

To the Central Bank of Mongolia
Golomt Bank Independent Director report for 2nd Quarter of 2023

by Independent Director James B. Dwyer III

I, James B. Dwyer III, was elected as an independent member of the Board of Directors (the “Board”) of Golomt Bank (“Golomt” or the “Bank”) in March 2018.

I have attended, in person, from March 2018 to January 2021 all Board of Directors’ meetings and all but a couple of the Bank’s Committee meetings. Since February 2021 my attendance has been virtual.

Date	Meeting	Item of discussion	Resolution	Vote/opinion
05.04.2023	Board /regular/	Head office development agreement	Grant the right to Golomt Bank to enter into a head office building construction agreement	Supported
12.05.2023	Board /irregular/	Election of Board Chairperson	Mrs. Ch.Munkhtsetseg elected as the Chairperson	Supported
12.05.2023	Board /irregular/	Board Committee membership: Audit Committee	Mr. James B. Dwyer elected as Audit Committee Chairperson. Mr. Antonio L. Abello, Mr. Alexander Picker, Mrs. Ch.Munkhtsetseg, Mr. D.Munkhtur are elected as Audit Committee Members.	Supported
		Board Committee membership: Risk Management Committee	Mr. James B. Dwyer elected as Risk Management Committee Chairperson. Mr. Antonio L. Abello, Mr. Alexander Picker, Mrs. Ch.Munkhtsetseg, Mr. J.Unenbat are elected as Risk Management Committee members.	Supported
		Board Committee membership: Nomination Committee	Mr. Alexander Picker elected as CGERNCommittee Chairperson. Mr. Robert W van Zwieten and Mrs.Ch.Munkhtsetseg are elected as CGERNCommittee members	Supported

		Board Committee membership: Governance, Ethics, Remuneration Committee	Mr. Antonio L. Abello elected as GERCommittee Chairperson. Mr. James B. Dwyer and Mrs. Ch. Munkhtsetseg are elected as GERCommittee members.	Supported
12.05.2023	Board /regular/	Governance, Ethics, Remuneration Committee of the Board	In relation to the separation of the operations relating to nomination from the Board's Governance, Ethics, Remuneration and Nomination Committee, amend and re-establish the Board's Governance, Ethics, Remuneration Committee. GERComiitee's Charter Membership has approved.	Supported
19.05.2023	Board /irregular/	On CEO's performance bonus	To provide bonus based on the evaluation of the performance of the CEO's 4 year contract.	Supported
19.05.2023	Board /irregular/	On extending CEO's contract	To extend the contract with Norihiko Kato, CEO of Golomt Bank for one year.	Supported
23.06.2023	Board /irregular/	Approval of the Golomt Bank "Recovery Plan"	Approved Golomt Bank's "Recovery Plan – 2023".	Supported
23.06.2023	Board /irregular/	Golomt Bank's Revised Organizational Structure	Approved the revised organizational structure of Golomt Bank.	Supported
23.02.2023	Board /irregular/	On dismissal of Chief Audit Officer	To dismiss Chief Audit Officer A.Odonbaatar and appoint as a Deputy CEO of Golomt Bank	Supported
23.06.2023	Board /regular/	Amendment of the Credit Committee Charter and Authority matrix	Approved the amended Credit Committee Charter and Authority matrix.	Supported

As the Chairman of the Audit Committee:

The Audit Committee was convened once in 23rd Jun, 2023 and discussed in total 8 matters.

Meeting date	Item of discussion	Vote/Opinion
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23.06.2023	Financial results (as of May 31, 2023, projections for the first half of 2023)	Discussed
	Implementation of the recommendations given by the cross-audit organization	Discussed
	Stabilization Plan 2023	Discussed and approved
	Audit report on corporate banking	Discussed
	IT system patch management audit report	Discussed
	Proposal for the appointment of the director of General Audit Department of IAD	Discussed and supported
	Work report of the first quarter of 2023, cost performance, plan of the second-fourth quarter of internal audit activity (IAD, DAA)	Discussed and approved
	Proposal for the appointment of the department director of IAD	Discussed and supported

Following points were made as Independent Director:

- Reviewed Golomt Bank's financial results for May 2023, and reasons for the increase in non-performing loans were asked and answered.

- Monitored the implementation of the recommendations given by PwC and reminded them to fulfill in time and quality.

- Reviewed the revision of Stabilization Plan to be submitted to the Bank of Mongolia.

- Read and reviewed the audit reports presented by the Internal Audit Division (IAD) in detail.

- Questions were asked and answered about what risks could be caused by weak patch management of the information system.

- Review of Internal Audit Function (IAF) report, budget performance, 2023 3rd and 4th quarter work plan and approved 2023 3rd and 4th quarter plan.

- Reviewed the proposal to appoint A. Tuya as Director of Internal Audit Division and B. Khishigjargal as Director of IAD-General Audit Department. Reviewed CV, achievements and contributions to the bank and supported the proposal.

As the Chairman of the Risk Management Committee:

The Risk Management Committee of the Board convened 9 times in the reporting Quarter, discussing in total 36 matters on the following dates:

- 2023.04.05
- 2023.04.18
- 2023.04.20
- 2023.04.27
- 2023.05.21
- 2023.05.23
- 2023.05.31
- 2023.06.20
- 2023.06.26

Approvals for financing are reviewed in detail and voted on virtually. Most of the issues were the review of the Credit Committee decisions for applications related to companies with MNT 20 billion or more one obligor basis credit exposure balance.

Conflict of interest transactions:

After receiving all the related information, I have voted in support for the transactions in the reporting period.

As a Director, I would like to highlight the following:

- To the best of my knowledge, I confirm that the decisions of the Board and the Executive Management are for the best interest of the Bank and made without ill faith.
- The operations of the Board are according to the laws and regulations set forth by the policy makers.
- In cases where the Board found issues which could be improved upon, we initiated discussions at the Board level, provided guidelines to improve the operations and gave a deadline for reporting back. The Management follows through with such requests and has taken necessary actions in a timely manner.
- In the reporting period, as an Independent Director of the Bank, I have not found any wrongdoing that could adversely affect the Bank. Therefore, I did not make demands for an extraordinary meeting for any specific issue.
- The Board as well as the Management are transparent about decisions made and the rationale behind the same, and transparently report in a timely manner.
- I hereby confirm that all the Board's decisions taken during the reporting period were well questioned and supported by me, in the voting thereof.
- If and when I had questions or needed further clarifications, I have received adequate information and cooperation from both the Board and Management levels executives.
- After its successful IPO in November 2022, the Bank's management has successfully continued to build Operating Profit for calendar 2022 and in the first 6 months of 2023. The Bank is situated

to continue to report increasing Operating Profits at record levels. Access to foreign equity has continued to be successfully obtained.

- Public relations were markedly emphasized in connection with the successful IPO efforts. Golomt Bank's selection as the "Best Bank in Mongolia" in 2022 by "The Banker" magazine was also indicative of these PR efforts. The Bank's motto "Financing the Good", support for Environmental, Social and Governance (ESG) activities, and focus on products and services in the digital era were rewarded.

- The Bank's business planning and budgeting have been exemplary. Frequent changes have been made as necessary. Variances from plan are reviewed and revisions to strategy implemented. Comparisons with the other 4 major banks are regularly noted in determining sound strategies.

- Board and Committee meetings are attended jointly by management as well as the Directors. Discussions are open. Board members can freely question management policies and results. Healthy critique as necessary is possible.

- The Secretary of the Board oversees the preparation of detailed information for Board members in advance of the Board and Committee meetings. The Directors are very well informed and can contribute effectively to the meetings.

- The Bank's organizational structure has continued to be improved and is operating quite efficiently.

- The Bank has received an unqualified PricewaterhouseCoopers (PwC) opinion on its financial statements for 2022. PwC also has continued to provide internal control reviews.

Sincerely yours,

James B. Dwyer III
Independent Director

**To the Central Bank of Mongolia
Golomt Bank Independent Director report for 2nd Quarter of 2023**

by Independent Director Alexander Picker

I, Alexander Picker, was elected as an independent member of the Board of Directors (the “Board”) of Golomt Bank (“Golomt” or the “Bank”) on December 23rd, 2021.

I have attended virtually in the second quarter of 2023 all Board of Directors’ meetings and all of the Bank’s Committee meetings, where I am a member of.

My major contributions were:

- Monitoring of related party transactions, particularly watching conflicts of interest – none were detected.
- Following and monitoring the IA plan, the IA reports and the fulfillment of the plan.
- Scrutinizing the Credit applications.
- Working on the CGERN committee as chairman.

Date	Meeting	Item of discussion	Resolution	Vote/opinion
05.04.2023	Board /regular/	Head office development agreement	Grant the right to Golomt Bank to enter into a head office building construction agreement	Supported
12.05.2023	Board /irregular/	Election of Board Chairperson	Mrs. Ch.Munkhtsetseg elected as the Chairperson	Supported
12.05.2023	Board /irregular/	Board Committee membership: Audit Committee	Mr. James B. Dwyer elected as Audit Committee Chairperson. Mr. Antonio L. Abello, Mr. Alexander Picker, Mrs. Ch.Munkhtsetseg, Mr. D.Munkhtur are elected as Audit Committee Members.	Supported
		Board Committee membership: Risk Management Committee	Mr. James B. Dwyer elected as Risk Management Committee Chairperson. Mr. Antonio L. Abello, Mr. Alexander Picker, Mrs. Ch.Munkhtsetseg, Mr. J.Unenbat are elected as Risk Management Committee members.	Supported
		Board Committee membership: Nomination Committee	Mr. Alexander Picker elected as CGERNCommittee Chairperson.	Supported

			Mr. Robert W van Zwieten and Mrs.Ch.Munkhtsetseg are elected as CGERNCommittee members	
		Board Committee membership: Governance, Ethics, Remuneration Committee	Mr. Antonio L. Abello elected as GERCommittee Chairperson. Mr. James B. Dwyer and Mrs. Ch. Munkhtsetseg are elected as GERCommittee members.	Supported
12.05.2023	Board /regular/	Governance, Ethics, Remuneration Committee of the Board	In relation to the separation of the operations relating to nomination from the Board's Governance, Ethics, Remuneration and Nomination Committee, amend and re-establish the Board's Governance, Ethics, Remuneration Committee. GERComiitee's Charter Membership has approved.	Supported
19.05.2023	Board /irregular/	On CEO's performance bonus	To provide a bonus based on the evaluation of the performance of the CEO's 4 year contract.	Supported
19.05.2023	Board /irregular/	On extending CEO's contract	To extend the contract with Norihiko Kato, CEO of Golomt Bank for one year.	Supported
23.06.2023	Board /irregular/	Approval of the Golomt Bank "Recovery Plan"	Approved Golomt Bank's "Recovery Plan – 2023".	Supported
23.06.2023	Board /irregular/	Golomt Bank's Revised Organizational Structure	Approved the revised organizational structure of Golomt Bank.	Supported
23.02.2023	Board /irregular/	On dismissal of Chief Audit Officer	To dismiss Chief Audit Officer A.Odonbaatar and appoint as a Deputy CEO of Golomt Bank	Supported
23.06.2023	Board /regular/	Amendment of the Credit Committee Charter and Authority matrix	Approved the amended Credit Committee Charter and Authority matrix.	Supported

As a member of the Audit Committee:

The Audit Committee was convened once in 23rd Jun, 2023 and discussed in total 8 matters.

Meeting date	Item of discussion	Vote/Opinion
23.06.2023	Financial results (as of May 31, 2023, projections for the first half of 2023)	Discussed
	Implementation of the recommendations given by the cross-audit organization	Discussed
	Stabilization Plan 2023	Discussed and approved
	Audit report on corporate banking	Discussed
	IT system patch management audit report	Discussed
	Proposal for the appointment of the director of General Audit Department of IAD	Discussed and supported
	Work report of the first quarter of 2023, cost performance, plan of the second-fourth quarter of internal audit activity (IAD, DAA)	Discussed and approved
	Proposal for the appointment of the department director of IAD	Discussed and supported

Following points were made as Independent Director:

- Reviewed Golomt Bank's financial results for May 2023, and reasons for the increase in non-performing loans were asked and answered.
- Monitored the implementation of the recommendations given by PwC and reminded them to fulfill in time and quality.
- Reviewed the revision of Stabilization Plan to be submitted to the Bank of Mongolia.
- Read and reviewed the audit reports presented by the Internal Audit Division (IAD) in detail.
- Questions were asked and answered about what risks could be caused by weak patch management of the information system.
- Review of Internal Audit Function (IAF) report, budget performance, 2023 3rd and 4th quarter work plan and approved 2023 3rd and 4th quarter plan.
- Reviewed the proposal to appoint A. Tuya as Director of Internal Audit Division and B. Khishigjargal as Director of IAD-General Audit Department. Reviewed CV, achievements and contributions to the bank and supported the proposal.

As Independent Director I looked deeply into the Audit reports and the follow up of the plan and complimented the Director of the Audit Department for his excellent work.

As a member of the Risk Management Committee:

The Risk Management Committee of the Board convened 9 times in the reporting Quarter, discussing in total 36 matters on the following dates:

- 2023.04.05
- 2023.04.18
- 2023.04.20
- 2023.04.27
- 2023.05.21
- 2023.05.23
- 2023.05.31
- 2023.06.20
- 2023.06.26

Approvals for financing are reviewed in detail and voted on virtually. Most of the issues were the review of the Credit Committee decisions for applications related to companies with MNT 20 billion or more one obligor basis credit exposure balance.

Conflict of interest transactions:

After receiving all the related information, I have voted in support for the transactions in the reporting period.

- Board and Committee meetings are attended jointly by management as well as the Directors. Discussions are open. Board members can freely question management policies and results. Healthy critique as necessary is possible.

- The Secretary of the Board oversees the preparation of detailed information for Board members in advance of the Board and Committee meetings. The Directors are very well informed and can contribute effectively to the meetings.

- The Bank's organizational structure has continued to be improved and is operating quite efficiently, in particular the Internal Audit.

Furthermore, as an Independent Director, I would like to highlight the following:

- To the best of my knowledge, I confirm that the decisions of the Board and the Executive Management are for the best interest of the Bank and made without ill faith.
- The operations of the Board are according to the laws and regulations set forth by the policy makers.

- The Board gave guidelines for complicated issues.
- In the reporting period, as an Independent Director of the Bank, I have not found any wrongdoing that could adversely affect the Bank. Therefore, I did not make demands for an extraordinary meeting for any specific issue.
- The Board as well as the Management are transparent about decisions made and the rationale behind the same, and transparently report in a timely manner.
- The bank's management is fulfilling the operational plans for the time being.
- I have received sufficient information to make my decisions.

Signed:

Alexander Picker

**To the Central Bank of Mongolia
Golomt Bank Independent Director Report
2nd Quarter of 2023**

by Independent Director Antonio López Abelló

I, Antonio López Abelló, am an independent member of the Board of Directors (the “BoD”) of Golomt Bank (“Golomt”).

Following, I summarize my participation in the meetings of the (i) BoD (ii) in the Risk and Audit Committees and in (iii) the Nomination Committee (the "Committees") (please note all of my participations have been carried out in virtual form):

Date	Meeting	Item of discussion	Resolution	Vote/opinion
05.04.2023	Board /regular/	Head office development agreement	Grant the right to Golomt Bank to enter into a head office building construction agreement	Supported
21.04.23	Other	Submitted a statement in relation to my candidacy as independent BoD member at Golomt Bank	Personal statement	N/M
12.05.2023	Board /irregular/	Election of Board Chairperson	Mrs. Ch.Munkhtsetseg elected as the Chairperson	Supported
12.05.2023	Board /irregular/	Board Committee membership: Audit Committee	Mr. James B. Dwyer elected as Audit Committee Chairperson. Mr. Antonio López Abelló, Mr. Alexander Picker, Mrs. Ch.Munkhtsetseg, Mr. D.Munkhtur are elected as Audit Committee Members.	Supported
		Board Committee membership: Risk Management Committee	Mr. James B. Dwyer elected as Risk Management Committee Chairperson. Mr. Antonio López Abelló Mr. Alexander Picker, Mrs. Ch.Munkhtsetseg, Mr. J.Unenbat are elected as Risk Management Committee members.	Supported
		Board Committee membership: Nomination Committee	Mr. Alexander Picker elected as CGERN Committee Chairperson. Mr. Robert W van Zwieten and Mrs.Ch.Munkhtsetseg are elected as CGERN Committee members	Supported

		Board Committee membership: Governance, Ethics, Remuneration Committee	Mr. Antonio López Abelló elected as GER Committee Chairperson. Mr. James B. Dwyer and Mrs. Ch. Munkhtsetseg are elected as GERC ommittee members.	Supported
12.05.2023	Board /regular/	Governance, Ethics, Remuneration Committee of the Board	In relation to the separation of the operations relating to nomination from the Board's Governance, Ethics, Remuneration and Nomination Committee, amend and re-establish the Board's Governance, Ethics, Remuneration Committee. GERComiitee's Charter Membership has approved.	Supported
19.05.2023	Board /irregular/	On CEO's performance bonus	To provide bonus based on the evaluation of the performance of the CEO's 4 year contract.	Supported
19.05.2023	Board /irregular/	On extending CEO's contract	To extend the contract with Norihiko Kato, CEO of Golomt Bank for one year.	Supported
23.06.2023	Board /irregular/	Approval of the Golomt Bank "Recovery Plan"	Approved Golomt Bank's "Recovery Plan – 2023".	Supported
23.06.2023	Board /irregular/	Golomt Bank's Revised Organizational Structure	Approved the revised organizational structure of Golomt Bank.	Supported
23.06.2023	Board /irregular/	On dismissal of Chief Audit Officer	To dismiss Chief Audit Officer A.Odonbaatar and appoint as a Deputy CEO of Golomt Bank	Supported
23.06.2023	Board /regular/	Amendment of the Credit Committee Charter and Authority matrix	Approved the amended Credit Committee Charter and Authority matrix.	Supported

On 25 May 2023, the GER committee convened, voted on and approved the following items (i) CEO performance and bonus (ii) CEO contract extension and (iii) GER committee charter and membership confirmation.

Following points were made as Independent Director:

As member of the Risk Management Committee:

The Risk Management Committee of the Board convened 9 times in the reporting Quarter, discussing in total 36 matters on the following dates:

- 2023.04.05
- 2023.04.18
- 2023.04.20
- 2023.04.27
- 2023.05.21
- 2023.05.23
- 2023.05.31
- 2023.06.20
- 2023.06.26

Approvals for financing are reviewed in detail and voted on virtually. Most of the issues were the review of the Credit Committee decisions for applications related to companies with MNT 20 billion or more one obligor basis credit exposure balance.

Conflict of interest transactions:

After receiving all the related information, I have voted in support for the transactions in the reporting period.

I must stress that all of the matters above were discussed freely both among Golomt's directors and with the management of Golomt. The BoD and its members have always tried, to the best of my knowledge and based on the information provided to me, to prioritize the interests of Golomt Bank's key stakeholders.

In addition to what has been stated above, I would like to underline the following points regarding my responsibilities as a member of Golomt Bank's BoD:

- In cases where the Board found matters which any of the bank's employees, other members of the BoD and / or shareholders could benefit from my experience, I have had full freedom to provide guidance and opinions on such matters. In this regard, management have regularly followed up with queries, suggestions and recommendations by BoD members and have taken necessary actions in a timely manner.
- In the reporting period, as an Independent Director of the Bank, I have not found any wrongdoing that could adversely affect the Bank. Therefore, I did not make demands for an extraordinary meeting for any specific issue.
- Board and Committee meetings are attended jointly by management as well as the Directors. Discussions are open. Board members can freely question management policies and results. Healthy critique as necessary is possible.
- The Secretary of the Board oversees the preparation of detailed information for Board members in advance of the Board and Committee meetings. The Directors are informed of the matters at hand prior to the relevant meetings.
- To the best of my knowledge, the BoD as well as Management have conducted business in a transparent manner

- Golomt has successfully continued during the 2nd quarter of 2023 to increase profitability and to generate capital. The bank is properly capitalized based on the information provided to the BoD.
- In connection with Golomt's IPO in November 2022, there have been discussions among BoD members and management on how to increase Golomt's share price in light of volatile financial markets, challenging economic conditions and Mongolia's limited reservoir of institutional investors.

Sincerely yours,

Antonio López Abelló
Independent Director

**To the Central Bank of Mongolia
Golomt Bank Independent Director report for 2nd Quarter of 2023**

by Independent Director Robert W. van Zwieten

I, Robert W. van Zwieten, was appointed as an independent member of the Board of Directors (the “Board”) of Golomt Bank (“Golomt” or the “Bank”) on May 19, 2023, and was approved by the Central Bank of Mongolia on this same date. I was also appointed as member of the Nomination Committee.

I have virtually attended, from May 19, 2023, to June 30, 2023, all Board of Directors’ and Committee meetings.

Date	Meeting	Item of discussion	Resolution	Vote/opinion
12.05.2023	Board /irregular/	Election of Board Chairperson	Mrs. Ch. Munkhtsetseg elected as the Chairperson	Observer status
12.05.2023	Board /irregular/	Board Committee membership: Audit Committee	Mr. James B. Dwyer elected as Audit Committee Chairperson. Mr. Antonio L. Abello, Mr. Alexander Picker, Mrs. Ch. Munkhtsetseg, Mr. D. Munkhtur are elected as Audit Committee Members.	Observer status
		Board Committee membership: Risk Management Committee	Mr. James B. Dwyer elected as Risk Management Committee Chairperson. Mr. Antonio L. Abello, Mr. Alexander Picker, Mrs. Ch. Munkhtsetseg, Mr. J. Unenbat are elected as Risk Management Committee members.	Observer status
		Board Committee membership: Nomination Committee	Mr. Alexander Picker elected as CGERN Committee Chairperson. Mr. Robert W van Zwieten and Mrs. Ch. Munkhtsetseg are elected as CGERN Committee members	Observer status

		Board Committee membership: Governance, Ethics, Remuneration Committee	Mr. Antonio L. Abello elected as GER Committee Chairperson. Mr. James B. Dwyer and Mrs. Ch. Munkhtsetseg are elected as GER Committee members.	Observer status
19.05.2023	Board /irregular/	On CEO's performance bonus	To provide bonus based on the evaluation of the performance of the CEO's 4 year contract.	Supported
19.05.2023	Board /irregular/	On extending CEO's contract	To extend the contract with Norihiko Kato, CEO of Golomt Bank for one year.	Supported
28.06.2023	Board /irregular/	Approval of the Golomt Bank "Recovery Plan"	Approved Golomt Bank's "Recovery Plan – 2023".	Supported
28.06.2023	Board /irregular/	Golomt Bank's Revised Organizational Structure	Approved the revised organizational structure of Golomt Bank.	Supported
28.06.2023	Board /irregular/	On dismissal of Chief Audit Officer	To dismiss Chief Audit Officer A. Odonbaatar and appoint as a Deputy CEO of Golomt Bank	Supported
03.07.2023	Board /regular/	Amendment of the Credit Committee Charter and Authority matrix	Approved the amended Credit Committee Charter and Authority matrix.	Supported

The Nomination Committee was convened once after I joined it, on June 27, 2023, and discussed one matter during this meeting.

Meeting Date	Item of Discussion	Vote/Opinion
27.06.2023	Appointment of Mr. A. Odonbaatar as Deputy CEO, and Amendment of organization structure related to this appointment.	Supported

As an Independent Director, I would like to highlight the following:

- To the best of my knowledge, I confirm that the decisions of the Board and the Executive Management are for the best interest of the Bank and made without ill faith.
- The operations of the Board are according to the laws and regulations set forth by the policy makers.
- In cases where the Board found issues which could be improved upon, we initiated discussions at the Board level, provided guidelines to improve the operations and gave a deadline for reporting back. The Management follows through with such requests and has taken necessary actions in a timely manner.

- In the reporting period and during my tenor so far, as an Independent Director of the Bank, I have not found any wrongdoing that could adversely affect the Bank. Therefore, I did not make demands for an extraordinary meeting for any specific issue.
- The Board as well as the Management are transparent about decisions made and the rationale behind the same, and transparently report in a timely manner.
- I hereby confirm that all the Board's decisions taken during the reporting period were well questioned and supported by me, in the voting thereof.
- If and when I had questions or needed further clarifications, I have received adequate information and cooperation from both the Board and Management levels executives.
- Board and Committee meetings are attended jointly by management as well as the Directors. Discussions are open. Board members can freely question management policies and results. Healthy critique as necessary is possible.
- The Secretary of the Board oversees the preparation of detailed information for Board members in advance of the Board and Committee meetings. The Directors are very well informed and can contribute effectively to the meetings.

Sincerely yours,

Robert W. van Zwieten
Independent Director