



IMPACT REPORT **2025**





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About **LendMN**

LendMN is the first fintech institution in Mongolia to combine technological innovation with financial services, delivering fully digital, collateral-free, and affordable lending through the LendMN mobile application.

Beginning in 2024, LendMN undertook a strategic shift toward business lending, with a targeted focus on micro, small, and medium enterprises (MSMEs) and entrepreneurs with limited access to traditional finance. As a result, an increasing share of the lending portfolio is now directed toward MSMEs, supporting business growth, resilience, and formal economic participation in a more equitable and accessible way.

LendMN's strategy is grounded in the principle of responsible digital finance and the pursuit of measurable impact both within and beyond our loans. The company works in partnership with mission-aligned investors and sector stakeholders to expand financial inclusion and contribute to a more inclusive, transparent, and resilient financial system in Mongolia.



Management note

Looking back on the past year, we see 2025 as a meaningful milestone in LendMN's journey. It has been a year of learning, growth, and renewed responsibility. At the core of our work is a simple belief: no business in Mongolia should be held back by lack of access to finance due to traditional financing barriers. This belief continues to shape how we design our products, make decisions, and measure success.

LendMN was built on the conviction that micro, small, and medium-sized businesses should have equal opportunity to participate in the economy, regardless of traditional financing constraints. In 2024, we took a significant step by introducing Mongolia's first fully digital, collateral-free business loan, accessible via mobile phone in just five minutes. Powered by an AI-based credit scoring system, the product processes applications in real time and delivers instant decisions, removing long-standing barriers such as collateral requirements, lengthy procedures, and limited physical access to financial institutions.

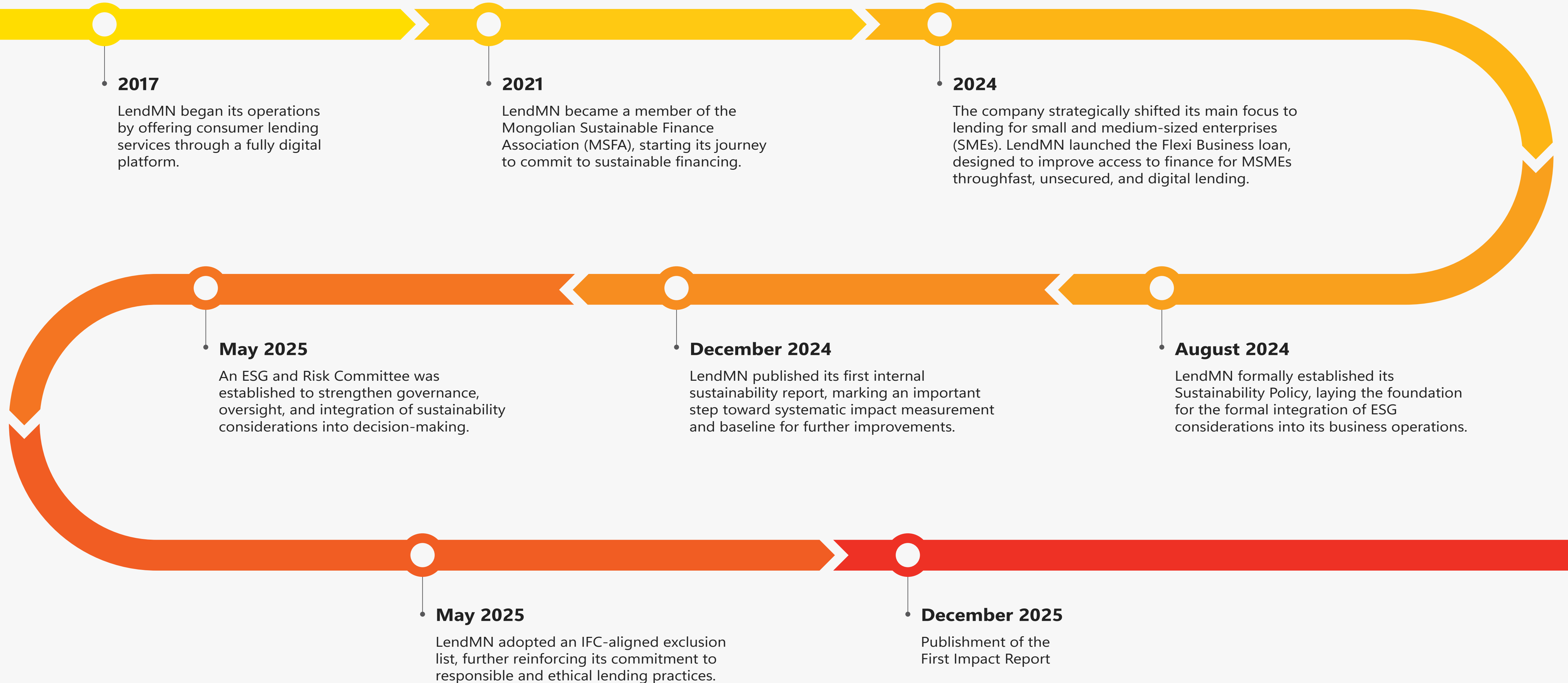
Since the launch of the Flexi Business Loan in 2024, more than 280 thousand business owners have applied, highlighting the scale of unmet financing needs in Mongolia. The loan represented 23% of our total portfolio in Q4 2024 and grew to 38% by Q4 2025. During this period, we disbursed 133 thousand loans, providing MNT 439 billion in financing to entrepreneurs across the country.

A key impact of this product is its ability to empower entrepreneurs who were previously excluded due to collateral constraints, enabling them to access funds exactly when needed. To further support micro and household businesses, we reduced the minimum loan size from MNT 5 million to MNT 500 thousand, helping clients fund everyday inventory needs and manage repayments over longer periods with lower financial stress.

In 2025, we also began systematically measuring the impact of our loans—not just in terms of volume, but in how financing affects business growth, income stability, and household well-being. On this basis, we are proud to publish our first Impact Report, a step toward stronger accountability, transparency, and evidence-based impact management across our operations.

Looking ahead, we remain committed to creating long-term value by aligning financial performance with positive social outcomes. By continuing to innovate responsibly and working closely with our clients and partners, we aim to deepen our contribution to inclusive economic growth and sustainable development in Mongolia.

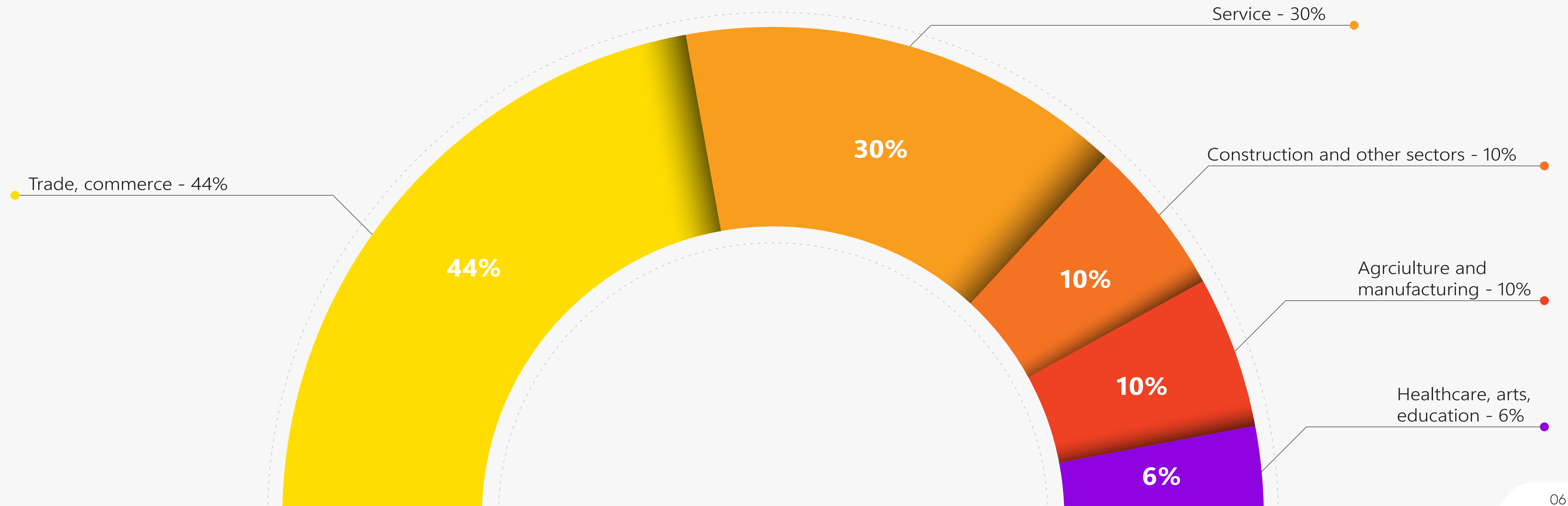
Timeline



LendMN's Business Loan Portfolio Overview

Total disbursement: 439B (MNT)	Total number of loans disbursed: 133K	Average loan size: 7.8M (MNT)	Number of active clients: over 10K
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Sector exposure



The start of our impact

In 2017, LendMN introduced a fully digital consumer loan that could be approved within five minutes. Fast forward to 2024, LendMN has launched a new flexible loan product, "Flexi Business," particularly designed to empower women entrepreneurs. We became the first in Mongolia to launch a 100% digital business loan product designed to address the key challenges SMEs face when seeking financing, including collateral requirements, lengthy processing times, and operational inefficiencies. The impact of this journey is reflected in the voices of our customers, who have leveraged Flexi Business to grow their enterprises, create jobs, and overcome financial barriers:

Voices from our customers:



There are usually many requirements when applying for loans, such as collateral, age limits, and guarantees. We started partnering with LendMN from its very beginning. Their service has always been fast, reliable, and efficient. Now, the Flexi loan is a timely and flexible financing solution that works very effectively for us as a business. We wish your team continued success in your future endeavors.



Uhaan Zaya



I am truly grateful to the LendMN team for the trust you place in us and for providing such valuable opportunities. I appreciate your continued support. I use the Flexi loan, and it is fast and efficient. Wishing your entire team continued success.



Ujii Ujii



Hello, thank you very much to your team. Expanding our daily operations and creating more jobs once felt like a dream. Through the Flexi Business loan, we received financing of 73 million MNT. We have already hired two new employees, purchased the necessary equipment, and successfully started fulfilling our first orders. We sincerely thank you for your support.



Altaa Altaa



I wish your team continued success in your work. I am truly grateful to you for believing in me and investing in my future. I started with just 50,000 MNT. Time has passed so quickly, and now my business continues to grow and develop. It has been incredibly rewarding. When no bank trusted me enough to provide a loan, your team gave me a collateral-free loan and truly changed my life. I sincerely thank you for your support.



Hishigbayar Hb



Your organization truly provides meaningful opportunities and trusted services, and we are sincerely grateful for the support and valuable solutions you offer. We also appreciate how you continue to expand and improve your services. When trying to grow a business, we often face challenges such as collateral requirements and excessive paperwork. Your team has helped remove these barriers and created new opportunities by placing trust in entrepreneurs like us. We wish your entire team even greater success in the future.



Tsolmontuya Narmandakh



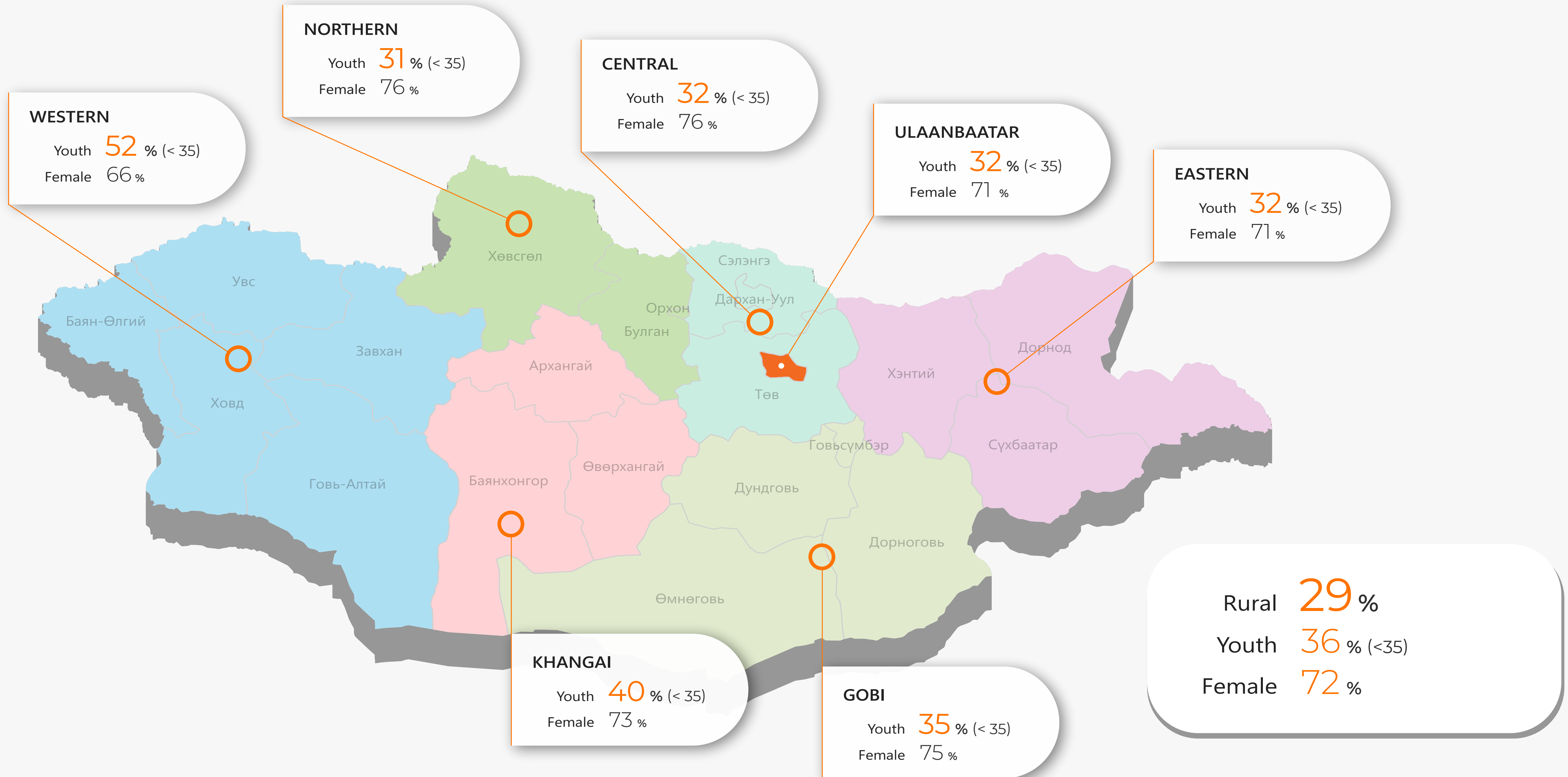
Unlike many others that require a lot of paperwork and complicated documents, your team keeps the process simple and does not ask for too many requirements. I am truly grateful to your organization. Wishing you continued success in your work.



Puujee Puujee



2025 impact at a glance - MSMEs

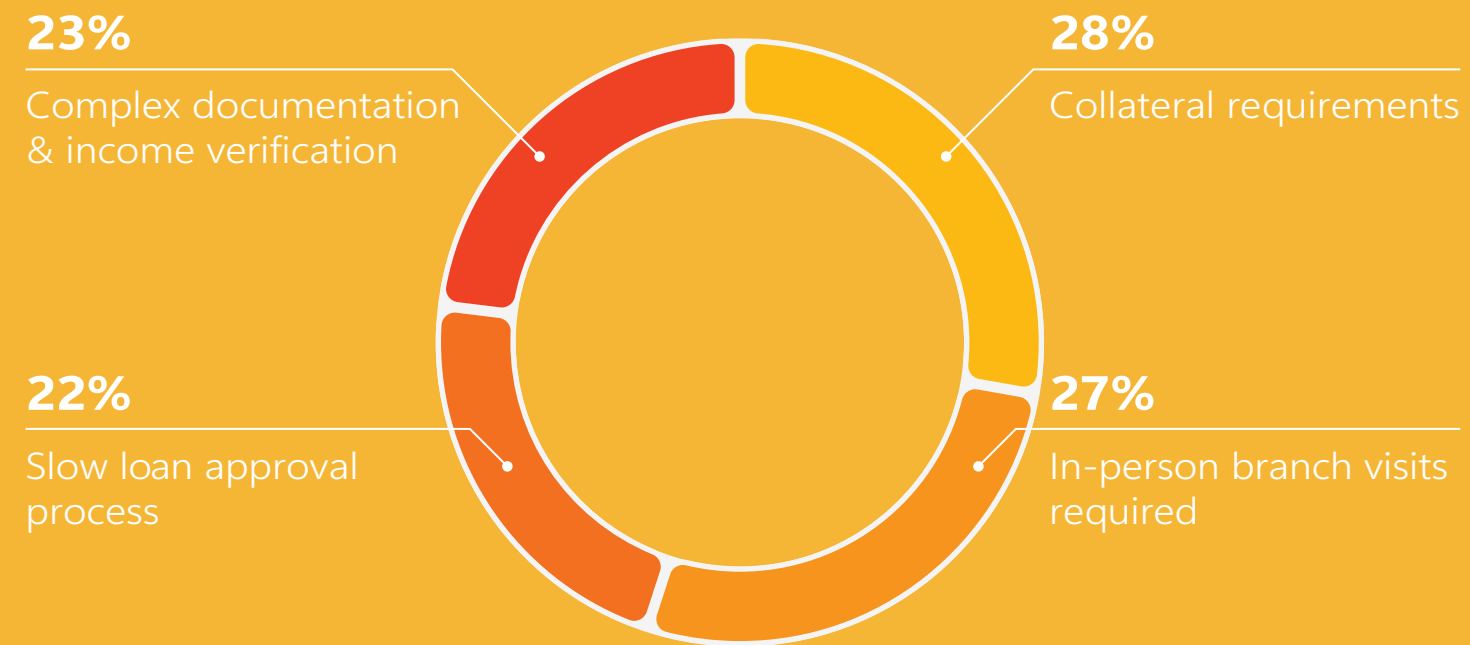


2025 Impact at a glance- MSMEs

Business/productive loans account for **38%** of the total portfolio

Underbanked clients **41%**

Main reasons why:



Microenterprises **74%**

Youth (<35) **36%**

Clients reporting an increase in income/sales **92%**

Repeat borrowers **46%**

Number of employees Less than 5. **87%**

Clients reporting an increase in the number of employees **36%**



Impact goal: Financial inclusion



Introduction:

According to data from the National Statistics Office, there are currently more than 223,000 individual and micro entrepreneurs operating in Mongolia. However, as of 2025, only around 90,000 of these businesses have been able to access business loans from formal financial institutions to invest in their operations. The remaining 133,000+ micro and small entrepreneurs continue to face limited access to financing, restricting their ability to sustain and expand their businesses. Many businesses with unstable income streams, limited collateral, or lack of credit histories remain excluded from the formal financial system, despite actively contributing to the real economy. As a result, a large portion of entrepreneurs continue to operate outside the reach of traditional financing, constraining their growth potential and long-term sustainability.

These barriers are not evenly distributed and tend to disproportionately affect already underserved segments of the population. The financing gap is particularly acute among women, youth, microenterprises, and rural entrepreneurs. In Mongolia, women own nearly two-thirds of MSMEs; however, they continue to face disproportionate barriers to finance, especially when assets are not registered in their names or when collateral is required. Youth face similar constraints. Mongolia's youth unemployment rate remains high, while self-employment among young people is significantly low. Many young entrepreneurs struggle to secure financing especially because newly established businesses are often required to provide additional guarantees in a traditional approach.

For rural MSMEs, access to finance is limited not only by collateral requirements, but also by geographic and logistical barriers, resulting in higher costs and fewer financial options compared to urban areas.

Contribution:

Our goal is to close these gaps by providing fair, affordable, and accessible financial solutions to underserved communities. Rather than relying primarily on collateral, lengthy documentation, or conventional banking standards, our model evaluates business income and leverages a fully digital, mobile-based platform to simplify and accelerate access to financing.

For us, financial inclusion is not simply about extending loans to a greater number of people—it is about supporting entrepreneurs at every stage of their journey, helping them stabilize, grow, and expand their businesses sustainably. By continuously developing next-stage services and tailored solutions that evolve with our clients' needs, we position ourselves not merely as a lender, but as a long-term partner—delivering measurable business growth and advancing true financial inclusion across Mongolia.

Total portfolio MSMEs contributing to 2 or more of the impact segments:

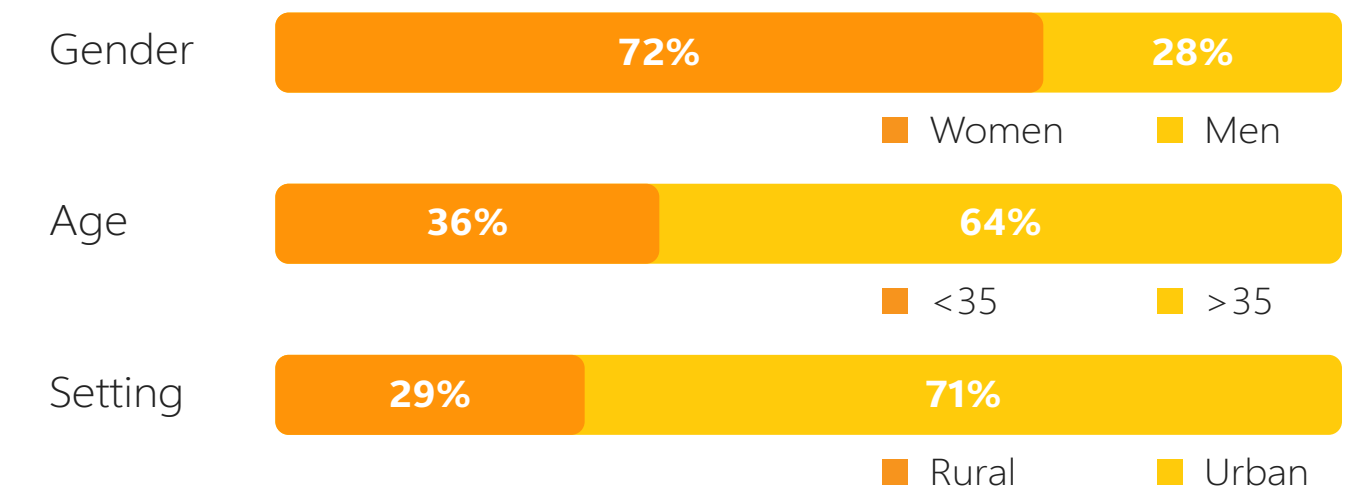
6.8K
(64% of total MSME clients)

Total portfolio outstanding contributing to 2 or more of the impact segments:

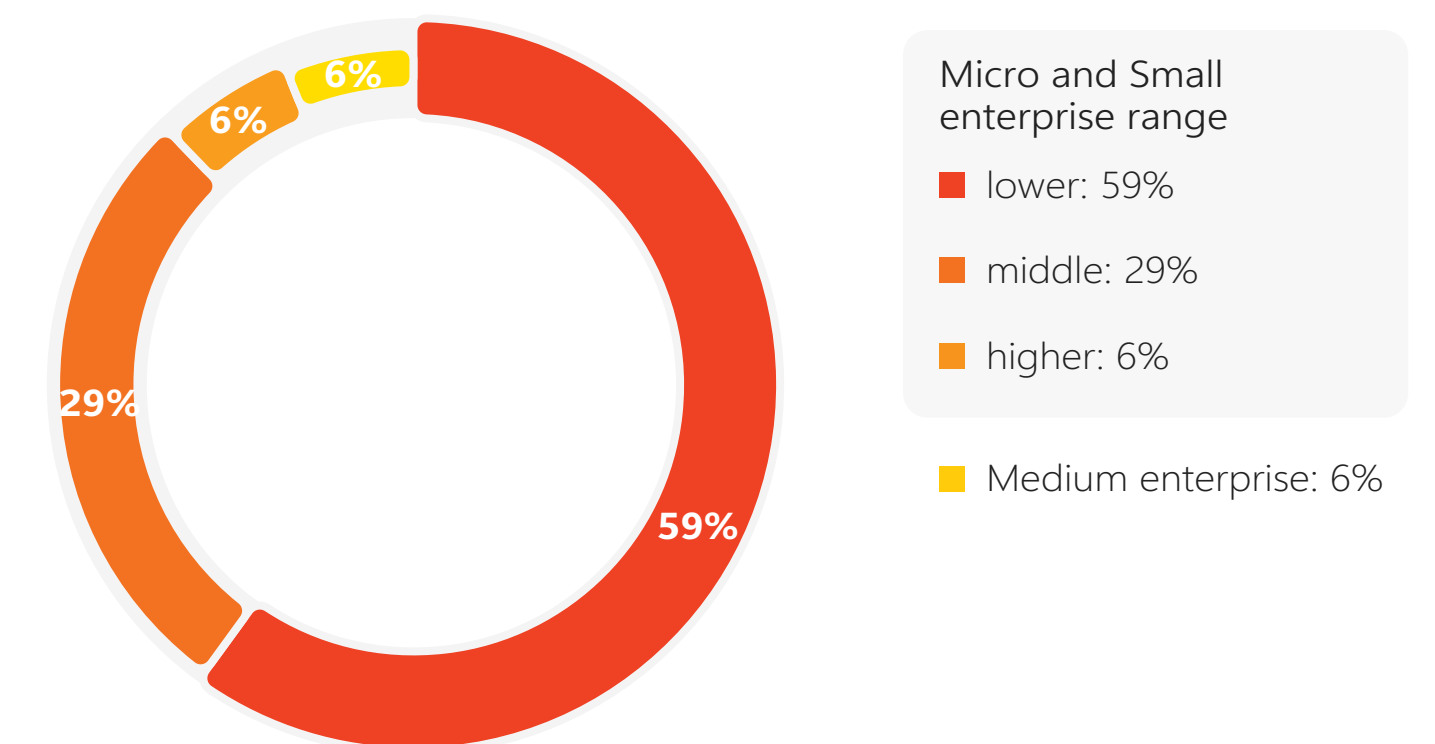
53.9B (MNT)
(43% of total outstanding)

Impact goal segments

Clients by Gender, Setting and Age:



Clients by MSME range and income level:



Impact goal: Financial inclusion

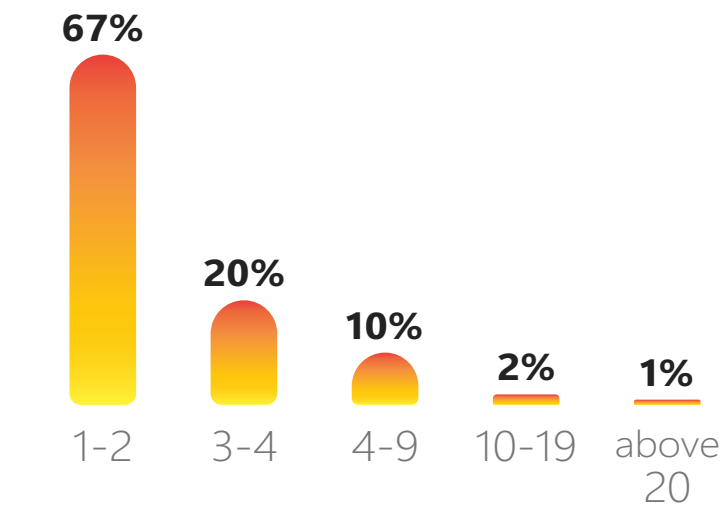
Business impact



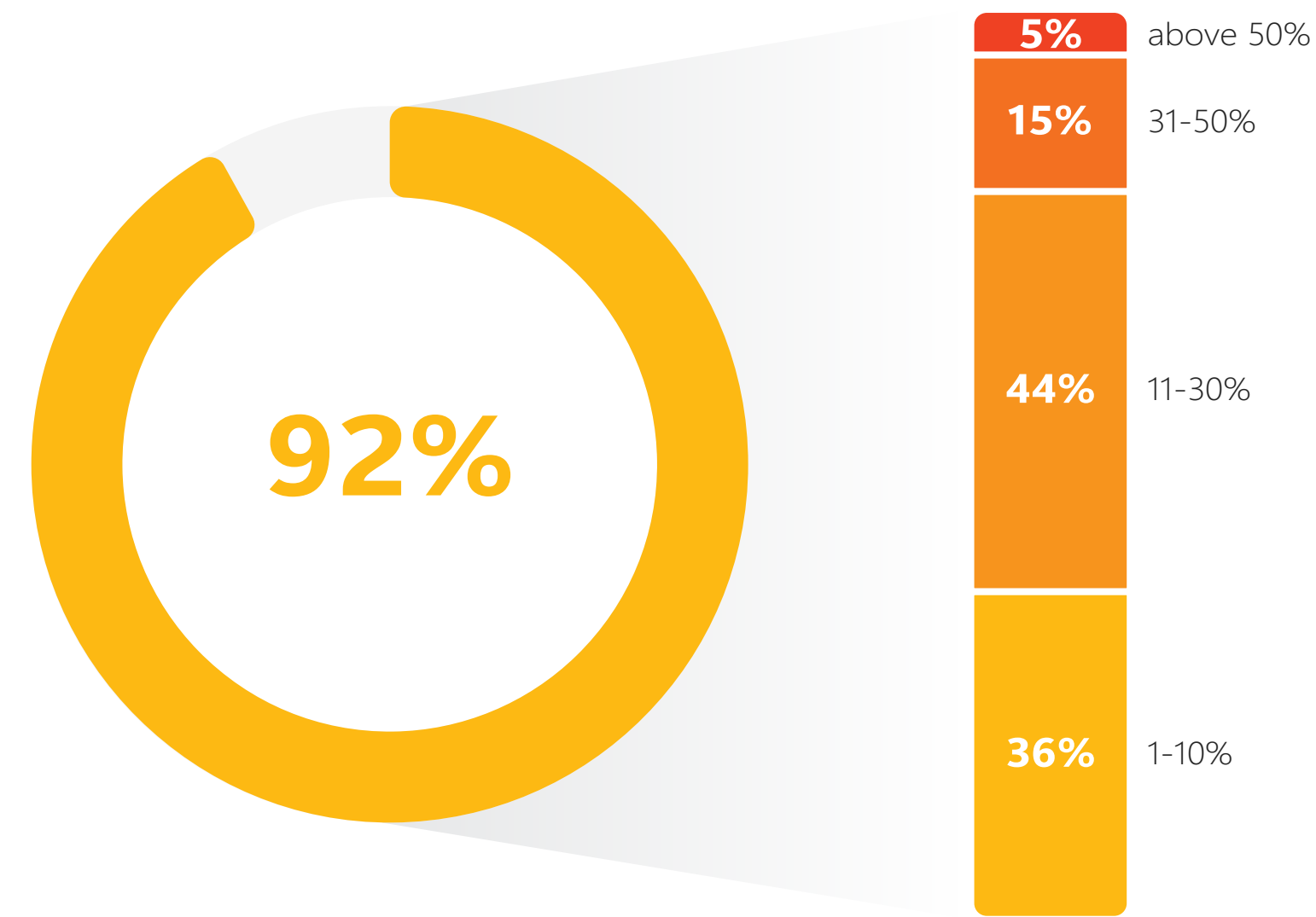
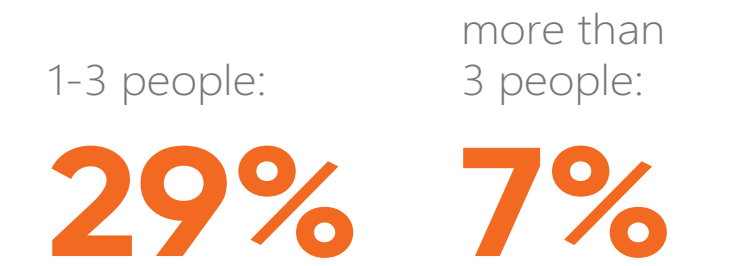
How we measured the impact:

Measuring loan impact beyond disbursement is inherently challenging, as usage and outcome is determined by clients. This reporting period represents our first effort to collect outcome data, using a survey designed around our key impact metrics. All data in this report are based solely on survey responses, with future reporting expected to capture impact more comprehensively through digital tracking.

Number of employees:



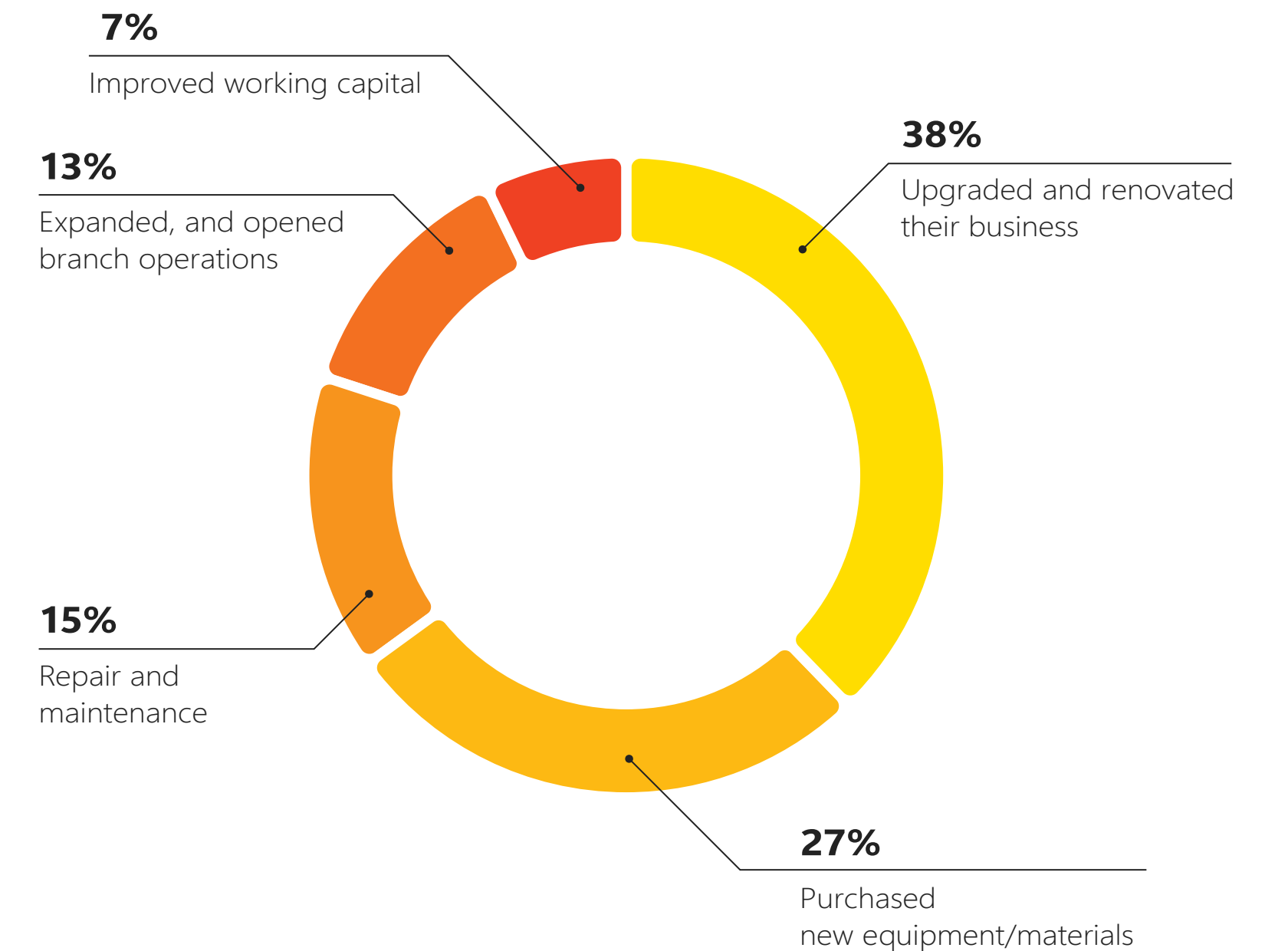
Increase in number of employees by



Client-Reported Sales/Income Increase After Loan (%)

Sales/income has increased by

Business change following loan disbursement



Impact goal: Financial inclusion

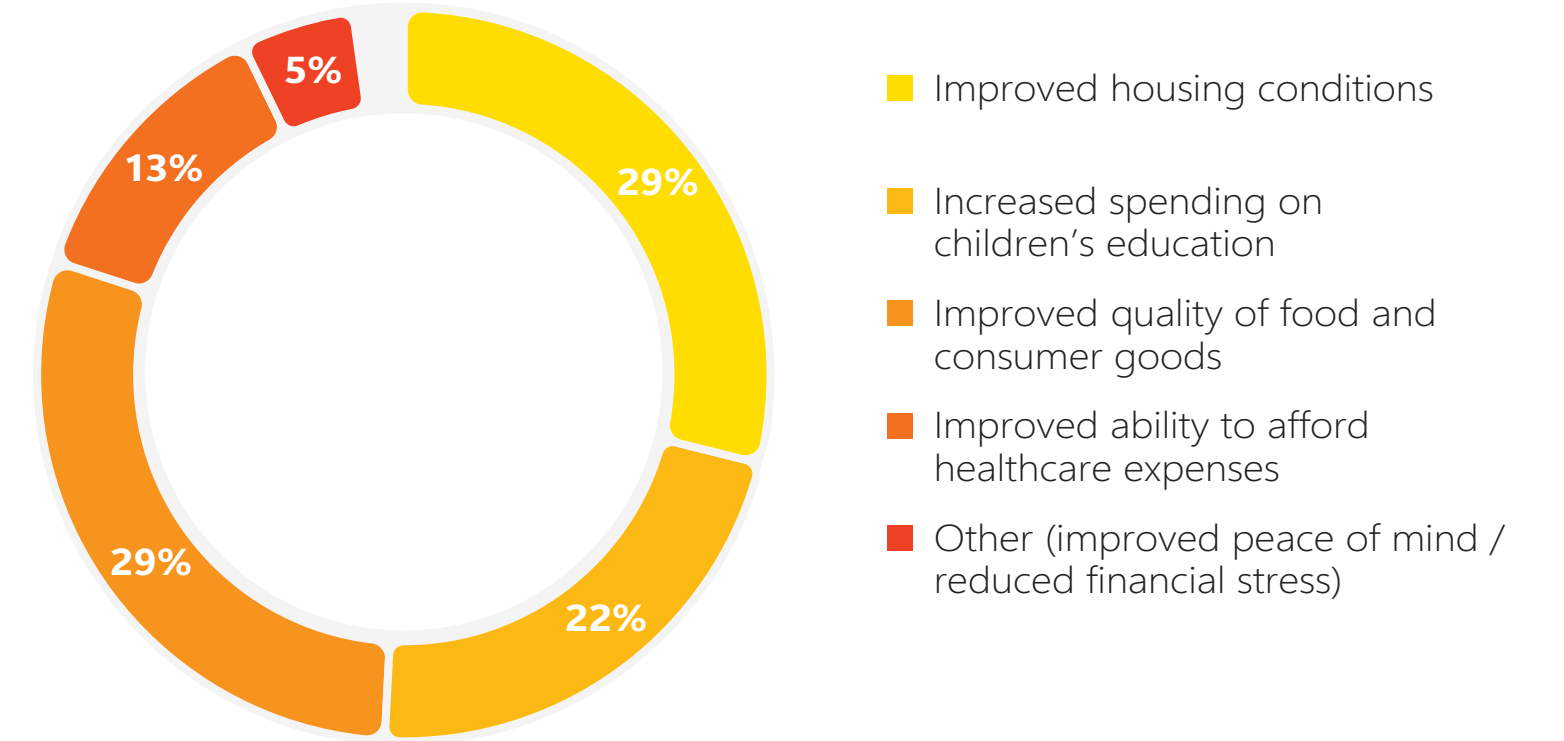
Household impact



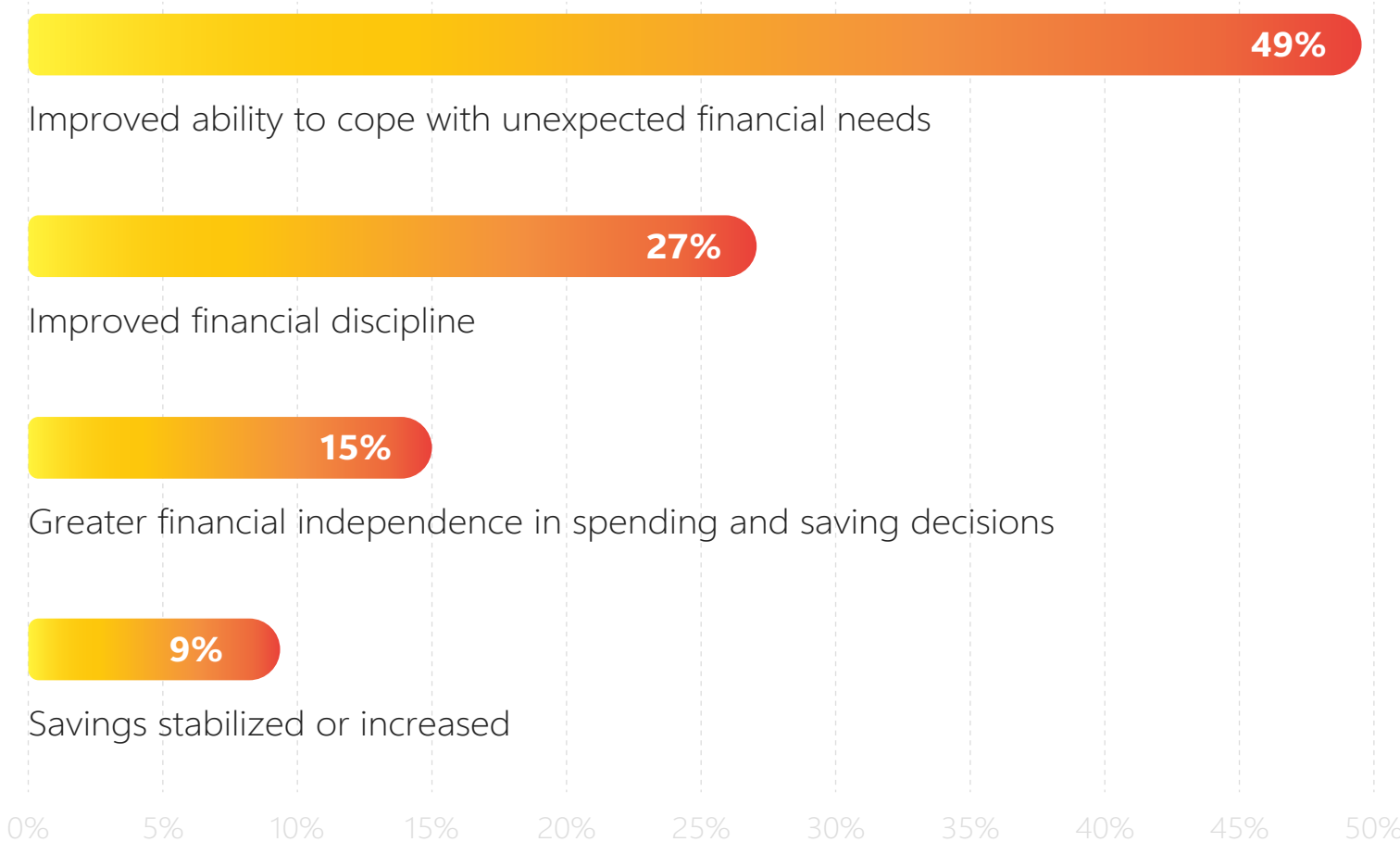
Household impact:

To assess impact, we measured changes in business performance after receiving a loan compared to before. Among our clients, 67% of business owners employ only 1–2 people, indicating that their businesses are small and closely tied to their households. Recognizing this connection, we extended our analysis beyond business outcomes to evaluate how business growth influences their personal financial life, and household well-being to measure real impact.



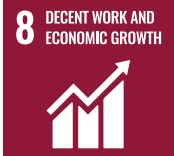

Improvements in Household Living Standards After Loan



Personal Financial Improvements After Loan



Contributions to SDGs

- 
1 NO POVERTY
 Equal access to financial services: Over MNT 439 billion has been disbursed through 133 thousand loans, expanding access to formal financial services for underserved individuals and businesses.
- 
5 GENDER EQUALITY
 Women's economic empowerment: Around 72% of clients are women, empowered to lead businesses and make financial decisions.
- 
8 DECENT WORK AND ECONOMIC GROWTH
 Decent work & economic growth: Clients expanded operations and increased staff by around 36%, creating jobs and supporting livelihoods.
- 
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
 Industry, innovation & infrastructure: Clients upgraded and renovated their businesses by around 38%, strengthening local industries and capacity.

 lendmn | **Flexi**business

20 24 | Fintech Excellence Awards

Financial Inclusivity



Financial inclusivity award

At LendMN, financial inclusion is not a standalone initiative—it is embedded in our core business model. As a fully digital, collateral-free fintech lender, we have designed our lending system from the ground up to be inherently inclusive, removing the structural barriers that traditionally prevent MSMEs and first-time borrowers from accessing finance.

This inclusive model is exemplified through our Flexi Business product, a 100% digital, collateral-free loan solution tailored specifically for MSMEs. Through delivering real, measurable impact in expanding access to finance, our efforts have received international recognition. Flexi Business was nominated for the Financial Inclusivity Award, jointly organized by the Monetary Authority of Singapore and the Singapore FinTech Association, and was selected as a finalist, acknowledged for advancing equitable financial access across Southeast Asia and beyond.



Client testimonies



Owner of
**Grocery Retailer/
Convenience
Store**

Owner of Grocery Retailer/Convenience Store

I started my small grocery shop back in 2016 near Gandan. After trying wholesale at the Bumbugur market and taking a few years off, I returned to retail, renting my current location and focusing entirely on my eight-item grocery store. Over the past 7–8 years, I’ve been slowly but steadily building the business. In the early days, cash flow was always a challenge. In a grocery store, most of the stock is bought on credit at the beginning of the month and paid off at the end. Sometimes, by the last week, money would run short, and I wasn’t sure how I could cover my inventory. That’s when I tried LendMN for the first time. Sending my bank statements and applying for a loan was simple, and the funds arrived without any problems. It allowed me to pay suppliers on time and keep the shelves stocked — which made a huge difference for my business.

“With access to working capital, I could expand my product range. Customers now have more options, sales have grown, and even people from neighboring buildings come to shop. What used to be a store with few visitors has transformed into a busy grocery that people talk about positively. My confidence as a business owner has grown”

— I can manage my store independently, cover household expenses, and even support my daughter, who is now in 12th grade. Even during tough times — like this December, when fuel shortages and economic difficulties hit hard — I knew I could rely on LendMN. When cash flow became tight at the end of a slow month, a quick loan helped me keep the business running smoothly. Over the years, I’ve tried no other lenders. LendMN has been easy, reliable, and genuinely supportive. Their loans don’t just provide money — they give small business owners like me the freedom to grow, serve our communities, and plan for the future.

Owner of Women’s Clothing Business

Just before COVID, I decided to try selling clothes. I borrowed 800,000 MNT from my mother and used it to import a small batch of shirts from China. I started selling online from home, handling deliveries myself. When sales went well, I reinvested the profits to order women’s clothing in my own size and tested them in local sales groups. The products sold quickly, and I realized this could grow into a real business. With the earnings, I rented a 30 m² store at Gemmall and later expanded it to 60 m². I never thought I would take loans — I wanted to manage everything with my own savings. But running two stores fully stocked, alongside the demands of daily operations, was challenging. That’s when I first tried LendMN. I submitted my bank statements, and within minutes, the loan was approved — without collateral. The funds were more than enough to stock my stores, and I even traveled to Turkey to purchase merchandise. Later, when I submitted my bank statements again, I was approved for another loan and could restock my products immediately.

“The speed, ease, and flexibility of LendMN’s support were life-changing. Having a wide selection of quality products made a visible difference — sales grew, more customers came, and my business began to thrive. Over five years, I went from running the business alone to hiring staff, easing my workload and giving me the first real time to focus on myself.”

I no longer handle deliveries personally; I now partner with a delivery company. Thanks to LendMN, I was able to expand my branches, grow my revenue, and improve my family’s quality of life. Today, I own a car and a home, and I don’t worry about household expenses. What started as a small online experiment has transformed into a successful, independent business. I am genuinely thankful to have given the chance to expand and grow quickly at that time.



Owner of
**Women’s
Clothing Business**

Client testimonies

2026



Owner of
Early Childhood Education Center

Owner of Early Childhood Education Center

I have dedicated my heart and soul to early childhood education for the past 13 years. Growing up with a mother who was a kindergarten teacher, I was immersed in that environment from a young age. In 2012, I took an old property and transformed it into a preschool. We started small, with just 3 classrooms on one floor and the capacity to serve 35 children. Today, we operate 8 classrooms and care for 200 children. Preschools are scarce in our neighborhood, and the demand has only grown over the years. In the early days, I took a loan from one of the largest banks, back when fintech and app-based lending didn't exist. Later, LendMN emerged, and my first loan was 200,000 MNT. Over the years, as our needs increased, we continued to grow with LendMN's support, including a business loan in 2025 that allowed us to make major renovations. That was a period when our operations naturally slowed for the season, and banks weren't as flexible, so LendMN's loan arrived just when we needed it most. With it, we completed full renovations, including eco-friendly wall panels, and ensured our classrooms were safe and healthy for the children. Running a preschool comes with immense responsibility. Our staff — now 18 people including teachers, cooks, and support staff — are paid through government funding, but delays in funding create significant challenges.

"LendMN's loans help us bridge these gaps, ensuring that salaries are paid on time and the children continue to receive high-quality care. I no longer have to worry about daily cash flow issues or whether we can meet urgent needs."

Our business has grown steadily, our staff is secure, and I can provide better opportunities for my own family. From covering basic living costs to enrolling my children in the best possible programs, the support has had a real, positive impact on our lives.

Owner of Women's Clothing Business

My shop began in a tiny 10 m² space. I did everything myself — even deliveries. At first, I could afford only one piece of each design. Now, my shop is 50 m², and I'm able to bring in multiple pieces at a time — but the journey wasn't easy. Financial challenges constantly happen — sometimes cargo arrives and payment is due immediately. Instead of borrowing from people, I can quickly use the app and get a loan online, without collateral and with flexible terms. It helps me restock on time, especially during big seasons like New Year, which directly increases sales.



Owner of
Women's Clothing Business

Client testimonies



Owner of Custom Furniture Business

Owner of Custom Furniture Business

We specialize in custom furniture for Mongolian gers and homes, crafting pieces tailored to the size and height of each dwelling with modern designs. Our journey started small. For my eldest son's first birthday, we needed to earn 3 million MNT in just 10 days. We began by making office desks and other furniture in our home corridor, delivering them myself by car, and successfully earned the amount. That first success gave us the confidence to take on my first formal order, delivering furniture to a customer's ger. While many companies make furniture for apartments, we realized that comfort in gers is crucial, so we focused on this niche. Challenges were plentiful — from equipment issues to financial hurdles. I started by using my child's savings as collateral to buy two drills and later purchased some second-hand equipment. But it was only after taking a business loan from LendMN that I could upgrade my equipment and truly scale. What once allowed me to make furniture for only a few households each month now supports 40–50 orders, including both ger and home furniture. We initially hesitated to apply for a LendMN loan, expecting it might be difficult. But once my credit line was established, the process was seamless. I was able to secure the loan using just a smartphone — no collateral, no endless paperwork, and no delays.

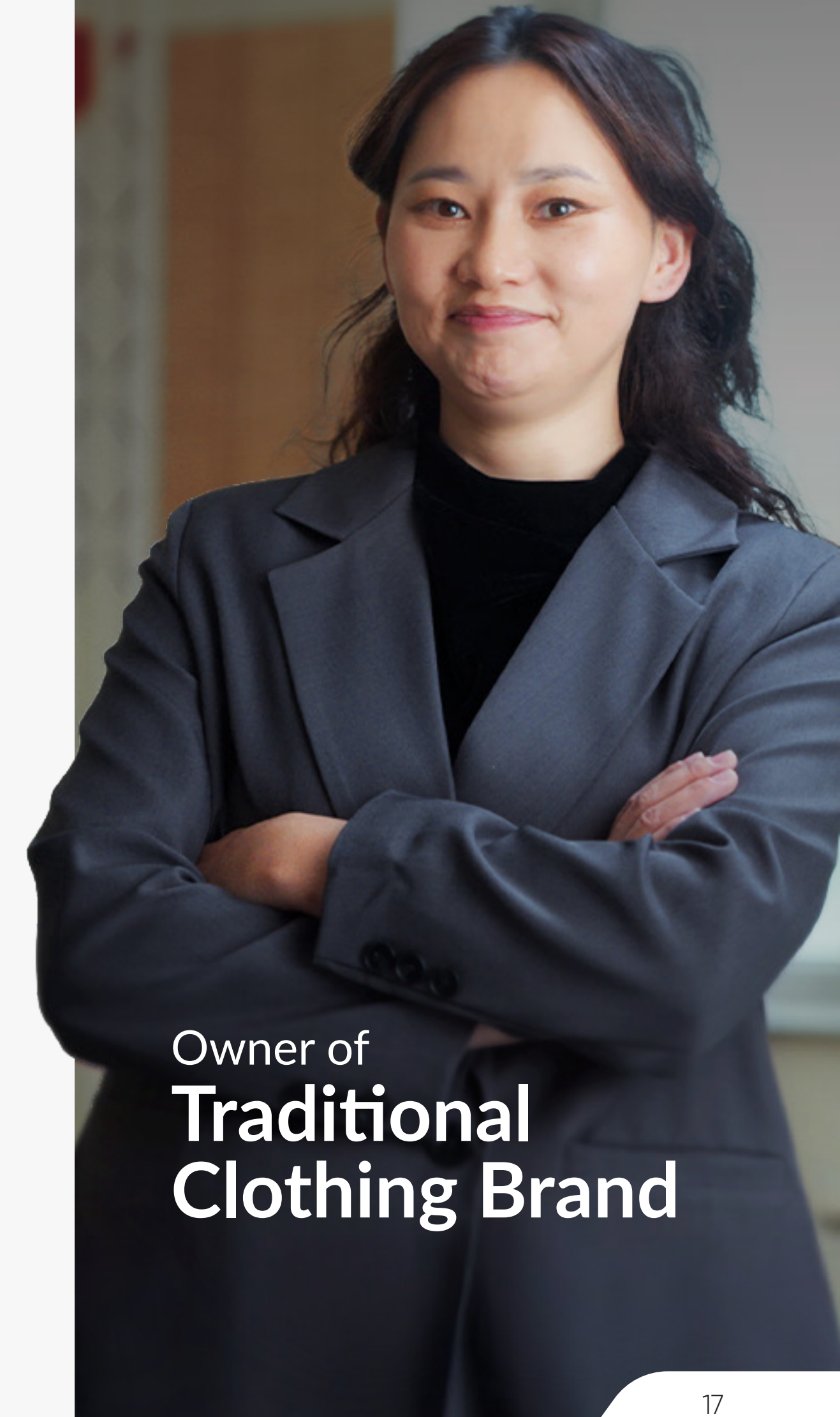
In the past, securing even a small salary loan required navigating multiple procedures. With the loan, I acquired all the critical new equipment I needed and upgraded my factory. Today, our workshop is three times larger than before. Machines purchased with a LendMN loan just a year ago now allow us to complete work 20–30% faster, increasing productivity and enabling us to serve far more customers than ever before and overall operations have grown fivefold.

Owner of Traditional Clothing Brand

I founded Uujim in 2015 with one dream — to create modern designs inspired by the Mongolian deel and share our culture with more people. Even though my business was running steadily, I was never fully recognized by the traditional lending system. Every bank asked for collateral. And I always thought—

if I already had that much wealth, why would I even need a loan?

Then I discovered LendMN's business loan. For the first time, I could get financing based on my real income. With that loan, I bought materials, improved my workspace, and took on more orders. My business finally started moving forward. Today, my goal is simple: to keep our heritage alive while creating clothing with its own modern identity. And in many ways, LendMN helped switch on the light so I could keep building my dream.



Owner of Traditional Clothing Brand



Financial literacy

Our impact extends beyond lending. We aim to support our clients by helping them become more knowledgeable about their finances and aware of opportunities that can benefit their businesses and lives. To support this goal, LendMN NBFJ JSC, in collaboration with the Business Council of Mongolia (BCM), co-organized the event "Empowering MSMEs: Community, Finance and Innovation." The event brought together private-sector leaders, financial institutions, academia, and policymakers to discuss practical ways to strengthen micro, small, and medium-sized enterprises (MSMEs) in Mongolia.

Discussions mainly focused on building a resilient MSME ecosystem through community engagement, inclusive financing, and digital innovation. Key topics included Mongolia's economic outlook, SME financing strategies, tax literacy, and fintech-enabled access to financial services. This collaboration addresses a real need: many small businesses lack guidance, community support, and formal business education to grow and thrive. Supporting knowledge and capacity building for MSMEs is a crucial part of our impact journey. We plan to host similar events on a regular basis to advance financial literacy and business education for those who need it most.





Client Protection Principles

Client protection is not simply a compliance requirement at LendMN — it is the foundation of the trust our clients place in us. For many individuals and small businesses, accessing finance can feel uncertain or risky, particularly for first-time or underserved borrowers. We therefore consider it our responsibility to ensure that every product and interaction is transparent, fair, and responsible. These principles are embedded into our digital lending model, shaping how we design products, communicate terms, and support clients throughout their financial journey.

To consistently monitor client experience and enhance service quality, we introduced Customer Satisfaction (CSAT) tracking in February 2025 and Net Promoter Score (NPS) measurement in October 2025:

CSAT: 85%

Reflecting consistent high levels of client satisfaction

NPS: 63%

Reflecting strong customer loyalty and advocacy



Our commitment to responsible finance is further validated through independent, international recognition. LendMN has been awarded the **Client Protection Certificate (CPC)** by **MicroFinanza Rating (MFR)**, based on the globally recognized Client Protection Standards developed by **CERISE+SPTF**, the leading global bodies promoting responsible and inclusive finance. These standards assess financial institutions across eight core principles, including transparency, fair treatment, prevention of over-indebtedness, data privacy, and effective grievance mechanisms.

By receiving the **Silver-level** certification, we affirm our commitment to setting new standards in the financial sector through ethical lending practices and the protection of our clients' rights and interests. Importantly, this certification serves as a strong signal of credibility and trust for our clients, assuring them that we adhere to internationally benchmarked best practices in ethical lending. By becoming the world's first fintech company to receive MFR certification, we ensure that our growth is not only digital and financial, but also responsible, ethical, and client-centered.

2X Challenge

Invest in women. Invest in the world.

Most Recent Milestone: LendMN Qualifies for 2X Challenge

LendMN has become one of the first non-bank financial institutions in Mongolia to qualify for the 2X Challenge, a global initiative launched at the G7 Summit in 2018 to mobilize investment in women worldwide. LendMN qualifies for the 2X Challenge based on strong performance in three categories of gender equality criteria: **Leadership, Employment, and Portfolio.**

As Mongolia's leading digital lending fintech, pioneering mobile-based, collateral-free loans, LendMN successfully raised USD 4.25 million in new financing from funds managed by Developing World Markets (DWM), a leading global impact investment manager. This transaction represents DWM's first 2X-Qualified Investment in Mongolia, highlighting its commitment to financing women entrepreneurs and supporting gender equality in the country.

This milestone underscores LendMN's impact journey, demonstrating that our efforts to empower women-led businesses are measurable, recognized, and making a real difference in Mongolia's financial system.

Looking forward

As our first Impact Report, this publication marks an important step in how we define and measure our responsibility beyond loan disbursement. While access, scale, and distribution remain essential, we place equal importance on understanding how our financing translates into real outcomes for small and medium-sized enterprises and the households behind them. Expanding finance is not only a matter of quantity, but of quality and lasting value.

To reflect this, we introduced impact metrics at both the business and household levels, recognizing that SME growth often directly influences income stability, resilience, and overall quality of life. These initial metrics and survey-based methods provide a starting point. In future reporting cycles, we aim to strengthen and automate impact tracking in a way that generates meaningful insights while minimizing the burden of constant questionnaires on our clients.

Looking ahead, alongside responsible portfolio growth, we will continue to embed ESG and impact principles across our operations, products and services by improving data quality, transparency, and governance, and by working closely with partners and investors that align with our activities with the Sustainable Development Goals.

We view this Impact Report not as an endpoint, but as a foundation. By remaining accountable, adaptive, and client-focused, we are committed to advancing financial inclusion, which is a big part of sustainable development in Mongolia.



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