. NBFIs gross loan portfolio has grown by 25.9% (2024: +62.3%), reaching USD 2.1bn, primarily driven by a 56.4% increase in business loans, representing 31% of total loan portfolio.
- Shift towards digital loans continues to increase with 31.7% of loans issued digitally and 90.1% of borrowers utilizing this channel as of YE2025. This has led to a 62% y/y increase in number of fintech borrowers.

High concentration of NBFIs persist

- Sector consists of 575 licensed NBFIs, of which 549 (95%) were locally owned and ca. 83% operate in UB.
- Top 4 MFIs represented 23.1% of the sector total assets and 24.6% of loans, while top 14 NBFIs account for almost half of the sector assets and 50.3% of its loans.

Sector's profitability remains robust

- Sector's RoAA and RoAE remained stable at 11.7% and 21.9%, respectively as YE2025, despite moderated loan book growth and signs of weakening asset quality as portfolio seasons.



Access to EBRD Financing



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Access to finance



What we finance

Projects may be considered for EBRD assistance if they:

- are located in an economy where the EBRD works
- have good prospects of being profitable
- have significant equity contributions in cash or in kind from the project sponsor
- would benefit the local economy
- satisfy the EBRD's environmental standards as well as those of the host country

What we don't finance

- defence-related activities
 - the tobacco industry
 - substances banned by international law
 - stand-alone gambling facilities.
- In addition, we may not finance certain products or processes due to their environmentally harmful nature or if adverse impact cannot be adequately mitigated.

EBRD Financing - Tailored to Client's needs



	Risk Sharing Facility	Direct lending	Equity	Guarantees
Typical size	EUR 1 mln or more	EUR 5 mln or more	EUR 5 mln or more	EUR 50k - 50mln
Term	1-7 years	1-7 years (up to 10-15 years in case of infrastructure investments)	Typically, from 3-7 years	1 up to 3 years
Currency	Typically, local currency as well as EUR and USD	Major foreign currencies as well as local currency		
Approach	Finance up to 70% of the project	Finance up to 70% of the project	<ul style="list-style-type: none"> • Minority stake • Cap: maximum 20% 	Mainly through Trade Facilitation Programme
Structures	<ul style="list-style-type: none"> • Senior loan from EBRD and Partner Bank (Khan Bank or Xac Bank) • Funded or Unfunded 	<ul style="list-style-type: none"> • Senior, subordinated or convertible, • Project finance • Floating or fixed rates 	<ul style="list-style-type: none"> • Equity • Portage equity 	<ul style="list-style-type: none"> • Import/export operations • Pure guarantees, cash advance trade finance
Applications	<ul style="list-style-type: none"> • Greenfield/Brownfield, JVs, • Capex for expansion/modernization, including resource efficiency improvements • Working capital • For equity: acquisition, consolidation, privatisation • PPPs, etc. 			<ul style="list-style-type: none"> • Issues to international banks • Takes the risk of transactions of the banks in the EBRD's countries of operations

Contacts



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