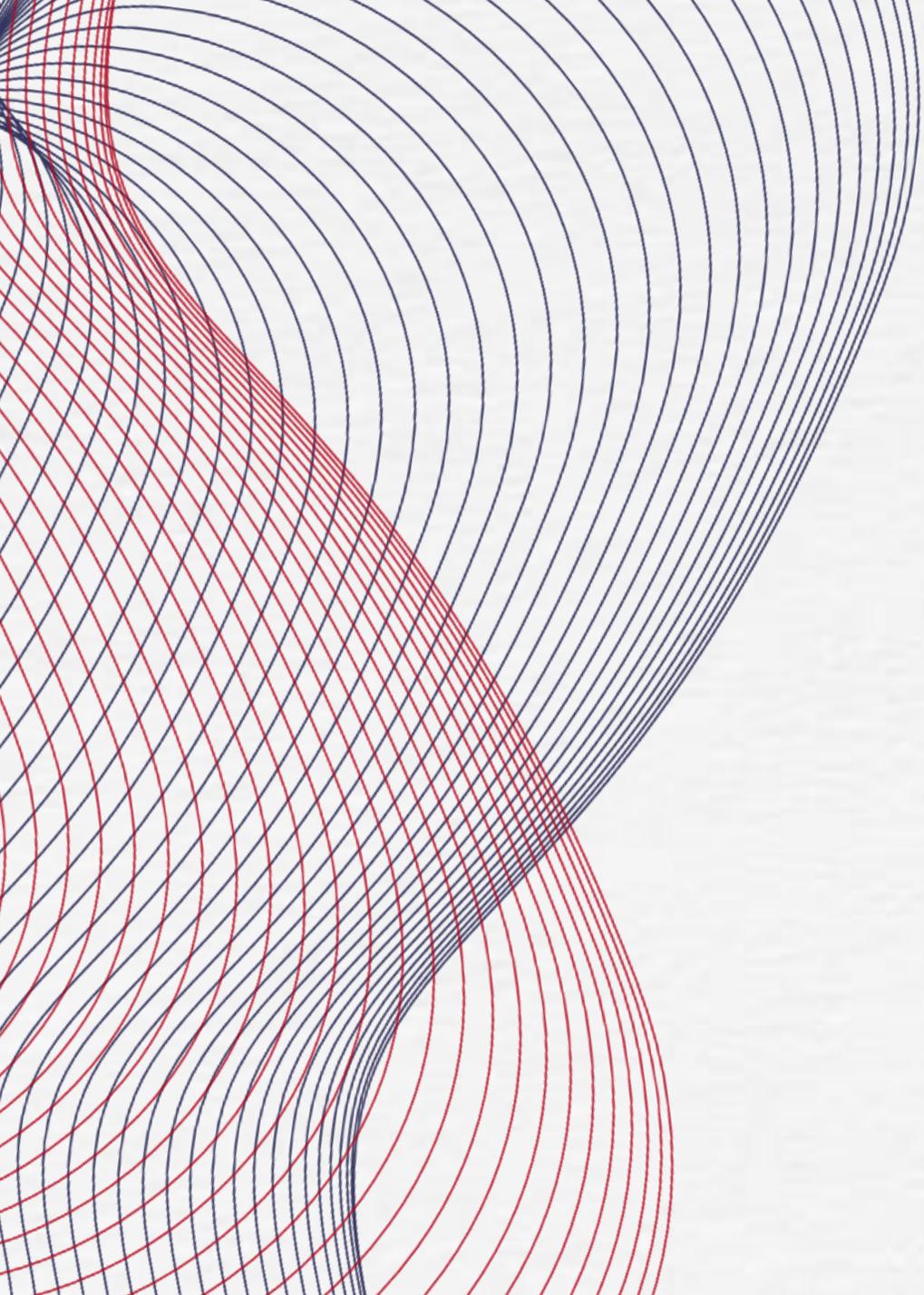




OPERATIONAL REPORT

2023



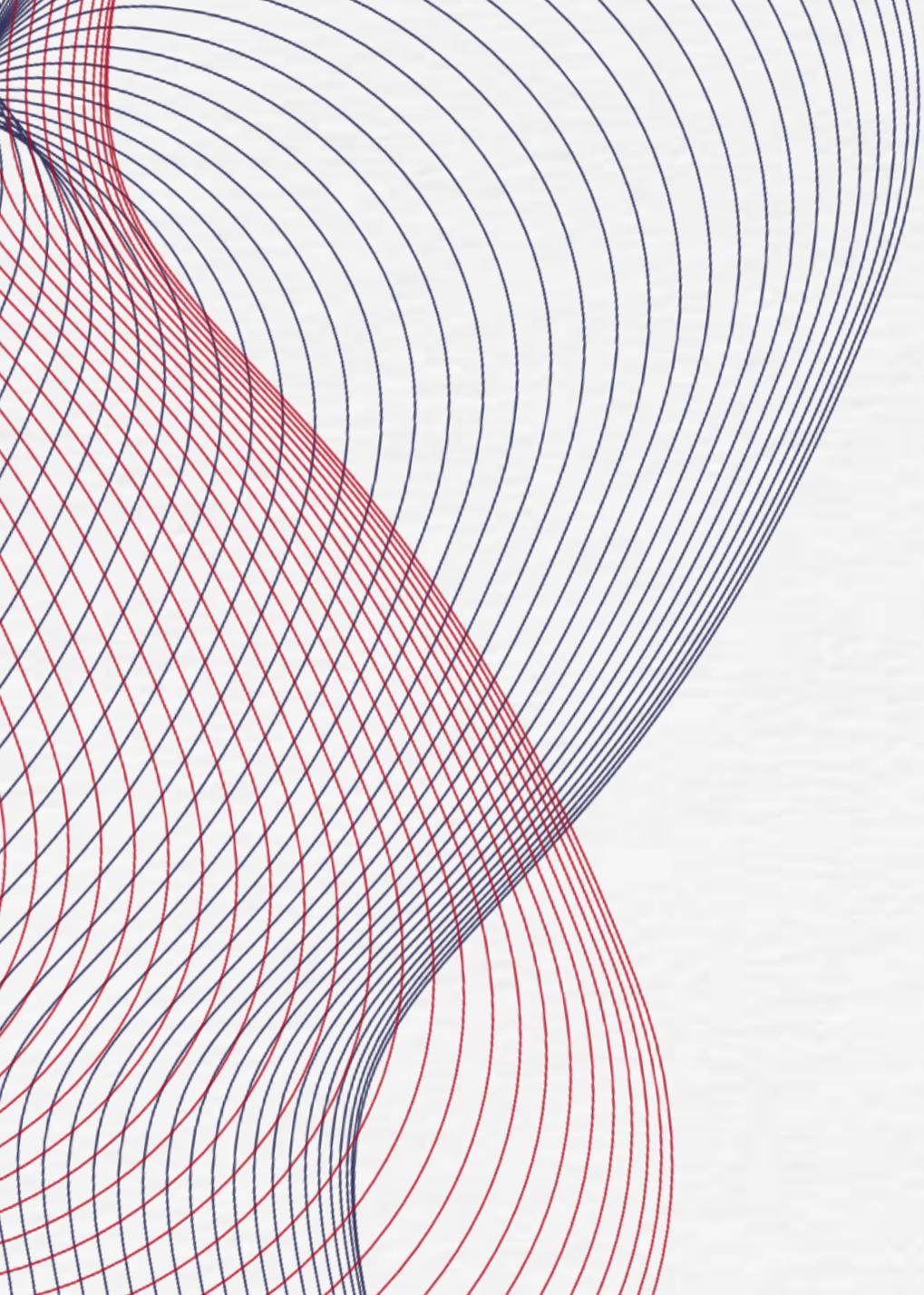
Achievements of 2023

- Company activity
- Corporate Governance
- Organization structure
- Company stock information
- Financial results

HIGHLIGHTS OF 2023

Highlights



- 
- Achievements of 2023

Company activity

- Corporate Governance
- Organization structure
- Company stock information
- Financial results

COMPANY ACTIVITY

Brief



Activity

33

years of history

Registered in TIER I of MSE

344

thousand clients

3

Branches in Ulaanbaatar, Darkhan, Erdenet cities

First brokerage Joint Security Company in Mongolia

Capital raised

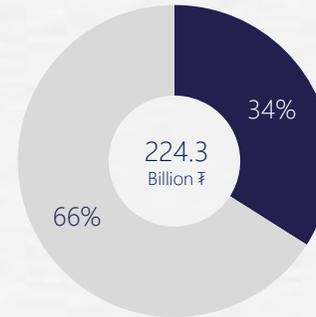
Total Capital raised:

1.5

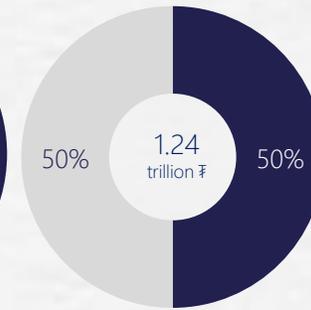
trillion MNT

■ "BDSec UTsK" JSC
■ Others

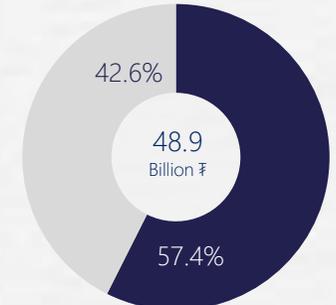
IPO



BOND



FPO



Areas of activity



BROKER, DEALER



UNDERWRITER



INVESTMENT ADVISORY



BROKER FOR INTERNATIONAL TRADING



BROKER FOR MINING PRODUCTS EXCHANGE

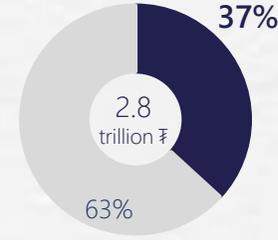
Share in total trading of "Mongolian Stock Exchange"

32.6
billion ₮



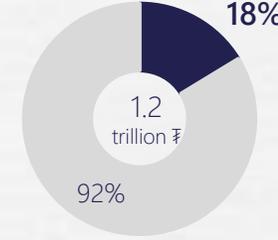
2020

1.04
trillion ₮



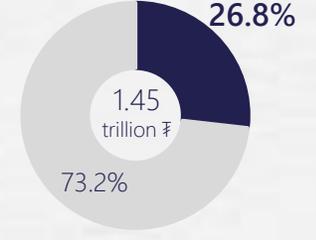
2021

207.8
billion ₮



2022

389.2
billion



2023

■ "BDSec UTsK" JSC ■ Others

COMPANY ACTIVITY

Underwriter



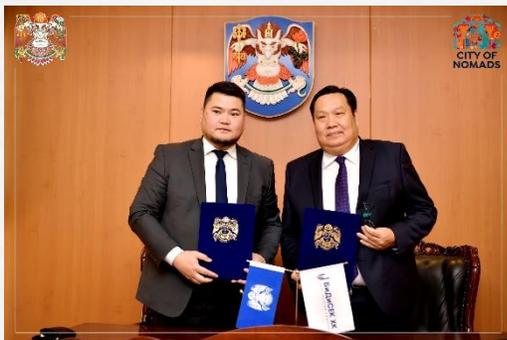
Initial Public Offering - IPO

183.4
billion MNT



Mongolia's first green bond program – Phase I

17.0
billion MNT



IPO permission for the first Mongolian municipal bond.

500.0
up to billion MNT



IPO approval was obtained from the committee.

11.5
billion MNT

COMPANY ACTIVITY

Broker activity



Trading information of all securities companies of "Mongolian Stock Exchange" JSC in 2023

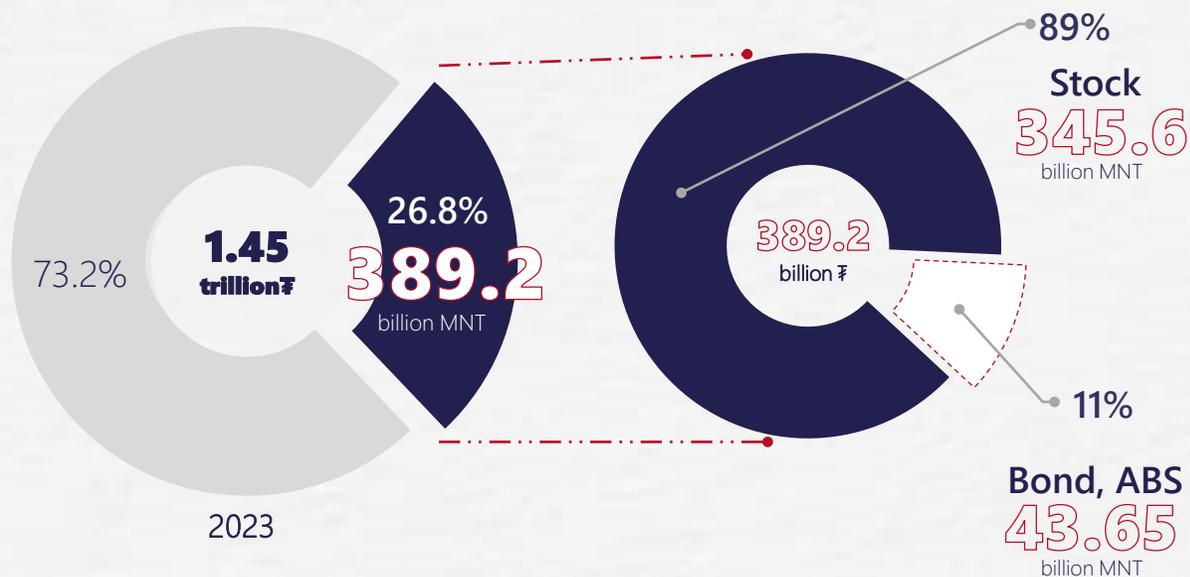


26.8% or MNT 389.2 billion of the total trade of MNT 1.45 trillion on the "Mongolian Stock Exchange" JSC was executed by "BDSec UTsK" JSC.

COMPANY ACTIVITY

Broker activity

Total trade structure of "BDSec UTsK" JSC in 2023



Monthly trades of "BDSec UTsK" JSC



COMPANY ACTIVITY

Special license & Membership



“BDSec UTsK” JSC

At the extraordinary meeting of shareholders on July 24, 2023, it was approved to operate as a “trading intermediary (broker) of the Mining Products Exchange”.



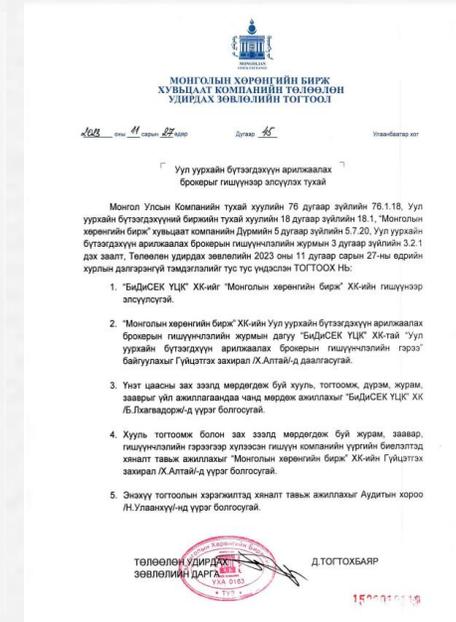
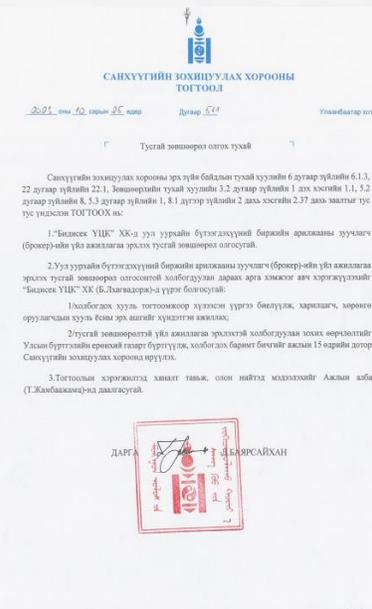
Financial Regulatory Commission

On October 25, 2023, a special license to operate as a “trading intermediary (broker) of Mining Products Exchange” was issued.



Mongolian Stock Exchange

On November 27, 2023, a membership of the “trading intermediary (broker) of Mining Products Exchange” was granted.



COMPANY ACTIVITY

Investment advisory services



Within the scope of advisory services

1. Giving recommendations on the features and organization of voting at shareholders' meetings
2. Participating in the development of a template for the announcement of the shareholders' meeting to be distributed in the media
3. Prepare voting instructions
4. Participate in the drafting of resolutions to be issued at the meeting of shareholders
5. Actively participate in answering questions and clarifications received from shareholders in relation to shareholders' meetings

GENERAL:



"BDSec UTsk" JSC



"APU" JSC



"Bogd Bank" JSC



"Bodi Insurance" JSC



"Goviin Undur" JSC



"Bayanteg" JSC



"E-Trans Logistics" JSC

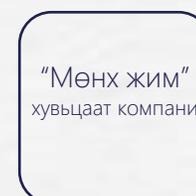


"Erdene Resource Development" JSC

EXTRAORDINARY:



"KHAN Bank" JSC



"Munkh Jim" JSC

COMPANY ACTIVITY

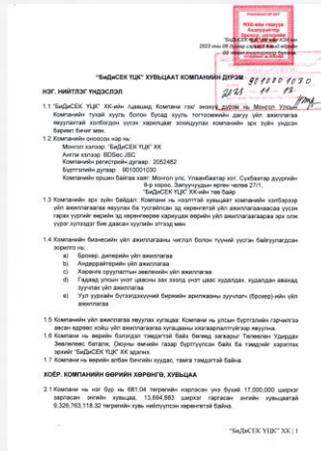
Related to



COMPANY SHARE CAPITAL, REVISED COMPANY CHARTER

The amount of the company's share capital was determined anew. The revised version of the company's charter was approved.

	Before revision	After revision
Par value per share	100₮	681.04₮
Shares outstanding	13'694'883	13'694'883
Share capital	1,369,488,300₮	9,326,797,591₮



Rules adopted on August, 14 2023



Rules adopted on April, 26 2017

FINANCIAL SOFTWARE

Smart Accounting

A comprehensive financial program that meets the international and Mongolian accounting standards for financial records and reporting is introduced.



COMPANY ACTIVITY

In the framework of social responsibility - BDSCUP 2023



A total of 6 teams participated



FINANCIAL REGULATORY COMMISSION



MONGOLIA SECURITIES CLEARING CENTER



MONGOLIAN STOCK EXCHANGE



"BDSec UTsk" JSC

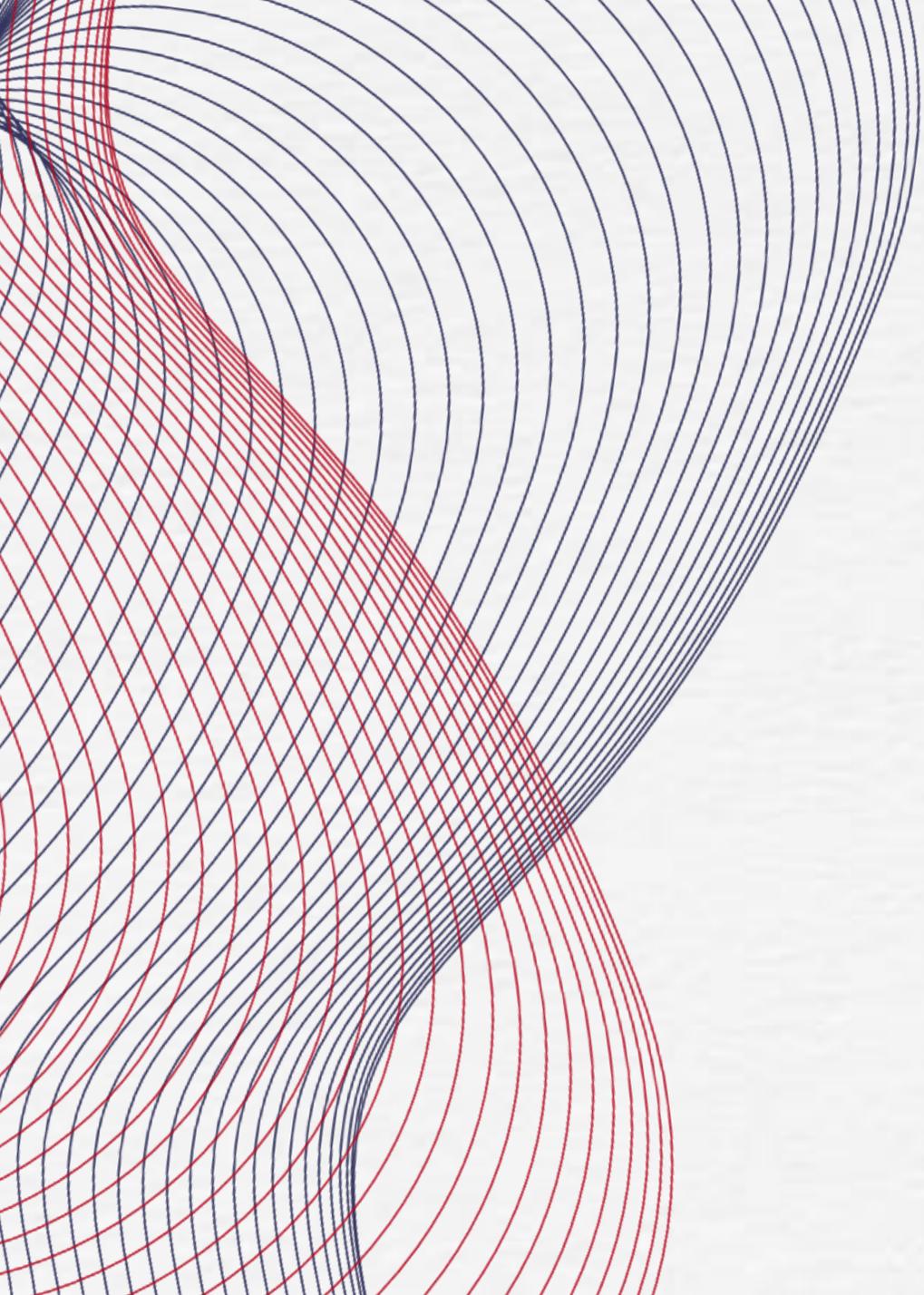


CENTRAL SECURITIES DEPOSITORY



"APEX CAPITAL UTsk" LLC

The BDS CUP 2023 tournament was successfully completed on September 23 at the football field on the west side of the General Directorate of Border Protection.

- 
- Achievements of 2023
 - Company activity

Corporate Governance

- Organization structure
- Company stock information
- Financial results

CORPORATE GOVERNANCE

Board of Directors



Chairman



**DAYANBILGUUN
DANZAN**

Chairman of the board
President, "BDSec UTsk" JSC,
since November 2022

Regular members



**LKHAGVADORJ
BURENMEND**

*2022, Chief Executive
Director, "BDSec UTsk"
JSC, since 2022*



**BATGEREL
NARANGEREL**

*First Deputy Director,
BDSec UTsk" JSC, since
November 2022*

Independent members



**HITOSHI
TANI**

President, "EXE" corporation



**AMGALANBAYAR
DARAMRANZ**

*Administrative specialist,
"MSM" LLC*



**ULUC
BINGOL**

*"Impera Capital" –
Deputy Director*



**URANBAIGAL
ODGIIV**

*Director , Back office
department, "BDSec UTsk" JSC*



**ENKHBAYAR
BAYARTOGTOKH**

*Executive Director,
"Sanaa EXE" LLC*



**TUYA
MUNKHJARGAL**

*Chief Executive Director ,
"Setsen Bilguun" LLC*

CORPORATE GOVERNANCE

Subcommittees of the Board of Directors

Audit committee: D. Amgalanbayar (head of the committee), O. Lhagvasuren, O. Uranbaigal

Functions of the committee:

The main duties is to monitor the company's accounting policy, internal control and risk management activities, financial reporting, financial and economic status.

Nomination committee: D. Dayanbilgun (chairman of the committee), B.Enkhbayar, Uluch Bingol

Functions of the committee:

The main duties are to determine the requirements for the candidates for the board members, to evaluate whether they meet the requirements, and to organize the selection and appointment of the Board and the executive management team.

Remuneration committee: N. Batgerel (head of the committee) , Hitoshi Tani, D.Amgalanbayar

Functions of the committee:

The main duties is to develop proposals and supervise the remuneration and incentive policy for the company's board members and other authorized officials based the employee's contribution to the increase of the company value.



**LKHAGVADORJ
BURENMEND**

Executive Director, "BDSec UTsk" JSC, since November 2022



**URANBAIGAL
ODGIIV**

Director, Back office department, "BDSec UTsk" JSC



**AMGALANBAYAR
DARAMRANZ**

Administrative specialist, "MSM" LLC



**DAYANBILGUUN
DANZAN**

President, "BDSec UTsk" JSC, since November 2022



**ULUC
BINGOL**

"Impera Capital" – Deputy Director



**ENKHBAYAR
BAYARTOGTOKH**

Executive Director, "Sanaa EXE" LLC



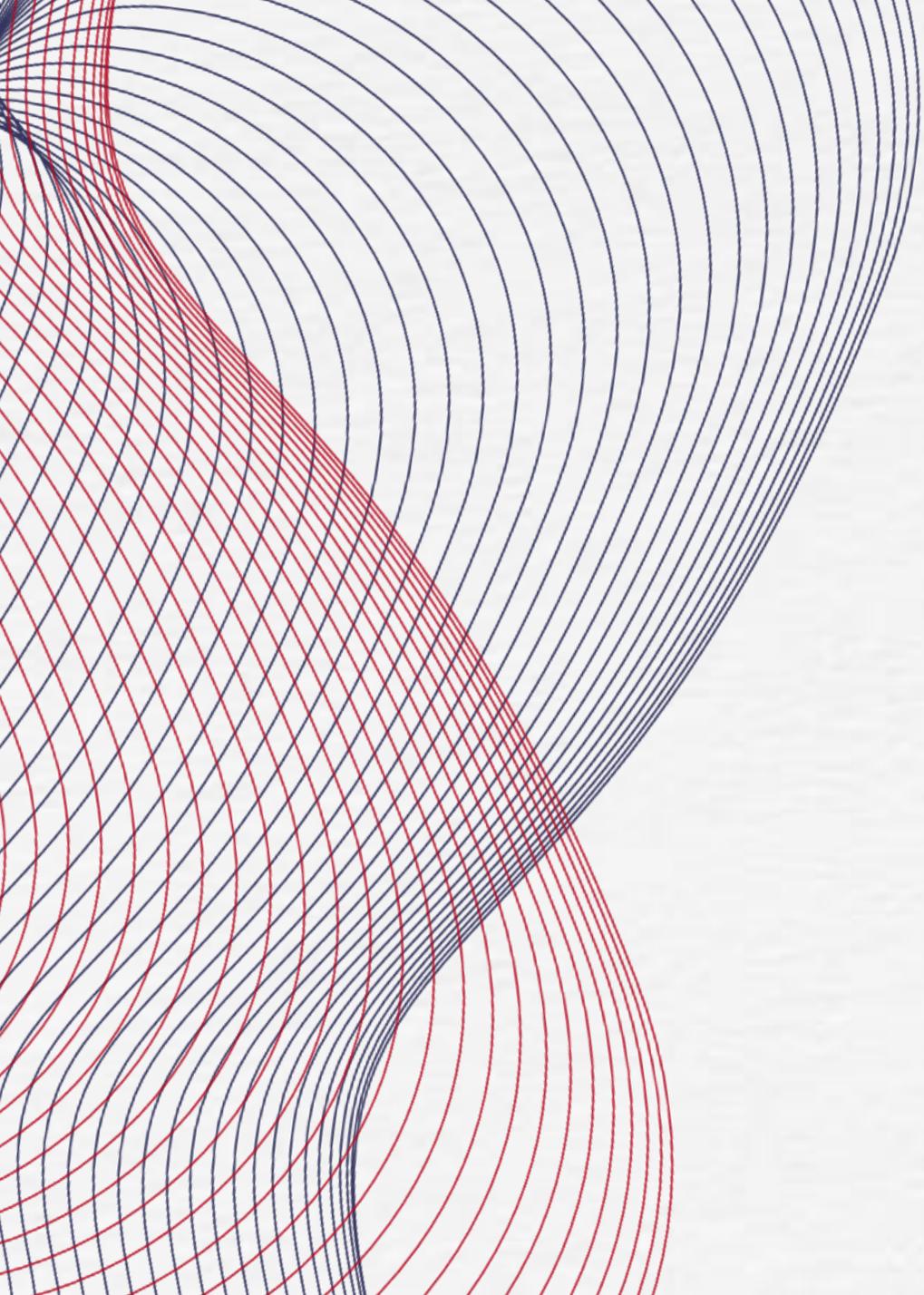
**BATGEREL
NARANGEREL**

First Deputy Director, BDsec UTsk" JSC, since November 2022



**HITOSHI
TANI**

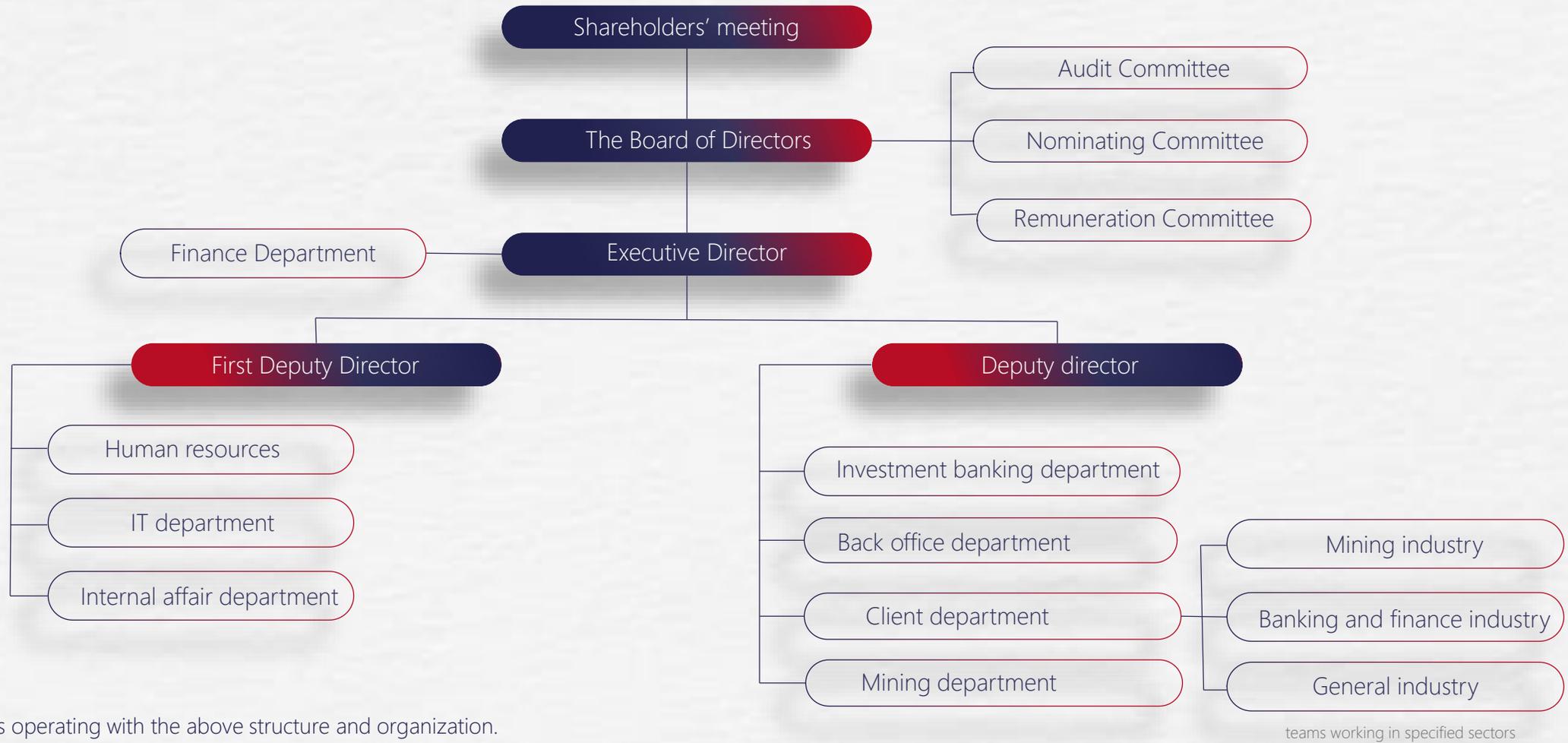
President, "EXE" corporation

- 
- Achievements of 2023
 - Company activity
 - Corporate Governance

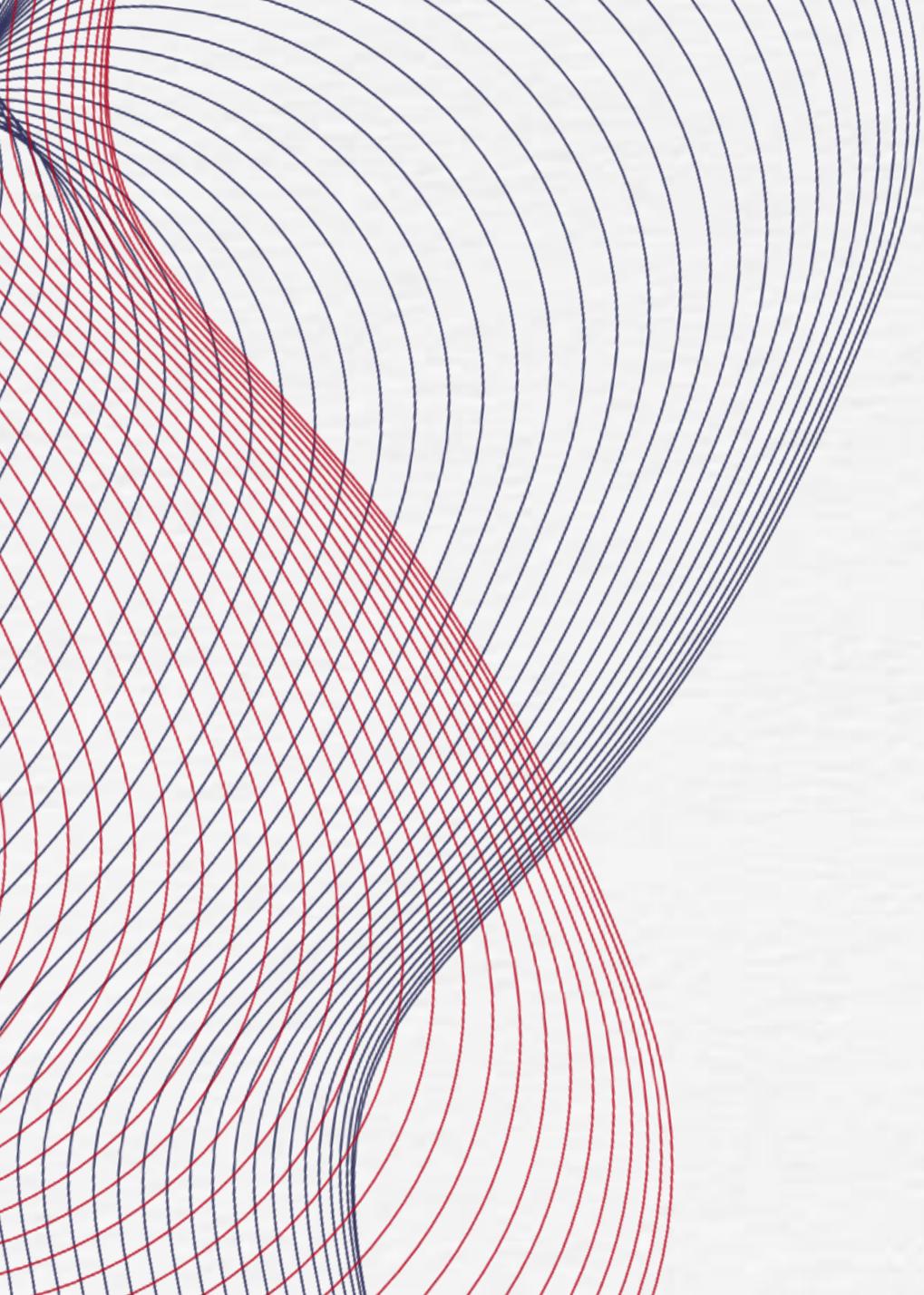
Organization structure

- Company stock information
- Financial results

ORGANIZATION STRUCTURE



The company is operating with the above structure and organization.

- 
- Achievements of 2023
 - Company activity
 - Corporate Governance
 - Organization structure

Company stock information

- Financial results

COMPANY STOCK INFORMATION

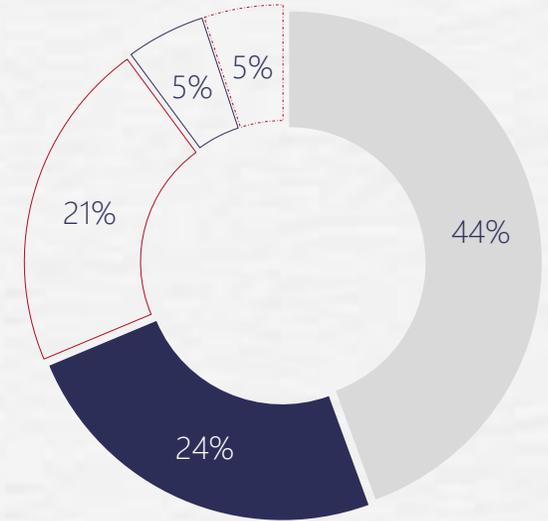
Stock information



Stock price movement

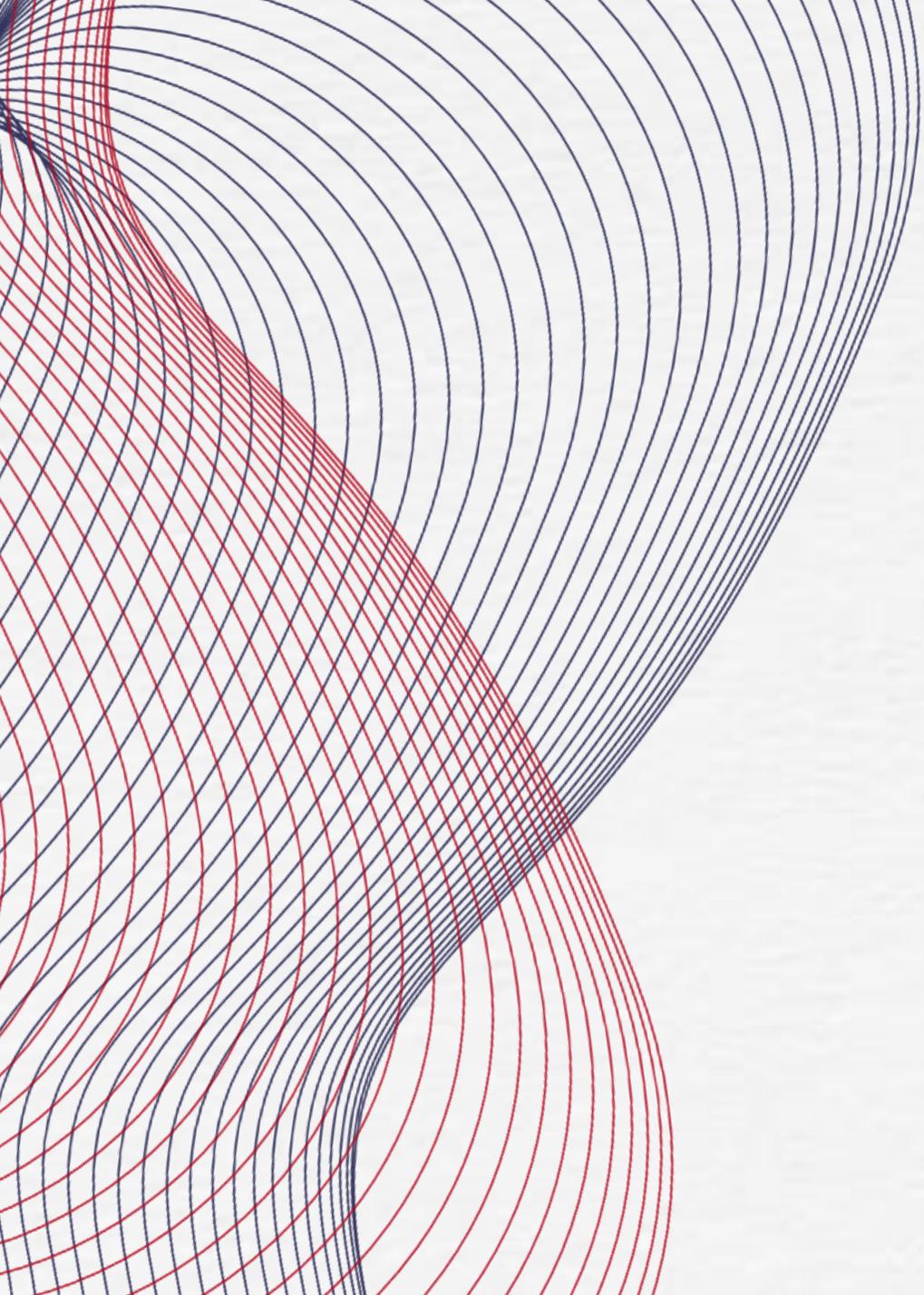


Shareholders' structure



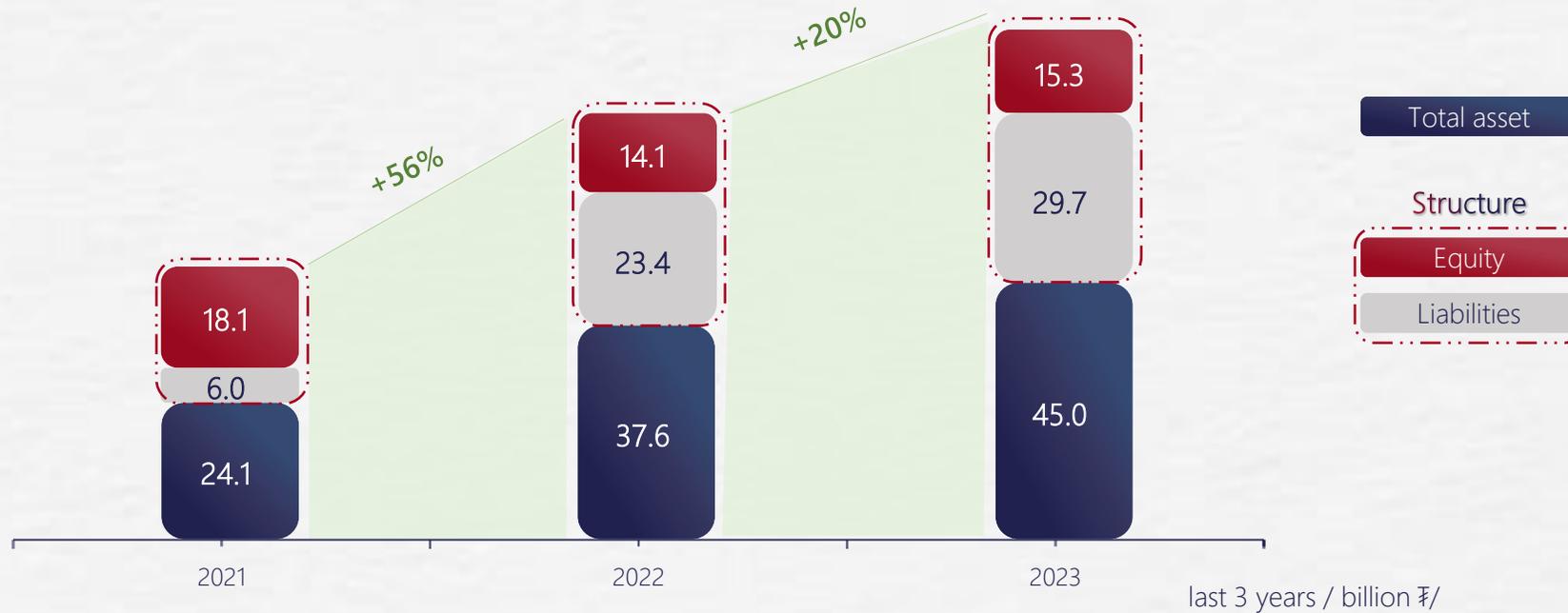
MSE category	TIER I
Closing price /2023.12.28/:	1'400
Market capitalization /2023.12.28/:	19'172'836'200₳
Total number of issued shares:	13,694,883

- Founders
- Foreign investors
- Domestic companies
- Foreign investment fund
- Others

- 
- Achievements of 2023
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 - Company stock information

Financial results

ASSETS AND THEIR STRUCTURE



	2020	2021	2022	2023	Change
ASSETS	24,759,341,968	24,127,701,068	37,570,404,803	45,027,297,444	19.8%
Current Assets	20,211,284,689	19,649,868,861	33,097,030,186	40,653,032,653	22.8%
Cash and cash equivalent	556,683,957	1,774,085,786	2,660,936,354	2,898,220,700	8.9%
Financial assets	17,374,755,020	14,776,608,152	26,172,741,305	34,042,464,947	30.1%
Accounts receivable	2,279,845,712	3,099,174,923	4,263,352,527	3,712,347,006	-12.9%
Fixed Assets	4,548,057,280	4,477,832,207	4,473,374,617	4,374,264,791	-2.2%
LIABILITIES AND SHAREHOLDERS' EQUITY	24,759,341,968	24,127,701,068	37,570,404,803	45,027,297,444	19.8%
Total liabilities	8,306,268,871	6,040,099,136	23,427,505,432	29,723,264,383	26.9%
Total shareholders' equity	16,453,073,098	18,087,601,932	14,142,899,371	15,304,033,061	8.2%

PROFITABILITY



APPENDIX

Financial statement

	2022	2023	Change
Total income	3,463,742,584	6,810,928,894	96.6%
Operating income	2,467,961,884	4,873,387,265	97.5%
Income from brokerage operations	209,782,656	1,677,612,492	699.7%
Income from dealer operations	-	84,138,168	
Income from underwriting activities	1,844,881,146	784,616,212	-57.5%
Income from investment advisory activities	20,716,113	40,750,000	96.7%
Net income from securities trading	392,581,969	2,286,270,394	482.4%
Net income from the securities valuation equation	-	-	
Rental income	160,147,371	197,470,640	23.3%
Interest income	544,518,047	1,460,648,307	168.2%
Dividend income	149,583,739	109,711,736	-26.7%
Other income	141,531,543	169,710,947	19.9%
Total expenses	3,591,929,904	6,255,012,589	74.1%
Sales, marketing and general and administrative expenses	2,429,694,219	4,214,370,702	73.5%
Operation cost	1,146,131,691	1,426,299,055	24.4%
Salaries and social security expenses of employees	1,120,253,908	1,583,833,263	41.4%
Regulatory organ fees	163,308,619	1,204,238,384	637.4%
Loan-related costs	1,162,235,685	2,040,641,888	75.6%
Securities, exchange rate equation	(3,216,169,557)	730,339,249	
Tax expenses	151,759	125,121,864	
Profit and loss for the reporting period	(3,344,508,635)	1,161,133,690	

ACHIEVEMENTS OF 2023

Grand Bull Awards 2023



"BDSec UTsk" JSC was granted as the "BEST UNDERWRITER" company at the "Grand Bull Awards 2023" event based on the last 5 years performance.





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