



Market Review Report

December, 2024

Investment Banking Department

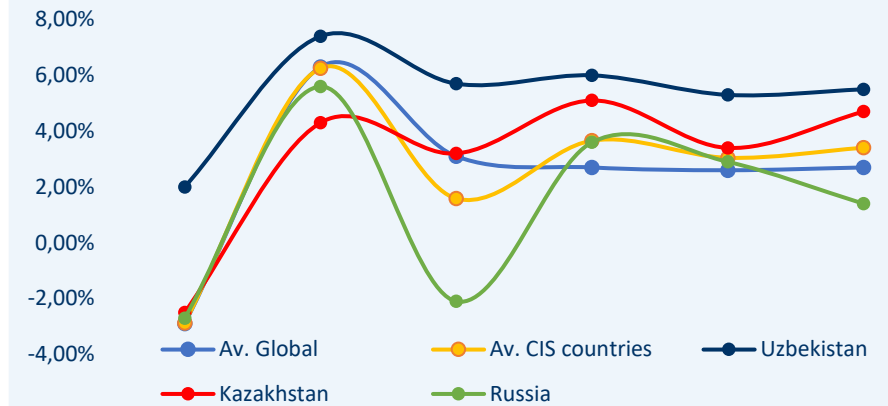
In recent years, Uzbekistan has demonstrated significant economic growth under the leadership of President Shavkat Mirziyoyev. The country has embarked on bold reforms to transition toward a market-driven economy, prioritizing liberalization, industrialization, and economic diversification. Key initiatives include currency reforms, infrastructure modernization, and efforts to attract foreign investment. By 2025, Uzbekistan seeks to strengthen its position as a regional economic leader through sustainable development, digital transformation, and deeper integration into global markets.

GDP growth

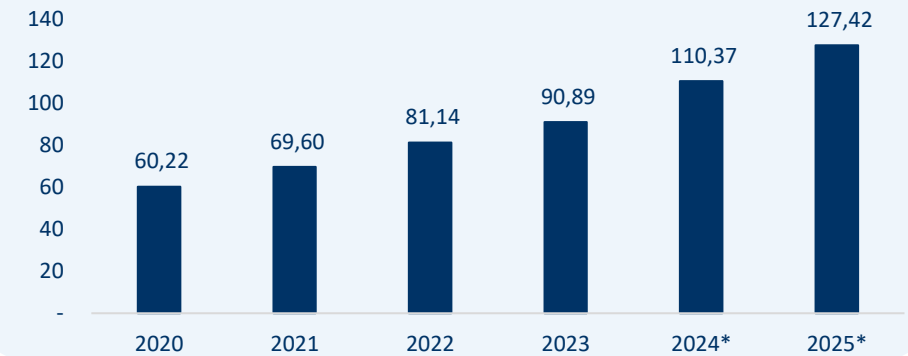
	2020	2021	2022	2023	2024*	2025*
Uzbekistan	2,00%	7,40%	5,70%	6,00%	5,30%	5,50%
CIS countries:						
Kazakhstan	-2,50%	4,30%	3,20%	5,10%	3,40%	4,70%
Kyrgyz Republic	-7,10%	5,50%	9,00%	6,20%	4,50%	4,20%
Tajikistan	4,40%	9,40%	8,00%	8,30%	6,50%	4,50%
Turkmenistan	-2,10%	-0,30%	5,30%	2,00%	2,30%	2,30%
Russia	-2,70%	5,60%	-2,10%	3,60%	2,90%	1,40%
Georgia	-6,30%	10,60%	11,00%	7,50%	5,20%	5,00%
Armenia	-7,20%	5,80%	12,60%	8,70%	5,50%	4,90%
Azerbaijan	-4,30%	5,60%	4,70%	1,10%	2,30%	2,40%
Moldova	-8,30%	13,90%	-5,00%	0,80%	2,20%	3,90%
Ukraine	-3,80%	3,40%	-28,80%	5,30%	3,20%	6,50%
Belarus	-0,70%	2,40%	-4,70%	3,90%	1,20%	0,70%
Estonia	-1,00%	7,20%	-0,50%	-3,00%	-1,00%	1,10%
Latvia	-3,50%	6,70%	3,00%	-0,30%	0,00%	1,00%
Lithuania	0,00%	6,30%	2,40%	-0,30%	2,20%	3,00%
World Regions:						
Europe & Central Asia	-5,50%	6,50%	3,20%	1,00%	3,00%	2,90%
Latin America & Caribbean	-6,60%	7,00%	4,00%	2,20%	1,80%	2,70%
North America	-2,40%	5,80%	2,10%	2,40%		
Middle East & North Africa	-4,00%	5,60%	5,70%	1,80%	2,80%	4,20%
South Asia	-4,60%	8,80%	6,30%	6,40%	6,20%	6,20%
East Asia & Pacific	-0,10%	6,20%	2,90%	4,10%	4,80%	4,20%
Sub-Saharan Africa	-2,00%	4,30%	3,70%	3,00%	3,50%	4,00%

*forecast by World Bank

GDP Growth Trends (2020-2025)



Uzbekistan's GDP in billions USD



Uzbekistan's sovereign credit ratings

MOODY'S	FitchRatings	S&P Global
Ba3 / Stable	BB- / Stable	BB- / Stable

Kazakhstan's sovereign credit ratings

MOODY'S	FitchRatings	S&P Global
Baa1 / Stable	BBB / Stable	BBB- / Stable

Kyrgyz Republic's sovereign credit ratings

MOODY'S	FitchRatings	S&P Global
B3 / Stable	XXX	XXX

Tajikistan's sovereign credit ratings

MOODY'S	FitchRatings	S&P Global
B3 / Positive	XXX	B / Stable



Economic and Fiscal Reforms in Uzbekistan

In 2017, under the leadership of **President Shavkat Mirziyoyev**, Uzbekistan undertook transformative currency reforms to liberalize the economy. The cornerstone of these reforms was **Decree No. 2920**, issued on **September 2, 2017**, which unified the official exchange rate with the market rate, thereby eliminating the artificial exchange rate system that had fueled a black market for foreign currency.

Additionally, the reforms lifted restrictions on foreign currency transactions, enabling businesses and individuals to freely exchange currencies at market rates. These measures were aimed at stabilizing the economy, attracting foreign investment, and integrating Uzbekistan into the global economic system.

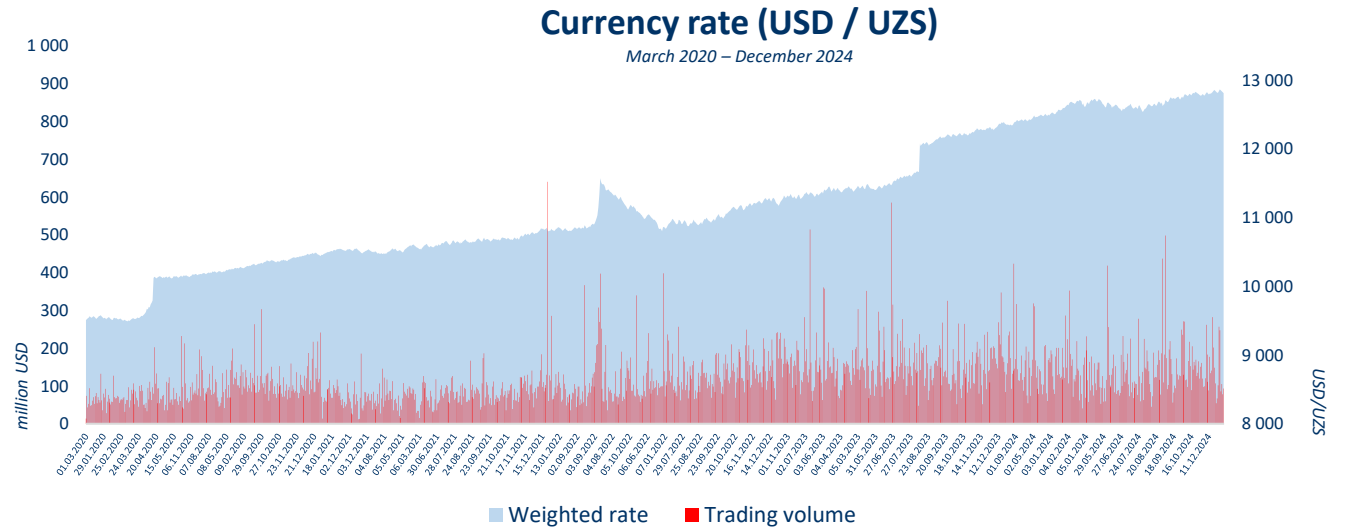
In **2023**, Uzbekistan introduced a major fiscal reform by reducing the **Value-Added Tax (VAT)** rate from **15% to 12%**. This move sought to alleviate the tax burden on businesses and stimulate economic activity. However, the reduction created a potential revenue shortfall of approximately **14 trillion UZS** for the state budget.

To address this fiscal challenge and maintain budgetary stability, the government implemented a series of compensatory measures:

1.Enhanced Tax Administration: The government mandated the use of electronic invoicing and electronic waybills to improve transparency and compliance within the tax system. These measures aimed to reduce inefficiencies and curb tax evasion, thereby increasing tax revenues.

2.Formalization of the Informal Economy: Efforts were intensified to bring informal economic activities into the formal sector, broadening the tax base and ensuring greater participation in the tax system by businesses and individuals.

3.Gradual Elimination of Tax Exemptions: The government proposed phasing out certain tax privileges to create a more equitable and sustainable fiscal framework. This approach sought to expand the tax base while enhancing revenue collection. These initiatives were part of a broader strategy to modernize Uzbekistan’s fiscal policies, promote economic growth, and ensure fiscal stability. By fostering a competitive and transparent economic environment, the government reaffirmed its commitment to sustainable development and macroeconomic stability.



USD/UZS Currency rate changes

	13.12.2024
USD/UZS	12 880,00
DoD - 1 day change	0,2461%
WoW - 7 days change	0,2786%
MoM - 30 days change	0,7433%
QoQ - 90 days change	2,0197%
YoY - 365 days change	4,5879%
3Y Change - 1095 days change	19,5133%
5Y Change - 1825 days change	35,6549%

Cross Currency rate (13.12.2024)

USD/EUR	0,95
USD/RUB	103,86
USD/CNY	7,28
USD/CHF	0,89
USD/GBP	0,79
USD/JPY	153,41



Since 2020, the **Central Bank of the Republic of Uzbekistan** has been implementing its monetary policy within the framework of an **inflation targeting regime**. Under this framework, the Central Bank has set a target inflation rate of **5% by 2027**. All policy actions are designed to maintain inflation levels close to this target, ensuring price stability and supporting sustainable economic growth.

Global public debt is projected to exceed \$100 trillion by 2024, surpassing pre-pandemic levels and continuing to rise through the decade. Key drivers include increased government spending to address green transitions, population aging, and development challenges. Emerging markets and developing economies face higher debt vulnerabilities due to financial conditions, while advanced economies grapple with large deficits and high borrowing needs.

General government Gross Debt to GDP ratio (%)

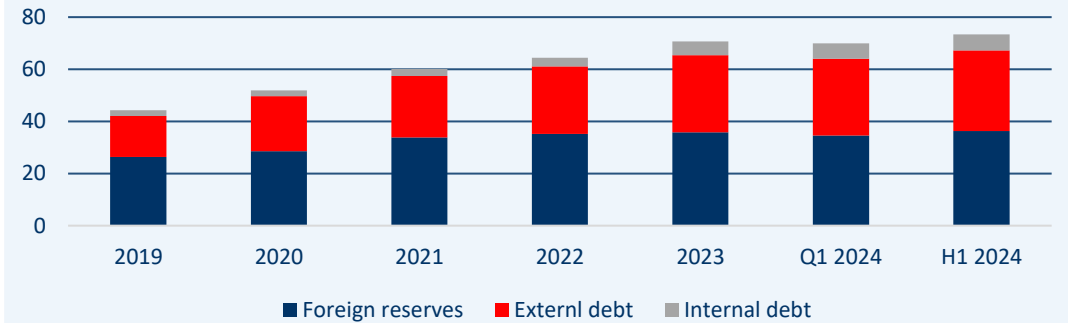
	2020	2021	2022	2023	2024*	2025*	2026*
<i>CIS countries:</i>							
Uzbekistan	33,7	31,7	30,5	32,5	34,3	32,8	31,4
Kazakhstan	26,4	25,1	23,5	22,8	24,8	27,6	30,0
Kyrgyz Republic	63,6	56,2	46,8	44,7	41,8	41,2	41,8
Tajikistan	51,8	42,1	32,5	30,9	30,7	30,1	29,3
Russia	19,2	16,4	18,5	19,5	19,9	20,4	21,4
Moldova	36,6	33,6	34,9	35,3	36,9	34,8	32,7
Ukraine	41,3	36,3	32,1	32,4	31,4	31,3	30,7
Belarus	47,5	41,2	41,3	40,7	41,4	40,3	40,6
Estonia	18,3	17,6	18,3	19,3	21,8	25,4	28,7
Latvia	42,7	44,4	41,8	43,6	45,2	45,7	46,0
Lithuania	46,3	43,4	38,0	38,3	38,1	37,9	37,6
<i>Economy groups:</i>							
Advanced Economies	121,8	115,4	109,9	108,7	109,4	111,0	112,0
Emerging Market and Middle-Income Economies	65,5	64,7	64,9	69,4	70,8	73,0	75,0
Low-Income Developing Countries	49,1	49,1	50,4	53,5	53,2	50,9	49,0

*forecast by World Bank

As of July 1, 2024, Uzbekistan's public debt has risen for the first time to over **\$37 billion**. In recent years, the growth rate of the country's external debt has accelerated dramatically. For instance, by the end of 2017, Uzbekistan's national debt was recorded at **\$11.6 billion**, which surged to **\$34.9 billion** by the end of 2023, representing a threefold increase.

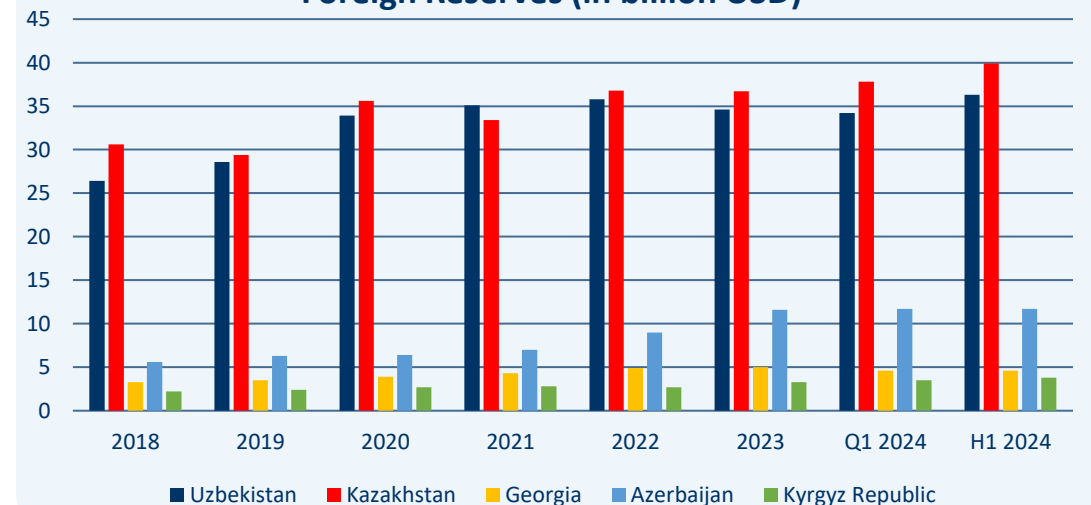
Under the "Law on State Debt," Uzbekistan has established a maximum debt limit of **60%** of GDP.

Foreign reserves & Debt dynamics (in billion USD)



	2019	2020	2021	2022	2023	Q1 2024	H1 2024
Foreign reserves, mln USD	26 394,10	28 590,00	33 851,30	35 139,20	35 767,50	34 564,70	36 340,60
Total debt, mln USD	17 834,24	23 367,08	26 323,35	29 231,38	34 927,17	35 349,02	37 028,33

Foreign Reserves (in billion USD)



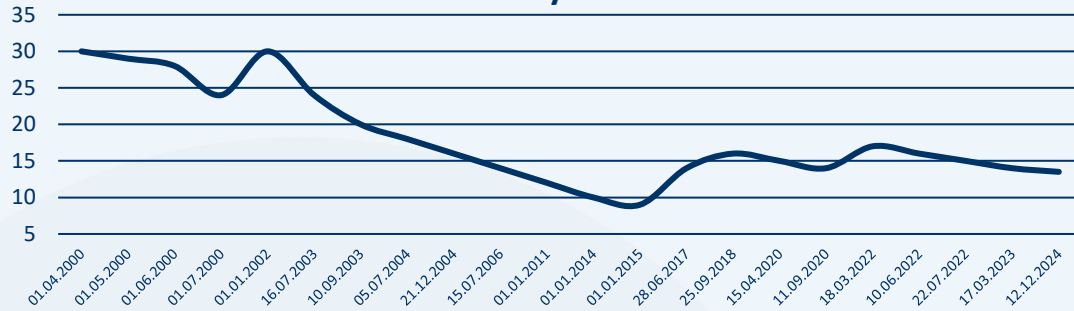


(12.12.2024) CBU maintained its key interest rate at 13,5% to manage inflationary pressures, aiming to achieve its target of 5% inflation by 2025. The annual inflation forecast for 2024 is set between 8-9%



(02.12.2024) The Monetary Policy Committee of the National Bank of Kazakhstan decided to set the base rate at 15.25% with a corridor of +/-1 p.p. The decision was made with consideration of the updated forecasts and an assessment of inflation risks balance.

Policy rate



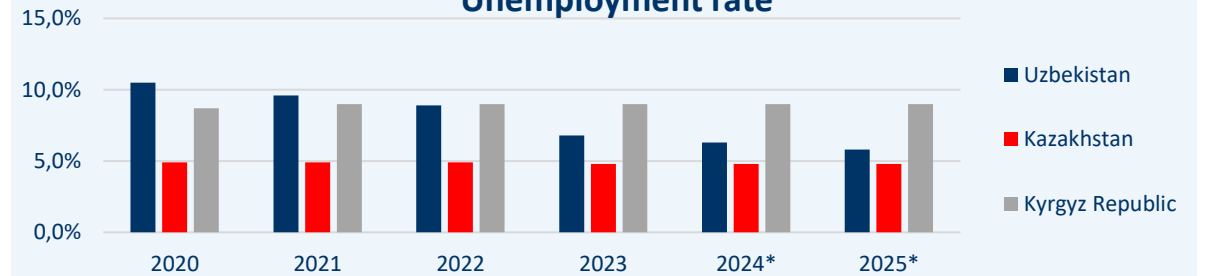
Policy rate of Central banks:

	Current rate	Latest meeting	Change on meeting	Next meeting
Central bank of Uzbekistan	13,50%	12.12.2024	no change	25.01.2025
National bank of Kazakhstan	15,25%	02.12.2024	+100 bps	17.01.2025
National bank of Tajikistan	9,00%	05.08.2024	no change	XXX
National bank of Kyrgyzstan	9,00%	26.11.2024	no change	27.01.2025
Bank of Russia	21,00%	28.10.2024	+200 bps	20.12.2024
U.S. Federal reserve	4,75%	08.11.2024	-25 bps	17.12.2024
European Central Bank	3,15%	12.12.2024	-25 bps	25.03.2025
Bank of England	4,75%	06.11.2024	-25 bps	19.12.2024
People's Bank of China	3,10%	21.10.2024	-25 bps	20.12.2024
Bank of Japan	0,25%	31.10.2024	no change	19.12.2024
Swiss National Bank	0,50%	12.12.2024	-50 bps	30.03.2025
Reserve Bank of India	6,50%	06.12.2024	no change	07.02.2025

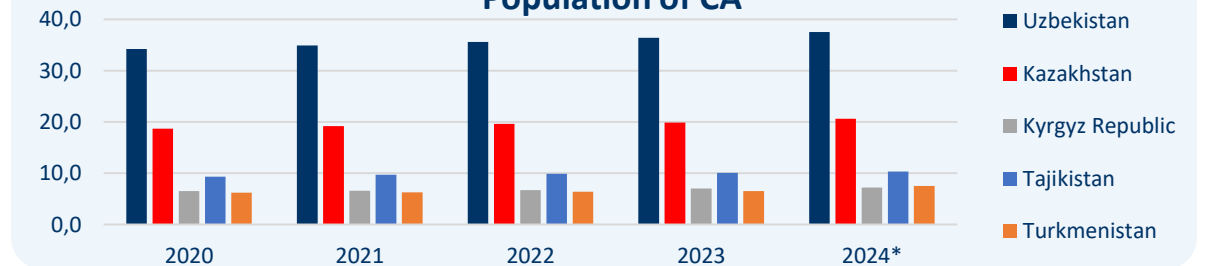
CPI

Country/year	2020	2021	2022	2023
Uzbekistan	11,17%	9,98%	12,26%	8,75%
Kazakhstan	7,50%	8,40%	20,30%	9,80%
Regions				
Europe & Central Asia	1,20%	3,30%	10,80%	7,80%
Latin America & Caribbean	1,00%	3,50%	7,80%	4,60%
North America	1,00%	4,00%	7,40%	4,00%
Middle East & North Africa	0,70%	2,30%	5,00%	4,20%
South Asia	5,70%	5,50%	7,70%	7,10%
East Asia & Pacific	1,30%	2,40%	5,40%	3,70%
Sub-Saharan Africa	3,40%	4,40%	9,50%	7,10%

Unemployment rate



Population of CA



UZONIA Rates and Index

The UZONIA rates indicate **short- and medium-term interest rate changes** for various maturities.

- **1-day rate:** 13.2261%, experiencing the largest increase of **+0.1835** basis points.
- **7-day rate:** Slightly increased to **13.2293%** with a moderate gain of **+0.0197**.
- **Longer tenors (30 to 180 days):** Showed smaller upward changes, with the **30-day rate** rising to **13.2178%**.
- **Index value:** Reached **151.7948**, posting a gain of **+0.0549**.

Shorter-term rates (e.g., 1 day) have seen sharper increases, suggesting a potential rise in demand for immediate liquidity or short-term funding pressures. Longer tenors reflect relative stability with modest upward movements.

Inter-Dealer Repo Market

The repo market performance from **01/11/2024 to 13/12/2024** shows mixed trends across periods:

- **1-day average:** **12.95%**, a **-0.09%** decline, reflecting easing short-term borrowing rates.
- **2-3 day average:** Marginally increased by **+0.03%**, indicating slight upward pressure.
- **4-7 day average:** Declined by **-0.20%**, indicating a reduction in mid-term repo rates.
- **7-30 day average:** Increased significantly to **15.08%**, with a notable gain of **+0.33%**.

The short-term repo market shows mixed trends with easing pressures for 1-day and 4-7 day maturities, but the **7-30 day rate** increase signals potential liquidity tightness or increased borrowing costs for longer repo tenors.

Interbank Money Market

The interbank market data over the same period shows consistent downward trends across all tenors:

- **1-day rate:** Dropped by **-0.46%** to **12.93%**, indicating improved liquidity in overnight borrowing.
- **2-7 day rate:** Fell by **-0.59%** to **13.66%**.
- **8-30 day rate:** Declined significantly to **14.48%** with a large decrease of **-3.14%**.
- **31-90 day rate:** The sharpest drop, by **-3.29%**, to **14.80%**.

The interbank money market reflects **broad easing trends**, signaling an improvement in liquidity conditions and possibly reduced borrowing demand.

Central Bank Activity

The central bank's auction and deposit data provide additional insights:

- **Repo auction (2-7 days):** Rates stood at **13.67%**, with a minor decrease of **-0.01%**.
- **Deposit auction (1 week):** Stable at **13.50%** with no change (**0.00%**).

The central bank appears to be maintaining a steady hand on policy tools, with minimal change in repo auction and deposit rates, suggesting balanced liquidity conditions.

UZONIA (13.12.2024)

Periods	Rate	Change
1 day	13,2261%	+0,1835
7 days	13,2293%	+0,0197
30 days	13,2178%	+0,0039
90 days	13,5256%	+0,0050
180 days	13,8462%	-0,0045
Index	151,7948	+0,0549

Inter-dealer Repo

For 01/11/2024 – 13/12/2024		
Periods	Rate	Trend
1 day average	12,95%	-0,09%
2-3 day average	13,06%	+0,03%
4-7 day average	14,03%	-0,20%
7- 30 day average	15,08%	+0,33%

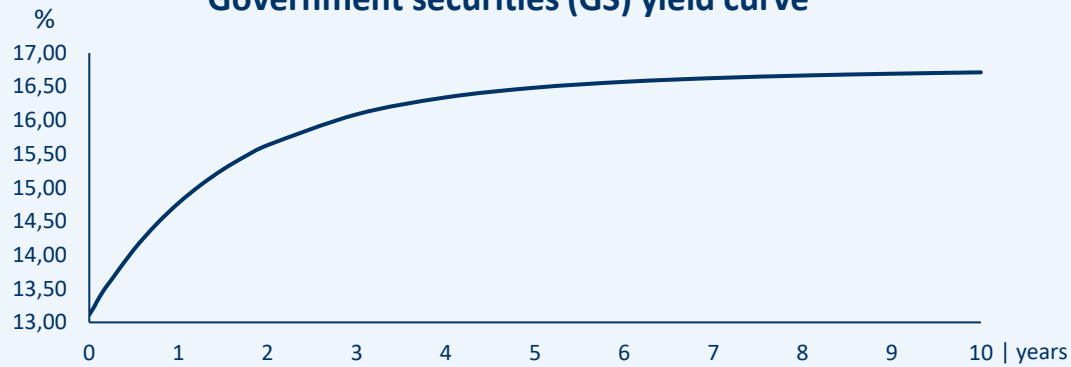
Interbank money market

For 01/11/2024 - 13/12/2024		
Periods	Rate	Trend
1 day	12,93%	-0,46%
2-7 days	13,66%	-0,59%
8-30 days	14,48%	-3,14%
31- 90 days	14,80%	-3,29%

For 01/11/2024 - 13/12/2024

	Periods	Rate	Trend
Central bank`s Repo auction	2-7 days	13,67%	-0,01%
Central bank`s deposit auction	1 week	13,50%	0,00%

Government securities (GS) yield curve



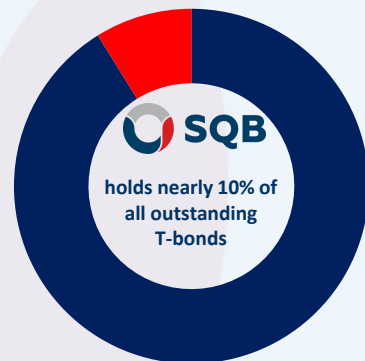
Introduction of the Government Securities Yield Curve in Uzbekistan

Starting from **1st September 2024**, the **Central Bank of Uzbekistan** began publishing the **Government Securities (T-Bonds) Yield Curve**.

As the fiscal agent for government bonds issued by the **Ministry of Economy and Finance**, the Central Bank plays a key role in ensuring transparency and efficiency in the domestic bond market. The introduction of the yield curve marks a significant step toward enhancing market accessibility and providing investors with critical tools for analyzing government securities.

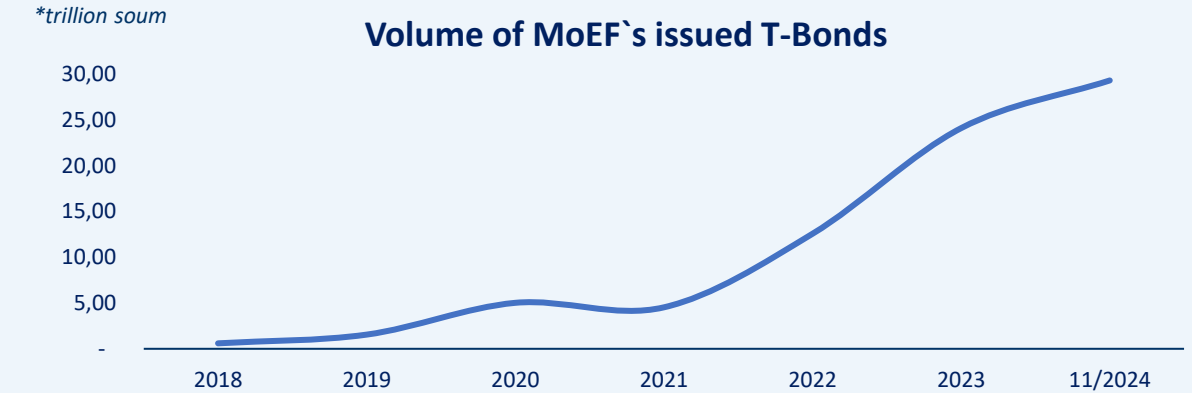
Primary dealers of T-bonds

- 1 SQB
- 2 NBU
- 3 Xalq banki
- 4 Business development bank
- 5 Turon bank
- 6 Asaka bank
- 7 Ipak yo`li bank
- 8 Ipoteka bank
- 9 Asia alliance bank
- 10 Kapitalbank

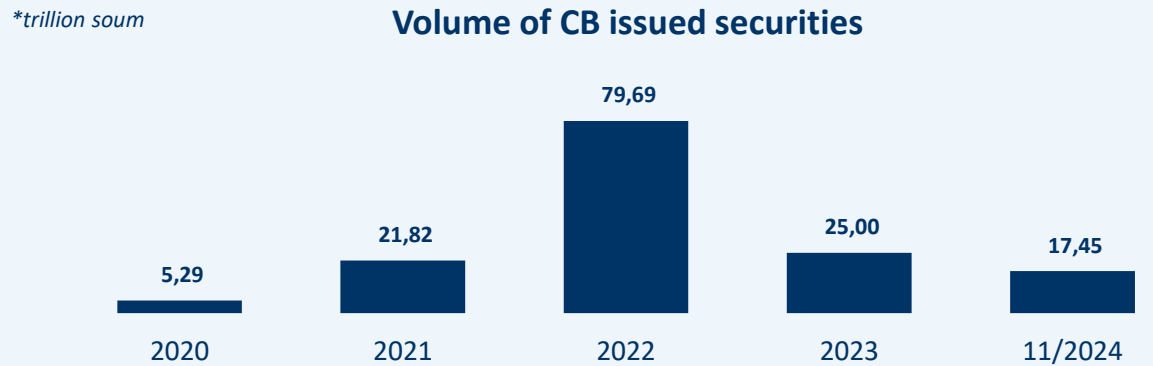


*As of 01/12/2024

Volume of MoEF's issued T-Bonds



Volume of CB issued securities



Development of the Domestic Government Securities Market in Uzbekistan

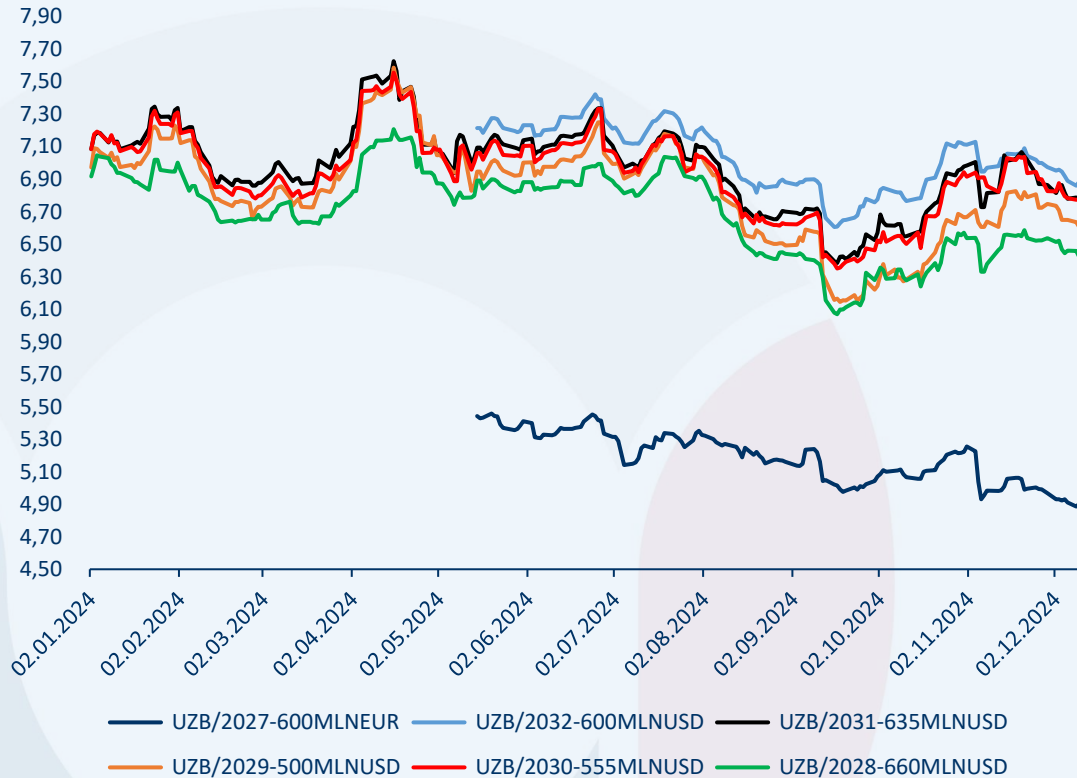
Since 2019, the **Ministry of Finance of the Republic of Uzbekistan (MoF)**, later restructured as the **Ministry of Economy and Finance (MoEF)**, has actively issued government treasury securities denominated in the local currency (Uzbek soums). This initiative reflects the government's strategy to gradually shift the state debt portfolio from external borrowing to domestic debt. The approach aims to reduce exposure to external risks while fostering the development of the national capital market. As of 1st of December 2024, the **MoEF holds 38,9 trillion soums in outstanding** government treasury bonds.

Furthermore, the Ministry is planning to expand the market by offering government securities to **retail investors**, primarily targeting foreign investors and local people. This initiative is supported by **Presidential Decree No. 291**, which provides tax privileges to individuals. The decree allows citizens to allocate up to **105 million soums of their yearly income** toward the purchase of local securities without incurring tax liabilities.

Since 2019, Uzbekistan has successfully issued **Eurobonds six times across 11 tranches**, demonstrating its growing presence in the global financial markets. These issuances have collectively raised approximately **USD 3.45 billion, EUR 600 million, and UZS 11.75 trillion** in foreign debt.

The **Debt Management Office (DMO)**, established in 2018 within the **Ministry of Economy and Finance**, played a pivotal role in facilitating these transactions. The bonds were predominantly listed on the **London Stock Exchange**, adhering to **Regulation S / Rule 144A standards**, which allowed global investors to participate in purchasing Uzbekistan's sovereign debt securities.

Secondary Trading Performance (Yield %)



SDG Bond EUR 600mm 5,375% due 2027, (peak orderbook> EUR€ 2,0bn)
UZS 3,0tn 16,625% due 2027, (peak orderbook>UZS 4,0tn)
USD 600mm 6,9% due 2032, (peak orderbook>US\$ 2,9bn)

May 2024



USD 660mm 7,85% due 2028
(peak orderbook>USD 2,1bn)
Green Bond UZS 4,25tn
15,25% due 2026
(peak orderbook>UZS 4,4tn)
 October 2023



USD 635mm 3,9% due 2031
(peak orderbook>USD 2,2bn)
SDG Bond UZS 2,5tn 14,0% due 2023
(redeemed)
(peak orderbook>UZS 3,55tn)
 July 2021



USD 555mm 3,7% due 2030
(peak orderbook>USD 3,9bn)
DFI Bond UZS 2,0tn 14,5% due 2023
(redeemed)
(peak orderbook>UZS 5,0tn)
 November 2020



USD 500mm 4,75% due 2024 (redeemed)
USD 500mm 5,375% due 2029
Combined peak orderbook of over USD 8,5bn
 February 2019

Eurobond Issuances by Uzbek Corporations

Since 2019, Uzbek corporate entities have successfully issued Eurobonds in 11 issuances across 15 tranches, raising approximately USD 4.785 billion and UZS 6.0 trillion.

The majority of these issuances have been undertaken by state-owned enterprises (SOEs), reflecting their dominant role in Uzbekistan's corporate sector. These transactions have allowed Uzbek corporates to tap into international capital markets, diversify funding sources, and align with global financial practices.



NMMC
 USD 500mm 6,7% due 2028
 USD 500mm 6,9% due 2031
 Combined peak orderbook of over USD 5,5bn
October 2024



Agrobank
 USD 400mm 9,25% due 2029
 (peak orderbook of over USD 1bn)
 UZS 700bn 21,75% due 2026
 (peak orderbook>UZS 705bn)
September 2024



USD 400mm 8,95% due 2029
 (peak orderbook of over USD 650mm)
 UZS 2,5tn 21,0% due 2027
 (peak orderbook>UZS 2,3tn)
July 2024



O'ZMILLIYBANK
 USD 300mm 8,5% due 2029
 (peak orderbook>USD 625mm)
 UZS 1,4tn 19,875% due 2027
 (peak orderbook>UZS 1,6tn)
June 2024



UZS 1,4tn 20,5% due 2027
April 2024




UZBEKNEFTEGAZ
 USD 700mm 4,750% due 2028
 Peak orderbook of over USD 1,7bn
November 2021

Redeemed



UZS 785bn 16,0% due 2024
April 2021



USD 300mm 4,85% due 2026
 Peak orderbook of over USD 1,4bn
April 2021



USD 300mm 5,5% due 2025
 Peak orderbook of over USD 500mm
November 2020

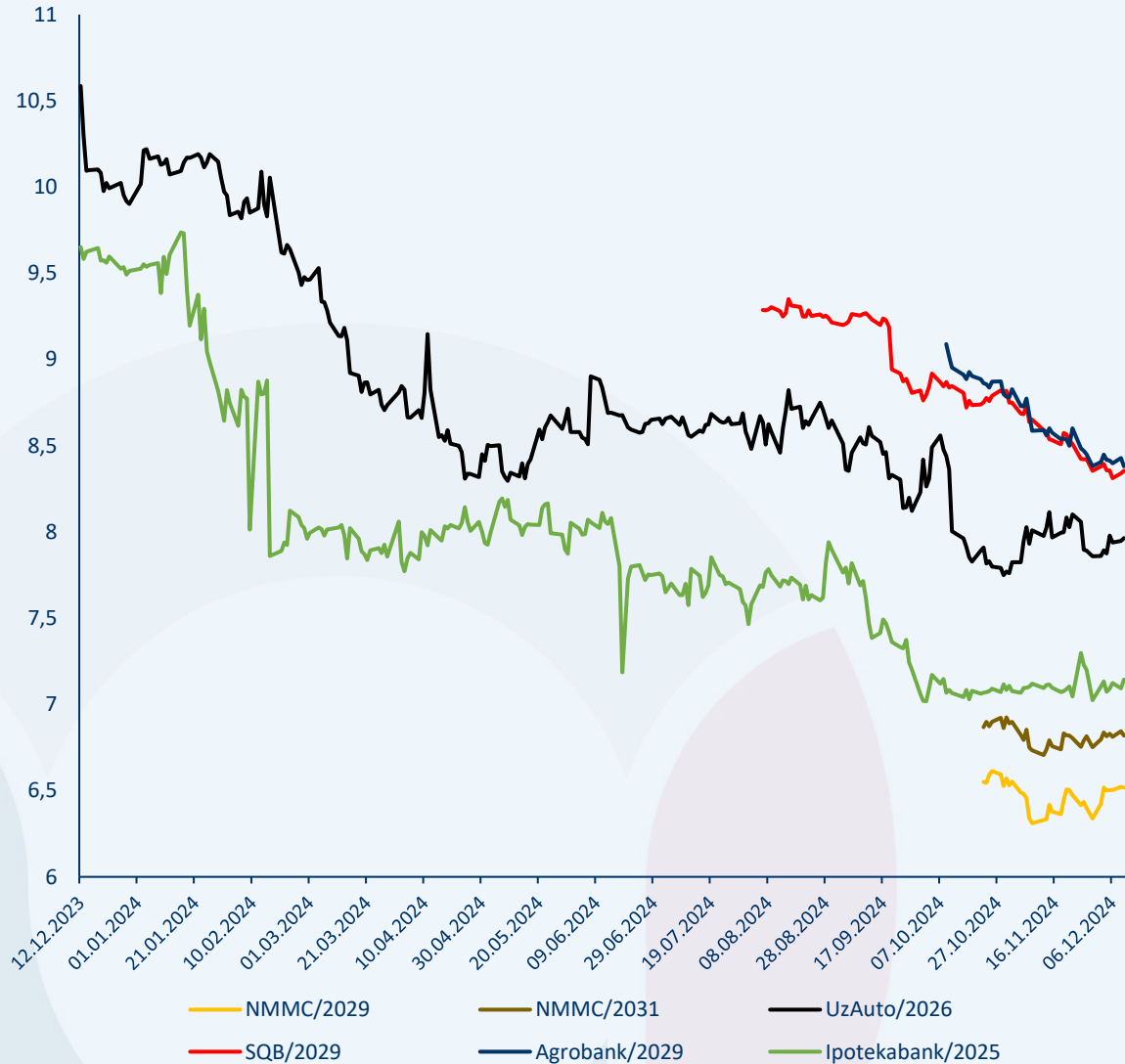


O'ZMILLIYBANK
 USD 300mm 4,85% due 2025
 Peak orderbook of over USD 700mm
October 2020

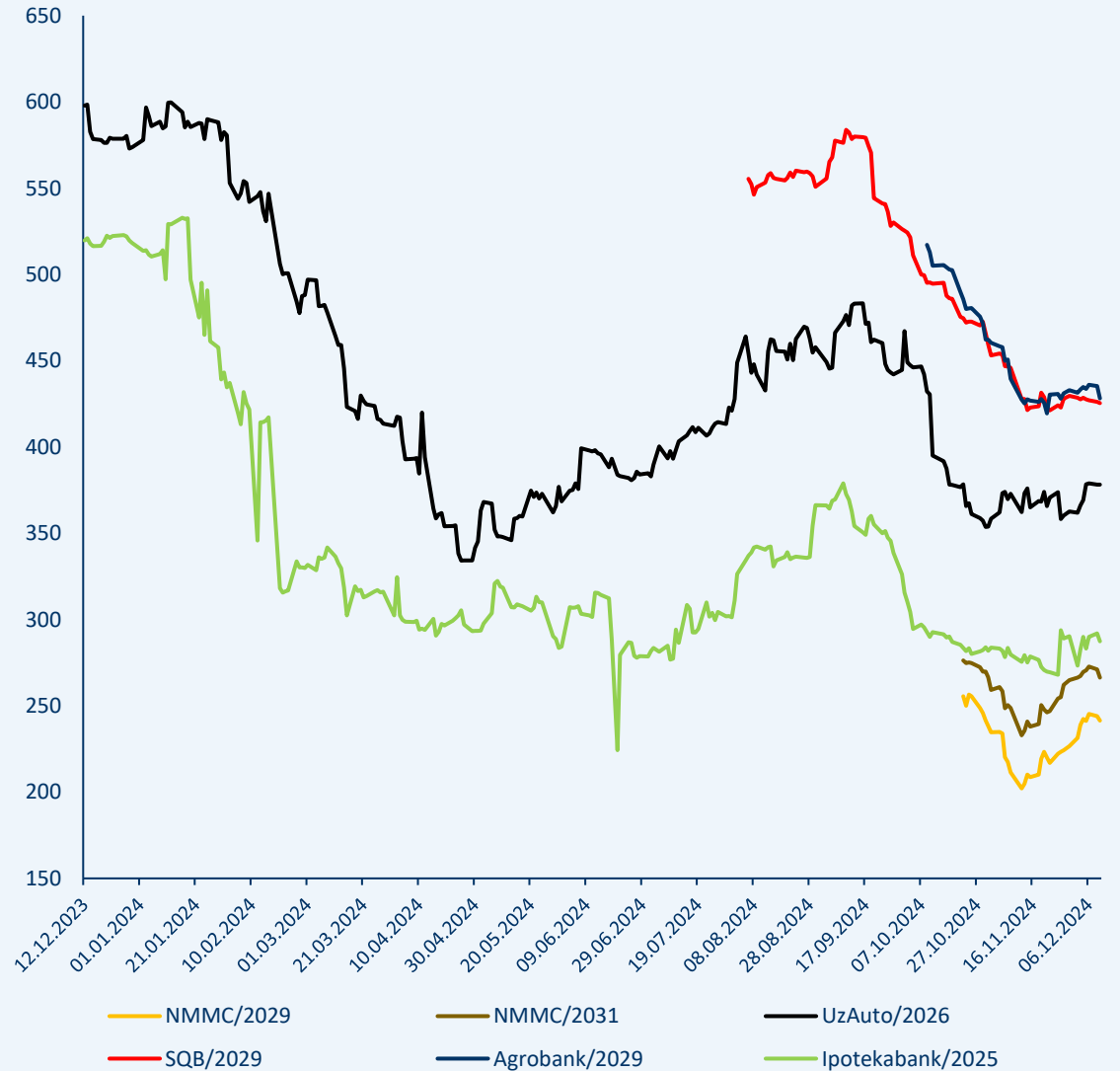


USD 300mm 5,75% due 2024
 Peak orderbook of over USD 1,2bn
November 2019

Secondary Trading Performance (Yield %)



Secondary Trading Performance (G-Spread)



Outstanding as of 13.12.2024

Listed	Ticker	ISIN	Par value	Quantity	Coupon rate	Issue date	Maturity date	Coupon payment cycle
JSCB "Asia Alliance Bank"	AABK1	UZ6055797666	1 000 000,00	45 175	Central Bank refinancing rate + 4%	15.07.2019	15.07.2026	Quarterly
JSCB "Kapitalbank"	KPB4	UZ6047447AA6	1 000 000,00	50 000	Central Bank refinancing rate + 5%	13.05.2020	21.05.2027	Monthly
"Biznes finans mikromoliya tashkiloti" LLC	BFMT3	UZ6057687AA4	1 000 000,00	6 565	27,00%	16.09.2022	30.08.2025	Monthly
	BFMT3V2	UZ6057687AB2	100 000,00	200 000	27,00%	09.10.2023	13.09.2026	Monthly
	BFMT3V3	UZ6057687AC0	100 000,00	300 000	27,00%	05.12.2024	20.11.2027	Monthly
JSC "Imkon Finans mikromoliya tashkiloti"	IFMT3	UZ6056967AC7	1 000 000,00	6 000	28,00%	10.04.2023	25.03.2026	Monthly
	IFMT4	UZ6056967AD5	1 000 000,00	10 000	28,00%	24.04.2024	09.04.2027	Monthly
"Hamkor invest lizing" LLC	HKIL3	UZ6057757AB3	1 000 000,00	17 500	18,00%	25.04.2023	06.05.2026	Quarterly
JSCB "Hamkorbank"	HMKB1	UZ6011340AA5	1 000 000,00	50 000	22,00%	30.04.2024	30.04.2025	On the maturity date
	IQMK3	UZ6056887AA1	1 000 000,00	140 000	19,00%	20.12.2023	17.10.2026	Half-yearly
	IQMK3V2	UZ6056887AB9	1 000 000,00	150 000	19,00%	17.07.2024	08.07.2027	Half-yearly
JSC "O'zbekiston ipotekani qayta moliyalashtirish kompaniyasi"	IQMK5E	UZ6056887AC7	1 000 000,00	50 000	18,00%	16.09.2024	18.09.2029	Quarterly
	IQMK3V4	UZ6056887AD5	1 000 000,00	250 000	19,00%	11.11.2024	17.11.2027	Quarterly
OTC								
JSC "Imkon Finans mikromoliya tashkiloti"	A056967	UZ6056967AB9	1 000 000,00	3 000	28,00%	02.08.2022	24.07.2025	Monthly
"Uzreport" LLC	A056997	UZ6056997AA8	50 000 000,00	600	22,00%	17.12.2020	13.12.2025	Quarterly
"Akfa medline" LLC	A057077	UZ6057077AA8	10 000 000,00	21 100	6,00%	11.05.2021	10.05.2026	Semi-Annually
"Farovon hayot ifodasi" LLC	A057567	UZ6057567AA8	1 000 000,00	2 000	24,00%	22.04.2022	01.04.2025	Quarterly
	A05756A	UZ6057567AB6	1 000 000,00	10 000	22,00%	20.06.2022	13.06.2025	Quarterly
"Ifoda agro kimyo himoya" LLC	A057617	UZ6057617AA1	1 000 000,00	110 000	8,00%	07.07.2022	24.06.2027	Quarterly
"Beshariq ishonch savdo" LLC	A005762	UZ6057627AA0	1 000 000,00	10 000	22,00%	06.07.2022	03.07.2025	Quarterly
"Farg'ona ishonch savdo" LLC	A057637	UZ6057637AA9	1 000 000,00	5 000	22,00%	19.08.2022	21.08.2025	Quarterly
"Trust trade partner"	A057647	UZ6057647AA8	1 000 000,00	5 000	22,00%	19.08.2022	21.08.2025	Quarterly
	A057657	UZ6057657AA7	1 000 000,00	20 000	20,00%	19.08.2022	21.08.2025	Quarterly
"Variant retail finance" LLC	VARF3	UZ6057657AB5	1 000 000,00	20 000	20,00%	24.05.2023	16.05.2026	Quarterly
	VTRF3	UZ6057657AC3	1 000 000,00	30 000	20,00%	27.06.2023	21.06.2026	Quarterly
	OVRF3	UZ6057657AD1	1 000 000,00	30 000	20,00%	29.04.2024	29.04.2027	Quarterly
"Ishonch kredit savdo" LLC	A057667	UZ6057667AA6	1 000 000,00	10 000	22,00%	19.08.2022	23.08.2025	Quarterly
"Turist biznes trade" LLC	A057717	UZ6057717AA9	1 000 000,00	5 000	22,00%	21.09.2022	14.09.2025	Quarterly
"Trust trade asia" LLC	A057727	UZ6057727AA8	1 000 000,00	5 000	22,00%	22.09.2022	14.09.2025	Quarterly
"Star sity senter" LLC	A057737	UZ6057737AA7	1 000 000,00	5 000	22,00%	07.10.2022	29.09.2025	Quarterly
"Hamkor invest lizing" LLC	057757A	UZ6057757AA5	1 000 000,00	4 500	17,00%	23.11.2022	10.11.2025	Quarterly
"Hamkormazlizing" LLC	A057767	UZ6057767AA4	1 000 000,00	4 500	17,00%	24.11.2022	10.11.2025	Quarterly
	HRML3	UZ6057767AB2	1 000 000,00	8 500	18,00%	08.05.2023	20.04.2026	Quarterly
"Natural juice" LLC	057777A	UZ6057777AA3	1 000 000,00	15 000	15,00%	15.12.2022	10.12.2027	Quarterly
"Kids world of goods" LLC	057787A	UZ6057787AA2	1 000 000,00	3 000	22,00%	16.12.2022	11.12.2025	Quarterly
"Trust valley trade" LLC	TVTR3	UZ6057837AA5	1 000 000,00	7 000	22,00%	04.05.2023	23.04.2026	Annually
"Trust important trade" LLC	TRIT3	UZ6057897AA9	1 000 000,00	5 000	22,00%	21.06.2023	15.06.2026	Quarterly
"Delta mikromoliya tashkiloti" LLC	DMTI	UZ6058027AA2	10 000 000,00	1 500	36,00%	15.12.2023	12.12.2024	Quarterly
"Saipro group" LLC	SAGR	UZ6058037AA1	50 000 000,00	1 000	24,00%	19.12.2023	17.12.2028	Quarterly
"With us forever" LLC	OWUF3	UZ6058457AA1	1 000 000,00	12 000	22,00%	19.06.2024	19.06.2027	Monthly
"Prosperous large future" LLC	OPLF3	UZ6058737AA6	1 000 000,00	13 000	22,00%	22.08.2024	22.08.2027	Quarterly
"Perfect network" LLC	OPNW3	UZ6058467AA0	1 000 000,00	20 000	22,00%	24.06.2024	19.06.2027	Quarterly
"Hamroh mikromoliya tashkiloti" LLC	OHMT3	UZ6058537AA0	1 000 000,00	30 000	26,00%	03.07.2024	16.06.2027	Quarterly
	OHMT4	UZ6058537AB8	1 000 000,00	15 000	26,00%	16.10.2024	24.09.2028	Quarterly
"Evolution networks" LLC	OEVN3	UZ6058727AA7	1 000 000,00	25 000	22,00%	22.08.2024	22.08.2027	Monthly
"Oltin yulduz plus mikromoliya tashkiloti" LLC	OYPM4	UZ6058767AA3	1 000 000,00	20 000	26,00%	16.09.2024	31.08.2028	Quarterly

News on issues

In November 2024, two companies issued corporate bonds totaling 290 billion soums in the local market.

The **JSC "Mortgage Refinancing Company of Uzbekistan" (UzMRC)** issued corporate bonds denominated in the local currency (soums) amounting to 250 billion soums, with an annual interest rate of 19%. These bonds have been listed on the "Toshkent" Republican Stock Exchange and were primarily placed with its shareholders.

It is noteworthy that since the beginning of the year, UzMRC has issued three tranches of bonds, totaling 550 billion soums. UzMRC was also the first local company to issue green bonds and list them on the local stock exchange.

The **Mortgage Refinancing Company of Uzbekistan** is a refinancing credit institution operating as a joint-stock company. UzMRC was established by the Ministry of Finance on November 14, 2019, in accordance with Presidential Decree No. UP-5715 dated May 13, 2019. The company was created as a mechanism to ensure mortgage liquidity and address the challenge of long-term financing in the banking sector.

UzMRC holds a credit rating of **uzA++ with a stable outlook**, issued by the local rating agency "Ahbor-Reyting" LLC. The company's shareholders include the State Assets Management Agency and 13 other local banks.

On November 26, **JSCB "TBC Bank"** issued corporate bonds in the local market denominated in Uzbek soums, amounting to 40 billion soums, with an annual interest rate of 24%. These bonds were exclusively placed with **TBC Capital** in the over-the-counter (OTC) market. TBC Capital is a Georgian investment company and a subsidiary of TBC Bank Group PLC.

The **Joint Stock Commercial Bank "TBC Bank"** is a subsidiary of TBC Bank Group PLC. TBC PLC is listed on the London Stock Exchange under the symbol TBCG and is a constituent of the FTSE 250 Index. It obtained a banking license from the Central Bank of Uzbekistan in 2020 and has been operating successfully in the country for four years. As of the third quarter of 2024, the company reported a net income of 274 billion soums.

TBC Bank has a credit rating **"BB-" with stable outlook** from Fitch Ratings.



Mortgage Refinancing
Company of Uzbekistan



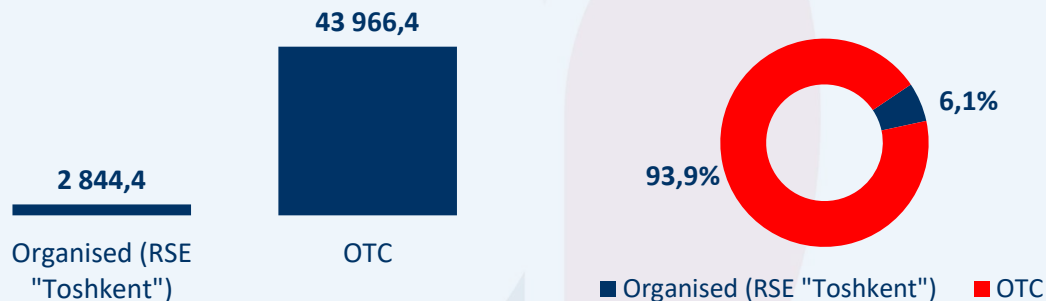
TBC BANK

In 1991, following Uzbekistan's independence, the “Toshkent” universal commodity and stock exchange was established. In 1994, this entity was reorganized into two separate exchanges. Since then, the JSC Republican Stock Exchange “Toshkent” has operated as the sole exchange for the equity and corporate bond markets in Uzbekistan.

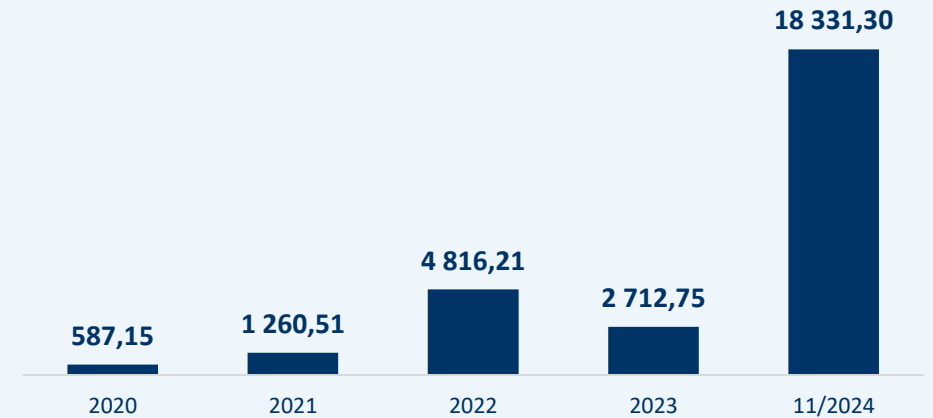
In November 2023, the Republican Stock Exchange “Toshkent” introduced a new trading section, the “**FoP Board**” (Free of Payment Board). This platform is specifically designed to facilitate Large-in-Scale (LIS) trades without requiring cash settlements. Furthermore, amendments made in April 2024 to regulatory rule No. 1919, titled “On Approval of the Regulation on the Register of Accounts for Over-the-Counter Transactions in Securities”, enabled for the first time the conduct of private placements through the organized market. As a result, during the first 11 months of 2024, the FoP Board accounted for **99%** of all trades executed on the exchange. The introduction of this new trading section also drove the stock exchange to achieve a record-breaking total trade volume of **18.3 trillion soums**, the highest in its history.

In 2023, the launch of a mobile trading application significantly enhanced market accessibility by enabling online account opening and trading through a single mobile platform. This development resulted in a substantial increase in trade activity, with **411,870 trades** recorded in 2023, reflecting an extraordinary **510% growth** rate compared to the previous year. In the first 11 months of 2024, the growth in trade numbers stabilized, with approximately **410,000 trades** conducted over this period.

Volume and share of markets in 2023



Trade Volume (billion UZS)



Trade Number



BRIEF OVERVIEW

RSE "Toshkent" Market Performance – November 2024

Trading Volume: In November 2024, the total trading volume on the **Republican Stock Exchange (RSE) "Toshkent"** reached **14.72 trillion soums**, reflecting a **10-fold increase** compared to the October (MoM).

Number of Transactions: A total of **34,665 trades** were executed during the month, which represents a **21% growth** month-over-month (MoM).

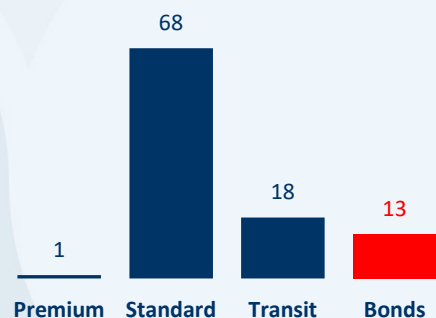
Significant Transactions: This month, a **private placement** of additional shares from **JSC "Almalyk MMC"** took place, totaling **12.2 trillion soums**. The shares were exclusively placed with **Uzbekistan Fund for Reconstruction and Development**, resulting in the fund acquiring **24.8%** of the company's total shares.

Most Traded Securities: Among the most actively traded securities were:

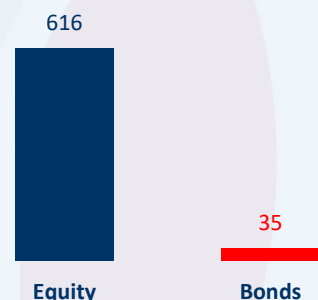
- JSC "Uzbek Commodity Exchange"
- JSCB "Aloqabank"
- JSCB "Ipak Yo`li"

Key Highlights: A notable event during the month was the **Secondary Public Offering (SPO)** of JSC "Uzbek Commodity Exchange", where the **State Assets Management Agency** sold **4.44%** of its shares to the public, further contributing to the market's liquidity and depth.

Number of companies included in the RSE "Toshkent" listing



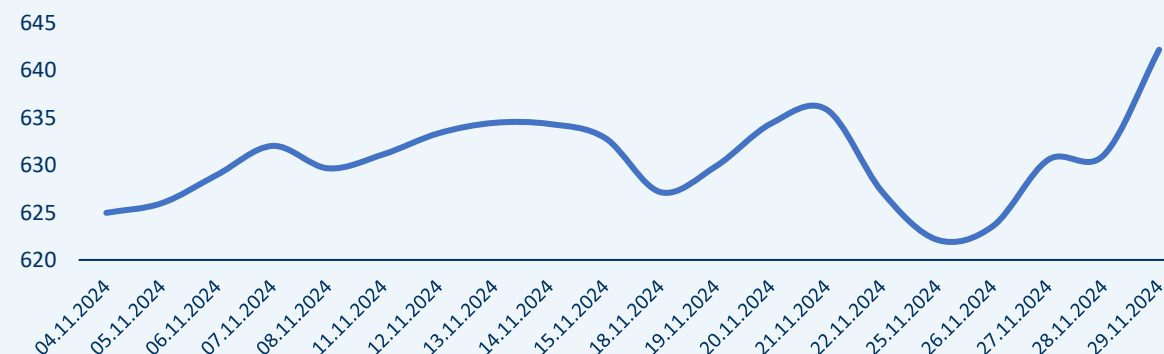
Number of companies not included in the RSE "Toshkent" listing



Main Stock Market Index of Uzbekistan and CIS Countries

		13.12.2024	WTD	MTD	YTD
Uzbekistan	UCI index	634,32	-0,13%	-0,02%	-5,50%
CIS countries					
Russia	IMOEX	2 485,20	-2,01%	-10,09%	-17,40%
Kazakhstan	Index KASE	5 554,52	-1,08%	2,65%	33,82%
Kyrgyzstan	KSE	4 011,59	0,73%	4,33%	51,10%
Latvia	OMX Riga GI	871,18	-0,54%	0,03%	-34,42%
Lithuania	OMX Tallinn GI	1749,54	2,12%	1,16%	-2,01%
Estonia	OMX Vilnius GI	1 058,76	0,53%	1,75%	13,25%

UCI Index



Local blue-chip stocks (UZS)

	13.12.2024	WTD	MTD	YTD
JSC "UzAuto Motors"	72 284,00	-0,01%	3,26%	3,56%
JSC "Uzbektelekom"	3 950,00	-1,57%	-1,50%	-47,33%
JSC "Uzbek commodity exchange"	3 450,00	1,92%	15,77%	1,00%
JSC "Uzmetkombinat"	4 050,00	-4,71%	7,14%	-34,68%
JSC "Qizilqumsement"	1 511,00	-4,34%	0,73%	-47,70%
JSCB "Uzpromstroybank"	9,50	-0,31%	0,00%	-5,94%
JSCB "Hamkorbank"	24,44	2,69%	4,49%	28,63%
JSCB "Ipak yo`li"	134,98	3,04%	-3,59%	99,67%

UzAuto Motors IPO (15.02.2023)

The UzAuto Motors IPO received 1 383 bids, with a total of 56.9 billion soums requested, representing 29.1% of the total offering. Of the shares allocated, 80.1% were assigned to institutional investors, while 19.9% went to retail investors. Allocation price was 72 500,00 soum. This distribution reflects the greater participation of institutional investors in the offering.

Uzbekinvest IPO (15.12.2023)

The Uzbekinvest IPO attracted 247 applications, with a total requested amount of 18.13 billion soums. Of these applications, 100 were successfully executed, raising 14.11 billion soums. The share distribution was notably weighted toward institutional investors, with 70.27% of shares allocated to them, while 29.73% were offered to retail investors. Allocation price was 1 000,00 soum. It should be noted that the company offered preferred shares in this IPO.

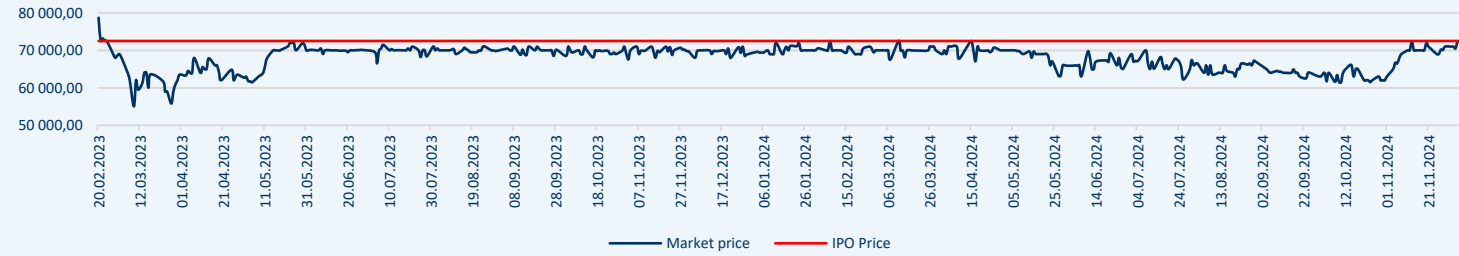
Uztelecom IPO (15.12.2023)

The Uztelecom IPO saw 10 950 applications, with a total requested amount of 43.6 billion soums. All applications were successfully executed, raising a total of 33.25 billion soums. In this IPO, 60% of the shares were allocated to corporate and institutional investors, while 40% were distributed to retail investors. Allocation price was 6 000,00 soum. Notably, this IPO marked the first time that a mobile trading application was used to gather bids.

UZEX SPO (08.11.2024)

In accordance with presidential decree №163, the State Assets Management Agency offered 4.44% of the state-owned shares of JSC Uzbek Commodity Exchange through the "People's IPO" program, which targets the privatization of 12 state-owned companies. The SPO, held in October, received considerable interest, with 12,641 applications, resulting in 108% oversubscription. Of these, 11,298 applications were successfully executed. As per the government's plan, 99% of the shares were allocated to retail investors. The total requested funds amounted to 46.6 billion soums, with 42.9 billion soums successfully executed. Allocation price was 12 900,00 soum.

UZAM | JSC "UzAuto Motors"



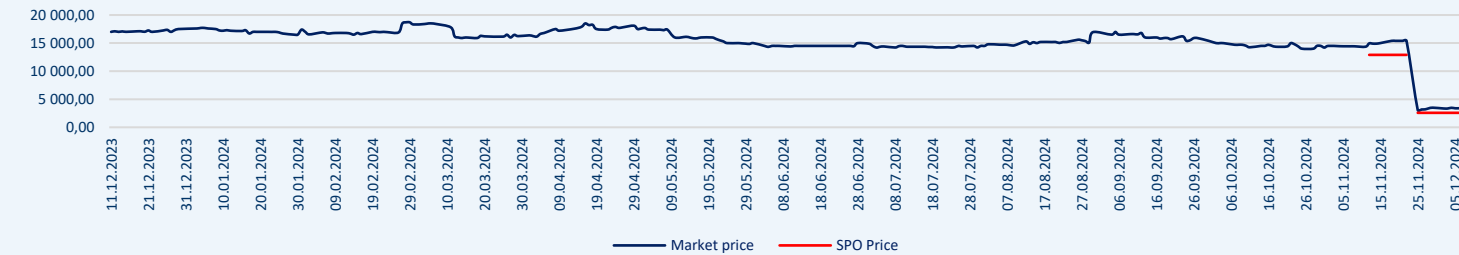
UZINP | JSC "Uzbekinvest"



UZTP | JSC "Uzbektelekom"



URTS | JSC "Uzbek Commodity Exchange"



Record-High Gold Prices in 2024

Gold reached an unprecedented peak of **\$2,694.93 per ounce on December 2024**, marking its highest value in history. This remarkable surge reflects a confluence of geopolitical, economic, and policy-driven factors shaping the global economic landscape.

Geopolitical Uncertainty: The ongoing **Russia-Ukraine conflict** continues to create global instability, fueling risk-averse behavior among investors. Gold's status as a safe-haven asset has driven increased demand amid the protracted conflict.

US Economic Policy Shifts: Following the U.S. presidential election, **President-elect Donald Trump** has introduced a range of controversial economic proposals. These include aggressive import tariffs and warnings of imposing **100% tariffs** on countries engaged in non-dollar-denominated trade, particularly targeting the BRICS bloc's initiatives to reduce reliance on the U.S. dollar in international transactions. Such policies have amplified concerns over the stability of the global economic system, prompting central banks and institutional investors to diversify reserves into gold.

BRICS Currency Development: Efforts by the BRICS nations (Brazil, Russia, India, China, and South Africa) to develop alternative mechanisms for trade settlement have increased uncertainty around the dollar's dominance. These developments further underscore the attractiveness of gold as a neutral reserve asset.

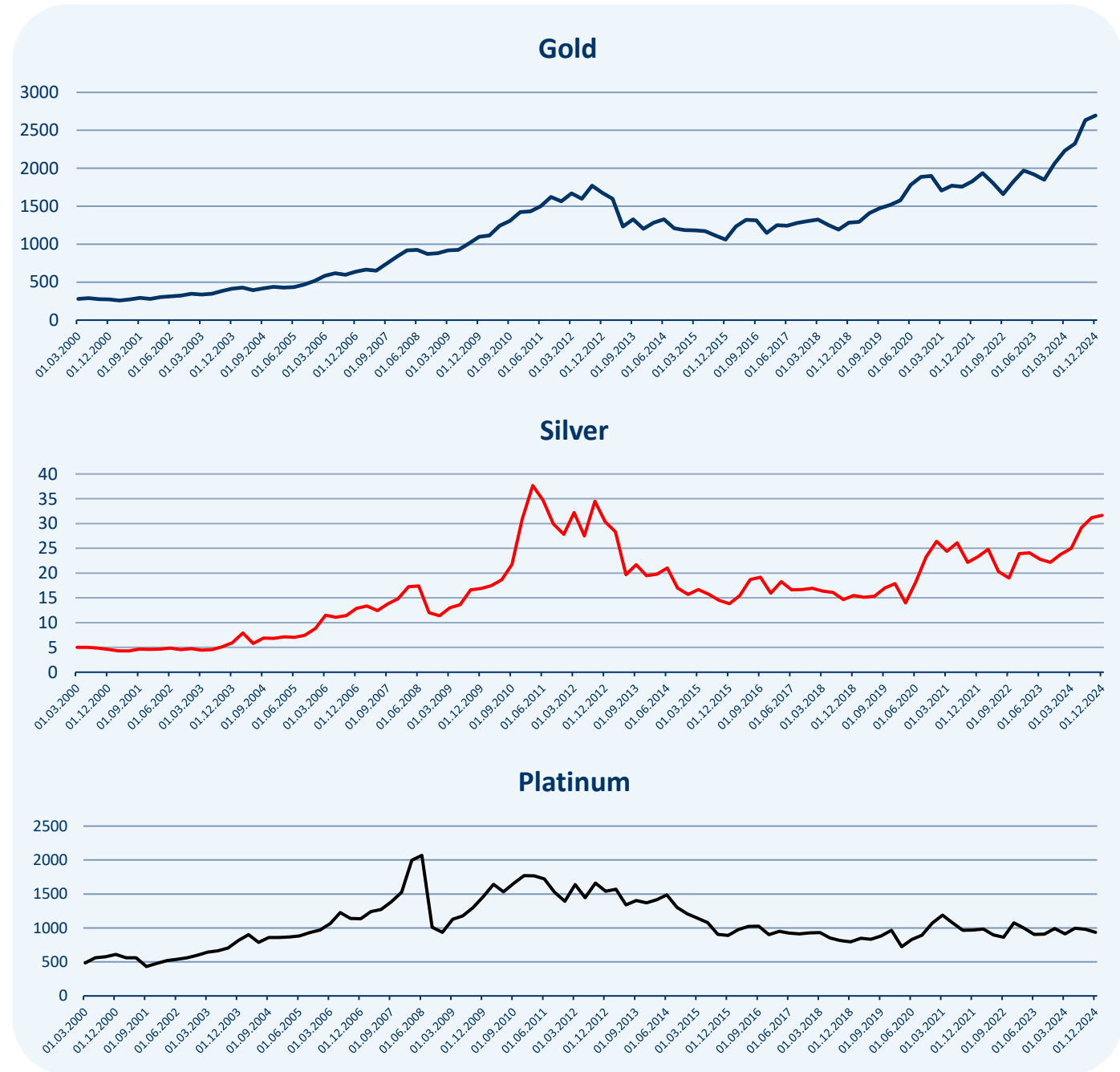
The distrustful outlook towards the upcoming U.S. administration and its potential impact on global trade relations has spurred a wave of gold accumulation by central banks and investors alike. With rising geopolitical tensions and uncertainty surrounding global trade policies, gold's upward momentum reflects its enduring role as a hedge against systemic risks.

Silver

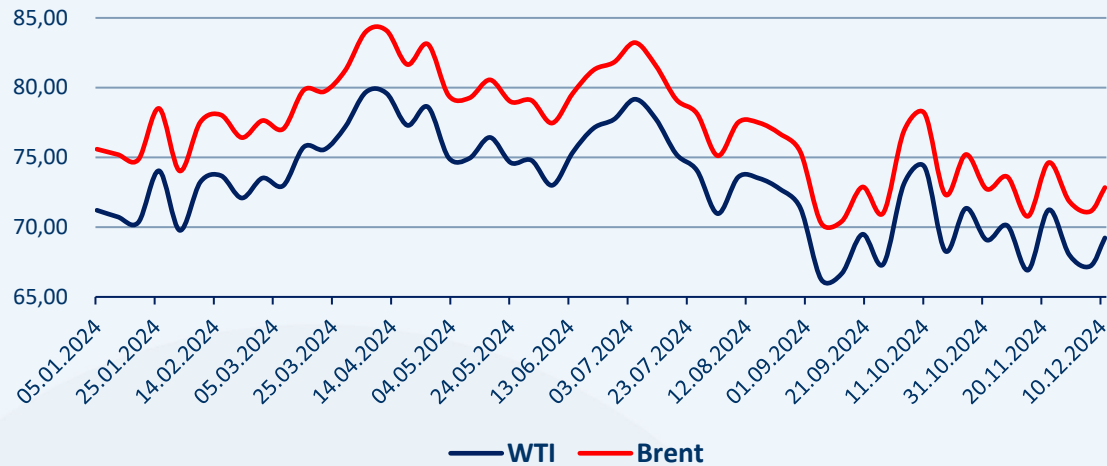
In 2024, silver reached a decade-high of **\$31.67 per ounce on December 11**, driven by surging industrial demand for green energy technologies, such as solar panels, and its safe-haven status amidst geopolitical and economic uncertainties. Investor interest was bolstered by global trade tensions and shifts in U.S. economic policies.

Platinum

Platinum closed at **\$935.20 per ounce on December 11, 2024**, reflecting mixed performance. While demand from traditional automotive applications declined due to the EV transition, growing interest in hydrogen fuel cell technology and renewable energy investments provided critical support for prices.

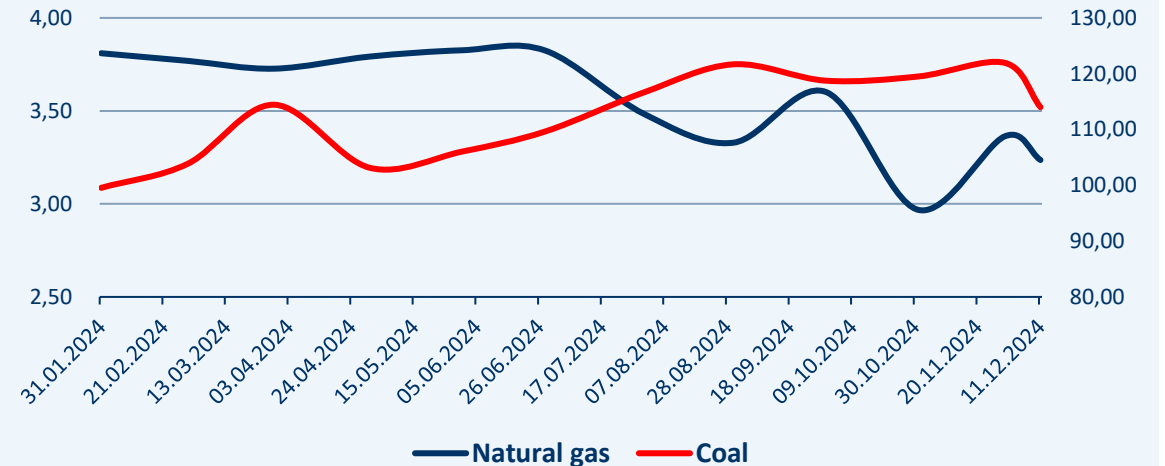


Oil price dynamics in 2024



In 2024, oil prices showed significant volatility, with **WTI crude** reaching a high of **\$79.68** and **Brent** peaking at **\$84.09** in April, driven by seasonal demand and OPEC+ production cuts. However, prices trended lower in the latter half of the year, closing at **\$69.23 (WTI)** and **\$72.84 (Brent)** on December 11. This decline reflects market concerns over slowing global economic growth, increased U.S. shale output, and easing geopolitical risks. Despite this, oil demand is projected to grow by **3.2 mb/d** between 2023 and 2030, driven by increased use of jet fuel and feedstocks for the thriving petrochemical sector. The International Energy Agency (IEA) reports that consumption of **naphtha, LPG, and ethane** will increase by **3.7 mb/d** during this period, particularly in emerging markets like **India** and **China**, as oil demand shifts towards these regions. This highlights the persistent balancing act between supply-side adjustments and demand uncertainties in the global oil market.

Natural Gas & Coal price dynamics in 2024



In 2024, natural gas prices showed volatility, with prices falling from **\$3.82 per MMBtu** on June 28 to **\$3.24** on December 11. This was influenced by a **2.8% year-on-year** increase in natural gas consumption, driven largely by demand in Asia. However, growth slowed in Q3 2024 due to higher gas prices. Global gas demand is expected to reach a record **4,200 bcm** by the end of 2024, with Asia-Pacific contributing nearly **45%** of the increase. LNG supply growth was slower than expected in 2024, increasing by just **2%**, mainly due to delays and supply issues.

Looking ahead, LNG supply growth is expected to accelerate in 2025, especially from North America, which will account for 85% of the incremental supply. However, geopolitical risks, such as the potential halt of Russian gas transit through Ukraine, may increase LNG demand in Europe.

In 2024, global coal production contracted, with a **15% drop** in U.S. output in the first half of the year, reflecting a long-term trend of declining coal use in power generation. Coal production in India and Indonesia grew by about **10%** each due to strong regional demand. According to the World Bank, global coal production is expected to decline further in 2025 and 2026, as major producers, except India, reduce output due to the global energy transition and the rise of renewable energy alternatives.

Legislative Chamber approves state budget for 2025. The Uzbek economy is projected to grow by 6% in real terms compared to 2024, with GDP per capita expected to reach US\$3,251. Other growth projections include 6.1% in industry, 4.1% in agriculture, 14.5% in market services, and 14.2% in construction. Inflation is forecasted at 7%. The draft budget sets GDP growth at 6%, with state budget revenues estimated at 308.5 trillion soums and expenditures at 344.6 trillion soums. A total of 20 trillion soums will be allocated to poverty reduction. Budget deficit for next year projected to be at 3%.



In November 2024, inflation perceptions among Uzbekistan's population reached their highest point in a year, with the average perceived price increase rising to **14.1%**, up by **0.9%** from October. The median inflation perception also increased to **11.3%**, marking the highest levels since August 2023. Tashkent residents reported the highest inflation perception at **18%**, while the lowest was in Navoi (10.9%).



In November 2024, Uzbekistan's international reserves decreased for the first time since March, dropping by **\$1.67 billion** (-3.8%) to **\$41.47 billion**, according to the Central Bank. The decline was driven by a **\$623 million** reduction in gold reserves, despite an increase in gold tonnage to **12.3 million troy ounces**, due to a 5% drop in global gold prices. Foreign currency reserves also fell by over **\$1 billion**, totaling **\$8.18 billion**, while the value of foreign securities held by the Central Bank rose to **\$101.3 million**.



Fitch Ratings has withdrawn the financial strength rating (FSR) of Uzbekistan's "Uzagrosugurta" JSC, which was previously rated at "BB-" with a "Negative" outlook. The decision was prompted by the company's declining transparency and delays in providing financial statements, creating uncertainty about its financial health and ability to secure government support. Fitch stated that insufficient information hindered an objective credit assessment, leading to the withdrawal of the rating and cessation of further analysis of the company.



Central bank of Uzbekistan to limit the number of bank cards issued to one user. The Central Bank of Uzbekistan clarified that it is not limiting individuals to one bank card but is considering a cap on the number of cards per person to prevent fraud. The proposed limit would allow up to **five cards per bank** and **twenty cards across all banks**, excluding foreign currency cards. Currently, **97%** of cardholders have up to five cards. The new rules aim to reduce fraud without disrupting payment processes. Final regulations will be shared publicly once ready.



Legislative Chamber Approve Increase in External Debt Limit as Government Exceeds Spending Cap

The government of Uzbekistan has once again exceeded its spending limit, prompting the Legislative Chamber to raise the external debt ceiling. Initially, the law set a cap of \$5 billion for borrowing under state guarantees at the start of the year. However, this limit has now been increased to \$7.3 billion.



The Financial Market Regulatory and Development Agency (FMRDA) of Kazakhstan has approved Qatar's Lesha Bank to acquire the status of a banking holding company and purchase Bereke Bank. Lesha Bank, a sharia-compliant institution, is licensed by the Qatar Financial Centre Regulatory Authority. As of July 2024, Lesha Bank's assets totaled \$2.05 billion, with equity of \$400 million. Bereke Bank's assets reached 2.248 trillion tenge in August 2024. In March 2024, Lesha Bank signed a deal with Kazakhstan's Baiterek holding to acquire Bereke Bank for 65 billion tenge (approx. 532 million Qatari rials). The purchase follows previous interest from investors in Qatar, Georgia, and the European Bank for Reconstruction and Development.



Kazakhstan plans to export 68.8 million tons of oil in 2024, with crude production expected to reach 88.4 million tons, according to Energy Minister Almassadam Satkaliyev. The majority of oil exports will be via the Caspian Pipeline Consortium (55.4 million tons), with additional shipments through the Atyrau-Samara pipeline (8.6 million tons), Aktau port (3.6 million tons), and rail (50,000 tons). The country is also exploring oil transport through the Baku-Supsa pipeline, with an estimated capacity of 3 million tons annually. Kazakhstan's oil production is projected to exceed 100 million tons annually in the coming years due to the development of major projects.



VTB has acquired the remaining 49.99% stake in Pochta Bank from "Pochta Rossii" for ₸36 billion, making it the sole owner of the bank. The transaction was announced by Digital Development Minister Maksut Shadaev. Pochta Bank was established in 2016 based on Leto Bank and was initially controlled by VTB, with "Pochta Rossii" purchasing a 49.99% stake. VTB lost operational control in 2017 but held an equal 50% stake with "Pochta Rossii". In 2021, VTB decided to regain control, buying shares from Dmitry Rudenko, the bank's former chairman. The deal will provide additional funding for "Pochta Rossii" and comes amid reduced sanctions risks, according to VTB. Initially, the transaction was planned for 2025 but was expedited this year.



Disclosure

The information contained in this report is based on sources deemed to be reliable as of the date of publication. However, no representation or warranty is made regarding the accuracy, completeness, or reliability of the data, and the author or any affiliated entities shall not be held responsible for any errors or omissions.

This report is provided for informational purposes only and does not constitute an offer or solicitation to buy or sell any financial instruments or to take any specific actions. It is not intended as investment advice and should not be construed as a recommendation or endorsement of any particular strategy, investment, or product. Readers are encouraged to conduct their own independent research or consult with professional advisors before making any investment decisions based on the information presented.

The views and opinions expressed in this report are those of the author at the time of writing and are subject to change without notice. The author and any associated organizations disclaim any liability for any loss or damage, whether direct or indirect, arising from the use of or reliance on the information contained herein.

The information may not reflect the views of all individuals or institutions involved, and the content should not be attributed to any specific organization unless explicitly stated.

No part of this report may be reproduced, distributed, or transmitted in any form or by any means without prior written permission from JSCB "SQB".

For further inquiries or additional information, please contact Investment banking department of JSCB "SQB".

License: Central Bank of the Republic of Uzbekistan for banking operations No. 17 December 25, 2021.

Contacts:

Address: Uzbekistan, Tashkent, 100000, st. Shakhrisabz, 3 (Head office)

Tel: (+998 71) 200 43 43

Email: info@sqb.uz

Website: www.sqb.uz