



*“Empowering people through  
finance”*

*<http://www.abts.mn>*

# COMPANY INTRODUCTION

## 2019

## ABTS NON-BANK FINANCIAL INSTITUTION



Our **mission** is to support and financially assist people wishing and willing to act for improving their life and the lives of loved one. We believe that only people can make things truly better, and our efforts focused on them will actually improve their well-being.

ABTS NBFi makes its contribution into the Mongolia's socio-economic development through its financial support aimed at employment generation and improvement of sustainable livelihood. ABTS NBFi's micro finance services, directed at individuals and entities that have limited access to banks services, deepen the financial intermediation in our country. We strive to be the "right partner" for our clients continuously improving our financial products and services in line with their rising demand and various needs.

ABTS NBFi will work to achieve its goals and implement initiatives aimed at prosperity of people and sustainable development of SME through enabling access to financial support. We will keep pace with the developments in the financial sector introducing new products and services, international standards and the best practice. We will continue to increase the transparency and adopt corporate governance principles.

ABTS NBFi will develop further to keep the leading position in the micro-finance sector.

### ABTS NBFi TODAY

ABTS NBFi was established on 4 October 2001 as one of pioneer micro finance institutions in Mongolia.

We direct our activity at meeting demand and needs of our clients with personal touch by introducing new financial products and services, improving our operations, and adopting international standards. In 2001-2019, the ABTS NBFi has granted total loans of MNT 64.3 billion to 3829 clients.

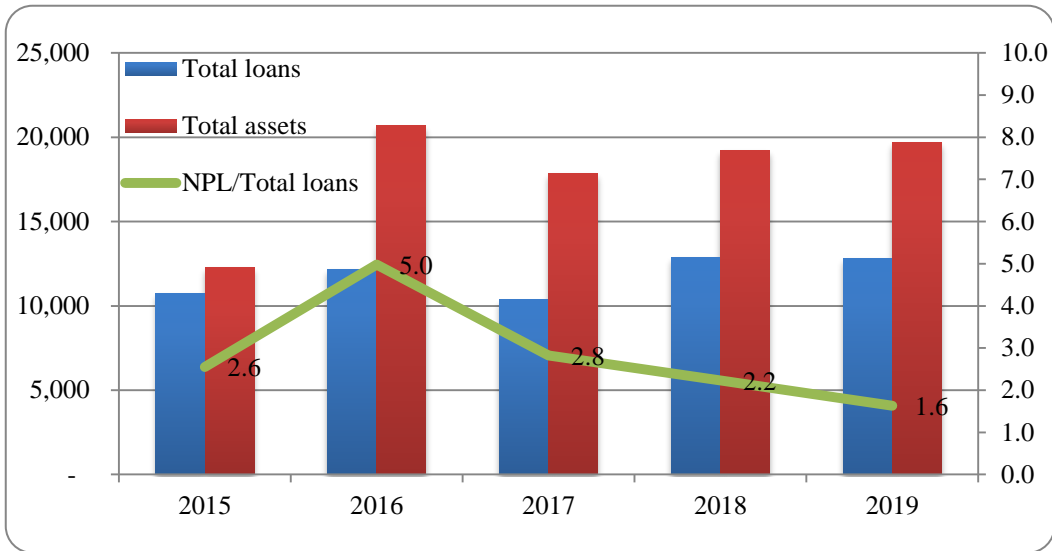
Since its establishment, our total assets soared 214 times, while total loans increased 195 times and equity rose 142 times.

Compared to the end of 2018, total assets grew by 2.6%, while total loans (net) rose by 0.1%. The ratio of non-performing loans to total loans made up 1.6% which is 0.6% decrease from last year's 2.2%.

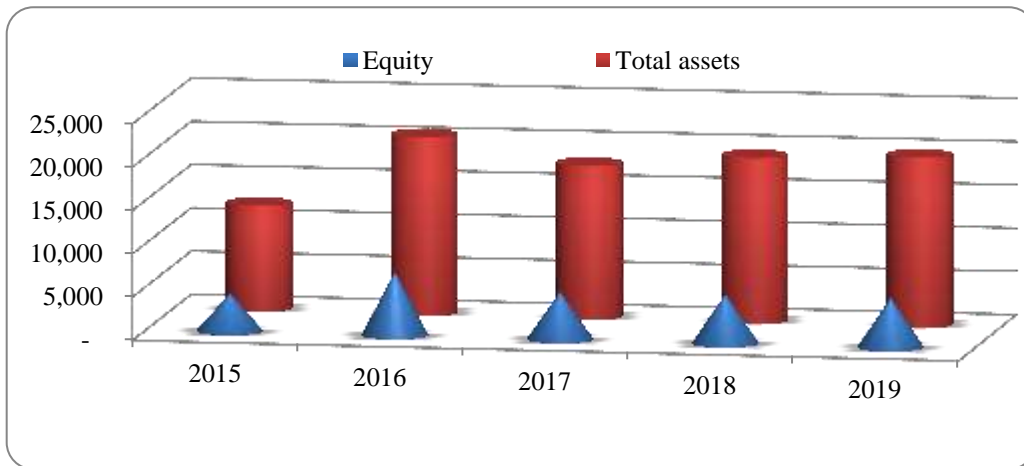
ABTS NBFi has already built the reputation of reliable financial partner. The backbone of our business is experienced staff, strong management team, and shareholders support. We believe that the team work with well-defined objectives, innovative thinking and integrated interests will drive the further success of our NBFi.

PERFORMANCE IN 2018

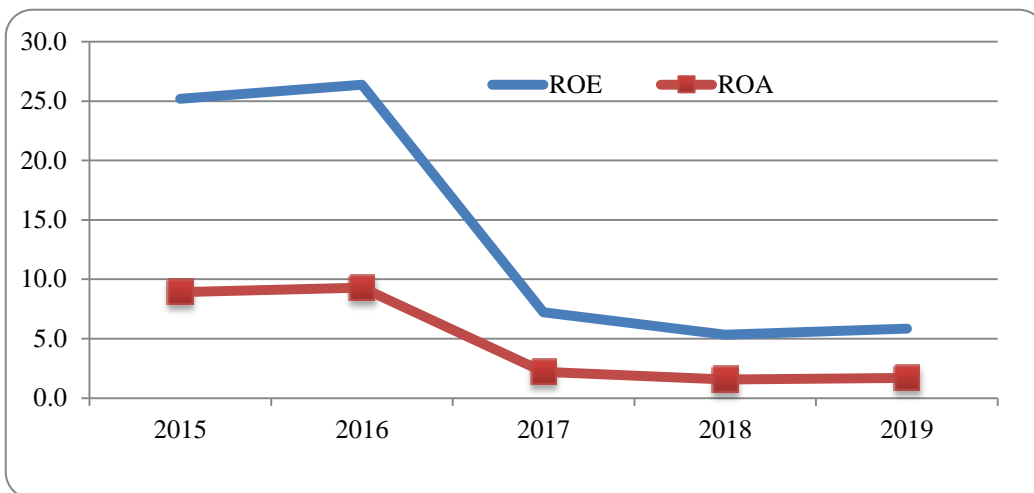
Graph 1. Total loans, total assets (Mln of Togrog) Ratio of NPLs to total loans, % (right axis)



Graph 2. Total assets, equity (Mln of Togrog)



Graph 3. ROE, ROA



## IMPLEMENTED PROJECTS



We have successfully implemented and currently implementing various projects targeted vulnerable households, individuals, and SMEs. Particularly, ABTS NBFi has implemented Project on Supporting Households in Remote Rural Areas through its branch in Umnugovi aimag, Project on Improving Living Conditions in Ger Residential Area, Project on Supplying Enhanced Stoves to reduce air pollution, and Employment Generation Project. Presently, we continue implementation of Micro Finance Development Project (Sustainable Livelihood II Project).

*Micro Finance Development Project.* The Mongolian Government in collaboration with the World Bank has been implementing Sustainable Livelihood program. ABTS NBFi participated in implementation of this project since 2003. Presently, ABTS NBFi is implementing Micro Finance Development project in such districts as Chingeltei, Bayanzurkh, Songinokhairkhan, Khan-Uul and Sukhbaatar. Within the project framework, we provided 351 loans worth MNT 3.5 billion in total. Out of which, loans to poor and low income households and individuals comprised MNT 1.7 billion. In result, 593 direct beneficiaries and 693 indirect beneficiaries were recorded.

*Employment Generation Project.* ABTS NBFi has implemented Employment Generation project aimed at supporting employable poor to create employment and income opportunities in 2002-2010. Generated substantial experience in providing micro loans allowed us to reach the project objectives. Within the framework of the Employment Generation Project, ABTS NBFi granted loans of MNT 416.5 million, of which MNT 195 million were received by residents of ger area. In result, more than 700 working places were created.

*Project on Supporting Households in Remote Rural Areas.* ABTS NBFi implemented the Project on Supporting Households in Remote Area through its branch in Dalanzadgad Soum, Umnugovi aimag in 2003-2004. ABTS NBFi achieved the project objectives, providing micro finance service to low income households in remote rural areas and enhancing their access to financial services. We granted 210 loans of MNT 128.6 million in total. Loans to residents in remote areas accounted to MNT 33.3 million, poor and low income individuals MNT 117 million and herders MNT 37.3 million, respectively.

*Project on Improving Living Conditions in Ger Residential Area (JFPR MON-9015).* The Mongolian Government in collaboration with the Asian Development Bank implemented the Project on Improving Living Conditions in Ger Residential Area during 4.5 years starting September 2005. ABTS NBFi granted 3-year loans up to MNT 1 million to residents in Bayanzurkh District of Ulaanbaatar city. The loans with monthly interest rate of 0.5 percent were provided to households in order to support them in construction, repair and extension of their homes. About 155 individuals benefited from the project support of MNT 145 million, of which 13 persons purchased ger, 57 built premises, and 85 repaired or extended the living spaces.

*Project on Supplying Enhanced Stoves.* The World Bank provided financing for renovation of TT-03 stoves, used within the framework of the Asian Development Bank project to reduce the air pollution in Ulaanbaatar city and rationalize use of fuel for heating purposes. ABTS NBFi took part in distribution of these renovated stoves to households in ger area through providing financial intermediary services.



**ABTS NBFI CHRONOLOGY**

2001	Started non-bank financial activity as the 25th Mongolian NBFI
2002	Implemented Employment Generation project of the Ministry of Social Welfare and Labor
	Started foreign currency trading operations
2003	Opened branch in Bayandelger soum, Sukhbaatar aimag
	Opened branch in Dalanzadgad soum, Umnugovi aimag
	Implemented Employment Generation project of the Ministry of Social Welfare and Labor
	Implemented the Project on Supporting Households in Remote Rural Areas of the Mongolian Government and World Bank
2004	In collaboration with the Enterprise Restructuring Project team (implemented by the Mongolian Government, the German Development Corporation and the Netherlands Government) improved business practice, particularly human resources management
	In collaboration with the Enterprise Restructuring Project team (implemented by the Mongolian Government, the German Development Corporation and the Netherlands Government) improved loan portfolio management, reduced loan risk and modified the relevant regulations
2005	Was named “The Best Non-Bank Financial Institution Supporting Private Businesses” in the Chingeltei District, Ulaanbaatar city
	Participated in implementation of the Japanese Project “Financial Well”, aimed at poverty alleviation
	Implemented Employment Generation project of the Ministry of Social Welfare and Labor
2006	Implemented the Project on Improving Living Conditions in Ger Residential Area JFPR MON-9015 of the Mongolian Government and the Asian Development Bank
	Implemented Employment Generation project of the Ministry of Social Welfare and Labor
2007	Adopted the accounting program SPINEL
	Implemented the Project on Supplying Enhanced Stoves
	Was awarded the Best Institution Supporting the Social Development
	Implemented Employment Generation project of the Ministry of Social Welfare and Labor
2008	Expanded the activity with financial lease and trust services
	Implemented Employment Generation project of the Ministry of Social Welfare and Labor
2009	Received "TOP-10 NBFI" award from the Mongolian Government and Mongolian National Chamber of Commerce and Industry
	Implemented the project of Micro Finance Development Fund, Mongolia
2010	Launched campaign to raise awareness of green environment and its protection within the framework of enhancing corporate social responsibility. Planted 70 cherry trees known as Sakura in the territory of the International Children's Center Nairamdal
	Received "TOP-10 NBFI" award from the Mongolian Government and Mongolian National Chamber of Commerce and Industry
	Became a Platinum Member of the Mongolian National Chamber of Commerce and Industry
	Successfully participated in Microfinance Center (MFC) Conference held in Astana, Kazakhstan
	Implemented Employment Generation project of the Ministry of Social Welfare and Labor
	Awarded scholarship for 4 students at the Zohiomj University for the Academic year 2010-

	2011
	Implemented the project of Micro Finance Development Fund, Mongolia
2011	Received "TOP-10 NBFI" award from the Mongolian Government and Mongolian National Chamber of Commerce and Industry
	Joined the Partnering Against Corruption Initiative (PACI), and developed Program for Countering Bribery
	Accepted investment from the Japanese Business Partner Company (became Company with foreign investment and registered at the FIFTA)
	Implemented the project of Micro Finance Development Fund, Mongolia
	Joined the campaign of Labor and Social Welfare Division of Bayanzurkh and Chingeltei Districts to enhance the quality of life for households and families, and gave moral and material support for them
	Organized pupils art contest in collaboration with the Mongolian Art Gallery, "I Trade" brokerage, dealer company and others
	Taxation Department of the Bayangol District issued Certificate of Appreciation that indicated sufficient performance of ABTS NBFI in relation to implementation of the Taxation legislation and appreciated its contribution into the state budget formation
2012	Received "TOP-10 NBFI" award from the Mongolian Government and Mongolian National Chamber of Commerce and Industry
	Participated in campaign organized by the Micro Finance Development Fund and planted trees in the National Garden Park
	Implemented the project of Micro Finance Development Fund, Mongolia
	General Authority for Social Insurance of Mongolia issued a Certificate of Appreciation to the ABTS NBFI for timely payments of social insurance premiums and guarantee of individuals' right to receive social security benefits, and in accordance with the relevant regulations reduced industrial accident, occupational disease insurance premium, and unemployment insurance premium by 10% for 2012 year
	With the Micro Finance Development Fund support, successfully participated in Microfinance Center (MFC) Conference held in Tbilisi, Georgia
	The Micro Finance Development Fund and Training, Evaluation and Research Institute (TERI) rated ABTS NBFI at "A" level performance in accordance with Social Performance Initiative of Mongolia (SPIM) rating system, and awarded Certificate of Recognition
	The Mongolian National Chamber of Commerce and Industry, and the Partnering Against Corruption Initiative (PACI) - Mongolia Network awarded Certificate of Recognition to the ABTS NBFI for joining the PACI of the World Economic Forum, adopting internal program for countering bribery, and leadership in anti-corruption activity
	The ABTS NBFI provided financial consulting and collaborated on adoption of Management Information System within the project framework implemented by the Micro Finance Development Fund
	The Mongolian Non-Bank Financial Institutions Association granted to the ABTS NBFI "Distinguished NBFI Award" in honor of its exceptional initiative and special contribution into raising NBFIs' role in the socio-economic development of the country
2013	Received "TOP-10 NBFI" award from the Mongolian Government and Mongolian National Chamber of Commerce and Industry
	Implemented the Sustainable Livelihood-II Project of the Mongolian Government and the World Bank
	Successfully participated in Microfinance Center (MFC) Conference held in Budva,

	<p>Montenegro</p> <p>The nationwide online public opinion poll through www.khunnu.mn website named the ABTS NBFI as “THE BEST NBFI OF 2013”</p> <p>Participated successfully in “Finance Mongolia 2013” Expo in Ulaanbaatar</p> <p>Took part in implementation of the project on recreating Natural Park in Dornogovi aimag, and planted 1500 trees in the area with the help of “Ikh Ust Tuul” non-government organization</p> <p>Participated in "Well-educated Youth is Mongolian Future" donation campaign, organized by the Mongolian NBFIs' Association and “Life Experience for Children Center” non-government organization, and gave our helping hands to build a computer room at the orphanage</p>
2014	<p>Received "TOP-10 NBFI" award from the Mongolian Government and Mongolian National Chamber of Commerce and Industry</p> <p>Received long-term foreign financing of USD 2 mln in mid-May, which translated into corresponding expansion of our loan market and funding for individuals, legal entities, and SME in a short period of three months through an effective advertisement methods such as newspaper and radio advertisements, stickers on the crowded bus handles</p> <p>Collaborated with the FRC and MNBFI Association in drafting renewed Law on Non-Bank Financial Activity in Mongolia, publishing English-Mongolian dictionary of professional terms for micro-financial services.</p> <p>FRC on-site supervision marked our performance as “Good”</p> <p>In cooperation with Children and Family Development Center of Chingeltei District, has facilitated 25 children from low-income families to attend “Cat House” musical</p> <p>Participated in Consult Expo 2014 forum, organized by the Mongolian National Chamber of Commerce and Industry, EBRD, EU, Mongolian Management Consultants Institute and others, and Private sector Contribution into the Anti-Corruption Initiative Forum, Organized by the Mongolian National Chamber of Commerce and Industry, USAID, the Asia Foundation, and Mongolian Independent Authority Against Corruption</p>
2015	<p>In May, received mid-term foreign financing of USD 500,000 that facilitated further growth of our loan market share and lending activity</p> <p>Successfully participated in Microfinance Center (MFC) Conference held in Prague, Czech Republic</p> <p>Collaborated with the MNBFI Association in preparing proposals to develop some regulations on non-bank financial activity in Mongolia and participated in various activities organized by the Association, including sport events and training courses</p> <p>Organized 2 month English course for all our staff</p> <p>Supported young talent in publishing his poetry book</p>
2016	<p>Mongolian Non-Bank Financial Institutions Association awarded and titled ABTS NBFI as the “Best Investor of the Year”.</p> <p>Received foreign financing equivalent to JPY 425 mln for enhancing the lending activity</p> <p>Implemented the sixth project of Micro Finance Development Fund, Mongolia</p>

2016	In December, received mid-term foreign financing of USD 500,000
	Supported hosting the 11th Asia-Europe Meeting (ASEM11) Summit that facilitated Mongolia's world-wide advertisement and propaganda.
	Provided 20 school bags within the framework of MNBFI Association's campaign directed at providing 1000 school bags to children from poor and low-income households, with the purpose to encourage them and strengthen their willingness to learn and study.
	Celebrated 15th anniversary of ABTS NBF LLC successfully (the Mongolian Youth Association awarded "Young Leader" and "Labor Honor" medals to our two loan officers, and the FRC awarded "Labor Honor" medal to the chief accountant)
2017	Implemented the seventh project of Micro Finance Development Fund, Mongolia
	As the Best Investor of 2016 (awarded by the Mongolian Non-Bank Financial Institutions Association), we organized meeting among other NBFIs, during which we introduced ABTS activity, made presentation on various forms of external financing, and shared our experience
	Presented gifts to children from poor and low-income households of Chingeltei District on Children's Day
	Provided 50 school bags within the framework of MNBFI Association's campaign directed at providing 1000 school bags to children from poor and low-income households, with the purpose to encourage them and strengthen their willingness to learn and study
2018	Supported 12 female-headed households through our loan products
	Presented gifts to children from poor and low-income households of Chingeltei District on Children's Day
	Provided 50 school bags within the framework of MNBFI Association's campaign directed at providing 1000 school bags to children from poor and low-income households, with the purpose to encourage them and strengthen their willingness to learn and study
	Received a special license to issue payment guarantee from FRC
	Provided mortgage loans with low interest rate and long maturity in order to contribute into reducing air pollution
	All the staff travelled to Manchuria trip that facilitated development of team culture
	Achievements of our internal auditor N.Sukhbat and chief accountant Sh.Bud were honored by the state awards. They received "Order of the Red Banner of Labor Glory" and "Order of the Polar Star", respectively
2019	Adopted the upgraded accounting program SPINEL-6
	Received a special license to provide investment, financial advisory and information service from FRC
	Moved to a central location that provides a comfortable customer service environment and improves the working conditions for our staff
	Provided mortgage loans with low interest rate and long maturity in order to contribute into reducing air pollution
	Granted loans to 27 female-headed households
	Presented gifts to children from poor and low-income households of Chingeltei District on Children's Day



	Provided 50 school bags within the framework of MNBFI Association's campaign directed at providing 1000 school bags to children from poor and low-income households, with the purpose to encourage them and strengthen their willingness to learn and study
	Participated in "Donate for Life" campaign, organized by MNBFI Association and National Blood Transfusion Research Center of Mongolia.

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