





*Form 2 of Appendix 4 of the 'Securities Registration Procedure,'
approved by Resolution No. 255 dated June 11, 2021, of the
Financial Regulatory Commission.*

Semi-annual activity report /form 2/	
<i>Article 20 of the Securities Market Law stipulates the common obligations of the issuer. The issuer is responsible for submitting information to the Financial Regulatory Commission and the trading organization by the following annual activity report form and providing information to the public through its website.</i>	
<i>Reporting period /For instance: from January 1, 2020, to March 31, 2020/</i>	The first half of 2024 <i>/From January 1, 2024, to June 30, 2024/</i>
<i>Issuer's name, state registration certificate number, security code, phone number</i>	Name: "Ard Credit NBFI" JSC, SRCN: 9010002003, Securities code: ADB, Phone number: +976 77003322
<i>Name of registered trading entity</i>	"Mongolian Stock Exchange" JSC
<i>The sector of business activity</i>	Financial sector-Non banking financial sector
<i>Total number of shares issued by the issuer</i>	364,000,000 common shares
<i>Name of the specialist who prepared and reviewed the half-year report</i>	Report prepared by: Secretary of the Board of Directors Esu-Ujin G. Report reviewed by: CEO Suhbaatar G.
1.	<i>Half-year financial report /fill in the summary report indicators and attach the financial report</i>
<i>Indicator of financial condition</i>	As of the first half of 2024, the total assets are 83.7 billion MNT, of which the total loan portfolio is 54.5 billion MNT, while the total equity is 28.7 billion MNT, and the total liabilities are 55.0 billion MNT.
<i>Income Statement</i>	During the first half of 2024, the Company recorded interest income of 8.5 billion MNT and interest expenses of 3.7 billion MNT. Non-interest income amounted to 1.8 billion MNT, while other operating income increased to 774 million MNT. The non-interest expenses totaled 4.3 billion MNT, and contingent risk expenses were 1 billion MNT. Other operating expenses were reported at 201 million MNT, and the income tax expense was 268 million MNT. Consequently, the Company made a profit of 1.6 billion MNT for the period.
<i>Statement of change in equity</i>	Due to the issuance of FPO, the share capital increased by MNT 840 million, and the additional paid-in capital increased by MNT 7.3 billion. However, according to the decision to distribute dividends, the retained earnings decreased by 1 billion MNT, while the revaluation decrease increased by 851 million MNT. As a result, the equity increased from 20.9 billion MNT at the beginning of the reporting period to 28.7 billion MNT.

	<i>Statement of Cash Fows</i>	The beginning cash balance is 7.2 billion MNT and the ending balance is 6.9 billion MNT. During the reporting period, 61.2 billion MNT loans were disbursed and 55.3 billion MNT principal loans were repaid.						
2.	<i>Statement of the Audit Committee of the Board of Directors, which approved the semi-annual financial statements</i>							
		On July 5, 2024, the Audit Committee presented its semi-annual operational and financial report to the Board of Directors for approval, and the recommendations were subsequently introduced at the Board meeting on July 18, 2024.						
3.	<i>External and internal factors affecting the issuer's financial activities during the reporting period, analysis of the financial statement, management reports, and conclusions based on income, expenses, and profit indicators</i>							
3.1.	<i>Operating results /financial ratio indicators/</i>	<table border="1" data-bbox="810 797 1441 902"> <tr> <td>Net profit margin</td> <td>15.4%</td> </tr> <tr> <td>Return of equity</td> <td>13.0%</td> </tr> <tr> <td>Return of asset</td> <td>4.2%</td> </tr> </table>	Net profit margin	15.4%	Return of equity	13.0%	Return of asset	4.2%
Net profit margin	15.4%							
Return of equity	13.0%							
Return of asset	4.2%							
3.2.	<i>Indicators of liquidity and financial resources and affordability</i>	Liquidity ratio 13.7% Debt to equity ratio (D/E) 1.5 Equity to risk-weighted asset ratio 35.5%						
3.3.	<i>Information on the impacts of the external and internal environment on the issuer's activities, changes in the types of products and services, and the measures taken by the company in response to these changes.</i>	 <p>1. "The Ard App has introduced updates to the online loan terms for its loyal customers who actively use the app, resulting in a reduction of loan interest rates and fees."</p> <p>2. The Ard App facilitates the processing of car loan.</p> <p>3. The Bank of Mongolia issued an E-money permit without a deadline</p>  <p>4. Provided the requirements of /ISO 27001/ international standard for information security management</p>  <p>5. The Committee of Environment, Social Governance /ESG/ was established.</p> 						
3.4.	<i>Details of activities and transactions recorded outside the Statement of financial situation and accounting</i>	According to the report, the off-balance sheet amount is 738.5 million MNT, and the balance of loans that have stopped accruing interest is 411.3 million MNT.						

	<i>policies.</i>	
4.	<p><i>Information on the transactions with conflict of interest and large-scale transactions conducted by the issuer during the reporting period, the importance of the purposes of the transaction, and information about persons with conflict of interest</i></p> <p>Large-scale transaction- There were no large transactions during the period.</p> <p>Transactions with conflict of interest. During the first quarter of 2024:</p> <ol style="list-style-type: none"> 1. Transferred 500,000,000.00 MNT to Ard Financial Group JSC as a receivable with a term of 2 months. Date: January 26, 2024 2. Transferred 100,000,000.00 MNT to Ard Financial Group JSC as a receivable with a term of 1 week. Date: February 9, 2024 3. Transferred 850,000,000.00 MNT to Ard Financial Group JSC as a receivable with a term of 1 week. Date: February 14, 2024 4. Transferred 500,000,000.00 MNT to Ard Financial Group JSC as a receivable with a term of 1 month. Date: March 5, 2024 5. Granted the authority to enter into a receivables agreement with Scopa Alliance LLC for an amount of 1,203,221,000.00 MNT. Date: March 5, 2024 <p>During the second quarter of 2024:</p> <ol style="list-style-type: none"> 1. A real estate purchase and sale agreement was executed with Ard Properties LLC. Date: March 27, 2024 2. Transferred 300,000,000.00 MNT to Ard Financial Group JSC as a receivable with a term of 2 months. Date: April 3, 2024 3. Opened a line of credit with Ard Leasing LLC for an amount of 1,000,000,000.00 MNT with a term of 1 year. Date: June 6, 2024 	
5.	<p>If the issuer has issued shares to the public to implement a project, the report and information on the progress of the project implementation since the start of the project and the use of funds collected</p>	
	<p>During the reporting period, "Ard Credit NBF1" successfully organized the primary market stock trading orders for 84,000,000 shares, each priced at 106 MNT, totaling 8,904,000,000.00 MNT from February 15, 2024, to February 21, 2024.</p> <p>Through the primary market trading, a total of 1,583 orders were received with a value of 9,105,862,160.00 MNT. According to the securities prospectus and the allocation plan submitted by the underwriter, orders from strategic investors and public orders for shares priced up to 500,000.00 MNT (five hundred thousand) were fulfilled 100%. The remaining amount was allocated proportionally at 94.6%.</p> <p>On September 1, 2023, the Financial Regulatory Commission issued a resolution No. 428 granting permission for the public offering of securities. On February 29, 2024, a total of 8,904,000,000.00 MNT was raised from the public through the Central Securities Depository. From the raised funds, expenses directly related to issuing securities under IFRS amounted to 770,146,893.68 MNT, resulting in a net increase of 8,133,853,106.32 MNT in the company's equity.</p> <p>From March 1, 2024, to June 30, 2024, Ard Credit NBF1 has utilized 73.4% of the funds raised through the FPO, amounting to a total of 6.0 billion MNT. This includes 30.0% (2.4 billion MNT) allocated for collateralized loans, 20.0% (1.6 billion MNT) for consumer online loans, and 23.4% (1.9 billion MNT) for micro, small, and medium business loans. The remaining balance of 2.2 billion MNT is partially allocated for the repayment of line of credit loans, with the residual funds being held in a current account.</p>	
	Classification	Business plan for spending funds
		Performance

	Amount /₹ million/	Percent	Amount /₹ million/	Percent
Collateralized loan	2,440.2	30.0%	2,440.2	30.0%
Consumer loan	1,626.8	20.0%	1,626.8	20.0%
SME loan	4,066.9	50.0%	1,903.0	23.4%
Total	8,133.9	100.0%	5,969.9	73.4%

6. *Information related to corporate governance*

- During the period, the company's CEO Telmen G. resigned from his position at his own request, Sukhbaatar G. was appointed as the CEO who worked as the Deputy CEO and Director of Business Development,
- Ard Credit NBFI JSC worked to establish effective communication with Investors, Shareholders and stakeholders, and delivered complete, accurate, and timely financial and operational information, as well as the Policy on Communication and Cooperation with Stakeholders were approved respectively during this period.
- In accordance with the implementation of good corporate governance and the code of corporate governance, the operating regulation of the board of directors and the regulation of the governance, nomination and remuneration committee under the board of directors were updated and newly approved.

7. *Reports and information related to issuer governance*

As of the first half of 2024, the following reports have been sent and reported to the public within the period specified in the relevant laws and regulations.

- 2023 Annual financial and operational report ;
- 2023 Audited financial statements and Audit Opinion;
- Activity report for the first quarter of 2024 ;
- Evaluation of the implementation of the Company's Code of Governance;
- Money laundering and financing of terrorism, proliferation of weapons of mass destruction risk assessment;
- Report on the Annual General Meeting of Shareholders for 2024;
- Report on the Board of Directors ;

Signature and date of the person issuing the information and the person confirming the accuracy of the information:

Surname, name: Sukhbaatar G.
Position: "CEO of "Ard Credit NBFI" JSC
Signature:

(Stamp)

Signature and date of the person who prepared and submitted the information:

Surname, name: Esu-Ujin G.
Position: Secretary of the Board of Directors
Signature:

Date: 19 July 2024