

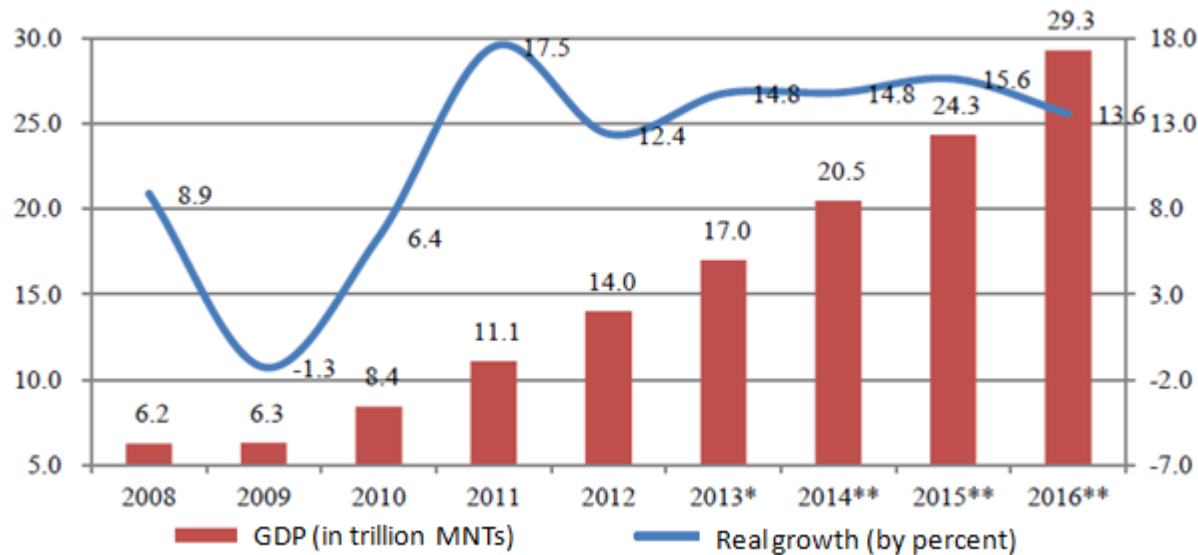


MONGOLIAN ASSOCIATION OF SECURITIES DEALERS
ASF 2013,

Mr. TSOGTBAYAR TAMJID
MEMBER OF THE BOARD

MONGOLIAN ECONOMICS OVERVIEW

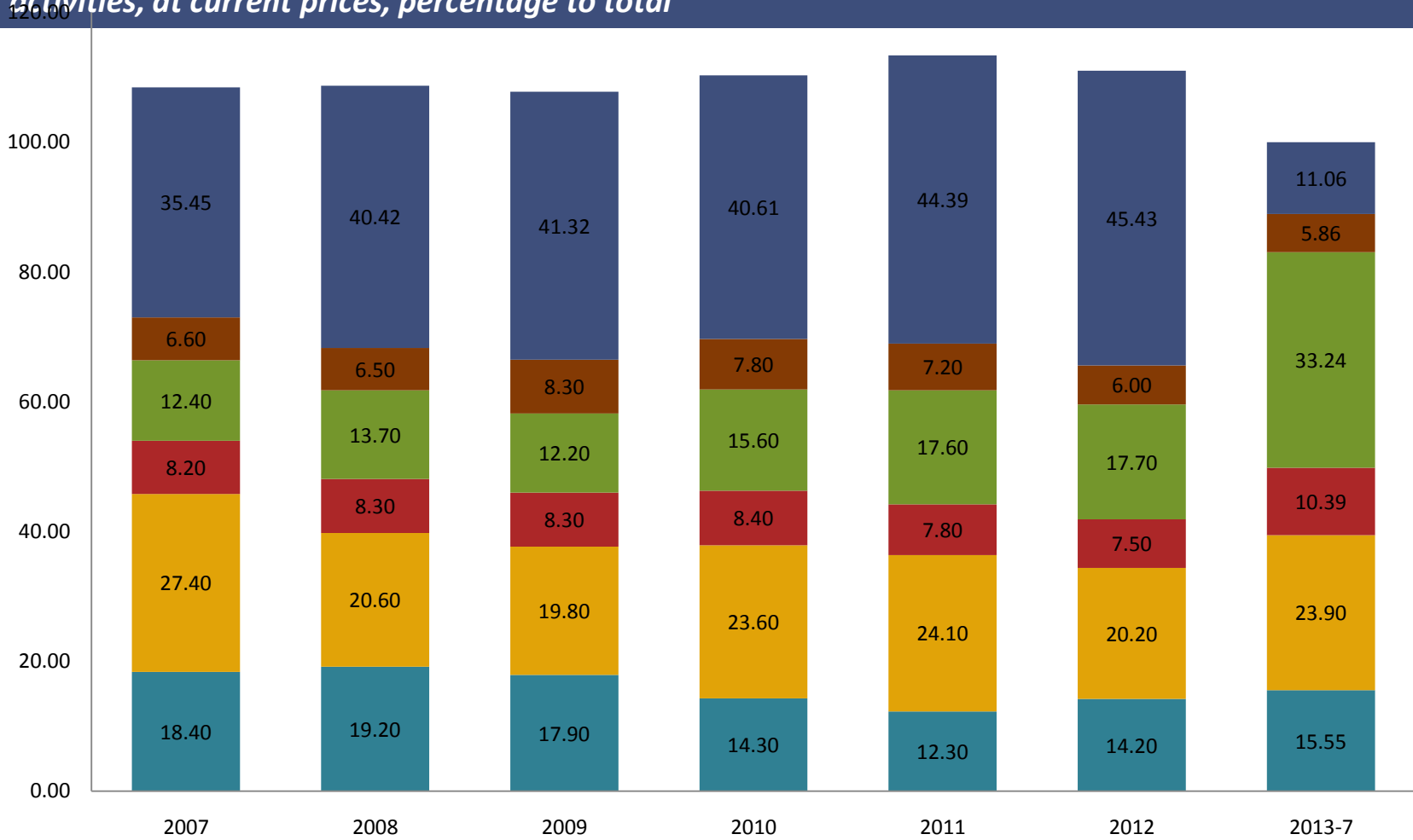
GDP, Real growth of economic



As for 2012, Mongolia's economic increased by 12.4% from the previous year 2011, which GDP given by current year cost will reach 14 trillion MNT. Active increase in investment consumption became main impact of economic growth even though export income has went down in 2012. For instance, house hold consumption increased 19.6%, asset a cumulation 28.2% on an average.



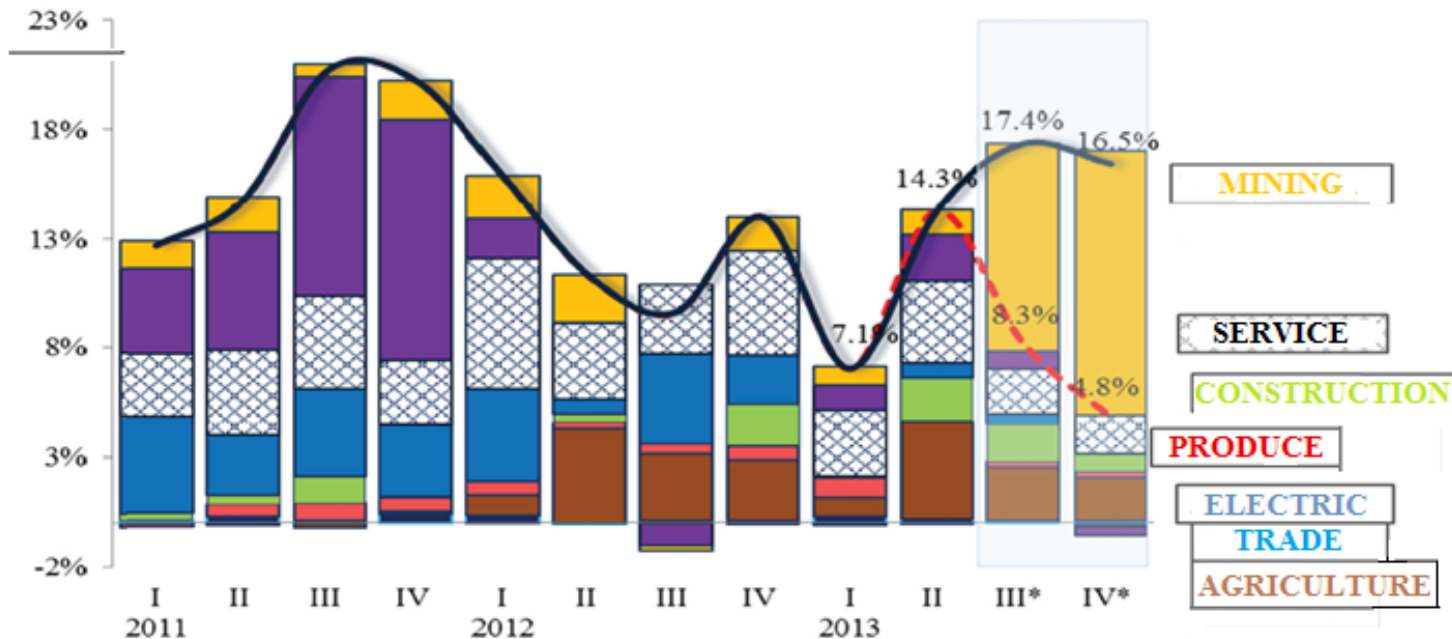
INDUSTRIAL COMPOSITION OF GROSS DOMESTIC PRODUCT*, by classification of economic activities, at current prices, percentage to total



■ Agriculture, forestry and fishing
■ Manufacturing
■ Transportation and storage

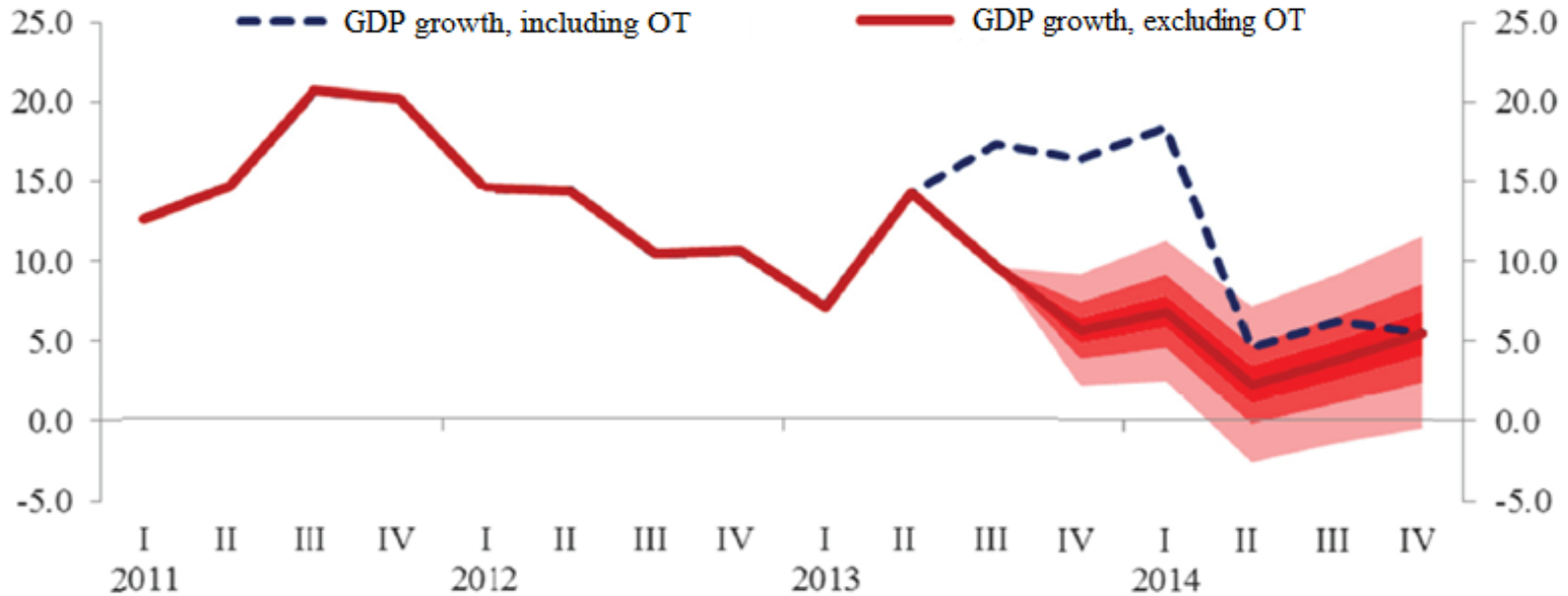
■ Mining and quarrying
■ Wholesale and retail trade; repair of motor vehicles and motorcycles
■ Other

GDP by product approach



Forecasting GDP growth on demand side, it will increase by 16.9% in 3rd quarter of 2013 compared to the same period of the previous year or at the end of the year, economic growth will increase by 13.2% with impact of household consumption export growth. Household consumption growth condition expected to compose 11.6% of GDP growth in 3rd quarter of the year. Purchase of Government product is aiming go down a bit in last half year of 2013 compared to the same period of the previous year because of the partial.

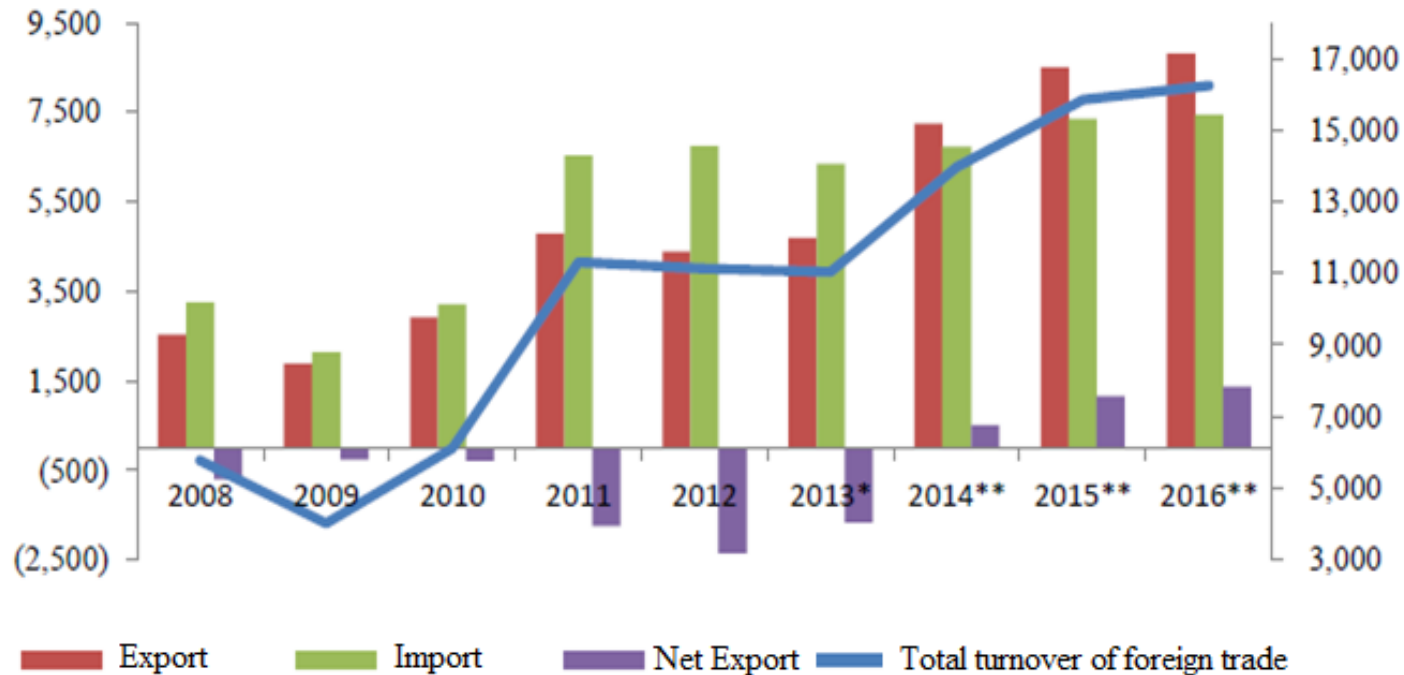
GDP GROWTH FORECAST



In 2013 the estimated growth of GDP in 3rd and 4th quarter was each 17.4 & 16.5% in comparison to the former year which results this year's growth to be around 14%. Main contribution for this growth is mining sector's growth such as Oyu Tolgoi manufacturing as well as Central bank's policy in corporation.

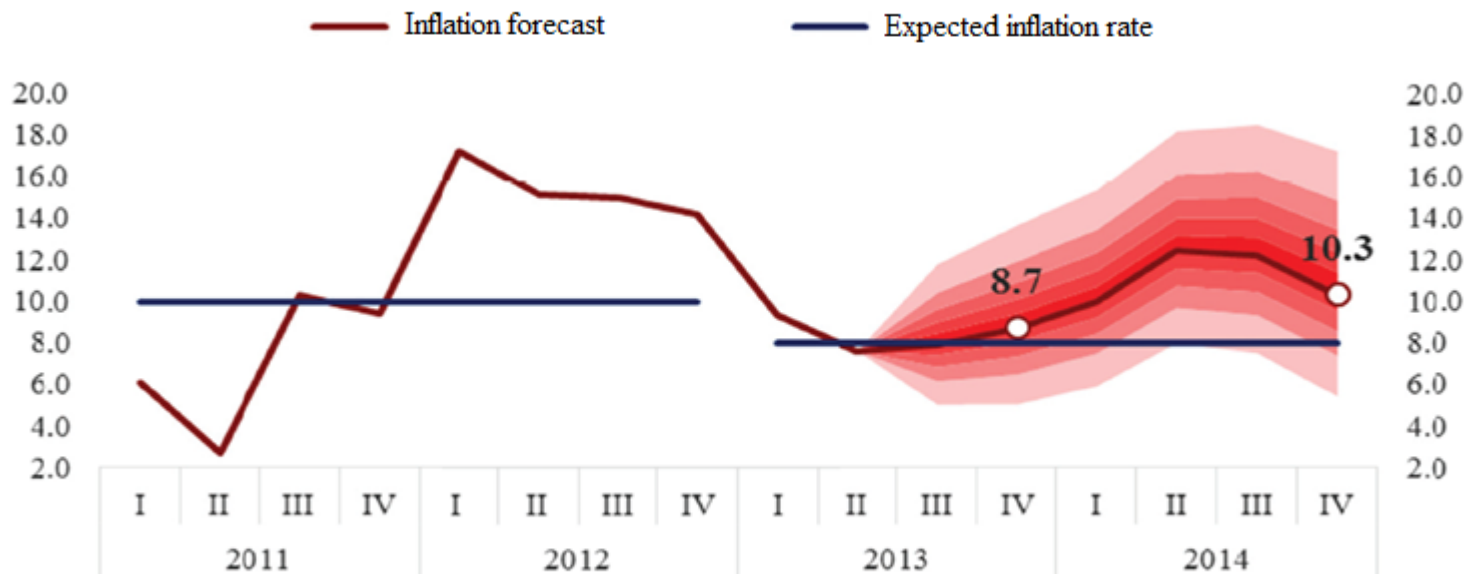


FOREIGN TRADE million US dollar



Foreign trade turnover increased nearly 30% in 2014 due to major projects in mining sector, which aiming to reach 14 billion USD. Total of 723.1 copper concentrate intended to export from Oyu Togloi copper & gold mine in 2014. Also 3.1 million tonne charcoal. 7.8 million tonne iron ore and 5.8 million barrel petroleum oil intended to be exported. There fore total export level prospect is 7.2 billion USD in 2014.

INFLATION

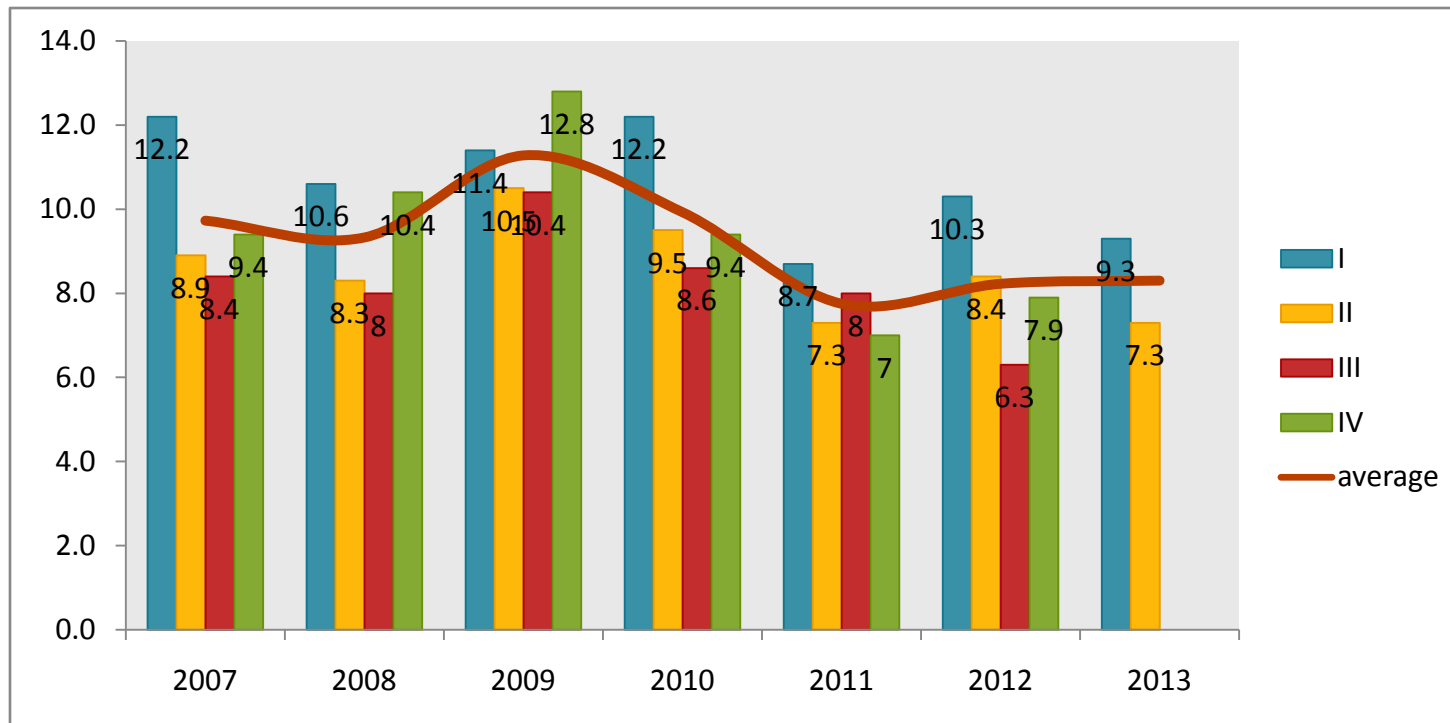


By the end of 2013 median inflation is 8.7%, within 90% probability the inflation ranges between 5-13.7%, median inflation forecast is 10.3%, within 90% probability the inflation ranges between 5.4-17.3% in 2014. To forecast inflation mainly examined on demand side and supply side inflation,, currency fluctuation deal with money might increase abstraction of forecast.

Forecast in June, impact for this decrease are utilization of budget is lower than planned, Budget expenditure trim on the assumption of interrupted income, Few expenditure of Chingis bond has been postponed.



Unemployment rate



Registered unemployed citizen's decreased by 14.7% or 6.5 thousand which reached 37.6 thousand compared to the previous year.

To range unemployed citizen's by their education:

- master degree – 0.5%
- special profession – 6.8%
- Professional technicians – 6.7%
- bachelor's degree – 29.9%
- High school graduates – 41.5%

THE SECURITIES MARKET

The Mongolian Association of Securities Dealers

Mongolian Association of Securities Dealers (MASD) was established in 1995 by consolidating 29 brokerage firms and Mongolian Stock Exchange in accordance with law of Non government organization

To protect the stable operations, interests, joint concept and policies of professional organizations licensed to participate in stock market.

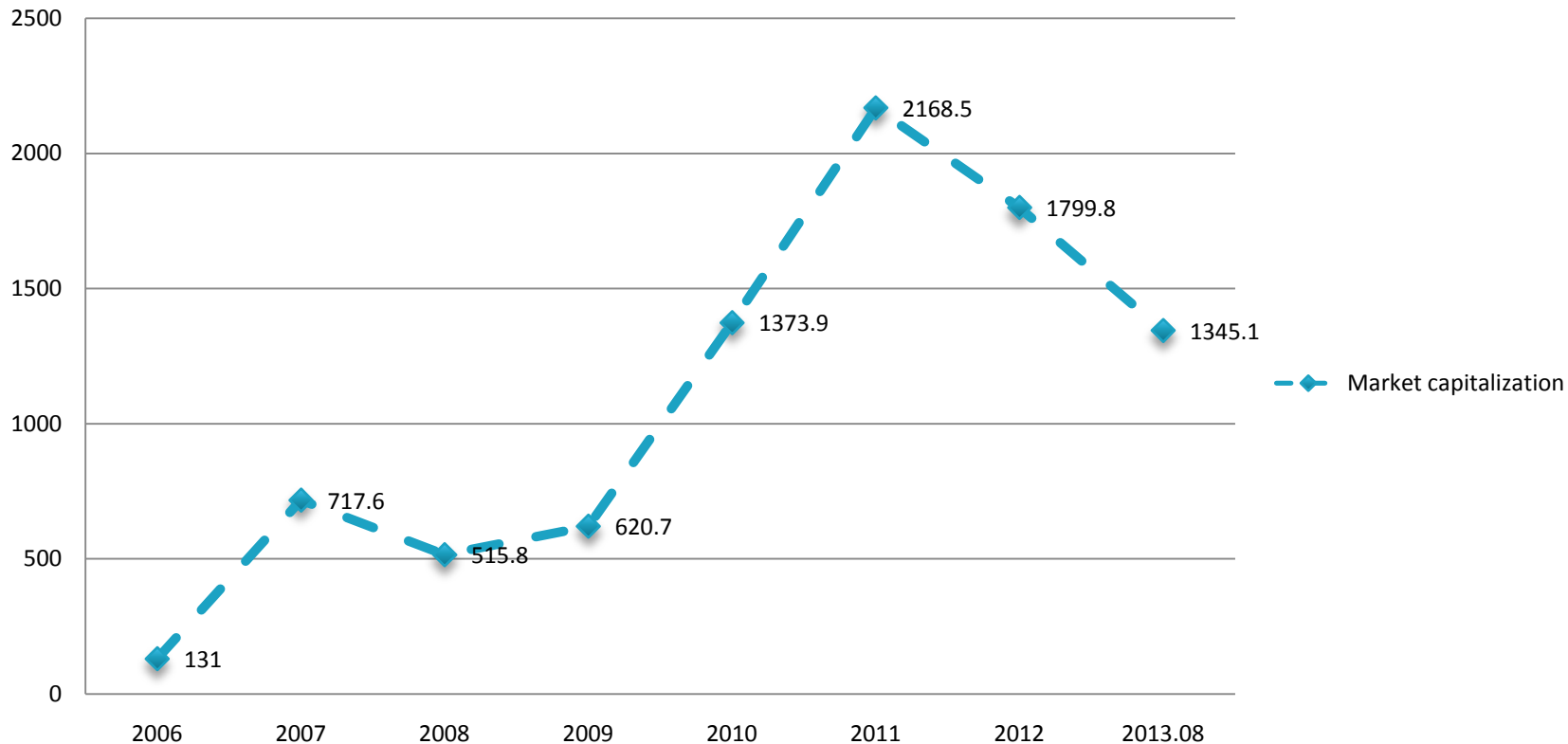
Today MASD has 54 member underwriters and broker-dealer companies, and its more then 1000 licensed professionals, and serving for best common interest of all investors



MARKET CAPITALIZATION /million MNT/

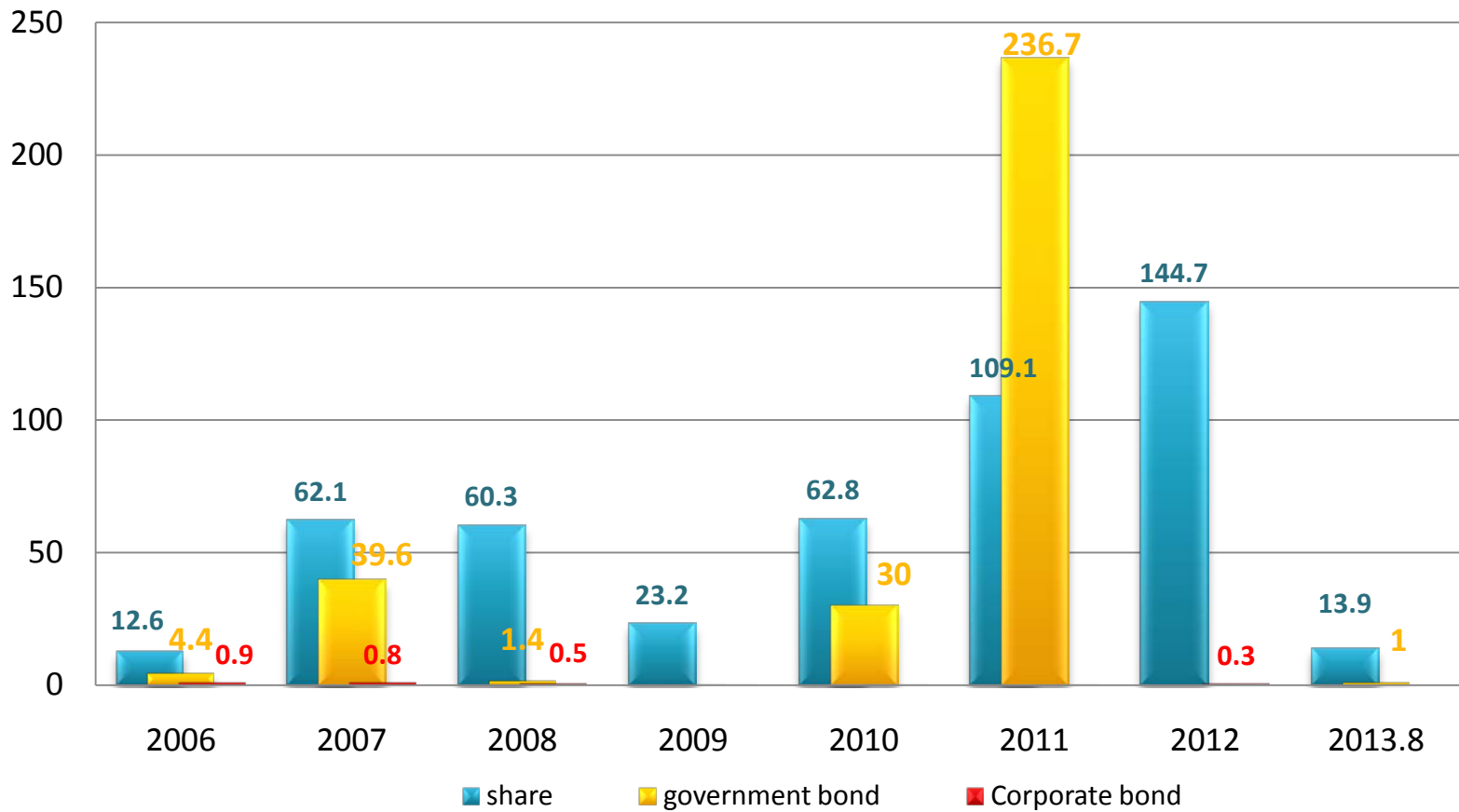


Market capitalization (bln MNT)





Securities Market Trade



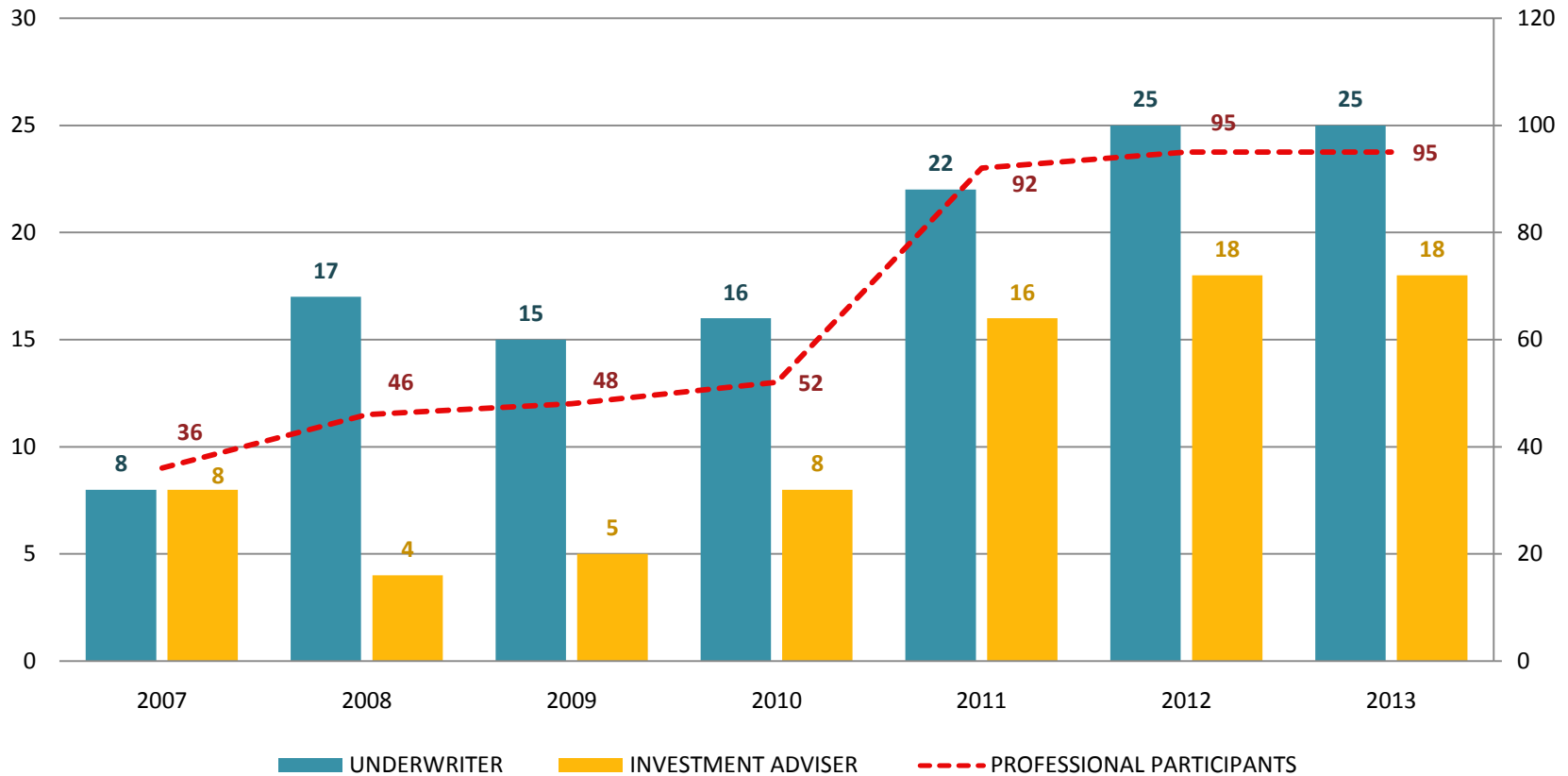
TOP 20 INDEX



PROFESSIONAL PARTICIPANTS



PROFESSIONAL PARTICIPANTS



CONCLUSION



Below are actions we are taking to improve legal regulations due to poor evolution of Mongolian capital market.

- ✓ **Company - Law /2011.10.06/ , Securities Market – Law /2013.05.24/, Investment Fund – Law /2013.10.03/ and related policy and regulations**
- ✓ **Mongolian Stock Exchange is currently working on comprehensive update of security trading of stock market, clearing and broker-dealer system to file it electronically with support of London Stock Exchange.**
- ✓ **Mongolian Capital Market is having high demand of new product nowadays. For instance, investment fund shares; and to release new share.**

THANK YOU FOR YOUR ATTENTION