

REPORT ON THE RESULTS OF ACTIVITIES FOR 2024

01.01.2025

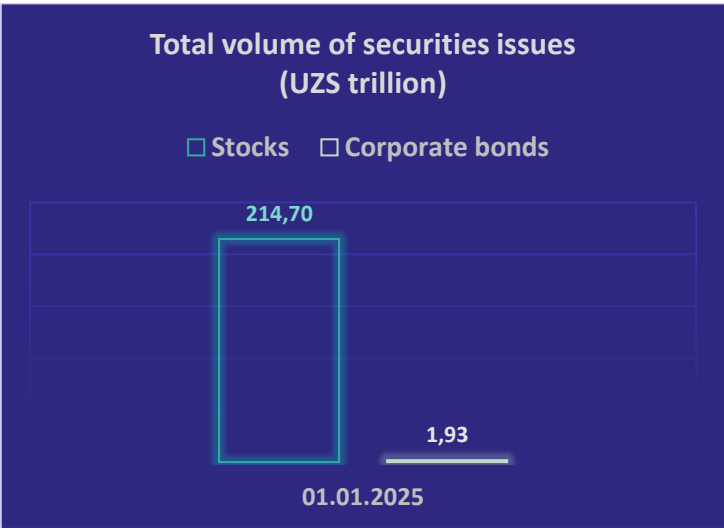
“THE CENTRAL SECURITIES DEPOSITORY”
JSC



Report of “The Central Securities Depository” JSC on the results of activities for 2024

The number of stocks issued by 688 joint-stock companies and safekept by the Central Securities Depository totaled 23 784,30 billion pieces with the aggregate par value totaled UZS 214 700,09 billion as of 01.01.2025. Over 2024 the number of issued stocks increased by 5 836,9 billion pieces, and the aggregate volume of issued stocks increased by UZS 24 990,97 billion.

The number of corporate bonds safekept by the Central Securities Depository that were issued by 42 corporate bonds issuers totaled 170,4 million pieces with aggregate par value totaled UZS 1 936,2 billion, including 1,7 million pieces with aggregate par value of UZS 964,0 billion that were issued by 35 limited liability companies.



Safe-keeping of state-owned assets

State-owned share in authorized capital of 261 joint-stock companies totaled UZS 171 604,8 billion as of 01.01.2025, including state-owned share in authorized capital of 239 joint-stock companies totaled UZS 171 523,3 billion which was safekept by the Central Securities Depository. During 2024 the state-owned share in authorized capital of joint-stock companies increased by UZS 13 388,3 billion while the number of joint-stock companies with state-owned share increased by 22.

Aggregate par value of share owned by economic management bodies in authorized capital of 100 joint-stock companies totaled UZS 4 761,1 billion. The volume of assets owned by economic management bodies increased by UZS 912,3 over 2024, while the number of joint-stock companies decreased by 35.

Servicing of securities issues

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

As of 01.01.2025, 209 issues of securities were registered with the Central Securities Depository, of which 74 were primary issues of stocks, 100 were additional issues of stocks, 12 were additional issues of stocks due to capitalization, 22 issues of corporate bonds and 1 issue due to split. Changes have been made to previously registered issues of stocks of 6 issuers.

Issues of stocks of 13 issuers were deregistered with the Central Securities Depository due to the termination of activities, part of the issues of stocks of 28 issuers, one or two issues of 6 issuers, as well as corporate bonds issues of 5 issuers due to redemption of bonds.

The Central Securities Depository assembled 2 976 registers and allocated international codes to 1 045 securities of 725 domestic issuers as of 01.01.2025.

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 9.6 billion.

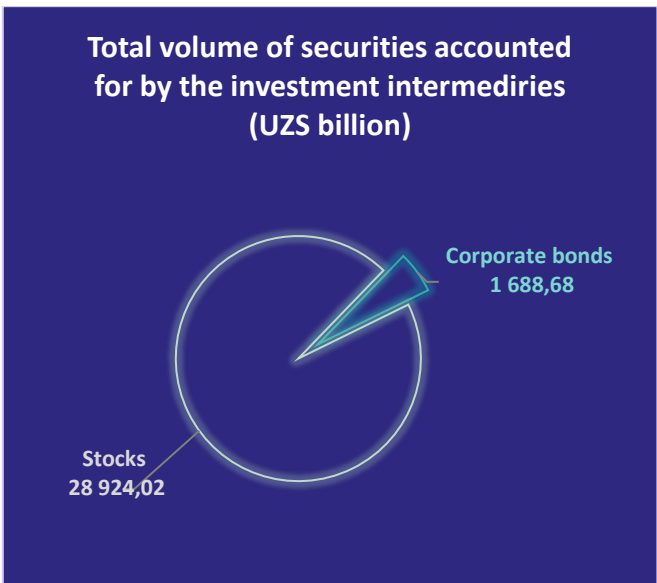
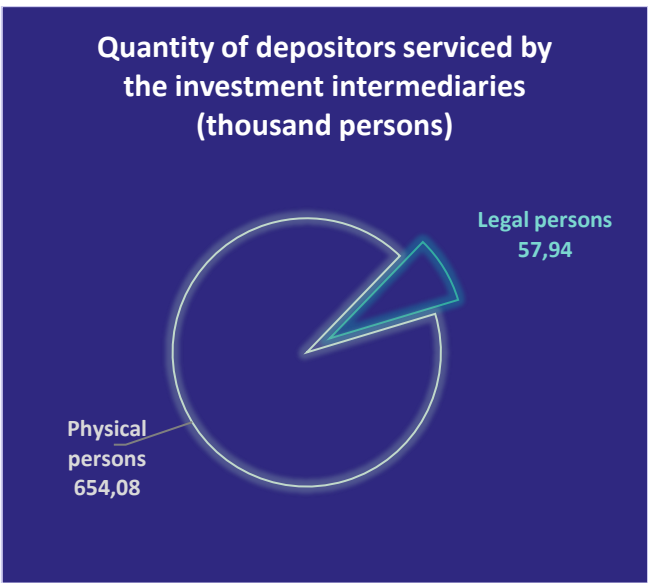
The aggregated number of all funds' shareholders totaled 51 090 persons, including 51 050 physical persons and 40 legal persons.

Servicing of investment intermediaries

The Central Securities Depository safekeeps rights on securities of 56 investment intermediaries and 1 foreign nominee holder, as well as their clients, by maintaining their accounts.

The number of depositors (the clients of investment intermediaries) who have funds on their depo accounts totaled 712,02 thousand, including 57,94 thousand legal persons, i.e. 8.14%, and 654,08 thousand physical persons, i.e. 91,86%, as of 01.01.2025.

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:

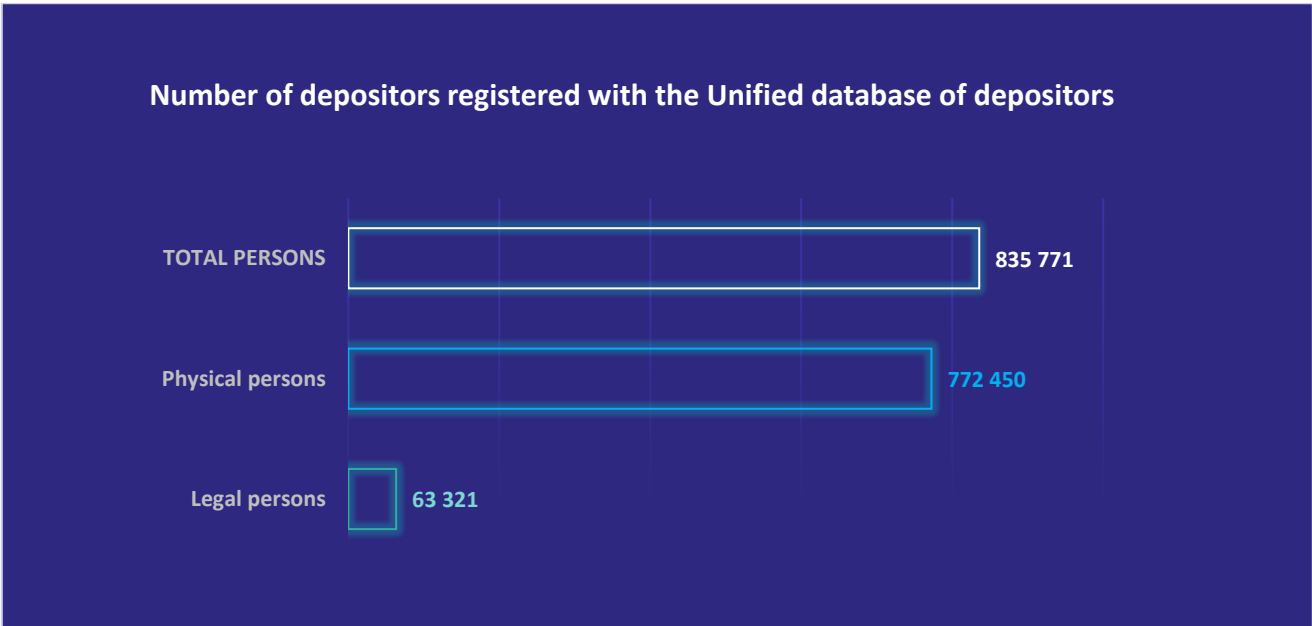
- stocks at par value amounted to UZS 28 924,02 billion, or 11 482,86 billion pieces
- bonds at par value amounted to UZS 1 688,68 billion, or 170,22 million pieces

Compared to the same period last year, the volume of securities registered by investment intermediaries increased by 67,10%.

During the reporting period, the Central Securities Depository registered 172 over-the-counter transactions with 160,13 billion securities for a total volume of UZS 21 085,68 billion.

The Unified database of depositors

The Central Securities Depository maintains the Unified Database of Depositors with 835 771 depositors registered as of 01.01.2025, including 772 450 physical persons and 63 321 legal persons, up by 24 393 compared to the same period of previous year.



Information and consulting services

The Central Securities Depository also provides joint-stock companies with all types of advisory services when conducting corporate actions and preparing prospectuses for securities issues.

Since 2020, The Central Securities Depository has introduced a new service, "Electronic voting eVOTE", designed for remotely holding general meetings of shareholders/meetings of members of supervisory boards via the Internet in online mode.

During 2024, 69 general annual and extraordinary meetings of shareholders of 23 joint-stock companies were successfully held via the "Electronic voting eVOTE" service.

In addition, during the reporting period, an assessment of corporate governance was carried out for 9 joint-stock companies.

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 fifteen 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 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.

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

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- 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.
 - Regulations on risk management in “The Central Securities Depository” JSC

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.

Corporate governance

In accordance with the approved work plan of the Supervisory Board, 17 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;

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- 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
- on increasing the authorized capital

Based on the shareholder's decision to increase the company's authorized capital by capitalizing the company's net profit, additional shares of the company were issued.

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, 6 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.

Also, this year, the Central Securities Depository launched an access control system to control the duration of the working day and compliance by employees with internal work regulations. By integrating the access control system with the HR department program, the Company's reporting and personnel records are automated.

International cooperation

In order to ensure the establishment of correspondent relations between the Central Securities Depository and international and foreign central securities depositories, 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 depository 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 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.

Representatives of the Central Securities Depository took part in the Summit of the Association of Eurasian Central Securities Depositories (AECSD) and the Middle East and Africa Central Securities Depositories (AMEDA), which was held in Istanbul (Turkey). The event included the annual general meeting of the AECSD, where, among other decisions on the agenda, a new version of the AECSD Resolution was approved, as well as the signing of a memorandum of understanding by the AECSD with AMEDA. On the sidelines of the summit, the participants exchanged ideas on the development and expansion of depository activities. Representatives of the Central Securities Depository also took part in the annual educational seminar of the AECSD, which was held online. The event was held in order to organize the exchange of experience and knowledge between the participants, in particular, regarding models of national accounting systems, coordination of joint actions for the development and integration of financial markets, including in terms of compliance, the "know your client" system, risk management and settlements.