

**LIMITED LIABILITY PARTNERSHIP "MOI insurance
broker"**

Separate financial statements for the year ended December 31, 2019

with Audit Report complied by independent auditors

LIMITED LIABILITY PARTNERSHIP

"MOI insurance broker"

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"MOI INSURANCE BROKER" LLP

CONFIRMATION OF HEADSHIP RESPONSIBILITY FOR COMPILATION AND APPROVAL OF THE SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2019

Management is responsible for preparing separate financial statements that reliably reflect the financial position of the "MOI insurance broker" LLP (hereinafter referred to as the "Company") as of December 31, 2019, as well as operating results, changes in equity and cash flow during the year ended December 31, 2019, in accordance with International Financial Reporting Standards (hereinafter referred to as IFRS).

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

- selection of proper accounting principles and their consistent application;
- use of reasonable estimates and calculations;
- compliance with IFRS;
- disclosure of additional information in cases the compliance with IFRS requirements is not enough for users to understand the impact of certain transactions, as well as of other events or conditions, on the financial status and financial performance of the Company; and
- preparation and compilation of separate financial statements based on the assumption that the Company will continue its activity in the foreseeable future, unless such an assumption is illegitimate.

Management is also responsible for:

- development, implementation and maintenance of an efficient and reliable internal control system of the Company;
- maintaining an accounting system to be available to provide information concerning the Company's separate financial status at any time with sufficient accuracy and to ensure that separate financial statements comply with IFRS requirements;
- accounting in accordance with the legislation of the Republic of Kazakhstan;
- taking measures within its competence to secure the Company's assets;
- detection and prevention of fraud, errors and other abuses.

The Management reasonably assumes that the Company will continue its activities in the foreseeable future. The Company's separate financial statements are therefore prepared in accordance with the principle of continuous operation.

These separate financial statements for the year ended December 31, 2019 were approved by the Company's management and approved on April 15, 2020.


Kassymkanova Gaukhar Amanbayevna
Managing Director

April 15, 2020




Turlybekova Dinara Orymbayevna
Chief accountant

"Concord" Independent Auditor
company»
Limited Liability
Partnership

Almaty City Aimanov street 140, 8 a

Tel.: 727 225 81 25

Fax: 727 225 81 35

E-mail: audit@concord.com.kz



Limited Liability
Partnership
"Concord" Independent Auditing
Company"

room 8a, 140, Aimanov Str., Almaty

Tel.: 727 225 81 25

Fax: 727 225 81 35

E-mail: audit@concord.com.kz

AUDIT REPORT OF INDEPENDENT AUDITORS

The shareholders and the management of "MOI insurance broker" LLP

Expert Opinion

We have audited the separate financial statements of "MOI insurance broker" LLP and its subsidiary (hereinafter referred to as the "Company"), consisting of a separate statement of financial position as of December 31, 2019, a separate statement of profit or loss and other comprehensive income, the separate statement of changes in equity and the separate statement of cash flows for the year ended on that date, as well as notes to the separate financial statements, including a summary of accounting policies.

In our opinion, the attached separate financial statements present fairly, in all material respects, the financial status of the Company as at December 31, 2019, and its financial performance and cash flows for the year then ended in accordance with International financial reporting standards ("IFRS").

Reason for the Expert Opinion

The audit was implemented in accordance with International Standards on Auditing (ISA). Our responsibilities defined in accordance with these standards are described further in the section "Auditor's Responsibility for the Audit of Separate Financial Statements" of our independent auditors report. We are independent in relation to the Company in accordance with the "Code of Professional Ethics for Accountants" of the Council for International Ethics Standards for Accountants ("Code ESBM") and ethical requirements applicable to our auditing the separate financial statements in the Republic of Kazakhstan, and we fulfilled other ethical obligations in compliance with these requirements and the SMSEB code. We believe that the audit evidence we have obtained is sufficient and appropriate to be a reason for our expert opinion.

Other information

The audit of the separate financial statements of "MOI insurance broker" LLP for the year ended December 31, 2018 was conducted by another auditor who expressed an unmodified opinion on these statements on March 26, 2019.

Management's responsibility for the separate financial statements

Management is responsible for the compilation and reliable presentation of these separate financial statements in accordance with IFRS, as well as for the internal control system considered by the management as necessary for the preparation of separate financial statements containing no essential misstatements due to fraud or errors.

When preparing and compiling the separate financial statements, management is responsible: for assessing the Company's ability to keep on its activity continuously, for disclosing, if appropriate, information relating to the business continuity, and for reporting on the basis of the going concern assumption, unless management intends to close down the Company, to go out the business, or when there is no other reasonable alternative than liquidation or termination of business activities

Corporate governance persons are also responsible for supervising the preparation of the Company's separate financial statements.

Auditor's responsibility for auditing separate financial statements

Our task is to obtain reasonable assurance that the separate financial statements are free from essential misstatement due to fraud or error, and to issue an audit report with our expert opinion. Reasonable assurance is a high degree of certainty, but it does not guarantee that an audit conducted in accordance with International Standards on Auditing always reveals essential misstatement, if any. Misstatements can be the result of fraud or error and are considered as essential if be reasonably assumed that, individually or in combination, they can affect the economic decisions of users taken based on the separate financial statements.


As part of an audit conducted in accordance with the ISA, we apply professional judgment and maintain professional skepticism throughout the audit. In addition, we do the following:

- identify and assess the risks of essential misstatement of separate financial statements due to fraud or error; develop and conduct audit procedures in response to these risks; obtain audit evidence that is sufficient and appropriate to be a reason for our expert opinion. The risk of non-detection of essential distortion as a result of fraud is higher than the risk of non-detection of essential distortion as a result of an error, because fraud can include collusion, forgery, data absence or misrepresentation intentionally, as well as bypassing the internal control system;
- we gain an understanding of the internal control system related to the audit in order to develop audit procedures appropriate to the circumstances, but not for the purpose of expressing the opinion regarding to the effectiveness of the Company's internal control system;
- we assess the proper nature of the accounting policies used and the validity of estimated values, and appropriate disclosure of data prepared by the management;
- we make a conclusion concerning legitimacy of the management's use of the going concern assumption as the basis of accounting, and make a conclusion, based on the audit evidence obtained, whether there is a significant uncertainty in connection with events or conditions that may result in significant doubts about the Company's ability to continue its activities. If we conclude that there is significant uncertainty, we should pay attention in our audit report of independent auditors to the relevant information disclosed in the separate financial statements or, if this disclosure is not enough, we should modify our opinion. Our findings are based on audit evidence obtained before approval date of our independent audit report. However, future events or conditions may cause the Company to lose its ability to continuous activity;
- we assess the overall presentation of the separate financial statements, their structure and content, including information disclosure, as well as assessments of whether the separate financial statements represent the underlying operations and events to be understandable in a reliable way.
- we obtain sufficient appropriate audit evidence regarding the Company's separate financial information in order to give an opinion on the separate financial statements. We are responsible for the general guidance, control and implementation of audit of the Company. We are fully responsible for our qualified opinion.

We carry out informational interaction with persons responsible for corporate governance, bringing to their attention, among others, the information regarding to audit planned scope and timing, and essential issues that attracted the attention of the auditor, including significant deficiencies in the internal control system revealed in the course of audit.


R.Zh. Slambekova
Auditor/ Director General
"Concord" Independent Auditing Company", LLP
Auditor qualification certificate
№ MF-0000100 d/d 03 September 2012




State license for engaging in auditing activities
for the series МФЮ-2, No. 0000084, issued by
the Ministry of Finance of the Republic of
Kazakhstan dated March 5, 2012


April 15, 2020
Almaty city

"MOI insurance broker" LLP

SEPARATE STATEMENT OF FINANCIAL POSITION AS OF
AS OF DECEMBER 31, 2019

(in thousands of Kazakhstani Tenge (KZT))

	Notes	31.12.2019	31.12.2018
Assets			
Short-term assets			
Cash and cash equivalents	6	1 315	3 212
Other short-term financial assets	7	51 791	30 970
		167 144	320 372
Short-term trade and other receivables	9		
Inventories		1 625	1 374
Other current assets	10	2 295	1 785
Total short-term assets		224 170	357 713
Long-term assets			
Other long-term financial assets	7	260 431	212 150
Investment in a foreign subsidiary	8	7 321	7 321
Fixed assets	11	104 428	105 452
Intangible assets	12	5 379	6 152
Total long-term assets		377 559	331 075
Total assets		601 729	688 788
Own capital and liabilities			
Current liability			
Short-term trade and other receivables	13	158 767	263 636
Short-term reserves	14	9 296	7 653
Current corporate tax liability		12 888	14 632
Employee benefits		2 061	3 877
Other current liabilities	15	4 688	4 309
Total short-term liabilities		187 700	294 107
Long term liabilities			
Deferred tax liability	22	8 844	8 132
Total long-term liabilities		8 844	8 132
Total liabilities		196 544	302 239
Own capital			
Authorized Capital (Share Capital)	16	10 000	10 000
Allowances (Reserves)	16	16 661	13 656
Retained earnings		378 524	362 893
Total own capital		405 185	386 549
Total own capital and liabilities		601 729	688 788


Kassymkanova Gaukhar Amantayevna
Managing Director

April 15, 2020




Turlybekova Dinara Orymbayevna
Chief accountant



The separate statement of financial position should be read in conjunction with the notes to the separate financial statements presented on pages 10–30.

SEPARATE STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE
YEAR ENDED DECEMBER 31, 2019

(in thousands of Kazakhstani Tenge (KZT))

	Notes	2019	2018
Income from brokerage activities	17	350 209	260 095
Income from financing		3 613	2 750
Net income (expenses) from foreign currency conversion (net)	18	4 037	18 316
Other operating income (expenses), net	19	(3 016)	5 037
Total operating income		354 843	286 198
Expenses for payment of commission fees for insurance activities	20	(18 064)	(13 488)
Gross and administrative expenditures	21	(271 761)	(199 019)
Total operating expenses		(289 825)	(212 507)
Before-tax income		65 018	73 691
Income tax expense	22	(13 387)	(14 918)
Profit for the year		51 631	58 773
Other aggregate profit			
Revaluation of fixed assets		3 756	5 011
Income tax recognized directly in other comprehensive income		(751)	(1 313)
Total other comprehensive income for the year, net of taxes		3 005	3 698
Total gross income for the year		54 636	62 471

Kassymkanova Gau
Managing Director

April 15, 2020



Turlybekova Dinara Orymbayevna
Chief accountant

Separate statement of profit or loss and other gross income should be read together with notations to the separate financial statements, presented on pages 10–30.




"MOI insurance broker" LLP

SEPARATE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED DECEMBER 31, 2019


(in thousands of Kazakhstani Tenge (KZT))

	Authoriz ed Capital (Share Capital)	Revaluation reserve for property, plant and equipment	Retained earnings	Total
As of January 1, 2019	10 000	13 656	362 893	386 549
Profit for the period	-	-	51 631	51 631
Increase from revaluation of property, plant	-	3 005	-	3 005
Total comprehensive income	-	3 005	51 631	54 636
Dividends	-	-	(36 000)	(36 000)
As of December 31, 2019	10 000	16 661	378 524	405 185
On January 1, 2018	10 000	9 958	369 120	389 078
Profit for the period	-	-	58 773	58 773
Increase from revaluation of property, plant and equipment (minus tax effect)	-	3 698	-	3 698
Total comprehensive income	-	3 698	58 773	62 471
Dividends	-	-	(65 000)	(65 000)
As of December 31, 2018	10 000	13 656	362 893	386 549


Kassymkanova Gaukhar Amanbayevna
Managing Director

April 15, 2020




Turlybekova Dinara Orymbayevna
Chief accountant

The separate statement of changes in equity should be read in conjunction with the notes to the separate financial statements presented on pages 10–30.



SEPARATE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2019

	Notes	2019	2018
Before-tax income		65 018	73 691
<i>Correctives:</i>			
Depreciation and amortisation	11, 12	6 349	5 439
Expenses for creating a reserve for unused vacations	14	1 643	-
Other adjustments for non-monetary items		-	(1 313)
Cash flows from operating activities before changes in operating assets and liabilities		73 010	77 817
<i>(Increase) decrease in operating assets</i>			
Changes in other financial assets	7	(69 102)	108 294
Changes in trade and other receivables	9	153 228	(240 098)
(Increase) decrease in other assets	10	(761)	(202)
<i>Increase (decrease) in operating liabilities</i>			
Changes in trade and other payables	13	(104 869)	185 917
Changes in other short-term liabilities	15	(1 437)	(37 816)
Net cash flows from operating activities before corporate income tax		50 069	93 912
Corporate income tax refund / (payment)		(14 632)	(14 918)
Net cash flows from operating activities		35 437	78 994
Cash flows from investing activities			
Purchase of fixed assets and intangible assets	11, 12	(796)	(4 292)
Investments in the capital of other legal entities	8	-	(7 321)
Net cash used in investing activities		(796)	(11 613)
Cash flows from financing activities			
Dividends paid	16	(36 000)	(65 000)
Net cash used from financial activity		(36 000)	(65 000)
Net change in cash and cash equivalents		(1 359)	2 381
Effect of currency exchange rate changes on cash and cash equivalents		(538)	-
Balance of money and cash equivalents as of January 01	6	3 212	831
Balance of cash and cash equivalents as of December 31	6	1 315	3 212



1. General provisions

Limited Liability Partnership "MOI insurance broker" (hereinafter referred to as "Company") is a legal entity and operates on the basis of the current legislation of the Republic of Kazakhstan and the Charter.

The Company was established and registered in the Justice Administration of Medeu district of the Justice Department of Almaty city on July 08, 2005. The date of the last re-registration is April 25, 2017. The re-registration was carried out due to a change in the composition of shareholders.

The Partnership is registered as a taxpayer in the Tax Committee of Almaty in Medeu district. Taxpayer certificate Series 60 No. 0096816 confirms state registration as a taxpayer since July 11, 2005, BIN 050740002486.

The last controlling party for the Partnership is an individual citizen of the Republic of Kazakhstan Kassymkanova G. A.

Information about shareholders as of December 31, 2019 and 2018:

Shareholder	Share (%)	
	December 31, 2019	December 31, 2018
Kassymkanova Gaukhar Amantayevna	40	40
GEORGE YARD INVESTMENT LIMITED	25	25
Smanov Yerbol Yergenovich	25	25
Turlybekova Dinara Orymbayevna	10	10
Total	100	100

The company "GEORGE YARD INVESTMENT LIMITED" is registered in the United Kingdom, certificate of registration, company registry code No. 4929116 issued at the Companies Registration Office of Cardiff on October 10, 2003.

The management bodies of the Partnership are:

- the highest body is the General meeting of shareholders;
- sole executive body is a Managing Director;
- controlling body is the Board of Internal Auditors or Auditor.

Principal Activities

The main activity of the Company is brokerage and intermediary activities in the field of insurance and reinsurance. The Company operates under license No. 2.3.33 for the right to operate as an insurance broker for concluding insurance and reinsurance contracts, issued on February 08, 2019 by the National Bank of the Republic of Kazakhstan.

Legal and actual address: 050059, the Republic of Kazakhstan, Almaty, Medeu district, 248 N. Nazarbayev Avenue.

The Company does not have branches or representative offices in the regions or outside the Republic of Kazakhstan.

The average annual number of employees of the Partnership as of December 31, 2019 is 19 people and as of December 31, 2018 is 17 people.



2. Basis of preparation of separate financial statements

Declaration of conformity

These separate financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") and interpretations of the International Accounting Standards Committee (IASC).

The separate financial statements have been prepared on the historical cost basis, except for certain financial instruments that are measured at fair value at each reporting date as explained below.

These separate financial statements are presented in thousands of tenge, unless otherwise indicated.

Two fundamental assumptions were used in the preparation of the separate financial statements: the use of the accrual method and the going concern principle.

Accrual basis

Accounting for financial and economic transactions is based on the accrual basis, i.e. the results of transactions and other events are recognized when they occur, are accounted for in the reporting period and are recognized in the financial statements of the reporting periods in which they occurred.

The separate financial statements, prepared on an accrual basis, inform users not only of past transactions related to the payment and receipt of funds, but also of obligations to pay money in the future, and of resources representing funds to be received in the future.

The principle of continuity of activities

The separate financial statements have been prepared taking into account the fact that the Company is proceeding its business activity and going to continue its business activity in the foreseeable future. Thus, the Company is assumed to have no intention or need to liquidate itself or substantially reduce the range activity.

These financial statements do not include any adjustments necessary if the Company was unable to continue its financial and economic activities on the basis of the principle of continuity.

Functional currency

The functional currency of the Company is the currency of the main economic environment in which the Company operates. Both functional and reporting currency of the Company is the national currency of the Republic of Kazakhstan, i.e. Kazakhstan tenge (hereinafter "tenge"). All values are rounded to the nearest thousand tenge, unless otherwise indicated.

3. Changes in accounting policies and information disclosure principles

New standards, interpretations and amendments to existing standards and interpretations applied by the Company for the first time.

The accounting policies adopted in the preparation of separate financial statements comply with the policies applied in the preparation of separate financial statements by the Company for the year ended December 31, 2018, with the exception of the adopted new standards entered into force on January 1, 2019. The Company has not applied any other standards, clarifications or amendments that have been issued, but have not yet entered into force.

The company applies IFRS 16 "Lease" for the first time. Some other amendments and clarifications were also applied for the first time by the Company in 2019, but they did not affect its separate financial statements.

IFRS 16 "Leases"

IFRS 16 substitutes IAS 17 "Lease", Clarification of IFRIC 4 "Determining the presence of lease signs in the agreement", Clarification of SIC 15 "Operating lease - incentives" and Clarification of SIC 27



"Determination of operations having a legal form of lease." The standard is established on the basis of principles for the recognition, measurement, presentation and disclosure of leases and requires tenants to reflect all leases using a single accounting model in the balance sheet. The accounting treatment for the lessor in accordance with IFRS 16 is almost unchanged compared with IAS 17. Lessors will continue to classify leases with use of the same classification principles as in IAS 17, distinguishing two types of leases: operating and financial.

The company has applied IFRS 16 using a modified retrospective method since January 1, 2019. According to this method, the standard is applied retrospectively with recognition of the cumulative effect of the initial application of the standard at the date of initial application. The company decided to use release of recognition for contracts of lease for which the lease term at the start date of the lease is no more than 12 months and which do not contain a purchase option (short-term lease), as well as for the contracts of lease in which the underlying asset has a low cost (leases of low value assets).

Impact of adoption of IFRS 16

The Company has a warehouse lease agreement. Prior to applying IFRS 16, the company classified the contract of lease at the start date as an operating lease. All lease payments were recognized as lease expenses in profit or loss over the lease term. All lease prepayments and accrued lease payments were recorded as "Advances issued" and "Short-term debt to suppliers and contractors", respectively.

Short-term lease

The Company applies the recognition exemption to short-term leases. Lease payments are charged to expenses on a straight-line basis over the lease term. The lease agreement does not contain a purchase option or an extension option and is concluded for a period of less than 12 months.

Assessing the lease term and analyzing the duration of the lease period not subject to early termination, the Company applies the definition of the contract and determines the period during which the contract is protected. The lease is no longer protected if both the lessee and the lessor have the right to terminate the lease without the other party's permission.

The following clarifications and amendments are applied for the first time in 2019 and have not had an impact on the Company's separate financial statements:

- Clarification of IFRIC 23 *"Uncertainty regarding the rules for calculating the income tax"*;
- Amendments to IFRS 9 - *"Potential Negative Indemnity Premature Redemption Terms"*
- Amendments to IAS 19 - *"Alterations to the program, reduction of the program, or redemption of the program commitments"*
- Amendments to IAS 28 - *"Long-term investments in Associates and Joint Ventures"*
- Annual improvements to IFRS for the period 2015-2017:
 - IFRS 3 *"Business Associations"*
 - IFRS 11 *"Joint Venture"*
 - IAS 12 *"Income Taxes"*
 - IAS 23 *"Borrowing Costs"*

4. Standards issued, but not yet valid

The following are the new standards, amendments to standards and interpretations which were in issue but not yet entered into force at the date of issuance of the separate financial statements of the Company. The Company intends to apply these standards, amendments and clarifications, if applicable, from the date they become valid.



IFRS 17 "Insurance Contracts"

In May 2017, the IASB issued IFRS 17 "Insurance Contracts" as a new comprehensive financial reporting standard for insurance contracts that deals with the recognition and measurement, presentation and disclosure of information. When IFRS 17 enters into force, it will substitute IFRS 4 "Insurance Contracts" issued in 2005.

IFRS (IFRS) 17 is applied to all types of insurance contracts (i.e. life insurance and non-life insurance, direct insurance and reinsurance) regardless of the type of organization that issues them, as well as to certain guarantees and financial instruments with discretionary terms. There are some scope exceptions. The main purpose of IFRS (IFRS) 17 is to provide an accounting model for insurance contracts, which is more efficient and consistent for insurers. Unlike IFRS 4 requirements, which are mainly based on previous local accounting policies, IFRS 17 provides a comprehensive accounting model for insurance contracts, covering all relevant aspects of accounting. The basis of IFRS 17 is a general model, supplemented by the following:

- Certain modifications to insurance contracts with direct participation terms (variable remuneration method);
- The simplified approach (premium-based approach) is mainly for short-term contracts.

IFRS 17 is effective for annual periods beginning on or after January 01, 2021 and is required to provide comparative information. Early application is allowed provided that the Company applies also IFRS 9 and IFRS 15 on or before the date of the first application of IFRS 17. This standard is not applicable to the Company.

5. Basic accounting policies

Foreign currency

Transactions in foreign currencies are converted to the functional currency at the exchange rate at the respective reporting date. Exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in a foreign currency into the Company's functional currency at the reporting date are recognized in the statement of profit or loss and other comprehensive income for the year. Translation at the year-end exchange rate does not apply to non-monetary items measured at historical cost.

Non-monetary items measured at fair value in foreign currency, including equity investments, are recalculated at the exchange rates valid for the time the fair value was determined. The effect of exchange differences on non-monetary items measured at fair value in a foreign currency is recognized as part of the gains or losses on remeasurement at fair value.

The following official exchange rates established by the National Bank of the Republic of Kazakhstan were used for the preparation of the separate financial statements:

	December 31, 2019	December 31, 2018
USD	382.59	384.20
Eur	429.00	439.37
100 Uzbekistani soms	4.03	4.61

Monetary assets

Cash includes cash in banks and on hand and short-term deposits on demand or with maturities of less than three months. All non-cash transactions are carried out through authorized banks.

Cash with a withdrawal limit of more than three months is included in other short-term or long-term assets.

The cash flow statement is generated using the indirect method.



Fixed-term deposits

Fixed-term deposits include deposits with a maturity of more than three months. Such deposits are classified as short-term and long-term financial assets.

Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual relationship of the relevant financial instrument.

Financial assets and financial liabilities are initially assessed at fair value.

Transaction costs that are directly associated with the acquisition or issue of financial assets and financial liabilities (except for financial assets and financial liabilities reflected at fair value through profit or loss) increase or decrease, respectively, the fair value of financial assets or financial liabilities upon initial recognition.

Transaction costs directly attributable to the acquisition of financial assets or financial liabilities reflected at fair value through profit or loss are recognized directly as a part of profit or loss.

All assets and liabilities, which fair value is measured or disclosed in the financial statements, are classified within the hierarchy of fair value sources described below based on the lowest level inputs that are essential for measuring fair value in total:

- *Level 1* - Market price quotations in an active market for identical assets or liabilities (without any adjustments);
- *Level 2* - Valuation models that contain material for the assessment of the fair value of the initial data relating to the lowest level of the hierarchy, are directly or indirectly observable in the market;
- *Level 3* - Valuation models that contain material for the assessment of the fair value of the initial data relating to the lowest level of the hierarchy, are not observable in the market.

Subsequent classification

Financial assets

For subsequent classification purposes, financial assets are classified as financial assets at amortised cost (debt instruments) or as financial assets at fair value.

Financial assets at amortized cost (debt instruments)

The Company estimates financial assets at amortised cost if the following conditions are met:

- a financial asset is held within a business model, the purpose of which is to hold financial assets to obtain contractual cash flows; and
- the contractual terms of the financial asset cause cash flows to be received on these dates, which are exclusively payments of principal and interest on the outstanding part of the principal.

Financial assets measured at amortized cost are subsequently measured using the effective interest method and are subject to impairment requirements. Profit or losses are recognized in profit or loss if the asset is derecognized, modified or impaired.

The Company classifies trade and other receivables and funds in credit institutions (bank deposits, cash and cash equivalents) as financial assets measured at amortized cost.

Financial assets at fair value through profit or loss

The category of financial assets at fair value through profit or loss includes financial assets held for sale classified at the Company's discretion at initial recognition as at fair value through profit or loss.



Financial assets for which cash flows are not exclusively payments of principal and interest are classified and measured at fair value through profit or loss, regardless of the business model used.

Financial assets at fair value through other comprehensive income

The Company measures debt instruments at fair value through other comprehensive income if both of the following conditions are met:

- a financial asset is held within a business model whose objective is obtaining as stipulated in the contract cash flows and selling financial assets; and
- the contractual terms of the financial asset cause cash flows to be received on these dates, which are exclusively payments of principal and interest on the outstanding part of the principal.

At the reporting date, the Company has no financial assets of this category.

Impairment

IFRS 9 requires the Company to represent the allowance for expected credit losses for all loans and other debt financial assets not at fair value through profit or loss.

Expected credit losses are calculated as the difference between the cash flows owed to the Company in accordance with the contract and all cash flows expected by the Company to receive. The shortfall is then discounted at a rate approximately equal to the initial effective interest rate for the asset.

In respect of trade and other receivables, the Company applies the simplified approach provided for in the standard and calculates the expected credit losses over the entire period. The matrix of valuation allowances was used by the Company based on its past experience in incurring credit losses adjusted to the forecast factors specific to borrowers and total economic environment.

For the bank cash and deposits, expected credit losses are calculated for a 12-month period. 12-month expected credit losses are part of the expected credit losses for the entire period, which are expected losses that arise as a result of defaults on the financial instrument, possible within 12 months after the reporting date. However, in the event of a significant increase in the credit risk of a financial instrument since its initial recognition, the loss allowance is estimated at an amount equal to the expected credit losses over the entire term.

The Company believes that the financial asset defaults, if payments under the contract are overdue by 60 days. However, in certain cases, the Company may also conclude that the financial asset was defaulted, if internal or external information indicates the Company is unlikely to receive the full amount of the remaining payments provided for in the contract, without taking into account credit enhancement mechanisms kept by the Company.

As at each reporting date, the Company creates an allowance for losses on a financial instrument in an amount equal to the expected credit losses for the entire term if the credit risk for this financial instrument has significantly increased since initial recognition. If, as of the reporting date, there is no significant increase in the credit risk of a financial asset from the date of initial recognition, the Company recognizes the estimated allowance for losses on this financial asset in an amount equal to 12-month expected credit losses.

Termination of recognition

Derecognition of financial assets is made when the Company loses control over the rights under the contract for the asset. Such situation occurs when the rights are realised, transferred or expired. Derecognition of financial liabilities is made in the event of its redemption.

Financial liabilities

The Company classifies financial liabilities into the category of other financial liabilities. Other financial liabilities include trade and other payables.



Trade payables and other short-term monetary liabilities are recorded at cost, which is the fair value of the amount to be paid in future for goods or services received, regardless of whether the Company has been billed or not.

Subsequent evaluation depends on their classification. Debt securities, received loans, trade and other payables after initial recognition are subsequently measured at amortised cost using the effective interest method. Income and expenses on such financial liabilities are recognised in profit or loss on derecognition and as depreciation is charged at the effective interest rate.

The Company terminates recognition of financial liability when its obligations under the relevant contract are terminated or canceled or expire.

If an existing financial liability is replaced by another liability to the same creditor on substantially different terms, or if the terms of the existing liability are substantially modified, such replacement or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in its carrying amount is recognised in profit or loss.

Fixed assets

Items of property, plant and equipment are stated at historical cost less accumulated depreciation and provision for impairment, except for buildings and office premises, which are measured at revalued amounts and carried at fair value less accumulated depreciation and impairment losses.

The Company conducts an annual assessment of the office space. Any increase in the value of fixed assets relates directly to equity and is included in the reserve for revaluation of fixed assets; any decrease in the value of the property, plant and equipment is set off against the previous valuation in respect of the respective asset and is then included in profit or loss. The asset revaluation reserve is transferred to retained earnings when the asset is derecognized.

At the end of each reporting period, management determines whether there is any indication of impairment of property, plant and equipment. If there is any indication of impairment, management estimates the recoverable amount, which is determined as the higher of the fair value of the asset, less costs to sell and value resulting from its use.

The carrying amount is reduced to recoverable amount, and the impairment loss is recognized in profit or loss for the year. An impairment loss recognized for an asset in prior periods is reversed if there has been a change in the estimates used to determine the cost resulting from the use of the asset or its fair value less costs to sell.

Profit and losses on disposal determined by comparing the amount of revenue with the carrying amount are recorded in profit or loss for the year (within other operating income or expenses).

Depreciation

Depreciation is charged and recorded in the statement of profit or loss and other comprehensive income on a straight-line basis over the estimated useful lives of individual assets.

The residual value of an asset is the estimated amount that the Company would currently receive if the asset were sold, less estimated costs of disposal, if the condition and age of the asset corresponded to the age and condition that the asset would have at the end of its useful life. The expected useful lives and the depreciation method are estimated at the end of each reporting period, and any changes in the valuation are accounted for prospectively. The residual value of an asset is zero, if the Company intends to use the assets until the end of their physical life.

Depreciation is charged on the following average useful lives of assets:



	Useful life (years)
Land plot	Unlimited period
Buildings	50
Machinery and equipment	10
Computers	4
Copying equipment	5
Furniture	15
Other types of fixed assets	10

Intangible assets

Intangible assets are recorded at cost of acquisition. Expenditures on the acquisition of intangible assets are capitalized and amortized on a straight-line basis over their useful lives.

At each date of the separate financial statements, the Company assesses whether there is any indication that the intangible assets may be impaired. If any such evidence is found, the Company estimates the assets recoverable amount.

Depreciation of other intangible assets is calculated based on the terms of their use. The period of use is 3-10 years.

Inventories

Inventories at admission are recorded at cost, which includes all the actual costs incurred for their acquisition (creation).

Inventories are written off at weighted average cost and accounted for at the lowest of cost values and possible net realisable value.

Net realisable value is the estimated sale price in the ordinary course of business, less the possible costs of completing or bringing to readiness and the possible realisation costs.

Investment in a subsidiary

In these separate financial statements, the Company's investment in a subsidiary is accounted for at the historical cost of actual expenses.

The carrying amount of an investment in a subsidiary carried at cost is not subject to subsequent fair value adjustment in the separate financial statements, but is tested for impairment in subsequent periods.

Taxation

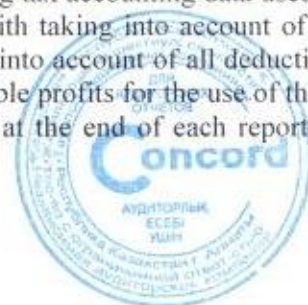
Income tax is the sum of current and deferred tax.

Current tax

The amount of current tax payable is determined based on the amount of taxable profit. Taxable profit differs from profit recorded in the statement of profit or loss because of items of income or expense that are taxable or deductible for tax purposes in other reporting periods, and does not include items that are not taxable or deductible for tax purposes. The Company's current tax liability is calculated using the tax rates enacted by law before the end of the reporting period.

Deferred tax

Deferred tax is recognized for temporary differences between the carrying amounts of assets and liabilities recorded in the separate financial statements and the corresponding tax accounting data used in calculating taxable profit. Deferred tax liabilities are generally reflected with taking into account of all taxable temporary differences. Deferred tax assets are reflected with taking into account of all deductible temporary differences provided that there is a high probability of future taxable profits for the use of these temporary differences. The book value of deferred tax assets is reviewed at the end of each reporting



period and it is decreased if the probability of occurrence of any future taxable profits, sufficient for full or partial use of these assets, is no longer high.

Assets and liabilities on deferred income taxes are calculated using tax rates and tax laws that are approved or practically approved by the legislation at the reporting date and that are expected to be effective during the period of the tax asset realization or repayment of the liability respectively. The assessment of deferred tax assets and liabilities reflects the tax implications of the Company's expectations, as of the reporting date, with respect to the methods of reimbursement or repayment of the book value of assets and liabilities.

Other taxes and deductions

In addition to income tax, there are a number of taxes and payments related to the Company's operating activities in the Republic of Kazakhstan. These taxes are included in administrative expenses in the Company's statement of profit or loss and other comprehensive income for the year.

Authorized Capital (Share Capital)

Authorized capital consists of equity interests less founders' debt on contributions to share capital. Authorized capital is recognized at the original cost of funds received or paid.

Recognition of income and expenses

Income and expenses are recorded by the Company in accordance with the accrual method.

The Company's income consists of commission fees for the provision of insurance broker services for the conclusion of insurance (reinsurance) contracts during the entire period of validity of the contracts, operations on non-core activities and other income from both administrative and investment activities.

Income is recognized in the statement of profit or loss and other comprehensive income if there is an increase in future economic benefits associated with an increase in an asset or a decrease in a liability that can be measured reliably. This means that revenue recognition occurs simultaneously with the recognition of an increase in an asset or decrease in a liability.

Expenses are recognized in the statement of profit or loss and other comprehensive income if there is a decrease in future economic benefits associated with a decrease in an asset or an increase in a liability that can be measured reliably. This means that the recognition of expenses occurs simultaneously with the recognition of an increase in liabilities or a decrease in assets (for example, accrual of wages).

Expenses are recognized in the statement of profit or loss and other comprehensive income if the costs do not create significant future economic benefits, or when the future economic benefits do not meet or no longer qualify for recognition as an asset in the statement of financial position.

Commission income

The company receives commission income from various types of services that it provides to clients. Commission income can be divided into the following two categories:

Commission income received for the provision of services over a certain period of time

Commissions received for the provision of services during a certain period of time are calculated during this period.

Fee and Commission income from transactions

Commissions received for conducting or participating in the negotiation of a transaction on behalf of a third party, such as brokerage services for insurance and reinsurance contracts, are recognized after the transaction is completed. Commissions or part of commissions related to certain indicators of profitability are recognized after the relevant criteria are met.



Insurance premiums payable to reinsurers

Under the terms of reinsurance contracts, the reinsurance premium is paid by the reinsurer through an insurance broker. After the reinsurance premium is credited to the account, the insurance broker must transfer it to the reinsurer within three business days. The reinsurance premium is received simultaneously with the brokerage commission. Reinsurance premiums are recorded in separate accounts of the Company in accounting, as well as in separate Bank accounts of the Company.

Staff costs and related deductions

Short-term employee benefits include such items as:

- employee salaries and social security contributions;
- annual paid leave, paid sick leave;
- remuneration in non-monetary form (medical insurance, Parking rental).

The company makes payroll payments to employees in accordance with established remuneration systems and makes mandatory contributions to the Unified accumulative pension fund on behalf of its employees in accordance with the pension legislation of the Republic of Kazakhstan.

Mandatory contributions to the Unified accumulative pension fund and individual income tax expenses are deducted from the employee's salary and recognized in the statement of profit or loss and other comprehensive income as salary expenses.

The Company does not have any pension arrangements other than the state pension program of the Republic of Kazakhstan, which requires the employer to make deductions of 10% of the total salary.

The Company makes deductions of social tax and social deductions, mandatory social health insurance for its employees to the relevant authorities of the Republic of Kazakhstan.

Settlements and transactions with related parties

In these separate financial statements, related parties are parties that one of them has the ability to control or exercise significant influence over the other party's operating and financial decisions, as defined in IFRS 24 "Related Party Disclosures". When making the decision whether these parties are related those, the content of the relationship of the parties is taken into account, not only their legal status.

Subsequent events

Events, both favorable and unfavorable, that occur between the reporting date and the date of approval of the separate financial statements, and that have had or may have an impact on the financial condition, cash flows or results of operations of the Company.

Provisions, contingent liabilities and contingent assets

Provisions are liabilities with an indefinite time or amount that are recognized when:

- as a result of a past event, the Company has the current obligation (legal or imputed);
- a need for any outflow of resources is likely to arise for fulfillment of this duty;
- the amount of the liability can be reliably estimated.

Contingent liabilities are an existing obligation that arises from past events, but is not recognized because the emergence of the need for outflow of resources to fulfill the obligation is not probable or the amount of the obligation cannot be estimated with sufficient certainty.

Contingent liabilities are not recognized, but subject to disclosure, except in cases where the possibility of disposal of resources is unlikely.

Contingent assets are not recognized in the financial statements, but are subject to disclosure when economic benefits are probable.



Areas of significant management assessment and sources of uncertainty

The preparation of the Company's separate financial statements requires management to make estimates that affect the reported amounts of assets and liabilities at the reporting date, as well as the amounts of income and expenses during the period ended. Management regularly evaluates its estimates and judgments based on historical experience and various factors that are considered reasonable in the circumstances.

The following estimates and judgments are considered important for the presentation of the Company's financial position.

Allowances (Reserves)

The company creates a provision for unused employee leave as an additional monetary amount that the Company is expected to pay to the employee for unused paid absences from work accumulated at the end of the reporting period. This provision should be reviewed at the end of each reporting period and adjusted to reflect the current best estimate.

The useful lifetime of fixed assets and intangible assets

The estimated useful lives of property, plant and equipment and intangible assets, their residual values and depreciation methods are reviewed annually to reflect the impact of changes in estimates on a forward-looking basis.

Fair value measurement and its procedures

The company measures buildings at revalued cost and financial liabilities at fair value.

When assessing the fair value of an asset or liability, the Company applies, to the extent possible, observable market data. Fair value measurements relate to different levels of the fair value hierarchy, depending on the input data used in the respective valuation methods:

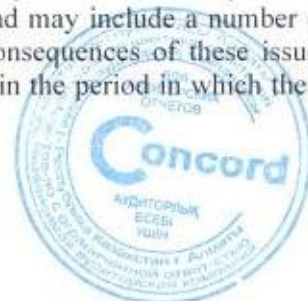
- Level 1: quoted (unadjusted) prices for identical assets and liabilities in active markets.
- Level 2: inputs other than quoted prices used for Level 1 estimates that are observable either directly (i.e., such as prices) or indirectly (i.e., determined based on prices).
- Level 3: inputs for assets and liabilities that are not based on observable market data (unobservable inputs).

In the absence of Level 1 data, the Company engages third-party expert valuers.

Information on the valuation methods and inputs used to determine the fair value of buildings is disclosed in Note 11.

Taxes

With regard to the interpretation of complex tax legislation, changes in tax legislation, as well as the amounts and timing of future taxable income, there is a risk of additional tax liabilities in the future. In the normal course of business, there are many transactions and settlements for which it is impossible to determine the final tax amounts. As a result, the Company recognizes its tax liability based on an assessment of probability whether additional taxes, fines and penalties arise. These tax liabilities are recognized if the Company believes that certain items of tax returns may be challenged or not fully verified by tax authorities, despite the fact that the Company believes that items of tax returns are properly justified. The Company believes that the tax liabilities accrued are true for all years open to auditing, they are based on the assessment of many factors, including past experience and interpretation of tax legislation. This assessment is based on estimates and assumptions and may include a number of complex judgments about future events. To the extent that the final tax consequences of these issues differ from the amounts presented, such differences will affect tax expenses in the period in which these tax liabilities were estimated.



Impairment of assets

The Company assesses whether there is any indication of impairment for all non-financial assets at each reporting date. Non-financial assets are tested for impairment in case there are indications that the carrying amount may not be recoverable. When calculating value in use, the management assesses the expected future cash flows from the asset or unit generating cash flows and selects the appropriate discount rate to calculate the current value of these cash flows.

Assessing the impact of deferred income tax

At each reporting date, the Company's management determines the future impact of deferred income tax by reconciling the carrying value of assets and liabilities in the separate financial statements with the appropriate tax base. Deferred assets and liabilities are valued at tax rates applicable to the period, in which the assets are expected to be sold and the liabilities are settled. Deferred tax assets are recognized based on the likelihood of arising in the future the sufficient taxable income, from which temporary differences may be deducted for tax purposes. Deferred tax assets are assessed at each reporting date and are reduced to the extent that there is no likelihood that the related tax benefits will be realized.

6. Cash and cash equivalents

	December 31, 2019	December 31, 2018
Own funds on current accounts	1 078	481
Customer funds on current accounts	237	2 731
Total	1 315	3 212

The funds presented above do not contain restrictions on their use and do not serve as collateral for any long-term guarantees. The Company believes that the fair value of its cash and cash equivalents is equal to their carrying value. All cash and cash equivalents balances were assigned to Stage 1 for the assessment of expected credit losses.

As of December 31, 2019 and 2018, cash is presented in Kazakhstani tenge.

7. Other short-term and long-term financial assets

	December 31, 2019	December 31, 2018
Short-term deposits placed with second-tier banks	51 791	30 970
Total short-term financial assets	51 791	30 970
Long-term savings accounts	260 431	212 150
Total long-term financial assets	260 431	212 150

Other short-term and long-term financial assets are presented in the following currencies:

	December 31, 2019	December 31, 2018
Tenge	51 791	30 970
Total short-term financial assets	51 791	30 970
USD	260 431	212 150
Total long-term financial assets	260 431	212 150

The company has placed funds in bank deposits in JSC "BankCenterCredit". These deposits are opened in order to comply with the requirements of the legislation of the Republic of Kazakhstan on ensuring the availability of own funds on deposits and current accounts in the amount of at least 40% of the amount of equity.

Short-term deposits are placed in tenge and in accordance with the bank deposit agreement, the minimum non-reduced balance is 100 thousand tenge. Long-term deposits are placed in US dollars and in accordance with the bank deposit agreement, the amount of the minimum non-reduced balance is 5 thousand us dollars, do not have restrictions for use until the end of the agreement.



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In 2019, the Company received income from financing in the amount of 3,613 thousand tenge (2018- 2,750 thousand tenge). As at 31 December 2019, the weighted average interest rate on term deposits with banks was 1% in US dollars and 7% in tenge (2018: 1% in US dollars and 7% in tenge).

8. Investment in a foreign subsidiary

The company has opened a subsidiary organization in the Republic of Uzbekistan, MOI Insurance Brokers Asia LLC, based on the decision of the meeting of participants on November 12, 2018.

Location - the Republic of Uzbekistan, index 100059 Tashkent, Aksaraisky district St. Jambul 3, house 35.

In total, the authorized capital is 160,000 thousand Uzbek soums, which amounted to 7,321 thousand tenge at the time of entering funds into the authorized capital. The company conducted an impairment test for an investment in a foreign subsidiary and found no evidence of impairment. The Company's share in the authorized capital of the subsidiary is 95 %.

9. Short-term trade and other receivables

	December 31, 2019	December 31, 2018
Insurance premiums receivable from reinsurers (Note 13)	145 435	253 257
Accrued commission income of insurance brokers under reinsurance contracts	19 336	63 936
Accrued commission income of insurance brokers under insurance contracts	363	-
Short-term interest receivable on term deposits	360	329
Loans to employees	1 650	2 850
Total	167 144	320 372

Short-term trade and other receivables are denominated in the following currencies:

	December 31, 2019	December 31, 2018
USD	52 936	131 854
Tenge	114 208	188 518
Total	167 144	320 372

In 2019, the Company carried out intermediary activities for the conclusion of reinsurance contracts on behalf of the assignors and collects reinsurance premiums from the assignor and retrocedents for their subsequent transfer to reinsurers and the retrocessionaire.

As at 31 December 2019, the amount of reinsurance premiums payable by MOI insurance broker LLP to the accounts of reinsurers and retrocessionaires (note 13) was KZT 145,435 thousand (31 December 2018: KZT 253,257 thousand).

10. Other current assets

	December 31, 2019	December 31, 2018
Advances issued for services rendered	1 401	949
Advances issued for inventory delivery	287	564
Future expenses	593	241
including:		
Insurance premiums paid to insurance companies	356	162
Other Future expenses	237	79
Current tax assets	14	31
including:		
Social tax	-	16
Land tax	3	3
Property tax	11	12
Total	2 295	1 785



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Other short-term assets are denominated in tenge.

11. Fixed assets

In accordance with the accounting policy, the Company applies the revalued cost model for buildings and office space, and the actual cost model for other fixed assets.

	buildings and structures	Land plot	Other fixed assets	Total
<i>Initial cost</i>				
Balance as of January 01, 2019	185 437	120	17 874	203 431
Income	-	-	796	796
Revaluation	7 131	-	-	7 131
Balance as of December 31, 2019	192 568	120	18 670	211 358
<i>Accumulated depreciation:</i>				
Balance as of January 01, 2019	83 600	-	14 379	97 979
Depreciation for the year	4 157	-	1 419	5 576
Revaluation	3 375	-	-	3 375
Balance as of December 31, 2019	91 132	-	15 798	106 930
<i>Initial cost</i>				
Balance as of January 01, 2018	176 312	120	15 931	192 363
Income	-	-	2 336	2 336
Revaluation	9 125	-	-	9 125
Retirement of assets	-	-	(393)	(393)
Balance as of December 31, 2018	185 437	120	17 874	203 431
<i>Accumulated depreciation:</i>				
Balance as of January 01, 2018	75 452	-	13 958	89 410
Depreciation for the year	4 034	-	814	4 848
Revaluation	4 114	-	-	4 114
Write-off of accumulated depreciation	-	-	(393)	(393)
Balance as of December 31, 2018	83 600	-	14 379	97 979
<i>Carrying value as of</i>				
December 31, 2019	101 436	120	2 872	104 428
December 31, 2018	101 837	120	3 495	105 452

The company engaged an accredited independent appraiser "Independent expert assessment" LLP, Certificate of state registration of a legal entity 3273-1910-01-LLP dated 27.11.2012, State license to engage in property valuation activities No. 12019892 dated 26.12.2012. to assess the fair value of fixed assets. The Company has revalued its fixed assets as of December 11, 2019. The previous revaluation was made on December 31, 2018. The fair value of an office building was determined using a comparative method based on market data on the prices of recent transactions with similar properties.

The revaluation amounted to 3,756 thousand tenge, the result of the revaluation is included in the capital in the reserve, net of tax effect (note 16). The revaluation amount proportionally increased the amount of the original cost and accumulated depreciation at the revaluation date. The input data for determining the fair value of property, plant and equipment is referred to level 3 in the fair value hierarchy (unobservable input data).

The carrying amount of property, plant and equipment, if it would have been recorded at cost less accumulated depreciation, is as follows:

	December 31, 2019	December 31, 2018
Book value (Carrying value)	117 072	119 956

As of December 31, 2019 and 2018 there are no fixed assets pledged as security for liabilities. The initial cost of fully amortised, but still in operation, fixed assets as of December 31, 2019 is 11,774 tenge.

During the reporting period, the Company did not identify any signs of possible impairment of assets.



12. Intangible assets

Availability and movement of intangible assets is shown in the table:

	Software
<i>Initial cost</i>	
As of January 01, 2018	6 089
Receipt	1 956
As of December 31, 2018	8 045
As of December 31, 2019	8 045
<i>Accumulated depreciation</i>	
As of January 01, 2018	1 302
Charge	591
As of December 31, 2018	1 893
Charge	773
As of December 31, 2019	2 666
<i>Book value (Carrying value)</i>	
As of December 31, 2019	5 379
As of December 31, 2018	6 152

The cost of fully amortised but still used intangible assets as at 31 December 2019 is 519 thousand tenge.

13. Short-term trade and other receivables

As at 31 December, accounts payable include:

	December 31, 2019	December 31, 2018
Accounts payable to reinsurers (note 9)	145 435	255 989
Settlements with intermediaries for insurance (reinsurance) activities	10 816	7 393
Trade payables to third parties	2 516	254
Total	158 767	263 636

Short-term trade and other payables are denominated in the following currencies:

	December 31, 2019	December 31, 2018
Eur	10 816	3 752
USD	52 736	98 888
Tenge	95 215	160 996
Total	158 767	263 636

14. Short-term reserves

	December 31, 2019	December 31, 2018
Unused employee leave liability	9 296	7 653
Total	9 296	7 653

The movement of valuation liabilities is presented as follows:

	2019	2018
Opening balance	7 653	5 086
The adjustment of the reserve	1 643	2 567
Closing balance	9 296	7 653



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15. Other current liabilities

	December 31, 2019	December 31, 2018
Taxes payable other than income tax	2 492	2 418
Social Security Obligations	198	165
Liabilities for social health insurance contributions	-	95
Liabilities for pension contributions	1 998	1 631
Total	4 688	4 309

16. Capital

As of December 31, 2019, the authorized capital amounted to 10 000 tenge. In 2019, there were no changes in the amount of the authorized capital.

Dividends

In accordance with the decision of the General meeting on payment of dividends dated March 26, 2019, the Company declared and paid dividends in the amount of KZT 36,000 thousand for the year ended December 31, 2018 (2018: KZT 65,000 thousand for the year ended December 31, 2017).

The movement for the payment and accrual of dividends:

	2019	2018
Accrued	36 000	65 000
Withheld tax at the source of payments	(1 800)	(3 250)
Paid	(34 200)	(61 750)
Closing balance	-	-

Reserve capital

Reserve capital consists of a reserve for revaluation of fixed assets.

The movement of reserve capital is presented as follows:

	2019	2018
Balance at the beginning of the year	13 656	9 958
Revaluation of fixed assets (Note 11)	3 756	5 011
Accrual of deferred tax liabilities	(751)	(1 313)
Closing balance	16 661	13 656

17. Income from brokerage activities

Income from brokerage activities include:

	2019	2018
Income from reinsurance brokerage activities	195 743	174 147
Income from insurance brokerage activities	6 718	15 592
Income from insurance and reinsurance consulting services	147 748	70 356
Total	350 209	260 095

18. Net foreign currency translation gains (losses)

	2019	2018
Foreign exchange gains	33 582	81 472
Foreign exchange difference costs	(29 545)	(63 156)
Total	4 037	18 316



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19. Other operating income (expenses), net

	2019	2018
Other income		
Income on purchase and sale of foreign currency	7 995	49
Income from reimbursement of training expenses	-	10 840
Income from reimbursement of survey expenses	2 407	-
Other income	-	21
Other expenses		
Expenses for buying and selling foreign currency	(10 893)	(1 647)
Survey expenses	(2 507)	-
Other expenses	(18)	(4 226)
Other income (expenses), net	(3 016)	5 037

20. Expenses for payment of commission fees for insurance activities

	2019	2018
Cobrokerage service of reinsurance service	18 064	13 488
Total	18 064	13 488

21. Gross and administrative expenditures

	2019	2018
Labor costs	183 753	132 922
Current taxes and mandatory payments to the budget	20 412	14 116
Client portfolio	10 000	-
Travel expenses	8 177	12 154
The costs of auditing, consulting and information services	7 221	4 653
Expenses on maintenance of computer equipment	6 655	6 782
Depreciation of fixed assets	5 576	4 848
Bank services	5 354	4 076
Fuel and lubricants expenses	1 905	1 781
Expenses for creating a reserve for unused vacations	1 643	-
Participation in the conference	1 417	296
Facility cleaning service	1 391	1 284
Subscription cost	1 355	1 506
Rental costs	1 147	3 995
Membership fee	1 111	873
Postal and courier expenses	1 008	708
Utility costs	821	839
Amortization of intangible assets	773	591
Insurance costs	771	357
Professional development expenses	534	2 385
Repair and maintenance costs	483	456
Services for the production of multimedia products	433	949
Notary services	261	29
Communication services	88	98
Translation service	67	553
Other	9 405	2 768
Total	271 761	199 019

22. Income tax expense

The company makes income tax calculations for the current period based on tax accounting data performed in accordance with the requirements of the tax legislation of the Republic of Kazakhstan and which may differ from International financial reporting standards.

Deferred tax reflects the net tax effect of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amount determined for tax purposes.



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The corporate income tax rate for legal entities of the Republic of Kazakhstan for 2019 and 2018 is set at 20%. Due to the fact that certain types of expenses are not accounted for for tax purposes, the Company has permanent tax differences.

Income tax expenses include:

	December 31, 2019	December 31, 2018
Current corporate income tax	13 426	15 027
Deferred tax expense (savings)	(39)	(109)
Income tax expense	13 387	14 918

The reconciliation between income tax expense and accounting profit multiplied by the income tax rate applicable for the reporting years ended 31 December 2019 and 2018 is as follows:

	2019	2018
Before-tax income	65 017	73 691
At the profit tax rate established by the legislation of the Republic of	13 003	14 738
Non-deductible expenses	384	180
Income tax expense	13 387	14 918

Deferred income tax for 2019 relates to the following items:

	December 31, 2019	December 31, 2018	At the expense of profit or loss	At the expense of revaluation reserve
Tax effect of taxable temporary differences:				
Tax debt	-	(5)	5	-
Reserve for unused leaves	(1 859)	(1 531)	(328)	-
Fixed assets and intangible assets	9 952	9 668	284	-
Revaluation of an office building	751	-	-	751
Net deferred tax liability (asset)	8 844	8 132	(39)	751

Deferred income tax for 2018 relates to the following items:

	December 31, 2018	December 31, 2017	At the expense of profit or loss	At the expense of revaluation reserve
Tax effect of taxable temporary differences:				
Tax debt	(5)	(41)	36	-
Reserve for unused leaves	(1 531)	(1 017)	(514)	-
Fixed assets and intangible assets	(641)	(1 010)	369	-
Revaluation of an office building	10 309	8 996	-	1 313
Net deferred tax liability (asset)	8 132	6 928	(109)	1 313



Operational risk

Operational risk is the risk arising from a system failure, human error, fraud or external event. When the control system ceases to function, operational risks can damage reputation, have legal consequences or lead to financial losses. The Company has a control system that provides for effective division of responsibilities, access rights, approval and reconciliation procedures, and evaluation.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulties in obtaining funds to repay liabilities related to financial instruments. The Company regularly monitors the need for liquidity, and management ensures that funds are available to meet any liabilities that arise. The ultimate responsibility for managing liquidity risk lies with the Company's management.

The table below shows the financial liability of the Company as of December 31 of 2018 and 2019 on the basis of contractual obligations in the context of the maturity of these liabilities.

2019	Less than 3 months	From 1 to 3 months	From 3 months to 1 year	Total
Trade and other payables	111 505	43 128	4 134	158 767
2018	Less than 3 months	From 1 to 3 months	From 3 months to 1 year	Total
Trade and other payables	75 864	55 209	132 563	263 636

24. Fair value of financial instruments

The Company's management believes that the fair value of financial assets and liabilities is close to their book value and represents the amount by which the instrument can be exchanged as a result of the current transaction between parties willing to make such a transaction, other than a forced sale or liquidation.

With respect to trade receivables and payables at maturities of less than six months, the fair value is not significantly different from the book value, since the effect of the money value over time is negligible.

The following methods and assumptions were used to determine fair value:

- The fair value of cash, trade receivables and payables, as well as other short-term assets and liabilities, approximates their carrying value mainly because these instruments will be repaid in the near future.
- The fair value of unquoted instruments is determined by discounting future cash flows using current rates for debts with similar terms, credit risk and maturity terms. The Company's management believes that the carrying value of such instruments is approximately fair.

25. Contingent liabilities

Political and economic environment of the Republic of Kazakhstan

Kazakhstan continues economic reforms and keeps the development of legal, tax and administrative infrastructure that would meet the market economy requirements. The future stability of the Kazakhstan economy will largely depend on the progress of these reforms, as well as on the effectiveness of measures taken by the Government in the economic, financial and monetary policies.

Regarding the Company's activities, the legislation has changed with the adoption of Resolution No. 270 dated October 29, 2018 on establishing requirements for the minimum amount of authorized and equity capital of an insurance broker. The Company's equity capital is sufficient to continue its statutory activities.



Taxation

Tax laws in the Republic of Kazakhstan often undergo changes and are interpreted differently. Interpretation by the management of such laws as applied to the Company's activities may be challenged by the appropriate tax authorities, which, according to the law, may impose fines and penalties. Financial periods remain open for review by tax authorities for five calendar years.

The Company's management believes that all necessary tax accruals have been made, and, accordingly, the accrual of relevant reserves in the separate financial statements is not required.

Lawsuits

In the normal course of business, the Company is not a subject to litigation and claims.

Insurance policies

The Company insures its risks in the following areas:

- insurance of employees against accidents;
- voluntary insurance of civil liability to third parties.

26. Related parties

By definition of IFRS (IAS) 24 "Disclosure of information on related parties", parties are considered to be related if one party has the ability to control the other party or have a significant impact on the other party when making financial or operational decisions. When considering the possible existence of relations between related parties, attention is paid to the essence of the relationship, and not just their legal formalization.

The Company's related parties are its shareholders, jointly controlled companies and key management personnel.

The Company had no transactions between related parties in 2019 and 2018.

Key management personnel remuneration

Remuneration to key management personnel consisting of 2 people, including:

	2019	2018
Salary and other payments	79 986	63 053
Social security contributions	7 275	5 698
Total	87 261	68 751

27. Subsequent events

In January 2020, the Company increased its investment in its subsidiary "MOI Insurance Brokers Asia" LLC to KZT 54 million.

The new coronavirus outbreak continues to spread across countries around the world. The Company will carefully monitor the development of the situation with coronavirus, but it is impossible to assess its financial impact at this stage.

On March 9, 2019, world crude oil prices fell by almost 30 percent and Brent crude oil prices fell to \$ 32 per barrel.

As of the date of approval of these financial statements for issue, the official exchange rate of tenge to the US dollar established by the National Bank of the Republic of Kazakhstan was 425.51 tenge.

