ХАСБАНК

XACBANK JSC FINANCIAL AND OPERATIONAL RESULTS

As of June 30, 2025

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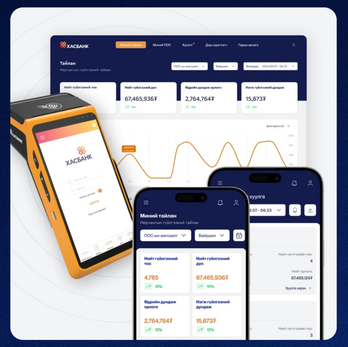
Operational highlights

Major Foreign Funding Secured

In the second quarter of 2025, XacBank successfully raised a total of USD 163.2 million in long-term foreign funding from international institutions including the EBRD, Finnfund, and DWM. Of this total, USD 147 million has been allocated specifically to support young entrepreneurs under the age of 35.

Digital Services for Merchants Introduced



A dedicated web and mobile application for merchants was launched during the second quarter of the year. This platform provides merchants with real-time access to transaction statements, the ability to submit service requests, and updates on promotional campaigns.

Annual General Meeting Successfully Held

The Annual General Meeting of Shareholders was successfully held on April 29, 2025, at the Shangri-La Hotel in a hybrid format (both online and in person). With a 96.01% attendance rate, the meeting met quorum requirements and approved six key agenda items.

Share Buyback Program Extended

The Bank has extended its share buyback program for an additional six months starting from April 7, 2025, with the approval of the Bank of Mongolia. Under this program, up to 4,000,000 shares will be repurchased at a price of up to MNT 888 per share to enhance the liquidity of shares held by minority shareholders.

Participation in National Development Programs

XacBank has joined the Government of Mongolia's strategic initiatives, including the "White Gold" program supporting the wool, cashmere, and leather industries. Within this framework, the Bank provided MNT 27.8 billion in working capital loans. Additionally, under the "ATAR-4" campaign supporting sustainable agricultural production, the Bank disbursed MNT 8 billion in investment loans to partner institutions.

Promotional Deposit Campaign Continued

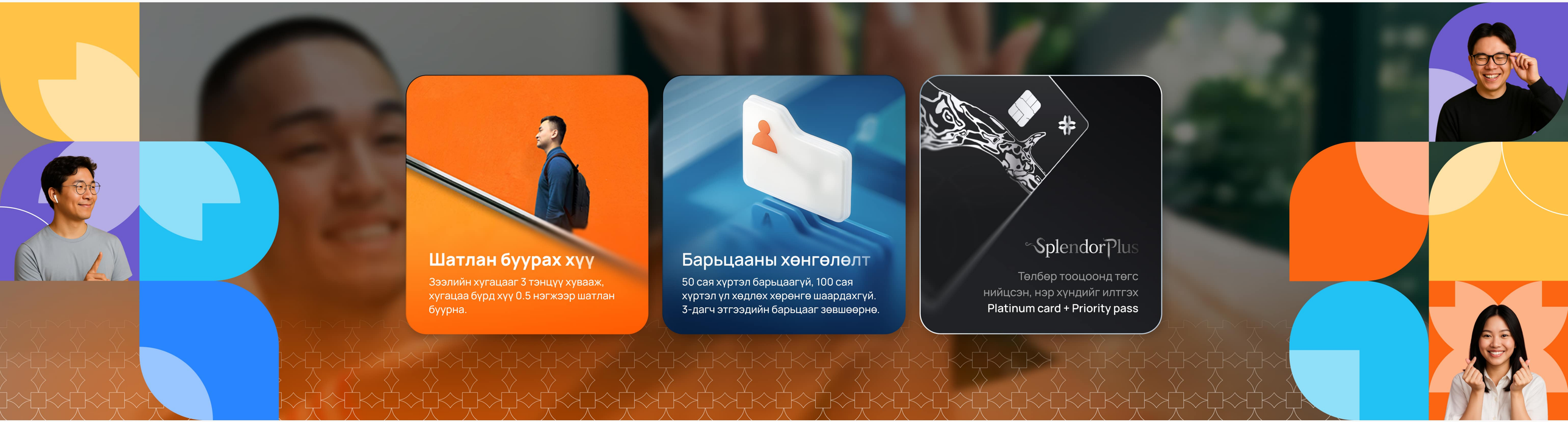
To promote stable funding and reward loyal customers, XacBank continued its promotional deposit campaign, featuring a total prize pool of MNT 1 billion. As a result, the number of participating customers exceeded 200,000, and the number of term deposit, payroll savings, and pension accumulation accounts increased by 5.8 percent.

Click here for Financial Statements of Q2 2025

Operational highlights

In April 2025, XacBank launched a new loan product titled the "Young Entrepreneur Support Loan" with the goal of contributing to sustainable social development and encouraging the entrepreneurial drive and initiatives of the younger generation. This loan is intended for business owners aged 35 or younger, businesses whose executive team consists of individuals aged 35 or younger, or businesses where individuals aged 35 or younger own at least 51% of the total shares.

In addition to offering favorable collateral conditions, the loan also features a tiered interest rate reduction. This system is based on the borrower's responsibility and ability to repay the loan on time, allowing interest rates to decrease over the loan period. This provides borrowers with significant interest savings and reduces financial pressure on young entrepreneurs.
As the business generates more income and operations become more stable, the loan's interest rate gradually decreases. This staged reduction of repayment burden is a key advantage of the product.
This new loan offering is a vital step in supporting the business journey of young people, increasing their participation in the economy, creating jobs, and contributing to sustainable growth.



Click here for Financial Statements of Q2 2025

Digitalization

Q2 2025

InstaXpay

In May 2025, XacBank launched the InstaXpay application, enabling users to make payments instantly, conveniently, and intelligently. The app does not require a separate installation—customers can access it directly through their digital banking credentials. A key feature of InstaXpay is the "Reward" section, which allows users to access various promotions and offers. To date, the application has attracted over 28,000 users.

XacTeen+

In Q2 2025, XacBank successfully launched the initial version of the XacTeen+ application, designed for users aged 7 to 17. The app features a unique and engaging interface that empowers children and teenagers to manage their daily finances in a fun, easy, and comprehensive way.

Financial results

Q2 2025

Net profit	ROE
MNT 85.9 billion	**22.6%**

XAC (stock price)	EPS
MNT 850.0	**MNT 163.4***

Tier 1 ratio	Liquidity ratio
18.3% >12.5%	**36.0%** >25.0%

Profitability:

- In Q2 2025, XacBank recorded a net profit of MNT 41.8 billion, bringing the total net profit for the first half of the year to MNT 85.9 billion—an increase of 0.7% year-on-year. According to the financial statements, growth in interest and commission income offset increased provisioning and funding costs caused by the external economic environment.;
- As of the end of Q2 2025, the bank's return on equity (ROE) stood at 22.6%, and earnings per share (EPS) reached MNT 81.7 or in annualized term 163.4.

Balance sheet:

- The gross loan portfolio reached MNT 4,221 billion, up by 9.7% QoQ;
- The retail banking loan portfolio grew by 7.5% QoQ, reaching MNT 2,921 billion, driven by growth in consumer loans and lending for MSME businesses;
- Better collaboration with vendor companies and solid performance of new leasing branches for used cars have resulted in 20.2% growth for leasing portfolio, reaching MNT 611 billion as of June 30, 2025;
- Corporate banking portfolio grew 11.1% QoQ to MNT 690 billion
- NPL ratio increased by 0.1 ppts to 2.2% of gross loan portfolio as of June 30, 2025.
- As of June 30, 2025, current accounts and deposits reached MNT 3,421 billion (up 1.7% QoQ), while senior debt increased by 22.9% to USD 606 million.

Prudential ratios:

- As of the end of Q2 2025, all regulatory metrics set by the Bank of Mongolia are within the limit;
- Tier 1 capital ratio is 18.3%, 5.8 ppts above the regulatory minimum requirement of 12.5%;
- The liquidity ratio is 36.0% (regulatory limit >25%).

*annualized EPS

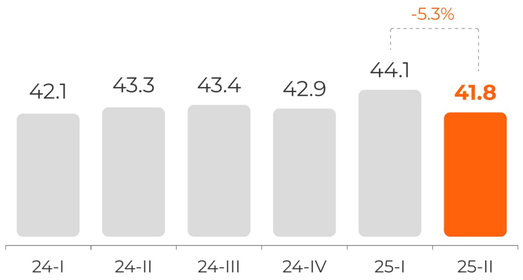
Click here for Financial Statements of Q2 2025

Key financial metrics

Q2 2025

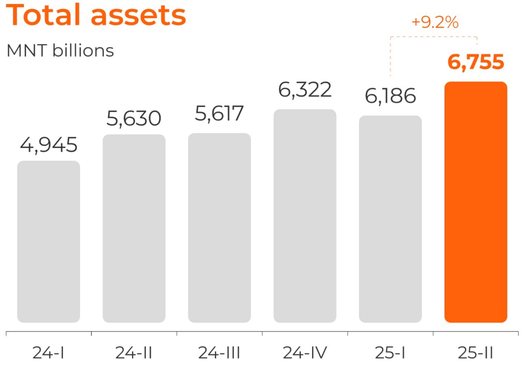
Net profit

MNT billions



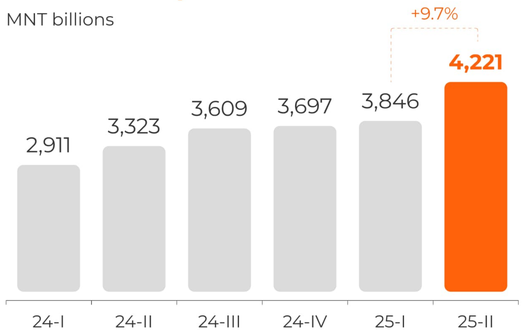
Total assets

MNT billions



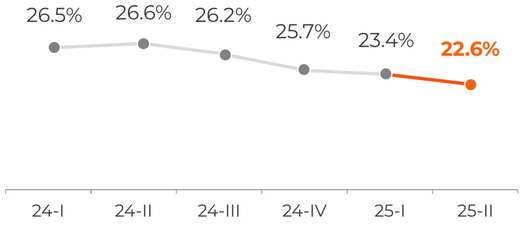
Gross loan portfolio

MNT billions

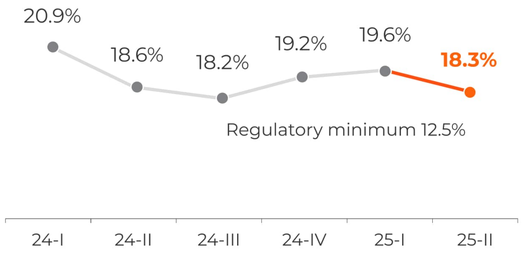


ROE

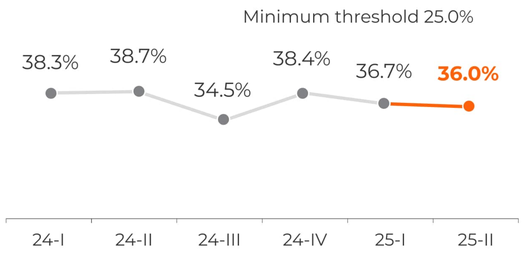
based on average equity of last 12 months



Tier 1 capital ratio



Liquidity ratio



Lending

Q2 2025

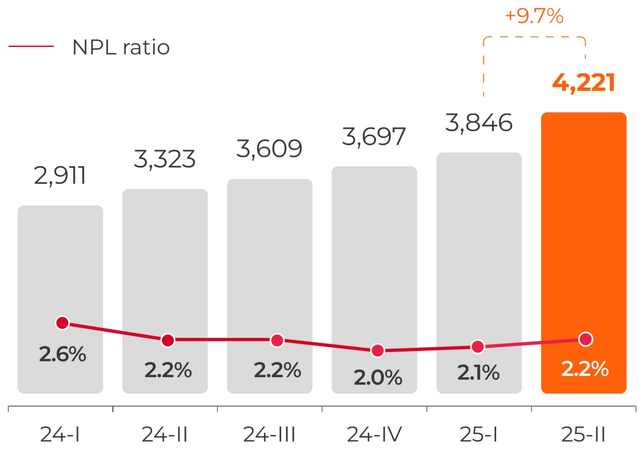
Number of loan accounts
228.6k ▲ 6.3% QoQ

Retail Banking loans	Business Banking loans	XacLeasing leases
223.5k	0.2k	4.9k

Number of digital loan accounts
154.2k ▲ 7.6% QoQ

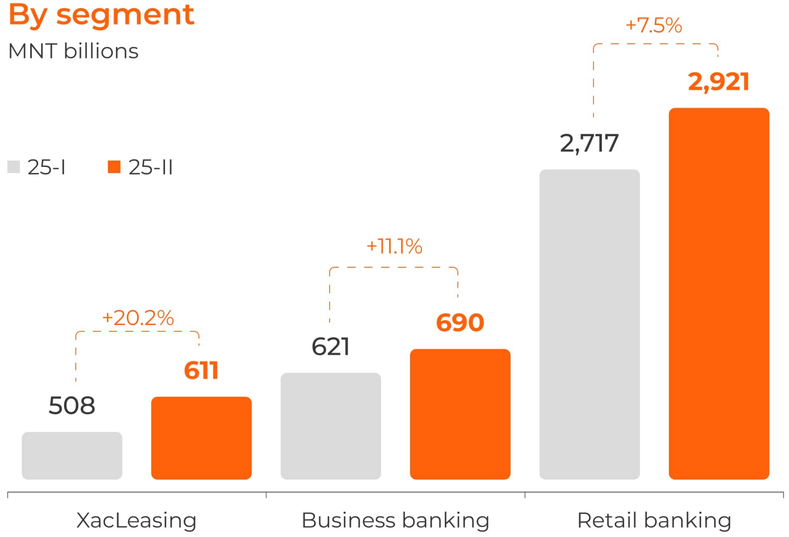
Gross loan portfolio

MNT billions



By segment

MNT billions



- In Q2 2025, XacBank's total loan portfolio grew by 9.7%, reaching MNT 4,221 billion. This growth was primarily driven by increases in micro and small business loans, consumer loans, and financial leasing;
- The number of users for the newly introduced "Asuudalgui" service increased by 61.2% compared to the previous quarter, reaching 58K users.

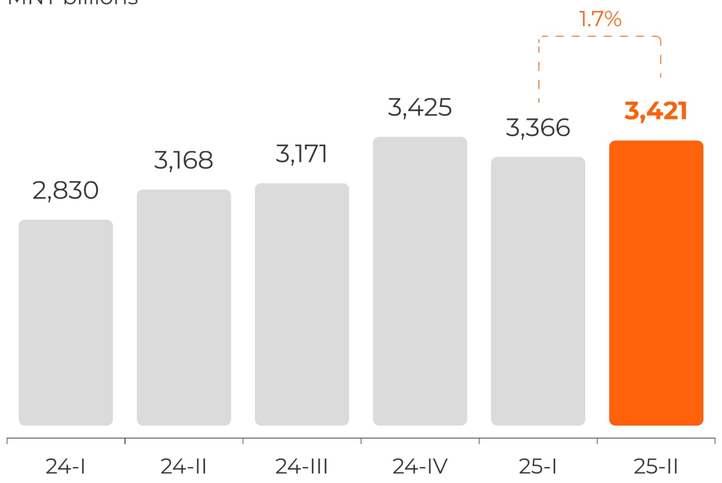
Current accounts and deposits

Q2 2025

Number of accounts	Number of current accounts	Number of deposit accounts	Number of "Asuudalgyi" overdraft current accounts
1.5 million ▲ 3.2% QoQ	916.4K	560.3k	58.6k ▲ 61.2% QoQ

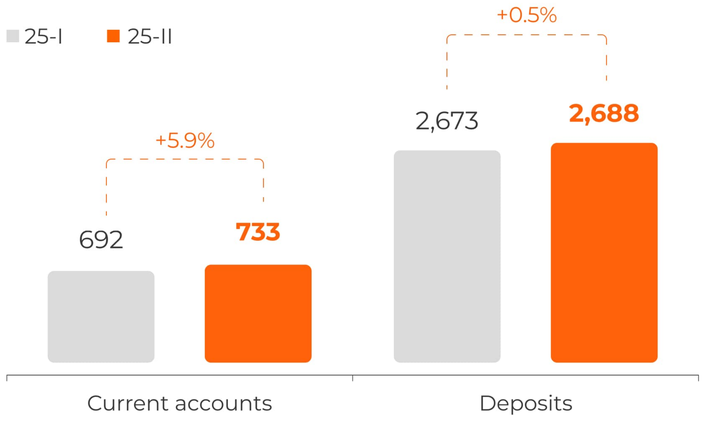
Current accounts & deposits

MNT billions



By products

MNT billions



- In Q2 2025, XacBank's current account balances reached MNT 733 billion, reflecting a 5.9% increase compared to the previous quarter;
- While continuing to provide services through traditional branch channels, the Bank prioritized the enhancement of digital and electronic platforms, as well as payment and card products. As a result, total deposits increased by 0.5% from the previous quarter, reaching MNT 2,688 billion.

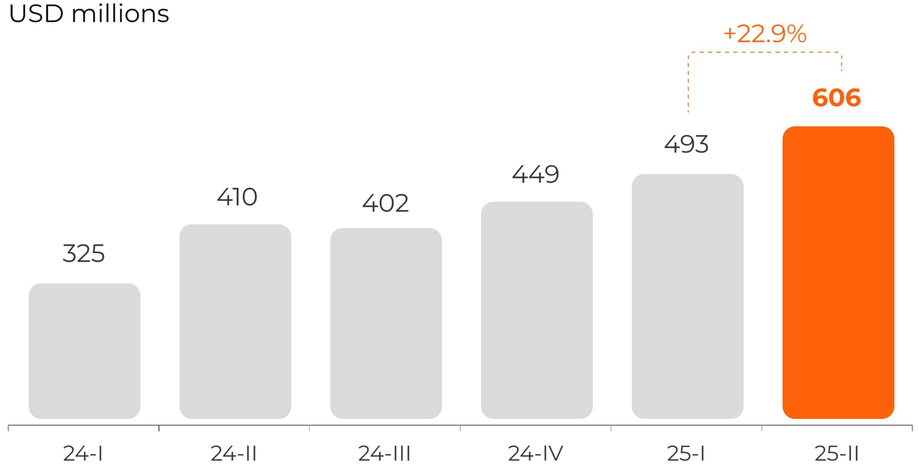
Senior debts

Q2 2025

In Q2 2025, XacBank successfully mobilized USD 163.2 million in new funding. The funds, sourced from international institutions including EBRD, DWM, and Finnfund, are designated to support young entrepreneurs as well as micro, small, and medium-sized enterprises (MSMEs). Since the beginning of the year, the Bank has raised a cumulative total of USD 213.2 million from foreign financial institutions

Senior debt

USD millions



New senior debts

$147,000,000

XacBank secured a syndicated loan facility specifically dedicated to supporting young entrepreneurs under the age of 35.

$6,200,000

The funds will be mobilized to support micro, small, and medium-sized enterprises (MSMEs) as well as initiatives that promote the green economy

$10,000,000

Funding will be utilized for supporting micro, small, and medium-sized enterprises (MSMEs) and promoting the green economy

Stock information

Q2 2025

As of June 30, 2025, the share price of XacBank JSC (XAC) closed at MNT 849.88, reflecting a 2.9% increase year-to-date and a 25.5% gain from the IPO price. As of the end of Q2 2025, earnings per share (EPS) stood at MNT 81.6 for the quarter, equivalent to MNT 163.3 on an annualized basis.

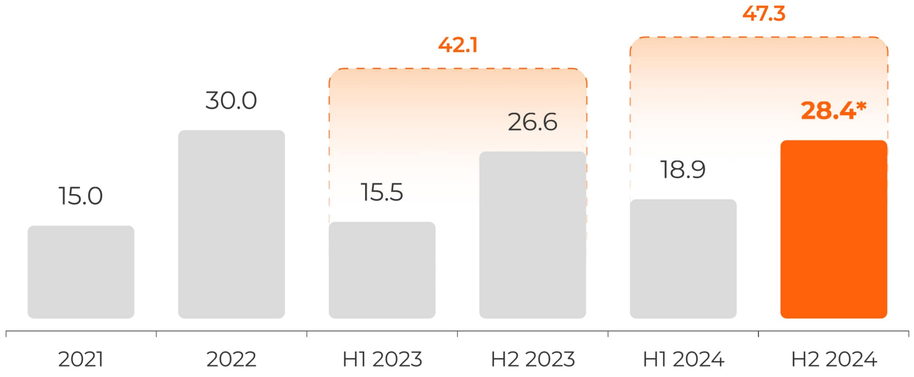
In line with its commitment to enhancing liquidity for minority shareholders, XacBank has been implementing a share buyback program with the approval of the Bank of Mongolia. The renewed six-month program began on April 7, 2025. By June 30, 2025, the Bank had repurchased a total of 716,441 shares under this initiative.

XAC stock price and trading volume

Dividend distribution

MNT billions

H1 2024 dividend per share **MNT 18.0**
H2 2024 dividend per share **MNT 27.0**



*dividend distribution will be made following the approval from Bank of Mongolia and 2025 Annual General Meeting (AGM) voting result as per company charter.

Click here for Financial Statements of Q2 2025

Prudential ratios: Capital adequacy, liquidity ratio

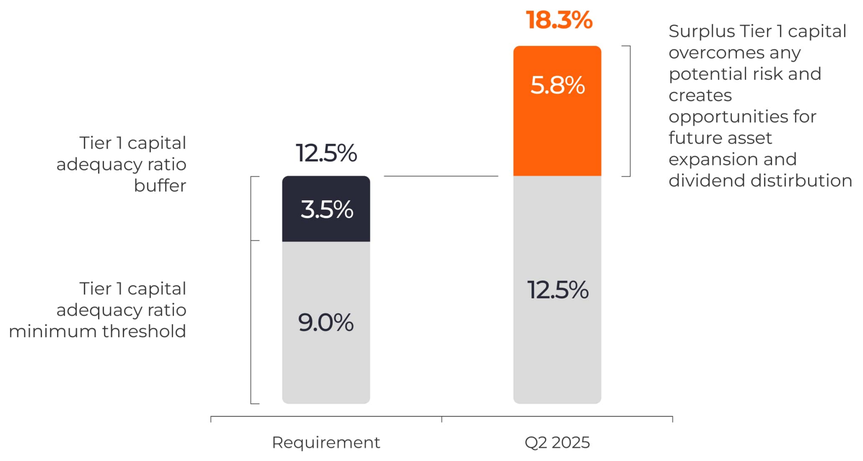
Q2 2025

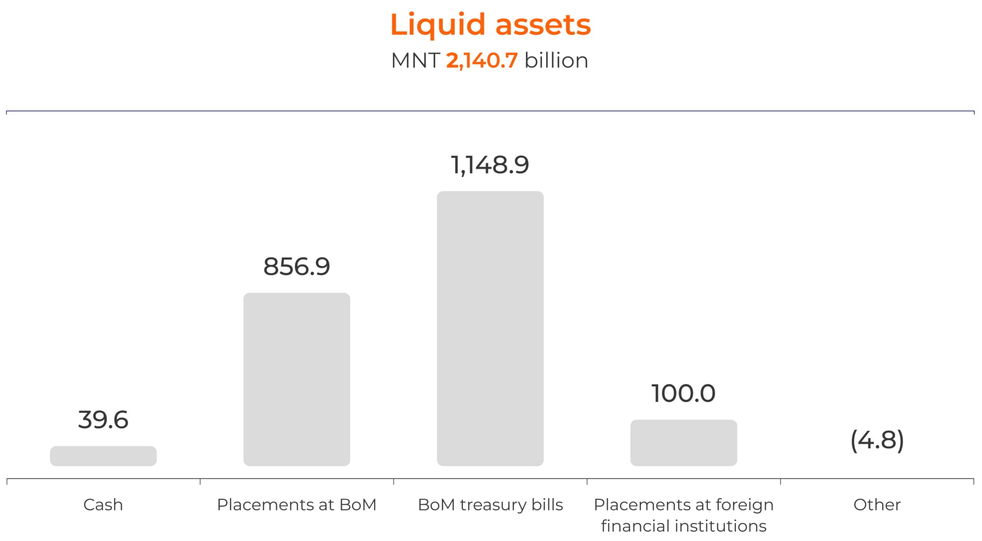
Tier 1 capital adequacy ratio

18.3% Minimum threshold 12.5%

Liquidity ratio

36.0% Minimum threshold 25.0%





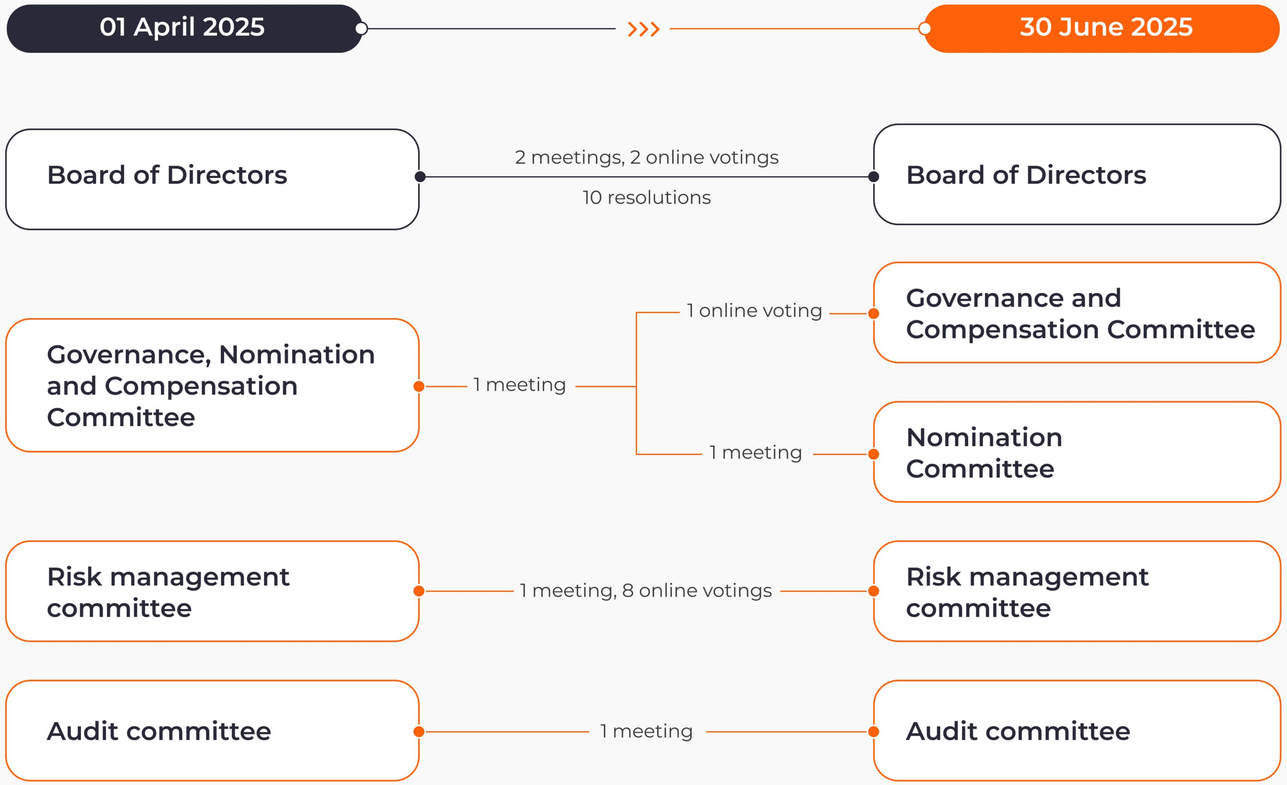
Other prudential ratios

	2024 Q1	2024 Q2	2024 Q3	2024 Q4	2025 Q1	2025 Q2
Foreign currency exposure ratio (single currency) +/- 15%	-1.9%	-2.3%	-6.2%	-1.7%	-2.0%	-4.9%
Foreign currency exposure ratio (total currency) +/- 30%	-2.9%	-3.3%	-9.1%	-2.0%	-3.3%	-5.7%
Credit concentration ratio <300%	33.0%	52.9%	56.9%	41.7%	51.7%	46.3%
Fixed asset to total assets ratio <8%	1.4%	1.2%	1.2%	1.2%	1.2%	1.1%
Deposit concentration ratio <25%	7.8%	7.9%	7.4%	7.9%	7.0%	6.8%

	2024 Q1	2024 Q2	2024 Q3	2024 Q4	2025 Q1	2025 Q2
Loans and other assets equivalent to loan to single related party and employees (less than 5% of capital)						
Bank shareholders	0.9%	0.7%	1.7%	2.2%	1.7%	0.9%
Key management personnel	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%
Other related parties	3.0%	2.9%	2.8%	0.0%	0.0%	0.0%
Loans and other assets equivalent to loan to aggregate related party and employees (less than 20% of capital)						
Bank shareholders	0.9%	0.7%	1.7%	2.3%	1.8%	0.9%
Key management personnel	0.3%	0.5%	0.4%	0.3%	0.3%	0.4%
Other related parties	3.0%	2.9%	2.8%	0.1%	0.0%	0.1%

The operation of board of directors

Q2 2025



In accordance with the recommendation of the Financial Regulatory Commission, the reorganization of the Governance, Nomination, and Compensation Committee into two independent committees—(i) the Governance and Compensation Committee and (ii) the Nomination Committee—was discussed and approved at the Annual General Meeting of Shareholders of XacBank on 29 April 2025. As a result, the Board now operates through four independent committees: 1) Governance and Compensation Committee, 2) Nomination Committee, 3) Risk Management Committee, and 4) Audit Committee—each with distinct responsibilities.

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