



## MONETARY POLICY COMMITTEE STATEMENT

### On Amendments to the Composition of Liabilities Subject to Reserve Requirements

*No: 2026/03*

*Date: April 28<sup>th</sup>, 2026*

The Monetary Policy Committee held its scheduled meeting on April 28, 2026, and adopted the following decision within the framework of macroprudential policy.

An amount equivalent to 25 percent of newly raised foreign-currency bonds and loan funding obtained by banks from international markets on or after October 1, 2026, with maturities ranging from 360 days up to three years, shall be included in the funding base for the calculation of reserve requirements.

Uncertainty surrounding the global economic outlook remains elevated. Under such circumstances, the cost and availability of external financing may change rapidly in the short term, with potential implications for capital flows.

In recent years, foreign liabilities have accounted for an increasing share of the banking sector's total liabilities, while banks have become more reliant on foreign funding sources to support credit expansion. As a result, the sector's funding structure has become increasingly dependent on external sources.

Accordingly, to promote a shift in the composition of foreign funding toward longer-term and more stable sources, and to reduce currency and maturity mismatches, the Committee decided to gradually and partially include the above-mentioned funding sources within the scope of foreign currency reserve requirement regulations. This policy measure is intended to reduce incentives for reliance on short and medium-term foreign funding while encouraging the mobilization of longer-term funding sources.

At the same time, cyclical risks in the banking system have moderated compared with previous periods, and the financial cycle has shifted toward a more balanced position. According to the results of stress tests conducted by the Bank of Mongolia, capital adequacy and other key prudential indicators are expected to remain at prudent levels across the banking system.

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

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

**MONETARY POLICY COMMITTEE**