2023 ANNUAL REPORT

HAKRINBANK
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Contents





HAKRINBANK

The world is yours

At Hakrin Bank, we believe in limitless possibilities and are dedicated to helping our customers achieve their goals. Through our tailored financing solutions, we empower businesses to create and seize opportunities, providing the financial support they need at every stage of their journey. Financial inclusion remains at the heart of our mission - because everyone deserves to be bankable. With our customized products and services, we make banking accessible to all. Our seamless digital channels and dedicated team enhance the customer experience every day, making banking easier, more convenient, and within reach for everyone.





01 | About Us

Core value: Reliability

We are a stable and reliable partner
Our clients can count on us – today, tomorrow, and in the future. This reliability is deeply embedded in the way we work. Every employee, at every branch, reflects this commitment through their attitude, service, and actions.

For us, reliability means more than just keeping our promises. It's about clear communication, taking accountability and responsibility, and always striving for the best outcome for our customers . Whether it's a simple consultation or a complex financial decision, we are here with expertise, integrity, and dedication.

At Hakrinbank, we work every day to earn and maintain the trust our clients place in us. That is our promise . That is what we stand for– and our strength.

Mission, Vision & Core Values

Mission

Providing customer driven financial solutions through innovation and employee engagement.

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

Vision

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

Organizational Chart
& Functional Distribution

As of May 1st, 2025

Supervisory Board

Chair	Vice Chair	Board Member	Board Member	Board Member
Sharmila S. T. Jadnanansing	Patrick R. Peneux	Jeffrey R. D. Braster	Arun M. Bhagwandin	Montague D. Mc Leod

Executive Board

Chief Executive Officer Rafiek P. V. Sheorajpanday	**Compliance** Marciano Westmaas Manager	**Risk Management** Rita Mahabier-Naigi Manager	**Internal Audit** Anita Bilkerdijk-Kowlesar Acting Manager	**Corporate Secretary & Legal Affairs** Patrick Bhagwandin Manager
Chief Financial Officer Coenraad J. Valk	**Treasury** Rijai Oedai Manager	**Controlling** Narinder Kewalapat Manager	**Facility Management** Rudolf Djojopawiro Manager	**Information Security** Vacant
Deputy Chief Commercial Officer Claire Wijdh	**Business Banking** Paul-Etienne Quintius Manager	**Retail Banking** Diana Khitanea Manager	**Digital Channels** Anwar Jap - A - Joe Manager	**Marketing & Public Relations** Tirzah Keyzer Manager

Board Member
Simone M. Oostwijk

Human Resources
Revolino Brown
Manager

Information Management & Technology
Carlos Abdoellah
Manager

Operations
Rainel Sitaram
Senior Manager

Branch Nieuw Nickerie
Ashwien Moerahoe
Manager

Financial Restructuring & Recovery
Nisha Durga
Acting Manager

Consolidated Key Figures

Amounts in (SRD x 1,000)

Statement of Financial Position	**2023**	**2022***	**2021***
Cash and balances with central banks	4,811,019	7,409,122	13,293,045
Loans and advances to customers	5,442,749	7,279,577	10,911,932
Financial assets	6,098,604	4,334,692	5,364,813
Other assets	4,354,177	3,994,777	7,915,693
Total assets	**20,706,549**	**23,018,168**	**37,485,483**
Due to customers	17,312,441	20,000,347	32,634,857
Funding and derivatives	169,105	219,574	543,601
Other liabilities	1,453,359	1,107,975	2,148,725
Equity	1,771,644	1,690,271	2,158,300
Total liabilities and Equity	**20,706,549**	**23,018,168**	**37,485,483**
Income Statement			
Operating income	985,614	1,000,488	1,364,696
Operating expenses	826,645	761,851	1,242,005
Operating profit	158,969	238,637	122,691
Impairment charges	19,252	(84,143)	504,244
Profit/(loss) before taxation	**139,717**	**322,780**	**(381,553)**
Non-operating gains/(losses)	(28,057)	(137,800)	(376,489)
Income tax expense	(54,175)	(100,163)	(126,127)
Net result	**57,485**	**84,817**	**(884,169)**
Cash dividend	-	15,460	-

2022 and 2021 balances are adjusted in line with IAS 29 Hyperinflation (see note 6).

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Financial Statements

Statement of Financial Position	2023	2022*	2021*
Ratio's (in %)			
Efficiency ratio	83.9	76.1	91.0
Return on average equity	3.3	4.4	(26.2)
Return on average assets	0.3	0.3	(1.7)
Capital ratio	8.6	7.3	5.8
Capital Adequacy Ratio (CAR)	20.68	16.08	13.58
Information per share (x SRD 1)			
Number of shares issued	772,998	772,998	772,998
Earnings per share (in SRD)	64	110	(1,144)
Dividend amount per share	-	27.6	-
Dividend in % of the avg. stock price	-	0.1	-
Profit payout percentage	-	30.0	-
Net Asset Value	2,291.91	2,186.64	2,792.12
Share price per share	420	420	408
Market capitalization (x SRD 1,000)	324,659	324,659	315,383
Price/net asset value in %	18.3	19.2	14.6
Price/earnings ratio	6.6	3.8	(0.4)
Number of employees	393	392	370
Number of branches	7	7	7

2022 and 2021 balances are adjusted in line with IAS 29 Hyperinflation (see note 6).

02 | Supervisory Board

Core value:
Service and Customer focused

The customer is at the heart of everything we do
At Hakrin Bank, we believe that true value begins with genuine attention. That's why we actively listen to our clients, think along with them, and deliver tailored financial solutions. No one-size-fits-all approach, but a personal service that aligns with everyone's unique situation.

We take the time to truly understand our clients – whether they are retail customers, small-medium entrepreneurs, or large entrepreneurs . This personal involvement enables us to provide focused advice and respond proactively to their evolving financial needs.

Our staff is approachable, knowledgeable, and service-oriented. We offer clear explanations, provide sound advice, and guide our clients in making informed decisions. Because when our clients move forward, we succeed as well.

At Hakrin Bank, customer focus is not just a strategy – it's second nature.

Verslag van de Raad van Commissarissen

Bij gebleken verschillen tussen de Nederlandse tekst (Verslag van de Raad van Commissarissen) en de Engelse vertaling (Report of the Supervisory Board) op pagina 20 prevaleert de Nederlandse tekst.

Voorwoord van de President-Commissaris

De financiële resultaten van de bank over 2023 weerspiegelen het krap monetair beleid, het toegenomen solvabiliteitsrisico en bestuurlijke uitdagingen. Als gevolg hiervan was de bank onvoldoende in staat om optimaal te profiteren van de verbeterde macro-economische omstandigheden.
Dit leidde tot maatregelen om de effectiviteit van het bestuur te verbeteren alsmede van het door de Raad van Commissarissen gehouden toezicht.
Significante omgevingsrisico's vragen om voortdurende alertheid en aanpassingsvermogen in onze strategie en dienstverlening. In het verslagjaar is veel aandacht geschonken aan verbetering van de governance, risicobeheersing en compliance. Hiermee is het fundament voor structureel hogere rendementen verstevigd.
Verdere optimalisatie van zowel de operationele als strategische doelstellingen is noodzakelijk om de groeiambities van de bank waar te maken. Deze positieve ontwikkeling markeerde het begin van een essentiële koerswijziging en de start van een hersteltraject, dat in het boekjaar 2023 verder gestalte heeft gekregen middels het uitvoeren van het Strategisch Plan 2023-2025.
De Raad van Commissarissen heeft sindsdien haar toezichthoudende rol verder aangescherpt en met verhoogde intensiteit invulling gegeven aan verscherpte toezicht op de uitvoering van het beleid, de strategie, de prestaties en de risicobeheersing van de bank.

In het bijzonder, gezien de ontwikkelingen in de olie- en gassector en de daaraan verbonden spin-offs voor andere economische sectoren, achten wij de missie van de bank relevanter dan ooit. Daarnaast heeft de Raad aandacht voor het realiseren van lange termijn waarde creatie, strategie, maatschappelijk verantwoord ondernemen, risicomanagement, financiële verslaglegging en de gezondheid van de organisatie. Ter ondersteuning van de strategische doelstellingen is ingezet op het doorvoeren van verdere digitalisering van de bedrijfsprocessen, verbeteren van customer experience, robuuste risicobeheersing, compliance en audit, investeren in het verbeteren van de kennis en vaardigheden van onze talenten, het vergroten van strategische fit, optimalisatie van middelenallocatie en een robuuste IT-infrastructuur en digitale kanalen. Tegelijkertijd wordt ingezet op het ontwikkelen van een inclusieve en adaptieve organisatiecultuur, die als fundament dient voor de uitvoering van de missie van de bank.

In het kader van de versterking van de governance en de strategische besturing is de top van de organisatie in 2023 uitgebreid met de benoeming van een nieuwe Chief Financial Officer en Chief Commercial Officer. Daarnaast heeft de Raad van Commissarissen eveneens goedgekeurd het creëren van een Chief Innovation and Technology Officer, waar op termijn invulling aan zal worden gegeven.

In 2023 vierde de bank haar 87-jarig bestaan. Hoewel doorgaans alleen ronde jubilea worden gevierd, is 87 jaar zonder twijfel een bijzonder respectabele mijlpaal. Al die jaren heeft de bank, samen met klanten, medewerkers en aandeelhouders, haar positie in de Surinaamse samenleving weten te versterken. In die 87 jaar heeft de bank velen ondersteund bij het realiseren van hun dromen en ambities.

Vooruitkijkend stelt de Raad van Commissarissen dat de Hakrinbank goed gepositioneerd is om, met blijvende focus op klantervaring, duurzaamheid en toekomstbestendigheid, verder te bouwen aan haar groeistrategie en het verder verbeteren van de financiële en operationele weerbaarheid van onze bank. Door het verder ontwikkelen van producten en diensten die aansluiten bij de veranderende behoeften van klanten, het diversifiëren van de inkomstenbronnen en het voortzetten van digitalisering, is de bank voorbereid op een toekomst van duurzame groei en positieve impact.

De achterstand in de opmaak en controle van de jaarrekeningen en het houden van de jaarlijkse algemene vergadering van aandeelhouders wordt geleidelijk aan ingelopen. Met de publicatie van jaarrekening 2023 en de planning om jaarrekening 2024 in het derde kwartaal van dit jaar te publiceren zal de achterstand volledig zijn ingelopen.

De Raad van Commissarissen blijft toegewijd aan haar taak om onafhankelijk en kritisch toezicht te houden en ziet met vertrouwen uit naar de verdere ontwikkeling van een financieel veerkrachtige bank met consistente rendementen en een sterke vermogenspositie.

Samenstelling van de Raad van Commissarissen per 31 december 2023

Aan het begin van het verslagjaar 2023 bestond de Raad van Commissarissen (RvC) uit vijf leden: Humphry Schurman (President-Commissaris), Patrick Peneux, Manoj Parsan, Sharmila Jadnanansing en Hemwatie Ramadhin.

Conform artikel 20, lid 1, van de statuten van de bank, bestaat de Raad van Commissarissen uit minimaal vijf (5) en maximaal zeven (7) leden.
Na een zorgvuldige evaluatie van de benodigde competenties voor een effectief functioneren, heeft de Raad van Commissarissen een profielschets opgesteld voor de uitbreiding van haar leden. In lijn met de Remuneratie- en Nominatieprocedure werd besloten de Raad van Commissarissen uit te breiden met twee (2) nieuwe commissarissen. Alle aandeelhouders kregen de gelegenheid om kandidaten voor te dragen. Bovendien heeft de Raad zelf actief potentiële kandidaten benaderd, op basis van hun specifieke expertise en ervaring. Alle voorgestelde kandidaten werden zorgvuldig beoordeeld aan de hand van het opgestelde profiel en de strategische behoeften van de bank.

Op 20 april 2023 keurde de Raad van Commissarissen de voordracht van Arun Bhagwandin en Jeffrey Braster als nieuwe leden van de Raad van Commissarissen goed. Deze voordrachten werden vervolgens voorgelegd aan de Algemene Vergadering van Aandeelhouders voor bespreking en besluitvorming. De heren Bhagwandin en Braster werden op 15 mei 2023 benoemd tot commissarissen. Na de ontvangst van de goedkeurende verklaringen van de Centrale Bank van Suriname, respectievelijk op 7 augustus 2023 en 28 augustus 2023, traden zij in hun functie als commissaris van de bank.

Op 17 september 2023 werden de commissarissen Sharmila Jadnanansing en Patrick Peneux benoemd tot respectievelijk President-Commissaris en Vice President-Commissaris.

Per 31 december 2023 was de Raad van Commissarissen als volgt samengesteld:
1. Sharmila Jadnanansing, President-Commissaris.
2. Patrick Peneux, Vice President-Commissaris.
3. Hemwatie Ramadhin Commissaris en Voorzitter van de Remuneratie- en Nominatiecommissie.
4. Arun Bhagwandin, Commissaris en Voorzitter van de Risk en Compliance Commissie.
5. Jeffrey Braster, Commissaris en Voorzitter van de Auditcommissie.
6. Humphry Schurman, Commissaris.
7. Manoj Parsan, Commissaris.

Veranderingen in de Samenstelling van de Raad van Commissarissen na het verslagjaar 2023

Tijdens de Jaarlijkse Algemene Vergadering van Aandeelhouders, gehouden op 8 augustus 2024, traden de commissarissen Humphry Schurman en Manoj Parsan af als leden van de Raad van Commissarissen van de bank. Op dezelfde vergadering werden Simone Oostwijk en Montague Mc Leod benoemd als commissarissen.
Op 6 december 2024 ontvingen beiden hun goedkeurende beschikking inzake de Verklaring van Geen Bezwaar van de Centrale Bank van Suriname, waarna zij hun werkzaamheden als commissaris van de bank zijn gestart.

Verder werd in het jaarverslag 2022 reeds vermeld dat commissaris Hemwatie Ramadhin op eigen verzoek haar functie binnen de Raad van Commissarissen per 15 november 2024 heeft neergelegd.

Huidige Samenstelling van de Raad van Commissarissen

Bij het uitbrengen van het jaarverslag 2023 is de Raad van Commissarissen als volgt samengesteld:

Naam	Functie RvC	Kwalificatie
Sharmila Jadnanansing	President-Commissaris	Onafhankelijk
Patrick Peneux	Vice President-Commissaris	Onafhankelijk
Arun Bhagwandin	Commissaris, Voorzitter Kredietcommissie	Afhankelijk
Jeffrey Braster	Commissaris, Voorzitter Auditcommissie	Onafhankelijk
Montague Mc Leod	Commissaris, Voorzitter Risk en Compliance commissie	Onafhankelijk
Simone Oostwijk	Commissaris, Voorzitter Remuneratie- en Nominatiecommissie	Onafhankelijk

Compliance met Corporate Governance Voorschriften

De huidige samenstelling van de Raad van Commissarissen is in lijn met de corporate governance voorschriften van de Centrale Bank van Suriname. Van de leden is alleen de heer Arun Bhagwandin voorgedragen door een aanmerkelijk belang aandeelhouder van de bank. De volledige Raad van Commissarissen functioneert onafhankelijk en richt zich daarbij uitsluitend op de belangen van de bank.

Gezien het huidige aantal van zes (6) commissarissen, is er de mogelijkheid om nog één (1) commissaris te benoemen. Dit zal gebeuren op basis van het Nominatie- en Remuneratieproces, rekening houdend met de specifieke competenties die vereist zijn voor de uitoefening van toezichtstaken.

Vergaderingen van de Raad van Commissarissen

In 2023 heeft de Raad van Commissarissen in totaal achtentwintig (28) vergaderingen gehouden. Alle reguliere vergaderingen werden bijgewoond door vrijwel de gehele raad. Leden van het directieteam en de secretaris van de vennootschap zijn altijd aanwezig bij de vergaderingen van de Raad van Commissarissen. Daarnaast organiseert de Raad van Commissarissen ook vergaderingen in besloten kring.

Verslag van het Functioneren en de Werkzaamheden van de Raad van Commissarissen in 2023

Het verslag is verdeeld in twee delen:
1. Algemeen verslag
2. Verslag door de Commissies

1. Algemeen Verslag

Ook in 2023 heeft de Raad van Commissarissen de Directie kritisch begeleid bij het verbeteren van de risicobeheersing, het verbeteren van de solvabiliteit, het evalueren van de bedrijfsprocessen, de governance-reglementen en het implementeren van maatregelen die gericht zijn op het herstellen van de winstgevendheid van de bank. Ook is veel aandacht geschonken aan het functioneren en uitbreiden van de directie.

De Directie werd dit jaar opnieuw nadrukkelijk door de Raad van Commissarissen uitgedaagd om alles in het werk te stellen voor herstel en het herwinnen van de winstgevendheid. Tegelijkertijd bleef er oog voor het feit dat de samenleving voortdurend verandert, de wensen van het bankierend publiek blijven evolueren en de bank voor de complexe uitdaging staat om aan die wensen te blijven voldoen.

Alleen door opnieuw winstgevend en financieel gezond te worden, kunnen we de samenleving op een waardevolle manier blijven dienen. Wij streven naar het bieden van adequate en innovatieve bancaire dienstverlening, een goed rendement voor onze aandeelhouders, tevreden personeel en een bank die zich kan meten aan internationale standaarden.

In het verslagjaar heeft de Raad van Commissarissen zich tevens gericht op het verder aanscherpen van haar eigen governance-voorschriften. Er heeft een diepgaande evaluatie en bijstelling plaatsgevonden van het Reglement van de Raad van Commissarissen, evenals van de reglementen van de drie reeds bestaande commissies: de Auditcommissie, de Risk- en Compliance commissie, en de Remuneratie- en Nominatiecommissie. Ook het bestaande Directiereglement werd door de Directie op vergelijkbare wijze geëvalueerd en, waar nodig, aangescherpt.

De interne richtlijnen voor het vastleggen van goedkeuringsbesluiten door de Raad van Commissarissen zijn aangescherpt, zodat altijd helder is welke besluiten zijn genomen en op basis van welke informatie die goedkeuring is verleend. Dit geldt eveneens voor goedkeuringen of besluiten die buiten de vergadering om worden genomen.

Executie van het Strategisch Plan 2022-2025 van de Bank

Het Enterprise Beleidsplan 2024 van de bank, inclusief de Strategische Doelen en Objectieven voor 2024, evenals het Exploitatie- en Investeringsbudget 2024, zijn uitvoerig besproken en goedgekeurd door de Raad van Commissarissen.

De Raad van Commissarissen heeft tevens het besluit genomen om de huidige accountant, het accountantskantoor Lutchman & Co N.V., de controle te laten uitvoeren op de jaarrekeningen van 2022 en 2023. Hiervoor werd de benodigde toestemming van de Centrale Bank van Suriname aangevraagd en verkregen.

In 2023 heeft de Raad van Commissarissen goedkeuring verleend voor de voordracht van de heren Coenraad Valk en Peter Ng A Tham voor benoeming tot statutaire directeur van de bank (respectievelijk als CFO en CCO).

Hun kandidatuur werd vervolgens voorgelegd aan de Algemene Vergadering van Aandeelhouders ter bespreking en besluitvorming. Deze vergadering vond plaats op 15 mei 2023, waar de heren Ng A Tham en Valk werden benoemd tot statutair directeur van de bank.
Na ontvangst van de Verklaring van Geen Bezwaar van de Centrale Bank van Suriname, respectievelijk op 7 augustus 2023 voor de heer Ng A Tham en op 18 augustus 2023 voor de heer Valk, traden beiden per 1 september 2023 in functie als directeur van de bank.

2. TOEZICHT EN VERSLAGLEGGING VAN DE COMMISSIES

De drie commissies van de Raad van Commissarissen hebben periodiek gedetailleerd verslag uitgebracht aan de voltallige Raad van Commissarissen over hun vergaderfrequentie, de besproken onderwerpen en de uitdagingen binnen hun respectieve werkgebieden. Deze vorm van verslaglegging heeft het hele jaar 2023 consequent plaatsgevonden.

VERSLAG VAN DE AUDITCOMMISSIE (AC)

De taken, verantwoordelijkheden en bevoegdheden van de AC zijn vastgelegd in het Audit Committee Charter. In het verslagjaar 2023 kwam de commissie viermaal bijeen. De vergaderingen stonden in het teken van onder meer de beoordeling van de auditjaarplannen, de versterking van de Internal Audit Department (IAD), en de afronding van de jaarrekening over boekjaar 2021. Tevens werd aandacht besteed aan het inlopen van de achterstand in de opmaak van de jaarrekeningen.

Voor de controle van de jaarrekening 2025 zal een tenderprocedure worden opgestart voor de selectie van een nieuwe externe accountant, onder voorbehoud van goedkeuring door de Centrale Bank van Suriname.

De Auditcommissie ondersteunt en adviseert de Raad van Commissarissen bij de uitoefening van haar toezichthoudende taak op het gebied van de integriteit en kwaliteit van de financiële en niet-financiële verslaggeving van de bank. Daarnaast houdt zij toezicht op de effectiviteit van het interne risicobeheersings- en controlesysteem met betrekking tot financiële verslaggeving.

Samenstelling

In het verslagjaar 2023 bestond de AC uit de navolgende leden: Jeffrey Braster (voorzitter), Arun Bhagwandin (lid) en Manoj Parsan (lid). Bij het uitbrengen van het onderhavig jaarverslag is de AC samengesteld uit de volgende leden: Jeffrey Braster (voorzitter), Patrick Peneux (lid) en Simone Oostwijk (lid).

Belangrijkste Terugkerende Onderwerpen

De commissie behandelde onder meer de volgende structurele aandachtsgebieden:

- Financiële verslaggeving, inclusief de geconsolideerde cijfers van dochterondernemingen, de jaarrekening en het jaarverslag.
- Complexe boekhoudkundige vraagstukken en IFRS-gerelateerde thema's.
- Belangrijke controlebevindingen zoals opgenomen in accountantsverklaringen.
- Controleplan van de externe accountant, inclusief opdrachtbevestigingen, onafhankelijkheidsverklaringen en honoraria.
- Beoordeling van de interne beheersingsomgeving en interne controlemaatregelen inzake financiële verslaggeving.
- Evaluatie en uitvoering van het interne auditplan.
- Beleid met betrekking tot dividend- en winstuitkering.

Specifieke Aandachtspunten in 2023

De commissie heeft in het bijzonder aandacht besteed aan:

- Toepassing van IAS 29 (Hyperinflate).
- Implementatie en impactanalyse van IFRS 9 en de Expected Credit Loss (ECL)-voorzieningen.
- AML/CFT-audit.
- IT-auditbevindingen en risico's.
- Voorbereiding op de selectieprocedure voor een nieuwe externe accountant vanaf boekjaar 2025.

Ter voorbereiding op de reguliere vergaderingen heeft de voorzitter van de AC afzonderlijke overleggen gevoerd met de externe accountant, de interimmanager van de interne auditafdeling en de CFO.

Interne en Externe Audits

Tijdens de vergaderingen werden de aanbevelingen van zowel de interne auditafdeling als de externe accountant en de Centrale Bank van Suriname besproken. De opvolging van deze aanbevelingen werd nauwgezet gemonitord. Het functioneren van de IAD werd beoordeeld op zowel kwalitatieve als kwantitatieve aspecten, waaronder capaciteit, rapportagekwaliteit en realisatiegraad van het auditjaarplan. Tevens werd de opzet van het auditplan voor het volgende jaar geëvalueerd en vastgesteld.

In 2024 en 2025 zijn in bilaterale overleggen met de externe accountant en IT-auditors de risico's in de interne beheersing en voorstellen tot verbetering van controlemechanismen besproken.

VERSLAG VAN DE RISK & COMPLIANCE COMMISSIE (RCC)

De taken, verantwoordelijkheden en bevoegdheden van de Risk & Compliance Commissie (RCC) zijn vastgelegd in het Compliance Charter en Framework. De RCC ondersteunt de Raad van Commissarissen in toezichthoudende taak op het gebied van risicobeheer, compliance en interne controle. De commissie beoordeelt onder meer de effectiviteit van het 'three lines of defense'-model en ziet toe op de aansluiting van het risicobeheer met de strategische doelstellingen en risicobereidheid van de bank. De CEO, CFO, en de managers van de afdelingen Risk Management en Compliance hebben een permanente uitnodiging tot deelname aan de vergaderingen. Daarnaast kan de commissie aanvullende functionarissen uitnodigen indien de aard van de agendapunten dat vereist.
Het Reglement van de RCC werd voor het laatst herzien in november 2024.

Samenstelling

In het verslagjaar 2023 bestond de RCC uit de navolgende leden: Arun Bhagwandin (voorzitter), Jeffrey Braster (lid) en Manoj Parsan (lid).
Bij het uitbrengen van het onderhavig jaarverslag is de RCC samengesteld uit de volgende drie leden: Montague Mc Leod (voorzitter), Jeffrey Braster (lid) en Arun Bhagwandin (lid).

Belangrijkste Activiteiten in 2023

De RCC kwam in 2023 vijfmaal bijeen. De directie nam actief deel aan drie van deze vergaderingen. Tijdens de bijeenkomsten werden onder meer de volgende onderwerpen behandeld:

- Jaarplan Compliance 2023.
- Compliance Charter & Framework.
- Jaarplan Risk Management Department 2023, inclusief beleidsplan en werkprogramma.
- Evaluatie van het risicomanagementbeleid.
- Inspectierapporten van de Centrale Bank van Suriname en de opvolging van de bijbehorende bevindingen.
- Strategisch plan van de bank en personele bezetting van Risk Management Department en Compliance Department.
- Opleidingsinitiatieven via het Nederlands Compliance Instituut (NCI) in het kader van Competentieontwikkeling.
- Business Continuity Management tabletop test.
- Evaluatie van het Directiereglement.

Diverse beleidsdocumenten en jaarplannen voor 2024 van het Risk Management Department en het Compliance Department zijn beoordeeld en goedgekeurd. Daarnaast is de rol van de RCC ten aanzien van voordrachten voor Raad van Commissarissen- en directieleden nader vastgelegd.

VERSLAG VAN DE REMUNERATIE- EN NOMINATIECOMMISSIE (REMU)

De taken, verantwoordelijkheden en bevoegdheden van de Remuneratie- en Nominatiecommissie (REMU) zijn vastgelegd in het Reglement van de Remuneratie- en Nominatie Commissie. De REMU houdt toezicht op het Human Resource beleid van de bank, met bijzondere aandacht voor het bezoldigingsbeleid en de benoemingsprocedures van directieleden. In deze hoedanigheid vervult de REMU een adviserende en voorbereidend ondersteunende rol richting Raad van Commissarissen, aan wie zij gerichte aanbevelingen en adviezen uitbrengt.

Samenstelling

De REMU is samengesteld uit 3 leden. Op 31 december 2023 bestond de commissie uit Hemwatie Ramadhin (voorzitter) en leden Humphrey Schurman en Patrick Peneux. Ten tijde van het opstellen van dit verslag is de samenstelling gewijzigd en bestaat de commissie uit: Simone Oostwijk (voorzitter), Arun Bhagwandin (lid) en Patrick Peneux (lid).

Afhankelijk van de te behandelen agendapunten kunnen de CEO, CFO en de Manager Human Resource Management (HRM) worden verzocht deel te nemen aan de vergaderingen. Het REMU-reglement werd in 2023 kritisch geëvalueerd en op 2 mei 2024 vastgesteld.

Activiteiten in 2023

In het verslagjaar 2023 heeft de REMU ten minste drie reguliere vergaderingen gehouden, aangevuld met diverse bijeenkomsten in het kader van selectieprocedures voor kandidaten voor Raad van Commissarissen- en directiefuncties. Uit elk van deze vergaderingen zijn concrete aanbevelingen aan de Raad van Commissarissen geformuleerd.

Tijdens de reguliere vergaderingen is uitvoerig stilgestaan bij het strategisch personeelsbeleid, met specifieke aandacht voor:

- De beloningsstructuur en het retentiebeleid.
- Talentontwikkeling, training en leiderschapsontwikkeling.
- Opvolgingsplanning op directieniveau en voor andere sleutelposities.

Voorts zijn in samenwerking met de HRM-afdeling afspraken gemaakt inzake de evaluatie van het HRM Department volgens het HR Maturity Model. Tevens is aandacht besteed aan het medewerkers tevredenheidsonderzoek, het beloningsonderzoek, de formatiebezetting per afdeling en het HRM-trainingsaanbod, waaronder het executive leadership-programma.

De REMU heeft zich eveneens gebogen over de Key Performance Indicators van de directie, in relatie tot het Strategisch Plan van de bank. Daarnaast is een evaluatie uitgevoerd van het Directiereglement, alsmede van het functioneren van de Raad van Commissarissen zelf. De evaluatie van de Raad van Commissarissen zal worden uitgevoerd op basis van een combinatie van self-assessment en wederzijdse evaluatie, aan de hand van vooraf vastgestelde criteria zoals opgenomen in de evaluatiematrix.

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Benoemingen en Organisatiestructuur

De REMU was nauw betrokken bij de wervings- en selectieprocedures voor twee directieposities op C-level namelijk: Chief Commercial Officer en Chief Financial Officer. Beide trajecten zijn succesvol afgerond met de formele benoeming van de kandidaten tijdens de Algemene Vergadering van Aandeelhouders van Hakrin Bank N.V. op 15 mei 2023. Ook het voordrachtproces voor twee nieuwe leden van de Raad van Commissarissen is door de REMU begeleid en afgerond met de benoeming van beide commissarissen op dezelfde datum.
De herziene organisatiestructuur op C-level is onderwerp geweest van intensieve bespreking binnen de REMU, en heeft geresulteerd in goedkeuring door de Raad van Commissarissen van het aangepaste organogram. Daarbij is ook ruim aandacht besteed aan successieplanning op directieniveau.

KREDIETCOMMISSIE VAN DE RAAD VAN COMMISSARISSEN (KC)

In 2024 heeft de Raad van Commissarissen een KC ingesteld, waarvan de governance-structuur is vastgelegd in een reglement. Dit reglement beschrijft de scope, de rol en de verantwoordelijkheden van de KC, evenals haar samenstelling en de wijze waarop zij haar taken uitoefent. Tevens bevat het reglement waarborgen voor de onafhankelijkheid van de leden van de KC. De KC heeft een zelfstandige beslissingsbevoegdheid.

De taak van de Kredietcommissie van de RvC is beperkt tot de beoordeling en besluitvorming met betrekking tot kredietaanvragen die voldoen aan de criteria zoals beschreven in de Grote Posten Richtlijn van de Centrale Bank van Suriname.

Daarnaast ziet de KC toe op de prestaties van de totale kredietportefeuille. In samenwerking met de Directie werd een rapportageformat ontwikkeld, waarmee de Directie periodiek de commissie informeert over de ontwikkeling en prestaties van de portefeuille.

FINANCIËN EN RISICO'S

De solvabiliteit van de bank, en met name de maatregelen ter verbetering daarvan, zijn in het verslagjaar uitgebreid besproken. De resultaten van deze inspanningen zijn inmiddels zichtbaar, en we kunnen terugkijken op een positieve ontwikkeling van de solvabiliteitsratio. Een belangrijke mijlpaal was de goedkeuring door de Raad van Commissarissen van een achtergestelde perpetuele lening met de Staat Suriname, gericht op het verbeteren van de BIS-ratio. Daarnaast hebben de genomen maatregelen om de liquiditeitspositie van de bank te verbeteren ook hun vruchten afgeworpen.

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 26 juni af te treden de commissarissen Jeffrey Braster en Arun Bhagwandin. Zij stellen zich herbenoembaar.

Samenstelling van de Directie in het verslagjaar 2023 en wijzigingen na de balansdatum

Aan het begin van het verslagjaar 2023 werd de Directie gevormd door Rafiek Sheorajpanday, CEO, en Magalie Loswijk-Keerveld, CFO. Per 10 mei 2023 is de dienstbetrekking van Magalie Loswijk-Keerveld beëindigd, waardoor de functie van CFO vacant werd.

Wijzigingen binnen de Directie en tijdelijke invulling van de functie van Gedelegeerd Commissaris

Op grond van de eisen van de Wet Toezicht Bank- en Kredietwezen 2011 diende het bestuur van een bank uit minimaal twee bestuurders te bestaan. Aangezien de Directie sinds 10 mei 2023 slechts uit de CEO bestond, is, met goedkeuring van de Centrale Bank van Suriname, commissaris Patrick Peneux voor de periode 8 juni tot en met 1 september 2023 tijdelijk aangesteld als Gedelegeerd Commissaris. In deze rol was hij verantwoordelijk voor intensief toezicht en advisering van de CEO bij de uitvoering van de bestuurlijke taken, conform de Regeling Gedelegeerd Commissaris. Deze tijdelijke aanstelling eindigde met de benoeming van de nieuwe directieleden.

Op 1 januari 2025 is de dienstbetrekking van Peter Ng A Tham op eigen verzoek vroegtijdig beëindigd. Mevrouw Claire Wydh is per april 2025, na verkregen goedkeuring van de Centrale Bank van Suriname, benoemd tot Onderdirecteur Commercie.

DE JAARREKENING 2023

Preadvies inzake de jaarrekening 2023:

Krachtens artikel 34 lid 3 heeft de Raad van Commissarissen de vennootschappelijke en de geconsolideerde balans per 31 december 2023, de vennootschappelijke en de geconsolideerde winst- en verliesrekening over 2023 en het geconsolideerde en vennootschappelijke kasstroomoverzicht met de toelichting daarop doen onderzoeken. De onderzochte jaarstukken zijn eerstens behandeld in de vergadering van de Audit Commissie van 19 Mei 2025 en vervolgens in de vergadering van de Raad van Commissarissen van 10 Juni 2025.

Op 10 Juni heeft Lutchman & Co N.V. de getekende controleverklaring uitgebracht, waarna de jaarstukken krachtens artikel 34 lid 4 door alle directeuren en alle commissarissen zijn 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 resultaat vóór belasting over het boekjaar 2023 bedraagt SRD 139,7 miljoen. De geconsolideerde netto winst bedraagt SRD 57,5 miljoen waarvan SRD 8,0 miljoen zal worden uitgekeerd aan de perpetuele bondhouder.
De solvabiliteitsratio was per ultimo 2023 20,7% ruim boven de vereiste norm.

Erkentelijkheid en dankwoord van de Raad van Commissarissen

De Raad van Commissarissen spreekt haar oprechte waardering uit richting erkentelijkheid uit naar al onze klanten en de aandeelhouders, voor hun voortdurende vertrouwen in de Hakrin Bank N.V.

Het jaar 2023 was een intensief en veelbewogen jaar voor de bank, haar medewerkers en de Directie. Ondanks de vele veranderingen is de betrokkenheid van de medewerkers onverminderd hoog gebleven. Deze betrokkenheid is een belangrijke factor voor het succes van de groeistrategie en het realiseren van de ambities van de bank.

De Raad van Commissarissen spreekt hierbij nadrukkelijk zijn waardering uit voor de inzet en toewijding van alle medewerkers en de Directie, zowel bij de dagelijkse werkzaamheden als bij de ontwikkeling en uitvoering van de strategische plannen die de toekomst van de bank zullen vormgeven.

Paramaribo, 10 Juni 2025

Raad van Commissarissen
Sharmila Jadnanansing
Patrick Peneux
Arun Bhagwandin
Jeffrey Braster
Simone Oostwijk
Montague Mc Leod

Report of the Supervisory Board

In the event of discrepancies between the Dutch text (Verslag van de Raad van Commissarissen) on page 14 and the English translation (Report of the Supervisory Board), the Dutch version shall prevail.

Foreword by the Chair of the Supervisory Board

The bank's financial results for 2023 reflect the impact of tight monetary policy, increased solvency risk, and governance challenges. As a result, we were not yet fully able to capitalise on the improved macroeconomic environment. This led to the implementation of measures to enhance the effectiveness of executive management and the supervisory function exercised by the Supervisory Board.
Significant external risks demand continuous vigilance and adaptability in our strategy and services. In the reporting year, considerable attention was devoted to strengthening governance, risk management, and compliance. This has laid a stronger foundation for structurally higher returns.
Further optimisation of both operational and strategic objectives is essential to realise the bank's growth ambitions. This positive development marked the beginning of a necessary strategic shift and the launch of a recovery trajectory, which took further shape in 2023 through the implementation of the Strategic Plan 2023–2025.
The Supervisory Board has since intensified its supervisory role, with increased scrutiny of the bank's policy implementation, strategy, performance, and risk management.

In particular, given developments in the oil and gas sector and the resulting spinoff effects for other economic sectors, the bank's mission is more relevant than ever. The Board also remains focused on long-term value creation, strategy, corporate social responsibility, risk management, financial reporting, and organisational health. To support strategic objectives, efforts have been made to further digitise business processes, enhance customer experience, strengthen risk management, compliance and audit functions, invest in talent development, improve strategic alignment, optimise resource allocation, and build a robust IT infrastructure and digital channels. Simultaneously, the bank is fostering an inclusive and adaptive organisational culture, which serves as the foundation for fulfilling its mission.

As part of strengthening governance and strategic leadership, the Executive Team was expanded in 2023 with the appointment of a new Chief Financial Officer and Chief Commercial Officer. The Supervisory Board also approved the creation of a Chief Innovation and Technology Officer role, to be filled in due course.

In 2023, the bank celebrated its 87th anniversary. While typically only milestone anniversaries are commemorated, 87 years is undoubtedly a highly respectable achievement. Throughout this time, the bank has strengthened its position in Surinamese society alongside its clients, employees, and shareholders—supporting many in realising their dreams and ambitions.

Looking ahead, the Supervisory Board believes that Hakrinbank is well-positioned to continue building on its growth strategy, with a sustained focus on customer experience, sustainability, and future resilience. By further developing products and services that meet evolving customer needs, diversifying revenue streams, and continuing digital transformation, the bank is prepared for a future of sustainable growth and positive impact.

The backlog in the preparation and audit of financial statements and the holding of the Annual General Meeting of Shareholders is gradually being cleared. With the publication of the 2023 financial statements and the planned release of the 2024 financial statements in Q3 of this year, the backlog will be fully resolved.

The Supervisory Board remains committed to its role of providing independent and critical oversight and looks forward with confidence to the continued development of a financially resilient bank with consistent returns and a solid capital base.

Composition of the Supervisory Board as at December 31, 2023

At the beginning of the 2023 reporting year, the Supervisory Board consisted of five members: Humphry Schurman (Chair), Patrick Peneux, Manoj Parsan, Sharmila Jadnanansing, and Hemwatie Ramadhin.

In accordance with Article 20, paragraph 1 of the bank's Articles of Association, the Supervisory Board must consist of a minimum of five (5) and a maximum of seven (7) members.
Following a thorough evaluation of the competencies required for effective functioning, the Supervisory Board developed a profile for expanding its membership. In line with the Remuneration and Nomination Procedure, it was decided to appoint two (2) additional members. All shareholders were given the opportunity to nominate candidates. The Supervisory Board also proactively approached potential candidates based on their specific expertise and experience. All proposed candidates were carefully assessed against the profile and the bank's strategic needs.

On April 20, 2023, the Supervisory Board approved the nomination of Arun Bhagwandin and Jeffrey Braster as new members. These nominations were submitted to the General Meeting of Shareholders for discussion and resolution. Arun Bhagwandin and Jeffrey Braster were appointed as Supervisory Board members on May 15, 2023. Following approval from the Central Bank of Suriname, received on August 7, 2023 and August 28, 2023 respectively, they assumed their roles.

On September 17, 2023, Sharmila Jadnanansing and Patrick Peneux were appointed as Chair and Vice Chair of the Supervisory Board, respectively.

As of December 31, 2023, the composition of the Supervisory Board was as follow:

1. Sharmila Jadnanansing, Chair
2. Patrick Peneux, Vice Chair
3. Hemwatie Ramadhin, Member and Chair of the Remuneration and Nomination Committee
4. Arun Bhagwandin, Member and Chair of the Risk and Compliance Committee
5. Jeffrey Braster, Member and Chair of the Audit Committee
6. Humphry Schurman, Member
7. Manoj Parsan, Member

Changes in the Composition of the Supervisory Board after the 2023 Reporting Year

During the Annual General Meeting of Shareholders held on August 8, 2024, Supervisory Board members Humphry Schurman and Manoj Parsan stepped down from their positions. At the same meeting, Simone Oostwijk and Montague Mc Leod were appointed as new members of the Supervisory Board.
On December 6, 2024, both of them received the formal approval (Declaration of No Objection) from the Central Bank of Suriname, after which they commenced their duties as Supervisory Board.

Additionally, as previously reported in the 2022 Annual Report, Hemwatie Ramadhin resigned from her position on the Supervisory Board effective November 15, 2024.

Current Composition of the Supervisory Board

At the time of publication of the 2023 Annual Report, the Supervisory Board is composed as follow:

Name	Position	Qualification
Sharmila Jadnanansing	Chair	Independent
Patrick Peneux	Vice Chair	Independent
Arun Bhagwandin	Board Member, Chair of Credit Committee	Dependent
Jeffrey Braster	Board Member, Chair of Audit Committee	Independent
Montague Mc Leod	Board Member, Chair of Risk and Compliance Committee	Independent
Simone Oostwijk	Board Member, Chair of Remuneration- and Nomination Committee	Independent

Compliance with Corporate Governance Regulations

The current composition of the Supervisory Board complies with the corporate governance requirements of the Central Bank of Suriname. Of the members, only Arun Bhagwandin was nominated by a significant shareholder of the bank. The entire Supervisory Board operates independently and is solely focused on the interests of the bank.

Given the current number of six (6) Supervisory Directors, there is room to appoint one (1) additional member. This appointment will follow the Nomination and Remuneration process, taking into account the specific competencies required for effective supervisory oversight.

Meetings of the Supervisory Board

In 2023, the Supervisory Board held a total of twenty-eight (28) meetings. All regular meetings were attended by nearly the entire Board. Members of the Executive Team and the Company Secretary were always present at these meetings. In addition, the Supervisory Board also convened in closed sessions when necessary.

Report on the Functioning and Activities of the Supervisory Board in 2023

The report is divided into two parts:

1. General Report.
2. Reports by the Committees.

1. General Report

In 2023, the Supervisory Board continued to provide critical oversight to the Executive Board in areas such as improving risk management, enhancing solvency, evaluating business processes and governance regulations, and implementing measures aimed at restoring the bank's profitability. Significant attention was also given to the performance and expansion of the Executive Board.

The Executive Board was once again explicitly challenged by the Supervisory Board to make every effort to achieve recovery and regain profitability. At the same time, the Supervisory Board remained mindful of the fact that society is constantly evolving, customer expectations continue to change, and the bank faces the complex challenge of meeting those expectations.
Only by becoming profitable and financially sound again can the bank continue to serve society in a meaningful way. We aim to provide adequate and innovative banking services, deliver solid returns to our shareholders, ensure employee satisfaction, and maintain a bank that meets international standards.

In the reporting year, the Supervisory Board also focused on further strengthening its own governance framework. A thorough evaluation and revision were conducted of the Supervisory Board's Rules of Procedure, as well as those of the three existing committees: the Audit Committee, the Risk and Compliance Committee, and the Remuneration and Nomination Committee. The Executive Board's Rules of Procedure were similarly reviewed and, where necessary, updated.

Internal guidelines for documenting approval decisions by the Supervisory Board were tightened to ensure clarity on which decisions were made and based on what information. This also applies to approvals or decisions made outside of formal meetings.

Execution of the Bank's Strategic Plan 2022–2025

The bank's 2024 Enterprise Policy Plan, including the Strategic Goals and Objectives for 2024, as well as the 2024 Operating and Investment Budget, were thoroughly discussed and approved by the Supervisory Board.

The Supervisory Board also resolved to retain the current auditor, Lutchman & Co N.V., to conduct the audits of the 2022 and 2023 financial statements. The necessary approval for this appointment was requested from and granted by the Central Bank of Suriname.

In 2023, the Supervisory Board approved the nomination of Coenraad Valk and Peter Ng A Tham for appointment as statutory directors of the bank, in the roles of Chief Financial Officer (CFO) and Chief Commercial Officer (CCO), respectively. Their nominations were submitted to the General Meeting of Shareholders for discussion and decision-making. This meeting took place on May 15, 2023, during which both Mr. Ng A Tham and Mr. Valk were formally appointed as statutory directors.
Following receipt of the Declaration of No Objection from the Central Bank of Suriname on August 7, 2023 for Mr. Ng A Tham and on August 18, 2023 for Mr. Valk both assumed their roles as directors of the bank effective September 1, 2023.

2. Committee Oversight and Reporting

The three committees of the Supervisory Board provided regular, detailed reports to the full Board throughout 2023. These reports covered meeting frequency, topics discussed, and challenges encountered within their respective areas of responsibility. This reporting structure was consistently maintained throughout the year.

AUDIT COMMITTEE REPORT (AC)

The responsibilities, duties, and powers of the AC are defined in the Audit Committee Charter. In the 2023 reporting year, the committee convened four times. The meetings focused on reviewing the annual audit plans, strengthening the Internal Audit Department (IAD), and finalising the financial statements for the 2021 financial year. Attention was also given to addressing the backlog in the preparation of financial statements.

A tender process will be initiated for the selection of a new external auditor for the 2025 financial year, subject to approval by the Central Bank of Suriname.

The AC supports and advises the Supervisory Board in its oversight responsibilities concerning the integrity and quality of the bank's financial and non-financial reporting. It also monitors the effectiveness of the internal risk management and control systems related to financial reporting.

Composition

In 2023, the AC consisted of the following members: Jeffrey Braster (Chair), Arun Bhagwandin (Member) and Manoj Parsan (Member)
At the time of this report's publication, the committee is composed of: Jeffrey Braster (Chair), Patrick Peneux (Member) and Simone Oostwijk (Member)

Key Recurring Topics

The committee regularly addressed the following structural focus areas:

- Financial reporting, including consolidated figures of subsidiaries, the annual accounts, and the annual report.
- Complex accounting issues and IFRS-related topics.
- Significant audit findings as noted in audit opinions.
- Audit plans of the external auditor, including engagement letters, independence declarations, and fees.
- Assessment of the internal control environment and internal control measures related to financial reporting.
- Evaluation and implementation of the internal audit plan.
- Policy on dividend and profit distribution.

Specific Focus Areas in 2023

The committee paid particular attention to:

- Application of IAS 29 (Hyperinflation).
- Implementation and impact analysis of IFRS 9 and Expected Credit Loss (ECL) provisions.
- AML/CFT audit.
- IT audit findings and associated risks.
- Preparations for the selection process of a new external auditor for the 2025 financial year.

To prepare for regular meetings, the Chair of the AC held separate consultations with the external auditor, the interim manager of the internal audit department, and the CFO.

Internal and External Audits

During the meetings, recommendations from both the internal audit department and the external auditor, as well as from the Central Bank of Suriname, were discussed.
The follow-up on these recommendations was closely monitored. The performance of the IAD was assessed on both qualitative and quantitative aspects, including capacity, reporting quality, and the realisation rate of the audit plan.
The structure of the audit plan for the following year was also evaluated and approved.
In 2024 and 2025, bilateral meetings with the external auditor and IT auditors were held to discuss internal control risks and proposals for improving control mechanisms.

RISK & COMPLIANCE COMMITTEE REPORT (RCC)

The responsibilities, duties, and powers of the Risk & Compliance Committee (RCC) are defined in the Compliance Charter and Framework. The RCC supports the Supervisory Board in its oversight responsibilities in the areas of risk management, compliance, and internal control. The committee assesses, among other things, the effectiveness of the 'three lines of defense' model and ensures that risk management aligns with the bank's strategic objectives and risk appetite.
The CEO, CFO, and the managers of the Risk Management and Compliance departments have a standing invitation to attend RCC meetings. Additional staff may be invited depending on the nature of the agenda items.
The RCC Charter was last revised in November 2024.

Composition

In 2023, the RCC consisted of the following members: Arun Bhagwandin (Chair), Jeffrey Braster (Member) and Manoj Parsan (Member)
At the time of this report's publication, the RCC is composed of: Montague Mc Leod (Chair), Jeffrey Braster (Member) and Arun Bhagwandin (Member)

Key Activities in 2023

The RCC met five times in 2023. The Executive Board actively participated in three of these meetings. Topics discussed included:

- 2023 Compliance Department Annual Plan.
- Compliance Charter & Framework.
- 2023 Risk Management Department Annual Plan, including policy and work program.
- Evaluation of the risk management policy.
- Inspection reports from the Central Bank of Suriname and follow-up on findings.
- The bank's strategic plan and staffing of the Risk Management and Compliance departments.
- Training initiatives through the Netherlands Compliance Institute (NCI) as part of competency development.
- Business Continuity Management tabletop test.
- Evaluation of the Executive Board's Rules of Procedure.

Various policy documents and annual plans for 2024 from the Risk Management and Compliance departments were reviewed and approved. Additionally, the RCC's role in nominations for Supervisory Board and Executive Board members was further formalized.

REMUNERATION AND NOMINATION COMMITTEE REPORT (REMU)

The responsibilities, duties, and powers of the Remuneration and Nomination Committee (REMU) are defined in the REMU Charter of the Supervisory Board. The REMU oversees the bank's Human Resources policy, with particular focus on the remuneration framework and the appointment procedures for executive directors. In this capacity, the REMU serves an advisory and preparatory role to the Supervisory Board, providing targeted recommendations and advice.

Composition

The REMU consists of three members. As of December 31, 2023, the committee was composed of: Hemwatie Ramadhin (Chair), Humphry Schurman (Member) and Patrick Peneux (Member)
At the time of this report's drafting, the composition has changed to: Simone Oostwijk (Chair), Arun Bhagwandin (Member) and Patrick Peneux (Member).

Depending on the agenda items, the CEO, CFO, and the Manager of Human Resource Management (HRM) may be invited to participate in meetings. The REMU Charter was critically reviewed in 2023 and formally adopted on May 2, 2024.

Activities in 2023

In 2023, the REMU held at least three regular meetings, supplemented by several sessions related to selection procedures for candidates for Supervisory Board and executive positions. Each meeting resulted in concrete recommendations to the Supervisory Board.
During the regular meetings, the committee focused extensively on strategic HR policy, with specific attention to:

- The remuneration structure and retention policy.
- Talent development, training, and leadership development.
- Succession planning at the executive level and for other key positions.

In collaboration with the HRM department, agreements were made regarding the evaluation of the HRM Department using the HR Maturity Model. Attention was also given to the employee satisfaction Survey, the remuneration benchmarking study, departmental staffing levels, and the HRM training portfolio, including the executive leadership Program.

The REMU also reviewed the Key Performance Indicators (KPIs) for the Executive Board in relation to the bank's Strategic Plan. Additionally, evaluations were conducted of the Executive Board's Rules of Procedure and the functioning of the Supervisory Board itself. The Supervisory Board evaluation will be carried out using a combination of self-assessment and peer review, based on pre-established criteria outlined in the evaluation matrix.

Appointments and Organisational Structure

The REMU was closely involved in the recruitment and selection processes for two C-level executive positions: Chief Commercial Officer and Chief Financial Officer.
Both processes were successfully concluded with the formal appointments made during the General Meeting of Shareholders of Hakrin Bank N.V. on 15 May 2023.
The REMU also oversaw the nomination process for two new Supervisory Board members, which was completed with their appointments on the same date.
The revised C-level organisational structure was the subject of intensive discussion within the REMU and resulted in the Supervisory Board's approval of the updated organisational chart. Significant attention was also given to succession planning at the executive level.

CREDIT COMMITTEE OF THE SUPERVISORY BOARD (CC)

In 2024, the Supervisory Board established a CC, with its governance structure defined in a formal charter. This charter outlines the scope, role, and responsibilities of the CC, as well as its composition and the manner in which it performs its duties. It also includes safeguards to ensure the independence of the committee members. The CC has autonomous decision-making authority.
The role of the CC is limited to the assessment and decision-making regarding credit applications that meet the criteria outlined in the Large Exposures Directive of the Central Bank of Suriname.
In addition, the CC monitors the performance of the overall credit portfolio. In collaboration with the Executive Board, a reporting format was developed to ensure the committee is periodically informed about the development and performance of the portfolio.

FINANCE AND RISK

The bank's solvency, and particularly the measures taken to improve it, were extensively discussed during the reporting year. The results of these efforts are now visible, and we can reflect on a positive development in the solvency ratio.
A key milestone was the Supervisory Board's approval of a subordinated perpetual loan agreement with the Government of Suriname, aimed at improving the BIS ratio.
In addition, the measures implemented to strengthen the bank's liquidity position have also proven effective.

Periodic Resignation of Supervisory Board Members

In accordance with Article 22, paragraph 1 of the Articles of Association of Hakrin Bank N.V., a portion of the Supervisory Board members must resign each year during the Annual General Meeting of Shareholders, following a rotation schedule established by the Supervisory Board.
According to the current rotation schedule, the following Supervisory Board members are due to resign at the Annual General Meeting of Shareholders in June 26, 2025: Jeffrey Braster and Arun Bhagwandin. Both members are eligible and have expressed their willingness to be reappointed.

Composition of the Executive Board in the 2023 Reporting Year and Changes After the Balance Sheet Date

At the beginning of the 2023 reporting year, the Executive Board consisted of Rafiek Sheorajpanday, Chief Executive Officer (CEO) and Magalie Loswijk-Keerveld, Chief Financial Officer (CFO). As of May 10, 2023, the employment of Magalie Loswijk-Keerveld was terminated, leaving the CFO position vacant.

Changes Within the Executive Board and Temporary Appointment of a Delegated Commissioner

According to the requirements of the Banking and Credit System Supervision Act 2011, a bank's Executive Board must consist of at least two directors. Since May 10, 2023, the Executive Board consisted solely of the CEO. With the approval of the Central Bank of Suriname, Patrick Peneux, a Supervisory Board member, was temporarily appointed as Delegated Commissioner for the period from June 8 to September 1, 2023.

In this role, he was responsible for providing intensive oversight and advising the CEO in the execution of executive duties, in accordance with the Delegated Commissioner Regulation. This temporary appointment ended with the appointment of the new executive directors.

On January 1, 2025, Peter Ng A Tham voluntarily ended his employment. In the interim, Claire Wydh was appointed as Deputy Director of Commerce in April 2025, following approval from the Central Bank of Suriname.

FINANCIAL STATEMENTS 2023

Pre-advice regarding the 2023 financial statements:

Pursuant to Article 34, paragraph 3 of the Articles of Association, the Supervisory Board has reviewed the company and consolidated balance sheet as at December 31, 2023, the company and consolidated profit and loss account for 2023, and the company and consolidated cash flow statement with accompanying notes.

The reviewed financial statements were first discussed in the meeting of the Audit Committee in May 19, 2025, and subsequently in the Supervisory Board meeting of June 10, 2025.

On June 10, 2025, Lutchman & Co N.V. issued the signed audit opinion, after which the financial statements were signed by all directors and all supervisory board members in accordance with Article 34, paragraph 4.

The Supervisory Board now advises shareholders to approve the financial statements as presented, including the audit opinion issued by Lutchman & Co N.V., as submitted by the Executive Board.

Approval of the balance sheet and profit and loss account by the shareholders, in accordance with Article 34, paragraph 8 of the Articles of Association, constitutes discharge of the Executive Board for its management and of the Supervisory Board for its supervisory duties.

The consolidated result before tax for the 2023 financial year amounts to SRD 139.7 million. The consolidated result after tax amounts to a profit of SRD 57.5 million of which SRD 8.0 million will be distributed to the perpetual bondholder.

As at year-end 2023, the solvency ratio stood at 20.7%, well above the required minimum.

Acknowledgements and Closing Remarks from the Supervisory Board

The Supervisory Board expresses its sincere appreciation to all our customers and shareholders for their continued trust in Hakrin Bank N.V.

The year 2023 was an intense and eventful year for the bank, its employees, and the Executive Board. Despite the many changes, employee engagement remained consistently high. This commitment is a key factor in the success of the bank's growth strategy and the achievement of its ambitions.

The Supervisory Board explicitly acknowledges and thanks all employees and the Executive Board for their dedication and commitment—both in their daily work and in the development and implementation of the strategic plans that will shape the future of the bank.

Paramaribo, June 10, 2025

Supervisory Board
Sharmila Jadnanansing
Patrick Peneux
Arun Bhagwandin
Jeffrey Braster
Simone Oostwijk
Montague Mc Leod

Curricula Vitae
Supervisory Board

Legend:
- Chair
- Vice Chair
- Chair of the Risk and Compliance Committee
- Member of the Risk and Compliance Committee
- Chair of the Audit Committee
- Member of the Audit Committee
- Chair of the Remuneration and Nomination Committee
- Member of the Remuneration and Nomination Committee
- Chair of the Credit Committee
- Member of the Credit Committee

Sharmila Jadnanansing LL.M

Chair

Mrs. Jadnanansing was appointed to the Supervisory Board of Hakrin Bank at the General Meeting of Shareholders in August 2022 and became Chair in September 2023, after serving as Chair of the Risk and Compliance Committee. With over 20 years of experience, including 13 years in senior executive roles at Iamgold-Rosebel, she has developed expertise in corporate governance, risk management, crisis response, mining and tax law, and corporate social responsibility. Sharmila has successfully led high-level negotiations on mineral, financial, and loan agreements, and is known for delivering innovative solutions to legal and tax challenges. She holds a Master's degree in Private Law from the University of Utrecht and in Tax Law from the University of Amsterdam.

Patrick Peneux MSc

Vice Chair

Mr. Peneux graduated from Anton de Kom University of Suriname with a Bachelor of Science in Agricultural Production. In September 2001 he obtained a Master of Science degree at Ghent University. His expertise in corporate governance, risk analysis, administration, commerce and product support organisations was utilised in numerous supervisory boards and steering committees. Since June 2006, he has held several positions within CKC Machinehandel Surmac, including Manager Product Support, Manager Sales, Manager Rental & Used, Deputy Director and currently General Manager. Patrick 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.

Jeffrey Braster RA

Board Member

Mr. Braster is an accomplished finance professional, consultant, and Chartered Accountant (RA) with over 20 years of experience in the field. Born in the Netherlands, he has established himself as a versatile leader with a proven track record of delivering results in finance, audit, and business innovation. He completed his post-graduate training at the Post-Graduate Academy for Chartered Accountants, University of Amsterdam, and is a member of the Royal Netherlands Institute of Chartered Accountants (NBA). With proficiency in IFRS reporting standards. Jeffrey has worked in the Netherlands and the Dutch Caribbean (Aruba, Bonaire, and Curaçao). In 2019, he relocated to Suriname, where he held positions at two multinational organizations.

Montague Mc Leod MSME

Board Member

Mr. Mc Leod is been active within the banking industry in Suriname for the past 27 years. He started his career in the Corporate Banking Department and during this period he was able to succesfully grow his portfolio with some of the largest corporate clients in Suriname. Montague has an extensive experience in corporate financing ranging from agriculture and contracting, to the hospitality and airline industries in Suriname. He is also a dedicated sales coach and was able to successfully lead different corporate sales teams during his tenure as Director Corporate Banking. During this time he contributed to the implementation of different sales strategies which resulted in the improved efficiency of the banking operations. Born and raised in Suriname, Montague has also served as a member of the supervisory board at BNets for many years.

Legend:

- Chair
- Vice Chair
- Chair of the Risk and Compliance Committee
- Member of the Risk and Compliance Committee
- Chair of the Audit Committee
- Member of the Audit Committee
- Chair of the Remuneration and Nomination Committee
- Member of the Remuneration and Nomination Committee
- Chair of the Credit Committee
- Member of the Credit Committee

Simone Oostwijk MBA BSc

Board Member

Ms. Oostwijk is a highly accomplished executive with extensive experience in the financial industry, specializing in insurance, innovation, digital transformation and risk management. With over 13 years in the insurance sector, she has a proven track record in developing growth strategies, advising on risk analysis and designing tailored made coverage solutions for customers, including complex risks. She excels in optimizing customer experience frameworks and driving transformational change. Simone holds an MBA in Business Management and is currently pursuing a Postmaster degree in finance and control complemented by several certifications in governance, insurance, leadership and innovation. In addition to her executive responsibilities, she actively contributes as board member of various organizations and engages in community initiatives.

Arun Bhagwandin MBA MSc

Board member

Mr. 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. He 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, Arun was the chairman of the Pension Fund of N.V. EBS. Since October 2022, he has been the CEO of Kroon-Oil Suriname, a high-end independent lubricant brand operating worldwide. Mr. Bhagwandin has taken on the role of CEO of Energy Power Works as of 2025 – the official distributor of TotalEnergies lubricants in Suriname.

Legend:

- Chair
- Vice Chair
- Chair of the Risk and Compliance Committee
- Member of the Risk and Compliance Committee
- Chair of the Audit Committee
- Member of the Audit Committee
- Chair of the Remuneration and Nomination Committee
- Member of the Remuneration and Nomination Committee
- Chair of the Credit Committee
- Member of the Credit Committee

03 | Executive Board

Core value: Teamwork

Teamwork – Collaboration is the key to success
At Hakrin Bank, we believe that together we go further than alone. Within our organization, we strive for synergy, connection, and a culture built on mutual respect and support. We share knowledge, empower one another, and build bridges across departments, roles, and generations .

Each team member brings unique strengths and perspectives. By working closely together, we harness diversity to create stronger, more innovative solutions. We celebrate successes together and face challenges as one united team.

For us, teamwork also means taking shared responsibility—for our goals, our clients, and for one another. Because only through true collaboration we can deliver the quality and reliability that Hakrinbank stands for.

Together, we are Hakrin Bank. Together, we make the difference.

Verslag van de Directie

Bij gebleken verschillen tussen de Nederlandse tekst (Verslag van de Directie) en de Engelse vertaling (Report of the Executive Board) op pagina 41 prevaleert de Nederlandse tekst.

ALGEMEEN

In 2023 stond onze bank voor grote uitdagingen, zowel op governance, alsook voor wat de impact van de externe omgeving op de bedrijfsvoering betreft. De bedrijfsresultaten zijn hierdoor sterk beinvloed, terwijl ook de interne organisatie onder druk stond. Een fundamentele heroriëntatie op onze kernwaarden die fungeren als kompas voor ons functioneren heeft plaatsgevonden, waarbij deze zijn herbevestigd. Tevens zijn initiatieven ontplooid om de beleving en internalisatie van de kernwaarden te verstevigen. Ook in ons jaarverslag staan onze kernwaarden teamwork, kwaliteit, klantgerichtheid en betrouwbaarheid centraal.

Het in 2022 ingezette herstel van de macro-economische omgeving verbeterde verder in 2023. Het Bruto Binnenlands Product (BBP) groeide met 2,5%, terwijl de inflatie op jaareinde basis aanmerkelijk afnam, maar met 32,6% nog wel hoog bleef. De overheidsfinancien verbeterden eveneens, waarbij het begrotingstekort afnam tot 1,6% en de overheidsschuld werd teruggebracht tot 96,6% van het BBP. Een verdere afname naar een gezond niveau is nodig. De wisselkoers deprecieerde in het eerste kwartaal van 2023 en stabiliseerde vervolgens op het niveau van SRD 37,20 per USD 1. De Centrale Bank van Suriname continueerde haar verkrappend monetair beleid met actieve openmarktoperaties (OMO's), een limitering van de groei van de SRD-kredietverlening van het bankwezen en verhoging van de SRD-kasreserveverplichting naar maar liefst 44%.

De financiële resultaten van onze bankinstelling verminderden in 2023, met name gedreven door een hogere dotatie dubieuze debiteuren en een afname van de 'other operating income'. De flinke stijging van de wisselkoers in de periode 2020 tot en met het eerste kwartaal 2023 had een negatieve impact op de 'Capital Adequacy Ratio' (CAR). Dit effect werd versterkt door de achterstand in de opmaak van de jaarrekeningen conform IFRS-standaarden. In de jaarrekening op basis van algemeen aanvaarde grondslagen was er een aanzienlijke herwaarderingsreserve gevormd, die echter niet kwalificeerde als toetsingsvermogen. Als gevolg hiervan nam onze CAR af tot onder de minimum CBvS norm. Om deze te verbeteren hebben wij onze naar risicograad gewogen activa teruggebracht, met name door afbouw van de kredietverlening en plaatsing van een perpetueel tier 1 instrument bij de Staat Suriname. Deze maatregelen hebben bijgedragen aan de verbetering van de CAR tot 20.7%, op basis van cijfers volgens IFRS-standaarden. Het resultaat vóór belastingen en monetaire baten en lasten nam af met SRD 183,1 miljoen tot SRD 139,7 miljoen, terwijl het resultaat ná netto monetaire baten en lasten en belastingen uitkwam op SRD 57,5 miljoen.

In 2023 heeft de Hakrin Bank als 'good corporate citizen' haar maatschappelijke betrokkenheid geëtaleerd via programma's en samenwerkingsvormen die onderwijs, gezondheid en sport ondersteunen.

Reeds in eerdere jaarverslagen is er melding gemaakt van het feit dat het Nederlandse Openbaar Ministerie medio april 2018 beslag legde op een geldzending contant geld uit Suriname. In de afgelopen jaren is geprocedeerd over de rechtmatigheid van het beslag. Bij het uitbrengen van dit jaarverslag is de zaak voor behandeling bij de Hoge Raad der Nederlanden.
Na de de inbeslagname stortte de CBvS equivalente fondsen op onze nostro-rekening in het buitenland waardoor er een terugbetalingsverplichting aan CBvS is ontstaan.

Wij confirmeren ons ook in het boekjaar 2023 aan de juridische opinie van onze advocaat, op basis waarvan er geen specifieke voorziening voor deze zaak is opgenomen in de balans per 31 december 2023.

Een goede 'corporate governance', is essentieel voor het waarborgen van de realisatie van bedrijfsdoelen enerzijds en een evenwichtige verzoening van de belangen van belanghebbenden. Onze 'corporate governance'zorgt voor goed bestuur, verantwoording en transparantie.
In het verslagjaar is de focus gelegd op het vergroten van de effectiviteit van het bestuur door de directie en het gehouden toezicht en begeleiding door de raad van commissarissen. Hiertoe zijn de relevante governance reglementen geëvalueerd en waarnodig aangepast. In het verslagjaar is veel aandacht geschonken aan het inlopen van de achterstand in de opmaak van de jaarrekeningen en de versteviging van de finance functie. De dienstbetrekking met Magalie Loswijk-Keerveld is met wederzijds goedvinden beëindigd. De directie is per 1 september 2023 uitgebreid met Peter Ng A Tham als commercieel directeur en Coenraad Valk als financieel directeur. Het overleg met de Staat Suriname voor de verdere afbouw van haar belang tot het maximum van de Wet Toezicht Bank- en Kredietwezen is voortgezet en ook gecontinueerd in 2024. In het tweede kwartaal van 2025 heeft de regering besloten tot verkoop van 145.000 aandelen van nominaal SRD 0,15 middels een vrijwillige openbare verkoop bij inschrijving. Het belang van de Staat Suriname, in samenhang met het belang van Staatsolie zal hierdoor afnemen tot 20%, volledig in compliance met de wettelijke voorschriften terzake.

In een dynamisch en uitdagend economisch klimaat in samenhang met toenemende regelgeving en technologische disruptie, is het proactief identificeren, beoordelen en beheersen van risico's essentieel voor het realiseren van onze strategische doelen. In het verslagjaar zijn geïdentificeerde zwakheden aangepakt en hebben wij onze risicobeheersingskaders verder versterkt door de integratie van scenarioanalyses, verbeterde datagedreven besluitvorming en een verscherpte focus op operationele veerkracht. Dit heeft geleid tot een grotere transparantie in risicoprofielen. Er is aandacht geschonken aan het verder verbeteren van het risicobewustzijn op alle niveaus van de onderneming, mede door gerichte trainingsinitiatieven en de versterking van de 'risk culture'. Wij hebben onze risicobeheersingsssysteem met deze activiteiten aanmerkelijk verbeterd en de verbeterinitiatieven ook gecontinueerd in 2024.

In het verslagjaar was de focus van de compliance-activiteiten gericht op zowel het waarborgen van de naleving van de wet- en regelgeving ('harde kant') als op het bevorderen van integriteit en gedrag ('zachte kant'). Er is hierbij aandacht geschonken aan het verder verbeteren van het compliance control framework en de transactiemonitoringprocessen alsmede activiteiten om de integriteitscultuur binnen de organisatie te versterken. Met een goede mix van beleidsmatige versterking, cultuurbevordering, data gedreven innovatie en versterkte governance is de basis voor duurzaam en toekomstgericht integriteits- en AML/CFT risicobeheer binnen onze bankinstelling verder verstevigd.

Wij beschouwen onze medewerkers als doorslaggevend voor het realiseren van onze ambities en daarvan afgeleide doelstellingen. Het HRM-beleid is erop gericht om onze human resources optimaal in te zetten, teneinde de realisatie van de ambities en doelstellingen effectief te ondersteunen. Een effectieve HR-cyclus is essentieel hiervoor. Het identificeren en erkennen van onze talenten en het verhogen van hun kennis en kunde niveau is cruciaal voor onze organisatie. Aanscherping van de gewenste houding en gedrag heeft ook onze aandacht. Wij hebben onze eigen Hakrinbank Digitale Leeromgeving (DLO) verder ontwikkeld in 2023. Deze omgeving stelt medewerkers in staat om op een voor hen geschikt moment hun kennis te vergroten met betrekking tot vaktechnische trainingen. In 2023 hebben wij zeven (7) nieuwe modules toegevoegd, waardoor onze medewerkers een ruimer aanbod aan trainingen en cursussen hebben. In het verslagjaar hebben twaalf (12) medewerkers met succes een Welten certificaatcursus gevolgd. In het jaar 2023 hebben zes (6) medewerkers hun Bacheloropleiding succesvol afgerond. En twee (2) medewerkers hebben hun Masterdiploma behaald.

In het verslagjaar is ook de nodige aandacht geschonken aan leiderschapsontwikkeling. In dit kader is onze Hakrinbank Supervisory Leadership Development Program (SLDP) voortgezet. SLPD is bedoeld om leiderschapsvaardigheden van (aankomende) leidinggevenden verder te ontwikkelen zodat zij beter in staat zijn effectief leiding te geven aan hun respectieve teams. De focus wordt gelegd op het ontwikkelen van cruciale competenties. In 2023 hebben elf (11) kandidaten succesvol een intensief programma van 6 maanden succesvol afgerond. Dit programma is gecontinueerd in 2024.

In het verslagjaar zijn twee (2) medewerkers met pensioen gegaan en het aantal medewerkers nam per saldo met één (1) toe tot 393. In 2023 vierden achtenveertig (48) medewerkers hun dienstjubileum, waarvan één (1) met een 35-jarig, zestien (16) met een 30-jarig, vier (4) met een 25-jarig, vijftien (15) met een 20-jarig en twaalf (12) met een 12,5-jarig dienstverband. Wij zijn de jubilarissen erkentelijk voor hun trouwe dienst aan onze bank.

MACRO-ECONOMISCHE ONTWIKKELINGEN 2023

Internationale en regionale context

Het internationale macro-economische klimaat stond in 2023 voor aanzienlijke uitdagingen, gekenmerkt door een scherpe groeivertraging als gevolg van aanhoudende inflatie, stijgende rentetarieven en escalerende geopolitieke spanningen. Ontwikkelde economieën zagen een opmerkelijke vertraging, terwijl opkomende markten en ontwikkelingslanden ook worstelden met verminderde groeicijfers. Deze problemen werden verder verergerd door de aanhoudende impact van de COVID-19-pandemie en de aanhoudende verstoringen van de wereldhandel, waardoor een complex en onzeker economisch landschap ontstond. De wereldeconomie groeide in 2023 met 3,3%, iets minder dan de 3,6% in 2022 (tabel 1). Dit weerspiegelt een gematigd herstel te midden van aanhoudende uitdagingen zoals inflatie en geopolitieke spanningen. De groei in de ontwikkelde economieën daalde tot 1,7% in 2023, als gevolg van een strakker monetair beleid en lagere consumentenbestedingen. Ondertussen toonden opkomende markten en opkomende economieën veerkracht met een groeipercentage van 4,4% in 2023, ondersteund door een sterke exportvraag en grondstoffenprijzen. Latijns-Amerika en het Caribisch gebied kenden een tragere groei, waarbij het bbp van de regio in 2023 met 2,2% groeide, tegen 4,2% in 2022. In het Caribisch gebied zagen grondstoffen exporterende landen een hoger gemiddeld groeipercentage van 14,3%, terwijl economieën die afhankelijk zijn van toerisme met 3,0% groeiden. Het groeipercentage van de grondstoffen exporterende landen werd voornamelijk aangedreven door een groei van 33% in de Guyanese economie, gevoed door de bloeiende olie-industrie.

Tabel 1: Tabel 1: Wereldwijde en Regionale BBP-groei 2019-2023 (%)

	2019	2020	2021	2022	2023
Wereld	2,9	-2,7	6,6	3,6	3,3
Ontwikkelde economieën	1,9	-4,0	6,0	2,9	1,7
Opkomende Markten en Ontwikkelingslanden	3,7	-1,8	7,0	4,0	4,4
Latijns-Amerika en het Caribisch gebied	0,2	-7,0	7,0	4,2	2,2
▪ Caribisch gebied: Toerisme-afhankelijk*	1,4	-14,7	7,8	9,1	3,0
▪ Caribisch gebied: Grondstoffenexporteurs**	1,0	4,0	6,1	22,7	14,3

Bron: Internationaal Monetair Fonds, World Economic Outlook Database, oktober 2024
**) Antigua and Barbuda, Aruba, Bahamas, Barbados, Belize, Dominica, Grenada, Jamaica, St. Kitts and Nevis, St. Lucia en St. Vincent and the Grenadines.*
***) Suriname, Guyana en Trinidad and Tobago.*

Tabel 2: Wereldwijde en Regionale Jaareinde Inflatie 2019-2023 (%)

	2019	2020	2021	2022	2023
Wereld	3,8	2,9	6,3	8,8	6,0
Ontwikkelde economieën	1,5	0,6	5,3	7,3	3,1
Opkomende Markten en Ontwikkelingslanden	5,6	4,7	7,0	9,9	8,1
Latijns-Amerika en het Caribisch gebied	7,7	6,3	11,7	14,9	17,2
▪ Caribisch gebied: Toerisme-afhankelijk*	3,7	2,5	5,1	7,3	4,3
▪ Caribisch gebied: Grondstoffenexporteurs**	1,4	8,6	11,5	13,7	4,8

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

De wereldwijde inflatie bleef hoog in 2023, hoewel deze aanzienlijk varieerde tussen regio's (tabel 2). De jaareinde inflatie daalde van gemiddeld 8,8% in 2022 tot 6,0% in 2023, als gevolg van een krapper monetair beleid en fluctuaties in de internationale grondstoffenprijzen. De ontwikkelde economieën kenden een opmerkelijke daling van de inflatie, van 7,3% in 2022 tot 3,1% in 2023, grotendeels als gevolg van de afnemende druk op de consumentenprijzen en de gematigde looneisen.

Opkomende markten en ontwikkelingseconomieën zagen de inflatie dalen van 9,9% in 2022 tot 8,1% in 2023, ondanks uitdagingen zoals valutadepreciaties en hoge invoerkosten. Latijns-Amerika en het Caribisch gebied registreerden daarentegen een stijging van de inflatie, van 14,9% in 2022 tot 17,2% in 2023, onder invloed van volatiele grondstoffenprijzen en externe economische schokken.

In het Caribisch gebied profiteerden grondstoffen exporterende landen van hogere wereldprijzen, wat hielp om de inflatoire druk te verzachten. De inflatie in deze groep landen werd vooral beïnvloed door de inflatie in Suriname van 32,6% in 2023. Ondertussen kenden economieën die afhankelijk zijn van toerisme lagere inflatiecijfers, dankzij het aanhoudende herstel in de reis- en toerismesector, wat heeft bijgedragen aan een grotere economische stabiliteit.

Als reactie op deze uitdagende externe omstandigheden moeten banken zich aanpassen door hun risicobeheerkaders te versterken, voldoende liquiditeitsbuffers aan te houden en kredietportefeuilles nauwlettend in de gaten te houden om "spillover" effecten effectief te beperken.

Suriname[1]

Beleidsmaatregelen van de overheid en de Centrale Bank van Suriname, ondersteund door de Extended Fund Facility (EFF) van het IMF, speelden een cruciale rol bij het stabiliseren van de Surinaamse economie. Deze inspanningen omvatten het bevorderen van structurele hervormingen, het implementeren van responsief monetair beleid, het versterken van de begrotingsdiscipline en het verbeteren van de houdbaarheid van de schuld. Bovendien hielpen verhoogde internationale reserves en versterkt monetair beleid het vertrouwen in het financiële systeem te herstellen. Het volledige effect van deze hervormingen zal echter afhangen van de consistente uitvoering van beleidsmaatregelen en het vermogen van de economie om externe schokken op te vangen, wat de noodzaak van aanhoudende begrotings- en economische discipline benadrukt.

De macro-economische situatie van Suriname bleef in 2023 verbeteren, voortbouwend op het voorzichtige herstel dat in 2022 werd waargenomen. De bbp-groei bleef positief, grotendeels gedreven door de mijnbouwsector, wat optimisme bood voor een aanhoudend economisch herstel. Hoewel de inflatie verbetering liet zien, blijft het een grote uitdaging. De wisselkoers kende in de eerste vier maanden van 2023 een achtereenvolgende depreciatie, gevolgd door stabilisatie en appreciatie in het laatste kwartaal van het jaar.

De fiscale positie van Suriname verbeterde, maar de uitdagingen bleven bestaan. Hogere inkomsten uit de mijnbouwsector en inspanningen om de uitgaven te rationaliseren droegen bij tot verbeteringen in de begrotingssaldi. De uitbetalingen uit de Extended Fund Facility van het IMF werden in de tweede helft van het jaar hervat na het voldoen aan de begrotingsafspraken. De hoge staatsschuld, hoewel dalend, en de aanhoudende werkloosheid bleven ernstige zorgen baren, maar het jaar markeerde vooruitgang in het stabiliseren van de Surinaamse economie, wat de weg vrijmaakte voor een robuustere groei in de toekomst.

[1] In dit hoofdstuk is gebruik gemaakt van inzichten uit het Financieel Jaarplan 2025 van de Surinaamse Regering en het Financieel Stabiliteitsrapport 2024 van de Centrale Bank van Suriname.

Economische groei

Voortbouwend op het positieve momentum van 2022 zette Suriname zijn economisch herstel in 2023 voort en behaalde het een bbp-groei van 2,5%, iets boven de 2,4% die het voorgaande jaar werd opgetekend (tabel 3). Een groei van 6,6% in de minerale sector en een stijging van 2,3% in de niet-mijnbouwsector droegen in belangrijke mate bij aan deze groei, met bescheiden toename van 0,6% in de sectoren overheid, onderwijs en gezondheidszorg. Toegenomen buitenlandse investeringen, met name in de mijnbouw, en voortdurende inspanningen om het macro-economische klimaat te stabiliseren, speelden een cruciale rol bij het stimuleren van dit herstel. Bovendien zorgde de versoepeling van de COVID-19-beperkingen voor een broodnodige impuls voor de dienstensector.

Tabel 3: BBP-groei Suriname 2019-2023 (%)

	2019	2020	2021*	2022*	2023*
BBP	1,2	-16,0	-2,4	2,4	2,5
Minerale sector	-41,0	-7,1	-17,6	2,0	6,6
Niet-minerale sector	10,5	-14,9	-0,4	2,2	2,3
Overheid, onderwijs en gezondheidszorg	21,6	-29,2	1,9	4,3	0,6

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

Ontwikkeling van de fiscale sector

De begrotingspositie van Suriname vertoonde in 2023 een opmerkelijke vooruitgang, gekenmerkt door een stijging van het primaire saldo tot een overschot van 1,3% van het bbp, vergeleken met 1,0% in 2022, en een vermindering van het begrotingstekort tot 1,6% van het bbp van 2,7% het voorgaande jaar. Deze verbetering was grotendeels te danken aan een sterkere inkomstengeneratie, met name uit de mijnbouwsector, aangezien de stijgende internationale goudprijzen de inkomsten opdreven, naast de implementatie van belastinghervormingen. Aan de uitgavenkant speelden gerationaliseerde uitgaven, beter gerichte subsidies en een focus op investeringen in infrastructuur en sociale programma's een belangrijke rol bij het bereiken van deze resultaten. Om deze verworvenheden te behouden, zal Suriname zich moeten blijven inzetten voor hervormingen en nauw moeten aansluiten bij de doelstellingen van het IMF-programma.

Tabel 4: Primaire en Totale Rekening van de Surinaamse Overheid 2019-2023 (% van BBP)

	2019	2020	2021	2022	2023
Primaire rekening	-17,3	-8,3	-0,5	1,0	1,3
Totale rekening	-20,2	-12,0	-5,7	-2,7	-1,6

Bron: IMF, World Economic Outlook Database, oktober 2024
Noot: IMF sluit trekkingen op leningen uit van de ontvangsten.

Overheidsschuld

Suriname heeft in 2023 aanzienlijke vooruitgang geboekt bij het beheer van zijn overheidsschuld, waardoor deze is teruggebracht van 110,3% in 2022 tot 96,6% van het bbp. Deze verbetering was het gevolg van gerichte inspanningen om het begrotingstekort en andere schuld creërende stromen onder controle te houden. De daling was vooral te danken aan de aflossingen van de binnenlandse en buitenlandse schuld, een depreciatie van de lokale munteenheid die ruim onder de inflatie bleef en de groei van het nominale bruto binnenlands product.

De buitenlandse schuld daalde van 83,1% in 2022 tot 76,2% van het bbp in 2023, terwijl de binnenlandse schuld in dezelfde periode daalde van 27,2% tot 20,4% van het bbp. Deze verlagingen weerspiegelen de voortdurende inzet van de regering om de schuldniveaus te verminderen en de begrotingsdiscipline te verbeteren.

De regering heeft in 2023 aanzienlijke vooruitgang geboekt bij de herstructurering van haar uitstaande schuld. Als gevolg hiervan heeft de internationale kredietbeoordelaar Standard & Poor's (S&P) in december 2023 de kredietwaardigheid van Suriname opgewaardeerd van "Selective Default" (SD) naar CCC+/C.

Ondanks deze vooruitgang blijft de totale overheidsschuld hoog, wat risico's met zich meebrengt voor de economische stabiliteit op lange termijn. Om houdbare schuldniveaus te bereiken, moet de regering haar inspanningen voortzetten om de schuld terug te dringen tot binnen de grenzen van de wet op de staatsschuld, die een plafond vaststelt van 35% van het bbp voor buitenlandse schuld en 25% voor de binnenlandse schuld.

Tabel 5: Surinaamse Overheidsschuld 2019-2023 (% van BBP)

	2019*	2020*	2021*	2022*	2023*
Buitenlandse schuld	47,1	76,9	76,5	83,1	76,2
Binnenlandse schuld	23,9	43,9	34,3	27,2	20,4
Totale schuld	**70,9**	**120,8**	**110,8**	**110,3**	**96,6**

Bron: Bureau voor de Staatsschuld
Opmerking: Marginaal afrondingsverschil in totale schuldratio van 2019.
**) Voorlopige cijfers*

In 2023 was er een opmerkelijke stijging van de nominale SRD-deposito- en beleningsrentes. De gemiddelde nominale SRD-depositorente steeg van 7,8% in 2022 naar 11,1% in 2023, terwijl de beleningsrente steeg van 13,4% naar 14,9%. Deze verhogingen waren vooral te danken aan de aanhoudend hoge, zij het dalende, inflatie en de aantrekkelijke rendementen op termijndeposito's (TD's) en centralebankcertificaten (CBC's), wat leidde tot aanpassingen binnen de banksector.

Monetaire ontwikkelingen

In 2023 bleef een verkrappend monetair beleid een belangrijke prioriteit, met verschillende ingrijpende maatregelen die werden genomen om de economische uitdagingen aan te pakken. Er werden actief openmarktoperaties (OMO's) uitgevoerd, van 1 maart 2023 tot 31 maart 2024 werd een plafond van 20% voor de groei van de particuliere SRD-kredietverlening in de banksector ingevoerd en de SRD-kasreservevereiste werd op 5 april 2023 verhoogd van 39% naar 44%. Deze maatregelen waren nodig om de hoge overtollige reserves te beheren, die druk bleven uitoefenen op de valutamarkt. De wisselkoers deprecieerde achtereenvolgens van SRD 31,9 per US$ eind december 2022 tot SRD 37,6 per US$ in april 2023, alvorens te stabiliseren en het jaar af te sluiten op SRD 37,2 per US$.

Het groeitempo van SRD-M0, de SRD-component van het basisgeld, versnelde in 2023 tot 35,1%, vergeleken met 32,3% in 2022 (tabel 6). Deze stijging was vooral te danken aan de omrekening van vreemde valuta naar lokale valuta bij de Centrale Bank van Suriname (CBvS) om overheidsuitgaven te financieren. Dit leidde tot overtollige liquiditeit, die niet altijd volledig werd geabsorbeerd door openmarkttransacties. Daarentegen vertraagde de groei van de SRD-component van de liquiditeitenmassa in ruime zin (SRD-M2) tot 21,6% in 2023, tegen 28,0% het jaar ervoor. De daling was deels te wijten aan de beperking van de groei van de SRD-kredietverlening door middel van monetair beleidsmaatregelen.

De gewogen gemiddelde geaccepteerde OMO-biedrentes daalden tegen het einde van 2023, waarbij de 1-weekse, 1-maands en 3-maands instrumenten daalden tot respectievelijk 20,8%, 47,4% en 47,7%. Deze daling is deels het gevolg van een lager overschot aan reserves.

Tabel 6: Geselecteerde Monetaire Aggregaten Suriname 2019-2023

	2019	2020	2021	2022	2023
SRD-M0 (%)*	19,1	42,7	26,3	32,3	35,1
SRD-M2 (%)**	22,8	32,1	23,5	28,0	21,6
Gewogen gemiddelde nominale SRD- depositorente (%)	8,8	7,4	6,9	7,8	11,1
Gewogen gemiddelde nominale SRD- kredietrente (%)	15,2	14,8	14,9	13,4	14,9
OMO-rentes (%)***	N/A	N/A			
1-Week			79,5	80,0	20,8
1-Maand			79,4	78,5	47,4
3-Maanden			77,0	70,7	47,7
6-Maanden			N/A	52,9	N/A
Depositodollarisering (%)	59,5	69,5	74,4	78,0	77,5
Kredietdollarisering (%)	39,8	49,0	51,5	56,4	56,1

Bron: Centrale Bank van Suriname
**) SRD-component van basisgeldhoeveelheid (ruime definitie).*
***) SRD-component van liquiditeitenmassa in ruime zin.*
****) Rentepercentages van de laatste veiling resultaten in het jaar voor betreffende termijndeposito's.*
N/A= Niet van toepassing

De CBvS is in 2023 doorgegaan met het uitgeven van centralebankcertificaten (CBC's) voor zowel het wholesale- als het retailsegment, naast de traditionele Open Market Operations (OMO's), om de structurele liquiditeitsoverschotten te beheren, de wisselkoers te stabiliseren en de transmissie van rentetarieven te verbeteren.

Ondanks een lichte daling van de dollarisering van deposito's en kredieten in 2023, met ratio's van respectievelijk 77,5% en 56,1%, blijft de financiële dollarisering hoog. Dit blijft een potentieel risico vormen voor de effectiviteit van het monetair beleid.

Inflatie

In 2023 heeft Suriname een opmerkelijke daling van de inflatie gerealiseerd ten opzichte van het voorgaande jaar. De eindejaar inflatie daalde aanzienlijk van 54,6% in 2022 naar 32,6%, terwijl de gemiddelde inflatie een bescheiden daling liet zien van 52,4% naar 51,6%. Deze vooruitgang was het resultaat van een combinatie van een strakker monetair beleid en begrotingsconsolidatiemaatregelen om de economie te stabiliseren.

De belangrijkste aanjagers van de inflatie in 2023 waren onder meer de depreciatie van de wisselkoers tot april, gevolgd door relatieve stabiliteit en appreciatie in het laatste kwartaal, aanhoudend hoge voedselprijzen en stijgende kosten voor huisvesting en nutsvoorzieningen, transport en diverse goederen en diensten.

Tabel 7: Inflatie in Suriname 2019-2023 (%)

	2019	2020	2021	2022	2023
Jaareinde inflatie	4,2	60,8	60,7	54,6	32,6
Gemiddelde inflatie	4,4	34,9	59,1	52,4	51,6

Bron: Algemeen Bureau voor de Statistiek.

Betalingsbalans

De betalingsbalans van Suriname in 2023 werd gekenmerkt door een groter overschot op de lopende rekening en een groter tekort op de financiële rekening. Deze factoren hebben samen bijgedragen aan een aanzienlijke groei van de internationale reserves.

Het saldo op de lopende rekening vertoonde in 2023 een positieve verschuiving en steeg van 2,1% in 2022 tot 3,9% van het bbp (tabel 8). Deze verbetering is toe te schrijven aan een stijging van de exportinkomsten uit diensten en aan de andere kant een daling van de goederenimport. Het saldo van het kapitaal en de financiële rekening daalde van -0,1% in het voorgaande jaar tot -4,9% van het bbp in 2023. Dit is voornamelijk het gevolg van uitbetalingen van overheidsleningen van de IDB en het IMF ter ondersteuning van de begroting en de betalingsbalans en een afname van externe financiële vorderingen van mijnbouwbedrijven.

Als gevolg van deze ontwikkelingen stegen de internationale reserves eind december 2023 met USD 151,5 miljoen (12,7%) ten opzichte van 2022 tot USD 1.346,1 miljoen. Deze reserves omvatten ook de 'ringfenced' deviezenreserves die commerciële banken aanhouden bij de Centrale Bank van Suriname (CBvS). Wanneer deze 'ringfenced' reserves buiten beschouwing worden gelaten, bedroegen de internationale reserves eind 2023 USD 1.096,5 miljoen.

Tabel 8: Betalingsbalans van Suriname 2019-2023

	2019	2020	2021	2022	2023
Lopende rekening (% van BBP)	-11,2	8,9	5,7	2,1	3,9
Kapitaal en Financiële rekening (% van BBP)	-13,3	7,5	-1,4	-0,5	-4,9
Internationale reserves (USD miljoen)	647,5	585,0	992,2	1.194,6	1.346,1

Bronnen: Centrale Bank van Suriname en Internationaal Monetair Fonds, World Economic Outlook Database, oktober 2024.

Ontwikkelingen in de banksector

De algemene financiële positie van de banksector is in 2023 verder versterkt, wat getuigt van veerkracht en het vermogen om zich aan te passen aan veranderende economische omstandigheden. Deze ontwikkelingen hebben het vertrouwen van beleggers en de particuliere sector blijven versterken en bevestigen dat de sector klaar is om toekomstige economische verstoringen het hoofd te bieden.

De solvabiliteitsratio van banken, die hun financiële stabiliteit weerspiegelt, is aanzienlijk gestegen van 16,8% in 2022 tot 20,3% in 2023 (tabel 9). Deze positieve trend was voornamelijk toe te schrijven aan verbeteringen in de regelgevingskaders en effectievere praktijken op het gebied van kapitaalbeheer. De niet-presterende leningenratio's (NPL) kenden echter een lichte stijging, van 12,4% in 2022 tot 13,0% in 2023. Het relatief hoge niveau van NPL's benadrukt de noodzaak van een beter kredietrisicobeheer door banken.

Tabel 9: Solvabiliteitsratio en NPL van Commerciële Banken in Suriname 2019-2023 (%)

	2019	2020	2021	2022	2023
Solvabiliteitsratio (%)	11,4	11,8	14,5	16,8	20,3
NPL (bruto; %)	10,6	14,6	12,8	12,4	13,0

Bron: Centrale Bank van Suriname

Het kredietlandschap van de particuliere sector werd in 2023 gevormd door uiteenlopende prestaties in verschillende valuta's en de bredere economische uitdagingen waarmee kredietnemers worden geconfronteerd (tabel 10). De kredietverlening in SRD en USD vertoonde een vertraging, terwijl de kredietverlening in euro's een herstel doormaakte.

De kredietverlening in SRD aan de particuliere sector groeide met 21,0%, een sterke vertraging ten opzichte van de groei van 44,4% in 2022. Deze vertraging werd beïnvloed door de monetaire beleidsmaatregelen van de Centrale Bank van Suriname (CBvS) en de erosie van het besteedbaar inkomen als gevolg van hoge inflatie vanaf 2020, wat leidde tot een verminderde kredietvraag in de meeste sectoren.

Krediet in USD maakte het positieve traject van het voorgaande jaar ongedaan en kromp met 8,9% in 2023 na een groei van 14,2% in 2022. Deze daling was het gevolg van een verminderde kredietverlening in belangrijke sectoren. Daarentegen vertoonde het krediet in euro tekenen van herstel en groeide het in 2023 met 1,4% na jaren van negatieve groei, waaronder een krimp van -1,7% in 2022. Deze opleving wijst op een hernieuwde belangstelling voor leningen in euro's, wat een verschuiving markeert ten opzichte van eerdere trends.

Tabel 10: Suriname Kredietgroei 2019-2023 (%)

	2019	2020	2021	2022	2023
SRD					
Totale kredietgroei	**-3,5**	**26,1**	**4,6**	**31,7**	**15,7**
Private sector kredietgroei	16,7	11,1	13,0	44,4	21,0
USD					
Totale kredietgroei	**-6,9**	**-9,0**	**-4,4**	**14,2**	**-8,9**
Private sector kredietgroei	-14,9	-15,0	-9,2	20,9	0,5
EUR					
Totale kredietgroei	**63,5**	**-50,3**	**-26,2**	**-1,6**	**1,4**
Private sector kredietgroei	-15,4	-20,9	-34,7	-0,8	23,8

Bron: Centrale Bank van Suriname.

BEDRIJFSECONOMISCHE ONTWIKKELINGEN

Bedrijfsresultaten

De optimalisatie van onze dienstverlening en de vergroting van het bedrijfsvolume blijven ook dit verslagjaar kernprioriteiten. In 2023 was sprake van een gematigd herstel van het economisch klimaat, zichtbaar in een toename van de economische activiteit. Deze positieve ontwikkeling heeft zich echter niet volledig weerspiegeld in onze financiële resultaten over het verslagjaar.
De aanhoudend hoge inflatie en het verkrappende monetaire beleid hebben hierbij een remmende werking gehad. Daarnaast heeft de gecumuleerde valutakoersstijging in de periode 2020–2023, in combinatie met de ontwikkeling van onze solvabiliteitspositie, geleid tot een overschrijding van de norm voor grote kredietposten. Conform de richtlijnen van de Centrale Bank van Suriname geldt dat het totaal aan verstrekte kredieten boven 10% van het Tier 1-kapitaal een vastgesteld maximumpercentage niet mag overschrijden. Om opnieuw te voldoen aan de gestelde norm, zagen wij ons genoodzaakt enerzijds, een aantal grotere kredietposities af te bouwen en anderzijds nieuwe grote kredietuitzettingen te temporiseren. Deze herstructurering is succesvol gerealiseerd, zij het met een merkbare impact op ons uitstaand obligo en batenontwikkeling.
Daarnaast lag de focus op het gereedmaken van de uitrol van onze Mobile Banking-applicatie en de vernieuwing van het Online Banking-platform. Deze inspanningen hebben hun vruchten afgeworpen en stelden ons in staat om deze digitale diensten begin 2024 succesvol aan onze klanten beschikbaar te stellen. De optimalisatie van ons POS-netwerk had eveneens hoge prioriteit en stelde ons in staat om, na een periode van verminderde activiteit, de uitrol en het gebruik hiervan weer substantieel te intensiveren.
Ondanks de toevertrouwde middelen ten opzichte van 2023 iets toegenomen zijn, bleven deze achter op de toename in de sector, waardoor er 1,3% werd ingeleverd in het marktaandeel in toevertrouwde middelen. Een strengere AML/CFT risicobeoordeling droeg bij hieraan. Het ongelijk compliance speelveld binnen de bankensector droeg hier aan bij, waarbij er sprake was van afbouw van met name USD-deposits vanwege een witwasrisico buiten onze risico-appetijt die hun weg vonden naar andere bankinstellingen. Ook de gestegen wisselkoersen voor USD en EUR hadden een drukkend effect op de balanspost 'Toevertrouwde middelen', die mede als gevolg van de hyperinflatie met SRD 270 miljoen (13,43%) daalde ten opzichte van 2022. De afname van onze USD-depositogelden droeg bij aan een daling van de dollarisatiegraad. Door de aanhoudende stijging van de wisselkoersen voor zowel USD als EUR bleef het effect echter beperkt, resulterend in een marginale daling van 1,0 % punt naar 76%.

Zoals eerder aangegeven is in 2023 sprake geweest van een daling in de kredietverlening ten opzichte van 2022. Deze afname is tweezijdig te verklaren: enerzijds door de afbouw van bestaande kredietposities en anderzijds door het terughoudend verstrekken van nieuwe, grotere kredieten De totale kredietverlening daalde daarbij tot SRD 6,2 miljard, wat neerkomt op een procentuele afname van 25%. Ook in dit geval is de impact van de hyperinflatie hier in belangrijke mate debet aan.

Waar in de agrarische sector en de bouwsector een toename van respectievelijk 6% en 40% werd gerealiseerd, was daarentegen sprake van een daling in de overige sectoren. De meest significante terugval werd waargenomen in de handelssector, met een afname van 31%. Wat inherent is aan de noodzaak voor afbouw van grotere kredieten en de afwikkeling van kredieten die al langere tijd non-performing en geen herstelperspectief hadden.

De investeringen in schatkistpapier van de Republiek Suriname en overige schuldtitels zijn afgenomen als gevolg van aflossingen door de overheid, in lijn met het beleid gericht op een geleidelijke afbouw.

De non-performing ratio van de private kredietportefeuille verbeterde aanzienlijk van 10,3% in 2022 naar 5,5% in 2023. Naast een aangescherpt beheersregime op de kredietportefeuille heeft ook de afbouw van enkele hardnekkige probleemkredieten bijgedragen aan dit resultaat.

We blijven gericht investeren in het versterken van een klantgerichte organisatiecultuur, waarbij voortdurende ontwikkeling van medewerkersvaardigheden en -competenties centraal staat. Dit draagt bij aan een robuustere marktpositie en versterkt ons concurrentievermogen. Tegelijkertijd zetten we de ingezette koers voort met betrekking tot de verdere ontwikkeling van onze digitale kanalen, gericht op het verbeteren van de algehele klantervaring.

De vooruitzichten op middellange en lange termijn blijven positief, mede dankzij de ontwikkelingen in de Oil & Gas-sector en de daarmee samenhangende te verwachtte spin-off-effecten. Voor 2024 blijven de verwachtingen echter gematigd, aangezien de impact van het verkrappende monetaire beleid nog steeds voelbaar is.

Nationale Trust- en Financieringsmaatschappij (NTFM)

In 2023 presteerde de NTFM aanzienlijk beter dan het jaar ervoor, met een stijging van de kredietportefeuille met 22,5% tot SRD 458 miljoen ten opzichte van 2022. Desondanks is ook hier een negatief effect van hyperinflatie zichtbaar als gevolg van de toepassing van IAS 29. Wanneer uitgegaan wordt van historische cijfers zonder correctie voor inflatie, zou de toename van de kredietportefeuille in 2023 nog groter zijn geweest, mede door het hogere aantal verstrekte leningen ten opzichte van het voorgaande jaar.

Hypotheekleningen

De portefeuille aan hypotheekleningen vertoonde slechts een beperkte groei, voornamelijk als gevolg van de aanhoudend uitdagende economische omstandigheden en de verminderde koopkracht, die met name de aankoop van onroerend goed en andere duurzame consumptiegoederen heeft beïnvloed. In combinatie met het effect van hyperinflatie resulteerde dit in een minimale stijging van slechts 1,5%.

Leningen aan sectoren (in duizenden SRD) per jaar aan het einde van het jaar

Sector	2023	in %	2022*	in %
Agrarische sector	459,058	8.4%	432,834	5.9%
Visserij	275,568	5.1%	283,205	3.9%
Mijnbouw	188,949	3.5%	297,469	4.1%
Industrie	1,043,937	19.2%	1,088,445	15.0%
Bouw- en Installatiebedrijven	83,182	1.5%	137,311	1.9%
Elektriciteit, gas en water	483	0.0%	419	0.0%
Totaal directe productieve sectoren	**2,051,177**	**37.7%**	**2,239,683**	**30.8%**
Handel	1,562,635	28.7%	2,272,580	31.2%
Vervoer, Opslag en Communicatie	153,994	2.8%	189,348	2.6%
Diensten	653,453	12.0%	807,728	11.1%
Woningbouw	312,386	5.7%	219,208	3.0%
Overig (vooral consumptief krediet)	496,361	9.1%	685,266	9.4%
Totaal overige sectoren	**3,178,829**	**58.4%**	**4,174,130**	**57.3%**
Overheidskredieten	212,743	3.9%	865,764	11.9%
Totaal commerciële kredieten	**5,442,749**	**100.0%**	**7,279,577**	**100.0%**
Schatkistpapier (overheid)	767,842		1,156,211	
Totaal algemeen	**6,210,591**		**8,435,788**	

Termijnleningen (objectfinancieringen)

In 2023 werd een stijging van 18,6% waargenomen in de portefeuille van termijnleningen ten opzichte van het voorgaande jaar. Deze groei is mede het resultaat van een voorzichtige toename in economische bedrijvigheid, die zich met name vertaalde in een hogere kredietvraag binnen de SRD-kredietverlening.

Persoonlijke leningen

In 2023 werd een significante groei van 63% in persoonlijke leningen geregistreerd. Deze toename is voornamelijk toe te schrijven aan de aanhoudende verslechterde economische omstandigheden, waaronder de devaluatie van de SRD, welke hebben geleid tot een verhoogde vraag naar persoonlijke financiering.

De NTFM sloot het jaar af met een lichte daling in Non-performing kredieten van 3,2% naar 3,1%.

Vermogensbeheer

Het beheerd vermogen in de SRD en EUR sfeer namen licht toe met 2,5% en 4,9% in vergelijking met het voorgaande jaar. In de USD-sfeer is er echter een daling waar te nemen van 10% van het beheerd vermogen.

**2022 cijfers zijn opgemaakt in lijn met IAS 29 Hyperinflatie (zie note 6).*

EVALUATIE FINANCIËLE RESULTATEN VAN DE HAKRINBANK N.V.

Over 2023 kunnen wij een netto winst ná belastingen van SRD 57,5 miljoen rapporteren.

De drijvers van deze ontwikkeling zijn vrij divers en kunnen op het niveau van de winst vóór belastingen ten opzichte van boekjaar 2022 als volgt worden toegelicht.

De 'Group' kende de volgende minder positieve ontwikkelingen ten opzichte van 2022:

- SRD 131,2 miljoen lagere 'other operating income' vanwege voornamelijk de SRD 130,8 miljoen lagere vreemde valuta transactie- en translatieresutaten.
- De impairment op financial instruments is ten opzichte van vorig verslagjaar SRD 124,3 miljoen hoger uitgevallen, niet per se omdat de dotatie over dit jaar met SRD 10,5 zo significant is, maar meer nog omdat er vorig jaar sprake was van een vrij significante vrijval van SRD 113,8 miljoen aan voorzieningen op enkele specifieke debiteuren.
- Ten opzichte van 2022 heeft een extra impairment van SRD 7,0 miljoen plaatsgevonden op investment properties (m.n. de investment in Palm Island).
- 'Personnel cost' zijn gestegen met SRD 82 miljoen (25.4 %).
- Stijging van 'amortisation of intangible assets' met SRD 16,5 miljoen.

Aan de keerzijde kende de 'Group' onderstaande positieve ontwikkelingen die de winstgroei hebben ondersteund, zoals:

- SRD 59,9 miljoen hogere 'interest income'. De nominale rentebaten uit leningen stegen met circa 88,1 miljoen ten opzichte van de relatief lagere stijging van de totale interestlasten in verband met toevertrouwde middelen met circa SRD 28,2 miljoen. De stijging van de interestlasten betreft voor SRD 64,9 miljoen de toename van betaalde interest aan interbancaire deposito's enerzijds anderzijds de daling met SRD 32,5 miljoen van de interestlasten uit hoofde van toevertrouwde middelen van klanten.
- SRD 33,7 miljoen lagere 'other operating expenses' voornamelijk gedreven door een afname van begeleiding- en   advieskosten.
- De 'loss on net monetary position' bedraagt SRD 107,4 miljoen minder vanwege het nog steeds afvlakkende hyperinflatie effect.

Belangrijke ratio's

De belangrijkste indicatoren die wij hanteren om onze financiële performance te monitoren zijn de financiële rendementsratio's, namelijk de 'Return on average Assets' (RoA) ratio, die het rendement behaald ten opzichte van de gemiddelde activa basis weergeeft, en de 'Return on average Equity' (RoE) ratio, die het rendement over het gemiddeld uitstaand eigen vermogen tot uitdrukking brengt.

De efficiency ratio is de indicator die de operationele efficiency op het hoogste aggregatieniveau meet. Het handhaven van een efficiëncy ratio, die in lijn is met de branchestandaard, is belangrijk voor behoud van de concurentiepositie.

De CAR of Solvency ratio meet de solvabiliteit in relatie tot het risicoprofiel van de activa op en buiten de balans.

Kapitaal ratio

De Capital ratio, gedefinieerd als totaal eigen vermogen gedeeld door balanstotaal verbeterde van 7,3% naar 8,6% aan het einde van het verslag jaar.

Solvabiliteitsratio

De CAR ratio ligt met 20,68% boven de door de Centrale Bank van Suriname vastgestelde minimum norm van 10%.

Winstgevendheid

De RoE ratio is afgenomen van 4.4% naar 3.3%. Deze afname correleert met de daling van de netto winst.

De RoA ratio bleef onveranderd op 0,3%.
De efficiency ratio is gedefinieerd als de totale kosten exclusief waardeverminderingen op leningen en financiële instrumenten, gedeeld door de totale baten van de bank.

De efficiency ratio steeg in het verslagjaar van 76,1% naar 83,9%, wat duidt op een verslechtering van de efficiency. Ons doel is evenwel om de ratio tussen 50%-60% te doen uitkomen door continu initiatieven te ontplooien gericht op operationele efficiency. Investeringen in automatisering zullen door de aard van het moderne bankbedrijf steeds significante overheadkosten veroorzaken. Deze investeringen werken enigszins vertraagd door in de verdiencapaciteit en op het bedrijfsrendement. De kost gaat meestal dus voor de baat uit. Tenslotte is het belangrijk te onderkennen dat een aanzienlijk deel van onze operationele kosten een vast karakter heeft.

Hakrinbank aandelen

Ons kapitaal en- dividendbeleid is gericht op het optimaliseren van de aandeelhouderswaarde, solvabiliteit, liquiditeit en winstgevende groei van de bankbalans.

Na enkele verliesjaren hebben wij sedert 2022 en nu ook in 2023 weer winst gemaakt. De winst per aandeel is ook in 2023 weer positief.

Voor het boekjaar eindigend op 31 december	2023	2022	2021
Beurskoers (Bron: Suriname Stock Exchange)	420.00	420.00	420.00
Eigen Vermogen per aandeel	2,291.91	2,184.74	2,792.12
Marktkapitalisatie (x SRD 1.000,=)	324,659	324,659	315,383
Winst per aandeel	64.00	109.73	(1,143.82)
Marktkapitalisatie/ Eigen Vermogen in %	18.3	19.2	14.6
Koers / Winstverhouding	6.6	3.8	(0.4)

Vooruitzichten 2024 en 2025

De operationele bedrijfsresultaten in de eerste helft van 2024 werden negatief beïnvloed door het verkrappend monetair beleid en door de daling van de wisselkoersen. In de tweede helft van 2024 verbeterde het bedrijfsresultaat pas aanzienlijk met name gedreven door een sterke opleving in het kredietbedrijf en de toename in de interestmarge. De ingezette positieve trend heeft in de eerste helft van 2025 sterk doorgezet.

Dankwoord

Wij spreken onze oprechte waardering uit voor de toewijding, professionaliteit en veerkracht van al onze medewerkers. Eveneens danken wij onze klanten, aandeelhouders en de Surinaamse gemeenschap voor hun voortdurende vertrouwen en steun. Wij zijn toegewijd aan het dienen van onze stakeholders en het leveren van een bijdrage aan de economische ontwikkeling van Suriname.

Paramaribo, 10 juni 2025

Rafiek Sheorajpanday, Chief Executive Officer
Coenraad Valk, Chief Financial Officer
Claire Wijdh, Deputy Chief Commercial Officer

Claire Wijdh BBA

Rafiek P. V. Sheorajpanday MSc

Coenraad J. Valk RA CIA MSc

Report of the Executive Board

In case of discrepancies between the Dutch text (Verslag van de Directie) on page 30 and the English translation (Report of the Executive Board), the Dutch text shall prevail.

GENERAL

In 2023, our bank faced major challenges, both in the area of governance and in terms of the impact of external developments on our operations. These factors significantly influenced the bank's operating results, while also placing pressure on the internal organisation. A fundamental reorientation of our core values – which serve as a compass for our functioning –has taken place. Resulting in their reaffirmation initiatives were also launched to strengthen awareness and internalisation of these core values. In this year's annual report, our core values – teamwork, quality, customer focus, and reliability – take centre stage.

The macroeconomic recovery that began in 2022 continued to improve in 2023. Gross Domestic Product (GDP) grew by 2.5%, while year-end inflation declined significantly but remained high at 32.6%. Public finances improved as well, with the budget deficit narrowing to 1.6% and government debt reduced to 96.6% of GDP. A further reduction to a sustainable level remains necessary. The exchange rate depreciated in the first quarter of 2023 but subsequently stabilized at SRD 37.20 per USD. The Central Bank of Suriname continued its tight monetary policy through active open market operations (OMOs), restrictions on the growth of SRD credit issuance by the banking sector, and an increase in the SRD reserve requirement to no less than 44%.

The bank's financial performance declined in 2023, primarily due to higher provisions for doubtful debts and a decrease in other operating income. The sharp increase in the exchange rate from 2020 through Q1 2023 negatively impacted our Capital Adequacy Ratio (CAR). This was exacerbated by delays in preparing financial statements in accordance with IFRS standards. In the financial statements based on generally accepted accounting principles, a significant revaluation reserve had been recorded, which, however, did not qualify as regulatory capital. As a result, our CAR fell below the Central Bank's minimum requirement. To address this, we reduced our risk-weighted assets, particularly by scaling back lending activities, and issued a perpetual Tier 1 instrument to the Government of Suriname. These measures helped improve the CAR, based on IFRS figures, to 20.7%. Pre-tax profit and monetary income and expenses fell by SRD 183.1 million to SRD 139.7 million, while net profit after monetary results and taxes declined to SRD 57.5 million.

In 2023, Hakrin Bank demonstrated its social commitment as a good corporate citizen through programs and partnerships supporting education, health, and sport.

As mentioned in previous annual reports, the Dutch Public Prosecutor's Office seized a shipment of cash from Suriname in mid-April 2018. In recent years, legal proceedings have solely focused on the legality of the seizure. At the time of publishing this report, the matter is now under review for the third time by the Supreme Court of the Netherlands.

After the seizure, the CBvS deposited equivalent funds into our nostro account abroad, which created a repayment obligation to the CBvS.
For the 2023 financial year, we continue to rely on our legal counsel's opinion, which concludes that no specific provision for this matter is required in the balance sheet as of 31 December 2023.
Effective corporate governance is essential to safeguard the achievement of corporate objectives and to ensure a balanced reconciliation of stakeholders' interests.
Our corporate governance framework ensures sound management, accountability, and transparency. In 2023, the focus was on enhancing the effectiveness of the Executive Board and the supervisory and advisory role of the Supervisory Board. Relevant governance regulations were reviewed and amended where necessary. Significant attention was also given to catching up on the backlog in financial statement preparation and strengthening the finance function.

The employment relationship with Magalie Loswijk-Keerveld was terminated by mutual consent. As of September 1, 2023, the Executive Board was expanded with the appointments of Peter Ng A Tham as Commercial Director and Coenraad Valk as Financial Director. Discussions with the Government of Suriname regarding the further reduction of its shareholding to the legal maximum permitted under the Banking and Credit System Supervision Act continued into 2024. In Q2 2025, the Government decided to sell 145,000 shares with a nominal value of SRD 0.15 through a voluntary public offering. As a result, the Government's interest – combined with that of Staatsolie – will decrease to 20%, fully in compliance with the applicable legal requirements.

In a dynamic and challenging economic environment characterized by increasing regulation and technological disruption, proactively identifying, assessing, and managing risks is essential to achieving our strategic goals. During the reporting year, identified weaknesses in this area were addressed, and we further strengthened our risk management framework through the integration of scenario analyses, enhanced data-driven decision-making, and a heightened focus on operational resilience. These efforts led to greater transparency in risk profiles. We also worked to enhance risk awareness across all levels of the organization through targeted training initiatives and by fostering a stronger risk culture.

These actions have significantly improved our risk control systems, with improvement initiatives continuing into 2024.

In 2023, our compliance activities focused on ensuring legal and regulatory compliance ("hard side") as well as promoting integrity and behavior ("soft side"). Attention was given to further strengthening the compliance control framework and transaction monitoring processes, as well as initiatives to reinforce the culture of integrity within the organization. Through a robust mix of policy enhancement, cultural development, data-driven innovation, and improved governance, the foundation for sustainable and future-oriented integrity and AML/CFT risk management within our institution has been further reinforced.

We regard our employees as essential to achieving our ambitions and related goals. Our HRM policy aims to make optimal use of our human resources to effectively support the realization of these objectives. An effective HR cycle is crucial to this effort. Identifying and recognizing talent and raising skill and knowledge levels are key priorities. We also place importance on promoting the desired attitude and behavior. In 2023, we further developed our Hakrin Bank Digital Learning Environment (DLO), enabling employees to expand their knowledge through professional training at a time that suits them. We added seven (7) new modules, offering a wider range of courses. During the reporting year, twelve (12) employees successfully completed a Welten certification course, six (6) employees completed their Bachelor's degrees, and two (2) employees obtained Master's degrees.

In 2023, leadership development also received due attention. In this context, our Hakrin Bank Supervisory Leadership Development Program (SLDP) was continued. SLDP is aimed at developing the leadership capabilities of (aspiring) managers so they are better equipped to lead their teams effectively. The program focuses on cultivating key competencies. In 2023, eleven (11) candidates successfully completed an intensive six-month program. The program continues into 2024.

During the reporting year, two (2) employees retired upon reaching the statutory retirement age. On balance, the number of employees increased by one (1) to a total of 393. That same year, forty-eight (48) employees celebrated work anniversaries: one (1) marking 35 years of service, sixteen (16) marking 30 years, four (4) marking 25 years, fifteen (15) marking 20 years, and twelve (12) celebrating 12.5 years of service. We extend our sincere gratitude to our jubilee employees for their loyal service to the bank.

MACROECONOMIC DEVELOPMENTS 2023

International and Regional Context

The global macroeconomic environment faced significant challenges in 2023, marked by a sharp slowdown in growth driven by persistent inflation, rising interest rates, and escalating geopolitical tensions. Advanced economies saw notable deceleration, while emerging markets and developing economies also grappled with reduced growth rates. These issues were compounded by the lingering impact of the COVID-19 pandemic and ongoing disruptions in global trade, creating a complex and uncertain economic landscape.

The global economy grew by 3.3% in 2023, slightly down from 3.6% in 2022 (Table 1). This reflects a moderate recovery amidst ongoing challenges such as inflation and geopolitical tensions. Growth in advanced economies dropped to 1.7% in 2023, reflecting tighter monetary policies and lower consumer spending. Meanwhile, emerging markets and developing economies showed resilience with a growth rate of 4.4% in 2023, supported by strong export demand and commodity prices.

Latin America and the Caribbean experienced slower growth, with the region's GDP expanding by 2.2% in 2023, down from 4.2% in 2022. In the Caribbean, commodity-exporting countries saw a higher average growth rate of 14.3%, while tourism-dependent economies grew by 3.0%. The growth rate of the commodity-exporting countries is largely driven by a 33% expansion in the Guyanese economy, fueled by the booming oil industry.

Table 1: Global and regional GDP growth 2019-2023 (%)

	2019	2020	2021	2022	2023
World	2.9	-2.7	6.6	3.6	3.3
Advanced economies	1.9	-4.0	6.0	2.9	1.7
Emerging markets and developing economies	3.7	-1.8	7.0	4.0	4.4
Latin America and the Caribbean	0.2	-7.0	7.0	4.2	2.2
▪ Caribbean: Tourism-Dependent*	1.4	-14.7	7.8	9.1	3.0
▪ Caribbean: Commodity Exporters**	1.0	4.0	6.1	22.7	14.3

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

Table 2: Global and Regional end-of-period inflation 2019-2023 (%)

	2019	2020	2021	2022	2023
World	3.8	2.9	6.3	8.8	6.0
Advanced economies	1.5	0.6	5.3	7.3	3.1
Emerging Market and Developing Economies	5.6	4.7	7.0	9.9	8.1
Latin America and the Caribbean	7.7	6.3	11.7	14.9	17.2
- Caribbean: Tourism-Dependent	3.7	2.5	5.1	7.3	4.3
- Caribbean: Commodity Exporters	1.4	8.6	11.5	13.7	4.8

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

Global inflation remained elevated in 2023, though it varied significantly across regions (Table 2). The end-of-period inflation rate declined from an average of 8.8% in 2022 to 6.0% in 2023, driven by tighter monetary policies and fluctuations in international commodity prices. Advanced economies experienced a notable drop in inflation, falling from 7.3% in 2022 to 3.1% in 2023, largely due to easing consumer price pressures and moderated wage demands.

Emerging market and developing economies saw inflation decrease from 9.9% in 2022 to 8.1% in 2023, despite facing challenges such as currency depreciations and elevated import costs. In contrast, Latin America and the Caribbean recorded a rise in inflation, increasing from 14.9% in 2022 to 17.2% in 2023, influenced by volatile commodity prices and external economic shocks.

In the Caribbean, commodity-exporting nations benefited from higher global prices, which helped mitigate some inflationary pressures. The inflation rate in these countries was primarily influenced by Suriname's inflation rate of 32.6% in 2023. Meanwhile, tourism-dependent economies experienced lower inflation rates, thanks to the ongoing recovery in the travel and tourism sectors, which contributed to enhanced economic stability.

In response to these challenging external conditions, banks must adapt by reinforcing their risk management frameworks, maintaining sufficient liquidity buffers, and closely monitoring credit portfolios to effectively mitigate spillover effects.

Suriname[1]

Government and Central Bank policies, supported by the IMF's Extended Fund Facility (EFF), played a pivotal role in stabilizing Suriname's economy. These efforts included advancing structural reforms, implementing responsive monetary policies, strengthening fiscal discipline, and improving debt sustainability. Additionally, increased international reserves and reinforced monetary policies helped restore confidence in the financial system. However, the full impact of these reforms will hinge on the consistent implementation of policy measures and the economy's ability to withstand external shocks, underscoring the need for sustained fiscal and economic discipline.

Suriname's macroeconomic situation continued to improve in 2023, building on the cautious recovery observed in 2022. GDP growth remained positive, largely driven by the mining sector, offering optimism for sustained economic recovery. While inflation showed improvement, it remains a significant challenge. The exchange rate experienced consecutive depreciation during the first four months of 2023, followed by stabilization and appreciation in the final quarter of the year.

Suriname's fiscal position improved, but challenges persisted. Higher revenues from the mining sector and efforts to rationalize expenditures contributed to improvements in fiscal balances. Disbursements from the IMF's Extended Fund Facility resumed in the second half of the year after meeting fiscal agreements. High public debt, although declining, and persistent unemployment remained serious concerns, but the year marked progress in stabilizing Suriname's economy, setting the stage for more robust growth in the future.

Economic Growth

Building on the positive momentum from 2022, Suriname sustained its economic recovery in 2023, achieving a GDP growth rate of 2.5%, slightly above the 2.4% recorded the previous year (Table 3). A 6.6% expansion in the mineral sector and a 2.3% increase in the non-mining sector were key contributors to this growth, with modest gains of 0.6% observed in government, education, and healthcare sectors. Increased foreign investment, particularly in mining, and ongoing efforts to stabilize the macroeconomic environment played a pivotal role in driving this recovery. Additionally, the easing of COVID-19 restrictions provided a much-needed boost to the services sector.

Table 3: Suriname GDP Growth 2019-2023 (%)

	2019	2020	2021*	2022*	2023*
GDP	1.2	-16.0	-2.4	2.4	2.5
Mineral Sector	-41.0	-7.1	-17.6	2.0	6.6
Non-Mineral Sector	10.5	-14.9	-0.4	2.2	2.3
Government, Education, and Health Care	21.6	-29.2	1.9	4.3	0.6

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

Fiscal Sector Development

Suriname's fiscal position showed notable progress in 2023, marked by an increase in the primary balance to a surplus of 1.3% of GDP, compared to 1.0% in 2022, and a reduction in the fiscal deficit to 1.6% of GDP from 2.7% the previous year. This improvement was largely driven by stronger revenue generation, particularly from the mining sector, as rising international gold prices boosted earnings, alongside the implementation of tax reforms. On the expenditure side, rationalized spending, better-targeted subsidies, and a focus on infrastructure and social program investments played a significant role in achieving these results. To maintain these gains, Suriname will need to stay committed to reforms and closely align with the objectives of the IMF program.

Table 4: Suriname Government Primary and Overall Fiscal Balance 2019-2023 (% of GDP)

	2019	2020	2021	2022	2023
Primary balance	-17.3	-8.3	-0.5	1.0	1.3
Overall balance	-20.2	-12.0	-5.7	-2.7	-1.6

Source: IMF, World Economic Outlook Database, October 2024
Note: IMF excludes loan disbursements in the revenues.

[1] *This section draws on insights from the Financial Annual Plan 2025 of the Government of Suriname and the Financial Stability Report 2024 of the Central Bank of Suriname.*

Government Debt

Suriname achieved significant progress in managing its government debt in 2023, reducing it to 96.6% of GDP from 110.3% in 2022. This improvement resulted from focused efforts to control the fiscal deficit and other debt-creating flows. The decline was mainly driven by repayments of domestic and foreign debt, a depreciation of the local currency that remained well below the inflation rate, and growth in nominal gross domestic product.

Foreign debt decreased to 76.2% of GDP in 2023 from 83.1% in 2022, while domestic debt fell from 27.2% to 20.4% of GDP over the same period. These reductions reflect the government's ongoing commitment to reducing debt levels and improving fiscal discipline.

The Government made significant progress in restructuring its outstanding debt in 2023. As a result, international credit rating agency Standard & Poor's (S&P) upgraded Suriname's credit rating from "Selective Default" (SD) to CCC+/C in December 2023.

Despite this progress, total government debt remains high, posing risks to long-term economic stability. To achieve sustainable debt levels, the government must continue its efforts to reduce debt to within the limits specified by the Government Debt Act, which sets a ceiling of 35% of GDP for foreign debt and 25% for domestic debt.

Monetary Developments

In 2023, the tightening of monetary policy remained a key priority, with several significant measures introduced to address economic challenges. Active Open Market Operations (OMOs) were conducted, a 20% cap on private SRD credit growth in the banking sector was implemented from March 1, 2023, to March 31, 2024, and the SRD cash reserve requirement was increased from 39% to 44% on April 5, 2023. These measures were necessary to manage the elevated excess reserves, which continued to exert pressure on the foreign exchange market. The exchange rate depreciated consecutively from SRD 31.9 per US$ at the end of December 2022 to SRD 37.6 per US$ in April 2023, before stabilizing and ending the year at SRD 37.2 per US$.

Table 5: Suriname Government Debt 2019-2023 (% of GDP)

	2019*	2020*	2021*	2022*	2023*
Foreign debt	47.1	76.9	76.5	83.1	76.2
Domestic debt	23.9	43.9	34.3	27.2	20.4
Total Debt	**70.9**	**120.8**	**110.8**	**110.3**	**96.6**

Source: Suriname Debt Management Office
Note: Marginal rounding difference in the total debt ratio of 2019.
**) Preliminary figures*

Table 6: Selected Monetary Aggregates Suriname 2018-2022

	2019	2020	2021	2022	2023
SRD-M0 (%)*	19.1	42.7	26.3	32.3	35.1
SRD-M2 (%)**	22.8	32.1	23.5	28.0	21.6
Weighted average nominal SRD deposit rate (%)	8.8	7.4	6.9	7.8	11.1
Weighted average nominal SRD lending rate (%)	15.2	14.8	14.9	13.4	14.9
OMO-rates (%)***	N/A	N/A			
1-Week			79.5	80.0	20.8
1-Month			79.4	78.5	47.4
3-Month			77.0	70.7	47.7
6-Month			N/A	52.9	N/A
Deposit dollarization (%)	59.5	69.5	74.4	78.0	77.5
Credit dollarization (%)	39.8	49.0	51.5	56.4	56.1

Source: Central Bank of Suriname
**) SRD component of base money (broad definition)*
***) SRD component of broad money*
****) Interest rates from the latest auction results in the year for the relevant term deposits.*
N/A= Not Applicable

The growth rate of SRD-M0, the SRD component of base money, accelerated in 2023, reaching 35.1% compared to 32.3% in 2022 (Table 6). This increase was primarily driven by the conversion of foreign currency into local currency at the Central Bank of Suriname (CBvS) to fund government expenditures. This led to excess liquidity, which was not always fully absorbed by open market operations. In contrast, the growth of the SRD component of the broad money supply (SRD-M2) slowed to 21.6% in 2023, down from 28.0% the previous year. The decline was due, in part, to the restriction of SRD credit growth through monetary policy measures.

The weighted average accepted OMO bid rates saw a decrease by the end 2023, with the 1-week, 1-month, and 3-month instruments falling to 20.8%, 47.4%, and 47.7% respectively. This decrease was partly due to lower levels of excess reserves.

In 2023, the CBvS continued issuing Central Bank Certificates (CBCs) for both the wholesale and retail segments, in addition to traditional Open Market Operations (OMOs), to manage structural excess liquidity, stabilize the exchange rate, and improve the transmission of interest rates.

In 2023, there was a notable rise in nominal SRD deposit and lending rates. The average nominal SRD deposit rate increased from 7.8% in 2022 to 11.1% in 2023, while the lending rate went up from 13.4% to 14.9%. These hikes were mainly driven by persistently high, though declining, inflation and the attractive returns on Term Deposits (TDs) and Central Bank Certificates (CBCs), prompting adjustments within the banking sector.

Despite a slight decrease in deposit and credit dollarization in 2023, with ratios reaching 77.5% and 56.1% respectively, financial dollarization remains high. This continues to pose a potential risk to the effectiveness of monetary policy.

Inflation

In 2023, Suriname achieved a notable reduction in inflation compared to the previous year. The end-of-year inflation rate declined significantly from 54.6% in 2022 to 32.6%, while the average inflation rate saw a modest decrease from 52.4% to 51.6%. This progress resulted from a combination of tighter monetary policies and fiscal consolidation measures designed to stabilize the economy.
The key drivers of inflation in 2023 included the depreciation of the exchange rate until April, followed by relative stability and appreciation in the last quarter, persistently high food prices, and increasing costs in housing and utilities, transportation, and miscellaneous goods and services.

Table 7: Suriname inflation 2019-2023 (%)

	2019	2020	2021	2022	2023
End-of-year inflation	4.2	60.8	60.7	54.6	32.6
Average inflation	4.4	34.9	59.1	52.4	51.6

Source: General Bureau of Statistics.

Balance of Payments

Suriname's balance of payments in 2023 was characterized by a larger surplus on the current account and a larger deficit on the financial account. These factors collectively contributed to a significant growth in international reserves.

The current account balance saw a positive shift in 2023, increasing to 3.9% of GDP from 2.1% in 2022 (Table 8). This improvement can be attributed to a rise in export revenues from services, and on the other hand, a decline in goods imports. The capital and financial account balance faced a decline, dropping to -4.9% of GDP in 2023 from -0.1% in the previous year. This is primarily the result of disbursements of government loans from the IDB and the IMF for budget and balance of payments support and a decrease in external financial claims from mining companies.

As a result of these developments, international reserves rose by USD 151.5 million (12.7%) by the end of December 2023 compared to 2022, reaching USD 1,346.1 million. These reserves also included the 'ringfenced' foreign currency cash reserves held by commercial banks at the Central Bank of Suriname (CBvS). When excluding these 'ringfenced' reserves, international reserves amounted to USD 1,096.5 million at the end of 2023.

Table 8: Balance of Payments of Suriname 2019-2023

	2019	2020	2021	2022	2023
Current account balance (% of GDP)	-11.2	8.9	5.7	2.1	3.9
Capital and Financial account balance (% of GDP)	-13.3	7.5	-1.4	-0.5	-4.9
Internationale reserves (USD miljoen)	647.5	585.0	992.2	1,194.6	1,346.1

Sources: Central Bank of Suriname, and International Monetary Fund, World Economic Outlook Database, October 2024.

Banking Sector Performance

The banking sector's overall financial footing strengthened further in 2023, showcasing resilience and an ability to adapt to evolving economic conditions. These developments have continued to bolster confidence among investors and the private sector, affirming the sector's preparedness to navigate future economic disturbances.

The capital adequacy ratios (CAR) of banks, which reflect their financial stability, increased significantly from 16.8% in 2022 to 20.3% in 2023 (Table 9). This positive trend was primarily attributed to improvements in regulatory frameworks and more effective capital management practices. However, the non-performing loans ratio (NPLs) saw a slight increase, rising from 12.4% in 2022 to 13.0% in 2023. The relatively high level of NPLs underscores the need for enhanced credit risk management by banks.

The private sector's credit landscape in 2023 was shaped by varying performances across currencies and the broader economic challenges facing borrowers (Table 10). Lending in SRD and USD showed a slowdown, while credit in euros experienced a recovery.

SRD-denominated credit to the private sector grew by 21.0%, a sharp deceleration compared to the 44.4% growth observed in 2022. This slowdown was influenced by monetary policy measures enacted by the Central Bank of Suriname (CBvS) and the erosion of disposable income due to high inflation since 2020, leading to reduced credit demand across most sectors.
USD-denominated credit reversed its previous year's positive trajectory, shrinking by 8.9% in 2023 after a 14.2% growth in 2022. This decline was driven by reduced lending in key sectors. In contrast, euro-denominated credit showed signs of recovery, growing by 1.4% in 2023 after years of negative growth, including a -1.7% contraction in 2022. This rebound highlights a renewed interest in euro-denominated lending, marking a shift from prior trends.

Table 9: CAR and NPL Commercial Banks of Suriname 2019-2023 (%)

	2019	2020	2021	2022	2023
CAR (%)	11.4	11.8	14.5	16.8	20.3
NPL (gross; %)	10.6	14.6	12.8	12.4	13.0

Sources: Centrale Bank van Suriname.

Table 10: Suriname Credit growth 2019-2023 (%)

	2019	2020	2021	2022	2023
SRD					
Total credit growth	-3.5	26.1	4.6	31.7	15.7
Private sector credit growth	16.7	11.1	13.0	44.4	21.0
USD					
Total credit growth	-6.9	-9.0	-4.4	14.2	-8.9
Private sector credit growth	-14.9	-15.0	-9.2	20.9	0.5
EUR					
Total credit growth	63.5	-50.3	-26.2	-1.6	1.4
Private sector credit growth	-15.4	-20.9	-34.7	-0.8	23.8

Source: Centrale Bank van Suriname.

BUSINESS ECONOMIC DEVELOPMENTS

Business Results

Optimizing our services and expanding business volume remained core priorities during the reporting year. In 2023, there was a moderate recovery in the economic climate, reflected in increased economic activity.

However, this positive trend was not fully mirrored in our financial results for the year.

Persistently high inflation and tightening monetary policy exerted a dampening effect. Additionally, the cumulative exchange rate increases from 2020–2023, combined with developments in our solvency position, led to a breach of the regulatory limit for large credit exposures. According to the Central Bank of Suriname's guidelines, total credit exposures exceeding 10% of Tier 1 capital must remain within a prescribed maximum threshold.

To comply with this requirement, we were compelled to scale down several large credit exposures and temporarily halt new large credit disbursements. This restructuring was successfully completed, albeit with a noticeable impact on our outstanding credit portfolio and income performance.

We also focused on preparing the rollout of our Mobile Banking application and the renewal of our Online Banking platform. These efforts paid off, enabling us to successfully launch these digital services to our clients in early 2024. Optimizing our POS network was also a high priority, allowing us to significantly intensify its deployment and usage after a period of reduced activity.

Although entrusted funds increased slightly compared to 2023, they lagged behind sector growth, resulting in a 1.3% decline in market share. This was partly driven by a stricter AML/CFT risk assessment. Additionally, an uneven compliance landscape within the banking sector contributed, as USD deposits posing money laundering risks beyond our defined risk appetite were gradually reduced and migrated to other financial institutions. The rising USD and EUR exchange rates also negatively impacted the balance sheet item 'Entrusted Funds,' which, partly due to hyperinflation, declined by SRD 270 million (13.43%) compared to 2022. The reduction of our USD debt positions contributed to a decrease in the dollarization ratio. However, due to continued exchange rate increases, the effect was limited, resulting in a marginal decline of 1.0 percentage point to 76%.

As previously mentioned, 2023 saw a decline in lending compared to 2022. This decrease is attributable to both the reduction of existing credit exposures and a cautious approach to issuing new large loans. Total lending dropped to SRD 6.2 billion, representing a 25% decrease. Hyperinflation played a significant role in this decline.

While the agricultural and construction sectors experienced growth of 6% and 40%, respectively, other sectors saw declines. The most significant drop occurred in the trade sector, with a 31% decrease, largely due to the need to reduce large loans and resolve long-standing non-performing loans without any prospect of recovery.
Investments in government treasury paper of the Republic of Suriname and other government securities declined due to repayments by the government, in line with its gradual debt reduction policy.

The non-performing loan (NPL) ratio of the private credit portfolio improved significantly from 10.3% in 2022 to 5.5% in 2023. This improvement was driven by stricter credit portfolio management and the resolution of several persistent problem loans.

We continue to invest in fostering a customer-centric organizational culture, with a strong focus on developing employee skills and competencies. This contributes to a stronger market position and enhances our competitiveness. At the same time, we are advancing the development of our digital channels to improve the overall customer experience.

Medium- and long-term prospects remain positive, supported by developments in the Oil & Gas sector and the expected spin-off effects. However, expectations for 2024 remain moderate due to the ongoing impact of tight monetary policy.

Lending to Sectors (in thousands of SRD) per Year at Year-End

Sector	2023	in %	2022*	in %
Agricultural	459,058	8.4%	432,834	5.9%
Fishery	275,568	5.1%	283,205	3.9%
Mining	188,949	3.5%	297,469	4.1%
Industry	1,043,937	19.2%	1,088,445	15.0%
Construction	83,182	1.5%	137,311	1.9%
Electricity, gas and hydro	483	0.0%	419	0.0%
Total production sector	**2,051,177**	**37.7%**	**2,239,683**	**30.8%**
Trade	1,562,635	28.7%	2,272,580	31.2%
Transport, depot and communication	153,994	2.8%	189,348	2.6%
Service	653,453	12.0%	807,728	11.1%
House-building	312,386	5.7%	219,208	3.0%
Consumer loans	496,361	9.1%	685,266	9.4%
Total other sectors	**3,178,829**	**58.4%**	**4,174,130**	**57.3%**
Government loans	212,743	3.9%	865,764	11.9%
Total commercial loans	**5,442,749**	**100.0%**	**7,279,577**	**100.0%**
Bonds	767,842		1,156,211	
General total	**6,210,591**		**8,435,788**	

National Trust and Financing Company (NTFM)

In 2023, the NTFM performed significantly better than the previous year, with a 22.5% increase in the credit portfolio, reaching SRD 458 million compared to 2022. Nevertheless, the negative impact of hyperinflation was also evident here due to the application of IAS 29. If historical figures without inflation adjustment were used, the increase in the credit portfolio in 2023 would have been even greater, partly due to the higher number of loans granted compared to the previous year.

Mortgage Loans

The mortgage loan portfolio showed only limited growth, primarily due to ongoing challenging economic conditions and reduced purchasing power, which particularly affected the acquisition of real estate and other durable consumer goods. Combined with the effects of hyperinflation, this resulted in a minimal increase of just 1.5%.

Term Loans (Asset Financing)

In 2023, the term loan portfolio grew by 18.6% compared to the previous year. This growth was partly the result of a cautious increase in economic activity, which translated into higher credit demand, particularly in SRD-denominated lending.

2022 figures were adjusted in line with IAS 29 Hyperinflation (see note 6).

Personal Loans

A significant growth of 63% in personal loans was recorded in 2023. This increase was mainly due to the continued deterioration of economic conditions, including the devaluation of the SRD, which led to increased demand for personal financing.

NTFM closed the year with a slight decrease in non-performing loans, from 3.2% to 3.1%.

EVALUATION OF FINANCIAL RESULTS OF HAKRIN BANK N.V.

For the year 2023, we report a net profit of SRD 57.5 million.

The drivers of this result are diverse and can, at the level of profit before tax compared to the 2022 financial year, be explained as follows:

De 'Group' experienced the following negative developments compared to 2022:

- A decrease of SRD 131.2 million in other operating income, mainly due to SRD 130.8 million lower foreign currency transaction and translation results.
- Impairment on financial instruments was SRD 124.3 million higher than in the previous reporting year. This is not primarily due to a significant provision in 2023 (SRD 10.5 million), but rather due to the effect of a significant release in 2022 of SRD 113.8 million relating to specific debtors.
- An additional impairment of SRD 7.0 million on investment properties (particularly the investment in Palm Island).
- Personnel expenses increased by SRD 82 million (25.4%).
- Amortisation of intangible assets rose by SRD 16.5 million.

On the other hand, the Group experienced the following positive developments which supported profit growth, such as:

- Total interest income increased by SRD 59.9 million. Interest income from loans grew by approximately SRD 88.1 million compared to a relatively lower increase in total interest expenses related to customer deposits (approximately SRD 28.2 million). This increase in interest expenses was mainly driven by a rise of SRD 64.9 million in interbank deposit interest, that was again partially offset by a SRD 32.5 million decline in interest expenses on customer deposits.
- A reduction of SRD 33.7 million in other operating expenses, mainly due to lower consultancy and advisory costs.
- The loss on net monetary position decreased by SRD 107.4 million due to the continued decline of hyperinflationary effects, driven by the flattening hyperinflation.

Key Ratios

The primary indicators we use to monitor our financial performance are the profitability ratios:

- Return on average Assets (RoA): reflects the return on the average asset base.
- Return on average Equity (RoE): indicates the return on the average equity base.

The efficiency ratio measures operational efficiency at the highest aggregated level. Maintaining this ratio in line with industry benchmarks is essential to staying competitive.

Capital Ratio

The Capital Ratio, defined as total equity divided by total assets, improved from 7.3% to 8.6% at the end of the reporting year.

Solvency Ratio

The CAR stands at 20.68%, well above the 10% minimum requirement set by the Central Bank of Suriname.

Profitability

The RoE declined from 4.4% to 3.3%, reflecting the decrease in net profit.

The RoA remained stable at 0.3%.
Efficiency Ratio is defined as total costs (excluding impairments on loans and financial instruments) divided by the bank's total income.

The efficiency ratio rose from 76.1% to 83.9%, indicating a deterioration in operational efficiency.
The bank aims to reduce this ratio to between 50% and 60% by continuously pursuing operational efficiency initiatives. Investments in automation are vital to support the modern banking business model but contribute to increased overhead costs. These investments generally yield returns over time, and their impact on profitability is delayed. It is important to note that a significant portion of our operational expenses are fixed in nature.

Hakrinbank Shares

Our capital and dividend policy is aimed at optimizing shareholder value, solvency, liquidity, and profitable balance sheet growth.

After experiencing losses in prior years, we have showed a profit in 2022 and again in 2023. Earnings per share thus are positive once more in 2023.

For the year ended 31 December	2023	2022	2021
Share price per share (Stock Exchange)	420.00	420.00	420.00
Net asset value per share	2,291.91	2,184.74	2,792.12
Market capitalization (x SRD 1.000)	324,659	324,659	315,383
Earnings per share	64.00	109.73	(1,143.82)
Share price / net asset value in %	18.3	19.2	14.6
Price / Earnings ratio	6.6	3.8	(0.4)

Outlook for 2024 and 2025

Operating results in the first half of 2024 were negatively affected by the tightened monetary policy and exchange rate depreciation. However, results improved significantly in the second half of the year, mainly due to a strong recovery in lending activities and an increase in the interest margin. This positive trend continued strongly in the first half of 2025.

Acknowledgement

We express our sincere appreciation for the dedication, professionalism, and resilience of all our employees. We also extend our gratitude to our customers, shareholders, and the Surinamese community for their continued trust and support. We remain committed to serving our stakeholders and contributing to the economic development of Suriname.

Paramaribo, June 10, 2025

Rafiek Sheorajpanday – Chief Executive Officer
Coenraad Valk – Chief Financial Officer
Claire Wijdh – Deputy Chief Commercial Officer

Curricula Vitae
Executive Board

Rafiek P. V. Sheorajpanday MSc
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 Officer since October 2018, he was officially appointed as Chief Executive Officer as of June 2019.

Coenraad J. Valk RA CIA MSc
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 Chief Financial Officer 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 of the Hakrin Bank.

Claire Wijdh BBA
Deputy Chief Commercial Officer

Claire Wijdh studied Management, Economics, and Law at the Hogeschool voor Economische Studies (HES) in the Netherlands. Before joining Hakrinbank in 2014, she held various roles at Rabobank in the Netherlands. At Hakrin Bank, she advanced through positions including Senior Relationship Manager, Commercial Manager, and Manager Business Banking, eventually becoming Manager Commerce. In April 2025 she was appointed the role of Deputy CCO.

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Core value: Quality

Quality – We strive for the highest level of professionalism and precision
At Hakrin Bank, quality is at the core of everything we do. Whether it involves client interactions, internal processes, or strategic decisions – we aim for quality and excellence at every level.

That's why we invest in skilled professionals. We carefully select employees who bring expertise, integrity, and a strong sense of responsibility. In addition, we promote continuous development: our staff regularly participate in training, refresher courses, and professional education to stay up to date with the latest insights, regulations, and technological advancements.

Quality also means acting with care, communicating transparently, and delivering consistent service. We perform regular quality checks, learn from feedback, and continuously improve our processes. All of this ensures that our clients experience reliable and professional banking – every single day.

Because only with quality we can build lasting trust.

Independent Auditor's Report

LUTCHMAN&CO
An independent member firm of Moore Global Network Limited
MOORE

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

Report on the audit of the financial statements included in the Annual Report 2023

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, 2023, 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 Group and Company statement of financial position as at December 31, 2023;
- the following statements for 2023:
- the Group and Company income statement, the Group and Company statement of comprehensive income, the Group and Company statement of changes in equity and the Group and Company 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"). 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 2023

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 2023, 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.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities of the subsidiaries of the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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, June 10, 2025

Lutchman & Co N.V. An independent member firm of Moore Global Network Limited

Represented and signed by

Drs. M.R.A. Lutchman CA, RA

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Income Statement
for the year ended 31 December 2023

		Group		Company	
Amounts in SRD	**Note**	**2023**	**2022***	**2023**	**2022***
Interest income calculated using the effective interest method	12	979,308,314	891,218,515	941,396,505	853,130,160
Interest expense calculated using the effective interest method	12	348,117,416	319,957,134	348,113,491	319,953,034
Net interest income		**631,190,898**	**571,261,381**	**593,283,014**	**533,177,126**
Fee and commission income	13	274,916,189	322,057,239	228,211,702	289,710,146
Fee and commission expense		52,559,469	59,104,352	52,539,342	59,093,661
Net fee and commission income		**222,356,720**	**262,952,887**	**175,672,360**	**230,616,485**
Other operating income	15	78,328,487	209,505,295	78,328,487	209,505,295
Gains/(Losses) on Financial Assets at FVTPL	23	53,737,829	(43,231,952)	53,737,829	(43,231,952)
Operating income		**985,613,934**	**1,000,487,611**	**901,021,690**	**930,066,954**
Personnel expenses	16	404,233,980	322,328,658	376,669,346	299,625,413
Other operating expenses	17	312,755,061	346,488,843	302,406,607	338,024,539
Depreciation of property, equipment and right-of-use assests	29	69,011,720	68,873,957	69,011,720	68,873,957
Amortization of intangible assests	31	40,644,528	24,159,227	40,644,528	24,159,227
Operating expenses		**826,645,289**	**761,850,685**	**788,732,201**	**730,683,136**
Impairment on PPE		-	27,881,285	-	27,881,285
Impairment on investment properties	30	8,732,553	1,732,370	-	-
Impairment charges on financial instruments	14	10,518,978	(113,757,059)	(212,575)	(126,128,153)
Total expenses		**845,896,820**	**677,707,281**	**788,519,626**	**632,436,268**
Profit/(loss) before taxation		139,717,114	322,780,330	112,502,064	297,630,686
Income tax expense	18	(54,174,920)	(100,163,273)	(40,500,743)	(89,849,723)
Loss on net monetary position		(28,057,225)	(135,423,873)	(8,092,072)	(99,177,649)
Share of profit or loss of Associates		-	(2,375,773)	-	(2,375,772)
Share of profit/(loss) of subsidiaries		-	-	(6,424,280)	(21,410,131)
Profit/(loss) for the period		**57,484,969**	**84,817,411**	**57,484,969**	**84,817,411**
Attributable to:					
Perpetual bond holders		8,009,725	-	8,009,725	-
Owners of the parent company		49,475,244	84,817,411	49,475,244	84,817,411
Earnings per share (in SRD)		64	110	64	110

*2022 figures were adjusted in line with IAS 29 Hyperinflation (see note 6).

Statement of Comprehensive Income for the year ended 31 December 2023

	Group		Company	
Amounts in SRD	**2023**	**2022***	**2023**	**2022***
Profit/(loss) for the period	**57,484,969**	**84,817,411**	**57,484,969**	**84,817,411**
Other comprehensive income that will not be reclassified to the income statement				
Gains/(losses) on revaluation of properties	-	65,695,964	-	65,695,964
Income tax related to the above	-	(23,650,547)	-	(23,650,547)
After tax effect	-	42,045,417	-	42,045,417
Remeasurement gains/(losses) on defined benefit plans	(3,974,530)	(200,243,069)	(3,974,530)	(200,243,069)
Income tax related to the above	1,430,830	72,087,505	1,430,830	72,087,505
After tax effect	(2,543,700)	(128,155,564)	(2,543,700)	(128,155,564)
Total items that will not be reclassified to the income statement	**(2,543,700)**	**(86,110,147)**	**(2,543,700)**	**(86,110,147)**
Other comprehensive income that will be reclassified to the income statement:				
Net gains/(losses) on debt instruments at fair value through OCI	74,938,567	(95,426,068)	74,938,567	(95,426,068)
Income tax related to the above	(21,465,639)	33,187,072	(21,465,639)	33,187,072
After tax effect	53,472,928	(62,238,996)	53,472,928	(62,238,996)
Total items that will be reclassified to the income statement	**53,472,928**	**(62,238,996)**	**53,472,928**	**(62,238,996)**
Other comprehensive income for the year, net of tax	**50,929,228**	**(148,349,143)**	**50,929,228**	**(148,349,143)**
Total comprehensive income for the year, net of tax	**108,414,197**	**(63,531,732)**	**108,414,197**	**(63,531,732)**
Attributable to:				
Perpetual bond holders	8,009,725	-	8,009,725	-
Owners of the parent company	100,404,472	(63,531,732)	100,404,472	(63,531,732)

Supervisory Board

Sharmila Jadnanansing — Chair
Patrick Peneux — Vice Chair
Jeffrey Braster — Member
Montague Mc Leod — Member
Simone Oostwijk — Member
Arun Bhagwandin — Member

Executive Board

Rafiek Sheorajpanday — Chief Executive Officer
Coenraad Valk — Chief Financial Officer

Paramaribo,
June 10, 2025

2022 figures were adjusted in line with IAS 29 Hyperinflation (see note 6).

Statement of Financial Position for the year ended 31 December 2023

		Group		Company	
Amounts in SRD	**Note**	**2023**	**2022***	**2023**	**2022***
Assets					
Cash and balances with Centrale bank	20	4,811,018,595	7,409,121,770	4,811,018,595	7,409,121,770
Due from banks	21	2,548,771,783	2,169,156,740	2,548,771,783	2,169,156,740
Loans and advances to customers	26	5,442,749,441	7,279,577,289	4,984,059,640	6,905,273,405
Financial assets at fair value through P&L	23	135,517,180	81,779,351	135,517,180	81,779,351
Debt instruments at fair value through OCI	25	2,433,661,699	2,148,787,059	2,433,661,699	2,148,787,059
Current tax assets	18	97,881,904	122,598,595	95,926,485	120,005,146
Other assets	27	164,106,361	238,211,018	145,409,297	191,269,758
Debt instruments at amortized cost	28	3,529,424,970	2,104,125,353	3,529,424,970	2,104,125,353
Investments in subsidiaries	22.1	-	-	464,250,324	396,341,665
Investments in associates	22.2	11,199,525	5,791,298	11,199,525	5,791,298
Property and equipment and right-of-use assets	29	1,287,325,842	1,247,460,445	1,287,325,842	1,247,460,445
Investment properties	30	30,365,442	39,097,996	-	-
Intangible Assets	31	214,525,960	172,460,679	214,525,960	172,460,679
Total assets		**20,706,548,702**	**23,018,167,593**	**20,661,091,300**	**22,951,572,669**

**2022 balances were adjusted in line with IAS 29 Hyperinflation (see note 6).*

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Supervisory Board
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Financial Statements

		Group		Company	
Amounts in SRD	**Note**	**2023**	**2022***	**2023**	**2022***
Liabilities					
Due to banks	32	677,328,609	459,273,530	677,328,609	459,273,530
Due to customers	33	17,312,441,222	20,000,347,198	17,299,278,691	19,965,979,182
Derivatives financial instruments	24	-	23,262,994	-	23,262,994
Current tax liabilities	18	86,823,180	34,545,195	69,732,748	17,021,958
Other liabilities	34	406,759,026	278,251,058	391,554,587	263,547,387
Debt issued and other borrowed funds	36	169,104,736	196,310,533	169,104,736	196,310,533
Net employee defined benefit liabilities	37	282,447,940	335,905,700	282,447,940	335,905,700
Total liabilities		**18,934,904,713**	**21,327,896,208**	**18,889,447,311**	**21,261,301,284**
Equity					
Share capital	38	2,051,723	2,051,723	2,051,723	2,051,723
Share premium		727,702,877	727,702,877	727,702,877	727,702,877
Perpetual bond	38.1	218,000,000	-	218,000,000	-
Retained earnings		634,608,383	545,855,239	634,608,383	545,855,239
Other reserves		139,805,762	329,844,135	139,805,762	329,844,135
Profit/(loss) for the period		49,475,244	84,817,411	49,475,244	84,817,411
Total equity		**1,771,643,989**	**1,690,271,385**	**1,771,643,989**	**1,690,271,385**
Total liabilities and equity		**20,706,548,702**	**23,018,167,593**	**20,661,091,300**	**22,951,572,669**
Committed credit facilities	35	260,595,113	126,652,345	260,595,113	126,652,345

Supervisory Board
Sharmila Jadnanansing — Chair
Patrick Peneux — Vice Chair
Jeffrey Braster — Member
Montague Mc Leod — Member
Simone Oostwijk — Member
Arun Bhagwandin — Member

Executive Board
Rafiek Sheorajpanday — Chief Executive Officer
Coenraad Valk — Chief Financial Officer

Paramaribo,
June 10, 2025

**2022 balances were adjusted in line with IAS 29 Hyperinflation (see note 6).*

Statement of Changes in Equity for the year ended 31 December 2023

Amounts in SRD	Share capital	Share premium	Retained earnings	Perpetual bond	Other reserves	Profit/(loss) for the period	Total equity
As at 1 January 2023	**2,051,723**	**727,702,877**	**545,855,239**	**-**	**329,844,135**	**84,817,411**	**1,690,271,385**
Appropriation of result previous year	-	-	84,817,411	-	-	(84,817,411)	-
Placement on perpetual bond	-	-	-	218,000,000	(218,000,000)	-	-
Distribution on perpetual bond including hyperinflation adjustment	-	-	-	-	-	(8,009,725)	(8,009,725)
IAS 29 Restatement of associates (BNETS N.V.)	-	-	6,479,433	-	-	-	6,479,433
Adjustment deferred tax previous year	-	-	-	-	(25,511,301)	-	(25,511,301)
Other comprehensive income net of tax:							
Net result from continuing operations	-	-	-	-	-	57,484,969	57,484,969
Net change in fair value of debt instruments at FVOCI (net of tax)	-	-	-	-	53,472,928	-	53,472,928
Remeasurement gains/(losses) on defined benefit plans (net of tax)	-	-	(2,543,700)	-	-	-	(2,543,700)
Total other comprehensive income	**-**	**-**	**(2,543,700)**	**-**	**53,472,928**	**57,484,969**	**108,414,197**
Balance as at 31 December 2023	**2,051,723**	**727,702,877**	**634,608,383**	**218,000,000**	**139,805,762**	**49,475,244**	**1,771,643,989**

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

Amounts in SRD	Share capital	Share premium	Retained earnings	Perpetual bond	Other reserves	Profit/(loss) for the period	Total equity
As at 1 January 2022	1,546,966	548,676,277	937,721,778	-	(3,775,543)	(431,312,014)	1,052,857,464
Correction of prior period errors (net of tax)	-	-	700,017	-	-	-	700,017
Effect of hyperinflation adjustments	504,757	179,026,600	135,372,698	-	81,146,957	20,866,446	416,917,458
As at 1 January 2022 *	**2,051,723**	**727,702,877**	**1,073,794,493**	**-**	**77,371,414**	**(410,445,568)**	**1,470,474,939**
Appropriation of result previous year	-	-	(431,312,014)	-	-	431,312,014	-
Other comprehensive income net of tax:				-			
Net result from continuing operations	-	-	-	-	-	63,950,965	63,950,965
Adjustment deferred tax	-	-	-	-	263,922,812	-	263,922,812
Net change in fair value of debt instruments at FVOCI	-	-	-	-	(43,151,660)		(43,151,660)
Gains/(losses) on revaluation of properties	-	-	-	-	31,701,569	-	31,701,569
Remeasurement gains/(losses) on defined benefit plans	-	-	(96,627,240)	-	-	-	(96,627,240)
Total other comprehensive income	**-**	**-**	**(96,627,240)**	**-**	**252,472,721**	**63,950,965**	**219,796,446**
Balance as at 31 December 2022 *	**2,051,723**	**727,702,877**	**545,855,239**	**-**	**329,844,135**	**84,817,411**	**1,690,271,385**

Supervisory Board

Sharmila Jadnanansing	Chair
Patrick Peneux	Vice Chair
Jeffrey Braster	Member
Montague Mc Leod	Member
Simone Oostwijk	Member
Arun Bhagwandin	Member

Executive Board

Rafiek Sheorajpanday	Chief Executive Officer
Coenraad Valk	Chief Financial Officer

Paramaribo,
June 10, 2025

**2022 balances were adjusted in line with IAS 29 Hyperinflation (see note 6).*

Statement of Cash Flows
for the year ended 31 December 2023

		Group		Company	
Amounts in SRD	**Note**	**2023**	**2022***	**2023**	**2022***
Operating activities					
Net profit before taxation		139,717,114	322,780,330	139,717,114	322,780,330
Loss on net monetary position		(28,057,225)	(135,423,873)	(28,057,225)	(135,423,873)
Share of profit or loss of Associates		-	(2,375,773)	-	(2,375,773)
Attributable to Perpetual bond holders		(8,009,725)	-	(8,009,725)	-
		103,650,164	**184,980,684**	**103,650,164**	**184,980,684**
Adjustment for:					
Change in operating assets	41	(189,375,773)	289,080,577	(189,375,773)	289,080,577
Change in operating liabilities	41	(2,429,684,211)	(1,414,932,209)	(2,429,684,211)	(1,414,932,209)
Other non-cash items included in profit before tax	41	98,740,133	8,327,756	98,740,133	8,327,756
Income tax paid		(15,971,382)	(75,772,401)	(15,971,382)	(75,772,401)
Monetary effect on income tax paid		52,277,985	10,278,308	52,277,985	10,278,308
Net cash flows from operating activities		**(2,380,363,084)**	**(998,037,285)**	**(2,380,363,084)**	**(998,037,285)**
Investing activities					
Purchase of property and equipment		(89,608,816)	(177,732,842)	(89,608,816)	(177,732,842)
Purchase of Intangible assets		(100,925,478)	(24,159,227)	(100,925,478)	(24,159,227)
Net cash flows used in investing activities		**(190,534,294)**	**(201,892,069)**	**(190,534,294)**	**(201,892,069)**
Financing activities					
Movement in subordinated loans		(27,205,797)	8,624,539	(27,205,797)	8,624,539
Net cash flows from/(used in) financing activities		**(27,205,797)**	**8,624,539**	**(27,205,797)**	**8,624,539**
Net decrease in cash and cash equivalents		(2,598,103,175)	(1,191,304,815)	(2,598,103,175)	(1,191,304,815)
Cash and cash equivalents at 1 January	20	7,409,121,770	8,600,426,585	7,409,121,770	8,600,426,585
Cash and cash equivalents at 31 December		**4,811,018,595**	**7,409,121,770**	**4,811,018,595**	**7,409,121,770**

Supervisory Board

	Sharmila Jadnanansing	Chair
	Patrick Peneux	Vice Chair
	Jeffrey Braster	Member
	Montague Mc Leod	Member
	Simone Oostwijk	Member
	Arun Bhagwandin	Member

Executive Board

Paramaribo,	Rafiek Sheorajpanday	Chief Executive Officer
June 10, 2025	Coenraad Valk	Chief Financial Officer

**2022 balances were adjusted in line with IAS 29 Hyperinflation (see note 6).*

Notes to the Consolidated Financial Statements

Notes to the Consolidated Financial Statements

Index notes to the Consolidated Financial Statements

1. Corporate information
Hakrin Bank N.V. (Hakrin Bank or the Company), together with its 100% subsidiaries (the Group), provides retail, corporate banking and investment banking services in Suriname. Hakrin Bank N.V. is the ultimate parent of the group.
Hakrin Bank is a limited liability company incorporated and domiciled in Suriname. Its registered office is at Dr. Sophie Redmondstraat 11-13, Paramaribo, Suriname. Hakrin Bank has a primary listing on the Suriname Stock Exchange.
The consolidated financial statements for the year ended 31 December 2023 were authorized for issue in accordance with a resolution of the directors on June 10, 2025.

2. 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 and 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), land and buildings within property and equipment and investment properties all of which have been measured at fair value. The consolidated financial statements are presented in Surinamese Dollar (SRD). The Bank has prepared its consolidated financial statement on the basis that it will continue to operate as a going concern – refer to Note 10.2.

3. Statement of compliance
The consolidated financial statements of the Bank have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

4. Presentation of financial statements
The Bank presents its statement of financial position in order of liquidity based on the Bank's intention and perceived ability to recover/settle most assets/liabilities of the corresponding financial statement line item. An analysis regarding recovery or settlement within 12 months after the reporting date (current) and more than 12 months after the reporting date is presented in "events after reporting date" Note 43.

5. Comparative information
The figures of comparative information have been restated in accordance with IAS 29 "Financial Reporting in Hyperinflationary Economies" to consider the changes in the general purchasing power of the currency and, as a result, are stated in the measuring unit current as of the end of the reporting period (see "Measuring unit" below).

6. Measuring unit
The consolidated financial statements as of December 31, 2023, including the corresponding comparative amounts for the previous year were restated to consider the changes in the general purchasing power of the functional currency of Hakrinbank (Suriname Dollars) as established by IAS 29. As a result, these consolidated financial statements are stated in terms of the measuring unit current at the end of the reporting period.

According to IFRS, the restatement of financial statements is needed 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 analysing general population behaviour, prices, interest rates and salaries in view of the evolution of price indexes and the loss of purchasing power of the currency, and (ii) as a quantitative characteristic, which is the most considered condition in practice, to test whether the cumulative inflation rate in three years approaches or exceeds 100%.

Due to several macroeconomic factors, three-year inflation was above 100%, while the national government's targets and other available projections indicate that this trend will not be reversed in the short term. The Suriname economy is hyperinflationary as from June 1, 2021.
Restatements according to IAS 29 should be 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. To make such restatement, Hakrin Bank uses conversion factors that are derived from the consumer price index (CPI) prepared and published monthly by the General Bureau of Statistics (ABS, as per its Dutch acronym). The consumer price indexes as of December 31, 2023, 2022 and 2021 were 759.3, 572.5 and 370.4 respectively.

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

Restatement of the statement of financial position:
- Monetary items (those with a fixed nominal value in local currency) are not restated, as they are already expressed in the measuring unit current as of the end of the reporting period. In an inflationary period, holding monetary assets generates a loss of purchasing power and holding monetary liabilities generates a gain in purchasing power, provided that such items are not subject to an adjustment mechanism that offsets these effects to some extent. The monetary loss or gain is included in profit (loss) for the reporting period;
- Assets and liabilities subject to adjustments pursuant to specific agreements are adjusted according to such agreements;
- Non-monetary items measured at their current values at the end of the reporting period are not restated for their presentation in the statement of financial position, but the adjustment process must be completed to determine in terms of constant measuring unit, the gain or loss generated for holding those non-monetary items;
- Non-monetary items measured at historical cost or at a current value as of a date prior to the end of the reporting period are restated at indexes that reflect the variation occurred in the general price index level as from the date of acquisition or restatement until the closing date, and then the restated amounts of said assets are compared with the relevant recoverable values. Profit (loss) for the period from depreciation of property and equipment and amortization of intangible assets, as well as any other consumption of non-monetary assets are determined based on the new restated amounts;

Restatement of the income statement and statement of comprehensive income:
- Expenses and income are restated as from the date of their booking, except for those profit or loss items that reflect or include in their determination the consumption of assets in purchasing power currency of a date prior to the booking of the consumption, which are restated taking as basis the date of origination of the asset with which the item is related; and also except for income or loss arising from comparing two measurements expressed in purchasing power currency of different dates, for which it is necessary to identify the amounts compared, restate them separately,

and make the comparison again, but with the amounts already restated;

- The monetary loss or gain will be classified according to the item that originated it and is presented in a separate line reflecting the effect of inflation on monetary items.

Restatement of the statement of changes in equity:
- As of the transition date, the Bank has applied the following procedures:
- Equity items, except for those stated below, are restated as from the date on which they were subscribed for or paid in.
- 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.
- 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.

7. Changes in accounting policies and disclosures
7.1 New and amended standards and interpretations
Standards and Amendments Effective in 2023:
- IFRS 17 – Insurance Contracts: This standard establishes principles for the recognition, measurement, presentation, and disclosure of insurance contracts. It replaces IFRS 4 and aims to provide a consistent accounting model for insurance contracts;
- Amendments to IAS 1 – Disclosure of Accounting Policies: These amendments require entities to disclose material accounting policy information rather than significant accounting policies, enhancing the relevance and clarity of disclosures;
- Amendments to IAS 8 – Definition of Accounting Estimates: The amendments clarify the distinction between accounting policies and accounting estimates, aiding in the consistent application of accounting standards;
- Amendments to IAS 12 – Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction: These amendments narrow the scope of the initial recognition exemption, requiring entities to recognize deferred tax on transactions that give rise to equal amounts of taxable and deductible temporary differences;

Standards and Amendments Effective in 2024:
- Amendments to IFRS 16 – Lease Liability in a Sale and Leaseback: These amendments clarify the subsequent measurement of lease liabilities arising from sale and leaseback transactions, ensuring that the seller-lessee does not recognize any gain or loss relating to the right of use retained;
- Amendments to IAS 1 – Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants: The amendments clarify that the classification of liabilities as current or non-current is based on rights in existence at the end of the reporting period and provide guidance on how covenants affect this classification;
- Amendments to IAS 7 and IFRS 7 – Supplier Finance Arrangements: These amendments introduce new disclosure requirements for supplier finance arrangements, enhancing transparency about the effects of such arrangements on an entity's liabilities and cash flows.

Impact on the Bank:
The Bank has assessed the above standards and amendments and determined that they do not have a material impact on its consolidated financial statements for the year ended December 31, 2023.

8. Basis of consolidation
The consolidated financial statements comprise the financial statements of the Bank and its subsidiaries as at 31 December 2023. Hakrin Bank consolidates a subsidiary when it controls it. Control is achieved when the Bank is exposed, or has rights, to variable returns from its involvement with the investee and can affect those returns through its power over the investee.
The Bank has full control over two 100% owned subsidiaries Nationale Trust- en Financierings Maatschappij N.V. (NTFM) and Hakrin Bank Real Estate Company N.V. (HRE).

9. Significant accounting policies

9.1 Foreign currency translation
9.1.1 Functional and presentational currency
The consolidated financial statements are presented in Suriname Dollar (SRD), which is also the functional currency for Hakrin Bank and its subsidiaries.

9.1.2 Transaction and balances
Transactions in foreign currencies are initially recorded in the functional currency at the spot rate of exchange ruling at the date of the transaction.
Monetary assets and liabilities denominated in foreign currencies 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.

The closing exchange rates applied by Hakrin Bank for the USD and EUR are as follows:

Closing exchange rates at December 31

	2023	2022	2021	2020	2019
1 USD	36.29	31.77	20.34	14.02	7.40
1 EUR	40.19	33.23	22.28	17.21	8.25

9.2 Financial instruments – initial recognition
9.2.1 Date of recognition
Financial assets and liabilities, except for loans and advances to customers and balances due to customers, are initially recognised on the trade date, i.e., the date on which the 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 marketplace. Loans and advances to customers are recognised when funds are transferred to the customers' accounts. The Bank recognises balances due to customers when funds are transferred to the Bank.

9.2.2 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 described in Notes 9.2.3.1 and 9.2.3.2. Financial instruments are initially measured at their fair value (as defined in Note 9.3), except in the case of financial assets and financial liabilities recorded at FVPL, transaction costs are added to, or subtracted from, this amount.

9.2.3 Measurement categories of financial assets and liabilities

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

- Amortised cost;
- FVOCI;
- FVTPL;

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

9.2.3.1 Business model assessment

The 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 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 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.

9.2.3.2 The SPPI test

As a second step of its classification process the 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 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.

9.3 Determination of fair value

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 Bank has access to at the measurement date. The 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 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 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 Bank periodically reviews its valuation techniques including the adopted methodologies and model calibrations.

9.4 Reclassification of financial assets and liabilities

The Bank does not reclassify financial assets after their initial recognition, apart from the exceptional circumstances such as a changed business model assessment or in circumstances in which the Bank acquires, disposes of, or terminates a business line. Financial liabilities are never reclassified.

9.5 Modification of financial assets and liabilities

9.5.1 Modification of financial assets

When the contractual cash flows of a financial asset are renegotiated or otherwise modified because of commercial restructuring activity rather than due to credit risk and impairment considerations, the 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, amongst others, the 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 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 9.7.

9.5.2 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 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.

9.6 Derecognition of financial assets and liabilities

9.6.1 Derecognition due to substantial modification of terms and conditions

The 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.

9.6.1.1 Financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the rights to receive cash flows from the financial asset have expired. The Bank also derecognises the financial asset if it has both transferred the financial asset and the transfer qualifies for derecognition.

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

- The 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 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 the following conditions are met:

- The 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 Bank cannot sell or pledge the original asset other than as security to the eventual recipients;
- The Bank must remit any cash flows it collects on behalf of the eventual recipients without material delay. In addition, the 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 Bank has transferred substantially all the risks and rewards of the asset.
  Or
- The Bank has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

The 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 can exercise that ability unilaterally and without imposing additional restrictions on the transfer.
When the 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 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.

9.6.1.2 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.

9.7 Forborne modified loans

The Bank sporadically might make 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 Bank considers a loan forborne when such concessions or modifications are provided because 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 Credit Risk Function of the Bank. Forbearance may involve extending the payment arrangements and the agreement of new loan conditions. It is the 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.

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 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. For the loan to be reclassified out of the forborne category, the customer has to meet all of the following criteria:

- All 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.

9.8 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset, and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously. Financial assets and financial liabilities are generally reported gross in the consolidated statement of financial position except when IFRS netting criteria are met. Positions that are managed on a Settled-to-market basis, are transactions that are settled in cash before the close of the business day and therefore the balances are no longer recognised on the balance sheet as an asset or a liability. The carrying amounts represent the called but not yet settled balances.

Other instruments, primarily over-the-counter derivatives, are only offset and reported net when, in addition to having an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event and the Bank also intends to settle on a net basis in all the following circumstances:

- The normal course of business;
- The event of default;
- The event of insolvency or bankruptcy of the Bank and/ or its counterparties.

9.9 Impairment of financial assets

9.9.1 Overview of ECL principles

The Bank records an allowance for expected credit loss for all loans and other debt financial assets not held at FVPL, together with loan commitments and financial guarantee contracts, in this section, all referred to as 'financial instruments'. Equity instruments are not subject to impairment under IFRS 9. The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit losses or LTECL), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit losses (12mECL) as outlined in Note 9.9.2). The Bank's policies for determining if there has been a significant increase in credit risk are set out in Note 45.2.

The 12mECL is the portion of LTECL that represent the ECL that result from default events on a financial instrument that are possible within the 12 months after the reporting date. Both LTECL and 12mECL are calculated on either an individual basis or a collective basis, depending on the nature of the underlying portfolio of financial instruments. The Bank has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument. This is further explained in Note 45.2.

Based on the above process, the Bank groups its loans into Stage 1, Stage 2, Stage 3 and POCI, as described below:

- Stage 1: When loans are first recognised, the Bank recognises an allowance based on 12mECL. Stage 1 loans also include facilities where the credit risk has improved, and the loan has been reclassified from Stage 2;
- Stage 2: When a loan has shown a significant increase in credit risk since origination, the Bank records an allowance for the LTECL. Stage 2 loans also include facilities, where the credit risk has improved, and the loan has been reclassified from Stage 3;
- Stage 3: Loans considered credit-impaired (as outlined in Note 45.2). The Bank records an allowance for the LTECL.
- POCI: Purchased or originated credit impaired (POCI) assets are financial assets that are credit impaired on initial recognition. POCI assets are recorded at fair value at original recognition and interest income is subsequently recognised based on a credit adjusted EIR. The ECL allowance is only recognised or released to the extent that there is a subsequent change in the expected credit losses.

For financial assets for which the Bank has no reasonable expectations of recovering either the entire outstanding amount, or a proportion thereof, the gross carrying amount of the financial asset is reduced. This is considered a (partial) derecognition of the financial asset.

9.9.2 The calculation of ECL

The Bank calculates ECL based on the expected cash shortfalls. A cash shortfall is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive.

The mechanics of the ECL calculations are outlined below and the key elements are, as follows:

- PD - The Probability of Default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period if the facility has not been previously derecognised and is still in the portfolio;
- EAD - The Exposure at Default is an estimate of the exposure at a future default date, considering expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise,

- expected drawdowns on committed facilities, and accrued interest from missed payments;
- LGD - The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral or credit enhancements that are integral to the loan and not required to be recognised separately.

The mechanics of the ECL method are summarised below:
- Stage 1: The 12mECL is calculated as the portion of LTECL that represent the ECL that result from default events on a financial instrument that are possible within the 12 months
  after the reporting date. The Bank calculates the 12mECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12-month default probabilities are applied to a forecast EAD and multiplied by the expected LGD and discounted by an approximation to the original EIR;
- Stage 2: When a loan has shown a significant increase in credit risk since origination, the Bank records an allowance for the LTECL. The mechanics are similar to those explained above, but PDs and LGDs are estimated over the lifetime of the instrument;
- Stage 3: For loans considered credit-impaired, the Bank recognises the lifetime expected credit losses for these loans. The method is similar to that for Stage 2 assets, with the PD set at 100%;
- POCI: POCI assets are financial assets that are credit impaired on initial recognition. The Bank only recognises the cumulative changes in lifetime ECL since initial recognition.

9.9.3 Debt instruments measured at fair value through OCI

The ECL for debt instruments measured at FVOCI do not reduce the carrying amount of these financial assets in the statement of financial position, which remains at fair value. Instead, an amount equal to the allowance that would arise if the assets were measured at amortised cost is recognised in OCI as an accumulated impairment amount, with a corresponding charge to profit or loss. The accumulated loss recognised in OCI is recycled to the profit and loss upon derecognition of the assets.

9.10 Credit enhancements: collateral valuation and financial guarantees

To mitigate its credit risks on financial assets, the Bank seeks to use collateral, where possible. The collateral comes in various forms, such as cash, securities, letters of credit/ guarantees, real estate, receivables, inventories, other non-financial assets, and credit enhancements such as netting agreements. Collateral, unless repossessed, is not recorded on the Bank's statement of financial position.
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. However, some collateral, for example, cash or securities relating to margining requirements, is valued daily. To the extent possible, the Bank uses active market data for valuing financial assets held as collateral. Other financial assets which do not have readily determinable market values are valued using models. Non-financial collateral, such as real estate, is valued based on data provided by third parties such independent certified valuators.

Guarantees held are included in the measurement of loan ECL when either they are specified in the contractual terms of the loan or else are integral to the loan, in that they formed part of the basis on which the loan was extended. Guarantees that are not integral to the loan's contractual terms are accounted as separate units of accounts subject to ECL. Credit default swaps are not considered to be integral to a loan's contractual terms and are accounted as derivative financial instruments.

9.11 Collateral repossessed

The Bank's policy in its normal course of business is to recover funds from the repossessed assets, generally at auction or through private sale, to settle outstanding debt. Any surplus funds are returned to the customers/obligors. As a result of this practice, the residential properties under legal repossession processes are not recorded on the balance sheet.

9.12 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.

9.13 Cash and cash equivalents in cash flow statement

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.

9.14 Impairment of non-financial assets

Further disclosures relating to impairment of non-financial assets are provided in the specific note to the non-financial asset where relevant.

9.15 Fiduciary assets

The 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 Bank.

10. Significant accounting judgements, estimates and assumptions

The preparation of the Bank's consolidated financial statements in accordance with IFRS requires management to make judgements, estimates, and assumptions that affect the reported amounts of revenues, expenses, assets, liabilities, and the related disclosures, including those of contingent liabilities.
These judgements and estimates are based on historical experience, current circumstances, and reasonable expectations of future events. However, given their nature, actual outcomes may differ from these estimates, potentially resulting in material adjustments to the carrying amounts of assets or liabilities in future periods.
The most significant areas involving management's judgement and estimation uncertainty, which could result in material adjustments within the next financial year, are outlined below.

10.1 Impairment losses on financial assets

The measurement of expected credit losses (ECL) under IFRS 9 involves significant estimation uncertainty and management judgement, particularly in the estimation of future cash flows, the valuation of collateral, and the assessment of a significant increase in credit risk. The Bank's ECL calculations rely on complex models incorporating a variety of assumptions and inputs.

Key elements of the ECL model subject to judgement include:

- Assignment of probability of default (PD) using internal credit grading models;
- Criteria for identifying significant increases in credit risk (SICR), including both quantitative and qualitative factors.
- Segmentation of exposures for collective assessment;
- Development and calibration of model assumptions, including macroeconomic overlays.
- The Bank routinely reviews and validates its models against observed loss experience and adjusts assumptions as necessary.

10.2 Going concern

Management has assessed the Bank's ability to continue as a going concern and has concluded that there are no material uncertainties that may cast significant doubt on its ability to do so. Accordingly, these consolidated financial statements have been prepared on a going concern basis.

10.3 Fair value of financial instruments

Where market prices are not readily observable, fair values of financial instruments are determined using valuation models based on market data and internal assumptions. Significant estimates include liquidity assumptions, credit risk adjustments, funding costs, and market volatility. The classification within the fair value hierarchy (Levels 1–3) also requires judgement.

10.4 Deferred tax assets

Deferred tax assets are recognised for unused tax losses to the extent it is probable that future taxable profits will be available to utilise them. Although tax losses in Suriname can be carried forward indefinitely, significant judgement is required in assessing the timing and sufficiency of taxable profits, and in evaluating tax planning strategies (refer to Note 18).

10.5 Provisions and other contingent liabilities

Due to the nature of the regulatory and legal environment, the Bank is exposed to litigation, arbitration, and regulatory proceedings. Provisions are recognised where an outflow of economic resources is probable and a reliable estimate can be made. Where uncertainty exists, the Bank discloses contingent liabilities unless disclosure would seriously prejudice the position of the Bank.

Judgement is required in evaluating factors such as legal advice, case progress, and historical outcomes to assess the likelihood and quantum of potential liabilities.

10.6 Determination of lease term with renewal and termination options

For lease contracts that include extension or termination options, the Bank exercises judgement in determining the lease term. This involves evaluating all economic factors that create an incentive to extend or not terminate the lease. The lease term is reassessed if there is a significant change in circumstances within the Bank's control.

10.7 Estimating the Incremental Borrowing Rate (IBR)

As the interest rate implicit in most leases is not readily determinable, the Bank applies its IBR to measure lease liabilities. The IBR reflects the rate the Bank would pay to borrow similar funds under similar terms and security. Estimation involves the use of observable inputs (e.g., market rates) and entity-specific adjustments such as credit ratings and lease terms.

11. Segment information

During 2023 and 2022 respectively, the Bank has been organized into 2 operating segments based on products and services as follows:

- Retail banking: Individual customers' deposits and consumer loans, overdrafts, credit card facilities and funds transfer facilities;
- Corporate banking: Loans and other credit facilities and deposit and current accounts for corporate and institutional customers, the treasury function and all other support and overhead functions.

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 an entity basis and are not allocated to operating segments. Interest income is reported net as management primarily relies on net interest revenue as a performance measure, along with the gross income and expenses. Transfer prices between operating segments are based on the Bank's internal pricing framework. No revenue from transactions with a single customer or counterparty amounted to 10% or more of the Bank's total revenue in 2023 or 2022.

11.1 Profit segments

An analysis of the Bank's income statement, total assets and liabilities are, as follows:

Amounts in SRD for the year ended 31 December 2023	Retail Banking	Corporate Banking	Total
Interest income calculated using the effective interest method	73,030,431	906,277,883	979,308,314
Interest expense calculated using the effective interest method	33,892,920	314,224,496	348,117,416
Net interest income	**39,137,511**	**592,053,387**	**631,190,898**
Fee and commission income	46,835,929	228,080,260	274,916,189
Fee and commission expense	20,127	52,539,342	52,559,469
Net fee and commission income	**46,815,802**	**175,540,918**	**222,356,720**
Other operating income	-	78,328,487	78,328,487
Gains/(Losses) on Financial Assets at FVTPL	-	53,737,829	53,737,829
Operating income	**85,953,313**	**899,660,621**	**985,613,934**
Personnel expenses	27,564,634	376,669,346	404,233,980
Other operating expenses	9,673,304	303,081,757	312,755,061
Depreciation of property, equipment and right-of-use assets	-	69,011,720	69,011,720
Amortization of intangible assets	-	40,644,528	40,644,528
Operating expenses	**37,237,938**	**789,407,351**	**826,645,289**
Impairment on investment properties	-	8,732,553	8,732,553
Impairment charges on financial instruments	10,731,553	(212,575)	10,518,978
Total expenses	**47,969,491**	**797,927,329**	**845,896,820**
Profit/(loss) before taxation	37,983,822	101,733,292	139,717,114
Income tax expense	(13,674,177)	(40,500,743)	(54,174,920)
Loss on net monetary position	(23,182,191)	(4,875,034)	(28,057,225)
Share of profit or loss of Associates	-	-	-
Profit/(loss) for the period	**1,127,454**	**56,357,515**	**57,484,969**
Additions to property, equipment and right-of-use assets	-	177,914,097	177,914,097
Additions to other intangible assets	-	12,128,202	12,128,202
Total Assets	**510,014,286**	**20,196,534,416**	**20,706,548,702**
Total Liabilities	**422,694,578**	**18,512,210,135**	**18,934,904,713**

An analysis of the Bank's income statement, total assets and liabilities are, as follows:

Amounts in SRD for the year ended 31 December 2022*	Retail Banking	Corporate Banking	Total
Interest income calculated using the effective interest method	66,165,719	825,052,796	891,218,515
Interest expense calculated using the effective interest method	26,712,357	293,244,777	319,957,134
Net interest income	**39,453,362**	**531,808,019**	**571,261,381**
Fee and commission income	32,554,734	289,502,505	322,057,239
Fee and commission expense	10,691	59,093,661	59,104,352
Net fee and commission income	**32,544,043**	**230,408,844**	**262,952,887**
Other operating income	-	209,505,295	209,505,295
Gains/(Losses) on Financial Assets at FVTPL	-	(43,231,952)	(43,231,952)
Operating income	**71,997,405**	**928,490,206**	**1,000,487,611**
Personnel expenses	22,703,245	299,625,413	322,328,658
Other operating expenses	8,274,316	338,214,527	346,488,843
Depreciation of property, equipment and right-of-use assets	-	68,873,957	68,873,957
Amortization of intangible assets	-	24,159,227	24,159,227
Operating expenses	**30,977,561**	**730,873,124**	**761,850,685**
Impairment on PPE	-	27,881,285	27,881,285
Impairment on investment properties	-	1,732,370	1,732,370
Impairment charges on financial instruments	12,371,094	(126,128,153)	(113,757,059)
Total expenses	**43,348,655**	**634,358,626**	**677,707,281**
Profit/(loss) before taxation	28,648,750	294,131,580	322,780,330
Income tax expense	(10,313,550)	(89,849,723)	(100,163,273)
Loss on net monetary position	(42,585,630)	(92,838,243)	(135,423,873)
Share of profit or loss of Associates	-	(2,375,773)	(2,375,773)
Profit/(loss) for the period	**(24,250,430)**	**109,067,841**	**84,817,411**
Additions to property, equipment and right-of-use assets	-	229,067,278	229,067,278
Additions to other intangible assets	-	32,767,648	32,767,648
Total Assets	**421,102,167**	**22,597,065,423**	**23,018,167,593**
Total Liabilities	**334,909,913**	**20,992,986,295**	**21,327,896,208**

**2022 balances were adjusted in line with IAS 29 Hyperinflation (see note 6).*

12. Interest and similar income/expense

Accounting policy for interest and similar income/expense

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 considering 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 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 considers 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 balance sheet with a corresponding increase or decrease in Interest revenue/expense calculated using the effective interest method.

Other interest income/expense includes interest on derivatives in economic hedge relationships and all financial assets/liabilities measured at FVPL, other than those held for trading, using the contractual interest rate.

The 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.

Interest income calculated using the effective interest method

	Group		Company	
Amounts in SRD for the year ended 31 December	**2023**	**2022***	**2023**	**2022***
Interest income calculated using the effective interest method				
Due from banks	12,659,568	28,205,476	12,659,568	28,205,476
Loans and advances to customers	774,787,467	701,246,926	736,875,658	663,158,571
Debt instruments at amortized cost	129,571,202	127,245,912	129,571,202	127,245,912
Debt instruments at FVOCI	62,290,077	34,520,201	62,290,077	34,520,201
Total interest and similar income	**979,308,314**	**891,218,515**	**941,396,505**	**853,130,160**

Interest expense calculated using the effective interest method

	Group		Company	
Amounts in SRD for the year ended 31 December	**2023**	**2022***	**2023**	**2022***
Interest expense calculated using the effective interest method				
Due to banks	66,465,168	1,501,374	66,465,168	1,501,374
Due to customers	268,771,307	301,178,573	268,767,382	301,174,473
Debt issued and other borrowed funds	12,563,346	16,858,514	12,563,346	16,858,514
Interest expense on lease liabilities	317,595	418,673	317,595	418,673
Total interest and similar expense	**348,117,416**	**319,957,134**	**348,113,491**	**319,953,034**

**2022 balances were adjusted in line with IAS 29 Hyperinflation (see note 6).*

13. Net fees and commission income

Accounting policy for net fees and commission income

The 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 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 Bank's revenue contracts do not include multiple performance obligations, as explained further below.

When the 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 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.

Performance obligations over time include services where the customer simultaneously receives and consumes the benefits provided by the Bank's performance as the Bank performs.

Services provided where the Bank's performance obligations are satisfied at a point in time are recognized 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.

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 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 Bank's obligation to transfer services to a customer for which the 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 Bank performs.

Disaggregated revenue information

	Group		Company	
Amounts in SRD for the year ended 31 December	**2023**	**2022***	**2023**	**2022***
Fee income earned from services that are provided over time:				
Portfolio management and trust fees	39,932,788	30,055,866	32,479	-
Service charges	32,273,960	21,538,630	32,273,960	21,538,630
Insurance and investment fees	9,448,436	10,622,399	9,448,436	10,622,399
Other service fees	1,818,844	7,845,512	1,818,845	7,845,508
Rental fees	729,244	1,613,640	729,244	1,613,640
Total	**84,203,272**	**71,676,047**	**44,302,964**	**41,620,177**
Fee income providing financial services at a point in time:				
Payment services	116,193,201	179,461,924	116,193,201	179,461,924
Brokerage fees	59,985,594	59,784,299	59,985,594	59,784,299
Other fees	14,534,122	11,134,969	7,729,943	8,843,746
Total	**190,712,917**	**250,381,192**	**183,908,738**	**248,089,969**
Total revenue from contract with customers	**274,916,189**	**322,057,239**	**228,211,702**	**289,710,146**

**2022 balances were adjusted in line with IAS 29 Hyperinflation (see note 6).*

14. Impairment charges on financial instruments

The table on the right shows the ECL charges on financial instruments for the year recorded in the income statement. Derecognition and write-offs have been treated as movements in the ECL loss allowance.

Amounts in SRD for the year ended 31 December 2023	Stage 1	Stage 2	Stage 3	Total
Due from Banks	4,351,070	-	-	4,351,070
Loans and advances to customers	220,867,055	(4,325,319)	(210,971,518)	5,570,218
Debt instruments measured at FVOCI	6,114,504	-	-	6,114,504
Debt instruments measured at amortized costs	-	(5,516,814)	-	(5,516,814)
Total impairment loss	**231,332,629**	**(9,842,133)**	**(210,971,518)**	**10,518,978**

Amounts in SRD for the year ended 31 December 2022*	Stage 1	Stage 2	Stage 3	Total
Loans and advances to customers	(59,484,209)	7,923,368	63,115,463	11,554,622
Debt instruments measured at amortized costs	-	(125,311,681)	-	(125,311,681)
Total impairment loss	**(59,484,209)**	**(117,388,313)**	**63,115,463**	**(113,757,059)**

15. Other operating income

Accounting policy for other operating income

Other operating income includes all other banking activities such as operating lease activities as lessor. Income from operating lease activities is presented separately from the depreciation expense of the related assets.

Results from financial transactions consist of foreign exchange trading results and Open Currency Position (OCP) revaluation.

	Group		Company	
Amounts in SRD for the year ended 31 December*	**2023**	**2022***	**2023**	**2022***
Result from financial transactions	77,512,713	208,309,820	77,512,713	208,309,820
Disposal of operating activities	476,635	1,093,253	476,635	1,093,253
Operating lease income	339,139	102,222	339,139	102,222
Total other operating income	**78,328,487**	**209,505,295**	**78,328,487**	**209,505,295**

16. Personnel expenses

Accounting policy for personnel expenses

Wages and salaries, 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. The accounting policies for pensions and other post-employment benefits are included in Note 37 Net employee defined benefit liabilities.

	Group		Company	
Amounts in SRD for the year ended 31 December	**2023**	**2022***	**2023**	**2022***
Wages and salaries	314,965,950	248,885,625	287,401,316	226,182,380
Social security charges	4,708,160	5,342,712	4,708,160	5,342,712
Expenses related to defined post-employment benefit plans	28,989,410	26,844,848	28,989,410	26,844,848
Other personnel expenses	55,570,460	41,255,473	55,570,460	41,255,473
Total personnel expenses	**404,233,980**	**322,328,658**	**376,669,346**	**299,625,413**

**2022 balances were adjusted in line with IAS 29 Hyperinflation (see note 6).*

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17. Other operating expenses

Accounting policy other operating expenses

Costs are recognised in the period in which services have been provided and to which the payment relates.
Other expenses comprise items that do not fall within the Banks specified expense categories and total.

	Group		Company	
Amounts in SRD for the year ended 31 December	**2023**	**2022***	**2023**	**2022***
Agency staff, contractors and consultancy costs	38,741,236	89,436,252	38,741,236	88,038,716
Staff related costs	4,521,712	3,311,675	4,521,712	3,311,675
Information technology costs	128,477,337	117,111,542	128,477,337	117,111,542
Housing	48,513,923	46,016,130	48,513,923	46,016,130
Post, telephone and transport	23,693,501	22,708,457	23,693,501	22,708,457
Marketing and public relations costs	11,862,868	14,681,690	11,862,868	14,681,690
Regulatory charges	2,316,551	5,551,888	2,316,551	5,551,888
Mastercard operating costs and fees	45,344,297	45,216,876	45,344,297	45,216,876
Other	9,283,636	2,454,333	(1,064,818)	(4,612,435)
Total personnel expenses	**312,755,061**	**346,488,843**	**302,406,607**	**338,024,539**

18. Income tax

Accounting policy for income tax expense, deferred taxes, tax assets and tax liabilities

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.

Deferred tax liabilities arise from taxable temporary differences, which represent the differences between the carrying amounts of assets and liabilities in the financial statements and their corresponding tax bases. In accordance with the applicable accounting standards, deferred tax liabilities are recognized for all taxable temporary differences unless it is not probable that the temporary differences will reverse in the foreseeable future or where the tax consequences cannot be reliably measured.

The economic environment in Suriname has been characterized by sustained hyperinflation, which significantly affects financial reporting, including the measurement of tax bases, the recognition of taxable profits, and the estimation of future reversals of taxable temporary differences. Hyperinflation introduces volatility in financial projections, impacting the ability to determine with sufficient reliability whether deferred tax liabilities will materialize. Given the current economic conditions and the distortions caused by hyperinflation, the recognition of deferred tax liabilities does not meet the probability and reliability criteria required under the relevant accounting framework.

Additionally, under Suriname's tax laws, unrealized foreign exchange gains are not subject to taxation until they are realized. As a result, these gains do not create taxable temporary differences for deferred tax purposes. Consequently, no deferred tax liability has been recognized in respect of unrealized exchange gains reported in the financial statements.

The economic and fiscal conditions in Suriname will continue to be monitored, and the recognition of deferred tax liabilities will be reassessed should circumstances change in a manner that allows for a more reliable estimate of their future tax consequences.

**2022 balances were adjusted in line with IAS 29 Hyperinflation (see note 6).*

The components of income tax expense for the years ended 31 December 2023 and 2022 are, as follow:

	Group		Company	
Income statement	**2023**	**2022***	**2023**	**2022***
Current income tax:				
Hakrin Bank current income tax	(40,500,743)	(89,849,723)	(40,500,743)	(89,849,723)
NTFM current income tax	(13,674,177)	(10,313,550)	-	-
Income tax expense reported in consolidated income statement	**(54,174,920)**	**(100,163,273)**	**(40,500,743)**	**(89,849,723)**

Other comprehensive income	**2023**	**2022***	**2023**	**2022***
Current tax related to items recognized in OCI during the year				
Remeasurement gains or losses on defined benefit plans	(1,430,830)	(72,087,505)	(1,430,830)	(72,087,505)
Unrealized gains or losses on FVOIC	21,465,639	(33,187,072)	21,465,639	(33,187,072)
Income tax expense reported in other comprehensive income	**20,034,809**	**(105,274,577)**	**20,034,809**	**(105,274,577)**

18.1 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. A reconciliation between the tax expense and the accounting profit multiplied by Hakrin Bank's statutory tax rate for the years ended 31 December 2023 and 2022 are presented on the right.

	Group		Company	
Amounts in SRD for the year ended 31 December	**2023**	**2022***	**2023**	**2022***
Profit before taxation	139,717,114	322,780,330	112,502,064	297,630,686
Applicable statutory tax rate	36%	36%	36%	36%
Commercial income tax expense	**(54,174,920)**	**(100,163,273)**	**(40,500,743)**	**(89,849,723)**
Net profit	57,484,969	84,817,411	51,060,689	63,407,280
Income tax expense at statutory rate	54,174,920	117,460,597	40,500,743	107,147,047
Loss on net monetary position	28,057,225	135,423,873	8,092,072	99,177,649
Share of profit or loss of Associates	-	2,375,773	-	2,375,772
Share of profit/(loss) of subsidiaries	-	-	6,424,280	21,410,131
Fiscal income tax base	**139,717,114**	**340,077,654**	**106,077,784**	**293,517,879**
Fiscal income tax expense	**54,174,920**	**123,687,633**	**40,500,743**	**113,374,084**
Effective income tax rate	**38.8%**	**36.4%**	**38.2%**	**38.6%**

**2022 balances were adjusted in line with IAS 29 Hyperinflation (see note 6).*

18.2 Tax assets and tax liabilities

The tables on the right show the tax assets and tax liabilities recorded in the Statement of Financial Position.

Tax Assets

	Group		Company	
Amounts in SRD for the year ended 31 December	**2023**	**2022***	**2023**	**2022***
Income tax receivable	97,881,904	122,598,595	95,926,485	120,005,146
Total Tax Asset	**97,881,904**	**122,598,595**	**95,926,485**	**120,005,146**

Tax Liabilities

Amounts in SRD for the year ended 31 December	**2023**	**2022**	**2023**	**2022**
Income tax payable	86,546,810	21,990,250	69,456,378	4,467,013
Other taxes	276,370	12,554,945	276,370	12,554,945
Total Tax Liabilities	**86,823,180**	**34,545,195**	**69,732,748**	**17,021,958**

19. Earnings per share (EPS)

Basic EPS is calculated by dividing the profit for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

The table on the right reflects the income and share data used in the basic EPS calculation.

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of authorisation of these financial statements.

	Group		Company	
Amounts in SRD for the year ended 31 December	**2023**	**2022***	**2023**	**2022***
Profit attributable to ordinary equity holders of the parent for basic earnings	49,475,244	84,817,411	49,475,244	84,817,411
Weighted average number of ordinary shares for basic EPS	772,998	772,998	772,998	772,998
Basic EPS	**64.00**	**109.73**	**64.00**	**109.73**

*2022 balances were adjusted in line with IAS 29 Hyperinflation (see note 6).

20. Cash and balances with central banks

Accounting Policy

Cash and balances with central banks are measured at face value and include cash on hand and demand deposits held with central banks.
This item comprises:

- Physical cash held by the Bank;
- Balances in current accounts with the Centrale Bank van Suriname (CBvS); and
- Deposits maintained with CBvS to meet mandatory reserve requirements.

Deposits with the CBvS partly represent encumbered balances. These amounts are not available for use in the Bank's day-to-day operations and are maintained in accordance with local regulatory requirements. As such, they are classified as restricted assets.

	Group		Company	
Amounts in SRD for the year ended 31 December	**2023**	**2022***	**2023**	**2022***
Cash on hand	944,411,980	937,168,556	944,411,980	937,168,556
Current account with the Centrale Bank of Suriname	3,023,012,522	3,138,556,194	3,023,012,522	3,138,556,194
Deposits with the Centrale Bank of Suriname	843,594,093	3,333,397,020	843,594,093	3,333,397,020
Total cash and balances with Centrale bank	**4,811,018,595**	**7,409,121,770**	**4,811,018,595**	**7,409,121,770**

Encumbered balances: As at 31 December 2023, SRD 843,594,093 (2022: SRD 3,333,397,020) of deposits held with the CBvS were encumbered in the form of mandatory reserve requirements. These balances are restricted in nature and not available for use in the Bank's liquidity management.

21. Due from banks

Accounting policy for due from banks

The Bank measures due from banks 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.

	Group		Company	
Amounts in SRD for the year ended 31 December	**2023**	**2022***	**2023**	**2022***
Placements with other banks	2,552,412,767	2,169,156,740	2,552,412,767	2,169,156,740
Less: (Allowance for ECL)	(3,640,984)	-	(3,640,984)	-
Total due from banks	**2,548,771,783**	**2,169,156,740**	**2,548,771,783**	**2,169,156,740**

Encumbered balances: As at 31 December 2023, SRD 685,521,958 of deposits held with the Centrale Bank van Suriname were encumbered in the form of mandatory reserve requirements. These balances are restricted in nature and not available for use in the Bank's liquidity management.

**2022 balances were adjusted in line with IAS 29 Hyperinflation (see note 6).*

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22. Investments in subsidiaries and associate

22.1 Consolidated subsidiaries

Accounting policy for investments in 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 that it is exposed to through its involvement in the entity. The existence and effect of potential voting rights that are currently exercisable 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 and special purpose entities are included in the Consolidated Annual Financial Statements from the date on which control commences until the date on which control ceases.

The consolidated financial statements include the financial statements of Hakrin Bank N.V. and its subsidiaries. The subsidiaries of Hakrin Bank are:

Name of subsidiary	Country of incorporation	% equity interest 2023	% equity interest 2022
Nationale Trust- en Financierings Maatschappij N.V. (NTFM)	Suriname	100	100
Hakrin Bank Real Estate Company N.V. (HRE)	Suriname	100	100

22.2 Investment in associates

Accounting policy for investments in 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. Significant influence is generally presumed when the Bank holds 20% or more of the voting rights. Among other factors, representation on the board of directors, participation in the policy-making process and material transactions between the entity and the investee are considered to determine significant influence.

Investments in associates are accounted for using the equity method. Under this 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.

Hakrin Bank has a 25% interest in Banking Network Suriname N.V. (BNETS) (2021: 25%).

The valuation of our 25% equity interest in BNETS for both the 2022 and 2021 fiscal years is based on the latest audited financial statements of BNETS for the year 2021, as approved at the BNETS Annual General Meeting (AGM) held on the 5th of October 2022. A summary of these financial statements is provided in the schedule on the right.

Due to the delayed availability of the 2022 financial statements, it was not feasible to use these as the basis for the 2023 valuation of BNETS without incurring significant additional costs and efforts. Furthermore, incorporating these statements at a later stage would have resulted in an unjustifiable delay in the publication of Hakrinbank N.V.'s annual financial statements.

Statement of Financial Position of Banking Network Suriname N.V. (audited and published).

Amounts in SRD for the year ended 31 December	2021*	2020*
Current assets	15,143,595	23,309,674
Non-current assets	76,723,157	67,573,260
Current liabilities	25,730,756	24,760,886
Non-current liabilities	21,337,892	42,956,846
Equity	44,798,103	23,165,202
Bank's share in equity - 25% (2021: 25%)	**11,199,526**	**5,791,300**

Income Statement of Banking Network Suriname N.V. (audited and published).

Amounts in SRD for the year ended 31 December	2021*	2020*
Revenues	76,966,887	52,747,236
Cost of sales	30,621,852	21,225,350
Gross profit	**46,345,035**	**31,521,886**
Operating expenses	39,997,530	22,865,467
Operating profit	**6,347,505**	**8,656,419**
Financial expenses	(4,555,790)	(4,700,905)
Net monetary loss	(9,307,591)	(5,925,223)
Result before taxation	**(7,515,876)**	**(1,969,709)**
Income tax expense	3,412,978	(1,160,511)
Profit/(loss) for the year	**(4,102,898)**	**(3,130,220)**
Other comprehensive income for the period net of tax	(216,054)	(230,758)
Total comprehensive income for year	**(4,318,952)**	**(3,360,978)**
Bank's share in profit for the year - 25% (2021: 25%)	**(1,079,738)**	**(840,245)**

*2021 and 2020 were adjusted in line with IAS 29 Hyperinflation (See Note 6).

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23. Financial assets and 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 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, considering 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.

	Group		Company	
Amounts in SRD for the year ended 31 December	**2023**	**2022***	**2023**	**2022***
Investment in DSB Bank	135,517,180	81,779,351	135,517,180	81,779,351
Total financial assets at FVTPL	**135,517,180**	**81,779,351**	**135,517,180**	**81,779,351**

	Group		Company	
Amounts in SRD for the year ended 31 December	**2023**	**2022***	**2023**	**2022***
Gains/(Losses) on Financial Assets at FVTPL	53,737,829	(43,231,952)	53,737,829	(43,231,952)

24. Derivative financial instruments

Accounting policy

Derivative financial instruments are contracts whose value changes in response to fluctuations in an underlying variable, such as an interest rate, foreign exchange rate, financial index, or credit rating. A derivative requires little or no initial investment and is settled at a future date. The Bank enters into derivative contracts primarily for trading and risk management purposes. Common instruments include interest rate swaps, currency swaps, and forward foreign exchange contracts.
All derivatives are initially recognised at fair value and are subsequently remeasured at fair value at each reporting date. Derivatives with a positive fair value are classified as assets; those with a negative fair value are classified as liabilities. Changes in fair value are recognised in net trading income, unless the instrument is designated in a hedge relationship (which is not currently applied by the Bank).
Derivatives are not offset in the statement of financial position unless the Bank has a legally enforceable right to offset and intends to settle on a net basis. The Bank monitors derivative exposures as part of its broader risk management framework.
Although derivatives generally require minimal upfront investment, they may expose the Bank to significant leverage and risk. Accordingly, even small movements in the underlying variables can have a material effect on profit or loss.

Derivative Balances and Notional Amounts

The table on page 87 presents the notional amounts and carrying values of the Bank's derivative financial instruments. The notional amount represents the gross value of underlying instruments on which the derivatives are based, and is not indicative of the level of risk or the actual amount exchanged.

*2022 balances were adjusted in line with IAS 29 Hyperinflation (see note 6).

Amounts in SRD for the year ended 31 December 2023	Group: Carrying value assets	Group: Carrying value liabilities	Group: National amount	Company: Carrying value assets	Company: Carrying value liabilities	Company: Notional amount
Foreign currency swaps	-	-	-	-	-	-
Total derivative financial instruments	**-**	**-**	**-**	**-**	**-**	**-**

Amounts in SRD for the year ended 31 December 2022*	Group: Carrying value assets	Group: Carrying value liabilities	Group: National amount	Company: Carrying value assets	Company: Carrying value liabilities	Company: Notional amount
Foreign currency swaps	-	23,262,994	19,085,583	-	23,262,994	19,085,583
Total derivative financial instruments	**-**	**23,262,994**	**19,085,583**	**-**	**23,262,994**	**19,085,583**

All derivative liabilities matured during 2023 and were fully settled. As a result, there were no derivative financial instruments outstanding at 31 December 2023.

25. Debt instruments at fair value through OCI

Accounting policy for financial instruments other than those measured at FVPL

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.

The ECL calculation for debt instruments at FVOCI is explained in Note 9.9.3. Where the 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.

Debts instruments measured at FVOCI

Amounts in SRD for the year ended 31 December	Group 2023	Group 2022*	Company 2023	Company 2022*
Government debt securities	2,433,673,576	2,148,787,059	2,433,673,576	2,148,787,059
Less: (Allowance for ECL)	(11,877)	-	(11,877)	-
Total debt instruments at FVOCI	**2,433,661,699**	**2,148,787,059**	**2,433,661,699**	**2,148,787,059**

Encumbered balances: As at 31 December 2023, SRD 2,433,673,576 of deposits held with the Centrale Bank van Suriname were encumbered in the form of mandatory reserve requirements. These balances are restricted in nature and not available for use in the Bank's liquidity management.

**2022 balances were adjusted in line with IAS 29 Hyperinflation (see note 6).*

26. Loans and advances to customers

Accounting policy for loans and advances to customers

The Bank measures loans and advances to customers 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.

	Group		Company	
Amounts in SRD	**2023**	**2022***	**2023**	**2022***
Residential mortgages, gross	231,109,570	221,655,239	-	-
Less: Allowance for ECL	13,141,161	7,003,208	-	-
Residential mortgages	**217,968,409**	**214,652,031**	**-**	**-**
Consumer loans, gross	248,256,733	167,403,851	-	-
Less: Allowance for ECL	7,535,341	7,751,998	-	-
Consumer loans	**240,721,392**	**159,651,853**	**-**	**-**
Corporate loans, gross	3,903,393,432	5,540,408,385	3,903,393,432	5,540,408,385
Less: Allowance for ECL	123,144,717	438,607,523	123,144,717	438,607,523
Corporate loans	**3,780,248,715**	**5,101,800,862**	**3,780,248,715**	**5,101,800,862**
Government loans	217,085,120	883,314,489	217,085,120	883,314,489
Bonds	-	105,636,772	-	105,636,772
Other loans	79,837,298	80,541,739	79,837,298	80,541,739
Other advances	911,230,209	751,529,759	911,230,209	751,529,759
Other loans and advances to customers, gross	**1,208,152,627**	**1,821,022,759**	**1,208,152,627**	**1,821,022,759**
Less: Allowance for ECL	4,341,702	17,550,216	4,341,702	17,550,216
Other loans and advances to customers	**1,203,810,925**	**1,803,472,543**	**1,203,810,925**	**1,803,472,543**
Total loans and advances to customers	**5,442,749,441**	**7,279,577,289**	**4,984,059,640**	**6,905,273,405**

27. Other assets

	Group		Company	
Amounts in SRD for the year ended 31 December	**2023**	**2022***	**2023**	**2022***
Fee and commission receivable	34,087,912	119,201,735	34,087,912	119,201,735
Settlement and clearing accounts	60,872,484	60,625,333	42,175,421	13,684,075
Prepaid expenses	55,252,986	45,463,422	55,252,986	45,463,422
Inventory	13,346,527	12,195,770	13,346,527	12,195,770
Other receivables	546,452	724,758	546,451	724,756
Total other assets	**164,106,361**	**238,211,018**	**145,409,297**	**191,269,758**

**2022 balances were adjusted in line with IAS 29 Hyperinflation (see note 6).*

28. Debt instrument at amortized cost

Amounts in SRD for the year ended 31 December	Group		Company	
	2023	2022*	2023	2022*
Government debt securities	778,854,796	1,174,879,167	778,854,796	1,174,879,167
Debt securities issued by banks	2,612,952,006	737,267,037	2,612,952,006	737,267,037
Other debt securities	154,236,750	210,647,725	154,236,750	210,647,725
Less: (Allowance for ECL)	(16,618,582)	(18,668,576)	(16,618,582)	(18,668,576)
Total debt instruments at amortized cost	**3,529,424,970**	**2,104,125,353**	**3,529,424,970**	**2,104,125,353**

Encumbered balances: As at 31 December 2023, SRD 1,723,775 of deposits held with the Centrale Bank van Suriname were encumbered in the form of mandatory reserve requirements. These balances are restricted in nature and not available for use in the Bank's liquidity management.

29. Property, equipment, and right-of-use assets

Accounting Policy – Property and Equipment

Property and equipment, excluding land and buildings, are measured at fair value less accumulated depreciation and any accumulated impairment losses. Cost includes expenditure directly attributable to the acquisition of the assets. Day-to-day servicing costs are expensed as incurred. Land and buildings are measured at cost, unless stated otherwise. Depreciation is charged on a straight-line basis over the estimated useful lives of the assets, commencing when the asset is available for use.

Estimated useful lives are as follows:

- Buildings: 25 to 40 years;
- Computer hardware: 3 years;
- Other furniture and equipment: 2.5 to 10 years.

The residual values, useful lives, and depreciation methods are reviewed annually, with any changes accounted for prospectively as changes in accounting estimates in accordance with IAS 8.

An item of property and equipment is derecognised upon disposal or when no further economic benefits are expected from its use. Any resulting gain or loss—being the difference between the net disposal proceeds and the carrying amount—is recognised in the statement of profit or loss in the period of derecognition.

Accounting Policy – Leases (IFRS 16)

Bank as Lessee

At inception of a contract, the Bank assesses whether it contains a lease. A lease is recognized where the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Bank applies a single recognition and measurement approach for all leases, except for short-term leases (12 months or less) and leases of low-value assets.

Right-of-Use Assets

Right-of-use assets are initially measured at cost, comprising:

- The initial amount of the lease liability,
- Any lease payments made at or before commencement, less lease incentives received,
- Initial direct costs incurred, and
- Estimated restoration costs.

Subsequently, right-of-use assets are measured at cost less accumulated depreciation and impairment losses, and are adjusted for any remeasurement of the lease liability. Depreciation is charged on a straight-line basis over the shorter of the lease term or the useful life of the asset.

Lease Liabilities

Lease liabilities are initially measured at the present value of lease payments over the lease term, discounted using the Bank's incremental borrowing rate, unless the interest rate implicit in the lease is readily determinable.

Lease payments include:

- Fixed payments (less any lease incentives);
- Variable lease payments based on an index or rate;
- Amounts payable under residual value guarantees;
- Exercise price of purchase options (if reasonably certain to be exercised), and
- Termination penalties (if lease termination is considered likely).

Subsequent to initial recognition, the lease liability is increased by interest expense and reduced by lease payments made.

During current fiscal year the lease liability increased by interest expense with SRD 317,595 and reduced with SRD 7,749,927 from lease payments made to the lessors.

Variable lease payments not based on an index or rate are recognized in profit or loss in the period in which they are incurred.

Bank as a lessor

Where the Bank retains substantially all the risks and rewards of ownership, leases are classified as operating leases. Lease income from operating leases is recognized on a straight-line basis over the lease term as part of other income.

Initial direct costs incurred in negotiating and arranging leases are added to the carrying amount of the leased asset and amortized over the lease term. Contingent lease income is recognized in the period earned.

*2022 balances were adjusted in line with IAS 29 Hyperinflation (see note 6).

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Amounts in SRD	Land and buildings	Computer hardware	Other equipment	Work in progress	Right-of-use-assets	Total
Cost						
At 1 January 2023	977,256,467	107,809,850	138,066,422	276,714,440	30,297,316	1,530,144,495
Adjustments prior year	-	-	-	-	2,597,259	2,597,259
Investments	2,702,057	3,977,897	20,393,403	147,265,484	3,575,256	177,914,097
Capitalization from WIP	4,660,822	6,485,800	3,314,224	(85,042,453)	-	(70,581,607)
At 31 December 2023	**984,619,346**	**118,273,547**	**161,774,049**	**338,937,471**	**36,469,831**	**1,640,074,244**
Accumulated depreciation						
At 1 January 2023	85,956,537	64,458,114	85,545,511	-	17,507,924	253,468,086
Depreciation charge for the year	23,673,250	18,763,087	16,913,698	-	9,661,685	69,011,720
At 31 December 2023	**109,629,787**	**83,221,201**	**102,459,209**	**-**	**27,169,609**	**322,479,806**
Accumulated impairment						
At 1 January 2023	27,881,286	-	-	1,334,678	-	29,215,964
Imparment charge for the year	-	-	-	1,052,632	-	1,052,632
At 31 December 2023	**27,881,286**	**-**	**-**	**2,387,310**	**-**	**30,268,596**
Net carrying amount						
At 1 January 2023	863,418,644	43,351,736	52,520,911	275,379,762	12,789,392	1,247,460,445
At 31 December 2023	**847,108,273**	**35,052,346**	**59,314,840**	**336,550,161**	**9,300,222**	**1,287,325,842**

Amounts in SRD	Land and buildings	Computer hardware	Other equipment	Work in progress	Right-of-use-assets	Total
Cost						
At 1 January 2022*	865,284,847	91,042,170	103,342,276	214,756,877	30,297,316	1,304,723,486
Investments	68,121,115	3,917,511	21,312,832	135,715,820	-	229,067,278
Capitalization from WIP	43,850,505	12,850,169	13,411,316	(73,758,257)	-	(3,646,267)
At 31 December 2022*	**977,256,467**	**107,809,850**	**138,066,424**	**276,714,440**	**30,297,316**	**1,530,144,497**
Accumulated depreciation						
At 1 January 2022*	64,004,397	44,873,759	68,189,855	-	7,526,120	184,594,131
Depreciation charge for the year	21,952,140	19,584,355	17,355,658	-	9,981,804	68,873,957
At 31 December 2022*	**85,956,537**	**64,458,114**	**85,545,513**	**-**	**17,507,924**	**253,468,088**
Accumulated impairment						
At 1 January 2022*	-	-	-	-	-	-
Imparment charge for the year	27,881,286	-	-	1,334,678	-	29,215,964
At 31 December 2022*	**27,881,286**	**-**	**-**	**1,334,678**	**-**	**29,215,964**
Net carrying amount						
At 1 January 2022*	801,280,450	46,168,411	35,152,421	214,756,877	22,771,196	1,120,129,355
At 31 December 2022*	**863,418,644**	**43,351,736**	**52,520,911**	**275,379,762**	**12,789,392**	**1,247,460,445**

Management has determined that land and buildings constitute a separate class of property and equipment based on the nature, characteristics and risks of the property. Land and buildings are accounted using the revaluation model. Fair value of these properties was determined using market comparable method. The valuations have been performed by the valuer and are based on market prices of transactions of properties of similar nature, location and condition. As at the dates of revaluation on 31 December 2022, the properties' fair values are based on valuations performed by Latour Consults (Maikel E.L. Latour), an accredited independent valuer who has valuation experience for similar office properties in Suriname. The next appraisal is due at the end of the financial year 2025.

*****2022 balances were adjusted in line with IAS 29 Hyperinflation (see note 6).*

30. Investment properties

Accounting policy for investment properties

Investment properties are properties held either to earn rental income or for capital appreciation, or both, and are not used in the ordinary course of business.

Investment properties are initially recognized at cost, including transaction costs. Subsequent to initial recognition, they are measured at fair value, with changes in fair value recognized in profit or loss in the period in which they arise. Fair value reflects market conditions at the reporting date and is determined annually by an independent, accredited external valuer.

An investment property is derecognized when it is disposed of or permanently withdrawn from use and no further economic benefit is expected from its disposal. Gains or losses on derecognition, calculated as the difference between the net disposal proceeds and the carrying amount of the asset, are recognized in profit or loss. In assessing disposal consideration, the Bank considers variable elements, significant financing components, non-cash settlements, and buyer-related obligations.

Transfers to or from investment property occur only when there is a change in use. For transfers to owner-occupied property, fair value at the date of change becomes the deemed cost under IAS 16. For transfers from owner-occupied property to investment property, the property is accounted for under IAS 16 until the reclassification date.

	Group		Company	
Amounts in SRD for the year ended 31 December	**2023**	**2022***	**2023**	**2022***
Opening balance at 1 January	29,479,260	19,917,777	-	-
Effect of hyperinflation	9,618,736	20,912,589	-	-
Opening balance at 1 January (restated)	39,097,996	40,830,366	-	-
Impairment loss	(8,732,554)	(1,732,370)	-	-
Closing balance at 31 December	**30,365,442**	**39,097,996**	**-**	**-**

Palm Island Project–Classification as a Joint Venture

The Bank's investment property includes a real estate development project known as Palm Island, located in the District of Commewijne. The project is structured as a joint venture between Hakrin Real Estate N.V. (HRE) and Investerings Maatschappij Suriname N.V. (IMS), for the purpose of acquiring, marketing, and selling 60 residential building plots in the Palm Village development.

Subsequent to the reporting date (see note 43.1), Hakrin Bank finalized the sale of the interest in the Palm Island Project. The transaction was concluded on March, 10, 2025, with the asset being sold to the joint venture partner, Investerings Maatschappij Suriname N.V., for a total consideration of USD 836,721.

Although the transaction itself occurred after the reporting period, it provides evidence of the asset's recoverable amount. In line with IAS 10 guidance, the investment in Palm Island has been impaired to net realizable value.

Valuation Details

As at 31 December 2022 and 2023, the fair value of the Bank's investment property was determined by Latour Consults, an independent and accredited external valuer. The valuation was performed by Mr. Maikel E.L. Latour, a qualified expert in the valuation of residential and development properties in Suriname.

31. Intangible assets

Accounting policy for 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 either finite or indefinite. 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.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

An intangible asset 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 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.

**2022 balances were adjusted in line with IAS 29 Hyperinflation (see note 6).*

Intangible assets consist only of computer software. The movements for the fiscal year are presented on the right.

Amounts in SRD	Computer software	Total
Cost		
At 1 January 2023	244,063,974	244,063,974
Investments	12,128,202	12,128,202
Capitalization from WIP	70,581,607	70,581,607
At 31 December 2023	326,773,783	326,773,783
Accumulated amortization and impairment		
At 1 January 2023	71,603,295	71,603,295
Amortization charge for the year	40,644,528	40,644,528
At 31 December 2023	112,247,823	112,247,823
Net carrying amount		
At 1 January 2023	172,460,679	172,460,679
At 31 December 2023	**214,525,960**	**214,525,960**

Amounts in SRD	Computer software	Total
Cost		
At 1 January 2022*	208,191,318	208,191,318
Investments	32,767,648	32,767,648
Capitalization from WIP	3,105,006	3,105,006
At 31 December 2022*	**244,063,972**	**244,063,972**
Accumulated amortization and impairment		
At 1 January 2022*	47,444,066	47,444,066
Amortization charge for the year	24,159,227	24,159,227
At 31 December 2022*	**71,603,293**	**71,603,293**
Net carrying amount		
At 1 January 2022*	160,747,252	160,747,252
At 31 December 2022*	**172,460,679**	**172,460,679**

**2022 balances were adjusted in line with IAS 29 Hyperinflation (see note 6).*

32. Due to banks

Accounting policy due to banks

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

'Other' consists of interbank suspense accounts regarding transfers in processing.

	Group		Company	
Amounts in SRD for the year ended 31 December	**2023**	**2022***	**2023**	**2022***
Current accounts	422,628,247	457,836,962	422,628,247	457,836,962
Demand deposits	830	207,137	830	207,137
Time deposits	252,260,274	-	252,260,274	-
Other	2,439,258	1,229,431	2,439,258	1,229,431
Total due to banks	**677,328,609**	**459,273,530**	**677,328,609**	**459,273,530**

33. Due to customers

Accounting policy due to customers

Amounts due to customers are held at amortised cost. That is, at fair value upon initial recognition, adjusted for repayment and amortisations of coupon, fees and expenses to represent the effective interest rate of the instrument. Other due to customers contains intermediary accounts related to obligations towards customers, such as salaries, standing orders, and other items pending settlement.

	Group		Company	
Amounts in SRD for the year ended 31 December	**2023**	**2022***	**2023**	**2022***
Current accounts	8,718,946,640	10,172,792,385	8,705,784,109	10,172,792,385
Demand deposits	4,431,027,627	5,375,847,230	4,431,027,627	5,375,847,230
Time deposits	4,160,119,216	4,449,805,061	4,160,119,216	4,415,437,046
Other due to customers	2,347,739	1,902,522	2,347,739	1,902,521
Total due to customers	**17,312,441,222**	**20,000,347,198**	**17,299,278,691**	**19,965,979,182**

34. Other liabilities

	Group		Company	
Amounts in SRD for the year ended 31 December	**2023**	**2022***	**2023**	**2022***
Accounts payable and sundry creditors	224,280,819	95,731,094	224,280,819	95,731,094
Accrued expenses	139,752,864	149,241,530	124,548,425	134,537,862
Settlement and clearing accounts	27,498,482	21,872,230	27,498,476	21,872,237
Lease liability	7,868,614	11,406,204	7,868,620	11,406,194
Payable distribution on perpetual bond	7,358,247	-	7,358,247	-
Total other liabilities	**406,759,026**	**278,251,058**	**391,554,587**	**263,547,387**

**2022 balances were adjusted in line with IAS 29 Hyperinflation (see note 6).*

35. Financial guarantees, letters of credit and other undrawn commitments

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

To meet the financial needs of customers, the Bank enters various irrevocable commitments and contingent liabilities. These consist of financial guarantees, letters of credit and other commitments to lend. Even though these obligations may not be recognised on the statement of financial position, they contain credit risk and, therefore, form part of the overall risk of the Bank.
Letters of credit and guarantees (including standby letters of credit) commit the Bank to make payments on behalf of customers in the event of a specific act, generally related to the import or export of goods. Guarantees and standby letters of credit carry a similar credit risk to loans. The nominal values of such commitments are listed in the table on the right.

	Group	
Amounts in SRD for the year ended 31 December	**2023**	**2022***
Financial guarantees	260,595,113	126,652,345
Other undrawn commitments	185,226,599	262,908,791
Total	**445,821,712**	**389,561,136**

36. Debt issued and other borrowed funds

Accounting policy for debt issues and other borrowed funds
After initial measurement, debt issued, and other borrowed funds are subsequently measured at amortised cost. Amortised cost is calculated by considering any discount or premium on issued funds, and costs that are an integral part of the EIR.

In May 2020 and November 2020, Hakrin Bank issued subordinated loans of USD 3,000,000 and USD 1,500,000, respectively. These loans have a term of 10 years with both an average interest rate of 7% per annum. For the first five years, only interest is payable semi-annually. For the remaining period, 10% of the principal amount will be payable semi-annually, in addition to the interest payments. Hakrin Bank has not had any defaults of principal, interest or other breaches with regard to any liabilities during 2023 or 2022.

	Group		Company	
Amounts in SRD for the year ended 31 December	**2023**	**2022***	**2023**	**2022***
Subordinated loans	169,104,736	196,310,533	169,104,736	196,310,533
Total subordinated loans	**169,104,736**	**196,310,533**	**169,104,736**	**196,310,533**

**2022 balances were adjusted in line with IAS 29 Hyperinflation (see note 6).*

37. Net employee defined benefit liabilities

Accounting policy for net employee defined benefit liabilities

The Bank operates a defined contribution pension plan, which requires contributions to be made to a separately administered fund.

The Bank also provides additional defined benefit plans to its employees and retirees, which include the following:

- Medical plan for retirees: This plan provides medical benefits to eligible retirees and their eligible family members. The obligation is determined based on the expected future costs of providing these benefits, adjusted for inflation, and discounted to present value;
- Gratuity plan for retirees: Retirees who meet the qualifying conditions are entitled to a lump-sum gratuity payment based on their final salary and years of service at the time of retirement. The obligation is calculated by projecting the expected payments and discounting them to present value;
- Supplementary pension arrangement for retirees: This plan offers additional pension benefits to a few retirees and eligible widows, supplementing the primary pension plan. The obligation reflects the present value of the expected future payments to retirees under this arrangement;
- Funeral grant plan for retirees: The plan provides a maximum sum to cover funeral or cremation expenses for retirees. The obligation is estimated based on the expected number of retirees who will claim this benefit and discounted to present value;
- Gratuity plan at retirement: Employees who meet the qualifying conditions upon retirement are eligible for a gratuity payment based on their final salary and years of service. The liability is measured as the present value of the future payments expected to be made under this plan; and
- Jubilee plan for employees: The Bank recognises a liability for long-service awards granted to employees at certain milestones (e.g., 20 or 30 years of service). The obligation is calculated based on the probability of employees reaching the required service milestones and the present value of the expected future payments.

The defined benefit obligations are calculated annually by independent actuaries using the projected unit credit method.

The assumptions used in the valuation include discount rates, salary growth, inflation rates, healthcare cost trends, and mortality rates.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the statement of financial position with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:

- The date of the plan amendment or curtailment; and
- The date that the Group recognises related restructuring costs.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset.

The Group recognises the following changes in the net defined benefit obligation under ‘cost of sales’, ‘administration expenses’ and ‘selling and distribution expenses’ in the consolidated statement of profit or loss (by function):

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income.

The following table summarises the components of net defined benefit expense recognised in the income statement and amounts recognised in the statement of financial position for the respective plans:

Net benefit expense (recognised in income statement)

	Group		Company	
Amounts in SRD for the year ended 31 December	**2023**	**2022***	**2023**	**2022***
Current service cost	13,836,440	6,524,185	13,836,440	6,524,185
Interest cost	18,971,935	9,279,223	18,971,935	9,279,223
Benefits	(7,602,364)	(5,137,158)	(7,602,364)	(5,137,158)
Net benefit expense	**25,206,011**	**10,666,250**	**25,206,011**	**10,666,250**

**2022 balances were adjusted in line with IAS 29 Hyperinflation (see note 6).*

Actuarial bases and assumptions

The actuarial bases and assumptions used are in accordance with the decisions of the management of Hakrin Bank N.V.

A. Demographic Assumptions

Survival Chances

For the calculation of present values, mortality rates according to the Surinamese survival table KriAS 2010-2013 have been used, with an age reduction of 2 years for both men and women. This survival table is based on observed mortality for Surinamese men and women during the period 2010-2013 and was constructed by the Circle of Actuaries in Suriname. It is the most recent table for Suriname.

The life expectancy of a 60-year-old is as follows:

- Life expectancy of a 60-year-old man: 18.4 years.
- Life expectancy of a 60-year-old woman: 21.0 years.

Date of Birth

It is assumed that all individuals were born on July 1 of their birth year.

Exit other than through retirement and death

In the calculations, exits other than by retirement or death are disregarded. Dismissal and disability rates are therefore set to zero.

B. Financial Assumptions

Price Inflation

Price inflation has been established based on expectations from Hakrin Bank N.V. as of 31 December 2023 as follows:

- 21.0% for 2024;
- 15.0% for 2025;
- 10.0% for 2026;
- 8.0% for 2027; and
- 5.0% for 2028, and subsequent years.

For the actuarial evaluation as of 31 December 2022, the following was assumed:

- 40.0% for 2023;
- 25.0% for 2024;
- 20.0% for 2025;
- 10.0% for 2026;
- 5.0% for 2027, and subsequent years.

Funeral/Cremation Expense Reimbursement

The maximum reimbursement for the funeral and cremation costs of retirees, covered by Hakrin Bank N.V., is set for 2024 at SRD 37,500 (2023: SRD 37,500).
It is assumed that the maximum reimbursement will be increased annually based on the price inflation of the previous fiscal year. For the short- and medium-term, already established increases and/or specific expectations of Hakrin Bank N.V. are taken into account. The expected annual adjustment to the maximum reimbursement is as follows:

- 21.0% as of 01-01-2025;
- 15.0% as of 01-01-2026;
- 10.0% as of 01-01-2027;
- 8.0% as of 01-01-2028;
- 5.0% as of 01-01-2029, and each subsequent January 1.

For the comparative actuarial evaluation as of 31-12-2022, the annual increase was assumed to be:

- 40.0% as of January 1, 2024;
- 25.0% as of January 1, 2025;
- 20.0% as of January 1, 2026;
- 10.0% as of January 1, 2027;
- 5.0% as of January 1, 2028 and thereafter on each January 1.

Discount Rate

The discount rate is set at price inflation + 2.5%. For the short- and medium-term, specific expectations from Hakrin Bank N.V. can be taken into account. The discount rate is:

- 20.0% for 2024;
- 15.0% for 2025;
- 14.0% for 2026;
- 10.5% for 2027;
- 7.5% for 2028, and subsequent years.

Based on the series, the single equivalent discount rate, rounded to two decimal places, is established and applied. The single equivalent discount rate is 7.99%.

For the comparative actuarial evaluation as of 31-12-2022, the discount
rate was assumed to be:

- 10.0% for 2023;
- 11.0% for 2024;
- 12.0% for 2025;
- 12.5% for 2026;
- 7.5% for 2027, and subsequent years.

The single equivalent discount rate was 7.84%.

C. Sensitivity Analysis

The effect of changing the assumed discount rate or an increase of medical cost inflation by 1 percentage point on the defined benefit obligation is shown in the following table:

	Group		Company	
Amounts in SRD for the year ended 31 December	**2023**	**2022***	**2023**	**2022***
Defined Benefit obligation at balance sheet date	169,475,053	197,740,321	169,475,053	197,740,321
Change in defined benefit obligation due to:				
-1 percentagepoint increase in discount rate	(23,436,722)	(28,143,220)	(23,436,722)	(28,143,220)
-1 percentagepoint decrease in discount rate	29,744,156	35,770,787	29,744,156	35,770,787
-1 percentagepoint increase in medical cost inflation	28,479,755	33,685,224	28,479,755	33,685,224
-1 percentagepoint decrease in medical cost inflation	(22,877,241)	(27,063,603)	(22,877,241)	(27,063,603)

**2022 balances were adjusted in line with IAS 29 Hyperinflation (see note 6).*

Changes in the present value of the defined benefit obligations

Amounts in SRD	Medical plan for retirees	Gratuity plan for retirees	Suppl. Pension for retirees	Funeral grant plan for retirees	Gratuity at retirement	Jubilee for employees	Total
Defined benefit obligation at 1 January 2023	197,740,322	47,644,802	198,213	11,818,531	25,021,304	53,482,528	335,905,700
Monetary effect	(48,647,297)	(11,721,387)	(48,765)	(2,907,549)	(6,155,642)	(13,157,661)	(82,638,301)
Service cost	6,672,434	2,154,946	-	267,128	1,275,357	3,466,575	13,836,440
Interest cost	11,156,918	2,682,956	11,710	667,145	1,428,717	3,024,489	18,971,935
Benefits paid	(3,682,299)	(584,555)	(37,978)	(56,000)	(202,593)	(3,038,939)	(7,602,364)
Remeasurement (actuarial gains/losses)	6,234,975	418,935	3,218	(3,243,108)	(234,254)	794,764	3,974,530
Defined benefit obligation at 31 December 2023	**169,475,053**	**40,595,697**	**126,398**	**6,546,147**	**21,132,889**	**44,571,756**	**282,447,940**

Amounts in SRD	Medical plan for retirees	Gratuity plan for retirees	Suppl. Pension for retirees	Funeral grant plan for retirees	Gratuity at retirement	Jubilee for employees	Total
Defined benefit obligation at 1 January 2022*	74,397,378	19,115,743	55,172	5,014,389	7,722,700	18,690,996	124,996,378
Service cost	3,242,513	871,253	147,091	145,390	521,279	1,596,659	6,524,185
Interest cost	5,513,393	1,409,671	3,848	370,947	579,975	1,401,389	9,279,223
Benefits paid	(3,486,505)	(776,665)	(52,441)	(126,276)	-	(695,271)	(5,137,158)
Remeasurement (actuarial gains/losses)	118,073,543	27,024,800	44,543	6,414,081	16,197,350	32,488,755	200,243,072
Defined benefit obligation at 31 December 2022*	**197,740,322**	**47,644,802**	**198,213**	**11,818,531**	**25,021,304**	**53,482,528**	**335,905,700**

38. Issued capital and reserves

Authorised shares

	Group		Company	
Amounts in SRD for the year ended 31 December	**2023**	**2022**	**2023**	**2022**
Number of Shares				
Authorised share capital	1,600,000	1,600,000	1,600,000	1,600,000
Unissued share capital	827,002	827,002	827,002	827,002
Issued share capital	772,998	772,998	772,998	772,998
Amount of shares (in SRD)				
Authorised share capital	240,000	240,000	240,000	240,000
Unissued share capital	124,050	124,050	124,050	124,050
Issued share capital	115,950	115,950	115,950	115,950
Par value	0.15	0.15	0.15	0.15

2022 balances were adjusted in line with IAS 29 Hyperinflation (see note 6).

38.1. Perpetual Bond

On 26 July 2023, the Bank entered into a subordinated perpetual bond agreement with the Government of the Republic of Suriname for an amount of SRD 218 million. This instrument is structured as a perpetual financial instrument with no fixed maturity date and no contractual obligation for the Bank to repay the principal amount. Under the terms of the agreement, the Bank is required to make an annual distribution equivalent to 8% of the outstanding principal amount. However, these distributions are conditional in nature and may only be paid out of distributable reserves and where there are sufficient profits. If such profits do not exist, no distribution may be made for the respective year, and the Bank has the contractual right to defer the payment without triggering an obligation to repay the principal or provide collateral.

Redemption of the instrument is entirely at the discretion of the Bank, and any such redemption may only be initiated after a minimum of five years has passed from the date of the agreement. Moreover, redemption can only be affected with the prior written approval of both the Supervisory Board and the Central Bank of Suriname. The Bank also retains the right to defer any annual distribution indefinitely, with any unpaid amounts accruing interest at the same rate of 8% per annum, but without creating a contractual obligation to settle the principal or make accelerated payments.

In the event of liquidation or dissolution of the Bank, the bondholder's claim ranks equally with the claims of preferred shareholders and is subordinated to the claims of all other unsecured creditors, including depositors, general creditors, and other subordinated debt holders. Additionally, the agreement contains a loss absorption feature whereby, if the Bank's Tier 1 capital ratio falls below 6%, the principal amount of the bond is subject to partial or full write-down, in order to support the Bank's capital adequacy position. This feature is consistent with instruments that are treated as equity from an accounting perspective, due to their ability to absorb losses on a going concern basis.

Based on an assessment of the terms and conditions of the instrument, and in accordance with the IFRS Conceptual Framework, the Bank has concluded that the perpetual subordinated bond does not meet the definition of a financial liability. This is because the Bank does not have a present obligation to transfer an economic resource as a result of past events, nor is there any enforceable requirement to repay the principal or make fixed distributions. The contractual terms clearly establish that payments are discretionary and conditional upon future events that may or may not occur. Furthermore, the instrument contains several key features that are characteristic of equity, including perpetual duration, subordinated ranking in liquidation, loss absorption through write-down mechanisms, and distribution payments being subject to availability of reserves.

Accordingly, the instrument is classified and presented as equity in the Bank's financial statements. It is included within equity as a separate line item, and any distributions made under this instrument are accrued for each financial year and are cleared when annual payments are made.

39. Maturity analysis of assets and liabilities

The following table shows an analysis of assets and liabilities presented according to when they are expected to be recovered or settled. Trading assets and liabilities including derivatives have been classified to mature and/or be repaid within 12 months, regardless of the actual contractual maturities of the products. With regard to loans and advances to customers, the Bank uses the same basis of expected repayment behaviour that was used for estimating the EIR.

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As at 31 December 2023	Group			Company		
Amounts in SRD	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Assets						
Cash and balances with Centrale Bank	4,811,018,595	-	4,811,018,595	4,811,018,595	-	4,811,018,595
Due from banks	2,241,578,631	307,193,152	2,548,771,783	2,241,578,631	307,193,152	2,548,771,783
Loans and advances to customers	3,205,625,277	2,237,124,164	5,442,749,441	3,231,413,437	1,752,646,203	4,984,059,640
Financial assets at fair value through P&L	135,517,180	-	135,517,180	135,517,180	-	135,517,180
Debt instruments at fair value through OCI	2,433,661,699	-	2,433,661,699	2,433,661,699	-	2,433,661,699
Current tax assets	97,881,904	-	97,881,904	95,926,485	-	95,926,485
Other assets	164,106,361	-	164,106,361	145,409,297	-	145,409,297
Debt instruments at amortized cost	3,529,424,970	-	3,529,424,970	3,529,424,970	-	3,529,424,970
Investments in subsidiaries	-	-	-	464,250,324	-	464,250,324
Investments in associates	-	11,199,525	11,199,525	-	11,199,525	11,199,525
Property and equipment and right-of-use assets	-	1,287,325,842	1,287,325,842	-	1,287,325,842	1,287,325,842
Investment properties	-	30,365,442	30,365,442	-	-	-
Intangible Assets	-	214,525,960	214,525,960	-	214,525,960	214,525,960
Total assets	**16,618,814,617**	**4,087,734,085**	**20,706,548,702**	**17,088,200,618**	**3,572,890,682**	**20,661,091,300**
Liabilities						
Due to banks	677,328,609	-	677,328,609	677,328,609	-	677,328,609
Due to customers	16,048,091,192	1,264,350,030	17,312,441,222	16,034,928,661	1,264,350,030	17,299,278,691
Current tax liabilities	86,823,180	-	86,823,180	69,732,748	-	69,732,748
Other liabilities	406,759,026	-	406,759,026	391,554,587	-	391,554,587
Debt issued and other borrowed funds	-	169,104,736	169,104,736	-	169,104,736	169,104,736
Net employee defined benefit liabilities	-	282,447,940	282,447,940	-	282,447,940	282,447,940
Total liabilities	**17,219,002,007**	**1,715,902,706**	**18,934,904,713**	**17,173,544,605**	**1,715,902,706**	**18,889,447,311**
Net	**(600,187,390)**	**2,371,831,379**	**1,771,643,989**	**(85,343,987)**	**1,856,987,976**	**1,771,643,989**

As at 31 December 2022*	Group			Company		
Amounts in SRD	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Assets						
Cash and balances with Centrale Bank	7,409,121,770	-	7,409,121,770	7,409,121,770	-	7,409,121,770
Due from banks	1,813,701,577	355,455,163	2,169,156,740	1,813,701,577	355,455,163	2,169,156,740
Loans and advances to customers	3,047,303,034	4,232,274,255	7,279,577,289	2,999,883,897	3,905,389,508	6,905,273,405
Financial assets at fair value through P&L	81,779,351	-	81,779,351	81,779,351	-	81,779,351
Debt instruments at fair value through OCI	2,148,787,059	-	2,148,787,059	2,148,787,059	-	2,148,787,059
Current tax assets	122,598,595	-	122,598,595	120,005,146	-	120,005,146
Other assets	238,211,018	-	238,211,018	191,269,758	-	191,269,758
Debt instruments at amortized cost	2,104,125,353	-	2,104,125,353	2,104,125,353	-	2,104,125,353
Investments in subsidiaries	-	-	-	396,341,665	-	396,341,665
Investments in associates	-	5,791,298	5,791,298	-	5,791,298	5,791,298
Property and equipment and right-of-use assets	-	1,247,460,445	1,247,460,445	-	1,247,460,445	1,247,460,445
Investment properties	-	39,097,996	39,097,996	-	-	-
Intangible Assets	-	172,460,679	172,460,679	-	172,460,679	172,460,679
Total assets	**16,965,627,757**	**6,052,539,836**	**23,018,167,593**	**17,265,015,576**	**5,686,557,093**	**22,951,572,669**
Liabilities						
Due to banks	459,273,530	-	459,273,530	459,273,530	-	459,273,530
Due to customers	17,963,673,422	2,036,673,776	20,000,347,198	17,929,305,406	2,036,673,776	19,965,979,182
Derivatives financial instruments	23,262,994	-	23,262,994	23,262,994	-	23,262,994
Current tax liabilities	34,545,195	-	34,545,195	17,021,958	-	17,021,958
Other liabilities	278,251,058	-	278,251,058	263,547,387	-	263,547,387
Debt issued and other borrowed funds	-	196,310,533	196,310,533	-	196,310,533	196,310,533
Net employee defined benefit liabilities	-	335,905,700	335,905,700	-	335,905,700	335,905,700
Total liabilities	**18,759,006,199**	**2,568,890,009**	**21,327,896,208**	**18,692,411,275**	**2,568,890,009**	**21,261,301,284**
Net	**(1,793,378,442)**	**3,483,649,827**	**1,690,271,385**	**(1,427,395,699)**	**3,117,667,084**	**1,690,271,385**

2022 balances were adjusted in line with IAS 29 Hyperinflation (see note 6).

40. Capital management

The 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, Centrale Bank van Suriname. The adequacy of the Bank's capital is monitored using, among other measures, the rules and ratios established by the Basel Committee on Banking Supervision (CAR rules/ratios) and adopted by the Central Bank of Suriname in supervising the Bank.

The Bank applies the following main capital definitions:

- Common equity Tier 1 (CET1) capital is defined as total equity less regulatory adjustments;
- CET1 ratio is CET 1 capital divided by the risk-weighted assets;
- Tier 1 capital is defined as CET1capital plus additional Tier 1 (hybrid) securities and other regulatory adjustments.
- Total capital is Tier 1 capital plus subordinated Tier 2 liabilities and regulatory adjustments; and
- CAR is the total capital divided by the risk weighted assets.

The table on the right gives an overview of Hakrin Bank's capital position.

	Group		Company	
Amounts in SRD for the year ended 31 December	**2023**	**2022***	**2023**	**2022***
Shareholders equity	1,553,643,989	1,690,271,385	1,553,643,989	1,690,271,385
Regulatory adjustments Tier 1	218,000,000	-	218,000,000	-
Available CET1	1,771,643,989	1,690,271,385	1,771,643,989	1,690,271,385
Additional Tier 1	(146,716,706)	(87,570,651)	(146,716,706)	(87,570,651)
Regulatory adjustments additional tier	(139,805,762)	(329,844,135)	(139,805,762)	(329,844,135)
Available Tier 1 capital	**1,485,121,521**	**1,272,856,599**	**1,485,121,521**	**1,272,856,599**
Regulatory adjustments Tier 2	230,359,569	196,310,533	230,359,569	196,310,533
Available Total Regulatory Capital	**1,715,481,090**	**1,469,167,132**	**1,715,481,090**	**1,469,167,132**
Risk weighted assets	**8,295,487,224**	**9,137,378,067**	**8,250,029,822**	**9,070,783,143**
CET1 ratio	**17.90%**	**13.93%**	**18.00%**	**14.03%**
Capital Adequacy Ratio	**20.68%**	**16.08%**	**20.79%**	**16.20%**

Hakrin Bank has complied in full with all the externally imposed Capital requirements over the reported period.

41. Additional cash flow information

Cash and bank balances

	Group		Company	
Amounts in SRD for the year ended 31 December	**2023**	**2022***	**2023**	**2022***
Cash on hand	944,411,980	937,168,556	944,411,980	937,168,556
Current account with the Centrale Bank van Suriname	3,023,012,522	3,138,556,194	3,023,012,522	3,138,556,194
Due from Bank	2,548,771,783	2,169,156,740	2,548,771,783	2,169,156,740
	6,516,196,285	**6,244,881,490**	**6,516,196,285**	**6,244,881,490**

**2022 balances were adjusted in line with IAS 29 Hyperinflation (see note 6).*

Change in operating assets

Amounts in SRD for the year ended 31 December	Group 2023	Group 2022*	Company 2023	Company 2022*
Net change in Debt instruments at FVOCI	(290,989,144)	(604,651,324)	(290,989,144)	(604,651,324)
Net change in due from banks	(383,966,113)	1,334,291,421	(383,966,113)	1,334,291,421
Net change in debt instruments at amortized cost	(1,419,782,803)	(176,996,935)	(1,419,782,803)	(176,996,935)
Net change in loans and advances to customers	1,831,257,630	(240,114,698)	1,831,257,630	(240,114,698)
Net change in other assets	74,104,657	(23,447,887)	74,104,657	(23,447,887)
	(189,375,773)	**289,080,577**	**(189,375,773)**	**289,080,577**

Change in operating liabilities

Amounts in SRD for the year ended 31 December	Group 2023	Group 2022*	Company 2023	Company 2022*
Net change in derivates liabilities	(23,262,994)	(140,753,899)	(23,262,994)	(140,753,899)
Net change in amounts due to banks	218,055,079	(70,148,966)	218,055,079	(70,148,966)
Net change in due to customers	(2,687,905,976)	(1,113,978,478)	(2,687,905,976)	(1,113,978,478)
Net change in defined benefit liability	(82,638,301)	(68,201,321)	(82,638,301)	(68,201,321)
Net change in other liabilities	146,067,981	(21,849,539)	146,067,981	(21,849,539)
	(2,429,684,211)	**(1,414,932,203)**	**(2,429,684,211)**	**(1,414,932,203)**

Other non-cash items included in profit before tax

Amounts in SRD for the year ended 31 December	Group 2023	Group 2022*	Company 2023	Company 2022*
Depreciation of property, equipment and right of use assets	69,011,720	68,873,957	69,011,720	68,873,957
Amortisation of intangibles	40,644,528	24,159,227	40,644,528	24,159,227
Impairment Charges				
• Impairment charges on financial instruments	10,518,978	(104,897,091)	10,518,978	(104,897,091)
• Impairment on PPE	-	27,881,285	-	27,881,285
• Impairment on investment properties	8,732,554	1,732,370	8,732,554	1,732,370
Revaluation on PPE	-	(65,695,964)	-	(65,695,964)
Financial assets at FVTPL	(53,737,829)	43,231,952	(53,737,829)	43,231,952
Share of investment in associates	(1,635,829)	2,375,768	(1,635,829)	2,375,768
Defined benefit liability P&L charges	25,206,011	10,666,252	25,206,011	10,666,252
	98,740,133	**8,327,756**	**98,740,133**	**8,327,756**

2022 balances were adjusted in line with IAS 29 Hyperinflation (see note 6).

42. Contingent liabilities, commitments and leasing arrangements

42.1 Financial guarantees, letters of credit and other undrawn commitments

The nominal values of financial guarantees, letters of credit are disclosed in Note 35.

42.2 Legal claims

The Bank operates in a regulatory and legal environment that, by nature, has a heightened element of litigation risk inherent in its operations. As a result, the Bank is involved in various litigation, arbitration and regulatory proceedings, both Suriname and in other jurisdictions in the ordinary course of its business. The Bank has formal controls and policies for managing legal claims. Based on professional legal advice, the Bank provides and/or discloses amounts in accordance with its accounting policies. At year end, the Bank had several unresolved legal claims.

The only significant legal procedure of material significance against the Bank is in respect of the seizure of EUR 10 million by the Dutch Prosecution Office.
The Bank's legal counsel's opinion is that it is possible, but not probable, that the court ruling may be in favour of the claimant. Accordingly, no provision for any claim has been made in these financial statements. The possible outflow which could result from such litigation, based on the current status of the legal proceedings, could be estimated at maximum at EUR 10 million, while the timing of the outflow is uncertain.

42.3 Related party disclosures

Hakrin Bank N.V. has identified related parties, which include the bank's subsidiaries, associates, members of the Supervisory Board, key management personnel, Hakrin Bank Pension Fund, Hakrin Bank Provision Fund, and shareholders holding more that 5% of the Bank's shares.

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year:

Amounts in SRD for the year ended 31 December	Year	Purchases from related parties	Amounts owed by related parties	Amounts owed to related parties	Interest received	Interest paid
Shareholders	2023	-	216,124,502	78,239,073	143,387,028	3,873,256
	2022*	-	986,936,050	86,779,739	20,061,386	3,802,812
Key management	2023	-	3,303,097	3,254,301	148,478	6,787
	2022*	-	2,692,158	5,016,884	238,095	9,194
Associates	2023	-	7,215,000	2,461,817	1,084,147	-
	2022*	-	9,664,565	1,618,292	1,442,941	-
Other	2023	-	-	428,219,648	-	25,581,142
	2022*	-	-	389,987,612	-	20,943,131

42.4 Supervisory Board

At December 31, 2023 the Supervisory Board consisted of Sharmila Jadnanansing, Patrick Peneux, Jeffrey Braster, Arun Bhagwandin and Hemwatie Ramadhin.

Supervisory Board compensation
Members of the Supervisory Board received remuneration and benefits as stated in the table below:

	Group		Company	
Amounts in SRD for the year ended 31 December	2023	2022*	2023	2022*
Remuneration	384,452	406,644	384,452	406,644
Total compensation paid to Supervisory Board members	384,452	406,644	384,452	406,644

There were no loans or advances to Supervisory Board Members during the period.

*2022 balances were adjusted in line with IAS 29 Hyperinflation (see note 6).

42.5 Key management

Key management personnel are defined as those persons having authority and responsibility for planning, directing, and controlling the activities of the Bank. At 1 January 2023 key management consisted of Rafiek Sheorajpanday (CEO), Magalie Loswijk-Keerveld (CFO) and the senior managers Rainel Sitaram, Ruffinus Rusland and Ronny Mangala. The following changes took place during the year:

Name	Date	
Magalie Loswijk-Keerveld	10 May 2023	Offboarded
Ronny Mangala	31 May 2023	Offboarded
Peter Ng A Tam (CCO)	1 September 2023	Onboarded
Coenraad Valk (CFO)	1 September 2023	Onboarded

The amounts disclosed in the table below are the amounts recognised as an expense during the reporting period relating to key management personnel.

Compensation of key management personnel

	Group		Company	
Amounts in SRD for the year ended 31 December	**2023**	**2022***	**2023**	**2022***
Short-term employee benefits	11,155,940	12,608,897	11,155,940	12,608,897
Total compensation paid to key management personnel	11,155,940	12,608,897	11,155,940	12,608,897

42.6 Subsidiaries

Hakrin Bank N.V. has two wholly owned subsidiaries:

- Nationale Trust- en Financierings Maatschappij N.V.
- Hakrin Bank Real Estate N.V.

Transactions between the Hakrin Bank and its subsidiaries consists of intra-group financing and administrative services. The balances and transactions between the Bank and its subsidiaries have been eliminated on consolidation and are not disclosed in these financial statements.

42.7 Other

Associates

The bank holds significant influence over the following entity:

- Banking Network Suriname N.V. (BNETS) – 25% ownership.

The relationship with BNETS involves ATM, POS and financial services. The figures are disclosed in note 22.2 Associates.

43. Events after reporting date

In accordance with IAS 10 Events After the Reporting Period, the Bank has evaluated material events occurring after the reporting date of 31 December 2023, but before the date on which the financial statements were authorised for issue.

Two significant events were identified which are disclosed below, as they provide relevant information about conditions that arose after the reporting period.

1. Sale of Investment Property – Palm Island

Throughout 2023, management assessed strategic options regarding the Bank's investment in the Palm Island real estate development. This project, carried as investment property on the Bank's statement of financial position, represented a joint venture with Investerings Maatschappij Suriname N.V. (IMS), aimed at the development and sale of residential building lots in the Palm Village area of Commewijne.

Subsequent to the reporting date, Hakrin Bank finalized the sale of the interest in the Palm Island Project. The transaction was concluded on March, 10, 2025, with the asset being sold to the joint venture partner, Investerings Maatschappij Suriname N.V., for a total consideration of USD 836,721.
Although the transaction itself occurred after the reporting period, it provides evidence of the asset's recoverable amount. In line with IAS 10 guidance, this impairment has been reflected in the financial statements for the year ending 31 December 2023, as it relates to conditions arising after the reporting date and meets the criteria for recognition in the current reporting period.

2. Resolution of a Material Stage 3 Impaired Loan

In the first quarter of 2025, the Bank successfully concluded a resolution process related to a significant Stage 3 credit-impaired loan exposure, which had been classified as non-performing in prior reporting periods.
Following negotiations and settlement with the borrower, the full carrying amount of the loan was recovered, allowing for the release of the previously recognized expected credit loss (ECL) provision. As a result, the Bank reversed a total of approximately SRD 144 million in loan loss provisions in 2023.

44. Fair value measurement

This note describes the fair value measurement of both financial and non-financial instruments.

44.1 Valuation principles

Fair value 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 a valuation technique.

**2022 balances were adjusted in line with IAS 29 Hyperinflation (see note 6).*

44.2 Valuation governance

The Bank's fair value methodology and the governance over its models includes several controls and other procedures to ensure appropriate safeguards are in place to ensure its quality and adequacy. All new product initiatives (including their valuation methodologies) are subject to approvals by various functions of the Bank including the risk and finance functions. The responsibility of ongoing measurement resides with the business and product line divisions.
Once submitted, fair value estimates are also reviewed and challenged by the Risk and Finance functions.
The independent price verification process for financial reporting is ultimately the responsibility of the Finance Department which reports to the Chief Financial officer.

The Finance Department validates fair value estimates by:
- Benchmarking prices against observable market prices or other independent sources;
- Re-performing model calculations; and
- Evaluating and validating input parameters.

The Finance Department also checks the model calibration on at least a quarterly basis or when significant events in the relevant markets occur. They are responsible for ensuring that the final reported fair value figures are in compliance with IFRS and will propose adjustments when needed.

When relying on third-party sources (e.g., broker quotes, or other valuation input), the Finance Department is also responsible for:
- Verifying and challenging the approved list of providers;
- Understanding the valuation methodologies and sources of inputs and verifying their suitability for IFRS reporting requirements.

44.3 Assets and liabilities by fair value hierarchy

The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy:

As at 31 December 2023 Amounts in SRD	Level 1	Fair Value Level 2	Level 3	Total
Financial asset				
Financial assets at fair value through P&L	135,517,180	-	-	135,517,180
Debt instruments at fair value through OCI	-	2,433,661,699	-	2,433,661,699
Total financial assets carried at fair value	**135,517,180**	**2,433,661,699**	**-**	**2,569,178,879**

As at 31 December 2022* Amounts in SRD	Level 1	Fair Value Level 2	Level 3	Total
Financial asset				
Financial assets at fair value through P&L	81,779,351	-	-	81,779,351
Debt instruments at fair value through OCI	-	2,148,787,059	-	2,148,787,059
Total financial assets carried at fair value	**81,779,351**	**2,148,787,059**	**-**	**2,230,566,410**
Financial liabilities				
Derivative financial instruments	-	23,262,994	-	23,262,994
Total financial liabilities carried at fair value	**-**	**23,262,994**	**-**	**23,262,994**

**2022 balances were adjusted in line with IAS 29 Hyperinflation (see note 6).*

44.4 Valuation techniques

Government debt securities

Government debt securities are financial instruments issued by sovereign governments and include both long-term bonds and short-term bills with fixed or floating rate interest payments. These instruments are generally highly liquid and traded in active markets resulting in a Level 1 classification. When active market prices are not available, the Bank uses discounted cash flow models with observable market inputs of similar instruments and bond prices to estimate future index levels and extrapolating yields outside the range of active market trading, in which instances the Bank classifies those securities as Level 2. The Bank does not have Level 3 government securities where valuation inputs would be unobservable.

Debt securities issued by financial institutions and other debt securities

All instruments are standard fixed or floating rate securities. The Bank uses active market prices when available, or other observable inputs in discounted cash flow models to estimate the corresponding fair value including CDS data of the issuer to estimate the relevant credit spreads. Municipal bonds and bonds issued by financial institutions are generally Level 1 and corporate bonds are generally Level 2 instruments as well as convertible bonds where usually there is not sufficient third-party trading data to justify Level 1 classification. Level 3 instruments are those where significant inputs cannot be referenced to observable data and, therefore, inputs are adjusted for relative tenor and issuer quality. The Group does not hold corporate bonds nor convertible bonds at year-ends 2023 and 2022.

Equity instruments

The majority of equity instruments are actively traded on public stock exchanges with readily available active prices on a regular basis. Such instruments are classified as Level 1. Units held in funds are measured based on their published net asset value (NAV), taking into account redemption and/or other restrictions.
Such instruments are generally Level 2. Equity instruments in non-listed entities included investment in private equity funds are initially recognised at transaction price and re-measured (to the extent information is available) and valued on a case-by-case and classified as Level 3.

The Group does not hold equity investments that are valued at cost due lack of reliable information to value them.

Loans and receivables at fair value through profit or loss

For loans and receivables designated at FVPL and mandatorily required to be measured at FVPL (those that did not meet the SPPI criteria), a discounted cash flow model is used based on various assumptions, including current and expected future credit losses, market rates of interest, prepayment rates and assumptions regarding market liquidity, where relevant. The element of fair value attributable to the credit risk is calculated by determining the changes in credit spread implicit in the fair value of bonds issued by entities with similar credit characteristics. Classification between Level 2 and Level 3 is determined based on whether the assessment of credit quality is based on observable or unobservable data.

Foreign exchange contracts

Foreign exchange contracts include open spot contracts, foreign exchange forward and swap contracts and over-the-counter foreign exchange options. These instruments are valued by either observable foreign exchange rates, observable or calculated forward points and option valuation models. With the exception of contracts where a directly observable rate is available which are disclosed as Level 1, the Bank classifies foreign exchange contracts as Level 2 financial instruments when no unobservable inputs are used for their valuation, or the unobservable inputs used are not significant to the measurement (as a whole).

44.5 Transfers between Level 1 and Level 2

During the fiscal year no transfers between Level 1 and Level 2 of the fair value hierarchy for financial assets and liabilities which are recorded at fair value have occurred.

44.6 Movements in Level 3 financial instruments measured at fair value

The Group holds no Level 3 financial assets and liabilities which are recorded at fair value.

44.7 Fair value of financial instruments not measured at fair value

The Bank has determined that for financial assets and financial liabilities that (a) have a short-term maturity (less than three months), (b) are liquid and (c) are floating rate instruments, their carrying amounts (which are net of impairment where applicable) are a reasonable approximation of their fair value. Such instruments include cash and balances with central banks, due to and due from banks.

44.8 Valuation methodologies of financial instruments not measured at fair value

The bank holds no monetary instruments not measured at fair value.

Loans and advances to customers

The fair values of loans and receivables are estimated by discounted cash flow models that incorporate assumptions for credit risks, foreign exchange risk, probability of default and loss given default estimates. Credit risk for large corporate and a subset of the small business lending, when appropriate, is derived from market observable data, such as credit default swaps or comparable traded debt. Where such information is not available, the Bank uses historical experience and other information used in its collective impairment models.

Fair values of consumer lending and mortgage portfolios are calculated using a portfolio-based approach, grouping loans as far as possible into homogenous groups based on similar characteristics. The Bank then calculates and extrapolates the fair value to the entire portfolio, using discounted cash flow models that incorporate interest rate estimates considering all significant characteristics of the loans. The credit risk is applied as a top-side adjustment based on the collective impairment model incorporating probability of defaults and loss given defaults.

Issued debt

The fair value of issued debt is estimated by a discounted cash flow model incorporating the Bank's own credit risk. The Bank estimates and builds its own credit spread from market-observable data such as secondary prices for its traded debt and the credit spread on credit default swaps and traded debt of itself.

Off-balance sheet positions

Estimated fair values of off-balance sheet positions are based on market prices for similar instruments or on discounted cash flow models, as explained above, which incorporate the credit risk element through the discount factor.

45. Risk Management

45.1 Introduction

Hakrin Bank defines risk as events that may adversely affect the achievement of its strategic objectives. The Bank's Enterprise Risk Management (ERM) Framework, supported by a dedicated organizational structure, is designed to ensure that risks are consistently identified, assessed, measured, monitored, and effectively managed.
Comprehensive and proactive risk management is vital to the Bank's resilience and its ability to pursue sustainable growth. Demonstrating the presence of strong risk governance is also critical for maintaining the trust of all stakeholders.
The risk management function plays a key role in supporting the Bank's strategic goals by:

- Developing and maintaining a comprehensive risk management framework;
- Promoting a culture of risk awareness throughout all levels of the organization;
- Advising and supporting the implementation and continuous monitoring of effective risk controls.

The risk management function ensures that all material risks are appropriately controlled and regularly reports on risk exposures to management and governance bodies. This helps Risk Management support Hakrin Bank's strategy by keeping it within the limits of its chosen risk appetite.

ERM Framework and Strategic Alignment

Hakrin Bank's Enterprise Risk Management (ERM) Framework is grounded in the principles of the COSO-ERM 2017 framework. It is designed to embed risk awareness into the Bank's strategy, culture, and day-to-day operations.
The Framework has been designed to:

- Establish common principles and standards for identifying, managing, and controlling all types of risk.
- Guide behaviour and decision-making across the organization.
- Provide a unified structure to enhance awareness and understanding of the Bank's risk management processes.
- Ensure clear accountability and defined responsibilities for risk management throughout the organization

The ERM Framework encompasses all material risk categories, including both financial risks—such as credit, liquidity, market, and solvency risks—and non-financial risks, including operational, compliance, strategic, business continuity, and cyber risks. These risks are continuously monitored through defined Key Risk Indicators (KRIs) and managed in accordance with the Bank's approved risk appetite.

Risk Appetite and Risk Profile

Hakrin Bank operates within a clearly defined and formally approved risk appetite, which articulates the type and level of risk the Bank is willing to accept in pursuit of its strategic objectives. The risk appetite is determined annually by the Executive Board and the Risk & Compliance Committee of the Supervisory Board and is outlined in the Risk Appetite Statement.

This statement serves as a guiding framework for risk-related decisions and ensures consistency across all levels of the organization. It balances the need for strategic growth and innovation while at the same time safeguarding the Bank's financial stability, operational efficiency and regulatory compliance. The risk appetite reflects the type and level of risk the Bank is willing to accept in pursuit of its objectives and is expressed through:

- Qualitative statements and limits;
- Quantitative key risk indicators (KRIs);
- Monitoring processes and escalation procedures.

Hakrin Bank's risk profile reflects the aggregate level of risk inherent in its activities, considering the size, complexity, and external environment of the Bank. It is assessed regularly and benchmarked against the Bank's risk capacity. The Bank ensures that its actual risk profile remains well within its defined risk appetite and continuously aligns with the evolving strategic direction and economic context.

Risk Culture

Risk culture forms a fundamental part of Hakrin Bank's overall risk management framework. It is an essential element of both the internal environment and governance structure, providing the foundation upon which all effective risk management practices are built. Hakrin Bank's risk culture is embedded in its governance structure and internal environment and is supported by clear ownership and accountability for risk within the Three Lines of Defence model.

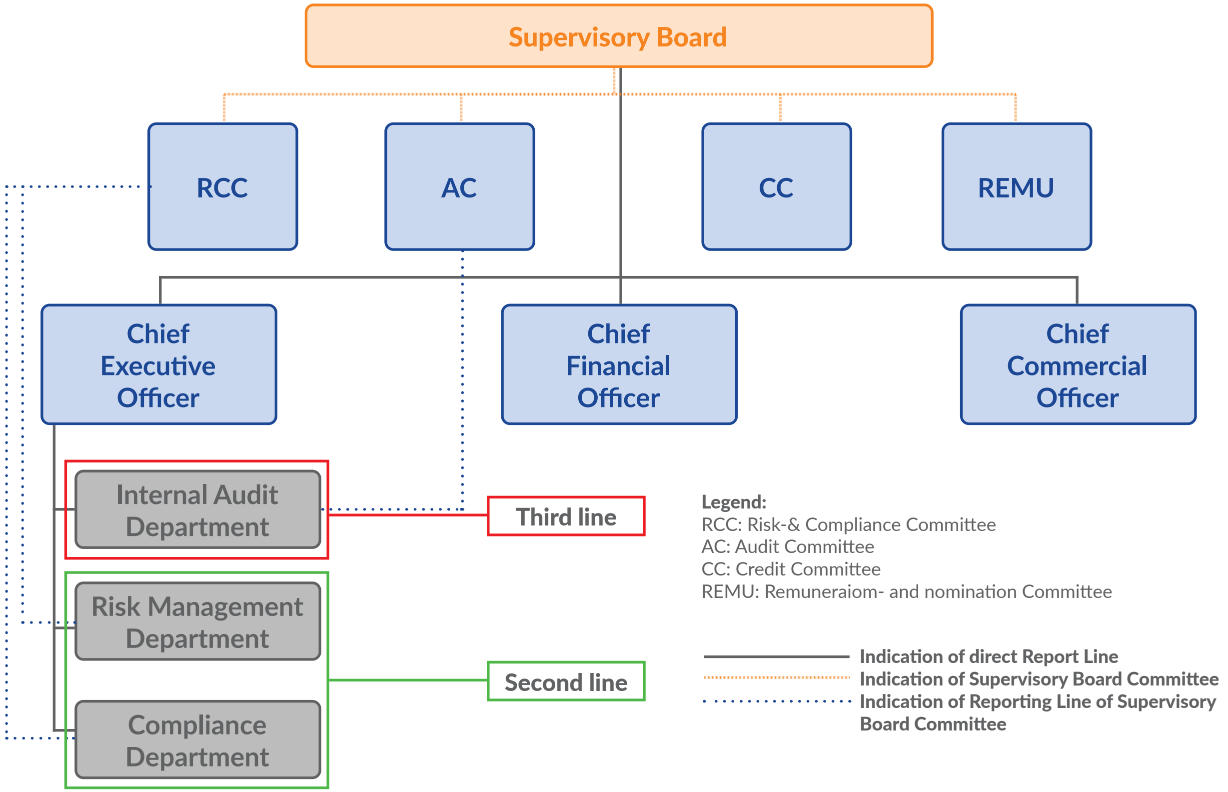
45.1.1 Risk governance

Hakrin Bank applies the Three Lines of Defence model to ensure effective risk governance:

1. First Line – Business Units:
   Responsible for day-to-day risk identification, assessment, and control. They ensure that processes are well-documented and that controls are embedded in operations;
2. Second Line – Risk and Compliance Functions:
   Comprising the Risk Management Department (RMD) and the Compliance Department (CD), this line sets risk policies, monitors adherence to risk appetite, provides advice to the business, and reports regularly to the Executive Board and the Risk & Compliance Committee of the Supervisory Board;
3. Third Line – Internal Audit (IAD):
4. Provides independent assurance on the effectiveness of risk management and internal control systems. IAD reports regularly to the Executive Board and the Audit Committee of the Supervisory Board.

Clear separation of responsibilities and close interaction among the three lines ensures effective risk monitoring, early issue detection, and continuous improvement of controls. The charters governing these roles are approved by the Executive Board and Supervisory Board, safeguarding independence and access to key governance bodies.
Hakrin Bank continuously promotes risk awareness and cultivates a culture of transparency, integrity, and collaboration across the organization.

Hakrin Bank's Risk Management Governance structure is presented below.



Supervisory Board and Oversight Committees

The Supervisory Board plays a key role in setting the tone for risk governance. To enhance its oversight capabilities, the Board has established the following dedicated committees:

1. Audit Committee;
2. Risk and Compliance Committee;
3. Remuneration and Nomination Committee;
4. Credit Committee of the Supervisory Board.

These committees are tasked with providing focused supervision on critical areas.
The Supervisory Board, through it's Risk and Compliance Committee, is responsible for:

- Evaluating the adequacy and effectiveness of the Bank's risk management framework;
- Overseeing the implementation and performance of risk policies and procedures;
- Reviewing and approving the risk management strategy and policies;
- Monitoring and evaluation of the Bank's overall risk profile.

The Credit Committee of the Supervisory Board was established in April 2024 The task of the Credit Committee of the Supervisory Board is to render decisions on credit proposals, based on the Credit Risk Policy and within the mandate as defined in the Large Exposures Directive.
The Credit Committee of the Supervisory Board holds independent decision-making authority. This means that it does not submit preparatory proposals for approval by the full Supervisory Board, but rather takes decisions independently, in accordance with its designated responsibility. As a result, the Credit Committee bears full responsibility for the quality and effectiveness of its own functioning.

Risk Committee Structures

To ensure a comprehensive view of risk across all major domains, Hakrin Bank has institutionalised several internal risk committees that serve as advisory bodies to the Executive Board and risk governance functions. These forums ensure that critical risks are monitored, discussed, and managed within the approved risk appetite. Each committee operates under a formal charter approved by the Executive Board.

- **Governance, Risk & Compliance (GRC) Committee**
  A strategic platform where senior management, and the risk, compliance, and audit functions meet to discuss long-term objectives, control frameworks, regulatory developments, and process improvements. The focus is on forward-looking risk governance rather than day-to-day operations.
- **Asset and Liability Committee (ALCO)**
  ALCO manages balance sheet and financial risks, including liquidity, interest rate, and market risks. It oversees funding strategies, pricing, and investment portfolios to ensure financial stability. The ALCO plays a vital role in preserving the financial health of the Bank under both normal and stressed market conditions.
- **Credit Committee**
  The Credit Committee which was established in October 2023 focuses on credit risk. It approves large credit exposures, monitors portfolio quality, and sets credit risk limits in line with the Bank's risk appetite. The Credit Committee ensures that the Bank's credit exposures remain within acceptable risk boundaries while supporting responsible portfolio growth.

45.1.2 Risk categories

Hakrin Bank categorises its material risks into Financial Risks and Non-Financial Risks. Each category comprises several risk types. The Bank uses defined risk indicators to manage and report these risks to the Executive and Supervisory Boards on a regular basis.

Risk category	Risk type	Definition	Risk indicators
Financial risks	Credit risk	The risk of loss arising from a borrower's or counterparty's failure to meet its financial obligations.	▪ Non-performing loans ratio ▪ Significant increase in credit risk ▪ Collateral Value
	Funding and liquidity risk	The risk that the Bank is unable to meet its financial obligations as they fall due, without incurring unacceptable losses.	▪ Liquidity Coverage ratio ▪ Net Stable funding ratio ▪ Loan to Deposit ratio (LtDR) ▪ Concentration Metrics
	Market risk	▪ Interest Rate Risk: Potential loss due to adverse interest rate movements.	▪ Net Interest Margin (NIM) ▪ Cost of Funds (CoF)
		▪ Currency Risk: Potential loss due to adverse movements in foreign exchange rates.	▪ Open Currency Position ▪ Dollarization Level
		▪ Price Risk: Potential loss due to changes in market prices.	
	Solvency risk	The risk of insufficient capital to meet business, regulatory, or market expectations. Insolvency occurs when the Bank cannot meet its debt obligations.	Capital Adequacy ratio (BIS ratio)
Non-financial risks	Operational risk	The risk of loss resulting from inadequate or failed internal processes, people, systems, or from external events.	Operational incidents
	Information (Technology) risk	The risk of loss, regulatory sanction, or reputational damage due to inadequate protection or misuse of information assets.	IT-related Incidents
	Business Risk	The risk of reduced profits or business failure due to adverse external or internal factors.	Return on investments (ROI)
	Compliance Risk	The risk of legal or regulatory sanctions, financial loss, or reputational damage due to non-compliance with laws, regulations, or internal standards, including integrity and AML/CFT risks.	Compliance breaches

45.2 Credit Risk

Credit risk refers to the risk that a counterparty fails to meet its contractual obligations to Hakrin Bank, resulting in a financial loss to the Bank. This risk arises primarily from lending and investment activities, including term deposits with other financial institutions.
This section outlines how Hakrin Bank manages, monitors, and measures credit risk and provides a credit risk profile of its exposure.

Governance

The management of credit risk at Hakrin Bank is based on the Three Lines of Defence model and is overseen by the Credit Committee. This committee is responsible for:

- Developing and recommending credit risk policies for approval by the Board;
- Ensuring compliance with internal policies and external regulatory requirements;
- Supporting executive management in approving credit exposures that exceed predefined limits;
- Setting and monitoring concentration limits across industries and counterparties;
- Overseeing portfolio diversification and quality; and
- The committee conducts periodic reviews of the credit portfolio's composition, performance, and alignment with the Bank's risk appetite.

Operational responsibilities:

- The Retail and Business Banking departments (First Line of Defence) manage credit risk in the lending portfolio.
- The Treasury department manages credit risk associated with investments;
- The Second Line of Defence monitors adherence to the credit risk framework and advises on risk measures where needed.

Risk appetite limits are established to avoid excessive credit concentrations and manage portfolio quality.

Credit risk monitoring

Hakrin Bank conducts ongoing monitoring of its counterparties to identify signs of credit quality deterioration. Monitoring includes:

- Event-driven reviews triggered by circumstances that may impact a borrower's repayment capacity;
- Scheduled reviews conducted according to a risk-based revision calendar.

Risk assessments generate internal risk ratings. Retail exposures are assessed based on days past due, while business exposures consider days past due, historical and current financial performance, industry outlook, and management assessments. Corrective action is taken if deterioration in credit quality is detected.

Restructuring and Recovery

Facilities that meet specific criteria are transferred to the Restructuring and Recovery Unit, which undertakes intensive monitoring and client support. The unit's goal is to:

- Restore financial stability;
- Restructure debt to sustainable levels;

If recovery is not feasible, pledged assets are liquidated to minimize losses.

Maximum credit risk exposure

The following table presents the Bank's total gross exposure to credit risk at year-end, before impairments and credit risk mitigants such as collateral and guarantees.

Impairment assessments

Hakrin Bank recognises expected credit losses (ECL) on financial assets at amortized cost, financial assets at fair value through other comprehensive income (FVOCI), Loan commitments and Financial guarantees.

Asset Classes in Scope

- Cash and cash equivalents: Demand deposits with the Central Bank;
- Due from banks: Deposits and reserves with banks, including the Central Bank;
- Loans, bonds, and advances: Includes consumer, corporate, government loans, residential mortgages, and fixed-rate debt instruments;
- Off-balance-sheet exposures: Financial guarantees, loan commitments, letters of credit.

Staging and Impairment Methodology

Hakrin Bank classifies financial assets into three stages based on IFRS 9:

- Stage 1: Performing assets with no significant increase in credit risk;
- Stage 2: Assets with a significant increase in credit risk, but not credit impaired;
- Stage 3: Defaulted or credit-impaired assets;

Significant Increase in Credit Risk (Stage 2)
Assessment includes comparison of default risk at reporting date versus initial recognition. Days past due is the primary criterion. Enhancements to incorporate more forward-looking and qualitative data are under development for the business banking portfolio.

	Group	
Amounts in SRD for the year ended 31 December	**2023**	**2022***
Cash and balances with Centrale Bank	4,811,018,595	7,409,121,770
Due from banks	2,548,771,783	2,169,156,740
Consumer loans	458,689,801	374,303,884
Loans and advances to customers	3,780,248,715	5,101,800,862
Government loans	212,743,418	865,764,273
Other loans, bonds and advances to customers	991,067,507	937,708,270
Committed credit facilities	260,595,113	126,652,345
Total credit risk exposure	**13,063,134,932**	**16,984,508,144**

*2022 balances were adjusted in line with IAS 29 Hyperinflation (see note 6).

Definition of Default (Stage 3)
A debtor is considered in default when the debtor has material exposures which are more than 90 days past due for corporate facilities and residential mortgages; for retail facilities a 60 day past due limit is maintained. For practical purposes Hakrin Bank has aligned the definition of non-performing and default. This means that all loans in stage 3 are in default and non-performing.

Credit quality
The following table presents gross exposures by stage and product type (in SRD x 1,000):

		Group	
Gross carrying amount **Amounts in (SRD x 1,000) for the year ended 31 December**		**2023**	**2022***
Stage 1	Residential mortgages	208,051	213,556
	Consumer loans	241,365	161,742
	Corporate loans	4,608,366	4,879,926
	Government loans	215,450	883,314
	Bonds	-	105,637
	Total	**5,273,232**	**6,244,175**
Stage 2	Residential mortgages	16,424	3,065
	Consumer loans	3,309	2,232
	Corporate loans	13,201	31,503
	Government loans	-	-
	Bonds	-	-
	Total	**32,934**	**36,800**
Stage 3	Residential mortgages	6,635	5,034
	Consumer loans	3,582	3,430
	Corporate loans	274,529	1,461,051
	Government loans	-	-
	Bonds	-	-
	Total	**284,746**	**1,469,515**
Total		**5,590,912**	**7,750,490**

Expected Credit Loss measurement
The following elements are considered when measuring Expected Credit losses:

- Probability of Default: Based on historical data and product-level default rates. Models developed with external consultants;
- Loss Given Default: Reflects losses after collateral realization. Collateral is only considered in Stage 2 and 3;
- Exposure at Default Represents exposure at the time of default, including undrawn limits.

Hakrin Bank is currently refining its ECL model to include more granular, forward-looking metrics.

Hakrin Bank's gross carrying amounts and ECL allowance per stage and product type is presented in the following table. Credit risk mitigation such as collateral and guarantees are not considered when determining the gross carrying amount. Credit risk mitigation is considered when determining the ECL allowance for stage 2 and 3.

**2022 balances were adjusted in line with IAS 29 Hyperinflation (see note 6).*

Amounts in (SRD x 1,000) for the year ended 31 December		Group 2023		2022*	
		Carrying amount	ECL allowance	Carrying amount	ECL allowance
Stage 1	Residential mortgages	208,051	12,067	213,556	6,814
	Consumer loans	241,365	3,968	161,742	3,818
	Corporate loans	4,608,366	54,069	4,879,926	82,640
	Government loans	215,450	4,342	883,314	17,550
	Bonds	-	-	105,637	-
	Total	**5,273,232**	**74,446**	**6,244,175**	**110,822**
Stage 2	Residential mortgages	16,424	1,073	3,065	71
	Consumer loans	3,309	1,050	2,232	578
	Corporate loans	13,201	71	31,503	7,531
	Government loans	-	-	-	-
	Bonds	-	-	-	-
	Total	**32,934**	**2,194**	**36,800**	**8,180**
Stage 3	Residential mortgages	6,635	2	5,034	118
	Consumer loans	3,582	2,517	3,430	3,356
	Corporate loans	274,529	69,004	1,461,051	348,437
	Government loans	-	-	-	-
	Bonds	-	-	-	-
	Total	**284,746**	**71,523**	**1,469,515**	**351,911**
Total		**5,590,912**	**148,163**	**7,750,490**	**470,913**

The table below depicts the stage migrations throughout the year:

Amounts in (SRD x 1,000) for the year ended 31 December Loan portfolio	Group Stage 1 Outstanding amount	ECL allowance	Stage 2 Outstanding amount	ECL allowance	Stage 3 Outstanding amount	ECL allowance	Total Outstanding amount	Total ECL allowance
At January 1, 2023	**6,244,175**	**110,822**	**36,800**	**8,180**	**1,469,515**	**351,911**	**7,750,490**	**470,913**
Transfers to Stage 1	(956,465)	(21,890)	(1,147)	(36)	(1,082,500)	28,308	(2,040,112)	6,382
Transfers to Stage 2	(6,691)	543	(1,141)	(3,173)	936	(9,946)	(6,896)	(12,576)
Transfers to Stage 3	(7,787)	(15,029)	(1,578)	(2,777)	(103,205)	(298,750)	(112,570)	(316,556)
At December 31, 2023	**5,273,232**	**74,446**	**32,934**	**2,194**	**284,746**	**71,523**	**5,590,912**	**148,163**

**2022 balances were adjusted in line with IAS 29 Hyperinflation (see note 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 to the right presents the collateral valuation model that Hakrin Bank uses to value pledged assets.

In the case a borrower defaults on his financial obligations, Hakrin Bank has the right to liquidate the pledged assets. The proceeds from this liquidation can be applied towards full or partial compensation of the borrowers' outstanding exposure.

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

Credit risk concentration by segment

Credit risk concentration by segment and industry is presented in the following two tables:

	Group			
Amounts in (SRD x 1,000) for the year ended 31 December	**2023**		**2022***	
Business segment	4,421,259	81.2%	5,509,339	75.7%
Retail segment	808,747	14.9%	904,474	12.4%
Government loans	212,743	3.9%	865,764	11.9%
Total commercial loans	**5,442,749**	**100.0%**	**7,279,577**	**100.0%**
Bonds	767,842		1,156,211	
General total	**6,210,591**		**8,435,788**	

**2022 balances were adjusted in line with IAS 29 Hyperinflation (see note 6).*

Amounts in (SRD x 1,000) for the year ended 31 December	Group			
	2023		2022*	
Agricultural	459,058	8.4%	432,834	5.9%
Fishery	275,568	5.1%	283,205	3.9%
Mining	188,949	3.5%	297,469	4.1%
Industry	1,043,937	19.2%	1,088,445	15.0%
Construction	83,182	1.5%	137,311	1.9%
Electricity, gas and hydro	483	0.0%	419	0.0%
Total production sector	**2,051,177**	**37.7%**	**2,239,683**	**30.8%**
Trade	1,562,635	28.7%	2,272,580	31.2%
Transport, depot and communication	153,994	2.8%	189,348	2.6%
Service	653,453	12.0%	807,728	11.1%
House-building	312,386	5.7%	219,208	3.0%
Consumer loans	496,361	9.1%	685,266	9.4%
Total other sectors	**3,178,829**	**58.4%**	**4,174,130**	**57.3%**
Government loans	212,743	3.9%	865,764	11.9%
Total commercial loans	**5,442,749**	**100.0%**	**7,279,577**	**100.0%**
Bonds	767,842		1,156,211	
General total	**6,210,591**		**8,435,788**	

**2022 balances were adjusted in line with IAS 29 Hyperinflation (see note 6).*

45.3 Capital, Liquidity and funding risk

45.3.1 Capital management

Hakrin Bank maintains a strong and resilient capital base to support its business model, absorb unexpected losses, and meet regulatory requirements. Effective capital management is integral to the Bank's risk strategy, financial stability, and long-term growth. It ensures that the Bank remains adequately capitalized in both normal and stressed economic conditions.

Regulatory Framework

Hakrin Bank's capital adequacy is governed by the regulatory framework established by the Centrale Bank van Suriname (CBvS), which adopts the standards of the Basel Committee on Banking Supervision.

The Bank uses the Capital Adequacy Ratio (CAR), also referred to as the BIS Ratio, and the Capital Ratio (equity-to-assets) to measure its capital strength. These ratios assess the sufficiency of capital relative to the Bank's risk-weighted assets (RWA) and overall balance sheet, respectively.

Capital Adequacy Metrics

Reference is made to note 41 for a disclosure on the components of capital and regulatory adjustments for 2023 and 2022.

Capital Ratio (Equity-to-Assets Ratio)

This ratio provides a broader view of the Bank's capital structure in relation to its total asset base.

Amounts in (SRD x 1,000) for the year ended 31 December	2023	2022*
Total Assets	20,706,549	23,018,168
Total Equity	1,771,644	1,690,271
Capital Ratio *)	8.6%	7.3%

**) defined as: Total Equity / Total Assets.*

45.3.2 Liquidity and Funding Risk

Liquidity risk is the risk that Hakrin Bank will be unable to meet its financial obligations as they come due, without incurring significant losses or causing disruptions to its operations or reputation. A related dimension is funding concentration risk, which arises when the Bank relies excessively on a small group of depositors, counterparties, or funding instruments, increasing its vulnerability during periods of financial stress.

Hakrin Bank's Liquidity and funding risk management framework is designed to ensure that the Bank consistently maintains a robust, diversified, and cost-effective liquidity profile—capable of withstanding both normal market conditions and stressed scenarios.

The framework also ensures full compliance with the regulatory requirements set by the Centrale Bank van Suriname (CBvS).

Governance and Oversight

Liquidity and funding risk management falls under the oversight of the Asset and Liability Committee (ALCO). ALCO is responsible for:

- Supervising the Bank's balance sheet composition and liquidity position;
- Reviewing and approving liquidity policies and procedures;
- Assessing the adequacy and structure of funding sources;
- Monitoring compliance with internal risk appetite and regulatory liquidity thresholds.

The Treasury Department is responsible for the day-to-day execution of the liquidity strategy, including cash flow forecasting, liquidity stress testing, investment of liquid assets, and reporting to ALCO.

Core Principles of Liquidity Risk Management

Hakrin Bank's approach to liquidity and funding risk is anchored in the following guiding principles:

- Stable Funding Base:

  The Bank maintains a predominantly deposit-funded structure, with a broad customer deposit base covering retail and commercial customers, diversified into long- and short-term funding. Hakrin Bank does not rely on wholesale or short-term market funding, reducing rollover risk and market dependency;
- Liquidity Buffer:

  The Bank holds a high-quality liquid asset buffer, calibrated to absorb liquidity shocks and cover projected cash outflows. This buffer is split into:
  o Regulatory-required reserves (e.g. statutory cash reserves, SNEPS deposits) held at the Central Bank.
  o Internally defined buffers, comprised of marketable securities (e.g. government bonds, term deposits, and cash equivalents).
- Contingency Funding Plan (CFP):

  The CFP outlines predefined procedures and response strategies to address potential liquidity shortfalls. It includes internal early warning indicators, escalation protocols, and access to emergency funding lines;
- Regulatory Compliance:

  The Bank maintains full compliance with the liquidity standards mandated by CBvS, including minimum reserve requirements and liquidity thresholds. These standards are integrated into the Bank's liquidity monitoring and internal control processes; and
- Active Monitoring and Stress Testing:

  Treasury actively monitors the liquidity and funding position, ensuring that Hakrin Bank maintains adequate cash and liquid assets to meet obligations under normal and stressed conditions. Funding concentration by depositor and currency is analysed to manage exposure to large counterparties.

Key Liquidity Metrics

Hakrin Bank tracks its liquidity and funding resilience using a set of key risk indicators (KRIs):

**2022 balances were adjusted in line with IAS 29 Hyperinflation (see note 6).*

Metric	Description
Liquidity Coverage Ratio (LCR)	Measures the ability to cover net cash outflows over a 30-day stress period with high-quality liquid assets (HQLA). Hakrin Bank's LCR is calculated by comparing the available liquidity buffer to the projected liquidity needs, in accordance with internal risk appetite thresholds and regulatory norms.
Net Stable Funding Ratio (NSFR)	Assesses the stability of funding sources relative to the liquidity characteristics of assets over a one-year horizon. This ensures that long-term assets are supported by stable funding.
Funding Concentration Ratio	Measures the proportion of funding derived from large depositors or counterparties in specific currencies. To mitigate this risk, a portion of concentrated funding is added to liquidity requirements.
Loan-to-Deposit Ratio (LDR)	Assesses the relationship between issued loans and customer deposits. It ensures that lending growth is appropriately funded by stable deposits and does not strain the Bank's liquidity.

Maturity Analysis of Assets and Liabilities

A maturity analysis of Hakrin Bank's balance sheet items is conducted to assess cash flow mismatches and manage refinancing risk. The following table (not included here) presents the contractual maturity of financial assets and liabilities based on their earliest possible redemption date. It is important to note that contractual maturity does not always reflect behavioural maturity, particularly in the case of customer deposits. While contractually repayable on demand, a large portion of deposits—especially retail balances—tend to be "sticky" and remain with the Bank for extended periods. This behavioural characteristic provides a source of stable funding that supports liquidity planning and risk mitigation.

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Supervisory Board
Executive Board
Financial Statements

	Group				
Amounts in SRD for the year ended 31 December 2023	On demand	Up to 1 year	1 to 5 years	Over 5 years	Total (incl. interest)
Assets					
Cash and balances with Centrale Bank	4,811,018,595	-	-	-	4,811,018,595
Due from banks	2,241,578,631	-	307,193,152	-	2,548,771,783
Loans and advances to customers	-	3,205,625,277	1,041,040,820	1,196,083,344	5,442,749,441
Financial assets at fair value through P&L	-	135,517,180	-	-	135,517,180
Debt instruments at fair value through OCI	-	2,433,661,699	-	-	2,433,661,699
Current tax assets	-	97,881,904	-	-	97,881,904
Other assets	-	164,106,361	-	-	164,106,361
Debt instruments at amortized cost	-	3,529,424,970	-	-	3,529,424,970
Investments in associates	-	-	-	11,199,525	11,199,525
Property and equipment and right-of-use assets	-	-	-	1,287,325,842	1,287,325,842
Investment properties	-	-	-	30,365,442	30,365,442
Intangible Assets	-	-	-	214,525,960	214,525,960
Total assets	**7,052,597,226**	**9,566,217,391**	**1,348,233,972**	**2,739,500,113**	**20,706,548,702**
Liabilities					
Due to banks	677,328,609	-	-	-	677,328,609
Due to customers	13,296,599,462	2,751,491,730	1,155,936,980	108,413,050	17,312,441,222
Current tax liabilities	-	86,823,180	-	-	86,823,180
Other liabilities	-	406,759,026	-	-	406,759,026
Debt issued and other borrowed funds	-	-	169,104,736	-	169,104,736
Net employee defined benefit liabilities	-	-	-	282,447,940	282,447,940
Total liabilities	**13,973,928,071**	**3,245,073,936**	**1,325,041,716**	**390,860,990**	**18,934,904,713**
Net	**(6,921,330,845)**	**6,321,143,455**	**23,192,256**	**2,348,639,123**	**1,771,643,989**

	Group				
Amounts in SRD for the year ended 31 December 2022*	**On demand**	**Up to 1 year**	**1 to 5 years**	**Over 5 years**	**Total (incl. interest)**
Assets					
Cash and balances with Centrale Bank	7,409,121,770	-	-	-	7,409,121,770
Due from banks	1,813,701,577	-	355,455,163	-	2,169,156,740
Loans and advances to customers	536,719,802	2,510,583,233	2,095,504,039	2,136,770,215	7,279,577,289
Financial assets at fair value through P&L	-	81,779,351	-	-	81,779,351
Debt instruments at fair value through OCI	-	2,148,787,059	-	-	2,148,787,059
Current tax assets	-	122,598,595	-	-	122,598,595
Other assets	-	238,211,018	-	-	238,211,018
Debt instruments at amortized cost	-	2,104,125,353	-	-	2,104,125,353
Investments in associates	-	-	-	5,791,298	5,791,298
Property and equipment and right-of-use assets	-	-	-	1,247,460,445	1,247,460,445
Investment properties	-	-	-	39,097,996	39,097,996
Intangible Assets	-	-	-	172,460,679	172,460,679
Total assets	**9,759,543,149**	**7,206,084,609**	**2,450,959,202**	**3,601,580,633**	**23,018,167,593**
Liabilities					
Due to banks	459,273,530	-	-	-	459,273,530
Due to customers	15,855,509,328	2,108,164,094	2,036,541,147	132,629	20,000,347,198
Derivatives financial instruments	-	23,262,994	-	-	23,262,994
Current tax liabilities	-	34,545,195	-	-	34,545,195
Other liabilities	-	278,251,058	-	-	278,251,058
Debt issued and other borrowed funds	-	-	196,310,533	-	196,310,533
Net employee defined benefit liabilities	-	-	-	335,905,700	335,905,700
Total liabilities	**16,314,782,858**	**2,444,223,341**	**2,232,851,680**	**336,038,329**	**21,327,896,208**
Net	**(6,555,239,709)**	**4,761,861,268**	**218,107,522**	**3,265,542,304**	**1,690,271,385**

**2022 balances were adjusted in line with IAS 29 Hyperinflation (see note 6).*

45.4 Market risk

Definition and Scope

Market risk refers to the potential for financial loss due to adverse movements in interest rates, foreign exchange rates, or the market prices of financial instruments. These fluctuations can negatively impact the earnings, capital, and overall financial stability of Hakrin Bank.

Hakrin Bank actively manages market risk through a structured risk management framework, which includes effective governance, clearly defined risk limits, daily monitoring, and compliance with regulatory requirements. The Bank's approach is designed to ensure that exposures remain within the risk appetite approved by the Board.

Responsibility for market risk management resides with the Asset and Liability Committee (ALCO). Day-to-day management and monitoring of market risk is conducted by the Treasury function, operating within the limits and guidelines established by ALCO.

45.4.1 Interest rate risk management

Interest rate risk arises from mismatches in the maturity or repricing profiles of assets and liabilities. Fluctuations in interest rates may lead to a reduction in the Bank's net interest income (NII).

Hakrin Bank considers the interest rate risk on its balance sheet to be relatively low, primarily due to the ability to adjust credit and deposit interest rates in response to market changes. This dynamic pricing flexibility mitigates the Bank's exposure to long-term interest rate mismatches.

The Bank monitors its interest rate risk exposure through:

- Gap analysis of interest-bearing assets and liabilities;
- Net Interest Margin (NIM) trend analysis.

45.4.2 Currency risk management

Currency risk, or foreign exchange risk, arises from the Bank's exposure to financial instruments denominated in foreign currencies. Hakrin Bank is exposed to currency risk when it holds net open positions in currencies such as the US Dollar (USD) or the Euro (EUR).

To manage this risk:

- The Bank uses cross-currency swaps;
- Risk limits are defined for net open positions by currency; in line with the Bank's risk appetite and regulatory requirements of the Centrale Bank van Suriname.
- Currency mismatches are monitored on a daily basis by Treasury, with oversight by ALCO.

	Group	
As per 31 December 2023	**Amounts in USD**	**Amounts in EUR**
Assets		
Cash and balances with central banks	29,472,066	42,283,155
Due from banks	49,669,250	18,510,048
Loans and advances to customers	57,922,169	10,859,430
Debt instruments at fair value through OCI	67,059,648	-
Other assets	660,133	182,341
Debt instruments at amortized cost	97,226,638	-
Investment properties	836,721	-
Total assets	**302,846,625**	**71,834,974**
Liabilities		
Due to banks	436,116	10,062,036
Due to customers	279,244,581	59,766,815
Other liabilities	5,235,910	852,211
Debt issued and other borrowed funds	4,659,688	-
Net employee defined benefit liabilities	3,100,000	-
Total liabilities	**292,676,295**	**70,681,062**
Net open currency exposure	**10,170,330**	**1,153,912**

As per 31 December 2023	Currency	Net open position (Ccy)	Net open position (SRD)	% change in Currency	Impact on Equity (SRD)
	USD	10,170,330	369,091,446	+25%	92,272,862
	EUR	1,153,912	46,380,339	+25%	11,595,085
	Total		**415,471,785**		**103,867,947**

	Group	
As per 31 December 2022*	**Amounts in USD**	**Amounts in EUR**
Assets		
Cash and balances with central banks	116,098,678	46,981,293
Due from banks	43,208,114	23,732,332
Loans and advances to customers	113,241,597	26,393,999
Debt instruments at fair value through OCI	67,646,374	-
Other assets	83,926	18,252
Debt instruments at amortized cost	57,390,576	-
Investment properties	1,230,851	-
Total assets	**398,900,116**	**97,125,876**
Liabilities		
Due to banks	378,162	13,306,711
Due to customers	390,428,262	81,236,679
Other liabilities	1,950,640	988,302
Debt issued and other borrowed funds	6,180,089	-
Net employee defined benefit liabilities	4,111,493	-
Total liabilities	**403,048,646**	**95,531,692**
Net open currency exposure	**(4,148,530)**	**1,594,184**

As per 31 December 2022*	Currency	Net open position (Ccy)	Net open position (SRD)	% change in Currency	Impact on Equity (SRD)
	USD	(4,148,530)	(131,778,055)	+25%	(32,944,514)
	EUR	1,594,184	52,976,329	+25%	13,244,082
	Total		**(78,801,726)**		**(19,700,432)**

**2022 balances were adjusted in line with IAS 29 Hyperinflation (see note 6).*

45.4.3 Price Risk management

Price risk refers to the potential decline in the value of financial instruments due to market price movements. At Hakrin Bank, price risk is primarily associated with its investment portfolio.

The Bank mitigates price risk through its Investment Policy, which emphasizes:

- Short-term liquidity instruments, such as treasury bills and term deposits, which are less sensitive to market fluctuations;
- A hold-to-maturity strategy for the bond portfolio, which consists primarily of investment-grade corporate bonds. Although mark-to-market fluctuations may affect interim valuation, earnings are preserved over the investment term;
- Conservative limits on trading activity and market exposure.

The investment portfolio is reviewed regularly for:

- Compliance with internal limits;
- Creditworthiness of issuers.

45.5 Non-financial risks

Non-financial risks—while not always immediately visible on the balance sheet—pose significant threats to a bank's reputation, operations, regulatory standing, and long-term value. Hakrin Bank classifies its non-financial risks into several categories, including operational risk, business risk, and information risk, each managed through tailored frameworks and governance structures.

45.5.1 Operational risk and business risk

Operational risk is defined as the risk of loss resulting from inadequate or failed internal processes, people, systems, or from external events. This includes risks stemming from:

- System failures and technological disruptions;
- Human errors and omissions;
- Internal or external fraud;
- Cyber threats and physical security breaches; and
- Natural disasters or other force majeure events.
- While operational risks can never be entirely eliminated, they can be effectively mitigated through a robust control framework, which at Hakrin Bank is built on the following pillars:
- Segregation of duties to reduce the risk of unauthorized activities;
- Authorization and access controls to ensure appropriate use of systems and data;
- Reconciliation procedures to identify and resolve discrepancies in a timely manner;
- Ongoing staff training and awareness programs to promote a risk-conscious culture; and
- Internal audit and compliance reviews to test and enhance the effectiveness of controls.

To ensure resilience, the Bank has implemented Business Continuity Plans (BCPs) for all critical functions. These plans include detailed response and recovery procedures that allow for the continuity of operations in the event of significant disruptions, ensuring the Bank can continue serving clients and fulfilling its obligations.

Business risk refers to the risk of loss arising from adverse developments in the business environment, such as:

- Competitive pressure;
- Regulatory changes;
- Shifts in customer behavior or economic trends.

Hakrin Bank manages business risk through strategic planning and a regular review of its operating model to ensure agility in a dynamic environment.

45.5.2 Information risk

Information risk refers to the threats associated with the confidentiality, integrity, and availability of the Bank's data and information systems. As digitalization accelerates across the financial sector, managing these risks is essential to protecting operations, maintaining customer trust, and complying with regulatory requirements.
Hakrin Bank adopts a risk-based approach to information security, designed to address evolving cyber threats and technology-related vulnerabilities. This approach is guided by the NIST Cybersecurity Framework, which offers a structured methodology to:

- Identify security risks;
- Protect critical systems;
- Detect cybersecurity incidents;
- Respond effectively to threats; and
- Recover from disruptions.

Hakrin Bank is currently in the process of formally implementing the NIST framework, with the goal of strengthening its cybersecurity posture and creating a more resilient and responsive information security environment.

Objectives and Governance

The objectives of Hakrin Bank's information security program are to:

- Protect people, processes, and technology infrastructure from cyber risks;
- Minimize exposure to operational and reputational damage;
- Ensure business continuity in the event of disruptions or attacks; and
- Promote transparency and trust among clients, regulators, and stakeholders.

Security Culture and Awareness

Recognizing the human factor as a critical element of cyber defense, Hakrin Bank invests in building a security-conscious culture across the organization. Following the success of the Information Security Awareness Program (2018–2021), ongoing efforts include:

- Employee education;
- Policy reviews and updates; and
- Governance enhancements for IT and security risk oversight.

General Information

Our annual reports can be downloaded from www.hakrinbank.com.

This Annual Report includes the Reports of the Executive Board and Supervisory Board in both English and Dutch. The Financial Statements and other relevant information for the financial year 2023 are presented in their original language, English.

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