



MONETARY POLICY COMMITTEE STATEMENT

On Amendments to Consumer Loan Regulation and Reserve Requirement Ratios

No: 2026/01

Date: January 16, 2026

The Monetary Policy Committee (MPC) of the Bank of Mongolia held an unscheduled meeting on January 16, 2026, and decided to:

1. Reset the upper limit of the debt-service-to-income (DSTI) ratio at 45 percent for newly issued consumer loans and consumer loans subject to modified terms and conditions;
2. Increase the reserve requirement for both domestic and foreign currencies by 1 percentage point, respectively to 14 percent and 19 percent.

The Bank of Mongolia continues to implement policies to maintain credit growth in the banking system at an appropriate level and safeguard financial stability. Despite the current tight monetary policy stance, credit growth remains moderately high. In particular, as of November 2025, outstanding loans increased by 21 percent compared to the same period of the previous year.

Expansion in consumer lending may fuel demand-driven inflation, diminish financing for business lending, and support the growth of consumer imports, thereby intensifying pressure on the exchange rate and the balance of payments. Furthermore, against the backdrop of heightened uncertainty in the external economic environment, strengthening the resilience of the banking system has become a policy priority. Accordingly, MPC decided to implement the policy measures to stabilize inflation at its target over the medium term and to safeguard macroeconomic and financial stability.

The Committee's subsequent policy actions will depend on developments in the macroeconomic and financial environment.

Extracts of the meeting minutes will be released on the Bank of Mongolia's official website in two weeks.

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