

IMPORTANT NOTICE

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IMPORTANT: You must read the following before continuing. The following applies to the Information Memorandum attached to this Important Notice, and you are therefore advised to read this carefully before reading, accessing or making any other use of the Information Memorandum. In accessing the Information Memorandum, you agree to be bound by the terms set out therein. If you have gained access to this transmission contrary to any of the restrictions set out herein and therein, you are not authorised and will not be able to purchase any of the securities described herein (the "**Securities**").

The Information Memorandum has been prepared solely in connection with the issue of the Notes. Under no circumstances shall the Information Memorandum constitute an offer to sell or the solicitation of an offer to buy Securities, nor shall there be any sale of the Securities in any jurisdiction in which such offer, solicitation or sale would be unlawful. Accordingly, the Information Memorandum does not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. The materials relating to the offering do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law.

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JOINT-STOCK COMMERCIAL MORTGAGE BANK "IPOTEKA-BANK"

(incorporated in the Republic of Uzbekistan)

INFORMATION MEMORANDUM

UZS 785,000,000,000 16.00% NOTES DUE 2024

20 April 2021

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR ATTENTION. If you need any explanations and / or clarifications on this information memorandum (the "**Information Memorandum**"), you should consult a qualified independent financial adviser. An investment in the Notes involves a high degree of risk. See "Risk Factors" beginning on page 9.

WARNING: This document, including its delivery, circulation or publication, does not constitute a public offer. The securities admitted to trading on the Vienna MTF are not listed on the regulated markets of the Vienna Stock Exchange. The Information Memorandum applies to the Multilateral Trading Facility. The information contained herein is published and is accurate as of the date of this Information Memorandum and is less than the information published in regulated markets. Potential investors should be aware of the risks relating to investment in securities trading on the Vienna MTF and should decide to invest in them only after careful consideration of this Information Memorandum. Prospective holders of the Notes are advised to seek their own professional advice in relation to the investment in the Notes.

This Information Memorandum is addressed only to persons who could lawfully accept it. Specifically, and in compliance with relevant securities laws of the following countries, this Information Memorandum is not addressed in any way or form (written or otherwise), directly or indirectly, to or within any person resident or located in the United States, Canada, Australia, South Africa or Japan or any other country or territory, in which according to its laws, the offering of the Notes or the mailing / distribution of this Information Memorandum is illegal or violates any law, rule or regulation (the "**Excluded Territories**"). For this reason, it is prohibited to transmit, distribute, post or otherwise promote copies of this Information Memorandum and/or any other document which is supplemental, incidental, promotional and/or otherwise related thereto to or from the Excluded Territories and offer, buy, sell or otherwise dispose of or transfer the Notes to or from persons located or resident in the Excluded Territories.

The date of the Information Memorandum is 20 April 2021.

Forward-looking Statements

All statements other than statements of historical fact contained in this Information Memorandum, including, without limitation, those regarding the Group's future financial position and results of operations, strategy, plans, objectives, goals and targets, future developments in the markets in which the Group participates or seeks to participate, and any statements preceded by, followed by or that include the words "believes", "expects", "aims", "intends", "plans", "will", "may", "anticipates" or similar expressions or the negative thereof, are forward-looking statements. These forward-looking statements include, among other things, statements concerning:

- overall business conditions;
- the impact of COVID-19 pandemic;
- changes in tax requirements (including tax rate changes, new tax laws and revised tax law interpretations);
- economic and political conditions in Uzbekistan;
- the timing, impact and other uncertainties of future actions;
- inflation, interest rate fluctuations, foreign currency and exchange rate fluctuations and other capital market conditions in Uzbekistan;
- the condition and performance of the economy, including the Uzbekistan's banking sector;
- the effects of, and changes in, the policy of the Government of the Republic of Uzbekistan (the "**Government**") and the Central Bank of Uzbekistan (the "**CBU**") including on interest rate limits and mandatory dividend requirements;
- the effects of changes in laws, regulations and taxation or accounting standards or practices in Uzbekistan;
- the Bank's ability to maintain or increase market share for its products and services and control expenses;
- the Bank's ability to meet its funding obligations and develop and maintain additional sources of financing;
- the Bank's ability to continue to diversify its client base;
- the impact of the growth of the Bank's loan portfolio on its revenue potential and overall asset quality;
- technological changes; and
- the Bank's ability to manage the risks associated with the aforementioned factors.

The forward-looking statements included in this Information Memorandum involve known and unknown risks, uncertainties and other factors which may cause the Group's actual results, performance, achievements or industry results to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. These forward-looking statements are based on numerous assumptions regarding present and future business strategies and the environment in which the Group will operate in the future. You should be aware that a number of important factors provided above could cause the industry's or the Group's own actual results or

performance to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward-looking statements.

This list of important factors is not exhaustive. Additional factors that could cause actual results, performance or achievements to differ materially include those discussed under "*Risk Factors*". When considering forward-looking statements, you should carefully consider the foregoing factors and other uncertainties and events, especially in light of the political, economic, social and legal environment in which the Group operates. Such forward-looking statements speak only as at the date on which they are made, and the Issuer expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained herein to reflect any change in their expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based. The Issuer does not make any representation or warranty that the results anticipated by such forward-looking statements will be achieved.

IMPORTANT INFORMATION ABOUT THIS INFORMATION MEMORANDUM

The Issuer accepts responsibility for the information contained in this Information Memorandum relating to the Issuer and the Notes (the "**Issuer Information**"). To the best of the knowledge of the Issuer (who has taken all reasonable care to ensure that such is the case), the Issuer Information contained in this Information Memorandum is, as of the date of this Information Memorandum, in accordance with the facts and does not omit anything likely to affect the accuracy of such information in any material respect.

THE NOTES ARE OF A SPECIALIST NATURE AND SHOULD ONLY BE BOUGHT AND TRADED BY INVESTORS WHO ARE PARTICULARLY KNOWLEDGEABLE IN INVESTMENT MATTERS. AN INVESTMENT IN THE NOTES IS SPECULATIVE, INVOLVES A HIGH DEGREE OF RISK AND MAY RESULT IN THE LOSS OF ALL OR PART OF THE INVESTMENT.

The Issuer is not responsible for any of the information in this Information Memorandum except the Overview of the Bank and the Agents are not responsible for any of the contents of this Information Memorandum in any respect. The distribution of this Information Memorandum and the offering of the Notes in certain jurisdictions may be restricted by law.

No person is authorised to provide any information or to make any representation in connection with the offer or sale of the Notes other than as contained in this Information Memorandum and any information or representation not so contained must not be relied upon as having been authorised by or on behalf of the Issuer, the Trustee or the Principal Paying Agent and the Paying Agents. The delivery of this Information Memorandum at any time does not imply that the information contained in it is correct as at any time subsequent to its date. Neither the delivery of this Information Memorandum nor any sale made in connection herewith shall in any circumstances create any implication that there has been no change in the business and affairs of the Issuer or the Group since the date hereof or that there has been no adverse change in the financial position of the Issuer or the Group since the date hereof or that the information contained in it is correct as at any time subsequent to the date on which it is supplied. No representation or warranty, express or implied, is made by the Trustee, the Principal Paying Agent and the Paying Agents as to the accuracy or completeness of such information. None of the Trustee or the Principal Paying Agent and the Paying Agents accepts any responsibility whatsoever for the contents of this Information Memorandum or for any other statement made or purported to be made by it, or on its behalf, in connection with the Issuer or the Notes. Each of the Trustee, the Principal Paying Agent and the Paying Agents accordingly disclaims all and any liability whether arising in tort, contract or otherwise which it might otherwise have in respect of this Information Memorandum or any such statement.

This Information Memorandum does not constitute an offer to sell, or a solicitation to subscribe for or purchase, by or on behalf of the Issuer or any other person, any of the Notes in any jurisdiction where it is unlawful for such person to make such offer or solicitation. The distribution of this Information Memorandum and the offer and sale of the Notes in certain jurisdictions is restricted by law. Persons into whose possession this Information Memorandum may come are required by the Issuer to inform themselves about and to observe such restrictions. This Information Memorandum may not be used for, or in connection with, any offer to, or solicitation by, anyone in any jurisdiction or under any circumstances in which such offer or solicitation is not authorised or is unlawful.

No action has been or will be taken to permit a public offering of the Notes or the distribution of this Information Memorandum (in any form) in any jurisdiction where action is required for such purposes.

To the fullest extent permitted by law, none of the Issuer, the Trustee, the Principal Paying Agent and the Paying Agents, or any of its respective representatives or affiliates makes any representation to any offeree or purchaser of the Notes offered hereby regarding the legality of an investment by such offeree or purchaser under applicable legal, investment or similar laws. The contents of this Information

Memorandum should not be construed as legal, financial, business or tax advice. Each prospective investor should consult with its own advisers as to the legal, tax, business, financial and related aspects of the purchase of the Notes.

Prospective purchasers must comply with all laws that apply to them in any place in which they buy, offer or sell any Notes or possess this Information Memorandum. Any consents or approvals that are needed in order to purchase any Notes must be obtained. The Issuer is not responsible for compliance with or advising on these legal requirements. The appropriate characterization of the Notes under various legal, regulatory and investment restrictions, and thus the ability of investors to comply with these restrictions and to purchase the Notes, may be subject to significant interpretation uncertainties. No representation or warranty is made as to whether, or the extent to which, the Notes constitute a legitimate investment for investors whose investment capacity is subject to legal restrictions, and investors should consult their legal advisers regarding such matters. The Issuer provides no representation or advice with respect to any regulatory, accounting or tax consequences arising out of or in connection with any transaction in, or dealing with, the Notes.

Prior to making any decision as to whether to invest in the Notes, prospective investors should read this Information Memorandum. In making an investment decision, prospective investors must rely upon their own examination of the Issuer and the Group and the terms of this Information Memorandum, including the risks involved. Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- have sufficient knowledge and experience to make a meaningful evaluation of the Notes and, in particular, the information contained or incorporated by reference in this Information Memorandum;
- have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, the merit and risks of an investment in the Notes and the impact the Notes will have on its overall investment portfolio;
- have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes;
- understand thoroughly the terms of the Notes; and
- be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic considerations, interest rate volatility and other factors that may affect its investment and its ability to bear the applicable risks.

If investors are in any doubt about the contents of this Information Memorandum, investors should consult a stockbroker, bank manager, solicitor, accountant or other financial adviser.

The contents of the website <https://www.ipotekabank.uz/en/> do not and will not form any part of this Information Memorandum.

Each person contemplating making an investment in the Notes from time to time must make its own investigation and analysis of the creditworthiness of the Issuer and its own determination of the suitability of any such investment, with particular reference to its own investment objectives and experience, and any other factors which may be relevant to it in connection with such investment.

Any investment in Notes does not have the status of a bank deposit and is not within the scope of the deposit protection scheme operated by the Fund of Guarantee of Citizens' Deposits in Banks of the Republic of Uzbekistan. The Issuer does not intend to provide post-issuance reporting with respect to the Notes.

THE NOTES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES. SUBJECT TO CERTAIN EXCEPTIONS, THE NOTES MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S).

Table of Contents

1.	Risk Factors	9
2.	Definitions	20
3.	Overview of the Bank	21
4.	Use of Proceeds	24
5.	Taxation	25
6.	Terms and Conditions of the Notes	26
7.	Summary of Provisions Relating to the Notes while in Global Form.....	51
8.	General Information.....	56

1. Risk Factors

An investment in the Notes involves risks. Accordingly, prospective investors should carefully consider the risks described below, as well as the other information in this Information Memorandum, before making an investment decision. The risks and uncertainties below are not the only ones the Bank faces. Additional risks and uncertainties not presently known to the Bank, or that the Bank currently believes are immaterial, could also impair the business operations of the Bank. Factors which the Bank believes are specific to the Bank, the Bank and/or the Notes and material for an informed investment decision with respect to investing in the Notes are described below. In each category below the Bank sets out the most material risks, in its assessment, taking into account the negative impact of such risks on the Bank and the Bank and the probability of their occurrence. If any of the following risks actually materialises, the Bank's business, results of operations and financial condition could be materially and adversely affected and it could affect the Bank's ability to meet its obligations under the Notes.

The COVID-19 pandemic has had, and will likely continue to have, a significant effect upon the economy of Uzbekistan, which consequently may adversely affect the Bank's business, financial condition and results of operations

Impact of the COVID-19 pandemic

The outbreak of COVID-19, which emerged in East Asia in December 2019, has spread globally and has been declared by the World Health Organisation to be a global pandemic. The COVID-19 pandemic has since caused stock markets worldwide to lose significant value and impacted economic activity worldwide. Since then, there has been a sharp decrease in global economic growth rate and business activities due to the measures adopted by the governments to mitigate the impact of the COVID-19 pandemic. The decrease in business activities and a decrease in household income may result in a significant decrease in demand for banking products, as well as decrease the quality of the bank's loan portfolio. A number of governments have revised gross domestic product ("GDP") growth forecasts for 2020 downward in response to the economic slowdown caused by the spread of the COVID-19 pandemic, and it is possible that the COVID-19 pandemic will cause a prolonged global economic crisis, recession or depression despite monetary and fiscal interventions by governments and central banks globally. The COVID-19 pandemic has also resulted in restrictions on travel and transportation and prolonged closures of workspaces and business. All of these factors may have a material adverse impact on the Bank's business, results of operations, financial condition and prospects.

The COVID-19 pandemic has had, and is likely to continue to have, an adverse effect on the level of economic activity in Uzbekistan. The first confirmed case of COVID-19 in Uzbekistan was announced on 15 March 2020. As at 31 March 2021, the country had approximately 82,682 confirmed cases and approximately 628 deaths.

While the COVID-19 pandemic has already impacted the Bank's non-performing loans (the "NPLs"), the full impact of the COVID-19 pandemic on the Bank's business will depend on a range of factors, which the Bank is not able to accurately predict as at the date of this Information Memorandum, including the duration and scope of the pandemic, the impact on economic activity and the measures adopted by governments to mitigate the impact of the COVID-19 pandemic. The Bank's management is closely monitoring the development of the COVID-19 pandemic and its impact on the Bank's business and, in particular, the adequacy of the Bank's expected credit loss measurements as more information becomes available to support an update of its measurements by incorporating alternative economic scenarios (which may result in a material adjustment to the Bank's judgments and assumptions for subsequent reporting periods). Depending on the length of duration and severity of the impact of the COVID-19 pandemic, it is reasonable to assume that the COVID-19 pandemic will continue to have a negative and possibly prolonged impact on banking systems globally and in Uzbekistan and on the Bank's general business operations, which could have a material adverse effect on the Bank's business, results of operations, financial condition and prospects.

Although the number of cases recorded in Uzbekistan remains comparatively low, the COVID-19 pandemic has had a significant effect on the country's economy and is expected to adversely affect operations in certain industries and cause companies within these industries to incur additional costs or

prevent them from carrying out their core activities and initiatives. As in many other countries, the Government responded to the pandemic by mandating restrictions upon international and domestic travel, restricting business activities and instituting social distancing rules. On 23 March 2020, the Government announced a lockdown, closing all province borders and forcing all non-essential businesses to temporarily shut down. This lockdown was lifted as part of a general easing of restrictions in late May and early June. On 8 July 2020, the Government reinstated significant restrictions on the movement of vehicles and closed non-food shopping malls, markets, parks, cafes, restaurants and entertainment venues in response to a surge of new cases in the country. These restrictions were lifted on 15 August 2020. In March 2021, Uzbekistan received 660,000 doses of the vaccine Astra Zeneca and one million doses of the vaccine which was developed by China and registered in Uzbekistan in March 2021. Vaccination of the population is planned to commence in April 2021 on a voluntary basis. In March 2021, due to the increased number of cases of COVID-19 in the city of Tashkent and Tashkent region, several educational institutions where the cases of COVID-19 were identified were transferred to online learning and several limits on public gatherings were established. As at the date of this Information Memorandum, the government of Uzbekistan does not show any intentions to further toughen the quarantine requirements but to reinforce the control over the existing measures.

In response to the pandemic, the Government has provided significant fiscal stimulus in order to support the economy. The Government has provided support for the country's energy networks, air transport and tourism, manufacturing (which includes the mining sector) and other industries, as well as other key sectors of the economy, and has provided significant funding for the health service to deal with the increased demand resulting from the pandemic. The Government also implemented measures to ensure the timely payment of wages of public sector employees, pensions, scholarships and allowances. In addition, the Government has introduced significant tax reductions and deferrals so as to alleviate financial pressure on businesses and households.

As at 31 March 2021, the Bank conducted all of its banking operations from its 39 branches, 36 mini-banks and 101 banking centres (including mortgage centres) located throughout Uzbekistan and generated substantively all of its revenue from the domestic market. As a result, the Bank is highly vulnerable to downturns in the domestic economy. Even in spite of the measures introduced by the Government and the CBU, the COVID-19 pandemic has had a significant effect upon the Uzbekistan economy, reducing exports and remittances, straining public finances and forcing small businesses across the country to close at various points. Exports out of Uzbekistan dropped by 21.8 per cent. during the first quarter of 2020 as compared to a decrease of 8.9 per cent. during the same period in 2019 and by 11.9 per cent. during the second quarter of 2020 as compared to a growth of 17.7 per cent. during the same period in 2019. According to the initial calculations of the State Committee of the Republic of Uzbekistan on Statistics, Uzbekistan's GDP grew by 1.6 percent in 2020.

According to the International Monetary Fund's World Economic Outlook published in October 2020, the International Monetary Fund expects 5.0 per cent. real GDP growth in Uzbekistan in 2021, supported by new investment opportunities and structural reforms directed to further diversify the economy, as well as by projected recovery from the COVID-19 outbreak.

According to the Asian Development Bank's Outlook Update published in September 2020, the Asian Development Bank (the "**ADB**") expects 6.5 per cent. GDP growth in Uzbekistan in 2021.

In April 2020, the CBU devalued the soum against the U.S. dollar twice in three days by a total of 5.5 per cent. in response to significant downward pressure on the soum as a result of the measures taken in response to the COVID-19 pandemic and falling energy prices and remittances. According to the CBU, remittances into Uzbekistan also dropped by 5.4 per cent. as at 1 September 2020 as compared to the same period of 2019. On 5 June 2020, S&P changed Uzbekistan's ratings outlook to negative from stable, citing expectations of a significant rise in the country's external debt and fiscal deficit over the next 12 months, partly due to more than U.S.\$1 billion additional Government spending in response to the COVID-19 pandemic. Following the sovereign downgrade, on 10 June 2020, S&P changed the Bank's outlook to negative from stable, citing the negative impact that the potential deterioration of the sovereign's creditworthiness can have on the Bank's credit profile as a largely state-owned bank.

The impact of the COVID-19 pandemic on Uzbekistan's economy therefore poses a number of interrelated risks to the business and financial condition of the Bank. In line with global economic trends, the financial performance of the Bank has been affected by these trends, and could be materially adversely affected in the future, by a continuation of the aforementioned challenging economic conditions and uncertainty. The demand for the Bank's products and services has already been impacted and may continue to be impacted significantly by the COVID-19 pandemic. A substantial proportion of the Bank's business involves providing credit and other financial services to large corporates in the manufacturing (which includes the mining sector) and construction industry, which continued to operate notwithstanding the mandatory quarantine measures imposed by the Government. For example, as at 30 June 2020, 11.9 per cent. of the Bank's loan portfolio was concentrated with two state-owned mining companies. There can be no assurance that such exposures would not be negatively impacted by macroeconomic challenges arising out of any protracted COVID-19-induced restrictions. This also applies for medium, small and micro-sized enterprises ("MSMEs") and individuals, who constitute a significant share of the Bank's total loan portfolio.

The extent to which the COVID-19 pandemic impacts the Bank's business, results of operations, and financial condition, as well as the Bank's regulatory capital and liquidity ratios going forward, will depend on future developments, which, as at the date of this Information Memorandum, are highly uncertain and cannot be predicted. These developments may include, but are not limited to, the duration and spread of COVID-19, its severity, actions taken to contain the virus or treat its impact (including any potential re-introduction of restrictive measures or implementation of new measures), the extent and effectiveness of economic stimulus taken to contain the virus or treat its impact and how quickly and to what extent normal economic and business activity can resume.

Throughout the COVID-19 pandemic, and as at the date of this Information Memorandum, most of the Bank's branches and centres were not and have not been subject to any closures as a result of the COVID-19 pandemic. Moreover, as a result of widespread lockdowns across various economic sectors of Uzbekistan, the Government encouraged commercial banks to maintain banking services for legal entities and individuals in order to meet their day-to-day need to access funds and banking services. While there have been certain short-term disruptions as a result of the Government's responses to the COVID-19 pandemic in Uzbekistan, the Bank is able to continue operations through the implementation of strict safety and hygiene requirements and the use of remote technology by the Bank's employees and clients for day-to-day banking activities. However, there are likely to be heightened operational risks as the Bank responds to the pandemic, including in the areas of cyber-related attacks, fraud, people, technology and operational resilience such as those associated with increased remote working, the implementation of new processes, pressure on customer support areas, disruptions to infrastructure and technology services and/or failures of third parties to supply services to usual standards which could lead to increased errors or delays and/or customer detriment and could cause subsequent loss for the Bank. In the event these conditions persist, the Bank's business, financial condition, results of operations, liquidity and prospects are likely to be negatively affected.

Impact of the Central Bank of Uzbekistan's Measures relating to the COVID-19 pandemic

The CBU has also taken measures to respond to the economic effects of the pandemic. On 14 April 2020, the CBU cut the main policy rate from 16 per cent. to 15 per cent. and further reduced the rate to 14 per cent. on 11 September 2020. In accordance with Presidential Decree No. PF-5978 dated 3 April 2020 "*On additional measures to support the population, economic sectors and business entities during the coronavirus pandemic*", the CBU and other Government institutions and agencies have among other things: (i) eased the requirements for mandatory reserves, and by so doing, provided commercial banks with additional liquidity valued at UZS 2.6 trillion (which, following amendments by the CBU to mandatory reserves calculations in September 2020, allowed the Bank to access approximately UZS 224 billion in aggregate of additional liquidity), (ii) introduced a special facility for providing liquidity to commercial banks for a period of up to three years. As a precaution measure, the Bank has applied and received the CBU's approval for a non-recallable credit line in the amount of up to UZS 640 billion. As at the date of this Information Memorandum, the Bank has not received any actual funding under this facility due to its stable liquidity position and access to other funding sources (such as borrowings from international financial institutions ("IFIs")), but can access it at any time if required; (iii) implemented a moratorium

with effect until 1 October 2020 in respect of any bankruptcy proceedings relating to enterprises that have experienced financial difficulties as a result of the restrictive measures introduced by the Government to counter the spread of COVID-19, (iv) introduced payment holidays deferring repayments of principal and interest accrued on loans by legal entities, individual entrepreneurs and natural persons experiencing financial difficulties until 1 October 2020, (v) deferred any income taxes payable by commercial banks on interest on loans accrued and deferred (due to the pandemic) by commercial banks until 1 October 2020, and (vi) waived any penalties and foreclosure measures on collateralised overdue loans borrowed by legal entities, individual entrepreneurs and natural persons whose activities were negatively affected by mandatory quarantine in Uzbekistan.

The abovementioned deferral of repayments of principal and/or interest until 1 October 2020 applied to loans with the outstanding balance of approximately UZS 8 trillion or nearly 37 per cent. of the Bank's total loan portfolio (or nearly 45 per cent. of loans to legal entities and nearly 26 per cent. of loans to individuals) as at 30 June 2020. Under all of these loans, the payments of interest, principal or certain principal instalments were due before 1 October 2020. Upon the end of the abovementioned deferral period on 1 October 2020, the Bank rescheduled payments of principal or certain principal instalments due during the deferral period under these loans in the amount of UZS 1,377,739 million (in the case of loans to legal entities, which represented 10.4 per cent. of loans to legal entities) and UZS 144,216 million (in the case of loans to individuals, which represented 1.7 per cent. of loans to individuals) such that their due dates were extended beyond the third quarter of 2020. For the avoidance of doubt, all such loans continued to accrue interest on the outstanding principal amount as scheduled and are not subject to any further deferrals beyond 1 October 2020 except for a limited number of customers.

After 1 October 2020, the Bank did not and does not currently intend to grant a further deferral of payments on any loans (and, as at the date of this Information Memorandum, is not required to do so under the CBU regulations), save for a limited number of customers that continue to experience financial hardship as a result of the pandemic, and may in such circumstances also restructure such loans. As at 1 January 2021, the Bank has deferred until 1 April 2021 the principal and interest payments of loans in the total amount less than 1.5 per cent of the Bank's gross loan portfolio.

The financial condition of all of the Bank's clients who have been granted credit holidays is carefully analysed and constantly monitored. With a large number of the Bank's corporate and individual clients suffering financially as a result of the pandemic, the Bank's assessments of expected credit losses in its loan portfolio has been impacted, necessitating increases in provisions to account for such losses, particularly if businesses remain closed and as more customers draw on lines of credit or seek additional finance. Such impairment losses are expected to increase at least until Uzbekistan recovers from the effects of the COVID-19-induced restrictions; however, the potential for domestic consumption remittances and energy prices remaining depressed for a significant period of time could considerably impact the impairment losses in the short- and medium-term, which in turn could have an adverse effect on the Bank's business, financial condition, results of operations and prospects. There is also a risk that additional capital may be required by the Bank to absorb the impact of increased levels of credit risk and any increase in impairment levels over time. Higher impairment provisions could potentially reduce the Bank's capital and its ability to engage in lending and other income-generating activities, any or all of which may negatively impact the Bank's business, revenues, results of operations, financial condition and prospects.

The Bank recorded UZS 461 billion of NPLs as at 31 March 2020 (being before the imposition of the abovementioned deferral of repayments), or 2.3 per cent. of the Bank's total loan portfolio, which increased to UZS 584 billion as at 30 September 2020, or 2.6 per cent. of the Bank's total loan portfolio, in each case as calculated based on Uzbekistan GAAP. In light of the adverse economic impacts of the ongoing pandemic, the Bank further reassessed its expected credit losses and recorded a UZS 803,600 million provision for expected credit losses for the six months ended 30 June 2020 as compared to UZS 541,986 million for the year ended 31 December 2019.

The CBU additionally introduced further measures in its statement 213/1 dated 7 April 2020 "*On additional measures in the banking system based on the Presidential Decree No. PF-5978 dated 3 April 2020*" which provide relief to corporate and individual borrowers, as well as commercial banks. The relief measures for

commercial banks including the Bank consists of: (i) a deferral of any distribution of dividends to a bank's shareholders pending receipt of a special instruction from the CBU, and (ii) allowing commercial banks to implement amendments to existing loan agreements with individuals or corporate customers as a result of the effects of the pandemic without adversely affecting such customers' asset quality classification under Uzbekistan GAAP, credit history and scoring indicator.

Whilst these measures are expected to help mitigate against the negative impact of COVID-19, the impact of these measures cannot be predicted. Among other things, these measures might, and in some cases, have already and will continue to, impose limitations on the Bank's ability to enforce its contracts (including in relation to the repayment of loans and enforcement of collateral), affect pricing in Uzbekistan's competitive banking industry, alter the decision-making process of the Bank and result in financial calculations that are not comparable to those of previous and later periods (including resulting in potentially significant and material changes in key financial metrics after such temporary measures expire) thereby making it more difficult for investors to assess financial results on a comparative basis. Further, and as a result of such measures, the Bank has experienced a significant increase in its levels of non-performing loans as calculated under International Financial Reporting Standards ("IFRS") (See "*The Bank is required to comply with certain financial and other restrictive covenants*" for further information).

Expected privatisation of the Bank, strategic transition of the Bank's business model to a more market-orientated commercial model and decrease of the Government support might have adverse impact on the Bank's strategy and its financial performance

In line with the Decree No. DP-5992 "*On the strategy of reforming the banking system of the Republic of Uzbekistan for 2020-2025*" which approved the transformation and privatisation strategy for a number of state-owned banks, including the Bank, and other related reform measures, the Government will, among other things, decrease its influence on the business and loan portfolio of the Bank, as well as it might reduce direct state financing available to the Bank and the state guarantees that borrowers of the Bank have benefitted from and which the Bank has received as credit support. As part of this strategic transition, the state intends to decrease its ownership of the Bank to less than 50 per cent. by the end of 2022 and to do so in cooperation with the International Finance Corporation (the "IFC") in order to achieve a successful transition of the Bank's business model to a modernised framework that is compliant with best international practices, which in part will also include the IFC's acquisition of shares in the Bank's issued share capital pursuant to the terms of a convertible loan agreement and investment from other potential stakeholders.

The strategic transition also envisages a reduction of state financing in its funding base thereby requiring the Bank to rely to a larger extent on funding from other sources, such as syndicated loans from foreign financial institutions, asset backed securities, customer deposits, the interbank lending market, the international capital markets and other analogous instruments and sources as well as funding provided by the State Fund for Support of Entrepreneurs Activity and JSC "Mortgage Refinancing Company of Uzbekistan" (the "MRCU") (which replaced previous specific state funding programmes conducted through the local banks). Furthermore, the Bank is seeking to diversify its loan portfolio and expand its client base to further benefit from the higher margins from loans attributable to the key sectors of Uzbekistan's economy, such as the construction sector and residential mortgage market, as well as continuing to build its client base amongst MSMEs and retail customers, including private entrepreneurs and other sectors, on commercial and market-orientated terms, while maintaining and developing its existing strength in the manufacturing (which includes the mining sector), trade and services and agricultural sectors.

In line with the broader programme of economic reform in Uzbekistan, many of the Bank's existing corporate clients are undergoing either privatisations or similar transition processes, which are expected to result, among other things, both in these corporate clients experiencing volatility in their businesses, and in them having to obtain funding on more commercial (as opposed to concessionary) terms. There can be no assurance that following the transition of the Bank to a market-based pricing policy and possible reduction of state support, long-term corporate clients of the Bank, who previously benefitted from state guarantees of their borrowings but are unlikely to do so going forward, will retain their low-risk credit profile. Equally, there can be no assurance that, following privatisation or a transition to more independent management,

the credit profiles of such corporate clients will not be negatively affected or such existing corporate clients would not attract financing from, or place their deposits with, the Bank's competitors offering better terms on banking products.

The transition of the Bank and the banking industry generally to a more market-orientated and commercial model will also likely result in increased competition for the Bank with other state-owned banks, foreign and private banks for the same client base. See "*The Bank operates in a competitive industry*" below. In particular, expansion of the Bank's client base to new industries and sectors holds an additional degree of operational and credit risk, as the Bank may not have sufficient knowledge, procedures and resources to adequately evaluate and measure creditworthiness of new types of customers, including retail customers and those in new sectors. That in turn, can have adverse impact on the overall assets quality of the Bank, lead to a potential strain on its financial position, including an increase in the level of provisions as well as a potential increase of its internal limits and NPL levels. Furthermore, as the transitional strategy of the Bank is in its early stages and is expected to take at least three years to complete given a number of internal, market and macroeconomic risks associated with such transition, there can be no assurance that the Bank will succeed in implementing all of the necessary stages of transformation or achieve the growth or profitability that it would expect. Any of these events could have a material adverse effect on the Bank's business, results of operations, financial condition and prospects.

The Bank operates in a competitive industry

In recent years, Uzbekistan's banking sector has become increasingly competitive. According to the CBU, as at 1 January 2021, there were 32 commercial banks (including the Bank) operating in Uzbekistan. The Bank competes with a number of domestic banks including the National Bank of Uzbekistan (the "NBU"), Asaka Bank, Agrobank and SQB in the corporate banking segment, Hamkorbank, Kapitalbank and Ipakyo'li in the retail segment, and Microcreditbank and Agrobank in the retail and micro finance loans and corporate sector. As at 30 June 2020, the Bank was the fourth largest bank in Uzbekistan by total assets (according to the most recent published financial statements of banks in Uzbekistan). In addition, the mortgage market is highly competitive in Uzbekistan, with some competitors implementing aggressive pricing policies in order to retain or build their market share. Further, according to the CBU, as at 1 January 2021, there were six banks with foreign capital in Uzbekistan, which, following the liberalisation of the economy and transitional development of the banking sector, pose an increased competitive challenge for the local market. Although the Bank believes it continues to offer highly competitive products, there can be no assurance that the Bank's customers will not transfer a significant portion of their deposits and/or loans to one or more of the Bank's competitors or that the Bank will gain a significant share of new customers in the market.

Increased competition may have a negative impact on the Bank, particularly (in the light of the expected privatisation of the Bank) if the Bank's competitors possess greater financial resources (especially in the case of banks with significant foreign capital investment or banks which are branches or subsidiaries of non-resident foreign banks, by way of access to funding from foreign capital or their parent entity or which, like the NBU, is not expected to be privatised and will retain majority state ownership) have access to lower-cost funding, provide a broader offering of products, or if the Bank's competitors merged to significantly enhance their financial resources, access to funding and product offerings. Consequently, an increase in competition could lead to significant pressure on the Bank's market share and has already led to, and may, in the future continue to lead to, increased pricing pressures on the Bank's products and services, which could in turn have a material adverse effect on the Bank's business results of operations, financial condition and prospects.

The Bank is required to comply with certain financial and other restrictive covenants

The Bank is subject to certain financial and other restrictive covenants under the terms of its indebtedness that impose certain restrictions on the Bank. The Bank's ability to meet its financial covenants and tests under the terms of its indebtedness are, to an extent, affected by events beyond the Bank's control, such events may include, *inter alia*, macroeconomic and political shocks, sharp fluctuations in foreign currency exchange rates and commodity prices.

The Bank is currently not in compliance with a cost-to-income ratio covenant under the two loan agreements dated 5 April 2017 and 19 November 2018 between the Republic of Uzbekistan, the Rural Restructuring Agency and the Bank (the "**Subsidiary Loan Agreements**") issued in connection with a programme between the Republic of Uzbekistan and the ADB and the project agreements with ADB. Under the Subsidiary Loan Agreements, the cost-to-income ratio which is calculated in accordance with the ADB methodology on the basis of IFRS, expressing the Bank's operating and non-operating expenses as a ratio of operating and non-operating income must not exceed 75 per cent. The cost-to-income ratio calculated in accordance with the ADB methodology is ADB specific and differs from cost-to-income ratio calculated by the Bank. As at 31 December 2019 and 30 June 2020, the Bank's cost-to-income ratio calculated based on the ADB methodology under the Subsidiary Loan Agreements was 85.1 per cent. and 82.3 per cent., respectively. The growth of the Bank's interest expense, operating expense and additional reserves for loan impairment in 2019 and 2020 (which in turn triggered the non-compliance with the covenant) was mainly due to the increased volumes of state, customer and IFI funding supporting asset growth, changes in the Bank's risk-appetite policies and increased staff costs as a result of aligning remuneration of the Bank's employees with prevailing market rates. The Subsidiary Loan Agreements are governed by Uzbek law and do not contain any event of default provisions. Therefore, no cross-default provisions under the Bank's other outstanding indebtedness were triggered as a result of the non-compliance with this covenant. At the same time, the Subsidiary Loan Agreements provide for the right of the Republic of Uzbekistan to demand prepayment of the relevant loans in case of a non-compliance with covenants. This required the Bank to classify the loans under the Subsidiary Loan Agreements as "less than three months" loans in the Group's audited consolidated financial statements for the years ended 31 December 2019, 2018 and 2017 (the "**Annual Financial Statements**" and, together with the Interim Financial Information (as defined below), the "**Financial Statements**") and the Group's unaudited interim condensed consolidated financial information for the period ended 30 June 2020 and 2019 prepared in accordance with IAS 34 Interim Financial Reporting (the "**Interim Financial Information**") as further disclosed in Note 3 to the Annual Financial Statements and Note 15 to the Interim Financial Information, respectively. As a result, the auditors' report on the Annual Financial Statements of the Bank classified the going concern as a key audit matter. The Bank has prepared and agreed with the ADB and the Republic of Uzbekistan an action plan (the "**Action Plan**") to address the non-compliance by the end of 2024 and the Republic of Uzbekistan has agreed that it will not demand pre-payment of the Subsidiary Loan Agreements as a consequence of past and/or on-going breaches of the cost-to-income ratio covenant. The Bank believes that such non-compliance is not expected to adversely affect the Group's financial performance, and in particular its liquidity position.

The implementation of the Action Plan is going in line with the forecasts and as of 1 January 2021, the Bank's cost-to-income ratio was below 86 per cent. (calculated as per Uzbekistan GAAP) whereas according to the Action Plan it should not have exceeded 91.7 per cent.

In 2020 – 2021, the Bank received from the IFC waivers of compliance with the Economic Group Exposure Ratios (the "**EGER**") set out in the loan agreement between the Bank and the IFC dated 22 June 2020 in relation to its three large clients. As at 1 January 2021, the Bank was in compliance with the EGER within the revised limits set out in the waiver letters (calculated as per Uzbekistan GAAP).

In addition, the Bank monitors the impact of various measures adopted by the Republic of Uzbekistan to combat the negative impact of the COVID-19 pandemic (including deferral of repayment of interest and principal granted to borrowers facing financial difficulties until 1 October 2020 and a moratorium on enforcement measures in relation to assets of the borrowers negatively impacted by the pandemic) on its NPLs to total gross loans ratio ("**NPL ratio**"). See "*Impact of the Central Bank of Uzbekistan's Measures relating to the COVID-19 pandemic.*" In particular, the Action Plan agreed with ADB and the Republic of Uzbekistan addresses potential non-compliance with the NPL ratio under the Subsidiary Loan Agreements should any such non-compliance arise before the end of 2022.

The Bank endeavours to ensure compliance with all financial covenants applicable to it and, except as discussed above, the Bank is currently in compliance with the financial covenants in its loan agreements. However, the Bank's management cannot give any assurance that the Bank will be able to meet the tests imposed by the financial and other restrictive covenants under the terms of its indebtedness or that it will be able to obtain consents to amend or waivers in respect of such covenants in the future. A failure by the Bank

to comply with the restrictions and covenants in its existing or future debt and other agreements, may result in a default under the terms of those agreements. In the event of a default under these agreements, the parties may terminate their commitments to further lend to the Bank or accelerate the loans and declare all amounts borrowed due and payable triggering events of default in other finance agreements. Such events may also trigger an event of default under the Notes. If any of these events occurs, the Bank cannot give any assurance that available assets would be sufficient to repay in full all of the Bank's affected indebtedness, or that the Bank would be able to secure alternative financing. Even if the Bank could obtain alternative financing, the Bank's management cannot give any assurance that such financing would be on terms that are favourable or acceptable to the Bank.

The Bank's strategy is determined by the Government as its major shareholder. Interests of the Bank's shareholders or management may conflict with those of the Noteholders

As at the date of this Information Memorandum, the Ministry of Finance of the Republic of Uzbekistan (the "**Ministry of Finance**") acting on behalf of the Government, through its own stake and that held by the State Fund for the Reconstruction and Development of the Republic of Uzbekistan ("**UFRD**"), ultimately controls a stake exceeding 90 per cent. of the voting shares and the charter capital of the Bank. Currently, representatives of the UFRD, and the Ministry of Finance hold four out of the nine seats on the Bank's Supervisory Board. Certain of the Bank's directors and officers also serve as directors or officers of governmental agencies that regulate the Bank's business.

The Government is therefore able to determine the outcome of all material matters concerning the Bank that may be decided by the shareholders and can appoint the Bank's directors and management. Accordingly, the Government could cause the Bank to pursue transactions or to make large dividend payments (such as mandatory dividend payments representing at least 50 per cent. of the Bank's net profits as envisaged by Article 19 of the Law "*On the State Budget of the Republic of Uzbekistan for 2020*" No. 589 dated 9 December 2019 and Presidential Resolution No. PP-4679 dated 15 April 2020) or other distributions or payments to shareholders that are designed to implement the policy of the Government rather than benefit the Bank or the Noteholders, even though such transactions may involve increased risk for the Bank and, consequently, for the Noteholders. Although the Bank retains autonomy to determine day-to-day commercial matters, its overall strategy and, therefore, indirectly the focus of its loan portfolio, is prescribed by the Government. The interests of the Bank's shareholders and management may, in some circumstances, conflict with the interests of the Noteholders and any such conflict could have a material adverse effect on the Noteholders' investment in the Notes.

Historically, through its loan book, the Bank assisted the Government in financing mining projects as well as infrastructural and development projects for the Government in the construction and manufacturing sectors. The Bank continues to issue loans to state-owned companies operating in those sectors using funding provided by the Government in the form of loans to the state agencies. Such loans typically have low margins and interest rates below market rates, thus affecting the Bank's net profit. Since the Bank is expected to continue such activities in the future to a certain extent, Conditions 5(e) and 5(f) of the Notes provide for significant exceptions that permit the Bank to enter into such transactions with entities that are agencies of the Republic of Uzbekistan or persons that are otherwise controlled by an agency of the Republic of Uzbekistan.

Since 2018, in line with the general reform of the banking sector in Uzbekistan, the Government has been gradually decreasing its influence on the business and loan portfolio of the Bank, as well as reducing the state support financing available to the Bank. Nevertheless, following the implementation of the Bank's transition strategy and decrease of the state financial support provided to the Bank and decrease the state's share in the share capital of the Bank, it may still be directed by the state as (and for as long as it remains to be) its major shareholder to invest in subsidiaries or to provide lending to companies and projects which are not commercially viable or at below market rates. Notwithstanding the Government's established of the "Entrepreneurs Fund of Uzbekistan" which provides subsidies for processing projects in order to cease the foregoing practices, the Government may still require the Bank to engage in business practices in a way not necessarily consistent with the best interests of the Noteholders and which may negatively affect the

Bank's net interest income, all of which could have a material adverse effect on the Bank's business, financial condition, results of operations and prospects.

Withholding Tax

Pursuant to a new tax code effective from the 1 January 2020 (the "**New Tax Code**"), principal, interest or premium payable under international bonds (such as the Notes) by an Uzbek legal entity to non-resident or resident legal entities or individuals is not subject to any withholding tax in Uzbekistan.

If interest payments in respect of any Notes become subject to Uzbekistan withholding tax, the Bank shall (subject to certain exceptions) pay such additional amounts as will result in the receipt by the Noteholders of such amounts as would have been received had no such withholding been required as more fully described in Condition 9. The New Tax Code does not permit contractual provisions imposing on residents of the Republic of Uzbekistan an obligation to bear expenses in relation to tax obligations of foreign natural persons who are non-resident of the Republic of Uzbekistan (the "**Non-Uzbek natural persons**"). Whilst tax gross-up provisions of Condition 9 are expressed to impose on the Bank an obligation to pay additional amounts rather than to bear expenses in relation to tax obligations of the non-Uzbek natural persons, there is no assurance that an Uzbek court will agree with this interpretation and, therefore, there is a risk that such gross-up provisions may not be enforceable. So far as the Bank is aware, there has been no court case in the Republic of Uzbekistan in which tax gross-up or similar provisions were considered.

Disclosure contained in this Information Memorandum is limited

No disclosure document or listing particulars, other than the Information Memorandum, has been prepared by the Issuer or any other person in connection with the issuance of the Notes. The Information Memorandum contains limited disclosure about the Issuer and its business and no information on its financial position. Therefore, the prospective investors should perform their own extensive due diligence and risks assessment in relation to the Issuer and the Notes before making their investment decision.

Depreciation of the soum against the U.S. Dollar

As principal, interest and other amounts payable on the Notes are payable in U.S. Dollars, while the Notes are denominated in soum, the risk of a depreciation of the soum against the U.S. Dollar is one of the most significant risks that prospective purchasers of Notes are assuming. If the soum depreciates against the U.S. Dollar, the effective yield on the Notes (in U.S. Dollar terms) may decrease below the interest rate on the Notes, and the amount payable on an interest payment date, at maturity or upon acceleration may be less than an investor's original investment, resulting in a loss to investors. Depreciation of the soum against the U.S. Dollar may also adversely affect the market value of the Notes.

Although the soum is a fully convertible currency, generally, there is no market outside Uzbekistan for the exchange of amounts denominated in soum with amounts denominated in other currencies (such as U.S. Dollars) and the market for doing so in Uzbekistan is of a limited size. The ability of prospective purchasers of Notes to rely on the forward market for foreign exchange of soum to hedge their exposure to a devaluation of the soum relative to the U.S. Dollar may also be limited.

All amounts due in respect of the Notes, including principal, interest and other amounts (if any), shall be calculated by the Calculation Agent for payment in U.S. Dollars by dividing the relevant soum amounts by the Average Representative Market Rate on the applicable Rate Calculation Date. The Average Representative Market Rate shall be determined by the Calculation Agent based on the arithmetic mean of the Representative Market Rates (as defined in "*Terms and Conditions of the Notes*" below) for the last five business days on which commercial banks and foreign exchange markets are open in Tashkent, Uzbekistan immediately before any Rate Calculation Date, whereas a Rate Calculation Date is defined in "*Terms and Conditions of the Notes*" as the fourth such business day preceding any Interest Payment Date, the Maturity Date or any other date on which principal, interest or any other amount shall become payable pursuant to the Terms and Conditions of the Notes, all as more fully set out in "*Terms and Conditions of the Notes*". The Representative Market Rate shall be determined based on the soum/U.S. Dollar official daily exchange rate for the previous such business day as reported by the CBU and published on its website. In the event that

such rate is not available, the Calculation Agent shall poll reference banks set out in "*Terms and Conditions of the Notes*" to determine the applicable Representative Market Rate, all as more fully described in "*Terms and Conditions of the Notes*".

Absent manifest error, any calculation by the Calculation Agent shall be binding on all Noteholders and the Issuer's payment obligations with respect to the Notes will be fully satisfied by paying amounts notified to it by the Calculation Agent.

As at the date of this Information Memorandum, the yield on the Notes is 16.00% per annum. As the Notes are denominated in soum, however, while interest, principal and any other amounts are payable in U.S. Dollars, the total yield, stated in percentage terms, on an investment in Notes will be affected by fluctuations in the exchange rate between the soum and the U.S. Dollar and may not be the same when calculated in U.S. Dollars as when calculated in soum.

Investors whose financial activities are denominated in a currency or currency unit other than U.S. Dollars may receive less interest or principal than expected, or no interest or principal on the Notes, as a result of fluctuations in exchange rates or changes to exchange controls

The Issuer will pay principal and interest on the Notes in U.S. Dollars. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than U.S. Dollars. These include the risk that exchange rates may significantly change (including changes due to devaluation of the U.S. Dollar or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Issuer's or the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the U.S. Dollar would decrease (i) the Investor's Currency equivalent yield on the Notes, (ii) the Investor's Currency-equivalent value of the principal payable on the Notes and (iii) the Investor's Currency-equivalent market value of the Notes.

Governmental and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal on the Notes.

The Notes are pari passu securities

Subject to the restrictions on levels of indebtedness in other agreements and under prudential norms, there is no restriction on the amount of securities the Issuer may issue and which may rank equally in right of payment with the Notes. The issue of any such securities may reduce the amount investors may recover in respect of the Notes in certain scenarios as the incurrence of additional debt could affect the Issuer's ability to repay principal of, and make payments of interest on, the Notes. This could have a material adverse effect on the trading price of the Notes.

The Notes constitute unsecured obligations of the Issuer

The Issuer's obligations under the Notes will constitute unsecured obligations of the Issuer. Accordingly, any claims against the Issuer under the Notes would be unsecured claims, which would be satisfied only after any secured creditors, if at all. The ability of the Issuer to pay such claims will depend upon, among other factors, its liquidity, overall financial strength and ability to generate asset flows.

There is no public market for the Notes

There is no existing market for the Notes, and there can be no assurance regarding the future development of a market for the Notes. Application has been made for admission to the official list and trading of the Notes on Vienna MTF. However, an active trading market in the Notes may not develop or be maintained after listing. No assurance can be made as to the liquidity of any market that may develop for the Notes, the ability of Noteholders to sell the Notes or the price at which Noteholders may be able to sell the Notes. The liquidity of any market for the Notes will depend on the number of Noteholders, prevailing interest rates, the market for similar securities and other factors, including general economic conditions and the

Bank's financial condition, performance and prospects, as well as recommendations of securities analysts. Disruptions in the global capital markets may lead to reduced liquidity, increased credit risk premiums and a reduction in investment in securities. If an active trading market does not develop or cannot be maintained, this could have a material adverse effect on the liquidity and the trading price of the Notes.

The trading price of the Notes may be volatile

The trading price of the Notes could be subject to significant fluctuations in response to actual or anticipated variations in the Bank's operating results and those of the Bank's competitors, adverse business developments, changes to the regulatory environment in which the Bank operates, changes in financial estimates by securities analysts and the actual or expected sale of a large number of Notes, as well as other factors, including the credit rating of the Bank. Historically, the market for non-investment grade debt, such as the Notes, has been subject to disruptions that cause substantial volatility in the prices of such securities. In addition, in recent years the global financial markets have experienced significant price and volume fluctuations which, if repeated in the future, could adversely affect the trading price of the Notes without regard to the Bank's operating results, financial conditions or prospects or credit rating.

2. Definitions

The following definitions apply throughout this document, unless the context otherwise requires:

"Business Day"	Means a day (other than Saturday or Sunday) on which banks are open for general business in Austria, United Kingdom and Uzbekistan
"Group" and "the Bank"	the Joint-stock commercial mortgage bank "Ipoteka-bank" and its consolidated subsidiaries taken as a whole
"Issuer"	Joint-stock commercial mortgage bank "Ipoteka-Bank"
"Noteholders"	Holders of Notes as set out in the Register of the Notes
"Notes"	UZS 785,000,000,000 16.00% Notes due 2024
"U.S.\$" or "U.S. dollar"	U.S. dollar, lawful currency of the United States
"UZS" or "soums"	the lawful currency of the Republic of Uzbekistan;
"Vienna MTF"	a Multilateral Trading Facility market operated by the Vienna Stock Exchange

3. Overview of the Bank

This overview highlights certain information concerning the business of the Bank and the Notes. It does not contain all information that may be important to an investor in the Notes or an investment decision in relation to the Notes. This overview should be carefully read in conjunction with, and is qualified in its entirety by reference to, the more detailed information in this Information Memorandum, including the Financial Statements. Investors should also consider the matters set forth in "Risk Factors" before deciding to invest in the Notes. Certain statements in this Information Memorandum include forward-looking statements which also involve risk and uncertainties as described under "Forward-Looking Statements".

Overview

The Bank was established by the Decree of the President of the Republic of Uzbekistan dated 16 February 2005, No. DP-10 "On measures for housing construction and further development of the housing market". The Bank's registered and head office is located at Shahrisabz Street 30, 100000 Tashkent, the Republic of Uzbekistan. The telephone number of the registered and head office of the Bank is +998 (78) 150-11-22. As at the date of this Information Memorandum, the Bank has the following long-term ratings: BB- (stable outlook) from Fitch, B1 (stable outlook) from Moody's and BB- (negative outlook) from S&P.

Based on the CBU information, the Bank is one of the leading universal banks in the Republic of Uzbekistan. Its principal areas of activity include commercial banking, retail banking, securities operations, foreign currency operations and trade financing. According to the CBU, as at 1 January 2021, the Bank ranked as the fourth largest commercial bank in Uzbekistan by total assets with an 8.9 per cent. and as the fifth loan portfolio size with an 8.8 per cent. market share. The Bank offers a comprehensive range of banking services, including state, corporate and retail lending with a particular focus on mortgage lending, deposit-taking, cash handling, international money transfers, documentary operations, guarantees, foreign exchange operations and other products. According to the CBU, the Bank is the largest mortgage lender in Uzbekistan accounting for approximately 25.4 per cent., 28.9 per cent. and 29.3 per cent. of the sector's total outstanding residential mortgage loan portfolio as at 31 December 2019, 1 July 2020 and 1 September 2020, respectively. The Bank conducts its banking operations from its head office in Tashkent and, as at 31 March 2021, had 39 branches, 36 mini-banks and 101 banking centres (including mortgage centres) and other sales points providing a range of banking services located across Uzbekistan.

In addition to its commercial banking activities, the Bank has historically operated as a state financing vehicle on the basis of funding provided by state agencies, such as the UFRD and the Ministry of Finance, for subsidised financing of investment projects in certain key industries (primarily being the manufacturing (which includes the mining sector), construction, trading and services, transport and communication and retail sectors) and has otherwise in its day-to-day operations relied on funding provided by the Government in the form of predominantly subsidised loans, deposits, capital injections and state guarantees, as well as funding received as borrowings from IFIs. Since 2018, as part of the ongoing economic reforms in Uzbekistan, the Bank has been undergoing a transitional reform of its banking organisation (namely, by moving away from being dependent on state control and funding to more of a market-orientated commercial structure). Under this transition strategy, the Government has been gradually decreasing its influence on the business and loan portfolio of the Bank, as well as narrowing the scope of state support financing available to the Bank to specific state-sponsored funds or programmes, such as the MRCU or the State Fund for Support of Entrepreneurs' Activity, and reducing the number of state guarantees that borrowers of the Bank have benefitted from and which the Bank has received as credit support. Following such a strategic transition, the Bank intends to reduce the share of state ownership to less than 50 per cent. by the end of 2022 and expects to rely less on state subsidised financing in its funding base and instead to rely to a larger extent on funding from other sources, such as customer accounts, the MRCU, interbank lending markets and international capital markets. Furthermore, the Bank is seeking to diversify its loan portfolio and expand its client base to further benefit from higher margins on loans attributable to the key sectors of Uzbekistan's economy, such as the construction sector and residential mortgage market, as well as to further increase its client

base amongst MSMEs and retail customers, including private entrepreneurs and other sectors, on more commercial and market-orientated terms, while maintaining and developing its existing strong position in the manufacturing (which includes the mining sector), trade and services and agricultural sectors.

As at 30 June 2020, the Bank's total assets amounted to UZS 25,727,858 million. Total gross loans and advances to customers amounted to UZS 21,686,611 million as at 30 June 2020, with corporate loans, residential mortgage loans and small business loans accounting for 30.3 per cent., 33.0 per cent. and 30.8 per cent. of total gross loans, respectively. As at 31 March 2021, the Bank's share capital amounted to UZS 2,869,839,259,906. For the year ended 31 December 2019 and six months ended 30 June 2020, the Bank generated a net profit of UZS 339,018 million and UZS 238,445 million, respectively.

Competitive Strengths

The Bank's management believes that the Bank has a number of competitive advantages, including the following:

- *History of strong Government support;*
- *Established position in the banking market and growing business volumes;*
- *Strong franchise and access to an extensive retail customer base;*
- *Comprehensive banking network;*
- *Focus on sound asset quality; and*
- *Developed corporate governance and experienced management with a deep understanding of the local market.*

Strategy

The following represent the key elements of the Bank's strategy:

- *Structural modernisation of the Bank;*
- *Diversification of banking activities with a focus on the private sector and retail customers;*
- *Development of IT infrastructure to improve customer services;*
- *Customer-centric sales models and reengineered business processes for improved efficiency;*
- *Further development of risk management and credit policies; and*
- *Further development of high-quality corporate governance, qualified personnel, an entrepreneurial corporate culture and efficient HR management systems.*

Risk Factors

An investment in the Notes involves a high degree of risk. For a detailed discussion of the risks and other factors to be considered when making an investment decision with respect to the Notes, see "*Risk Factors*" and "*Forward-Looking Statements*". Prospective investors in the Notes should carefully consider the risks and other information contained in this Information Memorandum prior to making any investment decision with respect to the Notes. Prospective investors should note that the risks described in this Information Memorandum are not the only risks the Bank faces. The Bank has

described only the risks it considers to be material. However, there may be additional risks that it currently considers immaterial or of which it is currently unaware.

4. Use of Proceeds

The Issuer will use the proceeds of the issue of the Notes primarily for financing certain development finance projects.

5. Taxation

Prospective purchasers of the Notes are advised to consult their own tax advisers as to the consequences under the tax laws of the country of which they are resident of a purchase of Notes, including, but not limited to, the consequences of the receipt of interest and the sale or redemption of Notes. The following is a general description of Uzbekistan withholding tax laws relating to the Notes as in effect on the date hereof, and does not purport to be a comprehensive discussion of the tax treatment of the Notes.

Withholding Tax in Uzbekistan

Pursuant to Articles 304, 351, 369 and 464 of the Tax Code, principal, interest or premium payable under international bonds (such as the Notes) by an Uzbek legal entity to non-resident or resident legal entities or individuals is not subject to any withholding tax in Uzbekistan.

If interest payments in respect of any Notes become subject to Uzbekistan withholding tax, the Bank shall (subject to certain exceptions) pay such additional amounts as will result in the receipt by the Noteholders of such amounts as would have been received had no such withholding been required as more fully described in Condition 9. The Tax Code does not permit contractual provisions imposing on residents of the Republic of Uzbekistan an obligation to bear expenses in relation to tax obligations of foreign natural persons who are Non-Uzbek natural persons. Whilst tax gross-up provisions of Condition 9 are expressed to impose on the Bank an obligation to pay additional amounts rather than to bear expenses in relation to tax obligations of the non-Uzbek natural persons, there is no assurance that an Uzbek court will agree with this interpretation and, therefore, there is a risk that such gross-up provisions may not be enforceable. So far as the Bank is aware, there has been no court case in the Republic of Uzbekistan in which tax gross-up or similar provisions were considered.

6. Terms and Conditions of the Notes

The following is the text of the terms and conditions of the Notes, which, subject to amendment, will be endorsed on each Definitive Note and will (subject to the provisions thereof) apply to the Global Note.

The UZS785,000,000,000 16.00 per cent. notes due 2024 (the "Notes") which expression includes any further Notes issued pursuant to Condition 16 and forming a single series therewith of Joint-stock commercial mortgage bank "Ipoteka-bank" (the "**Issuer**") were authorised by a written resolution of the Supervisory Board of the Issuer dated 25 January 2021 No. 2. The Notes are constituted by a trust deed to be dated 16 April 2021 (the "**Trust Deed**") made between the Issuer and BNY Mellon Corporate Trustee Services Limited (the "**Trustee**", which expression shall include all persons for the time being who are the trustee or trustees under the Trust Deed) as trustee for the holders of the Notes.

These terms and conditions (the "**Conditions**") include summaries of, and are subject to, the detailed provisions of the Trust Deed. The Issuer will enter into a paying agency agreement, to be dated 16 April 2021 (the "**Agency Agreement**") with the Trustee, The Bank of New York Mellon, London Branch as principal paying agent (the "**Principal Paying Agent**" and, together with any other paying agents appointed under the Paying Agency Agreement, the "**Paying Agents**") and The Bank of New York Mellon SA/NV, Dublin Branch as registrar and transfer agent (the "**Registrar**" and the "**Transfer Agent**"). The Registrar, Paying Agents and Transfer Agent are together referred to herein as the "**Agents**", which expression includes any successor or additional paying and transfer agents or registrars appointed from time to time in connection with the Notes.

Copies of the Trust Deed and the Agency Agreement are available for inspection by appointment during normal business hours at the specified office of the Trustee, being at the date hereof One Canada Square, London, E14 5AL, United Kingdom, and at the specified offices of the Principal Paying Agent or at the Trustee's or the Principal Paying Agent's discretion such inspection can take place electronically. The Noteholders (as defined below) are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Trust Deed and are deemed to have notice of those provisions of the Agency Agreement applicable to them. Capitalised terms used but not defined in these Conditions shall have the respective meanings given to them in the Trust Deed.

1 Form and Denomination

The Notes are issued in fully registered form, without interest coupons attached, in denominations of UZS2,500,000,000 or integral multiples of UZS10,000,000 in excess thereof ("**authorised denominations**"). Title to the Notes shall pass by registration in the register (the "**Register**") which the Issuer shall procure to be kept by the Registrar. The Notes are represented by registered definitive Notes ("**Definitive Notes**") and, save as provided in Condition 3(c), each Definitive Note shall represent the entire holding of Notes by the same holder.

2 Status

The Notes constitute direct, general, unsubordinated and (subject to Condition 4) unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference among themselves. The payment obligations of the Issuer under the Notes shall, save for such exceptions as may arise by mandatory operation of law and subject to Condition 4, at all times rank at least equally with all its other present and future unsecured and unsubordinated obligations.

3 Register, Title and Transfers

- (a) **Register:** The Registrar shall maintain the Register in respect of the Notes in accordance with the provisions of the Agency Agreement. The Register shall be kept at the specified office for the time being of the Registrar and shall record the names and addresses of the holders of the Notes, particulars of the Notes and all transfers and redemptions thereof. In these Conditions, the "**holder**" of a Note means the person in whose name such Note is for the

time being registered in the Register (or, in the case of a joint holding, the first named thereof) and "**Noteholder**" shall be construed accordingly.

- (b) **Title:** Title to the Notes will pass by and upon registration in the Register. The holder of each Note shall (except as otherwise required by a court of competent jurisdiction or applicable law) be treated as the absolute owner of such Note for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any other interest therein, any writing on the Definitive Note relating thereto (other than the endorsed form of transfer) or any notice of any previous loss or theft of such Definitive Note) and no person shall be liable for so treating such holder.
- (c) **Transfers:** Subject to Conditions 3(f) and 3(g) below, a holding of Notes may be transferred in whole or in part in an authorised denomination upon surrender (at the specified office of the Registrar or the Transfer Agent) of the relevant Definitive Note representing that Note, together with the form of transfer (including any certification as to compliance with restrictions on transfer included in such form of transfer endorsed thereon) (the "**Transfer Form**"), duly completed and executed, at the specified office of the Transfer Agent or of the Registrar, together with such evidence as the Transfer Agent or the Registrar may reasonably require to prove the title of the transferor and the authority of the persons who have executed the Transfer Form. In the case of a transfer of part only of a holding of Notes represented by one Definitive Note, a new Definitive Note shall be issued to the transferee in respect of the part transferred and a further new Definitive Note in respect of the balance of the holding not transferred shall be issued to the transferor. Neither the part transferred nor the balance not transferred may be less than the minimum authorised denomination. In the case of a transfer of Notes to a person who is already a holder of Notes, a new Definitive Note representing the enlarged holding shall only be issued against surrender of the Definitive Note representing the existing holding. No transfer of a Note will be valid unless and until entered on the Register.
- (d) **Exercise of Options or Partial Redemption in Respect of Notes:** In the case of an exercise of a Noteholders' option in respect of, and a partial redemption of, a holding of Notes represented by a single Definitive Note, a new Definitive Note shall be issued to the holder to reflect the exercise of such option or in respect of the balance of the holding not redeemed. In the case of a partial exercise of an option resulting in Notes of the same holding having different terms, separate Definitive Notes shall be issued in respect of those Notes of that holding that have the same terms. New Definitive Notes shall only be issued against surrender of the existing Definitive Notes to the Registrar or the Transfer Agent.
- (e) **Delivery of New Definitive Notes:** Each new Definitive Note to be issued pursuant to Condition 3(c) or 3(d) shall be available for delivery within three business days of receipt of a duly completed form of transfer or Change of Status Put Option Notice (as defined in Condition 7(g)) and surrender of the existing Definitive Note(s). Delivery of the new Definitive Note(s) shall be made at the specified office of the Transfer Agent or of the Registrar (as the case may be) to whom delivery or surrender of such form of transfer, Change of Status Put Option Notice or Definitive Note shall have been made or, at the option of the holder making such delivery or surrender as aforesaid and as specified in the relevant form of transfer or Change of Status Put Option Notice or otherwise in writing, be mailed by uninsured post at the risk of the holder entitled to the new Definitive Note to such address as may be so specified, unless such holder requests otherwise and pays in advance to the Transfer Agent or the Registrar (as the case may be) the costs of such other method of delivery and/ or such insurance as it may specify. In this Condition 3(e), "**business day**" means a day, other than a Saturday or Sunday, on which banks are open for business in the place of the specified office of the Transfer Agent or the Registrar (as the case may be).
- (f) **Transfer or Exercise Free of Charge:** Definitive Notes, on transfer or exercise of an option and partial redemption, shall be issued and registered without charge by or on behalf of the

Issuer, the Registrar or the Transfer Agent, but upon payment by the person making such application for transfer or exercise of an option of any tax or other governmental charges that may be imposed in relation to it (or the giving of such indemnity as the Registrar or the Transfer Agent may require).

- (g) **Closed Periods:** No Noteholder may require the transfer of a Note to be registered (i) during the period of 15 days ending on (and including) the due date for redemption of that Note, (ii) during the period of 15 days prior to (and including) any date on which Notes may be called for redemption by the Issuer at its option pursuant to Condition 7(b), Condition 7(c), and Condition 7(d), (iii) after any such Note has been called for redemption, or (iv) during the period of seven days ending on (and including) any Record Date.
- (h) **Regulations concerning Transfer and Registration:** All transfers of Notes and entries on the Register are subject to the detailed regulations concerning the transfer and registration of Notes set out in Schedule 1 to the Agency Agreement. The regulations may be changed by the Issuer with the prior written approval of the Trustee and the Agents (such approval not to be unreasonably withheld or delayed). A copy of the current regulations will be sent by the Registrar free of charge to any person who so requests and will be available at the specified offices of the Registrar and at the specified office of the Transfer Agent.

4 Negative Pledge

So long as any Note remains outstanding (as defined in the Trust Deed), the Issuer will not, and will ensure that none of its Material Subsidiaries will create, or permit to arise or subsist any mortgage, charge, pledge, lien or other form of encumbrance or security interest including, without limitation, anything analogous to the foregoing under the laws of any jurisdiction (a "**Security Interest**") other than a Permitted Security Interest upon the whole or any part of its property, assets or revenues, present or future, to secure any Indebtedness, unless in any such case at the same time or prior thereto, the Issuer's obligations under the Notes are secured equally and rateably with such other Indebtedness or have the benefit of such other arrangement as (i) the Trustee shall in its absolute discretion deem not materially less beneficial to the interest of the Noteholders or (ii) shall be approved by an Extraordinary Resolution (as defined in the Trust Deed) of the Noteholders.

5 Covenants

(a) Regulatory Compliance

- (i) So long as any Note remains outstanding, the Issuer shall not permit its:
 - A. CBU Capital Adequacy Ratio to fall below the minimum percentage set by the CBU;
 - B. CBU Tier 1 Capital Adequacy Ratio to fall below the minimum percentage set by the CBU; and
 - C. CBU Leverage Ratio to fall below the minimum percentage set by the CBU.
- (ii) The Issuer shall comply with all other financial and prudential ratios set by the CBU applicable to banks generally in Uzbekistan except where the failure to do so would not, individually or in the aggregate, have a Material Adverse Effect.

(b) Restricted Payments:

So long as any Note remains outstanding, the Issuer will not, and will not permit any of its Subsidiaries, directly or indirectly, to make a Restricted Payment, unless at the time of and after giving effect to such Restricted Payment:

- (i) no Event of Default shall have occurred and be continuing (or would result therefrom); and

- (ii) the aggregate amount of such Restricted Payment made during any financial year of the Issuer would not exceed 50 per cent. of the Consolidated Net Profit for the previous financial year determined by reference to the Issuer's audited consolidated financial statements for the previous financial year delivered to the Trustee pursuant to Condition 5(c),

provided, however, that in any financial year where the Issuer is required under the Law on the State Budget, the Presidential Decree dated 29 June 2018 No. UP-5468, as amended or superseded from time to time (the "**Decree**"), the Presidential Resolution dated 15 April 2020 No. PP-4679 (the "**Resolution**") or any law, Presidential or Governmental resolution having similar effect, to make any Restricted Payments to its shareholders and the mandatory amount of such Restricted Payments exceeds the threshold set out in paragraph (ii) above, such higher threshold as specified in the Law on the State Budget, the Decree, the Resolution or any law, Presidential or Governmental resolution having similar effect shall apply for the purposes of this Condition 5(b).

- (c) **Financial Statements etc.:** So long as any Note remains outstanding, the Issuer shall deliver to the Trustee:

- (i) not later than 180 days after the end of the Issuer's financial year, copies (in English) of the Issuer's audited consolidated financial statements for such financial year, prepared in accordance with IFRS consistently applied, together with the corresponding financial statements for the preceding period, and all such annual financial statements of the Issuer shall be accompanied by the audit report (in English) of the Auditors thereon and supplemented with information as to (A) the CBU Capital Adequacy Ratio, (B) the CBU Tier 1 Capital Adequacy Ratio and (C) the CBU Leverage Ratio; and

- (ii) not later than 120 days after the end of the first six months of each of the Issuer's financial years, copies (in English) of the Issuer's unaudited consolidated financial statements for such six-month period, prepared in accordance with IFRS consistently applied, together with the corresponding financial statements for the preceding period and all such financial statements of the Issuer shall be accompanied by the review report (in English) of the Auditors thereon and supplemented with information as to (A) the CBU Capital Adequacy Ratio, (B) the CBU Tier 1 Capital Adequacy Ratio and (C) the CBU Leverage Ratio,

in the case of each of (i) and (ii) above, together with a written notice in the form of an Officer's Certificate in the form set out in the Trust Deed stating whether since the date of the last certificate or, if none, the Issue Date an Event of Default or a Potential Event of Default shall have occurred and be continuing, describing all such Events of Default or Potential Events of Default and what action the Issuer is taking or proposes to take with respect thereto; and

- (iii) the Issuer shall also post such financial statements on its website within the time periods referred to in Condition 5(c)(i) or 5(c)(ii) above, as the case may be.

- (d) **Limitation on Mergers:**

- (i) So long as any Note remains outstanding, the Issuer shall not (x) enter into any reorganisation (whether by way of a merger, accession, division, separation or transformation, as these terms may be construed under applicable Uzbek law) or undergo any other type of corporate reconstruction, or (y) in a single transaction or a series of related transactions, directly or indirectly, merge, consolidate, amalgamate or otherwise combine with or into another Person or sell, assign, transfer, convey or otherwise dispose of all or substantially all of the properties or assets of the Issuer or the Group, to another Person, unless:

- A. (i) the surviving or resulting entity or the transferee (the "**Successor Entity**") is the Issuer or, (ii) if not the Issuer, the Successor Entity (x) assumes all the obligations (if any) of the Issuer under the Notes and the Trust Deed, and (y) retains or succeeds to all of the rights and obligations of the Issuer under all of its material government permits, licenses, consents and authorisations; and
 - B. such transaction(s) would not, individually or in the aggregate, have a Material Adverse Effect; and
 - C. immediately after such transaction(s), the Successor Entity certifies to the Trustee that the transaction complies with these Conditions (upon which certification the Trustee shall be entitled to rely without further enquiry and without liability to any person).
- (ii) So long as any Note remains outstanding, the Issuer shall ensure that none of the Material Subsidiaries shall (x) enter into any reorganisation (whether by way of a merger, accession, division, separation or transformation, as these terms may be construed under applicable law) or undergo any other type of corporate reconstruction or (y) in a single transaction or a series of related transactions, merge, consolidate, amalgamate or otherwise combine with or into another Person or sell, assign, transfer, convey or otherwise dispose of all or substantially all of the properties or assets of such Material Subsidiary, unless:
- A. (i) such Material Subsidiary is the Successor Entity or (ii) the Successor Entity (if not such Material Subsidiary) retains or succeeds to all of the rights and obligations of such Material Subsidiary under all of its material government permits, licenses, consents and authorisations (if any); and
 - B. such transaction(s) would not, individually or in the aggregate, have a Material Adverse Effect; and
 - C. immediately after such transaction(s), the Issuer (on behalf of the Successor Entity) certifies to the Trustee that the transaction complies with these Conditions (upon which certification the Trustee shall be entitled to rely without further enquiry and without liability to any person).
- (iii) Notwithstanding the foregoing:
- A. The Issuer may perform acts set out in Condition 5(d)(i) if required to do so by statute or a Government resolution applicable to the Issuer, provided that (i) the Issuer is the Successor Entity or (ii) if not the Issuer, the Successor Entity (x) assumes all the obligations (if any) of the Issuer under the Notes and the Trust Deed, and (y) retains or succeeds to all of the rights and obligations of the Issuer under all of its material government permits, licenses, consents and authorisations;
 - B. Any Material Subsidiary of the Issuer may perform acts set out in Condition 5(d)(ii) if required to do so by statute or a Government resolution applicable to the Issuer or such Material Subsidiary, provided that (i) such Material Subsidiary is the Successor Entity or (ii) the Successor Entity (if not such Material Subsidiary) retains or succeeds to all of the rights and obligations of such Material Subsidiary under all of its material government permits, licenses, consents and authorisations (if any); and
 - C. Any Subsidiary of the Issuer may consolidate with, merge with or into, amalgamate or otherwise combine with or sell, assign, transfer, convey or

otherwise dispose of all of its assets to the Issuer or another Subsidiary of the Issuer.

(e) **Asset Sales**

- (i) So long as any Note remains outstanding, the Issuer shall not, and shall ensure that none of its Material Subsidiaries shall, directly or indirectly, consummate an Asset Sale, unless:
 - A. the terms of such Asset Sale are substantially no less favourable to the Issuer or the relevant Subsidiary, as the case may be, than those which would be obtained in a comparable arm's length transaction and on commercially reasonable terms; and
 - B. the Issuer delivers to the Trustee a resolution of the appropriate decision-making body of the Issuer or the relevant Material Subsidiary (in the English language) along with an Officer's Certificate certifying that such Asset Sale complies with this Condition 5(e); and
- (ii) The Trustee may rely on such resolution and such Officer's Certificate referred to in this Condition 5(e) without further enquiry and will not be responsible or liable to any person for so doing.

(f) **Affiliate Transactions:** So long as any Note remains outstanding, the Issuer will not, and will not permit any of its Material Subsidiaries to, enter into or permit to exist any transaction or series of related transactions (including the purchase, sale, lease or exchange of any property or the rendering of any service) with, or for the benefit of, any Affiliate of the Issuer or such Material Subsidiary (an "**Affiliate Transaction**") unless:

- (i) the terms of the Affiliate Transaction are no less favourable to the Issuer or such Material Subsidiary than those that could be obtained at the time of the Affiliate Transaction in a comparable arm's-length transaction with a Person who is not an Affiliate of the Issuer or such Material Subsidiary; and
- (ii) the Issuer delivers to the Trustee with respect to any Affiliate Transaction, or series of related Affiliate Transactions involving aggregate consideration in excess of U.S.\$75,000,000 (or its U.S. Dollar Equivalent), a resolution of the Issuer's Board of Directors (in the English language) along with an Officer's Certificate certifying that such Affiliate Transaction complies with this Condition 5(f) and that such Affiliate Transaction has been approved by a majority of the disinterested members of the Issuer's Board of Directors or such Material Subsidiary's Board of Directors (or, in the event there is only one disinterested member of the Issuer's or Material Subsidiary's Board of Directors, approved by such disinterested member); provided, however, that the provisions of these Conditions 5(f)(i) and 5(f)(ii) shall not apply to:
 - A. any Affiliate Transaction where the Affiliate in question is an Agency of the Republic of Uzbekistan or a Person which is a Subsidiary of, or is otherwise controlled by an Agency of the Republic of Uzbekistan;
 - B. any employment agreement, employee compensation arrangements, consulting agreement, employee benefit plan, officer and director indemnification agreement or any similar arrangement entered into by the Issuer or any of its Material Subsidiaries in the ordinary course of business and compensation (including bonuses and equity compensation) paid to and other benefits (including retirement, health and other benefit plans) and

indemnification arrangements provided on behalf of directors, officers, consultants and employees of the Issuer or any of its Material Subsidiaries;

- C. transactions between or among or solely for the benefit of the Issuer and/or its Subsidiaries;
- D. any issuance of Capital Stock of the Issuer to Affiliates of the Issuer or the receipt of capital contributions by the Issuer from Affiliates of the Issuer;
- E. Restricted Payments permitted to be made pursuant to Condition 5(b);
- F. agreements and arrangements, and transactions pursuant thereto, existing on the Issue Date and any amendment, extension, renewal, refinancing, modification or supplement thereof; provided that following such amendment, extension, renewal, refinancing, modification or supplement, the terms of any such agreement or arrangement so amended, modified or supplemented are, on the whole, no less favourable to the Issuer and its Material Subsidiaries, as applicable, than the original agreement or arrangement as in effect on the Issue Date.

(iii) The Trustee may rely on such resolution and such Officer's Certificate referred to in this Condition 5(f) without further enquiry and will not be responsible or liable to any person for so doing.

- (g) **Maintenance of Authorisations:** So long as any Note remains outstanding, the Issuer shall, and shall ensure that each of its Material Subsidiaries will, take all action which may be necessary to ensure the obtaining and continuance of, all consents, licences, approvals and authorisations required in or by the laws of the Republic of Uzbekistan or any relevant jurisdiction or Agency having regulatory authority in respect of the Issuer or any Material Subsidiary of the Issuer in order to carry out its business activities.
- (h) **Change of Business:** So long as any Note remains outstanding (as defined in the Trust Deed), the Issuer shall not make any material change to the general nature of the Issuer's business from that carried on at the Issue Date.

6 Interest

The Notes bear interest on their outstanding principal amount from and including the Issue Date at the rate of 16.00 per cent. per annum, payable semi-annually in arrear on 16 April and 16 October in each year (each an "**Interest Payment Date**"), commencing on 16 October 2021 and will amount to UZS800,000 per Calculation Amount (as defined below). Each Note will cease to bear interest from the due date for redemption unless, upon surrender of the Definitive Note representing such Note, payment of principal is improperly withheld or refused. In such event it shall continue to bear interest at such rate (both before and after judgment) until whichever is the earlier of (a) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant holder, and (b) the day seven days after the Trustee or the Principal Paying Agent has notified Noteholders of receipt of all sums due in respect of all the Notes up to that seventh day (except to the extent that there is failure in the subsequent payment to the relevant holders under these Conditions).

If interest is required to be calculated for a period of less than a complete Interest Period (as defined below), the relevant day-count fraction will be determined on the basis of a 360-day year consisting of 12 months of 30 days each and, in the case of an incomplete month, the number of days elapsed.

In these Conditions, the period beginning on and including the Issue Date and ending on but excluding the first Interest Payment Date and each successive period beginning on and including an

Interest Payment Date and ending on but excluding the next succeeding Interest Payment Date is called an "**Interest Period**".

Interest in respect of any Note shall be calculated per UZS10,000,000 in principal amount of the Notes (the "**Calculation Amount**"). The amount of interest payable per Calculation Amount for any period shall be equal to the product of the rate of interest specified above, the Calculation Amount and the day-count fraction for the relevant period, rounding the resulting figure to the nearest cent (half a cent being rounded upwards).

7 **Redemption and Purchase**

- (a) **Final redemption:** Unless previously redeemed, or purchased and cancelled as provided below, the Notes will be redeemed at their principal amount on 16 April 2024 (the "**Maturity Date**"). The Notes may not be redeemed at the option of the Issuer other than in accordance with this Condition 7.
- (b) **Redemption for tax reasons:** The Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days' notice to the Noteholders in accordance with Condition 17 and to the Trustee and Agents (which notice shall be irrevocable) at the principal amount thereof, together with interest accrued to (but excluding) the date fixed for redemption, if (i) immediately prior to the giving of such notice that the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 9 as a result of any change in, or amendment to, the laws or regulations of the Republic of Uzbekistan or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment has become or becomes effective on or after the Issue Date and (ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it; provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Notes then due. Prior to the publication of any notice of redemption pursuant to this Condition, the Issuer shall deliver to the Trustee (x) an Officer's Certificate of the Issuer stating that the Issuer is entitled to effect such redemption and that the conditions precedent to the right of the Issuer to so redeem set out in (i) and (ii) above have occurred and (y) an opinion of independent legal advisers of recognised standing to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment. The Trustee shall be entitled to accept and rely absolutely, without further enquiry and without liability to any person, upon such opinion and certificate as sufficient evidence of the satisfaction of the conditions precedent set out in (i) and (ii) above, in which event it shall be conclusive and binding on the Noteholders. All Notes in respect of which any such notice of redemption is given under this Condition shall be redeemed on the date specified in such notice in accordance with this Condition.
- (c) **Optional Redemption at Par:** the Issuer may, at any time on or after the date falling three months prior to the Maturity Date, on giving not less than 30 nor more than 60 days' irrevocable notice to the Noteholders (which notice shall specify the date fixed for redemption (the "**Par Optional Redemption Date**")) in accordance with Condition 17 and to the Trustee and Agents, redeem the Notes in whole or in part, at the principal amount thereof, together with interest and additional amounts (if any) accrued but unpaid to but excluding the Par Optional Redemption Date.

In the case of a partial redemption the notice to Noteholders shall also specify the nominal amount of Definitive Notes drawn and the serial numbers of the Definitive Notes to be redeemed, which shall have been drawn individually by lot in such place as the Trustee may approve and in such manner as it deems appropriate, subject to compliance with any applicable laws and stock exchange or other relevant authority requirements.

- (d) **Redemption of Residual Amount Outstanding at the Option of the Issuer:** If 80 per cent. or more of the aggregate principal amount of the Notes then outstanding shall have been redeemed on the Change of Status Put Date in accordance with the provisions of Condition 7(g), the Issuer may, on giving not less than 30 nor more than 60 days' irrevocable notice to the Noteholders (which notice shall specify the date fixed for redemption) in accordance with Condition 17 and to the Trustee and Agents, redeem all, but not some only, of the Notes that remain outstanding at the principal amount thereof, together with interest and additional amounts (if any) accrued but unpaid to but excluding the date of such redemption.
- (e) **Purchase:** the Issuer and its Subsidiaries may at any time purchase or procure others to purchase for its account Notes in the open market or otherwise at any price. The Notes so purchased, while held by or on behalf of the Issuer or any such Subsidiary, shall not entitle the holder to vote at any meetings of the Noteholders and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of the Noteholders or for the purposes of Condition 13(a).
- (f) **Cancellation:** All Definitive Notes representing Notes purchased pursuant to this Condition 7 shall be either cancelled forthwith, held or, to the extent permitted by law, resold. Any Definitive Notes so cancelled may not be reissued or resold and the obligations of the Issuer in respect of any such Notes shall be discharged.
- (g) **Redemption at the option of Noteholders upon a Change of Status:** If at any time while any Note remains outstanding a Change of Status occurs, the Issuer shall, at the option of the holder of any such Note (the "**Change of Status Put Option**"), redeem or purchase such Note on the Change of Status Put Date (as defined below) at 100 per cent. of its principal amount together with (or, where purchased, together with an amount equal to) interest accrued to but excluding the Change of Status Put Date.

If a Change of Status occurs then, within 14 days of the occurrence of the Change of Status, the Issuer shall give notice (a "**Change of Status Notice**") to the Noteholders in accordance with Condition 17 specifying the nature of the Change of Status and the procedure for exercising the Change of Status Put Option.

To exercise the Change of Status Put Option, a holder of Notes must deliver at the specified office of any Paying Agent, on any business day (being a day on which commercial banks are open for business in the city where such Paying Agent has its specified office) falling within the period commencing on the date on which the Change of Status Notice is given to Noteholders as required by this Condition 7(g) and ending 60 days after such date (the "**Change of Status Put Period**"), a duly signed and completed notice of exercise in the form obtainable from any specified office of any Paying Agent (a "**Change of Status Put Option Notice**") and in which the holder must specify a bank account to which payment is to be made under this paragraph accompanied by the applicable Definitive Note or Notes or evidence satisfactory to the Paying Agent concerned that the certificate for such Notes will, following the delivery of the Change of Status Put Option Notice, be held to its order or under its control.

The Issuer shall redeem or purchase (or procure the purchase of) the Notes the subject of each Change of Status Put Option Notice on the date (the "**Change of Status Put Date**") 14 days after the expiration of the Change of Status Put Period unless previously redeemed or purchased and cancelled. A Change of Status Put Option Notice given by a holder of any Note shall be irrevocable except where, prior to the due date of redemption, an Event of Default has occurred and is continuing, in which event such holder, at its option, may elect by notice to the Issuer to withdraw the Change of Status Put Option Notice and require the applicable Definitive Note or Notes to be returned.

For the purposes of this Condition 7(g):

- (i) "**Change of Status**" means the occurrence of both (x) a Change of Control and (y) an Adverse Ratings Event;
- (ii) a "**Change of Control**" will occur upon the consummation of any transaction (including, without limitation, any merger or consolidation) the result of which is that the Republic of Uzbekistan ceases to beneficially own (directly or indirectly) at least 50 per cent. plus one share of the issued and outstanding voting Capital Stock of, or otherwise to control, the Issuer; and
- (iii) an "**Adverse Ratings Event**" will occur if on, or within six months after, the date, or the announcement of the occurrence of the Change of Control (which period shall be extended so long as the rating of the Issuer or any Rated Security is under publicly announced consideration for possible downgrade by reason of such Change of Control by any of the Rating Agencies), the rating of the Issuer or any Rated Security is withdrawn or downgraded by any Rating Agency by reason of such Change of Control.

8 Payments

(a) Method of Payment

- (i) Payments of principal shall be made in U.S. Dollars and in the amounts calculated in accordance with Condition 8 (subject to surrender of the relevant Definitive Notes at the specified office of any Transfer Agent or of the Registrar if no further payment falls to be made in respect of the Notes represented by such Definitive Notes) in the manner provided in paragraph (ii) below.
 - (ii) Interest on each Note shall be paid to the person shown on the Register at the close of business on the business day before the due date for payment thereof (the "**Record Date**"). Payments of interest on each Note shall be made by transfer to an account in U.S. Dollars in the amounts calculated in accordance with Condition 8 maintained by the payee with a bank.
 - (iii) Amounts of interest and principal due in respect of the Notes will be calculated by the Calculation Agent for payment in U.S. Dollars by dividing the relevant Soum amounts by the Average Representative Market Rate on the applicable Rate Calculation Date. The Calculation Agent will, on each Rate Calculation Date, notify the Issuer and the Paying Agents of the amounts of interest and principal (stated in both Soum and U.S. Dollars) payable on any Interest Payment Date, the Maturity Date or any other date on which principal or interest becomes payable under these Conditions, as applicable, as well as the applicable Average Representative Market Rate.
 - (iv) If the amount of principal being paid upon surrender of the relevant Definitive Note is less than the outstanding principal amount of such Definitive Note, the Registrar will annotate the Register with the amount of principal so paid and will (if so requested by the Issuer or a Noteholder) issue a new Definitive Note with a principal amount equal to the remaining unpaid outstanding principal amount. If the amount of interest being paid is less than the amount then due, the Registrar will annotate the Register with the amount of interest so paid.
- (b) **Payments subject to fiscal laws:** All payments in respect of the Notes are subject in all cases to (i) any applicable fiscal or other laws and regulations, but without prejudice to the provisions of Condition 9 and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the Code, or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or (without prejudice to the provisions of Condition 9) any

law implementing an intergovernmental approach thereto. No commissions or expenses shall be charged to the Noteholders in respect of such payments.

- (c) **Agents:** The initial Agents and their initial specified offices are listed below. The Issuer reserves the right (subject to prior written approval of the Trustee (such approval not to be unreasonably withheld or delayed)) to vary or terminate the appointment of all or any of the Agents at any time (provided that no Agent shall be responsible for any costs or liabilities occasioned by any such termination) and appoint additional or other payment or transfer agents, provided that they will maintain (i) a Principal Paying Agent, (ii) a Registrar, (iii) a Transfer Agent, (iv) such other agents as may be required by any other stock exchange on which the Notes may be listed, in each case, as approved by the Trustee (such approval not to be unreasonably withheld or delayed). Notice of any such change will be provided as described in Condition 17 below.
- (d) **Delay in Payment:** Noteholders will not be entitled to any interest or other payment for any delay after the due date in receiving the amount due on a Note if the due date is not a business day, or if the Noteholder is late in surrendering or cannot surrender its Definitive Note (if required to do so).
- (e) **Non-Business Days:** If any date for payment in respect of any Note is not a business day, the holder shall not be entitled to payment until the next following business day nor to any interest or other sum in respect of such postponed payment. In this Condition 8, "**business day**" means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in the place in which the specified office of the Principal Paying Agent is located and on which foreign exchange transactions may be carried on in U.S. Dollars in New York City.
- (f) All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition by the Calculation Agent will (in the absence of manifest error) be binding on the Issuer, the Paying Agents and the Noteholders and no liability to any such Person will attach to the Calculation Agent in connection with the exercise or non - exercise by it of its powers, duties and discretions for such purposes.

9 Taxation

All payments of principal, interest and other amounts in respect of the Notes by the Issuer shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatsoever nature imposed, levied, collected, withheld or assessed by or within the Republic of Uzbekistan or any political subdivision or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law. In that event, the Issuer shall pay such additional amounts as will result in receipt by the Noteholders of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable in respect of any Definitive Note:

- (i) held by a holder which is liable to such taxes, duties, assessments or governmental charges in respect of such Note by reason of its having some connection with the Republic of Uzbekistan other than the mere holding of such Definitive Note; or
- (ii) where (in the case of a payment of principal or interest on redemption) the relevant Definitive Note is surrendered for payment more than 30 days after the Relevant Date except to the extent that the relevant holder would have been entitled to such additional amounts if it had surrendered the relevant Definitive Note on the last day of such period of 30 days.

Notwithstanding any other provision of the Conditions, any amounts to be paid on the Notes by or on behalf of the Issuer will be paid net of any deduction or withholding imposed or required pursuant to an agreement described in Section 1471(b) of the Code, or otherwise imposed pursuant to Sections

1471 through 1474 of the Code (or any regulations thereunder or official interpretations thereof) or an intergovernmental agreement between the United States and another jurisdiction facilitating the implementation thereof (or any fiscal or regulatory legislation, rules or practices implementing such an intergovernmental agreement) (any such withholding or deduction, a "**FATCA Withholding**"). Neither the Issuer nor any other person will be required to pay any additional amounts in respect of FATCA Withholding.

"**Relevant Date**" in respect of any Note means the date on which payment in respect of it first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date seven days after that on which notice is duly given to the Noteholders in accordance with Condition 17 that, upon further surrender of the Definitive Note representing such Note being made in accordance with the Conditions, such payment will be made, provided that payment is in fact made upon such surrender.

Any reference in these Conditions to principal or interest shall be deemed to include any additional amounts in respect of principal or interest (as the case may be) which may be payable under this Condition. If the Issuer becomes subject in respect of payments of principal or interest on the Notes to any taxing jurisdiction other than (or in addition to) the Republic of Uzbekistan, references in these Conditions to the Republic of Uzbekistan shall be construed as references to such other jurisdiction.

10 Events of Default

The Trustee at its discretion may, and if so requested in writing by the holders of not less than one-quarter in principal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution shall, (subject in each case to being indemnified and/or secured and/or prefunded to its satisfaction) give notice to the Issuer that the Notes are, and they shall immediately become, due and repayable at their principal amount together with accrued interest if any of the following events occurs and is continuing (each, an "**Event of Default**"):

- (a) the Issuer fails to pay any amounts payable on any of the Notes when due and if such failure continues for a period of five days in relation to principal and 14 days in relation to interest; or
- (b) the Issuer does not perform or comply with any of its other obligations in the Notes or the Trust Deed which default (i) is (in the opinion of the Trustee) incapable of remedy and, in the case of a breach of an obligation under the Trust Deed, (in the opinion of the Trustee) materially prejudicial to the interests of the Noteholders or (ii) if in the opinion of the Trustee capable of remedy is not remedied within 30 days or such longer period as the Trustee may agree after notice of such default having been given to the Issuer by the Trustee in writing requesting the same to be remedied; or
- (c) (i) any other present or future Indebtedness of the Issuer or any of its Material Subsidiaries becomes due and payable prior to its stated maturity by reason of any default (howsoever described), or (ii) any such Indebtedness is not paid when due or, as the case may be, within any originally applicable grace period, or (iii) the Issuer or any of its Material Subsidiaries fails to pay when due any amount payable by it under any present or future guarantee for, or indemnity in respect of, any Indebtedness, provided that the aggregate amount of the relevant Indebtedness, guarantees and indemnities in respect of which one or more of the events mentioned above in this paragraph (c) have occurred equals or exceeds U.S.\$25,000,000 or its U.S. Dollar Equivalent; or
- (d) the occurrence of any of the following events:
 - (i) (A) the Issuer or any Material Subsidiary of the Issuer seeking, consenting or acquiescing in the introduction of proceedings for its liquidation or bankruptcy or the appointment to it of a liquidator or a similar officer; (B) the presentation or filing of a petition in respect of the Issuer or any Material Subsidiary of the Issuer in any

court or before any agency for its bankruptcy, insolvency, dissolution or liquidation which, in the case of a petition presented or filed by a Person other than the Issuer, or such Material Subsidiary, as the case may be, is not dismissed or discharged within 60 days from the date of presentation or filing; (C) the institution of supervision, external management, examinership or bankruptcy management to the Issuer or any Material Subsidiary of the Issuer; (D) the convening of a meeting of creditors generally of the Issuer or any Material Subsidiary of the Issuer for the purposes of considering an amicable settlement with its creditors generally; and/or (E) any extra judicial liquidation or analogous act in respect of the Issuer or any Material Subsidiary by any Agency in the Republic of Uzbekistan; or

- (ii) the Issuer or any of its Material Subsidiaries: (A) fails or is unable or admits its inability to pay its debts generally as they become due; (B) consents by answer or otherwise to the commencement against it of an involuntary case in bankruptcy or to the appointment of a custodian of it or of a substantial part of its property;
 - (iii) a court of competent jurisdiction enters an order for relief or a decree in an involuntary case in bankruptcy or for the appointment of a custodian in respect of the Issuer or any Material Subsidiary of the Issuer or a substantial part of their respective property and such order or decree remains undischarged for a period of 30 days;
 - (iv) the shareholders of the Issuer approve any plan for the liquidation or dissolution of the Issuer (otherwise than for the purposes of or pursuant to an amalgamation, reorganisation or restructuring permitted by Condition 5(d)); or
 - (v) the revocation of the banking licence of the Issuer or, if applicable, any Material Subsidiary of the Issuer.
- (e) a judgment, order, decree of a court or other appropriate law enforcement body from which no further appeal or judicial review is permissible under applicable law for the payment of any amount in excess of U.S.\$25,000,000 (or its U.S. Dollar Equivalent) is rendered against the Issuer or any of its Material Subsidiaries and continues unsatisfied and unstayed for a period of 30 days after the date thereof or, if later, the date therein specified for payment or on which such judgment or order otherwise becomes enforceable; or
- (f) an order of a court of competent jurisdiction is made or an effective resolution is passed for the winding-up, liquidation or dissolution of the Issuer or any of its Material Subsidiaries (otherwise than for the purposes of or pursuant to an amalgamation, reorganisation or restructuring permitted by Condition 5(d)) which event in the case of a Material Subsidiary of the Issuer is in the opinion of the Trustee materially prejudicial to the interests of the Noteholders; or
- (g) any action, condition or thing (including the obtaining or effecting of any necessary consent, approval, authorisation, exemption, filing, licence, order, recording or registration) at any time required to be taken, fulfilled or done in order (i) to enable the Issuer lawfully to enter into, exercise its rights and perform and comply with its obligations under the Notes and the Trust Deed, (ii) to ensure that those obligations are legally binding and enforceable and (iii) to make the Notes and the Trust Deed admissible in evidence in the courts of the Republic of Uzbekistan, is not taken, fulfilled or done; or
- (h) the validity of the Notes or the Trust Deed, as the case may be, is contested by the Issuer, or the Issuer shall deny any of its obligations thereunder or it is, or will become, unlawful for the Issuer to perform or comply with any of its obligations under or in respect of the Notes or the Trust Deed or any of such obligations shall become unenforceable or cease to be legal, valid and binding; or

- (i) any event occurs which under the laws of any relevant jurisdiction has an analogous effect to any of the events referred to in paragraphs (d) and (f) above.

11 Prescription

Claims for the payment of principal and interest in respect of any Definitive Note shall be prescribed unless made within 10 years (for claims for the payment of principal) or five years (for claims for the payment of interest) from the appropriate Relevant Date in respect of them.

12 Replacement of Definitive Notes

If any Definitive Note is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Registrar, subject to all applicable laws and stock exchange requirements, upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Issuer may reasonably require. Mutilated or defaced Definitive Notes must be surrendered before replacements will be issued.

13 Meetings of Noteholders, Modification and Waiver

- (a) **Meetings of Noteholders:** The Trust Deed contains provisions for convening meetings of Noteholders to consider matters affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of any of these Conditions or any provisions of the Trust Deed. Such meetings shall be held in accordance with the provisions set out in the Trust Deed. Such a meeting may be convened by the Trustee upon receipt of a written request by Noteholders holding not less than 10 per cent. in principal amount of the Notes for the time being outstanding (subject to the Trustee being indemnified and/or secured and/or prefunded to its satisfaction against all costs and expenses). The quorum at any meeting convened to vote on an Extraordinary Resolution will be two or more persons holding or representing a clear majority in principal amount of the Notes for the time being outstanding, or at any adjourned meeting two or more persons being or representing Noteholders whatever the principal amount of the Notes held or represented, unless the business of such meeting includes consideration of proposals, *inter alia*, (i) to modify the maturity of the Notes or the dates on which interest is payable in respect of the Notes, (ii) to reduce or cancel the principal amount of, or interest on, the Notes, (iii) to alter the method of calculating the amount of any payment in respect of the Notes, (iv) to change the currency of payment of the Notes or (v) to modify the provisions concerning the quorum required at any meeting of Noteholders or the majority required to pass an Extraordinary Resolution, in which case the necessary quorum will be two or more persons holding or representing not less than two-thirds, or at any adjourned meeting not less than 25 per cent., in principal amount of the Notes for the time being outstanding. Any Extraordinary Resolution duly passed shall be binding on Noteholders (whether or not they were present at the meeting at which such resolution was passed).

The Trust Deed provides that a resolution in writing signed by or on behalf of the holders of not less than two-thirds in principal amount of the Notes outstanding shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of Noteholders duly convened and held. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Noteholders.

- (b) **Modification and Waiver:** The Trustee may agree, without the consent of the Noteholders, to (i) any modification of any of the provisions of the Trust Deed or the Notes which is, in the opinion of the Trustee, of a formal, minor or technical nature or is made to correct a manifest error, and (ii) any other modification (except as mentioned in the Trust Deed), and any waiver or authorisation of any breach or proposed breach of any of the provisions of the Notes or the Trust Deed, which is in the opinion of the Trustee not materially prejudicial to the interests of the Noteholders. Any such modification, authorisation or waiver shall be binding on the Noteholders and shall be notified to the Noteholders as soon as practicable thereafter.

- (c) **Entitlement of the Trustee:** In connection with the exercise of its functions (including but not limited to those referred to in this Condition) the Trustee shall have regard to the interests of the Noteholders as a class and shall not have regard to the consequences of such exercise for individual Noteholders and the Trustee shall not be entitled to require, nor shall any Noteholder be entitled to claim, from the Issuer, the Trustee or any other Person, any indemnification or payment in respect of any tax consequences of any such exercise upon individual Noteholders.

14 Enforcement

At any time after the Notes become due and payable, the Trustee may, at its discretion and without further notice, institute such steps, actions and/or proceedings against the Issuer as it may think fit to enforce the terms of the Trust Deed and the Notes, but it need not take, nor shall the Trustee be bound to take or omit to take, any such steps, actions and/or proceedings unless (i) it shall have been so directed by an Extraordinary Resolution or so requested in writing by Noteholders holding at least one-quarter in principal amount of the Notes outstanding and (ii) it shall have been indemnified and/or provided with security and/or prefunded in each case to its satisfaction. No Noteholder may proceed directly against the Issuer unless the Trustee, having become bound so to proceed, fails to do so within a reasonable time and such failure is continuing.

15 Indemnification of the Trustee

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility including provisions relieving it from taking action unless indemnified and/or secured and/or prefunded to its satisfaction. The Trustee is entitled to enter into business transactions with the Issuer and any entity related to the Issuer without accounting for any profit.

The Trust Deed also contains a provision permitting the Trustee to request a compliance certificate from the Issuer related to compliance with the Conditions in the circumstances described in the Trust Deed. The Trustee may rely without liability to Noteholders on a report, confirmation or certificate or any advice of any accountants, financial advisers, financial institution or any other expert, whether or not addressed to it and whether their liability in relation thereto is limited (by its terms or by any engagement letter relating thereto entered into by the Trustee or in any other manner) by reference to a monetary cap, methodology or otherwise. The Trustee may accept and shall be entitled to rely on any such report, confirmation or certificate or advice and such report, confirmation or certificate or advice shall be binding on the Issuer and the Noteholders.

16 Further Issues

The Issuer may from time to time, without the consent of the Noteholders, create and issue further securities having the same terms and conditions as the Notes in all respects (or in all respects except for the first payment of interest) and so that such further issue shall be consolidated and form a single series with the outstanding Notes. Any further securities forming a single series with the outstanding securities of any series (including the Notes) constituted by the Trust Deed or any deed supplemental to it shall be constituted by a deed supplemental to the Trust Deed.

17 Notices

Notices to the Noteholders shall be valid if sent to them by first class mail (airmail if overseas) at their respective addresses on the Register. Any such notice shall be deemed to have been given on the fourth day after the date of mailing. In addition, so long as the Notes are listed on the Stock Exchange, notices will be published in a manner which complies with the rules and regulations of the Stock Exchange. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the first date on which publication is made.

18 Currency Indemnity

If any sum due from the Issuer in respect of the Notes or any order or judgment given or made in relation thereto has to be converted from the currency (the "**first currency**") in which the same is payable under these Conditions or such order or judgment into another currency (the "**second currency**") for the purpose of (a) making or filing a claim or proof against the Issuer, (b) obtaining an order or judgment in any court or other tribunal or (c) enforcing any order or judgment given or made in relation to the Notes, the Issuer, shall indemnify each Noteholder on the written demand of such Noteholder, addressed and delivered to the Issuer, against any loss suffered as a result of any discrepancy between (i) the rate of exchange used for such purpose to convert the sum in question from the first currency into the second currency and (ii) the rate or rates of exchange at which such Noteholder may in the ordinary course of business purchase the first currency with the second currency upon receipt of a sum paid to it in satisfaction, in whole or in part, of any such order, judgment, claim or proof. This indemnity constitutes a separate and independent obligation of the Issuer and shall give rise to a separate and independent cause of action.

19 Contracts (Rights of Third Parties) Act 1999

No person shall have any right to enforce any term or condition of the Notes under the Contracts (Rights of Third Parties) Act 1999.

20 Governing Law

The Notes and the Trust Deed and any non-contractual obligations arising out of or in connection with any of them are governed by, and shall be construed in accordance with, English law.

21 Arbitration, Consent to Enforcement and Waiver of Immunity

- (a) **Arbitration:** Any dispute arising out of or connected with the Notes and the Trust Deed, including a dispute as to the validity, existence or termination of the Notes and the Trust Deed and/or this Condition 21 or any non-contractual obligation arising out of or in connection with the Notes and the Trust Deed (a "**Dispute**"), shall be referred to and finally resolved by arbitration whose seat shall be in London, England, conducted in the English language by three arbitrators pursuant to the rules of the London Court of International Arbitration ("**LCIA**") (such arbitration to also be administered by the LCIA in accordance with those rules), which rules are deemed to be incorporated by reference into this Condition with the exception that any provision of such rules relating to the nationality of an arbitrator shall, to that extent, not apply and save that, unless the parties agree otherwise, the third arbitrator, who shall act as chairman of the tribunal, shall be nominated by the two arbitrators nominated by or on behalf of the parties. If the third arbitrator is not so nominated within 30 days of the date of nomination of the later of the two party-nominated arbitrators to be nominated, the third arbitrator shall be chosen by the LCIA. Sections 45 and 69 of the UK Arbitration Act 1996 shall not apply.
- (b) In any such arbitration, in the event of a declared public health emergency by either the World Health Organisation (the "**WHO**") or a national government, as a consequence of which it is inadvisable or prohibited for the parties and/or their legal representatives to travel to, or attend any hearing ordered by the tribunal, the following shall apply:
- (i) any such hearing shall be held via video or telephone conference upon the order of the tribunal;
 - (ii) the parties agree that no objection shall be taken to the decision, order or award of the tribunal following any such hearing on the basis that the hearing was held by video or telephone conference; and

- (iii) in exceptional circumstances only the tribunal shall have the discretion to order that a hearing shall be held in person, but only after full and thorough consideration of the prevailing guidance of the WHO and any relevant travel or social distancing restrictions or guidelines affecting the parties and/or their legal representatives and the implementation of appropriate mitigation.
- (c) **Agent for Service of Process:** The Issuer has appointed the Ambassador of the Republic of Uzbekistan to the Court of St. James's from time to time at the Embassy of the Republic of Uzbekistan, currently located at 41 Holland Park, London, W11 3RP as its agent in England to receive service of process in any Proceedings in England in connection with the Notes and the Trust Deed.
- (d) **Consent to enforcement etc.:** The Issuer consents generally in respect of any Disputes to the giving of any relief or the issue of any process in connection with such Disputes including (without limitation) the making, enforcement or execution against any property whatsoever (irrespective of its use or intended use) of any judgment or award which may be made or given in such Disputes.
- (e) **Waiver of immunity:** To the extent that the Issuer may in any jurisdiction claim for itself or its assets or revenues immunity from suit, execution, attachment (whether in aid of execution, before the making of a judgment or an award or otherwise) or other legal process including in relation to the enforcement of a judgment or award and to the extent that such immunity (whether or not claimed) may be attributed in any such jurisdiction to the Issuer or its respective assets or revenues, the Issuer agrees not to claim and irrevocably waives such immunity.

22 Definitions

In these Conditions, the following terms shall have the following meanings:

"**Affiliate**", in respect of any specified Person, means any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person, and, in the case of a natural Person, any immediate family member of such Person. For purposes of this definition, "**control**", as used with respect to any Person, shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such Person, whether through the ownership of voting securities, by agreement or otherwise. For purposes of this definition, the terms "**controlling**", "**controlled by**" and "**under common control with**" shall have correlative meanings;

"**Agency**" means any agency, authority, central bank, department, committee, government, legislature, ministry, minister, official or public or statutory person (whether autonomous or not) of, or of the government of, any state or supra-national body;

"**Asset Sale**" means

- (a) the sale, lease, conveyance or other disposition of any tangible or intangible assets or rights or revenues of the Issuer or a Material Subsidiary of the Issuer in one or more transactions or series of transactions (whether related or not);
- (b) the issuance of Capital Stock in any Material Subsidiary of the Issuer or the sale of Capital Stock in any of its Material Subsidiaries.

Notwithstanding the foregoing, none of the following items will be deemed to be an Asset Sale:

- (a) any single transaction or series of related transactions that involves assets having a Fair Market Value of less than 7.5 per cent. of the consolidated total assets of the Issuer (as

calculated by reference to the most recent consolidated financial statements of the Issuer delivered to the Trustee pursuant to Condition 5(c));

- (b) any sale or other disposition of Capital Stock in a Subsidiary not involved in carrying out banking business or any sale or other disposition of other assets that are not used or useful in the conduct of banking business or are no longer useful in the conduct of the business of the Issuer or its Subsidiaries;
- (c) a transfer of assets between or among the Issuer and its Subsidiaries;
- (d) any sale, lease, conveyance or other disposition of any assets of the Issuer or any of its Subsidiaries or property pledged as collateral by or to the Issuer or any of its Subsidiaries in the ordinary course of the Issuer's or, as the case may be, the relevant Subsidiary's business;
- (e) an issuance or other disposition of Capital Stock by a Material Subsidiary of the Issuer to the Issuer or to a Subsidiary of the Issuer;
- (f) the creation of a Security Interest;
- (g) a payment or other disposition that does not violate Condition 5(b) and Condition 5(d);
- (h) a transaction that does not violate Condition 5(f)(ii)A;
- (i) the sale or other disposition of assets received by the Issuer or any of its Material Subsidiaries in compromise or settlement of claims of the Issuer or any of its Material Subsidiaries; and
- (j) the sale, transfer or other disposition of any revenues or assets (or any part thereof) the subject of any securitisation of receivables, asset-backed financing or similar financing structure originated by the Issuer or any of its Material Subsidiaries whereby all payment obligations are to be discharged primarily from such assets or revenues, provided that the value of such assets or revenues, asset-backed financing, or similar financing structures, when aggregated with the value of all assets or revenues subject to a Security Interest permitted under paragraph (h) of the definition of "Permitted Security Interest", does not, at any time, exceed 20 per cent. of the Group's total loans and advances to customers before provision for expected credit losses as calculated by reference to the most recent consolidated financial statements of the Issuer delivered to the Trustee pursuant to Condition 5(c).

"**Auditors**" means the auditors for the time being of the Issuer or, if they are unable or unwilling promptly to carry out any action requested of them under these Conditions, such other firm of accountants of international standing as may be selected by the Issuer for the purpose and notified in writing to the Trustee;

"**Average Representative Market Rate**" shall mean the arithmetic mean of the Representative Market Rates for the last five FX Business Days immediately before (and including) the applicable Rate Calculation Date. In the event that the Calculation Agent is unable to make this calculation due to the unavailability of Representative Market Rates necessary for the calculation, then the Calculation Agent shall take the arithmetic mean of the CBU Rate for the last five days that such CBU Rate was published;

"**Board of Directors**" means with respect to the Issuer, its Council (Supervisory Board); with respect to a corporation, the board of directors or managers of the corporation and, in the case of any other corporation having both a supervisory board and an executive or management board, the executive or management board (except where the supervisory board is expressly indicated); with respect to a partnership, the board of directors of the general partner of the partnership; and with respect to any other Person, the board or committee of such Person serving a similar function;

"business day" means (except where expressly defined otherwise) a day which banks and foreign exchange markets are open for business in the place in which the specified office of the Principal Paying Agent is located and on which foreign exchange transactions may be carried on in U.S. Dollars in New York City;

"Calculation Agent" shall mean The Bank of New York Mellon, London Branch, or any successor thereof;

"Calculation Business Day" shall mean an FX Business Day used to determine the Average Representative Market Rate;

"Capital Stock" means, with respect to any Person, any and all shares, interests (including partnership interests), rights to purchase, warrants, options, participations or other equivalents (however designated, whether voting or non-voting) of such Person's equity, including any Preferred Stock of such Person, whether now outstanding or issued after the Issue Date, including without limitation, all series and classes of such Capital Stock but excluding any debt securities convertible into or exchangeable for such Capital Stock;

"CBU" means the Central Bank of Uzbekistan;

"CBU Capital Adequacy Ratio" means a ratio of the Issuer's CBU Regulatory Capital to the CBU Risk Weighted Assets calculated by reference to the Uzbek accounting standards;

"CBU Capital Regulation" means the Regulation of the Central Bank of Uzbekistan No. 14/3 dated 13 June 2015, as amended, supplemented or restated or superseded from time to time;

"CBU Leverage Ratio" means a ratio of the Issuer's CBU Tier 1 Capital to total assets and off-balance sheet instruments and derivative (financial) instruments less intangible assets and the sum of all investments in capital of unconsolidated economic entities, including debt obligations, which form capital of such economic entities and capital investments of other banks, calculated in accordance with the CBU Capital Regulation;

"CBU Regulatory Capital" means the regulatory capital (*regulyativ kapital*) as such term is defined in the CBU Capital Regulation;

"CBU Risk-Weighted Assets" means the aggregate of balance sheet assets and off-balance sheet engagements, weighted for credit, market and operational risk in accordance with the CBU Capital Regulation;

"CBU Tier 1 Capital" means the Tier 1 Capital (*regulyativ kapital I darajali kapital*) as such term is defined in the CBU Capital Regulation;

"CBU Tier 1 Capital Adequacy Ratio" means a ratio of the Issuer's CBU Tier 1 Capital to the CBU Risk-Weighted Assets;

"Code" means the United States Internal Revenue Code of 1986, as amended;

"Consolidated Net Profit" means, for any period, the net profit of the Issuer and its Subsidiaries for such period, on a consolidated basis, determined in accordance with IFRS;

"control" shall have the meaning provided in the definition of "Affiliate" and **"controlled"** shall be construed accordingly;

"Deferred Capital Stock" means a dividend or distribution declared by the Issuer and which a shareholder of the Issuer has irrevocably instructed the Issuer to retain and apply towards consideration for any future Capital Stock to be issued by the Issuer to such shareholder;

"Fair Market Value" means the price that would be paid in an arm's length transaction between an informed and willing seller under no compulsion to sell and an informed and willing buyer under no compulsion to buy, as determined in good faith by the Board of Directors of the Issuer or the relevant Material Subsidiary of the Issuer (unless otherwise provided in these Conditions) whose determination shall be conclusive;

"FX Business Day" shall mean, solely for the purposes of determining the Representative Market Rate, a day, other than a Saturday or Sunday, on which commercial banks and foreign exchange markets are open for business in (i) Tashkent, Uzbekistan; and (ii) London.

"Group" means the Issuer and its consolidated Subsidiaries taken as a whole;

"guarantee" means any obligation, contingent or otherwise, of any Person directly or indirectly guaranteeing any Indebtedness of any Person and any obligation, direct or indirect, contingent or otherwise, of such Person:

- (a) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness of such Person (whether arising by virtue of partnership arrangements, or by agreements to keep-well, to purchase assets, goods, securities or services, to take-or-pay or to maintain financial statement conditions or otherwise); or
- (b) entered into for the purpose of assuring in any other manner the obligee of such Indebtedness of the payment thereof or to protect such obligee against loss in respect thereof (in whole or in part);

The term **"guarantee"** used as a verb has a corresponding meaning. The term **"guarantor"** shall mean any Person guaranteeing any obligation.

"Hedging Obligations" means, with respect to any Person, the obligations of such Person under:

- (a) interest rate swap agreements, interest rate cap agreements and interest rate collar agreements;
- (b) other agreements or arrangements designed to protect such Person against fluctuations in interest rates; and
- (c) any foreign currency futures contract, option or similar agreement or arrangement designed to protect such Person against fluctuations in foreign currency rates;

"IFRS" means International Financial Reporting Standards (formerly International Accounting Standards), issued by the International Accounting Standards Board ("**IASB**") and interpretations issued by the International Financial Reporting Interpretations Committee of the IASB (as amended, supplemented or re-issued from time to time);

"Indebtedness" means, with respect to any Person at any date of determination (without duplication):

- (a) all indebtedness of such Person for borrowed money;
- (b) all obligations of such Person evidenced by bonds, debentures, notes or other similar instruments;
- (c) all Lease Obligations of such Person;
- (d) all indebtedness of other Persons guaranteed or indemnified by such Person, to the extent such indebtedness is guaranteed or indemnified by such Person;

- (e) to the extent not otherwise included in this definition, all Hedging Obligations of such Person, provided, however, that if and to the extent that netting is permitted by applicable laws (including the laws of the Republic of Uzbekistan), the amount of any such Hedging Obligations for the purposes of this paragraph (e) shall be equal at any time to the net payments under such agreement or arrangement giving rise to such Hedging Obligation that would be payable by such Person at the termination of such agreement or arrangement;
- (f) any amount raised by acceptance under any acceptance credit facility; and
- (g) any amount raised under any other transaction having the economic or commercial effect of a borrowing,

and the amount of Indebtedness of any Person at any date shall be the outstanding balance at such date of all unconditional obligations, as described above, and with respect to contingent obligations, as described above, the maximum liability which would arise upon the occurrence of the contingency giving rise to the obligation;

"Issue Date" means 16 April 2021;

"Lease Obligation" means, at the time any determination thereof is to be made, the amount of the liability under any lease contract that would at that time be required to be treated as a balance sheet liability in accordance with IFRS;

"Material Adverse Effect" means a material adverse effect on (a) the business, condition (financial or otherwise), results of operations or prospects of the Issuer or the Group, (b) the ability of the Issuer to perform its obligations under the Trust Deed and the Notes or (c) the validity or enforceability of the Trust Deed and the Notes;

"Material Subsidiary" means any Subsidiary of the Issuer:

- (a) which, according to the most recent audited consolidated financial statements of the Issuer delivered to the Trustee pursuant to Condition 5(c) accounted for more than 5 per cent. of the profit before tax of the Group or which, according to the most recent audited consolidated financial statements of the Issuer delivered to the Trustee pursuant to Condition 5(c), was the owner of more than 5 per cent. of the consolidated total assets of the Group; or
- (b) to which are transferred substantially all of the assets and undertakings of a Subsidiary of the Issuer which immediately prior to such transfer was a Material Subsidiary (with effect from the date of such transaction).

The Issuer does not have any Material Subsidiaries as of the Issue Date;

"Officer" means the chief financial officer, the chairman or the first deputy chairman of the Board of Directors, the chairman or the first deputy chairman of the Management Board or other person holding a corresponding or similar position of responsibility;

"Officer's Certificate" means a certificate executed on behalf of the Issuer by one Officer;

"Permitted Security Interest" means:

- (a) any Security Interest in existence on the Issue Date;
- (b) any Security Interests granted by any Material Subsidiary of the Issuer in favour of the Issuer or any Material Subsidiary of the Issuer;
- (c) any Security Interests imposed or required by statute, operation of law or any Government resolution;

- (d) any Security Interests securing Indebtedness of a Person existing at the time that such Person is merged into or consolidated with the Issuer or a Material Subsidiary of the Issuer or becomes a Material Subsidiary of the Issuer, provided that such Security Interests (i) were not created in contemplation of such merger or consolidation or event; and (ii) do not extend to any assets or property of the Issuer or any Material Subsidiary of the Issuer (other than those of the Person acquired and its Material Subsidiaries (if any));
- (e) any Security Interests already existing on assets or property acquired or to be acquired by the Issuer or a Material Subsidiary of the Issuer, provided that such Security Interests were not created in contemplation of such acquisition and do not extend to any other assets or property (other than the proceeds of such acquired assets or property);
- (f) any netting or set-off arrangement entered into by the Issuer or any of its Material Subsidiaries in the ordinary course of its banking business for the purpose of netting debit and credit balances;
- (g) Security Interests arising pursuant to any order of attachment, distraint or similar legal process arising in connection with court proceedings or as security for costs and expenses in any such proceedings, so long as the execution or other enforcement thereof is effectively stayed and the claims secured thereby are being contested in good faith by appropriate proceedings;
- (h) any Security Interest upon, or with respect to, any present or future assets or revenues of the Issuer or any part thereof which is created pursuant to any securitisation of receivables, asset-backed financing or similar financing structure and whereby all payment obligations secured by such Security Interest or having the benefit of such Security Interest, are to be discharged solely from such assets or revenues, provided that the value of assets or revenues subject to such Security Interest when aggregated with the value of assets or revenues which are the subject of any securitisation of receivables, asset-backed financing or similar financing structure permitted pursuant to Condition 5(e), does not, at any such time, exceed 20 per cent. of the Group's total loans and advances to customers before provision for expected credit losses as calculated by reference to the most recent consolidated financial statements of the Issuer delivered to the Trustee pursuant to Condition 5(c);
- (i) any Security Interest granted upon or with regard to any property hereafter acquired by the Issuer or any Material Subsidiary to secure the purchase price of such property or to secure Indebtedness incurred solely for the purpose of financing the acquisition of such property and transactional expenses related to such acquisition (other than a Security Interest created in contemplation of such acquisition), provided that the maximum amount of Indebtedness thereafter secured by such Security Interest does not exceed the purchase price of such property (including transactional expenses) or the Indebtedness incurred solely for the purpose of financing the acquisition of such property;
- (j) any Security Interest arising in the ordinary course of banking business including without limitation: Security Interests pursuant to any agreement (or other applicable terms and conditions) which is standard or customary in the relevant market (and not for the purpose of raising credit or funds for the operation of the Issuer or any Material Subsidiary of the Issuer), in connection with (x) contracts entered into substantially simultaneously for sales and purchases at market prices of securities or precious metals (y) the establishment of margin deposits and similar securities in connection with trading in securities or precious metals or (z) the Issuer's foreign exchange dealings or other proprietary trading activities including, without limitation in the case of (x), (y) and (z), Repos;
- (k) any Security Interest in respect of Hedging Obligations entered into for non-speculative purposes;

- (l) any Security Interest on property acquired (or deemed to be acquired) under a finance lease, or claims arising from the use or damage to such property, provided that any such encumbrance secures only rentals and other amounts payable under such lease;
- (m) any Security Interests arising in relation to any Project Finance Debt;
- (n) any Security Interests arising out of the refinancing, extension, renewal or refunding of any Indebtedness secured by a Security Interest permitted by any of the above exceptions, provided that the Indebtedness thereafter secured by such Security Interest does not exceed the amount of the original Indebtedness and such Security Interest is not extended to cover any property not previously subject to such Security Interest; and
- (o) any Security Interests not otherwise permitted by the preceding paragraphs (a) through (n), provided that the aggregate principal amount of the Indebtedness secured by such Security Interests does not at any time exceed 20 per cent. of the Group's consolidated total assets as published in the most recent consolidated financial statements of the Issuer delivered to the Trustee pursuant to Condition 5(c);

"Person" means any individual, corporation, partnership, joint venture, association, joint stock company, trust, unincorporated organisation, limited liability company or government or other entity;

"Potential Event of Default" means an event or circumstance which, with the giving of notice, lapse of time, issue of a certificate and/or fulfilment of any other requirement provided for in Condition 10, would constitute an Event of Default;

"Preferred Stock", as applied to the Capital Stock of any Person, means Capital Stock of any class or classes (however designated) which is preferred as to the payment of dividends or distributions, or as to the distribution of assets upon any voluntary or involuntary liquidation or dissolution of such Person, over shares of Capital Stock of any other class of such Person;

"Project Finance Debt" means any Indebtedness incurred in relation to any asset solely for purposes of financing the whole or any part of the acquisition, creation, construction, improvement or development of such asset where the financial institutions to which such indebtedness is owed have recourse solely to the applicable project borrower (where such project borrower is formed solely or principally for the purpose of the relevant project) and/or to such assets (or any derivative asset thereof) or any other similar non-recourse Indebtedness which is properly regarded as project finance debt;

"Rated Security" means the Notes and any Indebtedness of the Issuer or any of its Subsidiaries having an initial maturity of one year or more which is rated by a Rating Agency;

"Rate Calculation Date" shall mean the fourth FX Business Day preceding each Interest Payment Date, the Maturity Date or any other date on which principal or interest becomes payable under these Conditions;

"Rating Agency" means each of S&P Global Ratings Europe Limited, Moody's Investors Service Limited, Fitch Ratings Limited, any of their affiliates or successors;

"Reference Banks" shall mean "National Bank for Foreign Economic Activity of the Republic of Uzbekistan" Joint-Stock Company, Joint-Stock Commercial Bank "Uzbek Industrial and Construction Bank", Joint Stock Commercial Bank "Asaka" and Joint Stock Commercial Mortgage Bank "Ipoteka Bank" or their legal successors;

"Representative Market Rate" shall mean, with respect to any Calculation Business Day, the Soum / U.S. Dollar daily official (market) foreign exchange rate for the previous FX Business Day, expressed as the amount of Soum per one U.S. Dollar and as reported by the Central Bank of the

Republic of Uzbekistan (the "CUB") and published on its website (<https://cbu.uz/en/> or any successor page thereto) (the "CUB Rate"), as determined by the Calculation Agent. In the event that the CUB Rate is unavailable for any Calculation Business Day, then the Issuer must approach the Reference Banks on the immediately following FX Business Day for the Soum / U.S. Dollar exchange rate at noon Tashkent time on such Calculation Business Day for the professional market and then once sourced, the Issuer shall provide the Calculation Agent with those rates for the equivalent amount to be calculated and the Calculation Agent shall determine the Representative Market Rate by taking the arithmetic mean of the polled exchange rates, provided that at least two quotations are obtained. The Calculation Agent will not have any obligation to contact any Reference Bank directly;

"Repo" means a securities repurchase or resale agreement or reverse repurchase or resale agreement, a securities borrowing agreement or any agreement relating to securities which is similar in effect to any of the foregoing and for purposes of this definition, the term "securities" means any Capital Stock, share, debenture or other debt or equity instrument, or derivative thereof, whether issued by any private or public company, any government or Agency or instrumentality thereof or any supranational, international or multilateral organisation.

"Restricted Payment" with respect to the Issuer or any of its Subsidiaries means:

- (a) the declaration or payment of any dividends or any other distributions of any sort in respect of its Capital Stock (including any payment in connection with any merger or consolidation involving such Person) or similar payment to the direct or indirect holders of its Capital Stock (other than (A) dividends or distributions payable solely in its Capital Stock, Deferred Capital Stock or in options, warrants or other rights to purchase such stock, (B) dividends or distributions payable solely to the Issuer or a Wholly-Owned Subsidiary of the Issuer and (C) pro rata dividends or other distributions made by a Subsidiary of the Issuer that is not a Wholly-Owned Subsidiary of the Issuer to minority stockholders (or owners of an equivalent interest in the case of a Subsidiary that is an entity other than a corporation));
- (b) the purchase, repurchase, redemption, defeasance or other acquisition or retirement for value of any Capital Stock of the Issuer held by any Person (other than by a Subsidiary) or of any Capital Stock of a Subsidiary of the Issuer held by any Affiliate of the Issuer (other than by a member of the Group), including in connection with any merger or consolidation and including the exercise of any option to exchange any Capital Stock (other than into Capital Stock of the Issuer that is not Capital Stock that, by its terms (or by the terms of any security into which it is convertible, or for which it is exchangeable, in each case at the option of the holder of Indebtedness of such Capital Stock), or upon the happening of any event, matures or is mandatorily redeemable, pursuant to a sinking fund obligation or otherwise, or redeemable at the option of the holder thereof, in whole or in part, on or prior to the first anniversary of the Maturity Date);
- (c) the purchase, repurchase, redemption, defeasance or other acquisition or retirement for value, prior to scheduled maturity or scheduled repayment of any Subordinated Obligations of the Issuer or any Subsidiary of the Issuer (except for the repayment of inter-company debt owed by any member of the Group to any other member of the Group from time to time).

"Stock Exchange" means the London Stock Exchange plc;

"Subordinated Obligations" means, with respect to any Person, any Indebtedness of such Person (whether outstanding on the Issue Date or thereafter incurred) which is subordinate or junior in right of payment to the Notes pursuant to a written agreement to that effect;

"Subsidiary" means, in relation to any Person (the **"first person"**), at any particular time, any other Person (the **"second person"**) (i) which the first person controls or has the power to control and (ii) which is (or is required under IFRS to be) consolidated in or with the financial statements of the first person;

"Soum" means the lawful currency for the time being of the Republic of Uzbekistan;

"Taxes" means any taxes, levies, duties, imports or other charges or withholding of a similar nature no matter where arising (including interest and penalties thereon and additions thereto);

"U.S. Dollars", "dollars" or the sign "\$" means such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts;

"U.S. Dollar Equivalent" means with respect to any amount denominated in a currency other than U.S. Dollars, at any time for the determination thereof, the amount of U.S. Dollars obtained by converting such other currency involved into U.S. Dollars at the spot rate for the purchase of U.S. Dollars with the applicable foreign currency as quoted by Reuters at approximately 11:00 am (New York time) on the date not more than two business days prior to the date of determination; and

"Wholly - Owned Subsidiary" of any specified Person means a Subsidiary of such Person all of the outstanding Capital Stock or other ownership interests of which shall at the time be owned by such Person or by one or more Wholly-Owned Subsidiaries of such Person.

7. Summary of Provisions Relating to the Notes while in Global Form

The Notes will be evidenced on issue by the Global Note, deposited with a common depository for Euroclear and Clearstream, Luxembourg and registered in the name of a nominee of such common depository.

Beneficial interests in the Global Note may be held only through Euroclear or Clearstream, Luxembourg at any time. See "*—Book-entry Procedures for the Global Note*".

By acquisition of a beneficial interest in the Global Note, the purchaser thereof will be deemed to represent, among other things, that it is purchasing such beneficial interests in an offshore transaction in accordance with Rule 903 of Regulation S.

Beneficial interests in the Global Note will be subject to certain restrictions on transfer set forth therein and in the Paying Agency Agreement, and the Notes will bear the legends set forth thereon regarding such restrictions.

Save in the case of the issue of replacement Notes pursuant to Condition 12, the Issuer, the Transfer Agents and the Registrar shall make no charge to the holders for the registration of any holding of Notes or any transfer thereof or for the issue of any Notes or for the delivery thereof at the specified office of a Transfer Agent or the Registrar or by uninsured post to the address specified by the holder, but such registration, transfer, issue or delivery shall be effected against such indemnity from the holder or the transferee thereof as the Registrar or the relevant Transfer Agent may require in respect of any tax or other duty of whatever nature which may be levied or imposed in connection with such registration, transfer, issue or delivery. Except in the limited circumstances described below, owners of beneficial interests in the Global Note will not be entitled to receive physical delivery of Note certificates in definitive form (the "**Definitive Notes**"). The Notes are not issuable in bearer form.

Amendments to Conditions

The Global Note contains provisions that apply to the Notes that it represents, some of which modify the effect of the above Conditions. The following is a summary of those provisions:

Payments

Payments of principal and interest in respect of Notes evidenced by the Global Note will be made to the person who appears on the register of Noteholders at the close of business on the Record Date as holder of the Global Note against presentation and (if no further payment falls to be made in respect of the relevant Notes) surrender of the Global Note to or to the order of the Principal Paying Agent (or to or to the order of such other Paying Agent as shall have been notified to the Noteholders for this purpose), which shall endorse such payment or cause such payment to be endorsed in the appropriate schedule to the Global Note (such endorsement being prima facie evidence that the payment in question has been made). Interest in respect of the Notes represented by the Global Note will be paid from the Interest Commencement Date in arrear at the rates, on the dates for payment, and in accordance with the method of calculation provided for in the Conditions, save that the calculation is made in respect of the total aggregate amount of the Notes represented by the Global Note, together with such other sums and additional amounts (if any) as may be payable under the Conditions, in accordance with the Conditions.

Notices

So long as the Notes are evidenced by the Global Note and the Global Note is held by or on behalf of a clearing system, notices to Noteholders may be given by delivery of the relevant notice to that clearing system for communication by the notice to entitled account holders rather than in the manner specified in the Conditions and shall be deemed to be given to holders of interests in the Global Note with the same effect as if they had been given to such Noteholder in accordance with the Conditions; provided, however, that as long as the Notes are listed on the London Stock Exchange, all notices will also be given in accordance with the rules of the London Stock Exchange. Any such notice will be deemed to have been given on the day the same has been delivered to the relevant clearing systems.

Record Date

Notwithstanding Condition 8(a)(ii), "Record Date" shall mean the Clearing System Business Day before the relevant due date for payment, where "Clearing System Business Day" means a day when Euroclear and Clearstream, Luxembourg is open for business.

Meetings

The holder of the Global Note will be treated as being two persons for the purposes of any quorum requirements of, or the right to demand a poll at, a meeting of Noteholders and in any such meeting as having one vote in respect of each U.S.\$1,000 in principal amount of Note represented by the Global Note.

Trustee's Powers

Notwithstanding anything contained in the Trust Deed, in considering the interests of Noteholders while the Global Note is held on behalf of a clearing system, the Trustee may, to the extent it considers it appropriate to do so in the circumstances, have regard to any information provided to it by such clearing system or its operator as to the identity (either individually or by category) of its accountholders with entitlements to the Global Note and may consider such interests, and treat such accountholders, as if such accountholders were the holders of the Global Note.

Issuer's Option

So long as the Notes are evidenced by the Global Note and the Global Note is held by or on behalf of a clearing system, any option of the Issuer provided for in the Conditions shall be exercised by the Issuer giving notice to the Noteholders and the relevant clearing systems (or procuring that such notice is given on its behalf) within the time limits set out in and containing the information required by the Conditions, except that the notice shall not be required to contain the serial numbers of Notes drawn in the case of a partial exercise of an option and, accordingly, no drawing of Notes shall be required. In the event that any option of the Issuer is exercised in respect of some but not all of the Notes, the rights of accountholders with a clearing system in respect of the Notes will be governed by the standard procedures of Euroclear, Clearstream, Luxembourg or any other clearing system (as the case may be).

Noteholder's Option

So long as the Notes are evidenced by the Global Note and such Global Note is held by or on behalf of a clearing system, the exercise of the option of Noteholders provided for in Condition 7(g) will be subject to the normal rules and operating procedures of such clearing system.

Electronic Consent and Written Resolution

While the Global Note is registered in the name of any nominee for a clearing system, then:

- (a) approval of a resolution proposed by the Issuer or the Trustee (as the case may be) given by way of electronic consents communicated through the electronic communications systems of the relevant clearing system(s) in accordance with their operating rules and procedures by or on behalf of the holders of not less than two-thirds in principal amount of the Notes outstanding (an "**Electronic Consent**" as defined in the Trust Deed) shall, for all purposes (including matters that would otherwise require an Extraordinary Resolution to be passed at a meeting in respect of which the special quorum provisions specified in the Notes apply) take effect as an Extraordinary Resolution passed at a meeting of Noteholders duly convened and held, and shall be binding on all Noteholders whether or not they participated in such Electronic Consent; and
- (b) where Electronic Consent is not being sought, for the purpose of determining whether a Written Resolution (as defined in the Trust Deed) has been validly passed, the Issuer and the Trustee shall be entitled to rely on consent or instructions given in writing directly to the Issuer and/or the Trustee, as the case may be, by (a) accountholders in the clearing system with entitlements to the Global Note and/or, (b) where the accountholders hold any such entitlement on behalf of another person, on written consent from or written instruction by the person for whom such entitlement is ultimately beneficially held, whether such beneficiary holds directly with the accountholder or via one or more

intermediaries. For the purpose of establishing the entitlement to give any such consent or instruction, the Issuer and the Trustee shall be entitled to rely on any certificate or other document issued by, in the case of (a) above, Euroclear, Clearstream, Luxembourg or any other relevant alternative clearing system (the "**relevant clearing system**") and in the case of (b) above, the relevant clearing system and the accountholder identified by the relevant clearing system for the purposes of (b) above. Any resolution passed in such manner shall be binding on all Noteholders, even if the relevant consent or instruction proves to be defective. Any such certificate or other document shall be conclusive and binding for all purposes. Any such certificate or other document may comprise any form of statement or print out of electronic records provided by the relevant clearing system (including Euroclear's EUCLID or Clearstream, Luxembourg's CreationOnline system) in accordance with its usual procedures and in which the accountholder of a particular principal or nominal amount of the Notes is clearly identified together with the amount of such holding. Neither the Issuer nor the Trustee shall be liable to any person by reason of having accepted as valid or not having rejected any certificate or other document to such effect purporting to be issued by any such person and subsequently found to be forged or not authentic.

Exchange for Definitive Notes

Exchange

The Global Note will be exchangeable, free of charge to the holder, in whole but not in part, for Notes in definitive, registered form if Euroclear or Clearstream, Luxembourg, as the case may be, is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so, by the holder giving notice to the Registrar or any Transfer Agent.

The Registrar will not register the transfer of, or exchange of interests in, the Global Note for Definitive Notes for a period of 15 calendar days ending on the date for any payment of principal or interest or on the date of optional redemption in respect of the Notes.

"**Exchange Date**" means a day falling not later than 90 days after that on which the notice requiring exchange is given and on which banks are open for business in the city in which the specified office of the Registrar or the Transfer Agent is located.

Delivery

In such circumstances, the Global Note shall be exchanged in full for Definitive Notes and the Issuer will, at the cost of the Issuer (but against such indemnity as the Registrar or any relevant Transfer Agent may require in respect of any tax or other duty of whatever nature which may be levied or imposed in connection with such exchange), cause sufficient Definitive Notes to be executed and delivered to the Registrar for completion, authentication and dispatch to the relevant Noteholders. A person having an interest in the Global Note must provide the Registrar with a written order containing instructions and such other information as the Issuer and the Registrar may require to complete, execute and deliver such Notes.

Legends

The holder of a Definitive Note may transfer the Notes evidenced thereby in whole or in part in the applicable minimum denomination by surrendering it at the specified office of the Registrar or any Transfer Agent, together with the completed form of transfer thereon.

Book-entry Procedures for the Global Note

For each series of Notes evidenced by the Global Note, custodial and depositary links are to be established between Euroclear and Clearstream, Luxembourg to facilitate the initial issue of the Notes and cross-market transfers of the Notes associated with secondary market trading. See "*—Settlement and Transfer of Notes*".

Euroclear and Clearstream, Luxembourg

The Global Note will have an ISIN and Common Code. The Global Note will be deposited with a common depositary for Euroclear and Clearstream, Luxembourg and registered in the name of a nominee of such

common depository. The address of Euroclear is 1 Boulevard du Roi Albert II, 1210 Brussels, Belgium, and the address of Clearstream, Luxembourg is 42 Avenue JF Kennedy, L-1855, Luxembourg.

Euroclear and Clearstream, Luxembourg

Euroclear and Clearstream, Luxembourg each hold securities for their customers and facilitate the clearance and settlement of securities transactions through electronic book-entry transfer between their respective accountholders. Indirect access to Euroclear and Clearstream, Luxembourg is available to other institutions that clear through or maintain a custodial relationship with an accountholder of either system. Euroclear and Clearstream, Luxembourg provide various services including safekeeping, administration, clearance and settlement of internationally-traded securities and securities lending and borrowing. Euroclear and Clearstream, Luxembourg also deal with domestic securities markets in several countries through established depository and custodial relationships. Euroclear and Clearstream, Luxembourg have established an electronic bridge between their two systems across which their respective customers may settle trades with each other. Their customers are worldwide financial institutions including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations. Investors may hold their interests in the Global Note directly through Euroclear or Clearstream, Luxembourg if they are accountholders ("**Direct Participants**") or indirectly ("**Indirect Participants**" and, together with Direct Participants, "**Participants**") through organisations that are accountholders therein.

Relationship of Participants with Clearing Systems

Each of the persons shown in the records of Euroclear or Clearstream, Luxembourg as the holder of a Note evidenced by the Global Note must look solely to Euroclear or Clearstream, Luxembourg (as the case may be) for his share of each payment made by the Issuer to the holder of the Global Note and in relation to all other rights arising under the Global Note, subject to and in accordance with the respective rules and procedures of Euroclear and Clearstream, Luxembourg (as the case may be). The Issuer expects that, upon receipt of any payment in respect of Notes evidenced by the Global Note, the common depository by whom such note is held, or nominee in whose name it is registered, will immediately credit the relevant participants' or holders' accounts in the relevant clearing system with payments in amounts proportionate to their respective beneficial interests in the principal amount of the Global Note as shown on the records of the relevant clearing system or its nominee. The Issuer also expects that payments by Direct Participants in any clearing system to owners of beneficial interests in the Global Note held through such Direct Participants in any clearing system will be governed by standing instructions and customary practices. Save as aforesaid, such persons shall have no claim directly against the Issuer in respect of payments due on the Notes for so long as the Notes are evidenced by the Global Note and the obligations of the Issuer will be discharged by payment to the registered holder, as the case may be, of the Global Note in respect of each amount so paid. None of the Issuer, the Trustee or any Agent will have any responsibility or liability for any aspect of the records relating to or payments made on account of ownership interests in the Global Note or for maintaining, supervising or reviewing any records relating to such ownership interests.

Settlement and Transfer of Notes

Subject to the rules and procedures of each applicable clearing system, purchases of Notes held within a clearing system must be made by or through Direct Participants, which will receive a credit for such Notes on the clearing system's records. The ownership interest of each actual purchaser of each such note (the "**Beneficial Owner**") will in turn be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from any clearing system of their purchase, but Beneficial Owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which such Beneficial Owner entered into the transaction.

Transfers of ownership interests in Notes held within the clearing system will be affected by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in such Notes unless and until interests in the Global Note held within a clearing system are exchanged for Definitive Notes.

No clearing system has knowledge of the actual Beneficial Owners of the Notes held within such clearing

system and their records will reflect only the identity of the Direct Participants to whose accounts such Notes are credited, which may or may not be the Beneficial Owners. The Participants will remain responsible for keeping account of their holdings on behalf of their customers. Conveyance of notices and other communications by the clearing systems to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

The laws of some jurisdictions may require that certain persons take physical delivery in definitive form of securities. Consequently, the ability to transfer interests in a Global Note to such persons may be limited.

Trading between Euroclear and/or Clearstream, Luxembourg Participants

Secondary market sales of book-entry interests in the Notes held through Euroclear or Clearstream, Luxembourg to purchasers of book-entry interests in the Notes held through Euroclear or Clearstream, Luxembourg will be conducted in accordance with the normal rules and operating procedures of Euroclear and Clearstream, Luxembourg and will be settled using the procedures applicable to conventional eurobonds.

Pre-issue Trades Settlement

It is expected that delivery of Notes will be made against payment therefor on the closing date thereof, which could be more than two business days following the date of pricing. Purchasers of Notes may be affected by such local settlement practices, and purchasers of Notes between the relevant date of pricing and the relevant closing date should consult their own advisors.

8. General Information

1. The issue of the Notes was duly authorised by a resolution of the Issuer's Supervisory Board dated 25 January 2021.
2. As at the date of this Information Memorandum, no legal actions or claims of material importance are pending or threatened against the Issuer.

ISSUER

Joint-stock commercial mortgage bank "Ipoteka-bank"

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