



**SUSTAINABLE  
DEVELOPMENT  
REPORT | 20  
21**



## Golomt bank's sustainable development framework



Conduct sustainable business operation



Consider social and environmental problems



Create satisfactory job environment

This report shows the results of Golomt bank's performance in 2021 within the framework of Golomt Bank's Sustainable Development Policy.

You are welcome to reach out via [sustainablefinance@golomtbank.com](mailto:sustainablefinance@golomtbank.com) to leave comments and suggestions regarding Golomt Bank's Sustainable Development Policy and Sustainable Development Report.

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Total customers

**950,000**

**50%** of total customers are female



Total employees

**2300**

**65%** of total employees are female



**30%**

of the Board Members and Division directors are female



**46%**

of the Department and Branch directors are female



**91%** of the total transactions are effective to be conducted via digital channel



Number of corporate gateway service users has increased by

**230%**



**63%** of the customers receive financial and non-financial service via digital banking platforms



Number of active users of Social Pay service has increased by

**59%**



Number of virtual cards in 2021

**87,358**



Number of digital channel transaction has increased by

**47%**

VISION



**Mongolia's Global  
Benchmark Bank**

MISSION



**The Genesis of  
Prosperity**

STRATEGY



**Customer-Centric  
Bank**

# About us



Golomt bank was established in 1995 as one of the first commercial banks in Mongolia and started its operation with only 4 members. Since its establishment, Golomt bank has become the leading bank, accounted for 20 percent of Mongolian banking system with 2212 employees and 800 thousand clients. With its vision to become Mongolia's global benchmark bank, the bank gives much importance in providing advanced and innovative financial services based on the needs of our valued customers with a professional team and more than 100 branches across the country.

Under the motto "Investing for a brighter future", we have been continuously supporting the country's development, development of the manufacturing industry, entrepreneurs' capacity building, financing and supporting the top businesses and environmentally friendly activities. Adhering

to this concept, we have joined the Principles of Responsible Banking (PRBs) of United Nations Environment Programme Finance Initiative (UNEP FI) along with 270 banks around the world. As the founding member of the PRBs and the only bank representing Mongolia for the initiative, we are implementing the Sustainable Development Goals against climate change.

Currently, Golomt bank is leading in the sector with internationally recognized reputation, rich experience and reliable service whilst setting the standard and creating value for Mongolian government and the business sector with its customer service and innovative initiatives. As a result, our competitiveness stands in the same level with world-recognized East Asian and European banks.

# Greetings from the CEO

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I am pleased to present Golomt Bank's Sustainable Development Report 2021 to report progress and challenges of our journey of sustainable finance and sustainable development.

COVID-19 pandemic continued putting significant impact on the economy in 2021. Protecting customers and employees while providing adequate banking services was an imminent challenge. With employees' efforts and customers' support, the bank could manage this challenge without significant damages and could make business progress.

Achieving the Sustainable Development Goals (SDGs) and protecting the environment from the

climate change is a critically important global agenda for the human being not only for our generation but also for the future many generations to come. Quite a few developed countries have promised to achieve net-zero of GHG emissions by 2050. Mongolia set a target to increase the share of renewable energies to 30 percent and to reduce GHG emissions by 22.7 percent by 2030 from the previous projection. Golomt Bank is committed to contribute to sustainable development and achieving these national goals.

In 2021, Golomt Bank developed "Sustainability Strategy 2022-2025" to strengthen our sustainable development actions and made following progresses.

We strengthened governance for sustainable development by establishing Gender Equality Committee and Sustainable Development Committee. These committees work as a leading vehicle to integrate sustainable development efforts into the bank's business. We also revised our organizational structure and established Sustainable Finance Department that has managers dedicated to initiating, supporting and monitoring sustainable development in all relevant units of the bank.

Our officers dedicated for environment and social (E&S) risk management made E&S risk assessment of 862 loan applications which was 64% of all loans the bank made



in 2021. We also did impact analysis of our business on the environment and identified that climate and water as the most critical issues among the areas that our business concerned with. We embarked on learning and improving methodology how we measure GHG emission and water impact of our business portfolio.

We developed several green products: Green Business Loan, Green Mortgage Loan, Eco-car Loan. Our green loan balance as of the end of 2021, under the definition of Mongolia's green taxonomy, was 3% of our total loan portfolio. Our business officers keep it in mind that how the bank can support our customers' green and sustainable efforts with our

products and services.

In our daily business operations, the bank continued efforts to introduce use of renewable energies and to better manage our waste. In 2021, we improved our hazardous waste management by placing 65 special boxes at our offices to dispose batteries safely. And now, out of 71 office locations, 40 offices have wheelchair access and other facilities to support the customers with special needs.

For our staff's capacity building, the bank organized 25 trainings and 1154 employees received training for sustainable finance and development.

Our journey of sustainable

development continues. We go forward to the Sustainable Development Goals and report our progress, what we have accomplished and what we need to do more, as we present in this report.

We very much appreciate the support and cooperation of our partners, and dedication of our employees for sustainable development.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Norihiko Kato'. The signature is fluid and cursive.

Chief Executive Officer  
**Norihiko Kato**

# Golomt bank's commitment to international initiatives and joint commitments on sustainable development

## UN Sustainable Development Goals



## Paris Agreement



## Collective Commitment to Climate Action



## Principles for Responsible Banking



FINANCE  
UNEP INITIATIVE



GOLOMT BANK  
*Investing for a brighter future*

# PRINCIPLES FOR RESPONSIBLE BANKING





Alignment



Impact



Clients &  
Customers



Stakeholders



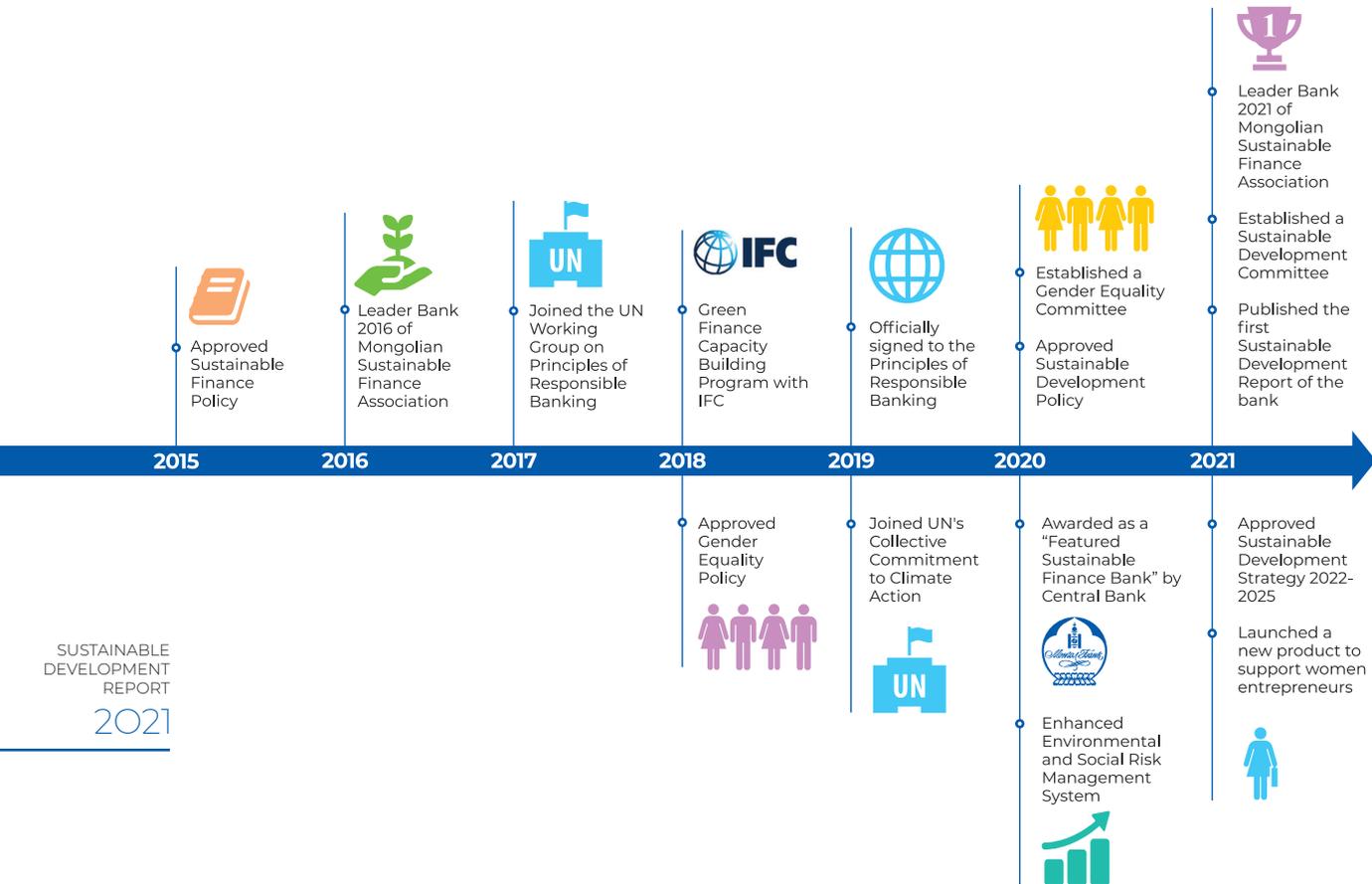
Governance  
& Target  
setting



Transparency  
& Accountability

#ResponsibleBanking
[unepfi.org/ResponsibleBanking](https://unepfi.org/ResponsibleBanking)

# Sustainable Development Timeline of the Bank



# Golomt Bank's Sustainable Development Strategy 2022-2025

Golomt Bank has identified sustainable development as one of its main strategic directions and has approved its medium-term sustainable development action plan to ensure the sustainable and environmentally-considerate operation at all levels and set realistic goals to combat climate change.

Within the scope of the Sustainable Development Strategy and the Bank's commitment to the UNEP FI's Principles for Responsible Banking, the following key pillars have been formed:

## Bank's Sustainable Development Strategy 2022-2025



Sustainable Governance



E&S Risk Assessment



Sustainable Finance



Cooperation and Commitments



## Sustainable Governance

### Strategy

- Establish a good governance to support sustainable development and sustainable finance
- Embed sustainable development goals at all levels of banking operation

### Objectives

- Establish good governance to support the bank's sustainable development, recognize and reward employees' performance in this respect by reflecting on the KPI evaluation system
- Expand the sustainable internal operations of the bank, increase efficiency and positive impact, and disclose transparently
- Strengthen the capacity of bank's employees on sustainable development and conduct more technical skills trainings such as evaluating climate change impact and energy savings
- Introduce international reporting standards and align Golomt Bank's sustainable development reporting

Golomt Bank has established a Sustainable Development Committee in 2021 to build strong sustainable development foundation of the bank through good governance, provide management oversight of the bank's sustainable development activities and strengthen operational coordination and alignment between the units.



## Environmental and social (E&S) Risk Assessment

### Strategy

- Enhance credit E&S risk assessment methodology and introduce climate risk assessment procedures

### Objective

- Determine a climate risk assessment methodology and develop baseline data on climate impacts
- Collaborate with customers by assessing their climate risk and providing risk mitigation recommendations

In 2021, within the scope of the UN Principles for Responsible Banking- Principle 2 Impact Assessment and Target Setting, Golomt Bank has analyzed the impact of the total loan portfolio and identified the most environmentally and socially risky sectors. As a result of the analysis, the bank has identified its most significant negative impacts of its portfolio as climate and availability of water.



## Sustainable Finance

### Strategy

- Increase the bank's green loan portfolio and expand cooperation with international development financial institutions on sustainable and impact financing.

### Зорилт

- Support sustainable procurements and projects of our clients and introduce green loan products meeting their needs
- Develop a specific model to evaluate and define green loans and prevent "green washing"
- Evaluate and disclose the environmental and social impacts and effectiveness of the green loan portfolio

During the reporting period, Golomt Bank has developed and is now ready to introduce to its customers several green products including eco-car loan, green residential housing loan, and green business loan product.



## Cooperation and Commitments

### Strategy

- Implement the principles of responsible and sustainable banking

### Objectives

- Expand the cooperation with national and international partners supporting sustainable development
- Execute the corporate social responsibility

During the reporting period, Golomt Bank was selected as the Leader Bank of Mongolian Sustainable Finance Association and actively participated in promoting sustainable development in the financial sector. We successfully represented the banking sector in working groups on gender-inclusive financial sector as well as the environmental and social risk assessment. In addition, Golomt Bank successfully co-hosted the 2021 Sustainable Finance Forum.

#### Assessment of Mongolian Sustainable Finance Association

The Mongolian Sustainable Finance Association has been conducting an external evaluation to its member banks since 2016. Golomt Bank has received an “A” rating for Sustainable Finance for the last two consecutive years. In line with the evaluation recommendation of the MSFA, we improve the bank’s operation by focusing on the sustainable development policy, green financing, and environmental and social risk management.

**B+**

2019

**A**

2020

**A**

2021

#### United Nations Environment Programme Financial Initiative (UNEP FI)

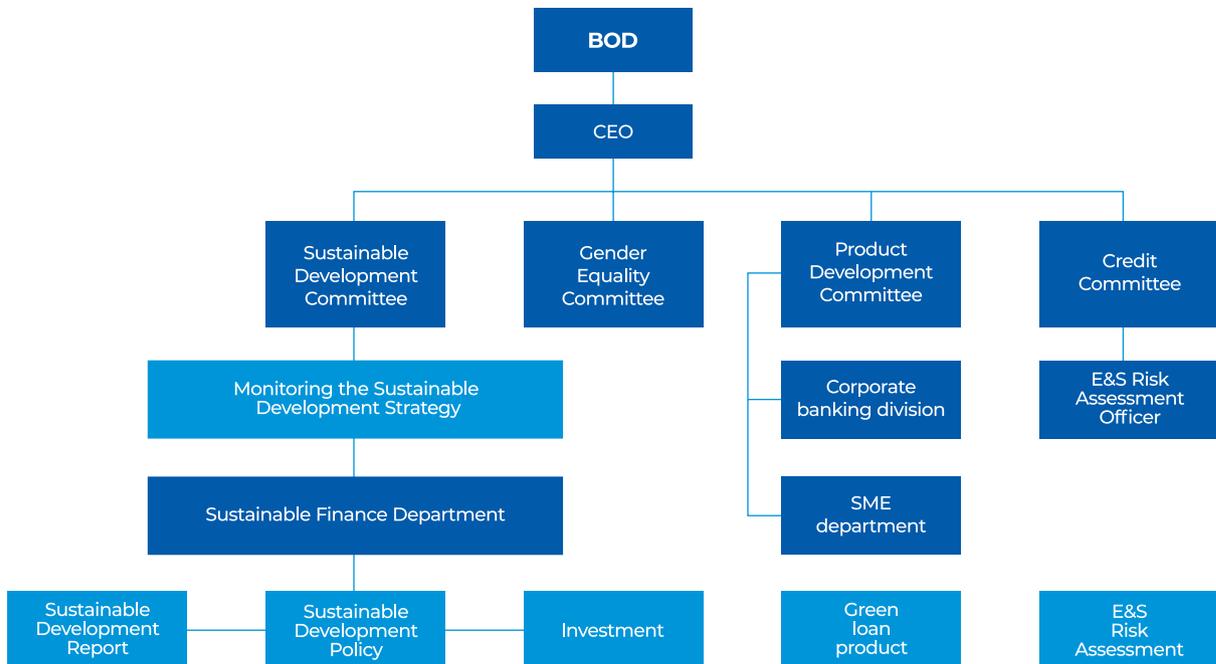
As part of the implementation of the UN Principles of Responsible Banking, Golomt Bank conducted an impact analysis on our total loan portfolio, in accordance with the impact assessment tool developed by UNEP FI. The portfolio impact analysis determines the impact areas that are most affected by Golomt Bank's loan portfolio which are climate and availability of water. Going forward, we have undertaken the responsibility to reduce our negative impacts on these areas.

# Sustainable Development 2021

## Governance



### Organizational structure for sustainable development



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### Gender Equality Committee

In 2018, Golomt Bank began implementing the Gender Equality Policy, of which the primary goal is to ensure equal representation and compensation for all employees in regards to workplace communication, decision making and operations. This policy has enhanced our corporate culture through improving information sharing, lowering gender biases, and increased responsibility at all levels.

Golomt Bank strives to support gender equality not only at the workplace, but we have also been supporting gender equality among our customers through improved access to financial products and services in order to support their business operations. As part of this initiative, we have established the Gender Equality Committee in 2020.

The Gender Equality Committee focuses on the bank's policies, strategies and activities to ensure gender stability and equality in the workplace as well as for our customers and commits to provide more accessible and advanced financial services for female business owners and entrepreneurs.

### **Sustainable Development Committee**

Golomt Bank aims to contribute to the Sustainable Development Goals 2030 and the National Determined Contribution through our operations. As part of our commitment, the bank has established a Sustainable Development Committee in November 2021 with members of a top management team of the bank. The Committee works as a leading vehicle to integrate sustainable development efforts into the bank's business. Both the Sustainable Development Committee and the Gender Equality Committee support the bank's implementation of the "Principles of Responsible Banking" by promoting sustainable business, focusing on social and environmental issues, and coordinating the sustainable development strategy in all business activities.

### **Sustainable Finance Department**

Golomt Bank's Board of Directors and Top Management Team proposed the establishment of a Sustainable Finance Department to promote sustainable development across the bank. The Sustainable Finance Department is responsible for monitoring the execution of the Bank's Sustainable Development Policy and Strategy, ensuring sustainable financing practices and promoting the "Principles of Responsible Banking" throughout the bank.

Sustainable Finance Department reports to the above committees and communicates the committees' decisions and operations to the bank's employees.

### **Compliance Policy**

The Compliance Department of the bank is a unit in charge of compliance related issues, primarily focusing on combating money laundry and terrorism financing.

Since 2017, in accordance with the Compliance Policy approved by the Board of Directors, Golomt Bank has appointed 148 employees from all units as Ethical Representatives to ensure and monitor the implementation of the principles and regulations in the Governance Code, and to eliminate ethical violations.

The employees' awareness and knowledge in compliance is essential to the internal compliance control of the bank. Therefore, we provide a comprehensive training program on compliance, including the risks of money laundering and terrorist financing, and measures to prevent them. A total of 1,072 bank employees were involved in the training in 2021.

Golomt Bank employs a specific transaction monitoring software in money laundry and terrorism financing risk management, and is fulfilling its legal obligations to a sufficient extent. Moreover, we regulate compliance activities such as knowing the customers, implementing the transaction control, reporting and whistleblowing activities by specific procedures and standards.

### Information Security Policy

Golomt bank pays a high attention to the information security issues and aims to provide reliable and trustworthy services. We have successfully introduced and implemented International Information Security Standard ISO27001, Payment Card Industry Data Security Standard PCI-DSS, General Data Protection Regulation GDPR, regulation on data protection and privacy law in the European Union.

Furthermore, we have established Cyber Security Management Center (CSMC) in line with standard of Security Operations Maturity Model (SOMM) to protect our information security from the external cyberattacks. Meantime, we have joined the Paris Call for Trust and Security in Cyberspace, an international cooperation project on cyber security signed by more than 1,100 organizations around the world.

The rating of Golomt Bank's cyber security performance assessment has been steadily increasing for the last three years.

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 **10 million** attacks were prevented in 2021 and its evaluated with  **3.71** out of **4.0**

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*\*The assessment is based on the audit reports of Hong Kong and Indian audit companies.*

### International Information Security Standards



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## Environmental & Social (E&S) Risk Management

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### E&S risk assessment policy

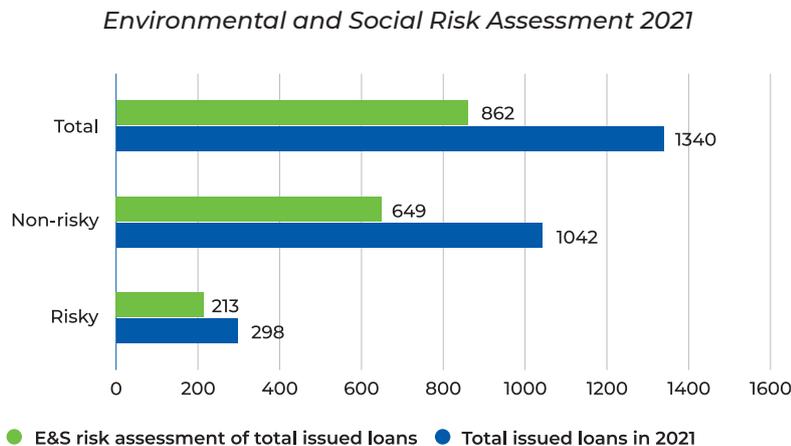
Within the framework of our Sustainable Development Policy, Golomt Bank conducts credit environmental and social risk assessment in lending operations. In 2019, we have updated our environmental and social risk assessment methodology by reflecting the principles of IFC, the Bank of Mongolia and other sustainable development principles. The credit E&S risk assessment procedure of the bank screens the loan's risks and impacts on environment, society, human rights, and cultural heritage, while strengthens bank's ethical finance and corporate governance.

Currently, Golomt Bank is building an E&S risk assessment database of our loan portfolio and studying about the E&S risk reporting standards and monitoring system.

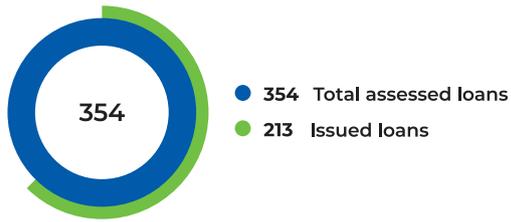
### Total assessed loans in 2021 and E&S risk classification

In 2021, Golomt Bank issued about 1,340 business loans, of which 64 percent were assessed for environmental and social risks. In terms of the environmentally and socially risky industries such as construction, manufacturing, mining, infrastructure, and petrochemicals, Golomt Bank has issued total of 298 loans, of which 213 loans were assessed by detailed E&S risk assessment procedures.

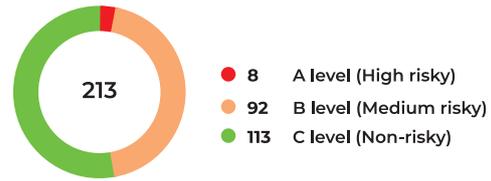
We assess and classify the "E&S risky" loans per their risk level as A (high), B (medium), C (low). In 2021, Golomt Bank has issued 8 high risky loans, 149 medium risky loans, and 184 low risky loans. We aim to strengthen the assessment of high E&S risky loans and to avoid the loan issuance for uncontrolled E&S high risky loans.



E&S risk levels of issued loans



Assessed and issued loans in 2021



## Sustainable finance



### Foreign funding

In recent years, Golomt Bank has been actively expanding its cooperation with international financial institutions and increasing its foreign funding and credit lines in order to offer flexible foreign trade financing opportunities and low-cost funding for our customers.

The recent funding attractions are



Offering the medium and long-term financing solution to our customers is essential to increase employment, support businesses operations and contribute to the economic development of the country.

### Collaborated international financial institutions

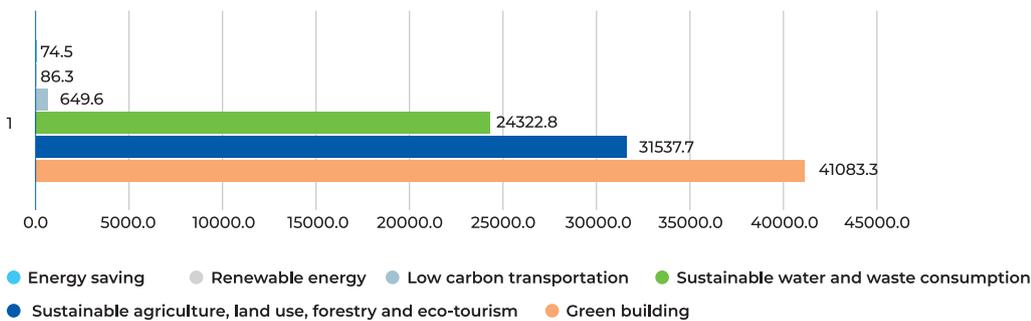


## Green Finance

In December 2019, the Bank of Mongolia, the Ministry of Finance, the Financial Regulatory Commission and the Deposit Insurance Corporation issued a joint order approving the Mongolian Green Taxonomy. The Green Taxonomy is a classification and criterion for green activities that are environmentally and socially friendly, and with the use of taxonomy financial institutions, investors, banks and policymakers are able to identify green loans and projects.

With the implementation of the Green Taxonomy, Mongolian commercial banks began to classify their green loans and report to the Bank of Mongolia on a voluntary basis since the 1st quarter of 2020. Golomt Bank quarterly reports its green loan portfolio in accordance with the Green Taxonomy. We aspire to increase the green portfolio size every year.

Green loan balance (in thousand MNT)

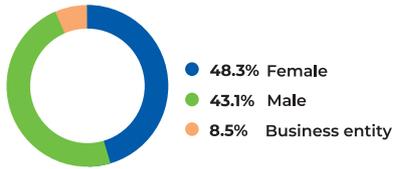


## Gender finance

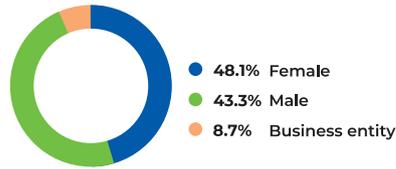
In the case of Mongolian micro and SME industrial production and services, over 60 percent of the enterprises are female business owners. These enterprises play a leading role in the economic development of the country whilst creating wealth and providing jobs for the society. At Golomt Bank, 50 percent of total customers are female, whose financial capability and education are increasing every year as well as their economic importance for the bank's business, including payment and borrowing. Golomt Bank is committed to support female business owners and entrepreneurs by enabling them to build financial capacity and expand their business operations.

### Gender ratio of total customers

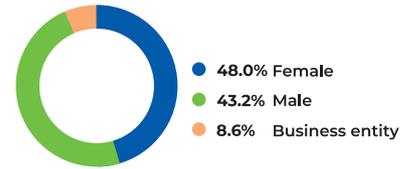
2019



2020

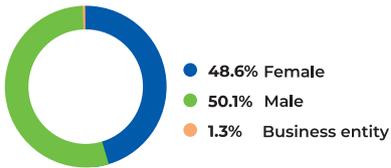


2021

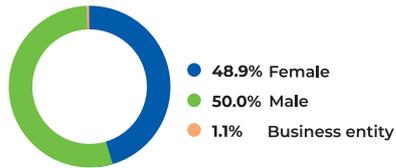


### Gender ratio of total borrowers

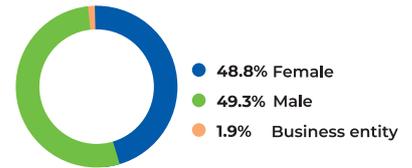
2019



2020



2021



## Training programs and loan products for female business owners

Golomt Bank strives to improve the local business environment, support SME businesses, and increase their productivity in business operations. Particularly, we organized a series of trainings programs for female business owners to build their financial capacity and education.

In 2021, Golomt Bank implemented “Women Entrepreneurs Empowerment Program,” in which total of 400 women entrepreneurs participated from both urban and rural areas. The trainings covered subjects of comprehensive financial management, financial management in times of crisis, application of tax laws, online payments, digitalization, marketing, communication skills, environmental risk assessment and sustainable waste management.

In the reporting year, we launched a new discounted loan product for women entrepreneurs and total loans of MNT 1.4 billion were provided to women entrepreneurs in trade, services and other sectors. With the benefit of the discounted loan financing, the women entrepreneurs significantly enhanced the quality of their products and services.

### SME finance

Golomt Bank is committed to support SME businesses and set the following main goals in our business activities:

- Increase sales of segment-based product packages
- Provide professional consulting services
- Intensify the digital transition
- Introduce a new NBFI-based business model

Strategically, we define our SME business activities based on the business segments including sustainable entrepreneur, micro business owner, individuals and business entities whose activities have not yet fully stabilized or have been in business for a short period of time. In this context, we are working to expand the loan portfolio by offering specific products and services for these clients and attract new customers based on the market research. We also aim to increase the loan quality and sustainability, and to regularly conduct comprehensive market research in order to make effective and impactful business decisions. As a leading bank in terms of technology-based solutions, we support our SME clients by expanding our internet banking and SocialPay services, increasing use of POS machine and e-commerce services. The technology based banking solutions enable our customers to save time and receive quick and easy banking services.

**SME portfolio growth and segments]**

In 2021, Golomt Bank has issued a total of MNT 826 billion in loans to small and medium enterprises, which is an increase of 20 percent from the previous year. We offer new products to SMEs to finance their working capital, reduce the repayment burden, and obtain a commodity-guaranteed loan at current prices without requiring additional collateral.

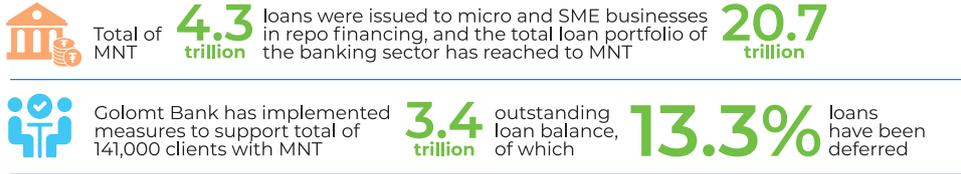
*SME Loan Portfolio in 2021(by industries)*



**Government projects and programs implemented during the COVID-19 period**

COVID-19 pandemic has endured throughout the world in 2021, bringing many negative effects and challenges to the economy, banking sector as well as to general social life of the countries. During this period, the Government and the Bank of Mongolia implemented certain regulatory measures, including “Comprehensive Economic Recovery Plan of MNT 10 trillion” program in order to uphold the micro, small and medium enterprises. As a result of the program, total of MNT 4.3 trillion loans were issued to micro and SME businesses in project financing, support loans and repo financing, and the total loan portfolio of the banking sector has reached to MNT 20.7 trillion, which had decreased by 5 percent in the previous year.

The bank's measurements implemented during the COVID-19 pandemic



During the covid pandemic period, Golomt Bank carried out adjustments to the repayment of the corporate, micro and SME, consumer and mortgage loans.

**Environmentally and socially friendly project loan programs**

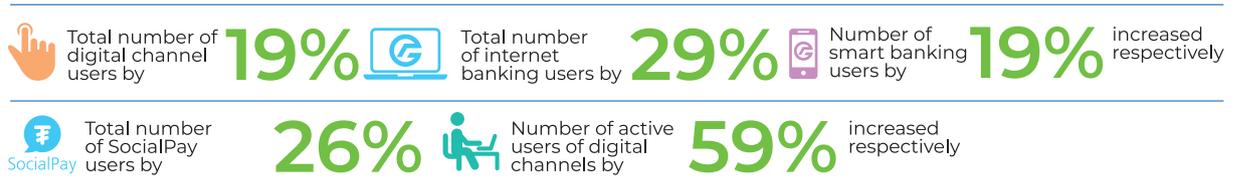
In 2021, Golomt Bank cooperated with environmentally and socially friendly loan programs and issued a total loan amount of MNT 149.8 billion. The largest loan portfolio of MNT 22.9 billion provided for cashmere and textile projects and MNT 6.5 billion issued for the Asian Development Bank's Agriculture and Rural Development Project.

*Project Loan programs in 2021*

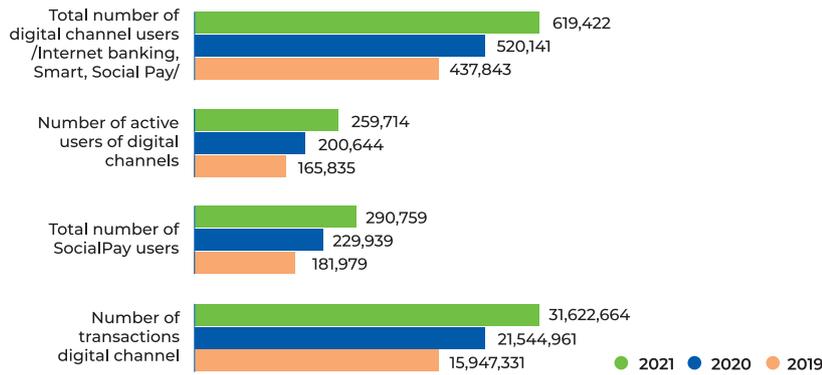
JIACA Project loan	<b>695</b> million	ADB's Agriculture and rural development loan	<b>6.5</b> billion	KFW bank's project investment	<b>500</b> million	Meat resourcing 2021-2022	<b>3.4</b> billion
Gold 2 advance payment financing	<b>77.6</b> billion	Collection of grain reserve	<b>2</b> billion	ADB and government guaranteed loan	<b>2.5</b> billion	Cashmere and wool preparation	<b>22.9</b> billion
Spring sowing	<b>1.1</b> billion	Leather processing	<b>1.5</b> billion	Wheat, oil plant	<b>3.8</b> billion	Fuel resources program	<b>27.1</b> billion

**Digital Banking**

Golomt Bank is a leading bank in a digital shift and information technology-based services while also provides significant investments in this area. In 2021, we widely collaborated with a number of Mongolian IT companies on supporting and accelerating the digital transitioning.



## Customer use of digital banking



## Sustainable operations and human resource



### The bank's measurements implemented during the COVID-19 pandemic

The pandemic risk caused businesses and companies to shift their products and services into digital. Golomt bank has successfully implemented the Business Continuity Plan and implemented improvements to regularly run the operations remotely and deliver our products and services through digital channels.

- The key components of the risk management system, such as risk governance, the “Three Line Model”, risk tolerance based on stress test results, risk appetite notification, and traffic light methodology are being improved and implemented internally.
- The Bank has implemented its own capital adequacy assessment methodology (ICAAP) developed by the Basel Committee on Banking Supervision and regularly reports to the relevant committees by utilizing an internal stress test results.
- Golomt Bank has managed the pandemic risk by adopting and implementing the Business Continuity Plan and shifted to a front-line working team structure in order to continue its day-to-day activities and provide normal operations during the pandemic time.
- Within the framework of establishing a risk assessment culture in the bank, the comprehensive risk management trainings, forums, knowledge contests, and risk culture programs successfully were organized among the employees.
- A series of mental and physical health trainings, information sharing, and vitaminization campaigns were provided to our employees throughout the year in order to contribute to the primary health care of our employees.

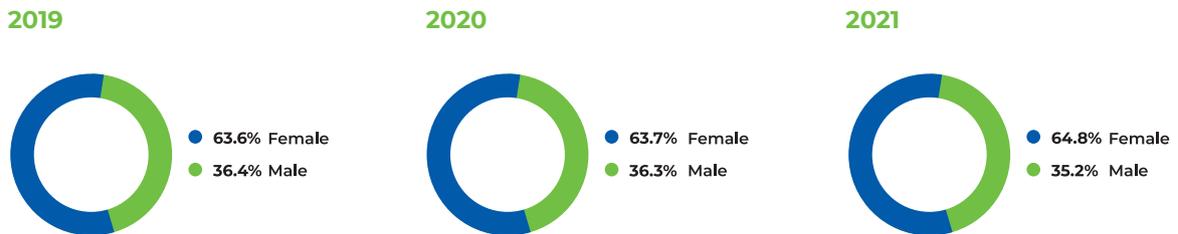
## Satisfactory and sustainable job retention

Although the pandemic has caused significant challenges to the bank, Golomt Bank has managed to save jobs for its employees without cut-offs in salaries, benefits and incentives. In this way, Golomt Bank guaranteed social security to our employees and recruited 570 new employees to the bank. Currently, 65 percent of the total of 1916 working employees are female employees, and more than 84.5 percent of all employees have been working for more than one year. Also, the number of disabled employees have increased steadily over the past three years since Golomt Bank supports employment of people with special needs.



Increasing women's participation in leadership level and decision-making position, and ensuring gender equality is one of our key principles. 30 percent of BOD members and Division Directors are women. The ratio of our female and male employees holding branch manager and department directors is 52:48, which is nearly equal.

### Employees' Gender Ratio at Golomt Bank



## Training, fringe benefits and employee allowances

Golomt Bank pursues strategy to create sustainable and satisfactory job retention within the framework of our Sustainable Development Policy.

Therefore, based on the training and development model of the bank, we established a Training Academy under the motto of "Employee is the Genesis of Prosperity" to create opportunities for all employees to continuously learn and share their knowledge with others.



More than 1,700 employees received health examinations and 1,200 employees were provided with covid insurance and vaccinations. A total of 937 employees received benefits of COVID-sick leave, and 5 employees retired from Golomt Bank in 2021.

### Sustainable Development trainings

Within the framework of the Sustainable Development Policy, Golomt Bank focuses on building employees awareness in social-environmental issues, gender equality and human right issues. In 2020, 80 percent of the bank's employees were trained in sustainable development, green finance and E&S risk assessment. As a result of these trainings, employees' knowledge and awareness were significantly increased in sustainable development and environmental and social issues are more concerned than before. As for 2021, total of 1154 employees were involved in sustainability trainings.

#### *Employees of Sustainable Development trainings*



**1154**

employees participated in Sustainable Finance and E&S risk assessment trainings in 2021.

### Environmentally friendly operations

For the purpose of sustainable development contribution, fighting against climate change, and reducing our negative environmental impacts, we implement systematic sustainable approaches in our internal operations and focus on reducing carbon emission.

Energy consumption significantly increases greenhouse gas emissions and causes a major negative impact on climate change. Therefore, Golomt Bank is focusing on saving electricity, reducing heat loss in buildings, and using low-power LED lights, and has achieved certain results by installing renewable energy equipment at one of our office buildings.

Additionally, in 2021, the total water consumption was 4,897 tons, which was reduced by 30 percent compared to the last year. For the last two years, Golomt Bank has been implementing a recycling practice in all the branches and offices of the bank by collecting recyclable wastes and delivering to recycling plants.



As a result of the renewable energy installation, the total electricity consumption of the 3rd office was

**161.405**

in 2021, which was reduced by

**19.1%**

from previous year.



In 2021, bank's total water consumption was

**4.897**

tons and which was reduced by

**30%**

compared to the last year.

Energy consumption /kwt/

205,586.60 | 99,716.50 | 161,405.70  
2019 | 2020 | 2021

## Social responsibility Initiatives



### “Heart will not forget” project



Golomt Bank's  
Altantulkhuur  
Children's Foundation

has been supporting the “Heart will not forget” project for the second consecutive year and saving life of more than 20 children. In addition to children's surgery funding, we have been providing all necessary support to the project team.



### Equal rights for students with special needs

Golomt Bank, an Investor to the Brighter Future, has renovated the information technology classrooms of School No.116 for visually impaired children and donated necessary equipment and devices to School No.25 for children with intellectual disabilities. In addition, we have donated a “Orbit Reader”, an electronic braille device, to the School No.116, which was the first time introducing the Mongolian-language braille device into the special needs education system. As a result, visually impaired children were provided with the opportunity to learn and develop computer programs and internet applications without the help of others, and even further to attend regular school by using the electronic Braille devices.



As part of our commitment to inclusiveness and human rights, we have been taking steps forward to provide more accessible facilities and services for people with disabilities when they visit our branches. Currently, Golomt Bank has installed wheelchair ramps at our 40 branch buildings and provided wheelchairs for special occasions to 6 branches. Furthermore, every branch has a queue-free services for people with disabilities, dependents, pregnant women and for the elderly.

## Student scholarship program

Within the framework of our social responsibility initiatives and education support, Golomt Bank has successfully organized 17th Annual Student Scholarship Program. We have awarded the 100 best students among the 700 applicants and granted scholarships to study at 26 universities including Mongolian National University, University of Finance and Economics, University of Science and Technology, National University of Medical Science, University of Agriculture, Otgontenger University and Etugen University. As of today, we have proudly invested over MNT 1 billion in scholarships for more than 1500 well-educated young people to get more accessible and quality education, regardless of their chosen major.

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# ESG factsheet

## Digital Banking

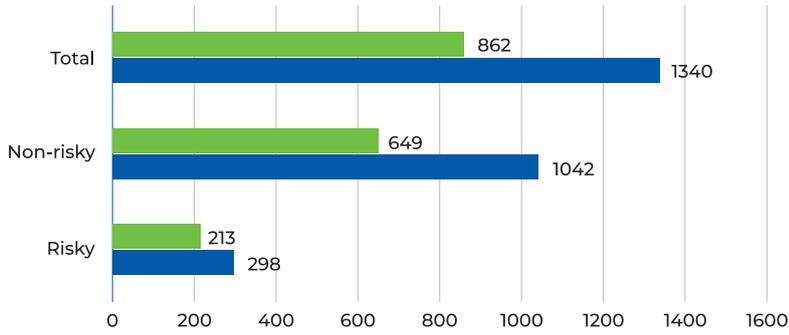
	2019	2020	2021
Total number of users of digital channel / Internet banking, Smart, SocialPay /	437,843	520,141	619,422
Total number of social pay users	181,979	229,939	290,759
Number of active users of digital channel	165,835	200,644	259,714
Number of digital transactions	15,947,331	21,544,961	31,622,664
Total CDM (ATM with Smart functionality)	58	69	151

## Information Security

	2019	2020	2021
Cyber Security Performance			
Cyber Security Performance Evaluation (Maximum score 4)	2.2/4	2.4/4	3.71/4
Number of prevented attacks	2,1 сая	3.6 сая	10 сая
Employees' information security awareness			
Information Security Test attendance	98%	95%	97%
Information Security Test result	88%	93%	88%
Implementation of International Information Security Standards			
ISO 27001	+	+	+
Payment Card Industry Data Security Standard (PCI DSS)	+	+	+
General Data Protection Regulation (GDPR)	+	+	+
Security Operations Maturity Model (SOMM)	+	+	+

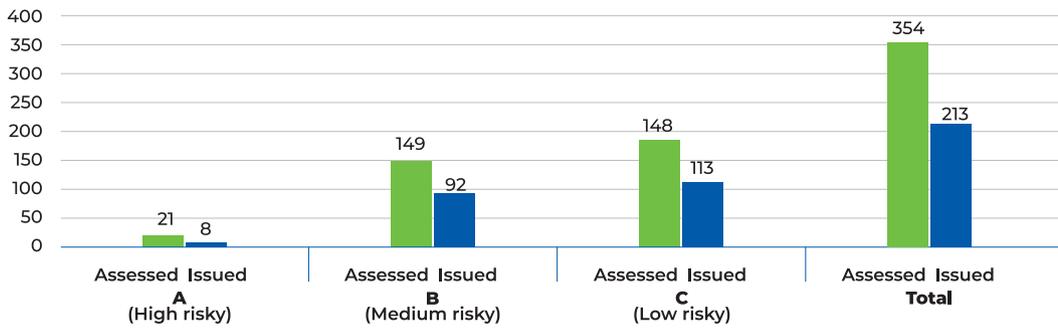
## Environmental and social risk assessment

Environmental and social risk assessment of total issued loans in 2021

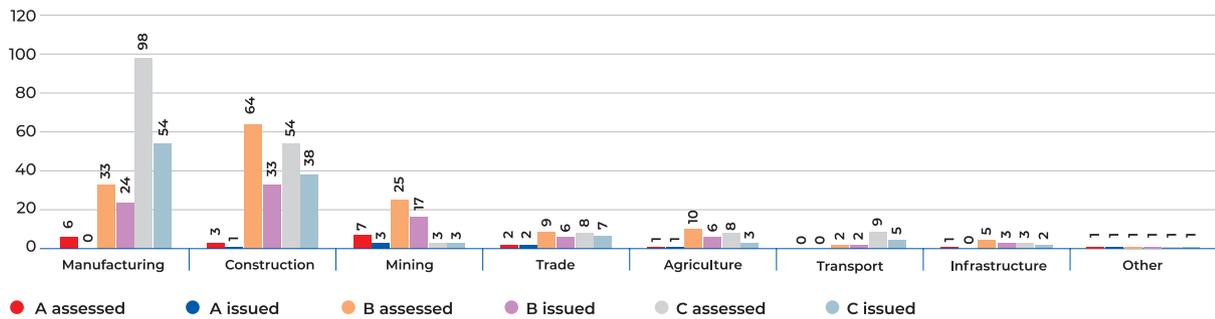


● E&S risk assessment of total issued loans ● Total issued loans in 2021

E&S risk level of assessed and issued loans in 2021



E&S risk assessment status by industries



## Loan outstanding balance

### 1. By segments /in million MNT/

	2019		2020		2021	
Corporate loans	1,343,976	40.8%	1,196,494	39.0%	1,191,571	34.8%
SME	637,212	19.3%	631,547	20.6%	795,112	23.2%
Consumer loans	903,119	27.4%	752,420	24.6%	773,191	22.6%
Mortgage	398,704	12.1%	479,144	15.6%	656,427	19.2%
Overdraft	10,286	0.3%	5,167	0.2%	4,593	0.1%
<b>Total</b>	<b>3,293,297</b>	<b>100.0%</b>	<b>3,064,772</b>	<b>100.0%</b>	<b>3,420,894</b>	<b>100.0%</b>

### 2. By sectors /in million MNT/

	2019		2020		2021	
Business loan	1,991,474	60.5%	1,833,208	59.8%	1,991,276	58.2%
Trade-Whole and Retail	498,171	15.1%	493,367	16.1%	739,101	21.6%
Mining	261,650	7.9%	414,758	13.5%	325,661	9.5%
Manufacturing	396,004	12.0%	272,260	8.9%	205,294	6.0%
Repair and maintenance	32,808	1.0%	57,865	1.9%	202,104	5.9%
Construction	387,019	11.8%	252,791	8.2%	137,095	4.0%
Finance	150,790	4.6%	136,792	4.5%	101,696	3.0%
International organization	-	0.0%	-	0.0%	87,828	2.6%
Transport and communication	103,171	3.1%	61,233	2.0%	60,711	1.8%
Real estate	21,602	0.7%	34,010	1.1%	32,120	0.9%
Hotel and Restaurant	38,789	1.2%	31,937	1.0%	30,896	0.9%
Agriculture	25,758	0.8%	18,375	0.6%	17,524	0.5%
Healthcare	25,504	0.8%	19,324	0.6%	16,775	0.5%
Education	13,006	0.4%	11,739	0.4%	13,521	0.4%
Telecommunication	17,158	0.5%	15,574	0.5%	12,720	0.4%
Overdraft	10,286	0.3%	5,167	0.2%	4,593	0.1%
Social services	1,157	0.0%	909	0.0%	1,783	0.1%
Tourism	7,036	0.2%	6,657	0.2%	1,689	0.0%
Enterprise	476	0.0%	412	0.0%	164	0.0%
Public service	1,090	0.0%	37	0.0%	-	0.0%

### 3. Average loan amount /in million MNT/

	2019	2020	2021
Corporate loans	3,131.7	3,520.6	3,631.4
SME	135.1	161.1	172.5
Consumer loans	7.1	5.6	5.6
Mortgage	65.8	68.4	80.1
<b>Total</b>	<b>25.9</b>	<b>22.8</b>	<b>23.8</b>

### 4. Urban and rural branches /in million MNT/

	2019	2020	2021
Branches in urban areas	2,752,928	2,601,848	2,951,595
Corporate loans	1,352,901	1,200,536	1,194,731
SME loans	527,780	533,270	671,731
Consumer loans	534,741	461,194	515,580
Mortgage	337,506	406,848	569,554
Branches in rural areas	432,150	387,118	408,277
SME loans	110,794	99,402	124,815
Consumer loans	260,159	215,420	196,589
Mortgage	61,197	72,296	86,873
<b>Total</b>	<b>3,185,078</b>	<b>2,988,966</b>	<b>3,359,872</b>

### 5. Gender finance

Economic sector	Loan disbursement (MNT)	Loan balance (MNT)	Number of accounts	Loan term	Interest rate (annually)
Manufacturing	Interest rate	100	1	12	13.2%
Other services	818	740,1	27	27	13.7%
Real estate activities	36,1	32,5	2	27	13.2%
Agriculture, forestry, fishing and hunting	20	20	1	12	14.4%
Trade	636,1	591,9	23	28	13.6%
<b>Total</b>	<b>1,610,2</b>	<b>1,484,6</b>	<b>*54</b>	<b>*27</b>	<b>*13.6%</b>

\* Average

## 6. Project loan portfolio (MNT million)

Project name	Number of Customer	Number of issued loan	Loan amount (in MNT)
Gold 2 /long-term financing/	8	9	54,704
Fuel resources program 2022	2	2	27,100
Gold 2 advance payment financing	4	4	22,920
Cashmere and wool preparation 2021	2	2	22,900
ADB's agriculture and rural development loan	2	2	6,500
Wheat, oil plant 2021	2	2	3,865
Meat resourcing 2021-2022	2	2	3,441
ADB and government guaranteed loan	4	4	2,520
Collection of grain reserve	1	1	2,000
Leather processing 2021	1	1	1,500
Spring sowing 2021	3	3	1,190
JICA project loan	1	1	695
KFW bank's project investment	1	1	500
<b>TOTAL</b>	<b>33</b>	<b>34</b>	<b>149,835</b>

## 7. Gender ratio of total customer at Golomt Bank

	2019	2020	2021	Measurement
<b>Number of total customers</b>	<b>849,074</b>	<b>885,610</b>	<b>949,775</b>	<b>Number of customers</b>
Female	410,375	425,689	456,681	Number of customers
Male	438,699	383,259	411,140	Number of customers
Business entity	72,460	76,662	81,954	Number of customers
<b>Number of total borrowers</b>	<b>100,617</b>	<b>102,504</b>	<b>102,439</b>	<b>Number of customers</b>
Female	48,920	50,090	49,949	Number of customers
Male	50,400	51,245	50,524	Number of customers
Business entity	1,297	1,169	1,966	Number of customers
<b>Number of total savings</b>	<b>342,548</b>	<b>352,809</b>	<b>346,087</b>	<b>Number of customers</b>
Female	191,320	196,506	192,444	Number of customers
Male	150,894	155,808	153,199	Number of customers
Business entity	334	495	444	Number of customers
<b>Individual customers</b>	<b>819,644</b>	<b>850,140</b>	<b>926,311</b>	<b>Number of customers</b>
Female	410,335	425,652	456,644	Number of customers
Male	366,172	383,198	411,079	Number of customers
Business entity	43,137	41,290	58,588	Number of customers

## 8. Gender ratio of Golomt Bank' employees

	2019	2020	2021	Measurement
<b>Number of actual employees</b>	<b>1971</b>	<b>1882</b>	<b>1916</b>	
Female	1254	1198	1241	Number of employees
Male	717	684	675	Number of employees
Disabled	10	15	21	Number of employees
Employed more than one year	1637	1712	1620	Number of employees
<b>Headquarter</b>	<b>868</b>	<b>839</b>	<b>875</b>	
Female	503	487	520	Number of employees
Male	365	352	355	Number of employees
<b>Branches</b>	<b>1103</b>	<b>1043</b>	<b>1041</b>	
Female	751	711	721	Number of employees
Male	352	332	320	Number of employees
<b>Board members/Division directors</b>	<b>20</b>	<b>23</b>	<b>26</b>	
Female	6	8	7	Number of employees
Branch and department directors	14	15	19	Number of employees
<b>Female</b>	<b>118</b>	<b>120</b>	<b>125</b>	
Male	58	59	60	Number of employees
Female	60	61	65	Number of employees

## Number of in-company training for the employees

	2019	2020	2021	Measurement
Number of participants/hours	62849	117955	95185	Man/hour
Training hours/ per employee	31.9	66.3	50.1	Hour
Total number of training	317	637	753	Number of training
Green finance	-	1105	1042	Man/hour
E&S risk assessment	-	216	112	Man/hour
Training on policies and regulations	-	-	17.6	Man/hour
Certified training (Sustainable Finance)	-	724	190	Man/hour

## Employee allowances and fringe benefits

	2019	2020	2021	Measurement
Health examination	1333	-	1593	Number of employees
Sick pay	578	550	937	Number of employees
Paid parental leave	95	78	65	Number of employees
Retired employees	3	3	5	Number of employees
Employees received Covid-19 Vaccination/Total employee	-	-	2009 / 97.6%	Number of employees
Employees received Covid-19 Vaccination /Duplicated number of total doses/	-	-	5619	Number of employees

## Other

	2019	2020	2021	Measurement
Number of graduate recruitment	150	142	206	Number of employees
Intern	5	6	45	Number of employees
Job rotation	20.9%	15.6%	14.9%	Percentage
Engagement index	87%	80%	84%	Percentage
Job retention of employees on maternity leave	100%	100%	100%	Percentage

## Bank's internal activities towards the environmental protection and social responsibility

	2019	2020	2021	Measurement
Total energy consumption	1,101,753	1,406,035	1,429,886	kW
Number of total recyclable waste	-	21.5kg+30pc	21kg+375pc	pieces
Paper	-	16	-	Kilogram
Plastic	-	3.4	3	Kilogram
Can	-	2.1	18	Kilogram
Glass	-	30	375	Number of bottle
Total water consumption	8,004,000	6,892,000	4,897,000	Liter
Number of branches with wheelchair ramp	30	32	40	number of branch
Number of other facilities for disabled person	103	131	141	pieces
Wheelchair	5	5	5	pieces
Nearsighted glasses	98	126	135	pieces

Electricity	2019	2020	2021
Office#3	205,586.60	199,716.50	161,405.70
Office#2	175,492.70	181,580.40	149,293.00
Headquarter	578,100.00	822,767.50	881,321.65
Park office	142,574.00	201,971.00	237,866.00
<b>Total</b>	<b>1,101,753.30</b>	<b>1,406,035.40</b>	<b>1,429,886.35</b>

Water	2019	2020	2021
Office#3	2,030.00	1,624.00	1,026.00
Office#2	1,200.00	1,200.00	1,200.00
Headquarter	3,033.00	1,886.00	1,092.00
Park office	1,741.00	2,182.00	1,579.00
<b>Total</b>	<b>8,004.00</b>	<b>6,892.00</b>	<b>4,897.00</b>

## Customer Service

	2019	2020	2021
<b>Total number of complaints</b>	<b>10,081</b>	<b>14,957</b>	<b>11,233</b>
Percentage of resolved complaints	100%	100%	100%
Number of complaints resolved within 5 days	Unable to filter from the system	Since the launch of the CEC system in August 2020, 77.6% of all complaints received have been resolved within 40 hours or 5 days.	Customer Service Department resolved 79.1% of all complaints within 40 hours or 5 days. It has increased by 1.5% from the previous year.



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