



“Empowering people through finance”

<http://www.abts.mn>



COMPANY INTRODUCTION

2023

ABTS NON-BANK FINANCIAL INSTITUTION

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

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

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 2001-2023, the ABTS NBFI has granted total loans of MNT 70.4 billion to 3956 clients.

Since its establishment, our total assets soared 224 times, while total loans increased 171 times and equity rose 142.5 times.

Compared to the end of 2022, total assets grew by 3.9%. The ratio of non-performing loans to total loans made up 1.6% which is 0.4% decrease from last year's 2%.

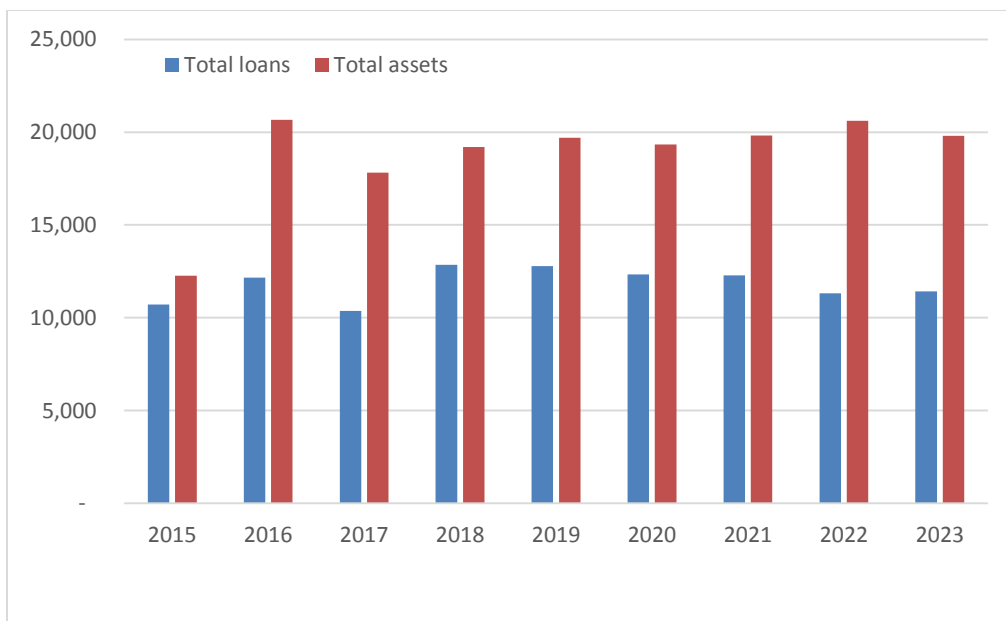
ABTS NBFI has already built the reputation of reliable financial partner. The backbone of our business is experienced staff, strong management team, and shareholders support. We believe that the team work with well-defined objectives, innovative thinking and integrated interests will drive the further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

PERFORMANCE IN 2022

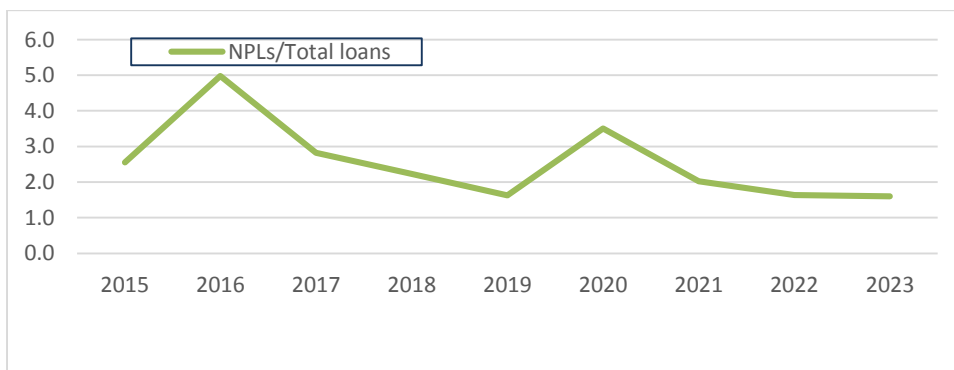
Compared to the end of 2001 when "ABTS" NBFC was established, in 2023 total assets increased 224 times, total loans increased 171 times, and equity increased 142.5 times. Compared to the previous year-end, total assets have **decrease by 3.9%**, and equity has increased by 4.3%. In 2023, despite challenges posed by the COVID-19 pandemic and the economic downturn, the company has managed to maintain a stable financial position, showing resilience amidst the uncertainties. ABTS NBFC has successfully navigated the financial landscape, responding to the challenges posed by the pandemic and adapting to changes in the financial sector, including adjustments in loan portfolio sizes. This reflects the company's commitment to prudent financial management and its ability to respond effectively to dynamic economic conditions.

Currently, ABTS NBFC has assets of MNT 19,806,119,659 and a loan portfolio of MNT 11,418,393,109. The portfolio of non-performing loans is 183,031,563 MNT.

Graph 1. Total loans, total assets (Mln of Togrog)



Graph 2. Ratio of NPLs to total loans

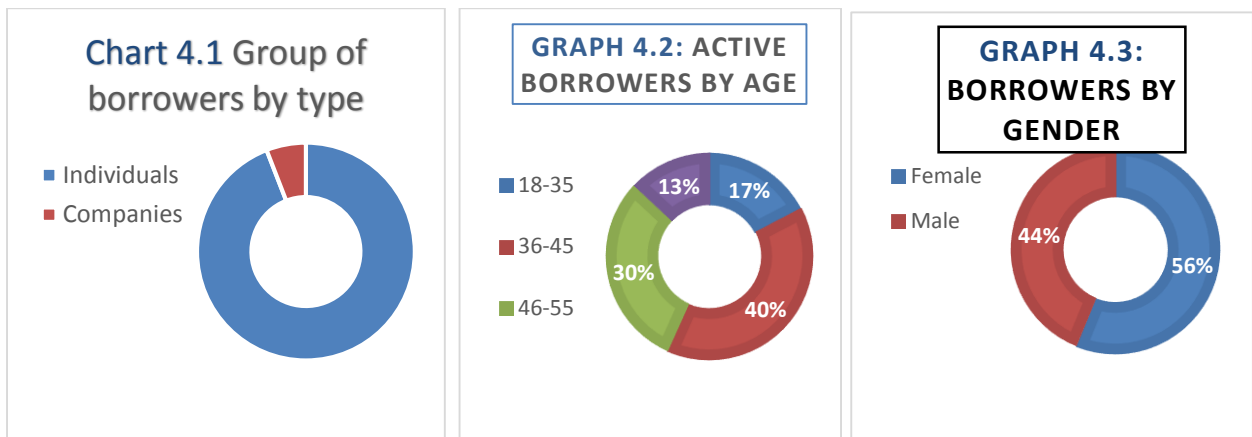


The ratio of equity to total assets set by the Financial Regulatory Commission will be at least 20%, and by 2023, the appropriate ratio of our organization 27.03%.

Graph 3. Total assets, equity (Mln of Togrog)



Graph 4. Types of borrowers



CREDIT PRODUCTS

As of today, ABTS NBFC offers a diverse range of financial products and services, including business loans, car leasing, consumer loans, mortgage loans, real estate acquisition financing, equipment financing, renovation loans, salary loans, and more. In total, there are 22 types of loans and services available to individuals and organizations, provided with the most flexible terms. The interest rates for these loans range from 0.7% to 3.2% per month, depending on the type of loan and its respective duration.

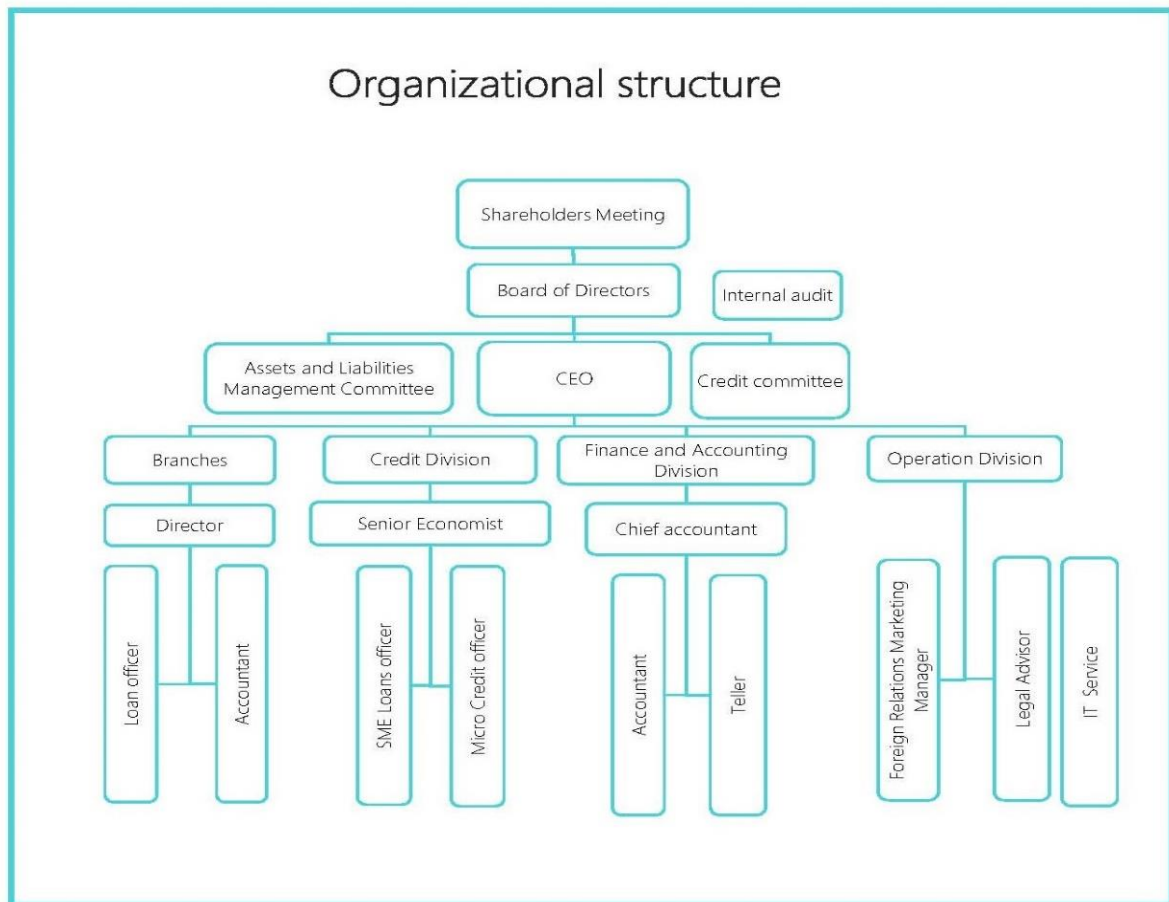
Types of Loans:

- Real estate loans (in local currency and foreign currency)
- Agricultural loans
- Transportation and logistics loans
- Trade loans
- Small-scale industry loans
- Mortgage loans
- Housing improvement loans
- small business line of credit (in local currency and foreign currency)
- Auto leasing
- Operational loans
- Car loans
- Consumer loans

ORGANIZATIONAL STRUCTURE

ABTS NBFC has 8 shareholders. The board is led by an Executive Director appointed by the Shareholders' Meeting, and it includes 5 members responsible for loan committees.

ORGANIZATIONAL STRUCTURE



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 Province, 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.

"Schultz Global Mongolia ".Funding of 2,000,000 USD was collected in April 2014 for the purpose of "Schultz Global Mongolia" project, to increase jobs and support small and medium businesses. Due to the effect of this financing, at the end of 2016, our company's financial performance and loan portfolio improved. For example, the loan portfolio increased by 2.2 times, and 21.4 billion MNT was provided to 681 customers. As a result of the project, more than 300 new jobs have been created. The project was successfully implemented and the loan was fully repaid with interest in February 2016.

"Business Partners Company" Ltd. 2016, "Business Partners Company" collected loan resources from Japan's Business Partners Company in order to support the financial capabilities of private entrepreneurs. In the framework of this financing, 22.2 billion MNT loan financing was granted to 637 customers. As a result of the project, more than 200 new jobs have been created and the standard of living of households has improved.

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 province 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	<ul style="list-style-type: none"> Started non-bank financial activity as the 25th Mongolian NBFI
2002	<ul style="list-style-type: none"> Implemented Employment Generation project of the Ministry of Social Welfare and Labor Started foreign currency trading operations
2003	<ul style="list-style-type: none"> Opened branch in Bayandelger soum, Sukhbaatar province Opened branch in Dalanzadgad soum, Umnugovi province Implemented Employment Generation project of the Ministry of Social Welfare and Labor
2004	<ul style="list-style-type: none"> Was named “The Best Non-Bank Financial Institution Supporting Private Businesses” in the Chingeltei District, Ulaanbaatar city
2005	<ul style="list-style-type: none"> Participated in implementation of the Japanese Project “Financial Well”, aimed at poverty alleviation Implemented the Project on Improving Living Conditions in Ger Residential Area JFPR MON-9015 of the Mongolian Government and the Asian Development Bank
2006	<ul style="list-style-type: none"> Adopted the accounting program SPINEL
2007	<ul style="list-style-type: none"> Was awarded the Best Institution Supporting the Social Development Implemented the Project on Supplying Enhanced Stoves Expanded the activity with financial lease and trust services
2008	<ul style="list-style-type: none"> Implemented Employment Generation project of the Ministry of Social Welfare and Labor
2009	<ul style="list-style-type: none"> Received "TOP-10 NBFI" award from the Mongolian Government and Mongolian National Chamber of Commerce and Industry
2010	<ul style="list-style-type: none"> 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 Awarded scholarship for 4 students at the Zohiomj University for the
2011	<ul style="list-style-type: none"> Received "TOP-10 NBFI" award from the Mongolian Government and Mongolian National Chamber of Commerce and Industry Accepted investment from the Japanese Business Partner Company (became Company with foreign investment and registered at the FIFTA)
2012	<ul style="list-style-type: none"> Received "TOP-10 NBFI" award from the Mongolian Government and Mongolian National Chamber of Commerce and Industry With the Micro Finance Development Fund support, successfully participated in Microfinance Center (MFC) Conference held in Georgia

2013	<ul style="list-style-type: none"> The nationwide online public opinion poll through www.khunnu.mn website named the ABTS NBFI as “THE BEST NBFI OF 2013”
2014	<ul style="list-style-type: none"> 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
2015	<ul style="list-style-type: none"> In May, received mid-term foreign financing of USD 500,000 that facilitated further growth of our loan market share and lending activity Supported young talent in publishing his poetry book
2016	<ul style="list-style-type: none"> Mongolian Non-Bank Financial Institutions Association awarded and titled ABTS NBFI as the “Best Investor of the Year”. Received foreign financing equivalent to JPY 425 mln for enhancing the lending activity
2017	<ul style="list-style-type: none"> Presented gifts to children from poor and low-income households of Chingeltei District on Children’s Day Implemented the seventh project of Micro Finance Development Fund, Mongolia
2018	<ul style="list-style-type: none"> Supported 12 female-headed households through our loan products Received a special license to issue payment guarantee from FRC
2019	<ul style="list-style-type: none"> 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 Granted loans to 27 female-headed households
2020	<ul style="list-style-type: none"> Participated in “Donate for Life” campaign, organized by MNBFI Association and National Blood Transfusion Research Center of Mongolia.
2021	<ul style="list-style-type: none"> During the economic downturn, a program was implemented to revise contractual terms with clients, introducing additional changes in the agreement to address the challenges of the financial crisis"
2022	<p>Join the "Billion Trees" program and plant trees by donating.</p>
2023	<ul style="list-style-type: none"> Attended a workshop aimed at improving collaborative efforts to analyze financial performance within Cambodian financial institutions. With investment from Japan, a car loan product was introduced.

SOCIAL RESPONSIBILITY

Since its establishment, ABTS NBFC has been actively working towards promoting social welfare as its core mission. Engaging in various projects aimed at improving the lives of the community, the organization has successfully implemented initiatives such as:

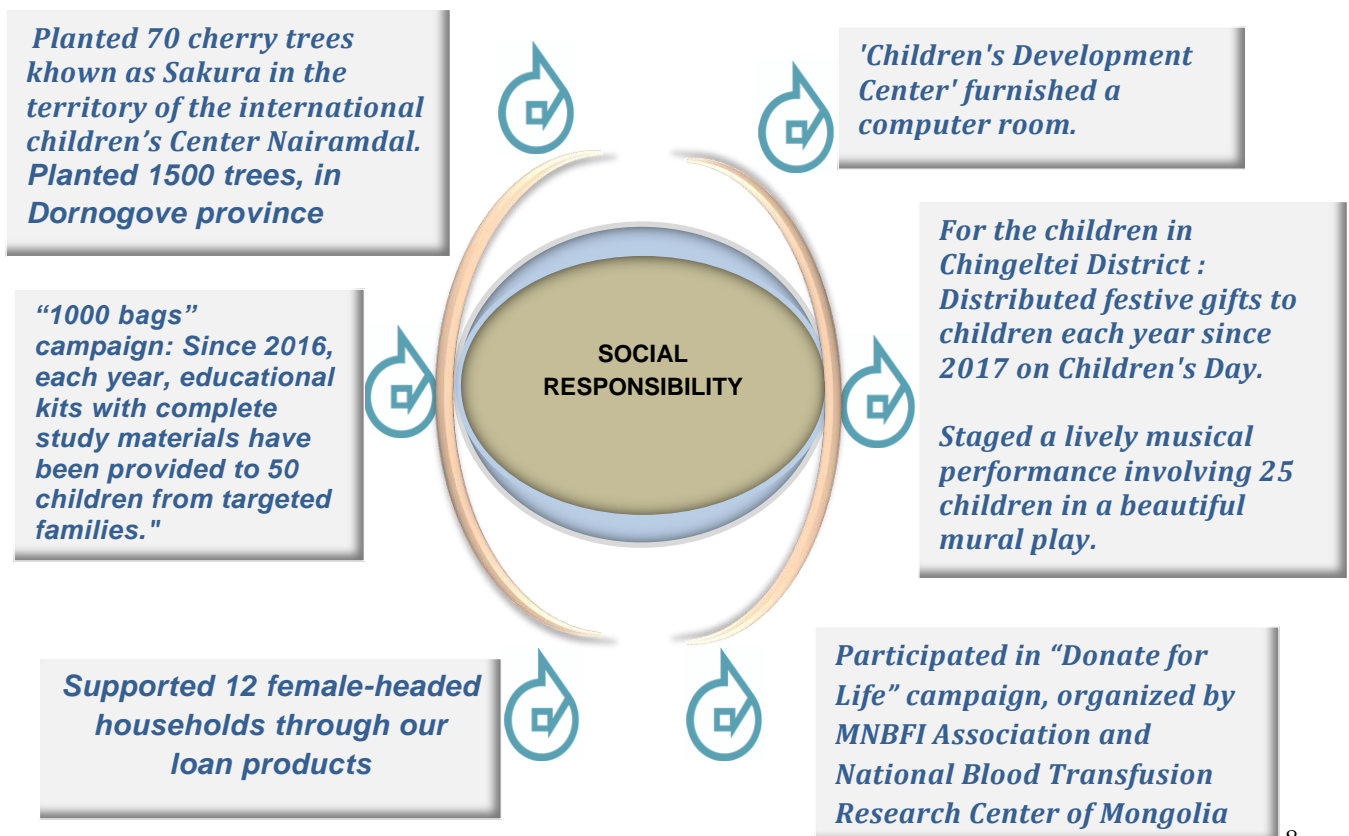
Participating in the restoration project for the mined area in Dornogovi aimag, in collaboration with the Ikh Ust TUUL NGO, 1500 trees were planted. Additionally, 70 Sakura trees were obtained from Japan as part of the cultural exchange with the international children’s Center Nairamdal.

Collaborating with the Mongolian Banking Association and jointly organizing an exhibition with the theme 'My Inspiring Mongolia,' showcasing artworks created by students from the Mongolian University of Arts and Culture.

Cooperating with the 'Children's Development Center' from the Mongolian National Broadcasting to organize an event named 'The Gift of Knowledge,' where 1000 children in need received complete sets of educational materials.

Carrying out an annual initiative in Chingeltei district, providing festive gifts to underprivileged children to celebrate the New Year.

These endeavors align with the organization's commitment to nurturing the younger generation, fostering educational development, and contributing to the well-being of the local community through targeted and impactful initiatives.



OUR SUCCES

- The Government of Mongolia, MNC "TOP-10 NBFCs" 2009-2013. Association of non-banking financial institutions of Mongolia "2012 outstanding institution of the sector". 2013 "The best non-banking financial institution of the year" according to public polls. In 2016, the Association of Non-Banking Financial Institutions of Mongolia honored it as the "Best Investor of the Year" and received the Golden Star Award. In "Donate for Life organization 2021-2022" by MNBFI, Association and National Blood Transfusion Research Center of Mongolia.



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