JSC Insurance Company CARTU

SEPARATE FINANCIAL STATEMENTS

AND INDEPENDENT AUDITOR'S REPORT

For the year ended 31 December 2017

Contents

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Independent Auditor's Report

To the Shareholders and Management of JSC Insurance Company CARTU

Auditor's Opinion on Standalone Financial Statements

Opinion

We have audited the attached standalone financial statements of JSC Insurance Company CARTU (hereinafter the Company) which comprise the standalone statement of financial position as at 31 December 2017 and the standalone statement of Profit and Loss, standalone statement of changes in equity and standalone cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2017, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (the "IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

We believe that the audit evidences we have obtained are sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter

The standalone financial statements of JSC Insurance Company CARTU for the year ended December 31, 2016 was audited by another auditor who issued the audit opinion on those standalone financial statements on April 13, 2017 without making any modifications. In the frames of the audit of standalone financial statements of 2016, we have also audited the correction of errors of the previous period described in Note 4, which has been made for the adjustment of the standalone financial statements prepared as at December 31, 2016. In our opinion, these adjustments are reasonable and properly made. We have not been charged with auditing, reviewing of the standalone financial statements for the year ended December 31, 2016 or carrying any procedures thereof. In addition to those adjustments we have not made other opinion or any other belief for the standalone financial statements for the year 2016 in whole. Our opinion is not modified in respect of this matter.

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

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

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

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

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the International Standards of Audit will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with the International Standards of Audit (ISA), we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion' on the standalone financial statements. We are responsible for the direction, supervision and performance of the Company audit. We remain solely responsible for our audit opinion.

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

The responsibility for the audit matters provided in this Independent Auditor's Report is undertaken by the party to the contract:

Ivane Zhuzhunashvili

signed

On behalf of BDO LLC

Tbilisi, Georgia

April 10, 2018

Separate financial statements for the year ended December 31, 2017: Statement Of Profit & Loss

For the year ended December 31, 2017
(in GEL)

	Note	2017	2016 recalculated (Note 4)
Gross premiums written		3,610,708	8,109,133
Reinsurance premiums ceded		(855,005)	(1,558,491)
earned premium		**2,755,703**	**6,550,642**
Change in provision for unearned premiums		1,309,451	(128,531)
Reinsurers' share in change in provision for unearned premiums		(166,512)	(352,852)
Net earned premium	5	**3,898,642**	**6,069,259**
Commission income	6	394,664	406,763
Total income		**4,293,306**	**6,476,022**
Insurance Claims	7	(4,202,904)	(5,584,387)
Agent and broker fee		(17,702)	(365,020)
Impairment cost	8	(509,441)	(159,564)
Other insurance income	9	334,781	316,966
Reinsurer's share in losses		195,520	259,924
Change in incurred but not-reported reserve		46,580	86,289
Change in outstanding loss reserves		1,111,765	(1,501,913)
Change in loss provisions		(4,121)	38,297
Due from reinsurers			
Net insurance losses		(3,045,522)	(6,909,408)
Other acquisition expenses		(10,051)	(24,779)
Administrative expenses	10	(1,266,182)	(1,435,492)
Net other operating expense		(26,620)	(15,941)
Total Claims and expenses		**(4,348,375)**	**(8,385,620)**
Total operating profit		**(55,069)**	**(1,909,598)**
Financial income		242,581	90,554
Foreign exchange loss, net		(76,581)	(656)
Profit/(loss) before tax		**110,931**	**(1,819,700)**
Income tax expense	11	(185,679)	(205,579)
Total loss		**(74,748)**	**(2,025,279)**

The standalone financial statements were approved on behalf of the management on April 10, 2018 by the following persons:

A. Mamatsashvili, the Director General (*signed*)
Z. Stambolishvili, Head of Financial Department (*signed*)

The Notes on pages 12-54 constitute an integral part of these Standalone Financial Statements.

Statement of Financial Position
For the year ended December 31, 2017
(in GEL)

	Note	31.12.2017	31.12.2016 recalculated (Note 4)	01.01.2016 recalculated (Note 4)
Assets				
Property, plant and equipment	12	114,287	167,437	186,020
Deferred profit tax asset				
Reinsurance asset	13	837,281	1,007,914	1,322,469
Due from insurance and reinsurance	14	3,363,492	5,835,480	5,356,695
Other assets	15	196,605	415,069	435,509
Deposits with banks	16	3,170,137	3,839,336	1,066,410
Cash and cash equivalents	17	512,327	754,693	1,132,075
Total assets		**8,194,129**	**12,205,608**	**9,890,436**
Equity				
Share capital	18	7,620,300	7,170,300	4,670,300
Accumulated loss		(4,969,116)	(4,894,368)	(2,869,089)
Total equity		**2,651,184**	**2,275,932**	**1,801,211**
Liabilities				
Liabilities from insurance contracts	13	2,880,747	5,348,543	3,804,388
Other insurance liabilities	19	2,353,618	4,148,645	4,011,111
Deferred commission income	20	202,555	206,056	125,478
Other liabilities	21	106,025	226,432	148,238
Total liabilities		**5,542,945**	**9,929,676**	**8,089,225**
Total equity and liabilities		**8,194,129**	**12,205,608**	**9,890,436**

The Notes on pages 12-54 constitute an integral part of these Standalone Financial Statements.

Statement Of Changes in Equity
For the year ended December 31, 2017
(in GEL)

	Share capital	Accumulated loss	Total
as at January 1, 2016, recalculated (Note 4)	**4,670,300**	**(2,869,089)**	**1,801,211**
Share capital growth Total annual loss	2,500,000 -	- (2,025,279)	**2,500,000** **(2,025,279)**
as at December 31, 2016, recalculated (Note 4)	**7,170,300**	**(4,894,368)**	**2,275,932**
Share capital growth Total annual loss	450,000 -	- (74,748)	**450,000** **(74,748)**
as at December 31, 2017	**7,620,300**	**(4,969,116)**	**2,651,184**

The Notes on pages 12-54 constitute an integral part of these Standalone Financial Statements.

Standalone Statement Of Cash Flow
For the year ended December 31, 2017 (in GEL)

	Note	2017	2016 Recalculated (Note 4)
Cash from operating activities			
Profit/(loss) before tax		110,931	(1,819,700)
Adjustments for:			
Depreciation and amortization		56,749	52,441
Change in provision for unearned premiums		(1,309,451)	128,531
Reinsurers' share of change in provision for unearned premiums		166,152	352,852
Change in outstanding loss reserve		(46,580)	(86,289)
Change in RBNS reserves		(1,111,765)	1,501,913
Reinsurers' share of change in outstanding loss reserves		4,121	(38,297)
Change in deferred commission income		(3,501)	80,578
Change in payables and other assets impairment provision		509,441	159,564
Interest income from deposits		(242,581)	(90,554)
Foreign exchange loss		76,581	656
Cash flows provided by (used in) operating activities before changes in the working capital		**(1,789,543)**	**241,695**
Decrease/(increase) in insurance and reinsurance claims		2,276,490	(263,070)
Decrease of other insurance liabilities		(1,896,159)	(86,303)
Increase in other current assets		(104,958)	(118,778)
(Increase)/decrease of other current liabilities		(114,825)	52,009
Cash used in operating activity		**(1,628,995)**	**(174,447)**
Change in deposits with banks		**657,838**	**(2,742,339)**
Interest received from deposit		254,944	61,537
Net cash used in operating activities		**(716,213)**	**(2,855,249)**
Proceeds on sale of investments			
Purchase of property, plant and equipment and intangibles assets		(3,123)	(16,739)
Net cash flows used in the investment activities		**(3,123)**	**(16,739)**
Cash flows from financial activities			
Founders contributions		450,000	2,500,000
Net cash flows from financial activities		**450,000**	**2,500,000**
Net increase in cash		**(269,336)**	**(371,988)**
Cash and cash equivalents at the beginning of the year	17	**754,693**	**1,132,075**
(Loss)/profit from cash impairment		26,970	(5,394)
Cash and cash equivalents at the end of the year	17	**512,327**	**754,693**

The Notes on pages 12-54 constitute an integral part of these Standalone Financial Statements.

Notes to Standalone Financial Statements
For the year ended December 31, 2017
(in GEL)

1. General Information
JSC Insurance Company Cartu is registered in 2001 under the Law of Georgia on Entrepreneurs. The company's headquarter is located in Tbilisi, 39a Chavchavadze Avenue.

The company owns two types of licenses issued by the Insurance State Supervision Service of Georgia for life and non-life insurance products.

By December 31, 2017, the company has one subsidiary company - Registry XXI LLC, with identification code 204975438 registered in 2001. The company owns 100% share in the Registry XXI authorized capital. As of December 31, 2017 the subsidiary company has not performed any operation.

As of December 31, 2017, the company's 10.87% share is owned by Ringold Finance Limited and 89.13% share - JSC Cartu Bank, which is controlled by Uta Ivanishvili with 100% share.

2. Summary of Significant Accounting Policies
The basic accounting policies used in the financial reporting process are listed below.

2.1. Basis of preparation
These standalone financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

Standalone financial statements are prepared on the historical cost basis. The company's reporting period covers the calendar year from January 1 to December 31.

The consolidated financial statements of JSC Insurance Company Cartu are approved on April 10, 2018.

The preparation of standalone financial statements by the management of the Company requires making certain assessments that will affect the calculation of assets and liabilities at the date of making financial statements. It also affects the amount of income and expenses during the reporting period.

Actual results may differ from the current assessment. The assessments will be reviewed periodically. The adjustments that led to changes in the accounting estimates include the financial results of the period when these changes were made. The definitions of the significant accounting assessments are given in Note 3.

Going concern

The standalone financial statements have been prepared on the going concern basis with the assumption that the company continues functioning in the forecasting future.

Management and shareholders are willing to develop the Company in Georgia. The management believes that the going concern principle is suitable for the company.

2.2. Adoption of New IFRS, Amendments to Standards and Interpretations

a) New standards, interpretations and amendments effective after January 1,2017:

No new standard, interpretation or correction that has been effective since January 1, 2017 has not had a significant impact on the Company's financial statements.

b) New standards, interpretations and amendments published, but not yet effective:

The following new standards, interpretations and amendments that have not yet entered into force and have not been applied in preparing financial statements, may have an impact on the Company's financial statements:

- IFRS 15 - Revenue from Contracts with Customers
- IFRS 9 - Financial Instruments
- IFRS 16 - Leases

IFRS 15 - Revenue from Contracts with Customers. IFRS 15 issued in May 2014 offers a single and comprehensive framework for revenue recognition of entrepreneurs from contracts with customers. The Standard, after the effective date will replace the existing principle of revenue recognition, including IAS 11 – Construction Contracts , IAS 18 - Revenues and their Interpretations.

It establishes to apply consistently across transactions, industries and capital markets, with a core principle (based on a five-step model to be applied to all contracts with customers), enhanced disclosures, and new or improved guidance (e.g. the point at which revenue is recognized, accounting for variable consideration, costs of fulfilling and obtaining a contract, etc.).

The five-step model is as follows:

- Identification of contracts with customers
- Establishment of contract liabilities
- Determination of transaction cost
- Attributing a transaction cost to contract liabilities
- Recognition of revenue when (or if) a person fulfills the contract liabilities.

According to IFRS 15, the enterprise recognizes the revenue when fulfilling contract liabilities, i.e. when the "control" of goods and services related to the relevant liability is transferred to the customer. More directive instruction was added to the topics such as the moment of recognition of income, accounting for variable payments, the contract execution and acceptance costs and other similar aspects. Also, new requirements for revenue interpretation are also introduced

The Company Management assesses the full impact of the application of IFRS 15 on the standalone financial statements.

IFRS 9 - Financial Instruments. IFRS 9 published in November 2009 established new requirements for the classification and measurement of financial assets. In October 2010 the amendment was made in IFRS 9 which establishes requirements for the classification and measurement and derecognition of financial liabilities. In November 2012 it was added a new requirement for general hedging accounting. In July 2014 the International Accounting Standards Board published the final version of IFRS 9. It contains the financial assets impairment requirements and small adjustments, that regards the financial assets classification and measurement. IFRS 9 will replace IAS 39 – Financial Instruments Recognition and Measurement.

Basic requirements of IFRS 9:

- **Classification and measurement of financial assets.** Financial assets are classified according to the business model, within which they are owned with consideration of the characteristics of the contractual cash flows. In particular, the debt instruments owned by a person within the business model that aims to accumulate the contractual cash flow and that contains only the interest accrued on the principal amount and its outstanding part, shall be measured at amortized cost after the initial recognition. IFRS 9 2014 edition introduced a new category of debt instruments "the fair value through other comprehensive income". This applies to debt instruments under such a business model that aims to accumulate contractual cash flows and sell the financial assets. These debt instruments should include the contractual terms of the financial asset that generate a certain cash flow on a particular day, which is the repayment of the principal and interest on outstanding amount. Such debt instruments, are measured at fair value through other comprehensive income, after initial recognition. All other debt and equity instruments are measured at fair value. In addition, according to IFRS 9, a person may irrevocably recognize the retrospective changes in fair value of investments (other than trading investment) in the capital and reflect only dividend revenues in profit or loss.
- **Classification and measurement of financial liabilities.** Financial liabilities are classified similar to IAS 39 requirements. However, there is a difference in the entrepreneur's credit risk measurement requirements. IFRS 9 requires that the change in fair value caused by the change in credit risk of this liability to be recognized through other comprehensive income, if recognition of the changes in credit risks of the liability creates the accounting inconsistencies in other comprehensive income or increases them in the profit or loss. The change in fair value caused by the credit risk of financial liability is not further reclassified in the profit or loss.
- **Impairment**. 2014 edition of IFRS 9 introduces the model of an expected credit loss (ECL) that is contradictory to credit loss model by IAS 39. The model of the expected credit loss obliges the entrepreneur to account the expected credit losses and their change on a daily basis so that it reflects the change in credit risk after initial recognition. In other words, actual credit loss is no longer necessary before the recognition of the loss.
- **Hedge accounting**. The new model of hedge accounting is introduced, which better suits to the entrepreneur's risk management in the hedging of financial and non-financial risks positions. IFRS 9 offers entrepreneurs a more flexible approach to hedge accounting with respect to types of transactions. Namely, a series of types of those instruments is expanded that are classified as hedging instruments and the number of those types of risk components of non-financing units that can be used for hedge accounting. In addition, the effectiveness test was abolished and replaced with the principle of "economic relations". Retrospective assessment of hedging efficiency is no longer required. Increased requirements for disclosure of risk management measures have been introduced.
- **Derecognition**. Requirements for derecognition of financial assets and liabilities are transferred from IAS 39.

The standard comes into effect from January 1, 2018. Earlier application is also permitted. Depending on the chosen approach to applying IFRS 9, the transition can involve one or more than one date of initial application for different requirements.

The company assesses the impact of the IFRS 9 on the standalone financial statements in the future.

IFRS 16 - Leases - IFRS 16 -Leases will replace the following existing guidelines of the lease accounting: IAS 17 - Leasing, IFRIC 4 - Determining Whether an Arrangement Contains a Lease, SIC-15 - Operating Leases – Incentives and SIC-27 - Evaluating the Substance of Transactions in the Legal Form of a Lease. It annuls current double taxation principle that is distinguished by the financial and operating leasing on the balance sheet. In return, the model of accounting on a single balance remains, which resembles the principle of today's financial leasing accounting principles. The lessor's accounting principles remain relevant to the existing practice – i.e. the lessor continues the leasing classification as the financial and operating leases. IFRS 16 is effective for annual periods beginning on or after 1 January 2019. Earlier application is permitted only if IFRS 15 - Revenue recognition from contracts with customers is also applied. The company does not intend earlier application of this standard.

The Company assesses the effect of the application of IFRS 16 in the future financial statements.

2.3. Foreign currency Operations

a) Evaluation and presentation currency

The standalone financial statements are presented in the currency of the country where the Company is functioning (the operating currency). Therefore, the present standalone financial statements are presented in Georgian Lari (GEL), which is the company's functional and presentation currency.

b) Foreign currency translation

Monetary assets and liabilities reflected in foreign currencies are calculated in accordance with the official exchange rates established by the National Bank of Georgia at the end of the year. The exchange differences generated during the conversion will be reflected on profits and loss accounts. The results expressed in foreign currencies are recorded in accordance with the current exchange rate on the day of transaction.

The exchange rate differences arising during conversion of monetary items will be reflected in the profit and loss item "Foreign exchange profit/(loss)".

Non-monetary items received in foreign currency are estimated at the rate of exchange of the day of transaction. The last exchange rate used for conversion of balances in foreign currencies as at December 31, 2017, 2016 and January 1, 2016 was the following:

	Official rate of exchange of the National Bank of Georgia	
	USD	**EUR**
Exchange rate as at 31 December 2017	2.5922	3.1045
Exchange rate as at 31 December 2016	2.6468	2.7940
Exchange rate as at January 1, 2016	2.3966	2.61637

2.4. Insurance contracts

Insurance contracts are such agreements that carry out a significant insurance risk as at the time of the signing or such agreements that contain such scenario of the commercial contents according to which the insurance risk may be a significant amount at the time of the signing. The significant amount of insurance risk depends on the likelihood of an insured event and the scale of its possible impact.

Once the agreement is attributed to the category of insurance contracts, it remains an insurance contract for the remainder of the period, even if the insurance risk is significantly reduced during this period except when all rights and obligations are fulfilled or their term expires.

2.5. Property, plant and equipment

On initial recognition, items of property, plant and equipment are recognized at cost, which includes the purchase price as well as any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

After initial recognition items of property, plant and equipment (other than leasehold improvement) are measured at fair value less accumulated depreciation and impairment loss recognized after the date of revaluation. Valuations are performed with sufficient frequency to ensure that the fair value of a revalued asset does not differ materially from its carrying amount.

Leasehold improvements are measured at cost less accumulated depreciation and impairment loss. Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over its useful economic life. The company uses the straight-line amortization method for all groups of the property, plant and equipment.

The useful lives of property, plant and equipment:

Group	Useful life
Vehicles	5-10
Office equipment	5-7
Furniture and fixtures	5-7
Other	5

At the end of each reporting period, the residual value and the useful life of the asset shall be revised and replaced if required.

Profits and losses related to the expiry of the asset are determined by the comparison of the proceeds with the carrying amount, and recognized in the comprehensive income statement at net amount as other profit/loss.

2.6. Intangible assets

Accounting program

On initial recognition the asset is recognized at the cost, the future period expenses are added to the carrying amount of the asset or it is recognized as a separate asset, if it is expected that the future economic benefits associated with the asset will enter the company and determination of the expenses of the asset is reliable.

The amortization is calculated on the straight-line basis, which implies the distribution of the cost or the impaired value of the asset on the asset’s entire useful life.

The useful life of the company’s intangible assets is 10 years.

2.7. Deferred Acquisition Costs (DAC)

Deferred acquisition costs include commission paid for sales agents and brokerage companies for issuing policies. Deferred acquisition costs are classified as intangible assets. All other expenses related to attraction of bonuses are recognized as expired costs.

Deferred acquisition costs are capitalized and amortized by the straight-line method during the contract period.

2.8. Reinsurance Contracts

The contract concluded with the other insurer (reinsurer), through which the reinsurance company reimburses the loss under one or more of the contracts and meets the criteria of classification as insurance contract, is classified as a reinsurance contract. The reinsurance (retrocession) received by the company is classified as an insurance contract.

The benefit of which the company is entitled under the reinsurance contracts owned by him is classified as a reinsurance asset. These types of assets are comprised of short- and long-term receivables, which are determined by the expected losses and benefits arising from the relevant reinsurance contracts according to the term. Reinsurance assets represent the benefit derived from reinsurance agreements in force at the reporting date, taking into account the financial condition of the reinsurer. Amounts recoverable from reinsurers are estimated in accordance with the terms of the relevant reinsurance contract

Fronting contracts, that are 100% reinsured with the reinsurers and in respect to which the company does not have significant insurance risks, are not classified as insurance contracts and insurance premiums received from them and the related areas are netted with relevant reinsurance areas.

The reimbursement receivable from the reinsurer is evaluated in proportion to the sums receivable under the respective reinsured contracts and in accordance with the terms and conditions of each of these contracts. The reinsurer’s liability is the premium payable on reinsurance contracts and is recognized as expenses upon the term of payment.

The company assesses the impairment of reinsurance assets annually. If the objective evidence of impairment of the asset is found, the company reduces its carrying amount to the reimbursable value and recognizes the impairment loss in the income statement. The Company carries out evidences for the impairment of the asset by using the same principle as the impairment of financial assets reflected at amortized cost. Impairment loss is calculated by the same method as for the financial assets. (Note 2.10)

2.9. Claims and liabilities related to insurance contracts

Claims and liabilities, such as receivables or payables from to agents, brokers or policyholders, are recognized at the time of their origin.

If there is an objective evidence of impairment of insurance receivables the company reduces the carrying amount of the insurance claim and recognizes the impairment loss. The Company carries out evidences for impairment of insurance receivables by using the same principle as impairment of financial assets recognized by amortized cost. Impairment loss is calculated by the same method as for the financial assets.

(i) Regress and survived property

Some types of insurance contracts allow the company to sell the property (as a rule, spoiled) received from the coverage of the loss (survived property). The Company may also have the right to require third parties to pay full or partial reimbursement (regress).

Reimbursement from the survived property is recognized in the reduction of liabilities related to insurance losses, and when the liability is covered, it is recognized as other asset. The amount of liability reduction in insurance losses is the sum that can be obtained in reasonable conditions from the sale of the relevant property.

Regresses are also considered as a reduction in liabilities related to insurance losses and are recognized in other assets in case the liabilities are covered.

The amount of liability reduction related to the insurance losses is the amount that can be obtained in the reasonable conditions from third parties.

2.10. Financial instruments

Financial assets

The company classifies financial assets in one of the following categories subject to the purpose of acquired asset. The company's accounting policy for each category is as follows:

a) Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or structured payments the price of which is not quoted in an active market. Such types of financial assets, generally, arise from the supply of goods or services to the consumers or by issuing loans, but also include other types of contractual monetary assets. The loans and receivables are initially recognized at the fair value plus the cost of transaction, which is the direct costs of the purchase, emission or sale of a financial asset; further asset is recognized at amortized cost less impairment reserves, using effective interest rate method.

An impairment provision is recognized when there is objective evidence (for example, significant difficulties related to the contractor, delay of payments, etc.) that the company will not be able to collect all receivables from contracts. The amount of such reserves is the difference between the contractual value and discounted value of future cash flows. For receivables and issued loans presented at a net value, such provisions are recognized as separate items, and the appropriate loss is recognized in the income statement. In case the receivables and issued loans cannot be collected, the total value of the asset shall be reduced by appropriate provision.

The financial assets of the company in the financial statements are presented as insurance and reinsurance receivables, deposits placed with banks and cash and cash equivalents. Cash and cash equivalents include cash on hand and on bank accounts.

b) Held-to-maturity financial assets

These are non-derivative financial assets with fixed or determinable payments and fixed maturity on which an entity has the positive intention and ability to hold to maturity, except for:

a) which is initially recognized at fair value through profit or loss;
b) Which is considered as Available-for-sale, by the company; and
c) Those that meet the definition of loans and receivables.

c) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss (FVTPL) are classified in this category when they meet one of the following conditions:

- They are classified as trading assets. A financial asset is classified as a trading assets if it:
  (i) Is purchased or held principally for the purpose of selling or repurchasing in the near term;
  (ii) at initial recognition is a part of a portfolio of certain financial instruments that are held together and for which there is evidence of short-term profit in the nearest past; or
  (iii) is a derivative (except for a derivative that is a financial guaranty contract or is considered as an effective hedging instrument) or meet the conditions for designation in this category at initial recognition.
- At the initial recognition, the company classified it at the fair value through profit or loss. The Company may use such classification only in the following cases:
  (i) If a contract contains one or more derivatives, the company has the right to consider a hybrid (combined) contract as a financial asset that is classified at fair value through profit or loss, unless:
    – the involved derivative(s) does not change significantly the amount of cash flows that would otherwise be required under a contract;
    – at the initial review of such a hybrid (combined) instrument, without analysis or by a simple analysis, it is evident that the separation of the derivative instrument involved is prohibited, such as the right to choose a pre-payment option involved in the loan, which gives the holder the right to repay the loan in the amount almost equal to its amortized cost; or
  (ii) When making this provides a more relevant information, because:
    - it completely eliminates or significantly reduces the inconsistencies caused by the evaluation or recognition (which is sometimes called "accounting inconsistencies"), which would otherwise be generated from the asset assessment on a different basis or from the recognition of their respective proceeds and losses; or
    - the group of financial assets is managed, and its result is based on the fair value, in accordance with established risk management or investment strategy, and information prepared on the same basis is provided within the company, to the company's top management.

For the current period, the company did not classify any financial assets as held for trading or designated as at fair value through profit or loss.

d) Available-for-sale (AFS) financial assets

These are non-derivative financial assets that are designated as available for sale on initial recognition or are not classified as (a) loans and receivables; (b) held-to-maturity financial assets; or (c) financial assets at fair value through profit or loss. For the current period, the company did not classify any financial asset as available-for-sale.

Financial liabilities

The company classifies financial liabilities in one of the following two categories subject to their characteristics. The company's policy for financial liabilities of each category is as follows:

a) Liabilities at fair value through profit or loss (FVTPL)

Liabilities are classified at fair value through profit or loss if they meet one of the following conditions (see the detailed information about the financial assets):

a. They are classified as Held for trading liabilities;
b. they are designated as at fair value through profit or loss at initial recognition.

For the current period, the company did not classify any financial liabilities as held for trading or designated as at fair value through profit or loss.

b) Other financial liabilities

All liabilities which have not been classified in the previous category fall into this residual category. These liabilities are carried at amortized cost using the effective interest method.

Derecognition of financial assets

The Company decides to derecognize the financial asset only if: (a) contractual rights for receiving cash from the financial asset are expired; or (b) it transfers the right to collect cash flows related to the financial assets, or involves in the transaction when: (1) all essential risks and benefits exit the company together with the assets; or (2) the company does not transfer substantial risks and benefits related to the ownership of the asset but also does not retain control over this asset. Control is retained if the contractor does not have the right to sell the asset on the third party without considering additional limitations related to the sale.

2.11. Insurance contract liabilities

The liabilities envisaged by the insurance contract include the provision for claims and provision for unearned premiums.

The provisions for claims are created for claims and expenses related to insurance claims that have incurred but has not yet been paid by the company. Provisions for claims are two types: Reported but Not Settled (RBNS) and Incurred But Not Reported Reserves (IBNR) reserves. Provisions are not discounted in accordance to time-value of money principle. Provisions are reflected in the company's balance sheet as a liability.

a) Reported But Not Settled Reserves

The provision consists of the reserved outstanding amounts of insurance indemnity on well-known claims. The liability is calculated at the amount of actual claim at the reporting date.

b) Incurred But Not Reported Reserves

The incurred but not reported reserve is calculated by actuaries. In calculating the IBNR reserves the company applies the actuarial method, the "chain ladder". This method is based on the history of claims (frequency of pay and/or frequency of claims, number of claims, etc.)

The use of this method for evaluation of the reported current and future claims implies creation of an appropriate reserve for losses that will be reported after incurring the loss or upon the adequate time expired after the issue of policy, and when sufficient information will be collected from the existing losses, to assess the total expected claims.

c) Unearned premium reserve

The carrying amount of unearned premium on active policies for each reporting date is calculated on the basis of the period of insurance and the time remaining before the expiration of each insurance policy.

2.12. Liability Adequacy Test

At the end of each reporting year liability adequacy tests are performed to ensure the adequacy of the recognized insurance liabilities net of related DAC assets. In performing these tests, current best estimates of future contractual cash flows and claims handling and administration expenses, as well as investment income from the assets backing such liabilities, are used. Any deficiency is immediately charged to profit or loss initially by writing off DAC and by subsequently establishing a provision for future policy benefits arising from liability adequacy tests (the unexpired risk provision).

2.13. Current and deferred profit tax

Period's tax expenses consist of the current and deferred tax expense.

A tax is recognized in the income statement, except when its origin is related to other comprehensive income or the items are recognized in the equity. In such case, the tax is recognized accordingly - in other comprehensive income or in equity.

The current profit tax is calculated according to the applicable legislation of the country where the company operates effective at the reporting date. Management periodically tries to revise the tax approach in accordance with various interpretations in the legislation. The company creates charges for the funds that are expected to be paid to tax authorities.

The deferred income tax is recognized by the temporary differences between the tax and financial bases of assets and liabilities. However, the deferred income tax is not recognized if it originates as a result of the initial recognition of the asset or liability which does not affect the tax or financial base during the operation, except when it is associated with the business combination. The deferred income tax shall be calculated using the profit tax rate available at the reporting date, which is expected to effect when the relevant deferred tax asset is realized and the liability is paid.

A deferred tax asset is recognized only if the future taxable profit is expected to originate in future that will be deducted from temporary differences in the current period. Deferred tax assets and liabilities are offset when there is a legal right of covering the current tax assets against current tax liabilities and the deferred tax asset or liability arises from the same tax laws where the assets and liabilities may be presented with net amount.

2.14. Financial and operating leases

Lease is operating, if the significant risks associated with the asset ownership and the benefits remain for the lessor. In case of operating lease, rentals (reduced by the receivables from the lessee) will be recognized in the income statement, proportionally throughout the lease period.

3. General Accounting Assessments and Decisions

The Company makes certain accounting assessments and decisions for future periods. Assessments and decisions are reviewed constantly based on the experience and other factors, which includes the expected events in the future. Experience in future periods may differ from these assessments and assumptions. Below are the assessments and assumptions that carry the risk of substantial changes in the balance sheet of assets and liabilities in the next financial year.

Basic assessments and assumptions

(a) Final claims generated from insurance contracts

Determining the final liabilities of claims derived from insurance contracts is the company's most important assessment. There is some uncertainty when assessing the obligation to pay the total claims. For insurance contracts, assessments should be made for the expected total claims made for the reporting date as well as the unreported claims. Accurate total amount of claims can be determined after a long period of time. For some types of policies the reserves of incurred but not reported claims creates the major part of the insurance liabilities reflected in the financial statements. The claims originating from insurance contracts are not discounted.

(b) Analysis of impairment losses derived from insurance and reinsurance

The Company assesses the claims derived from insurance and reinsurance contracts for impairment. The impairment signs may be a violation of the payment period, deterioration of the debtor's credit rating. In case of impairment signs, management assesses the future cash flows, and if necessary, the future cash flows of individual claims.

(c) Deferred tax asset/liability

As of December 31, 2017, management fails to assess the acceptable benefit from the deferred tax asset, and therefore a deferred tax asset is not recognized in the financial statements.

4. Previous Period Errors and Reclassifications

The company's management corrected previous year's errors in the financial statements for the year ended   December 31, 2017 and made reclassifications. By the opinion of management, now it more fairly reflects the financial position of the company and profit-loss. Specifically, the management has made changes to the following issues:

- Cancelled the evaluation reserve of the fixed assets, as the company has a historical value modeling the asset;
- Netted the premiums receivable, payable and related items from Fronting contracts
- Made voluntary reclassifications for presentation of financial statements.

The amendments made in the Standalone Financial Statements of 2016 are as follows:

2016				
Effect of correction of previous errors and reclassifications on the standalone financial statements	**Presented in previous period**	**Adjustment effect**	**Reclassification**	**Recalculated**
Assets				
Property, plant and equipment	161,735	(31,508)	37,210	167,437
Intangible assets	37,210	-	(37.210)	-
Deferred profit tax asset	185,679	-	-	185,679
Stock	38,410	-	(38,410)	-
Reinsurance assets	-	(1,487,431)	2,495,345	1,007,914
Prepaid reinsurance expenses	2,304,988	-	(2,304,988)	-
Prepaid expenses and prepaid taxes	11,559	-	(11,559)	-
Claims from insurance and reinsurance	4,652,180	-	1,183,300	5,835,480
Other claims from reinsurance	1,373,656	-	(1,373,656)	-
Dividends, interest and other	33,762	-	(33,762)	-
Other assets	367,027	-	48,042	415,069
Deposits with banks	-	-	3,839,336	3,839,336
Cash and cash equivalents	4,560,267	-	(3,805,574)	754,693
Equity				
Shareholder's equity	7,170,300	-	-	7,170,300
Revaluation reserve	32,458	(32,458)	-	-
Retained Earning	(4,804,286)	(90,083)	1	(4,894,368)
Liabilities				
Deferred income	4,687,881	-	(4,687,881)	-
Insurance contract liabilities	-	(1,460,648)	6,809,191	5,348,543
Due reinsurance liabilities	4,148,645	-	(4,148,645)	-
Other insurance liabilities	-	-	4,148,645	4,148,645
Deferred commission income	141,805	64,251	-	206,056
Incurred but not reported reserve	100,737	-	(100,737)	-
Reported But Not Settled Reserves	2,023,206	-	(2,023,206)	-
Supply and service payables	90,963	-	(90,963)	-
Other liabilities	134,764	-	91,668	226,432

2016				
Effect of correction of previous errors and reclassifications on the standalone statement od comprehensive income	**Presented in previous period**	**Adjustment effect**	**Reclassification**	**Recalculated**
Gross premiums written	10,111,249	(2,002,116)	-	8,109,133
Reinsurance premiums ceded	(3,490,500)	1,932,009	-	(1,558,491)
Change in provision for unearned premiums	254,004	(382,535)	-	(128,531)
Reinsurers' share of change in provision for unearned premiums	(708,604)	355,752	-	(352,852)
Income from reinsurance commission	400,907	5,856	-	406,763

Amendments to the standalone financial statements of the year ended January 1, 2016 are as follows:

01.01.2016				
Effect of correction of previous errors and reclassifications on the standalone financial statements	**Presented in previous period**	**Adjustment effect**	**Reclassification**	**Recalculated**
Assets				
Property, plant and equipment	161,516	-	24,504	186,020
Intangible assets	24,504	-	(24,504)	-
stock	56,353	-	(56,353)	-
Reinsurance asset	-	(1,843.184)	3,165,653	1,322,469
Prepaid reinsurance expenses	3,013,591	-	(3,013,591)	-
Prepaid expenses and prepaid taxes	13,835	-	(13,835)	-
Claims from insurance and reinsurance	4,633,763	-	722,932	5,356,695
Other claims from reinsurance	873,728	-	(873,728)	-
Dividends, interest and other	7,175	-	(7,175)	-
Other assets	367,245	-	68,263	435,508
Deposits with banks	-	-	1,066,410	1,066,410
Cash and cash equivalents	2,191,310	-	(1,059,235)	1,132,075
Equity				
Revaluation reserve	951	(951)	-	-
Retained Earning	(2,870,040)	951	-	(2,869,089)
Liabilities				
Deferred income	4,941,885	-	(4,941,885)	-
Insurance contract liabilities	-	(1,843,184)	5,647,572	3,804,388
Due reinsurance liabilities	4,011,110	-	(4,011,110)	-
Other insurance liabilities	-	-	4,011,110	4,011,110
Incurred but not reported reserve	187,026	-	(187,026)	-
Reported But Not Settled Reserves	519,238	-	(519,238)	-
Liabilities from supply and services 9,867	9,867	-	(9,867)	-
Other liabilities	138,463	-	9,781	148,244

5. Net Earned Premium

The net earned premium by types of insurance for the year ended December 31, 2017, is presented as follows:

	Gross premiums written	Reinsurance premiums ceded	Net premiums written	Net change in unearned premium reserve	Net unearned premium
Health insurance	2,230,145	-	2,230,145	(434,314)	2,664,459
Property insurance	695,363	(532,587)	162,776	(346,882)	509,658
Vehicle insurance	460,292	(201,777)	258,515	(135,009)	393,524
Cargo insurance	135,362	(105,890)	29,472	(1,338)	30,810
Aviation insurance	2,896	-	28,896	(95,676)	124,572
Responsibility insurance	24,603	(14,261)	10,342	(115,915)	126,257
Accident insurance	14,664	(490)	14,174	2,999	11,175
Life insurance	13,291	-	13,291	4,491	9,430
Travel insurance	6,982	-	6,982	(1,357)	8,339
Obligations insurance	480	-	480	(4,752)	5,232
Carrier liability insurance	-	-	-	(2,509)	2,059
financial loss insurance	-	-	-	(9,261)	9,261
Watercraft insurance	-	-	-	(3,866)	3,866
Total	**3,610,708**	**(855,005))**	**2,755,703**	**(1,142,939)**	**3,898,642**

The net earned premium by types of insurance for the year ended December 31, 2016, is presented as follows:

	Gross premiums written	Reinsurance premiums ceded	Net premiums written	Net change in unearned premium reserve	Net unearned premium
Health insurance	3,597,239	-	3,597,239	392,967	3,204,272
Property insurance	1,809,493	(767,890)	1,041,603	(74,364)	1,115,967
Vehicle insurance	1,718,649	(496,717)	1,221,932	37,024	1,184,908
Responsibility insurance	357,277	(29,181)	328,096	105,393	222,703
Aviation insurance	254,373	(97,984)	156,389	3,614	152,775
Cargo insurance	196,396	(148,118)	48,278	3,459	44,819
Travel insurance	44,949	-	44,949	(1,162)	46,111
Accident insurance	25,818	-	25,818	(2,591)	28,409
Life insurance	22,338	-	22,338	15,448	6,890
financial loss insurance	21,833	(5,020)	16,813	8,148	8,665
Watercraft insurance	21,617	-	21,617	826	20,791
Obligations insurance	19,783	-	19,783	(4,771)	24,554
Carrier liability insurance	19,368	(13,581)	5,787	(2,608)	8,395
Total	**8,109,133**	**(1,558,491)**	**6,550,642**	**481,383**	**6,069,259**

6. Commission Income

The commission income for the years ended December 31, 2016 and December 31, 2017, is presented as follows:

	2017	**2016**
Commission income accrued in the current year	391,163	487,341
Deferred commission income accrued in the current year	(202,555)	(201,708)
Deferred commission income amortization (Note 20)	206,056	121,130
Total	**394,664**	**406,763**

7. Insurance Losses

Insurance losses include claims that were paid during the year and amounted to 4,202,904 and 5,584,387 GEL in 2017 and 2016 respectively.

8. Impairment Cost

Asset impairment cost for the year ended December 31, 2017 and year ended December 31, 2016 is presented as follows:

	2017	2016
Regress impairment cost	(323,958)	(139,335)
Insurance claims impairment cost	(123,607)	(20,229)
Written off Insurance claims	(61,876)	-
Total	**(509,441)**	**(159,564)**

9. Other Insurance Income

Other insurance income for the year ended December 31, 2017 and year ended December 31, 2016 is presented as follows:

	2017	2016
Proceeds from regress	178,440	244,730
Proceeds from serviced property	139,975	72,236
Other operating income	16,366	-
Total	**334,781**	**316,996**

10. Administrative Expenses

Administrative expenses for the year ended December 31, 2017 and year ended December 31, 2016 is presented as follows:

	2017	2016
Payroll	(891,096)	(1,011,001)
Rent	(191,437)	(187,972)
Depreciation and amortization	(56,749)	(52,441)
Communication expenses	(37,369)	(35,030)
Bank fees	(9,104)	(7,973)
Business trips	(5,264)	(3,177)
Other*	(75,163)	(137,898)
Total	**(1,266,182)**	**(1,435,492)**

* 7 000 and 9 100 GEL reflects financial audit expense for the years 2017 and 2016, respectively.

11. Income Tax Expense

Income tax expense for the year ended December 31, 2017 and year ended December 31, 2016 is presented as follows:

	2017	2016
Current income tax	-	-
Temporary difference effect	(185,679)	(205,579)
Total	**(185,679)**	**(205,579)**
	2017	**2016**
Current income tax	-	-
Temporary difference effect	(185,679)	(205,579)
Total	**(185,679)**	**(205,579)**
Profit/(loss) before tax	**110,931**	**(1,819,700)**
Income tax rate	15%	15%
Theoretical income tax expense	(16,640)	272,955
Unrecognized temporary difference effect	(148,088)	(446,613)
Permanent difference effect	(20,951)	(31,921)
Total	**(185,679)**	**(205,579)**

The change in the deferred income tax for the year ended December 31, 2017, year ended December 31, 2016 and year ended January 1, 2016 is presented as follows:

Temporary difference effect	**01.10.2016**	**Reported in profit/ loss**	**31.12.2016**	**Reported in profit/ loss**	**31.12.2017**
Property, plant and equipment	(7,505)	(2,490)	(9,995)	9,336	(659)
Intangible assets	(270)	(2,417)	(2687)	2,226	(461)
Adjustment of doubtful receivables	3,392	(3,392)	-	76,416	76,416
Loss of previous years	727,804	249,333	977,137	(125,569)	851,568
Tax asset	**723,421**	**241,034**	**964,455**	**(37,591)**	**926,864**
Unrecognized temporary differences					
Adjustment of doubtful receivables	-	-	-	(76,416)	(76,416)
Loss of previous years	(332,163)	(446,613)	(778,776)	(71,672)	(850,448)
Net tax asset	**391,258**	**(205,579)**	**185,679**	**(185,679)**	**-**

12. Property, Plant and Equipment

The property, plant and equipment for the year ended December 31, 2017, year ended December 31, 2016 and year ended January 1, 2016 is presented as follows:

Historic cost	Vehicles	Office equipment	Furniture and fixtures	Other fixed assets	Intangible assets	Total
01.01.2016	**66,311**	**234,867**	**1,339**	**8,104**	**46,370**	**356,991**
Acquisition	-	16,742	72	-	17,044	33,858
Disposal	(45,514)	-	-	-	-	(45,514)
31.12.2016	**20,797**	**251,609**	**1,411**	**8,104**	**63,414**	**345,335**
Acquisition	-	3,599	-	-	-	3,599
Disposal	-	-	-	-	-	-
31.12.2017	**20,797**	**255,208**	**1,411**	**8,104**	**63,414**	**348,934**
Accumulated depreciation						
01.01.2016	**(37,454)**	**(108,515)**	**(341)**	**(2,795)**	**(21,866)**	**(170,971)**
Depreciation expense	(8,060)	(38,153)	(270)	(1,621)	(4,337)	**(52,441)**
Disposal	45,514	-	-	-	-	**45,514**
31.12.2016	**-**	**(146,668)**	**(611)**	**(4,416)**	**(26,203)**	**(177,898)**
Depreciation expense	(10,567)	(38,861)	(282)	(1,621)	(5,418)	**(56,749)**
Disposal	-	-	-	-	-	**-**
31.12.2017	**(10,567)**	**(185,529)**	**(893)**	**(6,037)**	**(31,621)**	**(235,143)**
Net book value						
01.01.2016	**28,857**	**126,352**	**998**	**5,309**	**24,504**	**186,020**
31.12.2016	**20,797**	**104,941**	**800**	**3,688**	**37,211**	**167,437**
31.12.2017	**10,230**	**69,679**	**518**	**2,067**	**31,793**	**114,287**

As of December 31, 2017, the vehicle with a fully depreciated historic cost of 26.011 GEL is again usable by the company management.

13. Insurance Contracts Liabilities and Reinsurance Assets

Liabilities arising from insurance contracts and reinsurance assets for the year ended December 31, 2016, year ended December 31, 2017 and year ended January 1, 2016 are presented as follows:

	31.12.2017	31.12.2016	01.01.2016
Insurance contract liabilities			
Provision for unearned premium	1,917,781	3,227,232	3,098,701
Reported But Not Settled reserves	908,809	2,020,574	518,661
Incurred but not reported reserve	54,157	100,737	187,026
Total	**2,880,747**	**5,348,543**	**3,804,388**
Reinsurance assets			
Reinsurer's share in provision for unearned premium	651,043	817,555	1,170,407
Reinsurer's share in the Reported But Not Settled reserve	186,238	190,359	152,062
Reinsurer's share in the incurred but not reported reserve	-	-	-
Total	**837,281**	**1,007,914**	**1,322,469**
Insurance contract liabilities ceded reinsurance			
Provision for unearned premium	1,266,738	2,409,677	1,928,294
Reported But Not Settled reserve	722,571	1,830,215	366,599
Incurred but not reported reserve	54,157	100,737	187,026
Total	**2,043,466**	**4,340,629**	**2,481,919**

Provision for unearned premium

The movement in the provision for unearned premium reserve is resented by 2017 and 2016 as follows:

Gross provision for unearned premium	**2017**	**2016**
Balance as at January 1	**3,227,232**	**3,098,701**
Premiums written	3,610,708	8,109,133
Earned premium	(4,920,159)	(7,980,602)
Balance as at December 31	**1,917,781**	**3,227,232**
Insurer's share in provision for unearned premium		
Balance as at January 1	**817,555**	**1,170,407**
Gross premiums written ceded reinsurance	855,005	1,558,491
Earned premium ceded reinsurance	(1,021,517)	(1,911,343)
Balance as at December 31	**651,043**	**817,555**
Net provision for unearned premium		
Balance as at January 1	**2,409,677**	**1,928,294**
Net premiums written	2,755,703	6,550,642
Net earned premium	(3,898,642)	(6,049,259)
Balance as at December 31	**1,266,738**	**2,409,677**

Insurance contracts liabilities and reinsurance assets - basic conditions and assumptions

Insurance contracts

(1)Basic conditions

Insurance reserves for insurance contracts (Reported But Not Settled and insured but not reported reserves) are determined to cover the final cost of liabilities in respect of the loss that has already incurred and is measured based on the known facts for the reporting date. Re-evaluation of the reserves is made regularly, taking into account the tendency of losses, as well as their coverage. The insurance loss reserve amount is not discounted in respect of the time value of money.

(2)Basic assumptions

The information about the calculation of incurred but not reported reserve, including the liability adequacy test, is included in Note 2 (Summary Of Significant Accounting Policies. Insurance Contracts Liabilities).

14. Insurance and Reinsurance Claims

The insurance and reinsurance claims as at December 31, 2017, December 31, 2016 and January 1, 2016, are presented as follows:

	31.12.2017	31.12.2016	01.01.2016
Claims to policy holders	2,970,397	4,683,720	4,646,339
Claims to reinsurers for indemnity	260,797	733,717	426,947
Claims to reinsurers for reinsurance commission	287,445	449,583	294,720
	3,518,639	**5,867,020**	**5,368,006**
Impairment reserve	(155,147)	(31,540)	(11,311)
Total	**3,363.492**	**5,835,480**	**5,356,695**

The fair value of company's claims as at December 31, 2017, December 31, 2016 and January 1, 2016 does not differ from its book value.

The company creates a general reserve of suspicious debts on mature claims. The qualitative information of claims is given in Note 22.

Impairment reserve movement in 2017 and 2016 is presented as follows:

	2017	2016
January 1	**(31,540)**	**(11,311)**
Impairment cost	(123,607)	(20,229)
December 31	**(155,147)**	**(31,540)**

15. Other Assets

Other assets as at December 31, 2017, December 31, 2016 and January 1, 2016, are presented as follows:

	31.12.2017	31.12.2016	01.01.2016
Financial assets			
Claims from regress	494,763	382,050	223,879
Non-financial assets			
Survived property	135,975	27,040	37,851
Other claims	38,995	24,436	36,537
Tender guarantee	1,466	-	43
Advances	-	3,674	148,456
Deferred commission of sales agents	-	128,505	45
Financial assets impairment reserve			
Impairment reserve	(474,594)	(150,636)	(11,302)
Total	**196,605**	**415,069**	**435,509**

The qualitative information of the claims from regress is presented in Note 22.

Impairment reserve movement in 2017 and 2016 is presented as follow:

	2017	2016
January 1	**(150,636)**	**(11,301)**
Impairment cost	(323,958)	(139,335)
December 31	**(474,594)**	**(150,636)**

16. Deposits with Banks

Deposits with banks as at December 31, 2017, December 31, 2016 and January 1, 2016, are presented as follows:

	31.12.2017	31.12.2016	01.01.2016
Deposits in GEL	3,150,000	3,660,000	700,000
Deposit in foreign currency	-	145,574	359,235
Due interest	20,137	33,762	7,175
Total	**3,170,137**	**3,839,336**	**1,066,410**

Deposits placed with banks include deposits in resident banks of Georgia.

The Company is required to have deposits (mandatory reserve) and cash funds with banks, the amount of which depends on the amount of claims (insurance liabilities) evaluated by the company. The right of the company in relation to the free disposal of the deposit is restricted by the legislation. The information about maturity terms and currencies is given in Note 22.

Deposits placed with banks by the end of the year are attributed to the category of neither overdue nor impaired assets of the company.

17. Cash and Cash Equivalents

Deposits with banks as at December 31, 2017, December 31, 2016 and January 1, 2016, are presented as follows:

	31.12.2017	31.12.2016	01.01.2016
Cash on the current bank account in the national currency	419,672	695,608	408,191
Cash on the current bank account in the foreign currency	36,994	1,250	649,246
Cash on hands	661	2,835	4,638
Restricted cash*	55,000	55,000	70,000
Total	**512,327**	**754,693**	**1,132,075**

The structure of cash and cash equivalents according to currencies is given in Note 22.

Cash and cash equivalents by the end of the year are attributed to the category of neither overdue nor impaired assets of the company.

18. Share Capital

	31.12.2017	31.12.2017	31.12.2016	31.12.2016	01.01.2016	01.01.2016
	Number	Nominal value	Number	Nominal value	Number	Nominal value
Ordinary shares (1 GEL value each)	7,620,300	7,620,300	7,170,300	7,170,300	4,670,300	4,670,300

* Cash is restricted as the pledge for the bank guarantee

Issued and fully paid shares

	2017	2017	2016	2016
	Number	Nominal value	Number	Nominal value
As at January 1	**7,170,300**	**7,170,300**	**4,670,300**	**4,670,300**
Issue of ordinary shares	450,000	450,000	2,500,000	2,500,000
As at December 31	**7,620,300**	**7,620,300**	**7,170,300**	**7,170,300**

19. Other Insurance Liabilities

Other insurance liabilities as at December 31, 2017, December 31, 2016 and January 1, 2016, are presented as follows:

	31.12.2017	31.12.2016	01.01.2016
Paraklisi	945,822	1,902,851	961,944
Private Joint Stock Company Busini	816,154	-	-
Marsh LLC	547,435	751,691	-
Rifams	32,161	28,776	26,998
Luftfahrtversicherung Losung	8,264	1,444,137	1,778,739
Scala	3,782	3,862	-
Almonds Reinsurance Brokers	-	13,234	11,975
Howden Insurance Brokers LLC	-	3,094	6,985
Ingostrakh Insurance Company LLC	-	-	1,224,470
Total	**2,353,618**	**4,148,645**	**4,011,111**

The fair value of other insurance liabilities at the end of the year does not differ from its carrying amount.

20. Deferred Commission Income

The deferred commission income as at December 31, 2017, December 31, 2016 and January 1, 2016, is presented as follows:

	31.12.2017	31.12.2016
As at January 1	**206,056**	**125,478**
Deferral of the commission income charged in the current year	202,555	201,708
Amortization of deferred commission income	(206,056)	(121,130)
As at December 31	**202,555**	**206,056**

21. Other Liabilities

Other liabilities as at December 31, 2017, December 31, 2016 and January 1, 2016, are presented as follows:

	31.12.2017	31.12.2016	01.01.2016
Financial liabilities			
Trading liabilities	91,253	90,573	10,219
Salary and bonus liabilities	-	464	-
Broker's and agent's commissions payable	-	121,260	119,474
Other liabilities	1,200	1,200	16,200
Non-financial liabilities			
Advances received	13,572	12,935	2,355
Total	**106,025**	**226,432**	**148,248**

The fair value of other liabilities at the end of the year does not differ from its carrying amount.

22. Risk Management

Risk management is an essential element of insurance activity. Risk accompanies the company's business, but it can be managed by regular activities such as risk identification, assessment, and daily monitoring, resulting in setting appropriate risk limits and establishing control mechanisms. Each person in the company is accountable for the risk associated with his/her responsibility. The company's main financial risks include credit, liquidity, interest rates and currency risks. Risk management policy of the company related to these risks is discussed below.

22.1. Capital Management Objectives, Policies and Approaches

The Company has developed the following objectives, policies and approaches of the capital management, to manage those risks affecting capital position.

Capital management objectives are:

- To maintain the level of stability required, ensuring the protection of insurance policy holders;
- To distribute the capital effectively and help business development in order to meet the requirements of the owners on return on capital ;
- to maintain financial flexibility by maintaining liquidity
- to maintain financial stability to ensure business growth and satisfy the needs of the insurance policies holders, regulators and equity holders.

Company's activity is also subject to regulatory requirements within the jurisdiction where it operates. Such regulatory rules determine not only the direction of the activity and provide its monitoring, but also set certain restrictive norms, such as capital adequacy norms to minimize default and bankruptcy risks of insurance companies resulting from unforeseen liabilities. The company's capital management policy is aimed at maintaining sufficient liquid assets to meet the requirements of the supervisory body.

The local insurance supervisor establishes the rule for determining the minimum amount of capital for insurance companies.

According to the order of the Head of the Insurance State Supervision Service of Georgia of September 16, 2016, the amount of regulatory capital of the insurer should exceed 50% of the solvency margin produced by calculation from January 1, 2017 to July 1, 2017. The amount of regulatory capital of the insurer shall exceed 75% of the solvency margin produced by calculation from July 1, 2017 to January 1, 2018. As of December 31, 2017, the Company met this requirement.

Also, according to the order of the Head of the Insurance State Supervision Service of Georgia of 16 September 2016, the amount of the insurer's regulatory capital at all stages of the insurance activity shall exceed the minimum amount of the capital determined by Order N04 of the Head of the Insurance State Supervision Service of Georgia of 20 April 2015 "On Approval of the Rule of Determination of Minimum Amount of Capital At All Stages of Insurance Activities in the Territory of Georgia". As of December 31, 2017 and December 31, 2016, the company met the requirements of minimum mandatory capital - 2,200,000 GEL for life insurance, 2,200,000 GEL for non-life insurance and 2,200,000 for reinsurance.

Capital Management Approach

The company tries to optimize source of capital and its structure in order to continuously improve the return on capital. The company's approach to the capital management includes coordinated management of assets, liabilities and risks, constant estimates of the existing and required capital and taking appropriate measures to influence the company's capital position.

22.2. Management of insurance risks

The risk of the insurance contract is the risk of incurring accident, which includes risk amount and reporting risks. The main risk of the company at this time is the fact that the amount of actual loss and the insurance amount may exceed the carrying amount of insurance liabilities. This is caused by the possibility of the frequency and amount of the claims might be higher than initially recognized.

The company diversifies the portfolio of insurance contracts to neutralize risks, thus reducing the risk of unforeseen adverse consequences on the portfolio. Risk neutralization is also takes place with careful selection and implementation of the underwriting strategy, as well as using reinsurance contracts. The company establishes underwriting guidelines and limitations, which determine which risk may be generated and by what limits. Monitoring of these limitations is constantly being implemented.

The company uses the "loss ratio" to monitor insurance risks. The ratio is produced by dividing net insurance claims by net insurance revenues.

The company loss ratio is as follows:

	2017	**2016**
Loss ratio	78%	114%

The company's insurance contracts are basically 12-month term. The most substantial risk for insurance contracts is natural disasters and fires for property insurance, the most substantial risk for health insurance is lifestyle changes, mass diseases of insured people, etc. The risks significantly differ by their origin, type and industry. Consequently, inappropriate diversification of portfolio may have a negative impact on the company’s income.

The above-mentioned risk level is reduced by diversification of the portfolio of insurance contracts. The risk is neutralized by careful selection and implementation of the underwriting strategy, which ensures the risk division by types and insurance amounts. This can be achieved by dividing by industries. In addition, the strict policy of assessing all new and current losses, the regular detailed review of loss regulation procedures and frequent investigation of possible fraudulent claims is the company's risk reduction procedures. The company also uses the loss management and regulation policy to reduce the negative impact of future unforeseen events on its activities. The company also limits the level of risk by imposing maximum losses on specific contracts, and uses reinsurance agreements to minimize risks associated with disasters, such as hurricanes, earthquakes, and floods.

Basis of uncertainties in assessing future losses

The obligation to pay claims related to insurance transactions arises at the moment of their occurrence. There are several variables which influence the amount and timing of cash flows from insurance transactions.

These uncertainties are mostly related to the inherent, internal risk of the insured sector, and risk management procedures adopted by the company.

The estimated amount of claims involves direct expenses incurred to cover claims reduced by the amount of third party obligations. The company does its best to make sure that it has enough information on the occurrence of insurance claims. Nevertheless, as a rule, the actual loss differs from the initial assessed one by the company, taking into consideration the uncertainties related to the insurance loss reserves. The liability related to insurance transactions includes the incurred but not reported reserve and reported but not settled reserve.

Assessment of incurred but not reported reserve, as a rule, is associated with a number of uncertainties, unlike assessment of those losses on which the company has information.

At the end of each period the company tests the estimated losses on adequacy: the company determines whether the estimated liabilities of the loss are less than the carrying amount that would have been required if the relevant insurance liabilities fall under the effect of IAS 37 “ Provisions, Contingent Liabilities and Contingent Assets”. If the estimated liabilities are less than the provisions created in accordance with IAS 37 requirements, the company will recognize the difference in the profit or loss and increase the carrying amount of insurance liabilities.

22.3. Financial Risk Management

The company, in its activity, faces the following financial risks:

- Credit risk

- Liquidity risk
- Market risk
  - *Currency risk*
  - *Interest Rate Risk*

Key financial instruments

The financial instruments used by the company that may face financial risk are as follows:

	31.12.2017	31.12.2016	01.01.2016
Claims from insurance and reinsurance	3,363,492	5,835,480	5,356,695
Deposits with banks	3,170,137	3,839,336	1,066,410
Cash and cash equivalents	512,327	754,693	1,132,075
Total financial assets	**7,045,956**	**10,429,509**	**7,555,180**
Total insurance liabilities	2,353,618	4,148,645	4,011,111
Other liabilities	92,453	213,497	145,893
Total financial liabilities	**2,446,071**	**4,362,142**	**4,157,004**

Credit risk

Credit risk is the risk of financial loss of the company in the event when a customer (insurer, reinsurer) or the other party associated with financial instrument does not fulfill the obligations under the contract. Generally, the credit risk of the company is related to the sale of insurance products for customers in the Georgian market (overdue payment) and depends on the solvency of each customer.

According to the internal risk assessment policy, the company evaluates each new policyholder before signing the contract and offering the conditions.

Customer credit rating is the third party’s assessment/characterization (if the information is available), and in some cases, the banking history. Limits are set individually for each customer.

During the monitoring of the customer’s credit risk the customers are grouped by their credit histories, types (individuals or legal entities), geographical areas, industries etc. “High risk” customers are grouped separately and further cooperation with them is based on advanced payments.

The company creates the impairment provisions for receivables and other debts which are the best evaluation of the future loss. The main part of the total provisions comes from general reserves that the company creates from the overdue analysis.

A small portion of the provisions are presented as a specific reserve that is calculated by analyzing each important counterpart.

Reinsurance

Although the company has a reinsurance practice, it is not exempt from direct obligations towards policyholders, and therefore the credit risk also exists in the event of a transferred activity, if any reinsurer fails to fulfill its obligations under such reinsurance agreements. The company does not depend on any reinsurer and the company's activities are not essentially dependent on any reinsurance contract.

The Company assesses the financial position of its reinsurers and controls the credit risk concentration in similar geographical regions, activities, or economic characteristics of the insurers to minimize the possible loss caused by the reinsurers' defaults.

The company manages the credit risk of financial assets according to the arrears analysis. The analysis of the maturity of insurance receivables as at 31 December 2017 is as follows:

	Claims from policyholders	**Claims for indemnity to reinsurers**	**Claims for reinsurance commission to reinsurers**	**Total**
Collectively assessed impairment of Receivables				
Immature	2,578,853	-	-	**2,578,853**
Overdue from 0 to 3 months	166,690	115,436	78,501	**360,627**
From 3 to 6 months	43,084	78,666	87,859	**209,609**
From 6 to 9 months	33,764	58,811	90,944	**183,519**
From 9 to 12 months	36,599	206	22,689	**59,494**
More than 1 year	111,407	7,678	7,452	**126,537**
	2,970,397	**260,797**	**287,445**	**3,518,639**
Collective Provision for impairment of receivables	(155,147)	-	-	**(155,147)**
Total	**2,815,250**	**260,797**	**287,445**	**3,363,492**

The analysis of the maturity of insurance receivables as at December 31, 2016 is as follows:

	Claims to policyholders	**Claims for indemnity to reinsurers**	**Claims for reinsurance commission to reinsurers**	**Total**
Collectively assessed impairment of Receivables				
Immature	4,648,390	-	-	**4,648,390**
Overdue from 0 to 3 months	1,468	324,763	122,782	**449,013**
From 3 to 6 months	3,770	221,316	137,417	**362,503**
From 6 to 9 months	2,955	165,457	142,242	**310,654**
From 9 to 12 months	3,203	580	35,487	**39,270**
More than 1 year	23,934	21,601	11,655	**57,190**
	4,683	**733,717**	**449,583**	**5,867,020**
Collective Provision for impairment of receivables	**(31,540)**	**-**	**-**	**(31,540)**
Total	**4,652,180**	**733,717**	**449,583**	**5,835,480**

The analysis of the maturity of insurance receivables as at January 1, 2016 is as follows:

	Claims from policyholders	Claims for indemnity to reinsurers	Claims for reinsurance commission to reinsurers	Total
Collectively assessed impairment of Receivables				
Immature	4,608,138	-	-	**4,608,138**
Overdue from 0 to 3 months	6,668	188,978	80,487	**276,133**
From 3 to 6 months	10,414	128,783	90,083	**229,280**
From 6 to 9 months	8,161	96,279	93,246	**197,686**
From 9 to 12 months	8,847	337	23,263	**32,447**
More than 1 year	4,111	12,570	7,641	**24,322**
	4,646,339	**426,947**	**294,720**	**5,368,006**
Collective Provision for impairment of receivables	(11,311)	**-**	**-**	**(11,311)**
Total	**4,635,028**	**426,947**	**294,720**	**5,356,695**

Liquidity risk

Liquidity risk comes from working capital and coverage of basic liabilities. The risk is that the company may encounter difficulties of paying off its liabilities at the date of payment. The company controls these types of risks according to the maturity analysis and determines the company's strategy for the next financial period.

In order to manage the liquidity risk, the company regularly monitors future cash flows, which is the asset/liability management process.

Liabilities liquidity risk analysis as at December 31, 2017 is as follows:

	Up to 3 months	From 3 months to 1 year	From 1 year to 5 year	Upon 5 years	Total
Financial liabilities					
Other insurance liabilities	842,024	1,483,286	22,921	5,387	**2,353,618**
Other liabilities	92,453	-	-	-	**92,453**
Total financial liabilities	**934,477**	**1,483,286**	**22,921**	**5,387**	**2,446,071**

Liabilities liquidity risk analysis as at December 31, 2016 is as follows:

	Up to 3 months	From 3 months to 1 year	From 1 year to 5 year	Upon 5 years	Total
Financial liabilities					
Other insurance liabilities	1,484,208	2,614,540	40,402	9,495	**4,148,645**
Other liabilities	213,497	-	-	-	**213,497**
Total financial liabilities	**1,697,705**	**2,614,540**	**40,402**	**9,495**	**4,362,142**

Liabilities liquidity risk analysis as at January 1, 2016 is as follows:

	Up to 3 months	From 3 months to 1 year	From 1 year to 5 year	Upon 5 years	Total
Financial liabilities					
Other insurance liabilities	1,435,005	2,527,863	39,063	9,180	**4,011,111**
Other liabilities	145,893	-	-	-	**145,893**
Total financial liabilities	**1,580,898**	**2,527,863**	**39,063**	**9,180**	**4,157,004**

Market risk

Market risk is the risk of reduction of fair value of financial instruments as a result of changes in market conditions.

As a result of the use of interest-bearing, tradable and expressed in foreign currency financial instruments the company's market risk increases. This risk is connected to the change of the fair value of financial instrument or related future cash proceeds associated with changes in the interest rates (interest rate risk) and the exchange rate (currency risk)

- ***Interest Rate Risk***

Interest Rate Risk is the risk (with variable value) of the interest-bearing assets/liabilities associated with their variable rate. The Company has not had any assets and liabilities with variable interest rates in the current period.

- ***Currency risk***

Currency risk is the risk of a change in the value of a financial instrument as a result of foreign exchange changes. The financial position and the cash flow of the company may be exposed to the currency risk.

Currency risk analysis for 2017 is as follows:

	GEL	USD	Euro	Total
Financial assets				
Claims from insurance and reinsurance	1,102,162	1,730,442	530,888	**3,363,492**
Deposits with banks	3,170,137	-	-	**3,170,137**
Cash and cash equivalents	475,632	33,160	3,834	**512,327**
	4,747,632	**1,763,602**	**534,722**	**7,045,956**
Financial liabilities				
Other insurance liabilities	-	1,377,112	976,506	**2,353,618**
Other liabilities	92,453	-	-	**92,453**
	92,453	**1,377,112**	**976,506**	**2,446,071**
Net foreign exchange position	**4,655,179**	**386,490**	**(441,784)**	**4,599,885**

Currency risk analysis for 2017 is as follows:

	GEL	USD	Euro	Total
Financial assets				
Claims from insurance and reinsurance	1,779,005	2,858,942	1,197,533	**5,835,480**
Deposits with banks	3,693,762	145,574	-	**3,839,336**
Cash and cash equivalents	753,452	1,241	-	**754,693**
	6,226,219	**3,005,757**	**1,197,533**	**10,429,509**
Financial liabilities				
Other insurance liabilities	-	2,217,527	1,931,118	**4,148,645**
Other liabilities	213,497	-	-	**213,497**
	213,497	**2,217,527**	**1,931,118**	**4,362,142**
Net foreign exchange position	**6,012,722**	**788,230**	**(733,585)**	**6,067,367**

Currency risk analysis as at January 1, 2016 is presented is as follows:

	GEL	USD	Euro	Total
Financial assets				
Claims from insurance and reinsurance	1,386,043	3,250,805	719,847	**5,355,695**
Deposits with banks	707,175	359,235	-	**1,066,410**
Cash and cash equivalents	482,830	531,661	117,584	**1,132,075**
	2,576,048	**4,141,701**	**837,431**	**7,555,180**
Financial liabilities				
Other insurance liabilities	-	3,023,534	987,577	**4,011,111**
Other liabilities	145,893	-	-	**145,893**
	145,893	**3,023,534**	**987,577**	**4,157,004**
Net foreign exchange position	**2,430,155**	**1,118,167**	**(150,146)**	**3,398,176**

Currency risk sensitivity

The table below shows the company's sensitivity of US Dollar and Euro to GEL, in 20% growth and reduction conditions. 20% represents a rate that was presented by the management of the company when providing information about the currency risk, and the management estimates it represents a possible change in the exchange rate. Sensitivity analysis includes only book amounts of monetary items expressed in foreign currencies and adjusts their effect for the reporting date by a 20% change.

The effect of revaluation of assets on net profit and equity as at January 31, 2017, January 31, 2016 and January 1, 2016 is as follows:

US dollars					
Year		**GEL/USD 20%**	**GEL/USD -20%**	**GEL/EUR 20%**	**GEL/EUR -20%**
2017	Profit/loss	77,298	(77,298)	(88,357)	88,357
2016	Profit/loss	157,646	(157,646)	(146,717)	146,717
2015	Profit/loss	223,633	(223,633)	(30,029)	30,029

23. Related Party Transactions

According to IAS 24 "Related Parties Disclosures" Related parties and related party transactions are when:

a) A party directly or through one or more intermediate indirectly:

controls the entity, is controlled by the entity, or is under joint control (this includes the parent and subsidiary entities); holds a share in the entity that can significantly influence over it; and jointly controls the entity;

b) A party is a member of the key management of the entity or of a parent of the entity;
c) A party is a family member of individuals envisaged by paragraphs (a) and (b) above;
d) A party is an entity that controls, jointly controls or has a significant influence on any of the persons specified in paragraphs (b) and (d) above, or in which they are directly or indirectly enjoyed by the right to vote.

When considering each possible connection with the related parties, attention should be paid to the economic content of the operation, not on its legal side. Details of the essential relations of the company and its related parties are listed below.

Transactions with related parties reflected in the standalone statements of Profit and Loss for 2017 and 2016 are:

	2017	2016
	Transactions with related parties	**Transactions with related parties**
Top managers remuneration:		
Salaries	(96,750)	(157,960)
Administration expenses		
Founder	(11,758)	(8,555)
Other related party	(1,447)	(180,212)
Total written premiums		
Founder	580,517	462,478
Other related party	289,776	896,110
Change in unearned premium reserve		
Founder	255	3,003
Other related party	(246,268)	(376,613)

As of December 31, 2017, December 31, 2016 and January 1, 2016, the transactions with related parties reflected in the standalone statements of financial position are:

	31.12.2017	31.12.2016	01.01.2016
	Transactions with related parties	**Transactions with related parties**	**Transactions with related parties**
Claims from insurance and reinsurance			
Other related party	1,597,259	2,308,401	1,845,175

24. Contingent Liabilities

Legal issues

As of December 31, 2017, the company has no significant court disputes. The management believes that no material loss will occur; therefore no provision is created in relation to court disputes.

Taxes

Various interpretations and changes may be made in the Georgian tax legislation. In addition, tax interpretations made by the management may differ from interpretations of tax authorities; the company operations can be appealed by tax authorities and the company may be charged additional taxes, fines, interest. The company believes that all taxes have been paid and therefore no provision is presented in the standalone financial statements. The tax authorities can review company transactions for 3 years.

Operating lease

The operating irrevocable leases payable in the future as of December 31 2017, December 31 2016 and January 1, 2016 are as follows:

	31.12.2017	**31.12.2016**	**01.01.2016**
Up to 1 year	192,665	168,700	152,523
From 1 to 5 years	377,520	1,588	78,342
More than 5 years	-	-	-
Total	**570,185**	**170,288**	**230,865**

25. Post balance sheet events

After the reporting period, there have been no events that require explanatory notes.

საქართველო

სანოტარო აქტი

ორიათასთვრამეტი წლის თექვსმეტ ივლისს მე, ნოტარიუსი, ნინო მასხულია, რომლის სანოტარო ბიურო მდებარეობს მისამართზე: ქ.თბილისი, შალვა დადიანის ქუჩა N12, ვამოწმებ მთარგმნელის, ქალბატონი *ფარიზა ალბოროვას* ხელმოწერის სინამდვილეს, ორმოც გვერდზე, ერთ ცალად, რომელმაც ქართული ენიდან ინგლისურ ენაზე თარგმნა *სს „დაზღვევის კომპანია ქართუს" ინდივიდუალური ფინანსური ანგარიშგება, დამოუკიდებელი აუდიტორის შპს „ბიდიო"–ს მიერ 2018 წლის 10 აპრილს გაცემულ დასკვნასთან ერთად – საანგარიშგებო წლისათვის, რომელიც დასრულდა 2017 წლის 31 დეკემბერს.*

ქალლბატონი ფარიზა ალბოროვა, დაბადებული 1958 წლის 19 თებერვალს თბილისში, პირადი N01011052906, რეგისტრირებული ქ.თბილისში, ვაზისუბნის მე-3 მ/რ, მე-2 კვარტალი, მე-9 კორპუსი, ბინა 107, პროფესიით არის რუსული და ინგლისური ენის სპეციალისტი, რაც დასტურდება ქ.თბილისის სახელმწიფო უნივერსიტეტის მიერ 1980 წლის 30 ივნისს გაცემული წარჩინების დიპლომით Г-I N171451, სარეგისტრაციო N1.

მთარგმნელი გაფრთხილებულია იმ პასუხისმგებლობის შესახებ, რომელიც მოჰყვება არაზუსტ თარგმანს.

გადახდილია 96,40 ლარი - აქედან: საზღაური 80,00 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 14,40 ლარი დღგ, თანახმად საქართველოს საგადასახადო კოდექსის 169-ე მუხლისა.

ნოტარიუსი: ნინო მასხულია

სანოტარო მოქმედების რეგისტრაციის ნომერი	N180842649
სანოტარო მოქმედების რეგისტრაციის თარიღი	16.07.2018 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	97647289283818

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 ასევე შეგიძლიათ დარეკოთ ტელეფონზე: +995(32) 2 66 19 18