

Annex No. 10
to the decision of the sole shareholder
of JSCB “ASIA ALLIANCE BANK”

“APPROVED”
by the decision of the sole shareholder
of JSCB “ASIA ALLIANCE BANK”
on January 4, 2019 No. AC-2/2019

**Dividend policy
of the joint stock commercial bank
“ASIA ALLIANCE BANK”**

(new wording)

1. General Provisions

1.1. This dividend policy (hereinafter referred to as Dividend Policy) of Joint-Stock Commercial Bank “ASIA ALLIANCE BANK” (hereinafter referred to as the Bank) was developed in accordance with the Laws of the Republic of Uzbekistan “On Joint-Stock Companies and Protection of Stockholders’ Rights”, “On Securities Market”, Regulations of the Central Bank of the Republic of Uzbekistan “On Corporate Management in Commercial Banks” (registration of the Ministry of Justice No.943 dated 05.07.2000 No.943) “On demands for Capital Adequacy of Commercial Banks” (registration of the Ministry of Justice No.2693 dated 06.07.2015), the Charter of the Bank and other current normative legal acts of the Republic of Uzbekistan.

1.2. Main purpose of this Dividend Policy shall be establishment of transparent mechanism of decision making understandable to shareholders in respect to payment of dividends, determination of a size, procedures and time periods for payment thereof.

1.3. Dividend Policy shall be based on balance of interests of the Bank and its shareholders in determination of sizes of dividend payments, rising of investment attractiveness, financial stability, capitalization and liquidity of the Bank as well as on respect and strict observance of shareholders’ rights and raising prosperity thereof.

1.4. A dividend shall be a part of net profit of the Bank to be distributed among shareholders.

1.5. A dividend shall be distributed among shareholders proportionally to the quantity and type of shares which belong thereto.

1.6. The size of dividends shall depend on results of economic activity of the Bank for the elapsed period.

1.7. Adoption of a decision (announcement) in respect to payment of dividends on placed ordinary shares shall be a right and not an obligation of the Bank. The Bank shall undertake to pay dividends announced for each type of shares.

1.8. Under decision of the General Meeting of Shareholders of the Bank, a dividend may be paid in form of monetary funds or other lawful means of payment or in form of securities of the Bank.

1.9. No payment of dividends on preference shares in form of securities shall be allowed.

2. Determination of Dividend Size and Adoption of Decision on Payment (Announcement) Thereof

2.1. The Bank shall be entitled to adopt decision on payment of dividends on placed shares according to results of the first quarter, half-year, nine months of a financial year and (or) according to results of a financial year.

2.2. Decision on payment of dividends, dividend size, form and procedures of payment thereof on shares of each type shall be adopted by the General Meeting of Shareholders based on recommendation of the Supervisory Board of the Bank, data in financial reporting in case of existence of auditor’s conclusion in respect to reliability thereof. The General Meeting of Shareholders shall be entitled to adopt decision on non-payment of dividends on shares of certain types as well as on payment of dividends in partial size on preference shares for which no dividend size on is determined in the Charter of the Bank.

2.3. The decision on payment of dividends must be specify dates of commencement and completion of dividend payment.

2.4. The decision of the Bank on payment of dividends according to results of the first quarter; half-year and nine months of a financial year may be adopted during three months after completion of a respective period.

2.5. The size of dividends may not be greater than that is recommended by the Supervisory Board of the Bank.

2.6. In case where in accordance with the legislation the size of dividends shall be agreed with the Ministry of Finance of the Republic of Uzbekistan, the size of dividends may not be lesser than that is recommended by the Ministry.

2.7. The size of dividend per one ordinary registered share shall be determined based on funds directed to dividend payment on ordinary shares divided on quantity of specified shares placed and circulated with entities which are entitled to receive dividends.

2.8. The amount of dividends accrued to one shareholder shall be determined by multiplication of a dividend per one share to a quantity of shares belonging to such shareholder according to the shareholders registry formed for holding the General Meeting of Shareholders during which a decision on announcement of dividends will be adopted.

3. Procedures for Payment of Dividends

3.1. Dividends shall be paid from net profit which remains at the disposal of the Bank, and (or) from undistributed profits of previous years.

3.2. Payment of dividends to shareholders of the Bank according to results of a financial year, first, second and third quarters must be made after confirmation of profit by external audit inspection and deductions to increase capital. Dividends may be paid only after formation of the respective reserve to cover possible losses and making adjustments in accordance with requirements of the Central Bank of the Republic of Uzbekistan.

3.3. In payment of dividends, it is necessary to rely on actually available profit adjusted to the amount accrued but not received interest incomes.

3.4. Shareholders recorded in the registry of shareholders of the Bank formed for holding the General Meeting of Shareholders at which decision on announcement of dividends is adopted shall have a right to receive dividends.

3.5. In case the Bank issues preference shares, dividends on such shares shall be paid in the first place then dividends on ordinary shares shall be paid. If there exists profit sufficient for payment of fixed dividends on preference shares, the Bank shall not be entitled to refuse holders of the said shares in payment of dividends. Payment of dividends on preference shares by the Bank in case of lack of profit or unprofitability of the Bank shall be possible only at the expense of and within the reserve fund of the Bank created for such purpose.

3.6. Under decision of the General Meeting of Shareholders, the dividend not demanded by an owner or legal successor or heir at law thereof during three years shall remain at the disposal of the Bank.

3.7. The period and procedures of dividend payment shall be determined by the Charter of the Bank and decision of the General Meeting of Shareholders. The period

of dividend payment may not be later than 60 days from the day of adoption of such decision.

3.8. On written demand a non-resident shareholder of the Republic of Uzbekistan, the Bank shall undertake to carry out conversion of dividends accrued thereto into freely convertible currency, with transfer of funds to a bank account submitted by a non-resident shareholder.

3.9. The announced dividends on shares of any kind shall be recorded in the balance sheet account "29822 - Dividends to be paid".

3.10. Dividends shall be paid:

- to legal entities in non-cash manner;
- to physical persons in non-cash manner to bank accounts thereof or in cash with monetary funds via cash offices of the Bank.

3.11. On written instruction of a shareholder, the dividends which belong to a shareholder may be directed to acquisition of shares of the Bank according to established procedures.

3.12. In case of non-payment (non-receipt) of dividends at the Bank's fault within the periods established by the General Meeting of Shareholders, a penalty based on a refinancing rate established by the Central Bank of the Republic of Uzbekistan shall be charged on unpaid (unreceived) dividends. The size of a penalty charged on the unpaid (unreceived) dividends must not exceed 50 percent of the amount of unpaid (unreceived) dividends. The penalty for the period of delay in payment of a dividend shall be charged from the day following the day when the period for payment of a dividend expires.

3.13. A shareholder shall be entitled to juridical demand payment of dividends accrued by the Bank and a penalty. In case of non-payment of dividends by the Bank, in due process of satisfaction of shareholder's claims by a court, the procedure for elimination of insolvency or adjudication in bankruptcy shall be applied in respect to the Bank according to procedures established by the legislation.

3.14. The Bank shall bear no responsibility for losses of shareholders related to non-payment or untimely payment of dividends in connection with absence, incorrect or partial data on a recipient of dividends. On timely basis, the shareholders must inform the servicing Investment Intermediary of the shareholders of the Bank about changes in own data including payment details and addresses for sending mail messages and other messages of notifying nature.

3.15. Repeat transfer of dividends to a shareholder according to corrected details shall be made on written application of a shareholder and at the expense thereof.

4. Restrictions on Payment of Dividends

4.1. The Bank shall not be entitled to take decisions on payment of dividends in following cases:

- if at the moment of dividend payment there are signs of insolvency (bankruptcy) or the said signs will appear in the Bank as a result of dividend payment; also if consequences of payment may lead to substantial deterioration of financial and economic condition of the Bank;
- if net asset value of the Bank is less than the authorized and reserve capitals thereof;

- if the Bank is in breach of economic normatives established by the Central Bank of the Republic of Uzbekistan; also if the economic normatives are violated as a result of dividend payment that ultimately may lead to creation of serious risk for interests of depositors and creditors;
- if in respect to the Bank there is a requirement of the Central Bank of the Republic of Uzbekistan to cease of dividend payment.

When the circumstances specified in this article cease, the Bank shall undertake to pay accrued dividends to shareholders.

4.2. No dividends are accrued on own repurchased shares of the Bank.

4.3. If undistributed profit of the Bank is insufficient for dividend payment and also if payment of dividends shall lead to lack of bank's capital, no payment of dividends shall be made by the bank.

5. Notification of Shareholders on Payment of Dividends

5.1. In accordance with the Laws of the Republic of Uzbekistan “On Joint-Stock Companies and Protection of Stockholder’s Rights”, “On Securities Market” as well as “Rules of Provision and Publication of Information in Securities Market” (registration of the Ministry of Justice No.2383 dated 31.07.2012), the Bank shall publish messages about accrual of incomes on securities of the Bank on web-sites of RSE “Tashkent” (www.uzse.uz), the Bank (aab.uz) as well as in The Single Portal of Corporate Information (www.openinfo.uz) within two business days from the date of adoption of the respective decision.

5.2. The message must be formalized in strict conformance to “Rules of Provision and Publication of Information in Securities Market” (registration of the Ministry of Justice No.2383 dated 31.07.2012).

6. Taxation of Dividends

6.1. Taxation of dividends shall be carried out in accordance with the tax legislation.

6.2. The size of dividends shall be announced excluding the tax thereon. In accordance with the Tax Code of the Republic of Uzbekistan, dividends shall be taxed at the source of payment. At the same time, the Bank shall pay dividends to shareholders excluding respective taxes.

6.3. When tax is withheld on the accrued dividends at the source of payment, the Bank takes into account the current tax exemption benefits provided for by the current legislation of the Republic of Uzbekistan.

7. Final Provisions

7.1. This Dividend policy shall enter into force upon its approval by the general meeting of shareholders.

7.2. If one of the rules of this Policy expires, this rule is not a reason to suspend other rules.

7.3. If the current legislation of the Republic of Uzbekistan establishes other provisions than provided by this Policy, the rules of the current legislation of the Republic of Uzbekistan shall be applied.