JOINT-STOCK COMPANY JOINT VENTURE «UZBEK LEASING INTERNATIONAL A.O.»

Financial statements for the year ended 31 December 2022 and Independent auditor's report

Content

Grant Thornton

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Independent Auditor's Report

To shareholders and the Supervisory Board of JSC JV «Uzbek Leasing International A.O.»

Opinion

We have audited the financial statements of Joint-Stock Company Joint Venture "Uzbek Leasing International A.O." (hereinafter referred to as the "Company"), which consist of the statement of financial position as at 31 December 2022 and the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year ended on that date and the notes to the financial statements, including a summary of key accounting policies.

In our opinion, the accompanying financial statements present fairly in all material respects the financial position of the Company as at 31 December 2022, as well as its financial results and cash flows for the year ended on that date, in accordance with International Financial Reporting Standards (IFRS).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISA). Our responsibilities in accordance with these standards are described further in the section " Auditor's responsibility for auditing financial statements" of our opinion. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the schedule in the Code of Ethics of Professional Accountants of the International Ethics Standards Board for Accountants (PAIESB Code) and ethical requirements applicable to our audit of the financial statements in the Republic of Uzbekistan, and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information related to comparative information

The audit of the financial statements of the Company for the year ended 31 December 2021 was performed by another auditor who expressed an unmodified opinion on these financial statements dated 17 June 2022.

Other information

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

Our view of the financial statements does not apply to other information, and we will not provide conclusion with assurance of any form regarding this information.

In a view of conducting our audit of the financial statements, our responsibility is to review other information and consider whether there are significant discrepancies between other information and the financial statements or our knowledge gained during the audit and whether other information contains other significant distortion.

If, based on the work we have carried out, we conclude that other information contains a material misstatement, we must report this fact.

Responsibility of the Management and Those Charged with Corporate Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of financial statements in accordance with IFRS and for such internal control system as management determines is necessary to enable the preparation of the financial statements that is free from material misstatements, due to fraud or errors.

In preparing the financial statements, management is responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters relating 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.

The management and those charged with governance are responsible for overseeing the preparation of the financial statements of the Company.

Auditor's responsibility for auditing financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements 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 ISA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or on the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit conducted in accordance with International Standards on Auditing, we apply professional judgment to retain professional skepticism throughout the audit. In addition, we perform the following:

- identify and assess the risks of material misstatement of financial statements due to fraud or error; develop and conduct audit procedures in response to these risks; we obtain audit evidence that is sufficient and appropriate to serve as a basis for expressing our opinion. The risk of non-detection of material as a result of unfair acts is higher than the risk of not detecting a significant distortion as a result of an error, since unfair acts may include conspiracy, fraud, intentional omission, misrepresentation of information or actions bypassing the internal control system;

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Auditor's responsibility for auditing financial statements (continued)

- get an understanding of the internal control system that is relevant to the audit, in order to develop audit procedures that are appropriate for the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control system;
- assess the proper nature of the accounting policies applied and the reasonableness of accounting estimates and the corresponding disclosure of information prepared by management;
- make a conclusion about the legitimacy of management's use of the assumption of business continuity, and on the basis of the obtained audit evidence - the conclusion whether there is a significant uncertainty in connection with events or conditions that may raise significant doubts in the ability of the Company to continue its business continuously. If we conclude that there is significant uncertainty, we must draw attention to our disclosure in the financial statements, or, if such disclosure is inappropriate, modify our opinion. Our conclusions are based on the audit evidence received before the date of our audit report. However, future events or conditions may lead to the Company losing the ability to continue its business continuously;
- assess the presentation of the financial statements in general, its structure and content, including disclosure of information, as well as whether the financial statements present the underlying operations and events in a manner that ensures their reliable representation;
- obtain sufficient appropriate audit evidence relating to the financial information of the organization or activities within the Company in order to express an opinion on the financial statements. We are responsible for the management, control and conduct of the Company's audit. We remain fully responsible for our audit opinion.

We collaborate with persons responsible for corporate governance, including, among other things, information on the planned scope and timing of the audit, as well as significant comments on the audit results, including significant deficiencies in the internal control system that we identify in the course of the audit.

We also provide the Management and those responsible for corporate governance with a statement that we have complied with all relevant ethical requirements regarding independence and informed these individuals about all relationships and other issues that can reasonably be considered to affect the independence of the auditor. And if it is required - on appropriate precautions.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the Company for the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Shoodil Nosirov
Partner

"Grant Thornton" LLC

30 May 2023
Tashkent, Uzbekistan

Statement of financial position

	Notes	31 December 2022 UZS'k	31 December 2021 UZS'k	31 December 2022 USD'k	31 December 2021 USD'k
ASSETS					
Cash and cash equivalents	6	60 013 380	80 008 443	5 346	7 127
Due from banks	7	-	13 041 282	-	1 162
Lease receivables	8	642 655 598	471 654 767	57 250	42 017
Equipment for leasing	9	22 191 633	40 858 231	1 977	3 640
Prepayments to vendors for leasing equipment	10	76 040 237	63 665 096	6 774	5 671
Deferred income tax asset	25	6 587 279	5 041 638	587	449
Premises and equipment	12	10 503 191	1 324 253	936	118
Other assets	11	13 928 692	20 528 474	1 241	1 829
TOTAL ASSETS		**831 920 010**	**696 122 184**	**74 110**	**62 013**
LIABILITIES					
Borrowings	13	552 098 943	542 428 855	49 183	48 321
Lease liabilities	14	-	2 382 313	-	212
Advances from lessees	16	17 297 741	23 348 125	1 541	2 080
Trade payables	17	1 394 893	2 569 971	124	229
Other liabilities	18	10 366 447	1 719 066	923	153
TOTAL LIABILITIES		**581 158 024**	**572 448 330**	**51 771**	**50 996**
EQUITY					
Share capital	19	17 259 944	9 113 589	1 538	812
Additional paid in capital	19	127 568 637	25 714 969	11 364	2 291
Retained earnings		105 933 405	88 845 296	9 437	7 915
TOTAL EQUITY		**250 761 986**	**123 673 854**	**22 339**	**11 018**
TOTAL LIABILITIES AND EQUITY		**831 920 010**	**696 122 184**	**74 110**	**62 013**

Approved and signed on behalf of the management of the Company:

Mustafayev Z.
Chief Executive Officer

Rakhmanova M.
Chief Accountant

30 May 2023

Statement of profit or loss and other comprehensive income

	Notes	2022 UZS'k	2021 UZS'k	2022 USD'k	2021 USD'k
Interest income on leases	20	120 846 551	89 899 151	10 765	8 009
Interest expense on leases	20	(3 638 386)	(2 893 518)	(324)	(258)
Net interest income on leases		**117 208 165**	**87 005 633**	**10 441**	**7 751**
(Accrual) / reversal of expected credit losses оr financial assets	6, 8	4 502 074	1 825 004	401	164
Net interest income on leases after provision on expected credit losses		**121 710 239**	**88 830 637**	**10 842**	**7 915**
Other interest expense	21	(66 165 194)	(44 381 064)	(5 894)	(3 954)
Other operating income	22	9 628 851	7 900 240	858	704
Administrative and other operating expenses	23	(36 599 741)	(27 643 408)	(3 260)	(2 463)
(Accrual) / reversal of expected credit losses on other assets	11	(23 032)	734 863	(2)	65
Foreign exchange (losses) / gains, net		(475 408)	273 208	(42)	24
PROFIT BEFORE INCOME TAX		**28 075 715**	**25 714 476**	**2 501**	**2 291**
Income tax expense	25	(4 434 014)	(3 888 402)	(395)	(346)
PROFIT FOR THE YEAR		**23 641 701**	**21 826 074**	**2 106**	**1 945**

Approved and signed on behalf of the management of the Company:

Mustafayev Z.
Chief Executive Officer

Rakhmanova M.
Chief Accountant

30 May 2023

Statement of changes in equity

	Notes	Share capital UZS'k	Additional paid in capital UZS'k	Retained earnings UZS'k	Total equity UZS'k	Share capital USD'k	Additional paid in capital USD'k	Retained earnings USD'k	Total equity USD'k
Balance as at 1 January 2021		**9 113 589**	**25 714 969**	**78 825 325**	**113 653 883**	**812**	**2 291**	**7 022**	**10 125**
Profit for the year				21 826 074	21 826 074	-	-	1 944	1 944
Other comprehensive income		-	-	-	-	-	-	-	-
Total comprehensive income for the year		-	-	21 826 074	21 826 074	-	-	1 944	1 944
Dividends declared	24			(11 806 103)	(11 806 103)	-	-	(1 052)	(1 052)
Balance as at 31 December 2021		**9 113 589**	**25 714 969**	**88 845 296**	**123 673 854**	**812**	**2 291**	**7 915**	**11 018**
Balance as at 1 January 2022		**9 113 589**	**25 714 969**	**88 845 296**	**123 673 854**	**812**	**2 291**	**7 915**	**11 018**
Profit for the year		-	-	23 641 701	23 641 701	-	-	2 106	2 106
Other comprehensive income		-	-	-	-	-	-	-	-
Capital increase	19	8 146 355	101 853 668		110 000 023	726	9 073	-	9 799
Total comprehensive income for the year		8 146 355	101 853 668	23 641 701	133 641 724	726	9 073	2 106	11 905
Dividends declared	24	-	-	(6 553 592)	(6 553 592)	-	-	(584)	(584)
Balance as at 31 December 2022		**17 259 944**	**127 568 637**	**105 933 405**	**250 761 986**	**1 538**	**11 364**	**9 437**	**22 339**

Approved and signed on behalf of the management of the Company:

Mustafayev Z.
Chief Executive Officer

Rakhmanova M.
Chief Accountant

30 May 2023

The notes on pages from 9 to 58 are an integral part of these financial statements

Statement of cash flows

	2022 UZS'k	2022 USD'k	2021 UZS'k	2021 USD'k
CASH FLOWS FROM OPERATING ACTIVITIES:				
Interest income received on lease	120 846 551	10 765	84 531 695	7 530
Interest paid	(69 803 580)	(6 218)	(42 387 497)	(3 776)
Other operating income received	9 628 851	858	1 786 058	159
Administrative and other operating expenses paid	(14 492 933)	(1 291)	(12 468 416)	(1 111)
Staff costs paid	(17 562 413)	(1 565)	(13 514 615)	(1 204)
Income tax paid	(5 979 655)	(533)	(4 926 798)	(439)
Cash flows from operating activities before changes in operating assets and liabilities	22 636 821	2 016	13 020 427	1 160
Net increase in due from banks	13 041 282	1 162	(8 118 660)	(723)
Net increase (decrease) in lease receivables	(171 000 831)	(15 233)	(67 882 037)	(6 047)
Net (increase)/decrease in equipment for leasing	18 666 598	1 663	21 298 237	1 897
Net decrease/(increase) in prepayments made to vendors for leasing equipment	(12 375 141)	(1 102)	(7 786 785)	(694)
Net (increase)/decrease in other assets	7 234 824	645	(4 697 320)	(418)
Net increase/(decrease) in advance received from lessees	(6 050 384)	(539)	11 330 403	1 009
Net increase in trade payables	(1 175 078)	(105)	(3 921 598)	(349)
Net (decrease)/increase in other liabilities	8 647 381	770	1 679 764	150
Net cash used in operating activities	**(120 374 528)**	**(10 723)**	**(45 077 569)**	**(4 016)**
CASH FLOWS FROM INVESTING ACTIVITIES:				
Purchase of property and equipment	(1 454 795)	(130)	(662 114)	(59)
Acquisition of Right of use asset	(7 724 143)	(688)	-	-
Loans issued to employees	(635 042)	(57)	(3 754 900)	(334)
Net cash used in investing activites	**(9 813 980)**	**(875)**	**(4 417 014)**	**(393)**

Statement of cash flows (Continue)

CASH FLOWS FROM FINANCING ACTIVITIES:				
Dividends paid	(6 553 592)	(584)	(11 806 103)	(1 052)
Capital increase	110 000 023	9 799	-	-
Repayment of lease liabilities	(2 382 313)	(212)	(2 107 439)	(188)
Proceeds from borrowings	231 175 401	20 595	328 597 981	29 273
Repayment of borrowings	(221 505 313)	(19 731)	(188 365 092)	(16 780)
Repayment of bonds	-	-	(4 000 000)	-
Net cash from financing activities	**110 734 206**	**9 867**	**122 319 347**	**10 897**
Effect of exchange rate changes on cash and cash equivalents	(475 408)	(42)	(1 186 317)	(106)
The effect of expected credit losses on cash and cash equivalents	(65 353)	(6)	-	-
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(19 995 063)	(1 781)	71 638 447	6 382
CASH AND CASH EQUIVALENTS at the beginning of period	80 008 443	7 127	8 369 996	746
CASH AND CASH EQUIVALENTS at the end of period	60 013 380	5 346	80 008 443	7 127

Approved and signed on behalf of the management of the Company:

Mustafayev Z.
Chief Executive Officer

Rakhmanova M.
Chief Accountant

30 May 2023

Notes to the financial statements

1 Introduction

These financial statements of Joint Stock Company Joint Venture "Uzbek Leasing International A.O." (the "Company") have been prepared in accordance with International Financial Reporting Standards ("IFRS") for the year ended 31 December 2022.

The Company was incorporated and domiciled in the Republic of Uzbekistan. The Company is a joint stock company limited by shares and was established on 20 March 1996 in accordance with the Decree of the Cabinet of Ministers of Uzbekistan dated 5 January 1995.

The shareholders of the Company are as follows:

	31 December 2022	31 December 2021
National Bank for Foreign Economic activity of Uzbekistan (National Bank of Uzbekistan - NBU)	45.5%	41.6%
Uzbek-Oman Investment Company LLC	44.1%	38.7%
Malayan Banking Berhad	10.4%	19.7%
Total	**100%**	**100%**

Principal activity. The Company's principal activity is providing leases to entities within the Republic of Uzbekistan. The Company had 59 employees as at 31 December 2022 (31 December 2021: 58 employees).

Registered address and place of business. The Company's registered address and principal place of business is: 88A, Amir Temur Street, Tashkent, 100084, Republic of Uzbekistan.

2 Operating environment of the Company

Republic of Uzbekistan. The Uzbekistan economy continues to display characteristics of an emerging market, including but not limited to, a currency that is not freely convertible outside of the country and a low level of liquidity in debt and equity markets. Also, the financial sector in Uzbekistan is particularly impacted by local political, legislative, fiscal and regulatory developments.

Economic stability in Uzbekistan is largely dependent upon the effectiveness of economic measures undertaken by the Government of Uzbekistan, together with other legal, regulatory and political developments, all of which are beyond the Company's control.

The Company's financial position and operating results will continue to be affected by future political and economic developments in Uzbekistan including the application and interpretation of existing and future legislation and tax regulations, which greatly impact Uzbek financial markets and the economy overall. Management is taking necessary measures to ensure sustainability of the Company's operations. However, the future effects of the current economic situation are difficult to predict, and management's current expectations and estimates could differ from actual results.

Uzbekistan experienced the following key economic indicators in 2022:

Inflation: 11.4% (2021: 9.98%);

GDP growth: 5.7% (2021: 7.4%);

Official exchange rates: 31 December 2022: USD 1 = UZS 11 225.46 (31 December 2021: USD 1 = UZS 10 837.66);

Refinancing rate of the Central Bank of Uzbekistan ("CBU") – 15.0% (2021: 14.0%).

3 Significant accounting policies

Basis of preparation. These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") under the historical cost convention, as modified by the initial recognition of financial instruments based on fair value. The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

Foreign currency translation. The functional currency of the Company, being the currency of the primary economic environment in which the entity operates, is the national currency of the Republic of Uzbekistan, Uzbekistan Soums ("UZS"). These financial statements are presented in Uzbek Soums ("UZS") and United States Dollar ("USD").

Foreign currency monetary assets and liabilities are translated into the functional currency at the official exchange rate of the CBU at the end of the respective reporting period. Foreign exchange gains and losses resulting from the settlement of transactions and from the translation of monetary assets and liabilities into the functional currency at year-end official exchange rates of the CBU are recognized in profit or loss. Translation at year-end rates does not apply to non-monetary items that are measured at historical cost.

At 31 December 2022 the principal rates of exchange used for translating foreign currency balances were USD 1 = UZS 11 225.46 and EUR 1 = UZS 11 961.85 (2021: USD 1 = UZS 10 837.66 and EUR 1 = UZS 12 224.88). Exchange restrictions and controls exist over the conversion of UZS into other currencies. At present, the UZS is not a freely convertible currency outside of the Republic of Uzbekistan.

Convenience translation into United States Dollar (USD) amounts

In addition to presenting the financial statements in UZS, supplementary information in USD has been presented for the convenience of users of the financial statements.

All amounts in the financial statements, including comparatives, are translated from UZS to USD at the closing exchange rate at 31 December 2022.

Financial instruments - key measurement terms. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The best evidence of fair value is price in an active market. An active market is one in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. Fair value of financial instruments traded in an active market is measured as the product of the quoted price for the individual asset or liability and the quantity held by the entity. This is the case even if a market's normal daily trading volume is not sufficient to absorb the quantity held and placing orders to sell the position in a single transaction might affect the quoted price.

Valuation techniques such as discounted cash flow models or models based on recent arm's length transactions or consideration of financial data of the investees, are used to measure fair value of certain financial instruments for which external market pricing information is not available. Fair value measurements are analyzed by level in the fair value hierarchy as follows: (i) level one are measurements at quoted prices (unadjusted) in active markets for identical assets or liabilities, (ii) level two measurements are valuations techniques with all material inputs observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices), and (iii) level three measurements are valuations not based on solely observable market data (that is, the measurement requires significant unobservable inputs). Transfers between levels of the fair value hierarchy are deemed to have occurred at the end of the reporting period.

Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial instrument. An incremental cost is one that would not have been incurred if the transaction had not taken place. Transaction costs include fees and commissions paid to agents (including employees acting as selling agents), advisors, brokers and dealers, levies by regulatory agencies and securities exchanges, and transfer taxes and duties. Transaction costs do not include debt premiums or discounts, financing costs or internal administrative or holding costs.

Amortized cost ("AC") is the amount at which the financial instrument was recognized at initial recognition less any principal repayments, plus accrued interest, and for financial assets less any allowance for expected credit losses. Accrued interest includes amortization of transaction costs deferred at initial recognition and of any premium or discount to maturity amount using the effective interest method. Accrued interest income and accrued interest expense, including both accrued coupon and amortized discount or premium (including fees deferred at origination, if any), are not presented separately and are included in the carrying values of related items in the statement of financial position.

The effective interest method is a method of allocating interest income or interest expense over the relevant period, so as to achieve a constant periodic rate of interest (effective interest rate) on the carrying amount. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts (excluding future credit losses) through the expected life of the financial instrument or a shorter period, if appropriate, to the gross carrying amount of the financial instrument.

The effective interest rate discounts cash flows of variable interest instruments to the next interest repricing date, except for the premium or discount, which reflects the credit spread over the floating rate specified in the instrument, or other variables that are not reset to market rates. Such premiums or discounts are amortized over the whole expected life of the instrument. The present value calculation includes all fees paid or received between parties to the contract that are an integral part of the effective interest rate. The present value calculation includes all fees paid or received between parties to the contract that are an integral part of the effective interest rate. For assets that are purchased or originated credit impaired ("POCI") at initial recognition, the effective interest rate is adjusted for credit risk, i.e., it is calculated based on the expected cash flows on initial recognition instead of contractual payments.

Financial instruments – initial recognition. Financial instruments at FVTPL are initially recorded at fair value. All other financial instruments are initially recorded at fair value adjusted for transaction costs. Fair value at initial recognition is best evidenced by the transaction price. A gain or loss on initial recognition is only recorded if there is a difference between fair value and transaction price which can be evidenced by other observable current market transactions in the same instrument or by a valuation technique whose inputs include only data from observable markets. After the initial recognition, an ECL allowance is recognized for financial assets measured at AC and investments in debt instruments measured at FVOCI, resulting in an immediate accounting loss.

All purchases and sales of financial assets that require delivery within the time frame established by regulation or market convention ("regular way" purchases and sales) are recorded at trade date, which is the date on which the Company commits to deliver a financial asset. All other purchases are recognized when the entity becomes a party to the contractual provisions of the instrument.

Financial assets – classification and subsequent measurement – measurement categories. The Company classifies financial assets in the following measurement categories: FVTPL, FVOCI and AC. The classification and subsequent measurement of debt financial assets depends on: (i) the Company's business model for managing the related assets portfolio and (ii) the cash flow characteristics of the asset.

Financial assets – classification and subsequent measurement – business model. The business model reflects how the Company manages the assets in order to generate cash flows – whether the Company's objective is: i) solely to collect the contractual cash flows from the assets ("hold to collect contractual cash flows",) or (ii) to collect both the contractual cash flows and the cash flows arising from the sale of assets ("hold to collect contractual cash flows and sell") or, if neither of (i) and (ii) is applicable, the financial assets are classified as part of "other" business model and measured at FVTPL.

Business model is determined for a group of assets (on a portfolio level) based on all relevant evidence about the activities that the Company undertakes to achieve the objective set out for the portfolio available at the date of the assessment. Factors considered by the Company in determining the business model include the purpose and composition of a portfolio, past experience on how the cash flows for the respective assets were collected, how risks are assessed and managed, and how the assets' performance is assessed.

Financial assets – classification and subsequent measurement – cash flow characteristics. Where the business model is to hold assets to collect contractual cash flows or to hold contractual cash flows and sell, the Company assesses whether the cash flows represent solely payments of principal and interest ("SPPI"). Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are consistent with the SPPI feature. In making this assessment, the Company considers whether the contractual cash flows are consistent with a basic lending arrangement, i.e. interest includes only consideration for credit risk, time value of money, other basic lending risks and profit margin.

Where the contractual terms introduce exposure to risk or volatility that is inconsistent with a basic lending arrangement, the financial asset is classified and measured at FVTPL. The SPPI assessment is performed on initial recognition of an asset and it is not subsequently reassessed.

Financial assets – reclassification. Financial instruments are reclassified only when the business model for managing the portfolio as a whole change. The reclassification has a prospective effect and takes place from the beginning of the first reporting period that follows after the change in the business model. The Company did not change its business model during the current and comparative period and did not make any reclassifications.

Financial assets impairment – credit loss allowance for ECL. The Company assesses, on a forward-looking basis, the ECL for debt instruments measured at AC and FVOCI and for the exposures arising from loan commitments and financial guarantee contracts. The Company measures ECL and recognizes credit loss allowance at each reporting date. The measurement of ECL reflects: (i) an unbiased and probability weighted amount that is determined by evaluating a range of possible outcomes, (ii) time value of money and (iii) all reasonable and supportable information that is available without undue cost and effort at the end of each reporting period about past events, current conditions and forecasts of future conditions.

Debt instruments measured at AC are presented in the statement of financial position net of the allowance for ECL. For debt instruments at FVOCI, changes in amortized cost, net of allowance for ECL, are recognized in profit or loss and other changes in carrying value are recognized in OCI as gains less losses on debt instruments at FVOCI.

The Company applies a three-stage model for impairment, based on changes in credit quality since initial recognition. A financial instrument that is not credit-impaired on initial recognition is classified in Stage 1. Financial assets in Stage 1 have their ECL measured at an amount equal to the portion of lifetime ECL that results from default events possible within the next 12 months or until contractual maturity, if shorter ("12 Months ECL"). If the Company identifies a significant increase in credit risk ("SICR") since initial recognition, the asset is transferred to Stage 2 and its ECL is measured based on ECL on a lifetime basis, that is, up until contractual maturity but considering expected prepayments, if any ("Lifetime ECL"). Refer to Note 26 for a description of how the Company determines when a SICR has occurred. If the Company determines that a financial asset is credit-impaired, the asset is transferred to Stage 3 and its ECL is measured as a Lifetime ECL. The Company's definition of credit impaired assets and definition of default is explained in Note 26. For financial assets that are purchased or originated credit-impaired ("POCI Assets"), the ECL is always measured as a Lifetime ECL. Note 26 provides information about inputs, assumptions and estimation techniques used in measuring ECL, including an explanation of how the Company incorporates forward-looking information in the ECL models.

Financial assets – write-off. Financial assets are written-off, in whole or in part, when the Company exhausted all practical recovery efforts and has concluded that there is no reasonable expectation of recovery. The write-off represents a derecognition event. Indicators that there is no reasonable expectation of recovery include bankruptcy of the counterparty, final decision of the court that eliminates outstanding amount due from counterparty and significant delays in payments. The Company may write-off financial assets that are still subject to enforcement activity when the Company seeks to recover amounts that are contractually due, however, there is no reasonable expectation of recovery.

Financial assets – derecognition. The Company derecognizes financial assets when (a) the assets are redeemed or the rights to cash flows from the assets otherwise expired or (b) the Company has transferred the rights to the cash flows from the financial assets or entered into a qualifying pass-through arrangement while (i) also transferring substantially all risks and rewards of ownership of the assets or (ii) neither transferring nor retaining substantially all risks and rewards of ownership, but not retaining control. Control is retained if the counterparty does not have the practical ability to sell the asset in its entirety to an unrelated third party without needing to impose restrictions on the sale.

Financial liabilities – measurement categories. Financial liabilities are classified as subsequently measured at AC, except for financial liabilities at FVTPL: this classification is applied to derivatives, financial liabilities held for trading (e.g., short positions in securities), contingent consideration recognized by an acquirer in a business combination and other financial liabilities designated as such at initial recognition.

Financial liabilities – derecognition. Financial liabilities are derecognized when they are extinguished (i.e., when the obligation specified in the contract is discharged, cancelled or expires).

An exchange between the Company and its original lenders of debt instruments with substantially different terms, as well as substantial modifications of the terms and conditions of existing financial liabilities, are accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate, is at least 10% different from the discounted present value of the remaining cash flows of the original financial liability. In addition, other qualitative factors, such as the currency that the instrument is denominated in, changes in the type of interest rate, new conversion features attached to the instrument and change in loan covenants are also considered. If an exchange of debt instruments or modification of terms is accounted for as an extinguishment, any costs or fees incurred are recognized as part of the gain or loss on the extinguishment. If the exchange or modification is not accounted for as an extinguishment, any costs or fees incurred adjust the carrying amount of the liability and are amortized over the remaining term of the modified liability.

Modifications of liabilities that do not result in extinguishment are accounted for as a change in estimate using a cumulative catch-up method, with any gain or loss recognized in profit or loss, unless the economic substance of the difference in carrying values is attributed to a capital transaction with owners.

Cash and cash equivalents. Cash and cash equivalents are items which are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Cash and cash equivalents include placements with banks with original maturities of less than three months. Funds restricted for a period of more than three months on origination are excluded from cash and cash equivalents. Cash and cash equivalents are carried at AC because: (i) they are held for collection of contractual cash flows and those cash flows represent SPPI, and (ii) they are not designated at FVTPL.

Due from banks. Amounts due from banks are recorded when the Company advances money to counterparty banks. Amounts due from banks are carried at AC when: (i) they are held for the purposes of collecting contractual cash flows and those cash flows represent SPPI, and (ii) they are not designated at FVTPL.

Lease receivable. Where the Company is a lessor in a lease which transfers substantially all the risks and rewards incidental to ownership to the lessee, the assets leased out are presented as a lease receivable and carried at the present value of the future lease payments. Lease receivables are initially recognized at commencement using a discount rate determined at inception (the earlier of the date of the lease agreement and the date of commitment by the parties to the principal provisions of the lease).

The difference between the gross receivable and the present value represents unearned finance income. This income is recognized over the term of the lease using the net investment method (before tax), which reflects a constant periodic rate of return. Incremental costs directly attributable to negotiating and arranging the lease are included in the initial measurement of the lease receivable and reduce the amount of income recognized over the lease term. Finance income from leases is recorded within interest income on lease in profit or loss for the year.

Inception of the lease. The inception of the lease is considered to be the date of the lease agreement, or the date of commitment, if earlier. For purposes of this definition, a commitment shall be in writing, signed by the parties involved in the transaction, and shall specifically set forth the principal terms of the transaction.

Commencement of the lease term. The commencement of the lease term is the date from which the lessee is entitled to exercise its right to use the leased asset. It is the date of initial recognition of the lease.

Unguaranteed residual value. Unguaranteed residual value is that portion of the residual value of the leased asset, the realization of which by the lessor is not assured or is guaranteed solely by a party related to the lessor.

Equipment for leasing. Equipment for leasing represents equipment purchased to be subsequently transferred into leasing and is stated at cost. If there is a difference between cost and fair value of the equipment at the date of inception of the lease, a gain or loss is recognized when the equipment is reclassified into lease receivables on the date of commencement of the lease term.

Prepayments. Prepayments are carried at cost less provision for impairment. Any advances made to suppliers, for an equipment to be subsequently transferred to lessee, after the date of the inception of the lease and before the date of commencement of the lease term are recorded as "Prepayments to vendors for lease equipment". Prepayments to acquire assets are transferred to the carrying amount of the asset once the Company has obtained control of the asset and it is probable that future economic benefits associated with the asset will flow to the Company. The prepayments in foreign currency to purchase non-financial assets are recognized at the exchange rate prevailing on their recognition date with no subsequent revaluations.

Other prepayments are written off to profit or loss when the goods or services relating to the prepayments are received. If there is an indication that the assets, goods or services relating to a prepayment will not be received, the carrying value of the prepayment is written down accordingly and a corresponding impairment loss is recognized in profit or loss for the year.

Repossessed collateral. Repossessed collateral represents non-financial assets acquired by the Company in settlement of overdue leases. The assets are initially recognized at fair value when acquired and included in premises and equipment, other financial assets, investment properties or inventories within other assets depending on their nature and the Company's intention in respect of recovery of these assets, and are subsequently remeasured and accounted for in accordance with the accounting policies for these categories of assets.

Premises and equipment. Premises and equipment are stated at cost less accumulated depreciation and provision for impairment, where required.

Costs of minor repairs and maintenance are expensed when incurred. Cost of replacing major parts or components of premises and equipment items is capitalized and the replaced part is retired.

At the end of each reporting date the management assess whether there is any indication of impairment of premises and equipment. If any such indication exists, the management estimates the recoverable amount, which is determined as the higher of an asset's fair value less costs to sell and its value in use. The carrying amount is reduced to the recoverable amount and the impairment loss is recognized in the statement of profit or loss and other comprehensive income. An impairment loss recognized for an asset in prior years is reversed if there has been a change in the estimates used to determine the asset's value in use or fair value less costs to sell.

Gains and losses on disposals determined by comparing proceeds with carrying amount are recognized in profit or loss for the year (within other operating income or expenses).

Depreciation. Depreciation on items of property and equipment is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives:

Category of property and equipment	Useful lives in years
Assets in the form of right of use	*5*
Office equipment:	
Furniture and equipment	7-15
Computer equipment	2.5
Vehicles	*5*
Other	*7-15*

The residual value of an asset is the estimated amount that the Company would currently obtain from disposal of the asset less the estimated costs of disposal, if the asset was already of the age and in the condition expected at the end of its useful life. The residual value of an asset is nil if the Company expects to use the asset until the end of its physical life. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Impairment of non-financial assets. Impairment losses are recognised in profit or loss when there is an indication that a non-financial asset may be impaired after the initial recognition. The following criteria are used to determine that there is objective evidence that an impairment loss has occurred:

– evidence is available of obsolescence or physical damage of an asset;
– a vendor does not refund prepayments/advances for goods and/or services in case of termination of a procurement contract due to non-delivery of goods and/or provision of services by the vendor within agreed contractual terms;
– the value of repossessed equipment and building significantly decreases as a result of deteriorating market conditions; and
– market interest rates or other market rates of return on investments have increased during the period, and those increases are likely to affect the discount rate used in calculating an asset's value in use and decrease the asset's recoverable amount materially.

Borrowings. Borrowings are recorded initially at fair value less transaction costs incurred. Subsequently, borrowings are stated at AC using the effective interest method.

Lease liabilities. Where the Company is a lessee in a lease which transferred substantially all the risks and rewards incidental to ownership to the Company, the assets leased are capitalised in premises and equipment at the commencement of the lease at the lower of the fair value of the leased asset, and the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the lease balance outstanding. The corresponding rental obligations, net of future finance charges, are included in lease liabilities. The interest cost is charged to profit or loss for the year over the lease period using the effective interest method. The assets acquired under leases are depreciated over their useful life, or the shorter lease term if the Company is not reasonably certain that it will obtain ownership by the end of the lease term. The Company has elected not to recognize right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Advances from lessees. Payments received by the Company from the lessee before the commencement of the lease term are recorded as advances from lessees. Such amounts are adjusted against lease receivables on the date of commencement of the lease term.

Trade payables. Trade payables are accrued when the counterparty has performed its obligations under the contract and are carried at AC.

Share capital. Shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds. Any excess of the fair value of consideration received over the par value of shares issued is recorded as share premium in equity.

Dividends. Dividends are recorded in equity in the period in which they are declared. Dividends declared after the reporting date and before the financial statements are authorised for issue are disclosed in the subsequent events note. The statutory accounting reports of the Company are the basis for profit distribution and other appropriations. Uzbekistan legislation identifies the basis of distribution as the statutory retained earnings.

Income taxes. Income taxes are provided for in accordance with legislation enacted or substantively enacted by the end of the reporting period. The income tax charge comprises current tax and deferred tax and is recognised in profit or loss for the year except if it is recognised in other comprehensive income or directly in equity because it relates to transactions that are also recognised, in the same or a different period, in other comprehensive income or directly in equity.

Current tax is the amount expected to be paid to or recovered from the taxation authorities in respect of taxable profits or losses for the current and prior periods. Taxable profits or losses are based on estimates if financial statements are authorised prior to filing relevant tax returns. Taxes other than on income are recorded within administrative and other operating expenses.

Deferred income tax is provided using the balance sheet liability method for temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. In accordance with the initial recognition exemption, deferred taxes are not recorded for temporary differences on initial recognition of an asset or a liability in a transaction other than a business combination if the transaction, when initially recorded, affects neither accounting nor taxable profit. Deferred tax balances are measured at tax rates enacted or substantively enacted at the reporting date, which are expected to apply to the period when the temporary differences will reverse. Deferred tax assets for deductible temporary differences are recorded only to the extent that it is probable that future taxable profit will be available against which the deductions can be utilised.

Deferred tax assets for deductible temporary differences and tax loss carry forwards are recorded only to the extent that it is probable that future taxable profit will be available against which the deductions can be utilised.

Income and expense recognition. Interest income and expense are recorded in the statement of profit or loss and other comprehensive income for all debt instruments on an accrual basis using the effective interest method. This method defers, as part of interest income or expense, all fees paid or received between the parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

Fees integral to the effective interest rate include origination fees received or paid by the Company relating to the creation or acquisition of a financial asset or issuance of a financial liability, for example fees for evaluating creditworthiness, evaluating and recording guarantees or collateral, negotiating the terms of the instrument and for processing transaction documents.

Commitment fees received by the Company to originate leases at market interest rates are integral to the effective interest rate if it is probable that the Company will enter into a specific lending arrangement and does not expect to sell the resulting leases shortly after origination.

Other fee and commission income are recognised at a point in time when the Company satisfies its performance obligation, usually upon execution of the underlying transaction. The amount of fee or commission received, or receivable represents the transaction price for the services identified as distinct performance obligations. All other income and expense items are generally recorded on an accrual basis by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be provided.

Staff costs and related contributions. Wages, salaries, contributions to the Uzbekistan state pension and social insurance funds, paid annual leave and sick leave, bonuses, and non-monetary benefits are accrued in the year in which the associated services are rendered by the employees of the Company. The Company has no legal or constructive obligation to make pension or similar benefit payments beyond the payments to the statutory defined contribution scheme.

Presentation of statement of financial position in order of liquidity. The Company does not have a clearly identifiable operating cycle and therefore does not present current and non-current assets and liabilities separately in the statement of financial position. Instead, assets and liabilities are presented in order of their liquidity. Refer to Note 26 for analysis of financial instruments by expected maturity. The following table provides information on amounts expected to be recovered or settled before and after twelve months after the reporting period for items that are not analysed in Note 26.

In thousands of UZS	2022 Amounts expected to be recovered or settled: Within 12 months after the reporting period	2022 Amounts expected to be recovered or settled: Beyond 12 months after the reporting period	2022 Total	2021 Amounts expected to be recovered or settled: Within 12 months after the reporting period	2021 Amounts expected to be recovered or settled: Beyond 12 months after the reporting period	2021 Total
ASSETS						
Equipment for leasing	22 191 633	-	22 191 633	40 858 231	-	40 858 231
Prepayments to vendors for leasing equipment	76 040 237	-	76 040 237	63 665 096	-	63 665 096
Deferred income tax asset	-	6 587 279	6 587 279	-	5 041 638	5 041 638
Property and equipment	-	10 503 191	10 503 191	-	1 324 253	1 324 253
Other non-financial assets	7 496 033	-	7 496 033	15 298 890	-	15 298 890
LIABILITIES						
Advances from lessees	17 297 741	-	17 297 741	-	-	-
Other non-financial liabilities	10 013 136	-	10 013 136	24 798 025	-	24 798 025

In thousands of USD	2022 Amounts expected to be recovered or settled: Within 12 months after the reporting period	2022 Amounts expected to be recovered or settled: Beyond 12 months after the reporting period	2022 Total	2021 Amounts expected to be recovered or settled: Within 12 months after the reporting period	2021 Amounts expected to be recovered or settled: Beyond 12 months after the reporting period	2021 Total
ASSETS						
Equipment for leasing	1 977	-	1 977	3 640	-	3 640
Prepayments to vendors for leasing equipment	6 774	-	6 774	5 671	-	5 671
Deferred income tax asset	-	587	587	-	449	449
Property and equipment	-	936	936	-	118	118
Other non-financial assets	668	-	668	1 363	-	1 363
LIABILITIES						
Advances from lessees	1 541	-	1 541	-	-	-
Other non-financial liabilities	892	-	892	2 209	-	2 209

4 Critical accounting estimates, and judgements in applying accounting policies

The Company makes estimates and assumptions that affect the amounts recognized in the financial statements and the carrying amounts of assets and liabilities within the next financial year. Estimates and judgements are continually evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Management also makes certain judgements, apart from those involving estimations, in the process of applying the accounting policies. Judgements that have the most significant effect on the amounts recognized in the financial statements and estimates that can cause a significant adjustment to the carrying amount of assets and liabilities within the next financial year include:

ECL measurement. Measurement of ECLs is a significant estimate that involves determination of methodology, models and data inputs. Details of ECL measurement methodology are disclosed in Note 26. The following components have a major impact on credit loss allowance: definition of default, SICR, probability of default ("PD"), exposure at default ("EAD"), and loss given default ("LGD"), as well as models of macro-economic scenarios. The Company regularly reviews and validates the models and inputs to the models to reduce any differences between expected credit loss estimates and actual credit loss experience.

The Company used supportable forward-looking information for measurement of ECL, primarily an outcome of its own macro-economic forecasting model. The most significant forward-looking assumptions that correlate with ECL level and their assigned weights were on import figures.

Significant increase in credit risk ("SICR"). In order to determine whether there has been a significant increase in credit risk, the Company compares the risk of a default occurring over the life of a financial instrument at the end of the reporting date with the risk of default at the date of initial recognition. The assessment considers relative increase in credit risk rather than achieving a specific level of credit risk at the end of the reporting period. The Company considers all reasonable and supportable forward-looking information available without undue cost and effort, which includes a range of factors, including behavioral aspects of particular customer portfolios. The Company identifies behavioral indicators of increases in credit risk prior to delinquency and incorporated appropriate forward-looking information into the credit risk assessment, either at an individual instrument, or on a portfolio level. Refer to Note 26.

Deferred income tax asset recognition. The recognized deferred tax asset represents income taxes recoverable through future deductions from taxable profits, and is recorded in the statement of financial position. Deferred income tax assets are recorded to the extent that realization of the related tax benefit is probable. The future taxable profits and the amount of tax benefits that are probable in the future are based on a medium-term business plan prepared by management and extrapolated results thereafter. The business plan is based on management expectations that are believed to be reasonable under the circumstances.

5 New and revised International Financial Reporting Standards ("IFRSs")

New standards, interpretations and amendments to existing standards and interpretations, newly adopted by the Company

The accounting policy adopted in the preparation of separate financial statements corresponds to the policy applied in the preparation of separate financial statements of the Company for 2021, with the exception of the adopted new standards that came into force on 1 January 2022. The Company has not prematurely applied any other standards, clarifications or amendments that have been issued but have not yet entered into force.

- Amendments to IFRS 3 – "References to the Conceptual Framework";
- Amendments to IAS 16 – "Property, Plant and Equipment: Receipts prior to their intended use";
- Amendments to IAS 37 – "Onerous Contracts – Costs to Perform a Contract";
- Amendment to IFRS 1 "First-time Adoption of International Financial Reporting Standards" – a subsidiary adopting International Financial Reporting Standards for the first time;
- Amendment to IFRS 9 "Financial Instruments" – Fees included for "10% test" in case of derecognition of financial liabilities;
- Amendment to IAS 41 "Agriculture" – Taxation in measuring fair value.

These amendments did not have a significant effect on the disclosures or amounts reported in these financial statements.

New and revised IFRS - issued but not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

- IFRS 17 "Insurance Contracts";
- Amendments to IAS 1 – "Classification of Liabilities as Current or Non-current";
- Amendments to IAS 8 – "Definition of Accounting Estimates";
- Amendments to IAS 1 and IFRS Practice Statement 2 – "Disclosure of Accounting Policies";
- Amendments to IAS 12 – "Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction".

The management does not expect the adoption of the above standards to have a significant impact on the Company's financial statements in future periods

6 Cash and cash equivalents

	2022 UZS'k	2021 UZS'k	2022 USD'k	2021 USD'k
Current account in USD	20 432 274	71 177 354	1 820	6 341
Current account in UZS	38 857 820	8 795 484	3 462	784
Current account in EUR	788 639	35 605	70	3
Provision on ECL	(65 353)	-	(6)	-
Total cash and cash equivalents	**60 013 380**	**80 008 443**	**5 346**	**7 127**

For the purpose of ECL measurement cash and cash equivalents balances are included in Stage 1. The table below provides an analysis of the credit quality of cash and cash equivalents based on credit ratings as at 31 December 2022 and 2021, respectively. Refer to Note 26 for the ECL measurement approach.

The credit quality of cash and cash equivalents balances, was as follows:

	Rating	2022 UZS'k	2022 USD'k
Neither past due nor impaired			
National Bank of Uzbekistan	Moody's Ba3	59 029 406	5 259
UzKDB Bank	S&P BB-	860 681	77
Davr Bank	S&P B	188 646	17
Provision on ECL		(65 353)	(6)
Total cash and cash equivalents		**60 013 380**	**5 346**

	Rating	2021 UZS'k	2021 USD'k
Neither past due nor impaired			
National Bank of Uzbekistan	Moody's B1	79 161 558	7 052
UzKDB Bank	S&P BB-	670 002	60
Davr Bank	S&P B	176 737	16
JSC Sanoat qurilish Bank	S&P BB-	4	-
Tenge Bank	Moody's B3	70	-
Ipak yo'li bank	Fitch B	72	-
Total cash and cash equivalents		**80 008 443**	**7 127**

Geographical, currency and interest rate analysis of cash and cash equivalents are disclosed in Note 26. Information on cash and cash equivalents held with related parties is disclosed in Note 29.

7 Due from banks

	2022 UZS'k	2021 UZS'k	2022 USD'k	2021 USD'k
Restricted cash by letter of credit in EUR	-	4 858 849	-	433
Restricted cash by letter of credit in USD	-	8 182 433	-	729
Total due from banks	**-**	**13 041 282**	**-**	**1 162**

The credit quality of due from banks balances, was as follows:

Financial institution	**Rating**	**2022 UZS'k**	**2021 UZS'k**	**2022 USD'k**	**2021 USD'k**
Neither past nor impared					
National Bank of Uzbekistan	Moody's B1	-	13 041 282	-	1 162
Due from banks		**-**	**13 041 282**	**-**	**1 162**

Geographical, currency and interest rate analysis of due from banks are disclosed in Note 26 and 29.

8 Lease receivables

	2022 UZS'k	**2021 UZS'k**	**2022 USD'k**	**2021 USD'k**
Lease receivables	655 227 484	488 794 080	58 370	43 544
Less provision on expected credit losses	(12 571 886)	(17 139 313)	(1 120)	(1 527)
Total lease receivables, net	**642 655 598**	**471 654 767**	**57 250**	**42 017**

As at 31 December 2022 there are 543 (31 December 2021: 508) lease contracts, which expire over the next 1-7 years. The normal contractual lease arrangements of the Company include the following main terms and conditions:

- Lease term (1-7 years);
- Finance income computed using effective interest rate method;
- Lessee is required to make payments in advance of lease period of one or three months depending on a level of credit risk of a lessee. These advance lease payments are treated as advances from lessees and recognized as Company's liability until the commencement date of those leases;
- Lessee insures risks related to the leased assets such as damage caused by various reasons, theft and other with an insurer approved by the Company and keeps it insured throughout the term of the lease. Insurance fees are paid by the Lessee;
- The Company is entitled to possession of the equipment if certain terms of the agreement are not fulfilled;
- Initial direct costs are initially borne by the Company and are reimbursed by lessees prior to the inception of the lease; and
- Lessee is entitled for the option to be the first to purchase leased equipment upon expiry of the lease agreement. In that case the sale value of the equipment after the lease period should not exceed 10% of the monthly rentals.

The Company holds title to the leased assets during the lease term.

Economic sector risk concentrations within the customer lease portfolio are as follows:

	31 December 2022			**31 December 2021**		
	Amount UZS'k	**Amount USD'k**	**%**	**Amount UZS'k**	**Amount USD'k**	**%**
Construction	108 743 160	9 687	16.6%	82 788 043	7 375	16.9%
Construction materials	87 860 377	7 827	13.4%	66 802 407	5 951	13.7%
Food production and processing	84 261 792	7 506	12.9%	57 142 588	5 090	11.7%
Trade	59 177 700	5 272	9.0%	30 150 478	2 686	6.2%
Textile	54 795 440	4 881	8.4%	19 565 325	1 743	4.0%
Paper production and printing	32 426 506	2 889	4.9%	34 082 817	3 036	7.0%
Oil & gas industry	30 876 973	2 751	4.7%	32 908 479	2 932	6.7%
Chemical	28 824 136	2 568	4.4%	39 574 431	3 525	8.1%
Agriculture	28 351 929	2 526	4.3%	22 275 226	1 984	4.6%
Business and other services	32 008 288	2 851	4.9%	14 799 941	1 318	3.0%
Transport	19 494 851	1 737	3.0%	14 263 582	1 271	2.9%
Medicine	18 069 439	1 610	2.8%	37 401 926	3 332	7.7%
Pharmaceutical	5 932 063	528	0.9%	4 076 549	363	0.8%
Tourism & catering	4 966 012	442	0.8%	6 832 692	609	1.4%
Other	59 438 815	5 295	9.1%	26 129 595	2 329	5.2%
Total lease receivables (before provision on expected credit losses)	**655 227 484**	**58 370**	**100%**	**488 794 080**	**43 544**	**100%**

The following table discloses the changes in the provision on expected credit losses and gross carrying amount for lease receivables carried at amortized cost between the beginning and the end of the reporting period:

	Provision on ECL					Gross carrying amount				
In thousands of UZS	**Stage 1 (12-months ECL)**	**Stage 2 (lifetime ECL for SICR)**	**Stage 3 (lifetime ECL for credit impaired)**	**POCI**	**Total**	**Stage 1 (12-months ECL)**	**Stage 2 (lifetime ECL for SICR)**	**Stage 3 (lifetime ECL for credit impaired)**	**POCI**	**Total**
Lease receivables at 1 January 2022	**4 960 221**	**1 409 405**	**9 404 240**	**1 365 447**	**17 139 313**	**353 268 314**	**25 761 972**	**80 848 600**	**28 915 194**	**488 794 080**
Movements with impact on provision for expected credit losses charge for the period:										
Transfers:										
- to lifetime (from Stage 1 to Stage 2)	(765 913)	765 913	-	-	-	(58 392 457)	58 392 457	-	-	-
- to credit-impaired (from Stage 1 and Stage 2 to Stage 3)	(276 265)	(124 523)	400 788	-	-	(23 273 867)	(6 187 353)	29 461 220	-	-
- to 12-months ECL (from Stage 2 and Stage 3 to Stage 1)	2 713 961	(500 747)	(2 213 214)	-	-	17 168 550	(6 678 479)	(10 490 071)	-	-
- partially cured (from Stage 3 to Stage 2)	-	1 606 647	(1 606 647)	-	-	-	20 254 004	(20 254 004)	-	-
New originated or purchased	3 507 527	152 468	(33 739)	-	3 626 256	273 149 009	33 996 532	8 142 027	-	315 287 568
Derecognised during the period	(2 838 397)	(1 071 902)	(40 537)	-	(3 950 836)	(36 824 752)	(24 827 089)	14 013 885	-	(47 637 956)
Changes to ECL measurement model assumptions and repayments	419 687	255 651	(3 942 325)	(1 365 447)	(4 632 434)	(83 535 395)	(3 365 952)	(8 697 959)	(28 915 194)	(124 514 500)
Total movements with impact on provision for expected credit losses charge for the period	**2 760 600**	**1 083 507**	**(7 435 674)**	**(1 365 447)**	**(4 957 014)**	**88 291 088**	**71 584 120**	**12 175 098**	**(28 915 194)**	**143 135 112**
Movements without impact on provision for expected credit losses charge for the period:										
FX and other movements	266 894	88 954	33 739	-	389 587	16 386 510	3 612 567	3 299 215	-	23 298 292
At 31 December 2022	**7 987 715**	**2 581 866**	**2 002 305**	**-**	**12 571 886**	**457 945 912**	**100 958 659**	**96 322 913**	**-**	**655 227 484**

	Provision on ECL					Gross carrying amount				
In thousands of USD	**Stage 1 (12-months ECL)**	**Stage 2 (lifetime ECL for SICR)**	**Stage 3 (lifetime ECL for credit impaired)**	**POCI**	**Total**	**Stage 1 (12-months ECL)**	**Stage 2 (lifetime ECL for SICR)**	**Stage 3 (lifetime ECL for credit impaired)**	**POCI**	**Total**
Lease receivables										
at 1 January 2022	**442**	**126**	**838**	**121**	**1 527**	**31 471**	**2 295**	**7 202**	**2 576**	**43 544**
Movements with impact on provision for expected credit losses charge for the period:										
Transfers:										
- to lifetime (from Stage 1 to Stage 2)	(68)	68	-	-	-	(5 202)	5 202	-	-	-
- to credit-impaired (from Stage 1 and Stage 2 to Stage 3)	(25)	(11)	36	-	-	(2 073)	(552)	2 625	-	-
- to 12-months ECL (from Stage 2 and Stage 3 to Stage 1)	242	(45)	(197)	-	-	1 529	(595)	(934)	-	-
- partially cured (from Stage 3 to Stage 2)	-	143	(143)	-	-	-	1 804	(1 804)	-	-
New originated or purchased	313	14	(5)	-	322	24 333	3 029	725	-	28 087
Derecognised during the period	(253)	(96)	(4)	-	(353)	(3 280)	(2 212)	1 248	-	(4 244)
Changes to ECL measurement model assumptions and repayments	37	23	(350)	(121)	(411)	(7 442)	(300)	(775)	(2 576)	(11 093)
Total movements with impact on provision for expected credit losses charge for the period	**246**	**96**	**(663)**	**(121)**	**(442)**	**7 865**	**6 376**	**1 085**	**(2 576)**	**12 750**
Movements without impact on provision for expected credit losses charge for the period:										
FX and other movements	24	8	3	-	35	1 460	322	294	-	2 076
At 31 December 2022	**712**	**230**	**178**	**-**	**1 120**	**40 796**	**8 993**	**8 581**	**-**	**58 370**

The following table discloses the changes in the provision on expected credit losses and gross carrying amount for financial lease receivables carried at amortized cost between the beginning and the end of 2021:

	Provision on ECL					Gross carrying amount				
In thousands of UZS	**Stage 1 (12-months ECL)**	**Stage 2 (lifetime ECL for SICR)**	**Stage 3 (lifetime ECL for credit impaired)**	**POCI**	**Total**	**Stage 1 (12-months ECL)**	**Stage 2 (lifetime ECL for SICR)**	**Stage 3 (lifetime ECL for credit impaired)**	**POCI**	**Total**
Lease receivables at 1 January 2021	**3 450 936**	**1 454 304**	**12 414 543**	**-**	**17 319 783**	**248 501 110**	**18 451 139**	**137 782 867**	**-**	**404 735 116**
Movements with impact on credit loss allowance charge for the period:										
Transfers:										
- to lifetime (from Stage 1 to Stage 2)	(193 380)	193 380	-	-	-	(6 559 343)	6 559 343	-	-	-
- to credit-impaired (from Stage 1 and Stage 2 to Stage 3)	(86 459)	(180 301)	266 760	-	-	(10 512 308)	(10 950 016)	21 462 324	-	-
- to 12-months ECL (from Stage 2 and Stage 3 to Stage 1)	4 685 186	(695 777)	(3 989 409)	-	-	35 244 913	(3 660 697)	(31 584 216)	-	-
- partially cured (from Stage 3 to Stage 2)	-	1 367 702	(1 367 702)	-	-	-	18 576 590	(18 576 590)	-	-
New originated or purchased	2 584 253	542 165	497 016	1 365 447	4 988 881	190 352 237	5 092 353	7 723 932	28 915 194	232 083 716
Changes to ECL measurement model assumptions and repayments	(5 481 403)	(1 272 068)	(138 107)	-	(6 891 578)	(105 384 367)	(8 808 211)	(32 227 311)	-	(146 419 889)
Termination	-	-	37 849	-	37 849	-	-	(4 461 609)	-	(4 461 609)
Unwinding of discount on present value of ECLs	-	-	1 644 534	-	1 644 534	-	-	-	-	-
Total movements with impact on credit loss allowance charge for the period	**1 508 197**	**(44 899)**	**(3 049 059)**	**1 365 447**	**(220 314)**	**103 141 132**	**6 809 362**	**(57 663 470)**	**28 915 194**	**81 202 218**
Movements without impact on credit loss allowance charge for the period:										
FX and other movements	1 088	-	38 756	-	39 844	1 626 072	501 471	729 203	-	2 856 746
At 31 December 2021	**4 960 221**	**1 409 405**	**9 404 240**	**1 365 447**	**17 139 313**	**353 268 314**	**25 761 972**	**80 848 600**	**28 915 194**	**488 794 080**

In thousands of USD	Provision on ECL					Gross carrying amount				
	Stage 1 (12-months ECL)	**Stage 2 (lifetime ECL for SICR)**	**Stage 3 (lifetime ECL for credit impaired)**	**POCI**	**Total**	**Stage 1 (12-months ECL)**	**Stage 2 (lifetime ECL for SICR)**	**Stage 3 (lifetime ECL for credit impaired)**	**POCI**	**Total**
Lease receivables										
at 1 January 2021	**307**	**130**	**1 106**	**-**	**1 543**	**22 138**	**1 644**	**12 274**	**-**	**36 056**
Movements with impact on credit loss allowance charge for the period:										
Transfers:										
- to lifetime (from Stage 1 to Stage 2)	(17)	17	-	-	-	(584)	584	-	-	-
- to credit-impaired (from Stage 1 and Stage 2 to Stage 3)	(8)	(16)	24	-	-	(936)	(975)	1 911	-	-
- to 12-months ECL (from Stage 2 and Stage 3 to Stage 1)	417	(62)	(355)	-	-	3 140	(326)	(2 814)	-	-
- partially cured (from Stage 3 to Stage 2)	-	122	(122)	-	-	-	1 655	(1 655)	-	-
New originated or purchased	230	48	44	121	443	16 957	454	688	2 576	20 675
Changes to ECL measurement model assumptions and repayments	(488)	(113)	(12)	-	(613)	(9 388)	(785)	(2 871)	-	(13 044)
Termination	-	-	3	-	3	-	-	(397)	-	(397)
Unwinding of discount on present value of ECLs	-	-	147	-	147	-	-	-	-	-
Total movements with impact on credit loss allowance charge for the period	**134**	**(4)**	**(271)**	**121**	**(20)**	**9 189**	**607**	**(5 138)**	**2 576**	**7 234**
Movements without impact on credit loss allowance charge for the period:										
FX and other movements	1	-	3	-	4	144	44	66	-	254
At 31 December 2021	**442**	**126**	**838**	**121**	**1 527**	**31 471**	**2 295**	**7 202**	**2 576**	**43 544**

The credit loss allowance for lease receivables from customers recognized in the period is impacted by a variety of factors, details of ECL measurement are provided in Note 26. Below, main movements in the table are described:

- Transfers between Stage 1, 2 and 3 are due to balances experiencing significant increases (or decreases) of credit risk or becoming credit-impaired in the period, and the consequent "step up" (or "step down") between 12-month and Lifetime ECL;
- Additional allowances for new financial instruments recognized during the period, as well as releases for financial instruments derecognized in the period;
- Impact on the measurement of ECL due to changes to model assumptions, including changes in PDs, EADs and LGDs in the period, arising from update of inputs to ECL models;
- Write-offs of allowances related to assets that were written off during the period.

The following table contains an analysis of the credit risk exposure of lease receivables from customers measured at amortized cost and for which an ECL allowance is recognized. The carrying amount of lease receivables from customers below also represents the Company's maximum exposure to credit risk on these lease receivables.

The credit quality of lease receivables from corporate customers carried at amortized cost is as follows at 31 December 2022:

In thousands of UZS	**Stage 1 (12-months ECL)**	**Stage 2 (lifetime ECL for SICR)**	**Stage 3 (lifetime ECL for credit impaired)**	**Total**
Lease receivables				
Non overdue	372 289 686	4 840 800	15 533 637	392 664 123
Less than 30 days overdue	84 194 844	26 663 862	36 334 636	147 193 342
31 to 90 days overdue	490 038	69 453 997	4 087 337	74 031 372
91 to 365 days overdue	-	-	26 667 230	26 667 230
Over 365 days overdue	-	-	14 671 417	14 671 417
Gross carrying amount	**456 974 568**	**100 958 659**	**97 294 257**	**655 227 484**
Provision on ECL	(7 987 715)	(2 581 866)	(2 002 305)	(12 571 886)
Carrying amount	**448 986 853**	**98 376 793**	**95 291 952**	**642 655 598**

In thousands of USD	**Stage 1 (12-months ECL)**	**Stage 2 (lifetime ECL for SICR)**	**Stage 3 (lifetime ECL for credit impaired)**	**Total**
Lease receivables				
Non overdue	33 165	431	1 384	34 980
Less than 30 days overdue	7 500	2 375	3 237	13 112
31 to 90 days overdue	44	6 187	364	6 595
91 to 365 days overdue	-	-	2 376	2 376
Over 365 days overdue	-	-	1 307	1 307
Gross carrying amount	**40 709**	**8 993**	**8 668**	**58 370**
Provision on ECL	(712)	(230)	(178)	(1 120)
Carrying amount	**39 997**	**8 763**	**8 490**	**57 250**

The credit quality of lease receivables from corporate customers carried at amortized cost is as follows at 31 December 2021:

In thousands of UZS	**Stage 1 (12-months ECL)**	**Stage 2 (lifetime ECL for SICR)**	**Stage 3 (lifetime ECL for credit impaired)**	**POCI**	**Total**
Lease receivables					
Non overdue	290 745 481	2 492 505	19 930 250	28 915 194	342 083 430
Less than 30 days overdue	62 522 833	11 394 235	20 512 338	-	94 429 406
31 to 90 days overdue	-	11 875 232	4 844 010	-	16 719 242
91 to 365 days overdue	-	-	21 875 692	-	21 875 692
Over 365 days overdue	-	-	13 686 310	-	13 686 310
Gross carrying amount	**353 268 314**	**25 761 972**	**80 848 600**	**28 915 194**	**488 794 080**
Provision on ECL	(4 960 221)	(1 409 405)	(9 404 240)	(1 365 447)	(17 139 313)
Carrying amount	**348 308 093**	**24 352 567**	**71 444 360**	**27 549 747**	**471 654 767**

In thousands of UZS	**Stage 1 (12-months ECL)**	**Stage 2 (lifetime ECL for SICR)**	**Stage 3 (lifetime ECL for credit impaired)**	**POCI**	**Total**
Lease receivables					
Non overdue	25 901	222	1 775	2 576	30 474
Less than 30 days overdue	5 570	1 015	1 827	-	8 412
31 to 90 days overdue	-	1 058	432	-	1 490
91 to 365 days overdue	-	-	1 949	-	1 949
Over 365 days overdue	-	-	1 219	-	1 219
Gross carrying amount	**31 471**	**2 295**	**7 202**	**2 576**	**43 544**
Provision on ECL	(442)	(126)	(838)	(121)	(1 527)
Carrying amount	**31 029**	**2 169**	**6 364**	**2 455**	**42 017**

The extent to which collateral and other credit enhancements mitigate credit risk for financial assets carried at amortized cost that are credit impaired, is presented by disclosing collateral values separately for (i) those assets where collateral and other credit enhancements are equal to or exceed carrying value of the asset ("over-collateralised assets") and (ii) those assets where collateral and other credit enhancements are less than the carrying value of the asset ("under-collateralised assets").

The effect of collateral at 31 December 2022 is presented for all leases, whether impaired or not, as follows:

	Over-collateralised assets		**Under-collateralised assets**	
In thousands of UZS	Carrying value of assets	Fair value of collateral	Carrying value of assets	Fair value of collateral
Lease receivables collateralised by:				
- equipment	45 436 095	45 436 095	38 748 413	24 487 765
- motor vehicle	157 862 731	157 862 731	19 013 687	12 016 046
- non-residential real estate	230 409 199	230 409 199	163 023 158	103 025 454
- others	-	-	734 201	-
Total lease receivables	**433 708 025**	**433 708 025**	**221 519 459**	**139 529 265**

In thousands of USD	Over-collateralised assets: Carrying value of assets	Over-collateralised assets: Fair value of collateral	Under-collateralised assets: Carrying value of assets	Under-collateralised assets: Fair value of collateral
Lease receivables collateralised by:				
- equipment	4 048	4 048	3 452	2 181
- motor vehicle	14 063	14 063	1 694	1 070
- non-residential real estate	20 526	20 526	14 523	9 178
- others	-	-	65	-
Total lease receivables	**38 636**	**38 636**	**19 734**	**12 430**

The effect of collateral at 31 December 2021 is presented for all leases, whether impaired or not, as follows:

In thousands of UZS	Over-collateralised assets: Carrying value of assets	Over-collateralised assets: Fair value of collateral	Under-collateralised assets: Carrying value of assets	Under-collateralised assets: Fair value of collateral
Lease receivables collateralised by:				
- equipment	120 991 770	120 991 770	54 987 523	47 775 011
- motor vehicle	140 584 143	140 584 143	4 542 033	3 946 271
- non-residential real estate	150 123 520	150 123 520	17 565 091	15 261 143
Total lease receivables	**411 699 433**	**411 699 433**	**77 094 647**	**66 982 425**

In thousands of USD	Over-collateralised assets: Carrying value of assets	Over-collateralised assets: Fair value of collateral	Under-collateralised assets: Carrying value of assets	Under-collateralised assets: Fair value of collateral
Lease receivables collateralised by:				
- equipment	10 778	10 778	4 899	4 256
- motor vehicle	12 524	12 524	405	352
- non-residential real estate	13 373	13 373	1 565	1 360
Total lease receivables	**36 675**	**36 675**	**6 869**	**5 968**

The Company obtains collateral valuation at the time of granting leases and generally updates it every two to three years, depending on the significance of the lease exposure. The values of collateral considered in this disclosure are after a valuation haircut of 20-50% applied to consider liquidity and quality of the pledged assets.

In thousands of UZS	**Due in 1 year**	**Due between 2 and 5 years**	**Due after 5 years**	**Total**
Lease payments receivable as at 31 December 2022	**418 801 355**	**447 963 518**	**2 049 195**	**868 814 068**
Less unearned finance income	(109 786 321)	(101 851 519)	(1 948 744)	(213 586 585)
Less provision on ECL	(8 325 473)	(4 239 101)	(7 311)	(12 571 886)
Present value of lease payments receivable as at 31 December 2022	**300 689 561**	**341 872 898**	**93 139**	**642 655 598**
Lease payments receivable as at 31 December 2021	**286 374 756**	**371 716 689**	**532 465**	**658 623 910**
Less unearned finance income	(92 181 845)	(77 559 222)	(88 763)	(169 829 830)
Less provision on ECL	(5 146 776)	(11 992 537)	-	(17 139 313)
Present value of lease payments receivable as at 31 December 2021	**189 046 135**	**282 164 930**	**443 702**	**471 654 767**

In thousands of USD	Due in 1 year	Due between 2 and 5 years	Due after 5 years	Total
Lease payments receivable as at 31 December 2022	**37 308**	**39 906**	**183**	**77 397**
Less unearned finance income	(9 780)	(9 073)	(174)	(19 027)
Less provision on ECL	(741)	(378)	(1)	(1 120)
Present value of lease payments receivable as at 31 December 2022	**26 787**	**30 455**	**8**	**57 250**
Lease payments receivable as at 31 December 2021	**25 511**	**33 114**	**47**	**58 672**
Less unearned finance income	(8 212)	(6 908)	(8)	(15 128)
Less provision on ECL	(458)	(1 069)	-	(1 527)
Present value of lease payments receivable as at 31 December 2021	**16 841**	**25 137**	**39**	**42 017**

Geographical, currency, maturity and interest rate analysis of lease receivables are disclosed in Note 26.

9 Equipment for leasing

Equipment for leasing represents equipment purchased for leasing purposes and yet to be transferred to the lessees.

	2022 UZS'k	2021 UZS'k	2022 USD'k	2021 USD'k
Equipment at 1 January (at cost)	40 858 231	62 156 468	3 640	5 537
Equipment acquired during the year	380 952 883	250 766 881	33 937	22 339
Equipment transferred to leases	(399 619 481)	(272 065 118)	(35 599)	(24 236)
Equipment at 31 December (at cost)	**22 191 633**	**40 858 231**	**1 977**	**3 640**

At 31 December 2022, the outstanding balance of equipment for leasing mainly consisted of compressor, high speed pipe extrusion line, tractor trailer, weaving machine, chocolate production line and other equipment on lease projects.

10 Prepayments to vendors for leasing equipment

	2022 UZS'k	2021 UZS'k	2022 USD'k	2021 USD'k
Foreign vendors	43 399 062	41 157 199	3 866	3 666
Domestic vendors	32 641 175	22 507 897	2 908	2 005
Total prepayments to vendors for leasing equipment	**76 040 237**	**63 665 096**	**6 774**	**5 671**

11 Other assets

	2022 UZS'k	2021 UZS'k	2022 USD'k	2021 USD'k
Other financial assets				
Loans to employees	4 768 669	4 133 627	425	368
Loans to companies	173 350	173 350	15	15
Claims receivables	55 835	48 220	5	4
Other	1 608 155	1 024 705	143	91
Less: credit loss allowance /provision for impairment	(173 350)	(150 318)	(15)	(13)
Total other financial assets	**6 432 659**	**5 229 584**	**573**	**466**
Other non-financial assets				
Repossessed assets	4 190 139	7 787 374	373	694
Prepaid taxes and other contributions	1 837 372	3 666 274	164	327
Prepayment to suppliers	1 243 654	1 277 204	111	114
Prepaid expenses	192 574	2 338 652	17	208
Other	32 294	229 386	3	20
Total other non-financial assets	**7 496 033**	**15 298 890**	**668**	**1 363**
Total other assets	**13 928 692**	**20 528 474**	**1 241**	**1 829**

Loans to employees are long term loans provided to Company's employees at the interest rate of 14%-17% (31 December 2021: 14-16%). As at 31 December 2022 no collateral was obtained for loans to employees and no provision was recorded (31 December 2021: no collateral was obtained for loans to employees and no provision was recorded).

Geographical, currency and maturity analysis of other assets are disclosed in Note 26. The information on related party balances is disclosed in Note 29.

12 Promises and equipment

In thousands of Uzbek Soums	**Assets in the form of right of use**	**Furniture and office equipment**	**Vehicles**	**Other**	**Total**
Cost at 31 December 2021	-	1 271 529	1 286 778	295 829	2 854 136
Accumulated depreciation and amortisation	-	(625 019)	(806 948)	(97 916)	(1 529 883)
Carrying amount at 31 December 2021	**-**	**646 510**	**479 830**	**197 913**	**1 324 253**
Additions	9 655 179	438 515	1 611 203	23 636	11 728 533
Disposal - Cost	-	(46 671)	(74 886)	-	(121 557)
Disposal - Accumulated depreciation	-	46 671	74 886	-	121 557
Depreciation and amortisation charge for the year	(1 931 036)	(203 960)	(378 472)	(36 127)	(2 549 595)
Carrying amount at 31 December 2022	**7 724 143**	**881 064**	**1 712 561**	**185 422**	**10 503 191**
Cost at 31 December 2022	9 655 179	1 663 373	2 823 095	319 465	14 461 112
Accumulated depreciation and amortisation	(1 931 036)	(782 308)	(1 110 534)	(134 043)	(3 957 921)
Carrying amount at 31 December 2022	**7 724 143**	**881 064**	**1 712 561**	**185 422**	**10 503 191**

In thousands of US Dollars	**Assets in the form of right of use**	**Furniture and office equipment**	**Vehicles**	**Other**	**Total**
Cost at 31 December 2021	-	114	115	26	255
Accumulated depreciation and amortisation	-	(56)	(72)	(9)	(137)
Carrying amount at 31 December 2021	**-**	**58**	**43**	**17**	**118**
Additions	860	39	144	2	1 045
Disposal - Cost	-	(4)	(7)	-	(11)
Disposal - Accumulated depreciation	-	4	7	-	11
Depreciation and amortisation charge for the year	(172)	(18)	(34)	(3)	(227)
Carrying amount at 31 December 2022	**688**	**79**	**153**	**16**	**936**
Cost at 31 December 2022	860	149	252	28	1 289
Accumulated depreciation and amortisation	(172)	(70)	(99)	(12)	(353)
Carrying amount at 31 December 2022	**688**	**79**	**153**	**16**	**936**

13 Borrowings

Borrowings were provided by the following parties:

Parties	2022 UZS'k	2021 UZS'k	2022 USD'k	2021 USD'k
National Bank of Uzbekistan	131 527 817	141 269 853	11 717	12 585
Asian Development Bank	95 780 507	103 115 553	8 532	9 186
KDB Bank of Uzbekistan	90 410 300	64 201 874	8 054	5 719
BLUEORCHARD COVID-19 EMERGING & FRONTIER MARKETS MSME SUPPORT FUND	55 875 193	53 752 118	4 978	4 788
AGRIF COOPERATIF U.A.	39 227 010	27 214 137	3 494	2 424
BLUEORCHARD MICROFINANCE FUND	33 525 116	32 251 272	2 987	2 873
INCOFIN INCLUSIVE FINANCE FUND SA	33 045 160	16 842 937	2 944	1 500
Uzbek-Oman Investment Company LLC	30 000 000	25 000 000	2 672	2 227
European Bank for reconstruction and Development	21 348 229	30 470 784	1 902	2 714
Islamic Corporation of Development of Private Sector	9 521 533	-	848	-
AKA AUSFUHRKREDIT-GESEIISCHAFT	9 372 282	23 542 754	835	2 097
ЧЗАКБ "DAVR - BANK"	1 465 796	2 723 191	131	243
ARIA SUG'URTA TASHKILOT	1 000 000	1 000 000	89	89
INCOFIN CVSO CVBA-SO	-	20 479 382	-	1 824
Asia Power	-	565 000	-	50
Total Borrowings	**552 098 943**	**542 428 855**	**49 183**	**48 321**

The Company's borrowings are denominated in the following currencies:

	2022 UZS`k	2021 UZS`k	2022 USD`k	2021 USD`k
Borrowings denominated in:				
US Dollars	325 804 036	288 853 217	29 024	25 732
Uzbek Soums	183 877 465	192 710 565	16 380	17 167
EURO	42 417 442	60 865 073	3 779	5 422
Total Borrowings	**552 098 943**	**542 428 855**	**49 183**	**48 321**

As at 31 December 2022 loan facilities borrowed comprised the following:

- Borrowings from National Bank of Uzbekistan are loans obtained through credit line with a credit limit to the amount equivalent to USD 20 million, currency equivalent of UZS 224 509 200 thousand (at FX rate as at 31 December 2022), which was obtained for financing purchases of lease objects. The credit line can be drawn only in UZS and can be used for hard currency denominated leases through conversion UZS to USD/EUR as well. The loan term does not exceed three years for each individual project. The repayment of the loan principal is in equal monthly instalments. Interest rate on this loan facility ranges between 14%-23% p.a. subject to CBU base rate. Current interest rate of this credit line is 21% p.a.
- In accordance with the loan agreement dated 3 March 2017 between the Ministry of Finance of the Republic of Uzbekistan and Asian Development Bank (ADB), ADB issued a loan to the Republic of Uzbekistan for the purpose of the project named "Small Business Finance Project" provided that the Republic of Uzbekistan issues a sub-loan to the Company based on the project agreement dated 3 March 2017 between ADB and the Company and a sub-loan agreement dated 17 May 2017 between the Ministry of Finance of the Republic of Uzbekistan and the Company. Borrowings under the sub-loan agreement amounts to USD 10 million. The repayment of the principal loan amount commenced in November 2021 and is payable in 20 equal instalments of USD 500 thousand each.

The interest rate on this loan facility is at 1%+6 months SOFR. Though the interest rate on this borrowing is lower than the average market rate, based on the Company`s assessment the interest rate of the borrowing from ADB reflects a market rate, as the direct purpose of this borrowing is financing of new leases. The disbursement period of the loan closed in June 2022.

- Borrowings from KDB Bank Uzbekistan are USD denominated loans, which were obtained for financing purchases of lease objects. The loan term does not exceed three years for each individual project. The repayment of the loan principal is in equal monthly instalments. Individual loans have fixed interest rate ranging between 7.5% to 8% per annum and floating interest rate ranging from 5.25%+6 months SOFR to 5.75%+6 months SOFR.
- Borrowing from Blue Orchard Covid-19 Emerging and Frontier Markets MSME Support Fund on the basis of the loan agreement signed in December 2021 constitutes USD 5 million. The repayment of principal loan amount shall commence in June 2023 and is payable in 4 equal instalments of USD 1 250 thousand each. The interest rate on this loan facility is fixed at 6.7% per annum. The Company must comply with financial covenants as stipulated in Note 27.
- Borrowing from Blue Orchard Microfinance Fund on the basis of loan agreement signed in December 2021 constitutes USD 3 000 thousand. The repayment of principal loan amount shall commence in June 2023 and is payable in 4 equal instalments of USD 750 thousand each. The interest rate on this loan facility is fixed at 6.7% per annum. The Company must comply with financial covenants as stipulated in Note 27.
- Borrowing from European Bank for Reconstruction and Development on the basis of loan agreement signed in May 2019 constitutes loan facility totalling USD 4 million. The disbursement was in two tranches (Tranche 1, Tranche 2). The repayment of the principal loan amount (Tranche 1) commenced in May 2020 and is payable in 13 equal quarterly instalments of USD 154 thousand each. The interest rate on this loan facility is 12.3% per annum. The repayment of the principal loan (Tranche 2) shall commence in August 2022 and is payable in 13 equal quarterly instalments of USD 154 thousand each. The interest rate on this loan facility is 19.15% per annum. The Company must comply with financial covenants as stipulated in Note 27.
- Borrowing from Agrif Cooperatief U.A. on the basis of loan agreement signed in April 2021 constitutes USD 3 million. The repayment of principal loan amount shall commence in January 2022 and is payable in 12 equal instalments of USD 250 thousand each. The interest rate on this loan facility is fixed at 6.3% per annum. The Company must comply with financial covenants as stipulated in Note 27.
- Borrowing from Agrif Cooperatief U.A. on the basis of loan agreement signed in November 2022 constitutes USD 2 million. The repayment of principal loan amount shall commence in March 2023 and is payable in 8 equal instalments of USD 250 thousand each. The interest rate on this loan facility is fixed at 7.0% per annum. The Company must comply with financial covenants as stipulated in Note 27.
- Borrowings from Uzbek-Omon Investment Company LLC (UOIC) on the basis of loan agreement signed in December 2019 for UZS 20 billion which is payable in December 2023. The interest rate on these loan facilities is 22% per annum.
- Borrowings from Uzbek-Omon Investment Company LLC (UOIC) on the basis of loan agreements signed in March 2021 constitutes UZS 5 billion which is payable in December 2023. The interest rate on these loan facilities is 20% per annum.
- Borrowings from Uzbek-Omon Investment Company LLC (UOIC) on the basis of loan agreements signed in January 2022 constitutes UZS 5 billion which is payable in December 2023. The interest rate on these loan facilities is 22% per annum.
- Borrowing from Incofin CVSO CVBA-SO on the basis of loan agreement signed in May 2021 constitutes EUR 2 million. The repayment of principal loan amount shall commence in February 2022 and is payable in 12 equal instalments of EUR 167 thousand each. The interest rate on this loan facility is fixed at 5.6% per annum. The Company must comply with financial covenants as stipulated in Note 27.
- Borrowing from Incofin Inclusive Finance Fund SA on the basis of the loan agreement signed in April 2021 constitutes EUR 1 700 thousand. The repayment of principal loan amount shall commence in January 2022 and is payable in 11 equal instalments of EUR 155 thousand each. The interest rate on this loan facility is fixed at 5.6% per annum. The Company must comply with financial covenants as stipulated in Note 27.

- Borrowing from Incofin Inclusive Finance Fund SA on the basis of loan agreement signed in December 2022 constitutes EUR 1 million. The repayment of principal loan amount shall commence in March 2023 and is payable in 4 equal instalments of EUR 250 thousand each. The interest rate on this loan facility is fixed at 7% per annum. The Company must comply with financial covenants as stipulated in Note 27.
- Borrowing from ICD on the basis of loan agreement signed in September 2022 constitutes USD 15 million. The interest rate on this loan facility is fixed at 5 years USD Mid-Swap Rate plus 5.0% per annum. The Company must comply with financial covenants as stipulated in Note 27.
- Borrowing from Davr-Bank is USD denominated loan, which was obtained for financing purchase of lease object on the basis of loan agreement signed in January 2021 and constitutes USD 330 thousand. The repayment of principal loan commenced in May 2021 and is payable in 32 equal instalments of USD 10 thousand each. The interest rate on this loan facility is fixed at 8% per annum.
- Borrowing from Aria Sug'urta Tashkiloti LLC is on the basis of 2 loan agreements signed in March-April 2022, constituting UZS 1 billion. The interest rate on this loan facility is fixed at 21% per annum.

Geographical, currency, maturity and interest rate analysis of borrowings are disclosed in Note 26. The information on related party balances is disclosed in Note 29.

14 Lease liabilities

Lease liabilities at 31 December 2022 and 2021 were as follows:

	2022 UZS'k	2021 UZS'k	2022 USD'k	2021 USD'k
Lease liabilities	-	2 382 313	-	212
	-	**2 382 313**	**-**	**212**

15 Reconciliation of liabilities arising from financing activities

The table below sets out an analysis of net debt and the movements in the Company's liabilities from financing activities for each of the periods presented. The items of these liabilities are those that are reported as financing in the statement of cash flows.

	Liabilities from financing activities	
	Borrowings, lease liabilities and bonds UZS'k	Borrowings, lease liabilities and bonds USD'k
Liabilities from financing activities at 1 January 2021	**376 189 953**	**33 512**
Net cash flows	140 232 889	12 492
Lease liabilities issued by KDB Bank Uzbekistan (UzKDB)	(2 107 439)	(188)
Repayment of bonds	(4 000 000)	(356)
Interest paid	(42 387 497)	(3 776)
Interest accrued	44 381 064	3 954
Foreign exchange adjustments	5 514 499	491
Correction in borrowing accounts - non-cash transaction	26 987 699	2 404
Liabilities from financing activities at 31 December 2021	**544 811 168**	**48 534**
Net cash flows	9 670 088	861
Lease liabilities issued by KDB Bank Uzbekistan (UzKDB)	(2 382 313)	(212)
Interest paid	(77 816 078)	(6 931)
Interest accrued	69 803 580	6 218
Foreign exchange adjustments	8 012 498	714
Liabilities from financing activities at 31 December 2022	**552 098 943**	**49 183**

16 Advances from lessees

	2022 UZS'k	2021 UZS'k	2022 USD'k	2021 USD'k
Advances from lessees as:				
- Lease prepayments	17 297 741	19 583 955	1 541	1 745
- Equipment cost prepayments	-	3 764 170	-	335
Total advances from lessees	**17 297 741**	**23 348 125**	**1 541**	**2 080**

Advances from lessees represent part of equipment cost and lease payments for leases which had not commenced as at the year end. According to the Company's policy on issue of a new lease, lessees must deposit certain amounts with the Company prior to commencement of the lease. On commencement of the lease, these deposits are adjusted against lessee's future lease payments.

17 Trade payables

	2022 UZS'k	2021 UZS'k	2022 USD'k	2021 USD'k
Trade payables for lease equipment and services	1 394 893	2 569 971	124	229
Total trade payables	**1 394 893**	**2 569 971**	**124**	**229**

Trade payables mainly consist of amounts payable for purchased leased equipment to foreign suppliers on lease objects.

18 Other liabilities

	2022 UZS'k	2021 UZS'k	2022 USD'k	2021 USD'k
Other financial liabilities				
Other payables	353 311	269 166	31	24
Total other financial liabilities	**353 311**	**269 166**	**31**	**24**
Other non-financial payables				
Lease liability	8 195 338	-	730	-
Salary payables	942 042	812 296	84	72
Tax payable	874 746	636 642	78	57
Salary related tax payable	1 010	962	-	-
Total other non-financial liabilities	**10 013 136**	**1 449 900**	**892**	**129**
Total other liabilites	**10 366 447**	**1 719 066**	**923**	**153**

19 Share capital

Authorized and paid in capital at 31 December 2022 consisted of 11 407 762 shares with a nominal value of UZS 1 513 per share, issued and fully paid in UZS (2021: 6 023 522 shares with a nominal value of UZS 1 513 per share, issued and fully paid in UZS). Additional paid in capital is attributed to National Bank of Uzbekistan and Uzbek-Oman Investment Company LLC after 1 316 761 and 2 692 120 additional shares were purchased by both parties in 2015 and 2022 respectively.

	Number of outstandng shares in thousands	Issued share capital UZS'k	Additional paid in capital UZS'k	Total share and paid in capital UZS'k
As at 31 December 2021	**6 024**	**9 113 589**	**25 714 969**	**34 828 558**
As at 31 December 2022	**11 408**	**17 259 944**	**127 568 637**	**144 828 581**

	Number of outstandng shares in thousands	Issued share capital UZS'k	Additional paid in capital UZS'k	Total share and paid in capital UZS'k
As at 31 December 2021	**6 024**	**812**	**2 291**	**3 103**
As at 31 December 2022	**11 408**	**1 538**	**11 364**	**12 902**

Dividends declared during 2022 and 2021 are disclosed in Note 24. In accordance with the Charter of the Company, ownership is in direct proportion to the percentage of charter capital contributed.

20 Interest income and interest expenses on leases

	2022 UZS'k	2021 UZS'k	2022 USD'k	2021 USD'k
Net Interest Income on Leases				
Interest income - UZS denominated lease	83 072 756	64 966 649	7 400	5 787
Interest income - USD denominated lease	29 951 259	18 740 791	2 668	1 669
Interest income - EUR denominated lease	7 822 536	6 191 710	697	552
Total interest income on leases	**120 846 551**	**89 899 151**	**10 765**	**8 009**
Interest expenses - UZS denominated lease	(1 885 524)	(1 026 175)	(168)	(91)
Interest expenses - USD denominated lease	(792 607)	(794 440)	(71)	(71)
Interest expenses - EUR denominated lease	(960 255)	(1 072 904)	(86)	(96)
Total interest expenses on leases	**(3 638 386)**	**(2 893 518)**	**(324)**	**(258)**
(Accrual) / reversal of expected credit losses on leases	4 567 427	1 825 004	407	163

Interest expenses on leases include interest accrued on advances received from lessees before lease commencement.

21 Other interest expense

	2022 UZS`k	2021 UZS`k	2022 USD`k	2021 USD`k
National Bank of Uzbekistan	31 184 433	23 219 373	2 778	2 068
Uzbek-Oman Investment Company LLC	9 711 534	5 626 603	865	501
KDB Bank Uzbekistan - loans	6 459 891	4 230 106	575	377
European Bank for Reconstruction and Development	4 717 923	3 196 864	420	285
BLUEORCHARD COVID-19 EMERGING & FRONTIER MARKETS MSME SUPPORT FUND	3 755 904	100 850	335	9
BLUEORCHARD MICROFINANCE FUND	2 253 543	60 510	201	5
Ministry of Finance Republic of Uzbekistan	2 371 067	1 302 009	211	116
INCOFIN INCLUSIVE FINANCE FUND SA	1 605 266	784 592	143	70
AGRIF COOPERATIF U.A.	1 422 840	1 337 081	127	119
AKA AUSFUHRKREDIT-GESEIISCHAFT	936 520	1 373 008	83	122
ARIA SUG'URTA TASHKILOT	350 247	32 219	31	3
ЧЗАКБ "DAVR - BANK"	167 604	238 122	15	21
KDB Bank Uzbekistan - lease liabilities	40 467	667 048	4	59
Islamic Corporation of Development of Private Sector	-	907 430	-	81
INCOFIN CVSO CVBA-SO	-	788 637	-	70
International Finance Corporation	-	411 898	-	37
Other	1 187 954	104 714	106	9
Total interest expenses	**66 165 194**	**44 381 064**	**5 894**	**3 954**

The information on related party transactions is disclosed in Note 29.

22 Other operating income

	2022 UZS'k	2021 UZS'k	2022 USD'k	2021 USD'k
Reimburse of lease expenditures	3 781 120	838 554	337	75
Penalties on overdue	3 301 061	1 471 208	294	131
Gain on disposal of equipment for lease	382	4 494 434	1	400
Other income	2 546 288	1 096 044	226	98
Total other operating income	**9 628 851**	**7 900 240**	**858**	**704**

Gain on disposal of equipment for lease mostly consists of gains realized from disposal of lease equipment to lessees.

23 Administrative and other operating expenses

	2022 UZS'k	2021 UZS'k	2022 USD'k	2021 USD'k
Wages and salaries	17 562 413	14 730 660	1 565	1 312
Depreciation	2 596 094	434 591	231	39
Professional service	2 354 279	1 225 423	210	109
Insurance	1 305 149	375 432	116	33
Supervisory board remuneration	962 651	516 389	86	46
Business trip expenses	652 786	277 554	58	25
Representative and office expenditure	567 969	1 000 201	51	89
Vehicle maintenance	507 260	544 005	45	48
Bank charges	495 127	572 615	44	51
Taxes	241 834	712 032	22	63
Charity	215 874	186 855	19	17
Rent expense	196 980	2 800 355	18	249
Advertising and marketing	172 812	116 290	15	10
Communication	119 019	56 645	11	5
Utilities	92 961	92 961	8	8
Training	19 420	37 409	2	3
Other expenses	8 537 112	3 963 991	761	353
Total administrative and other operating expenses	**36 599 741**	**27 643 408**	**3 260**	**2 463**

24 Dividends

	2022 UZS'k	2021 UZS'k	2022 USD'k	2021 USD'k
Dividends payable at 1 January	-	-	-	-
Dividends declared during the year	6 553 592	11 806 103	584	1 052
Dividends paid during the year	(6 553 592)	(11 806 103)	(584)	(1 052)
Dividends payable at 31 December	-	-	-	-
Dividends per share declared during the year	**1 047**	**1 960**	**0,09**	**0,17**
Number of shares (avarage for year)	6 260	6 024	6 260	6 024

All dividends are declared and paid in UZS or in USD equivalent on the transaction date.

25 Income taxes

(a) Components of income tax

Income tax expense is comprised of the following:

	2022 UZS'k	2021 UZS'k	2022 USD'k	2021 USD'k
Current tax	5 979 655	5 372 014	533	478
Deferred tax (benefit)/expense	(1 545 641)	(1 483 612)	(138)	(132)
	4 434 014	**3 888 402**	**395**	**346**

(b) Reconciliation between the tax expense and profit or loss multiplied by applicable tax rate

The income tax rate applicable to the income of the Company in 2022 is 15% (2021: 15%). A reconciliation between the expected and the actual taxation charge is provided below.

	2022 UZS'k	2021 UZS'k	2022 USD'k	2021 USD'k
Profit before tax	**28 075 715**	**25 714 476**	**2 501**	**2 291**
Theoretical tax charge at statutory rate (2022: 15%; 2021:15%)	4 211 357	3 857 172	375	343
Tax effect of items which are not deductible or assessable for taxation purposes:				
-Non-deductible expenses	222 657	31 230	20	3
Income tax expenses for the year	**4 434 014**	**3 888 402**	**395**	**346**

(c) Deferred taxes analyzed by type of temporary difference

Differences between IFRS and statutory taxation regulations in Uzbekistan give rise to temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and their tax bases. The tax effect of the movements in these temporary differences is detailed below.

	1 January 2022 UZS'k	Credited/(charged) to profit or loss UZS'k	31 December 2022 UZS'k	1 January 2022 USD'k	Credited/(charged) to profit or loss USD'k	31 December 2022 USD'k
Tax effect of deductible/(taxable) temporary difference						
Provision for credit loss allowance	2 608 881	(914 946)	1 693 935	232	(82)	150
Deferral of lease origination fee income	1 339 532	1 175 974	2 515 506	119	105	224
Deferral of loan origination fee expense	(100 932)	(539 379)	(640 311)	(9)	(48)	(57)
Accrual of interest on leases using effective interest rate method	1 332 643	1 131 580	2 464 223	119	101	220
Reversal of deferred unearned income	149 598	(3 391)	146 207	13	-	13
Other	(288 084)	695 803	407 719	(26)	62	36
Net deferred tax assets	**5 041 638**	**1 545 641**	**6 587 279**	**448**	**138**	**586**

	1 January 2021 UZS'k	Credited/(charged) to profit or loss UZS'k	31 December 2021 UZS'k	1 January 2021 USD'k	Credited/(charged) to profit or loss USD'k	31 December 2021 USD'k
Tax effect of deductible/(taxable) temporary difference						
Provision for credit loss allowance	1 913 091	695 790	2 608 881	170	62	232
Deferral of lease origination fee income	896 123	443 409	1 339 532	80	39	119
Deferral of loan origination fee expense	(297 809)	196 877	(100 932)	(27)	18	(9)
Accrual of interest on leases using effective interest rate method	912 533	420 110	1 332 643	81	38	119
Reversal of deferred unearned income	117 145	32 453	149 598	10	3	13
Other	16 943	(305 027)	(288 084)	2	(28)	(26)
Net deferred tax assets	**3 558 026**	**1 483 612**	**5 041 638**	**316**	**132**	**448**

26 Financial risk management

The risk management function within the Company is carried out with respect to financial risks, operational risks and legal risks. Financial risk comprises market risk (including currency risk, interest rate risk and other price risks), credit risk and liquidity risk. The primary function of financial risk management is to establish risk limits and to ensure that any exposure to risk stays within these limits. The operational and legal risk management functions are intended to ensure the proper functioning of internal policies and procedures in order to minimize operational and legal risks.

Credit risk. The Company takes on exposure to credit risk, which is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Exposure to credit risk arises as a result of the Company's leasing and other transactions with counterparties giving rise to financial assets and off-balance sheet credit-related commitments.

The Company's maximum exposure to credit risk is reflected in the carrying amounts of financial assets in the statement of financial position.

Credit risk management. Credit risk is the single largest risk for the Company's business; management therefore carefully manages its exposure to credit risk.

The estimation of credit risk for risk management purposes is complex and involves the use of models, as the risk varies depending on market conditions, expected cash flows and the passage of time. The assessment of credit risk for a portfolio of assets entails further estimations of the likelihood of defaults occurring, the associated loss ratios and default correlations between counterparties.

Limits. The Company structures the levels of credit risk it undertakes by placing limits on the amount of risk accepted in relation to one lease, or groups of leases. Such risks are monitored on a revolving basis and are subject to an annual, or more frequent, review.

The Company has Supervisory Board which is responsible for approving leases above a certain credit limit for individual borrowers:

- Leases of USD 600 000 (or its equivalent in other currencies) or less are approved by the resolution of General Director and the Investment Committee of the Company.

- Leases greater than USD 600 000 (or its equivalent in other currencies) are approved by the Supervisory Board, subject to the recommendation of the General Director and the Investment Committee of the Company.

Lease applications originated by the Investment Department are passed on to the Investment Committee for approval of the credit limit. Exposure to credit risk is also managed, in part, by obtaining collateral and corporate and personal guarantees. In order to monitor credit risk exposures, regular reports are produced by the Monitoring and Risks Department's officers based on a structured analysis focusing on the customer's business and financial performance. Any significant exposure from customers with deteriorating creditworthiness is reported to, and reviewed by, Investment Committee. The Company does not use formalized internal credit ratings to monitor exposure to credit risk.

The Company's Monitoring and Risks Department reviews aging analysis of outstanding leases and follows up on past due balances. Management, therefore, considers it appropriate to provide ageing and other information about credit risk as disclosed in Note 8.

Credit risk grading system. For measuring credit risk and grading financial instruments by the amount of credit risk, the Company applies two approaches – an age-based rating system or risk grades estimated by external international rating agencies (Standard & Poor's - "S&P", Fitch, Moody's). Age-based ratings and external credit ratings are mapped on an internally defined master scale with a specified range of probabilities of default.

The age-based rating system is designed internally. The Company applies age-based rating systems for measuring credit risk for the following financial assets: leases, loan to other companies, and other financial assets.

The rating models are regularly reviewed by the Investment Committee, back tested on actual default data and updated, if necessary. Despite the method used, the Company regularly validates the accuracy of ratings estimates and appraises the predictive power of the models.

External ratings are assigned to counterparties by independent international rating agencies, such as S&P, Moody's and Fitch. These ratings are publicly available. Such ratings and the corresponding range of probabilities of default ("PD") are applied for the following financial instruments: cash and cash equivalents, due from the bank's balances, and restricted cash.

Expected credit loss (ECL) measurement. ECL is a probability-weighted estimate of the present value of future cash shortfalls (i.e., the weighted average of credit losses, with the respective risks of default occurring in a given time period used as weights). An ECL measurement is unbiased and is determined by evaluating a range of possible outcomes. ECL measurement is based on four components used by the Company: Probability of Default ("PD"), Exposure at Default ("EAD"), Loss Given Default ("LGD") and Discount Rate.

EAD is an estimate of exposure at a future default date, taking into account expected changes in the exposure after the reporting period, including repayments of principal and interest, and expected drawdowns on committed facilities. The EAD on credit related commitments is estimated using Credit Conversion Factor ("CCF"). CCF is a coefficient that shows the probability of conversion of the commitment amounts to an on-balance sheet exposure within a defined period. PD is an estimate of the likelihood of default to occur over a given time period. LGD is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from any collateral. It is usually expressed as a percentage of the EAD. The expected losses are discounted to present value at the end of the reporting period. The discount rate represents the effective interest rate ("EIR") for the financial instrument or an approximation thereof.

Expected credit losses are modelled over instrument's lifetime period. The lifetime period is equal to the remaining contractual period to maturity of debt instruments, adjusted for expected prepayments, if any.

Management models Lifetime ECL, that is, losses that result from all possible default events over the remaining lifetime period of the financial instrument. The 12-month ECL, represents a portion of lifetime ECLs that result from default events on a financial instrument that are possible within 12 months after the reporting period, or remaining lifetime period of the financial instrument if it is less than a year.

The ECLs that are estimated by management for the purposes of these financial statements are point-in-time estimates, rather than through-the-cycle estimates that are commonly used for regulatory purposes. The estimates consider forward looking information, that is, ECLs reflect probability weighted development of key macroeconomic variables that have an impact on credit risk.

The ECL modelling does not differ for Purchased or Originated Credit Impaired ("POCI") financial assets, except that (a) gross carrying value and discount rate are based on cash flows that were recoverable at initial recognition of the asset, rather than based on contractual cash flows, and (b) the ECL is always a lifetime ECL. POCI assets are financial assets that are credit-impaired upon initial recognition.

For purposes of measuring PD, the Company defines default as a situation when the exposure meets one or more of the following criteria:

- The borrower is more than 90 days past due on its contractual payments.
- Restructuring of the receivables due to deterioration of the financial position of the borrower, which includes following restructuring terms:
  - Provision of deferral of interest repayment for a period exceeding 90 days and/or;

- A change in the repayment schedule of the principal debt, in which the total payments in the next 12 months are reduced by more than 50% compared to the original repayment schedule and/or;
- Extension of the loan agreement by more than 12 months in comparison with the original maturity and/or;
- Amendments to the repayment schedule of the body or interest and/or interest rate, as a result of which the present value of contractual cash flows under a modified contract, is more than 10% lower than the present value of cash flows under the original terms of the contract.

• Initiation of a bankruptcy or bankruptcy of a debtor.

• Presence of an event of impairment (default) at the reporting date, which affected the classification of other financial instruments of the debtor in the Company as Stage 3.

• Initiation/presence of legal proceedings on the borrower's debt to the Company (Company being both as a plaintiff and a defendant).

For purposes of disclosure, the Company fully aligned the definition of default with the definition of credit-impaired assets. The default definition stated above is applied to all types of financial assets of the Company (except for those to be assessed based on external ratings and/or assessed through simplified method of testing).

An instrument is considered to no longer be in default (i.e. to have cured) when it no longer meets any of the default criteria for a consecutive period of six months. This period of six months has been determined based on an analysis that considers the likelihood of a financial instrument returning to default status after curing by using different possible definitions of cures.

The assessment of whether or not there has been a significant increase in credit risk ("SICR") since initial recognition is performed on an individual basis and on a portfolio basis. For lease receivables and other financial assets, SICR is assessed either on a portfolio basis or an individual basis, depending on the significance threshold. The criteria used to identify a SICR are monitored and reviewed periodically for appropriateness by the Company's monitoring department. The presumption, being that there have been significant increases in credit risk since initial recognition when financial assets are more than 30 days past due, has not been rebutted.

The Company decided not to use the low credit risk assessment exemption for investment grade financial assets. Hence, even assets of an investment grade are assessed whether there has been a SICR.

The Company considers a financial instrument to have experienced an SICR when one or more of the following quantitative, qualitative or backstop criteria have been met.

For lease receivables and other financial assets:

• 30 days past due;

• award of risk grade "Special monitoring";

• SICR based on relative threshold based on external ratings. The following thresholds are used for external ratings: decrease of rating by 2 notches, which corresponds to approximate increase of PD by 2.5 times.

The level of ECL that is recognized in these financial statements depends on whether the credit risk of the borrower has increased significantly since initial recognition. This is a three-stage model for ECL measurement. A financial instrument that is not credit-impaired on initial recognition and its credit risk has not increased significantly since initial recognition has a credit loss allowance based on 12-month ECLs (Stage 1). If a SICR since initial recognition is identified, the financial instrument is moved to Stage 2 but is not yet deemed to be credit-impaired and the loss allowance is based on lifetime ECLs. If a financial instrument is credit-impaired, the financial instrument is moved to Stage 3 and loss allowance is based on lifetime ECLs. The consequence of an asset being in Stage 3 is that the entity ceases to recognize interest income based on gross carrying value and applies the asset's effective interest rate to the carrying amount, net of ECL, when calculating interest income.

If there is evidence that the SICR criteria are no longer met, the instrument is transferred back to Stage 1. If an exposure has been transferred to Stage 2 based on a qualitative indicator, the Company monitors whether that indicator continues to exist or has changed.

ECL for POCI financial assets is always measured on a lifetime basis. The Company therefore only recognizes the cumulative changes in lifetime expected credit losses.

The Company has three approaches for ECL measurement: (i) assessment on an individual basis; (ii) assessment on a portfolio basis: ratings-based aging of overdue are estimated on an individual basis but the same credit risk parameters (e.g., PD, LGD) will be applied during the process of ECL calculations for the same credit risk ratings; and (iii) assessment based on external ratings. The Company performs an assessment on a portfolio basis for lease receivables, loan to employees and other financial assets.

ECL assessment on an individual basis is performed by weighting the estimates of credit losses for different possible outcomes against the probabilities of each outcome. The Company defines at least two possible outcomes for each assessed financial assets, one of which leads to a credit loss even if the probability of such a scenario may be very low. Individual assessment is primarily based on the expert judgement of experienced officers from the Monitoring department. Expert judgements are regularly tested in order to decrease the difference between estimates and actual losses.

In general, ECL is the sum of the multiplications of the following credit risk parameters: EAD, PD and LGD, that are defined as explained above, and discounted to present value using the instrument's effective interest rate. The ECL is determined by predicting credit risk parameters (EAD, PD and LGD) for each future year during the lifetime period for each individual exposure or collective segment. These three components are multiplied together and adjusted for the likelihood of survival (i.e. the exposure has been repaid or defaulted in an earlier month). This effectively calculates an ECL for each future period, that is then discounted back to the reporting date and summed up. The discount rate used in the ECL calculation is the original effective interest rate or an approximation thereof.

The key principles of calculating the credit risk parameters. The EADs are determined based on the expected payment profile, that varies by product type. EAD is based on the contractual repayments owed by the borrower over a 12-month or lifetime basis for amortizing products. This will also be adjusted for any expected overpayments made by a borrower.

Two types of PDs are used for calculating ECLs: 12-month and lifetime PD. An assessment of a 12-month PD is based on the latest available historic default data and adjusted for supportable forward-looking information when appropriate. Lifetime PDs represent the estimated probability of a default occurring over the remaining life of the financial instrument and it is a sum of the 12 months PDs over the life of the instrument.

LGD represents the Company's expectation of the extent of loss on a defaulted exposure. LGD varies by the type of counterparty, type and seniority of the claim, and the availability of collateral or other credit support. The 12-month and lifetime LGDs are determined based on the factors that impact the expected recoveries after a default event. The approach to LGD measurement can be divided into three possible approaches:

- measurement of LGD based on the specific characteristics of the collateral;
- calculation of LGD on a portfolio basis based on recovery statistics; or
- individually defined LGD depending on different factors and scenarios.

The Company calculates LGD based on specific characteristics of the collateral, such as projected collateral values, historical discounts on sales and other factors for loans secured by real estate, cash and liquid securities. LGD is calculated on a collective basis based on the latest available recovery statistics for the remainder of the lease portfolio.

Principles of assessment based on external ratings. Certain exposures have external credit risk ratings, and these are used to estimate credit risk parameters PD and LGD from the default and recovery statistics published by the respective rating agencies.

Forward-looking information incorporated in the ECL models. The assessment of SICR and the calculation of ECLs both incorporate supportable forward-looking information. The Company identified certain key economic variables that correlate with developments in credit risk and ECLs. Forecasts of economic variables (the "base economic scenario") are provided by the Company's monitoring team and provide the best estimate of the expected macro-economic development over the next three years.

In addition to the base economic scenario, the Company's Monitoring department also provides other possible scenarios along with scenario weightings. The number of scenarios and their attributes are reassessed at each reporting date. The scenario weightings are determined by a combination of statistical analysis and expert credit judgement, taking into account the range of possible outcomes of which each chosen scenario is representative.

The Company regularly reviews its methodology and assumptions to reduce any difference between the estimates and the actual loss of credit. Such backtesting is performed at least once a year.

The results of backtesting the ECL measurement methodology are communicated to Company's Management and further steps for tuning models and assumptions are defined after discussions between authorized persons.

Management periodically assesses the financial performance of lessees by monitoring debts outstanding and analyzing their financial reports.

The Company's policies regarding obtaining collateral have not significantly changed during the reporting period and there has been no significant change in the overall quality of the collateral held by the Company since the prior period.

Market risk. The Company takes on exposure to market risks. Market risks arise from open positions in (a) currency, and (b) interest rates, all of which are exposed to general and specific market movements. Management sets limits on the value of risk that may be accepted, which is monitored on a quarterly basis. However, the use of this approach does not prevent losses outside of these limits in the event of more significant market movements.

Currency risk. The Company takes on exposure to effects of fluctuations in the prevailing foreign currency exchange rates on its financial position and cash flows. To minimize foreign currency fluctuation risks related to lease receivables, the Company concludes lease contracts denominated in USD and EURO, which lease payments should be settled in UZS by using interbank exchange rate on the date of payment.

The table below summarizes the Company's exposure to foreign currency exchange rate risk as at 31 December 2022 and 2021:

	31 December 2022			**31 December 2021**		
In thousands of UZS	**Monetary financial assets**	**Monetary financial liabilities**	**Net balance sheet position**	**Monetary financial assets**	**Monetary financial liabilities**	**Net balance sheet position**
US Dollars	290 647 768	(326 154 518)	(35 506 750)	219 472 700	(282 352 908)	(62 880 208)
Euros	53 463 421	(43 001 688)	10 461 733	62 449 290	(61 066 783)	1 382 507
Rubles	-	(112 233)	(112 233)	-	-	-
Total	**344 111 189**	**(369 268 439)**	**(25 157 250)**	**281 921 991**	**(343 419 691)**	**(61 497 700)**

	31 December 2022			31 December 2021		
In thousands of USD	**Monetary financial assets**	**Monetary financial liabilities**	**Net balance sheet position**	**Monetary financial assets**	**Monetary financial liabilities**	**Net balance sheet position**
US Dollars	25 892	(29 055)	(3 163)	19 551	(25 153)	(5 602)
Euros	4 763	(3 831)	932	5 563	(5 440)	123
Rubles	-	(10)	(10)	-	-	-
Total	**30 655**	**(32 896)**	**(2 241)**	**25 114**	**(30 593)**	**(5 479)**

The above analysis includes only monetary assets and liabilities. Non-monetary assets are not considered to give rise to currency risk.

The following table presents sensitivities of profit or loss and equity to reasonably possible changes in exchange rates applied at the end of the reporting period relative to the functional currency of the Company, with all other variables held constant:

	31 December 2022	31 December 2021
In thousands of UZS	**Impact on profit or loss and equity**	**Impact on profit or loss and equity**
US Dollars strengthening by 14% (2021: 14%)	(4 225 303)	(7 482 745)
US Dollars weakening by 14% (2021: 14%)	4 225 303	7 482 745
Euro strengthening by 12% (2021: 12%)	1 067 097	141 016
Euro weakening by 12% (2021: 12%)	(1 067 097)	(141 016)
Ruble strengthening by 12% (2021: 12%)	(11 448)	-
Ruble weakening by 12% (2021: 12%)	11 448	-

	31 December 2022	31 December 2021
In thousands of USD	**Impact on profit or loss and equity**	**Impact on profit or loss and equity**
US Dollars strengthening by 14% (2021: 14%)	(376)	(667)
US Dollars weakening by 14% (2021: 14%)	376	667
Euro strengthening by 12% (2021: 12%)	95	13
Euro weakening by 12% (2021: 12%)	(95)	(13)
Ruble strengthening by 12% (2021: 12%)	(1)	-
Ruble weakening by 12% (2021: 12%)	1	-

The exposure was calculated only for monetary balances denominated in currencies other than the functional currency of the Company.

Interest rate risk. The Company takes on exposure to the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows. Interest margins may increase as a result of such changes but may reduce or create losses in the event that unexpected movements arise. Management monitors on a daily basis and sets limits on the level of mismatch of interest rate repricing that may be undertaken.

Financing of lease receivables is primarily provided by the Company's capital and borrowings from the International and domestic financial institutions. Interest rates of international and domestic financial institutions are either fixed or linked to LIBOR and EURIBOR. The effective interest rate on the leases remains fixed for the lease term. As a result, the Company is exposed to fair value interest rate risk.

The table below summarizes the Company's exposure to interest rate risks. The table presents the aggregated amounts of the Company's financial assets and liabilities at carrying amounts, categorized by the earlier of contractual interest repricing or maturity dates:

In thousands of UZS	Demand and less than 1 month	From 1 to 3 months	From 3 to 12 months	From 12 months to 5 years	From 5 to 10 years	More than 10 years	Total
31 December 2022							
Total financial assets	32 962 419	54 243 139	215 262 500	344 972 899	233 540	-	647 674 497
Total financial liabilities	9 555 571	35 840 577	216 589 774	251 846 250	38 266 772	-	552 098 943
Net interest sensitivity surplus	**23 406 848**	**18 402 562**	**(1 327 274)**	**93 126 650**	**(38 033 231)**	**-**	**95 575 555**

In thousands of UZS	Demand and less than 1 month	From 1 to 3 months	From 3 to 12 months	From 12 months to 5 years	From 5 to 10 years	More than 10 years	Total
31 December 2021							
Total financial assets	125 983 430	30 365 512	128 232 850	284 740 490	611 610	184	569 934 076
Total financial liabilities	299 699 648	25 368 672	97 602 516	124 979 468	-	-	547 650 305
Net interest sensitivity surplus	**(173 716 218)**	**4 996 840**	**30 630 334**	**159 761 022**	**611 610**	**184**	**22 283 771**

In thousands of USD	Demand and less than 1 month	From 1 to 3 months	From 3 to 12 months	From 12 months to 5 years	From 5 to 10 years	More than 10 years	Total
31 December 2022							
Total financial assets	2 936	4 832	19 176	30 731	21	-	57 696
Total financial liabilities	851	3 193	19 295	22 435	3 409	-	49 183
Net interest sensitivity surplus	**2 085**	**1 639**	**(119)**	**8 296**	**(3 388)**	**-**	**8 513**

In thousands of USD	Demand and less than 1 month	From 1 to 3 months	From 3 to 12 months	From 12 months to 5 years	From 5 to 10 years	More than 10 years	Total
31 December 2021							
Total financial assets	11 223	2 705	11 423	25 366	56	1	50 774
Total financial liabilities	26 698	2 260	8 695	11 134	-	-	48 787
Net interest sensitivity surplus	**(15 475)**	**445**	**2 728**	**14 232**	**56**	**1**	**1 987**

The Company monitors interest rates for its financial instruments. The table below summarizes interest rates at the respective reporting date based on reports reviewed by key management personnel.

The sign "-" in the table below means that the Company does not have the respective assets or liabilities in the corresponding currency.

	2022			2021		
In % yield p.a.	**UZS**	**USD**	**Euro**	**UZS**	**USD**	**Euro**
Assets						
Lease receivables	3%-64%	9%-35%	9%-24%	3%-68%	9%-42%	9%-26%
Other financial assets	14%-17%	-	-	14%-16%	-	-
Liabilities						
Borrowings:						
Loan from National Bank of Uzbekistan	14%-23%	-	-	14%-22%	8%	-
European Bank for Reconstruction and Development	12.3%-19.15%	-	-	12.3%-19.15%	-	-
Loan from AKA AUSFUHRKREDIT GESEIISCHAFT	-	-	EURIBOR+ 1.85%, 0.9%+CIRR	-	-	EURIBOR+ 1.85%, 0.9%+CIRR
Financing from Islamic Corporation of Development of Private Sector	-	5 years USD Mid-Swap Rate + 5%	-	-	-	-
Asian Development bank	-	SOFR 6m+1%	-	-	-	-
Lease liabilities from KDB Bank Uzbekistan	-	-	-	20%	-	-
Loan from KDB Bank Uzbekistan	-	5.25%-8%	-	15%-20%	8%	-
Loan from Uzbek-Omon Investment Company	22%	-	-	22%	-	-
AGRIF COOPERATIF U.A.	-	6.3%-7%	-	-	6.3%	-
INCOFIN INCLUSIVE FINANCE FUND SA	-	-	5.6%-7%	-	-	5.6%
INCOFIN CVSO CVBA-SO	-	-	-	-	-	5.6%
ЧЗАКБ "DAVR - BANK", ЯККАСАРАЙСКИЙ ФИЛИАЛ	-	8%	-	-	8%	-
Blue Orchard Invest S.a.r.l.	-	6.7%	-	-	6.7%	-
Blue Orchard Microfinance fund	-	6.7%	-	-	6.7%	-
ARIA SUG'URTA TASHKILOT	21%-23%	-	-	21%	-	-

Geographical risk concentrations. The geographical concentration of the Company's assets and liabilities at 31 December 2022 is set out below:

In thousands of UZS	**Uzbekistan**	**OECD**	**Non-OECD**	**Total**
Assets				
Cash and cash equivalents	60 013 380	-	-	60 013 380
Lease receivables	642 655 598	-	-	642 655 598
Other financial assets	6 432 659	-	-	6 432 659
Total financial assets	**709 101 637**	**-**	**-**	**709 101 637**
Non-financial assets	**122 818 373**	**-**	**-**	**122 818 373**
Total assets	**831 920 010**	**-**	**-**	**831 920 010**
Liabilities				
Borrowings	350 184 420	192 392 990	9 521 533	552 098 943
Trade payables	347 931	197 371	849 591	1 394 893
Other financial liabilities	353 311	-	-	353 311
Total financial liabilities	**350 885 662**	**192 590 361**	**10 371 124**	**553 847 147**
Non-financial liabilities	**27 310 877**	**-**	**-**	**27 310 877**
Total liabilities	**378 196 539**	**192 590 361**	**10 371 124**	**581 158 024**
Net balance sheet position	**453 723 471**	**(192 590 361)**	**(10 371 124)**	**250 761 986**

In thousands of USD	Uzbekistan	OECD	Non-OECD	Total
Assets				
Cash and cash equivalents	5 346	-	-	5 346
Lease receivables	57 250	-	-	57 250
Other financial assets	573	-	-	573
Total financial assets	**63 169**	**-**	**-**	**63 169**
Non-financial assets	**10 941**	**-**	**-**	**10 941**
Total assets	**74 109**	**-**	**-**	**74 109**
Liabilities				-
Borrowings	31 196	17 139	848	49 183
Trade payables	31	18	75	124
Other financial liabilities	31	-	-	31
Total financial liabilities	**31 258**	**17 157**	**923**	**49 338**
Non-financial liabilities	**2 433**	**-**	**-**	**2 433**
Total liabilities	**33 691**	**17 157**	**923**	**51 771**
Net balance sheet position	**40 418**	**(17 157)**	**(923)**	**22 338**

The geographical concentration of the Company's financial assets and liabilities at 31 December 2021 is set out below:

In thousands of UZS	Uzbekistan	OECD	Non-OECD	Total
Assets				
Cash and cash equivalents	80 008 443	-	-	80 008 443
Due from banks	13 041 282	-	-	13 041 282
Lease receivables	471 654 767	-	-	471 654 767
Other financial assets	5 229 584	-	-	5 229 584
Total financial assets	**569 934 076**	**-**	**-**	**569 934 076**
Non-financial assets	**126 188 108**	**-**	**-**	**126 188 108**
Total assets	**696 122 184**	**-**	**-**	**696 122 184**
Liabilities				
Borrowings	337 875 470	204 553 385	-	542 428 855
Lease liabilities	2 382 313	-	-	2 382 313
Trade payables	724 188	290 579	1 555 204	2 569 971
Other financial liabilities	269 166	-	-	269 166
Total financial liabilities	**341 251 136**	**204 843 964**	**1 555 204**	**547 650 304**
Non-financial liabilities	**24 798 025**	**-**	**-**	**24 798 025**
Total liabilities	**366 049 161**	**204 843 964**	**1 555 204**	**572 448 329**
Net balance sheet position	**330 073 023**	**(204 843 964)**	**(1 555 204)**	**123 673 855**

In thousands of USD	Uzbekistan	OECD	Non-OECD	Total
Assets				
Cash and cash equivalents	7 127	-	-	7 127
Due from banks	1 162	-	-	1 162
Lease receivables	42 017	-	-	42 017
Other financial assets	467	-	-	467
Total financial assets	**50 773**	**-**	**-**	**50 773**
Non-financial assets	**11 241**	**-**	**-**	**11 241**
Total assets	**62 013**	**-**	**-**	**62 013**
Liabilities				
Borrowings	30 099	18 222	-	48 321
Lease liabilities	212	-	-	212
Trade payables	65	26	139	229
Other financial liabilities	24	-	-	24
Total financial liabilities	**30 400**	**18 248**	**139**	**48 786**
Non-financial liabilities	**2 209**	**-**	**-**	**2 209**
Total liabilities	**32 609**	**18 248**	**139**	**50 996**
Net balance sheet position	**9 404**	**(18 248)**	**(139)**	**11 017**

Assets and liabilities have been based on the country, in which the counterparty is located. Balances with Uzbekistan counterparties actually outstanding to/from offshore companies of these Uzbek counterparties, are allocated to the caption "Uzbekistan".

Liabilities in OECD countries include borrowings and payables in companies and financial institutions of the United States of America, United Kingdom, Germany, Belgium, Luxembourg, the Netherlands and Austria.

Liabilities in non-OECD countries include payables in companies and financial institutions of China.

Liquidity risk. Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Company does not maintain cash resources to meet all of these needs as experience shows that a minimum level of reinvestment of maturing funds can be predicted with a high level of certainty. Liquidity risk is managed by Finance and Administration Department of the Company through regular monitoring and liquidity stress testing under the variety of scenarios covering both normal and more severe market conditions.

The table below shows liabilities at 31 December 2021 by their remaining contractual maturity. The amounts of liabilities disclosed in the maturity table are the contractual undiscounted cash flows. Such undiscounted cash flows differ from the amount included in the statement of financial position because the amount in the statement of financial position is based on discounted cash flows.

When the amount payable is not fixed, the amount disclosed is determined by reference to the conditions existing at the end of the reporting period. Foreign currency payments are translated using the spot exchange rate at the end of the reporting period.

The maturity analysis of financial instruments at 31 December 2022 is as follows:

In thousands of UZS	Demand and less than 1 month	From 1 to 3 months	From 3 to 12 months	From 12 months to 5 years	From 5 to 10 years	More than 10 years	Total
Financial assets							
Cash and cash equivalents	60 013 380	-	-	-	-	-	60 013 380
Lease receivables	32 767 035	53 937 818	213 984 708	341 872 898	93 139	-	642 655 598
Other financial assets	1 609 144	305 320	1 277 792	3 100 002	140 401	-	6 432 659
Total financial assets, undiscounted	**94 389 558**	**54 243 139**	**215 262 500**	**344 972 899**	**233 540**	**-**	**709 101 637**
Financial liabilities							
Borrowings	9 555 571	35 840 577	216 589 774	251 846 250	38 266 772	-	552 098 943
Trade payables	1 394 893	-	-	-	-	-	1 394 893
Other financial liabilities	353 311	-	-	-	-	-	353 311
Total financial liabilities, undiscounted	**11 303 776**	**35 840 577**	**216 589 774**	**251 846 250**	**38 266 772**	**-**	**553 847 147**
Liquidity surplus arising from financial instruments	**83 085 783**	**18 402 562**	**(1 327 274)**	**93 126 650**	**(38 033 231)**	**-**	**155 254 489**

In thousands of USD	Demand and less than 1 month	From 1 to 3 months	From 3 to 12 months	From 12 months to 5 years	From 5 to 10 years	More than 10 years	Total
Financial assets							
Cash and cash equivalents	5 346	-	-	-	-	-	5 346
Lease receivables	2 919	4 805	19 062	30 455	8	-	57 250
Other financial assets	143	27	114	276	13	-	573
Total financial assets, undiscounted	**8 408**	**4 832**	**19 176**	**30 731**	**21**	**-**	**63 168**
Financial liabilities							
Borrowings	851	3 193	19 295	22 435	3 409	-	49 183
Trade payables	124	-	-	-	-	-	124
Other financial liabilities	31	-	-	-	-	-	31
Total financial liabilities, undiscounted	**1 007**	**3 193**	**19 295**	**22 435**	**3 409**	**-**	**49 338**
Liquidity surplus arising from financial instruments	**7 401**	**1 640**	**(118)**	**8 297**	**(3 388)**	**-**	**13 830**

The maturity analysis of financial instruments at 31 December 2021 is as follows:

In thousands of UZS	Demand and less than 1 month	From 1 to 3 months	From 3 to 12 months	From 12 months to 5 years	From 5 to 10 years	More than 10 years	Total
Financial assets							
Cash and cash equivalents	80 008 443	-	-	-	-	-	80 008 443
Due from banks	13 041 282	-	-	-	-	-	13 041 282
Lease receivables	44 839 290	48 170 846	193 364 620	371 716 689	532 465	-	658 623 910
Other financial assets	1 086 281	323 140	1 384 683	4 249 990	412 708	-	7 456 801
Total financial assets, undiscounted	**138 975 296**	**48 493 986**	**194 749 303**	**375 966 679**	**945 173**	**-**	**759 130 436**
Financial liabilities							
Borrowings	294 371 348	25 489 891	103 145 904	162 980 943	-	-	585 988 086
Lease liabilities	304 407	608 813	2 739 660	-	-	-	3 652 880
Trade payables	2 569 971	-	-	-	-	-	2 569 971
Other financial liabilities	269 166	-	-	-	-	-	269 166
Total financial liabilities, undiscounted	**297 514 891**	**26 098 705**	**105 885 564**	**162 980 943**	**-**	**-**	**592 480 103**
Liquidity surplus arising from financial instruments	**(158 539 595)**	**22 395 281**	**88 863 739**	**212 985 736**	**945 173**	**-**	**166 650 334**

In thousands of USD	Demand and less than 1 month	From 1 to 3 months	From 3 to 12 months	From 12 months to 5 years	From 5 to 10 years	More than 10 years	Total
Financial assets							
Cash and cash equivalents	7 127	-	-	-	-	-	7 127
Due from banks	1 162	-	-	-	-	-	1 162
Lease receivables	3 994	4 291	17 226	33 114	47	-	58 672
Other financial assets	97	29	123	379	39	-	667
Total financial assets, undiscounted	**12 380**	**4 320**	**17 349**	**33 492**	**87**	**-**	**67 628**
Financial liabilities							
Borrowings	26 224	2 271	9 189	14 519	-	-	52 203
Lease liabilities	27	54	244	-	-	-	325
Trade payables	229	-	-	-	-	-	229
Other financial liabilities	24	-	-	-	-	-	24
Total financial liabilities, undiscounted	**26 504**	**2 325**	**9 433**	**14 519**	**-**	**-**	**52 781**
Liquidity surplus arising from financial instruments	**(14 124)**	**1 995**	**7 916**	**18 973**	**87**	**-**	**14 847**

The Company does not use the above maturity analysis based on undiscounted contractual maturities of liabilities to manage liquidity. Instead, the Company monitors expected maturities and the resulting expected liquidity gap as follows:

In thousands of UZS	**Demand and less than 1 month**	**From 1 to 3 months**	**From 3 to 12 months**	**From 12 months to 5 years**	**From 5 to 10 years**	**More than 10 years**	**Total**
31 December 2022							
Total financial assets	32 962 419	54 243 139	215 262 500	344 972 899	233 540	-	647 674 497
Total financial liabilities	9 555 571	35 840 577	216 589 774	251 846 250	38 266 772	-	552 098 943
Net liquidity gap based on expected maturities	**23 406 848**	**18 402 562**	**(1 327 274)**	**93 126 650**	**(38 033 231)**	**-**	**95 575 555**
31 December 2021							
Total financial assets	125 983 430	30 365 512	128 232 850	284 740 490	611 610	184	569 934 076
Total financial liabilities	299 699 648	25 368 672	97 602 516	124 979 468	-	-	547 650 305
Net liquidity gap based on expected maturities	**(173 716 218)**	**4 996 840**	**30 630 334**	**159 761 022**	**611 610**	**184**	**22 283 771**

In thousands of USD	**Demand and less than 1 month**	**From 1 to 3 months**	**From 3 to 12 months**	**From 12 months to 5 years**	**From 5 to 10 years**	**More than 10 years**	**Total**
31 December 2022							
Total financial assets	2 936	4 832	19 176	30 731	21	-	57 696
Total financial liabilities	851	3 193	19 295	22 435	3 409	-	49 183
Net liquidity gap based on expected maturities	**2 085**	**1 639**	**(119)**	**8 296**	**(3 388)**	**-**	**8 513**
31 December 2021							
Total financial assets	11 223	2 705	11 423	25 366	56	1	50 774
Total financial liabilities	26 698	2 260	8 695	11 134	-	-	48 787
Net liquidity gap based on expected maturities	**(15 475)**	**445**	**2 728**	**14 232**	**56**	**1**	**1 987**

27 Contingencies and commitments

Legal proceedings. From time to time and in the normal course of business, claims against the Company may be received. On the basis of its own estimates and both internal and external professional advice, management is of the opinion that no material losses will be incurred in respect of claims, and accordingly no provision has been made in these financial statements.

Tax contingencies. The taxation system in the Republic of Uzbekistan continues to evolve and is characterized by frequent changes in legislation, official pronouncements and court decisions, which are sometimes contradictory and subject to varying interpretation by different tax authorities.

Taxes are subject to review and investigation by various levels of authorities, which have the authority to impose severe fines, penalties, and interest charges. A tax year generally remains open for review by the tax authorities during the five subsequent years.

All these circumstances may create tax risks in the Republic of Uzbekistan that are more significant than in other countries. Management believes that it has provided adequately for tax liabilities based on its interpretations of applicable Uzbekistan tax legislation, official pronouncements and court decisions. However, the interpretations of the tax authorities and courts, especially due to reform of the supreme courts that are resolving tax disputes, could differ and the effect on these financial statements, if the authorities were successful in enforcing their interpretations, could be significant.

Accordingly, at 31 December 2022 no provision for potential tax liabilities was recorded (31 December 2021: no provision). The Company estimates that it has no potential obligations from exposure to other than remote tax risks (31 December 2021: no obligations).

Capital expenditure commitments. The Company had no material commitments for capital expenditures outstanding as at 31 December 2022.

Compliance with covenants. In accordance with loan agreements with foreign financial institutions Asian Development Bank (ADB), European Bank for Reconstruction and Development (EBRD) BLUEORCHARD COVID-19 EMERGING & FRONTIER MARKETS MSME SUPPORT FUND, BLUEORCHARD MICROFINANCE FUND, INCOFIN INCLUSIVE FINANCE FUND SA, INCOFIN CVSO CVBA-SO and AGRIF COOPERATIF U.A., the Company is obligated to comply with certain financial covenants based on the financial statements prepared in accordance with IFRS.

As at 31 December 2022, the Company makes a separate calculation for compliance with the above financial covenants.

28 Fair value disclosures

Fair value measurements are analyzed by level in the fair value hierarchy as follows: (i) level one are measurements at quoted prices (unadjusted) in active markets for identical assets or liabilities, (ii) level two measurements are valuations techniques with all material inputs observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices), and (iii) level three measurements are valuations not based on observable market data (that is, unobservable inputs). Management applies judgement in categorizing financial instruments using the fair value hierarchy. If a fair value measurement uses observable inputs that require significant adjustment, that measurement is a Level 3 measurement. The significance of a valuation input is assessed against the fair value measurement in its entirety.

	Level 2 UZS'k	Level 3 UZS'k	Carrying value UZS'k	Level 2 USD'k	Level 3 USD'k	Carrying value USD'k
Assets						
Cash and cash equivalents	60 013 380	-	60 013 380	5 346	-	5 346
Lease receivables	-	642 655 598	642 655 598	-	57 250	57 250
Other financial assets	-	6 432 659	6 432 659	-	573	573
Total financial assets	**60 013 380**	**649 088 257**	**709 101 637**	**5 345**	**57 823**	**63 169**
Liabilities						
Borrowings	-	552 098 943	552 098 943	-	49 183	49 183
Trade payables	-	1 394 893	1 394 893	-	124	124
Other financial liabilities	-	353 311	353 311	-	31	31
Total financial liabilities	**-**	**553 847 147**	**553 847 147**	**-**	**49 338**	**49 338**

Fair values analyzed by level in the fair value hierarchy and carrying value of assets and liabilities not measured at fair value at 31 December 2021 are as follows:

	Level 2 UZS'k	Level 3 UZS'k	Carrying value UZS'k	Level 2 USD'k	Level 3 USD'k	Carrying value USD'k
Assets						
Cash and cash equivalents	80 008 443	-	80 008 443	7 127	-	7 127
	13 041 282	-	13 041 282	1 162	-	1 162
Lease receivables	-	471 654 767	471 654 767	-	42 017	42 017
Other financial assets	-	5 229 584	5 229 584	-	466	466
Total financial assets	**93 049 725**	**476 884 351**	**569 934 076**	**8 288**	**42 482**	**50 772**
Liabilities						
Borrowings	-	542 428 855	542 428 855	-	48 321	48 321
	-	2 382 313	2 382 313	-	212	212
Trade payables	-	2 569 971	2 569 971	-	229	229
Other financial liabilities	-	269 166	269 166	-	24	24
Total financial liabilities	**-**	**547 650 305**	**547 650 305**	**-**	**48 786**	**48 786**

The fair values in level 2 and level 3 of fair value hierarchy were estimated using the discounted cash flows valuation technique. The fair value of floating rate instruments that are not quoted in an active market was estimated to be equal to their carrying amount. The fair value of unquoted fixed interest rate instruments was estimated based on estimated future cash flows expected to be received discounted at current interest rates for new instruments with similar credit risk and remaining maturity.

29 Related party balances and transactions

Parties are generally considered to be related if the parties are under common control, or one party has the ability to control the other party or can exercise significant influence or joint control over the other party in making financial and operational decisions. In considering each possible related party relationship, attention is directed to the substance of the relationship, not merely the legal form.

National Bank of Uzbekistan and Uzbek-Oman Investment Company LLC are government-owned entities that have 41.6% and 38.7% of the shares and voting rights of the Company respectively and this ownership allows the Government a significant influence over the Company. The Company`s transactions with entities that are either controlled or jointly controlled by the Government are not significant. The Company applies the exemption in IAS 24 Related party disclosures that allows to present reduced related party disclosures regarding transactions with government-related entities.

At 31 December 2022, the outstanding balances with related parties were as follows:

	Shareholders		Key Management personnel	
	UZS'k	USD'k	UZS'k	USD'k
Cash and cash equivalents	59 029 406	5 259	-	-
Gross amount of loans to employees (contractual interest rate: 14-16%)	-	-	1 101 939	98
Borrowings (contractual interest rate: 14-16%)	161 527 817	14 389	-	-

At 31 December 2021, the outstanding balances with related parties were as follows:

	Shareholders		Key Management personnel	
	UZS'k	USD'k	UZS'k	USD'k
Cash and cash equivalents	79 161 558	7 304	-	-
Due from banks	13 041 282	1 203	-	-
Gross amount of loans to employees (contractual interest rate: 14-16%)	-	-	1 184 034	109
Borrowings (contractual interest rate: 14-16%)	166 269 853	15 342	-	-

The income and expense items with related parties for 2022 were as follows:

	Shareholders		Supervisory Board		Key Management personnel	
	UZS'k	USD'k	UZS'k	USD'k	UZS'k	USD'k
Interest expense	40 895 968	3 643	-	-	-	-
Interest income on loans to employees	-	-	-	-	183 795	16
Management salaries	-	-	-	-	2 884 319	257
Supervisory board remuneration	-	-	1 078 169	96	-	-
Commission fees charged by NBU	485 745	43	-	-	-	-

The income and expense items with related parties for 2021 were as follows:

	Shareholders		Supervisory Board		Key Management personnel	
	UZS'k	USD'k	UZS'k	USD'k	UZS'k	USD'k
Interest expense	28 845 976	2 662	-	-	-	-
Interest income on loans to employees	-	-	-	-	144 344	13
Management salaries	-	-	-	-	1 028 131	95
Supervisory board remuneration	-	-	477 156	44	-	-
Commission fees charged by NBU	551 922	51	-	-	-	-

30 Management of capital

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. The amount of capital that the Company managed as of 31 December 2022 was UZS 250 761 986 thousand /USD 22 339 thousand (2021: UZS 123 673 854 thousand/ USD 11 018 thousand).

31 Events after the end of reporting period

In 2023, following the commencement of military operations in Ukraine by the Russian Federation, additional sanctions continuing to be introduced by the United States of America, the European Union and some other countries against Russia. Moreover, there is an increased risk that even further sanctions may be introduced. This may have adverse impact on Uzbekistan's economy also. These events have led to depreciation of the UZS, increased volatility of financial markets and significantly increased the level of economic uncertainty in Uzbekistan business environment.

A loan agreement was signed with the EBRD dated 17 May 2023 in the amount of USD 3 million at a rate of 5.4% + SOFR 6m for 4 years period.

Also on 15 May 2023, a preliminary term-sheet for borrowing was received from Blue Orchard in the amount of USD 6 million at a fixed rate of 9.4% for 36 months period.

Approved and signed on behalf of the management of the Company:

Mustafayev Z.
Chief Executive Officer

Rakhmanova M.
Chief Accountant

30 May 2023