

"APPROVED"

Joint Stock Commercial Bank
"ASIA ALLIANCE BANK"

Chairman of the Supervisory Board

_____ Tashpulatov F.M.

"12" April 2019y.

No. K-9

"REGISTERED"

Capital Market Development Agency
of the Republic of Uzbekistan

Director

_____ Nazirov A.A.

"28" June 2019y.

No. P0901

**DECISION
ON ISSUANCE OF CORPORATE BONDS**

JOINT STOCK COMMERCIAL BANK "ASIA ALLIANCE BANK"

Identification number:	R	U	3	0	1	P	0	9	0	1	R	4
-------------------------------	---	---	---	---	---	---	---	---	---	---	---	---

Registered non-documentary interest-bearing corporate bonds in the amount of 50 000 (fifty thousand) with nominal value 1 000 000 (one million) UZS totaling 50 000 000 000 (fifty billion) UZS

Issued bonds are placed by open subscription

Current issuance is the _____ **1 (first)** _____ issuance.

Approved by the Supervisory Board, Minutes No. K-9 as of April 12, 2019 on the basis of the decision of the Supervisory Board, Minutes No. K-9 as of April 12, 2019

100047, 2a, Makhtumquli str., Tashkent city, Republic of Uzbekistan
Telephone: (71) 231-60-00, fax: (71) 289-64-44, info@aab.uz

Chairman of the Management Board

Abdukakhorov I.A.

Chief Accountant

Sharipov D.P.

Stamp

Date: "12" April 2019y.

1. Type and type of bonds of the issue (ordinary, winning, interest-bearing, interest-free (target), etc.): **interest registered corporate bonds.**
2. Form of this bond issue: **non-documentary form.**
3. Nominal value of bonds of this issue (soum): **1 000 000 (one million) soums.**
4. Number of bonds of the issue (pcs.): **50,000 (fifty thousand) pcs.**
5. Total volume of the issue (soums): **50 000 000 000 (fifty billion) soums.**
6. Rights of bondholders of this issue:

Each bond of this issue gives its holder the same amount of rights.

The bondholder has the right to receive the nominal value of the bond upon maturity of the bond, as well as the right to receive interest income in the form of a percentage of the nominal value of the bond in the manner and at intervals specified by the terms of this decision on the issue of bonds.

The bondholder has the right to freely sell and otherwise alienate bonds in accordance with the current legislation of the Republic of Uzbekistan and the terms of this decision on the issue of bonds.

Bonds of this issue are not collateral for the requirements of the bank or its affiliates.

If this issue is declared invalid, the Bank shall pay the bondholders the nominal value of the bonds and interest income in the manner specified by the terms of this decision on the issue of bonds.

In the event of reorganization of the Bank, the bondholder has the right to demand early fulfillment of obligations by the Bank on the bonds.

In the event of liquidation of the Bank, the bondholder has the right to receive the due funds after satisfying the requirements of depositors and other creditors before distributing the remaining property between the shareholders.

The bondholder also has other rights stipulated by the current legislation of the Republic of Uzbekistan.

7. Any restrictions on the purchase of bonds of this issue in the charter of the company and / or in the decision on the issue:

The Bank's Charter does not provide for restrictions on the purchase of bonds of this issue. In accordance with the decision on the issue, bonds are placed by open subscription among an unlimited number of persons.

8. Amount of the registered share capital of the company (soums): **140 000 000 000 soums (according to the charter).**

9. The number of previously placed shares (indicated by type): **669 926 405 (six hundred sixty nine million nine hundred twenty six thousand four hundred and five) ordinary registered non-documentary shares.**

10. Number of previously placed bonds (indicated by type and type): **The Bank has not issued bonds previously.**

11. Terms and procedure for the placement of bonds of this issue.

11.1 Method of placement of bonds of this issue (open or closed subscription):

(In the case of a closed subscription, potential bond purchasers is also indicated.)

Bonds of this issue are placed by open subscription among an unlimited number of persons.

11.2. The term of placement of bonds of this issue:

(Indicated: the start date and end date of the bond placement or the procedure for determining the bond placement term.

If the bond placement period is determined by indicating the dates of disclosure of any information on the issue of bonds, the disclosure procedure is also indicated such information.)

The term for the placement of bonds of this issue within a year from the date of its state registration by the Capital Market Development Agency of the Republic of Uzbekistan.

Start date of placement: the 15th day from the date of publication of information on the issue of bonds in the manner and terms established by law. In case the start date of the placement of this bond issue falls on a day off for bank settlement operations, the start date of the placement is postponed on the first business day following these days.

End date of placement: date of placement of the last bond of the issue, but not more than a year from the date of its state registration by the Capital Market Development Agency of the Republic of Uzbekistan.

11.3. The procedure of placement of bonds of this issue:

(Indicated: the procedure and conditions for the conclusion of civil transactions during placement of bonds; markets through which the placement will take place.

If the placement of bonds is carried out by the issuer with the involvement of professional participants in the securities market providing services to the issuer placement of bonds (underwriters), for each such person additionally indicate:

full and abbreviated company names, location;

number, date of issue and validity of the license to exercise professional activities, the authority that issued the specified license;

the main functions of this person, and if the agreement between the issuer and the person, providing him with services for the placement of bonds, the acquisition of the latter, at its own expense, of bonds not placed within the period established by such an agreement, - also this period or the procedure for determining it.)

Bonds of this issue are placed by concluding purchase and sale transactions on an organized exchange market in the established manner.

Attracting an underwriter for placement of bonds of this issue is not provided.

11.4. Full company name, including legal form, location, mailing address, telephone number of the Central Securities Depository and investment intermediary that records the rights to securities:

Storage of bonds, as well as the formation of a register of bonds is carried out by the Central Securities Depository of the Republic of Uzbekistan.

Full company name - State Enterprise “Central Securities Depository”.

Location and postal address:

Republic of Uzbekistan, Tashkent city, 100170, Mirzo-Ulugbek district, Mustakillik avenue, 107, 3rd floor, telephone: 71-267-37-42, fax: 71-267-37-42. e-mail: info@deponet.uz, web address: www.deponet.uz.

Information about the investment intermediary that records rights to bonds of this issue:

Full company name - Foreign company Joint Stock Company Silk Capital.

Location and postal address:

Republic of Uzbekistan, Tashkent city, Mirzo-Ulugbek district, Mustakillik street, 59-A, phone: 71-237-04-78, website: www.silkcapital.uz.

11.5. The procedure for exercising the preemptive right to purchase placed bonds convertible into voting shares:

(If the preemptive right to acquire the placed bonds convertible into voting shares shall indicate: date (procedure for determining the date) of compiling a list of persons who have such preemptive right;

procedure for notification of the possibility of exercising the preemptive right purchasing bonds placed in this way;

the procedure for exercising the preemptive right to acquire such by way of bonds;

the procedure for converting bonds into voting shares.)

This bond issue is not convertible into voting shares, thus, the exercise of the preemptive right to purchase the placed bonds of this issue is not provided.

11.6. Price (prices) or procedure for determining the placement price of bonds of this issue:

(The price (prices) or the procedure for determining the price of the placement of bonds is indicated.)

Initial placement price of one bond of this issue on the first day of placement (start date of placement, determined in accordance with from clause 11.2 of this decision on the issue) and on the first day of the interim period is equal to its nominal value – 1 000 000 (one million) soums, on other days the placement price is determined as the sum of its par value and the accumulated interest income in this interim period.

The placement price of one bond is determined according to the following formula:

$$P_r = \text{Nom} \times \left(1 + \sum_{i=1}^3 R_i \times D_i \div 365\right) - T$$

P_r - placement price of one bond as of the date of the purchase and sale transaction, in soums;

Nom - the par value of one bond, in soums;

R_i ($i = 1..3$) - the size of the interest rate, expressed as a percentage per annum. R_i = refinancing rate of the Central Bank of the Republic of Uzbekistan, valid at the beginning of each month of the interim period for which income is charged, + 4%;

D_i ($i = 1..3$) - number of days in each month of the interim period from the date of the beginning of the interim period in which the sale and purchase transaction is concluded, before the date of the transaction. Moreover, for the first intermediate period D_1 is calculated from the date of the beginning of the placement of bonds of this issue and before the end date of the month.

T - the amount of tax calculated from the amount of interest income added to of the par value of the bond upon its placement, is applied if as of the date of placement of the bond, legislation on withholding tax by the Bank from source of payment of interest income.

The placement price of one bond is determined with an accuracy of one tiyin.

The interim period is equal to one calendar quarter, after which interest income is paid to the bondholder.

11.7. Terms and procedure for payment of bonds:

(The conditions, the procedure for payment of bonds, including the form of payments, full and abbreviated corporate name of credit institutions, their place location, bank details of accounts to which money should be transferred funds received as payment for bonds, addresses of payment points (in case of cash form of payment).

In case of payment for bonds other than cash, the property is indicated, by which bonds can be paid, terms of payment, including documents, drawn up with such payment (acts of acceptance and transfer of property, etc.), as well as the following information about the appraiser (appraisers) involved in determining the market the value of such property:

full and abbreviated company name, location of the appraiser;

number, date of issue and validity of the license activity, the authority that issued the specified license.)

Payment for bonds of this issue is made in cashless form in the national currency of the Republic of Uzbekistan, based on the organized exchange market of purchase and sale transactions in accordance with the rules of exchange trading.

Payment for the bonds of this issue not in cash is not provided.

11.8. The procedure for the return of funds received by the issuer as payment for bonds, in case this issue of bonds is recognized as failed:

This issue of bonds is considered failed in case of placement less than 30% of the total number of securities within a specified period.

If the bonds of this issue are recognized as failed, the Bank publishes an official notice of this fact in the manner prescribed in current legislation, and also requests from the Central Securities Depository securities market list of bondholders as of the date of recognition of this issue failed.

Since the publication of the recognition information for this issue failed, the Bank suspends accrual of interest on bonds of this issue established by this decision.

All bondholders must apply to the Bank with an application about the refund, indicating the main accounts to which you need to transfer facilities.

The bank undertakes to return to all bondholders of this of the issue, the par value of the purchased bonds, as well as interest (for the actual circulation period of bonds in the interim period, in which the issue of bonds was declared failed), within 10 (ten) days from the date of recognition of this issue of bonds as failed in the order, established by law.

12. Security for bonds of this issue:

(full company name, including organizational and legal the form of the legal entity that provided the security are indicated;

type of collateral; amount of collateral in monetary terms.)

The bonds of this issue are issued unsecured.

13. Procedure and terms of bonds circulation:

The issue of bonds into circulation is carried out after the state registration of a bond issue in the manner prescribed by law and after their registration with the Central Securities Depository of the Republic Uzbekistan, bonds are credited to the issuer's DEPO account in its authorized serving investment intermediary.

The circulation period of the bonds of this issue is 2 557 (two thousand five hundred fifty seven) days from the date of the beginning of the placement of bonds of this issue.

Bonds are circulated by concluding purchase and sale transactions, as well as other actions provided for by the legislation of the Republic Uzbekistan leading to a change in the owner of securities. Bonds may circulate on the exchange and over-the-counter securities market.

The rights to the bonds pass to the acquirer from the moment they are entered into according to the established procedure, the corresponding credit entry on the "depo" account of the acquirer and confirmed by a depo account statement issued by serving investment intermediary, in the manner prescribed legislation.

The rights, certified by the bond, pass to the acquirer from the moment transfer of rights to the bond.

14. Terms of redemption and payment of income on bonds.

14.1. Form of bond redemption (cash, property, conversion etc.):

The bonds of this issue are redeemable only in cash in the national currency of the Republic of Uzbekistan in cashless form.

14.2. The procedure and conditions for redemption of bonds, including the maturity date: (Term maturity is determined from the moment the beginning of band placement and can be defined:

calendar date (the procedure for determining this calendar date);

a period of time (the procedure for determining a given period of time).

After the expiry of the bonds circulation period, the Bank undertakes to redeem all placed bonds for the purpose of their further redemption and cancellation in the manner prescribed by the legislation of the Republic of Uzbekistan.

The bonds of this issue are redeemed within 10 days starting from 2 557 (two thousand five hundred fifty seventh) day, from the start date of placement of bonds.

If the date of payment of the repayment amount falls on a weekend for bank settlement transactions, the payment of the proper amount is made on the first business day following these days.

Payment of funds to bondholders upon redemption of this bond issue is made by transferring funds (par value and interest income for the last interim period) to the bank accounts of bondholders, based on information from the register of bondholders, formed by the central registrar as on the 2 557th day from the start date of the placement of bonds.

Based on the written request of the bondholders, cash can be paid to the bondholder`s investment intermediary with subsequent crediting to the personal account of the bondholder.

The Bank will not be responsible for any delay in payment of the funds due bondholders, if the register for payment of income has incomplete and / or inaccurate information about the bank details of the bondholder. To avoid such situation, bondholders have the right to before the end of the current interim period, send a letter to the Bank, with indicating own bank details. Also, the Bank will not be liable for late provision by the central registrar of the register as on the 2 557th day from the start date of the placement of bonds.

If there is no information about bank details in the register of bondholders, or the information will lose its relevance, funds due to this bondholder will be kept in the Bank for conditions without interest.

14.3. The procedure for determining the income paid on each bond (the size income or the procedure for determining it, including the amount of income paid under each coupon, or the procedure for determining it):

The bondholder has right to receive interest income of the par value of the bond (less withholding tax at source of payment of interest income in cases provided for by the current tax legislation) for the expired interim period in the manner prescribed by terms of bond issue. The interest income on bonds will be paid by the Bank to the bondholders registered in the register of bondholders, formed on the last date of the corresponding intermediate period.

Interest income for each interim period per bond is determined in accordance with the following formula:

$$Q_r = \text{Nom} \times \sum_{i=1}^3 R_i \times D_i \div 365 - T$$

Nom - the par value of one bond, in soums;

R_i ($i = 1..3$) - the size of the interest rate, expressed as a percentage per annum. R_i = rate refinancing of the Central Bank of the Republic of Uzbekistan, acting at the beginning of each month of the interim period for which income is accrued, + 4%.

D_i ($i = 1..3$) - number of days in each month of the interim period from the start date the interim period for which interest income is accrued. Moreover, for the first of the intermediate period D_1 is calculated from the start date of the placement of bonds of this issue and before the end of the month;

T is the amount of tax on interest income, in soums (if the norm of tax legislation on withholding tax at the source of payment on such income is in power);

The amount of interest income per bond is determined accurate to one tiyin.

14.4. Procedure and term of payment of yield on bonds, including procedure and term of payment income for each coupon:

Interest income of owners of bonds of this issue is made in in the form of interim payments at the end of each calendar quarter.

The interim period is equal to one calendar quarter, after which interest income to the bondholder is paid.

The amount of interest payments is determined in accordance with the terms of this issue of corporate bonds.

Interest income payments are made quarterly until the tenth of month following the end of the calendar quarter for which the income is accrued.

The schedule of payment of income on bonds will be published on the official website of JSCB "ASIA ALLIANCE BANK" (<http://www.aab.uz>) within ten days from the start date of the placement of bonds of this issue.

To pay income, the Bank sends to the Central Securities Depository request for the formation of the register of bondholders as on the last day of each interim period for which income is accrued. Based on the register of bondholders provided by the Central Securities Depository, to pay interest income, the Bank calculates the amount of funds to be paid to each of the persons authorized to receiving income from bonds.

The Bank, no later than 10 days after the end of the calendar quarter, transfers accrued income attributable to bondholders in bank accounts of bondholders, based on information from the register of bondholders, generated by the central registrar.

Based on a written request from the bondholder, income may be paid to the investment intermediary of the bondholder with subsequent crediting to the personal account of the bondholder. The Bank will not bear liability for delays in payment of interest income to bondholders, registered in the register for income payment, if the register for income payment has incomplete and / or inaccurate information about the bank details of the bondholder. To avoid this situation, bondholders have the right in advance before the end of the current interim period, send to the Bank a letter indicating own bank details. Also, the Bank will not bear responsibility for late provision by the central registrar register for the income payment.

In case there is a tax legislation norm on withholding by the Bank tax on income in the form of interest at the source of payment and at the bondholder there is an exemption for the payment of income tax (including exemption from the payment of tax on income), then such bondholder must submit to the Bank written notice in advance. Such letter of notice must contain the following information: name of the regulatory act, based on which the exemption is applied (with a copy of this regulatory act), the basis on which such exemption is applied to the bondholder and the bank details of the bondholder. The letter of notice must be submitted to the Bank no later than 5 calendar days before the end of the current interim period.

Information on accrued and paid interest income for bonds of this issue at the end of each calendar quarter will be published in the media in the manner prescribed current legislation.

14.5. The possibility and conditions of early redemption of bonds, in particular: price (cost) of early redemption, the term, no earlier than which the bonds may be presented for early repayment, as well as the procedure for disclosing information by the issuer on early repayment:

Early redemption of bonds is possible only with the permission of the Central Bank of the Republic of Uzbekistan.

Early redemption of the bond issue starts from the 1 827th day from the date of the actual completion of the placement of the bond issue by quarterly issuing by the Bank applications for the purchase of bonds in the amount of 25% on the number of bonds issued into circulation.

Early redemption of the bond issue earlier than the 1 827th day from the date of state registration of a bond issue is possible in cases of recognition by the registering authority of this issue failed, recognition by the court invalid also upon reorganization or liquidation of the Bank.

If the bonds of this issue are recognized failed, the Bank publishes an official notice on this fact in the manner prescribed by the current legislation.

15. The procedure for disclosing information on the issue of bonds by the issuer in accordance with legislation of the Republic of Uzbekistan:

With originals and copies of the decision on issue of corporate bonds and the prospectus of bonds issue of the Bank can be found on the basis of an application in the office of JSCB "ASIA ALLIANCE BANK" at the address Republic of Uzbekistan, Tashkent city, 100047, Makhtumkuli street, 2a, phone: 71-231-60-00, fax: 71-289-64-44.

Information on the bond issue, subject to disclosure in accordance with the legislation on the securities market will be published on the Single portal corporate information (<https://openinfo.uz>), on own official website (www.aab.uz) and on the website of JSC RSE "Toshkent" (www.uzse.uz).