

# ANNUAL REPORT IMON INTERNATIONAL

2020





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# 1

About us





# History of development

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IMON INTERNATIONAL has been operating in the financial market since 1999, having started its activity in 1999 as an international project within the framework of the monetization program carried out by the National Association of Business Women of Tajikistan in partnership with the international non-governmental organization Mercy Corps with financial support from the program of the American Agency for International Development (USAID ).

The National Association of Business Women of Tajikistan was established in July 1996 with the aim of promoting the economic rights of women in the labor market and creating favorable conditions for the development of women's entrepreneurship.

The business educational trainings provided by NABWT, loans under the Microcredits in Tajikistan Project, technical advice to business consultants from the NABWT to start-up entrepreneurs, as well as the effective promotion of a favorable legal environment, enabled the National Association of Business Women of Tajikistan and its partner Mercy Corps to establish the Microcredit Fund “ IMON ”, which commenced its activity on July 1, 2005.

In order to expand the regions of its activity, to increase the number of client pool, as well as to create a legal basis for raising foreign investment, in 2008 the Founders of the Fund decided to create a commercial Micro-credit organization "IMON INTERNATIONAL". Following a successful transformation process, the new Organization commence its operations on July 1, 2008.

The establishment of a commercial entity made it possible to attract foreign investors and foreign credit partners to the Organization. This, in turn, has empowered the Organization and contributed to its significant success. The long-term vision of the Founders and Shareholders of MCO "IMON International", a stable course towards sustainable development, as well as the need to expand the range of financial services provided, allowed MCO "IMON INTERNATIONAL" to undergo another transformation, which subsequently resulted in receiving a license from the National Bank of the Republic of Tajikistan dated January 7, 2013 and "IMON INTERNATIONAL" became a microcredit deposit organization.

"IMON INTERNATIONAL" has confidently passed the systematic path of development from the Project of financial fund and a microfinance organization to a full fledged microcredit deposit organization licensed by the National Bank of the Republic of Tajikistan. During this period, the organization has become one of the largest financial institutions in the Republic of Tajikistan.

At the moment, "IMON INTERNATIONAL" has 131 service offices throughout the country and more than 130,000 loyal customers who receive prompt and high-quality service on an ongoing basis.



# Achievements

In June 2020, the international rating agency "MicroFinanza Rating", after the due diligence (comprehensive analysis of activities), internal policies and procedures, as well as the reporting and control system, awarded IMON International a financial rating of "BBB". This rating proves that IMON International has good capacity for risk management, sufficient capacity to cover losses and good diversification and quality of the loan portfolio.

MDO "IMON INTERNATIONAL" for the third time in a row received "Gold" at the National award "Brand of the Year" in the nomination of financial services. The competition was held in 2013, 2017 and 2019. And since then, our organization has not given up its position and wins "Gold" in the competition.

"INTERESTS of microfinance organizations' clients - first priority" - this is the slogan of the international campaign "SMART Campaign", which in May 2017 awarded the management of MDO "IMON INTERNATIONAL" with a certificate of compliance with the Client Protection Principles, which represent high standards of service for each recipient of financial services. Compliance certification was carried out by the international rating company MicroFinanza Rating on the basis of a detailed analysis of internal regulatory documents and the organization's activities, as well as its corporate culture. The certificate from SMART Campaign officially secured IMON INTERNATIONAL the status of a company that fully complies with and implements in its activities 7 principles of protecting the rights and interests of clients, 30 standards and 95 indicators there of.







## Burd Namo

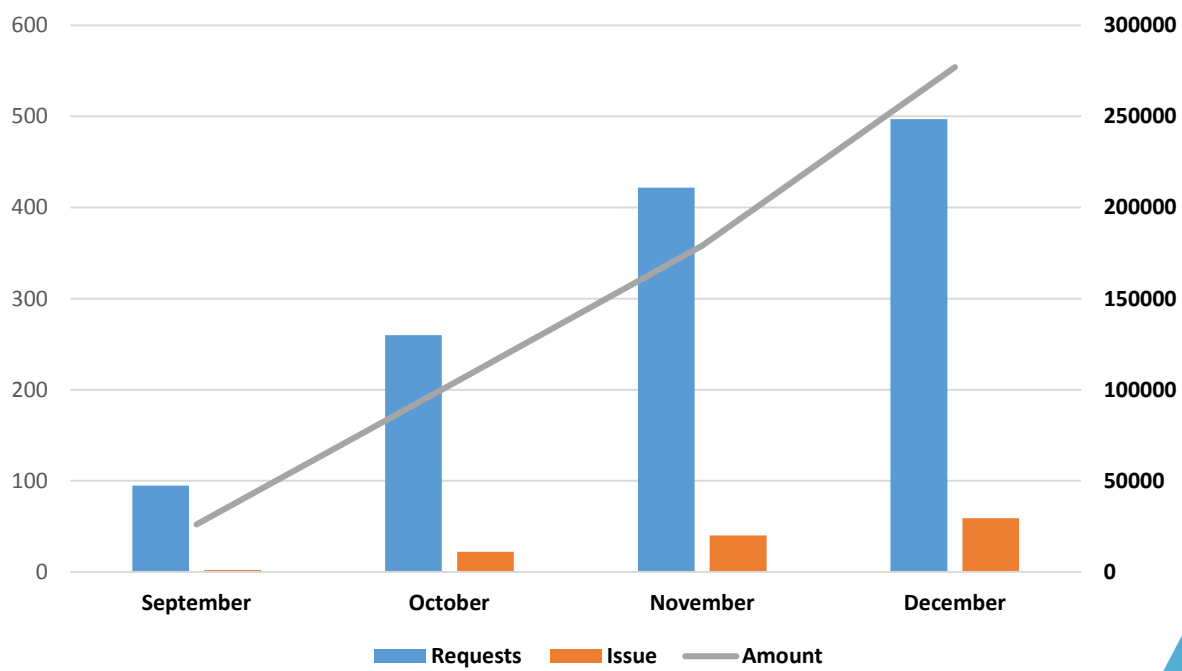
## Promo action «Burd namo»

On November 23, 2020, a promo action "Burd namo" was announced together with Tcell, in which company customers who received money remittances at the company's branches took part. After receiving money remittances, each client was given ID numbers. More than 25,000 clients took part in this promo action.



# Online loan

In the framework of the efforts in supporting the population during the global pandemic, the "Online loan" product was launched, which enables our clients to get a loan remotely without having to visit the office just by filling out a form on the company's website or in messengers.



Онлайн  
КРЕДИТ  
дар 1 соат

Барои мизочони таърихи қарзӣ дошта



# Orzukhoi Solinavi

## Promo action «Orzukhoi Solinavi»

MDO "IMON INTERNATIONAL" on the eve of the new year announced the promo action campaign "ORZUHOI SOLINAVI". To create a festive mood, everyone was invited to use a special loan product "ORZUHOI SOLINAVI".

From December 1, within the framework of this action, it was possible to obtain a loan from 500 to 15,000 TJS for a period of 2 to 18 months with a grace period of up to 6 months.

The purposes of lending are the wided consumer needs of the population.





# Supervisory Board



**Alena  
Stratan**

Supervisory board chairman

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**Experienced in internal audit, risk management and banking, with a PHD degree in management since 2002.**



**Stefan  
Queck**

Supervisory board member

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**Expert in the development of international finance and access to finance topics in private and public institutions**



**Pulotova  
Muyassar**

Supervisory board member

---

**High-level professional with more than 20 years of experience in the field of small business, private entrepreneurship, management.**



**Grigory  
Chorayan**

Supervisory board member

---

**Vice President of the micro capital group of companies (Luxembourg), member of the boards of directors of a number of microfinance and factoring companies in Moldova, Russia, Romania.**



# Supervisory Board



**Sanavbar  
Sharipova**

Supervisory board member

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**Founder of CJSC MDO IMON INTERNATIONAL, a leading expert in microfinance and strategic development.**



**Malkhaz  
Dzadzua**

Supervisory board member

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**Senior Executive Director and Business Leader with over 20 years of development finance management experience, including 15 years as CEO of a leading Georgian MFI.**



**Joyce  
Bontrager Lehman**

Supervisory board member

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**International consultant in the field of financial access and development in developing countries**



**Vano  
Baliashvili**

Supervisory board member

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**Consultant on international projects at TBC Bank Group PLC, in the project of launching Greenfield Bank in Uzbekistan.**



# Management



**Akbarov  
Bahodur**

Acting management board  
chairman

**Date of birth:** 10/27/1977

**Education:** Khujand State University,  
specialty: «Accounting, control and  
analysis of economic activities»

**Date of joining the**

**Organization:** 07/01/2000



**Mulloboev  
Nazir**

Business director

**Date of birth:** 10/20/1970

**Education:** State Technical University,  
specialty: "Mechanical engineer";

Tajik State University Policy Business and  
Law, specialty: "Finance and loan ";

**Date of joining the**

**Organization:** 20/02/2008



**Ibragimov  
Gairat**

CFO

**Date of birth:** 05.07.1980

**Education:** KBTUT, specialty: "Systems  
engineer";

TSUC, specialty: "Accounting and Audit";  
TSUPBL, specialty: "Law"

**Date of joining the**

**Organization:** 03/10/2005



# Менеджмент

**Yusupov**

**Umed**

Risk manager



**Date of birth:** 10.05.1980

**Education:** TSUPBL with a degree in Banking management;

Postgraduate study at TSUC "Management of financial and banking business"

**Date of joining the**

**Organization:** 19/07/2001

**Yusupov**

**Abduazal**

Chief accountant



**Date of birth:** 04.08.1968

**Education:** Khujand State University, specialty: "Accounting and Audit"

**Date of joining the**

**Organization:** 15/10/2008

Top managers are those who lead the organization in the intended strategic directions, under the direction of the chairman of the board. Each of them has their own very important niche: business (finding ways to increase sales, increase the client base, opening new offices and transforming old ones, and much more), risk (monitoring credit and operational risks, setting and controlling limits on certain indicators in order to prevent crisis situations), finance (raising new funds for the organization's working capital, managing its liquidity, and proper budgeting to achieve the planned financial results).

# 2

**Business  
indicators**







# Business Indicators

## In 2020

### Total loan portfolio

104 460 ths -5,1%

Active clients

890 mln 947 ths -1,9%

Active portfolio\*

### Total deposit portfolio

446 007 ths +16,5%

Number of active accounts

432 mln 153 ths +17,13%

Deposit portfolio balance\*

### Money remittances

1 bln 17 mln 138 ths

Total amount of money remittances\*

103 mln 237 ths

Share of remittances through Sberbank Online\*



Regions where we presents



Number of offices

\* Currency in somoni



# Business indicators

## In 2020

### Plastic cards

53 713 ths +68%

Number of active cards for the entire period

56 716 ths

Number of issued cards

### Plastic cards

36 mln 500 ths

Amount of transactions\*



Mobile banking users 2019



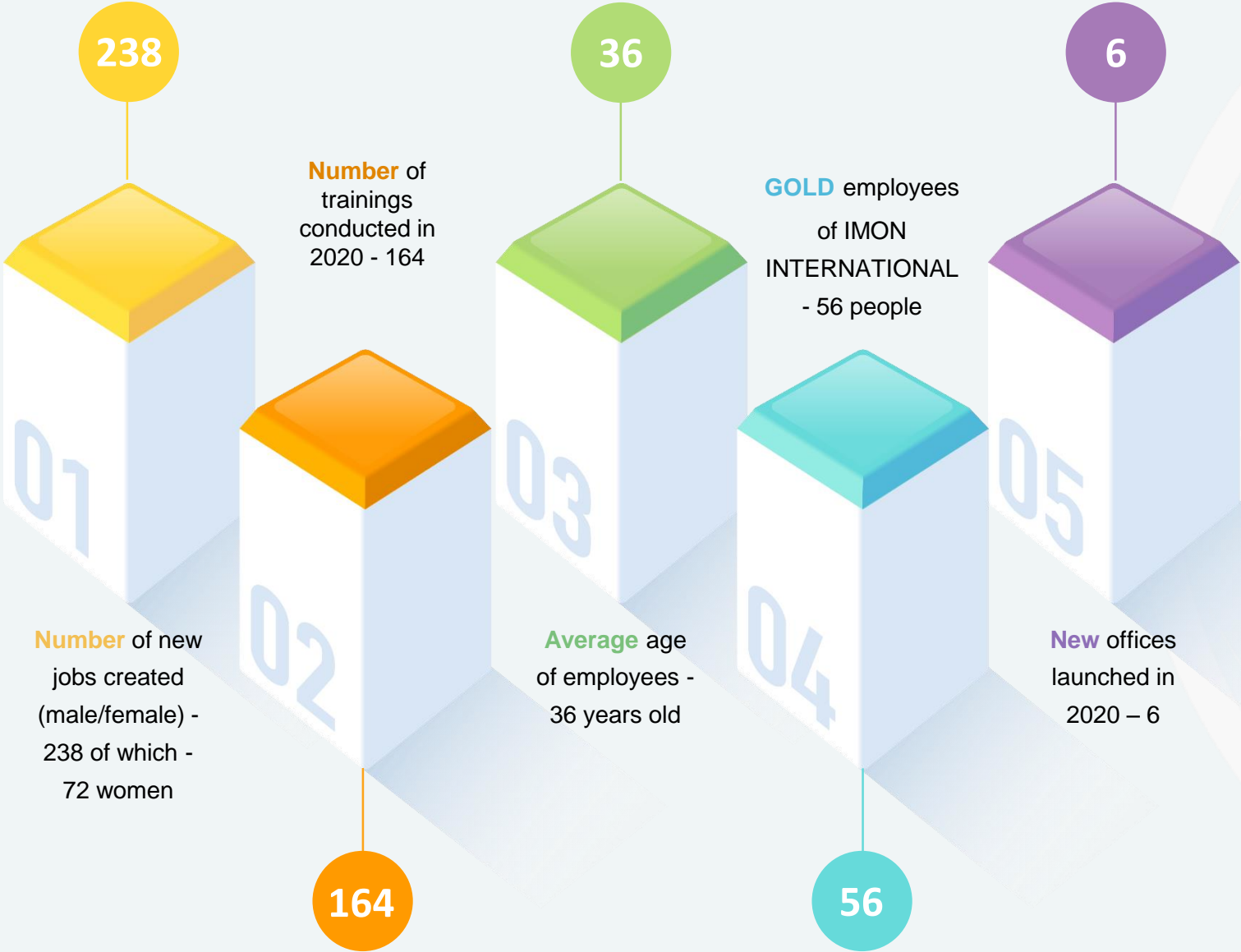
Mobile banking users 2020

\* Currency in somoni



3

**Sustainable  
development**



# 4



imon  
international

**Strategic report**





Being the supreme governing body, the Supervisory Board of the company has to approve the company's strategy, guide to management for the development of the organization, establish clear rules of work for management, set performance targets, and make sure that the control system built within the company gives the desired result. Our role is not to interfere with the management of the organization, because for this we have a management who is responsible to perform this function - this is the CEO and his team.

The most important achievement is that the organization continues to grow steadily. It means that, we are not losing the market, but on the contrary, we are gaining more and more new segments. This is good, because it means that other financial institutions entering the market do not penetrate our segment, we remain stable in what we do and are doing it well.

Second, IMON INTERNATIONAL has an outstanding advantage - it is its team.

Our third achievement, which I think is also important, is that for the bodies regulating the financial sector in Tajikistan, we continue to remain a stable and serious institution, despite the fact that the markets are undergoing various changes, new companies are emerging, but IMON INTERNATIONAL continues to be one of the leading organizations of this sector. We are socially responsible and people notice it.

We decided to choose a strategy that focuses on the introduction of new technologies, which will contribute to further development and growth.

On behalf of the Supervisory Board and "IMON INTERNATIONAL" Shareholders we would like to express our gratitude to the management and all the employees for the well-coordinated and efficient work, and also to express our gratitude to the clients of "IMON INTERNATIONAL" for their trust and cooperation.

Sincerely,

Alena Stratan,

Supervisory Board Chairman of

"IMON INTERNATIONAL".





IMON INTERNATIONAL has always taken and will continue to take measures to support its clients in difficult situations. This was the case during the pandemic as well.

First and foremost, we continue to work and fulfill all our obligations, provide full-fledged customer service, both individuals and legal entities: lending, settlement and cash services, payroll projects, mortgage and consumer loans.

And finally, I would like to personally thank you for your trust, we will definitely deserve it and will continue to provide you with first-class services.

Take care of yourself and your loved ones!

Sincerely,

Akbarov Bahodur

Acting Management Board Chairman of

"IMON INTERNATIONAL".





### **Mission:**

Mission - To provide competitive financial services to micro- and small businesses, thereby contributing to the economic development of Tajikistan and improving the quality of life of the population

### **Vision:**

To be a dynamic progressive financial institution providing a wide range of innovative transparent financial services to the population of the Republic of Tajikistan.

### **Values:**

Competence and high qualifications  
Honesty and fairness  
Responsibility  
Openness and accessibility  
Customer focus







# Global Money Week

Within the framework of the week of financial literacy, the company conducted a series of trainings on financial education of young people during a month in the cities: Dushanbe, Khujand, Kulob, Bokhtar, Zafarabad, Kanibadam, as well as in the Mastchoh district.

During the training, the participants learned about the basics of financial literacy, about the ways and possibilities of saving money.





## Promo action "Ramadan with IMON"

The purpose of the action is to help those fasting people who did not manage to reach home during the onset of iftar. Our volunteers distributed water and calendars of the holy month of Ramadan.

This promo action took place in the following cities and regions: Dushanbe, Khujand, Isfara, Istarvshan, Kanibadam, Bokhtar, Vahdat, Bobojon Gafurov district. More than 2,000 people were covered.







# Pandemic COVID - 19

As part of its socially responsible policy, IMON INTERNATIONAL did not stand aside and allocated 180,000 TJS to help in the fight against the COVID-19 pandemic.

The funds were transferred to the Ministry of Health to meet the needs of medical institutions throughout the country.

IMON INTERNATIONAL expresses its deep gratitude to all medical staff for their dedication, courage and loyalty to their work.

It should be noted that IMON INTERNATIONAL is a credit organization whose mission stipulates social responsibility, both to its clients and to the population of Tajikistan.



To support its current clients-borrowers (there are more than 110,000 of them), the management of IMON INTERNATIONAL decided to provide new simplified conditions for repaying loans for those who temporarily have no sources of income.

New loan conditions are negotiated with each client individually, since everyone has his/her own situation (the business is temporarily suspended; the client is engaged in entrepreneurial activity, but his income has decreased; the organization in which the client works gave unpaid leave and other situations).

However, despite the financial risks that arise in the current situation, IMON INTERNATIONAL continues its activities as usual and provides banking services as before.

Management of IMON INTERNATIONAL hopes that these difficult times for the whole world will soon end, the new coronavirus will be conquered, and the economies of all countries will recover, which of course will affect the financial well-being of every person.



## IMON «Scholarship»

In the framework of the event to support the excellent students of the universities of the Republic of Tajikistan, IMON "Scholarship" campaign was announced, where by:

- 10 scholarships of 1,000 TJS each.
- 10 new fitness trackers.
- 10 wireless headphones.
- 10 personal cards from "IMON INTERNATIONAL" with the amount of 50 TJS on the account.
- 15 Internet packages from "Tcell" 1 GB each for three months were offered.

More than 1000 students from all over Tajikistan took part in the event.

The event was carried out in two stages. The first stage was ceremoniously completed in November 2020.





## Mamadova Inoyat Foziljonovna

To see an opportunity and be able to implement it. This is exactly what happened to Mamadova Inoyat. A resident of Kanibadam, a successful entrepreneur - Inoyat, was born on October 4, 1963. For 16 years now, she has been collecting, processing and selling dried fruits.

“The idea of starting this business occurred her suddenly. “It was a pretty fruitful year then, and a lot of fruits were harvested from our garden, including apricots, apples and others.

Having the surplus harvest, the idea came to her to sell a part of it. These were mainly close neighbors and acquaintances. After evaluating the quality, the buyers soon returned with a new desire to buy dried fruits from her,” says Inoyat.



She reviewed all aspects of the case and decided expanding her business. Additional funds were needed to implement her plans.

“I turned to IMON INTERNATIONAL for financial assistance, as they offered lower interest rates and I was pleasantly surprised by the quality of their customer service.

I was pleased with the simplified documentation system, I didn't have to bother with a lot of documents,” says the woman-entrepreneur.

Thanks to the loan, Inoyat was able to increase production, which in turn resulted to an increase in her family income.



## Gafurova Manzura Ochilovna

Gafurova Manzura Ochilovna the winner of the "Farah" competition, an example of a strong and strong-willed woman who was able to see the shortcomings of her business and eliminated them.

Having worked for over 12 years in the field of medical care, Manzura realized that her medical center could not fully meet the needs of the population. In order to improve access to medical care in her town, it was necessary to equip the medical center with modern equipment.

And this requires additional finance. "Having analyzed all the conditions offered by local credit organizations, I opted for IMON INTERNATIONAL.



There I was able to become a participant in the project program - Women in Business, which is aimed at supporting the initiatives of women entrepreneurs in Tajikistan.

Indeed, in addition to obtaining a loan at a favorable interest rate, I was also offered trainings and the services of consultants who guided me and helped me implement my idea," Manzura shares with us.

Now, thanks to the financial support of IMON INTERNATIONAL, LLC "Medical Diagnostic Center Shafqat" is equipped with high-tech modern medical equipment and can provide the population with a wide range of medical services.

This story is an example of how one person's initiative can help improve the lives of many.



## Yakubova Zebo Yunusovna

Yakubova Zebo Yunusovna is a woman entrepreneur from Istaravshan. Zebo is engaged in the trade of textile products, or notably the sale of towels, curtains and tablecloths.

This business is family-owned and has been run for over 9 years so far. “At the beginning of my activity, I did not have a definite place of sale of goods, but the activity itself was started out of a simple interest, for myself and those close to me,” says Zebo.

Gradually, having evaluated the quality of the goods, the number of those wishing to buy the products of the local craftswoman increased. It was then that Zebo decided to officially start her business, having already ordered a large volume of goods and rented a specific place of sale.



“The only problem was the lack of money, because expanding the business and entering the market required large investments.

Then I decided to get financial support from IMON INTERNATIONAL,” Zebo stated. After receiving the loan, Yakubova Zebo organized a sales point for goods, she widened the range of goods she sold with blankets, thus significantly increased the number of goods that already had an assortment, which in turn resulted to an increase in profit.

“Employees of IMON INTERNATIONAL helped me to organize my business plan correctly, increase the volume of my products and find the most profitable new assortment for my business, for which I am grateful to them,” says Zebo.





## Audited report, Profit and Lost Statement and balance sheet for 2020

	For the year ended December 31, 2020 (BTT LLC)
Interest income	267,525
Interest expenses	127,017
NET INTEREST INCOME FOR THE PROVISIONING OF RESERVES FOR THE DEPRESIATION OF ASSETS ON WHICH THE INTEREST IS ACCRUED	140,508
(Provisioning of) the depreciation of assets on which the interest is accrued	(16,111)
NET INTEREST INCOME	124,397
Fee and commission income	8,016
Commission expenses	(6,313)
Net income / (expense) on transactions with financial instruments	1,009
Net (expense) / income from foreign exchange transactions	(1,885)
Recovery / (formation) of a reserve against collateral of other assets	143
Other net income	8,442

\* In thousands of Tajik Somoni.



## Audited report, Profit and Lost Statement and balance sheet for 2020

	For the year ended December 31, 2020 (BTT LLC)
NET NON-INTEREST INCOME	9,412
Operational expenses	(117,119)
PROFIT BEFORE PROFIT TAX	16,690
Profit tax expense	(5,849)
PROFIT PER YEAR	10,841
Other comprehensive income	-
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>10,841</b>

\* In thousands of Tajik Somoni.



## Statement of financial position as at December 31, 2020

Assets	For the year ended December 31, 2020 (BTT LLC)
Cash and cash equivalents	70,595
Funds in banks	144,351
Funds limited to use	7,335
Financial instruments at fair value through profit or loss	3,296
Loans to clients	869,094
Investments in securities	416
Fixed assets	28,024
Intangible assets	9,937
Right-of-use assets	31,947
Long-term assets held for sale	4,548
Deferred tax assets	1,638
Other assets	21,503
<b>TOTAL ASSETS</b>	<b>1,192,684</b>

\* In thousands of Tajik Somoni.



## Statement of financial position as at December 31, 2020

Liabilities and capital		For the year ended December 31, 2020 (BTT LLC)
LIABILITIES		
Due to banks and financial institutions		530
Customer funds		434,591
Loans received		503,062
Rental liabilities		35,278
Other liabilities		983,336
CAPITAL		
Share capital		111,111
Additional paid up capital		6,255
Total reserves		80,035
Undistributed profits		11,947
		209,348
<b>TOTAL LIABILITIES AND CAPITAL</b>		<b>1,192,684</b>

\* In thousands of Tajik Somoni.



# 5



**Development plans for 2021**



01

Gradual recovery of profitability after the pandemic



02

Increasing the client base through the development of banking services and remote banking services



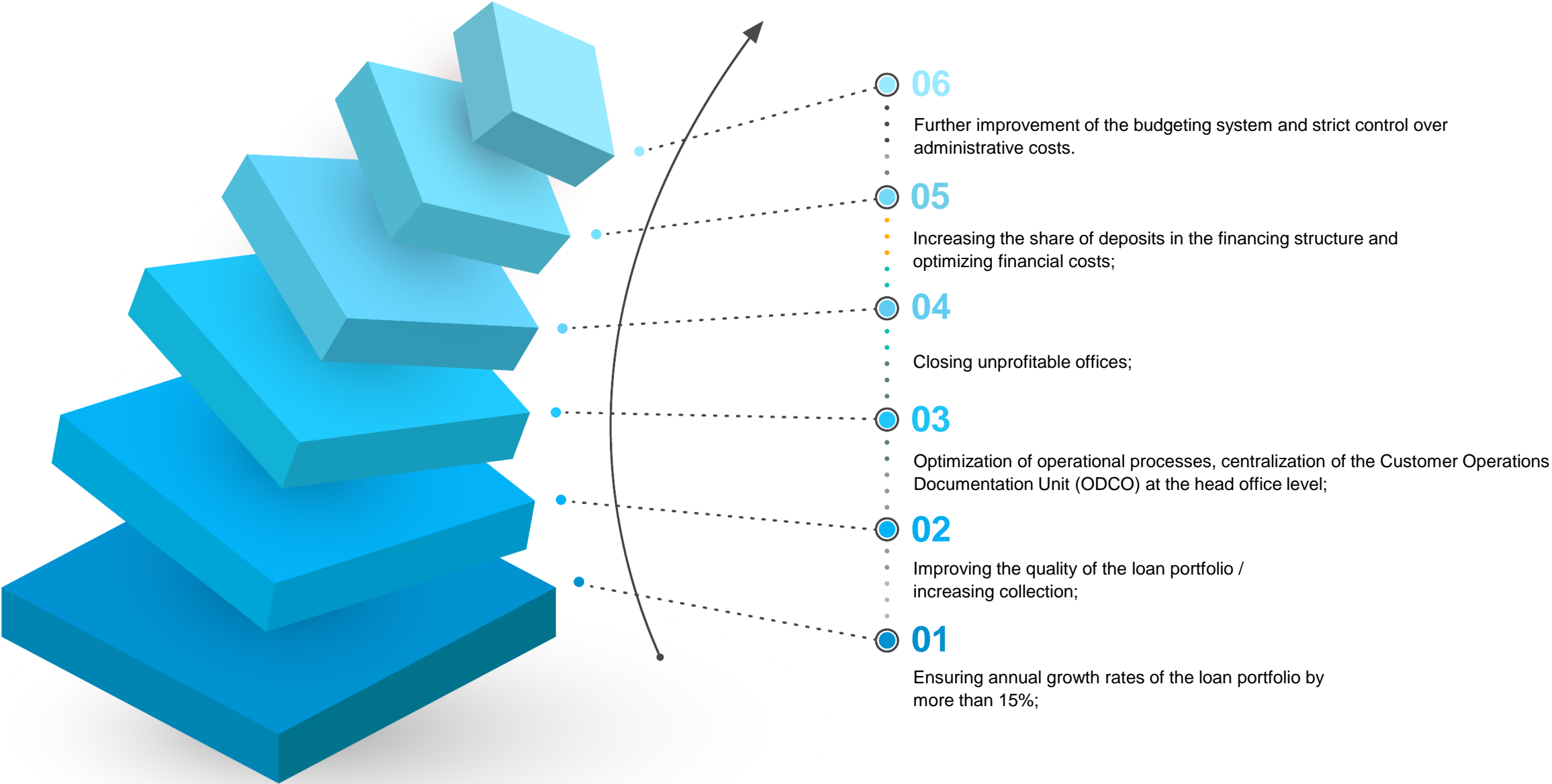
03

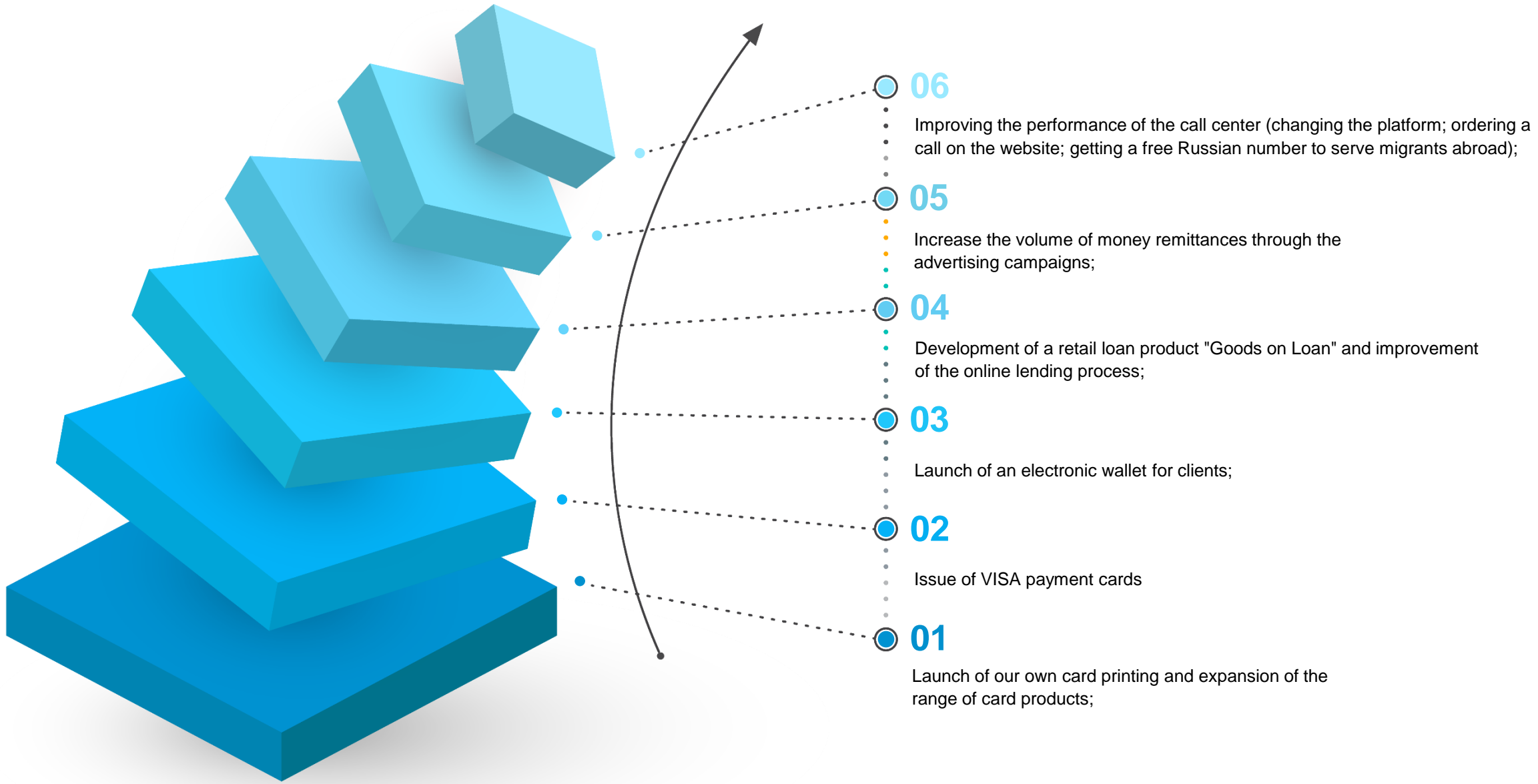
Increased employee loyalty and efficiency / reduced employee turnover among key employees



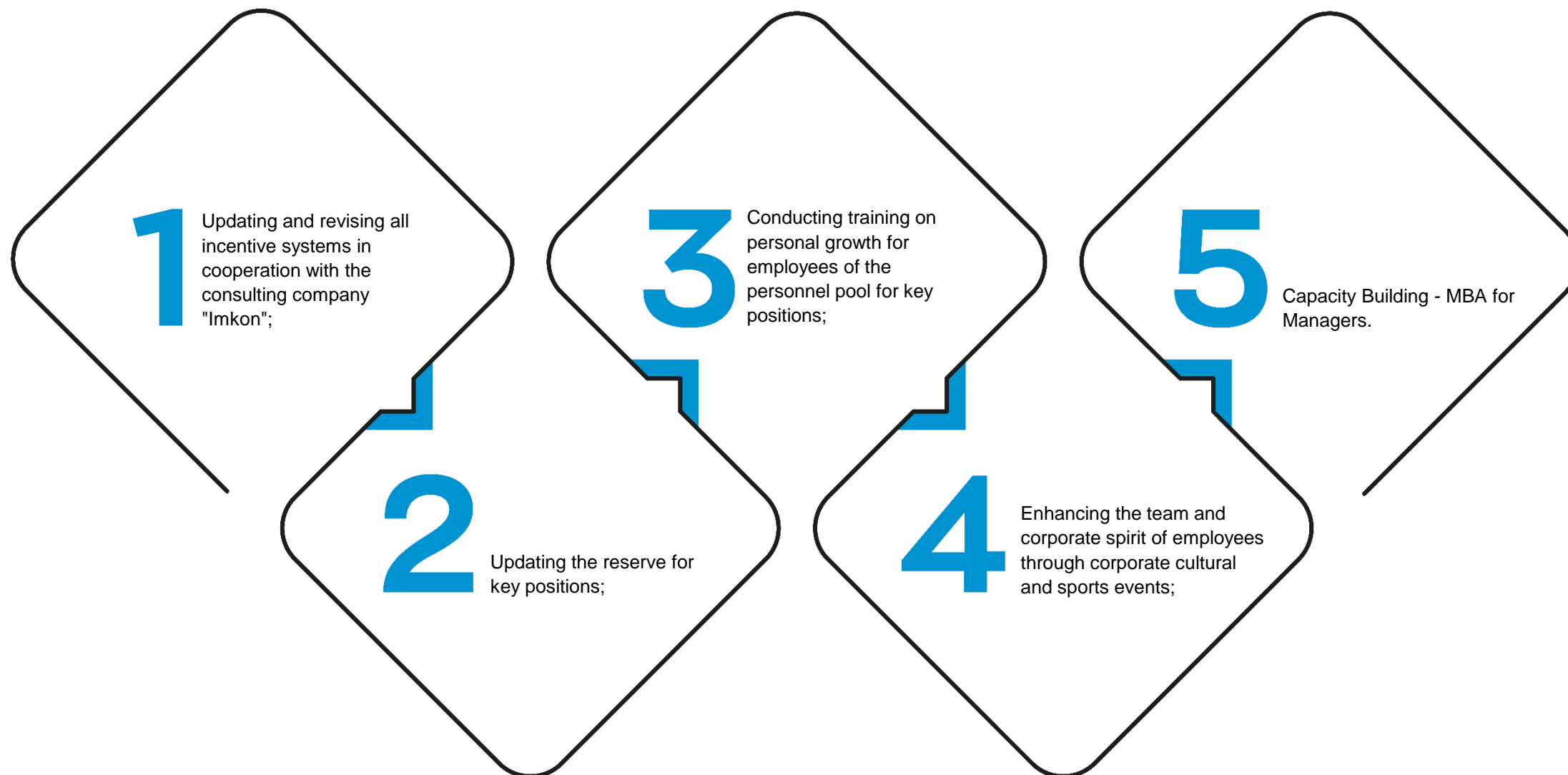
04

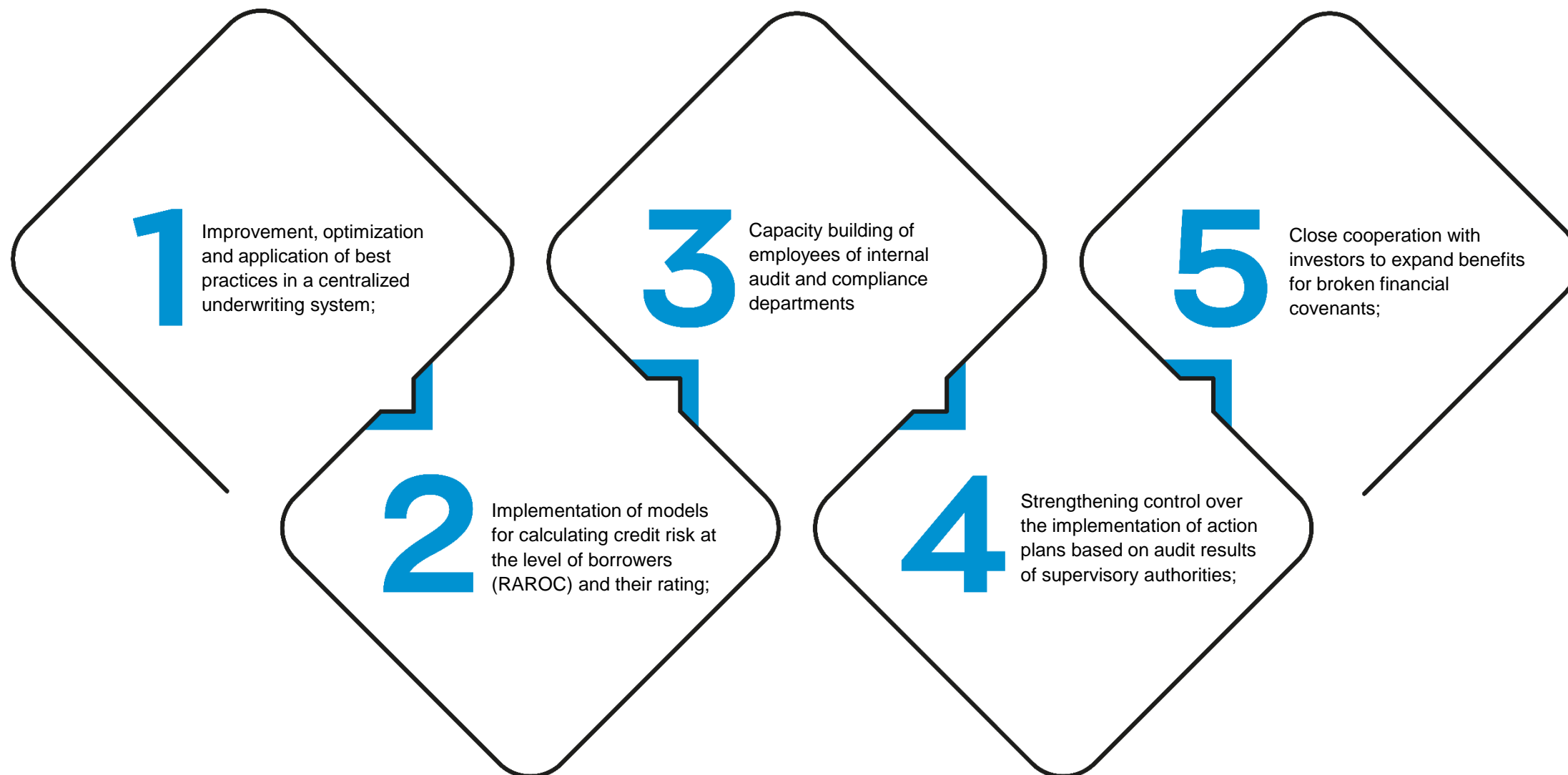
Further strengthening of risk management and minimization of operational and compliance risks

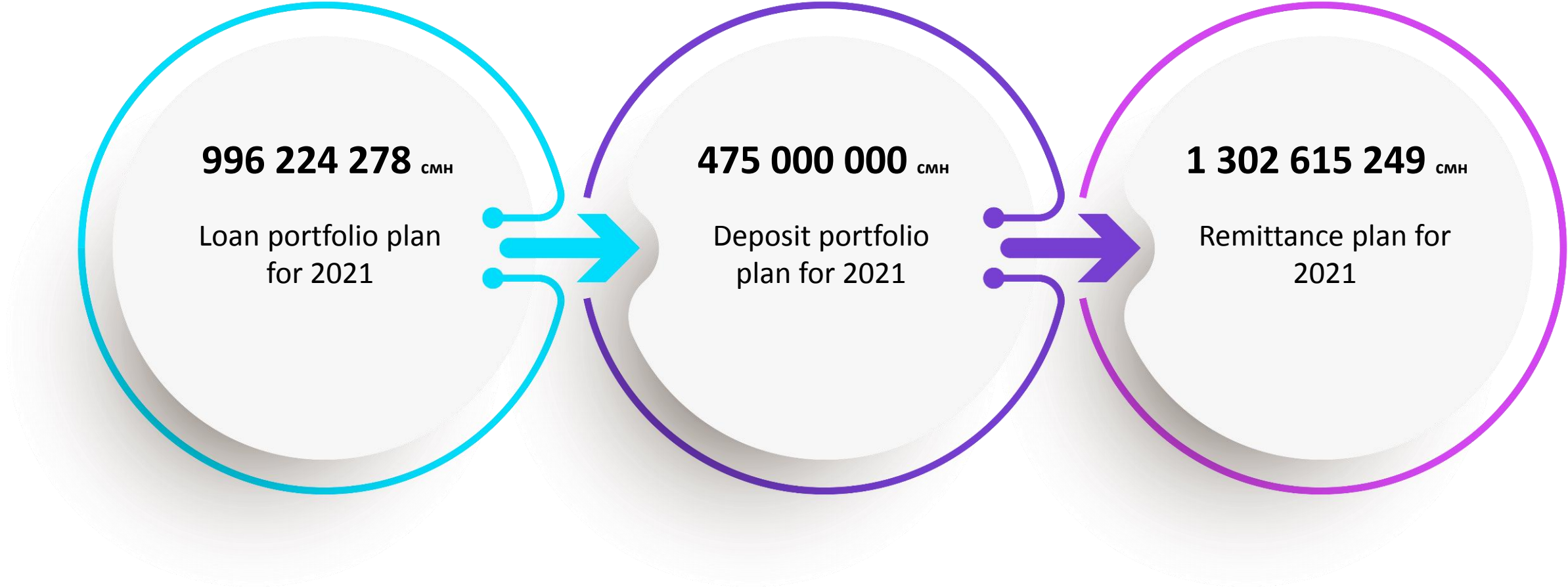


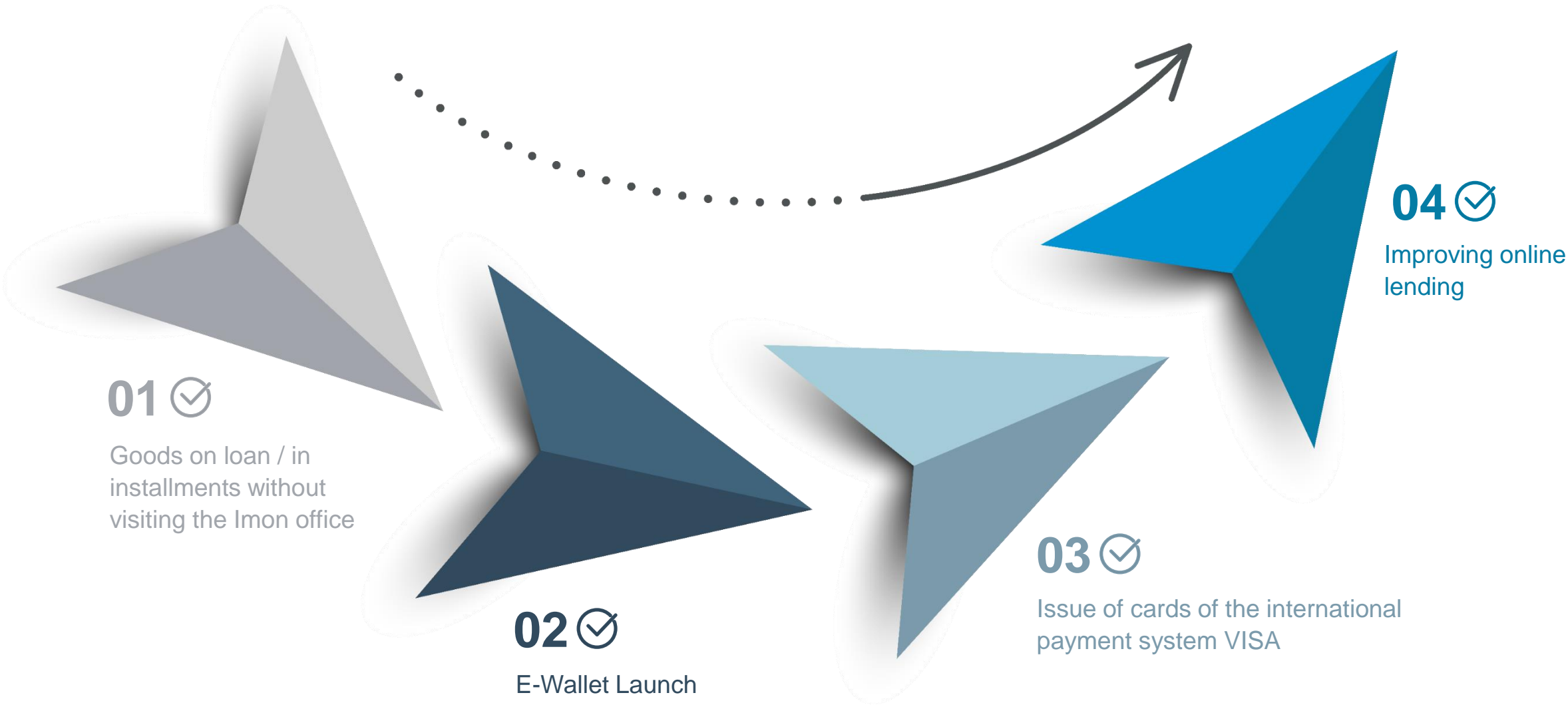
















## Goods on loan / in installments without visiting the office

- Goals**
  - Increased demand from major customers
  - Expanding the range of offered products
- Advantages**
  - Expanding the range of products for clients
  - Strengthening the competitive advantages of IMON in the market
  - Attracting potential clients from new segments
  - Increase the number of retail clients
  - Increase the number of partners (retail outlets)
- Expected results for 2021**
  - Number of issues 2,000 clients
  - Amount of disbursements 10,000,000 TJS





## Goals

- Increased demand from major customers

## Advantages

- Possibility to link any national cards to the application, regardless of which issuing bank and perform payment and transfer operations
- Possibility of carrying out a transaction to an unidentified client (clients who have never applied to Imon) within the limit
- Support for payment technology via QR

## Expected results for 2021

- Number of connections 50,000 users
- Increase in the number of partners of retail outlets using QR code technology
- Positioning IMON as a leading technology finance company
- Increase the volume of non-cash payments by 30%



## Issue of cards of the international payment system VISA

### Goals

- Increased demand from major clients
- Implementation of interexchange VISA transactions in Tajikistan
- Market share - 20% in Tajikistan
- Rapid increase the volume of Internet commerce in Tajikistan

### Advantages

- Expansion of the range of card products for clients
- Strengthening the competitive advantages of IMON in the market
- Attracting potential clients from new segments

### Expected results for 2021

- Issue of 500 VISA cards
- Turnover on international cards - 100,000 USD





## Improving online lending

### Goals

- Development of online technology
- Responding to the impact of the Covid-19 pandemic
- Increasing the efficiency of selling retail loans

### Advantages

- Expanding the range of products for clients
- Strengthening the competitive advantages of IMON in the market
- Attracting potential clients from new segments
- Increase the number of retail clients

### Expected results for 2021

- Number of issues 4,000 clients
- Amount of disbursements 20,000,000 TJS
- Increase the speed of servicing of applications

