



imon
international

ANNUAL REPORT 2021



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01

ABOUT ORGANIZATION



History of development

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 conducted 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 been 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.

Business training provided by NABWT, loans under the project "Microcredits in Tajikistan", technical advice from business consultants from NABWT to start-up entrepreneurs, as well as effective promotion of a favorable legal environment, allowed the National Association of Business Women of Tajikistan and its partner Mercy Corps to establish a Microcredit Fund "IMON", which had began its activity on July 1, 2005.

In order to expand the regions of its activity, increase the number of client database, as well as the need to create a legal basis for attracting foreign investment, in 2008 the Fund's Founders decided to establish a commercial Microlending Organization "IMON INTERNATIONAL". Following a successful transformation process, the new Organization began operations on July 1, 2008

The foundation of a commercial structure made it possible to attract foreign investors and foreign creditor partners to the Organization. This, in turn, has empowered the Organization and contributed to significant progress. The long-term vision of the Founders and Shareholders of MLO "IMON International", a stable course for sustainable development, as well as the need to expand the range of financial services provided, allowed MLO "IMON INTERNATIONAL" to undergo another transformation, after which a license was obtained 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 a systematic path of development from the Project, a financial fund and a microfinance organization, to a universal microcredit and 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 270,000 loyal customers who receive prompt and high-quality service on an ongoing basis.



Achievements

In 2021, the international rating company MicroFinanza Rating, after a comprehensive analysis of activities, internal policies and procedures, as well as the reporting and control system, awarded IMON International a financial rating of "sA". This rating is evidence that IMON International has good risk management potential, sufficient loss-covering capacity and a good diversification and quality of its loan portfolio.

MDO "IMON INTERNATIONAL" received "Gold" for the third time in a row at the republican award "Brand of the Year" in the nomination of financial services. The contest was held in 2013, 2017 and 2019. And since then, our organization has not lost its position and has been awarded the "Gold" in the contest.

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

In 2019, IMON INTERNATIONAL successfully passed SMART re-certification for the next two years





Sale of shares of the Fund "IMON"

Tajikistan's leading microfinance institution, Imon International (IMON), will continue to provide financial services to more than 100,000 microenterprises and individual borrowers across the country through an equity investment from IMON's international shareholders.

Following the departure of IMON's main shareholder, the IMON Microcredit Fund, Mikro Kapital Group, the European Bank for Reconstruction and Development (EBRD) and the Dutch Enterprise Development Bank FMO acquired its share (43.5%) for \$5.4 million. As a result of this transaction and in accordance with the decision of the National Bank of Tajikistan (NBT), the EBRD and FMO will own 17.9% of IMON, and Mikro Kapital Group will become its largest shareholder with a share of 42.7%.

The international shareholders of IMON are committed to supporting the activities of IMON, which is vital for micro-businesses and farmers in the remote and mountainous regions of Tajikistan. The deal also means that IMON will be an even more sustainable and profitable institution that complies with the regulatory requirements of the NBT, as well as international standards of corporate governance and good business conduct.



Deal with EBRD and GEFF

Today, at the head office of CJSC MDO IMON INTERNATIONAL, a solemn signing of an agreement between the European Bank for Reconstruction and Development (EBRD) and IMON INTERNATIONAL within the framework of GEFF and WIB projects took place.

GEFF (Green Economy Financing Facility) will support small and medium-sized enterprises (SMEs) and households in the Republic of Tajikistan wishing to invest in green technologies. This is part of the EBRD's plan to increase climate and environmental finance. It is planned to direct more than 50 percent of its annual investments into green lending by 2025. GEFF, supported in Tajikistan by the GCF and the Republic of Korea, will also use European Union funds under the Enhanced Competitiveness of Tajik Agribusiness Program (ECTAP).

The financial package includes a \$3 million loan under the Bank's Green Economy Financing Facility (GEFF). Up to US\$2.25 million will be provided from the EBRD's own funds, while the remaining US\$0.75 million will be provided as concessional financing from the Green Climate Fund.

The remained package, up to US\$1 million, will be provided under the EBRD's WIB Women in Business program and will promote women's entrepreneurship and business activism by providing access to finance, know-how and technology. Through this investment, CJSC MDO "IMON INTERNATIONAL" will also be able to improve the financial services offered to women-led companies.

CJSC MDO IMON INTERNATIONAL and the European Bank for Reconstruction and Development will continue to make efforts to develop agriculture and support women entrepreneurs in the Republic of Tajikistan.

АРОСИМИ ИМЗОГУЗОРИИ ШАРТНОМАҲОИ
ҚАРЗИИ ЛОИҲАҲОИ GEFF ВА WIB

SIGNING CEREMONY OF LOAN AGREEMENTS
OF THE GEFF AND WIB PROJECTS





“Tuhfai Sazovor” Campaign

The most interesting part is the presentation of gifts

On November 1 of this year, the campaign "Tuhfai sazovor" for recipients of money transfers in Russian rubles and persons who opened the "Oliha" deposit in IMON INTERNATIONAL came to an end.

The campaign was attended by a large number of clients from all regions covered by our Organization, for whom we have prepared more than 17,000 gifts

Among them there are lucky ones who have become owners of trips to Antalya

We have already presented gifts in the cities of Khujand, Dushanbe and Kanibadam and that's not all! Gift giving will last until December 30th.

Participate in our next campaigns and get valuable prizes!



Supervisory Board



**Alexander
Eremin**

Chairman of the Supervisory
Board

Chairman of the Supervisory Board.
Has 26 years of experience in the
banking sector. Graduated from
Tula State University



**Stefan
Quick**

Member of the Supervisory Board

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



**Giorgio
Parola**

Member of the Supervisory Board

A specialist with over 15 years of
experience in the financial sector.
From 2008 to the present is the first
vice president of Mikro Kapital sarl



**Michael
Hoffman**

Member of the Supervisory Board

Investment Advisor at Zeebrug
Advisory. Michael Hoffmann is a
Senior Executive Manager with
extensive banking knowledge and
experience in emerging markets
across Europe and Eurasia.



Supervisory Board



**Anton
Eruntsov**

Member of the Supervisory Board

Founder of Kinbote Management, a management and technology consulting company headquartered in Ras Al Khaimah, UAE.



**Malkhaz
Dzazua**

Member of the Supervisory Board

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



**Joyce
Bontrager Lehman**

Member of the Supervisory Board

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



**Vano
Baliashvili**

Member of the Supervisory Board

Consultant for international projects at TBC Bank Group PLC, in the Greenfield Bank launch project in Uzbekistan



Management

Palka

Andrey

Chairman of the board



Date of birth: 11/17/1977

Education: Lviv State University. Ivan Franko. Master in Economics

Start of employment in the

Organization: 07/15/2021

Akbarov

Bahodur

Chief Operating Officer



Date of birth: 27/10/1977

Education: KSU after B. Gafurov majoring in: "Accounting control and analysis of economic activity"

Start of labor activity in the

Organization: 01.07.2000

Mulloboev

Nazir

Director of business



Date of birth: 20/10/1970

Education: State Technical University after N.E. Bauman, specialty: "Mechanical Engineer";

TSUPBP, specialty: "Finance and credit";

Start of labor activity in the

Organization: 20.02.2008



Management

**Yusupov
Umed**

Director of Risk Management



Date of birth: 10/05/1980

Education: TSUPBP, specialty: "Banking management";

Postgraduate study of TSUC "Management of financial banking"

Start of labor activity in the Organization:

19.07.2001

**Ibragimov
Gayrat**

Financial Director



Date of birth: 05/07/1980

Education: KBTUT, specialty: "Systems engineer";

TSUC majoring in: "Accounting and audit";

TSUPBP, specialty: "Jurisprudence"

Start of labor activity in the Organization:

03.10.2005

Top managers are those who lead the Organization along the planned strategic directions, under the leadership 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, open new representative offices and transform old ones, and many others); risks (monitoring credit and operational risks, setting and controlling limits for certain indicators in order to prevent crisis situations); finance (raising new funds for the working capital of the organization, managing its liquidity, correct budgeting to achieve the intended financial results).

The background features a dark gray, almost black, surface with several concentric circles. Scattered around these circles are various 3D geometric shapes: cubes, spheres, and pyramids. The lighting creates soft shadows, giving the shapes a three-dimensional appearance. The overall aesthetic is modern and minimalist.

022

BUSINESS INDICATORS



Business performance in 2021

Total loan portfolio

108 959 k +4,1%

Active clients

1 bln 73 mln 246 k +20,5%

Active portfolio*

Total deposit portfolio

491 890 +9,3%

Number of active accounts

552 mln 361 k +27,6%

Remaining deposit portfolio*

Money transfers

1 bln 166 mln 681 k

Total amount of money transfers*

228 mln 351 k

Share of Sberbank Online transfers*



Regions of presence



Number of offices

* Currency in somoni



Business performance in 2021

Plastic cards

75 499 k

+28,8%

18 783 k

Number of active cards for all time

Number of issued cards

Пластиковые карты

36 mln 500 k

Amount of transactions*



Mobile banking users 2020



Mobile Banking Users 2021

* Currency in somoni



03

**SUSTAINABLE
DEVELOPMENT**



259

Number
of new jobs
created
(male/female) -
259 of them - 83
women



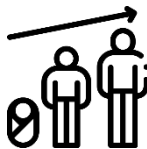
168

Number
of Trainings
Conducted in
2021 - 168



36

**The
average**
age of
employees is
36 years



52

Golden
employees of
IMON
INTERNATION
AL - 52 people



2

New offices
opened in
2021 - 2022



04

**STRATEGIC
REPORT**



Dear friends!

We continue to write the success story of our company!

Another year of changes, a year of challenges, a year of achievements.

IMON did a great job! The team demonstrated will and character, achieving brilliant results!

Only facts that speak louder than any words:

- ✓ The company's originally set plans were doubled in the middle of the year and successfully exceeded;
- ✓ The company's loan portfolio grew by 22.7% per year, fully recovering from the Pandemic;
- ✓ The quality of the loan portfolio has fully returned to pre-Covid levels;
- ✓ The company's deposit portfolio grew by 27.5% over the year;
- ✓ The number of international financial institutions providing loans to the company has significantly increased (the volume of international borrowings increased by 76% compared to 2020);
- ✓ Achieved the second best result in terms of net profit in the history of IMON;
- ✓ The company revised its development strategy for the next 5 years, significantly increasing the ambition of growth rates and business volumes;
- ✓ The digital transformation of the IMON's IT platform has begun, allowing for a multiple increase in business efficiency.

And all these successes were achieved against the backdrop of: the ongoing Pandemic, changes in the structure of the Company's Shareholders, a significant change in the composition of the Supervisory Board, changes in the Company's operational management bodies, and the appointment of a new CEO.

This is what successful sustainable development in the face of change is all about. We are proud of the IMON team - keep it up!

There are many interesting tasks ahead.

The company's most valuable asset is our customers. Thank you for believing in us, even in the most difficult times. For us, this is priceless. We won't let you down!

The primary task, which has the highest priority for IMON, is to make our service as convenient and accessible as possible for our customers. That is why in the next few years IMON will invest in the development of technologies, automation and digitalization of the service in order to provide our clients with the most comfortable and advanced financial service in the country. The global IT transformation of the company has already begun.

I am confident that IMON INTERNATIONAL will always be a leader in the development of the financial sector of Tajikistan, strengthening its position and doing everything possible to improve the welfare of the country and its people.

Sincerely,

Aleksandr Eremin

Chairman of the Supervisory Board of "IMON INTERNATIONAL"



Dear Friends, Colleagues, Partners!

Another year has passed, which can be proudly called one of the best in the history of the Company.

Our organization has always been and remains a guarantor of stability for many representatives of the real sector of the economy, small and medium-sized businesses, and the financial market. We are a source of confidence for hundreds thousands of citizens who have entrusted us with their savings or received financial support.

IMON remains true to its traditional principles of openness, reliability and customer focus.

We remain a point of support for all of you. You are our greatest value.

Our approaches to working with clients are becoming more flexible, we have an individual approach to everyone, and we try to make our service convenient and simple. To do this, our priorities in the near future will be the development of IT technologies and the digitalization of all processes. We are confident that this will give us the opportunity to significantly improve the level of customer service and offer new business solutions.

IMON INTERNATIONAL looks to the future with confidence, and we believe that the results of our daily work will make you, our Clients, more successful, and the financial sector of Tajikistan more reliable.

Sincerely,

Palka Andrey

Chairman of the Board of "IMON INTERNATIONAL"





Global Money Week

As a part of the week of financial literacy, the company conducted a series of trainings on financial education of young people in the cities of Dushanbe, Khujand, Kulyab, Bokhtar, Zafarabad, Kanibadam, as well as in the Mastcho district. During the training, the participants learned about the basics of financial literacy, about the ways and possibilities of saving money.





WORLD SAVINGS DAY

As part of the events dedicated to the World Savings Day, CJSC MDO "IMON INTERNATIONAL" held a competition "The best drawing on asphalt" among schoolchildren in grades 3-7 on the topic: "What do we get from savings?"

Upon its completion, the contestants were awarded with memorable gifts. Also, parents of babies born on this day were presented with certificates for opening a deposit and memorable gifts.

Our young clients who opened the "Farzandi bomuvaffaq" deposit were also presented with memorable gifts

These events were carried out with the aim of stimulating savings and helping to improve the financial literacy of young people.



Rahmonov Uktamjon

Each of the stories of borrowers who received a loan from IMON INTERNATIONAL is an open book of success, where, with the help of support for small and medium-sized businesses, it is possible to achieve financial well-being.

Today we will tell the story of an entrepreneur and one of the regular borrowers of our organization Rakhmonov Uktamjon. The ability to properly plan your activities is a key success factor for this person.

Having started his activity in 2016, with the financial support of IMON INTERNATIONAL, he was able to significantly expand his business in 5 years. Uktamjon is engaged in cultivation of cotton, grain and vegetable crops, and has 9 heads of cattle and 56 heads of small ruminants on his farm.



To date, the area of his dekhkan farm “Uralbobo” is 1 ha, while he leases an additional 3 ha of land.

The purpose of Uktamjon's next visit to IMON INTERNATIONAL was to obtain a loan for the construction of a greenhouse.

“At the beginning of my activity, I was afraid to take a loan to implement my plans, the difficulties in paperwork and strict requirements frightened me.

However, having consulted by IMON INTERNATIONAL, I realized that my fears were in vain. You just need to be able to plan your steps correctly, as my consultant told me,” says Uktamjon.



Chorshanbiev Gulomjon

Business development is another important area that IMON INTERNATIONAL pays great attention to.

The story of our new borrower Chorshanbiev Gulomjon is an example of this. He applied to our organization for the first time in order to obtain a loan to buy a tractor to expand his activities.

“Together with my brother on his land, we were engaged in sowing grain and vegetables. This year I decided to rent part of the land from him and organize my own business.



Buying a tractor will give me the opportunity to work the land myself,” says Gulomjon.

Although he receives a stable income from participation in the dekhkan farm “Muhammad”, business expansion is a priority for him.

“By contacting IMON INTERNATIONAL, I gained even more confidence in my business. Quality service and competent advice from the staff of the organization.



Narzullaeva Sadokat

Ambitious, energetic and purposeful Narzullaeva Sadokat is the director of “Bekhruz-2009” LLC. Canteen “Behruz-2009” is located in Tursunzade city, where our client works hard.

Sadokat, born in 1980, ethnic Uzbek, has a secondary education, is married and has four children. She is a woman who strives to keep up in family life and rapidly develop her business. Sadokat has been promoting her business since 2018, namely the preparation and sale of national local dishes.

The head of the enterprise, Sadokat, controls all expenses and incomes without registration, for example, how much food is cooked and sold in portions per day (barbecue, shurpa, soup, samsa, tandoorkebaba).

The dining room opens every day at 07:00 and closes at 22:00-23:00 at night. The dining room is located in a convenient crowded place, the prices for dishes are reasonable and a large influx of customers is always guaranteed.



The company has 32 employees who work together as a friendly and responsible team.

The purpose of obtaining a loan was the construction of a refrigeration warehouse and the purchase of chiller equipment from China.

The “Behruz-2009” LLC builds refrigerated warehouses for commercial purposes and storage of vegetables and fruits. The enterprise received an amount of 500,000 TJS, with an interest rate of 28%.

Sadokat hopes to expand her business in the near future, reach a new level and achieve high goals as a female entrepreneur.

The life wisdom of Sadokat is: “Everyone can and should tune in to success. This is the most efficient way to reach your goal. I myself clearly imagined my success and turned it into reality”.



Report on profit or loss and other comprehensive income for the year ended 31 December 2021

| | For the year ended 31 December 2021 |
|---|-------------------------------------|
| Interest income | 288,215 |
| Interest expenses | 130,536 |
| NET INTEREST INCOME OF PROVISIONS FOR IMPAIRMENT OF ASSETS ON WHICH INTEREST IS ACCRUED | 157,679 |
| (Formation) of provision for depreciation of assets on which interest is accrued | (872) |
| NET INTEREST INCOME | 156,807 |
| Commission income | 6,902 |
| Commission expenses | (6,466) |
| Net income / (loss) from operations with financial instruments | 6,671 |
| Net (expense) / income from foreign exchange transactions | (3,716) |
| Recovery / (formation) of provision for security of other assets | 743 |
| Other net income. | 13,723 |

* In thousands of Tajik somoni



Report on profit or loss and other comprehensive income for the year ended 31 December 2021

| | For the year ended 31 December 2021 |
|-----------------------------------|-------------------------------------|
| NET NON-INTEREST INCOME | 10,461 |
| Operating expenses | (135,972) |
| PROFIT BEFORE INCOME TAX | 31,296 |
| Income tax expense | (9,364) |
| PROFIT FOR THE YEAR | 21,932 |
| Other comprehensive income | - |
| TOTAL COMPREHENSIVE INCOME | 21,932 |

* In thousands of Tajik somoni



Report on financial position as of 31 December 2021

| Assets | 31 december 2021 |
|--|------------------|
| Cash and cash equivalents | 124,306 |
| Funds in banks | 62,952 |
| Funds restricted for use | 25,842 |
| Financial instruments at fair value through profit or loss | - |
| Loans granted to customers | 1,068,178 |
| Investments in securities | 416 |
| Fixed assets | 28,273 |
| Intangible assets | 8,125 |
| Right-of-Use Assets | 15,139 |
| Long-term assets held for sale | 2,216 |
| Deferred tax assets | 1,455 |
| Other assets | 20,986 |
| TOTAL ASSETS | 1,357,888 |

* In thousands of Tajik somoni



Report on financial position as of 31 December 2021

| Liabilities and equity | 31 december 2020 |
|--|------------------|
| COMMITMENTS | |
| Due to banks and financial organizations | 1,662 |
| Financial instruments at fair value through profit or loss | 1,323 |
| Client funds | 553,645 |
| Loans received | 539,776 |
| Rental obligations | 18,743 |
| Other liabilities | 11,459 |
| | 1,126,608 |
| CAPITAL | |
| Share capital | 111,111 |
| Additional paid up capital | 6,255 |
| General reserves | 90,876 |
| Undistributed profits | 23,038 |
| | 231,280 |
| TOTAL LIABILITIES AND EQUITY | 1,357,888 |

* In thousands of Tajik somoni



05

**DEVELOPMENT
PLANS FOR 2022**



01

Increase in the active customer base;



02

Increasing the profitability of the main products;



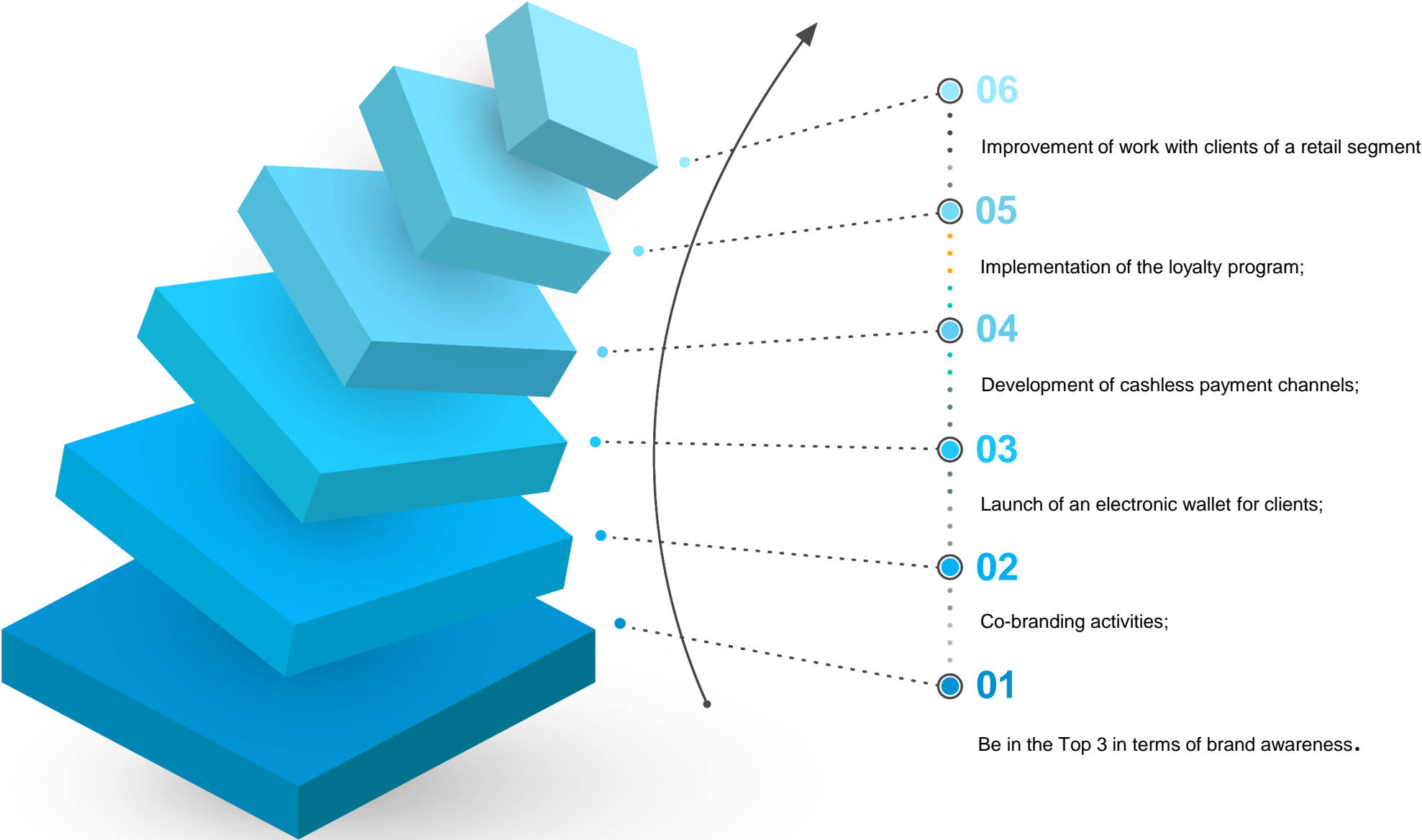
03

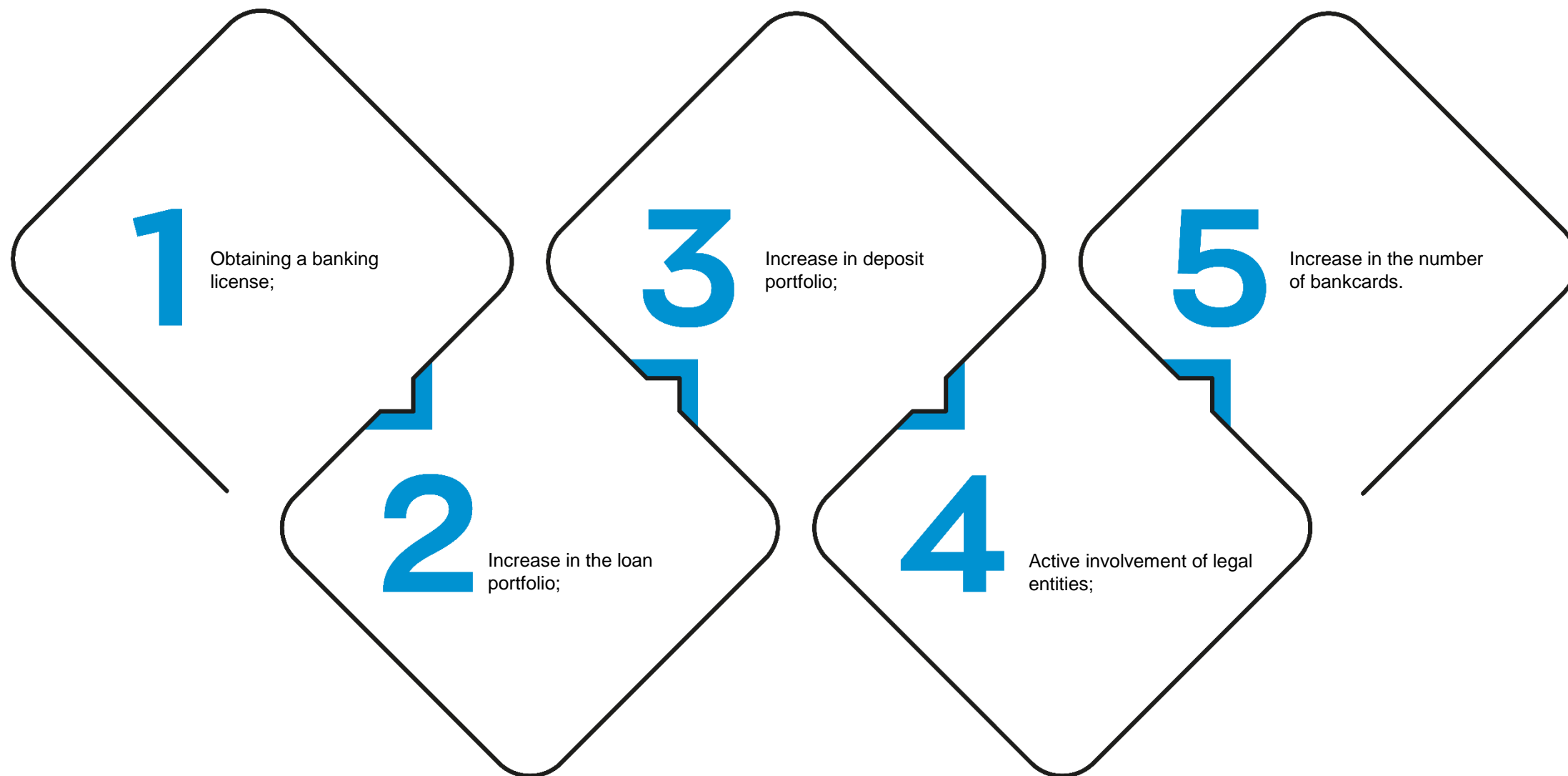
Further strengthening risk management;

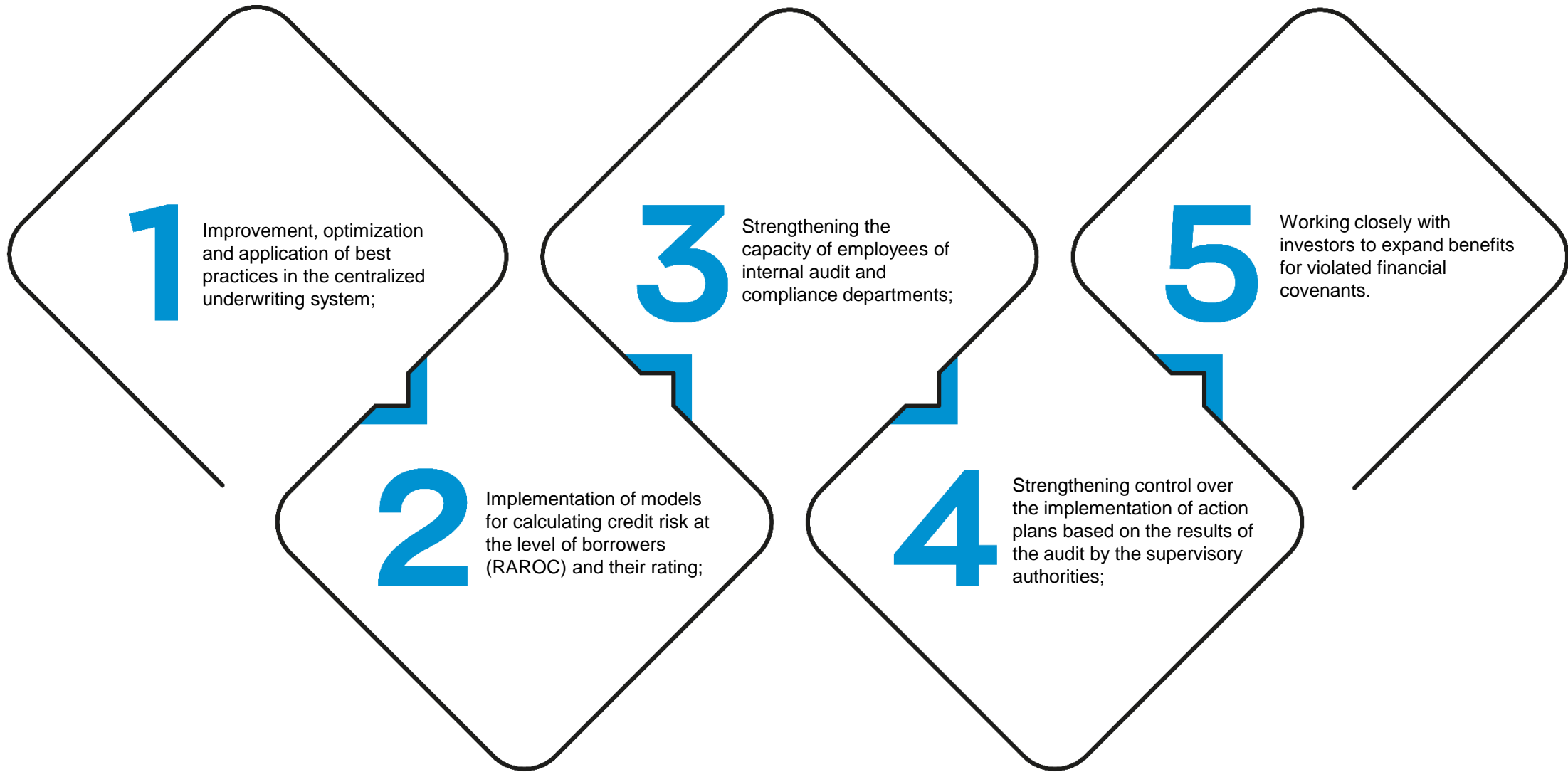


04

New technological solutions.









1 251 000 000 CMH

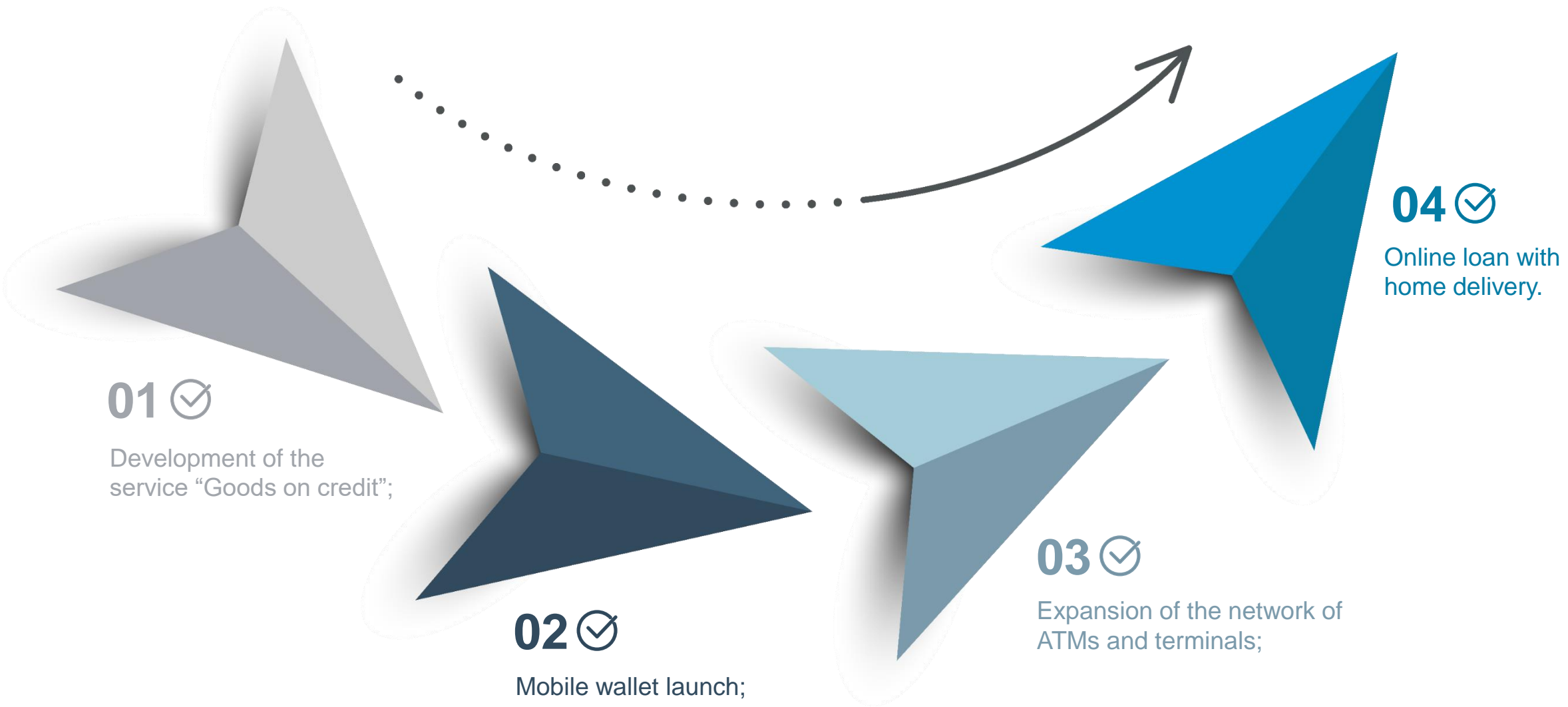
Loan portfolio plan
for 2022;

615 000 000 CMH

Deposit portfolio
plan for 2022;

1 220 000 000 CMH

Money transfer plan
for 2022.





Development of the service "Goods on credit"

- Goals**
- Increased demand from major customers;
 - Expansion of the list of offered products;

- Objectives**
- Expanding the range of products for customers;
 - Strengthening the competitive advantages of IMON in the market;
 - Attracting potential customers from new segments;
 - Increase in the number of retail customers;
 - Increasing partners (outlets).

- Expected results for 2022**
- Кол-во выдач 2 000 клиентов
 - Сумма выдач 6 000 000 сомони





Goals

- Increased demand from major customers

Advantages

- Ability to link any national cards to the application, regardless of which issuing bank and perform payment and transfer operations;
- Possibility of carrying out an operation to an unidentified client (clients who have never applied to IMON) within the limit;
- Support QR payment technology.

Expected results for 2022

- Number of connections: 50,000 users;
- Increasing the number of partners of outlets using QR code technology;
- Positioning IMON as an advanced technology financial company;
- Increase in the volume of non-cash payments by 30%.



Improving online lending

Goals

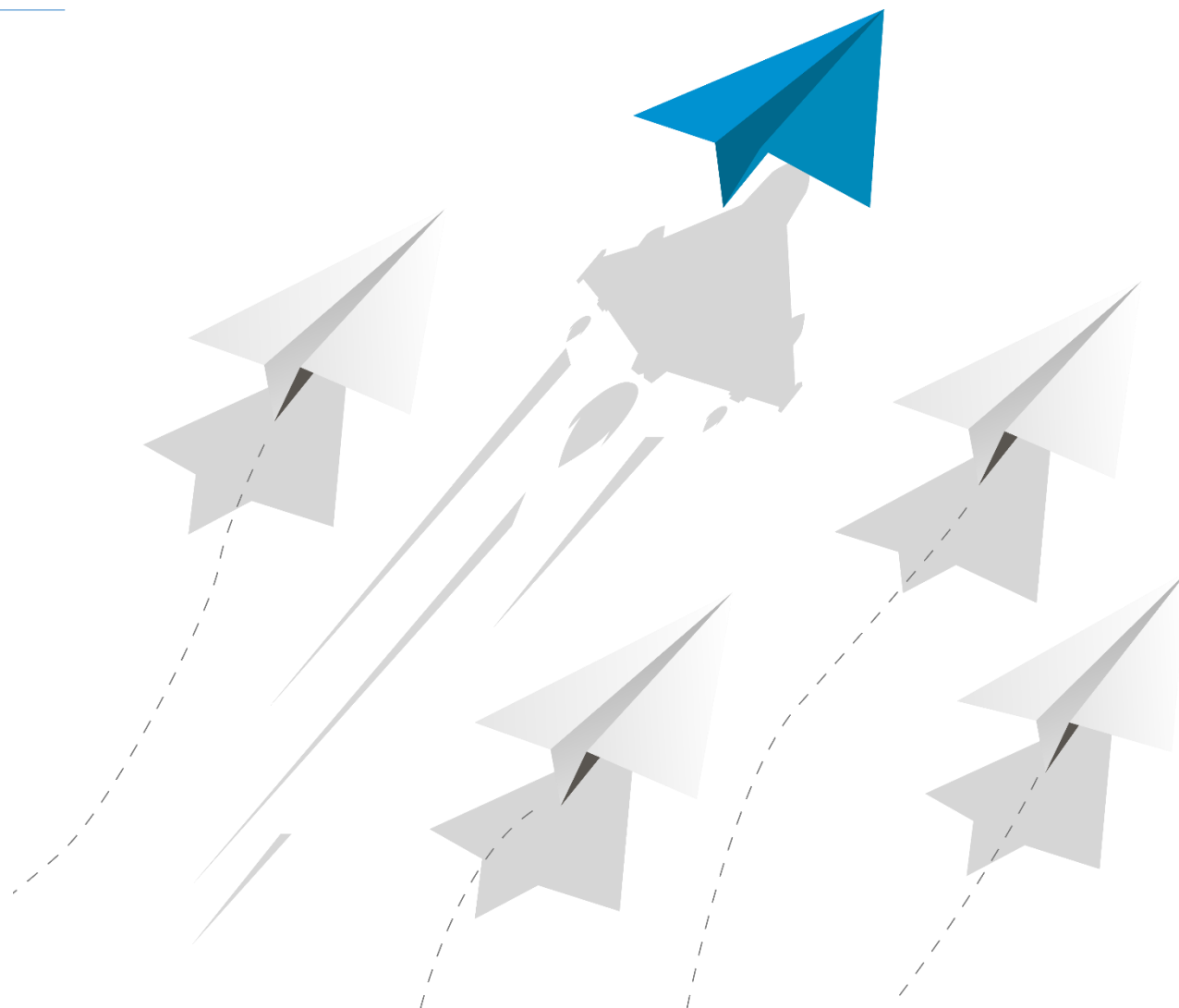
- Development of online technology;
- Responding to the consequences of the Covid-19 pandemic;
- Increasing the efficiency of selling retail loans.

Objectives

- Expanding the range of products for customers;
- Strengthening the competitive advantages of IMON in the market;
- Attracting potential customers from new segments;
- Increase in the number of retail customers;
- Increasing the speed of service.

Expected results for 2022

- Number of issues: 1 800 clients;
- The amount of withdrawals: 8 000 000 TJS.





Introduction of overdraft cards

Goals

- Availability of overdraft for a wide segment of the population;
- Stimulation of non-cash payments.

Advantages

- Fast way to receive money;
- Interest-free period;
- Renewable limit.

