BANK LENDING SURVEY
(Fourth Quarter of 2025)

Summary of survey results

Between January 16 and 26, 2026, a survey was conducted among banks to collect information on credit standards, terms and conditions, loan demand, and loan supply for both the preceding and the upcoming three months. The responses were compiled and analyzed to produce this report. The key findings are summarized below:

Credit standards

- Past three months: Large banks reported no changes in credit standards for corporate loans, while the credit standards for household loans were slightly tightened. Medium and small banks reported no changes in either corporate or household loans.
- Next three months (expected): Large banks expect a slight tightening of credit standards for household loans, while standards for corporate loans are expected to remain unchanged. Medium and small banks expect to maintain their current credit standards for both corporate and household loans.

Terms and Conditions

- Past three months: Large banks slightly eased terms and conditions for household loans, while terms and conditions for corporate loans remained unchanged. Medium and small banks reported no changes in terms and conditions for either corporate or household loans.
- Next three months (expected): Banks are expected to maintain the terms and conditions unchanged.

Loan demand

- Past three months: Large banks reported a slight increase in demand for corporate loans, while demand for household loans remained broadly unchanged. Medium and small banks reported no changes in demand for either corporate or household loans.
- Next three months (expected): Large banks expect a slight increase in demand for corporate loans, with household loan demand remaining unchanged. Medium banks anticipate a slight increase in demand for household loans, while demand for corporate loan is expected to remain unchanged. Small banks expect no change in demand for either corporate or household loans.

Loan supply

- Next three months (expected): Large banks expect a slight increase in the supply of corporate loans, while medium banks expect a slight increase in the supply of household loans. Large banks anticipate no change in household loan supply; medium banks expect no change in corporate loan supply, and small banks expect loan supply to remain broadly unchanged across all segments.

Table 1.1 Consolidated survey result								
Banks/ Loan segment	**Credit standards**		**Terms and Conditions**		**Loan Demand**		**Loan Supply**	
	Corporate	Households	Corporate	Households	Corporate	Households	Corporate	Households
Past 3 months								
Large	0	↑	0	↓	↑	0		
Medium	0	0	0	0	0	0		
Small	0	0	0	0	0	0		
Next 3 months								
Large	0	↑	0	0	↑	0	↑	0
Medium	0	0	0	0	0	↑	0	↑
Small	0	0	0	0	0	0	0	0

Note: ↑ = Slight tightening / increase; ↑↑ = Considerable tightening / increase; 0 = No change / unchanged; ↓ = Slight easing / decrease; ↓↓ = Considerable easing / decrease

Survey objective

The main objective of the Bank Lending Survey (BLS) is to provide insights into, and assess the outlook for, banks' lending activities, including credit standards, terms and conditions, loan demand, and loan supply.

Survey scope

The survey covered all 12 banks currently operating in Mongolia. Questionnaires were addressed to senior officials responsible for managing and overseeing lending operations at each bank.

Methodology

The Bank Lending Survey (BLS) is conducted using a structured questionnaire and consists of 4 main sections: (i) credit standards, (ii) terms and conditions, (iii) loan demand, and (iv) loan supply. To aggregate and analyze the results, qualitative responses were transformed into numerical values by assigning indices ranging from -1 to +1, as presented in Table 1.2.

Table 1.2 Index calculation					
Index	-1.0	-0.5	0	0.5	1.0
Credit standards	Eased considerably	Eased slightly	Unchanged	Tightened slightly	Tightened considerably
Terms and conditions	Eased considerably	Eased slightly	Unchanged	Tightened slightly	Tightened considerably
Loan demand	Decreased considerably	Decreased slightly	Unchanged	Increased slightly	Increased considerably
Loan supply	Decreased considerably	Decreased slightly	Unchanged	Increased slightly	Increased considerably

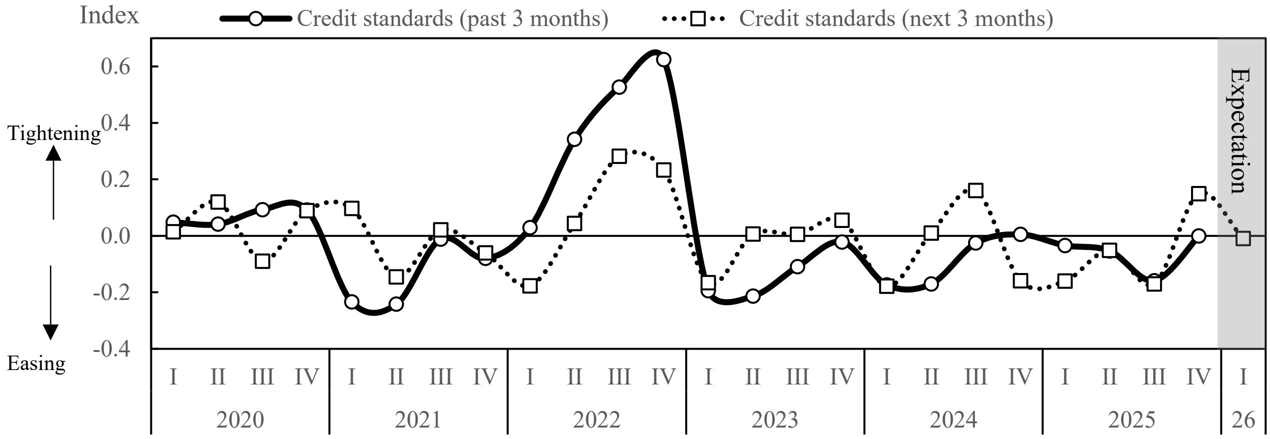
To assess overall credit conditions of the banking system, a weighted diffusion index was calculated by weighing each bank's index by its share of total outstanding loans. The resulting aggregate index for the given period reflects changes over the past three months and expectations for the next three months regarding credit standards, terms, demand, and supply.

I. Credit standards

1.1 Credit standards for corporate loans

- In the fourth quarter of 2025, the diffusion index for credit standards on corporate loans stood at zero, indicating that banks kept their credit standards unchanged. Over the next quarter, banks expect credit standards for corporate loans to remain unchanged (Figure 1).

Figure 1. Credit standards for corporate loans



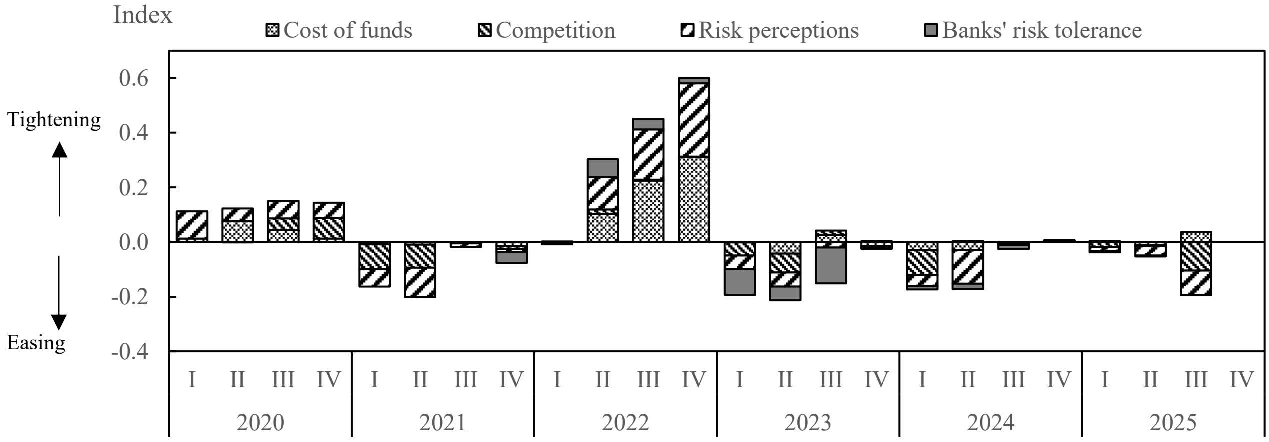
- In the fourth quarter of 2025, banks reported no change in credit standards across all sectors. Over the next quarter, banks also expect credit standards to remain unchanged across all sectors (Table 1).

Table 1. Credit standards on corporate loans, by sector

Period	Total loans	Agriculture	Mining	Manufacturing	Construction	Trade and service
Expectations for Q4 2025	0.15	0	0	0	0.19	0
Changes in Q4 2025	0	0	0	0	0	0
Expectations for Q1 2026	0	0	0	0	0	0

- Overall, banks reported no change in credit standards on corporate loans in the fourth quarter of 2025 (Figure 2).

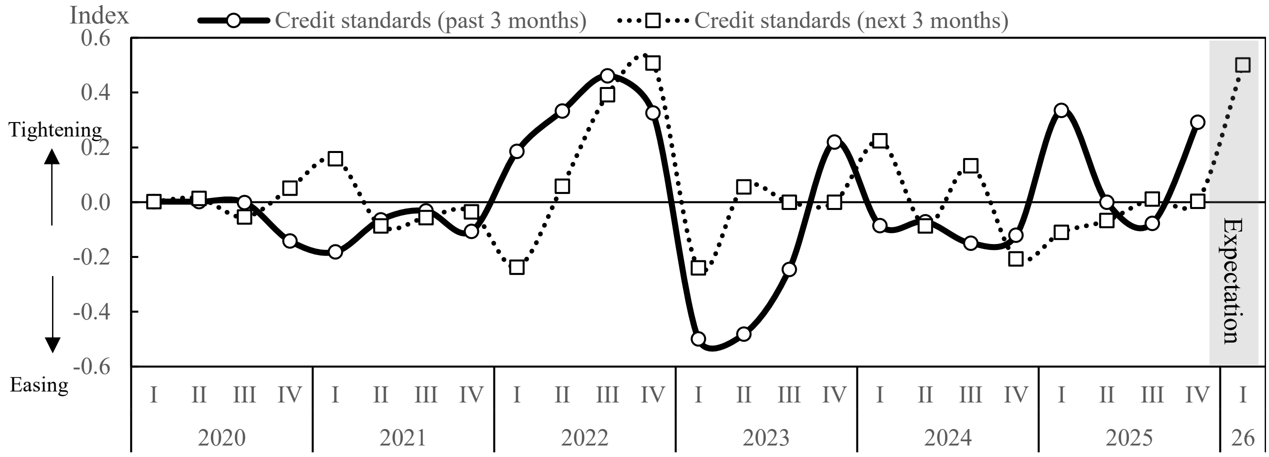
Figure 1. Factors contributing to credit standards for corporate loans



1.2 Credit standards for household loans

- In the fourth quarter of 2025, the diffusion index for credit standards on household loans stood at 0.29, reflecting a slight tightening by banks. Over the next quarter, credit standards for household loans are expected to tighten further (Figure 3).

Figure 2. Credit standards for household loans



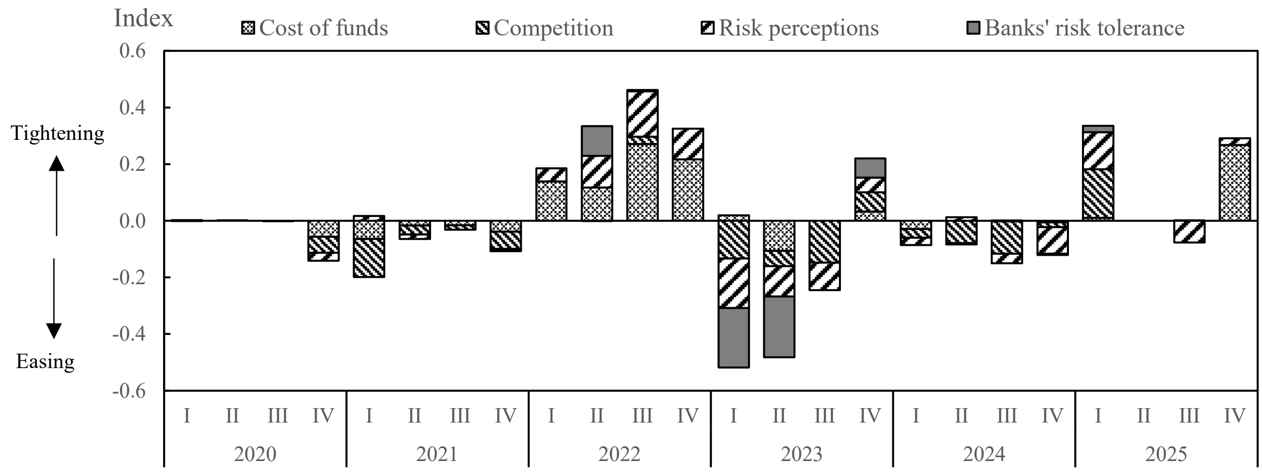
- In the fourth quarter of 2025, banks slightly tightened credit standards for salary, pension, and consumer loans, while standards on other types of loans remained unchanged. Over the next quarter, credit standards for household business loans are expected to ease slightly, whereas standards for other household loan types are expected to tighten. In particular, credit standards for livestock loans are expected to tighten considerably. (Table 2).

Table 2. Credit standards on household loans, by loan type

Period	Total loans	Salary loans	Pension loans	Consumer loans	Business loans	Livestock loans	Auto loans
Expectations for Q4 2025	0	0.11	0	0.17	0	0	0
Changes in Q4 2025	0.29	0.26	0.06	0.04	0	0	0
Expectations for Q1 2026	0.50	0.47	0.40	0.32	-0.25	0.69	0.42

- An increase in the cost of funds and heightened risk perceptions were the main factors contributing to the slight tightening of credit standards for household loans in the fourth quarter of 2025 (Figure 4).

Figure 3. Factors contributing to credit standards for household loans

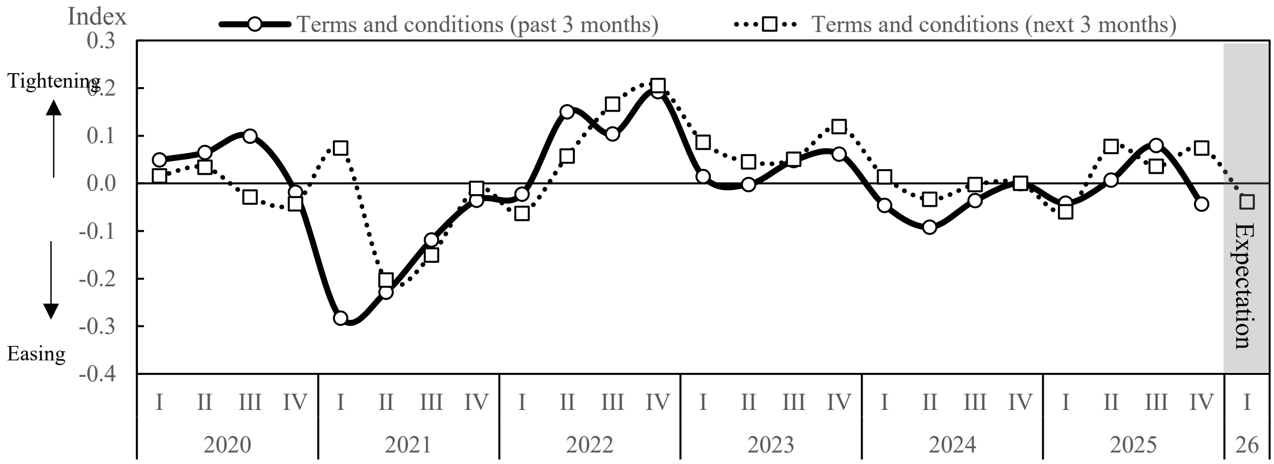


II Terms and conditions

2.1 Terms and conditions for corporate loans

- In the fourth quarter of 2025, the diffusion index for terms and conditions on corporate loans slightly eased. A further slight easing is expected over the next three months (Figure 5).

Figure 5. Terms and conditions for corporate loans

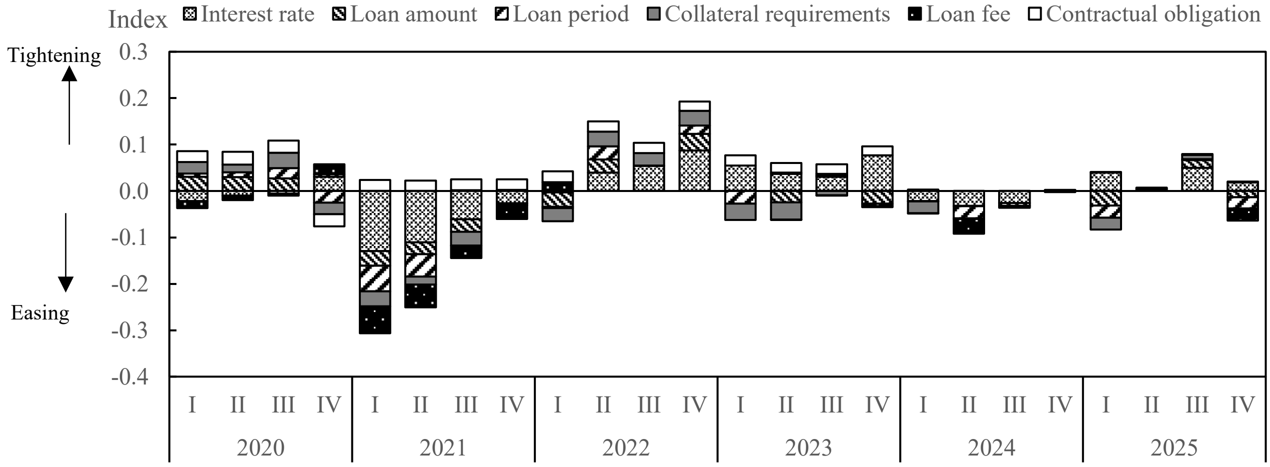


- In the fourth quarter of 2025, banks slightly eased credit terms and conditions for agriculture, trade and service sectors while credit terms and conditions for other sectors remained unchanged (Table3).

Table 3. Terms and conditions for corporate loans, by sector						
Period	Total loans	Agriculture	Mining	Manufacturing	Construction	Trade and service
Changes in Q3 2025	0.08	0.04	0.04	0	0.13	0
Changes in Q4 2025	-0.04	-0.05	0	0	0	-0.04

- In the fourth quarter of 2025, banks increased interest rates, which contributed to a tightening effect, while factors such as higher loan amounts, longer maturities, and reduced non-interest rate charges contributed to an easing effect. Overall, credit terms for corporate loans eased slightly (Figure 6).

Figure 4. Terms and conditions for corporate loans



- Table 4 presents the weighted average interest rate (WAI), weighted average maturity (WAM), and newly issued loan amounts by economic sector, compared with the corresponding survey-based indices. In the fourth quarter of 2025, the weighted average interest rate on loans to the construction sector increased by 0.4 percentage points compared with the previous quarter, in line with the survey results. For other sectors, changes in interest rates moved in the opposite direction. The weighted average maturity of loans to the agriculture sector increased by 3.4 months, consistent with the survey result indicating an easing of loan terms. For other sectors, the weighted average maturity of loans changed by 1.2 - 9.9 months, despite banks reporting no change in loan maturity for these sectors in the survey. In the fourth quarter of 2025, the amount of newly issued loan increased in the manufacturing, construction, and trade and service sectors, consistent with the survey result. In contrast, although the newly issued loan amount also increased in the agriculture and mining sectors, the results were contrary to the survey's loan amount indices.

Table 4. Weighted average interest rate and maturity of corporate loans, by sector

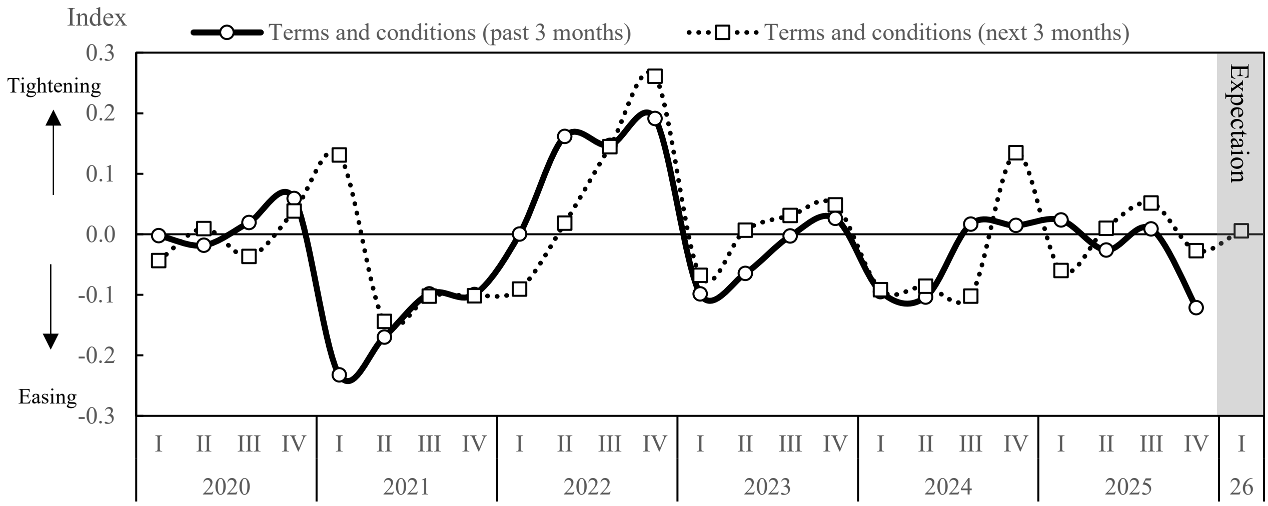
Terms and conditions	Period	Agriculture	Mining	Manufa cturing	Construct ion	Trade and service
Banks' WAI (%)	- 2025 Q3 - 2025 Q4 *- Change (%)*	12.7 16.3 *+3.6*	16.6 9.6 *-7.0*	17.3 14.5 *-2.8*	18.4 18.8 *+0.4*	17.3 16.6 *-0.7*
Loan interest terms (survey result)	2025 Q4	0	0.17	0.14	0.12	0.01
Banks' WAM (months)	- 2025 Q3 - 2025 Q4 *- Change (months)*	42.7 46.1 *+3.4*	10.1 12.0 *+1.9*	35.9 26.0 *-9.9*	31.0 32.2 *+1.2*	33.6 39.9 *+6.3*
Loan maturity conditions* (survey result)	2025 Q4	-0.25	0	0	0	0
Banks' newly isued loan amount (MNT billion)	- 2025 Q3 - 2025. Q4 *- Change (%)*	120.2 172.7 *+43.7*	1,336.3 1,994.1 *+49.2*	799.9 1,016.4 *+27.1*	723.0 861.8 *+19.2*	6,583.9 7,158.5 *+8.7*
Loan amount conditions * (survey result)	2025 Q4	0	0	-0.01	-0.16	-0.03

*-A negative value (-) indicates easing of conditions (longer maturity or higher loan volume), while a positive value (+) indicates tightening (shorter maturity or lower loan volume)

2.2 Terms and conditions for household loans

- In the fourth quarter of 2025, banks slightly eased terms and conditions for household loans. Over the next quarter, household loans terms are expected to remain broadly unchanged (Figure7).

Figure 5. Terms and conditions for household loans



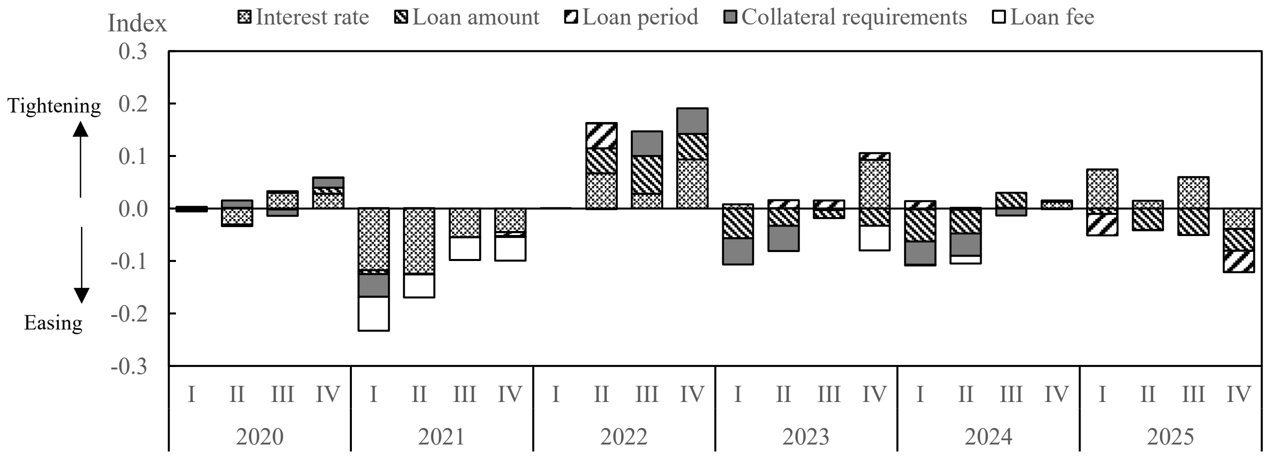
- In the fourth quarter of 2025, banks slightly eased the terms for pension and livestock loans, while the terms of other types of loans remained unchanged (Table 5).

Table 5. Terms and conditions for household loans, by loan type

Period	Total loans	Salary loans	Pension loans	Consumer loans	Business loans	Livestock loans	Auto loans
Changes in 2025 Q3	0	0	0	0.07	0	0.10	0.06
Changes in 2025 Q4	-0.12	0	-0.37	0	0	-0.14	0

- In the fourth quarter of 2025, banks slightly eased household loan terms by reducing interest rates, increasing loan amounts, and extending loan maturities (Figure 8).

Figure 6. Terms and conditions for household loans



- Table 6 presents the weighted average interest rates (WAI), weighted average maturity (WAM), and the amount of newly issued household loans by loan type, compared with the corresponding survey indices. In the fourth quarter of 2025, WAI for consumer and auto loans increased by 0.3 and 0.5 percentage points, respectively, consistent with survey result, while WAI for other loan types changed by 0.1 percentage point, not fully aligned with the survey result. The WAM of pension loans and livestock loans increased by 8.8 and 1.5 months, respectively, in line with the survey responses indicating eased loan terms. For other loan types, WAM changes ranged from 0.4 to 3.8 months, although banks reported that maturities remained unchanged. Newly issued auto loan amount dropped by 56.5%, while livestock loan amount increased slightly, consistent with the survey outcomes. Amounts for other loan types did not correspond with the survey indices.

Table 6. Weighted average interest rate and maturity of household loans, by sector

Terms and conditions	Period	Salary loans	Pension loans	Consumer loans	Livestock loans	Auto loans
Banks' WAI (%)	- 2025 Q3	17.8	17.7	24.4	22.2	19.0
	- 2025 Q4	17.9	17.8	24.7	22.1	19.5
	- Change (%)	*+0.1*	*+0.1*	*+0.3*	*-0.1*	*+0.5*
Loan interest terms (survey result)	2025 Q4	0	-0.75	0.02	0	0.03
Banks' WAM (months)	- 2025 Q3	28.5	16.7	31.6	27.5	34.2
	- 2025 Q4	28.1	25.5	34.5	29.0	38.0
	- Change (months)	*-0.4*	*+8.8*	*+2.9*	*+1.5*	*+3.8*
Loan maturity conditions* (survey result)	2025 Q4	0	-0.59	0	-0.19	0
Banks' newly extended loan volume (MNT billion)	- 2025 Q3	1,499.9	1,435.8	140.7	189.2	19.6
	- 2025. Q4	1,312.5	1,108.4	170.5	199.5	8.5
	- Change (%)	*-12.5*	*-22.8*	*+21.2*	*+5.5*	*-56.5*
Loan volume conditions * (survey result)	2025 Q4	0	-0.50	0.02	-0.50	0.03

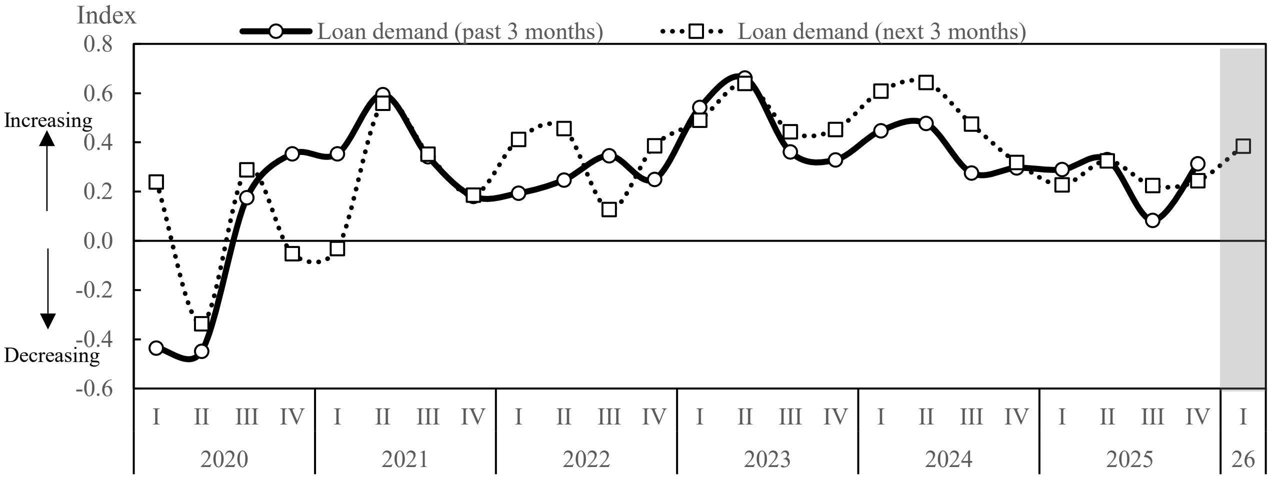
*-A negative value (-) indicates easing of conditions (longer maturity or higher loan volume), while a positive value (+) indicates tightening (shorter maturity or lower loan volume)

III Loan demand

3.1 Corporate loan demand

- In the fourth quarter of 2025, demand for corporate loans increased slightly, consistent with the expectations reported in the previous quarter. Over the next quarter, demand for corporate loans is expected to remain elevated and increase slightly above the level anticipated in the previous survey (Figure 9).

Figure 7. Corporate loan demand



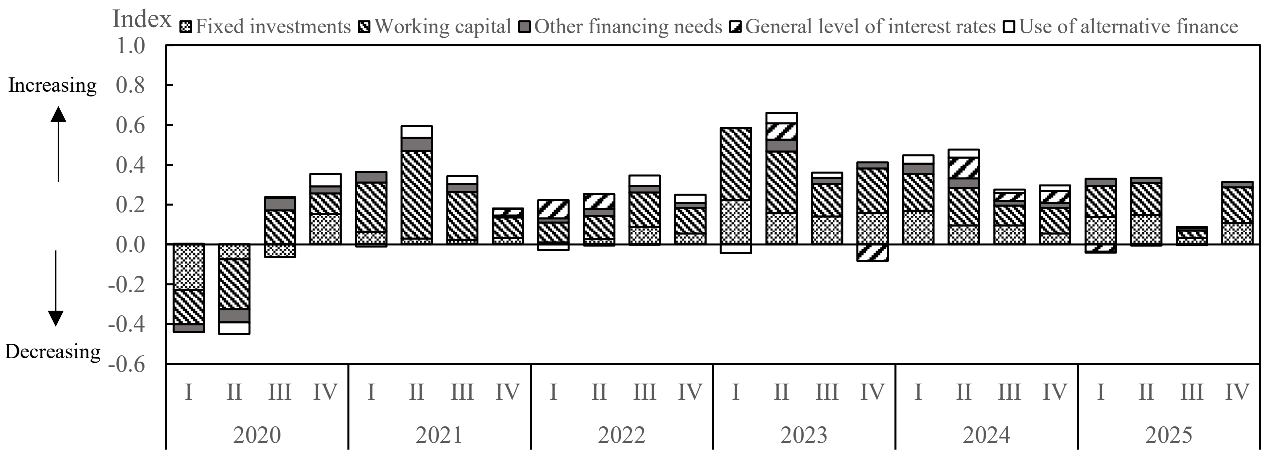
- In the fourth quarter of 2025, loan demand in the manufacturing sector declined slightly, while loan demand in other sectors increased modestly. In the first quarter of 2026, loan demand across all sectors is expected to increase slightly. In particular, loan demand in the agriculture sector is expected to be higher than in other sectors (Table 7).

Table 7. Corporate loan demand, by sector

Period	Total loans	Agriculture	Mining	Manufacturing	Construction	Trade and service
Expectations for Q4 2025	0.24	0.44	0.15	0.21	0.05	0.33
Changes in Q4 2025	0.31	0.03	0.15	-0.04	0.03	0.40
Expectations for Q1 2026	0.39	0.29	0.18	0.08	0.29	0.41

- In the fourth quarter of 2025, increased demand for working capital and fixed investment loans was the main factor driving a slight rise in demand for corporate loans (Figure 10).

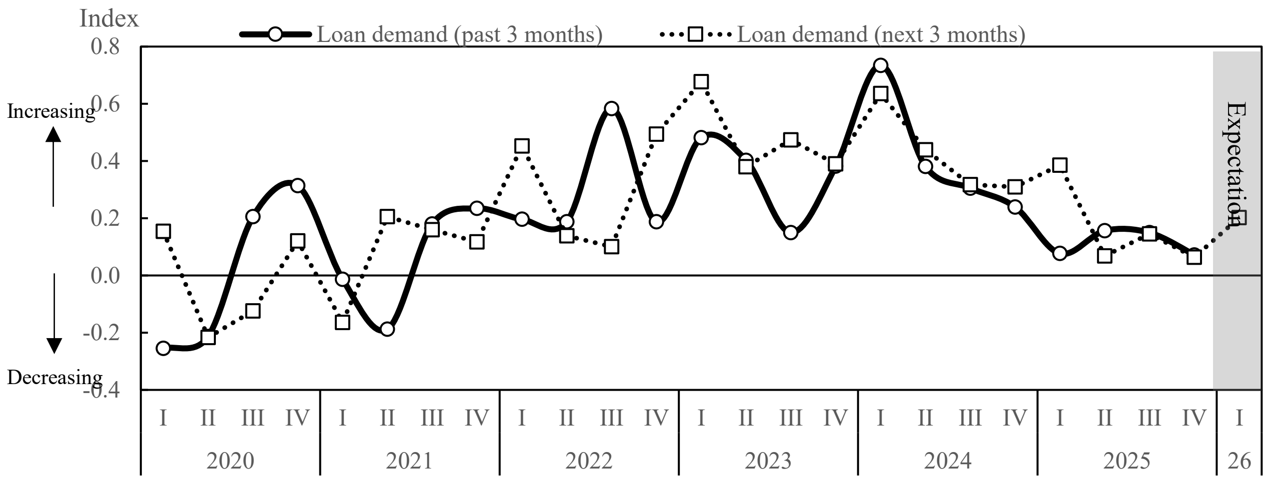
Figure 8. Factors contributing to corporate loan demand



3.2 Household loan demand

- In the fourth quarter of 2025, demand for household loans increased slightly, in line with expectations reported in the previous quarter. Over the next quarter, household loan demand is expected to continue increasing and to slightly exceed the level indicated in the previous survey (Figure 11).

Figure 9. Household loan demand



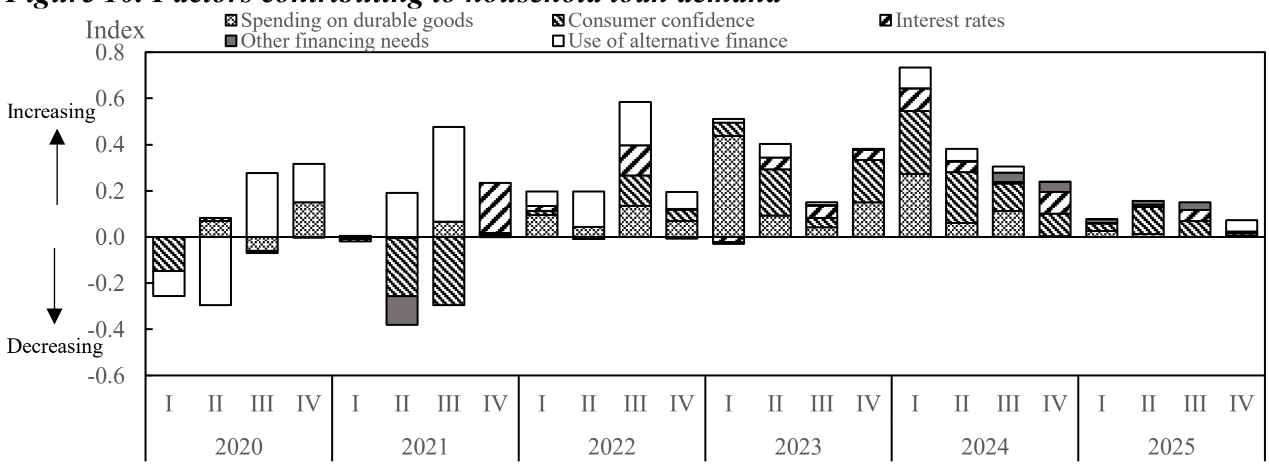
- In the fourth quarter of 2025, demand increased for all types of household loans except livestock loans, consistent with expectations reported in the previous quarter. In particular, demand for pension loans increased considerably. In the first quarter of 2026, demand for all types of household loans is expected to rise (Table 8).

Table 8. Household loan demand, by loan type

Period	Total loans	Salary loans	Pension loans	Consumer loans	Business loans	Livestock loans	Auto loans
Expectations for Q4 2025	0.06	0.25	0.39	0.19	0.28	0.50	0.20
Changes in Q4 2025	0.07	0.04	0.50	0.24	0.29	0	0.04
Expectations for Q1 2026	0.20	0.19	0.45	0.28	0.45	0.31	0.22

- In the fourth quarter of 2025, increased use of alternative sources of financing contributed to the rise in household loan demand (Figure 12).

Figure 10. Factors contributing to household loan demand

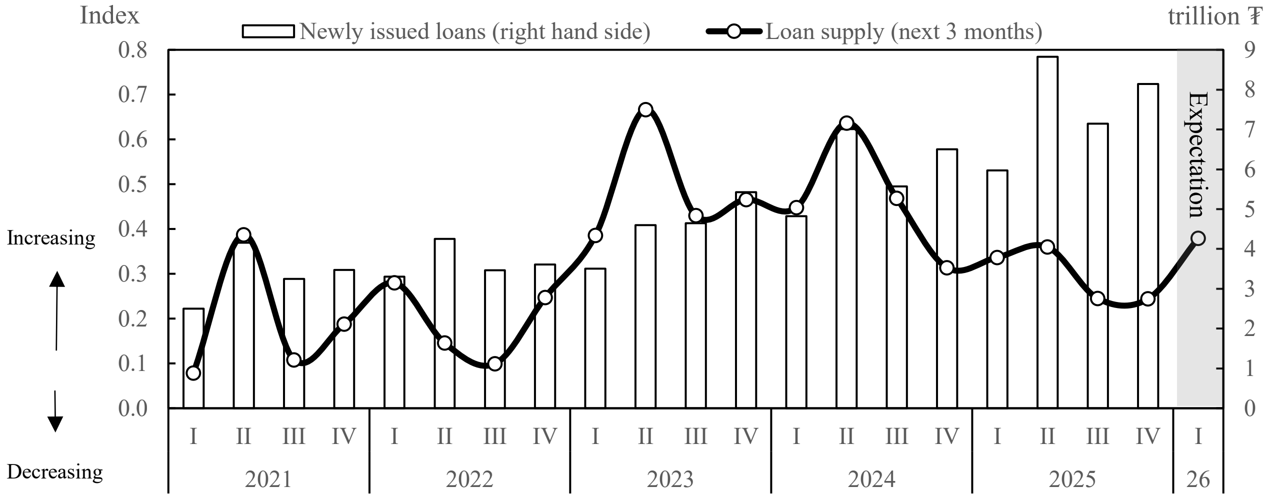


IV Loan supply

4.1 Corporate loan supply

- For the fourth quarter of 2025, banks issued a total of MNT 8.1 trillion in corporate loans, representing an increase of 13.9% compared with the previous quarter and 25.1% year on year. In the first quarter of 2026, banks expect to expand the supply of corporate loans (Figure 13).

Figure 11. Corporate loan supply



- In the first quarter of 2026, banks plan to increase loan supply across all sectors. In particular, loan supply to the trade and service sector is expected to increase more strongly than in other sectors (Table 9).

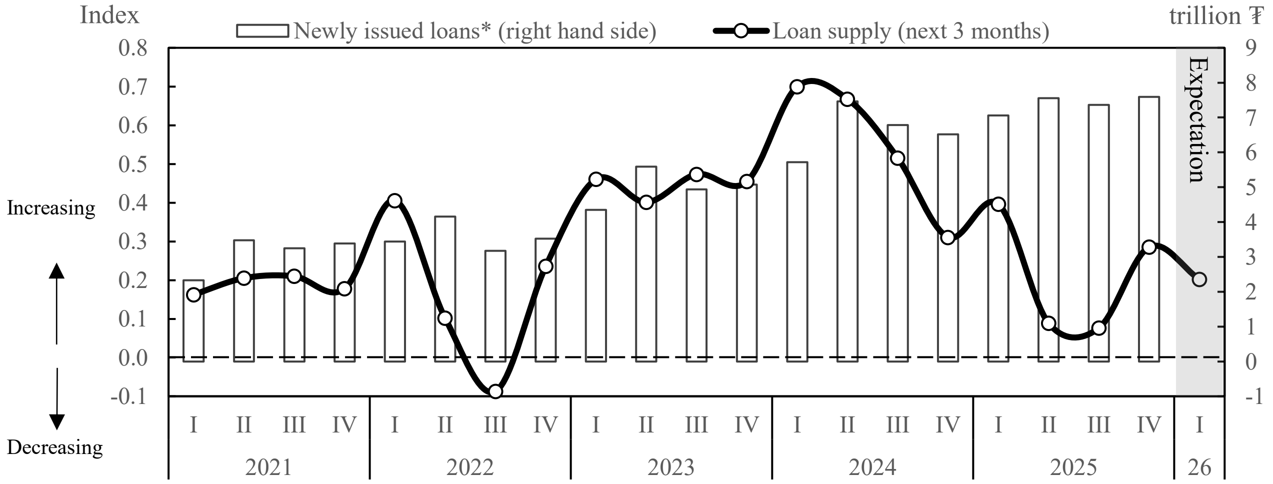
Table 9. Corporate loan supply, by sector

Period	Total loans	Agriculture	Mining	Manufacturing	Construction	Trade and service
Expectations for Q4 2025	0.24	0.43	-0.03	0.21	-0.08	0.23
Expectations for Q1 2026	0.38	0.28	0.18	0.27	0.19	0.33

4.2 Household loan supply

- For the fourth quarter of 2025, banks issued a total of MNT 7.6 trillion in household loans, representing an increase of 3.2% compared with the previous quarter and 16.6% year on year. In the first quarter of 2026, banks expect to expand the supply of household loans slightly (Figure 14).

Figure 12. Household loan supply



*- Mortgage loans are excluded

- In the first quarter of 2026, supply for all types of household loans, except the pension loan, is expected to increase. In particular, the supply of business loans is anticipated to expand more strongly than other loan types (Table 10).

Table 10. Household loan supply, by loan type

Period	Total loans	Salary loans	Pension loans	Consumer loans	Business loans	Livestock loans	Auto loans
Expectations for Q4 2025	0.29	0.26	0.39	0.20	0.28	0.50	0.32
Expectations for Q1 2026	0.20	0.14	-0.05	0.21	0.45	0.31	0.25

Appendix 1. Factors contributing to credit standards for corporate and household loans[1]

Table 11. Factors contributing to the credit standard for corporate loans, by sector
(2025 Q4)

Factors	Total loans	Agriculture	Mining	Manufacturing	Construction	Trade and service
Cost of funds and availability						
Cost of funds	0.18	0.25	0.11	0.21	0.18	0.17
Funding availability	0	0	0	-0.02	0	0
Liquidity	0	0	0	0	0.01	0
Competition						
Competition from other banks	-0.02	0	0.01	-0.02	-0.01	-0.02
Competition from other financial institutions	0.01	0	0	0	0	0
Competition from capital markets	0.01	0	0	0	0	0
Economic outlook						
Economic growth	-0.21	0	0.17	0	0.12	-0.15
Inflation	0.01	0	0	0	0	0
Exchange rate	0	0	0	0	0	0
Risk						
Outlook for the respective sector	-0.16	0	0.15	-0.03	0.10	-0.17
Collateral risk	0	0	0	0	0	0
Banks' risk tolerance	0	0	0	0	0	0

Table 12. Factors contributing to the credit standard for household loans, by loan type
(2025 Q4)

Factors	Total loans	Salary loans	Pension loans	Consumer loans	Business loans	Livestock loans	Auto loans
Cost of funds and availability							
Cost of funds	0.41	0.18	0.61	0.04	0	0	0
Funding availability	0.41	0.18	0.62	0.05	0	0	0
Competition							
Competition from other banks	0	0	0	0	0	0	0
Competition from other financial institutions	0	0	0	0.02	0	0	0.03
Economic outlook							
Economic growth	0.02	0.05	0	0.04	0	0	-0.01
Inflation	0	0.01	0	-0.01	0	0	-0.03
Exchange rate	0	0	0	-0.01	0	0	-0.03
Risk							
Borrowers'	0.10	0.07	0.10	0.08	0	0	-0.01
Collateral risk	0	0	0	0	0	0	-0.03
Banks' risk tolerance	0	0	0.61	0	0	0	0

[1] Note: A positive (+) sign indicates a tightening effect on credit standards, while a negative (-) sign indicates an easing effect.

Appendix 2. Factors contributing to changes in demand for corporate and household loans[2]

Table 13. Factors contributing to corporate loan demand, by sector
(2025 Q4)

Factors	Total loans	Agriculture	Mining	Manufacturing	Construction	Trade and service
Financing needs						
Fixed investment	0.28	0.03	0.17	0.01	0.07	0.31
Working capital	0.47	0.05	0.07	-0.02	0.07	0.44
Labour and equipment	0.18	0	0.05	0.01	0.07	0.18
Mergers and restructuring	0	0	0	0	0.02	0.02
General level of interest rates	0	0	0	0	0.02	0.02
Debt refinancing	0.03	0	0	0	0.02	0.02
Alternative sources of financing						
Internal financing	0	0	0	0	0	0.02
Borrowing from other banks	0	0	0	0	0	0.02
Borrowing from other financial institutions	0	0	0	0	0	0.02
Issuance of debt or equity securities	0	0	0	0	0	0.02
External financing (foreign markets)	0.02	0	0	0	0	0

Table 14. Factors contributing to household loan demand, by loan type
(2025 Q4)

Factors	Total loans	Salary loans	Pension loans	Consumer loans	Business loans	Livestock loans	Auto loans
Financing needs							
Purchase of durable goods	0.02	0.04	0	0.05	0.01	0	0.04
Consumer confidence	0.05	0.08	0	0.28	0.04	0	0.06
General level of interest rates	0.03	0.09	0.10	0.06	0.01	0	0.04
Debt refinancing	0	0	0	0	0	0	0
Purchases of securities	0.01	0	0	0	0	0	0
Alternative sources of financing							
Household savings	0.43	0.04	0.61	0.05	0.01	0	0.04
Borrowing from other banks	0	0	0	0	0	0	-0.01
Other sources of funding	0.23	0.03	0	0.05	0.26	0	0.02

[2] Note: A (+) sign indicates a factor that increases loan demand, while a (-) sign indicates a factor that reduces loan demand