

The background of the page is a dark blue grid with a faint financial chart. The chart features vertical blue bars of varying heights and a blue line graph that trends upwards from left to right. Faint numerical values like '.50', '21.43', and '75' are visible on the grid.

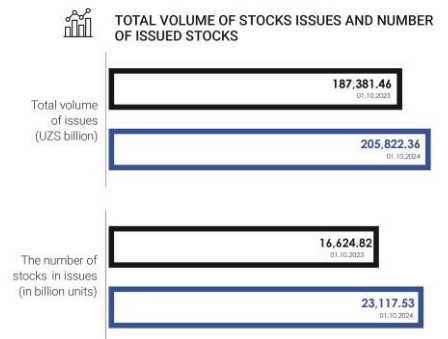
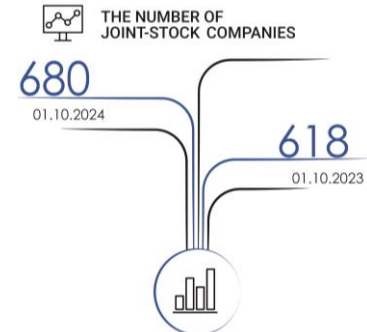
**REPORT
OF THE CENTRAL SECURITIES DEPOSITORY
ON THE RESULTS OF ACTIVITIES
FOR THE 9 MONTHS OF 2024**

REPORT OF THE CENTRAL SECURITIES DEPOSITORY ON THE RESULTS OF ACTIVITIES FOR THE 9 MONTHS OF 2024

The number of stocks issued by 680 joint-stock companies and safekept by the Central Securities Depository totaled 23,117.53 billion pieces with the aggregate par value totaled UZS 205,822.36 billion as of 01.10.2024.

Over 9 months of 2024 the number of issued stocks increased by 5,170.13 billion pieces, and the aggregate volume of issued stocks increased by UZS 16,110.24 billion.

The number of corporate bonds safekept by the Central Securities Depository that were issued by 39 corporate bonds issuers totaled 1.26 million pieces with aggregate par value totaled UZS 1,405.7 billion, including 695.2 thousand pieces with aggregate par value of UZS 801.5 billion that were issued by 32 limited liability companies.



I. Safe-keeping of state-owned assets

State-owned share in authorized capital of 262 joint-stock companies totaled UZS 165,218.6 billion as of 01.10.2024, including state-owned share in authorized capital of 240 joint-stock companies totaled UZS 165,136.9 billion which was safekept by the Central Securities Depository. During 9 months of 2024 the state-owned share in authorized capital of joint-stock companies increased by UZS 7,002.1 billion while the number of joint-stock companies with state-owned share increased by 23.

Aggregate par value of share owned by economic management bodies in authorized capital of 101 joint-stock companies totaled UZS 4,761.1 billion. The volume of assets owned by economic management bodies increased by UZS 912.3 over 9 months of 2024, while the number of joint-stock companies decreased by 34.

II. Servicing of securities issues

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

As of 01.10.2024, 145 issues of securities were registered with the Central Securities Depository, of which 64 were primary issues of stocks, 69 were

additional issues of stocks and 12 issues of corporate bonds. Changes have been made to previously registered issues of stocks of 4 issuer.

Issues of stocks of 9 issuers were deregistered with the Central Securities Depository due to the termination of activities, part of the issues of stocks of 25 issuers, as well as corporate bond issues of 4 issuers.

The Central Securities Depository assembled 2,380 registers and allocated international codes to 1,024 securities of 716 domestic issuers as of 01.10.2024.

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 9.5 billion.

The aggregated number of all funds' shareholders totaled 51 026 persons, including 50 986 physical persons and 40 legal persons.

IV. Servicing of investment intermediaries

The Central Securities Depository safekeeps rights on securities of 56 investment intermediaries, as well as their clients, by maintaining the accounts of investment intermediaries.

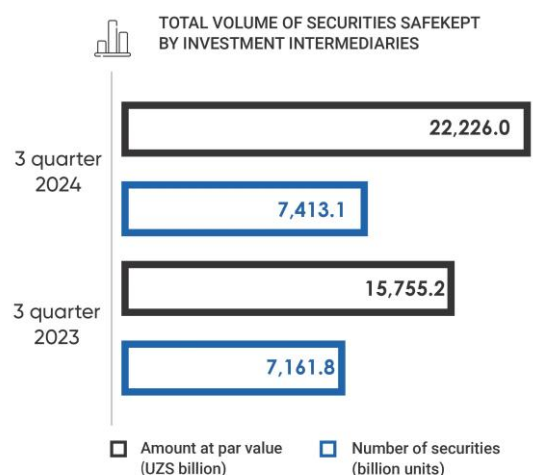
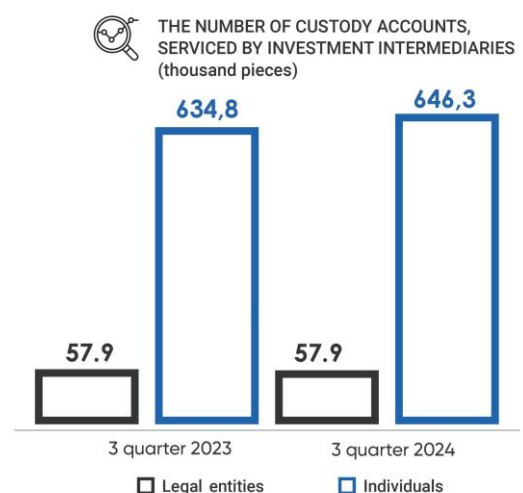
The number of depositors (the clients of investment intermediaries) who have funds on their depo accounts totaled 704.20 thousand, including 57.89 thousand legal persons, i.e. 8.23%, and 646.31 thousand physical persons, i.e. 91.77%, as of 01.10.2024. The number of depositors saw a 1% increase from the prior year.

The total volume of securities accounted for by investment intermediaries at par value was:

stocks at par value amounted to UZS 22,226.02 billion, or 7,413.10 billion pieces;

bonds at par value amounted to UZS 1,085.81 billion, or 0.98 million pieces.

Compared to the same period last year, the volume of securities registered



by investment intermediaries increased by 47.96%.

During the reporting period, the Central Securities Depository registered 143 over-the-counter transactions with 149.58 billion securities for a total volume of UZS 18,105.51 billion.

V. The Unified database of depositors

The Central Securities Depository maintains the Unified Database of Depositors with 821 169 depositors registered as of 01.10.2024, including 757 965 physical persons and 63 204 legal persons, up by 27 344 compared to the same period of previous year.



VI. Strategic development

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 particular, on March 29, 2024, a correspondent account of "The Central Securities Depository" JSC was opened in the Central Bank of the Republic of Uzbekistan.

Integration was established between the automated banking system of the Central Securities Depository and the interbank payment system of the Central Bank.

Cash accounts were opened for more than 30 investment intermediaries and the Republican Stock Exchange "Toshkent", and all test operations for settlements in cash based on the results of trading in corporate securities were carried out.

Agreements were concluded and dividends were paid to stockholders on stocks of five joint-stock companies through the Central Securities Depository's mobile application.

The Central Securities Depository and participants (dealers) of the government securities market concluded agreements for the provision of services for maintaining a custody account for government securities, and from July 1, 2024, government securities were recorded in the Central Securities Depository.

In order to ensure the establishment of correspondent relations between the Central Securities Depository and international and foreign central securities depositories, the following activities were carried out in the reporting period:

Work on setting up a SWIFT channel for full use of the SWIFT network was completed and SWIFT formats were developed in accordance with ISO 15022 and ISO 20022 standards;

A depository agreement for maintaining a government securities account was signed between the Central Securities Depository and the Bank of Georgia;

Negotiations are underway to open a foreign nominee holder account in the Central Securities Depository for the Bank of Georgia and OTP Bank.

As part of the project to create a single depository software package, as defined by the Strategy of the Central Securities Depository for 2024-2028, the following preparatory work was carried out:

a tender was held to purchase consulting services for the development of a modernization project's strategy, functional, technical, technological architecture and integration standards, as well as the preparation of a complete technical specification and concept for the creation and implementation of a single depository complex of "The Central Securities Depository" JSC;

negotiations were held with consultants (winners of the competition) on the functional requirements of the single depository software package and the tasks and set of activities were defined.

VII. Risk management and compliance control

In 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 of Foreign Nominee Holders was developed.

Also during the reporting period, in order to create a legal basis for "Compliance Control" in 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 accepting and reviewing notifications of corruption cases;
- Instructions for organizing employee training in the areas of ethics and anti-corruption;
- Instructions for checking counterparties;
- Instructions for selecting candidates when hiring;
- Methodology for monitoring and controlling the effectiveness of anti-corruption procedures;
- Regulations for the formation and submission of a report on the state of the anti-corruption system;
- Regulations on conducting official investigations in cases of corruption and violations of employee ethics rules.

Work has been carried out to improve the controller system in the AIS "Unified Database of Depositors". A Program has been developed and approved for organizing training for employees of JSC "Central Securities Depository" in the field of ethics and combating corruption and internal control.

In addition, the official website of the Central Securities Depository (<https://uzcsd.uz>) launched a page "Fight against corruption".

In order to improve the knowledge and skills of employees in the field of combating corruption, a training seminar was held on the content and essence of the legal basis for combating corruption, as well as a seminar on the importance of the Law of the Republic of Uzbekistan "On Conflict of Interest", in which employees were given detailed explanations of the main reasons for the emergence of a conflict of interest, on the restrictions imposed by law in the event of violations of legal requirements.

VIII. Improving the regulatory and methodological framework

In order to create a legal basis for the activities of the Central Securities Depository to carry out operations related to its new functions, the following regulatory documents were developed and approved during the reporting period:

By Decision No. 17/3 of the Board of the Central Bank dated May 18, 2024, the "Rules for maintaining records of cash accounts and making settlements in the Central Securities Depository" were approved;

To ensure the accounting of government securities, the Central Securities Depository approved the "Temporary Regulations for the depository accounting and storage of government securities of the Republic of Uzbekistan in the Central Securities Depository JSC";

The Central Securities Depository has approved and agreed with the National Agency of Perspective Projects of the Republic of Uzbekistan (NAPP) the "Temporary Procedure for Servicing Foreign Nominee Holders of "The Central Securities Depository" JSC;

A draft amendment and addition to the Resolution of the Cabinet of Ministers of the Republic of Uzbekistan No. 1016 "On measures to organize the issue of government treasury bonds and bonds of the Republic of Uzbekistan" dated 14.12.2018 has been prepared and submitted for consideration to the Central Bank.

In order to ensure a legal basis for the Central Securities Depository to carry out clearing operations on corporate securities, a draft of the "Rules for settlements (clearing) on transactions with corporate securities in JSC Central Securities Depository" has been prepared and submitted for consideration to the NAPP.

IX. Corporate governance

In accordance with the approved work plan of the Supervisory Board, 13 meetings of the Supervisory Board were held in the reporting period, following which the following were approved:

- compositions of committees under the Supervisory Board;
- business plan of the Central Securities Depository for 2024;
- public procurement schedule (goods, works, services) for the second half of 2024;

Regulations "On the payment of wages, material incentives and other payments to employees of the company, and "On determining the amount of personal allowance for the General Director", provisions regulating the activities of committees under the Supervisory Board, as well as the Anti-Corruption Policy, HR Policy, Accounting Policy and Tariff Policy.

During the reporting period, the sole stockholder of the "Central Securities Depository" JSC made the following decisions:

- on approval of the new organizational structure of the Central Securities Depository and the Charter (in a new version), the regulations on the Supervisory Board (in a new version), the regulations "On the procedure for paying remuneration to the Executive Body";*

- on approval of the "Development Strategy of the "Central Securities Depository" Joint-Stock Company for 2024-2028", the annual report for 2023;*

- on the approval of an audit organization to conduct a mandatory audit based on the results of 2023, the maximum amount of payment for its services and the conclusion of an agreement with it;*

- on the distribution of net profit based on the results of 2023.*

X. Technological and software complex

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

At the beginning of this year, the Central Security Depository selected the best offers for the acquisition of software for the implementation of operations with funds and concluded an agreement for the acquisition 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.

A correspondent account for the Central Securities Depository was opened in the Central Bank and access to the interbank payment system of the Central Bank was provided; an automated banking system was introduced.

Technical instructions have been developed with "Uzbek Republican Currency Exchange" JSC for the transfer of data on government securities. DepoMAX has also been introduced into industrial operation.

Work has been carried out to refine 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 with the Central Securities Depository's data.

Work is underway to complete the development of the Central Securities Depository mobile application. Also, the IT policy of the Central Securities Depository has been developed.

The AIS "Unified Database of Depositors" module has been improved for transmitting data on the register for dividend payments to AIS "ABS".

Technical instructions have been developed jointly with the Central Securities Depository and the Electronic Government, the Accounts Chamber, the State Tax Committee, the Agency for State Assets Management Agency and the Ministry of Construction and Housing and Communal Services.

The integration of the AIS "ABS" with DepoMAX has been completed, as well as the integration of the AIS "ABS" with the UzCSD mobile application and with the Unified Software and Technical Complex.

XI. Technical and information support for activities

Work was carried out on a systematic basis to administer the INFORMIX Database Management System, 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 Software and Technical Complex is organized through external channels. In addition, work was carried out to support a secure VPN communication channel for Unified Software and Technical Complex operation.

In order to ensure information security, the Kaspersky Total Security antivirus software license was updated, as well as the Firewall Fortigate software was configured. Also, licensed Windows server 2022 operating systems were purchased.

XII. 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, 12 employees have a qualification certificate of a securities market specialist of the 2nd category. 8 employees have certificates for working with the SWIFT system on the SWIFT Smart platform, 3 employees have certificates for managing ORACLE databases, 3 employees have corporate manager certificates, and 2 employees have certificates in the areas of "Finance and Accounting", "Certified Practicing Accountant (CAP)", "Financial Accounting". In addition, five employees of the Central Securities Depository are currently studying in correspondence departments of higher educational institutions in Tashkent.

XIII. International cooperation

In order to ensure the establishment of correspondent relations between the Central Securities Depository and international and foreign central securities depositories and to determine requirements for counterparties and continue the dialogue with major international central securities depositories and custodians, meetings were held in the reporting period with representatives of:

Citibank on issues of international cooperation, establishment of correspondent relations and, in particular, issuance of depositary receipts;

OTP Group. During the meeting, key aspects of cooperation between the Central Securities Depository and OTP Group were discussed;

Central Securities Depository of Kazakhstan and issues of ongoing reforms in the capital market and opportunities for mutual cooperation were discussed.

In addition, during the first 9 months of 2024, representatives of the Central Securities Depository took part in the following international events:

A delegation from Uzbekistan, consisting of representatives of the Central Bank, the Central Securities Depository JSC and the Uzbek Republican Currency Exchange, took part in the 18th Clearstream Summit in Central, Eastern Europe and the CIS.

During the summit, representatives of the Uzbek delegation held talks with Clearstream CEO Samuel Riley and Clearstream Regional Director for Central Asia Isa Ribeiro, during which they discussed the prospects for establishing correspondent relations between Clearstream and JSC Central Securities Depository.

During the visit, the Central Securities Depository of Uzbekistan held a meeting with representatives of OTP Bank (Hungary). During the meeting, an exchange of views took place on the issue of OTP Bank entering the capital market of Uzbekistan as an investment institution.

A representative of the Central Securities Depository took part in the annual general meeting of ANNA (Association of National Numbering Agencies), being a member of the association, which was held in the city of Madrid (Spain).

Representatives of the Central Securities Depository took part in the 26th annual meeting of the Asia-Pacific Association of Central Securities Depositories (ACG) in Almaty, Kazakhstan. During the event, participants discussed current issues in the development of international financial markets, including international cooperation, the transition to the T+1 settlement mode and the digitalization of the industry.