



**INVESTOR
NATION**



Stronger. Together.



**ANNUAL
REPORT**



2023



TABLE OF CONTENTS

01

EXECUTIVE MANAGEMENT STATEMENT

1	CHAIRMAN'S STATEMENT
3	CHIEF EXECUTIVE OFFICER'S STATEMENT

07

ABOUT US

9	VISION
9	GOALS
9	OUR VALUES
10	GUIDING PRINCIPLES
10	DISTINCTIVE STRENGTHS
11	SYMBOLISM OF THE WOLF
13	BRIEF HISTORY
21	HUMAN RESOURCE

23

PERFORMANCE REPORT

25	BANKING CLUSTER
27	INSURANCE CLUSTER
30	INVESTMENT BANKING CLUSTER

SOCIAL RESPONSIBILITY

#WECANBEBETTER	33
EDUCATION	34
ENVIRONMENT	35

31

ECO SYSTEM

ARD APP	39
STRUCTURE	45
INVESTMENT PORTFOLIO	47

37

CORPORATE GOVERNANCE

BOARD OF DIRECTORS	53
MANAGEMENT TEAM	63
STOCK TRADING	66

49



Fellow Shareholders of Ard Financial Group!

First of all, I would like to express that it is a great honor and privilege for me to work with you under the mission of the Company to build an Investor Nation. We are turning a page in the development of the Company we founded 10 years ago. While conveying my New Year wishes and respect to you, I wanted to also give you a brief update on the status of the Company we all help govern at the end of 2023.

It has been a difficult economic period for all of us, here in Mongolia - COVID-19, border closures, lockdowns, supply chain disruptions, war related sanctions and further disruptions resulting in high inflation and tight monetary policy all culminating in double energy crises - shortage of gas and electricity rationing - at the end of 2023

But in the end Mongolia seemed to prevail - economic growth reached 7 percent, inflation is in single digits and our foreign currency reserves are at USD4.5 billion or near its all time highs despite repayment of major international bond obligations. GDP per capita is estimated to have reached USD5.2 thousand - a major milestone for any developing country. Country's export revenues have soared on the back of strong demand from China. 2024 budget expenditure was approved at MNT27 trillion - a record high for the country.

We are keeping our fingers crossed for a positive economic environment ahead although we still have to brace ourselves for general elections next summer.

The strategic management reorganization of Ard initiated two years ago is culminating in splitting the company into two and spinning out of Ard Ventures as a stand-alone holding company - transactions to move most non-financial companies have been completed in 2023, although Ard Ventures is still fully owned by Ard Financial Group.

As you recall, Ard Holdings management was regrouped into three separate clusters, and they are proving to be the most efficient way to go forward. Ard Pension was recapitalized and reorganized under a publicly traded vehicle. Meanwhile, Ard Insurance, which is about to celebrate its 30 year anniversary grossed a record MNT30 billion in sales for 2023.

Ard Assets continues on its strong growth hitting 34 billion in the loan portfolio. Ard Credit's portfolio reached MNT50 billion. We decided to postpone its FPO to raise additional MNT8.9 billion in capital to the first quarter of 2024 due to unfavorable market conditions. Ard Leasing was recapitalized and the Company is expected to get reactivated in 2024.

Me and Zolboo are looking into reorganization of the management of the Investment Banking Cluster in 2024 as well. Ard Securities sold over MNT40 billion in bonds in 2023, mainly to refinance Ard Holdings operations. Going forward it has to shift its focus to more market and company research, and stock underwriting. We want to reenergize Ard Management and its existing mutual funds.

We span out CryptoNation with Ard Bit, idax and Diverse Solutions. We invested into Telegram's Ton and Offsetted, a start-up building carbon reduction engine in 2023. UBX listed the first in the industry exchange-traded fund - INQ ETF, which mainly tracks top companies in the NASDAQ, allowing local investors to trade at low cost.

Also, the stock exchange facilitated the primary market trading of MOST Fintech clearing more than 1.5k orders. The secondary trading closed at MNT55.7 valuing MOST at MNT27 billion.

Ardcoin 3.0 was implemented transitioning to a more decentralized state for users and merchants. Now, it has more than 400k blockchain addresses bridging users between Ethereum, Polygon, Binance blockchains with cost-effective method to distribute loyalties on-chain.

We introduced Ard App V5 in 2023 - the work on this version of the App is ongoing and is expected to flow into the next year. Ard Kids users reached a 50 thousand milestone. Multi-level marketing program called Tumen Ard which rewards sales with ardcorns was initiated recently. Supply chain digital financing project SCOPA is well underway. Mongolia's first commercial social media platform - mongol.net was launched. All these initiatives help expand our ecosystem and will result in increased sales for our companies.

The stock market has been volatile throughout the year, Ard shares hit the bottom in the middle of the year and rebounded in the last quarter. AARD hit the low of 3,013 from previous year's close price of 4,732, and regained closing at MNT 3,506 exceeding MNT100 billion market cap. Even though, Ard companies could not close higher than last year's prices, we believe our shares are on their growth trajectory. The good news is that there is no way to go down if you are at the bottom already.

Ard was invited to the WEF's New Champions Community and we are now able to contribute and share in their Strategic Intelligence toolkit while using it as a sensor for innovation.

2023 was a year of many transitions for us: we let go of our long-standing Chairman Batbayar with me replacing him as Executive Chairman of the Board of Ard Financial Group and asking Zolboo to step up in the capacity of the Interim CEO. Despite his young age he is establishing himself quickly as a true leader of the organization. I, for one, am very satisfied with his commitment and dedication to the job. Also, Mr. Roland Nash was recruited as new director.

I look forward to personally engaging in the management of Ard Ventures starting now. It will comprise diverse and independent companies such as UBX, Grape City Mongolia, MOST Fintech (UBX: MOST), TenGerLeague Media Group (MSE: TNGR) and CryptoNation (MSE: CNF). These are all holding companies with separate managements and independent strategies. We will look into bringing in strategic partners and investors into each one of these businesses. Ard Securities is expected a key role in this task.

Sincerely yours,

GANHUYAG Chuluun Hutagt
Board Chairman, Ard Financial Group JSC





Dear Shareholders,

Mongolia's economy was projected to grow by 6-7 percent in 2023, a significant increase from the 5.0 percent in 2022, driven primarily by heightened mining and export services. Coal exports have doubled annually, reaching a record high of over 63 million tons, and copper mining production surged by about 20 percent with the initiation of the Oyu Tolgoi underground mine. However, non-mining sectors, especially services, experienced modest growth due to a post-pandemic rebound slowdown and adverse weather conditions affecting agricultural production.

Although the public sector played a vital role in bolstering the economy, there's an indication of a decrease in private investment. And there was only modest growth in private consumption, influenced by a stagnant labor market and actual income erosion due to high inflation, despite wage increases. A surge in mining led to the largest fiscal surplus since 2007 and a decrease in public debt as a percentage of GDP. This occurred despite the increased government spending, which was directed towards public sector wages, social insurance pensions, benefits, and welfare programs.

A rebound in exports contributed to a current account surplus and record-high gross international reserves of USD 4.9 billion by the end of 2023. Despite a dip in commodities, the boost in mining exports, elevated demand for coal from China and expanded copper exports from the Oyu Tolgoi mine helped offset the impact. However, the international reserves represent 4.4 months of imports.

Inflation remained elevated but decreased throughout the year, reaching 7.9 percent at the end of 2023, down from 13.2% in 2022. This decrease was attributed to the easing of supply bottlenecks, lower transportation costs, a decrease in global energy and food price hikes, and stable nominal exchange rates. Despite the fiscal support measures, the central bank had to maintain its policy rate at 13 percent, marking the highest rate in six years, to address potential demand-side pressures.

Credit expansion was slow, as banks prioritized safer personal loans, restraining business loans and mortgage lending. Personal loans, primarily secured by salary, pension, and deposits, drove overall credit expansion, while corporate credit growth remained sluggish, attributed to the end of subsidized loans and risk aversion.

Mongolian stock market had major milestones - capitalization surpassed MNT 10 trillion, mainly driven by IPOs of top commercial banks, and trading reached an all-time high of MNT 7.7 billion, having coals traded via exchange. However, the market experienced turbulence throughout the year, with the MSE TOP-20 index fluctuating by more than 20 percent, ultimately gaining 10 percent on a yearly basis.

Looking ahead to 2024, economic growth is anticipated to be driven by increased private consumption and fiscal expansion. The government has refinanced its bond payables for the next two years, ensuring stability in the international reserve. The mining sector's output is projected to expand, and agricultural production is anticipated to recover after a contraction in 2023. The services sector is poised to remain dynamic as private consumption rebounds. Despite an expected increase in demand-driven inflation, overall inflation is predicted to decrease in 2024, averaging around 6±2 percent, while adhering to a tight monetary policy.

However, the continuation of fiscal expansion in 2024 is predicted to outbalance revenue gains, resulting in a budget deficit. Anticipated pressures on the balance of payments in 2024 arise from normalized export revenues, increased imports, and restricted capital inflows amid persistently tight global financial conditions.

Substantial risks persist, mostly tilted to the downside, while mega-projects present opportunities. Potential negative spillovers on Mongolia's economy, particularly in coal exports, could arise from slower-than-expected growth in China. A greater-than-expected fiscal expansion in a pre-election context may lead to inflationary pressures and wider current account and fiscal deficits.

Geopolitical tensions in the Middle East could raise oil prices, affecting external balances and domestic fuel prices negatively. Conversely, accelerated completion of mega-projects, such as the Orano uranium project, increased production from the Oyu Tolgoi underground mine, and elevated commodity prices, could result in mining exports exceeding expectations.

In 2023, the Group has been focused on its asset and debt management, organizational restructuring and optimization while tailoring its OGSM for the following three years. The new OGSM enables us to concentrate on building the Investor Nation by creating a digital marketplace with a suite of financial products and services, disrupting and innovating in the industry, and ensuring sustainability in both operation and financial performance. Now, the team is working to finalize the business plan of the Group in accordance with the approved OGSM.

In addition to a clearer focus, organizational restructuring legally and operationally reduces conflicts of interest, ensuring smoother business relations. In total, assets worth more than MNT 50 billion were transferred for restructuring.

The holding company's investment portfolio was restructured to separate non-financial companies, which were then transferred under Huvsgul JSC, a listed company. As part of this, stakes worth MNT 15 billion in companies like CryptoNation, GrapeCity Mongolia, Daats Investments (parent company of UBX), and Ger Interior Design were transferred.

Moreover, Ard Financial Group transferred MNT 25 billion worth of assets, including Ard Pension and some stakes at Mongol Post and TenGerLeague Media Group, to the listed shell company, Undurhaan JSC, via convertible debt.

Ard Leasing was capitalized by MNT 18 billion to compensate for its loss caused by financial expenses that occurred due to the issuance of corporate bonds.

Besides, the portfolio companies have been working hard on their sales and growth, and showing great results:

Ard Credit's assets reached MNT 72 billion, marking a 23 percent increase, while its loan portfolio exceeded MNT 48 billion for the first time, reflecting a year-to-date growth of approximately MNT 8 billion. Throughout the year, the team focused on prioritizing collateralized loans, such as car leases, totaling MNT 7.7 billion. The company's follow-up offering (FPO) was approved by the FRC to issue an additional 30 percent, raising MNT 8.9 billion in equity. This allows the company to leverage extra MNT 36 billion as debt.

Ard Assets grew its total assets by 40 percent in 2023, reaching MNT 44 billion. The savings and loan cooperative has been steadily increasing its members in organic ways, having 4,053 members as of now. Having an efficient organizational structure, the company has been generating steady profits in recent years while keeping the best portfolio quality - 1% in overdue loans.

Ard Leasing faced challenges throughout the year due to a market downturn and a shortage of funds, primarily because it focused on refinancing corporate bonds for the Group. In 2024, the company plans to revitalize its leasing operations through the Rising Car program.

Ard Insurance performed exceptionally well this year despite challenges in the insurance sector caused by natural disasters and inflation, resulting in a surge in claims. The company achieved record-breaking sales of MNT 32.5 billion, surpassing its budgeted annual sales of MNT 25 billion. However, due to a high volume of claims, the profit remained at MNT 3.3 billion. The company's assets increased by 24 percent, reaching MNT 44.2 billion, with MNT 19.1 billion in fixed incomes, MNT 4.8 billion in equities, and MNT 4.1 billion in alternatives. In 2024, the company aims to reach MNT 50 billion in assets while generating a profit of MNT 2 billion from MNT 35 billion in sales.

In 2023, Ard Pension increased its monthly pension savings from MNT 300 million to MNT 800 million, with a focus on enhancing corporate sales. Despite the market downturn affecting its investment portfolio, the team has actively worked to optimize it. This involved a rise in fixed-income products and the liquidation and dilution of equity investments. In 2024, the company intends to persist in optimizing its investment portfolio while ensuring compliance with the yet-to-be-approved Private Pension Law.

In 2023, Ard Securities has been playing the leading role in involving the Group in capital markets, raising bonds for refinancing, and underwriting fixed-income and equity products. The company successfully concluded the MOST IPO by raising MNT 5.7 billion for an additional 27 percent and attracting over 1,500 shareholders. Moreover, Ard Securities obtained approval from the Financial Regulatory Commission for the Ard Credit follow-on public offering and is currently working on raising financing amounting to MNT 8.9 billion.

Ard Management is managing their investment funds, the National Privatization Fund and Investor Nation Fund. Even though its AUM growth or sales of its fund units are falling behind the plan, attributed to market conditions, the company is exploring opportunities for large-scale sales. Measures have been taken to optimize the return of the funds that did not perform well. In 2024, Ard Management intends to continue establishing thematic funds, considering them as the most accessible for retail investors to make investments.

Ard Properties is effectively managing its new industry project - tokenizing prime real-estate, the 9th floor of Blue Sky Tower. After facilitating its payment to acquire the real-estate and renovating it to make it ready for rent, the company has rented out the entire real-estate for 5 years, and it started distributing monthly rental incomes to its token holders from July. Going forward, the company will be utilizing its real-estate management, brokerage license.

On top of traditionally expanding and growing our portfolio companies, we are actively developing our digital ecosystem on an agile basis.

Collaborating with MOST and GrapeCity, our team has successfully completed the new version of the app, addressing bugs and issues and fully transitioning to V5, while discontinuing V4. Currently, the team is dedicated to enhancing the user experience and interface, streamlining the process of accessing financial services, and broadening integration with other platforms and systems to boost daily usage.

We have initiated the enrollment of a diverse range of merchants to leverage our payment and loyalty network. It aims to encourage our customers to use the app regularly for their daily purchases, earning ArdCoins as loyalty rewards.

The Tumen Ard program has been launched, enrolling 5,000 active Ard Brokers to scale the sales and usage of the Ard App. It is a merit-based program for customers who encourage themselves and others to manage their finances within our ecosystem.

We aim to empower our users to automate their pension savings and investments, enabling them to manage their personal finances seamlessly through our app.

In 2024, Ard Financial Group will implement the final phase of its two-year restructuring program, focusing on enhancing the financial health and performance of its affiliated companies. By refining the shareholder, customer base, and ecosystem established over the past decade, the company anticipates significant business expansion and growth opportunities.

Sincerely yours,
Zolboo Batbileg
 Chief Executive Officer, Ard Financial Group JSC

🦏 MISSION

To build the Investor Nation

🦏 VISION

Pioneering fintech group driving creative disruption on a global scale.

🦏 GOALS

- Disrupt and innovate
- Create digital marketplace
- Be sustainable

🦏 OUR VALUES

- A cohesive team with a same objective and unwavering dedication
- Our culture, "Ice Breaker," values creativity and problem-solving
- Our principle is commitment: accomplishing what we say and finishing what we start
- Our advantage comes from a highly professional, constantly learning staff that leads the industry.
- Our motto is "Stronger. Together." emphasizes reaching farther together, rather than speed alone.

🦏 GUIDING PRINCIPLES

- Maintaining the highest ethical standards and full legal compliance, with an emphasis on gender balance
- Maintaining excellence in customer service as a central policy
- Taking up social duty and achieving constructive change in society
- Proactively initiating adjustments to support the legal, regulatory, and business environment.
- Advancing environmental sustainability through guiding principles.

🦏 DISTINCTIVE STRENGTHS

- A competitive cooperation approach that combines efficiency and modern technology.
- Proven investment success and accountable governance
- An internationally known team for innovation and project implementation
- Sustainable investment returns
- Experience in converting market possibilities into valuable assets.
- Recognized brand as an Investor Nation
- Comprehensive national infrastructure
- Entrepreneurial culture



SYMBOLISM OF THE WOLF

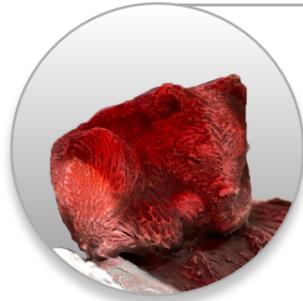
Descendants of Börte Chino and Gua Maral, Mongolians marked with the blue spot, embody strength, vitality, and honor. The wolf, known for its deep loyalty to its family and its lifelong dedication to protecting its pack, serves as a powerful symbol of the courage and resilience of the Mongolian man.

Mother Wolf



The image of the mother wolf clinging to the leader of the pack signifies her loyalty and dependence, capturing the essence of her devotion within the pack.

Offspring



Depicted as nestled close to their parents' hearts, the young pups represent the fierce protective spirit that all animals have toward their offspring, symbolizing the profound love and commitment of parenthood.

Father Wolf



The lead father wolf is shown carrying his mate on his back and holding his young ones close to his heart, symbolizing his role as the protector and nurturer of his family.





BRIEF HISTORY

In 2000, the United Nations Development Programme (UNDP) in Mongolia and the United States-based Mercy Corps decided to contribute MNT 600 million to establish a fund allowing the employees of XacBank to become shareholders. In 2005, the employees of XacBank pooled their shares to create the Employee Investment Trust (EIT) LLC. By acquiring a significant stake in TenGer Financial Group, the parent company of XacBank, EIT laid the foundation for Mongolia's first institutional investor.

At its inception, EIT had a total capital of MNT 1.2 million and 10 shareholders. By the end of 2022, the Ard Financial Group boasted over 100,000 shareholders (including duplicates) and managed approximately MNT 450 billion in assets.

Guided by the belief that everyone should share in the wealth they help create and that every customer should be an owner of the bank they use, Ard Financial Group transitioned to a closed joint-stock company in 2015. By late 2017, Investment Nation merged with Jinst-Uvs, a publicly traded company, through a reverse takeover, making its shares tradable on the Mongolian Stock Exchange (MSE). Subsequently, on August 8, 2019, Ard Financial Group became a public joint-stock company through another reverse merger.

In 2013, EIT's major shareholders outlined a new strategic vision, officially establishing operations under the name Ard Financial Group. This plan involved continuous investment in and acquisition of financial institutions such as non-banking financial institutions, insurance companies, securities firms, pension funds, and savings and credit cooperatives. The Group also participated in a major privatization auction on the Mongolian Stock Exchange in 2016, becoming a key investor in Mongol Post JSC.

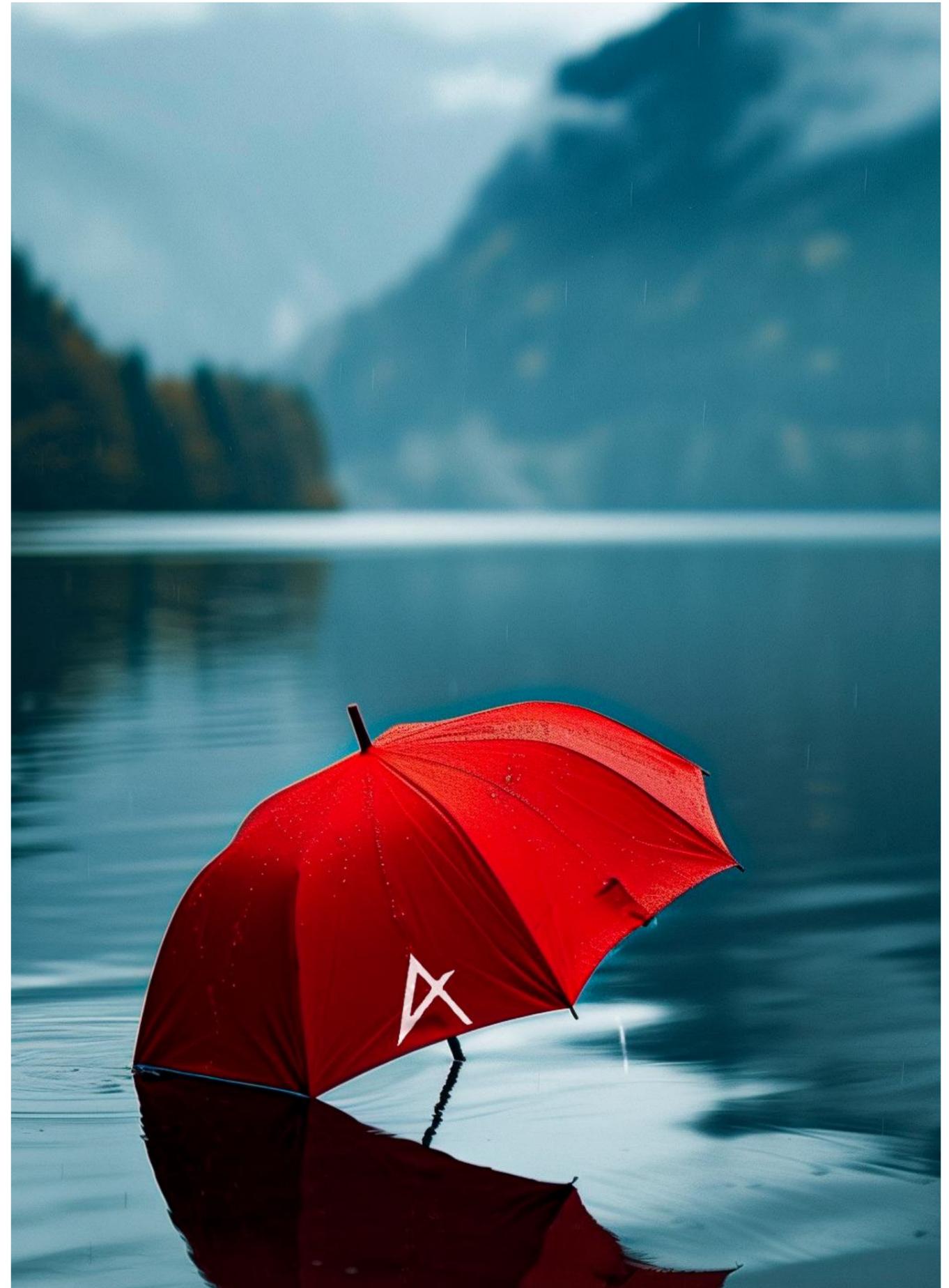
By 2017, the investment portfolio had expanded to include an investment management company, Ard Bit (focused on blockchain and cryptocurrency), and the Crypto Nation Fund. Between 2018 and 2019, the Group incorporated companies operating in technology, real estate, e-commerce, customer service, investment, and leasing, further broadening its structure.

In 2020, the Group established the National Privatization Fund, the first mutual fund to be listed on the Mongolian Stock Exchange. Additionally, Crypto Nation LLC merged with Bulgan Undarga JSC and founded DAX, a virtual asset exchange, to expand its virtual financial services portfolio.

In 2021, Ard Financial Group invested in Tengerlig Media Group JSC and the Ulaanbaatar Securities Exchange, while launching collaborative initiatives with MOST Fintech LLC and Grapes City Mongolia LLC. The Group also founded the XASU Fund and initiated the decentralized financial market project ArdMoney.

By 2022, Ard Financial Group's investment portfolio included 44 companies with a total of 45 licenses, details of which are presented in the investment section of this report.

In 2023, Ard Financial Group launched the #WeCanBeBetter movement, gifting shares of MSE and ArdCoins to every child aged 0-18 in Mongolia.



KEY MILESTONES

Invested in Ard Insurance and Ard Credit. **2013**

Transitioned Ard Financial Group into a closed joint-stock company and launched the Investor Nation.

2015

Held the inaugural meeting to establish Mongolia's first cryptocurrency fund and launched Crypto Nation.

2017

Ard Credit launched its IPO and introduced blockchain-based rewards points, ArdCoin.

2019

Established TenGerLeague Media Group through a reverse takeover(RTO).

2021

Initiated the #WeCanBeBetter Movement, distributing AARD (MSE) shares and ArdCoins to every child aged 0–18 in Mongolia.

2023

2014 Invested in Ard Assets Savings and Credit Cooperative.

2016 Participated in the privatization of Mongol Post JSC.

2018 Ard Insurance conducted its Initial Public Offering (IPO).

2020 Produced the Apprentice Mongolia TV show and established the first closed mutual fund.

2022 Launched Mongolia's first open mutual fund.

2013

2023



Became Ard Financial Group

Comprehensive digital banking services: **1,104,180** users

10

Investment portfolio
(companies)

44

¥10 billion

Asset management

¥204 billion

370

Shareholders

+110,000

¥6.4

Price per share

¥3,506



CONSOLIDATED FINANCIAL INDICATORS

44

Total companies

1,104,180

Ard app users

46

Licenses

418,006

ArdCoin holders

264

Total employees

243,010

Total insured persons (active)

4,053

Total members of Ard Saving and Credit Cooperatives

154,496

Securities account holders

20,750

Savings account (active)

146,749

Pension savings holders

52,515

Total employees

113,895

Shareholders



Stronger. Together.



HUMAN RESOURCE

In 2023, Ard Financial Group underwent changes in its executive management and organizational structure, with 22% of the management team being replaced. The total number of full-time employees is now 264. As part of the human resources policy, quarterly surveys were organized on various topics to make the workplace more employee-centered, open, and participatory. To align with the changes of the time, the core principle of "Reviewing and Renewing Our Values" was emphasized, and it was reformulated with the participation of all employees. This process was crucial for redefining our values, aligning our beliefs and goals, and providing clarity on decision-making, direction, and essential principles.

Our most valuable asset is our Human Capital—our team. With consideration for the diversity of groups and departments, including gender (61% female, 39% male), age (average age 34), and generational differences (62% Millennial and Gen Z), we focused on ensuring individual value and participation. We supported continuous learning and growth by organizing internal and external training and development programs. As part of this, Ard-Mentorship program, under the motto "We Grow Together", ran for 3 months, and 33% of participants advanced to senior or managerial positions.

In addition to HR recruitment, we worked to raise awareness of our employer brand and market presence by promoting our human resources policies, competitiveness, and unique aspects. We welcomed over 100 students and pupils from universities and secondary schools to our offices for familiarization programs and offered internship opportunities for those seeking career direction. A key indicator of success was a survey conducted among over 500 students from the top 8 universities in Mongolia, where Ard Financial Group was ranked as one of the Top 20 companies that graduates aspire to work for.

Over the next 3 years, we aim to continue the rapid development and transformation of our business operations. This will be based on enhancing the skills, approaches, and characteristics of our teams, maintaining high employee engagement, and improving our performance-based compensation package. We will also expand and diversify our compensation structure, such as launching a program that allows employees to own shares in the company. As pioneers of this initiative, we will share our best practices to further differentiate the company and develop our competitive advantage in the market.

CUSTOMER SERVICE

Ard Support LLC, which handles customer services for Ard Financial Group and its subsidiaries, served a total of 435,588 customers through 6 channels in 2023. The call center alone assisted 217,564 customers, achieving 99% of its targeted results. Further detailed metrics are as follows:

Metrics	Number of customer inquiries	Issue resolution rate
Total number of customers served	435,588	99%
Information delivered through digital channels	79,893	100%
Complaints registered across all channels	22,877	98%
Branch service	11,630	100%
Information received through operator contact	217,564	99%
Information received via automated response system	23,521	100%
Inquiries and services received through chatbot	16,473	100%
Information delivered through outbound calls	86,507	92%



PERFORMANCE REPORT



BANKING CLUSTER

The Banking Cluster of Ard Financial Group, consisting of Ard Credit, Ard Assets, and Ard Leasing companies, achieved significant growth in 2023 and reached strategic milestones. Ard Credit NBFI JSC strengthened its market position by obtaining important licenses from regulatory authorities, enabling the issuance of additional shares and outsourcing services as part of its strategic direction.

By expanding its auto loan portfolio under the Phygital approach, Ard Credit was able to double its secured loan portfolio. As a result of this growth and sound financial management, the company posted a net profit of 2.7 billion MNT, and its market valuation reached 34 billion MNT.

Ard Assets Savings and Credit Cooperative (SCC) significantly increased its total assets, reaching 44 billion MNT, thereby maintaining its position as the second-largest in the sector. With a net loan portfolio of 34.7 billion MNT and financing of 32.9 billion MNT, Ard Aktiv has effectively implemented risk management strategies, ensuring that its loan portfolio remains in strong health.

Ard Leasing has completed its research work to revive its "Growing Car" program. The banking cluster, which prioritizes financial stability and strategic growth, is at a crucial stage to continue its upward trajectory and achieve further significant growth.

Ard Credit NBFI

In the last year, Ard Credit obtained approval for a Follow-On Public Offering (FPO) of MNT 8.9 billion from the Financial Regulatory Commission (FRC) and secured an Outsourcing license from the Bank of Mongolia, which is the third such license from the Central Bank. Also, at the end of 2023, Ard Credit officially registered the Ard app as a fintech loan product at FRC.

Ard Credit saw a significant increase in its loan portfolio during this period, reaching MNT 50 billion. Specifically, as a consequence of our strategic emphasis on expanding the car loan portfolio through a PHYGITAL approach since the commencement of the year, the collateralized loan portfolio has exhibited remarkable growth, nearly doubling in size and currently standing at MNT 8.0 billion.

This growth was mainly due to the company's effort to attract MNT 45.3 billion in new funding sources and refinancing of MNT 13.0 billion throughout the year. This resulted in a net profit of MNT 2.7 billion. The company's stock (MSE: ADB) closed at 119.9, with a market cap of MNT 34 billion.

Ard Assets

Ard Assets has demonstrated steady and robust growth in its financial key indicators, such as total assets, loan portfolio, and funding. This growth is due to the company's focused approaches to its main activities of attracting deposits and providing well-vetted loans throughout the year.

By the end of the year, Ard Assets solidified its position as the 2nd largest among all Credit Unions in Mongolia, with total assets reaching MNT 39.6 billion, which was much higher compared to the previous year of MNT 31.5 billion.

Ard Assets attracted MNT 14.7 billion in new funding sources and refinanced MNT 13.1 billion, a total of MNT 27.8 billion throughout the period. Net loan portfolio increased to MNT 31.5 billion, and funding increased to MNT 29.2 billion. Net profit reached MNT 438.6 million at the end of the third quarter.

Зээлийн багцийн 0.4 хувийг хугацаа хэтэрсэн зээл, 0.4 хувийг чанаргүй зээлийн багц эзэлж байна.

Ard Leasing

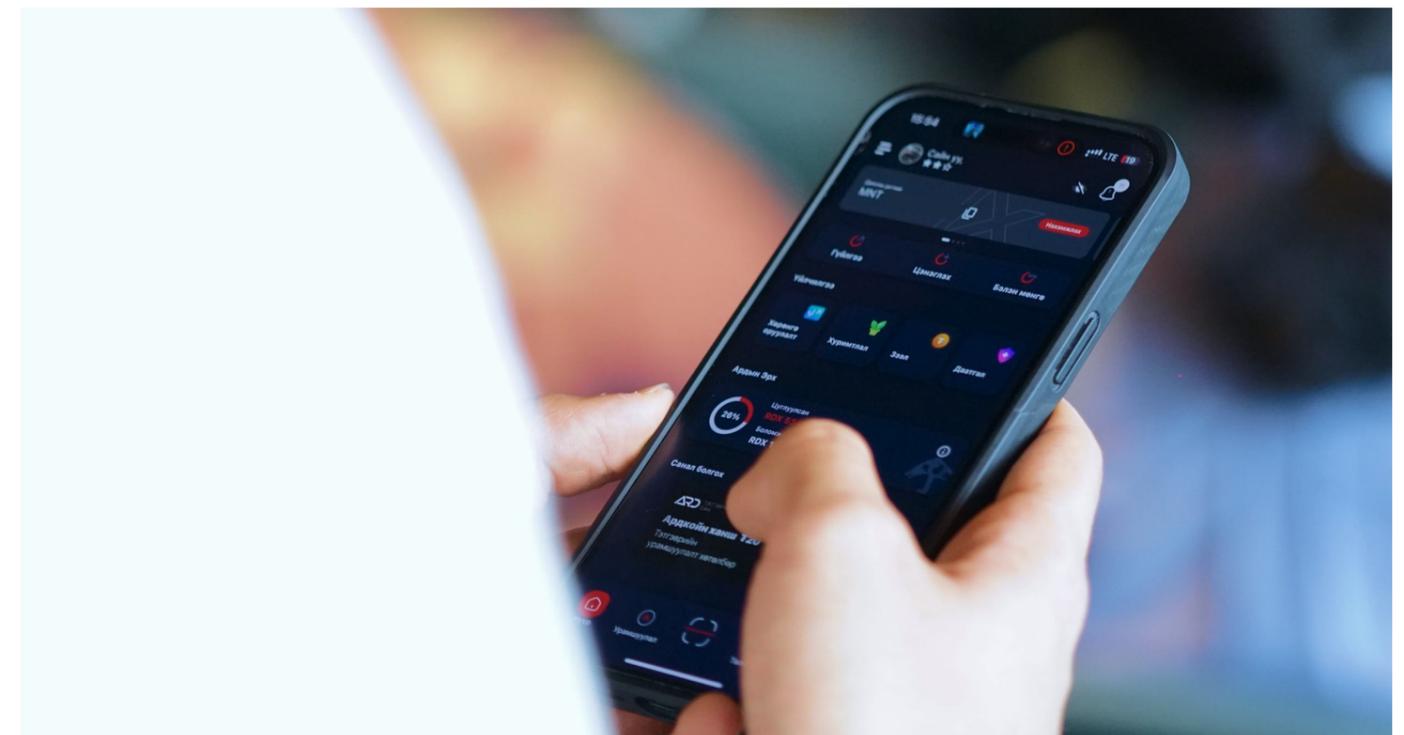
Since Ard Leasing LLC introduced the "Rising Car" program in 2021, the company has worked on a process mapping based on the data of the program that was collected throughout the program executing periods in the 4th quarter. As a result, Ard Leasing announced the next rotation of the program. This is a significant operational activity that has the potential to engage with investors and increase monthly cash inflow for repayments and funds.

AARD Leasing Company Successfully Capitalized with MNT 18 billion by Ard Financial Group

Ard Credit NBFI JSC – to view Annual Report



(MNT million)	Key Financials	2021	2022	2023	Annual Change
Ard Credit	Total Assets	73,387.80	58,038.70	72,005.50	24.06%
	Total Owner's Equity	22,605.30	18,049.40	20,904.90	15.82%
	Loan Portfolio	34,177.80	40,038.10	47,941.90	19.74%
	Financing / Funding	38,733.50	32,466.10	39,294.50	21.03%
	NPL	7.00%	7.80%	7.10%	-8.97%
	PAR	9.20%	13.20%	11.80%	-10.61%
	Net Profit	3,924.80	2,059.20	2,518.70	22.31%
	Loan portfolio breakdown				
	Collateralized loan	10.80%	8.40%	16.20%	92.86%
	Online loan	62.40%	52.60%	49%	-6.84%
Ard Assets	Business loan	26.80%	15.30%	9.90%	-35.29%
	SCOPA project loan	0%	23.70%	24.90%	5.06%
	Total Assets	30,228.70	31,487.70	43,971.80	39.65%
	Total Owner's Equity	7,836.60	8,107.70	8,804.20	8.59%
	Loan Portfolio	20,626.40	25,441.90	34,744.60	36.56%
	Financing / Funding	21,341.80	21,866.90	32,866.40	50.30%
	NPL	0.12%	0.38%	0.41%	7.89%
	PAR	0.14%	0.63%	0.42%	-33.33%
	Net Profit	406	711.7	675.8	-5.04%
	Loan portfolio breakdown				
Ard Leasing	Business loan	86.30%	84.30%	89.60%	6.29%
	Salary loan	8.10%	8.80%	3.90%	-55.68%
	Customer loan	2.30%	1.40%	0.90%	-35.71%
	Collateralized loan	3.20%	5.50%	5.60%	1.82%
	Total Assets	26,267.40	32,518.20	55,812.40	71.63%
	Total Owner's Equity	4,693.60	-9,384.60	141.2	-101.50%
	Loan Portfolio	1,878.50	1,705.90	1,809.90	6.10%
	Financing / Funding	18,399.70	35,291.40	51,534.00	46.02%
	Net Profit	448.3	-3,398.80	-8,479.70	149.49%



Digital Lending
24/7

Instant Loans in
5 Minutes

AI-Powered
Credit Scoring

Save your
Change

<p>▲ 30%</p> <p>Total Assets</p> <p>₮ 166.0 billion</p>	<p>▲ 26%</p> <p>Loan Portfolio</p> <p>₮ 82.7 billion</p>	<p>▲ 33%</p> <p>Financing / Funding</p> <p>₮ 72.2 billion</p>	<p>▲ 15%</p> <p>Net Profit</p> <p>₮ 3.2 billion</p>
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Total Loan Disbursement Amount

₮ **150.1 billion**

Business (Segment) **₮59.6 billion**

Retail (Lending) **₮14.9 billion**

Digital (Lending) **₮75.6 billion**

Total Number of Loans Disbursed

76,334

Female **55%**

Male **45%**

INSURANCE CLUSTER



Ard Insurance

Ard Insurance, the biggest company in the Insurance Cluster, has shown great results in terms of its key financial indicators in the last year. The gross premium income of the company hit MNT 30.8 billion, with a total of 8,819 claims amounting to MNT 14.1 billion. Total assets have reached MNT 43.6 billion due to the growths in investment portfolio, intangible assets, and reserve accounts. These positive results led to a profitability of MNT 1.0 billion after tax. As a publicly traded company, the stock (MSE: AIC) closed at 874.53, with a market cap of MNT 22 billion.

The investment portfolio has reached MNT 28 billion, and the company could increase the diversification of the portfolio by adding fixed-income investments.

Ard Insurance now offers Third-Party Liability (TPL) insurance through the Ard app, which is currently one of the most attractive products in the market.

Also, the company has written Compulsory Driver's Insurance policies for over 140,000 vehicles, which makes the company the market leader locally in regards to this kind of insurance.

Ard Pension Account

As of December 31, 2023, Ard Pension Account has an investment portfolio of MNT 49.7 billion and has accumulated total pension savings of MNT 37.2 billion, including interest payables. Pension savings inflow amounted to MNT 9.5 billion, showing growth of 8.7 percent from the same period last year. MNT 1.4 billion pension savings in 1,212 accounts were canceled and MNT 422 million pensions were granted to 27 customers. Furthermore, to enhance the company's income, we intensified our efforts in corporate sales. The total count of pension savings holders stood at 141,128, spanning 92 organizations.

As of the current portfolio allocation, 72% of the total investment is dedicated to listed investments. Within this allocation, 45%, equivalent to MNT 16.3 billion, is directed towards the financial sector. Additionally, 34%, or MNT 12.2 billion, is invested in the transport sector, 21% or MNT 7.6 billion in the trade sector, and a nominal 0.14%, translating to MNT 49.8 million, is allocated to other sectors.

(MNT million)	Key Financials	2021	2022	2023	Annual change
Ard Insurance	Total assets	34,826	35,645	44,156	23.88%
	Total equity	18,396	16,679	18,218	9.23%
	Investment portfolio	24,671	23,826	28,120	18.02%
	Total gross premium income	16,462	22,316	32,438	45.36%
	Total claims	4,967	7,859	14,095	79.35%
	Net profit	7,176	737	3,277	344.64%
Ard Pension	Total assets	62,261	36,541	56,843	55.56%
	Total equity	35,278	5,973	14,916	149.72%
	Investment portfolio	58,468	34,741	49,689	43.03%
	Total gross premium income	13,849	26,716	37,249	39.43%
	Total claims	15,063	8,748	9,453	8.06%
	Net profit	2,652	-12,088	-5,026	-58.42%
		21,742	-29,306	-6,108	-79.16%

(MNT million)	Investment portfolio	2021	2022	2023	Weight	Annual change
Ard Insurance	Fixed Income	11,636	13,548	19,137	68.05%	41%
	Listed Investments	9,523	6,662	4,838	17.20%	-27%
	Alternative Investments	2,012	3,616	2,625	9.33%	-27%
	Other investments	1,500	0	1,520	5.41%	
	Total Investment portfolio	24,671	23,826	28,120	100%	18%
Ard Pension	Fixed Income	2,400	1,000	2,041	4.11%	104%
	Listed Investments	37,686	20,994	36,092	72.64%	72%
	Alternative Investments	14,051	7,255	9,581	19.28%	32%
	Real Estates	0	1,523	0	0.00%	-100%
	Private Equities	4,032	3,976	1,975	3.97%	-50%
	Total Investment portfolio	58,169	34,748	49,689	100.00%	43%

Ard Insurance JSC- to view Annual Report



Digital Insurance
24/7



Get Insured in Just
5 Minutes



Easiest
Claims Process



Automated
Savings

▲ 40%

Total Assets
₮101.0 billion

▲ 46%

Owner's Equity
₮33.1 billion

▲ 33%

Total Revenue
₮41.9 billion

▲ 15%

Investment portfolio
₮77.8 billion



Number of Insured Persons

243,010



Pension Account Holders

146,769



INVESTMENT BANKING CLUSTER

The Investment Bank cluster of Ard Financial Group, consisting of Ard Securities, Ard Management, and Ard Properties, made significant contributions to the Mongolian capital market in 2023 and achieved success. Ard Securities, the leader in brokerage services, facilitated securities trading worth 48.6 billion MNT on the Mongolian Stock Exchange and successfully expanded into underwriting and financial advisory services, raising a total of 46.3 billion MNT. As the lead underwriter in MOST Fintech's IPO, the company raised 5.7 billion MNT from investors. The newly introduced Smart Investor - a securities savings product - has been subscribed by over 2,000 investors, accumulating a total of 414 million MNT in assets. Ard Management manages two mutual funds with a net asset value of 8.4 billion MNT. Ard Properties has introduced innovative products in the real estate market, tokenizing the 9th floor of Blue Sky Tower, allowing anyone to own office space in the A district of the city with a small investment from anywhere, and securing long-term lease agreements for those spaces with token owners.

Ard Securities

Ard Securities maintained its strong performance in brokerage services throughout 2023, with a total of MNT 48.6 billion settled in stock trading on the Mongolian Stock Exchange (MSE). Moreover, the company extended its expertise to provide underwriting and financial services, successfully assisting in raising funds amounting to MNT 46.3 billion.

In 2023, one of the most highlighted projects the company has worked on was the MOST IPO, and it successfully finished within the year by raising MNT 5.7 billion from over 1,500 shareholders for an additional 27 percent of the company.

Ard Securities worked on the "Intelligent Investor" project, which encourages saving habits that can build long-term returns for retail investors throughout the year. As a result, it serves over 2,000 customers with a combined portfolio of MNT 414 million.

Moreover, Ard Securities has made the strategic decision to participate in commodity trading on the MSE as a broker and fulfilled all requirements of getting the licence, including the capital adequacy requirement which should be at least MNT 3.4 billion. Before the end of 2023, the company made a request to the FRC to get approval for that licence, and it is now under review.

Ard Management

In 2023, Ard Management oversaw two mutual funds with a combined net asset value of MNT 8.6 billion. Despite the recent downturn in Mongolia's stock market since 2022, we remained optimistic about the long-term potential of the domestic market. Therefore, both funds primarily hold portfolios consisting of domestic stocks and bonds.

Ard Management launched Mongolia's first open-ended fund, the Investor Nation Fund (INF), in October 2022. The fund follows a Growth at a Reasonable Price (GARP) investment strategy and has allocated 67% of its total assets in stocks. The fund holds shares in 16 companies, mostly in the financial sector. Currently, the INF boasts 1,078 unit-holders.

Even though the National Privatization Fund (NPF), a closed-end fund, experienced an 11 percent decline in net asset value over the year, it successfully maintained a 25 percent increase since its inception. The fund holds a portfolio of 30 shares, comprising 25 domestic shares and 5 foreign shares. The fund's trading volume on the Mongolian Stock Exchange reached MNT 386 million, and the number of unit-holders remained steady at 6,328. In the fourth quarter of 2023, the net asset value of the NPF stood at MNT 126. This phenomenon can be elucidated by the prevailing monetary policy dynamics and a discernible absence of substantial cash inflow into the stock market.

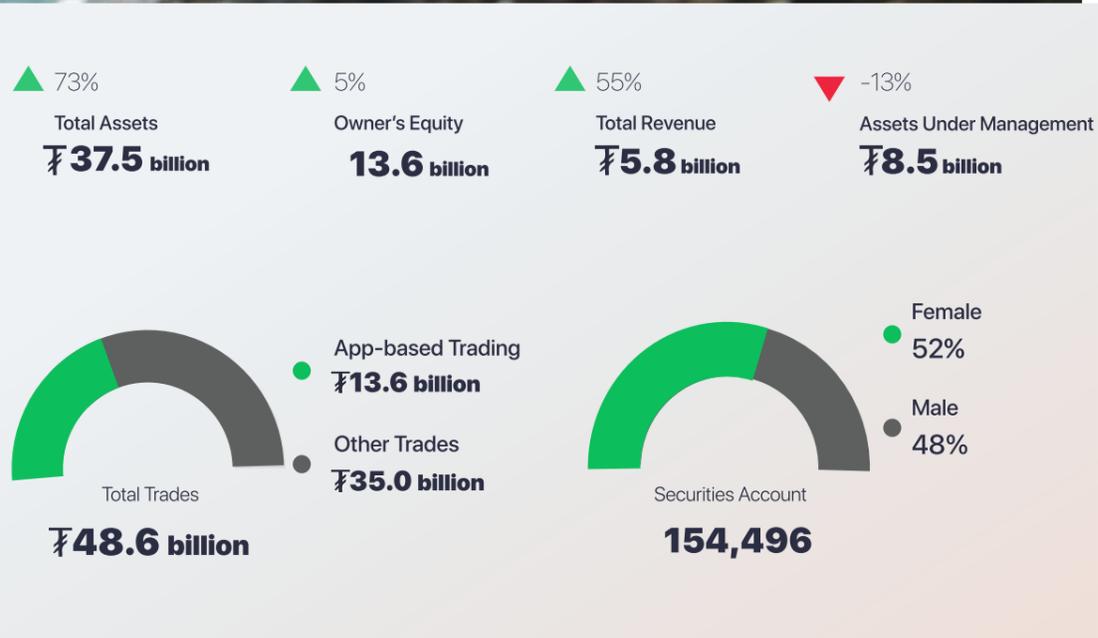
In terms of daily operations, we have initiated a thorough enhancement of our website to furnish investors with current information. Furthermore, we persist in our endeavors to comply with the Company Governance Codex and other regulatory requisites. Ard Management has diligently been engaging in the establishment of a private fund UB Capital.

Ard Properties

Ard Properties has efficiently renovated and upgraded 2,660.45 square meters on the 9th and 11th floors of the "Blue Sky Complex" building, achieving a high standard of quality. The company has successfully secured a long-term leasing agreement with third parties for these spaces.

Furthermore, as part of the Blue Sky project, Ard Properties collaborated with iDAX to effectively distribute rental income every month since June. Through an active marketing campaign, the daily trading turnover of BS9 tokens (a token associated with the project) has shown steady growth, and its price reached MNT 1,090 from an initial price of MNT 1,000.

-  Trading **24/7**
-  Automated **Savings**
-  Portfolio Building **Opportunities**
-  Smart Asset **Management**



(MNT million)	Key Financials	2021	2022	2023	Annual change
Ard Securities	Total Assets	20,340	8,997	8,889	-1.20%
	Owner's Equity	15,459	6,104	6,498	6.45%
	Total Revenue	3,216	2,695	3,472	28.83%
	Net Profit	953	-647	191	129.52%
	Trading	233,748	65,889	48,629	-26.20%
	Financing / Funding	44,730	46,429	46,327	-0.22%
Ard Management	Total assets	7,889	2,513	3,857	53.48%
	Owner's Equity	6,999	2,030	2,812	38.52%
	Total Revenue	736	533	218	59.10%
	Net Profit	118	-175	16	109.14%
	Assets Under Management (AUM)	9,603	9,550	8,337	-12.70%
Ard Properties	Total Assets	29,898	10,196	27,973	144.93%
	Owner's Equity	21,083	4,788	4,316	-9.86%
	Total Revenue	2,458	518	1,516	192.66%
	Net Profit	-146	-719	-834	-15.99%



SOCIAL RESPONSIBILITY



Veloo Foundation "Children of the Sun" Kindergarten



29th Secondary School



116th Secondary School.



General Authority of Child and Family Development Protection

Ard Financial Group, Ard Academy, and Ard Kids have jointly initiated the #WeCanBeBetter campaign for the betterment of society, with a particular focus on the children of Mongolia, who represent the future of the country.

The goal of this campaign is for adults to start making efforts from today to build a brighter and better society for future generations. It aims to positively impact our children, the successors of our legacy, by starting with simple steps.

As part of the campaign and in celebration of Children's Day, Ard Financial Group provided Future Owner – Children's Savings and AARD shares to all students of 29th Secondary School.

Ard Financial Group also participated in the 10th anniversary celebration of Veloo Foundation's "Children of the Sun" Kindergarten, where all the students were provided with AARD shares.

In addition, Future Owner – Children's Savings and AARD shares were given to all students of 116th Secondary School.

In Selenge province, all children aged 0-18 were granted AARD shares as part of the program designed for every child in Mongolia.

Furthermore, Ard Financial Group supported the Children's Day in Darkhan City, organized by the Darkhan Family, Youth, and Children's Development Center, and the Darkhan City Physical Education and Sports Department, by sponsoring the 3x3 basketball tournament.

Education



Apprentice Mongolia Show - II



TomYo Edtech



National Debate League TV



Paid Student Program

The second season of the Apprentice Mongolia show, which has brought a fresh breeze to the finance and business sector and received high praise from viewers, has been broadcasted.

Ard Financial Group and TomYo Edtech have collaborated to invest in public education and work towards making financial literacy more accessible. As part of this initiative, Ard App users now have the opportunity to make payments on TomYo Edtech's platforms, including TomYo Skills and TomYo Lingo.

By sponsoring and collaborating with the National Debate League TV show, which provides a platform for spreading the voices and ideas of the new generation and fosters creative social discourse, we have supported the future and development of youth television.

Additionally, the Paid Student program has been launched for students, offering them the chance to improve their professional skills. Participants in this program have the opportunity not only to enhance their expertise but also to compete for the chance to receive a full-year scholarship based on merit and leadership and secure employment.

Environment



OFFSETTED PLATFORM



SHAMBALA COLLABORATION



ONE BILLION TREES

Ard Financial Group has invested in the Offsetted platform, which utilizes advanced carbon reduction technology through a special-purpose company based in Singapore.

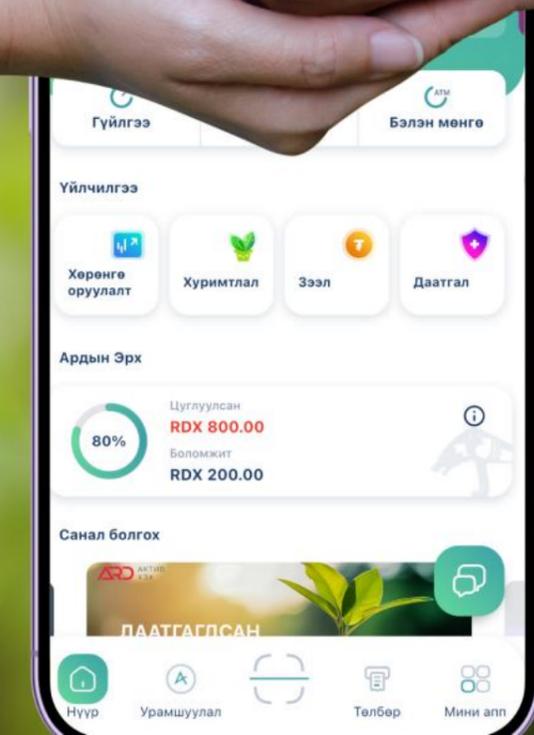
Shambala Engineering Campus LLC has launched a collaborative initiative with Ard Financial Group. The partnership focuses on creating sustainable green infrastructure and mitigating desertification using art and technology. As part of this collaboration, Ard App users now have the opportunity to purchase trees and merchandise with personalized tree tags from Shambala Engineering Campus LLC's ART'N TECH project via the Ard App.

Ard Financial Group's team has actively supported the One Billion Trees - National Movement by participating in the planting of 1,000 trees in the Incheon Mereedli forest, alongside five affiliated companies. A total of 200 trees were planted as part of this initiative.

ARD FINANCIAL GROUP'S SUBSIDIARIES ENCOURAGE THEIR CUSTOMERS TO USE THE ARD APP FOR SERVICES, RESULTING IN A REDUCTION OF **28,100,000** SHEETS OF PAPER IN 2023, THEREBY SAVING THE EQUIVALENT OF **3,249** TREES.

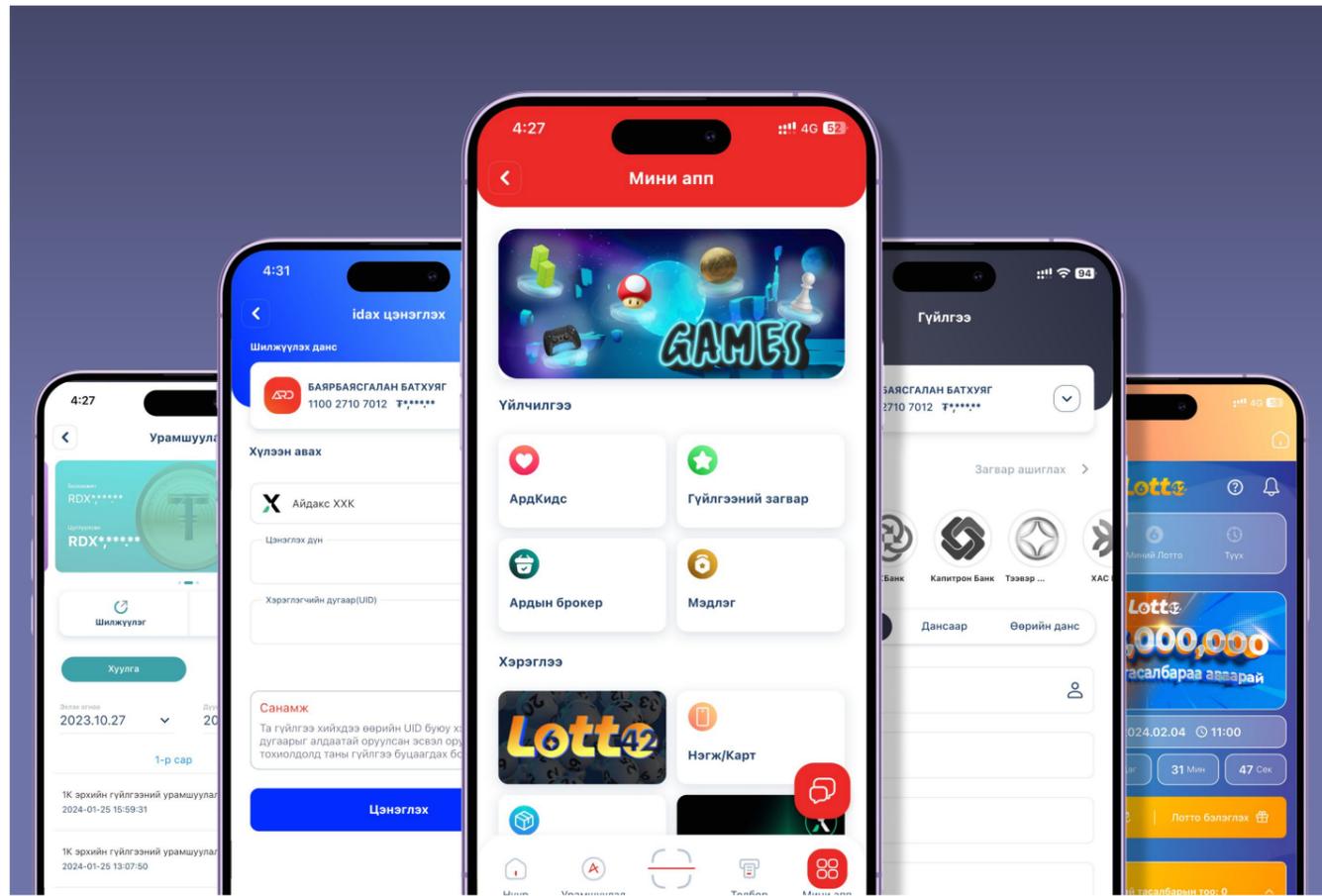
1-MINUTE
SAVINGS ACCOUNT OPENING
ARDX
TRANSACTION REWARDS

10+
FINANCIAL SERVICES
100%
DIGITAL SOLUTIONS



ECOSYSTEM





A working group is continuing with GrapeCity and MostFintech to improve the app using software development standards, based on agile methodology, and the joint working group is continuously releasing an app update on a bi-weekly basis.

The "Tumen Ard" program, initiated in December, aims to enhance the usage of the Ard App and highlight its benefits to the public. This program is focused on developing user habits for managing savings and investments through the Ard App. It is promoted for the general public, enabling them to accumulate 1000 points /Ardiin Erh/ monthly, by consistently using the Ard App.

Indicator	2022	2023	YoY
Ard App total users	1,055,828	1,104,180	4.50%
Ard App new users	13,295	28,065	111.09%
Ard Kids users	36,921	52,515	42.20%
Total number of TXNs	997,593	3,635,595	364.43%
Savings attracted (MNT billion)	11.4	31.5	176.32%
Online loans disbursed (MNT billion)	66.7	75.3	12.89%
Stock trading (MNT billion)	16	16.2	1.25%
Total transfer (MNT billion)	369.7	401.7	8.50%

PAYMENT SOLUTIONS

- QR Payments
- POS Solutions
- Messenger Transfers
- Buy Now, Pay Later

LIFESTYLE FEATURES

- E-commerce and Ticketing
- Mobile and Utility Payments
- Financial Education
- Lottery

TECHNOLOGY

- Blockchain Integration
- XYP System Integration
- Gamification

REWARD POINTS

- ArdCoin
- Ardiin Erh

+1,600,000

- Individual/Transactional Accounts

+48,000

- Merchants

+400

- Nationwide Branches



- Loans
- Leasing
- Credit Cards
- Supply Chain Financing
- Savings
- Retirement Savings



- Saving
- Pension savings



- Health Insurance
- General Insurance



- Financial Advisory
- Securities Trading
- Brokerage Services
- Underwriting Services

ARD CREDIT
NBFI



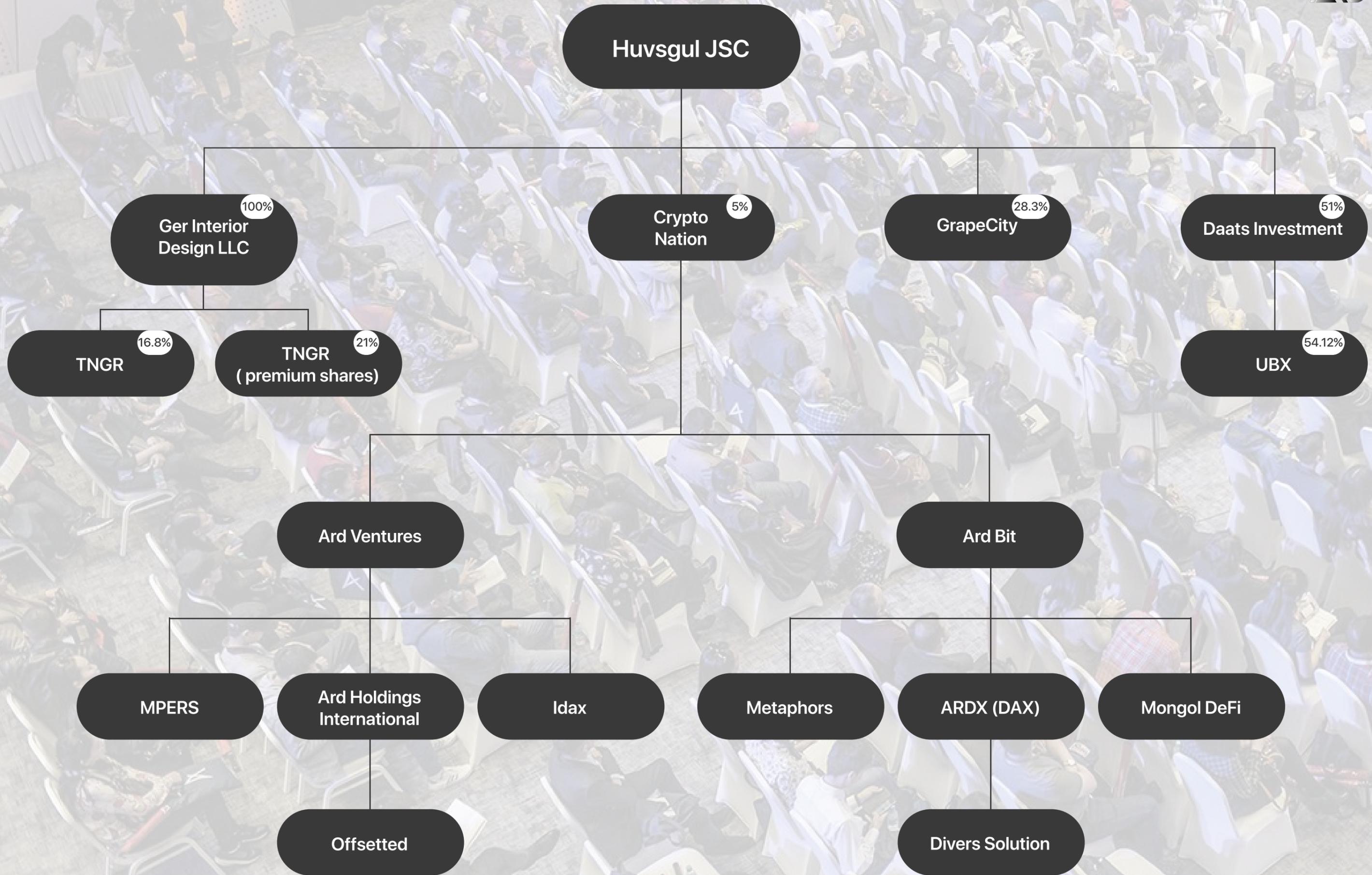
FOR ARD'S LOYAL CUSTOMERS...

Stronger. Together.

 **ardcoin**

All Ard Merchants Now Reward Customers with **ArdCoin**

www.ardcoin.com



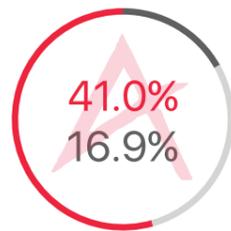
INVESTMENT PORTFOLIO



By implementing strategic structural changes, the investment portfolio of the holding company underwent a restructuring. Non-financial companies were spun off and transferred to Huvsgul JSC.

Banking

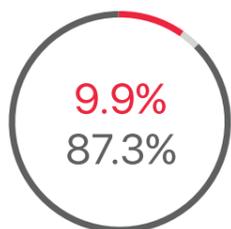
Non-bank



Leasing

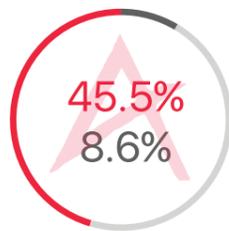


Credit union



Insurance

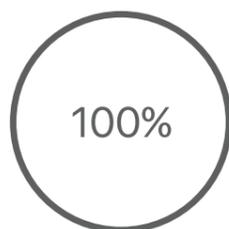
General insurance



Undurhaan JSC



Pension Fund



Investment banking

Broker-dealer



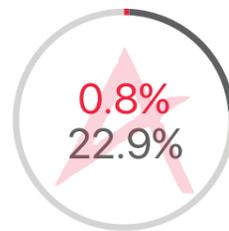
Asset management



Real state



Closed-end fund



Open-ended fund



Other

Huvsgul JSC



Postal services



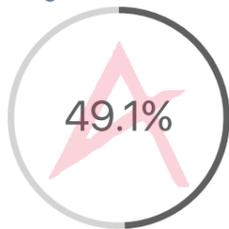
Media group



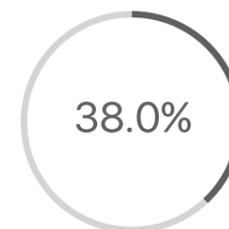
Blockchain



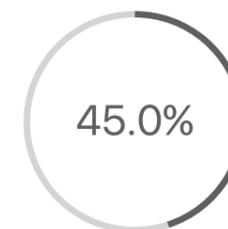
Payment platform



Securities exchange



Software development

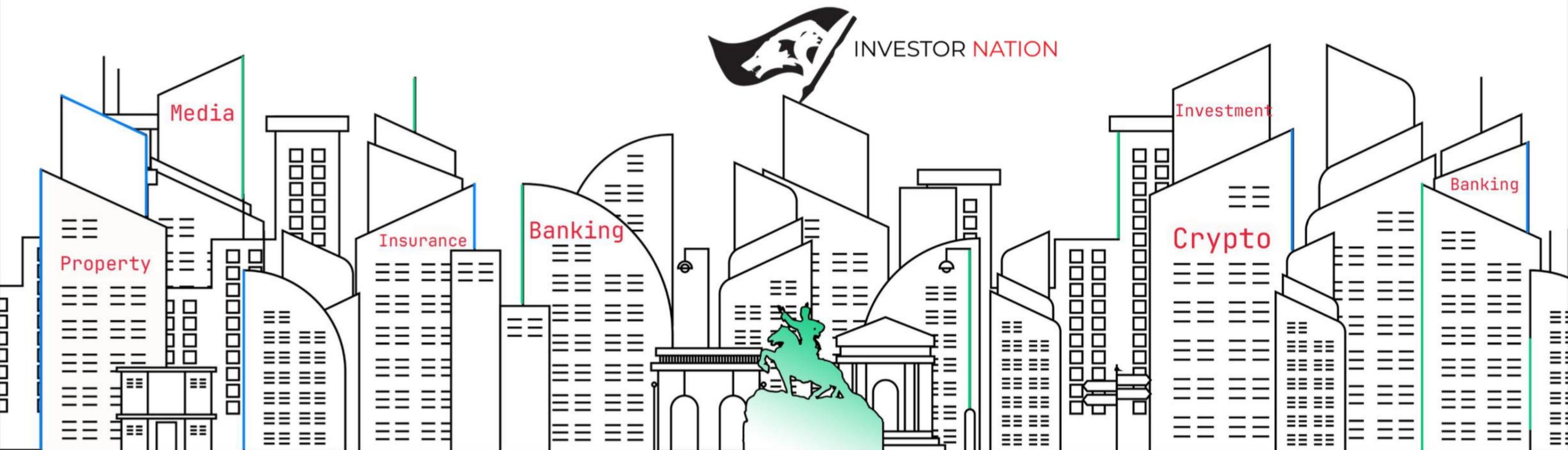


Ard Financial Group ownership

Affiliated entities ownership

Publicly listed on the MSE

CORPORATE GOVERNANCE



SHAREHOLDERS' STRUCTURE



#	Shareholders	2022	%	2023	%	QTD	OWNERSHIP CHANGE
1	EIT	3,353,247	11.72%	2,775,406	9.70%	(577,841)	(2.02%)
2	Ard Pension*	2,237,311	7.82%	2,517,778	8.80%	280,467	0.98%
3	Bruno Raschle	2,106,396	7.36%	2,109,997	7.37%	3,601	0.01%
4	Suhdorj A.	1,941,591	6.79%	1,944,990	6.80%	3,399	0.01%
5	Ganhuyag Ch.	1,439,148	5.03%	1,590,466	5.56%	151,318	0.53%
6	Ard Ventures	1,530,712	5.35%	1,429,244	4.99%	(101,468)	(0.36%)
7	Uyanga G.	1,388,900	4.85%	1,389,754	4.86%	854	0.01%
8	Golomt Custodian banking	847,917	2.96%	900,000	3.15%	52,083	0.19%
	idax (ARDT)	847,917	2.96%	900,000	3.15%	52,083	0.19%
9	Ard Leasing	761,207	2.66%	680,976	2.38%	(80,231)	(0.28%)
10	Ard Credit NBFi	249,019	0.87%	525,489	1.84%	276,470	0.97%
11	Gereltuya S.	455,935	1.59%	455,935	1.59%	0	(0.00%)
12	Ronoc Limited	443,816	1.55%	443,816	1.55%	0	(0.00%)
13	Ard Securities	443,816	1.55%	400,988	1.40%	(42,828)	(0.15%)
14	Orgil S.	405,387	1.42%	390,937	1.37%	(14,450)	(0.05%)
15	Bat-Erdene G.	390,937	1.37%	351,268	1.23%	(39,669)	(0.14%)
16	Munhnasan N.	351,268	1.23%	344,311	1.20%	(6,957)	(0.03%)
17	Masik Enterprises	344,311	1.20%	321,078	1.12%	(23,233)	(0.08%)
18	Bathishig H.	321,078	1.12%	319,346	1.12%	(1,732)	(0.00%)
19	Ard Insurance	405,387	1.42%	253,265	0.89%	(152,122)	(0.53%)
20	Otgonbayar D.	233,303	0.82%	233,303	0.82%	0	0.00%
Top 20		19,650,686	68.67%	19,378,347	67.74%	(272,339)	(0.94%)
Others		8,963,577	31.33%	9,235,916	32.28%	272,339	0.95%
Outstanding shares		28,614,263	100%	28,614,263	100%	0	0.00%
Treasury shares							
Shares issued		28,614,263					0.00%
# of shareholders		18,822		19,069		247	
# of ARDT shareholders		3,064		3,061		(3)	
# of ADT shareholders (kids)		0		55,166		55,166	



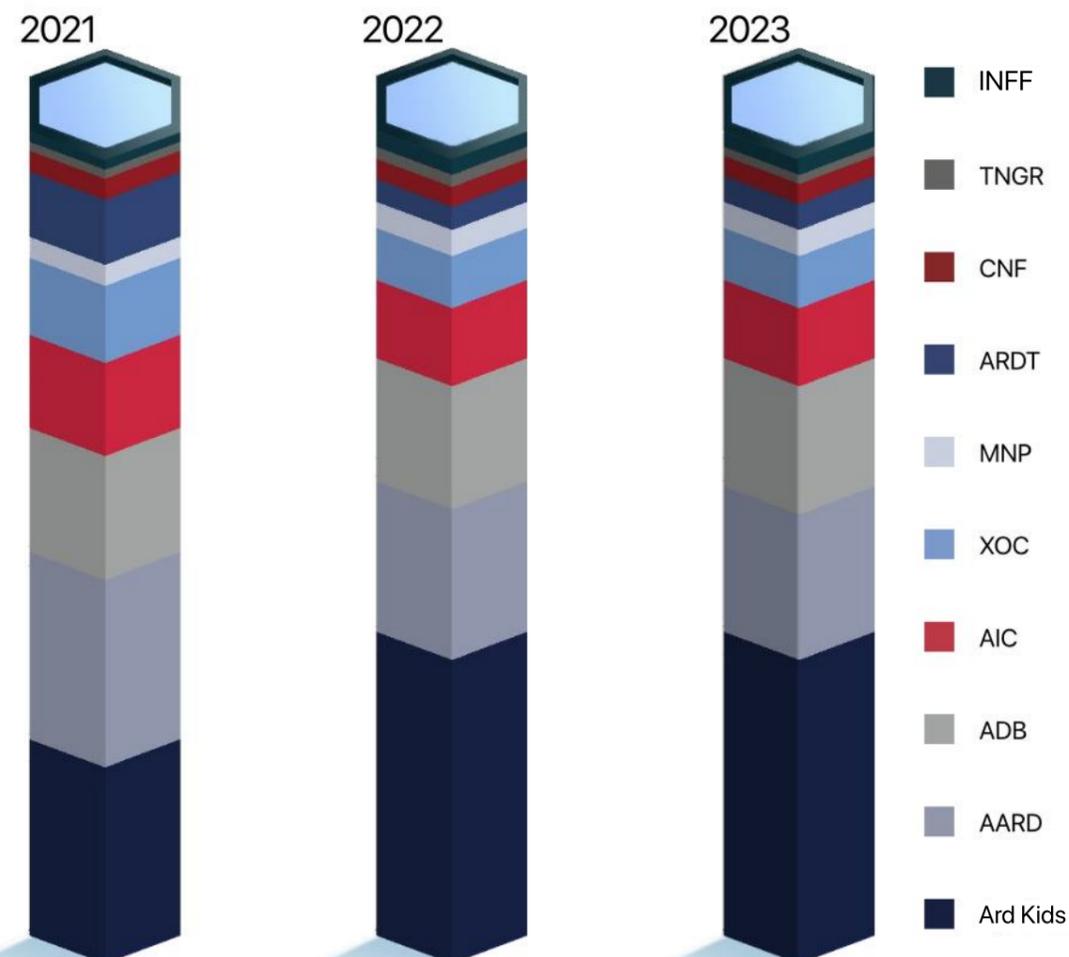
In 2023, the 10th anniversary of Ard Financial Group was celebrated, and within the framework of our Vision of Building an Investor Nation, we have led over 50 companies over the past decade by uniting, merging, and making investments. As of today, we have united 44 companies (eight of which are publicly listed) and have become the leading fintech group in Mongolia. In 2023, we successfully implemented structural changes to separate the financial core clusters and other businesses according to our business plan. One of the first major transactions in this process was transferring assets to Huvsgol JSC. We transferred Crypto Nation, GrapeCity Mongolia, and Ger Interior Design companies to Huvsgol JSC, and the transfer of Daats Investment LLC, the parent company of UBX, is expected. Going forward, we plan to continue restructuring Hovsgul JSC to transform it into a non-financial conglomerate. The second major transaction was the deal with Undorhaan JSC, in which we transferred portions of Ard Pension Account LLC, Mongol Post JSC, and TenGerLeague Media Group. In the future, Undorhaan JSC will become the first open insurance conglomerate in Mongolia. The three core clusters of our group—Insurance, Banking, and Investment Banking—have all successfully met their business plans and expanded their main operations.

Insurance Cluster: Ard Insurance JSC achieved its highest-ever sales in 2023, totaling 32 billion MNT, becoming the leading company in Mongolia in terms of policyholder coverage. The company is moving closer to its goal of becoming a digital insurance provider by digitizing insurance services and claims, which are now available through the Ard App. The Ard Pension Account LLC, with over 146,000 pension accounts, has not only consistently increased its monthly sales but also successfully completed the strategic decision to merge with Undorhaan JSC.

Banking Cluster: Ard Credit, the non-bank financial institution with the most shareholders, reached a loan portfolio of 50 billion MNT. It successfully raised 8.9 billion MNT through a public offering of additional shares, positioning Ard Credit to significantly increase its loan portfolio in the near future. Ard Assets SCC, with over 4,500 members, has continued to grow, with its loan portfolio surpassing 30 billion MNT, becoming the second largest in terms of assets in the sector.

Investment Banking Cluster: Ard Securities raised 46 billion MNT from the capital markets in 2023, while Ard Management and its managed funds saw intensified operations. Despite challenging economic conditions, the investment portfolio's actual value has been well preserved, marking a significant achievement.

Total number of shareholders'
+110,000





Ganhuyag Chuluun Hutagt

Executive Chairman,
Ard Financial Group

He graduated from the Corvinus University of Economics in Budapest, Hungary. In 1991, he began his career at the Mongolian Stock Exchange and then joined the Bank of Mongolia as an auditor. In 1998, he worked as a Financial Manager on the UN's Microfinance MicroStart project, and in 1999, he founded the first non-bank financial institution in Mongolia, the Development Gold Fund (XAC), where he was appointed as the CEO.

XAC successfully carried out microloan activities, and in 2001, it merged with Goviin Ekhlel NBFi to establish what is now known as XacBank. Ch. Gankhuyag served as CEO of XacBank until 2009 and, from 2009 to 2010, he was the CEO of the parent company, TenGer Financial Group. From 2010 to 2012, he served as the Deputy Minister of Finance of Mongolia.

He has held various positions including Honorary Consul of Hungary, initiator and Secretary General of the Mongolian Economic Forum, President of the Mongolian Students' Association, Board Member of the International Microfinance Centre, and President of the Mongolian Basketball Federation. Additionally, he was a pioneer in the establishment of the savings and credit cooperative movement in Mongolia in the late 1990s.

In 2009, he was honored as a Global Young Leader by the World Economic Forum. He also serves as the elected President of the Ulaanbaatar Chamber of Commerce. Ch. Gankhuyag is the founder and current Chairman of Ard Financial Group.



Bruno Raschle

Non-Executive Vice Chairman,
Schroder Adveq

Bruno Raschle holds a degree in civil engineering from the Swiss Federal Institute of Technology and a master's in industrial engineering from Stanford University. He also completed an Advanced Management Program at Harvard University in 1990. In 1997, he founded Adveq Group, a specialized private equity investment management company, serving as its CEO until 2017, when the firm was acquired by Schroder Group.

Schroder Adveq specializes in private equity investment management, managing over USD 10 billion in funds sourced from institutional financial clients. The company actively invests across primary and secondary markets globally.

Before founding Adveq, Bruno Raschle served as CEO of MC Partners, overseeing investment programs for Motor Columbus, Switzerland. He has vast experience leading diverse projects across five continents, including launching, expanding, and scaling businesses in various industries.



Suhdorj Avirmed

Founder, GrapeCity Mongolia

Graduating as a computer engineer from the Kyiv Polytechnic Institute in Ukraine, A. Suhdorj began his career in 1975 with Mongolia's State Planning Commission. Shortly thereafter, he was appointed head of the Computer Center at the Central Bank of Mongolia.

In 1991, during Mongolia's transition to a market economy, he founded BSB Group, the nation's first IT company. While serving as Chairman and CEO of BSB Group, he established GrapeCity Mongolia LLC in 2000, a leading financial software solutions company, and Incomnet LLC in 2001, a satellite communications service provider.

Suhdorj has been instrumental in the development of Mongolia's ICT sector, notably in banking and finance. Over the past 40 years, he has implemented numerous successful projects, including founding Mongolia's first payment services operator, Most FinTech LLC, in 2008, and introducing the MOST Money mobile wallet in 2012.



Odbayar Odonchimed

Chairman of the Board,
Ard Insurance JSC

Odbayar graduated as a teacher from Kyiv State Pedagogical University (Soviet Union) and holds a master's degree in economics from Florida Institute of Technology, USA. Additionally, he completed legal studies at Otgontenger University and an MBA at Harvard University in 2017.

He has held several key positions, including Director of a Sino-Mongolian joint venture state enterprise, Attaché and Third Secretary at the Embassy of Mongolia in China, Advisor to the Prime Minister of Mongolia (2010-2012), and Vice President of Altai Holding LLC.

Since 2016, Odbayar has served as Deputy Director for Business Development at Erdenes Mongol LLC. In this role, he has overseen strategic state-owned enterprises and national resources development projects, ensuring the creation of public benefit through sovereign wealth fund structures.



Arnaud Ventura

Managing Partner, Gojo & Company

Arnaud Ventura is the founder of Baobab Group, a leading digital microfinance organization focusing on micro and small businesses in Africa and China. Established in 2005 under the name MicroCred, the company rebranded in 2018, by which time it had disbursed over EUR 1 billion through its digital platforms and 1,000 branches and service points. With over 4,000 employees and a million clients, Baobab continues to expand its global presence.

Prior to Baobab, Arnaud co-founded PlaNet Finance, a prominent international development and microfinance organization, and launched the Positive Economy Forum, one of Europe's largest social and economic gatherings.

Recognized as a "Global Young Leader" by the World Economic Forum (2013) and France (2005), Arnaud has extensive financial experience, including roles at BNP Paribas and founding an internet service provider in Thailand and France.



Sergelen Munh-Ochir

Director, Mongol Kosen College of Technology

Sergelen graduated from Ishiji College in Japan with a degree in management and holds an accounting degree from the Business and International University. He currently serves as President of the Technical Technology College and Director of the Mongolian Kosen College.

Previously, he held positions as Director of TCI and MAS companies. Since May 2018, he has been an independent board member of Ard Financial Group JSC.



Mikhail Zeldovich

Chairman of Supervisory Board, Cocoon Capital

A graduate of Harvard Law School and the Fletcher School of Law and Diplomacy, Mikhail Zeldovich is an accomplished investor with over 20 years of experience in emerging markets, commodity trading, and investment management.

He has managed funds worth USD 2.2 billion, advised at Boston Consulting Group, and served as a trade negotiator for the U.S. Presidential Administration. Currently, he is Chairman of Cocoon Capital, an investment fund focusing on agritech, green technology, and cybersecurity in Southeast Asia.

Mikhail also worked for over a decade as a regional head at Trafigura, a leading commodity trading company. His contributions to Mongolia's energy independence were recognized with the state award, Altangadas Odont.



Munhbat Chuluun

President, SouthGobi Sands

Munhbat holds a law degree from Leningrad State University and advanced degrees in public administration and policy from Mongolia's Academy of Management and Waikato University, New Zealand.

He began his career as an advisor at SouthGobi Resources before advancing to senior management roles at SouthGobi Sands LLC. His career also includes roles at the Asian Development Bank and the World Bank.

Since 2015, Munhbat has been the President and CEO of SouthGobi Sands LLC and serves as the Honorary Consul of New Zealand in Mongolia.



Roland Nash

Founding partner,
VPE Capital

Roland Nash is the co-founder of VPE Capital, a venture capital firm with operations in Barcelona, Abu Dhabi, and Almaty. With a focus on emerging markets, the firm invests in industries including finance, infrastructure, real estate, health tech, green energy, and creative industries.

Roland has participated in property development projects in Kenya and Georgia and has invested in hospitality businesses such as Schmuckordie and Molist 16S in Catalonia, Spain. Previously, Roland held leadership positions at Renaissance Capital (1996–2010), helping establish ventures in Ukraine, Kazakhstan, and Nigeria.



#	Shareholders	2022	%	2023	%	Difference, numbers
1	Ganhuyag Ch.	1,439,148	Vv	1,590,466	5.56%	151,318
2	BRUNO Raschle	2,106,396		2,109,997	7.37%	3,601
3	Suhdorj A.	1,941,591		1,944,990	6.80%	3,399
4	Sergelen M.	64,911		48,347	0.17%	-16,564
5	Munhbat Ch.	39,430		43,838	0.15%	4,408
6	Arnaud Ventura	17,637		21,427	0.07%	3,790
7	Odbayr O.	2,649		8,007	0.03%	5,358
8	Mikhail Zeldovich	3,383		6,902	0.02%	3,519
9	Roland Nash	0		0	0.00%	0
	Total	5,615,145		5,773,974	20.18%	158,829



MANAGEMENT TEAM



ZOLBOO Batbileg
Chief Executive Officer
Ard Financial Group JSC



ASHHUU Unurbayan
Senior Legal Advisor
Ard Financial Group JSC



BILGUUN Hurelbaatar
Chief Finance Officer
Ard Financial Group JSC



SELENGE Ganhuyag
Chief Accountant
Ard Financial Group JSC



UYANGA Buyandelger
Director of Human Resource
Ard Financial Group JSC



MUNH-ERDENE Munhbat
Internal Auditor
Ard Financial Group JSC



DASHNYAM Jargalsaihan
Director of Digital Strategy
Ard Financial Group JSC



TURTOGTOH Erdenebaatar
Director of Risk Management
Ard Financial Group JSC

MANAGEMENT TEAM OF SUBSIDIARIES'



TSOGBADRAH Galbadrah
Chief Executive Officer
Ard Insurance JSC



BILGUUN Ganhuyag
Chief Executive Officer
Ard Assets SCC



TELMEN Gerelt
Chief Executive Officer
Ard Credit NBFJ JSC



HANDAA Chuluunbaatar
Chief Executive Officer
Ard Management LLC



AMARBOLD Otgonbayar
Chief Executive Officer
Ard Pension Account LLC



SUHBAATAR Gurragchaa
Chief Executive
Officer
Ard Leasing LLC



DOLGORSUREN Gunreg
Chief Executive Officer
Ard Securities LLC



SOLONGO Tsend-Ayush
Chief Executive Officer
Ard Support LLC

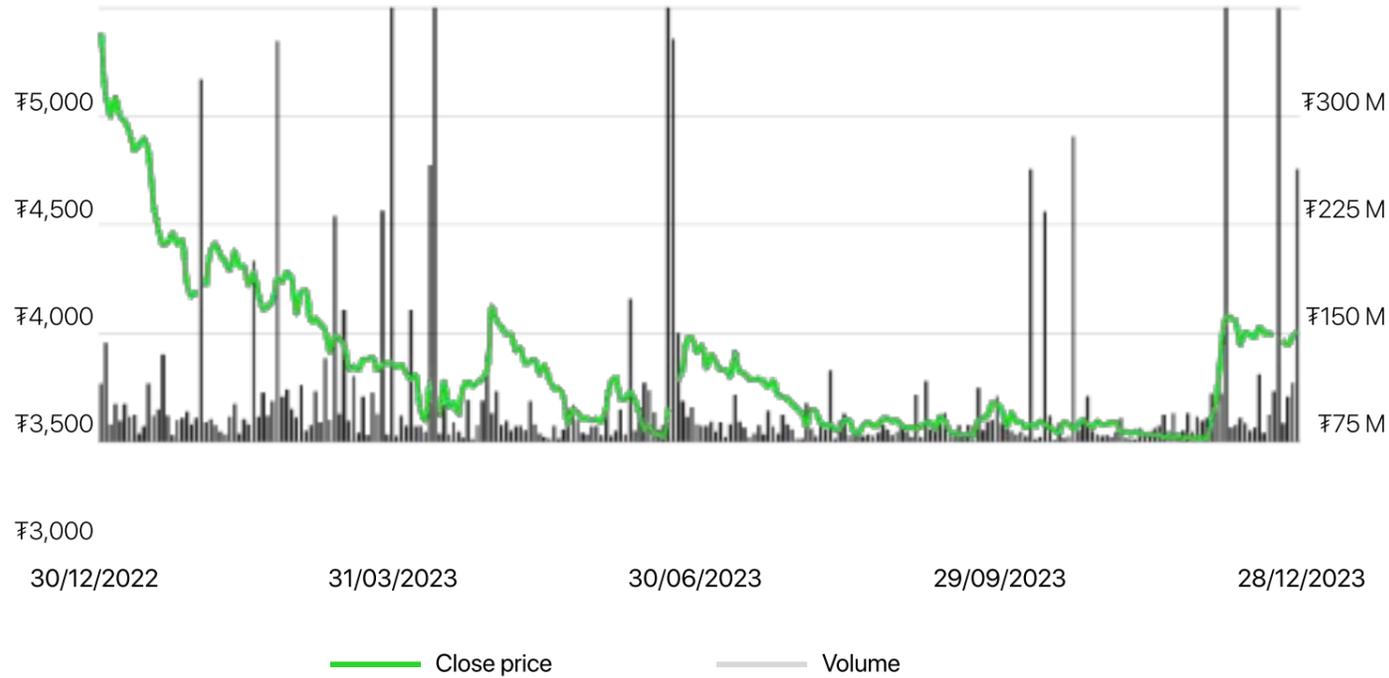


UYANGA Galnyam
Chief Executive Officer
Ard Properties LLC

STOCK TRADING



MSE: AARD



Open	¥3,301
52-Week	¥2,975 - ¥4,700
Close (2023/12/28)	¥3,506
Market	¥100.3 billion

	(MNT billion)	2021	2022	2023
Share Turnover		33.0%	13.0%	9.2%
Trading Value		72.2	23.1	8.7
Total Secondary Trading Volume on the MSE		230.2	167.6	174.1
AARD's Market Share		31.4%	13.8%	5.0%

STOCK TRADING



Ticker	2023Q4 (quarterly)		52-week	
	High	low	High	Low
AARD	3,650.00	3,006.00	4,700.00	2,975.00
AIC	899.9	700	899.9	681.1
ADB	129	102.1	139	95
MNP	877	681	975	657.2
TNGR	10,000.00	6,600.00	15,000.00	6,600.00
CNF	80,000.00	42,400.00	90,000.00	42,400.00
XOC	109.9	92	116.9	92
% of MSE				

2023 Q4 (quarterly)		52-week		2023.12.31	
Total volume	Floated %	Total volume	Floated %	Close	Market cap
2.66B	2.94%	8.66B	9.19%	3,506	100.32B
0.12B	0.60%	1.60B	7.60%	874.53	21.86B
0.71B	2.02%	1.95B	5.95%	119.9	33.57B
0.49B	0.58%	1.17B	1.43%	847.96	84.45B
0.12B	0.27%	0.63B	1.13%	10,000	60.00B
0.49B	8.24%	1.03B	15.47%	79,300	8.98B
0.08B	1.76%	0.38B	7.55%	106.42	5.32B
0.17%		1.06%			2.71%

VALUATION



(MNT million)	Basis	2022	%	2023	%	YoY
Strategic investments		91,698		76,749		(16.3%)
Ard Credit (MSE: ADB)	MV	14,630	41%	13,747	41%	(6.0%)
Ard Assets	BV	804	10%	877	10%	9.1%
Ard Leasing	Cost	1	100%	18,197	100%	
Ard Insurance (MSE: AIC)	MV	10,535	45%	9,950	45%	(5.6%)
Undurhaan	Mv			620	23%	
Ard Pension	BV	9,510	95%	0	0%	(100.0%)
Ard Securities	BV	5,644	90%	5,849	90%	3.6%
Ard Management	BV	1,870	100%	2,807	100%	50.1%
Ard Properties	BV	4,788	100%	4,783	100%	(0.1%)
TenGer Systems	BV	1,076	100%	0	100%	(100.0%)
Mongol Post (MSE: MNP)	MV	16,008	20%	7,999	9%	(50.0%)
Huvsgul	MV			6	93%	
Ard Ventures	BV	0	0%	0	0%	
Ard Bit	BV	0	0%	0	0%	
DAX	DCF	0	0%	0	0%	
Daats Investment (54% of UBX)	Cost	4,096	51%	4,096	51%	0.0%
TenGerLeague Media Group	MV	22,737	38%	6,605	11%	(70.9%)
GrapeCity Mongolia	Cost					
Most Fintech (UBX: MOST)	MV			1,213	4%	
Tactical investments		1,069		6,120		472.5%
National Privatization Fund (MSE: XOC)	MV	26	0%	44	1%	69.2%
CNF	MV	589	6%	7	0%	(98.8%)
Other financial instruments		454		6,069		1,236.8%
Other		40,015		4,807		(88.0%)
Fixed assets and intangible assets		13,632		1,151		(91.6%)
Cash		4		329		
Other net assets		26,379		3,327		(87.4%)
Total valuation	₮	132,781		87,676		(34.0%)





30
ARD

WE EXTEND OUR HEARTFELT CONGRATULATIONS TO ALL OUR VALUED CLIENTS, POLICYHOLDERS, SHAREHOLDERS, AND FORMER AND CURRENT EMPLOYEES ON THE 30TH ANNIVERSARY OF ARD INSURANCE, THE NATION'S LEADING INSURANCE COMPANY.

ARD INSURANCE—YOUR PARTNER IN A PEACEFUL LIFE.

Stronger. Together.