



**AIG Uzbekinvest Limited
Annual Report and Financial Statements
For the year ended 31 December 2022**

AIG Uzbekinvest Limited
Annual Report and Financial Statements 31 December 2022

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AIG Uzbekinvest Limited
Annual Report and Financial Statements 31 December 2022

Company Information

DIRECTORS:	S O Abdurashidov R B Khalikov H Mamadjonov S A Umurzakov S Carnall
COMPANY SECRETARY:	K Hillery
REGISTERED OFFICE:	The AIG Building 58 Fenchurch Street London EC3M 4AB
REGISTERED NUMBER:	02997371
INDEPENDENT AUDITOR:	Mazars LLP 30 Old Bailey London EC4M 7AU United Kingdom
PRINCIPAL BANKERS	Citibank N A Citigroup Centre Canada Square London E14 5LB

GENERAL INFORMATION

AIG Uzbekinvest Limited (the “Company” or “AUL”) is an underwriting agency and the appointed representative of Uzbekinvest International Insurance Company Limited (UIIC) to act as their managing general agent (“MGA”) and also a service company, whereby it incurs expenses on behalf of UIIC and recharges these costs back to them. The Company is a private company limited by shares and is incorporated in England. The address of its registered office is The AIG Building, 58 Fenchurch Street, London EC3M 4AB.

The immediate shareholders of the company are AIG Property Casualty International, LLC, a wholly owned subsidiary of American International Group, Inc., a company incorporated in the State of Delaware, United States of America which owns 51% of the share capital and Uzbekinvest National Export-Import Insurance Company, a company incorporated in the Republic of Uzbekistan and wholly owned by the Government of the Republic of Uzbekistan which owns 49% of the share capital. The ultimate parent undertaking and controlling party is American International Group Inc. ('AIG Inc.'), a company incorporated in the State of Delaware, United States of America. The AIG group refers to AIG Inc. and its global subsidiaries.

AIG Uzbekinvest Limited

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Strategic Report

The directors present their strategic report of AIG Uzbekinvest Limited for the year ended 31 December 2022.

Review of Business and Strategy

AIG Uzbekinvest Limited (AUL) is an underwriting agency and the appointed representative of Uzbekinvest International Insurance Company Limited (“UIIC”), to act as their managing general agent (MGA). The Company’s operational business model is based on the outsourcing of all services from the local partner AIG Europe (Services) Limited (“AESL”) in accordance with the terms and conditions set out in the Service Agreement between the Company and AESL.

The use of AUL as an intermediary agency enables UIIC to be established in a cost-effective way and to benefit from the considerable world-wide resources of the AIG group to assist in the production of business. Alongside the underwriting process and claims handling, this model allows UIIC to transfer operational risks to the outsourcing partner (AUL), whilst enabling the Board and management to maintain ongoing control of key processes. It also enables minimisation of the operating costs whilst staying resistant to potential reduced business activity in UIIC.

For the foreseeable future the Company’s above strategy remains unchanged and is focused on continuing with its principal activity; to act as an underwriting and managing agent on behalf of UIIC.

Results and Performance

The results of the Company for the year, as shown on page 13, show a profit before tax of US\$17,411 (2021: US\$51,585). As at 31 December 2022, the shareholders’ funds of the Company, as shown on page 15, total US\$403,609 (2021: US\$387,753).

Key Performance Indicators

The Board monitors the performance of the Company using the following key performance indicators:

	2022	2021
	US\$	US\$
Turnover	96,711	96,120
Profit before taxation	17,411	51,585
Total assets	921,110	1,284,190

During 2022, business production in UIIC was at the same level as in 2021. The Company had a substantial increase in foreign exchange losses as a result of the intercompany loans it held in British Pounds. Total assets decreased due to movements in debtors with less intercompany loans (funds held on deposit with a fellow AIG entity), as well as a reduction in creditor balances by year end 2022.

The Directors consider the level of business and year-end financial position of the Company to be satisfactory and expect the present level of activity to be sustained in the future.

AIG Uzbekinvest Limited

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Strategic Report (continued)

Future Outlook

The future outlook of the Company is closely linked to the business strategy of UIIC. As the Company depends on the business development of UIIC, and UIIC intends to continue to issue insurance policies, the Company will continue with its principal activity, to act as an underwriting agent and service company.

Principal Risks and Uncertainties

The Company is exposed to a number of risks associated with transacting with related entities in the AIG Group and other external counterparties. These are shown in Note 4 on Page 18 of these financial statements. The Company measures, monitors and tracks risk and responds to it as appropriate.

The process of risk acceptance and risk management is addressed through a framework of policies, procedures and internal controls. All policies are subject to Board approval and ongoing review by management, risk committee and internal audit. Compliance with regulation, legal and ethical standards is a high priority for the Company. As part of the AIG Group, the Company conforms to an internal control framework which exists to manage financial risks and ensures that controls operate effectively.

ON BEHALF OF THE BOARD:

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Hasan Mamadjonov

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H Mamadjonov - Director
Date: 27th July 2023

AIG Uzbekinvest Limited
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Directors' Report

The directors present their report and the audited Financial Statements of the Company prepared under UK GAAP for the year ended 31 December 2022.

Directors

The names of the directors of the Company who were in office during the year and up to the date of signing the Financial Statements are listed below:

	Appointed	Resigned
S O Abdurashidov	5 June 2020	-
R B Khalikov	5 June 2020	-
H Mamadjonov	16 May 2016	-
S U Umurzakov	17 May 2018	-
S Carnall	15 September 2021	-

Company Secretary

K Hillery served as Company Secretary of the Company for the full year.

Directors' Indemnities

As permitted by the Articles of Association, the directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. The group company (AIG Inc. 175 Water Street, New York, New York, 10038) purchased and maintained throughout the financial year Directors' and Officers' liability insurance in respect of itself and its Directors.

Risk Profile

Our Risk Profile characteristics remain unchanged and further detail is provided in Note 4. The Company continues to monitor the Risk Profile through the changing external environment.

Future Developments

Likely future developments in the business are discussed in the Strategic Report.

Political Donations

The Company has not made political donations during the year ended 31 December 2022 (2021: \$nil).

Corporate Citizenship

As part of the AIG Group, the Company is committed to making a difference in the communities where we work and live, operating in accordance with AIG's Human Rights Statement¹.

Environmental Responsibilities

The Company acknowledges its environmental responsibilities and the impact that climate change has on our business and remains committed to playing a role in addressing these challenges. To that end, the AIG Group (AIG Inc. and its global subsidiaries) has developed a sustainability agenda intended to help future-proof our communities — a unified sustainability approach that supports our business strategy and addresses expectations from many of our key stakeholders including investors, regulators, clients and employees.

Events After the Reporting Year

There are no known events occurring after 31 December 2022.

¹ AIGUK's Statement on Modern Trafficking and Human Rights is available on the website at www.aig.co.uk/content/dam/aig/emea/united-kingdom/documents/aiguk-modern-slavery-statement.pdf

AIG Uzbekinvest Limited

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Directors' Report (continued)**Dividends**

No dividends have been declared or paid during the year (2021: \$nil).

Going Concern

The Directors have considered all available information, including an assessment of available financial resources, a strong control and risk mitigation environment and the support of a financially strong parent company. The Company continuously monitors any potential impact that inflation may have on its business activities.

As a consequence, the Directors are confident that the Company is well placed to manage its business risks and has adequate resources to continue in operational existence for a period of at least twelve months from the date these Financial Statements are signed. Accordingly, the Company continues to prepare its Financial Statements on a going concern basis.

Following the Russian invasion of Ukraine on 24 February 2022, AIG Uzbekinvest Limited has continuously assessed and monitored the potential impacts and the potential exposures to its business and any potential overall impact to financial performance due to the resulting economic and political developments. AIG Uzbekinvest Limited is not involved in any material litigation regarding claims arising from the Russian invasion of Ukraine. AIG Uzbekinvest Limited does not hold any investments directly in Russia or Ukraine.

Statement of Directors' Responsibilities

The directors are responsible for preparing the Strategic Report, Directors' Report and the Financial Statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that year. In preparing these Financial Statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the Financial Statements; and
- prepare the Financial Statements on a going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Directors' Confirmations

In the case of each director in office at the date the Directors' Report is approved:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

AIG Uzbekinvest Limited

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Directors' Report (continued)

Independent Auditor

The AUL Board approved the reappointment of Mazars LLP as external auditors for the Company for the year ending 31 December 2022 and the intention is to reappoint Mazars as auditors for the 2023 year end.

ON BEHALF OF THE BOARD:

DocuSigned by:

Hasan Mamadjonov

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H Mamadjonov - Director
Date: 27th July 2023

AIG Uzbekinvest Limited

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Independent auditor's report to the members of AIG Uzbekinvest Limited**Opinion**

We have audited the financial statements of AIG Uzbekinvest Limited (the 'company') for the year ended 31 December 2022 which comprise the Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other 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.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Annual Report and Financial Statements, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

AIG Uzbekinvest Limited

Annual Report and Financial Statements 31 December 2022

Independent auditor's report to the members of AIG Uzbekinvest Limited (continued)

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 7, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

AIG Uzbekinvest Limited

Annual Report and Financial Statements 31 December 2022

Independent auditor's report to the members of AIG Uzbekinvest Limited (continued)**Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

Based on our understanding of the company and its industry, we considered that non-compliance with we identified that the principal risks of non-compliance with laws and regulations related to the Financial Conduct Authority's ("FCA") regulations, Bribery Act and the Proceeds of Crime and Anti-Money Laundering Act might have a material effect on the financial statements.

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- Inquiring of management and, where appropriate, those charged with governance, as to whether the company is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- Inspecting correspondence, if any, with relevant licensing or regulatory authorities;
- Communicating identified laws and regulations to the engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the company which were contrary to applicable laws and regulations, including fraud.

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as UK tax legislation, and the Companies Act 2006.

In addition, we evaluated the directors' and management's incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of management override of controls, and determined that the principal risks related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates and significant one-off or unusual transactions.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the directors and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Critically assessing accounting estimates impacting amounts included in the financial statements for evidence of management bias;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

AIG Uzbekinvest Limited

Annual Report and Financial Statements 31 December 2022

**Independent auditor's report to the members of AIG
Uzbekinvest Limited (continued)**

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of the audit report

This report is made solely to the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body for our audit work, for this report, or for the opinions we have formed.



Leanne Finch (Jul 27, 2023 16:24 GMT+1)

Leanne Finch (Senior Statutory Auditor) for and on behalf of Mazars LLP

Chartered Accountants and Statutory Auditor

Mazars LLP

30 Old Bailey

London, EC4M 7AU

27th July 2023

AIG Uzbekinvest Limited
Annual Report and Financial Statements 31 December 2022

Statement of Comprehensive Income
For the year ended 31 December 2022

	Notes	Year ended 31 December 2022 US\$	Year ended 31 December 2021 US\$
Turnover	5	96,711	96,120
Administrative expenses	6	(39,213)	(29,691)
		57,498	66,429
Other operating expense	8	(38,091)	(11,358)
Profit before interest and taxation		19,407	55,071
Interest payable and similar expenses	9	(1,996)	(3,486)
Profit before taxation		17,411	51,585
Tax on profit	12	(1,555)	(4,568)
Profit for the financial year		15,856	47,017
Total Comprehensive Income for the year		15,856	47,017

All amounts above are in respect of continuing operations. The Company has no comprehensive income or expense other than the profit for the year recognised in the statement of comprehensive income.

The notes on pages 16 to 22 form an integral part of these Financial Statements.

AIG Uzbekinvest Limited
Annual Report and Financial Statements 31 December 2022

Balance Sheet
As at 31 December 2022

	Notes	31 December 2022 US\$	31 December 2021 US\$
Assets			
Debtors	13	921,110	1,284,190
		921,110	1,284,190
Liabilities			
Creditors	14	(517,500)	(896,437)
Net Assets		403,609	387,753
Capital and Reserves			
Called up share capital	15	200,000	200,000
Profit and loss account	16	203,609	187,753
Total Equity		403,609	387,753

The notes on pages 16 to 22 form an integral part of these Financial Statements.

The Financial Statements on pages 13 to 22 were approved by the Board of Directors on 27th July 2023

ON BEHALF OF THE BOARD:

DocuSigned by:
Hasan Mamadjonov
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H Mamadjonov - Director
Date: 27th July 2023

AIG Uzbekinvest Limited
Annual Report and Financial Statements 31 December 2022

Statement of Changes in Equity
For the year ended 31 December 2022

	Note	Called up share capital US\$	Profit and Loss Account US\$	Total Equity US\$
Balance as at 31 December 2020		200,000	140,736	340,736
Profit and Total Comprehensive Income for the financial year	16	-	47,017	47,017
Balance as at 31 December 2021		200,000	187,753	387,753
Profit and Total Comprehensive Income for the financial year	16	-	15,856	15,856
Balance as at 31 December 2022		200,000	203,609	403,609

Further information on Called up share capital is included in Note 15.

The notes on pages 16 to 22 form an integral part of these Financial Statements.

AIG Uzbekinvest Limited
Annual Report and Financial Statements 31 December 2022

Notes to the Financial Statements for the year ended 31 December 2022

1 General Information

AIG Uzbekinvest Limited (the “Company” or “AUL”) is an underwriting agency and the appointed representative of Uzbekinvest International Insurance Company Limited (UIIC) to act as their managing general agent (“MGA”) and also a service company, whereby it incurs expenses on behalf of UIIC and recharges these costs back to them. The address of its registered office is The AIG Building, 58 Fenchurch Street, London EC3M 4AB

AUL is a private company incorporated in the United Kingdom and registered in England and Wales and is limited by shares. The Financial Statements are presented in United States Dollars, which is the Company’s presentational currency.

The immediate shareholders of the company are AIG Property Casualty International, LLC, a wholly owned subsidiary of American International Group, Inc., a company incorporated in the State of Delaware, United States of America which owns 51% of the share capital and Uzbekinvest National Export-Import Insurance Company, a company incorporated in the Republic of Uzbekistan and wholly owned by the Government of the Republic of Uzbekistan which owns 49% of the share capital. The ultimate parent undertaking and controlling party is American International Group Inc. (‘AIG Inc.’), a company incorporated in the State of Delaware, United States of America. The AIG group refers to AIG Inc. and its global subsidiaries.

2 Significant Accounting Policies

2.1 Basis of Preparation

The financial statements have been prepared on the historical cost basis (except that certain assets are measured at fair value as described in the accounting policies below) and in compliance with the Companies Act 2006. The Financial Statements have been prepared in compliance with Financial Reporting Standard (“FRS”) 102.

The Company is incorporated and domiciled in the United Kingdom and registered in England and Wales. The functional and presentational currency is United States Dollars. Items included in the Company’s Financial Statements are measured and presented in United States Dollars.

The Financial Statements have been prepared considering the Application Guidance in FRS 100, Application of Financial Reporting Requirements. The Company has selected suitable accounting policies and applied them consistently. FRS 102 allows a qualifying entity certain disclosure exemptions, subject to certain conditions which have been complied with (including notification of and no objection to the use of exemptions by the Company’s shareholders). The Company has taken advantage of the following exemptions in accordance with paragraph 1.12 of FRS 102:

- from disclosing the Company key management personnel compensation
- from preparing a statement of cash flows

The Directors have considered all available information, including an assessment of available financial resources, a strong control and risk mitigation environment and the support of a financially strong parent company.

As a consequence, the Directors are confident that the Company is well placed to manage its business risks and has adequate resources to continue in operational existence for a period of at least twelve months from the date these Financial Statements are signed. Accordingly, the Company continues to prepare its Financial Statements on a going concern basis.

2.2 Turnover

Turnover represents commission and service fee receivable in respect of the Company’s services as an underwriting agent for UIIC. This is recognised when obligations in respect of the services provided are deemed to have been fulfilled.

AIG Uzbekinvest Limited
Annual Report and Financial Statements 31 December 2022

Notes to the Financial Statements for the year ended 31 December 2022

2.3 Administrative Expenses

Administration expenses consist mainly of expenses incurred in relation to the Company's role as a service company. Expenses also include legal and professional fees, and brokerage fees payable in relation to any premiums written, when acting as an underwriting agent.

2.4 Taxation

The charge for tax is based on the results for the year determined in accordance with the relevant tax laws and regulations that are enacted, or substantively enacted, at the reporting date in each jurisdiction, together with adjustments to provisions for prior years.

Deferred tax is provided in full on all material timing differences. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax is calculated at the substantially enacted tax rate and where such an asset is recognised the credit is reflected in the Statement of Comprehensive Income for the year. Deferred tax balances are not discounted.

2.5 Foreign Currencies

Monetary assets and liabilities in foreign currencies are translated into United States Dollars at the midmarket rates of exchange ruling on the Balance Sheet date. Transactions during the year are translated into United States Dollars using the rates of exchange prevailing at the date of the transaction. Non-monetary assets and liabilities are reported using the exchange rate that prevailed at the date of the transaction. Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and the translation of foreign currency denominated monetary assets and liabilities at year end exchange rates are recognised in the Statement of Comprehensive Income.

2.6 Debtors and Creditors

The Company has applied section 11 and 12 of FRS 102 in respect of recognition and measurement of financial instruments. Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in any active market other than those that the company intends to sell in the short term or that it has been designated as at fair value through the Statement of Comprehensive Income. When a financial liability is recognised initially it is measured at fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial liability. Loans and receivables are subsequently measured at amortised cost using the effective interest method. Receivables arising from insurance contracts are classified in this category and are reviewed for impairment as part of the impairment review of loans and receivables. This basis of valuation is viewed by the Directors as having prudent regard to the likely realisable value.

Debtors and creditors with no stated interest rate are recorded at transaction price. Any losses arising from impairment are recognised in the Statement of Comprehensive Income in other operating expenses. Debtors and creditors are recognised according to the maturity profile of the relevant receivable/payable at the end of the financial year.

2.7 Share Capital

Ordinary shares are classified as equity. Incremental cost directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

3 Critical Accounting Estimates and Judgements

UK GAAP requires management to select suitable accounting policies, apply them consistently and make judgements and estimates which are reasonable and prudent when preparing the Financial Statements. The judgements and estimates are based on management's knowledge of current factors and circumstances and prediction of future events and actions. Actual results may differ from those estimates, possibly significantly.

The Company considers that its accounting policies that are most dependent on the application of estimates and assumptions are those relating to items considered by management in the determination of:

AIG Uzbekinvest Limited
Annual Report and Financial Statements 31 December 2022

Notes to the Financial Statements for the year ended 31 December 2022

Estimates

- Estimates with respect to income taxes

The Company's tax charge on ordinary activities is the sum of the total current and deferred tax charges. The calculation of the Company's total tax charge necessarily involves a degree of estimation and judgment in respect of certain items whose tax treatment cannot be finally determined until resolution has been reached with the relevant tax authority.

The recognition of deferred tax assets is based upon whether it is probable that sufficient and suitable taxable profits will be available in the future against which the reversal of temporary differences can be deducted. Where the temporary differences relate to losses, the availability of the losses to offset against forecast taxable profits is also considered. Recognition therefore involves judgment regarding the future financial performance of the tax group in which the deferred tax asset has been recognised.

These accounting estimates require the use of assumptions about matters, some of which are highly uncertain at the time of estimation. To the extent actual experience differs from the assumptions used, the Company's financial position, results of operations and cash flows could be materially affected.

The reported results of the Company are sensitive to the accounting policies, assumptions and estimates that are inherent within the preparation of its Financial Statements. The Company's significant accounting policies are set out in Note 2.

4 Management of Financial Risk

The Company is exposed to financial risks through its financial assets and financial liabilities. In particular, the key financial risks may arise:

4.1 Liquidity Risk

Liquidity risk is the risk that cash may not be available to pay obligations when they fall due. The receivable amounts, which are monitored regularly by management, are mainly with group companies and therefore deemed to be of minimal risk. The nature of the Company is to act as an intermediary, with transactions largely with UIIC, and with the availability of additional funding from other AIG companies, the Directors do not believe liquidity risk to pose a significant risk.

4.2 Credit Risk

Credit risk is the risk that a counterparty will be unable to pay amounts in full when due. The key areas where the Company is exposed to credit risk are:

- Amounts due from group companies;
- Amounts due from third parties (insurance contract holders and intermediaries).

Bad debts are monitored on a monthly basis and if required, appropriate adjustments are made where the collection of an amount is doubtful or unlikely. The Company's exposure is limited as the majority of the Company's exposure is to other AIG Group companies and as such this risk is limited though still managed through review of management accounts.

4.3 Interest Rate Risk

Interest rate risk is that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to interest rate risk is by way of its loan to another company within the AIG group. The interest rate risk is mitigated by the careful cash management to ensure loan balances remain positive (an asset to the Company). Any interest earned by the Company is minimal; therefore fluctuations in the interest rate do not pose a risk to the Company.

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Notes to the Financial Statements for the year ended 31 December 2022

4.4 Foreign Exchange Risk

The reporting currency of the Company is United States Dollars. Although the majority of the Company's transactions are denominated in United States Dollars, certain administrative expenses are transacted in British Pounds. As a result, the Company is exposed to currency risk on fluctuations in the rate of exchange from the receipt of the supplier invoice to the date of its settlement. The Company adopts an approach similar to other companies in the AIG group to closely review and monitor the exchange rate movement and this is managed through review of management accounts.

4.5 Capital Risk

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 the shareholder, 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 the shareholder, return capital to the shareholder, issue new shares or sell assets to reduce debt.

The company is not subject to any externally imposed capital requirements.

5 Turnover

	2022 US\$	2021 US\$
Service fees	20,913	19,661
Commission received and other income	75,798	76,459
Total	96,711	96,120

6 Administrative Expenses

	2022 US\$	2021 US\$
Administrative expenses	23,609	14,386
Broker charges	15,604	15,305
Total	39,213	29,691

The administrative expenses includes auditor's remuneration, legal and professional fees, which have been recharged through an intercompany process with AIG Europe (Services) Limited. Broker charges are in relation to premiums written when the Company acts as the underwriting agent of UIIC.

7 Auditor's Remuneration

	2022 US\$	2021 US\$
Fee payable to Company's auditor for the audit of the financial statements	12,618	14,386
Total	12,618	14,386

The audit fee is not paid by the company but is invoiced and paid through the services entity in the UK; AIG Europe (Services) Limited and is calculated and allocated through an internal allocation process.

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8 Other Operating Losses

	2022	2021
	US\$	US\$
Foreign exchange losses	(38,091)	(11,358)
Total	(38,091)	(11,358)

9 Interest Payable and Similar Expenses

	2022	2021
	US\$	US\$
Bank charges and interest	1,996	3,486
Total	1,996	3,486

10 Staff Costs

The Company had no employees during the year (2021: nil) and therefore incurred no staff costs (2021: US\$ nil). Although the Company does not have any direct employees of its own, the finance and tax teams who are involved in producing the Financial Statements are employed by either American International Group UK Limited or AIG Europe (Services) Limited. Any staff costs which relate to the Company are paid by UIIC.

11 Directors Emoluments

There were no emoluments paid to Directors of the Company during the year (2021: nil). No Directors exercised share options or received shares in respect of qualifying services under any long term incentive scheme. No compensation was paid to the Directors during the year for loss of office. Key management personnel do not extend beyond the Directors for this company.

12 Tax on Profit

12.1 Analysis of tax charge on profit

	2022	2021
	US\$	US\$
Current tax:		
UK corporation tax on profit for the year	3,308	9,801
Adjustment in respect of prior years	(1,753)	(4,096)
Deferred tax:		
Adjustment in respect of prior years	-	(1,137)
Tax charge on profit	1,555	4,568

All tax was payable in the UK. Changes to the main UK Corporation tax rate were substantively enacted as part of the Finance Act 2021, including an increase of the main rate from 19% to 25% with effect from 1 April 2023.

Deferred tax has been reported within Other Debtors on the Company's Balance Sheet.

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12.2 Factors affecting the tax charge on profit

The tax assessed for the year is lower than (2021: lower than) the standard rate of corporation tax in the UK of 19% (2021: 19%). The differences are explained below:

	2022 US\$	2021 US\$
Profit before taxation	17,411	51,585
Profit before taxation multiplied by standard rate of Corporation Tax in the UK of 19% (2021: 19%)	3,308	9,801
Effects of:		
Prior Year Adjustment	(1,753)	(5,233)
Tax charge on profit	1,555	4,568

12.3 Movement in deferred tax

	2022 US\$	2021 US\$
As at 1 January	4,736	3,599
Deferred tax in the year	-	1,137
As at 31 December	4,736	4,736

The deferred tax relates solely to net operating losses which will be released once taxable profits have been generated in a future period.

13 Debtors

	2022 US\$	2021 US\$
Amounts owed by group undertakings	556,980	949,638
Other debtors	364,130	334,552
Total	921,110	1,284,190

Amounts owed by group undertakings largely comprise of insurance receivables of US\$282,474 (2021: US\$189,794) due from American International Group UK Limited and an intercompany loan with AIG Transaction Execution Limited of US\$274,506 (2021: US\$741,906), the latter being a deposit which is repayable on demand. Other debtors consist predominantly of amounts due from UIIC of US\$359,376 (2021: US\$334,679), commissions and non-insurance related recharges of those costs incurred by the Company on behalf of UIIC.

All amounts shown under Debtors are due for settlement within one year, except for deferred tax included within Other debtors.

14 Creditors

	2022 US\$	2021 US\$
Amounts falling due within one year		
Amounts owed to group undertakings	58,222	147,979
Other creditors	459,278	748,458
Total	517,500	896,437

Amounts owed to group undertakings represent non-insurance payables due to AIG Europe (Services) Limited US\$44,884 (2021: US\$87,208) and American International Group UK Limited US\$13,337 (2021: US\$60,771). The other creditors relate mostly to amounts owed to UIIC of US\$408,238 (2021: US\$708,968).

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15 Called Up Share Capital

	2022 US\$	2021 US\$
400 (2021: 400) ordinary shares of US\$500 (2021: US\$500) each, allotted, issued and fully paid	200,000	200,000
Total	200,000	200,000

16 Profit and Loss Account

	2022 US\$	2021 US\$
As at 1 January	187,753	140,736
Profit for the financial year	15,856	47,017
As at 31 December	203,609	187,753

17 Related Party Transactions

The Company has a managing general agency agreement with UIIC, an insurance company incorporated in Great Britain, whereby the Company is appointed as an exclusive agent worldwide, with the authority to process all necessary or incidental transactions for all types of authorised insurance and reinsurance business. Further details of these transactions are mentioned in Notes 6,13 and 14.

The compensation receivable by the Company under the agreement comprises commission at 25% of the gross premium written plus reimbursement of expenses necessarily incurred.

The commission earned for the year ended 31 December 2022 amounted to US\$75,798 (2021: US\$76,459) and the service fee earned on operating expenses incurred by the Company, on behalf of UIIC, amounted to US\$20,913 (2021: US\$19,661). Refer to Note 5.

As at 31 December 2022, the Company had a debtor balance of US\$359,376 (2021: US\$334,679) representing amounts due from UIIC, commissions and non-insurance related recharges of those costs incurred by the Company on behalf of UIIC. As at 31 December 2022, the Company had a creditor balance of US\$408,238 relating to amounts owed to UIIC. Refer to Notes 13 and 14.

18 Ultimate Parent Company

As at 31 December 2022, the ultimate parent company was American International Group Inc. ("AIG Inc."), a company incorporated in the State of Delaware, United States of America. The Company is consolidated into the financial statements of AIG Inc. which forms the smallest and largest group to consolidate these Financial Statements. The consolidated Financial Statements of AIG Inc. are available from the Company Secretary, 251 Little Falls Drive, Wilmington DE, 19808, USA.

At the same dates, the immediate shareholders are:

- AIG Property Casualty International, LLC, a wholly owned subsidiary of American International Group, Inc., a company incorporated in the State of Delaware, United States of America - 51%; and
- Uzbekinvest National Export-Import Insurance Company, a company incorporated in the Republic of Uzbekistan and wholly owned by the Government of the Republic of Uzbekistan - 49%.