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№ 06

Management and Owners
Company «SQB INSURANCE»

INDEPENDENT AUDITOR'S REPORT

Opinion

We have audited the consolidated financial statements of AO CK «SQB INSURANCE», and its subsidiaries , which comprise the consolidated statement of financial position as at December 31, 2023, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2023, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Qualified Opinion

The financial statements of AO CK «SQB INSURANCE»are based on operational information. Property inventory was not carried out. Material records are not maintained.We conducted our audit in accordance with International Standards on Auditing (ISA). Under those standards, Our responsibilities are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

In accordance with the International Ethics Standards Board for Accountants (IESBACode) Code of Ethics for Professional Accountants and ethical requirements, we are independent of the University applicable to our audit of financial statements in the Republic of Uzbekistan, and we comply with other ethical standards. . obligations in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Independence

We are independent of the Company in accordance with the Code of Ethics for Professional Accountants. The International Ethics Standards Board for Accountants (IESBA Code) and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and for the internal control that management considers necessary to prepare consolidated financial statements that are free from material misstatement due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern for disclosures where applicable, going concern information for reporting on a going concern basis, unless management intends to liquidate the Group or discontinue its operations or when it has no other realistic alternative other than liquidation or termination of operations.

Auditor's Responsibilities for the Audit of the Financial Statements

Our purpose is to obtain reasonable assurance that the financial statements are free from material misstatement, whether due to fraud or errors in issuing the auditor's report containing our opinion.Reasonable assurance is a high degree of assurance, but is not a guarantee that an audit conducted in accordance with International Standards of Audit will always detect material misstatements. Misstatements could arise from fraud or error that are considered either materially or individually could influence the economic decisions of users taken on the basis of these consolidated financial statements.

Appendix to the auditor's report
As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

-Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
-Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
-Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
-Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
-Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

M.I. Gulbaev
Director
AUDITING SOCIETY LLC «MASLAXATAUDIT-M»

Date of issue: 03.15.2024.
Tashkent city, Republic of Uzbekistan

JOINT-STOCK COMPANY
INSURANCE COMPANY
“SQB INSURANCE”

FINANCIAL STATEMENTS
PREPARED IN ACCORDANCE WITH
INTERNATIONAL FINANCIAL REPORTING
STANDARDS (IFRS)
FOR THE YEAR ENDED 31 DECEMBER 2023

Tashkent 2024 year

Contents

Statement of Management's Responsibility

Management is responsible for the preparation of financial statements that fairly present, in all material respects, the financial position of the Company as of 31 December 2023, as well as the results of its operations, cash flows, and changes in equity for the year 2023, in accordance with International Financial Reporting Standards ("IFRS").

In preparing the Company's financial statements, management is responsible for:

- ensuring the appropriate selection and application of accounting policies;
- presenting information, including disclosures related to accounting policies, in a manner that provides relevant, reliable, comparable, and understandable information;
- compliance with IFRS requirements and providing additional disclosures when compliance with IFRS is insufficient to enable users to understand the impact of particular transactions, other events, and conditions on the Company's financial position and performance;
- assessing the Company's ability to continue as a going concern.

Management is also responsible for:

- developing, implementing, and maintaining an effective and reliable system of internal control within the Company;
- maintaining accounting records in a manner that enables the identification and explanation of the Company's transactions, and the preparation of financial information with sufficient accuracy at any point in time, ensuring that the Company's financial statements comply with IFRS;
- maintaining accounting records in accordance with the legislation and accounting standards of the Republic of Uzbekistan;
- taking all reasonable steps to safeguard the Company's assets;
- identifying and preventing instances of financial and other irregularities.

Signed on behalf of the Company's Management

A.A. Khalilov
Chief Executive Officer

K.K. Yesenkulova
Chief Accountant

Statement of financial position of JOINT STOCK COMPANY "SQB INSURANCE" for 2023 year

JOINT STOCK COMPANY "SQB INSURANCE"

Statement of financial position

In thousand UZS

Account description	Remarks	As of 31.12.2023	As of 31.12.2022
Assets			
Non-current assets			
Fixed assets	12	1 805 801,8	1 554 314
Long-term investments	13	75 600 000	58 050 000
Sub-total		**77 405 801,8**	**59 604 314**
Current assets			
Cash on settlement account	5	3792457,5	2 259 468
Short-term investments	6	147 400 000	98 600 000
Trade receivables	7	10 396 400,7	3 819 339
Reinsurer's share in the reserve of insurance liabilities	23	24 610 706,5	20 335 869
Advances/credits to suppliers and contractors	6,8	444 708,3	28 137
Settlements with the state budget	9	562 427,7	474 376
Inventories	10	146 292,4	171 808
Other current assets	11	0	0
Sub-total		**187 352 993,1**	**125 688 997**
Total Assets		**264 758 794,9**	**185 293 311**
Equity & Liabilities			
Equity			
Share capital		53 085 375	45 501 750
Reserve capital		1 305 469	637 206
Retained earnings (undistributed loss)	26	17 647 902,8	13 366 453
Total Equity		**72 038 746,80**	**59 505 409**
Liabilities			
Long-term liabilities			
Insurance reserve	23	176 241 682,3	117 347 629
Sub-total		**176 241 682,3**	**117 347 629**
Short-term liabilities			
Trade payable	16	6 233 643,2	2 403 330
Taxes payable to budget	18	487 610,7	496 893
Other taxes payable	19	56 544,9	23 735
Prepayments received	20	971 223,2	657 573
Wages and salary payable	21	1 367 188,1	1 018 071
Other current liabilities	22	7 362 155,7	3 840 672
Sub-total		**16 478 365,8**	**8 440 273**
Total liabilities		**192 720 048,1**	**125 787 903**
Total Equity & Liabilities		**264 758 794,9**	**185 293 311**

Signed on behalf of the Company's Management

A.A. Khalilov
Chief Executive Officer

K.K. Yesenkulova
Chief Accountant

M.Gulbayev
Director
MASLAHATAUDIT-M LLC

Statement of financial position of JOINT STOCK COMPANY "SQB INSURANCE" for 2023 year

JOINT STOCK COMPANY "SQB INSURANCE"
Statement of Comprehensive Income

In thousand UZS

Account description	Remarks	As of 31.12.2023	As of 31.12.2022
Income from insurance activities, including:			
Insurance premiums		125 151 473	64 358 054
Reinsurance premiums		17 617 756,4	13 391 403
Insurance premiums under contracts accepted for reinsurancee		10 394 946,2	13 839 720
Amounts of compensation received for recourse claims		10 193 080,8	5 301 475
Income from compensation for losses on risks transferred to reinsurance and retrocession		4 879 873,9	6 293 639
Other income from insurance operations	29	3 817 282,8	2 047 402
Changes in insurance reserves		54 619 033,8	25 148 269
Net premiums earned	27	**82 199 866,50**	**53 300 616**
Insurance payments		28 056 930,3	19 835 222
Acquisition costs	28	45 995 899,2	27 778 786
Results of insurance activities, total		**8 147 037**	**5 686 609**
Sales expenses		397 113,3	325 516
Administrative expenses		19 006 763,4	11 957 224
Other operating expenses		1 366 463,7	788 047
Other operating income		28 521,6	26 648
Expenses on financial activities		28 220	85 638
Income from financial activities		33 382 276,6	23 151 144
Profit before tax and provisions		**20 759 274,8**	**15 707 976**
Reserves for doubtful debts			
Profit before income tax		**20 759 274,8**	**15 707 976**
Income tax		3 111 948,4	2 342 717
Net profit		**17 647 326,4**	**13 365 259**
Other comprehensive income		0	0
Total comprehensive income		**17 647 326,4**	**13 365 259**
Total gross income due:			
to the shareholders of the Company	100%	17 647 326,4	13 365 259
non-controlling shareholders		0	0
Average annual number of shares outstanding (common shares)		49 925 531,3	42 626 021
Earnings per share		0,353	0,314

Signed on behalf of the Management of the Company

A.A. Khalilov
Chief Executive Officer

K.K. Yesenkulova
Chief Accountant

M.Gulbayev
Director
MASLAHATAUDIT-M LLC

Statement of financial position of JOINT STOCK COMPANY "SQB INSURANCE" for 2023 year

JOINT STOCK COMPANY "SQB INSURANCE"
Cash Flow Statement

In thousands UZS

Indicators	As of 31.12.2023	As of 31.12.2022
Operational activities		
Cash receipts from insurance operations:	**140 422 978,8**	**87 922 434**
Cash receipts in the form of insurance premiums under insurance and co-insurance contracts	127 455 741,7	65 971 344
Cash receipts in the form of insurance premiums under reinsurance contracts	7 940 061,5	14 214 354
Cash receipts from the provision of services of an insurance broker, adjuster, surveyor	149 974,6	396 449
Cash receipts in the form of commissions, bonuses and reinsurance fees	-	-
Cash receipts from compensation of shares of losses on risks transferred to reinsurance and retrocession	4 877 201,0	7 340 287
Cash payments for insurance transactions:	**-46 527 283,9**	**-33 201 943**
Cash paid in the form of insurance premiums under reinsurance and retrocession contracts	-12 680 458,5	-11 239 318
Cash paid in the form of insurance compensation under insurance and co-insurance contracts	-27 816 926,9	-19 967 109
Cash paid in the form of compensation for the share of losses on risks received under reinsurance and retrocession	0,0	0
Cash paid to insurance intermediaries in the form of remuneration for concluding insurance, co-insurance and reinsurance contracts	-6 029 898,5	-1 995 516
Cash paid for services rendered by actuaries, adjusters, surveyors, assistants	0,0	0
Funds paid to finance preventive measures	-	-
Cash paid to and on behalf of employees	**-46 233 079,6**	**-29 463 968**
Other cash receipts and payments from operating activities	**-4 129 321,6**	**-3 769 656**
Investment activities	**-67 428 936,1**	**-39 993 201**
Purchase and sale of fixed assets	-1 078 936,1	-343 201
Acquisition and sale of intangible assets	-	-
Purchase and sale of long-term and short-term investments	-66 350 000,0	-39 650 000
Other receipts/payments from investment activities	-	-
Financial activities	**28 562 079,0**	**22 470 487**
Interest received and paid	32 591 217,1	23 048 737
Dividends received and paid	-4 029 138,1	-578 250
Total: taxes paid	-3 200 000	**-2 809 506**
Income tax paid	-3 200 000	-2 809 506
Total: net cash inflow/outflow from financial and economic activities	**1 466 436,6**	**1 154 647**
Effect of changes in exchange rate differences	66 553,3	4 635
Cash at the beginning of the year	**2 259 467,6**	**1 100 186**
Cash at the end of the year	**3 792 457,5**	**2 259 468**

Signed on behalf of the Management of the Company

A.Khalilov
Chief Executive Officer

K.K. Yesenkulova
Chief Accountant

M.Gulbayev
Director
MASLAHATAUDIT-M LLC

Statement of financial position of JOINT STOCK COMPANY "SQB INSURANCE" for 2023 year

JOINT STOCK COMPANY "SQB INSURANCE"

Statement of Changes in Equity

In thousands UZS

	Authorized capital	Reserves	Retained earnings	Total changes in equity
Balance as of January 1, 2022	**38 600 000,0**	**208 166,1**	**8 617 383,8**	**47 425 549,9**
Increase/decrease of authorized capital	6 901 750,0			**6 901 750,0**
Net profit/loss			13 365 258,7	**13 365 258,7**
Other comprehensive income			0,0	**0,0**
Increase/decrease in reserves		429 040,0	(429 040,0)	**0,0**
Dividends			(8 187 150,0)	**(8 187 150,0)**
Balance as of December 31, 2022	**45 501 750,0**	**637 206,1**	**13 366 452,5**	**59 505 408,6**
Increase/decrease of authorized capital	7 583 625,0			**7 583 625,0**
Net profit/loss			17 647 326,40	**17 647 326,4**
Other comprehensive income				**0,0**
Increase/decrease in reserves		668 262,9	(668 262,90)	**0,0**
Dividends			(12 697 613,20)	**(12 697 613,2)**
Balance as of December 31, 2023	**53 085 375,0**	**1 305 469,0**	**17 647 902,80**	**72 038 746,8**

Signed on behalf of the Management of the Company

A.Khalilov
Chief Executive Officer

K.K. Yesenkulova
Chief Accountant

M.Gulbayev
Director
MASLAHATAUDIT-M LLC

Statement of financial position of JOINT STOCK COMPANY “SQB INSURANCE” for 2023 year

1. Principal Activities

JOINT STOCK COMPANY “SQB INSURANCE” (hereinafter referred to as the "Company") operates as a Joint-Stock Company. The Company commenced its operations in 2018 in accordance with the Certificate of State Registration of Legal Entities No. 653371 dated 29 November 2018.
The principal activities of the Company include:
✓Voluntary insurance operations;
✓Compulsory insurance operations;
✓ Provision of other insurance-related services.
The Company holds the following licenses:
License for conducting insurance activities of insurers and insurance brokers, Series SF No. 00248 dated 16 August 2019, issued pursuant to Order No. 9-sf of the Ministry of Finance of the Republic of Uzbekistan dated 2 August 2019, authorizing insurance activities in the field of general insurance for the following classes:

- Class 1: Accident Insurance
- Class 2: Health Insurance
- Class 3: Land Transport Insurance
- Class 4: Railway Rolling Stock Insurance
- Class 5: Aviation Insurance
- Class 6: Marine Insurance
- Class 7: Goods in Transit Insurance
- Class 8: Fire and Natural Disaster Insurance
- Class 9: Property Damage Insurance
- Class 10: Motor Third Party Liability Insurance
- Class 11: Aviation Liability Insurance
- Class 12: Marine Liability Insurance
- Class 13: General Civil Liability Insurance
- Class 14: Credit Insurance
- Class 15: Suretyship (Guarantee) Insurance
- Class 16: Insurance Against Other Financial Risks
- Class 17: Legal Expenses Insurance

Information on the Company’s shareholders is provided below:

	2022 year	2021 year
"O‘ZBEKISTON SANOAT-QURILISH BANKI" Joint-Stock Commercial Bank	100%	100 %
Total:	**100 %**	**100 %**

The Company is registered at the following address: Republic of Uzbekistan, Tashkent, Mustaqillik Street, 5.

2. Economic Environment in Which the Company Operates

The principal activities of the Company are carried out within the territory of the Republic of Uzbekistan and are, accordingly, subject to the influence of its economic conditions. Despite notable improvements in recent years, the economy of the Republic of Uzbekistan still exhibits features typical of emerging markets. These include, in particular, the non-convertibility of the Uzbek soum in most countries outside the Republic and low liquidity in domestic debt and equity markets.
In 2023, the Government of the Republic of Uzbekistan continued to implement socio-economic reforms and market liberalization, primarily focused on attracting foreign direct investment. In connection with this, laws and regulations governing business activities in the Republic of Uzbekistan have been rapidly evolving. The prospects for economic stability and the future development direction of Uzbekistan largely depend on the effectiveness of the economic, financial, and monetary measures taken by the Government, as well as on the development of the legal and regulatory framework and political environment, which are beyond the Company’s control.

The financial position and operating results of the Company will continue to be influenced by political and economic changes in Uzbekistan, including the application of current and future legislation and tax regulations, which have a significant impact on the country's financial markets and overall economy. At present, the Company's Management is unable to foresee all developments that may result in further declines in financial market liquidity and increased volatility in currency and stock markets, which could affect the Company's financial condition.

Key macroeconomic indicators in Uzbekistan for the 12-month period of 2023 were as follows:

- **GDP Growth**: 5.7% (compared to 5.7% in 2022);
- **Central Bank Key Interest Rate**: 14% (compared to 15% in 2022);
- **Inflation Rate**: not exceeding 12.3% (compared to 12.25% in 2022);
- **Official Exchange Rate (as of 31 December 2023)**:
  1 USD = 12,338.77 UZS
  (31 December 2022: 1 USD = 11,225.45 UZS);
- **Consolidated Index of the Republican Stock Exchange "Toshkent" as of 31 December 2023**: "TCI Composite" – 1000.00 points
  (31 December 2022: 1000.00 points).

Pursuant to Presidential Decree No. UP-5468 dated 29 June 2018, "On the Concept for Improving the Tax Policy of the Republic of Uzbekistan," a working commission was instructed to prepare a draft of a new edition of the Tax Code of the Republic of Uzbekistan. The new Tax Code was enacted by Law No. ZRU-599 dated 30 December 2019. Sections VI, VII, and Chapter 5 of the Tax Code (ZRU-599) came into effect on 1 January 2022, and Paragraph 1 of Part One of Article 40 of the Tax Code (ZRU-599) became effective on 1 January 2023. The Tax Code (ZRU-599) continues to be refined and supplemented. Accordingly, the tax environment in Uzbekistan remains unstable and is subject to significant changes in the foreseeable future.

Currently, the Company's Management is monitoring developments under the existing conditions and taking steps, it deems necessary to support the stability and further growth of the Company's business. Nevertheless, the future effects of economic changes on the Company's operations and financial condition are difficult to predict at this stage.

These circumstances have been taken into account in the preparation of the IFRS Financial Statements and reflect Management's assessment of the impact of the economic environment in Uzbekistan on the Company's operations and financial condition. However, future economic conditions may differ from Management's current estimates.

3. Basis of Presentation of Financial Statements

The Company maintains its accounting records in Uzbek soums in accordance with the requirements of legislation, rules, and regulations of the Republic of Uzbekistan in the field of accounting and financial reporting. These financial statements have been prepared based on such accounting records, with adjustments made as necessary to bring them into compliance, in all material respects, with International Financial Reporting Standards (IFRS).

Going Concern

These financial statements have been prepared on the assumption that the Company will continue as a going concern in the foreseeable future. The Company's management has no plans to liquidate the Company or to cease its operations. Under the going concern assumption, assets and liabilities are recognized on the basis that the Company will be able to realize its assets and discharge its liabilities in the normal course of business.

The Company's net profit for 2023 amounted to UZS 17,647,326.4 thousand. As of December 31, 2023, the Company had positive net assets of UZS 72,038,746.8 thousand.

In addition, the Company has been timely fulfilling its payroll obligations to employees, making full and timely contributions to social funds and other tax payments, and settling all liabilities related to its financial and business activities and obligations to creditors without delay. As of the date of signing these financial statements, there are no legal claims, nor is there a risk of bankruptcy, insolvency, or inability of creditors to recover their debts.

In the opinion of the Company's management, the implementation of these measures reduces liquidity risk, positively affects the Company's financial performance, and ensures the ability to meet its obligations as they fall due.

Application of Standards

The Company has applied IFRS requirements effective for periods ending on December 31, 2023:
(a) in the preparation of the opening statement of financial position at the start of operations; and
(b) in the preparation and presentation of its statement of financial position as of the reporting date, the statement of comprehensive income, the statement of changes in equity, and the statement of cash flows for the reporting year, along with the related disclosures.

The Company has not applied certain new standards and amendments to existing standards that are effective for annual periods beginning on or after January 1, 2020. It has not early adopted standards, interpretations, and amendments that were issued but not yet effective.

IFRS 15 "Revenue from Contracts with Customers"

IFRS 15, issued in May 2014, establishes a five-step model to account for revenue arising from contracts with customers. It supersedes all previous revenue recognition standards, including IAS 18 "Revenue," IAS 11 "Construction Contracts," and related interpretations.

The core principle of IFRS 15 is that revenue should be recognized when (or as) performance obligations are satisfied—i.e., when control of the promised goods or services is transferred to the customer—for an amount that reflects the consideration the entity expects to be entitled to in exchange.

The five-step model includes:
Identifying the contract with the customer;
Identifying the performance obligations in the contract;
Determining the transaction price;
Allocating the transaction price to the performance obligations;
Recognizing revenue when (or as) the performance obligation is satisfied.

Under IFRS 15, revenue is recognized as the entity fulfills performance obligations, i.e., when control over the goods or services is transferred to the customer. The standard provides more detailed guidance on accounting for revenue recognition timing, variable consideration, contract costs, and other topics. IFRS 15 also requires extensive disclosure. The standard did not have a material impact on the Company.

IFRS 9 "Financial Instruments"

IFRS 9, issued in November 2009, introduced new requirements for the classification and measurement of financial assets. Amendments in October 2010 added requirements for the classification and measurement of financial liabilities and derecognition. In November 2013, hedge accounting requirements were issued, and the final version of IFRS 9 was released in July 2014.

Key features of IFRS 9 include:

- Classification and Measurement: Financial assets are classified based on the business model under which they are held and the contractual cash flow characteristics. Debt instruments held to collect contractual cash flows that consist solely of payments of principal and interest are generally measured at amortized cost. Instruments held both to collect contractual cash flows and for sale are measured at fair value through other comprehensive income (FVOCI). All other instruments, including equity securities, are measured at fair value. Changes in the fair value of equity instruments can be irrevocably designated to FVOCI, with only dividend income recognized in profit or loss.
- Financial Liabilities: Similar to IAS 39, but with differences in own credit risk accounting. IFRS 9 requires changes in fair value related to an entity's own credit risk on financial

liabilities designated at fair value through profit or loss to be recognized in OCI (unless doing so creates or enlarges an accounting mismatch).
- Impairment: IFRS 9 introduces the expected credit loss (ECL) model, replacing the incurred loss model in IAS 39. Under the ECL model, losses are recognized based on expected rather than incurred credit losses. ECLs are updated at each reporting date to reflect changes in credit risk.
- Hedge Accounting: IFRS 9 introduces a more principles-based approach to hedge accounting that aligns more closely with risk management activities. It expands the range of hedging instruments and hedged items and replaces the quantitative effectiveness test with a more qualitative assessment based on economic relationships.
- Derecognition: Requirements remain largely unchanged from IAS 39.

The Company did not adopt IFRS 9 as of January 1, 2020. It elected not to restate comparative information and recognized any adjustments to the carrying amounts of financial assets and liabilities at the date of initial application in subsequent periods.

Other Amendments Effective from January 1, 2019

- IFRS 2 Amendments — Classification and Measurement of Share-Based Payment Transactions
- IAS 40 Amendments — Investment Property: Clarify that a transfer to or from investment property requires evidence of a change in use, not just a change in intent. This includes properties under construction.
- IFRIC 22 — Foreign Currency Transactions and Advance Consideration: Clarifies the date of transaction for determining exchange rates when advance payments are made or received.
- IFRS 10 and IAS 28 Amendments — Allow insurance-related entities to defer adoption of IFRS 9 until January 1, 2023, or until the earlier application of IFRS 17 Insurance Contracts.

These amendments did not have a material impact on the Company's financial statements for the reporting period.

Amendments Effective from January 1, 2017

- IAS 7 Amendments — Disclosure Initiative: Require disclosure of changes in liabilities arising from financing activities.
- IAS 12 Amendments — Recognition of Deferred Tax Assets for Unrealised Losses on Debt Instruments Measured at Fair Value: Clarify how to assess the recoverability of deferred tax assets related to unrealized losses.

The Company applies these amendments retrospectively, where feasible.

Amendments to IAS 16 and IAS 38 "Clarification of Acceptable Methods of Depreciation"

The amendments clarify the principles of IAS 16 "Property, Plant and Equipment" and IAS 38 "Intangible Assets," which state that revenue reflects the pattern of economic benefits generated from the business activity (of which the asset is part), rather than the economic benefits consumed through the use of the asset. As a result, a revenue-based method cannot be used to depreciate property, plant and equipment and may only be used in rare cases to amortize intangible assets. The amendments are applied prospectively.
These amendments do not affect the Company's financial statements, as it has not used a revenue-based method for depreciation of its non-current assets.

Amendments to IAS 27 "Equity Method in Separate Financial Statements"

The amendments permit entities to use the equity method to account for investments in subsidiaries, joint ventures, and associates in separate financial statements. Entities already applying IFRS and choosing to switch to the equity method in their separate financial statements must apply this change retrospectively. Entities first adopting IFRS and choosing to use the equity method in separate financial statements must apply it from the date of transition to IFRS. The amendments are effective for annual periods beginning on or after January 1, 2016, with early application permitted.
The Company did not apply these amendments to the annual financial statements ended December 31, 2023.

Annual Improvements to IFRS, 2012-2014 Cycle

This document includes the following amendments:

- IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations." Disposal of assets (or disposal groups) is generally via sale or distribution to owners. The amendment clarifies that a change from one disposal method to another should be considered a continuation of the original plan, not a new disposal plan. Thus, IFRS 5 requirements remain uninterrupted. This amendment is applied prospectively. The Company did not apply this amendment to the annual financial statements ended December 31, 2023, as it does not have assets held for sale.
- IFRS 7 "Financial Instruments: Disclosures"
  (i) Service contracts: The amendment clarifies that a service contract that requires payment may represent continuing involvement in a financial asset. To determine disclosure requirements, an entity must assess the nature of the remuneration and the agreement under IFRS 7 guidelines regarding continuing involvement. The assessment of which service contracts represent continuing involvement should be done retrospectively. Disclosure is not required for periods before the first application of this amendment.
  (ii) Application of IFRS 7 amendments in condensed interim financial statements: The amendment clarifies that disclosure requirements for offsetting do not apply to condensed interim financial statements except where such information represents significant updates to information disclosed in the latest annual report. This amendment is applied retrospectively. The Company did not apply these amendments to the annual financial statements ended December 31, 2023.
- IAS 19 "Employee Benefits"
  Employers apply this standard to account for all employee benefits except those covered by IFRS 2 "Share-based Payment."
  Employee benefits under this standard include those:
  (a) Provided under formal plans or other formal agreements between the entity and its employees or their representatives;
  (b) Required by law or industry agreements requiring contributions to national, government, industry or multi-employer plans;
  (c) Established by past practice that creates a constructive obligation, where the entity has no realistic alternative but to pay the benefits (e.g., when changing the practice would cause unacceptable damage to employee relations). The Company formed a provision for unused vacation leave during the reporting period.
- IAS 34 "Interim Financial Reporting"
  The amendment clarifies that information for an interim period should be disclosed either within the interim financial statements or elsewhere in the interim report (e.g., in management commentary or risk assessment reports) with appropriate cross-references in the interim financial statements. Other information in the interim report should be available to users on the same terms and timing as the interim financial statements. This amendment is applied retrospectively. It is expected these amendments will not impact the Company's financial statements.

Amendments to IAS 1 "Disclosure Initiative"

These amendments to IAS 1 "Presentation of Financial Statements" mainly clarify existing requirements rather than make significant changes. The clarifications include:

- Materiality requirements of IAS 1;

- Individual items in the statement(s) of profit or loss and OCI and in the statement of financial position can be disaggregated;
- Entities may choose the order in which notes to financial statements are presented;
- The share of OCI of subsidiaries and joint ventures accounted for using the equity method should be presented in a single line and classified as items that will or will not be reclassified subsequently to profit or loss.

Additionally, the amendments clarify requirements when presenting additional interim totals in the statement of financial position and profit or loss and OCI statements. The amendments are effective for annual periods beginning on or after January 1, 2016, with early application permitted. It is expected these amendments will not impact the Company's financial statements.

Amendments to IFRS 10, IFRS 12, and IAS 28 "Investment Entities: Applying the Consolidation Exception"

The amendments address issues arising from applying the consolidation exception for investment entities under IFRS 10. They clarify that the exemption from consolidation applies also to a parent entity that is a subsidiary of an investment entity, if the investment entity measures all its subsidiaries at fair value. Further, only subsidiaries of an investment entity that provide services supporting the investment entity require consolidation. Other subsidiaries are measured at fair value. Amendments to IAS 28 permit investors applying the equity method to retain fair value measurement applied by their associates or joint ventures that are investment entities for their interests in subsidiaries. These amendments are applied retrospectively. The amendments do not affect the Company, as it has no subsidiaries, associates, or joint ventures qualifying as investment entities.

Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"

The amendments resolve the conflict between IFRS 10 and IAS 28 regarding accounting for the loss of control of a subsidiary sold or contributed to an associate or joint venture.
They clarify that gains or losses from sales or contributions of assets constituting a business as defined in IFRS 3 are recognized in full. However, gains or losses from sales or contributions of assets that do not constitute a business are recognized only to the extent of the interests held by other investors in the associate or joint venture. These amendments apply prospectively for annual periods beginning on or after January 1, 2016, with early application permitted. It is expected these amendments will not impact the Company's financial statements.

4. Main Principles of Accounting Policy

Main Principles

This financial statement has been prepared in accordance with International Financial Reporting Standards (IFRS) based on the historical cost accounting rules, adjusted for the initial recognition of financial instruments at fair value. The accounting policy principles used in the preparation of this financial statement are set out below. These principles have been applied consistently to all periods presented in the financial statements.

Financial Statements

The financial statements must fairly present the financial position, financial performance, and cash flows of the Company. The Company has prepared a complete set of financial statements. A complete set of financial statements includes:

- a statement of financial position as of the end of the period;

- a statement of comprehensive income for the period;
- a statement of changes in equity for the period;
- a statement of cash flows for the period;
- notes consisting of a summary of significant accounting policies and other explanatory information;
- comparative information for the prior period and a statement of financial position at the beginning of the prior period.

The Company has prepared a single statement of profit or loss and other comprehensive income, in which profit or loss and other comprehensive income are presented in two sections. These sections are presented together, with the profit or loss section first, immediately followed by the other comprehensive income section.

The accompanying financial statements have been prepared in accordance with International Financial Reporting Standards (hereinafter – "IFRS").

Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand and current accounts of the Company, as well as cash equivalents, which are short-term, highly liquid investments that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value. Amounts subject to any restrictions on their use are excluded from cash and cash equivalents.

Accounts Receivable

Accounts receivable relate to non-derivative financial assets with fixed or determinable payments that are not quoted on an active market. They arise when the entity provides money, goods, or services directly to a debtor without the intention to trade the receivables. They are classified as current assets except for those with maturities exceeding 12 months after the reporting date, which are classified as non-current assets. Accounts receivable are initially recognized at fair value.

Subsequently, accounts receivable are measured at invoiced amounts less any allowance for doubtful debts related to the debtors. Accounts receivable presented in the statement of financial position are considered collectible and realizable.

Advances Issued

Advances issued include amounts paid to suppliers and contractors for inventory or goods not yet received.

Advance Payments for Taxes and Levies

Advance payments for taxes and levies represent overpaid or prepaid amounts to the budget for tax contributions.

Inventories

Inventories are intended for use in the production process and are accounted for using the FIFO method. The majority of inventories consist of fuel, equipment, office supplies, and forms for strict accountability (e.g., insurance policies).

Inventories are recorded at cost, which includes purchase price, customs duties and fees, product certification costs, commission fees, taxes (except recoverable taxes), transportation and procurement expenses, storage costs, and costs necessary to bring them to usable condition.

Property, Plant, and Equipment

Property, plant, and equipment are stated at acquisition or construction cost, less accumulated depreciation and any accumulated impairment losses.

Construction in progress is accounted for at initial cost less impairment provision. Initial cost includes borrowing costs related to obtaining specific or general loans for financing the construction of corresponding assets. Upon completion, assets are transferred to the appropriate category of property, plant, and equipment and recorded at the carrying amount at the transfer date. Construction in progress is not depreciated until put into use.

The Company recognizes the cost of property, plant, and equipment including additional expenses related to its acquisition and necessary for operation. The cost of a replaced component of an asset is included in the carrying amount at the time of expenditure if it is probable the Company will obtain future economic benefits from the asset, and the cost can be reliably measured. Replaced components are expensed at the time of replacement. All other costs are recognized in the statement of comprehensive income as incurred.

Gains and losses on disposals are determined as the difference between proceeds and carrying amount and are recognized in the statement of comprehensive income.

Depreciation of Property, Plant, and Equipment

Depreciation is recognized in the statement of comprehensive income to allocate the cost of assets less residual value on a straight-line basis over their useful lives. The calculation assumes a residual (salvage) value. According to IFRS (IAS) 16, if the residual value of an asset is insignificant and therefore immaterial for calculating depreciable amount, it is recognized as zero.

As of the transition date (01.01.2019), the Company reviewed the useful lives of its property, plant, and equipment and recalculated depreciation based on the new estimates. The useful lives (in years) are:

Asset Group	**Useful Life (years)**
Buildings and structures	20
Mobile transport	5
Furniture and office equipment	6-7
Computers, peripherals, data processing equipment	2.5
Perennial plantations	10
Other	6-7

Long-Term Investments

Investments include investment securities that management intends to hold for an indefinite period until maturity, receiving interest income based on contractual rates. Initially, investment securities are recognized at cost and subsequently measured at cost. Any decreases in value, except temporary declines, are recognized in the statement of comprehensive income.

Capital Expenditures

Capital expenditures are investments in the construction of facilities necessary for the Company. After full completion and commissioning, these are recorded under property, plant, and equipment accounts.

Capital expenditures are acquisitions of fixed assets with a useful life exceeding twelve months.

Financial Instruments: Recognition and Measurement

Cash advances or deposits under loan or bank deposit agreements are accounted as Deposits (loans) and accounts receivable, representing non-derivative financial assets with fixed or determinable payments not quoted in an active market, except those that the Company:

- intends to sell immediately or in the near future;
- at initial recognition classifies as financial assets at fair value through profit or loss;
- at initial recognition classifies as available-for-sale; or
- where the Company may not recover the initial investment for reasons other than credit impairment.

At each reporting date, the Company assesses whether there is objective evidence of impairment of a financial asset or group of financial assets. If such evidence exists, the Company estimates the amount of any impairment loss. A financial asset or group of assets is impaired only if there is objective evidence of impairment resulting from one or more loss events that occurred after initial recognition and that loss event(s) has had an impact on the expected future cash flows of the asset(s) that can be reliably estimated.

Objective evidence of impairment may include default or delinquency by a borrower, breach of contract terms, restructuring on terms the Company would not otherwise consider, indications of bankruptcy, disappearance of an active market for the security, decrease in collateral value, or other observable data indicating a measurable decrease in estimated future cash flows.

A significant or prolonged decline in the fair value of an equity investment below its cost is considered objective evidence of impairment.

The Company regularly assesses loans and accounts receivable for possible impairment, initially assessing individually significant loans and receivables separately, and collectively for those not individually significant. If there is no objective evidence of impairment for individually assessed loans, they are included in groups of assets with similar credit risk and assessed collectively.

If objective evidence of impairment exists, the loss is measured as the difference between the carrying amount and the present value of expected future cash flows, including collateral value, discounted at the original effective interest rate.

When information is limited or no longer current, such as when a borrower experiences financial difficulties and information on similar borrowers is scarce, the Company uses judgment and experience to estimate impairment losses.

All impairment losses are recognized in profit or loss and are reversed only if a subsequent increase in recoverable amount can be objectively related to an event after impairment recognition.

Loans are written off against the allowance when recovery is deemed impossible, and all collection procedures have been completed.

Recognition and Subsequent Measurement of Financial Assets at Fair Value Through Profit or Loss

Financial instruments at fair value through profit or loss include assets or liabilities that:

- are acquired primarily for resale or repurchase in the near term;
- form part of a portfolio of financial instruments managed jointly with recent evidence of short-term profit-taking;
- are derivatives (except those designated and effective as hedging instruments or financial guarantees); or
- are designated at initial recognition as fair value through profit or loss.

Management assigns the category to a financial instrument at initial recognition. Derivatives and financial instruments designated at fair value through profit or loss are not reclassified out of this category.

If financial assets meet the definition of loans and receivables, they may be reclassified from fair value through profit or loss or available-for-sale if the Company intends and is able to hold them until maturity. Other financial instruments are reclassified from fair value through profit or loss only in rare circumstances.

Gains or losses on financial instruments classified as fair value through profit or loss are recognized in profit or loss.

Derecognition of Financial Assets

The Company derecognizes a financial asset when it loses contractual rights to cash flows, transfers the asset and substantially all risks and rewards of ownership to another party, or neither transfers nor retains substantially all risks and rewards but loses control.

Any retained interest in transferred assets meeting derecognition criteria is recognized separately as an asset or liability.

The Company derecognizes financial liabilities when obligations are discharged, canceled, or expire.

When the Company transfers recognized assets but retains all or part of risks and rewards, the assets remain recognized.

Recognition and Subsequent Measurement of Investments in Subsidiaries, Joint Ventures, and Associates

The Company does not hold investments in subsidiaries, joint ventures, or associates.

Recognition and Subsequent Measurement of Held-to-Maturity Financial Assets

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company has the intention and ability to hold to maturity, other than those that:

- at initial recognition are designated as measured at fair value through profit or loss;
- are designated as available-for-sale; or
- meet the definition of loans and receivables.

At initial recognition, held-to-maturity financial assets are measured at fair value. After initial recognition, they are measured at amortized cost using the effective interest rate method.

Offsetting Financial Assets and Financial Liabilities

Financial assets and financial liabilities are offset and presented in the statement of financial position on a net basis only when the Company has a legally enforceable right to set off the recognized amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

Accounts Payable

Accounts payable represent the Company's liabilities to suppliers of goods, services, and works.

Short-Term Loans and Borrowings

Short-term loans and borrowings are initially recognized at the amounts specified in the relevant loan agreements. Subsequently, they are measured at amortized cost, which is calculated as the difference between the initial amount and the repayment amount. Borrowing costs incurred by the Company in connection with obtaining loans are recognized as expenses.

Budget Payables

Budget payables represent accrued taxes payable. Income tax is recognized in profit or loss, except when it relates to items recognized directly in equity, in which case it is recognized in equity through other comprehensive income.

Extra-Budgetary Contributions

This category represents mandatory contributions and includes deductions to extra-budgetary funds for various assessment bases.

Advances Received

Advances received represent amounts received for insurance-related ancillary services (such as commission income, loss adjusting, surveying, etc.) that have not yet been rendered by the Company to customers and clients.

Employee-Related Payables

Employee-related payables are based on agreements (contracts or individual employment agreements) and include:

- Payment of base wages, bonuses as per the Company's remuneration system, allowances, and paid leave;
- Deposited (unclaimed) wages;
- Social benefits (for temporary disability, maternity, or injury);
- Severance payments and other compensations in accordance with labor legislation and internal compensation policies.

The Company pays salaries to its employees under the established remuneration system and makes mandatory contributions to individual pension funds on behalf of employees, in accordance with the pension legislation of the Republic of Uzbekistan.

Long-Term Liabilities

Long-term liabilities summarize the Company's obligations to legal entities and individuals due beyond one year. Liabilities denominated in foreign currency are recorded in Uzbek soums, using the exchange rate of the Central Bank of the Republic of Uzbekistan at the date the payment documents are issued.

Charter Capital and Share Premium

Contributions to charter capital in the form of non-monetary assets are recognized at fair value at the date of contribution. Treasury shares repurchased from shareholders are recorded at cost, adjusted for inflation.

Dividends

Dividends are recognized as liabilities and deducted from equity as of the reporting date only if they were declared before or on that date. Information on dividends is disclosed in the financial statements if they were declared before the reporting date or recommended or declared after the reporting date but before the approval of the financial statements. In such cases, they are reflected as a decrease in other comprehensive income.

Insurance Activities of the Company

In accordance with IFRS 17, an entity's activities are considered predominantly insurance-related if, and only if:

(a) the carrying amount of its liabilities arising from contracts within the scope of IFRS 17 — including any deposit components or embedded derivatives separated from insurance contracts — is significant relative to the total carrying amount of its liabilities; and
(b) the ratio of the carrying amount of insurance-related liabilities to the total carrying amount of all liabilities is:
(i) greater than 90%; or
(ii) more than 80% but not exceeding 90%, and the insurer is not engaged in significant non-insurance business activities.

In accordance with IFRS 17, insurance liabilities include:
(a) obligations arising from contracts within the scope of IFRS 17;
(b) obligations under investment contracts that are not derivatives and are measured at fair value through profit or loss in accordance with IAS 39 (including those designated by the entity as measured at fair value through profit or loss, for which the insurer applies IFRS 9 presentation requirements regarding profit and loss amounts); and
(c) obligations arising from the insurer entering into or fulfilling obligations under the contracts mentioned in (a) and (b).

Examples of such obligations include derivative instruments used to mitigate risks related to such contracts, as well as assets backing such contracts; applicable tax obligations, such as deferred tax liabilities on taxable temporary differences related to obligations under such contracts; issued debt instruments included in the insurer's regulatory capital; and obligations for wages and other forms of compensation to employees involved in insurance activities.

The Company does not engage in any significant non-insurance activities that generate income or expenses.

The Company is subject to all regulatory requirements applicable to insurers and considers insurance risk to be its core business risk. Furthermore, the Company has not identified any quantitative or qualitative factors (or both), including publicly available information, indicating that regulators or other users of the Company's financial statements classify the Company under a different industry category.

The Company does not carry out life insurance operations.

Insurance Reserves

The assumptions that most significantly influence the assessment of insurance reserves include loss development factors and expected loss ratios calculated based on data from recent loss occurrence years. The loss development factor represents the relative increase in cumulative paid claims from one development period to the next. The expected loss ratio is the ratio of expected claim amounts to earned insurance premiums.

In determining the total liability, future cash flows are projected using actuarial assumptions related to parameters that may influence the amount of an individual insurance payment (e.g., claim frequency, insurance risks such as accidental bodily harm, long-term effects, recovery time, and the period between the claim occurrence and settlement dates).

The Company's insurance technical reserves are subject to an annual actuarial valuation at the end of each reporting period.

Fair Value

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 in the principal market at the measurement date, or, in the absence of such a market, in the most advantageous market accessible to the Company on that date. Fair value of a liability reflects the risk of non-performance.

Recognition and Classification of Insurance Contracts

Contracts under which the Company accepts significant insurance risk from another party (the "policyholder") by agreeing to compensate the policyholder or another beneficiary if a specified uncertain future event (the "insured event") adversely affects the policyholder or beneficiary are classified as insurance contracts.

Insurance risk is considered a risk other than financial risk. Financial risk refers to the risk of a possible future change in one or more specified variables, such as interest rates, security prices, commodity prices, exchange rates, price or rate indexes, credit ratings or credit indexes, or another variable, provided that, in the case of a non-financial variable, it is not specific to a party to the contract. Insurance contracts may also transfer some financial risk.

Insurance risk is deemed significant only if the occurrence of the insured event would result in the Company having to make significant insurance payments.

Once a contract is classified as an insurance contract, it remains so until all rights and obligations under it are extinguished or expired. Contracts in which the insurance risk transferred from the policyholder to the Company is not significant are classified as financial instruments. Contracts entered into by the Company that do not transfer significant insurance risk and do not give rise to financial assets or financial liabilities, under which services are provided in exchange for consideration, are recognized as service contracts.

Recognition, Classification, Measurement, Subsequent Measurement, Impairment Testing, and Derecognition of Insurance Liabilities (excluding life insurance)

As of each reporting date, the Company assesses whether its insurance liabilities (insurance reserves less deferred acquisition costs and relevant intangible assets acquired through business combinations or portfolio transfers) are adequate. The adequacy test uses current best estimates of all future cash flows from existing contracts and related claims settlement expenses. If a deficiency is identified, the Company writes off the corresponding deferred acquisition costs and intangible assets and, if necessary, establishes an additional reserve. The deficiency is recognized in profit or loss for the year.

Recognition, Measurement, Derecognition, and Impairment Testing of Reinsurance Assets; Composition and Definition of Reinsurance Assets

The Company establishes insurance reserves covering claims incurred before the reporting date based on best estimate principles. The best estimate of the reinsurer's share of insurance reserves represents the probability-weighted average of future recoveries from the reinsurer (expenses) less the probability-weighted average of future payments to the reinsurer (income), based on existing reinsurance agreements.

Amounts recoverable under reinsurance contracts are tested for impairment at each reporting date. Such assets are impaired if, as a result of an event occurring after initial recognition, there is objective evidence that the Company may not recover the full amount due, and the recoverable amount can be measured reliably.

Only receivables under contracts that transfer significant insurance risk to the reinsurer are recognized as reinsurance assets. Receivables under contracts that do not transfer significant insurance risk are recognized as financial instruments.

Recognition and Subsequent Accounting of Insurance and Reinsurance Premiums

Net insurance premiums include premiums under insurance contracts entered into during the year and are recognized on an accrual basis in the current reporting period, regardless of whether they relate fully or partly to future periods. Premiums are recognized net of commissions paid to intermediaries.

The earned portion of written premiums is recognized as income. Premium income is accrued evenly over the term of the insurance contract, starting from the date the risk is accepted and continuing throughout the period of coverage.

Premiums under reinsurance contracts are recognized as expenses evenly over the term of the reinsurance contract. Unexpired portions of reinsurance premiums are recognized as prepaid expenses.

Accounting for Insurance and Reinsurance Premium Income and Expenses

The Company maintains accounting records of income and expenses related to insurance and reinsurance premiums for each line of business.
Income and expenses from insurance premiums under insurance contracts include:

- Insurance premiums (contributions) receivable from policyholders under concluded insurance contracts;
- Increases or decreases in insurance premiums (contributions) due to changes in terms or cancellation of insurance contracts;
- Reductions in insurance premiums due to erroneously accrued premiums (contributions) under insurance contracts;
- Accruals recognized as income or expenses related to insurance contracts pertaining to the reporting period, for which the insurer did not have reliable information as of the financial statement reporting date due to the delayed receipt of source accounting documents.

Recognition and Subsequent Accounting of Insurance Claims, Reinsurance Claims, and Reinsurers' Share in Claims

Insurance claims under insurance contracts represent expenses incurred by the Company in connection with payments made to the policyholder, insured person, or beneficiary as a result of an insured event. Insurance claims under insurance contracts include:

- Amounts of insurance indemnities paid under insurance contracts due to the occurrence of insured events;
- Costs of repairs or restoration of property damaged as a result of an insured event, carried out in accordance with the insurance contract and applied against the insurance claim;
- Insurance claim payments to policyholders (beneficiaries, insured persons or their heirs) made based on a court decision, excluding additional amounts awarded by the court such as legal costs, compensation for moral damages, state duty, and other expenses;
- Insurance claim payments to policyholders (beneficiaries, insured persons or their heirs) made at the end of the reporting period on a non-acceptance basis pursuant to a writ of execution, when the insurance contract and insured event cannot be identified;
- Amounts withheld from insurance indemnities or from insurance payouts to offset the policyholder's outstanding insurance premium liabilities;
- Withheld taxes from insurance claims in accordance with the laws of the countries where the partners are registered.

The reinsurers' share in insurance claims represents income to the Company in the form of compensation for claims paid by the Company under insurance contracts that were ceded to reinsurers.

Composition and Classification of Acquisition Costs. Recognition of Acquisition Expenses and Income

Acquisition costs under insurance contracts are classified into direct and indirect costs.
Direct acquisition costs are variable expenses incurred by the insurer upon the conclusion or renewal of specific insurance contracts.

Indirect acquisition costs are variable expenses aimed at the conclusion or renewal of insurance contracts, which cannot be directly attributed to specific contracts but are related to the promotion or stimulation of sales of specific products. A correlation between indirect expenses and the growth in revenue (insurance premiums) from such products can be established.

Direct acquisition costs under insurance contracts are recognized when contractual relationships with intermediaries exist or other conditions create obligations to pay remuneration, and when the amount of remuneration can be reliably measured. The date of recognition of direct acquisition costs corresponds to the date of recognition of the insurance premium under the related insurance contracts. If there is uncertainty regarding the conclusion of the insurance contract, direct acquisition costs are recognized on the date when such costs are deemed incurred.

Direct acquisition costs in the form of remuneration for the conclusion or renewal of short-term insurance contracts are recognized in full in accordance with the terms of the agreements with intermediaries. For long-term insurance contracts, they are recognized proportionally to the insurance premium.

The Company capitalizes direct acquisition costs under insurance contracts. Capitalized acquisition costs include only commissions paid to insurance agents, brokers, and other intermediaries for the conclusion or renewal of insurance contracts, provided it is possible to determine what portion of the expenses relates to the conclusion or renewal of a specific contract or group of insurance contracts.

Acquisition income includes income in the form of reinsurance commissions under reinsurance contracts. Reinsurance commissions under ceded reinsurance contracts are recognized on the date of recognition of the ceded insurance premium, in the amount stipulated in the reinsurance agreement.

Recognition of Subrogation and Recovery Income

Expected recoveries received through subrogation and recourse claims are recognized separately as assets. The valuation of such recoveries is performed similarly to the valuation of outstanding claims.

Subrogation and recovery income iş included in total income, with additional disclosure provided.

Recognition of Income from the Sale of Salvage (Abandonment)

The Company does not conduct property insurance operations that would result in the receipt of salvageable property following claim settlements.

Period Expenses

Expenses not directly related to the insurance process are recognized in the accounts as period expenses at the moment they are incurred.

Financial Income and Expenses

Financial income includes interest income on invested funds (including loans issued), effects of discounting financial instruments, and positive foreign exchange differences on foreign currency assets.

Interest income is recognized in the statement of comprehensive income as it accrues, and is calculated using the effective interest rate method.

Financial expenses include interest expenses on borrowings, negative foreign exchange differences on foreign currency assets, and bank commissions. Interest expenses are recognized as they accrue and are calculated using the effective interest rate method.

Foreign exchange gains and losses resulting from changes in exchange rates are presented on a net basis.

Taxation

Income tax expense or benefit includes current and deferred tax and is reflected in the statement of comprehensive income.

Income tax is accounted for in the financial statements in accordance with the applicable legislation of the Republic of Uzbekistan. Current tax payments are calculated based on the unified tax rates in effect during the reporting period.

Current tax amounts represent the amounts payable to or receivable from the budget due to taxable profit or losses in the current or previous period. If financial statements are authorized for issue before the relevant tax returns are filed, the reported tax amounts are based on estimated data.

5. Cash and cash equivalents

	December 31, 2023 year	December 31, 2022 year
Cash on current account	1 909 214,8	1 967 162
Cash on foreign currency account	1 883 242,7	292 305
Total cash and cash equivalents	**3 792 457,5**	**2 259 468**

The Company has cash in Uzbek sums and in foreign currency held on accounts with TGRF Uzpromstroibank, JSCB Universal Bank, JSCB Tenge Bank, Asakabank Yunusabad, Ipoteka Bank Mehnat. Branch, AT Alokabank in the Republic of Uzbekistan.

Foreign currency funds are kept on the currency account in TGRF Uzpromstroybank in the amount of 118792.62 US dollars at the rate of UZS 12,338.77 per 1 dollar, 3,061,654.82 Russian roubles at the rate of UZS 136.36 per 1 Russian rouble. The calculation of the amount equivalent is made as at 31 December 2023.

6. Short-term investments

	December 31, 2023 year	December 31, 2022 year
Short-term deposits with banks	147 400 000	98 600 000
Other current investments	-	-
Total short-term investments	**147 400 000**	**98 600 000**

The Company has short-term bank deposits with various banks in the Republic of Uzbekistan. All short-term deposits have a maturity of 12 months or less and meet the SPPI test. Interest income is recognised on a monthly basis.

7. Accounts receivable

	December 31, 2023 year	December 31, 2022 year
Accounts receivable for direct insurance in sums due from customers	14,5	41 380
Accounts receivable from insurance agents and brokers	127 714,9	93 412
Accounts receivable for inward reinsurance	3 881 443,1	2 039 625
Receivable on reinsurance risks in amounts of	724 622,3	778 169

Staff indebtedness accounts	405 068,7	176 060
Accounts receivable for interest	1 082 721,7	467 900
Accounts receivable for claims	3 400 734,5	-
Other receivables	773 123,5	222 762
Members of the insurance pool	957,5	31
Allowance for doubtful debts	-	-
Total accounts receivable	**10 396 400,7**	**3 819 339**

Accounts receivable as at 31 December 2023 are not overdue. Therefore, no allowance for doubtful debts was formed.

8. Advances paid

	December 31, 2023 year	December 31, 2022 year
Advances issued to suppliers and contractors against inventories	444 708,3	28137
Allowances for doubtful debts	-	-
Total advances paid	**444 708,3**	**28137**

Balances of advances issued represent prepayments for telephone and internet services, invoices, field telecommunication services, prepayments for actuarial and other services totalling UZS 444708.3 thousand. No provision for doubtful debts was formed, as there is no risk of non-repayment of advances.

9. Advance payments for taxes and levies

	December 31, 2023 year	December 31, 2022 year
Advance payments of taxes and levies to the budget	562 427,7	474 376
Total advance payments for taxes and levies	**562 427,7**	**474 376**

Advance payments of taxes and levies to the budget and state trust funds represent the amount of advance payments to the budget of mandatory payments, which the Company pays based on the results of its activities as at the reporting date.

9.1 Deferred tax asset

	December 31, 2023 year	December 31, 2022 year
Deferred tax asset	-	-
Total deferred tax asset	**-**	**-**

Deferred tax asset (paragraph IAS 12:5) is that part of deferred income tax which should result in a reduction of income tax payable to the tax authorities in the next succeeding or subsequent accounting periods (DTA) is calculated as follows:
TNA = GDT * C, where GDT is the deductible temporary difference. Generated during the transformation
C is the income tax rate.
Due to the Company's full transition to IFRS accounting, there are no temporary differences and TNA balances in 2023.

10. Inventory

	December 31, 2023 year	December 31, 2022year
Fuel and fuels and lubricants	2111,4	3329
Spare parts for motor vehicles	-	75
Inventory and household supplies	54738	60 225
Policies (reporting forms)	89443,0	108 179
Total inventories	**146292,4**	**171 808**

The Company's inventories include fuel, spare parts for vehicles and fuels and lubricants used for motor vehicles, inventory and household supplies intended for use in the process of providing insurance services, as well as accounting forms (policies) required for providing insurance services.

The last inventory in the Company was made as of 01 January 2027, according to the management order No. 216-p dated 26.12.23, which defines the working commissions that directly conduct inventory of inventories in storage locations, and the auditors' opinion on the actual availability of inventories is based on the results of the inventory independently conducted by the Company.

11. Other current assets

	December 31, 2023 year	December 31, 2022year
Amounts due from other debtors	773 123,5	222 762
Allowance for doubtful debts	-	-
Total other current assets	**773 123,5**	**222 762**

No allowance for doubtful debts has been recognised as there is no risk of non-recovery of other receivables.

12. Property, plant and equipment

The following table summarises the value of property, plant and equipment as at 31 December 2023.

Thousands UZS

Indicator	*Buildings and structures*	*Machinery and equipment*	*Transport*	*Other fixed assets (furniture and computer equipment)*	*Construction in progress and equipment*	*Total*
Cost:						

As of 01.01.2023	**0**	**0**	**2 247 980**	**1 029 354**	**0**	**3 277 334**
Acquisitions	0	0	840 953	237 983	0	**1 078 936**
Commissioning						**0**
Capitalised borrowing costs						**0**
Disposals						**0**
As of 31.12.2023	**0**	**0**	**3 088 933**	**1 267 337**	**0**	**4 356 270**
Accumulated amortisation and impairment						
As of 01.01.2023	**0**	**0**	**-1 202 476**	**-520 543**	**0**	**-1 723 019**
depreciation expense for the year			-626 683	-200 766		**-827 448**
Allowance for impairment/recovery of provision						**0**
Disposal						**0**
As of 31.12.2023 г.	**0**	**0**	**- 1 829 159**	**- 721 309**	**0**	**- 2 550 467**
Net carrying amount						
As of 01.01.2023г.	**0**	**0**	**1 045 504**	**508 811**	**0**	**1 554 315**
As of 31.12.2023 г.	**0**	**0**	**1 259 774**	**546 029**	**0**	**1 805 803**

There are no buildings, constructions and transfer devices, as well as objects of the Machinery and Equipment group on the Company's balance sheet as at 31 December 2023.

13. Long-term investments

	December 31, 2023 year	December 31, 2022year
Investments in securities	2 500 000	2 500 000
Other long-term investments	73 100 000	5 555 0000
Total long-term investments	**75 600 000**	**58 050 000**

Long-term securities in the form of bonds were purchased from JSCB 'ASIA ALLIANCE BANK' under contract No. 004156-19/BD dated 30.07.19 in the amount of 2,500 units at nominal value of UZS 1,000 thousand with maturity of 7 years and interest rate of 20%. Payment was made in 2019.
The bonds are classified as held-to-maturity investments.
Other long-term investments represent deposit agreements with banks resident in the Republic of Uzbekistan. The Company has classified the deposit agreements as held-to-maturity investments.
The Company is unable to demonstrate the ability to hold to maturity an investment in a fixed maturity financial asset if:
(a) the entity does not have available financial resources to continue funding that investment to maturity; or
(b) the entity's activities are subject to legal or other restrictions that may impede its intention to hold the financial asset to maturity.
The Company. if one of the conditions described above is met, the non-current investment will be reclassified to a financial asset held for trading and recognised retrospectively in the financial statements in subsequent periods.

14. Capital expenditure

	December 31, 2023 year	December 31, 2022year
Acquisition of property, plant and equipment	1 078 936,	343201,1
Total capital expenditure	-	-

15. Other non-current assets

	December 31, 2023 year	December 31, 2022year
Payments receivable under long-term leases	-	-
Other non-current receivables	-	-
Total other non-current assets	-	-

16. Accounts payable

	December 31, 2023 year	December 31, 2022year
Invoices payable to suppliers and contractorsм	(23 698)	(4 502)
Invoices payable to policyholders	(255 157)	(17 351)
Invoices payable to agents and brokers	(297 467)	(114 873)
Invoices payable for reinsurance premiums in sums payable	(5 657 320,8)	(2 266 604)
Total accounts payable	**(6 233 643,2)**	**(2 403 330)**

17. Short-term borrowings

	December 31, 2023 year	December 31, 2022year
Short-term loans	-	-
Total short-term borrowings	-	-

18. Arrears of payments to the budget

	December 31, 2023 year	December 31, 2022year
Arrears of payments to the budget	(487610,7)	(496893)
Total arrears of payments to the budget	**(487610,7)**	**(496896)**

The Company is a taxpayer of general statutory taxes in accordance with the legislation of the Republic of Uzbekistan. These arrears of payments to the budget arose in the normal course of business during the reporting period and, accordingly, are recognised in the statement of comprehensive income.

19. Arrears of extrabudgetary payments

	December 31, 2023 year	December 31, 2022year
Debt on extra-budgetary funds (social tax and withholdings to the trade union)	(56544,9)	(23735)
Total arrears of extrabudgetary payments	**(56544,9)**	**(23735)**

20. Advances received

	December 31, 2023 year	December 31, 2022year
Advances received on direct insurance contracts	(971223,2)	(657573)
Total advances received	**(971223,2)**	**(657573)**

At the reporting date, advances received represent payments for services rendered.

21. Settlements with personnel

	December 31, 2023 year	December 31, 2022year
Settlements with labour remuneration personnel	(1 191 605,7)	(905855)
Provision for leave (current estimated liabilities)	(175 582,4)	(112 216)
Total settlements with personnel	**(1 367 188,1)**	**(1 018 071)**

Payments to personnel represent accrued but unpaid basic salary to the Company's employees, bonuses stipulated by the labour remuneration system and other compensatory payments. These accruals have been subject to appropriate taxes and, accordingly, are tax free in the territory of operation.
The Company has accrued short-term estimated liabilities (leave reserve) for the period 2022.

22. Other current liabilities

	December 31, 2023 year	December 31, 2022year
Dividends payable	-	-
Indebtedness to departing founders according to their shares	-	-
Other liabilities	(7362155,7)	(3 839 257)
Obligations of the insurance POOL	-	(1415)
Total other current liabilities	**(7 362 155,7)**	**(3 840 672)**

23. Reserves and reinsurers' share in non-life insurance reserves

	December 31, 2023 year	December 31, 2022year
RNP reserve for unearned premiums	(148 292 640,3)	(90 793 282)
IBNR reserve for unresolved losses incurred	(27 504 611,6)	(25 927 605)
RPM reserve for preventive measures	(60 955,9)	(260 774)
Stabilisation reserves	(28183,8)	(365 968)
Share of reinsurers in RNP	21 469 230,9	15 925 633
Reinsurers' share in IBNR	3 141 475,6	4 410 236
ROM	(155 290,7)	-
Total insurance reserves	**(151 630 975,8)**	**(97 011 760)**

As at 31 December 2023, the adequacy of reserves under non-life insurance contracts was assessed. As a result, the reserve adequacy review of non-life insurance contracts as at 31 December 2023 showed that reserves under non-life insurance contracts are adequate.

24. Authorised capital

The Charter of the Company was approved and registered in accordance with the established procedure at the Unified Centre for provision of state services to business entities on the principle of 'one window' dated 29.11.2018.

In accordance with the Minutes of the regular General Meeting of Founders dated 18.05.2021, the authorised capital of the company was increased to 38,600,000,000) soums and, as of the date of the financial statements, is fully formed from the retained earnings of previous years and the founder's cash.

In accordance with the Minutes of the shareholders' meeting dated 17.01.2022, the prospectus of issue of ordinary shares with nominal value of UZS 1,000 in the amount of 38,600,000 shares was agreed with JSCB "UzPSB" on 17.01.22 and registered by the Ministry of Finance of RUz on 28.01.22 under No. P0934.

In accordance with the Minutes of the shareholders' meeting dated 24.05.2022, the authorised capital of the company was increased to 45,501,750,000 UZS and, as of the date of the financial statements, is fully formed at the expense of retained earnings of previous years.
In accordance with the Minutes of the shareholders' meeting dated 10.05.2023, the authorised capital of the company was increased to UZS 53,085,375,000 and, as at the date of the financial statements, is fully formed at the expense of retained earnings of previous years.

The new prospectus of issue of ordinary shares with nominal value of UZS 1,000 in the amount of 7,583,625 shares was agreed with JSCB 'UzPSB' on 10.05.23 and registered with the Ministry of Economy and Finance of the Republic of Uzbekistan on 02.06.23 under No. P0934-3.

The Founder is entitled to receive dividends as and when declared, which are distributed by one member.

25. Added and reserve capital

The Company has no added capital as at 31 December 2023.
The reserve fund of the Company as of 31 December 2023 amounts to UZS 1,305,469 thousand.

The general purpose reserve fund is created for the purpose of: covering losses of the Company, possible as a result of its activities; increasing the authorised capital. The general purpose reserve fund is formed at the expense of profit of the reporting year remaining at the disposal of the Company after payment of taxes and other obligatory payments.

According to the Law 'On Joint Stock Companies and Protection of Shareholders' Rights', the Company is obliged to create a reserve fund in the amount provided for by the charter of the company, but not less than fifteen per cent of its authorised fund (charter capital). The reserve fund of a company shall be formed by annual deductions from net profit until it reaches the amount established by the charter of a company. The amount of annual deductions shall be stipulated by the charter of a company, but cannot be less than five per cent of net profit until reaching the amount established by the charter of a company.

26. Retained earnings

	2023 year	2022 year
Balance as at 1 January	13 366 452,5	8 617 384
Net profit for the reporting period	17 647 326,4	13 365 259

Dividends and premiums paid	(12 697 613,2)	(8 187 150)
Other comprehensive income - Other comprehensive income Contributions to the reserve fund for the period	(668 262,9)	(429 040)
Balance as at 31 December	**(17 647 902,8)**	**(13 366 453)**

The Company maintains its accounting records in accordance with the requirements of the legislation of the Republic of Uzbekistan. These financial statements have been prepared from those accounting records and adjusted as necessary to comply with all material aspects of IFRS.

The amount of the Company's net profit according to the financial statements prepared in accordance with IFRS rules for 2023 was UZS 17,647,326.4 thousand.

The amount of accrued dividends according to the Minutes of the Shareholders' Meeting dated 10.05.23 was UZS 12,697,613.2 thousand, including those directed to increase the Authorised Capital - UZS 7,583,625 thousand.

As of 31 December 2023, retained earnings of the Company in accordance with IFRS amounted to UZS 17,647,902.8 thousand.

Only accumulated retained earnings of the Company according to the financial statements prepared in accordance with IFRS rules may be distributed as dividends. In accordance with the legislation of the Republic of Uzbekistan undistributed profit is the profit of the current year and previous years remaining at the disposal of the Company after payment of dividends, taxes and contributions to various funds.

27. Income from sales of insurance services

	2023 year	2022 year
Insurance premiums	125 151 473	64 358 054
Reinsurance premiums	(17 617 756,4)	(13 391 403)
Insurance premiums under contracts accepted for reinsurance	10 394 946,2	13 839 720
Amounts of compensation received for recourse claims	10 193 080,8	5 301 475
Income from compensation of losses on risks ceded to reinsurance and retrocession	4 879 873,9	6 293 639
Other income from insurance operations	3 817 282,8	2 047 402
Changes in insurance reserves	(54 619 033,8)	(25 148 269)
Net premiums earned	**82 199 866,5**	**53 300 616**

Income from the sale of work and services is recognised when the work is performed and settlement documents (invoices) are presented to the buyer (customer).

28. Acquisition costs and insurance benefits

	2023 year	2022 year
Acquisition costs	(45 995 899,2)	(27 778 785,5)
Insurance payments	(28 056 930,3)	(19 835 222)
Total cost of insurance services	**(74 052 829,5)**	**(47 614 008)**

Acquisition expenses consist of remuneration to insurance agents, remuneration to insurance brokers, labour costs and accrued insurance contributions to the state non-budgetary fund, obligatory insurance of OSGOR, according to the legislation of the Republic of Uzbekistan and other expenses.

29. Other income from operating activities

	2023 year	2022 year
Other operating income	28521,6	26648,4
Total other operating income	**28521,6**	**26648,4**

30. Administrative expenses

	2023 year	2022 year
Selling expenses	(397 113,3)	(325 516)
Administrative expenses	(19 006 763,4)	(11 957 224)
Other operating expenses	(1 366 463,7)	(788047)
Total administrative expenses ы	**(20 770 340,4)**	**(13 070 787)**

The Company's administrative expenses mainly consist of the following items:

Advertising products
Expenses for fuel and car parts
Remuneration to members of the supervisory board
Property insurance
Personnel expenses
Social security contributions
Depreciation of fixed assets
Payments to insurance agents
Travel expenses
Consulting/audit services
Holiday allowance
Bank services
Staff training costs
Membership fees
Computer software development
Other expenses

31. Income from financing activities

	2023 year	2022 year
Interest income	33 175 009,6	23 091 652
Dividend income	-	-
Foreign exchange gains on foreign exchange difference	207 267	59 492
Total income from financing activities	**33 382 276,6**	**23 151 144**

32. Expenses from financing activities

	2023 year	2022 year

Foreign exchange losses	(28 220)	(85 638)
Other expenses on financial activities	-	-
Total expenses from financing activities	**(28 220)**	**(85 638)**

33. Income tax expense (income) recognised in profit (loss) by component

	2023 year	2022 year
Income tax	3 111 948,4	2 342 717,2

The current income tax rate applicable to profit before tax in 2023 is 15 per cent.

34. Risk management

The primary objectives of financial risk management are to establish risk limits, and then ensure that exposure to risks stays within these limits. The assessment of risk exposure also serves as a basis for optimal risk-based capital allocation, transaction pricing and performance evaluation. The risk management function is intended to ensure proper functioning of internal policies and procedures to minimise operational and legal risks.

The Company's risk management is carried out in respect of the following financial risks:

a) Liquidity risk; b) Geographical risk; c) Currency risk.

a) Liquidity risk - Liquidity risk is the risk that the maturities of assets and liabilities do not match.

Liquidity assessment is carried out:
- depending on the number of assets available to the Company and possible terms of their realisation without significant losses for the Company;
- depending on the available liabilities, terms until their repayment and dynamics of changes in the number of liabilities over time.

A position is considered risky if the Company's liquid assets and the forecasted inflow of financial resources are insufficient to fulfil obligations in a certain period of time.

The liquidity analysis system is based on the method of assessing the gap in the maturity of the Company's assets and liabilities, for which liquidity surplus (deficit) indicators and ratios are calculated.

Liquidity risk management includes the following procedures:
- forecasting payment flows in the context of the main types of currencies and determining the required amount of liquid assets;
- monitoring of liquidity ratios and their forecasting;
- maintaining diversified sources of resources;
- planning actions to restore the required level of liquidity in unfavourable and crisis conditions;
- redistribution of assets by maturity.

Currency risk

The Company for the period of 2023 was not exposed to currency risk, which is the risk of loss due to unfavourable changes in foreign currency against the national currency. As at 31 December 2023, the statement of financial position of the Company reflects cash denominated in foreign currency in the amount of USD 118792.67, the sum equivalent of UZS 1,465,755.4 thousand, RUB 3,061,654.82, the sum equivalent of UZS 417,487.3 thousand for the determination of which the exchange rate of the Central Bank of the Republic of Uzbekistan effective as at 31 December 2023 was used.

35. Contingent liabilities

Tax legislation

Due to the presence in Uzbek tax legislation of provisions allowing for ambiguous interpretation, management's judgement of the Company's business activities may not coincide with that of the tax authorities. Based on the foregoing, if a particular transaction is challenged by the tax authorities, the Company may be assessed additional taxes, penalties and interest.
Existing tax legislation generally addresses the tax consequences of transactions based on their legal form and accounting treatment under national accounting and reporting rules. Accordingly, the Company may structure its transactions so as to utilise the opportunities provided by tax legislation to reduce the overall effective tax rate. The Company's management believes that the restructuring of taxable income and deductible expenses will not give rise to additional tax liabilities. Accordingly, the Company's management has not recognised a provision for a potential tax liability in respect of these transactions. Legal Proceedings - From time to time, in the course of the Company's day-to-day operations, claims against the Company are filed with the courts. Based on its own assessment and the advice of internal and external professional consultants, the Company's Management believes that the proceedings will not result in significant losses for the Company. In the opinion of the Company's Management, there are currently no current legal proceedings or claims that could have a material adverse effect on the Company's results of operations or financial position. Economic Situation - Developing markets, including the Republic of Uzbekistan, are subject to economic, social, legal and legislative risks that differ from those of more developed countries. As has happened before, perceived or actual financial difficulties in developing countries or an increase in the level of perceived risks of investing in these countries may adversely affect the economy and investment climate of the Republic of Uzbekistan. Laws and regulations governing business in the Republic of Uzbekistan are still subject to change. There is a possibility of different interpretations of tax, currency and customs legislation, as well as other legal and fiscal problems faced by business entities operating in the Republic of Uzbekistan. The future direction of development of the Republic of Uzbekistan largely depends on the measures of economic, tax and monetary policy of the state, adopted laws and regulations.

36. Fair value of financial instruments

Fair value is the amount of consideration for an asset or liability between knowledgeable, arm's length parties acting in good faith. Fair value is best evidenced by a quoted market price for a financial instrument.
The estimated fair values of financial instruments have been determined by the Company using available market information, where it exists, and appropriate valuation methodologies. However, judgment is required to interpret market information to determine fair value. Since the economy of the Republic of Uzbekistan continues to display some characteristics of an emerging market and economic conditions continue to limit the volume of activity in the financial markets, quoted market prices may be out of date or reflect distressed trading prices and therefore not reflect fair value of financial instruments. Management uses all available market information in determining fair value of financial instruments.

Financial instruments carried at fair value – Changes in the fair value of financial assets and liabilities through profit or loss are recorded in the statement of financial position at fair value. Fair value is calculated based on quoted market prices. For some financial assets, there are no external independent market quotes, the fair value of these assets was determined by the Company based on other valuation techniques. Cash and cash equivalents are stated at amortized cost, which approximates their current fair value.

Held-to-maturity financial assets - The fair value of held-to-maturity financial assets is calculated based on quoted market prices. The Company estimates the fair value of other financial assets, including trade and business receivables, equal to their carrying amount, taking into account the short-term nature of the debt.

Liabilities stated at amortized cost - The fair value of these liabilities is based on market prices, if any. The estimated fair value of fixed rate instruments with stated maturity that do not have a market price is based on discounted cash flows using interest rates for new instruments with similar credit risk and similar maturity. The fair value of liabilities repayable on demand or upon advance notice ("liabilities repayable on demand") is calculated as the amount payable on demand, discounted from the first date the liability could potentially be called upon to be settled.

37. Related party transactions

For the purposes of these financial statements, parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operational decisions, as set out in IAS 24 Related Party Disclosures. When considering all possible related party relationships, the substance of the relationship, not just its legal form, is taken into account. Related parties may engage in transactions that unrelated parties could not, and these transactions between related parties are not subject to the terms and amounts that unrelated parties would have. Related parties of the Company are its participant and members of the Executive Body.

Transactions with founders

	In thousands UZS	
	2023	**2022**
Paid dividends "UZSANOATKURILISHBANK" ATB MAIN OFFICE	(3 448 500)	(204 250)
replenishment of the authorized capital of "UZSANOATKURILISHBANK" ATB MAIN OFFICE	7 583 625	6 901 750

38. Events after the reporting date

The Company's management believes that certain events in the economy of the republic and changes in the tax legislation of the Republic of Uzbekistan in 2024 are not adjusting events for the Company based on the results of operations in 2023 and do not require disclosures in the financial statements for 2023 as part of events after the reporting date.
In the opinion of the Management, the increase in the inflation rate and the US dollar exchange rate, as well as global political and economic changes, did not significantly affect the 2023 reporting.

M.Gulbayev
Director
MASLAHATAUDIT-M LLC