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1. About Mongolia

Country profile

Aria: 1.565 million km

Population: 3.2 million

Capital city: Ulaanbaatar

Languages: Mongolian
94%, Russian, English 6
%

Currency: Tugrug (MNT)

Government: Parliament





2. Mongolian Capital Market's framework

Authorities of the Financial market

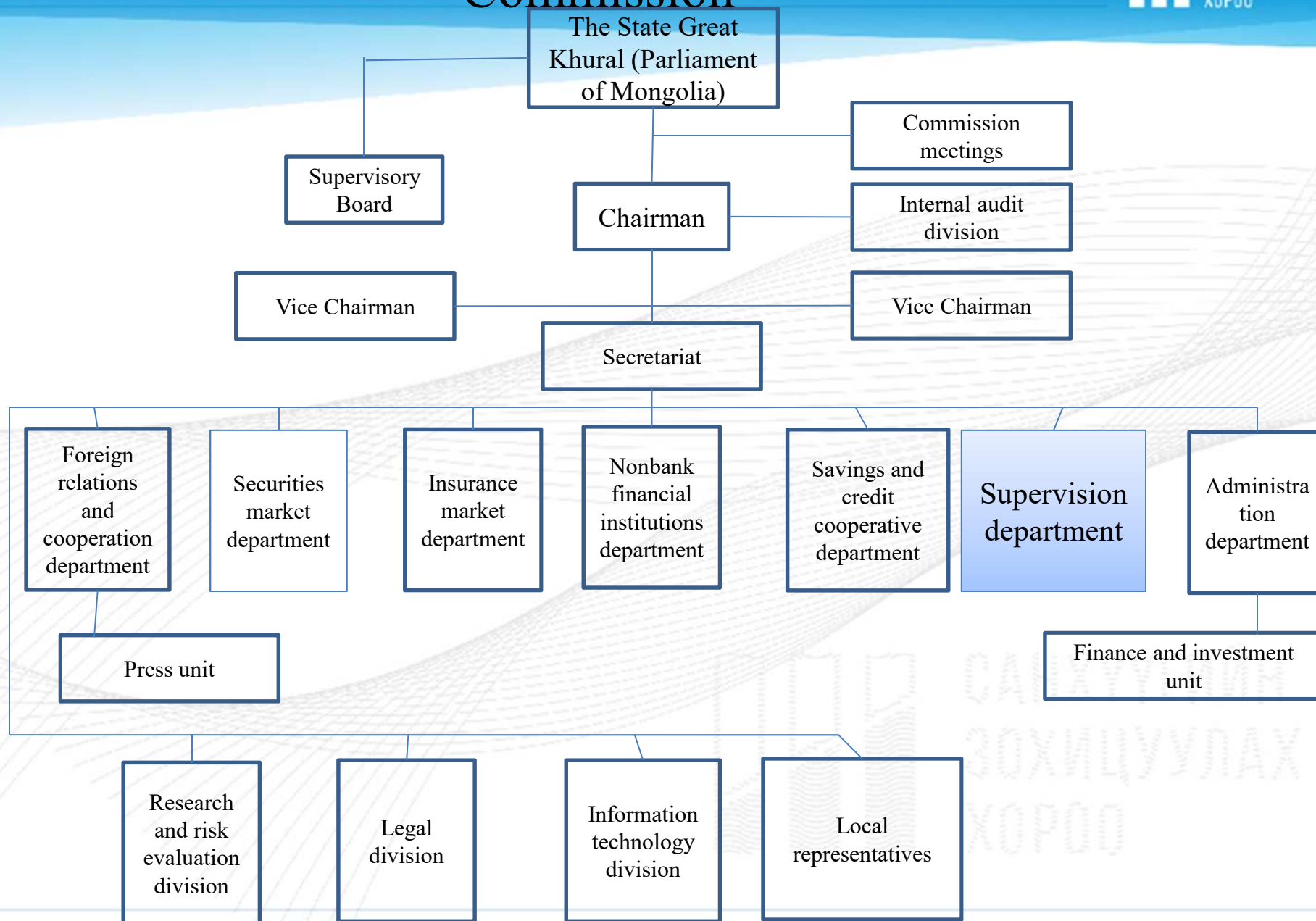
Financial Regulatory
Commission

- Insurance market
- Securities market
- Microfinance market
- Non-bank financial institutions
- Savings and credit cooperatives

The Bank of Mongolia

Money market /Banks/

The Structure of Financial Regulatory Commission



Financial institutions under FRC regulation

As of 2nd quarter of 2019, FRC regulates **2,397** professional entities including:

- ❖ securities firms, brokers and dealers, underwriters, investment funds;
- ❖ insurance companies and intermediaries;
- ❖ non-bank financial institutions;
- ❖ savings and credit cooperatives;

Securities market
514

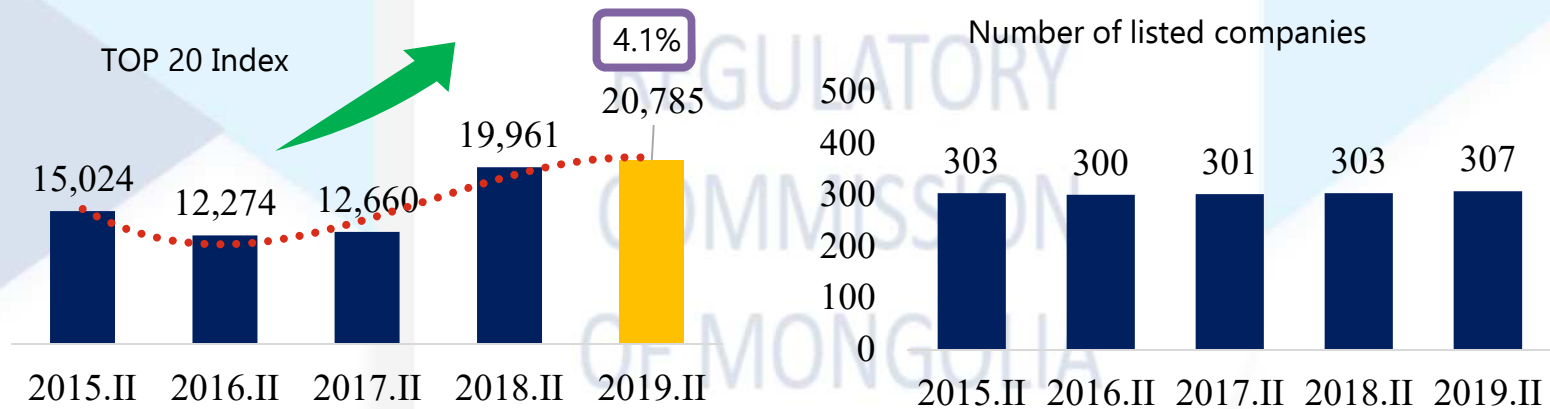
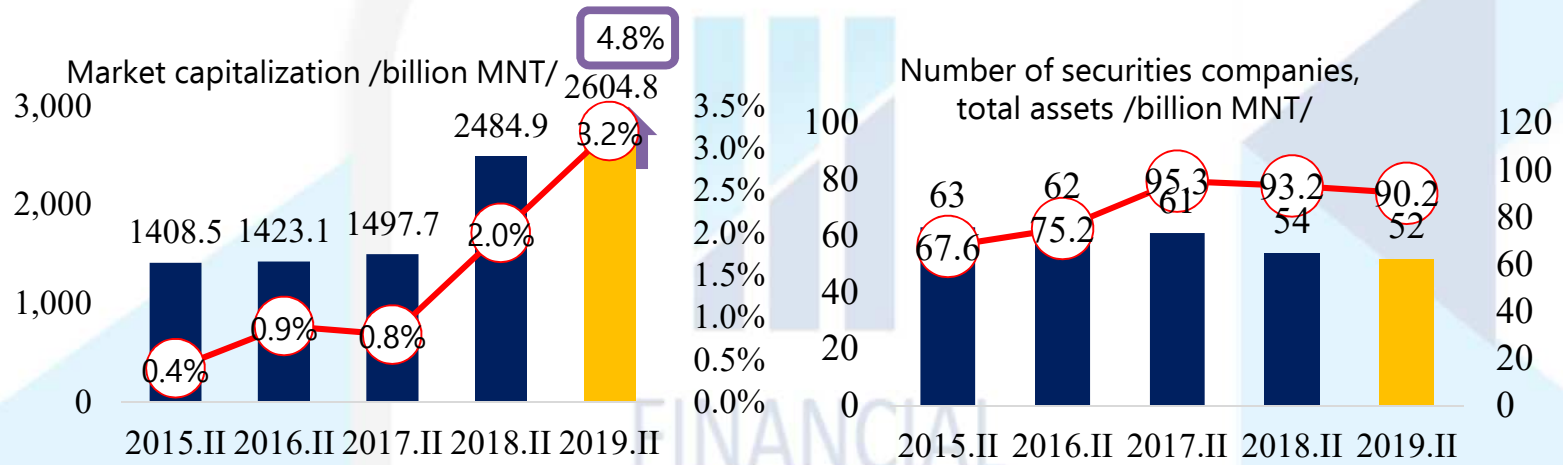
NBFIs
538

Insurance market
140

SCCs
275

Branches and
representatives
930

Capital market overview (MSE)





Capital market overview (MSE)

MARKET CAPITALIZATION /billion MNT/



TOTAL VALUE OF SECURITIES TRADED

90.5 BILLION MNT



CORPORATE BOND
TRANSACTION VALUE

0.1 BILLION MNT

SHARES TRADED
VALUE

82.5 T BILLION MNT



GOVERNMENT BOND
TRADED VALUE

7.9 BILLION MNT

SHARES TRADED COMPOSITION

FOREIGN INDIVIDUAL

14.4%

LOCAL INDIVIDUAL

36.9%

LOCAL ENTITY

27.8%

FOREIGN ENTITY

20.9%



Initial public offerings (IPO)

- In 2018 (6)
 - LendMN (5 billion MNT)
 - Mongol Basalt (6.4 billion MNT)
 - Erdenes Resources Development Corporation (2.5 billion MNT)
 - Mandal Insurance (7.5 billion MNT)
 - Ard Insurance (5.3 billion MNT)
 - Tumen Shuvuut (10 billion MNT)

} 36.7 billion MNT
- In 2019 (3)
 - Ard Credit NBFI (5.2 billion MNT)
 - Invescore NBFI (18.6 billion MNT)
 - Monos Foods JSC (8.6 billion MNT)

} 32.4 billion MNT

Mongolian Capital Market at a Glance: Development Stages

1995's
~
2000's

Stage I : created and established the capital market

- Established the stock exchange
- Started to primary and secondary trading
- Implemented the privatization through stock exchange
- Created the legal and regulatory frameworks

2001's
~
2007's

Stage II: New product & Quantitative Growth

- Corporate bonds trading started
- First IPO launched
- Attract the foreign investor and domestic investor

2008
~
2014

Stage III: Qualitative Growth through Structural Reforms after the Mining Crisis

- Introduced the Millennium IT integrated system of trading, settlement, surveillance in capital market
- Revised the Securities market law and Investment fund law
- Created the securitization market

2015
~
2017

Stage V: Strategic Growth through Serving Customers' Diversifying Needs

- Expanding product line-up into unit trust, commodities futures
- Promotion for listing of foreign stocks, Cross listing regulation
- Change to risk based supervision from rule based supervision
- Approved the financial market's development strategy,

Thank you for your attention