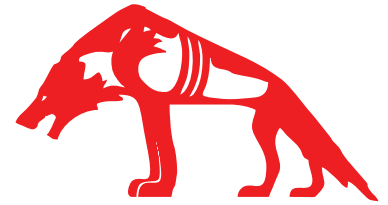


Staking our **CLAIM** AT THE TOP of the capital market



TenGer Financial Group's share sale proceeds were received in full (MNT12.4 billion) and MNT3.3 billion of it was invested in 17.4 percent stake of Mongol Post JSC – a state run monopoly in post services. Ard Financial Group Chairwoman Ms.Oyungerel Janchiv and CEO Mr. Ganhuyag Chuluun were elected as Board Members of the Mongol Post JSC. The share price of Mongol Post JSC soared in January and stabilised at MNT305-325 range giving us a great 64.9 percent return of our investment in the first quarter.

In the first quarter of 2016, "Investor Nation" Facebook crowdfunding initiative commenced through which a public investment fund was established, opening doors for Mongolian citizens to own shares in the banking and finance sector.

On 8th of January, CEO Mr. Ganhuyag has been elected as the president of the CEO Club of Ulaanbaatar.

Ard Financial Group sponsored the performance of Ariunbaatar Ganbaatar, Cultural Emeritus of Mongolia and Republic of Buriatya, Russia.

Ard Financial Group sponsored the Mongolian National Orchestra's Morin Huur Ensemble's "Playing Love" concert hosted by the Mongolian Arts Council at the Corporate Convention Center.

The Board of Ard Holdings, which met at the end of March, authorised the management to start preparing for going public on the Mongolian Stock Exchange. The Board reviewed several deals brought forward by the management and gave green light. These include injecting additional capital for acquiring minority stakes in some of our subsidiaries. In addition, the Board made a motivational decision to grant 10 percent stake of the company to the management team within the next 4 years.

Publicly listed Jinst Uvs Joint Stock Company shareholders meeting, convened on April 29th, made a decision to merge Jinst Uvs JSC and Ard Holdings JSC.

Ard Holdings bought back 20.9 percent of the Company's outstanding stock from UBIG LLC and Apollo Ventures LLC - 2 of our largest shareholders.

Ard Management LLC's operating license was issued by Financial Regulatory Commission on 24th of February enabling us to move forward with our plans to set up private and public investment funds. The Board of Ard Holdings agreed to move 50 percent of IET, 51 percent of Wild Digital Agency, 20 percent of Nomyn Hishig and 90 percent of TenGer Systems to EIT - a private fund, which in turn is to be managed by Ard Management. The Board also gave its blessing for Investor Nation to be set up as a public investment fund under the management of Ard Management LLC.

In the first quarter of 2016, we hired an Investor Relations Officer and Board Secretary at Ard Holdings. The Board directed to hire Chief Risk Officer and Compliance Officer in addition to the vacant Internal Auditor position during its March meeting.

In January, Mr. Ganhuyag participated in the "Hope Financial Inclusion" Global Forum in Atlanta, USA.

Ard Financial Group started using the arbitrage services of the Ulaanbaatar Chamber of Commerce for its companies' contracts and agreements.

On April 15-20, Ard Holdings and Investor Nation initiative held its road show in Darhan and Erdenet cities with the mission to promote its activities to the public and increase its shareholder base, reaching every corner of Mongolia.

On April 21st, Ard Financial Group Closed Joint Stock Company successfully held its annual shareholders meeting.

Financial Statement - 2016 Q1

in thousand tugrugs

Balance sheet	2015-Q4	2016-Q1
Cash and cash equivalents	1,328,120	169,124
Receivables, inventory	7,481,561	355,090
Loans to others	3,325,736	9,179,583
Prepayments	127,526	244,048
Fixed assets	1,537,606	1,416,955
Long term investments	20,844,828	24,280,264
TOTAL ASSETS	34,645,378	35,645,063
Liabilities		
Accounts payable	5,317,265	74,737
Bank debt	668,228	862,702
Income tax payable	51,471	148,471
Total liabilities	6,036,965	1,085,910
Equity		
Share capital	1,359,731	1,719,436
Share premium	4,893,178	9,789,740
Revaluation capital	7,615,095	7,615,095
Other capital accounts	13,799	13,799
Retained earnings	11,492,906	14,726,610
Current net earnings	3,233,705	694,472
Total equity	28,608,413	34,559,152
TOTAL LIABILITIES & EQUITY	34,645,378	35,645,063

Income statement	2015-Q4	2016-Q1
Investment fees	5,031	-
Interest	210,810	125,482
Dividends	206,529	-
Rental	130,725	36,000
Management fees	109,171	30,000
Currency exchange gain	89,090	959,194
Total income	751,356	1,150,677
HR related expenses	245,996	104,513
Operating expenses	890,138	268,543
Financial expenses	87,177	5,984
Total expenses	1,223,312	379,041
Profit before tax	(471,956)	771,636
Investment income	4,041,899	
Profit before tax	3,569,943	771,636
Income tax	336,238	77,164
Profit after tax	3,233,705	694,472

Shareholders structure

№	Shareholders	2014-Q4		2015-Q4		2016-Q1	
		Shares	%	Shares	%	Shares	%
1	Intergroup International LLC	2,237,050	13.32	1 871,276	13.9	1 771,276	13.5
2	Luna and Luna LLC	1,284,893	7.65	1 373,801	10.2	1 450,801	11.0
3	VenturesOne BV	1,304,043	7.76	1 304,043	9.7	1 304,043	9.9
4	Ganhuyag Chuluun	1,290,000	7.68	1 290,000	9.6	1 290,000	9.8
5	MAK LLC	873,000	5.20	873,000	6.5	873,000	6.6
6	Uyanga Galnyam	423,034	2.52	431,589	3.2	536,739	4.1
7	Nemehbaatar Bayartogtoh	507,834	3.02	507,834	3.8	507,834	3.9
8	Bruno Raschle			461,016	3.4	461,016	3.5
9	Buren-Erdene Huldorj	306,000	1.82	457,300	3.4	457,300	3.5
10	Gereltuya Sedibazar	450,000	2.68	452,000	3.4	452,000	3.4
11	Soronzonbold Lhagvasuren	453,210	2.70	405,210	3.0	405,210	3.1
12	Ronoc Limited	220,447	1.31	305,697	2.3	305,697	2.3
13	Sergelen Munh-Ochir	340,794	2.03	350,794	2.6	257,794	2.0
14	Zoljargal Myagmarsuren	300,000	1.79	300,000	2.2	251,000	1.9
15	Ganzorig Chuluun			229,940	1.7	229,940	1.7
16	UBIG LLC	1,907,059	11.35	-	0.0	-	0.0
17	Apollo Ventures LLC	1,690,000	10.06	-	0.0	-	0.0
18	Bat-Ochir Dugersuren	313,650	1.87	313,650	2.3	-	0.0
Total of 15 shareholders		13,680,567	81.45	10,927,150	81	10,553,650	80.3
Other 582 shareholders		3,114,766	18.55	2,559,209	19	2,594,512	19.7
Voting shares		16,795,333	100.00	13,486,359	100	13,148,162	
Non-voting shares				3,708,005		4,126,024	
Outstanding shares		16,795,333		17,194,364		17,274,186	
Treasury stock		1,540,179		1,602,164		1,522,342	
Totals		18,335,512		18,796,528		18,796,528	

Valuation

	2014-Q4	2015-Q4	2016-Q1	%
Investment				
Tenger Financial Group LLC	11,684.77	-		4.3
Mongol Post JSC			5,279.54	17.4
IET LLC	9,824.90	9,824.90	9,824.90	50.0
Ard Insurance LLC	6,637.20	6,337.20	6,337.20	55.3
Ard Credit LLC	1,600.00	1,852.90	1,852.90	58.0
Ard Securities LLC	983.00	983.00	983.00	100.0
Nomyn Hishig LLC	1,382.40	1,382.40	1,382.40	20.0
Other	218.81	464.43	464.43	
LONG TERM INVESTMENT	32,331.08	20,844.83	26,124.37	
SHORT TERM INVESTMENT	958.61	3,325.88	3,404.97	
Total investment	33,289.70	24,170.71	29,529.34	
Other				
Fixed assets	897.32	1,623.34	1,416.95	
Cash	408.47	1,328.48	169.12	
Net receivables	(595.95)	2,228.92	(486.81)	
Total other	709.84	5,180.74	1,099.27	
Valuation	33,999.54	29,351.45	30,628.61	
Total voting shares	16,795,333	13,486,359	13,148,162	
Price per share	2,024	2,176.38	2,329.50	



Ard Holdings and Investor Nation in Erdenet city



Investor Nation JSC Shareholders meeting



From the Ard Holdings corporate video presentation, produced by Bloomberg TV Mongolia

ARD INSURANCE
STRONGER. TOGETHER.

General Insurance

TENGER
INSURANCE

Information Technology

ARD CREDIT
NBFI

Non-bank Financial Institution

IET
Institute of Engineering and Technology

Education

ARD ASSETS
SCC

Savings and Credit Cooperative

INVESTOR NATION

Investment Fund

ARD SECURITIES
COMPANY

Securities Brokerage

eit
EQUITY INVESTMENT TRUST

Investment Fund

BOHSH KHUBIT
REAL ESTATE

Real Estate

ARD MANAGEMENT
COMPANY

Investment Management

WILD

Branding, Marketing, Web development

МОНГОЛ ШУУДАН

Postal Service

MTA

Investment Fund