



Stronger. Together.

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## OUR VISION

*Ard Credit is a driving force for financial inclusion, financial education, and corporate social responsibility in Mongolia.*

## OUR MISSION

*To become the market leader by pioneering innovative financial services in the industry.*

## OUR CORE VALUES

*Customer centered services;  
Superior and consistent level of return on investment;  
Environmentally sustainable practices;  
Socially responsible business*

# CHAIRMAN'S STATEMENT GANHUYAG CH. HUTAGT



Dear customers, business partners, and shareholders,

Ard Financial Group, previously known as Equity Investment Trust (EIT) LLC, is a holding company of Ard Credit, a Non-Bank Financial Institution (NBFI) licensed and regulated by the Financial Regulatory Committee of Mongolia. I am honored to present you with the achievements made in the first full year of Ard Credit since Ard Holdings took over the management of the company in 2013 in this Annual Report.

2014 has been a year of profound changes and noticeable improvements for Ard Holdings as our newly reinvigorated teams began working together under a new holding structure, each one of our affiliates operating in a different sector of the industry. We tried to build a solid foundation for this new financial group of companies under corporate motto "Stronger, Together". 2014 was a year of progress, expansion and a stronger financial performance for the companies in the group, against a backdrop of the slowing Mongolian economy. We optimized the opera-

tional structure of the holding company and made this company a lean and very effective machine. Our team of qualified professionals was fully committed to maintaining the highest standards of transparency and corporate governance, complying with legal and ethical responsibilities to our clients and the communities at large while working to overcome this critical period for the country and the Group. We set an ambitious goal to become publicly listed on the Mongolian Stock Exchange in the immediate future.

Ard Credit is quickly becoming a flagship of our holding's portfolio: last year Ard Credit reported a net income of MNT300 million, as a result of hard work by the management. We grew our portfolio quite rapidly thanks to successful issuance of privately placed bonds, new funding from domestic banks and Microfinance Development Fund, and introduction of trust account services. Furthermore, for the first time in its history, Ard Credit announced a dividend, with a payout ratio of 33 percent of net earnings to its shareholders. The Board of Directors made an enormous progress in implementing sound corporate governance practices and provided continuous guidance to the management matters of strategy and policy, and regularly monitored and provided feedback on the overall performance of the Company. Operational performance has been sound and promising thanks to close collaboration between the Board and the executive team. For the second consecutive year, an international auditing firm BOD audited our financial statements with unqualified opinion for the reporting year. Consequently, it strengthens our competitive position over the non-banking financial sector, and set us apart from the field. It reinforces our stance on transparency and sound corporate governance practices.

In 2015, Ard Credit plans to introduce new financial products and services, and increase efficiency of its operations. We intend to strengthen our long term strategic partnership with rural savings and credit cooperatives and double the size of our loan portfolio to them. Our main objective is to attract investors from the international capital markets.

I would like to present you the annual report of the executive management and wish you the best of everything in the years ahead.

# EXECUTIVE SUMMARY

## GANZORIG CHULUUN



Dear shareholders, partners, colleagues and valued customers,

It is my pleasure to present you the first Annual Report of Ard Credit.

2014 was a noteworthy year for the Company as the new management team successfully navigated through its first full financial year since appointment and welcoming new strategic investors in the middle of 2013. The management team, together with the Board focused on introducing sound corporate governance practices and improving internal processes and procedures. At the same time, we were determined to sustain the exponential growth rate of our lending business and increase the level of return on the capital.

Although macroeconomic environment of Mongolia was not favorable for business, it was a year of turnaround for Ard Credit. Our team made remarkable effort throughout the year and, as a result, managed to increase the total assets by 86 percent to MNT3.4 billion and we generated net income of MNT300 million in spite of adverse economic situation.

We successfully raised debt funding from local investors through our first ever private bond issuance and introduced trust account services after obtaining an approval from the Financial Regulatory Commission (FRC). Moreover, our team was able to secure a soft loan from Microfinance Development Fund (MDF) managed by the Central Bank of Mongolia, which is conditioned to support micro business owners and people living under the poverty line in Mongolia.

Furthermore, in the framework of cooperation with Association for Rural Microfinance Development (ARMF), we successfully launched a cooperative development loan product intended solely for rural savings and credit cooperatives (SCC), which offer micro loans to their members most of whom are nomadic herders living in hard to reach areas of Mongolia. We view this cooperation as strategically important for Ard Credit in expanding our outreach to the population in remote areas of Mongolia.

In 2015, we are planning to diversify our funding sources by attracting investors from international capital markets. Moreover, our priority will be to improve products and services using advanced technology, introducing new channels, strengthening our risk management practices and adopting innovative approaches into our day-to-day operations.

# ABOUT THE COMPANY

Ard Credit, a Non Bank Financial Institution, was established in April of 2011 by Intergroup International LLC (Intergroup). Since its founding, our company was licensed by Financial Regulatory Commission of Mongolia to engage in lending activities with a limited offering of currency exchange, investment and financial advisory services.

In 2013, a group of new investors led by Ganhuyag Ch. Hutagt, CEO of Ard Financial Group, came in with fresh capital and a devoted team, which spurred a new beginning for Ard Credit. Newly appointed management team reviewed the corporate strategy and managed to turn-around the Company within a short period of time.

As a young and dynamic microfinance institution (MFI), we always strive to find best solutions to deliver and offer financial products and services specifically designed to meet the needs of micro and small entrepreneurs in Mongolia with innovative solutions. Ard Credit sits in a favorable position to swiftly grow and take on a leadership position in the Mongolian non-bank financial sector given in-depth knowledge of the market and proven expertise and recognition in microfinance.

2011

April - Ard Credit was founded by Intergroup and obtained non-banking license from the Financial Regulatory Commission.

2013

July - New investors came in with fresh capital. Newly appointed management team reviewed the corporate strategy.

December – Ard Holdings took over Intergroup's stake and became major shareholder.

2014

February - Issued its first private bond placement

April - Obtained license to conduct Trust services

September - Received soft loan from Microfinance Development Fund

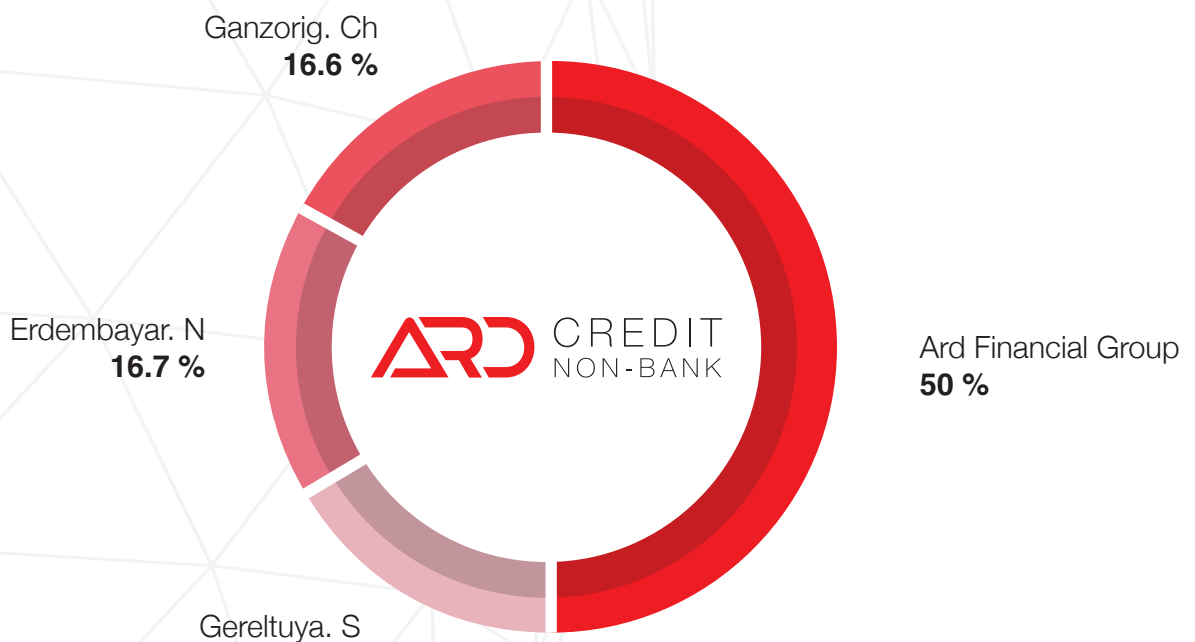
ARD CREDIT  
NON-BANK



# SHAREHOLDERS

Ard Credit has total of four shareholders with majority or 50 percent owned by Ard Financial Group. Ard Financial Group is a financial holding company with an objective of maximizing the value and return on the investment for its shareholders while offering a unique opportunity to take part in the ownership of Mongolian financial services industry players and share in the potential of stock markets. The investment portfolio of Ard Holdings includes the country's leading companies such as Ard Insurance, Ard Credit, Monet

Capital, Ard Assets, Tenger Financial Group and XacBank. The Company is also invested in the Institute of Engineering and Technology, Tenger Systems, and Wild Digital Agency through its investment fund.



## BOARD OF DIRECTORS

Our Board is composed of six members including one independent director. Our governance structure ensures a strong, working relationship between the Board, executive team and shareholders. We strive to become a role model in the non-bank financial sector of the country by implementing the best practices of corporate governance.



Ganhuyag Ch.Hutagt  
CEO, Ard Financial Group



Ganbat Baramsai  
CEO, Institute of Engineering  
and Technology



Gereltuya Sedbazar  
CEO, Mon-International LLC



Bayarjargal Vandantseren  
COO, Intergroup International  
LLC



Erdembayar Nemehbaatar  
CEO, Zag LLC



Ganzorig Chuluun  
CEO, Ard Credit

# ORGANIZATIONAL STRUCTURE



# HUMAN RESOURCE MANAGEMENT

We are committed to providing safe, challenging, and rewarding work environment to our employees who are the most valuable capital of the Company. In order to demonstrate high degree of professionalism and strong code of ethics in providing financial services, management team of Ard Credit continually seek to promote personal development and improve productivity of all its employees. In 2014, we maintained our headcount at the optimum level with 9 full-time employees:



- Chief Executive Officer
- Accountant
- Marketing manager
- Loan officer
- Chief Financial Officer
- Driver



# PRODUCTS AND SERVICES

Ard Credit is licensed by the Financial Regulatory Committee of Mongolia to conduct 5 types of financial activities listed in the Article 7 of the “Law on Non-Bank Financial Activities”. Following are the services we currently offer to our clients:

- Credit services;
- Currency exchange;
- Investment and financial Advisory;
- Private bond placement;
- Trust Account Service.

As an microfinance institution, our main business line is to provide credit services to micro and small business owners. Our loan policy provides foundation for establishing long-term relationships with clients, supporting micro and small entrepreneurs, and helping create new jobs. Following are the loan products we offer to our clients:



## Micro loan

The product is designed to support micro business owners who do not have access to mainstream financial services.



## Salary loan

Convenient and hassle-free access to a consumer loan for the employees of partner companies.



## SME loan

The loan is designed to support SME businesses by financing their working capital, investment, and expansion project needs.



## Cooperative Development Loan

Development loan intended only for financing and supporting SCC operations within the framework of ARMD agreement.



## Express loan

Emergency credit service which is designed to meet the short-term financial needs of the clients fully backed by the physical collateral.



## MDF loan

Financed by Microfinance Development Fund dedicated to alleviating poverty by offering short term financing to economically active citizens under poverty line.

# CORPORATE SOCIAL RESPONSIBILITY



## 29th School for Hearing Impaired Children

Representatives of subsidiaries of Ard Holdings visited the School for Hearing Impaired Children and donated MNT5,000,000 to assist the school administration in purchasing uniforms and gifts for 310 students. Management team on behalf of the Holding company would like to thank the teachers and staff at the 29th Secondary School for their commitment and dedication in organization of the event and wish the kids and their teachers all the best.



## Mr. Sodnompiljee Erdene, a Paralympic athlete

Ard Credit has been the sole sponsor and supporter of Mr. Sodnompiljee, a Paralympic weightlifting athlete. Sodnompiljee has successfully earned Silver medals from the 2014 Asian Games held in Seoul, South Korea and 2015 World Championship games held in Dubai, United Arab Emirates.



## Ard Daatgal Eagles

Ard Credit sponsors a basketball team Ard Daatgal Eagles in the nationwide "Sprite" Basketball Tournament league organized by the Mongolian National Basketball Association.



### Boom 2020

This year commemorated the 9th Annual Nationwide Football Tournament Boom-2020 with a support from the Mayor of Ulaanbaatar City. Ard Credit sponsors and supports football teams from the 23rd Secondary School to participate in tournament. In 2014, two football teams consisting of elementary and middle grade students successfully participated in the tournament.



### “Catch and Release” Campaign

Freshwater Sport Fishing Club initiated “Catch and Release” campaign in 2014 and Ard Credit became the first organization to get involved in support of the cause and provided funding to the campaign. The Club successfully organized “Plant a Tree” campaign and led a planting of 1,000 three year-old pine trees, enclosed by fences, near the Dalhai Lake in Tov Aimag (province) in a hope to preserve and rehabilitate the ecosystem near the lake. Staff at Ard Credit greatly appreciates those who joined the campaign to save the Mother Nature and restoring Dalhai Lake to its original state.



### Association of Rural and Microfinance Development (ARMD)

Since 2013, Ard Credit started partnering with the Association of Rural Microfinance Development, which consist of a total of 50 savings and credit unions throughout Mongolia. Ard Credit has launched a new loan product service to provide much needed funding to these SCCs and provided financial advisory and counseling services to support continuous growth of the SCCs.

# A CLIENT SUCCESS STORY

## Mr. Erdenebaatar D, CEO of Oros Chanar LLC



Oros Chanar LLC (the name stands for Russian Quality) was established in 2001 as a producer of bottled drinks including water and other beverages. The company expanded its operations in 2007 by acquiring equipment used for food processing.

The company has a capacity to produce 500-800 kilograms of straw and other types of noodles, 4,000-5,000 pieces of sliced pre-prepared noodles, 2,000-5,000 kilograms of dumplings on a daily basis. Today, Oros Chanar has over 1,000 dedicated clients and buyers.

The total working capital of the company decreased in 2013 due to investments in the company's expansion project. Thanks to an SME loan obtained from Ard Credit, the company was able to find the necessary short term working capital to maintain its operations at full capacity.





## 2014 HIGHLIGHTS

The management team, together with the Board focused on introducing sound corporate governance practices and improving internal processes and procedures.

We set a solid foundation for this new financial group of companies under corporate motto “Stronger, Together”.

Funding sources:

- First ever private bond placement in the local market
- World Bank funded Microfinance Development Fund loan
- Financing from a domestic commercial bank
- Roll-out of trust account service

Loans issued were intended to finance and promote micro entrepreneurs and SME business owners.

- Total of MNT5.8 billion loans were issued for 294 clients.
- Total of MNT213 million were issued to 11 Savings and Credit Cooperatives.

In 2014, Board of Directors general meeting was held seven times and made enormous progress in implementing sound corporate governance practices, maximizing corporate transparency, and strengthening adherence to reporting requirements.

We have redesigned and renovated the working environment of our staff to ensure high job satisfaction and maintain high level of employee retention. In addition, we continually sought to promote personal development and improve productivity of all our employees with regular and specialized training courses.

For the first time in its history, Ard Credit announced a dividend, with a payout ratio of 33 percent of net earnings to its shareholders



0000  
3500

Feb.

Apr.

6.40

6.50

6.60

Handwritten signature or scribble

## FINANCIAL INDICATORS

In 2014, Mongolian financial sector experienced difficulties which led to a slowdown in the economic growth, depreciation of domestic currency, and a decline in foreign direct investments. Despite the worsening economic situation, Ard Credit was able to successfully increase its total assets by 86 percent from MNT1.8 to MNT3.4 billion and its total outstanding loan portfolio grew by 60 percent from MNT1.6 to MNT2.6 billion. This outstanding performance was driven with funding obtained from purely local sources. Domestic financing sources include:

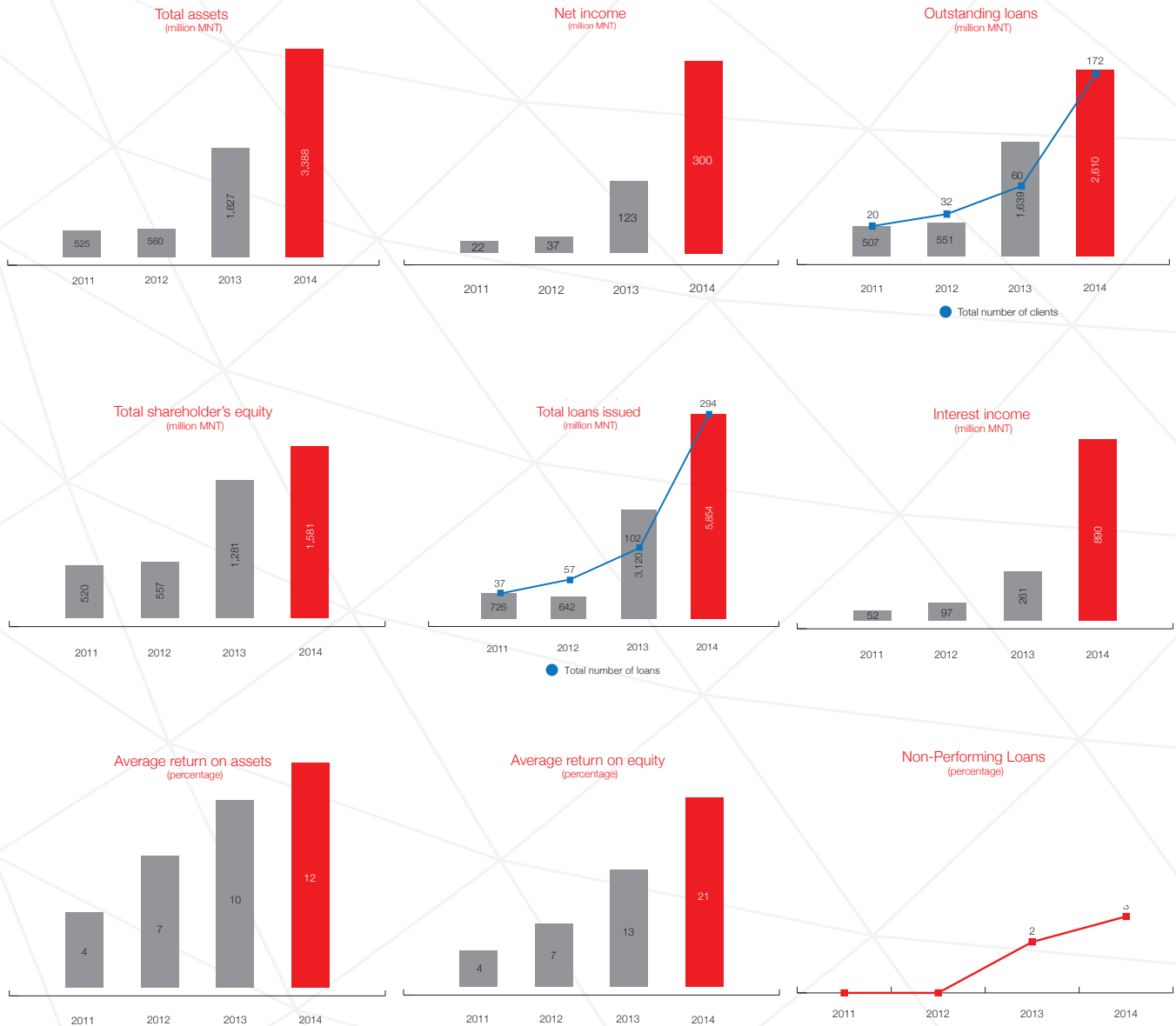
1. First ever private bond placement in the local market;
2. World Bank funded Microfinance Development Fund loan;
3. Financing from a domestic commercial bank;
4. Roll-out of trust account service.

In the fiscal 2014, Ard Credit issued a total of MNT5.5 billion in loans to 294 clients. Despite headwinds in the macroeconomy,

which affected repayment ability of banking clients, Ard Credit's staff dedication and professionalism kept total non-performing loans (NPL) under 3 percent of the loan portfolio.

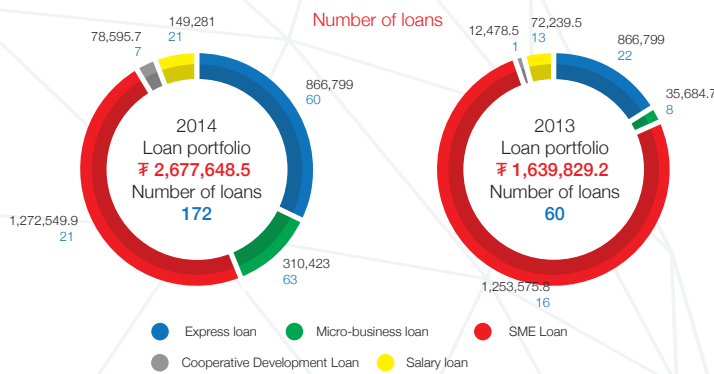
By the end of the year, the average return on equity (ROE) stood at 21 percent and the net income reached MNT300 million, an increase of 100 percent from the previous year.

# FINANCIAL PERFORMANCE



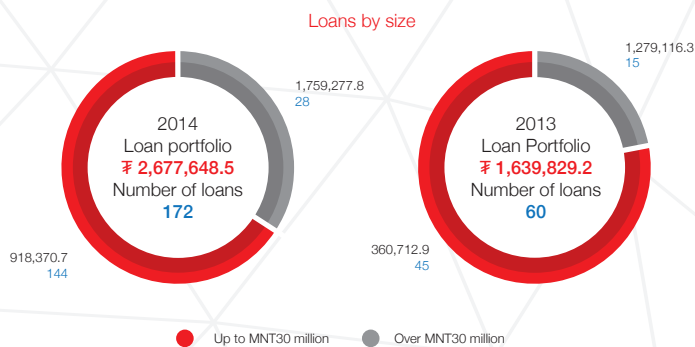
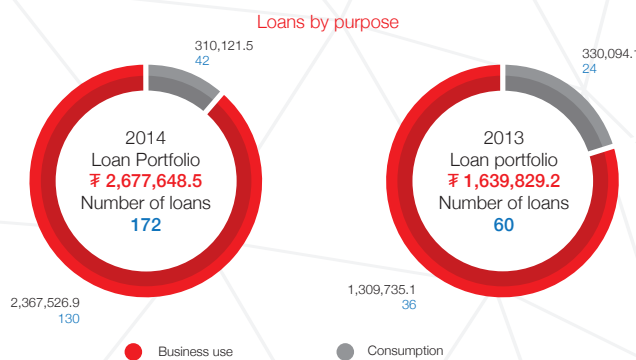
Prudential ratios%	2011	2012	2013	2014
Capital Adequacy Ratio	102	100	76	55
Ratio of loans to large loan holder	19	27	13	18
Ratio of total loans to single related party	23	2	1	5
Liquidity Ratio	5774	2482	49	46
Current Ratio	0	0	1	6

# LOAN INFORMATION

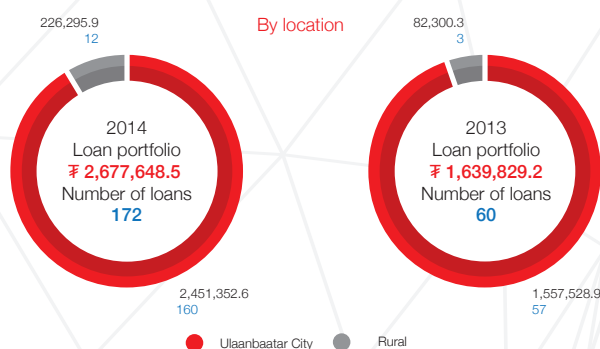


By the end of 2014, Ard Credit issued a total of MNT5.5 billion in loans to 294 clients. Outstanding loan portfolio stood at MNT2.6 billion with 172 clients by the end of the year. Within the past year, Ard Credit added new class of products to its portfolio, continuously improved its customer service and made an effort to increase the access to financial services to a larger client base.

88 percent of the total loan portfolio accounted for business loans whereas the remaining 12 percent accounted for consumer loans.



Total number of microloans (up to MNT30 million) reached 144, an increase of 99 loans or 2.2 times more loans outstanding from the previous year.



Since 2013, Ard Credit started collaboration with the ARMD to reach out to members of SCCs in remote areas of the country. By the end of the year, total outstanding loan portfolio in rural areas accounted for MNT226.3 million.

# ECONOMIC OVERVIEW

In 2014, Mongolian GDP growth slowed down to 7.8 percent, primarily due to the weak performance of the mining sector, which in turn was influenced heavily by politics and external market conditions. In terms of growth for key economic sectors it was still the mining sector that delivered the highest growth of 24.2 percent followed by the agricultural sector's 14 percent growth and and 1.8 percent growth in other sectors. Retail and wholesale sectors plunged by 6.9 percent in 2014 as the overall economy slowed down. This economy which grew at a staggering 17.3 percent in 2011 suffered a downturn as total inflow of FDI shrank from about USD5 million at its highest to the negative growth in the most recent quarters. Coupled with the falling prices of Mongolia's main export commodities in the international markets, the effect was chilling.

At the end of 2014 the inflation rate stood at 11 percent. The analysis shows that although the price of fuel and meat products has fallen over the course of the year the appreciation of major foreign currencies against the Mongolian Tugrog increased the inflation rate for imported goods. And Mongolia imports a lot.

As of 2014, the country's trade balance stood at USD537.9 million surplus. Total value of exports increased by 35.3 percent while the total imports decreased by 17.6 percent in USD terms. Economic slowdown led to a decrease in demand for goods and lower investments in new technologies and machinery and equipment which, subsequently, resulted in the reduction of total imports.

Population

**3.0 million**

Territory

**1.6 million km<sup>2</sup>**

GDP growth

**7.8 %**

Unemployment rate

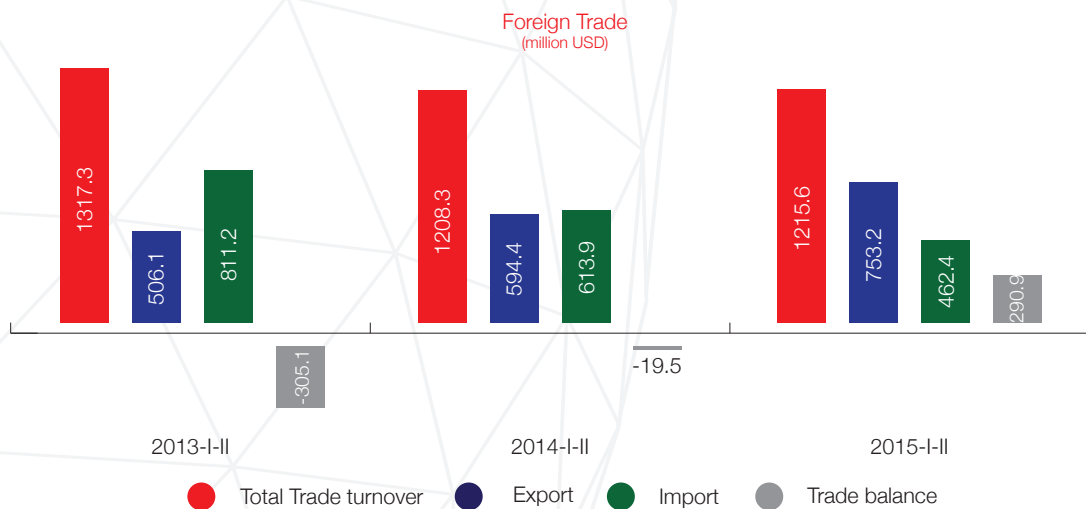
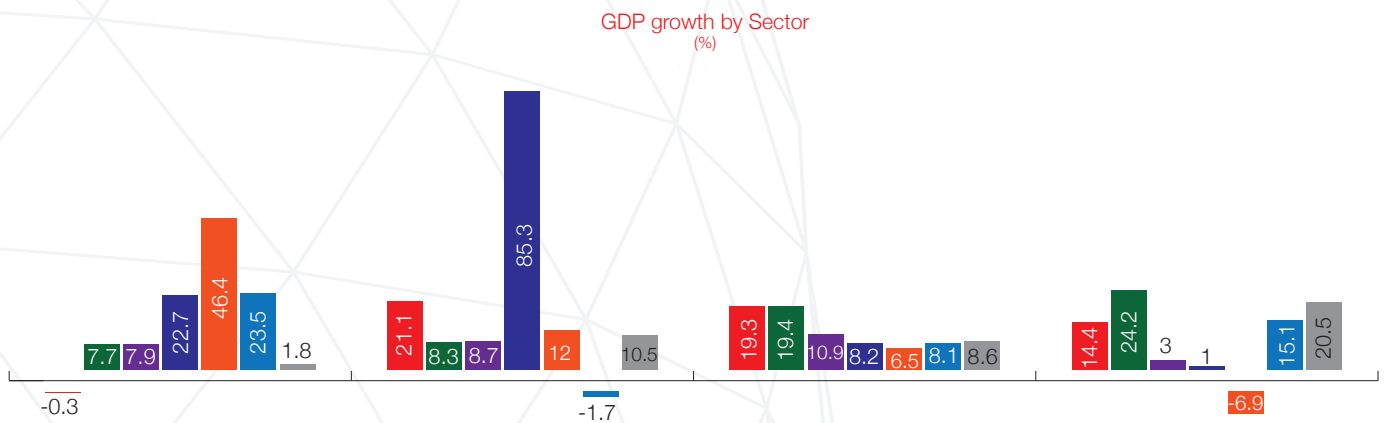
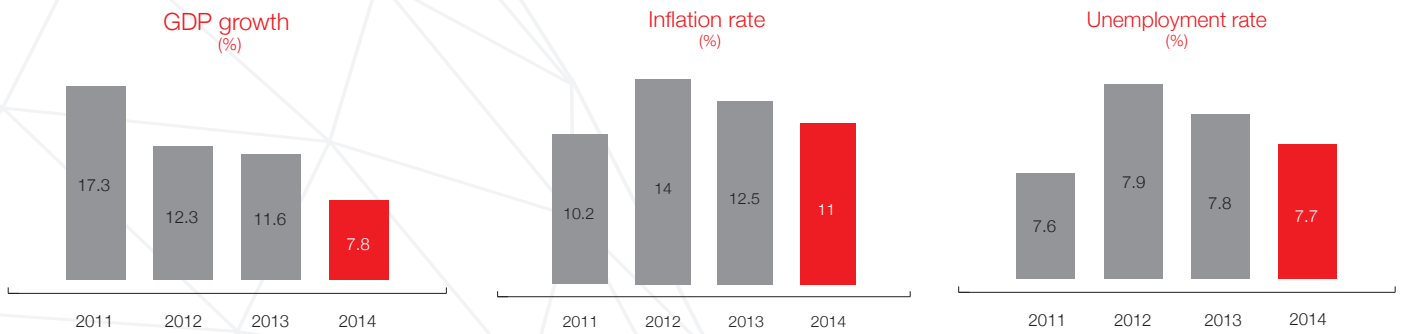
**7.7 %**

Literacy rate

**97.3%**

Human Development Index

**103**



# NON-BANKING FINANCIAL SECTOR

In 2014, number of NBFIs operating in Mongolia increased by 115 and reached a total of 378. According to 2014 FRC data, 323 of these institutions were licensed by the FRC to engage in credit services.

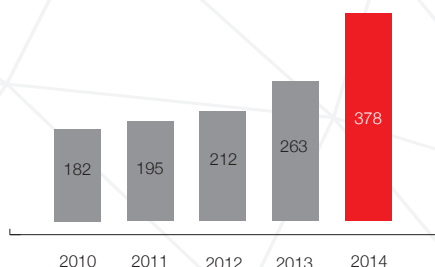
Non-banking financial sector grew by 33 percent and reached MNT508 billion in terms of total assets. However, 59 percent of this growth was driven by new equity investments.

In 2014, the total loan portfolio of the sector reached MNT303 billion and total equity grew to MNT332 billion. Compared to the banking sector of Mongolia, total loan portfolio and total equity of non-banking financial sector stood at 2.4 percent and 15.6 percent, respectively.

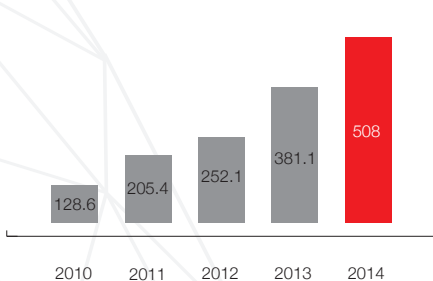




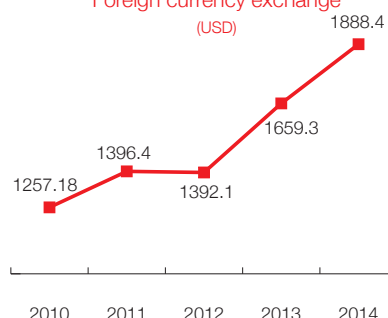
Change in total number of NBFIs



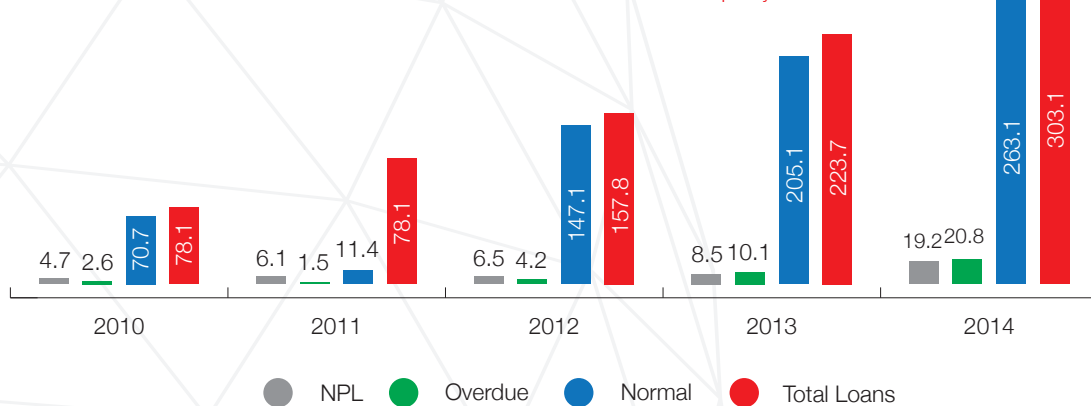
Total Assets of NBFIs (billion)



Foreign currency exchange (USD)

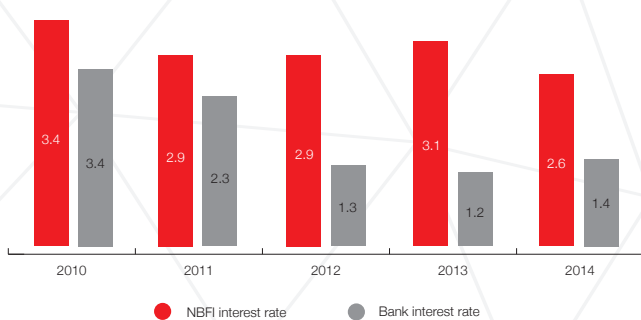


Load Portfolio and Credit quality



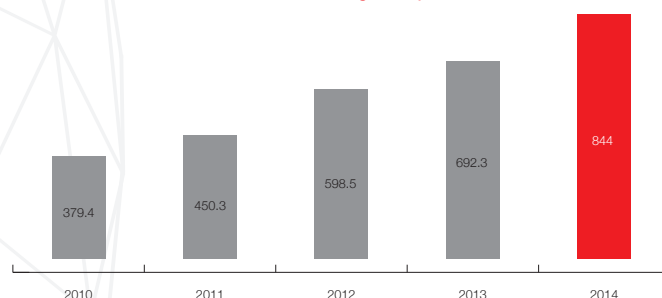
● NPL ● Overdue ● Normal ● Total Loans

Monthly average interest rate (%)



● NBFI interest rate ● Bank interest rate

National average salary



**Types of Services**

**Total NBFIs providing the following services**

1. Foreign currency exchange rate services (in total)	<b>129</b>
Only operates in foreign currency exchange	<b>53</b>
2. Credit service	<b>323</b>
3. Factoring Services	<b>16</b>
4. Payment guarantees	<b>11</b>
5. Payment processing services	<b>0</b>
6. Electronic payment and remittance service	<b>6</b>
7. Trust Services	<b>24</b>
8. Short term financial investment tools	<b>2</b>
9. Investment and Financial advisory	<b>29</b>

# INDEPENDENT AUDITOR'S REPORT



Tel: +976 77404041  
Fax: +976 77451150  
www.bdo.mn

Level 10, AB Center Building,  
University Street,  
11 th Khorooloi, Khoroo-6,  
Sukhbaatar District-14193,  
Ulaanbaatar, Mongolia

## INDEPENDENT AUDITOR'S REPORT

To the shareholders of "ARD CREDIT NBFI" LLC

### Report on Financial Statements

We have audited the accompanying financial statements of "ARD CREDIT NBFI" LLC ("NBFI") Limited Liability Company, which comprise of the statement of financial position as of 31 December 2014 and the statement of profit or loss and comprehensive income, statement of changes in equity and cash flow statement for the year ended 31 December 2014, and other explanatory notes to the financial statements and a summary of significant accounting policies, as set out on pages 6 to 33.

### Management responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the International Financial Reporting Standards ("IFRS"). These responsibilities include implementing and maintaining an internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, choosing and using an appropriate accounting policies and making accounting estimates that are appropriate for the circumstances.

### Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing issued by International Federation of Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Audit opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of "Ard Credit NBFI" LLC, as at 31 December 2014, and its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standards ("IFRS").

### Use of this report

This report is made solely to the shareholders of "Ard Credit NBFI" LLC, as a body, in accordance with Article 94 of Company Law of Mongolia. We do not assume responsibility to any other person for the content of this report.



Date: 2015.03.30

## STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2014

	Notes	For 2014 MNT'000	For 2013 MNT'000
Interest and similar income	4	889,298	261,179
Interest and similar expenses	5	(210,295)	(17,734)
<b>Net interest income</b>		<b>679,003</b>	<b>243,445</b>
Fees and commission income	6	47,920	20,072
Foreign exchange gain/(loss)	7	(3,029)	(1,153)
<b>Net non-interest income</b>		<b>44,891</b>	<b>18,919</b>
<b>Operating income</b>		<b>723,894</b>	<b>262,364</b>
Employee related expenses	8	(157,053)	(73,979)
Non-operating expenses	9	(148,753)	(56,962)
Impairment expenses	10	(57,791)	(8,893)
<b>Operating profit</b>		<b>360,297</b>	<b>122,529</b>
Non-operating income/(expense)	11	(22,184)	13,029
<b>Profit before tax</b>		<b>338,113</b>	<b>135,558</b>
Income tax expense	12	(38,082)	(12,254)
<b>Net profit after tax</b>		<b>300,031</b>	<b>123,305</b>
<b>Basic earnings per share -MNT</b>	13	<b>30.00</b>	<b>16.44</b>

## STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2014

	Notes	At 31 Dec 2014 MNT'000	At 31 Dec 2013 MNT'000
<b>ASSETS</b>			
Cash and cash equivalents	14	502,570	143,705
Loans to customers-net	15	2,658,162	1,658,140
Property, plant and equipment-net	16	197,816	16,804
Intangible assets-net	17	4,000	4,750
Other assets	18	25,707	3,745
		<b>3,388,254</b>	<b>1,827,144</b>
<b>TOTAL ASSETS</b>			
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	19	1,000,000	1,000,000
Paid-in capital	20	100,000	100,000
Retained earnings		480,839	180,808
		<b>1,580,839</b>	<b>1,280,808</b>
<b>Total equity</b>			
<b>Liabilities</b>			
Long-term borrowings	21	248,864	479,689
Bonds	22	250,000	-
Short-term borrowings	23	760,059	52,860
Liabilities on trust services	24	500,828	-
Other liabilities	25	47,665	13,788
		<b>1,807,415</b>	<b>546,337</b>
<b>Total liabilities</b>			
		<b>3,388,254</b>	<b>1,827,144</b>
<b>TOTAL EQUITY AND LIABILITIES</b>			

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2014

	Share capital	Retained earnings	Paid-in capital	Total
	MNT'000	MNT'000	MNT'000	MNT'000
<b>Balance at 01 January 2013</b>	<b>500,000</b>	<b>57,503</b>	-	<b>557,503</b>
Shares issued	500,000	-	-	500,000
Net profit for the year	-	123,305	-	123,305
Paid-in capital			100,000	100,000
<b>Balance at 31 December 2013</b>	<b>1,000,000</b>	<b>180,808</b>	<b>100,000</b>	<b>1,280,808</b>
Shares issued				-
Net profit for the year	-	300,031	-	300,031
Paid-in capital				-
<b>Balance at 31 December 2014</b>	<b>1,000,000</b>	<b>480,839</b>	<b>100,000</b>	<b>1,580,839</b>

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2014

	For 2014 MNT'000	For 2013 MNT'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Profit /loss/ before taxation</b>	<b>338,113</b>	<b>135,558</b>
<i>Adjustment for:</i>		
Depreciation and amortization	15,801	1,905
Impairment loss on loans	57,791	8,893
Interest income	(889,298)	(261,179)
Interest expense	181,186	17,734
<b>Operating profit before changes in operating working capital</b>	<b>(296,406)</b>	<b>(97,089)</b>
Decrease/Increase in loans and advances	(1,037,819)	(1,088,709)
Decrease/(increase) in other assets	(21,961)	(3,745)
Increase/(decrease) in amount of other financings	1,227,201	532,549
Increase/(decrease) in other liabilities	(843)	3,634
<b>Net changes in operating assets and liabilities</b>	<b>166,577</b>	<b>(556,272)</b>
<b>Profit after changes in operating assets and liabilities</b>	<b>(129,829)</b>	<b>(653,360)</b>
Income tax paid	(27,321)	(6,308)
Interests received	869,305	239,419
Interests paid	(157,227)	(16,047)
<b>Net cash flows generated from/(used in) operating activities</b>	<b>554,928</b>	<b>(436,296)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of property, plant and equipments	(195,763)	(17,480)
Acquisition of intangible assets	(300)	(5,000)
<b>Net cash flows generated from Investing activities</b>	<b>(196,063)</b>	<b>(22,480)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Issue of shares	-	600,000
<b>Net cash flows generated from/(used in) financing activities</b>	<b>-</b>	<b>600,000</b>
<b>Net cash flows generated from (used in) for the current year</b>	<b>358,865</b>	<b>141,224</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>143,705</b>	<b>2,481</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>502,570</b>	<b>143,705</b>

## Partners

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Sukhbaatar district, 1st khoroo  
Olympic street 12/1, DB Building, #102  
Ulaanbaatar, Mongolia  
Tel: +976 77003322  
E-mail: [info@ardcredit.com](mailto:info@ardcredit.com)  
Web: [www.ardcredit.com](http://www.ardcredit.com)