

**REGULATION
ON THE RISKS CONTROL COMMITTEE
JOINT STOCK COMMERCIAL BANK “ASAKA”**

1. General

1.1. This Regulation has been developed in accordance with the Law of the Republic of Uzbekistan "On Banks and Banking Activities", No. PP-1438 Resolution of the President of the Republic of Uzbekistan dated November 26, 2010 "On priority areas for further reforming and increasing the stability of the financial and banking system of the republic in 2011-2015 and achieving high international rating indicators", Regulation "On corporate governance in commercial banks" registered by the Ministry of Justice of the Republic of Uzbekistan No. 943 on July 5, 2000, Regulation of the Central Bank of the Republic of Uzbekistan and Internal Regulations of Asaka Bank (OJSC) (hereinafter – the Bank).

1.2. This Regulation defines the aims, objectives, functions and status of the Risks Control Committee, regulates the procedure for work, procedure for making decisions on issues under discussion and interaction with the Management Board and Supervisory Board of the Bank.

1.3. The Risks Control Committee shall be a collegial advisory body of the Bank, in its activities it shall be guided by the legislation of the Republic of Uzbekistan, regulations of the Central Bank of the Republic of Uzbekistan, the Articles of the Bank, decisions of the General Meeting of Shareholders and the Management Board of the Bank.

1.4. The Risks Control Committee shall report directly to the Bank's Supervisory Board.

2. Aims and Objectives of the Risks Control Committee, Asaka Bank (OJSC)

2.1. The main aim of the Risks Control Committee (hereinafter referred to as the Committee) is to assist the Supervisory Board of the Bank in the implementation of the tasks of control and regulation of the risk management process when the bank conducts active operations in order to meet the indicators of the business plan established by the Supervisory Board of the Bank, increase the amount of bank capital in the interests of the bank founders and ensure the reliability and stability of the bank in the interests of depositors and creditors.

2.2. To achieve its main aim, the Committee shall perform the following functions:

- Effective implementation of the banking risk management policy to achieve an optimal balance between risk and profitability when conducting banking operations;
- Monitoring the state of the Bank's assets and the risks affecting it when the Bank conducts all types of operations;
- consideration of appropriate measures aimed at preventing banking risks and making proposals to the Bank's Supervisory Board on its implementation.

3. Functions of the Risk Control Committee of Asaka Bank (OJSC)

To carry out the above objectives, the Committee shall be entrusted with the following functions:

- Regularly obtaining and reviewing information on the state of the Bank's loan and investment portfolio, as well as other assets of the bank in terms of risk;
- monitoring of the Bank's risk management system for timely identification, assessment of various risks arising from banking operations (credit, market, liquidity, operational, country, legal, etc.) and reducing the negative consequences caused by its action;
- Review of all internal documents related to the Bank's Risk Management Policy, as well as submitting proposals for consideration by the Bank's Supervisory Board on the

compliance of these documents, taking into account the situation on local and global financial markets;

- Submission to the Supervisory Board of the Bank for consideration and approval of internal bank documents, methods and instructions for the analysis and assessment of various risks (for example, scoring analysis of creditworthiness, stress testing of liquidity and solvency, GAP analysis in interest rate risk management, analysis of imbalance between volumes and terms repayment by assets and liabilities, VAR methodology, etc.);
- Regular study of the analysis of risks for credit and investment portfolios and other assets of the bank, carried out on the basis of the above methods and techniques, in order to develop and approve proposals to reduce the impact of the consequences of risks;
- Regularly studying and monitoring compliance with the financial indicators of the signed loan agreements established by international financial organizations, taking appropriate measures to comply with these requirements and indicators in the event the Bank violates such requirements;
- Activities in conjunction with the Management Board of the Bank on issues related to the organization and operation of the risk management system.

4. The Structure and Procedure of the Risk Control Committee of Asaka Bank (OJSC)

4.1. The personal composition of the Committee shall be formed and approved by the Supervisory Board of the Bank from among its members of at least 3 people.

4.2. The Chairman of the Committee shall be appointed and approved by the Supervisory Board of the Bank.

4.3. The term of office of the Committee shall be determined by the Supervisory Board of the Bank.

4.4. Proceedings of the Committee shall include holding meetings in accordance with the Action Plan, which is developed every six months and signed by all of its members. The action plan of the Committee shall be approved by the Supervisory Board of the Bank.

4.5. The meeting of the Committee shall be valid if it is attended by at least 2/3 of its members.

4.6. The Committee shall consider issues specified by the Action plan and issues raised by the Committee or the relevant structural departments of the Bank at the meetings.

4.7. If necessary, members of the Management Board, managers or responsible specialists of the relevant business departments of the Bank and independent consultants may be invited to meetings of the Committee.

4.8. Materials on the agenda of the meeting of the Committee shall be sent for consideration to its members at least two days before the date of the meeting.

4.9. Decisions on the issues under discussion shall be taken by a simple majority of votes by show of hands. In case of equality of votes, the vote of the Chairman of the Supervisory Board shall be decisive.

4.10. Each meeting shall be recorded by the relevant minutes, which must contain information about the date and place of the meeting, members of the Committee who participated in the meeting, agenda items, speeches and decisions made.

4.11. The minutes of the Committee's meeting shall be signed by all of its members. If any of the members disagrees with the decision taken, the reasons for his disagreement shall be mandatory.

4.12. The working body of the Committee shall be the Risk Control Department and the Manager of this department shall be the Secretary of the Committee, whose duties shall include the following:

- collection and preparation of working materials for the agenda of the meetings of the Committee;
- familiarization of committee members with working materials;
- execution of the Minutes of the Committee's meetings;
- delivery of extracts from the minutes of the Committee meetings to all interested departments of the Bank;
- Organization of proper accounting and storage of documents on the activities of the Committee.

5. Rights and Obligations of the Risk Control Committee of Asaka Bank (OJSC)

5.1. The Committee shall be authorized to request from the relevant divisions of the Bank all the information necessary for the effective performance of the tasks assigned to it.

5.2. The following information shall be reviewed by the Committee:

- information on the status of the Bank's credit, investment portfolios and other assets, together with a thorough analysis of their credit and market risks;
- Analysis of the trend of the Bank's interest rate risk (gap analysis);
- Analysis of the bank's exposure to currency risk (form for submission to the Central Bank of the Republic of Uzbekistan);
- Analysis of the bank's exposure to liquidity risk (analysis of the imbalance of assets and liabilities in terms of volume and maturity, identification of a cash deficit based on the analysis of current receipts and incomes of the bank's clients);
- Analysis of the Bank's compliance with the limits when conducting basic operations.

5.3. The committee shall have the following obligations:

- consideration of all the issues raised in a timely manner in accordance with the Action Plan and additional requests from the Bank's business departments;
- semi-annual reports to the Supervisory Board of the Bank on the work done.

6. Responsibility of the Risk Control Committee of Asaka Bank (OJSC)

6.1. Members of the Committee shall be responsible to the Bank and its founders for improper performance of their duties.