Financial Statements and Independent Auditor's Report

Green Insurance Georgia JSC

31 December 2023

Contents

Independent auditor's report

To the shareholders of Green Insurance Georgia JSC

Opinion

We have audited the financial statements of Green Insurance Georgia JSC (the "Company"), which comprise the statement of financial position as of 31 December 2023, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of material accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as of 31 December 2023 and of its financial performance and its 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 *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (the "IESBA Code") together with the ethical requirements that are relevant to our audit of the financial statements in the Georgia, and we have fulfilled our other ethical responsibilities in accordance with those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

In preparing the financial statements, management is responsible for assessing the Company'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 Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the 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 Company’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 Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

The engagement partner on the audit resulting in this independent auditor’s report is Vakhtang Tsabadze

Vakhtang Tsabadze

For and on behalf of Grant Thornton LLC

Managing Partner

Register Auditor (Registration N-SARAS-A-774309)

Tbilisi, Georgia

26 April 2024

Statement of financial position

In thousand Georgian lari	Notes	31 December 2023	31 December 2022 restated	01 January 2022 restated
Assets				
Cash and cash equivalents	7	2,409	2,675	1,507
Deposits in banks	8	11,629	11,269	11,359
Insurance contract assets	9	86	14	78
Reinsurance contract assets	9	224	242	155
Borrowings issued	10	2,035	-	-
Tax advances		-	133	261
Prepayment		-	-	24
Deferred tax asset		-	18	2
Property and equipment		49	21	23
Intangible assets		40	28	47
Right-of-use asset	11	51	118	101
Total assets		**16,523**	**14,518**	**13,557**
Equity and liabilities				
Equity				
Share capital	12	10,051	10,051	10,051
Share premium		51	51	51
Retained earnings		4,297	2,294	2,472
Total equity		**14,399**	**12,396**	**12,574**
Liabilities				
Insurance contract liabilities	9	927	890	408
Lease liability	13	53	120	102
Accounts payable	14	859	1,112	473
Tax liabilities		285	-	-
Total liabilities		**2,124**	**2,122**	**983**
Total equity and liabilities		**16,523**	**14,518**	**13,557**

The financial statements were approved on 26 April 2024 by:

Eka Tsenteradze	Levan Eliauri
General director	Financial director

The statement of financial position is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 9 to 39.

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Statement of profit or loss and other comprehensive income

In thousand Georgian lari

	Notes	Year 2023	Year 2022 restated
Insurance revenue	15	4,291	3,671
Insurance service expense	16	(962)	(1,236)
Expenses from reinsurance contracts held	17	(333)	(141)
Insurance service result		**2,996**	**2,294**
Interest income	18	870	448
Other income		22	3
General and administrative expenses	19	(1,513)	(1,402)
Other expenses		(11)	(15)
Net foreign exchange gain (loss)	20	(41)	(1,522)
Profit for the year before tax		**2,323**	**(194)**
Income tax (expense)/recovery	21	(320)	16
Profit for the year		**2,003**	**(178)**
Other comprehensive income		-	-
Total comprehensive income for the year		**2,003**	**(178)**

The statement of profit or loss and other comprehensive is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 9 to 39.

Statement of changes in equity

In thousand Georgian lari	Share capital	Additional paid-in capital	Retained earnings	Total
Balance as of 31 December 2021, as previously reported	10,051	51	2,577	12,679
Impact of initial application of IFRS 17 (Note 6)	-	-	(105)	(105)
Restated balance as at 1 January 2022	10,051	51	2,472	12,574
Loss for the year	-	-	(178)	(178)
Other comprehensive income:				
Total comprehensive income for the year (restated)	-	-	(178)	(178)
Restated balance as of 31 December 2022	10,051	51	2,294	12,396
Profit for the year	-	-	2,003	2,003
Other comprehensive income:				
Total comprehensive income for the year	-	-	2,003	2,003
Restated balance as of 31 December 2023	10,051	51	4,297	14,399

The statement of changes in equity is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 9 to 39.

Statement of cash flows

In thousand Georgian lari	Note	Year 2023	Year 2022
Cash flows from operating activities			
Insurance premiums received	9	3,525	3,557
Received subrogation amounts	9	459	34
Other operating income		(95)	624
Claims paid	9	(797)	(459)
Reinsurance commission cash flow	9	(339)	(218)
Acquisition costs paid	9	(268)	(304)
Salaries and benefits paid		(576)	(615)
Operating taxes paid		(80)	(97)
Administrative and other expenses paid		(460)	(290)
Interest received		725	368
Net cash flows from operating activities		**2,094**	**2,600**
Cash flow from investing activities			
Placements of bank deposits		1,152	(11,713)
Withdrawals of bank deposits		(1,453)	10,331
Borrowings issued		(2,000)	-
Purchase of intangible assets		-	-
Purchase of Property, Plant, and equipment		-	(4)
Proceeds from sale of property, plant and equipment		-	-
Net cash used ininvesting activities		**(2,301)**	**(1,386)**
Cash flow from financing activities			
Increase in share capital		-	-
Payment lease liability	13	(59)	(65)
Net cash used in financing activities		**(59)**	**(65)**
Exchange rate difference effect on cash and cash equivalents	20	-	19
Net change in cash and cash equivalents		(266)	1,149
Cash and cash equivalents at the beginning of the year		2,675	1,507
Cash and cash equivalents at the end of the year		**2,409**	**2,675**

The statement of cash flows is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 9 to 39.

Notes to the financial statements

1 Principal activities

Green Insurance Georgia JSC (the “Company”), was founded and registered in Georgia on May 13, 2013. The Company carries out insurance activity and provides motor own damage insurance, accident insurance, property insurance, liability and other types of insurance.

The company is a joint stock company, until December 7, 2015 it was a limited liability company. The company operates in accordance with the legislation of Georgia. The legal and factual address of the company is Ana Kalandadze Street # 4, Tbilisi, Georgia.

As of December 31, 2023, the number of shares listed by classes is as follows: Class A - 4,350,000 pieces, Class AA - 1,650,000 pieces, Class B - 4,051,059 pieces. The nominal value of all classes of shares is 1 (one) GEL.

As of December 31, 2023, the owners of A and AA class shares of the company were: JSC Metro Avrasya Investment Georgia - 100%, and the owners of B class shares: JSC Metro Avrasya Investment – 93.061%, JSC Metro Atlas Georgia - 4.443%, JSC Metro Construction - 2.468% and other owners - 0.028%.

The insurance license was given to the Company on October 11, 2013, license certificate #NL013, issued by LEPL Insurance State Supervision Service of Georgia. In accordance with Order №05/4 of the Head of Insurance State Supervision Service of Georgia the Company has been granted life insurance license on 2 November 2020.

The governing body of the Company is the supervisory board and the general assembly. Day to day activities of the Company are managed by general director of the Company. As at the years end 2023 and 2022 general director of the company is Eka Tsenteradze.

The ultimate controlling party of the company is Ayten Ozturk Unal, Turkish Citizen.

2 Business environment

The continuous Russian-Ukrainian war since February 2022 has had a significant impact on both the conflicting countries and on the world economy. Many leading countries and economic unions have announced severe economic sanctions against Russia, including Russian banks, Russian national reinsurance company, other organizations and individuals. The war is still ongoing, but it has already led to a humanitarian crisis and huge economic losses in Ukraine, Russia and other countries.

Since the hostilities have not yet stopped, it is impossible to reliably assess its final impact on both Georgia's business environment and the company's operations.

The Company's management constantly analyses the economic situation in the current environment. The future economic and political situation and its impact on the Company's operations may differ from the management's current expectations.

3 Basis of preparation

3.1 Statement of compliance

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") as developed and published by the International Accounting Standards Board (IASB), and Interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC").

This is the first set of the Company's annual financial statements in which IFRS 17 Insurance Contracts and IFRS 9 Financial Instruments have been applied. The related changes to material accounting policies are described in Note 3.4.

3.2 Basis of measurement

The financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies below.

3.3 Functional and presentation currency

Functional currency of the Company is the currency of the primary economic environment in which the Company operates. The Company's functional currency is Georgian lari ("GEL"), which may not be freely convertible in most countries outside Georgia. The financial statements are presented in thousands of GEL, unless otherwise stated.

3.4 Changes in accounting policies

In these financial statements, the Company has applied IFRS 17 and IFRS 9 for the first time. These standards have brought significant changes to the accounting for insurance and reinsurance contracts and financial instruments. As a result, the Company has restated certain comparative amounts and presented a third statement of financial position as at 1 January 2022.

The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

The nature and effects of the key changes in the Company's accounting policies resulting from its adoption of IFRS 17 and IFRS 9 are summarised below.

IFRS 17 Insurance Contracts

IFRS 17 replaces IFRS 4 Insurance Contracts for annual periods on or after 1 January 2023. The Company has restated comparative information for 2022 applying the transitional provisions to IFRS 17 and disclosed the impact of the adoption of IFRS 17 on each financial statement line item in note 6.

The nature of the changes in accounting policies can be summarised, as follows:

Changes to classification and measurement

The adoption of IFRS 17 did not change the classification of the Company's insurance contracts. However, IFRS 17 establishes specific principles for the recognition and measurement of insurance contracts issued and reinsurance contracts held by the Company.

Under IFRS 17, the Company's insurance contracts issued and reinsurance contracts held are all eligible to be measured by applying the PAA. The PAA simplifies the measurement of insurance contracts in comparison with the general model in IFRS 17.

The measurement principles of the PAA differ from the 'earned premium approach' used by the Company under IFRS 4 in the following key areas:

- The liability for remaining coverage reflects premiums received less deferred insurance acquisition cash flows, unless the entity chooses to recognise the payments as an expense, and less amounts recognised in revenue for insurance services provided,
- Measurement of the liability for remaining coverage includes an adjustment for the time value of money and the effect of financial risk where the premium due date and the related period of services are more than 12 months apart,

- Measurement of the liability for remaining coverage involves an explicit evaluation of risk adjustment for non-financial risk when a group of contracts is onerous in order to calculate a loss component,
- Measurement of the liability for incurred claims (previously claims outstanding and incurred but not reported (IBNR) claims) is determined on a discounted probability-weighted expected value basis, and includes an explicit risk adjustment for non-financial risk. The liability includes the Company's obligation to pay other incurred insurance expenses.

The Company capitalises insurance acquisition cash flows for all product lines.

The Company allocates the acquisition cash flows to groups of insurance contracts issued or expected to be issued using a systematic and rational basis. Insurance acquisition cash flows include those that are directly attributable to a group and to future groups that are expected to arise from renewals of contracts in that group. Where such insurance acquisition cash flows are paid before the related group of insurance contracts is recognised, an asset for insurance acquisition cash flows is recognised and are tested for recoverability. When insurance contracts are recognised, the related portion of the asset for insurance acquisition cash flows is derecognised and subsumed into the measurement at initial recognition of the insurance liability for remaining coverage of the related group.

The Company's classification and measurement of insurance and reinsurance contracts is explained in Note 4.1.

Changes to presentation and disclosure

The line item descriptions in the statement of financial position and profit or loss and other comprehensive income have been changed significantly compared with last year.

Transition

On transition date, 1 January 2022, the Company:

- Has identified, recognised and measured each group of insurance contracts as if IFRS 17 had always applied,
- Has identified, recognised and measured assets for insurance acquisition cash flows as if IFRS 17 has always applied. However, no recoverability assessment was performed before the transition date. At transition date, a recoverability assessment was performed and no impairment loss was identified.
- Derecognised any existing balances that would not exist had IFRS 17 always applied,
- Recognised any resulting net difference in equity.

IFRS 9 Financial Instruments

IFRS 9 replaced IAS 39 "*Financial Instruments: Recognition and Measurement"* for annual periods beginning on or after 1 January 2018. However, the Company elected, under the amendments to IFRS 4, to apply the temporary exemption from IFRS 9, thereby deferring the initial application date of IFRS 9 to align with the initial application of IFRS 17.

The Company has applied IFRS 9 retrospectively and restated comparative information for 2022 for financial instruments in the scope of IFRS 9. The company Differences arising from the adoption of IFRS 9 were recognised in retained earnings as of 1 January 2022 and are disclosed in Note 6.

The nature of the changes in accounting policies can be summarised, as follows:

Changes to classification and measurement

To determine their classification and measurement category, IFRS 9 requires all financial assets to be assessed based on a combination of the Company's business model for managing the assets and the instruments' contractual cash flow characteristics.

The IAS 39 measurement categories for financial assets (fair value through profit or loss, available for sale, held-to-maturity and loans and receivables at amortised cost) have been replaced by:

- Financial assets at fair value through profit or loss, including equity instruments and derivatives,
- Debt instruments at fair value through other comprehensive income, with gains or losses reclassified to profit or loss on derecognition,

- Equity instruments at fair value through other comprehensive income, with no reclassified of gains or losses to profit or loss on derecognition,

- Debt instruments at amortised cost

The accounting for financial liabilities remains largely the same as it was under IAS 39.

Changes to the impairment calculation

The adoption of IFRS 9 has fundamentally changed the Company's accounting for impairment losses for debt instruments held at FVOCI or amortised cost by replacing IAS 39's incurred loss approach with a forward-looking expected credit loss (ECL) approach.

IFRS 9 requires the Company to record an allowance for ECLs for all debt instruments not held at FVPL.

For debt instruments, the ECL is based on the portion of lifetime ECLs (LTECL) that would result from default events on a financial instrument that are possible within 12 months after the reporting date. However, when there has been a significant increase in credit risk since origination or purchase of the assets, the allowance is based on the full LTECL.

The Company's debt instruments at FVOCI and amortised cost comprise Loan granted that is considered to be low credit risk instrument. It is the Company's policy to measure such instruments on a 12-month ECL (12mECL) basis.

Changes in disclosure – IFRS 7

To reflect the differences between IFRS 9 and IAS 39, IFRS 7 *Financial Instruments: Disclosures* was also amended. The Company applied the amended disclosure requirements of IFRS 7 for the year beginning 1 January 2023. Changes include transition disclosures as shown in Note 6.

Other new standards and amendments described below and applied for the first time in 2023, did not have a material impact on the annual financial statements of the Company.

- *Proceeds before intended use* (Amendments to IAS 16)
- *References to the conceptual framework* (Amendments to IFRS 3)
- *Onerous contracts – costs of fulfilling a contract* (Amendments to IAS 37)

3.5 Standards and interpretations not yet applied by the Company

At the date of authorization of these financial statements, certain new standards, amendments and interpretations to the existing Standards have been published but are not yet effective. The Company has not early adopted any of these pronouncements.

Management anticipates that all of the pronouncements will be adopted in the Company's accounting policy for the first period beginning after the effective date of the pronouncement.

Management does not anticipate a material impact on the Company's financial statements from these Standards and Amendments, they are presented below.

- *Classification of liabilities as current or non-current* (Amendments to IAS 1)
- *Definition of Accounting Estimates (Amendments to IAS 8)*
- *Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)*
- *Non-current Liabilities with Covenants (Amendments to IAS 1)*
- *Deferred Tax related to Assets and Liabilities from a Single Transaction.*

4 Summary of material accounting policies

The following material accounting policies have been applied in the preparation of the financial statements. The accounting policies have been consistently applied.

4.1 Insurance and reinsurance contracts

4.1.1. Classification

Insurance contracts are those contracts under which the Company accepts significant insurance risk from another party (the policyholder) by agreeing to compensate the policyholders if a specified uncertain future event (the insured event) adversely affects the policyholders.

Insurance risk is significant if, and only if, an insured event could cause the issuer to pay additional amounts that are significant in any single scenario, excluding scenarios that have no commercial substance. Insurance contracts can also transfer financial risk. Financial risk is the risk of a possible future change in specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of price or rates, credit rating or credit index or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract.

The Company does not issue reinsurance contracts in the normal course of business to compensate other entities for claims arising from one or more insurance contracts issued by those entities.

The Company does not issue any contracts with direct participating features.

Once the contract has been classified as an insurance contract, it remains an insurance contract for the remainder of its lifetime, even if the insurance risk reduces significantly during this period, unless all rights and obligations are extinguished or expire.

4.1.2. Separating components from insurance and reinsurance contracts

The Company assesses its non-life insurance and reinsurance products to determine whether they contain distinct components which must be accounted for under another IFRS instead of under IFRS 17. After separating any distinct components, the Company applies IFRS 17 to all remaining components of the (host) insurance contract. Currently, the Company's products do not include any distinct components that require separation.

4.1.3. Level of aggregation

The level of aggregation for the Company insurance and reinsurance products is determined firstly by dividing the business written into portfolios. Portfolios comprise groups of contracts with similar risks which are managed together. Contracts within a product line would be expected to have similar risks and hence would be expected to be in the same portfolio if they are managed together. The portfolios are further divided by year of issue and profitability for recognition and measurement purposes. No group for level of aggregation purposes may contain contracts issued more than one year apart. The profitability of groups of contracts is assessed by actuarial valuation models that take into consideration existing and new business. Hence, within each year of issue, portfolios of contracts are divided into three groups, as follows:

- A group of contracts that are onerous at initial recognition (if any),
- A group of contracts that, at initial recognition, have no significant possibility of becoming onerous subsequently (if any),
- A group of the remaining contracts in the portfolio (if any)

The Company has identified the following portfolios of insurance contracts:

- Motor Third party liability (Compulsory)
- Motor insurance

- Guarantees related to state procurement and other liabilities
- Construction risk insurance
- MTPL
- Cargo insurance
- Property insurance
- Machinery insurance
- Professional indemnity insurance
- Land carrier liability insurance
- Travel insurance
- Other types of liability insurance

The Company assumes that no contracts in the portfolio are onerous at initial recognition unless facts and circumstances indicate otherwise. For contracts that are not onerous, the Company assesses, at initial recognition, that there is no significant possibility of becoming onerous subsequently by assessing the likelihood of changes in applicable facts and circumstances. The Company considers facts and circumstances to identify whether a group of contracts are onerous based on:

- Pricing information,
- Results of similar contracts it has recognised,
- Environmental factors, e.g., a change in market experience or regulations.

The Company divides portfolios of reinsurance contracts held applying the same principles set out above.

4.1.4. Recognition

The Company recognises groups of insurance contracts it issues from the earliest of the following:

- The beginning of the coverage period of the group of contracts,
- The date when the first payment from a policyholder in the group is due or when the first payment is received if there is no due date,
- For a group of onerous contracts, if facts and circumstances indicate that the group is onerous

The Company recognises a group of reinsurance contracts held it has entered into from the earlier of the following:

- The beginning of the coverage period of the group of reinsurance contracts held. However, the Company delays the recognition of a group of reinsurance contracts held that provide proportionate coverage until the date any underlying insurance contract is initially recognised, if that date is later than the beginning of the coverage period of the group of reinsurance contracts held, and
- The date the Company recognises an onerous group of underlying insurance contracts if the Company entered into the related reinsurance contract held in the group of reinsurance contracts held at or before that date.

The Company adds new contracts to the group in the reporting period in which that contract meets one of the criteria set out above.

4.1.5. Contract boundary

The Company includes in the measurement of a group of insurance contracts all the future cash flows within the boundary of each contract in the group. Cash flows are within the boundary of an insurance contract if they arise from substantive rights and obligations that exist during the reporting period in which the Company can compel the policyholder to pay the premiums, or in which the Company has a substantive obligation to provide the policyholder with insurance contract services. A substantive obligation to provide insurance contract services ends when:

- The Company has the practical ability to reassess the risks of the particular policyholder and, as a result, can set a price or level of benefits that fully reflects those risks, or

- The Company has the practical ability to reassess the risks of the portfolio of insurance contracts that contain the contract and, as a result, can set a price or level of benefits that fully reflects the risk of that portfolio and the pricing of the premiums up to the date when the risks are reassessed does not take into account the risks that relate to periods after the reassessment date.

A liability or asset relating to expected premiums or claims outside the boundary of the insurance contract is not recognised. Such amounts relate to future insurance contracts.

4.1.6. Measurement

Insurance contracts – initial measurement

The Company applies the premium allocation approach (PAA) to all the insurance contracts that it issues and reinsurance contracts that it holds, as:

- The coverage period of each contract in the group is one year or less, including insurance contract services arising from all premiums within the contract boundary, or

- For contracts longer than one year, the Company has modelled possible future scenarios and reasonably expects that the measurement of the liability for remaining coverage for the group containing those contracts under the PAA does not differ materially from the measurement that would be produced applying the general model. In assessing materiality, the Company has also considered qualitative factors such as the nature of the risk and types of its lines of business.

Coverage period for all types of insurance (except for Guarantee related state procurement and Construction risk) and reinsurance contracts assumed is one year or less and so qualifies automatically for PAA. Both *Guarantee related state procurement and other liability* insurance and *Construction risk* insurance include contracts with coverage period greater than one year. However, there is no material difference in the measurement of the liability for remaining coverage between PAA and the general model, therefore, these qualify for PAA as well.

For a group of contracts that is not onerous at initial recognition, the Company measures the liability for remaining coverage as:

- The premiums, if any, received at initial recognition,

- Minus any insurance acquisition cash flows at that date, with the exception of contracts which are one year or less where this is expensed,

- Plus or minus any amount arising from the derecognition at that date of the asset recognised for insurance acquisition cash flows and,

- Any other asset or liability previously recognised for cash flows related to the group of contracts that the Company pays or receives before the group of insurance contracts is recognised.

For all business, there is no allowance for time value of money as the premiums are received within one year of the coverage period.

Where facts and circumstances indicate that contracts are onerous at initial recognition, the Company performs additional analysis to determine if a net outflow is expected from the contract. Such onerous contracts are separately grouped from other contracts and the Company recognises a loss in profit or loss for the net outflow, resulting in the carrying amount of the liability for the group being equal to the fulfilment cash flows. A loss component is established by the Company for the liability for remaining coverage for such onerous group depicting the losses recognised.

Reinsurance contracts held – initial measurement

The Company measures its reinsurance assets for a group of reinsurance contracts that it holds on the same basis as insurance contracts that it issues.

Where the Company recognises a loss on initial recognition of an onerous group of underlying insurance contracts or when further onerous underlying insurance contracts are added to a group, the Company establishes a loss-recovery component of the asset for remaining coverage for a group of reinsurance contracts held depicting the recovery of losses.

The Company calculates the loss-recovery component by multiplying the loss recognised on the underlying insurance contracts and the percentage of claims on the underlying insurance contracts the Company expects to recover from the group of reinsurance contracts held. The Company uses a systematic and rational method to determine the portion of losses recognised on the group to insurance contracts covered by the group of reinsurance contracts held where some contracts in the underlying group are not covered by the group of reinsurance contracts held.

The loss-recovery component adjusts the carrying amount of the asset for remaining coverage.

Insurance contracts – subsequent measurement

The Company measures the carrying amount of the liability for remaining coverage at the end of each reporting period as the liability for remaining coverage at the beginning of the period:

- Plus premiums received in the period,

- Minus insurance acquisition cash flows, with the exception of insurance product line for which the Company chooses to expense insurance acquisition cash flows as they occur,

- Plus any amounts relating to the amortisation of the insurance acquisition cash flows recognised as an expense in the reporting period for the group,

- Plus any adjustment to the financing component, where applicable,

- Minus the amount recognised as insurance revenue for the services provided in the period,

- Minus any investment component paid or transferred to the liability for incurred claims.

The Company estimates the liability for incurred claims as the fulfilment cash flows related to incurred claims. The fulfilment cash flows incorporate, in an unbiased way, all reasonable and supportable information available without undue cost or effort about the amount, timing and uncertainty of those future cash flows, they reflect current estimates from the perspective of the Company, and include an explicit adjustment for non-financial risk (the risk adjustment). The Company does not adjust the future cash flows for the time value of money and the effect of financial risk for the measurement of liability for incurred claims that are expected to be paid within one year of being incurred.

Where, during the coverage period, facts and circumstances indicate that a group of insurance contracts is onerous, the Company recognises a loss in profit or loss for the net outflow, resulting in the carrying amount of the liability for the group being equal to the fulfilment cash flows

Reinsurance contracts held - subsequent measurement

The subsequent measurement of reinsurance contracts held follows the same principles as those for insurance contracts issued and has been adapted to reflect the specific features of reinsurance held.

4.1.7. Insurance acquisition cash flows

Insurance acquisition cash flows arise from the costs of selling, underwriting and starting a group of insurance contracts (issued or expected to be issued) that are directly attributable to the portfolio of insurance contracts to which the group belongs.

- Insurance acquisition cash flows that are directly attributable to a group of insurance contracts,

- Insurance acquisition cash flows directly attributable to a portfolio of insurance contracts that are not directly attributable to a group of contracts, to groups in the portfolio.

Where insurance acquisition cash flows have been paid or incurred before the related group of insurance contracts is recognised in the statement of financial position, a separate asset for insurance acquisition cash flows is recognised for each related group.

The asset for insurance acquisition cash flow is derecognised from the statement of financial position when the insurance acquisition cash flows are included in the initial measurement of the related group of insurance contracts.

At the end of each reporting period, the Company revises amounts of insurance acquisition cash flows allocated to groups of insurance contracts not yet recognised, to reflect changes in assumptions related to the method of allocation used.

After any re-allocation, the Company assesses the recoverability of the asset for insurance acquisition cash flows, if facts and circumstances indicate the asset may be impaired. When assessing the recoverability, the Company applies:

- An impairment test at the level of an existing or future group of insurance contracts; and

- An additional impairment test specifically covering the insurance acquisition cash flows allocated to expected future contract renewals.

If an impairment loss is recognised, the carrying amount of the asset is adjusted and an impairment loss is recognised in profit or loss.

The Company recognises in profit or loss a reversal of some or all of an impairment loss previously recognised and increases the carrying amount of the asset, to the extent that the impairment conditions no longer exist or have improved.

4.1.8. Modification and derecognition

The Company derecognises insurance contracts when:

- The rights and obligations relating to the contract are extinguished (i.e., discharged, cancelled or expired), or

- The contract is modified such that the modification results in a change in the measurement model or the applicable standard for measuring a component of the contract, substantially changes the contract boundary, or requires the modified contract to be included in a different group. In such cases, the Company derecognises the initial contract and recognises the modified contract as a new contract.

When a modification is not treated as a derecognition, the Company recognises amounts paid or received for the modification with the contract as an adjustment to the relevant liability for remaining coverage.

4.1.9. Presentation

The Company has presented separately, in the statement of financial position, the carrying amount of portfolios of insurance contracts issued that are assets, portfolios of insurance contracts issued that are liabilities, portfolios of reinsurance contracts held that are assets and portfolios of reinsurance contracts held that are liabilities.

Any assets for insurance acquisition cash flows recognised before the corresponding insurance contracts are included in the carrying amount of the related groups of insurance contracts are allocated to the carrying amount of the portfolios of insurance contracts that they relate to.

The Company disaggregates the total amount recognised in the statement of profit or loss and other comprehensive income into an insurance service result, comprising insurance revenue and insurance service expense, and insurance finance income or expenses.

The Company does not disaggregate the change in risk adjustment for non-financial risk between a financial and non-financial portion and includes the entire change as part of the insurance service result.

The Company separately presents income or expenses from reinsurance contracts held from the expenses or income from insurance contracts issued.

4.1.10. Insurance revenue

The insurance revenue for the period is the amount of expected premium receipts allocated to the period. The Company allocates the expected premium receipts to each period of insurance contract services on the basis of the passage of time. But if the expected pattern of release of risk during the coverage period differs significantly from the passage of time, then the allocation is made on the basis of the expected timing of incurred insurance service expenses.

The Company changes the basis of allocation between the two methods above as necessary, if facts and circumstances change. The change is accounted for prospectively as a change in accounting estimate.

For the periods presented, all revenue has been recognised on the basis of the passage of time.

4.1.11. Insurance service expenses

Insurance service expenses arising from insurance contracts are recognised in profit or loss generally as they are incurred. They comprise the following items:

- Incurred claims and other insurance service expenses,
- Amortisation of insurance acquisition cash flows: the Company amortises insurance acquisition cash flows on a straight-line basis over the coverage period of the group of contracts,
- Income received from the subrogation

4.1.12. Net expense from reinsurance contracts held

Net expenses from reinsurance contracts held comprise an allocation of reinsurance premiums paid less amounts recovered from reinsurers. The Company recognises an allocation of reinsurance premiums paid in profit or loss as it receives services under groups of reinsurance contracts.

4.2 Financial instruments

IFRS 9 sets our requirements for recognition and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. This standard replaces IAS 39 financial instruments: Recognition and measurement.

Classification of financial assets and financial liabilities

IFRS 9 contains three principal classification categories for financial assets: measured at amortized cost, FVOCI and FVTPL. The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics.

IFRS 9 eliminates the previous IAS 39 categories of held to maturity, loans and receivables and available for sale. Under IFRS 9, derivatives embedded in contracts where the host is a financial asset in the scope of the standard are never separated. Instead, the hybrid financial instrument as a whole is assessed for classification.

IFRS 9 largely retains the existing requirements in IAS 39 for the classification and measurement of financial liabilities.

IFRS 9 has not had a significant effect on the Company's accounting policies for financial assets or liabilities.

Impairment of financial assets

IFRS 9 replaces the 'incurred loss' model in IAS 39 with an 'expected credit loss' (ECL) model. The new impairment model applies to financial assets measured at amortized cost, contract assets and debt investments at FVOCI, but not to investments in equity instruments. For assets in the scope of the IFRS 9 impairment model, impairment losses are generally expected to increase and become more volatile. The company has determined that the application of IFRS 9's impairment requirements at 1 January 2022 and 31 December 2022 had no effect on statement of financial position and statement of profit or loss.

4.3 Offsetting

Financial assets and liabilities, and income and expenses, are offset and the net amount reported in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis only when permitted under IFRS, or for gains and losses arising from a group of similar transactions.

4.4 Foreign currencies

In preparing the financial statements, transactions in currencies other than the functional currency are recorded at the rates of exchange defined by the National Bank of Georgia prevailing on the dates of the transactions.

At each reporting date, monetary items denominated in foreign currencies are retranslated at the rates defined by the National Bank of Georgia prevailing on the reporting date, which is 2.6894 Georgian lari for 1 US dollar and 2.9753 Georgian lari for 1 euro as of 31 December 2023 (31 December 2022: 2.7020 Georgian lari for 1 US dollar and 2.8844 Georgian lari for 1 euro).

Non-monetary items are not retranslated and are measured at historic cost (translated using the exchange rates at the transaction date), except for non-monetary items carried at fair value that are denominated in foreign currencies which are retranslated at the rates prevailing on the date when the fair value was determined.

Exchange differences arising on the settlement and retranslation of monetary items are included in profit or loss for the period

4.5 Taxation

Corporate income tax rules applicable before 1 January 2024

Income tax currently payable is calculated using the tax rates in force or substantively enacted at the reporting date. Taxable profit differs from accounting profit either because some income and expenses are never taxable or deductible, or because the time pattern that they are taxable or deductible differs between tax law and their accounting treatment.

Using the statement of financial position liability method, deferred tax is recognised in respect of all temporary differences between the carrying value of assets and liabilities in the statement of financial position and the corresponding tax base. Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the reporting date.

Deferred tax assets are recognised only to the extent that the Company considers that it is probable (i.e., more likely than not) that there will be sufficient taxable profits available for the asset to be utilized within the same tax jurisdiction. Deferred tax assets and liabilities are offset only when there is a legally enforceable right to offset current tax assets against current tax liabilities, they relate to the same tax authority and the Company's intention is to settle the amounts on a net basis.

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except if it arises from transactions or events that are recognised in other comprehensive income or directly in equity. In this case, the tax is recognised in other comprehensive income or directly in equity respectively. Income tax rate is 15%.

Changes in corporate income tax effective from 1 January, 2024

Effective January 1, 2024, there are significant amendments to the Corporate Income Tax rules applicable to insurance companies in accordance with Tax Code of Georgia. Changes relate to introduction of new model for corporate income taxation, which was efectively enacted for other types of entiities (entities outside the financil services sector) since 1 January 2017 in Georgia.

The new model implies zero corporate tax rate on retained earnings and a 15% corporate tax rate on distributed earnings, compared to the previous model of 15% tax rate charged to the company’s profit before tax, regardless of profit retention or distribution. As a result of changes, starting 1 January, 2024 insurance companies (like companies in other sectors) will pay corporate income tax on profit distribution (dividends) and on individual transactions that may be considered as indirect distribution of profits (benefits, gifts, payments and expenses not related to economic activities, etc). In the case of profit distribution, the tax rate is 15/85.

According to the amended concept of corporate income taxation, there will be no temporary differences between the carrying amounts of assets and liabilities in the statement of financial position and their tax bases. Therefore, deferred tax assets and liabilities, as defined in IAS 12 *Income Taxes*, cannot be formed subsequent to 1 January 2024.

4.6 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and balances on banks accounts which can be converted into cash at short notice, including highly liquid investments maturing within 90 days from the date of acquisition that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

Cash and cash equivalents are carried at amortised cost.

4.7 Borrowings issued

Borrowings issued are financial assets with fixed or determinable payments, which arise when the Company provides money directly to a debtor with no intention of trading the receivable.

4.8 Impairment of non-financial assets

At each reporting date assets are reviewed to determine whether there is any indication that those assets have suffered an Impairment loss, if there is an indication of possible impairment and the estimate recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and al impairment loss is recognised immediately in profit or loss. Recoverable amount Is higher of fair value less costs to sell and value is use.

4.9 Leases

The Company as a lessee

For any new contracts entered on or after 1 January 2019, the Company considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration".

To apply this definition the Company assesses whether the contract meets key evaluations which are whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Company.
- the Company has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract the Company has the right to direct the use of the identified asset throughout the period of use. The Company assess whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

Measurement and recognition of leases as a lessee

At lease commencement date, the Company measures the right-of-use asset at cost. The cost of right-of-use asset is made up initial measurement of the lease liability, any initial direct costs incurred by the Company, an estimate of any costs to dismantle and remove the asset at the end of the lease, to restore the place where the asset is located, or to restore the lease asset to a condition required by the terms of the lease, unless those costs are incurred to produce the inventories. The lessee's liability for such expenses arises either at the effective date of the lease term or because of the use of the leased asset for a specified period.

The Company depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. At the commencement date, the Company measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate Implicit in the lease if that rate is readily available or the Company's incremental borrowing rate.

After initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in- substance fixed payments. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

The Company has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognizing a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term. On the statement of financial position, right-of-use assets can be included in property, plant and equipment or presented separately and lease liabilities can be included in trade and other payables or presented as a separate liability.

4.10 Equity

Share capital

Ordinary shares are classified as equity. External costs directly attributable to the issue of new shares, other than on a business combination, are shown as a deduction from the proceeds in equity. Any excess of the fair value of consideration received over the par value of shares issued is recognised as additional paid-in capital.

Retained earnings

Include accumulated earnings of current and previous periods.

Dividends

Dividends are recognised as a liability and deducted from equity at the balance sheet date only if they are declared before or on the balance sheet date. Dividends are disclosed when they are proposed before the balance sheet date or proposed or declared after the balance sheet date but before the financial statements are authorised for issue.

5 Critical accounting estimates and judgements

The company makes estimates and assumptions concerning the future. The resulting accounting estimates may be different from the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below

5.1 Judgements

Level of aggregation of insurance and reinsurance contracts

The Company identifies portfolios of contracts and determines groups of contracts that are onerous on initial recognition and those that have no significant possibility of becoming onerous subsequently. For groups of contracts that are onerous, the liability for remaining coverage is determined by the fulfilment cash flows. Any loss-recovery component is determined with reference to the loss component recognised on underlying contracts and the recovery expected on such claims from reinsurance contracts held.

Measurement of insurance and reinsurance contracts

The Company applies the PAA to simplify the measurement of insurance contracts. When measuring liabilities for remaining coverage, the PAA is broadly similar to the Company's previous accounting treatment under IFRS 4. However, when measuring liabilities for incurred claims, the Company now discounts cash flows that are expected to occur more than one year after the date on which the claims are incurred and includes an explicit risk adjustment for non-financial risk.

Insurance acquisition cash flows

The Company applies judgement in determining the inputs used in the methodology to systematically and rationally allocate insurance acquisition cash flows to groups of insurance contracts. This includes judgements about the amounts allocated to insurance contracts expected to arise from renewals of existing insurance contracts in a group and the volume of expected renewals from new contracts issued in the period.

5.2 Assumptions and estimations uncertainty

Liability for remaining coverage

The Insurance acquisition cash flows and amortization of insurance acquisition cash flow included in liability for remaining coverage.

At the end of each reporting period, the Company revisits the assumptions made to allocate insurance acquisition cash flows to groups and where necessary revises the amounts of assets for insurance acquisition cash flows accordingly.

Liability for incurred claims

The ultimate cost of outstanding claims is estimated by claims loss ratio method.

The main assumption underlying this technique is that a Company's past claims development experience can be used to project future claims development and hence ultimate claims costs. These methods extrapolate the development of paid and incurred losses, average costs per claim (including claims handling costs), and claim numbers based on the observed development of earlier years and expected loss ratios.

Discount rates

Measurement of liability for incurred claims and liability for remaining coverage do not include discounting for time value of money and the effect of financial risk as the premium due date and the related period of service are less than 12 months apart.

Risk adjustment for non-financial risk

The risk adjustment for non-financial risk is determined to reflect the compensation that the individual issuing entity would require for bearing non-financial risk. Riks adjustment for non-financial risk reflect the diversification benefits from contract issued by the entity, in a way that is consistent with the compensation that it would require.

The Company has estimated the risk adjustment using VaR (value at risk) approach at 85th percentile. Based on the company estimation risk adjustment at 85th percentile determined as 10% for Motor insurance; Guarantees related to state procurement and Motor Third party liability (Compulsory). The company did not recognize the risk adjustment for other product lines due from its immateriality.

6 Restatement disclosure

The following table summarizes the impact of IFRS 17 on the company's statement of financial position as at 31 December 2022:

In thousand Georgian lari	As previously reported	Impact of IFRS 17	As restated
Insurance and reinsurance receivables	567	(567)	-
Reinsurance assets	332	(332)	-
Receivable from regress	19	(19)	-
Insurance contract asset	-	14	14
Reinsurance contract asset	-	242	242
Deferred acquisition costs	106	(106)	-
	1,024	**(768)**	**256**
Insurance contracts liabilities	1,308	(1,308)	-
Insurance contract liability (IFRS 17)	-	890	890
Other insurance liabilities	221	(221)	-
Accounts payable	1,190	(78)	1,112
	2,719	**(717)**	**2,002**
Retained earnings	2,345	(51)	2,294
	2,345	**(51)**	**2,294**

The following table summarizes the impact of IFRS 17 on the company's statement of financial position as at 1 January 2022:

In thousand Georgian lari	As previously reported	Impact of IFRS 17	As restated
Insurance and reinsurance receivables	806	(806)	-
Reinsurance assets	178	(178)	-
Receivable from regress	15	(15)	-
Insurance contract asset	-	78	78
Reinsurance contract asset	-	155	155
Deferred acquisition costs	153	(153)	-
	1,152	**(919)**	**233**
Insurance contracts liabilities	959	(959)	-
Insurance contract liability (IFRS 17)	-	408	408
Other insurance liabilities	80	(80)	-
Accounts payable	656	(183)	473
	1,695	**(814)**	**881**
Retained earnings	2,577	(105)	2,472
	2,577	**(105)**	**2,472**

The following table summarizes the impact of IFRS 17 on the company's statement of profit or loss and other comprehensive income for the year ended 2022:

In thousand Georgian lari	As previously reported	Impact of IFRS 17	As restated
Gross premiums	3,730	(3,730)	-
Premiums ceded to reinsurers	(552)	552	-
Change in unearned premium provision, Gross	(17)	17	-
Change in unearned premium provision, reinsurers share	154	(154)	-

In thousand Georgian lari	As previously reported	Impact of IFRS 17	As restated
Gross benefits and claims paid	(701)	701	-
Reinsurers share in claims paid	138	(138)	-
Net change in insurance contracts liabilities	(332)	332	-
Income received by regression	206	(206)	-
Acquisition costs, net of reinsurance	(190)	190	-
General and administrative expenses	(1,535)	133	(1,402)
F/X effect on foreign currency	(1,585)	63	(1,522)
Insurance revenue	-	3,671	3,671
Insurance service expense	-	(1,236)	(1,236)
Income (expenses) from reinsurance contracts held	-	(141)	(141)
	(684)	**54**	**(630)**

7 Cash and cash equivalents

In thousand Georgian lari	31 December 2023	31 December 2022
Cash at bank in foreign currency	87	37
Cash at bank in national currency	2,322	2,638
Total cash and cash equivalents	2,409	2,675

Cash and cash equivalents in banks are classified as non-risky, given the fact that the banks where the company has cash and cash equivalents are trustworthy.

8 Deposits in banks

Amounts due from credit institutions for the year ended December 31, 2023 is presented as follows:

In thousand Georgian lari	Deposit	Interest	Total
Deposits In USD	10,031	126	10,157
Deposits in GEL	1,386	86	1,472
	11,417	212	11,629

Amounts due from credit institutions for the year ended December 31, 2022 is presented as follows:

In thousand Georgian lari	Deposit	Interest	Total
Deposits In USD	9,841	66	9,907
Deposits in GEL	1,337	25	1,362
	11,178	91	11,269

Bank deposits are presented in short-term (from three months to one year) and medium-term placements in Georgian banks, with an annual interest rate of 2.2% to 13% (2022: from 2.2% to 13%). Information on the amount of accrued interest is provided in Note 18. Funds placed in banks are classified as non-risky, given the fact that the banks where the company has deposits are trustworthy.

9 Insurance and reinsurance contract assets and liabilities

9.1 Insurance contract asset and liability

The breakdown of portfolios of insurance contracts, that are in an asset position and those in a liability position is set out in the table below:

In thousand Georgian lari	2023			2022		
	Assets	Liabilities	Net	Assets	Liabilities	Net
Insurance contracts issued						
Motor Third party liability (Compulsory)	-	(207)	(207)	-	(168)	(168)
Motor insurance	79	(91)	(12)	-	(97)	(97)
Guarantees related to state procurement and other liabilities	-	(324)	(324)	-	(342)	(342)
Construction risk insurance	-	(86)	(86)	-	(127)	(127)
MTPL	-	(45)	(45)	-	(37)	(37)
Cargo insurance	-	(3)	(3)	14	(4)	10
Property insurance	-	(20)	(20)	-	(5)	(5)
Machinery insurance	7	-	7	-	(1)	(1)
Professional Indemnity Insurance	-	(18)	(18)	-	(8)	(8)
Land carrier liability insurance	-	(56)	(56)	-	(4)	(4)
Other types of liability insurance	-	(77)	(77)	-	(97)	(97)
Total insurance contracts issued	86	(927)	(841)	14	(890)	(876)

9.1.1 Movements in insurance contracts

Movements in insurance contracts for 2023, is presented as follows:

	31 December 2023			
		Liabilities for incurred claims		
In thousand Georgian lari	Liabilities for remaining coverage	Estimates of the present value of future cash flow	Risk adjustment	Total
Insurance contract assets as at 01 January 2023	14	-	-	14
Insurance contract liabilities as at 01 January 2023	(455)	(396)	(39)	(890)
Net insurance contract (assets)/liabilities as of 01 January 2023	**(441)**	**(396)**	**(39)**	**(876)**
Insurance revenue	4,291	-	-	4,291
Premiums received	(3,525)	-	-	(3,525)
Insurance acquisition cash flows	268	-	-	268
Amortisation of insurance acquisition cash flows	(323)	-	-	(323)
Incurred claims and other directly attributable expenses	-	(1,229)	-	(1,229)
Claims and other expenses paid	-	797	-	797
Changes that relate to the past service - Risk adjustment	-	-	30	30
Risk adjustment			(32)	(32)
Subrogation income	-	592	-	592
Subrogation cash flows	-	(459)	-	(459)

	31 December 2023			
		Liabilities for incurred claims		
In thousand Georgian lari	Liabilities for remaining coverage	Estimates of the present value of future cash flow	Risk adjustment	Total
Impairment of subrogation	-	(7)	-	(7)
Currency and other changes	19	(104)	-	(85)
Amortisation of Membership fee	(283)	-	-	(283)
Net-off Compulsory insurance incurred claims	(332)	332	-	-
Net insurance contract (assets)/liabilities as of 31 December 2023	**(326)**	**(474)**	**(41)**	**(841)**
Insurance contract assets as of 31 December 2023	86	-	-	86
Insurance contract liabilities as of 31 December 2023	(412)	(474)	(41)	(927)

Movement in insurance contracts for 2022, is presented as follows:

	31-Dec-22			
		Liabilities for incurred claims		
In thousand Georgian lari	Liabilities for remaining coverage	Estimates of the present value of future cash flow	Risk adjustment	Total
Insurance contract assets as at 01 January 2022	78	-	-	78
Insurance contract liabilities as at 01 January 2022	(325)	(64)	(19)	(408)
Net insurance contract (assets)/liabilities as of 01 January 2022	**(247)**	**(64)**	**(19)**	**(330)**
Insurance revenue	3,671	-	-	3,671
Premiums received	(3,557)	-	-	(3,557)
Insurance acquisition cash flows	304	-	-	304
Amortisation of insurance acquisition cash flows	(238)	-	-	(238)
Incurred claims and other directly attributable expenses	-	(1,037)	-	(1,037)
Claims and other expenses paid	-	459	-	459
Changes that relate to the past service - Risk adjustment	-	-	19	19
Risk adjustment	-	-	(39)	(39)
Subrogation income	-	59	-	59
Subrogation cash flows	-	(34)	-	(34)
Impairment of subrogation	-	104	-	104
Currency and other changes	86	(126)	-	(40)
Amortisation of Membership fee	(217)	-	-	(217)
Net-off Compulsory insurance incurred claims	(243)	243	-	-
Net insurance contract (assets)/liabilities as of 31 December 2022	**(441)**	**(396)**	**(39)**	**(876)**
Insurance contract assets as of 31 December 2022	14	-	-	14
Insurance contract liabilities as of 31 December 2022	(455)	(396)	(39)	(890)

9.2 Reinsurance contract asset and liability

The breakdown of portfolios of reinsurance contracts, that are in an asset position and those in a liability position is set out in the table below:

In thousand Georgian lari	2023			2022		
	Assets	Liabilities	Net	Assets	Liabilities	Net
Reinsurance contracts						
Motor insurance	49	-	49	47	-	47
Construction risk insurance	27	-	27	81	-	81
MTPL	7	-	7	6	-	6
Cargo insurance	2	-	2	4	-	4
Property insurance	11	-	11	17	-	17
Machinery insurance	4	-	4	8	-	8
Professional Indemnity Insurance	14	-	14	5	-	5
Land carrier liability insurance	-	-	-	2	-	2
Other types of liability insurance	110	-	110	72	-	72
Total reinsurance contracts	**224**	**-**	**224**	**242**	**-**	**242**

9.2.1 Movements in reinsurance contracts

Movement in reinsurance contracts for 2023, is presented as follows:

	31-Dec-23			
		Liabilities for incurred claims		
In thousand Georgian lari	Assets for remaining coverage	Estimates of the present value of future cash flow	Risk adjustment	Total
Reinsurance contract assets 01 January 2023	234	8	-	242
Reinsurance contract liabilities 01 January 2023	-	-	-	-
Net reinsurance contract (assets)/liabilities	**234**	**8**	**-**	**242**
Premiums ceded to reinsurers	(732)	-	-	(732)
Reinsurance Commission cash flows	339	-	-	339
Amortization of Reinsurance Commission cash flows	263	-	-	263
Currency and other changes	(38)	2	-	(36)
Net-off Reinsurance asset and liability	58	(46)	-	12
Reinsurers share in claims paid	-	136	-	136
Net reinsurance contract (assets)/liabilities 31 December 2023	**124**	**100**	**-**	**224**
Reinsurance contract assets as of 31 December 2023	124	100	-	224
Reinsurance contract liabilities as of 31 December 2023	-	-	-	-

Movement in reinsurance contracts for 2022, is presented as follows:

	31-Dec-22			
		Liabilities for incurred claims		
In thousand Georgian lari	Assets for remaining coverage	Estimates of the present value of future cash flow	Risk adjustment	Total
Reinsurance contract assets as at 01 January 2022	150	5	-	155
Reinsurance contract liabilities as at 01 January 2022	-	-	-	-
Net reinsurance contract (assets)/liabilities	150	5	-	155
Premiums ceded to reinsurers	(397)	-	-	(397)
Reinsurance Commission cash flows	218	-	-	218
Amortization of Reinsurance Commission cash flows	117	-	-	117
Currency and other changes	21	(14)	-	7
Net-off Reinsurance asset and liability	125	(122)	-	3
Reinsurers share in claims paid	-	139	-	139
Net reinsurance contract (assets)/liabilities as of 31 December 2022	**234**	**8**	**-**	**242**
Reinsurance contract assets as of 31 December 2022	234	8	-	242
Reinsurance contract liabilities as of 31 December 2022	-	-	-	-

10 Borrowings issued

In thousand Georgian lari	Maturity	31 December 2023	31 December 2022
Entity Under common control	31 May 2024	2,035	-
		2,035	**-**
Less loss allowance		-	-
Total borrowings issued		**2,035**	**-**

On November 30, 2023, the company issued unsecured loan with amount of GEL 2 million to “City Travel Batumi” LLC (Related party company). The loan interest rate determined as 20% per annum and maturity date of the loan May 31, 2024 (6 Months period).

In the current year the Company’s management has not created allowance for borrowings issued as there was no indication of impairment loss or events that could cast a doubt on the collectability of borrowings issued.

11 Right-of-use asset

Right of use asset for the year ended December 31, 2023 and 2022 is presented as follows:

In thousand Georgian lari	Building
1 January 2022	305
Additions	-
Disposals	-
Modification adjustment on IFRS 16	77
31 December 2022	382
Additions	-
Disposals	-
Modification adjustment on IFRS 16	-

In thousand Georgian lari	Building
31 December 2023	382
Accumulated depreciation and impairment	
1 January 2022	(204)
Charge for the year	(60)
Eliminated on disposal	
31 December 2022	(264)
Charge for the year	(67)
Eliminated on disposal	-
31 December 2023	(331)
Carrying amount	
1 January 2022	101
31 December 2022	118
31 December 2023	51

12 Share capital

As of December 31, 2023, the Share Capital consists of 4,350,000 shares of Class A (total authorized amount 4,350,000 shares), 1,650,000 shares of Class AA (out of which total authorized amount 1,650,000 shares) and 4,051,059 shares of Class B (total authorized shares 9,000,000). The face value of each is 1 (one) GEL (amount is not given in thousands).

Class A 1 share provides 1 vote. 1 AA Class share provides 15 votes. Class B 1 share provides 1 vote; however, the Class B shareholder does not participate in the process of electing, challenging/dismissing a member of the Supervisory Board.

As of December 31, 2023, the owners of the Company's Class A and AA shares were: JSC Metro Avrasya Investment Georgia – 4,350,000 Class A (100%) and 1,650,000 class AA (100%), Class B shareholders: JSC Metro Avrasya Investment Georgia – 3,770,000 shares (93.061%), JSC Metro Atlas Georgia – 180,000 shares (4.443%), JSC Metro Construction – 100,000 shares (2.468%) and other owners (0.028%).

In 2023, the company has not authorized or sold any of its shares.

The respective shareholdings as of 31 December 2023 and 2022 may be specified as follows:

	31 December 2023	31 December 2022
Metro Avrasya Investment Georgia JSC	97.2%	47.2%
New Investment opportunities LLC	-	50%
Metro Atlas Georgia JSC	1.8%	1.8%
Metro Construction JSC	1%	1%
	100%	100%

Retained earnings are the portion of net income remaining owned by the Company that is not distributed. The company has not announced any dividends for 2023 and 2022.

13 Lease liability

In thousand Georgian lari	31 December 2023	31 December 2022
Current	53	67
Non-current	-	53
	53	120

The Company has leases for the Office. Leases are either non-cancellable or may only be cancelled by incurring a substantive termination fee. The table below describes the nature of the Company's leasing activities by type of right-of-use asset recognized on the statement of financial position:

Right of use asset	Number of leases	Remaining lease period (Months)
Office Building	1	9 Months

Future minimum lease payments at 31 December 2023 and 2022 were as follows:

In thousand Georgian lari	Minimum lease payments	
	31 December 2023	**31 December 2022**
Within one year		
Lease payments	55	74
Finance charges	2	7
	57	**81**
In second to fifth years inclusive		
Lease payments	-	55
Finance charges	-	2
	-	**57**
Net present value	**57**	**138**

Liquidity risk is the risk that the Company will be unable to meet its obligations. The Company's policy is to run a prudent liquidity management policy by means of holding sufficient cash and bank balances, as well as highly liquid assets for making all operational and debt service-related payments when those become due.

The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The table includes both interest and principal cash flows.

In thousand Georgian lari	**31 December 2023**	**31 December 2022**
Weighted average effective interest rate (%)	7.70%	7.70%
Less than 6 months	37	37
6 months to 1 year	18	37
1-5 years	-	55
More than 5 years	-	-
	55	129

The changes in the Company's liabilities arising from financing activities can be classified as follows:

In thousand Georgian lari	Lease liability
1 January 2022	102
Modification adjustment on IFRS 16	77
Proceeds	-
Interest paid	(6)
Repayments	(59)
Interest accrual	6
31 December 2022	120
Modification adjustment on IFRS 16	-
Proceeds	-
Interest paid	(7)
Repayments	(67)
Interest accrual	7
31 December 2023	53

14 Accounts payable

In thousand Georgian lari	31 December 2023	31 December 2022 restated
Payables to Principals	800	1,030
Other payables	59	82
Total other liabilities	859	1,112

15 Insurance revenue

In thousand Georgian lari	Year 2023	Year 2022 restated
Motor Third party liability (Compulsory)	2,673	2,243
Motor insurance	879	753
Guarantees related to state procurement and other liabilities	186	168
Construction risk insurance	44	29
MTPL	76	66
Cargo insurance	90	49
Property insurance	54	108
Machinery insurance	12	19
Professional Indemnity Insurance	19	9
Land carrier liability insurance	1	4
Travel insurance	1	-
Other types of liability insurance	256	223
	4,291	3,671

16 Insurance service expense

Insurance service expense for the year ended December 31,2023 comprise:

In thousand Georgian lari	Incurred claims and other expenses	Net change in risk adjustment	Amortisation of insurance acquisition cash flows	Regress income	Net insurance service expense
Motor Third party liability (Compulsory)	335	-	-	-	335
Motor insurance	200	2	230	(53)	379
Guarantees related to state procurement and other liabilities	537	-	28	(519)	46
MTPL	77	-	-	-	77
Cargo insurance	28	-	11	-	39
Property insurance	-	-	10	-	10
Machinery insurance	27	-	-	-	27
Professional Indemnity Insurance	12	-	2	-	14
Other types of liability insurance	13	-	42	(20)	35
	1,229	2	323	(592)	962

Insurance service expense for the year ended December 31,2022 comprise:

In thousand Georgian lari	Incurred claims and other expenses	Net change in risk adjustment	Amortisation of insurance acquisition cash flows	Regress Income	Net insurance service expense
Motor Third party liability (Compulsory)	304	(7)	-	-	297
Motor insurance	204	3	202	(35)	374
Guarantees related to state procurement and other liabilities	262	24	10	(24)	272
MTPL	71	-	-	-	71
Cargo insurance	155	-	-	-	155
Property insurance	3	-	20	-	23
Machinery insurance	19	-	-	-	19
Professional Indemnity Insurance	6	-	2	-	8
Other types of liability insurance	13	-	4	-	17
	1,037	20	238	(59)	1,236

17 Income (expenses) from reinsurance contracts held

Income(expense) from reinsurance contracts held for the year ended December 31,2023 comprise:

In thousand Georgia lari	Premiums ceded to reinsurer's	Reinsurance commission income	Reinsurance share in settled and reported but not settled claims	Net Income/(expense) from reinsurance contract held
Motor insurance	(298)	137	55	(106)
Construction risk insurance	(41)	-	-	(41)
MTPL	(29)	10	35	16
Cargo insurance	(81)	25	30	(26)
Property insurance	(45)	19	-	(26)
Machinery insurance	(15)	3	-	(12)
Professional Indemnity Insurance	(16)	6	14	4
Land carrier liability insurance	(8)	5	-	(3)
Other types of liability insurance	(199)	58	2	(139)
	(732)	263	136	(333)

Income(expense) from reinsurance contracts held for the year ended December 31,2022 comprise:

In thousand Georgia lari	Premiums ceded to reinsurer's	Reinsurance commission income	Reinsurance share in settled and reported but not settled claims	Net Income/(expense) from reinsurance contract held
Motor insurance	(25)	9	-	(16)
Construction risk insurance	(33)	-	-	(33)
MTPL	(1)	-	-	(1)
Cargo insurance	(44)	3	137	96
Property insurance	(90)	14	2	(74)
Machinery insurance	(16)	6	-	(10)
Professional Indemnity Insurance	(8)	6	-	(2)
Land carrier liability insurance	(6)	2	-	(4)
Other types of liability insurance	(174)	77	-	(97)
	(397)	117	139	(141)

18 Interest income (expense)

Interest income

In thousand Georgian lari	2023	2022
Interest income from deposits in GEL	489	193
Interest income from deposits in USD	353	261
Interest income from borrowings issued	35	-
Total interest income	877	454

Interest expense

In thousand Georgian lari	2023	2022
Interest expense from finance lease	(7)	(6)
	(7)	(6)
Net finance income	**870**	**448**

19 General and administrative expenses

In thousand Georgian lari	2023	2022 restated
Salary and other benefits	762	818
Membership fee	283	217
Advertising costs	187	134
Depreciation and amortization	89	86
Supervisory fee	43	37
Utility costs	26	25
Consulting costs	26	24
Audit Fee	27	23
Communication costs	9	7
Bank fees	5	3
Other general and administrative expenses	56	28
	1,513	**1,402**

20 Net foreign exchange gain / (loss)

In thousand Georgian lari	2023	2022 restated
Foreign exchange gain		
Amounts due from banks	872	911
Cash and cash equivalents	3	80
Insurance contract asset	43	68
Accounts Payable	13	34

In thousand Georgian lari	2023	2022 restated
Insurance contract liability	108	70
	1,139	1,163
Foreign exchange loss		
Amounts due from banks	(911)	(2,485)
Insurance contract asset	(49)	(109)
Cash and cash equivalents	(3)	(61)
Accounts Payable	(15)	(20)
Insurance contract liability	(202)	(10)
	(1,180)	(2,685)
Net foreign exchange loss	**(41)**	**(1,522)**

21 Income tax expense/(recovery)

In thousand Georgian lari	Year 2023	Year 2022 restated
Current profit tax (expense) / recovery	(304)	-
Deferred income tax (expense) / recovery	(16)	16
	(320)	**16**

	Year 2023	Year 2022 restated
Profit (loss) before tax	2,323	(194)
Theoretical profit tax (15%)	(348)	29
The effect of temporary differences	44	(8)
The effect of permanent differences	-	(5)
Profit tax recovery / (expense)	**(304)**	**16**

Reversal of previously recognized deferred tax asset of GEL 16 thousand is attributable to changes in Georgia tax legislation. On 13 May 2016 the parliament of Georgia adopted corporate income tax reform (as known as the Estonian model of corporate taxation), which mainly moves the moment of taxation from when taxable profits are earned to when they are distributed. The law has entered into force in 2016 and is effective for tax periods starting after 1 January 2017 for all entities except for financial institutions (such as banks, insurance companies, microfinance organizations, pawnshops), for which the law was intended to become effective from 1 January 2019.

On 28 December 2018, the law was further amended. The financial institutions transition to the new taxation system becomes effective from 1 January 2023, instead of 1 January 2019. On 16 December 2022, the law was further amended. The financial institutions transition to the new taxation system becomes effective from 1 January 2024, instead of 1 January 2023.

Due to the nature of the new taxation system described above, the financial institutions registered in Georgia do not have any differences between the tax bases of assets and their carrying amounts from 1 January 2024 and hence, no deferred income tax assets and liabilities was recognized.

22 Transactions with related parties

In accordance with IAS 24 *Related Party Disclosures*, parties are considered to be related if one party has ability to control the other party or exercise significant influence over the other party in making financial or operational decisions. For the purpose of the present financial statements, related parties include shareholders, members of Company's Management as well as other persons and enterprises related with and controlled by them respectively. During the reporting year the Company had the following transactions with the related parties and as of the reporting date had the following outstanding balances:

In thousand Georgian lari

Transactions	2023	2022
Entity under common control		
Insurance revenue	536	348
General and administrative expenses	-	(133)
Insurance service expense	(560)	(45)
	(24)	170

In thousand Georgian lari

Outstanding balances	31 December 2023	31 December 2022
Entity under common control		
Accounts payable	16	189
Borrowings issued	2,035	-
Insurance contract asset and liability	121	(23)
	2,172	166

In thousand Georgian lari

	2023	2022
Top management salary and other benefits	125	120

23 Fair value measurement

The Company provides an analysis of its assets and liabilities that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable. These Levels are described below:

- Level 1 - fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 - fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 - fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability might be categorized in different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

23.1 Fair value measurement of financial instruments

Management believes that the fair value of the Company’s financial assets approximates their carrying amounts due to short maturities of most of the aforementioned instruments.

24 Insurance and financial risk management

The Company’s activities expose it to a variety of risks and those activities involve the analysis, evaluation, acceptance and management of some degree of risk or combination of risks. Taking risk is core to the financial business, and the operational risks are an inevitable consequence of being in business. The Company’s aim is therefore to achieve an appropriate balance between risk and return and minimise potential adverse effects on the Company’s financial performance.

The most important types of risk are insurance risk and financial risk, which includes liquidity risk, market risk and credit risk.

24.1 Insurance risk

The primary insurance activity carried out by the Company assumes the risk of loss from individuals or organisations that are directly subject to the risk. Such risks may relate to all types of insurance products that may arise from an insurable event. As such the Company is exposed to the uncertainty surrounding the timing and severity of claims under the insurance contract.

Insurance events are, by their nature, random, and the actual number and size of events during any one year may vary from those estimated using established statistical techniques.

Risks under non-life insurance policies usually cover twelve-month duration. For general insurance contracts the most significant risks arise from changes in the relevant legal environment, changes in behaviour of policyholders, natural disasters and terrorist activities.

The Company also has exposure to market risk through its insurance activities. The Company manages its insurance risk through the use of established statistical techniques, reinsurance of risk concentrations, underwriting limits, approval procedures for transactions, pricing guidelines and monitoring of emerging issues.

24.2 Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss.

Maximum credit risk to which is the company is exposed consists of the following:

In thousand Georgian lari	31 December 2023	31 December 2022
Cash and cash equivalents	2,409	2,675
Amounts due from credit institutions	11,629	11,269
Borrowings issued	2,035	-
	16,073	13,944

24.3 Currency risk

The Company undertakes certain transactions denominated in foreign currencies. Hence, exposure to exchange rate fluctuations arises. Most of the Company's transactions are carried out in Georgian lari. Exposure to currency exchange rates arises from the Company's vehicles insurance, bank deposits and lease liability, which are primarily denominated in US dollars. Foreign currency denominated financial assets and liabilities which expose the Company to currency risk are disclosed below. The amounts shown are those reported to key management translated into Georgian lari at the closing rate:

In thousand Georgia lari 2023	US dollar
Financial assets and liabilities	
Amounts due from credit institutions	10,157
Reinsurance contract asset	224
Accounts payable	(13)
Cash and cash equivalents	87
	10,455

In thousand Georgia lari 2022	US dollar
Financial assets and liabilities	
Amounts due from credit institutions	9,907
Reinsurance contract asset	242
Accounts payable	(96)

Cash and cash equivalents	37
	10,090

The following table details the Group's sensitivity to a 15% (2022: 15%) increase and decrease in Georgian lari against US dollar. 15% (2022: 15%) represents management's assessment of the possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 15% (2022: 15%) change in foreign currency rates.

If Georgian lari had strengthened against US dollar by 15% (2022: 15%) then this would have had the following impact:

In thousand Georgian lari	US dollar impact	
	2023	2022
Profit or loss	1,568	1,514

Exposures to foreign exchange rates vary during the year depending on the volume of overseas transactions. Nonetheless, the analysis above is considered to be representative of the Group's exposure to currency risk.

24.4 Liquidity risk

Liquidity risk is the risk that the Company will be unable to meet its obligations. The Company's policy is to run a prudent liquidity management policy by means of holding sufficient cash and bank balances, as well as highly liquid assets for making all operational and debt service-related payments when those become due. The following table details the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods.

The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The table includes both interest and principal cash flows.

In thousand Georgian lari 2023	Less than a year	1 to 5 years	Total
Financial liabilities			
Account payable	859	-	859
Insurance contracts liability	927	-	927
Lease liability	53	-	53
	1,839	-	1,839

In thousand Georgian lari 2022	Less than a year	1 to 5 years	Total
Financial liabilities			
Account payable	1,112	-	1,112
Insurance contracts liability	890	-	890
Lease liability	67	53	120
	2,069	53	2,122

25 Capital risk management

The Company has established the following capital management objectives, policies and approach to managing the risks that affect its capital position:

- To maintain the required level of stability of the Company thereby providing a degree of security to policyholders;
- To allocate capital efficiently and support the development of business by ensuring that returns on capital employed meet the requirements of its capital providers and of its shareholders;
- To retain financial flexibility by maintaining strong liquidity;
- To maintain financial strength to support new business growth and to satisfy the requirements of the policyholders, regulators and stakeholders.

The operations of the Company are also subject to local regulatory requirements within the jurisdiction where it operates. Such regulations not only prescribe approval and monitoring of activities, but also impose certain restrictive provisions to minimize the risk of default and insolvency on the part of insurance companies to meet unforeseen liabilities as these arise. The Company's capital management policy for its insurance and non-insurance business is to hold sufficient liquid assets to cover statutory requirements based on the ISSSG directives.

Regulatory requirements

The insurance sector in Georgia is regulated by the Insurance State Supervision Service of Georgia (*ISSSG"). The ISSSG imposes minimum capital requirements for insurance companies. These requirements are put in place to ensure sufficient solvency margins.

According to the ISSSG directive Ne27, issued on 25 December 2017, the minimum capital from 31 December 2018 throughout the period should be not less than GEL 4.200 (in thousands) and the Company should, at all times, maintain total of this amount in either cash and cash equivalents or in bank balances. Order of the Head of the State Insurance Supervision Service of Georgia According to No45, the minimum amount of own capital at all stages of the insurance activity must be a) Life insurance: 7,200 GEL - from December 31, 2021; B) Insurance (non-life) except for compulsory liability insurance, liability insurance and credit liability insurance: GEL 4,800 - from 31 December 2021, c) Insurance (nor-life) - compulsory liability insurance, liability insurance and liability insurance Including: 7,200 GEL - from December 31, 2021 and d) Reinsurance: 7,200 GEL - from 31 December 2021, The amount should be placed in the form of cash, other cash equivalents and cash placed in banks.

The company makes certain adjustments to the IRS equity in these statements of financial position to arrive to the ISSSG prescribed capital.

The Company manages its capital requirements by preventing shortfalls between reported and required capital levels on a regular basis, in order to maintain or adjust the capital structure, the Company may adjust the amounts of dividends paid or inject further capital.

The Company followed the externally imposed capital requirements at the end of the reporting period and no changes were made to its objectives, policies and processes from the previous year for managing capital.

The Regulatory Capital is determined based on the IFRS equity, adjusted for, for example, investments in subsidiaries and associates, unsecured loans and borrowings etc. as prescribed by the ISSSG directive Ne16. As at 31 December 2023 and 2022 these financial statements were authorized for issue, the Company was in compliance with the level of Regulatory Capital.

26 Subsequent events

No events have been occurred after reporting period which would require explanatory notes.