Independent auditor's report and consolidated financial statements prepared in accordance with International Financial Reporting Standards

Of Closed Joint-Stock Company "Trade Capital Bank" for the year ended 31 December 2024

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# Independent Auditor's Report

To Chairman of the Management Board, the Management Board of Trade Capital Bank and the Shareholders of Trade Capital Bank

# **Audit opinion**

We have audited the consolidated financial statements of Trade Capital Bank (location – Minsk, Timiryazeva str., 65A, 220035, the Republic of Belarus; the Bank registered by the National Bank of the Republic of Belarus on 12 September 2008, registration number 133, registration number in the Unified State Register of Legal Entities and Individual Entrepreneurs – 80700163) and its subsidiaries (hereinafter – the "Group"), which comprise the Consolidated Statement of Financial Position, the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Changes in Equity, the Consolidated Statement of Cach Flows and the Notes to Consolidated Financial Statements which include significant accounting policies and other explanatory information (hereinafter, the "consolidated financial statements").

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2024, and its consolidated financial performance and changes in its financial position, including its consolidated cash flows for the year then ended in accordance with the International Financial Reporting Standards and its Interpretations as adopted by the International Accounting Standards Foundation (hereinafter – "IFRS").

# Basis for expressing an audit opinion

We conducted the audit in accordance with the requirements of the Law of the Republic of Belarus dated 12 July 2013 No. 56-3 "On audit activity", the National Rules on Auditing of the Republic of Belarus and the International Standards on Auditing (ISAs). Our responsibilities in accordance with these requirements are further described in the section "Auditor's responsibilities for the audit of the consolidated financial statements" of our audit report.

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

# Independence

We are independent of the Group in accordance with the requirements of the Law of the Republic of Belarus dated 12 July 2013 No. 56-3 "On audit activity", the National Rules of Auditing and the International Ethics Standards Board for Accountants International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA code) issued by the International Federation of Accountants, and we have fulfilled other ethical responsibilities in accordance with these requirements.

# **Materiality**

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether consolidated financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall Group materiality for consolidated financial statements as a whole as set out in the



table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements (both individually and in aggregate) on consolidated financial statements as a whole.

Overall materiality of the Group's consolidated financial statements	Overall materiality of the Group's consolidated financial statements BYN 2 400 thousand, which is equal to 1% of the Group's net assets.		
How we determined it	1% of the Group's net assets.		
Rationale for the materiality benchmark	We decided to use net assets as the benchmark for determining the level of materiality, because we believe that this is the baseline indicator that main users most often consider to evaluate the Group's performance, and it is a generally accepted benchmark.		
applied	We have set the materiality level at 1%, which is within the acceptable quantitative materiality thresholds applicable to profit-oriented companies in financial sector.		

Thus, we have determined materiality and have assessed the risks of material misstatement of the consolidated financial statements. In particular, we considered areas where management made subjective judgements, for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. We also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

# Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

# Key audit matter

# How our audit addressed the key audit matter

Credit loss allowance for expected credit losses for the loans to customers in accordance with IFRS 9 "Financial Instruments"

The estimation of the loss allowance for expected credit losses (ECL) for loans to customers is a key area of judgment for the Group's management.

Identification of factors of a significant increase in credit risk, including identification of any change in the risk of default occurring over the remaining life of a financial instrument, identification of default, as well as the estimation of probability of default and the level of loss given default involve significant use of professional judgment and assumptions.

The use of various models, assumptions and extensive inputs in the calculation of ECL can significantly affect the level of the allowance for expected credit losses on loans to customers. Due to substantial amounts of loans to customers and an extensive use of professional judgment.

Audit procedures included the analysis of the methodology for estimating the allowance for expected credit losses on loans to corporate customers and individuals, testing of controls over the customer lending process, including testing of controls over the accounting for overdue debt and evaluating factors of a significant increase in credit risk and indicators of loan impairment.

With regard to the estimation of the allowance for expected credit losses on loans to customers, we analysed (on sample basis) the assumptions and inputs used by the Group and analysed, models to calculate the probability of default, the level of recovery and macroforecasting ratio. We reviewed (on sample basis) the classification of loans by impairment stage and recalculated the allowance for ECL on loans to customers.

We analysed (on a sample basis) loan files of individually significant customers, their latest financial statements,



# Key audit matter

## How our audit addressed the key audit matter

Credit loss allowance for expected credit losses for the loans to customers in accordance with IFRS 9 "Financial Instruments"

the estimation of the allowance for ECL is a key audit matter.

Information on the allowance for ECL on loans to customers and Bank's management approach to assessing and managing credit risk is provided in Notes 3, 4, 11 and 28 to the financial statements.

information about signs of financial instability, debt servicing, facts of payment schedule violations.

We analysed (on a sample basis) the financial position of borrowers, their credit ratings, overdue and renegotiated exposures and sufficiency of collateral.

We recalculated the total ECL for loans to corporate customers and individuals, assessed on a collective basis.

We reviewed consistency of application of judgments by the Group's management when calculating the allowance for ECL on loans.

We reviewed the information related to the allowance for ECL on loans, disclosed in the notes to the consolidated financial statements.

# Responsibilities of the audited entity for preparation of the consolidated financial statements

Management is responsible for preparation and fair presentation of the attached consolidated financial statements in accordance with IFRS and organization of the internal control system, which the management determines is necessary to preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance of the Group are responsible for overseeing the Group's consolidated financial reporting process.

# Auditor's responsibilities for the audit of the consolidated financial statements

Our objective is to obtain reasonable assurance about whether the consolidated financial statements of the Group as a whole are free from material misstatement, whether due to froud or error, and to issue an auditor's report that includes our opinion in prescribed form. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Law of the Republic of Belarus as of 12 July 2013 No. 56-Z "On audit activity", the National Rules on Auditing, and ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of the audit conducted in accordance with the requirements of the Law of the Republic of Belarus dated 12 July 2013 No. 56-3 "On audit activity", the National Rules on Auditing and ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

• identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control:



- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- conclude on the appropriatness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- obtain sufficient appropriate audit evidence about the financial information of the organisations and business activities of the Group to express an opinion on the consolidated financial statements. We are responsible for the overall direction, supervision and performance of the Group's audit. We are solely responsible for our audit opinion.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical and other requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.



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 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.

Engagement leader, Lead auditor

Hanna Aboishava

Power of attorney No w/n dated 22 November 2024

Qualification certificate of the auditor No 0001351

Certificate of compliance with the qualification requirements for specialists engaged in auditing in banks and nonbank financial institutions No. 155

Auditor organisation:

Unitary Enterprise on Services Rendering "IQT Assurance"

Location:

32A Nezavisimosti Avenue, building 3, office 73, Minsk, 220030, Belarus.

State registration:

State registration certificate issued by the Minsk City Executive Committee on 21 May 2010. Registration No. 191315745 in the Unified State Register of Legal Entities and Sole Traders.

State registration certificate No. 0000520.

Registration number in audit organizations register: 10065.

Date of signing of the audit opinion: 16 May 2025.

Date of audit opinion receipt by the Group: May 2025.

Chairman of the Management Board,

Mr. S. Khainovsski

International Financial Reporting Standards Consolidated Financial Statements of Closed Joint Stock Company "Trade Capital Bank" for the year ended 31 December 2024

# **Consolidated Statement of Financial Position**

	Note	31 December 2024	31 December 2023
Assets			
Cash on hand	7	2 782	3 120
Due from the National Bank of Belarus	8	4 372	3 274
Due from banks	9	138 535	132 938
Loans to customers	11	38 558	22 767
Securities	12	3 290	11 010
Property, plant and equipment	13	4 264	3 408
Investment property	14	79 365	75 387
Intangible assets	15	1 287	558
Deferred tax assets	20	2 415	1 283
Prepaid income tax		-	40
Other assets	16	1 222	670
Total assets		276 090	254 455
Liabilities			
Due to banks	17	10 915	6 175
Customer accounts	18	9 604	6 981
Current income tax liability		-	18
Deferred tax liabilities		7 785	6 648
Other liabilities	19	870	517
Total liabilities		29 174	20 339
Equity			
Authorised capital	21	61 651	61 651
The effect of hyperinflation effect of the authorised capital and			
share premium	21	127 324	127 324
Share premium		61	61
Results of revaluation of balance sheet items and reserves		2 784	2 090
Retained earnings/ (accumulated loss)		55 096	42 990
Total equity		246 916	234 116
Total liabilities and equity		276 090	254 455

Signed and authorised for issue on behalf of the Bank's management:

S.F. Khainovsky

Chairman of the Board

Tivanova N.A.

Chief Accountant - Head of Accounting and

Reporting Department

# **Consolidated Statement of Comprehensive Income**

	Note	2024	2023
Interest income calculated using the effective interest rate	23	16 870	14 272
Other interest income	23	-	100
Interest expense calculated using the effective interest rate	23	(23)	(62)
Net interest income	23	16 847	14 310
Net credit loss allowance		1 889	681
Net interest income after net credit loss allowance		18 736	14 991
Income from services	24	955	980
Expenses on services	24	(188)	(270)
Net income from services	24	767	710
Net gains/(losses) on foreign exchange operations Net gains/(losses) on financial assets measured at fair value	25	(418)	1 051
through other comprehensive income		10	(40)
Other income	26	9 712	12 089
Net expenses from credit loss allowance on financial			
guarantees and cash commitments		(145)	(25)
Other expenses	27	(16 448)	(13 360)
Profit before tax		12 214	15 416
Income tax expense	20	(108)	(4 062)
Profit		12 106	11 354
OTHER COMPREHENSIVE INCOME  Items that may be subsequently reclassified to profit or loss:  Net change in fair value of financial assets measured at fair			
value through other comprehensive income		53	60
Deferred tax liabilitiy Change in allowance for credit losses on securities at fair		(172)	(146)
value through other comprehensive income		127	978
Revaluation of property, plant and equipment  Total other comprehensive income that may be		686	210
reclassified to profit or loss		694	1 102
TOTAL COMPREHENSIVE INCOME		12 800	12 456

Signed and authorised for issue on behalf of the Bank's management:

S.F. Khainovsky Chairman of the Board Tivanova N.A.

Chief Accountant - Head of Accounting and

Reporting Department

The attached notes 1-32 are an integral part of this consolidated financial statement.

# **Consolidated Statement of Changes in Equity**

Balance as of 1 January 2023  Comprehensive income for the year  Profit for the year  Profit for the year  Revaluation of property, plant and equipment  Other comprehensive income for the year  As of 31 December 2023  Comprehensive income for the year  As of 31 December 2023  Profit for the year  As of 31 December 2023  Comprehensive income for the year  Comprehensive income for the year  Profit for the year  Comprehensive income for the year  Comprehensive income for the year  Profit for the year  Comprehensive income for the year  Comprehensive income  Comprehensi		Note	Share capital	Share premium	Revaluation of balance sheet items and reserves	Retained earnings	Total
Comprehensive income for the year         -         -         1 102         11 354         12 456           Profit for the year         -         -         -         -         11 354         11 354         11 354           Revaluation of property, plant and equipment         -         -         210         -         210           Other comprehensive income for the year         -         -         892         -         892           Comprehensive income for the year         -         -         61         2 090         42 990         234 116           Comprehensive income for the year         -         -         694         12 106         12 800           Profit for the year         -         -         -         686         -         686           Revaluation of property, plant and equipment         -         -         686         -         686           Other comprehensive income         -         -         -         8         -         8		21	188 975	61	988	31 636	221 660
Profit for the year       -       -       -       11 354       11 354         Revaluation of property, plant and equipment       -       -       210       -       210         Other comprehensive income income       -       -       -       892       -       892         As of 31 December 2023       21 188 975       61 2 090       42 990       234 116         Comprehensive income       -       -       694       12 106       12 800         Profit for the year       -       -       -       -       12 106       12 106         Revaluation of property, plant and equipment       -       -       686       -       686         Other comprehensive income       -       -       8       -       8       -       8	Comprehensive income				1 102	11 354	12 456
plant and equipment       210         Other comprehensive income       -       892       -       892         As of 31 December 2023       21       188 975       61       2 090       42 990       234 116         Comprehensive income for the year       -       -       694       12 106       12 800         Profit for the year       -       -       -       12 106       12 106         Revaluation of property, plant and equipment       -       -       686       -       686         Other comprehensive income       -       -       8       -       8	Profit for the year		-	-	-	11 354	11 354
S92   S92   S92   As of 31 December 2023   21   188 975   61   2 090   42 990   234 116	plant and equipment		-	-	210	-	210
Comprehensive income for the year         -         -         694         12 106         12 800           Profit for the year         -         -         -         12 106         12 106           Revaluation of property, plant and equipment         -         -         686         -         686           Other comprehensive income         -         -         8         -         8	Section of the Control of the Contro		-8	-	892	-	892
for the year         -         -         694         12 106         12 800           Profit for the year         -         -         -         -         12 106         12 106           Revaluation of property, plant and equipment         -         -         -         686         -         686           Other comprehensive income         -         -         8         -         8	As of 31 December 2023	21	188 975	61	2 090	42 990	234 116
Revaluation of property, plant and equipment 686 - 686 Other comprehensive income 8 - 8	-				694	12 106	12 800
plant and equipment       -       -       686       -       686         Other comprehensive income       -       -       -       8       -       8			-	=	i <del>e</del>	12 106	12 106
income	plant and equipment		-7	-	686	-	686
As of 31 December 2024 21 188 975 61 2 784 55 096 246 916					8		8
	As of 31 December 2024	21	188 975	61	2 784	55 096	246 916

Signed and authorised for issue on behalf of the Bank's management:

S.F. Khainovsky

Chairman of the Board

Tivanova N.A.

Chief Accountant - Head of Accounting and

Reporting Department

# **Consolidated Statement of Cash Flows**

	Note	2024	2023
Cash flows from operating activities			
Interest income received		17 188	16 201
Interest expense paid		(23)	(62)
Income from services received		957	976
Expense on services paid		(188)	(270)
Net expense on securities transactions		10	(40)
Net gain (loss) on foreign exchange operations		341	1 884
Other income received		7 043	4 543
Other expenses paid		(17 995)	(10 840)
Income tax paid		74	(426)
Cash flows from operating activities before changes in operating assets and liabilities		7 259	11 966
Changes in operating assets and liabilities			
Net increase in mandatory balances in the National Bank		(44)	(27)
Net decrease/(increase) in due from other banks		3 173	(16 534)
Net decrease in securities (other than held-to-maturity securities)		7 355	6 096
Net increase in loans and advances to customers		(16 435)	(6 697)
Net increase in other assets		(1 104)	(74)
Net increase in due to other banks		4 779	1 759
Net increase/(decrease) in customer accounts		1 346	(4 196)
Net increase/(decrease) in other liabilities		177	(309)
Net cash/(inflow) outflow from operating activities		6 506	(8 016)
Cash flows from investing activities			
Acquisition of property, plant and equipment, intangible assets and			
other non-current assets		(2 558)	(354)
Proceeds from disposal of plant and equipment, intangible assets			
and other non-current assets		154	215
Acquisition of securities measured at amortised cost		-	-
Redemption of acquired securities measured at amortised cost		739	1 -
Net cash/(outflow) from investing activities		(1 665)	(139)
Effect of exchange rate changes on cash and cash equivalents		(288)	662
Effect of expected credit losses on cash and cash equivalents		(128)	5
Net increase/(decrease) in cash and cash equivalents		4 425	(7 488)
Cash and cash equivalents, beginning of the year	10	15 055	22 543
Cash and cash equivalents, end of the year	10	19 480	15 055

Signed and authorised for issue on behalf of the Bank's management:

S.F. Khainovsky

Chairman of the Board

Tivanova N.A.

Chief Accountant - Head of Accounting and

Reporting Department

The attached notes 1-32 are an integral part of this consolidated financial statement.

#### Notes to the consolidated financial statements

#### 1. General information about the Group

Closed Joint Stock Company "Trade Capital Bank" ("TC Bank", "CJSC "TC Bank", the "Bank") was registered in the Republic of Belarus by the National Bank of the Republic of Belarus on 12 September 2008. The registered office of the Bank is 65A, Timiryazeva Street, Minsk, 220035, Republic of Belarus.

The Bank is the parent organisation of the Group, which includes unitary service company "Trade Capital-Invest" (hereinafter – UE "TC-Invest", a subsidiary), Limited Liability Company "Trade Capital-Zapad" (hereinafter referred to as "TC-Zapad" LLC, a subsidiary).

The main activity of UE TK-Invest is real estate transactions, including preparation for sale of real estate, lease of real estate, as well as management of real estate in accordance with the legislation of the Republic of Belarus. Legal address of the subsidiary organisation: Republic of Belarus, 220035, Minsk, Timiryazeva Street, 65A, office 426.

The main activities of TC-Zapad LLC are real estate operations: acquisition of real estate, leasing of own real estate, sale of own real estate, as well as management of real estate subject in accordance with the legislation of the Republic of Belarus. Legal address of the organisation: 65A Timiryazeva St., Minsk, office 423.

These consolidated financial statements were authorised for issue on 16 May 2025 and signed on behalf of management by the Chairman of the Management Board and Chief Accountant of the Bank.

As at 31 December 2024 and 31 December 2023, the shareholder structure was as follows:

Shareholder's name	Share (%), 2024	Share (%), 2023
Bank Tejarat (Bank Tejarat), Islamic Republic of Iran	99.89	99.89
Belarusian-English Joint Venture "Lada Garant" JCSC,		
Republic of Belarus	0.11	0.11
Total	100	100

Based on the banking licence No. 30 of the National Bank of the Republic of Belarus (the "National Bank") dated 22 January 2024, TC Bank CJSC is entitled to perform the following banking operations:

- attraction of monetary funds of individuals and corporate customers to accounts and deposits;
- placement of monetary funds of individuals and corporate customers to accounts and deposits on their own behalf and at their own expense on the terms of repayment, payment and maturity (including granting loans);
  - opening and maintaining bank accounts of individuals and corporate customers;
  - settlement and cash servicing of individuals and corporate customers, including responding banks;
  - · currency exchange operations;
  - issue of bank guarantees and other operations with bank guarantees;
  - trust management of monetary funds under the contract of trust management of monetary funds;
- issue of bank payment cards and other payment instruments that require opening and maintain accounts and carrying out settlement operations on payment accepted when using such payment instruments;
  - issue of securities confirming attraction of monetary funds into deposits and placing them on accounts;
  - financing under assignment of monetary claims (factoring);
  - settlement operations.

Special permit (license) for the right to carry out professional and exchange activities in securities No. 02200/5200-12-1081, issued by the Ministry of Finance of the Republic of Belarus on the basis of decision No. 111 dated 20 May 2011. The license is valid from the date of the licensing body's decision to issue it and is not limited in time.

Certificate of registration with the state institution "The Agency of deposit compensation" dated 11 July 2011 under the number under number 27.

Since November 2018, due to the renewal of sanctions against Iran financial institutions and TC Bank by the USA, the Bank has been disconnected from the SWIFT interbank payment system.

Since November 2019 TC Bank is a SEPAM (System for Electronic Payments Messaging) participant. SEPAM is

an electronic financial messaging system established by the Central Bank of the Islamic Republic of Iran as an alternative channel for interbank communication between participating banks subject to USA sanctions and restrictions.

# 2. Basis of information presentation

# Statement of conformity

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and Interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC").

In accordance with the accounting and banking legislation of the Republic of Belarus, the Bank and its subsidiaries are required to maintain their accounting records and prepare their statutory financial statements in Belarusian rubles. These consolidated financial statements are based on the accounting records of the Bank and its subsidiaries prepared in accordance with the accounting and reporting legislation of the Republic of Belarus, as adjusted and reclassified in order to comply with IFRS.

The consolidated financial statements have been prepared under the historical cost convention as modified by the initial recognition of financial instruments at fair value and the revaluation of property, plant and equipment, investment property, financial instruments at fair value through profit or loss and fair value through other comprehensive income.

#### A going concern

Management prepared these consolidated financial statements on a going concern basis. In making this judgement management considered the Group's consolidated financial position, existing intentions, profitability of operations and available financial resources as well as the Group's operating environment.

#### 3. Significant accounting policies

The accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all periods presented, unless otherwise stated.

The underlying assumptions adopted in the preparation of the consolidated financial statements are accrual accounting (except for cash flow information) and going concern.

In assessing the going concern assumption, management considers all available information about the Group's future operations, which is expected to cover a period of at least (but not limited to) twelve months from the end of the reporting period.

These consolidated financial statements have been prepared on a going concern basis as there is no evidence that the Group will be unable to continue as a going concern for at least 12 months following the reporting period.

The consolidated financial statements have been prepared under the historical cost convention except for certain non-monetary items arising before 31 December 2014 which are accounted for in accordance with IAS 29 Financial Reporting in Hyperinflationary Economies and items measured at fair value.

#### Basis of consolidation

Subsidiaries that are controlled by the Group are consolidated. The Group has control over an investee when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through the exercise of its power over the investee. Consolidation of a subsidiary begins on the date on which control is transferred to the Group and ceases on the date on which control ceases. All intercompany transactions, balances and unrealised gains on transactions between group entities are eliminated in full; unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Where necessary, accounting policies of a subsidiary have been changed to ensure consistency with the policies adopted by the Group.

#### Functional and presentation currency

The Belarusian ruble is the functional and presentation currency of the Group.

These consolidated financial statements are presented in thousands of Belarusian rubles (BYN thousand), unless otherwise stated.

#### Foreign currency

Transactions in foreign currencies are translated to the functional currency at the exchange rate of the National Bank ruling at the date of the transaction, except for transactions in Iranian rial. The Group's correspondent account balances in Iranian rial are translated at the market exchange rate, which is determined based on the Central Bank of Iran's statistics on export and import transactions. All monetary assets and liabilities, including off-balance sheet claims and liabilities denominated in foreign currencies are translated into Belarusian Rubles at the exchange rate at the reporting date.

Foreign exchange gains and losses arising from fluctuations in the exchange rates on monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income in the period in which the fluctuations occur. Differences arising on the translation of foreign currency transactions are recognised in profit or loss, except for differences arising on the translation of assets carried at fair value, which are recognised in other comprehensive income.

Differences between the contractual or market exchange rate of a transaction in a foreign currency and the official exchange rate of the National Bank on the date of the transaction are included in gains less losses from foreign currencies.

The table below summarises the exchange rates of the Belarusian ruble against the USD, Euro, Russian ruble and Iranian Rial used in the preparation of the Group's consolidated financial statements:

3.1775
3.5363
1.59
3.4991

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value or historical cost are translated into Belarusian rubles at the exchange rate of the National Bank at the date of the transaction or fair value determination.

#### Financial assets and liabilities

#### Financial instruments - classification and valuation

The Group's financial assets are classified as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of: the business model used by the Group to manage the financial assets; and the contractual cash flow characteristics of the financial asset.

In order to correctly select the accounting category of financial assets, the Group consistently performs two tests to determine the category of financial asset: the test for the business model used; the test for the cash flow characteristics.

The business model is analysed at the level of asset portfolios. The Group analyses all relevant and objective evidence available at the measurement date to determine the business model for specific portfolios of financial assets.

A financial asset is measured at amortised cost if both of the following conditions are met: the financial asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and the financial asset's contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding.

A financial asset is measured at fair value through other comprehensive income if both of the following conditions are met: the financial asset is held within a business model whose objective is achieved both by collecting the

contractual cash flows and by selling the financial assets; and the financial asset's contractual terms require that cash flows that are solely payments of principal and interest on the principal outstanding are received on specified dates.

A financial asset is measured at fair value through profit or loss unless it is measured at amortised cost or fair value through other comprehensive income.

At initial recognition, the Group elects, without the right to cancel it, to present subsequent changes in the fair value of an investment in an equity instrument that is not held for trading in other comprehensive income. The Group recognises dividends received from such an investment in profit or loss.

Financial liabilities are measured at fair value through profit or loss when they meet the definition of held for trading or are designated as such upon initial recognition. Classification as at fair value through profit or loss is achieved when: the Group has measured a financial liability as at fair value through profit or loss upon initial recognition, without the right to reclassify it subsequently because such classification eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; the fair value is used as a basis for managing a group of financial liabilities or financial assets; or the financial liability are held for trading including derivatives.

All other financial liabilities are classified as measured at amortised cost using the effective interest method.

At initial recognition, the Group measures a financial asset (other than a trade receivable) or a financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. If a trade receivable does not contain a significant financing component, the Group measures it at the transaction price at initial recognition.

Subsequent to initial recognition, the Group measures a financial asset at: amortised cost; fair value through other comprehensive income; or fair value through profit or loss.

The Group applies impairment requirements to financial assets measured at amortised cost and financial assets measured at fair value through other comprehensive income.

Subsequent to initial recognition, the Group measures a financial liability at: amortised cost or fair value through profit or loss.

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. A fair value measurement assumes that a transaction to sell an asset or transfer a liability occurs:

- in the principal market for the asset or liability;
- · or, in the absence of a principal market, in the most favourable market for the asset or liability.

The Group must have access to the principal or most favourable market. The fair value of an asset or liability is measured using assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best interests. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorised within the fair value hierarchy described below, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 – quoted market prices in active markets for identical assets or liabilities (unadjusted);

Level 2 – valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable in the market;

Level 3 – valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable in the market.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Group measures the fair value of an instrument based on quoted prices in an active market when that information is available. A market is regarded as active if transactions are regularly conducted between knowledgeable, independent market participants and quoted prices are readily available and reflect market conditions.

If the market is not active, various valuation techniques are used to determine fair value. Valuation techniques include discounted cash flow models, comparison to similar instruments for which observable prices exist and others. Assumptions and inputs used in valuation techniques include risk-free and benchmark interest rates, credit spreads and other premiums used in estimating discount rates, bond and equity values, foreign exchange rates, quoted share and index prices and expected price volatility.

The objective of valuation techniques is to arrive at a fair value that reflects the price of the financial instrument at the reporting date in an arm's length transaction.

The amortised cost of a financial asset or liability is the amount at which the financial asset or liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initial amount and the maturity amount, minus any allowance for impairment.

Cost is the amount of cash or cash equivalents paid or the fair value of other consideration given to acquire an asset at the date of purchase and includes transaction costs. Measurement of cost is only applicable to investments in equity instruments that do not have a quoted market price and whose fair value cannot be reliably measured and to derivatives that are linked to, and payable by, such unquoted equity instruments.

Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial instrument. Incremental costs are costs that would not have been incurred if the transaction had not taken place. Transaction costs include fees and commissions paid to agents, advisors, brokers and dealers, levies by regulatory agencies and securities exchanges, and taxes and duties imposed on transfers of ownership. Transaction costs do not include debt premiums or discounts, financing costs, internal administrative costs or holding costs.

# Derecognition of financial assets

The Group derecognises financial assets when (a) the assets are redeemed or the rights to cash flows from the assets otherwise expired or (b) the Group 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 the 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.

#### Cash

Cash includes cash on hand.

#### Due from the National Bank of Belarus

Amounts due from the National Bank represent funds on correspondent accounts with the National Bank and obligatory reserves, which are not available to finance the Group's day-to-day operations and hence are not considered as cash and cash equivalents for the purposes of the statement of cash flows. Therefore, they are not considered as cash and cash equivalents for the purposes of the statement of cash flows. Obligatory reserves with the National Bank are measured at amortised cost.

#### Due from banks

Due from banks represent correspondent accounts with resident banks, correspondent accounts with non-resident banks, funds lent to resident banks under repo transactions, short-term loans to resident banks and demand deposits placed with resident banks. Due from banks are measured at amortised cost.

#### Cash and cash equivalents

For the purposes of the statement of cash flows, the composition of cash and cash equivalents is disclosed separately. Cash and cash equivalents include cash on hand, amounts due from the National Bank, amounts due from financial institutions with original maturities within 90 days that are readily convertible to known amounts of cash within a short period of time, except for security deposits and other restricted cash.

#### Loans to customers

Loans to customers are recorded when the Group advances money to a customer for the purpose of acquiring or originating a non-derivative, unquoted receivable due on a fixed or determinable date and there is no intention to trade the receivable. Loans to customers are measured at amortised cost.

Impairment of financial assets measured at amortised cost

At each reporting date, the Group measures expected credit losses on a financial instrument at an amount equal to lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If at the reporting date there is no significant increase in the credit risk of a financial instrument since initial recognition, the Group estimates allowance for expected credit losses on that financial instrument in an amount equal to 12-month expected credit losses.

In accordance with the requirements of IFRS 9, the Group applies the expected credit loss model for financial instruments, the key principle of which is to recognise deterioration or improvement in the credit quality of financial instruments on a timely basis, taking into account current and forecast information. The amount of expected credit losses recognised as an allowance for expected credit losses depends on the degree of change in the credit quality of the financial instrument since the date of initial recognition (the date of initial recognition for credit related commitments is the date on which the Group assumes the commitment).

In accordance with the general approach, at the date of recognition financial instruments are classified into stage 1, further depending on the degree of deterioration in credit quality from the date of initial recognition to subsequent reporting dates, the Group classifies financial instruments into one of the following stages:

Stage 1 – Financial instruments with no evidence of a significant increase in credit risk and no evidence of impairment for which expected credit losses are in an amount equal to 12-month expected credit losses;

Stage 2 – Financial instruments with factors indicating a significant increase in credit risk but without signs of impairment for which expected credit losses are calculated for the entire life of the financial instrument;

Stage 3 – Financial instruments with indications of impairment for which expected credit losses are calculated for the whole life of the financial instrument.

Where there has been a significant increase in credit risk at the previous reporting date compared to the date of initial recognition and the financial asset has been allocated to Stage 2 and there are no factors indicating a significant increase in credit risk at the reporting date compared to the date of initial recognition, the asset is allocated to Stage 1 and the expected credit losses are determined over a 12-month horizon and the allowance is reversed.

Credit-impaired financial assets acquired or created are not eligible for rollover from Stage 3.

The Group considers a significant increase in credit risk at the reporting date if, among other things, the following indications exist: overdue debts on a financial asset for a period of up to 7 days or financial institutions and for a period more than 30 days for individuals and legal entities.

The main factors that indicate that there is evidence of impairment and that a financial asset has been assigned to Stage 3 are: overdue debt for more than 7 days for financial institutions and for more than 90 days for individuals and legal entities, as well as default restructuring.

The amount of the allowance for expected credit losses (ECL) depends on the Exposure at Default (EAD), the term of the financial asset or contingent liability, the probability of default (PD) and the loss given default (LGD). In general, the amount of expected credit losses is calculated using the formula:

ECL = PD x LGD x EAD.

where PD is the probability of default. This value is an estimate of the probability of default over a specified time interval during the term of the financial asset (contingent liability).

LGD - loss given default. This value is an estimate of losses arising in case of default at a certain point in time.

EAD - the amount of the credit claim exposed to default risk.

The PD for legal entities is defined as the PD value assigned to the industry to which the legal entities belong, published in the AQR report for the last available year, prepared by the Agency of the Republic of Kazakhstan on Regulation and Development of Financial Market.

The PD for an individuals is defined as the PPD value which is the predicted probability of a credit history subject (individual) to admit overdue debts over 90 days within 12 months for the amount of more than two basic units. PPD is measured in percent. If an individual has no credit history, the PD value is calculated as a weighted arithmetic average based on the PD values assigned to individuals and the EAD value.

The forecast of probability of default (PD) for legal entities and individuals is adjusted taking into account the influence of macroeconomic factors. Any indicators that show the closest correlation with the default rate can be used as a macroeconomic indicator.

For counterparty banks with ratings assigned by such rating agencies as Moody's Investors Service, Fitch, Standard & Poors, ACRA, Expert RA, NCR, NRA the PD determined by NCR is used, which value is transferred according to the transition table.

With respect to resident banks that do not have ratings assigned by rating agencies (except for the National Bank), the PD value is determined as a weighted arithmetic average calculated using PD values of resident banks that have ratings for similar types of operations.

With respect to non-resident banks that do not have ratings assigned by rating agencies, the PD value may be determined on the basis of the credit rating of the country where the bank is a resident, or on the basis of a motivated judgment formed by the risk manager for credit risk management.

If a counterparty bank has several ratings assigned by rating agencies, the PD value is determined by the worst of the ratings assigned to such counterparty bank.

For legal entities and individuals LGD is applied in values depending on the type of contractual collateral. Based on the motivated judgment of the risk manager for credit risk management, LGD may be assumed to be 100%.

The LGD for financial organisations is assumed to be 100%.

When calculating expected credit losses for legal entities, cash flows not only from loan repayment but also from possible realisation of collateral are taken into account. When calculating the adequacy of collateral for loans to legal entities and individuals the possible realisable value of collateral pledged is determined. For this purpose, the market value of the property is determined taking into account forecasts of its change until the expected moment of property realisation.

A simplified approach is used to calculate expected losses on receivables. The total amount of expected credit losses is calculated as the sum of expected credit losses for three portfolios of receivables by type of counterparty segment (financial organisations, legal entities and individuals). PD is determined to be equal to the value calculated as the average of the portfolio of financial assets for the relevant counterparty segment type, LGD is 100%.

For acquired or originated credit-impaired financial assets at the date of initial recognition, the Group takes into account expected credit losses when calculating the effective interest rate adjusted for credit risk and no allowance for impairment is recorded for such financial assets. At subsequent reporting dates, the Group estimates only the cumulative change in the expected credit losses over the life of the asset to determine the allowance for impairment losses.

Foreclosed collateral for non-payments

Collateral acquired for non-payments represents non-financial assets received by the Group in settlement of overdue loans. These assets are initially recognised at fair value when received and included in inventories within other assets, and are subsequently remeasured and accounted for depending on their nature and the Group's intentions with respect to the realisation of these assets, in accordance with the accounting policies for these categories of assets.

#### Credit related commitments

The Group issues financial guarantees and commitments to extend credit. A financial guarantee contract is a contract that requires the issuing party to make specified payments to the counterparty to reimburse the counterparty for a loss it incurs because the specified debtor fails to make payment when due in accordance with the original or revised terms of a debt instrument.

Upon initial recognition, the Group measures a financial guarantee contract at fair value.

Subsequent to initial recognition, the financial guarantee contract is measured at the higher of: the amount of the loss allowance; and the amount initially recognised less, where appropriate, cumulative gain recognised.

Securities at fair value through other comprehensive income

This category of securities includes investment securities which the Group intends to hold for an indefinite period of time and which may be sold in response to needs for liquidity or changes in interest rates, exchange rates or equity prices.

Investment securities at fair value through other comprehensive income are carried at fair value. Interest income on debt securities at fair value through other comprehensive income is calculated using the effective interest method and recognised in profit or loss for the year. Dividends on equity investments at fair value through other comprehensive income are recognised in profit or loss for the year when the Group's right to receive payment is established and it is probable that the dividends will be collected. All other elements of changes in the fair value are recognised in other comprehensive income until the investment is derecognised or impaired at which time the cumulative gain or loss is reclassified from other comprehensive income to profit or loss for the year.

Financial instruments measured at amortised cost

These financial instruments include debt investment securities for which the Group has no intention of selling them immediately or in the near term, loans and receivables. These financial instruments are measured at amortised cost.

Allowance for expected credit losses on financial assets

The Group applies impairment requirements to financial assets measured at amortised cost and financial assets at fair value through other comprehensive income.

The allowance for expected credit losses on financial assets at fair value through other comprehensive income is recognised in other comprehensive income and does not reduce the carrying amount of the financial asset in the consolidated statement of financial position.

Transactions under sale and repurchase agreements

Sale and repurchase agreements which effectively provide a lender's return to the counterparty, are treated as secured financing transactions. Securities sold under sale and repurchase agreements are not derecognised. Securities are not reclassified to another line item in the consolidated statement of financial position unless the transferee has the right by contract or custom to sell or repledge the securities. In such cases, they are classified as amounts due from banks under repo transactions. The corresponding liability is presented within amounts due to financial organisations.

## Offsetting

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously. The right of set-off must not be contingent on a future event and must be legally enforceable in all of the following circumstances:

- · in the ordinary course of business;
- · in the event of default; and
- · in the event of insolvency or bankruptcy of the organisation or any of its counterparties.

These conditions are generally not met for master netting agreements and the related assets and liabilities are recognised in the consolidated statement of financial position in full.

# Property, plant and equipment and intangible assets

Property, plant and equipment (except buildings) and intangible assets are carried at historical cost restated for inflation less accumulated depreciation and impairment losses. Buildings are carried at revalued amounts. Depreciation is charged on a straight-line basis. Annual depreciation rates:

Buildings and constructions	1%-20%
Computer equipment	12.5%-25%
Transport vehicles	14.2%-25%
Other	2%-33.3%
Intangible assets	10%-33.3%

Gains and losses on disposals of property, plant and equipment and intangible assets are recognised in the consolidated statement of comprehensive income in the period of disposal.

Utility and repair costs are recognised in the consolidated statement of comprehensive income as incurred. Major overhauls of buildings, plant and equipment are charged to the statement of comprehensive income as an increase in their historical cost. Useful lives, residual values and amortisation methods are reviewed annually.

The Group's intangible assets represent computer software and licences.

# Investment property

Investment property represents properties used to earn rentals, capital appreciation. Investment properties are initially recognised at cost, including acquisition costs.

Investment property is subsequently measured at fair value. The Bank estimates the fair value of investment property based on an appraisal performed by an independent appraiser with recognised and relevant professional qualifications.

#### Revaluation of investment property

As at 31 December 2024 and 31 December 2023 investment property was revalued at fair value. The fair value was determined by an independent appraiser using income and comparative valuation methods, which reflect the market value of the property and take into account information on transactions in the domestic property market.

# Income and expense recognition

Interest income and expense are recognised in the consolidated statement of comprehensive income using the effective interest method. The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability (or group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments and receipts through the expected life of the financial asset or liability (or, where appropriate, a shorter period) to the present value of the financial asset or liability.

The calculation of the effective interest rate includes all fees received and paid, transaction costs and discounts or premiums that are an integral part of the effective interest rate. Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or liability.

Fees, commissions and expenses that are an integral part of the effective interest rate of a financial asset or liability are taken into account in determining the effective interest rate.

Other fee and commission income and expense mainly represent servicing and transaction fees and are recognised as services are provided or received.

Premiums and discounts on floating rate instruments are amortised to the next rate repricing date except for premiums or discounts that reflect 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 amortised over the expected life of the instrument.

#### Income tax

The current income tax expense is calculated in accordance with the legislation of the Republic of Belarus.

Deferred tax assets and liabilities are calculated in respect of all temporary differences using the balance sheet liability method. Deferred income tax is provided for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for consolidated financial reporting purposes, except where the

deferred income tax arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences can be utilised. Deferred tax assets and liabilities are measured at tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the reporting date.

Belarus also has various operating taxes that are assessed on the Group's activities. These taxes are recognised in operating expenses.

#### **Provisions**

Provisions are recognised in the consolidated financial statements when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made.

Provisions are recognised at an amount that represents the best estimate of the expenditure required to settle the obligation at the reporting date based on current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

### **Current employee benefits**

Current employee benefits are measured at an undiscounted amount and are expensed in the period in which the related services are rendered or work is performed.

In accordance with the requirements of the legislation of the Republic of Belarus, the Group makes mandatory payments to the Social Security Fund of the Ministry of Labour and Social Protection of the Republic of Belarus from the accrued salaries of its employees.

The Group has no other pension obligations to retired or former employees.

### **Equity**

#### Ordinary shares

Ordinary shares are classified as equity. The cumulative cost, net of tax effects, directly attributable to the issue of ordinary shares is treated as a deduction from equity.

### Presentation of items in the consolidated statement of financial position in order of liquidity

The Group's assets and liabilities are presented in the statement of financial position in order of liquidity.

## Operating segments

The Group's management does not evaluate performance by segment and does not make decisions based on such division.

# 4. Significant Accounting Estimates and Professional Judgements in Applying Accounting Policies

The Group makes estimates and assumptions that affect the amounts recognised in the consolidated 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 judgements and estimates in the process of applying the accounting policies.

Judgements that have the most significant effect on the amounts recognised 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:

#### Allowance for expected credit losses

The Group regularly reviews its loans, securities and receivables to assess for impairment. Management judgement is required to estimate the amount and timing of future cash flows when determining the impairment

loss. In estimating these cash flows, the Group makes judgements about the financial position of the borrower and the net realisable value of collateral. These estimates are based on a number of assumptions and may differ from actual results, which would change the allowance in future periods.

The estimation of the allowance for expected credit losses (ECL) for financial assets measured at amortised cost and fair value through other comprehensive income requires the use of complex models and significant assumptions regarding future economic conditions and the credit behavior of the counterparty. The Bank applies judgement in assessing whether the credit risk of a counterparty has increased significantly, in forecasting future economic conditions, and in selecting an appropriate model for measuring expected credit losses.

#### Determination of fair value

The determination of fair value of financial assets and liabilities for which there is no quoted market price requires the use of valuation techniques as described in the respective accounting policies (Note 4). For financial instruments that do not have an active market, the determination of fair value is less objective and requires judgements based on liquidity, concentration, uncertainty of market factors, value assumptions and other factors affecting the financial instrument.

#### Impairment of non-financing assets

The carrying amounts of the Group's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication of impairment exists, the asset's recoverable amount is estimated. The recoverable amount of another non-financial asset is the higher of its fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash flows independently of other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

# 5. Application of new and revised standards and interpretations

The same accounting policies have been applied in these financial statements for the year ended 31 December 2024 as those applied in the Group's financial statements for the year ended 31 December 2023, except for the accounting policies and the impact of applying the following new and revised Standards and Interpretations:

# Information on the impact of standards and interpretations effective January 1, 2024.

Classification of liabilities into short-term and long-term - Amendments to IAS 1 (issued on 23 January 2020 and effective for annual periods beginning on or after 1 January 2022, the effective date was subsequently postponed to 1 January 2024).

These limited scope amendments clarify that liabilities are classified into short-term and long-term, depending on the rights existing at the end of the reporting period. Obligations are long-term if, at the end of the reporting period, the organisation has a significant right to postpone their repayment for at least 12 months. The Guide no longer requires that such a right should be unconditional. Management's expectations as to whether it will subsequently exercise its right to defer repayment do not affect the classification of liabilities. The right to postpone repayment arises only if the organisation fulfills all applicable conditions at the end of the period. An obligation is classified as short-term if the condition is violated on or before the reporting date, even if, at the end of the reporting period, an exemption from the obligation to fulfill the condition is received from the creditor. At the same time, a loan is classified as long-term if the condition of the loan agreement is violated only after the reporting date. In addition, the amendments clarify the requirements for the classification of debt that an organisation can repay by converting it into equity. "Repayment" is defined as the termination of an obligation through settlements in the form of cash, other resources containing economic benefits, or the organisation's own equity instruments. An exception is provided for convertible instruments that can be converted into equity, but only for those instruments where the conversion option is classified as an equity instrument as a separate component of a combined financial instrument.

Classification of liabilities into short-term and long-term - postponement of the effective date - Amendments to IAS 1 (issued on 15 July 2020 and effective for annual periods beginning on or after 1 January 2023, the effective date was subsequently postponed to 1 January 2024 by Amendments to IAS 1, as indicated below).

Amendments to IAS 1 regarding the classification of liabilities into short-term and long-term were issued in January

2020 with an initial effective date of 1 January 2022. However, due to the COVID-19 pandemic, the effective date was postponed by one year to allow organisations more time to implement classification-related changes as a result of the amendments.

Long-term Obligations with Covenants - Amendments to IAS 1 (issued on 31 October 2022 and effective for annual periods beginning on or after 1 January 2024).

The amendments clarify previous amendments to IAS 1 regarding the classification of liabilities into short-term and long-term, issued in January 2020, which would have been effective for annual periods beginning on or after 1 January 2023. If the 2020 amendments were applied, the organisation would not have the right to postpone repayment of the obligation (and, accordingly, such an obligation should have been classified as short-term) when the covenants would have been considered unfulfilled based on the conditions as of the end date of the reporting period, even if the verification of their fulfillment was carried out by the creditor within twelve months after that date. The 2022 amendments clarify that the covenants of credit agreements, which an organisation must fulfill only after the end date of the reporting period, will not affect the classification of liabilities into short-term and long-term as of the reporting date. However, those covenants of credit agreements that an organisation is required to comply with as of or before the reporting date will affect the classification of obligations into short-term and long-term, even if their fulfillment is verified only after the reporting date. The 2022 amendments introduce additional disclosure requirements in situations where an organisation classifies an obligation arising from a loan agreement as long-term, and this obligation is subject to the covenants of the loan agreement, which the organisation is required to comply with within twelve months after the reporting date, so that users of financial statements can get an idea of the risk that that the obligation may become repayable within twelve months after the end of the reporting period. Additional disclosures include: (a) the carrying amount of the liability; (b) information about the covenants of credit agreements; (c) facts and circumstances, if any, that indicate that the organisation may have difficulties in fulfilling the covenants of credit agreements. The 2022 amendments are effective for annual periods beginning on or after 1 January 2024, and amend the 2020 amendments.

Lease obligation in a sale and leaseback transaction - Amendments to IFRS 16 (issued on 22 September 2022 and effective for annual periods beginning on or after 1 January 2024). The amendments apply to leaseback transactions if the transfer of an asset qualifies as a 'sale' in accordance with IFRS 15, and lease payments include variable lease payments that do not depend on an index or rate. The amendments define the subsequent requirements for the valuation of purchase and sale leaseback transactions that meet the requirements of IFRS 15 and are subject to accounting as a sale. The amendments require that the seller-lessee subsequently assess the lease obligations arising from the leaseback in such a way that he does not recognise any amount of profit or loss related to the right of use that he retains. The amendments do not prevent the recognition of any amount of profit or loss related to the complete or partial termination of the lease, since they relate to the terminated right of use, and not to the right of use, which is saved by the seller-tenant. The amendments do not provide for any specific method of subsequent assessment. However, they include illustrative examples with initial and subsequent assessment of lease obligations in the presence of variable payments that do not depend on the index or rate.

Supply Financing (Reverse Factoring) Transactions – amendments to IAS 7 and IFRS 7 (issued on 25 May 2023 and effective for annual periods beginning on or after 1 January 2024).

The amendments are aimed at increasing the transparency of accounts payable factoring operations and their impact on the organisation's liabilities, cash flows and liquidity risk. They complement the existing requirements of IFRS and require the organisation to disclose the terms and conditions, the amount of liabilities that are part of the accounts payable factoring agreements, with a separate presentation of the amounts for which suppliers have already received payment from the parties providing financing, and the articles of the statement of financial position, which reflect these obligations, payment time intervals and information about liquidity risk.

IFRS S1 General Requirements for Sustainability-Related Financial Disclosures (issued on 30 June 2023 and effective for annual periods beginning on or after 1 January 2024, with earlier application permitted). As of the date of approval of the financial statements, the Belarusian regulatory authorities have not made a decision on the mandatory application of this standard. It is expected that this standard will not have a significant impact on the financial statements of the Bank. The standard sets out general requirements for sustainability-related disclosures to enhance the transparency of the impact of sustainability on an entity's financial position and performance. The key provisions of the standard are:

• Governance: disclosure requirements about how an entity's management manages its sustainability risks and opportunities;

- Strategy: a description of the entity's strategies for sustainability and their impact on its business model and financial performance;
- Risk management: information about the processes for managing sustainability risks;
- **Metrics and targets:** disclosure of the key sustainability-related metrics and targets that an entity uses to evaluate its performance.

IFRS S2 Climate-Related Disclosures (issued on 30 September 2023 and effective for annual periods beginning on or after 1 January 2024). As of the date of approval of the financial statements, the Belarusian regulatory authorities have not made a decision on the mandatory application of this standard. It is expected that this standard will not have a significant impact on the financial statements of the Bank. The objective of the standard is to improve the quality and comparability of disclosures by entities about the risks and opportunities associated with climate change. The key provisions of the standard include:

- Risks and opportunities: disclosure requirements about significant climate-related risks and opportunities that could affect the business.
- **Impacts:** a description of how climate-related risks and opportunities affect the entity's strategy, business model, and financial performance.
- Governance: information about how the entity's management is managing climate-related risks and opportunities.
- Metrics and targets: disclosure of key climate-related metrics and targets that the entity uses to evaluate
  its performance in the context of climate change.

The Group is currently in the process of collecting and analysing the information required to be disclosed under IFRS S1 and IFRS S2.

The Group has not prematurely applied any other standards, clarifications or amendments that have been issued but have not entered into force. The following published standards and interpretations, which are mandatory for annual periods beginning after 1 January 2027, are not expected to have a significant impact on the Group's financial statements:

**IFRS 18 Presentation and Disclosure in Financial Statements** (the standard was issued on 9 April 2024 and is effective for annual periods beginning on or after 1 January 2027, replacing the existing IAS 1 Presentation of Financial Statements). The standard will set out requirements for the presentation and disclosure of information in financial statements and will make significant changes, mainly affecting the income statement.

Key changes include:

- Classification of income and expenses: companies will be required to classify income and expenses into
  categories, namely operating, investing and financing. This will enable stakeholders to more clearly
  understand the nature and sources of the company's income and expenses.
- Presentation of subtotals: the standard requires the presentation of subtotals for operating profit or loss
  and profit or loss before financial performance and taxes. This separation will facilitate a more structured
  analysis of the company's financial performance.

Moreover, IFRS 18 provides expanded requirements for the aggregation and disaggregation of expenses. It also introduces new requirements for the disclosure of performance measures determined by management to provide stakeholders with more complete information about the company's operating activities. In addition, the standard makes limited changes to the statement of cash flows.

IFRS 19 Subsidiaries Without Public Accounts: Disclosures (issued on 9 May 2024 and effective for annual periods beginning on or after 1 January 2027, with earlier application permitted). IFRS 19 permits subsidiaries that do not have public accounts to apply the recognition, measurement and presentation requirements of other IFRSs, but with reduced disclosures. This helps reduce the costs of preparing financial statements while maintaining the usefulness of the information to users of the financial statements.

IFRS 19's primary objective is to provide transparency in the financial statements of subsidiaries without requiring all the disclosure requirements of full IFRSs. It does this by using reduced disclosures that reflect key aspects of an entity's financial position and performance, but do not require detailed information that might be excessive to users of the subsidiaries' financial statements. IFRS 19 enables subsidiaries to focus on key aspects of their financial statements, such as:

Key financial indicators;

- Material liabilities and assets;
- Changes in the entity's financial position.

An entity may elect to apply this Standard in its consolidated, separate or individual financial statements if, and only if, at the end of the reporting period,

- It is a subsidiary;
- It does not have public reporting;
- It has an ultimate or intermediate parent that produces consolidated financial statements available for public use and prepared in accordance with IFRSs.

#### 6. Terms of business

The Group operates in the Republic of Belarus. The economy of the Republic of Belarus displays certain characteristics of an emerging market. The legal, tax and regulatory frameworks continue to develop and are subject to frequent changes and varying interpretations. The ongoing geopolitical tension and sanctions imposed by a number of countries on certain sectors of the Belarusian economy, Belarusian organisations and individuals continue to have a negative impact on the economic environment.

Significant geopolitical tensions remain in 2024, continuing from February 2022 as a result of further developments related to Ukraine. Sanctions and restrictions have been imposed and continue to be imposed on numerous Belarusian entities, including termination of access to the Euro and US dollar markets, the international SWIFT system and many others. A number of transnational groups have suspended or ceased their business activities in Belarus.

Financial and commodity markets continue to demonstrate instability. The average exchange rate of the Belarusian ruble in annual terms (December 2024 vs. December 2023): against the Russian ruble - decreased by 1%, against the US dollar - increased by 8%, against the Chinese yuan - increased by 6%. Nevertheless, the National Bank did not change the refinancing rate during 2024: the refinancing rate was set at 9.5% from June 28, 2023.

Consumer price growth in December 2024 was 5.16% against December 2023, with the target level not exceeding 6% (2023: 5.84%, with the target level not exceeding 7-8%). The GDP growth rate of Belarus in 2024 in current prices amounted to 104.00% at the target level of 103.8% (2023: 104.10% at the target level of 103.8%).

In 2024, cooperation with Asian and African countries intensified, which opens up new opportunities for exports of Belarusian products and services. In January-August 2024 alone, exports to African countries increased almost 4 times and amounted to \$497 million. This is the maximum export volume, which exceeds the annual figures of all previous years.

As of the date of issue of the statements, the sovereign ratings of the Republic of Belarus set by international rating agencies in respect of long-term obligations have been withdrawn.

Further sanctions and restrictions on foreign business activities of Belarusian organisations are expected, as well as further negative consequences for the Belarusian economy as a whole, however it is impossible to fully assess the degree and scale of possible consequences. It is impossible to determine how long this increased volatility will last and at what level the above-mentioned financial indicators will eventually stabilise.

#### 7. Cash on hand

Cash on hand comprise the following items:

	31 December 2024	31 December 2023
Cash on hand	2 782	3 120
Total cash on hand	2 782	3 120

# 8. Due from the National Bank of Belarus

Due from the National Bank of Belarus comprise the following items:

	31 December 2024	31 December 2023
Correspondent account with the National Bank for intra-republican settlements	4 150	3 096
Obligatory reserves with the National Bank of the Republic of Belarus	222	178
Total due from the National Bank of Belarus	4 372	3 274

As at 31 December 2024 and 31 December 2023 due from the National Bank are primarily represented by correspondent account balances. There are no restrictions or encumbrances on these balances. There are no allowances for credit losses.

# 9. Due from banks

31 December 2024	31 December 2023
126 915	126 484
5 036	=
4 820	7 224
2 821	2 297
4	3
139 596	136 008
(1 061)	(3 070)
138 535	132 938
	126 915 5 036 4 820 2 821 4 139 596 (1 061)

Movements in allowance for ECL during the year are analysed below:

	2024	2023
Allowance for ECL as at 1 January	(3 070)	(3 640)
Increase in credit loss allowance	(685)	(18)
Decrease in credit loss allowance	1 473	588
Effect of exchange rate changes and other movements	1 221	-
Allowance for ECL as at 31 December	(1 061)	(3 070)

The following table discloses due from other banks balances by three stages for the purpose of ECL measurement for the year ended 31 December 2024 and 31 December 2023:

Due from banks	Stage 1	Stage 3	Total
Gross carrying amount as at 1 January 2024	135 328	680	136 008
Newly created or acquired	4 137	000	
Newly created or acquired	4 137		4 137
Derecognition as a result of disposal		(548)	(548)
Effect of other changes in carrying amount		- 2	-
As at 31 December 2024	139 465	132	139 597
Due from banks	Stage 1	Stage 3	Total
ECL as at 1 January 2024	2 390	680	3 070
Derecognition as a result of disposal		(548)	(548)
Effect of exchange rate changes and other movements	(1 460)		(1 460)
As at 31 December 2024	930	132	1 062

Due from banks	Stage 1	Stage 3	Total
Gross carrying amount as at 1 January 2023	126 145	741	126 886
Newly created or acquired	117 974	-	117 974
Derecognition as a result of disposal	(108 791)	-	(108 791)
Effect of other changes in carrying amount	-	(61)	(61)
As at 31 December 2023	135 328	680	136 008
Due from banks	Stage 1	Stage 3	Total
ECL as at 1 January 2023	2 899	741	3 640
Newly created or acquired	1	-	1
Derecognition as a result of disposal	(510)	-	(510)
Effect of exchange rate changes and other movements	-	(61)	(61)
As at 31 December 2023	2 390	680	3 070

# 10. Cash and cash equivalents

Cash and cash equivalents comprise the following items:

	31 December 2024	31 December 2023
Cash on hand	2 782	3 120
Correspondent account with the National Bank of the Republic of		
Belarus	4 150	3 096
Short-term loans to resident banks	5 036	-
Correspondent accounts with non-resident banks	4 820	6 544
Correspondent accounts with resident banks	2 821	2 297
Demand deposits placed with resident banks	4	3
	19 613	15 060
Less credit loss allowance	(133)	(5)
Total cash and cash equivalents	19 480	15 055

For the purposes of estimating expected credit losses, cash and cash equivalents balances are included in Step 1 (12-month expected credit losses). The ECL for these balances represents an insignificant amount as at 31 December 2023 and 31 December 2024.

# 11. Loans to customers

Gross carrying amount and credit loss allowance amount for loans and advances to customers at AC by classes at 31 December 2024 and 31 December 2023 are disclosed in the table below:

Customer	31 December 2024	31 December 2023
Loans to corporate customers	35 451	22 982
Loans to individuals	4 594	892
Total loans to customers	40 045	23 874
Less credit loss allowance	(1 487)	(1 107)
Total net loans to customers	38 558	22 767

An analysis loans to corporate customers by industry as at 31 December 2024 and 31 December 2023 is set out below:

Industry	31 December 2024	31 December 2023
Financial leasing	23 135	16 505
Services and trade	1 938	
Manufactiring	10 379	6 477
Total loans to corporate customers	35 451	23 874

Industry	31 December 2024	31 December 2023
Less credit loss allowance	(1 373)	(1 063)
Total net loans to corporate customers	34 079	21 919

The following tables disclose the changes in the credit loss allowance and gross carrying amount for loans to corporate customers measured at amortised cost between the beginning and the end of the reporting and comparative periods:

Loans to corporate customers	Stage 1	Total
Gross carrying amount as at		
1 January 2024	22 982	22 982
Newly created or acquired	17 907	17 907
Derecognition as a result of disposal	(1 301)	(1 301)
Effect of other changes in carrying amount	(4 137)	(4 137)
As at 31 December 2024	35 451	35 451
Loans to corporate customers	Stage 1	Total
ECL as at 1 January 2024	1 063	1 063
Newly created or acquired	711	711
Derecognition as a result of disposal	(55)	(55)
Effect of exchange rate changes and other movements	(346)	(346)
As at 31 December 2024	1 373	1 373
Loans to corporate customers	Stage 1	Total
Gross carrying amount as at		
1 January 2023	16 349	16 349
Newly created or acquired	14 202	14 202
Derecognition as a result of disposal	(15 202)	(15 202)
Effect of other changes in carrying amount	7 633	7 633
As at 31 December 2023	22 982	22 982
Loans to corporate customers	Stage 1	Total
ECL as at 1 January 2023	116	116
Newly created or acquired	642	642
Derecognition as a result of disposal	(3)	(3)
Effect of exchange rate changes and other movements	308	308
As at 31 December 2023	1 063	1 063

The table below shows an analysis of loans to corporate customers by length of time overdue as at 31 December 2024.

Loans to customers	Loans before allowance for ECL	Allowance for ECL	Loans net of allowance for ECL	allowance to loans before deducting ECL allowance, %
Not overdue	35 451	(1 373)	34 078	3.9
Total loans to corporate customers	35 451	(1 373)	34 078	3.9

Ratio of

Ratio of

(in thousands of Belarusian rubles)

The table below shows an analysis of loans to corporate customers by length of time overdue as at 31 December 2023:

	Loans before		Loans net of	allowance to loans before deducting ECL
	allowance for	Allowance	allowance for	allowance,
Loans to customers	ECL	for ECL	ECL	%
Not overdue	22 982	(1 063)	21 919	4.6
Total loans to corporate		19.00	97 to 2 100 10 to 10 10 10 10 10 10 10 10 10 10 10 10 10	Total Control of Contr
customers	22 982	(1 063)	21 919	4.6

The following tables disclose the changes in the credit loss allowance and gross carrying amount for loans to individuals measured at amortised cost between the beginning and the end of the reporting and comparative periods:

Language And Toronto	0.4	
Loans to individuals	Stage 1	Total
Carrying amount as at 1 January 2024	892	892
Newly created or acquired	3 925	3 925
Derecognition as a result of disposal	(78)	(78)
Effect of other changes in carrying amount	(145)	(145)
As at 31 December 2024	4 594	4 594
Loans to individuals	Stage 1	Total
ECL as at 1 January 2024	44	44
Newly created or acquired	108	108
Derecognition as a result of disposal	(4)	(4)
Effect of exchange rate changes and other movements	(34)	(34)
As at 31 December 2024	114	114
Loans to individuals	Stage 1	Total
Carrying amount as at 1 January 2023	956	956
Newly created or acquired	153	153
Derecognition as a result of disposal	(64)	(64)
Effect of other changes in carrying amount	(153)	(153)
As at 31 December 2023	892	892
Loans to individuals	Stage 1	Total
ECL as at 1 January 2023	30	30
Newly created or acquired	8	8
Effect of exchange rate changes and other movements	6	6
As at 31 December 2023	44	44

The table below shows an analysis of loans to individuals by length of time overdue as at 31 December 2024:

Loans to individuals	Loans before allowance for ECL	Allowance for ECL	Loans net of allowance for ECL	Ratio of allowance to loans before deducting ECL allowance, %
Not overdue	4 594	(114)	4 480	2.5
Total loans to individuals	4 594	(114)	4 480	2.5

The table below shows an analysis of loans to individuals in arrears by length of time overdue as at 31 December 2023:

				Ratio of
	Loans			allowance to
	before		Loans net of	loans before
	allowance	Allowance	allowance	deducting ECL
Loans to individuals	for ECL	for ECL	for ECL	allowance, %
Not overdue	892	(44)	848	4.9
Total loans to individuals	892	(44)	848	4.9

In order to mitigate credit risk, the Group requires collateral, the amount and type of which depends on the credit risk assessment of the counterparty.

The main types of collateral obtained for commercial lending are pledge of real estate, vehicles, equipment. For retail lending, pledge of real estate (in most cases – housing).

As at 31 December 2024 and 31 December 2023, the Group has no outstanding loans to customers granted to one borrower exceeding 10% of the Group's equity.

## 12. Securities

Securities purchased by the Bank as at 31 December 2024 and 31 December 2023 are as follows:

	31 December 2024	31 December 2023
Debt securities measured at fair value through other comprehensive income		
Bonds issued by republican bodies of state		
administration	3 290	3 201
Bonds of banks of the Republic of Belarus	-	7 090
Total securities measured at fair value through		
other comprehensive income	3 290	10 291
Debt securities measured at amortised cost		
Bonds of non-bank financial organisations of the		
Republic of Belarus	-	719
Total securities measured at amortised cost	3 290	11 010

The table below contain movements in the carrying amounts and related allowances for ECL in respect of securities measured at fair value through other comprehensive income for the year ended 31 December 2024:

Securities measured at fair value through other comprehensive income Gross carrying amount as at	Stage 1	Total
1 January 2024	10 291	10 291
Derecognition as a result of disposal	(7 046)	(7 046)
Effect of other changes in carrying amount	45	45
As at 31 December 2024	3 290	3 290
Securities measured at fair value through other comprehensive income	Stage 1	Total
ECL as at 1 January 2024	287	287
Derecognition as a result of disposal Effect of exchange rate changes and other	(96)	(96)
movements	(27)	(27)
As at 31 December 2024	164	164

The table below contain movements in the carrying amounts and related allowances for ECL in respect of securities measured at fair value through other comprehensive income for the year ended 31 December 2023:

Securities measured at fair value through other comprehensive income	Stage 1	Total
Gross carrying amount as at		
1 January 2023	15 152	15 152
Derecognition as a result of disposal	(6 695)	(6 695)
Effect of other changes in carrying amount	1 834	1 834
As at 31 December 2023	10 291	10 291
Securities measured at fair value through other		
comprehensive income	Stage 1	Total
ECL as at 1 January 2023	1 269	1 269
Derecognition as a result of disposal	(695)	(695)
Effect of exchange rate changes and other		1
movements	(287)	(287)
As at 31 December 2023	287	287

Movements in the carrying amounts and related allowances for ECL in respect of securities measured at amortised cost for the year ended 31 December 2024 are as follows.

Securities measured at amortised cost	Stage 1	Total
Carrying amount as at 1 January 2024	741	741
Derecognition as a result of disposal	(741)	(741)
As at 31 December 2024	•	-
Securities measured at amortised cost	Stage 1	Total
ECL as at 1 January 2024	22	22
Derecognition as a result of disposal	(22)	(22)
As at 31 December 2024	-	-

Movements in the carrying amounts and related allowances for ECL in respect of securities measured at amortised cost for the year ended 31 December 2023 are as follows.

Securities measured at amortised cost	Stage 1	Total
Carrying amount as at 1 January 2023	638	638
Effect of other changes in carrying amount	103	103
As at 31 December 2023	741	741
Securities measured at amortised cost	Stage 1	Total
ECL as at 1 January 2023 Effect of exchange rate changes and other	155	155
movements	(133)	(133)
As at 31 December 2023	22	22

During 2024 and 2023, the Group entered into transactions with foreign currency government bonds and bonds of banks of the Republic of Belarus. The Group transacted with government bonds in foreign currency, bonds of banks of the Republic of Belarus.

As at 31 December 2024, the Group placed funds in bonds issued by the Ministry of Finance nominated in USD.

As at 31 December 2023 the Group placed funds in bonds issued by the Ministry of Finance and in bonds of resident banks.

As at 31 December 2024 and 31 December 2023, the Group does not have any investments in securities purchased from a single issuer exceeding 10% of the Group's equity.

# 13. Property, plant and equipment

	Buildings and structures	Computers and office equipment	Vehicles	Furniture and other	Capital expenditure	Total
Initial cost	0.1.00					
As at 1 January 2024	3 979	553	231	844	84	5 691
Additions in 2024	-	46	309	45	400	800
Result of revaluation of						
historical cost	1 154	*	-	-		1 154
Disposals in 2024	-	(21)	(141)	(2)	(400)	(546)
As at						
31 December 2024	5 133	578	399	887	84	7 081
Accumulated						
depreciation						
As at 1 January 2024	(994)	(453)	(189)	(647)		(2 283)
Charge for 2024	(76)	(47)	(28)	(47)	-	(198)
Result of revaluation of						
accumulated						\$500.000 (ATMA)
depreciation	(468)	15	E	-	-	(468)
Disposals in 2024	-	19	105	8	-	132
As at	(4 520)	(404)	(440)	(000)		(0.047)
31 December 2024	(1 538)	(481)	(112)	(686)		(2 817)
Net book value	2.005	400	40	407	0.4	2 400
As at 1 January 2024 As at	2 985	100	42	197	84	3 408
31 December 2024	3 595	97	287	201	84	4 264
31 December 2024	0 000					7 207
	Buildings	Computers				
	and	and office		Furniture	Capital	
	structures	equipment	Vehicles	and other	expenditure	Total
Initial cost						
As at 1 January 2023	4 117	477	231	809	84	5 718
Additions in 2023	-	80	-	45	125	250
Result of revaluation of	(400)					(400)
historical cost	(138)	-		-	-	(138)
Disposals in 2023	-	(4)		(10)	(125)	(139)
As at 31 December 2023	3 979	553	231	844	84	5 691
Accumulated						
depreciation						
As at 1 January 2023	(1 272)	(409)	(171)	(577)		(2 429)
Charge for 2023	(71)	(49)	(18)	(78)	-	(216)
Result of revaluation of						
accumulated	349	=	-	-	-	349
depreciation						
Disposals in 2023	-	5	-	8	-	13
As at 31 December 2023	(994)	(453)	(189)	(647)	-	(2 283)
Net book value						
As of 1 January 2023	2 845	68	60	232	84	3 289
As of 31 December 2023	2 985	100	42	197	84	3 408

The amount of the initial value of property, plant and equipment fully depreciated as of 31 December 2024 is 1 015 thousand Belarusian rubles (14% of the initial value of all intangible assets).

The amount of the initial value of property, plant and equipment fully depreciated as of 31 December 2023 is 805 thousand Belarusian rubles (14% of the initial value of all intangible assets).

# 14. Investment property

Movements in the value of investment properties are as follows:

		Capital expenditures in investment	
	Investment property	property	Total
Fair value in the statement of financial position			
Balance at 1 January 2024	75 261	126	75 387
Additions	76	-	76
Gains from increase in value	4 279	_	4 279
Disposal	(251)	(126)	(377)
Balance at 31 December 2024	79 365	•	79 365
		Capital expenditures in investment	
	Investment property	property	Total
Historical cost			
Balance at 1 January 2023	67 866	126	67 992
Additions	272	-	272
Gains from increase in value	7 123		7 123
Balance at 31 December 2023	75 261	126	75 387

Rental income earned from investment property is disclosed in Note 27.

Under the terms of the agreements, operating expenses related to maintenance and servicing of investment property are borne by the lessee. The Group does not have any restrictions on the sale of its investment property or any contractual obligations to purchase, construct or develop investment property, or to repair, maintain or improve it.

As at 31 December 2024, 31 December 2023 investment property was revalued at fair value. The fair value was determined by an independent appraiser using income and comparative methods. Changes in fair value are unrealised and recognised as other expenses in profit or loss.

Sensitivity analysis of assumptions used in determining the fair value of investment property is disclosed in Note 30.

#### 15. Intangible assets

The movement in intangible assets for 2024 is as follows:

	Intangible assets	Investment in intangible assets
Initial value as at 1 January 2024	1 798	-
Additions	392	462
Disposals	(7)	-
As at 31 December 2024	2 183	462
Accumulated amortisation as at 1 January 2024	(1 240)	
Accrual	(125)	-
Disposals	7	-

		Investment in
	Intangible assets	intangible assets
As at 31 December 2024	(1 358)	-
Net book value as of at 1 January 2024	558	-
Net book value as of 31 December 2024	825	462
		Investment in
	Intangible assets	intangible assets
Initial value as at 1 January 2023	1 600	
Additions	208	
Disposals	(10)	-
As at 31 December 2023	1 798	-
Accumulated amortisation as at 1 January 2023	(1 165)	-
Accrual	(85)	1-
Disposals	10	-
As at 31 December 2023	(1 240)	-
Net book value as of at 1 January 2023	435	-
Net book value as of 31 December 2023	558	-

The Bank's intangible assets are represented by software and licenses.

The amount of the initial value of intangible assets fully depreciated as at 31 December 2024 is 126 thousand Belarusian rubles (6% of the initial value of all intangible assets).

The amount of the initial value of intangible assets fully depreciated as at 31 December 2023 is 102 thousand Belarusian rubles (6% of the initial value of all intangible assets).

# 16. Other assets

Other assets include the following items:

	31 December 2024	31 December 2023
Other financial assets measured at amortised cost		-
Settlements with other debtors	2	46
Accrued income	177	197
Credit loss allowance for receivables from business activities and accrued income	(86)	(8)
Total other financial assets	93	235
Other non-financial assets		
Settlements with suppliers and contractors	464	96
Taxes other than income tax	256	54
Materials	216	20
Settlement with personnel	193	-
Property received as a repayment of loan		
indebtedness	-	265
Total other non-financial assets	1 129	435
Total other assets	1 222	670

# 17. Due to banks

Due to banks measured at amortised cost include the following items:

	31 December 2024	31 December 2023
Correspondent accounts of other banks	10 915	6 175
Total due to banks	10 915	6 175

As at 31 December 2024, the Group had 74.3% in due to banks balances on correspondent accounts raised from the shareholder Bank Tejarat (8. 12 thousand Belarusian rubles).

As at 31 December 2023, the Group had 26.8% in due to banks balances on correspondent accounts raised from the shareholder Bank Tejarat (1 658 thousand Belarusian rubles).

# 18. Customer accounts

Amounts due to customers measured at amortised cost include the following items:

	31 December 2024	31 December 2023
Current accounts of corporate customers	9 440	6 854
Current accounts of individuals	125	127
Deposits of corporate customers	39	-
Total customer accounts	9 604	6 981

Customer accounts of the Group by industry as at 31 December 2024 and 31 December 2023 are as follows:

	31 December 2024	31 December 2023
Trade	3 838	3 168
Production	2 396	2 074
Finance lease	656	1 428
Individuals	165	127
Construction	38	40
Transport	2	2
Other	2 509	142
Total customer account	9 604	6 981

# 19. Other liabilities

Other liabilities include the following items:

	31 December 2024	31 December 2023
Other financial liabilities measured at amortised cost		
Settlements with suppliers	67	52
Accrued expenses	32	27
Settlements with customers	78	9
Settlements with other creditors	13	-
Settlements with labour remuneration personnel	12	31
Total other financial liabilities	202	119
Other non-financial liabilities		
Liabilities for taxes other than income tax	84	159
Allowance for potential losses on transactions not recognised on the balance sheet		
Provisions for holiday pay	196	52
Settlements with accountable persons	253	63
Total other non-financial liabilities	668	398
Total other liabilities	870	517

Movements in allowances for financial guarantees and other credit related commitments for the years ended 31 December 2024 and 2023 are disclosed in Note 22.

### 20. Income tax

The Group accrues for taxes based on the tax accounts maintained and prepared in accordance with the tax regulations of the Republic of Belarus, which may differ from International Financial Reporting Standards.

The Group is subject to certain permanent tax differences due to non-tax deductibility of certain expenses and non-taxable income.

During the periods ended 31 December 2024 and 31 December 2023 the statutory tax rate for Belarusian banks was 25% and 20% for subsidiaries.

Deferred taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for consolidated financial reporting purposes and the amounts used for tax purposes.

Income tax expense is represented by the following items:

	31 December 2024	31 December 2023
Accrual of income tax – current portion	36	373
Deferred tax charge – origination and reversal of temporary differences	72	3 689
Income tax expense	108	4 062

A comparison of the theoretical tax expense to the actual tax expense for the years ended 31 December 2024 and 31 December 2023 is presented below.

	31 December 2024	31 December 2023
Profit before taxation	12 214	15 416
Applicable tax rate	25%	25%
Theoretical income tax expense at the statutory		
tax rate	3 054	3 854
Tax effect from taxable income on securities	(2 562)	(2 693)
Revaluation of investment property	(852)	(1 087)
Revaluation of securities	(53)	(60)
Tax effect of non-taxable income / (expenses)	521	4 048
Total income tax expense	108	4 062

Deferred tax assets and liabilities as at 31 December 2024 and 31 December 2023, and their movements for the respective years, is the following:

(in thousands of Belarusian rubles)

		Origi of ten	Origination and reversal of temporary differences		Originat ten	Origination and reversal of temporary differences	
	1 January 2023	In the statement of profit or loss	In the statement of comprehensive income	31 December 2023	In the statement of profit or loss	In the statement of comprehensive income	31 December 2024
Tax effect of deductible temporary differences	7	0					
- cash and cash equivalents	/00	784	ť	1 291	(175)	ı	1 166
<ul> <li>amounts due from financial organisations and the National Bank of the Republic of Belarus</li> </ul>	1	ı	ı	,	37		37
- loans provided against the pledge	200	(0)		(	Š		Ç.
or securities	774	(187)	Ē	240	(12)	5	228
<ul> <li>customer accounts</li> </ul>	1 578	163	,	1741	(1741)		ı
<ul> <li>investment property</li> </ul>	8 580	(2.685)	1	5 895	(5 895)	1	ī
- securities	31	(31)	1	1		,	r
<ul> <li>property, plant and equipment and intangible assets</li> </ul>	17	23	ì	40	4 722	Ţ	4 762
- customer loans	1		1	1	349	1	349
<ul> <li>other assets and liabilities</li> </ul>	1	1	1		46	1	46
Deferred tax assets, gross amount	11 635	(2 428)		9 207	(2 618)	•	6 289
Tax effect of taxable temporary differences							
- customer loans	(202)	109	ī	(63)	93	,	1
<ul> <li>income investments in tangible assets</li> </ul>	(5 074)	(1336)	t	(6 410)	6 410	,	. 1
<ul> <li>property, plant and equipment and intangible assets</li> </ul>	(25)	171	(146)	1	(348)	(172)	(520)
- other assets and liabilities	(5.848)	(32)	ï	(5 883)	5 883	ı	,
	1	(4)	1	(4)	4	•	,
<ul> <li>amounts due from financial organisations and the National Bank of the Republic of Belarus</li> </ul>	(1777)	(167)		(1 943)	1 943	ī	
- investment property	1	1	t	t	(11 439)	ı	(11 439)
Deferred tax liability	(12 926)	(1 261)	(146)	(14 333)	(2 546)	(172)	(11 959)
Net deferred tax liability	(1 291)	(3 689)	(146)	(5 126)	(72)	(172)	(5 370)

# 21. Authorised capital

The Bank's share capital is divided into common (ordinary) shares. The nominal value of one share (historical) is 1 Belarusian cent. The total number of common (ordinary) shares is 6 165 048 700.

As of	Number of ordinary shares, thousands	Nominal value of ordinary shares	Total registered authorised capital, thousand BYN (rounded up)	Adjustment for inflation	Total
31 December 2024, 2023	6 165 049	0.01	61 651	127 324	188 975

As at 31 December 2024 and 31 December 2023 all common (ordinary) shares are fully paid, carry one vote and are entitled to dividends and participate in their assets.

In accordance with IAS 29, the share capital of the Bank was restated to reflect the purchasing power of the Belarusian ruble as at 31 December 2014 and amounted to 188,975 thousand Belarusian rubles.

Share premium represents the difference between the cost of paid-up shares issued by the Bank and their nominal value. As at 31 December 2024 and 31 December 2023 share premium amounted to 61 thousand Belarusian rubles.

No dividends were declared or paid in 2023-2024.

### 22. Contractual and contingent liabilities

### Credit related commitments

In the normal course of business, the Group uses instruments that do not meet the recognition criteria in the consolidated statement of financial position to meet the needs of customers. These instruments include commitments to extend credit and similar commitments, which carry varying degrees of credit risk. Commitments to extend credit represent unused portions of authorisations by management to extend credit and other active transactions with customers.

The Group's maximum exposure to credit loss under contingent liabilities and commitments to extend credit, in the event of non-performance by the other party where all counterclaims and collateral prove valueless, is represented by the contractual amounts of those instruments.

The Group calculates expected credit loss for contingent liabilities using the same approach as it does for financial instruments recognised in the consolidated statement of financial position.

The Group's credit related commitments comprised the following items:

	31 December 2024	31 December 2023
Credit related commitments		
Commitments to provide cash	5 127	1 082
Total credit related commitments	5 127	1 082

Movement in the estimated allowance for expected credit losses (ECL) on credit related commitments during the year is presented below:

	2024	2023
Allowance for ECL as at 1 January	(51)	2
Formation of credit loss allowance by increasing the volume of		
liabilities	(146)	-
Changes in credit loss allowance (effect of changing the ECL		
valuation model)		(51)
Allowance for ECL as at 31 December	(197)	(51)

### Retirement benefits

As at 31 December 2024 and 31 December 2023, the Group had no liabilities for fringe benefits, pension medical care, insurance, pension compensation to current or former employees that would require accrual.

Employees receive pension benefits in accordance with the laws and regulations of the Republic of Belarus.

### Legislation

Certain provisions of Belarusian commercial legislation and tax legislation in particular may be subject to varying interpretations and inconsistent application. In addition, as management's interpretation of the legislation may differ from that of the authorities, and compliance with the legislation may be challenged by the authorities, the Group may be assessed additional taxes, penalties and other preventive measures.

Management believes that the Group has made all tax and other payments or accruals, and no additional provisions have been recognised in the consolidated financial statements.

Belarusian tax legislation provides for transfer pricing control and transfer pricing reporting requirements. The tax authorities may impose additional profits tax liabilities in respect of controlled transactions if it is determined during an audit that the prices applied to such transactions differ from market prices. The risk of such additional taxation will increase if the Group fails to confirm the application of market prices for controlled transactions and the tax authorities are not provided with adequate documentary evidence of such fact. It is not practicable to determine the amount of potential transfer pricing claims by the tax authorities.

### 23. Net interest income

	2024	2023
Interest income calculated using the effective		
interest method		
Interest income on financial assets at fair value		
through other comprehensive income		
- securities	464	472
Interest income on financial assets measured at		
amortised cost		
- loans to customers	1 781	1 242
- due from financial organisations	3 238	2 297
- securities	44	72
<ul> <li>other interest income (Repurchase agreements)</li> </ul>	11 343	10 189
Other interest income		100
Total interest income	16 870	14 372
Interest expense on financial liabilities measured		
at amortised cost		
- due to financial organisations	(22)	(23)
- customer accounts	(1)	(29)
- other interest expenses		(10)
Total interest expenses	(23)	(62)
Net interest income	16 847	14 310
24. Income and expenses for services		
	2024	2023
Income from services		
- customer transactions	935	977
- other services	20	3
Total income from services	955	980

	2024	2023
Expenses on services		
- for opening and (or) maintaining bank accounts	(100)	(202)
- on securities transactions	(78)	(64)
- transactions with bank payment cards	(3)	(3)
- other services	(3)	(1)
- on foreign currency and precious metals operations	(4)	
Total expenses on services	(188)	(270)
Net income from services	767	710
25. Net income from trading in foreign currencies		
	2024	2023
Commercial transactions	341	1 884
Revaluation of currency items	(759)	(833)
Net income from trading in foreign currencies	(418)	1 051
26. Other income		
	2024	2023
Gains from increase in value of investment property	LULT	
carried at fair value	4 259	7 123
Rental income	5 069	4 530
Other income	273	252
Fines, penalties and other income	13	184
Gains on disposal of property, plant and equipment		
and other assets	98	_
Total other income	9 712	12 089
27. Other expenses		
27. Other expenses		
	2024	2023
Labor costs	(4 676)	(3 746)
Other operating expenses	(2 917)	(2 860)
Taxes other than income tax expense	(2 567)	(2 303)
Repair and maintenance costs	(2 694)	(1 389)
Expenses on contributions to the Social Security Fund of the Population	(1.246)	(4.000)
Software costs	(1 346) (1 101)	(1 096)
Amortisation expense	(360)	(942) (295)
Expenses for professional services	(351)	(197)
Rental payments	(177)	(168)
Expenses from disposal of property, plant and	( )	(100)
equipment, intangible assets and other property	-	(165)
Insurance expenses	(175)	(130)
Gifts, donations	(84)	(69)
Total other expenses	(16 448)	(13 360)
		Autorities and the second seco

# 28. Risk management system

In order to ensure positive financial results in the uncertain operating environment, to forecast the risk events and take measures to eliminate or reduce their negative consequences, the Group has established a risk management system, which is a combination of risk management techniques, as well as organisational structure, strategy, policies, methods and procedures.

In accordance with the scale, market position and structure of its operations, the Group classifies the risks inherent in its activities taking into account the materiality factor.

The Group recognises credit risk, liquidity risk, market risk, operational risk, reputational risk, strategic risk and cyber risk as unconditionally significant risks.

Other types of risks are recognised by the Group as significant when the activities that give rise to them reach a certain scale: country risk; interest rate risk of the trading portfolio; currency risk; equity risk; commodity risk; interest rate risk of the banking portfolio.

For the purpose of effective risk management, the Group has developed a system of limits and authorities, which makes it possible to distribute responsibility in this area between management bodies, committees, divisions and employees of the Group.

### Entities of the risk management system

Risks are inherent in the Bank's activities. The risk management process in the Bank covers all levels - from the management level (Board of Directors, Management Board of the Bank) to the level where risks are directly accepted and (or) generated (divisions, employees).

Mandatory subjects of the risk management system are: Board of Directors, Risk Committee, Audit Committee, Management Board of the Bank, Chairman of the Management Board of the Bank, official responsible for risk management in the Bank, internal audit department, internal control and compliance control department, financial and credit committees, risk management, risk managers, other divisions of the Bank. The authorities of the subjects of the risk management system are defined by the Bank's local legal acts.

The Board of Directors is responsible for the overall approach to risk management, approving the risk management strategy, risk tolerance indicators and risk appetite, consideration of the results of risk management system efficiency assessment, approving scenarios for strategic risk stress testing, the list and thresholds of key strategic risk indicators, reviewing the results of strategic risk stress testing, establishing the list of the Bank's risk takers and a number of other key risk management functions.

The Risk Committee internally monitors the implementation of the Group's risk management strategy and the decisions of the Board of Directors made in relation to the risk profile and tolerance to inherent risks, assesses the effectiveness of the Group's risk management system, making recommendations on risk management issues.

The Audit Committee annually submits to the Board of Directors a report on the results of the assessment of the effectiveness of the Bank's corporate governance and, jointly with the Risk Committee, a report on the process of implementing the Bank's goals and development strategy.

The responsibility of the Management is to ensure compliance with risk tolerance and risk appetite, to maintain the Bank's risk profile adequate to the scale of its activities, to ensure the functioning of the risk management system, to fulfil the Group's goals and objectives set by the Board of Directors in the organisation of the risk management system, to control the adoption of measures to reduce (limit) risks, to take other actions to meet the requirements to the organisation of the risk management system established by the National Bank.

The functions of the officer responsible for risk management include periodic, but at least semi-annually, submission for consideration of the Board of Directors of a joint report on the status and efficiency of the risk management system in the Bank, bank holding company, and development of proposals to improve the efficiency of risk management.

The Internal Audit Department assesses the efficiency of the risk management system, develops proposals to improve the efficiency of risk management, and submits a report on the efficiency of the risk management system to the Audit Committee.

The Internal Control and Compliance Control Department participates in the development of new banking products by the Bank's divisions for the purposes of compliance risk management; checks local legal acts containing strategy, policies, methodologies and procedures of banking risk management for the existence of control procedures and their adequacy

The powers of risk managers for managing certain types of risks in the risk management system include monitoring of the main events and facts influencing the level of certain types of risks, taking actions to detect (identify), measure (assess) and monitor (control), limit (reduce) the level of certain types of risks and other functions.

The Group's divisions (individual officials) are responsible for identifying risks by line of business, developing and implementing risk minimisation and operational risk control measures in accordance with their competence.

#### Credit risk

Credit risk is the risk that the Group will incur losses and not receive planned income due to the debtor's failure to fulfil, untimely or incomplete fulfilment of financial and other property obligations to the Group in accordance with the terms of the contract or the law.

Detection (identification), measurement (assessment) of credit risk is performed through primary and secondary examination of credit projects. Primary examination of a borrower - a legal entity or an individual is performed by the Banking Services Department. Creditworthiness is assessed based on the Group's information about the borrower's willingness to fulfil its obligations, the borrower's ability to repay the loan and the availability of collateral that would allow the Group to compensate losses in case of the borrower's failure to fulfil the terms of the loan agreement. The primary examination of a counterparty bank is based on an assessment of its financial position and ability to repay the funds provided to it in due time and in full and is performed by a bank examiner.

Secondary examination is performed by the risk manager for credit risk management when considering a credit project.

The Banking Services Department monitors (controls) the financial position of the borrower and the credit transaction. Compliance with the limits set for counterparty banks is monitored by subdivisions in the process of transactions with counterparty banks and by a bank expert.

The credit and finance committees jointly determine the acceptable level of credit risk.

The Credit Committee, taking into account the opinion of the risk manager on credit risk management, makes a decision on granting a loan and on approval of limits for counterparty banks.

The Finance Committee, based on the opinion of the Credit Risk Manager, decides on the classification of debt into credit risk groups.

The Group uses such methods as loan portfolio diversification, provisioning, stress testing and others to manage credit risk.

The Group's maximum exposure to credit risk is reflected in the carrying amounts of financial assets in the consolidated statement of financial position. Credit risk is mitigated by collateral and other credit enhancements.

Credit quality of securities

The Bank does not assign credit ratings to securities due to the absence of external information from rating agencies on sovereign ratings of the Republic of Belarus since 2022 and a small number of borrowers. As of 31 December 2024 and 31 December 2023, all balances on active securities were classified as Stage 1.

Credit quality of amounts due from banks and due from the National Bank of Belarus

Internal credit ratings are not assigned to due from banks and due from the National Bank. The credit quality of amounts due from banks and the National Bank is analysed based on the occurrence of overdue debt on these funds and the presence of criteria for significant increase in credit risk and signs of impairment. As of 31 December 2024 and 31 December 2023 all amounts due from banks, except for correspondent accounts with Iranian banks, were included in Stage 1. Balances on correspondent accounts with Iranian banks are classified as Stage 3 due to the specifics of working with Iranian banks under sanctions restrictions and are reserved at 100%.

# Credit quality of loans to customers

The table below shows the credit quality by class of financial assets for legal entity loan-related items measured at amortised cost, consolidated statement of financial position, by impairment stage by duration of overdue status and degree of collateral as at 31 December 2024 and 31 December 2023.

	12-month expected credit losses (Stage 1)	Total 31 December 2024
Loans to corporate customers		
Not overdue	34 581	34 581
Not overdue with insufficient collateral	870	870
Total gross carrying amount of loans to corporate		
customers	35 451	35 451
Credit loss allowance	(1 373)	(1 373)
Total loans to corporate entities	34 078	34 078
	12-month expected	Total
	credit losses (Stage 1)	31 December 2023
Loans to corporate customers		
Not overdue	22 691	22 691
Not overdue with insufficient collateral	291	291
Total gross carrying amount of loans to corporate		
customers	22 982	22 982
Credit loss allowance	(1 063)	(1 063)
Total loans to corporate entities	21 919	21 919

The table below presents the analysis of credit quality by financial asset classes for items related to loans to individuals measured at amortised cost in the consolidated statement of financial position, by stage of impairment by length of time overdue as of 31 December 2024 and 31 December 2023.

Loans to individuals	12-month expected credit losses (Stage 1)	Total 31 December 2024
Not overdue Total gross carrying amount of loans to	4 594	4 594
individuals	4 594	4 595
Credit loss allowance	(114)	(114)
Total loans to individuals	4 480	4 480
	12-month expected	Total
Loans to individuals	credit losses (Stage 1)	31 December 2023
Not overdue	892	892
Total gross carrying amount of loans to individuals	892	892
Credit loss allowance	(44)	(44)
Total loans to individuals	848	848

As of 31 December 2024, a 1 percentage point change in the allowance rate used to calculate the allowance for expected credit losses on loans to legal entities could result in a change in profit before taxation by 355 thousand Belarusian rubles. As at 31 December 2023, a 1 percentage point change in the allowance rate used to calculate the allowance for expected credit losses on loans to legal entities could result in a change in profit before taxation by 230 thousand Belarusian rubles.

As of 31 December 2024, a 1 percentage point change in the allowance rate used to calculate the allowance

for expected credit losses on loans to individuals could result in a change in profit before taxation by 45 thousand Belarusian rubles. As at 31 December 2023, a 1 percentage point change in the allowance rate used to calculate the allowance for expected credit losses on loans to legal entities could result in a change in profit before taxation by 9 thousand Belarusian rubles.

### Liquidity risk

Liquidity risk is the risk that the Group will incur losses (losses) and not receive the planned income due to the inability to ensure timely and full fulfilment of its obligations, as well as due to the imbalance of the Group's financial assets and financial liabilities (including due to untimely fulfilment of financial liabilities by one or more of the Group's counterparties) and (or) the emergence of an unforeseen need for immediate and one-time fulfilment of the Group's financial liabilities.

The goal of risk management in the Liquidity Group is achieved on the basis of a systemic, integrated approach by implementing tasks including:

- sharing powers and responsibilities between the Board of Directors and the Management Board, the Risk Committee, officials and divisions of the Bank in the area of liquidity risk management;
  - organisation of an adequate and relevant to the Group's interests, asset and liability management system;
- organisation of a system of stress testing and early warning to identify causes and factors affecting changes in liquidity risk, and modeling the behavior of liquidity indicators in the future;
- establishment of a system of regular and timely informing the Board of Directors of the Bank and the Management Board of the Bank, the Risk Committee and the Financial Committee on the efficiency of the liquidity risk management system.

The Group uses the following methods to assess liquidity risk and determine the need for liquid assets:

- liquidity ratio analysis;
- method of estimation of liquidity gaps on future maturities (GEP analysis);
- method of payment flow analysis.

The liquidity ratio analysis involves calculation of a number of ratios characterising the accumulated liquidity in the balance sheet, stability of liabilities and the Group's need for additional liquid funds.

Current liquidity risk is assessed on a daily basis by calculating liquidity indicators characterising compliance with prudential norms by the Economic Management Department and comparing their values with safe functioning norms for banks in the field of liquidity (liquidity ratios) established by the National Bank as the main indicators of liquidity risk:

- liquidity coverage;
- net stable funding.

In addition to liquidity indicators characterising compliance with prudential norms, as part of analytical prudential statements are calculated indicators characterising cash flows, structure of assets and liabilities, freely available assets that are not encumbered, which can be used by the Group as collateral for operations to increase the volume of highly liquid assets and attract resources, including:

- liquidity coverage ratios by currency.
- indicators of contractual maturity mismatches and concentration of funding in significant foreign currencies;
- indicators of concentration of funding received from each creditor (depositor) significant for the Group, a group of interrelated creditors (depositors), as well as received by issuing an instrument significant for the Group;
  - indicators of available unencumbered assets.

# Analysis of financial liabilities by remaining maturities

The following tables show the analysis representing the remaining maturity of financial liabilities calculated for undiscounted cash flows on financial liabilities (principal and interest) on the basis of the earliest date on which the Bank will be required to settle the liability as at 31 December 2024 and 31 December 2023.

	Cost, reported in the statement of	Undiscounted cash	Less than 3
As of 31 December 2024	financial position	flows	months
Financial liabilities			
Financial liabilities measured at			
amortised cost			
Due to banks	10 915	10 915	10 915
Customer accounts	9 604	9 604	9 604
Other financial liabilities	202	202	202
Total potential future payments on			
financial liabilities	20 721	20 721	20 721
	Cook		
	Cost, reported in the		
	statement of	Undiscounted cash	Less than 3
As of 31 December 2023	financial position	flows	months
Financial liabilities	This is a second of		months
Financial liabilities measured at			
amortised cost			
Due to banks	6 175	6 175	6 175
Customer accounts	6 981	6 981	6 981
Other financial liabilities	119	119	119
Total potential future payments on			
financial liabilities	13 275	13 275	13 275

As of December 31, 2024 and December 31, 2023, the Group has no liabilities with maturities of more than 3 months.

(in thousands of Belarusian rubles)

The Group does not use the above undiscounted maturity analysis to manage liquidity. Instead, the Group monitors the expected maturities of financial assets and financial liabilities based on the analysis below:

	Less than 1	2024 year More than 1		Less than 1	2023 year More than 1	
	year	year	Total	year	year	Total
Financial assets						
Cash on hand	2 782	t	2 782	3 120	1	3 120
Due from banks	139 535	ı	139 535	132 938	t	132 938
Due from the National Bank of Belarus	4 372	1	4 372	3 274	t	3 274
Loans to customers	21 884	16 674	38 558	10 018	12 749	22 767
Securities	i	r		7 817	3 193	11 010
Other financial assets	179	1	179	235	1	235
Total financial assets	167 752	16 674	184 426	157 402	15 942	173 344
Financial liabilities Financial liabilities measured at amortised cost						
Due to banks	10 915		10 915	6 175		6 175
Customer accounts	9 604	1	9 604	6 981	r	6 981
Other financial liabilities	202	1	202	119	•	119
Total financial liabilities	20 721	1	20 721	13 275	•	13 275
Total balance sheet item	147 031	16 674	163 705	144 127	15 942	160 069

### Interest rate risk

Interest rate risk of the banking portfolio is the risk of the Group incurring losses (losses), failure to receive planned income from changes in the value of the Group's balance sheet and off-balance sheet positions not included in the trading portfolio due to changes in interest rates.

The interest rate risk management process is performed when the risk is recognised as material.

Interest rate risk arises as a result of imbalance between the volumes of assets and liabilities and off-balance sheet positions sensitive to changes in interest rates.

Detection (identification) of interest rate risk involves identifying the main sources and factors of interest rate risk that may cause losses and (or) additional costs.

For the purposes of interest rate risk measurement (assessment), the following main methods are used: scheduling of changes in the value of positions; simulation modelling.

Detection (identification), measurement (assessment) and monitoring (control) of interest rate risk is performed on a monthly basis in the course of a comprehensive assessment by the interest rate risk manager of the Group's banking portfolio of the structure of financial assets and liabilities, as well as analysis of changes in the size of maturity gaps between interest rate-sensitive financial assets and liabilities.

Sensitivity analysis - interest rate risk

A change in interest rates by 3 and 1 percentage points at the reporting date would increase/(reduce) profit before tax and equity by the amounts below. The analysis assumes that all other factors remain constant.

	31 Decemb	er 2024	31 December 2023		
	Interest rate + 3 p.p.	Interest rate - 1 p.p.	Interest rate + 3 p.p.	Interest rate - 1 p.p.	
Effect on profit before tax Floating interest rate instruments Effect on equity	1 296	(432)	1 041	(347)	
Floating interest rate instruments	687	(229)	268	(89)	

### Market risk

Market risk includes interest rate risk, currency risk, equity risk and commodity risk.

The Group does not have a trading portfolio and stock portfolio.

### Currency risk

Currency risk is the risk that the Group will incur losses (losses) and not receive planned income from changes in the value of the Group's balance sheet and off-balance sheet positions denominated in foreign currencies due to changes in foreign currency exchange rates.

The Group's authorised person, appointed by the decision of the Management Board, who has the authority to manage currency risk, is the Group's currency risk manager.

The Group continuously analyses its open currency position and regularly assesses the structure of assets and liabilities by currency in order to comply with the open currency position requirement. This standard is set by the National Bank in the amount of no more than 10% of the regulatory capital for each type of foreign currency.

The table below summarises the Group's financial assets and liabilities by currency as at 31 December 2024:

					Other	
As at 31 December 2024	BYN	USD	EUR	RUB	currency	Total
Financial assets						
Cash on hand	645	1 552	478	107	_	2 782
Due from banks	126 005	811	2 151	9 243	325	138 535
Due from the National Bank of Belarus	4 372	-	-	-	_	4 372
Loans to customers	38 380	42	-	36	_	38 558
Securities		3 290	-	-	_	3 290

As at 31 December 2024 Other financial assets Total financial assets Financial liabilities Financial liabilities measured at amortised cost	BYN 179 169 581	USD - 5 695	EUR - 2 629	9 386	Other currency - 325	Total 179 187 716
Due to banks	50	_	5 854	5 011	-	10 915
Customer accounts	1 469	660	3 290	4 182	3	9 604
Other financial liabilities	199	-	3	_	_	202
Total financial liabilities	1 718	660	9 147	9 193	3	20 721
Total balance sheet item	167 963	5 035	6 518	193	322	166 995

The table below summarises the Group's financial assets and liabilities by currency as at 31 December 2023:

					Other	
As at 31 December 2023	BYN	USD	EUR	RUB	currency	Total
Financial assets			J. 1005			
Cash on hand	825	637	1 047	611	7 <del>2</del>	3 120
Due from banks	124 153	1 169	2 739	4 874	3	132 938
Due from the National Bank of Belarus	3 274	-	-	_	1-	3 274
Loans to customers	16 116	551	-	6 100	12	22 767
Securities	-	3 920	7 090	-	1 =	11 010
Other financial assets	234	_	1	-	-	235
Total financial assets	144 602	6 277	10 877	11 585	3	173 344
Financial liabilities					<del>)                                    </del>	188
Financial liabilities measured at amortised cost						
Due to banks	2	-	5 202	971	-	6 175
Customer accounts	432	1 123	2 862	2 561	3	6 981
Other financial liabilities	119	-	_	-	:=	119
Total financial liabilities	553	1 123	8 064	3 532	3	13 275
Total balance sheet item	144 049	5 154	2 813	8 053	-	160 059

Sensitivity analysis - currency risk

The table below summarises the Group's sensitivity analysis to a 20% weakening of the local currency against the USD, Euro and Russian ruble. The analysis assumes that other factors, in particular interest rates, remain constant.

	31 December	r 2024	31 December 2023		
	20%	10%	20%	10%	
Effect on profit before income tax					
USD	1 007	(504)	1 031	(515)	
EUR	(1 304)	652	562	(281)	
RUB	39	(20)	1 610	(805)	
Effect on equity					
USD	755	(378)	773	(386)	
EUR	(978)	489	422	(211)	
RUB	29	(15)	1 208	(604)	

A strengthening of the Belarusian ruble against the foregoing currencies would have an equally opposite effect, provided that the influence of all other factors remains constant.

As at 31 December 2024 and 31 December 2023 the Group also has balances in Iranian Rial on the correspondent

account of the parent company. A 10 percent point change in the real exchange rate of the Iranian Rial could result in a 29 thousand rubles change in profit before tax. As at 31 December 2023, a 10 percent point change in the real exchange rate of the Iranian Rial could result in a 50 thousand rubles change in profit before taxation.

# Country risk

Country risk is the risk that the Group will incur losses (losses), fail to receive planned income as a result of non-fulfilment of obligations by foreign counterparties (legal entities, individuals) due to economic, political, social changes, as well as due to the fact that the currency of the monetary obligation may not be available to the counterparty due to peculiarities of the legislation (regardless of the financial position of the counterparty itself).

Comprehensive country risk management helps to ensure the safety of the Group's assets placed outside the Republic of Belarus.

Detection (identification) of country risk is carried out by collecting, summarising and systematising information on the political and economic situation in the countries where the Group's main counterparties and customers are residents.

Monitoring (control) of the country risk level is carried out by the risk manager for country risk management on an ongoing basis by tracking changes in significant political and economic indicators, control over compliance with the control values of key indicators of country risk, threshold values of risk appetite and tolerance to country risk.

In order to forecast changes in the country risk, the Group carries out stress testing, the essence of which is to assess the consequences of the active impact on the Group's exposure to factors inherent in the country risk.

A geographical analysis of the Group's assets and liabilities as of 31 December 2024 and as of 31 December 2023 is presented below:

	Republic	OECD	Other	
As of 31 December 2024	of Belarus	countries	countries	Total
Financial assets				
Cash on hand	2 782	-	-	2 782
Due from banks	133 774	_	4 761	138 535
Due from the National Bank of Belarus	4 372	-	-	4 372
Loans to customers	38 558	-	-	38 558
Securities	3 290	-	-	3 290
Other financial assets	179	-	_	179
Total financial assets	182 955	-	4 761	187 716
Financial liabilities				
Financial liabilities measured at amortised cost				
Due to bank	50	-	10 865	10 915
Customer accounts	5 137	553	3 914	9 604
Other financial liabilities	200		2	202
Total financial liabilities	5 387	553	14 781	20 721
Total balance sheet item	177 558	(553)	(10 020)	166 995

	Republic	Other	
As of 31 December 2023	of Belarus	countries	Total
Financial assets			
Cash on hand	3 120	-	3 120
Due from banks	126 397	6 541 <sup>1</sup>	132 938
Due from the National Bank of Belarus	3 274	-	3 274
Loans to customers	22 767	-	22 767
Securities	11 010	_	11 010
Other financial assets	235	-	235

Due from banks of the Russian Federation

50

As of 31 December 2023	Republic of Belarus	Other countries	Total
Total financial assets	166 803	6 541	173 344
Financial liabilities			
Financial liabilities measured at amortised cost			
Due to bank	_	6 175 <sup>2</sup>	6 175
Customer accounts	4 565	2 416	6 981
Other financial liabilities	119	-	119
Total financial liabilities	4 684	8 591	13 275
Total balance sheet item	162 119	(2 050)	160 069

### Operational risk

Operational risk is the risk that the Group will incur losses (damages) and (or) additional costs, failure to receive planned income as a result of non-compliance of the Group's established procedures and procedures for banking operations and other activities with legislation, local legal acts, business practices or violation of these procedures and procedures by the Group's employees, incompetence or errors of the Group's employees, non-compliance or failure of the systems used by the Group, including information systems, as well as as as a result of external factors.

The Group does not consider operational risk management as an independent type of management activity, but as part of the integrated banking risk management system.

When identifying (identifying) operational risk, internal and external factors contributing to its occurrence are taken into account.

Measurement (assessment) of operational risk involves assessing the probability of occurrence of operational incidents, and assessing the size of potential losses (the difference between losses that could be incurred as a result of an operational incident and losses incurred as a result of operational incidents).

Monitoring (control) of operational events and operational risk incidents is carried out on an ongoing basis by responsible employees of the Group's divisions. In addition to monitoring operational losses, the Group regularly monitors parameters and control values of established criteria - key risk indicators, which facilitates timely identification of potential sources of operational risk.

Compliance with the established rules and procedures for operational risk management is monitored as part of the internal control system.

The quality of operational risk management is assessed at least once a year by the Internal Audit Department by calculating the operational risk management quality indicator.

### 29. Equity management

The Group manages its capital to ensure compliance with regulatory requirements and to safeguard the Group's ability to continue as a going concern, with the objective of achieving profitability by optimising the Group's ratio of liabilities to equity.

The capital structure comprises share capital, reserves and accumulated profits as disclosed in the consolidated statement of changes in equity.

The Group's management reviews the capital structure on a monthly basis.

As part of this review, management determines the level of capital adequacy by comparing regulatory capital levels with quantified risks (risk weighted assets). The Group's management analyses capital adequacy as well as the risks associated with each class of assets.

<sup>&</sup>lt;sup>2</sup> Including amounts due to financial organisations in the Islamic Republic of Iran in the amount of 2 810 thousand Belarusian rubles

In order to limit risk appetite, to ensure that available capital is sufficient to cover the risks it undertakes and to maintain financial stability, the Group carries out internal capital assessment.

The purpose of internal capital assessment is achieved on the basis of a systematic, comprehensive approach by realising the following objectives:

- division of powers and responsibilities between the Bank's management bodies, committees, officials and divisions of the Bank in the sphere of internal capital assessment;
- integration of the internal capital assessment process into the Bank's strategic management and planning
  process in such a way that the results of the internal capital adequacy assessment procedure are used
  when making decisions on the Bank's business development (formation of the development strategy)
  as a basis for assessing the amount of capital required by the Bank to cover significant types of risks:
- regularity of informing the Bank's governing bodies about actual values of indicators used within the framework of internal capital assessment;
- availability of an adequate system of internal control over the internal capital assessment process.

To assess capital adequacy under stress conditions, the Group performs stress-testing procedures for significant types of risks and at least once performs comprehensive stress-testing of capital adequacy.

The results of stress testing are submitted for consideration of the Bank's Management Board, The Board of Directors, the Risk Committee, which, if necessary, may approve corrective actions aimed at:

- reducing the level of accepted risks;
- redistribution of capital allocated to cover significant types of risks;
- increasing the amount of available capital.

The adequacy of the Group's capital is monitored using the ratios established by the National Bank and the Basel Capital Accord.

In accordance with the capital requirements set by the National Bank, banks are required to maintain a ratio of capital to risk weighted assets (regulatory capital adequacy ratio) above the minimum required level (12.5%). As of 31 December 2024, the Bank's actual regulatory capital adequacy ratio is 219,710% (31 December 2023 – 340.975%).

As at 31 December 2024 and 31 December 2023, the Group's capital adequacy ratio calculated in accordance with the capital requirements set by the National Bank for bank holding companies was:

	31 December 2024	31 December 2023
Fixed capital	208 479	201 193
Additional capital	11 599	9 352
Total regulatory capital	220 078	210 545
Total risk-weighted assets	454 763	426 960
Regulatory equity adequacy	45,281	49,313

As of 31 December 2024 and 31 December 2023, the Group was in compliance with the National Bank's regulatory capital adequacy requirements, i.e. the ratio of capital to risk-weighted assets was above 10%.

### 30. Fair value of financial assets

Fair value is defined as the amount at which the instrument could be exchanged in a current transaction between independent interested parties in an arm's length transaction, other than in a forced sale or liquidation. The best evidence of fair value is a quoted price for the financial instrument in an active market. As no readily accessible market exists for a large part of the Group's financial instruments, judgment is necessary in arriving at fair value based on current market conditions and the specific risks attributable to the instrument. The estimates presented below may not be indicative of the amounts the Group could realise in a market exchange from the sale of its full holdings of a particular instrument.

The table below analyses financial instruments carried at fair value at the end of the reporting period by level according to the classification described above:

	Fair valu	ue as of		
Financial assets / Financial liabilities	31 Dec. 2024	31 Dec. 2023	Fair value hierarchy	Measuring methodology and key inputs
Securities at fair value through other comprehensive income	3 290	10 291	Level 2	Discounted cash flows. The rates used are rates for financial instruments with a similar risk level, denominated in an appropriate currency and having an appropriate maturity.

There were no reclassifications of financial instruments among levels during the year.

For financial assets and liabilities carried at amortised cost, the fair value is not materially different from their carrying amounts. Property, plant and equipment (buildings) are carried at revalued amounts based on fair value.

For financial assets and liabilities accounted at fair value with short maturities, it is assumed that the carrying amount is approximately equal to fair value. This assumption is also applied to demand deposits, current accounts that do not have a maturity date.

The fair value of investment properties at 31 December 2023 and 31 December 2024 was determined by external independent real estate appraisers with appropriate recognised professional qualifications and recent experience in valuing this category of real estate in this location.

The fair value measurement of investment property was based on income and comparative approaches and was categorised as Level 3 in the fair value hierarchy based on the inputs of the valuation techniques applied.

Valuation techniques and significant unobservable inputs

Investment property owned by the Group is leased primarily for retail and office space. As a result of the economic turmoil caused by the COVID-19 pandemic, the worsening of the geopolitical situation in February 2022 and the imposition of sanctions on entities and individuals from Belarus, the uncertain economic outlook for the period may seriously affect the lessees' operations, the sustainability of their businesses and their ability to meet lease obligations. Therefore, the assumptions may be significantly revised in 2025. A sensitivity analysis for these assumptions is presented later in this Note.

Estimation method	Significant unobservable inputs	Relationship between key unobservable inputs and fair value measurements
Discounted cash flows: the model considers the present value of the net cash flows generated by the property, taking into account changes in rental payments, occupancy rates, other costs not recovered from tenants (management, advertising costs, replacement costs and costs associated with current tax legislation). The discount rate calculation includes premiums for real estate market risk, low liquidity, property management and financial risk. The risk-free rate is the average interest rate on foreign currency deposits in the settlement currency for a term exceeding one year based on the National Bank's data for June-November 2023.	- Risk-adjusted discount rates Net operating income	The estimated fair value increases (decreases) if: - the risk-adjusted discount rates would be lower (higher); - net operating income is higher (lower).
Comparative method: information on offers and sales of real estate objects similar to the objects of appraisal, reduced to the price of 1 m. sq. m. of the total area of appraisal through a system of adjustments. The final value of the valuation objects was determined by assigning weighting coefficients reflecting the accuracy of the adjustments.	<ul> <li>Value of real estate objects similar to the objects of valuation.</li> </ul>	The estimated fair value increases (decreases) if: - the value of 1 sq. m. of real estate objects similar to the objects of valuation will be higher (lower).

# Sensitivity analysis

Significant professional judgment is required in evaluating the inputs to determine the fair value of investment property. Reasonably possible changes at the reporting date to one of the significant assumptions, if other assumptions remain unchanged, would have affected the fair value of commercial real estate by the amounts shown below.

Change	31 December 2024
Increase in discount rate by 1%	(1 333)
Decrease in discount rate by 1%	1 438
Decrease in net operating income by 10%	(2 090)
Increase in net operating income by 10%	2 126
Decrease in the cost of 1 sq. m.	(4 017)
Increase in the cost of 1 sq. m.	3 956

# 31. Related party transactions

Related parties are shareholders of the Group who have significant influence over the Group and key management personnel, their close relatives and controlled by the above parties.

Amounts included in the consolidated statement of financial position of transactions with related parties are disclosed below:

	31 December 2024	31 December 2023
Due from banks	132	678
Loans to customers	26	49
Other assets	-	1
Less: Expected credit losses allowance	(217)	(680)
Total assets	(59)	48
	31 December 2024	31 December 2023
Due to other banks	8 112	1 658
Total liabilities	8 112	1 658

The amounts included in the consolidated statement of comprehensive income on transactions with related parties are presented below:

	2024	2023
Interest income and expense		
Interest income calculated using the effective interest		
rate	276	295
Total interest income and expense	276	295
Commission income and expense		
	2024	2023
Compensation to key management personnel	1 922	1 734
Total compensation to key management personnel	1 922	1 734

### 32. Events after the reporting date

The functioning of the economy of the Republic of Belarus under economic sanctions related to the events in the neighboring country indicates a significant degree of economic uncertainty. The financial position of the Group's borrowers (debtors) and, accordingly, their ability to repay the amounts due to the Group on time and in full also depend on the prospects for further development of economic policy pursued by the Government of the Republic of Belarus.

In conditions of increasing geopolitical tension and functioning of the economy under economic sanctions, fluctuations in the exchange rate of the Belarusian ruble (as of 16 May 2025, the exchange rate of the USD amounted to 3.0099 and decreased by 13.35%, the euro amounted to 3.3722 and decreased by 6.96% compared to the exchange rate as of 31 December 2024).

Under the conditions of intensifying geopolitical tension and expansion of sanctions pressure from a number of states, the National Bank has taken additional temporary measures aimed at increasing the banks' ability to maintain financial support to the real sector of the economy. At present it is not possible to accurately assess the impact of external and internal conditions on the economy of the Republic of Belarus at all and the financial position of the Group in particular. The Management of the Group takes all necessary measures aimed at ensuring stable and continuous operations in the current environment.