SUSTAINABLE DEVELOPMENT GOALS

2021 ANNUAL REPORT

HAKRINBANK

INDEX

Building of the headquarters of Hakrin Bank N.V.
Dr. Sophie Redmondstraat 11 - 13
Paramaribo, Suriname

MISSION, VISION AND CORE VALUES

MISSION

Providing customer driven financial solutions through innovation and employee engagement.

VISION

Engaged in your financial journey by contributing to more sustainable business activities for a brighter future.

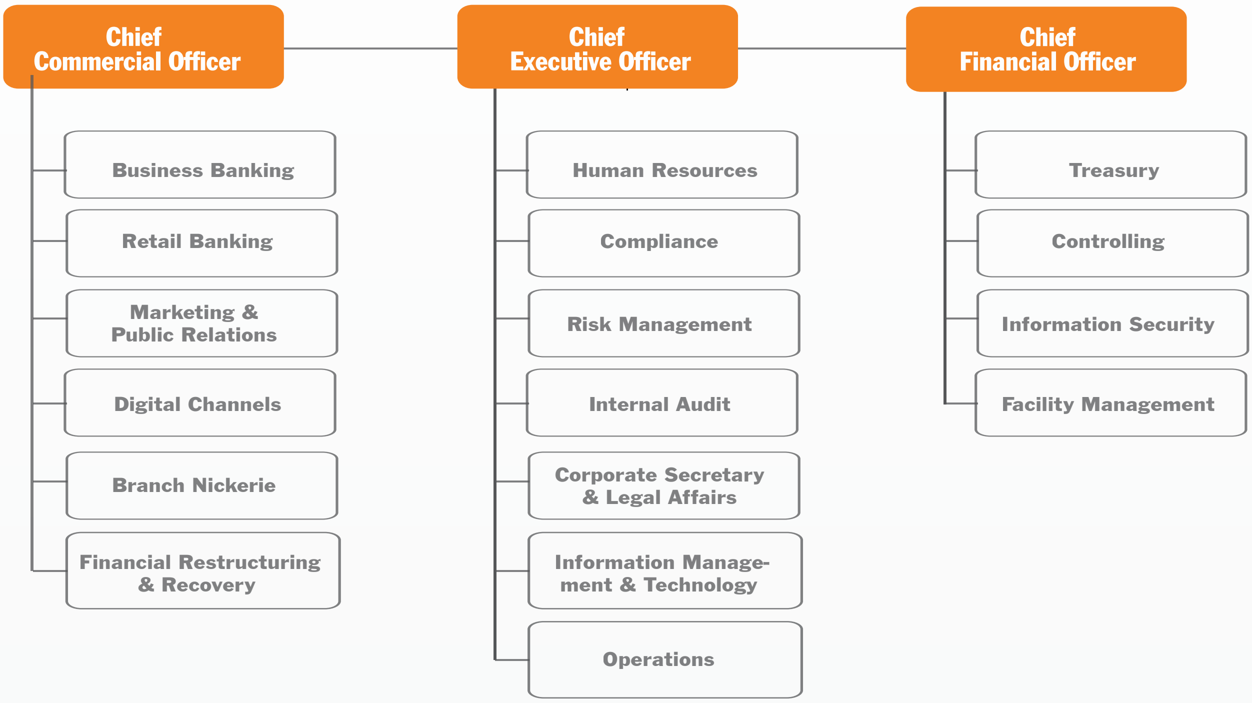
CORE VALUES

The core values are the most important principles that serve as a compass for our actions, guiding our standards, and everything we do as a bank.

Our core values are:
- Reliability
- Service and Customer focus
- Teamwork
- Quality

ORGANIZATIONAL CHART

CURRENT / JULY 1ST, 2024



FUNCTIONAL DISTRIBUTION

SUPERVISORY BOARD

S.S.T. Jadnanansing-Jairam LL.M	Chair
P.R. Peneux MSc.	Vice-Chair
M.V. Parsan MBA	Member
J.R.D. Braster RA	Member
Drs. A.R Bhagwandin MBA	Member
Drs. H. Ramadhin	Member
H.R. Schurman LL.M	Member

EXECUTIVE BOARD

Drs. R.P.V. Sheorajpanday	Chief Executive Officer
Drs. C.J. Valk RA CIA	Chief Financial Officer
P.V. Ng-A-Tham	Chief Commercial Officer

P. NG-A-THAM

Business Banking
C. Wijdh, BBA, Manager

Digital Channels
A. Jap-A-Joe, B.ICT, Acting Manager

Marketing
T. Keyzer, MSc., BBA, Manager

Retail Banking
D. Khitanea, BBA, Manager

Branch Nickerie
A. Moerahoe, BSc., Manager

Financial Restructuring & Recovery
N. Durga, MSc., Acting Manager

R. SHEORAJPANDAY

Human Resources
Drs. R. Brown, Manager

Compliance
M. Westmaas LL.M, Manager

Risk Management
Drs. R. Mahabier-Naigi, Manager

Internal Audit
A. Bilkerdijk-Kowlesar, CA AA, Acting Manager

Corporate Secretary & Legal Affairs
P. Bhagwandin, LL.M CAMS, Manager

Operations
Drs. R. Sitaram, Senior Manager

Information Management & Technology
C. Abdoellah, B. ICT, Manager

C. VALK

Treasury
Drs. R. Oedai, Manager

Controlling
N. Kewalapat, QC, B.Ec., Manager

Information Security
Vacant

Facility Management
R. Djojopawiro, B.ICT, FMP, Manager

CONSOLIDATED KEY FIGURES

Shown in SRD x 1,000	**2021**	2020*	2019*
Statement of Financial Position			
Cash and cash equivalents	1,774,633	1,070,645	806,003
Loans, bonds and advances to customers	3,538,323	4,873,460	5,581,819
Other assets	6,612,290	7,542,137	7,472,384
Total assets	**11,925,246**	**13,486,242**	**13,860,206**
Due to customers	10,391,499	11,694,189	11,223,46
Other liabilities	758,173	891,886	1,670,149
Equity	775,574	900,167	966,590
Total liabilities and equity	**11,925,246**	**13,486,242**	**13,860,206**
Income Statement			
Operating income	460,593	557,413	612,544
Operating expenses	391,991	375,179	424,722
Impairment charges on financial instruments	75,192	62,070	336,757
Profit/ (loss) before taxation and net monetary gains & (losses)	**(6,590)**	**120,164**	**(148,935)**
Net monetary gains & (losses)	(138,267)	(185,634)	(83,890)
Profit/(loss) before taxation	**(144,857)**	**(65,470)**	**(232,825)**
Income tax expense	39,807	102,138	5,301
Net result	**(184,664)**	**(167,608)**	**(238,126)**
Ratio's (in %)			
Efficiency ratio	85.1	67.3	69.3
Return on equity	(22.0)	(18.0)	(24.7)
Return on assets	(1.45)	(1.23)	(1.77)
Capital ratio	6.5	6.7	7.0
Solvency ratio	14.9	12.7	9.4
Information per share			
Number of shares issued	772,998	642,520	522,998
Earnings per share (in SRD)	(238.89)	(260.86)	(455.31)
Net asset value	1,003.33	1,400.99	1,848.17
Share price per share	420.00	420.00	408.00
Market capitalization (x SRD 1,000)	324,659	269,858	213,383
Price/net asset value in %	41.9	30.0	22.1
Price/earnings ratio	(1.8)	(1.6)	(0.9)
Number of employees	370	333	334
Number of branches	7	7	7

**) Adjusted for IAS 29 Hyperinflation and prior year adjustments*

Supervisory Board (RvC) Hakrin Bank N.V. (from left to right)

Standing

J.R.D. Braster RA	Member
Drs. H. Ramadhin	Member
Drs. A.M. Bhagwandin MBA	Member
S.S.T. Jadnanansing-Jairam LL.M	Chair
M.V. Parsan MBA	Member

Sitting

P.R. Peneux MSc.	Vice-Chair
H.R. Schurman LL.M	Member

VERSLAG VAN DE RAAD VAN COMMISSARISSEN

Bij gebleken verschillen tussen de Nederlanse tekst en de Engelse vertaling in de kolom rechts prevaleert de Nederlanse tekst.

INTRODUCTIE

De jaarrekening 2021 wordt, later dan aanvankelijk de bedoeling was, aangeboden en behandeld in de algemene vergadering van aandeelhouders, voor welke vertraging wij onze welgemeende excuses aanbieden.
Deze vertraging is niet in de minste plaats ingegeven door de uitdagingen die de COVID-19 pandemie van 2020 met zich meebracht. De gevolgen waren nog merkbaar tot ver in 2021.

Lockdowns en een noodgedwongen fysieke herinrichting van de bank hebben een stagnerend effect gehad op de bedrijfsvoering en de processen.
Ook het personeel van de bank, net als vele anderen in de samenleving, ging gebukt onder een zware mentale druk en angst voor deze onbekende ziekte, wat de productiviteit niet ten goede kwam.

De IFRS first-time adoption bleek daarnaast nog steeds de nodige uitdagingen in zich te herbergen.

Tijdens de opmaak van de jaarrekening 2021 heeft een evaluatie plaatsgevonden van de jaarcijfers 2020, nu die een eerste jaarrekening van de bank was die in overeenstemming met IFRS is opgesteld. De ten aanzien van die jaarcijfers geïdentificeerde correcties zijn verwerkt en als leermoment meegenomen.

Het streven is om de volledige achterstand in het uitbrengen van jaarrekeningen in 2025 te hebben ingelopen.

De samenstelling van de Raad van Commissarissen in het verslagjaar 2021

Aan het begin van het verslagjaar 2021 was de Raad van Commissarissen als volgt samengesteld, te weten:
- *Humphry Schurman, President-Commissaris.*
- *Chantal Doekhie, Vice President-Commissaris.*
- *Marita Lautan-Wijnerman, Commissaris alsook Voorzitter van de Risk en Compliance Commissie en van de Remuneratie- en Nominatiecommissie.*
- *Coenraad Valk, Commissaris alsook Voorzitter van de Auditcommissie.*

Op 2 september 2021 zijn de commissarissen Ch. Doekhie, M. Lautan-Wijnerman en C. Valk afgetreden in de Jaarlijkse Algemene Vergadering van Aandeelhouders, en werden mevrouw I. van Klaveren en de heren G. Liauw Kie Fa, S. Debipersad en M. Parsan tot commissaris van de bank benoemd.

De Raad van Commissarissen was ingaande september 2021 en voor de rest van dat boekjaar als volgt samengesteld.
- *Humpry Schurman, President-Commissaris.*
- *Imani van Klaveren, Vice President-Commissaris.*
- Gary Liauw Kie Fa, *Commissaris alsook Voorzitter van de Auditcommissie.*
- Steven Debipersad, *Commissaris alsook Voorzitter van de Risk en Compliance commissie.*

REPORT OF THE SUPERVISORY BOARD

In the event of discrepancies between the original Dutch text in the left pane and this English translation, the Dutch text shall prevail.

INTRODUCTION

The 2021 financial statements are being presented and discussed at the general meeting of shareholders later than initially intended, for which we sincerely apologize.
This delay is partly due to the challenges brought by the COVID-19 pandemic of 2020. The effects were still noticeable well into 2021.

Lockdowns and a forced physical reorganization of the bank had a stalling effect on operations and processes. Bank staff, like many others in society, suffered from severe mental stress and fear of this unknown disease, which did not benefit productivity.

The first-time adoption of IFRS also continued to present significant challenges.

Before the 2021 financial statements could be finalized, an evaluation of the 2020 financial statements took place, as this was the bank's first financial statement prepared in accordance with IFRS. The prior year corrections identified in those financial statements have been acknowledged and taken as learning points.

The Bank has worked intensively on increasing the IFRS knowledge of the bank's staff involved, so that the preparation of subsequent financial statements can be done smoothly and meticulously.
The aim is to eliminate the backlog in issuing financial statements by 2025.

The composition of the Supervisory Board in the 2021 reporting year

At the beginning of the 2021 reporting year, the Supervisory Board was composed as follows:
- Humphry Schurman, Chair.
- Chantal Doekhie, Vice Chair.
- Marita Lautan-Wijnerman, Member and Chair of the Risk and Compliance Committee and the Remuneration and Nomination Committee.
- Coenraad Valk, Member and Chair of the Audit Committee.

On September 2, 2021, members Chantal Doekhie, Marita Lautan-Wijnerman, and Coenraad Valk resigned at the Annual General Meeting of Shareholders, and Imani van Klaveren, Garry Liauw Kie Fa, Steven Debipersad, and Manoj Parsan were appointed as members.
From September 2021 and for the remainder of the fiscal year, the Supervisory Board was composed as follows:
- Humphry Schurman, Chair.
- Imani van Klaveren, Vice Chair.
- Gary Liauw Kie Fa, Member and Chair of the Audit Committee.
- Steven Debipersad, Member and Chair of the Risk and Compliance Committee.
- Manoj Parsan, Member and Chair of the Remuneration and Nomination Committee.

- Manoj Parsan, *Commissaris alsook Voorzitter van de Remuneratie- en Nominatiecommissie.*

Werkzaamheden van de Raad van Commissarissen in het verslagjaar 2021

De Raad van Commissarissen heeft in het verslagjaar door diverse omstandigheden niet optimaal gefunctioneerd. Er zijn in dat jaar 14 vergaderingen van de Raad gehouden, waarvan een belangrijk deel virtueel.

De Covid pandemie en met name het effect dat de maatregelen ter beteugeling van deze ziekte hadden op onze bedrijfsvoering, zijn binnen de Raad besproken. De IFRS first-time adoption en de controle en afronding van de jaarcijfers over het boekjaar 2020 zijn ook besproken binnen de Raad, evenals de ontwikkeling van de solvabiliteitsratio en de voorstellen ter verbetering daarvan, temeer daar het niet voldoen van onze solvabiliteitsratio aan de gestelde norm de groeiambitie van de bank stagneerde. De Raad heeft zich samen met de directie gebogen over de verschillende mogelijkheden om deze norm te verbeteren.

De digitale roadmap van de bank had ook de aandacht van de Raad; MOPE, indertijd begonnen als een wallet, biedt ruimere betaalmogelijkheden en biedt goede perspectieven voor commercialisatie vanwege het betaalgemak terwijl het zich ook prima leent voor financial inclusion en internationalisatie. Als onderdeel van de digitale roadmap zijn ook de overstap naar een nieuw online banking en mobile banking systeem besproken.

De HR-transformatie naar een klant- en resultaatgerichte organisatie is besproken met de Raad. Daarbij kwamen aan de orde de diverse stappen die in dit kader genomen zijn, waaronder de wijzigingen in functiebeschrijvingen, het aanpassen van de functieschalen, het opzetten van een nieuwe functie- en salarisstructuur, het vaststellen van de KPI's (kritieke prestatie indicator) per functie en het model voor de performance beloning.

In het verslagjaar heeft de Raad in overleg met de directie eveneens het Beleidsplan 2021 besproken en goedgekeurd. Daarnaast heeft de Raad zich gebogen over de voortzetting van de verdaagde Jaarlijkse Algemene Vergadering van Aandeelhouders over het boekjaar 2019 en het voorbereiden van de Jaarlijkse Algemene Vergadering van Aandeelhouders over het boekjaar 2020. De centralisatie van onze ATM-machines en de overdracht van deze machines aan Banking Network Suriname NV (BNETS), de verdere ontwikkeling en uitbreiding van ons branche netwerk, de bespreking van het aangaan van strategische partnerships, de implicaties- en de aanpak van de kwestie inzake de aangehouden Euro geldzending zijn eveneens onderdeel geweest van de beraadslagingen van de Raad in het verslagjaar.
Daarnaast stond ook het functioneren van de commissies van de Raad van Commissarissen, te weten de Audit Commissie (AC), de Risk- en Compliance Commissie (RCC) en de Remuneratie- en Nominatie Commissie (REMU) op de agenda van de Raad. Het functioneren van deze commissies ondervond in het verslagjaar belemmeringen; er zijn in dat jaar negen AC, drie RCC en twee REMU vergaderingen gehouden.
Binnen de AC werd de stand van zaken m.b.t. de IFRS-jaarrekening 2020 besproken en de vorderingen die in dat verband zijn gemaakt, met name de effecten van de conversie van GAAP naar IFRS. Daarnaast besteedde de AC ook aandacht aan wijze van projectplanning bij IT-projecten, de IT-risicogebieden n.a.v. de auditrapporten, de stand van zaken m.b.t. het transactiemonitoringssysteem alsook de beheersing van de creditcard control processen. Ook werd het auditcharter 2021 besproken en goedgekeurd, evenals het Compliance risk register en de status update van de interne en externe IT-audit en de opvolging van de aanbevelingen uit die auditrapporten. Onderwerpen die ook aan de orde kwamen betreffen de stand

Activities of the Supervisory Board in the reporting year 2021

During the reporting year, the Supervisory Board did not function optimally due to various circumstances. A total of 14 meetings were held, with a significant portion conducted virtually.
The Supervisory Board discussed the impact of the COVID-19 pandemic and the measures to contain it on our operations. Also discussed were the first-time adoption of IFRS, the audit and finalization of the annual financial statements for the fiscal year 2020, as well as the development of the solvency ratio and proposals for its improvement. The alleged non-compliance with the solvency ratio norm stagnated the Bank's growth ambition, prompting the Supervisory Board, together with the Executive Board, to explore various avenues for improvement.

The digital roadmap of the bank, particularly MOPE initially launched as a wallet, offering expanded payment options and promising perspectives for commercialization due to its ease of payment, alongside its suitability for financial inclusion and internationalization, received attention. Discussions also included transitioning to a new online banking and mobile banking system as part of the digital roadmap.
The transformation of Human Resources towards a customer- and result-oriented organization was deliberated upon, including steps taken such as job description changes, adjustments in job scales, establishment of a new job and salary structure, establishment of KPIs (Key Performance Indicators) per role, and the performance bonus model.

During the reporting year, the Supervisory Board also reviewed and approved the 2021 Policy Plan in consultation with the Executive Board. Additionally, discussions involved the continuation of the deferred Annual General Meeting of Shareholders for the fiscal year 2019 and preparation for the Annual General Meeting of Shareholders for the fiscal year 2020. Deliberations also covered the centralization of our ATM machines and their transfer to Banking Network Suriname NV (BNETS), further development and expansion of our branch network, discussions on entering into strategic partnerships, and addressing the implications and approaches regarding the seized Euro money shipment issue.

The functioning of the Supervisory Board committees, namely the Audit Committee (AC), Risk and Compliance Committee (RCC), and Remuneration and Nomination Committee (REMU), was also on the Supervisory Board's agenda. These committees faced obstacles in the reporting year, with nine AC, three RCC, and two REMU meetings held.
Within the AC, discussions included the status of the IFRS financial statements for 2020 and progress made in this regard, particularly the effects of converting from GAAP to IFRS. Additionally, attention was given to project planning methods for IT projects, IT risk areas based on audit reports, the status of the transaction monitoring system, and the management of credit card control processes. The AC also discussed and approved the 2021 audit charter, Compliance risk register, status updates of internal and external IT audits, and the implementation of recommendations from these audit reports. Topics also included updates on the Management Letter 2019 and EDP audit, final report of the Internal Audit Plan 2020, discussion of the Internal Audit Plan 2021, and periodic review and update of the Internal Audit Charter.

The RCC, among other matters, discussed and approved the annual plans of the Risk Management Department and Compliance Department, as well as the Enterprise Risk Management Framework and nominations for positions in the Supervisory Board.

Within the REMU, discussions included the recruitment of a candidate for the vacant C-level position (CCO).

van zaken van de Management Letter 2019 en van de EDP-audit, de eindrapportage van het Internal Auditplan 2020 en de bespreking van het Internal Auditplan 2021 alsook de periodieke review en update van de Internal Audit Charter.

In de RCC vond onder meer de bespreking en goedkeuring plaats van het jaarplan van de Risk Management Department en de Compliance Department, alsook van het Enterprise Risk Management Framework, evenals de voordrachten van kandidaten voor zitting in de RvC.

Binnen de REMU werd onder andere de werving van een kandidaat voor de vacante functie op C-level niveau (CCO) besproken.

Bij het uitbrengen van dit jaarverslag bevestigt de Raad dat zij en haar commissies zich hebben gecommitteerd om de voorschriften van Good Corporate Governance strikt en onverkort na te leven, inclusief alle nadere regelingen die hieromtrent in de specifieke reglementen van de Raad en de commissies zijn vervat. Het is in dat kader dat de Raad onlangs een nauwgezette evaluatie heeft gepleegd van deze reglementen, teneinde die aan te scherpen en verder in lijn te brengen met de vigerende wet- en regelgeving.

Periodiek aftreden van commissarissen

Krachtens Artikel 22 lid 1 van de statuten van de Hakrin Bank N.V., treedt elk jaar in de Jaarlijkse Algemene Vergadering van Aandeelhouders een gedeelte van de commissarissen af volgens een door de Raad van Commissarissen daarvoor vast te stellen rooster. Volgens het rooster van aftreden zijn thans aan de beurt om op de Jaarlijkse Algemene Vergadering van aandeelhouders op 8 augustus 2024, af te treden de commissarissen de heer H.R. Schurman en de heer M. Parsan.

Vanwege het bereiken van de statutaire leeftijdsgrens zoals genoemd in artikel 22 lid 3 van de statuten van de Hakrin Bank N.V., is de heer Schurman niet herkiesbaar. De heer Parsan stelt zich niet herkiesbaar.

De commissarissen Schurman en Parsan zullen na afloop van de Jaarlijkse Algemene Vergadering van Aandeelhouders over het boekjaar 2021 formeel zijn afgetreden als commissaris van de bank. De Raad van Commissarissen bedankt hen voor hun inzet en toewijding als commissaris gedurende de afgelopen jaren.

Ter invulling van de twee open te vallen posities, draagt de Raad van Commissarissen mw. Simone Oostwijk en de heer Montague Mc Leod voor om benoemd te worden tot commissaris van de bank.

De samenstelling van de directie in het verslagjaar 2021

Conform de statutaire voorschriften bestaat de directie van de bank uit minimaal twee directeuren. In het verslagjaar bestond de directie uit de heer R.P.V. Sheorajpanday CEO en mevrouw M.M. Loswijk-Keerveld CFO.

Wijzigingen binnen de directie na balansdatum

Mw. M.M. Loswijk-Keerveld heeft haar arbeidsovereenkomst met de bank op 28 februari 2023 schriftelijk opgezegd, waarna deze overeenkomst in wederzijds overleg en met wederzijds goedvinden formeel werd beëindigd op 10 mei 2023. Per die datum was de CFO-functie vacant geworden.
Conform de toenmalige Wet Toezicht Bank- en Kredietwezen dient het bestuur van een bank uit minimaal twee bestuurders c.q. directeuren te bestaan. Aangezien sinds 10 mei 2023 de directie slechts uit de CEO bestond, heeft met toestemming van de Centrale Bank van Suriname commissaris P.R. Peneux ingaande 8 juni 2023 tijdelijk gefunctioneerd als Gedelegeerd Commissaris. De uitoefening van de rol van Gedelegeerd Commissaris is geëindigd met de aanstelling van de twee nieuwe directeuren per 01 september 2023. De Raad spreekt haar dank uit aan

In issuing this annual report, the Supervisory Board confirms its commitment, along with its committees, to comply with the principles of Good Corporate Governance strictly and fully, including all supplementary regulations contained in the specific regulations of the Supervisory Board and its committees. In this context, the Supervisory Board recently conducted a thorough evaluation of these regulations to refine them and further align them with current laws and regulations.

Periodic resignation of supervisory board members

Pursuant to Article 22, paragraph 1 of the articles of association of Hakrin Bank N.V., a part of the Supervisory Board resigns each year during the Annual General Meeting of Shareholders according to a schedule established by the Supervisory Board. According to the resignation schedule, the Supervisory Board members Humphry Schurman and Manoj Parsan are scheduled to resign at the Annual General Meeting of Shareholders on August 8th, 2024.
Due to reaching the statutory age limit as mentioned in Article 22, paragraph 3 of the articles of association of Hakrin Bank N.V., Humphry Schurman is not eligible for re-election. Manoj Parsan has chosen not to seek re-election.

After the conclusion of the Annual General Meeting of Shareholders for the fiscal year 2021, members Schurman and Parsan will formally step down from their positions as Supervisory Board members of the Bank. The Supervisory Board expresses its gratitude for their dedication and service as members over the past years.
To fill the two vacant positions, the Supervisory Board nominates Simone Oostwijk and Montague Mc Leod to be appointed as Supervisory Board members of the Bank.

The composition of the Executive Board in the reporting year 2021

In accordance with statutory regulations, the Executive Board of the bank consists of at least two directors. During the reporting year, the Executive Board consisted of Rafiek Sheorajpanday as CEO and Magalie Loswijk-Keerveld as CFO.

Changes within the Executive Board after the reporting date

With her letter dated February 28th, 2023, Magalie Loswijk-Keerveld offered her resignation. On May 10th, 2023 the employment was terminated by mutual consent. As of that date, the CFO position became vacant.
According to the then applicable Banking and Credit Supervision Act, the Executive Board of a bank should consist of at least two directors. Since May 10th, 2023, the Executive Board consisted only of the CEO, therefore, with the permission of the Central Bank of Suriname, Supervisory Board member Patrick Peneux temporarily served as Delegated Supervisory Board Member starting from June 8th, 2023. The role of Delegated Supervisory Board Member ended when the two new Directors assumed office on September 1st, 2023. The Supervisory Board expresses its gratitude to Patrick Peneux for taking on the role of Delegated Supervisory Board Member during this period.

On May 15th, 2023, Peter Ng A Tham and Coenraad Valk were appointed as Directors of the bank by the General Meeting of Shareholders, with Peter Ng A Tham assuming the role of Chief Commercial Officer and Coenraad Valk assuming the role of Chief Financial Officer. Following receipt of the approving statement from the Central Bank, both gentlemen assumed their roles on September 1st, 2023.

The management structure established by the Supervisory Board includes three directors: a Chief Executive Officer (CEO), a Chief Financial Officer (CFO), and a Chief Commercial Officer (CCO). With this, the management team is now complete after many years, achieving an important governance objective of our Bank. This *commissaris P.R. Peneux dat hij de taak van Gedelegeerd Commissaris op zich heeft genomen gedurende deze periode.*

Op 15 mei 2023 zijn de heren P. Ng A Tham en C. Valk door de Algemene Vergadering van Aandeelhouders benoemd tot directeur van de bank, waarbij de heer Ng A Tham de functie van Commercieel directeur bekleedt, en de heer Valk de functie van Financieel directeur. Na ontvangst van de goedkeurende verklaring van de Centrale Bank zijn beide heren per 1 september 2023 in functie getreden.

De door de Raad vastgestelde directiestructuur kent drie directeuren, namelijk een algemeen directeur (CEO), een financieel directeur (CFO) en een commercieel directeur (CCO). De directie is hiermee, na vele jaren weer voltallig, waarmee een belangrijke governance doelstelling van onze bank is gerealiseerd. Hierdoor zijn wij beter in staat om vorm te geven aan de verdere groei en ontwikkeling van onze bank en de uitdagingen waarmee we geconfronteerd worden aan te gaan.

De huidige samenstelling van de Raad van Commissarissen

De Raad vervult een cruciale rol in onze corporate governance en wij hechten grote waarde aan een evenwichtige samenstelling van onze Raad, in conformiteit met het vastgestelde profiel voor de Raad en de individuele raadsleden, alsmede met corporate governance best practices, waaronder de corporate governance code voor het bankwezen van de Centrale Bank van Suriname.

Een belangrijk aspect hiervan betreft dat de Raad in meerderheid uit onafhankelijke leden bestaat, conform de definitie opgenomen in de corporate governance code van de Centrale Bank van Suriname.

Krachtens deze definitie worden commissarissen die voorgedragen zijn door aandeelhouders met een aanmerkelijk belang gekwalificeerd als afhankelijk.

Bij het uitbrengen van het jaarverslag 2021 is de Raad van Commissarissen als volgt samengesteld:

Naam	Functie	Kwalificatie
Mw. S.S.T. Jadnanansing-Jairam	President-Commissaris	Onafhankelijk
Dhr. P.R. Peneux	Vice President-Commissaris	Onafhankelijk
Dhr. A. M. Bhagwandin	Commissaris alsook Voorzitter van de Risk en Compliance commissie	Afhankelijk
Dhr. J.R.D. Braster	Commissaris alsook Voorzitter van de Auditcommissie	Onafhankelijk
Mw. H. Ramadhin	Commissaris alsook Voorzitter van de Remuneratie- en Nominatie commissie.	Afhankelijk
Dhr. H.R. Schurman	Commissaris, alsook Voorzitter van de Kredietcommissie	Onafhankelijk
Dhr. M.V. Parsan	Commissaris	Afhankelijk

Met deze samenstelling van de Raad van Commissarissen is voldaan aan het corporate governance voorschrift van de Centrale Bank dat de meerderheid van de Raad van Commissarissen uit onafhankelijke leden dient te bestaan.

Tevens bestaat de Raad van Commissarissen uit het statutaire maximum aantal leden van zeven (7), waarbij elk hunner over de benodigde professionele ervaring en expertise beschikt, zulks in lijn met de profielschets voor de leden van de Raad van Commissarissen.

tackle the challenges we face.

The current composition of the Supervisory Board

The Supervisory Board plays a crucial role in our Corporate Governance, and we attach great importance to a balanced composition of our Board, in accordance with the established profile for the Supervisory Board and individual Supervisory Board members, as well as Corporate Governance best practices, including the Corporate Governance code for the banking sector of the Central Bank of Suriname.
An important aspect of this is that the Supervisory Board consists of a majority of independent members, in accordance with the definition provided in the Corporate Governance code of the Central Bank of Suriname.
According to this definition, members nominated by shareholders with a qualified equity interest amongst others are classified as dependent.

At the date of publishing the 2021 annual report, the Supervisory Board is composed as follows:

Name	Position	Qualification
S.S.T. Jadnanansing-Jairam	Chair	Independent
P.R. Peneux	Vice-Chair	Independent
A. M. Bhagwandin	Member and Chair of the Risk and Compliance Committee	Dependent
J.R.D. Braster	Member and Chair of the Audit Committee	Independent
H. Ramadhin	Member and Chair of the Remuneration and Nomination Committee	Dependent
H.R. Schurman	Member and Chair of the Credit Committee	Independent
M.V. Parsan	Member	Dependent

The composition of the Supervisory Board is in compliance with the Corporate Governance requirement of the Central Bank that requires that the majority of the Supervisory Board must consist of independent members.
Additionally, the Supervisory Board consists of the statutory maximum number of seven (7) members, each possessing the required professional experience and expertise, in line with the profile description for members of the Supervisory Board.

Financial Statements 2021 and Proposal for Profit Appropriation

Pre-advice regarding the financial statements 2021:
Pursuant to article 34 paragraph 3 of the articles of association of Hakrin Bank N.V., the Supervisory Board has had the corporate and consolidated statement of financial position sheet as of December 31st, 2021, the corporate and consolidated income statement for 2021, and the consolidated statement of cash flows, along with their accompanying notes, examined by the external auditor. The audited financial statements were first reviewed in the meeting of the Audit Committee on July 22nd, 2024, and subsequently in the meeting of the Supervisory Board on July 26th, 2024. On July 26th, 2024, external auditor Lutchman & Co N.V. issued the signed audit opinion. On the same day the financial statements were signed by all members of the Executive Board and the Supervisory Board pursuant to article 34 paragraph 4 of the articles of association of Hakrin Bank N.V.

The Supervisory Board now advises the Shareholders to approve the audited financial statements, as presented to you by the Bank's Executive Board along with the audit opinion from Lutchman & Co N.V.

De Jaarrekening 2021 en het voorstel voor de winstbestemming

Preadvies inzake de jaarrekening 2021:

Krachtens artikel 34 lid 3 heeft de Raad van Commissarissen de vennootschappelijke en de geconsolideerde balans per 31 december 2021, de vennootschappelijke en de geconsolideerde winst- en verliesrekening over 2021 en het geconsolideerde kasstroomoverzicht met de toelichting daarop doen onderzoeken. De onderzochte jaarstukken zijn eerst behandeld in de vergadering van de Audit Commissie van 22 juli 2024 en vervolgens in de vergadering van de Raad van Commissarissen van 26 juli 2024. Op 26 juli 2024 heeft Lutchman & Co N.V. de getekende controleverklaring uitgebracht. Op dezelfde dag is de jaarrekening krachtens artikel 34 lid 4 door alle directeuren en alle commissarissen ondertekend.

De Raad van Commissarissen adviseert thans de aandeelhouders om de onderhavige jaarrekening, zoals die samen met de controleverklaring van Lutchman & Co N.V., door de directie van de bank aan u wordt aangeboden, vast te stellen.
De vaststelling door de aandeelhouders van de aangeboden balans en de winst- en verliesrekening strekt krachtens artikel 34 lid 8 van de statuten van de bank tot decharge van de directie voor het bestuur en van de Raad van Commissarissen voor het gehouden toezicht.

Het geconsolideerde netto verlies over het boekjaar bedraagt SRD 184.663.856. Wij bevelen u aan het netto verlies ten laste van de algemene reserve te brengen.

Dankwoord

Aan de directie en het personeel van de bank zeggen wij dank voor hun inzet en toewijding, niet alleen in het verslagjaar maar ook nu, dat zij met inzet en trouw hun schouders onder het werk blijven zetten. Ook zeggen wij dank aan onze klanten dat wij hen van dienst mogen zijn en aan de aandeelhouders van de bank voor hun trouwe ondersteuning.

Paramaribo, 26 juli 2024

Raad van Commissarissen

Sharmila Jadnanansing-Jairam
Patrick Peneux
Humphry Schurman
Hemwatie Ramadhin
Arun Bhagwandin
Jeffrey Braster
Manoj Parsan

enables us to better shape the further growth and development of our Bank and
The approval by the Shareholders of the presented consolidated statement of financial position as of December 31st, 2021, and consolidated income statement for 2021 extends to discharge the Executive Board from liability for their management and the Supervisory Board from oversight responsibility, according to article 34 paragraph 8 of the Bank's articles of association.
The consolidated net result for the financial year 2021 amounts to a net loss of SRD 184,663,856. The Supervisory Board hereby proposes that the net loss for the financial year will be allocated to retained earnings.

Acknowledgement

We extend our gratitude to the Executive Board and staff of the Bank for their dedication and commitment, not only during the reporting year but ongoing, as they continue to shoulder their responsibilities with diligence and loyalty. We also thank our customers for allowing us to serve them and the Shareholders of the Bank for their steadfast support.

Paramaribo, July 26th, 2024

Supervisory Board

Sharmila Jadnanansing-Jairam
Patrick Peneux
Humphry Schurman
Hemwatie Ramadhin
Arun Bhagwandin
Jeffrey Braster
Manoj Parsan

SUSTAINABLE DEVELOPMENT GOAL 3 | GOOD HEALTH & WELL-BEING.

The Hakrin Bank also made a donation to the Su-Aid Foundation for fundraising campaign for the Kidney Foundation Suriname (NSS – Dutch abbreviation). Primarily, money was collected for the expansion and renovation of the Kidney Dialysis Centre (NCC – Dutch abbreviation) at the Henck Arronstraat. The money was sent via Hakrin Bank's Mopé mobile wallet to Su-Aid's Mopé mobile wallet. Mopé is a Hakrin Bank digital wallet, that can be used by anyone: clients of all banks and people with no bank account. The transfer of this donation was done by the Mopé team at the Radio 10 studio.

Sticris stands for Home for Women in Crisis Foundation. Sticris is in charge of sheltering abused women. The foundation needed linen for beds and refrigerators. The Hakrin Bank filled the Foundation's need in connection with its 85th anniversary. Handing over the donation, was done by the former Chief Financial Officer (CFO) of the Hakrin Bank, Ms. Magalie Loswijk-Keerveld and the chair of the Hakrin Bank Personnel Association.

Executive Board Hakrin Bank N.V. (from left to right)

P.V. Ng-A-Tham	Chief Commercial Officer
R.P.V. Sheorajpanday	Chief Executive Officer
C.J. Valk	Chief Financial Officer

VERSLAG VAN DE DIRECTIE

Bij gebleken verschillen tussen de Nederlanse tekst en de Engelse vertaling in de kolom rechts prevaleert de Nederlanse tekst.

ALGEMEEN

Hakrin Bank is een moderne, full-service bank die klantgericht opereert en zich voornamelijk richt op zakelijke klanten en particulieren uit het midden- tot hoog inkomenssegment. Ons doel is om de voorkeursbank te zijn voor onze doelgroepen door het bieden van een uitzonderlijke klantervaring. Met diepe wortels in de Surinaamse samenleving, draagt Hakrin Bank significant bij aan de ontwikkeling van diverse sectoren, bedrijven, gezinshuishoudens en aan de gemeenschap in brede zin. Dit jaarverslag presenteert de ontwikkelingen binnen onze bankinstelling en haar relevante economische omgeving.

De financiële resultaten waren voor 2021 teleurstellend en weerspiegelen het uitdagende macro-economische klimaat, dat gekenmerkt werd door een verdere krimp van de economische activiteit en hoge inflatie. De aanhoudende impact van de IFRS-implementatie in 2020 speelde ook een rol. In overeenstemming met onze bedrijfsfilosofie van het onderhouden van duurzame partnerschappen en rekening houdend met de nadelige invloed die de macro-economische omgeving en de COVID-19-pandemie op onze klanten had, hebben we ervoor gekozen de krediet-rentetarieven niet te verhogen ter compensatie van de oplopende depositorente waardoor onze rentemarge is verlaagd. Hoge inflatie en voortdurende investeringen in IT-capaciteiten leidden tot een significante stijging van de operationele kosten, die de batengroei overtroffen en daardoor resulteerden in een verslechterd operationeel resultaat. Verslaggeving met inachtneming van hyperinflatie, zoals vereist door IFRS, had ook een negatieve invloed op onze financiële resultaten. Vanwege onbekendheid met de doorwerking van IFRS kwamen financiële beheersaanpassingen om de effecten van hyperinflatie te mitigeren niet tijdig. Echter, in nominale termen op een pre-hyperinflatie basis behaalden we een positief resultaat voor belastingen in 2021.

In december 2021 keurde het IMF een Extended Fund Facility (EFF) goed voor Suriname, wat leidde tot significante veranderingen in het monetaire beleidskader van het land. De Centrale Bank van Suriname implementeerde een zwevend wisselkoersregime en nam in juni 2021 een "reserve monetary targeting regime" aan, voornamelijk ingezet via open markttransacties . Hoewel het begrotingstekort verbeterde tot -7,3% en de staatsschuldquote verbeterde tot 114,4% in 2021, bleven de macro-economische indicatoren zwak.

In april 2018 nam de Nederlandse Douane een geldzending ter waarde van EUR 19,5 miljoen in beslag die werd gefaciliteerd door de Centrale Bank van Suriname (CBvS) namens drie commerciele banken in Suriname, waaronder Hakrin Bank. De CBvS stortte equivalente fondsen op onze nostro-rekeningen in het buitenland, opgenomen als "Bedragen verschuldigd aan banken", met een terugbetalingsverplichting aan de CBvS. Deze bedragen staan in onze boeken geregistreerd als "Bedragen verschuldigd aan banken". De CBvS, Hakrin Bank en de andere twee betrokken commerciele banken dienden een klacht in bij de Rechtbank in Nederland om de inbeslagname van de geldzending op te heffen.

REPORT OF THE EXECUTIVE BOARD

In the event of discrepancies between the original Dutch text in the left pane and this English translation, the Dutch text shall prevail.

GENERAL CONSIDERATION

Hakrin Bank is a modern full-service bank operating on a customer-oriented basis, primarily serving business and middle- to higher-income consumer segments. Our goal is to be the preferred bank for our target customer groups by offering an exceptional customer experience. Deeply embedded in The Surinamese society, Hakrin Bank significantly contributes to the development of various sectors, companies, families, and the broader community. This annual report presents the developments within our banking institution and its relevant economic environment.

The financial results for 2021 were disappointing, reflecting the challenging macro-economic climate characterized by a further contraction in economic activity and high inflation. The ongoing impact of IFRS implementation in 2020 also played a role. Adhering to our business philosophy of long-term partnership and considering the adverse impact of the macro-economic environment and the COVID-19 pandemic on our customers, we chose not to increase lending rates to offset the rise in deposit rates, which decreased our interest margin. High inflation and continuous investment in IT capabilities led to a significant rise in operational costs, outpacing revenue growth and resulting in a deteriorated operational result. Hyperinflation, as per IFRS requirements, also adversely impacted our financial results. Due to unfamiliarity with IFRS, financial management adjustments to mitigate hyperinflation effects were not timely. However, on a pre-hyperinflation SRD-to-SRD basis, we achieved a positive result before taxes in 2021.

In December 2021, the IMF approved an Extended Fund Facility (EFF) for Suriname, leading to significant changes in the country's monetary policy framework. The Central Bank implemented a floating exchange rate regime and adopted a reserve money targeting regime in June 2021, primarily managed through open market operations. Although the fiscal deficit improved to -7.3% and the public debt-to-GDP ratio improved to 114.4% in 2021, these fiscal positions remained weak.

In April 2018, the Dutch judicial authorities seized a money shipment facilitated by the Central Bank of Suriname (CBvS) on behalf of three commercial banks in Suriname, including Hakrin Bank, amounting to EUR 19.5 million. The CBvS deposited equivalent funds into our nostro accounts abroad, recorded as "Amounts due from banks," with a repayment commitment to the CBvS listed as "Amounts due to banks." The CBvS, Hakrin Bank, and the other two involved commercial banks submitted a complaint to the Court in Holland to lift the seizure of the money shipment. This lawsuit is still ongoing and we have adhered to the legal opinion of our attorney on the basis of which no specific provision for this matter is included in the statement of financial position as of December 31, 2021.

An important objective for Hakrin Bank is to improve the solvency ratio to exceed Central Bank regulations. We achieved a solvency ratio based on the IFRS figures above the CBvS minimum requirement, aiming for further improvements to

Deze rechtszaak is nog steeds gaande en wij hebben ons geconfirmeerd aan de juridische opinie van onze advocaat op basis waarvan er geen specifieke voorziening voor deze kwestie is opgenomen in de balans per 31 december 2021.

Een belangrijk doel voor Hakrin Bank is om de solvabiliteitsratio te verbeteren om boven de ratio conform de solvabiliteitsrichtlijn van de Centrale Bank te blijven. We behaalden per ultimo 2021 een solvabiliteitsratio op basis van de IFRS-cijfers boven de minimumeis van de CBvS. Het doel is om deze verder te verbeteren ter ondersteuning van onze groeidoelstellingen.
De financiële resultaten werden dit boekjaar significant negatief beïnvloed door toepassing van de IAS29 hyperinflatiestandaard, wat o.m. de oorzaak was van een daling van 11,6% in het geconsolideerde balanstotaal van SRD 13,5 miljard naar SRD 11,9 miljard. Het resultaat vóór belastingen en monetaire baten en lasten en vóór voorzieningen voor dubieuze debiteuren ad SRD 75,2 miljoen verslechterde met SRD 113,6 miljoen tot SRD 68,6 miljoen. Het resultaat na netto monetaire baten en lasten en voor belastingen verslechterde tot -SRD 144,9 miljoen.

Hakrin Bank beschouwt een goede 'corporate governance' als een essentiële voorwaarde voor het realiseren van bedrijfsdoelen, met gelijktijdig ook het behoud van een evenwichtige vertegenwoordiging van belanghebbenden. Onze 'corporate governance' zorgt voor goed bestuur, verantwoording en transparantie. In 2021 richtten we ons op het verbeteren van de solvabiliteitsratio en het versterken van de governance, met name met betrekking tot het voorkomen van potentieel misbruik van macht door aandeelhouders met een gekwalificeerd belang. De in december 2019 gestarte uitgifte van nieuwe aandelen en de goedkeuring van aandeelhouders met een gekwalificeerd belang door de Centrale Bank van Suriname (CBvS) werden in 2021 afgerond. Het aandeel van de regering van Suriname in Hakrin Bank daalde tot 34,5%, waarmee het doel van privatisering van de bank en naleving van de Wet Toezicht Bank- en Kredietwezen werden bevorderd. De Raad van Bestuur bestond uit een CEO, een CFO en een CCO (deze laatste positie was vacant), met wijzigingen die in 2023 werden doorgevoerd om IT- en Operations-rapporteringslijnen te stroomlijnen.
Compliance-activiteiten in 2021 waren gericht op het bevorderen van de naleving van wet- en regelgeving en het verbeteren van de bedrijfsintegriteit. Dit omvatte de evaluatie van ons Compliance Control Framework en de integratie van het Integriteitsbeleid. De evaluatie zag toe op de naleving van Surinaamse wet- en regelgeving ter voorkoming van witwaspraktijken en financiering van terrorisme, USA Patriot Act, Foreign Account Tax Compliance Act (FATCA) en Common Reporting Standards (CRS). De compliance-functie is opgelijnd met de regelgeving van de CBvS. Het intern compliance jaarplan en actieplan 2021 is succesvol geïmplementeerd.

Risicomanagement is een belangrijke hoeksteen binnen Hakrin Bank, met focus op krediet-, markt-, operationele-, liquiditeits- en compliance-risico's. In 2021 versterkten we het kredietrisicomanagement, verbeterden we instrumenten voor beoordeling van marktrisico, verbeterden we operationele risicocontroles, voerden we rigoureuze liquiditeitsstresstestscenario's uit en verbeterden we de monitoring op compliance. Deze maatregelen zorgden ervoor dat we tijdens de COVID-19-pandemie veerkrachtig bleven.

Hakrin Bank beschouwt haar werknemers als haar belangrijkste en meest waardevolle bedrijfsmiddel. Zij investeert in het aantrekken, ontwikkelen en behouden van talent om de bedrijfsstrategie en klantenservice te bevorderen. In 2021 richtten we ons op het verhogen van de betrokkenheid van werknemers, het bevorderen van professionele ontwikkeling en het stimuleren van voortdurende verbetering. Initiatieven omvatten een uitgebreide enquête

support growth ambitions. The financial results were significantly negatively impacted by IFRS hyperinflation standards, leading to a 11.6% decrease in the consolidated statement of financial position with a total of SRD 11.9 billion. The operating result deteriorated by SRD 113.6 million to SRD 68.6 million, with the provision for bad debt amounting to SRD 75.2 million. The overall result after net monetary losses and before tax decreased to -SRD 144.9 million.

Hakrin Bank considers strong corporate governance essential for achieving business goals while maintaining balanced stakeholder representation. Our governance system ensures sound management, accountability, and transparency. In 2021, we focused on improving the solvency ratio and enhancing governance robustness, particularly concerning potential misuse of power by shareholders with a qualifying interest. The issue of new shares in December 2019 and approval of qualifying shareholders by the Central Bank were finalized in 2021. The share of the Government of Suriname in Hakrin Bank decreased to 34.5%, advancing the goal of privatizing the bank and compliance with the Banking Supervision Act (Wet Toezicht Bank- en Kredietwezen). The Executive Board structure included a CEO, a CFO, and a CCO (the latter position was vacant), with changes implemented in 2023 to streamline IT and Operations reporting.

Compliance activities in 2021 focused on promoting adherence to laws and regulations and improving business integrity. This included evaluating the Compliance Control Framework and embedding the Integrity Policy. The evaluation ensured compliance with Surinamese laws and regulations on anti-money laundering, counter-terrorist financing, USA Patriot Act, Foreign Account Tax Compliance Act (FATCA), and Common Reporting Standard (CRS). The compliance function aligns with Central Bank regulations, and the 2021 compliance action plan was successfully implemented.

Risk management is a cornerstone of Hakrin Bank, focusing on credit, market, operational, liquidity, and compliance risks. In 2021, we strengthened credit risk management, improved market risk assessment tools, enhanced operational risk controls, adopted rigorous liquidity stress testing scenarios, and improved compliance monitoring. These measures ensured resilience during the COVID-19 pandemic.
Hakrin Bank values its employees as its most valuable asset, investing in talent attraction, development, and retention to drive business strategy and customer service excellence. In 2021, we focused on enhancing employee engagement, promoting professional development, and fostering continuous improvement. Initiatives included a comprehensive employee engagement survey, various training programs, and a new performance management system.

Hakrin Bank is committed to contribute to the Surinamese society through initiatives and partnerships supporting education, health, and social welfare. In 2021, we participated in several community programs, reflecting our corporate social responsibility and role as a responsible corporate citizen.

MACROECONOMIC DEVELOPMENTS 2021

Global and regional context

The macroeconomic environment is essential for banks because it can affect their profitability and risks. Changes in the macroeconomic environment can lead to changes in interest rates, inflation rates, and exchange rates which can affect the value of assets and liabilities held by banks. Banks are also exposed to credit risk, which is the risk of loss due to the failure of a borrower to repay a loan or

SUSTAINABLE DEVELOPMENT GOAL 3 | GOOD HEALTH & WELL-BEING.

In 2021 the Hakrin Bank made a financial donation to the Suriname Draughts Association in connection with the delegation of 3 youth draughts players to the World Youth Championships 2021 in Szklarska Poręba, Poland. This event was held from 29 Novembver up to and including 5 December 2021.

The Hakrin Bank supports SDG 3: good health and well-being. That is why, sports is also one of Hakrin Bank's sponsorship or donation pillars. During the Covid-19 period, the Hakrin Bank even more consciously, emphasized the importance of good health and well-being and decided to support our Suriname football team Natio [national], our national pride, in their efforts in taking the football landscape in Suriname to the next level. The handover of the donation was made by the former Marketing Manager, Mr. Ashwin Gopie.

naar werknemersbetrokkenheid, diverse trainingsprogramma's en een nieuw prestatiebeheersysteem.

Hakrin Bank zet zich in voor de Surinaamse samenleving via programma's en samenwerkingsvormen die onderwijs, gezondheid en maatschappelijk welzijn ondersteunen. In 2021 namen we deel aan diverse programma's voor gemeenschapsontwikkeling wat invulling geeft aan onze sociaal maatschappelijke verantwoordelijkheid en betrokkenheid.

MACRO-ECONOMISCHE ONTWIKKELINGEN 2021

Internationale en regionale context

De macro-economische omgeving is essentieel voor banken omdat deze hun winstgevendheid en risico's kan beïnvloeden. Veranderingen in de macro-economische omgeving kunnen leiden tot veranderingen in rentetarieven, inflatiepercentages en wisselkoersen, wat de waarde van het activa en passiva die door banken worden aangehouden kan beïnvloeden. Banken zijn ook blootgesteld aan kredietrisico, het risico op verlies als gevolg van het falen van een kredietnemer om een lening terug te betalen of andere contractuele verplichtingen na te komen. De macro-economische omgeving kan het kredietrisico beïnvloeden door de terugbetalingscapaciteit van kredietnemers en hun vermogen om aan andere verplichtingen te voldoen, te beïnvloeden.

De mondiale macro-economische omgeving kende in 2021 significante ontwikkelingen. De wereldeconomie groeide met 6,3% in 2021 (2020: -2,7%), de Ontwikkelde Economieën met 5,7% (2020: -3,9%), de Opkomende Markteconomieën met 7,0% (2020: -1,8%) en Latijns-Amerika en het Caribisch gebied met 7,0% (2020: -7,0%) (Tabel 1).

meet other contractual obligations. The macroeconomic environment can affect credit risk by influencing the ability of borrowers to repay loans and meet other commitments.

The global macroeconomic environment witnessed significant developments in 2021. The world economy grew by 6.3% in 2021 (2020: -2.7%), the Advanced Economies by 5.7% (2020: -3.9%), Emerging Markets Economies by 7.0% (2020: -1.8%), and Latin American and the Caribbean by 7.0% (2020: -7.0%) (Table 1).

Table 1: Global and Regional GDP Growth 2017-2021 (%)

	2017	2018	2019	2020	**2021**
World	3.8	3.6	2.8	-2.7	6.3
Advanced economies	2.6	2.3	1.8	-3.9	5.7
Emerging markets and developing economies	4.8	4.7	3.6	-1.8	7.0
Latin America and the Caribbean	1.4	1.1	0.2	-7.0	7.0
- Caribbean: Tourism - Dependent*	1.4	2.0	1.4	-14.7	7.8
- Caribbean: Commodity Exporters**	-0.6	1.1	1.0	4.0	6.1

Source: International Monetary Fund, World Economic Outlook Database, April 2024
**) Antigua and Barbuda, Aruba, The Bahamas, Barbados, Belize, Dominica, Grenada, Jamaica, St. Kitts and Nevis, St. Lucia, St. Vincent and the Grenadines.*
***) Suriname, Guyana, and Trinidad and Tobago.*

The Caribbean region on average grew impressively in 2021. The tourism-dependent economies grew faster (7.8%) than commodity exporters (6.1%). However, growth in the commodities group is entirely due to the massive economic performance of Guyana at 20.1%, as Suriname contracted by 2.4% and Trinidad and Tobago by 1.0%.

Caribbean states implemented various fiscal stimulus measures to counter the economic contraction due to the COVID-19 pandemic. These measures aimed to provide financial support to households and businesses, helping them weather the storm caused by the pandemic. The exact nature of the stimulus measures adopted will vary from country to country. Still, common policies include direct payments to households and businesses, tax breaks, and loans to small and medium enterprises. However, the effectiveness of these fiscal stimulus policies to restore economic growth hinges on the fiscal space of each Government.

Table 2: Global and Regional end-of-period inflation 2017-2021 (%)

	2017	2018	2019	2020	**2021**
World	3.3	3.6	3.8	2.9	6.3
Advanced economies	1.7	1.6	1.5	0.5	5.3
Emerging Market and Developing Economies	4.6	5.1	5.6	4.7	7.1
Latin America and the Caribbean	6.2	7.6	7.7	6.3	11.5
- Caribbean: Tourism - Dependent*	6.2	4.6	3.7	2.5	5.4
- Caribbean: Commodity Exporters**	2.7	1.9	1.4	8.6	11.0

Source: International Monetary Fund, World Economic Outlook Database, April 2024

Tabel 1: Wereldwijde en regionale BBP-groei 2017-2021 (%)

	2017	2018	2019	2020	**2021**
Wereld	3.8	3.6	2.8	-2.7	6.3
Ontwikkelde economieën	2.6	2.3	1.8	-3.9	5.7
Opkomende markten en ontwikkelingslanden	4.8	4.7	3.6	-1.8	7.0
Latijns-Amerika en het Caribisch gebied	1.4	1.1	0.2	-7.0	7.0
- Caribisch gebied: Toerismeafhankelijk*	1.4	2.0	1.4	-14.7	7.8
- Caribisch gebied: Grondstoffenexporteurs**	-0.6	1.1	1.0	4.0	6.1

Bron: Internationaal Monetair Fonds, World Economic Outlook Database, april 2024
**) Antigua en Barbuda, Aruba, Bahama's, Barbados, Belize, Dominica, Grenada, Jamaica, St. Kitts en Nevis, St. Lucia, St. Vincent en de Grenadines.*
***) Suriname, Guyana en Trinidad en Tobago.*

De Caribische regio groeide gemiddeld indrukwekkend in 2021. De toerisme-afhankelijke economieën groeiden sneller (7,8%) dan de grondstoffenexporteurs (6,1%). De groei in de grondstoffengroep is echter volledig toe te schrijven aan de enorme economische prestaties van Guyana met 20,1%, aangezien Suriname kromp met 2,4% en Trinidad en Tobago met 1,0%.

Caribische staten implementeerden verschillende fiscale stimuleringsmaatregelen om de economische krimp als gevolg van de COVID-19-pandemie tegen te gaan. Deze maatregelen waren bedoeld om financiële steun te bieden aan huishoudens en bedrijven, zodat zij de storm veroorzaakt door de pandemie konden doorstaan. De exacte aard van de stimuleringsmaatregelen verschilt per land, maar gemeenschappelijke beleidsmaatregelen zijn onder meer directe betalingen aan huishoudens en bedrijven, belastingvoordelen en leningen aan kleine en middelgrote ondernemingen. De effectiviteit van deze fiscale stimuleringsmaatregelen om het economische herstel te bevorderen hangt echter af van de fiscale ruimte van elke regering.

Tabel 2: Wereldwijde en regionale inflatie aan het einde van de periode 2017-2021 (%)

	2017	2018	2019	2020	**2021**
Wereld	3.3	3.6	3.8	2.9	6.3
Ontwikkelde economieën	1.7	1.6	1.5	0.5	5.3
Opkomende markten en ontwikkelingslanden	4.6	5.1	5.6	4.7	7.1
Latijns-Amerika en het Caribisch gebied	6.2	7.6	7.7	6.3	11.5
- Caribisch gebied: Toerismeafhankelijk	6.2	4.6	3.7	2.5	5.4
- Caribisch gebied: Grondstoffenexporteurs	2.7	1.9	1.4	8.6	11.0

Bron: Internationaal Monetair Fonds, World Economic Outlook Database, april 2024

Het wereldwijde inflatiecijfer is in 2021 meer dan verdubbeld (Tabel 2). De ontwikkelde economieën zagen de grootste stijging van de inflatie, van 0,5% in 2020 naar 5,3% in 2021. De inflatie was echter ongelijk verdeeld in het Caribisch gebied in 2021. De toerisme-afhankelijke economieën registreerden een inflatie van 5,4%, terwijl de inflatie bij de grondstoffenexporteurs 11,0% bedroeg, voornamelijk gedreven door een inflatie van 60,7% in Suriname.

The world inflation rate more than doubled in 2021 (Table 2). The advanced economies saw the most significant jump in the inflation rate from 0.5% in 2020 to 5.3% in 2021. However, the inflation rate was uneven in the Caribbean in 2021. The tourism-dependent economies recorded an inflation rate of 5.4%, while inflation in the commodity exporters was 11.0%, predominantly driven by an inflation rate of 60.7% in Suriname.

Suriname

The Government, which took office in 2020, has embarked on a stabilization program supported by the IMF with an Extended Fund Facility (EFF) for 2022-2024 of about US$ 688 million. The stabilization plan serves the following main objectives: restoring macroeconomic stability and confidence, paving the way for economic recovery, and protecting the most vulnerable during the adjustment process. This program consists of fiscal consolidation, government debt reprofiling, adopting reserve money targeting regime and a flexible exchange rate to combat inflation, and strengthening the fiscal and monetary authorities' institutional framework. In addition, the structural reform agenda includes strengthening the institutional capacity for macroeconomic policies, policies to guarantee financial sector stability policies, combating corruption, and strengthening the AML/CFT framework and governance. The World Bank, the Inter-American Development Bank, and the IMF will provide technical assistance as part of these efforts.

The macroeconomic performance in 2021 was disappointing, as expected, given the continuation of the COVID-19 pandemic and the pre-pandemic weaknesses such as unsustainable high fiscal deficit and government debt and low level of international reserves. As a result, the economy's contraction continued, the fiscal position remained weak, government debt remained unsustainable high, the official exchange rate depreciated in June, and the inflation rate soared.
On the other hand, the international prices of Suriname's main exports, namely gold and oil, remain high while offshore oil reserves are yet to be developed. Fortunately, the banking sector weathered the crisis relatively well.

Table 3: Suriname GDP Growth 2017-2021 (%)

	2017	2018	2019*	2020*	**2021***
GDP	1,6	4,9	1,2	-16,0	-2,4
Mineral Sector	24,0	0,8	-8,4	-13,4	-2,9
Non-Mineral Sector	-5,2	7,5	0,6	-13,9	-3,1
Government, Education, and Health Care	8,9	-1,6	21,6	-29,2	1,9

Sources: General Bureau of Statistics and National Planning Office
**) Preliminary figures*

In 2021, the Surinamese economy contracted further by 2.4%, following a massive decline of 16.0% in 2020 (Table 3). The contraction in 2021 was broad-based. The mineral and non-mineral sectors contracted by 2.9% and 3.1%, respectively. Gold production dropped by 13% within the mineral sector, while in the non-mineral sector, the contraction was especially noticeable in the agriculture, forestry sector, and wood processing. The drop in production was due to the COVID-19 pandemic and related government measures to manage the health crisis, international supply chain issues, and exchange rate depreciations.

Government Finance

Suriname relies heavily on its natural resources, particularly gold, and oil, which account for a significant share of its export earnings and government revenues. The Government's overreliance on these extractive industries has left it vulnerable to volatile commodity prices and environmental risks. The COVID-19 pandemic has

Suriname

De regering, die in 2020 aantrad, is begonnen met een stabilisatieprogramma ondersteund door het IMF met een "Extended Fund Facility" (EFF) voor 2022-2024 van ongeveer USD 688 miljoen. Het stabilisatieplan heeft de volgende hoofddoelstellingen: het herstellen van macro-economische stabiliteit en vertrouwen, de weg vrijmaken voor economisch herstel, en het beschermen van de meest kwetsbaren tijdens het aanpassingsproces. Dit programma bestaat uit fiscale consolidatie, herprofilering van de overheidsschuld, het aannemen van een "reserve money targeting regime" en een flexibele wisselkoers om inflatie te bestrijden, en het versterken van het institutionele kader van de fiscale en monetaire autoriteiten. Daarnaast omvat de structurele hervormingsagenda het versterken van de institutionele capaciteit voor macro-economisch beleid, beleid om de stabiliteit van de financiële sector te waarborgen, het bestrijden van corruptie, en het versterken van het AML/CFT-kader en governance. De Wereldbank, de Inter-Amerikaanse Ontwikkelingsbank en het IMF zullen technische bijstand verlenen als onderdeel van deze inspanningen.

De macro-economische prestaties in 2021 waren teleurstellend, zoals verwacht, gezien de voortzetting van de COVID-19-pandemie en de pre-pandemische zwakheden zoals een onhoudbaar hoog begrotingstekort en overheidsschuld en een laag niveau van internationale reserves. Als gevolg hiervan zette de economische krimp door, bleef de fiscale positie zwak, bleef de overheidsschuld onhoudbaar hoog, deprecieerde de officiële wisselkoers in juni en steeg het inflatiecijfer sterk. Aan de andere kant bleven de internationale prijzen van Suriname's belangrijkste exportproducten, namelijk goud en olie, hoog terwijl de offshore olievoorraden nog moeten worden ontwikkeld.

Tabel 3: BBP-groei Suriname 2017-2021 (%)

	2017	2018	2019*	2020*	**2021***
BBP	1.6	4.9	1.2	-16.0	-2.4
Minerale sector	24.0	0.8	-8.4	-13.4	-2.9
Niet-minerale sector	-5.2	7.5	0.6	-13.9	-3.1
Overheid, onderwijs en gezondheidszorg	8.9	-1.6	21.6	-29.2	1.9

Bronnen: Algemeen Bureau voor de Statistiek en Nationaal Planbureau
**) Voorlopige cijfers*

In 2021 kromp de Surinaamse economie verder met 2,4%, na een enorme daling van 16,0% in 2020 (Tabel 3). De krimp in 2021 was breed gedragen. De mineralen- en niet-mineralensectoren krompen respectievelijk met 2,9% en 3,1%. De goudproductie daalde met 13% binnen de minerale sector, terwijl in de niet-minerale sector de krimp vooral merkbaar was in de landbouw-, bosbouw- en houtverwerkingssector. De productiedaling was te wijten aan de COVID-19-pandemie en gerelateerde overheidsmaatregelen om de gezondheidscrisis te beheersen, internationale problemen in de toeleveringsketen en wisselkoersdepreciaties.

Overheidsfinanciën

Suriname is sterk afhankelijk van zijn natuurlijke hulpbronnen, met name goud en olie, die een aanzienlijk deel van zijn exportinkomsten en overheidsinkomsten uitmaken. De overmatige afhankelijkheid van deze extractieve industrieën heeft het land kwetsbaar gemaakt voor volatiele grondstofprijzen en milieurisico's. De COVID-19-pandemie heeft deze uitdagingen verergerd, wat heeft geleid tot een scherpe daling van de economische activiteit en de overheidsinkomsten. Als gevolg hiervan verslechterde de fiscale situatie van Suriname en het vermogen om zijn schulden af te lossen verder.

On the other hand, the international prices of Suriname's main exports, namely gold and oil, remained high while offshore oil reserves are yet to be developed.

Table 3: Table 3: Suriname GDP Growth 2017-2021 (%)

	2017	2018	2019*	2020*	**2021***
BBP	1.6	4.9	1.2	-16.0	-2.4
Mineral sector	24.0	0.8	-8.4	-13.4	-2.9
Non-mineral sector	-5.2	7.5	0.6	-13.9	-3.1
Government, Education, and Health Care	8.9	-1.6	21.6	-29.2	1.9

Sources: General Bureau of Statistics and National Planning Office
**) Preliminary figures*

In 2021, the Surinamese economy contracted further by 2.4%, following a massive decline of 16.0% in 2020 (Table 3). The contraction in 2021 was broad-based. The mineral and non-mineral sectors contracted by 2.9% and 3.1%, respectively. Gold production dropped by 13% within the mineral sector, while in the non-mineral sector, the contraction was especially noticeable in the agriculture, forestry sector, and wood processing. The drop in production was due to the COVID-19 pandemic and related government measures to manage the health crisis, international supply chain issues, and exchange rate depreciations.

Government Finances

Suriname relies heavily on its natural resources, particularly gold, and oil, which account for a significant share of its export earnings and government revenues. The Government's overreliance on these extractive industries has left it vulnerable to volatile commodity prices and environmental risks. The COVID-19 pandemic has exacerbated these challenges, leading to a sharp decline in economic activity and government revenue. As a result, Suriname's fiscal situation and ability to service its debt deteriorated further.

To address the economic challenges, the Government has presented an ambitious fiscal reform program that promotes sustainable economic growth and development. The program includes public expenditure prioritization, tax reform, and debt management. The Government also intends to strengthen public financial management and improve the investment climate to attract more foreign investment.

In response to the pandemic, the Government implemented various measures, including financial support to vulnerable households and small businesses, payment deferments, and tax relief. Furthermore, the Government implemented several fiscal measures, including reducing government spending and increasing revenue through tax reforms. For example, a solidarity tax of 10% was levied for one year to increase revenues.

Table 4: Suriname Government Primary and Overall Fiscal Balance 2017-2021 (% of GDP)

	2017	2018	2019	2020	**2021**
Primary balance	-4.6	-2.5	-17.3	-8.3	-0.5
Overall balance	-7.1	-5.2	-20.2	-12.0	-5.7

Source: IMF, World Economic Outlook Database, April 2024
Note: Contrary to the historical practice in government finance in Suriname, the IMF does not include loan disbursements as revenues.

SUSTAINABLE DEVELOPMENT GOAL 4 | QUALITY EDUCATION.

The Hakrin Bank made numerous donations on the occasion of its 85th anniversary. One of these donations was to the Ilse Labadie Training Center in connection with the construction of a workshop/ bakery for the graduates. The Ilse Labadie Training center is a training centre for girls with intellectual disabilities. The handover was done by the former Chief Financial Officer (CFO) of the Hakrin Bank, Ms. Magalie Loswijk-Keerveld and Ms. Mariëtte Tjon A Ten, Retired Chief Operations Officer (COO) of the Hakrin Bank.

The Hakrin Bank made a financial donation to the Primary School for Differentiated Education Suriname (BGOS- Dutch abbreviation). The BGOS focusses on children with normal intelligence but who need special attention at school due to a learning or behavioural disorder. Part of the renovation was done with Hakrin Bank's donation. The funds from the Hakrin Bank were used for restorations on the inside of the school building. The remaining restorations were done with funds from others.

Om de economische uitdagingen aan te pakken, heeft de regering een ambitieus fiscaal hervormingsprogramma gepresenteerd dat duurzame economische groei en ontwikkeling bevordert. Het programma omvat het prioriteren van overheidsuitgaven, belastinghervorming en schuldbeheer. De regering is ook van plan het openbaar financieel beheer te versterken en het investeringsklimaat te verbeteren om meer buitenlandse investeringen aan te trekken.

Als reactie op de pandemie heeft de regering verschillende maatregelen genomen, waaronder financiële ondersteuning aan kwetsbare huishoudens en kleine bedrijven, uitstel van betalingen en belastingverlagingen. Bovendien heeft de regering verschillende fiscale maatregelen doorgevoerd, waaronder het verlagen van de overheidsuitgaven en het verhogen van de inkomsten door belastinghervormingen. Bijvoorbeeld, een solidariteitsbelasting van 10% werd voor één jaar geheven om de inkomsten te verhogen.

In 2021 slaagde de regering erin om het algehele begrotingssaldo te verbeteren tot een tekort van 5,7% van het BBP, vergeleken met tekorten van 20,2% van het BBP in 2019 en 12,0% van het BBP in 2020. Bovendien verbeterde het primaire begrotingssaldo tot -0,5% van het BBP in 2021, vergeleken met -8,3% van het BBP in 2020 en -17,3% van het BBP in 2019 (Tabel 4).

Tabel 4: Primaire en Totale Rekening van de Surinaamse Overheid 2017-2021 (% van BBP)

	2017	2018	2019	2020	**2021**
Primaire Rekening	-4.6	-2.5	-17.3	-8.3	-0.5
Totale Rekening	-7.1	-5.2	-20.2	-12.0	-5.7

Bron: IMF, World Economic Outlook Database, april 2024
Opmerking: In tegenstelling tot de traditionele praktijk in de overheidsfinanciën van Suriname, rekent het IMF trekkingen op leningen niet tot de inkomsten.

De Surinaamse overheidsschuld was zelfs al vóór de COVID-19-pandemie aan het toenemen en bereikte een recordhoogte van 120,9% van het BBP in 2020, waardoor Suriname tot de groep landen met de hoogste staatsschuld ter wereld behoorde. (Tabel 5). In 2021 daalde de overheidsschuld echter tot 111,7% van het BBP. Gezien de onhoudbare schuldenniveaus en de negatieve economische impact hiervan, is de regering begonnen met schuldherstructurering, waaronder het herprofileren van de schuld bij de Hakrin Bank.

Tabel 5: Surinaamse Overheidsschuld 2017-2021 (% van BBP)

	2017	2018*	2019*	2020*	**2021***
Buitenlandse schuld	47.1	43.3	47.1	76.9	77.1
Binnenlandse schuld	20.2	19.5	23.9	43.9	34.6
Totale schuld	**67.3**	**62.7**	**70.9**	**120.9**	**111.7**

Bron: Bureau voor de Staatsschuld
Opmerking: Marginale afrondingsverschillen in schuldratio's voor 2018, 2019 en 2020.
**) Voorlopig*

Over het algemeen dragen de fiscale maatregelen bij aan de verbetering van de fiscale positie en de overheidsschuld. Echter, het begrotingstekort en de bruto overheidsschuld zijn onhoudbaar. Daarom zijn schuldherstructurering, effectief beheer van de overheidsfinanciën, prudent schuldbeheer en investeringen in cruciale sectoren van de economie essentieel om op lange termijn economische groei en ontwikkeling te bereiken.

Monetaire ontwikkelingen

Het monetaire beleidskader van Suriname heeft in 2021 ingrijpende veranderingen

Suriname's government debt had been increasing even before the COVID-19 pandemic and reached a record of 120.9% of GDP in 2020, making Suriname among the most indebted countries in the world (Table 5). However, in 2021, the Government debt declined to 111.7% of GDP. Given the unsustainable debt levels and its negative economic impact, the Government has embarked on debt restructuring, including reprofiling its debt to Hakrin Bank.

Table 5: Suriname Government Debt 2017-2021 (% of GDP)

	2017	2018*	2019*	2020*	**2021***
Foreign debt	47.1	43.3	47.1	76.9	77.1
Domestic debt	20.2	19.5	23.9	43.9	34.6
Total Dept	**67.3**	**62.7**	**70.9**	**120.9**	**111.7**

Source: Suriname Debt Management Office
Note: Marginal rounding differences in 2018, 2019, and 2020 debt ratios.
**) Preliminary*

Overall, fiscal measures are improving the fiscal position and government debt. However, the overall fiscal balance and the gross government debt are unsustainable. Therefore, debt restructuring, effective management of public finances, prudent debt management, and investment in critical sectors of the economy are essential to achieving long-term economic growth and development.

Monetary developments

The monetary policy framework of Suriname has undergone significant changes in 2021. These changes were part of the negotiations with the IMF regarding the Extended Fund Facility (EFF), approved on December 22, 2021. Before the approval of the EFF, Suriname had to comply with pre-conditions, of which the adoption of a free-floating exchange rate regime on June 7, 2021, and the reserve money targeting regime. Reserve money would be managed through open market operations, while the exchange rate would indirectly be steered through the money supply and interest rates. As a result, the SRD-reserve requirements as monetary policy tools went to the back burner and were kept at 39% in 2021. In addition, the CBvS introduced an averaging system of the SRD-reserve requirements to ease liquidity management for the banks. Furthermore, the Minister of Finance and the Governor of the Central Bank of Suriname (CBvS) signed an MOU to stop the monetary financing of budget deficits. Also, the governance of the CBvS has been strengthened.

Before fully operationalizing its reserve money targeting regime, the CBvS Bank offered a 3-month term deposit investment to the public through the general banks in June/July 2021 at an interest rate of 20% per year. The term deposit aims to sterilize excess liquidity through an attractive return for the investor. By that time, the banks' weighted average three months term-deposit rate was 8.2% per year. The curbing of excess liquidity and signaling of attractive yield on the SRD were aimed to prevent the exchange rate from overshooting when adopting the flexible exchange rate on June 7.

For the remainder of 2021, OMOs were conducted through auctions of time deposits (TDs) which are intended to influence the level of liquidity within the banking system and signal the direction of monetary policy to be conducted. In this model, a target for the base money supply is determined based on a desired level of inflation and economic growth. Then, based on the established base money supply target, it is calculated how much liquidity (money) must be present in the economy to achieve the inflation target. However, due to an undeveloped interest rate transmission mechanism, the banks did not pass high-interest rates to the depositors. As a result, the interest rate on the TD of 3 months increased from 20% per annum in June 2021 *ondergaan. Deze veranderingen waren onderdeel van de onderhandelingen met het IMF over de EFF, die op 22 december 2021 werd goedgekeurd. Voorafgaand aan de goedkeuring van de EFF moest Suriname voldoen aan voorwaarden, waaronder de invoering van een vrij zwevend wisselkoersregime op 7 juni 2021 en het reserve money targeting regime. Reserve money (basisgeldhoeveelheid) zou worden beheerd via open markttransacties, terwijl de wisselkoers indirect zou worden gestuurd via de geldhoeveelheid en de rentetarieven. Als gevolg hiervan werden de SRD-reservevereisten als monetaire beleidsinstrumenten naar de achtergrond geschoven en bleven ze in 2021 gehandhaafd op 39%. Bovendien introduceerde de CBvS een systeem van gemiddelde SRD-kasreserves om liquiditeitsbeheer voor de banken te vergemakkelijken. Verder hebben de minister van Financiën en de president van de Centrale Bank van Suriname (CBvS) een Memorandum of Understanding ondertekend om de monetaire financiering van begrotingstekorten te stoppen. Tenslotte is de governance van de CBvS versterkt.*

Voordat het reserve money targeting regime volledig operationeel was, bood de CBvS een termijndeposito-investering van 3 maanden aan het publiek aan via de algemene banken in juni/juli 2021 tegen een rente van 20% per jaar. Het termijndeposito heeft als doel om overtollige liquiditeit te steriliseren door een aantrekkelijk rendement voor de investeerder. Op dat moment bedroeg het gewogen gemiddelde rentetarief voor termijndeposito's van drie maanden bij de banken 8,2% per jaar. Het beteugelen van overtollige liquiditeit en het signaleren van aantrekkelijke rendementen op de SRD waren bedoeld om bij de invoering van het flexibele wisselkoerssysteem op 7 juni een "overshooting" van de wisselkoers te voorkomen .

Voor de rest van 2021 werden Open Market Operations (OMO's) uitgevoerd door middel van veilingen van termijndeposito's (TD's), die bedoeld zijn om het niveau van liquiditeit binnen het bankwezen te beïnvloeden en de richting van het monetaire beleid aan te geven. In dit model wordt een doel gesteld voor de basisgeldhoeveelheid op basis van het gewenste inflatieniveau en economische groei. Vervolgens wordt op basis van het vastgestelde doel voor de basisgeldhoeveelheid berekend hoeveel liquiditeit (geld) aanwezig moet zijn in de economie om het inflatiedoel te bereiken. Vanwege een onderontwikkeld rentetransmissiemechanisme hebben de banken echter geen hoge rentetarieven aan de depositohouders doorgegeven. De rente op het termijndeposito van 3 maanden van 20% per jaar in juni 2021 steeg naar ongeveer 80% per jaar voor termijndeposito's van een week, een maand en drie maanden aan het einde van december 2021. Het gewogen gemiddelde rentetarief voor termijndeposito's van drie maanden bij de banken was echter 9,7%, en voor het termijndeposito van zes maanden was dit 14,8% per jaar aan het einde van 2021.

De officiële wisselkoers steeg van SRD 14,3 per USD naar SRD 21,0 per USD, waarmee praktisch het gat met de parallelmarkt wisselkoers werd gedicht bij de invoering van het vrij zwevende wisselkoerssysteem op 7 juni. De wisselkoers bleef tot het einde van 2021 op hetzelfde niveau. In het vrij zwevende regime mocht de CBvS alleen interveniëren op de valutamarkt wanneer de intraday wisselkoers een depreciatie van 2% zou overschrijden; de interventie was beperkt tot maximaal USD 2 miljoen per dag met een plafond van USD 20 miljoen per kwartaal.

Table 6: Suriname inflation 2017-2021 (%)

	2017	2018	2019	2020	**2021**
Jaareinde inflatie	9.2	5.4	4.2	60.8	60.7
Gemiddelde inflatie	22.0	6.8	4.4	34.9	59.1

Bron: Algemeen Bureau voor de Statistiek

to around 80% per annum for term deposits of one week, one month, and three months at the end of December 2021. However, the banks' weighted average 3-month term-deposit rate was 9.7%, and for the 6-month term deposit, 14.8% per annum at the end of 2021.

The official exchange rate moved from SRD 14.3 per USD to SRD 21.0 per USD, practically closing the gap with the parallel market exchange rate when adopting the free-floating exchange rate system on June 7. The exchange rate remained at the same level till the end of 2021. In the free-floating regime, the CBvS was only allowed to intervene in the forex market when the intraday exchange rate would surpass a depreciation of 2%; the intervention was further to a maximum of USD 2 million per day with a cap of USD 20 million per quarter.

Table 6: Suriname inflation 2017-2021 (%)

	2017	2018	2019	2020	**2021**
End-of-year Inflation	9.2	5.4	4.2	60.8	60.7
Average inflation	22.0	6.8	4.4	34.9	59.1

Source: General Bureau of Statistics

Suriname recorded in 2021, for the second year in a row, a high inflation rate (End-of-year inflation) of 60.7%; End-of-year inflation in 2020 was 60.8% (Table 6). The main drivers were the increase of the parallel market rate in the first half of 2021, the jump in the official exchange rate on June 7, and higher world market prices for food, fuel, and freight costs. The purchasing power of society has fallen massively. Given the inflation performance of Suriname for 2019 to 2021, which was above 100% cumulatively, the IAS Board categorized Suriname as a hyperinflation country and required it to apply IAS29 Hyperinflation Accounting.

Balance of payments[1]

While still healthy, Suriname's Balance of Payments (BoP) in 2021 has developed less favorably compared to 2020. As a result, the current account surplus of 8.9% of GDP in 2020 declined to 5.7% in 2021 (Table 7). The decline of this surplus was due to a substantial increase in imports of goods and services as a result of the economic upswing due to, among other things, the easing of measures in the context of the COVID-19 pandemic, the increase of the world market price of mineral products and a decline in the export value of gold, lumber and agricultural products.

Table 7: Suriname BoP 2017-2021

	2017	2018	2019	2020	**2021**
Current account balance (% of GDP)	1.9	-3.0	-11.2	8.9	5.7
Capital and Financial account balance (% of GDP)	-3.1	-7.5	-13.3	7.5	-1.4
International reserves (USD million)	424.4	580.7	647.5	585.0	992.2

Sources: CBvS and IMF, World Economic Outlook Database, April 2024; and CBvS

In 2021, the capital and financial account turned into a deficit of 1.4% of GDP. Increased foreign liabilities of the CBvS and the Government were the main factors contributing to this deficit. In addition, a decrease in the liabilities of the large mining companies and other private sectors also contributed to this deficit.

[1]Based on the annual financial plan of the Government 2023, version September 22, 2022, and the 2022 Financial Stability Report of the CBvS.
[2]Based on the 2022 Financial Stability Report of the CBvS.

Suriname registreerde in 2021, voor het tweede opeenvolgende jaar, een hoge inflatie (jaareinde inflatie) van 60,7%; de jaareinde inflatie in 2020 was 60,8% (Tabel 6). De belangrijkste drijfveren waren de stijging van de parallelle marktkoers in de eerste helft van 2021, de sprong in de officiële wisselkoers op 7 juni, en hogere wereldmarktprijzen voor voedsel, brandstof en vrachtkosten. De koopkracht van de samenleving is sterk gedaald. Gezien de iinflatie cijfers van Suriname van 2019 tot 2021, die cumulatief boven de 100% lagen, heeft het IAS-bestuur Suriname gecategoriseerd als een land met hyperinflatie en vereist het toepassing van IAS29 Hyperinflatie Accounting.

Betalingsbalans[1]

Hoewel nog steeds gezond, heeft de betalingsbalans van Suriname in 2021 zich minder gunstig ontwikkeld in vergelijking met 2020. Als gevolg hiervan daalde het overschot op de lopende rekening van 8,9% van het BBP in 2020 naar 5,7% in 2021 (Tabel 7). De daling van dit overschot was te wijten aan een aanzienlijke toename van de invoer van goederen en diensten als gevolg van de economische opleving door onder andere het versoepelen van maatregelen in het kader van de COVID-19-pandemie, de stijging van de wereldmarktprijs van minerale producten en een daling van de exportwaarde van goud, hout en landbouwproducten.

Tabel 7: Betalingsbalans van Suriname 2017-2021

	2017	2018	2019	2020	**2021**
Lopende rekening (% van BBP)	1.9	-3.0	-11.2	8.9	5.7
Kapitaal en Financiële rekening (% van BBP)	-3.1	-7.5	-13.3	7.5	-1.4
Internationale reserves (USD miljoen)	424.4	580.7	647.5	585.0	992.2

Bronnen: CBvS en IMF, World Economic Outlook Database, april 2024

In 2021 sloeg de kapitaal en financiële rekening om in een tekort van 1,4% van het BBP. Verhoogde buitenlandse verplichtingen van de CBvS en de overheid waren de belangrijkste factoren die bijdroegen aan dit tekort. Daarnaast droeg een afname van de verplichtingen van grote mijnbouwbedrijven en andere particuliere sectoren ook bij aan dit tekort.

Ondanks de afname van het overschot op de lopende rekening, stegen de internationale reserves tot USD 992,2 miljoen per eind december 2021, een stijging van 69,6%. Deze sterke toename was te wijten aan de SDR-toewijzing (Special Drawing Rights) van USD 175,4 aan Suriname door het IMF als onderdeel van zijn wereldwijde toewijzing van speciale trekkingsrechten (SDR's) om landen beter in staat te stellen om de COVID-19-pandemie het hoofd te bieden, waarbij USD 55,1 miljoen de eerste toewijzing uit de EFF als begrotingssteun betrof, en overheidsinkomsten uit de mijnbouwsector. Daarnaast moet worden opgemerkt dat de "ringfenced" kasreserves van de commerciële banken zijn opgenomen in de USD 992,2 miljoen.

Prestaties van de banksector[2]

Ondanks ongunstige macro-economische ontwikkelingen in 2021 bleef het bankwezen goed gekapitaliseerd. De gemiddelde solvabiliteitsratio van de banken steeg naar 14,5% eind 2021, vergeleken met 11,8% eind 2020 (Tabel 8). Hoe hoger de solvabiliteitsratio, hoe beter banken schokken kunnen opvangen. Er zijn echter verschillen tussen banken. Drie banken registreerden een solvabiliteitsratio onder de minimumvereiste van 10% van de CBvS.

[1] Op basis van het jaarlijkse financiële plan van de regering 2023, versie 22 september 2022, en het Financiële Stabiliteitsrapport 2022 van de CBvS.

[2] Gebaseerd op het Financiële Stabiliteitsrapport 2022 van de CBvS.

Notwithstanding the decline of the surplus on the current account, the international reserves increased to USD 992.2 million as of end-December 2021, an increase of 69.6%. This sharp increase was due to the SDR-allocation (Special Drawing Rights) of USD 175.4 to Suriname by the IMF as part of its global allocation of special drawing rights (SDRs) to enable countries to better cope with the COVID-19 pandemic, USD 55.1 million being the first allocation from the EFF as budget support, and government revenues from the mining sector. In addition, it should be noted that the ringfenced reserve requirements funds of the commercial banks are included in the USD 992.2 million.

Banking sector performance [2]

Despite adverse macroeconomic developments in 2021, the banking system remained well-capitalized. The banks' average solvency ratio increased to 14.5% at the end of 2021 compared to 11.8% at the end of 2020 (Table 8). The higher the solvency ratio, the better banks can withstand shocks. However, heterogeneities between banks exist. Three banks recorded a solvency ratio below the 10% minimum requirement of the CBvS.

Table 8: Solvency ratio and NPL of Suriname's Commercial Banks 2017-2021

	2017	2018	2019	2020	**2021**
Solvency ratio (%)	9.3	9.6	11.4	11.8	14.5
NPL (gross; %)	13.0	12.0	10.6	14.6	12.8

Source: CBvS

The increase in the solvency ratio, led by an increase in Tier-1 capital- was due to a combination of factors. First, exchange rate depreciation improved Tier-1 capital as foreign currency's capital and income components have grown substantially. Also, Tier-1 capital increased as one bank had already applied the IAS 29 hyperinflation accounting.

The non-performing loans (NPLs) improved in 2021 compared with 2020. However, the overall quality of the loan portfolio deteriorated due to the significant increase in the Loss Category. However, the improvement of the non-performing loans was due to exchange rate depreciation.
Credit growth was subdued in 2021. The SRD credit growth slowed to 3.0% due to stagnated economic activities due to the COVID-19 pandemic. The lending in USD has contracted by 4.4%, vis-à-vis a 9% contraction in 2020. Lending in euros sharply declined by 26.1% in 2021 compared with a decline of 50.4% in 2020 (Table 9).

Table 9: Suriname Credit Growth 2017-2021 (%)

	2017	2018	2019	2020	**2021**
SRD	17.1	11.1	-4.3	27.5	3.0
USD	7.7	-3.9	-6.9	-9.0	-4.4
Euro	-7.6	-20.9	63.6	-50.4	-26.1

Source: CBvS

In 2021, the banking sector witnessed a significant increase in digital banking services as more people embraced online banking. Banks now offer mobile apps and Internet banking services, making it easier for customers to access their accounts remotely. Additionally, the COVID-19 pandemic has accelerated the adoption of digital banking services as more people opt for contactless transactions.

SUSTAINABLE DEVELOPMENT GOAL 8 | DECENT WORK & ECONOMIC GROWTH.

On June 28, Hakrin Bank's anniversary, the Mopé Debit card and Mopé 2.0 were launched. With Mopé 2.0, one can:

- Transfer to local bank accounts in Suriname from the Mopé app.
- Transfer from any local bank account to Mopé.
- Make online payments with the Mopé app.
- Make POS payments with the Mopé Debit Card.
- Withdraw money at the ATM with the Mopé Debit Card.

Female employees with hearing impairment at the Hakrin Bank during a work meeting. Hakrin Bank believes that every individual has equal opportunities. At the Hakrin Bank, we do not discriminate in our human resources policy, everyone is equal and deserves a chance to work at the Hakrin Bank. We stand for an inclusive working environment.

On the occasion of its anniversary, the Hakrin Bank gave back to the community in various ways, for instance by means of donations and other projects for third parties and its employees. In addition, the bank expressed its gratitude in various ways. One of these was to thank the community by placing billboards at various locations with the word 'Grantangi,' which means 'thank you' in Sranan Tongo or Surinamese.

Our customer, Amazona Recycling Company N.V. (AmReCo), is a Caribbean leading recycling company, offering a comprehensive package of recycling services for PET bottles, plastic, cardboard and paper. We are proud to have AmReCo as a customer, contributing to clean Suriname, economic growth and employment. The picture shows residual paper material ready to be exported and will then be further processed.

Tabel 8: Solvabiliteitsratio en NPL van Commerciële Banken in Suriname

	2017	2018	2019	2020	**2021**
Solvabiliteitsratio (%)	9.3	9.6	11.4	11.8	14.5
NPL (bruto; %)	13.0	12.0	10.6	14.6	12.8

Bron: CBvS

De stijging van de solvabiliteitsratio, geleid door een toename in Tier-1 kapitaal, was te danken aan een combinatie van factoren. Ten eerste verbeterde de depreciatie van de wisselkoers Tier-1 kapitaal omdat het kapitaal in vreemde valuta en de inkomstenelementen aanzienlijk zijn gegroeid. Ook nam Tier-1 kapitaal toe doordat één bank de IAS 29 hyperinflatie-accounting al had toegepast.

De non-performing loans (NPL's) verbeterden in 2021 in vergelijking met 2020. Echter, de algehele kwaliteit van de leningenportefeuille verslechterde door de aanzienlijke toename in de verliescategorie. Desondanks werd de verbetering van de non-performing loans veroorzaakt door de depreciatie van de wisselkoers.

De kredietgroei was beperkt in 2021. De groei van het SRD-krediet vertraagde tot 3,0% vanwege gestagneerde economische activiteiten als gevolg van de COVID-19-pandemie. De leningen in USD zijn met 4,4% gekrompen, vergeleken met een daling van 9% in 2020. De leningen in euro's daalden sterk met 26,1% in 2021, vergeleken met een daling van 50,4% in 2020 (Tabel 9).

Tabel 9: Suriname Kredietgroei 2017-2021 (%)

	2017	2018	2019	2020	**2021**
SRD	17.1	11.1	-4.3	27.5	3.0
USD	7.7	-3.9	-6.9	-9.0	-4.4
Euro	-7.6	-20.9	63.6	-50.4	-26.1

Bron: CBvS

In 2021 heeft de banksector een aanzienlijke toename gezien in digitale bankdiensten, doordat meer mensen online bankieren omarmden. Banken bieden nu mobiele apps en internetbankdiensten aan, waardoor het voor klanten makkelijker is geworden om op afstand toegang te krijgen tot hun rekeningen. Daarnaast heeft de COVID-19-pandemie de adoptie van digitale bankdiensten versneld, doordat meer mensen kiezen voor contactloze transacties.

BEDRIJFSECONOMISCHE ONTWIKKELINGEN

Bedrijfsresultaten

Ons commerciële doel is om de klantervaring te blijven verbeteren en het bedrijfsvolume te vergroten, waardoor de inkomsten en winstgevendheid van de bank zullen toenemen. Het jaar 2021 werd gedomineerd door zowel de COVID-19-pandemie als belangrijke monetaire ontwikkelingen in ons land.

De COVID-19-pandemie had een aanzienlijke impact op onze bedrijfsvoering in 2021, vooral op het gebied van klantenservice. De constante en optimale beschikbaarheid van onze diensten was cruciaal te midden van de maatregelen die door de autoriteiten werden geïntroduceerd om de volksgezondheid te bewaken. Om de continuïteit in onze dienstverlening te waarborgen, hebben we maatregelen getroffen waarmee medewerkers van huis uit konden blijven werken. De monetaire ontwikkelingen, de gezondheidscrisis en de economische crisis hadden een significante impact op bedrijven en huishoudens, wat een grote uitdaging vormde bij het begeleiden van onze klanten door deze periode. De voornoemde omstandigheden hadden een grote invloed op de resultaten van 2021.

ENTERPRISE DEVELOPMENTS

Business performance

Our commercial objective is to enhance customer experience and increase business volume, thereby improving the Bank's revenue and profitability. The year 2021 was dominated by both the COVID-19 pandemic and significant monetary developments in our country.

The COVID-19 pandemic notably impacted our business operations in 2021, especially concerning customer service. Continuous and optimal availability of our services was crucial amidst the measures introduced by the authorities to protect public health. To ensure continued services, we implemented measures enabling employees to work from home. The monetary developments and the health and economic crisis had a significant impact on businesses and households, presenting a considerable challenge in guiding our customers through this period. These circumstances heavily impacted the 2021 results.

Client deposits decreased by SRD 1,292 million (11.2%). compared to the 2020 figures. Nominal client deposits increased by SRD 3,086 million due to higher exchange rates for USD and EUR, as well as higher client deposits. However, despite this increase, client deposits declined overall due to negative hyperinflationary effects amounting to SRD 4,379 million.
The increased exchange rate for USD and EUR led to a rise in the deposit-dollarization ratio from 70.1% to 72.5 %.

Private sector lending showed no real growth in 2021. The steep decline of 23.7% compared to 2020 is due to the restatement of the 2020 portfolio amount for hyperinflation, partially offset by the depreciation impact in 2021.

The mining and agriculture sectors showed the lowest decline compared to the restated 2020 figures. Loan facilities to the government decreased by 36%, a result of the restatement of the 2020 figure for hyperinflation.
The total loan portfolio declined by 26.4% compared to 2020, also due to the restatement of the 2020 figures for hyperinflation, partially offset by the depreciation of the SRD in 2021.

Due to the revaluation of the foreign currency loans related to the depreciation of the Suriname Dollar, the credit-dollarization ratio increased by 4.6% to 50.9%.
Our Bank's market share increased to 25.5 %. Our goal remains to further strengthen our market position.

Maintaining the quality of the credit portfolio remained a challenge amidst the difficult economic circumstances and the COVID-19 pandemic. The non-performing loan ratio was higher at year end 2021 (9.4% in 2021 vs 7.2% in 2020). Despite the higher non-performing ratio, the loan loss provision was 21.3% lower in 2021 compared to 2020 due to the restatement of the 2020 provision amount for hyperinflation.

Our investments in SRD treasury bills from the Republic of Suriname decreased by 29.1% compared to 2020 due to repayments received from the Government and the restatement of the 2020 figure for hyperinflation. Our policy of gradually phasing out of these investments will continue in 2022.

Toevertrouwde middelen daalden met SRD 1.292 miljoen (11,2%) vergeleken met de cijfers van 2020. Nominaal stegen de toevertrouwde middelen met SRD 3.086 miljoen door hogere wisselkoersen voor USD en EUR, evenals hogere klantdeposito's. Ondanks deze nominale stijging daalden de gerapporteerde toevertrouwde middelen echter door negatieve hyperinflatie effecten ter waarde van SRD 4.379 miljoen. De gestegen wisselkoers voor USD en EUR leidde ook tot een stijging van de dollariseringsratio in de toevertrouwde middelen van 70,1% naar 72,5%.

De kredietverlening aan de particuliere sector vertoonde in 2021 geen reële groei. De scherpe daling van 23,7% vergeleken met 2020 is voornamelijk te wijten aan de herwaardering van de portefeuille per ultimo 2020 vanwege hyperinflatie, wat slechts ten dele gecompenseerd werd door de impact van depreciatie in 2021 op de vreemde valuta portefeuille.

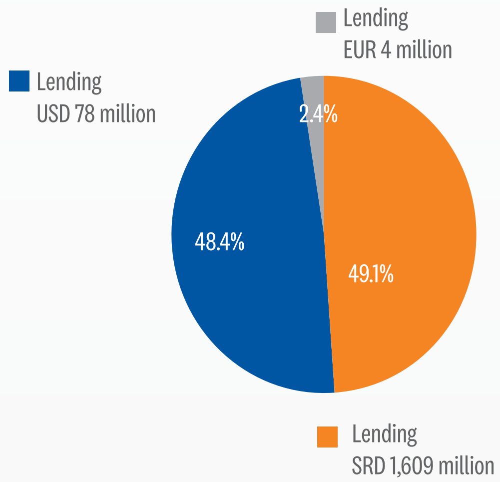
De mijnbouw- en landbouwsectoren vertoonden de minste daling vergeleken met de voor inflatie gecorrigeerde cijfers van 2020. Kredietfaciliteiten aan de overheid daalden met 36% voornamelijk vanwege het hyperinflatie effect. Ook de totale kredietportefeuille daalde met 26,4% door voornamelijk het hyperinflatie effect, wat ook weer slechts gedeeltelijk gecompenseerd werd door het opwaartse effect van depreciatie van de SRD in 2021.
Door de herwaardering van de vreemde valuta leningen als gevolg van de depreciatie van de Surinaamse Dollar, steeg de dollariseringsratio van kredietuitzettingen met 4,6% tot 50,9%. Het marktaandeel van onze bank steeg naar 25,5%. Ons doel blijft om onze marktpositie verder te versterken.

Het handhaven van de kwaliteit van de kredietportefeuille bleef een uitdaging te midden van de moeilijke economische omstandigheden en de COVID-19-pandemie. De non-performing ratio van leningen was hoger aan het eind van 2021 (9,4% in 2021 versus 7,2% in 2020). Ondanks de hogere non-performing ratio was de voorziening voor kredietverliezen 21,3% lager in 2021 vergeleken met 2020 door hyperinflatie accounting.

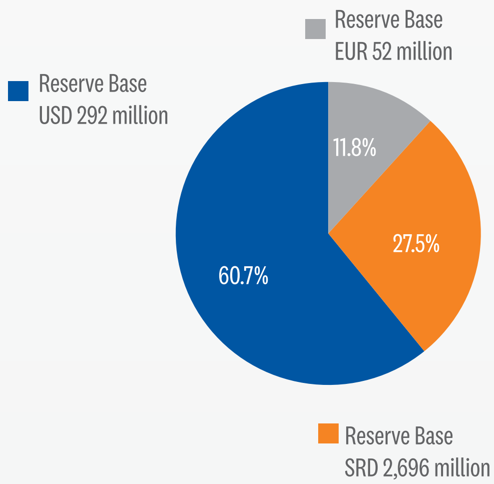
Onze investeringen in SRD-schuldtitels van de Republiek Suriname daalden met 29,1% vergeleken met 2020 door aflossingen door de overheid en hyperinflatie accounting. Ons beleid om deze investeringen geleidelijk af te bouwen, zal in 2022 worden voortgezet.

Ons beleid richt zich ook op het maximaliseren van de commissiebaten. Het grootste deel van de commissiebaten wordt verdiend uit betaaldiensten en valutahandel. De lagere commissiebaten in vergelijking met 2020 kan voornamelijk worden toegeschreven aan lagere inkomsten uit valutahandel en het negatief

Hakrin Bank Lending in Currency 2021



Hakrin Bank Client Deposits in Currency 2021



Our policy also focuses on maximizing fee income. The major part of fee income is derived from payment services and foreign exchange trading.
The lower fee and commission income compared to 2020 can mainly be attributed to lower commissions received from foreign exchange trading and the restatement of the 2020 figures for hyperinflation, partially offset by higher income from payments services as a result of the depreciation of the SRD, since a large part of these revenues is in foreign currency.

The positive volume trend regarding our digital services continued in 2021. Local electronic payment transactions grew, resulting in a 42.5 % increase in the number of POS transactions and a 106.9% increase in transaction volume. The number of ATM transactions increased by 5.2%. The volume of Mope transactions increased by 22%. The lockdown measures related to the COVID-19 pandemic positively influenced this growth.
In 2021 the Mope debit card was introduced, enabling Mope clients to facilitate payments via POS and withdraw cash from ATM's.

After a steep decline in 2020 (-21%) due to reduced travel, online purchases and deterioration of purchasing power, the Hakrin Bank MasterCard credit card usage showed a recovery of 8.2% in 2021.

Our focus is on a stronger embedding of the customer-oriented organizational structure and continuous improvement of employees' competencies that contribute to our distinctiveness and better market positioning. Additionally, continuous efforts are made to develop and deploy digital channels to increase the convenience of banking.

The developments in oil and gas in our country offer opportunities for further business growth in both the business and retail segments. We are therefore optimistic about the mid-and long-term growth prospects for our Bank. The outlook for 2022 is significantly impacted by monetary tightening to bring the economy back on track and the aftermath of the COVID-19 pandemic, both of which negatively affect our commercial development.

hyperinflatie effect. Deze ontwikkeling wordt slechts deels gecompenseerd door een stijging van de baten uit betaaldiensten als gevolg van de depreciatie van de SRD, aangezien een groot deel van deze inkomsten vreemde valuta gedenomineerd is.

De positieve volumetrend met betrekking tot onze digitale diensten zette zich voort in 2021. Lokale elektronische betalingen namen toe, wat resulteerde in een stijging van 42,5% in het aantal POS-transacties en een stijging van 106,9% in het nominale transactievolume. Het aantal geldautomaattransacties steeg met 5,2%. Het volume van Mopé-transacties steeg met 22%. De lockdownmaatregelen gerelateerd aan de COVID-19 pandemie hebben een positieve bijdrage geleverd aan deze groei.

In 2021 werd de Mope debit card geïntroduceerd, waarmee Mope klanten POS betalingen kunnen verrichten en contant geld kunnen opnemen bij geldautomaten.

Na een scherpe daling in 2020 (-21%) door verminderd buitenlands reisverkeer, lagere online aankopen en verslechtering van de koopkracht, liet het gebruik van de Hakrin Bank MasterCard creditcard een herstel van 8,2% zien in 2021.

Onze focus ligt op een sterkere verankering van een klantgerichte organisatiestructuur met continue verbetering van de competenties van medewerkers die moeten bijdragen aan ons onderscheidend vermogen en betere marktpositie. Daarnaast wordt continue geïnvesteerd in de verdere ontwikkeling van onze digitale kanalen om het klantgemak te verhogen.

De ontwikkelingen in de Oil & Gas sector levert nieuwe groeikansen voor zowel het zakelijk alsook het particuliere segment. We zijn daarom optimistisch gestemd over de middellange- en lange termijn groeivooruitzichten voor de bank. De vooruitzichten voor 2022 worden echter sterk beïnvloed door het monetaire verkrappend beleid van de overheid om de economie weer op de rails te krijgen en de naweeën van de COVID-19-pandemie. Beiden hebben een negatieve invloed op onze commerciële ontwikkeling.

Lending sectors (in thousands of SRD) per year at year-end

	2021	in %	2020	in %
Agriculture Sector	198,066	5	232,845	4
Fishing	119,977	3	171,796	3
Forestry	1,171	-	1,676	-
Mining	141,109	3	250,652	5
Industry	494,805	12	684,636	13
Construction- and installation Companies	63,003	2	119,092	2
Total direct productive sectors	**1,018,131**	**25**	**1,460,697**	**27**
Trade	1,042,660	26	1,550,170	29
Transport, Storage and Communication	89,166	2	107,260	2
Services	390,199	10	442,481	8
Residential building	147,846	4	258,048	5
Other (esp. consumer credits)	340,597	8	495,234	9
Total other sectors	**2,010,468**	**50**	**2,853,193**	**53**
Total private credits	**3,028,599**	**75**	**4,313,890**	**80**
Government credits	**457,831**	**11**	**523,810**	**10**
Total commercial credits	**3,486,430**	**86**	**4,837,700**	**90**
Treasury Bills (government)	**553,486**	**14**	**529,694**	**10**
Total general	**4,039,916**	**100**	**5,367,394**	**100**

Nationale Trust- en Financierings Maatschappij N.V. (NTFM)

2021 was ook een uitdagend jaar voor onze dochteronderneming, de Nationale Trust- en Financierings Maatschappij N.V. De kredietportefeuille daalde met 38,9% tot SRD 230,4 miljoen ten opzichte van 2020. Voor vergelijkingsdoeleinden zijn de cijfers van 2020 op basis van IAS29 met 60,7% voor hyperinflatie aangepast. De totale portefeuille is nominaal stabiel gebleven. Door de depreciatie van de SRD, was er sprake van een nominale daling van de portefeuille consumentenkrediet vanwege stijgende consumentenprijzen in combinatie met een verminderde koopkracht en de COVID-19-pandemie. De kwaliteit van de portefeuille bleef goed onder controle met een non performing ratio van 2,9%.

In het verslagjaar daalden de inkomsten met 43,2% tot SRD 31,9 miljoen vergeleken met de gecorrigeerde cijfers van 2020, voornamelijk als gevolg van de gecorrigeerde inkomsten van 2020. De operationele kosten daalden vergeleken met de gecorrigeerde kosten van 2020, ook als gevolg van de gecorrigeerde operationele kosten. Deze veranderingen in inkomsten en operationele kosten, samen met een vrijval van voorzieningen voor kredietverliezen, leidden tot een daling van de winst vóór belasting en netto monetaire winst van SRD 15,8 miljoen.

Hypotheekleningen

De economische neergang, de COVID-19-pandemie, de depreciatie van de SRD en een aanzienlijke daling van de koopkracht hadden een grote impact op de aankoop van onroerend goed en andere duurzame consumptiegoederen. De hypotheekportefeuille daalde in 2021 met 38,6%. Deze daling kan voornamelijk worden toegeschreven aan de doorwerking van hyperinflatie op de vergelijkende cijfers 2020. Om de uitbreiding van dit product te stimuleren, worden allianties met partijen in de onroerend goed sector verder ontwikkeld en versterkt.

Termijnleningen (objectfinanciering)

Termijnleningen daalden aanzienlijk met 50,9% vergeleken met de gecorrigeerde cijfers van 2020 tot SRD 26,9 miljoen. Deze daling kan worden toegeschreven aan de eerder genoemde oorzaken. De impact van hogere prijzen als gevolg van de devaluatie van de SRD en verminderde koopkracht was aanzienlijk.

Persoonlijke leningen

Persoonlijke leningen daalden met 30,2% vergeleken met de gecorrigeerde cijfers van 2020 tot SRD 47,1 miljoen. Deze daling is het gevolg van de verhoogde prijzen van consumptiegoederen, verminderde koopkracht en de herwaardering van de cijfers van 2020.

Vermogensbeheer

Het beheerd vermogen van derden toonde een stijging van 35,2% tot SRD 711,6 miljoen. Het beheerd vermogen bestaat voornamelijk uit hypotheken in vreemde valuta. De stijging kan worden toegeschreven aan de herwaardering van de kredietportefeuille in vreemde valuta als gevolg van de depreciatie van de Surinaamse dollar omdat het beheerde kapitaal zelf in USD en EUR een daling toonde van respectievelijk 6,2% en 37,1%. Macroeconomische ontwikkelingen leidden tot minder kredietmogelijkheden.

EVALUATIE FINANCIËLE RESULTATEN VAN DE HAKRIN BANK N.V.

Door de voortdurende COVID-19 pandemie en de hyperinflatie was het een uitdagend jaar om goede financiële resultaten te behalen. Suriname wordt voor rapporteringsdoeleinden getypeerd als hyperinflatie economie, voornamelijk omdat de cummulatieve jaarinflatie gedurende drie opeenvolgende jaren meer dan 100% bedroeg. De jaarrekening 2021 inclusief vergelijkende cijfers 2020 is opgesteld in overeenstemming met IAS 29 'Financial Reporting in

Nationale Trust- en Financierings Maatschappij N.V. (NTFM)

2021 was also a challenging year for our subsidiary, the Nationale Trust- en Financierings Maatschappij N.V. Compared to the restated 2020 figures, the loan portfolio decreased by 38.9% to SRD 230.4 million.
For comparison the 2020 figures are adjusted with 60.7% for hyperinflation. Compared to non-restated figures, the portfolio would show a flat line.
Considering the depreciation of the SRD, in real terms the portfolio declined due to rising prices resulting from the depreciation of the SRD, reduced purchasing power and the COVID-19 pandemic.
The portfolio quality remained well under control with a non performing ratio of 2.9%.

In the reporting year, revenues showed a decrease of 43.2% to SRD 31.9 million compared to the restated 2020 figure, mainly as a result of the restated 2020 income.
Operating expenses decreased compared to the restated 2020 expenses, also as a result of the restated operating expenses.
These changes in revenues and operating expenses, together with a release of provisions for loan losses, led to a decrease in profit before tax and net monetary gain of SRD 15.8 million.

Mortgage Loans

The economic downturn, COVID-19 Pandemic, depreciation of the SRD and a significant decrease in purchasing power heavily impacted real estate purchases and other durable consumer spending. Compared to the restated 2020 figures the mortgage portfolio showed a decline of 38.6% in 2021. The decline compared to 2020 can mainly be ascribed to the restatement of 2020 figures. To stimulate the expansion of this product, alliances with parties in the real estate sector are being further developed and strengthened.

Term loans (object financing)

Term loans decreased significantly by 50.9% compared to the restated 2020 figures to SRD 26.9 million. This decline can be attributed to the aforementioned causes. The impact of higher prices due to the depreciation of the SRD and reduced purchasing power was substantial.

Personal loans

Personal loans decreased by 30.2% compared to the restated 2020 figures to SRD 47.1 million. This decrease is the result of the increased prices of consumer goods, decreased purchasing power, and the restatement of the 2020 figures.

Wealth management

The management of third-party assets showed an increase in SRD by 35.2% to SRD 711.6 million. The capital investments mainly consist of foreign currency mortgage loans. The increase can be attributed to the revaluation of the loan portfolio in foreign currencies due to the depreciation of the Surinamese Dollar. The managed capital in USD and EUR actually showed a decline of 6.2 % and 37.1%, respectively. Macroeconomic developments resulted in fewer lending opportunities.

BANK PERFORMANCE - FINANCIAL REVIEW OF THE HAKRIN BANK N.V.

It was a challenging year to achieve financial results due to the ongoing COVID-19 pandemic and hyperinflationary economy. Suriname is considered a hyperinflationary economy for accounting purposes, mainly because cumulative year-end inflation has exceeded 100% for three consecutive years. Therefore, the financial statements for the reporting year ending December 31, 2021, including the 2020 comparatives figures have been prepared in accordance with IAS 29

Hyperinflationary Economies' om de daling van de koopkracht van de Surinaamse dollar weer te geven. De depreciatie van de SRD is een andere uitdaging geweest. De wisselkoers van de USD, steeg van SRD 14,018 per jaareinde 2020 naar SRD 20,342. Er wordt slechts een balans vóór winstbestemming gepresenteerd, tot uitdrukking brengende dat het een exclusief prerogatief van de algemene vergadering van aandeelhouders is om de winstbestemming goed te keuren.

De belangrijkste maatstaf voor ons bedrijfsvolume is het balanstotaal. Deze daalde in het verslagjaar met SRD 1.561 miljoen (11,6%) tot SRD 11.925 miljoen. De aanzienlijke daling is te wijten aan de impact van hyperinflatie. De groei van de nominale totale activa was 41,5%, wat lager was vergeleken met de groei van de hele banksector (45,6%). Als gevolg hiervan daalde ons marktaandeel licht met 0,6% tot 22,6%.

Geconsolideerde winst- en verliesrekening

Het geconsolideerde resultaat vóór belasting en netto monetaire baten en lasten bedroeg SRD 6,6 miljoen negatief in 2021, vergeleken met SRD 120,2 miljoen in 2020, wat neerkomt op een daling van SRD 126,7 miljoen. Deze algemene daling werd voornamelijk veroorzaakt door een afname van SRD 96,8 miljoen in de totale operationele baten. Daarnaast werd het aanzienlijk verder negatief beïnvloed door een stijging van de totale operationele kosten met SRD 16,8 miljoen.

Netto rentemarge

Hoewel de nominale rentebaten uit leningen, voorschotten en obligaties toenamen als gevolg van de depreciatie van de SRD, werden de totale rentebaten toch negatief beïnvloed door een hyperinflationair effect van SRD 133,7 miljoen. Hierdoor is per saldo de netto rentemarge met SRD 80,5 miljoen gedaald tot SRD 311,9 miljoen.

Commissiebaten

De commissiebaten daalden met SRD 248 miljoen (59,4%) tot SRD 169,6 miljoen, wat een negatieve impact had op het geconsolideerde resultaat vóór belasting en netto monetaire baten en lasten. De daling in commissiebaten werd voornamelijk veroorzaakt door een nominale daling van SRD 75,5 miljoen in treasury-gerelateerde provisiebaten, en voor het overige door negatieve hyperinflatie effecten ten bedrage van SRD 172,3 miljoen.

De kosten gerelateerd aan de commissiebaten daalden scherp met SRD 216,1 miljoen (85,0%) tot SRD 38,0 miljoen, wat een positieve impact had op het geconsolideerde resultaat vóór belasting monetaire baten en lasten. Deze daling van de kosten gerelateerd aan de commissiebaten was voornamelijk te wijten aan veranderingen in de structuur van treasury-gerelateerde provisiekosten, wat leidde tot een nominale daling van SRD 99,2 miljoen. Daarnaast verlaagde het hyperinflatie effect deze kosten nog eens met SRD 116,9 miljoen.

Overige operationele baten

Overige operationele baten daalden met SRD 7,8 miljoen tot SRD 56,1 miljoen. Deze daling geschiedde ondanks een nominale stijging van SRD 25,6 miljoen uit hoofde van boekwinst materiële vaste activa en incidentele claimuitkeringen, die weer gedeeltelijk werd tenietgedaan door lagere baten uit financiële transacties. De belangrijkste reden van de totale daling in operationele baten was een negatief hyperinflatie effect van SRD 33,4 miljoen.

Totale kosten

De totale kosten stegen gecombineerd met SRD 29,9 miljoen tot SRD 467,2 miljoen. Deze stijging was voornamelijk te wijten aan de nominale stijging van

'Financial Reporting in Hyperinflationary Economies' to reflect the decline in purchasing power of the Suriname dollar.
The depreciation of the SRD is another challenge, with the exchange rate increasing from SRD 14.018 to SRD 20.342 for the USD in 2021.
To emphasize the prerogative of the General Meeting of Shareholders regarding the approval for the appropriation of profit and the adoption of the annual financial statements, only the statement of financial position before profit appropriation is presented, as in the previous year.

The most important indicator of the business volume, the total assets, decreased in the reporting year by SRD 1,561 million or 11.6% to SRD 11,925 million. The significant decrease is due to the impact of hyperinflation.
The growth of nominal total assets (excluding hyperinflation correction) was 41.5%, this was lower compared to the total banking sector (45.6%). As a result, our market share slightly decreased by 0.6% to 22.6%.

Consolidated income statement

The consolidated result before tax and net monetary losses was SRD 6.6 million negative in 2021, compared to SRD 120.2 million in 2020, thus declining by 126.7 million. This overall decline was mainly driven by a fall of SRD 96.8 million in total operating income. Additionally, it was significantly influenced by an increase in total operating expenses by SRD 16.8 million.

Net interest income

Net interest income fell by SRD 80.5 million to SRD 311.9 million. Although nominal interest income from loans, advances, and bonds increased due to the SRD's depreciation, the total was negatively impacted by a SRD 133.7 million hyperinflationary effect.

Net fee and commission income

Fee and commission income reported decreased by SRD 248 million (59.4%) to SRD 169.6 million, negatively impacting the consolidated result before taxation and net monetary gains and losses. This decline was driven by a nominal drop of SRD 75.5 million, mostly in treasury related commission fees and for the remainder by hyperinflationary effects of SRD 172.3 million.

Fee and commission expenses sharply declined by SRD 216.1 million (85.0%) to SRD 38.0 million, positively affecting the consolidated result before taxation and net monetary gains and losses. This decrease was mainly due to changes in the treasury related commission fee structure, leading to a nominal drop of SRD 99.2 million. Additionally, a hyperinflationary effect increased these expenses by SRD 116.9 million.

Other operating income

Other operating income decreased by SRD 7.8 million to SRD 56.1 million. This decrease occurred despite a nominal SRD 25.6 million increase from gains on sale of operating properties and incidental insurance claims received, which was partially offset by lower results from financial transactions. The decline was primarily due to a negative hyperinflationary effect of SRD 33.4 million.

Total expenses

Total expenses increased by SRD 29.9 million to SRD 467.2 million. This rise was primarily due to nominal increases of SRD 46.0 million in personnel expenses (mainly salaries), SRD 72.4 million in general and administrative expenses (primarily IT costs), and SRD 29.5 million in impairment charges on financial instruments. This increase was partially offset by a SRD 119.6 million hyperinflationary effect.

SRD 46,0 miljoen in personeelskosten (voornamelijk salarissen), nominaal SRD 72,4 miljoen in algemene en administratieve kosten (voornamelijk IT-kosten) en nominaal SRD 29,5 miljoen in waardevermindering van financiële instrumenten. De gecombineerde nominale kostenstijgingen werd gedeeltelijk gecompenseerd door een hyperinflatie effect van SRD 119,6 miljoen.

BELANGRIJKE RATIO'S

De belangrijkste indicatoren die we gebruiken om onze bedrijfsresultaten te meten en te monitoren zijn de financiële rendementsratio's, namelijk de Return on Assets (RoA), die het rendement behaald met onze activa aangeeft, en de Return on Equity (RoE), die het rendement op het gemiddeld uitstaand eigen vermogen aangeeft. De efficiëntieratio is een indicator voor onze operationele efficiëntie. Het handhaven van een stabiele efficiëntieratio is een belangrijke prioriteit om onze concurrentiepositie te behouden. De solvabiliteitsratio meet de solvabiliteit in verhouding tot het risicoprofiel van onze activa. Het niveau van de solvabiliteitsratio ligt boven de gestelde norm van de Centrale Bank van Suriname.

Kapitaalratio

De kapitaalratio, gedefinieerd als totaal eigen vermogen gedeeld door balanstotaal, daalde van 6.7% tot 6,5% aan het einde van het verslagjaar.

Solvabiliteitsratio

De solvabiliteitsratio ligt boven de norm van 10% die is vastgesteld door de Centrale Bank van Suriname. De stijging van de solvabiliteitsratio is voor een belangrijk deel veroorzaakt door hyperinflatie correcties 2021 en 2020.

Winstgevendheid

De RoE verbeterde van -32,9% naar -22,0%. Deze verbetering vond plaats ondanks een verlies van SRD 184,7 miljoen in 2021 en door een daling van het eigen vermogen van SRD 900,2 miljoen naar SRD 775,6 miljoen, voornamelijk als gevolg van de impact van hyperinflatie.

De RoA daalde van -1.23% naar -1,45%, met een daadwerkelijke RoA van -1,45%. Deze verandering werd ook beïnvloed door hyperinflatiecorrecties. Vergeleken met de banken in de regio wordt de RoA van Surinaamse banken negatief beïnvloed door de buitengewoon hoge kasreserves die vereist zijn door de Centrale Bank van Suriname. Hierdoor levert een aanzienlijk deel van de activa van Surinaamse banken geen of relatief lage opbrengsten op. Bovendien is de belastingdruk in Suriname hoger dan in de omliggende regio.

De efficiëntieratio, gedefinieerd als kosten exclusief waardeverminderingen op financiële instrumenten als percentage van de totale baten, steeg van 67,3% naar 85,1% in 2021, wat wijst op verminderde efficiëntie. Ons doel is om de ratio naar de internationale norm van 50%-60% terug te brengen door de operationele efficiëntie te verbeteren. Hoewel investeringen in automatisering en digitalisering aanvankelijk een negatieve impact kunnen hebben op de efficiëntieratio, richten we ons op het verhogen van de verdiencapaciteit, het verbeteren van financieel management en het implementeren van kostenbesparende en efficiëntieverhogende maatregelen door automatisering en digitalisering.

Ons uiteindelijke doel is om de winstgevendheid te verhogen door groei van andere operationele baten buiten het rentebedrijf, door verhoogde efficiëntie en kostenbesparende maatregelen.

KEY RATIO'S

The main indicators we use to measure and monitor our business performance are the financial ratios, namely the Return on Assets (RoA), which indicates the return on our assets, and the Return on Equity (RoE), which identifies the return on our equity capital. The efficiency ratio is an indicator of our operational efficiency, and the solvency ratio measures our solvency relative to the risk profile of our assets. The absolute level of the solvency ratio is above the norm of the Central Bank of Suriname. Maintaining a stable efficiency ratio is an important priority for us to retain our competitive position.

Capital ratio

The capital ratio, defined as the share of visible equity capital in the statement of financial position, decreased from 6.7% to 6.5% by the end of the reporting year.

Solvency ratio

The solvency exceeds the norm of 10% set by the Central Bank of Suriname. The increase in the solvency ratio is largely attributable to the hyperinflation corrections for both the current reporting year and the prior year, 2020.

Profitability

The RoE improved from -32.9% to -22.0%. This improvement occurred despite a loss of SRD 184.7 million in 2021 and a reduction in equity from SRD 900.2 million to SRD 775.6 million, primarily due to the impact of hyperinflation corrections.

The RoA declined from -1.20% to-1.23%, with an actual RoA of -1.45%. This change was also affected by hyperinflation corrections. Compared to the banks in the region, the RoA of Surinamese banks is adversely affected by the extraordinarily high cash reserve requirements of the Central Bank of Suriname. As a result, a significant part of the assets of Surinamese banks yields no or relatively low returns on investment. Additionally, the tax burden in Suriname is higher than in the surrounding region.

The efficiency ratio, defined as cost excluding impairment charges on financial instruments as a percentage of total revenue, increased from 67.3% to 85.1% in 2021, indicating reduced efficiency. Our goal is to bring the ratio to the international norm of 50%-60% by enhancing operational efficiency. While investments in automation and digitalization might initially impact the efficiency ratio, we are focused on boosting earning capacity, improving financial management, and implementing cost-saving and efficiency-increasing measures through automation and digitalization.

Our ultimate objective is to enhance profitability through growth in other operating income, increased efficiency, and cost-saving measures.

HAKRIN BANK SHARES

Our capital and dividend policy aims at optimizing shareholder value, solvency, liquidity, profitability, and the growth of the bank. In the past, this policy has, except for 2018, resulted in steadily increasing earnings per share. However, the transition in 2019 from GAAP to IFRS turned the earnings per share since 2019 into a negative amount. The earnings per share in 2021 are -SRD 238.89 compared to -SRD 260.86 in 2020.

HAKRIN BANK AANDELEN

Ons kapitaal- en dividendbeleid is gericht op het optimaliseren van de aandeelhouderswaarde, solvabiliteit, liquiditeit, winstgevendheid en groei van de Bank. In het verleden heeft dit beleid, met uitzondering van 2018, geleid tot een gestaag stijgende winst per aandeel. De overgang in 2019 van GAAP naar IFRS heeft een trendbreuk veroorzaakt en de winst per aandeel sinds 2019 negatief beïnvloed. De winst per aandeel in 2021 is -SRD 238,89 vergeleken met -SRD 260,86 in 2020.

	2021	2020	2019
Share price per share (Stock Exchange)	420.00	420.00	408.00
Net Asset value per share	1,003.33	1,400.99	1,848.17
Market capitalization (x SRD 1.000)	324,659	269,858	213,383
Earnings per share	(238.89)	(260.86)	(455.31)
Share price/ net asset value in %	41.9	30.0	22.1
Price/ earnings ratio	(1.8)	(1.6)	(0.9)

DANKWOORD

Ondanks de uitdagende economische omgeving en de impact van hyperinflatie blijft de Hakrin Bank zich inzetten om waarde te leveren aan klanten, aandeelhouders en de Surinaamse gemeenschap. Onze focus op innovatie, digitalisering en sterk bestuur positioneert ons goed voor toekomstige groei. We danken onze klanten, aandeelhouders en medewerkers voor hun voortdurende vertrouwen en steun. We blijven toegewijd aan het dienen van onze stakeholders en het leveren van een bijdrage aan de economische ontwikkeling van Suriname.

Paramaribo, 26 juli 2024

Directie van Hakrin Bank N.V.
Rafiek Sheorajpanday, Chief Executive Officer
Coenraad Valk, Chief Financial Officer
Peter Ng A Tham, Chief Commercial Officer

WORD OF GRATITUDE

Despite the challenging economic environment and impact of hyperinflation, Hakrin Bank remains committed to deliver value to customers, shareholders, and the community. Our focus on innovation, digitalization, and strong governance positions us well for future growth. We thank our customers, shareholders, and employees for their continued trust and support. We remain dedicated to serving our stakeholders and contributing to Suriname's economic development.

Paramaribo, July 26th, 2024

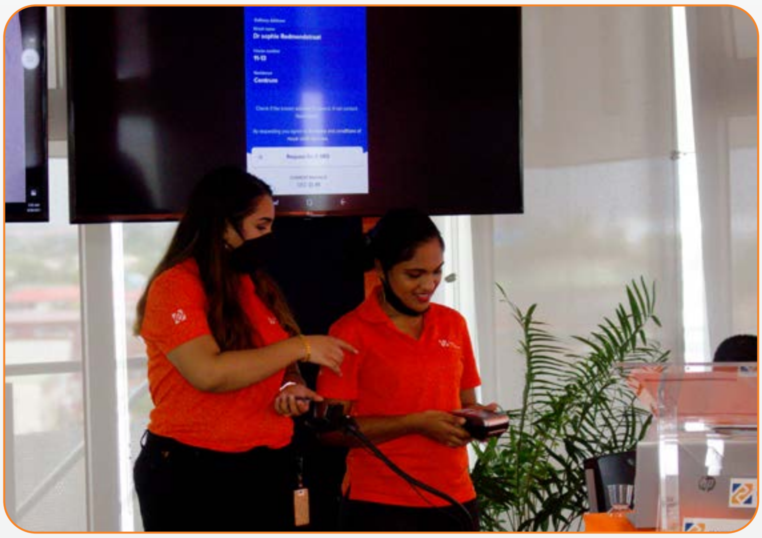
Executive Board of Hakrin Bank N.V.
Rafiek Sheorajpanday, Chief Executive Officer
Coenraad Valk, Chief Financial Officer
Peter Ng A Tham, Chief Commercial Officer

SUSTAINABLE DEVELOPMENT GOAL 17 | PARTNERSHIP FOR THE GOALS.

SURINAME CONSERVATION FOUNDATION
Green Partnership Program

The Hakrin Bank is a partner of the Suriname Conservation Foundation (SCF), which is committed to preserve our biodiversity. Aware of the importance nature to humanity and our ecosystem, the Hakrin Bank is committed to work with the SCF to protect Suriname's nature. For this reason, the Hakrin Bank is a partner in the Suriname Conservation Green Partnership Program (SGPP) since 2010.

On Hakrin Bank's 85th anniversary, the current Executive Board members, the Supervisory Board, former Executive Board members and all others present raised their glasses. This was in celebration of the anniversary and the launch of Mopé's new functionalities. The photo shows from left to right: Mr. Jimmy D. Bousaid (former Chief Executive Officer Hakrin Bank), Mr. Frank Thijm (former Director), Mr. Humphrey Schurman (Supervisory Board), Mr. Rafiek P. Sheorajpanday (current Chief Executive Officer Hakrin Bank) and Ms. Magalie Keerveld - Loswijk (former Chief Financial Officer Hakrin Bank).



A press conference was held on Hakrin Bank's anniversary on 28 June 2021. On this day, the Mopé Debit Card and Mopé 2.0 were launched.
Mopé 2.0 offers the following:

- Transfers to local bank accounts in Suriname
- Transfer from any local bank account to Mopé
- Making online payments with the Mopé app
- POS payments with the Mopé Debit Card
- Withdrawing money at the ATM with the Mopé Debit Card

Employees from the Mopé team gave a demonstration to attendees on how Mopé works.

INDEPENDENT AUDITOR'S REPORT

To: the Shareholders of Hakrin Bank N.V.
Paramaribo, Suriname

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS INCLUDED IN THE ANNUAL REPORT 2021

Our opinion
We have audited the financial statements of Hakrin Bank N.V. ("the Company" or "Hakrin Bank"), based in Paramaribo.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at December 31, 2021, and of its result and its cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRS").

The financial statements comprise:
- the Consolidated and Company statement of financial position as at December 31, 2021;
- the following statements for 2021:
  - the Consolidated and Company income statement, the Consolidated statement of comprehensive income, the Consolidated and Company statement of changes in equity and the Consolidated statement of cash flows; and
  - the notes comprising a summary of the significant accounting policies and other explanatory information.

Basis for Opinion
We conducted our audit in accordance with International Standards on Auditing ("ISAs") issued by the International Auditing and Assurance Standards Board ("IAASB"). Our responsibilities under those standards are further described in the 'Our Responsibilities for the Audit of the Financial Statements' section of our report.

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Suriname, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Report on the other information included in the Annual Report 2021
Management of Hakrin Bank and the Supervisory Board are responsible for the other information. The other information comprise the information included in the Annual Report 2021, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the procedures performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements. We have nothing to report in this regard.

The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.

Description of responsibilities regarding the financial statements

Responsibilities of Management and Those Charged with Governance for the financial statements
Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, and for such internal controls as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, management is responsible for assessing the Company's ability to continue as a going concern. Based on the financial reporting framework mentioned, Management should prepare the financial statements using the going concern basis of accounting unless Management

either intends to liquidate the Company or to cease operations or has no realistic alternative but to do so.
Management should disclose events and circumstances that may cast significant doubt on the Company's ability to continue as a going concern in the financial statements.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Our responsibilities for the audit of the financial statements
Our objective is to plan and perform the audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.

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 financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgement and have maintained professional skepticism throughout the audit, in accordance with International Standards on Auditing, ethical requirements and independence requirements. Our audit included among others:

- identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining 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;
- obtaining 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 internal control;
- evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- concluding 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 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 to cease to continue as a going concern;
- evaluating the overall presentation, structure, and content of the financial statements, including the disclosures; and
- evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Because we are ultimately responsible for the opinion, we are also responsible for directing, supervising, and performing the group audit. In this respect we have determined the nature and extent of the audit procedures to be carried out for group entities. Decisive were the size and/or the risk profile of the group entities or operations. On this basis, we selected group entities for which an audit or review had to be carried out on the complete set of financial information or specific items.

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.

Paramaribo, July 26, 2024

LUTCHMAN & CO N.V. An independent member firm of Moore Global Network Limited

Represented and signed by
Drs. M.R.A. Lutchman CA, RA

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED INCOME STATEMENT

Shown in SRD		2021	2020*
INCOME			
Interest income calculated using the effective interest method		505,199,325	618,452,932
Interest expense calculated using the effective interest method		193,325,660	226,005,028
Net interest income	8	**311,873,665**	**392,447,904**
Fee and commission income		169,595,010	417,619,143
Fee and commission expense		37,991,644	254,098,405
Net fee and commission income	9	**131,603,366**	**163,520,738**
Other operating income	10	56,122,337	63,947,978
Fair value losses Associates		(39,005,538)	(62,503,162)
Operating income		**460,593,830**	**557,413,458**
EXPENSES			
Personnel expenses	11	180,726,809	197,837,593
General and administrative expenses	12	177,042,570	142,602,111
Depreciation of tangible and intangible assets		34,221,660	34,738,908
Operating expenses		**391,991,039**	**375,178,612**
Impairment charges on financial instruments		75,192,420	62,070,448
Total expenses		**467,183,459**	**437,249,060**
Profit/(loss) before taxation and net monetary gains & (losses)		**(6,589,629)**	**120,164,398**
Net monetary gains & (losses)		(138,267,228)	(185,634,168)
Profit/(loss) before taxation		**(144,856,857)**	**(65,469,770)**
Income tax expense		39,806,999	102,138,417
Profit/(loss) for the period		**(184,663,856)**	**(167,608,187)**
Attributable to:			
Owners of the parent company		(184,663,856)	(167,608,187)
Earnings per share (in SRD)		**(239)**	**(261)**

**) Amounts at the beginning of the calendar year were adjusted for hyperinflation and prior year adjustments*

Paramaribo, July 26, 2024

Supervisory Board:

Sharmila Jadnanansing-Jairam	Chair
Patrick Peneux	Vice-Chair
Humphry Schurman	Member
Hemwatie Ramadhin	Member
Arun Bhagwandin	Member
Jeffrey Braster	Member
Manoj Parsan	Member

Executive Board:

Rafiek Sheorajpanday	Chief Executive Officer
Coenraad Valk	Chief Financial Officer
Peter Ng A Tham	Chief Commercial Officer

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Shown in SRD	2021	2020*
Profit/(loss) for the period	**(184,663,856)**	**(167,608,187)**
Other comprehensive income:		
Items that will not be reclassified to the income statement:		
Gains/(losses) on revaluation of properties	-	-
Remeasurement gains/(losses) on defined benefit plans	(8,866,566)	(34,654,524)
Items that will not be reclassified to the income statement before taxation	**(8,866,566)**	**(34,654,524)**
Income tax relating to items that will not be reclassified to the income statement	4,078,620	12,475,629
Items that will not be reclassified to the income statement after taxation	**(4,787,946)**	**(22,178,895)**
Items that will be reclassified to the income statement:		
(Un)realized gains/(losses) fair value through OCI	(27,198,425)	11,241,419
Items that will be reclassified to the income statement before taxation	**(27,198,425)**	**11,241,419**
Income tax relating to items that may be reclassified to the income statement	9,936,572	(5,247,437)
Items that will be reclassified to the income statement after taxation	**(17,261,853)**	**5,993,982**
Total other comprehensive income/(expense) for the period after taxation	**(22,049,799)**	**(16,184,913)**
Total comprehensive income/(expense) for the period after taxation	**(206,713,655)**	**(183,793,100)**
Attributable to:		
Owners of the parent company	(206,713,655)	(183,793,100)

**) Amounts at the beginning of the calendar year were adjusted for hyperinflation and prior year adjustments*

Paramaribo, July 26, 2024

Supervisory Board:

Sharmila Jadnanansing-Jairam	Chair
Patrick Peneux	Vice-Chair
Humphry Schurman	Member
Hemwatie Ramadhin	Member
Arun Bhagwandin	Member
Jeffrey Braster	Member
Manoj Parsan	Member

Executive Board:

Rafiek Sheorajpanday	Chief Executive Officer
Coenraad Valk	Chief Financial Officer
Peter Ng A Tham	Chief Commercial Officer

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Shown in SRD		December 31, 2021	December 31, 2020*
ASSETS			
Cash and cash equivalents	15	1,774,632,578	1,070,645,217
Financial investments at fair value through P&L	18	162,736,000	112,630,525
Debt instruments at fair value through OCI	19	1,306,742,928	1,968,790,326
Amounts due from banks	20	4,292,588,088	4,595,641,823
Residential mortgages	21	156,441,653	254,712,375
Consumer loans	21	73,987,607	122,212,663
Loans, bonds and advances at amortized cost	21	3,307,893,348	4,496,535,373
Investments in associates	22	64,265,738	103,271,275
Property and equipment	23	620,461,651	568,983,596
Investment properties	24	19,917,776	20,928,786
Tax assets	13	40,571,556	43,919,943
Other assets	25	105,007,027	127,970,257
TOTAL ASSETS		**11,925,245,950**	**13,486,242,159**
LIABILITIES			
Derivatives financial instruments	16	80,010,348	61,708,685
Amounts due to banks	26	258,261,831	454,406,357
Current accounts	27	4,587,916,021	5,289,877,274
Demand deposits	27	2,809,207,049	2,941,335,100
Time deposits	27	2,671,155,831	2,891,213,083
Other due to customers	27	231,663,454	470,376,410
Subordinated liabilities	28	91,556,555	101,386,913
Net employee defined benefit liabilities	30	94,245,262	127,669,878
Tax liabilities	13	178,992,891	166,208,819
Other liabilities	31	146,662,355	81,892,407
TOTAL LIABILITIES		**11,149,671,597**	**12,586,074,926**
EQUITY			
Share capital		1,000,867	975,531
Share premium		354,986,363	284,073,641
Retained earnings		606,693,706	767,907,122
Other reserves		(2,442,727)	14,819,126
Profit/(loss) for the period		(184,663,856)	(167,608,187)
TOTAL EQUITY	**32**	**775,574,353**	**900,167,233**
TOTAL LIABILITIES AND EQUITY		**11,925,245,950**	**13,486,242,159**
Committed credit facilities	33	85,542,563	165,381,755
Guarantees and other commitments	33	-	2,956,118

**) Amounts at the beginning of the calendar year were adjusted for hyperinflation and prior year adjustments*

Paramaribo, July 26, 2024

Supervisory Board:

Sharmila Jadnanansing-Jairam	Chair
Patrick Peneux	Vice-Chair
Humphry Schurman	Member
Hemwatie Ramadhin	Member
Arun Bhagwandin	Member
Jeffrey Braster	Member
Manoj Parsan	Member

Executive Board:

Rafiek Sheorajpanday	Chief Executive Officer
Coenraad Valk	Chief Financial Officer
Peter Ng A Tham	Chief Commercial Officer

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Shown in SRD	Share capital (Note 32)	Share premium (note 32)	Retained earnings (note 32)	Other Reserves (note 32)	Profit/(loss) for the period	TOTAL EQUITY
As at 1 January 2020*	**78,450**	**53,079,163**	**174,646,868**	**116,860,997**	**(56,843,062)**	**287,822,416**
Adjustments prior year	-	(39,672,678)	244,646,278	(113,444,350)	315,286	91,844,536
Effect of hyperinflation	851,063	145,439,839	616,822,040	5,408,497	(181,598,704)	586,922,735
Balance as at 1 January 2020 (restated)	**929,513**	**158,846,324**	**1,036,115,186**	**8,825,144**	**(238,126,480)**	**966,589,687**
Appropriation of result of previous year	-	-	(238,126,480)	-	238,126,480	-
Result of the year	-	-	-	-	(167,608,187)	(167,608,187)
Other comprehensive income	-	-	(22,178,895)	5,993,982	-	(16,184,913)
Other**	-	-	(7,902,689)	-	-	(7,902,689)
Share issue	46,018	125,227,317	-	-	-	125,273,335
Balance as at 31 December 2020	**975,531**	**284,073,641**	**767,907,122**	**14,819,126**	**(167,608,187)**	**900,167,233**
Appropriation of result of previous year	-	-	(167,608,187)	-	167,608,187	-
Result of the year	-	-	-	-	(184,663,856)	(184,663,856)
Other comprehensive income	-	-	(4,787,946)	(17,261,853)	-	(22,049,799)
Other**			11,182,717			11,182,717
Share issue	25,336	70,912,722	-	-	-	70,938,058
Balance as at 31 December 2021	**1,000,867**	**354,986,363**	**606,693,706**	**(2,442,727)**	**(184,663,856)**	**775,574,353**

**) Amounts at the beginning of the calendar year were adjusted for hyperinflation and prior year adjustments*
***) Relates to IAS 19 and NTFM ECL corrections*

Paramaribo, July 26, 2024

Supervisory Board:		Executive Board:	
Sharmila Jadnanansing-Jairam	Chair	Rafiek Sheorajpanday	Chief Executive Officer
Patrick Peneux	Vice-Chair	Coenraad Valk	Chief Financial Officer
Humphry Schurman	Member	Peter Ng A Tham	Chief Commercial Officer
Hemwatie Ramadhin	Member		
Arun Bhagwandin	Member		
Jeffrey Braster	Member		
Manoj Parsan	Member		

CONSOLIDATED STATEMENT OF CASH FLOWS

Shown in SRD	Note	2021	2020*
OPERATING ACTIVITIES			
Profit/(loss) before taxation		(144,856,857)	(65,469,770)
Adjustments for:			
Equity adjustments (excl. OCI and tax)		11,182,717	(7,902,689)
Change in operating assets	36	2,170,705,846	491,784,011
Change in operating liabilities	36	(1,460,135,448)	(489,028,234)
Other non-cash items included in profit before tax	36	161,342,466	171,709,790
Income tax paid		(13,645,116)	(14,026,635)
Monetary effect on income tax paid		3,985,768	(3,924,641)
Net cash flows from operating activities		**728,579,376**	**83,141,832**
INVESTING ACTIVITIES			
Purchase of property and equipment		(85,699,715)	(57,115,640)
Proceeds from sale of property and equipment		-	11,955,831
Net cash flows used in investing activities		**(85,699,715)**	**(45,159,809)**
FINANCING ACTIVITIES			
Movement in subordinated loans		(9,830,358)	101,386,913
Proceeds from shares issued		70,938,058	125,273,335
Net cash flow from/(used in) financing activities		**61,107,700**	**226,660,248**
Net increase/(decrease) of cash and cash equivalents		**703,987,361**	**264,642,271**
Cash and cash equivalents at 01 January	15	1,070,645,217	806,002,946
Cash and cash equivalents at 31 December	**15**	**1,774,632,578**	**1,070,645,217**

**) Amounts at the beginning of the calendar year were adjusted for hyperinflation and prior year adjustments*

Paramaribo, July 26, 2024

Supervisory Board:

Sharmila Jadnanansing-Jairam	Chair
Patrick Peneux	Vice-Chair
Humphry Schurman	Member
Hemwatie Ramadhin	Member
Arun Bhagwandin	Member
Jeffrey Braster	Member
Manoj Parsan	Member

Executive Board:

Rafiek Sheorajpanday	Chief Executive Officer
Coenraad Valk	Chief Financial Officer
Peter Ng A Tham	Chief Commercial Officer

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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1 CORPORATE INFORMATION

Hakrin Bank N.V. (referred to as Hakrin Bank or HKB) and its consolidated subsidiaries provide financial services in Suriname. Hakrin Bank is incorporated under Surinamese law on January 11, 1943 and registered at Dr. Sophie Redmondstraat 11-13, Paramaribo Suriname (Chamber of Commerce number 1309). The headquarter of Hakrin Bank is located in Paramaribo, the capital of Suriname. There are seven branches of which five are located in Paramaribo, one in the district of Commewijne and one in the district of Nickerie.

The O.R.G. Vervuurts Banking Corporation, now Hakrin Bank N.V., was established as a foundation by Mr. O.R.G. Vervuurt on June 28, 1936 in a building located at Keizerstraat no 2-6. In 1943 the foundation was converted into a limited liability company and the registered capital was raised from Sf. 100 to Sf. 250,000. In 1953, 1966 and 1973 the bank's capital was increased due to various share issues to the public. In 1973 the name of the bank was changed to Handels-, Krediet- en Industriebank N.V.

The 100% subsidiary, the Nationale Trust- en Financierings Maatschappij, was founded in 1967 under the name Nationale Trustmaatschappij, with main activities: asset management and investment advice. In the early 1970s, the Bank transferred its lease-purchase portfolio entirely to this subsidiary, whose name was then changed to Nationale Trust- en Financierings Maatschappij N.V. (NTFM) and was managed by the Board of Directors of Hakrin Bank N.V. On May 25, 2012 the Hakrin Bank Real Estate Company N.V. (HRE), in which the Hakrin Bank N.V. participates for 100%, was established. The statutory objective of this subsidiary includes buying, selling and/or exploitation of real estate.

The Hakrin Bank N.V. is a modern full-service bank that has been offering banking services to customers in Suriname for over 86 years. We operate in a customer oriented way with a primary focus on the business segment and the middle and higher-income consumer segment. The Hakrin Bank is strongly rooted in the Surinamese society and has a vast contribution to the development of various sectors of the economy. Hakrin Bank has a traditional banking model in attracting deposits from and providing loans to retail and business customers and offering an array of general banking services such as local and foreign transfers amongst other. Overall, Hakrin Bank's business model is designed to foster growth, profitability, and sustainability while maintaining a strong focus on customer satisfaction and community development in Suriname.We employ approximately 370 employees and offer a broad range of financial services, including personal banking, credit cards, mortgages, car or vehicle financing, business loans and payment processing.

Shares in Hakrin Bank N.V. are listed on Suriname's Stock Exchange. As at December 31, 2021, the shares in the capital of Hakrin Bank N.V. are held by the Government of Suriname for 34.51% and the remaining 65.49% are private owned.
Due to the issuance of shares the shares in capital held by the Government decreased from 41.51% to 34.51%. The consolidated annual financial statements of Hakrin Bank for the annual period ended December 31, 2021, comprise financial information of Hakrin Bank N.V., and its subsidiaries NTFM and HRE. The consolidated financial statements are prepared under responsibility of the Executive Board and authorized for issuance by the Supervisory Board and Executive Board.

2 GOING CONCERN

The Hakrin Bank's Executive Board has made an assessment of its ability to continue as a going concern and is satisfied that it has the resources to continue in business for the foreseeable future. The financial statements have been prepared on a going concern basis and the Executive Board is not aware of any material uncertainties that may cast significant doubt on the Bank's ability to continue as a going concern.

3 SIGNIFICANT ACCOUNTING POLICIES

3.1 Basis of preparation

The consolidated financial statements have been prepared on a historical cost basis, except for derivative financial instruments, other financial assets and liabilities held for trading, financial assets and liabilities designated at fair value through profit or loss (FVPL), debt and equity instruments at fair value through other comprehensive income (FVOCI), properties and equipment, and investment property, all of which have been measured at fair value. Investments in associates are either valued using the equity method or at fair value.

The carrying values of recognised assets and liabilities that are hedged items in fair value hedges, and otherwise carried at amortised cost, are adjusted to record changes in fair value attributable to the risks that are being hedged.

The consolidated financial statements are presented in Surinamese Dollar (SRD) which is also the functional currency..
The Bank has prepared its consolidated financial statement on the basis that it will continue to operate as a going concern – refer to note 2.

3.2 Statement of compliance

The consolidated and company financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB).

3.3 Comparative information

The figures of comparative information in the consolidated and company financial statements have been restated in order to consider the changes in the general purchasing power of the SRD and as a result are stated in the measuring unit as of the end of the reporting period (see note 3.4 Measuring unit below).

3.4 Measuring unit

These consolidated financial statements as of and for the year ended December 31, 2021 have been restated to be expressed in terms of the measuring unit current as of that date, as set forth in IAS 29. According to IFRS, the restatement of financial statements is necessary when the functional currency is the currency of a hyperinflationary economy. To achieve consistency in identifying an economic environment of that nature, IAS 29 "Financial Reporting in Hyperinflationary Economies" establishes (i) certain non-exclusive qualitative indicators consisting of analyzing general population behavior, prices, interest rates and salaries in the view of the evolution of price indexes and the loss of purchasing power of the currency, and (ii) as a quantitative characteristic to test whether the cumulative inflation rate in three years approaches or exceeds 100%.

Due to several macroeconomic factors, three-year inflation was above this 100%, while the government's targets and other available projections indicate that this trend will not be reversed in the short term. The Suriname economy is considered to be hyperinflationary as from June 1, 2021.
Restatements according to IAS 29 were made as if the economy had always been hyperinflationary, using a general price index that reflects the changes in the purchasing power of the currency. In order to make such restatement, Hakrin Bank uses conversion factors that are derived from the consumer price index (CPI) prepared and published on a monthly basis by the General Bureau of Statistics (ABS, as per its Dutch acronym).
The consumer price indexes as of December 31, 2021, 2020 and 2019 were 370.40, 230.50 and 143.40 respectively.

Below is a description of the main impacts of applying IAS 29 and the restatement process of financial statements:

Restatement of the statements of financial position

- Monetary items (those with a fixed face value in local currency) are not restated since they are stated in the current measurement unit at the closing date of the reported period. In an inflationary period, keeping monetary assets causes the loss of purchasing power. The monetary loss or gain is included in the statement of income for the reported period.
- Assets and liabilities subject to adjustments based on specific agreements will be adjusted in accordance with such agreements.
- Non-monetary items carried at historical cost or at current cost at some earlier date before the reporting date, shall be restated by an index that reflects the general level of price variation from the acquisition date to the closing date, proceeding then to compare the restated amounts of those assets with their recoverable amounts. Income or loss for the period related to depreciation of property, plant and other nonmonetary cost shall be determined over the new restated amounts.
- The restatement of non-monetary assets in terms of a measuring unit current at the end of the reporting period without an equivalent adjustment for tax purposes results in a taxable temporary difference and the recognition of deferred tax liabilities, whose balancing entry is recognised in profit or loss for the period.

As at December 31, 2021 the items subject to this restatement were the following:

- Non-monetary items at historical cost: Inventory and deferred tax liabilities.
- Non-monetary items at fair value: Property and equipment and investment \properties.
- Income and expenses are restated from the date the items were recorded, except for those income or loss items that reflect or include the consumption of assets measured at the currency purchasing power from a date prior to that which the consumption was recorded, which is restated using as a basis the acquisition date of the assets related to the item (for example, depreciation), except for gains or losses that derive from indexed assets or liabilities and except for income or losses arising from comparing the two measurements at currency purchasing power of different dates, for which it requires to identify the compared amounts, to restate them separately and to repeat the comparison, with the restated amounts.
- The gain or loss for holding monetary assets and liabilities, is separately disclosed in the statement of income/(loss).

Restatement of the Statement of Changes in Equity

- As of the transition date, the Entity has applied the following procedures:
  - o Equity items, except for those stated below, are restated as from the date on which they were subscribed for or paid-in.
  - o Restated retained earnings are determined according to the difference between restated net assets as of the transition date and the rest of the components of initial equity restated as described above.
  - o Balances of other accumulated comprehensive income were restated as of the transition date.
- After the restatement as of the transition date stated above, all the shareholders' equity components are restated by applying the general price index from the beginning of the fiscal year and each variation of those components is restated from the date of contribution or from the moment such variation occurred by other means, restating the balances of other accumulated comprehensive income according to the items that give rise to it.

Restatement of the Statement of Cash Flows
All items are restated in terms of the measuring unit current as of the end of the reporting period.

Monetary gain or loss on the components of cash and cash equivalents are disclosed in the statement of cash flows after income tax paid, in a separate line and independent from them, under "Monetary effect on income tax paid".

3.5 Foreign currency
Transactions in foreign currencies are initially recorded in the functional currency at the spot rate of exchange at the date of the transaction.
Monetary assets and liabilities denominated in foreign currencies (FX) are retranslated into the functional currency at the spot rate of exchange at the reporting date. All foreign exchange differences arising on non-trading activities are taken to other operating income/expense in the income statement.
Non-monetary items that are measured at historical cost in a foreign currency are translated using the spot exchange rates as at the date of recognition.

3.6 Basis of consolidation
The consolidated financial statements comprise the financial statements of the Hakrin Bank and its subsidiaries as at 31 December 2021. Hakrin Bank consolidates a subsidiary when it controls it. Control is achieved when the Hakrin Bank is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.
Generally, there is a presumption that a majority of voting rights results in control. However, in individual circumstances, the Hakrin Bank may still exercise control with a less than 50% shareholding, or may not be able to exercise control even with ownership over 50% of an entity's shares. When assessing whether it has power over an investee and therefore controls the variability of its returns, the Hakrin Bank considers all relevant facts and circumstances, including:

- The purpose and design of the investee
- The relevant activities and how decisions about those activities are made and whether the Bank can direct those activities
- Contractual arrangements such as call rights, put rights and liquidation rights

Whether the Bank is exposed, or has rights, to variable returns from its involvement with the investee, and has the power to affect the variability of such returns.
Profit or loss and each component of OCI are attributed to the equity holders of Hakrin Bank.
All intra-group assets, liabilities, equity, income, expenses and cash flows relating to transactions between members of the Hakrin Bank are eliminated in full on consolidation.
A change in the ownership interest of a subsidiary, without loss of control, is accounted for as an equity transaction. If the Bank loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value at the date of loss of control.

3.7 Recognition of interest income
The effective interest rate method
Under IFRS 9, interest income is recorded using the EIR method for all financial assets measured at amortised cost. Interest income on interest bearing financial assets measured at FVOCI under IFRS 9 is also recorded using the EIR method. Interest expense is also calculated using the EIR method for all financial liabilities held at amortised cost.
The EIR is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset or liability or, when appropriate, a shorter period, to the gross carrying amount of the financial asset.

The EIR (and therefore, the amortised cost of the financial asset) is calculated by taking into account transaction costs and any discount or premium on the acquisition of the financial asset, as well as fees and costs that are an integral part of the EIR. The Hakrin Bank recognises interest income using a rate of return that represents the best estimate of a constant rate of return over the expected life of the loan. Hence, the EIR calculation also takes into account the effect of potentially different interest rates that may be charged at various stages of the financial asset's expected life, and other characteristics of the product life cycle (including prepayments, penalty interest and charges).

If expectations of fixed rate financial assets' or liabilities' cash flows are revised for reasons other than credit risk, then changes to future contractual cash flows are discounted at the original EIR with a consequential adjustment to the carrying amount. The difference from the previous carrying amount is booked as a positive or negative adjustment to the carrying amount of the financial asset or liability on the consolidated statement of financial position with a corresponding increase or decrease in Interest revenue/expense calculated using the effective interest method.

Interest and similar income/expense
Interest income/expense on all trading financial assets/liabilities is recognised as a part of the other operating income.
The Hakrin Bank calculates interest income on financial assets, other than those considered credit-impaired, by applying the EIR to the gross carrying amount of the financial asset.
When a financial asset becomes credit-impaired and is therefore regarded as 'Stage 3', the Bank calculates interest income by applying the EIR to the net amortised cost of the financial asset. If the financial asset cures and is no longer credit-impaired, the Bank reverts to calculating interest income on a gross basis.

3.8 Fee and commission income

The Hakrin Bank earns fee and commission income from a diverse range of financial services it provides to its customers. Fee and commission income is recognised at an amount that reflects the consideration to which the Hakrin Bank expects to be entitled in exchange for providing the services.

The performance obligations, as well as the timing of their satisfaction, are identified, and determined, at the inception of the contract. The Hakrin Bank's revenue contracts do not include multiple performance obligations, as explained further below.

When the Hakrin Bank provides a service to its customers, consideration is invoiced and generally due immediately upon satisfaction of a service provided at a point in time or at the end of the contract period for a service provided over time (unless otherwise specified below).

The Hakrin Bank has generally concluded that it is the principal in its revenue arrangements because it typically controls the services before transferring them to the customer.

The disclosures of significant accounting judgements, estimates and assumptions relating to revenue from contracts with customers are disclosed in note 4.7.

Fee and commission income from services where performance obligations are satisfied over time

Performance obligations satisfied over time include asset management, custody and other services, where the customer simultaneously receives and consumes the benefits provided by the Hakrin Bank's performance as the Bank performs.

Fee and commission income from providing services where performance obligations are satisfied at a point in time

Services provided where the Hakrin Bank's performance obligations are satisfied at a point in time are recognised once control of the services is transferred to the customer. This is typically on completion of the underlying transaction or service or, for fees or components of fees that are linked to a certain performance, after fulfilling the corresponding performance criteria. These include fees and commissions arising from negotiating or participating in the negotiation of a transaction for a third party, such as the arrangement/participation or negotiation of the acquisition of shares or other securities, or the purchase or sale of businesses, brokerage and underwriting fees. The Bank has a single performance obligation with respect to these services, which is to successfully complete the transaction specified in the contract.

Revenue contracts

The following are recognised in the statement of financial position arising from revenue from contracts with customers:

- 'Fees and commissions receivables' included under 'Other assets', which represent the Hakrin Bank's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). These are measured at amortised cost and subject to the impairment provisions of IFRS 9.
- 'Unearned fees and commissions' included under 'Other liabilities', which represent the Hakrin Bank's obligation to transfer services to a customer for which the Hakrin Bank has received consideration (or an amount of consideration is due) from the customer. A liability for unearned fees and commissions is recognised when the payment is made or the payment is due (whichever is earlier). Unearned fees and commissions are recognised as revenue when (or as) the Hakrin Bank performs.

3.9 Other operating income

Other operating income relates to all other activities such as operating lease activities as lessor and results on the disposal of assets. It also includes the change in fair value of derivatives used for risk management purposes that do not meet the requirements for hedge accounting, ineffectiveness of hedging programs, fair value changes relating to assets and liabilities measured at fair value through profit or loss, and changes in the value of derivatives related to such instruments. Dividend income from non-trading equity investments is recognised when entitlement is established. Income from operating lease activities is measured net of depreciation of the related assets.

3.10 Financial Instruments

3.10.1 Financial instruments – initial recognition

Date of recognition

Financial assets and liabilities, with the exception of loans and advances to customers and balances due to customers, are initially recognised on the trade date, i.e., the date on which the Hakrin Bank becomes a party to the contractual provisions of the instrument. This includes regular way trades, i.e., purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place. Loans and advances to customers are recognised when funds are transferred to the customers' accounts. The Hakrin Bank recognises balances due to customers when funds are transferred to the Bank.

Initial measurement of financial instruments

The classification of financial instruments at initial recognition depends on their contractual terms and the business model for managing the instruments, as in note 3.10.3. Financial instruments are initially measured at their fair value, except in the case of financial assets and financial liabilities recorded at FVPL, transaction costs are added to, or subtracted from, this amount. Trade receivables are measured at the transaction price. When the fair value of financial instruments at initial recognition differs from the transaction price, the Bank accounts for the Day 1 profit or loss, as described below.

Day 1 profit or loss

When the transaction price of the instrument differs from the fair value at origination and the fair value is based on a valuation technique using only inputs observable in market transactions, the Hakrin Bank recognises the difference between the transaction price and fair value in net trading income. In those cases where fair value is based on models for which some of the inputs are not observable, the difference between the transaction price and the fair value is deferred and is only recognised in profit or loss when the inputs become observable, or when the instrument is derecognised.

Measurement categories of financial assets and liabilities

The Hakrin Bank classifies all of its financial assets based on the business model for managing the assets and the asset's contractual terms, measured at either:

- Amortised cost, as explained in Note 3.10.3
- Fair value through OCI (FVOCI), as explained in Note 3.10.3
- Fair value through profit and loss (FVTPL), as set out Note 3.10.3

The Hakrin Bank classifies and measures its derivative and trading portfolio at FVPL, as explained in Note 3.10.3. The Hakrin Bank may designate financial instruments at FVPL, if so doing eliminates or significantly reduces measurement or recognition inconsistencies, as explained in Note 3.10.3.

Financial liabilities, other than loan commitments and financial guarantees, are measured at amortised cost or at FVPL when they are held for trading and derivative instruments or the fair value designation is applied, as explained in Note 3.10.3.

3.10.2 Determination of fair value

In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, as summarised below:

- Level 1 financial instruments – Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Hakrin Bank has access to at the measurement date. The Hakrin Bank considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date.
- Level 2 financial instruments – Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life. Such inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical instruments in inactive markets and observable inputs other than quoted prices such as interest rates and yield curves, implied volatilities, and credit spreads. In addition, adjustments may be required for the condition or location of the asset or the extent to which it relates to items that are comparable to the valued instrument. However, if such adjustments are based on unobservable inputs which are significant to the entire measurement, the Hakrin Bank will classify the instruments as Level 3.
- Level 3 financial instruments – Those that include one or more unobservable input that is significant to the measurement as whole.

The fair value of financial instruments is generally measured on an individual basis. However, in cases where the Hakrin Bank manages a group of financial assets and liabilities on the basis of its net market or credit risk exposure, the fair value of the group of financial instruments is measured on a net basis, however the underlying financial assets and liabilities are presented separately in the financial statements, unless they satisfy the IFRS offsetting criteria.

The Hakrin Bank periodically reviews its valuation techniques including the adopted methodologies and model calibrations. However, the base models may not fully capture all factors relevant to the valuation of the Bank's financial instruments such as credit risk (CVA), own credit (DVA) and/or funding costs (FVA). Therefore, the Bank applies various techniques to estimate the credit risk associated with its financial instruments measured at fair value, which include a portfolio-based approach that estimates the expected net exposure per counterparty over the full lifetime of the individual assets, in order to reflect the credit risk of the individual counterparties for non-collateralised financial instruments. The Hakrin Bank estimates the value of its own credit from market observable data, such as secondary prices for its traded debt and the credit spread on credit default swaps and traded debts on itself.

The Hakrin Bank evaluates the levelling at each reporting period on an instrument-by-instrument basis and reclassifies instruments when necessary, based on the facts at the end of the reporting period.

3.10.3 Financial assets and liabilities per financial statement line

Due from banks, Loans and advances to customers, Financial Investments at amortised costs

The Hakrin Bank measures Due from banks, Loans and advances to customers and other financial investments at amortised cost only if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding

The details of these conditions are outlined below.

Business model assessment

The Hakrin Bank determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective:

- The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed.
- How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected).

The expected frequency, value and timing of sales are also important aspects of the Hakrin Bank's assessment.

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Hakrin Bank's original expectations, the Bank does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

The SPPI test
As a second step of its classification process the Hakrin Bank assesses the contractual terms of the financial asset to identify whether they meet the SPPI test.

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortisation of the premium/discount).

The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Hakrin Bank applies judgement and considers relevant factors such as the currency in which the financial asset is denominated, and the period for which the interest rate is set.

In contrast, contractual terms that introduce a more than de minimis exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement do not give rise to contractual cash flows that are solely payments of principal and interest on the amount outstanding. In such cases, the financial asset is required to be measured at FVPL.

Derivatives recorded at fair value through profit and loss
A derivative is a financial instrument or other contract with all three of the following characteristics:
- Its value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided that, in the case of a non-financial variable, it is not specific to a party to the contract (i.e., the 'underlying').
- It requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts expected to have a similar response to changes in market factors.
- It is settled at a future date.

The Hakrin Bank may enter into derivative transactions with various counterparties. These include interest rate swaps, futures, credit default swaps, cross-currency swaps, forward foreign exchange contracts and options on interest rates, foreign currencies and equities. Derivatives are recorded at fair value and carried as assets when their fair value is positive and as liabilities when their fair value is negative. Changes in the fair value of derivatives are included in other operating income unless hedge accounting is applied.

Financial assets or financial liabilities held for trading
The Hakrin Bank classifies financial assets or financial liabilities as held for trading when they have been purchased or issued primarily for short-term profit-making through trading activities or form part of a portfolio of financial instruments that are managed together, for which there is evidence of a recent pattern of short-term profit taking. Held-for-trading assets and liabilities are recorded and measured in the statement of financial position at fair value. Changes in fair value are recognised in other operating income. Interest and dividend income or expense is recorded in other operating income according to the terms of the contract, or when the right to payment has been established. Included in this classification are debt securities, equities, short positions and customer loans that have been acquired principally for the purpose of selling or repurchasing in the near term.

Debt instruments at FVOCI
The Bank classifies debt instruments at FVOCI when both of the following conditions are met:
- The instrument is held within a business model, the objective of which is achieved by both collecting contractual cash flows and selling financial assets
- The contractual terms of the financial asset meet the SPPI test

FVOCI debt instruments are subsequently measured at fair value with gains and losses arising due to changes in fair value recognised in OCI. Interest income and foreign exchange gains and losses are recognised in profit or loss in the same manner as for financial assets measured at amortised cost as explained in Note 3.7.

The ECL calculation for debt instruments at FVOCI is explained in Note 6.4.1.5. Where the Hakrin Bank holds more than one investment in the same security, they are deemed to be disposed of on a first–in first-out basis. On derecognition, cumulative gains or losses previously recognised in OCI are reclassified from OCI to profit or loss.

Equity instruments at FVOCI
Upon initial recognition, the Hakrin Bank occasionally elects to classify irrevocably some of its equity investments as equity instruments at FVOCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. Such classification is determined on an instrument-by- instrument basis.

Gains and losses on these equity instruments are never recycled to profit. Dividends are recognised in profit or loss as other operating income when the right of the payment has been established, except when the Hakrin Bank benefits from such proceeds as a recovery of part of the cost of the instrument, in which case, such gains are recorded in OCI. Equity instruments at FVOCI are not subject to an impairment assessment.

Financial assets and financial liabilities at fair value through profit or loss

Financial assets and financial liabilities in this category are those that are not held for trading and have been either designated by management upon initial recognition or are mandatorily required to be measured at fair value under IFRS 9. Management only designates an instrument at FVPL upon initial recognition when one of the following criteria are met. Such designation is determined on an instrument-by-instrument basis:

- The designation eliminates, or significantly reduces, the inconsistent treatment that would otherwise arise from measuring the assets or liabilities or recognising gains or losses on them on a different basis

Or

- The liabilities are part of a group of financial liabilities, which are managed and their performance evaluated on a fair value basis, in accordance with a documented risk management or investment strategy

Or

- The liabilities contain one or more embedded derivatives, unless they do not significantly modify the cash flows that would otherwise be required by the contract, or it is clear with little or no analysis when a similar instrument is first considered that separation of the embedded derivative(s) is prohibited

Financial assets and financial liabilities at FVPL are recorded in the statement of financial position at fair value. Changes in fair value are recorded in profit and loss with the exception of movements in fair value of liabilities designated at FVPL due to changes in the Hakrin Bank's own credit risk. Such changes in fair value are recorded in the Own credit reserve through OCI and do not get recycled to the profit or loss. Interest earned or incurred on instruments designated at FVPL is accrued in interest income or interest expense, respectively, using the EIR, taking into account any discount/ premium and qualifying transaction costs being an integral part of instrument. Interest earned on assets mandatorily required to be measured at FVPL is recorded using the contractual interest rate. Dividend income from equity instruments measured at FVPL is recorded in profit or loss as other operating income when the right to the payment has been established.

Financial guarantees, letters of credit and undrawn loan commitments

The Hakrin Bank issues financial guarantees, letters of credit and loan commitments.

Financial guarantees are initially recognised in the financial statements (within Provisions) at fair value, being the premium received. Subsequent to initial recognition, the Bank's liability under each guarantee is measured at the higher of the amount initially recognised less cumulative amortisation recognised in the income statement, and an ECL allowance.

The premium received is recognised in the income statement in Net fees and commission income on a straight line basis over the life of the guarantee.

Undrawn loan commitments and letters of credits are commitments under which, over the duration of the commitment, the Hakrin Bank is required to provide a loan with pre-specified terms to the customer. Similar to financial guarantee contracts, these contracts are in the scope of the ECL requirements.

The nominal contractual value of financial guarantees, letters of credit and undrawn loan commitments, where the loan agreed to be provided is on market terms, are not recorded on in the statement of financial position.

The Bank occasionally issues loan commitments at below market interest rates. Such commitments are subsequently measured at the higher of the amount of the ECL allowance and the amount initially recognised less, when appropriate, the cumulative amount of income recognised.

3.10.4 Reclassification of financial assets and liabilities

The Hakrin Bank did not reclassify its financial assets neither financial liabilities subsequent to their initial recognition. Reassessment of the classification only occurs if there is either a change in the terms of the contract which significantly modifies the cash flows that would otherwise require a reclassification of a financial instrument in a different category (amortised cost, FVTPL or FVOCI).

3.10.5 Modification of financial assets

Modification of financial assets

When the contractual cash flows of a financial asset are renegotiated or otherwise modified as a result of commercial restructuring activity rather than due to credit risk and impairment considerations, the Hakrin Bank performs an assessment to determine whether the modifications result in the derecognition of that financial asset. For financial assets, this assessment is based on qualitative factors.

When assessing whether or not to derecognise a loan to a customer the Hakrin Bank considers the following factors:

- Change in currency of the loan
- Introduction of an equity feature
- Change in counterparty
- Whether the modification is such that the instrument would no longer meet the SPPI criterion

If the modification does not result in cash flows that are substantially different, as set out below, then it does not result in derecognition. Based on the change in cash flows discounted at the original EIR, the Hakrin Bank records a modification gain or loss, to the extent that an impairment loss has not already been recorded. The Bank's accounting policy in respect of forborne loans is set out in Note 3.10.7.

Modification of financial liabilities

When the modification of the terms of an existing financial liability is not judged to be substantial and, consequently, does not result in derecognition, the amortised cost of the financial liability is recalculated by computing the present value of estimated future contractual cash flows that are discounted at the financial liability's original EIR. Any resulting difference is recognised immediately in profit or loss.

For financial liabilities, the Hakrin Bank considers a modification to be substantial based on qualitative factors and if it results in a difference between the adjusted discounted present value and the original carrying amount of the financial liability of, or greater than, ten percent.

3.10.6 Derecognition of financial assets and liabilities

Derecognition due to substantial modification of terms and conditions

The Hakrin Bank derecognises a financial asset, such as a loan to a customer, when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new loan, with the difference recognised as a derecognition gain or loss, to the extent that an impairment loss has not already been recorded. The newly recognised loans are classified as Stage 1 for ECL measurement purposes, unless the new loan is deemed to be POCI.

Financial assets

A financial asset is derecognised when the rights to receive cash flows from the financial asset have expired. The Hakrin Bank also derecognises the financial asset if it was transferred and qualifies for derecognition.

The Hakrin Bank has transferred the financial asset if, and only if, either:

- The Hakrin Bank has transferred its contractual rights to receive cash flows from the financial asset

Or

- It retains the rights to the cash flows, but has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement

Pass-through arrangements are transactions whereby the Hakrin Bank retains the contractual rights to receive the cash flows of a financial asset (the original asset), but assumes a contractual obligation to pay those cash flows to one or more entities (the eventual recipients), when all of the following three conditions are met:

- The Hakrin Bank has no obligation to pay amounts to the eventual recipients unless it has collected equivalent amounts from the original asset, excluding short-term advances with the right to full recovery of the amount lent plus accrued interest at market rates
- The Hakrin Bank cannot sell or pledge the original asset other than as security to the eventual recipients

The Hakrin Bank has to remit any cash flows it collects on behalf of the eventual recipients without material delay. In addition, the Hakrin Bank is not entitled to reinvest such cash flows, except for investments in cash or cash equivalents, including interest earned, during the period between the collection date and the date of required remittance to the eventual recipients

A transfer only qualifies for derecognition if either:

- The Hakrin Bank has transferred its substantially all the risks and rewards of the asset

Or

- The Hakrin Bank has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

The Hakrin Bank considers control to be transferred if and only if, the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without imposing additional restrictions on the transfer.

When the Hakrin Bank has neither transferred nor retained substantially all the risks and rewards and has retained control of the asset, the asset continues to be recognised only to the extent of the Bank's continuing involvement, in which case, the Bank also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Bank has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration the Bank could be required to pay.

If continuing involvement takes the form of a written or purchased option (or both) on the transferred asset, the continuing involvement is measured at the value the Hakrin Bank would be required to pay upon repurchase. In the case of a written put option on an asset that is measured at fair value, the extent of the entity's continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price.

Financial liabilities
A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid is recognised in profit or loss.

3.10.7 Forborn modified loans
The Hakrin Bank sometimes makes concessions or modifications to the original terms of loans as a response to the borrower's financial difficulties, rather than taking possession or to otherwise enforce collection of collateral. The Hakrin Bank considers a loan forborne when such concessions or modifications are provided as a result of the borrower's present or expected financial difficulties and the Bank would not have agreed to them if the borrower had been financially healthy. Indicators of financial difficulties include defaults on covenants, or significant concerns raised by the Risk Department. Forbearance may involve extending the payment arrangements and the agreement of new loan conditions. It is the Hakrin Bank's policy to monitor forborne loans to help ensure that future payments continue to be likely to occur.

If modifications are substantial, the loan is derecognised, as explained in Note 3.10.6. Once the terms have been renegotiated without this resulting in the derecognition of the loan, any impairment is measured using the original EIR as calculated before the modification of terms. The Hakrin Bank also reassesses whether there has been a significant increase in credit risk and whether the assets should be classified as Stage 3. Derecognition decisions and classification between Stage 2 and Stage 3 are determined on a case-by- case basis. If these procedures identify a loss in relation to a loan, it is disclosed and managed as an impaired Stage 3 forborne asset until it is collected or written off.

Once an asset has been classified as forborne, it will remain forborne for a minimum 24-month probation period. In order for the loan to be reclassified out of the forborne category, the customer has to meet all of the following criteria:
- All of its facilities have to be considered performing
- The probation period of two years has passed from the date the forborne contract was considered performing
- Regular payments of more than an insignificant amount of principal or interest have been made during at least half of the probation period
- The customer does not have any contracts that are more than 30 days past due

3.11 Determination of fair value
In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, as summarised below:
- Level 1 financial instruments – Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Hakrin Bank has access to at the measurement date. The Hakrin Bank considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date.
- Level 2 financial instruments – Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life. Such inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical instruments in inactive markets and observable inputs other than quoted prices such as interest rates and yield curves, implied volatilities, and credit spreads. In addition, adjustments may be required for the condition or location of the asset or the extent to which it relates to items that are comparable to the valued instrument. However, if such adjustments are based on unobservable inputs which are significant to the entire measurement, the Hakrin Bank will classify the instruments as Level 3.
- Level 3 financial instruments – Those that include one or more unobservable input that is significant to the measurement as whole.

The fair value of financial instruments is generally measured on an individual basis. However, in cases where the Hakrin Bank manages a group of financial assets and liabilities on the basis of its net market or credit risk exposure, the fair value of the group of financial instruments is measured on a net basis, however the underlying financial assets and liabilities are presented separately in the financial statements, unless they satisfy the IFRS offsetting criteria.

The Hakrin Bank evaluates the levelling at each reporting period on an instrument-by-instrument basis and reclassifies instruments when necessary, based on the facts at the end of the reporting period.

3.12 Impairment of financial assets
Refer to note 6.4.1 credit risk for the accounting policies

3.13 Credit Enhancements: collateral valuation and financial guarantees
To mitigate its credit risks on financial assets, Hakrin Bank uses collateral, where possible. The collateral comes in various forms, but main collateral forms are cash, real estate and exchange traded stocks.

Cash flows expected from credit enhancements which are not required to be recognised separately by IFRS standards and which are considered integral to the contractual terms of a debt instrument which is subject to ECL, are included in the measurement of those ECL. On this basis, the fair value of collateral affects the calculation of ECL. Collateral is generally assessed, at a minimum, at inception and re-assessed on a yearly basis. However, some collateral, for example, cash, is valued daily. To the extent possible, Hakrin Bank uses active market data for valuing financial assets held as collateral. Non-financial collateral, such as real estate, is valued based on data provided by third parties such as independent appraisers.

In its normal course of business, Hakrin Bank engages external agents to recover funds from collaterals, i.e., real estate, generally at auction, to settle outstanding debt. Any surplus funds are returned to the customers/obligors. As a result of this practice, collateralized assets are not recorded on the consolidated statement of financial position.

3.14 Collateral repossessed

In the normal course of business repossessed assets are sold upon registration of bids for the assets. Any surplus funds are returned to the customers. These assets are not recorded on the balance sheet. It is not customary for the bank to repossess assets and keep these on the balance sheet nor for own use nor as assets held for sale.

3.15 Write-offs

Financial assets are written off either partially or in their entirety only when the Bank has no reasonable expectation of recovering a financial asset in its entirety or a portion thereof. If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount. Any subsequent recoveries are credited to credit loss expense.

3.16 Cash and cash equivalents

Cash and cash equivalents as referred to in the cash flow statement comprises cash on hand, non-restricted current accounts with central banks and amounts due from banks on demand or with an original maturity of three months or less.

3.17 Leases

The Hakrin Bank assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Hakrin Bank as a lessee

The Hakrin Bank applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Bank recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Hakrin Bank recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the lease term. The right-of-use assets are presented within note 24 and are subject to impairment in line with the Hakrin Bank's policy as described in note 3.20.

Lease liabilities

At the commencement date of the lease, the Hakrin Bank recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (less any lease incentives receivable), variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Harkin Bank and payments of penalties for terminating the lease if the lease term reflects exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

Hakrin Bank as a lessor

Leases in which the Hakrin Bank does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

3.18 Property and equipment

Property and equipment, with the exception of land and buildings, is stated at cost excluding the costs of day–to–day servicing, less accumulated depreciation and accumulated impairment in value. Changes in the expected useful life are accounted for by changing the amortisation period or methodology, as appropriate, and treated as changes in accounting estimates. Right-of-use assets are presented together with property and equipment in the statement of financial position.
Depreciation of owned assets is calculated on a straight-line basis over the estimated useful lives of the assets, as follows:

- Land	Not depreciated
- Buildings	20 – 25 years [4-5%]
- Leasehold improvements	5 years [20%]
- Equipment	4 years [25%]
- Installations (durable)	4 years [25%]
- Computer installations	3 – 5 years [20%-33.3%]

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

3.19 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as finite. Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit or loss in the expense category that is consistent with the function of the intangible assets.

An intangible asset is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss.

3.20 Impairment of non-financial assets

Further disclosures relating to impairment of non-financial assets are also provided in the following notes:

- Disclosures for significant assumptions (note 4)
- Property, plant and equipment (note 3.18)
- Intangible assets (note 3.19)

The Hakrin Bank assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Hakrin Bank estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

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. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.
Impairment losses of continuing operations are recognised in the statement of profit or loss in expense categories consistent with the function of the impaired asset, except for properties previously revalued with the revaluation taken to other comprehensive Income (OCI). For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation.

For assets, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Hakrin Bank estimates the asset's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

3.21 Pension benefits

The Hakrin Bank has a defined pension contribution plan. In 2014 the General Pension Law (WAP 2014) came into effect which obliged employers to implement a defined benefit pension plan. Actual practice showed different interpretations which gave rise to significant differences in pension entitlements to be granted under the plan. On the basis of the WAP 2014, different interpretations of pension base and indexation are possible. The practical implementation of the WAP2014 is not in compliance with the Law, because indexation has not taken place at least once every three years. In 2016, the government publicly announced an evaluation of the WAP 2014 and in April 2018, a committee was appointed to evaluate the WAP 2014. However, the committee's findings have not been made public and no further measures appear to have been taken. Due to the lack of clarity and ambiguity and because of the specific circumstances, it could be argued that the Hakrin Bank may have a potential obligation or a financial exposure as a result of the enactment of the WAP 2014, but that this obligation or exposure cannot be reasonably quantified or estimated.

Hakrin Bank provides post-retirement benefits to all Hakrin Bank retirees. Entitlement to these benefits is usually conditional on the employee remaining in service up to their retirement date and the completion of a minimum service period.

3.22 Taxes

Current tax

Current tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from, or paid to, the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted, or substantively enacted, by the reporting date in Suriname. Current income tax relating to items recognised directly in equity or other comprehensive income is recognised in equity or other comprehensive income respectively and not in the statement of profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate. Detailed disclosures are provided in note 14.

Deferred tax

Deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it becomes probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Current and deferred taxes are recognised as income tax benefits or expenses in the income statement except for tax related to the fair value remeasurement of debt instruments at fair value through OCI, foreign exchange differences and the net movement on cash flow hedges, which are charged or credited to OCI.

These exceptions are subsequently reclassified from OCI to the income statement together with the respective deferred loss or gain. The Hakrin Bank also recognises the tax consequences of payments and issuing costs, related to financial instruments that are classified as equity, directly in equity.

The Hakrin Bank only off-sets its deferred tax assets against liabilities when there is both a legal right to offset its current tax assets and liabilities and it is the Hakrin Bank's intention to settle on a net basis.

3.23 Fiduciary assets

The Hakrin Bank provides trust and other fiduciary services that result in the holding or investing of assets on behalf of its clients. Assets held in a fiduciary capacity, unless recognition criteria are met, are not reported in the financial statements, as they are not assets of the Hakrin Bank.

3.24 Dividends on ordinary shares

Dividends on ordinary shares are deducted from equity when they are approved by the Hakrin Bank's shareholders. Interim dividends are deducted from equity when they are declared and are no longer at the discretion of the Hakrin Bank.

Dividends for the year that are approved after the reporting date are disclosed as an event after the reporting date.

3.25 Equity reserves

The reserves recorded in equity (OCI) on the Bank's statement of financial position include fair value reserves which comprises:

- The cumulative net change in the fair value of debt instruments classified at FVOCI, less the allowance for ECL
- The cumulative net change in fair value of equity instruments at FVOCI

3.26 New standards, amendments and interpretations not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, are disclosed below. The Bank intends to adopt these standards, if applicable, when they become effective.

IFRS 17 – Insurance contracts

In May 2017, the IASB issued IFRS 17 Insurance Contracts (IFRS 17), a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, IFRS 17 will replace IFRS 4 Insurance Contracts (IFRS 4) that was issued in 2005. IFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. IFRS 17 is effective for reporting periods beginning on or after 1 January 2023. IFRS17 does not have an impact on Hakrin Bank.

IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities

As part of its 2018-2020 Annual Improvements to IFRS standards process, the IASB issued an amendment to IFRS 9. The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. The amendment is effective for annual reporting periods beginning on or after 1 January 2022 with earlier adoption permitted. Hakrin Bank will apply the amendments to financial liabilities that are modified or exchanged on or after the beginning of the annual period in which it will first apply the amendment and does not expect this will result in a material impact on its financial statements.

Definition of Accounting Estimates - Amendments to IAS 8
In February 2021, the IASB issued amendments to IAS 8, in which it introduces a definition of 'accounting estimates'. The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. Earlier application is permitted as long as this fact is disclosed. The amendments are not expected to have a material impact on the Hakrin Bank.

Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2
In February 2021, the IASB issued amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements, in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures. The amendments to IAS 1 are applicable for annual periods beginning on or after 1 January 2023 with earlier application permitted. Since the amendments to the Practice Statement 2 provide non-mandatory guidance on the application of the definition of material to accounting policy information, an effective date for these amendments is not necessary. Hakrin Bank is currently assessing the impact of the amendments to determine the impact they will have on the Bank's accounting policy disclosures.

Amendments to IFRS 3 - Reference to the Conceptual Framework
The amendments are intended to update a reference to the Conceptual Framework without significantly changing requirements of IFRS 3. The amendments will promote consistency in financial reporting and avoid potential confusion from having more than one version of the Conceptual Framework in use. The amendments are Effective for annual periods beginning on or after 1 January 2022 and are not expected to have an impact on Hakrin Bank.

Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16
The amendment prohibits entities from deducting from the cost of an item of property, plant and equipment (PP&E), any proceeds of the sale of items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the costs of producing those items, in profit or loss. The amendments are effective for annual periods beginning on or after 1 January 2022 and are not expected to have an impact on Hakrin Bank.

Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37
In May 2020, the IASB issued amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets to specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making. The amendments are effective for annual periods beginning on or after 1 January 2022 and are not expected to have an impact on Hakrin Bank.

Interest Rate Benchmark Reform – Phase 2 – Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16
In August 2020, the IASB published Interest Rate Benchmark Reform – Phase 2, Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16. With publication of the phase two amendments, the IASB has completed its work in response to IBOR reform. The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR)is replaced with an alternative nearly risk-free interest rate (RFR). The amendments are effective for annual periods beginning on or after 1 January 2021 and will have limited impact on Hakrin Bank

Classification of Liabilities as Current or Noncurrent - Amendments to IAS 1
In January 2020, the Board issued amendments to paragraphs 69 to 76 of IAS 1 Presentation of Financial Statements to specify the requirements for classifying liabilities as current or non-current.
The amendments clarify:
• What is meant by a right to defer settlement
• That a right to defer must exist at the end of the reporting period
• That classification is unaffected by the likelihood that an entity will exercise its deferral right
• That only if an embedded derivative in a convertible liability is itself an equity instrument, would the terms of a liability not impact its classification
The Amendments are effective for annual periods beginning on or after 1 January 2023 and are not expected to have an impact on Hakrin Bank

Covid-19-Related Rent Concessions beyond 30 June 2021 – Amendments to IFRS 16
In March 2021, the Board amended the conditions of the practical expedient in IFRS 16 that provides relief to lessees from applying the IFRS 16 guidance on lease modifications to rent concessions arising as a direct consequence of the covid-19 pandemic. The amendment is effective for annual periods beginning on or after 1 April 2021 and is not expected to have a material impact on Hakrin Bank.

Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to IAS 12
In May 2021, the Board issued amendments to IAS 12, which narrow the scope of the initial recognition exception under IAS 12, so that it no longer applies to transactions

that give rise to equal taxable and deductible temporary differences. The amendments are effective for annual periods beginning on or after 1 January 2023 and are not expected to have an material impact on Hakrin Bank.

Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – Amendments to IFRS 10 and IAS 28

In December 2015, the IASB decided to defer the effective date of the amendments until such time as it has finalised any amendments that result from its research project on the equity method. Early application of the amendments is still permitted.

3.27 Prior year adjustments

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

1 January 2020 Shown in SRD	Note	As previously reported*)	Adjustments *)	As Restated *)	Effect of hyperinflation	Hyperinflated as Restated **)
Cash and cash equivalents	d	291,418,257	20,625,000	312,043,257	493,959,689	806,002,946
Derivatives financial instruments	d	272,108,480	(271,757,740)	350,740	555,216	905,956
Amounts due from banks	d	1,708,085,809	61,875,000	1,769,960,809	2,801,820,806	4,571,781,615
Residential mortgages	b	151,320,585	4,630,585	155,951,170	246,868,310	402,819,480
Consumer loans	b	99,785,668	10,429,161	110,214,829	174,468,383	284,683,212
Loans, Bonds and advances at amortised costs	a,b	1,892,447,785	2,381,875	1,894,829,660	2,999,486,282	4,894,315,942
Property and equipment	c	206,330,966	(587,718)	205,743,248	352,819,446	558,562,694
Investments in associates	i	62,394,281	1,643,008	64,037,289	101,370,046	165,407,335
Tax Assets	a,b,c,d,e,f,h,j	4,424,223	29,721,398	34,145,621	54,051,994	88,197,615
Others		808,150,955	(1)	808,150,954	1,279,378,008	2,087,528,962
Total assets		**5,496,467,009**	**(141,039,432)**	**5,355,427,577**	**8,504,778,180**	**13,860,205,757**
Derivatives financial instruments	d	298,245,740	(298,245,740)	-	-	-
Amounts due to banks	d	429,575,655	82,002,197	511,577,852	809,819,891	1,321,397,743
Net employee defined benefit liabilities	h	46,727,987	6,738,427	53,466,414	86,060,908	139,527,322
Tax liabilities	c	60,186,512	(24,481,756)	35,704,756	97,822,786	133,527,542
Other liabilities		28,754,364	1,102,904	29,857,268	45,839,210	75,696,478
Others		4,345,154,335	-	4,345,154,335	6,878,312,650	11,223,466,985
Total liabilities		**5,208,644,593**	**(232,883,968)**	**4,975,760,625**	**7,917,855,445**	**12,893,616,070**
Share premium	e	53,079,163	(39,672,678)	13,406,485	145,439,839	158,846,324
Retained earnings	a,b,d,e,f,h	117,803,806	244,961,564	362,765,370	435,223,336	797,988,706
Other reserves	f,g	116,860,997	(113,444,350)	3,416,647	5,408,497	8,825,144
Others		78,450	-	78,450	851,063	929,513
Total equity		**287,822,416**	**91,844,536**	**379,666,952**	**586,922,735**	**966,589,687**
Total liabilities and equity		**5,496,467,009**	**(141,039,432)**	**5,355,427,577**	**8,504,778,180**	**13,860,205,757**

**) Historical*

***) Restated for IAS 29 hyperinflation*

31 December 2020 Shown in SRD	Note	As previously reported*)	Adjustments *)	As Restated *)	Effect of hyperinflation	Hyperinflated as Restated **)
Cash and cash equivalents	d	623,240,250	43,022,500	666,262,750	404,382,467	1,070,645,217
Derivatives financial instruments	d	355,967,332	(355,967,332)	-	-	-
Financial investments at fair value through P&L	c	85,447,176	(7,254,617)	78,192,559	55,366,752	133,559,311
Amounts due from banks	d	2,730,801,399	129,067,500	2,859,868,899	1,735,772,924	4,595,641,823
Residential mortgages	b	151,589,395	6,918,171	158,507,566	96,204,809	254,712,375
Consumer loans	b	67,662,749	8,390,217	76,052,966	46,159,697	122,212,663
Loans, Bonds and advances at amortised costs	a,b	2,761,961,598	36,233,336	2,798,194,934	1,698,340,439	4,496,535,373
Property and equipment	c	389,703,643	(166,438,318)	223,265,325	345,718,271	568,983,596
Investments in associates	i	62,394,281	1,871,456	64,265,737	39,005,538	103,271,275
Tax Assets	a,b,c,d,e,f,h,i	4,424,223	22,907,167	27,331,390	16,588,553	43,919,943
Others		1,304,430,519	3	1,304,430,522	792,330,061	2,096,760,583
Total assets		**8,537,622,565**	**(281,249,917)**	**8,256,372,648**	**5,229,869,511**	**13,486,242,159**
Derivatives financial instruments	d	424,195,090	(385,793,762)	38,401,328	23,307,357	61,708,685
Amounts due to banks	d	110,687,175	172,090,000	282,777,175	171,629,182	454,406,357
Net employee defined benefit liabilities	h	51,759,755	27,689,238	79,448,993	48,220,885	127,669,878
Tax liabilities	b,c	123,784,416	(77,649,350)	46,135,066	120,073,753	166,208,819
Other liabilities	g	48,129,035	2,832,626	50,961,661	30,930,746	81,892,407
Others		7,277,296,204	-	7,277,296,204	4,416,892,576	11,694,188,780
Others		**8,035,851,675**	**(260,831,248)**	**7,775,020,427**	**4,811,054,499**	**12,586,074,926**
Share premium	e	101,865,075	(39,672,678)	62,192,397	221,881,244	284,073,641
Retained earnings	a,b,d,e,f,h	119,487,424	224,558,170	344,045,594	423,861,528	767,907,122
Other reserves	h	250,959,346	(241,737,400)	9,221,946	5,597,180	14,819,126
Profit for the period	f	29,362,667	36,433,239	65,795,906	(233,404,093)	(167,608,187)
Others		96,378	-	96,378	879,153	975,531
Total equity		**501,770,890**	**(20,418,669)**	**481,352,221**	**418,815,012**	**900,167,233**
Total liabilities and equity		**8,537,622,565**	**(281,249,917)**	**8,256,372,648**	**5,229,869,511**	**13,486,242,159**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2020	Note	As previously reported*)	Adjustments *)	As Restated *)	Effect of hyperinflation	Hyperinflated as Restated **)
Interest Income	a	280,524,530	36,215,537	316,740,067	301,712,865	618,452,932
Other Operating income	h	21,625,897	11,124,999	32,750,896	31,197,082	63,947,978
Personnel expenses	h	(103,186,607)	1,864,276	(101,322,331)	(96,515,262)	(197,837,593)
Depreciation of tangible and intangible assets	c,d	(14,843,084)	2,719,816	(12,123,268)	(22,615,640)	(34,738,908)
Impairment charges on financial instruments	d	(35,127,750)	3,338,430	(31,789,320)	(30,281,128)	(62,070,448)
Income tax expense	b,c,d	(16,939,463)	(18,829,819)	(35,769,282)	(66,369,135)	(102,138,417)
Others		(102,690,856)	1	(102,690,855)	(350,532,876)	(453,223,731)
Profit		**29,362,667**	**36,433,240**	**65,795,907**	**(233,404,094)**	**(167,608,187)**
Gains/(losses) on revaluation properties	d	166,886,791	(166,886,791)	-	-	-
Others	j	(32,788,442)	24,791,810	(7,996,632)	(8,188,281)	(16,184,913)
Total Comprehensive income		**163,461,016**	**(105,661,741)**	**57,799,275**	**(241,592,375)**	**(183,793,100)**

**) Historical*

***) Restated for IAS 29 hyperinflation*

****) Including investment properties*

During the preparation of the 2021 financial statements, certain amendments were made to the comparative figures for the financial year 2020 relating to the prior period(s), as follows:

Note a. Credit impairment
Corrections were made to the collateral value of certain stage 3 loans and the related impairment. This adjustment has been incorporated into the comparative figures for 2020 within this financial report.

Note b. Effective interest rates for loans of Hakrin Bank N.V. and NTFM.
Corrections were made to the effective interest rates that were used in calculating the amortised cost of loans for the years 2018, 2019 and 2020.
This adjustment has been incorporated in the opening and closing carrying value 2020 of loans and other reserves and in the interest income of 2020.

Note c. Translation adjustment
Corrections were made to the carrying value of property, plant and equipment and investment property in the year 2020 based on the application of hyperinflation on these non-monetary items.

Note d. Derivative assets and liabilities
Corrections were made to the classification and valuation of derivative contracts in the financial years 2019 and 2020 and related adjustments were made.

Note e. Hyperinflation calculation in 2019 per IAS 29
The calculation of hyperinflation in 2017 upon first-time adoption of IFRS in the year 2019 is corrected. The correction was made through applying the IAS 29 calculation for the financial year 2021.

Note f. Revaluation reserve 2020
The revaluation reserve is reclassified to retained earnings in the 2020 comparative figures based on the deemed cost model of IFRS.

Note g. Other liabilities
Due to the corrections in note a-f several smaller adjustments were made in the other liabilities comparative figures.

Note h. IAS 19 comparative figures
In the 2020 comparative figures the amounts for provisions relating to net employee defined benefit liabilities were not aligned with the note to the financial statements and the actuarial report.

Note i. BNETS latest figures
The amount for the 2020 comparative figures regarding BNETS was updated based on the 2020 financial statements of BNETS.

Note j. OCI 2020
The tax effect calculated for the OCI entries was incorporated in the 2020 comparative figures.

4 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Hakrin Bank's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities, and the accompanying disclosures, as well as the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Existing circumstances and assumptions about future developments may change due to circumstances beyond the Hakrin Bank's control and are reflected in the assumptions if and when they occur. Items with the most significant effect on the amounts recognised in the consolidated financial statements with substantial management judgement and/or estimates are collated below with respect to judgements/estimates involved.

In the process of applying the Hakrin Bank's accounting policies, management has made the following judgements and assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

4.1 Impairment losses on financial assets

The measurement of impairment losses both under IFRS 9 across all categories of financial assets in scope requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances. Further reference is made to note 6.4.1 credit risk.

4.2 Fair value of financial instruments

The fair value of financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. When the fair values of financial assets and financial liabilities recorded in the statement of financial position cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values. Judgements and estimates include considerations of liquidity and model inputs related to items such as credit risk, funding value adjustments, correlation and volatility. For further details about determination of fair value please see note 3.11.

4.3 Revaluation of land and buildings and investment properties

The Hakrin Bank carries its investment properties at fair value, with changes in fair value being recognised in the statement of profit or loss. In addition, it measures the Land and Buildings in property and equipment at revalued amounts, with changes in fair value being recognised in OCI. The Hakrin Bank engaged an independent valuation specialist to assess fair values as at 1 January 2019 for Land and Buildings.

4.4 Effective Interest Rate (EIR) method

The Hakrin Bank's EIR method recognises interest income using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans and deposits and recognises the effect of potentially different interest rates charged at various stages and other characteristics of the product life cycle (including prepayments, penalty interest and charges). This estimation, by nature, requires an element of judgement regarding the expected behaviour and life-cycle of the instruments, as well expected changes to Suriname's market base rate and other fee income/expense that are integral parts of the instrument.

4.5 Defined benefit plans

The cost of the defined benefit plans and other post-employment benefits and the present value of the pension obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. An actuarial valuation is performed every financial year.

4.6 Provisions and other contingent liabilities

The Hakrin Bank operates in a regulatory and legal environment that, by nature, has a heightened element of litigation risk inherent to its operations. As a result, it is involved in various litigation, arbitration and regulatory investigations and proceedings arising in the ordinary course of the Hakrin Bank's business.

When the Hakrin Bank can reliably measure the outflow of economic benefits in relation to a specific case and considers such outflows to be probable, the Hakrin Bank records a provision against the case. Where the probability of outflow is considered to be remote, or probable, but a reliable estimate cannot be made, a contingent liability is disclosed. However, since the Hakrin Bank is of the opinion that disclosing these estimates on a case-by-case basis would prejudice their outcome, the Hakrin Bank does not include detailed, case-specific disclosers in its financial statements.

Given the subjectivity and uncertainty of determining the probability and amount of losses, the Hakrin Bank takes into account a number of factors including legal advice, the stage of the matter and historical evidence from similar incidents. Significant judgement is required to conclude on these estimates.

For further details on provisions and other contingencies see note 33.

4.7 Revenue recognition from contracts with customers

The Hakrin Bank applied the following judgements in its revenue recognition from contracts with customers:

Estimating variable consideration and assessing the constraint

Asset management contracts include management and performance fees, which are based on the value of its customers' assets under management and therefore give rise to variable consideration.

The Hakrin Bank has determined that, at contract inception, it cannot conclude that it is highly probable that a significant reversal of revenue will not occur, as there are typically a broad range of possible outcomes which are outside of the Bank's control. Therefore, the estimates of the variable consideration with respect to both management and performance fees are fully constrained and are not included in the transaction price at contract inception. The variable consideration estimate is updated at each reporting date and any portion that is no longer considered to be constrained is included in the transaction price.

Asset management fees are determined and invoiced at the end of each month. At that date, the uncertainty regarding the variable consideration is resolved and the consideration is no longer constrained. Accordingly, the Hakrin Bank recognises revenue from management fees at the end of each month.
The Hakrin Bank's asset management, custody, servicing and credit card transaction processing contracts all contain a single performance obligation comprising of a series of distinct services that are substantially the same and have the same pattern of transfer to the customer. Although the Hakrin Bank may perform various activities each day, the Hakrin Bank has concluded that each day of service is substantially the same because the nature of its promise to the customer is to provide an overall service.

4.8 Determination of the lease term for lease contracts with renewal and termination options (Hakrin Bank as a lessee)

The Hakrin Bank determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Hakrin Bank has several lease contracts that include extension and termination options. The Hakrin Bank applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Hakrin Bank reassesses the lease term if there is a significant event or change in circumstances that is within its control that affects its ability to exercise or not to exercise the option to renew or to terminate.

4.9 Estimating the incremental borrowing rate

The Hakrin Bank cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Bank would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Bank 'would have to pay', which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the functional currency).The Hakrin Bank estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain specific adjustments (such as the credit risk, or to reflect the terms and conditions of the lease).

5 FAIR VALUE OF FINANCIAL INSTRUMENTS THROUGH PROFIT OR LOSS

Fair value hierarchy

Financial instruments held at fair value are described below in three categories:

- Level 1 financial instruments are those that are valued using unadjusted quoted prices in active markets for identical financial instruments.
- Level 2 financial instruments are those valued using techniques based primarily on observable market data. Instruments in this category are valued using quoted prices for similar instruments or identical instruments in markets that are not considered to be active or using valuation techniques where all the inputs that have a significant effect on the valuation are directly or indirectly based on observable market data.
- Level 3 financial instruments are those valued using a valuation technique where at least one input with a significant effect on the instrument's valuation is not based on observable market data. The effect of fair value adjustments on the instrument's valuation is included in the assessment.

  Hakrin Bank's assets and liabilities that are carried at fair value on a recurring basis by hierarchy level are as follows:

December 31, 2021

Shown in SRD	Level 1	Level 2	Level 3	Total
ASSETS:				
Financial investments	162,736,000	-	-	162,736,000
Debt instruments	1,306,742,928	-	-	1,306,742,928
Total assets measured at fair value	**1,469,478,928**	**-**	**-**	**1,469,478,928**
LIABILITIES:				
Derivatives	-	80,010,348	-	80,010,348
Total liabilities measured at fair value	**-**	**80,010,348**	**-**	**80,010,348**

December 31, 2020

Shown in SRD	Level 1	Level 2	Level 3	Total
ASSETS:				
Financial investments	112,630,525	-	-	112,630,525
Debt instruments	1,968,790,326	-	-	1,968,790,326
Total assets measured at fair value	**2,081,420,851**	**-**	**-**	**2,081,420,851**
LIABILITIES:				
Derivatives	-	61,708,685	-	61,708,685
Total liabilities measured at fair value	**-**	**61,708,685**	**-**	**61,708,685**

Hakrin Bank concluded several forward contract agreements with clients. These forward contract agreements are classified as assets and derivatives liabilities and are disclosed in note 16. The valuation technique is based on the forward contract agreements with third parties. The mandatory cash reserve deposits at foreign banks are classified as financial investments at fair value through P&L and are disclosed in note 18. The bonds are classified as debt instruments at fair value through OCI and are disclosed in note 19.

6 RISK MANAGEMENT

6.1 Introduction

Hakrin Bank’s operates as a bank and is therefore exposed to the risks inherent to banking activities. These can be distinguished between financial and non-financial risks.

Hakrin Bank’s Enterprise Risk Management framework and the associated organizational structuring have been designed to ensure that the identified risks are always properly identified, analyzed, measured, monitored and managed. The risk management framework is reviewed regularly and updated to reflect changes in the external and internal environment.

Comprehensive risk management is essential for the resilience of the Bank and for achieving sustainable growth. Demonstrating that adequate risk management procedures are in place is a key condition for acquiring and retaining the trust of all stakeholders.

The risk management function of the Bank contributes to the strategy by developing and applying an appropriate framework for risk management, by facilitating risk awareness within the Bank and by supporting and advising the organization in the implementing and monitoring of risk management. The risk management function ensures that all significant risks are demonstrably under control, both now and in the future, and reports on this. This allows the Bank to develop in a healthy manner in line with the risk appetite and strategy as laid down by the Board of Directors.

6.2 Risk governance

Responsibility for risk management resides at all levels within the bank and is supported by the Executive Board and the Supervisory Board.

The Executive Board has the primary responsibility for the risk management strategy and policy and the implementation thereof. Within their role, the Executive Board is supported by the Governance, Risk and Compliance Committee, the Asset & Liability Management Committee and the Credit Committee.

The Supervisory Board has the responsibility for overseeing the overall risk management process and supervision of the Executive Board in the execution of the risk management strategy. The Supervisory Board utilizes its committees to support risk oversight, namely through the Risk and Compliance Committee, the Audit Committee and the Remuneration and Nomination Committee. These committees report regularly to the Supervisory Board to facilitate informed decisions.The Risk and Compliance Committee is responsible for the evaluation of the adequacy and effectiveness of the risk management process. Moreover, the committee is responsible for:

- Oversight of the implementation and effectiveness of the bank's risk management framework, policies and procedures.
- Review and approvement of the risk management policy and strategy.
- Evaluation and monitoring of the bank's risk profile.

Three Lines of Defence model is deployed for Hakrin Bank's risk governance which is embedded in the organizational structure of the bank. Within this model:
The First Line of Defence (comprised of the business lines and process owners)

- Incurs and owns the risks;
- Designs and executes internal controls;
- Ensures that the risks generated are identified, assessed, managed, monitored, reported on and are in compliance with relevant policies and guidelines.

The Second Line of Defence (comprised of the control functions Risk Management and Compliance)

- Provides independent oversight and effective challenge of the First Line of Defence;
- Establishes risk limits, policies, and frameworks, in accordance with best practice and regulatory requirements;
- Measures, monitors, controls and reports on risks taken.

The Third Line of Defence (Internal Audit) provides independent and objective assurance over the design and operating effectiveness of Hakrin Bank's internal control, risk management and governance processes.

6.3 Risk categories

Hakrin Bank's main risks are described in the categories below which are divided into financial and non-financial risks.

Risk category	Risk type	Definition
Financial risks	Credit risk	The risk of potential loss due to default by Hakrin Bank's debtors (including bond issuers) or trading counterparties.
	Funding and liquidity risk	The risk that Hakrin Bank cannot meet financial liabilities when they become due at reasonable costs and in a timely manner.
	Market risk	The risk of potential loss due to adverse movements in market variables.
	Solvency risk	The risk of lacking sufficient capital to fulfil business objectives, regulatory requirements or market expectations. A bank that is completely insolvent is unable to pay its debts and will be forced into bankruptcy.
Non-financial risks	Operational risk	The risk of direct or indirect loss arising from inadequate or failed internal processes, people and systems or from external events.
	Information (Technology) risk	The risk of financial loss, regulatory sanction and/or reputational damage due to ineffectively utilising information, or inappropriately protecting information.
	Business Risk	The risk of lower profits or failure as a result of an exposure to certain factors

6.4 Financial risks

6.4.1 Credit Risk

Credit risk is the risk that a counterparty cannot meet its contractual obligations towards the Bank, causing the Bank to incur a loss. Credit risk arise in Hakrin Bank's lending and investment activities, which includes (term) deposits with other banks. The credit risk section provides information on how Hakrin Bank manages, monitors and measures credit risk and gives an insight into the portfolio from a credit risk perspective.

6.4.1.1 Governance

Credit risk management within the Bank is governed by the bank-wide central credit risk policy and investment policy. The primary responsibility for managing and monitoring credit risk with regard to the lending activities lies with the Retail- and Business banking departments as the first line of defence, while credit risk related to investments is managed primarily by the Treasury department. The second line monitors the management of credit risk, and where necessary, supporting and advising on risk measures given Hakrin Bank's risk appetite. Furthermore, the Risk management department is part of the credit approval process for proposals above a set limit. After analyzing a credit proposal, the Risk management department provides an advice to management, which is ultimately taken into account when making the decision to approve the proposal.

6.4.1.2 Credit risk monitoring

To identify possible changes in credit quality and thereby potential losses, Hakrin Bank actively monitors counterparties to take corrective actions as needed. A review process is in place which on the one hand is signal driven and on the other hand based on regular credit reviews, as determined by a risk-based revision calendar. The credit quality of a counterparty is determined by a credit risk classification system by assigning a (internal) credit rating based on the riskiness of that counterparty. In the event new information is obtained which could be reason for a deterioration of a counterparties' credit quality, the credit rating is reviewed based on that information. If no material events occur, the review process follows the revision calendar.

6.4.1.3 Restructuring and Recovery

If a counterparty underperforms, specific criteria have been formulated for when a client is to be transferred to the Restructuring and Recovery unit. This unit applies intensive monitoring to such cases in order to maintain a going concern for the client by helping to restore the client's financial stability or restructuring the debt to a sustainable level. If the financial situation of the client cannot be restored, a recovery process is activated to liquidate pledged assets to minimize losses for Hakrin Bank

6.4.1.4 Impairment assessments

Financial instruments in scope of the expected credit loss impairment model

Impairment charges for expected credit losses apply to all financial assets recognised at amortised cost or at fair value through other comprehensive income, loan commitments and financial guarantees. Financial assets that are in scope of the ECL model carry impairment in an amount equal to the lifetime ECL if the credit risk increases significantly after initial recognition. Otherwise, the loss allowance is equal to the 12-month ECL (see below for more information on the significant increase in credit risk).

Stage classification

Assets are first classified into one of the following three stages, depending on the degree of credit impairment.

Stage 1 comprises financial assets with no significant increase in credit risk since initial recognition.

Stage 2 comprises financial assets with a significant increase in credit risk since initial recognition, but for which there is no objective evidence that the asset is credit impaired at the time of reporting.

Stage 3 comprises financial assets which are in default and for which objective circumstances have been identified indicating that the asset is credit impaired.

Significant increase in credit risk

The classification of financial instruments in stage 2 for the purpose of calculating expected credit losses depends on whether the credit risk has increased significantly since initial recognition. The assessment of whether credit risk has increased significantly since initial recognition is performed by considering the change in risk of default, which is currently based on the days past due for both the Retail and Business Banking portfolio. As per the IFRS guidelines we will further develop and expand our stage classification criteria in the ongoing model updates to further enhance our ability to recognise increases in credit risk.

Hakrin Bank has developed internal rating models for both its Retail Banking (RB) and Business Banking (BB) division which are used to perform these assessments. The RB internal rating model uses days past due to assess an increase in credit risk, while the BB rating model uses both quantitative and qualitative variables for this assessment (days past due, historical performance, financial analyses of the business, relevant management qualities and industry information, and the quality of the provided financial data).

Definition of default

Financial instruments which are in default and are classified in stage 3. Hakrin Bank defines defaulted financial assets in the same way as the definition for internal risk management purposes. A debtor is considered in default if the debtor has material exposures which are more than 90 days past due for corporate facilities and residential mortgages; for other retail facilities a 60 day past due limit is maintained.

6.4.1.5 Calculation ECL

After being classified according to the three-stage model, the Expected Credit Losses (ECL) are calculated based on the PD (Probability of Default), LGD (Loss Given Default) and EAD (Exposure at Default) of the facility.

Loans and advances

Probability of default

The Probability of Default (PD) indicates the likelihood that a counterparty or exposure will default within a certain time horizon. To determine the PD's, currently historical default rates are used as a proxy, which are calculated based on historical data analysis. The model used to analyze the data was developed by an external independent consultant, who also conducted the necessary default rate calculations. For the Retail Banking portfolio, the default rates were calculated per product type, while for the Business Banking portfolio the historical default rates were calculated on a portfolio level.

We plan to continue to develop and enhance our model, incorporating both quantitative and qualitative information in the future assessments of the PD levels. This will allow us to make more accurate PD calculations and will foster a better differentiation of credit quality, and therefore a more accurate levelling of loan loss provisions. Furthermore, Hakrin Bank uses the 12-month PD as a proxy for the lifetime PD when calculating lifetime expected credit losses.

Loss Given Default

Loss Given Default (LGD) is the amount the bank is expected to lose if the counterparty were to default. The LGD is determined by the formula: 1 – recovery rate, expressed as a percentage of the Exposure at Default.

Exposure at default

Exposure at Default (EAD) is the expected exposure at the time a counterparty defaults. The full amount of the limits is considered to be part of the exposure in case of undrawn limits.

Investments

Expected credit losses for investments are calculated in accordance with the principles set out in IFRS 9. ECL is determined using a probability weighted approach that considers historical credit loss experience, current credit conditions and reasonable forecasts that effect the expected recoverability of Hakrin Bank's cash flows. The investment policy is designed to lower the risk of losses incurred on investments by investing in instruments that have minimum of single A credit rating.

Probability of default

The Probability of Default (PD) represents the likelihood that a counterparty will default in a specific time horizon. The PD is determined using credit ratings from agencies such as Moody's and S&P to assign a PD based on historical default rates associated with each rating category. Historical default rates for similar investments and industry specific data are also considered in the determination of the PD.

Loss Given Default

Loss Given Default (LGD) is the amount the bank is expected to lose if the counterparty were to default. The LGD is determined by the formula: {1 – recovery rate}, expressed as a percentage of the Exposure at Default.

Exposure at default

Exposure at Default (EAD) is the expected exposure at the time a counterparty defaults. It represents the amount the investor expects to be at risk when the counterparty defaults. For investments the EAD refers to the outstanding principal amount or the nominal value of the investment plus any expected interest or other cash flows that are likely to accrue up to the default event. In calculation of the EAD the contractual amount, expected cash flows, credit risk mitigants and revolving facilities are considered.

6.4.1.6 Credit risk mitigation

In order to mitigate the credit risk associated with an exposure and to reduce the losses incurred subsequent to a default by a counterparty, Hakrin Bank uses various credit risk mitigation techniques and credit enhancements. The most relevant credit enhancements used by Hakrin Bank are cash collateral, mortgages on real estate and exchange traded stocks. The table below presents the collateral valuation model Hakrin Bank uses to value pledged assets.

COLLATERAL VALUATION MODEL	Cash collateral	Real estate collateral	Other collateral
Market value	100% of nominal value	100% of appraisal value	100% of nominal/appraisal value
Execution value	-	80% of appraisal value	-
Collateral value	100% of nominal value	60% of execution value	30% of nominal/appraisal value

In the case a borrower defaults on his financial obligations, Hakrin Bank has the right to liquidate the pledged assets. The proceeds gathered from this liquidation can be applied towards full or partial compensation of the borrowers' outstanding exposure. In the case there is a third-party obligation, Hakrin Bank has the right to claim from that third party an amount if the customer fails on its obligations. The most common examples are guarantees (such as parent guarantees) or third-party pledged mortgages.

6.4.1.7 Credit portfolio

Credit risk exposure

Below is a credit risk overview presenting Hakrin Bank's maximum credit risk exposure.

Shown in SRD x 1,000	31 December 2021	31 December 2020
Cash and balances at central banks	1,774,633	1,070,645
Amount due from banks	4,292,588	4,595,642
Residential mortgages	157,290	256,514
Consumer loans	76,876	129,419
Corporate loans	2,769,550	3,628,599
Government loans	538,798	841,733
Other loans, bonds and advances to customers	219,377	301,405
Guarantees	85,543	165,382
Letters of credit	-	2,956
Total credit risk exposure	**9,914,655**	**10,992,295**

As mentioned above, the overall credit risk exposure in 2021 decreased compared to 2020 as a result of applying hyperinflation accounting for financial year 2021. Apart from that, amounts due from banks decreased due to matured deposits and lower balances on mandatory reserve accounts, partly offset by the depreciation of the SRD and higher balances on current accounts with banks and loans and advances to banks.

Furthermore, in financial year 2021 residential mortgages and consumer loans decreased due to a lower demand in mortgages and personal loans. The main driver for this were the price increases of consumables in 2021 caused by the depreciation of the SRD.

Credit risk concentration

Concentration by segment

Shown in SRD x 1,000	31 December 2021		31 December 2020	
Business segment	2,754,338	61.8%	3,679,325	61.8%
Retail segment	519,650	11.7%	584,601	9.8%
Government loans	538,798	12.1%	841,733	14.1%
Total commercial loans	**3,812,786**	**85.6%**	**5,105,659**	**85.7%**
Government bonds	643,505	14.4%	851,186	14.3%
General total	**4,456,291**	**100%**	**5,956,845**	**100.0%**

Compared to 2020, the loan portfolio in 2021 suggests a decrease in loans, but this is rather the result of the use of hyperinflation accounting for the financial year 2021 (which increased the nominal value of the loan portfolio in 2020). Notwithstanding the impact of the use of hyperinflation accounting, in 2021 the total commercial loan portfolio increased, which was mostly related to an above average increase of loans in the business segment. As a result of the depreciation of the SRD, businesses required larger amounts of working capital, which was especially true for the trade-, industry-, and service sector.

Industry concentration

Shown in SRD x 1,000	31 December 2021		31 December 2020	
Agricultural	210,720	4.7%	230,149	3.9%
Fishery	127,642	2.9%	169,807	2.9%
Forestry	1,246	0.0%	1,657	0.0%
Mining	202,017	4.6%	247,749	4.2%
Industry	526,418	11.8%	676,706	11.4%
Construction	67,028	1.5%	117,712	2.0%
Electricity, gas and hydro	-	0.0%	-	0.0%
Total production sector	**1,135,071**	**25.5%**	**1,443,780**	**24.4%**
Trade	1,109,276	24.9%	1,532,214	25.7%
Transport, depot and communication	94,863	2.1%	106,018	1.8%
Service	415,128	9.3%	597,313	10.0%
House-building	157,292	3.6%	255,059	4.3%
Consumer loans	76,954	1.7%	125,015	2.1%
Others	285,404	6.4%	204,527	3.4%
Total other sectors	**2,138,917**	**48.0%**	**2,820,146**	**47.3%**
Government loans & bonds	1,182,303	26.5%	1,692,919	28.3%
General total	**4,456,291**	**100.0%**	**5,956,845**	**100.0%**

Credit risk quality

The table below presents Hakrin Bank's loan portfolio composition divided over the different IFRS credit quality stages.

2021 Shown in SRD x 1,000		Gross carrying amount	Expected credit losses	Coverage ratio
Stage 1	Residential mortgages	132,215	8	0.0%
	Consumer loans	73,093	312	0.4%
	Corporate loans	2,073,920	18,805	0.9%
	Government loans	185,844	-	1.0%
	Total	**2,465,072**	**19,125**	**0.8%**
Stage 2	Residential mortgages	20,677	13	0.1%
	Consumer loans	1,369	238	17.4%
	Corporate loans	7,129	-	0.0%
	Government loans	404,848	80,968	20.0%
	Total	**434,023**	**81,219**	**18.7%**
Stage 3	Residential mortgages	4,398	827	18.8%
	Consumer loans	2,413	2,338	96.9%
	Corporate loans	855,985	120,059	14.0%
	Government loans	-	-	0.0%
	Total	**862,796**	**123,224**	**14.3%**
Total		**3,761,891**	**223,569**	**5.9%**

The allowances set for the expected credit losses are based on the earlier described ECL calculation method, taking into account the available collateral when available. For stage 1 loans available collateral is not used in the calculation of the expected credit losses.

6.4.2 Liquidity and funding risk

Liquidity risk is the risk that Hakrin Bank will be unable to meet its liabilities/obligations as they come due, without incurring higher than expected costs. The principal objective of our liquidity management is to ensure that the funding of our activities is done in the most cost-effective way, maintaining adequate levels of liquidity, particularly during periods of adverse conditions, and complying with Central Bank of Suriname regulations.

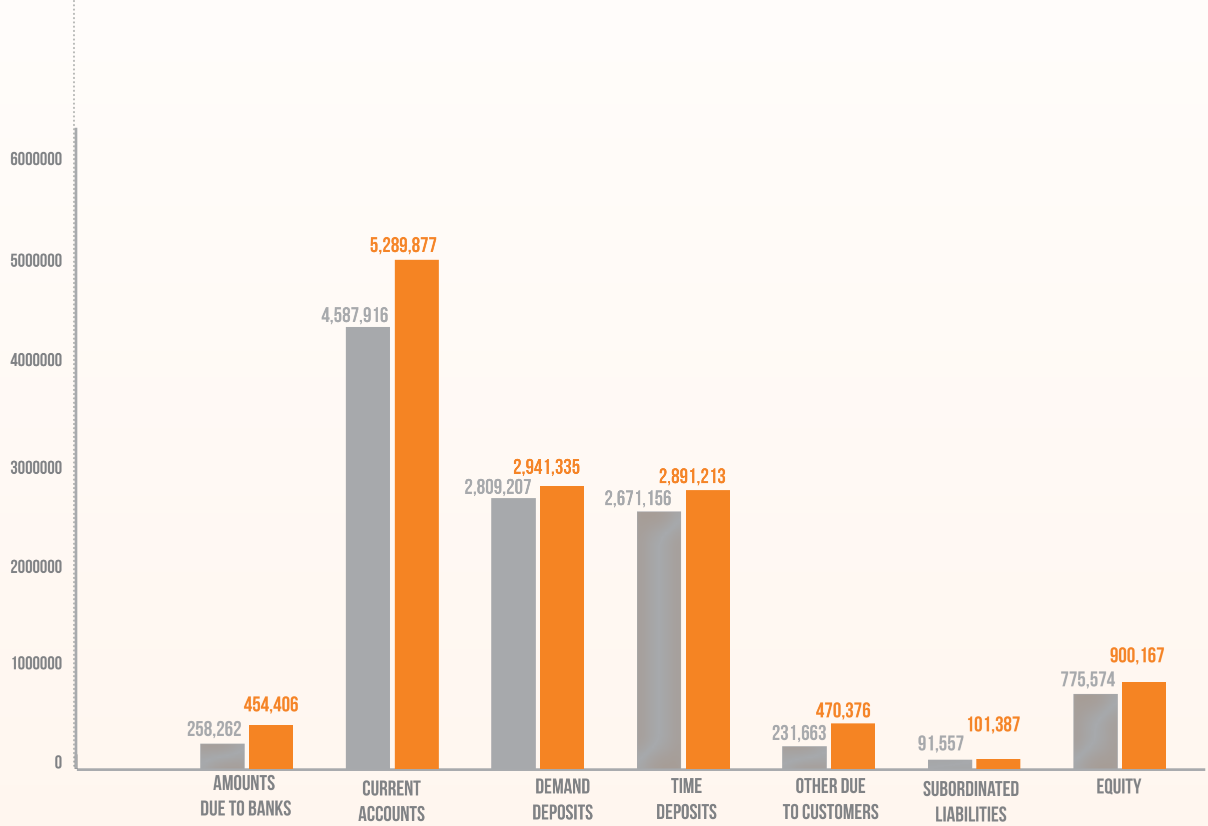
6.4.2.1 Governance

Liquidity risk is governed in line with the principles of the three lines of defence model. The Treasury Department is in charge of the daily liquidity management. The Treasury department monitors the liquidity position using a combination of risk indicators and risk triggers and adhering to the bank's liquidity risk policy. Furthermore, the liquidity position is managed by estimating the required liquidity for the coming period by means of an internal liquidity forecast model.

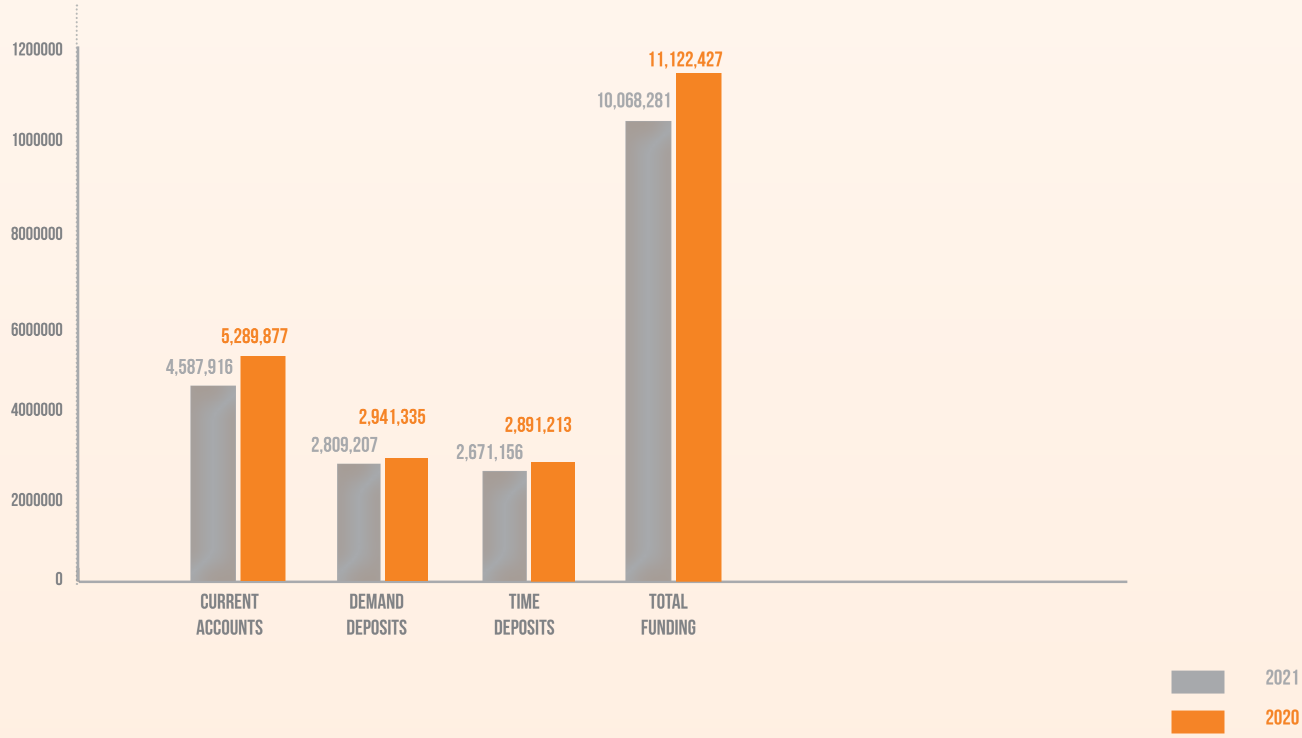
6.4.2.2 Funding

Client deposits are our main source of funding. The graph below shows the liability and equity breakdown for the full balance sheet.

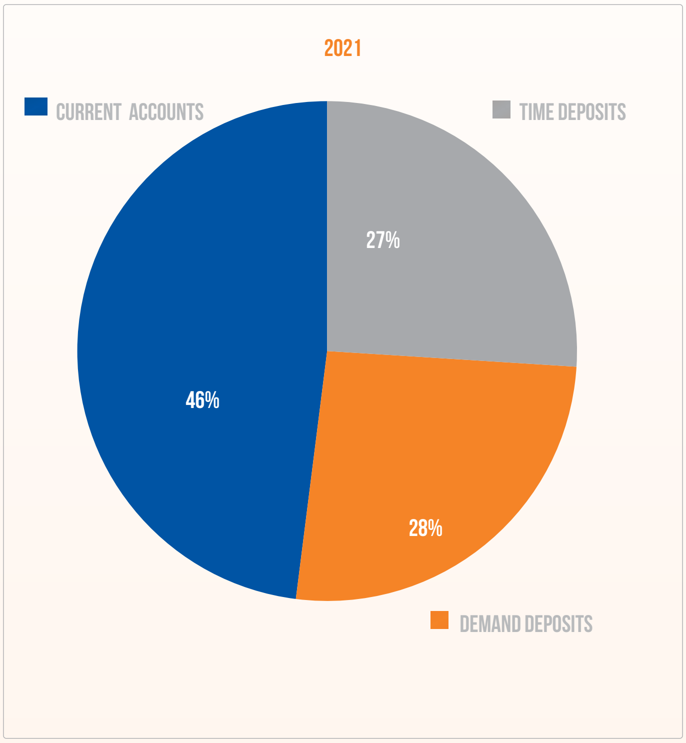
LIABILITY AND EQUITY BREAKDOWN
SHOWN IN SRD X 1,000

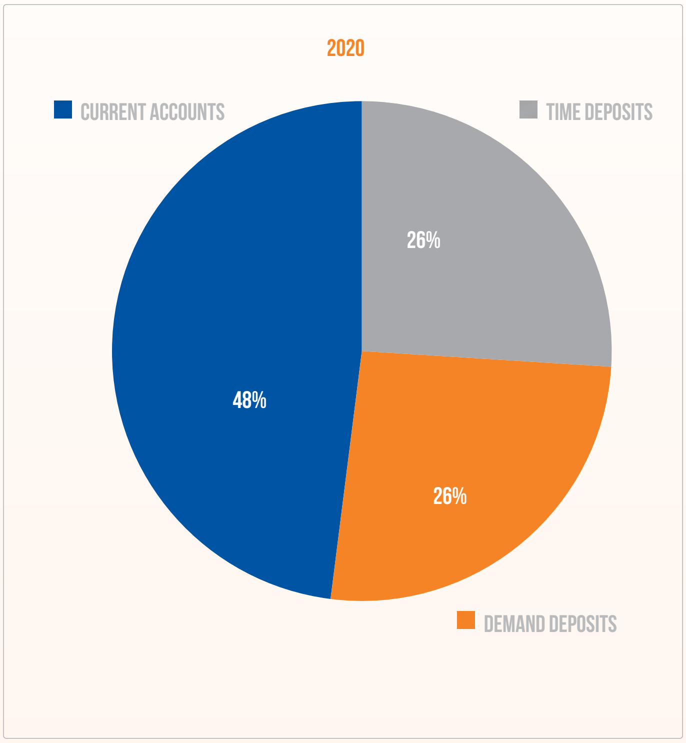


BREAKDOWN OF CLIENT DEPOSITS
SHOWN IN SRD X 1,000



The impact of the applied hyperinflation accounting for financial year 2021 resulted in the increase of the nominal values of deposits in 2020, suggesting that client deposits decreased in 2021. Furthermore, client deposits decreased in 2021 mainly as a result of lower customer accounts (current, demand and time deposits), partly offset by the depreciation of the SRD.





Maturity analysis

The table below summarizes the maturity profile of Hakrin Bank's financial liabilities at December 31, 2021 based on the undiscounted repayment obligations, over the remaining life of those liabilities.

2021 Shown in SRD x 1,000	**On demand**	**Up to 1 year**	**Up to 5 years**	**Over 5 years**	**Total**
Due to banks	252,976,275	5,285,556	-	-	**258,261,831**
Due to customers	7,628,786,524	916,042,723	1,690,960,409	64,152,699	**10,299,942,355**
Subordinated loans	-	-	-	91,556,555	**91,556,555**
Derivatives	-	80,010,348	-	-	**80,010,348**
Total	**7,881,762,799**	**1,001,338,627**	**1,690,960,409**	**155,709,254**	**10,729,771,089**

**Not defined: These funds relate to the seized funds by the authorities in the Netherlands for which there is no defined maturity as of the current date. When released, these funds will be settled between Hakrin Bank and the Central Bank of Suriname.*

6.4.3 Market risk

Market risk refers to the risk from movements of interest rates, foreign exchange rates and prices (market value) of instruments in the money and capital markets which could negatively affect the earnings and capital of Hakrin Bank. Market risk is further classified as either interest rate risk, foreign currency risk or price risk.

- **Interest rate risk:** The risk of loss resulting from changes in interest rates. As a result of a mismatch of interest rates on assets and liabilities and/or timing differences in the maturity thereof, Hakrin Bank may suffer a loss or a decline in profit/capital.
- **Foreign exchange risk:** The risk of loss resulting from the difference between assumed and actual foreign exchange rates. This could be the case if Hakrin Bank has a long or short position (on a net basis) with regard to its assets and liabilities denominated in foreign currencies.
- **Price Risk:** The risk of loss resulting from a decline in the (market) value of assets due to changes in the prices of financial instruments.

The Treasury department is responsible for managing market risk on a daily basis. It does so on the basis of written policies, namely our Investment policy and Foreign Exchange policy. Furthermore, the Treasury department is guided by the Asset and Liability Committee with regards to key decisions to be taken.

6.4.3.1 Interest rate risk

The majority of the financial instruments on our balance sheet are held at fixed interest rates. The interest rate risk related to the financial instruments on our balance that have a variable interest rate, is insignificant. Taking the above into account, interest rate exposure is insignificant, therefore no sensitivity analyses was performed.

6.4.3.2 Foreign exchange risk

Hakrin Bank manages its foreign exchange currency risk by using cross-currency swaps. To ensure that the currency positions remain within the parameters derived from our risk appetite, risk limits have been formulated for the permitted open currency positions per currency (USD and EUR). Apart from internal formulated limits, we also adhere to the limits dictated by the Central Bank of Suriname (CBvS). The table below presents the Net Open Positions at year-end.

2021 Shown in SRD x 1,000	Open EUR position	Open USD position	Total NOP	Total NOP in % of Total Equity
	13,029	257,229	270,259	35%

The table below demonstrates the results of a sensitivity analysis performed on the Net Open Position for a 10% and 15% increase and decrease in the EUR/SRD and USD/SRD exchange rates.

2021 Shown in SRD x 1,000	Impact on equity (nominal)	Impact on equity (%)
EUR & USD -10%	-27,026	-3.5%
EUR & USD -15%	-40,539	-5.2%
EUR & USD +10%	27,026	3.5%
EUR & USD +15%	40,539	5.2%

6.4.3.3 Price Risk

The price risk relating to Hakrin Bank's investment portfolio is managed through its investment policy. The majority of Hakrin Bank's investments are term deposits and fixed rate debt instruments, all with a hold-to-maturity strategy. With this strategy, earnings from these investments remain stable during the term of the investment, while we accept the risk of market value depreciation of the investments. Taking this into account, no sensitivity analyses was performed.

6.4.4 Solvency risk

Solvency risk is the risk of having inadequate capital to fulfill the business objectives, regulatory requirements or market expectations.
The primary objective of Hakrin Bank's capital management strategy is to ensure that capital adequacy requirements are met at all times and that sufficient capital is available to support the bank's strategy.

In order to maintain a sufficient level of capital and adhere to regulatory requirements, Hakrin Bank is committed to continually improving its solvency ratio. In 2021, the solvency ratio increased to 14.9% (2020: 12.7%) which is above the minimum regulatory requirement of 10%.

6.5 Non-financial risks

6.5.1 Operational risk and business risk

Operational risk is the risk of loss arising from systems failure, human error, fraud or external events. When controls fail to operate effectively, operational risks can cause damage to reputation, have legal or regulatory implications, or lead to financial loss. Hakrin Bank cannot expect to eliminate all operational risks, but it endeavors to manage these risks through a control framework and by monitoring and responding to potential risks. Controls include effective segregation of duties, access, authorization and reconciliation procedures, staff education and assessment processes, such as the use of internal audit.

6.5.2 Information risk

ISO risk management as a process is responsible for guaranteeing the Confidentiality, Availability, and Integrity of information systems and in that context applies a risk-based approach to protect people, processes, and systems. This approach must create a higher degree of resiliency, trust, and certainty among stakeholders.

The Hakrin Bank Information Security Management System (ISMS) has been designed based on the NIST CSF framework to align with all parts of the ISO 27000/1/2 standard. ISO risks are monitored through KPI's dashboards and reports. To protect the organization against cyber-attacks we have a 24/7 continuous monitoring in place. IT Continuity and Disaster recovery process is ranked among the highest priority domains.

The Hakrin Bank Information Security Awareness Program July 2018 - July 2021 was a beacon for continuous improvement efforts.

7 SEGMENT REPORTING

The segment reporting is in accordance with IFRS 8 Operating Segments. The segments are reported in a manner consistent with internal reporting provided to the Executive Board, which is responsible for allocating resources and assessing performance. Segment assets, liabilities, income and results are measured based on our accounting policies. Segment assets, liabilities, income and results include items directly attributable to a segment, as well as those that can be allocated on a reasonable basis. Interest income is reported as net interest income because management primarily relies on net interest income as a performance measure, not gross income and expense.

Hakrin Bank N.V. is a modern full-service bank that provides banking services to customers and operates in a customer-oriented way with a primary focus on the business segment and the middle- and higher-income consumer segment. Hakrin Bank aims to be the preferred bank to customers, with a sublime customer experience and offers a range of products and services, based on in-depth client and sector knowledge. Within Hakrin Bank we distinguish the following segments: Business Banking and Retail Banking. The revenue received on government loans and Treasury Bills in 2020 was 18% of the Hakrin Bank's total net revenue.

The Executive Board monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profits or losses and is measured consistently with operating profits or losses in the consolidated financial statements. However, income taxes are managed on a group basis and are not allocated to operating segments.

(Entity) Segment income statement for the year 2021

INCOME Shown in SRD	Hakrin Bank (Business Banking)	NTFM (Retail Banking)	HRE	Eliminations	Total
Interest income calculated using the effective interest method	481,069,103	43,770,442	-	(19,640,220)	505,199,325
Interest expense calculated using the effective interest method	193,322,324	18,830,814	812,742	(19,640,220)	193,325,660
Net interest income	**287,746,779**	**24,939,628**	**(812,742)**	**-**	**311,873,665**
Fee and commission income	162,880,422	7,057,721	-	(343,133)	169,595,010
Fee and commission expense	37,912,216	79,428	-	-	37,991,644
Net fee and commission income	**124,968,206**	**6,978,293**	**-**	**(343,133)**	**131,603,366**
Other operating income	57,133,347	-	(1,011,010)	-	56,122,337
Fair value losses Associates	(39,005,538)	-	-	-	(39,005,538)
Operating income	**430,842,794**	**31,917,921**	**(1,823,752)**	**(343,133)**	**460,593,830**
EXPENSES					
Personnel expenses	169,054,600	11,672,209	-	-	180,726,809
General and administrative expenses	172,632,468	4,597,349	155,886	(343,133)	177,042,570
Depreciation of tangible and intangible assets	34,221,660	-	-	-	34,221,660
Operating expenses	**375,908,728**	**16,269,558**	**155,886**	**(343,133)**	**391,991,039**
Impairment charges on financial instruments	75,295,796	(103,376)	-	-	75,192,420
Total expenses	**451,204,524**	**16,166,182**	**155,886**	**(343,133)**	**467,183,459**
Profit/(loss) before taxation and net monetary loss	**(20,361,730)**	**15,751,739**	**(1,979,638)**	**-**	**(6,589,629)**
Net monetary gains & (losses)	(112,927,018)	(30,066,549)	4,726,339	-	(138,267,228)
Profit/(loss) before taxation	**(133,288,748)**	**(14,314,810)**	**2,746,701**	**-**	**(144,856,857)**
Income tax expense	32,201,184	7,245,800	360,015	-	39,806,999
Profit/(loss) for the period	**(165,489,932)**	**(21,560,610)**	**2,386,686**	**-**	**(184,663,856)**

(Entity) Segment income statement for the year 2020

INCOME Shown in SRD	Hakrin Bank (Business Banking)	NTFM (Retail Banking)	HRE	Eliminations	Total
Interest income calculated using the effective interest method	573,832,140	81,551,587	-	(36,930,795)	618,452,932
Interest expense calculated using the effective interest method	226,000,667	35,976,853	958,303	(36,930,795)	226,005,028
Net interest income	**347,831,473**	**45,574,734**	**(958,303)**	**-**	**392,447,904**
Fee and commission income	407,531,194	10,674,202	-	(586,253)	417,619,143
Fee and commission expense	254,082,210	16,195	-	-	254,098,405
Net fee and commission income	**153,448,984**	**10,658,007**	**-**	**(586,253)**	**163,520,738**
Other operating income	64,150,564	-	(202,586)	-	63,947,978
Fair value losses Associates	(62,503,162)	-	-	-	(62,503,162)
Operating income	**502,927,859**	**56,232,741**	**(1,160,889)**	**(586,253)**	**557,413,458**
EXPENSES					
Personnel expenses	176,708,497	21,129,096	-	-	197,837,593
General and administrative expenses	135,712,687	7,168,360	307,317	(586,253)	142,602,111
Depreciation of tangible and intangible assets	34,738,908	-	-	-	34,738,908
Operating expenses	**347,160,092**	**28,297,456**	**307,317**	**(586,253)**	**375,178,612**
Impairment charges on financial instruments	67,016,148	(4,945,700)	-	-	62,070,448
Total expenses	**414,176,240**	**23,351,756**	**307,317**	**(586,253)**	**437,249,060**
Profit/(loss) before taxation and net monetary loss	**88,751,619**	**32,880,985**	**(1,468,206)**	**-**	**120,164,398**
Net monetary gains & (losses)	(151,346,891)	(41,125,542)	6,838,265	-	(185,634,168)
Profit/(loss) before taxation	**(62,595,272)**	**(8,244,557)**	**5,370,059**	**-**	**(65,469,770)**
Income tax expense	89,137,008	11,837,155	1,164,254	-	102,138,417
Profit/(loss) for the period	**(151,732,280)**	**(20,081,712)**	**4,205,805**	**-**	**(167,608,187)**

Assets and liabilities per segment 2021

ASSETS Shown in SRD	Hakrin Bank (Business Banking)	NTFM (Retail Banking)	HRE	Eliminations	Total
Financial investments at fair value through P&L	162,736,000	-	-	-	162,736,000
Debt instruments at fair value through OCI	1,306,742,928	-	-	-	1,306,742,928
Residential mortgages	-	156,441,653	-	-	156,441,653
Consumer loans	-	73,987,607	-	-	73,987,607
Loans, bonds and advances at amortised cost	3,307,893,348	-	-	-	3,307,893,348
Other	7,127,104,155	13,283,657	19,917,776	(242,861,174)	6,917,444,414
Total assets	**11,904,476,431**	**243,712,917**	**19,917,776**	**(242,861,174)**	**11,925,245,950**
LIABILITIES					
Derivatives	80,010,348	-	-	-	80,010,348
Current accounts	4,587,916,021	-	-	-	4,587,916,021
Demand deposits	2,809,203,893	3,156	-	-	2,809,207,049
Time deposits	2,671,155,831	-	-	-	2,671,155,831
Other due to customers	228,851,528	8,230,545	-	(5,418,619)	231,663,454
Other	1,527,338,810	235,479,216	19,917,776	(237,442,555)	1,545,293,247
Total liabilities	**11,904,476,431**	**243,712,917**	**19,917,776**	**(242,861,174)**	**11,925,245,950**

Assets and liabilities per segment 2020

ASSETS Shown in SRD	Hakrin Bank (Business Banking)	NTFM (Retail Banking)	HRE	Eliminations	Total
Financial investments at fair value through P&L	112,630,525	-	-	-	112,630,525
Debt instruments at fair value through OCI	1,968,790,326	-	-	-	1,968,790,326
Residential mortgages	-	254,712,375	-	-	254,712,375
Consumer loans	-	122,212,663	-	-	122,212,663
Loans, bonds and advances at amortised cost	4,496,535,373	-	-	-	4,496,535,373
Other	6,882,819,606	13,333,680	20,928,786	(385,721,175)	6,531,360,897
Total assets	**13,460,775,830**	**390,258,718**	**20,928,786**	**(385,721,175)**	**13,486,242,159**
LIABILITIES					
Derivatives	61,708,685	-	-	-	61,708,685
Current accounts	5,289,877,274	-	-	-	5,289,877,274
Demand deposits	2,941,330,226	4,874	-	-	2,941,335,100
Time deposits	2,891,213,083	-	-	-	2,891,213,083
Other due to customers	466,355,869	10,333,634	-	(6,313,093)	470,376,410
Other	1,810,290,693	379,920,210	20,928,786	(379,408,082)	1,813,731,607
Total liabilities	**13,460,775,830**	**390,258,718**	**20,928,786**	**(385,721,175)**	**13,486,242,159**

8 NET INTEREST INCOME

The net interest income is specified in the following table.

Shown in SRD	2021	2020
Interest income from:		
Loans and advances to banks	31,256,194	33,342,434
Loans and advances to customers	377,820,377	470,269,021
Loans and advances to government	44,770,087	39,484,236
Bonds	48,947,460	70,561,405
Other	2,405,207	4,795,836
Total interest income	**505,199,325**	**618,452,932**
Interest expenses from:		
Due to banks	7,496,390	3,477,136
Due to customers	169,970,244	218,376,105
Subordinated liabilities	14,663,251	3,177,599
Other	1,195,775	974,188
Total interest expenses	**193,325,660**	**226,005,028**
Net interest income	**311,873,665**	**392,447,904**

Net interest income amounted to SRD 311,873,665 a decrease of SRD 80,574,239 compared to 2020.

The total interest income decreased by SRD 113,253,607 to SRD 505,199,325 in 2021, primarily due to a significant decrease in the interest income of loans and advances to customers and interest on bonds. These decreases resulted from lower production of loans and the impact of hyperinflation, partially offset by the depreciation of the SRD.

The total interest expenses in 2021 decreased by SRD 32,679,368 to SRD 193,325,660. This decrease is mainly due to the impact of hyperinflation, partially offset by higher interest paid to customers and banks as a result of higher balances on current, demand and deposits accounts, and also due to the depreciation of the SRD.

9 NET FEE AND COMMISSION INCOME

The net fee and commission income is specified in the following table.

Shown in SRD	2021	2020
Fee and commission income from:		
Securities and custodian services	1,047,164	2,365,558
Payment services	81,611,031	73,092,022
Portfolio management and trust fees	3,961,141	5,290,921
Guarantees and commitment fees	3,704,766	4,118,637
Insurance and investment fees	7,723,217	9,240,336
Commission fees FX trading	52,198,488	297,661,090
Service charges	13,867,953	18,794,727
Administration fees	4,777,626	5,696,447
Other service fees	703,624	1,359,405
Total fee and commission income	**169,595,010**	**417,619,143**
Fee and commission expenses from:		
Payment services	14,623,085	8,380,219
Portfolio management and trust fees	-	1,377,076
Commission fees FX trading	16,670,827	244,180,379
Other service fees	6,697,732	160,731
Total fee and commission expenses	**37,991,644**	**254,098,405**
Net fee and commission income	**131,603,366**	**163,520,738**

Net fee and commission income decreased by SRD 31,917,372 in 2021 compared to 2020. This decrease is mainly due to a larger decline in total fee and commission income compared to a lesser decrease in total fee and commission expenses.

Total fee and commission income decreased by SRD 248,024,133 compared to 2020, primarily due to lower commissions received from FX trading activities, partially offset by an increase in Payment services resulting from the depreciation of the SRD and the impact of hyperinflation.

Total fee and commission expenses decreased by SRD 216,106,761 to SRD 37,991,644 in 2021. This decrease was driven by a reduction in Commission fees for FX trading due to lower commissions paid for FX trading activities, partially offset by an increase in Payment services and Other service fees due to the depreciation of the SRD and the impact of hyperinflation.

10 OTHER OPERATING INCOME

Shown in SRD	2021	2020
Leasing activities	78,853	44,050
Disposal of operating activities	157,142	19,444,131
Result from financial transactions	55,740,142	43,934,005
Other	146,200	525,792
Total other operating income	**56,122,337**	**63,947,978**

Other operating income decreased by SRD 7,825,641 to SRD 56,122,337. This decrease was due to the reduction in the disposal of operating activities of SRD 19,286,989 to SRD 157,142 in 2021. The disposal of operating activities in 2020 was incidental and related to the disposal of property and equipment, which is not in the normal course of business. The result from financial transactions increased by SRD 11,806,137 to SRD 55,740,142 in 2021. This increase was driven by the depreciation of the SRD and the impact of hyperinflation in 2021.

11 PERSONNEL EXPENSES

Salaries and wages, social security charges and other salary-related costs are recognised over the period in which the employees provide the services to which the payments relate.

Shown in SRD	2021	2020
Salaries and wages	143,187,229	164,347,575
Social security charges	11,477,954	9,646,520
Defined contribution plan expenses	15,788,896	16,332,459
Other	10,272,730	7,511,039
Total other personnel expense	**180,726,809**	**197,837,593**

Total personnel expenses for 2021 decreased by SRD 17,110,784 to SRD 180,726,809. This decrease mainly relates to the impact of hyperinflation, partly offset by an increase in salaries and wages and an increase in social security charges, due to salary increases from the Collective Labour Agreement.

12 GENERAL AND ADMINISTRATIVE EXPENSES

Costs are recognised in the period in which services have been provided.

Shown in SRD	2021	2020
Agency staff, contractors and consultancy costs	24,713,907	19,088,759
Staff related costs	3,209,419	3,390,703
Information technology costs	58,045,390	43,153,642
Housing	30,801,195	29,861,195
Post, telephone and transport	10,828,719	14,723,865
Marketing and public relations costs	4,334,494	6,324,259
Regulatory charges	1,702,864	5,978,830
MasterCard operating costs and fees	18,437,397	14,034,003
Other	24,969,185	6,046,855
Total general and administrative expenses	**177,042,570**	**142,602,111**

Total general and administrative expenses increased by SRD 34,440,459 to SRD 177,042,570 in 2021. This increase mainly relates to IT costs, which rose by SRD 14,891,748 due to higher maintenance costs for computer hardware, security related expenses and operational costs in 2021. Additionally, there were higher expenses associated with flexible work arrangements.

Agency staff, contractors and consultancy costs increased by SRD 5,625,148 primarily due to an increase in consulting fees in 2021.

MasterCard operating costs and fees increased by SRD 4,403,394 due to the depreciation of the SRD. This increase was partly offset by decreases in Post, telephone, and transport costs (SRD 3,895,146), Marketing and public relations costs (SRD 1,989,765), and Regulatory charges (SRD 4,275,966). The overall increase in total general and administrative expenses is partly offset by a decrease attributed to the impact of hyperinflation.

13 INCOME TAX EXPENSES, TAX ASSETS AND TAX LIABILITIES

Income tax expense

The components of income tax expense for the years ended 31 December 2021 and 2020 are as follows:

CONSOLIDATED INCOME STATEMENT

Shown in SRD	2021	2020
Current income tax:		
Hakrin Bank current income tax	19,588,976	13,787,440
NTFM current income tax	7,245,800	11,837,154
Deferred tax:		
Hakrin Bank deferred tax liability *)	12,612,208	26,091,796
HRE deferred tax liability *)	360,015	1,164,254
Hakrin Bank deferred tax asset **)	-	49,257,773
Income tax expense reported in consolidated income statement	**39,806,999**	**102,138,417**

**) Relating to origination and reversal of temporary differences*
***) Relating to losses caried forward*

CONSOLIDATED OTHER COMPREHENSIVE INCOME

Shown in SRD	2021	2020
Current tax related to items recognised in OCI during the year		
Remeasurement gains or losses on defined benefit plans	(4,078,620)	(12,475,629)
Unrealized gains or losses on FVOIC	(9,936,572)	5,247,437
Income tax expense reported in other comprehensive income	**(14,015,192)**	**(7,228,192)**

Reconciliation of the total tax charge

The tax charge shown in the income statement differs from the tax charge that would apply if all profits had been charged at Hakrin Bank's corporate rate. The government of Suriname introduced solidarity levy of 10% for entities on 1st of February 2021 until 31st of December 2021. A reconciliation between the tax expense and the accounting profit multiplied by Hakrin Bank's applicable tax rate for the years ended 31 December 2021 and 2020 is as follows:

Shown in SRD	**2021**	**2020**
Accounting profit before tax	**(144,856,857)**	**(65,469,770)**
Income Tax Expense at applicable rate	**(66,634,154)**	**(23,569,117)**
No deferred tax asset in HRE		
10% tax rate difference effect	(642,909)	-
Adjustments in respect of current income tax of prior years	6,912,094	267,405
Other	-	(1,289,545)
Monetary effect	100,171,968	127,258,228
Income Tax Expense at applicable rate	**39,806,999**	**102,138,417**
Effective income tax rate	-27%	-156%

Deferred Tax

The following tables show deferred tax recorded in the statement of financial position.

Deferred tax assets

Shown in SRD	2021	2020
Losses carried forward	-	-
Total Deferred Tax Asset	**-**	**-**

Deferred Tax Liability

Shown in SRD	2021	2020
Hyperinflation and revaluation of property and equipment	147,534,632	136,090,842
Hyperinflation and revaluation of investment properties	5,977,569	5,617,555
Unrealized exchange rate gains and losses	5,450,487	4,282,071
Total Deferred Tax Liability	**158,962,688**	**145,990,468**

Tax Assets and Tax Liabilities

The following tables show the tax assets and tax liabilities recorded in the statement of financial position.

Tax Asset

Shown in SRD	2021	2020
Income tax receivable	40,571,556	43,919,943
Total Tax Asset	**40,571,556**	**43,919,943**

Tax Liabilities

Shown in SRD	2021	2020
Income tax payable	10,563,974	12,874,151
Deferred tax liability	158,962,688	145,990,468
Other taxes	9,466,229	7,344,200
Total Tax Liabilities	**178,992,891**	**166,208,819**

14 EARNINGS PER SHARE

The following table shows the composition of basic earnings per share.

	2021			2020		
	Profit/(loss) for the period	Number of shares issued	Earnings per share (in SRD)	Profit/(loss) for the period	Number of shares issued	Earnings per share (in SRD)
Basic earnings	(184,663,856)	772,998	(238.89)	(167,608,187)	642,520	(260.86)

Hakrin Bank N.V. discloses ordinary shares, which are calculated by dividing the profit attributable to the owners of the parent company by the weighted average number of ordinary shares outstanding. The earnings per share in 2021 amounted to SRD -238.89 (2020: SRD -260.86). In light of the reported 2020 solvency ratio, which was lower than the mandatory 10% level of the CBvS, and in accordance with our capital and dividend policy and the solvency guideline of the CBvS, it was proposed not to distribute a dividend for the financial year 2020.

15 CASH AND CASH EQUIVALENTS

Cash and cash equivalents includes cash on hand, other cash equivalents and available demand deposits with the Central Bank of Suriname. The mandatory reserves at the Central Bank of Suriname are disclosed in note 18.

Shown in SRD	December 31, 2021	December 31, 2020
Assets		
Cash on hand and other cash equivalents	727,746,174	254,470,111
Current accounts at the Central Bank of Suriname	1,046,886,404	816,175,106
Total cash and cash equivalents	**1,774,632,578**	**1,070,645,217**

Cash and cash equivalents increased by SRD 703,987,361 to SRD 1,774,632,578 at December 31, 2021. This increase is mainly caused by the depreciation of the SRD and an increase in cash on hand, along with higher balances in current accounts at the Central Bank of Suriname.

16 DERIVATIVES FINANCIAL INSTRUMENTS

Derivatives financial instruments comprise derivatives held for trading and derivatives held for risk management purposes. Derivatives held for trading are closely related to facilitating the needs of our clients. Hakrin Bank also offers products that are traded on the financial markets to institutional and individual clients.

Derivative assets and liabilities subject to master netting arrangements are presented net only when they satisfy the eligibility requirements for netting under IAS 32. Hakrin Bank did not have any netted derivative positions in the statement of financial position in either 2021 or 2020.

From a risk perspective, the gross amount of trading assets must be associated with the gross amount of trading liabilities, which are presented separately in the statement of financial position.

Shown in SRD	December 31, 2021	December 31, 2020
Derivative assets	-	-
Derivative liabilities	80,010,348	61,708,685

The derivative liabilities increased with SRD 18,301,663 to SRD 80,010,348 at December 31, 2021. The increase is mainly due the depreciation of the SRD.

17 OVERVIEW OF THE MANDATORY RESERVES

Shown in SRD	December 31, 2021	December 31, 2020
Mandatory reserves at Foreign Banks:		
Deposits	162,736,000	112,630,525
Corporate bonds	58,991,800	192,598,198
US Treasury bills	661,115,000	326,628,522
Nostro accounts	182,483,375	510,402,569
Total mandatory reserves at foreign banks	**1,065,326,175**	**1,142,259,814**
Mandatory reserves at the Central Bank of Suriname:		
Deposits[1]	771,722,219	720,961,944
Ringfenced funds[2]	1,649,085,751	923,208,421
Total mandatory reserves at the Central Bank of Suriname	**2,420,807,970**	**1,644,170,365**
Total mandatory reserve deposits	**3,486,134,145**	**2,786,430,179**

The required mandatory reserves ratio's by the Central Bank of Suriname:
(the required mandatory reserves 'ringfenced funds' are included)

CURRENCY	2021	2020
SRD	39%	39%
USD	50%	50%
EUR	50%	50%

The required mandatory reserves 'ringfenced funds' ratio's by the Central Bank of Suriname:

CURRENCY	2021	2020
USD	25%	25%
EUR	35%	35%

[1] Mandatory reserve deposits are held at the Central Bank of Suriname and foreign banks in accordance the requirements of the Central Bank of Suriname.
[2] These Funds are "ringfenced" which means that these funds are deposited in a separate account with a investment bank by the Central Bank of Suriname.

The ring-fenced mandatory reserves at the Central Bank of Suriname comprises of:

- Bonds (Wells Fargo and Raymond James)
- Cash

18 FINANCIAL INVESTMENTS AT FAIR VALUE THROUGH P&L

Hakrin Bank has the following financial instruments that are classified as Fair Value Through Profit and Loss:

Shown in SRD	December 31, 2021	December 31, 2020
Term deposits at foreign banks[1]	162,736,000	112,630,525
Total Financial investments at FVTPL	**162,736,000**	**112,630,525**

1 Mandatory reserves.

Financial investments increased by SRD 55,105,475 to SRD 162,736,000 at December 31, 2021. The increase was mainly a result of the depreciation of the SRD and an increase in term deposits, partly offset by the impact of hyperinflation.

The maturities, principal amount and average interest rates of the Mandatory reserve deposits are disclosed in the tables below.

	2021						
MATURITIES TIME DEPOSITS	**Principal amount**				**Average interest rate**		
	SRD	USD	EUR	Total in SRD	SRD	USD	EUR
12 months	-	3,000,000	-	61,026,000	-	0.22%	-
12 months	-	3,000,000	-	61,026,000	-	0.20%	-
Call option	-	2,000,000	-	40,684,000	-	0.06%	-
Total deposits	**-**	**8,000,000**	**-**	**162,736,000**	**-**	**-**	**-**

	2020						
MATURITIES TIME DEPOSITS	**Principal amount**				**Average interest rate**		
	SRD	USD	EUR	Total in SRD	SRD	USD	EUR
12 months	-	3,000,000	-	67,578,315	-	0.30%	-
Call option	-	2,000,000	-	45,052,210	-	0.06%	-
Total deposits	**-**	**5,000,000**	**-**	**112,630,525**	**-**	**-**	**-**

The mandatory reserve deposits at foreign banks are held at the fair value level 1.

19 DEBT INSTRUMENTS AT FAIR VALUE THROUGH OCI

Hakrin Bank has the following financial instruments (Debt instruments) that are classified as Fair Value Through Other Comprehensive Income:

- Corporate bonds
- US Treasury bills
- Government bonds

	December 31, 2021	December 31, 2020
Debt instruments at fair value through OCI	**1,306,742,928**	**1,968,790,326**

	2021			
	Corporate bonds	US Treasury bills	Government bonds	Total bonds
Balance as at 1 January	**265,725,899**	**948,301,360**	**754,763,067**	**1,968,790,326**
Monetary effect	(100,364,615)	(358,173,220)	(285,073,846)	(743,611,681)
Investments	20,342,000	966,245,000	354,507,831	1,341,094,831
Divestments	(94,590,300)	(1,169,665,000)	(351,004,518)	(1,615,259,818)
Unrealized gains/(losses)	(2,714,010)	(9,685,541)	-	(12,399,551)
Foreign exchange differences	(5,799,558)	293,634,769	186,969,342	474,804,553
Other	-	-	(16,657,327)	(16,657,327)
Impairment	-	-	(90,018,405)	(90,018,405)
Balance as at 31 December	**82,599,416**	**670,657,368**	**553,486,144**	**1,306,742,928**

	2020			
Shown in SRD	Corporate bonds	US Treasury bills	Government bonds	Total bonds
Balance as at 1 January	299,755,747	113,499,654	578,130,730	991,386,131
Investments	-	946,096,410	683,752,335	1,629,848,745
Divestments	(235,397,797)	(213,997,997)	(676,526,710)	(1,125,922,504)
Unrealized gains/(losses)	(1,878,016)	(711,092)	-	(2,589,108)
Foreign exchange differences	203,245,965	103,414,385	261,226,311	567,886,661
Other	-	-	4,603,829	4,603,829
Impairment	-	-	(96,423,428)	(96,423,428)
Balance as at 31 December	**265,725,899**	**948,301,360**	**754,763,067**	**1,968,790,326**

Debt instruments decreased by SRD 662,047,398 to SRD 1,306,742,928 at December 31, 2021. This decrease was mainly due to the impact of hyperinflation and the expiration of bonds in 2021, partly offset by the depreciation of the SRD. Funds released from expired bonds and Treasury bills are kept available for daily business purposes. The negative increase in unrealized gains/(losses) is due to a further reduction in the market value in 2021.

The maturities, face values, average interest rates and credit ratings are included in the tables below.

	2021									
MATURITIES	**Face value**				**Average interest rate**			**Credit rating**		
	SRD	USD	EUR	Total in SRD	SRD	USD	EUR	SRD	USD	EUR
Corporate bonds:										
33 months	-	1,000,000	-	20,342,000	-	3.75%	-		A3	
36 months	-	2,900,000	-	58,991,800	-	2.40%	-		AAA (1.3 M) AA1 (1.1 M) A2 (0.5 M)	
US Treasury bills:										
21 months	-	10,000,000	-	203,420,000	-	0.13%	-		AAA	
24 months	-	5,000,000	-	101,710,000	-	0.25%	-		AAA	
31 months	-	5,000,000	-	101,710,000	-	2.50%	-		AAA	
36 months	-	12,500,000	-	254,275,000	-	1.44%	-		AAA	
Government bonds:										
6 months	-	5,000,000	-	101,710,000	-	2.00%	-		RD	
12 months	203,445,880	16,077,396	-	530,492,261	9.00%	1.81%	-	RD	RD	
Total bonds	**203,445,880**	**57,477,396**	**-**	**1,372,651,061**						

	2020									
MATURITIES	**Face value**				**Average interest rate**			**Credit rating**		
	SRD	USD	EUR	Total in SRD	SRD	USD	EUR	SRD	USD	EUR
Corporate bonds:										
29 months	-	2,000,000	-	45,052,210	-	3.63%	-		A1 (1.5 M) A2 (0.5 M) A2 (0.5 M)	
35 months	-	300,000	-	6,757,831	-	2.50%	-		A1	
36 months	-	3,400,000	-	76,588,757	-	2.63%	-		AAA (1.3 M) AA1 (2.3 M) A2 (0.5 M) A3 (0.5 M)	
38 months	-	2,000,000	-	45,052,210	-	2.03%	-		A1 (1.0 M) A2 (1.0 M)	
49 months	-	750,000	-	16,894,579	-	1.85%	-		A1	
60 months	-	100,000	-	2,252,610	-	1.88%	-		AA2	
US Treasury bills:										
Zero coupons	-	30,000,000	-	675,783,150	-	n/a	-		AAA	
6 months	-	5,000,000	-	112,630,525	-	2.63%	-		AAA	
25 months	-	2,500,000	-	56,315,262	-	2.25%	-		AAA	
28 months	-	2,500,000	-	56,315,262	-	2.63%	-		AAA	
32 months	-	2,500,000	-	56,315,262	-	2.88%	-		AAA	
Government bonds:										
6 months	-	5,000,000	-	112,630,525	-	4.50%	-		C	
12 months	322,245,676	10,048,343	-	548,595,706	9.00%	2.00%	-	C	C	
24 months	-	6,000,000	-	135,156,630	-	2.00%	-		C	
Total bonds	**322,245,676**	**72,098,343**	**-**	**1,946,340,520**						

The overall mandatory reserves are disclosed in note 17.

20 AMOUNTS DUE FROM BANKS

Amounts due from banks and loans and advances to customers are held at amortised cost. Reference is made to note 3 Accounting policies in the consolidated financial statements and to note 6.4.1 the Credit Risk Management section (Accounting policy for measuring allowances for credit losses).

Shown in SRD	December 31, 2021	December 31, 2020
Interest-bearing deposits	162,736,000	502,258,383
Current accounts	1,248,666,137	1,187,096,035
Mandatory reserve nostro accounts	182,483,375	510,402,569
Mandatory reserve deposits at the Central Bank of Suriname[1]	2,420,807,970	2,384,509,878
Loans and advances	268,007,482	-
Other	9,887,124	11,374,958
Total amounts due from banks	**4,292,588,088**	**4,595,641,823**

[1]*The mandatory reserve deposits at the Central Bank of Suriname are specified in note 17.*

Amounts due from banks decreased by SRD 303,053,735 to SRD 4,292,588,088 at December 31 2021. This decrease is due to matured deposits, lower balances on mandatary reserve nostro accounts and the impact of hyperinflation, partially offset by the depreciation of the SRD and higher balances on current accounts and loans and advances.

The following tables show the change overview of the Interest-bearing deposits.

	2021		
Shown in SRD	Local banks	Foreign banks	Total deposits
Balance as at 1 January	**322,049,544**	**180,208,839**	**502,258,383**
Monetary effect	(121,638,044)	(68,064,839)	(189,702,883)
Investments	-	-	-
Divestments	(200,411,500)	-	(200,411,500)
Foreign exchange differences	-	50,592,000	50,592,000
Balance as at 31 December	**-**	**162,736,000**	**162,736,000**

	2020		
Shown in SRD	Local banks	Foreign banks	Total deposits
Balance as at 1 January	**171,878,456**	**59,424,694**	**231,303,150**
Investments	-	127,003,009	127,003,009
Divestments	(6,628,633)	(59,424,694)	(66,053,327)
Foreign exchange differences	156,799,721	53,205,830	210,005,551
Balance as at 31 December	**322,049,544**	**180,208,839**	**502,258,383**

The maturities, principal amount and average interest rates of the interest-bearing deposits are disclosed in the tables below.

The maturities, principal amount and average interest rates of the interest-bearing deposits are disclosed in the tables below.

	2021						
MATURITIES TIME DEPOSITS	**Principal amount**				**Average interest rate**		
	SRD	USD	EUR	Total in SRD	SRD	USD	EUR
12 months	-	3,000,000	-	61,026,000	-	0.20%	-
Revolving credit	-	5,000,000	-	101,710,000	-	N/A	-
Total deposits	**-**	**8,000,000**	**-**	**162,736,000**			

	2020						
MATURITIES TIME DEPOSITS	**Principal amount**				**Average interest rate**		
	SRD	USD	EUR	Total in SRD	SRD	USD	EUR
3 months	-	-	3,500,000	96,788,493		-	4.00%
8 months	-	10,000,000	-	225,261,050	-	4.00%	-
12 months	-	3,000,000	-	67,578,315	-	0.24%	-
Revolving credit	-	5,000,000	-	112,630,525	-	N/A	-
Total deposits	**-**	**18,000,000**	**3,500,000**	**502,258,383**			

The decrease in the interest-bearing deposits is mainly due to matured deposits that were converted into loans and the impact of hyperinflation.

The mandatory reserve nostro accounts are specified in the following table.

Shown in SRD	December 31, 2021	December 31, 2020
USD mandatory reserve nostro account	128,424,801	459,831,754
EUR mandatory reserve nostro account	54,058,574	50,570,815
Total mandatory reserve nostro account	**182,483,375**	**510,402,569**

The decrease in the mandatory reserve nostro accounts at December 31, 2021, is due to a lower balance on the USD mandatory reserve nostro account and a decrease caused by the impact of hyperinflation, partially offset by the depreciation of the SRD.

21 LOANS, BONDS, AND ADVANCES TO CUSTOMERS

Loans and advances to customers

Loans and advances where the contractual cash flows are solely payments of principal and interest (SPPI) are measured at amortised cost, i.e., fair value at initial recognition, adjusted for repayment and amortisation of coupon, fees and expenses to represent the effective interest rate of the asset. Loans and advances that do not pass the SPPI test are measured at fair value through profit or loss.

Bonds

An investment is measured at amortised cost less any impairment losses if it is held as part of a portfolio with an underlying business model to collect contractual cash flows until maturity (hold to collect (HTC)). The cash flows of the investment shall solely consist of interest payments and principal repayments (Solely Payments of Principal and Interest, or SPPI).

Shown in SRD	December 31, 2021	December 31, 2020
Residential mortgages, gross	157,290,165	256,514,157
Less: loan impairment allowances	848,512	1,801,782
Residential mortgages	**156,441,653**	**254,712,375**
Consumer loans, gross	76,875,549	129,418,742
Less: loan impairment allowances	2,887,942	7,206,080
Consumer loans	**73,987,607**	**122,212,662**
Corporate loans, gross	2,769,549,645	3,628,598,753
Less: loan impairment allowances	138,864,178	186,006,787
Corporate loans	**2,630,685,467**	**3,442,591,966**
Government loans	538,798,450	841,732,510
Bonds	51,893,289	57,465,032
Other loans	38,943,629	55,688,910
Other advances	128,540,410	188,250,774
Other loans, bonds and advances to customers, gross	758,175,778	1,143,137,226
Less: loan impairment allowances	80,967,897	89,193,819
Other loans, bonds and advances to customers	**677,207,881**	**1,053,943,407**
Loans, bonds and advances at amortised cost	3,307,893,348	4,496,535,373
Total Loans, bonds and advances to customers	**3,538,322,608**	**4,873,460,410**

Total Loans, bonds and advances to customers decreased by SRD 1,335,137,802 to SRD 3,538,322,608 in 2021 due to the impact of hyperinflation, partially offset by a significant increase in corporate loans SRD and due to the depreciation of the SRD.

Furthermore, the decrease in government loans, bonds, other loans and advances to customers is mainly due to a decrease in the impact of hyperinflation, partially offset by the depreciation of the SRD.

In 2021 residential mortgages and consumer loans decreased due to the impact of hyperinflation and lower demand of mortgages and personal loans, such as car loans, as a result of higher prices in the local currency due to the depreciation of the SRD.

22 BANK STRUCTURE

Subsidiaries

Hakrin Bank's subsidiaries are those entities which it directly or indirectly controls. Control over an entity is evidenced by Hakrin Bank's ability to exercise its power to affect the variable returns to which it is exposed to through its involvement in the entity. The existence and effect of voting rights are considered when assessing whether control exists. The assessment of control is based on consideration of all facts and circumstances. The bank reassesses whether it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control (power, exposure to variability in returns, and a link between the two). The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Associates

Associates are those entities in which Hakrin Bank has significant influence on, but no control or joint control over, the operating and financial policies. A significant influence is generally presumed when Hakrin Bank holds between 20% and 50% of the shares.

Investments in associates, including strategic investments, are accounted for using the equity method or at fair value.

Under the equity method the investment is initially recorded at cost and subsequently increased (or decreased) for post-acquisition net income (or loss), other movements impacting on the equity of the investee and any adjustments required for impairment. Hakrin Bank's share of the profit or loss of the investee is recognised in Share of result in equity accounted investments. If Hakrin Bank's share of losses exceeds the carrying amount of the investment, the carrying amount is reduced to zero, including any other unsecured receivables, and recognition of further losses is discontinued except if Hakrin Bank has incurred obligations or made payments on behalf of the investee. The investment in BNETS is valued using the equity method.

Under the fair value method the investment is initially recorded at cost and subsequently, at each reporting date, re-measured at fair value. Fair value measurements are determined based on quoted market prices in active markets, if available. If quoted market prices are not available, fair value is estimated using appropriate valuation techniques, such as discounted cash flow method or recent transaction prices of similar instruments, as applicable. Any changes in the fair value of the investments in associates are recognised in the statement of profit and loss. The investment in DSB is valued using the fair value method.

Composition of Hakrin Bank

The following table provides an overview of the investments in subsidiaries and associates.

	2021		2020	
	Carrying amount	Equity interest	Carrying amount	Equity interest
Subsidiaries:				
Nationale Trust- en Financierings Maatschappij N.V.	53,875,899	100%	75,436,509	100%
Hakrin Bank Real Estate N.V.	5,659,055	100%	3,272,366	100%
Associates:				
Banking Network Suriname N.V.	3,283,008	25.00%	5,275,600	25.00%
De Surinaamsche Bank N.V.	60,982,730	17.96%	97,995,675	17.96%
Total Investments in associates	**64,265,738**		**103,271,275**	

Impairments on equity accounted investments

There are no changes in impairments on equity accounted investments in 2021 and 2020.

23 PROPERTY AND EQUIPMENT

Shown in SRD	December 31, 2021	December 31, 2020
Land and buildings	390,878,805	390,986,057
IT Hard- software	100,937,129	64,035,343
Other Equipment	17,147,976	19,966,792
Work in Progress	104,762,212	88,364,252
Right of Use	6,735,529	5,631,152
Total property and equipment	**620,461,651**	**568,983,596**

Total property and equipment increased by SRD 51,478,055 to SRD 620,461,651 at December 31, 2021. This increase is mainly due to additions in work in progress and the impact of hyperinflation.

In the amount of IT hard- and software SRD 78,415,319 relates to software (2020: SRD 43,865,681)

	2021					
Shown in SRD	Land and buildings	IT Hard- software	Other Equipment	Work in Progress	Right of Use	Total
Cost or Valuation						
At 1 January 2021	412,508,685	123,010,289	67,992,272	88,364,252	5,631,152	697,506,650
Investments	2,410,351	26,071,356	4,162,430	52,026,601	1,104,377	85,775,115
Capitalization from WIP	6,661,130	28,494,022	398,089	(35,553,241)	-	-
Expense to Income Statement	-	-	-	(75,400)	-	(75,400)
At 31 December 2021	**421,580,166**	**177,575,667**	**72,552,791**	**104,762,212**	**6,735,529**	**783,206,365**
Depreciation and impairment						
At 1 January 2021	(21,522,628)	(58,974,946)	(48,025,480)	-	-	(128,523,054)
Depreciation charge for the year	(9,178,733)	(17,663,592)	(7,379,335)	-	-	(34,221,660)
At 31 December 2021	**(30,701,361)**	**(76,638,538)**	**(55,404,815)**	**-**	**-**	**(162,744,714)**
Carrying Value At 31 December 2021	**390,878,805**	**100,937,129**	**17,147,976**	**104,762,212**	**6,735,529**	**620,461,651**

	2020					
Shown in SRD	Land and buildings	IT Hard- software	Other Equipment	Work in Progress	Right of Use	Total
Cost or Valuation						
At 1 January 2020	399,649,286	78,736,093	65,341,994	96,187,213	10,888,378	650,802,964
Investments	1,446,684	11,224,718	1,483,579	64,681,128	-	78,836,109
Capitalization from WIP	13,733,104	33,049,478	1,166,699	(47,949,281)	-	-
Expense to Income Statement	-	-	-	(12,598,978)	-	(12,598,978)
Disposals/Divestments	(2,320,389)	-	-	(11,955,830)	(5,257,226)	(19,533,445)
At 31 December 2020	**412,508,685**	**123,010,289**	**67,992,272**	**88,364,252**	**5,631,152**	**697,506,650**
Depreciation and impairment						
At 1 January 2020	(10,668,444)	(43,421,238)	(39,694,464)	-	-	(93,784,146)
Depreciation charge for the year	**(10,854,184)**	**(15,553,708)**	**(8,331,016)**	**-**	**-**	**(34,738,908)**
At 31 December 2020	**(21,522,628)**	**(58,974,946)**	**(48,025,480)**	**-**	**-**	**(128,523,054)**
Carrying Value At 31 December 2020	**390,986,057**	**64,035,343**	**19.966,792**	**88,364,252**	**5,631,152**	**568,983,596**

Leases

Right of use assets includes SRD 6.7 million related to leases of ATM locations and buildings. The ATM locations support the operations of ATM's. The remaining buildings that Hakrin Bank leases are used as temporary office space and for document archiving purposes.

24 INVESTMENT PROPERTIES

The Investerings Maatschappij Suriname N.V. (IMS) and the Hakrin Bank Real Estate N.V. (HRE) have decided to jointly develop a real estate project. This project regards the purchase and re-sale of sixty building plots, located in a residential area called Palm Village located in District Commewijne.

IMS and HRE have started a collaboration as partners for an undetermined time, specifically for executing a real estate project, called Palm Island, in the District of Commewijne. This collaboration entails in the first place mutual acquisition, marketing and sales activities pertaining to the above-mentioned building plots.

All the building plots of Palm Village are set up in foundations. In accordance with the IFRS 11, foundations can be classified as joint operation:

- If the output of the foundation is fully absorbed by the partners.
- If through additional (legal) provisions the direct ownership of the assets can still be obtained.

Because both HRE and IMS have full and equal rights to the output of the foundations, the participation of HRE in Palm Village is therefore classified as a joint operation. Joint operations in the form of mutual activities and assets, are classified in accordance with IFRS as: direct recognition of assets and liabilities in the consolidated financial statements (practically comparable to proportional consolidation).

The participation of HRE in Palm Village is accounted for as "Investment Property", which relates to HRE's share in the building plots, based on an external Appraiser's report. The plots are valued in accordance with the fair value model of IAS 40 "Investment Property".

The building plots of Palm Village are based on the fair value parameters which are directly and indirectly observable in the market (level 2 fair value hierarchy). IFRS 13 requires extensive explanation for real estate investments recognised at fair market value. When an instrument is accounted for at fair value, its value needs to be appraised for each reporting period.

The loan which the Hakrin Bank N.V. has provided to HRE for financing its participation in the investment, is recorded by Hakrin Bank under the account "Equity accounted investments". The processing of this loan, which is granted on an arm's length basis, is referred to in IFRS 9. The Hakrin Bank's policy for clients' receivables is: Hold to collect and value on basis of amortised cost, determining the effective interest rate and amortisation of commission revenues.

Shown in SRD	December 31, 2021	December 31, 2020
Real estate investments	19,917,776	20,928,786
Total Investment properties	**19,917,776**	**20,928,786**

25 OTHER ASSETS

Shown in SRD	December 31, 2021	December 31, 2020
Accrued other income	61,226,881	49,568,561
Prepaid expenses	28,058,829	15,127,350
FX trading and other receivables	8,421,815	56,023,697
Other	7,299,502	7,250,649
Total other assets	**105,007,027**	**127,970,257**

Other assets decreased with SRD 22,963,230 to SRD 105,007,027 at December 31, 2021. This decrease resulted from a decrease in FX trading and other receivables of SRD 47,601,882, partially offset by an increase in accrued other income of SRD 11,658,320, and an increase in prepaid expenses of SRD 12,931,479.

The increase in accrued other income is due to higher interest income from government loans and government treasury bills. The increase in prepaid expenses is the result of higher prepayments of IT costs and housing, and also due to the depreciation of the SRD. The decrease in FX-trading and other receivables is mainly due to a long position in the FX trading in 2021 compared to a short position in 2020, and also due to a decrease caused by the impact of hyperinflation.

26 AMOUNTS DUE TO BANKS

Amounts due to banks are held at amortised cost. That is, at fair value upon initial recognition, adjusted for repayment and amortisation of coupon, fees and expenses to represent the effective interest rate of the instrument.

Shown in SRD	December 31, 2021	December 31, 2020
Current accounts	251,515,901	412,441,356
Demand deposits	1,131,350	8,212,311
Time deposits	5,285,556	33,408,251
Other	329,024	344,439
Total amounts due to banks	**258,261,831**	**454,406,357**

Amounts due to banks decreased with SRD 196,144,526 to SRD 258,261,831 at December 31, 2021, mainly due to a decrease in current accounts (SRD 160,925,455), time deposits (SRD 28,122,695) and demand deposits (SRD 7,080,961), as well as a decrease caused by the impact of hyperinflation.

The decrease in current accounts is mainly due to periodic balances in currents accounts with credit institutions. The decrease in time deposits is mainly due to matured deposits with local banks that were not renewed. The decrease in demand deposits is mainly due to lower balances in demand accounts.

27 DUE TO CUSTOMERS

Amounts due to customers are held at amortised cost. That is, at fair value upon initial recognition, adjusted for repayment and amortisation of coupon, fees and expenses to represent the effective interest rate of the instrument. All balances are disclosed separately on the face of the consolidated statement of financial position.

Shown in SRD	December 31, 2021	December 31, 2020
Current accounts	4,587,916,021	5,289,877,274
Demand deposits	2,809,207,049	2,941,335,100
Time deposits	2,671,155,831	2,891,213,083
Other due to customers	231,663,454	470,376,410
Total due to customers	**10,299,942,355**	**11,592,801,867**

Due to customers decreased with SRD 1,292,859,512 to SRD 10,299,942,355 at December 31, 2021, mainly as a result of lower balances on customer accounts (current, demand and time deposits) and due to a decrease caused by the impact of hyperinflation, partially offset by the depreciation of the SRD.

28 SUBORDINATED LIABILITIES

Subordinated liabilities are recorded at amortised cost using the effective interest rate method. Hakrin Bank applies IAS 32 Financial Instruments: Presentation to determine whether funding is a financial liability or equity. Issued financial instruments or their components are classified as financial liabilities where the substance of the contractual arrangement results in Hakrin Bank having a present obligation to deliver either cash or another financial asset or to satisfy the obligation other than by the exchange of a fixed number of equity shares. Issued liabilities qualify as subordinated debt if claims by the holders are subordinated to all other current and future liabilities of Hakrin Bank and its subsidiaries.

The subordinated liabilities of Hakrin Bank are financial liabilities that rank lower in priority for repayment compared to other liabilities in the event of liquidation.

The following table shows the outstanding subordinated liabilities.

Shown in SRD	December 31, 2021	December 31, 2020
Subordinated liabilities	91,556,555	101,386,913

Shown in SRD	2021 Carrying amount	2020 Carrying amount
Balance as at 1 January	**101,386,913**	**-**
Monetary effect	**(38,293,815)**	**-**
Cash Flows		
Issuance	-	69,443,974
Redemption	-	-
Non-cash changes		
Foreign exchange differences	28,458,000	31,923,498
Other	5,457	19,441
Balance as at 31 December	**91,556,555**	**101,386,913**

The terms of the subordinated loans are 10 years with an average interest rate of 7% per year. The interest payment is made semi-annually. In the first five years, only interest will be paid. At the end of the first five-year period, 10% of the principal amount will be paid on every semi-annual interest payment.

The subordinated loans (USD 4.5 million) are intended to strengthen the Tier 2 capital of Hakrin Bank.
Subordinated loans decreased by SRD 9,830,358 to SRD 91,556,555 at December 31, 2021. This decrease was mainly due to the impact of hyperinflation. No subordinated loans were issued in 2021.

29 RELATED PARTIES

Parties related to Hakrin Bank N.V. include shareholders with more than 5% shares, subsidiaries, associates, key management (the Executive Board and senior management), the Supervisory Board and others (Hakrin Bank Pension Fund and Hakrin Bank Provision Fund). As part of its business operations, Hakrin Bank N.V. frequently enters transactions with related parties. Loans and advances to the Supervisory Board, the Executive Board, and senior managers consist mainly of residential mortgages granted under standard personnel conditions.

Amounts owed to related parties cover all deposits (current accounts, savings accounts and term deposits) of the related parties. Reference is made to note 27 of the consolidated financial statements. Amounts owed by related parties cover all loans provided to the related parties. Reference is made to note 21 of the consolidated financial statements.

The interest income and expense amounts related to amounts owed to related parties and amounts owed by related parties are included in note 8 of the consolidated financial statements.
The following table shows the total amount owed to and of transactions owed by the related parties of Hakrin Bank as at 31 December 2021:

	2021			
Shown in SRD	Amount owed by	Amount owed to	Interest received from	Interest paid to
Shareholders	1,182,302,999	235,773,247	236,021	4,728,688
Subsidiaries	185,913,443	-	19,640,220	-
Associates	12,431,898	5,613,191	397,985	-
Key management	2,041,464	2,034,480	181,133	10,176
Supervisory Board	-	-	-	-
Other	-	199,100,046	-	11,259,983

	2020			
Shown in SRD	Amount owed by	Amount owed to	Interest received from	Interest paid to
Shareholders	1,750,384,040	291,903,020	1,301,497	3,170,506
Subsidiaries	315,562,949	6,313,093	36,930,795	-
Associates	113,189,380	1,764,848	52,554	8
Key management	3,692,035	4,431,911	281,558	5,386
Supervisory Board	-	-	-	-
Other	-	210,191,027	-	8,825,067

Shareholders
The following shareholders owns more than 5% shares in Hakrin Bank N.V.:
- Assuria Beleggingsmaatschappij N.V.: 10.00%
- Fatum schadeverzekering N.V.: 7.50%
- The Government of Suriname: 34.51%. No dividend was paid to shareholders in 2020 by Hakrin Bank N.V.

Subsidiaries
The 100% subsidiaries, the Nationale Trust en Financierings Maatschappij N.V. (NTFM), main activities are asset management and investment advice. Hakrin Bank N.V. provides funds to NTFM for mortgage loans to staff and other personal clients based on their income (e.g. 7% cash reserve mortgage loans). The interest rate charged to these customers is usually below the market rate except the 7% cash reserve mortgage loans, which is provided by the other banks in Suriname as well. Hakrin Bank Real Estate N.V. (HRE), a 100% subsidiary of Hakrin Bank N.V. operates in buying, selling and/or exploitation of real estate.

Associates
Hakrin Bank N.V. has 25% investment in Banking Network Suriname N.V. (BNETS). Loans granted to this associate are intended for investment purposes in hardware. Over the financial year 2020 a dividend of SRD 80,952 was received from BNETS to Hakrin Bank N.V. also owns 17.96% in DSB.

Key Management
At December 31, 2021 key management consists of Rafiek Sheorajpanday (CEO), Magalie Loswijk-Keerveld (CFO), and the senior managers Rainel Sitaram, Ruffinus Rusland and Ronny Mangala.

Supervisory Board
At December 31, 2021 the Supervisory Board consisted of Humpry Shurman, Imani van Klaveren, Manoj Parsan, Gerry Liauw Kie Fa and Steven Debipersad.

In both 2021 and 2020 Hakrin Bank N.V. did not owe amounts to the Supervisory Board. Also the Supervisory Board did not owe amounts to the Hakrin Bank N.V.

30 NET EMPLOYEE DEFINED BENEFIT LIABILITIES

The valuations are based on the methodologies prescribed in IAS 19 to determine:
net defined contribution liability (asset), the remeasurements and the service cost and net interest on the net defined liability of the following plans:

- The medical plan for retirees.
- The gratuity plan for retirees.
- The supplementary pension arrangement for retirees
- The funeral grant plan for retirees
- The gratuity plan at retirement
- The jubilee benefit plan for employees

Defined contribution pension plan
The Hakrin Bank has a defined contribution pension plan. Actuarial and investment risk are on account of the participants in the plan. In 2014 the General Pension Law (WAP 2014) came into effect which obliged employers to implement a defined benefit pension plan. Actual practice showed different interpretations which gave rise to significant differences in pension entitlements to be granted under the plan. Based on the WAP 2014, different interpretations of pension base and indexation are possible. The practical implementation of the WAP2014 is not in compliance with the Law, because indexation has not taken place at least once every three years.

In 2016, the government publicly announced an evaluation of the WAP 2014 and in April 2018, a committee was appointed to evaluate the WAP 2014. However, the committee's findings have not been made public and no further measures appear to have been taken. Due to the lack of clarity and ambiguity and because of the specific circumstances, it could be argued that the Hakrin Bank may have a potential obligation or a financial exposure because of the enactment of the WAP 2014, but that this obligation or exposure cannot be reasonably quantified or estimated.

Post-employment benefits and jubilee benefits
Hakrin Bank provides post-employment benefits to all Hakrin Bank retirees. Entitlement to these benefits is usually conditional on the employee remaining in service up to their retirement date and the completion of a minimum service period. Post-employment benefits and jubilee benefit plan for employee are amounts recognised in the income statement for post-retirement benefits and other employee benefits.

	2021			2020		
Shown in SRD	Post-employment benefit	Other employee benefits	Total	Post-employment benefit	Other employee benefits	Total
Current service cost	2,961,752	914,815	3,876,567	3,027,417	1,113,512	4,140,929
Interest cost	5,035,027	795,718	5,830,745	5,373,420	990,647	6,364,068
Benefits	(2,723,274)	(1,054,334)	(3,777,608)	(3,415,604)	(877,589)	(4,293,193)
Total	**5,273,505**	**656,199**	**5,929,704**	**4,985,233**	**1,226,570**	**6,211,804**

Total post-employment benefit and other employee benefit expenses decreased with SRD 282,100 to SRD 5,929,704 in 2021 (2020: SRD 6,211,804), mainly due to an decrease in current service cost and interest cost.

Change in defined benefit obligation

Reconciliation of present value of defined benefit obligation 2021

Shown in SRD	Medical plan for retirees	Gratuity plan for retirees	Suppl. Pension for retirees	Funeral grant plan for retirees	Gratuity at retirement	**Total post-employment benefits**	Other employee benefits	**Total**
Defined benefit obligation as at Dec. 31, 2020	78,832,789	19,200,887	437,198	4,267,583	7,079,554	**109,818,011**	17,851,867	**127,669,878**
Monetary effect	(29,775,129)	(7,252,171)	(165,129)	(1,611,865)	(2,673,945)	**(41,478,239)**	(6,742,646)	**(48,220,885)**
Current service cost	2,079,427	506,480	-	76,456	299,389	**2,961,752**	914,815	**3,876,567**
Interest cost	3,619,061	877,377	17,722	196,025	324,841	**5,035,026**	795,718	**5,830,744**
Benefits	(1,789,940)	(572,228)	(68,273)	(107,128)	(185,705)	**(2,723,274)**	(1,054,334)	**(3,777,608)**
Remeasurements (actuarial gains/losses)	3,128,219	1,652,618	(179,919)	959,699	978,657	**6,539,274**	2,327,292	**8,866,566**
Defined contribution obligation as at 31 December 2021	**56,094,427**	**14,412,963**	**41,599**	**3,780,770**	**5,822,791**	**80,152,550**	**14,092,712**	**94,245,262**

Reconciliation of present value of defined benefit obligation 2020

Shown in SRD	Medical plan for retirees	Gratuity plan for retirees	Suppl. Pension for retirees	Funeral grant plan for retirees	Gratuity at retirement	**Total post-employment benefits**	Other employee benefits	**Total**
Defined benefit obligation as at Dec. 31, 2019	47,804,396	16,320,422	462,203	3,071,840	5,515,174	**73,174,035**	13,629,515	**86,803,550**
Current service cost	1,963,175	610,877	-	88,747	364,618	**3,027,417**	1,113,512	**4,140,929**
Interest cost	3,518,990	1,195,087	30,358	226,821	402,164	**5,373,420**	990,647	**6,364,067**
Benefits	(2,022,442)	(845,174)	(116,992)	(47,413)	(383,583)	**(3,415,604)**	(877,589)	**(4,293,193)**
Remeasurements (actuarial gains/losses)	27,568,670	1,919,675	61,629	927,588	1,181,181	**31,658,742**	2,995,782	**34,654,525**
Defined contribution obligation as at 31 December 2020	**78,832,789**	**19,200,887**	**437,198**	**4,267,583**	**7,079,554**	**109,818,011**	**17,851,867**	**127,669,878**

31 OTHER LIABILITIES

Shown in SRD	**2021**	2020
Accrued other expenses	72,794,059	31,860,685
Lease liabilities	3,284,471	3,503,285
Sundry liabilities and other payables	70,583,825	46,528,437
Total other liabilities	**146,662,355**	**81,892,407**

Other liabilities increased with SRD 64,769,948 to SRD 146,662,355 at December 31, 2021, mainly due to increases in accrued other expenses and sundry liabilities and other payables.

The increase in accrued other expenses is mainly due to higher costs in personnel expenses, agency staff, contractors and consultancy costs, information technology costs and housing. The increase in sundry liabilities and other payables is primarily caused by the depreciation of the SRD and also due to the long position of FX trading in 2021, compared to a short position in 2020. These increases were partly offset by the impact of hyperinflation.

32 EQUITY

Share capital
The Company has one class of ordinary shares which carry no right to fixed income.

Share premium
Share premium is calculated using proceeds from issued shares minus the par value.

Other reserves
Under IFRS 9, the fair value reserve includes the gains and losses, net of tax, resulting from a change in the fair value of debt instruments measured at FVOCI. When the instruments are sold or otherwise disposed of the related cumulative gain or loss recognised in equity is recycled to the income statement.

Retained earnings
Retained earnings mainly comprise accumulated profits and profit for the period.

Dividends
Dividends on ordinary shares are recognised as a distribution of equity in the period in which they are approved by shareholders.

Capital securities
The subordinated loans are classified as Tier 2 capital.

The following table shows the outstanding and issued share capital of the Hakrin Bank at original nominal values.

	2021	2020
Number of shares	1,666,667	1,600,000
Authorized share capital	SRD 250,000	SRD 240,000
Number of unissued shares	893,669	957,480
Unissued share capital	SRD 134,050	SRD 143,622
Number of issued shares	772,998	642,520
Issued share capital	SRD 115,950	SRD 96,378
Par value	SRD 0.15	SRD 0.15

33 COMMITMENTS AND CONTINGENT LIABILITIES

Commitments
Loan commitments that allow for the draw-down of a loan within the timeframe generally established by regulation or convention in the marketplace are not recognised as derivative financial instruments. Acceptances comprise undertakings by Hakrin Bank to pay bills of exchange drawn on clients. Hakrin Bank expects most acceptances to be settled simultaneously with the reimbursement from clients. Acceptances are not recognised in the statement of financial position and are disclosed as commitments.

Financial guarantee contracts
A financial guarantee contract requires the issuer to make specified payments to reimburse the holder for a loss it incurs if a specified debtor fails to make payment when due under the original or modified terms of a debt instrument. Initial recognition of financial guaranteed contracts is at their fair value. The subsequent measurement is at the higher of the amount of the expected credit loss and the amount initially recognised less, when appropriate, the cumulative amount of income recognised in the income statement.

Contingencies
Contingent liabilities are possible obligations whose existence will be confirmed only by uncertain future events, and present obligations where the transfer of economic resources is uncertain or cannot be reliably measured.

Committed credit facilities
Commitments to provide credit take the form of approved but undrawn loans, revolving and underwriting facilities. New loan offers have a commitment period that does not extend beyond the normal underwriting and settlement period.

Guarantees and other commitments

Hakrin Bank provides financial guarantees and letters of credit to guarantee the performance of customers to third parties. These transactions have fixed limits and generally extend for periods of up to 5 years. Expirations are not concentrated in any period. Hakrin Bank also provides guarantees by acting as a settlement agent in securities borrowing and lending transactions.

Many of the contingent liabilities and commitments are expected to expire without being paid out in whole or in part. This means that the amounts stated do not represent expected future cash flows. Additionally, guarantees and letters of credit are supported by varying levels of collateral.

The committed credit facilities, guarantees and other commitments are summarized in the following table. The amounts stated in the table for commitments assume that amounts are fully paid out. The amounts shown in the table for guarantees and letters of credit represent the maximum amount Hakrin Bank is exposed to if the contract parties completely fail to perform as contracted.

	Payments due by period				
	Less than one year	Between one and three years	Between three and five years	After five years	**Total**
2021					
Guarantees granted	11,555,525	39,961,304	4,034,785	29,990,949	85,542,563
Irrevocable letters of credit	-	-	-	-	-
Total	**11,555,525**	**39,961,304**	**4,034,785**	**29,990,949**	**85,542,563**

	Payments due by period				
	Less than one year	Between one and three years	Between three and five years	After five years	**Total**
2020					
Guarantees granted	11,014,317	109,081,427	4,148,544	41,137,467	165,381,755
Irrevocable letters of credit	2,956,118	-	-	-	2,956,118
Total	**13,970,435**	**109,081,427**	**4,148,544**	**41,137,467**	**168,337,873**

The decrease in guarantees granted by SRD 79,839,192 to SRD 85,542,563 in 2021 was mainly related to lower credit lines granted to commercial clients. There are no guarantees granted other commitments at December 31, 2021 due to the settlement of the letters of credit.

Individual or class action complaints and litigation

A few proceedings and claims have been initiated against Hakrin Bank. For none of these proceedings and claims provisions have been made by the Hakrin Bank. There can be no assurance that additional proceedings will not be brought or that amounts demanded in claims brought to date will not rise. Current proceedings are pending and their outcome, as well as the outcome of any threatened proceedings, is uncertain, as is the timing of reaching any finality on these legal claims and proceedings. Although the consequences could potentially affect Hakrin Bank's reputation and results of operations, it is not possible to reliably estimate or quantify Hakrin Bank's exposure at balance sheet date. Our lawyers do not expect these legal claims and proceedings to be successful.

34 MATURITY ANALYSIS OF ASSETS AND LIABILITIES

The table below shows an analysis of assets and liabilities presented according to when they are expected to be recovered or settled.

As at 31 December 2021 Shown in SRD	Within 12 months	After 12 months	Total
ASSETS			
Cash and cash equivalents	1,774,632,578	-	1,774,632,578
Derivatives financial instruments	-	-	-
Financial investments at fair value through P&L	162,736,000	-	162,736,000
Debt instruments at fair value through OCI	1,306,742,928	-	1,306,742,928
Amounts due from banks	4,024,580,606	268,007,482	4,292,588,088
Residential mortgages	46,499,140	109,942,513	156,441,653
Consumer loans	41,293,028	32,694,579	73,987,607
Loans, bonds and advances at amortised cost	605,208,289	2,702,685,059	3,307,893,348
Investments in associates	-	64,265,738	64,265,738
Property and equipment	-	620,461,651	620,461,651
Investment properties	-	19,917,776	19,917,776
Tax assets	40,571,556	-	40,571,556
Other assets	105,007,027	-	105,007,027
TOTAL ASSETS	**8,107,271,152**	**3,817,974,798**	**11,925,245,950**
LIABILITIES			
Derivatives financial instruments	80,010,348	-	80,010,348
Amounts due to banks	258,261,831	-	258,261,831
Current accounts	4,587,916,021	-	4,587,916,021
Demand deposits	2,809,207,049	-	2,809,207,049
Time deposits	1,035,576,105	1,635,579,726	2,671,155,831
Other due to customers	231,663,454	-	231,663,454
Subordinated liabilities	-	91,556,555	91,556,555
Net employee defined benefit liabilities	-	94,245,262	94,245,262
Tax liabilities	20,030,201	158,962,690	178,992,891
Other liabilities	146,662,355	-	146,662,355
TOTAL LIABILITIES	**9,169,327,364**	**1,980,344,233**	**11,149,671,597**
NET	**(1,062,056,212)**	**1,837,630,565**	**775,574,353**

As at 31 December 2020 Shown in SRD	Within 12 months	After 12 months	Total
ASSETS			
Cash and cash equivalents	1,070,645,217	-	1,070,645,217
Derivatives financial instruments	-	-	-
Financial investments at fair value through P&L	112,630,525	-	112,630,525
Debt instruments at fair value through OCI	1,968,790,326	-	1,968,790,326
Amounts due from banks	4,595,641,823	-	4,595,641,823
Residential mortgages	29,675,293	225,037,082	254,712,375
Consumer loans	30,909,316	91,303,347	122,212,663
Loans, bonds and advances at amortised cost	364,548,668	4,131,986,705	4,496,535,373
Investments in associates	-	103,271,275	103,271,275
Property and equipment	-	568,983,596	568,983,596
Investment properties	-	20,928,786	20,928,786
Tax assets	43,919,943	-	43,919,943
Other assets	127,970,257	-	127,970,257
TOTAL ASSETS	**8,344,731,368**	**5,141,510,791**	**13,486,242,159**
LIABILITIES			
Derivatives financial instruments	61,708,685	-	61,708,685
Amounts due to banks	454,406,357	-	454,406,357
Current accounts	5,289,877,274	-	5,289,877,274
Demand deposits	2,941,335,100	-	2,941,335,100
Time deposits	1,170,519,626	1,720,693,457	2,891,213,083
Other due to customers	470,376,410	-	470,376,410
Subordinated liabilities	-	101,386,913	101,386,913
Net employee defined benefit liabilities	-	127,669,878	127,669,878
Tax liabilities	20,218,352	145,990,467	166,208,819
Other liabilities	81,892,407	-	81,892,407
TOTAL LIABILITIES	**10,490,334,211**	**2,095,740,715**	**12,586,074,926**
NET	**(2,145,602,843)**	**3,045,770,076**	**900,167,233**

35 CAPITAL MANAGEMENT

The Hakrin Bank maintains an actively managed capital base to cover risks inherent in the business and is meeting the capital adequacy requirements of the local banking supervisor, Central Bank of Suriname. The adequacy of the Harkin Bank's capital is monitored using, among other measures, the rules and ratios established by the Basel Committee on Banking Supervision (solvency rules/ratios) and adopted by the Central Bank of Suriname in supervising the Hakrin Bank.
The Hakrin Bank has complied in full with all its externally imposed capital requirements over the reported period.

36 ADDITIONAL CASH FLOW INFORMATION

Change in operating assets

Shown in SRD	**2021**	2020
Net change in derivative assets	-	905,956
Net change in financial instruments at fair value through P&L	(50,105,475)	212,133,302
Net change in debt instruments at fair value through OCI	598,018,701	(391,818,843)
Net change in amounts due from banks	303,053,735	(23,860,208)
Net change in residential mortgages	96,993,189	150,569,771
Net change in consumer loans	49,605,965	164,953,582
Net change in loans, bonds and advances at amortised cost	1,150,176,501	358,580,406
Net change in other assets	22,963,230	20,320,045
Total change in operating assets	**2,170,705,846**	**491,784,011**

Change in operating liabilities

Shown in SRD	**2021**	2020
Net change in derivative liabilities	18,301,663	61,708,685
Net change in amounts due to banks	(196,144,526)	(866,991,386)
Net change in current accounts	(701,961,253)	531,530,099
Net change in demand deposits	(132,128,051)	180,760,165
Net change in time deposits	(220,057,252)	(314,428,685)
Net change in other due to customers	(238,712,956)	234,685,427
Net change in due to related parties	-	(263,212,124)
Net change in net defined benefit liability	(54,203,021)	(59,276,343)
Net change in other liabilities	64,769,948	6,195,928
Total change in operating liabilities	**(1,460,135,448)**	**(489,028,234)**

Other non-cash items included in profit before tax

Shown in SRD	**2021**	2020
Depreciation	34,221,660	34,738,908
Defined benefit liability p&l charges	11,911,839	12,764,375
Impairment charges on financial instruments	75,192,420	62,070,448
Our share investment in associates	39,005,537	62,136,059
Revaluation investment properties	1,011,010	-
Total other non-cash items included in profit before tax	**161,342,466**	**171,709,790**

37 EVENTS AFTER REPORTING DATE

There are no events after the reporting date that require disclosure in these financial statements.

COMPANY FINANCIAL STATEMENTS

COMPANY INCOME STATEMENT

Shown in SRD		2021	2020*
INCOME			
Interest income calculated using the effective interest method		481,069,103	573,832,140
Interest expense calculated using the effective interest method		193,322,324	226,005,028
Net interest income	2	**287,746,779**	**347,831,473**
Fee and commission income		162,880,422	407,531,194
Fee and commission expense		37,912,216	254,082,210
Net fee and commission income	3	**124,968,206**	**153,448,984**
Other operating income	4	57,133,347	64,150,564
Fair value losses Associates		(39,005,538)	(62,503,162)
Operating income		**430,842,794**	**502,927,859**
EXPENSES			
Personnel expenses	5	169,054,600	176,708,497
General and administrative expenses	6	172,632,468	135,712,687
Depreciation of tangible and intangible assets		34,221,660	34,738,908
Operating expenses		**375,908,728**	**347,160,092**
Impairment charges on financial instruments		75,295,796	67,016,148
Total expenses		**451,204,524**	**414,176,240**
Profit/(loss) before taxation and net monetary gains & (losses)		**(20,361,730)**	**88,751,619**
Net monetary gains & (losses)		(112,927,018)	(151,346,891)
Profit/(loss) before taxation		**(133,288,748)**	**(62,595,272)**
Income tax expense		32,201,184	89,137,008
Profit/(loss) for the period		**(165,489,932)**	**(151,732,280)**
Profit/(loss) Subsidiaries after taxation		(19,173,924)	(15,875,907)
Consolidated Profit/(Loss) for the period		**(184,663,856)**	**(167,608,187)**
Attributable to:			
Owners of the parent company	22	(184,663,856)	(167,608,187)
Earnings per share (in SRD)		**(239)**	**(261)**

**) Amounts at the beginning of the calendar year were adjusted for hyperinflation and prior year adjustments*

Paramaribo, July 26, 2024

Supervisory Board:		Executive Board:	
Sharmila Jadnanansing-Jairam	Chair	Rafiek Sheorajpanday	Chief Executive Officer
Patrick Peneux	Vice-Chair	Coenraad Valk	Chief Financial Officer
Humphry Schurman	Member	Peter Ng A Tham	Chief Commercial Officer
Hemwatie Ramadhin	Member		
Arun Bhagwandin	Member		
Jeffrey Braster	Member		
Manoj Parsan	Member		

COMPANY STATEMENT OF FINANCIAL POSITION

Shown in SRD		December 31, 2021	December 31, 2020*
ASSETS			
Cash and cash equivalents	8	1,774,632,578	1,070,645,217
Derivatives	9	-	-
Financial investments at fair value through P&L	10	162,736,000	112,630,525
Debt instruments at fair value through OCI	11	1,306,742,928	1,968,790,326
Amounts due from banks	12	4,292,588,088	4,595,641,823
Loans, bonds and advances at amortised cost	13	3,307,893,348	4,496,535,373
Equity accounted investments		301,705,242	482,611,924
Property and equipment	14	620,461,651	568,983,596
Tax assets	7	38,616,137	40,777,699
Other assets	15	99,100,459	124,159,347
TOTAL ASSETS		**11,904,476,431**	**13,460,775,830**
LIABILITIES			
Derivatives	9	80,010,348	61,708,685
Amounts due to banks	16	258,261,795	454,405,981
Current accounts	17	4,587,916,021	5,289,877,274
Demand deposits	17	2,809,203,893	2,941,330,226
Time deposits	17	2,671,155,831	2,891,213,083
Other due to customers	17	228,851,528	466,355,869
Subordinated liabilities	18	91,556,555	101,386,913
Net employee defined benefit liabilities	20	94,245,262	127,669,878
Tax liabilities	7	162,451,348	147,717,113
Other liabilities	21	145,249,497	78,943,575
TOTAL LIABILITIES		**11,128,902,078**	**12,560,608,597**
EQUITY			
Share capital		1,000,867	975,531
Share premium		354,986,363	284,073,641
Retained earnings		606,693,706	767,907,122
Other reserves		(2,442,727)	14,819,126
Profit/(loss) for the period		(184,663,856)	(167,608,187)
TOTAL EQUITY		**775,574,353**	**900,167,233**
TOTAL LIABILITIES AND EQUITY		**11,904,476,431**	**13,460,775,830**
Committed credit facilities	23	85,542,563	165,381,755
Guarantees and other commitments	23	-	2,956,118

**) Amounts at the beginning of the calendar year were adjusted for hyperinflation and prior year adjustments*

Paramaribo, July 26, 2024

Supervisory Board:

Sharmila Jadnanansing-Jairam	Chair
Patrick Peneux	Vice-Chair
Humphry Schurman	Member
Hemwatie Ramadhin	Member
Arun Bhagwandin	Member
Jeffrey Braster	Member
Manoj Parsan	Member

Executive Board:

Rafiek Sheorajpanday	Chief Executive Officer
Coenraad Valk	Chief Financial Officer
Peter Ng A Tham	Chief Commercial Officer

COMPANY STATEMENT OF CHANGES IN EQUITY

Shown in SRD	Share capital	Share premium	Retained earnings	Other Reserves	Profit/(loss) for the period	TOTAL EQUIT
As at 1 January 2020*	**78,450**	**53,079,163**	**174,646,868**	**116,860,997**	**(56,843,062)**	**287,822,416**
Adjustments prior year	-	(39,672,678)	244,646,278	(113,444,350)	315,286	91,844,536
Effect of hyperinflation	851,063	145,439,839	616,822,040	5,408,497	(181,598,704)	586,922,735
Balance as at 1 January 2020 (restated)	**929,513**	**158,846,324**	**1,036,115,186**	**8,825,144**	**(238,126,480)**	**966,589,687**
Appropriation of result of previous year	-	-	(238,126,480)	-	238,126,480	-
Result of the year	-	-	-	-	(167,608,187)	(167,608,187)
Other comprehensive income	-	-	(22,178,895)	5,993,982	-	(16,184,913)
Other**)	-	-	(7,902,689)	-	-	(7,902,689)
Share issue	**46,018**	**125,227,317**	**-**	**-**	**-**	**125,273,335**
Balance as at 31 December 2020	**975,531**	**284,073,641**	**767,907,122**	**14,819,126**	**(167,608,187)**	**900,167,233**
Appropriation of result of previous year	-	-	(167,608,187)	-	167,608,187	-
Result of the year	-	-	-	-	(184,663,856)	(184,663,856)
Other comprehensive income	-	-	(4,787,946)	(17,261,853)	-	(184,663,856)
Other**)			11,182,717			11,182,717
Share issue	**25,336**	**70,912,722**	**-**	**-**	**-**	**70,938,058**
Balance as at 31 December 2021	**1,000,867**	**354,986,363**	**606,693,706**	**(2,442,727)**	**(184,663,856)**	**775,574,353**

**) Amounts at the beginning of the calendar year were adjusted for hyperinflation and prior period adjustments*
***) Relates to IAS 19 and NTFM ECL corrections*

Paramaribo, July 26, 2024

Supervisory Board:

Sharmila Jadnanansing-Jairam	Chair
Patrick Peneux	Vice-Chair
Humphry Schurman	Member
Hemwatie Ramadhin	Member
Arun Bhagwandin	Member
Jeffrey Braster	Member
Manoj Parsan	Member

Executive Board:

Rafiek Sheorajpanday	Chief Executive Officer
Coenraad Valk	Chief Financial Officer
Peter Ng A Tham	Chief Commercial Officer

NOTES TO THE COMPANY FINANCIAL STATEMENTS

INDEX NOTES TO THE COMPANY FINANCIAL STATEMENTS

NOTES TO THE COMPANY FINANCIAL STATEMENTS

1 SIGNIFICANT ACCOUNTING POLICIES

Reference is made to the notes to the consolidated financial statements for the significant accounting policies,estimates and judgement used in preparing the Hakrin Bank N.V. company financial statements.

2 NET INTEREST INCOME

The net interest income is specified in the following table.

The net interest income is specified in the following table.

Shown in SRD	2021	2020
Interest income from:		
Loans and advances to banks	31,256,194	33,342,434
Loans and advances to customers	353,690,155	425,648,229
Loans and advances to government	44,770,087	39,484,236
Bonds	48,947,460	70,561,405
Other	2,405,207	4,795,836
Total interest income	**481,069,103**	**573,832,140**
Interest expenses from:		
Due to banks	7,496,390	3,477,136
Due to customers	169,966,908	218,371,744
Subordinated liabilities	14,663,251	3,177,599
Other	1,195,775	974,188
Total interest expenses	**193,322,324**	**226,000,667**
Net interest income	**287,746,779**	**347,831,473**

Net interest income amounted to SRD 287,746,779, a decrease of SRD 60,084,694 compared to 2020. This decrease is mainly due to a greater decrease in total interest income and a lesser decrease in total interest expense, as well as the impact of hyperinflation.

Total interest income decreased by SRD 92,763,037 to SRD 481,069,103 in 2021, mainly due to a significant decrease in interest income of loans and advances to customers. These decreases were influenced by the hyperinflation effect, partially offset by the depreciation of the SRD.

Total interest expenses in 2021 decreased by SRD 32,678,343 to SRD 193,322,324. This decrease is mainly due to lower interest paid to customers resulting from lower balances on current, demand and deposits accounts, partially offset by the depreciation of the SRD and the hyperinflation effect.

3 NET FEE AND COMMISSION INCOME

The net fee and commission income is specified in the following table.

Shown in SRD	**2021**	2020
Fee and commission income from:		
Securities and custodian services	1,047,164	2,365,558
Payment services	81,611,031	73,092,022
Portfolio management and trust fees	268,970	-
Guarantees and commitment fees	3,704,766	4,118,637
Insurance and investment fees	6,171,494	6,886,443
Commission fees FX trading	52,198,488	297,661,090
Service charges	13,867,953	18,794,727
Administration fees	3,375,201	2,753,546
Other service fees	635,355	1,859,171
Total fee and commission income	**162,880,422**	**407,531,194**
Fee and commission expenses from:		
Payment services	14,623,085	8,380,219
Portfolio management and trust fees	-	1,377,076
Commission fees FX trading	16,670,827	244,180,379
Other service fees	6,618,304	144,536
Total fee and commission expenses	**37,912,216**	**254,082,210**
Net fee and commission income	**124,968,206**	**153,448,984**

Net fee and commission income decreased by SRD 28,480,778 in 2021 compared to 2020. This decrease is mainly due to a greater decrease in total fee and commission income compared to a lesser decrease in total fee and commission expenses

Total fee and commission income decreased by SRD 244,650,772 compared to 2020, mainly due to lower commissions received from FX trading activities and the impact of hyperinflation, partially offset by an increase in payments services due to the depreciation of the SRD.

Total fee and commission expenses decreased by SRD 216,169,994 to SRD 37,912,216 in 2021. This decrease was driven by a decrease in commission fees from FX trading as a result of lower commissions paid for FX trading activities and the impact of hyperinflation, partially offset by an increase in Payment services and Other service fees due to the depreciation of the SRD.

4 OTHER OPERATING INCOME

The sub item 'other' of the consolidated other operating income includes financial
figures from the revaluation (2021: SRD 1,011,010; 2020: no transactions) of the investment property (Palm Village) of the subsidiary 'Hakrin Bank Real Estate'.
The other sub items are disclosed in note 10 of the consolidated financial statements.

5 PERSONNEL EXPENSES

The 'salaries and wages' is the only sub item of the consolidated personnel expenses that includes financial figures of the subsidiaries (2021: SRD 21,129,096; 2020: SRD 11,672,209). The other sub items are disclosed in note 11 of the consolidated financial statements.

6 GENERAL AND ADMINISTRATIVE EXPENSES

The sub items agency staff, contractors and consultancy costs and other of the consolidated general administrative expenses includes financial figures of the subsidiaries. The change in 2021 compared to 2020 is minor. The other sub items of general and administrative expenses are disclosed in note 12 of the consolidated financial statements.

7 TAX

The tax assets and liabilities are disclosed in note 13 of the consolidated financial statements.

8 CASH AND CASH EQUIVALENTS
The cash and cash equivalents are disclosed in note 15 of the consolidated financial statements.

9 DERIVATIVES
The accounting policy and figures for derivatives assets and liabilities is disclosed in note 3.10 and note 16 of the consolidated financial statements.

10 FINANCIAL INVESTMENTS AT FAIR VALUE THROUGH P&L
The accounting policy and figures for financial investments at fair value through P&L is disclosed in note 18 of the consolidated financial statements.

11 DEBT INSTRUMENTS AT FAIR VALUE THROUGH OCI
The debt instruments at fair value through OCI is disclosed in note 19 of the consolidated financial statements.

12 AMOUNT DUE FROM BANKS
The amounts due from banks is disclosed in note 20 of the consolidated financial statements.

13 LOANS, BONDS AND ADVANCES TO CUSTOMERS
The loans, bonds and advances to customers are disclosed in note 21 of the consolidated financial statements.

14 PROPERTY AND EQUIPMENT
The accounting policy and figures for property and equipment are disclosed in note 3.18 and note 23 of the consolidated financial statements.

15 OTHER ASSETS
The following table shows the components of the other assets

Shown in SRD	December 31, 2021	December 31, 2020
Accrued other income	61,226,881	49,568,561
Prepaid expenses	28,058,829	15,127,350
FX trading and other receivables	2,515,247	52,212,787
Other	7,299,502	7,250,649
Total other assets	**99,100,459**	**124,159,347**

Other assets decreased with SRD 25,058,888 to SRD 99,100,459 at December 31, 2021. This decrease resulted from increases in prepaid expenses and accrued other income, partly offset by decreases in FX trading and other receivables, as well as a decrease due to the impact of hyperinflation.

The increase in prepaid expenses is attributed to higher prepayments of IT costs and housing, as well as the depreciation of the SRD.

The increase in accrued other income is due to higher interest income from government loans and government treasury bills.

The decrease of FX trading and other receivables is primarily due to a long position in FX trading in 2021, compared to a short position in 2020.

16 AMOUNTS DUE TO BANKS
The amounts due to banks are disclosed in note 26 of the consolidated financial statements.

17 DUE TO CUSTOMERS

Shown in SRD	**December 31, 2021**	December 31, 2020
Current accounts	4,587,916,021	5,289,877,274
Demand deposits	2,809,203,893	2,941,330,226
Time deposits	2,671,155,831	2,891,213,083
Other due to customers	228,851,528	466,355,869
Total due to customers	**10,297,127,273**	**11,588,776,452**

Due to customers decreased with SRD 1,291,649,179 to SRD 10,297,127,273 at December 31, 2021 mainly due to lower balances on customer accounts (current, demand and time deposits), as well as a decrease from the impact of hyperinflation, partly offset by the depreciation of the SRD.

18 SUBORDINATED LIABILITIES

The subordinated liabilities are disclosed in note 28 of the consolidated financial statements.

19 RELATED PARTIES

The related parties are disclosed in note 29 of the consolidated financial statements.

20 NET EMPLOYEE DEFINED BENEFIT LIABILITIES

The net employee defined benefit liabilities are disclosed in note 30 of the consolidated financial statements.

21 OTHER LIABILITIES

Shown in SRD	**December 31, 2021**	December 31, 2020
Accrued other expenses	72,794,059	31,860,685
Lease liabilities	3,284,471	3,503,285
Sundry liabilities and other payables	69,170,967	43,579,605
Total other liabilities	**145,249,497**	**78,943,575**

Other liabilities increased by SRD 66,305,922 to SRD 145,249,497 at December 31, 2021, primarily due to increases in accrued other expenses and sundry liabilities and other payables.

The increase in accrued other expenses is mainly due to higher costs in personnel expenses, agency staff, contractors and consultancy costs, information technology costs and housing.
The increase in sundry liabilities and other payables is primarily caused by the depreciation of the SRD and also due to the long position of FX trading in 2021, compared to a short position in 2020. These increases were partly offset by the impact of hyperinflation.

22 EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT COMPANY

The equity attributable to owners of the parent company is disclosed in note 32 of the consolidated financial statements

23 COMMITMENTS AND CONTINGENT LIABILITIES

The commitments and contingent liabilities are disclosed in note 33 of the consolidated financial statements.

24 EVENTS AFTER REPORTING DATE

There are no events after the reporting date that require disclosure in these financial statements.

OTHER INFORMATION

CURRICULA VITAE AND ANCILLARY POSITIONS OF THE MEMBERS OF THE SUPERVISORY BOARD

SUPERVISORY BOARD

Sharmila Jadnanansing-Jairam | Chair

Sharmila Jadnanansing-Jairam was appointed to the Supervisory Board of the Hakrin Bank on August 2022. She brings over 20 years of relevant experience of which 13 years as Senior Executive Leadership at Iamgold-Rosebel. Sharmila has developed extensive experience and knowledge in corporate legal files, risk and compliance, crisis management, corporate affairs, mining and tax law, and leading innovative approaches to corporate social responsibility. Her track record includes assessing risks and opportunities, executing on solutions in legal and tax matters and successfully leading material negotiations on mineral-, loan- and financial agreements, including several related global aspects. As legal counsel and corporate advisor/secretary to the board of directors and supervisory board, Sharmila brings over 20 years of experience regarding tasks and operations of a supervisory board, including ensuring the integrity of the corporate governance principles, assuring compliance with applicable laws, statutory and regulatory requirements and industry standards. Earlier in her career, she was a practicing lawyer and held several other advisory and board positions. Sharmila started her career in The Netherlands and held several legal and policy advisors' functions at the Ministry of Justice and the Directorate General Fiscal Affairs of the Ministry of Finance. She has a master's degree in private law from the University of Utrecht and a master's degree in tax law from the University of Amsterdam.

P.R. Peneux MSc. | Vice Chair

Mr. Patrick R. Peneux commenced his career in 1998 as a Junior Policy Advisor for the Ministry of Education and Community Development, having graduated Cum Laude from Anton de Kom University of Suriname with a Bachelor of Science in Agricultural Production. In 1999, he pursued further studies at Ghent University, obtaining a Master of Science degree in Agricultural Development in September 2001. In the same year, he commenced his role as Head of Wood Technology at CELOS, during which time he undertook the mapping of the mechanical and physical properties of non-marketable species and published a book entitled "Suriname Timber Species". From 2002 until 2009, he was employed by Bruynzeel Suriname Houtmaatschappij N.V. in the capacity of Technical Advisor, subsequently assuming the role of Managing Director. During this period, he demonstrated his aptitude for strategic planning, which proved instrumental in the successful sale of the company to the State Oil Company. Meanwhile, his expertise in corporate governance, risk analysis, administration, commerce and product support organisations was utilised in numerous supervisory boards, such as Foundation Pension Fund C. Kersten en Co. N.V., Foundation Pension Fund Bruynzeel Suriname N.V., N.V. Energie Bedrijven Suriname, Hakrin Bank N.V., SPSB Bank, Kersten Motors N.V. and in steering committees of National Forest Policy Suriname, Food Agriculture Organization (FAO) project, Marowijne Oil Palm Project and Project TCP/RLA/3007(A). Since June 2006, he has held several positions within CKC Machinehandel Surmac N.V., including Manager Product Support, Manager Sales, Manager Rental & Used, Deputy Director and currently General Manager. In January 2016, he spearheaded the CAT Dealership in French Guyana Territory, Surmac Guyana SAS, with the objective of expanding the heavy-equipment market segment and the industry related to large mining. Mr. Peneux is a resourceful general manager with a proven ability to achieve cost efficiency and risk-based decision-making through the application of innovative management techniques. He is well-acquainted with the Surinamese business, social, and international business developments. Furthermore, he possesses the ability to interact effectively with individuals from diverse ethnic and cultural backgrounds.

SUPERVISORY BOARD

Mr. H.R. Schurman | Board Member

Mr. Humphry R. Schurman, completed his studies in 1978 at the faculty of Law at the University of Suriname and was sworn in as a lawyer on August 13, 1984. In 1988, he started his law firm – Schurman Lawyers. He was involved in the establishment of the GLIS, played a role in the "revision of the Criminal Law Code of Suriname" and in the strengthening of providing legal information to the National Assembly, namely through digitalizing existing laws. In the period of 1986 through 2015, Mr. Schurman was a board member at Telesur. Since 2016, he has held the position of board member at the Hakrin Bank and since 2020 has served as Chairman of the Board of Directors. As a representative of the VSB (Association of Suriname Businesses), Mr. Schurman participated in various top conferences regarding collaboration within the Caricom and other world-trade-organizations. Schurman Law Firm expanded with a department in Intellectual Property, which has now resulted in the establishment of the Foundation of Intellectual Property. In addition to his law practice, Mr. Schurman is also involved in environmental management and -protection. He is the founder of the Foundation Milieu Watch Suriname and is active in a number of environmental projects. He also functions as a board member of various foundations and organizations such as the Foundation of St. Vincentius Hospital, the Suriname Lawyers' Organization, Foundation of Suriname Crematorium, and the Foundation of Projects Youth and Nature. For a number of years, he has been active as a Lawyer in the Oil- and Gas Industry. He is a co-founder of Network Star Suriname (Starnieuws), which online news agency guarantees the quality, ethical and legal principles on which media should be based.

Drs. H. Ramadhin | Board Member

Ms. Hemwatie (Sharmila) Ramadhin has a proven track record in leading organizational growth and performance. Armed with a solid academic background in business economics from Erasmus University Rotterdam, she has demonstrated her capabilities across diverse business environments.

As Managing Director, she is in charge of Management Improvements NV, with a specific focus on executive coaching, leadership development, and transformative consultancy services. With experience in various management and directorial roles from 1994 to 2017, including positions at prominent organizations such as KPN Nederland, the Dutch government, and Uniqa (Telecom Company Suriname), Mrs. A has demonstrated her skills in diverse business environments.

As a certified partner in Management Drives, she empowers teams to unlock their potential and promote a culture of excellence within the organization.

Mrs. Ramadhin has extensive experience in board roles, including serving as Vice-Chairman of the Supervisory Board at FSS (Fonds Studiefinanciering Suriname) and as a member of the Supervisory Board at BGVS (Bedrijf Geneesmiddelen Voorziening Suriname).

Currently, she actively contributes as Treasurer of the Board at SCPI (Soroptimist Club Paramaribo International) to promote empowerment of women and gender equality. She recognizes the crucial importance of ICT and data for business development, as evidenced by her involvement in the Supervisory Board of DATASUR. Her chairmanship of the Remuneration and Nomination Committee at the Hakrin Bank underscores her role in the development of the banking sector in Suriname.

J.R.D. Braster RA | Board Member

Jeffrey Braster is an accomplished finance professional, consultant, and Chartered Accountant (RA) with over 20 years of experience in the field. Born in Alkmaar, the Netherlands, Jeffrey has established himself as a versatile leader with a proven track record of delivering results in finance, audit, and business innovation. Jeffrey's journey began as an intern at PwC Amsterdam, where he honed his skills and rose through the ranks. His expertise in auditing led him to a secondment in the Caribbean, where he gained invaluable experience working with clients across various sectors. Jeffrey's passion for innovation and excellence led him to Suriname, where he served as a Senior Manager at EY. In this role, he played a pivotal role in establishing EY's presence in Suriname, navigating the challenges of a rapidly evolving market with his strategic vision and leadership. Currently, Jeffrey serves as the Chief Financial Officer at Rudisa International N.V., one of Suriname's largest privately-owned companies. In this capacity, he oversees financial operations and drives strategic initiatives to ensure the company's continued growth and success. Jeffrey's journey is rooted in a solid foundation of education and continuous learning. He completed his post-graduate training at the Post-graduate Academy for Chartered Accountants, University of Amsterdam, and is a proud member of the Royal Netherlands Institute of Chartered Accountants (NBA). With proficiency in IFRS reporting standards, strategic business planning, and project management, Jeffrey brings a wealth of knowledge and expertise to every role he undertakes.

SUPERVISORY BOARD

A.M. Bhagwandin MBA | Board Member

Mr. Arun M. Bhagwandin completed his Business Economics study at the Anton de Kom University of Suriname in 1996. In 2012, he successfully graduated from the Maastricht School of Management in Management & Finance. Mr. Bhagwandin has functioned in different positions at the electrical utility company EBS N.V. from 1995 till March 2023, including roles in procurement, billing, collection and customer & commercial services. From 2012 until 2023, Mr. Bhagwandin was the chairman of the Pension Fund of N.V. EBS. Since October 2022, Mr. Bhagwandin has been the CEO of Kroon-Oil Suriname, a high-end independent lubricant brand operating worldwide.

M.V. Parsan MBA | Board Member

Mr. Manoj V. Parsan completed his studies in 2008 at the Maastricht School of Management and obtained a degree of Master in Business Administration (MBA). Since 2003, he has been employed at FATUM Schadeverzekering N.V. and from 2011 to date has held a position in Management. The specific focal areas which fall under his responsibility are: Finance and Reporting, Information Communication and Technology (ICT), Investments as well as Quality Management. From 2018 on, Mr. Parsan has held the position of member of the Board of Directors of Torarica Holding N.V. and is also part of the daily management of the Suriname Association of Insurance Companies (SURVAM). On September 2, 2021 he was appointed board member of the Hakrin Bank N.V. and currently member of the Risk and Compliance Committee (RCC) and Audit Committee (AC).

OTHER INFORMATION

CURRICULA VITAE AND ANCILLARY POSITIONS OF THE MEMBERS OF THE EXECUTIVE BOARD HAKRIN BANK.

EXECUTIVE BOARD HAKRIN BANK

Drs. R.P.V. Sheorajpanday | Chief Executive Officer

Rafiek Sheorajpanday studied Business Administration at Erasmus University Rotterdam with a specialization in Financial Management. Since his appointment in November 2000, he has held various positions, mainly financial positions, at the bank.

On January 1, 2012, he was appointed Deputy Director Financial Affairs. In May 2015, he was appointed Chief Financial Officer and in April 2018 he took up the position of Chief Commercial Officer. After serving as Acting Chief Executive Offer since October 2018, he was officially appointed as Chief Executive Officer as of June 2019.

Drs. C.J. Valk RA CIA | Chief Financial Officer

Coenraad Valk is a chartered accountant (RA) and certified internal auditor (CIA) with broad experience in finance, operational auditing and banking. He has fulfilled various director functions as a Chief Financial Office in local companies and banks and was also a member of the supervisory board of the Hakrin Bank N.V. In September 2023 he was appointed as Chief Financial Officer.

P.V. Ng-A-Tham | Chief Commercial Officer

Peter Ng-A-Tham studied Business Economics and has a broad experience in the local banking sector. He has fulfilled various leading roles in banks. In September 2023 he was appointed as Chief Commercial Officer.

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