



Iran Mercantile Exchange

**Performance and Overall Status Report
Independent Auditor's Report
Financial Statements**

Balance Sheet
Income Statement
Cash Flow Statement





**Board of Director's Annual Report to General Assembly
of Shareholders for the fiscal year 1395 (Hijri),
beginning 20 March 2016 and ending 20 March 2017**

**Iran Mercantile Exchange Annual Report
March 2016 - March 2017, Vol. 2**

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Annual Shareholders General Assembly Report of Iran Mercantile Exchange (Public Joint Stock Company)

In Accordance with article 232 of the amendment to Iran Commercial Code adopted in March 1969 and article 45 of Securities Market Act of I.R.I, Iran Mercantile Exchange, hereby, submits the report on performance and status of the company for the year ended in March 20, 2017.

We verify the accuracy and credibility of the data, information and statistics provided on the operation, performance,

Agent from Legal Member



Mansour Yazdizadeh

Legal Member of BOD
Esfahan Steel Company

Position
Chairman



Mahmood Akbari
Mazraecheh

Legal Member of BOD
Mobarakeh Steel Company

Position
Deputy Chairman



Mohsen Abdullahi

Legal Member of BOD
Agri Bank Broker

Position
Member of BOD



Hossein Bahari

Legal Member of BOD
Mellat Financial Group

Position
Member of BOD



Ceramic mosaic with polychrome glaze.
Isfahan-Iran

activities, main functions and general status of the company. We endorse this report as being prepared based on the regulations stated in the article of association of the company and as being aimed at protecting the rights of shareholders. There is no piece of information eliminated, whose absence might mislead the reader. The report was approved by board members in April 24th, 2017.



Eslam Khosravi

Legal Member of BOD

Tamin Oil, Gas and Petrochemical
Investment Company

Position

Member of BOD



Vahid Bagheri

Legal Member of BOD

National Development
Investment Group

Position

Member of BOD



Amir Hamze Malmir

Legal Member of BOD

Mehr Ayandegan (Naft Fund)

Position

Member of BOD



Hamed Soltaninejad

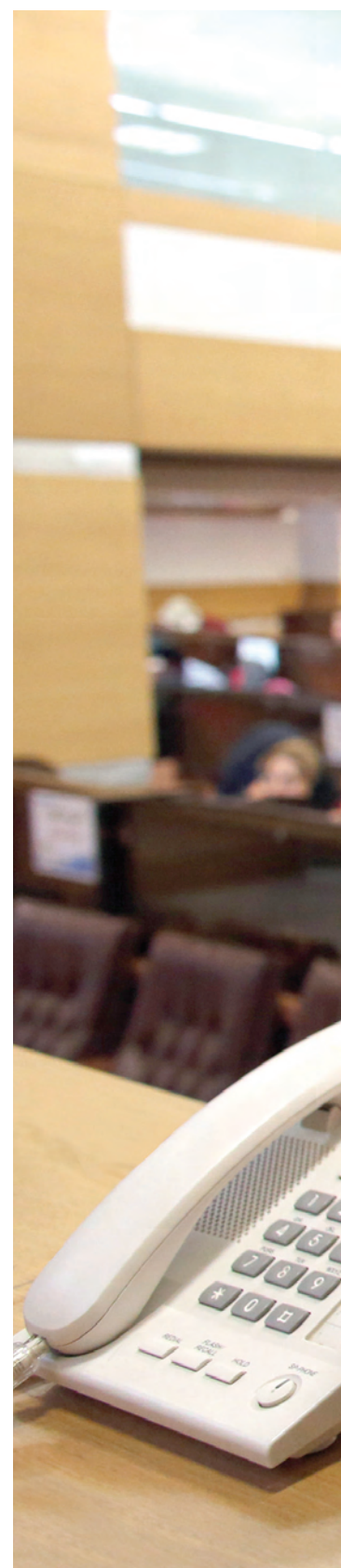
Position

CEO

This annual report presents the financial performance of the IME for the fiscal year 1395 (Hijri), beginning 20 March 2016 and ending 20 March 2017. In the text, however, this period is referred to as 2016.

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IME's General Data



Table 1. Summarized Overall Status

Item	Description
Type of Company	Private, LLP
Date of Establishment	2007
Number of Shareholders	4,735 to the Date of 20/03/2017
Number of Shares	900,000,000
CEO	Hamed Soltaninejad
Number of Staff	160 Personnel to the Date of 19/03/2016
Number of Listed Commodities	255 Commodities
Number of Listed Companies	530 Companies
Financial Instruments	Cash, Forwards, Standards Parallel SALAM, Commodity-based Certificate of Deposit, Futures Contracts and Options Contracts
Vision	"Our vision is to be the dominant price-setter for basic commodities and intermediate raw materials in the region as well as the preferred option for producers to meet their financing needs and to hedge their commercial risks."
Strategies	<p>[1] Securitization and development of derivatives instruments;</p> <p>[2] Designing and using a variety of financing and trading instruments tailored to customers' requirements;</p> <p>[3] Extending the size and the depth of market for selected commodities to become a price reference in the market;</p> <p>[4] Using the capacity of financial institutions to develop IME's business;</p> <p>[5] Creating a customer-oriented culture and setting high quality standards;</p> <p>[6] Continuous optimization and updating information technology (IT) capabilities commensurate with the market and tools developments;</p> <p>[7] Promoting the functions and improving the position of IME on the business environment and the media;</p> <p>[8] Developing IME's activities to enhance the country's trading with international markets;</p>

Table2: Financial Data Summary

Year	Restatement		
	2016	2015	2014
A. Financial Performance Data over the Fiscal Year			
	Million Rials		
Net Income	460,902	336,556	432,451
Operating Income	151,032	67,790	203,565
Non-Operating Income	190,093	175,818	140,941
Net Income - After Taxes	309,527	230,415	299,497
Annual Adjustments	(10,184)	(14,276)	(18,311)
Cash Flow From Operating Activities	207,207	109,570	202,006
B. Financial Performance Data for the Fiscal Year Ended March 20			
	Million Rials		
Total Assets	1,370,774	1,076,927	995,612
Total Liabilities	89,277	82,007	118,607
Total Shareholders' Equity	900,000	450,000	450,000
Total Liabilities and Shareholders' Equity	1,281,497	994,920	877,005
C. Rate of Return			
	Percentage		
Return on Assets (ROA)	25	22	33
Return on Equity (ROE)	27	25	39
D. Data Per Share			
Number of Shares at the End of Fiscal Year	900,000,000	450,000,000	450,000,000
Expected EPS (Modified) - Rials	329	660	627
Earnings Per Share (EPS)	344	512	666
Dividend Per Share (DPS)	35*	51	250

* Recommended by the Board of Directors

*Fiscal Year 2016 = 20.03.2016 to 20.03.2017

*Fiscal Year 2015 = 21.03.2015 to 19.03.2016

*Fiscal Year 2014 = 21.03.2014 to 20.03.2015

Table 3: General Trading Data

Trading Statistics	2016		2015		Changes	
	Volume (KT)	Value (Billion Rls)	Value (KT)	Value (Billion Rls)	Volume	Value
Metal and Mineral Products	9,393	155,963	9,883	128,232	-5%	22%
Agricultural Products	2,510	28,113	764	9,401	229%	199%
Petrochemical Products	3,561	114,118	2,822	85,375	26%	34%
Oil Products	9,896	70,498	9,758	73,343	1%	-4%
Side Market	115	1,483	27	194	326%	664%
Gold (in kilogram)	620	832	604	702	3%	19%
Sum of Spot Market Trading	25,475	371,007	23,254	297,247	10%	25%
Futures Contracts (number of contracts)	3,202,242	390,241	1,695,890	166,803	89%	134%
Options Contracts (number of contracts)	42,852	504	0	0	-	-
Sum of Derivatives Contracts (number of contracts)	3,245,094	390,745	1,695,890	166,803	91%	134%
Standard Parallel Forwards SALAM(number of contracts)	7,106	52,022	2,698	6,764	163%	669%
Commodity-based Certificate of Deposit(number of contracts)	453	3,437	190	1,204	138%	185%
Sum of Commodity-based Securities	-	446,204	-	174,771	-	155%
Sum of IME's Total Trading	33,034	817,211	26,142	472,018	26%	73%

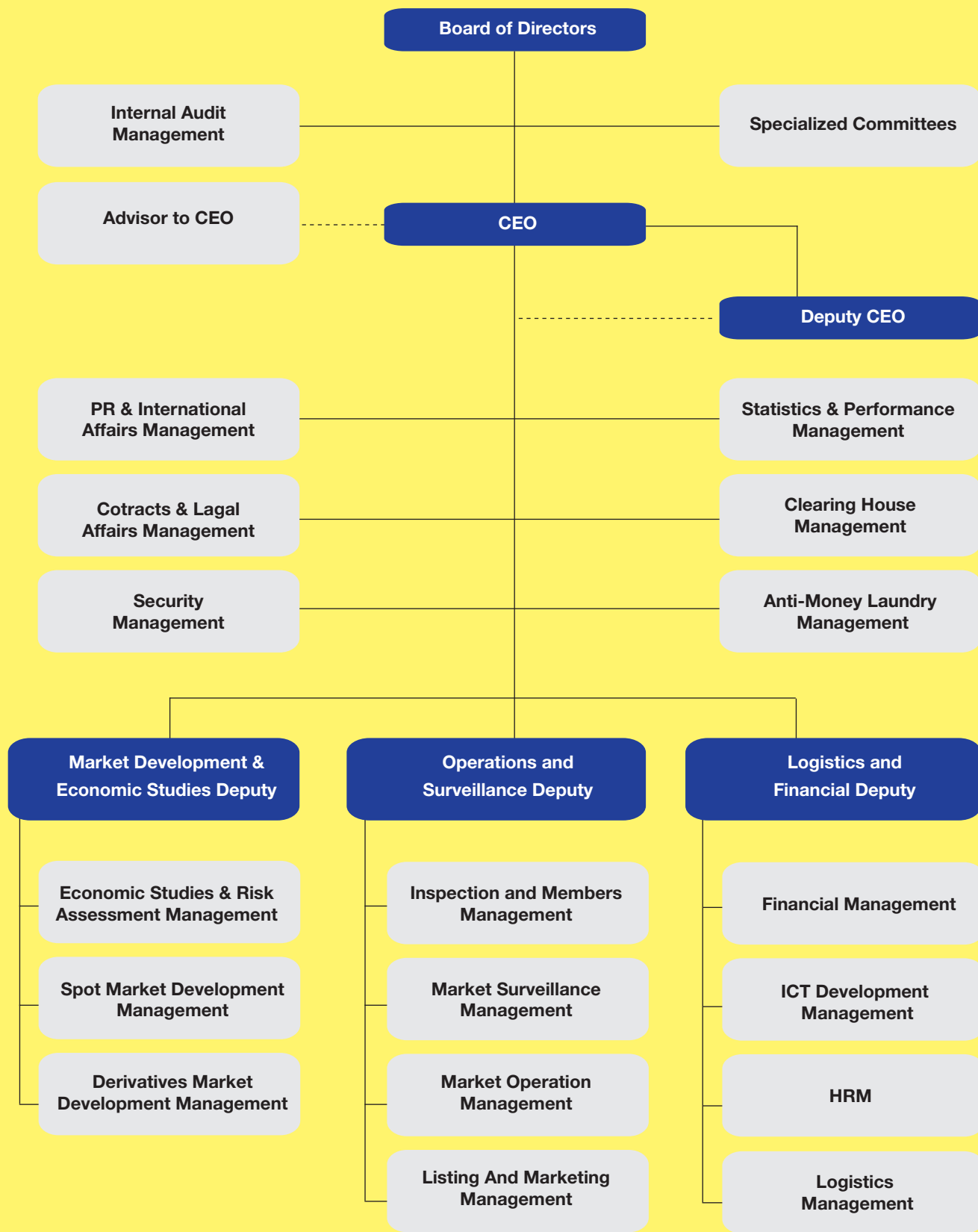
*Fiscal Year 2016 = 20.03.2016 to 20.03.2017

*Fiscal Year 2015 = 21.03.2015 to 19.03.2016



Iran Mercantile Exchange

Organizational Structure



Iran Mercantile Exchange



Majid Eshghi

Deputy CEO



Hosein Mohammadi

Senior Advisor to
CEO & Chief Business
Development Officer



Ali Asghar Bahramian

Logistics and Financial
Deputy



Ali Panahi

Operations and
Surveillance Deputy



Mohammad Eskandari

Market Development
and Economic
Studies Deputy



Pejman SaatSaz

Statistics and
Performance
Manager



Seyed Javad Jahromi

Market Surveillance
Manager



Akbar Mirzapour

Spot Market
Development Manager



Nayesh Mehrizadeh

Contracts and Legal
Affairs Manager



Abbas Yaghoobi

Market Operations
and Clearing House
Manager



Hamed Soltaninejad
CEO



Mohammad Hasani Saadi
Public Relations and
International Affairs
Manager



Ebrahim Taei
Human Resources
Manager



Mohsen Zandieh
Logistics Manager



Mohammad Reza
Behnam Zadeh
Listing and Marketing
Manager



Javad Fallah
Economic Studies
and Risk Assessment
Manager



Alireza Naserpoor
Economic Studies
and Risk Assessment
Manager



Barmak Hooshyar Azar
ICT Manager



Mojtaba Goodarzi
Head of Anti-Money
Laundering Unit



Seyed Mehdi Tabaei
Security Chief



Dr. Hamed Soltaninejad
CEO of IME

Starting his academic career in 1996 in Imam Sadegh University, Dr. Hamed Soltaninejad is presently doing his PhD at Allameh Tabatabayi University. He took his position as CEO of the Iran Mercantile Exchange (IME) after almost 10 years of experience in working as a teacher to university – mostly focused on financial, investment and risk management courses –, publishing books and scientific articles and serving in Iran's financial market.

Previously he had been holding a broad range of positions with progressively increasing responsibilities in Derivatives Contracts, Net Clearing and Settlement, Modern Registry Systems, Dematerialization of Trading Procedures, Energy Exchange, Investment, Brokerage Management, Foreign Currency Exchange and Securities Market Arbitration, as the highlights of his executive activities with numerous entities in Iran's capital market such as Central Securities Depository of Iran, Capital Market Central Asset Management Company, Tehran Stock Exchange and Securities and Exchanges Organization of Iran

He has authored a number of books among which are; A Market Linkage Model for Stock Exchanges of Islamic Countries, Currency Exchange Rates Volatilities Coverage (Futures Contracts Market), and Market-Oriented Policies to Support the Agriculture Sector. He has also written numerous articles which are: "PEG Ratio in Calculation of Stocks Value in Iran's Capital Market", "A Comparative Study on Short Selling within the Bounds of Islamic Contracts", "Models for Financial Literacy Enhancement in the Iranian Society", "Price Bubbles in the Capital Market" to name but a few.

His glittering achievements convinced IME BOD to give him enough rein in shaping the direction of IME's strategies, as the board members expected him to lead the IME's push into trading more lucrative commodities, albeit it was not a long time since it had been established. In view of that, he has been at the heart of some transformative developments among which are launching Certificate of Deposit for Gold Coins and Agriculture Products, preparing groundwork for initiation of Foreign Currency Futures Market, launching Options Contracts on Gold Coins, establishing Exchange Traded Commodity Funds on Gold Coins and establishing Guaranteed Price Plan Contracts for Agricultural Products, all of which will play a crucial role in serving the goal set by IME BOD as well as expanding the country's economy in the future.

Extending the scope of activities of Iran's capital market beyond the borders of the country carries a lot weight in Dr. Slotaninejad's career. In accordance to this mission, he has signed 11 MOU's between different entities within Iran's capital market and their counterparts in the global capital market. Moreover, during his tenure as chief executive officer, the Central Securities Depository of Iran was accepted as a member to WFC. The same project was followed for the Iran Mercantile Exchange which became an affiliate member to WFE about a year after he took office as the CEO.

Currently on the top of priority for him, as the chief executive officer of IME, is establishing and running cross-listing projects between IME and other well-known commodity exchanges all over the world in order to extend the reach of Iranian goods in the global market.



شرکت بورس کالای ایران
IRAN MERCANTILE EXCHANGE CO.



Dr. Majid Eshghi
Deputy CEO

Currently a PhD student of Business Administration, Dr. Eshghi started his career in academia in Imam Sadegh University. In addition to teaching courses on Management and Accounting at university, he is involved with a wide range of scientific activities within the realm of business; he has published numerous articles and has prepared various analytical reports on Macroeconomics, Capital market, Housing, Investment Companies and manufacturing Companies within the framework of Iran's economy. Dr. Eshghi is a highly experienced expert and advisor in Brokerage Services, Portfolio Management, Fund Management and Financing Services, Trading on Financial Markets, Derivatives and Listing Procedures.

Dr. Eshghi has been cooperating with many different companies and entities in the capital market mostly as the CEO or Member of the Board of Directors. Pouya Investment Company, Lotus Parsian Finance Company, Rayan Hamafza (a Fin Tech Company) and SANAY System Development Company are to name but a few. Currently he is the Vice President to IME CEO.



Dr. Hossein Mohammadi

Senior Advisor to CEO and CBDO of IME

Enjoying a wide range of job experiences in different sectors of Iran's capital market, Dr. Hossein Mohammadi is currently working as the Chief Business development Officer in IME. Holding a PhD in computer science he has proved to be an enterprising expert from the very outset of his professional career; a fact quite palpable in his knack of developing models, methods and software systems for the capital market. He has headed some major software projects in conjunction with CSDI notably the state-of-the-art Clearing & Settlement systems of NET-Clear and the SAMIP model for capital market inter-linkage. In addition to the merits he has brought about for IME thanks to his sense of innovation and creativity, IME has great faith in his leadership qualities. Along with his numerous responsibilities at IME, he also plays a crucial role in leading the company's strategies in developing relations and mutual collaborations with global exchanges and foreign financial entities. He has attended and presented very many presentations in diverse seminars and conferences both nationwide and worldwide. Dr. Hossein Mohammadi is also an established university professor at the University of Zanjan. He has been selected as the best professor at university as well.

Message of Board Members and CEO of IME

We are happy and honored that we have the opportunity to once again provide you with a report of a complete year of work, effort and perseverance in Iran Mercantile Exchange.

As one of the main pillars of Iran's capital market, IME has been able to play a pivotal and constructive role in the country's economy in the 10th year of its activity, especially by helping various sectors of our economy like steel, petrochemicals, mining and agriculture industries meet their needs. Among the measures of IME within the last year have been the main function of price discovery based on the fundamentals of supply and demand, scaling down trading fees via facilitating market accessibility, increasing market liquidity based on establishing a secondary market for trades, designing special financial instruments for raising funds and directing them towards justifiable industries and last but not least, risk management. With IME's strategic plan revised in 1394 Hijri Year (March 2015- March 2016), there are hopes that IME will play a constructive role in Iran's economy and pay its fair share of contribution in bridging the gap between Iran's economy and those of the world countries. In this regard, IME's breakthroughs have been accounting for 43% share of the total value of Iran's capital market in 1395 Hijri Year (March 2016 – March 2017), breaking the records of trading volume and trading value since the establishment of IME, breaking record of trading volume for the physical market, breaking record of trading volume for oil products, breaking the records of trading volume and trading value for agro-products, breaking record of trading value for futures contracts, breaking record of trading value for commodity based securities since the establishment of IME, a 155% growth in trading value of commodity based securities (amounting to 446,000 billion IRR), a 25% growth in trading value of the physical market (amounting to 371,000 billion IRR), a six fold increase of fund raising through standard parallel SALAM contracts in 1295 Hijri Year as compared to the year before that (issuing standard parallel SALAM securities valued at 32,000 billion IRR in 1395 Hijri Year and 5700 billion IRR in 1394 Hijri Year), an increase of 185% in trades of certificates of deposit for imported maize from Brazil, domestic maize and saffron, 26% of increase in volume and 34% of increase in value of trades for petrochemical products in 1395 compared to 1394, breaking the record of trading value and trading volume of petrochemicals since the establishment of IME, launching put and call options on gold coins, launching online trades of commodity-based certificates of deposit, increasing the speed and expanding the capacity of futures trades, complete launch of the Total Trade System (TTS) and possibility of trades from offices for domestic trading ring and export trading ring, increasing the company's capital to 900 billion IRR, listing of IME in the main trading board of Iran Farabours base market.

IME will be on the rail of progress in 1396 Hijri Year relying on the spirit of its esteemed shareholders, competent managers and dexterous employees. In line with that, option trades on maize and barley and virtual trade of futures contracts have been launched and IME has the plan to finalize the following initiatives: commodity-based forwards and swap contracts, futures trades of bitumen, currency derivatives market, commodity funds, forfeiting trades for commodity-based securities, tender trading board,, trades of commodity-based certificates of deposit for industrial, petrochemical and agricultural products, license auctions, barter trades market, double auction in physical market , designing an integrated risk management system, strategizing the collateral mechanism for options contracts, offering iron ore in IME's domestic trading floor in order to implement note 2 of the executive bylaw of article 37 of the law of Removing Obstacles to Competitive Production and Promoting the Country's Financial System, implementing note 4 of article 6 of the law of Increasing Productivity of Agricultural Sector and Natural Resources which obliges the government to buy and sell inputs and products of the agricultural sector and implementing section A of article 32 of the law of Iran's sixth five-year development plan stipulating that the government is obliged to make use of the financial instruments available in IME in order to relieve the tensions in agricultural base commodities market and to control the effects of irregular seasonal price volatilities of agricultural products.

It is worth noting that IME has been able to reach its goals in 1395 Hijri Year thanks to support of its shareholders and the effort of its stupendous employees. IME appreciates their contributions and welcomes the suggestions of shareholders which we believe will be of great importance in bettering the performance of the company in the future.



Hamed Soltani-Nejad
**Managing Director of Iran
Mercantile Exchange**

IME's History

Iran Mercantile Exchange was established on September 20, 2007 in accordance with the article 95 of the new law of the Securities Market of the Islamic Republic of Iran and following the merger of the agricultural and metal exchanges of Tehran. The merger marked a new chapter in Iran capital market, providing endless trading opportunities for the clients in and out of the country.

Iran Mercantile Exchange is the leading multi-commodity exchange and the only multi-faceted market in Iran and the Middle East.

Enjoying the state-of-the-art technology, full-electronic trading floor, fully electronic derivatives market, low latency and efficient trading system, and unmatched sound and fast settlement-delivery mechanism, the IME has been able to provide a transparent, competitive marketplace where investment needs and trade requirements of a nationwide range of market participants and foreign entities are met in the best manner. The scope of the exchange services to the industry producers to offer their products ranging from agricultural, oil and petrochemical as well as metals and industrial products to the petroleum and oil-related products has made it a world-class and viable market rendering services to the individual and institutional suppliers and buyers at an internationally certified level. Having in place a deep spot market along with its derivatives market, especially the futures contracts, IME has brought about a robust mechanism for trade counterparties and clients to sell and purchase their industry requirements on IME. The exchange also provides risk management services to the market. This service helps market participants manage their risks and take part in the prompt delivery process and at the same time take reverse positions in futures contracts in order to hedge against adverse market movements.

Complying fully with the rules and regulations of not only Iranian capital market but also the global standards and as a self-regulated entity performing under the supervision of the Securities and Exchange Organization of Iran (SEO) as the regulatory body of the Iranian capital market, IME actually serves a broad spectrum of members and beneficiaries from the public and private industries through to retail investors. IME has always been the cynosure for the market as a price setter based upon the logic of supply and demand. With recourse to different mechanisms, IME is deemed as a touchstone for the market transparency; and this fact, by and large, has contributed to the betterment of policy-making in the realm of commodity markets, leading to a decrease in the expenses of domestic and international trading, while hedging the potential risks, and an increase in FPI.



IME's Field of Activity

According to the provisions of Article 3 of Chapter II of the company's Article of Association, the IME's fields of activity are as follows:

- [1] Establishing, organizing and operating the IME as an organized and self-regulated company to trade listed commodities and commodity-based securities by Iranian and non-Iranian parties in accordance with rules and regulations;
- [2] Listing commodities and commodity-based securities including metals and minerals and agricultural products in accordance with rules and regulations;
- [3] Determining the membership terms and conditions for different groups of members, accepting applicants for membership, laying down and meeting professional standards and disciplines for members, assigning tasks and responsibilities to members and monitoring their activities and setting relations between them, in accordance with rules and regulations;
- [4] Providing the groundwork for fair access to transactions data for members, to trade commodities and commodity-based securities, in accordance with rules and regulations;
- [5] Cooperation and coordination with financial institutions, corporations, and organizations, including Central Securities Depository of Iran (CSDI), responsible for trading listed commodities and commodity-based securities or disseminating and processing information related to the IME;
- [6] Conducting research, training and institutionalizing the IME's activities to facilitate, improve and expand the business of the IME;
- [7] Collaboration with other domestic and foreign exchanges to share information and experiences and to come up with integrated regulations and standards;
- [8] Monitoring listed commodities and commodity-based securities transactions in the IME;
- [9] Preparing, collecting, processing, disseminating and announcing information relating to orders and transactions of listed commodities and commodity-based securities in accordance with rules and regulations;
- [10] Monitoring the suppliers of listed commodities and issuers of commodity-based securities in IME in accordance with rules and regulations;
- [11] Listing warehouse and monitoring their activities and facilitating transactions carried out in warehouses by IME;
- [12] Carrying out other duties in accordance with rules and regulations.

Note: Implementing the subject of paragraph 11 of this Article will be transferred to the CSDI after the company's preparation in accordance with regulations.

IME's Strategies

Changes in the business environment, different requirements of the company when developing the first version of strategic plan as well as senior management changes enforced the IME's top managers to review the IME's strategic plan. Analyzing the beneficiaries, reviewing the objectives and overall goals, assessing the external and internal environment, strategic positioning, setting strategies and operational programs were accomplished in the new version of the IME's strategic plan. To accomplish the foregoing, a combination of existing models, along with the patterns in other world commodity exchanges was utilized.

After performing the proceedings associated with data gathering including holding related meetings, conducting regular interviews and distributing related questionnaires, the IME's vision statement was declared as "IME as the price reference for basic commodities and intermediate raw materials in the Middle East region and the preferred option of producers to meet their financing needs and to hedge against commercial risks".

Then by determining the strategic positioning of the IME through applying 4 strategic matrixes including SOWT matrix, the Internal-External (IE) matrix, Porter's generic competitive strategies and Grand strategy matrix, the IME's strategies were developed. In order to achieve the vision outlined, eight strategies are as follows:

- [1] Securitization and development of derivatives instruments;
- [2] Designing and using a variety of financing and trading instruments tailored to customers' requirements;
- [3] Extending the size and the depth of market for selected commodities to become a price reference in the market;
- [4] Using the capacity of financial institutions to develop IME's business;
- [5] Creating a customer-oriented culture and setting high quality standards;
- [6] Continuous optimization and updating of the information technology (IT) capabilities commensurate with the market and tools developments;
- [7] Promoting the functions and improving the position of IME in the business environment and the media;
- [8] In order to implement the above-mentioned strategies, a strategy map, targeted performance indicator and the related action plan were developed by the CEO and communicated to the relevant managers to be executed;

In order to implement the above-mentioned strategies, a strategy map, performance indicators and targets, along with the related action plan and the division of labor were developed and notified by the CEO of IME to be executed.

IME's Capital and Shareholders

The amount of startup capital of IME equals to 100 Billion Rials (including 100 million shares, at nominal value of 1000 Rials per share) and by the decision of the extraordinary general assemblies has been raised to a total of 900 Billion Rials (See Table 4).

Table 4: IME's Capital Raising Information

Date of Extraordinary General Assembly	Capital Gain Raise (%)	The Amount of Capital After Raising (Billion Rials)
10.05.2011	20	120
22.04.2012	66	200
20.05.2013	50	300
26.05.2014	50	450
18.07.2016	100	900

The IME's shareholders' profile up to the date of 20.03.2017 is set out below (Table 5&6 and Chart 1)

Table 5: Shareholders' Profile up to the Date of 20.03.2017

#	Analysis of Shareholders	Number of Shareholders	Number of Shares	Size of Shareholdings (%)
1	Member Brokerages	35	87,669,000	9.7
2	Manufacturers, Suppliers and Other Exchange Participants	89	175,734,414	19.5
3	Financial Institutions Except for Member Brokerages	48	349,056,000	38.8
4	Other Corporate Bodies	4,563	287,540,586	32.0
Total		4,735	900,000,000	100.00

According to Article 9 of the Article of Incorporation of the IME, the company's shareholders fall under the following categories:

- 1.The first group: legal persons who have been granted brokerage license by and according to the Law of Establishment of the securities exchange enacted in April 1966, and the Law of the Securities Market passed as of November 2005.
- 2.The second group: the exchange listed commodities' producers, distributors and other exchange market participant.
- 3.The third group: financial institutions except for members of the first group.
- 4.The fourth group: shareholders other than those referred to in the first, second and third group.

Note: the list of the eligible persons of the first, second and third group is determined by the SEO.

Chart 1: Size of Shareholdings at 20.03.2017

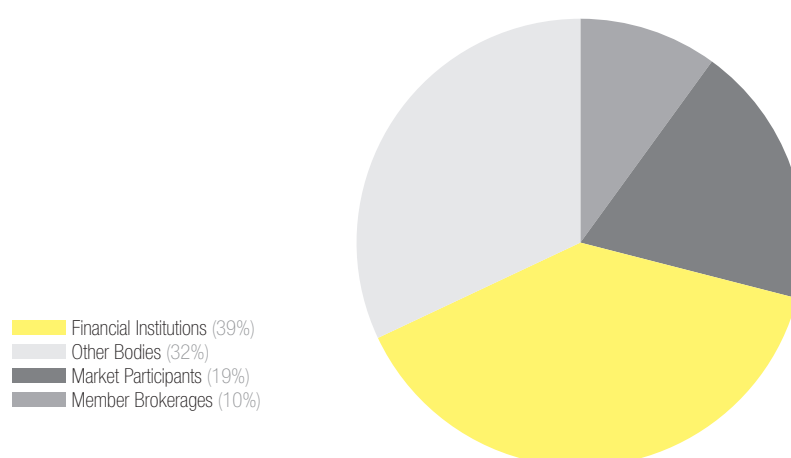


Table 6. List of Shareholders up to the Date of 20.03.2017

#	Shareholder	Number of Shares	Percent
1	Tadbir Investment Company	18.918.000	2.10
2	Iran Insurance Company	16.713.000	1.86
3	Farhangian Investment Company	15.389.994	1.71
4	Sea Volex Kala Company	15.066.000	1.67
5	Alborz Insurance Company	14.508.000	1.61
6	Mellat Broker Company	14.226.158	1.58
7	Omid Investment Group Corporation	14.085.000	1.57
8	Ghadir Investment Group	13.635.000	1.52
9	The Civil Servants Pension Organization (C.S.P.O)	13.203.000	1.47
10	Fars & Khuzestan Cement Company	13.194.000	1.47
11	Islamic Revolution Mostazafan Foundation	13.194.000	1.47
12	Bank Keshavarzi Iran	13.050.000	1.45
13	SouthStar Brokerage Company	12.051.000	1.34
14	Tose'e Melli Group Investment Company	11.700.000	1.30
15	EN Bank	11.439.000	1.27
16	National Investment Company of Iran	11.439.000	1.27
17	Bahman Investment Company	9.675.000	1.08
18	Petrochemical Industries Investment Company (PIC)	9.675.000	1.08
19	Bahman Group Company	9.477.000	1.05
20	Other shareholders (less than one percent)	649.361.848	72.15
	Total	900.000.000	100.0

Legal Structure and Status of Iran Mercantile Exchange

Iran Mercantile Exchange was established as a joint stock company after dissolution of Tehran Metal Exchange and Iran Agricultural Commodity Exchange in 2007. Legally speaking, IME has not been created as a result of the merger between the above mentioned exchanges, rather it is a new legal entity through which the operations of TME and IACE has been delegated to and continued via new and divers methods and practices.

IME, like other joint stock companies, enjoys governing structure and tiers like shareholders, Board of Directors, CEO and inspectors for each of which the scope of authority, power and liabilities are determined according to the Trade Act and the Article of Incorporation of this company being approved by the Securities and Exchange Organization (SEO).

Iran Mercantile Exchange has been listed in the base market of Iran Farabourse and the shares of which is traded on Iran Farabourse trading systems. IME is a self-regulated organization and at the same time is fully supervised by SEO. IME is obliged to organize its operation based on the instructions and resolutions approved by the High Council of the Exchange and SEO.

All exchanges in general and the IME in particular ensure primarily transparency and economic atmosphere safeguards; and in any legal regime certain measures must be taken in the rules and regulations in order to facilitate the exchanges' operations.

Furthermore, in the legal system of Iran, according to the Article 99 of the Fifth Development Plan Law, which was later referred to as the permanent orders of the development plans, the IME's transactions and settlements were exempted from enforcement of the rules governing the unorganized markets, being a turning point in this regard. In addition, the legislator has endeavored to protect the exchange market participants by considering tax discounts for the IME's clients through the law of the development of the new financial instruments, and through the Law of Enhancement of Productivity in the Agricultural Sector and Natural Resources using agricultural commodities guaranteed price solution by offering of commodities in the IME. Such a protection can be seen in other regulations like the Law of Lifting the Production Obstacles.

Key highlights

Table 7. IME's Key highlights up to the Date of 20.03.2017

Row	Key highlights	Date
1	IME takes part in laboratory equipment exhibition	26-Apr-2016
2	Participants of 8 th international course on Islamic capital market visit IME	03-May-2016
3	IME takes part in International oil, gas and petrochemicals exhibition	10-May-2016
4	IME CEO attend Argus international bitumen conference as speaker	11-May-2016
5	IME CEO meets officials of CSD of Indonesia	24-May-2016
6	Platts quotes IME's prices for the first time	04-Jun-2016
8	IME and PMEX sign memorandum of understanding	02-Jul-2016
9	IME attends 9 th international exhibition of exchange, bank and insurance	10-Jul-2016
10	IME's annual general assembly meeting	18-Jul-2016
11	IME hosts attendees of international conference of 4 th industrial revolution	04-Aug-2016
12	IME CEO as speaker in the first international conference of Iran's bitumen and asphalt	30-Aug-2016
13	Meeting with high-ranking officials of the Steinweg Company to extend cooperation on warehousing	04-Sep-2016
14	Meeting with high-ranking officials of the Heneken Company to extend cooperation on aluminum products	20-Sep-2016
15	IME CEO attends press conference	02-Oct-2016
16	IME attends technology conference of Association of Futures Markets	07-Oct-2016
17	Meeting Russian agriculture market participants on trades of maize	19-Oct-2016
18	IME attends 3 th international Kish Exchange Exhibition	01-Nov-2016
19	IME attends 56 th annual assembly of WFE in Colombia	06-Nov-2016
20	Meeting between India's capital market regulatory body (SEBI) and IME	15-Nov-2016
21	IME attends annual meeting of FEAS in Egypt	16-Nov-2016
22	IME elected as member to Iranian Committee Council (ICC)	16-Nov-2016
23	IME signs MoU with Iran Small Industries and Industrial Parks Organization(SME) and with SMEs Investment Guarantee Fund	21-Nov-2016
24	IME launches trading board in Aras free zone	22-Nov-2016
25	IME signs MoU with industries commission of Iran chamber of commerce, industries, mines and agriculture	26-Nov-2016
26	IME representatives attend meeting of mutual economic commission of Iran and Armenia in Ministry of Energy	03-Dec-2016
27	IME signs MoU with Mellat Bank	05-Dec-2016
28	IME signs MoU with Indonesian Commodity and Derivatives Exchange	14-Dec-2016
29	Launching options trades	18-Dec-2016
30	IME CEO as speaker in 4 th international iron ore conference	09-Jan-2017
31	Launching trades certificates of deposit of saffron in Mashhad	12-Feb-2017
32	IME attends 7 th Iran steel conference	14-Feb-2017
33	Official launch of IME symbol in main board of IFB base market	26-Feb-2017
34	IME launches trades of pistachio with presence of Minister of Economy	13-Mar-2017

Outstanding Achievements



Derivatives Market

- **25% growth in trading value of physical market (amounting to 371,000 billion IRR)**
- **Petrochemical and oil products**
 - 26% growth in trading volume and 34% growth in trading value of petrochemical commodities in 1395 Hijri year compared to 1394 and breaking the record of trading volume and value of petrochemical trades since the establishment of IME
 - Increase in the relative amount volume of trades to offering volume, reaching from 49 in 1394 to 67 in 1395
 - Launching long-term contracts and review of trading systems to create the potential for retail trades
 - Competition council approval to continuation of trades of petrochemical commodities on IME
- **Agro-products**
 - 229% growth in trading volume and 199% in trading value of agricultural products in 1395 compared to 1394
 - Trade of more than 442,000 Tonnes of wheat in physical market
 - Implementing the guaranteed price plan for barley and maize all over the country
 - Launching trade of pistachios
 - Technical inspection and listing of 73 warehouses for agricultural products in line with execution of article 33 of the law of improving efficiency in agricultural sector
 - Collaboration and interaction with poultry market participants to launch trade of one-day chicks in order to complete the supply chain for poultry products in Iran
- **Mineral and industrial products**
 - Listing of iron ore in IME domestic trading floor
 - Listing and offering of iron ore products
 - Agreement with IMIDRO on supplying new mineral products
 - Listing and trade of assets supplied by Confiscated Properties Organization
 - 10fold increase in the number of real customers in IME's physical market



Derivatives Market

Options Contracts

- Launching trades of options contracts
- Developing user-friendly guidelines for options contracts
- Devising collateral regulations for options trades
- Devising prospectus for and specifications of contracts of options trades on gold coin
- Designing brochures and animations for educational purposes

Exchange traded commodity funds

- Amendment to listing procedure bylaw of IME
- Devising a formula to calculate NAV, trade regulations for commodity fund, regulations for listing cancelation of commodity funds and the procedure of underwriting for commodity funds, which are to be approved by SEO

Market-making for derivatives contracts

- Approval of market-making activities guidelines in IME
- Designing and approval of letter of commitment of market-making activities in IME
- Devising the executive procedure for obtaining market-making working license
- Making contracts with 3 investment banks

New underlying assets for futures contracts

- Studies new oil and petrochemical products to be listed for futures contracts on IME
- Preparing feasibility study reports, prospectus and specifications for futures contracts on bitumen 6070, and linear polyethylene grades AA0209, PVCS65
- Listing futures contracts for maize and saffron



Certificates of Deposit

- Launching online trades of commodity-based certificates of deposit
- 185% growth of commodity-based certificates of deposit in 1395 compared to 1394
- Listing a warehouse for launching trade of certificates of deposit on saffron
- Listing of 3 warehouses for domestic maize and launching continuous trades on 3 new symbols



Information Technology

- Launching options contracts trading system
- Developing a system for farmers for gathering information, credit assessment and obtaining trading code for farmers of barley and maize
- Developing and promoting the Total Trading System (TTS)
- Upgrading futures contracts motor
- Improving data dissemination services for beneficiaries
- Setting up and electronic link to “Samen” System
- Promoting operating systems with operating banks
- Necessary Changes in operating systems in order to cover small, specific and long-term contracts
- Developing management system for petrochemical products licenses
- Linkage to “Bitā” System to exchange information with Iran’s Customs



Public Relations and International Affairs

- Releasing IME’s “Payam-e-Eqtesadi” Magazine
- Publication of the book “Supportive Policies for Agricultural Sector with a Market-based Approach”
- Publication of the book “Foreign Currencies Price Volatilities Coverage”
- Holding 19,544 p/hr. of training courses for IME’s beneficiaries
- Holding a meeting session between India and Iran’s capital market high-ranking officials
- Attending 7th Iran steel conference , 9th international exhibition of exchange, bank and insurance ,3th international Kish Exchange Exhibition , laboratory equipment exhibition and International oil, gas and petrochemicals exhibition
- Holding MoU signing ceremonies between IME and Iran Small Industries and Industrial Parks Organization(SME) and with SMEs Investment Guarantee Fund, with Mellat Bank, ,with industries commission of Iran chamber of commerce, industries, mines and agriculture, , with Indonesian Commodity and Derivatives Exchange and with Taiwan Futures exchange.
- Releasing IME prices in ICIS, Argus, Argus Feed Stock, Argus Black Sea Steel, Metal Bulletin and Steel First magazines over the year
- Releasing IME’s prices in Platts magazine for the first time
- IME’s affiliation to WFE and attendance in its 56th annual general assembly
- IME’s attendance in Association of futures Markets

Trading Statistics

In this section, the general trading statistics in the IME during 2016 are stated briefly. For this purpose, trading statistics for each of the commodity groups including metals and minerals, oil and petrochemical, agricultural products as well as commodity based securities being offered on the IME were reviewed.

Summarized Trading Statistics

Considering the total value the physical market and the commodity-based securities market, during 2016 IME's trade value reached 81,000 Billion Rials being a new record in the history of IME's trading.

Table 8. General Trading Data

Trading Statistics	2016		2015		Changes	
	Volume (KT)	Value (Billion Rls)	Volume (KT)	Value (Billion Rls)	Volume	Value
Metal and Mineral Products	9,393	155,963	9,883	128,232	-5%	22%
Agricultural Products	2,510	28,113	764	9,401	229%	199%
Petrochemical Products	3,561	114,118	2,822	85,375	26%	34%
Oil Products	9,896	70,498	9,758	73,343	1%	-4%
Side Market	115	1,483	27	194	326%	664%
Gold (in kilogram)	620	832	604	702	3%	19%
Sum of Spot Market Trading	25,475	371,007	23,254	297,247	10%	25%
Futures Contracts (number of contracts)	3,202,242	390,241	1,695,890	166,803	89%	134%
Options Contracts (number of contracts)	42,852	504	0	0	-	-
Sum of Derivatives Contracts (number of contracts)	3,245,094	390,745	1,695,890	166,803	91%	134%
Standard Parallel Forwards SALAM(number of contracts)	7,106	52,022	2,698	6,764	163%	669%
Commodity-based Certificate of Deposit(number of contracts)	453	3,437	190	1,204	138%	185%
Sum of Commodity-based Securities	-	446,204	-	174,771	-	155%
Sum of IME's Total Trading	33,034	817,211	26,142	472,018	26%	73%

*It is worth noting that certificates of deposit for 10,082 gold coin in 2016 and certificates of deposit for 969 gold coins over 2015 were traded, which is not included in the sum of volume of trading.

*Fiscal Year 2016 = 20.03.2016 to 20.03.2017
*Fiscal Year 2015 = 21.03.2015 to 19.03.2016

Chart 2: IME's Trading Value since the Establishment (Billion Rials)

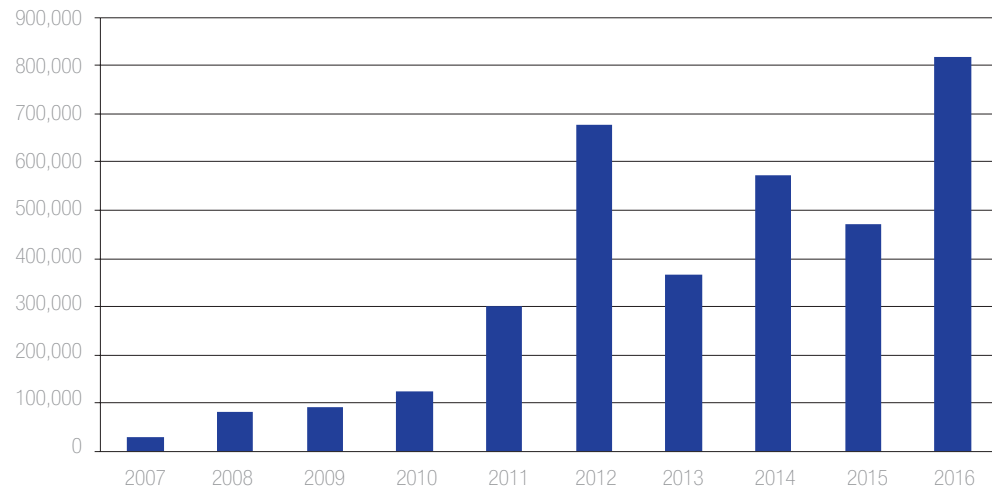


Chart 3: IME's Trading Volume since the Establishment (Thousand Tonnes)

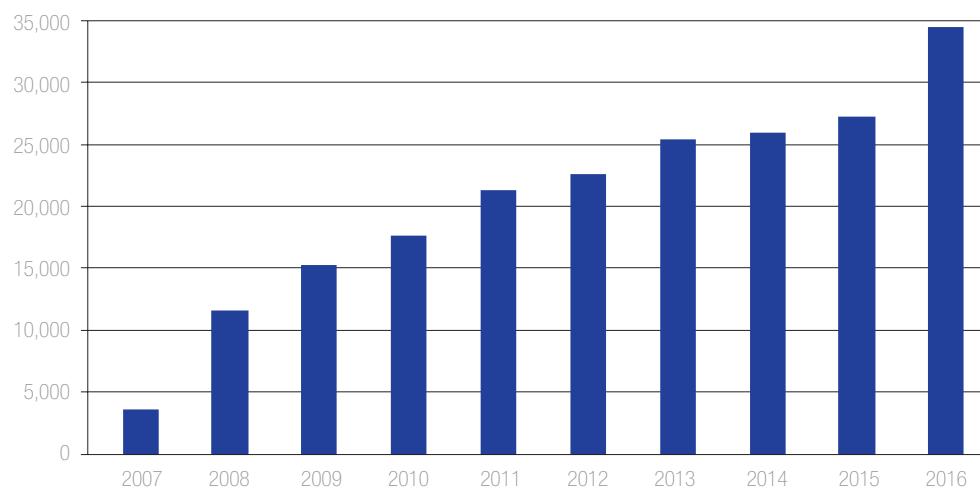


Chart 4. IME's Total Trading Value Divided into Spot market and Commodity Based Securities Market Value (2007-2016) (Billion Riials)

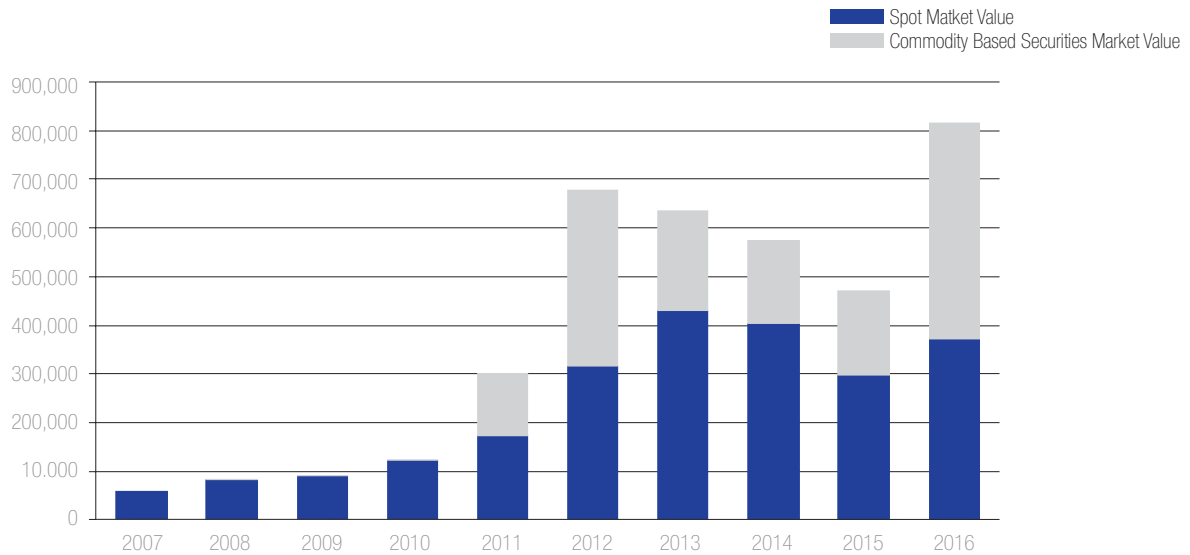
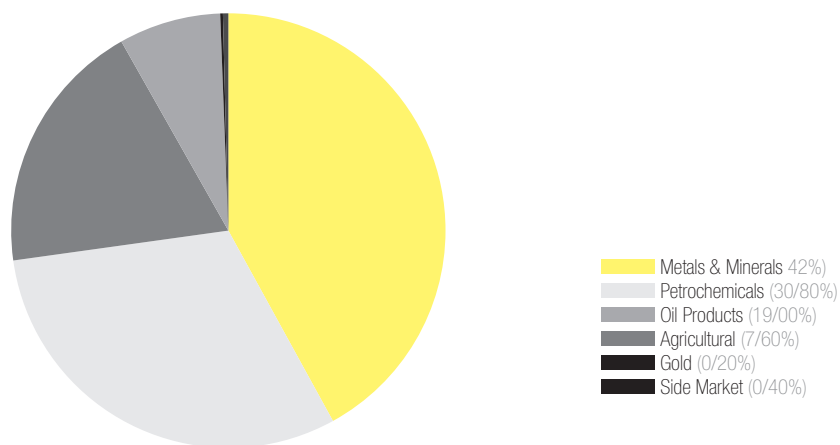


Chart 5. The Share of Each Commodity Groups of Total Spot Market Trading (Volume)



Spot Market

As the following table illustrates, the trading volume of all commodity groups rose except for metal and mineral group and the trading value experienced growth in all commodity groups except for oil products.

Table 9. Trading Statistics in 2015 and 2016

Main Commodity Group	Type of Contract	2016		2015	
		Volume (Thousand Tonnes)	Value (Billion Riials)	Volume (Thousand Tonnes)	Value (Billion Riials)
Metal and Mineral Products	SALAM	6,872	116,236	5,827	81,677
	Credit	6	461	9	457
	Cash	2,515	40,100	4,047	46,800
Total		9,393	156,797	9,883	128,934
Petrochemical Products	SALAM	968	32,252	1,014	23,609
	Cash	2,593	81,866	1,808	61,766
Total		3,561	114,118	2,822	85,375
Oil Products	SALAM	3	24	5	42
	Credit	6	41	6	47
	Cash	9,887	70,433	9,747	73,254
Total		9,896	70,498	9,758	73,343
Agricultural Products	SALAM	287	7,481	0	0
	Credit	7	106	15	226
	Cash	2,216	20,526	749	9,175
Total		2,510	28,113	764	9,401
Side Market	SALAM	87	562	10	65
	Cash	28	921	17	129
Total		115	1,483	27	194
Total Trading	SALAM	8,217	156,554	6,856	105,393
	Credit	20	608	30	730
	Cash	17,238	213,845	16,368	191,124
	Total	25,475	371,007	23,254	297,247

*Fiscal Year 2016 = 20.03.2016 to 20.03.2017

*Fiscal Year 2015 = 21.03.2015 to 19.03.2016

Chart 6. The Share of Each Commodity Groups of Total Spot Market Trading (Value)

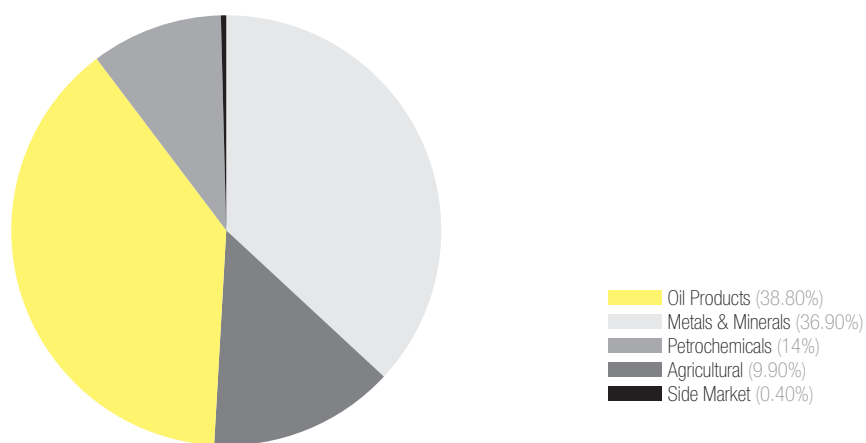
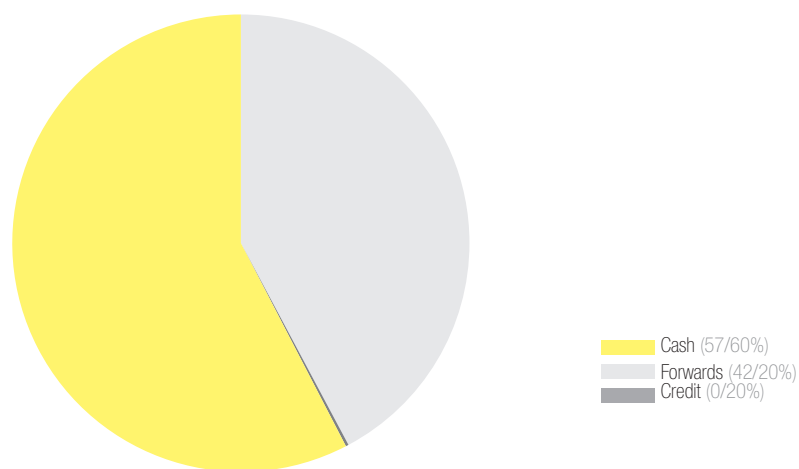


Chart 7. The Share of Each Contract Type of Total Spot Market Trading



In 2016 a total of 49.7 million Tonnes of various commodities were offered on the spot market of IME, out of which 25.5 million Tonnes worth 371,000 Billion Rials were traded. Comparing to the last year, the volume and value of trading in 2016 experienced a growth of %10 and %25, respectively. It is worth noting that in 2016 the record of trading volume was broken and reached to 25.5 million Tonnes , while the last record was 24.4 million Tonnes .

Chart 8. Comparing Spot Market Trading in 2015 and 2016

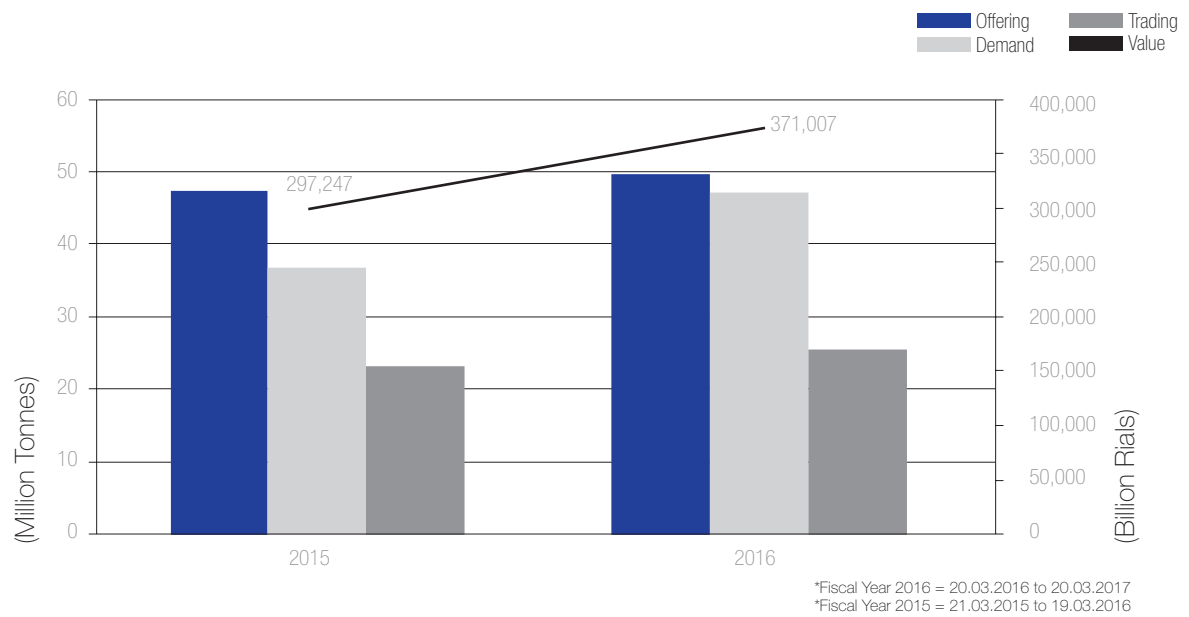
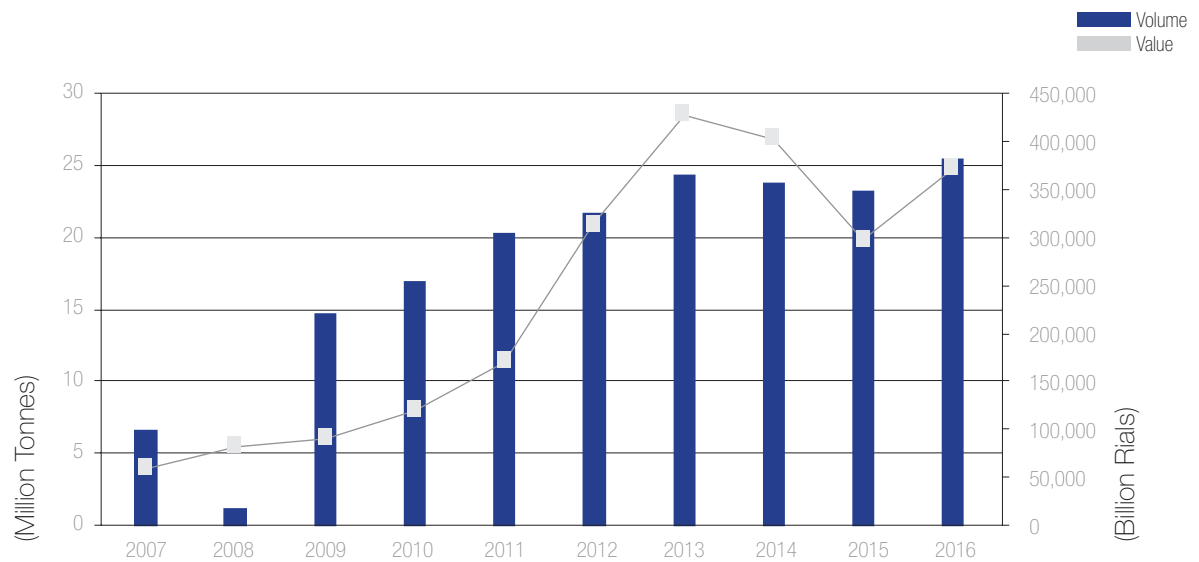
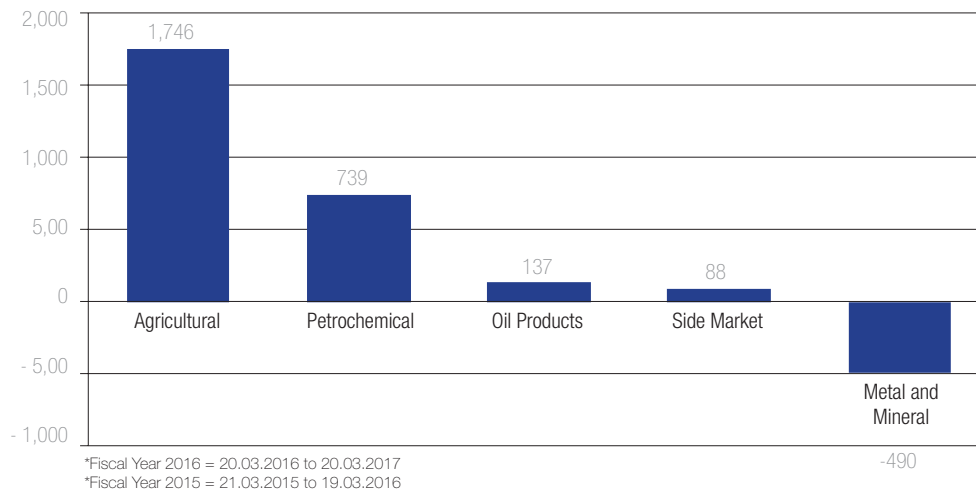


Chart 9. Spot Market Trading Status from 2007 to 2016



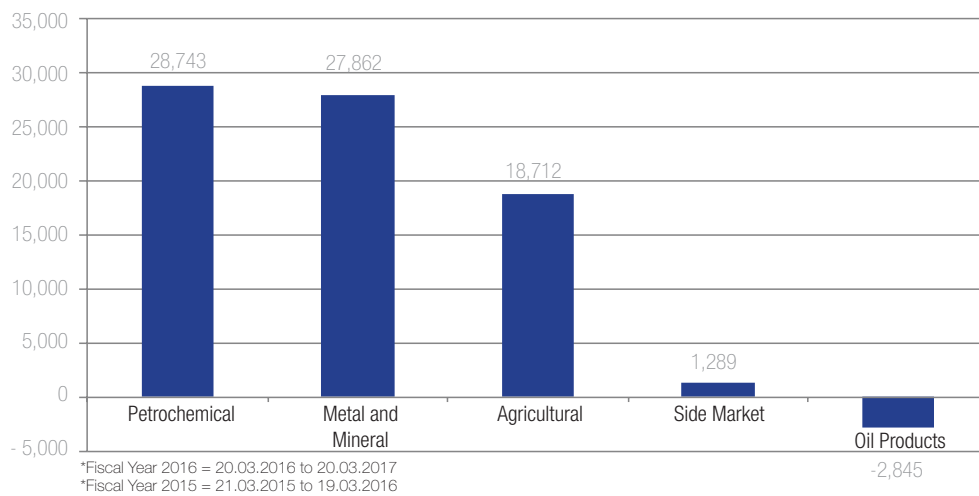
The amount of changes in the trading volume of different groups is demonstrated in the following chart. It is worth noting that, agricultural products group rose in excess of 1.7 million Tonnes.

Chart 10. Changes in Trading Volume of Different Groups in 2016 Compared to 2015



Furthermore, according to the chart, the highest amount of increase in trading value in 2016 compared to 2015 is related to petrochemical products group and over this period the trading value in this group increased by 28,743 Billion Rials.

Chart 11. Changes in Trading Value of Different Groups in 2016 Compared to 2015 (Billion Rials)



HRS, feed barley and bitumen experienced the largest changes in trading volume. Also, HRS, CRS, feed barley and sugar had the highest growth rate in trading value.

Chart 12. Commodities with the Highest Increase in Trading Volume in 2016 Compared to 2015 (Thousand Tonnes)

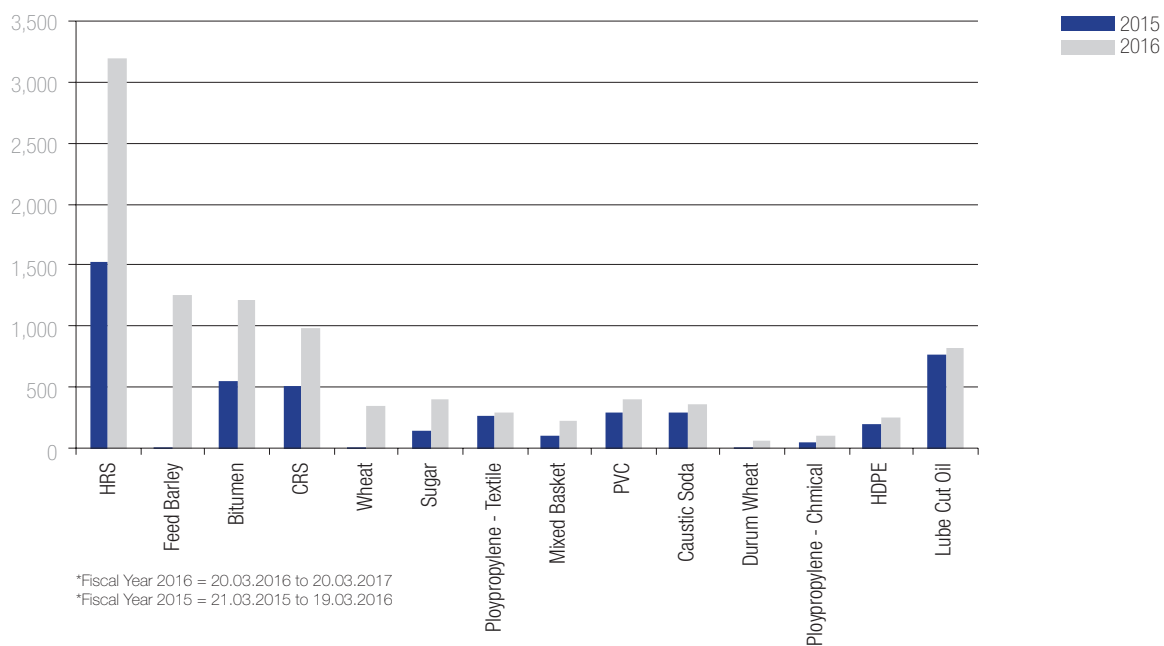
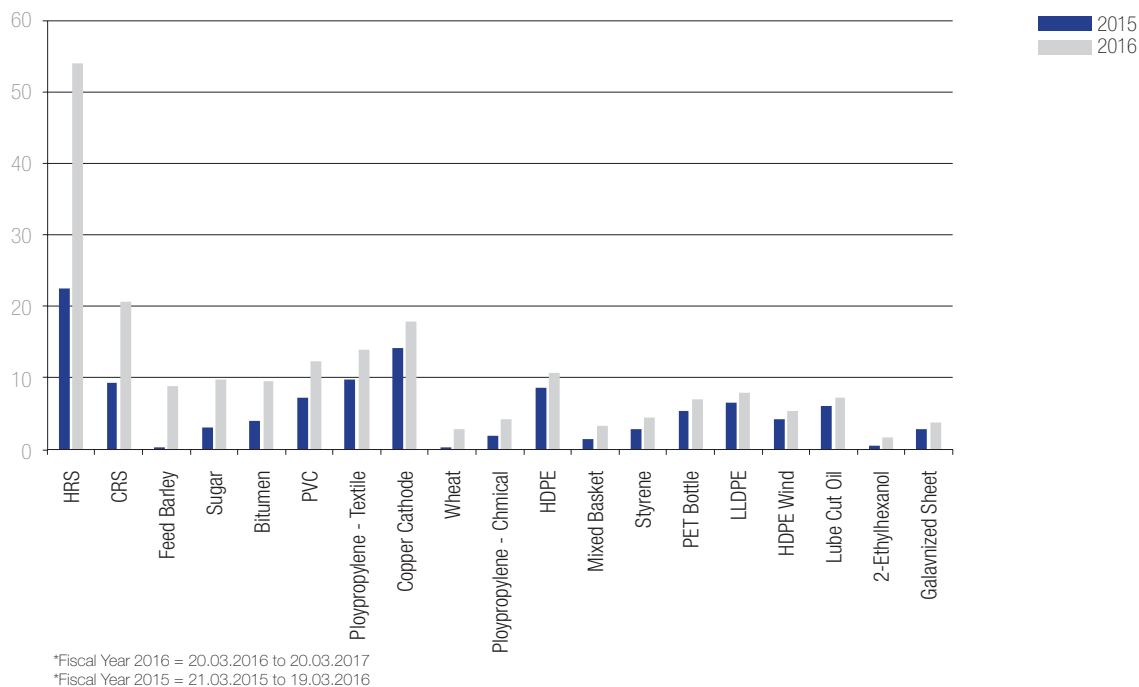


Chart 13. Commodities with the Highest Increase in Trading Value in 2016 Compared to 2015 (Billion Rials)



Metal and Mineral Commodities

Over 2016, the total trading value of metal and mineral was about 156,000 Billion Rials which experienced a %22 growth.

Table 10. Metal and Mineral Commodities Trading Statistics in Spot Market

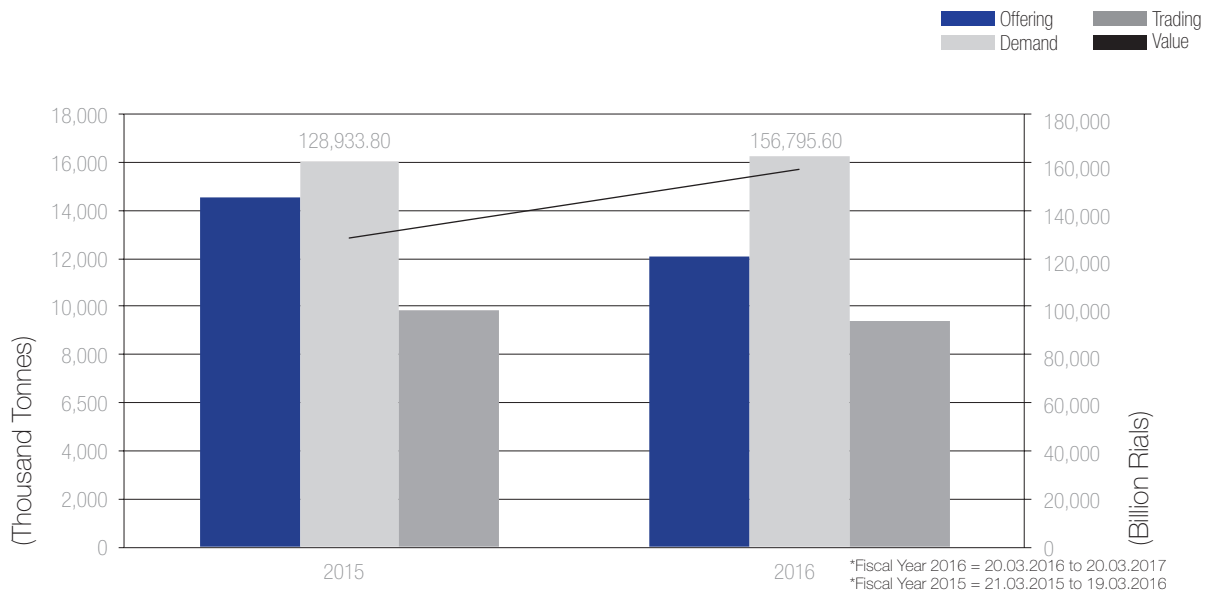
Commodity	Type of Contract	2016		2015	
		Volume (Thousand Tonnes)	Value (Billion Rials)	Volume (Thousand Tonnes)	Value (Billion Rials)
Aluminum	SALAM	8	541	0	0
	Credit	6	461	5	412
	Cash	97	6,735	144	9,154
	Total	111	7,737	149	9,566
Zinc	Cash	1	124	1	69
Steel	SALAM	6,864	115,695	5,827	81,677
	Credit	0	0	3	46
	Cash	104	1,525	858	10,557
	Total	6,968	117,220	6,688	92,280
Copper	Cash	262	27,113	306	23,170
Concentrates	Cash	0.126	465	0.207	617
Molybdenum Concentrates	Cash	6	1,146	7	876
Coke	Cash	9	51	7	47
Iron Ore	Cash	2,030	2,102	2,725	1,607
Cement	Cash	6	5	0	0
The total market	SALAM	6,872	116,235	5,827	81,677
	Credit	6	461	9	457
	Cash	2,515	39,267	4,047	46,098
	Total	9,393	155,963	9,883	128,232
Gold (kg)	Cash	620	832	604	702

*Fiscal Year 2016 = 20.03.2016 to 20.03.2017

*Fiscal Year 2015 = 21.03.2015 to 19.03.2016

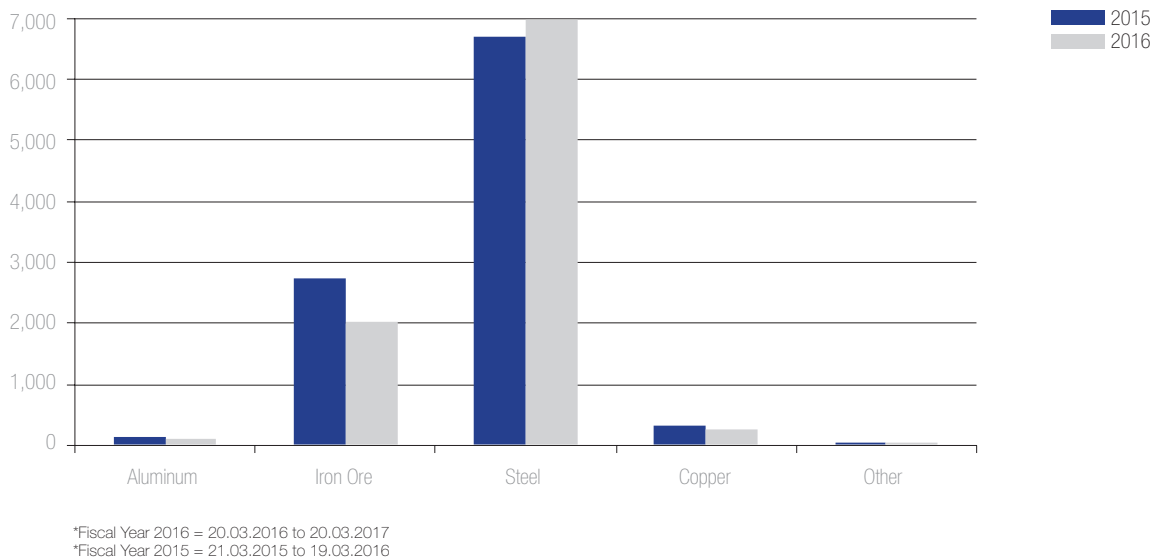
The following chart compares the offering, demand and trading volume as well as trading value of metal and mineral commodities during 2016 with those of 2015.

Chart 14. Comparing Offer, Demand and Trading Volume as well as Trading Value of Metal and Mineral Commodities during 2016 with those of 2015



According to the above chart, the volume of offering and trading of metal and mineral products decreased by %17 and %5, respectively, the volume of demand and also the trading value increased by %1 and %22, respectively. The following chart considered and compared the changes in volume and value of transactions by groups.

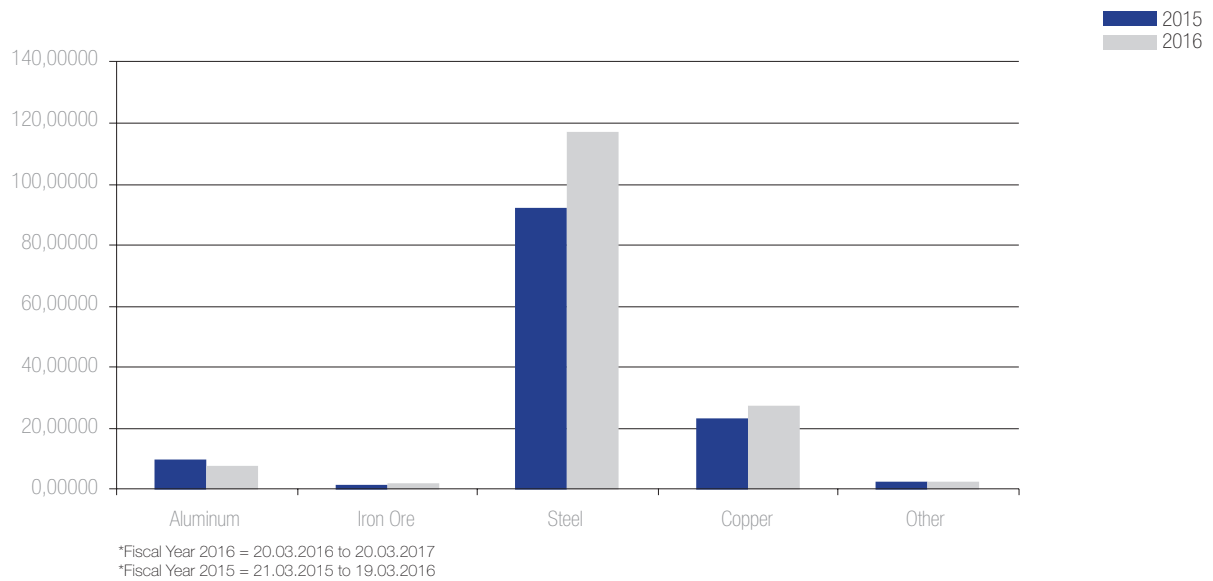
Chart 15. Comparing Changes in Trading Volume of Different Groups in Metal and Mineral Products in 2015 and 2016 (Thousand Tonnes)



According to the charts, during 2016, 74% of the trading volume and 75% of the trading value of the metal and mineral commodities belong to the steel group. The volume of steel group experienced a %4 growth in 2016 compared to 2015.

The volume of transactions compared to 1394 increased by 4 percent.

Chart 16. Comparing Changes in Trading Value of Different Groups in Metal and Mineral Products in 2015 and 2016 (Billion Rials)



According to the above chart, compared to 2015, the trading value of iron ore and steel products increased by %31 and %27, respectively.

Petrochemical Products

Table 11. Petrochemical Products Trading Statistics in Spot Market

Commodity	Type of Contract	2016		2015	
		Volume (Thousand Tonnes)	Value (Billion Rials)	Volume (Thousand Tonnes)	Value (Billion Rials)
Chemical Products	SALAM	266	8,620	481	6,769
	Cash	695	8,996	286	5,428
Total		961	17,616	767	12,197
Polymer Products	SALAM	700	23,611	533	16,834
	Cash	1,898	72,864	1,520	56,322
Total		2,598	96,475	2,053	73,156
Argon Gas	SALAM	1	21	0.400	6
	Cash	0.420	6	1	16
Total		2	27	2	22
Total	SALAM	968	32,252	1,014	23,609
	Cash	2,593	81,866	1,808	61,766
	Total	3,561	114,118	2,822	85,375

*Fiscal Year 2016 = 20.03.2016 to 20.03.2017

*Fiscal Year 2015 = 21.03.2015 to 19.03.2016

In 1395 Hijri year, there was a total of 5.32 million tonnes of petrochemicals offered on IME of which 3.56 million tonnes was traded valued at 114,000 billion IRR. Trading volume and trading value of petrochemicals in 1395 showed growths of 26% and 34 % respectively. In fact, the volume and value of trade for petrochemicals in 1395 reached unprecedented records since the establishment of IME.

Among the most important events of this market has been the stop in the declining trend for global prices which started from 1393 Hijri year and continued into 1394. During 1395, due to the rising trend in oil prices and consequently the increase in global prices and also a growth in value of dollar, base prices experienced an upward trend. This, in turn, resulted in more market participants and producers to be inclined to trade on the exchanges. An average trend of base prices for polymeric products is shown in the chart below:

Chart 17. Comparing Petrochemical Products Trading Statistics in 2015 and 2016

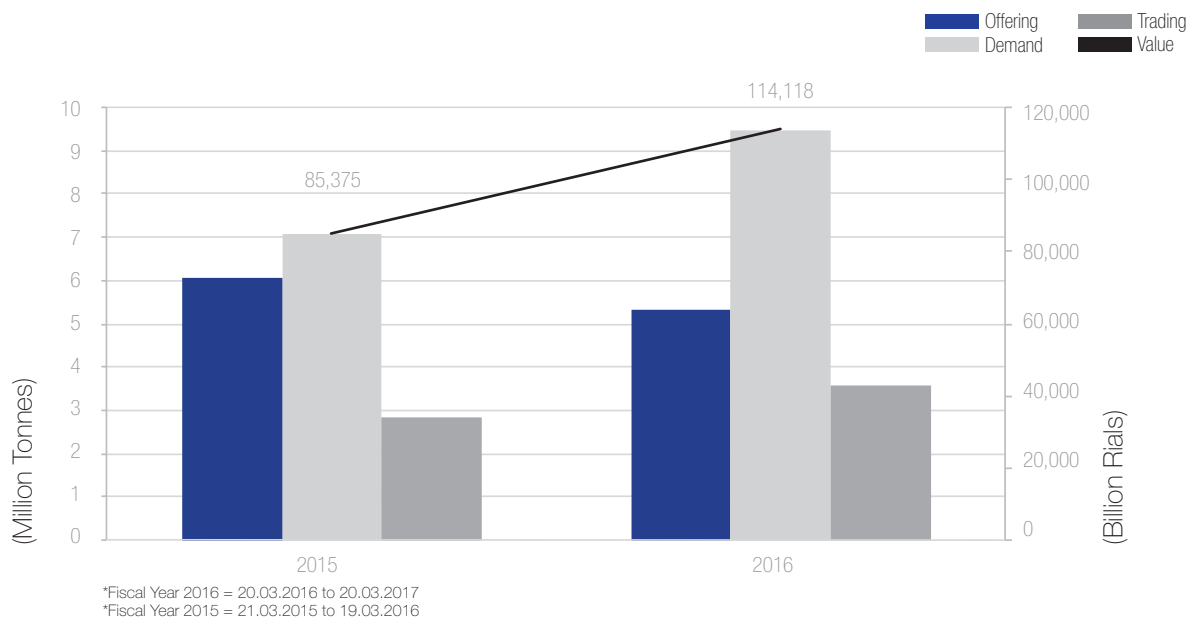


Chart 18. Trends of Trading Volume & Value of Petrochemical Products from 2008 to 2016

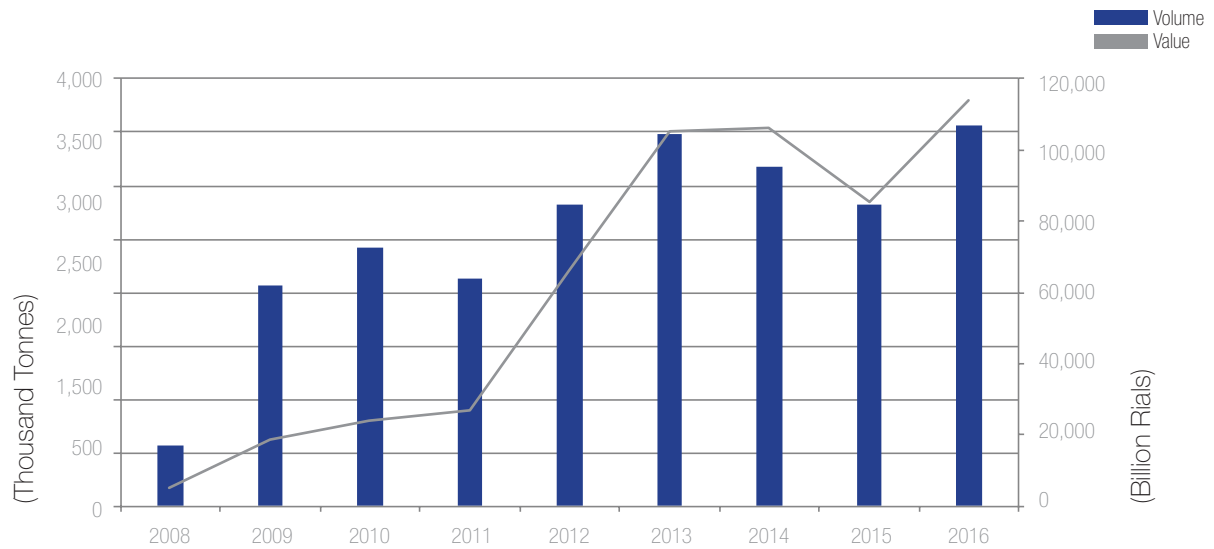
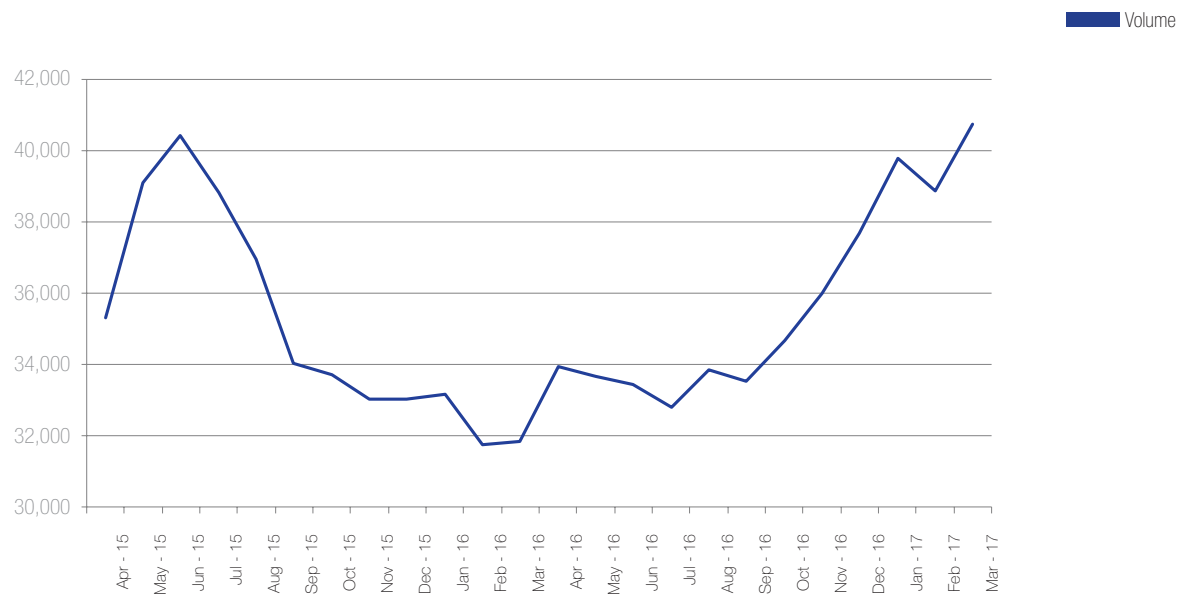


Chart 19. Trends of Average Base Prices of Petrochemical Products in 2015 and 2016 (Rials/Kg)



*Fiscal Year 2016 = 20.03.2016 to 20.03.2017
 *Fiscal Year 2015 = 21.03.2015 to 19.03.2016

Oil Products

Table 12. Oil Products Trading Statistics in Spot Market

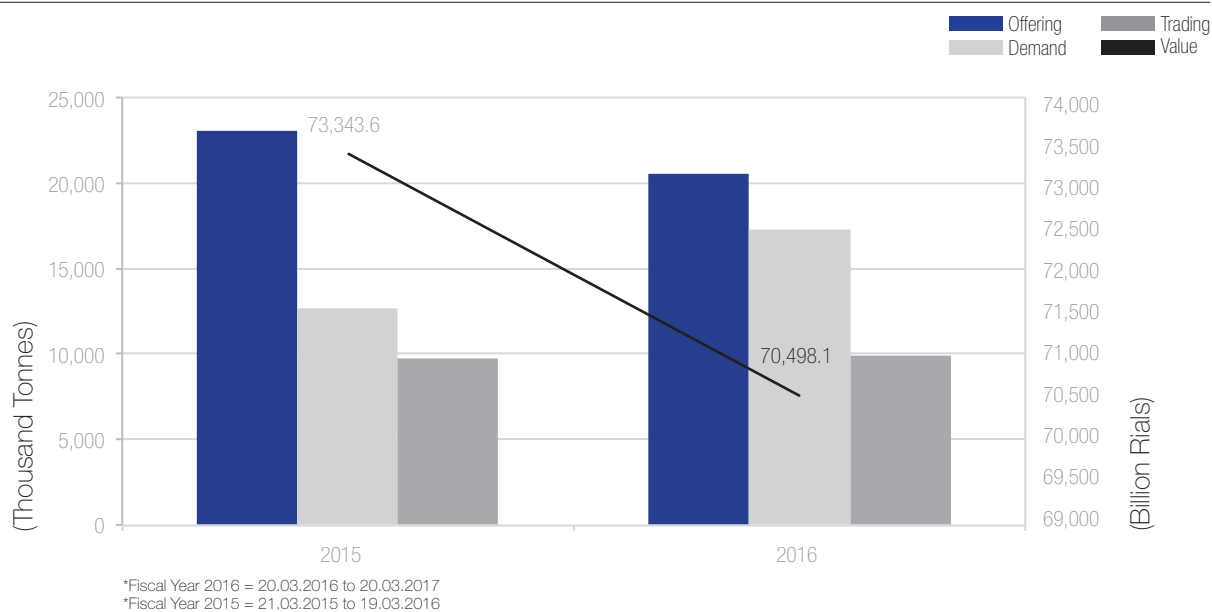
Commodity	Type of Contract	2016		2015	
		Volume (Thousand Tonnes)	Value (Billion Riials)	Volume (Thousand Tonnes)	Value (Billion Riials)
Oils	Cash	0	0	0.15	3
Bitumen	SALAM	0	0	5	42
	Credit	6	41	6	47
	Cash	5,222	40,504	5,113	42,840
	Total	5,228	40,545	5,124	42,929
VB Feed Stock	Cash	3,219	19,493	3,239	21,032
Sulfur	Cash	351	660	330	955
Lube Cut Oil	SALAM	3	24	0	0
	Cash	1,021	9,003	990	7,755
	Total	1,024	9,027	990	7,755
Slaps Waxes	Cash	29	225	33	221
Insulation	Cash	44	548	42	449
The total market	SALAM	3	24	5	43
	Credit	6	41	6	47
	Cash	9,886	70,433	9,747	73,254
	Total	9,895	70,498	9,758	73,344

*Fiscal Year 2016 = 20.03.2016 to 20.03.2017

*Fiscal Year 2015 = 21.03.2015 to 19.03.2016

The following chart compares the offering, demand and trading volume as well as trading value of oil products during 2016 with those of 2015.

Chart 20. Comparing Oil Products Trading Statistics in 2015 and 2016



According to the above chart, during 2016, compared to the previous year, the offering volume and trading value faced a %11 and %4 decreases, respectively. Furthermore, the demand and trade volume experienced a %37 and %1 growth. The main reason of the increase in the trading volume during 2016 is related to the growth in bitumen transactions from 5.124 to 5.227 million tonnes. Also, the highest decrease in trading value is for bitumen and VB feed stock.

Agricultural Products

Table 13. Agricultural Products Trading Statistics in Spot Market

Commodity	Type of Contract	2016		2015	
		Volume (Thousand Tonnes)	Value (Billion Rials)	Volume (Thousand Tonnes)	Value (Billion Rials)
Feed Barley	Credit	1	9	3	29
	Cash	1,246	8,735	1	4
	Total	1,247	8,744	4	33
Maize	Credit	2	15	4	30
	SALAM	12	103	0	0
	Cash	328	2,490	509	3,640
	Total	342	2,608	513	3,670
Sugar	SALAM	260	6,406	0	0
	Credit	2	46	6	131
	Cash	139	3,384	137	2,885
	Total	401	9,836	143	3,016
Meals	Credit	2	36	2	36
	Cash	11	167	0.25	4
	Total	13	203	2	40
Frozen Chicken	SALAM	15	957	0	0
	Cash	0.44	23	0	0
	Total	15	980	0	0
Concentrates	Credit	0	0	0.25	0.219
Saffron	Cash	0.00002	0.679	0.000017	1.08
Wheat	Cash	422	3,491	3	31
Rice	Cash	19	667	22	1,120
Oil Seeds	Cash	0.5	0.755	2	36
Lentil	Cash	0.018	0.891	0	0
Pea	Cash	0	0	31	410
Date	Cash	0	0	6	19
Crude Vegetable Oil	SALAM	0.425	14	0	0
	Cash	50	1,558	38	1,025
	Total	50	1,572	38	1,025
Pistachios	Cash	0.3	9	0	0
Eggs	Cash	*	1,314	0	0
The total market	SALAM	287	7,481	0	0
	Credit	7	106	15	226
	Cash	2,216	20,526	749	9,175
	Total	2,510	28,113	764	9,401

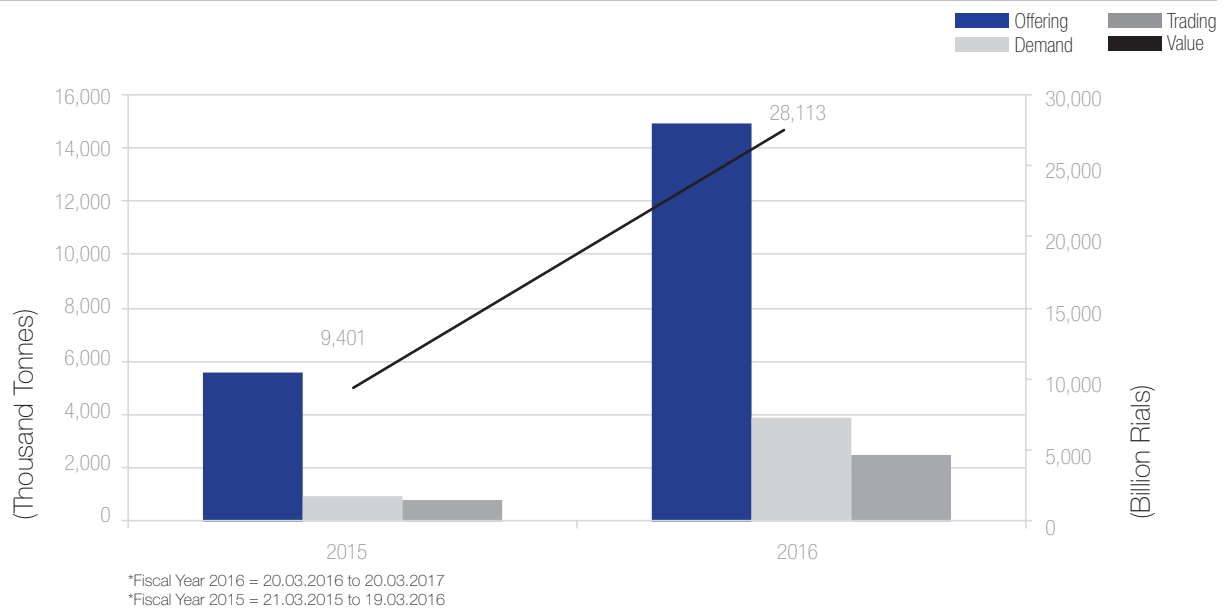
*146,000 eggs were traded during 2016.

*Fiscal Year 2016 = 20.03.2016 to 20.03.2017

*Fiscal Year 2015 = 21.03.2015 to 19.03.2016

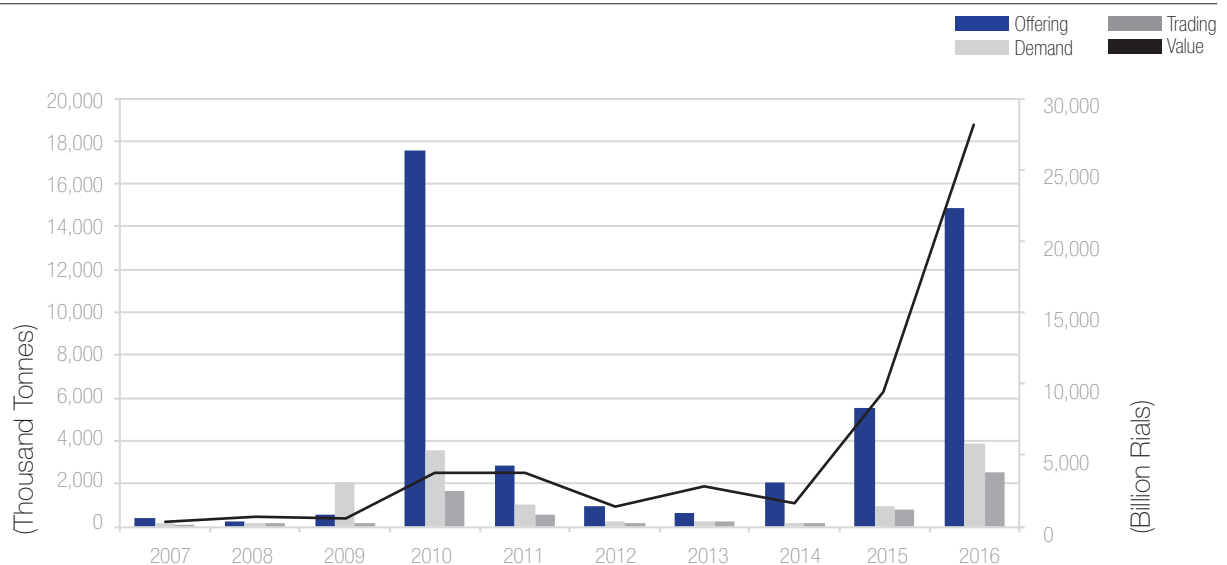
In 2016, approximately 2.5 million tonnes of agricultural commodities worth 28,113 billion Rials were traded out of 14.9 million tonnes of offered products. Compared to the previous year, the trading volume and value of this group increased %299 and %199, respectively. Implementation of Article 33 of the law of increasing the productivity of agricultural sector and natural resources for feed barley and maize from the whole country as well as offering and trading wheat in domestic and international markets during 2016 led to an increase in the offering and trading volume of agricultural commodities in IME.

Chart 21. Comparing Agricultural Products Trading Statistics in 2015 and 2016



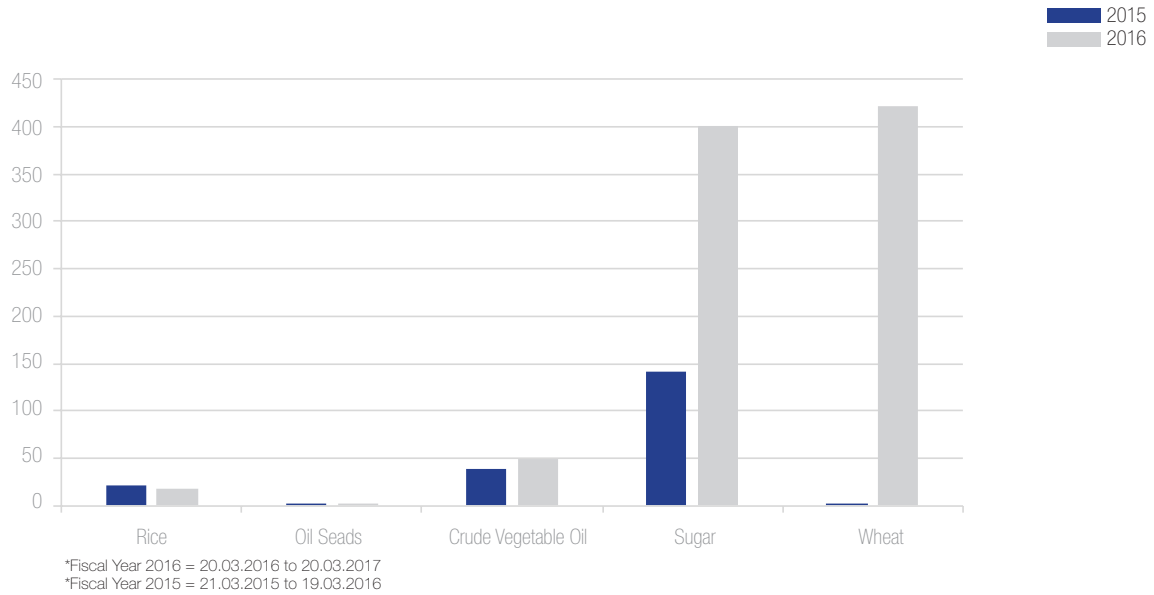
According to the following chart, in 2016, the trading volume and value of agricultural commodities reached the highest amount since 2007.

Chart 22. Trend of Changes in Trading Agricultural Products from 2007 to 2016



According to the following chart, the greatest increase in trading volume in 2016 is for the wheat which is 155 times the amount of the previous year. Efforts to offer wheat in export trading floor of IME resulted in an increase in this product's trading. Moreover, the trading volume of sugar was approximately 3 times the previous year.

Chart 23. Comparing Trading Volume of 5 Agricultural Commodity Groups in 2015 and 2016 (Thousand Tonnes)



Among the agricultural commodities feed barley, wheat, sugar and maize constituted %97 of the trading volume and %87 of the trading value. Sugar, accounting for %16 of the trading volume in agricultural group, has the highest share of the trading value, i.e. %35

Chart 24. Trading Volume of Agricultural Commodities in 2016

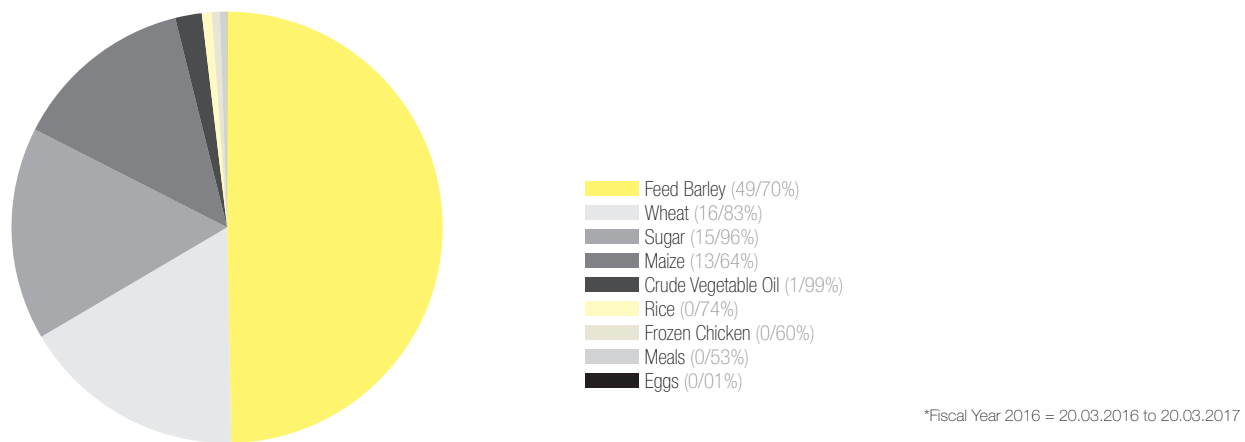
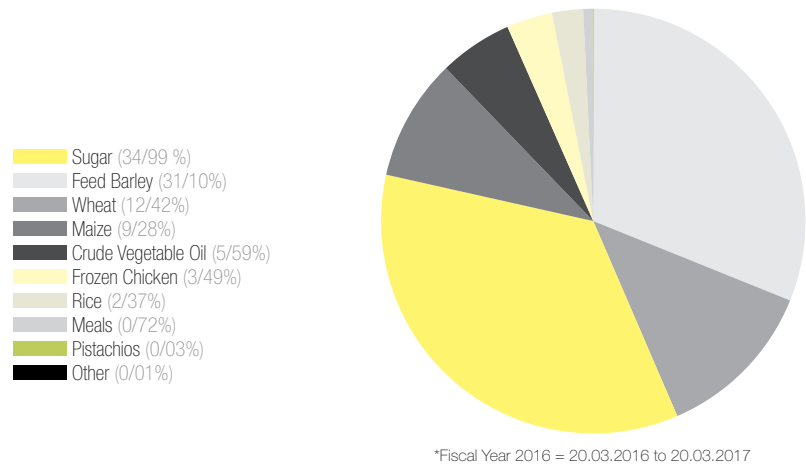


Chart 25. Trading Value of Agricultural Commodities in 2016



Side Market

Table 14. Side Market Trading Statistics

Commodity	Type of Contract	2016		2015	
		Volume (Thousand Tonnes)	Value (Billion Riials)	Volume (Thousand Tonnes)	Value (Billion Riials)
Steel	SALAM	3	50	0	0
	Cash	2	41	0	0
	Total	5	91	0	0
Waste Metals	SALAM	43	333	10	65
	Cash	1	13	14	104
	Total	44	346	24	169
Polymer Products	SALAM	4	132	0	0
	Cash	0.296	6	0	0
	Total	4	138	0	0
Agricultural Products	Cash	16	752	0.001	0.12
	SALAM	0	2	0	0
	Total	16	754	0.001	0.12
Chemical Products	Cash	2	27	2	17
Zinc	Cash	0	0	0.5	3
Minerals	Cash	4	62	0.6	5
Sulfate	SALAM	1	12	0	0
	Cash	2	12	0	0
	Total	3	24	0	0
Lime	SALAM	36	34	0	0
Industrial (kg)	Cash	154	3	0	0
Genetic Products	Cash	0	0.338	0	0
Livestock and Poultry Feed	Cash	0.36	4	0	0
The total market	SALAM	87	562	10	65
	Cash	28	921	17	129
	Total	115	1,483	27	194

* In 2016, around 20,400 waste barrels and 5,000 wooden sleepers and in 2015 about 12,887 waste barrels and 52,000 wooden sleepers were traded on the side market.

*28,000 chicken and chicks were traded in agricultural group of the side market of IIME during 2016.

*600 dosages of genetic products were traded on the side market of IIME during 2016.

* The measuring unit for silver group is kilogram and is not calculated in the total volume.

*Fiscal Year 2016 = 20.03.2016 to 20.03.2017

*Fiscal Year 2015 = 21.03.2015 to 19.03.2016

Commodity Based Securities Market

Chart 26. Trading Value in Commodity Based Securities Market (Derivatives, Standard Parallel and CDR) (Billion Rials)

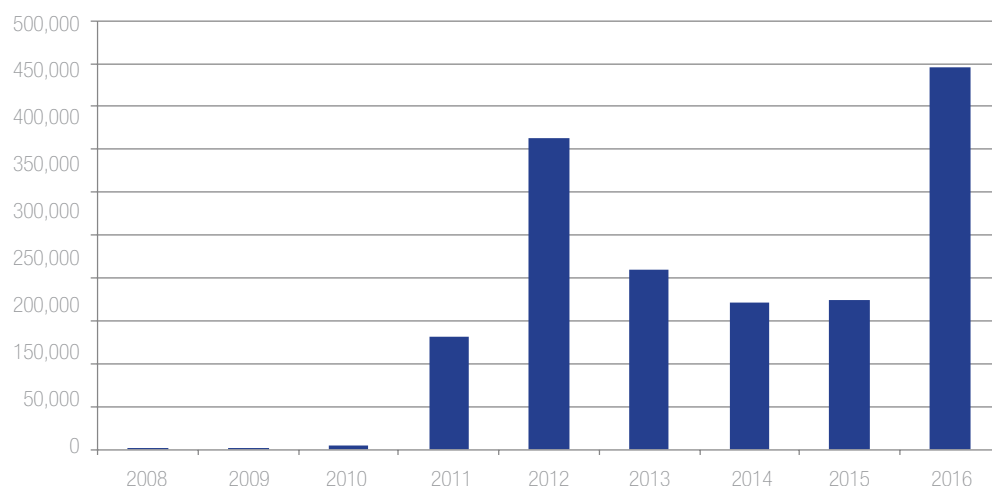


Table 15. Number and Value of Derivatives Contracts

Trading Statistics	2016		2015	
	Number of Contracts	Value (Billion Rials)	Number of Contracts	Value (Billion Rials)
Futures Contracts	3,202,242	390,241	1,695,890	166,803
Options Contracts	42,852	504	0	0
Total Derivatives Contracts	3,245,094	390,745	1,695,890	166,803

*Fiscal Year 2016 = 20.03.2016 to 20.03.2017

*Fiscal Year 2015 = 21.03.2015 to 19.03.2016

Table 16. Number and Value of Standard Parallel SALAM Contracts and Certificates of Deposit

Trading Statistics	2016		2015	
	Number of Contracts	Value (Billion Rials)	Number of Contracts	Value (Billion Rials)
Standard Parallel SALAM Contracts	7,106	52,022	2,698	6,764
Certificates of Deposit (Warrant)	453	3,437	190	1,204
The total market	7,559	55,459	2,888	7,968

*Fiscal Year 2016 = 20.03.2016 to 20.03.2017

*Fiscal Year 2015 = 21.03.2015 to 19.03.2016

In 1395 Hijri Year IME launched trade of options contracts on gold coins as a new financial instrument to cover the risk of market participants and till the end of the same Hijri year (about 3 months) there were 43,000 contracts traded valued at 504 billion IRR.

The value of the standard parallel SALAM securities issued in 1396 was 32,000 billion IRR which showed a 500% growth compared to 1394.

In 1395, there were a total of 3,202,242 futures contracts traded on IME, an 89% increase in comparison to the year before that. Chart 27 shows volume of trades on a monthly basis.

In 1395, IME traded 2,650,000 online contracts accounting for 83% of the total number of contacts traded on the exchange. See chart 28.

On the 28th of December 2016 IME broke the record of its futures market with more than 73,000 futures contracts traded on gold coin. The previous record goes back to about 4 years before that which was 47,000 contracts.

Moreover, in Month Dey of 1395 Hijri year (21 December 2106 to 19 January 2107), IME also experienced unprecedented monthly and weekly records.

Among the most effective factors on the trade of this month have been price volatilities of dollar and gold coin in the spot market as well as changes in global price of gold because of America's presidential elections and the change made by the Federal Reserve in interest rates.

Iran mercantile Exchange has devised an operational plan for 1396 Hijri year along with the performance indices and the relevant strategies, all of which have been announced. Accordingly, IME will have the following measures on the top of priority during the 1395 Hijri year:

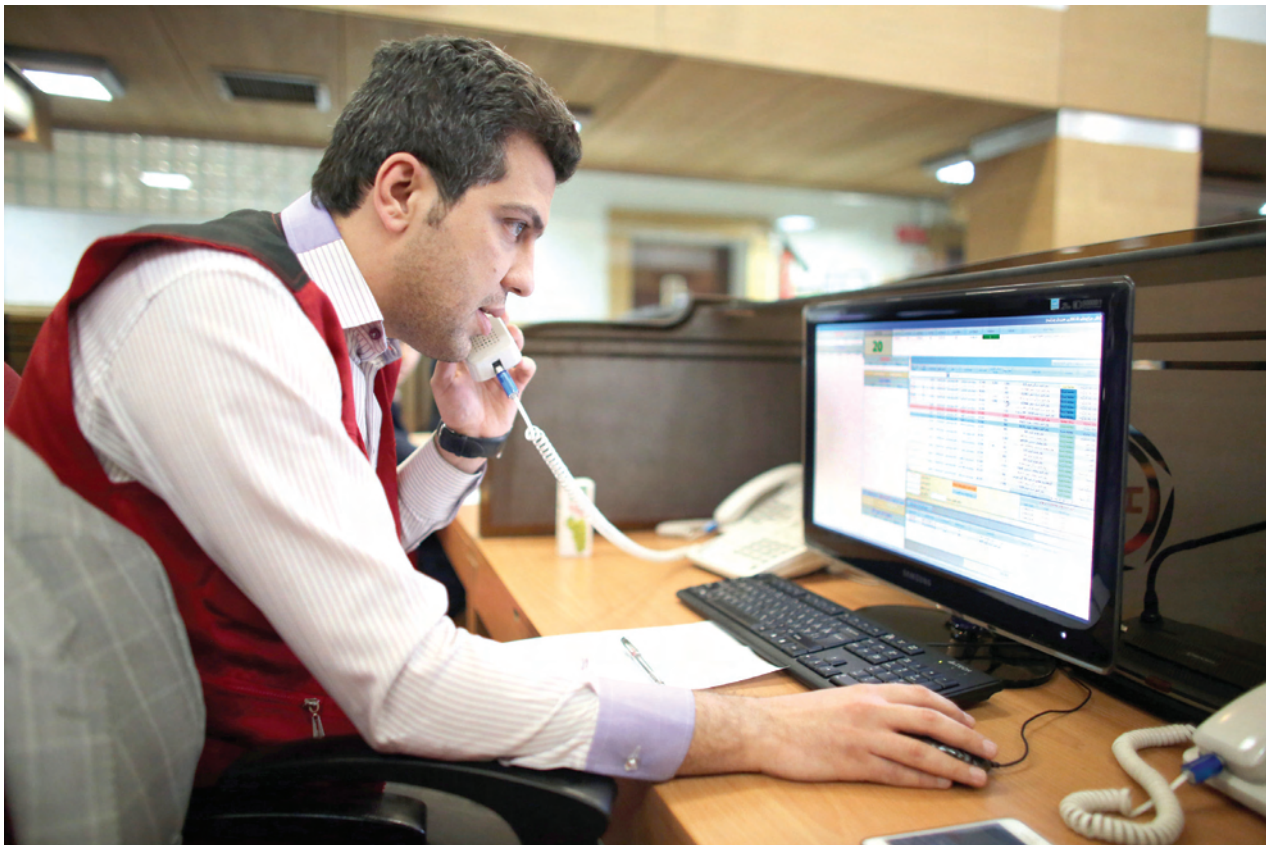


Chart 27. Monthly Futures Contracts Trading Volume during 2016 Compared to 2015

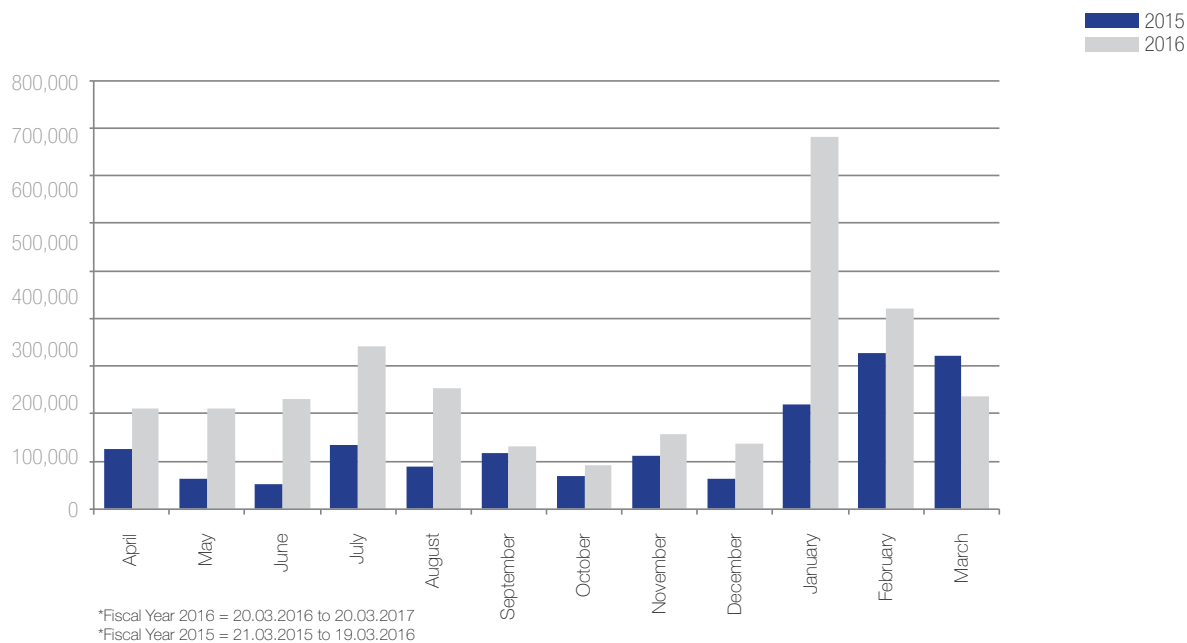
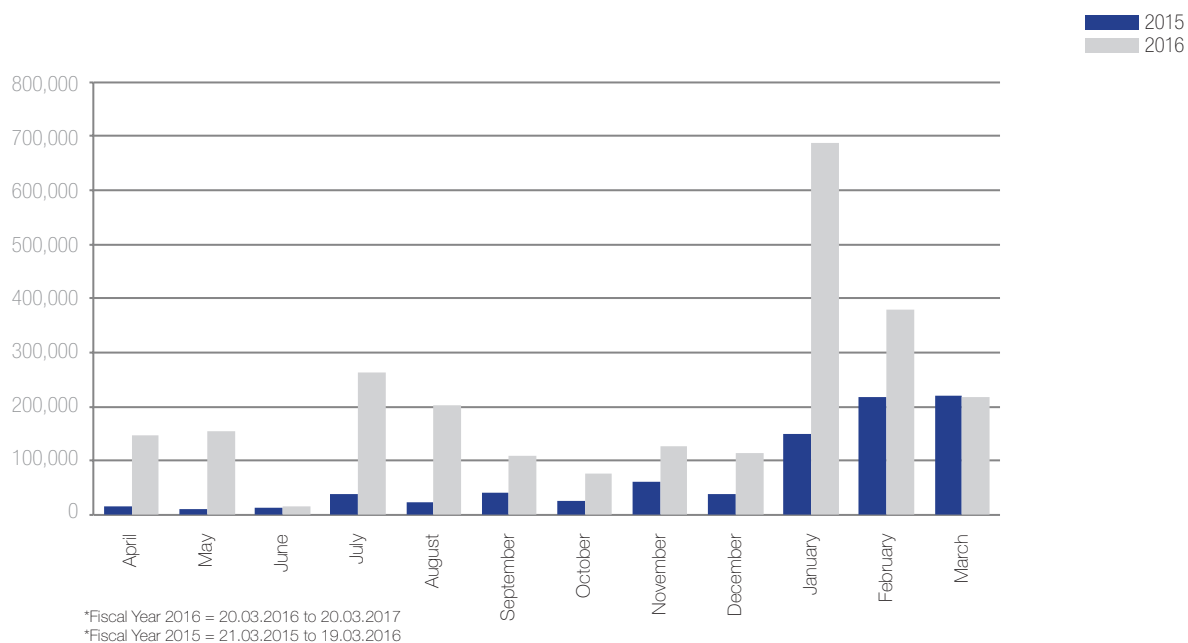


Chart 28. Monthly Online Futures Contracts Trading Volume during 2016 Compared to 2015



Listing Commodities, Suppliers, Commodity based Securities and Warehouses

The overall status of listed suppliers and commodities in 2016 is as following:

Table 17. The Number of Listed Suppliers in IME since Establishment to the End of 2016 Fiscal Year

Listed Suppliers in IME				
Description	Spot Market		Side Market	Total
	Oil and Petrochemical	Metal and Mineral		
Domestic Commodity Suppliers*	234	157	40	431
Foreign Commodity Suppliers**	35	56	8	99

* Agricultural products suppliers are excluded from the domestic commodity suppliers (in main market).

*Fiscal Year 2016 = 20.03.2016 to 20.03.2017

** Foreign Commodity Suppliers are listed as supplying a single shipment.

It is worth noting that for agricultural commodities 19 domestic commodity suppliers and 16 foreign commodity suppliers were listed in the main market of IME and 15 domestic commodity suppliers and 5 foreign commodity suppliers were listed in the side market of the exchange.

Table 18. The Number of Listed Commodities in IME since Establishment to the End of 2016 Fiscal Year

Number of Listed Commodities in IME			
Description	Main Group	Main Subgroup	Secondary Subgroup
Metal and Mineral Products	8	26	52
Oil and Petrochemical Products	2	9	57
Agricultural Products	1	20	78
Total Spot Market	11	55	187
Side Market	9	46	68
Total Listed Commodities	20	101	255

*Fiscal Year 2016 = 20.03.2016 to 20.03.2017

Commodities and Companies Listed in Main Market

a. New Types of Already Existing Commodities

In 1395 Hijri years (non-agricultural) there have been 59 new types of already existing commodities listed on IME which are as follows:

- 1.20 bitumen producing companies
- 2.15 insulation producing companies
- 3.10 companies producing listed petrochemicals
- 4.12 companies producing listed mineral and industrial products

Also in 1395, IME listed 21 commodities from 19 domestic companies

b. New Commodities

c. In 1395, one new commodity was listed:

- d. 2000 Serato automobiles from SAIPA Car Manufacturing Company

Commodities and Companies Listed in side Market

In 1395, 28 commodities from 15 domestic companies and 10 foreign were listed which are as follows:

- 1.15 domestic companies manufacturing various commodities
- 2.10 foreign companies manufacturing various commodities

Securities Based on Listed Commodities

In 1395 there were 5 standard parallel SALAM, 2 futures and 1 options contracts listed on IME which are as follows:

1. Options contracts on gold coin
2. Futures contracts on maize
3. Futures contracts on saffron grade 1
4. Standard parallel SALAM contracts on cement produced in Esfahan
5. Standard parallel SALAM contracts on p-Xylene produced by Borzouye Petrochemical Company
6. Standard parallel SALAM contracts on consumer wheat
7. Standard parallel SALAM contracts on heavy polyethylene F7000 produced by Ilam Petrochemical Company
8. Standard parallel SALAM contracts on chicken produced by Behparvar Company

Listed Warehouses

In 1395, IME also listed 73 warehouses for feed barley and maize in different provinces of the country including Tehran, Qazvin, Kurdistan, Kermanshah, Fars and Khuzestan.

There was also a warehouse listed in Mashhad for saffron in connection with trades of certificates of deposit. Furthermore, IME listed 3 other warehouse in Khuzestan to launch trades of certificates of deposit on domestic maize. It was also a platform on which IME launched continuous trade of maize.

IME has the project of listing warehouses and launching certificates of deposit for industrial products and increasing the number of listed warehouses for precious metals high on the agenda for 1396 Hijri year.

Active Brokers

The brokerages are the main agents for trading on the IME. By the end of 2016, 83 brokerages were authorized and given a license by the Securities and Exchange Organization (SEO) to perform in the IME. A total of 683 licenses were issued for these brokerages in the sectors of metals and minerals, oil and petrochemical products, agriculture, cement, futures contracts, online futures contracts, standard parallel forward contracts and admission counselor as follows:



Table 19. Brokerages Licenses

Row	Broker Name	Metals and minerals	Oil and Petrochemical	Agriculture	Cement	Futures Contracts	Standard Parallel SALAM-Metals	Standard Parallel SALAM-Petrochemicals	Standard Parallel SALAM-Agricultural	Standard Parallel SALAM-Cement	Online Futures Contracts	CDR - Metals	CDR - Agricultural	CDR - Oil and Petrochemicals	CDR - Cement	Admission Counselor	Number of License
1	Etminan Sahn		*	*									*	*		*	5
2	Eqtesad Bidar		*	*		*		*	*		*		*	*		*	9
3	Aban	*	*	*		*	*		*		*					*	8
4	Apadana	*	*	*												*	4
5	Ati Saz Bazar	*	*	*		*	*				*	*	*			*	10
6	Aria Novin		*					*						*		*	4
7	Arad Iranian	*	*	*			*									*	5
8	Arman Tadbir Naghsh-Jahan		*														1
9	Armoun Bourse			*	*												2
10	Aftab Derakhshan Khavarmianeh	*	*	*												*	4
11	Agah	*	*	*	*	*	*	*	*	*	*	*	*	*	*		14
12	Ayandeh Negar Kharazmi		*					*								*	3
13	Ordibehesht Iranian	*	*	*	*	*	*				*		*			*	9
14	Arg Houman	*		*									*				3
15	Amin Avid	*		*			*		*			*	*			*	7
16	Amin Sahn	*	*													*	3
17	Isatis Pouya	*	*	*	*	*	*	*	*			*	*	*	*		12
18	Bazar Saham	*	*	*								*	*	*			6
19	Eqtesad Novin Bank	*	*	*	*		*	*	*							*	8
20	Pasargad Bank	*	*	*	*	*	*	*	*		*	*	*	*			12
21	Ayandeh Bank	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	14
22	Tejarat Bank	*	*		*	*	*				*					*	7
23	Middle East Bank		*														1
24	Dey Bank	*	*													*	3
25	Export Development Bank of Iran	*	*	*	*		*									*	6
26	Refah Bank	*	*	*	*	*	*	*	*		*	*	*	*			12
27	Saman Bank	*	*	*	*	*	*				*					*	8
28	Sepah Bank	*	*	*	*	*	*	*	*	*		*	*	*			12
29	Saderat Bank	*	*	*	*	*	*	*	*	*	*	*	*	*	*		14
30	Bank of Industry and Mine	*	*	*	*	*	*				*	*	*	*	*		11
31	Karafarin Bank	*	*	*		*	*	*								*	7
32	Keshavarzi Bank	*	*	*	*	*	*				*	*	*	*		*	11
33	Maskan Bank	*	*	*	*	*	*	*	*	*		*	*	*	*		13

34	Mellat Bank	*	*		*	*	*	*		*		*		*		*	10
35	Bank Melli Iran	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	15
36	Bahonar	*	*	*	*	*	*	*	*	*	*	*	*	*	*		14
37	Bourse Ebraz		*														1
38	Bourse Bimeh Iran	*	*	*	*		*									*	6
39	Boursiran		*	*	*											*	4
40	Bahman	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	15
41	Borhan Sahand		*													*	2
42	Pars Ideh Bonyan	*	*	*	*	*	*									*	7
43	Pars Nemoudgar	*	*	*	*	*	*									*	7
44	Ansar Bank	*	*			*	*	*			*	*		*		*	9
45	Parsian	*	*	*	*	*	*				*					*	8
46	Pegah Yavaran Novin	*	*	*		*	*	*	*		*					*	9
47	Pishgaman Behparvar	*	*	*		*	*				*	*	*	*		*	10
48	Tamin Sarmaye Novin	*	*	*	*	*	*	*	*		*	*	*	*	*		13
49	Tadbigar Sarmayeh		*	*												*	3
50	Tadbigaran Farda	*	*	*	*	*	*				*	*	*	*		*	11
51	Tavazon Bazar	*	*	*	*	*	*	*	*				*			*	11
52	Tose'e Andisheye Dana		*	*			*									*	4
53	Tose'e Sarmaye Donya	*	*	*	*	*	*				*					*	8
54	Tose'e Farda	*	*		*	*	*	*		*	*	*		*	*	*	12
55	Tose'e Keshavarzi		*	*		*						*				*	5
56	Hafez	*	*	*	*	*	*				*	*	*	*	*		11
57	Khobregan Saham	*	*	*	*	*	*				*	*	*	*	*		11
58	Rahnamaye Samayegozaran	*	*	*	*	*	*				*					*	8
59	Razavi	*	*	*		*	*				*		*	*		*	9
60	Sepehr Bastan	*	*		*	*										*	5
61	Setareye Jonoub	*	*	*	*	*	*	*	*			*	*	*	*	*	12
62	Sarmaye & Danesh	*	*	*	*	*	*				*	*	*	*	*		11
63	Sahm Ashna	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	15
64	Saham Pajhouhan Shayan		*	*													2
65	Saham Gostaran Shargh		*	*													2
66	Sea Volex Kala	*	*	*	*	*	*				*	*	*	*		*	11
67	Simabgoon	*	*			*	*		*		*		*	*	*	*	9
68	Sina	*	*	*	*	*	*	*	*		*	*	*	*		*	13
69	Shahr	*	*	*	*	*	*				*					*	8
70	Saba Jahad	*	*	*	*	*	*				*		*			*	9
71	Farabi	*	*	*	*	*	*				*	*	*	*	*		11
72	Foolad Mabna	*	*	*	*		*	*	*	*		*	*	*	*	*	13
73	Kala Sepehr	*	*	*	*		*	*	*			*	*	*	*	*	11
74	Kalaye Khavarmianeh	*	*	*	*	*	*	*	*	*		*	*	*			12
75	Mobin Sarmayeh	*	*	*	*	*	*				*					*	8
76	Modaber Asia	*	*	*	*	*	*	*	*			*	*	*	*	*	13
77	Moshaveran Saham	*	*			*											3
78	Mofid	*	*	*	*	*	*				*	*	*	*			10
79	Melal Securities		*														1
80	Mehrafarin	*	*	*	*	*	*										6
81	Namad Shahedan	*	*	*	*	*	*				*	*	*	*			10
82	Noandishan Bazar Sarmayeh	*	*	*	*	*	*				*					*	8
83	Nahayat Negar	*	*	*	*	*	*				*		*			*	9
	Total	80	67	52	53	59	31	24	16	40	37	42	40	20	55	683	

Brokers' Performance Spot Market

In fiscal year 2016, 65 brokerages in the spot market and side market as an active seller, traded 25,475 Kilo Tonnes of commodities worth 371, 000 billion Rials which were purchased by 80 brokerages.

Table 20. Value and Volume of Trading by Seller and Buyer Brokerages on the Spot Market

Row	Buyer Brokerage				Seller Brokerage			
	Brokerage Name	Volume (Tonnes)	Trading Value (Billion Rials)	The Share of Total Value (%)	Brokerage Name	Volume (Tonnes)	Trading Value (Billion Rials)	The Share of Total Value (%)
1	Mobin Sarmayeh	4,409,890	78,759	21.20%	Mobin Sarmayeh	5,032,386	90,251	24.30%
2	Mofid	2,253,453	30,143	8.10%	Bahonar	2,527,480	24,057	6.50%
3	Bahonar	3,347,002	28,661	7.70%	Khobregan Saham	2,776,428	21,654	5.80%
4	Kalaye Khavarmianeh	811,103	21,242	5.70%	Arg Houman	96,656	18,243	4.90%
5	Sea Volex Kala	1,520,953	13,283	3.60%	Refah Bank	945,425	17,426	4.70%
6	Keshavarzi Bank	911,016	10,990	3.00%	Bank Melli Iran	519,746	17,223	4.60%
7	Tavazon Bazar	870,381	10,120	2.70%	Sea Volex Kala	1,835,229	16,771	4.50%
8	Khobregan Saham	1,319,574	9,082	2.50%	Sina	1,994,030	16,133	4.40%
9	Sina	634,736	8,317	2.50%	Mofid	1,499,235	13,877	3.70%
10	Rahnamaye Sarmayegozezan	220,611	7,073	1.90%	Saba Jahad	425,461	13,299	3.60%
11	Other Brokerages	9,176,249	153,335	41.30%	Other Brokerages	7,822,892	122,076	32.90%
	Total	25,474,969	371,007	100%	Total	25,474,969	371,007	100%

Futures Contracts Market

In 2016, 51 brokerages were active in the Futures market and the statistics related to the number and value of traded contracts through them is demonstrated in the table 21.

Table 21. Number and Value of Futures Contracts Traded by Brokerages

Row	Name of Brokerage	Total number of sell and buy contracts	Total value of sell and buy contracts (Thousand Rials)	Share of Total Value (%)
1	Agah	871,166	106,566,731,950	%13.7
2	Mofid	768,343	93,625,971,050	%12
3	Pishgaman Behparvar	417,255	50,891,622,000	%6.5
4	Tejarat Bank	400,907	49,170,585,350	%6.3
5	Agri Bank	387,786	47,387,777,900	%6.1
6	Tose'e Sarmaye Donya	340,516	42,638,542,000	%5.5
7	Eqtesad Bidar	241,700	29,985,774,500	%3.8
8	Sahm Ashna	240,307	29,508,228,200	%3.8
9	Sarmaye & Danesh	218,535	26,734,371,200	%3.4
10	Farabi	188,479	23,404,366,450	%3
11	Other Brokerages	2,329,490	280,568,095,900	%35.9
	Total	6,404,484	780,482,066,500	%100

Company's Financial Position

Comparison between Performance and Budgets

Table 22. Comparison between Performance and Budgets in 2016

Account	2016 Performance (Million Rls)	2016 Budgets (Million Rls)	Variance (%)
Trading Fees Revenues	427,024	410,144	%4.1
Listing Fees	25,958	23,248	%11.7
Membership Fees	7,920	7,953	-%0.4
Operating Income	460,902	441,345	%4.4
Cost of Operating Income	-165,932	-160,872	%3.1
Administrative and General Expenses	-143,938	-138,691	%3.8
Operating Expenses	-309,870	-299,563	%3.4
Operating Profit	151,032	141,782	%6.5
Financial Expenses	-235	-239	-%1.7
Net Other Non-Operating Income and Expenses	190,093	187,394	%1.4
Net Income Before Tax	340,890	328,937	%3.6
Income Tax	-31,363	-32,645	-%3.9
Net Income	309,527	296,292	%4.5
Earnings Before Tax (EBT)	379	365	%3.6
Earnings After Tax (EAT)	344	329	%4.5

*Fiscal Year 2016 = 20.03.2016 to 20.03.2017

Financial Performance

Table 23. A Overview of Financial Performance

Account	2016	2015	Percentage of Change
	(Million Rls)	(Million Rls)	
Operating Income	460,902	336,556	36.9
Operating Expenses	-309,870	-268,766	15.3
Operating Profits	151,032	67,790	122.8
Financial Expenses	-235	-527	-55.4
Net Other Non-Operating Income	190,093	175,819	8.1
Earnings Before Tax (EBT)	340,890	243,082	40.2
Tax	-31,363	-12,667	147.6
Earnings After Tax (EAT)	309,527	230,415	34.3
Earnings Per Share (EPS) (Rls)	344	256*	34.3

* Earning per share (EPS) is calculated based on 900 million shares.

*Fiscal Year 2016 = 20.03.2016 to 20.03.2017
*Fiscal Year 2015 = 21.03.2015 to 19.03.2016

Financial Ratios

Table 24. Financial Ratios

Description	2016	2015
Liquidity Ratios		
Current Ratio	15.6	9.9
leverage Ratios		
Debt Ratio	0.07	0.08
Profitability Ratios (percent)		
Return on Total Assets (ROTA)	%25.3	%22.2
Return on Equity (ROE)	%27	%25
Profitability Ratios based on share		
Earnings per share (EPS) - Rials	344	256**
Dividend per share (DPS) – Rials	35*	51
Cash flow per share-Rials	230	122**

* Recommended by the Board of Directors

** Earning per share (EPS) and Cash flow per share are calculated based on 900 million shares.

*Fiscal Year 2016 = 20.03.2016 to 20.03.2017

*Fiscal Year 2015 = 21.03.2015 to 19.03.2016

Trading Fee Revenues

Table 25 and Chart 29 demonstrate the trading fee revenues over 2016:

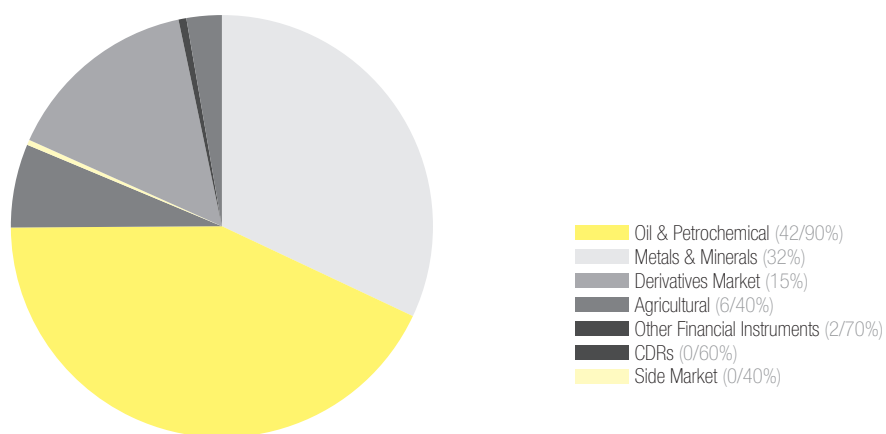
Table25. Share of Commodity Groups and Commodity bade Securities in Trading Fee Revenues

Description	2016		2015	
	Value (Million Rials)	Share (Percent)	Value (Million Rials)	Share (Percent)
Metals & Minerals Products	136,749	%32	102,325	%33.5
Oil & Petrochemical Products	183,087	%42.9	157,118	%51.5
Agricultural Products	27,489	%6.4	9,185	%3.0
Side Market	1,483	%0.4	194	%0.1
Derivatives Market	64,141	%15	33,964	%11.6
Certificates of Deposit (Warrants)	2,748	%0.6	964	%0.3
Other Financial Instruments	11,327	%2.7	1,363	%100.0
Total	427,024	%100.0	305,113	%100.0

*Fiscal Year 2016 = 20.03.2016 to 20.03.2017

*Fiscal Year 2015 = 21.03.2015 to 19.03.2016

Chart29. Share of Commodity Groups and Commodity based Securities in Trading Fee Revenues in 2016



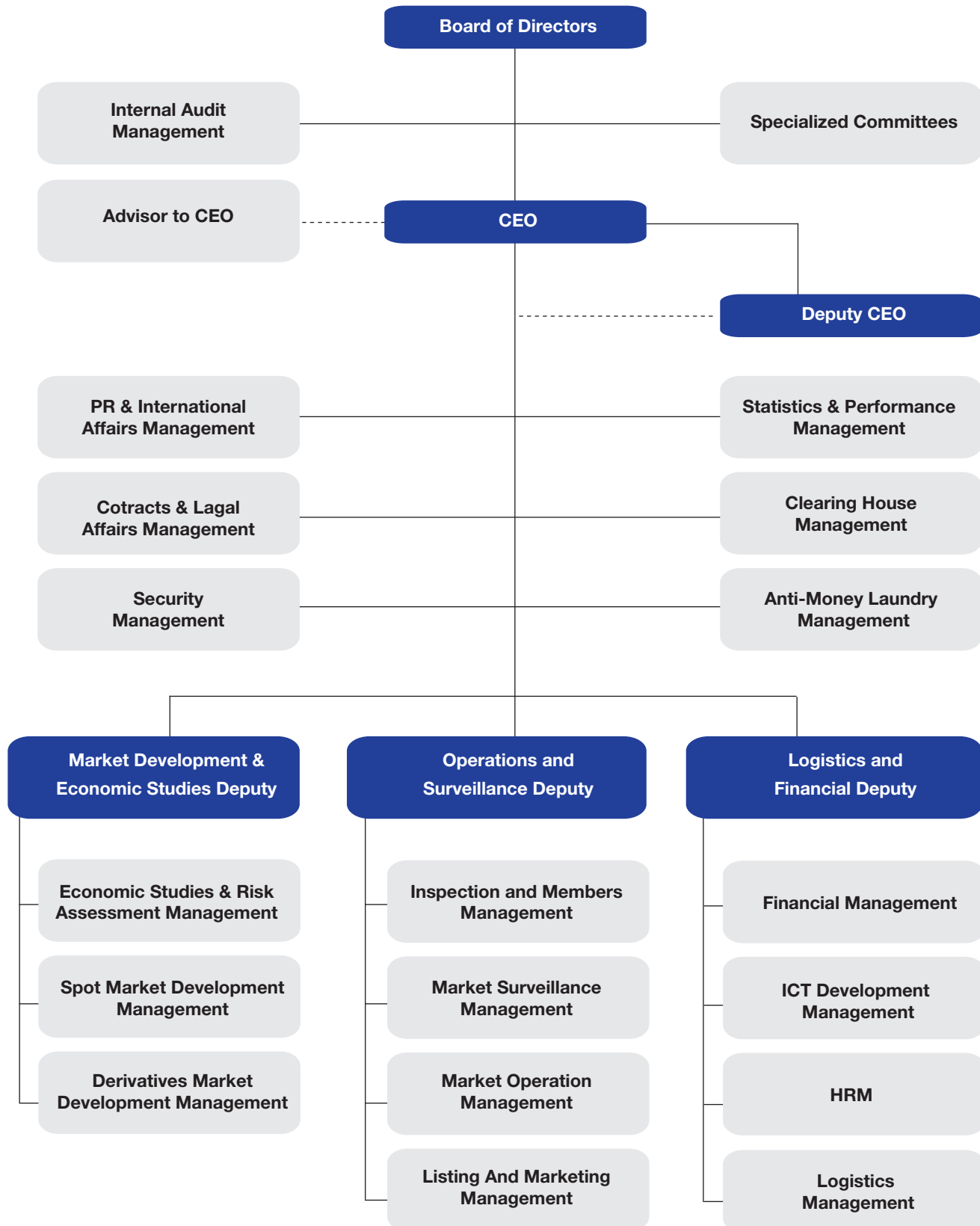
*Fiscal Year 2016 = 20.03.2016 to 20.03.2017





Corporate Governance

Organizational Structure



Board of Directors

The Board of Directors elected by shareholders after holding 22 sessions in 2016, has tried to fulfill its responsibility to shareholders, investors and other beneficiaries of the IME, as a national institution.

Table 26. The Board of Directors and CEO of the IME

Row	Legal Member of BOD	Agent from Legal Member	Position	The Period of Time
1	Mansour Yazdizadeh	Esfahan Steel Company	Chairman	Since June 8, 2015
2	Mohammad Reza Soroush	Bahman Group	Deputy Chairman	Up to date of September 25 , 2016
3	Mehdi Sharifi Nik Nafs	Bahman Group	Member of BOD	Since March 9, 2017
4	Mahmood Akbari Mazraecheh	Mobarakeh Steel Company	Deputy Chairman	Since June 8, 2015
5	Hossein Khezli Kharrazi	Agri Bank Broker	Member of BOD	Up to date of November 22 , 2016
6	Mohsen Abdullahi	Agri Bank Broker	Member of BOD	Since March 9, 2017
7	Vahid Bagheri	Tamin Oil, Gas and Petrochemical Investment Company	Member of BOD	Since June 8, 2015
8	Shaaban Ali Davarpanah	Kharazmi Investment Group	Member of BOD	Since November 16 , 2015
9	Mehdi Ghadami	Mellat Financial Group	Member of BOD	Up to date of January 24 , 2017
10	Ali Nikcheri	Mellat Financial Group	Member of BOD	Since September 26 , 2016 up to date of March 9 , 2017
11	Hossein Bahari	Mellat Financial Group	Member of BOD	Since March 9, 2017
Hamed Soltaninejad			CEO	

Through developing effective governance, the Board of Directors has endeavored to step towards shareholders' interests and to balance the interests of different beneficiaries including market customers, employees and national functions in the society.

Human Resources

In the fiscal year 2016, planning and developing human resources, improvement, preserving and maintaining effective and efficient manpower and creating synergy in human resources has been on the top of priority for the IME. Developing, reviewing, correcting and improving administrative procedures and guidelines related to human resources, updating and completion of educational standards and job descriptions, developing staff performance indicators, implementation of a 360-degree performance appraisal system and general and specialized educational courses for all employees in order to empower professional careers are amongst the most important steps taken in this regard. At the end of the fiscal year 2016, the staff status from different aspects were shown in tables 27 and 28 as well as charts 31 and 32.

Table 27. Number of Employees Based on Gender at the End of 2016

Gender	2016	2015	Increase (Decrease) in Human Resources Number
Man	112	118	(6)
Woman	48	48	0
Total	160	166	(6)

*Fiscal Year 2016 = 20.03.2016 to 20.03.2017

*Fiscal Year 2015 = 21.03.2015 to 19.03.2016

Table 28. Number of Employees Based on Degree at the End of 2016

Degree	2016		2015		Increase (Decrease) in Human Resources Number
	Number	Share of Total (percent)	Number	Share of Total (percent)	
Associate Degree & Beneath	33	%20.6	36	%21.7	(3)
Bachelor's	58	%36.3	62	%37.4	(4)
Master's	61	%38.1	59	%35.5	2
P.H.D	8	%5.0	9	%5.4	(1)
Total	160	%100.0	166	%100.0	(6)

*Fiscal Year 2016 = 20.03.2016 to 20.03.2017

*Fiscal Year 2015 = 21.03.2015 to 19.03.2016

Chart 31. The IME's Employees Based on Degree at the End of 2016

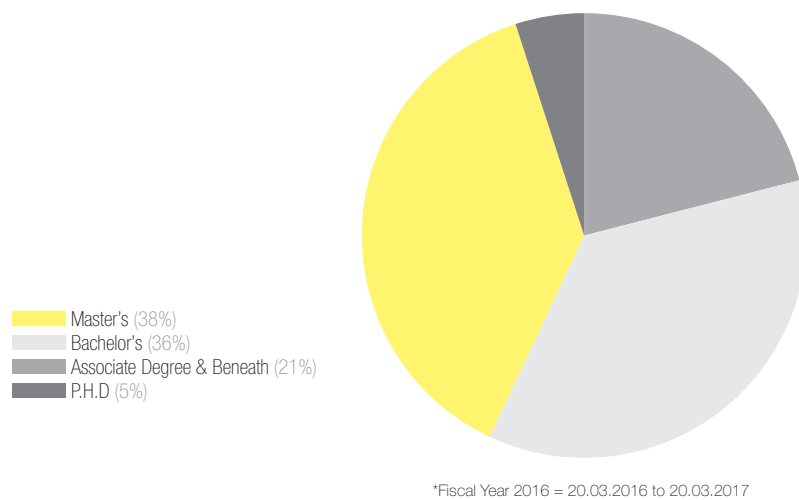
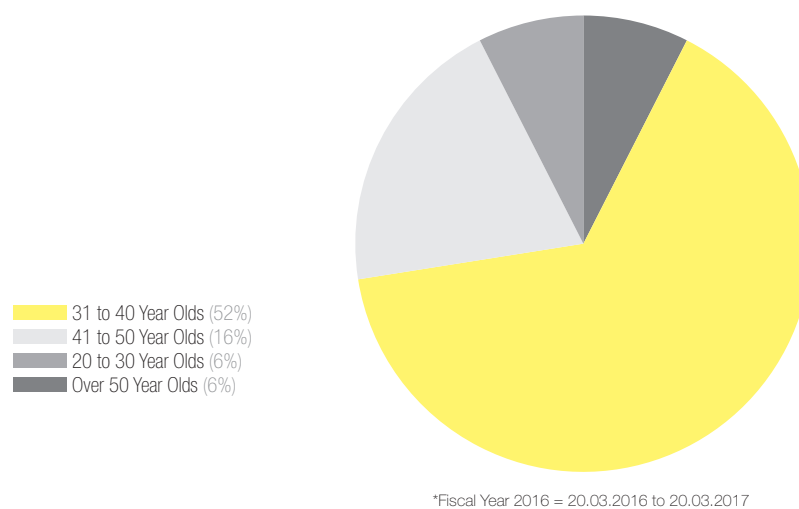


Chart 32. The IME's Employees Based on Age at the End of 2016



IME's Priorities in 2017

Iran mercantile Exchange has devised an operational plan for 1396 Hijri year along with the performance indices and the relevant strategies, all which have been announced. Accordingly, IME will have the following measure on the top of priority during the 1395 Hijri year:

1.Launching

- a.Options trades on maize and barley
- b.Online trades of options contracts
- c.Virtual trades of derivative contracts (unveiled in the 10th international exhibition of exchange, bank and insurance)
- d.Forwards and swap contracts
- e.Futures contracts on bitumen
- f.Foreign derivatives market(futures and options)
- g.Commodity funds
- h.Trades of forfaiting securities
- i.Tender trading board
- j.Trades of certificates of deposit on industrial and petrochemical commodities
- k.Continuous trades of certificates of deposit on pistachios
- l.License auctions
- m.Barter trades market
- n.Double auction

- 2.Listing of warehouses beyond the borders of Iran as well as in Iran's free zone aiming at realization of export objectives
- 3.Offering sugar in SALAM contracts to meet the needs of consumers within the first 6 months of the year
- 4.Devising an index for housing construction and developing a specific risk management instrument for this market
- 5.Devising a plan to issues transportation tickets for purchased commodities
- 6.Devising and implementing the integrated risk management system
- 7.Setting up the infrastructure for a customer rating system
- 8.Setting up the infrastructure for algorithmic trading and high frequency trading
- 9.Strategizing the collateral mechanism for options trades
- 10.Expansion of business ties with Russia and members of Eurasian Economic Union
- 11.Expansion, improvement and integration of operating data dissemination systems of IME
- 12.Establishing the infrastructure for international marketing
13. Preparing the groundwork to establish ties with regional exchanges
- 14.Suggesting pedagogical courses in connection with IME to the Ministry of Science, Research and Technology
- 15.Implementing clause a of article 32 of the law of the 6th five-year development plan of Islamic republic of Iran (ratified on 4/March/2017):

“ In order to relieve the tensions in agricultural base commodities market and to control the effects of irregular seasonal price volatilities of agricultural products and to decrease the financial pressure on the government as to provision of the working cash flow and the consequential cost involved in market regulation policies and provision of strategic products, the government Trading Corporation of Iran or other government corporations relevant to the issue, under the supervision of the Ministry of Agriculture, with regards to each case, with either taking appropriate short or long positions in SALAM contracts or any other relevant financial instruments mentioned in clause 24 of article 1 of the Securities Market Act of the Islamic Republic of Iran ratified on 22/November/2005 will take the suitable action on the commodities mentioned above this clause within the bounds of the rule and regulations of Iran’s capital market.”

16. Implementation of note 2 of the executive bylaw of article 37 of the law of Removing Obstacles to Competitive Production and Promoting the Country’s Financial System:

“Offering of iron ore in domestic trading floor of Iran Mercantile Exchange, facilitating conditions for selling the excessive supply of domestic floor on the export ring, expansion of the export market for iron ore and increasing private sector’s share of this market”

17. Implementing note 4 of article 6 of the law of Increasing Productivity of Agricultural Sector and Natural Resources:

“In order to support beneficiaries and consumers and in line with policies toward transparent price discovery mechanisms and a balanced market for agricultural products, all the inputs of this industry and its products, if listed as exchange-traded commodities on IME, will be sold and purchased merely on IME.

Financial Statement, Independent Auditor's Report and Explanatory Notes

Iran Mercantile Exchange Company (Public Joint Stock)

BALANCE SHEET

As at March 20, 2017

Assets	2017/03/20	(Restated)	Liabilities & Shareholders' Equity	2017/03/20	(Restated)
	Rials	Rials		Rials	Rials
<u>CURRENT ASSETS:</u>			<u>CURRENT LIABILITIES:</u>		
Cash & Bank	38,858,322,123	10,578,765,907	Accounts Payables	40,119,909,430	31,890,054,816
Short Term Investments	1,015,506,128,150	613,555,124,078	Tax Payable	28,516,354,807	15,660,539,585
Accounts Receivables	25,163,268,142	25,091,689,090	Dividends Payable	646,882,962	894,791,600
Prepayments	2,503,111,613	3,855,932,429	Advanced Received	10,000,000	17,659,315,070
Total Current Assets	1,082,030,830,028	653,081,511,504	Total Current Liabilities	69,293,147,199	66,104,701,071
<u>NON-CURRENT ASSETS:</u>			<u>Non-CURRENT LIABILITIES:</u>		
Long Term Receivables	828,150,000	2,261,546,000	Provision for Defined-Benefit Plan	19,983,877,802	15,902,711,063
Long Term Investments	20,596,600,000	132,746,600,000	Total Non-Current Liabilities	19,983,877,802	15,902,711,063
Intangible Assets	12,871,188,449	13,304,026,993	Total Liabilities	89,277,025,001	82,007,412,134
Fixed Tangible Assets	254,447,527,942	275,533,461,898	<u>SHAREHOLDERS' EQUITY:</u>		
Total Non-Current Assets	288,743,466,391	423,845,634,891	Share Capital	900,000,000,000	450,000,000,000
			Legal Reserves	60,476,376,858	45,000,000,000
			Other Reserves	81,454,522,054	177,049,014,623
			Retained Earnings	239,566,372,506	322,870,719,638
			Total Shareholders' Equity	1,281,497,271,418	994,919,734,261
Total Assets	1,370,774,296,419	1,076,927,146,395	Total Liabilities and Shareholders' Equity	1,370,774,296,419	1,076,927,146,395

Iran Mercantile Exchange Company((Public Joint Stock)

INCOME STATEMENT

For the Year Ended March 20, 2017

	Year Ended		(Restated)
	2017/03/20		Year Ended 2016/03/19
Operating Income	427,024,096,311		305,113,477,776
Membership Fees	7,920,000,000		7,700,000,000
Offered Commodity Registering Fees	17,595,720,444		15,965,238,478
Commodity and Warehouses Listing Fees	8,362,525,217		7,777,206,523
Operating Revenue		460,902,341,972	336,555,922,777
Cost of Operating Income		(165,931,932,295)	(143,088,025,632)
Gross Profit		294,970,409,677	193,467,897,145
Administrative and General Expenses		(143,938,159,705)	(125,677,606,461)
Operating Income		151,032,249,972	67,790,290,684
Add (less):			
Financial Expenses	(235,518,435)		(526,775,397)
Other Non-Operating Income and Expenses	19,009,318,497		175,818,420,884
		189,857,666,492	175,291,645,487
Net Income Before Tax		340,889,916,464	243,081,936,171
Income Tax		(31,362,379,307)	(12,666,842,654)
Net Income		309,527,537,157	230,415,093,517
Operating Earnings Per Share		136	64
Non-Operating Earnings Per Share		208	192
Earnings Per Share		344	256

Statement of Movement in the Retained Earnings

Net Income		309,527,537,157	230,415,093,517
Beginning Retained Earnings	333,054,660,277		265,339,599,296
Prior Year's Adjustments	(10,183,940,639)		(14,275,790,821)
Adjusted Retained Earnings	322,870,719,638		251,063,808,475
Dividend Approved for Distribution	(22,950,000,000)		(112,500,000,000)
Changes in Capital from Retained Earnings	(292,500,000,000)		-
		7,420,719,638	138,563,808,475
Appropriate Profit		316,948,256,795	368,978,901,992
Legal Reserve	(15,476,376,858)		(25,163,651)
Other Reserve	(61,905,507,431)		(46,083,018,703)
		(77,381,884,289)	(46,108,182,354)
Retained Earnings at the End of the Year		239,566,372,506	322,870,719,638

Iran Mercantile Exchange Company (Public Joint Stock)

CASH FLOWS STATEMENT

For the Year Ended March 20, 2017

	Year Ended	(Restated) Year Ended
	2017/03/20	2016/03/19
Operating Activities:		
Net Cash Inflow (Out flow) from Operating Activities	207,206,937,064	109,569,702,345
Return on Investments & Interest Paid		
Dividends Received	2,161,000,000	3,261,000,000
Interest Payment of Financing Facilities	159,527,016,336	152,173,248,598
Interest Received on Short Term Bank Deposit		(228,675,878)
Dividends Paid	(23,197,908,638)	(113,629,409,393)
Net Cash Outflow from Return on Investments & Interest Paid	138,490,107,698	41,576,163,327
Income Tax:		
Tax Paid	(18,506,564,085)	(47,279,309,814)
Investing Activities:		
Gain on Sale of Tangible Fixed Assets	120,940,796	206,276,499
Expenditure on Acquisition of Tangible Fixed Assets	(8,802,430,852)	(8,449,389,877)
Expenditure on Acquisition of Intangible Assets	(573,288,000)	(175,674,000)
Gain on Sale of Short Term and long Term Investments	34,958,351,733	460,818,139,634
Expenditure on Acquisition of short Term and Long Term Investments	(324,759,355,805)	(562,679,112,969)
Expenditure on Acquisition of Short Term Investments	(299,055,782,128)	(111,858,760,713)
Net Cash Used in Investing Activities	28,134,698,549	(799,204,855)
Net Cash Inflow before Financing Activities		(4,280,680,122)
Financing Activities:		
Payment of Finance Facilities- Principal Amount		(4,280,680,122)
Net Increase (Decrease) in Cash	8,134,698,549	(12,272,884,977)
Cash at the Beginning of the Year	10,578,765,907	22,683,845,632
Effects of Exchange Rate changes	144,857,667	167,805,252
Cash at the End of the Year	38,858,322,123	1,057,765,907
Non-Cash Transactions		57,576,349