DE SURINAAMSCHE BANK

JAARVERSLAG 2022

CONTENT

WIJ ZIJN...

Ambitieus

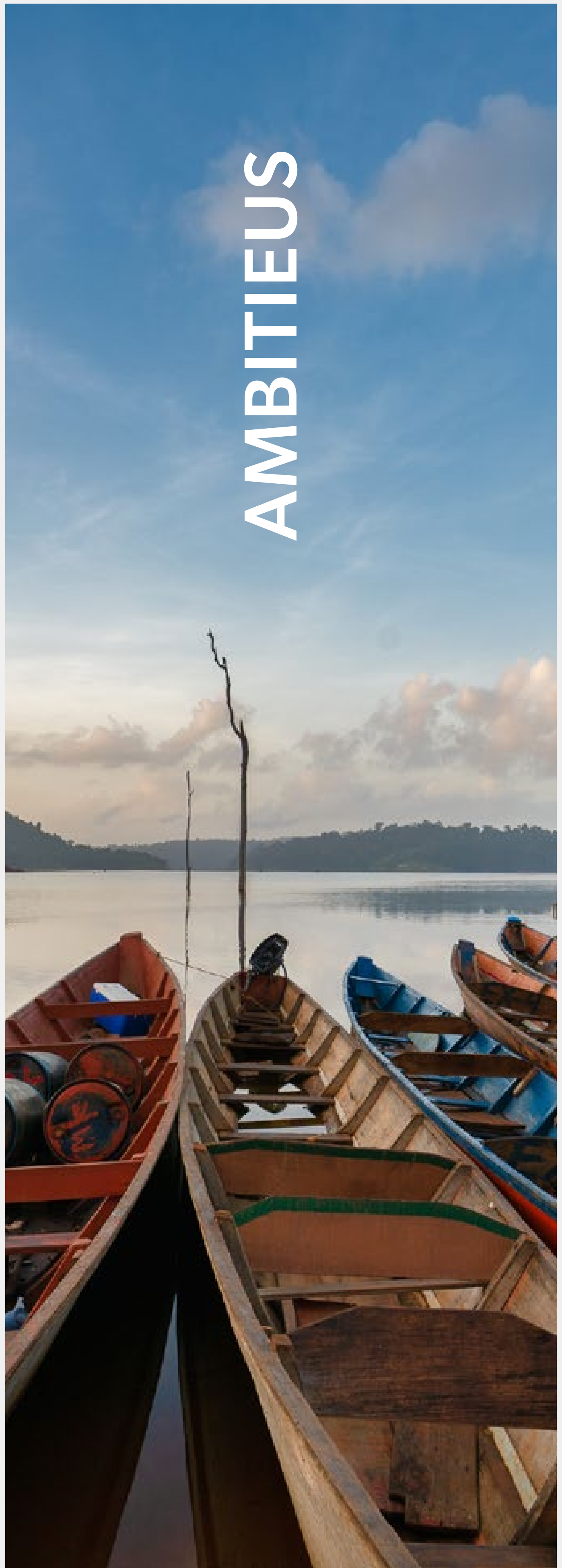
- Energie
- Lef
- Innovatief
- Focus op ontwikkeling

Open

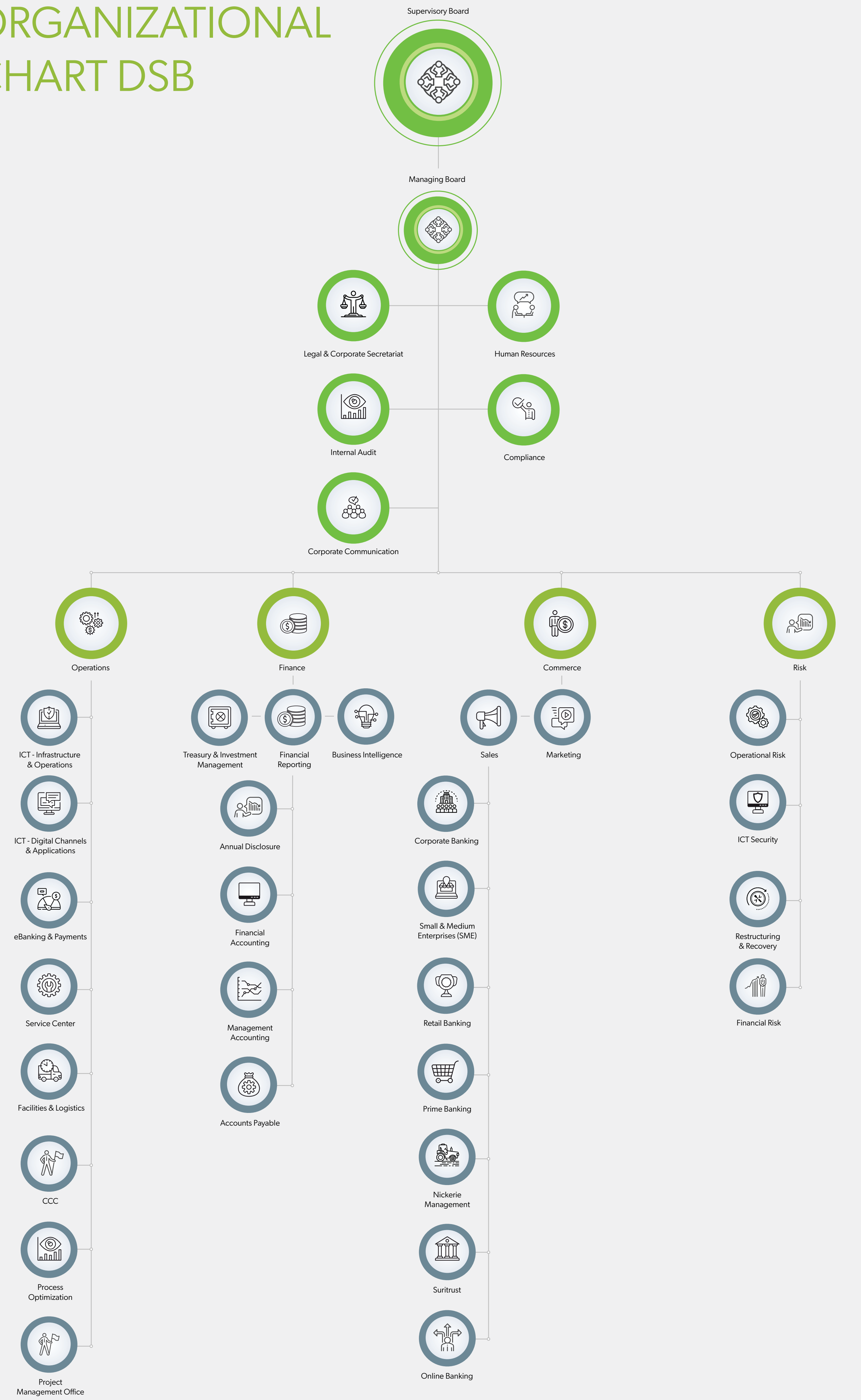
- Gelijkwaardig als partner
- Transparant
- Samen
- Gastvrij
- Maatschappelijk betrokken

Verantwoordelijk

- Integer
- Risicobewust
- Gericht op resultaten
- Beloftes waarmaken



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) betreffende het boekjaar 2022.

De Surinaamsche Bank N.V. (DSB) heeft in het boekjaar 2022 International Accounting Standard 29 (IAS 29) toegepast, wat onderdeel van de International Financial Reporting Standards (IFRS) is. IAS 29 biedt specifieke voorschriften voor financiële verslaglegging in hyperinflatoire economieën en corrigeert financiële informatie voor de invloed van hyperinflatie, zodat deze een realistischer beeld geeft van de economische waarde.

Samenstelling directie

In 2022 bestond de directie uit Arjan Molenkamp (waarnemend Chief Executive Officer, CEO), Rene van Rooij (Chief Operations Officer, COO) en Alexander van Petten (voorgedragen als Chief Risk Officer, CRO). Op dit moment bestaat de directie uit drie statutaire directeuren:

- Alexander van Petten – Chief Operations Officer
- Waldo Halfhuid – Chief Financial Officer
- Ashna Kamta – Chief Risk Officer

Met de benoeming van drie statutaire directeuren voldoet DSB aan de principes van goed bestuur en de eisen van de Centrale Bank van Suriname (CBvS) die gelden voor een systeemrelevante bank. Deze vereisten schrijven voor dat systeemrelevante banken ten minste drie statutaire directeuren moeten hebben.

Raad van Commissarissen

De RvC was in 2022 als volgt samengesteld:

- Waddy Sowma – President-commissaris
- Roy Baidjnath-Panday – Vicepresident-commissaris
- Stanley Mathura
- Robert Kasanrawi
- Rishie Parbhudayal
- Nilesh Bishesar
- Jürgen van Ommeren

Per 17 februari 2024 is de samenstelling van de RvC als volgt:

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

Beleid en toezicht in 2022

In 2022 bleef het transformatieproces van DSB een belangrijk aandachtspunt, met als doel de interne organisatie te versterken en de compliance- en risicobeheerfuncties te optimaliseren. Er werden ook inspanningen geleverd om de duurzame financiële positie van de bank verder te verbeteren.

De toenemende vraag naar uniformiteit en transparantie in de financiële verslaglegging blijft de toepassing van de IFRS stimuleren waardoor de tijdige publicatie van jaarverslagen mogelijk wordt gemaakt. DSB is samen met haar externe accountants vastberaden om de achterstand in 2025 weg te werken, zodat jaarverslagen vanaf 2026 binnen zes maanden na afloop van het boekjaar worden gepubliceerd.

In 2022 kwam de RvC 16 keer bijeen en nam deel aan diverse seminars en trainingen. Naast de reguliere vergaderingen hield de RvC ook speciale bijeenkomsten, zonder de directie, om specifieke zaken met betrekking tot DSB te bespreken.

Ontwikkelingen in het boekjaar 2022
De winst vóór belasting over 2022 bedroeg SRD 955,4 miljoen (bijgesteld 2021: SRD 597,3 miljoen), een stijging van SRD 358,1 miljoen. Deze verbetering is voornamelijk toe te schrijven aan hogere rentebaten. De solvabiliteitsratio steeg tot 22,0% per 31 december 2022. Alle belangrijke liquiditeitsratio's bleven ruim boven de minimumdrempel van 100%.

Commissies van de Raad van Commissarissen

Audit Committee
De Audit Committee (AC) bestond in 2022 uit:
- Robert Kasanrawi (Voorzitter)
- Stanley Mathura
- Rishie Parbhudayal
- Jürgen van Ommeren

Per 17 februari 2024 is de samenstelling als volgt:
- Robert Kasanrawi (Voorzitter)
- Jürgen van Ommeren
- Judith van der Gugten

De commissie heeft meerdere keren vergaderd, onder andere met de externe accountant en IT-auditors over kritische risico's en interne controles. De verantwoordelijkheden van de Audit Committee zijn vastgelegd in haar handvest. In 2022 heeft de commissie meer dan vier keer vergaderd, waaronder één keer met de externe accountant.

Er is onder andere gesproken over aanbevelingen van de Interne Accountants Dienst (IAD), de externe accountant en de CBvS en de opvolging daarvan. Daarnaast kwamen onderwerpen als het functioneren en de capaciteit van de IAD, auditrapportages en het opstellen van auditplannen aan de orde.

Risk & Compliance Committee
De Risk & Compliance Committee (RCC) bestond in 2022 uit:
- Rishie Parbhudayal (Voorzitter)
- Stanley Mathura
- Roy Baidjnath-Panday
- Nilesh Bishesar

Per 17 februari 2024 is de samenstelling als volgt:
- Rishie Parbhudayal (Voorzitter)
- Roy Baidjnath-Panday
- Jürgen van Ommeren

De commissie heeft in 2022 vier vergaderingen gehouden. Besproken onderwerpen waren onder meer risicobereidheid, tolerantie en maandelijkse compliance-rapportages van DSB.

Selection, Appointment & Remuneration Committee (SARC)

De commissie bestond in 2022 uit:
- Roy Baidjnath-Panday (Voorzitter)
- Robert Kasanrawi
- Nilesh Bishesar

Per 17 februari 2024 is de samenstelling als volgt:
- Roy Baidjnath-Panday (Voorzitter)
- Robert Kasanrawi
- Rishie Parbhudayal
- Judith van der Gugten

De commissie heeft in 2022 meerdere vergaderingen gehouden, waarbij de focus werd gelegd op het beloningsbeleid, de organisatiestructuur en belangrijke personeelsbeslissingen.

De commissie heeft in het boekjaar meerdere vergaderingen gehouden. In deze vergaderingen zijn onder meer de beloning en het functioneren van de directie besproken, de organisatiestructuur en de invulling van directie en belangrijke staffuncties.

Evaluatie van de prestaties
De RvC heeft periodieke zelfevaluaties uitgevoerd om te voldoen aan wettelijke en reglementaire vereisten. 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 2022 in totaal SRD 1,0 miljoen.

Jaarrekening en voorstel winstverdeling
Ter uitvoering van het bepaalde als vastgelegd in artikel 22 van de statuten berichten wij u over de geconsolideerde jaarrekening 2022 van DSB het volgende.

Wij hebben de geconsolideerde winst- en verliesrekening, het geconsolideerde overzicht van het totaalresultaat, de geconsolideerde financiele positie, het geconsolideerde overzicht van het eigen vermogen en het geconsolideerde kasstroomoverzicht en de daarbij behorende toelichting beoordeeld.

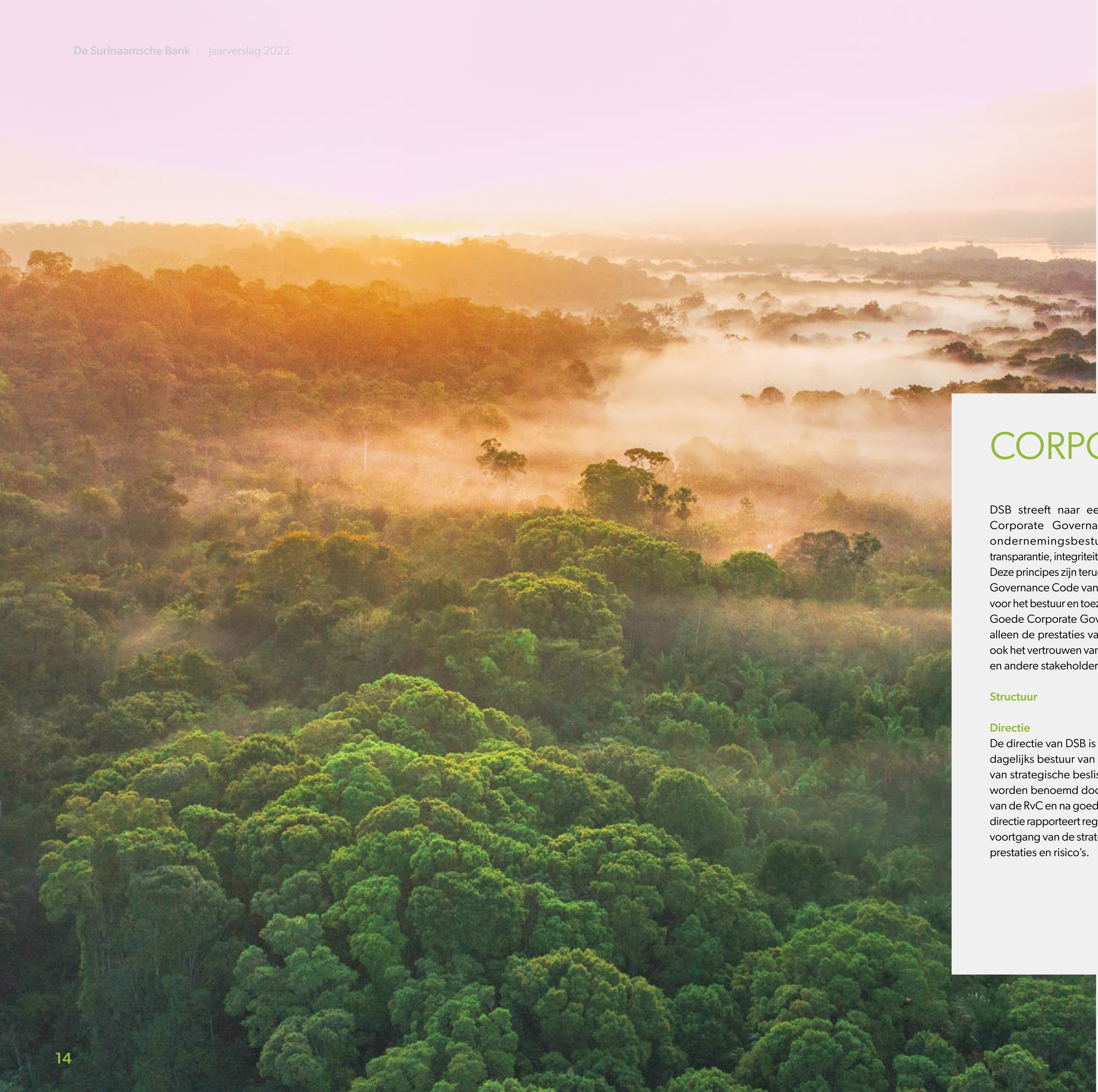
Deze geconsolideerde jaarrekening, en de accountantsverklaring afgegeven door Ernst & Young Suriname, worden ter goedkeuring voorgelegd. De geconsolideerde winst na belastingen over 2022 bedroeg SRD 504,1 miljoen.

Als gevolg van voornoemde uitkomst zijn de vrij uitkeerbare reserves, de ingehouden winsten, gestegen tot SRD 59,1 miljoen (bijgesteld 2021: SRD -494,3 miljoen). De RvC acht dit bedrag echter onvoldoende om de uitkering van dividenden te rechtvaardigen.

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 en aandeelhouders van DSB voor hun vertrouwen en inzet.

Namens:
- Nilesh Bishesar – President-commissaris
- Roy Baidjnath-Panday – Vicepresident-commissaris
- Robert Kasanrawi
- Rishie Parbhudayal
- Jürgen van Ommeren
- Judith van der Gugten



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.

PROFIELEN RAAD VAN COMMISSARISSEN

NILESH BISHESAR

President-commissaris

- Is lid van de Raad van Commissarissen van De Surinaamsche Bank N.V. vanaf 2021 en vanaf 2023 President-commissaris;
- Vanaf 2012 Managing Director bij Qualogy Caribbean;
- Van 2010 tot 2012 Commercial Manager Qualogy Caribbean;
- Van 2008 tot 2010 Managing Director Westgroup Consulting;
- Van 2006 tot 2008 Manager Corporate & Consumer Sales Digicel Caribbean;
- Van 2003 tot 2006 Business Development Officer Staatsolie Maatschappij Suriname N.V.;
- Van 2001 tot 2003 Account Manager bij Zoodat Webmedia;
- Van 2022 tot 2024 Board member geweest van de ICT Associatie;
- 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 De Surinaamsche Bank N.V. vanaf 2021 en vanaf 2022 vice president-commissaris;
- Is voorzitter van de Selection, Appointment, and Remuneration Committee (SARC) en lid van de Risk & Compliance Commissie (RCC);
- Vanaf 2021 voorzitter van de Project Implementatie Unit voor Anti-Money Laundering voor Suriname;
- Tot en met 2021 voorzitter van de Nationale Anti-Money Laundering Commissie en vertegenwoordiger van Suriname bij de Caribbean Financial Action Task Force;
- Van 2014 tot en met 2021 procureur-generaal;
- Heeft meer dan 35 jaar ervaring in diverse leidinggevende posities binnen justitie, waaronder advocaat-generaal en hoofd officier van justitie;
- Voorzitter en lid van diverse adviescommissies en besturen op het gebied van recht en justitie
- Heeft een mastergraad in rechten van de universiteit van Paramaribo en een diploma in Mensenrechten van de Universiteit van Curaçao.

ROBERT KASANRAWI

Commissaris

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

RISHIE PARBHUDAYAL

Commissaris

- Is lid van de Raad van Commissarissen van De Surinaamsche Bank N.V. vanaf 2020;
- Is voorzitter van de Risk en Compliance Commissie (RCC), lid van de Selection, Appointment, and Remuneration Committee (SARC) en lid van de Audit Commissie (AC);
- Is vanaf 1 juli 2017 directeur in de functie van 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 vanaf oktober 2023 Managing Director van Assuria Levensverzekering Curacao N.V.;
- Is bestuurslid/secretaris van de Surinaamse Effectenbeurs;
- Is lid van het Actuarieel Genootschap in Nederland (AG) en de Caribbean Actuarial Association (CAA);
- Bezit een doctorale graad in Actuariële Wetenschappen en Econometrie;
- Heeft meer dan 27 jaar ervaring in de financiële sector.

JÜRGEN VAN OMMEREN

Commissaris

- Is lid van de Raad van Commissarissen van De Surinaamsche Bank N.V. vanaf 2021;
- Is lid van de Audit Committee (AC) en de Risk en Compliance Commissie (RCC);
- 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;
- Heeft een Master's 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.

JUDITH VAN DER GUGTEN

Commissaris

- Is lid van de Raad van Commissarissen van De Surinaamsche Bank N.V. vanaf december 2023;
- Is lid van de Audit Committee (AC) en de Selection, Appointment, and Remuneration Committee (SARC);
- Vanaf 2012 zelfstandig werkzaam als adviseur/consultant;
- Van 2007 tot 2012 directeur van SJSSN (thans CDR);
- Vanaf augustus 2023 als advocaat parttime verbonden aan Sewcharan & Pick;
- Vanaf september 2021 Lid van de Accreditatieraad van Nationaal Orgaan voor Accreditatie (NOVA) namens de VSB;
- Vanaf 2016 plaatsvervangend lid Arbeidsadviescollege (AAC) namens de VSB;
- Bezit een doctorale graad, Nederlands Recht behaald aan Erasmus Universiteit Rotterdam en is professioneel opgeleid Mediator.

PROFIELEN DIRECTIE

ALEXANDER VAN PETTEN

Chief Operations Officer

- Is in september 2024 benoemd tot Chief Operations Officer bij DSB;
- Is vanaf 2012 in dienst bij DSB en heeft verschillende functies bekleed zoals, Chief Risk Officer, Head Risk, Department Manager, E-Banking & Payments Manager;
- Is voorzitter van de Surinaamse Bankiersvereniging vanaf oktober 2023;
- Is lid van de RvC van BNETS;
- Is bestuurslid van Stichting Garantiefonds voor Bedrijfskredieten.

WALDO HALFHUID

Chief Financial Officer

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

ASHNA KAMTA

Chief Risk Officer

- Is in september 2024 benoemd tot Chief Risk Officer;
- Is vanaf 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 (CMTA);
- Neemt als afgevaardigde van DSB deel aan de Suriname Conservation Foundation Green Partnership Program.

DE WERELD OM ONS HEEN

In 2022 werd Suriname geconfronteerd met aanhoudende economische uitdagingen binnen een zich geleidelijk herstellend mondiaal landschap. Hoewel de impact van de COVID-19-pandemie minder uitgesproken was dan in voorgaande jaren, bleef deze de belangrijkste economische sectoren beïnvloeden. Het lopende, door het Internationaal Monetair Fonds (IMF) gesteunde herstelprogramma speelde een cruciale rol bij het stabiliseren van de economie van het land.

Mondiale en regionale economische context
wereldwijde groei:
De wereldeconomie vertoonde tekenen van herstel, zij het in een lager tempo dan in 2021. Aanhoudende effecten van de pandemie, geopolitieke spanningen en verstoringen in de toeleveringsketen zorgden voor aanzienlijke onzekerheden.

Latijns-Amerika en het Caribisch Gebied:
De economische groei in de regio vertraagde ten opzichte van het robuuste herstel van 7,0% in 2021, als gevolg van inflatiedruk en externe schokken.

Suriname:
Hoewel de mondiale- en regionale economieën herstelden, verliep het lokale economisch herstel in Suriname traag en ongelijkmatig:

- In 2022 groeide het bruto binnenlands product (BBP) van Suriname tot ongeveer 2,4% in vergelijking met -2,4% in 2021, wat duidt op een geleidelijke stabilisatie van de economie.

Macro-economische ontwikkelingen in Suriname

Werkloosheid en arbeidsmarkt:
De werkloosheid daalde van 11,2% in 2021 naar 10,9% in 2022, wat duidt op een toename van de economische activiteit en banengroei, met name in herstellende sectoren zoals detailhandel en de verwerkende industrie. Het huidige werkloosheidspercentage volgens het IMF per november 2024 is 10,3%.

Handelsbalans
De export bleef geconfronteerd met uitdagingen, vooral in de goudsector. De goudproductie bleef onder het niveau van vóór de pandemie, ondanks gunstige wereldprijzen.

Invoer:
De door de inflatie veroorzaakte stijging van de invoer van consumentenproducten hield aan, waardoor de handelsbalans onder druk kwam te staan.

Import:
Inflatiegedreven stijgingen in de invoer van consumptiegoederen hielden aan en zetten de handelsbalans onder druk.

Inflatie en valutadepreciatie
Inflatie:
Hoge inflatie bleef een belangrijk probleem, veroorzaakt door:

- De depreciatie van de Surinaamse dollar (SRD).
- Hogere wereldwijde grondstofprijzen voor olie, granen en andere basisproducten.

Wisselkoers:
Het flexibele wisselkoersregime van de SRD, ingevoerd in 2021, bracht enige stabiliteit, maar maakte de economie ook vatbaar voor aanzienlijke externe schokken.

Monetair en fiscaal beleid
Maatregelen van de Centrale Bank:
De CBvS handhaafde een restrictief monetair beleid, waaronder:

- **Kasreserveverpichting:**
  Handhaven van de 39% SRD-reserveverplichting om de hoeveelheid geld in omloop te beperken en de inflatiedruk te beteugelen.
- **Open Markt Operaties (OMO):**
  Voortgezet gebruik van termijndeposito's om liquiditeit te beheersen.
- **Wisselkoersbeheer:**
  Pogingen om de SRD-wisselkoers te stabiliseren, omvatten strikter toezicht op valutamarkten en beleidscoördinatie met het Ministerie van Financiën en Planning.

IMF-steun:
De driejarige Extended Fund Facility-overeenkomst met het IMF bleef de basis voor het herstelplan van Suriname:

- Tot de doelstellingen behoorden het stabiliseren van de overheidsfinanciën, het terugdringen van de schuld en het beschermen van kwetsbare bevolkingsgroepen.
- Er werden extra tranches van het programma ter waarde van USD 688,8 miljoen uitbetaald, wat voor de nodige liquiditeit zorgde.

Internationale Ratings:
Fitch en Standard & Poor's (S&P) handhaafden hun "Restricted Default" (RD) en "Selective Default" (SD) ratings voor Suriname, wat duidt op aanhoudende uitdagingen inzake de kredietwaardigheid van de Staat Suriname.

Strategische implicaties voor Suriname in 2022

Inflatie stabiliseren:

- Focus op beleid om knelpunten in de toeleveringsketen aan te pakken en de doorwerking van wisselkoersdepreciatie naar consumentenprijzen te verminderen.

Bevorderen van exportgroei:

- Investeringen in sleutelexportsectoren zoals goud- en olieproductie zijn cruciaal om het tekort op de handelsbalans te verminderen.
- Diversificatie-inspanningen moeten prioriteit geven aan duurzame sectoren zoals landbouw en toerisme.

Versterken van Financiële Instellingen:

- Hervormingen in de bankensector moeten blijven focussen op de kwaliteit van leningen en het verbeteren van de toegang tot krediet voor het midden- en kleinbedrijf en huishoudens.
- Samenwerking met internationale instanties om financiële transparantie en anti-corruptiemaatregelen te verbeteren.

Versterken van sociale ondersteuning:

- Gerichte sociale programma's zijn nodig om kwetsbare bevolkingsgroepen te beschermen tegen de impact van inflatie en economische herstructurering.

Conclusie
Het economisch herstel van Suriname bleef in 2022 fragiel, maar vertoonde tekenen van stabilisatie. Verbeteringen op de arbeidsmarkt en door het IMF gesteunde hervormingen legden de basis voor toekomstige groei. De aanhoudende inflatie, de externe kwetsbaarheid en de druk op de begroting benadrukken echter het belang van duurzame beleidsinspanningen.

Voor een veerkrachtig hersteltraject moet de nadruk blijven liggen op diversificatie, hervormingen van de financiële sector en steun voor kwetsbare bevolkingsgroepen.

Door deze uitdagingen strategisch aan te pakken, kan Suriname zijn economische veerkracht versterken en duurzame groei bevorderen.

DIRECTIEVERSLAG

Inleiding

Het jaar 2022 was een cruciale periode van aanpassing en vooruitgang voor DSB. Naarmate de COVID-19-beperkingen werden versoepeld, richtte de bank haar focus op digitalisering en operationele efficiëntie. Een belangrijke strategische beslissing was het beëindigen van avondopenstellingen, waarmee de dienstverlening tijdens reguliere openingsuren werd geoptimaliseerd.

In maart 2022 keurde de CBvS de benoeming van de heer Arjan Molenkamp tot statutair directeur goed. Onder zijn leiding omarmde DSB het principe van de "omgekeerde piramide," wat zorgde voor meer individuele verantwoordelijkheid binnen de organisatie en een grotere nadruk op klantgericht werken. Door deze verschuiving staat de stem van de klant centraal in de besluitvorming en de processen van DSB.

Tot 28 november 2022 bestond de statutaire directie uit de heer René van Rooij en de heer Arjan Molenkamp. Tijdens de AVA van 28 november 2022 werd ook de heer Alexander van Petten voorgedragen als Chief Risk Officer.

DSB blijft trouw aan haar missie om klantgerichtheid, innovatie en verantwoord risicobeheer centraal te stellen in haar activiteiten.

Voortbouwen op vooruitgang: Terugblik op 2022

Met voortzetting van de strategische fundamenten die in 2021 zijn gelegd, boekte DSB aanzienlijke vooruitgang op het gebied van innovatie, klantgerichtheid en operationele uitmuntendheid in 2022. Een voorbeeld van innovatie was de introductie van TellerPOS, waarbij het mogelijk is gemaakt dat klanten contant geld kunnen opnemen aan de balie van de DSB filialen met behulp van POS-apparaten, waardoor handgeschreven formulieren niet meer nodig zijn en de transactie-efficiëntie is verbeterd. Een ander voorbeeld is de lancering van een volledig online aanvraagformulier voor het onboarden van zakelijke klanten, met als resultaat het stroomlijnen van het onboarding proces en het aanbod van een digitale en gebruiksvriendelijke bankervaring aan bedrijven. Deze inspanningen hebben onze diensten verder versterkt en onze activiteiten vereenvoudigd.

Commerciële ontwikkelingen

- **Klantspecifieke segmentatie:**
  DSB bleef haar segmentatiestrategie verfijnen en bood op maat gemaakte diensten en producten aan die aansluiten bij diverse klantbehoeften. Speciale afdelingen zoals Prime Banking en Corporate Clients zorgden voor gespecialiseerde oplossingen voor respectievelijk particuliere en zakelijke klanten.

- **Digitalisering:**
  De uitbreiding van het digitale aanbod verbeterde de flexibiliteit van de dienstverlening en heeft geresulteerd in kortere wachttijden. Verbeterde online aanvraagmodules en gebruiksvriendelijke digitale kanalen kwamen tegemoet aan de veranderende eisen van klanten.

- **Videobankieren:**
  Deze in 2021 geïntroduceerde dienst bleef succesvol, waardoor klanten via video-overleg met relatiebeheerders konden communiceren.

- **Optimalisatie van betaalpassen:**
  Versoepelde processen voor het aanvragen en vervangen van betaalpassen bleven een belangrijk aandachtspunt, waardoor verstoringen van de bankervaring van klanten tot een minimum werden beperkt.

Kostenbeheersing

Inspanningen om activiteiten te centraliseren, te specialiseren en te digitaliseren, leverden in 2022 een aanzienlijke efficiëntiewinst op. Investeringen in technologie verbeterden de klantenservice en versterkten de cyberbeveiliging.

- **Exploitatiekosten:**
  Werden beheerst door optimalisatie van het personeelsbestand en procesverbeteringen, zonder aan de kwaliteit van de dienstverlening in te boeten.

Risicobeheer
Risicobeheer bleef een prioriteit met de volgende initiatieven:

- **Kredietportefeuille:**
  Gericht op het identificeren en beperken van risico's te midden van economische onzekerheden en valutaschommelingen.

- **Incidentbeheer:**
  Verbeterde systemen voor registratie en analyse van incidenten versterkten de naleving en handhaving van procedures.

Prestatiemanagement
Investeren in medewerkers bleef een centrale pijler in de strategie van DSB, met initiatieven zoals:

- **Duidelijke rollen en verantwoordelijkheden:**
  Ingesteld om verantwoordingsplicht en betrokkenheid te vergroten.

- **Opleiding en ontwikkeling:**
  Ondersteund door een robuust Performance Management System dat is afgestemd op strategische doelstellingen.

Financiële prestaties

- **Winst:**
  DSB behaalde in 2022 een winst vóór belasting van SRD 955,4 miljoen, een stijging van 60,0% ten opzichte van SRD 597,3 miljoen in 2021 (bijgesteld).

- **Groei eigen vermogen:**
  Het eigen vermogen steeg met 41,3%, van SRD 1,35 miljard in 2021 naar SRD 1,91 miljard in 2022, wat een sterke financiële basis weerspiegelt.

- **Solvabiliteitsratio:**
  Verbeterde van 13,7% in 2021 naar 22,0% in 2022, ruim boven de wettelijke minimumvereiste van 11,5%.

- **Netto rentebaten:**
  Stegen met 129,4%, gedreven door hogere rendementen uit investeringen.

- **Operationele kosten:**
  Met 6,9% gestegen door investeringen in technologie en infrastructuur. Desondanks verbeterde de kosten-batenratio van 55.6% naar 34,9%, wat wijst op operationele efficiëntie.

Strategische initiatieven en successen

- **Digitale transformatie:**
  Uitgebreide digitale bankplatforms voor meer toegankelijkheid en gebruiksgemak.

- **Risicobeheerkaders:**
  Versterkt om te navigeren door een steeds complexer financieel landschap.

- **Duurzaamheid:**
  ESG-overwegingen geïntegreerd in de bedrijfsvoering, waaruit blijkt dat DSB zich inzet voor waardecreatie op de lange termijn.

Vooruitzichten voor 2023 en daarna
Vooruitkijkend is DSB goed gepositioneerd om te profiteren van de resultaten van 2022. De strategische focus blijft gericht op:

- stimuleren van innovatie en operationele veerkracht.
- verdiepen van klantrelaties.
- benutten van een sterke financiële positie om groeikansen aan te grijpen en het productaanbod te verbeteren.

Door in te spelen op de snelle veranderingen en onzekerheden zal DSB zich blijven inzetten als betrouwbare financiële partner en katalysator voor economische vooruitgang in Suriname.

Conclusie
De financiële resultaten van 2022 benadrukken DSB's veerkracht, strategisch vooruitziende blik en toewijding aan uitmuntendheid. De directie spreekt haar oprechte dank uit aan de medewerkers, klanten en aandeelhouders van DSB voor hun onwrikbare vertrouwen en steun. Tezamen zal de bank toekomstige uitdagingen het hoofd bieden, kansen benutten en haar rol als hoeksteen van het financiële landschap van Suriname verder consolideren.

Namens de directie:

Alexander van Petten – Chief Operations Officer
Waldo Halfhuid – Chief Financial Officer
Ashna Kamta – Chief Risk Officer

REPORT OF THE SUPERVISORY BOARD

This report outlines the tasks performed and responsibilities fulfilled by the Supervisory Board (SB) for the 2022 financial year.

De Surinaamsche Bank N.V. (DSB) applied International Accounting Standard 29 (IAS 29) during the 2022 fiscal year, which is part of the International Financial Reporting Standards (IFRS). IAS 29 provides specific guidelines for financial reporting in hyperinflationary economies and adjusts financial information to account for the effects of hyperinflation, ensuring a more accurate representation of economic value.

Managing Board

In 2022, the Managing Board consisted of Arjan Molenkamp (Acting Chief Executive Officer, CEO), Rene van Rooij (Chief Operations Officer, COO), and Alexander van Petten (was put forward as Chief Risk Office, CRO). Currently, the Managing Board is composed of three statutory directors:

- Alexander van Petten – Chief Operations Officer
- Waldo Halfhuid – Chief Financial Officer
- Ashna Kamta – Chief Risk Officer

With the appointment of three statutory directors, DSB complies with good governance principles and the requirements of the Central Bank of Suriname (CBvS) for a systemically important bank. These requirements mandate that systemically important banks must have at least three statutory directors.

Supervisory Board

The SB was composed as follows in 2022:

- Waddy Sowma – Chairman
- Roy Baidjnath-Panday – Vice Chairman
- Stanley Mathura
- Robert Kasanrawi
- Rishie Parbhudayal
- Nilesh Bishesar
- Jürgen van Ommeren

As of February 17, 2024, the composition of the SB is as follows:

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

Policy and Oversight in Year 2022

In 2022, DSB's transformation process remained a key focus, aiming to strengthen the internal organization and optimize Compliance and Risk Management Functions. Efforts were also made to further improve the bank's sustainable financial position. The increasing demand for uniformity and transparency in financial reporting continues to drive the application of IFRS, enabling the timely publication of annual reports. DSB, together with its external auditors, is committed to resolving the backlog by 2025 and ensuring that, starting in 2026, annual reports will be finalized within six months after the end of the fiscal year."

The SB convened 16 times and participated in various seminars and training sessions throughout 2022. In addition to the aforementioned regular meetings, the SB has also held special meetings without the Managing Board to discuss matters concerning DSB.

Developments during the Financial Year 2022

The income before tax for 2022 was SRD 955.4 million (restated 2021: SRD 597.3 million), an increase of SRD 358.1 million. This improvement is primarily attributed to higher interest income. Solvency/Capital Adequacy Ratio (CAR) increased to 22.0% as of December 31, 2022. All key liquidity ratios remained well above the minimum threshold of 100%.

Supervisory Board Committees

Audit Committee

The Audit Committee (AC) in 2022 consisted of:

- Robert Kasanrawi (Chairman)
- Stanley Mathura
- Rishie Parbudayal
- Jürgen van Ommeren

As of February 17, 2024, the committee is composed of:

- Robert Kasanrawi (Chairman)
- Jürgen van Ommeren
- Judith van der Gugten

The committee met multiple times, including consultations with the external auditor and IT auditors regarding critical risks and internal controls. The responsibilities of the Audit Committee are outlined in the Audit Committee Charter. In 2022, the committee held more than four meetings, including one with the external auditor.

Discussions included recommendations from the Internal Audit Department (IAD), the external auditor, and the Central Bank of Suriname, as well as their follow-ups. Additionally, topics such as the functioning and capacity of the Internal Audit Department, audit reports, and the preparation of audit plans were reviewed.

Risk & Compliance Committee

The Risk & Compliance Committee (RCC) in 2022 consisted of:

- Rishie Parbhudayal (Chairman)
- Stanley Mathura
- Roy Baidjnath-Panday
- Nilesh Bishesar

As of February 17, 2024, the committee is composed of:

- Rishie Parbhudayal (Chairman)
- Roy Baidjnath-Panday
- Jürgen van Ommeren

The committee focused on Risk Management and Compliance, holding four meetings in 2022. Discussions included DSB's risk appetite, tolerance, and monthly compliance reports.

Selection, Appointment and Remuneration Committee

The Selection, Appointment and Remuneration Committee (SARC) in 2022 consisted of:

- Roy Baidjnath-Panday (Chairman)
- Robert Kasanrawi
- Nilesh Bishesar

As of February 17, 2024, the committee is composed of:

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

The committee held multiple meetings in 2022, focusing on remuneration policies, organizational structure, and key staffing decisions.

Performance Evaluation

The SB conducted periodic self-evaluations to ensure compliance with statutory and regulatory requirements. The SB's performance was deemed satisfactory, with room for improvement.

Compensation

The Shareholder's Meeting determines the remuneration of the SB. The total remuneration in 2022 was SRD 1.0 million.

Financial Statements and

Profit Distribution Proposal
In compliance with Article 22 of the Articles of Association, we report as follows regarding the 2022 consolidated financial statements of DSB.

We have reviewed the Consolidated Statement of Profit and Loss, Consolidated Statement of Comprehensive Income, Consolidated Statement of Financial Position, Consolidated Statement of Changes in Equity and Consolidated Statement of Cash Flows, along with related disclosure notes.

These consolidated financial statements, together with the auditor's report from Ernst & Young Suriname, are submitted for approval. The consolidated net profit after tax for 2022 amounted to SRD 504.1 million.

As a result of the aforementioned outcome, the freely distributable reserves, retained earnings, have risen to SRD 59.1 million (restated 2021: SRD -494.3 million). However, the SB deems this amount insufficient to justify the distribution of dividends.

Outlook
The transformation process at DSB continues to show progress. Enhanced Risk Management and the resolution of non-performing loans have further strengthened financial stability. The SB is confident in DSB's solid and sustainable future.

Acknowledgment
The SB expresses gratitude to the Managing Board, employees, customers, and shareholders of DSB for their trust and commitment to DSB.

On behalf of the SB:
- Nilesh Bishesar – Chairman
- Roy Baidjnath-Panday – Vice Chairman
- Robert Kasanrawi
- Rishie Parbhudayal
- Jürgen van Ommeren
- Judith van der Gugten

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 the 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 Shareholder's Meeting (AVA) 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 AVA 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.

Shareholder's Meeting (AVA)

The AVA 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 to:

- **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 De Surinaamsche Bank N.V. since 2021 and since 2023 Chairman of the Board;
- Since 2012, managing Director of Qualogy Caribbean;
- From 2010 to 2012, Commercial 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;
- From 2022 to 2024, Board member of the ICT Association;
- 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 De Surinaamsche Bank N.V. since 2021 and since 2022 also Vice President of the Board;
- Chairman of the Selection, Appointment, and Remuneration Committee (SARC); and member of the Risk & Compliance Committee (RCC);
- Since 2021, Chairman of the Project Implementation Unit for Anti-Money Laundering for Suriname;
- Until 2021, Chairman of the National Anti-Money Laundering Committee and Suriname's representative at the Caribbean Financial Action Task Force;
- From 2014 to 2021, served as the Prosecutor General;
- Possesses over 35 years of experience in various leadership positions within the Judiciary, including Attorney General and Chief Prosecutor;
- Chairman and member of various advisory committees and boards in the field of Law and Justice;
- Holds a master's degree in law from the University of Paramaribo and a diploma in Human Rights from the University of Curaçao

ROBERT KASANRAWI

Supervisory Board Member

- Member of the Supervisory Board of De Surinaamsche Bank N.V. 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.;
- Served as the Chairman of Stichting Pensioenfonds C. Kersten & Co. from 2017 to 2018;
- Held various financial positions, including Financial Manager and Managing Director, at CKC Motors Co N.V. from 2005 to 2017;
- Worked as Finance Manager at Kersten Lease N.V. from 2012 to 2017;
- Holds a Master's Degree in Business Administration and Management Accounting from FHR Institute/School of Management & University of Maastricht.

RISHIE PARBHUDAYAL

Supervisory Board Member

- Member of the Supervisory Board of De Surinaamsche Bank N.V. since 2020;
- Serves as the Chairman of the Risk Committee (RCC), and is a member of the Selection, Appointment, and Remuneration Committee (SARC) and the Audit Committee (AC);
- Has been the 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.;
- Is Managing Director of Assuria Life Curacao since October 2023;
- Serves as a Board Member/Secretary of the Surinamese Stock Exchange;
- Is a member of the Actuarial Society in the Netherlands (AG) and the Caribbean Actuarial Association (CAA);
- Holds a Doctoral Degree in Actuarial Sciences and Econometrics;
- Has over 27 years of experience in the Financial Sector.

JÜRGEN VAN OMMEREN

Supervisory Board Member

- Is a member of the Supervisory Board of De Surinaamsche Bank N.V. since 2021;
- Serves as the Chairman of the Risk Committee (RCC), and is a member of the Audit Committee (AC);
- Has been the Finance Manager at CKC Machinehandel Surmac N.V. since 2012;
- Worked as an audit team leader at Ernst & Young Accountants (Amsterdam) from 2010 to 2012;
- Was an audit team member at BDO CampsObers Accounts & Adviseurs from 2007 to 2010;
- Holds a master's degree in accounting & Control, a postgraduate diploma in Accountancy from Vrije Universiteit Amsterdam and is a Registered Accountant (RA) accredited by the Dutch Institute of Chartered Accountants (NBA) following the completion of the professional training program for accountants in Amsterdam.

JUDITH VAN DER GUGTEN

Supervisory Board Member

- Member of the Supervisory Board of De Surinaamsche Bank N.V. since December 2023;
- Is a member of the Audit Committee (AC) and the Selection, Appointment, and Remuneration Committee (SARC);
- Working independently as a consultant since 2012;
- Served as director of SJSSN (now CDR) from 2007 to 2012;
- Part-time lawyer at Sewcharan & Pick since August 2023;
- Serves as a Member of the Accreditation Council of NOVA (National Accreditation Body) on behalf of VSB since September 2021;
- Serves as a deputy member of the Labor Advisory College (AAC) on behalf of VSB since 2016;
- Holds a doctoral degree in Dutch Law obtained from Erasmus University Rotterdam and is a professionally trained Mediator.

PROFILES MANAGING BOARD

ALEXANDER VAN PETTEN

Chief Operations Officer

- Appointed as Chief Operations Officer in 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 as Chairman of the Surinamese Bankers Association since October 2023;
- Is Member of the Supervisory Board of BNETS;
- Is Board Member of Stichting Garantiefonds voor Bedrijfskredieten.

WALDO HALFHUID

Chief Financial Officer

- Joined DSB in August 2023 as Chief Financial Officer;
- From 2018 to 2023, served as Senior Advisor Regulatory Reporting Policies at ING Bank;
- Held various Finance positions at NIBC Bank from 1999 to 2018, 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);
- Is Chairman of the Banking Security Association Suriname (SBBDS);
- Is Member of the Supervisory Board of DAVG.

ASHNA KAMTA

Chief Risk Officer

- Appointed as Chief Risk Officer in September 2024;
- 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 (CMTA);
- Participates in the Suriname Conservation Foundation Green Partnership Program as a DSB delegate.

THE WORLD AROUND US

In 2022, Suriname faced persistent economic challenges within a gradually recovering global landscape. Although the effects of the COVID-19 pandemic were less pronounced compared to previous years, they continued to influence key economic sectors. The ongoing IMF-backed recovery program played a crucial role in stabilizing the country's economy.

Global and Regional Economic Context

Global Growth:

The global economy exhibited signs of recovery, albeit at a slower pace than in 2021. Lingering effects of the pandemic, geopolitical tensions, and supply chain disruptions created significant uncertainties.

Latin America and the Caribbean:

Economic growth in the region decelerated from the robust recovery of 7.0% in 2021, as inflationary pressures and external shocks weighed on performance.

Suriname:

While global and regional economies rebounded, Suriname's local economic recovery was slow and uneven:

- In 2022, Suriname's Gross Domestic Product (GDP) experienced a recovery, growing to approximately 2.4% compared to 2021, indicating a gradual stabilization of the economy.

Macroeconomic Developments in Suriname

Unemployment and Labor Market Dropped from 11.2% in 2021 to 10.9% in 2022, reflecting increased economic activity and job creation, particularly in recovering sectors like retail and manufacturing. The current unemployment rate according to IMF as of November 2024 is 10.3%.

Trade Balance

Exports:

Continued to face challenges, particularly in the gold sector. Gold production remained below pre-pandemic levels, despite favorable global prices.

Imports:

Inflation-driven increases in consumer product imports persisted, straining the trade balance.

Inflation and Currency Depreciation

Inflation:

Elevated inflation remained a major concern, driven by:

- Depreciation of the Surinamese Dollar (SRD).
- Higher global commodity prices for oil, grains, and other essentials.

Exchange Rate:

The SRD's flexible exchange rate regime, introduced in 2021, brought some stability but also exposed the economy to significant external shocks.

Monetary and Fiscal Policies Central Bank Measures

The CBvS maintained restrictive monetary policies, including:

- **Cash Reserve Requirements:** Maintaining a 39% SRD reserve requirement to limit money supply and curb inflationary pressures.
- **Open Market Operations (OMO):** Continued use of term deposit auctions to manage liquidity.
- **Exchange Rate Management:** Efforts to stabilize the SRD exchange rate included tighter control of foreign exchange markets and policy coordination with the Ministry of Finance.

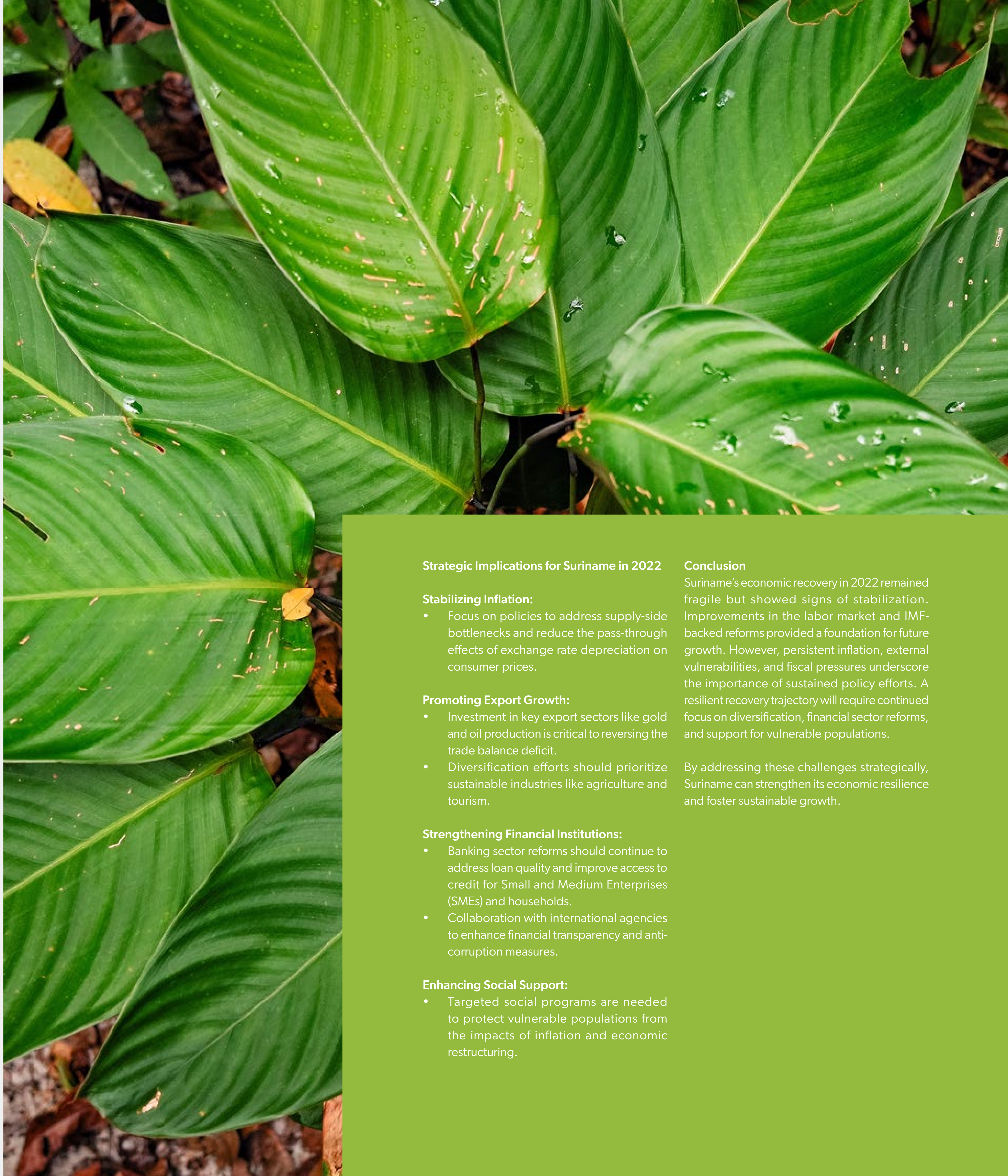
IMF Support

The three-year Extended Fund Facility agreement with the IMF continued to anchor Suriname's recovery plan:

- Goals included stabilizing public finances, reducing debt, and protecting vulnerable populations.
- Additional tranches of the USD 688.8 million program were disbursed, providing vital liquidity.

International Ratings

Fitch and S&P Global maintained their Restricted Default (RD) and Selective Default (SD) ratings for Suriname, underscoring continued challenges in sovereign creditworthiness.



Strategic Implications for Suriname in 2022

Stabilizing Inflation:

- Focus on policies to address supply-side bottlenecks and reduce the pass-through effects of exchange rate depreciation on consumer prices.

Promoting Export Growth:

- Investment in key export sectors like gold and oil production is critical to reversing the trade balance deficit.
- Diversification efforts should prioritize sustainable industries like agriculture and tourism.

Strengthening Financial Institutions:

- Banking sector reforms should continue to address loan quality and improve access to credit for Small and Medium Enterprises (SMEs) and households.
- Collaboration with international agencies to enhance financial transparency and anti-corruption measures.

Enhancing Social Support:

- Targeted social programs are needed to protect vulnerable populations from the impacts of inflation and economic restructuring.

Conclusion

Suriname's economic recovery in 2022 remained fragile but showed signs of stabilization. Improvements in the labor market and IMF-backed reforms provided a foundation for future growth. However, persistent inflation, external vulnerabilities, and fiscal pressures underscore the importance of sustained policy efforts. A resilient recovery trajectory will require continued focus on diversification, financial sector reforms, and support for vulnerable populations.

By addressing these challenges strategically, Suriname can strengthen its economic resilience and foster sustainable growth.

Financial Summary and Key Financial Indicators 2022 - 2021

in thousand SRD for the year ended 31 December	2022	2021*
Financial Results		
Net interest income	1,685,060	734,545
Fees and commissions	250,072	296,400
Other operating income	326,014	297,784
Operating expenses	(789,568)	(738,436)
Impairment gains/(losses) from changes in the expected credit loss	(33,966)	236,410
Net income before tax and (loss) or gain on monetary position	1,437,612	826,703
Net income	**504,070**	**559,994**
Financial Position		
Cash and balances with central banks	10,636,990	10,387,082
Due from banks	5,961,113	6,295,296
Loans and advances to customers	4,578,941	4,675,685
Purchased originated credit impaired financial assets	1,997,561	2,714,673
Other assets	3,387,555	3,557,314
Total Assets	**26,562,160**	**27,630,050**
Due to customers	22,440,838	24,136,421
Due to banks	266,211	501,400
Other liabilities	1,940,370	1,637,233
Shareholder's Equity	1,914,741	1,354,996
Total Liabilities and Equity	**26,562,160**	**27,630,050**
Financial Indicators		
Return on Equity (RoE)	30.8%	51.4%
Return on Assets (RoA)	1.9%	1.9%
Personnel expenses/total income	20.8%	29.4%
Personnel expenses/total expenses	59.6%	52.9%
Cost to income ratio	34.9%	55.6%
Solvency ratio	22.0%	13.7%
Earnings per share	13.4	14.8
Price to Earnings Ratio (P/E)	0.7	0.6
Number of employees at a full-time equivalent basis	416	436

*2021 balances were adjusted in line with IAS 29 Hyperinflation (see Note 4.25). The comparative information has also been restated as a result of the change in accounting policy applied for revalued properties (see Note 4.26).

MANAGEMENT REPORT

Introduction

The year 2022 was a pivotal period of adjustment and progress for DSB. As COVID-19 restrictions eased, 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.

In March 2022, the CBvS approved the appointment of Mr. Arjan Molenkamp to the statutory Managing Board. Under his leadership, DSB embraced the principle of the "inverted pyramid," fostering greater individual responsibility within the organization and a heightened emphasis on customer-centric operations. This shift placed the customer's voice at the core of DSB's decision-making and processes.

Until November 28, 2022, the statutory Managing Board consisted of Mr. René van Rooij and Mr. Arjan Molenkamp. During the AVA of 28 November 2022, Mr. Alexander van Petten was also put forward as Chief Risk Officer.

DSB remains steadfast in its mission to prioritize customer focus, innovation, and responsible Risk Management at the heart of its operations.

Continuing the Path of Progress: 2022 in Review

Building on the strategic foundations laid in 2021, DSB made significant progress in innovation, customer-centricity, and operational excellence throughout 2022. One example of innovation was the introduction of TellerPOS, enabling customers to perform cash withdrawal seamlessly at the counter of our branches using POS devices, eliminating the need for handwritten forms and enhancing transaction efficiency. Another example is the launch of a fully online web application for onboarding corporate clients, streamlining the onboarding process and empowering businesses with a digital and more convenient banking experience. These efforts further strengthened our services and streamlined our operations.

Commercial Developments

- **Customer Segmentation:**
  DSB continued to refine its segmentation strategy, tailoring services and products to meet diverse customer needs. Dedicated departments such as Prime Banking and Corporate Clients ensured specialized solutions for private and business clients, respectively.

- **Digitalization:**
  The expansion of digital offerings improved service flexibility and reduced wait times. Enhanced online application modules and user-friendly digital channels catered to the evolving demands of customers.

- **Video Banking:**
  Introduced in 2021, this service continued to thrive, offering prime customers the convenience of video consultations with relationship managers.

- **Debit Card Optimization:**
  Streamlined processes for debit card applications and replacements remained a focal point, minimizing disruptions to customer banking experiences.

Cost Control

Efforts to centralize, specialize, and digitalize operations yielded substantial efficiency gains in 2022. Investments in technology improved customer service and fortified cybersecurity.

- **Operational Costs:**
  Controlled through workforce optimization and process improvements, ensuring quality services without compromise.

Risk Management

Risk Management remained a priority, with the following key initiatives:

- **Credit Portfolio:**
  Focused on identifying and mitigating risks amid economic uncertainties and currency fluctuations.

- **Incident Management:**
  Enhanced systems for effective registration and analysis of incidents strengthened compliance and procedural enforcement.

Performance Management

Investing in employees remained central to DSB's strategy, with initiatives that included:

- **Clear Roles and Responsibilities:**
  Defined to enhance accountability and engagement.

- **Training and Development:**
  Supported through a robust Performance Management System aligned with strategic objectives.

Financial Performance

- **Profit:**
  DSB achieved a pre-tax profit of SRD955.4 million in 2022, a 60.0% increase compared to SRD 597.3 million in 2021 (restated).

- **Equity Growth:**
  Equity rose by 41.3%, from SRD 1.35 billion in 2021 to SRD 1.91 billion in 2022, reflecting a robust financial foundation.

- **Capital Adequacy Ratio (CAR):**
  Improved from 13.7% in 2021 to 22.0% in 2022, well above the regulatory minimum of 11.5%.

- **Net Interest Income:**
  Grew by 129.4%, driven by higher returns from investments.

- **Operating Expenses:**
  Increased by 6.9% due to investments in technology and infrastructure. Despite this, the cost-to-income ratio improved from 55.6% to 34.9%, underscoring operational efficiency.

Strategic Initiatives and Achievements

- **Digital Transformation:**
  Expanded digital banking platforms for greater accessibility and convenience.

- **Risk Management Frameworks:**
  Enhanced to navigate an increasingly complex financial landscape.

- **Sustainability:**
  Integrated Environmental, Social, and Governance (ESG) considerations into business operations, demonstrating DSB's commitment to long-term value creation.

Outlook for 2023 and beyond

Looking forward, DSB is well-positioned to capitalize on its 2022 achievements. The strategic focus will remain on:

- Driving innovation and operational resilience.
- Deepening customer relationships.
- Leveraging a strong financial position to seize growth opportunities and enhance product offerings.

Adapting to rapid changes and uncertainties, DSB will continue to uphold its commitment to being a trusted financial partner and catalyst for economic progress in Suriname.

Conclusion

The financial results of 2022 highlight DSB's resilience, strategic foresight, and dedication to excellence. The Managing Board extends its deepest gratitude to the employees, clients, and shareholders of DSB for their unwavering trust and support. Together, the bank will navigate future challenges and opportunities, solidifying its role as a cornerstone of Suriname's financial landscape.

On behalf of the Managing Board

Alexander van Petten – Chief Operations Officer
Waldo Halfhuid – Chief Financial Officer
Ashna Kamta – Chief Risk Officer

ERNST & YOUNG SURINAME, Branche
Ernst & Young Participaties N.V.
Cornelis Jongbawstraat 17
Paramaribo
Suriname

Tel: +597 7499460
ey.com

Building a better working world

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 2022 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 a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Group as at 31 December 2022 and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

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.

Building a better working world

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 32% 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.

Building a better working world

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 2022 Annual Report

Other information consists of the information included in the Group's 2022 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 will 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 Supervisory Board 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 as issued by the International Accounting Standards Board, 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 Supervisory Board 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.

Building a better working world

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 Supervisory Board 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.

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)

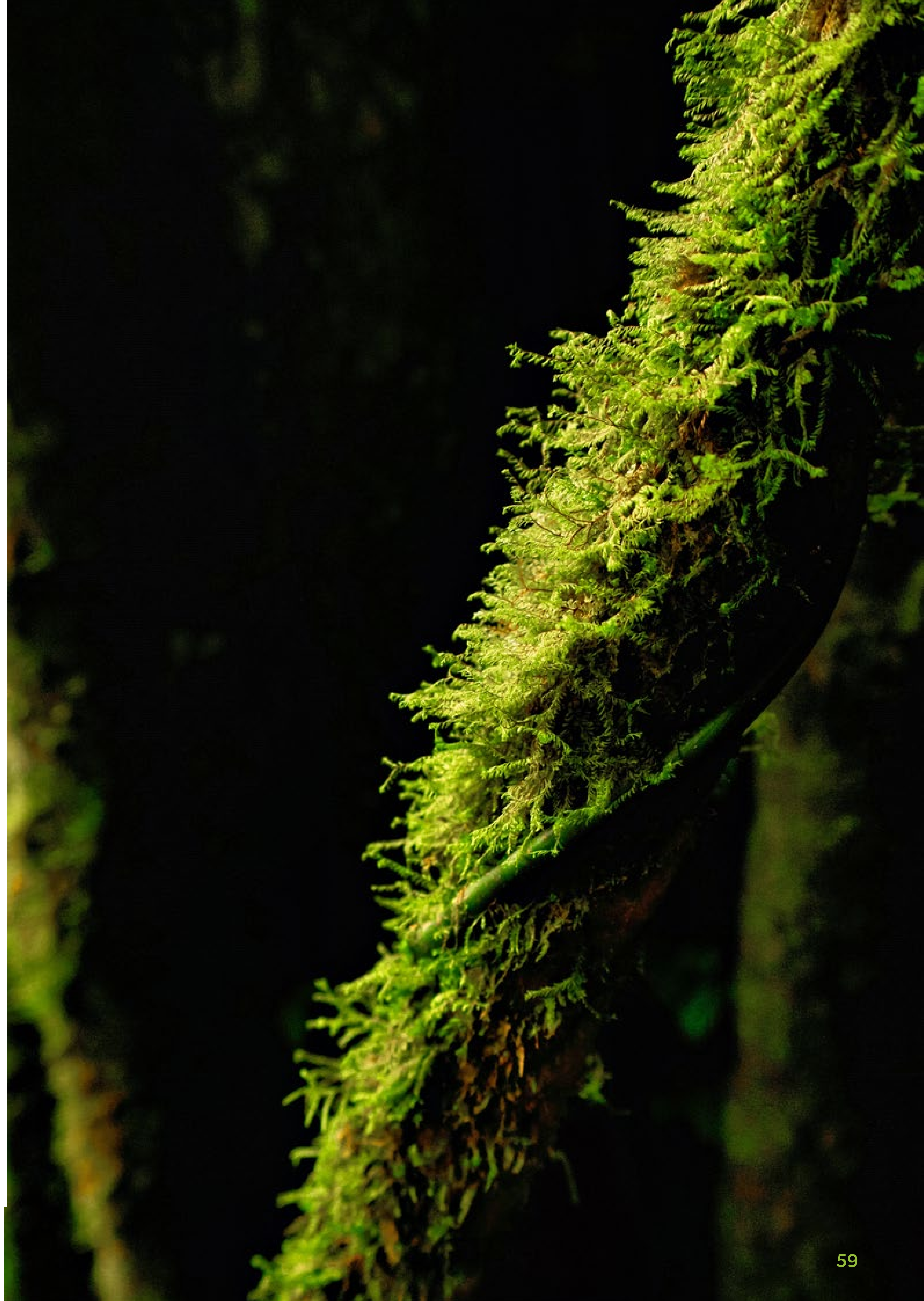
We also provide the Supervisory Board with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate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

From the matters communicated with the Supervisory Board, 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.

Yours sincerely,

Andrew Tom
Partner for and on behalf of
Ernst & Young Suriname

Paramaribo, 5 December 2024
12089303 ATO/25041



DSB Consolidated Financial Statements 2022

Consolidated Statement of Profit and Loss

in thousand SRD for the year ended 31 December	Notes	2022	2021* (Restated)
Interest income calculated using the effective interest method	8	1,972,463	1,166,090
Interest expense calculated using the effective interest method	9	(287,403)	(431,545)
Net interest income		1,685,060	734,545
Fee and commission income	10	277,587	322,966
Fee and commission expense		(27,515)	(26,566)
Net fee and commission income		250,072	296,400
Net trading income/(loss)	11	11,074	(78,535)
Impairment (losses)/gains from changes in the expected credit loss	12	(33,966)	236,410
Net loss on financial assets and liabilities at fair value through profit or loss	13	(183)	(46,547)
Other operating income	14	315,123	422,866
Net operating income		**2,227,180**	**1,565,139**
Personnel expenses	15	(470,202)	(390,529)
Depreciation of property, equipment and right-of-use assets	26	(25,258)	(35,933)
Amortization of intangible assets	28	(3,598)	(45,882)
Other operating expenses	16	(290,510)	(266,092)
Total operating expenses		(789,568)	(738,436)
Net income before tax and net monetary loss		**1,437,612**	**826,703**
Loss on net monetary position	4.25	(482,241)	(229,402)
Net income before tax		**955,371**	**597,301**
Income tax expense	17.1	(451,301)	(37,307)
Net income after tax		**504,070**	**559,994**

Earnings per share			
Equity shareholders of the parent for the year:	**Notes**		
Basic earnings per share	34.1	13.36	14.84
Diluted earnings per share	34.1	13.36	14.84

*2021 balances were adjusted in line with IAS 29 Hyperinflation (see Note 4.25). The comparative information has also been restated as a result of prior period adjustments applied for revalued properties and related impact on other account balances (see Note 4.26).

Consolidated Statement of Comprehensive Income

in thousand SRD for the year ended 31 December	Notes	2022	2021* (Restated)
Net income after tax		**504,070**	**559,994**
Other comprehensive income that will not be reclassified to profit and loss in subsequent periods, net of tax			
Remeasurement gain on defined benefit plans	33	49,301	9,104
Revaluation of properties	26	6,374	(40,021)
Net other comprehensive income that will not be reclassified to profit and loss in subsequent periods, net of tax		55,675	(30,917)
Other comprehensive income for the year, net of tax		55,675	(30,917)
Total comprehensive income for the year, net of tax		**559,745**	**529,077**

Attributable to:			
Equity holders of the parent		559,745	529,077
Total		**559,745**	**529,077**

*2021 balances were adjusted in line with IAS 29 Hyperinflation (see Note 4.25). The comparative information has also been restated as a result of prior period adjustments applied for revalued properties and related impact on other account balances (see Note 4.26).

Consolidated Statement of Financial Position

in thousand SRD as of 31 December	Notes	2022	2021* (Restated)
Assets			
Cash and balances with central banks	18	10,636,990	10,387,082
Due from banks	19	5,961,113	6,295,296
Financial assets at fair value through profit or loss	21.2	336	519
Current tax assets	17.2	-	3,005
Loans and advances to customers	22	4,578,941	4,675,685
Purchased or originated credit impaired financial assets	23	1,997,561	2,714,673
Debt instruments at amortized cost	24	2,031,429	2,253,845
Investments in associates	21.3	47,768	42,766
Other assets	25	272,903	272,437
Property and equipment and right-of-use assets	26	988,696	964,290
Investment properties	27	11,143	10,615
Intangible assets	28	35,280	9,837
Total Assets		**26,562,160**	**27,630,050**
Liabilities			
Due to banks	20	266,211	501,400
Due to customers	29	22,440,838	24,136,421
Current tax liabilities	17.2	368,159	4,439
Other liabilities	30	366,475	403,983
Debt issued and other borrowed funds	31	325,570	331,265
Provisions	32.1	25,447	25,045
Net employee defined benefit liabilities	33	323,639	379,978
Deferred tax liabilities	17.3	531,080	492,523
Total liabilities		**24,647,419**	**26,275,054**
Equity attributable to equity holders of parent			
Issued capital	34	15,952	15,952
Issued equity instruments	35	139,191	139,191
Share premium	34	1,372,651	1,372,651
Retained earnings/(Unrelieved losses)		59,117	(494,254)
Revaluation reserve		327,830	321,456
Total equity		**1,914,741**	**1,354,996**
Total liabilities and equity		**26,562,160**	**27,630,050**

*2021 balances were adjusted in line with IAS 29 Hyperinflation (see Note 4.25). The comparative information has also been restated as a result of prior period adjustments applied for revalued properties and related impact on other account balances (see Note 4.26).

Managing Board

W. Halfhuid
Chief Financial Officer

A. van Petten
Chief Operating Officer

A. Kamta
Chief Risk Officer

Supervisory Board

N. Bishesar I
Chairman

R. Baidjnath-Panday
Vice Chairman

R. Kasanrawi
Member

R. Parbhudayal
Member

J. van Ommeren
Member

J. Van der Gugten
Member

Consolidated Statement of Changes in Equity

for the year ended 31 December 2022

in thousand SRD	Issued capital	Issued equity instruments	Share premium	Retained earnings/ (Unrelieved losses)	Revaluation reserve	Total equity	Total equity attributable to parent
As of 1 January 2022	**15,952**	**139,191**	**1,372,651**	**(494,254)**	**321,456**	**1,354,996**	**1,354,996**
Result of the year	-	-	-	504,070	-	**504,070**	**504,070**
Remeasurement gain on defined benefit plans	-	-	-	49,301	-	**49,301**	**49,301**
Revaluation of properties	-	-	-	-	6,374	**6,374**	**6,374**
Total comprehensive income	**-**	**-**	**-**	**553,371**	**6,374**	**559,745**	**559,745**
As of 31 December 2022	**15,952**	**139,191**	**1,372,651**	**59,117**	**327,830**	**1,914,741**	**1,914,741**

for the year ended 31 December 2021*

in thousand SRD	Issued capital	Issued equity instruments	Share premium	Retained earnings/ (Unrelieved losses)	Revaluation reserve	Total equity	Total equity attributable to parent
As of 1 January 2021	**10,321**	**90,055**	**888,087**	**(736,347)**	**122,981**	**375,097**	**375,097**
Restatements/prior period adjustments (see Note 4.26)	-	-	-	62,010	131,746	**193,756**	**193,756**
As of 1 January 2021 (Restated)	**10,321**	**90,055**	**888,087**	**(674,337)**	**254,727**	**568,853**	**568,853**
Result of the year	-	-	-	559,994	-	**559,994**	**559,994**
Remeasurement gain on defined benefit plans	-	-	-	9,104	-	**9,104**	**9,104**
Revaluation of properties	-	-	-	-	(40,021)	**(40,021)**	**(40,021)**
Total comprehensive income	**-**	**-**	**-**	**569,098**	**(40,021)**	**529,077**	**529,077**
Hyperinflation impact	5,631	49,136	484,564	(389,015)	106,750	**257,066**	**257,066**
As of 31 December 2021	**15,952**	**139,191**	**1,372,651**	**(494,254)**	**321,456**	**1,354,996**	**1,354,996**

*2021 balances were adjusted in line with IAS 29 Hyperinflation (see Note 4.25). The comparative information has also been restated as a result of prior period adjustments applied for revalued properties and related impact on other account balances (see Note 4.26).

Consolidated Statement of Cash Flows

in thousand SRD for the year ended 31 December	Notes	2022	2021* (Restated)
Net income before tax		**955,371**	**597,301**
Adjustments for:			
Operating activities			
Change in operating assets	38	923,913	2,664,587
Change in operating liabilities	38	(1,940,938)	(3,930,187)
Depreciation and amortization	26,28	28,720	81,815
Interest and additions on lease liabilities	30	978	134
Foreign exchange on lease liabilities	30	7,109	7,812
Net (gain)/loss from investing activities	38	(2,457,596)	2,102,004
Exchange and other adjustments		5,122	3,384
Revaluation/impairment	16	(32,162)	14,227
Monetary effects of income tax	17.1	(81,696)	(1,323)
Taxes paid	17.2	(761)	(481)
Net cash (used in)/from operating activities		**(3,547,311)**	**941,972**
Investing activities			
Purchase of property and equipment	26	(9,572)	(13,636)
Proceeds from sale of property and equipment	26	1,636	5,373
Purchase of intangible assets	28	(29,041)	(10,539)
Net cash flows used in investing activities		**(36,977)**	**(18,802)**
Financing activities			
Movements on subordinated loan	38	(5,696)	(32,510)
Repayment of principal portion of lease liabilities	30	(14,333)	(23,219)
Net cash flows used in financing activities		**(20,029)**	**(55,729)**
Net (decrease)/increase in cash and cash equivalents		(2,648,946)	1,464,742
Cash and cash equivalents as of 1 January	18,19	8,753,454	7,288,712
Cash and cash equivalents as of 31 December	38	**6,104,508**	**8,753,454**
Additional information on operational cash flows from interest and dividends			
Interest paid	9	(308,325)	(478,852)
Interest received	8	1,770,219	1,228,374

*2021 balances were adjusted in line with IAS 29 Hyperinflation (see Note 4.25). The comparative information has also been restated as a result of prior period adjustments applied for revalued properties and related impact on other account balances (see Note 4.26).

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, 2022, were authorized for issue per resolution of the directors on December 3, 2024. 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 International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). 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 at December 31, 2022 and for the year then ended, the Group reported a net income after tax of SRD 504.1 million (2021: SRD 560.0 million restated) and had excess total assets over total liabilities of SRD 1,914.7 million (2021: SRD 1,355.0 million restated); in addition, as of December 31, 2022, the Group has reported retained earnings of SRD 59.1 million (2021: unrelieved losses of SRD 494.3 million, restated)
- DSB has a positive equity position of SRD 1,914.7 million with a corresponding capital adequacy ratio of 22.0% in fiscal year 2022 (2021:13.7% 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) shows DSB has sufficient liquidity to meet both short-term and long-term obligations, also, in case of episodes 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 impact of the macroeconomic and geopolitical environment has worsened inflationary pressures in most economies around the world. As the world continues to recover from the effects of Covid-19, the country's economy returned to a modest growth in 2022 with real GDP expanding by 2.4% per World Bank. However, the effects of higher commodity and food prices on the country's import-dependent economy coupled with rapid exchange rate depreciation remained a major burden.

To help restore economic stability, several monetary measures were executed. This includes the implementation of a flexible currency system driven by the market, the tightening of money supply by increasing cash reserve requirements for SRD from 35% to 39%, and the carrying out of Open Market Operations (OMOs) by offering term deposits or securities via an auction system to reduce SRD money supply. Moreover, in December 2021, the International Monetary Fund (IMF) approved the 36-month Extended Fund Facility (EFF), which contingent on the government's implementation of prior actions and fulfillment of all relevant Fund policies, gives Suriname an access to SDR 472.8 million (about USD 688 million or 366.8 percent of quota). As of 2022, USD$55M was made immediately available. The release of succeeding tranches depends upon the result of a satisfactory review. This arrangement will support Suriname's economic reform program of fiscal consolidation and pave the way for an orderly sovereign debt restructuring.

The year 2022 was a pivotal period of adjustment and progress for De Surinaamsche Bank N.V. (DSB). As COVID-19 restrictions eased, 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 derivative financial instruments, 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) issued by the International Accounting Standards Board (IASB).

4 Summary of significant accounting policies
The following provides a summary of the significant 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 at 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 at the reporting date. All foreign exchange differences arising from non–trading activities are taken to 'Other operating income/expenses' 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 exchange or settlement of monetary items are recognized in the consolidated statement of profit and loss under the heading of 'Other Operating income/expenses'. Transactions affecting the income statement are recorded at spot exchange rate at the date of the transaction.

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

Closing Exchange Rates	December 31, 2022	December 31, 2021	December 31, 2020	December 31, 2019
1 USD	31.81	20.74	14.16	7.49
1 EUR	33.94	23.55	17.38	8.41

The SRD exchange rate experienced a significant devaluation starting in 2020. Additionally, the three-year cumulative inflation exceeded 100% beginning in 2021, classifying Suriname as a hyperinflationary economy under IAS 29. For further details on hyperinflation, please refer to Note 4.25.

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/(loss)'. 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 associate 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 net assets of the associate since the acquisition date.

The consolidated statement of profit and loss reflects DSB's share of the results of 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 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 judgements, 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 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 once at the beginning of the agreement for a period of 12 months and are processed every month to the consolidated statement of profit and loss.

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 obligations 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 runs 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. Deposit fee for securities regards 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 letter of credits 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 overtime. 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 fee are monthly and daily service charge on current accounts. The performance obligation is satisfied over time starting 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 confirmations 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: These, regards 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, manually 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 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 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 are recognized in the consolidated statement of financial position arising from revenue from contracts with customers:

- Fees and commissions receivables included under 'Other assets', which represent DSB's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). These are measured at amortized cost and subject to the impairment provisions of IFRS 9.

- 'Unearned fees and commissions' 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 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/(loss)

Net trading income/(loss) includes all gains and losses from changes in fair value and the related interest income or expense and dividends, for financial assets and financial liabilities held for trading. Furthermore, this 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 section 4.10.1; or
- FVTPL, as set out section 4.10.4

DSB classifies and measures its derivative and trading portfolio at FVTPL. DSB may designate financial instruments at FVTPL, if so doing 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 in exchange rate results 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, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by 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 regards 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 which 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 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 measurement, 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 for valuation of significant assets, such as land and buildings, investment properties and unquoted financial assets, and significant liabilities. 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 agreeing the information in the valuation computation to 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 (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 judgement and considers relevant factors such as the currency in which the financial asset is denominated, and the period for which the interest rate is set.

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

DSB entered into derivative transactions with various counterparties. The derivative portfolio of DSB consists of foreign currency swaps. These derivatives are recorded at fair value and carried as assets when their fair value is positive and as liabilities when their fair value is negative. All these derivatives are OTC instruments. Changes in the fair value of derivatives are included in the consolidated statement of profit and loss line item 'Net gain or (loss) on financial assets and liabilities at fair value through profit or loss'. In 2022 and 2021, all outstanding foreign currency swap contracts have matured.

4.10.3 Debt issued and other borrowed funds
After 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 liability 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 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 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, are 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 either a change in the terms of the contract which significantly modifies the cash flows that would otherwise require a reclassification of a financial instrument in a different category (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 arrangements 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 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 section 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 section 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 section 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 card 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 section 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 cards 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 the 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 adjustment 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 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 which is subject to ECL, are included in the measurement of those ECL. On this basis, the fair value of collateral affects the calculation of ECL. Collateral is generally assessed, at a minimum, at inception and reassessed on a yearly basis. However, some collateral, for example, cash, is valued daily. Details of the impact of the DSB 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 to otherwise enforce 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, comprises of cash on hand, cash in transit, non–restricted current accounts with Central Banks and amounts due from banks on demand (Note 18 and 19). Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash, and which 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 has lease contracts for ATM-machines, company vehicles and parking spaces. 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 is 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 made, 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 within 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
Property such as land and buildings are regularly assessed for revaluation. Valuations are performed with sufficient frequency to ensure that the carrying amount of a revalued asset does not differ materially from its fair value. In such a case they are measured at historical cost. Accumulated depreciation and impairment losses are recognized after the date of revaluation. Revaluations are only recognized if these are according to IFRS 13 Fair value measurement. A revaluation surplus is recorded in other comprehensive income 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 consolidated statement of profit and loss. A revaluation deficit is recognized in the profit or loss, except to the extent that it offsets an existing surplus on the same asset recognized in the asset revaluation surplus.

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. 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 consolidated statement of profit and loss in the period in which they arise, including the corresponding tax effect. Fair values are determined 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 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, existence of a significant financing component, non-cash consideration, and 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 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 consolidated statement of profit and loss in the period in which the expenditure is incurred.

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

An intangible asset is derecognized upon disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated statement of profit and loss. See Note 28 for further details on the intangible assets.

4.16 Impairment of non-financial assets

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

- Property and 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 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 at 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 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, 2022, DSB operated a defined benefit pension plan, in which contributions are made to a separately 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 offers the employees benefits that are at least equal to the benefits under the general pension plan. DSB recorded additional provisions to conform with the local pension act. The cost of providing benefits under the defined benefit plans is actuarially determined using the projected unit credit method. The retirement benefits cost comprises of service cost, net interest on the net defined benefit liability or asset and remeasurements of 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 consolidated statement of profit and loss in subsequent periods.

Past service costs are recognized in 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 established 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 reclassed 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 close relative of the natural person has control or joint control of Group, has significant influence or is one of the managers at a key position within Group. A related party transaction is a transfer of resources, services or obligations between 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 IFRS 3 Business Combinations – Amendments in Reference to the Conceptual Framework (effective January 1, 2022)

In May 2020, the IASB issued Amendments to IFRS 3 Business Combinations - Reference to the Conceptual Framework. The amendments are intended to replace a reference to a previous version of the IASB's Conceptual Framework (the 1989 Framework) with a reference to the current version issued in March 2018 (the Conceptual Framework) without significantly changing its requirements.

The amendments add an exception to the recognition principle of IFRS 3 to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets or IFRIC 21 Levies, if incurred separately. The exception requires entities to apply the criteria in IAS 37 or IFRIC 21, respectively, instead of the Conceptual Framework, to determine whether a present obligation exists at the acquisition date.

At the same time, the amendments add a new paragraph to IFRS 3 to clarify that contingent assets do not qualify for recognition at the acquisition date.

4.22.2 IAS 16 Property, Plant and Equipment – Amendments Relating to Proceeds before Intended Use (effective January 1, 2022)

The amendment prohibits entities from deducting from the cost of an item of property, plant, and equipment (PP&E), any proceeds of the sale of items produced while bringing that asset to the location and condition necessary, for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling such items, and the costs of producing those items, in consolidated statement of profit and loss.

4.22.3 IAS 37 Provisions, Contingent Liabilities and Contingent Assets – Amendments relating to Onerous Contracts – Costs of Fulfilling a Contract (effective January 1, 2022)

In May 2020, the IASB issued amendments to IAS 37 to specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making. The amendments apply a 'directly related cost approach'. The costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to contract activities. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

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.

4.23.1 IFRS 17 Insurance Contracts (effective January 1, 2023)

In May 2017, the IASB issued IFRS 17 Insurance Contracts (IFRS 17), a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, IFRS 17 will replace IFRS 4 Insurance Contracts (IFRS 4) that was issued in 2005. IFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments, with discretionary participation features. A few scope exceptions will apply. IFRS 17 introduces new accounting requirements for banking products with insurance features that may affect the determination of which instruments, or which components thereof will be in the scope of IFRS 9 or IFRS 17.

Credit cards and similar products that provide insurance coverage: most issuers of these products will be able to continue with their existing accounting treatment as a financial instrument under IFRS 9. IFRS 17 excludes from its scope credit card contracts (and other similar contracts that provide credit or payment arrangements) that meet the definition of an insurance contract if, and only if, the entity does not reflect an assessment of the insurance risk associated with an individual customer in setting the price of the contract with that customer.

When the insurance coverage is provided as part of the contractual terms of the credit card, the issuer is required to:

- Separate the insurance coverage component and apply IFRS 17 to it
- Apply other applicable standards (such as IFRS 9, IFRS 15 Revenue from Contracts with Customers or IAS 37 Provisions, Contingent Liabilities and Contingent Assets) to the other components

Loan contracts that meet the definition of insurance but limit the compensation for insured events to the amount otherwise required to settle the policyholder's obligation created by the contract: Issuers of such loans – e.g., a loan with waiver on death – have an option to apply IFRS 9 or IFRS 17. The election would be made at a portfolio level and would be irrevocable.

IFRS 17 is effective for reporting periods beginning on or after 1 January 2023, with comparative figures required. Early application is permitted, provided the entity also applies IFRS 9 and IFRS 15 on or before the date it first applies IFRS 17.

4.23.2 IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors – Amendments Relating to Definition of Accounting Estimates (effective January 1, 2023)

In February 2021, the IASB issued amendments to IAS 8, in which it introduces a definition of 'accounting estimates'. The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates.
The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. Earlier application is permitted as long as this fact is disclosed.

4.23.3 IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 – Amendments Relating to Disclosure of Accounting Policies (effective January 1, 2023)

In February 2021, the IASB issued amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements, in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments to IAS 1 are applicable for annual periods beginning on or after 1 January 2023 with earlier application permitted. Since the amendments to the Practice Statement 2 provide non-mandatory guidance on the application of the definition of material to accounting policy information, an effective date for these amendments is not necessary.

4.23.4 IAS 12 Taxes – Amendments on Deferred Tax related to Assets and Liabilities arising from a Single Transaction (effective January 1, 2023)
In May 2021, the Board issued amendments to IAS 12, which narrow the scope of the initial recognition exception under IAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

The amendments clarify that where payments that settle a liability are deductible for tax purposes, it is a matter of judgement (having considered the applicable tax law) whether such deductions are attributable for tax purposes to the liability recognized in the financial statements (and interest expense) or to the related asset component (and interest expense). This judgement is important in determining whether any temporary differences exist on initial recognition of the asset and liability.

The amendments are effective for annual reporting periods beginning on or after January 1, 2023.

4.23.5 IFRS 16 Leases - Amendments Relating to Lease Liability in a Sale and Leaseback (effective January 1, 2024)
In September 2022, the Board issued Lease Liability in a Sale and Leaseback (Amendments to IFRS 16).

The amendment to IFRS 16 specifies the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognize any amount of the gain or loss that relates to the right-of-use it retains.

After the commencement date in a sale and leaseback transaction, the seller-lessee applies paragraphs 29 to 35 of IFRS 16 to the right-of-use asset arising from the leaseback and paragraphs 36 to 46 of IFRS 16 to the lease liability arising from the leaseback. In applying paragraphs 36 to 46, the seller-lessee determines 'lease payments' or 'revised lease payments' in such a way that the seller-lessee would not recognize any amount of the gain or loss that relates to the right-of-use retained by the seller-lessee. Applying these requirements does not prevent the seller-lessee from recognizing, in consolidated statement of profit and loss, any gain or loss relating to the partial or full termination of a lease, as required by paragraph 46(a) of IFRS 16.

The amendment does not prescribe specific measurement requirements for lease liabilities arising from a leaseback. The initial measurement of the lease liability arising from a leaseback may result in a seller-lessee determining 'lease payments' that are different from the general definition of lease payments in Appendix A of IFRS 16. The seller-lessee will need to develop and apply an accounting policy that results in information that is relevant and reliable in accordance with IAS 8.

The amendments are effective for annual reporting periods beginning on or after January 1, 2024.

4.23.6 IAS 1 Presentation of Financial Statements - Amendments Relating to Classification of Liabilities as Current or Non-Current (effective January 1, 2024)
In January 2020 and October 2022, the Board issued amendments to IAS 1 Presentation of Financial Statements to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.
- Disclosures

The amendment defers the effective date of the amendments by one year, so that entities would be required to apply the amendment for annual periods beginning on or after 1 January 2024.

4.24 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, 2022, 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 – Subsidiary as a first-time adopter
IFRS 9	IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities
IAS 41	IAS 41 Agriculture – Taxation in fair value measurements
IFRS 16	IFRS 16 Leases - Lease incentives

4.25 Hyperinflation
The consolidated financial statements as of December 31, 2022, 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.

In 2021, there was a significant increase in the general level prices and the three-year cumulative inflation exceeded 100%. This together with general population behavior resulted in the triennial inflation being above 100%. As of December 31, 2022, the end of period inflation rate is 54.6% (2021:60.7%) while the three-year cumulative inflation is at 299.5% (2021: 169.3%) and therefore 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 indexes were used, as prepared, and published monthly by the Central Bank of Suriname. The index at December 31, 2022 was 572.5 (2021:370.4).

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

4.25.1 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 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 restatement, there is a revaluation of nonmonetary assets, the deferred tax related to the restatement is recognized in consolidated statement of profit and loss for the period and deferred tax related with the revaluation is recognized in other comprehensive income for the period.

As of December 31, 2022, and 2021, the items subject to this restatement process were the following:

- Nonmonetary 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.

4.25.2 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.

4.25.3 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 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 932.6 million.

4.25.4 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, 2021, have also been restated so that they are presented in terms of the purchasing power of the Surinamese dollar as of December 31, 2022.

4.26 Prior period adjustments for revalued properties and related impact on other account balances

As per IAS 21 -The Effects of Changes in Foreign Exchange Rates, non-monetary items carried at fair value in a foreign currency shall be translated at the exchange rate that existed when their fair values were determined (IAS 21.23). In the case of land and buildings and investment properties that were valued using the revaluation model, the exchange rate used was that of the valuation report date August 31, 2020.

During the current financial period, the Group made adjustments to better align with IFRS requirements. Based on IAS 21.24, which states that regardless of whether the carrying amount is based on historical cost or fair value, if determined in a foreign currency, it must be translated into the functional currency at the exchange rate prevailing at each reporting period's end. Consequently, the exchange rate to be applied is now that of December 31 each year, rather than the valuation report date.

Due to this change, the comparative figures in the consolidated financial statements for the periods ending in 2021 have been restated. The table below summarizes the impact of these adjustments:

	2021		
	Original 2021 rebased using 2022 index	**Adjustment**	**Restated**
Statement of Financial Position			
Current tax assets	-	3,005	3,005
Property and equipment	673,728	290,562	964,290
Investment properties	7,754	2,861	10,615
Intangible assets	9,662	175	9,837
Total Impact to Assets		**296,603**	
Current tax liabilities	6,982	(2,543)	4,439
Deferred tax liabilities	387,133	105,390	492,523
Retained Earnings	(556,264)	62,010	(494,254)
Revaluation reserve	189,710	131,746	321,456
Total Impact to Liabilities and Equity		**296,603**	
Statement of Profit and Loss			
Depreciation of property, equipment	(28,576)	(7,357)	(35,933)
Amortization of intangible assets	(45,681)	(201)	(45,882)
Other operating expenses	(252,945)	(13,147)	(266,092)
Loss or gain on monetary position	(225,591)	(3,811)	(229,402)
Income tax income (expense)	(49,071)	11,764	(37,307)
Total Impact to Net Income after Tax (rebased as of 31 December 2022, Hyperinflation) see Note 4.25		**(12,752)**	

These adjustments has resulted in a change to Earnings Per Share for prior periods, with restated EPS amounts as follows:

	2021		
	Original 2021 rebased using 2022 index	**Adjustment**	**Restated**
Basic earnings per share	15.18	(0.34)	14.84
Diluted earnings per share	15.18	(0.34)	14.84

Management believes these adjustments accurately reflects the Group's consolidated financial position. These adjustments have been applied retrospectively in accordance with IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors, and all affected comparative financial information has been restated as required.

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 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, that 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 judgement are described below with respect to judgements and estimates involved.

6.1 Going concern

Management prepared these financial statements on a going concern basis. In making this judgement 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 future operations of DSB.

6.2 Provision for expected credit losses on financial assets

The measurement of impairment losses both under IFRS 9 across all categories of financial assets in scope requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes of 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, which 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 macro-economic scenarios and economic inputs, such as GDP levels and collateral values, and the effect on PDs, EADs and LGDs.
- Selection of forward-looking macro-economic 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 in establishing 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 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 Group engaged an independent valuation specialist to assess fair values as of August 31, 2022, for the investment properties and for the land and buildings in property and equipment. Previously, an appraisal was also done on August 31, 2020.

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 judgement regarding the expected behavior and life cycle of the instruments, as well expected changes to Suriname's market base rate and other fee income/expense that are integral parts of the instruments.

6.5 Deferred taxes

Deferred taxes 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 amount of years, judgement 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 judgements 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.

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

- Demographic assumptions
  - Mortality rates: for the calculation of present values, mortality rates according to the Surinamese mortality data are used with an age reduction of 2 year for men and women.
  - Date of birth: it is assumed that all persons were born on July 1st of their year of birth.
  - Partner eligibility rate: it is assumed that at retirement, 90% of male employees respectively 70% of female employees will be married or will live together as concubines with a partner who will be granted entitlements under the pension plan.
  - Turnover rates: experience figures of DSB show that termination of employment other than through retirement and death is negligible. On this basis, the dismissal and disability rates have been set at zero.
  - 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.

- Economic assumptions
    - Price inflation: the assumed price inflation in Suriname is based on expectations of DSB, taking the multiple year plan into account.
    - Discount rate: a discount rate has been used that is set at the price inflation of +1.5%, on the understanding that for the short and medium term, the specific expectation of DSB based on the 3-year interest payment has been assumed.
    - Salary increases: the salary increase in subsequent years is set at 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 and maintain the pension base percentage for future years at a lower percentage of the actual pension base percentage and the constant pension base percentage on the balance sheet.
    - Expected rate of return on plan assets DSB pension fund foundation: the expected rate of return on plan assets is relevant for the adjustment of pensions in payment and deferred pensions. The expected return is set at interest rates used for the discount rate.
    - Adjustment/ indexation of pensions in payment: the annual adjustment of pensions in payment a deferred pensions by DSB Pension Fund Foundation is based on excess interest. The Annual adjustment per January 1 is set at the difference between the previous year's expected rate of return on plan assets and the actuarial interest of 4%, which is used to determine the present value of the pension obligations of the DSB pension fund. For short term, available information on the actual returns of the pension fund is taken into account.

6.7 Provisions and Contingent liabilities

DSB and its subsidiary 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 judgement 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 judgement in its revenue recognition from contracts with customers.

6.8.1 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 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 judgement as to the extent to which the variable consideration under its asset management contracts is constrained.

6.8.2 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 of 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.

6.9 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 judgement 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. 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 2022 and 2021 respectively, the core business activities of DSB from which it earns revenues and incur expenses are divided into 5 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, deposit 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 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, 2022 and December 31, 2021. 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
- ratio of staff in each segment

in thousand SRD for the year ended 31 December 2022	Retail banking	Corporate banking	Treasury	Asset management	Other	2022
Interest income calculated using the effective interest method	82,417	568,519	1,320,375	1,152	-	**1,972,463**
Interest expense calculated using the effective interest method	(117,781)	(167,745)	(1,142)	(735)	-	**(287,403)**
Net interest income	(35,364)	400,774	1,319,233	417	-	**1,685,060**
Fee and commission income	151,448	102,576	10,612	12,951	-	**277,587**
Fee and commission expense	(12,824)	(2,792)	(595)	(1,323)	(9,981)	**(27,515)**
Net fee and commission income	138,624	99,784	10,017	11,628	(9,981)	**250,072**
Net trading income	-	-	11,074	-	-	**11,074**
Impairment (losses)/gains from changes in the expected credit loss	(58,319)	35,208	(10,507)	(348)	-	**(33,966)**
Net loss on financial assets and liabilities at fair value through profit or loss	-	-	(183)	-	-	**(183)**
Other operating income	2,456	23,470	278,116	11,081	-	**315,123**
Net operating income	**47,397**	**559,236**	**1,607,750**	**22,778**	**(9,981)**	**2,227,180**
Personnel expenses	(210,888)	(45,915)	(9,784)	(39,472)	(164,143)	**(470,202)**
Depreciation of property, equipment, and right-of-use assets	(11,797)	(2,568)	(547)	(1,166)	(9,180)	**(25,258)**
Amortization of intangible assets	(1,677)	(364)	(77)	(172)	(1,308)	**(3,598)**
Other operating expenses	(134,392)	(29,629)	(6,235)	(15,656)	(104,598)	**(290,510)**
Total operating expenses	(358,754)	(78,476)	(16,643)	(56,466)	(279,229)	**(789,568)**
Net income/(loss) before tax and net monetary loss	**(311,357)**	**480,760**	**1,591,107**	**(33,688)**	**(289,210)**	**1,437,612**
Loss on net monetary position	(45,947)	(165,830)	(259,503)	(2,883)	(8,078)	**(482,241)**
Net income/(loss) before tax	**(357,304)**	**314,930**	**1,331,604**	**(36,571)**	**(297,288)**	**955,371**
Income tax expense/(benefit)	**40,120**	**(131,424)**	**(411,855)**	**8,655**	**43,203**	**(451,301)**
Net income/(loss) after tax	(317,184)	183,506	919,749	(27,916)	(254,085)	**504,070**
Total Assets	**2,530,790**	**9,134,024**	**14,293,621**	**158,790**	**444,935**	**26,562,160**
Total Liabilities	**11,592,572**	**11,370,816**	**326,064**	**10,282**	**1,347,685**	**24,647,419**
Net cash flows (used in)/from:						
Operating Activities	(75,491)	(890,716)	(2,560,722)	(36,279)	15,897	**(3,547,311)**
Investing Activities	(787)	(9,285)	(26,693)	(378)	166	**(36,977)**
Financing Activities	(426)	(5,029)	(14,458)	(205)	89	**(20,029)**

in thousand SRD for the year ended 31 December 2021	Retail banking	Corporate banking	Treasury	Asset management	Other	2021
Interest income calculated using the effective interest method	96,764	777,691	291,633	2	-	**1,166,090**
Interest expense calculated using the effective interest method	(164,393)	(262,553)	(3,541)	(1,058)	-	**(431,545)**
Net interest income	(67,629)	515,138	288,092	(1,056)	-	**734,545**
Fee and commission income	168,578	121,017	12,110	21,261	-	**322,966**
Fee and commission expense	(13,039)	(2,925)	(548)	(1,402)	(8,652)	**(26,566)**
Net fee and commission income	155,539	118,092	11,562	19,859	(8,652)	**296,400**
Net trading loss	-	-	(78,535)	-	-	**(78,535)**
Impairment (losses)/gains from changes in the expected credit loss	(11,162)	251,039	(8,106)	4,639	-	**236,410**
Net loss on financial assets and liabilities at fair value through profit or loss	-	-	(46,547)	-	-	**(46,547)**
Other operating income	3,605	25,696	381,443	12,122	-	**422,866**
Net operating income	**80,353**	**909,965**	**547,909**	**35,564**	**(8,652)**	**1,565,139**
Personnel expenses	(183,888)	(41,246)	(7,734)	(35,645)	(122,016)	**(390,529)**
Depreciation of property, equipment, and right-of-use assets	(17,676)	(3,965)	(742)	(1,823)	(11,727)	**(35,933)**
Amortization of intangible assets	(22,520)	(5,053)	(946)	(2,419)	(14,944)	**(45,882)**
Other operating expenses	(127,024)	(32,590)	(5,337)	(16,934)	(84,207)	**(266,092)**
Total operating expenses	(351,108)	(82,854)	(14,759)	(56,821)	(232,894)	**(738,436)**
Net income/(loss) before tax and net monetary loss	**(270,755)**	**827,111**	**533,150**	**(21,257)**	**(241,546)**	**826,703**
Loss on net monetary position	(29,455)	(75,820)	(118,606)	(2,251)	(3,270)	**(229,402)**
Net income/(loss) before tax	**(300,210)**	**751,291**	**414,544**	**(23,508)**	**(244,816)**	**597,301**
Income tax expense	**(16,508)**	**(6,045)**	**(2,166)**	**(1,796)**	**(10,792)**	**(37,307)**
Net income/(loss) after tax	(316,718)	745,246	412,378	(25,304)	(255,608)	**559,994**
Total Assets	**3,547,626**	**9,132,090**	**14,285,319**	**271,126**	**393,889**	**27,630,050**
Total Liabilities	**12,284,321**	**12,696,368**	**381,737**	**7,665**	**904,963**	**26,275,054**
Net cash flows (used in)/from:						
Operating Activities	48,360	547,658	329,757	21,404	(5,207)	**941,972**
Investing Activities	(965)	(10,931)	(6,582)	(427)	103	**(18,802)**
Financing Activities	(2,861)	(32,401)	(19,509)	(1,266)	308	**(55,729)**

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 2022 or 2021.

8 Interest income

Interest and similar income in thousand SRD for the year ended 31 December	**2022**	**2021**
Interest income calculated using the effective interest method		
Cash reserves with central banks	50,752	34,642
Deposits with central banks	1,220,943	216,550
Deposits with other banks	26,815	19,420
Debt instruments at amortized cost	72,610	55,663
Loans and advances to customers	601,343	839,815
Total interest and similar income	**1,972,463**	**1,166,090**

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 981.4 million (2021: 95.2 million) from Open Market Operations (OMO) and nil from 2022 (2021: SRD 19.0 million) from regular time deposits at the Central Bank. The hyperinflation impact on the interest income from Deposits with central banks amounts to SRD 239.6 million (2021: SRD 102.4 million).

The interest income from Loans and advances to customers 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 impact on interest income amounts to SRD 387.1 million (2021: SRD 551.3 million).

9 Interest expense

Interest and similar expense *in thousand SRD for the year ended 31 December*	**2022**	**2021**
Interest expense calculated using the effective interest method		
Due to banks	30,178	32,292
Debt issued and other borrowed funds	17,576	21,614
Interest expense on lease liabilities	735	1,058
Due to customers	238,914	376,581
Total interest and similar expense	**287,403**	**431,545**

The total hyperinflation impact on interest expense amounts to SRD 56.4 million (2021: SRD 204.0 million).

10 Fees and commission income

Disaggregated revenue information Segments (in thousands)	**For the year ended 31 December 2022**				
	Retail banking	**Corporate banking**	**Treasury**	**Asset management**	**Total**
Fee income earned from services that are provided over time:					
Cards membership fees	11,233	213	-	-	**11,446**
Rental fees	2,855	749	-	-	**3,604**
Custody fees	-	-	4,896	-	**4,896**
Service charges over time	26,231	10,202	-	4,996	**41,429**
Loan origination fees	3,433	(30)	-	-	**3,403**
Loan commitment fees	-	1,278	-	-	**1,278**
Total	**43,752**	**12,412**	**4,896**	**4,996**	**66,056**
Fee income earned from services that are provided at a point in time:					
Physical transfer fees	29,872	-	-	-	**29,872**
Closing fees	-	-	-	32	**32**
System transaction fees	77,624	90,164	-	-	**167,788**
Agent fees	-	-	-	7,923	**7,923**
Brand registration	-	-	-	-	**-**
Brokerage fees	-	-	5,716	-	**5,716**
Other fees	200	-	-	-	**200**
Total	**107,696**	**90,164**	**5,716**	**7,955**	**211,531**
Total fee and commission income	**151,448**	**102,576**	**10,612**	**12,951**	**277,587**

Disaggregated revenue information	**For the year ended 31 December 2021**				
Segments (in thousands)					
	Retail banking	**Corporate banking**	**Treasury**	**Asset management**	**Total**
Fee income earned from services that are provided over time:					
Cards membership fees	12,140	38	-	-	**12,178**
Rental fees	4,118	1,060	-	-	**5,178**
Custody fees	-	-	6,877	-	**6,877**
Service charges over time	35,882	12,241	-	10,911	**59,034**
Loan origination fees	4,652	27	-	-	**4,679**
Loan commitment fees	-	1,912	-	-	**1,912**
Total	**56,792**	**15,278**	**6,877**	**10,911**	**89,858**
Fee income earned from services that are provided at a point in time:					
Physical transfer fees	36,653	1	-	-	**36,654**
Closing fees	-	-	-	300	**300**
System transaction fees	74,919	105,738	-	-	**180,657**
Agent fees	-	-	-	9,967	**9,967**
Brand registration	-	-	-	83	**83**
Brokerage fees	-	-	5,233	-	**5,233**
Other fees	214	-	-	-	**214**
Total	**111,786**	**105,739**	**5,233**	**10,350**	**233,108**
Total fee and commission income	**168,578**	**121,017**	**12,110**	**21,261**	**322,966**

The total hyperinflation impact on fee and commission income amounts to SRD 54.5 million (2021: SRD 152.7 million).

11 Net trading income/(loss)

Net trading income/(loss)		
in thousand SRD for the year ended 31 December	**2022**	**2021**
Debt securities	-	38
Foreign exchange transactions	11,074	(78,573)
Total	**11,074**	**(78,535)**

Debt securities income includes the results of buying and selling debt securities at amortized cost. 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/expense in the consolidated statement of profit and loss.

The foreign exchange transactions increased by SRD 89.6 million, with SRD 39.3 million from hyperinflation adjustments and with SRD 50.3 million due to the foreign currency realized gains on foreign currency transactions.

The total hyperinflation impact on net trading results amounts to SRD 2.2 million in 2022 and (SRD 37.1 million) in 2021.

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

For the year ended 31 December 2022	Stage 1	Stage 2	Stage 3	POCI	Total
Cash and balances with central banks	-	(22,822)	(2,638)	-	**(25,460)**
Due from banks	(860)	66	-	-	**(794)**
Debt instruments measured at amortized cost	596	(576)	7,666	-	**7,686**
Loans and advances to customers	(11,559)	(9,795)	21,332	-	**(22)**
Purchased originated credit impaired financial assets	-	-	-	(13,741)	**(13,741)**
Financial guarantees	(1,634)	(1)	-	-	**(1,635)**
	(13,457)	**(33,128)**	**26,360**	**(13,741)**	**(33,966)**

For the year ended 31 December 2021	Stage 1	Stage 2	Stage 3	POCI	Total
Cash and balances with central banks	-	(22,892)	16,462	-	**(6,430)**
Due from banks	1,092	(101)	-	-	**991**
Debt instruments measured at amortized cost	(641)	3,881	(10,156)	-	**(6,916)**
Loans and advances to customers	26,633	(16,762)	247,187	-	**257,058**
Purchased originated credit impaired financial assets	-	-	-	(3,793)	**(3,793)**
Financial guarantees	23	-	(4,523)	-	**(4,500)**
	27,107	**(35,874)**	**248,970**	**(3,793)**	**236,410**

In 2022, the impairment loss was mainly due to increase in exposure of 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 13.7 million (see Note 23).

In 2021, the impairment gain is due to favorable auctions and write-offs of loans. There was also a decrease in gross carrying amount due to down payments and derecognitions. For a further breakdown and more extensive explanation, refer to Note 22.

The total hyperinflation impact on impairment gains/(losses) amounts to SRD 6.7 million (loss) in 2022 and SRD 111.8 million (gain) in 2021.

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	2022	2021
Financial assets mandatorily measured at fair value through profit or loss	(183)	(7,294)
Financial liabilities mandatorily measured at fair value through profit or loss	-	(39,253)
	(183)	**(46,547)**

Net loss on financial assets mandatorily at fair value through profit or loss in 2021 pertains to the full impairment of equity investments in TBL Multiplex. In 2022, the net loss on financial assets mandatorily at fair value through profit or loss pertains to restatement impact for hyperinflation impact of Stadsherstel. Kindly refer to Note 21.2 for detailed explanation on this.

Net loss on financial liabilities mandatorily at fair value through profit or loss relates to foreign currency swaps. As of 2022 and 2021, all outstanding foreign currency swaps have matured.

The total hyperinflation impact on net loss on financial assets and liabilities at FVTPL amounts to SRD 183 thousand (2021: SRD 23.0 million).

14 Other operating income

Other operating income

in thousand SRD for the year ended 31 December	2022	2021
Result from investments in associates	5,002	38,679
Exchange rate results	280,976	352,716
Recovery of loans written-off	10,091	23,626
Other operating income	19,054	7,845
	315,123	**422,866**

Exchange rate results include net of Open currency position (OCP) revaluation. The exchange rate result decreased by SRD 71.7 million, with SRD 39.9 million increase from higher gains on non-trading activities offset by SRD 111.6 million decrease from hyper-inflation adjustments.

The total hyperinflation impact on other operating income amounts to SRD 45.8 million (2021: SRD 192.9 million).

15 Personnel expenses

Personnel expenses *in thousand SRD for the year ended 31 December*	**2022**	**2021**
Wages and salaries	285,511	246,872
Social security costs	23,270	27,433
Post-employment benefit plan obligations costs	42,015	29,032
Post-employment healthcare plan obligation costs	18,153	17,396
Anniversary payment plan obligation costs	43,451	25,354
Training expenses	4,870	2,593
Other personnel expenses	52,932	41,849
	470,202	**390,529**

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

The total hyperinflation impact on personnel expenses amounts to SRD 92.3 million in 2022 and SRD 184.6 million in 2021.

16 Other operating expenses

Other operating expenses *in thousand SRD for the year ended 31 December*	**2022**	**2021**
Advertising and marketing costs	6,715	7,312
Housing	43,106	43,628
Maintenance costs	91,889	91,852
Professional fees	124,845	24,888
Telephone charges	12,629	15,607
Money transport	13,379	17,493
Office Supplies	12,211	15,708
Impairment loss/(gain) of property and equipment and investment properties	(32,162)	14,227
Other operating expenses	17,898	35,377
	290,510	**266,092**

Maintenance costs are related to maintenance of electronics (including ATMs). Costs related to security and maintenance of bank buildings, insurance and utilities totaling SRD 37.2 million (2021: SRD 37.2 million) are included in Housing costs.

The total hyperinflation impact on other operating expenses amounts to SRD 35.0 million in 2022 and (2021: SRD 135.4 million).

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, 2022 and 2021 is, as follows:

Income tax expense *in thousand SRD for the year ended 31 December*	**2022**	**2021**
Accounting profit before tax	955,371	597,301
Equity Booking	49,301	9,104
Participation gains in P&L not subject to tax	(20,100)	(40,223)
Temporary differences	(97,147)	(83,783)
Statutory Taxable Income	**887,425**	**482,399**
Less: Carryforward Losses	-	(451,620)
Net Statutory Taxable Income	**887,425**	**30,779**
Statutory Current Tax Charge	(416,329)	(4,006)
Current income tax charge of consolidated subsidiaries (STM)	-	(3,141)
Deferred tax relating to origination and reversal of temporary differences through P&L	(34,972)	(30,160)
Income tax expense reported in the Consolidated Statement of Profit and Loss	**(451,301)**	**(37,307)**

Effective Tax Rate	**2022**	**2021**
Accounting Profit before tax	955,371	597,301
Tax at statutory rate	343,934	274,743
Differences		
Carryforward losses	-	(451,620)
Tax effect on gains not recognized	114,612	232,702
Participation	(7,245)	(18,518)
Total tax charge	**451,301**	**37,307**

Effective 1 January 2022, the 10% solidarity levy was discontinued which means a flat CITR rate of 36% will apply again over the entire taxable profit. Previously, a solidarity levy was introduced by the Surinamese government during the period of February 1 to December 31, 2021, which resulted to an increase in the corporate income tax rate to 46% (from 36%). This levy was applied to taxable profit exceeding SRD 150,000.

A higher income tax liability is from higher accounting profit before tax, coupled with the absence of any remaining carryforward losses for offsetting. By the end of 2021, all prior-year carryforward losses had been fully utilized. According to Suriname tax law, tax losses can be carried forward for up to seven years.

17.2 Current tax

The current tax assets (2022: nil and 2021: SRD 3.0 million) in the consolidated statements of financial position consist of overpaid income tax. Current tax liabilities (2022: SRD 368.2 million and 2021: SRD 4.4 million) consist of outstanding sales and income tax payable to tax authorities as of December 31, 2022 and 2021, respectively. Sales tax paid to tax authorities during the year amounted to SRD 0.8 million (2021: SRD 0.5 million).

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

	2022				2021			
	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	**314,455**	17,090	3,584	**335,129**	**345,134**	(8,164)	(22,515)	**314,455**
Revaluation and hyperinflation on investment properties	**4,097**	93	-	**4,190**	**5,429**	(1,332)	-	**4,097**
Unrealized FX Gains	**173,971**	17,790	-	**191,761**	**134,313**	39,658	-	**173,971**
Total	**492,523**	**34,973**	**3,584**	**531,080**	**484,876**	**30,162**	**(22,515)**	**492,523**

18 Cash and balances with Central Banks

Cash and balances with central banks		
in thousand SRD for the year ended 31 December	**2022**	**2021**
Cash and cash equivalents with central banks	538,115	1,037,840
Cash reserves with central banks	5,692,033	5,783,559
Deposits with central banks	2,011,729	1,391,039
Current accounts with central banks	2,486,248	2,246,965
Subtotal	10,728,125	10,459,403
Allowance for ECL	(91,135)	(72,321)
	10,636,990	**10,387,082**

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 relates to investments in term deposits at the Central Bank of Suriname in local and foreign currency. In 2022 the balance in the deposit with central banks contains Open Market Operations (OMO) Term Deposits and one Certificate of Deposit. Current accounts with Central Banks include working accounts held at 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 section 41.3.3.

In thousand SRD as of 31 December 2022

Internal rating grade	12-month Basel III PD average	Stage 1	Stage 2	Stage 3	Total
Performing					
1-3	11.9%	1,047,379			**1,047,379**
4	15.3%		9,487,369		**9,487,369**
Non-performing					
5,6,7	100.0%			193,377	**193,377**
Total		**1,047,379**	**9,487,369**	**193,377**	**10,728,125**

In thousand SRD as of 31 December 2021

Internal rating grade	12-month Basel III PD average	Stage 1	Stage 2	Stage 3	Total
Performing					
1-3	0.0%	1,921,299			**1,921,299**
4	12.9%		8,349,868		**8,349,868**
Non-performing					
5,6,7	75.0%			188,236	**188,236**
Total		**1,921,299**	**8,349,868**	**188,236**	**10,459,403**

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 2022	**1,921,299**	**-**	**8,349,868**	**31,761**	**188,236**	**40,560**	**10,459,403**	**72,321**
New assets originated	-	-	2,011,746	-	-	-	**2,011,746**	**-**
Payments and assets derecognized	(459,535)	-	(1,395,909)	(11,559)	-	2	**(1,855,444)**	**(11,557)**
Other movements	1,299	-	1,785,879	34,384	9,822	2,635	**1,797,000**	**37,019**
Foreign exchange adjustments	262,560	-	1,683,397	13,149	61,768	16,559	**2,007,725**	**29,708**
Monetary effects of hyperinflation	(678,244)	-	(2,947,612)	(18,272)	(66,449)	(18,084)	**(3,692,305)**	**(36,356)**
31 December 2022	**1,047,379**	**-**	**9,487,369**	**49,463**	**193,377**	**41,672**	**10,728,125**	**91,135**

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 2021	**2,881,863**	**-**	**6,772,662**	**16,872**	**222,142**	**68,316**	**9,876,667**	**85,188**
New assets originated	-	-	1,391,064	-	-	-	**1,391,064**	**-**
Payments and assets derecognized	(181,959)	-	(309,125)	-	-	-	**(491,084)**	**-**
Other movements	309,873	-	1,906,719	22,892	(3,210)	(16,465)	**2,213,382**	**6,427**
Foreign exchange adjustments	-	-	1,146,586	3,198	53,207	14,069	**1,199,793**	**17,267**
Monetary effects of hyperinflation	(1,088,478)	-	(2,558,038)	(11,201)	(83,903)	(25,360)	**(3,730,419)**	**(36,561)**
31 December 2021	**1,921,299**	**-**	**8,349,868**	**31,761**	**188,236**	**40,560**	**10,459,403**	**72,321**

In 2022, SRD 2.0 billion of new assets were generated from Open Market Operation (OMO) and SRD 2.0 billion increase from favorable foreign exchange adjustments. Also, SRD 1.9 billion is from asset derecognition, which is comprised of SRD 0.9 billion from matured TD with CBvS and a net decrease of SRD 1 billion in exposure on current accounts with CBvS and cash and cash equivalents. The monetary effects of hyperinflation amounted to SRD 3.7 billion from the restatement of 2022 beginning balances to 2022 end of year CPI factor for presentation purposes (Note 4.25).

In 2021, SRD 1.4 billion of new assets were generated mainly from Open Market Operation (OMO) and SRD 1.2 billion increase from favorable foreign exchange adjustments. On the other hand, SRD 0.5 billion is from asset derecognition, which is comprised of the SRD 0.3 billion from matured TD with CBvS and SRD 0.2 billion due to reclass of confiscated cash to other assets (see Note 25). The monetary effects of hyperinflation amounted to SRD 3.7 billion from restatement of 2021 beginning balances to 2021 end of year CPI factor for presentation purposes (Note 4.25).

19 Due from Banks

Due from banks

in thousand SRD for the year ended 31 December	**2022**	**2021**
Current accounts with other banks	3,080,145	5,468,649
Deposits with other banks	2,881,903	827,108
Subtotal	5,962,048	6,295,757
Allowance for ECL	(935)	(461)
	5,961,113	**6,295,296**

Deposits with other banks regards 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 section 41.3.3.

In thousand SRD as of 31 December 2022

Internal rating grade	**12-month Basel III PD average**	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Performing					
1-3	0.0%	5,962,048			**5,962,048**
4	0.1%		-		**-**
Non-performing					
5,6,7	0.0%			-	**-**
Total		**5,962,048**	**-**	**-**	**5,962,048**

In thousand SRD as of 31 December 2021

Internal rating grade	**12-month Basel III PD average**	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Performing					
1-3	0.1%	6,271,081			**6,271,081**
4	0.4%		24,676		**24,676**
Non-performing					
5,6,7	0.0%			-	**-**
Total		**6,271,081**	**24,676**	**-**	**6,295,757**

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 2022	**6,271,081**	**379**	**24,676**	**82**	**-**	**-**	**6,295,757**	**461**
New assets originated	2,882,189	1,163	-	-	-	-	**2,882,189**	**1,163**
Payments and assets derecognized	(2,804,116)	(305)	(15,965)	(66)	-	-	**(2,820,081)**	**(371)**
Other movements	10,422	-	-	-			**10,422**	**-**
Foreign exchange adjustments	1,816,246	-	-	-	-	-	**1,816,246**	**-**
Monetary effects of hyperinflation	(2,213,774)	(302)	(8,711)	(16)	-	-	**(2,222,485)**	**(318)**
31 December 2022	**5,962,048**	**935**	**-**	**-**	**-**	**-**	**5,962,048**	**935**

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 2021	**8,028,167**	**2,037**	**(5)**	**-**	**-**	**-**	**8,028,162**	**2,037**
New assets originated	802,948	463	24,679	101	-	-	**827,627**	**564**
Payments and assets derecognized	(2,701,945)	(1,553)	-	-	-	-	**(2,701,945)**	**(1,553)**
Other movements	2,173,613	-	-	-			**2,173,613**	**-**
Foreign exchange adjustments	1,000,535	-	-	-	-	-	**1,000,535**	**-**
Monetary effects of hyperinflation	(3,032,237)	(568)	2	(19)	-	-	**(3,032,235)**	**(587)**
31 December 2021	**6,271,081**	**379**	**24,676**	**82**	**-**	**-**	**6,295,757**	**461**

There were no contractual amounts outstanding in relation to Due from banks that were still subject to enforcement activity both on December 31, 2022 and on December 31, 2021.

In 2022, SRD 2.9 billion of new assets were generated from deposits at an international bank. On the other hand, a decrease of SRD 2.8 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 2.2 billion from restatement of 2022 beginning balances to 2022 end of year CPI factor for presentation purposes (Note 4.25).

In 2021, SRD 2.7 billion decrease in deposits with other banks from matured time deposits not reinvested and partially offset by SRD 2.2 billion increase in current accounts with other banks, resulting from higher incoming international transfer. No material changes are recorded in ECL in 2021. The monetary effects of hyperinflation amounted to SRD 3.0 billion from restatement of 2021 beginning balances to 2021 end of year CPI factor for presentation purposes (Note 4.25).

20 Due to Banks

Due to banks *in thousand SRD for the year ended 31 December*	**2022**	**2021**
Current accounts of other banks	266,211	501,400
Total	**266,211**	**501,400**

The due to banks balance represents the outstanding balances of current accounts of local financial institutions in local and foreign currency as of the reporting date.

In line with IAS 29, the total restatement impact for presentation purposes on due to banks for 2021 amounts to SRD 177.0 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 so-called investment entities 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.

Investment Entity	Proportion of ownership 2022	Proportion of ownership 2021	Number of Shares owned	Nominal value per share		Nominal value in (base currency)		Investment type
TBL Multiplex	9%	9%	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%	100%	1.00	SRD	50.00	SRD	50.00	Subsidiary (Consolidated)
DSB Assuria Vastgoed	49%	49%	48,529.60	SRD	10.00	SRD	485,296.00	Associate
B- Nets	25%	25%	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 TBL Multiplex N.V. and 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*	**2022**	**2021**
Equity investments		
TBL Multiplex	-	-
Stadsherstel	336	519
	336	**519**

In line with IAS 29, the restatement impact for presentation purposes on financial assets at FVTPL for 2021 amounts to SRD 0.2 million. There was no movement on financial assets at FVTPL due to the lack of 2022 audited figures from both TBL Multiplex and Stadsherstel.

In 2021, a full impairment of assets is identified for the investments in TBL Multiplex. For other assets, it is concluded that no impairment is needed. TBL is a company established in Suriname in 2004 with the main objective of operating a multiplex cinema. Based on the economic situation, hyperinflationary adjustments were made at the date of transition to IFRS (see also Note 4.25). Based on its Net Asset Value (NAV) as of December 31, 2021, an impairment of SRD 7.3 million is applied for investments to TBL.

21.3 Investments in associates

Investments in associates *in thousand SRD for the year ended 31 December*	**2022**	**2021**
DSB Assuria Vastgoed	46,649	40,223
B-Nets	1,119	2,543
	47,768	**42,766**

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.

2022

	Opening Balance	Share in result of associates	Monetary effects of hyperinflation	Ending Balance
DSB Assuria vastgoed	**40,223**	20,627	(14,201)	**46,649**
B- Nets	**2,543**	(527)	(897)	**1,119**
Total	**42,766**	**20,100**	**(15,098)**	**47,768**

In 2022, the carrying amount of investments in DAVG increased to SRD 46.6 million due to the share in result of associates of SRD 20.6 million offset by the hyperinflation effects of SRD 14.2 million. The SRD 20.6 million consists of SRD 9.5 million relating to the 2022 results of DAVG and SRD 11.1 million from prior year corrections. Carrying amount of investments in B-Nets declined with SRD 0.5 million from share in the associate's loss. The SRD 15.1 million adjustment resulted from the restatement of 2022 beginning balances to 2022 end of year CPI factor for presentation purposes (Note 4.25).

2021

	Opening Balance	Share in result of associates	Monetary effects of hyperinflation	Ending Balance
DSB Assuria vastgoed	-	33,761	6,462	**40,223**
B- Nets	**4,086**	-	(1,543)	**2,543**
Total	**4,086**	**33,761**	**4,919**	**42,766**

In 2021, the carrying amount of investments in DAVG increased to SRD 40.2 million with SRD 33.8 million coming from share in the associate's profit in 2021. Movements in the carrying amount of investments in B-Nets pertain mainly to monetary effects of hyperinflation. The total adjustment amounting to SRD 4.9 million is from restatement of 2021 beginning balances to 2021 end of year CPI factor for presentation purposes (Note 4.25).

21.3.1 DSB Assuria Vastgoed N.V. (DAVG)

DSB has a 49% interest in DSB Assuria Vastgoed N.V. (DAVG). DAVG's core activity is in principle the development of real estate with the intention of selling the developed land. In 2022, the sale of lots at Noord Polderdam and Sumatraweg continued based on a strategy to minimize losses and increase sales.

DAVG is a private entity that is not listed on any public exchange. The group interest in DAVG is accounted for using the equity method in the consolidated financial statements. The following table illustrates the summarized financial information of DSB's investment in DAVG.

DSB Assuria Vastgoed *in thousand SRD for the year ended 31 December*	**2022**	**2021**
Current assets	132,607	85,543
Non-current assets	813,147	538,089
Current liabilities	(3,310)	(5,167)
Non-current liabilities	(847,241)	(543,655)
Equity	95,203	74,810
Group's share in equity 49%	46,649	36,657
Accumulated GAAP changes	-	(10,633)
Monetary effects of hyperinflation	-	14,199
Group carrying amount on the investment	**46,649**	**40,223**
Revenue sales	26,286	138,539
Cost of sales	-	-
Operating expenses	(29,085)	(2,200)
Finance costs	(128)	(34,154)
Profit before tax	**(2,927)**	**102,185**
Income tax benefit/ (expense)	22,344	(33,284)
Profit for the year	**19,417**	**68,901**
Other Comprehensive Income	-	-
Total Comprehensive Income	**19,417**	**68,901**
Groups share of profit/ (Loss) of the year (49%)	**9,514**	**33,761**

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

DSB has a 25% interest in Banking Network Suriname N.V. (B-Nets), which handles the interbank network in Suriname. Their main goal is in stimulating 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 illustrates the summarized financial information of DSB's investment in B-Nets. based on 2021 audited figures of BNETS. 2022 audited financials are not yet 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
Monetary effects of hyperinflation	-
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/ (Loss) of the year (49%)	**(527)**

22 Loans and advances to customers

Loans and advances to customers

in thousand SRD for the year ended 31 December	**2022**	**2021**
Advances to customers	1,801,542	1,535,079
Credit cards	57,478	48,710
Loans to government entities	782,761	788,948
Loans to private parties	2,476,182	2,785,289
Loans to private parties through Suritrust	154,867	270,053
Subtotal	*5,272,830*	*5,428,079*
Allowance for ECL	(693,889)	(752,394)
	4,578,941	**4,675,685**

Loans and advances to customers- ECL

In thousand SRD	**Stage 1**		**Stage 2**		**Stage 3**		**Total**	
	2022	**2021**	**2022**	**2021**	**2022**	**2021**	**2022**	**2021**
Advances to customers	50,401	40,995	11,227	8,736	1,219	12,108	**62,847**	**61,839**
Credit cards	935	969	159	116	1,897	3,507	**2,991**	**4,592**
Loans to government entities	-	-	-	-	230,330	232,093	**230,330**	**232,093**
Loans to private parties	10,426	14,532	29,272	27,058	355,746	409,037	**395,444**	**450,627**
Loans to private parties through Suritrust	894	1,408	172	804	1,211	1,031	**2,277**	**3,243**
	62,656	**57,904**	**40,830**	**36,714**	**590,403**	**657,776**	**693,889**	**752,394**

DSB has aligned its definition of credit impaired assets under IFRS 9 to the definition used by the Central Bank of Suriname on non-performing loans - refer to Note 41.3.3.3 for further information.

Advances to customers include overdraft facilities to retail and corporate customers, while fixed loans to retail and corporate clients financed directly by the Group are classified as loans to private parties. Under loans to private parties through Suritrust, all mortgage loans are recorded which are financed by DSB's assets under management of Suritrust.

22.1 Impairment allowance on loans and advances to customers

The tables in the next sub sections 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 loans which are directly financed with DSB's funding, while loans to private parties through Suritrust relate to loans financed with DSB's assets managed by Suritrust. 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 section 41.3.3.

22.1.1 Advances to customers

The tables below summarize the gross carrying amount in stage 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 section 41.3.3.1.

In thousand SRD as of 31 December 2022

Internal rating grade	12-month Basel III PD average	Stage 1	Stage 2	Stage 3	Total
Performing					
1-3	23.2%	1,625,563			**1,625,563**
4	23.3%		163,156		**163,156**
Non-performing					
5,6,7	100.0%			12,823	**12,823**
Total		**1,625,563**	**163,156**	**12,823**	**1,801,542**

In thousand SRD as of 31 December 2021

Internal rating grade	12-month Basel III PD average	Stage 1	Stage 2	Stage 3	Total
Performing					
1-3	18.7%	1,340,611			**1,340,611**
4	18.7%		162,957		**162,957**
Non-performing					
5,6,7	100.0%			31,511	**31,511**
Total		**1,340,611**	**162,957**	**31,511**	**1,535,079**

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 2022	**1,340,611**	**40,995**	**162,957**	**8,736**	**31,511**	**12,108**	**1,535,079**	**61,839**
New assets originated	116,834	228	-	-	-	-	**116,834**	**228**
Payments and Assets derecognized	(153,634)	812	(55,811)	(1,758)	(9,950)	(4,702)	**(219,395)**	**(5,648)**
Other movements	541,739	12,978	48,493	5,666	871	348	**591,103**	**18,992**
Write-offs	-	-	-	-	(3,140)	(3,140)	**(3,140)**	**(3,140)**
Foreign exchange adjustments	253,266	15,690	65,043	3,028	4,655	30	**322,964**	**18,748**
Monetary effects of hyperinflation	(473,253)	(20,302)	(57,526)	(4,445)	(11,124)	(3,425)	**(541,903)**	**(28,172)**
31 December 2022	**1,625,563**	**50,401**	**163,156**	**11,227**	**12,823**	**1,219**	**1,801,542**	**62,847**

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 2021	**1,648,774**	**77,080**	**95,640**	**9,103**	**89,893**	**32,003**	**1,834,307**	**118,186**
New assets originated	37,817	503	-	-	969	8	**38,786**	**511**
Payments and Assets derecognized	(233,393)	(9,889)	(25,990)	(6,640)	(32,628)	(15,167)	**(292,011)**	**(31,696)**
Other movements	273,146	(17,753)	80,029	4,544	1,158	4,448	**354,333**	**(8,761)**
Write-offs	-	-	-	-	(2,042)	(2,042)	**(2,042)**	**(2,042)**
Foreign exchange adjustments	237,008	18,583	49,400	5,864	8,115	3,638	**294,523**	**28,085**
Monetary effects of hyperinflation	(622,741)	(27,529)	(36,122)	(4,135)	(33,954)	(10,780)	**(692,817)**	**(42,444)**
31 December 2021	**1,340,611**	**40,995**	**162,957**	**8,736**	**31,511**	**12,108**	**1,535,079**	**61,839**

In 2022 the overdraft facilities to customers exposure increased by SRD 266.5 million. The increase is primarily caused by the following:

- 116.8 million increase coming from new overdraft facilities granted;
- Increase of exposure of existing overdraft facilities by SRD 591.1 million, partially offset by payments and assets derecognition from SRD 219.4 million;
- increase from foreign exchange movements amounting to SRD 323.0 million with SRD 18.7 million movement in ECL; and
- Monetary effects of hyperinflation amounted to SRD 541.9 million from restatement of 2022 beginning balances to 2022 end of year CPI factor for presentation purposes (Note 4.25).

In 2021 the overdraft facilities to customers exposure decreased by SRD 299.2 million. The decrease is primarily caused by the following:

- Payments and asset derecognition mainly from stage 1 corporate overdraft facilities for a total gross carrying amount of SRD 292.0 million with SRD 32.0 million movements in the ECL;
- Partially offset by favorable impact from foreign exchange movements amounting to SRD 294.5 million with SRD 28.1 million movement in ECL; and
- Monetary effects of hyperinflation amounted to SRD 692.8 million from restatement of 2021 beginning balances to 2021 end of year CPI factor for presentation purposes (Note 4.25).

22.1.2 Credit cards

The tables below summarize the gross carrying amount in the classification of stage 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 section 41.3.3.1.

In thousand SRD as of 31 December 2022

Internal rating grade	12-month Basel III PD average	Stage 1	Stage 2	Stage 3	Total
Performing					
1-3	2.1%	49,795			**49,795**
4	2.1%		4,936		**4,936**
Non-performing					
5,6,7	100.0%			2,747	**2,747**
Total		**49,795**	**4,936**	**2,747**	**57,478**

In thousand SRD as of 31 December 2021

Internal rating grade	12-month Basel III PD average	Stage 1	Stage 2	Stage 3	Total
Performing					
1-3	2.3%	39,929			**39,929**
4	2.3%		3,133		**3,133**
Non-performing					
5,6,7	99.4%			5,648	**5,648**
Total		**39,929**	**3,133**	**5,648**	**48,710**

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 2022	**39,929**	**969**	**3,133**	**116**	**5,648**	**3,507**	**48,710**	**4,592**
New assets originated	3,136	9	159	1	54	14	**3,349**	**24**
Payments and Assets derecognized	(22,722)	(631)	(883)	(473)	(80)	686	**(23,685)**	**(418)**
Other movements	28,863	355	2,646	316	(513)	(309)	**30,996**	**362**
Write-offs	-	-	-	-	(1,150)	(1,150)	**(1,150)**	**(1,150)**
Foreign exchange adjustments	14,684	651	987	260	782	577	**16,453**	**1,488**
Monetary effects of hyperinflation	(14,095)	(418)	(1,106)	(61)	(1,994)	(1,428)	**(17,195)**	**(1,907)**
31 December 2022	**49,795**	**935**	**4,936**	**159**	**2,747**	**1,897**	**57,478**	**2,991**

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 2021	**36,836**	**981**	**1,920**	**47**	**7,017**	**4,550**	**45,773**	**5,578**
New assets originated	1,493	6	133	-	15	-	**1,641**	**6**
Payments and Assets derecognized	(17,693)	(514)	(445)	13	(1,249)	806	**(19,387)**	**305**
Other movements	21,326	505	1,731	82	3,471	512	**26,528**	**1,099**
Write-offs	-	-	-	-	(1,184)	(1,184)	**(1,184)**	**(1,184)**
Foreign exchange adjustments	11,880	444	519	11	227	963	**12,626**	**1,418**
Monetary effects of hyperinflation	(13,913)	(453)	(725)	(37)	(2,649)	(2,140)	**(17,287)**	**(2,630)**
31 December 2021	**39,929**	**969**	**3,133**	**116**	**5,648**	**3,507**	**48,710**	**4,592**

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 2022 and 2021:

- Down payments on existing exposure;
- New credit cards provided to clients;
- Increase of exposures 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 stage 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 section 41.3.3.1.

In thousand SRD as of 31 December 2022

Internal rating grade	12-month Basel III PD average	Stage 1	Stage 2	Stage 3	Total
Performing					
1-3	0.0%	-			**-**
4	0.0%		235		**235**
Non-performing					
5,6,7	100.0%			782,526	**782,526**
Total		**-**	**235**	**782,526**	**782,761**

In thousand SRD as of 31 December 2021

Internal rating grade	12-month Basel III PD average	Stage 1	Stage 2	Stage 3	Total
Performing					
1-3	0.0%	-			**-**
4	0.0%		363		**363**
Non-performing					
5,6,7	100.0%			788,585	**788,585**
Total		**-**	**363**	**788,585**	**788,948**

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 2022	**-**	**-**	**363**	**-**	**788,585**	**232,093**	**788,948**	**232,093**
New assets originated	-	-	-	-	-	-	**-**	**-**
Payments and Assets derecognized	-	-	-	-	-	-	**-**	**-**
Other movements	-	-	(31)	-	-	25	**(31)**	**25**
Write-offs	-	-	-	-	-	-	**-**	**-**
Foreign exchange adjustments	-	-	31	-	272,322	99,716	**272,353**	**99,716**
Monetary effects of hyperinflation	-	-	(128)	-	(278,381)	(101,504)	**(278,509)**	**(101,504)**
31 December 2022	**-**	**-**	**235**	**-**	**782,526**	**230,330**	**782,761**	**230,330**

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 2021	**-**	**-**	**584**	**-**	**968,019**	**257,861**	**968,603**	**257,861**
New assets originated	-	-	-	-	-	-	**-**	**-**
Payments and Assets derecognized	-	-	-	-	(156,465)	(10,636)	**(156,465)**	**(10,636)**
Other movements	-	-	-	-	110,594	11,873	**110,594**	**11,873**
Write-offs	-	-	-	-	-	-	**-**	**-**
Foreign exchange adjustments	-	-	-	-	232,057	86,655	**232,057**	**86,655**
Monetary effects of hyperinflation	-	-	(221)	-	(365,620)	(113,660)	**(365,841)**	**(113,660)**
31 December 2021	**-**	**-**	**363**	**-**	**788,585**	**232,093**	**788,948**	**232,093**

The small decrease of the net loan exposure to the government in 2022 is the result of:
- Monetary effects of hyperinflation amounting to SRD 278.5 million from restatement of 2022 beginning balances to 2022 end of year CPI factor for presentation purposes (Note 4.25); and
- Partially offset by SRD 272.3 million due to foreign exchange adjustments.

The decrease of the net loan exposure to the government in 2021 is the ultimate result of:
- SRD 156.5 million payments and derecognitions;
- Partially offset by SRD 232.1 million due to foreign exchange adjustments; and
- Monetary effects of hyperinflation amounted to SRD 365.8 million from restatement of 2021 beginning balances to 2021 end of year CPI factor for presentation purposes (Note 4.25).

22.1.4 Loans to private parties

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

In thousand SRD as of 31 December 2022

Internal rating grade	12-month Basel III PD average	Stage 1	Stage 2	Stage 3	Total
Performing					
1-3	1.3%	1,248,996			**1,248,996**
4	1.7%		489,042		**489,042**
Non-performing					
5,6,7	99.5%			738,144	**738,144**
Total		**1,248,996**	**489,042**	**738,144**	**2,476,182**

In thousand SRD as of 31 December 2021

Internal rating grade	12-month Basel III PD average	Stage 1	Stage 2	Stage 3	Total
Performing					
1-3	1.1%	1,380,740			**1,380,740**
4	1.7%		446,363		**446,363**
Non-performing					
5,6,7	96.8%			958,186	**958,186**
Total		**1,380,740**	**446,363**	**958,186**	**2,785,289**

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 2022	**1,380,740**	**14,532**	**446,363**	**27,058**	**958,186**	**409,037**	**2,785,289**	**450,627**
New assets originated	458,987	4,213	133,129	12,372	17,515	9,520	**609,631**	**26,105**
Payments and Assets derecognized	(338,936)	(6,533)	(87,250)	(11,914)	(88,576)	(18,256)	**(514,762)**	**(36,703)**
Other movements	15,269	149	39,792	6,017	(40,906)	(9,462)	**14,155**	**(3,296)**
Write-offs	-	-	-	-	(12,882)	(12,882)	**(12,882)**	**(12,882)**
Foreign exchange adjustments	220,357	2,769	114,580	8,164	243,059	147,571	**577,996**	**158,504**
Monetary effects of hyperinflation	(487,421)	(4,704)	(157,572)	(12,425)	(338,252)	(169,782)	**(983,245)**	**(186,912)**
31 December 2022	**1,248,996**	**10,426**	**489,042**	**29,272**	**738,144**	**355,746**	**2,476,182**	**395,444**

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 2021	**2,239,411**	**19,356**	**269,664**	**19,420**	**1,950,293**	**849,458**	**4,459,368**	**888,234**
New assets originated	368,667	4,613	388,832	23,452	96,201	36,996	**853,700**	**65,061**
Payments and Assets derecognized	(665,466)	(5,927)	(89,680)	(4,099)	(659,509)	(268,435)	**(1,414,655)**	**(278,461)**
Other movements	1,128	1,764	(26,030)	(1,018)	33,905	(2,479)	**9,003**	**(1,733)**
Write-offs	-	-	-	-	(89,948)	(89,948)	**(89,948)**	**(89,948)**
Foreign exchange adjustments	282,823	2,602	5,430	38	363,870	197,556	**652,123**	**200,196**
Monetary effects of hyperinflation	(845,823)	(7,876)	(101,853)	(10,735)	(736,626)	(314,111)	**(1,684,302)**	**(332,722)**
31 December 2021	**1,380,740**	**14,532**	**446,363**	**27,058**	**958,186**	**409,037**	**2,785,289**	**450,627**

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

- SRD 514.8 million decrease in gross carrying amount as a result of payments and derecognition resulting in a release of the ECL for SRD 36.7 million;
- Write-offs of stage 3 loans amounting to SRD 12.9 million, resulting in decrease of ECL for that same amount;
- Partially offset by SRD 583.5 million (net of ECL) of new loans granted;
- SRD 578.0 million favorable foreign exchange movement which resulted in ECL increase of SRD 158.5 million; and
- Monetary effects of hyperinflation amounted to SRD 983.2 million from restatement of 2022 beginning balances to 2022 end of year CPI factor for presentation purposes (Note 4.25).

In financial year 2021, the net decrease in loans to private parties' portfolio is primarily driven by the following:

- SRD 1.4 billion decrease in gross carrying amount because of down payments and derecognition which resulted in a release of the ECL for SRD 278.5 million;
- Write-offs of stage 3 loans amounting to SRD 89.9 million, resulting in a decrease of ECL of the same amount;
- Partially offset by SRD 778.6 million (net of ECL) of new loans granted;
- SRD 652.1 million favorable foreign exchange movement which resulted in ECL increase of SRD 200.2 million; and
- Monetary effects of hyperinflation amounted to SRD 1.7 billion from restatement of 2021 beginning balances to 2021 end of year CPI factor for presentation purposes (Note 4.25).

22.1.5 Loans to private parties through Suritrust

The table below summarizes the gross carrying amount in the classification of stage 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 section 41.3.3.1.

In thousand SRD as of 31 December 2022

Internal rating grade	12-month Basel III PD average	Stage 1	Stage 2	Stage 3	Total
Performing					
1-3	2.6%	140,019			**140,019**
4	2.7%		9,536		**9,536**
Non-performing					
5,6,7	100.0%			5,312	**5,312**
Total		**140,019**	**9,536**	**5,312**	**154,867**

In thousand SRD as of 31 December 2021

Internal rating grade	12-month Basel III PD average	Stage 1	Stage 2	Stage 3	Total
Performing					
1-3	2.8%	238,355			**238,355**
4	2.7%		18,747		**18,747**
Non-performing					
5,6,7	57.4%			12,951	**12,951**
Total		**238,355**	**18,747**	**12,951**	**270,053**

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 2022	**238,355**	**1,408**	**18,747**	**804**	**12,951**	**1,031**	**270,053**	**3,243**
New assets originated	49,779	707	-	-	321	333	**50,100**	**1,040**
Payments and Assets derecognized	(67,203)	(1,167)	(3,970)	(673)	(1,061)	607	**(72,234)**	**(1,233)**
Other movements	3,230	439	1,377	240	(2,226)	(138)	**2,381**	**541**
Write-offs	-	-	-	-	(101)	(101)	**(101)**	**(101)**
Monetary effects of hyperinflation	(84,142)	(493)	(6,618)	(199)	(4,572)	(521)	**(95,332)**	**(1,213)**
31 December 2022	**140,019**	**894**	**9,536**	**172**	**5,312**	**1,211**	**154,867**	**2,277**

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 2021	**387,426**	**2,183**	**31,601**	**733**	**24,952**	**8,368**	**443,979**	**11,284**
New assets originated	26,234	660	2,107	480	733	23	**29,074**	**1,163**
Payments and Assets derecognized	(39,092)	(2,403)	(2,165)	83	(2,017)	(1,242)	**(43,274)**	**(3,562)**
Other movements	10,118	1,804	(859)	(137)	(1,292)	(3,905)	**7,967**	**(2,238)**
Write-offs	-	-	-	-	-	-	**-**	**-**
Monetary effects of hyperinflation	(146,331)	(836)	(11,937)	(355)	(9,425)	(2,213)	**(167,693)**	**(3,404)**
31 December 2021	**238,355**	**1,408**	**18,747**	**804**	**12,951**	**1,031**	**270,053**	**3,243**

The portfolio of loans through Suritrust declined in 2022 mainly from payments of SRD 72.2 million, partially offset by SRD 50.1 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 95.3 million from restatement of 2022 beginning balances to 2022 end of year CPI factor for presentation purposes (Note 4.25).

In 2021, the portfolio of loans through Suritrust declined mainly from payments of SRD 43.3 million, partially offset by SRD 29.1 million of new loans booked during the year. The monetary effects of hyperinflation amounted to SRD 167.7 million from restatement of 2021 beginning balances to 2021 end of year CPI factor for presentation purposes (Note 4.25). Decline in ECL, aside from net portfolio attrition, was also due to impact of migration of STM loans to DSB loans.

23 Purchased or originated credit impaired financial assets

The Group acquired a portfolio of loans and overdrafts with the Central Bank and Republic of Suriname, respectively, that were identified as credit-impaired at the time of purchase, thereby classifying these as 'Purchased or Originated Credit-Impaired' (POCI) financial assets.

In 2020, instruments which were initially classified under "Loans and advances to central banks" within the "Cash and balances with Central Banks" category was 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 on a quarterly basis.

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 24.4 million. Additionally in 2022, DSB recognized a provision (ECL) based on expected future repayments for these loans amounting to SRD 9.1 million and SRD 1.8 million for the USD and EUR loan, respectively.

As of 2022, the remaining outstanding balance on these loans amounts to SRD 1.7 billion (USD 54.2 million) and SRD 387.9 million (EUR 11.4 million).

The overdraft facilities of SRD 130 million and SRD 120 million provided in 2020, and reclassed to POCI were both fully paid off as of December 31, 2022.

Below table 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

in thousand SRD for the year ended 31 December

	2022			2021		
Loans and advances to central banks	*USD denominated*	*EUR denominated*	**2022 Total**	*USD denominated*	*EUR denominated*	**2021 Total**
Initial carrying value under Loans and advances to central banks	1,721,894	387,901	2,109,795	2,205,511	479,946	2,685,457
Less: Discount on the POCI financial assets	(104,708)	(20,864)	(125,572)	(140,236)	(30,517)	(170,753)
Modification as a result of change in contractual cashflows	24,383	-	24,383	-	-	-
ECL on POCI financial assets	(9,169)	(1,875)	(11,044)	-	-	-
	1,632,399	**365,162**	**1,997,561**	**2,065,275**	**449,429**	**2,514,704**
Overdraft facility with government			**2022**			**2021**
Initial carrying value under Overdraft facility with government			-			203,060
Less: Discount on the POCI financial assets			-			(3,091)
			-			**199,969**
Total			**1,997,561**			**2,714,673**

In line with IAS 29, the restatement impact for presentation purposes on POCI for 2021 amounts to SRD 958.3 million.

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

Discount on POCI financial assets - Loans and advances to central banks

	2022			2021		
in thousand SRD for the year ended 31 December	*USD denominated*	*EUR denominated*	**2022 Total**	*USD denominated*	*EUR denominated*	**2021 Total**
Total discount as a result of present value calculation	54,266	11,680	65,946	83,875	18,053	101,928
Revaluation result	176,192	35,449	211,641	148,377	32,488	180,865
Less: accretion of discount	(125,750)	(26,265)	(152,015)	(92,016)	(20,024)	(112,040)
Discount on POCI financial assets	**104,708**	**20,864**	**125,572**	**140,236**	**30,517**	**170,753**

The restructured loan on the misuse cash reserves above includes 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 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.

24 Debt instruments at amortized cost

Debt instruments at amortized cost *in thousand SRD for the year ended 31 December*	**2022**	**2021**
Treasury Bills	127,999	170,056
Bonds	1,916,278	2,109,262
Subtotal	*2,044,277*	*2,279,318*
Allowance for ECL	(12,848)	(25,473)
	2,031,429	**2,253,845**

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 section 41.3.3.

In thousand SRD as of 31 December 2022

Internal rating grade	12-month Basel III PD average	Stage 1	Stage 2	Stage 3	Total
Performing					
1-3	0.0%	1,426,675			**1,426,675**
4	9.2%		565,553		**565,553**
Non-performing					
5,6,7	100.0%			52,049	**52,049**
Total		**1,426,675**	**565,553**	**52,049**	**2,044,277**

In thousand SRD as of 31 December 2021

Internal rating grade	12-month Basel III PD average	Stage 1	Stage 2	Stage 3	Total
Performing					
1-3	0.1%	1,782,315			**1,782,315**
4	0.2%		327,681		**327,681**
Non-performing					
5,6,7	100.0%			169,322	**169,322**
Total		**1,782,315**	**327,681**	**169,322**	**2,279,318**

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 2022	**1,782,315**	**1,121**	**327,681**	**6,549**	**169,322**	**17,803**	**2,279,318**	**25,473**
New assets originated	370,822	-	75,474	-	52,050	6,665	**498,346**	**6,665**
Payments and Assets derecognized	(357,198)	(411)	(14,813)	631	(109,550)	(14,330)	**(481,561)**	**(14,110)**
Other movements	(103,231)	(187)	109,798	(56)	-	-	**6,567**	**(243)**
Foreign exchange adjustments	363,146	269	183,089	2,899	-	-	**546,235**	**3,168**
Monetary effects of hyperinflation	(629,179)	(330)	(115,676)	(2,994)	(59,773)	(4,781)	**(804,628)**	**(8,105)**
31 December 2022	**1,426,675**	**462**	**565,553**	**7,029**	**52,049**	**5,357**	**2,044,277**	**12,848**

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 2021	**1,195,804**	**698**	**358,954**	**10,650**	**251,552**	**15,307**	**1,806,310**	**26,655**
New assets originated	888,649	613	-	-	-	-	**888,649**	**613**
Payments and Assets derecognized	(132,361)	28	-	-	-	-	**(132,361)**	**28**
Other movements	(770)	-	703	(3,881)	12,781	10,156	**12,714**	**6,275**
Foreign exchange adjustments	282,649	203	103,600	3,784	-	-	**386,249**	**3,987**
Monetary effects of hyperinflation	(451,656)	(421)	(135,576)	(4,004)	(95,011)	(7,660)	**(682,243)**	**(12,085)**
31 December 2021	**1,782,315**	**1,121**	**327,681**	**6,549**	**169,322**	**17,803**	**2,279,318**	**25,473**

In 2022, the debt instrument at amortized cost carrying amount increased due to SRD 498.3 million additions from new bond holdings from private corporation issuers and SRD 546.2 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 14.1 million. The monetary effects of hyperinflation amounted to SRD 804.6 million from restatement of 2022 beginning balances to 2022 end of year CPI factor for presentation purposes (Note 4.25).

As viewed in the above table, in 2021 the gross carrying amount of the debt instruments at amortized cost increased mainly from SRD 888.6 million additions from new US denominated bond holdings issued by private corporations supplemented by SRD 386.2 million favorable impact from foreign exchange adjustments. No material net increase in ECL was noted. The monetary effects of hyperinflation amounted to SRD 682.2 million from restatement of 2021 beginning balances to 2021 end of year CPI factor for presentation purposes (Note 4.25).

25 Other assets

Other assets *in thousand SRD for the year ended 31 December*	**2022**	**2021**
Accounts receivables and sundry debtors	610	309
Inventories	7,037	8,303
Prepaid expenses	73,608	60,500
Prepaid interest	134	1,706
Settlement and Clearing Accounts	21,839	19,660
Cash in transit (Shipment)	169,675	181,959
	272,903	**272,437**

Amounts receivable and amounts payable with the same counterparty are presented on a net basis. Prepaid interest refers to amounts of interest paid in relation to Staatsolie bond.

The cash in transit (shipment) pertains to the confiscated cash amounting to EUR 5 million. The 2021 figure amounting to SRD 181.9 million includes SRD 64.2 million restatement impact relating to IAS 29. Kindly refer to Note 32.3 for detailed explanation on this.

In line with IAS 29, the total restatement impact for presentation purposes on other assets for 2021 amounts to SRD 96.2 million.

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

					Right-of-use assets		
in thousand SRD	**Land & buildings**	**Computer hardware**	**Other furniture & equipment**	**Vehicles**	**Land & buildings**	**Vehicles**	**Total**
Cost or valuation							
As of 1 January 2022	**930,484**	**23,690**	**161,478**	**1,294**	**48,187**	**14,928**	**1,180,061**
Additions/ Reassessments	1,978	490	5,166	1,636	302	-	**9,572**
Revaluation adjustment - OCI	(1,922)	-	-	-	-	-	**(1,922)**
Revaluation adjustment - P&L	31,634	-	-	-	-	-	**31,634**
Disposals	-	-	-	(1,636)	-	-	**(1,636)**
As of 31 December 2022	**962,174**	**24,180**	**166,644**	**1,294**	**48,489**	**14,928**	**1,217,709**
Depreciation and Impairment							
As of 1 January 2022	**(13,693)**	**(22,242)**	**(143,850)**	**(1,211)**	**(23,772)**	**(11,003)**	**(215,771)**
Depreciation charge for the year	(12,965)	(404)	(5,157)	(156)	(5,113)	(1,463)	**(25,258)**
Depreciation eliminated due to revaluation	11,880	-	-	-	-	-	**11,880**
Depreciated amount on disposals	-	-	-	136	-	-	**136**
As of 31 December 2022	**(14,778)**	**(22,646)**	**(149,007)**	**(1,231)**	**(28,885)**	**(12,466)**	**(229,013)**
As of 31 December 2022	**947,396**	**1,534**	**17,637**	**63**	**19,604**	**2,462**	**988,696**

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 2021 (Restated)	**1,018,966**	**22,110**	**149,018**	**1,200**	**48,699**	**15,553**	**1,255,546**
Additions/ Reassessments	639	1,580	12,460	94	(512)	(625)	**13,636**
Revaluation adjustment - OCI	(75,797)	-	-	-	-	-	**(75,797)**
Revaluation adjustment - P&L	(13,324)	-	-	-	-	-	**(13,324)**
Disposals	-	-	-	-	-	-	**-**
As of 31 December 2021 (Restated)	**930,484**	**23,690**	**161,478**	**1,294**	**48,187**	**14,928**	**1,180,061**
Depreciation and Impairment							
As of 1 January 2021 (Restated)	**(12,481)**	**(18,556)**	**(135,446)**	**(1,200)**	**(17,161)**	**(8,259)**	**(193,103)**
Depreciation charge for the year	(14,477)	(3,686)	(8,404)	(11)	(6,611)	(2,744)	**(35,933)**
Depreciation eliminated due to revaluation	13,265	-	-	-	-	-	**13,265**
Depreciated amount on disposals	-	-	-	-	-	-	**-**
As of 31 December 2021 (Restated)	**(13,693)**	**(22,242)**	**(143,850)**	**(1,211)**	**(23,772)**	**(11,003)**	**(215,771)**
As of 31 December 2021 (Restated)	**916,791**	**1,448**	**17,628**	**83**	**24,415**	**3,925**	**964,290**

The property values for land and buildings are based on valuations conducted as of August 31, 2022 and August 31, 2020, by an external, independent, and professionally qualified valuator and conforms to International Valuation Standards. Fair value measurement disclosures for the revalued land and buildings are detailed in Note 40.2.2. As indicated in Notes 4.2.2, 4.26, 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	**2022**	**2021 (Restated)**
Carrying amount as of 1 January	**916,791**	**1,006,485**
Level 3 Revaluation adjustments in OCI from using the revaluation model	9,958	(62,532)
Level 3 Revaluation adjustments in P&L from using the revaluation model	31,634	(13,324)
Carrying amount and fair value	**958,383**	**930,629**
Additions/disposals	1,978	639
Depreciation for the year	(12,965)	(14,477)
Carrying amount and fair value as of 31 December	**947,396**	**916,791**

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	**2022**	**2021**
Cost	50,462	75,519
Accumulated Depreciation and Impairment	(15,078)	(21,198)
Net Carrying Amount	**35,384**	**54,321**

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*	**2022**	**2021 (Restated)**
Opening balance as of 1 January	**10,615**	**16,891**
Revaluation adjustment - P&L	528	(903)
Disposals	-	(5,373)
Closing balance as of 31 December	**11,143**	**10,615**

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 the daily operations of DSB. Along with the land and buildings classified as property and equipment, revaluations for investment properties were performed as of August 31, 2022 and August 30, 2020, by an independent, professionally qualified valuator following the International Valuation Standards. 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.

28 Intangible assets

Intangible assets *in thousand SRD for the year ended 31 December*	**2022**	**2021**
Cost or valuation		
As of 1 January	**261,866**	**251,327**
Additions	29,041	10,539
As of 31 December	**290,907**	**261,866**
Amortization		
As of 1 January	**(252,029)**	**(206,147)**
Amortization charge for the year	(3,598)	(45,882)
As of 31 December	**(255,627)**	**(252,029)**
As of 31 December	**35,280**	**9,837**

The intangible assets relate to licenses on computer software used by DSB in its day-to-day operations.

29 Due to customers

Due to customers *in thousand SRD for the year ended 31 December*	**2022**	**2021**
Current accounts of customers	10,290,132	10,621,215
Savings accounts of customers	9,165,866	9,577,993
Deposits of customers	2,984,840	3,937,213
	22,440,838	**24,136,421**

Deposits pledged as collateral for loans and advances, guarantees, and letter of credit commitments are included in due to customers. In line with IAS 29, the restatement impact for presentation purposes on due to customers for 2021 amounts to SRD 8.5 billion.

30 Other liabilities

Other liabilities *in thousand SRD for the year ended 31 December*	**2022**	**2021**
Accounts payables and sundry creditors	1,177	2,335
Accrued expenses	133,877	48,625
Unearned fee and commissions	15,169	17,645
Lease Liabilities	19,513	25,759
Current account BNETS	94,597	110,021
Settlement and clearing accounts	102,142	199,598
	366,475	**403,983**

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. Current account of BNETS is the account which is being used for the daily settlements by BNETS. Before hyperinflation, other liabilities increased by SRD 119.0 million compared to the prior year. This increase primarily came from the additional accrual of auditor's fees for the engagement years 2020 to 2022, which are reported under accrued expenses.

In line with IAS 29, the restatement impact for presentation purposes on other liabilities for 2021 amounts to SRD 142.6 million.

The table below provides some details on the movements of the lease liabilities throughout the financial years 2022 and 2021. 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 2022	**4,668**	**21,091**	**25,759**
Additions	-	243	**243**
Accretion of interest	139	596	**735**
Payments	(1,490)	(3,606)	**(5,096)**
FX Rate remeasurement	1,322	5,787	**7,109**
Monetary effects of hyperinflation	(1,675)	(7,562)	**(9,237)**
As of 31 December 2022	**2,964**	**16,549**	**19,513**
As of 1 January 2021	**8,648**	**32,384**	**41,032**
Additions	(507)	(417)	**(924)**
Accretion of interest	216	842	**1,058**
Payments	(2,065)	(5,459)	**(7,524)**
FX Rate remeasurement	1,682	6,130	**7,812**
Monetary effects of hyperinflation	(3,306)	(12,389)	**(15,695)**
As of 31 December 2021	**4,668**	**21,091**	**25,759**

31 Debt issued and other borrowed funds

Debt issued and other borrowed funds *in thousand SRD for the year ended 31 December*	**2022**	**2021**
Subordinated loan		
Outstanding balance	314,400	319,970
Accrued interest	11,170	11,295
	325,570	**331,265**

On May 31, 2017, DSB issued a USD 10 million nominal subordinated loan to Assuria Levensverzekering N.V. Based on the subordination and the tenor, this loan is designated as Tier-2 Capital by the Central Bank of Suriname. Initially this loan had a term of 10 years at an interest rate of 8.5% per year. The interest payment will always be credited to the lender on the due date. The penalty interest is 10% per year. As of June 1, 2019 and April 28, 2022, the contractual interest rate has respectively been changed to 6% and 6.8%.

The subordinated loan is valued at amortized cost using the Effective Interest Rate method (EIR). As of December 31, 2022, the loan is valued at SRD 325.6 million (2021: SRD 331.3 million). The fair value is SRD 404.9 million (2021: SRD 426.8 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 2.28%, 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 2021 amounts to SRD 116.9 million.

32 Provisions and other contingent liabilities

32.1 Provisions

Provisions *in thousand SRD for the year ended 31 December*	**2022**	**2021**
Financial guarantees	5,380	4,343
Letters of Credit	-	-
Allowance for ECL	5,380	4,343
Other provisions	20,067	20,702
	25,447	**25,045**

An analysis of changes in the outstanding exposures and the corresponding allowance for impairment losses in relation to guarantees and letter of credit is set out in the following paragraph. Other provisions consist of legal claims from third parties against DSB.

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 section 41.3.3.1.

In thousand SRD as of 31 December 2022

Internal rating grade	**12-month Basel III PD average**	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Performing					
1-3	10.6%	252,180			**252,180**
4	7.3%		285		**285**
Non-performing					
5,6,7	100.0%			8,340	**8,340**
Total		**252,180**	**285**	**8,340**	**260,805**

In thousand SRD as of 31 December 2021

Internal rating grade	**12-month Basel III PD average**	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Performing					
1-3	10.2%	323,866			**323,866**
4	7.6%		286		**286**
Non-performing					
5,6,7	100.0%			9,076	**9,076**
Total		**323,866**	**286**	**9,076**	**333,228**

A reconciliation of changes in outstanding exposures and 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 2022	**323,866**	**5**	**286**	**-**	**9,076**	**4,338**	**333,228**	**4,343**
New assets originated	99,299	1,597	-	-	-	-	**99,299**	**1,597**
Payments and Assets derecognized	(146,712)	-	-	-	-	-	**(146,712)**	**-**
Other movements	85,794	36	100	1	-	-	**85,894**	**37**
Write-offs	-	-	-	-	-	-	**-**	**-**
Foreign exchange adjustments	4,262	1	-	-	2,468	1,561	**6,730**	**1,562**
Monetary effects of hyperinflation	(114,329)	(322)	(101)	-	(3,204)	(1,837)	**(117,634)**	**(2,159)**
31 December 2022	**252,180**	**1,317**	**285**	**1**	**8,340**	**4,062**	**260,805**	**5,380**

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 2021	**572,727**	**32**	**2,633**	**-**	**11,371**	**750**	**586,731**	**782**
New assets originated	105,906	-	155	-	-	-	**106,061**	**-**
Payments and Assets derecognized	(260,928)	(21)	(1,507)	-	(261)	-	**(262,696)**	**(21)**
Other movements	8,776	-	-	-	(5)	4,523	**8,771**	**4,523**
Write-offs	-	-	-	-	-	-	**-**	**-**
Foreign exchange adjustments	113,702	2	-	-	2,266	228	**115,968**	**230**
Monetary effects of hyperinflation	(216,317)	(8)	(995)	-	(4,295)	(1,163)	**(221,607)**	**(1,171)**
31 December 2021	**323,866**	**5**	**286**	**-**	**9,076**	**4,338**	**333,228**	**4,343**

In 2022, net decrease in the exposure of SRD 72.4 million is mainly due to matured commitments. On the other hand, the increase of ECL is related to the provision of SRD 1.6 million for stage 1 commitments granted in current year with an exposure of SRD 99.3 million and foreign exchange adjustments of SRD 6.7 million. The monetary effects of hyperinflation amounted to SRD 117.6 million from restatement of 2022 beginning balances to 2022 end of year CPI factor for presentation purposes (Note 4.25).

In 2021, the exposure decreased by SRD 253.5 million while additional ECL was booked mainly from existing stage 3 accounts from adjustments in collateral value (LGD). SRD 106.1 million of new commitments were granted, while SRD 262.7 million matured. SRD 116.0 million increase was due to favorable foreign exchange adjustments. The monetary effects of hyperinflation amounted to SRD 221.6 million from restatement of 2021 beginning balances to 2021 end of year CPI factor for presentation purposes (Note 4.25).

32.3 Contingent liabilities

As of December 31, 2022, 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 which could result from such litigation, based on the current status of the legal proceedings, is estimated to be SRD 3.8 billion (2021: SRD 2.5 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 have started a legal procedure in 2019 in order for the authorities to release this money and the Court of Appeal Amsterdam concluded that the money shipment has 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 Appeal 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 Appeal 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 Appeal the Hague declared the complaint unfounded. The commercial banks have appealed against this at the Supreme Court.

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	**2022**	**2021**
Undrawn commitments	1,223,747	1,379,348
Financial guarantees	172,155	186,854
Letters of Credit	88,650	146,374
	1,484,552	**1,712,576**

Third party assets held in custodian

DSB provides custody and transaction services to third parties. At the reporting date, DSB had investments assets under custodian on behalf of third parties in SRD, GBP, and USD amounting from shares with a nominal value of SRD 67.1 million (2021 SRD 70.9 million) and Gold Certificates with a market value of SRD 102.2 million (2021: SRD 105.2 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 custodian

in thousand SRD for the year ended 31 December		
Shares nominal value:	**2022**	**2021**
Listed	2,311	3,641
Unlisted	64,749	67,298
	67,060	**70,939**
Gold Certificate market value	102,234	105,191

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 tradeable 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 which DSB maintained in previous years did not comply to 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 to be categorized as a defined benefit plan. In subsequent years through 2022, there was no net obligation payable under the pension plan. Further details can be found in Note 33.1.

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 benefit post-employment benefits are as follows:

- Health care plan for pensioners
- Bonus to pensioners
- Funeral expenses for pensioners
- Social security benefits to pensioners
- Lumpsum to pensioners
- Christmas vouchers for pensioners
- Easter benefit for pensioners
- Retirement gift
- Jubilee benefits

Net employee defined benefit liabilities

in thousand SRD for the year ended 31 December	**2022**	**2021**
Short-term net employee benefits	39,395	31,355
Pension plan	-	-
Post-employment healthcare plan	162,854	242,762
Provision for anniversary payments	66,786	55,083
Other post-employment benefit liabilities	54,604	50,778
	323,639	**379,978**

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 actuarial gains and losses are recognized through other comprehensive income. The 2022 net remeasurement gain before tax of SRD 77.0 million includes SRD 85.8 million from the post-employment healthcare plan and SRD 5.6 million from other post-employment benefits, offset by a remeasurement loss of SRD 14.3 million on the pension plan. Similarly, the 2021 net remeasurement gain before tax of SRD 9.4 million comprises SRD 11.9 million from the post-employment healthcare plan and SRD 1.6 million from other post-employment benefits, offset by a remeasurement loss of SRD 4.1 million on the pension plan.

The fair value of the defined benefit obligation, and 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, 2022, by a registered actuary.

33.1 Pension Plan (Liability)

As of December 2022, the fair value of the assets plan amounts to SRD 778.6 million which exceeds the present value of the obligation (DBO) amounting to SRD 703.2 million with the amount of SRD 75.4 million (pension surplus).

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. As of December 31, 2022, 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 75.4 million resulting in a zero liability as of December 2022 and 2021.

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 pension plan

in thousand SRD for the year ended 31 December 2022

		Benefit cost charged to profit and loss					
Pension plan	**1 January 2022**	**Current Service cost**	**Past Service Cost**	**Interest cost**	**Other cost**	**Net Foreign Exchange Loss/Gain**	**Subtotal P&L**
Fair value of plan assets	**786,229**	9,779	-	60,321	(3,200)	-	**66,900**
Defined benefit obligation	**(712,016)**	(20,001)	-	(60,262)	-	-	**(80,263)**
Asset ceiling	**(74,213)**	-	-	-	-	-	**-**
Net Benefit Liability	**-**	**(10,222)**	**-**	**59**	**(3,200)**	**-**	**(13,363)**

		Remeasurement gains/(losses) in OCI						
Pension plan	**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**
Fair value of plan assets	**(22,576)**	-	209,182	-	**209,182**	**31,192**	**(292,368)**	**778,559**
Defined benefit obligation	**22,576**	(167,991)	(28,145)	-	**(196,136)**	**-**	**262,671**	**(703,168)**
Asset ceiling	**-**	-	-	(27,376)	**(27,376)**	**-**	**26,198**	**(75,391)**
Net Benefit Liability	**-**	**(167,991)**	**181,037**	**(27,376)**	**(14,330)**	**31,192**	**(3,499)**	**-**

in thousand SRD for the year ended 31 December 2021

		Benefit cost charged to profit and loss					
Pension plan	**1 January 2021**	**Current Service cost**	**Past Service Cost**	**Interest cost**	**Other cost**	**Net Foreign Exchange Loss/Gain**	**Subtotal P&L**
Fair value of plan assets	**1,056,902**	9,047	-	82,123	(3,050)	-	**88,120**
Defined benefit obligation	**(1,034,452)**	(28,212)	-	(83,111)	-	-	**(111,323)**
Asset ceiling	**(22,450)**	-	-	-	-	-	**-**
Net Benefit Liability	**-**	**(19,165)**	**-**	**(988)**	**(3,050)**	**-**	**(23,203)**

		Remeasurement gains/(losses) in OCI						
Pension plan	**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 2021**
Fair value of plan assets	**(28,723)**	-	57,095	-	**57,095**	**28,247**	**(415,412)**	**786,229**
Defined benefit obligation	**28,723**	(51,460)	50,497	-	**(963)**	**-**	**405,999**	**(712,016)**
Asset ceiling	**-**	-	-	(60,242)	**(60,242)**	**-**	**8,479**	**(74,213)**
Net Benefit Liability	**-**	**(51,460)**	**107,592**	**(60,242)**	**(4,110)**	**28,247**	**(934)**	**-**

Changes in the present value of the defined benefit obligations from post-employment healthcare plan

in thousand SRD

Defined benefit obligation as of 1 January 2022	**242,762**
Interest cost	8,187
Current service cost	9,966
Benefits paid	(8,716)
Net Foreign Exchange Loss/Gain	104,372
Remeasurements	(85,795)
Monetary effects of hyperinflation	(107,922)
Defined benefit obligation as of 31 December 2022	**162,854**

Defined benefit obligation as of 1 January 2021	**268,479**
Interest cost	10,155
Current service cost	7,241
Benefits paid	(5,407)
Net Foreign Exchange Loss/Gain	95,471
Remeasurements	(11,886)
Monetary effects of hyperinflation	(121,291)
Defined benefit obligation as of 31 December 2021	**242,762**

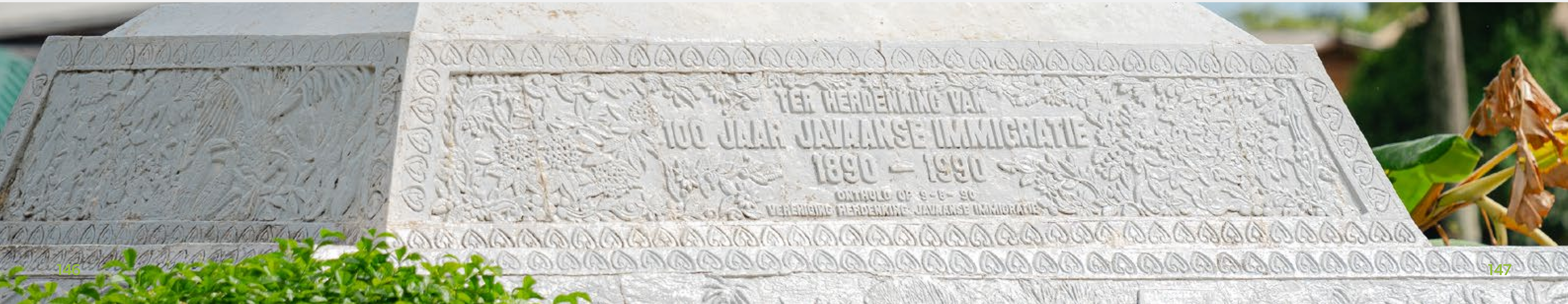
Changes in the present value of the defined benefit obligations from other post-employment benefit liabilities

in thousand SRD for the year ended 31 December 2022

Other post-employment benefit liabilities	1 January 2022	Benefit cost charged to profit and loss: Current Service cost	Past Service Cost	Interest cost	Net Foreign Exchange Loss/ Gain	Subtotal P&L	Benefits Paid	Remeasurement gains/(losses) in OCI: Actuarial changes arising from changes in economic assumptions	Experience adjustments	Sub-total included in OCI	Monetary effects of hyperinflation	31 December 2022
Bonus to pensioners	**3,023**	50	-	167	-	**217**	**(112)**	5	-	**5**	**(1,088)**	**2,045**
Funeral expenses for pensioners	**7,108**	238	2,860	597	-	**3,695**	**(131)**	31	-	**31**	**(3,208)**	**7,495**
Social security benefits to pensioners	**1,331**	-	-	73	-	**73**	**(113)**	1	-	**1**	**(462)**	**830**
Lumpsum to pensioners	**12,557**	347	-	651	-	**998**	**(381)**	29	-	**29**	**(4,554)**	**8,649**
Christmas vouchers for pensioners	**22,377**	873	-	744	9,638	**11,255**	**(2,630)**	(6,436)	-	**(6,436)**	**(9,592)**	**14,974**
Easter benefit for pensioners	**4,034**	826	19,492	1,565	-	**21,883**	**(885)**	70	-	**70**	**(5,544)**	**19,558**
Retirement gift	**348**	86	-	83	-	**169**	**(51)**	733	-	**733**	**(146)**	**1,053**
Net Benefit Liability	**50,778**	**2,420**	**22,352**	**3,880**	**9,638**	**38,290**	**(4,303)**	**(5,567)**	**-**	**(5,567)**	**(24,594)**	**54,604**

in thousand SRD for the year ended 31 December 2021

Other post-employment benefit liabilities	1 January 2021	Benefit cost charged to profit and loss: Current Service cost	Past Service Cost	Interest cost	Net Foreign Exchange Loss/ Gain	Subtotal P&L	Benefits Paid	Remeasurement gains/(losses) in OCI: Actuarial changes arising from changes in economic assumptions	Experience adjustments	Sub-total included in OCI	Monetary effects of hyperinflation	31 December 2021
Bonus to pensioners	**4,853**	78	-	252	-	**330**	**(298)**	(23)	-	**(23)**	**(1,839)**	**3,023**
Funeral expenses for pensioners	**10,968**	245	-	389	-	**634**	**(169)**	(96)	-	**(96)**	**(4,229)**	**7,108**
Social security benefits to pensioners	**2,243**	-	-	116	-	**116**	**(188)**	(6)	-	**(6)**	**(834)**	**1,331**
Lump sum to pensioners	**19,142**	537	-	1,000	-	**1,537**	**(563)**	(148)	-	**(148)**	**(7,411)**	**12,557**
Christmas vouchers for pensioners	**25,155**	873	-	654	8,935	**10,462**	**(660)**	(1,263)	-	**(1,263)**	**(11,317)**	**22,377**
Easter benefit for pensioners	**6,609**	182	-	332	-	**514**	**(552)**	(48)	-	**(48)**	**(2,489)**	**4,034**
Retirement gift	**666**	30	-	30	-	**60**	**(138)**	(3)	-	**(3)**	**(237)**	**348**
Net Benefit Liability	**69,636**	**1,945**	**-**	**2,773**	**8,935**	**13,653**	**(2,568)**	**(1,587)**	**-**	**(1,587)**	**(28,356)**	**50,778**



The principal assumptions used in determining post-employment benefit obligations are shown below:

	2022	2021
Future consumer price index increases:		
SRD		
2022	N/A	60.00%
2023	60.00%	15.00%
2024	15.00%	10.00%
2025	10.00%	5.00%
2026 and following years	5.00%	5.00%
USD	2.00%	2.25%
Discount rate SRD:		
2022	N/A	61.50%
2023	61.50%	16.50%
2024	16.50%	11.50%
2025	11.50%	6.50%
2026 and following years	6.50%	6.50%
Single Equivalent Discount rate	10.00%	10.36%
Discount rate USD:		
Healthcare Plan	4.99%	2.77%
Christmas Coupons	4.83%	2.68%
Future salary increases:		
1/1/2022	N/A	2.50%
1/1/2023	2.50%	2.00%
1/1/2024 and per January 1st, of following years	2.00%	2.00%
Healthcare cost increase rate:		
1/1/2022	N/A	2.75%
1/1/2023 and per January 1st, of following years	2.50%	2.75%
Further life expectation 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, as shown below:

Impact on defined benefit obligation		
in thousand SRD for the year ended 31 December	**2022**	**2021**
Pension plan		
Defined benefit obligation	**703,168**	**712,016**
1% increase of Discount rate	(131,052)	(120,087)
1% decrease of Discount rate	168,693	153,024
1% increase salary increases	70,900	57,129
1% decrease salary increases	(60,808)	(49,028)
1% increase pension adjustment	(83,448)	96,700
1% decrease pension adjustment	97,073	(83,050)
Post-employment healthcare plan		
Defined benefit obligation	**162,854**	**242,762**
1% increase of Discount rate	(806)	(46,708)
1% decrease of Discount rate	1,025	61,980
1% increase yearly cost	1,010	59,790
1% decrease yearly cost	(807)	(46,016)
Provision for anniversary payments		
Defined benefit obligation	**66,786**	**55,083**
1% increase of Discount rate	(5,871)	(4,715)
1% decrease of Discount rate	6,747	5,434
1% increase yearly cost	7,480	6,010
1% decrease yearly cost	6,584	(5,295)
Other post-employment benefit liabilities		
Defined benefit obligation	**54,604**	**50,778**
1% increase of Discount rate	(8,985)	(8,580)
1% decrease of Discount rate	11,552	11,004
1% increase yearly cost	8,221	5,565
1% decrease yearly cost	(6,499)	(4,406)
Accumulated		
Defined benefit obligation	**987,412**	**1,060,639**
1% increase of Discount rate	(146,714)	(180,090)
1% decrease of Discount rate	188,017	231,442
1% increase yearly cost	87,611	128,494
1% decrease yearly cost	(61,530)	(104,745)

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 gain/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 anniversary payment plan:

in thousand SRD

Defined benefit obligation as of 1 January 2022	**55,083**
Interest cost	5,740
Current service cost	3,806
Benefits paid	(4,699)
Remeasurements	33,905
Monetary effects of hyperinflation	(27,049)
Defined benefit obligation as of 31 December 2022	**66,786**

Defined benefit obligation as of 1 January 2021	**59,257**
Interest cost	5,923
Current service cost	3,901
Benefits paid	(3,012)
Remeasurements	15,530
Monetary effects of hyperinflation	(26,516)
Defined benefit obligation as of 31 December 2021	**55,083**

The short-term net employee benefits recorded under the Net employee benefits relates 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	456,040	21.60
Deferred members	29,105	18.17
Pensioners	217,895	7.66
Total	**703,040**	**17.13**

33.4 Expected contributions to the plans in FY 2023

Contributions and benefit payments

in thousand SRD

Actual and Expected Cash Flows	**Expected Jan 1, 2023 - Dec 31, 2023**	**Actual Jan 1, 2022 - Dec 31, 2022**
Contributions to the plan by the employer	40,700	24,943
Contributions by the plan participants	12,950	7,860
Total contributions	**53,650**	**32,803**
Benefit payments out of the plan	26,312	18,146
Total benefit payments	**26,312**	**18,146**

33.5 Fair value of the plan assets

The table below provides the net fair value of plan assets based on unaudited 2022 figures of Stichting Pensioenfonds van De Surinaamsche Bank N.V. The audited financials are not yet available.

Plan Assets

in thousand SRD

	Dec 31, 2022	**Dec 31, 2021**
Equity type investments	1,327	2,099
Real estate type investments	109,913	107,602
Commodity type investments	102,160	105,076
Fixed interest type investments		
Corporate bonds, not rated	95,559	92,738
Government bonds, not rated	-	-
Other fixed interest type investments	459,251	469,490
Total investments	768,210	777,005
Cash	4,269	1,326
Other assets	9,085	19,680
Other liabilities	(3,132)	(11,782)
Total	**778,432**	**786,229**

33.6 Expected pension base percentage

As at year-end 2022, the applied pension base factor is 74.3% (2021:100.0%). The 74.3% percentage is expected to be maintained for all years after 2022 and is to apply on the pension back service.

34 Issued capital and reserves

Issued capital and reserves Authorized	2022	2021
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 2021	37,733	3,773
Issued in 2021	-	-
Monetary effects of hyperinflation	-	12,179
As of 31 December 2021	**37,733**	**15,952**
Issued in 2022	-	-
As of 31 December 2022	**37,733**	**15,952**

No issuance in the ordinary shares was made in 2022 and 2021. 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.

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 Levens-verzekering 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 2022	Within 12 months	After 12 months	Total
Assets			
Cash and balances with central banks	2,989,823	7,647,167	10,636,990
Due from banks	5,942,760	18,353	5,961,113
Financial assets at fair value through profit or loss	-	336	336
Current tax assets	-	-	-
Loans and advances to customers	2,171,407	2,407,534	4,578,941
Purchased or originated credit impaired financial assets	-	1,997,561	1,997,561
Debt instruments at amortized cost	98,587	1,932,842	2,031,429
Investments in associates	-	47,768	47,768
Other assets	272,903	-	272,903
Property and equipment and right-of-use assets	-	988,696	988,696
Investment properties	-	11,143	11,143
Intangible assets	-	35,280	35,280
Total Assets	**11,475,480**	**15,086,680**	**26,562,160**
Liabilities			
Due to banks	266,211	-	266,211
Due to customers	20,652,800	1,788,038	22,440,838
Current tax liabilities	368,159	-	368,159
Other liabilities	264,074	102,401	366,475
Debt issued and other borrowed funds	11,170	314,400	325,570
Provisions	25,447	-	25,447
Net employee defined benefit liabilities	-	323,639	323,639
Deferred tax liabilities	-	531,080	531,080
Total Liabilities	**21,587,861**	**3,059,558**	**24,647,419**

in thousand SRD as of 31 December 2021	Within 12 months	After 12 months	Total
Assets			
Cash and balances with central banks	4,650,277	5,736,805	10,387,082
Due from banks	6,292,149	3,147	6,295,296
Financial assets at fair value through profit or loss	-	519	519
Current tax assets	3,005	-	3,005
Loans and advances to customers	1,917,501	2,758,184	4,675,685
Purchased or originated credit impaired financial assets	-	2,714,673	2,714,673
Debt instruments at amortized cost	517,892	1,735,953	2,253,845
Investments in associates	-	42,766	42,766
Other assets	19,660	252,777	272,437
Property and equipment and right-of-use assets	-	964,290	964,290
Investment properties	-	10,615	10,615
Intangible assets	-	9,837	9,837
Total Assets	**13,400,484**	**14,229,566**	**27,630,050**
Liabilities			
Due to banks	501,400	-	501,400
Due to customers	22,448,082	1,688,339	24,136,421
Current tax liabilities	4,439	-	4,439
Other liabilities	333,795	70,188	403,983
Debt issued and other borrowed funds	11,295	319,970	331,265
Provisions	25,045	-	25,045
Net employee defined benefit liabilities	-	379,978	379,978
Deferred tax liabilities	-	492,523	492,523
Total Liabilities	**23,324,056**	**2,950,998**	**26,275,054**

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, 2022, DSB has been able to fully comply with all its externally imposed capital requirements over the reported period, consistent with its performance in 2021.

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 deterioration of the foreign currency loan portfolio and own costs in foreign currency.

37.2 Regulatory capital

in Thousand SRD **Regulatory capital**	Actual 2022	Required 2022	Actual 2021	Required 2021
Common Equity Tier1 (CET1) capital	1,364,336	499,909	884,512	593,933
Additional Tier 1	139,191	139,191	139,191	139,191
Other Tier 2 capital instruments	325,570	325,570	331,265	331,265
Total regulatory capital	**1,829,097**	**964,670**	**1,354,968**	**1,064,389**
Risk weighted assets	**8,331,810**		**9,898,877**	
CET1 capital ratio	**16.4%**		**8.9%**	
Total capital ratio	**22.0%**		**13.7%**	

Regulatory capital consists of CET 1 capital, which comprises share capital, share premium, unrelieved losses including current year profit/loss and foreign currency translation result. 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). In addition, DSB obtained a subordinated loan in 2017 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 on the inflow and outflow of cash and DSB's financial health and operational efficiency.

Cash and cash equivalents

in thousand SRD	Notes	2022	2021
Cash and cash equivalents with central banks	18	538,115	1,037,840
Current accounts with central banks	18	2,486,248	2,246,965
Current accounts with other banks	19	3,080,145	5,468,649
		6,104,508	**8,753,454**

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	2022	2021
Net change in balances with central bank	18	110,340	(14,905)
Net change in financial assets designated and mandatorily classified at fair value through profit or loss	21	183	7,295
Net change in loans and advances to customers	22	96,744	1,795,208
Net change in POCI	23	717,112	998,082
Net change in other assets	25	(466)	(121,093)
		923,913	**2,664,587**

Change in operating liabilities

in thousand SRD	Notes	2022	2021
Net change in due to banks	20	(235,189)	(754,846)
Net change in due to customers	29	(1,695,583)	(3,031,590)
Net change in derivative financial instruments		-	(140,912)
Net change in provision	32	402	4,172
Net change in net employee defined benefit liabilities	33	20,694	(50,941)
Net change in other liabilities	30	(31,262)	43,930
		(1,940,938)	**(3,930,187)**

Net gain from investing activities

in thousand SRD	Notes	2022	2021
Change in deposits with central banks	18	(620,690)	(894,334)
Change in deposits with other banks	19	(2,054,320)	3,509,208
Change in debt instruments at amortized cost	24	222,416	(474,190)
Change in investments in associates	21	(5,002)	(38,680)
		(2,457,596)	**2,102,004**

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	2022	-	8,894	54,790	671,285	19,256	-
	2021	-	20,341	11,680	1,157,730	2,452	86,278
Supervisory Board	2022	-	-	-	6,223	11	2
	2021	-	-	-	2,216	13	4
Key Management	2022	-	-	-	1,795	-	-
	2021	-	-	-	4,985	-	9
Stichting Pensioenfonds van De Surinaamsche Bank N.V. (Pension Foundation)	2022	-	-	-	-	-	-
	2021	-	-	-	-	-	-
Associates	2022	-	-	639,200	104,992	1,071	14
	2021	-	-	643,005	243,594	19	764

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 2022 are SRD 1.7 million (2021: SRD 7.2 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. (2021: 34.5%) and Self Reliance N.V. No dividends have been paid to the shareholders since 2016.

39.2 Supervisory Board

In January 2022, the supervisory board consisted of the following seven (7) members: Mr. Waddy Sowma, Mr. Stanley Mathura, Mr. Robert Kasanrawi, Mr. Dharminder R. Parbhudayal, Mr. Nilesh Bishesar, Mr. Roy Baidjnath-Panday, and Mr. Jurgen van Ommeren (as of May 2022).

The four (4) shareholders with a significant large interest have a representative on the board. The following persons were closely related to DSB during financial year 2022 through the supervisory board.

- The chairperson of the supervisory board of 2022 was Mr. W. Sowma, who is the owner of the retail store, N.V. Marley, which is also a client of DSB. As of January 2023, Mr. Sowma was no longer a member of the board.
- Mr. Robert Kasanrawi is a member of the board and is currently the director of Self Reliance N.V., one of the 4 biggest shareholders of DSB.
- Mr. Stanley Mathura is part of the 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 was no longer a member of the supervisory board.
- Mr. Dharminder R. Parbhudayal is a member of the board and is currently the COO of Assuria N.V., one of the 4 biggest shareholders of DSB.
- Mr. Nilesh Bishesar is a member of the board and is currently the managing director of Qualogy Caribbean.
- Mr. Roy Baidjnath-Panday is a member of the 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. Jurgen van Ommeren is a member of the board and is currently the Finance Manager at CKC Machinehandel Surmac 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.

39.3 Key management

In 2022, the key management consisted of Mr. Renatus 'René' van Rooij (COO), Mr. Arjan Molenkamp, and Mr. Alexander van Petten. Per July 2023, Mr. Arjan Molenkamp left the organization. At the beginning of October 2023, Mr. Van Rooij left DSB due to retirement.

The remuneration of the Supervisory Board in 2022 amounted to a total of SRD 1,037 million (2021: SRD 297,080) and was adopted at the general meeting of shareholders on March 26, 2015. The amounts mentioned include hyperinflation impact amounting to SRD 203,610 (2021: SRD 54,980).

Compensation of key management personnel

In thousands of SRD for the year ended on 31 December of

	2022	2021
Short-term employee benefits	19,774	21,043
Post-employment pension and medical benefits	552	1,354
Total compensation paid to key management personnel	**20,326**	**22,397**

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 4.0 million (2021: 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. The contributions paid by the Group (expenses) are for the fiscal year 2022 SRD 31.2 million and for the fiscal year 2021 SRD 28.2 million. 2021 amount includes restatement impact amounting to SRD 13.3 million (Note 33.1).

As of October 2019, Mr. Rene van Rooij was vice chairperson of the pension foundation. As of October 4, 2023, Mr. Rene van Rooij has retired and is no longer vice chairperson of the pension foundation.

39.5 Associates

Panaso Vastgoed N.V. is a 100% subsidiary of DSB Assuria Vastgoedmaatschappij (DAVG). DSB has an ownership of 49% in DAVG while the remaining 51% is owned by Assuria N.V. These associates are real estate companies. The loans granted to these associates were for purchase and development of 550 hectares of land at Acaribo (Blauwmeer) to subsequently sell 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.

After careful consideration, Assuria, Panaso Vastgoed N.V. and the Central bank of Suriname jointly decided not to continue the sale and purchase of the Accaribo-property of Panaso Vastgoed N.V. at Accaribo. In this respect, on April 28, 2022, the respective parties agreed to dissolve the sale and purchase agreement of the Accaribo-property and as a result De Surinaamsche Bank relinquished the sale and purchase price which was held at the Central Bank of Suriname in the form of a deposit of USD 20 million. Also, a guaranty agreement was signed between De Surinaamsche Bank, 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 De Surinaamsche Bank would be accounted for as of August 30, 2019 and that Assuria would guarantee this debt for their 51% share in DAVG/Panaso Vastgoed N.V., amounting to USD 10.2 million with retrospective effect to financial year 2019. This guarantee will be covered by means of cash in the form of term deposits which are held at De Surinaamsche Bank. Kindly refer to Note 42 Events after the reporting date for the developments on this matter.

Besides the 49% ownership in DAVG N.V., as mentioned in Note 21, DSB holds a 25% interest in Banking Network Suriname N.V. (BNETS). In addition to DSB, Hakrinbank N.V. also 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, the 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 modelling, 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 2022

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	-	-	336	**336**
Total financial assets measured at fair value	**-**	**-**	**336**	**336**
Liabilities measured at fair value on a recurring basis				
Derivative financial instruments				
Foreign exchange contracts	-	-	-	**-**
Total liabilities measured at fair value	**-**	**-**	**-**	**-**

In thousand SRD as of 31 December 2021

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	-	-	519	**519**
Total financial assets measured at fair value	**-**	**-**	**519**	**519**
Liabilities measured at fair value on a recurring basis				
Derivative financial instruments				
Foreign exchange contracts	-	-	-	**-**
Total liabilities measured at fair value	**-**	**-**	**-**	**-**

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:

	Carrying	Fair value			
In thousand SRD as of 31 December 2022	amount	Level 1	Level 2	Level 3	Total
Land and Buildings	947,396	-	-	947,396	**947,396**
Investment Property	11,143	-	-	11,143	**11,143**
Total financial assets	**958,539**	**-**	**-**	**958,539**	**958,539**

	Carrying	Fair value			
In thousand SRD as of 31 December 2021	amount	Level 1	Level 2	Level 3	Total
Land and Buildings	916,791	-	-	916,791	**916,791**
Investment Property	10,615	-	-	10,615	**10,615**
Total financial assets	**927,406**	**-**	**-**	**927,406**	**927,406**

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 consolidated statement of profit and loss is SRD 32.2 million impairment loss (2021: 14.2 million impairment gain) while on other comprehensive income is SRD 10.0 million gain (2021: SRD 62.5 million loss). 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 2022

	Carrying amount	Fair Value Amount	Unrecognized gain/(loss)
Financial assets			
Cash and balances with central banks	10,636,990	10,636,990	-
Due from banks	5,961,113	5,961,113	-
Loans and advances to customers	4,578,941	4,218,599	(360,342)
Purchased or originated credit impaired financial assets	1,997,561	1,997,561	-
Debt instruments at amortized cost	2,031,429	1,948,593	(82,836)
Other assets	192,124	192,124	-
Total financial assets	**25,398,158**	**24,954,980**	**(443,178)**
Financial liabilities			
Due to banks	266,211	266,211	-
Due to customers	22,440,838	22,301,590	(139,248)
Debt issued and other borrowed funds	325,570	404,894	79,324
Other liabilities	197,919	197,919	-
Total financial liabilities	**23,230,538**	**23,170,614**	**(59,924)**
Total unrecognized change in unrealized fair value			**(383,254)**

In thousand SRD as of 31 December 2022

	Level 1	Level 2	Level 3	Total
Financial assets for which fair value is disclosed				
Loans and advances to customers	-	-	4,218,599	4,218,599
Debt instruments at amortized cost - bonds	1,509,606	323,837	-	1,833,443
	1,509,606	**323,837**	**4,218,599**	**6,052,042**
Financial liabilities for which fair value is disclosed				
Due to customers – term deposits	-	-	2,845,592	2,845,592
Debt issued and other borrowed funds	-	-	404,894	404,894
	-	**-**	**3,250,486**	**3,250,486**

There were no transfers between Level 1 and Level 2, including movements in Level 3 during 2022.

In thousand SRD as of 31 December 2021

	Carrying amount	Fair Value Amount	Unrecognized gain/(loss)
Financial assets	-		
Cash and balances with central banks	10,387,082	10,387,082	-
Due from banks	6,295,296	6,295,296	-
Loans and advances to customers	4,675,685	5,784,664	1,108,979
Purchased or originated credit impaired financial assets	2,714,673	2,714,673	-
Debt instruments at amortized cost	2,253,845	2,267,832	13,987
Other assets	201,928	201,928	-
Total financial assets	**26,528,509**	**27,651,475**	**1,122,966**
Financial liabilities			
Due to banks	501,400	501,400	-
Due to customers	24,136,421	23,994,763	(141,658)
Debt issued and other borrowed funds	331,265	426,797	95,532
Other liabilities	311,954	311,954	-
Total financial liabilities	**25,281,040**	**25,234,914**	**(46,126)**
Total unrecognized change in unrealized fair value			**1,169,092**

In thousand SRD as of 31 December 2021

	Level 1	Level 2	Level 3	Total
Financial assets for which fair value is disclosed				
Loans and advances to customers	-	-	5,784,664	5,784,664
Debt instruments at amortized cost - bonds	1,796,904	326,345	-	2,123,249
	1,796,904	**326,345**	**5,784,664**	**7,907,913**
Financial liabilities for which fair value is disclosed				
Due to customers - term deposits	**-**	**-**	3,937,213	**3,937,213**
Debt issued and other borrowed funds	**-**	**-**	426,797	**426,797**
	-	**-**	**4,364,010**	**4,364,010**

There were no transfers between Level 1 and Level 2, including movements in Level 3 during 2021.

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. In order 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 numbers of shares held by DSB. For listed shares these fair values are publicly available which are used as a basis for fair 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 which 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, financial position, and performance of DSB is 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 percentage of total assets in total income. As of December 31, 2022, the loans and advances portfolio (Note 22) are 17.2% of total assets (2021: 16.9%). The interest income received from these instruments (Note 8) is 30.5% of total interest revenue (2021: 72.0%).

40.4.2 Investment portfolio

The investment portfolio of DSB is the second most significant asset category and consists of treasury bills and bonds. Each of these items have 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, 2022, the treasury bills (Note 24) are 0.5% of total assets (2021: 0.6%). For the treasury bills portion which is classified as stage 3 instrument in 2022 and 2021 no interest income is recorded.

40.4.2.2 Financial assets - Term deposits

DSB has term deposits at the Central Bank of Suriname and at commercial banks. The portfolio of term deposits at the Central Bank of Suriname (Note 18) is 7.6% of total assets (2021: 5.0%) while the portfolio of term deposits at commercial banks (Note 19) is 10.8% of the total assets (2021: 3.0%).

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 US dollar and Euro. As of December 31, 2022, the bond portfolio (Note 24) is 7.2% of total assets (2021: 7.6%), while the interest income received from bonds (Note 8) is 3.7% of total net income (2021: 4.8%).

40.4.3 Due to customers - Term deposits

Term deposits placed at DSB by customers is a funding source. Term deposits (Note 29) make up 13.3% of the total amount due to customers (2021: 16.3%) and 12.1% of total liabilities (2021: 15.0%). The interest expense paid for these instruments (Note 9) is 60.3% of total interest expense (2021: 70.2%).

40.4.4 Subordinated loan

DSB has a subordinated loan (Note 31) which is part of DSB's (tier 2) capital for calculation of its solvency ratio.
Interest costs (Note 9) represent 6.1% of interest expense (2021: 5.0%).

41 Risk management

41.1 Introduction

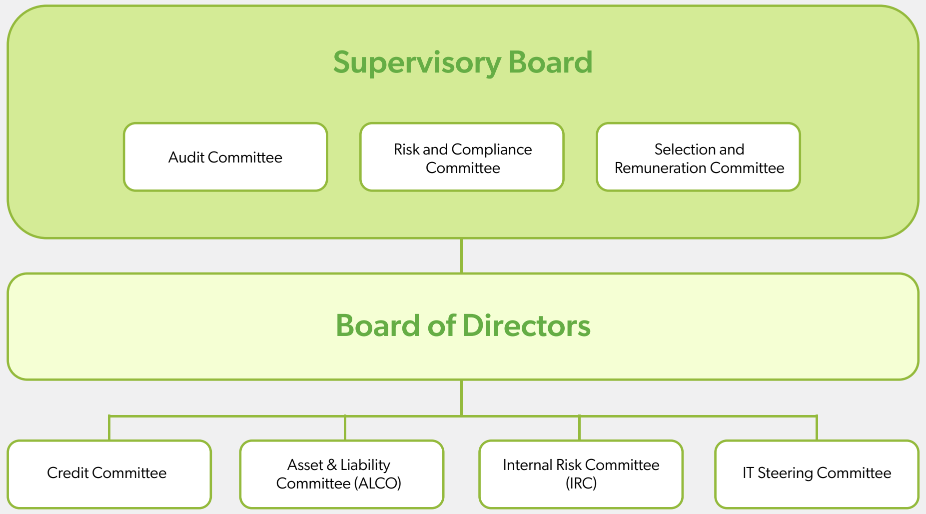
DSB operates in Suriname and performs banking services. Risk is inherent in DSB's activities and is managed through an Enterprise Risk Management (ERM) framework, including ongoing identification, measurement, and monitoring, and subject to risk limits and other controls. This process of risk management 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.



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 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.

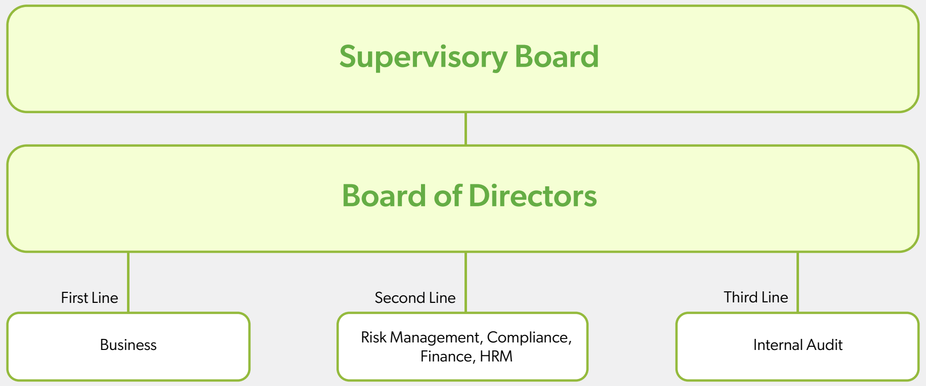
The Board of Directors is supported by the Internal Risk Committee (IRC), the Credit Committee (CC), the Asset and Liability Committee (ALCO), and the IT Steering Committee. These committees are all chaired by a member of the Board of Directors and are guided by its individual charters.

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 the 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 management (the business) is responsible for the design and execution of its own 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) assesses independently the functioning of the first and second line.

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 her 2022 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 (KRI's) 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 being 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 her in-house legal counsel before entering into contracts. For standard recurring contracts, DSB uses prepopulated templates which are regularly screened by the in-house legal department. See also paragraph 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 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, 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 is described in detail in its own charter.

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 new credit proposals and credit revisions are analyzed by the Credit Risk department, resulting in an advice which is presented by the Head of Risk 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, such as the 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 provision (refer to section 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 to implement recovery strategies to maximize recoveries and minimize losses. Furthermore, for intensive monitoring the Restructuring & Recovery team monitors timely execution of recovery strategies. Impairment Assessment and ECL calculation.

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:
  - Loans and advances to the Central Bank of Suriname
  - Deposits at 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 credits

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.

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, 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. 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 macro-economic 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 for the client's performance.

The complexity and granularity of the rating techniques varies 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 based on information as mentioned above.

The internal risk rating guides management to classify facilities either as Stage 1, Stage 2 or Stage 3, as defined in section 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 which have a credit risk rating above BB+ that 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 that of the foreign sovereign securities. Therefore, the first factor in determining the staging is the days delinquent. Similar to the 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 2015, 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 loan, 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. This is repeated for several economic scenarios as appropriate.

41.3.3.5 Forward Looking Information Adjustments

IFRS 9 requires unbiased, and probability weighed ECL estimation over the expected life of the instrument. This requires forecasting the cashflows of financial instruments and modelling the expected credit loss. To obtain reliable ECL estimates, forward looking information is incorporated in the models. This is done using a scorecard to calculate a multiplier based on projected macro-economic factors. This scorecard is populated based on DSB's analysis done on projected macro-economic variables, using external data providers such as Oxford Economics.

The scorecard requires focuses on three major inputs to calculate an FLI adjustment, namely economic scenario weighting, macro-economic 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 macro-economic factors are expected to remain stable.
- Adverse: Multiples are downgraded in absolute percentages to constitute the adverse scenario. An adverse scenario would indicate the macro-economic conditions are expected to worsen.
- Progressive: A progressive scenario would indicate the macro-economic factors are expected to improve.

Based on the economic perspectives as of December 2022, for the above scenarios, DSB has included equally weighted probabilities, resulting in 30%, 35% and 35% for the Progressive, Base, and Adverse scenario, respectively.

Macro-economic factors weighting

The macro-economic 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.

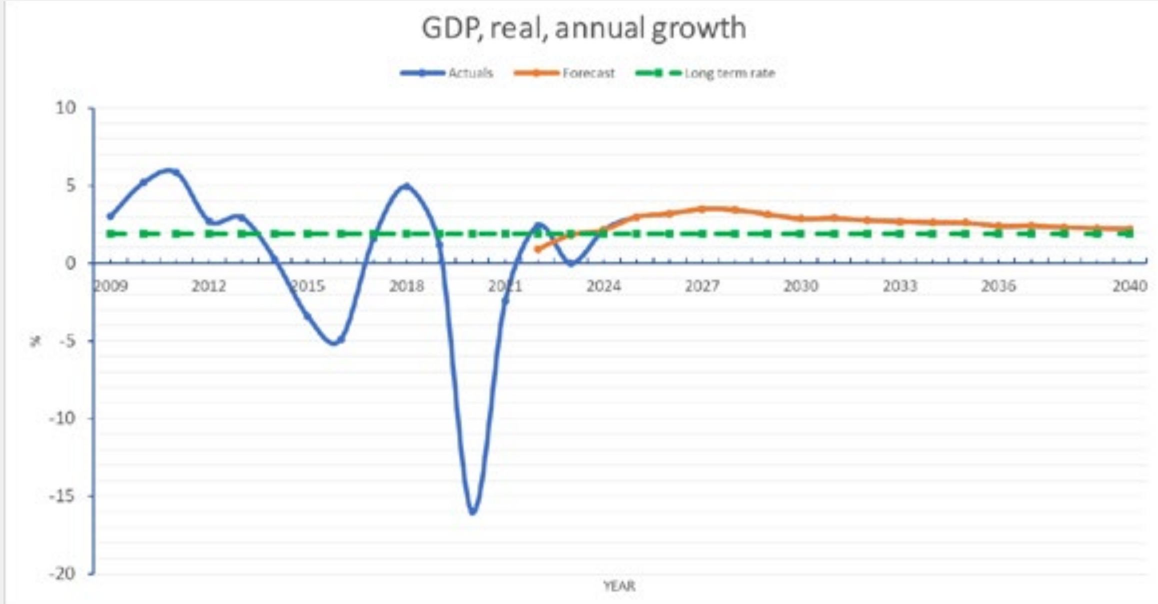
The impact state multiplier

Apart from the economic scenarios and macro-economic 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 macro-economic variables selected over the forecast period. The multiplier focuses on the change in the macro-economic variables relative to the reporting date to derive a multiplier for positive and negative impacts for each macro-economic variable. This is then applied for 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 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 is 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 macro-economic variables and the economic scenarios this results for 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, 2022, and December 31, 2021.

Indicator	2022	2021
Positive	0.93	0.20
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 for some cases whereas under Local GAAP and IAS 39, the exposure was solely calculated based on the outstanding balance of the financial instrument. 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 approach is in line with IFRS 9 as it does not look at exposure as being static, 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 modelling the range of possible exposure outcomes at various points in time, at instrument level. A summarized determination of the EAD on instrument type level is described below.

Loans

As described, the Exposure at Default (EAD) relates to the expected total outstanding balance as 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 at reporting date.

Guarantees ad 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 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 are depending 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 corporates 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, 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:

Collateral Type	Time to sell	Market Rate Adjustment
Mortgage	1.5 years	11%
Cash	0	0%
Exchange traded stocks	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 back testing 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 which both parties will agree to, and which 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 amounts; letters of credit and financial guarantee 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, 2022, and 2021 in the following tables before taking into account collateral or other credit enhancements.

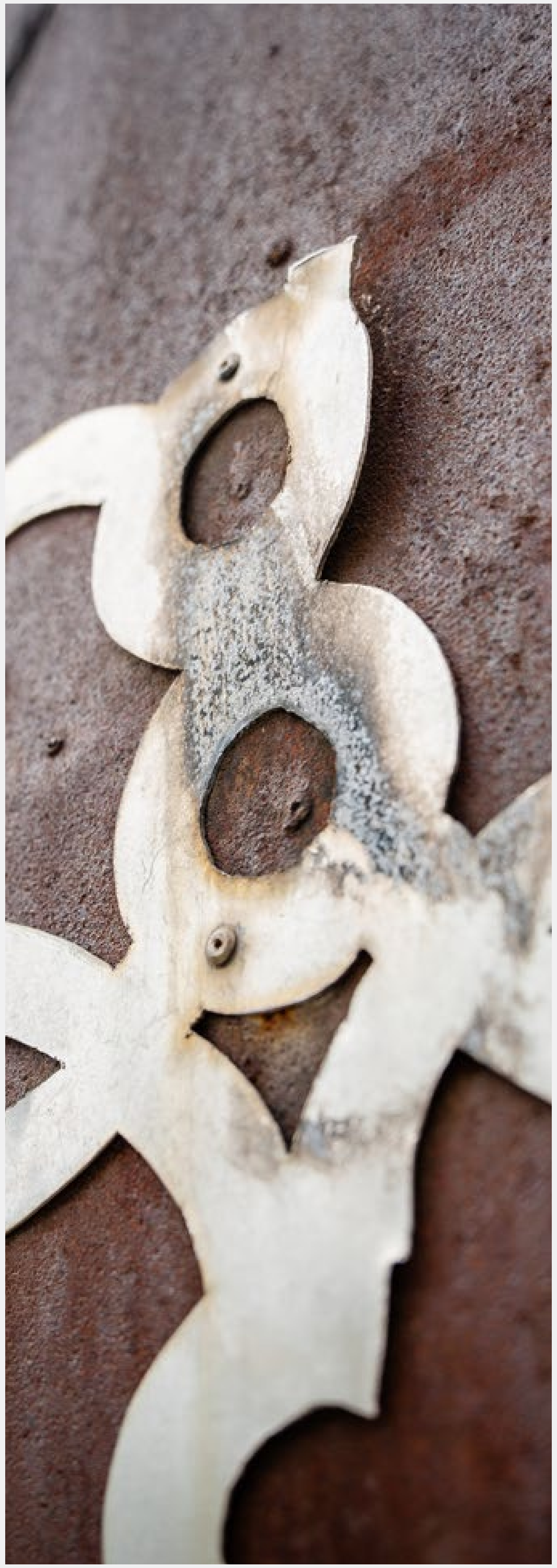
December 31, 2022	**Corporate**		**Government**		**Retail**		**Total**		
in thousand SRD	**Gross Carrying Amount**	**Undrawn Commit-ments**	**Gross Carry-ing Amount**	**Undrawn Commit-ments**	**Gross Carrying Amount**	**Undrawn Commit-ments**	**Gross Carrying Amount**	**Undrawn Commit-ments**	**Total ECL**
Cash and balances with central banks	**-**	**-**	**10,728,125**	**-**	**-**	**-**	**10,728,125**	**-**	**91,135**
Cash and cash equivalents	-	-	538,115	-	-	-	538,115	-	-
Cash reserves with central banks	-	-	5,692,033	-	-	-	5,692,033	-	56,611
Current accounts with central banks	-	-	2,486,248	-	-	-	2,486,248	-	34,524
Deposits with central banks	-	-	2,011,729	-	-	-	2,011,729	-	-
Loans and advances to central banks	-	-	-	-	-	-	-	-	-
Debt instruments at amortized cost	**1,459,677**	**-**	**584,600**	**-**		**-**	**2,044,277**	**-**	**12,848**
Bonds	1,459,677	-	456,601	-		-	1,916,278	-	7,491
Treasury bills	-	-	127,999	-	-	-	127,999	-	5,357
Due from banks	**5,962,048**	**-**	**-**	**-**		**-**	**5,962,048**	**-**	**935**
Current accounts with other banks	3,080,145	-	-	-	-	-	3,080,145	-	-
Deposits with other banks	2,881,903	-	-	-		-	2,881,903	-	935
Loans and advances to customers	**3,905,231**	**876,993**	**782,664**	**-**	**584,935**	**346,754**	**5,272,830**	**1,223,747**	**693,889**
Advances to customers	1,801,054	443,402	-	-	488	216	1,801,542	443,618	60,979
Credit cards	13,097	80,285	-	-	44,381	342,267	57,478	422,552	2,991
Current accounts of customers	-	241,742	-	-	-	1,502	-	243,244	1,868
Loans to government entities	-	-	782,664	-	97	-	782,761	-	230,330
Loans to private parties	2,088,673	111,564	-	-	387,509	2,769	2,476,182	114,333	395,444
Loans to private parties through Suritrust	2,407	-	-	-	152,460	-	154,867	-	2,277
Purchased or originated credit impaired financial assets	**-**	**-**	**1,997,561**	**-**	**-**	**-**	**1,997,561**	**-**	**11,045**
Provisions	**-**	**260,805**	**-**	**-**	**-**	**-**	**-**	**260,805**	**5,380**
Financial guarantees	-	172,155	-	-	-	-	-	172,155	5,380
Letters of credit	-	88,650	-	-	-	-	-	88,650	-
Grand Total	**11,326,956**	**1,137,798**	**14,092,950**	**-**	**584,935**	**346,754**	**26,004,841**	**1,484,552**	**815,232**

December 31, 2021	**Corporate**		**Government**		**Retail**		**Total**		
in thousand SRD	**Gross Carrying Amount**	**Undrawn Commit-ments**	**Gross Carrying Amount**	**Undrawn Commit-ments**	**Gross Carrying Amount**	**Undrawn Commit-ments**	**Gross Carrying Amount**	**Undrawn Commit-ments**	**Total ECL**
Cash and balances with central banks	**-**	**-**	**10,459,403**	**-**	**-**	**-**	**10,459,403**	**-**	**72,321**
Cash and cash equivalents	-	-	1,037,840	-	-	-	1,037,840	-	-
Cash reserves with central banks	-	-	5,783,559	-	-	-	5,783,559	-	46,755
Current accounts with central banks	-	-	2,246,965	-	-	-	2,246,965	-	25,566
Deposits with central banks	-	-	1,391,039	-	-	-	1,391,039	-	-
Loans and advances to central banks	-	-	-	-	-	-	-	-	-
Debt instruments at amortized cost	**2,016,407**	**-**	**262,911**	**-**		**-**	**2,279,318**	**-**	**25,473**
Bonds	2,016,407	-	92,855	-		-	2,109,262	-	7,671
Treasury bills	-	-	170,056	-	-	-	170,056	-	17,802
Due from banks	**6,295,757**	**-**	**-**	**-**		**-**	**6,295,757**	**-**	**461**
Current accounts with other banks	5,468,649	-	-	-	-	-	5,468,649	-	-
Deposits with other banks	827,108	-	-	-		-	827,108	-	461
Loans and advances to customers	**3,949,878**	**1,028,150**	**788,798**	**-**	**689,403**	**351,198**	**5,428,079**	**1,379,348**	**752,394**
Advances to customers	1,533,816	592,655	-	-	1,263	420	1,535,079	593,075	60,725
Credit cards	11,098	74,694	-	-	37,612	348,727	48,710	423,421	4,592
Current accounts of customers	-	351,135	-	-	-	2,051	-	353,186	1,114
Loans to government entities	-	-	788,798	-	150	-	788,948	-	232,093
Loans to private parties	2,401,029	9,666	-	-	384,260	-	2,785,289	9,666	450,627
Loans to private parties through Suritrust	3,935	-	-	-	266,118	-	270,053	-	3,243
Purchased or originated credit impaired financial assets	**-**	**-**	**2,714,673**	**-**	**-**	**-**	**2,714,673**	**-**	**-**
Provisions	**-**	**333,228**	**-**	**-**	**-**	**-**	**-**	**333,228**	**4,343**
Financial guarantees	-	186,854	-	-	-	-	-	186,854	4,343
Letters of credit	-	146,374	-	-	-	-	-	146,374	-
Grand Total	**12,262,042**	**1,361,378**	**14,225,785**	**-**	**689,403**	**351,198**	**27,177,230**	**1,712,576**	**854,992**

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.

December 31, 2022	Stage 1		Stage 2		Stage 3		POCI		Total		
in thousand SRD	Gross Carrying Amount	Undrawn Commit-ments	Gross Carrying Amount	Undrawn Commit-ments	Gross Carrying Amount	Undrawn Commit-ments	Gross Carrying Amount	Undrawn Commit-ments	Gross Carrying Amount	Undrawn Commit-ments	Total ECL
Cash and balances with central banks	**1,047,380**	**-**	**9,487,368**	**-**	**193,377**	**-**	**-**	**-**	**10,728,125**	**-**	**91,135**
Cash and cash equivalents	538,115	-	-	-	-	-	-	-	538,115	-	-
Cash reserves with central banks	-	-	5,498,656	-	193,377	-	-	-	5,692,033	-	56,611
Current accounts with central banks	509,265	-	1,976,983	-	-	-	-	-	2,486,248	-	34,524
Deposits with central banks	-	-	2,011,729	-	-	-	-	-	2,011,729	-	-
Loans and advances to central banks	-	-	-	-	-	-	-	-	-	-	-
Debt instruments at amortized cost	**1,426,673**	**-**	**565,554**	**-**	**52,050**	**-**	**-**	**-**	**2,044,277**	**-**	**12,848**
Bonds	1,426,673	-	489,605	-	-	-	-	-	1,916,278	-	7,491
Treasury bills	-	-	75,949	-	52,050	-	-	-	127,999	-	5,357
Due from banks	**5,962,048**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**5,962,048**	**-**	**935**
Current accounts with other banks	3,080,145	-	-	-	-	-	-	-	3,080,145	-	-
Deposits with other banks	2,881,903	-	-	-	-	-	-	-	2,881,903	-	935
Loans and advances to customers	**3,064,375**	**1,200,998**	**666,902**	**22,749**	**1,541,553**	**-**	**-**	**-**	**5,272,830**	**1,223,747**	**693,889**
Advances to customers	1,625,563	427,441	163,156	16,180	12,823	-	-	-	1,801,542	443,621	60,979
Credit cards	49,795	419,124	4,935	3,427	2,748	-	-	-	57,478	422,551	2,991
Current accounts of customers	-	240,101	-	3,142	-	-	-	-	-	243,243	1,868
Loans to government entities	-	-	235	-	782,526	-	-	-	782,761	-	230,330
Loans to private parties	1,248,998	114,332	489,041	-	738,143	-	-	-	2,476,182	114,332	395,444
Loans to private parties through Suritrust	140,019	-	9,535	-	5,313	-	-	-	154,867	-	2,277
											-
Purchased or originated credit impaired financial assets	**-**	**-**	**-**	**-**	**-**	**-**	**1,997,561**	**-**	**1,997,561**	**-**	**11,045**
Provisions	**-**	**252,182**	**-**	**285**	**-**	**8,338**	**-**	**-**	**-**	**260,805**	**5,380**
Financial guarantees	-	163,532	-	285	-	8,338	-	-	-	172,155	5,380
Letters of credit	-	88,650	-	-	-	-	-	-	-	88,650	-
Grand Total	**11,500,476**	**1,453,180**	**10,719,824**	**23,034**	**1,786,980**	**8,338**	**1,997,561**	**-**	**26,004,841**	**1,484,552**	**815,232**



December 31, 2021	Stage 1		Stage 2		Stage 3		POCI		Total		
in thousand SRD	Gross Carrying Amount	Undrawn Commit-ments	Gross Carrying Amount	Undrawn Commit-ments	Gross Carrying Amount	Undrawn Commit-ments	Gross Carrying Amount	Undrawn Commit-ments	Gross Carrying Amount	Undrawn Commit-ments	Total ECL
Cash and balances with central banks	**1,921,298**	**-**	**8,349,868**	**-**	**188,237**	**-**	**-**	**-**	**10,459,403**	**-**	**72,321**
Cash and cash equivalents	1,037,840	-	-	-	-	-	-	-	1,037,840	-	-
Cash reserves with central banks	-	-	5,595,322	-	188,237	-	-	-	5,783,559	-	46,755
Current accounts with central banks	883,458	-	1,363,507	-	-	-	-	-	2,246,965	-	25,566
Deposits with central banks	-	-	1,391,039	-	-	-	-	-	1,391,039	-	-
Loans and advances to central banks	-	-	-	-	-	-	-	-	-	-	-
Debt instruments at amortized cost	**1,782,316**	**-**	**327,679**	**-**	**169,323**	**-**	**-**	**-**	**2,279,318**	**-**	**25,473**
Bonds	1,782,316	-	326,946	-	-	-	-	-	2,109,262	-	7,671
Treasury bills	-	-	733	-	169,323	-	-	-	170,056	-	17,802
Due from banks	**6,271,364**	**-**	**24,393**	**-**	**-**	**-**	**-**	**-**	**6,295,757**	**-**	**461**
Current accounts with other banks	5,468,649	-	-	-	-	-	-	-	5,468,649	-	-
Deposits with other banks	802,715	-	24,393	-	-	-	-	-	827,108	-	461
Loans and advances to customers	**2,999,793**	**1,349,411**	**631,409**	**29,937**	**1,796,877**	**-**	**-**	**-**	**5,428,079**	**1,379,348**	**752,394**
Advances to customers	1,340,610	567,272	162,957	25,803	31,512	-	-	-	1,535,079	593,075	60,725
Credit cards	39,931	420,214	3,131	3,207	5,648	-	-	-	48,710	423,421	4,592
Current accounts of customers	-	352,259	-	927	-	-	-	-	-	353,186	1,114
Loans to government entities	150	-	215	-	788,583	-	-	-	788,948	-	232,093
Loans to private parties	1,380,745	9,666	446,361	-	958,183	-	-	-	2,785,289	9,666	450,627
Loans to private parties through Suritrust	238,357	-	18,745	-	12,951	-	-	-	270,053	-	3,243
											-
Purchased or originated credit impaired financial assets	**-**	**-**	**-**	**-**	**-**	**-**	**2,714,673**	**-**	**2,714,673**	**-**	**-**
Provisions	**-**	**323,869**	**-**	**286**	**-**	**9,073**	**-**	**-**	**-**	**333,228**	**4,343**
Financial guarantees	-	177,495	-	286	-	9,073	-	-	-	186,854	4,343
Letters of credit	-	146,374	-	-	-	-	-	-	-	146,374	-
Grand Total	**12,974,771**	**1,673,280**	**9,333,349**	**30,223**	**2,154,437**	**9,073**	**2,714,673**	**-**	**27,177,230**	**1,712,576**	**854,992**

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 auction, 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, 2022

in thousand SRD	Maximum exposure	Cash	Exchange traded stocks	Mortgage	Total Collateral	Net Exposure	ECL
Cash and balances with central banks	**10,728,125**	**-**	**-**	**-**	**-**	**10,728,125**	**91,135**
Cash and cash equivalents	538,115	-	-	-	-	538,115	-
Cash reserves with central banks	5,692,033	-	-	-	-	5,692,033	56,611
Current accounts with central banks	2,486,248	-	-	-	-	2,486,248	34,524
Deposits with central banks	2,011,729	-	-	-	-	2,011,729	-
Loans and advances to central banks	-	-	-	-	-	-	-
Debt instruments at amortized cost	**2,044,277**	**-**	**-**	**-**	**-**	**2,044,277**	**12,848**
Bonds	1,916,278	-	-	-	-	1,916,278	7,491
Treasury bills	127,999	-	-	-	-	127,999	5,357
Due from banks	**5,962,048**	**-**	**-**	**-**	**-**	**5,962,048**	**935**
Current accounts with other banks	3,080,145	-	-	-	-	3,080,145	-
Deposits with other banks	2,881,903	-	-	-	-	2,881,903	935
Loans and advances to customers	**6,496,577**	**1,462,223**	**85,625**	**3,535,778**	**5,083,626**	**2,184,804**	**693,889**
Advances to customers	2,245,162	845,302	21,027	2,005,508	2,871,837	-	60,979
Credit cards	480,029	140,994	-	-	140,994	339,035	2,991
Current accounts of customers	243,243	21,723	64,598	302,100	388,421	-	1,868
Loans to government entities	782,761	-	-	-	-	782,761	230,330
Loans to private parties	2,590,515	454,204	-	1,096,258	1,550,462	1,040,053	395,444
Loans to private parties through Suritrust	154,867	-	-	131,912	131,912	22,955	2,277
Purchased or originated credit impaired financial assets	**1,997,561**	**-**	**-**	**-**	**-**	**1,997,561**	**11,045**
Provisions	**260,805**	**89,690**	**22,580**	**500,193**	**612,463**	**-**	**5,380**
Financial guarantees	172,155	87,674	18,375	160,449	266,498	-	5,380
Letters of credit	88,650	2,016	4,205	339,744	345,965	-	-
Grand Total	**27,489,393**	**1,551,913**	**108,205**	**4,035,971**	**5,696,089**	**22,916,815**	**815,232**

December 31, 2021

in thousand SRD	Maximum exposure	Cash	Exchange traded stocks	Mortgage	Total Collateral	Net Exposure	ECL
Cash and balances with central banks	**10,459,403**	**-**	**-**	**-**	**-**	**10,459,403**	**72,321**
Cash and cash equivalents	1,037,840	-	-	-	-	1,037,840	-
Cash reserves with central banks	5,783,559	-	-	-	-	5,783,559	46,755
Current accounts with central banks	2,246,965	-	-	-	-	2,246,965	25,566
Deposits with central banks	1,391,039	-	-	-	-	1,391,039	-
Loans and advances to central banks	-	-	-	-	-	-	-
Debt instruments at amortized cost	**2,279,318**	**-**	**-**	**-**	**-**	**2,279,318**	**25,473**
Bonds	2,109,262	-	-	-	-	2,109,262	7,671
Treasury bills	170,056	-	-	-	-	170,056	17,802
Due from banks	**6,295,757**	**-**	**-**	**-**	**-**	**6,295,757**	**461**
Current accounts with other banks	5,468,649	-	-	-	-	5,468,649	-
Deposits with other banks	827,108	-	-	-	-	827,108	461
Loans and advances to customers	**6,807,421**	**1,127,717**	**103,570**	**5,082,176**	**6,313,463**	**1,672,989**	**752,394**
Advances to customers	2,128,148	844,000	23,038	2,135,266	3,002,304	-	60,725
Credit cards	472,132	126,157	5,969.00	155,424	287,550	184,582	4,592
Current accounts of customers	353,185	82,186	67,108	418,138	567,432	-	1,114
Loans to government entities	788,948	-	-	-	-	788,948	232,093
Loans to private parties	2,794,953	75,374	7,455	2,012,665	2,095,494	699,459	450,627
Loans to private parties through Suritrust	270,055	-	-	360,683	360,683	-	3,243
Purchased or originated credit impaired financial assets	**2,714,673**	**-**	**-**	**-**	**-**	**2,714,673**	**-**
Provisions	**333,228**	**137,216**	**16,359**	**552,214**	**705,789**	**-**	**4,343**
Financial guarantees	186,854	136,896	10,076	162,384	309,356	-	4,343
Letters of credit	146,374	320	6,283	389,830	396,433	-	-
Grand Total	**28,889,800**	**1,264,933**	**119,929**	**5,634,390**	**7,019,252**	**23,422,140**	**854,992**

In 2022, the net exposure for the Loans and advances to customers portfolio increased by SRD 1.1 billion, mainly due to favorable foreign exchange movement, offset by SRD 0.5 billion impact from hyperinflation. The collateral increased by SRD 1.2 billion mainly from foreign exchange movements and is offset by SRD 2.5 million from effects of hyperinflation.

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 her liquidity risk is described in detail in DSB's Liquidity policy.

DSB considers two types of liquidity risk:

1. Funding concentration risk: this is the risk of a decrease in large non-regular funding because of a large concentration in funding per currency and consolidated.
2. Market liquidity risk: 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 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, 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 KRI's 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 sets 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 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.

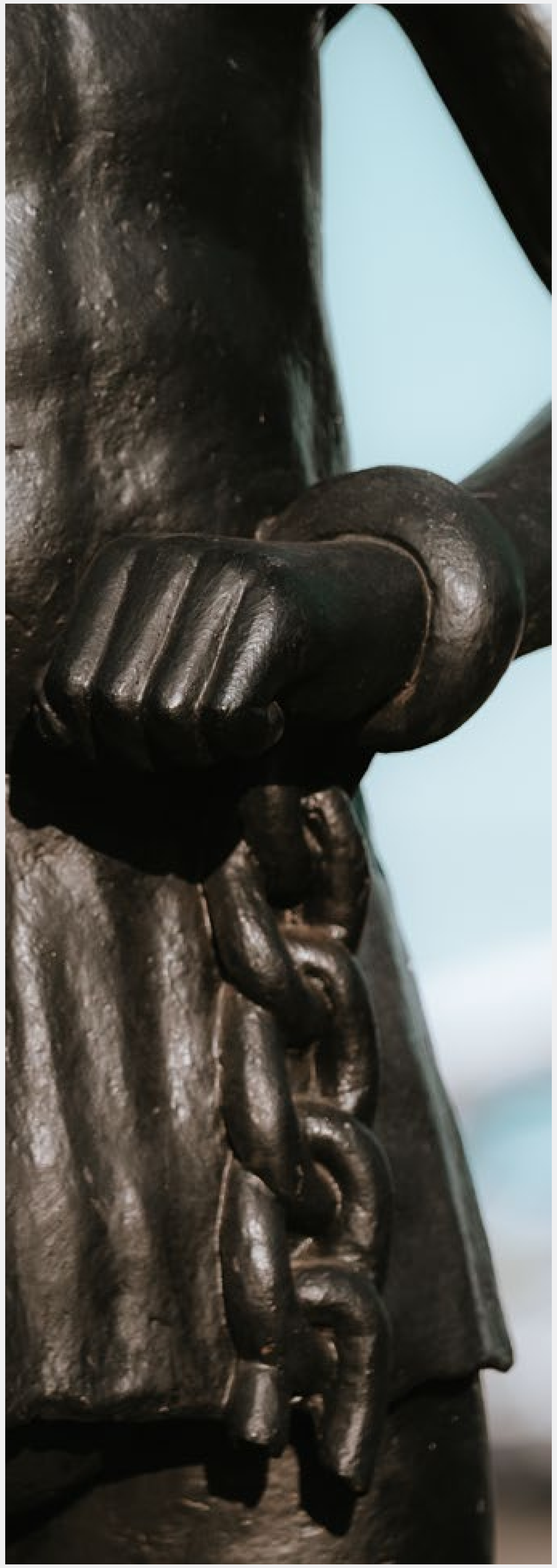
The forecast of liquid assets is based on the available liquid assets and the trend analysis for a period of 12 months, consisting of 3 months on a daily basis, 3 months on a weekly basis and 6 months on a monthly basis. Based on these results actions are taken e.g., increase, or decrease of funding, lending, and investments.

DSB's liquidity position was positive for the years 2022 and 2021, consistently ensuring sufficient liquidity to meet its short-term obligations. From December 2020 till reporting date, DSB has met all liquidity norms.

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, 2022, and December 31, 2021. 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 2022

In thousand SRD	**On Demand**	**Less than 1 month**	**1 to 3 months**	**3 to 12 months**	**1 to 5 years**	**Over 5 years**	**Total**
Financial assets							
Cash and balances with central banks	2,989,823	-	-	-	151,704	7,495,463	10,636,990
Debt instruments at amortized cost	-	696	89,068	8,823	1,836,031	96,811	2,031,429
Due from banks	3,080,146	794,964	159,050	1,908,600	-	18,353	5,961,113
Loans and advances to customers	1,793,180	29,870	63,905	284,452	2,091,856	315,678	4,578,941
Purchased or originated credit impaired financial assets	-	-	-	-	-	1,997,561	1,997,561
Financial assets at fair value through profit or loss	-	-	-	-	-	336	336
Current tax assets	-	-	-	-	-	-	-
Other assets							
Accounts receivables and sundry debtors	-	-	-	-	-	610	610
Cash in transit (Shipment)	-	-	-	-	-	169,675	169,675
Settlement and clearing accounts	-	21,839	-	-	-	-	21,839
Total financial assets	**7,863,149**	**847,369**	**312,023**	**2,201,875**	**4,079,591**	**10,094,487**	**25,398,494**
Financial liabilities							
Due to customers	19,455,996	166,849	268,342	761,613	1,787,998	40	22,440,838
Provisions	25,447	-	-	-	-	-	25,447
Due to banks	266,211	-	-	-	-	-	266,211
Current tax liabilities	368,159	-	-	-	-	-	368,159
Debt issued and other borrowed funds	-	-	-	11,170	-	314,400	325,570
Other liabilities							
Accounts payables and sundry creditors	1,180	-	-	-	-	-	1,180
Accrued expenses	3,842	3,917	2,074	40,345	83,699	-	133,877
Unearned fee and commissions	-	352	1,853	7,096	5,052	816	15,169
Lease Liabilities	-	641	1,303	4,732	5,328	21,916	33,920
Current account with BNETS	-	94,597	-	-	-	-	94,597
Settlement and clearing accounts	-	102,142	-	-	-	-	102,142
Total financial liabilities	**20,120,835**	**368,498**	**273,572**	**824,956**	**1,882,077**	**337,172**	**23,807,110**
Total net financial assets/(liabilities)	**(12,257,686)**	**478,871**	**38,451**	**1,376,919**	**2,197,514**	**9,757,315**	**1,591,384**

**Analysis of financial assets
and liabilities by contractual maturities**

As of 31 December 2021

In thousand SRD	**On Demand**	**Less than 1 month**	**1 to 3 months**	**3 to 12 months**	**1 to 5 years**	**Over 5 years**	**Total**
Financial assets							
Cash and balances with central banks	3,259,238	1,391,039	-	-	147,675	5,589,130	10,387,082
Debt instruments at amortized cost	-	33,132	80,141	404,619	1,670,446	65,507	2,253,845
Due from banks	5,468,648	784,860	-	38,641	-	3,147	6,295,296
Loans and advances to customers	1,517,358	33,197	89,806	277,140	2,328,069	430,115	4,675,685
Purchased or originated credit impaired financial assets	-	-	-	199,969	-	2,514,704	2,714,673
Financial assets at fair value through profit or loss	-	-	-	-	-	519	519
Current tax assets	3,005	-	-	-	-	-	3,005
Other assets							
Accounts receivables and sundry debtors	-	-	-	-	-	309	309
Cash in transit (Shipment)	-	-	-	-	-	181,959	181,959
Settlement and clearing accounts	2,238	17,422	-	-	-	-	19,660
Total financial assets	**10,250,487**	**2,259,650**	**169,947**	**920,369**	**4,146,190**	**8,785,390**	**26,532,033**
Financial liabilities							
Due to customers	20,199,210	217,666	947,685	1,083,521	1,688,339	-	24,136,421
Provisions	25,045	-	-	-	-	-	25,045
Due to banks	501,400	-	-	-	-	-	501,400
Current tax liabilities	4,439	-	-	-	-	-	4,439
Debt issued and other borrowed funds	-	-	-	11,295	-	319,970	331,265
Other liabilities							
Accounts payables and sundry creditors	2,335	-	-	-	-	-	2,335
Accrued expenses	-	808	1,994	1,003	44,820	-	48,625
Unearned fee and commissions	-	382	1,351	8,417	6,274	1,221	17,645
Lease Liabilities	-	674	1,380	5,832	8,897	22,318	39,101
Current account with BNETS	-	110,021	-	-	-	-	110,021
Settlement and clearing accounts	-	199,598	-	-	-	-	199,598
Total financial liabilities	**20,732,429**	**529,149**	**952,410**	**1,110,068**	**1,748,330**	**343,509**	**25,415,895**
Total net financial assets/(liabilities)	**(10,481,942)**	**1,730,501**	**(782,463)**	**(189,699)**	**2,397,860**	**8,441,881**	**1,116,138**

Maturity analysis lease liabilities 2022 (amounts in thousands SRD)										
2022		0-1 mth	> 1-3 mth	> 3-6 mth	> 6-9 mth	> 9-12 mth	> 1-3yrs	> 3-5yrs	> 5yrs	Total
Vehicles	USD	6	13	19	17	11	42	0	0	108
Vehicles	SRD	1	2	2	2	1	0	0	0	8
Buildings	USD	12	25	37	36	21	52	52	525	760
Buildings	SRD	67	92	84	84	74	342	342	5,216	6,301
	Total in SRD	**641**	**1,303**	**1,867**	**1,772**	**1,093**	**3,332**	**1,996**	**21,916**	**33,920**

Maturity analysis lease liabilities 2021 (amounts in thousands SRD)										
2021		0-1 mth	> 1-3 mth	> 3-6 mth	> 6-9 mth	> 9-12 mth	> 1-3yrs	> 3-5yrs	> 5yrs	Total
Vehicles	USD	8	15	23	23	23	116	25	0	233
Vehicles	SRD	2	3	3	3	3	12	0	0	26
Buildings	USD	22	45	66	66	54	170	80	852	1,355
Buildings	SRD	63	127	190	190	121	478	297	4,674	6,140
	Total in SRD	**687**	**1,374**	**2,039**	**2,039**	**1,721**	**6,422**	**2,475**	**22,344**	**39,101**

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 December 31, 2022 and December 31, 2021.

The contractual maturity of lease liabilities is shown in table below.

Key Risk Indicators (KRIs)	Norm	2022	2021
LCR	100%	133.2%	203.5%
Liquidity Ratio	100%	132.0%	117.5%
LDRe			
SRD	90%	59.7%	44.0%
USD	60%	48.7%	48.4%
EUR	50%	14.2%	23.1%
Net Stable Funding Ratio	100%	237.1%	220.7%

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 CEO 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, 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 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 2022	SRD	USD	EUR	Other	Total
Financial assets					
Cash and balances with central banks	4,287,487	3,503,999	2,839,070	6,434	10,636,990
Due from banks	44	5,557,621	403,419	29	5,961,113
Financial assets at fair value through profit or loss	336	-	-	-	336
Current Tax Assets	-	-	-	-	-
Loans and advances to customers	1,738,063	2,586,535	254,343	-	4,578,941
Purchased or originated credit impaired financial assets	-	1,632,387	365,175	-	1,997,562
Debt instruments at amortized cost	122,628	1,813,647	95,154	-	2,031,429
Other assets	-	9	169,156	-	169,165
Total financial assets	**6,148,558**	**15,094,198**	**4,126,317**	**6,463**	**25,375,536**
Financial liabilities					
Due to banks	5,445	5,948	254,818	-	266,211
Due to customers	4,478,092	14,005,848	3,956,889	10	22,440,839
Other liabilities	193,523	149,571	23,381	-	366,475
Current tax liabilities	368,159	-	-	-	368,159
Debt issued and other borrowed funds	-	325,570	-	-	325,570
Total financial liabilities	**5,045,219**	**14,486,937**	**4,235,088**	**10**	**23,767,254**
Net currency risk exposure	**1,103,339**	**607,261**	**(108,771)**	**6,453**	**1,608,282**
Reasonably possible change in exchange rate	10%	10%	10%	10%	
Effect on profit before tax	**110,334**	**60,726**	**(10,877)**	**645**	**160,828**

In thousand SRD as of 31 December 2021	SRD	USD	EUR	Other	Total
Financial assets					
Cash and balances with central banks	4,332,137	4,254,604	1,793,658	6,683	10,387,082
Due from banks	41,004	5,220,258	1,034,026	-	6,295,288
Financial assets at fair value through profit or loss	519	-	-	-	519
Current Tax Assets	3,005	-	-	-	3,005
Loans and advances to customers	1,605,490	2,688,671	381,523	-	4,675,684
Purchased or originated credit impaired financial assets	199,978	2,065,268	449,427	-	2,714,673
Debt instruments at amortized cost	152,248	1,978,409	123,187	-	2,253,844
Other assets	-	9	181,108	-	181,117
Total financial assets	**6,334,381**	**16,207,219**	**3,962,929**	**6,683**	**26,511,212**
Financial liabilities					
Due to banks	38,353	439,729	22,721	597	501,400
Due to customers	5,706,069	14,568,066	3,862,282	4	24,136,421
Current tax liabilities	4,439	-	-	-	4,439
Other liabilities	183,313	209,038	11,631	-	403,982
Debt issued and other borrowed funds	-	331,265	-	-	331,265
Total financial liabilities	**5,932,174**	**15,548,098**	**3,896,634**	**601**	**25,377,507**
Net currency risk exposure	**402,207**	**659,121**	**66,295**	**6,082**	**1,133,705**
Reasonably possible change in exchange rate	10%	10%	10%	10%	
Effect on profit before tax	**40,221**	**65,912**	**6,630**	**608**	**113,371**

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	**2022**	**2021**
Increase of 0.5%	(26,824)	(31,726)
Decrease of 0.5%	26,824	31,726

In thousand SRD as of 31 December 2022

	Average Outstanding Balance	**Interest Earned/Paid**	**Average Yield**	**Impact from Changes in Yield +0.5%**	**Impact from Changes in Yield -0.5%**
Cash reserves with central banks	5,737,796	50,752	0.9%	28,689	(28,689)
Due from banks	6,128,205	1,247,758	20.4%	30,641	(30,641)
Loans and advances to customers	4,627,313	601,343	13.0%	23,137	(23,137)
Debt instruments at amortized cost	2,142,637	72,610	3.4%	10,713	(10,713)
	18,635,951	**1,972,463**		**93,180**	**(93,180)**
Due to banks	383,806	30,178	7.9%	1,919	(1,919)
Due to customers	23,288,630	238,914	1.0%	116,443	(116,443)
Debt issued and other borrowed funds	328,418	17,576	5.4%	1,642	(1,642)
	24,000,854	**286,668**		**120,004**	**(120,004)**
Net impact	**(5,364,903)**	**1,685,795**		**(26,824)**	**26,824**

In thousand SRD as of 31 December 2021

	Average Outstanding Balance	**Interest Earned/Paid**	**Average Yield**	**Impact from Changes in Yield +0.5%**	**Impact from Changes in Yield -0.5%**
Cash reserves with central banks	5,782,540	34,642	0.6%	28,913	(28,913)
Due from banks	7,160,711	235,970	3.3%	35,804	(35,804)
Loans and advances to customers	5,573,289	839,815	15.1%	27,866	(27,866)
Debt instruments at amortized cost	2,016,750	55,663	2.8%	10,084	(10,084)
	20,533,290	**1,166,090**		**102,667**	**(102,667)**
Due to banks	878,823	32,292	3.7%	4,394	(4,394)
Due to customers	25,652,216	376,581	1.5%	128,261	(128,261)
Debt issued and other borrowed funds	347,521	21,614	6.2%	1,738	(1,738)
	26,878,560	**430,487**		**134,393**	**(134,393)**
Net impact	**(6,345,270)**	**735,603**		**(31,726)**	**31,726**

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 the market value volatility. DSB limits its exposure to market volatility by limiting her investment portfolio.

41.7.2 Market risk ratio's

As was mentioned above, DSB has identified three types of market risks. Per risk DSB formulate KRIs and set 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 max 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 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 only stake its available funds in foreign currency to customers who generate foreign currency directly from abroad or an international organization. Provisions for facilities are recognized in the base currency to limit 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 her 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.

Monthly, 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 ERM and Finance department are responsible for conducting stress tests which are presented to the ALCO.

42 Events after reporting date

The consolidated financial statements for the year ended December 31, 2022, were authorized for issue in accordance with a resolution of the directors on December 3, 2024:

The following adjusting as well as non-adjusting events occurred after the reporting period:

a) In relation to the matter discussed in note 39.5, on July 24, 2023, DSB through a letter addressed to Assuria N.V. and Assuria Levensverzekering N.V. expressed that it would invoke its settlement rights. The legal consequence of such is that the Assuria Contribution Obligation will be settled with the term deposits that Assuria and Assuria Leven have invested with DSB as far as these may amount to the obligation, all calculated six months after the writing of the letter.
On January 25, 2024, the DSB Assuria Vastgoed Maatschappij N.V. (100% owner of Panaso shares) has paid USD 3.9 million of the Panaso debt. Based on % ownership in DSB Assuria Vastgoed Maatschappij N.V., 49% of this payment was recorded for DSB and 51% under Assuria. The same day, Assuria also cleared the rest of the USD 10.2 million and has no obligation towards DSB for the Panaso loan. The current debt position of Panaso Vastgoed N.V. as of October 2024 is USD 7.9 million.

b) In December 2022, the USD government loan was restructured after a haircut of USD 1.8 million. Although a couple of payments were made in 2023, the loan was still non-performing. In October 2023, this loan was again restructured. Since then, various payments have been made by the government. The current outstanding balance per October 2024 is USD 8.5 million.

c) In March 2024 the government also paid all expired T-bills including the outstanding interest. As of October 2024, the outstanding balance of T-bills is SRD 28.8 million, which expires in December 2024.

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 already being migrated to DSB' 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) In 2023, a reporting tool (Microsoft Dynamics GP system from Emergence) has been implemented for efficient financial reporting. The estimated capital investment amounts to USD 201,300. This project has 2 phases. The first phase concerns the GL reporting ledger and IFRS/Local GAAP reporting including interface with the primary systems. We are currently reviewing that all the data is correctly processed within this tool. The second phase focuses on ancillary modules like accounts payable, purchasing workflow, fix assets & leases. The second phase is expected to be implemented 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 6, 2023, S&P global ratings have positively adjusted Suriname's long and short term foreign and local currency sovereign credit rating from 'Selective Default (SD)' to 'CCC+/C' rating due to various reforms and recent debt restructuring.

h) The Central Bank of Suriname exchange rates per November 18, 2024 are as follows:

Currency	Buying rate	Selling rate
USD	35.277	35.805
EURO	37.033	37.182

i) In 2022, the Central Bank of Suriname introduced the Central bank Certificates (CBC) to withdraw the excess SRD liquidity in the market, in addition to the implementation of Open Market Operation (OMO) policy of 2021. OMO's are being provided to financial institutions and CBC to the corporate and retail segment. Currently, the Central Bank provides OMO's with a term of 1 week, 1 month and 3 months. To reduce the SRD money supply, the Central Bank increases the OMO volumes which leads to an increase of the interest rates and if the Central Bank decreases the OMO volumes this leads to lower interest rates. The weighted average interest rates of the OMO's per November 2024 are 12.2% for 1 week, 24.6% for 1 month, and 38.2% for 3 months. DSB's term deposit rate is approximately 12.5%.

j) The IMF WEO reported a 3-year cumulative rate of inflation of 229% as of December 2023 and forecast 3-year cumulative rates of inflation of 134% and 68% for 2024 and 2025, respectively. The Suriname General Bureau of Statistics reported 51.6% inflation for the year ending December 31, 2023. Therefore, we believe that Suriname stays hyperinflationary.

k) In April 2023, as part of the Central Bank's monetary policy to tighten the money supply, the cash reserve requirements for SRD was increased from 39% to 44%.

l) The Value Added Tax Act was implemented effective January 1, 2023. The imposition of the indirect tax has minimal effect on DSB's services as revenue from DSB's core business model is zero rated (0%). While DSB's costs are deemed vatable, the excess VAT payment is recoverable from the government as tax refund. The 0% changed recently to VAT exemption and possibly 10%. This amendment was adopted by DSB in January 2023.

DE SURINAAMSCHE BANK

voor meer informatie: www.dsb.sr

Heeft u een vraag? Veel bankzaken regelt u sneller via DSB Internet Banking & Mobile Banking app of de website.
Dus als u een vraag heeft, informatie zoekt, een product wilt aanvragen of een klacht heeft: DSB staat voor u klaar.