AUDIT REPORT
ON THE FINANCIAL STATEMENTS OF
FE AZIMUTH INSURANCE COMPANY CO JSC
FOR 2021 PREPARED IN ACCORDANCE WITH IFRS

The Audit Report is received by:

D.N. Khalitov

Full name **Date** **Signature**

L.S.

AUDIT-INCOME LLC
License of the Ministry of Finance of the RUz
No. 00743 Series AF dated 29 March 2019
No. 12 in the Register of the Ministry of Finance
Settlement account: No.20208000002482421001
with the Central Operational Regional Branch
of the Uzpromstroybank MFO (sort code)
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Tashkent - 2022

TABLE OF CONTENTS

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AUDIT REPORT ON THE FINANCIAL STATEMENTS OF FE AZIMUTH INSURANCE COMPANY CO JSC FOR THE PERIOD OF JANUARY 1, 2021 THROUGH DECEMBER 31, 2021.

We have audited the consolidated financial statements of FE AZIMUTH INSURANCE COMPANY CO JSC (hereinafter – the "Company") prepared in accordance with International Financial Reporting Standards and consisting of: a statement of financial position as of December 31, 2021, a statement of profit or loss and other comprehensive income for 2021, a statement of changes in equity for 2021, and information about main provisions of accounting policies and other explanatory information.

Opinion

In our opinion, the financial statements attached to this Opinion, in all material respects, fairly reflect the financial position of FE AZIMUTH INSURANCE COMPANY CO JSC as of December 31, 2021, as well as its financial performance in accordance with the rules for preparing financial statements established by International Standards financial statements (IFRS).

Basis for the Audit Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA-700).

Our duties under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our opinion. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants (IESBA Code), as well as the ethical requirements that apply to our audit of financial statements in the Republic of Uzbekistan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained during the audit is sufficient and reliable to provide a basis for our opinion.

Responsibility of the Company's Management for the Financial Statements

The management of the Company shall be responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards (IFRS). This responsibility includes the development, implementation and maintenance of a system of internal control related to the preparation and fair presentation of financial statements that are free from material misstatement due to fraud or error, the selection and application of appropriate Accounting Policies, and the reasonableness of accounting estimates. In preparing the financial statements, the management of the Company shall be responsible for disclosing relevant information regarding the Company's ability to continue as a going concern. Those charged with governance are responsible for overseeing the preparation of the financial statements of the Company.

Auditor's Responsibilities for the Audit of the Financial Statements

Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with International Standards on Auditing (ISA). The Standards require that we comply with applicable ethical requirements, as well as plan and perform the audit in such a way that would allow obtaining reasonable assurance about whether the accompanying financial statements are free from material misstatement.

An audit involves performing audit procedures to obtain audit evidence about the amounts and disclosures in the financial statements.
The choice of audit procedures is the subject of our judgment, which is based on an assessment of material misstatements in the financial statements, whether due to fraud or error.

In the process of assessing this risk, the auditor shall consider aspects of internal control in relation to the preparation and presentation of reliable financial statements by the Company in order to select appropriate audit procedures, but not to express an opinion on the effectiveness of internal control. An audit also includes evaluating the appropriateness of the accounting policies chosen and the reasonableness of the estimates made by the management, as well as evaluating the overall presentation of the financial statements.

We carried out information interaction with persons responsible for corporate governance of the Company, bringing to their attention inter alia information about the planned scope and timing of the audit, as well as significant comments on the audit results, including deficiencies in the internal control system that we identify during the audit process.

In the course of audit, we apply professional judgment, competence and independence. The audit evidence we have obtained is sufficient and appropriate to provide reasonable assurance about whether the financial statements are free from material misstatement. For providing the assurance, we:

– gained an understanding of the internal control system relevant to the audit in order to develop audit procedures appropriate to the circumstances, but not to express an opinion on the effectiveness of the internal control system of the Company;

– identified and assessed the risks of material misstatement of financial statements caused by fraud and error, developed and performed audit procedures in response to these risks, obtained sufficient audit evidence that is a reliable basis for expressing our opinion;

– assessed the proper nature of the applied accounting policy and the reasonableness of the estimates and the corresponding disclosures of information by the Company's management;

– made a conclusion on the appropriateness of the management's making assumptions and whether there is a material uncertainty related to events or conditions that may cast considerable doubts on the Company's ability to continue as a going concern. Our conclusions are based on the audit evidence obtained before the date of our opinion, however, future events or conditions may cause the Company to cease to continue as a going concern;

General Director ____________ **T.A. Chursina**

TOSHKENT SHAHRI MAS'ULIYATI CHEKLANGAN JAMIYAT SHAKLIDAGI AUDITORLIK AUDIT INCOME TASHKILOTI O'ZBEKISTON RESPUBLIKASI

Qualification certificate of the Auditor No. 005350 dated November 07, 2015.
April 07, 2022. Tashkent, Republic of Uzbekistan.

AUDITED ENTITY:

FE AZIMUTH INSURANCE COMPANY CO JSC

Certificate No. 944334 of the Inspectorate for Registration of Business Entities in Tashkent dated February 2, 2021. License for insurance activities SF No. 00014 dated March 18, 2021, issued by the Ministry of Finance of the Republic of Uzbekistan, TIN 308 143 734, CCEA 65120. Location address: 14 Elbek Street, "Aviapark" Business Centre, Tashkent, Republic of Uzbekistan.

INDEPENDENT AUDITOR:

AUDIT INCOME LLC

Certificate No. 399 of the Ministry of Justice of the Republic of Uzbekistan dated July 24, 1997. License AF No. 00743 dated March 29, 2019, in the register No. 12 of the Ministry of Finance of the Republic of Uzbekistan. TIN 202344775, CCEA 69202. 36A Shakhrisabz Street, Uzdonmahsulot building, Office 529, Tashkent, Republic of Uzbekistan.

FE AZIMUTH INSURANCE COMPANY CO JSC
STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 31 DECEMBER 2021
(in thousands of Uzbek soums)

	Note	December 31, 2021
ASSETS		
Cash and cash equivalents	5	2 104 312
Short-term investments	6	
Investment securities	7	
Investments in affiliated companies	8	
Assets held for sale	9	
Interest payable on bank deposits and other debt	10	84 903
Policy holders' debt	11	357 189
Debt to suppliers	12	183 158
Other current assets	13	10 067
Tax advances	14	6003
Share of reinsurers in unearned premium reserve	15	198 881
Share of reinsurers in the loss reserve	16	
Inventories	19	3 036
Fixed assets	17	30 738
Long-term investment		36 848 044
Intangible assets	18	
TOTAL ASSETS		**39 836 331**
LIABILITIES		
Insurance liabilities	21	198
Unearned premium reserve	22	1 441 910
Outstanding claims reserve	23	
Reserve of preventive measures	24	
Debt to suppliers	25	329 438
Payroll liabilities	26	170 588
deferred income tax	27	
Debts to the budget for taxes and social payments	28	20 471
Liabilities on long-term bank loans		
deferred income		
TOTAL LIABILITIES		**1 962 605**
EQUITY		
Authorized capital	29	39 566 531
Added capital	31	72 329
Retained earnings	32	-1 775 133
TOTAL EQUITY		**37 863 726**
TOTAL LIABILITIES AND EQUITY		**39 826 331**

On behalf of the management:

O.N. Khalilov
General Director
7 April 2022
Tashkent, Uzbekistan.

A.F. Babikova
Chief Accountant
7 April 2022
Tashkent, Uzbekistan.

FE AZIMUTH INSURANCE COMPANY CO JSC
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE PERIOD ENDED 31 DECEMBER 2021

(in thousands of Uzbek soums)

	Note	31 December 2021
Insurance Premiums, Gross	**19**	**1 469 487**
Insurance premiums under contracts ceded to reinsurance	19	(273 281)
Insurance premiums under contracts accepted for reinsurance		386 285
Insurance Premiums, Net		**1 582 490**
Changes in unearned premium reserve	17/19	(1 208 122)
Change in share of reinsurers in unearned premium reserve	17/19	173 569
Changes in other mandatory insurance reserves	17/19	(157 419)
Earned Insurance Premiums, Net		**390 519**
Insurance claims settled	20	(293 288)
Compensation for payments on risks ceded to reinsurance	20	
Changes in the provision for incurred but not reported losses	17/20	(51 057)
Change in the share of reinsurers in the outstanding claims reserve	17/20	()
Incurred Insurance losses, Net		**()**
Commission insurance income	21	23 032
Income from recourse claims		
Cost of insurance services	12/21/22	(176 117)
Result of Insurance Activities		**(106 911)**
Other income	21	
Operating expenses	22	(-3 002 169)
Interest income	22	586 091
Dividend income	22	
Foreign exchange income		1 094 720
Foreign exchange losses	22	(346 865)
Profit before tax	**23**	**-1 775 133**
Tax on profit		
Net Profit for the Year		**-1 775 133**

On behalf of the management:

O.N. Khalilov
General Director
7 April 2022
Tashkent, Uzbekistan.

AZIMUTH INSURANCE COMPANY

A.F. Babikova
Chief Accountant
7 April 2022
Tashkent, Uzbekistan.

AUDITORLIK AUDIT INCOME TASHKILOT

FE AZIMUTH INSURANCE COMPANY CO JSC
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2021
(in thousan Uzbek soums)

	Authorized capital	Added capital	Reserve capital	Equalization provision	Retained earnings	Total
Balance as of February 2, 2021	**17 113 520**	**72 329**	**0**	**0**		**17 185 849**
Total cumulative loss / for the year 2021					-1 775 133	**-1 775 133**
Equalization provision						
Operations with founders						
Increase in the authorized capital at the expense of 2020 profit.						**0**
Increase in the authorized capital at the expense of the founders' investments	22 453 011					**22 453 011**
Dividends accrued from 2020 profit.						
Balance as of December 31, 2021	**39 566 531**	**72 329**			**- 1 775 133**	**37 863 726**

On behalf of the management:

O.N. Khalilov
General Director
7 April 2022
Tashkent, Uzbekistan.

A.F. Babikova
Chief Accountant
7 April 2022
Tashkent, Uzbekistan.

1. DESCRIPTION OF ACTIVITIES

FE AZIMUTH INSURANCE COMPANY CO JSC in the form of JSC, hereinafter the Company, was founded in Tashkent, the Republic of Uzbekistan and registered on February 2, 2021 under No. 944 334 with the Single Window Center for the provision of public services for the registration of entities , at the legal address: 14 Elbek Street, "Aviapark" Business Center, Tashkent, with the authorized capital of 15,000,000 thousand soums.

According to the Charter, at the date of registration, the shares were distributed as follows:

Founders	Share (%)	Value in thousand soums
ICA Group Limited British Virgin Islands	100%	15 000 000
TOTAL	**100,0**	**15 000 000**

Organizational form of ownership is a "Limited Liability Company" as of the date of registration. During the period of the audit, the Company has the status of a "Joint Stock Company" with one shareholder. The changes were made in accordance with amendments to the legislation of Uzbekistan related to insurance companies.

Due to the increase in the size of the authorized capital in June 2021, amendments were made to the Charter of the Company. The restated Charter was registered with the Single Window Center for the provision of public services for the registration of entities.

Founders	Share (%)	Value in thousand soums
ICA Group Limited British Virgin Islands	100%	17 113 520
TOTAL	**100.0**	**17 113 520**

Due to the increase in the size of the authorized capital on October 4, 2021, amendments were made to the Charter of the Company. The restated Charter was registered with the Single Window Center for the provision of public services for the registration of entities under No. 4460582 dated October 4, 2021.

According to the restated Charter, as of the date of registration, the shares were distributed as follows:

Founders	Share (%)	Value in thousand soums
ICA Group Limited British Virgin Islands	100%	39 566 531
TOTAL	**100.0**	**39 566 531**

During the period of the audit, the Company operates on the basis of the legislative acts of the Republic of Uzbekistan and in accordance with the Charter, approved by the minutes of the General Meeting of Founders and registered with the Single Window Center for the provision of public services for the registration of entities under No. 944344 dated February 2, 2021.

As of December 31, 2021, the Company has 3 affiliates, 1 legal entity and 2 affiliated individuals.

To ensure insurance activities, the Company has drawn up License Agreements:

License serial number: **SF No. 0014** for carrying out insurance activities of insurers and insurance brokers. The license was issued by the Ministry of Finance of the Republic of Uzbekistan on March 18, 2021. The term of the license is not limited. Serial number in the register is **No. 00014**.

According to the license issued, the Company shall have the right to carry out voluntary and compulsory insurance in the general insurance industry for the following classes of voluntary and compulsory insurance:

1. Accident insurance;
2. Health insurance;
3. Insurance of land vehicles;
4. Insurance of railway rolling stock;
5. Aviation insurance;
6. Marine insurance;
7. Insurance of property in transit;
8. Property insurance against fire and natural disasters;
9. Property damage insurance;
10. Motor vehicle liability insurance;
11. Liability insurance under aviation insurance;
12. Liability insurance under marine insurance;
13. General civil liability insurance;
14. Credit insurance;

15. Surety (guarantee) insurance;
16. Insurance against other financial risks;
17. Insurance of costs associated with legal protection.

Types of activities provided for by the regulations and charter of the organization:

- Various types of insurance (17 classes);
- Carrying out insurance activities in accordance with the obtained license.
- Determining the conditions of and procedure for insurance, as well as setting tariffs for insurance products,
- Determining the amount of insurance coverage and making the payment of insurance coverage, the sum insured.
- Implementation of investment activities in the manner prescribed by law.
- Improving the instruments of social protection of the wider population of the Republic of Uzbekistan through the development of appropriate insurance products.
- Other activities within the framework of the current Legislation.

The Company has separate property on the basis of full economic ownership, it may acquire property rights on its own behalf, have obligations, be a plaintiff and defendant in judicial bodies, and operate on the principle of self-sufficiency and self-financing.

The Company shall accept funds from legal entities (Customers), make payments in the Republic of Uzbekistan and abroad, provide other services to legal entities, and carry out investment activities in the Republic of Uzbekistan. As of December 31, 2021, the Company operates from the Head Office in Tashkent on the territory of the Republic of Uzbekistan on the basis of a lease agreement. Legal address of the Company: 14 Elbek Street, "Aviapark" Business Center, Mirzo Ulugbek district, Tashkent.

Branches and Subsidiaries
In 2021, the Insurance Company carried out insurance activities from the Head Office at the legal address. In 2021, no branches or subsidiaries were created.

The financial statements of the JSC are drawn up in accordance with state registration certificate No. 944334 dated February 2, 2021, Certificate No. 3900754 dated February 2, 2021 issued by the department of the unified registration service in Tashkent with the assignment of accounting codes:

1. COLF	153 (Joint Stock Company)
2. Form of ownership code	144 (Property of a limited liability company)
3. ISATF	1726290 (Tashkent, Mirzo Ulugbek district)
4. OKPO	30459397 (Legal entity code)
5. TIN	308 143 734 (Identification number)
7. CCEA	65120 (insurance other than life insurance)

2. AUDIT OF CONSTITUENT DOCUMENTS

In the reporting period, IE AZIMUTH INSURANCE COMPANY CO JSC acted in accordance with the Charter approved by Minutes No. 1 of the General Meeting of the Founders of the Company dated February 2, 2021 and registered in the Center for State Services "Single Window" on February 2, 2021.

As of the date of the audit, the Authorized Capital was registered in the amount of 17,113,520 thousand soums, the latest changes in the Charter of the Company were made on the basis of the minutes of the general meeting of founders and registered with the Single Window Center in Tashkent, reg. No. 944334 dated February 2,2021. In 2021, amendments and additions were made to the Charter of the Company to reflect the change the shares and the size of the Authorized Fund.

According to the restated Charter, the shares are distributed as follows:

Founders	Share (%)	Value in thousand soums
ICA Group Limited	100%	39 566 531
TOTAL	**100.0**	**39 566 531**

3. ADMINISTRATIVE ACTIVITIES

In 2021, the Company was managed by:

Full name	Duration of employment	Order No.	Position
O.N. Khalilov	From February 2, 2022 through the present	No.1 dated February 2, 2021	General Director
A.F. Babikova	From February 2, 2021 through the present	No.2 dated February 2, 2021	Chief Accountant

The Company shall be liable for its obligations with all its property. Members of the Company shall not be liable for its obligations and shall bear the risk of losses associated with the activities of the Company within the value of their shares. In accordance with the Law of the Republic of Uzbekistan 'On Insurance Activities', FE AZIMUTH INSURANCE COMPANY CO JSC is recognized as an insurer, because it is a legal entity, a commercial organization that has a general license to carry out insurance activities. The Insurance Organization assumes, in accordance with the insurance contract, an obligation to pay the insured the insurance indemnity (sum insured). The term of the Company's activity is not limited.

4. BASIS FOR PREPARATION OF FINANCIAL STATEMENTS

General Provisions

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"). The Company is obliged to keep accounting records and prepare financial statements in accordance with the legislation and regulations of the Republic of Uzbekistan on accounting and insurance activities (hereinafter – "UzAS"). These financial statements are based on NAS, subject to adjustments and reclassifications of items that are necessary to bring them into line with IFRS.

The financial statements have been prepared in accordance with the cost accounting principle, except as noted in the Main Provisions of Accounting Policies section.

The basis of the financial statements includes financial transactions of the Company's insurance activities for the period of February 2, 2021 to December 31, 2021.

Accounting currency – The currency of these financial statements is the Uzbek Soum, denoted by the symbol UZS. These financial statements are presented in thousands of Uzbek soums (hereinafter – "thousand soums")

The Company has foreign currency accounts: in US dollars and Euros. In the financial statements, the currency balance sheet items are translated into "thousand UZS" at the rate set by the Central Bank on the date of the report.

Exchange rates – At the end of the year, the Company used the official exchange rate of the Central Bank of the Republic of Uzbekistan for the foreign currency for the preparation of financial statements:

The official exchange rate of 1 dollar established by the Central Bank of the Republic of Uzbekistan was as follows:

As of January 1, 2021	As of December 31, 2021
10476.92 Uzbek soums per 1 $ dollar	10837.66 Uzbek soums per 1 $ dollar

The official exchange rate of one EURO established by the Central Bank of the Republic of Uzbekistan was as follows:

As of January 1, 2021	As of December 31, 2021
12 786.03 Uzbek soums per Euro	12 224.88 Uzbek soums per Euro

The official exchange rate of one Russian ruble established by the Central Bank of the Republic of Uzbekistan was as follows:

As of January 1, 2021	As of December 31, 2021
141.27 Uzbek soums per Russian ruble	147.07 Uzbek soums per Russian rouble

The official exchange rate of one Dirham established by the Central Bank of the Republic of Uzbekistan was as follows was:

As of January 1, 2021	As of December 31, 2021
2852.57 Uzbek soums per Dirham	2950.55 Uzbek soums per Dirham

5. ADJUSTMENTS AND RECLASSIFICATIONS

The impact of the adjustments on the JSC's consolidated statement of financial position is summarized as follows:

Indicators	No	12/31/2021 NAS	12/31/2021 IFRS	Adjustments for 2021
ASSETS				
Net cost of the fixed assets		**33 738**	**33 738**	**0**
Capital investments				
Investments in securities		36 848 044	36 848 044	
Total non-current assets:		**36 878 006**	**36 878 006**	
Current assets:				
Inventories	1	51 679	3 036	-48 643
Deferred expenses (account 31)		10 067	10 067	
Policyholders' debt		357 189	357 189	
Employees' debt	4	20 101	0	-20 101
Expenses paid in advance to suppliers	4	233 158	183 158	-50 000
Deferred tax				
Tax advances	3	6 795	6 003	-792
Reinsurance companies' debt		198 881	198 881	
Cash and cash equivalent	2	2 104 472	2 104 312	-160
Other current assets		84 903	84 903	
Total current assets:		**3 067 246**	**2 947 549**	**-119 696**
TOTAL ASSETS		**39 946 028**	**39 826 331**	**-119 696**
EQUITY				
Stated capital		39 566 531	39 566 531	0
Additional paid-in capital		72 329	72 329	
Retained earnings	8	-1 467 595	-1 775 133	-307 538
Other reserves			0	
Total equity		**38 171 265**	**37 863 726**	**-307 538**
LIABILITIES				
Long-term liabilities:				
Deferred tax liabilities				
Long-term estimated liabilities				
Total long-term liabilities		**0**	**0**	
Current liabilities:				
Debt to suppliers		329 438	329 438	
Insurance reserves		1 441 910	1 441 910	
Deferred income		198	198	
Advances received from the Customer	5	2 425	0	-2 425
Tax on profit				
Arrears of payments to the budget	3	792	0	-792
Social tax arrears	7		20 471	20 471
Debt to founders				
Short-term payroll liabilities	6		170 588	170 588
Provisions for vacations				
Long-term debt				
Other current liabilities				
Total current liabilities:		**1 774 763**	**1 962 605**	**187 842**
Total liabilities:		**1 774 763**	**1 962 605**	**-307 538**
TOTAL LIABILITIES AND EQUITY		**39 946 028**	**39 826 331**	**-119 696**

The impact of the adjustments on the Company's consolidated statement of financial position and consolidated income statement is summarized as follows.

Description "Adjustments in the Statement of Financial Position Balance as of December 31, 2021."

1. **Adjustment of the book value of tangible assets**. The data on tangible assets, which are located in the office of the Company, are submitted for verification. Of these, low-value and non-durable items worth 48,126 thousand soums was not written off using the 100% depreciation method, which was already adopted by the Company for the same group of low-value and non-durable items. For the rest of the materials, a reserve of 10% of the total cost in the amount of 517 thousand soums was accrued. The total amount of the adjustment amounted to 48,643 thousand soums.

2. Adjustment of the book value of cash in the national currency. The cash flow data in the national currency are submitted for verification. In December 2021, the exchange rate changed dramatically as much as 0.26%, an allowance for depreciation in the amount of 160 thousand soums was accrued on the balance of funds.

3. Adjustment of the book value of settlements with the budget (reclassification). The data on settlements with the budget are submitted for verification. Accounts receivable is 6,795 thousand soums and accounts payable is 792 thousand soums. The total debt is 6,003 thousand soums.

4. Adjustment of the book value of accounts receivable to suppliers. The data on receivables by terms of formation are submitted for verification, a reserve was accrued for the debts of employees in the total amount of 20,101 thousand soums and that to suppliers in the amount of 50,000 thousand soums. The reserve was accrued for a total amount of 70,101 thousand soums.

5. Adjustment of the book value of settlements with customers. The data on settlements with policy holders are presented for verification. The amount of 2,425 thousand soums is not included in the amount of collected insurance premium.

6. Adjustment of the book value of liabilities for settlements with employees for wages. A reserve for unpaid vacations for 2021 was accrued in the amount of 170,588 thousand soums. The calculation was made according to the payroll fund for 2021 in the amount of 1,876,465 thousand soums. Payroll liabilities on the balance were increased by 170,588 thousand soums.

7. Adjustment of the balance sheet value of liabilities for settlements with the budget for mandatory payments of social tax. Social tax was accrued from the amount of the reserve for unpaid vacations in the amount of 20,471 thousand soums. The liabilities for settlements with the budget were increased on the balance by 20,471 thousand soums.

8. Calculation of the balance of retained earnings as of December 31, 2021 - thousand soums

Balance as of 02/02/2021 according to the NAS balance	**-1 467 595**
Amount of commodities and materials	-48 643
Amount of accounts receivable	-70 101
The amount of expenses of the period - reserve for holidays and social tax	-170 588
Social tax on vacation pay reserve	-20 471
Expenses of the period on writing off expenses on cash accounts	-160
Received advances are written off	2 425
Total adjustment on account 87	**-307 538**
Balance on account 87 as of December 31, 2021	**- 1 775 133.0**

6. MAIN PROVISIONS OF ACCOUNTING POLICIES

Changes in the Accounting Policies

FE AZIMUTH INSURANCE COMPANY CO JSC has applied the following revised IFRSs and interpretations that have come into force for annual reporting periods starting from February 02, 2021:
Amendments to IFRS 10, IFRS 12.
The amendments under IFRS 10 have been applied because the JSC satisfies the definition of an investment company under IFRS 10.

Amendments to IAS 32 Offsetting Financial Assets and Financial Liabilities

Within the framework of this standard, transactions with financial assets (accounts receivable under agreements with Customers (policy holders) and offsets under agreements with a supplier that is included in the Customer's system are considered.

The amendments clarify the meaning of the phrase "currently has a legally enforceable right to set off", as well as the criteria for netting in relation to settlement systems that use non-simultaneous gross payment mechanisms.

The existence of a legally enforceable right to set off a financial asset and a financial liability affects the rights and obligations associated with the financial asset and financial liability and may affect an entity's exposure to credit and liquidity risks. However, the existence of such a right does not, in itself, provide sufficient grounds for setting-off. In the absence of an intention to exercise this right or to settle simultaneously, the amount and timing of future cash flows remain unchanged. When an entity intends to exercise its right or settle simultaneously, presenting an asset and a liability on a net basis better reflects the amount and timing of expected future cash flows and the risks to which those flows are exposed. The intention of one or both parties to settle on a net basis without the existence of a corresponding legal right is not sufficient justification for set-off, as the rights and obligations associated with an individual financial asset and financial liability remain unchanged.

So far, the amendments have not had any impact on the Company's performance.

Amendments to IAS 39 Financial Instruments: Recognition and Measurement

This Standard shall be applied to those contracts to buy or sell non-financial items that can be settled net in cash or another financial instrument, or by exchanging financial instruments, as if the contracts were financial instruments.

The amortized cost of a financial asset or financial liability is the amount at which financial assets or liabilities are measured at initial recognition, net of principal repayments (IFRS 5 IAS 39), reduced or increased by the accumulated amount (using the effective method). interest rate) depreciation, the difference between the original cost and the repayment amount, as well as less the amount of reduction (direct or through the use of an allowance account) for impairment or bad debts.

Clause 17: An entity shall derecognise a financial asset only when:

(a) the contractual rights to the cash flows from that financial asset expire; or

(b) it transfers a financial asset as set out in clauses 32 and 33 and the transfer satisfies the derecognition requirements in accordance with clause 34.

Clause 20 When an entity transfers a financial asset (see clause 34), it shall assess the extent to which it retains the risks and rewards of ownership of the financial asset. In this case:

(a) if an entity transfers substantially all the risks and rewards of ownership of a financial asset, it shall derecognise the financial asset and recognize separately as assets or liabilities those rights and obligations that were created or retained on the transfer;

(b) if the entity retains substantially all the risks and rewards of ownership of the financial asset, then it shall continue to recognize the financial asset;

(c) if an entity does not transfer or retain substantially all the risks and rewards incidental to ownership of a financial asset, it shall determine whether control of the financial asset is retained. In this case:
(i) if the entity does not retain control, it shall derecognise the financial asset and recognize separately as assets or liabilities those rights and liabilities that were created or retained on transfer;
(ii) if the entity retains control, it shall continue to recognize the financial asset to the extent that it continues to have an interest in the financial asset (see clause 34).
Accounts receivable should be allocated to financial assets in the balance sheet as of December 31, 2021.

Disclosure of recoverable amounts for non-financial assets – Amendments to IAS 36

This Standard applies to assets that are carried at a revalued amount (that is, fair value) in accordance with other standards, such as the revaluation model in IAS 16 Accounts Receivable. The determination of whether a revalued asset is impaired depends on the basis adopted for determining fair value:

(a) if the fair value of the asset is equal to the market value, then the only difference between the asset's fair value and its fair value less costs to sell is the direct incremental cost of disposal of the asset:

The amendments remove the unintended consequences of applying IFRS 13 Fair Value Measurement to the disclosures required by IAS 36 Impairment of Assets. In addition, the amendments require disclosure of the recoverable amount of assets or cash generating units for which impairment has been recognized or impairment losses have reversed during the period. The amendments had an impact on the financial position of the Company's activities, these amendments were carried out as of December 31, 2021.

Disclosure of recoverable amount for employee benefit liabilities – Amendments to IAS 19.

The purpose of this Standard is to prescribe the accounting and disclosure rules for employee benefits. The standard requires an entity to recognize:

(a) a liability, if the employee has provided a service in exchange for a benefit payable in the future;

(b) an expense when an entity uses an economic benefit arising from a service rendered by an employee in exchange for remuneration. There are no shareholders among employees.

Clause 1 An employer applies this Standard to account for all employee benefits other than those applying IFRS 2 Share-Based Payment.

Clause 3 Employee benefits to which this Standard applies include benefits that are secured.

(a) According to plans or other formal agreements between the enterprise and its employees, groups of employees or their representatives.

(b) As required by law or in connection with intra-industry agreements, under which enterprises must contribute to national, state, industry or other plans jointly established by several employers.

(c) An established practice that gives rise to an obligation arising from such practice. Established practice gives rise to an obligation arising from it if the entity has no viable alternative to paying employee benefits.

This standard considers employee benefits as required by law, paid annual leave for employee services rendered in 2021.

Disclosure of the Cost of Intangible Assets – Amendments to IAS 38.

Under this Standard, some intangible assets may be contained or placed on a physical medium, such as a CD-ROM (in the case of computer software), legal documentation (in the case of a license or patent), or tape. In determining whether an asset that contains both intangible and tangible elements should be accounted for in accordance with IFRSs as an intangible asset in accordance with this Standard, an entity uses professional judgment to evaluate which element is more significant. For example, software for a computer-controlled machine tool that cannot function without this special software is an integral part of the relevant equipment and is accounted for in the same way as property, plant and equipment, which is not really the case. The same is true for the operating system of a computer. If the software is not an integral part of the equipment to which it relates, then it may be treated as an intangible asset.

Clause 17. Future economic benefits flowing from an intangible asset may include revenue from the sale of products or services, cost savings, or other benefits arising from the use of the asset by the entity.

Clause 9. Enterprises often expend resources or incur obligations in acquiring, developing, maintaining or improving (expanding technical capabilities) intangible resources, such as scientific or technical knowledge, design and implementation of new processes or systems, licenses, intellectual property, market knowledge and trademarks (including trade names and publishing rights). Common examples of items falling into these general categories are computer software, patents, copyrights, motion pictures, customer lists, mortgage servicing rights, fishing licenses, import quotas, franchises, customer or supplier relationships, customer loyalty, market share, and marketing rights.

Clause 10. Not all items described in paragraph 9 meet the definition of an intangible asset, namely, the criteria for identifiability, control of a resource, and the existence of future economic benefits. If an item within the scope of this Standard does not meet the definition of an intangible asset, the cost of acquiring or creating it in-house is recognized as an expense when incurred.

Items included in the cost of intangible assets meet the criteria reflected in the Accounting Policy.

This standard addresses the costs of computer software.

Estimation of the fair value of assets

The Company measures financial instruments such as trading and available-for-sale securities, derivatives and non-financial assets such as investment property at fair value at each reporting date. Information about the fair value of financial instruments measured at amortized cost is disclosed in Notes 33-34.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A fair value measurement assumes that the transaction to sell an asset or transfer a liability occurs:

- either in the principal market for the asset or liability;
- or, in the absence of a principal market, in the most favorable market for the asset or liability

The Company has access to the main or most favorable market. The fair value of an asset or liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best interests. The fair value measurement of a non-financial asset takes into account the ability of a market participant to generate economic benefits from using the asset in its best and most efficient use or selling it to another market participant that would use the asset in its best and most efficient use.

The Company uses such valuation techniques that are acceptable in the circumstances and for which data sufficient to measure fair value are available, while making maximum use of relevant observable inputs and minimal use of unobservable inputs.

All assets and liabilities whose fair value is measured or disclosed in the financial statements are classified within the fair value hierarchy described below, based on the lowest level of input that is significant to the fair value measurement as a whole:
Level 1 - Quoted market prices in an active market for identical assets or liabilities (without any adjustments);
Level 2 - Valuation models in which inputs related to the lowest level of hierarchy and significant to the fair value measurement are directly or indirectly observable in the market;
Level 3 - Valuation models in which inputs related to the lowest levels of the hierarchy and significant to the fair value measurement is not observable in the market.

In the case of assets and liabilities that are recognized in the financial statements on a periodic basis, the Company shall determine the fact of a transfer between levels of sources of the hierarchy by reanalyzing the classification (based on the lowest level inputs that are significant to the fair value measurement as a whole) at the end of each reporting period.

FINANCIAL ASSETS

Initial Recognition
In accordance with the provisions of IAS 39, financial assets are classified as:

- financial assets at fair value through profit or loss; loans and receivables;
- investments held to maturity;
- financial assets available-for-sale.

The Company considers it inappropriate to invest in financial assets such as investments, deposits, assets for sale. Accounts receivable as non-derivative financial assets are valued with fixed or determinable payments.

Date of Recognition
All standatd transactions on purchases and sales of financial assets are recognized at the trade date, i.e. as of the date when the Company undertakes to purchase the asset. Regular way purchases or sales are purchases or sales of financial assets that require the delivery of assets within the time frame specified by law or accepted in the market. There are no assets held for sale in the balance sheet at the reporting date, i.e. assets that before the date of the founders' meeting will be sold in accordance with the administration's plans agreed with the supervisory board, with the exception of assets that can be sold in accordance with the decision of the founders' meeting.

Long-term accounts receivable

Accounts receivable are non-derivative financial assets that are not traded in an active market and have fixed or determinable payments. They are not held for immediate sale or sale in the near future and are not classified as trading securities or investment securities available-for-sale. Such assets are reflected at cost. Gains and losses on such assets are recognized in profit or loss on disposal or impairment of such assets, as well as in the process of settlement.

Cash and cash equivalents

Cash and cash equivalents, for the purposes of preparing the cash flow statement, include cash on hand, funds on settlement accounts with banks of the Republic of Uzbekistan, funds on special bank accounts, funds on accounts of branches and a subsidiary (excluding required reserves) and funds in credit institutions with a maturity within twelve months from the date of occurrence, not burdened with any contractual obligations. Cash items are reflected in UZS, currency items are revalued taking into account the exchange rate on the reporting date.

Borrowed Funds

Issued financial instruments or their components are classified as liabilities if, as a result of a contractual agreement, the Company has an obligation to either deliver cash or other financial assets or settle the obligation otherwise than by exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments . Such instruments include debt: due to credit institutions, due to customers, debt securities issued, other borrowed funds and subordinated loans. After initial recognition, borrowings are carried at amortized cost using the effective interest method (only for liabilities with customers and suppliers with whom the relevant legal documents and reconciliations are signed). Income and expenses are recognized in profit or loss when liabilities are derecognised, as well as through the amortization process.

If the Company purchases its own debt, the latter is removed from the consolidated statement of financial position, and the difference between the carrying amount of the liability and the consideration paid is recognized in the statement of comprehensive income.

As of December 31, 2021, there are no borrowed funds in the Company.

Lease

In accordance with the provisions of IAS 17, the standard applies to contracts that provide for the transfer of the right to use assets, even though the operation of such assets may require the lessor to provide significant services related to the maintenance of these assets. This Standard does not apply to service agreements that do not transfer the right to use assets from one party to the contract.

Operating lease - Company as a lessor.

The Company does not reflect assets subject to operating leases in the statement of financial position in accordance with the type of asset. Rental income from operating leases is recognized on a straight-line basis in the statement of comprehensive income over the lease term as other income. The cumulative cost of benefits provided to tenants is not recognized on a straight-line basis as a reduction in rental income over the lease term. Initial direct costs incurred in connection with the operating lease are partially expensed. Operating lease income received, excluding apportioned expenses, is not available in 2021.

Measurement of Financial Instruments at Initial Recognition

IAS 32 establishes the principles by which financial instruments are presented as liabilities or equity and offsets financial assets and financial liabilities. This standard applies to the classification of financial instruments by an issuer of financial assets, financial liabilities and equity instruments; classification of related interest, dividends, losses and other income; and the conditions under which financial assets and financial liabilities are offset. The Company applies this Standard to those contracts to buy or sell non-financial items that can be settled net in cash or another financial instrument, or by exchanging financial instruments, as if those contracts were financial instruments.

At initial recognition, financial instruments are measured at fair value, which is adjusted for directly attributable fees and costs in the case of instruments not at fair value through profit or loss.

The best evidence of the fair value of a financial instrument at initial recognition is usually the transaction price. If the Company concludes that the fair value at initial recognition differs from the transaction price, it recognizes the difference between the fair value at initial recognition and the transaction price as income or expense in the income statement.

Offsetting Financial Assets

Offsetting financial assets and liabilities to show only the net balance in the consolidated statement of financial position occurs only when there is a legally enforceable right to offset and an intention to realize the asset at the same time as the liability is settled.

The right to set off should not be contingent on a future event and shall be valid in all of the following circumstances:

- in the ordinary course of business;
- in case of non-performance of an obligation; and
- in case of insolvency of either the Company or any of the counterparties.

These conditions are generally not met in respect of master netting agreements, and the related assets and liabilities are presented in the statement of financial position in full.

Impairment of Financial Assets

In accordance with the provisions of IAS 39, the standard prescribes the procedure that an entity must apply when accounting for assets so that their carrying amount does not exceed the recoverable amount. An asset is carried on the balance sheet at a cost greater than its recoverable amount if its carrying amount exceeds the amount that could be obtained through the use or sale of the asset. If this is the case, the asset is considered to be impaired and the standard requires the entity to recognize an impairment loss. The standard also specifies when an entity should reverse an impairment loss and prescribes disclosures. At the end of each reporting period, an entity should assess whether there is any objective evidence that a financial asset or group of financial assets is impaired. Losses that are expected to result from future events are not recognized, whether or not they are probable.

At each reporting date, the Company does not assess whether there are objective signs of impairment of a financial asset or financial assets. A financial asset or a group of financial assets is imputed to be impaired when, and only when, there is objective evidence of impairment as a result of one or more events occurring after the asset was initially recognized (a "loss event" that occurred) and the loss event(s) that affects the expected future cash flows from the financial asset or financial assets and can be estimated reliably.

Indicators of impairment may include evidence that a borrower (debtor) or a group of borrowers is in significant financial difficulty, is in default with interest or principal obligations, a high probability of bankruptcy or financial reorganization, and evidence, based on information from an observable market, of a decrease in expected future cash flows, such as changes in delinquent rates or economic conditions. The facts described above exist.

DERECOGNITION OF FINANCIAL ASSETS AND LIABILITIES

Financial Assets

A financial asset (or, where applicable, a part of a financial asset or a part of similar financial assets) shall be derecognised in the statement of financial position if:

- the rights to receive cash flows from the asset have expired;
- The Company has transferred the right to receive cash flows from the asset or assumed an obligation to transfer the received cash flows in full without material delay to a third party on the terms of a "transit" agreement; as well as
- The Company either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained all the risks and rewards of the asset, but has transferred control of the asset.

Financial Liabilities

Deregistration of a financial liability occurs when the associated liability is discharged, canceled or expires.
When an existing financial liability is replaced by another from the same lender on substantially different terms, or when the terms of an existing liability are materially modified, the original liability is derecognised and a new liability is recognized, recognizing the difference in the carrying amount of the liabilities as profit or loss.

Taxation

Current income tax expenses are calculated in accordance with the tax legislation of the Republic of Uzbekistan. Deferred tax assets and liabilities are calculated in respect of all temporary differences using the balance sheet liability method.

Deferred tax assets are only recognized to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences can be utilized. Deferred tax assets and liabilities are measured at the tax rates that will be applied during the period when the asset is realized or the liability is settled, based on legislation that has entered into force or has actually entered into force at the reporting date.

In addition, the Republic of Uzbekistan has various operating taxes applicable to the activities of the Company. These taxes are included in other operating expenses.

Fixed Assets

Property, plant and equipment are carried at cost, excluding day-to-day maintenance costs, less accumulated depreciation and excluding accumulated impairment losses. This cost includes the costs associated with the replacement of equipment, which are recognized when they are incurred if they meet the criteria for recognition of an asset.

Depreciation of an object begins when it becomes available for use. Depreciation is calculated on a straight-line basis, without residual value, over the following estimated useful lives of assets:

- Computers and office equipment -20% -5 years
- Vehicles 20% - 5 years
- Furniture and office equipment 15% - 7 years
- Other fixed assets 15% - 7 years

The residual values, useful lives and depreciation methods of assets are reviewed at the end of each reporting year and adjusted as necessary.

Repair and reconstruction costs are expensed when incurred and included in other operating expenses, unless they qualify for capitalization.

Analyzing fixed assets by type, they report that many types of fixed assets do not have a residual value, the cost of this property, according to the law, is included in the costs of accruing fines for worn-out property, the amount of fines is transferred to the budget. Thus, the state exerts a coercive influence on enterprises that do not care about the performance of production assets. The Company carries out the following activities and for this purpose applies to the Supervisory Board, and for major transactions to the Shareholders' Meeting:

a. To allocate funds for the renovation of completely worn-out property;
b. Inclusion in the annual budget (planned estimate) of an item of expenses for the renewal of property;
c. Restoration of salvage value (minimum measures to renovate property, at least to save money through penalties);
d. Independent decision to update at the expense of accumulated retained earnings.
e. To write off the balance of unsuitable property.

Intangible assets

Intangible assets include the cost of acquiring a software product that has a finite useful life. Intangible assets acquired separately are initially measured at cost. Subsequent to initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses. Intangible assets are amortized over their useful lives (but not more than 5 years) and analyzed for impairment if there is any indication that an intangible asset may be impaired.

Amortization of intangible assets begins when they become available for use.

Depreciation is calculated on a straight-line basis over the next estimated useful lives of intangible assets in accordance with the norm over 5 years.

As of the reporting date, the Company has no assets that meet the criteria of "intangible asset"

Liabilities for pensions and other employee benefits

The Company has no additional pension schemes, except for participation in the state pension system of the Republic of Uzbekistan, which provides for the calculation of current employer contributions as a percentage of current total payments to employees. These expenses are reflected in the reporting period to which the relevant salary relates. In addition, the Company does not have significant benefits for employees after the termination of employment.

Authorized Capital

Contributions of the Founders are reflected in equity. Third-party service costs that are directly attributable to the founders' contribution, other than in a business combination, are expensed in the income statement. The excess of the value of funds received in foreign currency over the nominal (statutory) value of the deposit is reflected as additional capital.

Dividends

Dividends are recognized as a liability and deducted from equity at the balance sheet date only if they are declared before or on the balance sheet date. Information about dividends is disclosed in the financial statements if they were recommended before the reporting date, and also recommended or declared after the reporting date, but before the date when the financial statements were authorized for issue.

Contingent Assets and Liabilities

In accordance with the provisions of IAS 37:

A contingent liability shall be:

(a) a possible liability that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more future events whose occurrence is uncertain and not wholly within the control of the entity; or

a present obligation that arises from past events but is not recognized because:

(i) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

(ii) the amount of the obligation cannot be measured with sufficient reliability.

A contingent asset shall be a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more future events whose occurrence is uncertain and not wholly within the control of the entity.

Contingent liabilities are not recognized in the statement of financial position and are disclosed in the financial statements, unless it is unlikely that an outflow of resources to settle them is probable. Contingent assets are not recognized in the statement of financial position and are disclosed in the financial statements when it is probable that the economic benefits associated with them will flow.

Recognition of Income and Expenses

Revenue is recognized if it is highly probable that the Company will receive economic benefits and if the revenue can be measured reliably. The following criteria must also be met for revenue to be recognized in the financial statements:

Proceeds from Provision of Services

The Company receives revenue from all types of work specified above in the activity licenses, as well as on its own. The proceeds received under the contracts of the Customers to the accounts of the Company are recognized as income. The date of recognition of income from received proceeds is the period set forth in the Law and in the Regulations on the insurance activities of the Republic of Uzbekistan.

Income from Other Activities

In 2021, work was performed and services included in total operating income were performed: other income from non-core activities.

Dividend Income

Revenue is recognized when the Company's right to receive the payment is established. The management of the Company in 2021 does not invest in the authorized capital of other legal entities; as of the date of the audit, we are not aware of the plans of the management to invest in other organizations in order to receive income in the form of dividends.

Foreign currency conversion

The financial statements are presented in the Uzbek soum, which is the functional and presentation currency. Items included in the financial statements are measured in the selected functional currency (UZS). Transactions in foreign currencies are initially translated to the functional currency at the rate of exchange ruling at the date of the transaction. Assets and liabilities denominated in foreign currencies are translated into the functional currency at the rate of exchange ruling at the reporting date. Income and expenses arising from the translation of foreign currency transactions are recognized in the statement of comprehensive income in the item "Net income from foreign currency transactions - Revaluation of foreign currency items".

Standards that have been discussed but not yet effective

The following are standards that have been issued, but are not yet effective, as of the date of publication of the financial statements. The Company plans, if necessary, to apply these standards when they come into force.

IFRS 9 Financial Instruments

The IASB has published the final version of IFRS 9 Financial Instruments, which includes all project phases for financial instruments and replaces IAS 39 Financial Instruments: Recognition and Measurement, as well as all previous versions of IFRS 9 The standard introduces new requirements for classification and measurement,

impairment and hedge accounting. IFRS 9 is effective for annual periods beginning on or after 1 January 2022. or after this date.
Early application is allowed. Retrospective application is required, but comparative information is not required. Early application of previous versions of IFRS 9 is permitted if the date of initial application is earlier. The application of IFRS 9 will affect the classification and measurement of financial assets, but will not affect the classification and measurement of its financial liabilities.

IFRS 15 Revenue from Contracts with Customers

IFRS 15 establishes a new five-step model that applies to revenue from contracts with customers. Revenue from leases and from financial instruments and other contractual rights and obligations within the scope of IAS 17 Leases, IAS 39 Financial Instruments: Recognition and Measurement (or, if early application, IFRS 9 Financial Instruments), respectively, is outside the scope of IFRS 15 and is governed by the relevant standards.
Revenue under IFRS 15 is recognized at an amount that reflects the consideration that the Company expects to receive in exchange for transferring goods or services to a customer. The principles of IFRS 15 provide a more structured approach to measuring and recognizing revenue.
The new standard is applicable to all entities included in the Company's consolidated financial statements and will replace all current IFRS requirements for revenue recognition. Full or modified retrospective application is required for annual reporting periods beginning on or after January 1, 2022. The Company is currently assessing the impact of IFRS 15 and plans to apply it as of the effective date.

Amendments to IAS 16 and IAS 38: Clarification on Acceptable Depreciation Methods

The amendments clarify one of the principles of IAS 16 and IAS 38, namely that revenue reflects the expected pattern of consumption by the Company of the economic benefits from operating activities (of which the asset is a part), and not the economic benefits that are consumed by the company from the use of the asset . As a result, the revenue-based depreciation method cannot be used to depreciate property, plant and equipment, and only in very limited circumstances can be used to depreciate intangible assets. The amendments are effective prospectively for annual periods beginning on or after January 1, 2022. Early application is allowed. These amendments are not expected to have any impact on the Company's financial position as it does not apply revenue-based methods to depreciate non-current assets.

IFRS 3 Business Combinations
The amendment is applied prospectively and clarifies that all contingent consideration arrangements that are classified as liabilities (or assets) in a business combination must subsequently be measured at fair value through profit or loss, regardless of whether they fall within the scope of IFRS 9 (or, if applicable, IAS 39).

IFRS 8 Operating Segments
The amendments are applied retrospectively and clarify that:

- An entity shall disclose management's judgment regarding the application of the aggregation criteria in paragraph 12 of IFRS 8, including a general description of the operating segments that were aggregated and the economic characteristics (such as sales or gross profit) that were used to assess whether the segments are similar;
- Disclosure of a reconciliation of segment assets to total assets is required only if such a reconciliation is provided to the chief operating decision maker in the same way as is required for disclosure of segment liabilities.

IFRS 13 Short-term Accounts Receivable and Payable – Amendments to IFRS 13
This amendment to IFRS 13 clarifies in the Basis for Conclusion that short-term receivables and payables without defined interest rates may be included in the invoice amount if the effect of discounting is immaterial.

IAS 16 Fixed Assets and IAS 38 Intangible Assets
This amendment is applied retrospectively and clarifies the provisions in IAS 16 and IAS 38 that an asset can be revalued on the basis of observable data on the basis of both gross and net valuations. In addition, accumulated depreciation is defined as the difference between the gross value of an asset and its carrying amount.
IAS 24 Related Party Disclosures
The amendment shall be applied retrospectively and clarifies that a management company (a company that provides services as senior management personnel) is a related party and is included in related party disclosures. In addition, a company that uses a management company must disclose the amount of costs for management services.

Annual Improvements to IFRS:

These amendments are not expected to have a material impact on the Company. They include the following changes:

IFRS 5 Non-current Assets Held for Sale and Discontinued Operations - Changes in Disposal

Assets (or disposals) are usually disposed of either through sale or write-off. The amendment to IFRS 5 clarifies that the replacement of one of these methods by another should not be considered a new sales plan, but a continuation of the original plan. Therefore, the requirements of IFRS 5 apply continuously. The amendment also clarifies that changing the method of disposal does not change the date of classification. The amendment is effective prospectively for changes in sales methods that will be made in annual reporting periods.

IFRS 7 Financial Instruments: Disclosures – Service Contracts

IFRS 7 requires the Company to disclose any continuing involvement in a transferred asset that has been derecognised as a whole. The IASB was asked whether servicing contracts constituted continuing involvement for the purposes of the disclosure requirements. The amendment clarifies that a servicing contract that includes a fee may constitute a continuing involvement in a financial asset. The entity shall evaluate the nature of such an arrangement and the fee in accordance with the guidance for continuing involvement provided in paragraphs B30 and 42C of IFRS 7 to assess whether disclosure is necessary. The amendment is effective for annual periods beginning January 1, 2022. or after this date. Early application is allowed. The amendment should be applied so that service contract relationships are assessed for continuing involvement retrospectively. However, the Company is not required to disclose the required information for any period prior to the one in which the Company first applied the amendments.

IFRS 7 Financial Instruments: Disclosures - Applicability of offsetting disclosures in interim financial statements

Guidance on offsetting financial assets and financial liabilities was introduced as an amendment to IFRS. However, the disclosure standard for interim periods, IAS 34, does not contain such a requirement. It is not clear whether the related information should be disclosed in the condensed interim financial statements.

The amendment removes the phrase "and for interim periods within such annual periods" to clarify that these disclosures are not required in the condensed interim financial statements.

IAS 19 Employee Benefits - The problem of determining the discount rate for the regional market

The amendment to IAS 19 clarifies that the assessment of the maturity of the market for high-quality corporate bonds is based on the currency in which the liability is denominated, and not on the country to which the liability is related. Where there is no developed market for high-quality corporate bonds in that currency, the government bond rate should be used.

IAS 34 Interim Financial Reporting – disclosures in some other component of interim financial reporting

The amendment establishes that the required disclosures must be presented either in the interim financial statements or incorporated by cross-reference between the interim financial statements and where they are actually presented as part of the more general interim financial statements (for example, in a management commentary or in a statement of risks). The IASB has specified that the other information in interim financial statements should be available to users on the same terms and at the same time as interim financial statements. If users do not have such access to the other information, the interim financial statements are considered incomplete.

Significant Accounting Judgments and Estimates

The preparation of financial statements requires that the management should use estimates and judgments that affect the financial statements. These estimates are based on the information available at the date of the financial statements. Actual results may differ from these estimates and it is possible that the differences could have a material effect on the financial statements.

The following are key assumptions relating to the future and other major sources of estimation uncertainty at the reporting date that carry a significant risk of causing a significant adjustment to the carrying amounts of assets and liabilities within the next reporting year.

Fair Value of Financial Instruments

Where the fair value of financial assets and financial liabilities as reported in the statement of financial position cannot be determined based on prices in an active market, they shall be determined using various valuation models, including mathematical models. The inputs for such models are determined based on the observable market, if possible; otherwise, judgment is required to determine fair value.

Provision for Non-Recoverable Receivables

The Company regularly analyzes liabilities and receivables for impairment. Based on past experience, the Company uses its subjective judgment when assessing impairment losses in situations where a debtor experiences financial difficulty. Similarly, the Company estimates changes in future cash flows based on observable data that indicates an adverse change in the status of repayment of obligations to debtors or a change in national or local economic conditions that is consistent with defaults on assets within the Company.

Management does not use estimates based on historical data and objective evidence of impairment of receivables. Based on its own judgment, the Company does not reflect a provision for bad and overdue receivables.

Business Continuity

The Management has assessed the Company's ability to function as a going concern financial institution and believes that it is well placed to continue operating in the foreseeable future. In addition, management has not identified any material circumstances that may prevent the Company from continuing as a going concern. In this regard, the Company continues to prepare financial statements in accordance with the principle of continuous operation of the enterprise.

However, there is a risk of violation of this principle in relation to the Company on the part of the main Customers included in the structure of the Company.

In fact, overdue receivables contain hidden losses, which subsequently may lead to a violation of the going concern principle.

Taxation

Uzbek tax legislation is subject to varying interpretations and is subject to frequent changes.

The Management's interpretation of this legislation as applied to the operations and activities of the Company may be challenged by the relevant local and state authorities. Tax authorities may take a more assertive stance in interpreting legislation and reviewing tax calculations. As a result, the tax authorities may file claims for those transactions and accounting methods for which they have not previously filed claims. As a result, significant additional taxes, interest and penalties may be assessed. For example: non-collection of penalties for late payment of receivables. Tax audits may cover five calendar years of activity immediately preceding the audit year. Under certain conditions, even earlier periods may be subject to verification.

As of December 31, 2021, management believes that it adheres to an adequate interpretation of the relevant legislation, and the Company's position regarding tax issues will be supported by the tax authorities.

7. CASH AND CASH EQUIVALENTS

Cash includes the following items as at 31 December:

	2021
Balances on the main account	52 982,3
Balances on secondary accounts	8 720,8
Balances on foreign currency accounts at the rate of the Central Bank: *as of December 31, 2021*: in USD - 10837.66 soums	2 042 769.0 188 488 USD
Cash and cash equivalents	**5 218 668**

Cash confirmed by bank statements.

8. FUNDS IN CREDIT INSTITUTIONS. SHORT-TERM INVESTMENT.

Investment securities available at 31 December are shown below:

In thousand soums

	2021
Short-term placements denominated in USD with an original maturity of more than 3 months	36 848 044 including 3 400 000 USD
Total:	**36 848 044**

The adjusted amount of the carrying amount due from banks is presented:

In thousand soums

	2021
Carrying amount on 1 January	0
Inflow (output) - net change	36 255 481
Foreign exchange adjustment	592 563
Total on December 31	**36 848 044**

The fair value of investment securities available for sale can be calculated using an interest rate of 15-16% per annum. When calculating the interest rate, the Company uses a valuation technique that uses inputs that have a significant impact on the reported fair value amount, which are based on information observable in the short-term loan market.

9. INVESTMENT SECURITIES AVAILABLE FOR SALE.

Management plans to have no investment securities available for sàle as at 31 December 2021.

11. INVESTMENTS IN ASSOCIATES

An "Associate" is an entity in which the investor has significant influence, but which is neither a subsidiary nor a joint venture under IAS 28 "Investments in Associates and Joint Ventures". "Significant influence" is the power to participate in, but not control over, the financial and operating policy decisions of the investee. If an investor directly or indirectly, including through subsidiaries, owns at least 20 percent of voting shares, then the company is recognized as an associate.

Investments in associates are accounted for using the equity method and are initially recognized at cost. Subsequent changes in the carrying amount do not reflect post-acquisition changes in the Company's share of the associate's net assets and are recognized as at the date of sale. The Company's share in the profits and losses of associates is recognized in profit or loss, and its share in changes in funds is recognized in other comprehensive income. However, if the Company's share of the associate's losses equals or exceeds its interest in the associate, the Company does not recognize further losses unless the Company is required to make payments to or on behalf of the associate.

Unrealized profit on transactions between the Company and its associates is excluded to the extent corresponding to the Company's share in the associates; unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Management plans do not include the acquisition of investments in the authorized capital of other companies as of December 31, 2021.

12. LOANS AND RECEIVABLES.

The management of the Company provided its employees with interest-free and interest-bearing loans for personal needs for a period of 1 year to 3 years. Repayment of loans is carried out either by partial deduction from wages or by depositing funds into the cash desk of the Company, or by repayment from the employee's plastic card.

According to the accounting policy, the fair value of borrowings is determined based on the interest rates available according to the accounting policy, the interest rates available to the company, or 14%, on the basis of which cash flows are discounted.

Loans issued and other receivables

In thousand soums

	December 31, 2021
Debt to suppliers	72 730
Debt to software vendors	81 282 (7500.0 USD)
Interest receivable	84 903 (7834 USD)
Total	

13. INSURANCE AND REINSURANCE RECEIVABLES.

In thousand soums

	December 31, 2021
Policyholders' debt	0
Reinsurance companies' debt	357 189
Allowance for impairment	0
Total receivables from insurance	**357 189**

Insurance and other receivables that are less than three months past due are generally not considered to be impaired unless there are other indications of impairment.
In accordance with the requirements of IFRS, provisions were created for the impairment of overdue receivables from customers: 2021 - 0 thousand soums.

14. PREPAYMENTS

In thousand soums

	December 31, 2021
Tax advances	6003
Advances to service providers (rent, medical services)	29 145
Other current assets	10 067
Total prepayments	

15. REINSURERS' SHARE IN RESERVES:

Reinsurers' share in the unearned premium reserve (UPR)

In thousands UZS	December 31, 2021
UPR at January 1	**0**
Increase (decrease) in reserve, gross amount	173 569
UPR at December 31	**173 569**

Share of reinsurers in UPR.

In thousands UZS	December 31, 2021
Loss reserve at January 1	**0**
Increase (decrease) in reserve, gross amount	25 312
Loss reserve at December 31	**25 312**

16. INVENTORIES

The main materials used by the Company in the course of its activities are stationery, fuel, inventory and household supplies, receipt material, promotional materials, etc.

Inventory includes:

In thousand soums

	December 31, 2021
Receipt material and insurance cards	2 850
Stationery	703
Nondurable producer goods (NPG)	48 127
Allowance for impairment of inventories	-48 643
Total	**3 036**

Inventories were not pledged as collateral for loans or accounts payable of the Company as of each date.

17. FIXED ASSETS

Data as of February 02, 2021.

New capital investments in fixed assets were made in the amount of 33 962 000 soums in 2021.

As of December 31, 2021 accumulated depreciation amounted to 3 224 000 soums. Residual value of fixed assets as of December 31, 2021 amounted to 30 738 000 soums.

Below is the movement of fixed assets by item in 2021:

Notes	Constructions	Furniture	Hardware and computer technology	Vehicles	Other operating expenses	TOTAL
Initial cost						
Initial cost as of 02.02.2021 IFRS	**0**	**0**	**0**	**0**	**0**	**0**
Admission						
Retirement/relocation			33 962			33 962
Initial cost as of 31.12.2021 IFRS	**0**	**0**	**33 962**	**0**	**0**	**33 962**
Depreciation and impairment losses						
Accumulated depreciation as of 01.01.2021 IFRS	**0**	**0**	**0**	**0**	**0**	**0**
depreciation according to NAS as of December 31, 2021			3 224			3 224
Retirement/relocation						
Accumulated depreciation as of 31.01.2021			**3 224**			**3 224**
Residual value						
As of February 2, 2021						
As of December 31, 2021			**30 738**			**30 738**

18. INSURANCE AND REINSURANCE LIABILITIES.

In thousand soums

	December 31, 2021
Policyholders' debt	0
Debt to agents and brokers	
Debt to reinsurers	202 109
Debt with insurers	49 570
Debt to actuaries, adjusters	22 840
Total other liabilities	**274 519**

19. INSURANCE RESERVES

Unearned premium reserve (UPR)

The UPR is estimated separately for each line of business or smaller segment (up to the spin-off of specific contracts) if necessary to obtain more accurate estimates. The amount of the UPR is determined by summing the UPR calculated for all business segments. The reserve for unearned premium is formed in the currency of liability under the contract.

The UPR is estimated separately for short-term contracts (up to 13 months) and for long-term contracts (over 13 months). it is allowed to accrue bonuses for several stages (in installments) under long-term contracts.

Estimation of the UPR for short contracts. The basic insurance premium is used to calculate the unearned premium under the contract (i.e., the accrued premium for IFRS, which includes, in addition to the accrued premium under NAS, its various adjustments: by the amount of refunds made; decrease by the amount of change in the allowance for impairment of doubtful receivables; increase by the amount of change in untimely accruals under contracts).

If there are objective grounds to believe that (due to an event that occurred before the reporting date) the company will not be able to collect the full premium due to it under the terms of the contract, then a provision for impairment of receivables (provision for doubtful receivables) is created.

Contracts relating to large customers are allocated to assess the allowance for doubtful accounts receivable for all contracts in the business line (or a smaller segment under consideration), for which the allowance for doubtful accounts receivable is formed individually for each such customer.

A statistical approach is applied to the estimation of the allowance for doubtful receivables for other contracts. There are several types of contracts (ended, as well as with different periods of non-payment). A reserve for doubtful accounts receivable can be formed for each type of contracts, if there are sufficient grounds, as a certain percentage of the amount of the debt. The specified share is estimated on the basis of statistical data for past periods (based on the analysis of the development of receivables for each type of contract).

The UPR is adjusted by an amount corresponding to the part of the allowance for doubtful accounts receivable, which is deferred. The adjustment is made *pro rata* for each short contract for which a reserve (for all divisions) for doubtful receivables was formed (this reserve is spread evenly over the entire term of the contract). The adjustment for long-term (over 13 months) contracts is made in proportion to the ratio between the already automatically calculated UPR and the premium accrued under the contract. Deferred acquisition costs for adjusting the UPR in connection with the creation of a provision for doubtful accounts receivable are estimated based on the ratio of already calculated (according to the accrued premium only) deferred acquisition costs and the UPR for each division.

One of the following methods can be used to calculate the amount of unearned premium (UPR):

- "pro rata temporis";
- "one twenty-fourth" (hereinafter refered to as "1/24");
- "one eighth" (hereinafter referred to as "1/8").

Adjusted methods based on seasonality factors can be applied to calculate unearned premium for lines of business with a pronounced uneven distribution of risk (seasonality).

The unearned premium using the "pro rata temporis" method is determined for each contract as the product of the basic insurance premium under the contract by the ratio of the contract term that has not expired at the reporting date (in days) to the entire contract term (in days).

The "pro rata temporis" UPR for the whole line of business (or a smaller segment) is determined by summing the unearned premiums calculated for each contract.

Contracts related to one line of business (or a smaller segment) are grouped into subgroups to calculate the unearned premium (UPR) using the "1/24" method. The subgroup includes contracts with the same validity periods (in months) and with the start dates of their validity falling on the same months.

The total amount of the basic insurance premium under the contracts included in the subgroup is determined by summing up the basic insurance premiums calculated for each contract included in the subgroup.

The following is accepted to calculate the unearned premium (UPR) using the "1/24" method:

- the start date of the contract is in the middle of the month;
- the duration of the contract, which is not equal to an integer number of months, is equal to the next greater integer number of months.

The unearned premium (UPR) is determined for each subgroup by multiplying the total amount of basic insurance premiums by factors to calculate the amount of the unearned premium reserve.
The coefficient is defined as the ratio of the contract term that has not expired as of the reporting date (in half months) to the entire term of the contract (in half months).
The "1/24" UPR for the entire line of business (or smaller segment) is determined by summing the unearned premiums (UPR) calculated for each subgroup.
Contracts related to one line of business (or a smaller segment) are grouped into subgroups to calculate the unearned premium (UPR) using the "1/8" method. The subgroup includes contracts with the same validity periods (in quarters) and with the start dates of their validity falling on the same quarters.
The total amount of the basic insurance premium under the contracts included in the subgroup is determined by summing up the basic insurance premiums calculated for each contract included in the subgroup.
The following is accepted to calculate the unearned premium (UPR) using the "1/8" method:

- the start date of the contract is in the middle of the quarter;
- the term of the contract, which is not equal to an integer number of quarters, is equal to the nearest greater integer number of quarters.

The unearned premium (UPR) is determined for each subgroup by multiplying the total amount of basic insurance premiums by factors to calculate the amount of the UPR.
The coefficient is defined as the ratio of the contract term that has not expired as of the reporting date (in half quarters) to the entire term of the contract (in half quarters).
The UPR using the "1/8" method for the whole line of business (or a smaller segment) is determined by summing the unearned premiums (UPR) calculated for each subgroup.
The accrued premium on the business line (smaller segment) as well as the UPR on the business line (smaller segment) are adjusted in accordance with the assessment of late accruals.

Statistical data for past periods are used to assess untimely accruals. The amount of future additional charges for the reporting period under consideration is predicted based on the ratio between the premium accrued initially for any period and subsequent additional charges. Methods similar to the triangulation methods for assessing the loss reserve can be used for the forecast.

The UPR for the business line (smaller segment) is increased by the value of the unearned premium estimate calculated by one of the fractional methods ("1/8" or "1/24" methods) based on the assessment of future untimely accruals.

The insurer measures the reinsurers' share of the UPR at the same time as estimating the gross UPR.

The share of the reinsurer(s) in the UPR is determined for each business line (smaller segment) in accordance with the terms of the reinsurance contract(s). At the same time, adjustments are made to the premium accrued in favor of the reinsurers in accordance with the assessment of the final (based on the results of the contract) premium due to the reinsurers.

Estimation of the UPR for long-term contracts. To estimate the reserve for unearned premiums on long-term contracts, the period for which the premium has already been accrued (as of the reporting date) is estimated. The specified period is part of the period of validity of the contract (with a common beginning). Its duration can be determined depending on the assumptions of an even or uneven distribution of risk under the contract, using the contract premium as an estimate of the total contract premium that will eventually accrue.

The UPR for long-term contracts is measured similarly to the reserve for short contracts ("pro rata temporis" method, possibly with adjustments to reflect the uneven distribution of risk over the term of the contract), with the only difference that the estimated period for which premium has been awarded.

The assessment of deferred acquisition costs is carried out in parallel with the assessment of the UPR in a similar manner.

Estimation of reinsurers' share in the UPR. Each section of an outgoing reinsurance contract is treated as an independent contract when describing the procedure for estimating the share of reinsurers in RNP and estimating untimely premium accruals under outgoing reinsurance contracts.

The assessment of the UPR under outgoing facultative and obligatory reinsurance contracts of excess amounts and quotas, as well as excess of loss on the insurance base is calculated as the product of the gross UPR and the share of reinsurers for each reinsured contract.

The estimate of the reserve for unearned premium under an outgoing facultative excess of loss reinsurance contract is calculated using the "pro rata" method, based on the outgoing premium under the terms of the reinsurance contract and the effective dates of the reinsurance contract.

The assessment of the reserve of unearned premium under the contract of outgoing obligatory reinsurance of excess of loss on a calendar basis is calculated by the "pro rata" method based on the minimum deposit premium under the terms of the contract of outward obligatory reinsurance and the dates of validity of the reinsurance contract.

In the event that it is not possible to select a list of reinsured contracts for estimating the share of reinsurers in the UPR using the methods described above, the share of reinsurers in the UPR is estimated using fractional methods ("1/8" and others) applied to the premium accrued on outgoing reinsurance.

The UPR is presented as follows:

	2021		
In thousands UZS	**Gross amount**	**Reinsurer's share**	**Net amount**
UPR at January 1			
Increase (decrease) in reserve, gross amount	1 208 122	-173 569	**1 034 553**
UPR at December 31	**1 208 122**	**-173 569**	**1 034 553**

Occurred but unsettled losses reserve (OUSLR).

The loss reserve (the total amount of the reserve for reported but unsettled losses and the reserve for incurred but not reported losses) is presented as follows:

	2021		
In thousands UZS	**Gross amount**	**Reinsurer's share**	**Net amount**
Loss reserve at January 1			
Increase (decrease) in reserve, gross amount	182 731	-25 312	**157 419**
Loss reserve at December 31	**182 731**	**-25 312**	**157 419**

Insurance losses reserve (ILR).

The loss reserve (the total amount of the reserve for reported but unsettled losses and the reserve for incurred but not reported losses) is presented as follows:

	2021		
In thousands UZS	**Gross amount**	**Reinsurer's share**	**Net amount**
Loss reserve at January 1			
Increase (decrease) in reserve, gross amount	51 057	0	**51 057**
Loss reserve at December 31	**51 057**	**0**	**51 057**

The loss allowance is estimated separately for each line of business, while dividing the lines of business into more homogeneous segments is allowed.
The amount of the loss allowance is determined by summing the allowance estimates calculated for all business segments.
The following methods are used to estimate the loss allowance:

- individual (expert) assessment,
- statistical methods.

Expert judgment is used for those business segments where a small amount of losses makes it impossible to use statistical methods effectively.
There are simple and complex ones among statistical methods. In simple methods, the ratio of the estimate of the loss reserve to the total amount of payments or to the earned premium for the reporting period is derived. Simple methods can be used for business segments (lines) where losses are quickly settled.

The most famous among the complex statistical methods are those associated with development triangles.

The following are taken as initial data:

- amounts of payments for losses and their settlement;
- the amount of payments for losses and their settlement together with the reserve for claimed losses (CL) as of the date of the end of the reporting period;
- the amount of claimed losses;
- claims settlement amounts.

Various standard methods can be used (chain ladder method, London chain, splitting, Bronhuetter-Ferguson, etc.), as well as their modifications (using trends for development factors, approximation of development factors by curves, etc.) to estimate the reserve of losses using development triangles.

It is allowed to divide business segments into smaller ones in order to achieve a smoother development of losses in triangles in order to improve the accuracy of estimates. In particular, it is allowed to single out large losses from triangles, the reserve for which in this case is estimated by experts.

The choice of the main parameters of actuarial valuation: valuation methods, initial data, period of development, number of years of development, division of the business into segments that are homogeneous in terms of development, the amount of exclusion from large loss triangles depends on the business segment and may change over time. The selection criterion is the maximum approximation of the estimate of the loss reserve to the actual payments made on this reserve.

Based on the assessments of the loss reserve, an analysis is made of the adequacy of the reserves formed as of previous reporting dates (run-off analysis).

The share of the reinsurer(s) in the loss reserve is determined for each business segment in accordance with the terms of the reinsurance agreement(s).

Insurance provisions are reviewed at each reporting date and adjusted to best reflect the current situation. The provision is reversed if it is no longer highly probable that the Company will incur expenses to repay the liabilities. The reserve is used only for the purposes for which it was originally created.

20. OTHER LIABILITIES

Other liabilities include the following items, in thousand soums:

	December 31, 2021
Other accounts payable	54 919
Pay obligations	170 588
Total other payables	**225 507**
Current liabilities for income tax and mandatory payments	20 471
Total other liabilities	**245 978**

21. EQUITY

Authorized capital.

"AZIMUTH INSURANCE COMPANY" IE JSC, hereinafter referred to as the "Company", was approved in Tashkent, the Republic of Uzbekistan and registered under No. 944 334 on February 02, 2021 by the "Single Window" Center for the provision of public services for the registration of entities at the legal address: 14, "Aviapark" Business center, Elbek street, Tashkent city, with the authorized capital of 15,000,000 thousand soums.

According to the Charter, the shares at the date of registration are distributed as follows:

Founders	Share (%)	Cost in thousand soums.
ICA Group Limited British Virgin Islands	100%	15 000 000
TOTAL	**100,0**	**15 000 000**

Due to the increase in the size of the Authorized capital on June 2021. amendments were made to the Charter of the Organization. The new version of the charter was registered by the "Single Window" Center for the provision of public services for the registration of entities

Founders	Share (%)	Cost in thousand soums.
ICA Group Limited British Virgin Islands	100%	17 113 520
TOTAL	**100,0**	**17 113 520**

Due to the increase in the size of the Authorized capital on October 04, 2021. amendments were made to the Charter of the Organization. The new version of the charter was registered under No. 4460582 dated 04.10.2021 by the "Single Window" Center for the provision of public services for the registration of entities.

According to the new version of the Articles of Association, the shares as of the date of registration are distributed as follows:

Founders	Share (%)	Cost in thousand soums.
ICA Group Limited British Virgin Islands	100%	39 566 531
TOTAL	**100,0**	**39 566 531**

Extra capital.

As of the reporting date, the extra capital was accrued in the amount of 72 329 000 soums. The amount of extra capital is accrued due to the difference in the exchange rate on the registration day of the Authorized capital and the actual payment date of the contribution by the founders.

22. RETAINED EARNINGS

The retained earnings of the Company includes: Profit of previous years and net profit of the reporting period, adjusted for dividends paid to the Founders.

	2021
Balance on February 02	**0**
Total comprehensive income/loss for 2021	-1 775 133
Operations with founders:	
increase in Authorized capital from profit	0
Balance as at December 31	**-1 775 133**

23. RESULT FROM INSURANCE ACTIVITIES

Earned insurance premiums

(in thousands soums)

	December 31, 2021
Insurance premiums, Gross	1 469 487
Insurance premiums under contracts accepted for reinsurance	386 285
Insurance premiums under contracts ceded to reinsurance	-273 281
Net reinsurance premiums	**1 582 490**
Change in UPR	-1 208 122
Change in the share of reinsurers in the UPR	173 569
Change in other technical provisions	-157 419
Net reinsurance premiums earned	**390 519**

24. PAID UP CLAIMS

(in thousands soums)

	December 31, 2021
Insurance payments settled	-293 288
Compensation for payments on risks ceded to reinsurance	0
Change in loss allowance	-51 057
Change in the share of reinsurers in the loss reserve	0
Losses incurred, net reinsurance	**-344 345**

25. OTHER INCOME FROM OPERATING ACTIVITIES

(in thousands soums)

	December 31, 2021
Commission insurance income	23 032
Income from recourse claims	0
Other income	0
Total income	**23 032**

26. INCOME FROM FINANCIAL ACTIVITIES

(in thousands soums)

	December 31, 2021
Income in the form of dividends	0
Interest income	586 091
Income from foreign exchange differences	1 094 720
Total income	**1 680 811**

27. PERSONNEL EXPENSES, OPERATING EXPENSES, FINANCING ACTIVITY EXPENSES.

Staff costs and other operating expenses include the following items:

In thousands soums

Expenses	31.12.2021
Rent	20 339
Accounting program	1 993
Web site	52 962
Labor costs	2 105 765
Wear	3 224
Calendar contributions to the Insurance Agency	659
Business trips	23 753
Office utility costs	5 482
Marketing	190 821
Material costs	72 337
taxes	19 182
Unexpected expenses	575
Announcement in print	9 488
Translations	1 890
duties	9 573
Executive	5 959
Other	578
Rating	12 500
Advertising	46 423
Connection	9 737
Insurance	1 487
Bank services	51 539
АПУСР membership fees	8 267
Membership fees to AMCHAM	7 949
Legal services	32 259
TOTAL:	**2 694 738**
Period expense adjustments	307 538
TOTAL:	**3 002 169**

Cost of insurance services

In thousands soums

Cost price	31.12.2021
strict reporting forms - insurance policies	3 045
Payments - compensation	293 288
Bonuses - commission from profits in favor of the policyholder	
Adjustment, actuarial services, tow truck services, appraisal, assistance services	151 825
Agent's commission	23 176
Total	**471 334**

Financing expenses and other income

In thousands soums

	31.12.2021
Expenses from foreign exchange differences	-346 865
Total expenses:	**-346 865**

28. INCOME TAX

Taxation

Income tax expense represents the sum of current and deferred tax.

Current income tax expenses are calculated in accordance with the tax legislation of the Republic of Uzbekistan. Tax paid on profits based on applicable law is recognized as an expense in the period in which the profit is incurred. Taxable income differs from net income reported in the income statement because it excludes items of income or expense that are taxable or deductible in other periods, as well as items that are not taxable or deductible. The Company's current tax liability is calculated using the tax rates in effect at the reporting date.

Deferred tax is tax paid or recoverable on differences between the carrying amounts of assets or liabilities in the financial statements and the related tax base used in calculating taxable income. Deferred tax liabilities are generally recognized for all taxable temporary differences, and deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilised.

Such claims and liabilities are not recognized if the temporary differences arise from goodwill (or bad goodwill) or the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither taxable nor accounting profit.

Deferred tax assets and liabilities are calculated in respect of all temporary differences using the balance sheet liability method. Deferred income taxes are provided for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes, unless the deferred income tax arises from the initial recognition of goodwill, an asset or a liability in a transaction that does not represent is a business combination and which, at the time of inception, affects neither accounting profit nor taxable profit or loss.

Deferred tax assets are only recognized to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences can be utilised. Deferred tax assets and liabilities are measured at the tax rates that will be applied during the period when the asset is realized or the liability is settled, based on legislation that has entered into force or has actually entered into force at the reporting date.

In addition, the Republic of Uzbekistan has various operating taxes applicable to the activities of the Insurance Company. These taxes are included in other operating expenses.

The Company uses the balance method to calculate deferred tax. The Company reviews the carrying amount of deferred tax assets at each reporting date and reduces it to the extent that it is no longer highly probable that sufficient taxable profit will be available to enable all or part of the deferred tax asset to be realized.

The main temporary differences arise from different measurement of individual financial assets and liabilities for financial and tax reporting purposes, including property, plant and equipment and related accumulated depreciation, provisions, inflationary effects of the translation of non-cash items, fair value adjustments, and, in respect of acquisitions of subsidiaries, the difference between the fair value of the acquired net assets and their tax base.

Deferred tax assets and liabilities calculated in accordance with national accounting are reversed before calculating deferred tax in accordance with IFRS.

Deferred tax is calculated at effective tax rates or tax rates that, in substance, will be in effect (apply) to the period the liability is settled or the asset is realized. Deferred tax is recognized in the income statement unless it relates to items that are debited or credited directly to equity. In this case, deferred tax is also recognized in equity.

Deferred tax assets and liabilities are offset only when they relate to income taxes levied by the same tax authority and the Company intends to settle current tax assets and liabilities on a net basis.

Deferred tax is calculated in the following steps:
Step 1: Calculate the amounts of the carrying amount (according to IFRS) and the tax base of each asset and liability.

Step 2: Calculate the temporary difference by subtracting the tax base from the carrying amount (according to IFRS).
Stage 3: Calculation of the deferred tax liability and claim. To calculate deferred tax liabilities, an entity adds together all positive temporary differences and applies effective tax rates or tax rates that, in substance, will be in effect (applied) to taxable profit in the periods when such temporary differences are expected to recover or settle. To calculate deferred tax assets, an entity adds up all negative temporary differences and applies the effective tax rates or tax rates that, in substance, will be in effect (applied) to taxable profit in the periods when such temporary differences are expected to recover or settle. (Deferred tax assets are recognized when it is probable that sufficient taxable profit will be available against which the deductible temporary differences can be utilised). The result is an asset or liability on the balance sheet.
Step 4: Calculate the net deferred tax liability or claim by adding the two amounts.
Step 5: Subtracting the opening balance of the deferred tax liability or claim. The difference represents the accrual/reduction of income tax in the income statement/capital account for the current year.

Currently, the Republic of Uzbekistan has a number of legislative acts regulating the system of taxes paid to the Republican and local state budgets. The company makes calculations for income tax on the basis of legislative acts and requirements of the Republic of Uzbekistan.

Due to the fact that some types of expenses are not taken into account for tax purposes, as well as the availability of non-taxable income, the Company has temporary differences. The tax effect of temporary differences is determined between the carrying amounts of assets and liabilities and the amount determined for tax purposes.

The income tax rate applied to the net profit of the Company consists of corporate tax (in 2021 - 15%).

Deferred tax includes the amount of income tax determined from the amount of temporary differences using the current income tax rate.

Deferred tax assets. The amount of current tax is determined based on the amount of taxable income for the year after applying adjustments for previous years.

Deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which temporary differences can be deducted for tax purposes.

Income tax expense is presented as follows:

In thousand soums

	2021
Profit before tax under IFRS	**-1 775 134**
Other items not deductible for tax purposes	161 000
Conditional tax at the established rate	-1 614 134
Current income tax for the reporting period on the balance sheet	0
Deferred tax	0

29. COMMITMENTS AND CONTINGENCIES

Terms of business

As an emerging economy, the Republic of Uzbekistan is in the process of developing its business and legal infrastructure. The Government of the Republic of Uzbekistan is implementing reforms aimed at developing the business, legal, tax and regulatory systems that exist in countries with more stable market economies. Due to the fact that the reform process has not yet been completed, operations conducted in the Republic of Uzbekistan are associated with risks that are not typical for economically developed countries. Such risks result in local currency not being freely convertible, low liquidity in the debt and capital markets, and continued inflation.

The economic recession taking place in the world is also reflected in the economy of Uzbekistan. The current global financial crisis could lead to instability in the capital market, a significant decrease in liquidity in the construction and industrial sectors, and tightening of credit conditions in the Republic of Uzbekistan.

The country's government has introduced a number of anti-crisis measures aimed at providing liquidity and supporting the largest companies in Uzbekistan. However, the global financial crisis has led to uncertainty about the state of the economy as a whole, since the Republic of Uzbekistan is heavily dependent on exports and loans from international financial banks. Foreign currency, in particular the US dollar, plays a significant role in the economic essence of most transactions carried out in the Republic of Uzbekistan.

The Company's management believes that appropriate measures are being taken to ensure the sustainability of the Company's business in the current conditions: accumulated professional base, high professional level of personnel, impeccable reputation of the company as a privileged insurer, many years of experience, attractive location, constant monitoring of the quality of services. Despite the fact that measures are being taken, further unforeseen negative changes in the above areas may adversely affect the results of operations and the financial position of the Company. The effect of these changes cannot be determined at this time. The exchange rate of the Uzbek soum against the US dollar and other currencies is set out in the general part of the report. There are reasons that may have a negative impact on the financial position already in the current period, without taking into account the processes of economic recession: the insolvency of the main Customers for the services already rendered.

Legal Issues

The Company is subject to legal actions and claims in the normal course of business,. Management believes that the probable liabilities, if any, arising from such actions or claims will not have a material adverse effect on the future financial position or results of operations.

The Company does not conduct legal proceedings to collect receivables. The legal service does not have information on the execution of contracts as a result of such an erroneous opinion. In accordance with the requirements of national legislation, the agreements concluded with Customers and contractors contain clauses of responsibility for improper and non-fulfillment of the terms of the contract and payments, however, in its current activities, the legal service does not use all the possibilities of the law to recover from those responsible for non-fulfillment of obligations under the contract.

Taxation

Currently, the Republic of Uzbekistan has a number of legislative acts regulating the system of taxes paid to the Republican and local state budgets. Established legislation is often vaguely defined and there are no illustrative precedents. There are different opinions regarding the interpretation of legislative acts, both between different departments and within one department (i.e. the State Tax Committee and its various inspectorates), which creates uncertainty and grounds for various disputes. Tax returns and other legal obligations (for example, customs and foreign exchange issues) are subject to review by a number of agencies that are legally entitled to impose significant administrative penalties (including fines and penalties). This situation creates a greater likelihood of tax risks in the Republic of Uzbekistan than, for example, in other countries with more developed taxation systems. Management believes that the Company generally complies with all provisions of the tax legislation that affect its activities, however, the relevant tax authorities may take a different position in relation to controversial issues.

30. COMMITMENTS AND CONTINGENCIES NOT INCLUDED IN THE FINANCIAL STATEMENTS

As of December 31, contractual and contingent liabilities of the Company are not included in the financial statements, while the analysis of these items is carried out by management.

According to the accounting policy, contractual and contingent liabilities include the following items:

Commitments in 2021	
Service Commitment	0
Less secured funds under guarantees:	**0**
Total: Contractual and contingent liabilities	**0**

31. RISK MANAGEMENT

Introduction

The Company's activities are subject to risks: general from economic activity, from changes in exchange rates, professional, emergency. The Company carries out risk management in the course of an ongoing process of identification, assessment and monitoring, as well as through the establishment of risk limits and other internal control measures. The risk management process is critical to maintaining sustainable profitability and each individual employee is responsible for the risks associated with his/her duties. The Company is exposed to liquidity and market risks. The Company is also exposed to operational risks.

The independent risk control process does not address business risks such as changes in environment, technology or industry. Such risks are not controlled by the Company in the course of the strategic planning process.

Risk management structure

Management has overall responsibility for identifying and controlling risks, however, there are also individual responsible persons appointed by management, such as internal audit manager, planning manager, insurance risk manager, insurance claims manager, who are responsible for risk management and control, however, these services are not adequately implementing control procedures due to increased activity. In the current year, the Management plans to establish risk management departments.

Risk control

The Risk Control Manager is responsible for monitoring compliance with the principles of the risk management policy and risk limits.

Planning Manager

The Planning Manager is responsible for managing the assets and liabilities of the Company, as well as the overall financial structure. The manager is primarily responsible for liquidity risk and funding risk.

Internal Audit Manager

Risk management processes are annually aerated by the internal audit manager, who checks both the adequacy of the procedures and the implementation of these procedures.

The internal audit manager is responsible for discussing the results of the audits performed with management and presents his findings and recommendations.

Risk assessment and risk communication systems

The risks of the Company are assessed using a method that reflects both the expected loss, which is likely to occur in the course of ordinary activities, and unexpected losses, which are estimates of the largest actual losses based on statistical models. The models use probabilities derived from past experience and adjusted for economic conditions.

Monitoring and control of risks is mainly based on the limits set by the Company. Such limits reflect the business strategy and market conditions in which the Company operates, as well as the level of risk that the Company is ready to accept. The control process is poorly implemented by the planning manager.

Information received on all aspects of the activity is studied and processed for the purpose of analysis, control and early detection of risks. The specified information is partially presented with explanations to the head from each manager.

Risk reduction

The Company makes little use of derivatives and other instruments to manage positions arising from changes in external risks, as well as positions on forecasted transactions as part of risk management.

Excessive risk concentrations

Risk concentrations arise when a number of Customers who, as a result of changes in economic, political and other conditions, affect the ability of these Customers to fulfill contractual obligations.

Risks associated with liabilities, other than risks from insurance activities.

The Company provides its customers with the opportunity to obtain guarantees, for which it may be necessary to make payments on behalf of the Customer. The Company bears risks that are mitigated using the same risk control procedures and policies under these agreements,.

32. QUALITY OF LIABILITIES BY CLASS OF FINANCIAL ASSETS

The table below provides an analysis by asset class of the liability-related line items in the statement of financial position based on the liquidity rating system.

2021, in thousands soums

Assets	Neither past due nor impaired		Deferred but not impaired	Deferred but impaired	Total financial assets
	Good	Standard			
Cash and cash equivalents (other than cash)	2 104 312				**2 104 312**
Receivables		556 071	0	0	**556 071**
Other financial assets		90 906			**90 906**
Inventory		13 103	0	0	**13 103**
Prepayment for equipment and goods		183 158			**183 158**
Investments in bank deposits			36 848 044		**36 848 044**
Property			30 738		**30 738**
Total	**2 104 312**	**843 238**	**36 878 782**	**0**	**39 826 332**

An analysis of overdue debtors by time elapsed since the delay in payment is presented below.

Analysis of overdue, but not impaired, debts by maturity since the date of delay in payment, by class of financial assets.

2021

In thousands soums

	Less than 30 days	30 days -1 year (current)	from 1 to 3 years (overdue - refundable)	Total
Receivables				
Debt of Customers		556 071		**556 071**
Supplier debt		183 158		**183 158**
Taxes	90 906			**90 906**
Personnel indebtedness on loans				
Indebtedness of other debtors				
Total	**90 906**	**739 229**		**830 135**

The reserve for receivables is accrued 100% of the debt for more than a year 50 000 000 soums, does not participate in the calculations of assessing the quality of receivables.

33. ASSESSMENT OF IMPAIRMENT

The Company's customers are divided into 4 assessment groups:

Good. Timely repayment of debt on these assets is beyond doubt. The debtor is financially stable, has a sufficient level of capital, a high level of profitability and sufficient cash inflow to satisfy all existing liabilities, including debt to the Company. The assessment of the reputation of such a debtor includes such factors as the history of payments, the marketability of the collateral (pledge of movable and immovable property).

Standard. Standard funds are backed by a reliable source of secondary repayment (guarantee or collateral). The financial position of the payer is generally stable, but at the moment there are some unfavorable circumstances or trends that cast doubt on the ability of the debtor to repay the debt on time. Good debtors with insufficient information or lack of collateral documentation may also be classified as standard debtors.

Past due but not impaired. Debtors that have all the disadvantages inherent in standard debtors and additional characteristics that make it highly doubtful and unlikely to fully recover the amount of the debt under existing conditions.

Impaired. Debtors classified as impaired are considered as non-recoverable and have a value lower than the book value (possibly completely non-recoverable), so that it is inappropriate to continue their accounting as part of the Company's balance sheet assets. This classification does not imply that it is not entirely probable that they will be repaid, but that it is neither appropriate nor desirable to defer the write-off of these assets, even though partial repayment may be possible in the future. Society should try to liquidate such debts by realizing the collateral or make every effort to pay them off.

Impairment assessment

The main factors that are taken into account when testing for impairment are the following: whether principal repayments are overdue by more than 90 days; whether the debtor is aware of financial difficulties, a downgrading of their payment rating, or breaches of the original terms of the contract. The company must test for impairment at two levels - provisions assessed on the basis of information on specific insolvent debtors and their amounts of overdue debts, and provisions assessed on an aggregate basis. This estimate is reflected in the Accounts Receivable Provision calculation at the end of the reporting period.

Collectively assessed provisions

The aggregate assessment identifies impairment on total receivables, which may exist even in the absence of objective evidence of impairment. Losses are determined on the basis of the following information: historical losses, historical amounts expected to be collected and recoverable amounts, and expected amounts of insolvent debtors for the current period.

Unit management is responsible for determining this period, which can be up to one year. The reserve is then reviewed by the manager of the Company's planning department to ensure that it is consistent with the general policy of the Company. Such checks are not carried out.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its payment obligations as they fall due under normal or unforeseen circumstances. The Company is exposed to risk due to the daily need to use available funds for business settlements on accounts, supplier accounts, payroll, tax payments, payments under guarantees, settlements on which are made in cash. The Company accumulates funds in case it is necessary to fulfill all the above obligations at a time, since, based on the accumulated work experience, it is possible to predict with a sufficient degree of accuracy the level of funds necessary to fulfill these obligations. Liquidity analysis shows that the Company has enough liquid funds to repay short-term liabilities.

Liquidity management requires an analysis of the level of liquid assets required to settle liabilities as they fall due; having plans in place in case of problems with financing and monitoring the compliance of balance sheet liquidity ratios with legal requirements.

Liquidity is assessed and managed primarily on an autonomous basis, based on the current liquidity ratio, established professional opinion, recommendations of the Central Bank of the Republic of Uzbekistan for liquidity calculations. As at December 31, these ratios were:

	2021, %
"Current liquidity ratio" (active, realizable within 30 days / liabilities payable within 30 days)	104%

Analysis of financial liabilities by maturity

The table below shows financial liabilities as of December 31 in the context of the terms remaining to maturity, based on contractual undiscounted repayment obligations.

Obligations that are redeemable on demand are treated as if the call for redemption had been made on the earliest possible date. However, Company expects that many customers will not request repayment at the earliest date that Company would be required to make the payment, and accordingly, the table does not reflect the expected cash flows calculated by Company based on past demand information.

2021

In thousands soums

Financial liabilities	Less than 3 months	From 3 to 12 months	From 1 to 5 years	More than 5 years	Total
Employee funds	170 588	0			**170 588**
Vendor funds	0	329 438			**329 438**
Customer funds	0	198			**198**
Funds of founders		0			**0**
Taxes	20 471	0			**20 471**
Insurance reserves	0		1 441 910	0	**1 441 910**
Total financial liabilities	**191 059**	**329 636**	**1 441 910**	**0**	**1 962 605**

Company expects that not all contingent or contractual obligations will need to be fulfilled before their expiry date.

The Company received significant funds in the form of urgent and current obligations from the Customers. A significant withdrawal of these funds may adversely affect the Company's activities. Management believes that the Company's funding levels will remain at the same level for the foreseeable future, and that the Company will receive advance notice and will be able to realize its liquid assets to make the necessary payments if it becomes necessary to pay these funds.

The maturity gap analysis does not reflect the historical stability of current account balances, which have traditionally been repaid over a longer period than indicated in the table above. These balances are included in the table in amounts due within "less than 12 months".

34. MATURITY ANALYSIS OF ASSETS AND LIABILITIES

The table below shows assets and liabilities by their expected maturities as at December 31, 2021.

	Within one year	More than one year	More than 3 years	Total
Assets-fair value				
Cash and cash equivalents	2 104 312			**2 104 312**
Accounts receivable Customers	556 071	0	0	**556 071**
Advances to suppliers	183 158			**183 158**
Fixed assets at residual value			30 738	**30 738**
Intangible assets at residual value				**0**
Assets held for sale			36 848 044	**36 848 044**
Inventory	3 036		0	**3 036**
Other assets	16 070	84 903		**100 973**
Total	**2 862 647**	**84 903**	**36 878 782**	**39 826 331**
-fair value				**0**
Liabilities to associates				**0**
Vendor funds		329 438		**329 438**
Customer funds	0	198		**198**
Debt to the budget	20 471	0		**20 471**
Debts to employees	170 588	0		**170 588**
Deferred income tax liabilities				**0**
Insurance reserves	0		1 441 910	**1 441 910**
Total	**191 059**	**329 636**	**1 441 910**	**1 962 605**
Net position	**2 671 588**	**-244 733**	**35 436 872**	**37 863 726**

The Company has stable assets for the foreseeable future as can be seen from the table,.

Foreign exchange risk

Foreign exchange risk is the risk that the value of foreign exchange items will fluctuate due to changes in foreign exchange rates.

As of December 31, 2021 financial assets amount to USD is 188 488, foreign currency liabilities amount to USD is 42,600.

Operational risk

Operational risk is the risk arising from system failure, human error, fraud or external events. When controls fail, operational risks can damage reputation, have legal consequences, or result in financial loss. The Company cannot assume that all operational risks have been eliminated, but the Company can manage such risks with the help of the control system and by monitoring and appropriately responding to potential risks.

The control system provides for an effective segregation of duties, access rights, approval and reconciliation procedures, staff training, and evaluation procedures, including internal audit. The internal audit service functions poorly.

35. FAIR VALUE MEASUREMENT

Hierarchy of fair value sources

The Company has determined classes of assets and liabilities based on the nature, characteristics and risks of the asset or liability, as well as the level of the hierarchy of sources of fair value for the purpose of disclosure of information about fair value.

Fair value of financial assets and liabilities not carried at fair value

Below is a comparison of the carrying amount and fair value by class of the Company's financial instruments that are not measured at fair value in the statement of financial position. The table shows the value of non-financial assets and non-financial liabilities.

	Carrying value	Fair value	Unrecognized Income/(loss)
Financial assets	**39 949 027**	**39 829 331**	**-119 696**
Cash and cash equivalents	2 104 472	2 104 312	-160
Accounts receivable of policyholders	357 189	357 189	0
Accounts receivable of reinsurance companies	198881	198 881	0
Advances issued to suppliers	233158	183 158	-50 000
Accounts receivable to employees	20 101	0	-20 101
Prepayments to the budget for taxes	6795	6 003	-792
Interest receivables	84 903	84 903	0
Other financial assets	10 067	10 067	0
Inventory	51 679	3 036	-48 643
Deposits in banks of Uzbekistan	36 848 044	36 848 044	0
Property	33 738	33 738	0
Financial obligations	**1 774 763**	**1 962 605**	**187 842**
Vendor funds	329 438	329 438	0
Policyholder advances	2425	0	-2 425
Debts to policyholders and reinsurers (Insurance reserves)	1 441 910	1 441 910	0
Deferred income	198	198	0
Debt to the budget	792	0	-792
Soçial tax debt		20 471	20 471
Debt to employees		170 588	170 588
Other financial liabilities		0	0

Valuation techniques and assumptions

The techniques and assumptions used in determining the fair value of those financial instruments that are not measured at fair value in these financial statements are described below.

Assets with a fair value that approximates their carrying amount

Fair value is assumed to approximate their carrying amount for financial assets and financial liabilities that are liquid or have a short maturity (less than three months). This assumption is also applied to assets without a specified maturity. For example: for receivables, reflected in the balance sheet at the book (contractual) value, the change in value is not provided for by the contract.

36. RELATED PARTY DISCLOSURES

In accordance with IAS 24 "Related Party Disclosures", parties are considered to be related if one party has the ability to control or exercise significant influence over the other party in the financial and operating decisions. When deciding whether the parties are related, the content of the relationship between the parties, and not just their legal form, is taken into account.

Related parties may enter into transactions that would not be entered into between unrelated parties. The prices and terms of such transactions may differ from the prices and terms of transactions between unrelated parties. The balances of transactions with related parties are presented below: The founder of the Company ICA Group Limited has a share of 100% as of December 31, 2021. (the nominal value of the share is 39 566 531 000 soums).

Full name	Location (residence) (state, region, city, district)	Grounds on which they are recognized as affiliates	Date (foundation occurrence (-)	Expenses of the Company in thousand soums
ICA Group Limited	Mill Mall, Suite 6, Wickhams Cay 1, P.O. Box 3085, Road Town, Tortola, British Virgin Islands	The sole shareholder owns 20% or more in the Authorized capital of the company	February 02, 2021	no expenses
Brian Joseph Reilly		Member of the Supervisory Board	February 17, 2021	
Felix Von Schubert		Member of the Supervisory Board	February 17, 2021	
Andrew Theodorou	124 Regal Way, Kenton, Harrow, Middx, HA3 0SQ, United Kingdom	Member of the Supervisory Board	February 17, 2021	
Xalilov Oybek Nosirovich	M. Ulugbek district, Tashkent city, the Republic of Uzbekistan,	Executive body (General Director)	February 02, 2021	706 261 255
Insurance Corporation of Afghanistan	Naser Khusraw Balkhi Building Sarsabzi Square Taimani Kabul, Afghanistan	ICA Group Limited (Sole shareholder) owns 20% or more in the Authorized capital	February 17, 2021	

37. CAPITAL ADEQUACY

The Company does not implement all the tools for managing the level of capital adequacy in order to protect against the risks inherent in its activities. Capital adequacy is monitored using, among other methods, principles and ratios. The capital adequacy ratio is calculated on a stand-alone basis.

The main objective of capital management for the Company is to ensure compliance with external capital requirements and maintain the solvency and capital adequacy ratios necessary to operate and maximize shareholder value.

The Company manages its capital structure and adjusts it in the light of changes in economic conditions and the risk characteristics of its activities. In order to maintain or change the capital structure, the Company may adjust the amount of dividends paid to the founders, return capital to the founders or issue equity securities. Compared to previous years, there have been changes in the objectives, policies and procedures of capital management in terms of deterioration in solvency as a result of an increase in receivables.

Capital adequacy ratios.

The capital adequacy ratio is calculated on an off-line basis. As at December 31, 2021, the capital and tier 1 capital adequacy ratio calculated in accordance with the above rules was:

	2021
Tier 1 capital	37 863 726
Tier 2 capital	333 223
Total equity	**38 196 949**
Risk-weighted assets	
Tier 1 capital adequacy ratio	99%
Tier 2 capital adequacy ratio	0,9%
General capital adequacy ratio	99.45%

Regulatory capital consists of Tier 1 capital, which includes shares, retained earnings, excluding current period earnings, less intangible assets. The other component of regulatory capital is Tier 2 capital, which includes current period profit and a loss reserve.

According to the requirements of the Central Bank of the Republic of Uzbekistan, the capital adequacy ratio for banks should be maintained at the level of 10%, as well as Tier 1 capital adequacy - at least 5% of the amount of risk-weighted assets. Capital adequacy ratios for economic entities have not been developed, the auditors conducted this analysis in order to draw the attention of owners to the even distribution of capital over periods, to take into account the impact of the processes described above when drawing up plans (asset depreciation, assessment of the fair value of assets, the impact of inflation, etc.).

38. IMPACT OF INFLATION

Company operating in countries with hyperinflationary economies. IAS 29 requires financial statements to be prepared in functional currency. IAS 29 states that in a hyperinflationary environment, reporting results of operations and financial position in local currency without inflation adjustments is not useful because money loses purchasing power at such a rate that comparison of the amounts received from transactions and events that had place at different times, even within the same reporting period, will mislead reporting users.

The financial statements are presented in Uzbek soum, which is the Company's functional and presentation currency.

The official rate of 1 dollar set by the Central Bank of the Republic of Uzbekistan:

As of January 1, 2021	As of December 31, 2021
10476,92 Uzbek Sum per 1 US dollar	10837,66 Uzbek Sum per 1 US dollar

Change 19.6% as at the date of the auditor's report.
3.4% change for 2021.
10.19% change for 2020.
14.05% change for 2019.

Indexation of property and non-monetary assets of the Company was not carried out.

Currency funds were indexed at the rate of the Central Bank, on the date of the business transaction.

As an emerging economy, the Republic of Uzbekistan is in the process of developing its business and legal infrastructure. The Government of the Republic of Uzbekistan is implementing reforms aimed at creating the legal, tax and regulatory systems that exist in countries with more stable market economies. Due to the fact that the reform process has not yet been completed, operations conducted in the Republic of Uzbekistan are associated with risks that are not typical for economically developed countries. Such risks result in local currency not being freely convertible, low liquidity in the debt and capital markets, and continued inflation.

The economic recession and the Covid-epidemic occurring in the world are also reflected in the economy of Uzbekistan. The current global financial crisis could lead to capital market instability, a significant reduction in liquidity in the insurance sector and tightening credit conditions in the Republic of Uzbekistan.

The country's government has introduced a number of anti-crisis measures aimed at providing liquidity and supporting the largest companies in Uzbekistan. However, the global financial crisis has led to uncertainty about the state of the economy as a whole, since the Republic of Uzbekistan is largely dependent on the external influence of international financial institutions. Foreign currency, in particular the US dollar, plays a significant role in the economic essence of most transactions carried out in the Republic of Uzbekistan.

39. LEGAL ACTIONS AND CLAIMS.

The Company may be subject to legal actions and claims in the normal course of business. Management believes that probable liabilities (if any) arising from such suits or claims will not have a material adverse effect on the Company's financial position or performance in the future. The Company files a claim with judicial organizations for compensation for losses in recourse cases. As of December 31, 2021, the Company has no lawsuits or claims.

40. SUBSEQUENT EVENTS

The company's management has information about significant events after the reporting period. There were no events after the reporting date until the date of issuance of the auditor's report that could adversely affect the financial position of the Company.