Joint Venture
"Euroasia Insurance"
Joint Stock Company

Consolidated Financial Statements
for the year ended December 31, 2024 and the
Independent Auditor's Report.

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STATEMENT OF MANAGEMENT'S RESPONSIBILITIES FOR THE PREPERATION AND APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

Management is responsible for the preparation of the consolidated financial statements that fairly present the financial position of JV "Euroasia Insurance" JSC and its subsidiaries (the "Group") as at 31 December 2024, and the results of its operations, cash flows and changes in equity for the year ended, accordance with International Financial Reporting Standards ("IFRSs").

In preparing the consolidated financial statements, management is responsible for:

- properly selecting and applying accounting policies;
- presenting information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- providing additional disclosures when compliance with the specific requirements in IFRS are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Group's consolidated financial position and consolidated financial performance; and
- making an assessment of the Group's ability to continue as a going concern.

Management is also responsible for:

- designing, implementing and maintaining an effective and sound system of internal controls throughout the Group;
- maintaining adequate accounting records that are sufficient to show and explain the Group's transactions and disclose with reasonable accuracy at any time the financial position of the Group, and which enable them to ensure that the consolidated financial statements of the Group comply with IFRSs;
- maintaining statutory accounting records in compliance with Uzbekistan legislation and accounting standards;
- taking such steps as are reasonably available to them to safeguard the assets of the Group; and
- preventing and detecting fraud and other irregularities.

The consolidated financial statements for the year ended 31 December 2024 were authorized for issue by the Management Board of the Group on 16 June 2025.

Abdukakhkhatov T.Sh.	Kholmatov D.M.
General Director	Chief Accountant

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders and the Supervisory Board
JV "EUROASIA INSURANCE" JSC

Opinion

We have audited the consolidated financial statements of Joint Venture "Euroasia Insurance" Joint Stock Company and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as at December 31, 2024, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year 2024, and the 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, 2024, and its consolidated financial performance and consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs").

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the consolidated financial statements in the Republic of Uzbekistan, and we have fulfilled our other ethical responsibilities 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 opinion.

Responsibility of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism 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 auditors' 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 auditors' 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..

We communicate with those charged with governance to inform them of, among other things, the planned scope and timing of the audit and significant audit observations, including significant deficiencies in internal control that we identify during our audit.

Yulchiev N.N.
Audit Director
Auditor Qualification Certificate No. 05206 dated April 26 2014

Jumaboev T.G.
Qualified auditor
Auditor Qualification Certificate No. 06066 dated August 21 2022

Grant Thornton AO LLC

Grant Thornton AO LLC
June 16, 2025
Tashkent, Republic of Uzbekistan

JV Euroasia Insurance JSC
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED DECEMBER 31, 2024

In thousands of UZS	Notes	2024	2023
Insurance Revenue	4	105 902 689	95 095 579
Insurance service expense	5	(37 326 589)	(59 460 763)
Net income or expense from reinsurance contracts held		(10 799 908)	(8 477 620)
Insurance Service Result		**57 776 192**	**27 157 196**
Administrative expenses	6	(44 558 623)	(19 005 547)
Other expenses	7	(20 974 546)	(266 614)
Other income		7 377 975	16 719 650
Profit/(loss) from operating activities		**(379 002)**	**24 604 685**
Finance income	11	8 559 135	7 452 916
Other finance income/(costs)		(245 641)	(2 446 769)
Insurance finance expenses		(13 365 246)	(16 112 829)
Profit from disposal of subsidiary		6 401 091	-
Net finance income / (costs)		**1 349 339**	**(11 106 682)**
Profit before income tax		**970 337**	**13 498 003**
Income tax	8	(2 656 527)	(3 933 873)
Profit for the year		**(1 686 190)**	**9 564 130**
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss:			
Revaluation gain		-	81 066 390
Related income tax		-	(12 159 958)
Other comprehensive income for the year		-	**68 906 432**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**(1 686 190)**	**78 470 562**

Approved and signed on behalf of the Group's Management on June 16, 2025.

Abdukakhkharov J.Sh.
General Director

Kholmatov D.M.
Chief Accountant

The notes on pages 11 to 47 form an integral part of these consolidated financial statements.

JV Euroasia Insurance JSC
CONSOLIDATED STATEMENT OF FINANCIAL POSITION FOR THE YEAR ENDED DECEMBER 31, 2024

In thousands of UZS	Notes	December 31 2024	December 31 2023
Assets			
Property, plant and equipment	12	102 643 399	140 978 024
Investment in associates	13	10 709 126	723 126
Other investments		693 567	7 709 640
Total non-current assets		**114 046 092**	**149 410 790**
Advances paid		7 248 003	26 362 263
Funds in the bank	10	62 573 975	29 096 574
Trade and other receivables	14	19 784 272	43 741 120
Cash and cash equivalents	9	1 985 298	2 390 076
Reinsurance contract asset	17	24 574 802	28 150 155
Total current assets		**116 166 351**	**129 740 188**
TOTAL ASSETS		**230 212 443**	**279 150 978**
Equity			
Charter capital	19	86 808 582	66 620 386
Revaluation surplus		63 232 222	68 906 432
Accumulated deficit		(26 163 828)	(24 477 638)
Total equity		**123 876 976**	**111 049 180**
Liabilities			
Loans and borrowings	20	1 346 662	13 572 647
Other long-term liabilities		-	203 690
Deferred income tax liability	8	9 802 517	9 290 650
Total non-current liabilities		**11 149 179**	**23 066 987**
Loans and borrowings	20	846 480	4 936 000
Trade and other payables	15	6 638 748	10 938 884
Insurance contract liabilities	18	87 701 060	129 159 927
Total current liabilities:		**95 186 288**	**145 034 811**
TOTAL LIABILITIES		**106 335 467**	**168 101 798**
TOTAL LIABILITIES AND EQUITY		**230 212 443**	**279 150 978**

Approved and signed on behalf of the Group's Management on June 16, 2025.

Abdukakhkharov I.Sh.
General Director

Kholmatov D.M.
Chief Accountant

The notes on pages 11 to 47 form an integral part of these consolidated financial statements.

JV Euroasia Insurance JSC

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED DECEMBER 31, 2024

In thousands UZS	Charter capital	Revaluation surplus	Accumulated deficit	Total equity
As at January 1, 2023	**66 620 386**	**-**	**(34 041 768)**	**32 578 618**
Net profit for the year	-	-	9 564 130	9 564 130
Revaluation gain	-	81 066 390	-	81 066 390
Related income tax	-	(12 159 958)	-	(12 159 958)
Total comprehensive income for the year	**-**	**68 906 432**	**9 564 130**	**78 470 562**
Increasing charter capital	-	-	-	-
Dividends declared	-	-	-	-
As at December 31, 2023	**66 620 386**	**68 906 432**	**(24 477 638)**	**111 049 180**
Net loss for the year	-	-	(1 686 190)	(1 686 190)
Comprehensive income for the year	-	-	-	-
Total comprehensive loss for the year	**-**	**-**	**(1 686 190)**	**(1 686 190)**
Increasing share capital	20 188 196	-	-	20 188 196
Disposal of Subsidiary	-	(2 306 544)	-	(2 306 544)
Disposal of PPE revaluation	-	(3 961 960)	-	(3 961 960)
Related income tax	-	594 294	-	594 294
As at December 31, 2024	**86 808 582**	**63 232 222**	**(26 163 828)**	**123 876 976**

Approved and signed on behalf of the Group's Management on June 16, 2025

Abdukakhkharov I.Sh.
General Director

Kholmatov D.M.
Chief Accountant

The notes on pages 11 to 47 form an integral part of these consolidated financial statements.

JV Euroasia Insurance JSC

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2024

In thousands of UZS	December 31 2024	December 31 2023
Cash flows from operating activities		
(Loss) / Profit for the year	(1 686 190)	9 564 130
Adjustments:		
Depreciation of property, plant and equipment	7 847 660	3 810 220
Provision for unused vacations	185 701	71 539
Allowance for cash and cash equivalents to cover expected credit losses	91 569	112 393
Income tax expense	2 656 527	3 933 873
Finance income	(8 559 135)	(7 452 916)
Finance costs	245 641	2 446 769
Gain/(loss) from foreign exchange rate	-	-
Cash flows from operating activities before changes in working capital	**781 771**	**12 486 009**
Changes in working capital:		
Decrease/(increase) in trade and other receivables	56 407 065	(24 009 022)
Decrease/(increase) trade and other payables	(44 838 539)	(27 633 983)
Decrease/(increase) funds in the bank	(33 568 969)	31 739 559
Cash flows from/ (used in) operations before income taxes and interest paid	**(21 218 672)**	**(7 417 437)**
Income tax paid	(3 389 233)	(340 887)
Net cash flows from operating activities	**(24 607 905)**	**(7 758 324)**
Cash flows from investing activities		
Proceeds from sale of property, plant and equipment	3 812 631	2 706 122
Acquisition of property, plant and equipment	(6 090 738)	(16 298 086)
Net cash used in investing activities	**(2 278 107)**	**(13 591 964)**
Cash flows from financing activities		
Receipt of loans and borrowings	8 689 440	19 322 932
Repayment of loans and borrowings	(23 163 106)	(1 750 000)
Interest paid	(709 978)	(792 936)
Increasing charter capital	20 188 196	-
Disposal of a subsidiary	25 463 411	-
Revaluation reserve write-off on disposal of property, plant and equipment	(3 961 960)	-
Net cash flows from financing activities	**26 506 003**	**16 779 996**
Net increase/(decrease) in cash and cash equivalents	**(380 009)**	**(4 570 292)**
Cash and cash equivalents at the beginning of the year	**2 390 076**	**7 046 676**
Effect of exchange rate changes on cash and cash equivalents	(24 769)	(86 308)
Cash and cash equivalents at the end of the year	**1 985 298**	**2 390 076**

Approved and signed on behalf of the Group's Management on June 16, 2025

O'ZBEKISTON RESPUBLIKASI EUROASIA INSURANCE J.V. JSC
EUROASIA INSURANCE

Abdukakhkharov I.Sh.
General Director

Kholmatov D.M.
Chief Accountant

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024 (in thousands of UZS)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR 2024

1. ORGANIZATION

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards for the year ended December 31, 2024 for JV EUROASIA INSURANCE JSC (hereinafter referred to as the "Company") and its subsidiaries (hereinafter referred to as the "Group").

- The parent company, Euroasia Insurance JSC (hereinafter referred to as the "Company"), has been operating in the insurance market since 1998, formerly under the name Toshkent Sug'urta Insurance Company. The Company holds a licence for both compulsory and voluntary general insurance, issued by the Ministry of Finance of the Republic of Uzbekistan on 15 April 2022 (Licence No. 00059).

Registered office and principal place of business: Republic of Uzbekistan, 100017, Tashkent, Yunusabad District, 3A Abdulla Kadiri Street.

In 2022, the Company underwent a reorganisation, during which it transitioned from Euroasia Insurance LLC Joint Venture to Euroasia Insurance JSC Joint Venture. The company's Charter was officially re-registered on 8 January 2022.

- Euroasia Life Insurance JSC (the "Company"), a subsidiary, was established in 2018. The Company holds a licence to conduct life insurance activities issued by the Ministry of Finance of the Republic of Uzbekistan on 5 November 2018 (Licence No. 6-SF) and renewed on 26 December 2019 (Licence No. 256-SF). Additionally, it was granted Licence No. 00018 on 1 July 2021, which has no expiry date. In 2022, the Company underwent reorganisation: it was renamed from Euroasia Life Insurance Company to Euroasia Life Insurance JSC, and its Charter was re-registered on 13 May 2022.

Registered office and principal place of business: Republic of Uzbekistan, 100097, Tashkent, Chilanzar District, 42/1 Bunyodkor Street. The Company's primary services include voluntary life insurance and annuities, marriage and childbirth coverage, long-term life insurance, as well as health insurance.

Legal address and place of business of the Company: Republic of Uzbekistan, 100097, Tashkent city, Chilanzar district, 42/1 Bunyodkor Street. The main types of services offered to customers are voluntary life insurance and annuities, marriage and birth, long-term life insurance, and health insurance. The company provides services in the general insurance industry, namely accident and sickness insurance.

- Estate Investment EL LLC, established in 2021 and registered under its Charter on 7 May 2021, is authorised to conduct a range of integrated services, including leasing retail spaces for commercial operations, leasing non-residential premises, and engaging in investment activities

As of December 31, 2024 and December 31, 2022, the following entities and individuals are founders of the Company and have the following ownership interests:

Participant	Country	December 31. 2024, %	December 31. 2023, %
SHADIYEV BOBUR KOBULOVICH (individual)	Uzbekistan	60,38%	48,39%
INTER CAPITAL	Uzbekistan	25,00%	32,57%
ALLIED CAPITAL HOLDING S.A	Switzerland	9,12%	11,88%
MIRZAMAHMUDOV MUZAFFAR MUXTORALIYEVICH (individual)	Uzbekistan	2,75%	3,58%
KAYUMOV ASLAN PRIMOVICH (individual)	Uzbekistan	2,75%	3,58%
Total		**100.00**	**100.00**

The ultimate controlling beneficiary of the Group is Bobur Kabulovich Shodiev.

The Group's place of business is the Republic of Uzbekistan ("RUz").

As of 31 December 2024, the Group has no subsidiaries (whereas as of 31 December 2023, it had two subsidiaries).

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024 (in thousands of UZS)

Subsidiaries	Country	December 31, 2024, %	August 31, 2024,%	December 31, 2023, %	Type of activity
JCS «Euroasia Life Insurance»	Uzbekistan	29,28	29,28	100	Life insurance
LLC «ESTATE INVESTMENT EL»	Uzbekistan	-	-	99,88	Real estate services

As of June 28, 2024, the Group's ownership interest in the share capital of JSC "Euroasia Life Insurance" decreased to 29.28%. As a result, the Group lost control over the company, and it was reclassified as an associate.

LLC "ESTATE INVESTMENT EL" was a subsidiary of JSC "Euroasia Life Insurance" with a 99.88% ownership interest. Accordingly, the Group also lost control over this company.

As of December 31, 2024, the Company had a total of 15 branches (compared to 53 branches as of December 31, 2023).

2. SIGNIFICANT ACCOUNTING POLICIES

Going concern

These financial statements have been prepared on a going concern basis.

Consolidated Financial Statements. Subsidiaries are those investees, including structured entities, that the Group controls because the Group (i) has power that gives it the ability to direct relevant activities that significantly affect the investee's returns, (ii) is exposed, or has rights, to variable returns from its involvement with the investee and (iii) has the ability to use its power over the investee to affect its returns. When assessing whether the Group has power over another entity, it is necessary to consider the existence and effect of existing rights, including existing potential voting rights. A right is present when the holder has the practical ability to exercise that right when making decisions about directing the relevant activities of the investee. A group may have power over an investee even though it does not have a majority of the voting rights in the investee. In such cases, to determine whether it has power over the investee, the Group must assess the size of its voting rights relative to the size and degree of dispersion of other vote holders' holdings. Other investor protection rights, such as those related to making fundamental changes to the investee's activities or those that apply in exceptional circumstances, do not interfere with the Group's ability to control the investee. Subsidiaries are consolidated from the date on which control is transferred to the Group (acquisition date) and are deconsolidated from the date on which control ceases.

Subsidiaries, other than those acquired from parties under common control, are accounted for using the acquisition method of accounting. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured at their fair values at the acquisition date, irrespective of the extent of any non-controlling interest.

The Group measures non-controlling interest that is a direct ownership interest and entitles the holder to a proportionate share of net assets in the event of liquidation on a transaction-by-transaction basis either a) at fair value or b) at the non-controlling interest's proportionate share of net assets of the acquiree. Non-controlling interest that is not a direct ownership interest is measured at fair value.

Basis of Measurement

These financial statements have been prepared on the historical cost basis except for property, plant and equipment and intangible assets which are carried at revalued amounts at the beginning of the reporting period to determine deemed cost as explained below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value reflects the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company (the Group) takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. For fair value measurements and/or disclosures about fair value measurements, fair value in these financial statements is determined in the above manner.

In addition, for financial reporting purposes, fair value measurements are categorized into Levels 1, 2, or 3 based on the observability of the inputs to the fair value measurement and the significance of those inputs to the overall fair value measurement, described as follows:

- **Level 1 inputs** are unadjusted quoted prices in active markets for identical assets or liabilities to which the Company has access at the measurement date;
- **Level 2 inputs** are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- **Level 3 inputs** are unobservable inputs for the asset or liability.

The Company (Group) presents the statement of financial position line items in order of liquidity. The breakdown of amounts recoverable or payable within 12 months after the reporting date (current) and more than 12 months after the reporting date (non-current) is disclosed in the Notes.

Business Combination Under Common Control

A business combination involving entities under common control refers to a business combination in which all combining entities are ultimately controlled by the same party or parties both before and after the combination, and such control is not temporary.

The effect of a business combination under common control is accounted for by the Company using the pooling of interests method, provided that: the assets and liabilities of the combining business entities are recognized at their carrying amounts as stated in the Group's financial statements; transaction costs directly attributable to the combination are expensed in the income statement; intercompany balances are eliminated; and any difference between the purchase consideration paid or transferred and the carrying amount of the net assets acquired is recognized in the acquirer's equity. The results of the acquired assets and liabilities during the year are included in the profit or loss statement from the date of acquisition.

Functional Currency

The items included in the Group's financial statements are measured using the currency of the primary economic environment in which the Group operates ("functional currency"). The functional currency of the Group is the Uzbekistan Som (UZS). The presentation currency of these financial statements is also the Uzbekistani Som. All amounts are rounded to the nearest thousand UZS unless otherwise stated.

Financial Instruments

The Company (Group) recognizes financial assets and financial liabilities on its statement of financial position when it becomes a party to the contractual provisions of the instrument. The Company (Group) recognizes regular way purchases and sales of financial assets and liabilities on the settlement date. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or market practice.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, respectively.

liabilities at initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized directly in profit or loss.

Financial Assets

Financial assets are classified into the following categories: available-for-sale ("AFS"); at fair value through profit or loss ("FVTPL"); and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Financial Assets Available for Sale

Financial assets classified as Available-for-Sale (AFS) are non-derivative financial assets that are designated as available for sale or are not classified as (a) receivables, (b) held-to-maturity investments, or (c) financial assets at fair value through profit or loss (FVTPL).

Listed shares and term bonds held by the Company (Group) that are traded in an active market are classified as "available-for-sale" and are carried at fair value. The Company (Group) may also have investments in unlisted shares that are not traded in an active market, but which are also classified as "available-for-sale" financial assets and are carried at fair value if management believes that the fair value can be measured reliably. Gains and losses arising from changes in fair value are recognized in other comprehensive income and accumulated in the investments revaluation reserve, except for impairment losses other than temporary, interest calculated using the effective interest method, dividend income and foreign exchange gains and losses on monetary assets, which are recognized in profit or loss. Where a financial asset is disposed of or is determined to be impaired, the cumulative gain or loss previously accumulated in the investments revaluation reserve is recognized in profit or loss in the period of disposal or impairment.

The fair value of financial assets available for sale monetary assets denominated in foreign currencies is determined in the same currency and translated at the exchange rate at the reporting date. Exchange differences charged to profit or loss are determined based on the amortized cost of the monetary asset. Other exchange differences are recognized in other comprehensive income.

Investments in financial asssets available for sale equity securities that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are carried at cost less impairment losses determined at the end of each reporting period.

Financial Assets at Fair Value Through Profit or Loss

A financial asset is classified as at fair value through profit or loss (FVTPL) if it is either (i) a contingent consideration that may be payable by the acquirer in a business combination to which IFRS 3 applies, or (ii) held for trading, or (iii) designated as FVTPL upon initial recognition.

A financial asset is classified as held for trading if it:

- is acquired principally for the purpose of reselling it in the near term;
- on initial recognition, is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking; or
- is a derivative (except for a derivative that is a designated and effective hedging instrument).

A financial asset that is not classified as held for trading or contingent consideration in a business combination may be designated as FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency (accounting mismatch) that would otherwise arise; or
- the financial asset is part of a company of financial assets, financial liabilities, or both, which is managed and its performance is evaluated on a fair value basis in accordance with a documented risk management or investment strategy, and information about the company is provided internally on that basis.

Financial assets at FVTPL are measured at fair value with changes in fair value recognized in profit or loss. Net gains or losses include dividends and interest earned on the financial asset and are presented in the statement of profit or loss and other comprehensive income under "other gains and losses" and "interest income," respectively.

Trade and Other Receivables

Receivables with fixed or determinable payments that are not quoted in an active market, including cash held in banks, insurance and reinsurance receivables, and other financial assets, are classified as "trade and other receivables." Trade and other receivables are measured at amortized cost using the effective interest method, less any impairment losses. Interest income is recognized using the effective interest method, except for shortterm receivables where the recognition of interest would be immaterial.

Impairment of Financial Assets

Financial assets are assessed for impairment at the end of each reporting period. Financial assets are considered impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the asset have been impacted.

For listed and unlisted AFS equity investments that are not quoted in an active market, a significant or prolonged decline in fair value below cost is considered to be objective evidence of impairment.

For all other financial assets, objective evidence of impairment would be as follows:

- Significant financial difficulties of the issuer or counterparty; or
- Breach of contract, such as refusal or avoidance of interest or principal payments; or
- default or delinquency in the payment of interest and principal or
- high probability of bankruptcy or financial reorganization of the borrower; or
- disappearance of an active market for a given financial asset due to financial difficulties.

For certain categories of financial assets, such as receivables, assets that are not individually determined to be impaired are also assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of loans and receivables could include the Group Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortized cost, the amount of the impairment loss is calculated as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost, an impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the current market rate of interest for a similar financial asset. Such impairment losses are not reversed in future periods.

The carrying amount of the financial assets is reduced by the impairment loss directly for all financial assets with the exception of loans and receivables, where the carrying amount is reduced through the use of an allowance account. Loans and receivables are written off against the allowance account when deemed uncollectible. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the allowance are recognized in profit or loss.

If an AFS financial asset is determined to be impaired, the gain or loss accumulated in other comprehensive income is transferred to profit or loss.

If, in a subsequent period, the amount of the impairment loss on a financial asset carried at amortized cost decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss. However, the carrying amount of financial assets at the date of reversal of an impairment loss cannot exceed the amortized cost that would have been recognized had no impairment loss been recognized for AFS equity securities previously recognized in profit or loss. Any increase in the fair value of such assets subsequent to the recognition of an impairment loss is recognized directly in other comprehensive income and accumulated in the investments revaluation reserve.

In respect of AFS debt securities, impairment losses are subsequently reversed through profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the impairment loss was recognized.

Write-off of Trade Receivables

In cases where collection of trade receivables is deemed impossible, including through enforcement of collateral, such receivables are written off against the allowance for impairment. Write-off of trade receivables occurs after the Group's management has exhausted all possible measures to recover the amounts due, including the realization of available pledged collateral. Subsequent recoveries of amounts previously written off are recognized as a reduction of impairment expense in the statement of profit or loss in the period of recovery.

Issued financial liabilities and equity instruments

Classification as Liability or Equity

Debt and equity financial instruments issued by the Company are classified as financial liabilities or equity based on the substance of the contractual arrangement and the definitions of a financial liability and an equity instrument.

Financial Liabilities

Financial liabilities (including other financial liabilities) are initially recognized at fair value less transaction costs.
Financial liabilities are subsequently measured at amortized cost. Interest expense is calculated using the effective interest rate method.
The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees on debt instruments received or made that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition..

Derecognition of Financial Liabilities

The Company (Group) derecognizes financial liabilities when, and only when, the Company (Group) extinguishes, cancels or terminates a financial liability. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference between the carrying amount of the financial liability derecognized and the consideration paid or payable is recognized in profit or loss.

Cash and Cash Equivalents

Cash and cash equivalents include cash in transit and deposits with banks with original maturities of less than three months. Cash and cash equivalents are carried at amortized cost.

Funds in the Bank

In the normal course of business, the Company (the Group) maintains advances and deposits for various periods of time with banks. funds in the bank are initially recognized at fair value and subsequently measured at amortized cost using the effective interest method. Amounts funds in the bank are carried net of any allowance for impairment.

Prepayment

Prepayments include advance payments paid by the Company (Group), which are expensed in the period in which the services are rendered. Prepayments are recognized at cost.

Prepayment for Acquisition of Property, Plant and Equipment

Advances paid for the acquisition of property, plant and equipment at each reporting date are classified as prepayments for property, plant and equipment and are carried at cost.

Property, Plant and Equipment and Intangible Assets

As the Company (Group) adopted IFRS for the first time, management elected to apply the exemption allowing the use of the carrying amount of property, plant and equipment under the previously applied national accounting standards (NAS) as deemed cost at the date of transition to IFRS. The deemed cost is then used as the basis for subsequent depreciation and impairment testing. Property, plant and equipment and intangible assets are subsequently carried at deemed cost less accumulated depreciation and any accumulated impairment losses, if any.

Depreciation is charged to write off the cost or estimated cost of property, plant and equipment and intangible assets over their estimated useful lives. Depreciation is calculated using the straight-line method at the following annual rates:

- Buildings: 5%;
- Structures: 10%
- Furniture: 15%;
- Computers and equipment: 40%;
- Vehicles: 20%;
- Others: 15%.

Intangible assets may have either finite or indefinite useful lives. Intangible assets with finite useful lives are amortized over their estimated useful life and are tested for impairment whenever there is an indication that the asset may be impaired. The useful lives and amortization methods of intangible assets with finite useful lives are reviewed at the end of each reporting period.

The Group's (Group's) intangible assets have finite useful lives and mainly consist of capitalized software. Acquired software licenses are capitalized based on the costs incurred to acquire and prepare them for use. All other software-related expenses, such as maintenance costs, are expensed as incurred. Capitalized software is amortized on a straight-line basis over its estimated useful life of five years.

At each reporting date, the Company assesses whether there are any indicators of impairment of an asset. If such indicators exist or if annual impairment testing is required, the Company estimates the recoverable amount of the asset. The carrying amount of property, plant, and equipment is reviewed at each reporting date to determine whether it exceeds its recoverable amount. The recoverable amount is the higher of fair value less costs to sell and value in use. If the carrying amount exceeds the recoverable amount, the asset is written down to its recoverable amount; impairment losses are recognized in the relevant period and included in operating expenses. After recognizing an impairment loss, depreciation charges for property, plant, and equipment are adjusted prospectively to allocate the revised carrying amount, less any residual value, on a systematic basis over the remaining useful life.

Gains or losses arising from the derecognition of property, plant, and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit or loss and other comprehensive income upon disposal.

Derecognition of Intangible Assets

An intangible asset is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the derecognition of an intangible asset, which is the difference between the net disposal proceeds and the carrying amount of the asset, is included in profit or loss at the time of derecognition.

Lease Agreements

At inception of an arrangement, the Company (Group) determines whether it is a lease based on whether the arrangement conveys the right to control the use of a specific asset for a period of time in exchange for consideration.

The Company (Group) recognizes a right-of-use asset and a lease liability at the commencement date. The right-of-use asset is initially measured at the initial amount of the lease liability, adjusted for any lease payments made on or before the commencement date, plus any initial direct costs incurred and the estimated costs of dismantling and removing the underlying asset. or to restore the underlying asset or the site on which it is located, less any lease incentives received. Assets are depreciated to the end of the useful life of the right-of-use asset or the lease term using the straight-line method as this most closely reflects the expected pattern of consumption of future economic benefits. The Company (Group) has elected to apply the practical expedient of not recognizing right-of-use assets and lease liabilities for short-term leases with lease terms of 12 months or less and leases of low-value assets. Lease payments related to these leases are recognized as an expense on a straight-line basis over the lease term.

Liability Adequacy Testing

The Company (the Group) performs a liability adequacy assessment at each reporting date to ensure that insurance liabilities are sufficiently reflective of expected future cash flows. This analysis is performed by comparing the carrying amounts of liabilities and projected discounted future cash flows (including premiums, claims, expenses, investment return and other items) using best estimate assumptions. .

If a liability is found to be insufficient (i.e. the carrying amount of insurance liabilities does not exceed the projected future cash flows), the difference is fully recognized in the income statement.

Recognition of Dividend Income

Dividend income from investments is recognized when the founder's right to receive dividends arises (when it is probable that the economic benefits will flow to the investee and the amount of income can be measured reliably).

Recognition of Interest Income and Expense

Interest income on financial assets is recognized when it is probable that the economic benefits will flow to the Company (Group) and the amount of income can be measured reliably. Interest income and expense are recognized on an accrual basis using the effective interest method. The effective interest method is a method of calculating the amortized cost of a financial asset or a financial liability (or financial assets/financial liabilities) and of allocating the interest income or interest expense over the relevant period.

The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees on debt instruments received or paid that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

If a financial asset or a group of similar financial assets is written down (partly written down) as a result of an impairment loss, interest income is thereafter recognized using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

Administrative and Operating Expenses

Administrative and operating expenses include expenses related to the management of the Company (Group) This includes salaries and bonuses, office rent and other operating expenses. Salaries and bonuses include expenses related to employee benefits, such as salaries and wages, management fees and bonuses, social security and premium collection costs, portfolio management.

Taxation

Income tax represents the sum of current and deferred tax.

Current Income Tax

Current tax is based on taxable profit for the year. Profit before tax differs from profit as reported in the income statement because of items of income or expense that are taxable or deductible in other reporting periods and items that are never taxable or deductible. The liability for current income tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred Income Tax

Deferred income tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those temporary differences can be utilized. Tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition of assets or liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be utilized.

Deferred income tax assets and liabilities are measured using tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply to the period when the tax asset is realized or the liability is settled.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the Group's (Group's) intention, at the end of the reporting period, to recover or settle the carrying amount of assets and liabilities.

Current and Deferred Income Tax for the year

Current tax and deferred income tax are recognized in profit or loss, except when they relate to items recognized directly in other comprehensive income or equity. In this case, current and deferred tax are also recognized in other comprehensive income or directly in equity, respectively.

Operating Taxes

Uzbekistan has various other taxes, which are assessed on the Group's activities. These taxes are included as a component of operating expenses in the income statement.

Reserve Capital

The Company uses net income to establish reserves for losses, pay dividends on preferred stock and repurchase common stock when other cash is not available.

Reserves are created as a result of an annual distribution of 5% of net profit until a minimum reserve balance is established, which must be at least 15% of the share capital.

Share Capital and Dividends

Contributions to share capital are recognized at cost. Dividends are recognized as a deduction from equity in the period in which they are declared. Dividends declared after the balance sheet date are treated as a subsequent event under IAS 10 "Events after the Balance Sheet Date" ("IAS 10") and disclosed accordingly.

Contingent Liabilities

Contingent liabilities are not recognized in the statement of financial position but are disclosed unless the possibility of any outflow in settlement is remote. Contingent assets are not recognized in the statement of financial position but are disclosed when an inflow of economic benefits is probable.

Foreign Currency

In preparing the financial statements, transactions in currencies other than the Group's (Group's) functional currency ("foreign currencies") are recorded at the exchange rates prevailing at the date of . Monetary items denominated in foreign currencies are retranslated at the appropriate spot exchange rate at the reporting date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the exchange rates at the date when the fair value was determined. Non-monetary items carried at historical cost denominated in a foreign currency are not restated.

Exchange differences on monetary items arising from changes in exchange rates are recognized in profit or loss in the period in which they arise.

The year-end exchange rates used by the Company (Group) in the preparation of the financial statements are set out below:

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024 (in thousands of UZS)

	December 31, 2024	December 31 2023
UZS/USD exchange rate at year-end	12 920,48	12 338,77

Offsetting

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position only when the Company (Group) has a legally enforceable right to offset the recognized amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously. Income and expenses are not offset in the statement of profit or loss unless required or permitted by an accounting standard or interpretation, and as specifically disclosed in the accounting policies of the Group Company.

Segment Reporting

Operating segments are identified on the basis of internal reports about components of the Group Company that are regularly reviewed by the chief operating decision maker to allocate resources to the segments and to assess their performance.

The Group Company evaluates information about reportable segments in accordance with IFRS. A reportable operating segment is identified when one of the following quantitative requirements is met:

- the amount of its reportable revenue, including sales to external customers and intersegment sales and transfers, is 10 percent or more of total revenue, internal or external, of all operating segments; or
- the absolute amount of its reported income or loss is 10 percent or more of the greater of (i) the aggregate reported income of all non-loss operating segments, and (ii) the aggregate reported loss of all loss operating segments; or
- its assets are 10 percent or more of the total assets of all operating segments.

If the total external sales revenue shown by the operating segments is less than 75 percent of the Group's (Group's) revenue, additional operating segments are identified as reportable (even if they do not meet the quantitative criteria above) until the reported segments include at least 75 percent of the Group's (Group's) revenue.

Statement of Financial Position presented in order of liquidity

The Company does not have a specific operating cycle and therefore does not present current and non-current assets and liabilities separately in the statement of financial position. Instead, assets and liabilities are presented in order of their liquidity.

3. SIGNIFICANT JUDGEMENTS AND SOURCES OF ESTIMATION UNCERTAINITY

In the process of applying the Group's accounting policies, management is required to make assumptions, estimates and estimates about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are believed to be relevant in the circumstances. Actual results may differ from these estimates.

Estimates and related assumptions are reviewed regularly. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical Judgements in Applying Accounting Policies

The significant judgements, apart from those involving estimation uncertainty (see below), that management has made in applying the Group's accounting policies and that have the most significant effect on the amounts recognized in the financial statements are outlined below.

Key Sources of Estimation Uncertainty

The key assumptions about the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are described below.

Estimation of Insurance Contract Liabilities

The primary area of uncertainty in the Group's (Group's) financial statements relates to insurance technical reserves, which include the unearned premium reserve and the loss and loss adjustment expense reserve. The unearned premium reserve includes a provision for risks not yet expired, while the loss and loss adjustment expense reserve includes provisions for claims incurred but not yet paid. Their amounts are presented in the statement of financial position as disclosed in Note 3 to the financial statements..

Generally, the unearned premium reserve and loss and loss adjustment expense reserves are determined based on knowledge of past events, historical claims experience, terms of the relevant policies, and interpretations of circumstances. Particular attention is given to prior experience with similar cases, historical claims development trends, legislative changes, legal rulings, and economic conditions..

Other uncertainties arising under insurance contracts include:

- Uncertainty as to whether an insured event has occurred that caused a loss to the insured;
- Uncertainty regarding the extent of coverage and limitations of the policy; and
- Uncertainty about the amount of the loss incurred by the policyholder as a result of the event.

There may be significant delays between the occurrence of an insured event and the time when a claim is actually reported to the Company. Even after the insured loss has been identified and reported; uncertainty regarding the amount of the loss may still exist. Numerous factors, such as inflation, conflicting legal interpretations, legislative changes, and claims handling procedures, influence the level of uncertainty.

Accordingly, the estimates of the unearned premium reserves and the loss and loss adjustment expense reserves depend on various factors and uncertainties. The establishment of technical reserves is an inherently uncertain process. Due to this uncertainty, the ultimate cost of settling premiums and loss and loss adjustment expense reserves may differ from initial estimates.

Expected Credit Losses on Trade Receivables

The Company regularly reviews its existing receivables to assess for impairment. The Group's (Group) provision for impairment of receivables is established to recognize incurred impairment losses in its portfolio of receivables. The Company (Group) considers accounting estimates related to allowance for impairment of receivables a key source of estimation uncertainty because (a) they are highly susceptible to change from period to period as the assumptions about future default rates and valuation of potential losses relating to impaired receivables are based on recent performance experience, and (b) any significant difference between the Group's (Group's) estimated losses and actual losses incurred would require the establishment of a provision for impairment of receivables.

The Company applies management judgment in estimating the amount of impairment loss when the borrower is experiencing financial difficulties and there is limited historical data on similar borrowers. Similarly, the Company assesses changes in expected future cash flows based on past experience, customer behavior, data indicating negative changes in the repayment status of borrowers within a portfolio group, as well as national or local economic conditions correlated with default rates for assets within that group. Management uses historical loss experience for assets with similar credit risk characteristics and objective evidence of impairment that are similar to those in the loan group. The Company applies management estimates to adjust historical data for the loan group to reflect current conditions that are not captured in the historical data.

The allowances for impairment of financial assets in the financial statements are determined based on current economic and political conditions. The Company is unable to predict what changes may occur in the Republic of Uzbekistan and what impact such changes may have on the adequacy of impairment allowances for financial assets in future periods.

IFRS 17 Insurance Contracts

Summary of Significant Accounting Policies – Insurance Contracts

Definition and Classification of Insurance Contracts and Reinsurance Contracts

An insurance contract is a contract under which one party (the issuer) accepts significant insurance risk from another party (the policyholder) by agreeing to compensate the policyholder if a specified uncertain future event adversely affects the policyholder. [IFRS 17.2].

The Company adopted IFRS 17 on January 1, 2022, in accordance with IFRS 1 *First-time Adoption of International Financial Reporting Standards*, and applied the relevant transitional provisions for first-time adoption in the preparation of its financial statements..

In the normal course of business, the Company (or Group) uses reinsurance arrangements to mitigate insurance risk. A reinsurance contract is considered to transfer significant insurance risk if it transfers substantially all of the insurance risk associated with the underlying insurance contracts, even if the likelihood of significant loss to the reinsurer is low..

Separation of Components from Insurance and Reinsurance Contracts

In accordance with IFRS 17.10, the Company (Group) assesses its insurance and reinsurance contracts, excluding life insurance, to identify whether they contain distinct components that fall within the scope of other IFRS Standards. Where such components are identified, they are separated and accounted for under the applicable IFRS. The remaining components are measured and reported in accordance with IFRS 17. As of the reporting date, the Company (Group) has not identified any contracts containing separable components. [IFRS 17.10].

Unit of Account, Recognition, and Derecognition of Insurance Contracts

The Company (Group) recognizes insurance contracts in accordance with IFRS 17 paragraphs 25–28. Insurance contracts are aggregated into portfolios based on similar risks and how they are managed, and then further grouped into annual cohorts according to their expected profitability and issue date. Each group includes only contracts issued within one year of each other and classified into one of the following categories: (i) contracts that are onerous at initial recognition, (ii) contracts that have no significant possibility of becoming onerous subsequently, and (iii) the remaining contracts.

The profitability of each group is assessed using actuarial valuation models that reflect both new and existing business. At initial recognition, the Company (Group) presumes that no contract is onerous unless facts and circumstances indicate otherwise.

To assess whether a group is onerous, the Company (Group) considers:

- Pricing and underwriting assumptions;
- Historical performance of similar contracts;
- External factors, including changes in market experience and regulatory environment.

An insurance contract is recognized at the earliest of:

- the beginning of the coverage period;
- the date a premium is due from the policyholder or, if unspecified, when it is received;
- or the date on which the contract becomes onerous.

Groups of contracts are created on initial recognition and their composition is not revised once all contracts have been added to the group. The Company (Group) derecognizes insurance based on IFRS [74.77].

An insurance contract is derecognized when it is extinguished, i.e. when the obligations specified in the contract expire or are extinguished or cancelled. An insurance contract is also derecognized when its terms are modified in a way that would significantly change the accounting for the contract if the new terms had always existed, in which case a new contract based on the modified terms is recognized. If the modification of an insurance contract does not result in derecognition, the changes in cash flows resulting from the modification are accounted for as changes in estimates of cash flows from liabilities.

Measurement

IFRS 17 introduces three main measurement models to ensure that a wide range of insurance contracts are properly accounted for:

The General Valuation Model (GMM), also known as the Building Blocks Approach (BBA). This model is applied to most insurance contracts and calculates the present value of expected future cash flows adjusted for the time value of money and non-financial risk. as well as the contractual margin for services representing unearned profit.

Premium Allocation Approach (PAA): Applies to simpler insurance contracts, usually with a coverage period of one year or less. It simplifies valuation by allowing the premium received to be spread over the period of cover less any claims incurred.

Variable Fee Approach (VFA): designed for contracts with direct participation features where the policyholder participates in a share of a well-defined pool of underlying items. VFA adjusts the contractual margin for services to reflect changes in the fair value of the underlying items.

After a thorough evaluation of the Group's insurance portfolios and in-depth calculations comparing the Premium Allocation Approach (PAA) and the General Measurement Model (GMM), management decided to use the GMM to account for all four insurance groups.

While the PAA proposes a simplified evaluation approach for contracts with a term of one year or less, the evaluation shows that utilizing GMM will provide a consistent and reliable basis for a variety of contract terms that extend from one year to 20 years.

This solution ensures uniformity in the Group's accounting practices and is consistent with management's commitment to maintaining the highest standards of financial reporting. By applying GMM across the board, management provides clarity and consistency to stakeholders reviewing the financial statements.

Contract Boundary

The Company uses the concept of contract boundary to determine which cash flows should be considered when assessing groups of insurance contracts. Cash flows are within the contractual boundary of an insurance contract if they arise from rights and obligations that exist for a period during which the policyholder is obliged to pay premiums or the Company has a material obligation to provide services to the policyholder under the insurance contract.

Acquisition Cost

The Company defines acquisition cash flows as cash flows arising from the costs of selling, underwriting and launching a group of insurance contracts (issued or expected to be issued) and which are directly attributable to the portfolio of insurance contracts to which the group belongs.

Cash flows from the purchase of insurance are allocated to groups of insurance contracts on a systematic and rational basis. Insurance acquisition cash flows directly attributable to a group of insurance contracts are allocated:

a. to this group; and

b. to groups that will include insurance contracts that are expected to arise as a result of renewal of insurance contracts in that group.

General Measurement Model

The general model estimates a group of insurance contracts as a sum of:

- Fulfilment cash flows, and
- Contractual Service Margin (CSM), which represents the unearned profit that the Company will recognize as it provides insurance coverage under the contracts in the group.

Insurance Contracts at Initial Recognition

At initial recognition, the company measures a group of insurance contracts as the sum of (i) the fulfilment cash flows, which include estimates of future cash flows adjusted for the time value of money and for financial and non-financial risk, and (ii) the contractual service margin ("CSM"), representing the unearned profit.

Fulfilment Cash Flows Within the Contract Boundary.

Fulfilment cash flows are current estimates of cash flows within the contract boundary of a group of contracts, including premiums, claims, acquisition costs, and other expenses expected by the company. These are adjusted for timing and uncertainty of these amounts, including an explicit adjustment for non-financial risk.

The company estimates future cash outflows for claims and expenses based on actual amounts up to 2024, and then applies further probability-weighted estimates. These may also be considered within the insurance contract if they arise from substantive rights and obligations. As a result, the estimates are considered reasonable and based on verifiable information available without undue cost or effort concerning the amount, timing, and uncertainty of these future cash flows.

Liability for Remaining Coverage (LRC) refers to the insurer's obligation to provide coverage for the remaining term of an insurance contract in force. It consists of the best estimate liability (BEL), risk adjustment, discounting, and the contractual service margin (CSM).

Liability for Incurred Claims (LIC) refers to the insurer's obligation to settle claims that have been incurred but not yet settled. This includes both reported claims and incurred but not reported claims (IBNR). It comprises the BEL, risk adjustment, and discounting.

Non-Financial Risk Adjustment

The non-financial risk adjustment for a group of insurance contracts, determined separately from other estimates, reflects the compensation required for the uncertainty related to the amount and timing of cash flows arising from non-financial risk.

For reinsurance contracts held, the non-financial risk adjustment represents the amount of risk transferred by the Company to the reinsurer.

For concluded insurance contracts, the portion of the non-financial risk adjustment relating to LRC is recognized in insurance income as the risk is released, while the portion relating to LIC is recognized in insurance services expenses. Therefore, all changes in risk adjustment are included in the result of insurance services in the income statement. CSM on initial recognition of a group of insurance contracts is recognized as a net inflow of the total of the total of the cash flows from execution and any amount arising from derecognition of any assets or liabilities previously recognized for the cash flows associated with the group (including assets from insurance). cash flows from acquisition). cash flows from acquisition).

If the performance cash flows are net outflows, the group of insurance contracts is onerous and the net outflow is recognized as a loss in insurance expense in the income statement and as a component of loss in LRC in the balance sheet to reflect the amount of net cash outflows that determine the amounts subsequently recognized in insurance income and insurance expense.

With respect to reinsurance contracts, the Company (the Group) measures its assets in respect of the group it holds on the same basis as the insurance contracts it issues. However, they are adapted to take into account the characteristics of the reinsurance contracts held that differ from the insurance contracts written, such as the incurrence of expenses or reductions in expenses rather than income. When the Company (Group) recognizes a loss on initial recognition of a group of onerous underlying insurance contracts or when additional onerous underlying insurance contracts are added to the group, the Company (Group) establishes an asset recovery component for the remaining coverage under the group of reinsurance contracts.

Contractual service margin (CSM)

Under IFRS 17, the Contractual Service Margin (CSM) represents the unearned profit embedded in an insurance contract. It is calculated by allocating the expected profit from fulfilling the contract over the coverage period. This approach ensures the systematic recognition of profit over time as services are provided, rather than recognizing the entire profit upfront.

Subsequent Measurement

The carrying amount of a group of insurance contracts at each reporting date represents the sum of the Liability for Remaining Coverage (LRC) and the Liability for Incurred Claims (LIC). The LRC includes fulfilment cash flows related to future insurance coverage and services, as well as the remaining Contractual Service Margin (CSM). The LIC includes cash flows related to claims and expenses that have been incurred but are not yet paid, including claims that have been incurred but not reported. The fulfilment cash flows of groups of insurance contracts are measured at the reporting date using current estimates of future cash flows, current discount rates, and current estimates of the risk adjustment for non-financial risk.

Changes in fulfilment cash flows

Changes in the expected fulfilment cash flows related to future services adjust the Contractual Service Margin (CSM) or are recognized in profit or loss if a loss component exists or if there is no CSM. Changes in fulfilment cash flows related to current or past services are recognized in profit or loss. Any changes resulting from the effects of the time value of money or financial risk are recognized as insurance finance income or expenses in profit or loss.

Changes in the Contractual Service Margin (CSM)

The CSM of each group of contracts is adjusted to reflect:

- changes in unearned profits, including from new contracts, increase in interest on CSM,
- changes in assumptions related to future services that affect cash flows from obligations,
- the effect of exchange rate differences on CSM, and
- CSM recognized as revenue the services rendered during the reporting period.

If a loss component exists, when the cash flows on fulfillment of obligations within the LRC change, they are allocated between the loss component and the LRC, excluding the loss component on a systematic basis.

The subsequent measurement of existing reinsurance contracts follows the same principles as for insurance contracts entered into and has been adapted to take account of the characteristics of the reinsurance available. [IFRS 17.66A and IFRS 17.70A].

Coverage of Insurance Contracts

The Contractual Service Margin (CSM) is adjusted in each reporting period by the amount recognized in profit or loss to reflect the insurance contract services provided under the group of insurance contracts during that period. This amount is determined by:

- determining the coverage units in the group;
- allocating CSM at the end of the period - before recognizing any release to profit or loss to reflect the services provided - equally to each unit of coverage provided in the current period and expected to be provided in the future; and
- recognizing in profit or loss the amount allocated to units of coverage to reflect insurance contract services provided in the period. [IAS 17.43, 44].

The units of coverage are determined by the number of benefits and the expected period of contract coverage.

Discount Rates

Discount rates are used to adjust estimated future cash flows to reflect the time value of money. The discount rate should:

- reflect the time value of money, the characteristics of the cash flows, and the liquidity characteristics of the insurance contracts;

- be consistent with observable current market prices (if available) for financial instruments whose cash flow characteristics are similar to those of the insurance contracts,
- exclude the effect of factors that influence observable market prices but do not affect the future cash flows of the insurance contracts.

Insurance Revenue

Insurance revenue is recognized over the coverage period of the underlying policies according to the level of protection provided, which is the sum of the changes in the LRC for which reimbursement is expected and includes the following:

- CSM output measured on the basis of services provided, as described below;
- changes in the allowance for non-financial risk associated with current services;
- claims and other insurance service costs incurred during the period, measured at the amounts expected at the beginning of the year;
- insurance income will be reduced by systematic allocations to the loss component for changes in risk adjustment and incurred losses and other insurance service costs;
- amortization of cash flows from the acquisition of insurance; and
- other amounts, including premium experience adjustments.

The amount of CSM recognized as insurance revenue in each period is determined by calculating the amount of insurance services provided in the current period compared to future periods over the expected period of coverage. The expected period of coverage reflects the period of coverage and the expectation that insured events will occur to the extent that they affect the expected period of coverage. [IFRS 17.83].

Loss Components

The Company establishes the loss component as the excess of the cash flows from the settlement of the remaining group coverage obligation over the carrying amount of the remaining group coverage obligation based on IFRS [17.18] and IFRS [17.57]. It should be noted that when premiums are allocated to a group of contracts assessed as onerous, the loss component is set according to the calculation in IFRS [17.57]. Given the simplified nature of the premium allocation approach, entities are also considering practical expedients that would achieve the same accounting results as under IFRS [17.57].

Loss Recovery Components

The Company subsequently determines the loss recovery component by reducing it to zero in line with the reduction in the onerous group of underlying insurance contracts, to reflect that the loss recovery component should not exceed the portion of the carrying amount of the loss component of the onerous group of underlying insurance contracts that the entity expects to recover from the group of existing reinsurance contracts.

Insurance Service Expenses

Insurance service expenses arising from insurance contracts are recognized in profit or loss as they are incurred and include claims incurred, other insurance service expenses, amortization of insurance acquisition cash flows, losses and reversals of losses on onerous contracts, and impairment losses and reversals of those impairment losses on assets related to insurance acquisition cash flows. [IFRS 17.84–85].

Net Finance Income or Expense on Insurance Contracts

Net financial income or expenses from insurance contracts, presented in the statement of profit or loss, consist of changes in the carrying amount of insurance contracts arising from the effect of the time value of money. Sources of financial income and expenses from insurance arise from discounting fulfilment cash flows within the LRC under the GMM and LIC under all measurement models at current rates; discounting the LRC under the GMM where there is a significant financing component; and accretion of interest on the CSM at fixed rates.

Net Profit or Loss on Assumed Reinsurance Contracts

The Company separately discloses in the statement of profit or loss and other comprehensive income the amounts expected to be recovered from reinsurers, as well as the allocation of reinsurance premiums paid.

Assumptions and Estimates

Future Cash Flows

The Company (Group) makes assumptions and estimates about future cash flows (claims, expenses) arising from insurance contracts taking into account factors such as policyholder behavior and economic conditions. These assumptions (loss ratio, expense ratio) are based on historical data, industry trends and actuarial analysis, adjusted for changes in legislation, market conditions and other relevant factors. These assumptions are regularly reviewed and updated to reflect the latest available information and changes in circumstances.

Discount Rate Assumptions

The determination of discount rates involves estimating market yields on high quality corporate bonds taking into account factors such as credit risk, liquidity and time structure. These discount rates are used to discount future cash flows to their present value, reflecting the time value of money and credit risk associated with insurance liabilities.

Loss ratios were calculated using the chain ladder method. This calculation resulted in both weighted average and simple average loss ratios for each insurance group. Subsequently, a smoothing process was applied to ensure consistency and accuracy of the ratios determined.

Expense ratio. Expenses directly attributable to insurance contracts are determined within the limits of cost of sales and the calculated expense ratio in relation to gross written premiums for each year.

Risk Adjustment

This approach reflects an adequate level of prudence with respect to the underlying provisions. The method for determining risk adjustments for LIC and LRC estimates future claims liabilities by analyzing historical claims data. It uses stochastic techniques to model various claim development scenarios, providing a range of potential outcomes and associated risks.

A +-5% or +-10% change in the risk adjustment would not have a material impact on the overall results of LRC (CSM) and LIC due to the immateriality of the entire group of contracts.

*LIC- Liability for Incurred Claims

*LRC- Liability for Remaining Coverage

*CSM- Contructual Service Margin

4. INSURANCE REVENUE

Earned premiums include the following positions:

In thousands of UZS	2024	2023
Expected claims incurred	17 736 372	22 033 430
Expected expenses incurred	10 769 288	27 594 724
Change in the risk adjustment	10 078 492	10 704 014
CSM recognized	65 319 169	29 989 615
Recovery of acquisition cash flows	1 999 368	4 773 796
Total insurance revenue	**105 902 689**	**95 095 579**

5. INSURANCE SERVICE EXPENSES

In thousands of UZS	2024	2023
Incurred claims	(19 115 180)	(47 493 863)
Incurred directly attributable expenses	(13 960 631)	(21 363 916)
Changes that relate to past service - adjustments to LfIC	(2 251 409)	14 170 812
Insurance acquisition costs	(1 999 369)	(4 773 796)
Total Insurance Service Expenses	**(37 326 589)**	**(59 460 763)**

6. ADMINISTRATIVE EXPENSES

In thousands of UZS	2024	2023.
Wages and salaries	11 181 689	11 016 324
Losses on Regress Claims	9 225 922	640
Depreciation of PPE	6 125 911	1 618 082
Costs of internet and telecommunication services	3 489 327	746 761
Business trip	3 261 968	1 788 290
Current Repair and Maintenance	1 751 361	490 736
Expenses for Fines, Penalties, and Sanctions	1 610 585	714 105
Loss on disposal of fixed assets	1 587 391	571 112
Professional services	1 563 786	1 444 911
Utilities	221 425	531 311
Other	4 539 258	83 275
Total administrative expenses	**44 558 623**	**19 005 547**

7. OTHER EXPENSES

In thousands of UZS	2024	2023
Provision for unused vocation reserve	(105 624)	71 539
Provision for expected credit loss	21 080 171	172 219
Other	-	22 856
Total other expenses	**20 974 547**	**266 614**

8. INCOME TAX

The Group Company provides for taxes based on the tax accounts maintained and prepared in accordance with the tax regulations of the Republic of Uzbekistan, which may differ from IFRS.

The Company (the Group) is subject to permanent tax differences due to the non-tax deductibility of certain expenses and non-taxable income. Investment income arising on government and listed securities is exempt from taxation.

Deferred tax reflects the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for tax purposes. Temporary differences existing as of December 31, 2024 and 2024 are mainly related to different methods of income and expense recognition as well as to the accounting value of certain assets.

Such assets and liabilities are not recognized if the temporary difference arises from goodwill (or negative goodwill) or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

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

Deferred tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences can be utilized. Deferred tax assets and liabilities are measured at tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates that have been enacted or substantively enacted at the reporting date. Uzbekistan also has various operating taxes that are assessed on the activities of the insurer. These taxes are included in other operating expenses. The Company (Group) uses the balance sheet method in calculating deferred tax. The Company (Group) reviews the carrying amount of deferred tax assets at each reporting date and reduces it to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be realized.

The principal temporary differences arise from the differing measurement of certain financial assets and liabilities for financial and tax reporting purposes, including property, plant and equipment and related accumulated depreciation, provisions, the inflationary effects of the translation of non-monetary items, fair value adjustments and, in respect of acquisitions of subsidiaries, differences between the fair value of the net assets acquired and their tax bases. Before deferred tax is calculated in accordance with IFRS, deferred tax assets and liabilities calculated in accordance with national accounting are written back. Deferred tax is measured at enacted tax rates or tax rates that are substantially enacted or substantially enacted at the time the liability is settled or the asset realized. Deferred tax is recognized in the income statement, except when it relates to items debited or credited directly to equity. In this case, the deferred tax is also recognized in the equity account. Deferred tax assets and liabilities are offset only when they relate to income taxes levied by the same taxation authority and the Company (Group) intends to settle current tax assets and liabilities on a net basis.

Deferred tax is calculated using the following steps:

Step 1: Calculate the amounts of the carrying amount (under IFRS) and tax base of each asset and liability.

Step 2: Calculate the temporary difference by deducting the tax base from the carrying amount (under IFRS).

Step 3: Calculation of deferred tax liability and asset. To calculate deferred tax liabilities, an entity aggregates all positive temporary differences and applies enacted tax rates or tax rates that are substantially enacted or substantially enacted to taxable income in the periods when such temporary differences are expected to reverse or be reversed. To calculate deferred tax assets, an entity summarizes all negative temporary differences and applies enacted tax rates or tax rates that, in substance, will be effective (applied) to taxable income in the periods in which such temporary differences are expected to reverse or settle. (Deferred tax assets are recognized when it is probable that sufficient taxable profit will be available against which the deductible temporary differences can be utilized). The result is an asset or liability recognized in the balance sheet.

Step 4: Calculate the net deferred tax liability or asset by adding the two amounts together.

Step 5: Subtract the opening balance of the deferred tax liability or claim. The difference represents the income tax charge/deduction in the income statement/equity account for the current year.

The Republic of Uzbekistan currently has a number of laws and regulations governing the system of taxes payable to the republican and local state budgets. The Company (the Group) provides for income taxes based on the laws and regulations of the Republic of Uzbekistan. The Company (Group) is subject to temporary differences due to the non-tax deductibility of certain expenses and the non-tax deductibility of certain income. The tax effect of temporary differences is determined between the carrying amount of assets and liabilities for financial reporting purposes and the amount used for taxation purposes. Deferred tax comprises income tax determined on temporary differences using the current income tax rate. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilized. The income tax rate applicable to the majority of the Group's profits consists of corporate income tax (2024: 15%, 2024: 15%).

In thousands of UZS	2024	2023
Current income tax expense	(736 292)	(44 862)
Deferred tax	(1 920 235)	(3 889 011)
Income tax expense for the year	**(2 656 527)**	**(3 933 873)**

In thousands of UZS	December 31, 2024	(Charged)/credited to profit or loss	Through Equity	December 31, 2023
Tax effect of deductible / (taxable) temporary differences				
Propoerty, plant and equipment	274 218	66 125	-	208 093
Trade and other receivables	1 605 470	1 605 470	-	-
Funds in the bank	347 999	13 735	-	334 264
Trade and other payables	1 423	(165 684)	-	167 107
Revaluation of PPE	(11 158 627)		1 001 331	(12 159 958)
Insurance and reinsurance contract assets and liabilities	(927 287)	(1 275 936)	-	348 649
Deferred Expenses	54 287	(1 756 908)	-	1 811 195
Tax effect of deductible / (taxable) temporary differences	**(9 802 517)**	**(1 513 198)**	**1 001 331**	**(9 290 650)**

In thousands of UZS	December 31, 2023	(Charged)/credited to profit or loss	Through Equity	December 31, 2022
Tax effect of deductible / (taxable) temporary differences				
Propoerty, plant and equipment	208 093	73 885	-	134 208
Trade and other receivables	-	-	-	-
Funds in the bank	334 264	16 859	-	317 405
Trade and other payables	167 107	148 560	-	18 547
Revaluation of PPE	(12 159 958)	-	(12 159 958)	-
Insurance and reinsurance contract assets and liabilities	348 649	(2 496 186)	-	2 844 835
Deferred Expenses	1 811 195	(1 632 129)	-	3 443 324
Tax effect of deductible / (taxable) temporary differences	**(9 290 650)**	**(3 889 011)**	**(12 159 958)**	**6 758 319**

9. CASH AND CASH EQUIVALENTS

In thousands of UZS	December 31 2024	December 31 2023
Current bank account	426 944	2 308 311
Foreign currency bank account	1 558 354	81 765
Total cash and cash equivalents	**1 985 298**	**2 390 076**

10. FUNDS IN THE BANK

In thousands of UZS	December 31 2024	December 31 2023
Deposits	64 893 969	31 325 000
ECL on deposits	(2 319 994)	(2 228 426)
Total funds in the bank	**62 573 975**	**29 096 574**

11. FINANCE INCOME

In thousands of UZS	December 31 2024	December 31 2023
Interest income on deposits	(8 559 135)	(7 452 916)
Total funds in the bank	**(8 559 135)**	**(7 452 916)**

(in thousands of UZS)

12. PROPERTY, PLANT AND EQUIPMENT

The movements in property, plant and equipment are as follows

	Buildings and constructions	Vehicles	Other	Right-of use asset	Construction in progress	Total
At initial cost January 1, 2022	**14 705 994**	**10 066 931**	**6 017 677**	**3 382 647**	**26 132 100**	**60 305 349**
Addition	-	-	-	-	16 298 086	16 298 086
Revaluation	97 457 266	19 991 651	-	580 483	-	118 029 400
Transfer	20 859 198	2 469 569	26 215	(1 100 791)	(22 254 191)	-
Disposal	-	(3 934 184)	(81 911)	-	(171 000)	(4 187 095)
December 31, 2022	**133 022 458**	**28 593 967**	**5 961 981**	**2 862 339**	**20 004 995**	**190 445 740**
Addition	-	-	-	-	6 090 738	6 090 738
Transfer	822 801	6 278 296	649 190	(1 659 549)	(6 090 738)	-
Disposal	(677 802)	(10 037 247)	(30 635)	-	-	(10 745 684)
Disposal of subsidiaries	(13 155 913)	(2 008 444)	(368 240)	-	(19 988 630)	
December 31, 2024	**120 011 544**	**22 826 572**	**6 212 296**	**1 202 790**	**16 365**	**150 269 567**
Accumulated depreciation as at January 1, 2023	**(3 746 499)**	**(4 390 993)**	**(1 478 108)**	**(559 859)**	**-**	**(10 175 459)**
Charge for the year	(2 085 107)	(965 533)	(516 462)	(243 118)	-	(3 810 220)
Revaluation	(21 937 740)	(14 891 812)	-	(133 458)	-	(36 963 010)
Transfer	-	(268 271)	-	268 271	-	-
Disposal	-	1 433 126	24 738	23 109	-	1 480 973
December 31, 2023	**(27 769 346)**	**(19 083 483)**	**(1 969 832)**	**(645 055)**	**-**	**(49 467 716)**
Charge for the year	(4 693 211)	(2 377 648)	(337 425)	(439 376)	-	(7 847 660)
Transfer	-	(836 106)	-	836 106	-	-
Disposal	17 084	6 904 351	11 618	-	-	6 933 053
Disposal of subsidiaries	1 350 086	1 170 185	235 884	-	-	2 756 155
December 31, 2024	**(31 095 387)**	**(14 222 701)**	**(2 059 755)**	**(248 325)**	**-**	**(47 626 168)**
Net book value as at January 1, 2022	**10 959 495**	**5 675 938**	**4 539 569**	**2 822 788**	**26 132 100**	**50 129 890**
Net book value as at December 31, 2022	**105 253 112**	**9 510 484**	**3 992 149**	**2 217 284**	**20 004 995**	**140 978 024**
Net book value as at December 31, 2024	**88 916 157**	**8 603 871**	**4 152 541**	**954 465**	**16 365**	**102 643 399**

13. INVESTMENT IN ASSOCIATE

In thousands of UZS	December 31 2024	December 31 2023
JSC "Euroasia Life Insurance"	9 986 000	
LLC ALL GOOD BNPL	450 000	450 000
JV LLC BDS Leasing	273 126	273 126
Total	**10 709 126**	**723 126**

14. TRADE AND OTHER RECEIVABLES

In thousands of UZS	December 31 2024	December 31 2023
Advances paid to suppliers	77 746	53 386
Other receivables	18 523 969	27 910 319
Receivable from employees	1 182 557	15 777 415
Total trade and other receivables	**19 784 272**	**43 741 120**

15. TRADE AND OTHER PAYABLES

In thousands of UZS	December 31 2024	December 31 2023
Advances received	3 391 276	1 734 662
Other taxes payable	1 092 906	36 218
Other payables	1 028 513	1 541 272
Payable to employees	410 532	43 044
Accounts payable to suppliers	275 611	1 687 328
Other creditors	264 610	1 480 483
Payables to the budget	159 435	924 559
Payables to shareholders	9 487	6 378
Payables on salaries	6 378	3 155 051
Short term portion of long term liabilities	-	134 701
Provision for unused vacation	-	195 188
Total trade and other payables	**6 638 748**	**10 938 884**

16. INSURANCE AND REINSURANCE CONTRACT LIABILITES AND ASSETS

	Note	December 31 2024	December 31 2023
Reinsurance contract assets	17	24 574 802	28 150 155
Insurance contract laibilities	18	(87 701 060)	(129 159 927)

(in thousands of UZS)

17. REINSURANCE CONTRACTS ASSETS AND LIABILITIES

31 December 2024

Reinsurance contract assets	*Note*	**Assets for remaining coverage**	**Assets for Incurred claims**	**Total**
Estimates of present value of future cash flows		21 144 515	5 676 705	26 821 220
Risk adjustment for non-financial risk		-	567 670	567 670
Assets for remaining coverage		-	-	-
Reinsurance contract assets actuarial		**21 144 515**	**6 244 375**	**27 388 890**
Reinsurance contract receivables/(payables)		(2 814 088)	-	(2 814 088)
Reinsurance contract assets/(liabilities)	*A*	**18 330 427**	**6 244 375**	**24 574 802**

31 December 2023

Reinsurance contract assets	*Note*	**Assets for remaining coverage**	**Assets for incurred claims**	**Total**
Estimates of present value of future cash flows		28 187 694	2 948 674	31 136 368
Risk adjustment for non-financial risk		-	294 867	294 867
Assets for remaining coverage		-	-	-
Reinsurance contract assets actuarial		**28 187 694**	**3 243 541**	**31 431 235**
Reinsurance contract receivables/(payables)		(3 281 080)	-	(3 281 080)
Reinsurance contract assets/(liabilities)	*A*	**24 906 614**	**3 243 541**	**28 150 155**

(in thousands of UZS)

Notes A:

Analysis by remaining coverage and incurred losses:

	2024			
		Assets for incurred claims		
	Assets for remaining coverage	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	Total
Closing assets/(liabilities)	**24 906 615**	**2 948 674**	**294 866**	**28 150 155**
Changes in the statement of profit or loss and OCI				
Allocation of reinsurance premiums paid	(13 800 743)			(13 800 743)
Amounts recoverable from reinsurers				
Recoveries of incurred claims and other insurance service expenses		2 728 032	272 803	3 000 835
Adjustments to assets for incurred claims				
Net expenses from reinsurance contracts	-	2 728 032	272 803	3 000 835
Total changes in the statement of profit or loss and OCI	**(13 800 743)**	**2 728 032**	**272 803**	**(10 799 908)**
Cash flows				
Premiums paid	7 224 556	-	-	7 224 556
Amounts received	-	-	-	-
Total cash flows	**7 224 556**	**-**	**-**	**7 224 556**
Closing assets/(liabilities)	**18 330 427**	**5 676 706**	**567 669**	**24 574 802**

(in thousands of UZS)

	2023			
		Assets for incurred claims		
	Assets for remaining coverage	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	Total
Closing assets/(liabilities)	**19 124 417**	**244 981**	**24 497**	**19 393 895**
Changes in the statement of profit or loss and OCI				
Allocation of reinsurance premiums paid	(11 451 682)	-	-	(11 451 682)
Amounts recoverable from reinsurers				
Recoveries of incurred claims and other insurance service expenses	-	2 703 693	270 369	2 974 062
Adjustments to assets for incurred claims	-	-	-	-
Net expenses from reinsurance contracts	-	2 703 693	270 369	2 974 062
Total changes in the statement of profit or loss and OCI	**(11 451 682)**	**2 703 693**	**270 369**	**(8 477 620)**
Cash flows				
Premiums paid	17 233 880	-	-	17 233 880
Total cash flows	**17 233 880**	-	-	**17 233 880**
Closing assets/(liabilities)	**24 906 615**	**2 948 674**	**294 866**	**28 150 155**

(in thousands of UZS)

18. INSURANCE CONTRACT LIABILITES

31 December 2024

Insurance contract liabilities	Note	Liability for remaining coverage	Liability for Incurred claims	Total
Estimates of present value of future cash flows		12 143 946	26 247 484	38 391 430
Risk adjustment for non-financial risk		5 165 725	2 624 748	7 790 473
Contractual service margin		71 735 511	-	71 735 511
Insurance contract liability actuarial		**89 045 182**	**28 872 232**	**117 917 414**
Insurance contract (receivables)/payables		(32 258 269)	2 041 915	(30 216 354)
Insurance contract (assets)/liabilities	*B;C*	**56 786 913**	**30 914 147**	**87 701 060**

*LRC-Liability for remaining coverage
*LIC-Liability for incurred claims

31 December 2023

Insurance contract liabilities	Note	Liability for remaining coverage	Liability for incurred claims	Total
Estimates of present value of future cash flows		36 874 410	19 713 190	56 587 600
Risk adjustment for non-financial risk		7 537 516	1 953 290	1 953 290
Contractual service margin		73 718 016	-	73 718 016
Insurance contract liability actuarial		**118 129 942**	**21 666 480**	**139 796 422**
Insurance contract (receivables)/payables		(14 960 758)	4 324 263	(10 636 495)
Insurance contract (assets)/liabilities	*B;C*	**103 169 184**	**25 990 743**	**129 159 927**

*LRC-Liability for remaining coverage
*LIC-Liability for incurred claims

(in thousands of UZS)

Note B:

Reconciliation of liability for remaining coverage and liability for claims incurred under insurance contracts:

	2024			
	LRC		LIC	Total
	Excluding Loss Component	Loss Component		
Opening insurance contract liabilities as at 1 January	**261 160 440**	**(132 000 513)**	-	**129 159 927**
Insurance revenue	**(103 487 615)**	-	-	**(103 487 615)**
Insurance service expenses		-	-	-
- Incurred benefits and expenses	13 960 603	17 136 083	-	**96 686**
- Changes that relate to past service - adjustments to LIC		2 352 006	-	**2 352 006**
- Amortisation of insurance acquisition cash flows	1 999 369	-	-	**1 999 369**
Insurance service expenses	**15 959 972**	**19 488 089**	-	**35 448 061**
Insurance service result	**(87 527 643)**	**19 488 089**	-	**(68 039 554)**
Insurance finance expenses through profit and loss	12 755 149	610 097	-	**13 365 246**
Insurance finance expenses through OCI	**(74 772 494)**	**20 098 186**	-	**(54 674 308)**
Total amounts recognised in comprehensive Income	-	-	-	-
Investment components			-	
Cash flows	59 675 614	-	-	**59 675 614**
Premiums received	-	(13 599 347)	-	**(13 599 347)**
Claims paid	(13 960 603)		-	**(13 960 603)**
Directly attributable expenses paid	(61 104)	-	-	(61 104)
Acquisition cost paid	(175 254 939)	156 415 820	-	**(18 839 119)**
Total cash flows	**(129 601 032)**	**142 816 473**	-	**13 215 441**
Closing insurance contract liabilities as at 31 December	**56 786 914**	**30 914 146**	-	**87 701 060**

(in thousands of UZS)

	2023			
	LRC		LIC	Total
	Excluding Loss Component	Loss Component		
Opening insurance contract liabilities as at 1 January	221 336 327	(99 914 675)	-	121 421 652
Insurance revenue	(95 095 579)	-	-	(95 095 579)
Insurance service expenses		-	-	-
- Incurred benefits and expenses	21 363 916	47 493 863	-	96 686
- Changes that relate to past service - adjustments to LIC		(14 170 811)	-	(14 170 811)
- Amortisation of insurance acquisition cash flows	4 773 796	-	-	4 773 796
Insurance service expenses	26 137 712	33 323 052	-	59 460 764
Insurance service result			-	
Insurance finance expenses through profit and loss			-	
Insurance finance expenses through OCI	14 983 312	1 129 517	-	16 112 829
Total amounts recognised in comprehensive income	(53 974 555)	34 452 569	-	(19 521 986)
Investment components	(41 986 157)	41 986 157	-	-
Cash flows			-	
Premiums received	116 281 448	-	-	116 281 448
Claims paid	-	(66 538 407)	-	(66 538 407)
Directly attributable expenses paid	(21 363 916)	-	-	(21 363 916)
Acquisition cost paid	(1 118 864)	-	-	(1 118 864)
Total cash flows	93 798 668	(66 538 407)	-	27 260 261
Closing insurance contract liabilities as at 31 December	261 160 440	(132 000 513)	-	129 159 927

(in thousands of UZS)

Notes C:

Reconciliation of components of insurance contract assets and actuarial liabilities:

	2024			
	Estimates of present value of future cash flows	**Risk adjustment for non-financial risk**	**Contractual service margin**	**Total**
Opening insurance contract liabilities	**45 951 105**	**9 490 807**	**73 718 015**	**129 159 927**
Changes related to current services				
- CSM recognized in profit and loss (Revenue)	-	-	(65 132 156)	(65 132 156)
- Risk Adjustment recognized in profit and loss (Revenue)	-	(10 078 492)	-	(10 078 492)
Changes related to future services				
- Contracts initially recognized in the period	(60 766 277)	7 706 700	53 059 577	-
- Changes in estimates that adjust CSM	-	-	-	-
- Changes in estimates that result in onerous contracts or reversal of losses	-	-	-	-
Changes that relate to past service	-	-	-	-
Changes that relate to past service - adjustments to LfIC	3 238 374	(886 367)	-	2 352 007
Expected benefits incurred (Revenue)	(15 508 311)	-	-	(15 508 311)
Expected expenses incurred (Revenue)	(10 769 288)	-	-	(10 769 288)
Incurred benefits (Insurance Expense)	15 578 257	1 557 826	-	17 136 083
Insurance finance expenses through profit and loss	3 118 179	-	10 247 067	13 365 246
Total changes in statement of profit and loss and OCI	**(65 109 066)**	**(1 700 333)**	**(1 825 512)**	**(68 634 911)**
Cash flow				
Premiums received	59 675 614	-	-	59 675 614
Claims paid	(13 599 347)	-	-	(13 599 347)
Directly attributable expenses paid	(61 104)	-	-	(61 104)
Acquisition cost paid	(18 682 127)	-	-	(18 682 127)
Total cash flows	**27 333 036**	**-**	**(156 992)**	**27 176 044**
Closing insurance contract liabilities	**8 175 075**	**7 790 474**	**71 735 511**	**87 701 060**

(in thousands of UZS)

	2023			
	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	Contractual service margin	Total
Opening insurance contract liabilities	**86 766 218**	**12 259 884**	**22 395 550**	**121 421 652**
Changes related to current services				
- CSM recognized in profit and loss (Revenue)	-	-	(29 989 615)	(29 989 615)
- Risk Adjustment recognized in profit and loss (Revenue)	-	(10 704 014)	-	(10 704 014)
Changes related to future services				
- Contracts initially recognized in the period	(66 571 412)	8 757 301	57 814 111	-
- Changes in estimates that adjust CSM	-	(1 640 005)	1 640 005	-
- Changes in estimates that result in onerous contracts or reversal of losses	-	-	-	-
Changes that relate to past service				
Changes that relate to past service - adjustments to LfIC	(10 475 176)	(3 533 224)	-	(14 008 400)
Expected benefits incurred (Revenue)	(22 033 430)	-	-	(22 033 430)
Expected expenses incurred (Revenue)	(27 594 723)	-	-	(27 594 723)
Incurred benefits (Insurance Expense)	43 142 998	4 350 865	-	47 493 863
Insurance finance expenses through profit and loss	(5 745 136)	-	21 857 964	16 112 828
Total changes in statement of profit and loss and OCI	**(89 276 879)**	**(2 769 077)**	**51 322 465**	**(40 723 491)**
Cash flow				
Premiums received	116 281 448	-	-	116 281 448
Claims paid	(66 538 407)	-	-	(66 538 407)
Directly attributable expenses paid	(162 412)	-	-	(162 412)
Acquisition cost paid	(1 118 863)	-	-	(1 118 863)
Total cash flows	48 461 766	-	-	48 461 766
Closing insurance contract liabilities	**45 951 105**	**9 490 807**	**73 718 015**	**129 159 927**

19. SHARE CAPITAL

In thousands of UZS	December 31, 2024	December 31, 2023
SHADIYEV BOBUR KOBULOVICH (individual)	60,38%	48,39%
INTER CAPITAL	25,00%	32,57%
ALLIED CAPITAL HOLDING S.A	9,12%	11,88%
MIRZAMAHMUDOV MUZAFFAR MUXTORALIYEVICH (individual)	2,75%	3,58%
KAYUMOV ASLAN PRIMOVICH (individual)	2,75%	3,58%
	100,00	**100,00**

20. LOAN AND BORROWINGS

In thousands of UZS	December 31, 2024	December 31, 2023
Long-term part		
" JSCB "InFinBank"	1 346 662	-
JSCB "ASIA ALLIANCE BANK"	-	13 572 647
	1 346 662	**13 572 647**
Short-term part		
JSCB "InFinBank"	846 480	-
LLC "ESTATE SHEVCHENKO INVESTMENT EL"	-	4 936 000
	846 480	**4 936 000**
Total loan and borrowings	**2 193 142**	**18 508 647**

Legal Claims

In the ordinary course of business, the Company (Group) is subject to legal actions and complaints. In the opinion of management, the ultimate liability, if any, arising from such actions or complaints will not have a material adverse effect on the financial condition or the results of future operations of the Company (Group).

Taxation

The tax, customs and currency legislation within the Republic of Uzbekistan is subject to varying interpretations and changes, which can occur frequently. Furthermore, legal acts issued by different governmental authorities may be contradictory and management's interpretation of such legislation as applied to the transactions and activity of the Company (Group) may be challenged by the relevant authorities. The Uzbek tax authorities may be taking a more assertive position in their interpretation of the legislation and assessments and it is possible that transactions and activities that have not been challenged in the past may be challenged. As a result, significant additional taxes, penalties and interest may be assessed. Fiscal periods remain open to review by the relevant tax authorities with respect to taxes for five calendar years preceding the year of review. Under certain circumstances reviews may cover longer periods.

Management believes that its interpretation of the relevant legislation is appropriate and that the Group's (Group's) tax, currency and customs positions will be sustained.

Accordingly, no provision for potential tax liabilities has been made by management as of December 31, 2024 and December 31, 2022. The Company (Group) estimates that there are no potential tax liabilities other than remote tax liabilities.

Capital commitments

As of December 31, 2024 and 2022, the Company (Group) had no material capital expenditure commitments.

Commitments under operating leases

As of December 31, 2024 and 2022, the Company (Group) had no material commitments under operating leases.

21. 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 or operational decisions as defined by IAS 24 Related Party Disclosures. In considering each possible related party relationship, attention is directed to the substance of the relationship, not merely the legal form.

22. RISK MANAGEMENT POLICY

Risk management is critical to the insurance business and is an essential element of the Group's (Group's) operations. The main risks inherent to the Group's (Group's) operations are insurance risk, credit risk, market risk, operational risk and liquidity risk. A description of the Group's (Group's) risk management policies in relation to those risks follows..

Insurance Risk

A risk under any insurance contract is the possibility that, in the event of an insured event, there will be uncertainty as to the amount of the claim. Due to the different characteristics of insurance contracts, this risk is random and therefore unpredictable.

For the purposes of the portfolio of insurance contracts, where probability theory is applied in relation to cost and provisioning, the principal risk to which the Company (Group) is exposed is the risk that actual claims payments will exceed the carrying amount of insurance liabilities. This could occur if the frequency or severity of claims is higher than estimated. Insurance claims are an infrequent event and the actual number and amount of claims and benefits will differ from year to year from estimates made using statistical methods.

Factors that increase insurance risk include insufficient diversification of risk according to the type and amount of risk, geographical location and type of coverage of the policyholder.

Experience shows that the larger the portfolio of similar insurance contracts, the smaller the relative variability of the result will be. In addition, a more diversified portfolio is less susceptible to changes in any subset of the portfolio.

The company also has the right to reject payment of a falsified claim or a claim arising under a policy where the policyholder has provided false information at the time of making policy application and at the insurance stage.

Claims under the Group's (Group's) policies are settled as they arise. The Company (Group) takes all reasonable steps to obtain the necessary information regarding risks and claims. However, given the potential for uncertainty in establishing reserves for claims, the ultimate outcome may differ significantly from the originally determined liability. Liabilities under these contracts include IBNR

Investment Risks

The investment policy of the Company (Group) follows several principles based on the level of income and the level of acceptable risk at a certain point in time. The activities of insurance companies in Uzbekistan are under strict supervision of the State Insurance Supervision Agency and the Company (Group) is not allowed to be a professional participant in the securities market.

The investment portfolio of the Company (the Group) consists of financial instruments that are selected according to the rates of return, maturity and risk characteristics of the investments. The investment portfolio so formed ensures a uniform income during the investment period. Investment income is normally reinvested to increase the size of the investment portfolio.

Credit Risk

The Company (Group) takes on exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. The Company (Group) controls credit risk by placing limits on the amount of risk accepted in relation to one borrower, or to the Company (Group) related borrowers, and to industry segments. Such risks are monitored on a regular basis and limits are reviewed annually.

Risk mitigation and limitation policy. The Company (Group) manages, limits and controls concentrations of credit risk wherever they are established - in particular with respect to individual counterparties and company and industry sectors. The Company (Group) controls credit risk by placing limits on the amount of risk accepted in relation to one borrower, or a company of related borrowers, and to geographical and industry segments. Exposure to credit risk is managed through regular analysis of the ability of borrowers and potential borrowers to meet interest and principal repayment obligations and by changing these lending limits where appropriate.

Other specific controls and credit risk mitigation measures are presented below.

Collateral. The Company (Group) uses a number of techniques and practices to mitigate credit risk. The most traditional of these is obtaining collateral for loans issued, which is a common practice. The Company (Group) applies guidelines on the acceptability of specific collateral companies or credit risk mitigation.

The main types of collateral for loans and advances are summarized below:

- letters of guarantee;
- real estate;
- insurance policy;
- equipment vehicles used by the borrower;
- working capital;
- Deposits.

Collateral held as security for financial assets other than loans and advances is determined by the type of instrument.

Concentration of risks of financial assets exposed to credit risk. Management of the Company (the Group) draws attention to concentration of risk:

- The maximum concentration for one borrower or a company of borrowers should not exceed 25% of the Bank's Tier 1 capital;
- The maximum concentration on unsecured loans shall not exceed 5% of the Bank's Tier 1 capital and;
- The total amount of all large loans shall not exceed 8 times the Bank's Tier 1 capital;
- Total amount of loans to related party - not exceeding the Bank's Tier 1 capital.

Application of IFRS 9: Credit Risk. Expected credit loss model and key principles of provisioning. The Company (Group) applies the expected credit loss model for the purposes of provisioning for financial debt instruments, the key principle of which is the timely recognition of deterioration or improvement in the credit quality of debt financial instruments taking into account current and forecast information. The amount of expected credit losses recognized as an allowance for credit losses depends on the degree of deterioration in credit quality since the initial recognition of the debt financial instrument.

Depending on changes in credit quality since initial recognition, the Company (Group) classifies financial instruments into one of the following stages:

- Stage 1 - "12-month expected credit losses" - Debt financial instruments for which there has been no significant increase in credit risk and for which 12-month expected credit losses are calculated.
- Stage 2 - "Expected lifetime credit losses - unimpaired assets" - Debt financial instruments with a significant increase in credit risk but not impaired for which expected credit losses are calculated over the life of the financial instrument.
- Stage 3 - "Expected lifetime credit losses - impaired assets" - impaired debt financial instruments.

For acquired or originated impaired financial assets, a valuation allowance for credit losses is recognized for the cumulative change in the expected credit losses over the life of the instrument from the date of acquisition or origination.

Factors that indicate a significant increase in credit risk before an asset is recognized as impaired. The main factors that indicate a significant increase in credit risk before an asset is recognized as impaired are:

- Overdue debts to the Company (Group) for the period from 31 to 90 days (inclusive);
- Significant changes in external and internal credit ratings resulting from changes in credit risk compared to the time of initial recognition;
- Deterioration of the internal rating to the level at which the Company (Group) decides to refuse to grant a loan;
- Identification of events that may affect solvency (license revocation, lawsuits, breach of loan documentation terms, etc.).

Approach to provisioning for acquired or issued impaired assets. To calculate the estimated allowance for credit losses in respect of acquired or issued impaired assets, the Company (Group) estimates the cumulative change in the expected credit losses over the life of the instrument from the date of acquisition or issue.

A financial asset is considered to be acquired or disposed of impaired when one or more events have occurred that have a negative effect on the estimated future cash flows of that financial asset, in particular observable data on the following events at the time of acquisition or dispensation:

- significant financial difficulties of the counterparty/issuer;
- breaches of contract, such as late payment;
- the granting by a creditor of an assignment to its counterparty/issuer for economic reasons or contractual terms related to the financial difficulties of such counterparty/issuer and which the creditor would not otherwise have granted;
- the emergence of the possibility of bankruptcy or other financial reorganization;
- disappearance of an active market for this financial asset as a result of financial difficulties of the issuer;
- The purchase or creation of a financial asset at a deep discount that reflects credit losses incurred.

Valuation methods and the method of establishing the valuation allowance for credit losses. For the purposes of estimating expected credit losses, two methods are distinguished: at the transaction level or at the counterparty level. Transaction level measurement is used for all debt financial instruments except for the Individuals segment.

Counterparty-level valuation is used for all debt financial instruments within the Individuals segment.

The primary method of establishing the estimated allowance for credit losses, which is applied at the Group's (Group's) level, is collective provisioning. It is mandatory for financial instruments that are not individually significant or for which no significant increase in credit risk or impairment has been identified in the reporting period.

Allowance for financial assets on an individual basis. The amount of the estimated allowance for credit losses for each debt financial asset is based on an estimate of the weighted average expected credit losses under the scenarios considered.

- The number of scenarios to be considered and their weights are determined based on the methodology developed by the Company (Group), taking into account the available current and reasonable forecast information; however, the number of scenarios to be considered cannot be less than two (including the 100% loss scenario) and the probability of their realization must be higher than zero.
- The estimation of expected losses under the individual allowance approach takes into account the time value of money and reasonable information about past, current and projected future economic conditions. The amount of the estimated allowance for credit losses is the difference between the

gross carrying amount of the debt financial asset before the deduction of the estimated allowance for credit losses at the measurement date and its recoverable amount.

A discounted cash flow approach is used to estimate the recoverable amount, based on expected future payments on the debt financial asset (or other cash flows) using the effective interest rate as the discount rate. This estimate shall take into account the following sources of cash inflows:

- free cash flows from operating activities;
- future amounts recoverable as a result of the realization of collateral;
- cash receipts from other sources - for example, as a result of court proceedings (other than the realization of collateral) or bankruptcy proceedings.

Provisioning of financial assets on a collective basis. Collective assessment of valuation allowances for credit losses of debt financial assets is performed on the basis of individual risk metrics (PD, LGD, EAD), which are assigned to each specific counterparty/issuer based on the analysis of financial and other information, and which are monitored on a regular basis.

PD - probability of default determined on the basis of risk segment and internal rating (or delinquency company) for the relevant period (12 months or the whole life of the Lifetime) PD instrument)). Values are determined based on internal models as well as using migration matrices (Markov chains). The default probability calculations are adjusted to take into account forecast information. Probability of default (PD) indicators used by the Company, using data from Moody's rating agency for financial institutions as an example. The data published in the official websites of government agencies, the Central Bank of the Republic of Uzbekistan (www.cbu.uz) and other sources are used for corporate by major industries and individuals. As forecast information, data on the quality of banks' loan portfolio of previous periods, as well as current and expected changes in macroeconomic variables (e.g., real GDP growth, inflation, growth of real disposable income of the population, etc.) are used. The impact of these economic variables on the probability of default is determined using statistical regression analysis, and is calculated as the impact exerted by these variables on the default rate in past periods.

The Company (Group) estimates expected credit losses for a period of 12 months (Stage 1) or the life of the instrument, weighted by the probability of the scenarios. These probability-weighted expected credit losses are determined by calculating each scenario using the relevant expected credit loss model and multiplying it by the relevant scenario weights.

The basic principle of segmentation for determining the probability of default (PD) for provisioning purposes assumes that debt financial instruments with a similar risk profile should be assigned to the same portfolio with a similar risk level. The risk segment is determined based on the specifics of the counterparty/issuer's business, country of residence, size and business model.

LGD - loss given default, an estimate of the loss given default based on the difference in the amount of contractual cash flows receivable and cash flows expected to be received by the lender, including as a result of collateralized property. As a rule, this value is expressed as a percentage of EAD. The values are determined using models developed on the basis of internal statistics.

EAD - amount of credit claim exposed to default risk. Indebtedness at the time of default is determined based on the expected payment schedule, which varies by product type. For products that are carried at amortized cost and loans with lump-sum repayments, the amount outstanding at the time of default is based on the amounts contractually due from the borrower over a 12-month period or over the life of the financial instrument. This debt is also adjusted for expected overpayments by the borrower. Assumptions for early repayment or refinancing are also included in the calculation. For revolving products, arrears at the time of default are projected by adding a "credit conversion factor" to the current utilized balance, which takes into account the expected utilization of the remaining limit by the time of default. These assumptions vary depending on the type of product, current limit usage and other behavioral characteristics of the individual borrower. The values are determined using models developed on the basis of internal statistics.

Determination of the estimated allowance for credit losses. Where a counterparty has current balance sheet debt, the estimation of the allowance for credit losses is performed in accordance with the approaches applied to the provisioning of the counterparty's current balance sheet debt, taking into account the credit conversion factor (CCF) determined both on the basis of statistical data and using Basel values. Where a counterparty has only a CCF-adjusted valuation allowance for credit losses is assessed on an individual or collective basis, depending on the volume of the CCF-adjusted liability.

Credit quality of financial instruments. The classification of financial assets into five credit risk categories summarizes the credit quality of financial assets within the scope of IFRS 9.

Credit risk

- "Minimal credit risk" - assets whose counterparties demonstrate a stable ability to fulfill financial obligations in a timely manner with an insignificant probability of default.
- "Low credit risk" - assets whose counterparties have a low probability of default and a high ability to fulfill financial obligations in a timely manner.
- "Medium credit risk" - assets whose counterparties have a moderate probability of default, demonstrate an average ability to fulfill financial obligations in a timely manner and require more careful attention at the monitoring stage.
- "High credit risk" - assets, counterparties of which have a high probability of default, require special attention at the monitoring stage.
- "Defaulted" - assets that, based on observable indicators of impairment, meet the definition of default.

Financial assets are graded according to the current credit ratings assigned by internationally recognized rating agencies. The highest possible rating is AAA. Investment grade financial assets correspond to ratings from AAA to BBB assigned by internationally recognized rating agencies. Financial assets with ratings below BBB are classified as speculative grade.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in raising funds to meet all commitments associated with financial instruments. Liquidity risk may arise from the inability to realize assets quickly at their fair value; or the inability of a counterparty to settle its contractual obligations; or earlier than expected maturity of insurance liabilities; or the inability to generate cash flows as expected.

The primary liquidity risk facing the Company (Group) is the daily cash requirements on its available cash resources in respect of claims arising from insurance contracts.

The Company (Group) manages liquidity risk through a separate Company (Group) liquidity risk management policy that defines what constitutes liquidity risk; establishes a minimum funding ratio to meet emergency payment requirements; establishes contingency funding plans; identifies funding sources and the events that will trigger the plan; concentrates funding sources; and reports on liquidity risk exposures and irregularities

Market risk

The Company (Group) is also exposed to market risks arising from open positions in interest rates and currencies, which are subject to general and specific market fluctuations. The Company manages market risk through periodic estimation of potential losses arising from adverse changes in market conditions and establishing and maintaining appropriate stop-loss limits and margin requirements.

Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company (Group) is exposed to the effects of fluctuations in the prevailing foreign currency exchange rates on its financial position and cash flows .

(in thousands of UZS)

	Strengthening		Weakening	
	Equity	Profit or loss	Equity	Profit or loss
31 December 2024				
UZS (10% movement) to USD	709 668	709 668	(709 668)	(709 668)
UZS (10% movement) to EUR	229	229	(229)	(229)
UZS (10% movement) to RUB	3 991	3 991	(3 991)	(3 991)
31 December 2023				
UZS (10% movement) to USD	1 376 037	1 376 037	(1 376 037)	(1 376 037)
UZS (10% movement) to EUR	229	229	(229)	(229)
UZS (10% movement) to RUB	3 991	3 991	(3 991)	(3 991)

23. EVENTS AFTER THE REPORTING PERIOD

Subsequent to December 31, 2024, the reporting date, and up to the date of authorization for issue of these financial statements, there were no adjusting events recognized in the financial statements and no non-adjusting events that are material for disclosure.

Approved and signed on behalf of the Group's management on June 16, 2025.

Abdukakhkhatov I. Sh.
General Director

Kholmatov D.M..
Chief Accountant