

**“NATIONAL BANK OF
FOREIGN ECONOMIC
ACTIVITY OF THE REPUBLIC
OF UZBEKISTAN” JOINT
STOCK COMPANY**



**АКЦИОНЕРНОЕ ОБЩЕСТВО
"НАЦИОНАЛЬНЫЙ БАНК
ВНЕШНЕЭКОНОМИЧЕСКОЙ
ДЕЯТЕЛЬНОСТИ РЕСПУБЛИКИ
УЗБЕКИСТАН"**

**Minutes No. 3
OF THE ANNUAL GENERAL MEETING OF SHAREHOLDERS
OF “NATIONAL BANK OF FOREIGN ECONOMIC ACTIVITY
OF THE REPUBLIC OF UZBEKISTAN”
JOINT STOCK COMPANY**

Address: Tashkent city, Amir Temur Avenue, Head Office
of National Bank for Uzbekistan, house 101

July 11, 2020

Working hours: 10:30-12:30

The annual general meeting of shareholders of “National Bank of Uzbekistan” JSC was opened by the First Deputy Minister of Finance of the Republic of Uzbekistan Nasritdinkhojaev Omonullo Zabikhullayevich regarding the results of the end of 2019 and he announced the following.

The annual general meeting of shareholders of National Bank of Uzbekistan was decided to be called on 11.07.2020 with the minutes of the meeting No. 23 and 24 dated 20.06.2020 by the Supervisory Board of the Bank in accordance with the Laws of the Republic of Uzbekistan “On Protection of the Rights of Joint Stock Companies and Shareholders”, “On Banks and Banking Activities” and the Charter of National Bank of Uzbekistan.

The information on the time, place, and agenda of the general meeting in accordance with the procedure established by the current legislation was posted on the official website of the Bank, on the single portal of corporate information, and

in issue No. 135(7606) of June 2020 of the “Halk suzi” newspaper and sent to the addresses of shareholders.

According to Article 61 of the Law “On Protection of the Rights of Joint Stock Companies and Shareholders” and the decision of the Supervisory Board, the date of compiling the list of shareholders who have the right to participate in the general meeting of shareholders is set as 07.07.2020.

The list of shareholders with the right to participate in the shareholders' meeting was formed as of 07.07.2020.

As of 11.07.2020, the Authorized Fund of the Bank was 11 582 700 201 000 (*eleven trillion five hundred eighty-two billion seven hundred million two hundred thousand*) soums and it equaled to 11 582 700 201 (*eleven billion five hundred eighty-two million seven hundred thousand two hundred and one*) pieces of ordinary shares with a nominal value of 1000 (thousand) soums with the owner's name written on them.

The chairman of the Enumeration Commission - Bakhrom Yusupov - was authorized to inform that the general meeting of shareholders was authorized (has a quorum).

According to the register of shareholders of National Bank of Uzbekistan, as of 07.07.2020, it was reported that 2 (two) shareholders who owned 11 582 700 201 ordinary shares had the right to participate in the annual general meeting.

In particular, the Ministry of Finance of the Republic of Uzbekistan owns - 4 807 929 061 pieces (41.5%) of ordinary shares and the Fund for Reconstruction and Development of the Republic of Uzbekistan owned - 6 774 771 140 (58.5%) ordinary shares.

The correct formalization of the list of shareholders and the authorities of the representatives entitled to participate in the General Meeting on behalf of the shareholders were confirmed.

The Enumeration Commission reported that 2 shareholders owning 11 582 700 201 or 100.0 percent of the total voting shares and their representatives were registered to participate in the meeting, and that the General Meeting was authorized, i.e., it had a quorum.

The chairman of the meeting, O. Nasritdinkhojaev, declared the annual general meeting of shareholders of National Bank of Uzbekistan open and informed that bank shareholders, members of the Bank's management and directors of the bank's responsible departments are participating in the meeting.

Working bodies of the general meeting of shareholders were formed as following.

Chairman of the meeting: O. Nasritdinkhojaev, Sh. Vafaev

Secretary of the meeting: B. Yusupov.

Enumeration commission: B. Yusupov, B. Yarashboev, J. Mukhammadiev.

The agenda of the annual general meeting of shareholders includes the following issues:

1. Approval of the annual report of the bank on the results of 2019. Hearing the annual report of the Bank's Supervisory Board and Management, the measures taken to achieve the Bank's development strategy, and external audit reports.
2. Hearing the conclusion of the bank inspection commission.
3. Distribution of bank profits.
4. Making decisions on increasing the authorized capital of the bank and making relevant amendments to the bank's charter.
5. Election of Bank Supervisory Board members.
6. Election of Bank Inspection Commission members.
7. Write off credit debts that have been held for more than 5 years in "Contingencies" accounts and do not have sources of collection.

8. Extending the employment contracts concluded with the chairman and members of the bank's management for one year.
9. Compliance with the recommendations of the Corporate Governance Code and Corporate Governance Rules in the Bank and approval of the notification form.

The working order of the general meeting was determined as follows:

The following regulations have been established for reporting and providing information, speaking in negotiations, and voting on the issue included in the agenda:

- To hear the annual report of the bank's board and management, the report on the measures taken to achieve the results of the bank's activity in 2019 - up to 20 minutes;
- To hear the conclusion of the bank inspection commission - up to 10 minutes;
- to the discussion of reports - up to 10 minutes;
- to consider agenda issues - up to 30 minutes;
- for voting on agenda issues - up to 5 minutes.

The procedure for voting on the issue included in the agenda was also determined.

The **first issue on the agenda** is “Approval of the Bank's annual report on the results of 2019”. The Chairman of the Bank Board A. Mirsoatov briefly noted the annual report of the Bank's Supervisory Board and Management, on the measures taken to achieve the Bank's development strategy, and on hearing the conducted external audit reports, achievements and future work planned in the process of transformation of the bank and indicators set to be achieved in the future.

In particular, as of January 1, 2020, National Bank of Uzbekistan's assets amounted to 66,6 trillion soums, and the established plan indicator was fulfilled by 100.5%. Earned income amounted to 5 979,0 billion soums (the plan was fulfilled

by 144%), and the net profit indicator was 1 043,6 billion soums (the plan was fulfilled by 155%).

As of January 1, 2020, the bank's loan portfolio amounted to 55,0 trillion soums, and a total of 27,4 trillion soums of loans were allocated last year.

Pursuant to the Resolution of the President of the Republic of Uzbekistan No. PQ-4487 of October 9, 2019, the loan funds received from Fund for Reconstruction and Development in equivalent to 666,2 million dollars was transferred to charter capital of the bank and it increased by 11 582,7 billion soums.

At the end of 2019, the return on assets was 1.5% (1% in 2018), the return on capital was 16.0% (9.4% in 2018), and the operating efficiency indicator was 35.6% (in 2018 it was 45.9%).

National Bank of Uzbekistan fully complies with all regulatory requirements set by the Central Bank. In particular, as of 01.01.2020:

- capital adequacy ratio - 31.9% (norm - 13%);
- current liquidity ratio - 82.4% (norm - 30%);
- liquidity coverage ratio - 153.3% (norm - 100%);
- net stable funding ratio - 106.2% (norm - 100%).

The Chairman of the Audit Commission J. Abdushukurov made a report **on the second issue** on the agenda – “Hearing the conclusion of the Bank Inspection Commission”. In particular, the Inspection Commission noted that:

The inspection was carried out according to the Article 107 of the Law of the Republic of Uzbekistan “On the Protection of the Rights of Joint Stock Companies and Shareholders” and “The Charter on inspection commission of the “National Bank of Foreign Economic Activity of the Republic of Uzbekistan” JSC approved by minutes of the general meeting of bank shareholders No. 1 dated December 25, 2019;

as of 01.01.2020, the bank had 73 branches, 30 mini-banks, 28 banking service centers and 85 non-bank cash desks;

the audit for 2019 was conducted by “Ernst & Young” AT LLC based on the Bank's International Financial Reporting Standards (IFRS).

In addition, the chairman of the inspection commission spoke in detail the bank's assets, liabilities, and bank liquidity indicators.

The chairman of the inspection commission also noted that there were investments in the bank's investment portfolio that do not generate income for several years, as well as the need to create additional reserves for the classification of loans in the bank's loan portfolio.

Chairman of the bank management A. Mirsoatov gave an explanation regarding **the third issue on the agenda**, “Distribution of the Bank's profit”. In his speech, he informed that this issue was initially considered in the minutes of the Supervisory Board of the bank dated 19.06.2020, and recommendations on this issue were presented in the handouts.

The chairman of the bank’s board gave an explanation to the questions asked by the shareholders regarding the distribution of the bank’s net profit formed according to the results of 2019.

In order to ensure the implementation of the decisions of President of the Republic of Uzbekistan No. PQ-4540 dated 30.11.2019 “On measures to reorganize the unitary enterprise “National Bank of Foreign Economic Activity of the Republic of Uzbekistan” in the form of a Joint Stock Company” and No. PQ-4679 dated 15.04.2020 “Ensuring the stability of the state budget of the Republic of Uzbekistan during the coronavirus pandemic and on measures of timely financing of primary activities”, based on the bank's conclusion on the amount of bank net profit and the creation of additional reserves approved by the “Ernst & Young” international audit organization at the end of 2019, it was considered

appropriate to allocate from the bank's net profit on standard assets and general reserve fund, as well as dividends to shareholders and increasing their share.

The **fourth issue on the agenda**, the director of the Strategic Development Department of the bank, B.Alimov, spoke about the decision to increase the Authorized Fund of the Bank and make relevant changes to the bank's charter according to the decision of President of the Republic of Uzbekistan No. PQ-4540 dated 30.11.2019 “On measures to reorganize the unitary enterprise “National Bank of Foreign Economic Activity of the Republic of Uzbekistan” in the form of a Joint Stock Company” he mentioned that the appropriate part of the net profit of the bank, approved by the “Ernst &Young” international audit organization at the end of 2019, is intended to be directed to increase the shareholders’ share in the Authorized Fund of the Bank, gave an explanation regarding that issue on the additional shares distribution by the bank among the shareholders.

The chairman of the General meeting gave information **on the fifth and sixth issues on the agenda**, that is, the election of the members of the Supervisory Board and the Audit Commission.

Deputy Chairman of the Board Q. Tulyaganov gave explanations regarding the **seventh issue on the agenda**, i.e., “Contingencies” accounts, which had been accounted for more than 5 years and there were no sources of collection, and it is known that this issue was initially considered by the Supervisory Board of the bank.

Regarding **the eighth issue on the agenda**, the chairman of the meeting once again noted the achievements made by the bank's management and board members in 2019 and the current issues facing the bank and proposed the issue of extending the employment contracts concluded with the bank's management members for one year.

B. Yusupov, head of the Bank's Corporate Management Service, **spoke on the ninth issue on the agenda** and noted that National Bank of Uzbekistan has been operating as a Joint Stock Company since the beginning of 2020, and that in order to further improve the corporate governance system in the bank, it is

expedient to follow the recommendations of the Corporate Governance Code and the Corporate Governance Rules.

Annual general meeting of shareholders of the bank based on the consideration of the issue included in the agenda

DECIDED:

1. The annual report of the bank for the end of 2019, the annual report of the Bank's Supervisory Board and Management, the report on the measures taken to achieve the bank's development strategy, and the conducted external audit report to be approved.

Voted: 11 582 700 201 votes.

“FOR” - 11 582 700 201 votes (100%), “AGAINST” - None, “NEUTRAL” - None.

2. Confirm the conclusion of the bank inspection commission. In accordance with the Charter on the inspection commission of “National Bank of Uzbekistan” JSC, the members of the inspection commission to be paid a remuneration for conducting an inspection of the bank's activities in 2019.

Voted: 11 582 700 201 votes.

“FOR” - 11 582 700 201 votes (100%), “AGAINST” - None, “NEUTRAL” - None.

3. The report of the Board of National Bank of Uzbekistan on the net profit at the end of 2019 amounted to 1 043 647 194 456,48 soums to be accepted for information. In this distribution of net profit, the President of the Republic of Uzbekistan dated 30.11.2019. PQ-4540 “On measures to reorganize the unitary enterprise “National Bank of Foreign Economic Activity of the Republic of Uzbekistan” in the form of a Joint Stock Company” and PQ-4679 dated 15.04.2020 “Ensuring the stability of the state budget of the Republic of Uzbekistan during the coronavirus pandemic and on measures of timely financing of primary activities” to be noted for information that according the creation of additional reserves approved by the “Ernst & Young” international audit organization net profit of the

bank amounted to 832 406 691 505.92 soums, and also to take into account that 105 598 143 227,74 soums were directed to the formation of a reserve for assets classified as “Standard” in June 2019 in accordance with the statement No. 32 of 29.04.2019 of the Council of the Unitary Enterprise of National Bank of Uzbekistan and based on the instructions of the Central Bank.

Taking into account the above, as well as based on the recommendation of the Supervisory Board of the bank, the distribution of net profit to be carried out in the following order:

- to form a general-purpose reserve – 105 642 359 722,82 soums;
- to increase the share of shareholders in the Authorized Fund of the Bank (*dividend payment by issuing additional shares*) – 416 183 345 263,16 soums, including 20 809 167 263,16 soums for tax payments;
- 416 223 346 242,76 soums* to pay dividends in the form of capital funds to shareholders, including 20 811 167 312,14 soums for tax payments. The dividend payment period is 60 days from the date of this decision.

Voted: 11 582 700 201 votes.

“FOR” - 11 582 700 201 votes (100%), “AGAINST” - None, “NEUTRAL” - None

Note: The lump sum payment in the amount 68.4 billion Soums was paid from the dividend on 30.06.2020 by National Bank of Uzbekistan to the Ministry of Finance.*

4. In connection with the fact that it was noted, the corresponding increase of the share of bank shareholders in the Authorized Fund of the Bank (by paying dividends in the form of shares) in paragraph 3 of this minutes, the following decisions to be made:

4.1. The decision on the additional issuance of 395 374 178 ordinary shares with a nominal value of 1,000 (thousand) soums to be approved in accordance with the appendix, and these issued shares to be placed by closed subscription in the following order:

To the Ministry of Finance of the Republic of Uzbekistan – 164 118 121 ordinary shares with a nominal value of 1,000 (one thousand) soums, bearing the name of the owner, worth 164 118 121 000 soums;

To the Fund for Reconstruction and Development of the Republic of Uzbekistan – 231 256 057 ordinary shares with a nominal value of 1,000 (one thousand) soums, bearing the name of the owner, amounting to 231 256 057 000 soums.

4.2. The procedure for payment of shares shall be determined as following. The funds in the bank's currently formed authorized fund to be approved in proportion to the participants' share i.e., in the following order:

Ministry of Finance – 4 972 047 182 ordinary shares with a nominal value of 1,000 (one thousand) soums, with the owner's name written on them, worth 4 972 047 182 000 soums, of which 4 807 929 061 000 soums are allocated from the previously formed authorized fund, 164 118 121 000 soums part is formed from account of the paid dividend;

Fund for the Reconstruction and Development - 7 006 027 197 ordinary shares of with a nominal value of 1,000 (one thousand) soums, bearing the name of the owner equal to 7 006 027 197 000 soums, of which 6 774 771 140 000 soums are allocated from the previously formed authorized fund, and 231 256 057 000 soums is formed from the account of the dividends to be paid.

4.3. The Supervisory Board of National Bank of Uzbekistan, based on the requirements of this paragraph, to implement the issues related to the increase of the Authorized Fund of the Bank and the amendments to the Charter of the “National Bank of Foreign Economic Activity of the Republic of Uzbekistan” Joint Stock Company in accordance with the procedure established by law.

Voted: 11 582 700 201 votes.

“FOR” - 11 582 700 201 votes (100%), “AGAINST” - None, “NEUTRAL” - None.

5. According to the results of the cumulative voting procedure, the members of the Supervisory Board of the Bank shall be elected in the following order:

| No. | Surname, first name and patronymic of the elector | Position held | Number of votes collected |
|-----|---|--|---------------------------|
| 1. | Nasritdinkhojayev Omonullah Zabikhullaevich | First Deputy Minister of Finance of the Republic of Uzbekistan | 11 582 700 201 |
| 2. | Rustamov Olimkhan Bakievich | Deputy Minister of Economic Development and Poverty Reduction | 11 582 700 201 |
| 3. | Mirzayev Mubin Mukhiddinovich | First deputy director of State Tax Committee | 11 582 700 201 |
| 4. | Norgitov Mukhiddin Juraboyevich | Director of legal service of the Fund for Reconstruction and Development | 11 582 700 201 |
| 5. | Muslimov Elbek | "Old Street Advisory Limited" (Great Britain) independent member* | 11 582 700 201 |

*Muslimov Elbek is an expert hired as an independent member of the Supervisory Board based on the assignment No. RA-1-Z015 dated 17.02.2020 of the Administration of the President of the Republic of Uzbekistan:

At least once a quarter, he participates directly in the process of managing the bank's general activities, i.e., the meeting of the Supervisory Board, as well as getting acquainted with the bank's reports remotely and giving necessary information on management issues;

The expenses of the salary are paid by the bank account and the annual remuneration amount is 12 thousand US Dollars (1000 US Dollars per month) and his living and transportation expenses (including air tickets to/from Uzbekistan from a foreign country) during his stay in Uzbekistan covered by bank;

He reviews Supervisory Board documents (minutes) remotely (provides conclusions via e-mail or recorded video conference) and signs their original copies in Uzbekistan.

The Director of the Bank's corporate governance service, B.Yusupov, together with the members of the bank's Supervisory Board, to develop the work plan of the Supervisory Board for the rest of 2020.

6. The composition of the Bank Inspection Commission to be elected as follows:

| No. | Surname, first name and patronimic of commission member | Position held |
|------------|--|---|
| 1. | Tulyaganov Farrukh Abdurasulovich | Fund for Reconstruction and Development, Head of Division |
| 2. | Nurgaliev Farkhod Rashidovich | Director of the Fund for Reconstruction and Development |
| 3. | Dosmatov Farkhod Muslimovich | Ministry of Finance, Deputy Director |
| 4. | Abdushukurov Jamshid Abdigalipovich | Ministry of Finance, Director of Department |

Voted: 11 582 700 201 votes.

“FOR” - 11 582 700 201 votes (100%), “AGAINST” - None, “NEUTRAL” - None.

7. To accept the given offer of the Bank management (Decisions No. 48 dated 10.03.2020 and No. 63 dated 08.04.2020) and the Supervisory Board regarding the write-off of credit debts that have been held for more than 5 years in “Contingencies” accounts and have no sources of recovery.

Voted: 11 582 700 201 votes.

“FOR” - 11 582 700 201 votes (100%), “AGAINST” - None, “NEUTRAL” - None.

8. The employment contracts concluded with the chairman of the Board of the Bank - A. Mirsoatov and the members of the board to be extended for a period of 1 (one) year.

Voted: 11 582 700 201 votes.

“FOR” - 11 582 700 201 votes (100%), “AGAINST” - None, “NEUTRAL” - None.

9. Compliance with the recommendations of the Corporate Governance Code and the Corporate Governance Rules in the Bank and the notification form about it to be approved according to the attachment.

Voted: 11 582 700 201 votes.

“FOR” - 11 582 700 201 votes (100%), “AGAINST” - None, “NEUTRAL” - None.

Signed by:

**Chairman of the annual general
meeting of shareholders of National
Bank of Uzbekistan**

O.Z. Nasritdinkhojayev

**Meeting Secretary,
Director of Bank Corporate
Management Service**

B.M. Yusupov