



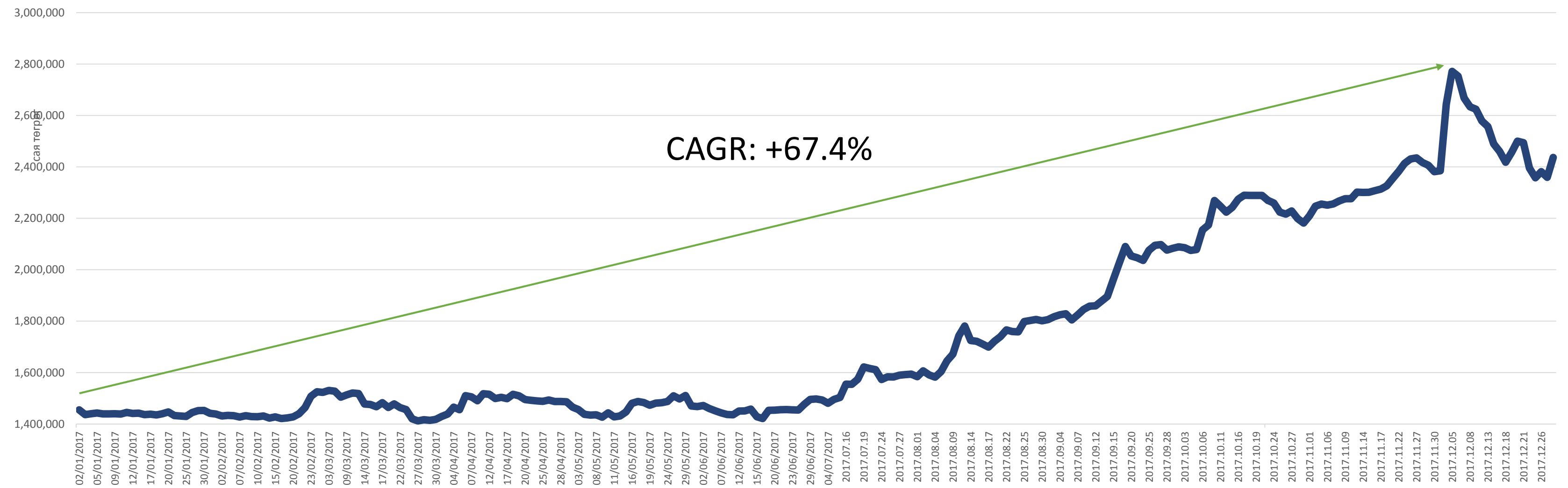
2017 ANNUAL OVERVIEW



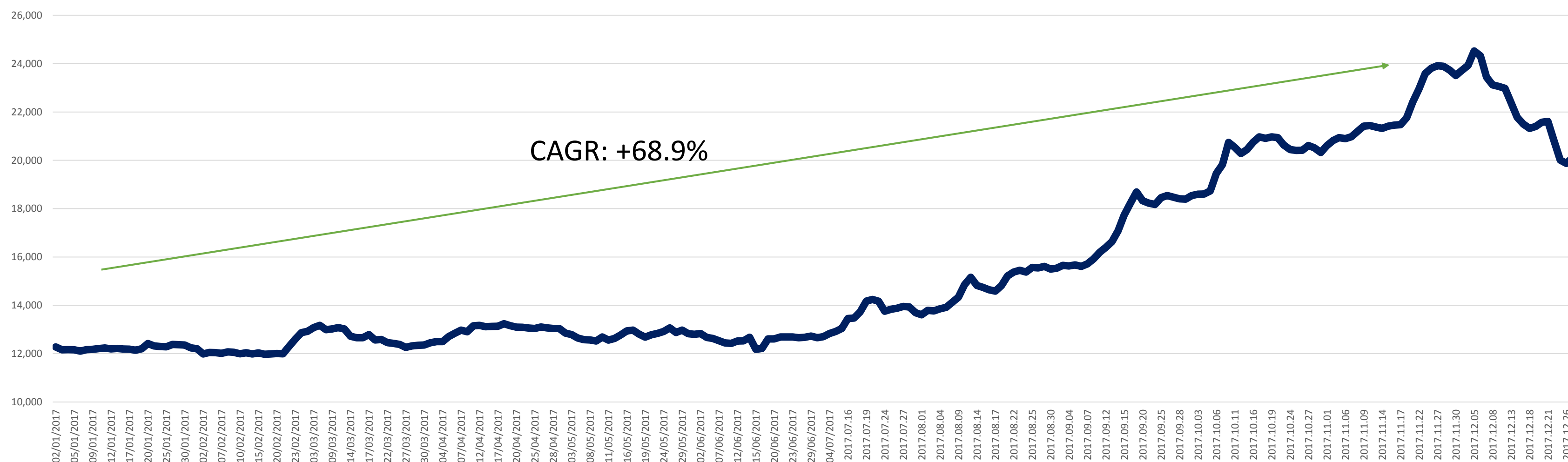
2017: MARKET CAPITALIZATION AND TOP20 INDEX

The MSE Market Cap gained 67.4 percent in 2017

Market capitalization



TOP20 Index



The TOP20 Index increased by 68.9 percent



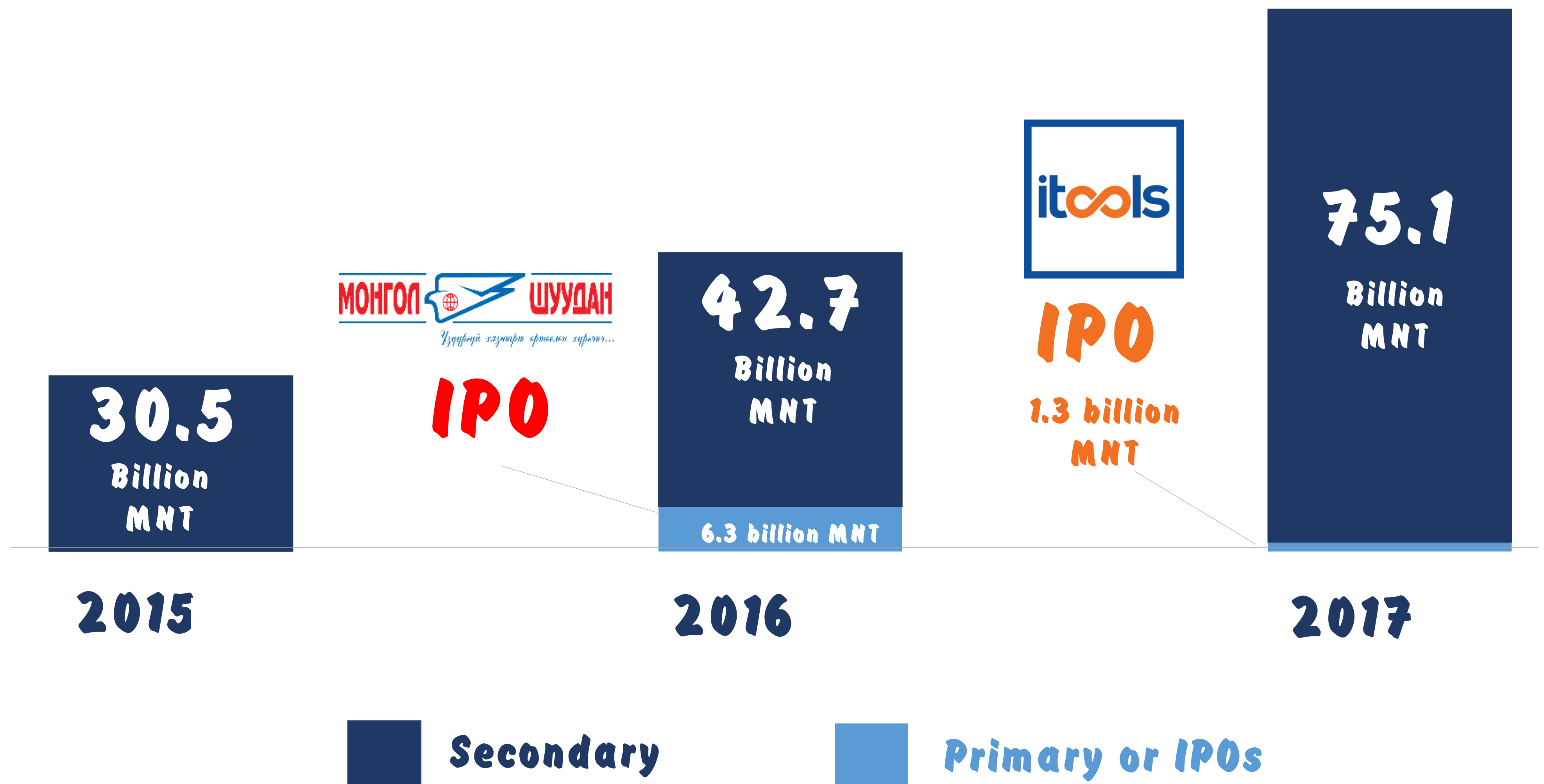
TRADED VALUE

In 2017, total traded value at MSE reached its all time high at MNT859.2billion which is more than 57.2 and 140 percentage increase in comparison with that of 2015 and 2016, respectively.



STOCK MARKET

The total value of traded stocks reached **MNT76.4 billion** in reporting period which is **76 percentage increase YoY.**





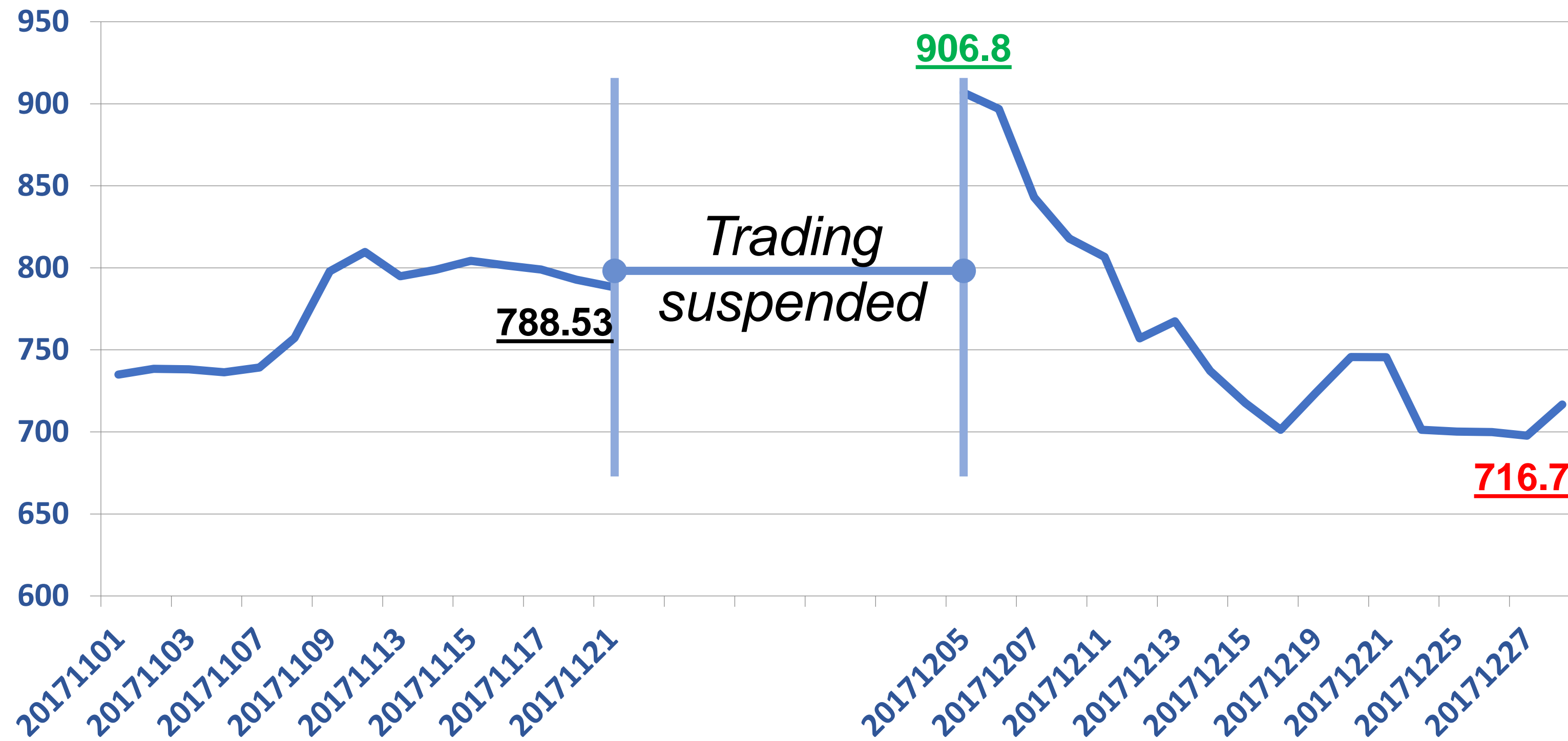
IPO in 2017: ITools JSC



ITools offered it 38.86% stake or 13.4 million shares to the public during its IPO. It received subscription for 39.8 million shares from 1072 individuals and entities.



Trading suspension: APU JSC



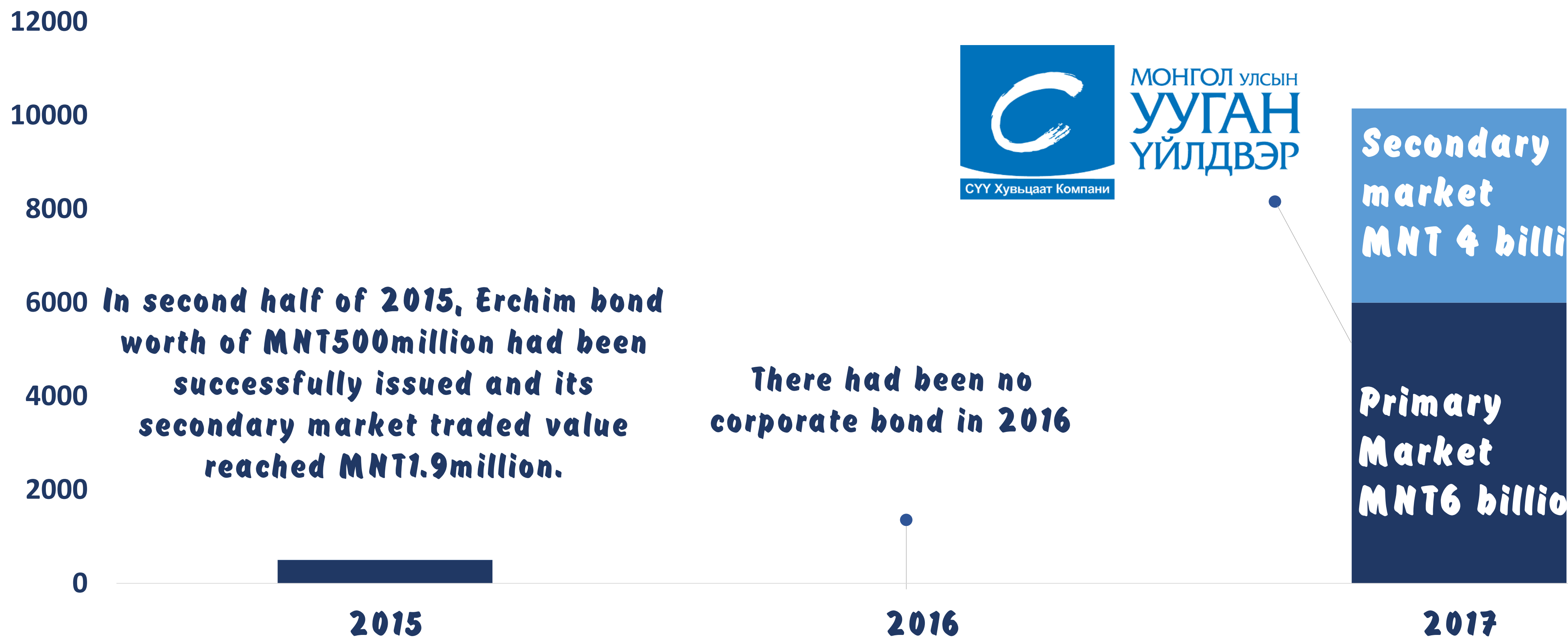
Total amount of 742.9 million registered shares of APU has been increased by amount of 321.3 million shares of EverGreen Investment LLC to amount total of 1,064.2 million shares with nominal price of MNT0.1 each. On 5th Dec 2017, APU share price reached MNT906.8 each thereby its market cap reaching MNT950Billion making it the highest valued company on Mongolian market.

At the end of 2017, its market cap totaled MNT 762billion.



Company bond

In 2017, corporate bond market's traded value reached MNT10.2 billion with Suu bond issuance of MNT6.7billion worth of debt with oversubscription of 13 percent. Suu bond's secondary market began 4th July 2017 and up to end of the year it has been traded for a total value of MNT4.2 billion.



GOVERNMENT BOND

In 2017, Government Bond's trading value totaled MNT772.5 billion with MNT9.3 billion of the sum were traded through 3 competing bid schemes. Government Bond's first competing bid received twice the number of instrument offered initially and as a result the coupon rate was decreased to 10.3% from 11.7% initially set.





NOTABLE EVENTS

- **INTERNATIONAL CUSTODIAN SERVICE**

Custodian Service agreement between JPMorgan and Golomt bank was signed becoming the first step into attracting investment from professional investment fund.

SECURITIES DUAL LISTING RULES WERE APPROVED

24 Nov, 2017, Financial Regulatory Commission approved Rules on Listing procedures of securities to be listed on domestic exchanges by entities already listed on foreign exchange, and securities to be listed on foreign exchanges by entities listed on domestic exchanges.

LENDMN'S SECURITIES WERE REGISTERED.

EVENTS ADDRESSED FOR GENERAL PUBLIC WERE ACTIVE



LENDMN'S SECURITIES WERE REGISTERED

Total amount to be raised: MNT5 billion

Total number of registered shares: 800 million

Nominal price of a share: 10 MNT

Offering price: 25 MNT

Stake offered for public: 12.5%

Stake offered for strategic investors: 12.5%



The Company pioneered on domestic market combining technological advances with financial services and providing its service through mobile applications.





FTSE Group's "Frontier" market

Mongolian capital market was included in Watch List for possible subsequent inclusion in Frontier market lists in 2012. However, due to absence of notable improvements Mongolian market was excluded from the Watch List in 2017.

Total AUM of funds
tracking FTSE indexes

\$3.5Tri

0.01% of the sum that
potentially could be
invested into Mongolian
Market

\$350M

Following should be done to include Mongolian Market into the Frontier market list.

- Implement T+ settlement cycle instead of prefunding practice;
- Introduce DvP;
- Presence of international custodian bank.

FTSE
Russell



CAPITAL MARKET REALITY SHOW

First mini-serial TV show to educate the general public on capital market theme

- Airing started 7 Nov, 2017 and were broadcasted each Monday
- Total of 7 series
- 5 representatives of general public as a participants
- 5 professional advisors for each of participants
- Participant who gained the most in value of his/her investment to be WINNER.



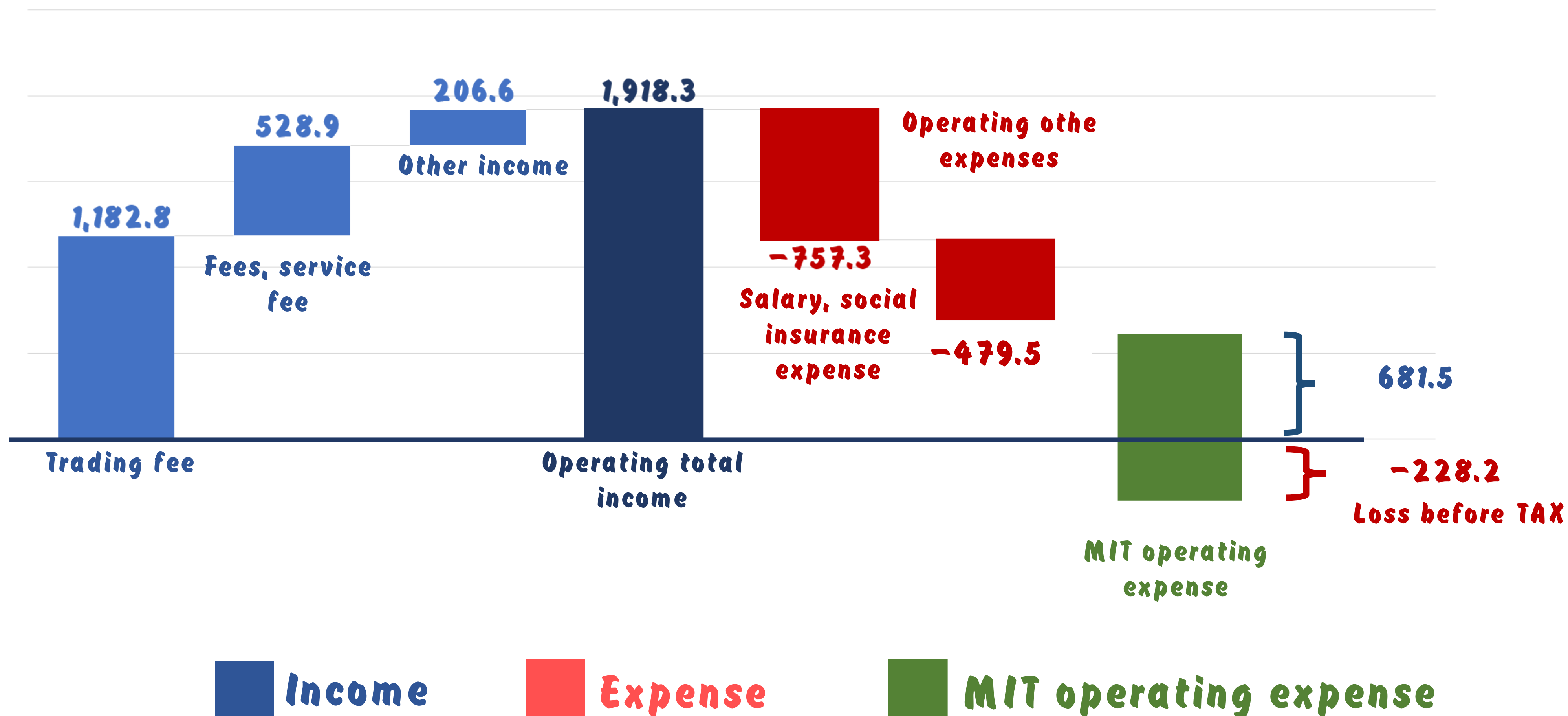


PUBLIC EDUCATION

- In order to increase public awareness of capital market, MSE cooperated with “Golomt Capital UTsK” LLC to set up training room and organized intensive training.
- Granted the license to conduct training for Capital market from Ministry of Labor and Social Protection.
- Conducted “Securities Market Basic knowledge training” on every months.

FINANCIAL INDICATORS

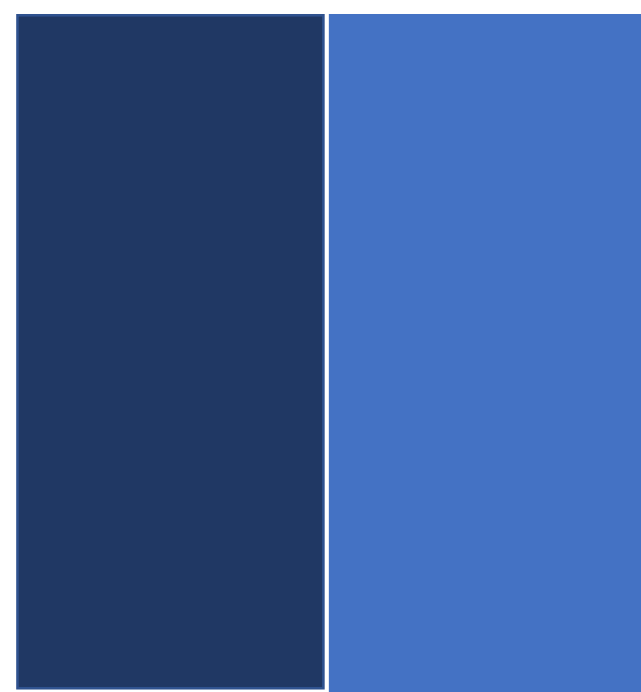
In 2017, MSE's total revenues from operating was **MNT1.9 billion**, and expense was MNT1.2 billion resulting MNT681.5 million net income. MIT system's operating expense was MNT909.7 million accumulated and the total loss was **MNT228.2 million**.



FINANCIAL INDICATORS

2016

1,190.0
Mln MNT



2,055.8
Mln MNT

1,189.5
Mln MNT

Loss
2,055.2
Mln MNT

2017

1,918
Mln MNT

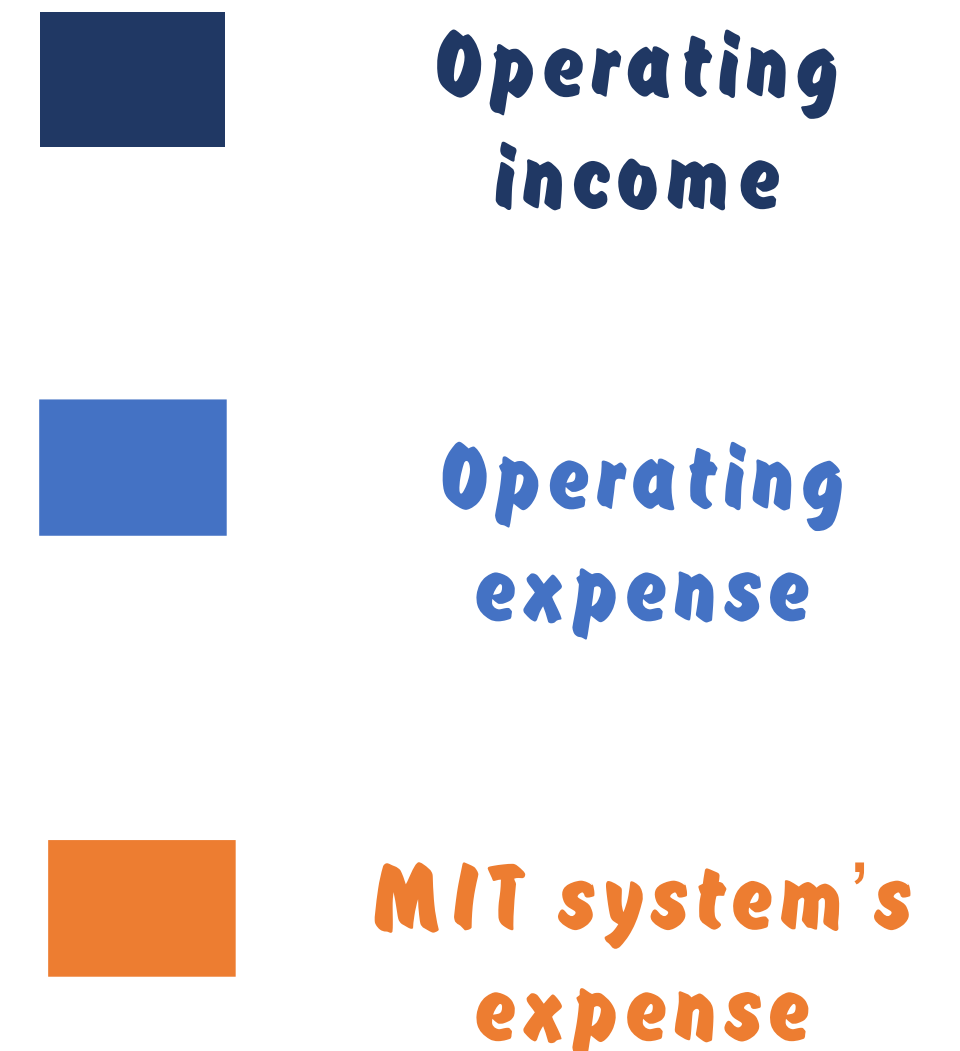


1,236.9
Mln MNT

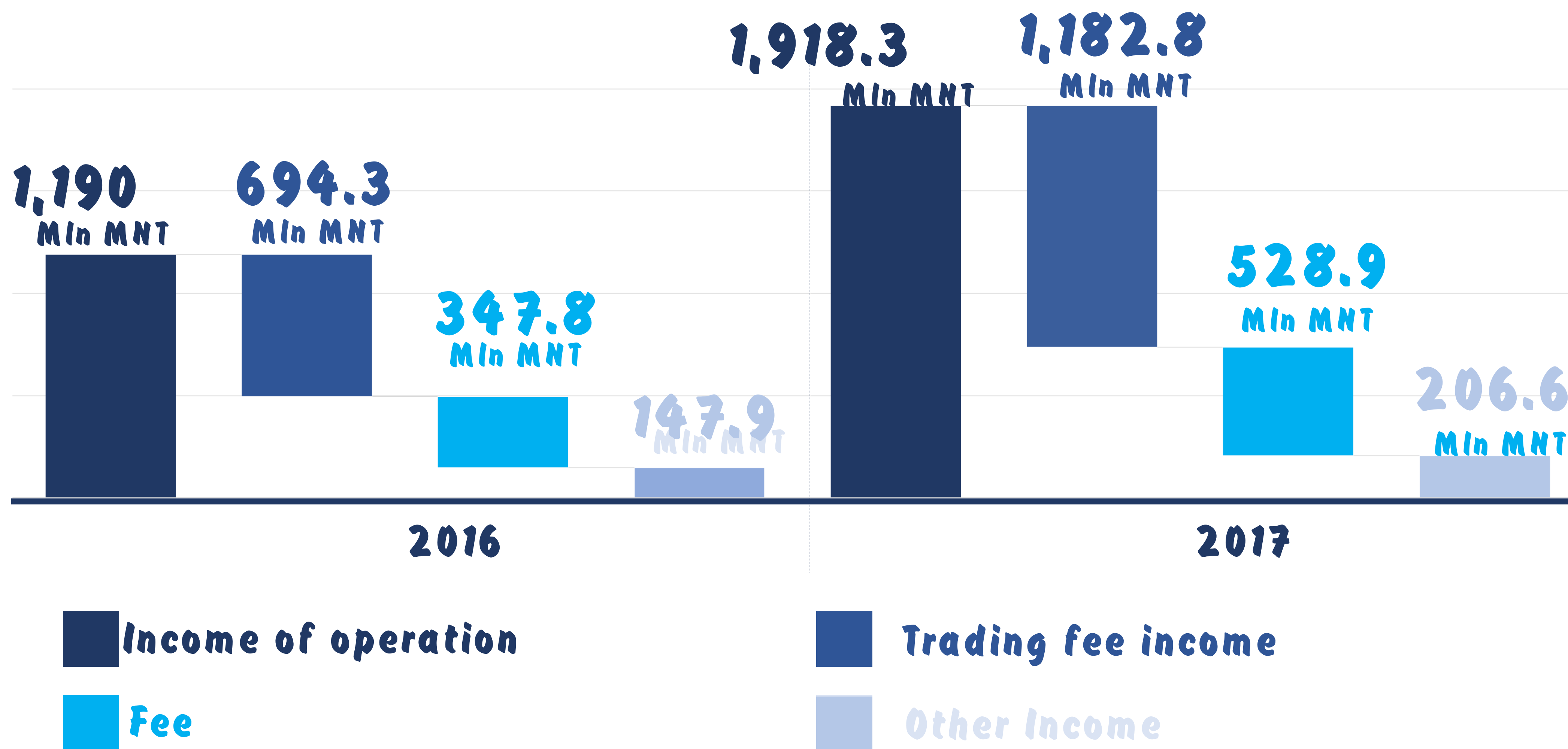
909.7
Mln MNT

Loss
228.2
Mln MNT

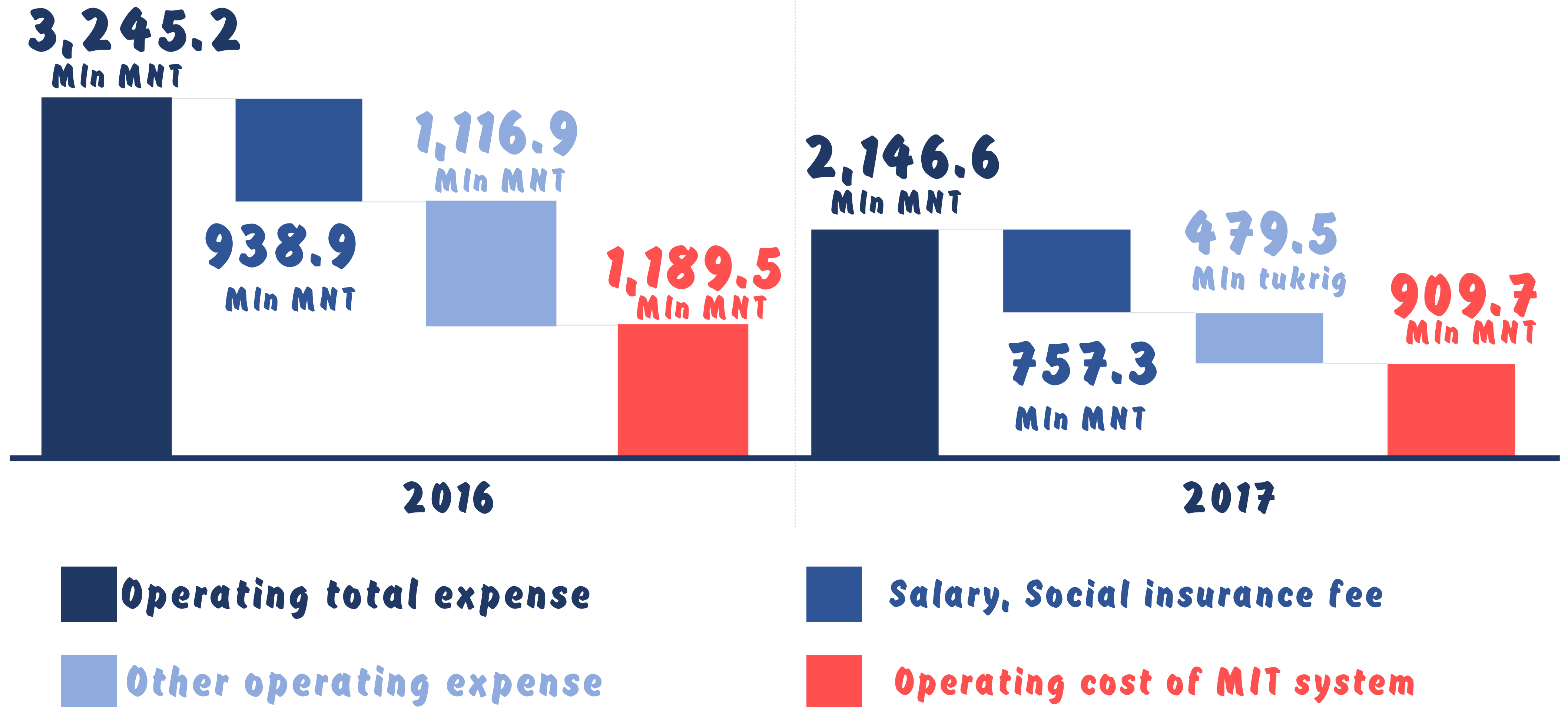
In 2017, MSE's operation income increased by 61 percent from year of 2016, the expenses decreased by 40 percent resulting balance sheet's total loss decreased 9 times from previous year.



FINANCIAL INDICATORS



FINANCIAL INDICATORS

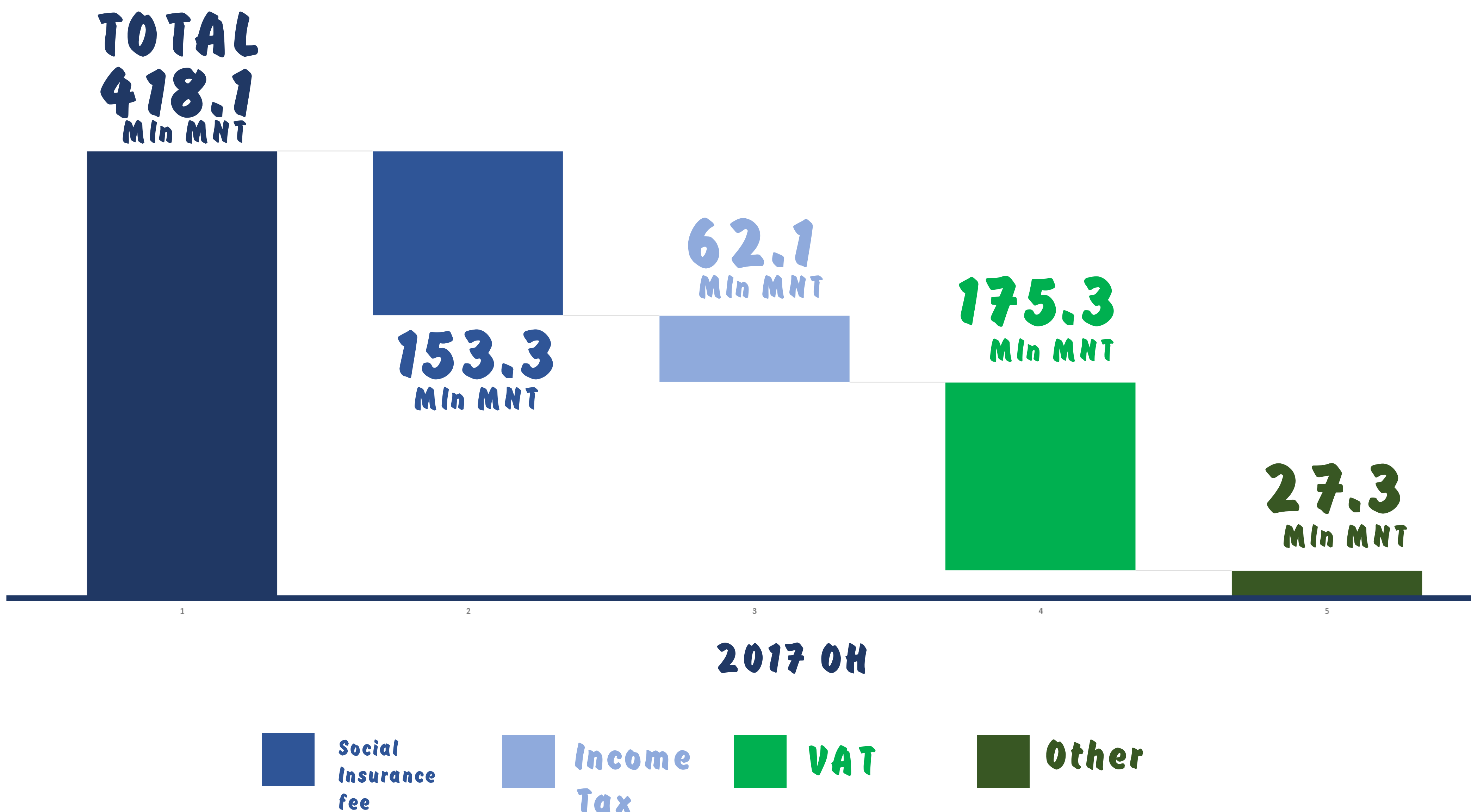


In 2017, MSE received MNT1.2 billion from State Budget and paid off USD459,500 to London Stock Exchange, plus MSE transferred MNT112.4 million to State Budget as VAT.



TAX PAID TO STATE BUDGET

Mongolian Stock Exchange paid total of **MNT418.1 million** to state budget.





“Монголын Хөрөнгийн Бирж” ТӨХК

Сүхбаатарын талбай 3, Улаанбаатар хот, Монгол Улс

Факс: (976)-11-325 170

Веб хуудас: www.MSE.mn