



INVESCORE NBFI JSC

2020.01.28

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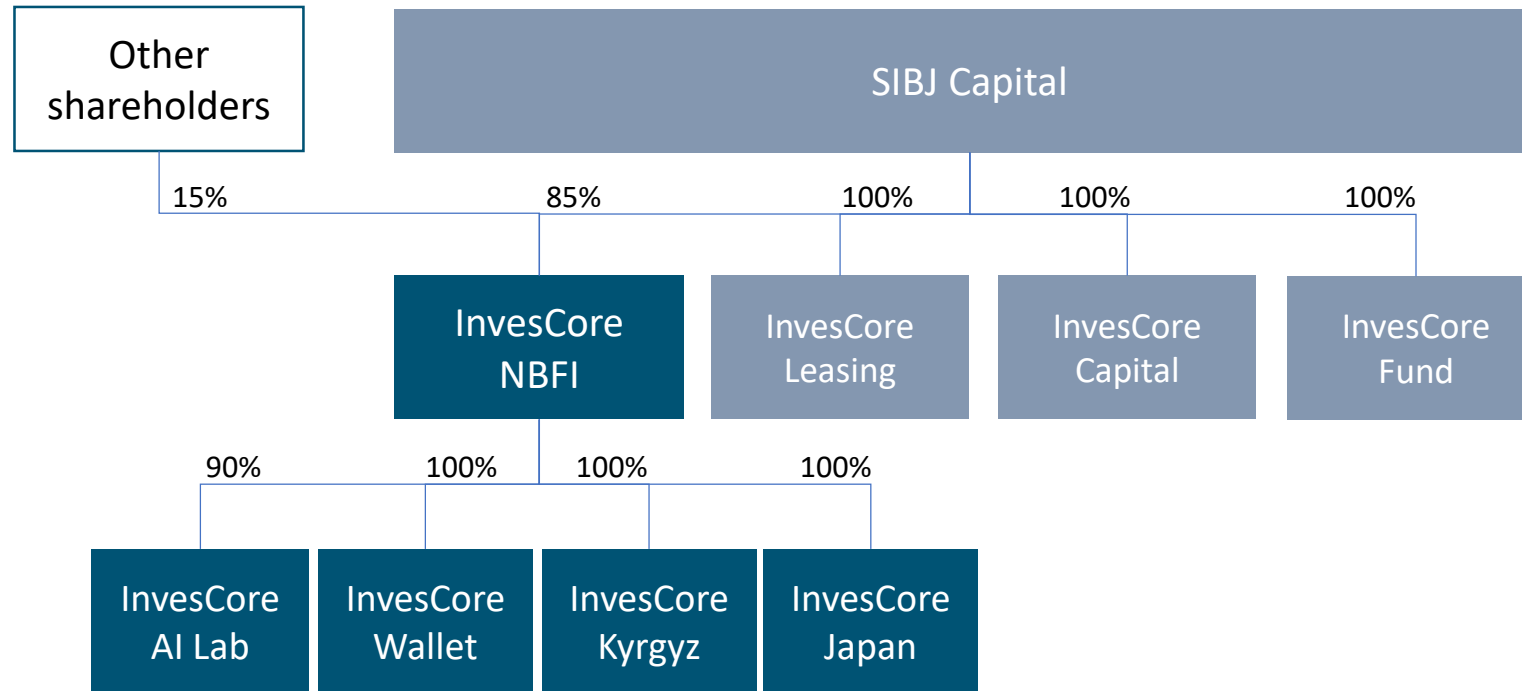
About us

InvesCore NBFI was founded in 2016 with 6 business licenses issued by the Mongolian Financial Regulatory Committee.

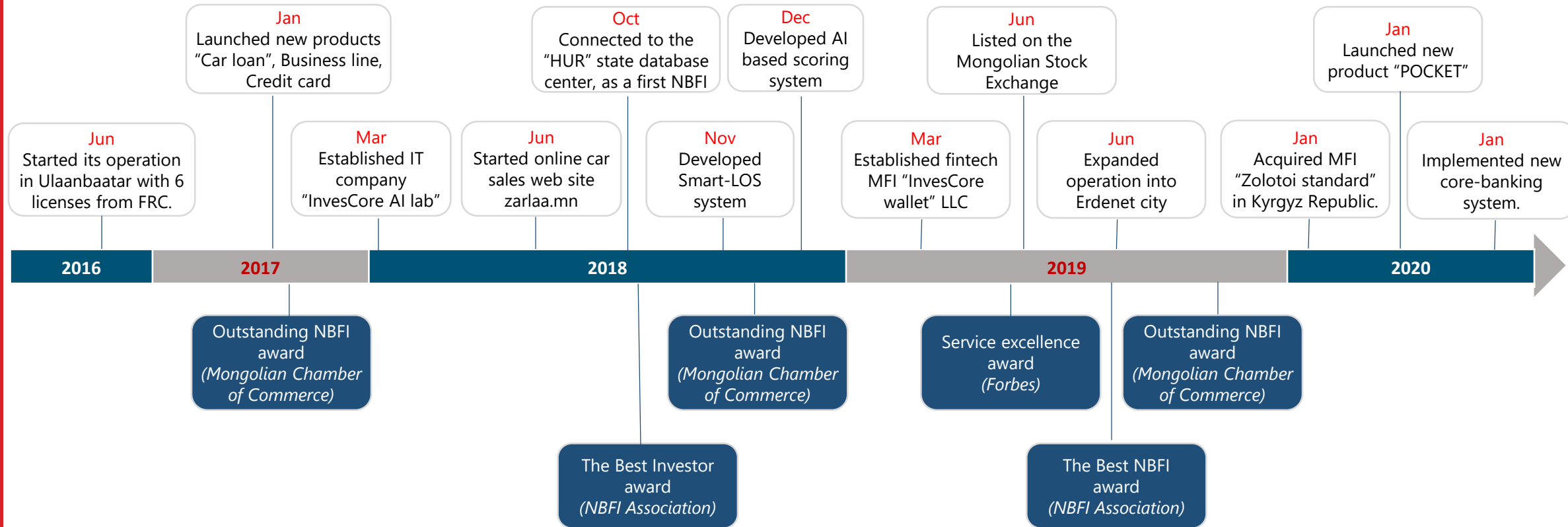
- ✓ The company currently operates with 12 branches in Mongolia and subsidiaries in Japan and Kyrgyz with total of 130 employees.
- ✓ The company operates with advanced fintech technology and outstanding professionals.
- ✓ InvesCore became the largest and most profitable of the 550 MFIs in Mongolia within three years of its establishment.
- ✓ Launched various innovative products and services to the market for the first time in Mongolia, including:
 - ✓ “SME credit line”
 - ✓ 2 types of international credit card collaborated with VISA
 - ✓ Bridge financing
 - ✓ House loan collection service
 - ✓ Factoring product etc.
- ✓ Developed Smart-LOS system, which automates 80% of the Credit screening, Scoring, Loan originating and After-checking processes.
 - ✓ Smart-LOS has an automatic access to the National Data Center and gathers 20 types of real-time information about the borrower, reducing the credit screening, loan process duration and decreasing human-related errors.
- ✓ Developed an AI based credit-scoring function specifically designed for and owned by InvesCore with the cooperation of the Libera Ltd., a Japanese IT company.
- ✓ Listed on the Mongolian Stock Exchange in June 2019.
- ✓ InvesCore plans to expand into Central Asian market, including Kazakhstan and Uzbekistan until 2025.



Group companies



Timeline of the company



Vision and Mission

OUR MISSION

Our mission is to provide innovative financial products and swift services with seamless professionalism and be the reliable financial assistant to our customers.

OUR VISION

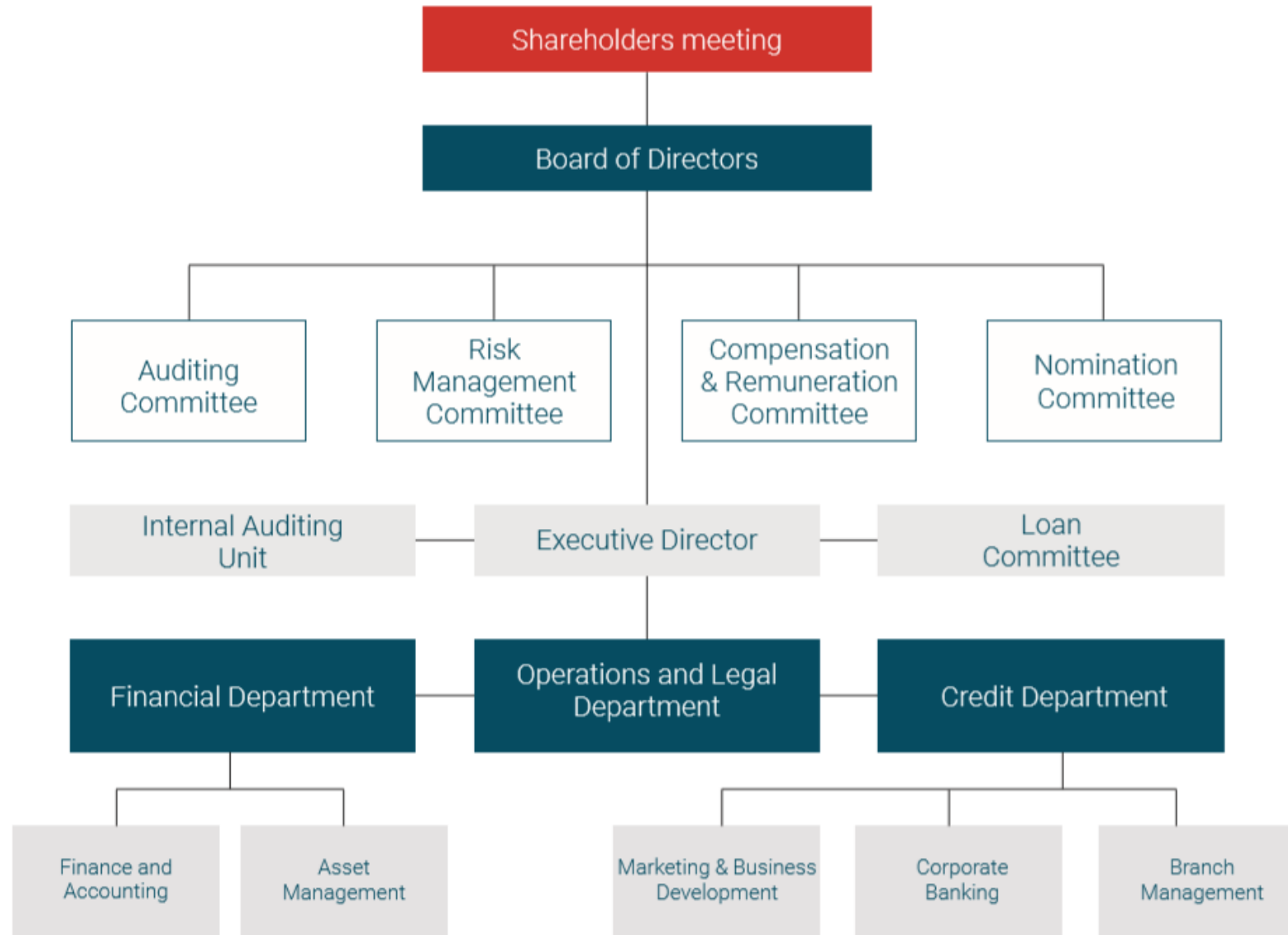
We will provide innovative products and services in the financial markets of developing countries worldwide and create a reliable financing to support individuals and small and medium-sized enterprises.





CORPORATE GOVERNANCE

Organization Structure



BOD and Management team



Ankhbold.B
Chairman of the Board

EXPERIENCE

- InvesCore Financial Group: Chairman of the Board
- Shunkhlai group: Vice president
- Abeam consulting (Japan): Senior consultant

EDUCATION

- Ritsumeikan Asia-Pacific University (Japan): Master of BA
- Ritsumeikan Asia-Pacific University (Japan): Bachelor of BA



Munkhtur.R
*Member of the Board,
Deputy Executive Director*

EXPERIENCE

- InvesCore Financial Group: Deputy Executive Director
- Development Bank of Mongolia: Board secretary, Economist
- National University of Mongolia: Senior lecturer

EDUCATION

- National University of Mongolia: Master of Art, Economics
- National University of Mongolia: Bachelor of Science, Economics



Bayasgalan.D
*Member of the Board,
Chief Executive Officer*

EXPERIENCE

- InvesCore Financial Group: Chief Executive Officer
- Central Bank of Mongolia: Project manager
- Trade and Development Bank: Senior specialist of Finance Department

EDUCATION

- National University of Mongolia: Bachelor of Economics



Hirohito Namiki
Member of the Board

EXPERIENCE

- InvesCore Japan LLC: Chief Executive Officer
- Investment Consulting: Consultant, Investor
- Mitsubishi UFJ Trust and Banking Corporation (Japan): Chief analyst

EDUCATION

- University of Rochester (USA): Master of BA
- Keio University (Japan): Bachelor of BA



Uyangakhishig.G
Member of the Board

EXPERIENCE

- InvesCore Capital Securities LLC: Chief Executive Officer
- Golomt Bank LLC: Head of Legal Department
- Shunkhlai Group LLC: Head of Operations
- "C and J Partners" Law firm: Founding partner
- "Tssets" Law firm: Lawyer and Partner

EDUCATION

- University of Bonn: Master of Law
- National University of Mongolia: Bachelor of Law



Telmen.T
Member of the Board

EXPERIENCE

- Amar Insurance LLC: Director of Business Development
- Mongolian Life LLC: Director
- Ministry of Labor and Social Protection: Advisor
- Microcredit NBF: Chief Executive Officer
- Mongolian Gold (MAK): Head of Investment Department

EDUCATION

- University of Missouri: Master of BA
- UFE: Bachelor of Banking and Finance



BOD and Management team



Khashchuluun.Ch
Independent member of the Board

EXPERIENCE

- Central Bank's Monetary Policy Council: Member
- National University of Mongolia: Professor of Economics Department
- Development Bank of Mongolia: Chairman of Board Directors
- Prime Minister's Economic Policy Council: Member
- National Development Agency: Director
- National University of Mongolia: Director of Economics Department
- Central Bank's Directors Council: Member

EDUCATION

- Keio University (Japan): PhD in Economics
- Yokohama city University (Japan): MA in Economics
- Tokyo University (Japan): Research student in Economics
- Moscow State University (Moscow): BA in Economics



Purev.R
Chief Financial Officer

EXPERIENCE

- InvesCore Financial Group: Chief Financial Officer
- Oyu Tolgoi LLC: Superintendent
- Ministry of Finance: Specialist
- Golomt Bank: Dealer

EDUCATION

- International University of Japan (Japan): Master of BA
- National University of Mongolia: Bachelor of BA



Enkhbat.D
Independent member of the Board

EXPERIENCE

- Kharkhorum Digital: General Director
- Open Educational Resources: Chairman of the Board
- Mongolian Parliament: Member of State Great Assembly
- Datacom LLC - General Director
- National Development Agency: Deputy Minister
- National Science and Technology Committee: Deputy director
- National Informatics Center: Director
- International Laboratory of Technical Microprocessor: Administrator
- Statistics Center: Programmer

EDUCATION

- Russian National University of Science and Technology: PhD in Science and Technology
- Ural Federal University: Systems Engineer



Erdenebileg.Sh
Member of Credit Committee

EXPERIENCE

- InvesCore Financial Group: Member of Credit Committee
- Ministry of Foreign Affairs: Officer
- Trade and Development Bank: Specialist

EDUCATION

- Ritsumeikan Asia-Pacific University (Japan): Master of BA
- National University of Mongolia: Bachelor of Finance and Accounting



Unurjargal.Ch
Independent member of the Board

EXPERIENCE

- UFE: Head Professor
- BDO Advisory Mongolia: Head Advisory of Taxation
- Saxon Mongolia LLC: Contracted Accountant
- Futura Fashion LLC: Finance and Accounting advisor
- NUCB, Accounting Department: Professor

EDUCATION

- Business School of NUM: Master of BA and Accounting
- UFE: Bachelor of BA and Accounting



Arslanbaatar.N
Director of Branch offices

EXPERIENCE

- InvesCore Financial Group: Director of Branch offices
- Arig Bank: Senior Risk Manager
- XAC Bank: Regional Director

EDUCATION

- Gurban Tamir Economic University: Bachelor of Finance and Accounting



Stock performance

InvesCore successfully launched its IPO in June, 2019, offering its ordinary shares to strategic investors and the public to finance the company's core business – lending activity.

As of 25th of January 2020, price per share is **MNT 2,667**, and the **increase by 66.7%** makes it the most performing stock on the MSE.

InvesCore now constitutes TOP-20 index of Mongolian Stock Exchange.



Closing price



Trade volume



Source: MSE



Core technologies

➤ Smart-LOS system (Complete automation of credit procedure)



We have developed the Smart-LOS internal credit procedure system via our subsidiary company Invescore AI Lab LLC and has successfully introduced the system in our credit procedures. The system is designed to facilitate the credit procedures and reduce credit risks by complete-automation of 5 steps of evaluation, decision making, loan granting, interim supervision, and loan closing.

The advantages of Smart-LOS system are:

- ✓ Reduces human-related risks
- ✓ Swift Credit Granting
- ✓ Enables the loan officers to be more customer-oriented
- ✓ Improves credit supervision and reduces the loan default risk.

➤ “HUR” system



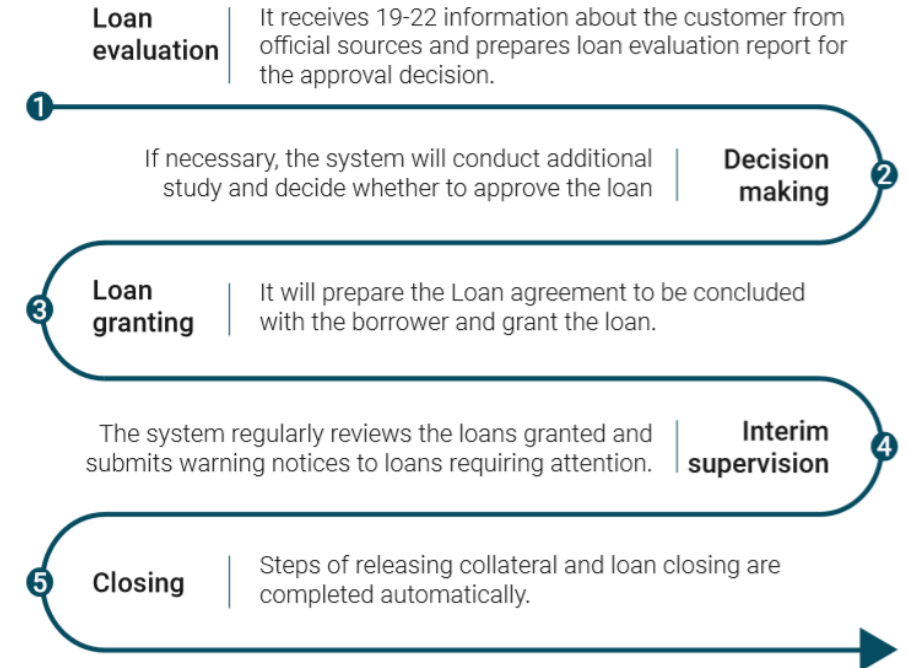
We are the first MFI in Mongolia to use “HUR”, the state database center through Smart-LOS system. Through “HUR” system, we receive 19-22 types of information on the borrower from official sources, which reduces the risks associated with false information.

With this innovative technology, we are able to be more customer-oriented and develop our business and ethical values with the lowered risk.

➤ AI based scoring system (included in Smart-LOS and Pocket wallet)

InvesCore AI lab jointly developed AI based credit scoring system with Japanese AI developer “Libera” Inc. The system automatically creates scoring based on 10 types of information of individual borrower and calibrates its’ model based on actual data.

How does the Smart-LOS system work?



Partnership



TDB is the leading corporate bank in Mongolian market. InvesCore has been closely collaborating with TDB on co-financing, issuing co-brand credit card and receives funding from the TDB.



TDB capital is the biggest investment bank in Mongolia. TDB Capital has worked as the lead underwriter of InvesCore's IPO and worked on InvesCore's corporate bond.



Khan bank is the largest retail bank in Mongolian market. InvesCore has been doing 80% of the total transactions through Khan bank network.



Mongol Daatgal is the largest insurance company in Mongolia. InvesCore has strategic partnership with Mongol Daatgal, providing our customers with specific insurance products, such as collateral insurance, deposit insurance and corporate bond insurance.



Qpay has more than 90% share in total QR code payment solution. InvesCore works closely with Qpay on the QR payment system, billing system, card payment system.



ITzone is the leading IT company. InvesCore closely works with ITzone to provide co-product to its' ERP system customers and hardware customers.



Social Responsibility



We implement social responsibilities in 3 major fields:

1. Promoting customer's financial education:

- We offer free financial consulting service to our customers.
- We implement actions to protect our customers from financial fraud.

2. Environment protection:

- Tree planting
- Green finance

3. Child welfare and education:

- Grants for "Id Shidiin Oron" child care center initiated by the Lantuun Dohio NGO.
- Complete furnishing of 5 rooms at Unur Bul orphanage center with the cooperation of Tecra LLC.
- Sponsor for the International youth freestyle wrestling championship tournament.
- Organizes Student economics research paper tournament with National University of Mongolia.
- Donates backpack and complete school supplies to 100 children every year.



PRODUCTS AND SERVICES



Products and Services

Invescore NBFI is the most innovating and leading enterprise in its sector in Mongolia, rated by the total assets and loan portfolio.

The Company implements a strong social and environmental responsibility policy in its operations. We focus on fostering SME's, promoting customers' financial literacy and supporting environment friendly activities, all of which is implemented in our products and services.



LOAN PRODUCTS

- Consumer loan
- Car loan
- Business loan
- Credit line
- Mortgage loan



CREDIT CARD

- Black card
- White card



OTHER SERVICES

- Financial consulting service
- Investment consulting service
- Factoring service
- Payment guarantee service
- Trust service



WWW.ZARLAA.MN

- Largest automobile sales website in Mongolia

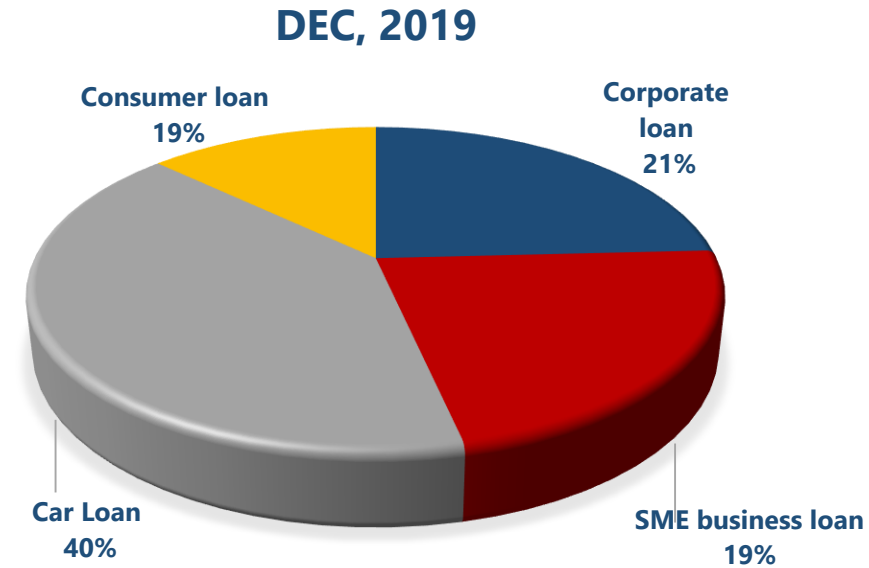


Loan Products

We offer 4 types of loans to our customers that are:

- ✓ SME Business loan
- ✓ Corporate loan
- ✓ Consumer loan
- ✓ Car loan

As of Dec 2019, we have total loan portfolio of USD22 million with collateral of USD44 million in value. 40% consists of car loan. Business loan occupies 40% of total loan, and our of business loan SME business loan is USD4.3 million.



Term and conditions of loan products are:

Loan products	Loan condition			Loan statistics (thousand USD)	
	Loan amount (MNT)	Term	Collateral	Loan portfolio	Collateral amount
SME business loan	Up to 1.0 bil	Up to 36 months	Immovable/movable asset/share	4,375	16,458
Corporate loan				4,823	6,046
Consumer loan	1.5-50.0 million	Up to 18 months	Immovable / movable asset	4,364	4,063
Car loan	Up to 170 million	Up to 60 months /depends on car condition/	Car	3,436	5,184
Eco car loan				5,674	12,027
Grand total /'000 USD/:				22,672	43,778





Loan Products

Credit cards

In 2018, InvesCore launched 2 types of international credit cards with up to MNT 20 million (USD 7500) limit. By creating a collateralized credit card, InvesCore offers 4-5 times higher limit compared to the credit card offered to SME customers by commercial banks.

Credit card	Currency	Credit limit	Term	Collateral
Black card	MNT	Up to 20 million	12 months /Extended upon customers request/	Immovable / movable asset
White card	MNT	Up to 5 million		



Protected EMV chip with high security.



Many discounts and rewards are available.



You can control your bank account when you want it on the Internet or on your mobile phone.



The international card can be used in 212 countries worldwide.



Loan Products

Pocket Wallet /e-wallet and online lending application/

Pocket Wallet is a mobile application powered by AI based credit scoring. Customers can get loan anytime, anywhere up to 60 days without any collateral.

We offer bonus point rewards for loyal customers to increase their loan size, with lower fee and pay or transfer amount without commission.

Pocket Wallet will enter into payment system through QR code and NFC technology allowing customers to make payments in the most convenient way.



Loan with guarantee



Customers can get guaranteed loan from their family members and friends

Payment solution



Zero commission of money transfer and payment.

Fully automated



Pocket online lending process is fully automated requires no human involvement.

Call center



Available for on-demand help to customers



Loan Products

SME business loan

One of our core product is SME business loan. The SME business loan produces 27% of the total loan portfolio of our company. InvesCore is the first MFI to introduce the following two innovative services in the SME business loan sector.

1. **Credit line service:**

In order to decrease the interest burden and to provide the optimal financial solutions, we started SME business line product, in which our customer are able to receive or pay back a loan any time by merely sending a SMS. The actual interest cost burden for our customers is significantly lowered by the credit line and it became a competitive service to the business loan offered by commercial banks.

2. **SME business consulting service**

We offer SMB program to SMEs in order to establish a business training academy and provide business consulting service to support our customers. Each of our SME customers are provided with basic training, legal and financial document templates and 30 hours of business consulting service free of charge.

'000 USD

Loan products	Loan statistics		
	Loan portfolio	Collateral amount	Collateral %
SME business loan	5,278	16,458	39%





SME consulting service

InvesCore promotes its customers' financial education and provides regular financial management consulting service and information to small and medium businesses. The services include the following:

FINANCIAL CONSULTING SERVICE

- ☑ Financial consulting for SME's.
- ☑ Support for the preparation of tax report and financial statements
- ☑ Design and advise on accounting policy and procedures of customers
- ☑ Tax advisory service.

INVESTMENT CONSULTING SERVICE

- ☑ We provide assistance in entering the Mongolian market including research in areas such as market and product research, assessment of potential partners and competitors.
- ☑ Consulting on investment projects and business plan.

FACTORING SERVICE

Financing of invoice and account receivables with maturity of less than 3 months.

PAYMENT GUARANTEE SERVICE

We provide payment guarantee service to individuals and business entities for Bidding, Bank loan, Project loan.





Success stories of our clients



Cooperating with InvesCore since 2017.

Company: Buteelch Uils LLC

Industry: Garment factory

Number of loans issued: 13

Amount of loans issued: MNT 2.2 billion /831 thousand USD/

Cooperating with InvesCore since 2017.

Company: Chandmani Uud LLC

Industry: Door manufacturing

Number of loans issued: 18

Amount of loans issued: MNT 284 million / 106 thousand USD/



**MARKET
INFORMATION**

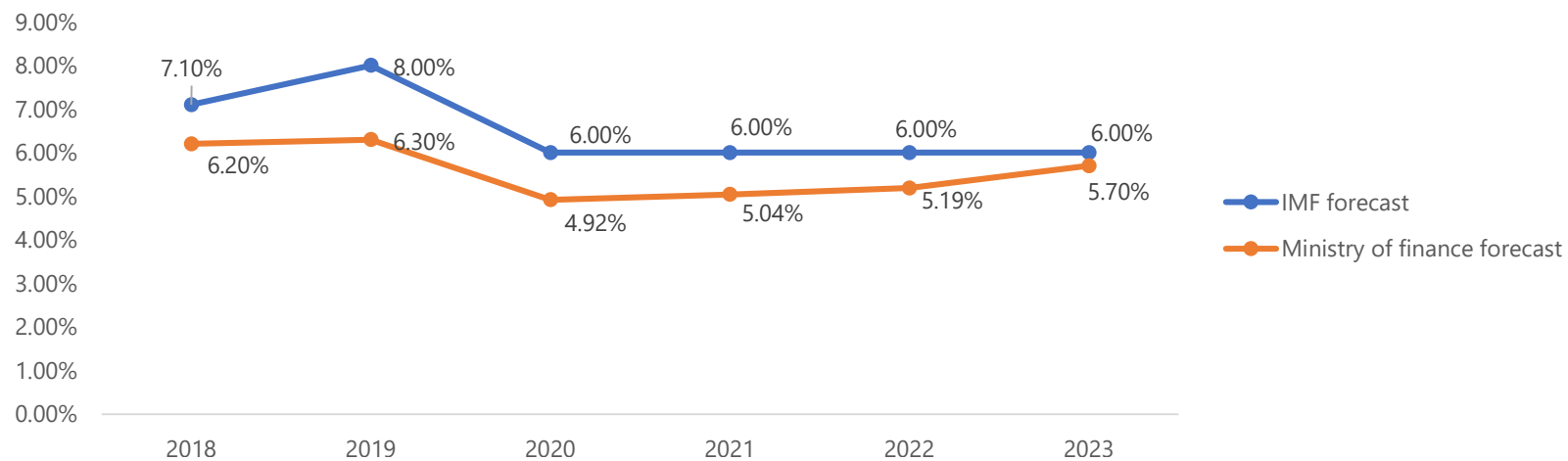


Market information

✓ Historic data of Mongolian economy

Economic indicators	2013	2014	2015	2016	2017	2018	2019Q3
Population (million)	2.9	3	3.1	3.1	3.2	3.2	3,2
GDP per capita (USD)	4,318	4,087	3,847	3,578	3,585	3,638	4,029
GDP (USD bn)	12.7	12.2	11.8	11.2	11.4	11.6	12.7
Economic Growth (GDP %)	11.6	8.1	2.5	1.4	5.4	7.4	6.3
Unemployment Rate	7.9	7.9	7.5	10	8.8	7.8	9.9
Inflation Rate (CPI %)	10.5	12.8	6.6	1.1	4.2	8.1	7.6

✓ Forecast of GDP growth



Market information

- ✓ MFI market is the fastest growing market within the financial sector of Mongolia.
- ✓ Currently, there are 539 companies operating in the market.
- ✓ FRC is adhering a policy to strengthen each NBFIs financial capability and reduce the number of companies.
- ✓ Due to the emerging fin-tech based solutions, number of non-bank customers and the size of the market is rapidly growing.

NBFI data	2014		2015		2016		2017		2018		2019Q3	
Total asset <i>(bil MNT)</i>	508	133%	623.2	123%	787.2	126%	969.2	123%	1,284	132%	1,629	127%
Outstanding loan <i>(bil MNT)</i>	288	133%	364.7	127%	436.1	120%	582	133%	804	138%	1,169	145%
Equity <i>(bil MNT)</i>	332.1	142%	424.2	128%	578.5	136%	758.2	131%	977	129%	1,203	123%
Number of NBFIs	378	144%	450	119%	518	115%	534	103%	540	101%	539	99.8%
Number of customers <i>(thousand)</i>	663	323%	636	96%	592	93%	1,471	248%	1,601	108%	2,330	146%
Average lending interest rate	31.2%		45.6%		48%		40.8%		38.4%			





LOAN ISSUANCE PROCESS

Loan issuance process

✓ Our loan issuance process is done with Smart-LOS system and Core banking system.



1. Check	2. Credit scoring	3. Decision	4. Contract	5. After check
<p>With the fingerprint identification, the Smart-LOS system accesses to the state database center "HUR". The system checks and accumulates related data of a customer and his/her family members.</p> <ul style="list-style-type: none"> - Civil information <ul style="list-style-type: none"> - Address - Black list - Court database - Police database 	<p>AI based credit scoring model calculates credit scoring for client using 14 types of information.</p> <ul style="list-style-type: none"> -Tax information -Income analysis -Property information <ul style="list-style-type: none"> -Credit history -Social data -Traffic penalty data 	<p>Depending on the loan amount, credit decision is made by 2-5 level decision making steps. All steps are done through work flow function on the Smart-LOS system.</p>	<p>Loan contract, Pledge contract, Guarantee contracts are printed from Core banking system. All contracts are notarized and registered in state property registration office to avoid double-pledging.</p>	<p>Smart-LOS system automatically review all lenders' situation automatically and warn alert in case of suspicious change in lenders' information.</p>

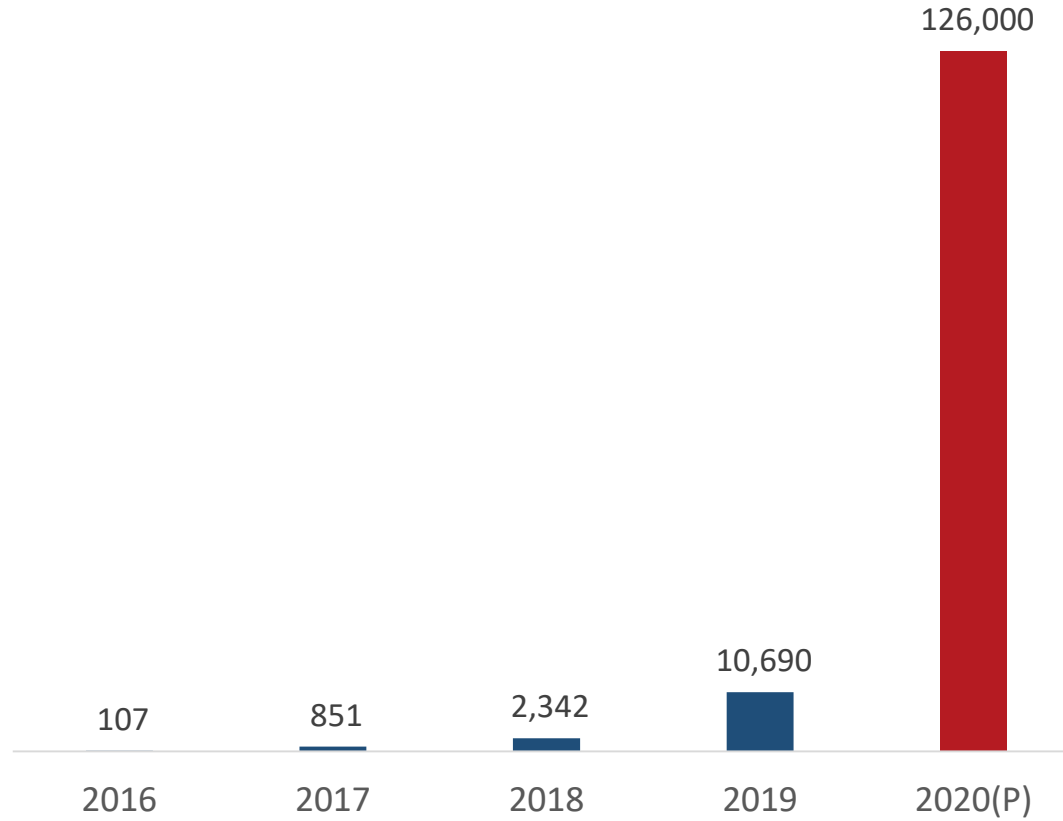


LOAN AND FINANCIAL PERFORMANCE

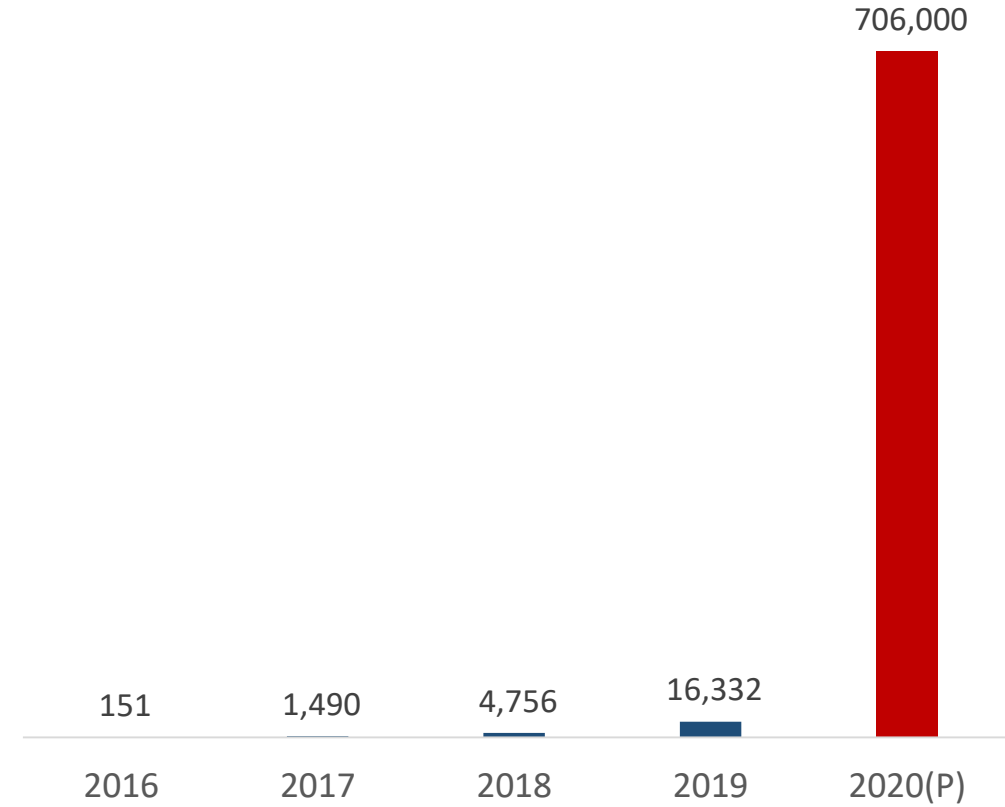


Loan Statistics

Number of customers



Number of loans

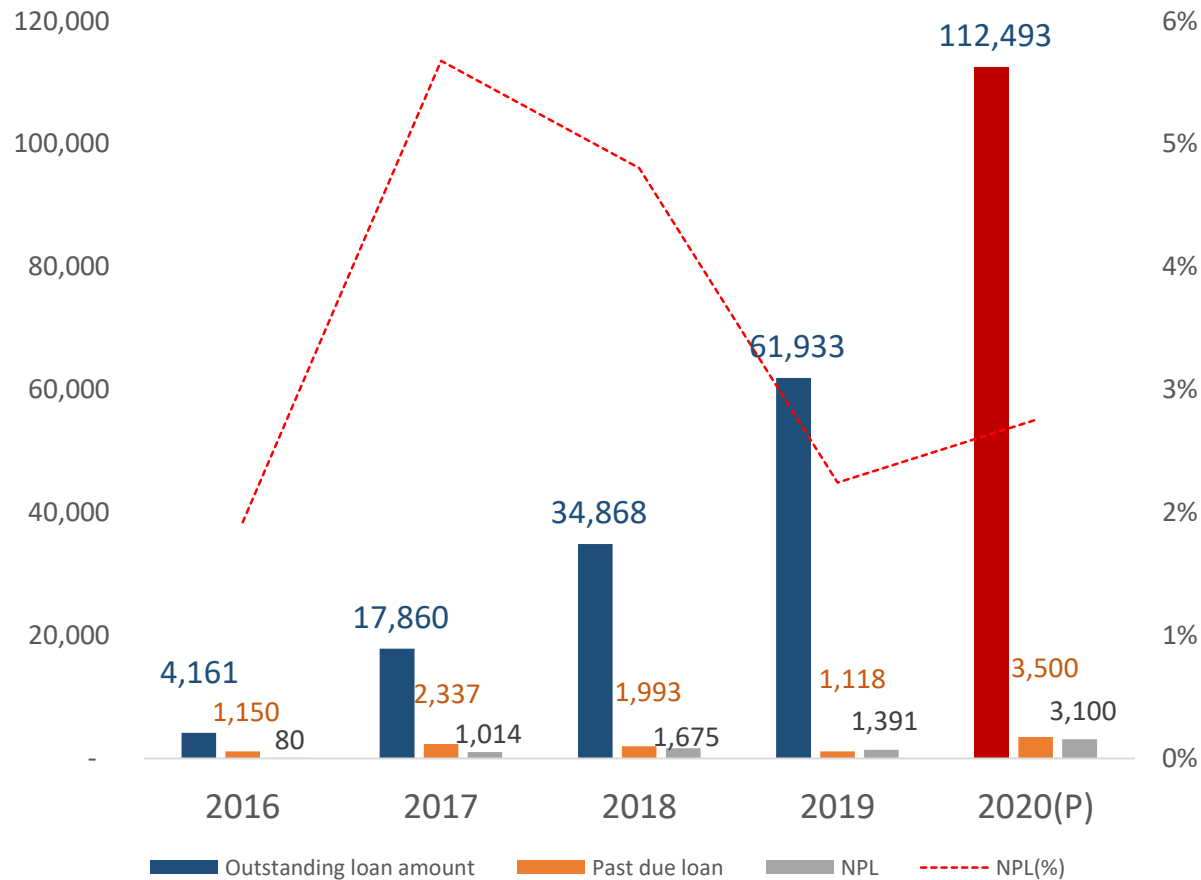


In 2020, because of Pocket product, number of customers and number loans are expected to grow rapidly.



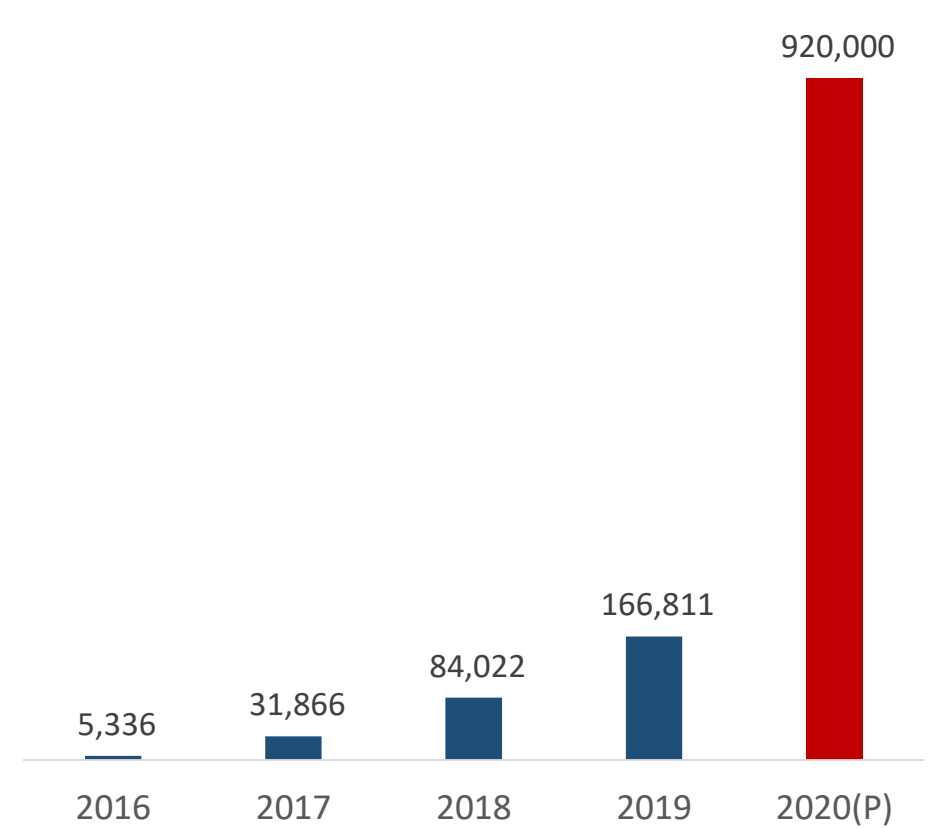
Loan Statistics

Outstanding loan amount (mil MNT)



In 2019, average NPL % of nonbank sector is 9.6%, and 10.1% for banks.

Total disbursed loan amount

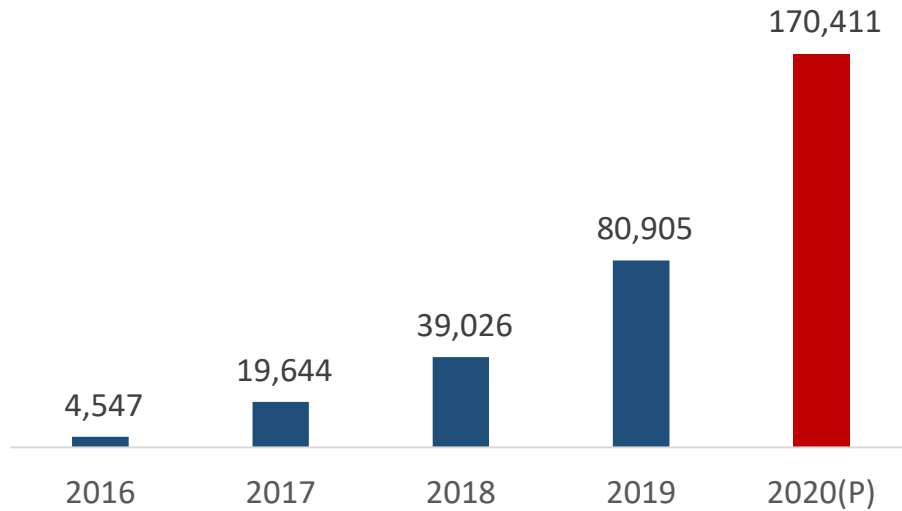


Because of Pocket app which is short-term loan product, total disbursement of loan amount is expected to grow rapidly.

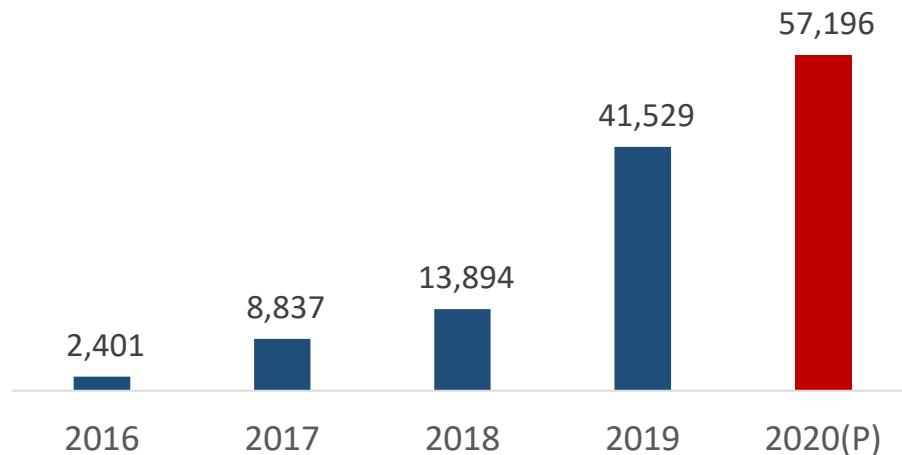


Financial summary

Total asset (mil MNT)



Total equity (mil MNT)



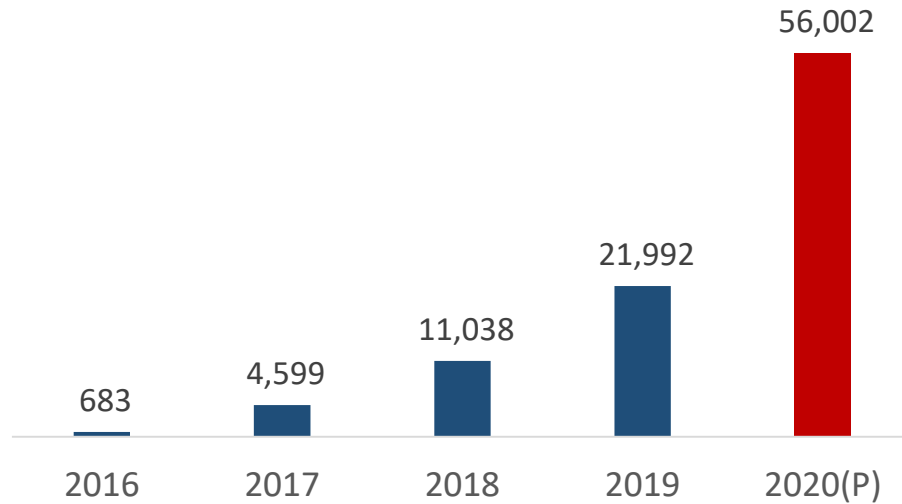
AS OF DEC 2019, TOTAL ASSET INCREASED TO USD 29.6 MILLION AND TOTAL EQUITY TO USD 15.2 MILLION.

Compared to previous year, total asset and total equity has increased by 107%, and 199% respectively.

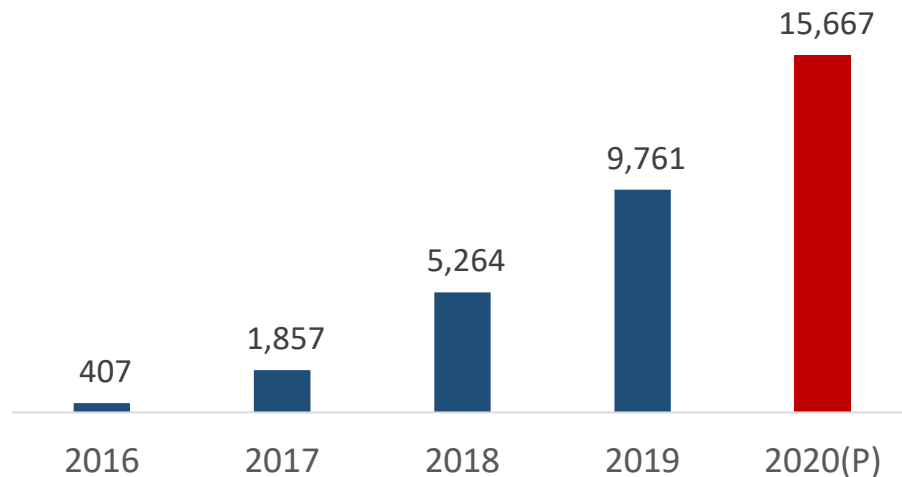


Financial summary

Total income (mil MNT)



Net profit(mil MNT)



AS OF DEC 2019, NET PROFIT INCREASED TO USD 3.6 MILLION, AND TOTAL INCOME TO USD 8.04 MILLION.

Compared to previous year, net profit and income has increased by 93%, and 96% respectively.



FINANCIAL STATEMENT (USD THOUSAND)

	2019Q4	2018Q4	2017Q4	2016Q4
Cash and cash equivalents	1,624	849	404	82
Short-term investment	1,465	-	-	-
Loans to customer-net	22,307	12,752	6,532	1,571
Repossessed asset	330	153	197	-
Other asset	1,637	297	14	2
Tangible and intangible asset	2,226	223	37	11
Total asset	29,589	14,273	7,184	1,665
TOTAL LIABILITIES				
Trust service liabilities	6,942	3,794	917	771
Borrowings from bank and financial institutions	3,892	5,072	2,888	-
Other financial liabilities	3,567	326	147	16
Total liabilities	14,401	9,191	3,952	787
TOTAL EQUITY				
Shared capital	5,955	2,230	2,230	831
Additional paid-in capital	5,644	-	-	-
Non-controlling interest	-	1	-	-
Risk reserve fund	-	-	40	-
Retained earning/(loss)	3,590	2,850	963	47
Total equity	15,188	5,081	3,232	878
TOTAL LIABILITIES AND EQUITY	29,589	14,273	7,184	1,665

INCOME STATEMENT

	2019Q4	2018Q4	2017Q4	2016Q4
Interest and similar income	7,064	3,948	1,637	243
Interest and similar expense	(713)	(941)	(248)	(65)
Net interest income	6,350	3,007	1,389	178
Fee and comission income	684	119	61	8
Income from/(expense) on foreign currency trading	55	28	(6)	41
Net non-interest income	7,089	3,154	1,444	227
Employees related expense	(739)	(330)	(120)	(21)
Other operating expenses	(1,280)	(209)	(89)	(16)
Profit /loss before loan impairment	5,070	2,615	1,234	191
Loan impairment expenses	(540)	(355)	(114)	(28)
Profit before tax	4,530	2,259	1,120	162
Income tax expenses	(960)	(411)	(119)	(16)
Risk reserve fund for potential future loss of credit	-	-	(40)	-
Net profit for the year	3,570	1,848	961	146

MNT to USD is as of Dec 31st, exchange rate- 2734.3**Financial Indicators:**

Indicators:	2019	2018	2017	2016
ROA	12%	13%	13%	9%
ROE	24%	36%	30%	17%
Tier 1 Capital ratio	50.2%	37.6%	40.0%	47.3%
Capital adequacy ratio	50.2%	37.6%	40.0%	47.3%

ROE decrease in 2019 is due to IPO in June 2019

FORECAST



Future forecast

- ✓ Non-bank market size has increased by average 25% annually during the last 10 years.
- ✓ It is estimated that total size of non-bank market will triple by 2023 due to development of fin-tech products and lowering the competition from commercial banks.

	2018	2019E	2020E	2021E	2022E	2023E
GDP growth	6.5%	6.3%	4.9%	5.0%	5.2%	5.7%
Total asset of financial sector <i>(million MNT)</i>	32,628	36,217	39,114	42,634	46,685	51,820
<i>Financial sector growth</i>	<i>10%</i>	<i>11%</i>	<i>8.1%</i>	<i>9%</i>	<i>9.5%</i>	<i>11%</i>
Total asset of Non-bank sector <i>(million MNT)</i>	1,284	1,589	1,962	2,393	2,896	3,446
<i>Non-bank sector growth</i>	<i>26%</i>	<i>27.0%</i>	<i>23.5%</i>	<i>22.1%</i>	<i>20.9%</i>	<i>19.1%</i>
<i>Non-bank sector share in total financial market</i>	<i>3.8%</i>	<i>4.4%</i>	<i>5.0%</i>	<i>5.6%</i>	<i>6.2%</i>	<i>6.7%</i>



Growth strategy

➤ Domestic strategy: “Smart expansion”

Under “Smart Expansion” strategy, InvesCore has been pursuing high efficiency in its operations and became the most profitable company in the Mongolian Stock Exchange. Highlights of the strategy is as below,

- *Renewal of traditional MFI products with IT development:* With fully utilizing IT development, InvesCore provides highest efficiency in its’ operation compared to MFI’s and small commercial banks. We invested heavily in both hardware and software, from network security to ERP system, Core banking system, Fintech products.

- *InvesCore alliance:* In the rural areas and sub districts of Ulaanbaatar, the company’s strategy is to tie up with local MFI’s, instead of establishing its’ direct branches. InvesCore alliance strategy is to provide its’ IT system, procedures, templates, business know-how as well as financing to local MFI’s and reach local customers’ through local MFI’s.

In order to enable it, InvesCore is currently developing its’ own core banking system to cloud version, which is smaller and easier to use for local MIF’s.

➤ International strategy: “Financial export”

“Financial export” is the strategy to launch the company’s know-how, IT system and human resources into Central Asian markets, which has similar social, historical and cultural background with Mongolia. InvesCore is planning to commence its’ operations in the Kyrgyz market in 2019.



RISK MANAGEMENT



Risk Management

➤ Macro economic risk

- ✓ We quarterly reviews parameters, measures the market sensitivity, risk bearing capacity, and diversifies its credit portfolio across different economic sectors. We also establish a stable revenue base by developing new products and optimally introducing them into the market.

➤ Legal environment, and regulatory risks

- ✓ The Company fulfills its legal obligations to comply with the rules and regulations of the relevant regulatory authorities.

➤ Interest rate risk

- ✓ The Company implements interest rate risk management within the framework of its loan policy, risk management policy and other relevant internal rules and regulations. To implement the risk management, the loan interest rate is determines after careful consideration of the cost of financial sources, the market interest rate analysis and other appropriate ratios and limitations.

➤ Exchange rate risk

- ✓ To mitigate the risk, we control the exchange rate risk by monitoring the position of foreign currency, hedging, and issuing foreign currency loans.

➤ Credit risk

- ✓ The Company evaluates the impact of external factors that may affect lending operations, determines the level of possible risks, limitations, improves loan impairment and loan quality management methods and identifies and implements risk management principle and practices. The Company also automates credit monitoring system to minimize potential risk.

➤ Operating risk

- ✓ We implement a risk management system by identifying, evaluating, monitoring, mitigating and reporting any risks that may arise from internal functioning, control systems, human factors and technological deficiencies. In addition, Smart-LOS system, the fully automated loan origination system, reduces the risk of possible mechanical errors, and counterfeiting of documents by customers.

➤ Liquidity risk

- ✓ The Company ensures prudential ratios of NBFIs, plans financial cash flows, monitors financial performance on regular basis and mitigates liquidity risks by opening a credit line in financial institutions.





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