

Joint stock company  
"Belarusian-Swiss Bank "BSB Bank"

Financial statements  
for the year ended 31 December 2023

June 2024

This document contains 79 pages

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ЗАО «БСБ Банк»  
дата 14.06.2024  
ин.сч. 14856



## INDEPENDENT AUDITOR'S REPORT

To the Chairman of the Management Board, Chief Accountant  
of the Joint Stock Company "Belarusian-Swiss Bank "BSB Bank"

Ref. number: 04-05/48

Date: 14 June 2024

### Opinion

We have audited the financial statements of the Closed Joint Stock Company "Belarusian-Swiss Bank "BSB Bank" (hereinafter – CJSC "BSB Bank" or "auditee") (location: Republic of Belarus, 220004, Minsk, 23 Pobediteley ave., bldg. 4; date of state registration: registered by the National Bank of the Republic of Belarus on 7 October 2002, registration number in the Unified State Register of Legal Entities and Individual Entrepreneurs: 807000069), which comprise:

- ▶ The statement of financial position as at 31 December 2023;
- ▶ The statement of profit or loss, statement of other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended;
- ▶ Notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the attached financial statements present fairly, in all material respects, the financial position of CJSC "BSB Bank" as at 31 December 2023, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and their Interpretations (hereinafter - "IFRSs").

### Basis for opinion

We conducted the audit in accordance with the requirements of the Law of the Republic of Belarus No. 56-Z dated 12 July 2013 "On Auditing Activities", Instructions "On the Regulation of Auditing activities in Banks, Banking Groups and Bank Holdings" approved by Resolution No. 495 of the Board of the National Bank of the Republic of Belarus dated 11 December 2019, National Standards of Auditing Activities approved by the Ministry of Finance of the Republic of Belarus, and International Standards on Auditing.

Our responsibilities under those requirements are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We observed the principle of independence in relation to the auditee in accordance with the requirements of the Law of the Republic of Belarus No. 56-Z dated 12 July 2013 "On Auditing Activities", the National Standards of Auditing Activities approved by the Ministry of Finance of the Republic of Belarus and the International Code of Ethics for Professional Accountants adopted by the International Ethics Standards Board for Accountants, and we observed other principles of professional ethics in accordance with these requirements.

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



## Key audit matters

We have determined that there are no key audit matters to be reported in our audit report.

## Responsibilities of the Management for the Preparation of the Financial Statements

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

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

Those charged with governance are responsible for the supervision of the preparation of auditee's financial statements.

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

Our objectives are to obtain reasonable assurance whether the financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion expressed in the prescribed form.

Reasonable assurance forms a high level of assurance but is not a guarantee that an audit conducted in accordance with the requirements of Law of the Republic of Belarus No. 56-Z dated 12 July 2013 "On Auditing Activities", Instructions "On the Regulation of Auditing activities in Banks, Banking Groups and Bank Holdings" approved by Resolution No. 495 of the Board of the National Bank of the Republic of Belarus dated 11 December 2019, National Standards of Auditing Activities approved by the Ministry of Finance of the Republic of Belarus, and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise due to fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of the users taken on the basis of these financial statements.

As part of an audit in accordance with the requirements of Law of the Republic of Belarus No. 56-Z dated 12 July 2013 "On Auditing Activities" Instructions "On the Regulation of Auditing activities in Banks, Banking Groups and Bank Holdings" approved by Resolution No. 495 of the Board of the National Bank of the Republic of Belarus dated 11 December 2019, National Standards of Auditing Activities approved by the Ministry of Finance of the Republic of Belarus, and International Standards on Auditing, the auditor exercises professional judgment and maintains professional skepticism throughout the audit.



## Auditor's Responsibilities for the Audit of the Financial Statements (continued)

We also:

- ▶ Identify and assess the risks of material misstatement of the 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 the internal control system relevant to the audit of the financial statements 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 internal control system;
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures of the financial statements made by the auditee;
- ▶ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the auditee'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 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 auditee to cease to continue as a going concern;
- ▶ Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 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, related safeguards.

From the matters communicated with those charged with governance, we determine the matters that were most relevant to the audit of the financial statements for the current period and, therefore, are key audit matters.



## Auditor's Responsibilities for the Audit of the Financial Statements (ending)

We describe these issues in our audit report, except in cases where public disclosure of information about these issues is prohibited by law or when, in extremely rare cases, we conclude that information about any issue should not be disclosed in our report, as it can reasonably be assumed that the negative consequences of such information communication will exceed the socially significant benefit of its communication.

Engagement Partner  
(Power of Attorney  
No. 15-07/23 dated  
25.10.2023)



Dmitry Bekeshko  
(certificate on conformity with  
qualification requirements for performance  
of audit activity in banks No. 71 dated  
09.10.2013;

qualification certificate of the auditor  
No. 0002114 dated 27.06.2013, reg.  
No. 1935)

Engagement Manager

Andrey Misuk  
(certificate on conformity with  
qualification requirements for performance  
of audit activity in Banks No. 164 dated  
11.01.2024;

qualification certificate of the auditor  
No. 0002095 dated 27.12.2012,  
reg. No. 1918)

Auditor's report date: 14 June 2024

Place of issue: Minsk, Republic of Belarus

Date of receipt by the auditee: 14 June 2024

Position, Full name

*Belnix Alra chief accountant*

Signature

### INFORMATION ABOUT THE AUDITOR:

Name:

Business Assurance LLC

Location:

103 Pobediteley ave., floor 8, office 7, Minsk, 220020,  
Republic of Belarus

Date of state registration

Certificate on the state registration issued by Minsk City  
Executive Committee dated 04.07.2022

Registration number in the Unified State  
Register of Legal Entities and Individual  
Entrepreneurs:

190241132

Registration number in the register of audit  
entities

10028



**STATEMENT OF MANAGEMENT'S RESPONSIBILITY**

Management of JSC "BSB Bank" is responsible for the preparation of financial statements of the Bank. The financial statements on pages 8 to 79 fairly the financial position of the Bank as at 31 December 2023, the results of its operations and cash flows for the year ended 31 December 2023 in accordance with International Financial Reporting Standards (hereinafter - "IFRSs").

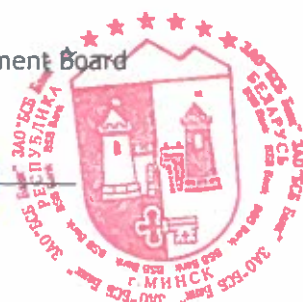
The Management of the Bank confirms that proper accounting principles had been consistently applied during the reporting period. Reasonable and prudent judgments and estimates have been made in the preparation of the financial statements of the Bank. The Management also confirms that financial statements have been prepared on a going concern basis.

The Management of the Bank is responsible for proper accounting, taking necessary measures to protect the property of the Bank and detecting and preventing instances of fraud and other abuse. The Management of the Bank is also responsible for the management of the Bank in accordance with the legislation of the Republic of Belarus, including the rules established by the National Bank of the Republic of Belarus (hereinafter – "the National Bank").

The financial statements for the year ended 31 December 2023 are authorized for issue on 14 June 2024 and are signed on behalf of the Management of the Bank.

On behalf of the Management of the Bank:

Chairman of the Management Board  
S.V. Dubkou



Chief Accountant  
A.N. Belnik

Minsk  
14 June 2024

Translation from the original into English

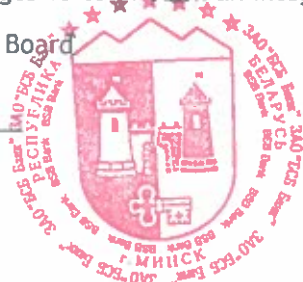
**STATEMENT OF FINANCIAL POSITION**
*In thousands of Belarusian rubles*

	Note	31 December 2023	31 December 2022
<b>ASSETS</b>			
Cash and cash equivalents	6	738,390	559,662
Precious metals	7	5,043	3,725
Financial assets measured at amortized cost, including:			
<i>Due from financial organizations</i>	8	11,116	8,489
<i>Loans to customers</i>	9	36,397	30,692
<i>Securities</i>	10	41,799	55,512
Financial assets measured at fair value through profit or loss	11	7	1,409
Financial assets measured at fair value through other comprehensive income	12	71,788	44,740
Right-of-use assets	13	3,521	2,700
Property, plant and equipment and intangible assets	14	29,393	23,075
Deferred income tax assets	34	6,661	3,204
Other assets	15	40,763	27,529
<b>TOTAL ASSETS</b>		<b>984,878</b>	<b>760,737</b>
<b>LIABILITIES AND EQUITY</b>			
<b>Liabilities</b>			
Financial liabilities measured at amortized cost, including:			
<i>Due to financial organizations</i>	16	146	57
<i>Due to customers</i>	17	826,663	633,344
<i>Subordinated loans</i>	18	16,213	13,396
Financial liabilities measured at fair value through profit or loss	19	263	-
Lease liabilities	20	3,642	2,762
Preference shares	21	-	1,200
Other liabilities	22	12,024	12,102
<b>Total liabilities</b>		<b>858,951</b>	<b>662,861</b>
<b>Equity</b>			
Share capital	23	47,553	46,353
Revaluation reserve for financial assets measured at fair value through other comprehensive income	23.1	1,560	(3,833)
Retained earnings		76,814	55,356
<b>Total equity</b>		<b>125,927</b>	<b>97,876</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>984,878</b>	<b>760,737</b>

The accompanying notes on pages 15 to 79 form an integral part of these financial statements.

 Chairman of the Management Board  
 S.V. Dubkou

Minsk, 14 June 2024


 Chief Accountant  
 A.N. Belnik

Translation from the original into English

**STATEMENT OF PROFIT OR LOSS**
*In thousands of Belarusian rubles*

	Note	2023	2022
Interest income	24	18,993	18,998
Interest expenses	24	(2,723)	(6,635)
<b>Net interest income</b>		<b>16,270</b>	<b>12,363</b>
Commission income	25	75,040	41,890
Commission expenses	26	(29,707)	(16,751)
<b>Net commission income</b>		<b>45,333</b>	<b>25,139</b>
Net income from transactions with financial assets and liabilities measured at fair value through profit or loss	26	(1,665)	232
Net gain from foreign currency transactions	27	61,799	71,992
Net gain on operations with precious metals	28	1,303	3,090
Net income from operations with financial assets measured at amortized cost	29	638	(9)
Net income from operations with financial assets measured at fair value through other comprehensive income	30	(66)	(986)
<b>Total operating income</b>		<b>123,612</b>	<b>111,821</b>
Net (accrual)/ recovery of allowance for impairment of financial assets	6, 8, 9, 10, 12, 15	(7,466)	(1,153)
Net (accrual)/ recovery of allowances for credit related commitments	35	711	173
Personnel expenses	31	(26,738)	(24,634)
Amortization / Depreciation	13, 14	(6,630)	(5,218)
Administrative expenses	32	(25,929)	(18,238)
Net other income/ (expenses)	33	1,142	(2,694)
<b>Profit before tax</b>		<b>58,702</b>	<b>60,057</b>
Income tax expenses	34	(6,380)	(15,130)
<b>Net profit for the year</b>		<b>52,322</b>	<b>44,927</b>
Basic earnings per ordinary share	23.2	2.4029	2.1759

The accompanying notes on pages 15 to 79 form an integral part of these financial statements.

 Chairman of the Management Board  
 S.V. Dubkou

Minsk, 14 June 2024


 Chief Accountant  
 A.N. Belnik



Translation from the original into English

STATEMENT OF OTHER COMPREHENSIVE INCOME

<i>In thousands of Belarusian rubles</i>	Note	2023	2022
Net profit for the year			44,927
<i>Other comprehensive income/ (expenses) that will be subsequently reclassified to profit or loss:</i>	23.1		
Net change in fair value of financial assets measured at fair value through other comprehensive income		6,957	(5,286)
Income tax relating to financial assets measured at fair value through other comprehensive income		(1,799)	1,322
Change in allowance for expected credit losses on financial assets measured at fair value through other comprehensive income		235	(1,254)
<b>Total other comprehensive income</b>		<b>5,393</b>	<b>(5,218)</b>
<b>Total comprehensive income</b>		<b>57,715</b>	<b>39,709</b>

The accompanying notes on pages 15 to 79 form an integral part of these financial statements.

Chairman of the Management Board  
S.V. Dulokou

Minsk, 14 June 2024



Chief Accountant  
A.N. Belnik



Translation from the original into English

## STATEMENT OF CHANGES IN EQUITY

In thousands of Belarusian rubles

	Note	Share Capital	Own redeemed shares	reserve of financial assets measured at fair value through other comprehensive income	Revaluation of financial assets through comprehensive income	Retained earnings / (unrecovered loss)	Total capital
Balance as at 31 December 2021		46,353	(1,216)		1,385	25,480	72,002
Total comprehensive income		-	-	(5,218)		44,927	39,709
Net profit for the year		-	-	-		44,927	44,927
Other comprehensive income for the year	23.1	-	-	(5,218)		-	(5,218)
Transactions with owners, recognized directly in equity		-	-	-		(13,835)	(13,835)
Accrued dividends		-	-	-		(13,835)	(13,835)
Transactions with repurchased own issue shares	23	-	(1,216)	-		(1,216)	-
Balance as at 31 December 2022		46,353	-	(3,833)		55,356	97,876
Total comprehensive income		-	-	5,393		52,322	57,715
Net profit for the year		-	-	-		52,322	52,322
Other comprehensive income for the year	23.1	-	-	5,393		-	5,393
Transactions with owners, recognized directly in equity		-	-	-		(30,864)	(30,864)
Accrued dividends		-	-	-		(30,864)	(30,864)
Transactions with repurchased own issue shares		-	-	-		-	-
Reclassification of preference shares	21	1,200	-	-		-	1,200
Balance as at 31 December 2023		47,553	-	1,560		76,814	125,927

The accompanying notes on pages 15 to 79 form an integral part of these financial statements.

Chairman of the Management Board  
S. V. Dubkov

Chief Accountant  
A. N. Belnik

Minsk, 14 June 2024



Translation from the original into English

**STATEMENT OF CASH FLOWS**

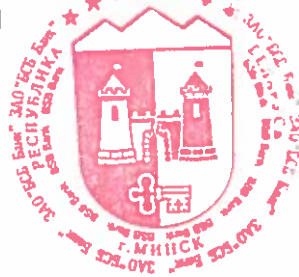
<i>In thousands of Belarusian rubles</i>	Note	2023	2022
<i>Cash flow from operating activities:</i>			
Interest income received		16,951	16,749
Interest income paid		(1,872)	(2,684)
Commission income received		73,425	41,856
Commission income paid		(29,372)	(16,531)
Realized result from foreign currency transactions		62,703	73,302
Realized result from transactions with precious metals		72	14,220
Realized result from operations with securities		521	(78)
Other income received		993	293
Operating expenses paid		(51,814)	(41,656)
<b>Cash flows from operating activities before changes in operating assets and liabilities</b>		<b>71,607</b>	<b>85,471</b>
<i>(Increase)/decrease in operating assets:</i>			
Due from financial organizations		92,462	2,293
Loans to customers		(10,553)	17,653
Financial assets measured at fair value through other comprehensive income		(20,802)	47,661
Other assets		(83,493)	2,868
<i>Increase/(decrease) in operating liabilities:</i>			
Due to financial organizations		85	57
Due to customers		110,642	266,252
Other liabilities		(1,106)	4,942
<b>Net cash flows from operating activities before tax</b>		<b>158,842</b>	<b>427,197</b>
Income tax paid		(8,752)	(12,139)
<b>Net cash flow from operating activities</b>		<b>150,090</b>	<b>415,058</b>
<i>Cash flow from investing activities:</i>			
Acquisition of property and equipment and intangible assets		(9,101)	(3,680)
Disposal of property and equipment and intangible assets		61	(56)
Acquisition of securities accounted at amortized cost		(37,298)	(67,485)
Redemption (realization) of securities measured at amortized cost		56,214	29,214
<b>Net cash flow from investing activities</b>		<b>9,876</b>	<b>(42,007)</b>
<i>Cash flow from financing activities:</i>			
Dividends paid		(30,864)	(13,835)
Payments in respect of the principal amount of the lease liability	20	(3,108)	(3,031)
<b>Net cash flow from financing activities</b>		<b>(33,972)</b>	<b>(16,866)</b>
<b>Net increase in cash and cash equivalents</b>		<b>125,994</b>	<b>356,185</b>
Effect of changes in foreign exchange rates on cash and cash equivalents		51,221	6,513
<b>Cash and cash equivalents at the beginning of the year (before provisions)</b>	<b>6</b>	<b>562,577</b>	<b>199,879</b>

In thousands of Belarusian rubles	Note	Translation from the original into English	
		2023	2022
Cash and cash equivalents at the end of the year (before provisions)	6	739,792	562,577

The accompanying notes on pages 15 to 79 form an integral part of these financial statements.

Chairman of the Management Board  
S.V. Dubkou

Minsk, 14 June 2024



Chief Accountant  
A.N. Belnik