

“APPROVED”

By the Decision of the Board of
JSCB “Hamkorbank”

Protocol No 21 dd. 09.09.2016

[signature]

Chairman of the Bank Council

I. Ibragimov

**EMISSION POLICY
OF THE JSCB “HAMKORBANK”**

EMISSION POLICY OF THE JOINT-STOCK COMMERCIAL BANK “HAMKORBANK” WITH THE PARTICIPATION OF FOREIGN CAPITAL

1. General Provisions

- 1.1. General Provisions of the Joint-Stock Commercial Bank “Hamkorbank” with the Participation of Foreign Capital (hereinafter referred to as the Policy) was developed in accordance with the Civil Code of the Republic of Uzbekistan, the laws “On banks and banking activity”, “On joint-stock companies and protection of shareholders' rights”, “On the Securities Market” and other legal and legislative acts of the Republic of Uzbekistan, regulatory documents of the Central Bank of the Republic of Uzbekistan (hereinafter referred to as the Central Bank), as well as the Articles of Association of the Commercial Bank “Hamkorbank” with the participation of foreign capital (hereinafter referred to as the Bank).
- 1.2. This Policy defines the goals, objectives and procedures for issuing Bank securities and is an integral part of the Bank’s development strategy.
- 1.3. Emission policy is the issuance by the Bank of the securities (stocks, bonds, deposit and saving certificates, promissory notes and derivative securities) to increase the capital and resource base, as well as diversify the Bank’s liabilities to ensure liquidity.

2. Basic Definitions

- 2.1. The Policy uses the following basic definitions:
- 2.2. A **share** is a registered issue grade security without a fixed period of validity certifying the right of its owner to receive part of the company's profit in the form of dividends, to participate in the management of the joint-stock company and to a part of the property remaining after its liquidation;
- 2.3. **Information Disclosure** is ensuring the availability of information on the securities market to interested parties regardless of the purpose of obtaining this information in forms which guarantee its presence and receipt;
- 2.4. **Bill** is a non-issue security certifying the unconditional obligation of the bill drawer or another payer specified in the bill to pay a certain amount to the holder of the bill when the bill is due;
- 2.5. **Certificate of Deposit** (Deposit Certificate) is a non-issuing security certifying the amount of the deposit made to the Bank and the rights of the depositor (certificate holder) to receive the deposit amount and the interest on the certificate issuing bank or any branch of the Bank after the deadline.
- 2.6. **Investor** is a legal or private person acquiring securities at its own name and at its own expense;
- 2.7. **Non-issuance securities** are securities that do not fall under the notion of issuance securities in accordance with this Policy;
- 2.8. **Bond** is an issuance security certifying the right of its holder to receive the nominal value of a bond from the Bank within the period provided for and to receive a fixed percentage of the nominal value of the bond;
- 2.9. **Registered securities** are securities, the sale of property rights for which requires the registration of their owner;
- 2.10. **Issuance securities** are securities which within a single issue have homogeneous features and details, placed and traded on the basis of the same conditions for this issue;
- 2.11. **Unified National Register of Issuance Securities** is a list of registered emission of issuance securities;
- 2.12. **Emitent** is the Bank emitting issuance securities and liable for them to their owners;
- 2.13. **Option** is an Issuance securities certifying the right to purchase a specified number of securities of its Emitent at a fixed time within the specified period;
- 2.14. **Securities** are documents certifying property rights or loan relations between a legal entity which had issued these documents and their owner, providing for the payment of income in

the form of dividends or interest and the possibility of transferring the rights arising from these documents to other persons. The cost of securities is expressed in the national currency of the Republic of Uzbekistan:

- 2.15. **Securities futures** are issuance securities certifying the obligation to buy or sell a specified number of securities at a fixed price within the period provided for therein;
- 2.16. **Placement of securities** is the alienation of securities to their first owners through the conclusion of transactions;
- 2.17. **Securities business** is purchase and sale of securities as well as other actions stipulated by law, leading to a change of securities' holder;
- 2.18. **Issue of the securities - ВЫПУСК** are actions of the Bank aimed at the emergence of securities as an object of civil rights;
- 2.19. **Securities owner** is a legal or private person whom the securities belong to by right of ownership or other property right;
- 2.20. **Emission of the securities ЭМИССИЯ** - issuance and placement of issuable securities;
- 2.21. **The prospectus for issuing securities** is a document containing information about the issuer and the securities issued by it as well as other information which might influence the investor's decision to purchase the securities;
- 2.22. **Derivatives securities** are securities certifying the rights or obligations of their owners in relation to other securities and are issued by legal entities in the form of issuer options, futures on securities and other financial instruments;
- 2.23. **Subordinated debt** is a form of the bank's debt obligations and, with the aim to determine the capital, it cannot exceed 50% of the capital of level I after deductions. The amount of subordinated debt that is included in level II capital should be reduced by 20% annually over the past 5 years remaining until maturity.

3. Purpose and Strategies of Emission Activities

- 3.1. The main purpose of the issuing activity is to attract free funds of the population and economic entities into the issued securities of the bank and with the help of these funds increase the capital and expand the resource base of the Bank as well as diversify Bank's liabilities.
- 3.2. Based on the purpose of the issuing activity, the Bank applies the strategies as follows:
 - a) long-term issuing strategy that is issuance of long-term securities in order to form long-term liabilities;
 - b) short-term issuing strategy that is issuance of short-term securities in order to form short-term liabilities;
 - c) expansion of the authorized capital that is issuance of shares to increase the Bank's equity.
- 3.3. In order to attract free financial resources of legal entities and individuals for the long-term and short-term periods, the Bank may issue securities expressing the Bank's liabilities in the prescribed manner.
- 3.4. The bank may also issue long-term debt securities to form subordinated debt.
- 3.5. Before deciding to issue securities, the Bank should determine the following:
 - a) the main purpose of the issuance of securities in circulation;
 - b) the expected effectiveness from the issuance of securities in circulation;
 - c) practical technology of issuing securities related to their issuance into circulation,
 - d) study and analysis of the existing supply and demand on the issuance securities market, potential investors as well as investment programs of investors;
 - e) establishment of the maturity period for issuance securities, taking the rates of return on long-term and short-term strategies for lending to the Bank into account as well as the effective use of attracted resources and interest rates on loans.
- 3.6. The purpose of the emission policy of the bank is as follows:
 - increase of the authorized capital;
 - expansion of financial opportunities and creation of appropriate conditions for expanding the Bank's business:

- compliance with the laws of the Republic of Uzbekistan and the standards of the Central Bank in the field of emission activities;
 - increase in the volume of credit operations of the Bank;
 - introduction of new types of banking products and implementation of intensive marketing activities.
- 3.7. When issuing deposit certificates and bonds, the aim of the bank policy is as follows:
- attraction of borrowed resources and maintaining liquidity;
 - expansion of the Bank's activities on the securities market;
 - increase of Bank's profit;
 - cost reduction by searching for alternative sources of borrowing;
 - offering new, more attractive and competitive banking products to customers.
- 3.8. Within the framework of the current legislation and this Policy, the Bank determines the direction of the issuing activity and chooses types of securities that it considers appropriate or desirable to issue.
- 3.9. The Bank develops an emission program for all types of securities issued carefully and on a conservative basis.

4. Types and Forms of Securities Issued for Circulation

- 4.1. In accordance with requirements of current legislature and regulations, the Bank has the right to issue the following types of securities:
- a) shares;
 - b) bonds;
 - c) deposit certificates;
 - d) derivatives securities;
 - e) other securities.
- 4.2. The securities can be issued into circulation in documentary and non-documentary form in accordance with the established procedure.
- 4.3. The Bank issues such securities as bonds, deposit certificate, derivatives securities and bills with limited maturity in accordance with the requirements of current Regulations. Shares are issued in non-documentary form.
- 4.4. The level of yield of issuance securities is set in accordance with their circulation period.
- 4.5. The authorized capital of the Bank is of total nominal value of the shares of the Bank acquired by the shareholders. The authorized capital of the Bank can be increased by placing additional shares.
- 4.6. New shares may be issued only after all previously issued shares by the Bank were paid by the shareholders in full. The state registration of the next issue of shares should be carried out after the registration of changes made to the charter documents of the Bank according to the results of the previous issue.
- 4.7. Nominal value of placed preferred shares shall not exceed twenty percent of the authorized capital of the Bank.
- 4.8. Issuance of bonds is carried out to fulfill the resource base or the formation of subordinated debt and can be carried out only after full payment of all previously issued shares of the Bank.

5. Decision to Issue Issuance Securities

- 5.1. The decision to Issue Issuance Securities shall contain as follows:
- a) full name of the Bank, its location (mailing address);
 - b) the date of approval of the decision on the issue of issuance securities;
 - c) the name of the governing body of the Bank which approved the decision on the issue of issuance securities;
 - d) name of issuance securities and the form of their emission;

- e) rights of the owner of the issuance securities;
 - f) terms of placement of issuance securities;
 - g) the number of issuance securities in the emission;
 - h) the number of previously emitted issuance securities;
 - i) the nominal value of issuance securities.
- 5.2. The decision to issue issuance securities shall be approved by the General Meeting of Shareholders and may be entrusted to the Bank Council in accordance with applicable law and Bank Charter.
- 5.3. The decision to issue bonds, the fulfillment of the Bank's obligations under which is additionally secured by a pledge, a bank guarantee or other means provided by law, shall also contain information about the person who provided additional security and the terms of the security. In this case, the decision to issue bonds must also be signed by the person providing additional security.
- 5.4. The bank can issue bonds:
- a) within the limits of the size of own capital on the date of the decision on their emission confirmed by the conclusion of the audit organization.
 - b) If for the last three years, it has positive indicators of profitability, solvency, financial stability and liquidity, confirmed by the conclusions of the auditing organization;
 - c) if it received an independent rating in the manner prescribed by law.

6. Issuance Securities Emission Process

- 6.1. Emission of issuance securities includes the steps as follows:
- a) Based on the objectives and strategy of the emission activity, the divisions of the Treasury Department of the Head Office are the initiators of the issuance of securities.
 - b) Securities market situation, the demand for securities, effectiveness of the securities, expected rates on them, their competitiveness and timing of their validity are studied by the structural division for working with securities of the Head Office, and corresponding proposals are developed on this basis.
 - c) Basing on the Bank's indicators, on the part of the Treasury Department, proposals are being developed for expanding the Bank's capital and resource base by issuing and placing securities.
 - d) The structural division of securities of the Head Office together with the Treasury Department provides the Financial Risk Management Committee (FRMC) with the information regarding the types, duration and interest rates of the securities.
 - e) After reviewing proposals for the issuance of securities in circulation and after discussion, FRMC makes the appropriate decision on the issue of securities.
 - f) Having considered the decision of FRMC on issuing securities, Bank Board makes the appropriate decision. Permission to issue securities is given by the Bank Council.
 - g) The decision to increase the volume of the authorized capital of the Bank through additional placement of shares on the market is made by the General Meeting of Shareholders of the Bank or the Bank Council if such authority is given to it by the General Meeting of Shareholders. The decision to issue securities such as bonds, deposit certificates, derivative securities and bills is made by the Bank Council.
 - h) The decision on the issue of securities, the prospectus and the terms of issuance securities are developed by the structural division of the head on working with securities and is submitted for approval to the Bank Council. The Council's approval of

the decision on the issue or the terms of issue is subject to state registration in accordance with applicable law.

- i) After state registration of the Decision on issue or the time of issue, information on the securities issued in circulation is published in mass media, on web pages of the Center for the Coordination and Development of the Securities Market, RSE Tashkent, on the Bank's website. The report is submitted to the relevant state regulatory bodies.
- j) Registered securities are placed by the Head Office and branches of the Bank in accordance with the established procedure.

Scheme of the process of issuing securities of the Bank is provided in Attachment 1 to this Policy.

Procedure for issuing and state registration of the issue of securities as well as the procedure for suspending their issue and redemption are based on the requirements of the Regulations for the Issue of Securities and the State Registration of Issues of Issuance Securities.

- 6.2. State registration and issuance of deposit certificates are carried out on the basis of the requirements of the Regulation "On the Procedure for Issuing and Circulation of Deposit (Saving) Certificates" (registered by the Ministry of Justice of the Republic of Uzbekistan No. 1859 dated 24.09.2008).
- 6.3. The Bank as an issuer of securities and a professional participant in the securities market discloses information related to its activities on the basis of the Regulations for the "Provision and Publication on the Securities Market" (registered by the Ministry of Justice of the Republic of Uzbekistan No. 2383 dated 31.07.2012).

7. Provision of Securities Liquidity

- 7.1. The Bank shall provide liquidity of any issuance securities. Liquidity of securities refers to the ability of securities in circulation to turn into cash and non-cash funds quickly and easily.
- 7.2. In order to ensure the additional level of the equity of issuable securities (except for shares), the Bank, by agreement with the investor, may redeem the securities back up before the expiration of the maturity in accordance with the established procedure.
- 7.3. Repurchased securities (except for shares) with the non-maturity date of their redemption can be placed on the securities market again by the Bank.
- 7.4. In order to prevent the risks associated with the issuance of securities into circulation, the Bank may insure these risks in accordance with applicable laws.
- 7.5. The Bank can make changes to its Emission Policy in accordance with the current legislation of the Republic of Uzbekistan.
- 7.6. The established rate of return on securities depends on the attractiveness of the securities, market prices and the condition of the financial market.

8. Placement of Issuance Securities

- 8.1. The Bank is entitled to place securities on its own as well as via other banks and investment intermediaries.
- 8.2. Securities can be placed in the following forms:
 - a) private placement of securities (closed subscription among previously known limited number of investors without public announcement and an advertising campaign);

- b) public placement of securities (open subscription among unlimited number of investors with an advertising campaign).
- 8.3. For each case, the legislation establishes the minimum or maximum volume of the securities to be issued.
- 8.4. The actual number of emitted issuance securities is indicated by the Bank in written notice of the results of their emission. The procedure for providing notice of the results of the emission of issued securities is established by law.
- 8.5. The Bank is obliged to complete the placement of the emitted issuance securities within one year from the date of state registration of the emission of issuance securities.
The initial public placement of bank shares is carried out on the stock exchange in the amount of at least 25 percent of the volume of newly issued shares in circulation (with the exception of private banks). At the same time, bank shares must be offered for sale on the stock exchange from the day on which the public placement of shares begins. Public placement of issuance securities is carried out no earlier than two weeks after the disclosure of information on the state registration of the issuance of issued securities, in the established procedure.
- 8.6. The issuer bank as well as other banks and investment intermediaries which place issuance securities under an agreement with this bank shall provide the investor with opportunity to be familiarized with the prospectus for issuance securities and the terms of issuance securities before being purchased.

9. Placement of Non-Issuance Securities

- 9.1. The placement and circulation of certificates of deposit are carried out in accordance with the procedure established by the Central Bank of the Republic of Uzbekistan in coordination with the authorized state body for the regulation of the securities market.
- 9.2. Placement and circulation of bills of exchange are carried out in the manner established by the Ministry of Finance of the Republic of Uzbekistan and the Central Bank of the Republic of Uzbekistan in coordination with the authorized state body for regulation of the securities market.

10. Timely Redemption of the Securities

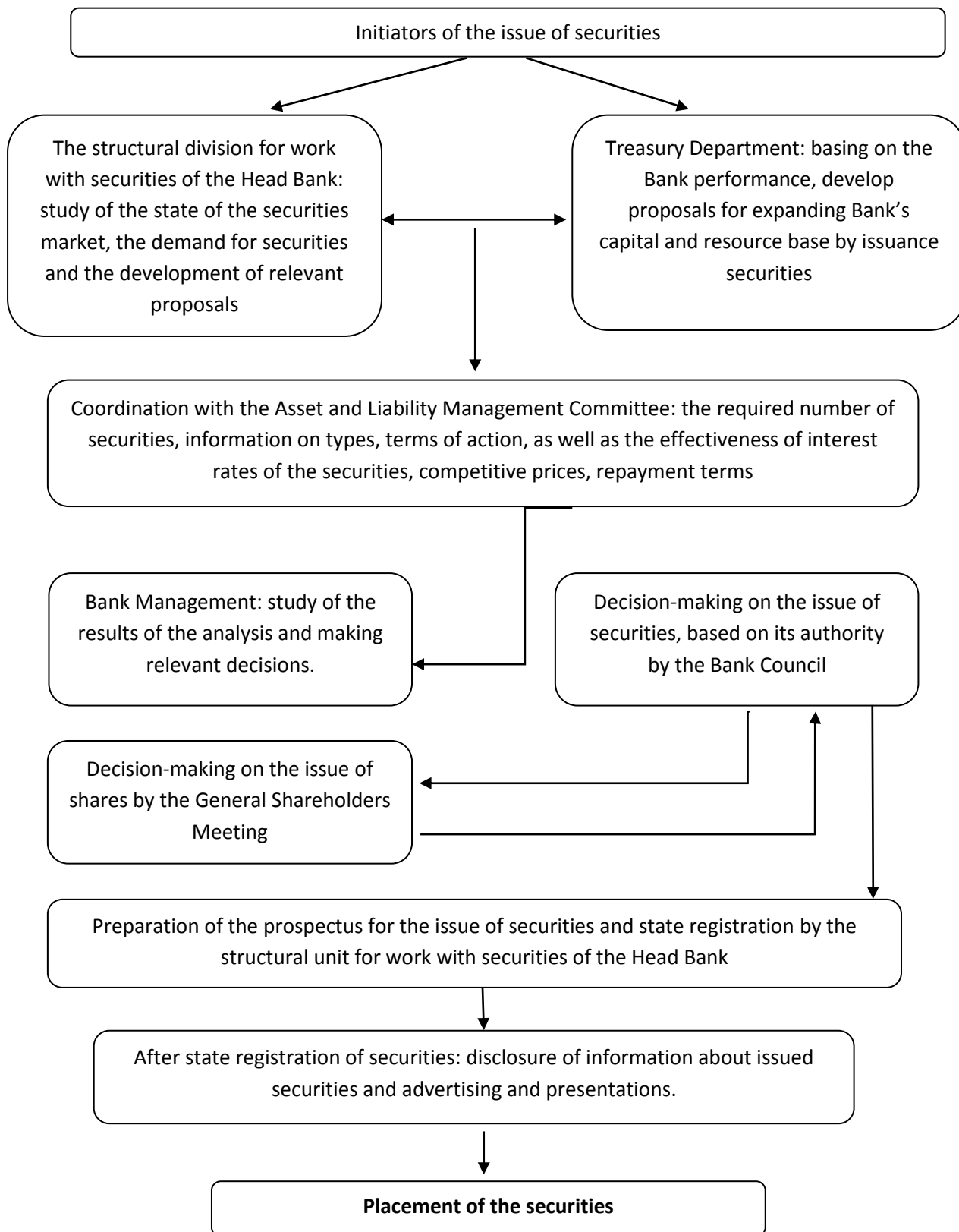
- 10.1. The Bank shall be liable in the established manner for its securities issued as well as for all obligations arising in connection with these issues.
- 10.2. Both the income and the principal amount of the debt for securities and debt obligations shall be paid by the Bank.
- 10.3. The Bank is entitled to establish a reserve fund for equity securities in accordance with applicable law.

11. Information Disclosure by the Bank

- 11.1. The Bank as an issuer of securities discloses the information:
- a) in the prospectus of issuance securities;
 - b) in the quarterly and annual reports of the Bank;
 - c) in reports on material facts in the Bank's activities published on the Bank's website, on the website of the Republican Stock Exchange "Tashkent" and in other mass media in the manner prescribed by law.

- 11.2. The content of the documents referred to in paragraph 46. as well as the procedure and timing for disclosing information are determined by current legislation.
- 11.3. The Bank may provide investors with other information in accordance with applicable law.

**Securities emission process
JSCB "Hamkorbank"**



Branch Management Director	<i>[signature]</i>	A. Parpiev
Director of Treasury Department	<i>[signature]</i>	A. Khan
Head Accountant	<i>[signature]</i>	N. Irgashev
Head of Internal Control Service	<i>[signature]</i>	Kh. Yuldashev
Head of Legal Service	<i>[signature]</i>	K. Teshaboev
Head of HR Department	<i>[signature]</i>	G. Mirabdulaev
Head of Department for Work with Private Deposits	<i>[signature]</i>	F.Khudayberdiev
Head of Risk Management Sector	<i>[signature]</i>	D. Madrakhimov
Leading Specialist of the Standards Development and Implementation Sector	<i>[signature]</i>	O. Yusupov
Specialist of the Methodology Sector	<i>[signature]</i>	N. Israilova

ҲУҚУҚИЙ ХУЛОСА
"Hamkorbank" АТБ Эмиссия сиёсати ҳақидаги
Низом лойиҳаси юзасидан

14.09.2016 йил

Андижон шаҳри

Мен, "Hamkorbank" АТБ Юридик хизмати ҳуқуқшуноси Б.С.Нуритдинов, "Hamkorbank" АТБ Эмиссия сиёсати ҳақидаги Низом {бундан буён матнда -"Сиёсат" деб юритилади) лойиҳасини ҳуқуқий экспертизадан ўтказганимда.

АНИҚЛАНДИ:

Мазкур муносабатлар Ўзбекистон Республикасининг "Марказий банк тўғрисида"ги, "Банklar ва банк фаолияти тўғрисида"ги, 'Акциядорлик жамиятлари ва акциядорларнинг ҳуқуқларини ҳимоя қилиш тўғрисида"ги, "Hamkorbank" АТБ Устави ва бошқа қонун ҳужжатлари билан тартибга солинади.

Низом лойиҳасида юқорида қайд этилган қонун ҳужжатлари талабларига зид нормалар кузатилмади.

Шунинг билан бирга, лойиҳа матнини "Hamkorbank" АТБ да Ички маъёрий ҳужжатларни тайёрлаш ва қабул қилиш қоидалари мувофиқлаштириб расмийлаштириш лозим бўлади. Жумладан, қоидаларнинг ИМ-бўлимига мувофиқ бўлимларни рақамлашни ва харфлар шрифти ва ўлчамини қоидага мувофиқ қилиш лозим.

Юқорида келтирилганларни инобатга олган ҳолда, Сиёсат лойиҳасига тегишли ўзгартиришлар киритилгандан сўнг, бошқа таркибий тузилмалар томонидан кўриб чиқилиши мумкин, деб ҳисоблайман.

Hamkorbank" АТБ ҳуқуқшуноси

Б.Нуритдинов