

TSODNISA  
AUDIT CONCERN

JSC Insurance Company Cartu  
Consolidated Financial Statements  
For the accounting year ended December 31, 2016  
And  
Independent Audit Report

## Contents

- Definition of the Management Responsibility
- Independent audit report
- Consolidated Statements of profit and loss and other incomes
- Consolidated Statement of the financial condition
- Consolidated Cash flow statements
- Consolidated statements of changes in the capital
- Explanatory notes to the consolidated financial statements for the year 2016
  1. Background information
  2. Georgia's business environment
  3. Rationale for the preparation
  4. Basic accounting policy
  5. Generated net insurance premium
  6. Insurance losses
  7. Other incomes from the insurance activities
  8. Reinsurer's share in the incurred losses
  9. Administrative expenses
  10. Financial income
  11. Profit (loss) due to exchange rate differences
  12. Profit tax expenses
  13. Cash and cash equivalents
  14. Current claims for the insurance activities
  15. Other current claims
  16. Pre-incurred costs and paid taxes
  17. Pre-incurred reinsurance costs
  18. Other claims from reinsurance
  19. Interests, dividends etc. receivable
  20. Fixed assets and intangible assets
  21. Deferred tax assets
  22. Liabilities against reinsurer and broker
  23. Other current liabilities
  24. Insurance loss reserves
  25. Deferred income (UPR reserve)
  26. Charter capital
  27. Risk management
  28. Transactions with related parties
  29. Main administrative staff wages
  30. Litigations
  31. Tax legislation
  32. Operating company
  33. Contingencies

*Natalia Sarglidze*



**Definition of the Management Responsibility**

The management is responsible for the preparation of the financial statements that should fairly describe a financial condition of the company for the year ended December 31, 2016, results of the operations of the company, cash flow and changes in the capital for the abovementioned period in compliance with the International Financial Reporting Standards (IFRS).

**While preparing a consolidated financial report, the Management is responsible for:**

- Choosing appropriate accounting principles and carrying out those principles successively;
- Presenting any required information, including accounting policies to ensure appropriate, reliable, comparable and comprehensible information;
- Making appropriate and reasonable decisions with regard to judgement and evaluation;
- Preparing financial reporting on the basis of the operating company principle unless any circumstances prevent such a preparation.

**The Management is also responsible for:**

- Developing, implementing and maintaining an effective and sound internal control system;
- Keeping the books to ensure the presentation of company's financial status in sufficient accuracy as well as the compliance of company's financial reporting with IFRS requirements;
- Keeping obligatory accounting books in compliance with applicable Georgian laws and accounting standards;
- Taking actions required for ensuring safety of the company assets;
- Detecting and preventing any fraud, errors and other breaches.

The Consolidated Financial Reporting for the Year ended December 31, 2016 approved by the Management and signed on behalf of the Management:

General Director \_\_\_\_\_ (signed) Archil Mamatsashvili

Chief Accountant \_\_\_\_\_ (signed) Konstantin Muradashvili



**Independent Auditors' Report**

An independent audit – Audit Concern Tsodna LLC – audited a consolidated financial reporting of JSC Insurance Company Cartu (hereinafter referred to as the Company) and its daughter companies (hereinafter referred to as the Group) for the year ended December 31, 2016, consolidated profit and loss and other income statements, consolidated reporting of changes in the equity capital, consolidated cash flow reporting for the accounting period, basic principles and explanations of the accounting policy.

**Responsibility of the Management for consolidated financial statements**

The Company Management is responsible for maintaining and fairly presenting the consolidated financial reporting in compliance with IFRS. This responsibility includes the development and implementation of an adequate internal control system free of any material misstatements due to fraud and/or errors.

**Responsibility of the Auditor**

Our task is to express our opinion based on the audit about the presented consolidated financial statements. The audit was planned and carried out in accordance with the international audit standards so that to get assured that the presented consolidated financial statements are free of any material errors.

To obtain an audit evidence, the audit process includes certain procedures regarding the amounts and explanations of the consolidated financial statements. Selection of the audit procedures depends on auditors' considerations and professional judgements, including assessment of the risks of any material misstatements due to fraud or/and errors. In assessing the risks, the auditor takes into account the internal control systems of the Group that provide for the preparation and fair presentation of the financial statements; however, the goal of the audit is not meant to express its opinion about effectiveness of the abovementioned control systems. The audit also includes an evaluation of the expedience of the accounting policy applied by the Management and a correctness of the accounts as well as of the completeness of the presented consolidated financial reporting. We think that the audit conducted by us gives us a substantiated ground for expressing our opinion.

**Opinion**

We believe that the consolidated financial statements for the year 2016 presented by JSC Insurance Company Cartu give in all aspects a reliable and fair picture of the financial condition, incomes and expenses and cash flow of the Group for the year ended December 31, 2016.

**The Paragraph describing certain important circumstances**

We emphasized Note 26 of the consolidated financial statements that specifies a minimum obligatory size of the equity capital as determined by December 31, 2016 by the Georgian State Insurance Supervisory Authority for insurance companies and this requirement is not met by JSC Insurance Company Cartu by the end of accounting year. With regard to this issue, our consideration is not conditional.

General Director, Certified Auditor

(signed)

Giorgi Tsertsvadze

Natalia Serodidze



JSC Audit Concern Tsodnisa

(stamped)

## Consolidated profit-loss and other incomes statements for the year ended December 31, 2016

(1 GEL)

	Notes	2016	2015
Total attracted insurance premium		10 111 249	10 574 926
Change in the unearned premium reserve		254 004	(1 465 748)
Reinsurance cost		(4 199 104)	(3 737 085)
<b>Net earned insurance premium:</b>	5	<b><u>6 166 149</u></b>	<b><u>5 372 093</u></b>
Insurance losses	6	(5 584 387)	(5 085 904)
Agent and broker fees		(365 020)	(148 087)
Devaluation reserve costs		(159 564)	(22 613)
Other incomes from the insurance activities	7	316 966	336 692
Incomes from the reinsurance commissions		400 907	265 682
Reinsurer's share in the incurred losses	8	300 276	571 024
Changes in the incurred but not reported loss reserves		86 289	(111 121)
Changes in the reported but not settled loss reserve		(1 503 968)	(282 242)
<b>Profit (loss) from the insurance activities:</b>		<b><u>(342 351)</u></b>	<b><u>895 525</u></b>
Other delivery costs		(24 781)	(43 365)
Administrative expenses	9	(1 435 492)	(1 445 243)
<b>Total operational profit:</b>		<b><u>(1 802 624)</u></b>	<b><u>(593 083)</u></b>

Natalia Sero Lidze



Financial income	10	90 554	42 222
Profit (loss) due to exchange rate differences	11	(656)	246 024
Other nonoperational profit (loss)		(15 941)	20 655
<b>Profit before taxes:</b>		<b><u>(1 728 667)</u></b>	<b><u>(284 182)</u></b>
Profit tax	12	(205 579)	290 298
<b>Profit (loss) of the period</b>		<b><u>(1 934 246)</u></b>	<b><u>6 116</u></b>

The attached notes on pages from 9 to 52 are integral part to the consolidated financial statements.

Natalia Saraidze



## Consolidated financial status statements as of December 31, 2016

(1 GEL)

	Notes	December 31, 2016	December 31, 2015
<b>Assets:</b>			
Cash and cash equivalents	13	4 560 267	2 191 310
Current claims from insurance activities	14	4 652 180	4 633 763
Other current claims	15	367 027	367 245
Goods		38 410	56 353
Pre-incurred expenses and pre-paid taxes	16	11 559	13 835
Pre-incurred reinsurance costs	17	2 304 988	3 013 591
Other claims from reinsurance	18	1 373 656	873 728
Receivable dividends, interests etc.	19	33 762	7 175
Fixed assets	20	161 735	161 516
Intangible assets		37 210	24 504
Deferred tax assets	21	185 679	391 259
<b>Total assets:</b>		<b><u>13 726 473</u></b>	<b><u>11 734 279</u></b>
<b>Liabilities:</b>			
Liabilities arisen from delivery and service provision		90 963	9 867
Payable reinsurance liabilities	22	4 148 645	4 011 110
Other current liabilities	23	134 764	138 463
Incurred but not reported loss reserves		100 737	187 026
Reported but not settled loss reserves	24	2 023 206	519 238
Deferred income receivable from commissions		141 805	125 478
Deferred income	25	4 687 881	4 941 885
<b>Total liabilities:</b>		<b><u>11 328 001</u></b>	<b><u>9 933 068</u></b>
<b>Capital</b>			
Share capital	26	7 170 300	4 670 300
Revaluation reserves	27	32 458	951
Retained earnings / (uncovered loss)		(4 804 286)	(2 870 040)

Natalia Sarghidze



Including current year profit (loss)	(1 934 246)	6 116
<b>Total capital:</b>	<b><u>2 398 472</u></b>	<b><u>1 801 211</u></b>
<b>Total liabilities and capital:</b>	<b><u>13 726 473</u></b>	<b><u>11 734 279</u></b>

The consolidated financial statements approved on April 13, 2017 by the following persons:

General Director	(signed)	Archil Mamatsashvili
Chief Accountant	(signed)	Konstantine Muradashvili

The attached notes on pages from 9 to 52 are integral part to the consolidated financial statements.

Natalia Sapina



Consolidated cash flow statements for the year ended December 31, 2016

(1 GEL)

	2016	2015
<b>Cash from operational activities</b>		
Received insurance premium	9 559 865	8 705 032
Paid insurance premium	(2 723 970)	(2 232 179)
Indemnified losses	(5 464 218)	(5 077 972)
Other operational incomes	124 514	184 545
Paid wages	(845 724)	(790 615)
Agent and broker commissions	(223 650)	(126 105)
Communication expenses	(14 472)	(42 581)
Stationery	(15 890)	(13 394)
Advertisement	(4 539)	(3 533)
Reimbursement of travel expenses	(3 177)	(4 911)
Paid rental	(126 379.41)	(189 288)
Paid taxes other than profit tax	(286 415)	(241 596)
Cash from other operational activities	(144 776)	(214 448)
<b>Net cash increment from operational activities</b>	<b><u>(168 831)</u></b>	<b><u>(47 042)</u></b>
<b>Cash from investment activities</b>		
Purchase of fixed assets and intangible assets	(16 739)	(52 110)
Interests received from deposits	61 537	35 263
<b>Net cash increment from investment activities</b>	<b><u>44 797</u></b>	<b><u>(16 847)</u></b>
<b>Cash from financial activities</b>		
Proceeds: from share issue / capital growth	2 500 000	-
Paid interests	(1 618)	(1 865)
<b>Net cash increment from financial activities</b>	<b><u>2 498 382</u></b>	<b><u>(1 865)</u></b>
Increase/decrease due to exchange rate changes	(5 392)	217 341
<b>Net cash and cash equivalent increment:</b>	<b><u>2 368 957</u></b>	<b><u>151 588</u></b>
Cash and cash equivalents at the period beginning:	2 191 310	2 039 722
<b>Cash and cash equivalents at the period end:</b>	<b><u>4 560 267</u></b>	<b><u>2 191 310</u></b>



The consolidated financial statements approved on April 13, 2017 by the following persons:

General Director	(signed)	Archil Mamatsashvili
Chief Accountant	(signed)	Konstantine Muradashvili

The attached notes on pages from 9 to 52 are integral part to the consolidated financial statements.

Natalia Seravidze



## Consolidated reporting on changes in the capital for the year ended December 31, 2016

(1 GEL)

	Share capital	Issuing capital	Revaluation reserve	Accumulated profit (loss)	Total
<b>Balance as of December 31, 2014</b>	<b><u>4 670 300</u></b>	<b>:</b>	<b><u>1 447</u></b>	<b><u>(2 876 156)</u></b>	<b><u>1 795 591</u></b>
Share capital growth (decrease)					-
Current period profit (loss)			(496)	6 116	5 620
<b>Balance as of December 31, 2015</b>	<b><u>4 670 300</u></b>	<b>:</b>	<b><u>951</u></b>	<b><u>(2 870 040)</u></b>	<b><u>1 801 211</u></b>
Share capital increase (decrease)					
Current period profit (loss)	2 500 000		31 507	(1 934 246)	597 261
<b>Balance as of December 31, 2016</b>	<b><u>7 170 300</u></b>	<b>:</b>	<b><u>32 458</u></b>	<b><u>(4 804 286)</u></b>	<b><u>2 398 472</u></b>

The consolidated financial statements approved on April 13, 2017 by the following persons:

General Director	(signed)	Archil Mamatsashvili
Chief Accountant	(signed)	Konstantine Muradashvili

The attached notes on pages from 9 to 52 are integral part to the consolidated financial statements.

Natalia Serelidze



**Explanatory notes to the consolidated financial statements 2016****1. Background information**

JSC Insurance Company Cartu (the Company) was registered on 13.09.2001 by Resolution No 5/4-2960 of the Tbilisi Vake-Saburtalo District Court, ID: 204970031, registered address: Tbilisi, I. Chavchavadze Ave. No 39a. The company was registered in accordance with the Law of Georgia on Entrepreneurs. On December 24, 2015, in accordance with the Law of Georgia on Insurance, Insurance Company Cartu LLC changed its legal form to become JSC Insurance Company Cartu. The company is not a VAT payer. On December 30, 2016 a share capital of JSC Insurance Company Cartu increased by 2 500 000 GEL due to cash contribution by JSC Cartu Bank and the share capital was 7 170 300 GEL by the end of the accounting period. As of December 31, 2016 founders of the Company were Ringgold Finance Limited (British Virgin Islands), which held 11.55% of the Company's capital and JSC Cartu Bank (Georgia), which held 88.49% of the Company's capital.

The Company is a holder of two insurance license types issued by the Georgian State Insurance Supervisory Service for life and non-life insurance products.

A head office of the Company is located in the city of Tbilisi. The Company has also five service-centers in: Tbilisi, Batumi, Poti, Sachkhere and Telavi.

A main activity of the Company includes all types of insurance activities.

**2. Georgia's business environment**

The Company operates in Georgia and is subject to the economic factors and financial markets existed in Georgia. Georgian legislative, tax and regulatory authorities continue developing. Besides, there is a number of matters that are being interpreted differently and are subject to frequent changes, posing additional barriers to the companies operating in Georgia.

**3. Rationale for the preparation**

The consolidated financial reporting 2016 of JSC Insurance Company Cartu was prepared in compliance with International Financial Reporting Standards (IFRS) published by the International Accounting Standards Board and approved by the EU.

This Financial Reporting was prepared on the basis of the business continuity and the primary (historical) value principles.

The Company is required to maintain financial reporting in Georgian lari, in compliance with International Financial Accounting Standards. The financial reporting of the Company is presented accurate to 1 (one) GEL since a majority of the operations is reported in the national Georgian currency. Those operations reported in other currencies are considered the operations reported in the foreign currency. The Company represents the reporting of its financial condition by liquidity of the balance sheet items.



The preparation of financial reporting in compliance with IFRS requires the Management to express assumptions, assessments and considerations that relate to the application of financial accounting policies and reported amounts of assets, liabilities, revenue and expenditure as well as conditional assets and liabilities. Factual results may differ from the abovementioned assessments. The assessments and major assumptions are subject to regular revision. Disclosure of the accounting assessment changes is for the period when assessments are revised as well as in the respective future periods.

#### 4. Main accounting policy

See below the major accounting policy that was used in the preparation of the financial reporting.

##### Investments in the daughter and related companies

For the Company, daughter companies are those in which the Company has a right to control their business activities.

Related companies are the organizations that are under major influence (instead of control) of the Company. A major influence means that one Company holds voting rights from 20% to 50% in the other company. The investments in the related companies is to be accounted as a value less any devaluated loss.

As of December 31, 2016, the Company had a single daughter company – a limited liability company Reestri XXI registered on 30.10.2001 by Resolution No 5/4-3005 of the Tbilisi Vake-Saburtalo District Court, ID: 204975438, registered address: Tbilisi, I. Chavchavadze Ave. No 39a. The Company holds 100% of the charter capital of Reestri XXI LLC.

In its turn, Reestri XXI LLC founded on January 29, 2003 one more daughter company in which it held 100% Diabazi LLC registered by Resolution No 5/4-3466 of the Tbilisi Vake-Saburtalo District Court. ID: 204999500. On July 21, 2016, Reestri XXI LLC sold its 100% share in Diabazi LLC to a physical person, Petre Ivanishvili, personal No: 01002001292.

As of December 31, 2016, JSC Insurance Company Cartu has no related companies.

##### Insurance contracts

The contracts under which the Company takes a significant risk from the other party and agrees to provide for the indemnification of the Insured or any other beneficiary if an undetermined future event occurs as specified in the contract (the Insured Event) that would affect the Insured or any other beneficiary, are classified as the Insurance Contracts.

Any financial guarantee contracts are reported as the Insurance Contracts.



## Disclosure and evaluation of the Contracts

### Premiums

A gross attracted premium includes all premiums issued during the year whether they fully comply with the last accounting period or in part. The premiums are disclosed including any payable commissions to the intermediaries. An earned part of the premium is disclosed as income. Premiums are earned daily, from the commencement of the policy and are valid during the insurance period. A reinsurance premium is disclosed as expenses, on a daily basis as well. The part of the reinsurance premium that is not disclosed as expenditure is considered a pre-incurred cost.

### Policy cancellation

Policies are to be cancelled provided that there is an objective evidence of a holder of the insurance policy not willing or not being able to continue paying the premium payments under the policy. Therefore, the cancellation, to a greater extent, applies those policies for which the premium is paid as a due during the term of the policy.

### Unearned premium reserve

An unearned premium reserve includes a part of the gross earned premium that is expected to be earned during following years. It is calculated separately per insurance contract on a daily basis.

### Insurance losses

The net incurred losses include any losses indemnified during the accounting year along with the changes of the reserve of those losses to be indemnified. The losses to be indemnified include a final cost estimated by the Company of both incurred and reported losses as well as a final cost of the incurred and not reported losses, including the loss settlement deductions.

The losses to be indemnified are estimated by reviewing any individual losses and calculating the reserves of any incurred but not reported losses in which any internal and external foreseeable events are considered such as the changes of costs related to the loss settlement, historical experiences and tendencies. No reserves of losses to be indemnified are being discounted. The receivables due to the reinsurance and regression for the previous years are disclosed in the individual financial reporting, separately as an asset. Removal of the reinsurance and regresses is determined similarly as the losses to be indemnified.

Adjustments of the amounts of the losses reserved in the previous year are reported in the financial statements for the period the adjustments were made and in case of materiality – they are separately explained. All applied methods and estimations are regularly revised.

Natasha Samoil



**Reinsurance**

The Company makes reinsurance as part of its usual operational routine, by partial transfer of risks to the reinsurers in order to limit its potential net losses. The reinsurer's liability does not release the Company from its direct liabilities against the insured persons/entities. The reinsurer's share in the premiums and indemnifications is presented in the profit or loss and in the statements of financial position as gross. The reinsurance assets include claims from the reinsurance companies for the reinsured insurance liabilities. Estimates of the amounts removed from the reinsurance comply with the settled loss reserves associated with the reinsurance policy and the settled losses.

Any received reinsurance premium is accounted similarly, on the basis of the reinsurance product and type.

The amounts that are indemnified under the reinsurance contracts are estimated as of the date of preparing the statements of the financial position on depreciation. Such assets are deemed depreciated if there is an objective consideration that due to the event occurred after the initial disclosure, the Company may not be indemnified for all amounts due to it and when the event has an estimating effect on those amounts that the Company will receive from the reinsurer. Only those contracts are reported as reinsurance assets, which provide for the transfer of the insurance risks. The contracts that do not provide for the transfer of any material insurance risks are reported as financial instruments.

**Deferred acquisition costs**

Any commissions and other expenses incurred for insurance agents and brokers during the financial period that relate to the attraction or renewal of insurance contracts are to be deferred to the future periods if these expenses relate to the premiums earned in the future. All other acquisition costs are to be recognized as costs as soon as they arise. After the initial recognition, all deferred acquisition costs for major insurance and medical products, are to be amortized for the periods the associated incomes are earned in.

**Liability adequacy test**

For any single balance sheet period, a liability adequacy test is performed for ensuring sufficiency of the unearned premiums less any deferred acquisition cost assets for each line of the activity under management. During testing, forecast values for future cash flows, loss management, policy administration and incomes from the investment activities carried out in order to secure them. If any shortage is detected, the deferred acquisition costs and relevant intangible assets will be written off and an additional reserve (unspent risk reserve) will be established as required. This difference is to be disclosed in the year's profit or loss.

Natalia Sorocin



**Initial recognition of the financial assets**

According to the IAS 39 standards, financial assets are classified as the financial assets estimated on fair value and disclosed in the profit and loss, loans and claims, securities held till the due date or financial assets intended for sale. The Company defined the classification of the financial assets on their initial disclosure and may later reclassify those assets in the cases described below.

**Date of recognition**

Any types of purchase-sale of the financial assets in the conditions of usual activities are recognized on the date of relevant transactions, i.e. the date when the Company commits to purchase the assets. Buying and selling in the conditions of usual activities means such purchase or sale of the assets that requires transferring of the assets within the term established by law or market practices.

**Loans and accounts receivable**

The loans and accounts receivable are non-produced financial assets with fixed or determined payments that are not quoted on the active market. The said instruments are not intended for urgent or short-term sales and are not classified as the traded securities or the investment securities intended for sale. The said assets are reported by their amortized value using an applicable effective interest rate. Profit and loss is recognized in the profit and loss in the event of ceasing or devaluation of the loans and accounts receivable as well as in the process of amortization.

**Reclassification of the financial assets**

If a non-produced financial asset included in the category of the assets held for sales is no more intended for sale in the nearest future, it may be reclassified through the profit or loss from its fair value in the following cases:

- A financial asset that meets a definition of the loan and accounts receivable category may be reclassified to the loan and accounts receivable category if the Company intends and is able to keep the said asset for a definite period until expiry;
- In rare cases, other financial assets may be reclassified for sale to the current or kept until the due date categories.

Return of any profit or loss. A fair value of the financial asset by the date of reclassification is its new value or amortizable value.



**Devaluation of the financial assets**

By every accounting date, the Company estimates whether there are any objective signs of devaluation of a group of financial assets. A financial asset or a group of financial assets is considered as devaluated only if there is an objective reason for the devaluation as a result of any event or events that occurred after the initial recognition of the asset (Loss Occurrence) and the loss occurrence or occurrences affect any potential future cash flows of the financial asset or a group of financial assets that can be credibly determined.

**Cease recognizing financial assets and liabilities****Financial assets**

A financial asset (or, where applicable, a part of the financial asset or a part of the similar asset group) is written off if:

- A term of receiving the cash from the financial asset has expired;
- The Company assigned the right of receiving the cash from the financial asset or retained such a right, but assumed a contractual liability of paying in full and without delay all sums to the third parties; and
- The Company (a) transferred all risks and benefits related to the asset; (b) neither transferred nor retained all risks and benefits related to the asset but transferred a right of control over the asset.

**Financial liabilities**

The recognition of the financial liabilities starts by the time they are met, void or expired. When a current financial liability is replaced with the other one with significantly changed terms and conditions against the same creditor, or if the conditions of the current liability are significantly changed, such a change or modification is reported as cancellation of the initial liability and recognition of the new liability, while a difference in the relevant book value is disclosed in the profit or loss.

**Cash and cash equivalents**

The Company presents the cash flows from selling insurance policies/agreements and purchasing reinsurance contracts as operational cash flows since the Company's activity is the insurance activity. Cash and cash equivalents for the Company are the money on current bank accounts and the money on bank deposits and deposit certificates.

**Paid advances**

Initially, the advances paid to the goods and services providers are recognized as the paid sums and are adjusted as required by a possible devaluation. Advances are considered devaluated when there is an



objective evidence that the Company cannot receive in full the goods or services under the agreement signed with the providers.

The advances paid for current assets and services that are short-term operational expenses based on their nature, are classified as current assets. All other advances, for example those paid for purchasing long-term assets are classified as the long-term advances and are represented in the respective section of the statements of financial position.

#### **Claims from the insurance activity and other current claims**

The insurance and reinsurance advances are recognized in reliance upon the insurance agreement/policy/insurance contract conditions and are defined on the agreement/contract cost (value). A book value of the insurance claims are revised with regard to devaluation when events and circumstances indicate that it is possible that the book value cannot be recovered. A devaluation loss is recognized in the statements of profit and loss and other complete incomes of the Company.

The reinsurance claims include the balances receivable from the insurance and reinsurance companies for the transferred insurance liabilities. Premiums of the assumed reinsurance are recognized in the same way as for the income received directly from the activity. The sums paid to the reinsurer are recognized in accordance with the reinsurance contracts.

The devaluation analysis is conducted for all reinsured assets when there is a threat of devaluation. The reinsurance claims are devaluated when there is evidence that the group might not receive all sums due to it in accordance with the reinsurance contract and it can be reliably estimated.

Other claims are all other current claims other than non-insurance claims, prepaid taxes and pre-incurred costs.

The loss resulted from the devaluation of insurance and other claims is disclosed in the profit and loss statements.

#### **Fixed assets and intangible assets**

The Company records its fixed assets and intangible assets at their purchase (historical) value and records the depreciation by a method of the balance decrease according to the duration of their useful servicing:

Motor transport – 5 years;

Computers and communication means – 5 years;

Furniture and other devices – 5 years;

Intangible assets with an Indefinite expiration date – 7 years.

A fixed asset is depreciated from the month it is put into operation or is ready for putting into operation.



A book value of the fixed assets is revised in view of devaluation when the events or changed circumstances indicate that it is possible that the book value cannot be recovered. The devaluation loss is disclosed in the profit and loss and other income statements.

Any surplus of the fixed asset revaluation is added to the revaluation reserve of the fixed assets included in the capital unless when the Company reverses a revaluation decrease of the asset that has been previously disclosed in the statements of profit and loss and other incomes. In this case, an increase will be reflected in the consolidated statements of profit and loss and other revenues. A revaluation deficit is recognized in the consolidated statements of profit and loss and other incomes, except in the cases when a deficit that directly annuls a surplus of the same asset, is annulled by a surplus of the fixed asset revaluation reserve.

A fixed asset revaluation in the retained earnings from the reserve is disclosed for the difference between the depreciation estimated on the basis of the revaluated book value and the depreciation calculated in reliance upon the initial value. Besides, a depreciation accumulated by the revaluation date is deduced against a total book value of the asset and the revaluated asset is re-disclosed with its net value. When transferring, a revaluation reserve related to the specific sold asset is carried over to the retained earnings.

The costs related to the repairs or renewal, are recorded as soon as they arise and they are included in other operational costs unless there is no reason for their capitalization.

A fixed asset is written off after it is sold or when no future economic benefit is expected in result of its use of selling. Any arisen profit or loss (calculated as a difference between a net income from selling and a book value of the asset) when a fixed asset is being written off, is included in the profit-loss statements or other income statements of the year when the asset is written off.

### **Inventory holdings**

The inventory holdings are evaluated at the least value between its initial value and its net realizable value. A value of the inventory holdings is defined on the basis of an average weighted cost and includes all expenses incurred for purchasing and delivering those inventories to the required place. A cost of the final goods and of the current production includes a respective share of the overhead production costs based on the usual productivity, but excludes any loan facilities.

A net realized value is an expected sale price in the usual operational routine, less an expected completion cost and expected costs required for sales.

### **Insurance liabilities**

General insurance liabilities include a reserve of the claims to be covered and a reserve of the unearned premium. General agreement/contractual liabilities are based on the determined final cost of all those claims that arisen but were not covered by the accounting date whether they were disclosed or not. It is added by the costs of the claim satisfaction.



The liability is recorded in reliance upon the data available by the reporting date and the current assumptions. The liability is not discounted against a temporal value of money. Liabilities are written off after expiry of the due date. When ceasing or cancelling, a reserve is recognized when a relevant agreement is effective and a premium is charged and is accounted as an income from the premium during the validity of the agreement according to the insurance plan of that agreement. By every reporting date, the Company reviews its current risks and based on the liability adequacy test, defines a surplus of the expected claims and deferred purchase costs against an unearned premium.

### Current liabilities

The current liabilities are the liabilities that are charged to the delivered goods / provided services.

### Taxes

A cost of the profit tax includes the costs of both current and deferred profit taxes. The part of the profit tax that relates directly to the capital, is reflected directly in the capital items.

The current profit tax of the Company is calculated using a tax profit and applicable tax rates.

A deferred profit tax is calculated using a method of the balance liabilities taking into account all those temporary differences between the asset (liability) calculated in accordance with IFRS and the assets (liabilities) calculated on the basis of the tax legislation.

According to the International Accounting Standard (IAS) #12.47, deferred taxes are calculated on the basis of those taxation rates, that are effective or will be effective in the period when the deferred asset (liability) is to be used by the Company. Besides, if there is any benefit from the taxation losses of the Company that may be carried over to the future periods, this benefit (deferred asset) will also be included in the deferred tax calculations. Any deferred taxes are not counted only in cases when it is known that a benefit of those taxes cannot be used.

A profit tax rate in Georgia in 2016 was 15%.

### Recognition of the incomes

Incomes are recognized in the profit and loss and other income statements if the gross economic incomes during the period have arisen in the usual operational course of the Company. They can be reliably assessed and in result of this operation, an equity capital grows without any investments from owners.

### Recognition of the Insurance incomes

Natalia Serpilid



Insurance agreements/policies are defined as the agreements/policies that include a significant insurance risk from the moment the agreement/policy is in effect, or at the time the agreement/policy is in effect. An insurance risk may be significant. An insurance risk depends on a likelihood of the insured event and a size of its future results. After an agreement is recognized as the insurance agreement, it is viewed as the insurance agreement for the remained period of validity thereof (unless it is cancelled/annulled) even if an insurance risk dramatically lowers.

The Company generates its income through selling various types of insurance agreements/policies. The Company recognizes the income generated through insurance agreements/policies as the generated income for the period when the insurance agreement/policy or a bank guarantee is expected to be in effect. As soon as a policy and a bank guarantee is issued, the Company recognizes a full amount of the insurance premium (the bank guarantee fee) as the earned income while afterwards, the Company distributes evenly this income to the respective periods (days).

#### Other income

Other incomes of the Company include an interest income from the deposits placed with commercial Georgian banks, issued loans, securities and bills of exchange. The Company recognizes the interest income by the period in which the income was received and discloses it in the profit and loss statements.

#### Deferred income

The Company defers any future period incomes and discloses them in the balance sheet (statements of the financial position). The part of the insurance premium that refers to the future periods, is deferred as an unearned premium. Changes in the unearned premium reserve are disclosed in the profit and loss and other income statements so that the earnings are disclosed in the risk period or pro rata an expected future profit.

#### Recognition of costs

The Company incurs costs for running its business in the course of operational activity. The Company also has other costs that are not associated with its basic activities. Costs are recognized in the profit and loss statements, if a future economic profit decreases due to asset reduction or liability increase, that may be reliably determined. Costs are recognized in the profit and loss statements based on the direct comparison of incurred costs and incomes by specific income items. If an economic profit is expected during several accounting periods and a relation with incomes may be found in full or in part, then the costs will be recognized in the profit and loss and other income statements by a rational allocation method. Costs are disclosed in the profit and loss and other income statements immediately, if the costs will generate no more economic profit, or when an economic profit does not correspond or no more corresponds to the claims that are recognized as assets in the balance sheet.



**Other non-insurance costs**

The Company recognizes any other non-insurance costs as soon as they are incurred and refers those costs to the accounting periods they are incurred in.

**Insurance reserves**

Procedures of forming insurance reserves are regulated by the insurance Supervisory Service. By December 31, 2016, the Company had all three reserves defined by applicable Georgian law: an unearned premium reserve, a disclosed but unsettled loss reserve and incurred but not reported loss reserve.

A disclosed but unsettled loss reserve of the Company consists of two parts: the part of the reserve that arrived in the Company by the end of accounting period based on a document (invoice); the part of the reserve an amount of which is not confirmed by a payment document, but the amount can be reliably estimated.

The assumptions made for estimating insurance assets and liabilities are for ensuring a sufficient reserve amount, to cover any liability that reasonably arises from the insurance contracts. However, it is likely that a final result differs from the reserve amount as determined initially since it is impossible to determine final insurance reserves precisely enough. The reserves are formed by the reporting date and are defined as a size of losses (whether disclosed or not) incurred by the reporting date, including a cost of the loss settlement and less the losses already covered. Loss reserves are not subject to discounting.

**New standards that have already been published but not yet implemented**

Standards and interpretations that have already been issued but not in effect by the date the Company's financial statements are issued and that may affect a financial position and results of the Company are described below. The Company is going to implement those standards as soon as they are in effect.

There is a number of standards and interpretations issued by the International Accounting Standard Board (IASB), that are in effect for the financial reporting after the period of this financial reporting. The most important are as follows:

New and revised accounting standards that are published but not yet in effect:

AASB 2016-1 Recognition of deferred tax assets for unrealized losses, January 1, 2017.

AASB 2016-2 Disclosure initiative: AASB 107 revision, January 1, 2017.

AASB 9 Financial instruments, January 1, 2018.

AASB 15 Revenue from contracts with customers, January 1, 2018.



AASB 2014-10 Sale or contribution of assets between an investor and its associate or joint venture, January 1, 2018.

AASB 2016-5 Classification and measurement of share-based payment transactions, January 1, 2018.

AASB 2016-6 AASB 9

Applying AASB 9 Financial instruments with AASB 4 Insurance contracts, January 1, 2018.

AASB 16 Leases, January 1, 2019.

- IFRS 9: Financial instruments: effective on January 1, 2018 or for the periods starting after that date. The Standard replaces IAS 39 Financial instruments: recognition and measurement guidelines and refers to the classification, measurement and recognition of financial assets and liabilities, including a new expected credit loss model for calculating a devaluation of financial assets and new general requirements of hedging accounting. It also applies guidelines on recognition and ceasing recognition of financial instruments from IAS 39. The Company assesses a potential effect on its financial statements but it is not expected to have a material effect on the results of the Company business.
- IFRS 15: Revenue from contracts with customers: effective on January 1, 2018 or for periods starting after that date. The standard replaces current guidelines on revenue recognition, including IAS 18 Revenue, IAS 11 Construction contracts and IFRIC13 Customer loyalty programs and establishes a comprehensive framework for determining how, how much and when are the revenue recognized by introducing a five-phase model. Based on preliminary assessments, the adoption of those revisions and interpretations will probably have no significant effect on the results of company's activity, financial position or disclosed information.
- IAS 16: Leases, effective on January 1, 2019 or for periods starting after that date. The new standard replaces IAS 17 Leases and materially amends a rule of the lease statements by persons requiring a lessor to recognize an asset with a right of use and a lease liability at a current value of the initially measured leasing charges in its balance sheet. The guidelines also extend the required quantitative and qualitative disclosures on leasing. It will cause recording of a majority of leases on the balance sheet that will recognize a new category of the right to use the asset and a responsibility based on the discount of any future leasing charges.

Leasing (ASU 2016-02). Amendments require a lessor to recognize an asset with a right of use and a lease responsibility on the balance sheet for leases over 12-month periods. The leases will be classified as financial or operational that affects a scheme of recognition of the costs in the profit and loss statements. ASU 2016-02 revisions are in effect for public business entities during the fiscal years starting after December 15, 2018, including interim periods within those fiscal years. Now the Company assesses an expected effect of adoption of ASU 2016-02 on the Company's financial reporting.

In August 2016, FASB published ASU 2016-14, presentation of the financial reporting for non-profit legal entities that is targeted at amendments to the non-commercial financial reporting model. The new ASU indicates a completion of the first stage of the large project aiming at the improvement of the non-



## 5. Net Earned Insurance Premium

During the year 2016, the Company's revenue in result of selling insurance contracts/policies:

	2016 (GEL)	2016 (GEL)	2016 (GEL)	2016 (GEL)	2016 (GEL)	2016 (GEL)	2016 (GEL)	2016 (GEL)	2016 (GEL)	2016 (GEL)	2016 (GEL)	2016 (GEL)	2016 (GEL)	2016 (GEL)	2016 (GEL)	2016 (GEL)	2016 (GEL)	2016 (GEL)	2016 (GEL)
	Insured accident	Insured liabilities	Life insurance	Medical insurance	Cargo insurance	Car insurance	Carrier liability insurance	Aviation insurance	Travel insurance	Property insurance	Responsibility insurance	Insurance against financial losses	Marine vehicle insurance	Total					
Earned premium	28 529	24 717	7 287	3 236 732	205 651	1 707 656	23 673	2 937 803	49 306	1 834 633	277 123	11 252	20 890	10 365					
Reinsurance costs	-	-	-	-	(153 231)	(510 535)	(15 443)	(2 773 167)	-	(705 933)	(38 275)	(2 520)	-	253					
	28 529	24 717	7 287	3 236 732	52 421	1 197 121	8 231	164 636	49 306	1 128 700	238 847	8 732	20 890	6 166					149

	2015 (GEL)	2015 (GEL)	2015 (GEL)	2015 (GEL)	2015 (GEL)	2015 (GEL)	2015 (GEL)	2015 (GEL)	2015 (GEL)	2015 (GEL)	2015 (GEL)	2015 (GEL)	2015 (GEL)	2015 (GEL)	2015 (GEL)	2015 (GEL)	2015 (GEL)	2015 (GEL)	2015 (GEL)
	Insured accident	Insured liabilities	Life insurance	Medical insurance	Cargo insurance	Car insurance	Carrier liability insurance	Aviation insurance	Travel insurance	Property insurance	Responsibility insurance	Insurance against financial losses	Marine vehicle insurance	Total					
Earned premium	15 498	22 545	3 667	3 674 273	159 754	1 228 651	24 496	3 155 948	52 202	601 061	167 133	775	3 174	9 109					
Reinsurance costs	-	-	-	-	(117 818)	(391 536)	(11 975)	(2 886 029)	-	(305 275)	(24 451)	-	-	178					
	15 498	22 545	3 667	3 674 273	41 936	837 115	12 521	269 920	52 202	295 785	142 681	775	3 174	5 372					093

*Natalia Serebide*



## 6. Insurance losses

	2016 (GEL) Insured liabilities	2016 (GEL) Medical insurance	2016 (GEL) Cargo insurance	2016 (GEL) Car insurance	2016 (GEL) Travel insurance	2016 (GEL) Property insurance	2016 (GEL) Total
Indemnified losses	-	3 016 260	521	1 106 658	12 373	1 448 575	5 584 387
	-	<b>3 016 260</b>	<b>521</b>	<b>1 106 658</b>	<b>12 373</b>	<b>1 448 575</b>	<b>5 584 387</b>

	2015 (GEL) Insured liabilities	2015 (GEL) Medical insurance	2015 (GEL) Cargo insurance	2015 (GEL) Car insurance	2015 (GEL) Travel insurance	2015 (GEL) Property insurance	2015 (GEL) Total
Indemnified losses	4 000	3 692 203	88	1 171 709	2 248	215 655	5 085 904
	<b>4 000</b>	<b>3 692 203</b>	<b>88</b>	<b>1 171 709</b>	<b>2 248</b>	<b>215 655</b>	<b>5 085 904</b>

## 7. Other income from the insurance activities

Other incomes of the Company from the insurance business were 316 966 GEL as of the year 2016. Other incomes from the insurance business in the reporting period were the income from regress 244 730 GEL and the income from salvaged property 72 236 GEL.

## 8. Reinsurer's share in the incurred losses

	2016 (GEL) Cargo insurance	2016 (GEL) Car insurance	2016 (GEL) Reinsurer's liability insurance	2016 (GEL) Property insurance	2016 (GEL) Total
Reinsurer's share in the incurred losses	8 060	263 264	(6 136)	35 087	300 276
	<b>8 060</b>	<b>263 264</b>	<b>(6 136)</b>	<b>35 087</b>	<b>300 276</b>



## JSC Insurance Company Cartu

## Consolidated Financial Statements

	2015 (GEL) Cargo insurance	2015 (GEL) Car insurance	2015 (GEL) Reinsurer's liability insurance	2015 (GEL) Property insurance	2015 (GEL) Total
Reinsurer's share in the incurred losses	2 135	541 224	8 013	19 652	571 024
	<b>2 135</b>	<b>541 224</b>	<b>8 013</b>	<b>19 652</b>	<b>571 024</b>

## 9. Administrative expenses

	2016 (GEL)	2015 (GEL)
Labor expenses	1 011 001	1 030 184
Lease	187 972	190 640
Stationery	15 890	16 045
Computer and communication expenses	35 030	47 609
Depreciation and amortization expenses	52 441	46 855
Consultancy and audit expenses	9 800	7 600
Tax expenses	1 616	1 535
Bank expenses	7 973	7 615
Representation expenses	3 884	3 291
Advertising	4 778	4 331
Postal expenses	6 847	9 389
Travel expenses	3 177	4 385
Other general administrative expenses	95 086	75 765
	<b><u>1 435 492</u></b>	<b><u>1 445 243</u></b>

## 10. Financial income

During the year 2016, the Company placed its own money with various banks: JSC Cartu Bank, JSC ProCreditBank and JSC Basis Bank. A financial revenue of the Company for the year 2016 was the incomes from deposits with banks.

Since the Company is a licensed financial institution, any interest income received by it from other licensed financial institutions is taxed at a 15% rate of the profit tax as per Georgian Tax Code:

Natalia Ser... 27



	2016 (GEL)	2015 (GEL)
JSC Cartu Bank	39 775	10 475
JSC ProCreditBank	23 850	14 452
JSC Basis Bank	26 930	17 295
	<u>90 554</u>	<u>42 222</u>

## 11. Profit (loss) due to exchange rate differences

## 2016

	Positive result	Negative result	Total
Cash and cash equivalents	89 677	(95 071)	(5 394)
Current claims from insurance activities	572 478	(414 085)	158 393
Other current claims	160	(43)	116
Other claims from reinsurance	207 485	(129 934)	77 552
Dividends, interests etc. receivable	35	(83)	(49)
Total exchange rate profit (loss) from assets:	<u>869 834</u>	<u>(639 216)</u>	<u>230 618</u>
Liabilities due to delivery and service provision	3 157	(7 703)	(4 545)
Reinsurance liability payable	531 327	(755 164)	(223 837)
Other current liabilities	4 449	(7 341)	(2 892)
Total exchange rate profit (loss) from liabilities	<u>538 934</u>	<u>(770 207)</u>	<u>(231 274)</u>
Total	<u>1 408 767</u>	<u>(1 409 423)</u>	<u>(656)</u>

## 2015

	Positive result	Negative result	Total
Cash and cash equivalents	293 399	(76 058)	(217 341)

Natalia Seralidze



Current claims from insurance activities	785 832	(160 006)	625 827
Other current claims	68 747	(33 522)	35 225
Dividends, interests etc. receivable	24	(4)	19
Total exchange rate profit (loss) from assets:	<b>1 148 002</b>	<b>(269 590)</b>	<b>878 413</b>
Liabilities due to delivery and service provision	481	-	481
Reinsurance liability payable	952 454	(1 582 622)	(630 168)
Other current liabilities	1 795	(4 497)	(630 168)
Total exchange rate profit (loss) from liabilities	<b>954 731</b>	<b>(1 587 120)</b>	<b>(632 389)</b>
Total	<b>2 102 733</b>	<b>(1 856 709)</b>	<b>246 024</b>

## 12. Profit tax costs

A current applicable tax rate for the Company is a profit tax – 15%.

	2016 (GEL)	2015 (GEL)
Current profit tax expenses	-	-
Temporary differences and return	205 579	(290 298)
Total profit tax expenses	<b>205 579</b>	<b>(290 298)</b>

Comparison: applicable tax rates:

	2016 (GEL)	2015 (GEL)
Profit (loss) before taxation	(1 728 667)	(284 182)
Profit tax at a relevant tax rate	(259 300)	(42 627)
Non-deducted expenses, net / (untaxed income)	<u>53 721</u>	<u>332 926</u>
Total profit tax expenses	<b>(205 579)</b>	<b>290 299</b>



**13. Cash and cash equivalents**

	Balance December 31, 2016 (GEL)	Balance December 31, 2015 (GEL)
Cash in the cash desk	2 835	4 638
Current bank accounts	696 858	1 057 437
Term deposits	<u>3 860 574</u>	<u>1 129 235</u>
	<b>4 560 267</b>	<b>2 191 310</b>

**Term deposits**

	Balance December 31, 2016 (GEL)	Balance December 31, 2015 (GEL)
JSC Cartu Bank	2 950 574	679 235
JSC ProCredit Bank	380 000	250 000
JSC Basis Bank	<u>530 000</u>	<u>200 000</u>
	<b>3 860 574</b>	<b>1 129 235</b>

**14. Current claims from insurance activities**

As of December 31, 2016, a balance sheet of the Company included accounts receivable in the amount of 4 652 180 GEL.

	Balance December 31, 2016 (GEL)	Balance December 31, 2015 (GEL)
Life insurance	55 672	34 167
Medical insurance	1 468 994	1 091 441
Cargo insurance	15 095	26 446
Car insurance	288 076	217 335
Aviation insurance	1 977 796	2 726 487
Property insurance	573 913	452 835
Liability insurance	37.79	3 905
Civil liability	124 229	16 352
Accident	166 679	67 488
Financial loss insurance	3 308	885
Travel insurance	9 577	7 732

*Natalia Sero Lindi*



Marine carrier liability insurance	343	-
	<b>4 683 719</b>	<b>4 645 073</b>
	<b>Balance</b>	<b>Balance</b>
	<b>December 31, 2016 (GEL)</b>	<b>December 31, 2015 (GEL)</b>
Insurance claims	4 683 719	4 645 073
Insurance claims devaluation reserve	(31 540)	(11 311)
	<b>4 652 180</b>	<b>4 633 763</b>

The following table shows the insurance claims by past-due dates:

	<b>Gross 31.12.2016</b>	<b>Devaluation 31.12.2016</b>	<b>Gross 31.12.2016</b>	<b>Devaluation 31.12.2016</b>
Non-past-due	4 648 391	-	4 606 872	-
Past-due: 0-30 days	324	16	1 081	-
Past-due: 31-60 days	581	87	2 036	76
Past-due: 61-90 days	563	169	3 551	266
Past-due: 91-120 days	2 029	1 014	4 112	641
Past-due: 121-360 days	7 899	6 319	23 310	6 216
Past-due: over 365 days	23 934	23 934	4 111	4 111
	<b>4 683 719</b>	<b>31 540</b>	<b>4 645 073</b>	<b>11 311</b>

#### 15. Other current claims

	<b>Balance December 31, 2016 (GEL)</b>	<b>Balance December 31, 2015 (GEL)</b>
Advances	3 674	2 191
Pre-incurred broker and agent expenses	128 505	148 456
Claims from regress	231 274	212 576



Other current assets	3 575	4 022
	<b>367 027</b>	<b>367 245</b>

**16. Pre-incurred costs and paid taxes**

As of December 31, 2016, a balance sheet of the Company included pre-incurred costs and paid taxes according to the following structure:

	<b>Balance December 31, 2016 (GEL)</b>	<b>Balance December 31, 2015 (GEL)</b>
Pre-paid income tax	-	459
Pre-paid profit tax	-	3 785
Pre-paid taxes	6 563	73
Other pre-incurred costs	4 996	9 519
	<b>11 559</b>	<b>13 835</b>

**17. Pre-incurred reinsurance costs**

	<b>Balance December 31, 2016 (GEL)</b>	<b>Balance December 31, 2015 (GEL)</b>
Cargo insurance	6 100	11 213
Car insurance	86 709	100 527
Carrier liability insurance	6 431	8 292
Aviation insurance	1 798 693	2 554 658
Property insurance	390 529	328 572
Responsibility insurance	14 027	10 329
Financial losses insurance	2 499	-
	<b>2 304 988</b>	<b>3 013 591</b>

Natalia Seralidze



**18. Other claims from reinsurance**

	Balance December 31, 2016 (GEL)	Balance December 31, 2015 (GEL)
Claims for indemnification of losses against reinsurers and brokers	733 717	426 947
Claims for the reserve of losses against reinsurer and broker	190 357	152 061
Accounts receivable from reinsurance commissions	449 583	294 720
	<b>1 373 656</b>	<b>873 728</b>

**Claims for indemnification of losses against reinsurer and broker**

	Balance December 31, 2016 (GEL)	Balance December 31, 2015 (GEL)
Paraklis Insurance Solution Ltd	733 429	426 947
MAI Reinsurance brokers SIA	288	-
	<b>733 717</b>	<b>426 947</b>

**Claims for the reserve of losses against reinsurer and broker**

	Balance December 31, 2016 (GEL)	Balance December 31, 2015 (GEL)
Paraklis Insurance Solution Ltd	188 695	151 785
MAI Reinsurance brokers SIA	1 662	277
	<b>190 357</b>	<b>152 061</b>

**Accounts receivable from reinsurance commissions**

	Balance December 31, 2016 (GEL)	Balance December 31, 2015 (GEL)
Paraklis Insurance Solution Ltd	441 291	287 217
Luftfahrt-Versherungslosunger AG	8 292	7 503
	<b>449 583</b>	<b>294 720</b>

Natalia S.



**19. Receivable interests, dividends etc.**

As of December 31, 2016, the Company's receivables from deposits with banks were 33 762 GEL:

	Balance December 31, 2016 (GEL)	Balance December 31, 2015 (GEL)
JSC Cartu Bank	17 308	1 637
JSC ProCredit Bank	2 110	195
JSC Basis Bank	14 344	5 342
	<b>33 762</b>	<b>7 175</b>

**20. Fixed assets and intangible assets**

	Vehicles (GEL)	Office equipment (GEL)	Furniture and other inventory (GEL)	Other fixed assets (GEL)	Intangible assets (GEL)	Total (GEL)
Historical cost						
Balance as of January 1, 2016	66 311	234 867	1 339	8 104	46 370	356 991
Increase	-	16 743	72	-	17 044	33 859
(Decrease)	45 514	-	-	-	-	45 514
Revaluation	32 003	-	-	-	-	32 003
Total historical cost as of December 31, 2016	52 800	251 610	1 411	8 104	63 413	377 339
Depreciation, amortization and devaluation						
Balance as of January 1, 2016	37 454	108 515	341	2 795	21 866	170 971
Depreciation and amortization costs	8 060	38 649	270	1 621	4 337	52 937
Write off	45 514	-	-	-	-	45 514
Total accumulated depreciation cost as of December 31, 2016	-	147 163	612	4 416	26 203	178 393
Residual value as of December 31, 2016	52 800	104 447	799	3 688	37 211	198 946

	Vehicles (GEL)	Office equipment (GEL)	Furniture and other inventory (GEL)	Other fixed assets (GEL)	Intangible assets (GEL)	Total (GEL)
Historical cost						
Balance as of January 1, 2015	59 511	182 553	1 204	8 104	46 370	297 741
Increase	6 800	52 315	135	-	-	59 250
(Decrease)	-	-	-	-	-	-



Revaluation	-	-	-	-	-	-
Total historical cost as of December 31, 2015	66 311	234 867	1 339	8 104	46 370	356 991
Depreciation, amortization and devaluation						
Balance as of January 1, 2015	30 528	74 206	80	1 174	17 631	123 620
Depreciation and amortization costs	6 927	34 308	261	1 621	4 235	47 351
Write off	-	-	-	-	-	-
Total accumulated depreciation cost as of December 31, 2015	37 454	108 515	341	2 795	21 866	170 971
Residual value as of December 31, 2015	28 856	126 353	997	5 309	24 504	186 020

## 21. Deferred tax assets

Any deferred profit tax is defined using a balance sheet liability method and is calculated by a temporal difference between a book value of the assets and liabilities for financial reporting and the tax-intended amounts.

The Georgian tax legislation, in particular a section referring to the profit tax has been amended so that a profit tax calculation and payment rule would change for insurance companies from January 1, 2019. From January 1, 2019, a profit tax will be paid exclusively from the allocated profit (i.e. dividends). If a company does not allocate its profit, it will not be charged with a profit tax.

Due to the abovementioned legislative changes, there will be no more differences between tax and financial assets/liabilities for companies. Therefore, a liability of charging a deferred tax asset and/or deferred profit tax will not be in effect from January 1, 2019. Besides, a company will not be able to use any tax losses accumulated in previous years for decreasing future tax profits.

In calculations of a deferred tax asset as of December 31, 2016, the Company applies only that part of the tax loss it intends to use for the next two years.

	Residual value (financial)	Residual value (tax)	Temporal differences	Applicable profit tax rate	Profit tax asset (liability)
<b>2016</b>					
Fixed assets	161 735	95 103	(66 632)	15%	(9 995)
Intangible assets	37 210	19 298	(17 912)	15%	(2 687)
Tax losses	-	-	1 322 406	15%	198 361
<b>Total</b>	<b>198 945</b>	<b>114 401</b>	<b>1 237 862</b>	<b>15%</b>	<b>185 679</b>



	Residual value (financial)	Residual value (tax)	Temporal differences	Applicable profit tax rate	Profit tax asset (liability)
<b>2015</b>					
Fixed assets	161 516	111 483	(50 033)	15%	(7 505)
Intangible assets	24 504	22 704	(1 800)	15%	(270)
Suspicious claim adjustment	(22 613)	-	22 613		3 392
Tax losses	-	-	2 637 612	15%	395 642
<b>Total</b>	<b>163 407</b>	<b>134 186</b>	<b>2 608 391</b>		<b>391 259</b>

Natalia Seabridge



**22. Liabilities against reinsurers and brokers**

As of December 31, 2016, a liability of the Company against reinsurers and brokers is 4 148 645 GEL.

**2016**

	<b>EURO</b>	<b>USD</b>	<b>Total</b>
Paraklis Insurance Solution Ltd	1 900 911	2 940	1 903 851
Rifams LTD	30 207	(1 431)	28 776
Almondz reinsurance Brokers	-	13 234	13 234
Luftfahrt-Versicherungslosungen AG	-	1 444 137	1 444 137
Howden Insurance Brokers Ltd	-	3 094	3 094
MARSH	-	751 691	751 691
Skala Insurance and Reinsurance Broker	-	3 862	3 862
	<b>1 931 118</b>	<b>2 217 527</b>	<b>4 148 645</b>

**2015**

	<b>EURO</b>	<b>USD</b>	<b>Total</b>
Paraklis Insurance Solution Ltd	959 284	2 660	961 944
Rifams LTD	28 293	(1 295)	26 998
Almondz reinsurance Brokers	-	11 975	11 975
Ingosstrakh Insurance Company Ltd	-	1 224 470	1 224 470
Luftfahrt-Versicherungslosungen AG	-	1 778 739	1 778 739
Howden Insurance Brokers Ltd	-	6 985	6 985
	<b>987 576</b>	<b>3 023 534</b>	<b>4 011 110</b>



**23. Other current liabilities**

As of December 31, 2016, a breakdown of the payable taxes and other current liabilities of the Company is as follows:

	Balance December 31, 2016 (GEL)	Balance December 31, 2015 (GEL)
Received advances	11 840	2 571
Property tax	-	218
Payable broker and agent fees	121 260	119 474
Payable wages	464	-
Other current liabilities	1 200	16 200
	<b>134 764</b>	<b>138 463</b>

**24. Insurance loss reserves**

Reserves are established by the reporting date and are defined as an amount of the losses incurred by the accounting date (whether reported or not), including any loss settlement expenses and less any losses already indemnified. No loss reserves are discounted.

Any reported but not settled loss (RBNS) reserve is established for the losses that have already been reported and includes all associated settlement and management expenses. A size thereof is based on individual loss measurement at the discretion of the Company experts and the Loss Management Department.

An incurred but not reported loss (IBNR) reserve is calculated by the insurance statisticians. In calculating an IBNR reserve, the Company uses an actual method such as the Chain Ladder. This method is based upon a loss history (frequency of indemnifications and/or claims, amount of losses etc.) to measure a probable reporting of both current and future losses. Application of this method implies the establishment of a relevant reserve for those losses that will be reported from the date the loss is incurred or after lapse of sufficient time after issuing a policy and when sufficient information is collected from the losses in order to evaluate total expected losses.

An IBNR reserve for those insurance types for which no sufficient statistical data is available is calculated according to the procedures established by Supervisory Authority.

**25. Deferred revenue (UPR (unearned premium) reserve)**

A breakdown of the deferred insurance revenues of the Company for the years 2015 and 2016 is as follows:

	Deferred income December 31, 2015	Attracted premium 2016	Earned premium 2016	Deferred revenue December 31, 2016
Medical insurance	999 965	3 597 238	3 236 732	1 360 471



Travel insurance	6 430	44 949	49 306	2 072
Life insurance	34 083	22 338	7 287	49 134
Property insurance	829 173	1 809 493	1 834 633	804 033
Financial loss insurance	1 224	21 833	11 252	11 805
Car insurance (including civil liability)	296 756	1 718 650	1 707 656	307 750
Carrier liability insurance	12 794	19 368	23 673	8 489
Accident insurance	9 314	25 816	28 529	6 601
Cargo insurance	17 613	196 396	205 651	8 357
Insurance of liability fulfillment	9 685	19 783	24 717	4 751
Responsibility insurance	48 667	384 867	277 123	156 411
Marine vehicle insurance	3 139	21 617	20 890	3 866
Aviation insurance	2 673 041	2 228 901	2 937 803	1 964 139
<b>Total</b>	<b>4 941 885</b>	<b>10 111 249</b>	<b>10 365 253</b>	<b>4 687 881</b>

	<b>Deferred income 31.12.2014</b>	<b>Attracted premium 2015</b>	<b>Earned premium 2015</b>	<b>Deferred revenue 31.12.2015</b>
Medical insurance	750 667	3 923 571	3 674 273	999 965
Travel insurance	5 565	53 067	52 202	6 430
Life insurance	6 911	30 839	3 667	34 083
Property insurance	203 189	1 227 045	601 061	829 173
Financial loss insurance		2 000	775	1 224
Car insurance (including civil liability)	166 158	1 359 250	1 228 651	296 756
Carrier liability insurance	6 326	30 964	24 496	12 794
Accident insurance	6 413	18 399	15 498	9 314
Cargo insurance	8 377	168 990	159 754	17 613
Insurance of	6 350	25 881	22 545	9 685



liability fulfillment				
Civil liability insurance	56 503	159 297	167 133	48 667
Marine vehicle insurance	-	6 313	3 174	3 139
Aviation insurance	2 259 679	3 569 311	3 155 948	2 673 041
<b>Total</b>	<b>3 476 136</b>	<b>10 574 926</b>	<b>9 109 178</b>	<b>4 941 885</b>

## 26. Charter capital

As of December 31, 2016, a charter capital of the Company is 7 170 300 GEL totally in the monetary form.

A local insurance supervisor establishes a rule of the minimum capital definition for insurance companies.

According to the requirement of the State Georgian Insurance Supervisory Authority, insurance companies shall meet a minimum equity capital requirement till December 31 2016 as follows: life insurance 1 500 000 GEL and insurance (non-life) – 1 000 000 GEL. Companies must have money on the accounts opened with the licensed banking institutions in Georgia as 80% of the minimum capital.

Companies must meet a minimum equity capital requirement no later than December 31, 2016 as follows: life insurance 2 200 000 GEL and insurance (non-life) – 2 000 000 GEL. Companies must have money on the accounts opened with the licensed banking institutions in Georgia as 100% of the minimum capital.

Those requirements are to ensure a sufficient solvency. The Company's goal is to meet these requirements. Failure to meet these requirements may cause negative consequences, including imposition of penalties by the Georgian State Insurance Supervisory Authority. By the end of the reporting year ended December 31, 2016, JSC Insurance Company Cartu failed to meet the abovementioned requirements.

In order to meet these requirements, on April 10, 2017, prior to publishing consolidated financial statements, JSC Insurance Company Cartu increased its share capital by 200 000 GEL at the expense of cash contributions by JSC Cartu Bank.

In result, the share capital amounted to 7 370 300 GEL and shares were distributed between the founders as follows:

- Ringgold Finance Limited (British Virgin Islands) – 11.23%
- Joint Stock Company Cartu Bank (Georgia) – 88.77%

Therefore, prior to publishing its consolidated financial statements, the Company could be able to meet the minimum capital requirement established by a local insurance supervisor.



Besides, according to Article 1 of Order No 16 dated September 16, 2016 of the Georgian State Insurance Supervisory Authority:

A size of the insurer's supervisory capital must exceed 50% of the estimated solvency margin from July 1 2017 till January 1 2018.

By December 31, 2016, the Company's supervisory capital was 1 637 679 GEL.

## 27. Risk management

### Management system

The main goal of the Company's risk and financial management system is to protect against such events that prevent the Company from reaching its goals and using its opportunities. The Company analyses the highest importance of the effective and efficient risk management system. There is a policy in place to ensure a risk-orientation approach of the Company, risk management, control and business standards.

### Market risk

A market risk is a risk of decrease in the value of financial instruments when affected by changes in the market factors.

A market risk may arise in result of holding by a company of the interest-bearing and trading financial instruments or those available in foreign currencies. There is a risk that a factual value of the financial instruments or future financial flows will fluctuate due to changes in the interest rates (interest risk) and an exchange rate of the foreign currency (foreign exchange risk):

### Credit risk

A credit risk is a risk when failure by one party of the financial instrument to meet liabilities causes the other one's financial losses. The Company controls a credit risk level for which it bears responsibility according to the general credit risk policy that measures and defines what is a credit risk for the Company, risk limits for each counterpart, for geographic location and business area, a right of setoff, when counterparts are both debtors and creditors.

### Exchange risk

An exchange risk arises in result of changes in the value of one currency against another. Since the insurance operations carried out in foreign currencies is a significant part of the Company's operations, the fluctuations caused by foreign currencies pose a risk to the Company.

	GEL	EURO	RUB	USD	Total
Cash and cash equivalents	4 413 443	-	-	146 824	4 560 267
Current claims from insurance activities	1 779 762	31 805	(757.87)	2 841 370	4 652 180
Other current claims	365 105	-	-	-	365 105
Goods	40 331	-	-	-	40 331
Pre-incurred costs and pre-paid taxes	11 561	-	-	-	11 561



## JSC Insurance Company Cartu

## Consolidated Financial Statements

Pre-incurred reinsurance costs	2 304 988	-	-	-	2 304 988
Other claims from reinsurance	190 357	1 165 728		17 572	1 373 656
Dividends, interests etc. receivable	32 985	139	-	638	33 762
Fixed assets	161 735	-	-	-	161 735
Intangible assets	37 210	-	-	-	37 210
Deferred tax asset	185 679	-	-	-	185 679
<b>Total assets:</b>	<b>9 523 156</b>	<b>1 197 672</b>	<b>(758)</b>	<b>3 006 404</b>	<b>13 726 474</b>
Liabilities from delivery and service provision	90 963	-	-	-	90 963
Payable reinsurance liability	-	1 931 118	-	2 217 527	4 148 645
Incurred but not reported loss reserve	100 737	-	-	-	100 737
Reported but unsettled loss reserve	2 023 206	-	-	-	2 023 206
Other current liabilities	107 098	3 761	-	23 905	134 764
Deferred income receivable from commissions	141 805	-	-	-	141 805
Deferred income	4 687 881	-	-	-	4 687 881
<b>Total liabilities:</b>	<b>7 151 690</b>	<b>1 934 879</b>	<b>-</b>	<b>2 241 432</b>	<b>11 328 001</b>
<b>Net balance sheet items by 31.12.2016</b>	<b>2 371 466</b>	<b>(737 207)</b>	<b>(758)</b>	<b>764 972</b>	<b>2 398 473</b>

	GEL	EURO	RUB	USD	Total
Cash and cash equivalents	1 182 829	117 584	-	890 896	2 191 310
Current claims from insurance activities	1 384 538	14 080	239	3 234 906	4 633 763
Other current claims	367 245	-	-	-	367 245
Goods	56 353	-	-	-	56 353
Pre-incurred costs and pre-paid taxes	13 835	-	-	-	13 835
Pre-incurred reinsurance costs	3 013 591	-	-	-	3 013 591
Other claims from reinsurance	152 061	700 814		20 852	873 728
Dividends, interests etc. receivable	7 027	-	-	148	7 175
Fixed assets	161 516	-	-	-	161 516
Intangible assets	24 504	-	-	-	24 504
Deferred tax asset	391 259	-	-	-	391 259
<b>Total assets:</b>	<b>6 754 759</b>	<b>832 478</b>	<b>239</b>	<b>4 146 802</b>	<b>11 734 279</b>
Liabilities from delivery and service provision	9 867	-	-	-	9 867
Payable reinsurance liability		987 576	-	3 023 534	4 011 110
Incurred but not reported loss	187 026	-	-	-	187 026

Natalia



reserve					
Reported but unsettled loss reserve	519 238	-	-	-	519 238
Other current liabilities	121 523	790	-	16 150	138 463
Deferred income	5 067 363	-	-	-	5 067 363
Total liabilities:	<u>5 905 017</u>	<u>988 366</u>	<u>-</u>	<u>3 039 684</u>	<u>9 933 068</u>
Net balance sheet items by 31.12.2015	<u>849 742</u>	<u>(155 888)</u>	<u>239</u>	<u>1 107 118</u>	<u>1 801 211</u>

### Interest risk

An interest risk is a risk (with a variable value) that is associated with an interest-bearing asset such as a loan, due to a sliding interest rate. An interest risk is created when the factual or expected assets with a certain term are higher or lower than the factual or expected liabilities with the same term.

### Liquidity risk

A liquidity risk is a risk that a company will face problems in fulfilling the contractual obligations of meeting the current financial liabilities that may significantly affect the company operations. A precautionous mechanism of the liquidity risk implies having sufficient money and credit resources in place to meet market demands.

### Insurance risk management

The main insurance activity of the Company is associated with the loss risk assessment that may be posed by physical persons or entities. Such risks are also associated with property, fulfilment of liabilities, accidents, health, cargo or other hazards, that may arise due to the insured event. Therefore, the Company faces a risk by time and severity of the losses associated with insurance contracts. The main risk is a frequency as well as severity of the losses that exceeds an expected frequency and severity. In its nature, insured events are accidental and a real number and size of the events during a year may differ from the number and size determined by statistical techniques.

In view of the insurance activity, the Company also faces a market risk. The Company manages the insurance risks through established statistical means, risk reinsurance, underwriting limits, transaction authorization procedures, pricing guidelines and monitoring of current issues.

Terms and conditions of the insurance contracts and the nature of associated risks

The terms and conditions of insurance contracts that materially affect an amount, validity and indeterminacy of cash flows under the contracts are described below. Besides, it allows us to assess the ways of management of the main products and risks associated with those products of the Company.

### Medical insurance

A medical insurance covers basic needs of medical interference. The Company manages the risks mainly by issuing corporate policies and medical examinations so that the pricing is dependent on the health

Natalia Samoil



conditions. Besides, the Company uses services of medical establishments and drug stores based on the pre-agreed prices.

### **Property insurance**

The Company issues property insurance policies. It includes a property insurance for both natural persons and legal entities. The property insurance indemnifies the insured persons in accordance with full or partial damage limits of his/her material property. The events incurring losses that cause damages to a building or items within that building usually occur unexpectedly (e.g. fire and robbery) and causes thereof may be easily identified. Therefore, such losses are notified immediately and may be easily settled.

### **Motor transport insurance**

A vehicle insurance covers a full insurance (CASCO) and a motor third party liability (MTPL). According to the CASCO contracts, natural persons and legal entities are indemnified against the losses caused by full or partial damage to their vehicles. According to MTPL, a compensation to be paid to the third person caused by damages to their property, death or injury will be indemnified. Therefore, a vehicle insurance includes both short-term and long-term indemnification. The events that can be settled in a short term mean the indemnification of the losses incurred through a full or partial damage to the insured's vehicle.

A time interval for reporting those insured accidents related to the motor transport insurance policies is insignificant; therefore, a complexity of the insured losses is low. As a whole, liabilities of this type of losses are defined as medium-risk. The Company observes and reacts to the trends of the vehicle repair and bodily injury expenditures, as well as the losses resulted from the frequency of robbery and accidents.

### **Reinsurance risk**

The Company's activities include reinsurance in normal course of its business in order to limit the insurance losses. However, a reinsurance liability against the Company does not release it from the liabilities against the insured persons/entities.

To lower insurance risks, the Company applies various reinsurance programs that cover both individual and portfolio risks. The said reinsurance programs provide for the risk distribution and lowering of the loss effects. According to the reinsurance contracts, a reinsurer agrees to indemnify losses in case of the claimed indemnification. Besides, the Company remains liable against holders of its policies for the said insurance when any reinsurer fails to meet its liabilities. When selecting a reinsurer, the Company reviews its solvency based on the reinsurer's rating and the surveys conducted by the Company. By the end of each year, the management assesses a solvency status of the reinsurer in order to update a reinsurance purchase strategy and establish a relevant threshold of the reinsurance asset devaluation.

## **28. Transactions with related parties**



According to IAS 24 (explanatory Notes to Related Parties), parties are deemed related when one of them is able to control the other or to significantly influence the financial and operational decisions of the other one. When reviewing any single case of potentially related parties, not only a legal form of but also a type of the relations between those parties should be considered. Related parties may conclude a transaction that non-related parties do not and a transaction concluded between the related parties may not be completed on the conditions and amounts that would be normal for the transactions concluded between non-related parties.

	Parent company	Related parties
<b>Assets:</b>		
Cash and cash equivalents	3 206 382	-
Current claims from insurance activities	(406)	2 225 152
Dividends, interests etc. receivable	17 308	-
<b>Total assets:</b>	<b>3 223 284</b>	<b>5 448 437</b>
<b>Liabilities:</b>		
Liabilities from delivery and service provision	133	75 728
Incurred but not reported loss reserve	9 359	21 254
Reported but not settled loss reserve	74 975	69 612
Deferred income	21 408	2 145 648
<b>Total liabilities:</b>	<b>105 874</b>	<b>2 418 116</b>
	Parent company	Related parties
Total attracted premium	460 379	3 030 790
Changes in the unearned premium reserve	744	(206 234)
<b>Net earned insurance premium:</b>	<b><u>441 182</u></b>	<b><u>1 012 105</u></b>
Incurred insured losses (gross)	392 953	358 416
Other incomes from insurance activities	-	18
<b>Profit (loss) from insurance activities:</b>	<b><u>834 135</u></b>	<b><u>1 370 539</u></b>
Administrative expenses	(8 555)	(180 212)
<b>Total operational profit:</b>	<b><u>825 581</u></b>	<b><u>1 190 328</u></b>



---

Financial income	39 775	-
Other non-operational profit (loss)	(1 618)	-
<b>Profit before taxation:</b>	<b><u>863 737</u></b>	<b><u>1 190 328</u></b>

### 29. Remuneration of the main administration staff

In 2016, there were 4 employees in the senior management team with their wages of 157 960 GEL.

### 30. Lawsuits

As of December 31, 2016, JSC Insurance Company Cartu is not a claimant or respondent in the common courts.

The Company is involved in 3 (three) administrative proceedings based on the claims by other persons/parties as the third party without an independent claim.

### 31. Tax legislation

Quite often, Georgian tax, exchange and customs legislation is interpreted and amended ambiguously. Interpretations by the Management of such a legislation that are applied in the operations and activities of the group may be brought into question by relevant regional and state authorities. The recent events in Georgia indicate that in Georgia, tax authorities stick to more and more strict position in the legislation interpretation and assessment; therefore, the operations and activities that have never been brought into question before, may become disputable in future. In this case, significant additional taxes, penalties and fines may be imposed. It is not reasonable to define a size of any not reported claims that might arise in future (if available) or to define a likelihood of any unfavorable outcomes. Fiscal periods remain opened for the tax inspection by relevant authorities during three calendar years, before the year of inspection. In some cases, the inspection may also cover longer periods. The Management believes that its interpretation of the relevant legislation is appropriate and that the data related to its tax, exchange and customs items will remain unchanged.

### 32. The Company in operation

The attached financial statements prepared in compliance with the international financial reporting standards were prepared for the Company that operates meaning that assets are realized and liabilities are met in usual course of business.



### 33. Contingencies

The Georgian tax system is relatively new; therefore, legislative changes often happen. These changes are quite ambiguous and often contradictory allowing tax authorities to interpret them in different ways. A tax inspection may be carried out by various authorities and due to it the Company is under threat of various penalty or fine imposition.

These circumstances create such a tax risk that is much higher in Georgia as compared to other countries. The Management is sure that its approach to the tax matters is adequate for the current legislative interpretations; however, these interpretations may change in future and tax authorities may have a different attitude to such matters.

This is a true and correct translation  
from Georgian into English. Translator:  
Natalia S. ...



საქართველო  
სანოტარო აქტი

ორიათასწვიდმეტი წლის რვა ივნისს მე, ნოტარიუსი, ნინო მასხულია, რომლის სანოტარო ბიურო მდებარეობს მისამართზე: ქ.თბილისი, შალვა დადიანის ქუჩა N12, ვამოწმებ მთარგმნელის, ქალბატონი ნატალია სარალიძის ხელმოწერის სინამდვილეს, ორმოცდაშვიდ გვერდზე, ერთ ცალად, რომელმაც ქართული ენიდან ინგლისურ ენაზე თარგმნა სს „დაზღვევის კომპანია ქართუს“ გენერალური დირექტორის, ბატონი არჩილ მამაცაშვილისა და მთავარი ბუღალტრის, ბატონი კონსტანტინე მურადაშვილის მიერ ხელმოწერილი სს „დაზღვევის კომპანია ქართუს“ კონსოლიდირებული ფინანსური ანგარიშგება 2016 წლის 31 დეკემბრით დასრულებული საანგარიშგებო წლისათვის, დამოუკიდებელი აუდიტორის დასკვნასთან ერთად, ხელმოწერილი შპს აუდიტური კონცერნის „ცოდნისა“ გენერალური დირექტორის, სერტიფიცირებული აუდიტორის, ბატონი გიორგი ცერცვაძის მიერ 2017 წლის 13 აპრილს.

ქალბატონი ნატალია სარალიძე, დაბადებული 1976 წლის 10 სექტემბერს თბილისში, პირადი N01017013399, რეგისტრირებული ქ.თბილისში, მელიქიშვილის ქუჩა N4/6, პროფესიით არის ინგლისური ენის სპეციალისტი, რაც დასტურდება ივანე ჯავახიშვილის სახელობის თბილისის სახელმწიფო უნივერსიტეტის მიერ 1998 წელს გაცემული ბაკალავრის დიპლომით B N00502.

მთარგმნელი გაფრთხილებულია იმ პასუხისმგებლობის შესახებ, რომელიც მოჰყვება არაზუსტ თარგმანს.

გადახდილია 112,92 ლარი - აქედან: საზღაური 94,00 ლარი ხელმოწერის ნამდვილობის დამოწმებისათვის, „სანოტარო მოქმედებათა შესრულებისათვის საზღაურისა და საქართველოს ნოტარიუსთა პალატისთვის დადგენილი საფასურის ოდენობის, მათი გადახდევინების წესისა და მომსახურების ვადების შესახებ“ საქართველოს მთავრობის 2011 წლის 29 დეკემბრის N507 დადგენილების 31.3. მუხლის საფუძველზე, 2,00 ლარი რეგისტრაციის საზღაური, ამავე დადგენილების 39-ე მუხლის საფუძველზე, ხოლო 16,92 ლარი დღგ, თანახმად საქართველოს საგადასახადო კოდექსის 169-ე მუხლისა.

ნოტარიუსი:



ნინო მასხულია



სანოტარო მოქმედების  
რეგისტრაციის ნომერი

N170630190



სანოტარო მოქმედების  
რეგისტრაციის თარიღი

08.06.2017 წ

სანოტარო მოქმედების  
დასახელება

დოკუმენტის თარგმანზე დიპლომირებული მთარგმნელის  
ხელმოწერის დამოწმება

ნოტარიუსი

ნინო მასხულია

სანოტარო ბიუროს მისამართი

ქ.თბილისი, შალვა დადიანის ქუჩა N12.

სანოტარო ბიუროს ტელეფონი

2997150

სანოტარო მოქმედების  
ინდივიდუალური ნომერი

99280298344817



სანოტარო მოქმედებისა და სანოტარო აქტის შესახებ ინფორმაციის (მისი შექმნის, შეცვლის და/ან  
გაუქმების შესახებ) მიღება-გადამოწმება შეგიძლიათ საქართველოს ნოტარიუსთა პალატის  
ვებ-გვერდზე: [www.notary.ge](http://www.notary.ge) ასევე შეგიძლიათ დარეკოთ ტელეფონზე: +995(32) 2996 19 16

