



O'ZBEKINVEST
MILLIY SUG'URTA KOMPANIYASI

**NATIONAL EXPORT-IMPORT
INSURANCE COMPANY
«UZBEKINVEST»**

**Consolidated Financial Statements and
Independent Auditors' Report
for the year ended 31 December 2019**

**STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR THE PREPERATION AND
APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

Management is responsible for the preparation of the consolidated financial statements that fairly present the financial position of the National Export-Import Insurance Company "Uzbekinvest" (the "Company") and its subsidiaries (the "Group") as at 31 December 2019, and results of its activity, cash flows and changes in equity for the year ended at the date in accordance with International Financial Reporting Standards ("IFRS").

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

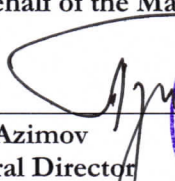
- Ensuring the right choice and application of accounting policies;
- Presentation of information, including accounting policy data, in a form that ensures the relevance, reliability, comparability and comprehensibility of such information;
- Disclosure of additional information in cases where compliance with the requirements of IFRS proves insufficient for users to understand the impact that certain transactions, as well as other events or conditions, have on the consolidated financial position and consolidated financial performance of the Group; and
- Assessment of the Group's ability to continue to operate in the foreseeable future.

Management is also responsible for:

- Development, implementation and operation of an effective and reliable system of internal control in the Group;
- Keeping records in a form that allows to disclose and explain the transactions of the Group, and to provide information of sufficient accuracy as of any date on the consolidated financial position of the Group and ensure that the consolidated financial statements comply with the requirements of IFRS;
- Accounting in accordance with the legislation of the Republic of Uzbekistan and the United Kingdom;
- Taking all reasonably possible measures to ensure the safety of the Group's assets; and
- Identification and prevention of financial and other abuse.


These consolidated financial statements for the year ended 31 December 2019 were approved by the Group's management on 28 September 2020.

On behalf of the Management:


R. S. Azimov
General Director

28 September 2020
Tashkent, Uzbekistan




J. K. Kobesov
Chief Accountant

28 September 2020
Tashkent, Uzbekistan



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INDEPENDENT AUDITOR'S REPORT

To the Founders and the Board of Directors of
National export-import insurance company
«Uzbekinvest»

Opinion

We have audited the accompanying consolidated financial statements of the National Export-Import Insurance Company "Uzbekinvest" (the "Company") and its subsidiaries (collectively, the "Group"), which comprise the consolidated statement of financial position as at 31 December 2019 and the related consolidated statement of profit and loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year ended, and a summary of significant accounting policies and other explanatory notes.

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Group as at 31 December 2019, as well as their consolidated financial performance and their consolidated cash flows for the year ended on the specified date in accordance with International Financial Reporting Standards (IFRS).

Basis for expressing an opinion

We conducted our audit in accordance with International Standards on Auditing (ISA). Our responsibilities in accordance with these 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 Code of Ethics of Professional Accountants of the Council on The International Ethics Standards Board for Accountants (IESBA Code) and ethical requirements applicable to our audit of financial statements in the Republic of Uzbekistan, and we have fulfilled other ethical obligations in accordance with these requirements and Code of IESBA. We believe that the audit evidence we have obtained is sufficient and appropriate to warrant the expression of our opinion.

Key audit matters

Key audit issues are issues that, according to our professional judgment, were the most significant for our audit of financial statements for the current period. These issues were considered in the context of our audit of the financial statements in general and in the formation of our opinion on this reporting, and we do not express a separate opinion on these matters.



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Key audit matters	What audit procedures were performed on the key audit issue
<p>1. Valuation of insurance reserves</p> <p>The Company's insurance reserves, which include the reserve for outstanding claims and reserve for unexpired risks, reflect the uncertainty inherent in the insurance business on the balance sheet. The estimation of insurance reserves is complex as it involves a high degree of judgement. With regards to the reserve for outstanding claims, the claims department will set up a loss reserve upon notification and after assessing all the information on the claim which has been provided. The claims information is then aggregated and considered as a whole to determine the total estimate of the ultimate losses that will be incurred in respect of the insurance policies underwritten for each line of business. The modelling for the loss reserves takes into account the claims experience, claims development, market conditions, as well as matters that are sensitive to the legal, economic, and various other factors and uncertainties, in order to arrive at the estimation of the ultimate losses. The reserve for unexpired risk is computed based on the premiums booked, nature of the policies, and generally accepted valuation basis. Management reviews the claims and premiums, the inputs into the models, and they also engage a certified independent actuary to review the estimation of ultimate losses and reserve for unexpired risks to ensure that the insurance reserves are adequate.</p> <p>2. COVID-19 – consideration of subsequent events</p> <p>Since the balance sheet date, the outbreak of COVID-19 has resulted in a pandemic causing significant disruption across the globe. As of 31 December 2019, a very limited number of cases of COVID-19 had been identified. Since then the spread of the virus has been significant and the number of reported cases and deaths has increased significantly. This has been disruptive to financial markets and normal patterns of human behaviour.</p> <p>As described in the financial statements, the impact of COVID-19 is considered to be a non-adjusting post balance sheet event. Having assessed the heightened financial volatility and economic stress, management has prepared the financial statements on the basis that the company is a going concern.</p>	<p>In auditing the insurance reserves, we performed test of controls, test of details, and analytical review procedures on the Company's insurance reserves. We also compared the actuarial valuation methodologies and assumptions used by management with industry data, and against recognized actuarial practices. Our procedures included a review of the assumptions used by the independent qualified certifying actuary and rationale for conclusions made thereon, an assessment of the consistency of valuation methodologies applied against prior years, and an assessment of whether changes made to the actuarial models are in line with our understanding of business developments, and our expectations derived from market experience. In addition, we performed an independent analysis and re-computation of the insurance reserves of selected classes of business. Our focus of the independent analysis and re-computation were over the largest and most uncertain reserves. We also compared our independent analysis to those performed by the management and obtained explanations of significant differences noted, if any.</p> <p>Our work over this key audit matter included understanding and evaluating management's assessment and obtaining further evidence to corroborate their analysis.</p> <p>From the evidence obtained we concluded that management's use of the going concern assumption for the company is appropriate and the disclosure of the post balance sheet event is appropriate.</p>

Other information

Management is responsible for other information. Other information includes information contained in the annual report, but does not include the consolidated financial statements and our audit report thereon.

Our opinion on the consolidated financial statements does not apply to other information, and we will not provide a conclusion with assurance in any form regarding this information.

In connection with our audit of the consolidated financial statements, our responsibility is to familiarize ourselves with other information and consider whether there are significant discrepancies between other information and the consolidated financial statements or our knowledge obtained in the course of the audit, and does not contain other information possible significant distortions.

If, on the basis of our work, we come to the conclusion that such other information contains a material misrepresentation, we are obliged to report this fact.

Responsibilities of management and those charged with governance for the consolidated financial statements

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

In preparing the consolidated financial statements, management is responsible for assessing the ability of the Group to continue as a going concern, for disclosing, as appropriate, information related to going concern, and for reporting based on the going concern assumption, unless management intends to liquidate the Group, terminate its activities or when it does not have any other real alternative than liquidation or termination of activities. Management and those charged with governance are responsible for overseeing the preparation of the consolidated financial statements of the Group.

Auditor's responsibilities of for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement, whether due to fraud or error, and to issue auditor's report that contains our opinion. Reasonable assurance is a high level of assurance, but it is not a guarantee that an audit conducted in accordance with International Standards on Auditing always reveals material misstatement if it exists. Misstatements may result from fraud or error and are considered material if it can be reasonably assumed that individually or collectively they may affect the economic decisions of users made on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we use professional judgment and maintain professional skepticism throughout the planning and performance of 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 entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



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- We conclude that it is legitimate for management to apply the going concern assumption, and based on the audit evidence obtained, it concludes that there is significant uncertainty in connection with events or conditions that could result in significant doubts about the Company's ability to continue its business. If we conclude that there is material uncertainty, we must draw attention in our audit report to the appropriate disclosures in the financial statements or, if such disclosures are inappropriate, to modify our opinion. Our findings are based on audit evidence obtained prior to the date of our audit report. However, future events or conditions may cause the Company to lose its ability to continue to operate continuously;
- We evaluate the presentation of the financial statements as a whole, its structure and content, including disclosure of information, as well as whether the financial statements represent the underlying operations and events in such a way that their reliable presentation is ensured;
- We obtain sufficient appropriate audit evidence relating to the financial information of the entities or activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the management, control and audit of the Group. We remain fully responsible for our audit opinion.

We are also required to provide people responsible for corporate governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

We also provide those in charge of corporate governance with a statement that we have complied with all relevant ethical requirements regarding independence and have informed these persons of all relationships.

From the issues that we have brought to the attention of the Management and those responsible for corporate governance, we identify the issues that were most significant for the audit of the consolidated financial statements for the current period and, therefore, are key audit matters. We describe these issues in our audit opinion, except when public disclosure of information on these issues is prohibited by law or regulation, or when, in extremely rare cases, we conclude that information on any issue should not be communicated in our conclusion, since it can reasonably be assumed that the negative consequences of the communication of such information will exceed the socially significant benefit of its communication.

Partner:



N. F. Karimov

Audit manager:

N. N. Yulchiev

Auditor:

S.K.Akmalov

AO Grant Thornton LLC

Tashkent, the Republic of Uzbekistan

30 September 2020