UZBEK REPUBLICAN CURRENCY EXCHANGE JSC

2024 /Annual Report

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About Exchange

The joint-stock company “Uzbek Republican Currency Exchange” (hereinafter referred to as UZCE) is a multifunctional exchange platform that facilitates trading in foreign currency, government bonds, derivatives, and other related exchange transactions. It also operates the interbank money market and serves as the organizer of credit and deposit auctions for the Central Bank of the Republic of Uzbekistan (hereinafter referred to as the Central Bank).

UZCE was established on May 12, 1992, in accordance with the Resolution of the Cabinet of Ministers of the Republic of Uzbekistan No. 297 dated November 22, 1991, titled “Measures to Organize the Free Purchase and Sale of Foreign Currency in the Republic of Uzbekistan and to Expand Trading in Freely Convertible Currency”, and the Decree of the Cabinet of Ministers No. 66-f dated February 29, 1992.

As of January 1, 2025, the composition of UZCE members consists of 35 commercial banks, 6 brokerage companies, and 1 foreign bank.

All trading operations are carried out through a trading and clearing system developed by UZCE (“in-house”) in accordance with modern world standards for organizing exchange trading and have successfully passed all testing processes of the relevant organizations. These platforms possess characteristics such as reliability, adaptability, fault tolerance, high speed, and productivity.

The versatility of the UZCE trading platform creates favorable conditions for trading participants and their clients in managing liquidity and implementing investment strategies, allowing for operations with various exchange instruments across multiple markets.

At the same time, the existence of a single exchange market with a wide range of tools contributes to the formation of exchange indicators and assists the regulator in implementing an effective monetary policy.

Currently, the post-trading services at the UZCE encompass the areas of clearing and settlement. These types of services are carried out through the in-house “Settlements” and “UzClear” settlement and clearing systems. These systems are based on modern software infrastructure, enabling the collection, processing, and accounting of information regarding executed transactions, as well as the prompt execution of settlements and clearing of positions across trading participants and financial instruments.

Previously, the tasks of maintaining records for government bonds and preserving rights to them, as well as the UZCE’s DepoMax system, were transferred to the authority of the Central Securities Depository JSC starting from July 1, 2024, in order to maintain a unified depositary account for state and corporate bonds.

In 2023, the National Clearing Center JSC, established by UZCE, will ensure the completion of settlements on transactions within the scope of its central counterparty

functions and will manage risks while guaranteeing timely delivery of assets to investors, as well as evaluating the value of instruments in real-time.

The main objectives of the UZCE activities are:

- To organize and regulate the exchange market, and to form prices for exchange goods based on supply and demand.
- To generate profit from financial and economic activities as a commercial organization, while considering the interests of UZCE and its shareholders.
- To create equal conditions for all participants in exchange trading, ensuring the freedom of price formation and the transparency of trading.
- To develop infrastructure in order to ensure efficient and reliable services for trading participants.

Activities and Services:

- Organization of the following trading:

  interbank exchange trading in foreign currency;

  primary and secondary trading of government bonds;

  credit and deposit auctions of the Central Bank with commercial banks;

  interbank trading on attracting and placing funds of banks;

  exchange trading in derivatives;
- Clearing and settlement of exchange transactions;
- Quotation of exchange goods based on supply and demand;
- Formation and publication of exchange market indicators;
- Development of mandatory rules for exchange trading for UZCE's members, as well as standard forms of model contracts and documents for the formalization of concluded transactions;
- Creation of conditions for maintaining a high level of professional qualifications of trading participants;
- Providing trading participants with relevant information on the results of each exchange trading session;
- Development and implementation of software and automated systems related to the activities of the UZCE;
- Providing relevant advisory and other services to trading participants;
- Implementation of other types of activities within the framework of legislation.

Key advantages of the UZCE:

- Universality of the trading platform, integration of various markets and a wide range of instruments on a single platform.
- Availability of all stages of pre-trading and post-trading (settlement and clearing) services.
- "In-house" trading platforms.
- Established cooperation with major market data providers such as Bloomberg, Refinitiv, and others, for the purpose of transmitting market data to external (foreign) users.
- Availability of all settlement modes.
- All commercial banks and leading brokerage companies of the Republic of Uzbekistan are members of the UZCE.
- Experienced and professional team of employees.

UZCE Segments

Currently, the UZCE comprises four markets: FX and money markets, as well as the government bonds and derivatives markets. Trading is organized for more than 20 exchange instruments across these markets.

The UZCE's **money market** encompasses the interbank money market, deposit and credit auctions of the Central Bank with commercial banks, currency swaps, and repo operations.

Trading on the UZCE's electronic "in-house" platform for attracting and placing free funds of commercial banks in the interbank money market is carried out in accordance with the "Regulation on the Procedure for Conducting Operations through the Electronic Trading Platform of the Interbank Money Market" (registration number 3338, April 14, 2018) and the "Rules for Conducting Operations in the Interbank Money Market through the Electronic Trading Platform of the UZCE" (registration number 3010, May 12, 2018).

On this platform, deposit auctions of the Central Bank with commercial banks are held in accordance with the "Regulation on the Procedure for Conducting Deposit Operations of the Central Bank of the Republic of Uzbekistan with Commercial Banks" (registration number 3338, September 22, 2018), approved by Resolution No. 30/13 of the Board of the Central Bank dated September 22, 2018, as well as credit auctions with commercial banks secured by foreign currency in accordance with the "Rules for Conducting Credit Auctions of the Central Bank of the Republic of Uzbekistan with Commercial Banks Secured by Foreign Currency through the Electronic Trading Platform of the Uzbek Republican Currency Exchange".

On **the government bonds** market, primary auctions and secondary trading of state treasury obligations and bonds of the Ministry of Economy and Finance of the Republic of Uzbekistan, as well as Central Bank bonds, are organized.

The primary placement and secondary trading of government bonds are organized in accordance with the "Regulations on the Procedure for Issuing, Circulation and Redemption of State Securities of the Republic of Uzbekistan" approved by Resolution No. 1016 of the Cabinet of Ministers of the Republic of Uzbekistan dated December 14, 2018 and the "Rules for Conducting Trading in Government bonds on the UZCE".

Trading in Central Bank bonds is conducted in accordance with the "Regulations on the Procedure for Issuing and Circulation of Central Bank bonds of the Republic of Uzbekistan" (registered No. 3080, October 25, 2018), approved by Resolution No. 30/14 of the Board of the Central Bank dated September 22, 2018, and the "Rules for Conducting Trading in Bonds of the Central Bank of the Republic of Uzbekistan on the UZCE".

On the UZCE's **foreign exchange market**, trading in the purchase and sale of foreign currency is conducted in accordance with the "Rules of Exchange Trading for the Purchase and Sale of Foreign Currency by the Uzbek Republican Currency Exchange JSC".

Foreign currency purchase and sale transactions are carried out on the "Rhombus" trading platform using "call auction" and continuous "matching" auction trading methods, with T+0 and T+1 settlement modes.

Furthermore, differentiated tariff plans for commission fees have been introduced, aimed at creating favorable conditions for participants in currency trading, attracting liquidity to the foreign exchange market of UZCE, and incentivizing an increase in trading volumes, based on a flexible tariff policy.

To ensure continuous daily liquidity and increase the volume and scope of transactions in the foreign exchange market, the activity of market-makers have been introduced on the UZCE based on programs developed by the exchange.

In the **derivatives market**, for the purpose of hedging currency risks, as well as creating opportunities to profit from price fluctuations, trading in currency futures contracts with expiration periods of 1, 2, 3, 6, 9, and 12 months has been launched on the "Rhombus derivatives" platform. The underlying asset for these contracts is the US dollar to Uzbek soum exchange rate set by the Central Bank, as well as the weighted average US dollar to Uzbek soum exchange rate determined based on the trading results on the UZCE.

Trading in currency futures contracts is conducted using a continuous auction (matching) method in accordance with the "Rules of exchange trading for transactions with currency futures contracts of the Uzbek Republican Currency Exchange JSC".

Within the scope of the central counterparty's activities in the currency and derivatives markets, liquidity providers have been engaged, and a risk and default management system has been implemented.

Main results of the activity

Trade participants / Members of the UZCE	Markets/ Instruments		2022		2023		2024		Income structure in 2024
			Trade volumes (trillion UZS)	Fee income (billion UZS)	Trade volumes (trillion UZS)	Fee income (billion UZS)	Trade volumes (trillion UZS)	Fee income (billion UZS)	
35 commercial banks	FX market	Spot operations for USD/UZS, EUR/UZS, RUB/UZS, CNY/UZS currency pairs	338,18	57,29	▲35,43% 458,00	▲28,02% 73,35	▲1,88% 466,63	▲10,05% 80,72	Fee income: 102,36 billion UZS
6 brokerage companies	Money market	Interdealer swap operations involving UZS, USD, EUR, RUB, CNY	271,31	3,40	▲77,99% 482,90	▲97,58% 6,72	▲38,53% 668,97	▲42,08% 9,55	Interest income: 19,93 billion UZS
		Central Bank's swap auctions							
		Interbank money market							
		Central Bank's deposit auctions							
		Central Bank's REPO auctions							
1 foreign bank		Inter-dealer REPO transactions with the government bonds							Other income: 0,35 billion UZS
		Central Bank's credit auctions							
	Government bonds market	Government bonds issued by the Ministry of Economy and Finance	97,29	19,01	▼39,78% 58,59	▼40,31% 11,34	▲6,15% 62,19	▲6,62% 12,10	Total in 2024: 122,64 billion UZS
		Central Bank Bonds							
	Derivatives market	Cash-settled currency futures contracts			0,04				

Note: change compared to the previous period.

Address of the Chairman of the Supervisory Board of the Uzbek Republican Currency Exchange JSC

Dear Shareholders, Partners, and Trading Participants!

I am pleased to present to your attention the Annual Report of the Uzbek Republican Currency Exchange JSC for 2024.

It is worth noting that during the reporting year, the five-year Development Strategy for 2024–2028 was approved, encompassing issues related to the development of promising areas of the Exchange. According to this strategy, the main focus is on implementing important measures for the development of the exchange and the banking and financial sector, aimed at technological development, expanding the range of instruments, increasing operational efficiency, risk management, and improving the financial literacy of the population and trading participants.

The main ideas of the new development strategy are a logical continuation of previous strategies, with a special emphasis on providing trading participants with convenient and attractive trading strategies and conditions, expanding the base of foreign and institutional investors, including foreign ones, and thereby increasing liquidity in the exchange markets.

In the reporting year, the UZCE continued its effective operation, strengthening its position as a leading exchange in the republic and the Central Asian region, as well as a crucial link in the financial market infrastructure of Uzbekistan, demonstrating stability in its activities and actively contributing to the growth of the republic's economy.

As you know, in 2023, the Exchange’s clearing and settlement functions were transferred to a separate entity – National Clearing Center JSC, which became a contributing factor to the development of central counterparty activities, including the risk management system. The creation of a separate organization performing the functions of a central counterparty was aimed at attracting foreign investors, creating a favorable environment for investment, introducing best international standards, expanding the range of services in exchange markets, as well as effectively managing the risks of infrastructure organizations.

In the reporting year, the priority tasks of the Supervisory Board, as in previous years, were to ensure the sustainable development of the organization and the effectiveness of its activities.

The qualified composition of the Supervisory Board has been carrying out control, personnel, and strategic management within its assigned responsibilities, while maintaining a balance of interests of shareholders, trading participants, and all relevant parties in the Exchange's activities.

At the Annual General Meeting of Shareholders held on May 23, 2024, regarding the results of 2023, the reports of the Supervisory Board and the Executive Body were heard. Furthermore, a number of important decisions aimed at improving corporate culture,

increasing the level of information security, improving exchange trading mechanisms and information technologies, and further enhancing the quality of services were reviewed and adopted in order to increase the initiative and responsibility of employees.

The Exchange's activities in introducing innovative trading mechanisms, as well as the revitalization of exchange markets, particularly the money market, the continuous growth of liquidity, and the introduction of new instruments, trading mechanisms, and services – all of this contributed to achieving high trading volumes and commission income.

As a result, record operational and financial figures were registered in 2024, with the volume of exchange trades reaching a maximum level of **1,197.79 trillion UZS**. Net profit amounted to **62.76 billion UZS**, which is an increase of **19.47 billion UZS** or **45.0 %** compared to the 2024 business plan indicator.

In the coming year, work will continue to further expand the range of exchange instruments, widely attract local and foreign investors to the exchange markets, introduce modern mechanisms for settling transactions, further automate all areas of exchange activity, and align trading and software systems with advanced global practices and international standards.

In conclusion, on behalf of the Supervisory Board, I express my deep gratitude to our shareholders, partners, and clients for their trust, as well as to the team of the Uzbek Republican Stock Exchange for their conscientious work and collaborative professional activities.

A. Olimov
Chairman of the Supervisory Board of UZCE

Address by the General Director of the Uzbek Republican Currency Exchange JSC

Dear Shareholders and Colleagues,

The promising directions of the UZCE for 2024 were determined taking into account trends in exchange markets, including the development of exchange technologies, the introduction of new trading mechanisms, and an effective risk management system.

In the reporting year, the five-year Development Strategy for 2024–2028, covering issues of developing the Exchange's promising directions, was approved. Within its framework, UZCE has been carrying out its activities in expanding the range of exchange services, further improving their quality, increasing the range of exchange instruments and clients by attracting a wide range of investors, including foreign ones, to the exchange markets, and improving the skills of exchange employees and trading participants.

Today, UZCE is the main trading platform for the liquidity center and attracting financial resources, and a significant increase in trading volumes in the reporting year is clear evidence of this.

As a result of the introduction of new instruments in the exchange markets and the provision of various trading strategies for trading participants, UZCE achieved an increase in the volume of exchange trading in the reporting year, while ensuring the provision of high-quality services.

In 2024, the total trading volume reached a record high of **1,197.79 trillion UZS**. Simultaneously, the volumes in the currency market increased by 1.88 % compared to the 2023 figures, and in the money market by 38.53 %, amounting to **466.63** and **668.97 trillion UZS**, respectively. The trading volume in the debt market amounted to **62.19 trillion UZS**.

This positive statistic is primarily attributed to providing trading participants with new trading strategies through the use of a wide range of exchange instruments, creating numerous conveniences on the trading platform for continuous trading and concluding negotiated transactions, launching trading in various market segments, including new types of instruments in the futures market, and extending trading hours for certain instruments.

At the same time, it should be noted that the creation of National Clearing Center JSC with the status of a central counterparty under the auspices of the UZCE has become an impetus for the further development of an effective default management system and the expansion of risk management mechanisms.

The activities of National Clearing Center JSC as a central counterparty are aimed at reducing infrastructure risks and costs of exchange market participants, creating conditions for centralized clearing of various financial instruments, including over-the-counter instruments, as well as assisting in attracting new participants to the capital market.

In addition, in the reporting year, work continued on the implementation of a multi-stage personnel selection system in the field of staffing the UZCE with qualified personnel,

including the development and implementation of a comprehensive system for the selection and recruitment, assessment, and incentives of employees.

At the same time, within the framework of measures to improve the financial literacy of trading participants and the general public, the UZCE systematically posted various content on social networks, including videos and infographics, and conducted seminars, webinars, and training sessions for traders on various aspects of exchange trading.

In 2025, the UZCE will continue to work in accordance with the strategic development directions in order to achieve high efficiency in its activities, increase competitiveness, and further improve the position of the UZCE in domestic and international markets.

In particular, within the framework of the Development Strategy implementation, it is planned to organize trading in new currency pairs and other instruments on the exchange, implement pilot projects based on blockchain technology and other digital technologies, further popularize the futures market at the initial stage, and expand the range of instruments to attract potential investors to this market.

As a key participant in the capital market infrastructure, UZCE pays special attention to the development of new advanced exchange technologies, further automation of business processes and exchange trading, with the widespread use of its own technologies based on international standards.

Also, our efforts will be focused on improving the skills of employees in corporate governance, risk management, information technologies and programming, improving the personnel training system, and training promising young specialists.

In addition, in order to familiarize students and interns with the peculiarities of exchange activities and the mechanisms for conducting exchange trading using the exchange simulator, it is planned to introduce internships at the UZCE.

UZCE will continue to develop dynamically, striving to reach new heights in the provision of innovative products and services, as well as to strengthen its position in the republic and the region.

Providing high-quality service, ensuring equal conditions and access to exchange infrastructure for all trading participants remains our priority and remains relevant.

I express my gratitude to the UZCE team for their consistent work in achieving all the above-mentioned successes, and to our partners, trading participants, and shareholders for their support and trust.

R. Usmanov
General Director of UZCE

Measures implemented to ensure the execution of the Resolution of the President of the Republic of Uzbekistan No. PQ-291 dated September 2, 2023, "On Additional Measures for the Development of the Capital Market"

To ensure the execution of the Resolution of the President of the Republic of Uzbekistan No. PQ-291 dated September 2, 2023, "On Additional Measures for the Development of the Capital Market", and within the framework of measures to further improve the exchange market infrastructure and establish a stable, highly technological settlement organization that meets international standards, National Clearing Center JSC (NCC), performing the functions of a central counterparty and centralized clearing, was established on November 7, 2023, with the UZCE as its founder.

For the purpose of carrying out settlement and clearing activities, UZCE developed the "RoBust" automated banking system, designed for NCC's banking settlement operations, and connected it to the Central Bank's telecommunications network and the interbank payment system (RTGS). Additionally, a correspondent account for NCC in national currency was opened at the Central Bank.

Furthermore, to encourage the wider attraction of domestic and foreign investors to the capital market, simplify the procedure for foreign investors' participation in the stock market, and protect investors' rights, the following measures were implemented:

- Relevant amendments and additions were made to the "Rules for Conducting Government Bonds Trading on the UZCE" as part of the introduction of a new clearing and settlement model, including the implementation of T+2 settlement for government bonds in the secondary market;
- A risk management system and default management system were established at the NCC;
- Foreign professional participants, including foreign nominee holders, were enabled to participate in the Central Bank's payment system through the opening of correspondent accounts at the Central Bank;
- Within the framework of the "Regulatory Sandbox" special regime, all necessary conditions were created for opening foreign nominee holder accounts in the UZCE's trading-clearing system, as well as direct individual and omnibus accounts in the unified depository system;
- Conditions were created for recognized custodian banks and foreign nominee holders to participate as dealers in government bonds trading, including repo transactions on the UZCE platform;

- A unified simplified procedure was adopted for admitting members of the "Toshkent" Republican Stock Exchange to UZCE membership, based on the principle of mutual recognition of membership between the two exchanges;
- The safekeeping and accounting of rights to securities were ensured within a unified depository system by transferring the UZCE's "DepoMax" depository system to the Central Securities Depository JSC.

At the same time, in order to enable the transmission of market data to third parties through a standardized API and FIX protocol, an API format was developed jointly with Bloomberg L.P. This format facilitates the collection, formatting, and transmission of exchange data to global international platforms. Currently, the transmission of market data and its publication on the Bloomberg platform's page dedicated to the UZCE has been implemented.

Additionally, to integrate the order management systems (OMS) of investment intermediaries with the UZCE trading system for the automatic acceptance of trade orders, an OMS-API service (trading gateway) has been developed. Through this service and the "FIX Adapter" module, trading participants can integrate their OMS systems with the UZCE trading and clearing system.

Furthermore, in order to monitor the compliance of foreign custodians and investment intermediaries participating in government bonds trading with KYC and AML principles, an agreement was signed with Refinitiv to grant the UZCE access to the World-Check services.

Development of exchange markets

In accordance with the Development Strategy of the Republic of Uzbekistan for 2024-2028, in order to further expand the range of exchange instruments, increase the liquidity and attractiveness of exchange markets, an action plan for the development of exchange markets of the Republic of Uzbekistan for the near future has been approved and a set of measures has been implemented.

FX market

- Trading in T+0 settlement mode has been introduced for the EUR/UZS and RUB/UZS currency pairs;
- Conditions have been created for conducting on-system trading in T+1 settlement mode for the USD/UZS, EUR/UZS, CNY/UZS, and RUB/UZS currency pairs, as well as off-system trading in T+0 and T+n modes for the EUR/USD, CNY/UZS, and KZT/UZS currency pairs.

Money market

- Amendments and additions were appropriately introduced to the "Regulation on the Procedure for Concluding and Executing Repo Agreements with Government Bonds of the Republic of Uzbekistan" (registration number 1829, June 18, 2008), approved by the resolution of the Board of the Central Bank, and the "Rules for Concluding and Executing Repo Agreements with Government Bonds on the UZCE", creating a legal basis for conducting repo operations with a government bonds "basket" (repo basket);
- The Central Bank introduced the application of the UZCE's "market price" and a discount when conducting repo auctions, and the possibility of applying the "market price" for interdealer repo transactions was also created;
- The trading hours for repo transactions has been extended (the opportunity to conduct trading for an additional 30 minutes after the end of the interbank transaction day has been created);
- The practice of applying a 5 % discount for collateral on the Central Bank's liquidity provision operations (repo transactions, credit operations) was introduced;
- The possibility of concluding over-the-counter repo transactions with maturities of "intraday" and from 1 to 365 days was created, and the practice of applying a hair-cut to repo collateral, as well as negative or zero repo rates, was introduced;
- Conditions were created for continuous trading with "intraday" repo and standardized maturities for repo transactions ("intraday", 1, 2, 3, 7, 14, 21, 30, 60,

and 90 days) were optimized, and trading in each maturity segment was organized using a two-way continuous auction (matching) method;

- A “blind” auction form of primary auctions conducted by the Central Bank has been introduced;
- Conditions have been created for conducting credit auctions with commercial banks of the Central Bank based on currency collateral on the electronic trading platform of the UZCE;
- As part of tariff optimization, the commission fee for currency swap transactions was reduced from 0.01 % to 0.0008 % of the transaction amount.

Government bonds market

- The activities of primary and secondary dealers were introduced in the government bonds market, whereby primary dealers who have signed relevant agreements simultaneously operate as market makers, including in the interdealer repo market;
- Market-making programs aimed at consistently increasing liquidity for primary dealers in secondary market trading and government bonds repo transactions were developed;
- Opportunities were created for foreign investors (recognized foreign banks, including custodian banks) to carry out primary dealer activities in the government bonds market;
- Conditions were created for conducting government bonds trading in T+2 settlement mode;
- ISIN codes, along with local identification numbers, began to be used for government bonds on the UZCE trading platform;
- The practice of using “dirty price” and “clean price” when entering orders in government bonds trading was introduced on the UZCE platform, and the financial calculator was improved;
- A mechanism for the additional placement of government bonds (tap issue) was introduced, and in addition to the main primary auctions, “blind” auctions were also launched;
- The use of effective formulas aligned with advanced practices for paying coupon income and calculating yield in government bonds trading was implemented;
- Within the framework of creating opportunities for foreign investors (recognized foreign banks, including custodian banks) to carry out dealer activities in the government bonds market, “Bank Of Georgia” was admitted to UZCE membership under category “B”, granting the right to conclude transactions in the government bonds and repo market.

Also, to increase the liquidity of the government bonds market and create favorable conditions for market makers, amendments and additions were introduced to the "Procedure for Collecting Commission Fees (Charges) on the UZCE", which envisage further optimization (reduction) of the commission fee. Tiered tariff plans for the commission fee have been implemented.

According to the selected tariff plan, the basic rate of the commission fee will now be set in the range of 0.0007 % to 0.0012 % of the transaction amount. When an additional option is exercised, that is, when sufficient volumes of transactions are concluded in the secondary market and the repo market for government bonds, the amount of the commission fee will decrease to 0.00035 %, 0.00045 %, and 0.00060 %, according to the tariff plan.

Thus, the basic rate has been reduced by more than 28 times, and in the case of the additional option being exercised, the amount of the commission fee has been reduced by 57 times.

Previously, the amount of the commission fee for transactions concluded in government bonds auctions amounted to 0.02 % according to a single tariff.

In addition, the commission fee for transactions in the secondary market for government bonds has been halved, from 0.015 % to 0.0075 %. Now, the maximum amount of the commission fee per transaction will not exceed 0.075 % (depending on the time to maturity).

Also, the amount of the commission fee for Central Bank bonds has been reduced as follows:

- For auction trading: from 0.02 % to 0.012 % of the transaction amount (1.6 times);
- For secondary trading: from 0.015 % to 0.0075 % of the transaction amount (2 times).

Derivatives market

- Trading in cash-settled currency futures contracts with expiration periods of 6, 9, and 12 months, where the underlying asset is the UZS/USD exchange rate set by the Central Bank, as well as the weighted average UZS/USD exchange rate based on the results of trading on the UZCE, has been introduced.
- To create more convenience for trading participants, revitalize derivatives trading, and increase liquidity, the margin requirements for futures contracts have been changed as follows:

  - **Initial margin:** 2 % of the transaction amount for contracts with an expiration period of up to 3 months, and 5 % of the transaction amount for contracts with an expiration period of more than 3 months.

  Previously, the single initial margin rate was 5 % for all expiration periods.

- **Maintenance margin:** 50 % of the initial margin obligation for futures contracts with an expiration period of up to 3 months, and 75 % of the initial margin obligation for futures contracts with a maturity of more than 3 months.

Previously, the single margin amount was 50 % for all expiration periods.

International cooperation and communications

Great attention is being paid to establishing and developing relations with new foreign partners, as well as strengthening ties with existing partners within the framework of signed memorandums and agreements. In this regard, a number of events were held in 2024.

From February 19 to 23, 2024, a Technical Assistance Mission from the International Monetary Fund's Regional Capacity Development Center for the Caucasus, Central Asia, and Mongolia visited the UZCE to discuss issues related to the development of the repo market.

During a meeting held on February 22, 2024, between representatives of the UZCE and the International Monetary Fund mission, positive feedback was given to the UZCE's ongoing work on developing the interbank repo market, in particular, improving the existing infrastructure and trading mechanisms, and providing new trading opportunities for market participants.

At the conclusion of the meeting, an agreement was reached on further developing bilateral cooperation, particularly on exchanging experiences and providing advisory services for improving the repo market, the UZCE's trading infrastructure, and trading mechanisms.

Furthermore, on April 3, 2024, the General Director of the UZCE held a meeting with representatives of Bloomberg L.P., during which discussions took place regarding the possibility of transmitting the UZCE's market data to external users through the Bloomberg platform, the potential use of the company's software solutions in various exchange markets, and the use of fixed-income instruments in trading systems.

The meeting addressed issues related to exchanging experience on improving the functionality of the UZCE's trading and clearing complex, and organizing training seminars for UZCE specialists on the use of Bloomberg products and services.

Additionally, the next annual general meeting of the International Association of Exchanges of the CIS Countries (IAEC) was held in Samarkand on April 17-20, 2024.

During the event, brief reviews of the activities of IAEC member exchanges were heard, the draft Charter of the Digital Financial Instruments Committee under the IAEC and the draft new Charter of the IAEC Council were discussed, and working meetings of currency and stock exchanges were held. Also, during the event, Aziz Nagaev, Deputy General Director of UZCE, was elected a member of the IAEC Council.

Furthermore, on April 23, 2024, at a meeting between the General Director of UZCE and representatives of "Bank of Georgia", the prospects for cooperation between the organizations were discussed.

The meeting addressed issues related to granting “Bank of Georgia” dealer status in the government bonds market and the procedure for opening a foreign nominee holder account in the unified depository system.

Moreover, on May 16-17, 2024, the General Director of UZCE participated in the 18th Clearstream Summit for Central and Eastern Europe and CIS countries in Budapest.

The summit agenda included topics such as the role of artificial intelligence in developing financial markets, the digitalization of the post-trading sector, innovative solutions in the securities market, and opportunities for custodians in Central and Eastern Europe and the CIS.

On May 30-31, 2024, employees of the HR department of the UZCE traveled to Moscow to hold meetings with representatives of IFellow, one of the leading companies in the field of information technology in the Russian Federation.

Following the meetings, the parties reached an agreement on cooperation and exchange of experience in the field of improving and automating the personnel selection, placement, and incentive system at the UZCE.

On September 12, 2024, a delegation led by the General Director of the UZCE took part in the VI International Conference “Capital Market of the Republic of Uzbekistan” of CBonds-Congress, held in Tashkent. During the event, the General Director of the UZCE delivered a report at the session “Uzbekistan’s Financial Market: Regulation”.

Also, within the framework of the conference, representatives of the UZCE held meetings with representatives of a number of foreign financial institutions, investment companies, and funds. During the meetings, opinions were exchanged on establishing mutually beneficial cooperation to further develop the exchange infrastructure and attract foreign investors to the financial market of Uzbekistan.

Within the framework of the visit of the Money Market Working Group of the European Bank for Reconstruction and Development, another meeting with EBRD experts was held at the UZCE on November 19, 2024, during which the mechanisms for organizing trading in the money market, including repo operations, were discussed.

Additionally, representatives of the UZCE participated in the “Bloomberg Discovery Day” event organized by Bloomberg L.P. in Tashkent on November 21, 2024. During the event, a group of Bloomberg L.P. experts presented the effective tools and functionalities of the Bloomberg terminal to the event participants, including new products created by the company to ensure information coverage of the financial market of Uzbekistan.

At this event, the launch of the UZCE page on the Bloomberg information and analytical platform and the commencement of placing UZCE market data were announced.

Within the framework of meetings with Uzbek regulators and financial institutions, during the visit of the Treasury mission for local currency operations of the Asian Development Bank (ADB) on November 28, 2024, a meeting was held between the UZCE

and representatives of the mission. At this meeting, the possibilities of ADB's operations in the financial market of Uzbekistan in national currency through the UZCE trading system were discussed.

Furthermore, throughout 2024, online meetings were regularly held with representatives of the Kazakhstan Stock Exchange JSC (KASE), the KASE National Clearing Center JSC, the Moscow Exchange, its National Clearing Center, and other partners to exchange experiences on the establishment and development of the activities of the National Clearing Center JSC.

Additionally, a permanent communication channel has been established with representatives of Bloomberg L.P. and LSEG Data & Analytics (Refinitiv) to discuss the introduction of online KYC and AML procedures for clients of the National Clearing Center JSC, the transmission of market data to external users through these companies' platforms, and other services, in particular, the provision of LSEG Data & Analytics (Refinitiv)'s World Check API services.

It is worth noting that an agreement has been signed with Refinitiv on the use of the World Check service to verify the compliance of foreign participants in UZCE exchange trading with KYC and AML principles. According to this agreement, a license for the use of this service has been granted to the UZCE.

The role and significance of the UZCE in local and international markets

The UZCE is one of the main participants in the country's financial market, a liquidity center for operations in national and foreign currencies, and as the largest exchange platform, rightfully holds leading positions both in the republic and among the exchanges of the CIS countries in terms of trading volume and the range of exchange instruments.

The UZCE is a full member of the International Association of Exchanges of CIS Countries. Currently, the possibility of the UZCE becoming a member of international organizations such as the World Federation of Exchanges and the Federation of Euro-Asian Stock Exchanges is being considered.

In order to establish and strengthen relations with foreign partners and enhance the international status of the UZCE, Memorandums of Cooperation have been signed with the Moscow Exchange, Kazakhstan Stock Exchange JSC, and Belarusian Currency and Stock Exchange JSC, a Memorandum of Understanding with LSEG Data & Analytics (Refinitiv), an agreement with Bloomberg L.P. on the transfer of UZCE market data to external users, an agreement on the use of the "Bloomberg Terminal" information and analytical platform, as well as an agreement with LSEG Data & Analytics on the use of the World-Check One service for conducting KYC and AML procedures.

Furthermore, preliminary agreements have been reached on establishing cooperation with foreign exchanges such as the Baku Stock Exchange and Borsa Istanbul.

Key events

February 6, 2024 - A briefing was held at the Agency for Information and Mass Communications regarding the development of a unified procedure for the simplified admission of "Toshkent" Republican Stock Exchange members to UZCE membership.

February 22, 2024 - A meeting was held between representatives of the UZCE and the International Monetary Fund mission on the development of the interbank repo market.

February 27, 2024 – The next follow-up audit in accordance with the international standard ISO 9001:2015 was successfully conducted at the UZCE, and the compliance of the UZCE quality management system with the requirements of this standard was confirmed.

February 2024 - The range of UZCE instruments was expanded with currency futures contracts with expiration terms of 6, 9, and 12 months.

March 1, 2024 - Kapitalbank JSC, Asakabank JSC, Ipotekabank JSCIB, and "Business Development Bank" started market-maker activities in the government bonds market.

April 3, 2024 - The General Director of UZCE held a meeting with representatives of Bloomberg L.P. on the issue of transmitting UZCE market data to external users through the company's platform.

April 2-12, 2024 - The UZCE Financial Quiz was held in online format on the UZCE platform as part of Global Money Week.

April 17-20, 2024 - Representatives of UZCE participated in the regular annual general meeting of the International Association of Exchanges of the CIS Countries (IAECIS) in Samarkand.

April 23, 2024 - UZCE held a meeting with representatives of "Bank Of Georgia" on the prospects of cooperation.

April 23, 2024 - A briefing was held at the Agency for Information and Mass Communications on the results of UZCE's activities in 2023 and plans for 2024.

May 3, 2024 - A briefing was held at the Agency for Information and Mass Communications on the work carried out to establish the activities of National Clearing Center JSC.

May 16-17, 2024 - The General Director of UZCE participated in the 18th Clearstream Summit for Central and Eastern Europe and CIS countries in Budapest.

May 30-31, 2024 - Meetings of HR department of the UZCE with representatives of the IT company "Ifellow" of the Russian Federation took place in Moscow.

June 26, 2024 - The Development Strategy of the UZCE for 2024-2028 was approved.

April 25, 2024 – "Bank Of Georgia" was admitted as a Category "B" member of the UZCE, granting the right to conclude transactions in the government bonds and repo markets.

September 12, 2024 - The UZCE participated in the VI International Conference "Capital Market of the Republic of Uzbekistan" organized by Cbonds-Congress.

September 2024 - An API format was developed jointly with Bloomberg L.P. to enable the transfer of market data to third parties using a standardized API and the FIX protocol. As a result, the transfer of UZCE exchange data and its placement on the UZCE page on the Bloomberg platform was launched.

September 2024 - An OMS-API service (trading gateway) was developed to integrate order management systems (OMS) with the UZCE trading system for automatic acceptance of trading orders. Through this and the "FIX Adapter" module, trading participants gained the ability to integrate their OMS systems with the UZCE trading and clearing system.

October 23, 2024 - A meeting was held with a delegation from the Hungarian "OTP Group" regarding the possibility of the company participating in UZCE trades as a custodian bank.

October 26, 2024 - An agreement was signed for the use of Bloomberg L.P.'s information and analytical platform "Bloomberg Terminal", and the UZCE was granted the right to use it.

November 19, 2024 - A meeting was held at the UZCE with EBRD experts to discuss improving the mechanisms for conducting repo operations.

November 21, 2024 - Representatives of the UZCE participated in the "Bloomberg Discovery Day" event organized by Bloomberg L.P. in Tashkent.

November 28, 2024 - A meeting was held between representatives of the UZCE and the Asian Development Bank (ADB) mission to discuss the possibilities of the ADB conducting operations in national currency through the UZCE trading system.

Financial results overview

Financial statements of the UZCE are prepared in accordance with the legislation of the Republic of Uzbekistan on accounting and reporting..

Taxes paid by the UZCE:

Type of tax	Rate
Income tax	15%
Property tax	1,5%
Water use tax	in accordance with the established standards
Land tax	in accordance with the established standards
Dividend tax	5%
Value added tax	12%

According to Article 209 of Chapter 37 of the Tax Code, the following financial services of UZCE are exempt from value added tax:

- ✓ *transactions with national and foreign currency;*
- ✓ *clearing Operations:*
- ✓ *organization of exchange operations with foreign currency:*
- ✓ *cash conversion operations*
- ✓ *transactions with securities (shares, bonds and other securities).*

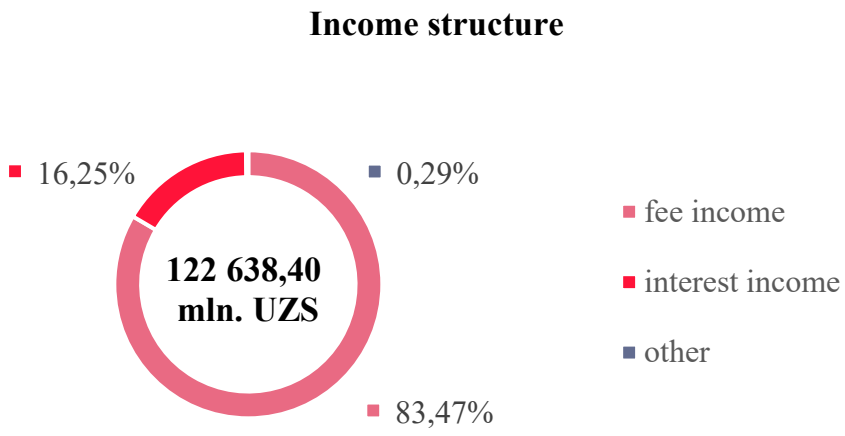
At the end of the reporting year, UZCE has no overdue liabilities (payables and receivables)

In 2024, UZCE continued to pursue a policy of strict cost control and adhered to the strategy of increasing commission income by diversifying exchange instruments.

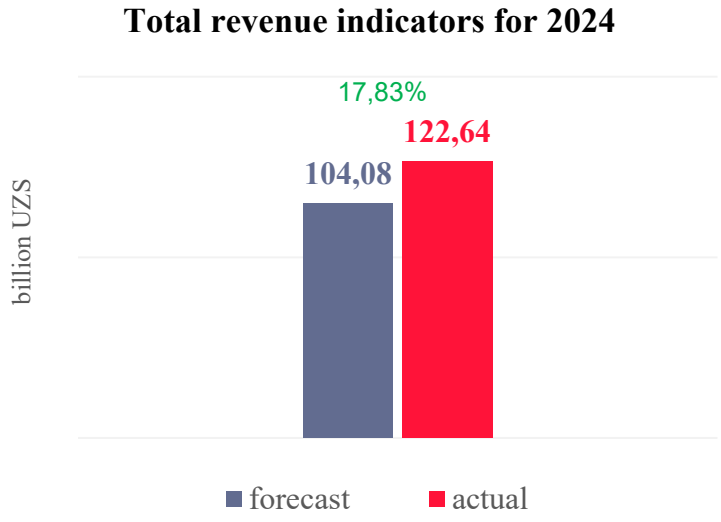
Statement of gross income (profit and loss)

Revenues. The main sources of income of the UZCE are commission fees from the organization of exchange trading, as well as interest receipts from the placement of free funds of the UZCE on short-term deposits of commercial banks.

At the end of 2024, the share of commission fees in the structure of UZCE's revenues amounted to 83.47%. The share of interest and other income was 16.25% and 0.29%, respectively.



According to the 2024 business plan of UZCE, the total revenue was projected to amount to 104,084.94 million UZS. However, by the end of the reporting year, the actual total revenue reached 122,638.40 million UZS, which is 17.83 % or 18,553.46 million UZS more than the planned figure



According to the business plan, the projected revenue from the foreign exchange market for 2024 is set at 78,101.28 million UZS, which is 22.51% higher than the corresponding figure established in the 2023 business plan (63,750.00 million UZS). In reality, the actual revenue from the foreign exchange market in 2024 amounted to

80,714.24 million UZS, exceeding the projected figure in the 2024 business plan by 2,612.96 million UZS.

Moreover, in the reporting year, there was a significant increase (42.08%) in income from organizing trading in the money market compared to the corresponding indicator in 2023. At the same time, income from organizing trading in the debt market in the reporting year increased by 6.62% compared to 2023.

In 2024, the forecast volume of income that UZCE is expected to receive from placing free funds in short-term deposits with commercial banks is set at 10,993.79 million UZS, which is 27.46% more than the corresponding indicator in 2023 (8,625.00 million UZS).

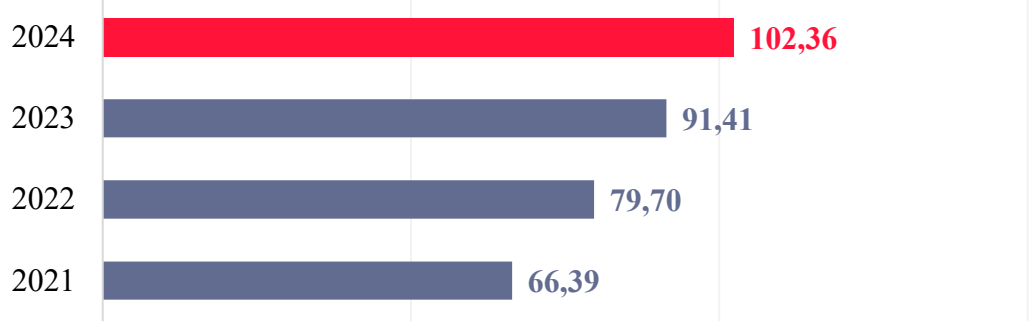
In 2024, the actual income from the placement of UZCE funds increased by 8,933.56 million UZCE or 81.26% compared to the forecast figure, and by 69.17% compared to the actual volume in 2023.

By the end of 2024, the total income of UZCE increased by 18.46%, or 19,114.98 million UZS, compared to the 2023 figure.

Total revenue structure in 2023-2024, in million UZS

Indicators	2023	2024	23/24	change
Currency market	73 345,45	80 714,24	7 368,80	10,05%
Money market	6 722,16	9 550,66	2 828,50	42,08%
Debt market	11 344,53	12 095,81	751,28	6,62%
Derivatives market	0,63	0	-0,63	-100,00%
Interest income	11 779,72	19 927,35	8 147,63	69,17%
Other income	331,20	350,33	19,13	5,78%
Total	**103 523,69**	**122 638,39**	**19 114,70**	**18,46%**

Dynamics of fee income, in billions of UZS



Expenditures. The forecasted amount of total expenditures of the UZCE for the year 2024 was set at 52,278.6 million UZS, while the actual amount of expenditures amounted to 47,418.4 million UZS. As a result, the savings at the end of 2024 totaled 4,860.2 million UZS.

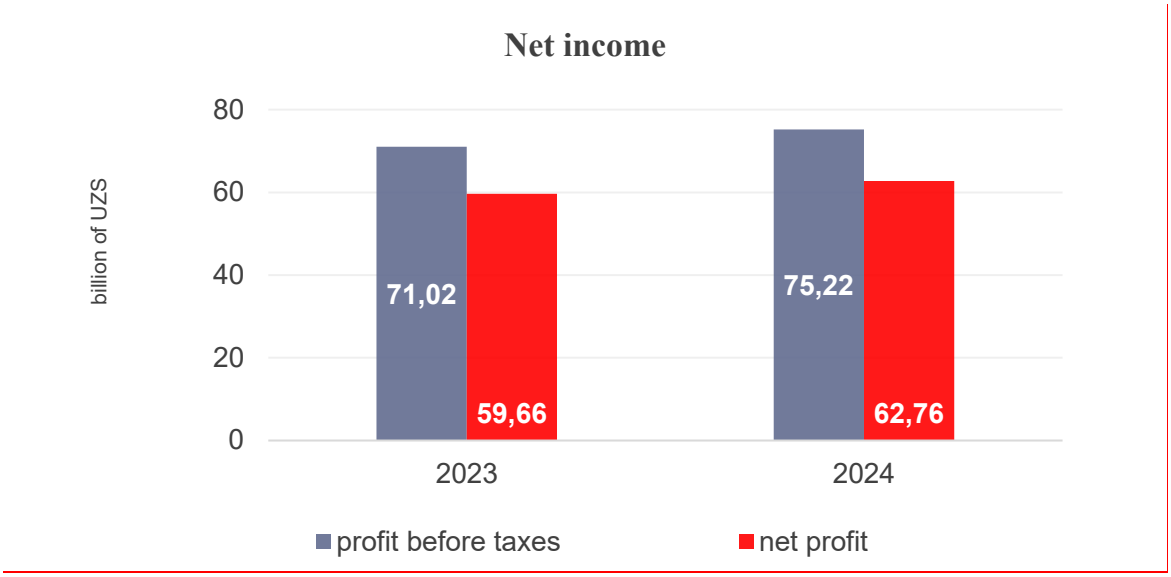
Execution of the financial and economic estimate of UZCE based on the results of 2024

million UZS

№	Indicators	*2024*		
		forecast	*fact*	*difference*
1	**Income, total** *including*:	**104 084,94**	**122 638,39**	**18 553,45**
	net revenue	93 000,00	102 360,71	9 360,71
	other income	91,15	350,33	259,18
	income from financing activities	10 993,79	19 927,35	8 933,56
2	**Cost of production**	**18 570,26**	**16 393,52**	**-2 176,73**
3	**Expenses of the period**	**33 707,78**	**31 024,41**	**-2 683,37**
	selling costs	1 030,49	39,19	-991,30
	administrative expenses	12 368,70	11 882,76	-485,94
	other operating expenses	20 308,59	19 102,46	-1 206,13
4	**Financing expenses**	0,58	0,49	-1,07
	interest expenses	0,00	0,00	**0,00**
	losses from the foreign exchange differences	0,58	0,00	-0,58
	other financial expenses	**0,00**	0,49	0,49
5	**Profit (loss) before income tax**	**51 806,32**	**75 219,97**	**23 414,62**
6	**Income tax**	**8 520,95**	**12 463,00**	**3 942,05**
7	**Net profit (loss)**	**43 285,37**	**62 756,97**	**19 472,57**
8	**EBITDA indicator**	**41 400,07**	**55 938,91**	**14 538,84**

Operating results

According to the results of 2024, net profit amounted to 62,756.97 million UZS, which is 3,094.45 million UZS more compared to the corresponding figure for 2023 and 19,471.60 million UZS more compared to the forecast indicators for 2024. At the same time, in the reporting year, profit before tax amounted to 75,219.97 million UZS, which is an increase of 4,197.43 million UZS compared to the corresponding figure for 2023 and 23,413.65 million UZS compared to the forecast indicators for 2024.



Exchange markets overview

In 2024, work continued on the introduction of new exchange instruments of the UZCE, the establishment of modern, advanced exchange mechanisms and information and communication technologies based on best international practices in order to ensure sustainable growth in trading volumes.

The reporting year ended with positive results in all segments of the UZCE. As a result of increased activity of trading participants in the UZCE markets, a record increase in the volume of transactions was observed.

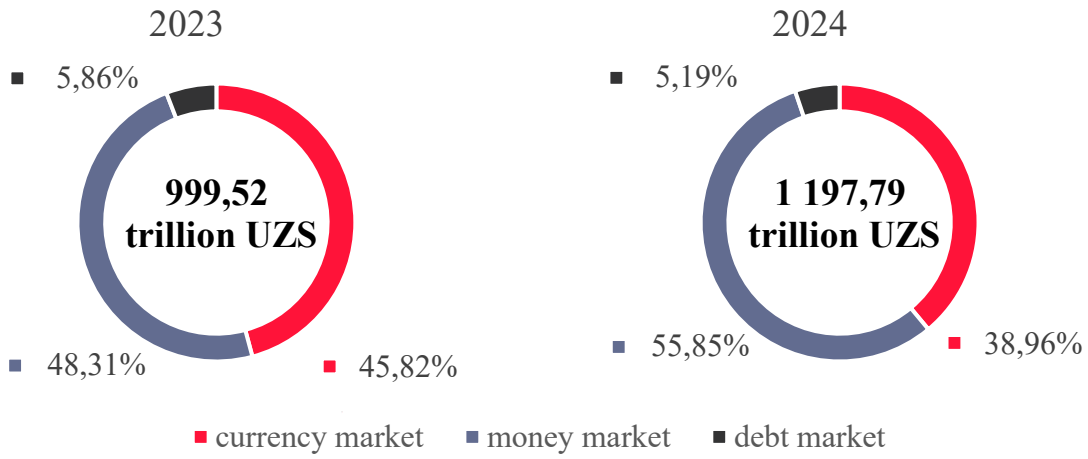
The work carried out to improve the trading and software complex of the UZCE made it possible to modernize the technology of conducting operations and the settlement and clearing process in all exchange segments.

In the reporting year, the volume of exchange trading on the UZCE reached its highest level, amounting to 1,197.79 trillion UZS, which is 19.84% more than the corresponding figure for 2023 (999.52 trillion UZS).

By market segments of the UZCE, in 2024 the volume of trading in the currency market increased by 1.88%, in the money market by 38.53%, and in the debt market by 6.15% compared to 2023.

According to the results of 2024, the share of the currency market in total trading volume amounted to 38.65% (compared to 45.81% in 2023), the money market accounted for 55.85% (48.31%), and the debt market represented 5.19% (5.86%).

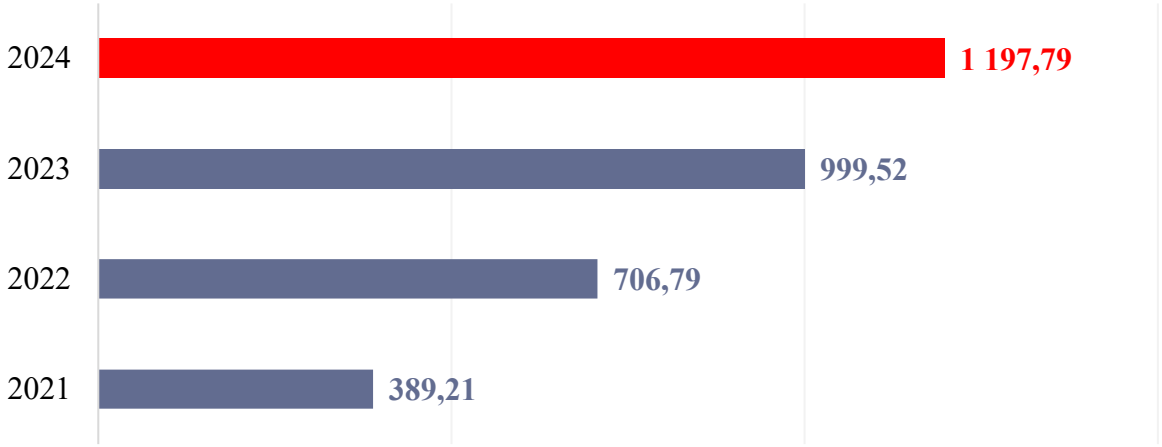
Share of markets in 2023-2024



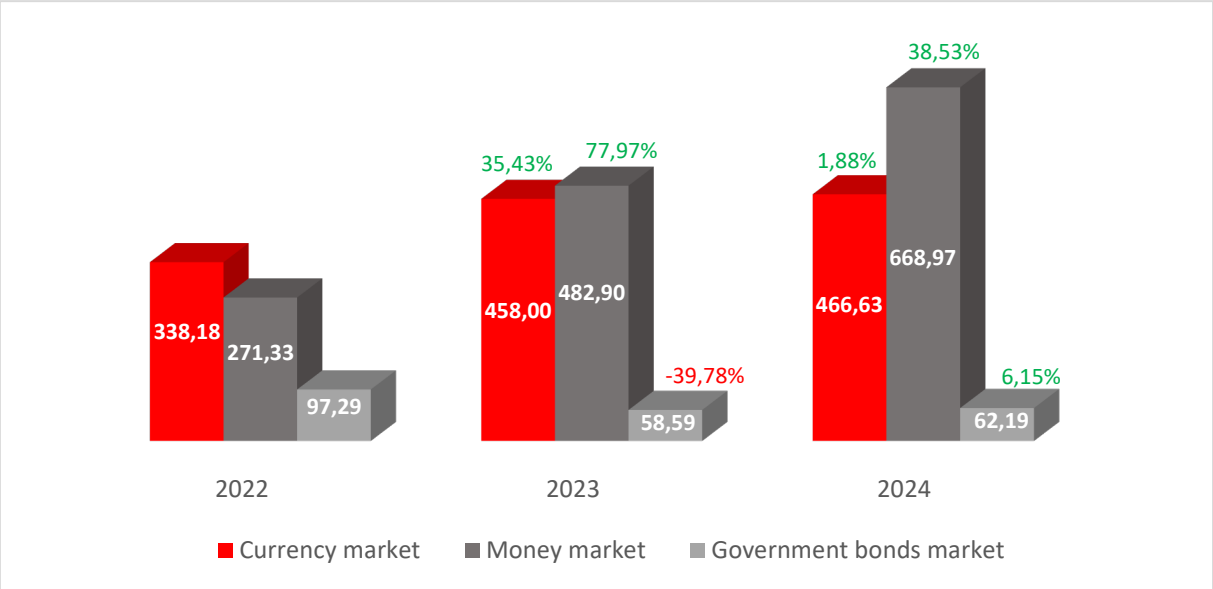
Trading volumes in 2023-2024, in trillions of UZS

Exchange markets	2023	2024	increase	
			trillion UZS	in %
Total trading volume	**999,52**	**1 197,79**	**198,27**	**19,84%**
Currency market	**458,00**	**466,63**	**8,63**	**1,88%**
spot	458,00	466,63	8,63	1,88%
Money market	**482,90**	**668,97**	**186,07**	**38,53%**
currency swap	0,48	0,96	0,48	99,48%
interbank money market	310,78	233,55	-77,24	-24,85%
deposit auctions	94,49	112,64	18,14	19,20%
repo transactions	77,14	321,83	244,69	364,49%
Debt market	**58,59**	**62,19**	**3,60**	**6,15%**
primary trading	47,30	47,48	0,17	0,37%
secondary trading	11,29	14,72	3,43	30,39%

Dynamics of the total trading volume in 2021-2024, in trillions of UZS



Dynamics of trading volume in 2022 – 2024 by market, in trillions of UZS



FX market

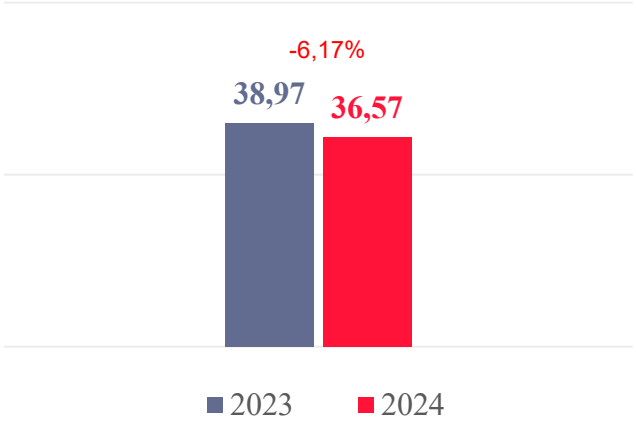
The FX market of the UZCE is one of the most important links of the republic's financial system, a liquidity center for operations with national and foreign currencies, and helps the Central Bank in organizing the exchange currency market for the implementation of an effective monetary policy.

In the reporting year, the total volume of trading on the foreign exchange spot market increased by 1.88 % or 8.63 trillion UZS compared to the corresponding indicators of 2023 and amounted to 466.63 trillion UZS.

USD/UZS. During the reporting period, the share of the USD/UZS instrument in the currency pairs basket amounted to 99.20% of the total volume of currency trades, equaling 462.90 trillion UZS.

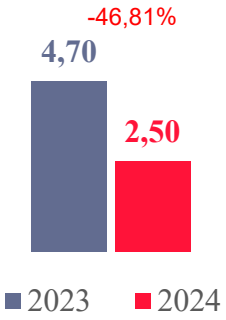
The trading volume during the reporting period amounted to USD 36.57 billion in equivalent, which is a decrease of 6.17% or USD 2.40 billion compared to 2023.

Trading volumes for 2023-2024, in billions of USD



Euro/UZS. In 2024, due to the increase in the volume of over-the-counter operations of commercial banks, there was a decrease in the volume of trading in the EUR/UZS pair compared to last year's indicators. Accordingly, in the reporting year, the volume of trading in euros amounted to 2.50 million EUR, which is 46.81% less than in 2023 (4.70 million EUR).

Trading volumes in 2022-2023, in millions of euros

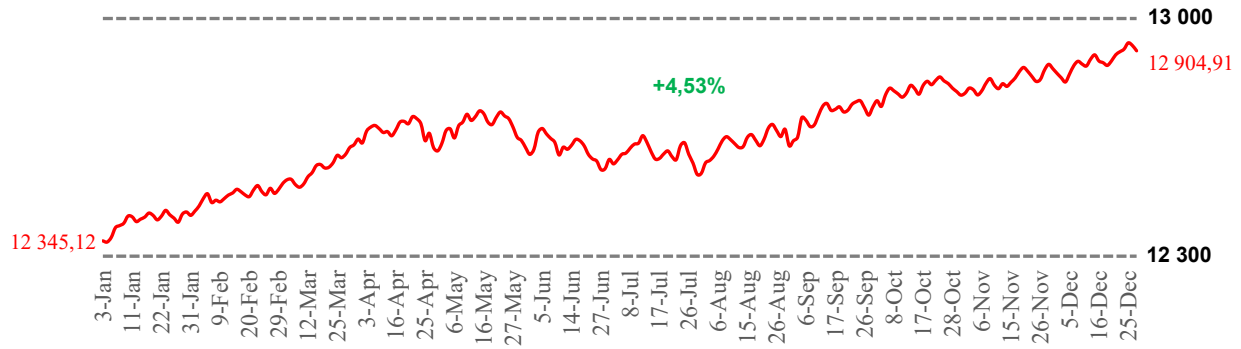


RUB/UZS. In 2024, the volume of trading in this currency pair amounted to 26,280.00 million RUB, which is 45.85 times more than the corresponding figure for 2023 (573.10 million RUB).

Dynamics of the exchange rate

The dynamics of the national currency exchange rate at exchange trading was formed under the influence of internal and external factors based on the ratio of supply and demand in the foreign exchange market.

During 2024, the value of the national currency against the US dollar decreased by 4.53 % compared to the beginning of the year (from 12,345.12 UZS to 12,904.91 UZS).



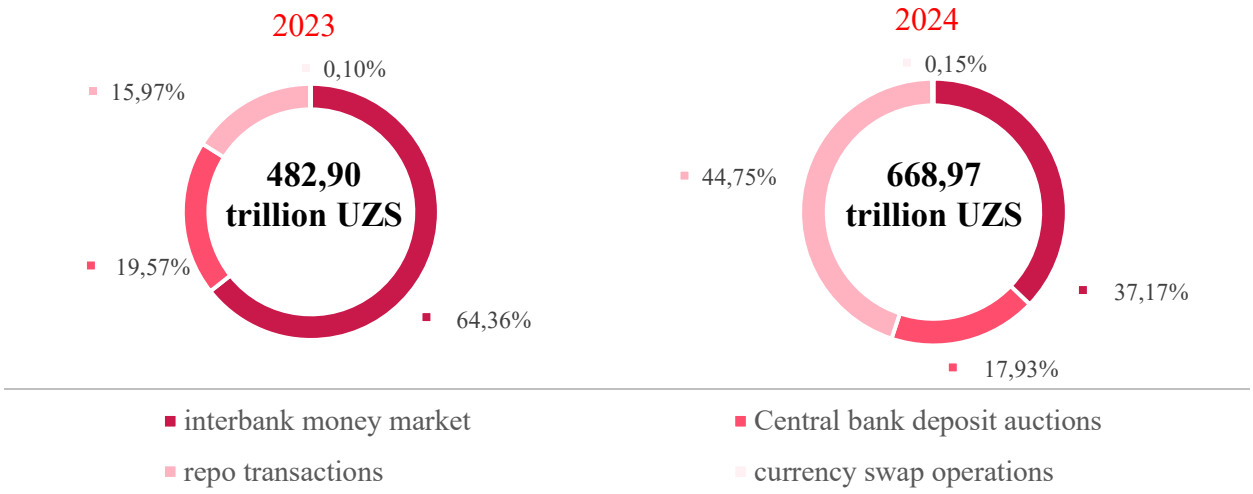
Money market

In the interbank money market, operations are carried out to attract and place funds of the republic's commercial banks, as well as deposit and credit auctions between the Central Bank and commercial banks, direct repo transactions, interdealer repos, and currency swap operations.

Money market instruments are in high demand among market participants, providing them with the opportunity to efficiently manage their funds by allocating them to short-term assets.

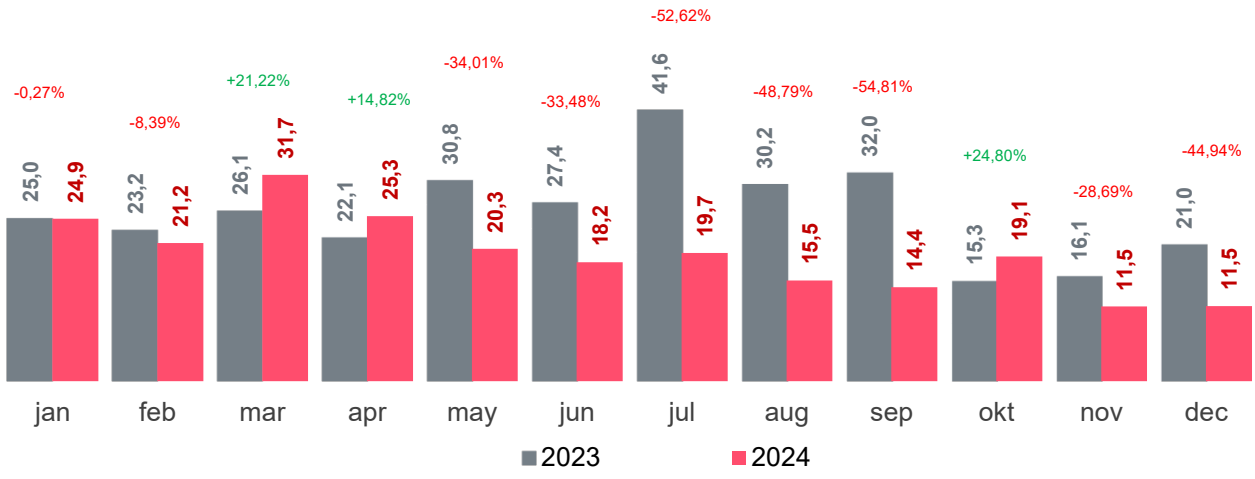
According to the results for 2024, the total volume of trades in the money market amounted to 668.97 trillion UZS, which is an increase of 38.53 % compared to the corresponding figure for 2023 (482.90 trillion UZS).

Money market structure

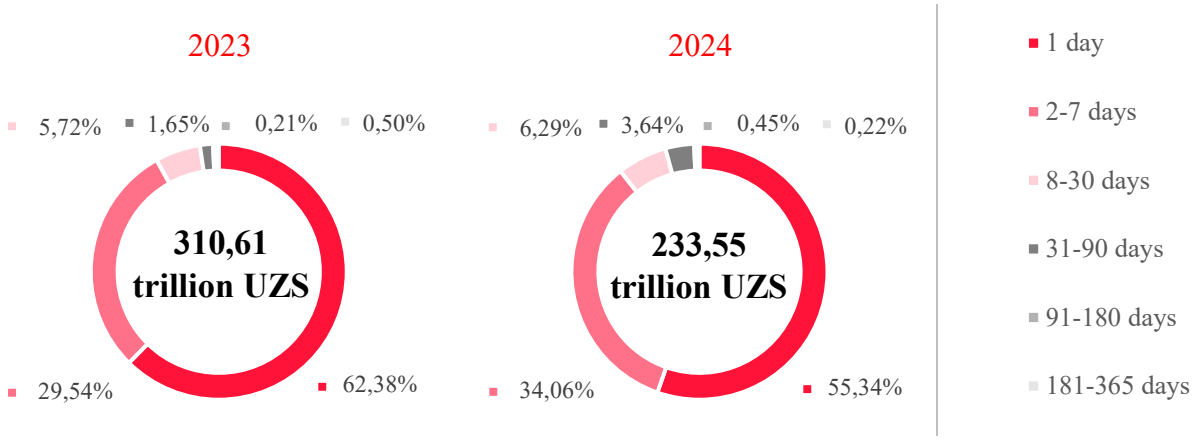


At the same time, in 2024, the volume of transactions in the interbank money market amounted to 233.55 trillion UZS, which is 24.85 % less compared to the corresponding figure in 2023 (310.78 trillion UZS)

Dynamics of trading volume in the interbank money market in 2023-2024



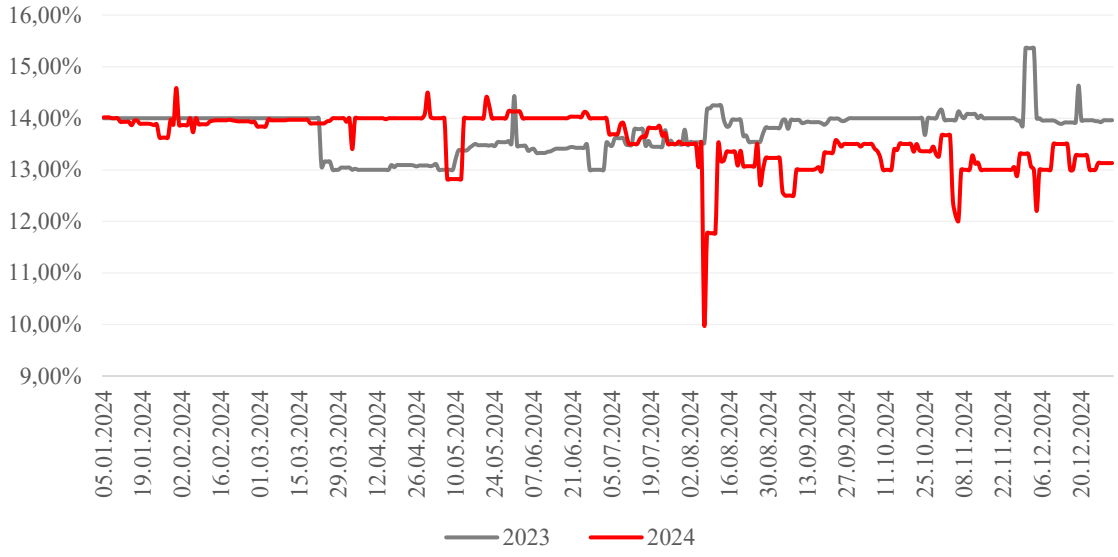
Share of standardized periods in total trading volume in 2023-2024



In 2024, the share of one-day (overnight) deposits in the interbank money market by standardized terms was 55.34 %, which is 7.04 % less than in 2023.

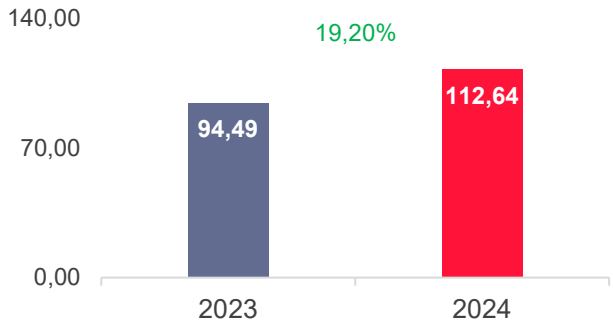
At the same time, compared to 2023, the weighted average rate for one-day (overnight) interbank deposits in the reporting year was formed close to the Central Bank's key rate.

Weighted average rate on overnight deposits in the interbank money market for 2023-2024



In the reporting year, the volume of transactions on deposit auctions of the Central Bank increased by 19.20 % or 18.14 trillion UZS compared to 2023 (94.49 trillion UZS) and amounted to 112.64 trillion UZS.

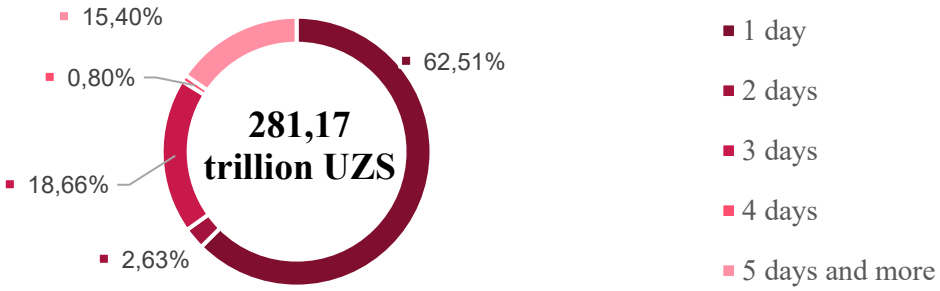
Volumes of deposit auctions of the Central Bank (trillion UZS)



In addition, according to the results of 2024, the volume of interdealer repo transactions amounted to 281.17 trillion UZS, which is 264.49 % more than in 2023 (77.14 trillion UZS).

The share of transactions from 1 to 4 days in the total volume of interdealer REPO transactions was high and amounted to 84.60 %.

Structure of inter-dealer repo transactions at the end of 2024



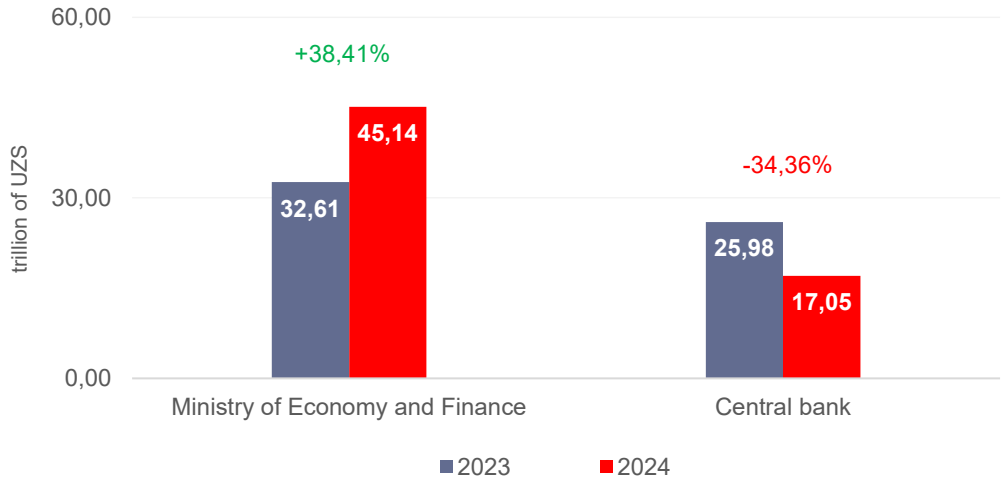
Government bonds market

In the government bonds market, which is one of the main exchange markets, primary and secondary trading of coupon-bearing and discount-based government treasury obligations and bonds issued by the Ministry of Economy and Finance of the Republic of Uzbekistan, as well as Central Bank bonds, is organized.

According to the results of 2024, the total trading volume in the government bonds market amounted to 62.19 trillion UZS, an increase of 6.15 % or 3.60 trillion UZS compared to the corresponding indicator of 2023.

In terms of issuers, the trading volume of government bonds issued by the Ministry of Economy and Finance amounted to 45.14 trillion UZS, representing a growth of 38.42 % (32.61 trillion UZS) compared to the corresponding indicator of 2023.

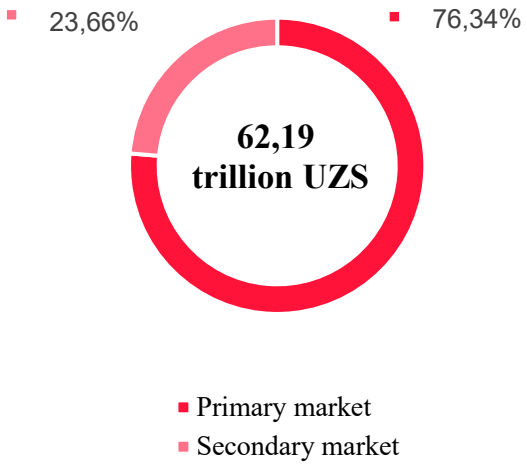
Dynamics of the total trading volume of government bonds at the end of 2024 by issuers



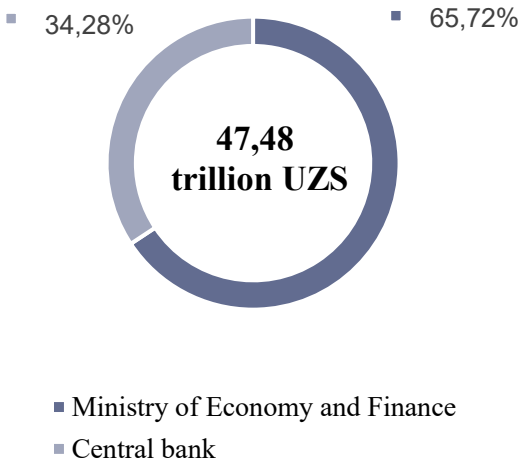
In the total volume of transactions, the share of primary placements amounted to 76.34 % (47.48 trillion UZS), while the share of secondary trading was 23.66 % (14.72 trillion UZS).

Furthermore, within the structure of government bonds placements during the reporting year, the share of government bonds issued by the Ministry of Economy and Finance was 65.72 % (31.20 trillion UZS), and the share of Central Bank bonds was 34.28 % (16.27 trillion UZS).

Structure of the government bonds market in 2024



Structure of government bonds issue in 2024 by issuers

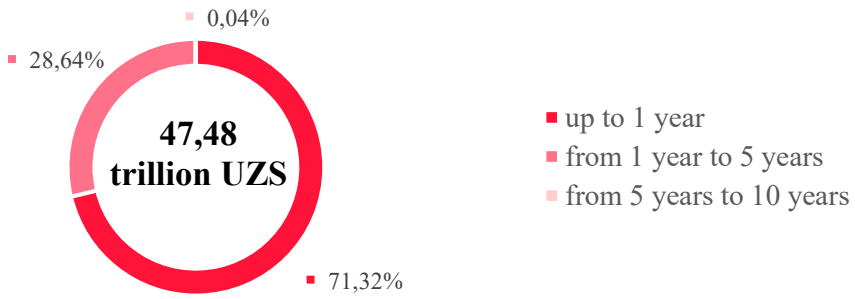


During 2024, 163 auctions were held on the primary government bonds market, as a result of which bonds of the Ministry of Economy and Finance were placed with a nominal value of 34.16 trillion UZS, with a trading volume of 31.20 trillion UZS.

The weighted average return on the placement of government bonds fluctuated in the range from 15.15 to 19.66 %. During the reporting period, the volumes placed at one auction ranged from 2.67 billion UZS to 856.60 billion UZS.

According to the results of the 2024, the share of government bonds with a maturity of up to one year in the structure of government bonds placement was high and amounted to 71.32% of the total trading volume.

Structure of government bonds issue in the context of maturity



Public Relations (PR) activities

In accordance with the Decree of the President of the Republic of Uzbekistan No. PQ-4366 dated June 27, 2019, "On Additional Measures to Ensure the Independence of Mass Media and Develop the Activities of Information Services of State Bodies and Organizations", public relations activities were established at the UZCE.

Furthermore, the creation of this important direction is related to the need to build confidence among local and foreign investors in Uzbekistan's financial market, ensure awareness of the target audience about exchange markets, popularize exchange products, promote the UZCE brand and enhance its image, as well as support the organization and implementation of educational initiatives.

In this regard, in 2024, UZCE focused its efforts on ensuring transparency in its operations, broadly informing investors, market participants, and the public about innovative new products and instruments, new initiatives, and market trends through the UZCE's official website, social media, and mass media.

Through this, users gained access to relevant and reliable information, enabling them to make well-informed investment decisions.

In the reporting year, the PR activities of the UZCE were focused on topics significant to the target audience. Briefings and conferences were organized for professional market participants, covering key changes in the capital market, including the new simplified procedure for admitting members of the "Toshkent" Republican Stock Exchange to UZCE, the establishment of the National Clearing Center JSC and its functions, updates in UZCE markets, and further development of exchange infrastructure. These events provided investors and exchange market participants with valuable information to effectively participate in trading and refine their strategies.

A series of educational events were held for a broader audience. As part of Global Money Week, the UZCE Quiz online competition was organized, attracting over 1,800 participants. This event helped participants better understand the specifics of the financial market, and winners were awarded valuable prizes based on the quiz results.

In order to explain complex financial terms in a simple language on the social networks of the UZCE, useful sections were organized, such as "From the language of the exchange to understandable language", "UZCE Topic Talk" covering analytical materials about economic processes, "UZCE_voice_conversation" consisting of audio interviews with experts on the government bonds market, as well as "UZCE_recommends", which included recommendations from exchange employees on the selection of books.

Additionally, UZCE's participation in international events, such as the annual meeting of the International Association of Exchanges in Samarkand and the VI International Conference "Uzbekistan Capital Market" organized by Russia's CBonds-Congress in Tashkent, was widely covered. These events became unique platforms for

expanding business ties, adopting best practices, leveraging new opportunities and trends, and sharing experiences.

Meetings of the Women's Club of the UZCE were organized to support the professional and personal growth of women in the financial sector, as well as meetings of the General Director with young specialists, UZCE Family Day, and other similar corporate events were held at the UZCE.

Media content produced by the UZCE helps the target audience stay informed about financial market developments. Throughout the reporting year, photo and video reports from significant events, interviews with experts on exchange trading mechanisms, analytical materials, and short, informative reels were regularly published.

Through a comprehensive approach to PR activities, the UZCE assists market participants in making informed financial decisions, expanding investment opportunities, and enhancing financial literacy, while fostering a transparent and open environment for all interested parties.

Activity of the Training Center

The UZCE Training Center operates in accordance with the UZCE Charter and the Republic of Uzbekistan's Law "On Education". In 2024, the Center carried out activities aligned with the UZCE Strategy for Developing Personnel Potential, focusing on enhancing the financial literacy of exchange employees, trading participants, and the public. The training process considered the requirements of each employee's position and tasks related to the exchange's strategically significant initiatives.

According to the 2024 professional development plan, UZCE specialists underwent training in economics, information technology, law, brand management, information security, safety techniques, civil protection, archival work, and English.

Trading with newly introduced exchange instruments requires specific skills from participants. Therefore, in 2024, 28 employees participated in online and remote training courses, seminars, and forums covering approximately 40 topics.

In particular, employees of the UZCE participated in seminars on public procurement, investments, currency operations, and information security organized by the Ministry of Economy and Finance, the National Agency for Prospective Projects, "NORMA", and "One-Sec" companies, as well as in the "Digital Uzbekistan" and "FINNEXT Asia 2024" forums. Additionally, employees successfully passed tests on preventing conflicts of interest on platforms provided by the Ministry of Justice and the Academy of Law Enforcement.

Alongside enhancing the qualifications of UZCE employees at local training centers, the Training Center has also facilitated their participation in foreign training programs.

For instance, a responsible employee of the Exchange Trading Department participated in a practical training program on Islamic finance at the International Islamic University of Malaysia.

Attracting individuals to exchange trading is a key direction for UZCE's development, as it supports the introduction of new exchange instruments, increases trading volumes, and creates additional income sources for the population. The Training Center contributes to improving financial literacy among the population by posting relevant content on social media and organizing educational meetings with the younger generation, particularly at the Republican Children's Library.

At the same time, UZCE is actively developing its human resources potential by attracting talented young specialists. The Training Center regularly participates in job fairs at leading higher education institutions in Tashkent, contributing to the formation of a personnel reserve.

Additionally, throughout 2024, the Training Center organized spiritual and educational events, as well as activities promoting a healthy lifestyle and sports, including a chess tournament and football training sessions among UZCE employees.

Furthermore, this year, as part of efforts to equip the UZCE electronic library, more than 300 books were collected.

Anti-Corruption Compliance

Today, combating corruption is one of the top priorities of state policy in Uzbekistan, as evidenced by the adoption of conceptually significant normative-legal acts in recent years and administrative reforms aimed at preventing corruption.

To ensure the effective implementation of normative-legal acts adopted in this area, UZCE is systematically and progressively implementing comprehensive measures to combat corruption, based on the state and trends of corruption.

At the same time, necessary measures are being taken to enhance the legal awareness and legal culture of UZCE employees and to foster an uncompromising attitude toward corruption in society.

Anti-corruption measures at the UZCE are carried out in strict compliance with the requirements of Uzbekistan's legislation, based on advanced international practices, and in accordance with the UZCE's internal documents.

The UZCE maintains an uncompromising (intolerant) stance toward all forms and manifestations of corruption in all areas of its activities.

In particular, in accordance with the tasks stipulated by the legislation of the Republic of Uzbekistan on combating corruption, the UZCE conducts comprehensive awareness-raising and advocacy activities aimed at preventing corruption-related offenses, ensuring compliance with legislation, service discipline, ethical standards, and internal regulations.

Based on the recommendations of the Anti-Corruption Agency and the requirements of the ISO 37001:2016 international standard, the UZCEhas adopted the following internal normative documents to combat corruption, including:

The UZCE Anti-Corruption Policy;

The Methodology for Assessing Corruption Risks at the UZCE;

The Regulation on Managing Conflicts of Interest at the UZCE;

The Guideline on Due Diligence of Counterparties at the UZCE

Instructions for the verification of candidates hired at the UZCE;

The Regulation on the Formation and Submission of Reports on the State of the Anti-Corruption System at the UZCE;

The Code of Ethics and Corporate Conduct for UZCE Employees.

An anti-corruption compliance section has been created on the official website of the UZCE, which constantly updates and posts reports on the work being carried out to combat corruption, prepared materials, and information on the events held.

In order to ensure the implementation of Presidential Decree No. PQ-240 of the Republic of Uzbekistan dated May 11, 2022, "On measures to improve mechanisms for eliminating corruption risks in the field of public administration and to expand public

participation in this area", an analysis of corruption risks was conducted in accordance with the Methodology for Assessing Corruption Risks at the UZCE based on the service areas specified in the UZCE Charter.

According to the results of the analysis, the service areas (10 in total) and additional tasks and functions (5 in total) outlined in the UZCE Charter were assessed as having a "low" level of corruption risk.

Procedures Implemented in the Fight Against Corruption
Regulation of Conflict of Interest

In accordance with the Regulation on Managing Conflicts of Interest within the UZCE, annual declarations regarding the existence or absence of conflicts of interest submitted by 57 employees of the UZCE were analyzed.

Based on the results of the analysis, no cases of conflict of interest were identified. Additionally, during the reporting period, no notifications were received regarding personal interests that contradict or may potentially contradict the interests of the UZCE.

Moreover, during the recruitment process for vacancies at the UZCE, information provided by 11 candidates was reviewed, reports confirming the verification of these candidates were prepared, relevant conclusions were drawn, and the details of the checks and their outcomes were entered into the registry of candidate verifications.

Furthermore, in order to effectively implement the Law of the Republic of Uzbekistan "On Conflict of Interest" and to ensure the efficient application of established requirements and mechanisms within the UZCE, certain internal regulatory documents of the UZCE were amended and supplemented.

Training and communication activities to raise the legal awareness of employees

In the reporting year, a program was approved for training UZCE employees in the areas of ethics and anti-corruption efforts.

Within the framework of the program, a total of 11 roundtable discussions and training seminars on anti-corruption were held for UZCE employees during the reporting period.

Additionally, on May 20, 2024, UZCE employees participated in a training seminar organized via the Zoom platform with the involvement of employees from the Compliance Control and Internal Audit Department of the Central Bank of the Republic of Uzbekistan. The seminar was held to ensure the implementation of the Central Bank's Order No. 735 dated May 3, 2024, and covered procedures related to anti-corruption, conflict of interest, and ethical conduct rules.

The minutes of these events were published on the official UZCE website.

In pursuance of the Resolution of the President of the Republic of Uzbekistan dated June 5, 2024, No. PP-210 “On Measures for the Effective Organization of the Implementation of the Law of the Republic of Uzbekistan “On Conflict of Interest”, employees were familiarized with the methodological manual, recommendations, and illustrative handouts prepared by the Anti-Corruption Agency in cooperation with the Ministry of Justice and the Law Enforcement Academy.

Also, in order to ensure the implementation of the above decision, in cooperation with the Law Enforcement Academy, UZCE employees were trained in a 10-hour distance learning course through a special electronic platform on the topic “Identification, elimination and prevention of cases of conflict of interest”, and based on the results of the course, they achieved positive results in tests on the topic and were awarded electronic special certificates.

In addition, employees of the UZCE took an online test on “Conflict of Interest”, developed by the Ministry of Justice, through the “test.adliya.uz” website.

Also, the appeal of the General Director of the UZCE regarding the fight against corruption for employees and the general public was posted on the official website of the UZCE.

HR Policy

An important factor in the effective activity of the UZCE is the personnel policy aimed at revealing the comprehensive potential of employees, their continuous professional development, as well as creating the necessary conditions for attracting experienced and young specialists to the organization.

The personnel policy of the UZCE covers the following main areas:

selection and encouragement of employees, maintenance of highly qualified specialists;

professional training and development of employees;

improvement of corporate culture, contributing to the discovery of the potential of employees, the achievement of high results, and the implementation of the strategic goals of the organization.

The main priorities of effective personnel management are the selection and placement of personnel based on professional and personal qualities, the continuity of knowledge and experience, identifying the potential of employees for appointment to a certain position, increasing their loyalty, and reducing staff turnover.

Within the framework of the personnel policy pursued at UZCE, the following activities were continued in 2024:

improving the system of employee incentives and remuneration proportional to their contribution to the development of UZCE's activities;

developing and incentivizing UZCE personnel potential, introducing a code of ethics and corporate conduct;

developing and implementing a personnel strategy;

regularly enhancing the qualifications of key employees, including in the field of corporate governance;

exchanging experiences with leading foreign exchanges and financial institutions in the development of exchange trading.

Additionally, significant attention is being paid to improving the qualifications of key employees, including in corporate governance, refining the system of personnel training and continuity, educating promising young specialists, and utilizing their potential to achieve the objectives set for UZCE.

The personnel policy of UZCE aims to form a unified cross-functional team of professional employees by implementing standards that include a system for selecting and hiring staff, a program for motivating and evaluating them, training and developing employees, and creating a fair wage system.

The main principles of personnel policy consist of the following:

Ensure equal opportunities in recruiting candidates, maintaining impartiality in the selection, hiring, and rotation of employees;

Enhance the quality of personnel through the introduction of a multi-stage selection system, studying employees' needs for training, professional development, and other areas;

Provide employees with opportunities for development and skill enhancement that increase their competitiveness, continuous training, including flexible employment and leave systems, as well as ensuring fair wages;

Implement a fair wage and effective motivation system for employees based on advanced foreign practices, proportional to their contribution to the organization's development.

Objectives of Personnel Policy

The main goal of UZCE's personnel policy is to ensure the full and effective participation of employees in achieving the organization's current and strategic objectives by creating favorable working conditions, while implementing a balanced approach to employees' interests and needs.

In line with **the economic goal of the personnel policy**, decisions are made to optimize the cost ratios for developing human resource potential and advancing the organization, while also aiming to maximize profits.

At the same time, focusing on the social values and well-being of each employee is considered **the social goal of UZCE's personnel policy**.

To achieve **this social goal**, UZCE implements a set of measures to establish a fair wage system proportional to the workload, within a rational remuneration framework that considers incentives and restrictions, duties, obligations, and performance indicators, as well as factors influencing the enhancement of labor productivity.

Personnel statistics

At the beginning of 2024, the number of UZCE employees was 62, while as of December 31 of the reporting year, it was 59.

Of the total number of UZCE employees, 19 are managerial staff, 14 are specialists, 22 are operational staff, 1 is technical staff, and 3 are service staff.

Gender composition

As of the end of 2024, out of the total number of employees, women constituted 18 people (30.5 %), and men constituted 41 people (69.5 %).

Employee education

At the end of the reporting period, it was found that out of 59 employees, 53 have higher education, and 6 employees have specialized secondary education.

Age composition of UZCE employees

up to 30 years old - 14 people;

from 31 to 39 years old - 18 people;

from 40 to 49 years old - 17 people;

from 50 to 59 years old - 6 people;

60 years old and older - 4 people.

The presence of employees of different ages at the UZCE made it possible to appoint mentors from among experienced specialists to newly hired employees.

Within the framework of its personnel policy, the UZSE is actively working to attract talented and qualified personnel to its team. To help new employees quickly adapt to the team and the workplace, the exchange has introduced the practice of conducting welcome trainings. These trainings are designed to provide new employees with all the necessary knowledge, tools, and resources to successfully start their careers at the company.

Furthermore, throughout 2024, the UZSE regularly participated in job fairs held at local higher education institutions to assist students and young professionals in choosing a career, completing internships, and receiving advice from representatives of various fields.

In 2024, 14 employees, including 4 women, left the UZSE, while 11 specialists, including 3 women, were hired.

Last year, 32 employees improved their qualifications, including 4 employees in the field of information and communication technologies, including 13 managers and 19 specialists. Of the employees who underwent advanced training, 11 were women (4 managers and 7 specialists).

The procedure for selecting employees

The selection and placement of personnel are among the fundamental principles of the personnel policy of the UZCE, with the following priority directions: searching for and attracting necessary personnel based on professional qualities, and identifying employees' capabilities that match their workload and responsibilities (such as the required level of knowledge for a specific position, work experience, leadership skills, and others).

Social protection

In order to provide guarantees and compensations, as well as additional benefits, services and social payments to employees of the UZCE, in accordance with the Regulations "On Remuneration and Incentives for Employees of the UZCE", "On Social

Payments of the UZCE", as well as the Collective Agreement, the UZCE carries out the following types of payments:

- additional payments for holidays;
- payments for significant dates (anniversaries, retirement);
- social payments in connection with the loss of close relatives;
- additional payments for taking annual leave;
- financial assistance for purchasing agricultural products;
- payments for medicines and medical services.

In addition, initiatives aimed at the professional and personal development of female employees at the UZCE are actively supported, creating favorable conditions for their growth.

During the reporting year, a new initiative, the Women's Club, was established at the UZCE to support women working in the organization and enhance their knowledge and professional skills. The main objectives of the club include facilitating experience sharing among women and creating a supportive environment for further developing leadership qualities.

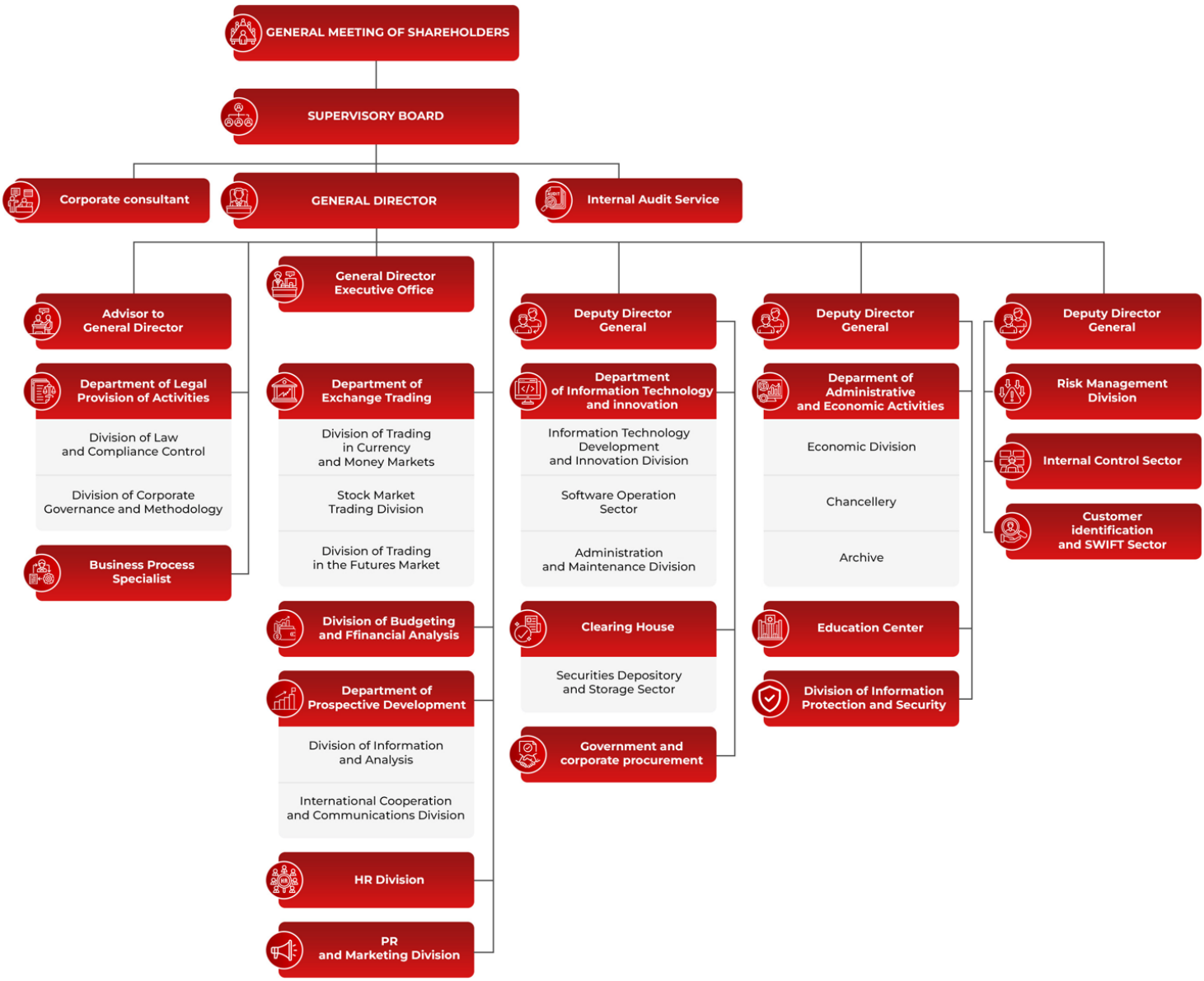
Meetings within the Women's Club focused on exchanging ideas about developing effective communication skills, establishing productive business relationships, making a positive impression on partners and colleagues, and emphasizing the importance of adhering to ethical standards in corporate interactions.

Also, invited specialists in the field provided advice and recommendations on improving the communication skills of women of the UZCE, improving public speaking skills, the main aspects of speaking boldly and effectively communicating with the audience, and creating aesthetic and dynamic presentations that contribute to increasing the impact of speech.

Corporate governance

UZCE carries out its activities in the form of a joint-stock company. The General Meeting of Shareholders, the Supervisory Board, and the Executive Body (General Director) are considered the governing bodies.

The organizational structure of UZCE JSC



General Meeting of Shareholders

Information about shareholders:

Name of the shareholder	Share in the authorized capital, %	Number of shares, pcs.
Central Bank of the Republic of Uzbekistan	50,13	536 200
National Bank for Foreign Economic Activity of the Republic of Uzbekistan JSC	11,13	119 000
Uzsanoatqurilishbank JSCB	11,13	119 000
Agrobank JSCB	8,90	95 200
Ipak yuli JSCIB	8,90	95 200
Orient Finance PJSB	5,76	61 600
Halk Banki JSC	4,05	43 400

The general meeting of shareholders is the supreme governing body of the UZCE.

The General Meeting of Shareholders (annual General Meeting of Shareholders) is held annually from June 10 to June 30, no later than six months after the end of the financial year.

At the annual general meeting of shareholders, the election of the composition of the Supervisory Board of the UZCE, as well as the annual report of the UZCE, reports of the Executive body and the Supervisory Board of the UZCE on the measures taken to achieve the goals of the Development Strategy of the UZCE, and other documents are considered.

During 2024, an annual general meeting and an extraordinary general meeting of shareholders of the UZCE were held.

The annual meeting of the General Meeting of Shareholders on the results of 2023 was held on June 26, 2024, and the extraordinary meeting on November 19, 2024.

At the meetings, reports, organizational and other issues were considered in the manner prescribed by law, and appropriate decisions were made. Including:

the regulations for the annual general meeting of UZCE shareholders were approved;

the number and personal composition of the UZCE counting commission members were approved;

the report on the activities of the Supervisory Board of UZCE for 2023 (including measures taken to achieve the objectives of the UZCE strategy) was reviewed and approved;

the maximum limit for charitable (sponsorship) and other gratuitous assistance by UZCE was set at 1% of the net profit obtained by UZCE for 2023;

the conclusions of the assessment of the corporate governance system for 2023, conducted by “CITY CAPITAL” LLC at UZCE, were reviewed;

the 2023 annual report of the UZCE Executive Body was approved;

the net profit of UZCE for 2023 was retained at the disposal of UZCE for its development, as UZCE is exempt from calculating and paying dividends until December 31, 2028, in accordance with paragraph 2 of the Decree of the President of the Republic of Uzbekistan No. PQ-291 dated September 2, 2023, “On Additional Measures for the Development of the Capital Market,” with funds to be purposefully directed toward its development;

the UZCE development strategy for 2024–2028 was approved;

it was decided to engage “PKF MAK ALYANS” LLC audit organization to conduct a mandatory audit of the financial statements for 2024, prepared in accordance with International Financial Reporting Standards (IFRS), in line with audit activity standards, as well as to verify the calculated amounts of key performance indicators and aggregate performance indicators;

the powers of an elected member of the UZCE Supervisory Board were terminated early;

a new candidate was elected to the UZCE Supervisory Board;

amendments and additions were made to the Charter of UZCE, and its new version was approved;

amendments and additions to the regulations “On the Supervisory Board of Uzbek Republican Currency Exchange JSC” and “On the Executive Body of Uzbek Republican Currency Exchange JSC” were approved.

Supervisory Board

The Supervisory Board, composed of representatives of the shareholders of the UZCE, exercises general management of the activities of the UZCE in accordance with the Regulation on the Supervisory Board of the UZCE.

Composition of the Supervisory Board of UZCE:

№	Name	Position
1.	Abror Mirzo Olimov	Chairman of the Supervisory Board
2.	Alimardon Adilov	Member of the Supervisory Board
3.	Farrukh Ruziev	Member of the Supervisory Board
4.	Shukhrat Yakubov	Member of the Supervisory Board
5.	Erkin Kakhorov	Member of the Supervisory Board
6.	Davron Mirtursunov	Member of the Supervisory Board
7.	Tokhir Djunaydullaev	Member of the Supervisory Board

Independent members may also be included in the composition of the Supervisory Board.

The organization of the Supervisory Board's activities and its leadership are carried out by the Chairman of the Supervisory Board.

The Chairman of the Supervisory Board is elected from among its members by a majority vote of those elected to the Supervisory Board.

Members of the Supervisory Board are elected by the General Meeting of Shareholders for a term of three years in accordance with the procedure established by legislation and the charter of UZCE.

Persons elected to the Supervisory Board may be re-elected an unlimited number of times.

The number of members on the Supervisory Board is seven.

Activities of the Supervisory Board in 2024

In the reporting year, the Supervisory Board carried out certain work to fulfill the legislative requirements for the management of the joint-stock company, including the implementation of measures within the framework of the Development Strategy of the UZCE.

The activities of the Supervisory Board were aimed at developing the activities of the UZCE, improving internal documents, as well as controlling the financial and economic activities of the Executive body of the UZCE.

During the reporting year, 27 meetings of the Supervisory Board of the UZCE were held, and relevant decisions were made on the issues considered.

Including the following:

1. Based on proposals received from market participants, and with the aim of developing the futures market, as well as further expanding the range of exchange instruments, new futures instruments with expiration periods of 6 months and 1 year were introduced. Corresponding proposals and amendments were made to the “Rules for Conducting Currency Futures Contract Operations at the Uzbek Republican Currency Exchange JSC” and the “Rules for Clearing and Settlement Operations at the Uzbek Republican Currency Exchange JSC”.

2. To further increase the attractiveness of currency swap operations on the UZCE trading platform, create convenience for participants in conducting these operations, and further increase trading volumes, a decision was made to temporarily not charge commission fees from trading participants.

3. Resolution No. 41/1 of the Board of the Central Bank dated December 14, 2023, was adopted, according to which amendments and additions were made to certain internal regulatory documents of the UZCE, providing for the following:

to ensure the opening of interbank money and repo markets for 30 minutes after the closing of the bank’s payment day, as well as the possibility of using the Central Bank’s monetary operations for 1 hour after the closing of the bank’s payment day;

to introduce an intraday credit instrument intended to provide liquidity to commercial banks, as well as overnight and up to 1-week credit auctions based on a currency pledge;

to introduce the acceptance of collateral property with a 5 % discount in the Central Bank’s liquidity provision operations;

due to the introduction of a new instrument (credit auctions based on a currency pledge) on the exchange market, to establish the amount of the commission fee for this instrument in accordance with the “Procedure for charging commissions (fees) on the Uzbek Republican Currency Exchange”;

to adapt the trading platforms and settlement clearing system of the UZCE in accordance with the procedure for conducting the Central Bank's operations in the money market;

to adapt the trading platforms, settlement clearing, and depository systems of the UZCE to the terms of repo with various forms of government bonds, credit based on a currency pledge, and currency swap instruments mentioned in the operational mechanism of the monetary policy of the Central Bank.

4. In order to expand the range of exchange trading instruments, the "Rules for conducting credit auctions on a foreign currency collateral basis by the Central bank of the Republic of Uzbekistan with commercial banks through the UZCE electronic trading platform" were approved.

5. In accordance with the "Procedure for conducting operations by the Central Bank in the money market", approved by Resolution No. 41/1 of the Board of the Central Bank dated December 14, 2023, a procedure was introduced that envisages the automatic blocking of relevant government bonds in commercial banks' deposit accounts in UZCE when they submit orders for overnight repo transactions, and the automatic reflection of information on commercial banks' blocked securities on the Central Bank platform.

6. To further improve the remuneration system for UZCE employees, encourage employees to work effectively, attract competitive industry personnel to the UZCE team, as well as increase the initiative and incentivize UZCE employees, amendments and additions were made to the "Regulations on remuneration and incentives for employees of the Uzbek Republican Currency Exchange".

7. In accordance with Part X "Monitoring the Implementation of the Code's Recommendations" of the Corporate Governance Code, approved by Protocol No. 9 of the meeting of the Commission on Increasing the Efficiency of Joint-Stock Companies and Improving the Corporate Governance System dated December 31, 2015, to assess the corporate governance system in the company, by the decision of the Supervisory Board, an assessment was carried out with a specialized organization not affiliated through property relations with the UZCE, based on a relevant agreement.

8. The analysis of the UZSE's financial activities for the end of 2023, critically reviewed in accordance with the letter No. 02/09-6-17/935 of the State Assets Management Agency of the Republic of Uzbekistan dated March 26, 2024, was accepted for information.

9. Based on proposals received from market participants regarding the development of the UZCE's derivatives market and increasing demand for instruments in this market, and in order to further expand the range of futures instruments, with the aim of introducing a new instrument of futures contracts whose underlying asset is the USD/UZS official exchange rate set by the Central Bank, in addition to instruments related to expiration dates, relevant amendments were made to the "Rules for exchange trading operations with

currency futures contracts at the Uzbek Republican Currency Exchange JSC" and the "Rules for clearing and settlement in the currency market of the Uzbek Republican Currency Exchange JSC".

10. The report of the Executive body of the UZCE on the work performed in the first quarter of 2024 was approved.

11. In accordance with the Resolution of the President of the Republic of Uzbekistan No. PQ-291 dated September 2, 2023, "On additional measures for the development of the capital market", relevant amendments were made to the "Regulations on the storage and depositary accounting of government bonds of the Republic of Uzbekistan on the Uzbek Republican Currency Exchange JSC" and the "Rules for conducting trading in government bonds on the Uzbek Republican Currency Exchange" in order to create the possibility for foreign investors (recognized foreign banks, including custodian banks), foreign investment intermediaries to conduct dealer activities in the government bonds market and to create conditions for the UZCE to provide them with depositary services in its depositary system and to maintain depo accounts for government bonds.

12. To ensure the implementation of the Resolution of the President of the Republic of Uzbekistan No. PQ-291 dated September 2, 2023, "On additional measures for the development of the capital market", and to enable foreign investors to trade in the government bonds market, Bank of Georgia JSC was admitted to the UZCE's "B" category membership, granting it the right to carry out transactions with government bonds and participate in trading, in order to create the possibility for foreign investors (recognized foreign banks, including custodian banks) to conduct dealer activities in the government bonds market.

13. Taking into account that, in accordance with Article 58 of the Law of the Republic of Uzbekistan "On Joint-Stock Companies and Protection of Shareholders' Rights", the annual general meeting of shareholders shall be held no later than six months after the end of the financial year, the issues related to holding the annual general meeting of shareholders were considered in accordance with Article 64 of the Law.

14. In order to ensure the implementation of the Decree of the President of the Republic of Uzbekistan dated May 30, 2024, No. PP-201, it was agreed to transfer 5 billion UZS from the UZCE to the account of the Fund for the Development of Culture and Arts for the overhaul, equipping and improvement of the territory of the State Museum of Jadid Heritage, and the creation of museum expositions, as well as to make appropriate changes to the charitable (sponsorship) and impartial support part of the period's expenses in the business plan of the UZCE for 2024.

15. It was agreed to amend the organizational structure of the UZCE to create a corporate secretariat subordinate to the Supervisory Board, and the draft of the new organizational structure of the UZCE was submitted for approval by the extraordinary general meeting of shareholders.

16. The issue of introducing updated corporate governance rules and a code of ethics was submitted to the extraordinary general meeting of shareholders, and it was decided to develop a draft of amendments and additions to the internal regulatory documents of the UZCE, and decisions were made on a number of other issues.

17. At the general meeting of shareholders of the UZCE held on June 26, 2024, in accordance with the "Medium (2024-2026) and Long-Term (2026-2029) Development Strategy of the UZCE", in order to further develop the activities of the UZCE, expand the range of exchange instruments and further increase the liquidity and attractiveness of exchange markets, in particular, in the foreign exchange, money and derivatives markets, as well as the government bonds market, the "Action plan for the development of the UZCE exchange markets for the near future" was approved.

18. In order to develop the government bonds market, as well as to further expand the range of exchange instruments, amendments and additions have been made to the "Rules for the execution of repo transactions with government bonds on the Uzbek Republican Currency Exchange" and "Rules for clearing and settlements on the foreign exchange market of Uzbek Republican Currency Exchange JSC" to change the terms of repo continuous trading and negotiated transactions, as well as to introduce mechanisms for organizing trading in the RUB/UZS currency pair for the simultaneous implementation of additional trading strategies in the T+0 settlement mode for trading participants.

19. In accordance with the Resolution of the President of the Republic of Uzbekistan dated September 2, 2023 No. PP-291 "On Additional Measures for the Development of the Capital Market", in accordance with the "Development Strategy of the Uzbek Republican Stock Exchange for 2024-2028", approved by the minutes of the General Meeting of Shareholders dated June 26, 2024 No. 87, amendments and additions were made to the "Procedure for Collecting Commission Fees (Fees) at the Uzbek Republican Currency Exchange" in order to simplify the procedure for trading in the government bonds market for foreign and domestic investors, including increasing the volume and scale of transactions in exchange markets by optimizing (reducing) the commission fee, and pursuing a flexible tariff policy aimed at maintaining market liquidity.

20. In order to further develop the capital market, improve its infrastructure, encourage the attraction of investors to the capital market, simplify the procedure for foreign investors to participate in the local securities market, and protect investors' rights, amendments and additions were made to the "Rules for conducting government bonds trading on the Uzbek Republican Currency Exchange" pursuant to the Presidential Decree of the Republic of Uzbekistan No. PQ-291 dated September 2, 2023, "On additional measures for the development of the capital market". These changes include the introduction of a new clearing model for conducting government bonds trading and, in particular, the implementation of T+2 settlement mode for government bonds transactions on the secondary market.

21. The report of the Executive body of the UZCE on the work performed for the first half of 2024 has been approved.

22. The term of the employment contract concluded with the head of the executive body (General Director) of the UZCE, R. Usmanov, has been extended.

23. Permission was granted for the transfer of the 5.71% share of the publishing house Biznes-Daily-Media LLC, held by the UZCE, to the State Asset Management Agency on the condition that the nominal (book) value of the share is reimbursed (in cases where the sale price is lower than the residual (book) value of the share, the relevant portion of the sale price, after deducting valuation and sale-related expenses, shall be directed accordingly).

24. In order to organize medical insurance aimed at the social protection of employees of the UZCE and the restoration of their health, it has been agreed to carry out the following at the expense of the UZCE by organizing public procurement in the manner prescribed by law:

- conducting initial (when concluding an employment contract) and periodic (during employment) medical examinations (check-ups) of employees;

- medical insurance of employees for receiving medical services;

25. Decisions were made on the approval of the lease agreement for part of the administrative building of the UZCE to National Clearing Center JSC.

26. Due to the transfer of the Chairman of the Supervisory Board of the UZCE to another job, a new Chairman of the Supervisory Board of the UZCE was elected.

27. Amendments and additions have been made to the “Procedure for providing market maker services in the exchange markets of Uzbekistan Republican Currency Exchange JSC”.

28. The report of the Executive body of the UZCE on the results of nine months of 2024 and the business plan of the UZCE for 2025 were approved.

In the reporting year, the Supervisory Board, in accordance with the procedure established by the Law of the Republic of Uzbekistan “On Joint-Stock Companies and Protection of Shareholders’ Rights”, monitored compliance with the principle of disclosure of information on the securities market by the Executive body of the UZCE.

At the same time, shareholders were regularly provided with quarterly reports of the Executive body, financial statements, extracts from the decisions of the Supervisory Board meetings, and other information. These reports, as well as important facts related to holding general meetings of shareholders and other activities of the UZCE, were regularly posted on the Unified Portal of Corporate Information and the official website of the UZCE.

Quality Management System of UZCE

In order to ensure effective operational activities and optimize business processes, the UZCE has implemented a quality management system in accordance with the international standard ISO 9001:2015.

In 2020, based on the results of a certification audit conducted by the Certification Body for Management Systems “CERT International” (Uzbekistan) and the International Certification Body “CERT International” (Slovakia), certificates of compliance of the quality management system of the UZCE with the requirements of the international standard ISO 9001:2015 and the National standard UzDST ISO 9001:2015 were obtained.

Based on the results of the next monitoring audit conducted by CERT International in 2024, the compliance of the UZCE quality management system with the requirements of the international standard ISO 9001:2015 was confirmed.

Auditors of CERT International LLC (SNAS), who conducted the assessment, noted that the quality management system at the UZCE is fully effective and has created all the conditions for maintaining and further developing it in the necessary condition.

Executive body

Management of the current activities of the UZCE is carried out by the single Executive Body - the General Director, operating in accordance with the "Regulations on the Executive Body of Uzbek Republican Currency Exchange JSC".

The General Director of the UZCE is appointed by decision of the Supervisory Board. The decision on the appointment of the General Director is made on a competitive basis, in which foreign managers may also participate.

The powers of the General Director, in particular, include:

organization of the implementation of the decisions of the general meeting of shareholders and the Supervisory Board;

approval of staffing levels, issuing orders and instructions that are mandatory for all employees of the UZCE;

approval, within its competence, of internal regulatory documents of the UZCE;

granting members of the UZCE the right to participate in exchange trading and temporarily suspending them from trading, creating conditions for ensuring the professional development of employees (traders) participating in exchange trading;

insurance of business risks of the UZCE and the responsibility of the Executive body;

making decisions on other issues of managing the current activities of the UZCE, except for issues within the competence of the general meeting of shareholders and the Supervisory Board in accordance with the legislation.

The Executive body also submits to the Supervisory Board the issue of excluding members of the UZCE from its composition and verifies the professional qualifications of traders of UZCE members participating in exchange trading.