DE SURINAAMSCHE BANK 1865-2025
160 jaar loyaal, betrokken & innovatief

JAARVERSLAG 2023

CONTENT

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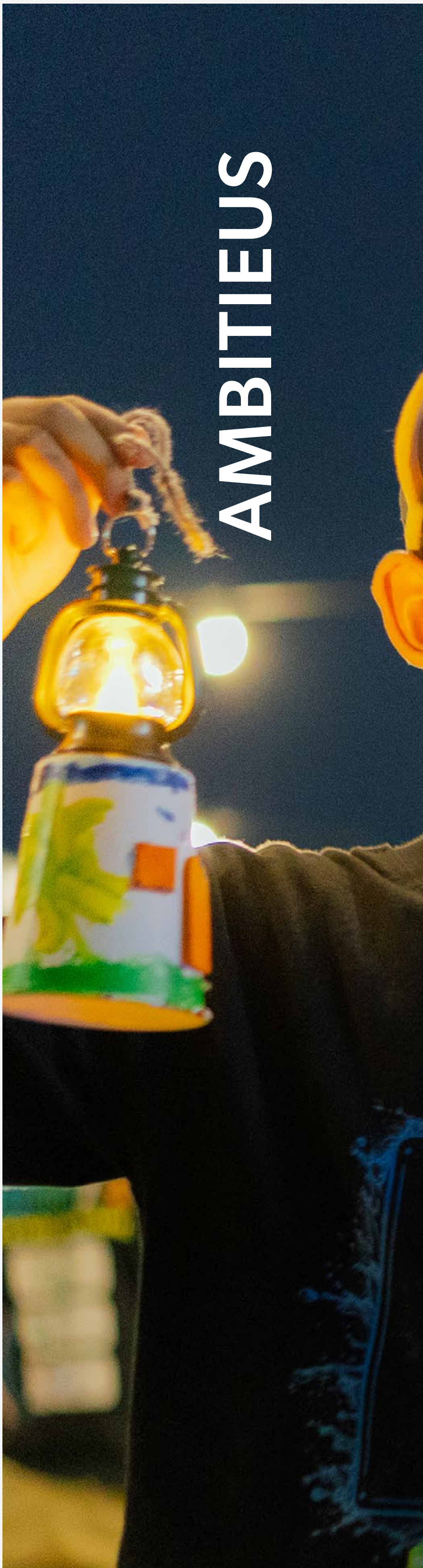
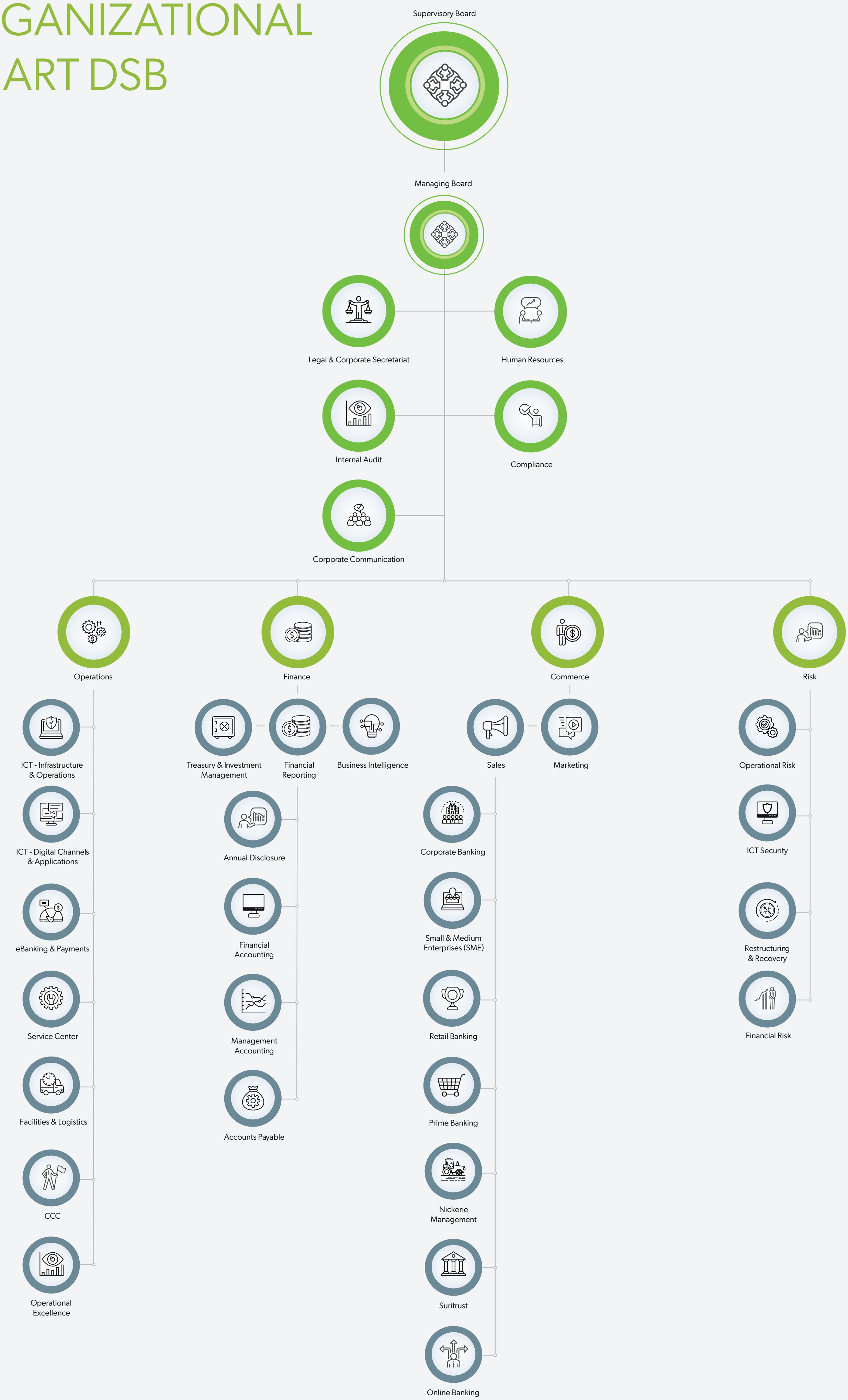



OPEN


VERANTWOORDELIJK


H

ORGANIZATIONAL CHART DSB



VERSLAG VAN DE RAAD VAN COMMISSARISSEN

Dit verslag geeft een uiteenzetting van de uitgevoerde taken en verantwoordelijkheden van de Raad van Commissarissen (RvC) over het boekjaar 2023.

In aansluiting op voorgaande verslagjaren heeft De Surinaamsche Bank N.V. (DSB) ook in 2023 verslag uitgebracht in overeenstemming met IAS 29, onderdeel van de International Financial Reporting Standards (IFRS). Deze standaard, bedoeld voor verslaggeving in hyper inflatoire economieën, stelt DSB in staat haar financiële informatie te corrigeren voor de effecten van inflatie, waardoor de cijfers beter aansluiten bij de economische werkelijkheid.

Samenstelling directie in 2023

In 2023 bestond de directie uit:
- Arjan Molenkamp - waarnemend Chief Executive Officer (CEO), uit dienst op 1 september 2023
- Rene van Rooij - Chief Operations Officer (COO), uit dienst op 6 oktober 2023
- Alexander van Petten - Chief Risk Officer (CRO), benoemd per 1 februari 2023
- Waldo Halfhuid - Chief Financial Officer (CFO), benoemd per 1 augustus 2023

Huidige samenstelling directie

Met de aanstelling van drie statutaire directeuren voldoet DSB aan zowel de beginselen van goed ondernemingsbestuur als aan de vereisten van de Centrale Bank van Suriname (CBvS) voor systeemrelevante financiële instellingen. In overeenstemming met het toezichtkader van de CBvS dienen dergelijke instellingen minimaal drie statutaire directieleden te hebben.

Op dit moment bestaat de directie uit drie statutaire directeuren:
- Alexander van Petten - COO
- Waldo Halfhuid - CFO
- Ashna Kamta - CRO

Raad van Commissarissen

De RvC was in 2023 als volgt samengesteld:
- Nilesh Bishesar - President-commissaris
- Roy Baidjnath-Panday - Vicepresident-commissaris
- Robert Kasanrawi - Lid
- Rishie Parbhudayal - Lid
- Stanley Mathura - Lid
- Jürgen van Ommeren - Lid
- Judith van der Gugten (december 2023) - Lid

De huidige samenstelling van de RvC is als volgt:
- Nilesh Bishesar - President-commissaris
- Roy Baidjnath-Panday - Vicepresident-commissaris
- Robert Kasanrawi - Lid
- Rishie Parbhudayal - Lid
- Jürgen van Ommeren - Lid
- Judith van der Gugten - Lid
- Hemwatie Ramadhin - Lid

Beleid en toezicht in 2023

In 2023 was de focus op het verder versterken van de interne organisatie en het optimaliseren van de Governance-, Compliance- en risicobeheerfuncties. Er werden aanzienlijke inspanningen geleverd om de duurzame financiële positie van de bank verder te verbeteren. In 2023 werd Waldo Halfhuid als CFO door de RvC voorgedragen en de voordracht is door de Algemene Vergadering

van Aandeelhouders (AVA) goedgekeurd.

De toenemende nadruk op uniformiteit en transparantie in financiële verslaggeving stimuleert de verdere implementatie van IFRS. In dit kader werkt DSB intensief samen met haar externe accountants aan het wegwerken van de achterstand in jaarverslaggeving. In de afgelopen 17 maanden zijn met succes drie jaarverslagen afgerond. Hiermee ligt DSB op schema om vanaf het boekjaar 2026 haar jaarverslagen binnen zes maanden na afloop van het verslagjaar te kunnen publiceren in lijn met internationale Best Practices, de wet op de jaarrekening in Suriname en de statuten van DSB.

In 2023 kwam de RvC vijftien keer bijeen en nam deel aan diverse seminars en trainingen. Naast de reguliere vergaderingen hield de RvC ook besloten bijeenkomsten, zonder de directie, om specifieke zaken met betrekking tot DSB te bespreken.

Ontwikkelingen in het boekjaar 2023

In 2023 realiseerde DSB een nettowinst na aftrek van belasting van SRD 697,8 miljoen, een stijging van SRD 29,2 miljoen ten opzichte van restated 2022 (SRD 668,5 miljoen). Deze ontwikkeling vond plaats in een economisch uitdagende context, gekenmerkt door aanhoudende inflatiedruk en volatiliteit op de valutamarkt.

De resultaatstijging in 2023 werd voornamelijk gedreven door:

- Vrijval van kredietvoorzieningen;
- Groei in handelsinkomsten;
- Kostenbeheersing;
- Effectieve mitigatie van hyperinflatoire verliezen.

Commissies van de Raad van Commissarissen

Audit Committee

De Audit Committee (AC) bestond in 2023 uit:

- Robert Kasanrawi - Voorzitter
- Stanley Mathura - Lid
- Jürgen van Ommeren - Lid

De huidige samenstelling is als volgt:

- Robert Kasanrawi - Voorzitter
- Jürgen van Ommeren - Lid
- Judith van der Gugten - Lid

De commissie heeft meerdere keren vergaderd, onder andere met de externe accountant en IT-auditors over kritische risico's en interne beheersmaatregelen. De verantwoordelijkheden van de AC zijn vastgelegd in de AC Charter. In 2023 heeft de commissie acht keren vergaderd.

Een vast onderdeel van de agenda betreft de aanbevelingen en de opvolging hiervan van de Internal Audit Department (IAD), de externe accountant en van de CBvS.

Daarnaast kwamen onderwerpen aan de orde als het functioneren en de capaciteit van de IAD, auditrapportages en het opstellen van het Internal auditjaarplan.

Risk & Compliance Committee

De Risk & Compliance Committee (RCC) bestond in 2023 uit:

- Rishie Parbhudayal - Voorzitter
- Stanley Mathura - Lid
- Roy Baidjnath-Panday - Lid

De huidige samenstelling is als volgt:

- Jürgen van Ommeren - Voorzitter
- Rishie Parbhudayal - Lid
- Roy Baidjnath-Panday - Lid

De commissie heeft in 2023 twaalf vergaderingen gehouden. Besproken onderwerpen waren onder meer risicobereidheid, tolerantie en maandelijkse compliance-rapportages van DSB.

Selection, Appointment & Remuneration Committee

De Selection, Appointment & Remuneration Committee (SARC) bestond in 2023 uit:

- Roy Baidjnath-Panday - Voorzitter
- Robert Kasanrawi - Lid
- Rishie Parbhudayal - Lid

De huidige samenstelling is als volgt:

- Roy Baidjnath-Panday - Voorzitter
- Robert Kasanrawi - Lid
- Rishie Parbhudayal - Lid
- Judith van der Gugten - Lid

De commissie heeft in 2023 zes vergaderingen gehouden, waarbij de focus met name werd gelegd op het aantrekken van een CFO.

Evaluatie van de prestaties

De RvC heeft periodieke zelfevaluaties uitgevoerd om te voldoen aan wettelijke en reglementaire vereisten. Bij deze evaluaties hebben de Raadsleden elkaar individueel en ook als team beoordeeld op een aantal punten die de Raad als cruciaal beschouwt voor het houden van goed toezicht. Ook werd van ieder raadslid de focusgebieden opgesomd en besproken zodat er niet aflatende aandacht was voor belangrijke zaken van de Raad. De prestaties van de RvC werden bevredigend geacht, met ruimte voor verbetering.

Vergoeding

De AVA stelt het honorarium van de RvC vast. Het honorarium van de RvC bedroeg in 2023 in totaal SRD 912.373,- (2022: SRD 1.376.170,-). De voornoemde bedragen zijn inclusief de hyperinflatie impact van SRD 74.209,- (2022: SRD 542.170,-).

Dividendvoorstel op voordracht van de directie

Conform artikel 22 van de statuten van DSB, en op basis van de jaarrekening over het boekjaar 2023, rapporteert de RvC als volgt:

Als gevolg van de positieve resultaatontwikkeling over het verslagjaar is het eigen vermogen van de bank verder versterkt. Ultimo 2023 bedraagt het nettoresultaat over het boekjaar 2023 SRD 697,8 miljoen. Gezien dit resultaat en de versterkte vermogenspositie acht de RvC het verantwoord en passend om, op voorstel van de directie, een winstuitkering van SRD 200,0 miljoen (SRD 5,30 per aandeel) aan de aandeelhouders voor te stellen.

Deze uitkering is in overeenstemming met het prudent financieel beleid van de bank en houdt rekening met het behoud van een solide kapitaalbasis en de noodzakelijke ruimte voor toekomstige investeringen en groei.

Het voorstel tot winstuitkering wordt, samen met de jaarrekening en de controleverklaring van de externe accountant, ter goedkeuring voorgelegd aan de AVA. Na goedkeuring hiervan zal het bedrag na winstbestemming formeel worden toegevoegd aan de ingehouden winst.

Vooruitzichten

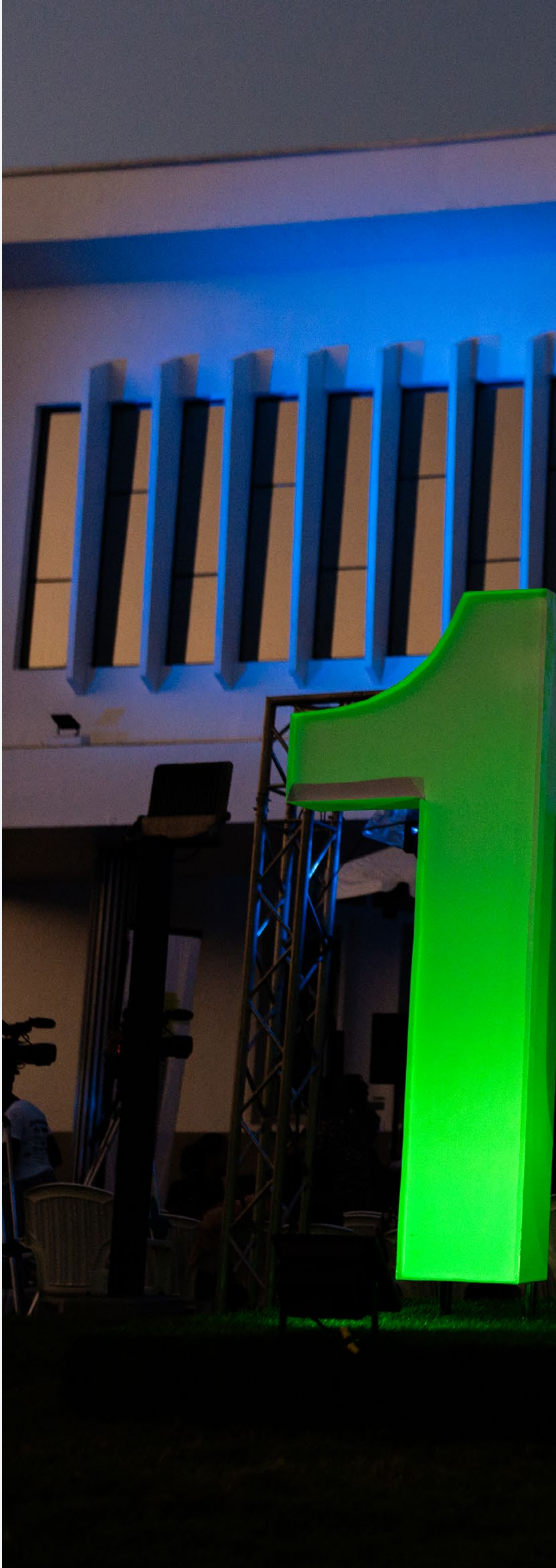
Het transformatieproces bij DSB blijft gestaag vooruitgang boeken. Verbeterd risicobeheer en de afwikkeling van dubieuze leningen hebben de financiële stabiliteit verder versterkt. De RvC heeft vertrouwen in de solide en duurzame toekomst voor DSB.

Dankwoord

De RvC bedankt de directie, medewerkers, klanten, leveranciers en aandeelhouders van DSB voor hun vertrouwen en inzet.

Namens de Raad van Commissarissen:

- Nilesh Bishesar - President-commissaris
- Roy Baidjnath-Panday - Vicepresident-commissaris
- Robert Kasanrawi - Lid
- Rishie Parbhudayal - Lid
- Jürgen van Ommeren - Lid
- Judith van der Gugten - Lid
- Hemwatie Ramadhin - Lid



CORPORATE GOVERNANCE

DSB streeft naar een hoge standaard van Corporate Governance [ofwel deugdelijk ondernemingsbestuur], gebaseerd op transparantie, integriteit, en verantwoordingsplicht. Deze principes zijn terug te vinden in de Corporate Governance Code van DSB, die als richtlijn dient voor het bestuur en toezicht binnen de organisatie. Goede Corporate Governance ondersteunt niet alleen de prestaties van de bank, maar versterkt ook het vertrouwen van klanten, aandeelhouders, en andere stakeholders.

Structuur

Directie

De directie van DSB is verantwoordelijk voor het dagelijks bestuur van de bank en de uitvoering van strategische beslissingen. De directieleden worden benoemd door de AVA op aanbeveling van de RvC en na goedkeuring door de CBvS. De directie rapporteert regelmatig aan de RvC over de voortgang van de strategische doelen, financiële prestaties en risico's.

Raad van Commissarissen

De RvC houdt toezicht op het beleid van de directie en de algemene gang van zaken binnen de bank. De commissarissen worden benoemd door de AVA en goedgekeurd door de CBvS. De RvC bestaat uit minimaal vijf leden en wordt ondersteund door gespecialiseerde commissies.

Audit Committee

Deze commissie houdt toezicht op de financiële verslaglegging, interne controles en audits. De commissie werkt nauw samen met de interne auditafdeling en externe auditors om transparantie en naleving van wettelijke vereisten te waarborgen.

Risk & Compliance Committee

Deze commissie richt zich op het risicobeheer van de bank, waaronder kredietrisico, liquiditeitsrisico en operationeel risico. De commissie beoordeelt het risicomanagementbeleid en ziet toe op naleving van wet- en regelgeving.

Selection, Appointment en Remuneration Committee

Deze commissie adviseert over benoemingen, beloningsstructuren en prestatiemanagement binnen de directie en het Senior Management. De commissie zorgt ervoor dat het beloningsbeleid aansluit bij de strategie en het risicoprofiel van de bank.

Algemene Vergadering van Aandeelhouders

De AVA speelt een sleutelrol in de Corporate Governance van DSB. Aandeelhouders hebben stemrecht bij belangrijke besluiten zoals de benoeming van bestuurders, goedkeuring van de jaarrekening en de strategische koers van de bank.

Principes van Corporate Governance bij DSB

De Corporate Governance Code van DSB legt de nadruk op:

1. **Transparantie:**
   Open communicatie over beleid, resultaten en uitdagingen.

2. **Verantwoordelijkheid:**
   Duidelijke rollen en verantwoordelijkheden voor alle bestuursorganen.

3. **Toezicht:**
   Effectieve controlemechanismen om de belangen van aandeelhouders en andere stakeholders te beschermen.

4. **Duurzaamheid:**
   Integratie van Environmental, Social en Governance principes (ESG-principes) in de strategie en activiteiten van de bank.

Belangrijke aspecten van Governance

1. **Risicobeheer:**
   DSB heeft een uitgebreid risicobeheerkader dat regelmatig wordt geëvalueerd en aangepast aan veranderingen in de financiële en economische omgeving. Dit omvat kredietrisico's, liquiditeitsbeheer en cyberbeveiliging.

2. **Compliance en integriteit:**
   De bank houdt zich strikt aan lokale en internationale regelgeving. Er is veel aandacht voor de bestrijding van witwaspraktijken (AML) en de financiering van terrorisme (CFT).

3. **Stakeholderbetrokkenheid:**
   DSB hecht waarde aan een constructieve dialoog met klanten, aandeelhouders en andere stakeholders. De bank organiseert regelmatig bijeenkomsten en publiceert transparante rapporten over prestaties en vooruitzichten.

4. **Zelfevaluatie:**
   Zowel de directie als de RvC voeren periodieke zelfevaluaties uit om de effectiviteit van hun governancepraktijken te verbeteren.

Toekomstige doelen

Om haar governance verder te versterken, streeft DSB naar:

- **Innovatie in governance:**
  Het gebruik van technologie om rapportage en risicobeheer te verbeteren.

- **Diversiteit en inclusie:**
  Bevordering van diversiteit in de samenstelling van de directie en de RvC.

- **Duurzaamheid:**
  Verder integreren van ESG-overwegingen in de strategie en operaties.

De corporate governance bij DSB ondersteunt niet alleen de huidige prestaties, maar legt ook de basis voor een duurzame en veerkrachtige toekomst. Met een sterk bestuur en effectieve controlemechanismen blijft DSB een betrouwbare financiële partner voor haar klanten en een belangrijke speler in de financiële sector van Suriname.


DE WATERKRANT
Zaterdag 22 maart 2025
Earth Hour & Wereldwaterdag
DE WATERKRANT

PROFIELEN RAAD VAN COMMISSARISSEN

NILESH BISHESAR

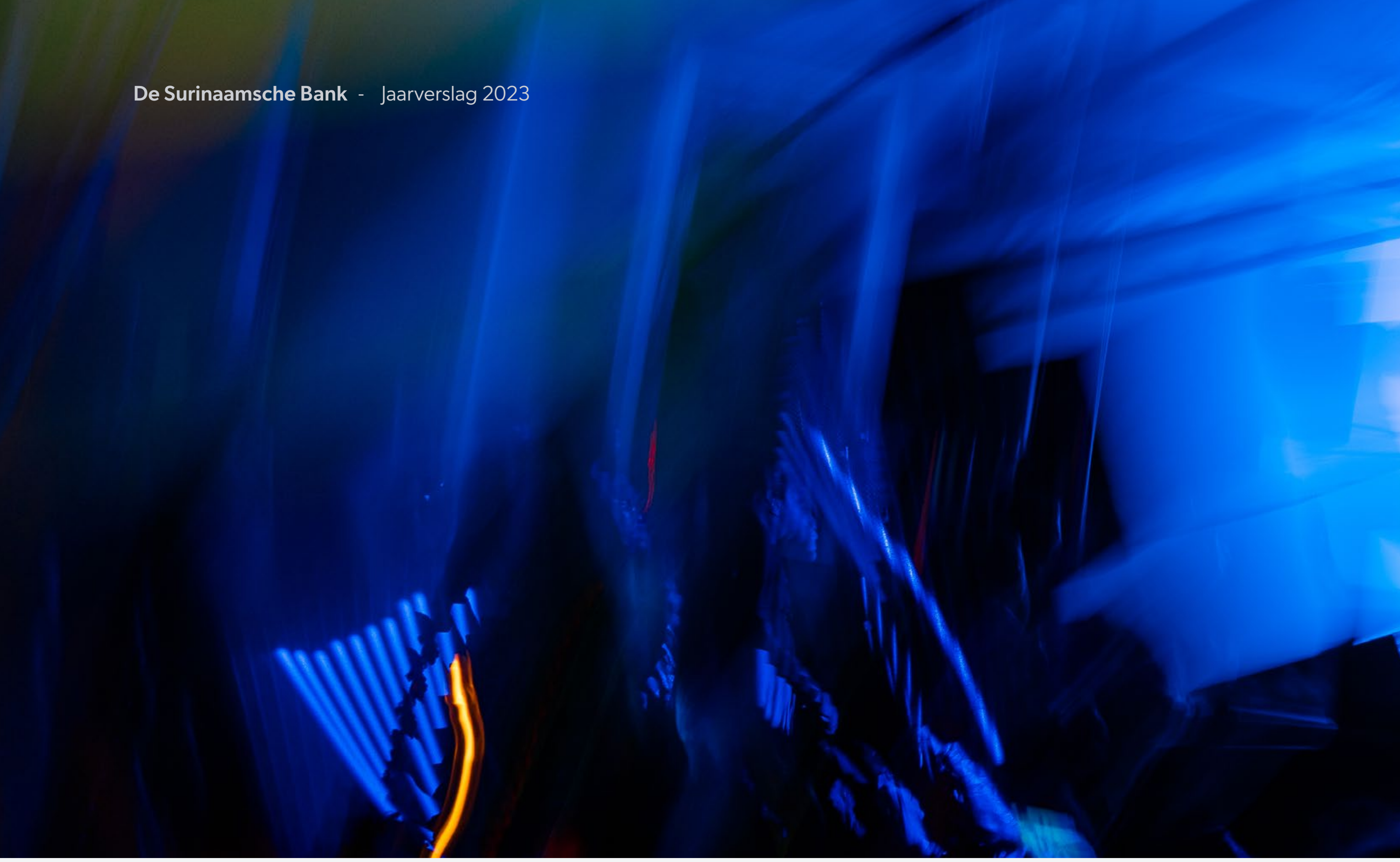
President-commissaris

- Is lid van de Raad van Commissarissen van DSB vanaf 2021 en vanaf 2023 President-commissaris;
- Is vanaf 2012 Managing Director bij Qualogy Caribbean;
- Van 2022 tot 2024 Board member van de ICT Associatie;
- Van 2017 tot 2020 lid van de Raad van Commissarissen bij de Surichange Bank;
- Van 2010 tot 2012 General Manager bij Qualogy Caribbean;
- Van 2008 tot 2010 Managing Director bij Westgroup Consulting;
- Van 2006 tot 2008 Manager Corporate & Consumer Sales bij Digicel Caribbean;
- Van 2003 tot 2006 Business Development Officer bij Staatsolie Maatschappij Suriname N.V.;
- Van 2001 tot 2003 Account Manager bij Zoodat Webmedia;
- Heeft ruim 25 jaar ervaring in diverse leidinggevende posities in het Caribisch gebied en Nederland;
- Bezit een doctorale graad in Lucht- en Ruimtevaarttechniek van de TU-Delft en een mastergraad in Business Administration van FHR instituut/ Maastricht School of Management.

ROY
BAIDJNATH-PANDAY

Vicepresident-commissaris

- Is lid van de Raad van Commissarissen van DSB vanaf 2021 en vanaf 2022 vicepresident-commissaris;
- Is lid van de Risk & Compliance Committee (RCC) en voorzitter van de Selection, Appointment, and Remuneration Committee (SARC);
- Is vanaf 2021 voorzitter van de Project Implementatie Unit voor Anti-Money Laundering voor Suriname;
- Van 2014 tot 2021 procureur-generaal;
- Van 1998 tot 2020 voorzitter van de Nationale Anti-Money Laundering Commissie en vertegenwoordiger van Suriname bij de Caribbean Financial Action Task Force;
- Van 1988 tot 2020 voorzitter en lid van diverse adviescommissies en besturen op het gebied van recht en justitie;
- Heeft meer dan 35 jaar ervaring in diverse leidinggevende posities binnen justitie, waaronder advocaat-generaal en hoofdofficier van justitie;
- Bezit een mastergraad in rechten van de universiteit van Paramaribo en een diploma in Mensenrechten van de Universiteit van Curaçao.



RISHIE PARBHUDAYAL

Commissaris

- Is lid van de Raad van Commissarissen van DSB vanaf 2020;
- Is lid van de Risk en Compliance Commissie (RCC) en lid van de Selection, Appointment, and Remuneration Committee (SARC);
- Is vanaf oktober 2023 Managing Director van Assuria Levensverzekering Curacao N.V.;
- Is vanaf 1 juli 2017 Chief Operations Officer bij Assuria N.V.;
- Is lid van de Board of Directors van Gulf Insurance Ltd., Assuria Life (T&T) Ltd., Assuria General & Life (Guyana) Inc.;
- Is voorzitter van de Investment Committee van Gulf Insurance Ltd., Assuria Life T&T, Assuria General & Life (Guyana) Inc.;
- Is bestuurslid/secretaris van de Surinaamse Effectenbeurs;
- Is lid van het Actuarieel Genootschap in Nederland (AG) en de Caribbean Actuarial Association (CAA);
- Heeft meer dan 27 jaar ervaring in de financiële sector;
- Bezit een doctorale graad in Actuariële Wetenschappen en Econometrie.

JUDITH VAN DER GUGTEN

Commissaris

- Is lid van de Raad van Commissarissen van DSB vanaf december 2023;
- Is lid van de Audit Committee (AC) en de Selection, Appointment, and Remuneration Committee (SARC);
- Is vanaf 2012 zelfstandig werkzaam als consultant;
- Is vanaf augustus 2023 als advocaat parttime verbonden aan Sewcharan & Pick;
- Is vanaf september 2021 lid van de Accreditatieraad van Nationaal Orgaan voor Accreditatie (NOVA) namens de Vereniging Surinaams Bedrijfsleven (VSB);
- Is vanaf 2016 plaatsvervangend lid Arbeidsadviescollege (AAC) namens de VSB;
- Van 2007 tot 2012 directeur van Stichting Juridische Samenwerking Suriname (SJSSN) thans Centrum voor Democratie en Rechtspleging (CDR);
- Bezit een doctorale graad Nederlands Recht, behaald aan de Erasmus Universiteit Rotterdam en is professioneel opgeleid Mediator.

ROBERT KASANRAWI

Commissaris

- Is lid van de Raad van Commissarissen van DSB vanaf 2018;
- Is voorzitter van de Audit Committee (AC) en lid van de Selection, Appointment, and Remuneration Committee (SARC);
- Is vanaf 15 december 2021 Hoofddirecteur Financiële en Operationele Aangelegenheden bij Self Reliance N.V.;
- Van 2017 tot 2018 Voorzitter van Stichting Pensioenfonds C. Kersten & Co;
- Van 2012 tot 2017 Finance Manager bij Kersten Lease N.V.;
- Van 2005 tot 2018 Financial Manager en Managing Director bij CKC Motors Co N.V.;
- Is een Qualified Treasurer van NIVE opleidingen B.V.- Nederland;
- Bezit een mastergraad in Business Administration en Management Accounting van FHR Institute/School of Management & Maastricht University.

JÜRGEN
VAN OMMEREN

Commissaris

- Is lid van de Raad van Commissarissen van DSB vanaf 2021;
- Is voorzitter van de Risk en Compliance Committee (RCC) en lid van de Audit Committee (AC);
- Is vanaf 2012 Finance Manager bij CKC Machinehandel Surmac N.V.;
- Van 2010 tot 2012 audit teamleider bij Ernst & Young Accountants (Amsterdam);
- Van 2007 tot 2010 audit team lid bij BDO CampsObers Accounts & Adviseurs;
- Bezit een mastergraad in Accounting & Control, een postdoctoraal diploma in Accountancy van de Vrije Universiteit Amsterdam en is Register Accountant (RA), als gevolg van de afgeronde praktijkopleiding tot accountant van het Koninklijk Nederlandse Beroepsorganisatie van Accountants (NBA) in Amsterdam.

HEMWATIE RAMADHIN

Commissaris

- Is lid van de Raad van Commissarissen van DSB vanaf mei 2025;
- Is vanaf 2012 Managing Director van Management Improvements NV;
- Is lid van de Raad van Commissarissen van Datasur vanaf 2020;
- Van 2022 tot 2024 lid van de Raad van Commissarissen van de Hakrinbank;
- Van 2020 tot 2022 lid van de Raad van Commissarissen van Bedrijf Geneesmiddelen Suriname (BGVS);
- Van 2017 tot 2019 ondervoorzitter Raad van Toezicht Fonds Studiefinanciering Suriname (FSS), Nationale Ontwikkelingsbank (NOB);
- Van 2012 tot 2017 Directeur Boks.sr;
- Van 2010 tot en met 2013 Commercieel Directeur Telecommunicatie Paramaribo UNIQA;
- Bezit een Mastergraad in Bedrijfseconomie aan de Erasmus Universiteit te Rotterdam.

PROFIELEN DIRECTIE

WALDO HALFHUID

Chief Financial Officer

- Trad in augustus 2023 in dienst als Chief Financial Officer bij DSB;
- Is voorzitter van Stichting Bankbeveiligingsdienst Suriname (SBBDS);
- Is lid van de Raad van Commissarissen van DSB-Assuria Vastgoed Maatschappij N.V (DAVG);
- Van 2018 tot 2023 Senior Advisor Regulatory Reporting Policies bij de ING Bank;
- Van 1999 tot 2018 in dienst bij de NIBC Bank en heeft verschillende Finance functies bekleed waaronder: Associate Director, Vice President en Head Regulatory Reporting;
- Was namens de ING Bank en de NIBC Bank commisielid van verschillende commissies in Nederland waaronder, de Nederlandse Vereniging van Banken (NVB) en de European Banking Federation (EBF).

ALEXANDER VAN PETTEN

Chief Operations Officer

- Is sinds februari 2023 directeur van DSB en bekleedt vanaf september 2024 de functie van Chief Operations Officer (COO);
- Trad in 2012 in dienst bij DSB en heeft verschillende functies bekleed zoals: Chief Risk Officer, Head Risk, Department Manager en E-Banking & Payments Manager;
- Is vanaf oktober 2023 voorzitter van de Surinaamse Bankiersvereniging;
- Is lid van de Raad van Commissarissen van Banking Network Suriname N.V. (BNETS);
- Is bestuurslid van Stichting garantiefonds voor bedrijfskredieten.

ASHNA KAMTA

Chief Risk Officer

- Is in september 2024 benoemd tot Chief Risk Officer bij DSB;
- Trad in 2002 in dienst bij DSB en heeft verschillende functies bekleed zoals: Head Risk, Manager Compliance, Manager Service Center, Manager Risk & Compliance, Acting Internal Audit Manager en Senior Internal Auditor;
- Is Certified Anti-Money Laundering Specialist (CAMS);
- Is Certified Transaction Monitoring Associate (CTMA);
- Neemt als afgevaardigde van DSB deel aan de Suriname Conservation Foundation Green Partnership Program (SGPP);
- Is afgevaardigde van de Surinaamse Bankiersvereniging (SBV) in het Nationaal SDG platform en wel de SDG commissie voor de private sector.

DE WERELD OM ONS HEEN

In 2023 zette Suriname zijn geleidelijke pad naar economisch herstel voort binnen een complex en veranderend mondiaal landschap. Hoewel de directe effecten van de COVID-19-pandemie afnamen, bleven mondiale onzekerheden voortvloeiend uit geopolitieke spanningen, aanhoudende inflatie, volatiliteit van grondstoffenprijzen en aangescherpte financiële voorwaarden lokale en regionale economieën beïnvloeden. Het door het Inter Monetair Fonds (IMF) gesteunde herstelprogramma bleef een hoeksteen van Suriname's economische strategie, terwijl binnenlandse hervormingen aan kracht wonnen.

Mondiale en regionale economische context

Wereldwijde groei:
De wereldeconomie groeide in 2023 in een bescheiden tempo van 3,0%, lager dan de 3,5% in 2022[1]. Deze vertraging werd voornamelijk veroorzaakt door strakkere monetaire beleidsmaatregelen om inflatie te bestrijden, verstoringen op de energiemarkten en aanhoudende geopolitieke conflicten, met name in Europa en het Midden-Oosten.

Latijns-Amerika en het Caribisch Gebied:
De regionale groei vertraagde verder tot ongeveer 2,3% in 2023. Hoge inflatie, stijgende rentevoeten, valutadepreciaties en fluctuaties in grondstoffenprijzen drukten zwaar op de economische activiteit in de regio. Toch voorkwamen veerkrachtige consumptiepatronen en gerichte fiscale steunprogramma's een diepere recessie.

Suriname:
Tegen deze achtergrond bleef Suriname's economisch herstel stabiel maar kwetsbaar. De Bruto Binnenlands Product- groei (BBP-groei) in 2023 werd geraamd op 2,0%[2]. Structurele hervormingen onder de Extended Fund Facility (EFF) van het IMF bleven het macro-economisch en fiscaal beleid verankeren.

Inflatoire druk en valutavolatiliteit bleven bestaan, maar werden gematigd door gecoördineerde beleidsmaatregelen.

Macro-economische ontwikkelingen in Suriname

Werkloosheid en arbeidsmarkt:
De werkloosheid daalde bescheiden naar 10,3% in november 2023, wat wijst op toegenomen economische activiteit in de dienstensector, de bouw, de detailhandel en de kleinschalige industrie. De arbeidsmarktparticipatie verbeterde licht, wat duidt op hernieuwd vertrouwen onder werkzoekenden.

Handelsbalans

Export:
Goud bleef het belangrijkste exportproduct, hoewel de productie operationele uitdagingen kende. Nieuwe investeringen in offshore olie-exploratie leverden veelbelovende resultaten op, die naar verwachting de export in de komende jaren zullen versterken.

Import:
Door inflatie aangedreven invoerkosten voor voedsel, brandstof en vervaardigde goederen bleven de handelsbalans onder druk zetten. Pogingen om de binnenlandse productie te stimuleren, boden enige verlichting.

Inflatie en valutadepreciatie

Inflatie:
De jaarlijkse inflatie bleef hoog op circa 32,6% in 2023[3], gedreven door wisselkoersschommelingen, hoge importprijzen en binnenlandse knelpunten in de toeleveringsketen.

Wisselkoers:
De Surinaamse Dollar (SRD) bleef onder een beheerd zwevend regime. Hoewel stabilisatiepogingen van de CBvS tijdelijk verlichting boden, hielden structurele kwetsbaarheden de druk op de SRD in stand.

Monetair en fiscaal beleid

Maatregelen van de CBvS:
De CBvS handhaafde een restrictief monetair beleid door de SRD-kasreserveverplichting op 44,0% te houden en openmarktoperaties (OMO's) te intensiveren om overtollige liquiditeit te beheersen.

Interventies op de valutamarkt en strengere controlemaatregelen waren gericht op het beperken van speculatieve druk en het stabiliseren van de SRD.

Fiscaal beleid:
Fiscale consolidatie-inspanningen werden versterkt door verbeterde belastinginning inclusief voorbereiding op de invoering van Bruto Toegevoegde Waarde (BTW) en uitgavenbeheersing. Overeenkomsten over loonstijgingen in de publieke sector en sociale teunmaatregelen werden afgewogen tegen zorgen over schuldhoudbaarheid.

[1] Internationaal Monetair Fonds (IMF), World Economic Outlook, oktober 2023
[2] Internationaal Monetair Fonds (IMF), World Economic Outlook, oktober 2023
[3] Algemeen Bureau voor de Statistiek Suriname, 2024

MF-steun:
De EFF van het IMF, goedgekeurd in 2021, bleef essentieel voor beleidsgeloofwaardigheid en externe financiering.

Extra tranches werden uitbetaald na succesvolle programmabeoordelingen, afhankelijk van voortgang in fiscale hervormingen, monetaire discipline en governanceverbeteringen.

Internationale Ratings:
Suriname's kredietbeoordelingen door Fitch Ratings en Standard & Poor's Global (S&P) bleven op "Selective Default" (SD) en "Restricted Default" (RD) staan per december 2023, als gevolg van voortdurende herstructureringsonderhandelingen over schulden en blootstelling aan externe schokken.

Strategische implicaties voor Suriname in 2023

Stabiliseren van inflatie:
- Beleidsmaatregelen richtten zich op het verbeteren van toeleveringsketens, verhogen van landbouwproductie en stabiliseren van de valutamarkt om prijsdruk te beheersen.

Bevorderen van exportgroei:
- Uitbreiding van de goudproductie, commercialisering van nieuwe offshore olieprojecten en groei in landbouw en toerisme kregen prioriteit om de exportinkomsten te diversifiëren.

Versterken van financiële instellingen:
- Hervormingen in de bankensector richtten zich op het verminderen van het aantal probleemleningen, verhoging van kapitaalvereisten en verbetering van transparantie.
- Digitale financiële diensten breidden zich uit, vooral in landelijke gebieden, ter ondersteuning van financiële inclusie.

Versterken van sociale ondersteuning:
- Gerichte programma's voor geldtransfers en subsidies hielpen de negatieve effecten van inflatie op kwetsbare bevolkingsgroepen te verzachten.

- Omscholingsprogramma's werden opgezet om de arbeidsmarkt beter af te stemmen op veranderende economische behoeften.

Governance en transparantie:
- Initiatieven tegen corruptie en hervormingen in de publieke sector werden versneld, wat de institutionele geloofwaardigheid en het investeringsvertrouwen versterkte.

Conclusie
In 2023 weerspiegelde het economische landschap van Suriname voorzichtig optimisme. Ondanks aanhoudende externe kwetsbaarheden en inflatoire druk, legden de aanhoudende inzet voor structurele hervormingen en internationale steun de basis voor stabielere groei.

DIRECTIEVERSLAG

In 2023 heeft DSB belangrijke stappen gezet in het versterken van zowel haar financiële positie als haar marktpositie. Ondanks een uitdagende macro-economische context is het DSB gelukt om veerkrachtig te opereren en tegelijkertijd haar dienstverlening verder te verbeteren.

Door gerichte procesoptimalisaties en investeringen in technologische innovatie (o.a. de functionaliteiten van onze Mobile Banking App zijn verder uitgebreid en verbeterd) zijn onze producten en diensten toegankelijker, efficiënter en klantgerichter geworden. Digitalisering speelt hierbij een centrale rol in het realiseren van een moderne, toekomstgerichte bankervaring.

Tegelijkertijd is sterk gefocust op risicobeheer en het behouden van financiële stabiliteit. Dit heeft geresulteerd in een solide en gezonde geconsolideerde staat van de financiele positie, waarmee DSB haar weerbaarheid tegen externe schokken verder heeft vergroot.

Het vertrouwen van klanten en partners bleef in 2023 groeien. Dit vertaalde zich in een toename van klanttevredenheid, versterkte klantrelaties en een verdere uitbreiding van onze dienstverlening.

Daarnaast heeft DSB de 17 Sustainable Development Goals (SDG's) geadopteerd welke verder in een ESG-beleid zullen worden vervat. Er zijn concrete stappen gezet op het gebied van duurzaamheid en maatschappelijke verantwoordelijkheid, waarmee de bank haar rol als verantwoordelijke financiële instelling actief blijft invullen.

Financiële prestaties

DSB heeft in 2023 solide financiële prestaties geleverd, ondanks aanhoudende externe uitdagingen in de macro-economische omgeving. De gekozen strategie, gericht op het verbeteren van operationele efficiëntie en kostenbeheersing, heeft geleid tot gezonde winstcijfers en een versterkte balanspositie. Daarnaast hebben hogere inkomsten uit beleggingen, waaronder opbrengsten uit OMO's, in belangrijke mate bijgedragen aan het positieve resultaat over het boekjaar 2023.

De belangrijkste financiële hoogtepunten over het boekjaar 2023 zijn als volgt:

- Netto winst na belasting: SRD 697,8 miljoen (restated 2022: SRD 668,5 miljoen).
- Eigen vermogen: Gestegen naar SRD 3,1 miljard, wat de financiële veerkracht en kapitaalbuffer van DSB verder versterkt.
- Solvabiliteitsratio: Verbeterd naar 24,2%, ruim boven de wettelijke vereiste norm zoals gesteld door de CBvS.
- Netto rentebaten: Een afname van 15,8%, voornamelijk gedreven door lagere rendementen op de OMO's.
- Operationele kosten: Dankzij procesoptimalisatie en digitale transformatie is een efficiëntere kostenstructuur gerealiseerd.

De gerealiseerde financiële resultaten onderstrepen de effectiviteit van de ingezette strategie en vormen een solide basis voor duurzame groei, investeringen en waardecreatie voor onze stakeholders.

Strategische Ontwikkelingen en Innovatie

In 2023 heeft DSB de modernisering van haar dienstverlening verder verbeterd. Door te investeren in digitale kanalen en Online Bankingdiensten hebben we onze klanten meer gebruiksgemak geboden en tegelijkertijd onze operationele efficiëntie verhoogd.

Een belangrijke mijlpaal was de vernieuwing van onze Mobile Banking App, waarmee klanten nog eenvoudiger en veiliger hun bankzaken kunnen regelen.

Om onze zakelijke dienstverlening te versterken, hebben we opnieuw deelgenomen aan de Suriname Energy, Oil & Gas Summit (SEOGS). Dit was een waardevolle gelegenheid om DSB te positioneren als een strategische financiële partner binnen de groeiende Oil & Gas-sector.

Verder organiseerden we onze eerste autobeurs, waarmee we klanten een platform boden om hun mobiliteitsbehoeften te financieren en direct in contact te komen met autobedrijven en financieringsopties.

Met deze initiatieven blijft DSB haar dienstverlening vernieuwen en verbeteren, met een sterke focus op toegankelijkheid, efficiëntie en klantgerichtheid.

Risicobeheer en Compliance

Een solide risicobeheerstrategie blijft van cruciaal belang binnen een voortdurend veranderende en complexe financiële omgeving. In 2023 heeft DSB haar inzet voor zorgvuldig risicobeheer verder versterkt. DSB heeft haar interne beheersingsmaatregelen en Compliance Framework doorontwikkeld, met als doel blijvende naleving van zowel nationale wet- en regelgeving alsook de internationale aanbevelingen.

Risicobeheer bleef in 2023 een prioriteit voor de organisatie, met onder andere de volgende strategische initiatieven:

- **Beheer van kredietrisico's:**
  In reactie op economische onzekerheden en valutaschommelingen zijn maatregelen getroffen om de kredietrisico's actief te beperken en de kwaliteit van de kredietportefeuille verder en beter te bewaken.
- **Optimalisatie van incidentbeheer:**
  De systemen voor het registreren, opvolgen en analyseren van operationele incidenten zijn verder verbeterd, waardoor een snellere en effectievere afhandeling mogelijk is.
- **Versterking van AML/CFT-maatregelen:**
  DSB heeft haar Compliance-structuur verder aangepast om te voldoen aan aangescherpte regelgeving op het gebied van anti-witwas (AML) en financiering van terrorisme (CFT), inclusief aangescherpte klantonderzoeken en transactie-monitoring.
- **Cybersecurity:**
  De digitale weerbaarheid van DSB is vergroot door het versterken van preventieve en detectieve IT-beveiligingsmaatregelen, mede in reactie op de toegenomen cyberdreigingen wereldwijd.

Deze inspanningen hebben bijgedragen aan het behoud van een stabiele, integere en transparante financiële instelling. DSB blijft voortdurend investeren in een vooruitstrevend risicobeheerbeleid dat de veerkracht van de organisatie versterkt en het vertrouwen van klanten, toezichthouders en stakeholders waarborgt.

Marktpositie

De DSB is sinds haar oprichting in 1865 een toonaangevende speler in de Surinaamse financiële sector, met een marktaandeel van 33,0%[4]. Met een rijke geschiedenis en een sterke aanwezigheid in het bancaire landschap, blijft DSB een van de meest vertrouwde en herkenbare financiële instellingen in het land.

In 2023 heeft DSB haar positie als commerciële bank verder versterkt, met een breed aanbod aan producten en diensten voor zowel particuliere als zakelijke klanten. DSB heeft een uitgebreid kantorennetwerk en een groeiende digitale aanwezigheid, waardoor zij in staat is om een breed klantenbestand efficiënt te bedienen.

Hoewel exacte marktgegevens over 2023 voor de sector als geheel beperkt beschikbaar zijn, wordt algemeen erkend dat DSB de grootste commerciële bank van Suriname blijft, op basis van activa, klantenbestand en marktaandeel in deposito's en leningen (33,0%). Deze positie wordt ondersteund door een combinatie van financiële soliditeit, klantgerichtheid en een voortdurende focus op innovatie en digitalisering.

DSB blijft zich inzetten om haar concurrentiepositie verder te versterken, onder meer door strategische investeringen in technologische infrastructuur, klantbeleving, en personeelsontwikkeling. De bank streeft ernaar om niet alleen marktleider te zijn in omvang, maar ook in kwaliteit van dienstverlening en betrouwbaarheid.

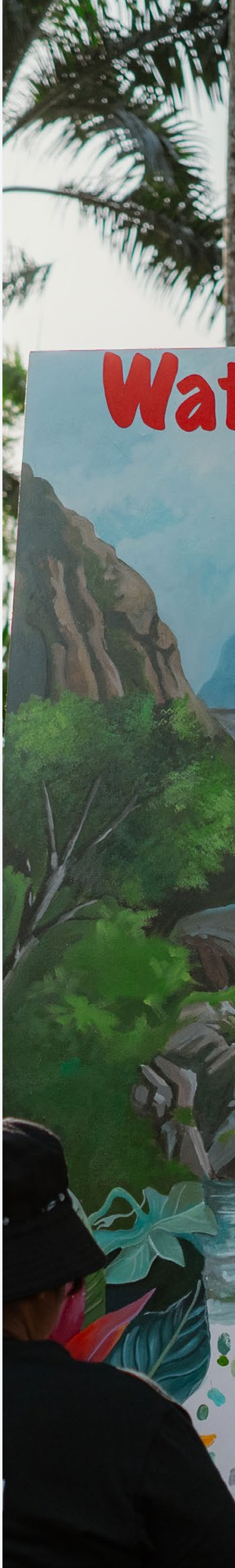
Menselijk kapitaal als motor van groei

Bij DSB staat de ontwikkeling en inzet van medewerkers centraal als fundament voor duurzame groei en waardecreatie. In 2023 is actief geïnvesteerd in het versterken van het menselijk kapitaal door middel van diverse initiatieven op het gebied van opleiding, talentontwikkeling en prestatiegericht werken.

Heldere rolomschrijvingen en afgebakende verantwoordelijkheden vormen de basis voor effectieve samenwerking en individuele groei. Medewerkers werden gestimuleerd om hun professionele vaardigheden te ontwikkelen via gerichte trainingen, waaronder:

Klantgericht bankieren:
Trainingstrajecten voor frontofficepersoneel gericht op het verhogen van de klanttevredenheid en het versterken van klantrelaties;

Risk & Compliance Awareness:
Onder andere verplichte e-learningmodules voor alle medewerkers, ter bevordering van risicobewustzijn en naleving van interne en externe regelgeving.



[4] World Bank 2024

Leiderschapsontwikkeling:
Coachings-trajecten en kennissessies voor teamleiders en afdelingshoofden, gericht op het versterken van leiderschap binnen een veranderende organisatiecontext.

Om medewerkers actief te betrekken bij de strategische koers van de organisatie zijn verschillende interne communicatie- en participatievormen versterkt.

Door te investeren in kennis, betrokkenheid en loopbaanontwikkeling bouwt DSB aan een wendbare en toekomstgerichte organisatiecultuur. Medewerkers worden structureel ondersteund om hun potentieel optimaal te benutten en zo actief bij te dragen aan het realiseren van de strategische doelstellingen van DSB.

Duurzame initiatieven en successen
DSB streeft naar een bedrijfsvoering die in balans is met mens, milieu en maatschappij. In de afgelopen jaren heeft DSB belangrijke stappen gezet richting een meer duurzame en verantwoorde organisatie.

Een aanzienlijk deel van de conventionele verlichting van ons kantorennetwerk is vervangen door LED-verlichting, waarmee het energieverbruik aanzienlijk is teruggedrongen. Daarnaast wordt het gebruik van papier actief gereduceerd door de voortdurende digitalisering van interne processen en klantgerichte diensten.

Duurzaamheid is verankerd in onze bedrijfsstrategie. DSB werkt al enige tijd samen met de Suriname Conservation Foundation (SCF) aan het bevorderen van milieubewust ondernemen. Deze langdurige samenwerking onderstreept onze toewijding aan het behoud van natuurlijke hulpbronnen en aan de ondersteuning van initiatieven die bijdragen aan een duurzamer Suriname.

Met deze initiatieven bevestigt DSB haar rol als verantwoordelijke financiële instelling die verder kijkt dan winstgevendheid alleen. Wij blijven investeren in oplossingen die bijdragen aan een groene toekomst, voor zowel onze organisatie als de samenleving waarin wij actief zijn.

Vooruitzichten voor de toekomst
De toekomst van DSB staat in het teken van duurzame groei, innovatie en digitalisering. We blijven investeren in technologische vooruitgang om onze klanten snellere, veiligere en gebruiksvriendelijke digitale bankdiensten te bieden.

Daarnaast zetten we belangrijke stappen op het gebied van duurzaamheid, waarbij we onze strategie afstemmen op internationale ESG-standaarden. Dit betekent niet alleen een groenere bedrijfsvoering, maar ook het stimuleren van duurzame financieringsoplossingen voor onze klanten en partners.

De verwachte economische transformatie, gedreven door de groei van de Oil & Gas-sector, biedt nieuwe kansen voor financiële dienstverlening. DSB speelt hierop in door bedrijven en ondernemers te ondersteunen met gerichte financiële producten en advies.

Met deze strategieën versterken we niet alleen onze positie als toonaangevende bank in Suriname, maar bouwen we ook aan een innovatieve, efficiënte en toekomstbestendige financiële sector die klaar is voor de uitdagingen en kansen van morgen.

Dividendvoorstel

Na jaren van intensieve inspanningen gericht op herstel en versterking van de financiële positie, heeft DSB in het boekjaar 2023 opnieuw positieve resultaten geboekt. De gerealiseerde winst, gecombineerd met een solide kapitaalpositie en een verbeterde geconsolideerde staat van de financiële positie stelt DSB in staat om een winstuitkering te doen aan haar aandeelhouders.

De winstuitkering markeert een belangrijke mijlpaal in de voortzetting van het hersteltraject dat in voorgaande jaren is ingezet. Het onderstreept het vertrouwen van de directie in de duurzame winstgevendheid van de organisatie en de strategische richting die is ingeslagen onder toezicht van de RvC.

Op basis van de financiële prestaties over 2023 stelt de directie, na verkregen goedkeuring van de RvC voor om een winstuitkering van SRD 5,30 per aandeel uit te keren wat neerkomt op een totale winstuitkering van SRD 200,0 miljoen.
Dit voorstel houdt rekening met:

- De behaalde nettowinst over het boekjaar 2023 dat SRD 697,8 miljoen bedraagt;
- De handhaving van een verantwoorde kapitaalbuffer in lijn met de vereisten van de CBvS;
- De continuïteit van toekomstige investeringen, nakomen van (toekomstige) verplichtingen en groei-initiatieven;
- De belangen van alle stakeholders, waaronder aandeelhouders, klanten, medewerkers, leveranciers en toezichthouders;
- De statuten van de bank.

De winstuitkering zal worden voorgelegd ter goedkeuring aan de AVA.

Met dit voorstel bevestigt de directie haar inzet voor het creëren van waarde voor aandeelhouders, binnen de context van een prudent en duurzaam financieel beleid.

Slotwoord

Wij kijken met trots terug op een jaar waarin DSB, ondanks diverse uitdagingen, aanzienlijke vooruitgang heeft geboekt. Deze prestaties zijn het resultaat van de gezamenlijke inzet van onze medewerkers en het blijvende vertrouwen van onze klanten.

Wij spreken onze oprechte waardering uit voor de toewijding, professionaliteit en veerkracht van al onze medewerkers. Hun inzet vormt de drijvende kracht achter de groei en transformatie van onze organisatie. Eveneens danken wij onze klanten voor hun loyaliteit en het vertrouwen dat zij in DSB stellen.

Met deze sterke basis bouwen wij verder aan een toekomstbestendige bank die klaar is voor de uitdagingen van morgen. **Werk aan nu en geef de toekomst door.**

Namens de directie:
Alexander van Petten - Chief Operations Officer
Waldo Halfhuid - Chief Financial Officer
Ashna Kamta - Chief Risk Officer

Financieel Overzicht en Financiële Kengetallen 2023 – 2022

in duizenden SRD per 31 december	2023	2022*
Financieel Resultaat		
Netto rentebaten	1.881.573	2.234.875
Netto provisiebaten	291.248	331.667
Overige bedrijfsopbrengsten	224.975	432.388
Operationele kosten	(986.664)	(1.047.194)
Bijzondere waardeverminderingswinsten /(verliezen) uit veranderingen in de verwachte kredietverliezen	457.767	(45.049)
Nettoresultaat vóór belastingen en verlies op monetaire posities	1.868.899	1.906.687
Nettoresultaat	**697.753**	**668.541**
Financiële Positie		
Kasmiddelen en tegoeden bij centrale banken	10.966.669	14.107.714
Vorderingen op banken	9.545.368	7.906.154
Leningen en voorschotten aan klanten	5.887.236	6.072.995
Aangekochte financiële activa met verslechterde kredietwaardigheid	1.925.843	2.649.342
Overige activa	6.362.918	4.492.877
Totaal activa	**34.688.034**	**35.229.082**
Verplichtingen aan klanten	28.315.433	29.763.019
Verplichtingen aan banken	62.917	353.073
Overige passiva	3.229.489	2.573.489
Eigen vermogen	3.080.195	2.539.501
Totaal Passiva en Eigen Vermogen	**34.688.034**	**35.229.082**
Financiële Indicators		
Rentabiliteit eigen vermogen (REV)	24,8%	30,8%
Rentabiliteit totaal vermogen (RTV)	2,0%	1,9%
Personeelskosten/totale baten	23,8%	20,8%
Personeelskosten/totale kosten	57,8%	59,6%
Kosten/inkomstenratio	41,1%	34,9%
Solvabiliteitsratio	24,2%	22,3%
Winst per aandeel	18,5	17,7
Koers/Winstverhouding (P/E)	1,1	0,5
Aantal werknemers op basis van fulltime-equivalenten	406	416

**De balansen voor 2022 zijn aangepast in overeenstemming met IAS 29 Hyperinflatie (zie toelichting 4.24).*

REPORT OF THE SUPERVISORY BOARD

This report outlines the duties performed by the Supervisory Board (SB) for the 2023 financial year.

Following previous reporting years, De Surinaamsche Bank N.V. (DSB) continued to report in 2023 in accordance with IAS 29, which is part the International Financial Reporting Standards (IFRS). This standard, intended for financial reporting in hyperinflationary economies, enables DSB to adjust its financial information for the effects of inflation, providing figures that better reflect economic reality.

Composition of the Managing Board in 2023

In 2023, the Managing Board consisted of:

- Arjan Molenkamp - Acting Chief Executive Officer (CEO), employment ended on September 1, 2023
- Rene van Rooij - Chief Operations Officer (COO), employment ended on October 6, 2023
- Alexander van Petten - Chief Risk Officer (CRO), appointed as of February 1, 2023
- Waldo Halfhuid - Chief Financial Officer (CFO), appointed as of August 1, 2023

Current Composition of the Managing Board

With the appointment of three statutory directors, DSB meets both the principles of good Corporate Governance and the requirements of the Central Bank of Suriname (CBvS) for systemically important financial institutions. In line with the CBvS' regulatory framework, such institutions must have a minimum of three statutory directors.

Current Managing Board consists of three statutory Board Members:

- Alexander van Petten - COO
- Waldo Halfhuid - CFO
- Ashna Kamta - CRO

Supervisory Board

In 2023, the Supervisory Board consisted of:

- Nilesh Bishesar - Chairman
- Roy Baidjnath-Panday - Vice Chairman
- Robert Kasanrawi - Member
- Rishie Parbhudayal - Member
- Stanley Mathura - Member
- Jürgen van Ommeren - Member
- Judith van der Gugten, appointed as of December 2023 - Member

Current Supervisory Board consists of:

- Nilesh Bishesar - Chairman
- Roy Baidjnath-Panday - Vice Chairman
- Robert Kasanrawi - Member
- Rishie Parbhudayal - Member
- Jürgen van Ommeren - Member
- Judith van der Gugten - Member
- Hemwatie Ramadhin - Member

Policy and Supervision in 2023

In 2023, the focus remained on further strengthening the internal organization and optimizing Governance, Compliance and Risk Management Functions. Significant efforts were made to further improve the bank's sustainable Financial Position. In 2023, Waldo Halfhuid was nominated as CFO by the SB and the nomination was approved by the General Meeting of Shareholders (GMS).

The increasing emphasis on uniformity and transparency in Financial Reporting continues to drive the implementation of IFRS. In this regard, DSB is working closely with its external auditors to eliminate the backlog in Annual Reporting. In the past 17 months, three annual reports were successfully completed. With this, DSB is on track to be able to publish its Annual Reports within six months after the end of the Financial Year starting from the 2026 Financial Year, in accordance with international Best Practices, the Suriname Financial Statements Act, and DSB's Articles of Association.

In 2023, the SB held fifteen meetings and participated in seminars and training sessions. In addition to the regular meetings, the SB also held closed sessions, without the presence of the Managing Board, to discuss specific matters related to DSB.

Developments in 2023

In 2023, DSB recorded a net profit after tax of SRD 697.8 million, an increase of SRD 29.2 million compared to the restated 2022 result (SRD 668.5 million). This performance was achieved in a challenging economic environment, characterized by persistent inflationary pressures and volatility in the foreign exchange market.

The profit increase in 2023 was primarily driven by:

- Release of Credit Provision;
- Growth in Trading Income;
- Cost control;
- Effective mitigation of hyperinflationary losses.

Committees of the Supervisory Board

Audit Committee

In 2023, the Audit Committee (AC) consisted of:

- Robert Kasanrawi - Chairman
- Stanley Mathura - Member
- Jürgen van Ommeren - Member

Current AC consists of:

- Robert Kasanrawi - Chairman
- Jürgen van Ommeren - Member
- Judith van der Gugten - Member

The committee met several times, including with the external auditor and IT auditors on critical risks and internal control measures. The responsibilities of the AC are set out in the Audit Committee Charter. In 2023, the committee met eight times.

A fixed item of the agenda concerned the recommendations and follow-ups of the Internal Audit Department (IAD), the external auditor and the CBvS.

Additionally, topics such as the functioning and capacity of the IAD, audit reports and the preparation of the Internal Audit Annual Plan were discussed.

Risk & Compliance Committee

In 2023, the Risk & Compliance Committee (RCC) consisted of:

- Rishie Parbhudayal - Chairman
- Stanley Mathura - Member
- Roy Baidjnath-Panday - Member

The current composition is as follows:

- Rishie Parbhudayal - Chairman
- Roy Baidjnath-Panday - Member
- Jürgen van Ommeren - Member

The committee held twelve meetings in 2023. Discussions included risk appetite, tolerance and monthly compliance reports from DSB.

Selection, Appointment & Remuneration Committee

In 2023, the Selection, Appointment & Remuneration Committee (SARC) consisted of:

- Roy Baidjnath-Panday - Chairman
- Robert Kasanrawi - Member
- Rishie Parbhudayal - Member

The current composition is as follows:

- Roy Baidjnath-Panday - Chairman
- Robert Kasanrawi - Member
- Rishie Parbhudayal - Member
- Judith van der Gugten - Member

The committee held six meetings in 2023, focusing mainly on recruiting a CFO.

Performance Evaluation

The SB conducted periodic self-evaluations to ensure compliance with legal and regulatory requirements. During these evaluations, the Board members assessed each other individually and also as a team on a number of issues that the Board considers crucial for proper supervision. Each Board member's focus areas were also listed and discussed so that there was unwavering focus on key Board issues. The SB's performance was deemed satisfactory, with room for improvement.

Remuneration

The GMS determines the remuneration of the SB at SRD 912,373 (2022: SRD 1,376,170). The aforementioned amounts mentioned include hyperinflation impact amounting to SRD 74,209 (2022: SRD 542,170).

Proposal for Profit Distribution and Dividend Payment

In pursuance of Article 22 of DSB's Articles of Association and based on the Financial Statements for the Financial Year 2023, the SB reports as follows:

As a result of the positive earnings development in the reporting year, the bank's equity position has been further strengthened. As of year-end 2023, the net result for the financial year amounts to SRD 697.8 million. Given this strengthened equity position, the SB considers it responsible and appropriate, on the proposal of the Managing Board, to propose a profit distribution of SRD 200.0 million (SRD 5.30 per share) to shareholders.

This distribution is in line with the bank's prudent Financial Policy and takes into account maintaining a solid capital base and the necessary room for future investment and growth.

The profit distribution proposal will be submitted for approval to the GMS together with the Financial Statements and the external auditor's audit report. After approval, the amount after profit appropriation will be formally added to the retained earnings.

Outlook

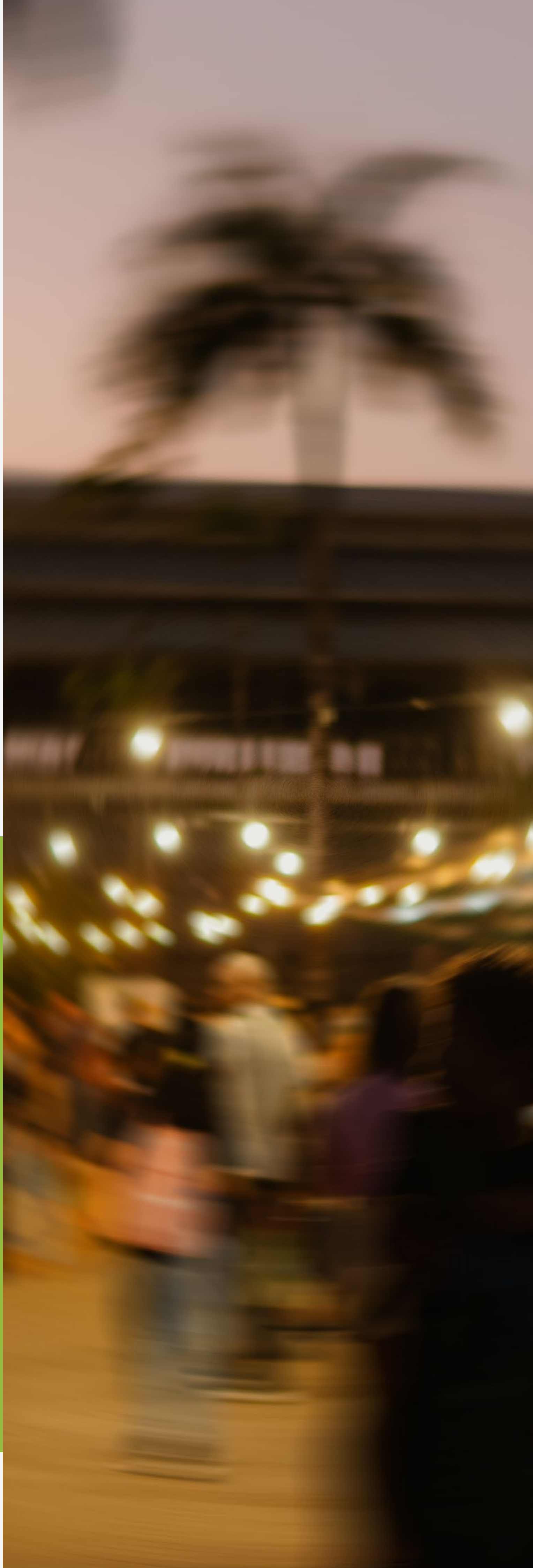
DSB's transformation process continues to progress steadily. Improved Risk Mangement and the settlement of non-performing loans further strengthened financial stability. The SB is confident in DSB's solid and sustainable future.

Acknowledgement

The SB would like to expresses its gratitude to the Managing Board, its employees, customers, suppliers, and shareholders for their trust and commitment to the bank.

On behalf of the SB:

- Nilesh Bishesar - Chairman
- Roy Baidjnath-Panday - Vice - Chairman
- Robert Kasanrawi - Member
- Rishie Parbhudayal - Member
- Jürgen van Ommeren - Member
- Judith van der Gugten - Member
- Hemwatie Ramadhin - Member




DSB
SU

CORPORATE GOVERNANCE

DSB aims for a high standard of Corporate Governance, founded on transparency, integrity, and accountability. These principles are reflected in DSB's Corporate Governance Code, which serves as a guideline for management and oversight within the organization. Good Corporate Governance not only supports the bank's performance but also enhances the trust of customers, shareholders, and other stakeholders.

Structure

Managing Board

The Managing Board of DSB is responsible for the bank's day-to-day management and the execution of strategic decisions. Managing Board Members are appointed by the General Meeting of Shareholders (GMS) upon recommendation by the SB and approval by the CBvS. The Managing Board reports regularly to the SB on the progress of Strategic Objectives, Financial Performance, and Risks.

Supervisory Board

The SB oversees the policy of the Managing Board and the general course of business within the bank. Members of the SB are appointed by the GMS and approved by the CBvS. The SB consists of at least five members and is supported by specialized committees:

Audit Committee

This committee supervises Financial Reporting, Internal Controls, and Audits. It works closely with the internal audit department and external auditors to ensure transparency and compliance with legal requirements.

Risk & Compliance Committee

This committee focuses on the bank's Risk Management, including Credit Risk, Liquidity Risk, and Operational Risk. It reviews the Risk Management Policy and monitors compliance with Laws and Regulations.

Selection, Appointment, and Remuneration Committee

This committee advises on appointments, Remuneration Structures, and Performance Management within the Managing Board and Senior Management levels. It ensures that the Remuneration Policy aligns with the bank's Strategy and Risk Profile.

General Meeting of Shareholders

The GMS plays a key role in DSB's Corporate Governance. Shareholders have voting rights on major decisions such as the appointment of directors, approval of Annual Accounts, and the bank's strategic direction.

Principles of Corporate Governance at DSB

DSB's Corporate Governance Code emphasizes:

1. **Transparency:**
   Open communication about policies, results, and challenges.

2. **Accountability:**
   Clear roles and responsibilities for all governing bodies.

3. **Oversight:**
   Effective control mechanisms to protect the interests of shareholders and other stakeholders.

4. **Sustainability:**
   Integration of Environmental, Social, and Governance (ESG) principles into the bank's strategy and operations.

Key Aspects of Governance

1. **Risk Management:**
   DSB has a comprehensive Risk Management Framework that is regularly evaluated and adjusted to changes in the financial and economic environment. This includes Credit Risks, Liquidity Management, and Cyber Security.

2. **Compliance and Integrity:**
   The bank maintains strict adherence to local and international regulations. There is a strong focus on Anti-Money Laundering (AML) and Counter-Terrorism Financing (CFT).

3. **Stakeholder Engagement:**
   DSB values constructive dialogue with customers, shareholders, and other stakeholders. The bank organizes regular meetings and publishes transparent reports on its performance and outlook.

4. **Self-Evaluation:**
   Both the Managing Board and the SB conduct periodic self-evaluations to improve the effectiveness of their Governance Practices.

Future Goals

To further enhance its governance, DSB aims for:

- **Innovation in Governance:**
  Utilize technology to improve reporting and Risk Management.

- **Diversity and Inclusion:**
  Promote diversity in the composition of the Managing Board and SB.

- **Sustainability:**
  Further integrate ESG considerations into strategy and operations.

DSB's Corporate Governance not only supports current performance but also lays the foundation for a sustainable and resilient future. With strong Governance and effective oversight mechanisms, DSB remains a reliable financial partner for its customers and a key player in Suriname's Financial Sector.

PROFILES SUPERVISORY BOARD

NILESH BISHESAR

Chairman

- Member of the Supervisory Board of DSB since 2021 and since 2023 Chairman of the Board;
- Since 2012, Managing Director of Qualogy Caribbean;
- From 2022 to 2024, Board member of the ICT Association;
- From 2017 to 2020, Member of the Supervisory Board at the Surichange Bank;
- From 2010 to 2012, General Manager at Qualogy Caribbean;
- From 2008 to 2010, Managing Director at Westgroup Consulting;
- From 2006 to 2008, Manager Corporate & Consumer Sales at Digicel Caribbean;
- From 2003 to 2006, Business Development Officer at Staatsolie Maatschappij Suriname N.V;
- From 2001 to 2003, Account Manager at Zoodat Webmedia;
- Has over 25 years of experience in various leadership positions in the Caribbean and the Netherlands;
- Holds a Doctoral Degree in Aerospace Engineering from TU-Delft and a Master's Degree in Business Administration from FHR Institute/Maastricht School of Management.

ROY BAIDJNATH-PANDAY

Vice Chairman

- Member of the Supervisory Board of DSB since 2021 and since 2022 also Vice President of the Board;
- Is member of the Risk & Compliance Committee (RCC), and Chairman of the Selection, Appointment, and Remuneration Committee (SARC);
- Since 2021, Chairman of the Project Implementation Unit for Anti-Money Laundering for Suriname;
- From 2014 to 2021 Prosecutor General;
- From 1998 to 2020, Chairman of the National Anti-Money Laundering Committee and Suriname's representative at the Caribbean Financial Action Task Force;
- From 1988 to 2020, Chairman and member of various advisory committees and boards in the field of Law and Justice;
- Possesses over 35 years of experience in various leadership positions within the Judiciary, including Attorney General and Chief Prosecutor;
- Holds a master's degree in law from the University of Paramaribo and a diploma in Human Rights from the University of Curaçao.

RISHIE PARBHUDAYAL

Supervisory Board Member

- Member of the DSB Supervisory Board since 2020;
- Member of the Risk Committee (RCC) and member of the Selection, Appointment and Remuneration Committee (SARC) as well as the Audit Committee (AC);
- Managing Director of Assuria Life Curacao since October 2023;
- Chief Operations Officer at Assuria N.V. since July 1, 2017;
- Member of the Board of Directors of Gulf Insurance Ltd., Assuria Life (T&T) Ltd., Assuria General & Life (Guyana) Inc.;
- Chairman of the Investment Committee of Gulf Insurance Ltd., Assuria Life T&T, Assuria General & Life (Guyana) Inc.;
- Board Member/Secretary of the Suriname Stock Exchange;
- Member of the Actuarial Society in the Netherlands (AG) and the Caribbean Actuarial Association (CAA);
- Has over 27 years of experience in the Financial Sector;
- Holds a Doctoral Degree in Actuarial Sciences and Econometrics.

JUDITH VAN DER GUGTEN

Supervisory Board Member

- Member of the DSB Supervisory Board since December 2023;
- Member of the Audit Committee (AC) and the Selection, Appointment and Remuneration Committee (SARC);
- Has been working independently as a consultant since 2012;
- Part-time lawyer at Sewcharan & Pick since August 2023;
- Member of the National Accreditation Council (NOVA) on behalf of the Suriname Trade & Industry Association (VSB) since September 2021;
- Deputy member of the Labor Advisory College (AAC) on behalf of the VSB since 2016;
- From 2007 to 2012, Director of the Suriname Netherlands Legal Cooperation Foundation (SJSSN), now the Center for Democracy and Justice (CDR);
- Holds a doctoral degree in Dutch Law obtained from Erasmus University Rotterdam and is a professionally trained Mediator.

ROBERT KASANRAWI

Supervisory Board Member

- Member of the Supervisory Board of DSB since 2018;
- Chairman of the Audit Committee (AC) and member of the Selection, Appointment and Remuneration Committee (SARC);
- Is Chief Director of Financial and Operational Affairs at Self Reliance N.V. since 15th December 2021;
- Served as the Chairman of Stichting Pensioenfonds C. Kersten & Co. from 2017 to 2018;
- Worked as Finance Manager at Kersten Lease N.V. from 2012 to 2017;
- Held various financial positions, including Financial Manager and Managing Director, at CKC Motors Co N.V. from 2005 to 2017;
- Has a Qualified Treasurer diploma from NIVE opleidingen B.V. Holland;
- Holds a Master's Degree in Business Administration and Management Accounting from FHR Institute/School of Management & University of Maastricht.

JÜRGEN VAN OMMEREN

Supervisory Board Member

- Member of the DSB Supervisory Board since 2021;
- Chairman of the Risk and Compliance Committee (RCC) and member of the Audit Committee (AC);
- Finance Manager at CKC Machinehandel Surmac N.V. since 2012;
- From 2010 to 2012, Audit team leader at Ernst & Young Accountants (Amsterdam);
- From 2007 to 2010, Audit team member at BDO CampsObers Accounts & Adviseurs;
- Holds a master's degree in accounting & Control, a postgraduate diploma of the Accountancy Education Program from the Vrije Universiteit Amsterdam and is a Registered Accountant (RA) accredited by the Dutch Professional Association of Accountants (NBA) as a result of the completion of the practical training program for accountants in Amsterdam.

HEMWATIE RAMADHIN

Supervisory Board Member

- Member of the DSB Supervisory Board since May 2025;
- Managing Director of Management Improvements NV since 2012;
- Member of the Datasur Supervisory Board since 2020;
- From 2022 to 2024, Member of the Hakrinbank Supervisory Board;
- From 2020 to 2022, Member of the Pharmaceutical Company Suriname (BGVS) Supervisory Board;
- From 2017 to 2019, Vice-chairman of the Supervisory Board of the Student Financing Fund of Suriname (FSS), National Development Bank (NOB);
- From 2012 to 2017, Director of Boks.sr;
- From 2010 to 2013, Commercial Director of Telecommunication Paramaribo UNIQA;
- Holds a Master's degree in Business Economics from Erasmus University Rotterdam.

PROFILES MANAGING BOARD

WALDO HALFHUID

Chief Financial Officer

- Has been with DSB since August 2023 as Chief Financial Officer;
- Is Chairman of the Banking Security Association Suriname (SBBDS);
- Is Member of the Supervisory Board of DSB-Assuria Real Estate Company N.V. (DAVG);
- Served as Senior Advisor Regulatory Reporting Policies at ING Bank from 2018 to 2023.
- From 1999 to 2018, held various Finance positions at NIBC Bank, including Associate Director, Vice President, and Head of Regulatory Reporting;
- Was Member of various commissions for the ING Bank and NIBC Bank in the Netherlands, including Dutch Banking Association (NVB) and European Banking Federation (EBF).

ALEXANDER VAN PETTEN

Chief Operations Officer

- Has been a statutory director of DSB since February 2023 and serves as Chief Operations Officer (COO) starting September 2024;
- Has been with DSB since 2012, holding several positions, including Chief Risk Officer, Head of Risk, Department Manager, and E-Banking & Payments Manager;
- Serves since October 2023 as Chairman of the Surinamese Bankers Association;
- Is Member of the Supervisory Board of Banking Network Suriname N.V. (BNETS);
- Is Board Member of the Credit Guarantee Fund Suriname.

ASHNA KAMTA

Chief Risk Officer

- Appointed as Chief Risk Officer in September 2024 at DSB;
- Has been with DSB since 2002, holding various positions such as Head of Risk, Manager Compliance, Manager Service Center, Manager Risk & Compliance, Acting Internal Audit Manager, and Senior Internal Auditor;
- Is a Certified Anti-Money Laundering Specialist (CAMS);
- Is a Certified Transaction Monitoring Associate (CTMA);
- Delegate of DSB in the Suriname Conservation Foundation Green Partnership Program;
- Delegate of the Surinamese Bankers Association (SBV) in the National SDG platform/ the SDG commission for the private sector.

THE WORLD AROUND US

In 2023, Suriname continued its gradual path to economic recovery within a complex and evolving global landscape. Although the direct effects of the COVID-19 pandemic diminished, global uncertainties arising from geopolitical tensions, persistent inflation, commodity price volatility, and tightened financial conditions continued to impact local and regional economies. The IMF-supported recovery program remained a cornerstone of Suriname's economic strategy, while domestic reforms gained momentum.

Global and Regional Economic Context

Global Growth:

The global economy grew at a modest pace of 3.0% in 2023, lower than the 3.5% in 2022[5]. This slowdown was mainly caused by tighter monetary policies to combat inflation, disruptions in energy markets, and ongoing geopolitical conflicts, particularly in Europe and the Middle East.

Latin America and the Caribbean:

Regional growth further slowed to around 2.3% in 2023. High inflation, rising interest rates, currency depreciations, and commodity price fluctuations heavily weighed on economic activity in the region. Nevertheless, resilient consumption patterns and targeted fiscal support programs prevented a deeper recession.

Suriname:

Against this backdrop, Suriname's economic recovery remained stable but fragile. GDP growth in 2023 was estimated at 2.0%[6]. Structural reforms under the IMF's Extended Fund Facility (EFF) continued to anchor macroeconomic and fiscal policies.

Inflationary pressures and currency volatility persisted, but were mitigated through coordinated policy measures.

Macroeconomic Developments in Suriname

Unemployment and Labor Market:

Unemployment modestly declined to 10.3% by November 2023, indicating increased economic activity in the services, construction, retail, and small-scale manufacturing sectors.

Labor Market participation slightly improved, reflecting renewed confidence among job seekers.

Trade Balance

Exports:

Gold remained the principal export commodity, although production faced operational challenges. New investments in offshore oil exploration yielded promising results, expected to strengthen exports in the coming years.

Imports:

Inflation-driven import costs for food, fuel, and manufactured goods continued to pressure the trade balance. Efforts to stimulate domestic production provided some relief.

Inflation and Currency Depreciation

Inflation:

Annual inflation remained high at around 32.6% in 2023[7], driven by exchange rate fluctuations, high import prices, and domestic Supply Chain bottlenecks.

Exchange Rate:

The Surinamese Dollar (SRD) continued under a managed floating regime. Although stabilization efforts by the CBvS provided temporary relief, structural vulnerabilities continued to put pressure on the SRD.

Monetary and Fiscal Policy

Central Bank Measures:

The CBvS maintained a restrictive Monetary Policy by keeping the SRD cash reserve requirement at 44.0% and intensifying Open Market Operations (OMOs) to manage excess liquidity.

Foreign Exchange interventions and stricter control measures aimed to curb speculative pressure and stabilize the SRD.

Fiscal Policy:

Fiscal consolidation efforts were reinforced through improved tax collection (including preparations for Value-Added Tax (VAT) implementation and expenditure control.

Agreements on Public Sector wage increases and social support measures were carefully balanced against concerns over debt sustainability.

IMF Support:

The IMF's Extended Fund Facility (EFF), approved in 2021, remained vital for policy credibility and external financing.

Additional tranches were disbursed following successful program reviews, contingent upon progress in fiscal reforms, monetary discipline, and governance improvements.

[5] IMF World Economic Outlook, October 2023
[6] IMF, October 2023
[7] General Bureau of Statistics Suriname,2024

International Ratings:
Suriname's credit ratings by Fitch Ratings and Standard and Poor's Global (S&P) remained at "Selective Default" (SD) and "Restricted Default" (RD) as of December 2023, reflecting ongoing debt restructuring negotiations and exposure to external shocks.

Strategic Implications for Suriname in 2023

Stabilizing Inflation:
Policy measures focused on improving supply chains, boosting agricultural production, and stabilizing the foreign exchange market to manage price pressures.

Promoting Export Growth:
Expansion of gold production, commercialization of new offshore oil projects, and growth in agriculture and tourism were prioritized to diversify export revenues.

Strengthening Financial Institutions:
Banking sector reforms focused on reducing non-performing loans (NPLs), increasing capital requirements, and enhancing transparency.

Digital Financial Services expanded, especially in rural areas, supporting Financial Inclusion.

Enhancing Social Support:
Targeted cash transfer programs and subsidies helped mitigate the adverse effects of inflation on vulnerable populations.

Retraining programs were introduced to better align the Labor Market with evolving economic demands.

Governance and Transparency:
Anti-Corruption initiatives and Public Sector reforms were accelerated, enhancing institutional credibility and investor confidence.

Conclusion
In 2023, Suriname's economic landscape reflected cautious optimism. Despite persistent external vulnerabilities and inflationary pressures, continued commitment to structural reforms and international support laid the foundation for more stable growth.

A resilient and inclusive recovery requires ongoing policy vigilance, deeper economic diversification, strengthened Financial Systems, and robust social protection mechanisms. With continued focus, Suriname is well-positioned to move toward a more prosperous and sustainable future.

MANAGEMENT REPORT

In 2023, De Surinaamsche Bank N.V. (DSB) made significant strides in strengthening both its financial and market position. Despite a challenging macroeconomic environment, the bank succeeded in operating in a resilient manner while further enhancing its provision of services.

Through targeted process optimizations and investments in technological innovation, our products and services have become more accessible, efficient, and customer-oriented. Digitalization plays a central role in achieving a modern, forward-looking banking experience.

At the same time, Risk Management and maintaining financial stability were strongly focused on. This resulted in a solid and sound Consolidated Statement of Financial Position, further enhancing DSB's resilience against external shocks.

Customer and partner confidence continued to grow in 2023. This resulted in increased customer satisfaction, strengthened customer relationships as well as a further expansion of our services.

In addition, DSB further developed its ESG policy. Concrete steps were taken in the areas of sustainability and Corporate Social Responsibility, reaffirming the bank's role as a responsible Financial Institutions.

Financial Performance

Despite persistent external macro-economic challenges, DSB delivered a solid Financial Performance in 2023. The strategy chosen, focused on Operational Efficiency and Cost Control, resulted in sound earnings and a strengthened Balance Sheet Position.

The Key Financial highlights for the Financial Year 2023 are as follows:

- Net profit after tax: SRD 697.8 million (restated 2022: SRD 668.5 million)
- Equity: Increased to SRD 3.1 billion, further strengthening the bank's financial resilience and capital buffer.
- Solvency ratio: Improved to 24.2%, well above the regulatory requirements set by the CBvS.
- Net interest income: A decrease of 15.8%, mainly driven by the decrease in returns on OMO's.
- Operating expenses: Through process optimization and Digital Transformation, a more efficient cost structure was achieved.

The achieved Fiancial Results underscore the effectiveness of the implemented strategy and form a solid basis for further growth, investments, and value creation for our stakeholders.

Strategic Developments and Innovation

In 2023, DSB further accelerated the modernization of its services. By investing in Digital Channels and Online Banking Services, we offered our customers greater convenience while simultaneously improving our operational efficiency.

An important milestone was the enhancement of our Mobile Banking App, enabling customers to manage their banking affairs with greater ease and security.

To strengthen our Corporate Services, we again participated in the Suriname Energy, Oil & Gas Summit (SEOGS). This provided a valuable opportunity to position DSB as a strategic financial partner in the growing Oil & Gas Sector.

Additionally, we organized our first auto fair, offering customers a platform to finance their mobility needs and directly connect with automotive companies and financing options.

Through these initiatives, DSB continues to renew and enhance its services, with a strong focus on accessibility, efficiency, and customer-centricity.

Risk Management and Compliance

A sound Risk Management Strategy remains crucial in an ever-evolving and complex financial environment. In 2023, DSB further strengthened its commitment to thorough Risk Management. The bank enhanced its internal control measures and Compliance Framework to ensure continued adherence to both Local and International Regulations.

Risk Management remained a priority in 2023, with the following Strategic Initiatives:

- Credit Risk Management: Measures were taken to actively manage Credit Risks and maintain the quality of the Loan Portfolio in response to economic uncertainties and currency fluctuations.
- Optimization of Incident Management: Systems for recording, monitoring, and analyzing operational incidents were refined, enabling faster and more effective responses.
- Strengthening AML/CFT Measures: DSB further adjusted its Compliance Framework to meet stricter regulations on Anti-Money Laundering (AML) and Countering the Financing of Terrorism (CFT), including enhanced client due diligence and transaction monitoring.
- Cybersecurity: The bank's digital resilience was improved by strengthening preventive and detective IT security measures in response to rising global cyber threats.

These efforts contributed to maintaining a stable, transparent, and trustworthy Financial Institution. DSB will continue investing in progressive Risk Management Policies that strengthen the organization's resilience and safeguard customer, regulator, and stakeholder confidence.

Market Position

Since its founding in 1865, DSB has been a leading player in Suriname's Financial Sector with a Market Share of 33.0%[4]. With a rich history and a strong presence in the banking landscape, DSB remains one of the most trusted and recognizable Financial Instituitons in the country.

In 2023, DSB further reinforced its position as a Commercial Bank, offering a broad range of products and services for both retail and Corporate Clients. With an extensive branch network and growing digital presence, the bank efficiently serves a wide client base.

While exact 2023 market data for the sector as a whole are limited, it is widely recognized that DSB continues to be one of Suriname's largest Commercial Banks, based on assets, Client Base, and Market Share in deposits and loans. This position is supported by financial solidity, customer focus, and continuous innovation and digitalization.

DSB remains committed to further strengthening its competitive position through strategic investments in technology infrastructure, customer experience, and staff development. The bank aspires to lead not only in size but also in quality of service and reliability.

Performance Management

At DSB, the development of employees is central. The bank actively invests in its personnel's potential through various initiatives aimed at growth, motivation, and engagement.

Clear roles and responsibilities form the basis for effective collaboration and personal development. DSB offers targeted, practical training programs to strengthen employee knowledge and skills, enabling further career growth within the organization.

A deliberate effort is made to foster a culture of motivation, collaboration, and engagement. The working environment is designed to encourage employees to fully utilize their talents and contribute to the strategic goals of the bank.

By actively involving employees in the success and future of DSB, the bank builds a strong, agile, and future-oriented organization.

Sustainability Initiatives and Achievements

DSB aims for operations that are balanced with respect for people, the environment, and society. In recent years, the bank has taken important steps toward becoming a more sustainable and responsible organization.

A significant portion of conventional lighting across our branch network has been replaced with LED lighting, significantly reducing energy consumption. Furthermore, paper usage has been actively reduced through ongoing digitalization of internal processes and customer services.

Sustainability is embedded in our business strategy. DSB has been partnering with the Suriname Conservation Foundation (SCF) to promote environmentally conscious business practices. This long-term collaboration underscores our commitment to preserving natural resources and supporting initiatives that contribute to a more sustainable Suriname.

Through these initiatives, DSB affirms its role as a responsible Financial Institutions that looks beyond profitability alone. We continue investing in solutions that contribute to a greener future for both our organization and the society we serve.

[4] World Bank 2024

Future Outlook

DSB's future focuses on sustainable growth, innovation, and digitalization. We will continue investing in technological advancement to provide our clients with faster, safer, and more user-friendly Digital Banking Services.

We are also taking major steps toward sustainability by aligning our strategy with international ESG Standards. This means not only greener operations but also promoting sustainable financing solutions for our clients and partners.

The anticipated economic transformation driven by the growth of the Oil & Gas sector offers new opportunities for financial services. DSB is positioning itself to support businesses and entrepreneurs with targeted financial products and advice.

Through these strategies, we are reinforcing our position as Suriname's leading bank while building an innovative, efficient, and future-ready financial sector prepared for tomorrow's opportunities and challenges.

Dividend Proposal

After years of intensive efforts to restore and strengthen its financial position, DSB achieved positive results again in the financial year 2023. The realized profit, combined with a solid capital position and improved Consolidated Statement of Financial Position ratios, enables the bank to propose a dividend distribution to its shareholders.

The dividend distribution marks an important milestone in the continued recovery process initiated in previous years. It underscores management's confidence in the bank's sustainable profitability and the chosen strategic direction.

Based on the financial results for 2023, the management proposes a dividend of SRD 5.30 per share, amounting to a total distribution of SRD 200.0 million. This proposal takes into account:

- The net profit achieved over the financial year 2023, amounting to SRD 697.8 million;
- Maintaining a prudent capital buffer in line with CBvS requirements;
- Ensuring continuity of future investments, fulfillment of (future) obligations, and growth initiatives;
- Balancing the interests of shareholders, clients, employees, suppliers and regulators;
- The Articles of Association of the Bank.

The dividend proposal will be submitted for approval at the Annual GMS.

With this proposal, the management reaffirms its commitment to creating value for shareholders within the framework of a prudent and sustainable financial policy.

Closing Remarks

We look back with pride on a year in which DSB, despite various challenges, made significant progress. These achievements are the result of the collective efforts of our employees and the ongoing trust of our customers.

We express our sincere appreciation for the dedication, professionalism, and resilience of all our employees. Their commitment drives the growth and transformation of our organization. We also thank our customers for their loyalty and trust in DSB.

Building on this strong foundation, we continue to shape a future-proof bank, ready to meet the challenges of tomorrow. Building today, securing tomorrow.

On behalf of the Managing Board:
Alexander van Petten – Chief Operations Officer
Waldo Halfhuid – Chief Financial Officer
Ashna Kamta – Chief Risk Officer


DOELEN
2 ZERO HUNGER
2 ZERO HUNGER
4 QUALITY EDUCATION
5 GENDER EQUALITY
6 CLEAN WATER AND SANITATION
6 CLEAN WATER AND SANITATION
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
10 REDUCED INEQUALITIES
11 SUSTAINABLE CITIES AND COMMUNITIES
15 LIFE ON LAND

Financial Summary and Key Financial Indicators 2023 – 2022

in thousand SRD as at 31 December	**2023**	**2022***
Financial Results		
Net interest income	1,881,573	2,234,875
Net fee and commission income	291,248	331,667
Other operating income	224,975	432,388
Operating expenses	(986,664)	(1,047,194)
Impairment gains/(losses) from changes in the expected credit loss	457,767	(45,049)
Net income before tax and loss on monetary position	1,868,899	1,906,687
Net income	**697,753**	**668,541**
Financial Position		
Cash and balances with central banks	10,966,669	14,107,714
Due from banks	9,545,368	7,906,154
Loans and advances to customers	5,887,236	6,072,995
Purchased originated credit impaired financial assets	1,925,843	2,649,342
Other assets	6,362,918	4,492,877
Total Assets	**34,688,034**	**35,229,082**
Due to customers	28,315,433	29,763,019
Due to banks	62,917	353,073
Other liabilities	3,229,489	2,573,489
Shareholder's Equity	3,080,195	2,539,501
Total Liabilities and Equity	**34,688,034**	**35,229,082**
Financial Indicators		
Return on Equity (RoE)	24.8%	30.8%
Return on Assets (RoA)	2.0%	1.9%
Personnel expenses/total income	23.8%	20.8%
Personnel expenses/total expenses	57.8%	59.6%
Cost to income ratio	41.1%	34.9%
Solvency ratio	24.2%	22.3%
Earnings per share	18.5	17.7
Price to Earnings Ratio (P/E)	1.1	0.5
Number of employees at a full-time equivalent basis	406	416

**2022 balances were adjusted in line with IAS 29 Hyperinflation (see Note 4.24).*

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Shape the future
with confidence

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF DE SURINAAMSCHE BANK N.V.

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of De Surinaamsche Bank N.V. and its subsidiary ("the Group"), which comprise the consolidated statement of financial position as at 31 December 2023 and the consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2023 and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards.

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 *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' ("IESBA") International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Shape the future
with confidence

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF DE SURINAAMSCHE BANK N.V.

Report on the Audit of the Consolidated Financial Statements
(Continued)

Key audit matters
(Continued)

Key audit matter	How our audit addressed the key audit matter
Allowance for Expected Credit Losses (ECLs) IFRS 9: Financial instruments requires the Group to record an allowance for Expected Credit Losses (ECLs) for all advances and other financial assets not held at fair value through profit and loss (FVPL), together with loan commitments and financial guarantee contracts. Advances (loans) and other financial assets held at amortized cost comprise 36% of the Group's total assets. The estimation of ECLs on financial assets is inherently uncertain and is subject to significant judgement. Furthermore, models used to determine credit impairments are complex, and certain inputs used are not fully observable. Management compensates for any model and data deficiencies by applying overlays to these outputs which adjusts the ECLs.	Our audit procedures in relation to the ECLs included: • Assessment and testing of the modelling techniques and methodologies developed by the Group in order to estimate the ECLs, and evaluated its compliance with the requirement of IFRS 9; • Reviewed the completeness and accuracy of data from underlying systems through to the models used to determine the ECLs. We considered the methodologies applied in determining Probabilities of Default (PDs) and the data used to estimate Loss Given Defaults (LGDs) and tested the Exposure at Default (EADs) against asset subledgers and amortization schedules. Where PDs and LGDs were based on assigned global credit ratings, we independently tested the source data; • We also performed sensitivity analysis, and for certain portfolios, re-performed the provision calculation using our own independent models. We understood and corroborated any material differences identified; • In evaluating the models and assumptions, we also considered whether all relevant risks were reflected in the modelled provision, and where not, whether overlays to modelled calculations appropriately reflected those risks. We challenged management to provide objective evidence to support the overlay adjustments made to the modelled provision.

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INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF DE SURINAAMSCHE BANK N.V.

Report on the Audit of the Consolidated Financial Statements
(Continued)

Other information included in the Group's 2023 Annual Report

Other information consists of the information included in the Annual Report, other than the consolidated financial statements and our auditor's report thereon. Management is responsible for the other information.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and the Audit Committee for the Consolidated Financial Statements

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

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

The Audit Committee is responsible for overseeing the Group's financial reporting process.

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

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

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INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF DE SURINAAMSCHE BANK N.V.

Report on the Audit of the Consolidated Financial Statements
(Continued)

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements
(Continued)

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the 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 Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee 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.

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INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF DE SURINAAMSCHE BANK N.V.

Report on the Audit of the Consolidated Financial Statements
(Continued)

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements
(Continued)

We also provide the Audit Committee 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, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The partner in charge of the audit resulting in this independent auditor's report is Andrew Tom.

Paramaribo,	08 May 2025
11930273	ATO/TK

Signed by
Ernst & Young Accountants

DSB Consolidated Financial Statements 2023

Consolidated Statement of Profit and Loss

in thousand SRD for the year ended 31 December	Notes	2023	2022* (Restated)
Interest income calculated using the effective interest method	8	2,187,150	2,616,054
Interest expense calculated using the effective interest method	9	(305,577)	(381,179)
Net interest income		1,881,573	2,234,875
Fee and commission income	10	336,502	368,160
Fee and commission expense		(45,254)	(36,493)
Net fee and commission income		291,248	331,667
Net trading income	11	86,616	14,687
Impairment gains/(losses) from changes in the expected credit loss	12	457,767	(45,049)
Net loss on financial assets and liabilities at fair value through profit or loss	13	(110)	(243)
Other operating income	14	138,469	417,944
Net operating income		**2,855,563**	**2,953,881**
Personnel expenses	15	(570,385)	(623,623)
Depreciation of property, equipment, and right-of-use assets	26	(41,125)	(33,499)
Amortization of intangible assets	28	(13,887)	(4,772)
Other operating expenses	16	(361,267)	(385,300)
Total operating expenses		(986,664)	(1,047,194)
Net income before tax and net monetary loss		**1,868,899**	**1,906,687**
Loss on monetary position	4.24	(544,221)	(639,591)
Net income before tax		**1,324,678**	**1,267,096**
Income tax expense	17.1	(626,925)	(598,555)
Net income after tax		**697,753**	**668,541**

Earnings per share			
Equity shareholders of the parent for the year:	**Notes**		
Basic earnings per share	34.1	18.49	17.72
Diluted earnings per share	34.1	18.49	17.72

*2022 balances were adjusted in line with IAS 29 Hyperinflation (see Note 4.24).

Consolidated Statement of Comprehensive Income

in thousand SRD for the year ended 31 December	Notes	2023	2022* (Restated)
Net income after tax		**697,753**	**668,541**
Other comprehensive (loss)/income that will not be reclassified to profit and loss in subsequent periods, net of tax			
Remeasurement gain on defined benefit plans	33	(85,149)	65,387
Revaluation of properties	26	(71,910)	8,453
Net other comprehensive (loss)/income that will not be reclassified to profit and loss in subsequent periods, net of tax		**(157,059)**	**73,840**
Other comprehensive (loss)/income for the year, net of tax		**(157,059)**	**73,840**
Total comprehensive (loss)/income for the year, net of tax		**540,694**	**742,381**
Attributable to:			
Equity holders of the parent		540,694	742,381
Total		**540,694**	**742,381**

*2022 balances were adjusted in line with IAS 29 Hyperinflation (see Note 4.24).

Consolidated Statement of Financial Position

in thousand SRD as of 31 December	Notes	2023	2022* (Restated)
Assets			
Cash and balances with central banks	18	10,966,669	14,107,714
Due from banks	19	9,545,368	7,906,154
Financial assets at fair value through profit or loss	21.2	336	446
Loans and advances to customers	22	5,887,236	6,072,995
Purchased or originated credit impaired financial assets	23	1,925,843	2,649,342
Debt instruments at amortized cost	24	4,707,501	2,694,260
Investments in associates	21.3	46,513	63,354
Other assets	25	369,921	361,949
Property, equipment, and right-of-use assets	26	1,166,260	1,311,296
Investment properties	27	8,610	14,779
Intangible assets	28	63,777	46,793
Total Assets		**34,688,034**	**35,229,082**
Liabilities			
Due to banks	20	62,917	353,073
Due to customers	29	28,315,433	29,763,019
Current tax liabilities	17.2	930,202	488,285
Other liabilities	30	768,049	486,050
Debt issued and other borrowed funds	31	379,933	431,800
Provisions	32.1	12,481	33,750
Net employee defined benefit liabilities	33	512,522	429,239
Deferred tax liabilities	17.3	626,302	704,365
Total liabilities		**31,607,839**	**32,689,581**
Equity attributable to equity holders of the parent			
Issued capital	34	21,157	21,157
Issued equity instruments	35	184,606	184,606
Share premium	34	1,820,533	1,820,533
Retained earnings		829,406	131,653
Revaluation reserve		362,887	434,797
Remeasurement Pension Reserve	SOCE	(138,394)	(53,245)
Total equity		**3,080,195**	**2,539,501**
Total liabilities and equity		**34,688,034**	**35,229,082**

*2022 balances were adjusted in line with IAS 29 Hyperinflation (see Note 4.24).

Managing Board

W. Halfhuid
Chief Financial Officer

A. van Petten
Chief Operations Officer

A. Kamta
Chief Risk Officer

Supervisory Board

N. Bishesar
Chairman

R. Baidjnath-Panday
Vice Chairman

R. Kasanrawi
Member

R. Parbhudayal
Member

J. van Ommeren
Member

J. Van der Gugten
Member

H. Ramadhin
Member

Consolidated Statement of Changes in Equity

for the year ended 31 December 2023

in thousand SRD	Issued capital (Note 34)	Issued equity instruments (Note 35)
As of 1 January 2023 (Restated)	**21,157**	**184,606**
Result of the year	-	-
Remeasurement loss on defined benefit plans	-	-
Revaluation of properties	-	-
Total comprehensive income	**-**	**-**
As of 31 December 2023	**21,157**	**184,606**

for the year ended 31 December 2022*

in thousand SRD	Issued capital (Note 34)	Issued equity instruments (Note 35)
As of 1 January 2022 (Restated)	**15,952**	**139,191**
Result of the year	-	-
Remeasurement gain on defined benefit plans	-	-
Revaluation of properties	-	-
Total comprehensive income	**-**	**-**
Hyperinflation impact	**5,205**	**45,415**
As of 31 December 2022 (Restated)	**21,157**	**184,606**

*2022 balances were adjusted in line with IAS 29 Hyperinflation (see Note 4.24).

Share premium	Retained Earnings	Revaluation reserve (Note 26)	Remeasurement Pension Reserve (Note 33)	Total equity	Total equity attributable to parent
1,820,533	**131,653**	**434,797**	**(53,245)**	**2,539,501**	**2,539,501**
-	697,753	-	-	**697,753**	**697,753**
-	-	-	(85,149)	**(85,149)**	**(85,149)**
-	-	(71,910)	-	**(71,910)**	**(71,910)**
-	**697,753**	**(71,910)**	**(85,149)**	**540,694**	**540,694**
1,820,533	**829,406**	**362,887**	**(138,394)**	**3,080,195**	**3,080,195**

Share premium	Retained Earnings/ (Unrelieved Losses)	Revaluation reserve (Note 26)	Remeasurement Pension Reserve (Note 33)	Total equity	Total equity attributable to parent
1,372,651	**(419,655)**	**321,456**	**(74,599)**	**1,354,996**	**1,354,996**
-	668,541	-	-	**668,541**	**668,541**
-	-	-	65,387	**65,387**	**65,387**
-	-	8,453	-	**8,453**	**8,453**
-	**668,541**	**8,453**	**65,387**	**742,381**	**742,381**
447,882	**(117,233)**	**104,888**	**(44,033)**	**442,124**	**442,124**
1,820,533	**131,653**	**434,797**	**(53,245)**	**2,539,501**	**2,539,501**

Consolidated Statement of Cash Flows

in thousand SRD for the year ended 31 December	Notes	2023	2022* (Restated)
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income before tax		**1,324,678**	**1,267,096**
Adjustments to reconcile net income before tax:			
Change in operating assets	38	1,679,903	1,225,373
Change in operating liabilities	38	(1,521,188)	(2,574,239)
Depreciation and amortization	26,28	54,985	38,090
Interest accretion and additions on lease liabilities	30	3,810	1,297
Foreign exchange on lease liabilities	30	2,583	9,427
Net gain from investing activities	38	(4,404,964)	(3,259,478)
Exchange and other adjustments		585	7,766
Revaluation/(impairment)	16	26,663	(42,657)
Monetary effects of income tax		(174,176)	(109,329)
Taxes paid	17.2	(1,133)	(1,009)
Net cash flows used in operating activities		**(3,008,254)**	**(3,437,663)**
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property and equipment	26	(34,408)	(12,693)
Proceeds from the sale of property and equipment	26	5,494	2,170
Purchase of intangible assets	28	(30,873)	(38,518)
Net cash flows used in investing activities		**(59,787)**	**(49,041)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Movements on subordinated loan	38	(51,867)	(7,553)
Repayment of the principal portion of lease liabilities	30	(11,979)	(19,008)
Net cash flows used in financing activities		**(63,846)**	**(26,561)**
Net decrease in cash and cash equivalents		(3,131,887)	(3,513,265)
Cash and cash equivalents as of 1 January	38	8,096,337	11,609,602
Cash and cash equivalents as of 31 December	38	**4,964,450**	**8,096,337**

Additional information on operational cash flows from interest			
Interest paid		(325,573)	(408,927)
Interest received		2,048,667	2,482,898

*2022 balances were adjusted in line with IAS 29 Hyperinflation (see Note 4.24).

Notes to the Consolidated Financial Statements

1 Corporate information

De Surinaamsche Bank N.V. (DSB), together with its subsidiaries, the Group, provides retail, corporate banking, and asset management services in Suriname. DSB is a limited liability company incorporated and domiciled in Suriname. Its head office is registered at Henck Arronstraat 26-30, Paramaribo, Suriname. DSB has a primary listing on the Suriname Stock Exchange. The consolidated financial statements for the year ended December 31, 2023, were authorized for issue per the resolution of the directors on May 7, 2025. The majority of the shares are held by Assuria N.V., Self Reliance N.V., Hakrinbank N.V., and Fatum N.V., whereby each party holds 18.0% of the shares of DSB (see also Note 39.1).

1.1 Going concern

The Group's consolidated financial statements have been prepared in accordance with IFRS Accounting Standards. They have been prepared under the assumption that the Group operates on a going concern basis, which assumes the Group will be able to discharge its liabilities when they fall due. In confirming the validity of the going concern basis of preparation, the Group has considered the following factors:

- As of December 31, 2023, and for the year then ended, the Group reported a net income after tax of SRD 697.8 million (2022: SRD 668.5 million restated) and had excess total assets over total liabilities of SRD 3,080.2 million (2022: SRD 2,539.5 million restated); in addition, as of December 31, 2023, the Group has reported retained earnings of SRD 829.4 million (2022: SRD 131.7 million, restated).
- DSB has a positive equity position of SRD 3,080.2 million with a corresponding capital adequacy ratio of 24.2% in the fiscal year 2023 (2022: 22.3% restated), which shows a significant improvement over the past years and is now above the ratio required by the CBvS (see Note 37).
- As disclosed in Note 41.6.1.4, the LCR (Liquidity Coverage Ratio) and NSFR (Net Stable Funding Ratio) show DSB has sufficient liquidity to meet both short-term and long-term obligations, also in times of financial turbulence.
- DSB is continuously working on optimizing its liquidity framework to maintain a strong liquidity position going forward.
- Management prepares an annual budget and long-term strategic plan, including an assessment of cash flow requirements, and continues to monitor actual performance against budget and plan throughout the reporting period. A recently developed strategic plan outlines our vision and priorities for 2024-2028.

The macroeconomic and geopolitical environment has exacerbated inflationary pressures across most economies, primarily driven by a sharp rise in energy prices and then through broader impacts on food and core inflation. Suriname's economy saw modest acceleration, achieving a 2.5% GDP growth in 2023, up from 2.4% in 2022, according to the World Bank. Meanwhile, inflation continued to decelerate to 32.6% (down from 54.6% in 2022) as both monetary and fiscal policy remained restrictive.

Fiscal reforms were implemented, including the complete elimination of fuel subsidies, the gradual phasing out of electricity subsidies, curtailing wage payments to unregistered public servants, and broadening the VAT base. Several monetary measures continued to be executed including the implementation of a flexible currency system driven by the market, the tightening of money supply by increasing cash reserve requirements for SRD (from 39% to 44% in April 2023), and the continuous carrying out of Open Market Operations (OMOs) through offering term deposits or securities via an auction system to reduce SRD money supply.

In 2023, USD 53 million was made available to Suriname through the approved Extended Fund Facility (EFF). The program gives Suriname access to SDR 472.8 million (about USD 688 million or 366.8 percent of quota), contingent on the government's implementation of prior actions and fulfillment of all relevant Fund policies. Initially set for a 36-month term during its approval in December 2021, the program was approved to be extended in 2023 until March 2025. The release of succeeding tranches depends upon the results of a satisfactory review. This arrangement supports Suriname's economic reform program of fiscal consolidation and paves the way for an orderly sovereign debt restructuring.

The year 2023 was a pivotal period of adjustment and progress for De Surinaamsche Bank (DSB). The bank shifted its focus to digitization and operational efficiency. One key strategic decision was the discontinuation of evening opening hours, optimizing service delivery during regular business hours.

Based on the points outlined, management reasonably expects that the Group has and will continue to have sufficient resources to operate effectively into the foreseeable future.

2 Basis of preparation

The consolidated financial statements have been prepared on a historical cost basis, except for financial assets designated at fair value through profit or loss (FVTPL), investment properties, and land and buildings classified as property and equipment, all of which have been measured at fair value. For assets and liabilities where revaluations are applicable, such as land and buildings classified as property and equipment and investment properties, revaluations are applied within the scope of the financial statements.
The consolidated financial statements are presented in Surinamese dollars, and all values are rounded to the nearest thousand dollars (SRD 000), except when otherwise indicated.

3 Statement of compliance

The Group's consolidated financial statements were prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

4 Material accounting policies

The following provides a summary of the material accounting policies applied by DSB in preparing its consolidated financial statements. Financial assets and financial liabilities are generally reported gross in the consolidated statement of financial position except when IFRS netting criteria are met.

4.1 Presentation of financial statements

DSB presents its consolidated statement of financial position in order of liquidity based on DSB's intention and perceived ability to recover/settle the majority of assets/liabilities of the corresponding financial statement line item. An analysis regarding expected settlements after the reporting date based on an analysis of financial assets and liabilities by contractual maturities is presented in Note 41.6.

4.2 Foreign currency translation

4.2.1 Functional and presentational currency

The consolidated financial statements are presented in Surinamese Dollars (SRD), which is also DSB's functional currency.

4.2.2 Transactions and balances

Transactions in foreign currencies are initially recorded at the spot exchange rate on the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated into SRD at the spot rate of exchange on the reporting date. All foreign exchange differences arising from non-trading activities are taken to 'Other operating income' in the consolidated statement of profit and loss.

Non-monetary items that are measured at historical cost in a foreign currency are exchanged using spot exchange rates as at the date of recognition. Non-monetary items that are carried at fair value in a foreign currency are reported at the rate that existed when the fair values were determined and subsequently retranslated at the functional currency exchange rate at the end of the reporting period. Foreign currency gains or losses arising from the exchange or settlement of monetary items are recognized in the consolidated statement of profit and loss under the heading of 'Other Operating income. ' Transactions affecting the income statement are recorded at the spot exchange rate at the date of the transaction.

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

Closing Exchange Rates	December 31, 2023	December 31, 2022	December 31, 2021	December 31, 2020
1 USD	36.96	31.81	20.74	14.16
1 EUR	40.93	33.94	23.55	17.38

The SRD exchange rate underwent a significant devaluation starting in 2020. Moreover, the three-year cumulative inflation exceeded 100% beginning in 2021, classifying Suriname as a hyperinflationary economy under IAS 29. In 2023, the SRD currency continued to experience moderate devaluation. For further details on hyperinflation, please refer to Note 4.24.

4.3 Recognition of interest income

4.3.1 The effective interest rate method

Per IFRS 9, DSB records all interest income using the effective interest rate (EIR) method for all financial assets measured at amortized cost. Interest expense is also calculated using the effective interest rate (EIR) method for all financial liabilities held at amortized cost. The effective interest rate 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 effective interest rate (and, therefore, the amortized 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 effective interest rate. DSB recognizes 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 effective interest rate 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, changes to future contractual cash flows are discounted at the original effective interest rate with a consequential adjustment to the carrying amount. The difference from the previous carrying amount is booked as a positive or negative adjustment to the carrying amount of the financial asset or liability on the consolidated statement of financial position with a corresponding increase or decrease in Interest revenue/expense calculated using the effective interest method.

4.3.2 Interest and similar income/expense

Net interest income comprises interest income and interest expense, both calculated using the effective interest method. These are disclosed separately on the face of the consolidated statement of profit and loss for both interest income and interest expense to provide symmetrical and comparable information. In its interest income/expense, DSB only includes interest on those financial assets/liabilities held at amortized cost. DSB did not have any interest-bearing financial assets or liabilities measured at fair value through profit or loss during the reported financial periods.

Moreover, interest income/expense on all trading financial assets/liabilities is recognized as a part of the fair value change in 'Net trading income.' DSB calculates interest income on financial assets other than those considered credit-impaired by applying the effective interest rate to the gross carrying amount of the financial asset. When a financial asset becomes credit-impaired (as set out in Note 41.3.3) and is therefore regarded as 'Stage 3', DSB calculates interest income by applying the effective interest rate to the net amortized cost of the financial asset. If the financial asset cures and is no longer credit-impaired, DSB reverts to calculating interest income on a gross basis.

For purchased or originated credit impaired (POCI) financial assets (as set out in Note 23), DSB calculates interest income by calculating the credit-adjusted EIR and applying that rate to the amortized cost of the financial asset. The credit-adjusted EIR is the interest rate that, at initial recognition, discounts the estimated future cash flows (including credit losses) to the amortized cost of the POCI financial asset.

4.4 Investment in associates

An associate is an entity over which DSB has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. For the nature, extent, and financial effect, refer to Note 21.3.

The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries. DSB's investments in its associates are accounted for using the equity method. Under the equity method, the investment in an associate is initially recognized at cost. The carrying amount of the investment is adjusted to recognize changes in DSB's share of the net assets of the associate since the acquisition date.

The consolidated statement of profit and loss reflects DSB's share of the results of the operations of the associate. Any change in the other comprehensive income of those investees is presented as part of DSB's other comprehensive income. In addition, when there has been a change recognized directly in the equity of the associate, DSB recognizes its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealized gains and losses resulting from transactions between DSB and the associate are eliminated to the extent of the interest in the associate.

The aggregate of DSB's share of profit or loss of an associate is shown on the face of the consolidated statement of profit and loss as 'Other operating income' and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associate. The financial statements of the associate are prepared for the same reporting period as DSB. When necessary, adjustments are made to bring the accounting policies in line with those of DSB.

After the application of the equity method, DSB determines whether it is necessary to recognize an impairment loss on its investment in its associate. At each reporting date, DSB determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, DSB calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and then recognizes the loss within 'Share of other comprehensive income of an associate' in the consolidated statement of comprehensive income.

Upon loss of significant influence over the associate, DSB measures and recognizes any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognized in the consolidated statement of profit and loss.

4.5 Fee and commission income

DSB earns fee and commission income from a diverse range of financial services it provides to its customers. Fee and commission income is recognized at an amount that reflects the consideration to which DSB expects to be entitled in exchange for providing the services. The performance obligations and the timing of their satisfaction are identified and determined at the contract's inception. DSB's revenue contracts do not typically include multiple performance obligations, as explained further below. When DSB 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 beginning of the contract period for a service provided over time (unless otherwise specified in 4.5.1 and 4.5.2 below). DSB has generally concluded that it is the principal in its revenue arrangements because it typically controls the services before transferring them to the customer. The disclosures of significant accounting judgments, estimates, and assumptions relating to revenue from contracts with customers are provided in Note 6.8.

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

Performance obligations satisfied over time include custody and other services, where the customer simultaneously receives and consumes the benefits provided by the DSB's performance. DSB's fee and commission income from services where performance obligations are satisfied over time include the following:

Credit cards: With the DSB Credit Card (Classic/Gold/Corporate) from Mastercard, payments can easily and safely be made in Suriname and abroad, while the user can subsequently repay the outstanding balance in full or in installments. The DSB Easy Credit Card is a prepaid credit card that the customer can top up. For providing the credit card to the customer, an annual membership fee is charged. The customer benefits from the product simultaneously as DSB performs. Therefore, the calculation basis for revenue recognition is over time, every month in accordance with the contract.

Fuel cards: With the DSB fuel card, the customer can use the card to pay at a fuel station instead of cash. For providing a fuel card to the customer, a membership fee is charged. The customer benefits from the product simultaneously as DSB performs. Therefore, the calculation basis for revenue recognition is over time, every month in accordance with the contract duration. All contracts have a duration of 12 months. The membership fees are paid in full at the beginning of the agreement for a period of 12 months and are recognized as revenue on a monthly basis as DSB satisfies its performance obligation.

Safe deposit boxes: Safe deposit boxes are used to store valuable possessions, such as gemstones, precious metals, marketable securities, luxury goods, or important documents. The performance obligation is to rent a safe deposit box to the customer for a specific period. The performance obligation is satisfied over time following the period mentioned in the contract. The revenue is recognized each period when the performance obligation is satisfied, that is, when the safe deposit box is provided for a period of a month, following the terms and conditions of the safe deposit box.

Point-of-Sale (POS) devices: Regarding the rental of Point-of-Sale (POS) devices, the performance obligation is fulfilled in accordance with the contract. Therefore, control and benefit are transferred over time as DSB performs. The performance obligation is thus satisfied over time, starting when the POS device is rented to the customer. Therefore, the considerations need to be recognized each month the device is rented to the customer. The customers receive and consume the benefits simultaneously as DSB performs over time.

Custody fees: The custody fees relate to deposit fees for securities received by the Treasury Department and fees that we receive for taking documents into custody if the customer does not have a safe deposit box. The deposit fee for securities concerns the safe custody of securities for a specific period. Therefore, control and benefit are transferred over time as DSB performs. The performance obligation is satisfied over time, starting when the securities are taken into custody. Therefore, the considerations need to be recognized when taken into custody each month during the year.

Loan commitment fees: These are fixed annual fees paid by customers for letters of credit and guarantees with DSB, but where it is unlikely that a specific lending arrangement will be entered into with the customer, and the loan commitment is not measured at fair value. DSB promises to provide a loan facility for a specified period. As the benefit of the services is transferred to the customer evenly over the period of entitlement, the fees are recognized as revenue on a straight-line basis. Payment of the fees is due and received monthly in arrears.

Service charges at a point in time: These regard fees for conducting system operations on the customer's behalf. These services represent a single performance obligation comprised of a series of distinct daily services that are substantially the same and have the same pattern of transfer of benefits over time. The fees vary based on the number of transactions processed and are structured as either a fixed rate per service or at a fixed percentage. Examples of service charge over time fees are monthly and daily service charges on current accounts. The performance obligation is satisfied over time, from the moment the current account is opened.

Loan origination fees: These are fees for the preparation and administration of loans. These fees are recognized over time in accordance with the terms of the contract. The fee is a fixed percentage of the disbursed amount, capitalized and deferred.

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

Services provided where DSB'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. DSB typically has a single performance obligation with respect to these services, which is to successfully complete the transaction specified in the contract.

Below are the major fees recognized at a point in time:

Physical transfer fee: Physical transfer fees regard fees for providing the customer with physical goods, for example, bank statements, loan confirmation statements, physical I-signers, cheques and Giro books, phone credit vouchers through ATM's, etc. The performance obligations for these goods are satisfied at a point in time. Therefore, the calculation basis for revenue recognition is at a point in time at the moment the goods are provided.

System transaction fee: The system transaction fee refers to fees for conducting system operations on behalf of the customer. These services represent a single performance obligation comprised of a series of distinct daily services that are substantially the same and have the same pattern of transfer of benefits at a point in time. The fees vary based on the number of transactions processed and are structured as either a fixed rate per transaction processed or at a fixed percentage of the underlying cardholder transaction. Examples of system transaction fees are international transfers, manual discharge of account balance, manual processing of salaries, guest use of ATM, and POS transaction fees, among others. The performance obligation is satisfied at the moment the transaction is processed and therefore recognized at a point in time.

Brokerage fees: DSB buys and sells securities on behalf of its customers and receives a fixed commission for each transaction. The performance obligation is to execute the trade on behalf of the customer, and revenue is recognized once each trade has been executed (i.e., on the trade date). Payment of the commission is typically due on the trade date. Brokerage fees received by DSB are a fixed amount per transaction. Each brokerage transaction is an optional purchase and represents a separate performance obligation with the customer. Furthermore, brokerage commissions are received for paying out dividends on behalf of different companies. This performance obligation is also satisfied at the moment the transaction is processed, and the related revenue is therefore recognized at a point in time.

Agent fee: Agent fee relates to the fees DSB receives from selling insurance on behalf of the insurance companies in Suriname. The performance obligations are only to sell insurance to the customer. When the insurance is sold, the performance obligation is satisfied. Therefore, the revenue is recognized at a point in time.

Brand registration: These are fees received by DSB for the registration of brands on behalf of the customer. After conducting the registration, the performance obligation is satisfied, and the benefits are transferred to the customer. Therefore, the revenue is recognized at a point in time.

4.5.3 Contract balances

The following is recognized in the consolidated statement of financial position arising from revenue from contracts with customers:

- 'Unearned fees and commissions' are included under 'Other liabilities', which represent DSB's obligation to transfer services to a customer for which DSB has received consideration (or an amount of consideration is due) from the customer. A liability for unearned fees and commissions is recognized when the payment is made or when the payment is due (whichever is earlier). Unearned fees and commissions are recognized as revenue when (or as) DSB performs.

4.6 Net trading income

Net trading income relates to gains and losses made from trading in foreign currency.

4.7 Net loss on financial assets designated at fair value through profit or loss (FVTPL)

Net loss on financial instruments at FVTPL represents financial assets and liabilities designated at FVTPL and non-trading assets measured at FVTPL, as required by or elected under IFRS 9. The line item includes fair value changes and related interest, dividends, and foreign exchange differences.

4.8 Financial instruments – initial recognition

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

4.8.1 Date of recognition

Financial assets and liabilities, except loans and advances to customers and balances due to customers, are initially recognized on the trade date, i.e., the date on which DSB becomes a party to the contractual provisions of the instrument. Loans and advances to customers are recognized when funds are transferred (disbursed) to the customers' accounts. DSB recognizes balances due to customers when funds are transferred to DSB.

4.8.2 Measurement categories of financial assets and liabilities
DSB classifies all its financial assets based on the business model for managing the assets and the asset's contractual terms, measured at either:

- Amortized cost, as explained in Note 4.10.1; or
- FVTPL, as set out in Note 4.10.4.

DSB classifies and measures its derivative and trading portfolio at FVTPL. DSB may designate financial instruments at FVTPL; if so, doing so eliminates or significantly reduces measurement or recognition inconsistencies. Financial liabilities, other than loan commitments and financial guarantees, are measured at amortized cost or at FVTPL when they are held for trading and derivative instruments, or the fair value designation is applied.

4.8.3 Initial measurement and classification of financial instruments
Financial instruments of DSB are initially recognized and subsequently measured at amortized cost and at fair value through profit or loss. The classification of financial instruments at initial recognition depends on their contractual terms and DSB's business model for managing the instruments. Financial instruments are initially measured at their fair value, except in the case of financial assets and financial liabilities recorded at FVTPL, transaction costs are added to, or subtracted from, this amount. Trade receivables are measured at the transaction price. When the transaction price of the instrument differs from the fair value at origination and the fair value is based on a valuation technique using only inputs observable in market transactions, DSB recognizes the difference between the transaction price and fair value under 'Other operating income.' In those cases where fair value is based on models for which some of the inputs are not observable, DSB defers the difference between the fair value at initial recognition and the transaction price.

For a financial asset to be classified and measured at amortized cost, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model. DSB's business model for managing financial assets refers to how it manages its financial assets to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortized cost are held within a business model with the objective to hold financial assets to collect contractual cash flows.

4.9 Determination of fair value
DSB measures financial instruments, such as derivatives and investments in equity instruments, at fair value at each consolidated statement of financial position date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to DSB. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. DSB uses a combination of independent appraisers, data providers, and valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

4.9.1 Fair Value Hierarchy
All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level of input that is significant to the fair value measurement as a whole:

- Level 1 — Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that DSB has access to at the measurement date. DSB considers markets as active only if there are sufficient trading activities with regard to the volume and liquidity of the identical assets or liabilities, and when there are binding and exercisable price quotes available on the consolidated statement of financial position date.
- Level 2 — Those where the inputs that are used for valuation are significant and 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 that are significant to the entire measurement, DSB classifies the instruments as Level 3. In short, Level 2

relates to valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 — Those that include one or more unobservable inputs that are significant to the fair value measurement as a whole.

DSB evaluates the levelling at each reporting period on an instrument-by-instrument basis and reclassifies instruments, when necessary, based on the facts at the end of the reporting period. For assets and liabilities that are recognized in the financial statements at fair value on a recurring basis, DSB determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. Furthermore, DSB determines the policies and procedures for both recurring fair value measurements, such as investment properties and unquoted financial assets, and for non-recurring measurements, such as assets held for sale in discontinued operations.

4.9.2 Valuation

DSB applies various techniques to estimate the credit risk associated with its financial instruments measured at fair value, which include a portfolio-based approach that estimates the expected net exposure per counterparty over the full lifetime of the individual assets in order to reflect the credit risk of the individual counterparties for non-collateralized financial instruments. DSB estimates the value of its own credit risk from observable market data, such as secondary prices for its trades. Details of fair value are further explained in Note 40.

In determining the fair value, external data providers and independent appraisers are involved in the valuation of significant assets, such as land and buildings, investment properties, and unquoted financial assets, and significant liabilities. The involvement of external appraisers is determined annually by DSB. Selection criteria include market knowledge, reputation, independence, and whether professional standards are maintained.

At each reporting date, DSB analyses the movements in the values of assets and liabilities which are required to be remeasured or reassessed as per DSB's accounting policies. For this analysis, DSB verifies the major inputs applied in the latest valuation by comparing the information in the valuation computation to the underlying relevant documents. To the extent that is possible, DSB also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

Fair-value related disclosures for financial instruments and non-financial assets that are measured at fair value or where fair values are disclosed are summarized in the following notes:

- Land and buildings (Note 26)
- Investment properties (Note 27)
- Financial instruments at fair value (Note 21.2)
- Valuation methods, significant estimates, and assumptions (Note 40)

4.10 Financial assets and liabilities

4.10.1 Financial assets and liabilities at amortized cost

Financial instruments at amortized cost are subsequently measured using the effective interest rate (EIR) method, subject to impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. Gains and losses are recognized in the consolidated statement of profit and loss through the effective interest rate amortization process and when the asset is derecognized, modified, or impaired. DSB's financial assets at amortized cost include due from banks, loans and advances to customers, and other financial investments classified as debt instruments at amortized cost. DSB's financial liabilities include due to customers (including checking accounts, savings, and deposits of customers) and other payables and issued debt. Measurement at amortized cost of financial instruments is only applied if both of the following conditions are met:

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

The details of these conditions are outlined below.

4.10.1.1 Business model assessment

DSB 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 DSB'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 realized in a way that is different from DSB's original expectations, DSB 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.

4.10.1.2 The SPPI test

As a second step of its classification process, IFRS 9 requires DSB to assess the contractual terms of the financial asset to identify whether they meet the conditions of 'solely payments of principal and interest'. '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 amortization 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, DSB applies judgment 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 outstanding amount. In such cases, DSB measures the financial asset at FVTPL as required by IFRS 9.

4.10.2 Derivatives recorded at fair value through profit or loss

A derivative is a financial instrument or other contract with all three of the following characteristics:

- Its value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided that, in the case of a non-financial variable, it is not specific to a party to the contract (sometimes called the 'underlying').
- It requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts expected to have a similar response to changes in market factors.
- It is settled at a future date.

4.10.3 Debt issued and other borrowed funds

After the initial measurement, debt issued and other borrowed funds are subsequently measured at amortized cost. Amortized cost is calculated by taking into account any discount or premium on issued funds and costs that are an integral part of the effective interest rate. The debt issued at amortized cost consists of a subordinated loan.

The financial debt issued and borrowed funds classified as financial liabilities are set out in Note 31.

4.10.4 Financial assets at fair value through profit or loss

Financial assets and financial liabilities in this category are those held for trading or designated by management upon initial recognition or mandatorily required to be measured at fair value under IFRS 9. This category also includes equity investments, which DSB had not irrevocably elected to classify at fair value through other comprehensive income. Dividends on listed equity investments are recognized as 'Other operating income' in the consolidated statement of profit and loss when the right of payment has been established.

Management only designates an instrument at FVTPL upon initial recognition when one of the following criteria is 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 recognizing gains or losses on a different basis; or
- The financial instruments are part of a group of financial instruments, which are managed and their performance evaluated on a fair value basis, in accordance with the investment strategy; or
- The financial instruments 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 instruments at FVTPL are recorded in the consolidated statement of financial position at fair value. Changes in fair value are recorded in the consolidated statement of profit and loss. Dividend income from equity instruments measured at FVPL is recorded in the consolidated statement of profit and loss as 'Other operating income' when the right to the payment has been established.

4.10.5 Financial guarantees and letters of credit

Financial guarantees are initially recognized in the financial statements (under 'Provisions') at fair value, being the premium received. Subsequent to initial recognition, DSB's liability under each guarantee is measured at the higher of the amount initially recognized less cumulative amortization recognized in the consolidated statement of profit and loss, and an ECL allowance is recognized as set out in Note 32. The premium received is recognized in the consolidated statement of profit and loss in 'Net fee and commission income' on a straight-line basis over the life of the facility.

Letters of credit are commitments under which, over the duration of the commitment, DSB is required to provide a loan with pre-specified terms to the customer. Similar to financial guarantee contracts, these contracts are in the scope of the ECL requirements. The nominal contractual value of financial guarantees and letters of credit, where the loan agreed to be provided is in market terms, is not recorded in the consolidated statement of financial position. The nominal values of these instruments, together with the corresponding ECL, are disclosed in Note 32.

4.10.6 Reclassification of financial assets and liabilities

DSB did not reclassify its financial assets nor financial liabilities subsequent to their initial recognition. Reassessment of the classification only occurs if there is a change in the terms of the contract that significantly modifies the cash flows that would otherwise require a reclassification of a financial instrument in a different category (amortized cost, FVTPL, or FVOCI).

4.10.7 Offsetting of financial instruments

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 recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

4.10.8 Derecognition of financial assets and liabilities

4.10.8.1 Financial assets

A financial asset (or, where applicable, a part of a financial asset) is primarily derecognized (i.e., removed from DSB's consolidated statement of financial position) when:

- DSB's rights to receive cash flows from the asset have expired; or
- DSB has transferred its rights to receive cash flows from the financial asset or has entered a 'pass-through' arrangement, and either:
    - DSB has transferred substantially all the risks and rewards of the asset, or
    - DSB has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

In the above context, DSB 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. Furthermore, DSB considers pass-through arrangement transactions whereby DSB retains the contractual rights to receive the cash flows of a financial asset but assumes a contractual obligation to pay those cash flows to one or more entities ('eventual recipients'), with the following three conditions applying:

- DSB 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;
- DSB cannot sell or pledge the original asset other than as security to the eventual recipients; or
- DSB must remit any cash flows it collects on behalf of the eventual recipients without delay. In addition, DSB 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.

When DSB has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, DSB continues to recognize the transferred asset to the extent of its continuing involvement. In that case, DSB also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that DSB 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 that DSB may have to repay.
Regarding financial assets, such as loans to customers, DSB also derecognizes the asset when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new loan, with the difference recognized as a derecognition gain or loss, to the extent that an impairment loss has not already been recorded. The newly recognized loans are classified as Stage 1 for ECL measurement purposes unless the new loan is deemed Purchased or Originated Credit Impaired. When assessing whether to derecognize a modified loan to a customer, amongst others, DSB considers mainly the following factors:

- Change in currency of the loan;
- Change in counterparty;
- Whether a contract modification is such that the capitalized 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, the modification does not result in derecognition. Based on the change in cash flows discounted at the original effective interest rate, DSB records a modification gain or loss to the extent that an impairment loss has not already been recorded.

4.10.8.2 Financial liabilities

Financial liabilities are derecognized when the obligation under the liability is discharged, cancelled, or expired. 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 recognized in the consolidated statement of profit and loss.

4.10.9 Impairment of financial assets

4.10.9.1 Expected Credit Loss Provision

DSB records an allowance for expected credit loss for all loans and other debt financial assets not held at FVTPL, 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. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that DSB expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognized in two categories. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL). DSB's policies for determining if there has been a significant increase in credit risk are set out in Note 41.

The 12mECL is the portion of lifetime ECL (LTECLs) representing the ECL resulting from default events on a financial instrument possible within the 12 months after the reporting date. Both LTECL and 12mECL are calculated on an individual basis since the nature of the underlying portfolio of financial instruments is also managed on an individual basis.

DSB 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 41.

DSB categorizes its financial assets into Stage 1, Stage 2, Stage 3, and POCI, as described below:

- Stage 1: When financial instruments are first recognized, DSB recognizes an allowance based on 12mECL. Stage 1 financial instruments also include facilities where the credit risk has improved, and the loan has been reclassified to Stage 1.
- Stage 2: When a financial instrument has shown a significant increase in credit risk since origination, DSB records an allowance for the LTECL. Stage 2 financial instruments also include facilities where the credit risk has improved and the loan has been reclassified from Stage 3.
- Stage 3: For financial instruments considered credit-impaired (as outlined in Note 41), DSB 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 recognized based on a credit-adjusted effective interest rate. The ECL allowance is only recognized or released to the extent that there is a subsequent change in the expected credit losses.

For financial assets for which DSB 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. As set out in Note 4.10.11, a financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

4.10.9.2 Calculation of the expected credit loss provision

DSB calculates ECL based on three probability-weighted scenarios to measure the expected cash shortfalls, discounted at an approximation to the effective interest rate. A cash shortfall is the difference between cash flows due to an entity in accordance with the contract and the cash flows that DSB 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 derecognized and is still in the portfolio. The concept of PD is further explained in Note 41.3.3.4.
- EAD: The Exposure at Default is an estimate of the exposure at a future default date, taking into account 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. The EAD is further explained in Note 41.3.3.6.
- 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 realization of any collateral or credit enhancements that are integral to the facility and not required to be recognized separately. It is usually expressed as a percentage of the EAD. The LGD is further explained in Note 41.3.3.7.

When estimating the ECL, DSB considers three scenarios (progressive, base, and adverse). Each of these is associated with different PDs, EADs, and LGDs, as set out in Note 41.3.3.5. Where relevant, the assessment of multiple scenarios also incorporates how defaulted financial instruments are expected to be recovered, including the probability that the financial instruments might cure and the value of collateral or the amount that might be received for selling the asset.

Except for credit cards and other revolving facilities, for which the treatment is set out in Note 41.3.3.6, the maximum period for which the credit losses are determined is the contractual life of a financial instrument unless DSB has the legal right to call it earlier. Impairment losses and releases are accounted for and disclosed separately from modification losses or gains that are accounted for as an adjustment of the financial asset's gross carrying value.

The mechanics of the ECL method are summarized below:

- Stage 1: The 12mECL is calculated as the portion of LTECL that represents the ECL that results from default events on a financial instrument that are possible within the 12 months after the reporting date. DSB 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 effective interest rate. This calculation is made for each of the three scenarios, as explained above.
- Stage 2: When a financial instrument has shown a significant increase in credit risk since origination, DSB records an allowance for the LTECL. The mechanics are like those explained for Stage 1, including the use of multiple scenarios, but PDs and LGDs are estimated over the lifetime of the instrument. The expected cash shortfalls are discounted by an approximation to the original effective interest rate.
- Stage 3: For loans considered credit-impaired (as defined in Note 41.3.3), DSB recognizes 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. DSB only recognizes the cumulative changes in lifetime ECL since initial recognition, based on a probability-weighting of the three scenarios, discounted by the credit-adjusted effective interest rate.
- Letters of credit: When estimating LTECL for letters of credit, DSB estimates the expected portion of the loan commitment that will be drawn down over its expected life. The ECL is then based on the present value of the expected shortfalls in cash flows if the loan is drawn down, based on a probability-weighting of the three scenarios. The expected cash shortfalls are discounted at an approximation to the expected effective interest rate on the financial instrument. For loans, credit cards, and revolving facilities that include both a loan and an undrawn commitment, ECL is calculated and presented together with the loan. For letters of credit, the ECL is recognized under 'Provisions' and is presented in detail within Note 32.
- Financial guarantees: DSB's liability under each guarantee is measured at the higher of the amount initially recognized, less cumulative amortization recognized in the consolidated statement of profit and loss, and the ECL provision. For this purpose, DSB estimates ECL based on the present value of the expected payments to reimburse the holder for a credit loss that it incurs. The shortfalls are discounted by the risk-adjusted interest rate relevant to the exposure. The calculation is made using a probability weighting of the three scenarios. The ECL related to financial guarantee contracts is recognized under 'Provisions' and is presented in detail within Note 32.

DSB offers several products, including a variety of corporate and retail overdraft and credit card facilities, in which DSB has the right to cancel and/or reduce the facilities within short notice. DSB does not limit its exposure to credit losses to the contractual notice period but instead calculates ECL over a period that reflects its expectations of customer behavior, the likelihood of default, and its future risk mitigation procedures, which could include reducing or cancelling the facilities. Based on past experience and expectations, the period over which DSB calculates ECL for these products is one year for corporate products and three years for retail products.

The ongoing assessment of whether a significant increase in credit risk has occurred for revolving facilities is similar to other lending products. This is based on shifts in the customer's internal credit grade, as explained in Note 41, but greater emphasis is also given to qualitative factors, such as changes in usage. The interest rate used to discount the ECL for credit cards is based on the average effective interest rate that is expected to be charged over the expected period of exposure to the facilities. This estimation takes into account that many facilities are repaid in full each month and are consequently not charged interest. The calculation of ECL, including the estimation of the expected period of exposure and discount rate, is made individually for corporate and retail products. Furthermore, collective assessments are made separately for portfolios of facilities with similar credit risk characteristics, including additional adjustments based on qualitative factors known about debtors.

For POCI financial assets, DSB only recognizes the cumulative changes in LTECL since initial recognition in the loss allowance.

4.10.9.3 Forward-looking information

In order to capture forward-looking information in its ECL models, DSB allows for the input of macroeconomic factors in the ECL model. However, requirements for input factors are robust, reliable forecasts. Therefore, DSB uses the real GDP growth of Suriname, including forward-looking information, in its calculation of the ECL.

4.10.10 Credit enhancements: collaterals

To mitigate its credit risks on financial assets, DSB seeks to use collateral where possible. The collateral comes in various forms, but the main collateral forms are cash, real estate, and exchange-traded stocks.

Cash flows expected from credit enhancements, which are not required to be recognized separately by IFRS standards and which are considered integral to the contractual terms of a debt instrument that is subject to ECL, are included in the measurement of those ECL. On this basis, the fair value of collateral affects the calculation of ECL. Collateral is generally assessed, at a minimum, at inception and reassessed on a yearly basis. However, some collateral, for example, cash, is valued daily. Details of the impact of the DSB's various credit enhancements are disclosed in Note 41.3.6. To the extent possible, DSB uses active market data for valuing financial assets held as collateral. Non-financial collateral, such as real estate, is valued based on data provided by third parties such as independent appraisers.

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

4.10.11 Loan modifications and write-offs

Sometimes, DSB makes concessions or modifications to the original terms of loans as a response to the borrower's financial difficulties rather than taking possession or otherwise enforcing the collection of collateral.

DSB sometimes modifies loans as a result of the borrower's present or expected financial difficulties. Indicators of financial difficulties include defaults on covenants or significant concerns raised by the Credit Risk Department. Modifications may involve extending the payment arrangements and the agreement of new loan conditions. Once the terms have been renegotiated, any impairment is measured using the original effective interest rate as calculated before the modification of terms. Derecognition decisions and classification to Stage 2 and Stage 3 are determined on a case-by-case basis for corporate loans. If these procedures identify a loss in relation to a loan, it is disclosed and managed as an impaired Stage 3 financial asset until it is collected or written off.

Financial assets are written off either partially or in their entirety only when DSB 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.

4.11 Cash and cash equivalents

Cash and cash equivalents, as referred to in the statement of cash flows, comprise cash on hand, cash in transit, non-restricted current accounts with Central Banks, and amounts due from banks on demand (Notes 18 and 19). Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and that are subject to an insignificant risk of changes in value.

4.12 Leases
DSB's accounting policy under IFRS 16 assesses at inception whether a contract is, or contains, a lease by determining whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

DSB maintains lease agreements for ATMs, company vehicles, and parking spaces. In connection with the consolidation of the ATM network and the transfer of its management to BNETS, all lease contracts related to ATMs were terminated as of December 31, 2023.

As a lessee, DSB applies one recognition and measurement approach for all leases, except for short-term leases (within 1 year) and leases of low-value assets. DSB recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets at the lease commencement date.

The right-of-use assets are initially measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred, less any lease incentives received. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the shorter of the estimated useful lives of the assets and the lease term, including periods covered by an option to extend the lease if DSB is reasonably certain to exercise that option. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for remeasurements of the lease liability. The right-of-use assets are presented in Note 26.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date. The lease payments are discounted using the implicit interest rate in the lease. Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability.

If the rate cannot be readily determined, DSB's modelled incremental rate of borrowing is used. Generally, DSB uses its incremental borrowing rate as the discount rate.

The lease liability is subsequently measured at amortized cost using the effective interest method, whereby the balance is increased by interest expense and decreased by lease payments. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in DSB's estimate of the amount expected to be payable under a residual value guarantee, or if DSB changes its assessment of whether it will exercise a purchase, extension or termination option. The lease liability is shown in Note 30.

4.12.1 Short-term leases and leases of low-value assets
DSB has elected not to recognize the right-of-use assets and lease liabilities for leases that have a lease term of 12 months or less and leases of low-value assets of USD 5,000. DSB recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

4.13 Property and equipment
Land and buildings are measured at fair value less accumulated depreciation and impairment losses recognized after the date of revaluation. Valuations are performed with sufficient frequency to ensure that the carrying amount of revalue asset does not differ materially from its fair value.

A revaluation surplus is recorded in OCI and credited to the asset revaluation surplus in equity. However, to the extent that it reverses a revaluation deficit of the same asset previously recognized in profit or loss, the increase is recognized in profit and loss. A revaluation deficit is recognized in the statement of profit or loss, except to the extent that it offsets an existing surplus on the same asset recognized in the asset revaluation surplus.

Accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Upon disposal, any revaluation surplus relating to the particular asset being sold is transferred to retained earnings.

Equipment is stated at cost excluding the costs of day–to–day servicing, less accumulated depreciation, and accumulated impairment in value. Changes in the expected useful life are accounted for by changing the amortization period or methodology, as appropriate, and are treated as changes in accounting estimates. Right-of-use assets are presented together with property and equipment in the consolidated statement of financial position. Right-of-use assets are depreciated on a straight-line basis over the shorter of the useful life or the lease term.

Depreciation of owned assets is calculated on a straight-line basis over the estimated useful lives of the assets, as follows:

- Buildings - 40 years

- Computer hardware - 4 years
- Other furniture and equipment - 5 to 10 years
- Vehicles - 5 years

An item of property and equipment, and any significant part initially recognized, is derecognized upon disposal. Any gain or loss arising from derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated statement of profit and loss when the asset is derecognized. The residual values, useful lives, and methods of depreciation of property and equipment are reviewed at each financial year-end and adjusted prospectively, if appropriate. A breakdown of the property and equipment is disclosed in Note 26, while the profit or loss impact of the revaluation is shown in Note 16.

4.14 Investment properties

Investment properties are measured initially at cost, including transaction costs. After initial recognition, investment properties are stated at fair value, reflecting market conditions at the reporting date. Gains or losses arising from changes in the fair values of investment properties are included in the consolidated statement of profit and loss in the period in which they arise, including the corresponding tax effect. Fair values are determined every three years, based on a valuation performed by an accredited external independent valuer applying a valuation model in line with IFRS 13.

Investment properties are derecognized either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the consolidated statement of profit and loss in the period of derecognition. In determining the amount of consideration from the derecognition of investment property, DSB considers the effects of variable consideration, the existence of a significant financing component, non-cash consideration, and the consideration payable to the buyer (if any).

Transfers are made to (or from) investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If the owner-occupied property becomes an investment property, DSB accounts for such property in accordance with the policy stated under property and equipment up to the date of change in use. Investment properties are disclosed in Note 27, while the gains or losses arising from changes in its fair values are shown in Note 16.

4.15 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 amortization and accumulated impairment losses.

Internally generated intangibles, excluding capitalized development costs, are not capitalized, and the related expenditure is reflected in the consolidated statement of profit and loss in the period in which the expenditure is incurred.

Development expenditures on an individual project are recognized as an intangible asset when the Group can demonstrate:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale;
- The intention and ability to complete and use or sell the intangible asset;
- How the intangible asset will generate probable future economic benefits;
- The availability of resources to complete the intangible asset; and
- The ability to measure reliably the expenditure attributable to the intangible asset during its development phase.

Following recognition, capitalized development costs are carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset commences when development is complete and the asset is available for use. Assets are amortized over their estimated useful lives, and the related amortization expense is recognized in the consolidated statement of profit and loss. During the development phase, intangible assets are tested for impairment annually in accordance with IAS 36 Impairment of Assets.

The Group assesses the useful lives of intangible assets as finite. Intangible assets with finite useful lives are amortized over their estimated useful economic lives of five years and are assessed for impairment whenever there is an indication of potential impairment. The amortization period and method 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 amortization period or method, as appropriate, and are accounted for as changes in accounting estimates.

An intangible asset is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising from derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated statement of profit and loss. Refer to Note 28 for further details on the Group's intangible assets.

Relating to an ongoing project (disclosed in Note 28), the Group made upfront payments to acquire licenses for the use of intellectual property. These licenses are granted for periods depending on the specific agreements. The licenses are currently under development and are not yet available for use. Accordingly, they are not yet amortized and are tested for impairment in accordance with IAS 36. Once development is complete and the licenses are available for use, they will be amortized over their estimated useful lives. The licenses may be renewed at little or no cost to the Bank, depending on the specific renewal terms of each agreement.

4.16 Impairment of non-financial assets

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

- Property, equipment, and right-of-use assets (Note 26)
- Intangible assets (Note 28)
- Investments in associates (Note 21.3)

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

In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining the fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples or other available fair value indicators.

Impairment losses are recognized in the consolidated statement of profit and loss within 'Other operating expense' (see Note 16), consistent with the function of the impaired asset, except for properties previously revalued with the revaluation taken to other comprehensive income. For such properties, the impairment is recognized in other comprehensive income up to the amount of any previous revaluation.

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

4.17 Taxes

4.17.1 Current income tax

Current income tax assets and liabilities 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 on the reporting date in Suriname. Current income tax relating to items recognized directly in equity is recognized in equity and not in the consolidated statement of profit and loss. Management periodically evaluates positions taken in the tax returns regarding situations in which applicable tax regulations are subject to interpretation.

4.17.2 Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognized for identified taxable temporary differences.

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits, and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognized outside profit or loss is recognized outside the consolidated statement of profit and loss. Deferred tax items are recognized in correlation to the underlying transaction in other comprehensive income.

DSB offsets deferred tax assets and deferred tax liabilities since current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities all relate to income taxes levied by the Surinamese taxation authority and are settled net with the tax authorities. See Note 17.3 for an overview of the deferred tax.

4.18 Provisions

Generally, DSB recognizes provisions when it has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the consolidated statement of profit and loss.

If the effect of the time value of money is material, provisions are discounted using a discount rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost. Refer to Note 32 for the disclosure on the amount of provisions.

4.19 Pensions and other post-employment benefits

As of December 31, 2023, and December 31, 2022, DSB operated a defined benefit pension plan, with contributions made to a separate pension fund administered and managed by the foundation "Stichting Pensioenfonds van De Surinaamshe Bank N.V. With the implementation of the Pension Act 2014, employers are obliged to implement a pension plan that provides benefits at least equal to those under the general pension plan. To conform to the local pension act, DSB recorded additional provisions. The cost of providing benefits under the defined benefit plans is determined actuarially using the projected unit credit method. Retirement benefits costs include service cost, net interest on the net defined benefit liability or asset, and remeasurements of the net defined benefit liability or asset.

Remeasurements, comprising of actuarial gains and losses, experience adjustments 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 recognized immediately in the consolidated statement of financial position with a corresponding debit or credit to equity through other comprehensive income in the period in which they occur. Remeasurements are not reclassified to the consolidated statement of profit and loss in subsequent periods.

Past service costs are recognized in the consolidated statement of profit and loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that DSB recognizes related restructuring costs.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. DSB recognizes the following changes in the net defined benefit obligation under post-employment benefit plan obligations costs, and post-employment healthcare plan obligation costs in the consolidated statement of profit and loss (by function):

- Service costs comprising current service costs, past-service costs;
- Net interest expense or income.

Kindly refer to Note 33 for the overview of DSB's pension plan.

4.20 Issued equity instruments

DSB has issued in the past financial instruments with equity components, also defined as an Additional Tier 1 debt (see Note 35). When establishing the accounting treatment for these non-derivative instruments, DSB first establishes whether the instrument is a compound instrument and classifies such instrument's components as financial liabilities, financial assets, or equity instruments in accordance with IAS 32.

The equity components are not reclassified as a result of a change in the likelihood that the obligations related to this instrument would be satisfied. The value of any derivative features embedded in the compound financial instrument, other than the equity component (such as an equity conversion option), is included in the liability component. Once DSB has determined the split between equity and liability, it further evaluates whether the liability component has embedded derivatives that must be separately accounted for. The Additional Tier 1 debt is based on its characteristics, classified as an equity instrument, and is fully classified within equity.

4.21 Related parties

The Group has transactions with various clients, some of whom are considered related parties. A related party is a natural person or entity that is related to the Group. An entity or a natural person is related to the Group if this entity or natural person, or a close relative of the natural person, has control or joint control of the Group, has significant influence, or is one of the managers at a key position within the Group. A related party transaction is a transfer of resources, services, or obligations between the Group and a related party, regardless of whether a price is charged. For an overview of related parties, refer to Note 39.

4.22 New and amended standards and interpretations

Certain new, revised, and amended standards and interpretations came into effect during the current fiscal year. The Group has assessed them and adopted those relevant to the consolidated financial statements.

4.22.1 Definition of Accounting Estimates - Amendments to IAS 8

The amendments to IAS 8 clarify the distinction between changes in accounting estimates, changes in accounting policies, and the correction of errors. They also clarify how entities use measurement techniques and inputs to develop accounting estimates.

The amendments had no impact on the Group's consolidated financial statements.

4.22.2 Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2

The amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.
The amendments had an impact on the Group's disclosures of accounting policies but not on the measurement, recognition, or presentation of any items in the Group's financial statements.

4.22.3 Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12

The amendments to IAS 12 Income Tax narrow the scope of the initial recognition exception so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences, such as leases and decommissioning liabilities.

These amendments in these consolidated financial statements resulted in a separate deferred tax asset and liability being recognized on the respective right-of-use assets and lease liabilities.

4.22.4 IFRS 17 Insurance contracts

IFRS 17 Insurance Contracts is a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation, and disclosure. IFRS 17 replaces IFRS 4 Insurance Contracts. IFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance, and reinsurance), regardless of the type of entities that issue them, as well as to certain guarantees and instruments with discretionary participation features; a few scope exceptions will apply. The overall objective of IFRS 17 is to provide a comprehensive accounting model for insurance contracts that is more useful and consistent for insurers, covering all relevant accounting aspects.

IFRS 17 is based on a general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach);
- A simplified approach (the premium allocation approach) mainly for short-duration contracts.

The new standard had no impact on the Group's consolidated financial statements.

4.22.5 International Tax Reform – Pillar Two Model Rules – Amendments to IAS 12

The International Accounting Standards Board (the IASB or Board) issued International Tax Reform — Pillar Two Model Rules – Amendments to IAS 12 (the Amendments) to clarify the application of IAS 12 Income Taxes to income taxes arising from tax law. The Amendments introduce:

- A mandatory temporary exception to the accounting for deferred taxes arising from the jurisdictional implementation of the Pillar Two model rules; and
- Disclosure requirements for affected entities to help users of the statements better understand an entity's exposure to Pillar Two income taxes arising from that legislation, particularly before its effective date.

These amendments had no impact on the Group's consolidated financial statements.

4.23 Standards issued but not yet effective

The standards and interpretations that are issued but not yet effective, up to the date of issuance of the Group's consolidated financial statements, are disclosed below. The Group is currently assessing the potential impact of these new standards and interpretations and will adopt them when they become effective:

- Amendments to IFRS 16: Lease Liability in a Sale and Leaseback - effective for annual periods beginning on or after January 1, 2024.
- Amendments to IAS 1: Classification of Liabilities as Current or Non-current - effective for annual periods beginning on or after January 1, 2024.
- Amendments to IAS 7 and IFRS 7: Supplier Finance Arrangements - effective for annual periods beginning on or after January 1, 2024.

- Amendments to IAS 21: The effects of Changes in Foreign Exchange Rates - effective for annual periods beginning on or after January 1, 2025.
- Amendments to IFRS 9 and IFRS 7: Classification and Measurement of Financial Instruments – effective for annual periods beginning on or after January 1, 2026.
- Amendments to IFRS 9 and IFRS 7: Power Purchase Agreements – effective for annual periods beginning on or after January 1, 2026.
- IFRS 18 Presentation and Disclosure in Financial Statements: Replaces IAS 1 Presentation of Financial Statements - effective for annual periods beginning on or after January 1, 2027.
- IFRS 19 Subsidiaries without Public Accountability – Disclosures - effective for annual periods beginning on or after January 1, 2027.

Improvements to International Financial Reporting Standards

The annual improvement process of the International Accounting Standards Board deals with non-urgent but necessary clarifications and amendments to IFRS. The following amendments apply to periods beginning on or after January 1, 2024, but will result in no material change to the consolidated financial statements.

IFRS	Subject of Amendment
IFRS 1	IFRS 1 – First-time Adoption of International Financial Reporting Standards - Hedge accounting by a first-time adopter
IFRS 7	IFRS 7 Financial Instruments: Disclosures - Gain or loss on derecognition
IFRS 9	IFRS 9 Financial Instruments - Derecognition of lease liabilities and Transaction price
IFRS 10	IFRS 10 Consolidated Financial Statements - Determination of a 'de facto agent'
IAS 7	IAS 7 Statement of Cash Flows - Cost method

4.24 Hyperinflation

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 DSB (Surinamese 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, except otherwise indicated.

As per IAS 29, the restatement of the consolidated financial statements is necessary when the functional currency of an entity is the currency of a hyperinflationary economy. To achieve consistency in identifying an economic environment of that nature, IAS 29 establishes (i) certain qualitative indicators, not limited to, consist of analyzing the general population behavior, prices, interest rates and wages with changes to a price index and the loss of purchasing power, and (ii) as quantitative characteristic, which is the primary condition used in practice, to test if a three-year cumulative inflation rate is 100% or more.

Since 2021, there has been a significant increase in the general level of prices, and the three-year cumulative inflation has exceeded 100%. This, together with general population behavior, resulted in the triennial inflation being above 100%. As of December 31, 2023, the end-of-period inflation rate is 32.6% (2022: 54.6%), while the three-year cumulative inflation is at 229.4% (2022: 299.5%). Consequently, the SRD continues to be considered a hyperinflationary currency.

The restatement was applied as if the economy had always been hyperinflationary, using a general price index that reflects changes in general purchasing power. To apply the restatement, a series of indices were used, as prepared and published monthly by the Central Bank of Suriname. The index as of December 31, 2023, was 759.3 (2022:572.5).

Below is a description of the restating mechanism provided by IAS 29:

4.24.1 Restatement of the Consolidated Statements of Financial Position

i. Monetary items (those with a fixed face value in local currency) are not restated since they are stated in the current measurement unit at the closing date of the reported period. In an inflationary period, keeping monetary assets causes the loss of purchasing power, and keeping monetary liabilities causes a gain in purchasing power as long as those items are not tied to an adjustment mechanism compensating for those effects. The monetary loss or gain is included in the consolidated statement of profit and loss for the reported period under 'Loss on net monetary position'.

ii. Assets and liabilities subject to adjustments based on specific agreements will be adjusted in accordance with such agreements.

iii. Nonmonetary items carried at historical cost or at current cost at some earlier date before the reporting date shall be restated by an index that reflects the general level of price variation from the acquisition date to the closing date, proceeding then to compare the restated amounts of those assets with their recoverable amounts. Income or loss for the period related to the depreciation of property, plant, and other nonmonetary cost shall be determined over the new restated amounts.

iv. The restatement of nonmonetary assets in terms of a current measurement unit at the end of the reporting period, without an equivalent adjustment for tax purposes, generates a taxable temporary difference, and a deferred tax liability is recognized, and the contra account is recognized as profit or loss for the period. When, beyond the re-statement, there is a revaluation of nonmonetary assets, the deferred tax related to the restatement is recognized in the consolidated statement of profit and loss for the period, and deferred tax related to the revaluation is recognized in other comprehensive income for the period.

As of December 31, 2023, and 2022, the items subject to this restatement process were the following:

- Non-monetary items at historical cost: Property and Equipment, Intangible Assets, Investment Properties, Investment in Associates, Financial Assets at Fair Value through Profit or Loss, and Deferred Tax Liabilities.

4.24.2 Restatement of the Consolidated Statement of Profit and Loss and Other Comprehensive Income

i. Income and expenses are restated from the date the items were recorded, except for those income or loss items that reflect or include, in their determination, the consumption of assets measured at the currency purchasing power from a date prior to that which the consumption was recorded, which is restated using as a basis the acquisition date of the assets related to the item (for example, depreciation), except for gains or losses that derive from indexed assets or liabilities and except for income or losses arising from comparing the two measurements at currency purchasing power of different dates, for which it requires to identify the compared amounts, to restate them separately and to repeat the comparison, with the restated amounts.

ii. The gain or loss for holding monetary assets and liabilities is separately disclosed in the consolidated statement of profit and loss.

4.24.3 Restatement of the Consolidated Statement of Changes in Equity

i. As the transition date (the beginning of comparative periods), DSB has applied the following rules:

a) The components of stated capital and share premium were restated as from the dates in which they were contributed or as from the moment they arose from any other means.
b) The unrelieved losses were kept at their face value (non-restated legal amount) at the transition date.
c) The restated unappropriated unrelieved losses were determined by the difference between the net assets restated at the transition date and the remaining components of initial equity expressed as stated in previous sections.

ii. After restatement at the transition date stated in (i), all equity components are restated by applying the general price index from the commencement of the period, and each variation of those components is restated from the contribution date or as from the moment they arose from other means. The application of IAS 29 results in an adjustment for the loss of purchasing power of the Surinamese dollar (SRD) recorded in equity under retained earnings for a cumulative amount of SRD 1.24 billion.

4.24.4 Restatement of the Consolidated Statement of Cash Flows

IAS 29 requires that all items in the consolidated statement of cash flows be expressed in terms of the measuring unit current at the end of the reporting fiscal year.

The monetary gain or losses generated by cash and cash equivalents are separately disclosed in the statement of cash flows from the cash flows from operating activities and the effect of exchange rate fluctuation, as a specific item of the reconciliation between cash and cash equivalent at the beginning and the end of the fiscal years.

Consequently, the application of IAS 29 results in an adjustment for the loss of purchasing power of the Surinamese dollar recorded in the consolidated statement of profit and loss as 'Loss on net monetary position'. In a period of inflation, as DSB holds an excess of monetary assets over monetary liabilities, it loses purchasing power, which results in a loss on the net monetary position. This loss is derived as the difference resulting from the restatement of non-monetary assets and liabilities, equity, and items in the consolidated statement of comprehensive income. Corresponding figures as of December 31, 2022, have also been restated so that they are presented in terms of the purchasing power of the Surinamese dollar as of December 31, 2023.

5 Basis of consolidation

The consolidated financial statements comprise the financial statements of DSB and its subsidiaries Surinaamse Trust Maatschappij N.V., Surinaamse Computer Maatschappij N.V., and Financieringsmaatschappij Paramaribo N.V. The latter two companies are inactive and, therefore, have no assets or liabilities. DSB owns 100% of the shares of Surinaamse Trust Maatschappij N.V. The financial statements of the subsidiary are prepared for the same reporting year as DSB. DSB consolidates its subsidiary since DSB is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

When assessing whether it has power over an investee and therefore controls the variability of its returns, DSB considers all relevant facts and circumstances, including:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee).
- Exposure, or rights, to variable returns from its involvement with the investee.
- The ability to use its power over the investee to affect its returns.

When necessary, adjustments are made to the financial statements of the subsidiary to bring its accounting policies in line with the parent's accounting policies. All intra-company assets, liabilities, equity, income, expenses, and cash flows relating to transactions between DSB and its subsidiary are eliminated in full upon consolidation.

6 Significant accounting judgements, estimates, and assumptions

The preparation of DSB's consolidated financial statements requires management to make judgements, estimates, and assumptions that affect the reported amount of revenues, expenses, assets, and liabilities, and the accompanying disclosures, as well as the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. In applying the accounting policies, management has made the following primary judgements and assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, which have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Existing circumstances and assumptions about future developments may change due to circumstances beyond DSB's control and are reflected in the assumptions if and when they occur. Items with the most significant effect on the amounts recognized in the consolidated financial statements with substantial management judgment are described below with respect to the judgments and estimates involved.

6.1 Going concern

Management prepared these financial statements on a going concern basis. In making this judgment, management considered DSB's consolidated financial position, current intentions, profitability of operations, and access to financial resources, and analyzed the impact of the recent financial crisis on the future operations of DSB.

6.2 Provision for expected credit losses on financial assets

The measurement of impairment losses under IFRS 9 across all categories of financial assets in scope requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by several factors, changes in which can result in different levels of allowances. DSB's ECL calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies.

Elements of the ECL models that are considered accounting judgements and estimates include:

- DSB's internal credit grading model assigns PDs to the individual grades.
- DSB's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on an LTECL basis, and the qualitative assessment.
- Development of ECL models, including the various formulas, statistical distributions, and the choice of inputs.
- Determination of associations between macroeconomic scenarios and economic inputs, such as GDP levels and collateral values, and the effect on PDs, EADs, and LGDs.
- Selection of forward-looking macroeconomic scenarios and their probability weightings to derive the economic inputs into the ECL models, maintaining robust estimates.

For a more detailed description of the expected credit loss estimation process, refer to Note 41.

6.3 Fair value measurements

6.3.1 Fair value measurement of financial instruments

The fair value of financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. Since the fair values of most financial assets and financial liabilities recorded in the consolidated statement of financial position cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required to establish fair values. Judgements and estimates include considerations of liquidity and model inputs related to items such as credit risk, funding value adjustments, yield curves, correlation, and volatility. For further details about the determination of fair value, please see Note 40.

6.3.2 Fair value measurement of property classified as property and equipment and investment properties

The Group carries its investment properties at fair value, with changes in fair value being recognized in the consolidated statement of profit and loss. Land and buildings classified as property and equipment are measured at revalued amounts, with changes in fair value being recognized in OCI. (other comprehensive income) The office properties were valued by reference to transactions involving properties of a similar nature, location, and condition. The most recent independent valuation to assess the fair values of investment properties, and land and buildings in property and equipment was conducted on August 31, 2022.

The Group believes that the revaluation model of certain property plan and equipment, in particular its land and buildings, in 2023 and 2022, provides more relevant information to the users of its financial statements as it is more aligned to practices adopted by its competitors. In addition, available valuation techniques provide reliable estimates of the land and buildings fair value.

The key assumptions used to determine the fair value of the properties are provided in Note 40.2.2.

6.4 Effective Interest Rate (EIR) method

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

6.5 Deferred taxes

Deferred tax assets are recognized in respect of tax losses to the extent that it is probable that future taxable profit will be available against which the tax losses can be utilized. Since in Suriname, tax losses can be utilized for a limited number of years, judgment is required to determine the amount of deferred tax assets that can be recognized, based on the likely timing and level of future taxable profits, together with future tax planning strategies. Because of the significant judgments and unreliable estimation involved with the recoverability amounts of losses, deferred tax assets in respect of tax losses are not recognized. The recognized deferred tax assets relate to lease and rights-of-use assets. However, since the taxes relate to the same tax authority and can be settled net, the total amount of deferred tax assets is netted with the outstanding deferred tax liability (see also note 17.3).

6.6 Defined benefit plans

The cost of the defined benefit pension plan and other post-employment benefits and the present value of the pension obligation are determined using actuarial valuations based on demographic and economic assumptions. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates, and future pension increases. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Calculations of the defined benefit obligations are performed by an independent licensed actuary based on the following assumptions:

- Demographic assumptions
  - Mortality rates: In the calculation of present values, mortality rates according to the Surinamese mortality data are used with an age reduction of 2 years for men and women, in both 2023 and 2022.
  - Date of birth: For fiscal year 2023 actual dates are used. In 2022 it was assumed all persons were born July 1st of their birth year.
  - Partner eligibility rate: The partner eligibility rate is based on DSB's best estimate of partners expected to receive entitlement under the pension plan. The assumed rates are 90% for male employees and 70% for female employees, respectively.
  - Turnover rates: Based on a review in 2025 of the withdrawal during the period 2019 -2023, DSB expects the withdrawal rate to be 2.5% as of 2023. In 2022's valuation, the withdrawal probabilities were disregarded. The disability probabilities are disregarded in both years, based on DSB's best estimate.

    - Effective date of benefit payment: It is assumed that the payment of a retirement pension of participant will commence on the first day of the month following the 60th birthday of the participant, on the understanding that, in the event of death of a participant, the payment of a survivor's pension will start immediately. This probability is based on the pension plan rules.

- Economic assumptions
    - Price inflation: The assumed price inflation in Suriname is based on the expectations of DSB, which has been set in line with the long-range plans of the company and the International Monetary Fund (IMF) for year-end 2023 and the years after. This was in 2022, based on the expectations of DSB, taking the multiple year plan into account.
    - Discount rate: A discount rate has been used that is set at the expected price inflation plus a mark-up with 1.5%, for both 2022 and 2023.
    - Salary increases: The salary increase in subsequent years is set at price inflation rate except for the first year, for which the wage increase is assumed to be 24%. In addition to this general wage increase, the company also expects merit wage increases per year-end 2023. In 2022, the salary increase was set at the price inflation in the previous fiscal year plus 2% on the understanding that specific expectations of DSB for the short and medium term have been taken into account.
    - Pension base percentage future years: DSB has decided to set the pension base percentage at 70% in 2023, based on an estimation of the pension fund for future years. At year-end 2022, the pension fund actuary report had not yet been completed. As a result, the percentage from year-end 2021 (74.3%) was used as the best estimate.
    - Expected rate of return on plan assets DSB pension fund foundation: IAS 19 no longer contains a separate parameter for the expected rate of return on plan assets. In context of the valuation of the indexation of pension in payment the expected return on assets is capped at the discount rate.
    - Adjustment/indexation of pensions in payment: A conditional indexation of the accrued benefits applies after termination of service. Indexation is financed with the expected return on assets. Part of this return is needed to finance the 4% interest cost, incurred by the pension fund. Therefore, the expected indexation is defined by the discount rate less 4%. The proposed indexation is based on the expected indexation, which is based on the available financial results by year-end 2023. In the year-end 2022 valuation the indexation in 2023 was based on the best estimate of the indexation for 2023, since the actual indexation was at the time unknown.

6.7 Provisions and contingent liabilities

DSB and its subsidiaries operate in a regulatory and legal environment that, by nature, has a heightened element of litigation risk inherent in its operations. As a result, DSB is involved in various legal proceedings arising in the ordinary course of business.

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

Given the subjectivity and uncertainty of determining the probability and number of losses, DSB considers several factors, including legal advice, the stage of the matter, and historical evidence from similar incidents. Significant judgment is required to conclude on these estimates. For further details on provisions and other contingencies, refer to Note 32.

6.8 Revenue recognition from contracts with customers

DSB applies the following judgment in its revenue recognition from contracts with customers.

6.8.1 Allocating the variable consideration to distinct services within a series

DSB's asset management, custody, servicing, and credit card transaction processing contracts all contain a single performance obligation comprising a series of distinct services that are substantially the same and have the same pattern of transfer to the customer. Although DSB may perform various activities each day, DSB has concluded that each day of service is substantially the same because the nature of its promise to the customer is to provide an overall service. DSB has applied the variable consideration allocation exception in each of these contracts. This is because the fees received each day or, for asset management fees, each month relate specifically to the DSB's efforts to transfer the services for that day or month, which is distinct from the services provided on other days or quarters. In addition, the amount allocated corresponds to the value provided to the customer for that period.

6.8.2 Estimating variable consideration and assessing the constraint

Asset management contracts include management and performance fees, which are based on the value of its customers' assets under management and, therefore, give rise to variable consideration. Asset management fees are determined and invoiced at the end of each month. At that date, the uncertainty regarding the variable consideration is resolved, and the consideration is no longer constrained. Accordingly, DSB recognizes revenue from management fees at the end of each month.

The "constraint" concept introduced by IFRS 15 is a new way of evaluating variable consideration. In order to include variable consideration in the transaction price, DSB concludes that it is 'highly probable' that a significant revenue reversal will not occur in future periods. For the purpose of this analysis, the meaning of the term 'highly probable' is consistent with the existing meaning of 'significantly more likely than probable'. IFRS 15 includes factors to consider that could increase the likelihood or the magnitude of a revenue reversal. Among these factors for DSB, the most important is whether the performance period is nearing its end, for which it is then highly probable that a significant reversal will not occur.

DSB has considered the above in making a judgment as to the extent to which the variable consideration under its asset management contracts is constrained.

6.9 Determination of the lease term for lease contracts with renewal and termination options

DSB determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised or any periods covered by an option to terminate the lease if it is reasonably certain not to be exercised. DSB has several lease contracts that include extension and termination options. Management applies judgment in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, DSB considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination option. After the commencement date, management reassesses the lease term if there is a significant event or change in circumstances that is within its control that affects its ability to exercise or not to exercise the option to renew or to terminate the lease.

6.9.1 Estimating the incremental borrowing rate

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

7 Segment information

Per IFRS 8, DSB must disclose information to enable users of its financial statements to evaluate the nature and financial effects of the business activities in which DSB engages and the economic environments in which it operates. During 2023 and 2022, respectively, the core business activities of DSB, from which it earns revenues and incurs expenses, are divided into five segments:

- Retail banking: This relates to banking services to individual customers' deposits, consumer loans, overdrafts, credit card facilities, funds transfer facilities, and small business lending.
- Corporate banking: This relates to banking services such as loans and other credit facilities, deposits, and current accounts for corporate and institutional customers.
- Treasury: Treasury services focus on funding and liquidity management, investments in debt instruments at amortized costs, specialized foreign currency, and financial instruments for trading.
- Asset management: This relates to agency services to investors by managing their investments and providing a platform for engaging in investment activities.
- Other: Those activities that are not directly related to the segmentations above.

An analysis of DSB's segmented consolidated statement of profit and loss, as well as total assets and liabilities and cash flows, is presented in the following tables for the periods ending December 31, 2023, and December 31, 2022. In this segmentation overview, multiple segmentation amounts are allocated using different weights, depending on the nature of the amounts. Therefore, the allocation is based on the nature of the cost, revenue, assets, and liabilities, and the consideration of what segment these amounts relate to. Aspects hereby considered are:

- Ratio of the provision for corporate and retail loans;
- Ratio of the number of corporate and retail cards sold;
- Ratio of retail and corporate loans; and,
- Ratio of staff in each segment.

in thousand SRD for the year ended 31 December 2023	Retail banking	Corporate banking	Treasury	Asset management	Other	2023
Interest income calculated using the effective interest method	103,936	660,991	1,413,506	8,717	-	**2,187,150**
Interest expense calculated using the effective interest method	(117,366)	(187,524)	-	(687)	-	**(305,577)**
Net interest income	**(13,430)**	**473,467**	**1,413,506**	**8,030**	**-**	**1,881,573**
Fee and commission income	189,082	119,826	15,937	11,657	-	**336,502**
Fee and commission expense	(24,520)	(3,344)	(1,004)	(1,338)	(15,048)	**(45,254)**
Net fee and commission income	**164,562**	**116,482**	**14,933**	**10,319**	**(15,048)**	**291,248**
Net trading income	-	-	86,616	-	-	**86,616**
Impairment gains/(losses) from changes in the expected credit loss	(18,096)	481,811	(6,704)	756	-	**457,767**
Net loss on financial assets and liabilities at fair value through profit or loss	-	-	(110)	-	-	**(110)**
Other operating income	3,095	20,173	106,761	8,440	-	**138,469**
Net operating income	**136,131**	**1,091,933**	**1,615,002**	**27,545**	**(15,048)**	**2,855,563**
Personnel expenses	(299,752)	(40,875)	(12,262)	(33,560)	(183,936)	**(570,385)**
Depreciation of property, equipment, and right-of-use assets	(22,311)	(3,042)	(912)	(1,171)	(13,689)	**(41,125)**
Amortization of intangible assets	(7,527)	(1,026)	(307)	(410)	(4,617)	**(13,887)**
Other operating expenses	(191,068)	(32,100)	(7,812)	(13,110)	(117,177)	**(361,267)**
Total operating expenses	(520,658)	(77,043)	(21,293)	(48,251)	(319,419)	**(986,664)**
Net income/(loss) before tax and net monetary loss	**(384,527)**	**1,014,890**	**1,593,709**	**(20,706)**	**(334,467)**	**1,868,899**
Loss on net monetary position	(58,691)	(171,268)	(306,076)	(339)	(7,847)	**(544,221)**
Net income/(loss) before tax	**(443,218)**	**843,622**	**1,287,633**	**(21,045)**	**(342,314)**	**1,324,678**
Income tax (expense)/benefit	92,930	(316,869)	(495,956)	5,537	87,433	**(626,925)**
Net income/(loss) after tax	**(350,288)**	**526,753**	**791,677**	**(15,508)**	**(254,881)**	**697,753**
Total Assets	**3,740,899**	**10,916,427**	**19,508,938**	**21,581**	**500,189**	**34,688,034**
Total Liabilities	**15,039,221**	**14,054,630**	**382,591**	**15,266**	**2,116,131**	**31,607,839**
Net cash flows (used in)/from:						
Operating Activities	(143,410)	(1,150,320)	(1,701,358)	(29,018)	15,852	**(3,008,254)**
Investing Activities	(2,850)	(22,862)	(33,813)	(577)	315	**(59,787)**
Financing Activities	(3,044)	(24,414)	(36,109)	(616)	337	**(63,846)**

in thousand SRD for the year ended 31 December 2022	Retail banking	Corporate banking	Treasury	Asset management	Other	2022 (Restated)
Interest income calculated using the effective interest method	109,318	754,021	1,751,187	1,528	-	**2,616,054**
Interest expense calculated using the effective interest method	(156,212)	(222,477)	(1,515)	(975)	-	**(381,179)**
Net interest income	**(46,894)**	**531,544**	**1,749,672**	**553**	**-**	**2,234,875**
Fee and commission income	200,863	136,045	14,075	17,177	-	**368,160**
Fee and commission expense	(17,008)	(3,703)	(789)	(1,754)	(13,239)	**(36,493)**
Net fee and commission income	**183,855**	**132,342**	**13,286**	**15,423**	**(13,239)**	**331,667**
Net trading income	-	-	14,687	-	-	**14,687**
Impairment (losses)/gains from changes in the expected credit loss	(77,350)	28,471	4,290	(460)	-	**(45,049)**
Net loss on financial assets and liabilities at fair value through profit or loss	-	-	(243)	-	-	**(243)**
Other operating income	3,257	31,128	368,862	14,697	-	**417,944**
Net operating income	**62,868**	**723,485**	**2,150,554**	**30,213**	**(13,239)**	**2,953,881**
Personnel expenses	(279,698)	(60,896)	(12,976)	(52,351)	(217,702)	**(623,623)**
Depreciation of property, equipment, and right-of-use assets	(15,646)	(3,406)	(726)	(1,546)	(12,175)	**(33,499)**
Amortization of intangible assets	(2,225)	(483)	(103)	(228)	(1,733)	**(4,772)**
Other operating expenses	(178,242)	(39,296)	(8,269)	(20,765)	(138,728)	**(385,300)**
Total operating expenses	(475,811)	(104,081)	(22,074)	(74,890)	(370,338)	**(1,047,194)**
Net income/(loss) before tax and net monetary loss	**(412,943)**	**619,404**	**2,128,480**	**(44,677)**	**(383,577)**	**1,906,687**
Loss on net monetary position	(62,255)	(220,883)	(342,409)	(2,661)	(11,383)	**(639,591)**
Net income/(loss) before tax	**(475,198)**	**398,521**	**1,786,071**	**(47,338)**	**(394,960)**	**1,267,096**
Income tax (expense)/benefit	**55,830**	**(169,090)**	**(550,758)**	**6,125**	**59,338**	**(598,555)**
Net income/(loss) after tax	**(419,368)**	**229,431**	**1,235,313**	**(41,213)**	**(335,622)**	**668,541**
Total Assets	**3,429,062**	**12,166,397**	**18,860,121**	**146,554**	**626,948**	**35,229,082**
Total Liabilities	**15,375,092**	**15,080,979**	**432,454**	**13,637**	**1,787,419**	**32,689,581**
Net cash flows (used in)/from:						
Operating Activities	(73,164)	(841,976)	(2,502,768)	(35,161)	15,406	**(3,437,663)**
Investing Activities	(1,044)	(12,011)	(35,704)	(502)	220	**(49,041)**
Financing Activities	(565)	(6,506)	(19,338)	(272)	120	**(26,561)**

Management monitors the operating results of its business units separately to make decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profits or losses and is measured consistently with operating profits or losses in the consolidated financial statements. However, income taxes are managed on a group basis and are not allocated to operating segments. No revenue from transactions with a single external customer or counterparty amounted to 10% or more of the total revenue in 2023 or 2022.

8 Interest income

Interest and similar income

in thousand SRD for the year ended 31 December	**2023**	**2022 (Restated)**
Interest income calculated using the effective interest method		
Cash reserves with central banks	43,943	67,312
Deposits with central banks	930,058	1,619,322
Deposits with other banks	337,559	35,564
Debt instruments at amortized cost	145,889	96,302
Loans and advances to customers	729,701	797,554
Total interest and similar income	**2,187,150**	**2,616,054**

Included in the interest income are corresponding adjustments to the amounts recorded in the consolidated statement of financial position, reflecting changes to DSB's effective interest rate assumptions, incorporating the characteristics and expected behavior of the balances.

Interest income from Deposits with central banks consists of SRD 854.4 million (2022: 981.4 million) from Open Market Operations (OMO) at the Central Bank. The hyperinflation impact on the interest income from Deposits with central banks results to higher income for both 2023 and 2022, amounting to SRD 75.6 million and SRD 638.0 million, respectively.

The interest income from Loans and advances to customers in 2022 includes the modification impact related to loans issued by the CBvS, which is classified as POCI financial assets (refer to Note 23).

The total hyperinflation adjustment on interest income resulted in an increase for both 2023 and 2022 of SRD 177.9 million and SRD 1.0 billion, respectively.

9 Interest expense

Interest and similar expense

in thousand SRD for the year ended 31 December	**2023**	**2022 (Restated)**
Interest expense calculated using the effective interest method		
Due to banks	30,038	40,024
Debt issued and other borrowed funds	28,416	23,311
Interest expense on lease liabilities	687	975
Due to customers	246,436	316,869
Total interest and similar expense	**305,577**	**381,179**

The total hyperinflation adjustment on interest expense resulted in an increase for both 2023 and 2022 of SRD 24.9 million and SRD 150.2 million, respectively.

10 Fee and commission income

Disaggregated revenue information	**For the year ended 31 December 2023**				
Segments (in thousands)					
	Retail banking	**Corporate banking**	**Treasury**	**Asset management**	**Total**
Fee income earned from services that are provided over time:					
Cards membership fees	14,385	211	-	-	**14,596**
Rental fees	2,607	720	-	-	**3,327**
Custody fees	-	-	8,586	-	**8,586**
Service charges over time	29,876	13,038	-	3,032	**45,946**
Loan origination fees	3,639	(69)	-	-	**3,570**
Loan commitment fees	-	627	-	-	**627**
Total	**50,507**	**14,527**	**8,586**	**3,032**	**76,652**
Fee income earned from services that are provided at a point in time:					
Physical transfer fees	34,863	-	-	-	**34,863**
Closing fees	-	-	-	-	**-**
System transaction fees	103,498	105,299	-	-	**208,797**
Agent fees	-	-	-	8,625	**8,625**
Brand registration	-	-	-	-	**-**
Brokerage fees	-	-	7,351	-	**7,351**
Other fees	214	-	-	-	**214**
Total	**138,575**	**105,299**	**7,351**	**8,625**	**259,850**
Total fee and commission income	**189,082**	**119,826**	**15,937**	**11,657**	**336,502**

Disaggregated revenue information	**For the year ended 31 December 2022 (Restated)**				
Segments (in thousands)					
	Retail banking	**Corporate banking**	**Treasury**	**Asset management**	**Total**
Fee income earned from services that are provided over time:					
Cards membership fees	14,899	282	-	-	**15,181**
Rental fees	3,787	993	-	-	**4,780**
Custody fees	-	-	6,493	-	**6,493**
Service charges over time	34,790	13,531	-	6,627	**54,948**
Loan origination fees	4,553	(40)	-	-	**4,513**
Loan commitment fees	-	1,695	-	-	**1,695**
Total	**58,029**	**16,461**	**6,493**	**6,627**	**87,610**
Fee income earned from services that are provided at a point in time:					
Physical transfer fees	39,619	-	-	-	**39,619**
Closing fees	-	-	-	43	**43**
System transaction fees	102,949	119,584	-	-	**222,533**
Agent fees	-	-	-	10,507	**10,507**
Brand registration	-	-	-	-	**-**
Brokerage fees	-	-	7,582	-	**7,582**
Other fees	266	-	-	-	**266**
Total	**142,834**	**119,584**	**7,582**	**10,550**	**280,550**
Total fee and commission income	**200,863**	**136,045**	**14,075**	**17,177**	**368,160**

The total hyperinflation adjustment on fee and commission income resulted in an increase for both 2023 and 2022 of SRD 27.4 million and SRD 145.0 million, respectively.

11 Net trading income

Net trading income		
in thousand SRD for the year ended 31 December	**2023**	**2022 (Restated)**
Foreign exchange transactions	86,616	14,687
Total	**86,616**	**14,687**

Foreign exchange transactions include gains and losses from foreign exchange trading under spot contracts. Other foreign exchange differences arising from non-trading activities are presented under other operating income in the consolidated statement of profit and loss.

Foreign exchange transactions increased by SRD 72.0 million, of which SRD 70.7 million was attributable to higher volumes of foreign currency sales and exchange rate movements during the reporting period, and SRD 1.3 million resulted from hyperinflation adjustments.

The total hyperinflation adjustment on net trading results resulted in an increase for both 2023 and 2022 of SRD 7.0 million and SRD 5.8 million, respectively.

12 Impairment gains/(losses) from changes in the expected credit loss

The table below shows the ECL gains/(losses) on financial instruments for the year recorded in the consolidated statement of profit and loss:

Impairment gains/(losses) from changes in the expected credit loss
in thousand SRD for the year ended 31 December

2023	Stage 1	Stage 2	Stage 3	POCI	Total
Cash and balances with central banks	-	(26,148)	4,736	-	**(21,412)**
Due from banks	(1,291)	(2,250)	-	-	**(3,541)**
Debt instruments measured at amortized cost	106	2,644	5,831	-	**8,581**
Loans and advances to customers	(11,666)	227,400	255,215	-	**470,949**
Purchased or originated credit impaired financial assets	-	-	-	39	**39**
Financial guarantees	1,128	(177)	2,200	-	**3,151**
	(11,723)	**201,469**	**267,982**	**39**	**457,767**

2022 (Restated)	Stage 1	Stage 2	Stage 3	POCI	Total
Cash and balances with central banks	-	(30,269)	(3,497)	-	**(33,766)**
Due from banks	(1,140)	87	-	-	**(1,053)**
Debt instruments measured at amortized cost	790	(764)	10,168	-	**10,194**
Loans and advances to customers	(15,331)	(12,991)	28,292	-	**(30)**
Purchased or originated credit impaired financial assets	-	-	-	(18,225)	**(18,225)**
Financial guarantees	(2,167)	(2)	-	-	**(2,169)**
	(17,848)	**(43,939)**	**34,963**	**(18,225)**	**(45,049)**

In 2023, within the 'Loans and advances to customers' Stage 2 amount is an impairment gain of SRD 266 million for the reversal of the allowance on contractual interest due but not yet received. This relates to loans to government entities previously classified as Stage 3 which were subsequently cured (i.e. no longer credit impaired), and therefore are reclassified to Stage 2 (Note 22). Through prudent financial management and strategic debt settlement, the government fully repaid its outstanding loan by April 2025 (Note 42).

In 2022, the impairment loss was mainly due to an increase in exposure to overdraft facilities and new facilities granted (refer to Note 22). Additionally, a provision (ECL) was recognized based on future repayments of instruments to the central bank, which are classified under POCI, amounting to SRD 18.2 million (see Note 23).

The total hyperinflation impact on impairment gains/(losses) resulted in a SRD 37.2 million higher gain in 2023 and an SRD 17.7 million higher loss in 2022.

13 Net loss on financial assets and liabilities at fair value through profit or loss

Net loss on financial assets and liabilities at fair value through profit or loss

in thousand SRD for the year ended 31 December	**2023**	**2022 (Restated)**
Financial assets mandatorily measured at fair value through profit or loss	(110)	(243)
	(110)	**(243)**

The net loss on financial assets mandatorily at fair value through profit or loss pertains to the restatement impact for the hyperinflation of Stadsherstel. Kindly refer to Note 21.2 for a detailed explanation of this.

The IAS 29 restatement resulted to a recognition of net loss on financial assets and liabilities at FVTPL for both 2023 and 2022, amounting to SRD 110 thousand and SRD 243 thousand, respectively.

14 Other operating income

Other operating income

in thousand SRD for the year ended 31 December	**2023**	**2022 (Restated)**
Result from investments in associates (Note 21.3)	(16,841)	6,634
Exchange rate results	114,115	372,655
Recovery of loans written-off	2,099	13,384
Other operating income	39,096	25,271
	138,469	**417,944**

Exchange rate results include net of Open currency position (OCP) revaluation. The exchange rate result decreased by SRD 258.5 million, driven by SRD 121.0 million reduction in gains from non-trading activities and SRD 137.5 million decrease due to hyperinflation adjustments.

Hyperinflation adjustments resulted in SRD 5.0 million lower income in the current year and SRD 148.6 million higher income in 2022.

15 Personnel expenses

Personnel expenses

in thousand SRD for the year ended 31 December	**2023**	**2022 (Restated)**
Wages and salaries	356,307	378,670
Social security costs	26,912	30,863
Post-employment benefit plan obligations costs	26,692	55,723
Post-employment healthcare plan obligation costs	15,307	24,076
Anniversary payment plan obligation costs	42,077	57,629
Training expenses	9,634	6,459
Other personnel expenses	93,456	70,203
	570,385	**623,623**

Other personnel expenses include costs related to easter packages for staff, expenses for incidentally hired staff, recreation, and consumption for staff.

The total hyperinflation adjustment on personnel expenses resulted in an increase for both 2023 and 2022 amounting to SRD 46.4 million and SRD 245.7 million, respectively.

16 Other operating expenses

Other operating expenses

in thousand SRD for the year ended 31 December	**2023**	**2022 (Restated)**
Advertising and marketing costs	12,679	8,906
Housing	58,605	57,170
Maintenance costs	132,299	121,872
Professional fees	45,208	165,581
Telephone charges	16,811	16,750
Money transport	26,024	17,745
Office Supplies	17,411	16,196
Impairment loss/(gain) of property and equipment, and investment properties	26,663	(42,657)
Other operating expenses	25,567	23,737
	361,267	**385,300**

Maintenance costs comprise IT-related expenditures, including annual licensing and subscription fees for software modules and systems, along with the maintenance of electronic equipment. Costs related to security and maintenance of bank buildings, insurance, and utilities totaling SRD 58.6 million (2022: SRD 57.1 million) are included in Housing costs.

The total hyperinflation adjustment on other operating expenses resulted in an increase of SRD 55.0 million for 2023 and an increase of SRD 129.8 million for 2022.

17 Taxes

17.1 Reconciliation of the total tax charge

The tax charge shown in the consolidated statement of profit and loss differs from the tax charge that would apply if all profits had been charged at DSB's tax rate. A reconciliation between the tax expense and the accounting profit multiplied by the tax rate for the years ended December 31, 2023, and 2022 is as follows:

Income tax expense

in thousand SRD for the year ended 31 December	**2023**	**2022 (Restated)**
Accounting profit before tax	1,324,678	1,267,096
Equity booking	(133,045)	102,167
Participation losses/(gains) in P&L not subject to tax	1,256	(26,660)
Temporary differences	104,483	(128,839)
Statutory Taxable Income	**1,297,372**	**1,213,764**
Statutory current tax charge	(664,539)	(552,173)
Deferred tax relating to origination and reversal of temporary differences through P&L	37,614	(46,382)
Income tax expense as reported in the Consolidated Statement of Profit and Loss	**(626,925)**	**(598,555)**

Effective Tax Rate	**2023**	**2022 (Restated)**
Accounting Profit before tax	1,324,678	1,267,096
Tax at statutory rate (36%)	476,884	456,155
Differences		
Tax effect on gains not recognized	149,589	154,679
Tax effect on participation losses/(gains) that are not-taxable	452	(12,279)
Total tax charge	**626,925**	**598,555**

The effective income tax rate for both 2023 and 2022 is 36%. Effective 1 January 2022, the 10% solidarity levy introduced in 2021 was discontinued, resulting in a flat corporate income tax rate (CITR) of 36%, which has been applied to the entire taxable profit from 2022 onward.

17.2 Current tax

The current tax liabilities (2023: SRD 930.2 million and 2022: SRD 488.3 million, restated) consist of outstanding sales and income tax payable to tax authorities as of December 31, 2023, and 2022, respectively. Sales tax paid to tax authorities during the year amounted to SRD 1.1 million (2022: SRD 1.0 million which includes SRD 0.2 million impact due to hyperinflation).

17.3 Deferred tax

The following table shows deferred tax recorded in the consolidated statement of financial position and changes recorded in the Income tax expense:

Deferred Tax Liabilities

in thousand SRD for the year ended 31 December

	2023				2022 (Restated)			
	Opening Balance	Changes through P&L	Changes through OCI	***Closing Balance***	***Opening Balance***	Changes through P&L	Changes through OCI	***Closing Balance***
Revaluation and hyperinflation on PPE, intangibles, and leases	**444,480**	(9,392)	(40,449)	**394,639**	**417,060**	22,665	4,755	**444,480**
Revaluation and hyperinflation on investment properties	**5,557**	(2,549)	-	**3,008**	**5,434**	123	-	**5,557**
Unrealized Fx Gains	**254,328**	(25,673)	-	**228,655**	**230,734**	23,594	-	**254,328**
Total	**704,365**	**(37,614)**	**(40,449)**	**626,302**	**653,228**	**46,382**	**4,755**	**704,365**

18 Cash and balances with Central Banks

Cash and balances with central banks

in thousand SRD for the year ended 31 December	**2023**	**2022 (Restated)**
Cash and cash equivalents with central banks	647,841	713,696
Cash reserves with central banks	6,777,134	7,549,276
Deposits with central banks	2,274,380	2,668,132
Current accounts with central banks	1,394,550	3,297,481
Subtotal	11,093,905	14,228,585
Allowance for ECL	(127,236)	(120,871)
	10,966,669	**14,107,714**

Cash and cash equivalents include cash items such as banknotes, coins, cash at ATMs, and cash in transit. Cash reserves with the Central Banks are mandatory reserve deposits not available for use in DSB's daily operations. Deposits with the Central Banks relate to investments in term deposits at the Central Bank of Suriname in local currency and also include Open Market Operations (OMO) Term Deposits. Current accounts with Central Banks include working accounts held at the Central Bank of Suriname for interbank transactions.

18.1 Impairment allowance on cash and balances with Central Bank

The tables below show the credit quality and the maximum exposure to credit risk based on the DSB's internal credit rating system, average PD range, and year-end stage classification. The amounts presented are net of allowance for ECL. Details of the DSB's internal grading system and DSB's impairment assessment and measurement approach are set out in Note 41.3.3.

In thousand SRD as of 31 December 2023

Internal rating grade	12-month Basel III PD average	Stage 1	Stage 2	Stage 3	Total
Performing					
1-3	1.2%	1,300,009			**1,300,009**
4	8.2%		9,585,683		**9,585,683**
Non-performing					
5,6,7	100.0%			208,213	**208,213**
Total		**1,300,009**	**9,585,683**	**208,213**	**11,093,905**

In thousand SRD as of 31 December 2022 (Restated)

Internal rating grade	12-month Basel III PD average	Stage 1	Stage 2	Stage 3	Total
Performing					
1-3	11.9%	1,389,126			**1,389,126**
4	15.3%		12,582,985		**12,582,985**
Non-performing					
5,6,7	100.0%			256,474	**256,474**
Total		**1,389,126**	**12,582,985**	**256,474**	**14,228,585**

A reconciliation of changes in gross carrying amount and corresponding ECL allowances by stage for cash and balances with Central Bank is as follows:

in thousand SRD	**Stage 1**		**Stage 2**		**Stage 3**		**Total**	
	Gross carrying amount	**ECL**	**Gross carrying amount**	**ECL**	**Gross carrying amount**	**ECL**	**Gross carrying amount**	**ECL**
1 January 2023	**1,389,126**	**-**	**12,582,985**	**65,601**	**256,474**	**55,270**	**14,228,585**	**120,871**
New assets originated	-	-	2,274,334	-	-	-	**2,274,334**	**-**
Payments and assets derecognized	(108,449)	-	(4,116,593)	26,149	(28,114)	(6,747)	**(4,253,156)**	**19,402**
Other movements	291,038	-	874,912	-	8,987	2,011	**1,174,937**	**2,011**
Foreign exchange adjustments	70,041	-	1,065,661	9,919	33,963	7,967	**1,169,665**	**17,886**
Monetary effects of hyperinflation	(341,747)	-	(3,095,616)	(19,073)	(63,097)	(13,861)	**(3,500,460)**	**(32,934)**
31 December 2023	**1,300,009**	**-**	**9,585,683**	**82,596**	**208,213**	**44,640**	**11,093,905**	**127,236**

in thousand SRD	**Stage 1**		**Stage 2**		**Stage 3**		**Total**	
	Gross carrying amount	**ECL**	**Gross carrying amount**	**ECL**	**Gross carrying amount**	**ECL**	**Gross carrying amount**	**ECL**
1 January 2022 (Restated)	**2,548,196**	**-**	**11,074,330**	**42,122**	**249,657**	**53,797**	**13,872,183**	**95,919**
New assets originated	-	-	2,668,155	-	-	-	**2,668,155**	**-**
Payments and assets derecognized	(609,476)	-	(1,851,378)	(15,331)	-	3	**(2,460,854)**	**(15,328)**
Other movements	1,723	-	2,368,592	45,602	13,027	3,495	**2,383,342**	**49,097**
Foreign exchange adjustments	348,230	-	2,232,670	17,440	81,922	21,963	**2,662,822**	**39,403**
Monetary effects of hyperinflation	(899,547)	-	(3,909,384)	(24,232)	(88,132)	(23,988)	**(4,897,063)**	**(48,220)**
31 December 2022 (Restated)	**1,389,126**	**-**	**12,582,985**	**65,601**	**256,474**	**55,270**	**14,228,585**	**120,871**

In 2023, SRD 2.3 billion of new assets were generated from Open Market Operation (OMO), and SRD 1.2 billion increase were from favorable foreign exchange adjustments. Also, SRD 4.3 billion is from asset derecognition, which is comprised mainly of SRD 2.0 billion from matured TDs with the Central Bank of Suriname (CBvS), a net decrease of SRD 148.0 million in exposure on current accounts with CBvS and cash and cash equivalents, and a reduction in the cash reserves allocated to ring-fenced accounts amounting to SRD 41.0 million. The monetary effects of hyperinflation amounted to SRD 3.5 billion from the restatement of 2023 beginning balances to the 2023 end-of-year CPI factor for presentation purposes (Note 4.24).

In 2022, SRD 2.7 billion of new assets were generated from Open Market Operation (OMO), and SRD 2.7 billion increased from favorable foreign exchange adjustments. Also, SRD 2.5 billion is from asset derecognition, which is comprised mainly of SRD 1.2 billion from matured TD with CBvS and a net decrease of SRD 1.3 billion in exposure on current accounts with CBvS and cash and cash equivalents. The monetary effects of hyperinflation amounted to SRD 4.9 billion from the restatement of 2022 beginning balances to the 2022 end-of-year CPI factor for presentation purposes (Note 4.24).

19 Due from Banks

Due from banks

in thousand SRD for the year ended 31 December	**2023**	**2022 (Restated)**
Current accounts with other banks	2,922,059	4,085,160
Deposits with other banks	6,627,498	3,822,234
Subtotal	9,549,557	7,907,394
Allowance for ECL	(4,189)	(1,240)
	9,545,368	**7,906,154**

Deposits with other banks regard investments in term deposits at local and international banks in local and foreign currency.

The tables below show the credit quality and the maximum exposure to credit risk based on the DSB's internal credit rating system, average PD range, and year-end stage classification for due from banks. The amounts presented are gross of allowance for ECL. Details of the DSB's internal grading system and DSB's impairment assessment and measurement approach are set out in Note 41.3.3.

In thousand SRD as of 31 December 2023

Internal rating grade	12-month Basel III PD average	Stage 1	Stage 2	Stage 3	Total
Performing					
1-3	0.0%	9,297,265			**9,297,265**
4	27.8%		252,292		**252,292**
Non-performing					
5,6,7	0.0%			-	**-**
Total		**9,297,265**	**252,292**	**-**	**9,549,557**

In thousand SRD as of 31 December 2022 (Restated)

Internal rating grade	12-month Basel III PD average	Stage 1	Stage 2	Stage 3	Total
Performing					
1-3	0.0%	7,907,394			**7,907,394**
4	0.0%		-		**-**
Non-performing					
5,6,7	0.0%			-	**-**
Total		**7,907,394**	**-**	**-**	**7,907,394**

A reconciliation of changes in gross carrying amount and corresponding ECL allowances by stage for due from banks is as follows:

in thousand SRD	Stage 1		Stage 2		Stage 3		Total	
	Gross carrying amount	ECL	Gross carrying amount	ECL	Gross carrying amount	ECL	Gross carrying amount	ECL
1 January 2023	**7,907,394**	**1,240**	**-**	**-**	**-**	**-**	**7,907,394**	**1,240**
New assets originated	6,375,363	2,309	252,292	2,251	-	-	**6,627,655**	**4,560**
Payments and assets derecognized	(4,403,222)	(1,018)	-	-	-	-	**(4,403,222)**	**(1,018)**
Other movements	845,279	-	-	-	-	-	**845,279**	**-**
Foreign exchange adjustments	517,797	-	-	-	-	-	**517,797**	**-**
Monetary effects of hyperinflation	(1,945,346)	(410)	-	(183)	-	-	**(1,945,346)**	**(593)**
31 December 2023	**9,297,265**	**2,121**	**252,292**	**2,068**	**-**	**-**	**9,549,557**	**4,189**

in thousand SRD	Stage 1		Stage 2		Stage 3		Total	
	Gross carrying amount	ECL	Gross carrying amount	ECL	Gross carrying amount	ECL	Gross carrying amount	ECL
1 January 2022 (Restated)	**8,317,261**	**502**	**32,727**	**109**	**-**	**-**	**8,349,988**	**611**
New assets originated	3,822,613	1,543	-	-	-	-	**3,822,613**	**1,543**
Payments and assets derecognized	(3,719,066)	(404)	(21,174)	(87)	-	-	**(3,740,240)**	**(491)**
Other movements	13,823	-	-	-	-	-	**13,823**	**-**
Foreign exchange adjustments	2,408,866	-	-	-	-	-	**2,408,866**	**-**
Monetary effects of hyperinflation	(2,936,103)	(401)	(11,553)	(22)	-	-	**(2,947,656)**	**(423)**
31 December 2022 (Restated)	**7,907,394**	**1,240**	**-**	**-**	**-**	**-**	**7,907,394**	**1,240**

No contractual amounts were outstanding in relation to Due from banks that were still subject to enforcement activity on December 31, 2023, and on December 31, 2022.

In 2023, SRD 6.6 billion of new assets were generated from deposits at an international bank and one local bank. On the other hand, a decrease of SRD 4.4 billion came from SRD 2.8 billion derecognition of deposits with other banks and SRD 1.5 billion decrease in current accounts with other banks were noted because of higher outgoing local and international transfers. No material changes are recorded in ECL in 2023. The monetary effects of hyperinflation amounted to SRD 1.9 billion from the restatement of 2023 beginning balances to 2023 end-of-year CPI factor for presentation purposes (Note 4.24).

In 2022, SRD 3.8 billion of new assets were generated from deposits at an international bank. On the other hand, a decrease of SRD 3.7 billion came from derecognition of deposits with other banks and decrease in current accounts with other banks were noted because of higher outgoing local and international transfers. No material changes are recorded in ECL in 2022. The monetary effects of hyperinflation amounted to SRD 2.9 billion from the restatement of 2022 beginning balances to the 2022 end-of-year CPI factor for presentation purposes (Note 4.24).

20 Due to Banks

Due to banks

in thousand SRD for the year ended 31 December	**2023**	**2022 (Restated)**
Current accounts of other banks	62,917	353,073
Total	**62,917**	**353,073**

The 'Due to banks' balance comprises outstanding balances held in current accounts by local financial institutions with DSB, in both local and foreign currencies, as of the reporting date.

In accordance with IAS 29, the total restatement impact for presentation purposes on 'Due to banks' for 2022 resulted in an increase of SRD 86.9 million.

21 Investments

21.1 Overview of all equity-related investments

DSB has invested in several entities over the years. The percentages of equity interest and the controlling interest differ for each entity. These investments are, depending on the percentage of ownership, classified either as a consolidated subsidiary, an equity investment (as part of financial assets at fair value through profit or loss), or an associate. The following table provides an overview of all investment entities together with classification of the investment type.

	Proportion of ownership		Number of Shares		Nominal value		Nominal value	
Investment Entity	**2023**	**2022**	**Owned**		**per share**		**(in base currency)**	**Investment type**
TBL Multiplex	9.00%	9.00%	420.00	USD	1,000.00	USD	420,000.00	Equity investment
Stadsherstel	8.49%	8.49%	20.00	SRD	10,000.00	SRD	200,000.00	Equity investment
Suritrust	100.00%	100.00%	1.00	SRD	50.00	SRD	50.00	Subsidiary (Consolidated)
DSB Assuria Vastgoed	49.00%	49.00%	48,529.60	SRD	10.00	SRD	485,296.00	Associate
B- Nets	25.00%	25.00%	240.00	SRD	1,000.00	SRD	240,000.00	Associate

21.2 Financial assets at fair value through profit or loss

Financial assets designated at fair value through profit or loss (FVTPL) relate to equity investments in Stadsherstel Suriname N.V. These investments are, based on their equity interest percentage, classified as financial assets at fair value through profit and loss, as presented in the table below.

Financial assets at fair value through profit or loss

in thousand SRD for the year ended 31 December	**2023**	**2022 (Restated)**
Equity investments		
Stadsherstel	336	446
	336	**446**

In line with IAS 29, the restatement impact for presentation purposes on financial assets at FVTPL for 2022 amounts to SRD 0.1 million. There was no movement on financial assets at FVTPL due to the lack of 2023 and 2022 audited figures from Stadsherstel.

21.3 Investments in associates

Investments in associates

in thousand SRD for the year ended 31 December	**2023**	**2022 (Restated)**
DSB Assuria Vastgoed	45,394	61,870
B-Nets	1,119	1,484
	46,513	**63,354**

The following tables show a summary of the movement of investments in associates. A detailed breakdown of the share in the carrying amount of investments and share in the results from each associate are included in the next section.

	2023			
	Opening Balance	**Share in the result of associates**	**Adjustment for inflation**	**Ending Balance**
DSB Assuria Vastgoed	**61,870**	(1,255)	(15,221)	**45,394**
B- Nets	**1,484**	-	(365)	**1,119**
Total	**63,354**	**(1,255)**	**(15,586)**	**46,513**

	2022 (Restated)			
	Opening Balance	**Share in the result of associates**	**Adjustment for inflation**	**Ending Balance**
DSB Assuria Vastgoed	**53,346**	20,626	(12,102)	**61,870**
B- Nets	**3,372**	(527)	(1,361)	**1,484**
Total	**56,718**	**20,099**	**(13,463)**	**63,354**

In 2023, the carrying amount of investments in DAVG decreased by SRD 16.5 million, driven by SRD 1.3 million from the share in the associate's loss for the year and FX movements in the share of its equity, as well as SRD 15.2 million due to the monetary effects of hyperinflation. Movements in the carrying amount of investments in B-Nets relate solely to the monetary effects of hyperinflation. A total of SRD 15.6 million results from the restatement of 2023 beginning balances to the 2023 end-of-year CPI factor for presentation purposes (Note 4.24).

In 2022, the carrying amount of investments in DAVG increased to SRD 61.9 million due to the share in the results of associates amounting to SRD 20.6 million, offset by the hyperinflation effects of SRD 12.1 million. The SRD 20.6 million includes SRD 9.5 million related to DAVG's 2022 results and SRD 11.1 million from prior-year corrections. The carrying amount of investments in B-Nets declined by SRD 0.5 million due to the share in the associate's loss. A total of SRD 13.5 million adjustments resulted from the restatement of 2022 beginning balances to the 2022 end-of-year CPI factor for presentation purposes (Note 4.24).

21.3.1 DSB Assuria Vastgoed N.V. (DAVG)

DSB holds a 49% interest in DSB Assuria Vastgoed N.V. (DAVG), with the remaining 51% owned by Assuria N.V. DAVG's core activity is primarily real estate development to sell the developed properties. DAVG is a private entity that is not listed on any public exchange.

In 2023, DAVG sold six lots from the Noord Polderdam project and five lots from the Sumatraweg project. The sale of the remaining lots is ongoing. However, the sale of property at Accaribo is expected to take longer than initially anticipated, as the land title has yet to be reconfirmed by the government.

Effective from the financial year ended December 31, 2022, DAVG changed its functional and presentation currency to USD. For the purpose of applying the equity method in the consolidated financial statements, the Group translates DAVG's financial information into its own presentation currency.

The following table illustrates the summarized financial information of DSB's investment in DAVG.

DSB Assuria Vastgoed N.V.

in thousand SRD for the year ended 31 December	**2023**	**2022 (Restated)**
Current assets	188,806	132,607
Non-current assets	895,816	813,147
Current liabilities	(17,280)	(3,310)
Non-current liabilities	(974,701)	(847,241)
Equity	92,641	95,203
Group's share in equity (49%)	45,394	46,649
Adjustment for inflation	-	15,221
Group carrying amount on the investment	**45,394**	**61,870**
Revenue sales	20,007	26,286
Cost of sales	-	-
Operating expenses	2,388	(29,085)
Finance costs	164	(128)
Profit/(loss) before tax	**22,559**	**(2,927)**
Income tax (expense)/benefit	(27,953)	22,344
(Loss)/profit for the year	**(5,394)**	**19,417**
Other comprehensive income	-	-
Total comprehensive (loss)/income	**(5,394)**	**19,417**
Groups share of (loss)/profit of the year (49%)	**(2,643)**	**9,514**

21.3.2 Banking Network Suriname N.V. (B-Nets)

DSB holds a 25% interest in Banking Network Suriname N.V. (B-Nets), which manages the interbank network in Suriname. The entity's primary goal is to stimulate electronic payment transactions in Suriname.

B-Nets is a private entity that is not listed on any public exchange. The Group's interest in B-Nets is accounted for using the equity method in the consolidated financial statements. The following table presents the summarized financial information of DSB's investment in B-Nets based on 2021 audited figures of B-Nets. The audited financials for 2022 and 2023 are not yet available. The Group will recognize its share of the associate's profit or loss once the relevant financial information becomes available.

B-Nets

in thousand SRD for the year ended 31 December	**2021**
Current assets	7,387
Non-current assets	37,427
Current liabilities	(12,552)
Non-current liabilities	(10,409)
Equity	21,853
Group's share in equity 25%	5,463
Accumulated GAAP changes	(4,478)
Goodwill	134
Group carrying amount on the investment	**1,119**
Revenue sales	37,546
Cost of sales	(14,938)
Operating expenses	(24,052)
Finance costs	(2,222)
Profit before tax	**(3,666)**
Income tax expense	1,665
Profit for the year	(2,001)
Other Comprehensive Income	(105)
Total Comprehensive Income	**(2,106)**
Groups share of profit of the year	**(527)**

**Table sourced from the 2021 Audited Financial Statements of B-Nets N.V.*

22 Loans and advances to customers

Loans and advances to customers

in thousand SRD for the year ended 31 December	2023	2022 (Restated)
Advances to customers	1,991,604	2,389,364
Credit cards	83,194	76,232
Loans to government entities	926,155	1,038,167
Loans to private parties	3,433,557	3,348,843
Loans to private parties through Suritrust	21,257	140,686
Subtotal	*6,455,767*	*6,993,292*
Allowance for ECL	(568,531)	(920,297)
	5,887,236	**6,072,995**

Loans and advances to customers- ECL

in thousand SRD	Stage 1		Stage 2		Stage 3		Total	
	2023	2022 (Restated)	2023	2022 (Restated)	2023	2022 (Restated)	2023	2022 (Restated)
Advances to customers	65,487	66,846	6,012	14,890	209	1,617	**71,708**	**83,353**
Credit cards	871	1,240	65	211	2,761	2,516	**3,697**	**3,967**
Loans to government entities	-	-	70,683	-	-	305,484	**70,683**	**305,484**
Loans to private parties	15,595	14,575	25,991	38,824	379,840	471,823	**421,426**	**525,222**
Loans to private parties through Suritrust	74	437	88	227	855	1,607	**1,017**	**2,271**
	82,027	**83,098**	**102,839**	**54,152**	**383,665**	**783,047**	**568,531**	**920,297**

DSB has aligned its definition of credit impaired assets under IFRS 9 with the definition of non-performing loans used by the Central Bank of Suriname. This alignment has been effectively implemented, ensuring consistency and comparability in reporting standards, as well as improving transparency and regulatory compliance. Refer to Note 41.3.3.3 for further information.

Advances to customers include overdraft facilities extended to both retail and corporate customers. Fixed-term loans granted directly by the Group to retail and corporate clients are classified as loans to private parties. Loans to private parties through Suritrust comprise all mortgage loans financed using DSB's assets under management of Suritrust.

22.1 Impairment allowance on loans and advances to customers

The tables in the following subsections present the credit quality and the maximum exposure to credit risk based on the DSB's internal credit rating system, average PD range, and year-end stage classification for the advances to customers, credit cards, loans to government entities, loans to private parties and loans to private parties through Suritrust, respectively.

Loans to private parties are directly financed by DSB's own funding, while loans to private parties through Suritrust are financed through DSB's assets managed by Suritrust. The amounts presented are gross of allowance for ECL.

Details of DSB's internal grading system and DSB's impairment assessment and measurement approach are set out in Note 41.3.3.

22.1.1 Advances to customers

The tables below summarize the gross carrying amount in stages 1, 2, and 3 for advances to customers, as presented below. For a more extensive understanding of the internal grading system and staging, refer to Note 41.3.3.1.

In thousand SRD as of 31 December 2023

Internal rating grade	12-month Basel III PD average	Stage 1	Stage 2	Stage 3	Total
Performing					
1-3	18.3%	1,884,782			**1,884,782**
4	18.4%		102,915		**102,915**
Non-performing					
5,6,7	100.0%			3,907	**3,907**
Total		**1,884,782**	**102,915**	**3,907**	**1,991,604**

In thousand SRD as of 31 December 2022 (Restated)

Internal rating grade	12-month Basel III PD average	Stage 1	Stage 2	Stage 3	Total
Performing					
1-3	23.2%	2,155,965			**2,155,965**
4	23.3%		216,392		**216,392**
Non-performing					
5,6,7	100.0%			17,007	**17,007**
Total		**2,155,965**	**216,392**	**17,007**	**2,389,364**

A reconciliation of changes in gross carrying amount and corresponding allowance for ECL by stage for advances to customers is as follows:

in thousand SRD	Stage 1		Stage 2		Stage 3		Total	
	Gross carrying amount	ECL	Gross carrying amount	ECL	Gross carrying amount	ECL	Gross carrying amount	ECL
1 January 2023	**2,155,965**	**66,846**	**216,392**	**14,890**	**17,007**	**1,617**	**2,389,364**	**83,353**
New assets originated	123,442	8,027	478	-	-	-	**123,920**	**8,027**
Payments and assets derecognized	(339,145)	(7,890)	(78,546)	(4,717)	(4,825)	3,370	**(422,516)**	**(9,237)**
Other movements	352,112	8,075	1,803	(1,878)	(336)	108	**353,579**	**6,305**
Write-offs	-	-	-	-	(4,270)	(4,270)	**(4,270)**	**(4,270)**
Foreign exchange adjustments	122,810	8,210	16,024	918	515	71	**139,349**	**9,199**
Monetary effects of hyperinflation	(530,402)	(17,781)	(53,236)	(3,201)	(4,184)	(687)	**(587,822)**	**(21,669)**
31 December 2023	**1,884,782**	**65,487**	**102,915**	**6,012**	**3,907**	**209**	**1,991,604**	**71,708**

in thousand SRD	Stage 1		Stage 2		Stage 3		Total	
	Gross carrying amount	**ECL**	**Gross carrying amount**	**ECL**	**Gross carrying amount**	**ECL**	**Gross carrying amount**	**ECL**
1 January 2022 (Restated)	**1,778,028**	**54,371**	**216,127**	**11,586**	**41,794**	**16,059**	**2,035,949**	**82,016**
New assets originated	154,956	302	-	-	-	-	**154,956**	**302**
Payments and assets derecognized	(203,763)	1,078	(74,021)	(2,332)	(13,197)	(6,236)	**(290,981)**	**(7,490)**
Other movements	718,507	17,212	64,316	7,514	1,155	462	**783,978**	**25,188**
Write-offs	-	-	-	-	(4,165)	(4,165)	**(4,165)**	**(4,165)**
Foreign exchange adjustments	335,904	20,809	86,266	4,016	6,174	40	**428,344**	**24,865**
Monetary effects of hyperinflation	(627,667)	(26,926)	(76,296)	(5,894)	(14,754)	(4,543)	**(718,717)**	**(37,363)**
31 December 2022 (Restated)	**2,155,965**	**66,846**	**216,392**	**14,890**	**17,007**	**1,617**	**2,389,364**	**83,353**

In 2023, the overdraft facilities to customers' exposure decreased by SRD 397.8 million. The decrease is primarily caused by the following:

- SRD 123.9 million increase coming from new overdraft facilities granted;
- Increase of exposure of existing overdraft facilities by SRD 353.6 million, fully offset by payments and assets derecognition of SRD 422.5 million;
- Increase from foreign exchange movements amounting to SRD 139.3 million; and
- Monetary effects of hyperinflation amounted to SRD 587.8 million from the restatement of 2023 beginning balances to the 2023 end-of-year CPI factor for presentation purposes (Note 4.24).

In 2022, the overdraft facilities to customers' exposure increased by SRD 353.4 million. The increase is primarily caused by the following:

- SRD 155.0 million increase coming from new overdraft facilities granted;
- Increase of exposure of existing overdraft facilities by SRD 784.0 million, partially offset by payments and assets derecognition from SRD 291.0 million;
- Increase from foreign exchange movements amounting to SRD 428.3 million, with SRD 24.9 million movement in ECL; and
- Monetary effects of hyperinflation amounted to SRD 718.7 million from the restatement of 2022 beginning balances to the 2022 end-of-year CPI factor for presentation purposes (Note 4.24).

22.1.2 Credit cards

The tables below summarize the gross carrying amount in the classification of stages 1, 2, and 3 for credit cards, respectively, as presented below. For a more extensive understanding of the internal grading system and staging, refer to Note 41.3.3.1.

In thousand SRD as of 31 December 2023

Internal rating grade	12-month Basel III PD average	Stage 1	Stage 2	Stage 3	Total
Performing					
1-3	1.9%	73,118			**73,118**
4	1.9%		3,278		**3,278**
Non-performing					
5,6,7	100.0%			6,798	**6,798**
Total		**73,118**	**3,278**	**6,798**	**83,194**

In thousand SRD as of 31 December 2022 (Restated)

Internal rating grade	12-month Basel III PD average	Stage 1	Stage 2	Stage 3	Total
Performing					
1-3	2.1%	66,042			**66,042**
4	2.1%		6,547		**6,547**
Non-performing					
5,6,7	100.0%			3,643	**3,643**
Total		**66,042**	**6,547**	**3,643**	**76,232**

A reconciliation of changes in gross carrying amount and corresponding allowance for ECL by stage for credit cards is as follows:

in thousand SRD	Stage 1		Stage 2		Stage 3		Total	
	Gross carrying amount	**ECL**	**Gross carrying amount**	**ECL**	**Gross carrying amount**	**ECL**	**Gross carrying amount**	**ECL**
1 January 2023	**66,042**	**1,240**	**6,547**	**211**	**3,643**	**2,516**	**76,232**	**3,967**
New assets originated	12,597	20	545	1	402	58	**13,544**	**79**
Payments and assets derecognized	(27,983)	(632)	(466)	(10)	(1,861)	(293)	**(30,310)**	**(935)**
Other movements	30,251	336	(1,901)	(100)	5,484	1,638	**33,834**	**1,874**
Write-offs	-	-	-	-	(510)	(510)	**(510)**	**(510)**
Foreign exchange adjustments	8,458	207	164	7	536	93	**9,158**	**307**
Monetary effects of hyperinflation	(16,247)	(300)	(1,611)	(44)	(896)	(741)	**(18,754)**	**(1,085)**
31 December 2023	**73,118**	**871**	**3,278**	**65**	**6,798**	**2,761**	**83,194**	**3,697**

in thousand SRD	Stage 1		Stage 2		Stage 3		Total	
	Gross carrying amount	**ECL**	**Gross carrying amount**	**ECL**	**Gross carrying amount**	**ECL**	**Gross carrying amount**	**ECL**
1 January 2022 (Restated)	**52,958**	**1,285**	**4,155**	**154**	**7,491**	**4,651**	**64,604**	**6,090**
New assets originated	4,159	12	211	2	72	18	**4,442**	**32**
Payments and assets derecognized	(30,136)	(837)	(1,171)	(627)	(106)	909	**(31,413)**	**(555)**
Other movements	38,280	470	3,509	419	(680)	(409)	**41,109**	**480**
Write-offs	-	-	-	-	(1,525)	(1,525)	**(1,525)**	**(1,525)**
Foreign exchange adjustments	19,475	863	1,309	345	1,037	766	**21,821**	**1,974**
Monetary effects of hyperinflation	(18,694)	(553)	(1,466)	(82)	(2,646)	(1,894)	**(22,806)**	**(2,529)**
31 December 2022 (Restated)	**66,042**	**1,240**	**6,547**	**211**	**3,643**	**2,516**	**76,232**	**3,967**

Movements in exposures and ECL related to credit cards, excluding the monetary effects of hyperinflation, are primarily driven by the following 4 factors for both 2023 and 2022:

- Down payments on existing exposure;
- New credit cards provided to clients;
- Increase in exposure of existing credit cards, and
- Favorable foreign exchange movements.

22.1.3 Loans to government entities

The tables below summarize the gross carrying amount in the classification of stages 1, 2, and 3 for loans to government entities, respectively, as presented below. For a more extensive understanding of the internal grading system and staging, refer to Note 41.3.3.1.

In thousand SRD as of 31 December 2023

Internal rating grade	12-month Basel III PD average	Stage 1	Stage 2	Stage 3	Total
Performing					
1-3	0.0%	-			**-**
4	35.6%		926,155		**926,155**
Non-performing					
5,6,7	0.0%			-	**-**
Total		**-**	**926,155**	**-**	**926,155**

In thousand SRD as of 31 December 2022 (Restated)

Internal rating grade	12-month Basel III PD average	Stage 1	Stage 2	Stage 3	Total
Performing					
1-3	0.0%	-			**-**
4	0.0%		312		**312**
Non-performing					
5,6,7	20.0%			1,037,855	**1,037,855**
Total		**-**	**312**	**1,037,855**	**1,038,167**

A reconciliation of changes in gross carrying amount and corresponding allowance for ECL by stage for loans to government entities is as follows:

in thousand SRD	Stage 1		Stage 2		Stage 3		Total	
	Gross carrying amount	**ECL**	**Gross carrying amount**	**ECL**	**Gross carrying amount**	**ECL**	**Gross carrying amount**	**ECL**
1 January 2023	**-**	**-**	**312**	**-**	**1,037,855**	**305,484**	**1,038,167**	**305,484**
Transfer to stage 2	-	-	782,526	250,723	(782,526)	(250,723)	**-**	**-**
Payments and assets derecognized	-	-	(85,650)	-	-	-	**(85,650)**	**-**
Impact on ECL transfers	-	-	-	(173,782)	-	-	**-**	**(173,782)**
Write-offs	-	-	-	-	-	-	**-**	**-**
Changes to assumptions used for ECL calculations			266,112	-			**266,112**	**-**
Foreign exchange adjustments	-	-	(37,068)	-	-	-	**(37,068)**	**-**
Monetary effects of hyperinflation	-	-	(77)	(6,258)	(255,329)	(54,761)	**(255,406)**	**(61,019)**
31 December 2023	**-**	**-**	**926,155**	**70,683**	**-**	**-**	**926,155**	**70,683**

in thousand SRD	Stage 1		Stage 2		Stage 3		Total	
	Gross carrying amount	**ECL**	**Gross carrying amount**	**ECL**	**Gross carrying amount**	**ECL**	**Gross carrying amount**	**ECL**
1 January 2022 (Restated)	**-**	**-**	**482**	**-**	**1,045,890**	**307,822**	**1,046,372**	**307,822**
New assets originated	-	-	-	-	-	-	**-**	**-**
Payments and assets derecognized	-	-	-	-	-	-	**-**	**-**
Other movements	-	-	(41)	-	-	33	**(41)**	**33**
Write-offs	-	-	-	-	-	-	**-**	**-**
Foreign exchange adjustments	-	-	41	-	361,177	132,253	**361,218**	**132,253**
Monetary effects of hyperinflation	-	-	(170)	-	(369,212)	(134,624)	**(369,382)**	**(134,624)**
31 December 2022 (Restated)	**-**	**-**	**312**	**-**	**1,037,855**	**305,484**	**1,038,167**	**305,484**

In 2023, the net loan exposure to the government decreased due to the following:

- SRD 85 million from payments on the loan to the government, which resulted in in the loan which was previously classified as stage 3 to transfer to stage 2;
- As indicated in note 12, the repayment of the loan resulted in an improvement in staging and an impairment gain of SRD 266.1 million for the reversal of the allowance on contractual interest due but not yet received;
- Monetary effects of hyperinflation amounting to SRD 37.5 million from the restatement of 2023 beginning balances to the 2023 end-of-year CPI factor for presentation purposes (Note 4.24).

The decrease in the net loan exposure to the government in 2022 is the result of:

- Partial offset of SRD 361.2 million foreign exchange adjustments; and
- Monetary effects of hyperinflation amounting to SRD 369.4 million from the restatement of 2022 beginning balances to the 2022 end-of-year CPI factor for presentation purposes (Note 4.24).

22.1.4 Loans to private parties

The table below summarizes the gross carrying amount in the classification of stages 1, 2, and 3, respectively, for loans to private parties. For a more extensive understanding of the internal grading system and staging, refer to Note 41.3.3.1.

In thousand SRD as of 31 December 2023

Internal rating grade	12-month Basel III PD average	Stage 1	Stage 2	Stage 3	Total
Performing					
1-3	0.9%	2,065,465			**2,065,465**
4	1.3%		540,703		**540,703**
Non-performing					
5,6,7	82.9%			827,389	**827,389**
Total		**2,065,465**	**540,703**	**827,389**	**3,433,557**

In thousand SRD as of 31 December 2022 (Restated)

Internal rating grade	12-month Basel III PD average	Stage 1	Stage 2	Stage 3	Total
Performing					
1-3	1.3%	1,721,245			**1,721,245**
4	1.7%		648,609		**648,609**
Non-performing					
5,6,7	99.5%			978,989	**978,989**
Total		**1,721,245**	**648,609**	**978,989**	**3,348,843**

A reconciliation of changes in gross carrying amount and corresponding allowance for ECL by stage for loans to private parties is as follows:

in thousand SRD	Stage 1		Stage 2		Stage 3		Total	
	Gross carrying amount	ECL	Gross carrying amount	ECL	Gross carrying amount	ECL	Gross carrying amount	ECL
1 January 2023	**1,721,245**	**14,575**	**648,609**	**38,824**	**978,989**	**471,823**	**3,348,843**	**525,222**
New assets originated	958,924	10,642	104,238	6,839	15,527	6,349	**1,078,689**	**23,830**
Payments and assets derecognized	(400,919)	(7,118)	(104,730)	(15,836)	(15,369)	(6,353)	**(521,018)**	**(29,307)**
Other movements	107,324	481	(13,124)	1,122	(2,774)	(8,982)	**91,426**	**(7,379)**
Write-offs	-	-	-	-	(21,992)	(21,992)	**(21,992)**	**(21,992)**
Foreign exchange adjustments	102,345	927	65,278	4,302	113,855	59,150	**281,478**	**64,379**
Monetary effects of hyperinflation	(423,454)	(3,912)	(159,568)	(9,260)	(240,847)	(120,155)	**(823,869)**	**(133,327)**
31 December 2023	**2,065,465**	**15,595**	**540,703**	**25,991**	**827,389**	**379,840**	**3,433,557**	**421,426**

in thousand SRD	Stage 1		Stage 2		Stage 3		Total	
	Gross carrying amount	ECL	Gross carrying amount	ECL	Gross carrying amount	ECL	Gross carrying amount	ECL
1 January 2022 (Restated)	**1,831,264**	**19,272**	**592,004**	**35,888**	**1,270,827**	**542,502**	**3,694,095**	**597,662**
New assets originated	673,460	6,518	176,567	16,408	23,230	12,626	**873,257**	**35,552**
Payments and assets derecognized	(449,527)	(8,665)	(115,719)	(15,801)	(117,477)	(24,213)	**(682,723)**	**(48,679)**
Other movements	20,251	198	52,776	7,980	(54,253)	(12,547)	**18,774**	**(4,369)**
Write-offs	-	-	-	-	(17,085)	(17,085)	**(17,085)**	**(17,085)**
Foreign exchange adjustments	292,257	4,569	151,966	10,828	322,366	195,721	**766,589**	**211,118**
Monetary effects of hyperinflation	(646,460)	(7,317)	(208,985)	(16,479)	(448,619)	(225,181)	**(1,304,064)**	**(248,977)**
31 December 2022 (Restated)	**1,721,245**	**14,575**	**648,609**	**38,824**	**978,989**	**471,823**	**3,348,843**	**525,222**

In financial year 2023, the net increase in the loans to private parties portfolio is primarily driven by the following:

- SRD 1.1 billion of new loans granted, which resulted in an additional ECL of SRD 23.8 million;
- Partially offset by payments received and the derecognition of SRD 521.0 million, primarily from repayment and restructuring of the loans, and;
- Write-off of stage 3 loans and ECL release of SRD 22.0 million;
- SRD 281.5 million favorable foreign exchange movement causing an ECL increase of SRD 64.4 million; and
- Monetary effects of hyperinflation amounted to SRD 823.9 million from restatement of 2023 beginning balances to 2023 end of year CPI factor for presentation purposes (Note 4.24).

In financial year 2022, the net decrease in the loans to private parties portfolio is primarily driven by the following:

- SRD 682.7 million decrease in gross carrying amount as a result of payments and derecognition, resulting in a release of the ECL for SRD 48.7 million;
- Write-offs of stage 3 loans amounting to SRD 17.1 million, resulting in a decrease of ECL for that same amount;
- Partially offset by SRD 837.7 million (net of ECL) of new loans granted;
- SRD 766.6 million favorable foreign exchange movement, which resulted in an ECL increase of SRD 211.1 million; and
- Monetary effects of hyperinflation amounted to SRD 1.3 billion from restatement of 2022 beginning balances to 2022 end of year CPI factor for presentation purposes (Note 4.24).

22.1.5 Loans to private parties through Suritrust

The table below summarizes the gross carrying amount in the classification of stages 1, 2, and 3, respectively, for loans to private parties through Suritrust. For a more extensive understanding of the internal grading system and staging, refer to Note 41.3.3.1.

In thousand SRD as of 31 December 2023

Internal rating grade	12-month Basel III PD average	Stage 1	Stage 2	Stage 3	Total
Performing					
1-3	2.7%	14,861			**14,861**
4	2.7%		3,362		**3,362**
Non-performing					
5,6,7	100.0%			3,034	**3,034**
Total		**14,861**	**3,362**	**3,034**	**21,257**

In thousand SRD as of 31 December 2022 (Restated)

Internal rating grade	12-month Basel III PD average	Stage 1	Stage 2	Stage 3	Total
Performing					
1-3	3.4%	120,995			**120,995**
4	3.3%		12,646		**12,646**
Non-performing					
5,6,7	100.0%			7,045	**7,045**
Total		**120,995**	**12,646**	**7,045**	**140,686**

A reconciliation of changes in gross carrying amount and corresponding allowance for ECL by stage for loans to private parties through Suritrust is as follows:

in thousand SRD	Stage 1		Stage 2		Stage 3		Total	
	Gross carrying amount	ECL	Gross carrying amount	ECL	Gross carrying amount	ECL	Gross carrying amount	ECL
1 January 2023	**120,995**	**437**	**12,646**	**227**	**7,045**	**1,607**	**140,686**	**2,271**
New assets originated	-	-	-	-	-	-	**-**	**-**
Payments and assets derecognized	(77,031)	(460)	(5,837)	(241)	(2,035)	(53)	**(84,903)**	**(754)**
Other movements	664	183	(336)	150	(243)	(335)	**85**	**(2)**
Write-offs	-	-	-	-	-	-	**-**	**-**
Monetary effects of hyperinflation	(29,767)	(86)	(3,111)	(48)	(1,733)	(364)	**(34,611)**	**(498)**
31 December 2023	**14,861**	**74**	**3,362**	**88**	**3,034**	**855**	**21,257**	**1,017**

in thousand SRD	Stage 1		Stage 2		Stage 3		Total	
	Gross carrying amount	ECL	Gross carrying amount	ECL	Gross carrying amount	ECL	Gross carrying amount	ECL
1 January 2022 (Restated)	**316,131**	**1,868**	**24,862**	**1,064**	**17,176**	**1,369**	**358,169**	**4,301**
New assets originated	1,309	7	-	-	426	442	**1,735**	**449**
Payments and assets derecognized	(89,131)	(1,548)	(5,265)	(893)	(1,407)	805	**(95,803)**	**(1,636)**
Other movements	4,284	581	1,826	318	(2,952)	(183)	**3,158**	**716**
Write-offs	-	-	-	-	(134)	(134)	**(134)**	**(134)**
Monetary effects of hyperinflation	(111,598)	(471)	(8,777)	(262)	(6,064)	(692)	**(126,439)**	**(1,425)**
31 December 2022 (Restated)	**120,995**	**437**	**12,646**	**227**	**7,045**	**1,607**	**140,686**	**2,271**

The portfolio of loans through Suritrust declined in 2023, mainly from payments of SRD 84.9 million, resulting in an ECL release of SRD 0.8 million. No new loans were booked during the year. No material net increase in ECL was noted. The monetary effects of hyperinflation in 2023 amounted to SRD 34.6 million from the restatement of 2023 beginning balances to the 2023 end-of-year CPI factor for presentation purposes (Note 4.24).

The portfolio of loans through Suritrust declined in 2022, mainly from payments of SRD 95.8 million, partially offset by SRD 1.7 million of new loans booked during the year. No material net increase in ECL was noted. The monetary effects of hyperinflation in 2022 amounted to SRD 126.4 million from the restatement of 2022 beginning balances to the 2022 end-of-year CPI factor for presentation purposes (Note 4.24).

23 Purchased or originated credit impaired financial assets

The Group acquired a portfolio of loans with the Central Bank, which were identified as credit-impaired at the time of origination, thereby classifying these as 'Purchased or Originated Credit Impaired' (POCI) financial assets.

In 2020, instruments that were initially classified under "Loans and advances to central banks" within the "Cash and balances with Central Banks" category were derecognized and classified under POCI. The initial balances of these instruments (USD 33.4 million and EUR 15.9 million) relate to the misuse of foreign exchange cash reserves by the Central Bank of Suriname, which occurred without the permission of DSB. This misappropriation was identified in 2020. Additionally, a USD-denominated term deposit held with the Central Bank, amounting to USD 50 million, matured in 2020 and was subsequently converted to a loan. Payments are made quarterly.

In April 2022, an additional payment was made to these loans using proceeds from the reversal of the Panaso-Blauwmeer deal (see Note 39.5 and Note 42). All of the repayments previously made on the USD 20 million loan have been reversed and applied to the USD loan of CBvS, resulting in a modification loss of SRD 32.3 million (after hyperinflation). Additionally, in 2022, DSB recognized a provision (ECL) based on expected future repayments for these loans, amounting to SRD 12.2 million and SRD 2.5 million for the USD and EUR loans, respectively (both after hyperinflation).

As of 2023, repayments on the loans are being made in accordance with the agreed-upon repayment schedule, demonstrating the government's commitment to fulfilling its financial obligations. The remaining outstanding balance on these loans at the reporting date amounts to SRD 1.7 billion (USD 44.7 million) and SRD 390.9 million (EUR 9.6 million).

The table below shows the initial carrying value of the instrument and the amount recognized in the books at fair value under POCI.

Purchased or originated credit impaired financial assets

	2023			2022 (Restated)		
in thousand SRD for the year ended 31 December	***USD denominated***	***EUR denominated***	**2023 Total**	***USD denominated***	***EUR denominated***	**2022 Total**
Initial carrying value under						
Loans and advances to central banks	1,652,583	390,893	2,043,476	2,283,728	514,469	2,798,197
Less: Discount on the POCI financial assets	(87,481)	(17,272)	(104,753)	(138,873)	(27,672)	(166,545)
Modification as a result of change in contractual cashflows	-	-	-	32,339	-	32,339
Gross carrying amount	**1,565,102**	**373,621**	**1,938,723**	**2,177,194**	**486,797**	**2,663,991**
Less: ECL on POCI financial assets	(10,711)	(2,169)	(12,880)	(12,162)	(2,487)	(14,649)
Total	**1,554,391**	**371,452**	**1,925,843**	**2,165,032**	**484,310**	**2,649,342**

In line with IAS 29, the restatement impact for presentation purposes on POCI for 2022 results to an increase of SRD 651.8 million.

Please refer to the tables below for the breakdown of the discount computed on the POCI financial assets.

Discount on the POCI financial assets

	2023			2022 (Restated)		
in thousand SRD for the year ended 31 December	***USD denominated***	***EUR denominated***	*2023 Total*	***USD denominated***	***EUR denominated***	*2022 Total*
Total discount as a result of present value calculation	54,266	11,680	65,946	71,972	15,491	87,463
Revaluation result	213,515	45,156	258,671	233,682	47,016	280,698
Less: release of discount	(180,300)	(39,564)	(219,864)	(166,781)	(34,835)	(201,616)
Discount on the POCI financial assets	**87,481**	**17,272**	**104,753**	**138,873**	**27,672**	**166,545**

The restructured loans on the misused cash reserves above include the following terms.

Both USD- and EUR-denominated restructured instruments were issued on March 1, 2020, with a tenor of 8 years, initially maturing on March 1, 2028. Due to the additional payment in 2022 on the USD loan, its maturity date has been adjusted to September 1, 2027. Both loans were issued with a coupon rate of 6.75%, requiring quarterly payments.

A reconciliation of changes in gross carrying amount and corresponding allowance for ECL for POCI financial assets is as follows:

in thousand SRD	USD		EUR		Total	
	Gross carrying amount	**ECL**	**Gross carrying amount**	**ECL**	**Gross carrying amount**	**ECL**
1 January 2023	**2,177,194**	**12,162**	**486,797**	**2,487**	**2,663,991**	**14,649**
Payments and assets derecognized	(339,617)	-	(66,651)	-	**(406,268)**	**-**
ECL allowance change for the year	-	61	-	(100)	**-**	**(39)**
Other movements	(667)	-	33	-	**(634)**	**-**
Foreign exchange adjustments	263,817	1,616	73,202	420	**337,019**	**2,036**
Monetary effects of hyperinflation	(535,625)	(3,128)	(119,760)	(638)	**(655,385)**	**(3,766)**
31 December 2023	**1,565,102**	**10,711**	**373,621**	**2,169**	**1,938,723**	**12,880**

in thousand SRD	USD		EUR		Total	
	Gross carrying amount	**ECL**	**Gross carrying amount**	**ECL**	**Gross carrying amount**	**ECL**
1 January 2022 (Restated)	**2,739,150**	**-**	**596,073**	**-**	**3,335,223**	**-**
Payments and assets derecognized	(433,480)	-	(54,873)	-	**(488,353)**	**-**
Effect of modifications	21,784	-	-	-	**21,784**	**-**
ECL allowance change for the year	-	15,131	-	3,094	**-**	**18,225**
Other movements	3,098	-	773	-	**3,871**	**-**
Foreign exchange adjust-ments	813,597	-	155,245	-	**968,842**	**-**
Monetary effects of hyperinflation	(966,955)	(2,969)	(210,421)	(607)	**(1,177,376)**	**(3,576)**
31 December 2022 (Re-stated)	**2,177,194**	**12,162**	**486,797**	**2,487**	**2,663,991**	**14,649**

24 Debt instruments at amortized cost

Debt instruments at amortized cost

in thousand SRD for the year ended 31 December	**2023**	**2022 (Restated)**
Treasury Bills	66,549	169,763
Bonds	4,647,115	2,541,537
Subtotal	*4,713,664*	*2,711,300*
Allowance for ECL	(6,163)	(17,040)
	4,707,501	**2,694,260**

The bond portfolio increased in 2023, primarily due to additional investments in U.S. dollar-denominated bonds, the majority of which were issued by the U.S. government.

The following tables show the credit quality and the maximum exposure to credit risk based on the DSB's internal credit rating system, average PD range, and year-end stage classification for the debt instruments at amortized costs. The amounts presented are gross of allowance for ECL. Details of the DSB's internal grading system and DSB's impairment assessment and measurement approach are set out in Note 41.3.3.

In thousand SRD as of 31 December 2023

Internal rating grade	12-month Basel III PD average	Stage 1	Stage 2	Stage 3	Total
Performing					
1-3	0.0%	4,081,191			**4,081,191**
4	5.1%		632,473		**632,473**
Non-performing					
5,6,7	0.0%			-	**-**
Total		**4,081,191**	**632,473**	**-**	**4,713,664**

In thousand SRD as of 31 December 2022 (Restated)

Internal rating grade	12-month Basel III PD average	Stage 1	Stage 2	Stage 3	Total
Performing					
1-3	0.0%	1,892,180			**1,892,180**
4	9.2%		750,088		**750,088**
Non-performing					
5,6,7	100.0%			69,032	**69,032**
Total		**1,892,180**	**750,088**	**69,032**	**2,711,300**

A reconciliation of changes in gross carrying amount and corresponding allowance for ECL by stage for debt instruments at amortized cost is as follows:

in thousand SRD	Stage 1		Stage 2		Stage 3		Total	
	Gross carrying amount	ECL	Gross carrying amount	ECL	Gross carrying amount	ECL	Gross carrying amount	ECL
1 January 2023	**1,892,180**	**613**	**750,088**	**9,322**	**69,032**	**7,105**	**2,711,300**	**17,040**
New assets originated	2,542,654	-	58,866	994	-	-	**2,601,520**	**994**
Payments and assets derecognized	(114,037)	(108)	(71,673)	(343)	(52,049)	(5,831)	**(237,759)**	**(6,282)**
Other movements	7,238	2	489	(3,295)	-	-	**7,727**	**(3,293)**
Foreign exchange adjustments	218,661	65	79,237	1,239	-	-	**297,898**	**1,304**
Monetary effects of hyperinflation	(465,505)	(147)	(184,534)	(2,179)	(16,983)	(1,274)	**(667,022)**	**(3,600)**
31 December 2023	**4,081,191**	**425**	**632,473**	**5,738**	**-**	**-**	**4,713,664**	**6,163**

in thousand SRD	Stage 1		Stage 2		Stage 3		Total	
	Gross carrying amount	ECL	Gross carrying amount	ECL	Gross carrying amount	ECL	Gross carrying amount	ECL
1 January 2022 (Restated)	**2,363,864**	**1,488**	**434,599**	**8,686**	**224,570**	**23,611**	**3,023,033**	**33,785**
New assets originated	491,817	-	100,100	-	69,033	8,840	**660,950**	**8,840**
Payments and assets derecognized	(473,747)	(545)	(19,646)	837	(145,295)	(19,006)	**(638,688)**	**(18,714)**
Other movements	(136,914)	(248)	145,625	(74)	-	-	**8,711**	**(322)**
Foreign exchange adjustments	481,636	356	242,829	3,845	-	-	**724,465**	**4,201**
Monetary effects of hyperinflation	(834,476)	(438)	(153,419)	(3,972)	(79,276)	(6,340)	**(1,067,171)**	**(10,750)**
31 December 2022 (Restated)	**1,892,180**	**613**	**750,088**	**9,322**	**69,032**	**7,105**	**2,711,300**	**17,040**

In 2023, the debt instrument at amortized cost carrying amount increased mainly due to SRD 2.6 billion additions from new bond holdings from private corporation issuers and SRD 297.9 million favorable impact from foreign exchange adjustments. The ECL decreased by SRD 10.9 million, mainly due to releases related to repayments from instrument issuers. The monetary effects of hyperinflation amounted to SRD 667.0 million from the restatement of 2023 beginning balances to the 2023 end-of-year CPI factor for presentation purposes (Note 4.24).

In 2022, the debt instrument at amortized cost carrying amount increased due to SRD 661.0 million additions from new bond holdings from private corporation issuers and SRD 724.5 million favorable impact from foreign exchange adjustments. The ECL decreased mainly due to releases related to repayments from instrument issuers for an amount of SRD 18.7 million. The monetary effects of hyperinflation offset the increase with an amount of SRD 1.1 billion from the restatement of 2022 beginning balances to the 2022 end-of-year CPI factor for presentation purposes (Note 4.24).

25 Other assets

Other assets

in thousand SRD for the year ended 31 December	**2023**	**2022 (Restated)**
Accounts receivable and sundry debtors	841	809
Inventories	9,731	9,333
Prepaid expenses	62,386	97,625
Prepaid interest	-	178
Settlement and clearing accounts	21,676	28,966
Cash-in-transit (Shipment)	204,625	225,038
Receivables from matured T-bills	70,662	-
	369,921	**361,949**

Amounts receivable and payable with the same counterparty are presented on a net basis. Inventories consists of various office supplies and point-of-sale (POS) machines held in stock. Prepaid interest refers to amounts of interest paid in relation to Staatsolie bonds.

The cash-in-transit (shipment) pertains to the confiscated cash amounting to EUR 5.0 million(see Note 32.3). The 2022 figure, amounting to SRD 225.0 million, includes SRD 55.4 million increase from the restatement impact relating to IAS 29 (Note 4.24).

The receivables from matured T-bills pertain to the outstanding principal and interest on matured T-bills. The government subsequently made payments for the expired T-bills in 2024 (see Note 42).

In line with IAS 29, the total restatement impact for presentation purposes on other assets for 2022 results to an increase of SRD 89.0 million.

26 Property, equipment, and right-of-use assets

in thousand SRD	Land & buildings	Computer hardware	Other furniture & equipment	Vehicles	Right-of-use assets: Land & buildings	Right-of-use assets: Vehicles	Total
Cost or valuation							
As of 1 January 2023	**1,276,117**	**32,069**	**221,018**	**1,716**	**64,311**	**19,802**	**1,615,033**
Additions/ Reassessments	1,532	701	24,468	4,305	2,561	841	**34,408**
Revaluation adjustment – OCI**	(112,358)	-	-	-	-	-	**(112,358)**
Accumulated depreciation eliminated at revaluation date	(19,304)	-	-	-	-	-	**(19,304)**
Revaluation adjustment - P&L	(25,445)	-	-	-	-	-	**(25,445)**
Disposals	-	-	-	(543)	-	-	**(543)**
As of 31 December 2023	**1,120,542**	**32,770**	**245,486**	**5,478**	**66,872**	**20,643**	**1,491,791**
Depreciation and Impairment							
As of 1 January 2023	**(19,599)**	**(30,035)**	**(197,627)**	**(1,631)**	**(38,311)**	**(16,534)**	**(303,737)**
Depreciation charge for the year	(19,363)	(833)	(9,801)	(345)	(9,169)	(1,614)	**(41,125)**
Accumulated depreciation eliminated at revaluation date	19,304	-	-	-	-	-	**19,304**
Depreciated amount on disposals	-	-	-	27	-	-	**27**
As of 31 December 2023	**(19,658)**	**(30,868)**	**(207,428)**	**(1,949)**	**(47,480)**	**(18,148)**	**(325,531)**
As of 31 December 2023	**1,100,884**	**1,902**	**38,058**	**3,529**	**19,392**	**2,495**	**1,166,260**

in thousand SRD	Land & buildings (Restated)	Computer hardware	Other furniture & equipment	Vehicles	Right-of-use assets Land & buildings	Right-of-use assets Vehicles	Total
Cost or valuation							
As of 1 January 2022 (Restated)	**1,234,089**	**31,419**	**214,167**	**1,716**	**63,910**	**19,802**	**1,565,103**
Additions/ Reassessments	2,621	650	6,851	2,170	401	-	**12,693**
Revaluation adjustment - OCI	13,208	-	-	-	-	-	**13,208**
Accumulated depreciation eliminated at revaluation date	(15,757)	-	-	-	-	-	**(15,757)**
Revaluation adjustment - P&L	41,956	-	-	-	-	-	**41,956**
Disposals	-	-	-	(2,170)	-	-	**(2,170)**
As of 31 December 2022 (Restated)	**1,276,117**	**32,069**	**221,018**	**1,716**	**64,311**	**19,802**	**1,615,033**
Depreciation and Impairment							
As of 1 January 2022 (Restated)	**(18,162)**	**(29,499)**	**(190,787)**	**(1,606)**	**(31,529)**	**(14,593)**	**(286,176)**
Depreciation charge for the year	(17,194)	(536)	(6,840)	(206)	(6,782)	(1,941)	**(33,499)**
Accumulated depreciation eliminated at revaluation date	15,757	-	-	-	-	-	**15,757**
Depreciated amount on disposals	-	-	-	181	-	-	**181**
As of 31 December 2022 (Restated)	**(19,599)**	**(30,035)**	**(197,627)**	**(1,631)**	**(38,311)**	**(16,534)**	**(303,737)**
As of 31 December 2022 (Restated)	**1,256,518**	**2,034**	**23,391**	**85**	**26,000**	**3,268**	**1,311,296**

***The revaluation loss of SRD 112.4 million on land and buildings includes a gain of SRD 165.5 million resulting from movements in the USD foreign currency rate, which was offset by a negative impact of SRD 277.9 million due to IAS 29 hyperinflation adjustments (refer to Note 4.24).*

The property values for land and buildings are based on valuations conducted as of August 31, 2022, by an external, independent, and professionally qualified valuator and conform to International Valuation Standards. The fair value as of December 31, 2023, and December 31, 2022, has been determined based on the USD property values from the most recent appraisal report, adjusted by applying the exchange rate effective on the fair value date or year-end.

Fair value measurement disclosures for the revalued land and buildings are detailed in Note 40.2.2. As indicated in Notes 4.2.2 and 6.3.2, the valuation report's foreign currency values are retranslated using the exchange rate prevailing at the end of each reporting period.

Significant unobservable valuation input	**Range**
Price per square meter	$600 - 1,100

Significant increases (decreases) in estimated price per square meter in isolation would result in a significantly higher (lower) fair value on a linear basis.

Reconciliation on the carrying amount of land and buildings

Reconciliation on the carrying amount	2023	2022 (Restated)
Carrying amount as of 1 January	**1,256,518**	**1,215,927**
Level 3 Revaluation adjustments in OCI from using the revaluation model	(112,358)	13,208
Level 3 Revaluation adjustments in P&L from using the revaluation model	(25,445)	41,956
Carrying amount and fair value	**1,118,715**	**1,271,091**
Additions/disposals	1,532	2,621
Depreciation for the year	(19,363)	(17,194)
Carrying amount and fair value as of 31 December	**1,100,884**	**1,256,518**

If the land and buildings were measured using the cost model, the carrying amounts would be as follows:

Land and Buildings if Valuation was at Cost	2023	2022 (Restated)
Cost	52,029	66,927
Accumulated Depreciation and Impairment	(16,382)	(19,998)
Net Carrying Amount	**35,647**	**46,929**

The carrying amounts of lease liabilities and the movements within them during the periods are presented in Note 30.

27 Investment properties

Investment properties

in thousand SRD for the year ended 31 December	2023	2022 (Restated)
Opening balance as of 1 January	**14,779**	**14,078**
Revaluation adjustment - P&L	(1,218)	701
Disposals	(4,951)	-
Closing balance as of 31 December	**8,610**	**14,779**

The investment properties relate to land and buildings that DSB owns. The properties consist of rented out real estate or land for which no purpose of future use has been determined. These are not used for DSB's daily operations. Along with the land and buildings classified as property and equipment, revaluations for investment properties were last performed on August 31, 2022, by an independent, professionally qualified valuator following the International Valuation Standards. The fair value as of December 31, 2023, and December 31, 2022, has been determined based on the USD property values from the most recent appraisal report, adjusted by applying the exchange rate effective on the fair value date or year-end. Fair value measurement disclosures for the investment properties are detailed in Note 40.2.2. As indicated in Note 26, the appraiser used the price per square meter as a significant unobservable valuation input.

During the year, DSB disposed of a parcel of land in Albina, which had been classified as investment property. The disposal was completed for a consideration of SRD 2.9 million. The property had a carrying amount of SRD 5.0 million (after IAS 29 restatement), resulting in a loss of SRD 2.1 million, which was recognized in profit or loss.

28 Intangible assets

in thousand SRD	Computer Software Licenses	Development Costs	Total
Cost or valuation			
As of 1 January 2023	**385,826**	**-**	**385,826**
Additions	23,997	6,876	30,873
As of 31 December 2023	**409,823**	**6,876**	**416,699**
Amortization			
As of 1 January 2023	**(339,035)**	**-**	**(339,035)**
Amortization charge for the year	(13,887)	-	(13,887)
As of 31 December 2023	**(352,922)**	**-**	**(352,922)**
As of 31 December 2023	**56,901**	**6,876**	**63,777**

in thousand SRD	Computer Software Licenses	Development Costs	Total
Cost or valuation			
As of 1 January 2022 (Restated)	**347,310**	**-**	**347,310**
Additions	38,518	-	38,518
As of 31 December 2022 (Restated)	**385,828**	**-**	**385,828**
Amortization			
As of 1 January 2022 (Restated)	**(334,263)**	**-**	**(334,263)**
Amortization charge for the year	(4,772)	-	(4,772)
As of 31 December 2022 (Restated)	**(339,035)**	**-**	**(339,035)**
As of 31 December 2022 (Restated)	**46,793**	**-**	**46,793**

The intangible assets consist of licenses for computer software used by DSB in its day-to-day operations, as well as costs related to ongoing software development projects.

In 2023, development commenced on a reporting tool based on the Microsoft Dynamics GP system from Emergence, aimed at enhancing the efficiency of financial reporting. The estimated total capital investment for the project is USD 201,300, and it is structured into two phases.

Phase one focuses on the general ledger reporting and IFRS/local GAAP compliance, including integration with primary systems. Phase two covers ancillary modules such as accounts payable, purchasing workflow, fixed assets, and lease management.

As of year-end 2023, the system had not yet gone live, and accumulated capitalizable costs are currently recorded under 'Development Costs'. See Note 42 for ongoing updates on the project.

29 Due to customers

Due to customers

in thousand SRD for the year ended 31 December	**2023**	**2022 (Restated)**
Current accounts of customers	13,702,820	13,647,681
Savings accounts of customers	11,426,834	12,156,580
Deposits of customers	3,185,779	3,958,758
	28,315,433	**29,763,019**

Deposits pledged as collateral for loans and advances, guarantees, and letter of credit commitments are included under 'Due to customers'. See Note 41.3.6 for the disclosure of the deposits pledged as collateral.

In line with IAS 29, the restatement impact for presentation purposes on due to customers for 2022 results to an increase of SRD 7.3 billion.

30 Other liabilities

Other liabilities

in thousand SRD for the year ended 31 December	**2023**	**2022 (Restated)**
Accounts payable and sundry creditors	1,573	1,560
Accrued expenses	127,129	177,559
Unearned fees and commissions	22,571	20,118
Lease Liabilities	20,294	25,880
Current account with BNETS	35,808	125,463
Settlement and clearing accounts	560,674	135,470
	768,049	**486,050**

Settlement and clearing accounts include accounts to be settled with other local banks due to ATM and Point-Of-Sale System transactions made by DSB cardholders at another bank's ATM or POS machine. All unearned fees and commissions at the end of the previous year have been recognized as revenue in the current year. The current account with BNETS is the account that is used for the daily settlements by BNETS. Before hyperinflation, other liabilities increased by SRD 401.6 million compared to the prior year. This increase was primarily driven by collateral received related to the Hakrinbank TD, amounting to USD 6.5 million, as well as POS purchases pending settlement with Mastercard, which are both reported under 'Settlement and clearing accounts'.

In line with IAS 29, the restatement impact for presentation purposes on other liabilities for 2022 results to an increase of SRD 119.6 million.

The table below provides some details on the movements of the lease liabilities throughout the financial years 2023 and 2022. A maturity analysis of the lease liabilities is disclosed in Note 41.6.1.3.

Set out below are the carrying amounts of lease liabilities and the movements during the period:

Lease Liabilities

in thousand SRD	**Vehicles**	**Buildings**	**Total**
As of 1 January 2023	**3,931**	**21,949**	**25,880**
Additions	771	2,352	**3,123**
Accretion of interest	57	630	**687**
Payments	(1,656)	(3,900)	**(5,556)**
FX Rate remeasurement	311	2,272	**2,583**
Monetary effects of hyperinflation	(972)	(5,451)	**(6,423)**
As of 31 December 2023	**2,442**	**17,852**	**20,294**
As of 1 January 2022 (Restated)	**6,191**	**27,973**	**34,164**
Additions	-	322	**322**
Accretion of interest	185	790	**975**
Payments	(1,976)	(4,780)	**(6,756)**
FX Rate remeasurement	1,753	7,674	**9,427**
Monetary effects of hyperinflation	(2,222)	(10,030)	**(12,252)**
As of 31 December 2022 (Restated)	**3,931**	**21,949**	**25,880**

31 Debt issued and other borrowed funds

Debt issued and other borrowed funds

in thousand SRD for the year ended 31 December	**2023**	**2022 (Restated)**
Subordinated loan		
Outstanding balance	366,897	416,985
Accrued interest	13,036	14,815
	379,933	**431,800**

On May 31, 2017, DSB issued a USD 10 million nominal subordinated loan to Assuria Levensverzekering N.V. Due to its subordination and tenor, the Central Bank of Suriname designates this loan as Tier-2 Capital. Initially, this loan had a 10-year term with an annual interest rate of 8.5%. Interest payments are credited to the lender on the due date, with a penalty interest of 10% per year. As of June 1, 2019, and April 28, 2022, the contractual interest rate was adjusted to 6.0% and 6.8%, respectively.

The subordinated loan is valued at amortized cost using the Effective Interest Rate (EIR) method. As of December 31, 2023, the loan is valued at SRD 379.9 million (2022: SRD 431.8 million). The fair value is SRD 460.6 million (2022: SRD 537.0 million). This difference in value is due to the discount rate being used for DSB credit risk. Based on the term deposit market rates in Suriname, DSB's market credit risk results in an effective interest rate of 2.22% (2022: 2.28%), resulting in the excessive spread for the subordination.

It has been contractually stipulated that, if DSB's assets allow it, substitution by another provider of capital through a subordinated loan or capital contribution will take place. This is in accordance with the conditions of the Central Bank of Suriname.

In line with IAS 29, the restatement impact for presentation purposes on debt issued and other borrowed funds for 2022 resulted to an increase of SRD 106.2 million.

32 Provisions and other contingent liabilities

32.1 Provisions

Provisions

in thousand SRD for the year ended 31 December	2023	2022 (Restated)
Financial guarantees	3,311	7,135
Letters of credit	-	-
Allowance for ECL	3,311	7,135
Other provisions	9,170	26,615
	12,481	**33,750**

An analysis of changes in the outstanding exposures and the corresponding allowance for impairment losses in relation to guarantees and letters of credit is set out in the following paragraph.

'Other provisions' consist of legal claims from third parties against the DSB. Decreases in 'Other provisions' compared to 2022 were due to a case settlement and the release of prior-year provisions following legal updates.

32.2 Impairment allowance on financial guarantees and letters of credit

The following tables show the credit quality and the maximum exposure to credit risk based on the DSB's internal credit rating system, average PD range, and year-end stage classification for the financial guarantees and letters of credit. The amounts presented are gross of allowance for ECL. Details of the DSB's internal grading system and DSB's impairment assessment and measurement approach are set out in Note 41.3.3.1.

In thousand SRD as of 31 December 2023

Internal rating grade	12-month Basel III PD average	Stage 1	Stage 2	Stage 3	Total
Performing					
1-3	8.5%	209,422			**209,422**
4	18.0%		29,596		**29,596**
Non-performing					
5,6,7	100.0%			9,841	**9,841**
Total		**209,422**	**29,596**	**9,841**	**248,859**

In thousand SRD as of 31 December 2022 (Restated)

Internal rating grade	12-month Basel III PD average	Stage 1	Stage 2	Stage 3	Total
Performing					
1-3	11.4%	334,463			**334,463**
4	6.9%		378		**378**
Non-performing					
5,6,7	100.0%			11,061	**11,061**
Total		**334,463**	**378**	**11,061**	**345,902**

A reconciliation of changes in outstanding exposures and the corresponding allowance for ECL by stage for financial guarantees and letters of credit is as follows.

in thousand SRD	Stage 1		Stage 2		Stage 3		Total	
	Gross carrying amount	ECL	Gross carrying amount	ECL	Gross carrying amount	ECL	Gross carrying amount	ECL
1 January 2023	**334,463**	**1,747**	**378**	**1**	**11,061**	**5,387**	**345,902**	**7,135**
New assets originated	24,055	118	29,311	179	-	-	**53,366**	**297**
Payments and assets derecognized	(123,030)	(1,280)	-	-	(100)	(3)	**(123,130)**	**(1,283)**
Other movements	52,961	34	-	(1)	-	(2,197)	**52,961**	**(2,164)**
Foreign exchange adjustments	3,256	8	-	-	1,601	892	**4,857**	**900**
Monetary effects of hyperinflation	(82,283)	(340)	(93)	(15)	(2,721)	(1,219)	**(85,097)**	**(1,574)**
31 December 2023	**209,422**	**287**	**29,596**	**164**	**9,841**	**2,860**	**248,859**	**3,311**

in thousand SRD	Stage 1		Stage 2		Stage 3		Total	
	Gross carrying amount	ECL	Gross carrying amount	ECL	Gross carrying amount	ECL	Gross carrying amount	ECL
1 January 2022 (Restated)	**429,540**	**6**	**379**	**-**	**12,037**	**5,754**	**441,956**	**5,760**
New assets originated	131,699	2,119	-	-	-	-	**131,699**	**2,119**
Payments and assets derecognized	(194,582)	-	-	-	-	-	**(194,582)**	**-**
Other movements	113,788	48	133	2	-	-	**113,921**	**50**
Foreign exchange adjustments	5,653	2	-	-	3,273	2,071	**8,926**	**2,073**
Monetary effects of hyperinflation	(151,635)	(428)	(134)	(1)	(4,249)	(2,438)	**(156,018)**	**(2,867)**
31 December 2022 (Restated)	**334,463**	**1,747**	**378**	**1**	**11,061**	**5,387**	**345,902**	**7,135**

In 2023, the net decrease in the exposure (without monetary effects of hyperinflation) of SRD 12.0 million, leading to an ECL decrease of SRD 2.2 million, is mainly due to matured commitments. Partially offset by foreign exchange adjustments on ECL of SRD 0.9 million. The monetary effects of hyperinflation amounted to SRD 85.1 million from the restatement of 2023 beginning balances to the 2023 end-of-year CPI factor for presentation purposes (Note 4.24).

In 2022, the net increase in the exposure (without monetary effects of hyperinflation) of SRD 60.0 million is mainly due to matured commitments. On the other hand, the increase of ECL is related to the provision of SRD 2.1 million for stage 1 commitments granted in the current year, with an exposure of SRD 131.7 million and foreign exchange adjustments of SRD 8.9 million. The monetary effects of hyperinflation amounted to SRD 156.0 million from the restatement of 2022 beginning balances to the 2022 end-of-year CPI factor for presentation purposes (Note 4.24).

32.3 Contingent liabilities

As of December 31, 2023, there were certain legal claims outstanding against DSB and its subsidiary. DSB's legal counsel's opinion is that it is possible, but not probable, that the court ruling may be in favor of the claimant. Accordingly, no provision for any claims has been made in these financial statements. The possible outflow that could result from such litigation, based on the current status of the legal proceedings, is estimated to be SRD 4.2 billion (2022: SRD 3.8 billion), while the timing of the outflow is uncertain. Although there are no specific implications, additional legal claims against DSB or its subsidiary might be possible.

A specific litigation proceeding is related to money which has been confiscated in 2018 in the Netherlands during its shipment to China. This shipment was done by the Central Bank of Suriname on behalf of three commercial banks. The affected parties started a legal procedure in 2019 in order for the authorities to release this money, and the Court of Appeal in Amsterdam concluded that the money shipment had been done under state immunity, and the Public Prosecution Office was not entitled to seize the money involved in the shipment. As a result, the Court of Appeal demanded to release the money. The public prosecutor decided to appeal to the Supreme Court. The Supreme Court decided in July 2021 that the consideration of state immunity is not well motivated and referred the legal case back to the Court of Appeal Amsterdam for renewed legal treatment.

On January 10, 2023, the Court of Appeals in Amsterdam again declared the complaint well-founded and ordered to refund the confiscated money. The Public Prosecution Office then again appealed in cassation at the Supreme Court, and on June 27, 2023, the Supreme Court referred the case back to the Court of Appeals in the Hague, where the complaint was initially filed, for renewed legal treatment. The case continued on June 25, 2024, and on August 6, 2024, the Court of Appeals in the Hague declared the complaint unfounded. The commercial banks have appealed against this and filed their complaint on December 19, 2024, at the Supreme Court. The case will continue on a date yet to be determined.

Based on legal advice obtained from independent legal counsel, management believes DSB is in a strong and defendable position. Accordingly, no provision for any loss has been made in these financial statements for this legal proceeding.

Off-balance sheet items

To meet the financial needs of customers, DSB also enters into 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 recognized in the consolidated statement of financial position, they contain credit risk and, therefore, form part of the overall risk of DSB. Letters of credit and guarantees (including standby letters of credit) obligate DSB 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 following table:

Off-balance sheet items

in thousand SRD for the year ended 31 December	**2023**	**2022 (Restated)**
Undrawn commitments	1,548,169	1,623,041
Financial guarantees	196,836	228,327
Letters of Credit	52,023	117,575
	1,797,028	**1,968,943**

See Note 41.3.5 for a detailed breakdown of the undrawn commitments by asset class, as well as the risk exposure for each counterparty type.

Third-party assets held in custody

DSB provides custody and transaction services to third parties. At the reporting date, DSB had investment assets under custodian on behalf of third parties in SRD, GBP, and USD, amounting to shares with a nominal value of SRD 57.4 million (2022: SRD 88.9 million) and Gold Certificates with a market value of SRD 136.8 million (2022: SRD 135.6 million).

DSB acts in fiduciary capacities that result in the holding or placing of assets on behalf of third parties. These assets and income arising thereon are excluded from these consolidated financial statements.

Third-party assets held in custody

in thousand SRD for the year ended 31 December

Shares nominal value:	**2023**	**2022 (Restated)**
Listed	2,304	3,065
Unlisted	55,090	85,876
	57,394	**88,941**
Gold Certificate market value	136,817	135,592

33 Pensions and other post-employment benefit plans

De Surinaamsche Bank N.V. maintains a defined benefit pension plan. Contributions are paid by both the employee and DSB to the pension fund "Stichting Pensioenfonds van De Surinaamsche Bank N.V." in accordance with the terms of the plan and local legal requirements. The foundation is directed by a board consisting of representatives of DSB and pension participants, responsible for the asset plan's investment strategy. The funds are primarily invested in mortgages, term deposits, and locally tradable securities. The pension payments to the retired bank employees are made directly by the foundation; therefore, DSB has no legal obligation to pensioners with regards to the regular pension payments, except in the case that the foundation is not able to comply with the minimum benefit as stated in the Pension Law in Suriname, which refers to "Wet Algemeen Pensioen- WAP 2014".

The pension plan that DSB maintained in previous years did not comply with the local pension act "Wet Algemeen Pensioen 2014". The pension act requires DSB to maintain a defined benefit plan rather than a defined contribution plan. In compliance with the act, DSB is obliged to implement a pension plan that offers the employees benefits that are at least equal to the benefits under the general pension plan. In compliance with the pension act, DSB has recorded a total provision of SRD 61.9 million for the fiscal year ending 2019 as a result of the current pension plan being categorized as a defined benefit plan. In subsequent years through 2022, there was no net obligation payable under the pension plan. As of 2023, an obligation of SRD 105.5 million has arisen under the plan, reflecting a funding shortfall or increased liabilities. Further details can be found in Note 33.1. Detailed assumptions underlying the defined benefit plan are disclosed in Note 6.6.

In addition, DSB maintains a defined benefit plan providing other post-employment benefits to retired employees, of which the healthcare plan and Christmas vouchers are denominated in USD. The foreign exchange result relating to these plans is presented in 'Other operating income'. These arrangements are contained in the 'Regulation on provisions for DSB pensioners' and form a direct liability for DSB, having no deductible assets for the defined benefit plan.

The defined post-employment benefits are as follows:

- Healthcare plan for retirees
- Gratification plan retirees
- Compensation funeral costs retirees
- Plan "onderstanden" (Social security benefits)
- Pension supplement retirees (Lump sum)
- Christmas vouchers
- Easter benefits
- Pension gift
- Jubilee benefits

Net employee defined benefit liabilities

in thousand SRD for the year ended 31 December	**2023**	**2022 (Restated)**
Short-term net employee benefits	58,192	52,249
Pension plan	105,453	-
Post-employment healthcare plan	162,627	215,991
Provision for anniversary payments	99,807	88,577
Other post-employment benefit liabilities	86,443	72,422
	512,522	**429,239**

The net defined benefit liability is recognized within net employee defined benefit liabilities in the consolidated statement of financial position. Remeasurements of the net defined benefit liability, which comprise of actuarial gains and losses, are recognized through other comprehensive income.

The 2023 net remeasurement loss before tax of SRD 133.0 million includes a remeasurement loss of SRD 38.4 million from other post-employment benefits and SRD 126.7 million from the pension plan, offset by SRD 32.1 million remeasurement gain from the post-employment healthcare plan.

In 2022, the net remeasurement gain before tax of SRD 102.2 million included remeasurement gains of SRD 113.8 million from the post-employment healthcare plan and SRD 7.4 million from other post-employment benefits, offset by a remeasurement loss of SRD 19.0 million on the pension plan. In line with IAS 29, the restatement impact for presentation purposes on the net remeasurement gain before tax for 2022 resulted to an increase of SRD 25.1 million, which formed part of the SRD 102.2 million.

The fair value of the defined benefit obligation, the related current service cost, and the past service cost were determined using the projected unit credit method. The most recent (actuarial) valuations of the defined benefit obligation were carried out as of December 31, 2023, and December 31, 2022, by a registered actuary.

33.1 Pension Plan (Liability)

As of December 2023, the fair value of the assets plan amounts to SRD 1,037.5 million, which is lower than the present value of the obligation (DBO) amounting to SRD 1,143.0 million, creating a shortage of SRD 105.5 million.

Paragraph 64 of IAS 19 Employee Benefits limits the measurement of the defined benefit asset to the present value of economic benefit available in the form of refunds from the plan or reductions in future contributions to the plan. If there is a pension surplus, the group does not legally have access to the pension surplus, either in the form of a cash refund or reduction in future contributions, and accordingly, an asset ceiling is applied on the surplus of SRD 100.0 million, resulting in a zero liability in 2022. As for 2023, there is a pension shortfall of SRD 105.5 million, resulting in no asset ceiling being applied.

The following tables summarize the components of net benefit expense recognized in the consolidated statement of profit and loss and the funded status and amounts recognized in the consolidated statement of financial position for the respective plans:

Changes in the present value of the defined benefit obligations from the pension plan

in thousand SRD for the year ended 31 December 2023

		Benefit cost charged to profit and loss					
Pension plan	**1 January 2023**	**Current Service cost**	**Past Service cost**	**Interest cost**	**Other cost**	**Net Foreign Exchange Loss/ Gain**	**Subtotal P&L**
Fair value of plan assets	**1,032,595**	14,266	-	77,980	(4,036)	-	**88,210**
Defined benefit obligation	**(932,603)**	(31,675)	-	(78,192)	-	-	**(109,867)**
Asset ceiling	**(99,992)**	-	-	-	-	-	**-**
Net Benefit Liability	**-**	**(17,409)**	**-**	**(212)**	**(4,036)**	**-**	**(21,657)**

in thousand SRD for the year ended 31 December 2022 (Restated)

		Benefit cost charged to profit and loss					
Pension plan	**1 January 2022 (Restated)**	**Current Service cost**	**Past Service cost**	**Interest cost**	**Other cost**	**Net Foreign Exchange Loss/ Gain**	**Subtotal P&L**
Fair value of plan assets	**1,042,767**	12,970	-	80,003	(4,242)	-	**88,731**
Defined benefit obligation	**(944,338)**	(26,527)	-	(79,925)	-	-	**(106,452)**
Asset ceiling	**(98,429)**	-	-	-	-	-	**-**
Net Benefit Liability	**-**	**(13,557)**	**-**	**78**	**(4,242)**	**-**	**(17,721)**

	Remeasurement gains/(losses) in OCI						
Benefits Paid	**Actuarial changes arising from changes in economic assumptions**	**Experience adjustments**	**Asset ceiling**	**Sub-total included in OCI**	**Contributions paid by DSB**	**Monetary effects of hyperinflation**	**31 December 2023**
(30,081)	-	164,489	-	**164,489**	**44,834**	**(262,538)**	**1,037,509**
30,081	(273,861)	(92,763)	-	**(366,624)**	**-**	**236,051**	**(1,142,962)**
-	-	-	75,391	**75,391**	**-**	**24,601**	**-**
-	**(273,861)**	71,726	**75,391**	**(126,744)**	**44,834**	**(1,886)**	**(105,453)**

	Remeasurement gains/(losses) in OCI						
Benefits Paid	**Actuarial changes arising from changes in economic assumptions**	**Experience adjustments**	**Asset ceiling**	**Sub-total included in OCI**	**Contributions paid by DSB**	**Monetary effects of hyperinflation**	**31 December 2022 (Restated**
(29,942)	-	277,436	-	**277,436**	**41,369**	**(387,766)**	**1,032,595**
29,942	(222,804)	(37,328)	-	**(260,132)**	**-**	**348,377**	**(932,603)**
-	-	-	(36,308)	**(36,308)**	**-**	**34,745**	**(99,992)**
-	**(222,804)**	**240,108**	**(36,308)**	**(19,004)**	**41,369**	**(4,644)**	**-**

Changes in the present value of the defined benefit obligations from the post-employment healthcare plan

in thousand SRD

Defined benefit obligation as of 1 January 2023	**215,991**
Interest cost	10,045
Current service cost	5,262
Benefits paid	(9,314)
Net Foreign Exchange Loss	28,700
Remeasurement gain - OCI	(32,099)
Monetary effects of hyperinflation	(55,958)
Defined benefit obligation as of 31 December 2023	**162,627**

Defined benefit obligation as of 1 January 2022 (Restated)	**321,973**
Interest cost	10,859
Current service cost	13,217
Benefits paid	(11,560)
Net Foreign Exchange Loss	138,427
Remeasurement gain - OCI	(113,789)
Monetary effects of hyperinflation	(143,136)
Defined benefit obligation as of 31 December 2022 (Restated)	**215,991**

Changes in the present value of the defined benefit obligations from other post-employment benefit liabilities

in thousand SRD for the year ended 31 December 2023

		Benefit cost charged to profit and loss				
Other post-employment benefit liabilities	**1 January 2023**	**Current Service cost**	**Past Service cost**	**Interest cost**	**Net Foreign Exchange Loss/ Gain**	**Subtotal P&L**
Gratification plan retirees	**2,712**	41	-	87	-	**128**
Compensation funeral costs retirees	**9,941**	208	-	556	-	**764**
Social security benefits to pensioners	**1,101**	-	-	62	-	**62**
Lump sum to pensioners	**11,471**	286	-	(17)	(9,685)	**(9,416)**
Christmas vouchers	**19,860**	604	-	891	2,653	**4,148**
Easter benefits	**25,940**	726	-	1,440	-	**2,166**
Pension gift	**1,397**	75	-	74	-	**149**
Net Benefit Liability	**72,422**	**1,940**	**-**	**3,093**	**(7,032)**	**(1,999)**

in thousand SRD for the year ended 31 December 2022 (Restated)

		Benefit cost charged to profit and loss				
Other post-employment benefit liabilities	**1 January 2022 (Restated)**	**Current Service cost**	**Past Service cost**	**Interest cost**	**Net Foreign Exchange Loss/ Gain**	**Subtotal P&L**
Gratification plan retirees	**4,010**	66	-	221	-	**287**
Compensation funeral costs retirees	**9,428**	315	3,794	792	-	**4,901**
Social security benefits to pensioners	**1,765**	-	-	97	-	**97**
Lump sum to pensioners	**16,654**	460	-	863	-	**1,323**
Christmas vouchers	**29,681**	1,159	-	985	12,783	**14,927**
Easter benefits	**5,350**	1,096	25,852	2,076	-	**29,024**
Pension gift	**461**	114	-	111	-	**225**
Net Benefit Liability	**67,349**	**3,210**	**29,646**	**5,145**	**12,783**	**50,784**

	Remeasurement gains/(losses) in OCI				
Benefits Paid	Actuarial changes arising from changes in economic assumptions	Experience adjustments	Sub-total included in OCI	Monetary effects of hyperinflation	31 December 2023
(1,852)	19,502	-	19,502	(526)	19,964
(428)	24,088	-	24,088	(2,476)	31,889
(82)	(377)	-	(377)	(269)	435
-	-	-	-	(2,055)	-
(1,149)	(3,539)	-	(3,539)	(5,131)	14,189
(1,426)	(2,616)	-	(2,616)	(6,442)	17,622
(206)	1,343	-	1,343	(339)	2,344
(5,143)	38,401	-	38,401	(17,238)	86,443

	Remeasurement gains/(losses) in OCI				
Benefits Paid	Actuarial changes arising from changes in economic assumptions	Experience adjustments	Sub-total included in OCI	Monetary effects of hyperinflation	31 December 2022 (Restated)
(149)	7	-	7	(1,443)	2,712
(173)	41	-	41	(4,256)	9,941
(150)	-	-	-	(611)	1,101
(505)	38	-	38	(6,039)	11,471
(3,488)	(8,535)	-	(8,535)	(12,725)	19,860
(1,173)	93	-	93	(7,354)	25,940
(68)	972	-	972	(193)	1,397
(5,706)	(7,384)	-	(7,384)	(32,621)	72,422

The principal assumptions used in determining post-employment benefit obligations are shown below:

	2023	2022
Future consumer price index increases:		
SRD		
2023	N/A	60.00%
2024	10.10%	15.00%
2025	8.60%	10.00%
2026	6.80%	5.00%
2027 and the following years	5.00%	5.00%
USD	2.00%	2.00%
Discount rate SRD:		
2023	N/A	61.50%
2024	11.60%	16.50%
2025	10.10%	11.50%
2026	8.30%	6.50%
2027 and the following years	6.50%	6.50%
Single Equivalent Discount Rate	7.06%	10.00%
Discount rate USD:		
Healthcare Plan	4.78%	4.99%
Christmas Coupons	4.76%	4.83%
Future salary increases:		
1/1/2023	N/A	62.50%
1/1/2024	24.00%	17.00%
1/1/2025	8.60%	12.00%
1/1/2026	6.80%	7.00%
1/1/2027 and per January 1st, of following years	5.00%	7.00%
Healthcare cost increase rate:		
1/1/2023	N/A	2.50%
1/1/2024 and per January 1st, of following years	2.50%	2.50%
Further life expectancy for pensioners at the age of 60:	Years	Years
Male	18.4	18.4
Female	21.0	21.0

A quantitative sensitivity analysis for significant assumptions as of 31 December is shown below:

Impact on defined benefit obligation

in thousand SRD for the year ended 31 December	**2023**	**2022 (Restated)**
Pension plan		
Defined benefit obligation	**1,142,962**	**932,603**
1% increase in discount rate	(186,424)	(173,813)
1% decrease in discount rate	238,948	223,735
1% increase in salary increases	87,147	94,033
1% decrease in salary increases	(75,920)	(80,650)
1% increase in pension adjustment	152,846	(110,676)
1% decrease in pension adjustment	(129,502)	128,746
Post-employment healthcare plan		
Defined benefit obligation	**162,627**	**215,991**
1% increase in discount rate	(553)	(1,069)
1% decrease in discount rate	687	1,360
1% increase in yearly cost	944	1,340
1% decrease in yearly cost	(341)	(1,071)
Provision for anniversary payments		
Defined benefit obligation	**99,807**	**88,577**
1% increase in discount rate	(7,056)	(7,787)
1% decrease in discount rate	8,061	8,948
1% increase in yearly cost	9,085	9,920
1% decrease in yearly cost	(8,066)	8,732
Other post-employment benefit liabilities		
Defined benefit obligation	**86,443**	**72,422**
1% increase in discount rate	(9,885)	(11,917)
1% decrease in discount rate	12,590	15,321
1% increase in yearly cost	10,353	10,904
1% decrease in yearly cost	(6,690)	(8,620)
Accumulated		
Defined benefit obligation	**1,491,839**	**1,309,593**
1% increase in discount rate	(203,918)	(194,586)
1% decrease in discount rate	260,286	249,364
1% increase in yearly cost	107,529	116,197
1% decrease in yearly cost	(91,017)	(81,609)

33.2 Other long-term employee benefits

De Surinaamsche Bank provides anniversary payments to employees at 12½ years, 25 years, 30 years, 35 years, and 40 years of service provided. Depending on the jubilee, the anniversary payment varies between 2½ and 7 times the monthly salary. Interest costs, service costs, and actuarial gains/losses for the long-term employee benefits are recognized through the consolidated statement of profit and loss. The liabilities for anniversary payments are recorded under 'Net employee defined benefit liabilities' on the consolidated statement of financial position.

Changes in the present value of other long-term employee benefits are shown below:

Changes in the present value of the defined benefit obligations from the anniversary payment plan:

in thousand SRD

Defined benefit obligation as of 1 January 2023	**88,577**
Interest cost	9,490
Current service cost	6,078
Benefits paid	(6,133)
Remeasurements	26,509
Monetary effects of hyperinflation	(24,714)
Defined benefit obligation as of 31 December 2023	**99,807**

Defined benefit obligation as of 1 January 2022 (Restated)	**73,056**
Interest cost	7,612
Current service cost	5,049
Benefits paid	(6,232)
Remeasurements	44,968
Monetary effects of hyperinflation	(35,876)
Defined benefit obligation as of 31 December 2022 (Restated)	**88,577**

The short-term net employee benefits recorded under the Net employee benefits relate to vacation balances, bonuses to be paid, and other facilities to the board of directors.

33.3 Statistics of members and weighted average duration of the plans

Analysis of the DBO and Duration	**Defined Benefit Obligation**	**Duration**
Active members	757,858	21.13
Deferred members	42,416	19.33
Pensioners	342,688	7.89
Total	**1,142,962**	**17.09**

33.4 Expected contributions to the plans in FY 2024

Contributions and benefit payments

in thousand SRD

Actual and Expected Cash Flows	Expected Jan 1, 2024 - Dec 31, 2024	Actual Jan 1, 2023 - Dec 31, 2023
Contributions to the plan by the employer	51,896	41,187
Contributions by the plan participants	16,513	13,106
Total contributions	**68,409**	**54,293**
Benefit payments out of the plan	33,437	27,634
Total benefit payments	**33,437**	**27,634**

33.5 Fair value of the plan assets

The table below provides the net fair value of plan assets based on audited financials of Stichting Pensioenfonds van De Surinaamsche Bank N.V.

Plan Assets

in thousand SRD

	Dec 31, 2023	Dec 31, 2022 (Restated)
Equity type investments	3,342	1,327
Real estate type investments	129,356	110,041
Commodity type investments	136,718	102,160
Fixed interest type investments		
Corporate bonds, not rated	204,677	95,559
Government bonds, not rated	-	-
Other fixed interest type investments	551,865	459,251
Total investments	1,025,958	768,338
Cash	5,889	4,269
Other assets	10,073	9,085
Other liabilities	(4,411)	(3,132)
Total	1,037,509	778,560
Adjustment for inflation	-	254,035
Total, adjusted	**1,037,509**	**1,032,595**

33.6 Expected pension base percentage

As of year-end 2023, the applied pension base factor is 70.0% (2022:74.3%). The 70.0% percentage is expected to be maintained for all years after 2023 and is to apply on the pension back service.

34 Issued capital and reserves

Issued capital and reserves **Authorized**	**2023**	**2022**
Ordinary shares of SRD 0.10 each	37,733,609	37,733,609
	37,733,609	**37,733,609**

Ordinary shares

Issued and fully paid

	Number of Shares Issued (in thousands)	**Amount of Issued Capital** (in thousand SRD)
As of 1 January 2022	37,733	3,773
Issued in 2022	-	-
Monetary effects of hyperinflation	-	17,384
As of 31 December 2022	**37,733**	**21,157**
Issued in 2023	-	-
As of 31 December 2023	**37,733**	**21,157**

No issuance in the ordinary shares was made in 2023 or 2022. The last issuance was made in 2019, where a total number of 508,000 shares were issued at SRD 0.10 each, resulting in an increase of the issued capital of SRD 50,800.

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

34.1 Earnings per share (EPS)

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

Diluted EPS is calculated by dividing the profit after tax attributable to ordinary equity holders by the weighted average number of ordinary shares outstanding during the year, plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

The calculation of diluted EPS excludes the USD 5 million of deeply subordinated, callable, non-convertible perpetual bond (Note 35). As the bond is non-convertible, and there have been no distributions to bondholders to date, there is no diluting effect on the earnings per share.

35 Issued equity instruments

35.1 USD 5 million perpetual bond

On April 23, 2015, DSB placed USD 5 million nominally "deeply subordinated callable perpetual fixed rate notes" at Assuria Levensverzekering N.V. Based on the subordination and the tenor, the loan is designated as additional capital (additional tier 1 or AT-1) for the determination of the solvency ratio by the Central Bank of Suriname. The fee from DSB's profit distribution amounts to 9% under restrictive conditions. It has been contractually established that the common equity Tier 1 ratio (CET 1 ratio) must be 12% to include the full AT-1 amount as issued equity instruments. If the common equity tier 1 ratio of DSB, calculated in accordance with the regulatory capital requirements, falls below 6%, the equity instrument will be written down pro-rata, whereby the shortfall of capital (equaling the regulatory capital requirement, set at 6%, minus the actual amount of common equity capital tier 1 present), as a percentage of the regulatory capital requirement shall be the percentage with which the principal amount of the equity instrument shall be reduced.

36 Maturity analysis of assets and liabilities

The tables beneath give an overview of the maturity analysis of DSB's assets and liabilities.

in thousand SRD as of 31 December 2023	**Within 12 months**	**After 12 months**	**Total**
Assets			
Cash and balances with central banks	4,260,099	6,706,570	10,966,669
Due from banks	9,454,949	90,419	9,545,368
Financial assets at fair value through profit or loss	-	336	336
Loans and advances to customers	3,314,889	2,572,347	5,887,236
Purchased or originated credit impaired financial assets	-	1,925,843	1,925,843
Debt instruments at amortized cost	1,339,851	3,367,650	4,707,501
Investments in associates	-	46,513	46,513
Other assets	369,921	-	369,921
Property, equipment, and right-of-use assets	-	1,166,260	1,166,260
Investment properties	-	8,610	8,610
Intangible assets	-	63,777	63,777
Total Assets	**18,739,709**	**15,948,325**	**34,688,034**
Liabilities			
Due to banks	62,917	-	62,917
Due to customers	26,602,065	1,713,368	28,315,433
Current tax liabilities	930,202	-	930,202
Other liabilities	704,330	63,719	768,049
Debt issued and other borrowed funds	13,036	366,897	379,933
Provisions	12,481	-	12,481
Net employee defined benefit liabilities	-	512,522	512,522
Deferred tax liabilities	-	626,302	626,302
Total liabilities	**28,325,031**	**3,282,808**	**31,607,839**

in thousand SRD as of 31 December 2022 (Restated)	**Within 12 months**	**After 12 months**	**Total**
Assets			
Cash and balances with central banks	3,965,367	10,142,347	14,107,714
Due from banks	7,881,812	24,342	7,906,154
Financial assets at fair value through profit or loss	-	446	446
Loans and advances to customers	2,879,910	3,193,085	6,072,995
Purchased or originated credit impaired financial assets	-	2,649,342	2,649,342
Debt instruments at amortized cost	130,755	2,563,505	2,694,260
Investments in associates	-	63,354	63,354
Other assets	28,966	332,983	361,949
Property, equipment, and right-of-use assets	-	1,311,296	1,311,296
Investment properties	-	14,779	14,779
Intangible assets	-	46,793	46,793
Total Assets	**14,886,810**	**20,342,272**	**35,229,082**
Liabilities			
Due to banks	353,073	-	353,073
Due to customers	27,391,565	2,371,454	29,763,019
Current tax liabilities	488,285	-	488,285
Other liabilities	350,229	135,821	486,050
Debt issued and other borrowed funds	14,815	416,985	431,800
Provisions	33,750	-	33,750
Net employee defined benefit liabilities	-	429,239	429,239
Deferred tax liabilities	-	704,365	704,365
Total liabilities	**28,631,717**	**4,057,864**	**32,689,581**

37 Capital

DSB actively manages its capital base to cover risks inherent in the business and is meeting the capital adequacy requirements of the local banking supervisor, Central Bank of Suriname (CBvS). The adequacy of the DSB's capital is monitored using, among other measures, the rules and ratios established by the Basel Committee on Banking Supervision (BIS rules/ratios) and adopted by the CBvS in supervising DSB.

As of December 31, 2023, DSB has been able to fully comply with all its externally imposed capital requirements over the reported period, consistent with its performance in 2022.

37.1 Capital management

DSB is subject to supervision by the Central Bank of Suriname and must maintain its capital level up to the norms prescribed by the Central Bank. DSB manages its capital structure and adjusts it according to changes in economic conditions and the risk characteristics of its activities. To maintain a strong and sound capital position, DSB has been strengthening its capital in recent years by issuance of additional tier 1 capital, obtaining a subordinated loan, and issuance of new shares. See Notes 35, 31, and 34, respectively, for the related discussion. Further, DSB decided to maintain a long open-currency position in USD for expected credit losses from the deterioration of the foreign currency loan portfolio and own costs in foreign currency.

37.2 Regulatory capital

Regulatory capital				
in thousand SRD	**Actual 2023**	**Required 2023**	**Actual 2022**	**Required 2022**
Common Equity Tier1 (CET1) capital	2,560,470	775,263	1,926,550	683,009
Additional Tier 1 (Note 35)	184,606	184,606	184,606	184,606
Other Tier 2 capital instruments (Note 31)	379,933	379,933	431,800	431,800
Total regulatory capital	**3,125,009**	**1,339,802**	**2,542,956**	**1,299,415**
Risk-weighted assets	**12,921,050**		**11,383,484**	
CET1 capital ratio	**19.8%**		**16.9%**	
Total capital ratio	**24.2%**		**22.3%**	

Regulatory capital consists of CET 1 capital, which comprises share capital, share premium, and retained earnings including current year profit. The other components of regulatory capital are: Additional Tier 1 capital and Other Tier 2 capital. Certain adjustments are made to IFRS-based results and reserves, as prescribed by the Central Bank of Suriname (CBvS).

To partially cover the risk of foreign exchange rate fluctuations, DSB strengthened its capital structure in 2015, where an additional Tier 1 capital of USD 5 million was issued (Note 35). Additionally, in 2017, DSB obtained a subordinated loan amounting to USD 10 million, which is included in the capital of DSB, as the conditions in the agreement allow it to be accounted for as Tier 2 capital (Note 31).

38 Additional cash flow information

The information below provides insights into the inflow and outflow of cash and DSB's financial health and operational efficiency.

Cash and cash equivalents

in thousand SRD	**Notes**	**2023**	**2022 (Restated)**
Cash and cash equivalents with central banks	18	647,841	713,696
Current accounts with central banks	18	1,394,550	3,297,481
Current accounts with other banks	19	2,922,059	4,085,160
		4,964,450	**8,096,337**

The cash reserves and deposits with the Central Bank are not available to finance the DSB's day-to-day operations and, therefore, are not part of cash and cash equivalents.

Change in operating assets

in thousand SRD	**Notes**	**2023**	**2022 (Restated)**
Net change in balances with central bank	18	778,507	146,342
Net change in financial assets designated and mandatorily classified			
at fair value through profit or loss	21	110	243
Net change in loans and advances to customers	22	185,759	128,310
Net change in POCI	23	723,499	951,097
Net change in other assets	25	(7,972)	(619)
		1,679,903	**1,225,373**

Change in operating liabilities

in thousand SRD	**Notes**	**2023**	**2022 (Restated)**
Net change in due to banks	20	(290,156)	(311,927)
Net change in due to customers	29	(1,447,586)	(2,248,831)
Net change in provision	32	(21,269)	533
Net change in net employee defined benefit liabilities	33	(49,762)	27,445
Net change in other liabilities	30	287,585	(41,459)
		(1,521,188)	**(2,574,239)**

Net gain from investing activities

in thousand SRD	**Notes**	**2023**	**2022 (Restated)**
Change in deposits with central banks	18	393,752	(823,213)
Change in deposits with other banks	19	(2,802,316)	(2,724,617)
Change in debt instruments at amortized cost	24	(2,013,241)	294,988
Change in investments in associates	21	16,841	(6,636)
		(4,404,964)	**(3,259,478)**

39 Related party disclosures

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

In thousands of SRD	Year	Sales to related parties	Purchases from related parties	Amount owed by related parties	Amount owed to related parties	Interest received	Interest Paid
Shareholders	**2023**	-	21,821	41,293	313,351	1,224	5,754
	2022 (Restated)	-	11,796	72,667	890,317	25,538	-
Supervisory Board	**2023**	-	-	35	13,350	-	14
	2022 (Restated)	-	-	-	8,253	15	3
Key Management	**2023**	-	-	5,572	2,916	390	3
	2022 (Restated)	-	-	-	2,381	-	-
Stichting Pensioenfonds van De Surinaamsche Bank N.V. (Pension Foundation)	**2023**	-	-	-	105,453	-	-
	2022 (Restated)	-	-	-	-	-	-
Associates	**2023**	-	-	5,000	36,478	80,898	-
	2022 (Restated)	-	-	847,763	139,250	1,421	18

Purchases from shareholders relate to various forms of insurance, e.g., medical insurance for staff and general insurance. Some of these insurances have been paid in USD and EUR, however, all balances in the table above are presented in SRD based on the exchange rate at the end of the financial year.

Loans and advances are shown under "Amount owed by related parties". Advanced insurance payments and claims are also included. The advanced payments concern insurance amounts that have been paid to Assuria N.V. and Surinaamse Assurantie Maatschappij N.V. in a certain year but expires next year. The total advanced payments and claims in 2023 are SRD 3.9 million (2022: SRD 1.7 million). Loans and advances in foreign currencies have been converted into SRD based on the exchange rate at the end of the financial year.

"Amount owed to related parties" covers all deposits (current accounts, savings accounts, and term deposits) of the related parties, loans provided to DSB as well as premium payables. A subordinated loan of USD 10 million has been provided by Assuria N.V. (see Note 31). Furthermore, Assuria N.V. has participated in Perpetual Bonds of DSB for USD 5 million (see Note 35).

39.1 Shareholders

When DSB issued new shares in November 2018, a significant portion of these shares was purchased by Hakrinbank N.V., Self Reliance N.V., and Fatum N.V. Since then, these shareholders and Assuria N.V. each own 18.0% of DSB's shares. As a result of the aforementioned issue, the shareholding of Assuria N.V. decreased from 45.0% to 18.0%. Government interest also decreased from 9.04% to below 5%. Although the Government owns less than 5% of shares, they are indirectly related since they have more than 5% ownership in both Hakrinbank N.V. and Self Reliance N.V. No dividends have been paid to shareholders since 2016. As outlined in the "Proposal for Profit Distribution and Dividend Payment" section of the Supervisory Board's 2023 Report, a proposal has been made to distribute profits amounting to SRD 200 million, equivalent to SRD 5.30 per share.

39.2 Supervisory Board

In January 2023, the supervisory board consisted of the following seven (7) members: Mr. Nilesh Bishesar, Mr. Roy Baidjnath-Panday, Mr. Stanley Mathura, Mr. Robert Kasanrawi, Mr. Dharminder R. Parbhudayal, Mr. Jurgen van Ommeren, and Mrs. Judith van der Gugten.

The four (4) shareholders with a significant large interest have a representative on the board. The following persons were closely related to DSB during the financial year 2023 through the supervisory board.

- The chairperson of the supervisory board of 2023 was Mr. Nilesh Bishesar, who is currently the managing director of Qualogy Caribbean;
- Mr. Roy Baidjnath-Panday is the vice-chairperson of the supervisory board, representing Fatum N.V., one of the 4 biggest shareholders of DSB. In 2021, he retired as prosecutor general. Currently, he serves as chairperson and member of various advisory committees and boards in the field of law and justice;
- Mr. Robert Kasanrawi is a member of the supervisory board and is currently the director of Self Reliance N.V., one of the 4 biggest shareholders of DSB;
- Mr. Stanley Mathura is a member of the supervisory board and is the former CEO of Surichange Bank N.V., representing Hakrinbank N.V., one of the 4 biggest shareholders of DSB. As of February 17, 2024, he is no longer a member of the supervisory board;

- Mr. Dharminder R. Parbhudayal is a member of the supervisory board and is currently the COO of Assuria N.V., one of the 4 biggest shareholders of DSB;
- Mr. Jurgen van Ommeren is a member of the supervisory board and is currently the Finance Manager at CKC Machinehandel Surmac N.V.;
- Mrs. Judith van der Gugten is a member of the supervisory board as of December 21st, 2023, and is the director/ owner of Professional Support N.V.

The terms and conditions of transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions.

The remuneration of the Supervisory Board in 2023 amounted to a total of SRD 912,373 (2022: SRD 1,376,170). The amounts mentioned include hyperinflation impact amounting to SRD 74,209 (2022: SRD 542,170).

39.3 Key management

In 2023, the key management consisted of Mr. Renatus 'René' van Rooij (COO), Mr. Arjan Molenkamp (Acting Chair of the Managing Board), Mr. Alexander van Petten (CRO, as of February 15th, 2023), and Mr. Waldo Halfhuid (CFO, as of August 15th, 2023). As of July 2023, Mr. Molenkamp left the organization. At the beginning of October 2023, Mr. Van Rooij retired from DSB.

Compensation of key management personnel

in thousands of SRD for the year ended on 31 December of

	2023	2022 (Restated)
Short-term employee benefits	34,820	26,226
Post-employment pension and medical benefits	1,326	733
Total compensation paid to key management personnel	**36,146**	**26,959**

The amount disclosed in the table above are the amounts recognized as an expense during the reporting period related to key management personnel. Several components of the short-term employee benefits are in USD or EUR. Bonuses paid by DSB are partially fixed. The figures above include hyperinflation impact amounting to SRD 2.9 million (2022: SRD 10.6 million).

39.4 Stichting Pensioenfonds van De Surinaamsche Bank N.V. (Pension Foundation)

The amount owed to the related party regards the pension contribution liability (note 39). The contributions paid by the Group (expenses) are for the fiscal year 2023, SRD 44.8 million, and for the fiscal year 2022, SRD 41.4 million. The restatement impact amounted SRD 3.6 million in 2023 and SRD 16.3 million in 2022 (Note 33.1).

As of October 4, 2023, Mr. Rene van Rooij has retired and is no longer the vice chairperson of the pension foundation. This role is filled by Mrs. Kalpoe Reshma as of October 2024.

39.5 Associates

Panaso Vastgoed N.V. is a wholly owned subsidiary of DSB Assuria Vastgoedmaatschappij (DAVG). DSB holds a 49% stake in DAVG, while the remaining 51% is owned by Assuria N.V. These associates operate as real estate companies. The loans granted to these associates were intended for the acquisition and development of 550 hectares of land at Acaribo (Blauwmeer), with the objective of subsequently selling it in lots. The initial maturity date of these loans was December 2021.

According to the guarantee agreement between DSB, Assuria N.V., Panaso Vastgoed N.V., and DAVG, a loan of USD 20 million was granted to Panaso Vastgoed N.V. However, after careful consideration, Assuria, Panaso Vastgoed N.V. and the Central Bank of Suriname (CBvS) jointly decided not to continue the sale and purchase of the Accaribo property. Consequently, on April 28, 2022, the respective parties agreed to dissolve the sale and purchase agreement of the Accaribo property. As a result, DSB relinquished the sale and purchase price, which had been held at the Central Bank of Suriname in the form of a USD 20 million deposit. Moreover, a guaranty agreement was signed between DSB, Assuria N.V., and Panaso Vastgoed N.V., whereby it was agreed that the USD 20 million debt position of Panaso Vastgoed N.V. to DSB would be accounted for as of August 30, 2019. Assuria agrees to guarantee their 51% share of this debt, amounting to USD 10.2 million, with retrospective effect to the financial year 2019. This guarantee is secured by means of cash in the form of term deposits held at DSB.

On July 24, 2023, DSB, through a letter, formally expressed to Assuria N.V. and Assuria Levensverzekering N.V., that it would invoke its settlement rights. As a legal consequence, the Assuria Contribution Obligation will be settled with the term deposits that Assuria N.V. and Assuria Levensverzekering N.V. have invested with DSB, up to the amount of the obligation. For further developments on this matter, kindly refer to Note 42 Events after the reporting date.

In addition to its 49% ownership in DAVG N.V., as noted in Note 21, DSB also holds a 25% interest in Banking Network Suriname N.V. (BNETS). In addition to DSB, Hakrinbank N.V. likewise holds a 25% interest in BNETS. Loans granted to this associate are intended for investment purposes in hardware.

40 Fair value measurement

This note describes the fair value measurement of financial instruments.

40.1 Valuation principles

According to IFRS 13, fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. It should be noted that this concerns the principal (or most advantageous) market under current market conditions (i.e., an exit price), regardless of whether that price is directly observable or estimated using a valuation technique.

To determine the fair value of financial assets and financial liabilities, DSB follows a fair value hierarchy, which reflects the significance of the inputs used in making the measurements:

- Level 1: inputs are (unadjusted) quoted prices in active markets for those (or identical) assets or liabilities that DSB can access at the measurement date.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., prices) or indirectly (i.e., derived from prices of identical instruments).
- Level 3: inputs are unobservable inputs for the asset or liability. For the valuation techniques used, assumptions and inputs include benchmark interest rates, yield curves, and credit spreads. DSB has used yield curve modeling, net present value, and discounted cash flow models for its valuation techniques.

DSB's fair value methodology is based on models developed by external parties. Upon acceptance of these models, a number of controls and other safeguards are in place to ensure its alignment and use with DSB's purpose. All these models are subject to approval by various functions of DSB, including the risk, treasury, and finance functions.

When relying on third-party sources, the Risk management department, together with the Finance and Treasury department, are responsible for:

- Challenging the approved list of third parties
- Understanding the valuation methodologies and sources of inputs and verifying their suitability for IFRS reporting requirements.

Valuation techniques and specific considerations for Level 3 input are further explained in note 40.3.

40.2 Assets and liabilities by fair value hierarchy

40.2.1 Fair value of financial instruments measured at fair value

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

in thousand SRD as of 31 December 2023

Assets measured at fair value on a recurring basis	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets at fair value through profit or loss				
Equity investments (Note 21.2)	-	-	336	**336**
Total financial assets measured at fair value	**-**	**-**	**336**	**336**

in thousand SRD as of 31 December 2022(Restated)

Assets measured at fair value on a recurring basis	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets at fair value through profit or loss				
Equity investments (Note 21.2)	-	-	446	**446**
Total financial assets measured at fair value	**-**	**-**	**446**	**446**

40.2.2 Fair value of property classified as property and equipment and investment properties

The following tables show an analysis of property recorded at fair value by level of the fair value hierarchy:

in thousand SRD as of 31 December 2023	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
Land and Buildings (Note 26)	1,100,884	-	-	1,100,884	**1,100,884**
Investment Property (Note 27)	8,610	-	-	8,610	**8,610**
Total financial assets	**1,109,494**	**-**	**-**	**1,109,494**	**1,109,494**

in thousand SRD as of 31 December 2022 (Restated)	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
Land and Buildings (Note 26)	1,256,518	-	-	1,256,518	**1,256,518**
Investment Property (Note 27)	14,779	-	-	14,779	**14,779**
Total financial assets	**1,271,297**	**-**	**-**	**1,271,297**	**1,271,297**

The valuation techniques and inputs used to develop the measurement for land and buildings classified as property and equipment and investment properties is the Cost Approach method. The Cost Approach method is equivalent to the replacement value of the buildings plus the land value with all values of land improvements and other value additions, minus the depreciation. The replacement value is estimated by the independent appraiser based on the applicable condition of the properties and determines a price per m2 for specific parts of the building or/the complete building. This estimation is calculated based on current available and known prices (per unit) in the market.

By using the unobservable inputs (level 3), the effect of the measurements for the period on the consolidated statement of profit and loss is SRD 26.7 million impairment loss (2022: 42.7 million impairment gain), while on other comprehensive income is SRD 71.9 million loss (2022: SRD 8.5 million gain). Kindly refer to Notes 26 and 27 for detailed information on the other movement of these properties during the period.

The fair value of these properties, for which there is no ready market, has been estimated by the respective independent external appraiser engaged by the management of the bank. The estimation is based on internal confidential data and information known and obtained by the independent appraiser in the absence of readily ascertainable fair values and does not necessarily represent amounts that might ultimately be realized. Due to the inherent uncertainty of valuation, those estimated fair values may differ significantly from the values that would have been used had a ready market for the real estate market existed. These differences could be material.

40.2.3 Fair value of financial instruments not measured at fair value

The succeeding tables compare, by class, the carrying amounts and fair values of DSB's financial instruments not carried at fair value in the financial statements. These tables do not include the fair values of non–financial assets and non–financial liabilities.

in thousand SRD as of 31 December 2023	Carrying amount	Fair Value Amount	Unrecognized gain/(loss)
Financial assets			
Cash and balances with central banks	10,966,669	10,966,669	-
Due from banks	9,545,368	9,545,368	-
Loans and advances to customers	5,887,236	6,144,384	257,148
Purchased or originated credit impaired financial assets	1,925,843	1,925,843	-
Debt instruments at amortized cost	4,707,501	4,640,393	(67,108)
Other assets	297,804	297,804	-
Total financial assets	**33,330,421**	**33,520,461**	**190,040**
Financial liabilities			
Due to banks	62,917	62,917	-
Due to customers	28,315,433	28,103,235	(212,198)
Debt issued and other borrowed funds	379,933	460,602	80,669
Other liabilities	598,055	598,055	-
Total financial liabilities	**29,356,338**	**29,224,809**	**(131,529)**
Total unrecognized change in unrealized fair value			**321,569**

in thousand SRD as of 31 December 2023	Level 1	Level 2	Level 3	Total
Financial assets for which fair value is disclosed				
Loans and advances to customers	-	-	6,144,384	6,144,384
Debt instruments at amortized cost - bonds	4,203,742	376,266	-	4,580,008
	4,203,742	**376,266**	**6,144,384**	**10,724,392**
Financial liabilities for which fair value is disclosed				
Due to customers – term deposits	-	-	2,973,581	2,973,581
Debt issued and other borrowed funds	-	-	460,602	460,602
	-	**-**	**3,434,183**	**3,434,183**

There were no transfers between Level 1 and Level 2, including movements in Level 3 during 2023.

in thousand SRD as of 31 December 2022 (Restated)

	Carrying amount	Fair Value Amount	Unrecognized gain/(loss)
Financial assets			
Cash and balances with central banks	14,107,714	14,107,714	-
Due from banks	7,906,154	7,906,154	-
Loans and advances to customers	6,072,995	5,595,078	(477,917)
Purchased or originated credit impaired financial assets	2,649,342	2,649,342	-
Debt instruments at amortized cost	2,694,260	2,584,398	(109,862)
Other assets	254,813	254,813	-
Total financial assets	**33,685,278**	**33,097,499**	**(587,779)**
Financial liabilities			
Due to banks	353,073	353,073	-
Due to customers	29,763,019	29,578,336	(184,683)
Debt issued and other borrowed funds	431,800	537,006	105,206
Other liabilities	262,493	262,493	-
Total financial liabilities	**30,810,385**	**30,730,908**	**(79,477)**
Total unrecognized change in unrealized fair value			**(508,302)**

in thousand SRD as of 31 December 2022 (Restated)	Level 1	Level 2	Level 3	Total
Financial assets for which fair value is disclosed				
Loans and advances to customers	-	-	5,595,078	5,595,078
Debt instruments at amortized cost - bonds	2,002,173	429,502	-	2,431,675
	2,002,173	**429,502**	**5,595,078**	**8,026,753**
Financial liabilities for which fair value is disclosed				
Due to customers - term deposits	**-**	**-**	3,943,825	**3,943,825**
Debt issued and other borrowed funds	**-**	**-**	537,006	**537,006**
	-	**-**	**4,480,831**	**4,480,831**

There were no transfers between Level 1 and Level 2, including movements in Level 3 during 2022.

40.3 Valuation techniques

Valuation techniques are subject to the type of financial instrument purposed for.

40.3.1 Valuation techniques of financial instruments measured at fair value

40.3.1.1 Foreign exchange contracts

Foreign exchange contracts include foreign exchange swap contracts. These instruments are subject to currency, credit, and time value risk. To incorporate all these elements in the fair value, DSB makes use of models based on a combination of observable foreign currency exchange rates in active markets, unobservable and calculated forward points, as well as yield curves.
Therefore, the foreign exchange contracts are classified as Level 2 financial instruments.

40.3.1.2 Financial Assets at FVTPL

Investments in equity instruments are valued using the fair value of the number of shares held by DSB. For listed shares, these fair values are publicly available and are used as a basis for valuing the investments in equity instruments. These equity investments are classified as Level 1. For equity investments in companies of which the shares are not publicly listed, a fair value estimate is made based on the NAV-method, using the audited financial statements of the underlying companies. The investment is then valued using the proportion of shares owned by DSB. These equity investments are classified as Level 3 instruments.

40.3.2 Valuation techniques of financial instruments not measured at fair value

40.3.2.1 Immediately due assets and liabilities

Assets that are immediately due, such as balances on current or saving accounts at other banks (including the Central Bank of Suriname), are classified as Level 1 instruments. This is also applicable for liabilities immediately due, namely balances on current and saving accounts due to banks or customers. Because these instruments are immediately due, the fair value is equal to the carrying amount, excluding the long-term time deposits included within cash and balances with CBvS and due from/to banks.

40.3.2.2 Corporate and sovereign debt securities

Debt securities consist of foreign and local corporate bonds, which are presented as debt instruments at amortized cost. The debt securities within DSB's portfolio are all standard fixed rate securities without complex coupon or embedded derivative characteristics. Therefore, DSB uses active market prices to estimate the corresponding fair value, including the relevant credit spreads. Foreign corporate bonds invested as well as foreign sovereign bonds are classified as Level 1 instruments. Local corporate bonds are classified as Level 2 instruments.

40.3.2.3 Term deposits

40.3.2.3.1 Deposits at other banks

These are term deposits which has been placed at local and international financial institutions, including the Central Bank of Suriname. Since these instruments are all OTC financial instruments, DSB makes use of modelling the calculation of the fair value of these financial instruments. These models account for using the DCF method, using both market available data (including credit ratings as well as credit spreads based on the respective credit ratings) and modelled yield curves. All instruments where foreign traded market data is used are classified as Level 2 instruments and are included in due from banks. Deposits at the Central Bank of Suriname and all instruments where internal yield curve modelling is used are classified as Level 3 instruments and are included respectively in cash and balances with Central Bank and due from banks.

DSB also has term deposits that are due to customers. Using similar modelling, yet different input, as the Level 3 deposits at other banks, the fair value for these instruments is calculated. Therefore, DSB classifies these instruments as Level 3.

40.3.2.4 Loans and advances to customers and subordinated loan

Loans and advances to customers, including credit cards (assets) and the subordinated loan (liability) are valued using the same method, which is based on the discounted cash flow method with discounting based on modelled yield curves adjusted for market credit risk. Therefore, based on the inputs used, DSB classifies these instruments as Level 3.

40.3.2.5 Valuation adjustments and other inputs and considerations

As described in the earlier sections, the fair value calculations of the valued financial instruments are subject to, among others, the credit risk, currency risk, and time value associated with these instruments. In obtaining the fair value, DSB applies in line with IFRS 9 additional valuation adjustments to its base valuation procedures to better reflect the individual characteristics of trades that market participants would consider when trading in or setting specific prices for these instruments. Adjustments considered in these are credit and debit valuation adjustments (depending on the counterparty and own credit risk), as well as collateralization adjustments.

40.4 Significance of financial instruments

DSB has several financial instruments, both assets and liabilities, in its portfolio. The significance of these financial instruments, the financial position, and the performance of DSB are described per category of financial instruments.

40.4.1 Loans and advances to customers

Lending is the core business of DSB. This is reflected in the financial position and consolidated statement of profit and loss as loans and advances to customers are the most significant financial instruments in the portfolio based on a percentage of total assets in total income (excluding the impact of interest income from OMO deposits). As of December 31, 2023, the loans and advances portfolio (Note 22) are 17.0% of total assets (2022: 17.2%). The interest income received from these instruments (Note 8) is 33.4% of total interest revenue (2022: 30.5%).

40.4.2 Investment portfolio

The investment portfolio of DSB is the next most significant asset category and consists of treasury bills, time deposits, and bonds. Each of these items has a significance as follows.

40.4.2.1 Financial assets - Treasury bills

DSB has treasury bills of the Government of the Republic of Suriname in its investment portfolio. As of December 31, 2023, the treasury bills (Note 24) are 0.2% of total assets (2022: 0.5%). For the treasury bills portion, which is classified as a stage 2 instrument in 2023 and stage 3 in 2022, the interest income received is 0.5% of total interest income in 2023.

40.4.2.2 Financial assets - Term deposits

DSB has term deposits at the Central Bank of Suriname and at local and international commercial banks. The portfolio of term deposits at the Central Bank of Suriname (Note 18) is 6.6% of total assets (2022: 7.6%), while the portfolio of term deposits at commercial banks (Note 19) is 19.1% of the total assets (2022: 10.8%).

40.4.2.3 Debt instruments - Bonds

In order to diversify its investment portfolio, DSB also invests in corporate and (foreign) government bonds in both the US dollar and the Euro. As of December 31, 2023, the bond portfolio (Note 24) is 13.4% of total assets (2022: 7.2%), while the interest income received from bonds (Note 8) is 6.2% of total net income (2022: 3.7%).

40.4.3 Due to customers - Term deposits

Term deposits placed at DSB by customers are a funding source. Term deposits (Note 29) make up 11.3% of the total amount due to customers (2022: 13.3%) and 10.1% of total liabilities (2022: 12.1%). The interest expense paid for these instruments (Note 9) is 80.6% of the total interest expense (2022: 83.1%).

40.4.4 Subordinated loan

DSB has a subordinated loan (Note 31), which is part of DSB's (tier 2) capital for the calculation of its solvency ratio. Interest costs (Note 9) represent 9.3% of interest expense (2022: 6.1%).

41 Risk management

41.1 Introduction

DSB operates in Suriname and performs banking services. Risk is inherent in DSB's activities and is managed through an Enterprise Risk Management (ERM) framework, including ongoing identification, measurement, and monitoring, and subject to risk limits and other controls. This process of risk management is critical to DSB's continuing profitability, and everyone within DSB is accountable for the risk exposures relating to his or her responsibilities. DSB's ERM framework is based on the international best practice Enterprise Risk Management framework - Integrating with Strategy and Performance, as established by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

41.2 Risk governance and risk management strategies and systems

41.2.1 Risk management structure

The Board of Directors is responsible for the overall risk management approach and the risk management strategies and principles on a day-to-day basis.

The Supervisory Board is responsible for monitoring and approving the overall risk process within DSB and oversight of the Board of Directors. In its oversight role, the Supervisory Board is supported by the Risk and Compliance Committee, the Audit Committee, and the Selection and Remuneration Committee.

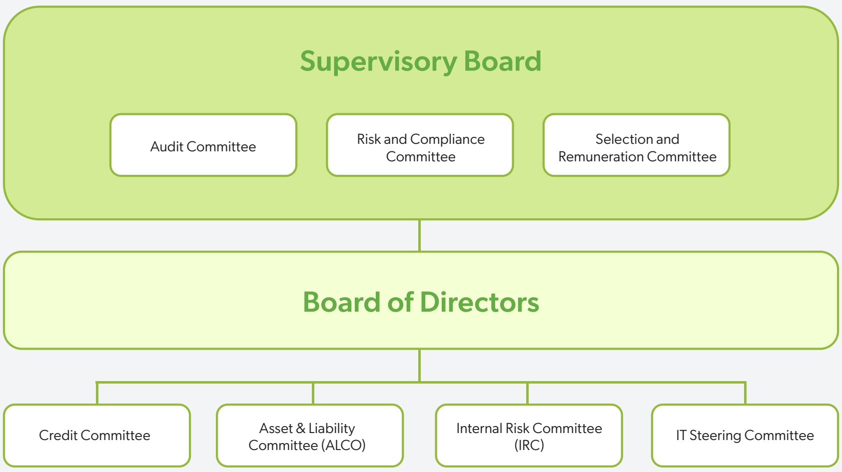


Figure 1: Risk Structure of DSB

The Risk and Compliance Committee is responsible for overseeing the development of the risk strategy and implementation of the ERM framework, policies, and limits. Furthermore, the Risk and Compliance Committee is responsible for the oversight of risk decisions and monitoring risk levels and reports to the Supervisory Board. The roles and responsibilities of all three committees are described in detail in their respective charters.
The Board of Directors is supported by the Internal Risk Committee (IRC), the Credit Committee (CC), the Asset and Liability Committee (ALCO), and the IT Steering Committee. These committees are all chaired by a member of the Board of Directors and are guided by its individual charters.

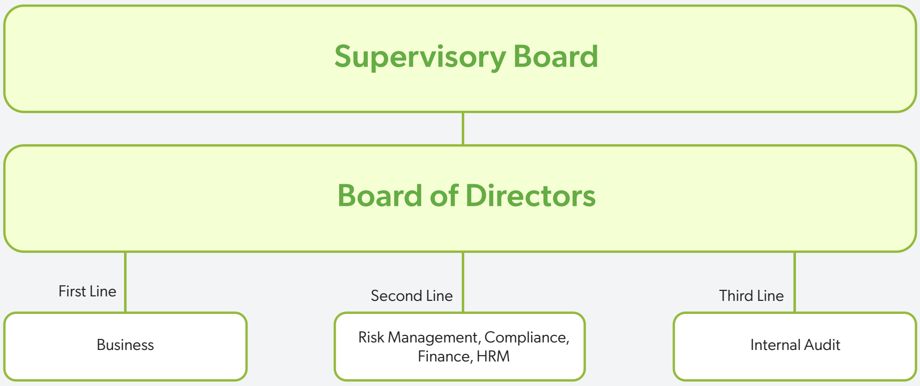
The Risk Management (RM) Department operates under the direct responsibility of the Chief Risk Officer, who is a member of the Board of Directors. The RM Department is responsible for implementing and maintaining risk-related procedures to ensure an independent control process is maintained. The department works closely with and reports monthly to the Internal Risk Committee and at least quarterly to the Risk and Compliance Committee.

The IRC, which consists of the Board of Directors and specific risk owners, is responsible for the monitoring of risk-related issues based on management information and decision-making regarding risk-related measures, including opportunities.

DSB's Treasury department is responsible for managing its assets and liabilities and the overall financial structure. It is also primarily responsible for funding and managing the liquidity risks of DSB.

41.2.2 Risk Governance

The internal risk governance of DSB is based on 'the three lines model'.



In this model, the first line of management (the business) is responsible for the design and execution of its processes. The first line identifies, measures, and reports the risk and compares it to DSB's risk appetite. The second line supports the business, sets the framework, gives advice, and monitors whether the business does take responsibility. The second line also monitors whether DSB operates in compliance with laws and regulations and its internal policies regarding integrity. The third line (the Internal Audit Department) independently assesses the functioning of the first and second lines.

41.2.3 Risk identification, - mitigation and - culture

As described, DSB's main risk management framework is based on the COSO framework. Using this framework as a basis, DSB identified the following risks, which were included in its 2023 risk universe:

Financial risk:
- Solvency risk
- Profitability risk
- Liquidity risk
- Market risk
- Credit risk
- Investment risk

Non-financial risk
- Strategic risk
- Operational risk
- IT risk
- Compliance risk

In addition to the risks already identified and included in DSB's risk universe, DSB has an incident management process in place where employees report incidents to the Risk Management Department. The incidents are analyzed, and recommendations are made to prevent future incidents of the same nature. An overview of incidents is reported to the IRC and the Supervisory Board on a monthly basis.

Key Risk Indicators (KRIs) are reported and discussed in the IRC. Starting in 2017, an overall bank risk assessment is executed on a yearly basis, resulting in recommendations to mitigate identified risks. For new projects and products, risks are being identified in a Risk Control Matrix (RCM) in which controls are being monitored to mitigate emerging/possible risks. Risks identified from reported incidents and other observed risks are gathered in an overall risk register. On request, risk assessments are also being executed.

In order to either mitigate or reduce operational risks, following up on internal audit findings is an integral part of DSB's risk management. The internal audit department, therefore, monitors the progress of each follow-up on a quarterly basis. Related to financial risk, DSB actively makes use of collaterals and, among others, screening of the payback capacity of (potential) customers to mitigate its credit risk. By analyzing different industries and counterparties (peer analysis), DSB also manages the market risk. To manage the legal risk, DSB makes use of its in-house legal counsel before entering into contracts. For standard recurring contracts, DSB uses prepopulated templates that are regularly screened by the in-house legal department. See also Notes 41.3, 41.4, 41.5, 41.6, and 41.7 for further elaboration on DSB's approach to mitigating Credit, Solvency, Profitability, Liquidity, and Market Risk

DSB requires its employees to perform their duties with due care, honesty, and integrity. Therefore, in order to maintain an appropriate risk culture, DSB applies a Code of Conduct, which all employees must sign upon commencement of employment and in case of changes in the Code of Conduct. Furthermore, on an annual basis, employees are required to update their knowledge and get tested on information security and anti-money laundering guidelines provided through DSB's e-learning platform.

41.2.4 Risk measurement and reporting

DSB's risks are measured using a method that reflects both the expected loss likely to arise in normal circumstances and unexpected losses, which are an estimate of the ultimate actual loss based on statistical models. The models make use of probabilities derived from historical experience, adjusted to reflect the economic environment.

Monitoring and controlling risks are primarily performed based on pre-defined measures established within DSB. These limits reflect the business strategy and market environment of DSB, as well as the level of risk that DSB is willing to accept. In addition, DSB's policy is to measure and monitor the overall risk-bearing capacity in relation to the aggregate risk exposure across all risk types and activities.

In order to identify, analyze, report, and control risks on at least a monthly basis, information is compiled from all lines of business and processed. This information is reported to all relevant risk committees, such as the Credit Committee (CC), Assets and Liability Committee (ALCO), and the Internal Risk Committee (IRC) for monitoring and decision-making purposes and presented to the Risk and Compliance Committee. Exceptions are also reported to the relevant committees through KRI dashboards (for all risk categories). Also, an overview of the status of outstanding risk issues, incidents, and outstanding IRC-action points are reported on a monthly basis.

It is DSB's policy to ensure that a robust risk awareness is embedded in its organizational risk culture. Employees are expected to take ownership and be accountable for the risks DSB is exposed to that they decide to take on. DSB's internal training and development emphasizes that employees are made aware of the risk appetite and that employees are supported in their roles and responsibilities to monitor and keep the exposure to risk within DSB's risk appetite limits. Compliance breaches and internal audit findings are important elements of employees' annual ratings and remuneration reviews.

41.3 Credit risk

Credit risk is the risk that a counterparty will not meet contractual or other agreed obligations (such as obligations related to credits or loans extended, exposures made, or guarantees received), including when resulting from restrictions on foreign payments.

DSB manages and controls credit risk by setting limits on the amount of risk it is willing to accept. DSB distinguishes credit risk in three sub-risk categories, namely:

1. Credit default risk: the risk that a counterparty cannot meet its payment obligations towards DSB.
2. Credit concentration risk: the risk of a too high concentration at one customer, group, or in a specific sector that falls into default. In order to avoid excessive concentrations of risk, DSB's policies and procedures include specific guidelines to focus on maintaining a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.
3. Collateral risk: the risk of depreciation of the collateral, as well as having insufficient collateral.

Managing credit risk within DSB falls under the supervision of the Credit Committee. The Credit Committee (CC), which is chaired by the CRO, is an internal committee in which credit proposals, credit revisions, as well as credit risk reports (including an overview

of the credits in pipeline, restructured credits portfolio concentration, non-performing loans, etc.) are being discussed.
The Credit Committee is responsible for managing DSB's credit risk through comprehensive policies, governance and review procedures, and monitoring of limit sets to ensure these are in line with the overall credit risk appetite and strategy of DSB. The roles and responsibilities of the CC are described in detail in its own charter, which is revised every 3 years.

The Credit Risk department, which is part of the Risk Management department, is responsible for working with the business within DSB to ensure the credit risk policy is executed. The Credit Risk department supports and advises the business. All credit proposals and credit revisions are analyzed by the Credit Risk department, resulting in advice that is presented in the weekly CC. Subsequently, the CC approves or declines the credit proposals or revisions based on this advice. The business is primarily responsible for managing credit risk on an individual and the total credit portfolio, as well as maintaining and complying with the credit policy, manuals, and laws and regulations.

41.3.1 Credit monitoring

DSB maintains a credit quality review process to provide early identification of possible changes in the creditworthiness of counterparties, including regular collateral revisions. Counterparty limits are established by a credit risk classification system, named uniform credit rating (UCR), which assigns each counterparty a risk rating. Risk ratings are subject to monthly (limited) revision or also called credit monitoring.

Credit monitoring focuses on assessing the potential loss as a result of the risks to which it is exposed in order to take corrective actions. Furthermore, the process aims to maintain the credit relationship and perform periodic credit reviews to assess the continuity perspective. The quality of the loan portfolio is monitored through MIS-reports. In addition, the managers of the first line hold weekly individual meetings with the relationship managers and monthly departmental meetings (Monthly Huddle). The credit monitoring process is divided into regular monitoring and intensive monitoring. This process is described in detail in DSB's procedures manual.

Credit risk arising from derivative financial instruments is, at any time, limited to those with positive fair values, as recorded in the consolidated statement of financial position. In the case of credit derivatives, DSB is also exposed to the risk of default of the counterparty referenced by the derivative. However, to reflect potential losses, DSB applies portfolio-based debit and credit value adjustments.

The process of credit monitoring includes the assessment of impairment and the calculation of the expected credit loss (ECL) provision (refer to Note 41.3.3).

41.3.2 Intensive monitoring

To manage the credit risk, DSB also applies intensive monitoring on credit facilities. Intensive monitoring concerns the monitoring of watch-list credit facilities and non-performing loans. The Restructuring & Recovery team within the Risk Management department is responsible for intensive monitoring and management of the non-performing/high-risk lending portfolio. The focus is to develop and implement recovery strategies to maximize recoveries and minimize losses. Furthermore, for intensive monitoring, the Restructuring & Recovery team monitors the timely execution of recovery strategies such as foreclosures.

41.3.3 Impairment Assessment and ECL calculation

During the credit monitoring process, DSB applies an impairment assessment. DSB considers the following portfolios when applying this assessment:

- Cash and balances with Central Bank: These consist of DSB's funds held at the Central Bank in the following categories:
    - Cash reserves with the Central Bank of Suriname
    - Deposits at the Central Bank of Suriname
    - Current accounts with the Central Bank of Suriname
- Due from banks: These are deposits at other banks
- Loans and advances to customers: These are facilities consisting of the following sub-categories:
    - Loans to private parties
    - Loans to private parties through Suritrust
    - Advances to customers
    - Credit cards
    - Loans to government entities
- Debt instruments at amortized cost: These are debt investment products of the following categories:
    - Foreign sovereign and corporate bonds
    - Treasury bills of the Republic of Suriname
- Provisions: credit risk-related items are financial guarantees and letters of credit
- Purchased or Originated Credit-Impaired (POCI) financial assets: These are financial assets that are credit impaired on initial recognition. In DSB's case POCI applies to:
    - Loans to the Central Bank of Suriname

During the impairment assessment process, DSB assesses, using its internal rating system, whether the credit-related financial instruments are performing or are going into default in order to estimate the expected credit loss and recognize an appropriate expected credit loss allowance. For POCI assets, the ECL allowance is only recognized or released to the extent that there is a subsequent change in the expected credit losses.

41.3.3.1 DSB's internal rating system

Below outlines the internal rating system DSB applies to perform the impairment assessment.

Loans and advances, financial guarantees, and letters of credit

For the loans and advances to customers, financial guarantees, and letters of credit, DSB makes use of an internal rating system to perform the impairment assessments. This internal rating is not only driven by the number of days delinquent but also by added manual input from the Credit & Market Risk and Corporate Banking, as well. Although the credit risk rating is driven by the number of days delinquent, the rating is not consistent between retail and corporate facilities. This internal rating system is different for corporate and retail clients.

For corporate clients, the borrowers are assessed by dedicated credit risk employees of DSB. Current loans are reviewed annually and watch loans and worse semi-annually. The credit risk assessment is based on a credit assessment that takes into account various qualitative and quantitative information such as:

- Days delinquency.
- Historical financial information together with forecasts and budgets prepared by the client.
- Any publicly available information on the clients from external parties. This includes external rating grades issued by rating agencies.
- Any macroeconomic information, e.g., GDP growth, foreign exchange rate developments, and inflation.
- Early warning signals such as negative third-party information, high departures of staff, or any negative published information in the media.
- Any other objectively supportable information on the quality and abilities of the client's management relevant to the client's performance.

The complexity and granularity of the rating techniques vary based on the exposure of DSB and the complexity and size of the customer. Some very small corporate loans are rated within the models for retail products. Retail clients are rated by an automated tool primarily driven by days past due.

DSB considers an exposure to have significantly increased in credit risk when the credit risk rating of the facility increases to four (4) and above. Based on DSB's internal credit risk rating system, retail facilities with a credit risk rating of four (4) would have days delinquent ranging from 30 to 59, whereas corporate facilities with a credit risk rating of four (4) would have days delinquent ranging from 60 to 89. The credit risk ratings for corporate facilities are additionally adjusted based on manual scanning procedures and on information as mentioned above.

The internal risk rating guides management to classify facilities as Stage 1, Stage 2, or Stage 3, as defined in Note 4.10.9. The internal rating system, together with the applicable staging, is outlined in the table below.

Days Delinquent	Internal Risk Rating (Retail)	Internal Risk Rating (Corporate)
0-29	1,2,3	1,2,3
30-59	4	1,2,3
60-89	5	4
90-119	6	5
120-179	7	5
180-364	7	6
>= 365	7	7

Thus, the staging classification defined by management is assigned as follows:

- Stage One: All facilities with a credit risk rating of 1, 2, or 3 are classified as stage 1.
- Stage Two: All facilities with a credit risk rating of 4 are classified as stage 2.
- Stage Three: All facilities with a credit risk rating of 5, 6, or 7 are classified as stage 3.

Foreign Sovereign and Corporate Securities

For foreign sovereign and corporate securities, DSB uses external available ratings determined by various rating agencies (e.g., Moody's, S&P, Fitch), rather than applying an internal system to assess significant increases in credit risk. DSB considers an exposure to have significantly increased in credit risk when the credit risk rating of the facility has been either downgraded three or more notches or downgraded from Investment grade (BBB- or above) to non-investment grade (BB+ or below).

The staging classification is then assigned as follows:

- Stage One: All facilities with a credit risk rating of BBB- or above which have not experienced a downgrade in credit risk rating of three or more notches since initial recognition to be classified as stage 1.
- Stage Two: All facilities with a credit risk rating BB+ to CCC-. Facilities that have a credit risk rating above BB+ and have also experienced a downgrade in credit risk rating of three or more notches since initial recognition are also classified as stage 2.
- Stage Three: All facilities with a credit risk rating below CCC- to be classified as stage 3.

An overview of the above is given in the following figure.

Risk Status	Risk Characteristic	Moody	S&P/Fitch	Absolute Staging Criteria	Relative Staging Criteria
Investment grade	Highest Quality	Aaa	AAA	Stage 1	Each downgrade of 3 or more notches in stage 1 results in a stage 2 classification
	High Quality	Aa1	AA+		
		Aa2	AA		
		Aa3	AA-		
	Strong payment capacity	A1	A+		
		A2	A		
		A3	A-		
	Adequate payment capacity	Baa1	BBB+		
		Baa2	BBB		
		Baa3	BBB-		
Speculative grade	Likely to fullfill obligations ongoing uncertainty	Ba1	BB+	Stage 2	Each downgrade of 3 or more notches in stage 2 results in a stage 3 classification
		Ba2	BB		
		Ba3	BB-		
	High credit risk	B1	B+		
		B2	B		
		B3	B-		
	Very high credit risk	Caa1	CCC+		
		Caa2	CCC		
		Caa3	CCC-		
	Near default with little prospect of recovery	Ca	CC	Stage 3	
		Ca	C		
	Default	C	RD		
			D		

Local Sovereign Securities

The staging process for the local sovereign securities is due to the high uncertainty and complexity and is less straightforward compared to the investment and loans model. In order to determine the staging of local sovereign securities, a case-by-case manual judgement approach has been applied, which is a combined approach of corporate loans and foreign sovereign securities. Therefore, the first factor in determining the staging is the days delinquent. Similar to corporate loans, the staging 1, 2, or 3 depends on whether the days delinquent are respectively below 60 days, 60 to 89 days, or 90 days and higher. Furthermore, a restructuring as a result of inability to pay back the investments is also categorized as stage 3. Also, the sovereign credit ratings from various rating agencies applicable to the Republic of Suriname are used as an indicator for staging.

Staatsolie Bond

The credit risk rating assigned to the Staatsolie Maatschappij Suriname N.V. bond was evaluated and concluded as follows:

Back in 2020, when the bond was acquired, Suriname's country risk rating stood at "BB-". Considering this, the assigned risk rating for the bond reflected this. Since the bond's inception, the issuer (Staatsolie) has consistently complied with the timely issuance of financial reports and has maintained satisfactory financial ratios, indicating solvency and sufficient liquidity to meet its obligations.

Notably, there have been no discernible changes suggesting a deterioration in the bond's risk profile to date, considering the current standing of the issuer and its operational performance.

All financial information for Staatsolie is available on their web page: Staatsolie – Suriname's National Energy, Oil & Gas Company – Investors.

41.3.3.2 Significant increase in credit risk

DSB regularly monitors all financial assets subject to ECL. In order to determine whether an instrument is subject to 12mECL or LTECL, DSB assesses whether there has been a significant increase in credit risk since initial recognition. DSB applies a qualitative method for triggering a significant increase in credit risk for an asset, i.e., moving a customer/facility to the watch list. This happens when the internal risk rating moves to 4. For financial instruments with a significant increase in credit risk, DSB assigns the Stage 2 ECL classification. When estimating ECLs on a collective basis for a group of similar assets, DSB applies the same principles for assessing whether there has been a significant increase in credit risk since initial recognition.

41.3.3.3 The definition of default, impaired, and cure

IFRS 9 does not define the term "default" but instead requires each entity to do so themselves. DSB considers a financial instrument defaulted for ECL calculations in all cases when the borrower's status becomes non-performing. For ECL purposes, all non-performing financial instruments are set to stage 3. The status of non-performing (and thus stage 3) is defined as follows for the following product categories:

- Corporate facilities – DSB considers a corporate financial instrument to be non-performing in all cases when the borrower becomes 90 days past due on its contractual payments. Based on DSB's internal credit risk rating system, all corporate facilities that are considered default or greater than or equal to 90 days past due would have a credit risk rating of either five (5), six (6), or seven (7).

- Retail facilities – DSB considers a retail financial instrument to be non-performing or in default in all cases when the borrower becomes 60 days past due on its contractual payments. Based on DSB's internal credit risk rating system, all retail facilities that are considered default or greater than or equal to 60 days past due would have a credit risk rating of either five (5), six (6), or seven (7).

- Investments – DSB mainly invests in international counterparties with a Standard & Poor's (S&P) "investment grade" rating of AAA, AA, A, or BBB or equivalent. Investments with counterparties without a credit rating must be approved by the ALCO and Supervisory Board (From DSB). As a definition of default, DSB applies ratings below CCC-.

DSB's credit policy regarding restructured loans conforms with the guideline of the Central Bank of Suriname (guideline #2: Credit classification and provisioning) and considers a restructured financial loan or facility "cured" and therefore re-classified after an evaluation period as performing, and all existing specific provisions are reversed. This after an evaluation period of proven payments of at least three (3) months if there are monthly repayments for retail loans and six (6) months for business/ corporate loans.

Restructured credits may not contain terms and conditions that do not require payment of principal or interest during three and six months (retail and business/ corporate loans respectively) after the date of the restructuring, which means that no credits may be extended during this period with a grace period, nor credits with 'bullet payment' conditions.

41.3.3.4 Determining the probability of default

Probabilities of Default (PD) refer to the estimate of the likelihood of default over a given time period. The objective of the Probability of Default (PD) model is to calculate the PD values for forecasting in annual periods the likelihood of default over a given time period. In calculating the PD, DSB makes use of models. These models incorporate both qualitative and quantitative information and, in addition to information specific to the borrower, utilize supplemental external information that could affect the borrower's behavior. Where practical, calculations are also built on information from rating agencies. These information sources are used to determine the probability of defaults (PDs) within DSB's framework with the help of statistical modelling. PDs are also adjusted for IFRS 9 ECL calculations to incorporate forward-looking information and the IFRS 9 Stage classification of the exposure. This is repeated for several economic scenarios as appropriate.

41.3.3.5 Forward-Looking Information Adjustments

IFRS 9 requires unbiased and probability-weighted ECL estimation over the expected life of the instrument. This requires forecasting the cashflows of financial instruments and modeling the expected credit loss. To obtain reliable ECL estimates, forward-looking information is incorporated into the models. This is done using a scorecard to calculate a multiplier based on projected macroeconomic factors. This scorecard is populated based on DSB's analysis done on projected macroeconomic variables, using external data providers such as Oxford Economics.

The scorecard requires a focus on three major inputs to calculate an FLI adjustment, namely economic scenario weighting, macroeconomic inputs, and an impact state multiplier.

Economic scenarios

ECL can also be estimated with the inclusion of multiple economic scenarios. DSB considers the following economic scenarios for the calculation of the ECL model:

- Base: PDs are not stressed in the base scenario as it is considered a normal scenario with business as usual. A base scenario would indicate that the macroeconomic factors are expected to remain stable.
- Adverse: Multiples are downgraded in absolute percentages to constitute the adverse scenario. An adverse scenario would indicate that the macroeconomic conditions are expected to worsen.
- Progressive: A progressive scenario would indicate that macroeconomic factors are expected to improve.

Based on the economic perspectives as of December 2022 and December 2023, for the above scenarios, DSB has included equally weighted probabilities, resulting in 30%, 35%, and 35% for the Progressive, Base, and Adverse scenarios, respectively.

Macro-economic factors weighting

The macroeconomic factors considered for forward-looking information are Real GDP Growth, the Exchange Rate, and Inflation. However, before applying these inputs in the ECL model, the forecasts are checked for robustness and significance, such that only the Real GDP growth is used.

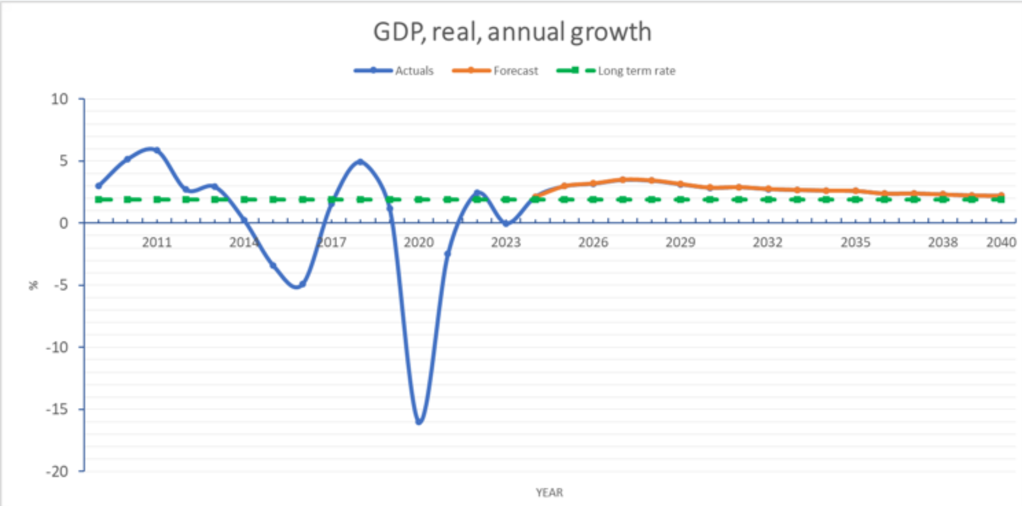
The impact state multiplier

Apart from the economic scenarios and macroeconomic factors weighting, an impact state multiplier is applied. This multiplier represents the effect of positive, negative, or stable impact on the default rate. For the loans and advances to customers, credit cards, guarantees, and letters of credit, this is obtained by analyzing the movements in the projected macroeconomic variables selected over the forecast period. The multiplier focuses on the change in the macroeconomic variables relative to the reporting date to derive a multiplier for positive and negative impacts for each macroeconomic variable. This is then applied to each economic scenario. For investments, the impact state multiplier focuses on the impact of the movement of the stable scenario credit risk rating to one notch above the base credit risk rating and one notch down from the base credit risk rating, respectively. The default rate for this credit risk rating is then considered over a forecast horizon. The default rates captured by S&P by credit risk rating without modifiers are used for this. Similarly to the stable state, the default rate for the positive and negative states are considered and each compared relative to the stable state over the same period. Together with the macroeconomic variables and the economic scenarios, this results in each scenario in different default rates depending on the portfolio composition.

The table below summarizes the impact on the PDs applied based on the forward-looking information for December 31, 2023, and December 31, 2022.

Indicator	**2023**	**2022**
Positive	0.35	0.93
Negative	1.75	1.75

This table resulted from the forecasted information related to the real GDP annual growth, as follows. The information (including forecasts) is obtained from an external data provider.



41.3.3.6 Exposure at default

The Exposure at Default (EAD) represents the gross carrying amount of the financial instruments subject to the impairment calculation. One of the major aspects of IFRS 9 is that cash flows are now required to be estimated over the lifetime of a financial instrument in some cases. Therefore, the Exposure at Default (EAD) is based on the expected cash flows (i.e., estimated using behavioral and statistical models) for each financial instrument from the reporting date to the last cash flow on the considered default date.

Thus, to derive the EAD, DSB estimates what it expects the balance of a financial instrument to be in the future by taking into consideration both the client's ability to increase its exposure as well as prepayment options and future payments over the expected life of a financial instrument. Such an approach is in line with IFRS 9 as it does not look at exposure as being static but rather addresses potential changes in exposure based upon past and expected behavioral patterns of the borrower. Any modelling of future cash flows is done at an appropriately granular level (i.e., instrument level) and considers the unique aspects of each product.

To calculate the EAD for a Stage 1 financial instrument, DSB assesses the possible default events within 12 months for the calculation of the 12mECL. For Stage 2, Stage 3, and POCI financial assets, the exposure at default is considered for events over the lifetime of the instruments. DSB determines EADs by modeling the range of possible exposure outcomes at various points in time at the instrument level. A summarized determination of the EAD on an instrument type level is described below.

Loans

As described, the Exposure at Default (EAD) relates to the expected total outstanding balance as the expected default date, any late interest, accrued interest, and penalty interest accumulated. The estimated period to derive the total accrued interest and penalty interest is dependent on the number of days delinquent in which the facility goes into default. Thus, for Corporate and Retail loans, accrued interest and penalty interest are derived for a period of 90 days and 60 days, respectively, for each default date. To derive a Lifetime Expected Credit Loss (LTECL), the aforementioned is applied until the contractual end date of the loan. For Stage 3 facilities, the Exposure at Default is equal to the outstanding principal amount.

Debt instruments at amortized cost

For debt instruments such as bonds, the EAD equals the amortized facility balance plus accrued interest for Stage 1 and 2 classified instruments and only the amortized facility balance for Stage 3. For facilities with bullet payment, the EAD equals the amount invested plus accrued interest as applicable. Depending on the staging, future payments over the expected life are taken into account, similar to the approach of loan products.

Credit cards and other revolving facilities

The Exposure at Default for credit cards and revolving facilities considers both the used and the undrawn portion of the limit if the current amount utilized is lower than the average utilization. The utilization rate is derived based on DSB's historical data. Thus, the Exposure at Default for credit cards and other revolving facilities relates to the drawn portion of the limit, accrued interest, and late fees or penalty interest on the drawn portion above the limit and the undrawn amount. Similar to the loans, accrued interest and penalty interest are applied for 90 days and 60 days for Corporate and Retail facilities, respectively. The estimated Exposure at Default for Stage 3 facilities is set to the outstanding balance as of the reporting date.

Guarantees and Letters of Credit

The Exposure at Default (EAD) for financial guarantees and letters of credit are based on historical experience with these instruments being called upon. Based on DSB's historical experience, management provided an average utilization rate on a facility level. This is set against the total available facility amount to obtain the EAD.

41.3.3.7 Loss given default

The Loss Given Default (LGD) model's objective is to estimate the loss percentage on the client's exposure that ended up in the default state. The loss percentage is determined by one minus the ratio of received recoveries to the Exposure at Default (EAD – amount due) on a unique facility level. The recovery is based on the difference between the cash flow due and the expected value to be received (including from collateral). The LGDs calculated depend on the financial instrument type calculated using three approaches, i.e., collateral approach, rating approach and restructuring approach.

Collateral Approach

The collateral approach is applied to corporate and retail lending facilities. For corporate facilities, the driver of the LGD rate is the amount and type of collateral that is agreed. Collaterals are assessed at least annually during the full revision of the portfolio and bi-annually during a revision of so-called watch-list accounts (Stage 2 accounts). The revision is performed by the relationship managers and reviewed and approved by DSB's specialized credit risk department. The applied LGD rates for the expected credit loss provision are based on a standardized framework that considers the expected EAD compared to the amount expected to be recovered or realized from any collateral held. For retail lending products, DSB also considers available collateral for obtaining the LGD rates. Though retail lending products are reviewed on an ad hoc basis, similar to corporate products, the applied LGD rates are obtained using a standardized framework that considers the expected EAD in comparison to the amount expected to be recovered or realized from any collateral held. The applied data is based on historically collected loss data and involves a wider set of transaction characteristics (e.g., product type, wider range of collateral types). For the calculation of the LGD, DSB considers three main collateral types, i.e., cash collateral, mortgages on property & real estate, and exchange-traded stocks.

Depending on the collateral type, market rate adjustments are made using recent data. Also, forward-looking economic scenarios are used to determine the IFRS 9 LGD rate for some financial instruments. When assessing forward-looking information. Examples of key inputs involve changes in collateral values, including property prices for mortgages, commodity prices, the payment status, or other factors that might be indicative of losses in DSB.

The LGD is thus estimated over future periods to include the term of exposures and incorporate expectations about future changes in the value of collateral and exposure. Therefore, the LGD calculated takes into account the time to sell, changes in fair value of collateral over time, cost to sell, and discounting of collateral. LGDs were calculated on a customer level using current collateral amounts. Time to sell, a market rate adjustment, and a discount rate are applied to estimate the present value of the collateral amount. The updated collateral amount is then set against the exposure amount at each point in time to derive LGD for the remaining life on a customer level.

Based on historical data, the model uses the following settings to calibrate the Loss Given Default:

	2023		2022	
Collateral Type	Time to sell	Market Rate Adjustment	Time to sell	Market Rate Adjustment
Mortgage	1.5 years	10%	1.5 years	9%
Cash	0	0%	0	0%
Exchange traded stocks	Bi-monthly	0%	Bi-monthly	0%

DSB estimates regulatory and IFRS 9 LGDs on a different basis. While regulatory provisions do not consider collateral at all, under IFRS 9, collaterals play a crucial role in determining the LGD rates that are estimated for Stage 1, Stage 2, Stage 3, and POCI of each asset class. The inputs for these LGD rates are estimated and, where possible, calibrated through backtesting against recent recoveries.

Rating approach

The rating approach is applied by DSB to foreign debt instruments at amortized cost. For this approach, DSB analyses historical data to determine an appropriate LGD rate. As there is a lack of in-house data, external data provider reports prepared by Moody's Investor Services are used. Using this historical data, DSB obtains the recovery rates and thus the LGDs by credit risk rating for the financial instruments in the portfolio.

Restructuring approach

For local sovereign facilities denominated in local and foreign currencies, the LGDs are determined differently. The LGDs are based on the comparison of the fair value of expected restructured cash flows over the contemplated tenor and the outstanding amount at default.

In order to determine the LGD for local sovereign securities, DSB applies a method of recovery due to the restructuring. This approach uses more complicated modelling compared to the rating and collateral approach to determine the LGD rates. The basic idea for this method is determining what kind of restructuring is most likely successful yet reasonable. Successful in this sense is defined as a restructured product that both parties will agree to and that is expected to be performing till maturity. The model focuses on the term structure and the payments of the restructured product. In determining the LGD, considerations of the economic development in the Republic of Suriname are taken into account, as well as successful restructurings of similar products. Furthermore, interest rate term structure modelling is applied to finally obtain the appropriate LGD rates.

41.3.4 Grouping of financial assets

DSB calculates the allowance for ECL on an individual instrument level rather than a collective level. However, for some ECL calculations, DSB uses grouping in determining the underlying factors for the ECL allowance (i.e., PDs, LGDs, and EADs). The groups are based on clients, business type (corporate versus retail), and even product type.

In alignment with DSB's risk segmentation, portfolios are segmented by product type to derive probabilities of defaults, although ECLs are calculated on an individual basis. The mostly applied grouping on the calculation of the probabilities of defaults is that of corporate, retail, and sovereign financial instruments. Apart from this, credit cards are segmented even further by different credit card types. For the EAD calculation, grouping of loans is performed by different loan types (e.g., disconto, linear, amortized, bullet), as these affect the expected cashflow payments. However, as far as the collaterals are concerned, for the LGD calculation, the collaterals are grouped by client, as most collaterals are client-related rather than product-related. In this way, the collaterals are assigned to all connected facilities of a specific client. Utilization amounts for undrawn commitments, letters of credit, and financial guarantees are grouped by product type.

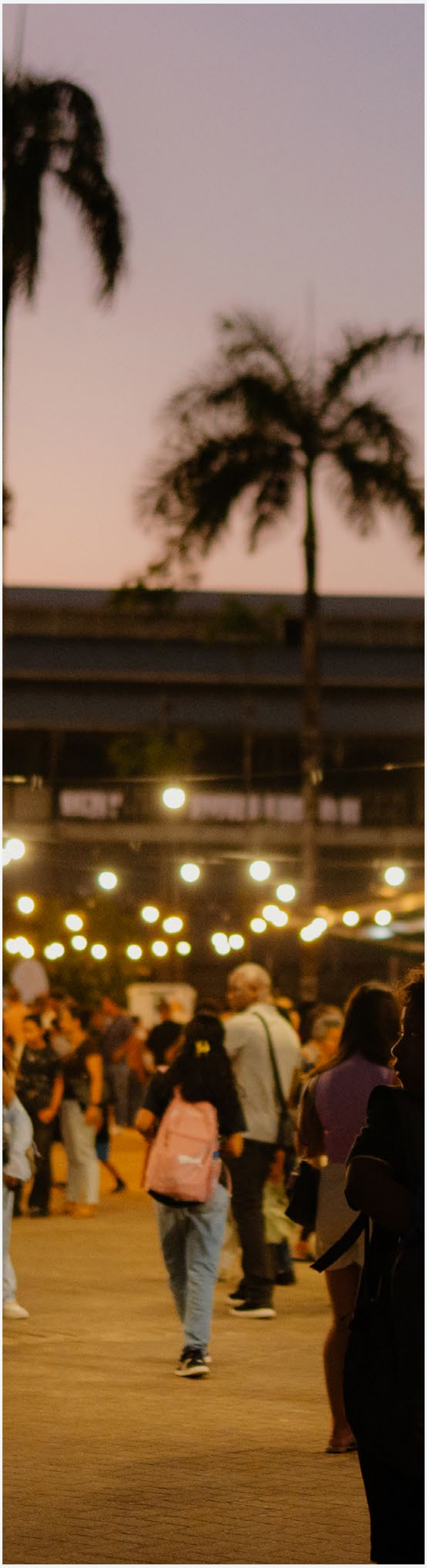
41.3.5 Risk concentration

41.3.5.1 Exposure per asset class for each counterparty type

DSB's portfolio consists of 3 counterparty types, i.e., corporate clients, retail clients, and government. Concentrations of risk are managed by counterparty type. The credit exposure to any client or counterparty is given for December 31, 2023, and 2022 in the following tables before taking into account collateral or other credit enhancements.

December 31, 2023	**Corporate**		**Government**		**Retail**		**Total**		
in thousand SRD	**Gross Carrying Amount**	**Undrawn Commitments**	**Gross Carrying Amount**	**Undrawn Commitments**	**Gross Carrying Amount**	**Undrawn Commitments**	**Gross Carrying Amount**	**Undrawn Commitments**	**Total ECL**
Cash and balances with central banks	**-**	**-**	**11,093,905**	**-**	**-**	**-**	**11,093,905**	**-**	**127,236**
Cash and cash equivalents	-	-	647,841	-	-	-	647,841	-	-
Cash reserves with central banks	-	-	6,777,134	-	-	-	6,777,134	-	70,564
Current accounts with central banks	-	-	1,394,550	-	-	-	1,394,550	-	56,672
Deposits with central banks	-	-	2,274,380	-	-	-	2,274,380	-	-
Loans and advances to central banks	-	-	-	-	-	-	-	-	-
Debt instruments at amortized cost	**1,541,590**	**-**	**3,172,074**	**-**	**-**	**-**	**4,713,664**	**-**	**6,163**
Bonds	1,541,590	-	3,105,525	-	-	-	4,647,115	-	5,251
Treasury bills	-	-	66,549	-	-	-	66,549	-	912
Due from banks	**9,549,557**	**-**	**-**	**-**	**-**	**-**	**9,549,557**	**-**	**4,189**
Current accounts with other banks	2,922,059	-	-	-	-	-	2,922,059	-	-
Deposits with other banks	6,627,498	-	-	-	-	-	6,627,498	-	4,189
Loans and advances to customers	**4,621,399**	**1,136,281**	**926,058**	**-**	**908,310**	**411,888**	**6,455,767**	**1,548,169**	**568,531**
Advances to customers	1,991,177	386,201	-	-	427	245	1,991,604	386,446	68,365
Credit cards	22,474	99,767	-	-	60,720	400,181	83,194	499,948	3,697
Current accounts of customers	-	619,617	-	-	-	1,576	-	621,193	3,343
Loans to government entities	-	-	926,058	-	97	-	926,155	-	70,683
Loans to private parties	2,606,330	30,696	-	-	827,227	9,886	3,433,557	40,582	421,426
Loans to private parties through Suritrust	1,418	-	-	-	19,839	-	21,257	-	1,017
Purchased or originated credit impaired financial assets	**-**	**-**	**1,938,723**	**-**	**-**	**-**	**1,938,723**	**-**	**12,880**
Provisions	**-**	**248,859**	**-**	**-**	**-**	**-**	**-**	**248,859**	**3,311**
Financial guarantees	-	196,836	-	-	-	-	-	196,836	3,311
Letters of credit	-	52,023	-	-	-	-	-	52,023	-
Grand Total	**15,712,546**	**1,385,140**	**17,130,760**	**-**	**908,310**	**411,888**	**33,751,616**	**1,797,028**	**722,310**

December 31, 2022 (Restated)	Corporate		Government		Retail		Total		
in thousand SRD	**Gross Carrying Amount**	**Undrawn Commitments**	**Gross Carrying Amount**	**Undrawn Commitments**	**Gross Carrying Amount**	**Undrawn Commitments**	**Gross Carrying Amount**	**Undrawn Commitments**	**Total ECL**
Cash and balances with central banks	**-**	**-**	**14,228,585**	**-**	**-**	**-**	**14,228,585**	**-**	**120,871**
Cash and cash equivalents	-	-	713,696	-	-	-	713,696	-	-
Cash reserves with central banks	-	-	7,549,276	-	-	-	7,549,276	-	75,082
Current accounts with central banks	-	-	3,297,481	-	-	-	3,297,481	-	45,789
Deposits with central banks	-	-	2,668,132	-	-	-	2,668,132	-	-
Loans and advances to central banks	-	-	-	-	-	-	-	-	-
Debt instruments at amortized cost	**1,935,952**	**-**	**775,348**	**-**	**-**	**-**	**2,711,300**	**-**	**17,040**
Bonds	1,935,952	-	605,585	-	-	-	2,541,537	-	9,935
Treasury bills	-	-	169,763	-	-	-	169,763	-	7,105
Due from banks	**7,907,394**	**-**	**-**	**-**	**-**	**-**	**7,907,394**	**-**	**1,240**
Current accounts with other banks	4,085,160	-	-	-	-	-	4,085,160	-	-
Deposits with other banks	3,822,234	-	-	-	-	-	3,822,234	-	1,240
Loans and advances to customers	**5,179,462**	**1,163,146**	**1,038,038**	**-**	**775,792**	**459,895**	**6,993,292**	**1,623,041**	**920,297**
Advances to customers	2,388,717	588,084	-	-	647	286	2,389,364	588,370	80,875
Credit cards	17,370	106,479	-	-	58,862	453,945	76,232	560,424	3,967
Current accounts of customers	-	320,618	-	-	-	1,992	-	322,610	2,478
Loans to government entities	-	-	1,038,038	-	129	-	1,038,167	-	305,484
Loans to private parties	2,770,183	147,965	-	-	578,660	3,672	3,348,843	151,637	525,222
Loans to private parties through Suritrust	3,192	-	-	-	137,494	-	140,686	-	2,271
Purchased or originated credit impaired financial assets	**-**	**-**	**2,663,991**	**-**	**-**	**-**	**2,663,991**	**-**	**14,649**
Provisions	**-**	**345,902**	**-**	**-**	**-**	**-**	**-**	**345,902**	**7,135**
Financial guarantees	-	228,327	-	-	-	-	-	228,327	7,135
Letters of credit	-	117,575	-	-	-	-	-	117,575	-
Grand Total	**15,022,808**	**1,509,048**	**18,705,962**	**-**	**775,792**	**459,895**	**34,504,562**	**1,968,943**	**1,081,232**



December 31, 2023

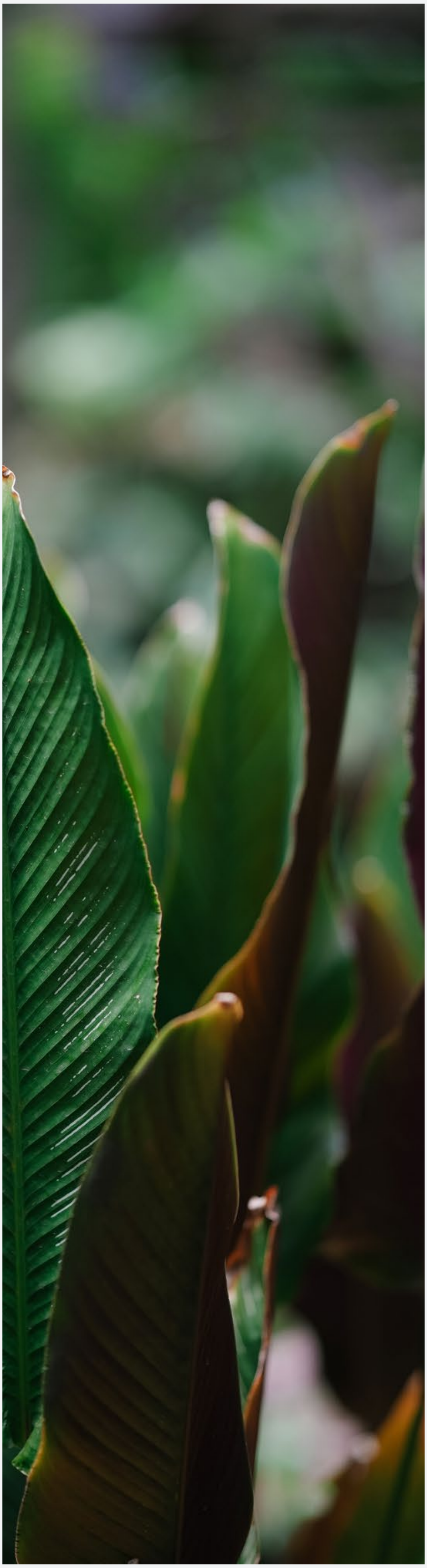
in thousand SRD

Cash and balances with central banks
Cash and cash equivalents
Cash reserves with central banks
Current accounts with central banks
Deposits with central banks
Loans and advances to central banks
Debt instruments at amortized cost
Bonds
Treasury bills
Due from banks
Current accounts with other banks
Deposits with other banks
Loans and advances to customers
Advances to customers
Credit cards
Current accounts of customers
Loans to government entities
Loans to private parties
Loans to private parties through Suritrust
Purchased or originated credit impaired financial assets
Provisions
Financial guarantees
Letters of credit
Grand Total

41.3.5.2 Credit quality per asset classes

To provide information that facilitates understanding of DSB's credit risk profile, including any significant risk concentrations, a quantitative summary of aggregate credit risk exposures is presented for each asset class based on the staging. This overview includes the current exposures as well as the maximum exposures.

Stage 1		Stage 2		Stage 3		POCI		Total		
Gross Carrying Amount	Undrawn Commitments	Gross Carrying Amount	Undrawn Com-mitments	Gross Carrying Amount	Undrawn Commitments	Gross Carrying Amount	Undrawn Commitments	Gross Carrying Amount	Undrawn Commitments	Total ECL
1,300,009	**-**	**9,585,683**	**-**	**208,213**	**-**	**-**	**-**	**11,093,905**	**-**	**127,236**
647,841	-	-	-	-	-	-	-	647,841	-	-
-	-	6,568,921	-	208,213	-	-	-	6,777,134	-	70,564
652,168	-	742,382	-	-	-	-	-	1,394,550	-	56,672
-	-	2,274,380	-	-	-	-	-	2,274,380	-	-
-	-	-	-	-	-	-	-	-	-	-
4,081,191	**-**	**632,473**	**-**	**-**	**-**	**-**	**-**	**4,713,664**	**-**	**6,163**
4,081,053	-	566,062	-	-	-	-	-	4,647,115	-	5,251
138	-	66,411	-	-	-	-	-	66,549	-	912
9,297,265	**-**	**252,292**	**-**	**-**	**-**	**-**	**-**	**9,549,557**	**-**	**4,189**
2,922,059	-	-	-	-	-	-	-	2,922,059	-	-
6,375,206	-	252,292	-	-	-	-	-	6,627,498	-	4,189
4,038,226	**1,533,021**	**1,576,413**	**15,148**	**841,128**	**-**	**-**	**-**	**6,455,767**	**1,548,169**	**568,531**
1,884,782	378,874	102,915	7,572	3,907	-	-	-	1,991,604	386,446	68,365
73,118	495,636	3,278	4,312	6,798	-	-	-	83,194	499,948	3,697
-	617,929	-	3,264	-	-	-	-	-	621,193	3,343
-	-	926,155	-	-	-	-	-	926,155	-	70,683
2,065,465	40,582	540,703	-	827,389	-	-	-	3,433,557	40,582	421,426
14,861	-	3,362	-	3,034	-	-	-	21,257	-	1,017
-	**-**	**-**	**-**	**-**	**-**	**1,938,723**	**-**	**1,938,723**	**-**	**12,880**
-	**209,422**	**-**	**29,596**	**-**	**9,841**	**-**	**-**	**-**	**248,859**	**3,311**
-	157,399	-	29,596	-	9,841	-	-	-	196,836	3,311
-	52,023	-	-	-	-	-	-	-	52,023	-
18,716,691	**1,742,443**	**12,046,861**	**44,744**	**1,049,341**	**9,841**	**1,938,723**	**-**	**33,751,616**	**1,797,028**	**722,310**



December 31, 2022 (Restated)

in thousand SRD

Cash and balances with central banks
Cash and cash equivalents
Cash reserves with central banks
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Loans and advances to central banks
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Loans and advances to customers
Advances to customers
Credit cards
Current accounts of customers
Loans to government entities
Loans to private parties
Loans to private parties through Suritrust
Purchased or originated credit impaired financial assets
Provisions
Financial guarantees
Letters of credit
Grand Total

Stage 1		Stage 2		Stage 3		POCI		Total		
Gross Carrying Amount	Undrawn Commitments	Gross Carrying Amount	Undrawn Commitments	Gross Carrying Amount	Undrawn Commitments	Gross Carrying Amount	Undrawn Commitments	Gross Carrying Amount	Undrawn Commitments	Total ECL
1,389,128	**-**	**12,582,983**		**256,474**	**-**	-	-	**14,228,585**	**-**	**120,871**
713,696	-	-	-	-	-	-	-	713,696	-	-
-	-	7,292,802	-	256,474	-	-	-	7,549,276	-	75,082
675,432	-	2,622,049	-	-	-	-	-	3,297,481	-	45,789
-	-	2,668,132	-	-	-	-	-	2,668,132	-	-
-	-	-	-	-	-	-	-	-	-	-
1,892,180	**-**	**750,087**	**-**	**69,033**	**-**	**-**	**-**	**2,711,300**	**-**	**17,040**
1,892,180	-	649,357	-	-	-	-	-	2,541,537	-	9,935
-	-	100,730	-	69,033	-	-	-	169,763	-	7,105
7,907,394	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**7,907,394**	**-**	**1,240**
4,085,160	-	-	-	-	-	-	-	4,085,160	-	-
3,822,234	-	-	-	-	-	-	-	3,822,234	-	1,240
4,064,244	**1,592,870**	**884,504**	**30,171**	**2,044,544**	**-**	**-**	**-**	**6,993,292**	**1,623,041**	**920,297**
2,155,965	566,911	216,392	21,459	17,007	-	-	-	2,389,364	588,370	80,875
66,042	555,879	6,545	4,545	3,645	-	-	-	76,232	560,424	3,967
-	318,443	-	4,167	-	-	-	-	-	322,610	2,478
-	-	312	-	1,037,855	-	-	-	1,038,167	-	305,484
1,721,244	151,637	648,609	-	978,990	-	-	-	3,348,843	151,637	525,222
120,993	-	12,646	-	7,047	-	-	-	140,686	-	2,271
-	**-**	**-**	**-**	**-**	**-**	**2,663,991**	**-**	**2,663,991**	**-**	**14,649**
-	**334,465**	**-**	**378**	**-**	**11,059**	**-**	**-**	**-**	**345,902**	**7,135**
-	216,890	-	378	-	11,059	-	-	-	228,327	7,135
-	117,575	-	-	-	-	-	-	-	117,575	-
15,252,946	**1,927,335**	**14,217,574**	**30,549**	**2,370,051**	**11,059**	**2,663,991**	**-**	**34,504,562**	**1,968,943**	**1,081,232**

41.3.6 Collateral and other credit enhancements

The amount and type of collateral required depends on an assessment of the credit risk of the counterparty. DSB has guidelines in place to cover the acceptability of each type of collateral. For credit enhancement purposes, DSB makes use of cash collateral, mortgages on property & real estate and exchange-traded stocks. The most used collateral types for lending are mortgages.
In general, this is based on predefined rules, where a haircut is applied to the market value of the appraiser. DSB works with independent appraisers to obtain an appraisal for a prospective mortgage.

Management monitors the market value of collateral and requests additional collateral in accordance with the underlying agreement if necessary. In its normal course of business, DSB engages external agents to recover funds from properties, generally at foreclosures, to settle outstanding debt. Any surplus funds are returned to the obligors. DSB does not repossess collateralized properties. Therefore, repossession processes are not recorded on the consolidated statement of financial position.

Disclosure of credit quality and the exposure for credit risk per category based on the DSB's internal credit rating system and year-end stage classification are further disclosed in Notes 18, 19, 22, 23, and 32.1. The tables on the following pages show the maximum exposure to credit risk by class of financial asset. They also show the total value of collateral and net exposure to credit risk.

December 31, 2023

in thousand SRD	Maximum exposure	Cash	Exchange traded stocks	Mortgage	Total Collateral	Net Exposure	ECL
Cash and balances with central banks	**11,093,905**	**-**	**-**	**-**	**-**	**11,093,905**	**127,236**
Cash and cash equivalents	647,841	-	-	-	-	647,841	-
Cash reserves with central banks	6,777,134	-	-	-	-	6,777,134	70,564
Current accounts with central banks	1,394,550	-	-	-	-	1,394,550	56,672
Deposits with central banks	2,274,380	-	-	-	-	2,274,380	-
Loans and advances to central banks	-	-	-	-	-	-	-
Debt instruments at amortized cost	**4,713,664**	**-**	**-**	**-**	**-**	**4,713,664**	**6,163**
Bonds	4,647,115	-	-	-	-	4,647,115	5,251
Treasury bills	66,549	-	-	-	-	66,549	912
Due from banks	**9,549,557**	**-**	**-**	**-**	**-**	**9,549,557**	**4,189**
Current accounts with other banks	2,922,059	-	-	-	-	2,922,059	-
Deposits with other banks	6,627,498	-	-	-	-	6,627,498	4,189
Loans and advances to customers	**8,003,928**	**1,830,641**	**144,922**	**5,308,154**	**7,283,717**	**1,744,146**	**568,531**
Advances to customers	2,378,050	1,030,499	31,718	1,871,165	2,933,382	-	68,365
Credit cards	583,142	205,735	12,530	618,947	837,212	-	3,697
Current accounts of customers	621,193	15,320	87,422	720,890	823,632	-	3,343
Loans to government entities	926,155	-	-	-	-	926,155	70,683
Loans to private parties	3,474,131	579,087	13,252	2,063,801	2,656,140	817,991	421,426
Loans to private parties through Suritrust	21,257	-	-	33,351	33,351	-	1,017
Purchased or originated credit impaired financial assets	**1,938,723**	**-**	**-**	**-**	**-**	**1,938,723**	**12,880**
Provisions	**248,859**	**37,676**	**147,176**	**206,310**	**391,162**	**618**	**3,311**
Financial guarantees	196,836	37,306	56,472	102,440	196,218	618	3,311
Letters of credit	52,023	370	90,704	103,870	194,944	-	-
Grand Total	**35,548,636**	**1,868,317**	**292,098**	**5,514,464**	**7,674,879**	**29,040,613**	**722,310**

December 31, 2022 (Restated)

in thousand SRD	Maximum exposure	Cash	Exchange traded stocks	Mortgage	Total Collateral	Net Exposure	ECL
Cash and balances with central banks	**14,228,585**	**-**	**-**	**-**	**-**	**14,228,585**	**120,871**
Cash and cash equivalents	713,696	-	-	-	-	713,696	-
Cash reserves with central banks	7,549,276	-	-	-	-	7,549,276	75,082
Current accounts with central banks	3,297,481	-	-	-	-	3,297,481	45,789
Deposits with central banks	2,668,132	-	-	-	-	2,668,132	-
Loans and advances to central banks	-	-	-	-	-	-	-
Debt instruments at amortized cost	**2,711,300**	**-**	**-**	**-**	**-**	**2,711,300**	**17,040**
Bonds	2,541,537	-	-	-	-	2,541,537	9,935
Treasury bills	169,763	-	-	-	-	169,763	7,105
Due from banks	**7,907,394**	**-**	**-**	**-**	**-**	**7,907,394**	**1,240**
Current accounts with other banks	4,085,160	-	-	-	-	4,085,160	-
Deposits with other banks	3,822,234	-	-	-	-	3,822,234	1,240
Loans and advances to customers	**8,616,334**	**1,939,329**	**113,564**	**4,689,461**	**6,742,354**	**2,931,948**	**920,297**
Advances to customers	2,977,732	1,121,114	27,888	2,659,882	3,808,884	-	80,875
Credit cards	636,657	186,999	-	-	186,999	449,658	3,967
Current accounts of customers	322,610	28,811	85,676	400,672	515,159	-	2,478
Loans to government entities	1,038,167	-	-	-	-	1,038,167	305,484
Loans to private parties	3,500,482	602,405	-	1,453,954	2,056,359	1,444,123	525,222
Loans to private parties through Suritrust	140,686	-	-	174,953	174,953	-	2,271
Purchased or originated credit impaired financial assets	**2,663,991**	**-**	**-**	**-**	**-**	**2,663,991**	**14,649**
Provisions	**345,902**	**118,955**	**29,948**	**663,400**	**812,303**	**-**	**7,135**
Financial guarantees	228,327	116,281	24,371	212,802	353,454	-	7,135
Letters of credit	117,575	2,674	5,577	450,598	458,849	-	-
Grand Total	**36,473,506**	**2,058,284**	**143,512**	**5,352,861**	**7,554,657**	**30,443,218**	**1,081,232**

In 2023, the total net exposure increased by SRD 1.4 billion. This was primarily driven by SRD 7.5 billion increase from IAS 29 re-statement, partially offset by SRD 8.0 billion reduction due to facilities repayments.

The total collateral increased by SRD 0.1 billion, mainly from SRD 1.7 billion improvement from foreign exchange rate affecting collateral denominated in foreign currencies, offset by SRD 1.8 billion increase from IAS 29 restatement.

41.4 Solvency risk

Solvency is a buffer to absorb financial risks. This buffer consists of equity, excluding the revaluation reserve. The level of solvency is determined by the solvency ratio or BIS ratio. This is the ratio of DSB's qualifying capital to total risk-weighted assets (RWA). The total RWA covers both balance sheet and off-balance sheet items. Total RWA is determined in accordance with the weighting factors established by the CBvS.

Management of the solvency level takes place based on monitoring the various financial risks and the impact on solvency. This is done through, among other things, setting the standard based on DSB's established risk appetite, stress testing, and monthly monitoring of various ratios.

41.5 Profitability risk

Profitability is the ratio of profit to the capital with which that profit was earned. It indicates how much profit has been achieved with the capital invested and what DSB's profitability is.

To monitor profitability, DSB uses various profitability ratios and ratios that can affect DSB's profitability, namely:

1. Return on Assets (ROA)
2. Return on Equity (ROE)
3. Net Interest Margin (NIM)
4. Profitability Ratio
5. Efficiency ratio

41.6 Liquidity risk & funding management

Liquidity risk can be considered one of the most important risks for DSB because, in the absence of adequate control, this risk may jeopardize the continuity of DSB. Liquidity risk is the risk that DSB does not have sufficient liquid financial resources to meet obligations associated with financial liabilities settled by delivering cash or another financial asset. Liquidity risk arises because DSB might be unable to meet its payment obligations when they fall due to mismatches in the timing of the cash flows under both normal and stressful circumstances. Such scenarios could occur when funding needed for illiquid asset positions is not available to DSB on acceptable terms. To limit its liquidity risk, management has arranged for diversified funding sources in addition to its core deposit base and adopted a policy of managing assets with liquidity in mind and monitoring future cash flows and liquidity on a daily basis. DSB has developed internal control processes and contingency plans for managing liquidity risk. The identified liquidity risk factors and how DSB manages its liquidity risk are described in detail in DSB's Liquidity policy.

DSB considers two types of liquidity risk:

1. <u>Funding concentration risk:</u> This is the risk of a decrease in large non-regular funding because of a large concentration in funding per currency and consolidated.
2. <u>Market liquidity risk:</u> This relates to the risk that DSB cannot sell an asset in a timely manner at a reasonable market price due to insufficient market depth (insufficient supply and demand) or market disruption. Market liquidity risk includes the sensitivity in the liquidity value of a portfolio due to changes in the applicable haircuts and market value. It also concerns uncertainty about the time required to realize the liquidity value of the assets.

Funding and liquidity risk management within DSB falls under the supervision of the ALCO function. The ALCO is responsible for managing DSB's liquidity risk through comprehensive policies, governance and review procedures, stress testing, and monitoring of limit sets to ensure these are in line with the overall liquidity risk appetite and strategy of DSB. The Treasury Department of DSB is responsible for working with other departments within DSB to ensure the liquidity risk strategy is executed. This incorporates an assessment of expected cash flows and the availability of high-grade liquid collateral, which could be used to secure additional funding if required.

Thus, the main objective of DSB's funding and liquidity risk management is to maintain sufficient liquidity to fund the commercial activities of DSB both in normal and stressed market circumstances across various currencies and tenors. This requires a diversified funding structure considering relevant opportunities and constraints. DSB's funding is attracted primarily through a combination of long-term and short-term funding. The Treasury department manages the funding in line with the risk appetite to ensure a sufficiently diversified and stable funding base. In managing these risks, DSB makes a clear distinction between going concern (including day-to-day) risk management and contingency risk management.

41.6.1 Going-concern risk management

Going-concern management entails management of the day-to-day liquidity position within specified limits. This allows DSB to meet payment obligations on a timely basis. The most important actions DSB uses to measure and manage DSB's funding and liquidity risk are:

1. Daily monitoring of liquid assets per currency.
2. Forecast of liquid assets per currency
3. Maturity mismatch per currency
4. Stress testing per currency

These methods are described in more detail in the following subsections.

41.6.1.1 Daily monitoring of cash per currency.

The daily monitoring of liquid assets per currency is done by making use of several liquidity ratios, which fulfill as KRIs, and by monitoring the liquidity dashboard. The liquidity dashboard is very detailed, with a specific indication of available liquidity and the norms. The Treasury department ensures DSB complies with the norms.

In managing the day-to-day liquidity risks, DSB formulated Key Risk Indicators (KRIs) per risk category and set the risk appetite and tolerance level to manage and monitor the risks.

1. Funding mix: This indicates the composition of DSB's available resources per currency and the distribution of the available funds divided between current, savings, and term deposits per currency. Establishing limits for the funding mix is important for, among other things, interest management.
2. Funding concentration: This is the concentration of funding at one customer and/or a group and the risk that DSB will run into liquidity problems because that funding is withdrawn or because that customer goes into "default". The Treasury Department also monitors DSB's top 10 funders. The top 10 funders are monitored per product, per currency, and over DSB's total funding (equivalent in SRD). It is important that DSB's liquidity position remains stable in the event of large withdrawals from one or more of these funders (individually or per group).
3. Liquidity Coverage Ratio (LCR): The objective of the LCR is to assess DSB's short-term resilience by ensuring the availability of sufficient high-quality liquid assets to survive.
4. Liquidity ratio: This is a regulatory ratio, which is similar to the LCR adjusted for the short-term time deposits placed with other banks. The purpose of the one-day liquidity ratio is to ensure that DSB maintains an adequate level of immediately liquid assets that can be converted into cash to meet immediate obligations.
5. Loan to deposit ratio (LDR): LDR represents the percentage of DSB's loan portfolio compared to the total funding (current accounts, saving accounts, and term deposits) instead of equity. A high LDR in relation to the standard indicates that DSB has less cash available because of its lending. The advantage of a high LDR can be a higher return (debit interest). A low LDR in relation to the standard indicates that DSB has a possible excess of cash. The disadvantage of this may be that the funding is insufficiently used so that they do not yield a return. DSB monitors the effective LDR (LDRe) and normal LDR (LDR).
   The difference between the effective and normal LDR is that the effective LDR is based on funding excluding mandatory cash reserves and working accounts at the Central Bank, while the normal LDR holds the total funding.
6. Funding gap: DSB compiles the available funding on a weekly basis, considering the loans in the pipeline. The funding gap calculation establishes the relation between the net available funding and the total available funding for loans.

41.6.1.2 Forecasts per currency based on the daily positions.

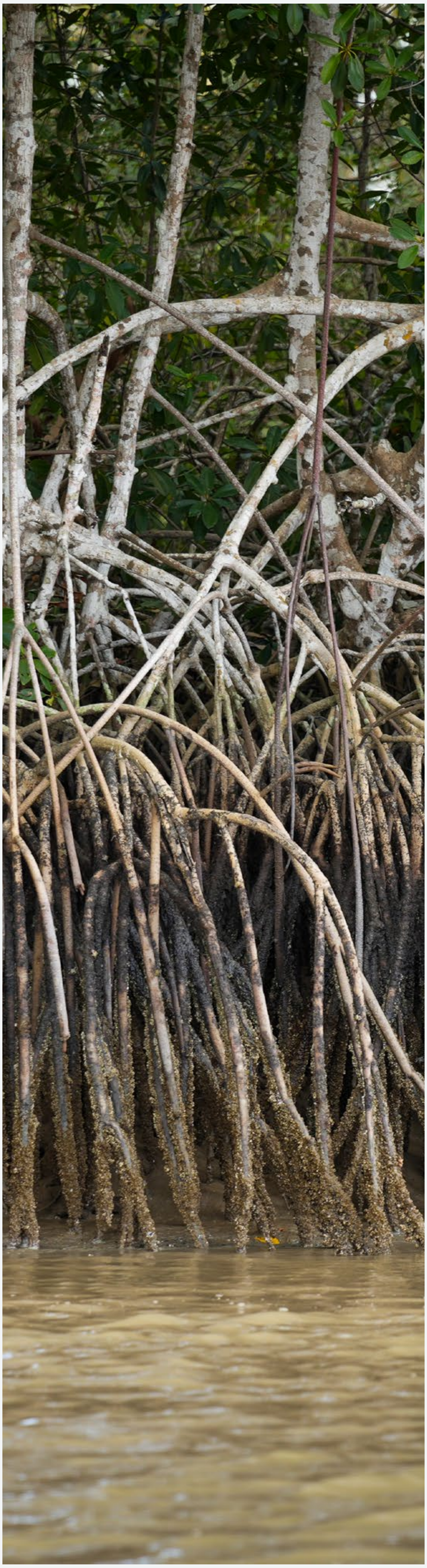
The forecast of liquid assets is based on the available liquid assets and the trend analysis for a period of 12 months, consisting of 3 months on a daily basis, 3 months on a weekly basis, and 6 months on a monthly basis. Based on these results, actions are taken, e.g., increase or decrease of funding, lending, and investments.

DSB's liquidity position was positive for the years 2023 and 2022, consistently ensuring sufficient liquidity to meet its short-term obligations.

41.6.1.3 Maturity mismatch per currency

In managing liquidity risk, DSB must honor the commitments by making sure that there is enough liquidity to meet the funding requirements. To ensure adequate liquidity, the gap between assets and liabilities in terms of maturities should be monitored. A positive gap implies that DSB has sufficient cash to meet its obligations, while the reverse applies in the case of a negative gap.

The following tables summarize the maturity profile of the DSB's financial assets and the undiscounted cash flows of its financial liabilities as of December 31, 2023, and December 31, 2022. The tables represent only contractual cashflows for stage 1 and stage 2 financial instruments.



Analysis of financial assets and liabilities by contractual maturities

As of 31 December 2023

in thousand SRD
Financial assets
Cash and balances with central banks
Debt instruments at amortized cost
Due from banks
Loans and advances to customers
Purchased or originated credit impaired financial assets
Financial assets at fair value through profit or loss
Other assets
Accounts receivable and sundry debtors
Cash in transit (Shipment)
Receivables from matured T-bills
Settlement and clearing accounts
Total financial assets
Financial liabilities
Due to customers
Provisions
Due to banks
Current tax liabilities
Debt issued and other borrowed funds
Other liabilities
Accounts payable and sundry creditors
Accrued expenses
Unearned fees and commissions
Lease Liabilities
Current account with BNETS
Settlement and clearing accounts
Total financial liabilities
Total net financial assets/(liabilities)

On Demand	Less than 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Over 5 years	Total
1,985,719	998,687	1,275,693	-	163,573	6,542,997	**10,966,669**
-	204,773	184,800	950,278	3,333,896	33,754	**4,707,501**
2,922,059	738,890	1,599,040	4,194,960	-	90,419	**9,545,368**
1,999,402	107,460	220,201	987,826	2,053,039	519,308	**5,887,236**
-	-	-	-	1,925,843	-	**1,925,843**
-	-	-	-	-	336	**336**
-	-	-	-	-	841	**841**
-	-	-	-	-	204,625	**204,625**
-	-	-	70,662	-	-	**70,662**
-	21,676	-	-	-	-	**21,676**
6,907,180	**2,071,486**	**3,279,734**	**6,203,726**	**7,476,351**	**7,392,280**	**33,330,757**
25,129,654	287,027	267,201	918,183	1,713,328	40	**28,315,433**
12,481	-	-	-	-	-	**12,481**
62,917	-	-	-	-	-	**62,917**
930,202	-	-	-	-	-	**930,202**
-	-	-	13,036	366,897	-	**379,933**
1,573	-	-	-	-	-	**1,573**
-	19,709	11,315	56,961	39,144	-	**127,129**
-	555	2,565	10,794	7,742	915	**22,571**
-	390	749	3,237	6,112	23,506	**33,994**
-	35,808	-	-	-	-	**35,808**
-	560,674	-	-	-	-	**560,674**
26,136,827	**904,163**	**281,830**	**1,002,211**	**2,133,223**	**24,461**	**30,482,715**
(19,229,647)	**1,167,323**	**2,997,904**	**5,201,515**	**5,343,128**	**7,367,819**	**2,848,042**

Analysis of financial assets and liabilities by contractual maturities

As of 31 December 2022 (Restated)

in thousand SRD
Financial assets
Cash and balances with central banks
Debt instruments at amortized cost
Due from banks
Loans and advances to customers
Purchased or originated credit impaired financial assets
Financial assets at fair value through profit or loss
Current tax assets
Other assets
Accounts receivable and sundry debtors
Cash in transit (Shipment)
Receivables from matured T-bills
Settlement and clearing accounts
Total financial assets
Financial liabilities
Due to customers
Provisions
Due to banks
Current tax liabilities
Debt issued and other borrowed funds
Other liabilities
Accounts payable and sundry creditors
Accrued expenses
Unearned fees and commissions
Lease Liabilities
Current account with BNETS
Settlement and clearing accounts
Total financial liabilities
Total net financial assets/(liabilities)

On Demand	Less than 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Over 5 years	Total
3,965,367	-	-	-	201,203	9,941,144	14,107,714
-	923	118,130	11,702	2,435,106	128,399	2,694,260
4,085,161	1,054,351	210,946	2,531,354	-	24,342	7,906,154
2,378,273	39,616	84,756	377,265	2,774,404	418,681	6,072,995
-	-	-	-	-	2,649,342	2,649,342
-	-	-	-	-	446	446
-	-	-	-	-	809	809
-	-	-	-	-	225,038	225,038
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	28,966	-	-	-	-	28,966
10,428,801	**1,123,856**	**413,832**	**2,920,321**	**5,410,713**	**13,388,201**	**33,685,724**
25,804,258	221,290	355,899	1,010,118	2,371,401	53	29,763,019
33,750	-	-	-	-	-	33,750
353,073	-	-	-	-	-	353,073
488,285	-	-	-	-	-	488,285
-	-	-	14,815	-	416,985	431,800
1,560	-	-	-	-	-	1,560
5,096	5,195	2,751	53,509	111,008	-	177,559
-	467	2,458	9,411	6,700	1,082	20,118
-	881	1,704	6,264	7,033	29,079	44,961
-	125,463	-	-	-	-	125,463
-	135,470	-	-	-	-	135,470
26,686,022	**488,766**	**362,812**	**1,094,117**	**2,496,142**	**447,199**	**31,575,058**
(16,257,221)	**635,090**	**51,020**	**1,826,204**	**2,914,571**	**12,941,002**	**2,110,666**

The contractual maturity of lease liabilities is shown in the table below.

Maturity analysis of lease liabilities 2023 (amounts in thousands SRD)										
2023		**0-1 mths**	**> 1-3 mths**	**> 3-6 mths**	**> 6-9 mths**	**> 9-12 mths**	**> 1-3yrs**	**> 3-5yrs**	**> 5yrs**	**Total**
Vehicles	USD	4	7	9	9	9	27	-	-	65
Vehicles	SRD	-	-	-	-	-	-	-	-	-
Buildings	USD	6	13	19	19	19	68	52	500	696
Buildings	SRD	14	29	43	43	43	342	342	5,045	5,901
	Total in SRD	**390**	**749**	**1,079**	**1,079**	**1,079**	**3,863**	**2,249**	**23,506**	**33,994**

Maturity analysis of lease liabilities 2022 (amounts in thousands SRD)										
2022 (Restated)		**0-1 mths**	**> 1-3 mths**	**> 3-6 mths**	**> 6-9 mths**	**> 9-12 mths**	**> 1-3yrs**	**> 3-5yrs**	**> 5yrs**	**Total**
Vehicles	USD	8	17	25	23	15	56	-	-	144
Vehicles	SRD	1	3	3	3	1	-	-	-	11
Buildings	USD	16	33	49	48	28	69	69	696	1,008
Buildings	SRD	89	122	111	111	98	454	454	6,918	8,357
	Total in SRD	**881**	**1,704**	**2,481**	**2,334**	**1,448**	**4,403**	**2,630**	**29,080**	**44,961**

41.6.1.4 Liquidity management and monitoring

DSB conducts quarterly and ad hoc stress tests in which the impact of cash in- and outflows under plausible stress scenarios are evaluated. Both market-wide and DSB-specific stress scenarios are defined and analyzed. The goal of these stress tests is twofold. Firstly, it helps DSB to review its risk framework, i.e., the liquidity buffer size, risk appetite, and limits. Secondly, it allows DSB to identify ways to reduce outflows in times of crisis. Liquidity mismatch reporting and stress testing results are reported regularly and reviewed by the ALCO.

The following table provides an overview of the aforementioned KRIs together with the norm set by the Central Bank for the period of December 31, 2023, and December 31, 2022.

Key Risk Indicators (KRIs)	**Norm**	**31-Dec-23**	**31-Dec-22 (Restated)**
LCR	100%	125.7%	152.3%
Liquidity Ratio	100%	126.0%	132.0%
LDRe			
SRD	90%	91.8%	69.1%
USD	60%	51.7%	58.9%
EUR	50%	13.5%	17.9%
Net Stable Funding Ratio	100%	252.6%	237.1%

41.6.2 Contingency risk management

Contingency risk management aims to ensure that, in the event of either a DSB-specific or general market stress event, DSB can generate sufficient liquidity to withstand a short- or long-term liquidity crisis. In addition, DSB has the following measures to cope with an event of significant liquidity shortages.

1. Liquidity Contingency Plan (LCP): The LCP is a supplement to DSB's Liquidity Policy. The LCP sets out the guidelines and responsibilities for addressing possible liquidity shortfalls in emergency situations. This only comes into effect if the liquidity position is threatened or if strong indications exist of a liquidity stress. The LCP enables DSB to manage its liquidity without unnecessarily jeopardizing business lines while limiting excessive funding costs in severe market circumstances. Based on trigger levels, DSB takes sequence measures in case of further reduction in available cash and cash equivalents. The trigger levels are based on the Liquidity Coverage Ratio, the Liquidity ratio, and an Early warning measure set by DSB. DSB has a liquidity action plan, which will be executed by DSB's liquidity crisis team in the event of a liquidity crisis. The team is convened and chaired by the CFO to effectively manage the liquidity crisis.

2. Liquidity buffer: DSB holds a liquidity buffer to accommodate cash outflows during stress. These buffers are percentages of the funds raised. The buffers consist of unencumbered, high-quality liquid assets, including treasury bills, bonds, and cash. The cash component of the liquidity buffers is held at the Central Bank of Suriname (the so-called Lender of Last Resort) and on current accounts with various financial institutions. DSB will appeal to the buffers held at the Central Bank of Suriname if other measures to normalize the liquidity position again have not produced the desired result.

41.7 Market risk

Market risk is the probability of loss that could result from a decrease in the market value of assets or an increase in the market value of liabilities. Market risk and how DSB manages it is described in detail in DSB's Asset & Liability Management (ALM) Policy and DSB's Investment Policy.

There are three types of market risk that DSB mainly considers, i.e.:

1. Currency risk: the risk of currency fluctuations.
2. Interest rate risk: the risk of fluctuations in interest rates in the market.
3. Market value of risk: decrease in value of assets, including the investment portfolio.

Managing market risk within DSB falls under the supervision of the ALCO function. The ALCO is responsible for managing DSB's market risk through comprehensive policies, governance and review procedures, stress testing, and monitoring of limit sets to ensure these are in line with the overall market risk appetite and strategy of DSB. The roles and responsibilities of the ALCO are described in detail in its own charter. Similar to the liquidity risk, the Treasury Department of DSB is responsible for working with other departments within DSB to ensure the market risk strategy is appropriately executed.

41.7.1 Market risk management

The initial goal of market risk management is to adequately identify, assess, and manage fluctuations in the market (i.e., market volatility), which may have a possible financial impact on DSB. The following sections describe the three types of market risk that DSB has identified.

41.7.1.1 Currency risk

Currency risk management is essential for DSB, as it maintains SRD as the reporting currency but has multiple foreign currencies in its operations, particularly USD and EUR. As a result, DSB is continuously exposed to currency risk. Currency risk is the risk of unfavorable exchange rate fluctuations that can have a negative financial impact: unexpected and unacceptable (large) losses as a result and possible reduction in capital (solvency). An important part of currency risk management is identifying the foreign currency risk areas and, where possible, hedging open positions.

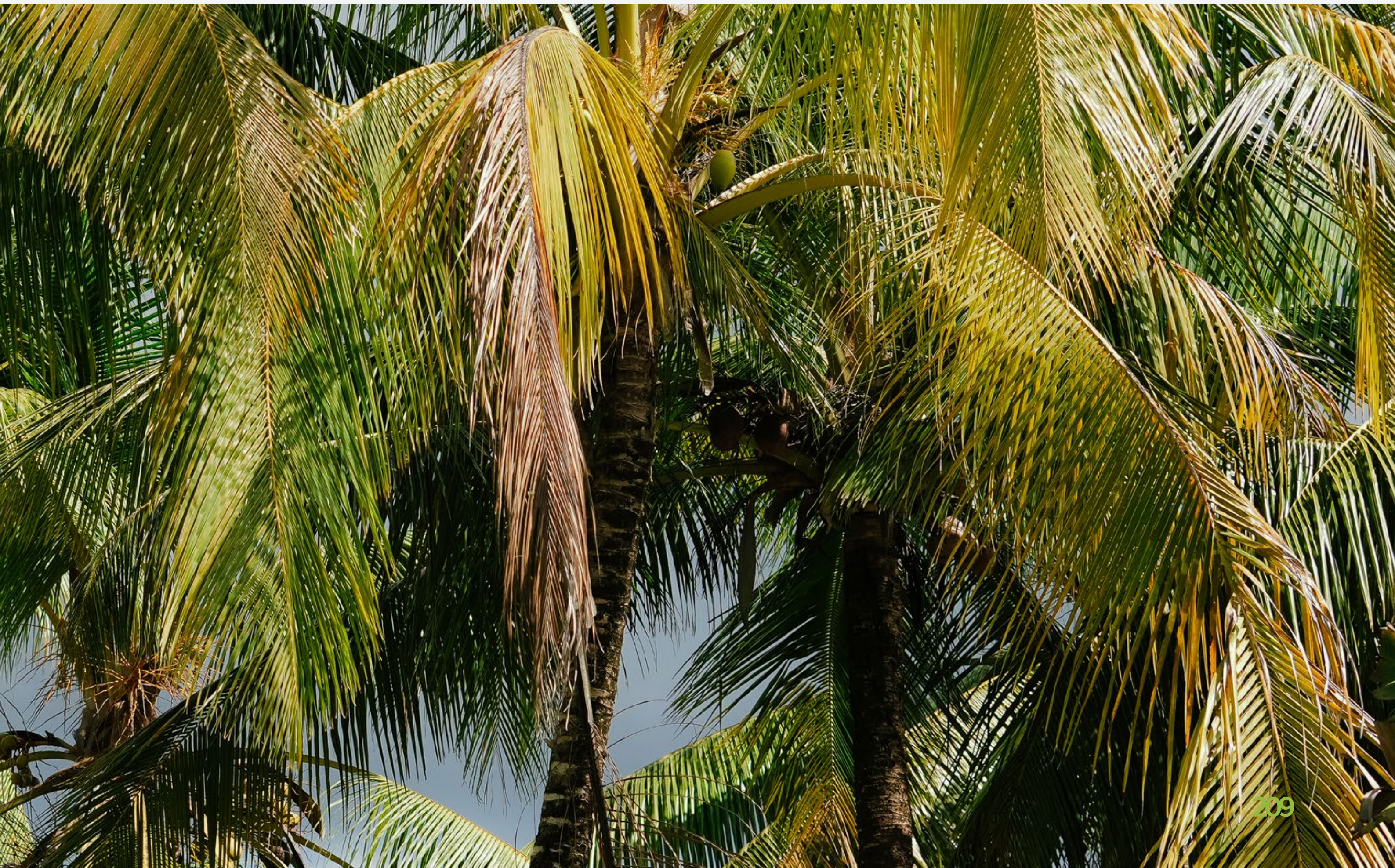
DSB is exposed to currency risk as a result of:

1. Translation risk when converting the consolidated statement of financial position items into the reporting currency. The risk here is that exchange rate fluctuations could negatively affect the value of DSB.
2. Transaction risk in the settlement of foreign currency transactions. The risk here is that DSB's result could be negatively affected if currencies are sold at a lower exchange rate than at which it was purchased.

DSB manages currency risk by setting limits for the foreign currency net open position (NOP) and the dollarization rate's limits regarding lending and raising funding, considering the risk appetite, which is based on the strategy of DSB.

in thousand SRD as of 31 December 2023	SRD	USD	EUR	Other	Total
Financial assets					
Cash and balances with central banks	5,466,185	3,270,825	2,222,499	7,160	10,966,669
Due from banks	250,064	7,964,308	1,330,963	33	9,545,368
Financial assets at fair value through profit or loss	336	-	-	-	336
Loans and advances to customers	2,606,005	3,019,520	261,711	-	5,887,236
Purchased or originated credit impaired financial assets	-	1,554,391	371,452	-	1,925,843
Debt instruments at amortized cost	65,637	3,497,223	1,144,641	-	4,707,501
Other assets	90,894	1,120	205,790	-	297,804
Total financial assets	**8,479,121**	**19,307,387**	**5,537,056**	**7,193**	**33,330,757**
Financial liabilities					
Due to banks	-	131	62,786	-	62,917
Due to customers	5,638,193	17,443,094	5,234,135	11	28,315,433
Other liabilities	216,667	538,391	12,991	-	768,049
Current tax liabilities	930,202	-	-	-	930,202
Debt issued and other borrowed funds	-	379,933	-	-	379,933
Total financial liabilities	**6,785,062**	**18,361,549**	**5,309,912**	**11**	**30,456,534**
Net currency risk exposure	**1,694,059**	**945,838**	**227,144**	**7,182**	**2,874,223**
Reasonably possible change in exchange rate	10%	10%	10%	10%	
Effect on profit before tax	**169,406**	**94,584**	**22,714**	**718**	**287,422**

in thousand SRD as of 31 December 2022 (Restated)	SRD	USD	EUR	Other	Total
Financial assets					
Cash and balances with central banks	5,686,447	4,647,306	3,765,428	8,533	14,107,714
Due from banks	67	7,370,987	535,062	38	7,906,154
Financial assets at fair value through profit or loss	446	-	-	-	446
Loans and advances to customers	2,305,141	3,430,501	337,353	-	6,072,995
Purchased or originated credit impaired financial assets	-	2,165,032	484,310	-	2,649,342
Debt instruments at amortized cost	162,659	2,405,409	126,192	-	2,694,260
Other assets	20,474	9,252	225,087	-	254,813
Total financial assets	**8,175,234**	**20,028,487**	**5,473,432**	**8,571**	**33,685,724**
Financial liabilities					
Due to banks	7,218	7,889	337,966	-	353,073
Due to customers	5,939,240	18,575,776	5,247,990	13	29,763,019
Current tax liabilities	256,629	198,391	31,030	-	486,050
Other liabilities	488,285	-	-	-	488,285
Debt issued and other borrowed funds	-	431,800	-	-	431,800
Total financial liabilities	**6,691,372**	**19,213,856**	**5,616,986**	**13**	**31,522,227**
Net currency risk exposure	**1,483,862**	**814,631**	**(143,554)**	**8,558**	**2,163,497**
Reasonably possible change in exchange rate	10%	10%	10%	10%	
Effect on profit before tax	**148,386**	**81,463**	**(14,355)**	**856**	**216,350**



41.7.1.2 Interest rate risk

The interest rate risk is estimated as marginal due to the fact that the debit interest rates on credit facilities and credit interest rates on saving and demand accounts are valid until further notice (only credit interest rates on term deposits are fixed). Interest rates can be adjusted at any time as market conditions change.

Factors that are taken into account in this regard are the inflation rate, the market interest rate, the cost of funds (COF), the movement in funding, the credit space, and the expectation of demand for credit.

Interest rates are generally raised if funding stagnates, and the credit space is therefore limited to meet the credit demand (if there is sufficient demand for credit). The interest rate can, therefore, be seen as a control instrument to meet the demand and supply of money.

In this context, the COF is used to monitor the level of the debit and credit interest rates. The COF is the ratio between the interest paid and the average funding, extrapolated to 12 months, taking into account the funding mix, cash reserves (44% SRD, USD & EUR 50%), SNEPS (SRD 5% / USD & EUR 2,5%) and liquidity buffers of 10% for savings and current accounts.

The following tables show sensitivity in relation to interest rate movements:

Effect on net interest income
in thousand SRD as of 31 December

Change in market risk	**2023**	**2022 (Restated)**
Increase of 0.5%	(20,415)	(35,576)
Decrease of 0.5%	20,415	35,576

in thousand SRD as of 31 December 2023

	Average Outstanding Balance	**Interest Earned/Paid**	**Average Yield**	**Impact from Changes in Yield**	
				+0.5%	**-0.5%**
Cash reserves with central banks	7,163,205	43,943	0.6%	35,816	(35,816)
Due from banks	8,725,761	1,267,617	14.5%	43,629	(43,629)
Loans and advances to customers	5,980,116	729,701	12.2%	29,901	(29,901)
Debt instruments at amortized cost	3,700,881	145,889	3.9%	18,504	(18,504)
	25,569,963	**2,187,150**		**127,850**	**(127,850)**
Due to banks	207,995	30,038	14.4%	1,040	(1,040)
Due to customers	29,039,226	246,436	0.8%	145,196	(145,196)
Debt issued and other borrowed funds	405,867	28,416	**7.0%**	2,029	(2,029)
	29,653,088	**304,890**		**148,265**	**(148,265)**
Net impact	**(4,083,125)**	**1,882,260**		**(20,415)**	**20,415**

in thousand SRD as of 31 December 2022
(Restated)

	Average Outstanding Balance	Interest Earned/Paid	Average Yield	Impact from Changes in Yield +0.5%	-0.5%
Cash reserves with central banks	7,609,971	67,312	0.9%	38,050	(38,050)
Due from banks	8,127,766	1,654,886	20.4%	40,639	(40,639)
Loans and advances to customers	6,137,151	797,554	13.0%	30,686	(30,686)
Debt instruments at amortized cost	2,841,754	96,302	3.4%	14,209	(14,209)
	24,716,642	**2,616,054**		**123,584**	**(123,584)**
Due to banks	509,037	40,024	7.9%	2,545	(2,545)
Due to customers	30,887,435	316,869	1.0%	154,437	(154,437)
Debt issued and other borrowed funds	435,577	23,311	5.4%	2,178	(2,178)
	31,832,049	**380,204**		**159,160**	**(159,160)**
Net impact	**(7,115,407)**	**2,235,850**		**(35,576)**	**35,576**

41.7.1.3 Market (value) risk

Market value management is important to DSB because of the volatility of the market value, which can affect DSB's results and financial position. Based on the consolidated statement of financial position of DSB, the market value risk related to its investment portfolio, consisting of the risk of value depreciation in bonds, term deposits, treasury bills, and equity investments (which is described in DSB's Investment Policy), is managed.

Market value risk focuses on market value volatility. DSB limits its exposure to market volatility by limiting its investment portfolio.

41.7.2 Market risk ratios

As was mentioned above, DSB has identified three types of market risks. Per risk, DSB formulates KRIs and sets the risk appetite and tolerance to manage and monitor the risks.

41.7.2.1 Currency risk

Currency risk measures focus on currency fluctuations. In order to manage the currency risk, DSB has formulated the following KRIs:

1. NOP: Net open currency position is the difference between the foreign currency assets and foreign currency liabilities, including off-balance positions such as forward contracts (swap and forward) and guarantees. DSB can have a surplus (long position) or a shortage (short position) of currency. Exchange rates and foreign currency open positions are both administered daily in DSB's core banking system, including the revaluation of the NOP. The NOP KRI for every currency is set at a max of 10% of T1 capital, and for all currencies consolidated to USD, the KRI is a maximum of 20% of T1 capital.
2. Dollarization: It indicates which part of the loan portfolio or funding portfolio consists of foreign currency. A high degree of dollarization on the consolidated statement of financial position makes DSB more sensitive to exchange rate fluctuations. A too high ratio will increase the weighted risk assets (RWA) and lower solvency. In general, DSB strives to minimize exchange rate fluctuations on the consolidated statement of financial position. The maximum dollarization of the funding is 68% of the total funding and for the credit portfolio 65%.
3. VW 48 guideline: In accordance with the VW 48 guideline of the Central Bank of Suriname, DSB may allocate its available foreign currency funds exclusively to customers who generate foreign currency income directly from abroad or through an international organization. Provisions for these facilities are recognized in the base currency to mitigate DSB's currency risk.

41.7.2.2 Interest rate risk

Interest rate risk measures the interest fluctuations. DSB has formulated the following KRI's:

1. Cost of Funds (COF): The COF is the ratio between the interest paid and the average funding, extrapolated to 12 months, taking into account the funding mix, cash reserves (44% SRD, USD & EUR 50%), SNEPS (SRD 5% / USD & EUR 2.5%) and liquidity buffers of 10% for savings and current accounts.
2. Net interest income (NII): The NII is calculated by subtracting the interest costs from the interest income.

41.7.3 Stress tests & gap analyses

DSB uses both stress tests and gap analyses in its market risk management. A gap analysis provides insight into the relationship between the assets and liabilities of the consolidated statement of financial position. A stress test is a (forward-looking) tool for identifying possible effects on the financial risks and stability of DSB, considering a series of specified changes in risk factors, which correspond to serious but plausible external shocks. Stress tests can include:

1. Sensitivity analysis: This type of stress test examines the effects of an incremental change in a risk factor. It is usually performed over a shorter time with incremental changes in the currency rates.
2. Scenario analysis: This type of stress test uses a hypothetical future state of the DSB risk universe to define changes in various risk factors and the causal chains. Several types of risks and their interconnectivity are assessed, and this is usually performed over the time horizon that is appropriate for the organization.

Every month, the Treasury Department provides the ALCO with a maturity gap and open currency position (OCP) gap analyses. Quarterly or ad hoc, the Treasury Department, together with the Risk Management Group and Finance Department, is responsible for conducting stress tests, which are presented to the ALCO.

42 Events after the reporting date

The consolidated financial statements for the year ended December 31, 2023, were authorized for issue per the resolution of the directors on May 7, 2025:

The following adjusting as well as non-adjusting events occurred after the reporting period:

a) In reference to Note 39.5, on January 25, 2024, DSB Assuria Vastgoed Maatschappij N.V. (DAVG)- the 100% owner of Panaso shares- paid USD 3.9 million of the Panaso debt. Based on its ownership structure, 49% of this payment was recorded for DSB and 51% for Assuria. On the same day, Assuria also settled the rest of the USD 10.2 million, eliminating any further obligation towards DSB for the Panaso loan. As of March 2025, the outstanding debt of Panaso Vastgoed N.V. is USD 7.9 million.

b) Regarding the USD government loan disclosed in Note 22.1.3 'Loans to government entities', after being restructured in 2022 and 2023 and following several payments. As of April 2025, the loan is fully paid off.

c) In relation to the receivables from matured T-bills, which were reclassified under "Other Assets" and disclosed in Note 25, the government paid all the expired T-bills, including the outstanding interest, on March 2024. As of April 2025, the outstanding balance of T-bills is SRD 30.9 million and is set to mature in June 2025.

d) The Board has decided to evaluate the fund/asset management activities of the Surinaamse Trustmaatschappij N.V. Currently, the administration of the mortgage portfolio is almost done in its migration to DSB's system. The migration only concerns mortgages issued from DSB funding. Furthermore, the Board also decided to eventually transfer the insurance activities of the Surinaamse Trustmaatschappij N.V. to the DSB's Retail Banking department. Progress is underway, and it is expected to move to the next phase of the project in 2025.

e) With reference to the reporting tool under development (as disclosed in Note 28), a review is currently underway to ensure the accuracy and completeness of data processing within the system. Implementation of the second phase is scheduled for completion by the end of December 2025.

f) Per October 24, 2024, the credit rating for Suriname conform Moody's is upgraded to Caa1 with a positive outlook. The previous rating was also Caa3, but with a stable outlook. The upgrade of Suriname's rating reflects the anticipated economic benefits from a significant offshore oil project. This change is driven by TotalEnergies' recent decision to proceed with the GranMorgu oil project in Block 58, which holds 750 million barrels of recoverable reserves.

g) On December 11, 2024, S&P reaffirmed Suriname's long- and short-term foreign and local currency sovereign credit ratings at 'CCC+/C' with a long-term stable outlook. This follows an earlier upgrade on December 6, 2023, when S&P Global Ratings raised Suriname's rating from 'Selective Default (SD)' to 'CCC+/C' in response to key reforms, recent debt restructuring, and fiscal consolidation efforts.

h) The Central Bank of Suriname exchange rates per April 29, 2025, are as follows:

Currency	Buying rate	Selling rate
USD	36.445	36.944
EURO	41.238	41.450

i) As of the last term deposit auction on March 19, 2025, the weighted average interest rates for OMO's stand at 7.3% for 1-week, 19.2% for 1-month, and 33.5% for 3-month tenors. Meanwhile, DSB's SRD term deposit rate for a 3-month tenor is approximately 10.0% per annum.

j) The Suriname General Bureau of Statistics reported 10.1% inflation for the year ending December 31, 2024, with a cumulative inflation of 126%. Therefore, we believe that Suriname remains hyperinflationary.

k) On May 7, 2025, the Supervisory Board proposed a dividend of SRD 5.30 per share for the financial year ended December 31, 2023, representing a total distribution of SRD 200 million. The proposed dividend is subject to shareholder approval at the upcoming Shareholder's Meeting. In accordance with IAS 10, the dividend has not been recognized as a liability in the consolidated statement of financial position as of December 31, 2023. Upon approval, it will be recognized in the financial statements for the year ending December 31, 2025.

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