

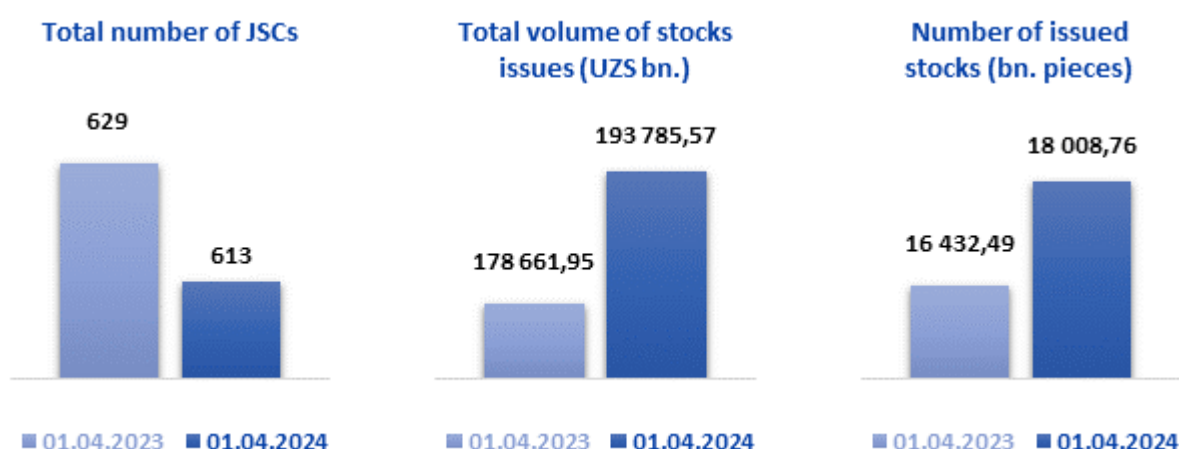


**REPORT
OF THE CENTRAL SECURITIES DEPOSITORY
ON THE RESULTS OF ACTIVITIES
FOR THE 1st QUARTER OF 2024**



The number of stocks issued by 629 joint-stock companies and safekept by the Central Securities Depository totaled 18,008.76 billion with the aggregate par value totaled UZS 193,785.57 billion as of 01.04.2024. The number of issued stocks increased by 61.36 pcs, and the aggregate volume of issued stocks increased by UZS 4,076.45 billion as a result of the reporting period.

The number of corporate bonds safekept by the Central Securities Depository that were issued by 32 corporate bonds issuers totaled 897.1 thousand with aggregate par value totaled UZS 1 043.4 billion, including 542.9 thousand corporate bonds with aggregate par value totaled UZS 649.2 billion that were issued by 26 limited liability companies.



I. Safe-keeping of state-owned assets

State-owned share in authorized capital of 241 joint-stock companies totaled UZS 159,853.9 billion as of 01.04.2024, including state-owned share in authorized capital of 218 joint-stock companies totaled UZS 159,768.3 billion which were safekept by the Central Securities Depository. During the reporting period the state-owned share in authorized capital of joint-stock companies increased by UZS 1,637.4 billion while the number of joint-stock companies with state-owned share increased by 2.

Aggregate par value of share owned by economic management bodies in authorized capital of 133 joint-stock companies totaled UZS 3,853.0 billion. The volume of assets owned by economic management bodies decreased by UZS 4.2 over the reporting period, while the number of joint-stock companies decreased by 2.

II. Servicing of securities issues

32 sets of documents applying for various depository operations have been received in the reporting period.

As of 01.04.2024, 22 issues of securities were registered with the Central Securities Depository, of which 6 were primary issues of stocks, 16 were additional issues of stocks. Changes have been made to previously registered issues of stocks of 1 issuer.

Issues of stocks of 2 issuers were deregistered with the Central Securities Depository due to the termination of activities, part of the issues of stocks of 5 issuers, as well as corporate bond issues of 2 issuers.

The Central Securities Depository assembled 786 registers and allocated international codes to 937 securities of 656 domestic issuers as of 01.04.2024.



III. Servicing of investment funds

The Central Securities Depository provides services to 7 investment funds and 2 privatization investment funds as it executes its exceptional function on safekeeping of rights on securities issued by investment funds.

The volume of securities issued by investment funds totaled UZS 2.32 billion, while the volume of securities purchased totaled UZS 8.51 billion.

The aggregated number of all funds' shareholders totaled 50 639 persons, including 50 602 physical persons and 37 legal persons.

IV. Servicing of investment intermediaries

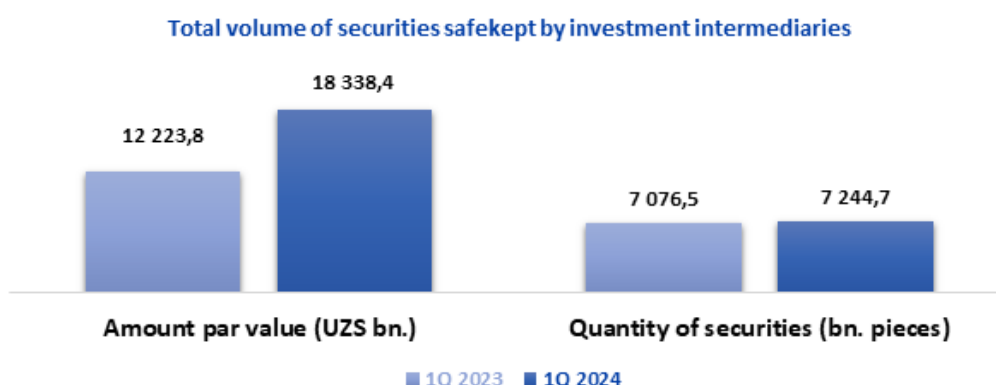
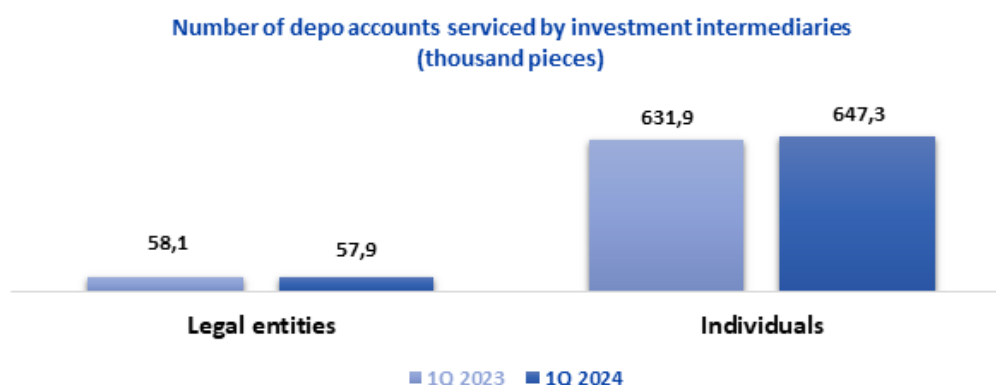
The Central Securities Depository safekeeps rights on securities of 55 investment intermediaries, as well as their clients, by maintaining the accounts of investment intermediaries.

The number of depositors (the clients of investment intermediaries) who have funds on their depo accounts totaled 705.18 thousand, including 57.93 thousand legal persons, i.e. 8.22%, and 647.25 thousand physical persons, i.e. 91.78%, as of 01.04.2024.

The number of depositors saw a 2.14% increase from the prior year.

The aggregate volume of 7,244.70 billion securities safekept by investment intermediaries totaled par value UZS 18,338.38, an increase of 50.02% compared to the previous year.

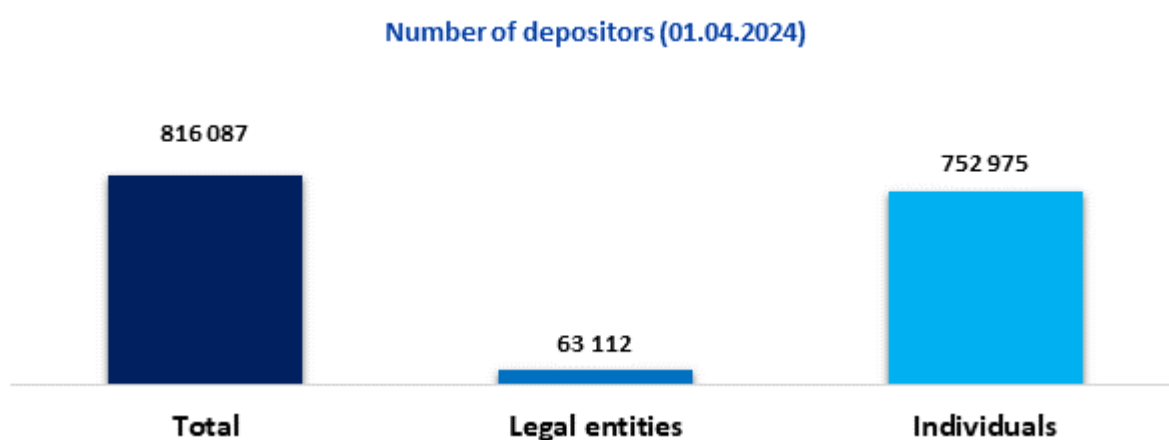
The Central Securities Depository registered 45 over the counter transactions for an aggregated number of securities amounted to 28.99 billion pieces and totaled UZS 14,022.38 billion throughout the reporting period.





V. The Unified database of depositors

The Central Securities Depository maintains the Unified Database of Depositors with 816 087 depositors registered as of 01.04.2024, including 752 975 physical persons and 63 112 legal persons, up by 39 620 compared to the same period of previous year.



VI. Development of business processes

The Central Securities Depository continues to work to fulfill the tasks set by the Decree of the President of the Republic of Uzbekistan “On additional measures for the development of the capital market” (No. PP-291 dated September 2, 2023).

In connection with the introduction of a special legal regime “Regulatory Sandbox” in the field of the capital market, definitions of basic concepts, individual rules for the activities and operations of foreign participants and mechanisms for ensuring the confidentiality of information about the owners of securities and the protection of their property rights have been prepared and submitted to the authorized body for regulating the securities market the drafts of the “Temporary procedure for servicing a foreign nominal holder” (FNH) with the attachment of application forms, a questionnaire of a foreign nominal holder, a depo account card and an agreement for servicing the FNH.

To ensure interaction with foreign counterparties and correspondents, providing the opportunity to carry out transactions with securities and corporate actions using structured and standardized messages in accordance with international standards through the SWIFT channel, work has been completed on setting up and passing the KYC procedure for the Central Securities Depository.

During the reporting period, work was carried out to ensure the maintenance of records of government securities in the Central Securities Depository. In accordance with the approved “Road Map”, schemes for conducting transactions with government securities have been prepared and agreed upon, and



the “Technological instructions for information exchange between the Central Securities Depository and the Uzbek republican currency exchange have been submitted for approval.

To carry out work on conducting depository operations with government securities in the depository system of the Uzbek republican currency exchange, in March of this year, an “Agreement on granting the right to use the software of the depository system” was concluded.

To provide methodological support for the project of keeping records of government securities, a draft “Regulations for depository accounting and storage of government securities” was prepared and submitted to the Uzbek republican currency exchange.

To create a unified depository software complex that carries out storage, accounting and settlement of corporate and government securities, an analytical note and presentation was prepared containing information on the RFI procedure carried out among foreign and local vendors, as well as proposals and implementation in practice of storage and accounting of securities, corresponding to the principles of the IOSCO. The issue of developing depository software in February 2024 was considered at a meeting of the Supervisory Board of the Central Securities Depository and submitted for approval to the authorized body for regulating the securities market.

VII. Risks management

During the reporting period, the experience of conducting KYC procedures by central securities depositories of foreign countries was studied. Based on the results of the study, a Questionnaire for Foreign Nominee Holders was developed.

Also, during the reporting period, in order to create a legal basis for “Compliance control” at the Central Securities Depository, the following internal regulatory documents were developed:

- Anti-corruption policy;
- Methodology for assessing corruption risks;
- Regulations on conflict of interest management;
- Regulations for the receipt and consideration of notifications of cases of corruption;
- Instructions for organizing employee training in the areas of ethics and anti-corruption;
- Instructions for checking counterparties;
- Instructions for selecting candidates for employment;
- Methodology for monitoring and controlling the effectiveness of anti-corruption procedures;
- Regulations on the formation and presentation of a report on the state of the anti-corruption system;
- Regulations on conducting internal audits in cases of corruption and violations of employee ethics rules.

In addition, the “Fight against corruption” page has been launched on the official website of the Central Securities Depository (<https://uzcsd.uz/>).



VIII. Improving the regulatory and methodological framework

During the reporting period, the Central Securities Depository developed a new version of the charter of JSC "Central Securities Depository" to increase the authorized capital.

In connection with the opening of a correspondent account of the Central Securities Depository with the Central Bank, as well as to provide methodological support for carrying out operations in the automated banking system, drafts of "Rules for opening, maintaining and closing personal accounts in the Central Securities Depository" and "Procedure for the implementation of income" were developed and submitted to the authorized bodies on securities (dividends, interest)."

In the direction of introducing a new settlement (clearing) model for trading with corporate securities, a draft of amendments and additions to the "Regulations on clearing houses in the securities market" (No. 196 dated April 29, 2003) has been developed.

The Central Depository has developed and signed a draft agreement on the use of the Uzbek republican currency exchange depository system for recording government securities. A draft agreement has also been developed for the provision of services for the payment of income (dividends, interest) on securities.

During the reporting period, the following documents were brought into compliance in the area of corporate governance of the Company:

- The procedure for remote opening of securities accounts for residents or non-residents of the Republic of Uzbekistan without their personal participation in JSC "Central Securities Depository";
- The procedure for assigning international codes to securities of issuers of the Republic of Uzbekistan;
- Rules for the provision by the Central Securities Depository of services for using the eVOTE service;
- Instructions on internal control of JSC Central Securities Depository.

Also, during the reporting period, draft protocols were prepared for 5 meetings of the Company's Supervisory Board.

IX. Technological and software complex

During the reporting period, Central Securities Depository specialists developed an API for a mobile application to obtain data on balances in clients' securities accounts. The Banking Telecommunications Network (BTN) network was also configured.

At the beginning of the 1st quarter of this year, the Central Securities Depository selected the best offers for the purchase of software for carrying out transactions with funds and concluded an agreement for the purchase of the Automated Banking System (ABS). In connection with the start of work on the development and implementation of the ABS, the necessary technical equipment was purchased, and servers were deployed.

Technical instructions have been developed with the Uzbek republican currency exchange for transmitting data on government securities.



Work has been carried out to improve the websites of the Central Securities Depository and add new functions.

A module has been created to update the comparison of data provided by the Ministry of Internal Affairs and the data of the Central Securities Depository.

Work is underway to develop a mobile application for the Central Securities Depository. Work is also underway to install and configure ABS (Ikey, CM Client). An agreement has been concluded to host ABS servers at the Central Bank.

During the reporting period, the IT policy of the Central Securities Depository was also developed.

X. Technical and informational support of activities

Work was carried out on a systematic basis to administer the INFORMIX DBMS, as well as the mail system, and to create backup copies of the Central Securities Depository databases. Configuration adjustments have been made for higher performance.

During the reporting period, an inventory of the technical base of the Central Securities Depository was carried out.

Data exchange and work in Unified Programming Technical Complex is organized through external channels. In addition, work was carried out to support a secure VPN communication channel for Unified Programming Technical Complex operation.

In order to ensure information security, the license of Kaspersky Total Security anti-virus software is regularly updated to meet modern requirements.

XI. Personnel policy

The personnel policy of the Central Securities Depository is aimed at maximizing support for highly qualified specialists, working with talented and promising personnel, improving the system of motivation and stimulation of labor.

Activities are regularly held to improve the qualifications of its personnel, teach modern technologies and foreign languages. First of all, special attention is paid to deepening and updating the knowledge and skills of employees in such areas as training specialists in the securities market, corporate governance, information technology and reporting according to international financial reporting standards. Currently, 16 employees of the Central Securities Depository have a qualification certificate of a securities market specialist of the 1st category, 10 employees have a qualification certificate of a securities market specialist of the 2nd category. In addition, four employees of the Central Securities Depository are currently studying in correspondence departments of higher educational institutions in Tashkent.

XII. International cooperation

In January of this year, a meeting was held at the Central Securities Depository with representatives of the custodian bank Citybank on issues of international cooperation, the establishment of correspondent relations and, in particular, the issuance of depositary receipts.



During the meeting, issues of the current activities and development strategy of the Central Securities Depository were discussed, in particular the issues of centralizing the accounting of corporate and government securities, opening accounts for foreign nominee holders, the possibility of exchanging test messages through the SWIFT platform, etc.