Joint Stock Bank of Growth and Business Development

Annual financial statements prepared in accordance with the International Financial Reporting Standards and the Independent Auditor's Report
for the year ended 31 December 2025

CONTENTS

FBK-BEL LLC

Our. ref. №05-01/87 of May 29, 2026

INDEPENDENT AUDITORS' REPORT

To Chairman of the Board of Joint Stock Bank of Growth and Business Development
Mr Igor V. Likhogrud

Opinion

We have audited the financial statements of Joint Stock Bank of Growth and Business Development (Bank RRB, Bank thereafter) (Republic of Belarus, 220034, Minsk, 18 Krasnozviozdnaya Street, registered in the Unified State Register of Legal Entities and Individual Entrepreneurs under No.100361187), which comprise the statement of financial position as at December 31, 2025, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Bank as at 31 December 2025, its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS thereafter).

Basis for audit opinion

We conducted our audit in accordance with the Law of the Republic of Belarus "On Auditing Activities", the National Regulations on Auditing Activities, operating in the Republio of Belarus, International Standards on Auditing (ISAs). Our responsibilities under those requirements are further described in the section "Auditor's responsibilities for the audit of the financial statements" of our auditor's report. We are independent of Bank RRB in accordance with the requirements of the Law of the Republic of Belarus "On Auditing Activities", the National Regulations on Auditing Activities and in accordance with the International Ethics Standards Board for Accountants, adopted by the International Federation of Accountants, and we have complied with other principles of professional ethics in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the current period. The below matter was addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

Key audit matters	Audit procedures performed in relation to a key audit matter and the results of their implementation
Allowance for expected credit losses on loans to customers in accordance with IFRS 9 "Financial Instruments"	
We focused on this matter due to significance of loans to customers and significance of professional judgement and estimates required for calculation of expected credit losses in accordance with the IFRS 9 "Financial Instruments". The identification of impairment, significant increase in credit risk, determination of probability of default and loss given default, determination of the recoverable amount and forecast of macroeconomic variables require a high level of	During the audit we examined and assessed the methodologies of the Bank used for assessing the allowance for expected credit losses on loans to individuals and legal entities. We assessed credit risk factors used by the Bank for determining significant increase in credit risk. We analyzed rating models, key inputs and assumptions, model for assessing the probability of default, the level of recovery and adjustments due to macroeconomic factors, used for

professional judgement. Assessment of expected credit losses involves estimation techniques including internal credit ratings for calculation probability of default, historical data for determination of loss given default and forecasting of macroeconomic variables. Signs of significant increase in credit risk are also judgmental and are based on extent of downgrade in internal credit ratings, days overdue and other factors. The use of various models and assumptions in the calculation of expected credit losses can significantly affect the level of the allowance for expected credit losses on loans to customers. Note 4 "Significant Accounting Policies", Note 10 "Loans to Customers", and Note 31 "Risk Management" included in the financial statements contain information about the allowance for expected credit losses and management's approach to measuring and managing credit risk.	calculation of expected credit losses. We tested (on a sample basis) valuation models for sampled loans. Our work included assessment if the models and inputs are appropriate, re-performance of sampled calculations, and various analytical and other procedures. We analyzed information related to the allowance for expected credit losses on loans, disclosed in the notes to the consolidated financial statements. The audit evidence we have obtained as a result of the performed audit procedures is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of the audited entity for the preparation of the financial statements

Management of Bank RRB is responsible for the preparation and fair presentation of the accompanying financial statements in accordance with International Financial Reporting Standards and for such internal control as Management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the ability of Bank RRB 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 Bank RRB or to cease operations, or has no realistic alternative but to do so.

Those charged with governance namely the Board of Directors of Bank RRB and Audit Committee of Bank RRB, are responsible for overseeing the financial reporting process.

Auditor's responsibilities for the audit of the financial statements

The objectives of our audit are to obtain reasonable assurance about whether the 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 Law of the Republic of Belarus "On Auditing Activities" and the National Regulations on Auditing Activities, operating in the Republic of Belarus, ISAs will always detect a material misstatement when it exists. Misstatements can arise from error and/or fraud are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Law of the Republic of Belarus "On Auditing Activities" and the National Regulations on Auditing Activities, operating in the Republic of Belarus, ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- Obtain an understanding of internal control of the Bank relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Bank;

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made in the financial statements;

- Conclude on the appropriateness of Management's of the Bank use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Bank to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause of the Bank to cease to continue as a going concern;

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of organizations and business activities within of the Bank in order to express an opinion on the financial statements. We are responsible for the overall management, control and audit of the Bank. We are solely responsible for our audit opinion.

We communicate with those charged with management responsibilities regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We provide those charged with management responsibilities with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with management responsibilities, we determine the key audit matters. We disclose these matters in audit independent report unless law or regulation precludes public disclosure about the matter or when we reasonably determine that he adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of the disclosure.

Engagement partner,
Lead Auditor of FBK-Bel LLC
(order No. 1/OD dated 09.01.2025)

Viktoria E. Zolotaryova
(auditor's qualification certificate No. 0002679)

Auditor in-charge,
Deputy Director for Bank
Auditing of FBK-Bel LLC

Renata V. Kirslite
(auditor's qualification certificate No. 0002131)

Information about the audit organization:

FBK-Bel LLC;

Location: office 201-11, 22A Logoisky highway, Minsk, 220090, Republic of Belarus;

FBK-BEL LLC

Information on state registration: registered by the Minsk City Executive Committee in the Unified State Register of Legal Entities and Individual Entrepreneurs on 06 February 2009 under No. 690398039;
TIN 690398039.
The registration number of the entry of the audit organization in the register of audit organizations is 10069.

Date of signing the auditor's report May 29, 2026.

Auditor's report received on May 29, 2026.

Chairman of the Board of Bank RRB, Igor V. Likhogrud ____________

The Management of Joint Stock Bank of Growth and Business Development (hereinafter - the "Bank") is responsible for the preparation of financial statements that fairly present in all material respects the financial position of the Bank as at 31 December 2025, as well as its performance, cash flows and changes in equity for the year then ended in accordance with International Financial Reporting Standards (hereinafter - "IFRSs").

In the preparation of the financial statements, the Management is responsible for:

- Properly selecting and applying accounting policies;
- Presenting information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- Providing additional disclosures when compliance with IFRSs is insufficient to enable users of financial statements to understand the impact of particular transactions, other events and conditions on the Bank's financial position and financial performance;
- Making an assessment of the Bank's ability to continue as a going concern.

The Management is also responsible for:

- Designing, implementing and maintaining an effective and reliable system of internal control throughout the Bank;
- Maintaining accounting records that are sufficient to show and explain the Bank's transactions and disclose with reasonable accuracy at any time the financial position of the Bank, and to ensure that the financial statements of the Bank comply with IFRSs;
- Maintaining statutory accounting records in compliance with legislation and accounting rules of the Republic of Belarus;
- Taking such steps as are reasonably available to them to safeguard the assets of the Bank;
- Preventing and detecting fraud and other irregularities.

The financial statements for the year ended 31 December 2025 are authorized for issue on 29 May 2026 and are signed on behalf of the Management of the Bank.

On behalf of the Management of the Bank:

I.V. Likhogrud
Chairman of the Management Board

E.E. Lutsenko
Deputy Chief Accountant – Head of the Accounting and Reporting Department

Minsk
29 May 2026

STATEMENT OF FINANCIAL POSITION

In thousands of Belarusian rubles

	Notes	31 December 2025	31 December 2024 (restated)
Assets			
Cash and cash equivalents	7	231,072	208,882
Mandatory cash balances in the National Bank of the Republic of Belarus		6,190	5,326
Due from other banks	9	646	2,403
Loans to customers	10	243,065	234,355
Securities measured at amortized cost	11	44,105	50,873
Investment property	12	483	-
Property and equipment, intangible assets and right-of use-assets	13	29,177	23,145
Current income tax asset		106	517
Deferred income tax asset	28	5,170	3,022
Other assets	14	31,456	21,681
Total assets		**591,470**	**550,204**
Liabilities			
Due to other banks	15	24,508	31,507
Loans to customers	16	486,447	424,690
Debt securities issued	17	1,052	10,254
Lease liabilities	18	4,805	2,835
Other liabilities	19	4,577	4,402
Subordinated loans	20	20,535	25,783
Total liabilities		**541,924**	**499,471**
Equity			
Share capital	21	50,288	50,288
Accumulated profit / (loss)		(742)	445
Total equity		**49,546**	**50,733**
Total liabilities and equity		**591,470**	**550,204**

On behalf of the Management of the Bank:

I.V. Likhogrud
Chairman of the Management Board

E.E. Lutsenko
Deputy Chief Accountant – Head of the Accounting and Reporting Department

Minsk
29 May 2026

Notes on pages 13-72 form an integral part of these financial statements.

STATEMENT OF COMPREHENSIVE INCOME

In thousands of Belarusian rubles

	Notes	2025	2024 (restated)
Interest income calculated using the effective interest method	22	37,155	31,795
Interest income from finance leases		2,067	1,780
Interest expenses	22	(34,584)	(22,833)
Net interest income		**4,638**	**10,742**
Fee and commission income	23	8,350	8,066
Fee and commission expenses	23	(2,970)	(2,550)
Net fee and commission income		**5,380**	**5,516**
Net income from foreign exchange operations	24	24,979	20,651
Net income / (expenses) from transactions with securities	25	(174)	9
Expenses from changes in the fair value of investment property	25	(15)	-
Net other income	26	7,961	5,963
Total operating income		**42,769**	**42,881**
Operating expenses	27	(46,830)	(35,411)
Net (impairment) / recovery of impairment of assets received as debt repayment		(1,299)	377
Net (provision)/ recovery for impairment of interest-bearing financial assets	7, 9, 10,11	1,687	(2,816)
Net provision for impairment of other financial assets	14	(681)	(225)
Net recovery for credit related commitments	29	1,515	61
Profit before income tax expenses		**(2,839)**	**4,867**
Profit/(loss) for income tax	28	1,652	(411)
Net income / (loss) for the year		**(1,187)**	**4,456**
Other comprehensive income			
Total other comprehensive income		-	-
Total comprehensive income for the year		**(1,187)**	**4,456**

On behalf of the Management of the Bank:

I.V. Likhogrud
Chairman of the Management Board

E.E. Lutsenko
Deputy Chief Accountant – Head of the Accounting and Reporting Department

Minsk
29 May 2026

Notes on pages 13-72 form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

In thousands of Belarusian rubles

	Share capital	Accumulated loss	Total equity
Balance as at 31 December 2023 (restated)	**50,288**	**(4,011)**	**46,277**
Net profit for the year	-	4,456	4,456
Total income for the year	**-**	**4,456**	**4,456**
Balance as at 31 December 2024 (restated)	**50,288**	**445**	**50,733**
Net profit for the year	-	(1,187)	(1,187)
Total income for the year	**-**	**(1,187)**	**(1,187)**
Balance as at 31 December 2025	**50,288**	**(742)**	**49,546**

On behalf of the Management of the Bank:

I.V. Likhogrud
Chairman of the Management Board

E.E. Lutsenko
Deputy Chief Accountant – Head of the Accounting and Reporting Department

Minsk
29 May 2026

Notes on pages 13-72 form an integral part of these financial statements.

STATEMENT OF CASH FLOWS (DIRECT METHOD)

In thousands of Belarusian rubles

	Notes	2025	2024
Cash flows from / (used in) operating activities			
Interest received		43,382	32,604
Interest paid		(34,578)	(22,183)
Commissions received		8,384	7,963
Commissions paid		(2,970)	(2,550)
Income from foreign currency transactions	24	25,507	18,826
Income / (expanses) received on securities	25	(174)	9
Other income received		3,482	4,000
Operating expenses paid		(41,384)	(31,956)
Net (impairment) / recovery of impairment of assets received as debt repayment		(1,299)	377
Paid income tax		(332)	(462)
Cash flows from operating activities received before changes in operating assets and liabilities		**18**	**6,628**
Net (increase)/decrease in operating assets:			
Mandatory cash balances in the National Bank of the Republic of Belarus		(864)	(2,004)
Due from other banks		(75)	(3,771)
Loans to customers		(14,142)	(42,374)
Securities measured at amortized cost		86	23
Assets held for sale		(790)	140
Other assets		(9,247)	(9,508)
Net increase/(decrease) in operating liabilities:			
Due to other banks		(7,007)	19,132
Due to customers		81,170	131,218
Lease liabilities		404	276
Other liabilities		368	18
Net inflow of cash from operating activities		**49,921**	**99,778**
Cash flows from / (used in) investing activities			
Acquisition of property and equipment and intangible assets		(12,315)	(19,958)
Proceeds from the sale of property and equipment		4,474	13
Proceeds from the disposal of assets held for sale		1,017	-
Acquisition of investment property		(8,795)	-
Proceeds from the disposal of investment property		9,968	-
Purchase of securities		(12,310)	-
Proceeds from the sale of securities		12,062	-
Net outflow of funds used in investing activities		**(5,899)**	**(19,945)**
Cash flows from / (used in) financial activities			
Repayment of subordinated loans		(1,210)	(1,508)
Placement of debt securities issued		13,523	19,613
Repayment of debt securities issued		(22,295)	(11,883)
Lease liabilities payments		(2,890)	(2,033)
Net inflow / (outflow) of cash from financial activities		**(12,872)**	**4,189**

STATEMENT OF CASH FLOWS (DIRECT METHOD)

In thousands of Belarusian rubles

	Notes	2025	2024
Effect of changes in foreign exchange rates on cash and cash equivalents		(8,493)	1,506
Effect of changes in expected credit losses on cash and cash equivalents		(467)	3,444
Net increase / (decrease) in cash and cash equivalents		**22,190**	**88,972**
Cash and cash equivalents at the beginning of the year	7	**208,882**	**119,910**
Cash and cash equivalents at the end of the year	7	**231,072**	**208,882**

On behalf of the Management of the Bank:

I.V. Likhogrud
Chairman of the Management Board

E.E. Lutsenko
Deputy Chief Accountant – Head of the Accounting and Reporting Department

Minsk
29 May 2026

Notes on pages 13-72 form an integral part of these financial statements.

1. General information

Joint Stock Bank of Growth and Business Development (hereinafter — the "Bank") was registered on 22 February 1994 in the form of a Joint Stock Bank of Reconversion and Development in accordance with the legislation of the Republic of Belarus. The Bank operates on the basis of the license for banking activity No. 21 issued by the National Bank of the Republic of Belarus on 12 April 2023. The Bank also has a special permit (license) for securities and stock exchange operations No. 02200/5200-1246-1126 of 29 June 2012, issued by the Ministry of Finance of the Republic of Belarus. Since 22 June 2020 Joint Stock Bank of Reconversion and Development was renamed in Joint Stock Bank of Growth and Business Development. By the decision of the Board of the National Bank of the Republic of Belarus of 25 April 2024, amendments were registered to the Bank's charter related to the change of the abbreviated name from GBD-Bank to Bank GBD.

The Bank was established for commercial and retail banking operations on the territory of the Republic of Belarus. The main activities of the Bank are provision of loans to individuals and legal entities, including individual entrepreneurs; raise of resources to deposits from non-banking and banking organizations, legal entities and individuals; management of customer accounts, cash and settlement operations; securities and foreign exchange transactions.

The Bank has a certificate of registration in the state institution Agency of Guaranteed Compensation of Individual Bank Deposits, which guarantees 100% payment of deposits of individuals in case of cancellation of the banking license.

The Bank's legal address is 18 Krasnozvezdnaya Str. Minsk, 220034, Republic of Belarus.

The average annual number of staff of the Bank in 2025 amounted to 509 persons (2024: 452 persons).

2. Basis of preparation of the financial statements

Statement of Compliance

These financial statements have been prepared in accordance with the International Financial Reporting Standards ("IFRSs").

General principles of financial reporting

These financial statements have been prepared upon the assumption that the Bank will continue as a going concern. The Management believes that the going concern assumption is appropriate for the Bank due to its sufficient capital adequacy ratio and, based on historical experience, that short-term liabilities will be refinanced in the normal course of business.

The Bank maintains its accounting in accordance with the requirements of the current legislation of the Republic of Belarus. Financial statements are prepared on the basis of these accounts, with adjustments necessary to align them with IFRSs.

The functional currency and presentation currency of the Bank is the national currency of the Republic of Belarus — the Belarusian ruble.

These financial statements are presented in thousands of Belarusian rubles, unless otherwise is specified.

In 2011-2014, the economy of the Republic of Belarus was recognized as hyperinflationary due to the fulfilment of the criteria specified in the International Accounting Standards (hereinafter – IAS) in IAS 29 "Financial Reporting in Hyperinflationary Economies". In accordance with the requirements of the standard, the financial statements of entities, the functional currency of which is the currency of a country with a hyperinflationary economy, were presented in prices reflecting the buying capacity at the end of the reporting period. As at 1 January 2015 the economy of the Republic of Belarus ceased to be considered hyperinflationary, the value of non-monetary assets, liabilities and capital of the Bank, presented in the prices in effect as at 31 December 2014 was used as opening balances as at 1 January 2015.

3. Adoption of new and revised standards and interpretations

3.1 Change in comparative data presentation

During 2025, the Bank reviewed the information used in the preparation of the financial statements for the year ended 31 December 2024, specifically regarding the method of recognising fee and commission income directly related to the granting of loans to individuals in accordance with IAS 32 "Financial Instruments: Presentation".

In accordance with IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors", the Bank made the relevant adjustments as at 1 January 2024 and 31 December 2024, respectively.
The tables below present information on the impact of these changes on the Bank's financial statements.

Recalculation of the carrying amount as at 1 January 2024

	Presented in the financial statements for the previous period	Adjustments	Restated
Loans to customers	179,500	(2,359)	177,141
Deferred income tax asset	2,843	590	3,433
Accumulated loss	(2,242)	(1,769)	(4,011)

Statement of comprehensive income as at 31 December 2024

	Presented in the financial statements for the previous period	Adjustments	Restated
Assets			
Loans to customers	236,979	(2,624)	234,355
Deferred income tax asset	2,366	656	3,022
Total assets	**552,172**	**(1,968)**	**550,204**
Accumulated loss	2,413	(1,968)	445
Total equity	**52,701**	**(1,968)**	**50,733**

Profit and loss as at 31 December 2024

	Presented in the financial statements for the previous period	Adjustments	Restated
Interest income calculated using the effective interest rate method	32,041	(246)	31,795
Net provision for impairment of interest-bearing financial assets	(2,797)	(19)	(2,816)
Profit before income tax	**5,132**	**(265)**	**4,867**
Income tax expense	(477)	66	(411)
Net profit for the year	**4,655**	**(199)**	**4,456**
Total comprehensive income for the year	**4,655**	**(199)**	**4,456**

Statement of changes in equity as at 31 December 2024

	Presented in the financial statements for the previous period	Adjustments	Restated
Accumulated loss as at 1 January 2024	(2,242)	(1,769)	(4,011)
Net profit for the year	4,655	(199)	4,456
Accumulated loss as at 31 December 2024	2,413	(1,968)	445

3.2 Application of standards and interpretations that entered into force in 2025

Amendments to IAS 21 Restrictions on the Convertibility of Currencies
In August 2023, the IASB issued amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates'. The amendments introduce a definition of 'convertible currency'. A currency is convertible into another currency if the entity has the ability to obtain the other currency within a timeframe that allows for normal administrative delays, either through the market or by using currency exchange arrangements where the exchange transaction gives rise to legally enforceable rights and obligations. Entities must assess whether a currency is convertible at the measurement date and for a specific purpose. The requirement that, where it is not possible to exchange one currency for another on a temporary basis, the exchange rate on the first date on which the exchange can be made should be applied has been removed. In such cases, the current exchange rate will need to be assessed. The amendments also add disclosure requirements, including on the procedure for determining the non-convertibility of a currency and the risks to which an entity is exposed due to a non-convertible currency.
These amendments are effective for annual reporting periods beginning on or after 1 January 2025.

Standards, interpretations, or amendments that have been issued but are not yet in effect:

Amendments to IFRS 9 and IFRS 7 Classification and Measurement of Financial Instruments
In May 2024, the IASB issued amendments to IFRS 9 and IFRS 7 concerning the classification and measurement of financial instruments. These amendments regulate the issues of derecognition of financial liabilities that are settled through an electronic payment system; of analysis for compliance with the SPPI criterion in relation to financial assets that contain conditions for compliance with established targets in the field of environmental protection, social sphere and corporate governance and similar indicators related to the occurrence of a certain event.
The amendments enter into force for annual reporting periods beginning on or after 1 January 2026, early application is permitted. The Bank analyses the possible impact of these amendments on the financial statements.

IFRS 18 Presentation and Disclosure in Financial Statements
In April 2024, the IASB issued a new standard, IFRS 18 Presentation and Disclosure of Information in Financial Statements, which will replace IAS 1 Presentation of Financial Statements. IFRS 18 establishes new requirements, the most important of which are: classification of income and expense items in the statement of profit or loss into categories corresponding to the type of activity (operating, investment,

financial); the obligation to present interim results (operating profit or loss; profit or loss before accounting for financial activities and income taxes); disclosure in the financial statements of information about performance indicators determined by management including their reconciliation with comparable results in the statement of profit or loss.
IFRS 18 also provides for individual changes to the statement of cash flows and some other changes. IFRS 18 is required for annual periods beginning on or after 1 January 2027, early application is permitted. The Bank analyses the possible impact of the application of the standard on the financial statements.

4. Significant accounting policies

Cash and cash equivalents

Cash and cash equivalents include cash, balance on accounts in the National Bank of the Republic of Belarus (hereinafter – the "National Bank") and other credit organizations with original maturity within 90 days which may be freely converted to cash without significant loss in value. Assets with longer maturities at the acquisition date do not become cash equivalents after the remaining period of time to maturity is reduced to 90 days. Amounts for which there are any restrictions on their use are excluded from cash and cash equivalents.

Mandatory allowances on accounts in the National Bank of the Republic of Belarus

Mandatory allowances on accounts in the National Bank of the Republic of Belarus are funds deposited in the National Bank and not intended for financing of current operations. Mandatory allowances on accounts in the National Bank are not included in cash and cash equivalents for the purposes of preparing the statement of cash flows.

Financial instruments

Initial recognition

Financial assets and liabilities are reported in the statement of financial position when the Bank becomes a party to the contract in respect of the financial instrument concerned.
Financial assets and liabilities are initially recognized at fair value and financial assets and liabilities not classified as measured at fair value through profit or loss are recognized at fair value plus transaction costs directly associated with the acquisition or issuance of a financial asset or financial liability.

Date of recognition

All regular way purchases and sales of financial assets are recognized using the accounting method on the trade date, i.e., the date that the Bank commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

Classification and subsequent measurement of financial instruments: categories of measurement

The Bank classifies financial instruments using the following categories of measurement:

- asset measured at amortized cost;
- asset measured at fair value through other comprehensive income (FVTOCI);
- asset measured at fair value through profit or loss (FVTPL).

Business model analysis is performed at the portfolio level. The Bank analyses all relevant and objective evidence available at the date of valuation to determine the business model for specific portfolios of financial assets.

A financial asset is measured at amortized cost only if it meets both of the following conditions:
a) the asset is held within the framework of a business model that seeks to retain assets to obtain contractual cash flows;

b) the contractual terms of the financial asset provide for cash flows in the stated dates, which are solely a payment on the principal amount of the debt and interest accrued on the outstanding part of the principal amount (SPPI-test is executed).

A financial asset is measured at fair value through other comprehensive income if it meets both of the following conditions:
a) the asset is held within the framework of a business model, the purpose of which is achieved both through the receipt of contractual cash flows and through the sale of financial assets;
b) the contractual terms of the financial asset provide for cash flows in the stated dates, which are solely a payment on the principal amount of the debt and interest accrued on the outstanding part of the principal amount (SPPI-test is executed).

Financial asset is measured at fair value through profit or loss excluding the cases when it is measured at amortized cost or at fair value through other comprehensive income.
Notwithstanding the provisions described above, the Bank may, upon initial recognition of a financial asset, at its sole discretion, classify it, without reclassification, as measured at fair value through profit or loss, if such classification results in the elimination or material reduction of the measurement or recognition mismatch. which would otherwise have arisen.

On initial recognition, the Bank makes a decision, without the right to revoke it, to present in other comprehensive income subsequent changes in the fair value of an investment in an equity instrument not held for trading. Dividends received from such an investment are recognized by the Bank in profit or loss.

Classification and subsequent measurement of financial assets: business model

The classification and subsequent measurement of financial assets depend on the business model used by the Bank to manage the financial assets and the characteristics of the financial asset associated with the contractual cash flows. The Bank sequentially conducts two tests to determine the category of a financial asset: a test for the business model used; test for characteristics of cash flows.

The business model records the way the Bank uses to manage assets in order to receive cash flows, depending on whether the Bank's goal is:

- retention of assets to receive contractual cash flows, or
- receiving contractual cash flows and cash flows arising from the sale of assets.

If the paragraphs above are not applicable, financial assets are classified as "other" business models and are measured at fair value through profit or loss.

The business model is defined for a group of assets (at the portfolio level) on the basis of all relevant evidence of the activity that the Bank intends to undertake to achieve the objective set for portfolio available at the valuation date.
If the business model provides for the retention of assets to receive contractual cash flows or to receive contractual cash flows and to carry out sales, the Bank estimates whether cash flows are solely payments of principal and interest (the "solely payments of principal and interest test" or the "SPPI test").
In carrying out this assessment, the Bank considers whether the contractual cash flows correspond to the terms of the loan agreement, i.e., interest only includes reimbursement in respect of the credit risk, time value of money, other risks of the underlying loan agreement and profit margin.

If the terms of the contract provide for exposure to risk or volatility that do not comply with the terms of the loan agreement, the relevant financial asset is classified and measured at fair value through profit or loss. Solely payments of principal and interest are valued on initial recognition of the asset, and no subsequent revaluation is carried out.

Loans to customers that meet the SPPI criterion are withheld to receive the contractual cash flows and are recognized at amortized cost.

Impairment of loans measured at amortized cost or at fair value through other comprehensive income is determined using the forecast model of expected credit losses.

Impairment of financial assets: estimated allowance for expected credit losses (ECL)

At each reporting date, the Bank estimates expected credit losses on a financial instrument in the amount equal to lifetime expected credit losses if the credit risk on the financial instrument has increased significantly since initial recognition. If, at the reporting date, there has been no significant increase in the credit risk of a financial instrument since initial recognition, the Bank estimates an expected credit loss allowance for the financial instrument at an amount equal to 12-month expected credit losses.

In accordance with the requirements of IFRS 9, the Bank applies an expected credit loss model for the purpose of making allowance for financial instruments, the key principle of which is to timely reflect deterioration or improvement in the credit quality of financial instruments, taking into account current and forecast information.

The allowance for expected credit losses is based on:
a) expected credit losses within 12 months – for financial instruments in the absence of factors indicating a significant deterioration in credit quality from the date of initial recognition, or signs of impairment;
b) expected credit losses over the entire life of a financial instrument – for financial instruments for which factors have been identified that indicate a significant increase in credit risk, or signs of impairment.

The Bank uses the following approach to form an allowance:

As at the date of recognition the financial instruments relate to Stage 1.
A financial instrument for which there was no significant increase in credit risk during the reporting period is classified as relating to Stage 1. For Stage 1 financial instruments, the expected credit losses are estimated to be equal to the portion of the expected credit losses for the entire term that arise as a result of defaults that may occur within the next 12 months (12-month ECL), or to maturity if it is less than 12 months from the reporting date. If the Bank detects a significant increase in credit risk from the moment of initial recognition, the asset is transferred to Stage 2 and the expected credit losses are estimated on the basis of expected credit losses for the entire term (ECL for the entire term). If the Bank determines that a financial asset is impaired: the borrower is assigned the default status, the asset is transferred to Stage 3 and the expected credit losses are estimated as expected credit losses for the entire term.

Determination of a significant increase in credit risk

By applying an assessment of the quality of the loan and, if applicable, relevant historical experience, the Bank can determine that there has been a significant increase in credit risk in the position exposed to credit risk, if specific qualitative indicators show this, and the indicators cannot be fully taken into account within the quantitative analysis in a timely manner.
The Bank believes that a significant increase in credit risk occurs no later than the moment when the number of days of past due debt on the asset exceeds 30 days. The Bank determines the number of days of past due debt by counting the number of days starting from the earliest day as of which full payment has not been received.

Determination of default

The probability of default of clients is assessed on the basis of conditional credit ratings assigned based on the risk group determined in accordance with the Instructions on the procedure for the formation and use by banks, open Joint Stock Company “Development Bank of the Republic of Belarus” and non-bank credit and financial organizations of special reserves to cover possible losses on assets and transactions not reflected on the balance sheet, approved by the Resolution of the Board of the National Bank of 28

September 2006 No.138 (hereinafter – Instruction No. 138) and in accordance with the Methodology developed by the Bank for the Classification of Financial Instruments and the Formation of Reserves for Expected Credit Losses in accordance with IFRS 9 (hereinafter referred to as the "Methodology"). The compliance of the risk groups established by Instruction No. 138 and the conditional ratings applied by the Bank is presented in the table below:

Conditional rating applied by the Bank	A	B	C	D	E
Risk group in accordance with Instruction No. 138	I	II	III	IV	V, VI

To determine the probability of default (PD), the Bank uses an assessment on corporate loans which is carried out based on contingent credit ratings. To obtain a contingent credit rating for the reporting date and the previous reporting date, a migration matrix is built, then the resulting migration matrix is adjusted in compliance with the influence of macroeconomic factors calculated for 3 calendar years in advance.

When classifying loans to individuals, payment discipline is a fundamental factor. The quality evaluation and determination of the probability of default (PD) for retail loans are carried out by dividing the loan debt into portfolios of homogeneous loans by delay periods: without delay, with a delay period from 1 to 30 days, from 31 to 60 days, from 61 to 90 days, over 90 days.

To determine the probability of default (PD) of financial institutions, the Bank uses an assessment based on external credit ratings assigned by external rating agencies. The Bank uses credit ratings established by Standard & Poor's agency. However, if a financial institution has been assigned a rating by another external rating agency, this rating corresponds to the Standard & Poor's rating in accordance with the Methodology developed by the Bank. In the absence of a long-term credit rating assigned by international rating agencies, the rating of a financial institution is determined in accordance with the international credit rating of the country of residence of the financial institution, aligned with the Standard & Poor's rating. In the absence of a credit rating of the country of residence of a financial institution, the credit rating is determined based on the expert opinion of the Bank's management. To obtain annual estimates of the probability of default (PD) for financial institutions, the Bank uses annual Standard & Poor's rating agency migration matrices published in the Annual Global Financial Services Default And Rating Transition Study report.

Modified financial assets

If the terms of a financial asset change, the Bank estimates whether the cash flows on such modified asset differ significantly. If cash flows differ significantly, the initial financial asset is derecognized and the new financial asset is recognized and classified in accordance with IFRS 9 (including the testing of cash flows using the SPPI test). Factors leading to the derecognition of a financial asset include changes in the currency of a financial asset; change from the fixed interest rate to a floating interest rate and, vice versa, replacement of the debtor (counterparty) under the contract.

Changes in cash flows on existing financial instruments are not considered to be a modification of the terms if they result from the current terms of the contract, for example, changes in interest rates due to changes in the refinancing rate of the National Bank if the relevant loan agreement allows the Bank to change interest rates. Immaterial modifications also include changes in the term of the contract, changes in the frequency of payments of principal and interest.

As part of its credit risk management activities, the Bank revises the terms for loans to customers experiencing financial difficulties in order to maximize the amount of debt repaid and minimize the risk of default. The Bank recognizes profit or loss from modification calculated on the basis of changes in cash flows discounted at the initial effective interest rate in the statement of comprehensive income before the impairment loss is recognized. In case of a modification that does not result in derecognition, the Bank also reassesses whether the credit risk on a financial asset has increased significantly since its initial recognition, taking into account all reasonable and corroborated information, including forecast information.

Forecast information

The Bank includes the forecast information both in its assessment of a significant increase in credit risk from the moment of initial recognition, and in the assessment of expected credit losses. The Bank uses expert assessment to evaluate forecast information. This assessment is also based on external information. External information may include economic data and forecasts published by state bodies and monetary regulatory bodies such as the National Bank of the Republic of Belarus, the Ministry of Economy, as well as certain individual and scientific forecasts.

Reclassification of financial assets

Reclassification of financial assets is carried out only in cases of changes in the business model used for the management of financial assets, the Bank must reclassify all affected financial assets, with the reclassified financial asset being assessed in a perspective from the reclassification date, previously recognised gains, losses (including impairment gains or losses) or interest are not recalculated.

Such changes are expected to occur very rarely. Such changes should be determined by the senior management of the Bank as a consequence of external or internal changes and should be significant for the Bank's operations and obvious to external parties.

Write-off of financial assets

Financial assets are written off in full or in part when the Bank has exhausted all practical means of recovering them and has concluded that there is no reasonable prospect of recovering such assets. Write-off constitutes an event leading to derecognition. In respect of written-off assets, the Bank continues to pursue debt recovery in accordance with legislation and local regulations.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized in the statement of financial position where:

• the rights to receive cash flows from the asset have expired;

• The Bank has transferred the right to receive cash flows from the asset or has assumed an obligation to transfer the received cash flows in full without significant delay to a third party under the terms of a "transit" agreement;

• The Bank has either transferred almost all the risks and benefits of the asset, or has not transferred but does not retain all the risks and benefits of the asset, but has transferred control over this asset.

If the Bank has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Bank's continuing involvement in the asset.

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 the Bank could be required to repay.

Fair value of financial instruments

Fair value is the price that can be obtained from the sale of an asset or paid from the transfer of a liability on a voluntary basis on a principal (or the most advantageous) market at the valuation date in the current market conditions.
The price in the principal (or most advantageous) market used to measure the fair value of an asset or liability should not be adjusted for transaction costs, as they are not a characteristic of the asset or liability but report the terms of the transaction in respect of the asset or liability.

To estimate fair value, the Bank uses such methods as are appropriate in the circumstances and for which sufficient data are available, while making maximum use of the observable inputs and minimal use of the unobservable inputs.

The Bank estimates the fair value of financial instruments that are actively traded in organized financial markets on the basis of market quotations, and in their absence – according to external independent sources on the price of demand (supply) for similar financial instruments. The market is considered active when transactions with assets and liabilities are carried out on it with a frequency and volume sufficient to obtain information on estimates on an ongoing basis.

To determine the fair value of financial instruments that are not traded in organized financial markets, the following is used: information (if any) on recent market transactions between independent parties informed, interested in such transactions but not under duress, in a position to participate in such transactions, references to present value of financial instruments similar to a significant extent, the discounted cash flow model, the analysis of financial information on investment objects and other methods, if such methods can provide reliable estimation of the fair value of financial instruments. When using the discounted cash flow model, the Bank applies discount ratios calculated on the basis of prevailing market interest rates for financial instruments with similar conditions, including the creditworthiness of the counterparty, the remaining period of the fixed interest rate, the remaining maturity, currency, collateral, etc.

Where it is difficult to apply a method to determine the fair value of a financial instrument, a professional judgment based on liquidity, concentration, market uncertainty, cost assumptions and other factors affecting the financial instrument is applied.

Derivative financial instruments

Derivative financial instruments used by the Bank include forward contracts and foreign currency swaps. The Bank uses derivative financial instruments to manage currency and liquidity risk.

The Bank does not carry out hedging operations and does not classify derivative financial instruments as hedging instruments, as the Bank does not formally define or document the hedging strategy, nor does it estimate its effectiveness in order to apply special hedge accounting rules.

Derivative financial instruments are initially and subsequently recognized at fair value. Fair value is determined using the discounted cash flow model. Derivative financial instruments are recognized as assets if their fair value is positive and as liabilities if their fair value is negative. The related transaction costs are recognized in the statement of profit or loss in the period in which they were carried out. Positive and negative results on derivative financial instruments in terms of changes in fair value are included in the statement of other comprehensive income under the item "Net income / (expenses) from transactions with derivative financial instruments".

Due from other banks

In the normal course of business during various periods the Bank places funds and deposits in other banks. The balances of amounts with a fixed maturity from other banks are initially recognized at fair value and are subsequently measured at amortized cost using the effective interest rate method. The amortized cost is based on the fair value of the amount of the loan issued (deposit placed) calculated using the interest rates on similar loans and deposits effective on the date of the issue of the loan (deposit placement). If a loan is granted (deposit placed) at interest rates higher (lower) than market ones, the difference between the fair and nominal value of the loan (deposit) is reflected in the statement of profit or loss as the effect of initial recognition of financial instruments at fair value. Balances that do not have fixed maturities are recognized at amortized cost based on expected maturities. Amounts due from other banks are recognized less allowance for impairment.

Loans to customers

Loans to customers are recorded, starting from the moment cash is granted to borrowers, at the initial cost of the cash provided, in compliance with the transaction costs (i.e., the fair value of the compensation paid or received).

Loans issued at interest rates other than market rates are measured at fair value at the date of issue which is the future cash flows on the loan discounted under market rates for similar loans. The difference between fair and nominal value of loans is reported in the statement of profit or loss as an effect from the initial recognition of financial instruments at fair value.

Subsequently, loans to customers are recognized at amortized cost using the effective interest rate method. Loans to customers are recognized less allowance for impairment.

Investments measured at amortized cost

Investments measured at amortized cost include debt securities. The securities are recognized at fair value upon initial recognition and are subsequently measured at amortized cost using the effective interest rate method. The amortized cost is based on the fair value of the securities calculated using market quotations or interest rates for similar financial instruments effective on the date of conclusion of the relevant transaction on acquisition of securities. The difference between fair and nominal value of securities is reflected in the statement of profit or loss as an effect from the initial recognition of financial instruments at fair value. If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows. The carrying amount of the asset is reduced and the amount of the loss is recognized in profit or loss. Securities measured at amortized cost are recorded less the allowance for impairment.

Impairment of financial assets

The Bank applies the model of expected credit losses for the purpose of reserving financial debt instruments, the key principle of which is timely reflection of deterioration or improvement of credit quality of debt financial instruments, taking into account current and forecast information.

The Bank estimates the expected credit losses on a financial instrument in a way that reflects:

- an unbiased and probable amount determined by assessing the range of possible results;
- the time value of the money;
- reasonable and corroborated information on past events, current conditions and forecast information on possible future events available at the reporting date without excessive cost or effort.

The Bank recognizes the estimated allowance for expected credit losses on the following financial instruments which are not measured at fair value through profit or loss:

- financial assets that are debt instruments;
- lease receivables;
- issued financial guarantee agreements; and
- issued loan commitments.

At each reporting date, the Bank evaluates financial assets at amortized cost and debt financial assets at fair value through other comprehensive income for their credit impairment. A financial asset is "credit impaired" when one or more events occur that adversely affect the estimated future cash flows of such a financial asset.

Evidence of credit impairment of a financial asset is, in particular, the following observable inputs:

- the presence of overdue debt with a term of more than 90 calendar days;
- initiation of economic insolvency (bankruptcy) proceedings against the client by the economic court;
- written refusal of the client (official statement) from the debtor's fulfilment of obligations under the contract (for the payment of the principal debt, interest, submission of reports, non-admission of bank employees to check the collateral).

If the following indicators of impairment are identified, financial institutions are considered to be credit impaired:

- the presence of overdue debt with a term of more than 90 calendar days;
- suspension, termination, cancellation, revocation of special permits (licenses) to carry out banking activities, which may affect the performance of the bank's obligations;

- availability of confirmed information on the appointment of a temporary administration to manage the bank, a decision to liquidate a bank by decision of its participants or a bank body authorized by its charter;
- an absolute decrease in the bank's capital by more than twenty percent compared to the maximum value reached over the past twelve months;
- suspension by authorized bodies of operations on correspondent accounts of the bank and (or) seizure of the bank's funds on the accounts opened by the Bank.

Approach for acquired or originated credit impaired financial assets

For acquired or originated credit-impaired financial assets at the date of initial recognition, the Bank considers expected credit losses when calculating the effective interest rate, adjusted for credit risk, and no allowances are made for impairment losses on such financial assets. At subsequent reporting dates, to calculate the allowance for impairment losses, the Bank evaluates only cumulative changes in expected credit losses over the life of the asset.

The approach defines the following steps:

a) Calculation of the effective interest rate adjusted for credit risk at the date of initial recognition;
b) Calculation of allowances for impairment losses for acquired or originated credit-impaired financial assets at subsequent reporting dates.

Lifetime expected credit losses of a financial asset are calculated even if there is no indication of impairment for the acquired or originated credit-impaired financial asset at the reporting date.

Financial liabilities

Financial liabilities other than those recognized at fair value through profit or loss are classified as liabilities recognized at amortized cost. Financial liabilities recognized at amortized cost are initially recognized at fair value, less transaction costs incurred. They are subsequently measured at amortized cost. The classification of liabilities after initial recognition is not subject to change.

When a liability is returned or settled before maturity, the difference between the value repaid and the value recorded in the statement of financial position is recognized directly in the statement of profit or loss.

If a liability is issued at interest rates higher (lower) than market ones, the difference between the fair and nominal value of the liability is reported in the statement of profit or loss as the effect of initial recognition of financial instruments at fair value. Subsequently, the value of liabilities recognized in the statement of financial position is adjusted for depreciation of the original expenses and the related expenses are reported as interest expenses in the statement of profit or loss.

Derecognition of financial liabilities

A financial liability is derecognized when the relevant liability has been performed, cancelled or expired. Replacement of one existing financial liability (or part thereof) with another liability owed to the same creditor on substantially different terms or substantial changes to the terms of the existing liability is recorded as the repayment of the initial financial liability and recognition of the new financial liability. The resulting difference between the carrying amount of the liabilities is recognized in the statement of profit or loss.

Offsets of financial instruments

Financial assets and financial liabilities shall be set off and the statement of financial position shall recognize the net value only where there is a statutory right to produce the offset of the amounts recognized, and the intention to either set off or to dispose of the asset and settle the liability at the same time.

Investment property

Investment property is initially recognised at cost, including direct transaction costs. Following initial recognition, the Bank measures investment property at fair value, with gains and losses arising from changes in fair value recognised as a separate item in profit or loss in the period in which they arise.

When an asset is transferred to investment property from other categories of assets, the investment property is recognised at fair value as at the date of transfer. If the transfer to investment property is made from property, plant and equipment, the difference between the carrying amount of the asset as property, plant and equipment and the fair value of the asset as at the date of transfer is recognised as a revaluation of property, plant and equipment. Upon disposal of the asset, the revaluation amount is transferred to retained earnings. If the transfer to investment property is made from inventories, the difference between the carrying amount of the asset as inventory and its fair value at the date of transfer is recognised in profit or loss for the period. Income from the letting of investment property is recognised in the profit and loss account under 'Other income'. A transfer to or exclusion from the investment property category is made only upon an actual change in the use of the property.

Investment property is derecognised upon disposal or permanent withdrawal from use, where no future economic benefits are expected to arise from the disposal of the asset.

Property and equipment

Property and equipment are recorded at acquisition cost (property and equipment acquired prior to 1 January 2015 – at acquisition cost adjusted to be recorded in monetary units effective as at 31 December 2014), less of accumulated depreciation and allowance for impairment, if any.

The value of a property and equipment consists of:

- its purchase price, including import duties and non-refundable purchase taxes, after deduction of trade discounts and refunds;
- any costs directly related to the delivery of the asset to the place and the creation of conditions for use in accordance with Management's intentions;
- initially estimated costs of dismantling and removing the object, restoration of the site where it was located – the liability that the Bank undertakes either when the object is acquired, or as a result of using the object for a certain period not for administrative purposes.

Profit or loss on disposal of property and equipment is defined as the difference between the net income on disposal and the value of the assets which is recognized in the statement of financial position and is recognized in the statement of profit or loss as "Other income". Repair and maintenance costs are recognized in the statement of profit or loss as operating expenses at the time they arise.

Depreciation of a property and equipment starts from the month following the month of its commissioning. Depreciation is accrued using a straight-line method with the following annual depreciation rates:

- buildings and structures – 1.7 – 11%;
- vehicles – 11.11 – 14.29%;
- office and computer equipment – 10 – 20%;
- other property and equipment – 5 – 25%;
- safes and other engineering equipment (included in other property and equipment) – 2 – 3%.

The residual value of an asset is the estimated amount that the Bank would have received at this time had the asset been sold, less the estimated cost of disposal if the condition and age of the asset corresponded to the age and condition that the asset will have at the end of its useful life. The residual value, depreciation method and the useful life of the assets are reviewed and, if necessary, adjusted for each reporting date.

Intangible assets

Intangible assets include software, licenses, rights of use of land and other intangible assets acquired by the Bank. Intangible assets acquired individually are recorded at acquisition cost (intangible assets acquired prior to 1 January 2015 – at acquisition cost adjusted to be recorded in monetary units effective as at 31 December 2014), less of accumulated amortization and accumulated impairment losses, if any.

The intangible assets of the Bank have limited useful life and are amortized over their useful life using a straight-line method. Depending on the type of intangible assets, useful life is:

- software – 2.5 – 10 years;
- licenses – 10 years;
- rights of use of land – 4-39 years;
- other – 2-10 years.

The terms and amortization procedure of intangible assets with a limited useful life as well as the presence of signs of possible impairment of an intangible asset, are reviewed annually at the end of each reporting year. As at 31 December 2025 and 2024, there were no indications of impairment of intangible assets.

Profit or loss on disposal of intangible assets is defined as the difference between the net income on disposal and the value of the assets recognized in the statement of financial position and is recognized in the statement of profit or loss as "Other income".

Impairment of non-financial assets

At each reporting date, the Bank determines the existence of possible signs of impairment of non-financial assets, with the exception of investment property and deferred tax. If such signs exist, the Bank evaluates the recoverable value of the asset. The recoverable value of an asset is defined as the highest of the value derived from use and the net value of sale. In determining the value derived from use, the expected cash flows are discounted to the value recorded in the statement of financial position using a discount rate (before taxation) which reflects the current market estimates of the value of money over time and the risks inherent in the asset.

For non-financial assets, impairment losses arising in prior periods are reviewed at each repotting date for signs that the loss has decreased or no longer exists. Impairment losses are recovered if there are changes in the estimates used to determine recoverable value. Impairment losses are recovered only to the extent that the value of the asset recorded in the statement of financial position does not exceed the value recorded in the statement of financial position that would have been used to account for the asset less depreciation had the impairment losses not been recognized.

After recognition of impairment, depreciation of property and equipment and amortization of intangible assets for future periods is adjusted to distribute the revised value of the asset as recorded in the statement of financial position, less liquidation value (if necessary), on a continuous basis for the remainder of the useful life.

Assets held for sale

Where the value of an asset recorded in the statement of financial position is to be recovered as a result of its sale rather than further use, the asset is classified by the Bank as asset available for sale. In this case, the asset should be available for immediate sale in its present condition under standard terms of sale of such assets, and the sale should be of a high degree of probability which is confirmed by a management decision to sell the asset, a sales plan, an active offer of the asset in the market, and a search for buyers. The planned completion period of the transaction should not exceed 1 year from the date of asset classification.

Assets available for sale are estimated at the lowest of 2 values: its value recorded in the statement of financial position and fair value less costs on sale. Impairment losses identified upon the initial classification into assets available for sale are recognized as profit or loss for the reporting period.

In estimating fair value, the Bank is guided by the data on current prices in the active market for identical assets and, in its absence, by the prices in the active market for similar real estate objects adjusted for existing differences; recent prices on similar assets adjusted for any changes after the transaction date prior to the reporting date; discounted cash flow forecasts.

Depreciation is not charged for assets available for sale.

If an asset available for sale is reclassified to an asset intended for use, it is estimated at the lowest of 2 values: the value of the asset recorded in the statement of financial position before it was classified as available for sale adjusted for any depreciation and impairment losses that would have been recognized if the asset had not been classified as available for sale and its recoverable value as at the date of the decision to refuse sale.

Repossessed assets

In the ordinary course of business, the Bank receives a title for non-financial assets which were initially represented as collateral for a loan. When the Bank acquires (i.e., gains a complete ownership of) non-financial assets in this way, the asset's classification follows the nature of its intended use by the Bank.

Such assets are initially recognized at the value of appropriate loans recorded in the statement of financial position. Subsequently such assets are usually classified as other assets and accounted for in accordance with IAS 2 at the lower of cost and net sales price. These policies are also applicable to property acquired by the Bank as loan repayment through repossession of collateral or as compensation for credit and other contracts and intended solely for subsequent sale or for renovation and resale (by decision of the authorized body of the Bank on the implementation of such reconstruction).

The net selling price is the amount that the Bank expects to receive from the sale of assets received in repayment of debt in the ordinary course of business, excluding possible selling costs. At each reporting date the Bank revises the net realizable value and compares it with the cost of repossessed assets recorded in the statement of financial position. If the cost of such assets is not recoverable due to damage or obsolescence of assets, market prices decline or increase in the estimated costs of completion and sales costs, the Bank writes such assets down to their net realizable value and recognizes the write down in operating expenses in the period such write down occurs or losses take place. Subsequently, if the circumstances which led to the write down of assets change or if there is an evidence of net realizable value growth, the amount of write down is reversed so that the revised amount recorded in the statement of financial position would be the lower of net realizable value and cost.

Repossessed assets initially intended for purposes other than sale in the ordinary course of business are subsequently valued according to the accounting policy based on the classification of such assets in the statement of financial position.

Lease

Bank as a lessee

The Bank signs lease agreements with respect to buildings and premises used for the purpose of carrying out its activities and forming the necessary infrastructure.

The Bank recognizes as a lessee a right-of-use asset and a lease liability at the commencement date of the lease in respect of all leased facilities, except low-value assets and short-term leased facilities that do not provide for their purchase by the lessee. Lease payments for low value items and short-term leased facilities are recognized as an expense on a straight-line basis over the lease term and recognized in profit or loss. When determining the lease term, lease agreements that are not subject to early termination are taken into account, taking into account the options to extend and terminate the lease. The calculation of the lease term also includes periods of free use of the leased facility.

The asset is recognized at the commencement date of the lease at cost which includes the costs incurred and the initial measurement of the lease liability, payments to the lessor at the commencement of the lease or before the commencement of the lease less payments received, direct lease costs. Subsequent to the commencement date of the lease, at cost less accumulated depreciation and impairment losses in accordance with IAS 16 Property, Plant and Equipment, and adjusted to record certain revaluations of the lease liability.

The lease liability is initially measured at the present value of the lease payments outstanding at the commencement date discounted using the interest rate implicit in the lease agreement or, if this rate cannot be readily determined, the Bank's incremental borrowing rate. The carrying amount of the lease liability is subsequently increased by interest on that liability, reduced by the lease payments made and revalued to reflect revaluation or modification of lease agreement, or to reflect substantively revised fixed lease payments.

Bank as a lessor

The Bank classifies each of its lease agreements as operating leases or finance leases. A lease is classified as a finance lease if it transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. A lease is classified as an operating lease if it does not transfer substantially all of the risks and rewards incidental to ownership of the underlying asset.

In the case where the Bank is the lessor, the Bank reflects the lease receivabies in the amount equal to the net investment in the lease, starting from the date of commencement of the lease term. Financial income is calculated according to a scheme reflecting a constant periodic rate of return on the current value of net investments. Net investments in finance leases are reflected in the "Loans to customers" item of the statement of financial position.

Share capital

Common and preferred shares are classified as capital. Costs directly related to the issuance of common shares are recognized as capital reduction, less tax effect. Share capital is recorded at initial cost (contributions to share capital up to 1 January 2015 – at initial cost adjusted to reflect it in monetary units in effect as at 31 December 2014).

When share fund classified as capital is redeemed, the amount to be paid which includes direct costs, less the effect of taxation, is deducted from the capital. The purchased shares are classified as own and deducted from the total capital. When own redeemed shares are sold or reissued, the resulting amount is classified as an increase in capital, and the resulting difference is attributable to retained earnings or subtracted from it.

Credit-related commitments

The Bank assumes credit related commitments, including financial guarantees, letters of credit and loan commitments. Guarantees are the Bank's irrevocable commitments to perform payments when the customer does not fulfil their obligations to third parties and have the same level of credit risk as loans. Letters of credit are the Bank's written commitments to make payments on behalf of customers in agreed amount when certain conditions are met; they are collaterized with the corresponding deliveries of goods or deposits and, accordingly, have lower risk level, than direct lending. Loan commitments represent an unused part of loans, guarantees or letters of credit authorized for issue. In respect of the loan commitments, the Bank potentially has the risk to sustain losses in the amount equal to the total amount of the unused commitments. However, the likely amount of losses is less than the total amount of unused liabilities, as most of the loan liabilities are due to customer compliance with certain creditworthiness standards.

If the counterparty has a current balance sheet debt, the assessment of the allowances for expected credit losses for credit related commitments is carried out in accordance with the approaches applled to reservation of the balance debt of this counterparty taking into account the credit conversion ratio. If the counterparty has only credit related commitments, the assessment of the estimated allowances for credit losses is carried out depending on the volume of the liability, taking into account the credit conversion ratio, individually or collectively.

Credit related commitments are initially recorded at fair value supported by the amount of commissions received. At each reporting date, liabilities are estimated at the highest of the two values: the unamortized amount of the initial recognition (commission received) or the amount recorded as an allowance. In cases where commissions are accrued periodically in respect of an unrealized liability, they are recognized as revenue for the duration of the relevant liability.

Provisions, contingent liabilities and contingent assets

Provisions are recognized in the financial statements when the Bank has liabilities (legal or constructive) arising from past events.

At the same time, there is a high probability that the Bank will require an outflow of economic resources to fulfil these liabilities, and the amount of the liabilities can be reliably estimated.

Provisions are recognized as the best current cost estimate, taking into account the time value of money and, if necessary, the risks inherent in this liability. Provisions are revalued at each reporting date to determine the best estimate of the amount in which the liability will be settled because of changes in the amount or timing of an outflow of resources or a change in the discount rate. Where discounting is applied, the increase in the value of the provision over time is recognized as interest expenses.

A contingent liability is a possibie event arising from past events, the existence of which will be confirmed only after the occurrence or non-occurrence of uncertain future events that are not fully under the control of the Bank; or a current liability arising prior to the reporting date and not recognized due to a low probability of disposal of resources that constitute an economic benefit, and it is impossible to assess it in a reliable manner.

A contingent asset is a possible asset arising from past events, the existence of which will be confirmed only after the occurrence or non-occurrence of uncertain future events which are not fully under the control of the Bank.

The Bank does not recognize contingent assets and contingent liabilities in its financial statements as their existence depends on conditions beyond the control of the Bank. Contingent liabilities are disclosed in the financial statements, unless the probability of disposals of resources containing economic benefits under contingent liabilities is very low (remote). Contingent assets are to be disclosed when the flow of economic benefits associated with contingent assets is more likely than not.

Current employee benefits

Current employee benefits are measured at undiscounted value and are attributed to costs during the period in which the services were rendered, or the work was performed.
According to the requirements of the legislation of the Republic of Belarus, the Bank makes mandatory payments to the Social Protection Fund of the Ministry of Labour and Social Protection of the Republic of Belarus from the accrued wages of its employees. The Bank has no other pension liabilities to retired employees or to former employees.

Taxation

Income tax expenses are recorded in the financial statements in accordance with the requirements of the current legislation of the Republic of Belarus. Income tax expenses include current tax payments and deferred taxes.

Current tax payments are calculated on the basis of taxable profit for the year, using income tax rates that are in effect during the reporting period.

Due to the fact that some types of expenses are not taken into account for taxation purposes, as well as due to the existence of tax benefits, the Bank has certain permanent tax differences. In 2025 and 2024, the Bank applied the following tax benefits provided by the legislation:

- exemption from taxation of income from transactions with government securities, bonds of the National Bank, bonds of other legal entities;
- investment deduction for newly acquired property and equipment, investments in their reconstruction and modernization;
- exemption from taxation of profits aimed at supporting state sports clubs.

Deferred tax is based on the balance sheet method of accounting and constitutes income tax claims or liabilities accrued on the difference between the value of assets and liabilities, as recorded in the statement of financial position and the relevant tax accounting data used to calculate taxable profits.

A deferred tax liability is usually recorded in respect of all temporary differences that increase taxable profits, while a deferred tax asset is recorded in the likelihood of a future taxable profit to realize appropriate temporary differences that reduce taxation.

The value of a deferred tax asset in the statement of financial position is reviewed at each reporting date and reduced to the extent that there is no longer a possibility that the benefit of the tax claim sufficient to recover the asset will be received.

Deferred tax is calculated at the rate expected to be applied during the maturity period of the liability or the disposal of the asset. Deferred tax is recognized in the statement of profit or loss unless it is related to items directly attributable to other comprehensive income, in which case the deferred tax is also recorded in other comprehensive income.

Expenses for taxes other than income tax applied to the Bank are recognized in operating expenses.

Recognition of income and expenses

Interest income and expenses are recognized in the statement of profit or loss on an accrual basis using the effective interest rate method. The effective interest rate method is a method of calculating the amortized value of a financial asset or financial liability and allocating interest income and interest costs to the relevant period. Effective interest rate is the discount rate for estimated future cash payments or receipts for the expected term of the financial instrument, or for a shorter period, up to a net value of the financial asset or financial liability recognized in the statement of financial position.

When calculating the effective interest rate, the Bank evaluates cash flows taking into account all contractual terms for the financial instrument but does not take into account future losses on loans. Such calculation includes all fees and commissions paid and received by the parties to the contract, transaction costs, and all other premiums or discounts. Transaction costs are additional costs that are directly related to the acquisition, issuance or disposal of a financial asset or liability.

If a financial asset or a group of homogeneous financial assets has been written off (partially written off) as a result of impairment, interest income is determined by taking into account the interest rate used for discounting future cash flows for the purpose of calculating impairment losses. Significant amounts of proceeds from debts written off during the reporting period from established allowances are recorded as the restoration of the allowance for impairment of related financial assets.

Commission income that is not part of the effective interest rate is recognized on an accrual basis as the service is delivered. Commission income for the organization of transactions for third parties is recognised upon completion of the transaction. Income for management and consultancy services is recorded in accordance with the terms of service provision agreements. For services provided over a long period of time or on an on-going basis, commission income is recorded in proportion to the volume of services provided during the reporting period.
Other income is recognized in the statement of profit or loss as the relevant transactions are completed.

Fines (penalties) received by the Bank for non-performance or improper performance of agreements (including credit ones) by counterparties are classified as other income, as this type of income is random, irregular, and constitutes a measure of liability of the parties to the agreement the payment of which is provided for by law and is independent of whether or not it is determined by the relevant agreement.

Foreign currency transactions

Transactions in foreign currencies are initially recorded in the functional currency, convened at the exchange rate of the National Bank at the date of the transaction.
Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange at the reporting date.

Non-monetary assets and liabilities measured at actual cost in foreign currency are translated at the exchange rate of the National Bank effective on the date of the transaction. Non-monetary assets and liabilities denominated in foreign currency which are measured at fair value, are translated into Belarusian rubles at the rate of the National Bank as at the date of determination of fair value.

Profit and loss resulting from the translation of foreign currency transactions are recognized in the statement of profit or loss under the item "Net income/(expenses) from foreign currency transactions".

The table below presents the exchange rates of the Belarusian ruble in relation to the main currencies used by the Bank in its operating activities:

Reporting date	US dollar ("USD") / Belarusian ruble ("BYN")	Euro ("EUR")/ Belarusian ruble ("BYN")	100 Russian rubles ("RUB")/ Belarusian ruble ("BYN")
31 December 2024	3.4735	3.6246	3.3488
31 December 2025	2.9027	3.4170	3.7058

Determination and presentation of operating segments

The Bank determines operating segments and discloses information about them based on internal information provided to the Management Board of the Bank which adopts key management decisions. Operating segments are defined and disclosed in accordance with IFRS 8 "Operating Segments".
An operating segment is a component that constitutes an operational activity that involves income and expenses and for which financial information regularly assessed by the highest management personnel responsible for making operational decisions in resource allocation and analysing financial performance is available. Operations not allocated to segments are general and are disclosed under item "Other/not allocated" to ensure consistent recording in the Bank's financial statements of the activities of segments with the activities of the Bank as a whole.

For segment reporting purposes, interest income and expenses are determined directly on the basis of the actual performance of the segment. The Bank does not use transfer pricing to allocate funds between segments.

Income from foreign currency transactions in terms of income from revaluation of assets and liabilities is not allocated to segments. The Bank does not allocate losses on net monetary position and income tax expenses between segments.

5. Critical accounting estimates and assumpfions in applying accounting policies

The Bank makes estimates and assumptions that affect the reported amounts and the carrying amount of assets and liabilities in the following financial year. Estimates and assumptions are continuously reviewed on the basis of management experience and other factors, including expectations for future events which management believes are justified in the light of current circumstances. In applying accounting policies, management also uses professional judgments and assessments.

Below are presented the professional judgments that have the most significant impact on the amounts reported in the financial statements and the estimates that may result in significant adjustments to the carrying amount of assets and liabilities in the following financial year.

Allowance for impairment of loans to customers

As at each reporting date, the Bank estimates expected credit losses on a financial instrument at an amount equal to lifetime expected credit losses or in an amount equal to 12-month expected credit losses. In accordance with the requirements of IFRS 9, the Bank applies an expected credit loss model for the purpose of making allowances for financial instruments, the key principle of which is to timely reflect deterioration or improvement in the credit quality of financial instruments, taking into account current and forecast information. The amount of expected credit losses recognized as an allowance for expected credit losses depends on the extent to which the credit quality of the financial instrument has changed since the date of initial recognition.

The allowance for expected credit losses is based on:

- expected credit losses within 12 months – for financial instruments in the absence of factors indicating a significant deterioration in credit quality from the date of initial recognition, or indicators of impairment;
- lifetime expected credit losses of the financial instrument – for financial instruments that have identified factors that indicate a significant increase in credit risk or indicators of impairment.

For receivables, the Bank calculates an expected credit loss allowance in accordance with a simplified approach in an amount equal to the expected credit losses for the entire life of the financial instrument.

Recognition of a deferred tax asset

A recognized deferred tax asset is the amount of income tax that can be set off against future income taxes and is recognized in the statement of financial position. A deferred tax asset is recognized only to the extent that the relevant tax benefit is likely to be used.
The determination of future taxable profit and the amount of tax benefits likely to occur in the future is based on the forecasts of the Management of the Bank.

Initial recognition of related party transactions

In the normal course of business, the Bank carries out operations with related parties. Financial instruments are initially recognized at fair value. In the absence of an active market, professional judgment is used to determine whether operations have been carried out at market or non-market interest rates. The basis for the judgment is the pricing of similar types of operations with unrelated parties and the analysis of the effective interest rate. All operations with related parties are carried out on terms similar to those for operations with independent parties. The terms for operations with related parties are presented in Note 34.

Fair value of investment property

In 2025, the Bank determined the fair value of properties classified as investment property independently, based on data from public sources regarding active market prices for comparable properties, adjusted to account for any differences; recent prices for comparable properties in less active markets, adjusted to reflect any changes from the transaction date to the reporting date.

Further details regarding the assumptions used to determine the fair value of investment property are set out in Note 32. In the opinion of management, the actual proceeds from the sale or use of investment property may differ from the value recognised in the statement of financial position.

6. Business environment

In the reporting period, business conditions were characterized by the continued expansion of sanctions restrictions. Under the circumstances, government agencies took measures aimed at minimizing the negative impact of sanctions, ensuring macroeconomic balance, maintaining stable trade relations with key partners and the development of new trading markets. In preparing these financial statements, the Bank has taken into account various measures taken by the state to support the population and businesses in assessing the validity of the use of going concern principle. According to the estimates of the Bank's Management, there is no significant uncertainty regarding the Bank's ability to continue as a going concern.

By the end of 2025, the GDP of the Republic of Belarus had increased by 1.3%.

Annual inflation in the consumer sector in 2025 stood at 6.8%, against a target of 5%. Inflation trends in 2025 were driven by external price factors and higher inflation in the Russian Federation.

Monetary policy was aimed at maintaining a positive real interest rate level in the credit and deposit markets. To curb inflation in 2025, the refinancing rate was raised to 9.75% per annum.

The value of the foreign currency basket for 2025 fell by 0.9%. The average official exchange rate of the Belarusian ruble on the foreign exchange market of the Republic of Belarus in January–December 2025 stood at 3.7058 Belarusian rubles per 100 Russian rubles; 2.9027 Belarusian rubles per 1 US dollar, 3.4170 Belarusian rubles per 1 euro, 4.1416 Belarusian rubles per 10 Chinese yuan.

In 2025, term and conditional deposits held by households in the national currency increased by 39.5%. Meanwhile, the growth in irrevocable deposits held by households with a maturity of over one year stood at 72.4%. The average interest rate on new term bank deposits by individuals in December 2025 stood at 12.2 per cent per annum. The rise in interest rates in the deposit market is linked to the need to build up an adequate resource base to meet the increased demand for credit resources from both corporate and individual clients. The average interest rate on new term bank deposits from legal entities in the national currency in December 2025 stood at 6.4 per cent per annum.

The average interest rate on new consumer market loans, excluding goods from domestic producers, stood at 15.6 per cent per annum in December 2025. This helped to cool public demand for credit to finance imports. Attractive terms remained in place for businesses on rouble-denominated loans provided by banks on market terms, standing at 11.7 per cent per annum in December 2025. Meanwhile, the interest rate on investment financing in December 2025 stood at 8.4 per cent per annum. The annual growth in banks' claims on the economy stood at 11.3%, against a target of at least 11%.

In 2025, the increase in real disposable monetary income (monetary income minus taxes, fees and contributions adjusted for the consumer price index for goods and services) of the population of the Republic of Belarus amounted to 9.6% compared to the level of the year 2024.

7. Cash and cash equivalents

In thousands of Belarusian rubles	**31 December 2025**	**31 December 2024**
Cash	80,759	76,406
Cash balances with the National Bank of the Republic of Belarus	74,105	63,794
Due from other banks with maturity up to 90 days	46,451	33,710
Nostro accounts	30,496	35,244
Allowance for impairment	(739)	(272)
Total cash and cash equivalents	**231,072**	**208,882**

As at 31 December 2025 and 2024 funds in other banks with a maturity of up to 90 days represent loans granted to other banks.

The tables below provide an analysis of changes in the carrying amount of funds in current accounts with banks and funds due from other banks with maturities of up to 90 days and the corresponding estimated reserves for ECL in 2025:

In thousands of Belarusian rubles	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at 1 January 2025	**68,954**	-	-	**68,954**
Newly created or purchased	46,559	-	-	46,559
Derecognition as a result of disposal	(33,710)	-	-	(33,710)
Effect of other changes in gross carrying amount	(4,856)	-	-	(4,856)
Gross carrying amount as at 31 December 2025	**76,947**	-	-	**76,947**

In thousands of Belarusian rubles	Stage 1	Stage 2	Stage 3	Total
ECL as at 1 January 2025	**272**	-	-	**272**
Newly created or purchased	36	-	-	36
Derecognition as a result of disposal	(6)	-	-	(6)
Impact of exchange rate changes and other changes	437	-	-	437
ECL as at 31 December 2025	**739**	-	-	**739**

The tables below provide an analysis of changes in the carrying amount of funds in current accounts with banks and funds due from other banks with maturities of up to 90 days and the corresponding estimated reserves for ECL in 2024:

In thousands of Belarusian rubles	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at 1 January 2024	**36,247**	-	-	**36,247**
Newly created or purchased	36,516	-	-	36,516
Derecognition as a result of disposal	(4,460)	-	-	(4,460)
Transfer to Stage 3	(4,976)	-	4,976	-
Reclassification to due from other banks	-	-	(4,976)	(4,976)
Effect of other changes in gross carrying amount	5,627	-	-	5,627
Gross carrying amount as at 31 December 2024	**68,954**	-	-	**68,954**

In thousands of Belarusian rubles	Stage 1	Stage 2	Stage 3	Total
ECL as at 1 January 2024	**3,717**	-	-	**3,717**
Newly created or purchased	10	-	-	10
Derecognition as a result of disposal	(1)	-	-	(1)
Transfer to Stage 3	(3,234)	-	3,234	-
Reclassification to due from other banks	-	-	(3,234)	(3,234)
Impact of exchange rate changes and other changes	(220)	-	-	(220)
ECL as at 31 December 2024	**272**	-	-	**272**

As at 31 December 2025 and 2024, the Bank had balances of funds of seven and six banks exceeding 10% of the Bank's capital respectively. The total amount of these funds as at 31 December 2025 and 31 December 2024 was 68,293 and 57,137 thousand BYN respectively.

The maximum credit risk on cash and cash equivalents is equal to their value as recognized in the statement of financial position.

8. Derivative financial instruments

As at 31 December 2025 derivative financial instruments are presented as follows:

In thousands of Belarusian rubles	Nominal value		Fair value	
	Purchased currency	Amount of purchased currency	Assets	Liabilities
Swap transactions with foreign currency				
CNY / RUB	CNY	207	-	-
Total derivative financial instruments		**207**	-	-

As at 31 December 2024 derivative financial instruments are presented as follows:

In thousands of Belarusian rubles	Nominal value		Fair value	
	Purchased currency	Amount of purchased currency	Assets	Liabilities
Swap transactions with foreign currency				
RUB / USD	RUB	3,056	-	-
EUR / USD	EUR	3,770	-	-
Total derivative financial instruments		**6,826**	-	-

The presence of these derivative financial instruments leads to the Bank's credit risk. The maximum credit risk of an asset arising from its valuation at the fair value of a derivative is equal to its value recorded in the statement of financial position.

9. Due from other banks

In thousands of Belarusian rubles	31 December 2025	31 December 2024
Deposits placed in other banks as fulfilment of obligations	665	5,701
Allowance for impairment	(19)	(3,298)
Total due from other banks less allowance for impairment	**646**	**2,403**

As at 31 December 2025 and 2024 deposits placed in other banks were guarantee deposits for operations with payment cards and a contribution to the guarantee fund of the foreign exchange market of JSC "Belarusian Currency and Stock Exchange" and Non-bank financial company, the central counterparty of "National Clearing Centre" (Joint Stock Company).

The tables below provide an analysis of changes in the carrying amount of funds in other banks and the corresponding estimated reserves for ECL in 2025:

In thousands of Belarusian rubles	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at 1 January 2025	**725**	-	4,976	**5,701**
Derecognition as a result of disposal	-	-	(4,976)	(4,976)
Effect of other changes in gross carrying amount	(60)	-	-	(60)
Gross carrying amount as at 31 December 2025	**665**	-	-	**665**

In thousands of Belarusian rubles	Stage 1	Stage 2	Stage 3	Total
ECL as at 1 January 2025	**64**	-	**3,234**	**3,298**
Derecognition as a result of disposal	-	-	(3,234)	(3,234)
Effect of exchange rate changes and other changes	(45)	-	-	(45)
ECL as at 31 December 2025	**19**	-	-	**19**

The tables below provide an analysis of changes in the carrying amount of funds in other banks and the corresponding estimated reserves for ECL in 2024:

In thousands of Belarusian rubles	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at 1 January 2024	**1,792**	-	-	**1,792**
Reclassification from cash and cash equivalents	-	-	4,976	4,976
Effect of other changes in gross carrying amount	(1,067)	-	-	(1,067)
Gross carrying amount as at 31 December 2024	**725**	-	**4,976**	**5,701**

In thousands of Belarusian rubles	Stage 1	Stage 2	Stage 3	Total
ECL as at 1 January 2024	**246**	-	-	**246**
Reclassification from cash and cash equivalents	-	-	3,234	3,234
Effect of exchange rate changes and other changes	(182)	-	-	(182)
ECL as at 31 December 2024	**64**	-	**3,234**	**3,298**

The maximum credit risk of amounts due from other banks equals to its net value reported in the statement of financial position.

10. Loans to customers

In thousands of Belarusian rubles	31 December 2025	31 December 2024
Loans to individuals	147,648	132,104
Loans to corporate clients	132,191	145,292
Total loans to customers	**279,839**	**277,396**
Allowance for impairment	(36,774)	(43,041)
Total loans to customers less allowance for impairment	**243,065**	**234,355**

(a) Quality of loans to customers

The analysis of the quality of the credit portfolio as at 31 December 2025 is presented in the following table:

In thousands of Belarusian rubles	Stage 1	Stage 2	Stage 3	Total
Loans to corporate clients (in accordance with the assigned ratings)				
A	47,359	-	-	47,359
B	51,428	-	-	51,428
C	232	116	-	348
D	-	59	7,384	7,443
E	-	-	25,613	25,613
Loans to corporate clients	**99,019**	**175**	**32,997**	**132,191**
Allowance for impairment	(2,679)	(1)	(25,806)	(28,486)
Loans to corporate clients less allowance for impairment	**96,340**	**174**	**7,191**	**103,705**
Loans to individuals (in accordance with the number of overdue days)				
Undue	132,068	-	117	132,185
1-30 days overdue	2,964	-	13	2,977
31-60 days overdue	-	728	6	734
61-90 days overdue	-	388	13	401
Over 90 days overdue	-	-	11,351	11,351
Loans to individuals	**135,032**	**1,116**	**11,500**	**147,648**
Allowance for impairment	(2,866)	(208)	(5,214)	(8,288)
Loans to individuals less allowance for impairment	**132,166**	**908**	**6,286**	**139,360**

The analysis of the quality of the credit portfolio as at 31 December 2024 is presented in the following table:

In thousands of Belarusian rubles	Stage 1	Stage 2	Stage 3	Total
Loans to corporate clients (in accordance with the assigned ratings)				
A	45,036	-	-	45,036
B	52,107	-	-	52,107
C	1,733	336	-	2,069
D	8,462	5,453	1,000	14,915
E	-	-	31,165	31,165
Loans to corporate clients	**107,338**	**5,789**	**32,165**	**145,292**
Allowance for impairment	(5,781)	(2,516)	(27,014)	(35,311)
Loans to corporate clients less allowance for impairment	**101,557**	**3,273**	**5,151**	**109,981**

Loans to individuals				
(in accordance with the number of overdue days)				
Undue	118,652	-	137	118,789
1-30 days overdue	2,085	-	-	2,085
31-60 days overdue	-	519	-	519
61-90 days overdue	-	280	-	280
Over 90 days overdue	-	-	10,431	10,431
Loans to individuals	**120,737**	**799**	**10,568**	**132,104**
Allowance for impairment	(2,543)	(168)	(5,019)	(7,730)
Loans to individuals less allowance for impairment	**118,194**	**631**	**5,549**	**124,374**

b) Movement in carrying amount and allowance for impairment of loans to customers

The movement in carrying amount and related estimated allowance for ECL for loans to legal entities for the year ended 31 December 2025 is presented below:

In thousands of Belarusian rubles	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Gross carrying amount as at 1 January 2025	**107,338**	**5,789**	**32,165**	**145,292**
Newly created or purchased	56,692	116	3,818	60,626
Derecognition as a result of disposal	(31,572)	(5,416)	(4,746)	(41,734)
Transfers to Stage 2	(58)	58	-	-
Transfers to Stage 3	(4,723)	(291)	5,014	-
Effect of other changes in gross carrying amount	(28,658)	(81)	(3,254)	(31,993)
Gross carrying amount as at 31 December 2025	**99,019**	**175**	**32,997**	**132,191**

In thousands of Belarusian rubles	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
ECL as at 1 January 2025	**5,780**	**2,517**	**27,014**	**35,311**
Newly created or purchased	2,267	1	1,886	4,154
Derecognition as a result of disposal	(750)	(2,424)	(4,144)	(7,318)
Transfers to Stage 3	(3,479)	(178)	3,657	-
The release of the discount	-	-	1,871	1,871
Effect of other changes in gross carrying amount	(1,139)	85	(4,478)	(5,532)
ECL as at 31 December 2025	**2,679**	**1**	**25,806**	**28,486**

The movement in carrying amount and related estimated allowance for ECL for loans to legal entities for the year ended 31 December 2024 is presented below:

In thousands of Belarusian rubles	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Gross carrying amount as at 1 January 2024	**77,834**	**24,563**	**21,970**	**124,367**
Newly created or purchased	72,826	442	-	73,268
Derecognition as a result of disposal	(12,690)	(71)	(376)	(13,137)
Transfers to Stage 1	990	(890)	(100)	-
Transfers to Stage 2	(712)	712	-	-
Transfers to Stage 3	(4,336)	(6,592)	10,928	-
Effect of other changes in gross carrying amount	(26,574)	(12,375)	(257)	(39,206)
Gross carrying amount as at 31 December 2024	**107,338**	**5,789**	**32,165**	**145,292**

In thousands of Belarusian rubles	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
ECL as at 1 January 2024	**3,713**	**4,294**	**18,859**	**26,866**
Newly created or purchased	2,575	262	-	2,837
Derecognition as a result of disposal	(345)	(9)	(309)	(663)
Transfers to Stage 1	23	(18)	(5)	-
Transfers to Stage 2	(94)	94	-	-
Transfers to Stage 3	(3,507)	(5,452)	8,959	-
The release of the discount	-	-	2,208	2,208
Effect of other changes in gross carrying amount	3,415	3,346	(2,698)	4,063
ECL as at 31 December 2024	**5,780**	**2,517**	**27,014**	**35,311**

The movement in carrying amount and related estimated allowance for ECL for loans to individuals for the year ended 31 December 2025 is presented below:

In thousands of Belarusian rubles	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at 1 January 2025	**120,735**	**800**	**10,569**	**132,104**
Newly created or purchased	84,690	435	676	85,801
Derecognition as a result of disposal	(39,003)	(128)	(1,173)	(40,304)
Transfers to Stage 1	103	(83)	(20)	-
Transfers to Stage 2	(658)	658	-	-
Transfers to Stage 3	(2,167)	(457)	2,624	-
Effect of other changes in gross carrying amount	(28,668)	(109)	(1,176)	(29,953)
Gross carrying amount as at 31 December 2025	**135,032**	**1,116**	**11,500**	**147,648**

In thousands of Belarusian rubles	Stage 1	Stage 2	Stage 3	Total
ECL as at 1 January 2025	**2,543**	**168**	**5,019**	**7,730**
Newly created or purchased	1,844	88	307	2,239
Derecognition as a result of disposal	(788)	(29)	(556)	(1,373)
Transfers to Stage 1	2	(2)	-	-
Transfers to Stage 2	(117)	117	-	-
Transfers to Stage 3	(983)	(207)	1,190	-
The release of the discount	-	-	87	87
Effect of other changes in gross carrying amount	365	74	(834)	(395)
ECL as at 31 December 2025	**2,866**	**209**	**5,213**	**8,288**

The movement in carrying amount and related estimated allowance for ECL for loans to individuals for the year ended 31 December 2024 is presented below:

In thousands of Belarusian rubles	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at 1 January 2024	**75,707**	**520**	**11,907**	**88,134**
Newly created or purchased	97,147	632	866	98,645
Derecognition as a result of disposal	(28,981)	(175)	(1,594)	(30,750)
Transfers to Stage 1	39	(17)	(22)	-
Transfers to Stage 2	(165)	165	-	-
Transfers to Stage 3	(614)	(238)	852	-
Effect of other changes in gross carrying amount	(22,398)	(87)	(1,440)	(23,925)
Gross carrying amount as at 31 December 2024	**120,735**	**800**	**10,569**	**132,104**

In thousands of Belarusian rubles	Stage 1	Stage 2	Stage 3	Total
ECL as at 1 January 2024	**2,101**	**129**	**6,264**	**8,494**
Newly created or purchased	2,111	131	412	2,654
Derecognition as a result of disposal	(745)	(43)	(835)	(1,623)
Transfers to Stage 1	1	(1)	-	-
Transfers to Stage 2	(37)	37	-	-
Transfers to Stage 3	(290)	(113)	403	-
The release of the discount	-	-	53	53
Effect of other changes in gross carrying amount	(598)	28	(1,278)	(1,848)
ECL as at 31 December 2024	**2,543**	**168**	**5,019**	**7,730**

(c) Financial effect of withheld collateral on loans to customers

Loan collateral enables the Bank to minimise its credit risks. When calculating the adequacy of collateral for loans granted to customers, the potential realisable value of the pledged collateral is determined. To this end, the market value of the property is determined, taking into account forecasts of its change in value up to the anticipated date of realisation. The table below presents an analysis of customer loans by type of collateral as at 31 December 2025 and 2024. The amounts shown below represent the carrying amount of loans before deduction of the provision for impairment, as well as the carrying amount of collateral held.

In thousands of Belarusian rubles	31 December 2025 Gross carrying amount	31 December 2025 Carrying amount of collateral held	31 December 2024 Gross carrying amount	31 December 2024 Carrying amount of collateral held
Guarantees	66,828	-	75,896	-
Other collateral	42,933	98,425	27,651	84,745
Real estate	17,132	78,943	30,365	100,245
Security deposit	1,294	2,903	-	91
Not secured	151,652	-	143,484	-
Total loans to customers	**279,839**	**180,271**	**277,396**	**185,081**

(d) Analysis of loans to customers by economic sectors

The analysis of loans to customers by economic sectors as at 31 December 2025 and 2024 is presented below:

In thousands of Belarusian rubles	31 December 2025	31 December 2024
Individuals	147,648	132,104
Leasing	59,612	33,428
Trade	28,875	44,837
Operations with real estate	18,126	36,061
Industry and other material production activities	6,072	5,596
Transport	3,886	2,803
Construction	2,089	2,231
Agriculture and food processing	1,865	2,060
Other	11,666	18,276
Total loans to customers	**279,839**	**277,396**
Allowance for impairment	(36,774)	(43,041)
Total loans to customers less allowance for impairment	**243,065**	**234,355**

(e) The table below shows the outstanding loan amounts provided for in the agreements and subsequently written off, but which remain recoverable:

In thousands of Belarusian rubles	31 December 2025	31 December 2024
Loans to legal entities	1,161	-
Loans to individuals	8,844	10,538
Total loans to customers	**10,005**	**10,538**

(f) Net investments in financial lease

Information on the net investments in financial lease as at 31 December 2025 and 31 December 2024 is presented below:

In thousands of Belarusian rubles	31 December 2025	31 December 2024
Less than 1 year	1,292	4,172
From 1 year to 5 years	2,151	21,531
Over 5 years	534	5,893
Minimum payments under financial lease agreements	**3,977**	**31,596**
Less than 1 year	(291)	(2,450)
From 1 year to 5 years	(238)	(5,889)
Over 5 years	(15)	(423)
Less the lost financial income	**(543)**	**(8,762)**
Discounted cost of lease payments	**3,434**	**22,834**
allowance for impairment	(686)	(41)
Net investments in financial lease	**2,748**	**22,793**

(f) Significant credit risks

As at 31 December 2025 and 31 December 2024, the Bank had five and seven borrowers with the amount of debt exceeding 10% of the Bank's equity. The total amount of loans to these borrowers as at 31 December 2025 and 2024 amounted to 35,626 and 60,588 thousand BYN respectively.

(g) Maximum credit risk

The maximum credit risk of loans to customers equals to the net value of the loans recorded in the statement of financial position.

11. Securities measured at amortized cost

As at 31 December 2025 and 2025, securities measured at amortized cost are represented by the following securities:

	Interest rate range	31 December 2025	31 December 2024
Bonds of the Ministry of Finance of the Republic of Belarus denominated in:			
- USD	2.9 – 7.6%	29,726	35,565
- EUR	3.79%	13,862	14,701
- Russian rubles	11.0%	1,161	1,049
Allowance for impairment		(644)	(442)
Total securities measured at amortized cost		**44,105**	**50,873**

The tables below provide an analysis of changes in the carrying amount of securities measured at amortised cost and the related estimated allowance for ECL in 2025:

In thousands of Belarusian rubles	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at 1 January 2025	**51,315**	**-**	**-**	**51,315**
Newly created or purchased	11,737	-	-	11,737
Derecognition as a result of disposal	(14,040)	-	-	(14,040)
Effect of other changes in gross carrying amount	(4,263)	-	-	(4,263)
Gross carrying amount as at 31 December 2025	**44,749**	**-**	**-**	**44,749**

In thousands of Belarusian rubles	Stage 1	Stage 2	Stage 3	Total
ECL as at 1 January 2025	**442**	**-**	**-**	**442**
Newly created or purchased	211	-	-	211
Derecognition as a result of disposal	(54)	-	-	(54)
Impact of other changes	45	-	-	45
ECL as at 31 December 2025	**644**	**-**	**-**	**644**

The tables below provide an analysis of changes in the carrying amount of securities measured at amortised cost and the related estimated allowance for ECL in 2024:

In thousands of Belarusian rubles	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at 1 January 2024	**47,973**	**-**	**-**	**47,973**
Effect of other changes in gross carrying amount	3,342	-	-	3,342
Gross carrying amount as at 31 December 2024	**51,315**	**-**	**-**	**51,315**

In thousands of Belarusian rubles	Stage 1	Stage 2	Stage 3	Total
ECL as at 1 January 2024	**3,516**	**-**	**-**	**3,516**
Impact of other changes	(3,074)	-	-	(3,074)
ECL as at 31 December 2024	**442**	**-**	**-**	**442**

The maximum credit risk on securities measured at amortized cost is equal to their value reflected in the *statement of financial position.*

12. Investment property

In thousands of Belarusian rubles	31 December 2025	31 December 2024
As at 1 January	-	-
Additions	8,801	-
Disposals	(8,303)	-
Net fair value changes	(15)	-
As at 31 December	**483**	-

In 2025, the Bank received real estate assets worth 8,801 thousand Belarusian rubles in settlement of loan debts under novation agreements, which it was decided to use for letting. In 2025, real estate properties amounting to 8,303 thousand Belarusian rubles were sold. The Bank's approaches to measuring the fair value of investment property are set out in Note 32.

As at 31 December 2025, gains arising from changes in the fair value of investment property are unrealised.

The table below presents information on the amounts of rental income and direct operating expenses relating to investment property and included in profit or loss for the period:

In thousands of Belarusian rubles	2025	2024
Lease income from investment property	48	-
Direct operating expenses (including repairs and maintenance) relating to investment property generating lease income	(11)	-
Net profit from investment property	**37**	-

The Bank is not subject to any restrictions on the disposal of its investment property, nor does it have any contractual obligations to acquire, construct or develop other investment property, or to repair, maintain or improve it.

13. Property and equipment, intangible assets and right-of-use assets

The movement of property and equipment, intangible assets and right-of-use assets for the year ended 31 December 2025 is presented below:

In thousands of Belarusian rubles	**Buildings and structures**	**Vehicles**	**Office and computer equipment, other property and equipment**	**Intangible assets**	**Capital expenses and investments into intangible assets**	**Right-of-use assets**	**Total**
Residual value as at 1 January 2025	**11,424**	**599**	**2,555**	**5,669**	**160**	**2,738**	**23,145**
Initial cost							
Balance as at 1 January 2025	13,736	982	7,190	6,977	160	6,960	36,005
Acquisition	-	-	-	-	9,612	2,537	12,149
Modification of right-of-use assets	-	-	-	-	-	1,925	1,925
Transfer between groups	3,433	115	2,166	1,033	(6,747)	-	-
Disposals	(1,614)	(43)	(116)	(471)	(2,702)	(1,184)	(6,130)
Balance as at 31 December 2025	**15,555**	**1,054**	**9,240**	**7,539**	**323**	**10,238**	**43,949**
Accumulated depreciation							
Balance as at 1 January 2025	**2,312**	**383**	**4,635**	**1,308**	-	4,222	**12,860**
Accrual for the year	213	84	754	335	-	2,293	3,679
Accumulated depreciation on disposals	(429)	(43)	(106)	(371)	-	(818)	(1,767)
Balance as at 31 December 2025	**2,096**	**424**	**5,283**	**1,272**	-	**5,697**	**14,772**
Residual value as at 31 December 2025	**13,459**	**630**	**3,957**	**6,267**	**323**	**4,541**	**29,177**

The movement of property and equipment, intangible assets and right-of-use assets for the year ended 31 December 2024 is presented below:

In thousands of Belarusian rubles	Buildings and structures	Vehicles	Office and computer equipment, other property and equipment	Intangible assets	Capital expenses and investments into intangible assets	Right-of-use assets	Total
Residual value as at 1 January 2024	**10,765**	**599**	**2,067**	**4,794**	**209**	**2,914**	**21,348**
Initial cost							
Balance as at 1 January 2024	12,864	899	6,152	6,244	209	5,933	32,301
Acquisition	-	-	-	-	3,014	1,007	4,021
Modification of right-of-use assets	-	-	-	-	-	589	589
Transfer between groups	752	83	1,082	1,146	(3 063)	-	-
Reclassification from assets held for sale	140	-	-	-	-	-	140
Disposals	(20)	-	(44)	(413)	-	(569)	(1 046)
Balance as at 31 December 2024	**13,736**	**982**	**7,190**	**6,977**	**160**	**6,960**	**36,005**
Accumulated depreciation							
Balance as at 1 January 2024	**2,099**	**300**	**4,085**	**1,450**	-	**3,018**	**10,952**
Accrual for the year	221	83	590	271	-	1,654	2,819
Accumulated depreciation on disposals	(20)	-	(40)	(413)	-	(450)	(923)
Reclassification to assets held for sale	12	-	-	-	-	-	12
Balance as at 31 December 2024	**2,312**	**383**	**4,635**	**1,308**	-	**4,222**	**12,860**
Residual value as at 31 December 2024	**11,424**	**599**	**2,555**	**5,669**	**160**	**2,738**	**23,145**

As at 31 December 2025 and 31 December 2024, a significant share of intangible assets is software in the amount of 6,261 thousand BYN and 5,654 thousand BYN respectively.

As at 31 December 2025, the Bank had fully amortized property and equipment in the amount of 4,128 thousand BYN, intangible assets in the amount of 245 thousand BYN (as at 31 December 2024 – 3,527 thousand BYN and 248 thousand BYN respectively).

As at 31 December 2025 and 2024 there are no encumbrances of rights to property and equipment and intangible assets. In 2025 and 2024, property and equipment and intangible assets were not pledged as collateral for the Bank's fulfillment of obligations.

14. Other assets

In thousands of Belarusian rubles	31 December 2025	31 December 2024
Other non-financial assets		
Assets transferred to the Bank as repayment of debt	18,847	13,065
Prepayments on taxes (except income tax)	1,399	3,428
Advance payments	755	410
Prepayments on capital investments	145	322
Other	828	875
Total other non-financial assets	**21,974**	**18,100**
Other financial assets		
Settlements with customers	9,671	3,046
Accrued commission income and penalties	147	178
Other receivables	525	762
Total other financial assets	**10,343**	**3,986**
Allowance for impairment	(861)	(405)
Total other financial assets less allowance for impairment	**9,482**	**3,581**
Total other assets	**31,456**	**21,681**

The tables below provide an analysis of changes in the gross carrying amount of other financial assets and related estimated allowances for ECL in 2025:

In thousands of Belarusian rubles	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at 1 January 2025	-	**3,497**	**489**	**3,986**
Newly created or purchased	-	6,468	677	7,145
Derecognition as a result of disposal	-	(771)	(336)	(1,107)
Effect of other movements in gross carrying amount	-	319	-	319
Gross carrying amount as at 31 December 2025	-	**9,513**	**830**	**10,343**

In thousands of Belarusian rubles	Stage 1	Stage 2	Stage 3	Total
ECL as at 1 January 2025	-	**210**	**195**	**405**
Newly created or purchased	-	297	361	658
Derecognition as a result of disposal	-	(31)	(127)	(158)
Transfers to Stage 3	-	(1)	1	-
Effect of other changes	-	(36)	(8)	(44)
ECL as at 31 December 2025	-	**439**	**422**	**861**

The tables below provide an analysis of changes in the gross carrying amount of other financial assets and related estimated allowances for ECL in 2024:

In thousands of Belarusian rubles	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at 1 January 2024	-	**1,163**	**373**	**1,536**
Newly created or purchased	-	3,425	124	3,549
Derecognition as a result of disposal	-	(1,033)	(23)	(1,056)
Effect of other movements in gross carrying amount	-	(58)	15	(43)
Gross carrying amount as at 31 December 2024	-	**3,497**	**489**	**3,986**

In thousands of Belarusian rubles	Stage 1	Stage 2	Stage 3	Total
ECL as at 1 January 2024	-	**50**	**179**	**229**
Newly created or purchased	-	207	48	255
Derecognition as a result of disposal	-	(43)	(16)	(59)
Transfers to Stage 3	-	(3)	3	-
Effect of other changes	-	(1)	(19)	(20)
ECL as at 31 December 2024	-	**210**	**195**	**405**

15. Due to other banks

In thousands of Belarusian rubles	31 December 2025	31 December 2024
Loans and deposits of other banks	24,500	31,500
Correspondent accounts of other banks	8	7
Total amounts due to other banks	**24,508**	**31,507**

As at 31 December 2025 and 2024 the Bank has balances of three and two counterparty banks representing a significant concentration. The total amount of these funds as at 31 December 2025 and 2024 was 24,500 thousand BYN and 16,500 thousand BYN respectively.

16. Due to customers

In thousands of Belarusian rubles	31 December 2025	31 December 2024
Legal entities		
Term deposits	263,644	246,788
Current accounts	99,394	100,077
Total due to legal entities	**363,038**	**346,865**
Individuals		
Term deposits	83,614	57,762
Current/on-demand accounts	39,795	20,063
Total due to individuals	**123,409**	**77,825**
Total due to customers	**486,447**	**424,690**

The structure of amounts due to customers by economic sectors is presented below:

In thousands of Belarusian rubles	31 December 2025	31 December 2024
Individuals	123,409	77,825
Trade	87,057	77,115
Industry and other material production activities	55,648	104,556
Education and scientific activities	54,319	6,316
Real estate	21,944	19,406
Data-processing and technology services	19,492	13,048
Construction	17,347	14,293
Insurance	16,979	19,338
Vehical	15,225	25,045
Electrical installation work	7,396	5,446
Housing and housekeeping services	6,001	15,493
Leasing	5,407	3,039
Healthcare and physical education	5,303	13,586
Technical maintenance	4,024	5,509
Non-profit organizations	3,455	3,643
Agriculture and food industry	2,625	711
Communications and telecommunications	2,241	1,398
Tourism	2,171	375
Other	36,404	18,548
Total due to customers	**486,447**	**424,690**

As at 31 December 2025 and 2024 the Bank had balances of ten and eight customers exceeding 10% of the Bank's equity. The total amount of these funds as at 31 December 2025 and 2024 was 113,157 and 94,663 thousand BYN, respectively.

17. Debt securities issued

As at 31 December 2025 and 2024 the issued debt securities are represented by bonds, the holders of which are legal entities and are distributed as follows:

Issue No.	Maturity	Issue currency	Interest rate	31 December 2025	31 December 2024
11	2 April 2029	BYN	11.0%	1,052	-
10	9 July 2025	BYN	11.0%	-	10,254
Total debt issued securities				**1,052**	**10,254**

18. Lease liabilities

In thousands of Belarusian rubles	2025	2024
Balance as at 1 January	2,835	2,920
Receipt	2,537	1,007
Modification	1,925	589
Interest expense	385	188
Lease payments	(2,498)	(1,757)
Disposal	(379)	(112)
Balance as at 31 December	**4,805**	**2,835**

19. Other liabilities

In thousands of Belarusian rubles	31 December 2025	31 December 2024
Other non-financial liabilities		
Tax accruals, other than income tax	2,052	576
Deductions to the Guarantee Fund for the Protection of Individuals Funds	242	40
Income of future periods	22	25
Total other non-financial liabilities	**2,316**	**641**
Other financial liabilities		
Debt to suppliers	856	878
Allowance for unpaid vacations and other staff remuneration liabilities	553	473
Allowance for credit related commitments	429	1,944
Unadjusted transit accounts	265	351
Other	158	115
Total other financial liabilities	**2,261**	**3,761**
Total other liabilities	**4,577**	**4,402**

The movement of the allowance for credit related commitments is presented in Note 29.

20. Subordinated loans

In thousands of Belarusian rubles	31 December 2025	31 December 2024
Subordinated loan from Speedster-M LLC	11,754	15,275
Subordinated loan from Dikris LLC	8,781	10,508
Total subordinated loans	**20,535**	**25,783**

In 2015, the Bank was granted a subordinated loan from Dikris LLC in the amount of USD 3,000 thousand at a USD LIBOR floating rate for 12 months plus 4 percentage points.

In January 2017, the EBRD ceded the rights of claim under the subordinated loan agreement to the resident Speedster-M LLC. The amount of the subordinated loan is USD 4,009 thousand, a floating interest rate is set based on the LIBOR rate for 12 months plus 6 percentage points.

In 2019, the Bank was granted two subordinated loans from Speedster-M LLC in the amount of BYN 2,700 thousand at the refinancing rate of the National Bank.

In accordance with the contractual terms the creditor shall not meet its requirements to the borrower before meeting requirements of other creditors in full in case of liquidation of the borrower.

In 2025, the Bank returned subordinated loans received from Speedster-M LLC in the amount of 1,200 thousand BYN in accordance with the repayment period stipulated in the agreement.

21. Share capital

Share capital as at 31 December 2025 and 2024 was presented as follows:

In thousands of Belarusian rubles	**31 December 2025**	**31 December 2024**
Number of ordinary (common) shares	120,791,295	120,791,295
Nominal value of 1 share, BYN	0,160	0,160
Nominal value of ordinary (common) shares	19,327	19,327
Number of preferred shares	6,886,084	6,886,084
Nominal value of 1 share, BYN	0,160	0,160
Nominal value of preferred shares	1,102	1,102
Inflation effect	29,859	29,859
Total share capital	**50,288**	**50,288**

In 2025 and 2024 the Bank did not issue new shares. The nominal value of the share for 2025 and 2024 is BYN 0.160 (zero Belarusian rubles 16 kopecks).

All common (ordinary) shares (hereinafter referred to as shares) are fully paid, each share gives the right to one vote, as well as the right to receive dividends and participate in net assets. All shares have equal rights with respect to net assets.

The amount of the annual minimum fixed dividend on preferred shares is the equivalent of USD 0.01394 per preferred share.

Basic profit/(loss) per share are calculated by dividing the profit/(loss) owned by shareholders holding ordinary shares of the Bank by the average weighted number of ordinary shares in circulation. The Bank did not determine diluted earnings per share, as the Bank does not have financial instruments with potential diluting effect.

	2025	**2024**
Profit for the period owned by shareholders, BYN	(1,187,000)	4,456,000
Average weighted number of ordinary shares in circulation, pieces	120,791,295	120,791,295
Basic profit/(loss) per ordinary share, BYN	**(0,0098)**	**0,0369**

22. Interest income and expenses

In thousands of Belarusian rubles	2025	2024
Interest income calculated using the effective interest rate method		
Loans to customers	28,059	25,857
Due from other banks	6,977	3,743
Securities measured at amortized cost	1,978	2,063
Other	141	132
Interest income on finance leases	2,067	1,780
Total interest income	**39,222**	**33,575**
Interest expenses		
Due to customers	(27,039)	(16,909)
Subordinated loans	(2,494)	(2,699)
Due to other banks	(1,610)	(1,513)
Debt securities issued	(625)	(315)
Lease liabilities	(385)	(188)
Other	(2,431)	(1,209)
Total interest expenses	**(34,584)**	**(22,833)**
Net interest income	**4,638**	**10,742**

23. Fee and commission income and expenses

In thousands of Belarusian rubles	2025	2024
Fee and commission income		
Settlement and cash operations commissions	6,701	7,026
Other	1,649	1,040
Total fee and commission income	**8,350**	**8,066**
Fee and commission expenses		
Commission on settlement operations and operations with bank cards	(1,735)	(2,033)
Commissions on foreign currency transactions	(661)	(157)
Other	(574)	(360)
Total fee and commission expenses	**(2,970)**	**(2,550)**
Net fee and commission income	**5,380**	**5,516**

24. Net income from foreign exchange operations

In thousands of Belarusian rubles	2025	2024
Net income from foreign exchange operations	26,142	18,282
Net (expenses)/income from revaluation of assets and liabilities	(1,163)	2,369
Net income from foreign exchange operations	**24,979**	**20,651**

25. Net income from securities transactions

In thousands of Belarusian rubles	2025	2024
Income from securities transactions	-	22
Expenses on securities transactions	(174)	(13)
Net income from securities transactions	**(174)**	**9**

26. Net other income

In thousands of Belarusian rubles	2025	2024
Income from the sale of property	4,278	1,966
Other services provided to customers	2,481	2,521
Fines, penalties received	548	399
Proceeds from previously written-off credit debt	307	343
Reimbursed court expenses	154	180
Other	193	554
Total net other income / (expenses)	**7,961**	**5,963**

27. Operating expenses

In thousands of Belarusian rubles	2025	2024
Personnel expenses	(16,681)	(12,152)
Taxes other than income tax	(5,986)	(2,834)
Contributions to the Social Security Fund	(5,545)	(4,170)
Software expenses	(2,557)	(2,386)
Expenses on delivery and collection	(2,312)	(1,814)
Depreciation of right-of use assets	(2,293)	(1,654)
Communication and information services	(1,807)	(1,952)
Depreciation of property and equipment and intangible assets	(1,391)	(1,177)
Professional services (consulting, auditing, legal, other)	(1,100)	(1,134)
Repair and maintenance	(1,013)	(736)
Deductions to the Guarantee Fund for the Protection of Funds of Individuals	(691)	(136)
Advertising and marketing	(681)	(644)
Security	(635)	(481)
Office expenses	(579)	(615)
Management costs	(572)	(547)
Sponsorship	(226)	(217)
Other	(2,761)	(2,762)
Total operating expenses	**(46,830)**	**(35,411)**

28. Income tax

The Bank calculates taxes on the basis of tax accounting, which is conducted in accordance with the tax legislation of the Republic of Belarus.

The income tax rate for Belarusian banks for the years ended 31 December 2025 and 2024 was 25%. The deferred tax liability (deferred tax asset) is calculated using the rate expected to be in effect during the period of repayment of the deferred tax liability (sale of the deferred tax asset) – 25%.

Income tax expenses are presented as follows:

In thousands of Belarusian rubles	2025	2024
Current income tax expense	(496)	-
Deferred income tax (expenses)/benefits	2,148	(411)
Income tax (expenses)/benefits	**1,652**	**(411)**

Deferred tax reflects the net tax effect of temporary differences between the value of assets and liabilities recognized for the purposes of the financial statements and the amounts determined for tax purposes.

For each type of temporary differences, the amounts of deferred tax assets and liabilities recognized in the statement of financial position, as well as the amounts of income or expenses under deferred tax recognized as profit or loss are presented below:

In thousands of Belarusian rubles	31 December 2023	Changes in 2024	31 December 2024	Changes in 2025	31 December 2025
Deductible temporary differences:					
Due from banks	982	(942)	40	91	131
Securities measured at amortized cost	879	(769)	110	51	161
Property and equipment and intangible assets	3,232	(144)	3,088	104	3,192
Investmeat prorerty	-	-	-	2	2
Other assets and liabilities	363	1,150	1,513	1,001	2,514
Deferred tax asset	**5,456**	**(705)**	**4,751**	**1,249**	**6,000**
Offset against the amount of deferred tax liability	(2,023)		(1,729)		(830)
Not recognized deferred tax asset	-		-		-
Total deferred tax asset	**3,433**		**3,022**		**5,170**
Taxable temporary differences:					
Loans to banks and customers	(2,023)	294	(1,729)	899	(830)
Deferred tax liability	**(2,023)**	**294**	**(1,729)**	**899**	**(830)**
Offset against the amount of deferred tax asset	(2,023)		(1,729)		(830)
Total deferred tax liability	-		-		-
Total net deferred tax asset	**3,433**		**3,022**		**5,170**

Below is a comparison of the theoretical income tax expenses with the actual tax expenses for the years ended 31 December 2025 and 2024:

In thousands of Belarusian rubles	2025	2024
Profit before tax	(2,839)	4,867
Income tax at the statutory rate	**(710)**	**1,217**
Tax effect of permanent differences:		
Tax benefits	(466)	(348)
Tax effect of expenses not involved in taxation	450	311
The tax effect of restoring the investment deduction	(156)	(105)
Other permanent differences	(770)	(664)
Income tax expense/(income)	**(1,652)**	**411**

29. Contingent liabilities

Tax legislation. Tax and other legislation of the Republic of Belarus, effective or factually entered into force at the end of the reporting period, allows for different interpretations in regard to transactions and activities of the Bank. In this regard, the interpretation of tax legislation used by the Management of the Bank and the official documentation justifying tax positions can be successfully challenged by the relevant authorities. Tax periods remain open for inspection by the relevant tax authorities for payment of taxes for an indefinite period.

The Management currently believes that as at 31 December 2025 and 2024 all the necessary tax charges have been made, and that the tax positions and interpretations of the Bank may be confirmed but there is a risk that an outflow of resources in the form of payment would be required if these tax positions and interpretations of legislation were challenged by the relevant authorities. The impact of any such contentious situations cannot be assessed with sufficient reliability, but it may be material for the financial position and/or operations of the Bank as a whole.

Credit-related commitments. In the course of its operations, the Bank uses financial instruments with off-balance risks to meet the needs of its customers. These instruments, which carry credit risks of varying degrees, are not reflected in the statement of financial position. The maximum risk of the Bank on conditional financial liabilities and loan liabilities in case of non-performance by the second party under the transaction of its obligations and impairment of all counterclaims and collateral is equivalent to the contractual value of these instruments.

The Bank's credit-related commitments are presented as follows:

In thousands of Belarusian rubles	**31 December 2025**	**31 December 2024**
Unused credit lines	16,891	14,097
Guarantees issued	5,549	8,148
Total credit related commitments	**22,440**	**22,245**
Allowance for credit related commitments	(429)	(1,944)
Total credit related commitments less allowance	**22,011**	**20,301**

The movement of the allowance for contingent liabilities for the years ended 31 December 2025 and 2024 is presented as follows:

In thousands of Belarusian rubles	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
ECL as at 1 January 2025	**1,944**	-	-	**1,944**
Newly created or purchased	313	-	-	313
Derecognition as a result of disposal	(1,184)	-	-	(1,184)
Effect of other movements in growth carrying amount	(644)	-	-	(644)
ECL as at 31 December 2025	**429**	-	-	**429**

In thousands of Belarusian rubles	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
ECL as at 1 January 2024	**1,843**	**162**	-	**2,005**
Newly created or purchased	1,410	-	-	1,410
Derecognition as a result of disposal	(1,834)	(162)	-	(1,996)
Effect of other movements in growth carrying amount	525	-	-	525
ECL as at 31 December 2024	**1,944**	-	-	**1,944**

30. Capital management

The Bank manages the capital to comply with the requirements of the legislation, to maintain the level necessary to achieve an 8% capital adequacy ratio in accordance with the Basel Accord, going concern, while setting the task of ensuring profit to shareholders by optimizing the ratio of liabilities and capital of the Bank.

The requirement of the National Bank of the Republic of Belarus for the minimum amount of regulatory capital calculated on the basis of accounting records prepared in accordance with the Belarusian legislation for banks is to maintain the amount of regulatory capital at a statutory set level. The regulatory value of regulatory capital as at 1 January 2026 was BYN 60,00 million. The actual value of the Bank's regulatory capital as at 1 January 2026 in accordance with the Belarusian legislation amounted to BYN 65,9 million.

The Bank's Management reviews the capital structure on a monthly basis. As a part of this review, the capital adequacy ratio is determined by comparing the regulatory level of capital with quantitatively expressed risks (risk assets). The Management of the Bank assesses the amount of capital necessary to achieve the strategic goals of the bank and allows to ensure in the planned future the necessary asset growth, as well as the optimal ratio of profitability and capital adequacy taking into account the requirements of shareholders, partners of the Bank and the banking supervision and regulation bodies. The Bank's Management analyses the average weighted cost of capital, as well as the risks associated with each asset class, and regulates the structure of the Bank's capital by raising additional liabilities and repaying existing ones.

As at 31 December 2025 and 2024, a reserve fund in the amount of BYN 10,053 thousand was recorded in the capital according to the national accounting rules. The reserve fund is the funds reserved in accordance with the legislation of the Republic of Belarus to cover losses on the Bank's operations and is not subject to distribution among shareholders.

Under the current capital requirements set by the National Bank, banks have to maintain a ratio of regulatory capital to risk-weighted assets ("regulatory capital adequacy ratio") above a prescribed minimum level (12.5%). As at 1 January 2026, the actual value of the regulatory capital adequacy ratio was 16,69%.

The table below presents the analysis of the sources of the Bank's regulatory capital in order to determine the capital adequacy in accordance with the Basel Accord:

In thousands of Belarusian rubles	**31 December 2025**	**31 December 2024**
Level 1 Capital		
Share capital	50,288	50,288
Intangible assets	(6,267)	(5,827)
Deferred income tax asset	(5,170)	(3,022)
Accumulated profit / (loss)	(742)	445
Total Level 1 Capital	**38,109**	**41,884**
Level 2 Capital		
Subordinated loans	6,734	13,157
Total Level 2 Capital	**6,734**	**13,157**
Total capital	**44,843**	**55,041**
Total amount of risk-weighted assets	396,898	373,252
Capital adequacy ratio (%)	**11.3**	**14.7**

In calculating capital adequacy as at 31 December 2025 and 2024, the Bank included in the capital calculation the received subordinated loan with an initial maturity of more than five years (Note 20). In the last five years remaining until maturity, the subordinated loan is recognized in equity at the value reflected in the statement of financial position minus 20% for each full year ended. In case of bankruptcy or liquidation of the Bank, the subordinated loan is repaid after fulfilment of the Bank's obligations to all other creditors.

In calculating capital adequacy, the Bank excluded the value of intangible assets (Note 13) and deferred tax assets (Note 29) from Level 1 capital in accordance with the requirements of the Basel Agreement.

31. Risk management

The Bank has established an effective risk management system in accordance with international requirements and standards, including management of the risk inherent in banking activities, taking into account the materiality factor, a criterion that characterizes the degree of influence of a certain type of banking risk on the financial stability of the Bank.

The Bank recognizes the following types of risks as definitively significant risks: credit risk, liquidity risk, interest risk rate of the bank portfolio, currency risk, commodity risk, operational risk, strategic risk, reputational risk. Other types of banking risks (market risks: stock risk and interest rate risk of the trading portfolio; country risk) are recognized by the Bank as significant when they reach certain parameters as a result of the Bank's activities in one or another period of their development, or they may be recognized as such on the basis of reasoned judgment. The risk of concentration is considered by the Bank as part of the definitively significant risks of the Bank.

The Bank evaluates risks at the stage of preliminary, current and subsequent control, as well as identifies management bodies, structural units and officials responsible for risk management.

Systems of management of banking risk types that the Bank has recognized as material for itself, including definitions, goals, objectives, stages, procedures, management participants, as well as approaches to stress testing, are regulated by separate local legal acts. The main documents regulating the system and approaches to risk management in the Bank are the Bank Risk Management Strategy and the General Risk Policy.

The General Risk Policy includes the following strategic risk management objectives:

- identification of the main types of risks of the Bank and confirmation that the current areas of banking business and its further plans for the development of new types of business correspond to the preparedness of the Bank to these risks;
- optimization of risks that are directly related to the activities of the Bank, as well as organization of an effective and independent internal control system;
- development of an effective risk management structure for the further successful development of the Bank.

In order to effectively manage bank risks, the Bank has developed a system of powers that allow for the allocation of responsibility for each significant type of risk among the management bodies, divisions and employees of the Bank. Regardless of the type of banking risk, the system of powers necessarily includes the Board of Directors of the Bank, the Risk Committee, the Management Board of the Bank, the Officer responsible for risk management, Credit and Finance Committees, Risk Management, including risk managers, Internal Audit Service, Internal Control Service, Structural divisions of the Bank.

The Board of Directors ensures the organization of the banking risk management system, monitors its adequate functioning and overall level of risks, approves the General Risk Policy.

The Risk Committee, established by the Board of Directors, monitors and controls the implementation of the Risk Management Strategy; assesses the effectiveness of the risk management system; controls timeliness and quality of risk reporting, as well as the completeness and adequacy of measures taken by the Management Board of the Bank to minimize risks.

The Management Board of the Bank ensures the functioning of the risk management system in order to meet the goals and objectives set by the Board of Directors in the field of risk management; approves the General Risk Policy, local regulatory legal acts regulating methods and procedures of managing certain types of risks, as well as the procedure of decision-making, interaction of divisions, distribution and delegation of powers in the process of risk management; ensuring their effective application in practice; making management decisions aimed at limiting the risk propensity of units generating risks, maintaining the risk profile of the bank, adequate to the nature and scope of the activities carried out.

The Officer responsible for risk management coordinates the actions of all participants in the risk management process, ensures information exchange between them in order to adopt the necessary management decisions; regularly reports to the Board on the extent of certain bank risks, compliance with risk propensity for risk generating units, compliance with established risk tolerance and maintaining the Bank's risk profile; regular (at least once a year) reports to the Risk Committee on the functioning of the risk management system and the degree of individual bank risks; ensures disclosure of information about the organization of the risk management system in accordance with the procedures adopted in the Bank.

The Finance Committee and the Credit Committee conduct monitoring and analysis of the risk level.

The Risk Management is responsible for the organization of an effective risk management system, monitoring the timely identification, measurement, monitoring, control and limiting of the level of bank risks. This unit monitors compliance with procedures for managing each of the type of risks. In order to control and manage critical situations that may have undesirable consequences for the Bank, the risk manager of the Bank carries out stress testing and assessment of the impact of changes in external and internal factors of corresponding risk on the stability of the Bank's functioning.

The Internal Audit Service is responsible for conducting regular audit of certain elements of the risk management system and assessing the effectiveness of risk management, as well as control compliance of actions and operations carried out by the management and employees of the Bank, with the requirements of the current legislation. The results of the audits and the assessment of effectiveness are reported-to the Board of Directors.

The Internal Control Service verifies compliance by authorized bodies and employees of the Bank with the procedure for controlling each type of risk, as well as compliance with local regulatory legal acts of the Bank containing the strategy, policy, methods and procedures of risk management.

Structural divisions of the Bank carry out the current management of bank risks within the limits of their powers.

Credit risk. The Bank assumes credit risk which is the risk that the Bank will incur a loss because its counterparty fails to discharge its contractual financial liabilities to the Bank or discharged them in an untimely fashion or not in full. The purpose of credit risk management is to ensure maximum safety of assets on the basis of reduction of possible losses, which is achieved on the basis of a systematic, integrated approach by implementing the following tasks:

- separation of powers and responsibilities between management bodies, committees, officials and divisions of the Bank in the sphere of credit risk management;
- organization of a system of crediting of customers of the Bank that is adequate and in the interests of the Bank; system of setting limits on credit related operations, counterparty banks;
- organization of a system of fair assessment of collateral on credit related operations;
- organization of independent primary and secondary examination of credit projects and counterparty banks limit projects;
- organization of effective claim-related work and work with overdue debts;

- implementation of qualitative and timely analysis of the status and dynamics of the loan portfolio, safe functioning standards characterizing the level of credit risk, including sectoral analysis and analysis of the concentration of the loan portfolio, setting limits on sectors with a high level of credit risk;
- organization of stress testing system;
- creation of a system of regular and timely informing of management bodies and committees of the Bank about efficiency of credit risk management system;
- creation of a system of rapid and adequate response, aimed at preventing the credit risk getting critical for the Bank (risk minimization).

Identification and assessment of the level of credit risk is realized through the primary and secondary examination of credit projects (draft limits on the counterparty bank), which is achieved by the resolution of the conflict of interest in the decision-making process.

The primary examination (analysis (assessment) of the financial condition of the counterparty bank and development of a limit for carrying out active operations with the counterparty bank) is carried out by the economic service on the basis of the assessment of the financial condition of the counterparty bank and the ability to timely and in full return the funds transferred to it. Based on the analysis, a draft limit for active operations with a counterparty bank is being developed. When performing active credit related operations with customers, the primary examination is carried out by the credit worker at the stage of preparation for consideration by the Credit Committee of the loan project and collateral provided by the borrower.

Secondary examination is carried out by the risk manager during the period of development of the limit on the counterparty bank and subsequent monitoring. When performing active credit related operations with customers, the secondary examination is carried out by the risk manager during the consideration of the loan project and during the monitoring of the lender, financed transaction and collateral provided by the borrower.

Determination of the acceptable level of credit risk is carried out jointly by the Credit and Finance Committees of the Bank in accordance with the functions assigned to them.

To prevent the level of credit risk from increasing, the Bank regularly monitors credit risk by individual borrower, as well as each contract and for the Bank's loan portfolio as a whole by monthly studying the system of indicators. The Bank controls credit risk by setting limits on one borrower or a group of related borrowers and their products.

In order to forecast changes in the level of credit risk, the Bank carries out regular stress testing, the essence of which is to assess the consequences of active impact on the Bank's activities of external and internal credit risk factors. The Bank simulates the default situation for all or most of the lenders of homogeneous groups, taking into account industry, ownership and other homogeneous characteristics, develops scenarios of the impact of default (credit events) on the change in the level of credit risk, forecasts change in portfolio quality and safe functioning indicators of the Bank, which characterize the level of credit risk. The results of stress testing are provided to the Finance Committee of the Bank for appropriate management decisions to minimize credit risk.

Credit risk is managed by the relevant structural units through regular analysis of the ability of existing and potential borrowers to repay interest payments and the amount of the principal debt, as well as by obtaining collateral and guarantees of companies and individuals.

The Bank carries out loan analysis by maturities and the subsequent control of overdue balances. In this regard, the Management is provided with the data on the terms of debt as presented in Note 10.

Types of activity that are subject to credit risk and bear the corresponding maximum credit risk include:

- provision of loans and borrowings to customers and placing deposits in other organizations, investing in financial instruments held to maturity. In these cases, the maximum credit risk is equal to the value of the relevant financial assets, as recorded in the statement of financial position (Notes 9, 10, 11);

- conclusion of contracts for derivative financial instruments, such as foreign exchange transactions. The maximum credit risk at the end of the reporting period will be equal to the value as recorded in the statement of financial position (Note 8);
- provision of financial guarantees. In this case, the maximum credit risk is equal to the maximum amount that the Bank can pay if the guarantee is executed (Note 29);
- provision of a credit related commitment that is not subject to canceliation during the term of the validity or is cancelled only as a result of a material adverse change. If the issuer is unable to fulfil the loan liabilities using cash or other financial instruments, the maximum credit risk is equal to the full amount of the liability recorded in Note 29.

Credit risk for financial instruments that are not recognized in the statement of financial position is defined as the probablity of loss due to the inability of another participant in a transaction with this financial instrument to fulfil the terms of the contract. Regarding the credit risk of the loan liabilities, the Bank is potentially subject to losses in an amount equal to the total amount of unused liabilities. However, the estimated amount of losses is less than the total amount of unused liabilities, since most loan liabilities depend on customers who support certain loan standards. The Bank applies the same credit policy with respect to contingent liabilities as it does with financial instruments recognized in the statement of financial position, based on the procedures for approving transactions, using risk limits, and monitoring. The Bank controls the maturity of contingent liabilities that are not recognized in the statement of financial position, since the longer the maturity of contingent liabilities is, the higher the credit risk is.

In order to minimize credit risk, the Bank uses methods of diversification of the loan portfolio by sectors of the economy, by types of collateral, by credit products, by forms of cash disbursement, by types of transactions, currencies and maturity dates.

Country risk. Country risk is the risk of losses of the Bank as a result of the influence of both internal and external factors independent of the financial position of counterparties of the Bank (for example, nonconformity of contracts to the legislation of foreign states; non-fulfilment by foreign counterparties of obligations due to economic, political, social and other changes in the conditions of its activity).

The geographical analysis of the financial assets and liabilities of the Bank as at 31 December 2025 is presented below:

In thousands of Belarusian rubles	**Belarus**	**OECD countries**	**Other countries**	**Total**
Assets				
Cash and cash equivalents	195,679	-	35,393	231,072
Mandatory allowances in the National Bank of the Republic of Belarus	6,190	-	-	6,190
Due from other banks	643	-	3	646
Loans to customers	243,065	-	-	243,065
Securities measured at amortized cost	44,105	-	-	44,105
Other financial assets	9,482	-	-	9,482
Total financial assets	**499,164**	**-**	**35,396**	**534,560**
Liabilities				
Due to other banks	24,500	-	8	24,508
Due to customers	476,927	853	8,667	486,447
Debt securities issued	1,052	-	-	1,052
Lease liabilities	4,805	-	-	4,805
Other financial liabilities	2,257	4	-	2,261
Subordinated loans	20,535	-	-	20,535
Total financial liabilities	**530,076**	**857**	**8,675**	**539,608**
Net balance sheet position	**(30,912)**	**(857)**	**26,721**	

The geographical analysis of the financial assets and liabilities of the Bank as at 31 December 2024 is presented below:

In thousands of Belarusian rubles	Belarus	OECD countries	Other countries	Total
Assets				
Cash and cash equivalents	186,443	334	22,105	208,882
Mandatory allowances in the National Bank of the Republic of Belarus	5,326	-	-	5,326
Due from other banks	661	-	1,742	2,403
Loans to customers	234,355	-	-	234,355
Securities measured at amortized cost	50,873	-	-	50,873
Other financial assets	3,580	-	1	3,581
Total financial assets	**481,238**	**334**	**23,848**	**505,420**
Liabilities				
Due to other banks	31,500	-	7	31,507
Due to customers	417,729	805	6,156	424,690
Debt securities issued	10,254	-	-	10,254
Lease liabilities	2,835	-	-	2,835
Other financial liabilities	3,756	5	-	3,761
Subordinated loans	25,783	-	-	25,783
Total financial liabilities	**491,857**	**810**	**6,163**	**498,830**
Net balance sheet position	**(10,619)**	**(476)**	**17,685**	

Liquidity risk. Liquidity risk is the risk of difficulties in meeting financial liabilities related to the payment of cash or provision of financial assets. The purpose of liquidity risk management is to achieve an optimal (acceptable) balance of financial assets and financial liabilities, which is ensured by implementing the following tasks:

- separation of powers and responsibilities between authorized and executive bodies, committees, officials and divisions of the Bank in the sphere of liquidity risk management;
- organization of a system of management of financial assets and financial liabilities that is adequate and in the interests of the Bank;
- organization of qualitative and timely monitoring and analysis of the current state of liquidity, standards of safe functioning, characterizing the level of liquidity risk, structure and dynamics of resource base and financial investments, liquidity gaps;
- organization of the Bank's cash flow forecasting system in the short term;
- assessment of the level of liquidity risk and the quality of liquidity risk management;
- organization of stress testing and early warning system to identify the causes and factors influencing changes in liquidity risk, and modelling the behaviour of liquidity indicators in perspective;
- creation of a system of rapid and adequate response aimed at minimization of liquidity risk, development of plans of actions of the Bank in unforeseen situations connected with increase of liquidity risk.

The Bank maintains stable financing base, which comprises mainly amounts due to other banks, current accounts and deposits of legal entities and individuals, long-term subordinated loans, and invests funds in diversified portfolio of liquid assets in order to have a possibility without delays meet unforeseen liquidity requirements.

The Bank calculates liquidity ratios on a monthly basis in accordance with the requirements of the National Bank:

- *Liquidity coverage ratio,* which is calculated as the ratio of the amount of highly liquid assets to the net expected cash outflow within the next 30 days (minimum allowable ratio value is 100%). As at 31 December 2025, this ratio amounted to 143.4% (as at 31 December 2024 – 148.0%);
- *Net stable funding ratio,* which is calculated as the ratio of available and required stable funding (the minimum allowable ratio value is 100%). As at 31 December 2025, this ratio amounted to 138.0 (as at 31 December 2024 – 135.1%).

The tables below show an analysis representing the remaining maturity of financial liabilities calculated for undiscounted cash flows on financial liabilities (the principal debt and interest) based on the contractual terms as at the reporting date, as well as inflows and outflows of funds on derivative financial instruments.

The table below shows the analysis of financial liabilities due to their maturities as at 31 December 2025:

In thousands of Belarusian rubles	**On demand and less than 1 month**	**1-3 months**	**3-6 months**	**6 months – 1 year**	**1 year – 5 years**	**More than 5 years**	**Total**
Non-derivative financial liabilities							
Due to other banks	24,528	-	-	-	-	-	24,528
Due to customers	262,222	133,406	26,356	48,848	23,889	1,144	495,865
Lease liabilities							
Non-derivative financial liabilities	249	492	715	1,113	3,206	-	5,775
Other financial liabilities	1,709	-	-	553	-	-	2,262
Debt securities issued	-	-	107	-	1,293	-	1,400
Subordinated loans	196	373	9,252	716	13,771	-	24,308
Credit-related commitments	10,961	152	2	5,052	5,844	-	22,011
Total potential future payments on non-derivative financial liabilities	**299,865**	**134,423**	**36,432**	**56,282**	**48,003**	**1,144**	**576,149**
Derivative financial instruments to be calculated on a gross basis							
Outflow	208	-	-	-	-	-	208
Inflow	(207)	-	-	-	-	-	(207)
Total potential future payments on financial liabilities	**299,866**	**134,423**	**36,432**	**56,282**	**48,003**	**1,144**	**576,150**

The table below shows the analysis of financial liabilities due to their maturities as at 31 December 2024:

In thousands of Belarusian rubles	On demand and less than 1 month	1-3 months	3-6 months	6 months – 1 year	1 year – 5 years	More than 5 years	Total
Non-derivative financial liabilities							
Due to other banks	25,590	5,120	1,008	-	-	-	31,718
Due to customers	191,188	154,569	30,411	44,498	10,338	5,815	436,819
Lease liabilities							
Non-derivative financial liabilities	169	329	468	647	1,561	-	3,174
Other financial liabilities	3,288	-	-	473	-	-	3,761
Debt securities issued	-	-	-	10,812	-	-	10,812
Subordinated loans	244	465	717	2,643	29,061	-	33,130
Credit-related commitments	13,216	137	277	2,570	4,101	-	20,301
Total potential future payments on non-derivative financial liabilities	**233,695**	**160,620**	**32,881**	**61,643**	**45,061**	**5,815**	**539,715**
Derivative financial instruments to be calculated on a gross basis							
Outflow	-	-	-	-	-	-	-
Inflow	-	-	-	-	-	-	-
Total potential future payments on financial liabilities	**233,695**	**160,620**	**32,881**	**61,643**	**45,061**	**5,815**	**539,715**

The tables above include payments in respect of derivative financial instruments, which are calculated on a gross basis, as these calculations will be accompanied by corresponding inflows and outflows of cash.

Amounts due to customers are recorded in this analysis by terms remaining to maturity. However, in accordance with the Banking Code of the Republic of Belarus, individuals have the right to withdraw funds from their accounts prior to maturity.

The Bank does not use the above analysis of financial liabilities by maturity not taking into account discounting on an ongoing basis. Instead, the Bank monitors contractual maturities and expected liquidity gap based on the analysis of financial assets and liabilities presented in the tables below:

In thousands of Belarusian rubles	On demand and less than 1 month	1-3 months	3-6 months	6 months – 1 year	1 year – 5 years	More than 5 years	Past due	Unlimited	As at 31 December 2025
Assets									
Cash and cash equivalents	231,072	-	-	-	-	.	-	.	231,072
Mandatory allowances in the National Bank	-	-	-	-	-	-	-	6,190	6,190
Due from other banks	-	-	-	-	-	-	-	646	646
Loans to customers	7,662	21,416	20,571	37,223	143,837	1,809	10,547	-	243,065
Securities measured at amortized cost	127	18,110	1,737	-	24,131	-	-	.	44,105
Other financial assets	387	238	361	637	3,048	4,391	420	-	9,482
Total financial assets	**239,248**	**39,764**	**22,669**	**37,860**	**171,016**	**6,200**	**10,967**	**6,836**	**534,560**
Liabilities									
Due to other banks	24,508	-	-	-	-	-	-	-	24,508
Due to customers	260,924	131,958	24,640	45,178	23,747	-	-	-	486,447
Lease liabilities	220	437	630	952	2,566	-	-	-	4,805
Other financial liabilities	1,709	-	-	552	-	-	-	-	2,261
Debt securities issued	-	-	80	-	972	-	-	-	1,052
Subordinated loans	190	-	8,708	-	11,637	-	-	-	20,535
Total financial liabilities	**287,551**	**132,395**	**34,058**	**46,682**	**38,922**	-	-	-	**539,608**
Liquidity gap	(48,303)	(92,631)	(11,389)	(8,822)	132,094	6,200			
Cumulative expected liquidity gap	**(48,303)**	**(140,934)**	**(152,323)**	**(161,145)**	**(29,051)**	**(22,851)**			

In thousands of Belarusian rubles	On demand and less than 1 month	1-3 months	3-6 months	6 months – 1 year	1 year – 5 years	More than 5 years	Past due	Unlimited	As at 31 December 2024
Assets									
Cash and cash equivalents	208,882	-	-	-	-	-	-	-	208,882
Mandatory allowances in the National Bank	-	-	-	-	-	-	-	5,326	5,326
Due from other banks	1,742	-	-	-	-	-	-	661	2,403
Loans to customers	7,968	20,391	22,216	41,089	121,194	8,273	13,224	-	234,355
Securities measured at amortized cost	151	405	13,996	-	36,321	-	-	-	50,873
Other financial assets	435	-	8	65	349	2,422	302	-	3,581
Total financial assets	**219,178**	**20,796**	**36,220**	**41,154**	**157,864**	**10,695**	**13,526**	**5,987**	**505,420**
Liabilities									
Due to other banks	25,507	5,000	1,000	-	-	-	-	-	31,507
Due to customers	190,131	153,210	29,247	41,822	10,280	-	-	-	424,690
Other financial liabilities	157	305	431	583	1,359	-	-	-	2,835
Debt securities issued	3,288	-	-	473	-	-	-	-	3,761
Subordinated loans	-	-	-	10,254	-	-	-	-	10,254
Liabilities	236	-	-	1,200	24,347	-	-	-	25,783
Total financial liabilities	**219,319**	**158,515**	**30,678**	**54,332**	**35,986**	-	-	-	**498,830**
Liquidity gap	(141)	(137,719)	5,542	(13,178)	121,878	10,695			
Cumulative expected liquidity gap	**(141)**	**(137,860)**	**(132,318)**	**(145,496)**	**(23,618)**	**(12,923)**			

According to the Management of the Bank, the overlap and/or controlled mismatch between the placement and maturity terms and interest rates on assets and liabilities is a fundamental factor for the success of management of the Bank. In banks, as a rule, there is no complete overlap on these positions, as transactions often have uncertain maturity dates and different nature. The mismatch of these positions potentially increases the profitability of the activity, and at the same time increases the risk of losses.

In recent economic conditions in the Republic of Belarus (high devaluation expectations) long-term resources in Belarusian rubles are being replaced by short-term ones. The Bank manages liquidity in the face of significant liquidity gaps in the short term, raising available and most profitable resources in Belarusian rubles to maintain liquidity. The main sources of the Bank's resource base are the raised funds of legal entities. Additional current sources of coverage of short-term liquidity gaps are also borrowings in the interbank loan market, the conclusion of swap transactions and currency exchange transactions with banks, as well as issuance of own debt securities.

In order to prevent the outflow of amounts due to customers, as well as to extend the terms of their use, the Bank promptly revises the terms of existing products and develops new ones, works on attracting new customers. At the same time, the terms of credit products are also being revised to diversify the loan portfolio in terms of the principal repayment mechanism.

The tables below provide an analysis of overdue but non-impaired loans by the maturities that have elapsed since the payment was delayed, less the provision for ECL as at 31 December 2025 and 2024:

In thousands of Belarusian rubles	less than 30 days	from 31 to 60 days	from 61 to 90 days	more than 90 days	Total as at 31 December 2025
Loans to corporate clients	67	13	-	-	79
Loans to individuals	126	48	39	-	213
Total loans to customers	**193**	**61**	**39**	-	**292**

In thousands of Belarusian rubles	less than 30 days	from 31 to 60 days	from 61 to 90 days	more than 90 days	Total as at 31 December 2024
Loans to corporate clients	38	15	19	2,549	2,621
Loans to individuals	89	40	36	-	165
Total loans to customers	**127**	**55**	**55**	**2,549**	**2,786**

The tables below provide an analysis of the balance sheet assets and liabilities by expected repayment or repayment dates as at 31 December 2025 and 2024:

	31 December 2025			31 December 2024		
In thousands of Belarusian rubles	Within a year	More than a year	Total	Within a year	More than a year	Total
Assets						
Cash and cash equivalents	231,072	-	231,072	208,882	-	208,882
Mandatory allowances in the National Bank of the Republic of Belarus	-	6,190	6,190	-	5,326	5,326
Due from other banks	-	646	646	1,742	661	2,403
Loans to customers	97,419	145,646	243,065	104,888	129,467	234,355
Securities measured at amortized cost	19,974	24,131	44,105	14,552	36,321	50,873
Investment prorerty	-	483	483	-	-	-
Property and equipment, intangible assets and right-of-use assets	2,106	27,071	29,177	1,452	21,693	23,145
Current income tax requirement	106	-	106	517	-	517
Deferred income tax asset	-	5,170	5,170	-	3,022	3,022
Other assets	23,909	7,547	31,456	15,343	6,338	21,681
Total assets	**374,586**	**216,884**	**591,470**	**347,376**	**202,828**	**550,204**
Liabilities						
Due to other banks	24,508	-	24,508	31,507	-	31,507
Due to customers	462,700	23,747	486,447	414,410	10,280	424,690
Debt securities issued	80	972	1,052	10,254	-	10,254
Lease liabilities	2,239	2,566	4,805	1,476	1,359	2,835
Other liabilities	4,577	-	4,577	4,402	-	4,402
Subordinated loans	8,898	11,637	20,535	1,436	24,347	25,783
Total liabilities	**503,002**	**38,922**	**541,924**	**463,485**	**35,986**	**499,471**
Net balance position	**(128,416)**	**177,962**	**49,546**	**(116,109)**	**166,842**	**50,733**

Market risk. Market risk is the risk of the Bank's losses, non-receipt of planned income from changes in the value of balance sheet and off-balance sheet positions related to the trading portfolio, as well as positions denominated in foreign currency and goods due to changes in market prices of financial instruments and goods caused by changes in foreign exchange rates, market interest rates and other factors. I.e., it is the risk of changing values of market parameters, such as interest rates, exchange rates, stock or commodity prices, correlation between different market parameters and volatility of these parameters. The Bank considers market risk as a set of currency, commodity, interest rate, trading portfolio and stock risks.

Commodity risk is the probability of the Bank's losses, non-receipt of planned income from changes in the value of goods. In accordance with the regulation on commodity risk management, no stress testing was conducted in the reporting year to measure the potential impact of the value of the commodity portfolio on the Bank's regulatory capital. During 2025 (on the first day of each month), the commodity risk did not exceed 5 percent of assets, for calculating the Bank's regulatory capital adequacy.

The cost of property exposed to commodity risk as at 1 January 2026 was BYN 20,493 thousand, and as at 1 January 2026 – BYN 13,412 thousand. The amount of commodity risk included in the calculation of the regulatory capital adequacy as at 1 January 2026 was BYN 3,689 thousand, and as at 1 January 2025 – BYN 2,414 thousand.

Currency risk. Currency risk is a type of market risk characterizing the probability of the Bank's losses, non-receipt of planned income from changes in the value of the Bank's balance sheet and off-balance sheet positions denominated in foreign currency due to changes in foreign exchange rates.

Currency risk management is carried out using the following methods:

- separation of powers and responsibilities between management bodies, committees, officials and divisions of the Bank in the sphere of currency risk management;
- organization of limit policy;
- organization of a system of tracking the status and dynamics of an open currency position — total and by types of currencies, as well as a system of rapid response aimed at minimizing currency risk;
- organization of stress testing system;
- creation of a system of regular and timely informing of management bodies and committees of the Bank about efficiency of currency risk management system;
- creation of a system of rapid and adequate response aimed at minimization of currency risk, development of a plan of actions of the Bank in unforeseen situations connected with currency risk.

The Bank sets limits on the level of accepted risk in terms of types of currencies and in general for all foreign currencies, both at the end of each day and within one day, and monitors compliance with them on a daily basis. The Treasury controls the state of an open currency position and its actual size, based on the accounting data on balance sheet and off-balance sheet accounts for each day. The procedure for calculating the amount of open currency position of the Bank and including the amount of currency risk when calculating capital adequacy is determined in accordance with the requirements of the National Bank.

The table below provides an analysis of the currency risk of the Bank as at 31 December 2025:

In thousands of Belarusian rubles	BYN	USD	EUR	RUB	*Other curren-cies*	Total
Assets						
Cash and cash equivalents	96,821	44,456	23,742	63,798	2,255	231,072
Mandatory allowances in the National Bank of the Republic of Belarus	6,190	-	-	-	-	6,190
Due from other banks	195	447	-	4	-	646
Loans to customers	191,345	37,818	13,176	726	-	243,065
Securities measured at amortized cost	-	29,128	13,821	1,156	-	44,105
Other financial assets	9,479	1	2	-	-	9,482
Total financial assets	**304,030**	**111,850**	**50,741**	**65,684**	**2,255**	**534,560**
Liabilities						
Due to other banks	24,507	-	-	1	-	24,508
Due to customers	273,936	93,537	52,201	64,634	2,139	486,447
Lease liabilities	4,805	-	-	-	-	4,805
Other financial liabilities	2,217	37	3	4		2,261
Debt securities issued	1,052	-	-	-	-	1,052
Subordinated loans	-	20,535	-	-	-	20,535
Total financial liabilities	**306,517**	**114,109**	**52,204**	**64,639**	**2,139**	**539,608**
Open balance net position	**(2,487)**	**(2,259)**	**(1,463)**	**1,045**	**116**	**(5,048)**
Requirements on derivative financial instruments	-	-	-	-	207	207
Liabilities on derivative financial instruments	-	-	-	(208)	-	(208)
Net position on derivative financial instruments	-	-	-	**(208)**	**207**	**(1)**
Total open currency position	**(2,487)**	**(2,259)**	**(1,463)**	**837**	**323**	

The table below provides an analysis of the currency risk of the Bank as at 31 December 2024:

In thousands of Belarusian rubles	BYN	USD	EUR	RUB	Other curren-cies	Total
Assets						
Cash and cash equivalents	96,319	50,138	20,819	36,480	5,126	208,882
Mandatory allowances in the National Bank of the Republic of Belarus	5,326	-	-	-	-	5,326
Due from other banks	198	2,205	-	-	-	2,403
Loans to customers	175,588	41,801	14,930	2,036	-	234,355
Securities measured at amortized cost	-	35,286	14,549	1,038	-	50,873
Other financial assets	3,472	108	1	-	-	3,581
Total financial assets	**280,903**	**129,538**	**50,299**	**39,554**	**5,126**	**505,420**
Liabilities						
Due to other banks	31,507	-	-	-	-	31,507
Due to customers	220,860	102,684	54,676	41,538	4,932	424,690
Lease liabilities	2,835	-	-	-	-	2,835
Other financial liabilities	3,750	3	5	3		3,761
Debt securities issued	10,254	-	-	-	-	10,254
Subordinated loans	1,210	24,573	-	-	-	25,783
Total financial liabilities	**270,416**	**127,260**	**54,681**	**41,541**	**4,932**	**498,830**
Open balance net position	**10,487**	**2,278**	**(4,382)**	**(1,987)**	**194**	**6,590**
Requirements on derivative financial instruments	-	-	3,770	3,056	-	6,826
Liabilities on derivative financial instruments	-	(6,826)	-	-	-	(6,826)
Net position on derivative financial instruments	-	(6,826)	3,770	3,056	-	-
Total open currency position	**10,487**	**(4,548)**	**(612)**	**1,069**	**194**	

The Bank calculates the ratio of open currency position and its regulation on the basis of the nominal value of financial instruments in accordance with the requirements of the National Bank.

The Bank provided 21.3% (25.1% in 2024) of loans in foreign currency. Depending on the currency of cash flows received by the borrower, the growth of foreign exchange rates against the Belarusian ruble may have a negative impact on the ability of borrowers to carry out repayment of loans, which in turn increases the probability of losses on loans.

The table below provides an analysis of the sensitivity of profit before tax and capital to significant possible changes in exchange rates used at the end of the reporting period for the functional currency of the Bank, taking into account the assumptions that all other variable characteristics will remain unchanged:

In thousands of Belarusian rubles	31 December 2025 Impact on income before tax	 Impact on capital (with due regard to income tax at the rate 25%)
Strengthening of USD by 20%	(452)	(339)
Weakening of USD by 10%	226	170
Strengthening of EUR by 20%	(293)	(220)
Weakening of EUR by 10%	146	110
Strengthening of RUB by 20%	167	125
Weakening of RUB by 10%	(84)	(63)
Strengthening of other currencies by 20%	65	49
Weakening of other currencies by 10%	(32)	(24)

In thousands of Belarusian rubles	31 December 2024 Impact on income before tax	 Impact on capital (with due regard to income tax at the rate 25%)
Strengthening of USD by 30%	(910)	(683)
Weakening of USD by 10%	455	341
Strengthening of EUR by 30%	(122)	(92)
Weakening of EUR by 10%	61	46
Strengthening of RUB by 20%	214	161
Weakening of RUB by 10%	(107)	(80)
Strengthening of other currencies by 20%	39	29
Weakening of other currencies by 10%	(19)	(14)

Exchange rate sensitivity analysis was conducted for items denominated in currencies other than the Bank's functional currency. In fact, there is a connection between the assumptions and other factors. It should also be noted that the sensitivity has a non-linear nature, so interpolation or extrapolation of the received results shall not be implemented.

Interest rate risk of the bank's portfolio. Interest rate risk of the bank portfolio is the probability of the Bank's losses arising from changes in the value of the Bank's balance sheet and off-balance sheet positions that are not part of the trading portfolio, due to the changes in interest rates.

Risk of interest rate change is managed by the following methods:

- separation of powers and responsibilities between management bodies, committees, officials and divisions of the Bank in the sphere of interest rate risk management;
- organization of a system of management of financial assets and financial liabilities sensitive to changes in the interest rate;
- organization of interest policy that is adequate and in the interests of the Bank;
- organization of the management system of financial assets and financial liabilities sensitive to changes in the interest rate, analysis of the structure and dynamics of the resource base and active investments;
- organization of stress testing system;
- creation of a system of rapid and adequate response aimed at minimization of interest rate risk, development of a plan of actions of the Bank in unforeseen situations connected with the risk of changes in the interest rate.

The table below provides a general analysis of the Bank's interest rate risk. It reflects the total amounts of interest rate sensitive financial assets and liabilities recorded in the statement of financial position by maturity:

In thousands of Belarusian rubles	**On demand and less than 1 month**	**1-3 months**	**3-6 months**	**6 months – 1 year**	**1 year – 5 years**	**More than 5 years**	**Total**
31 December 2025							
Total financial assets on which interest is accrued	63,939	39,526	22,308	37,223	167,968	1,809	332,773
Total financial liabilities on which interest is accrued	284,822	132,395	34,058	46,130	38,922	-	536,327
Interest rate gap as at 31 December 2025	**(220,883)**	**(92,869)**	**(11,750)**	**(8,907)**	**129,046**	**1,809**	**(203,554)**

In thousands of Belarusian rubles	**On demand and less than 1 month**	**1-3 months**	**3-6 months**	**6 months – 1 year**	**1 year – 5 years**	**More than 5 years**	**Total**
31 December 2024							
Total financial assets on which interest is accrued	47,264	20,796	36,212	41,089	157,515	8,273	311,149
Total financial liabilities on which interest is accrued	215,814	158,515	30,678	53,859	35,986	-	494,852
Interest rate gap as at 31 December 2024	**(168,550)**	**(137,719)**	**5,534**	**(12,770)**	**121,529**	**8,273**	**(183,703)**

During the current monitoring, the Bank also analyses the composition and dynamics of financial assets and financial liabilities, analyses the interest rates that were in force earlier and in force in the present moment in the monetary markets of the Republic of Belarus and the countries whose residents are the Bank's main counterparties, and their impact on the change in the level of interest risk.

The floating interest rate financial instruments as at 31 December 2025 and 2024 are presented below:

In thousands of Belarusian rubles	**31 December 2025**		**31 December 2024**	
	BYN	**USD/EUR/ RUB**	**BYN**	**USD/EUR/ RUB**
Assets				
Due from other banks	-	5,057	-	414
Loans to customers	8,864	-	10,164	-
Total floating interest rate assets	**8,864**	**5,057**	**10,164**	**414**
Liabilities				
Due to customers	135	-	11,631	5,754
Subordinated loans	-	20,535	1,210	24,573
Total floating interest rate liabilities	**135**	**20,535**	**12,841**	**30,327**

The Bank is not exposed to the risk of changing the fair value of fixed-rate financial instruments, as the Bank has a contractual right to unilaterally change interest rates on such instruments.

The table below provides an analysis of the sensitivity of profit before tax and capital to significant possible changes in floating interest rates used at the end of the reporting period, taking into account the assumptions that all other variable characteristics will remain unchanged:

In thousands of Belarusian rubles	31 December 2025 Impact on income before tax	31 December 2025 Impact on capital (with due regard to income tax at the rate 25%)	31 December 2024 Impact on income before tax	31 December 2024 Impact on capital (with due regard to income tax at the rate 25%)
Increase by 1,000 basis points of interest rate on financial instruments in Belarusian rubles	873	655	(268)	(201)
Decrease by 1,000 basis points of interest rate on financial instruments in Belarusian rubles	(873)	(655)	268	201
Increase by 100 basis points of interest rate on financial instruments in other currencies	(155)	(116)	(299)	(224)
Decrease by 100 basis points of interest rate on financial instruments in other currencies	155	116	299	224

Operational risk – is the risk of losses incurred by the Bank as a result of non-compliance, established by internal documents of the Bank of the procedures for performing banking operations and other transactions to the legislation of the Republic of Belarus or their violation by the Bank's employees, incompetence or errors of the Bank's employees, inconsistency or failure of the systems used by the Bank, including information systems, and also as a result of external factors. Operational risk management is a continuous process in the Bank for identification, evaluation, monitoring, control and reporting to the management bodies of the Bank. Control of the level of operational risk is carried out within the framework of the internal control system and is based on the principles of comprehensive and multilevel internal control, coverage of control procedures of all structural divisions of the Bank.

Information on changes in liabilities related to financial activities.

The table below provides a reconciliation of liabilities arising from financial activities as at 31 December 2025 and 31 December 2024:

In thousands of Belarusian rubles	Debt securities issued	Subordinated loans	Lease liabilities	Total liabilities from financial activities
Carrying amount as at 31 December 2023	**2,118**	**25,201**	**2,920**	**30,239**
Acquisition	19,613	-	1,596	21,209
Repayment	(11,883)	(1,508)	(112)	(13,503)
Foreign exchange differences	-	2,083	-	2,083
Other	406	7	(1,569)	(1,156)
Carrying amount as at 31 December 2024	**10,254**	**25,783**	**2,835**	**38,872**
Acquisition	13,523	-	4,462	17,985
Repayment	(22,295)	(1,210)	(379)	(23,884)
Foreign exchange differences	-	(3,991)	-	(3,991)
Other	(430)	(47)	(2,113)	(2,590)
Carrying amount as at 31 December 2025	**1,052**	**20,535**	**4,805**	**26,392**

Item "Other" includes the effect of accrued but not yet paid interest on issued debt securities and subordinated loans. The Bank classifies paid interest as cash flows from operating activities.

32. Fair value measurement

The Bank follows the following hierarchy of initial data used in determining fair value:

- Level 1 – initial data for fair value measurement are unadjusted active market quotes for identical assets and liabilities that the Bank may access on the date of assessment. An active market is defined as a market in which instruments are traded regularly and in sufficient volume to provide information on assessments on a continuous basis. Any adjustment to the level 1 initial data results in a lower level fair value assessment.
- Level 2 – initial data for fair value assessment are data other than quoted prices included in Level 1, observed directly (prices) or indirectly (price derivatives), includes instruments assessed using quotations in active markets for similar financial instruments, quotations for identical or similar financial instruments in non-active markets, or other valuation methods for which all essential initial data are directly or indirectly available on the basis of market information. If significant level 2 initial data are adjusted using material, non-observed data, the fair value obtained is assigned to level 3.
- Level 3 – initial data for fair value measurement are non-observed data that should reflect all assumptions that would be used by market participants in setting the price of the instrument, including risk assumptions. The fair value, calculated from a combination of different valuation methods, relates to level 3.

When using initial data from different levels of the hierarchy, the Bank considers fair value as a whole to the lowest level to which the initial data relates.

The Bank records any transfers between fair value levels at the end of the reporting period.

The table below sets out the hierarchy of sources used to determine the fair value of the Bank's assets and liabilities carried at fair value as at 31 December 2025:

In thousands of Belarusian rubles

31 December 2025	Note	Stage 1	Stage 2	Stage 3	Total
Investment property	12	-	-	483	**483**

As at 31 December 2025 and 2024, the Bank has no assets and liabilities carried at fair value.

For the years ended 31 December 2025 and 2024, the Bank had no transfers between the levels of the hierarchy of sources of estimates of the fair value of assets and liabilities.

(a) Fair value of financial instruments

The comparison of the value recorded in the statement of financial position and the fair value of the Bank's financial instruments as at 31 December 2025 and 2024 is presented below:

	31 December 2025		31 December 2024	
In thousands of Belarusian rubles	**Value recorded in the statement of financial position**	**Fair value**	**Value recorded in the statement of financial position**	**Fair value**
Cash and cash equivalents	231,072	231,072	208,882	208,882
Mandatory allowances in the National Bank of the Republic of Belarus	6,190	6,190	5,326	5,326
Due from other banks	646	646	2,403	2,403
Loans to customers	243,065	243,065	234,355	234,355
Securities measured at amortized cost	44,105	44,105	50,873	50,873
Other financial assets	9,482	9,482	3,581	3,581
Total financial assets	**534,560**	**534,560**	**505,420**	**505,420**
Liabilities				
Due to other banks	24,508	24,508	31,507	31,507
Due to customers	486,447	486,447	424,690	424,690
Debt securities issued	1,052	1,052	10,254	10,254
Lease liabilities	4,805	4,805	2,835	2,835
Other financial liabilities	2,261	2,261	3,761	3,761
Subordinated loans	20,535	17,427	25,783	19,653
Total financial liabilities	**539,608**	**536,500**	**498,830**	**492,700**

The following describes the methods and assumptions used by the Bank in determining the fair value of financial instruments.

(a) Financial instruments recorded at fair value in the statement of financial position

As at 31 December 2025 and 31 December 2024, the fair value of financial assets measured at fair value and derivative financial instruments is calculated at using a discounted cash flow model in which the most significant input data are available on the market for identical or similar financial instruments (level 2). The fair value of short-term currency swaps with other banks for up to 10 days is recognized as zero.

(b) Financial instruments not recorded at fair value in the statement of financial position

Financial instruments which fair value is approximately equal to their value as recorded in the statement of financial position. For financial assets and financial liabilities that are liquid or have a short-term maturity (less than three months) it is assumed that their carrying amount approximates their fair value. This assumption also applies to interbank loans, demand deposits and current accounts, as well as other short-term receivables and payables.

Financial instruments with floating and fixed interest rates. The fair value of financial instruments placed at floating interest rates is approximately equal to their value recognized in the statement of financial position. The estimated fair value of financial instruments placed at fixed interest rates is based on the calculation of discounted cash flows by applying interest rates for the financial instruments with similar conditions, credit risk level and maturity.

The fair value of subordinated loans carried at amortized cost is calculated as the present value of cash flows using the market rate for these instruments at the reporting date.

The fair value of financial instruments not recorded in the statement of financial position at fair value corresponds to level 2 of the hierarchy of valuation sources other than cash and funds in accounts in the National Bank corresponding to level 1.

33. Operating segments

The Bank's segment reporting is based on the following operating segments: services to individuals, services to legal entities, treasury operations.

- services to individuals – maintaining current accounts, accepting deposits, granting loans, making settlements on behalf of individuals, servicing bank payment cards, safekeeping services;
- services to legal entities – settlement and cash services of enterprises and organizations (residents and non-residents of the Republic of Belarus), raising of deposits, placement of own issued debt securities, granting loans and other types of financing, documentary operations, securities transactions on behalf of customers;
- treasury operations – operations with the National Bank, maintenance of correspondent accounts of banks, raising and placement of funds in the interbank market, operations with securities on behalf of the Bank (including repurchase transactions), transactions with derivative financial instruments, purchase, sale and conversion of foreign currency.

Comparative information on the operational segments for 2025 is presented below:

In thousands of Belarusian rubles	Services to individuals	Services to legal entities	Treasury operations	Other / not allocated	Total
Interest income	21,498	8,629	9,095	-	39,222
Interest expenses	(5,517)	(22,145)	(1,611)	(5,311)	(34,584)
Net interest income	**15,981**	**(13,516)**	**7,484**	**(5,311)**	**4,638**
Commission income	2,623	4,168	3	1,556	8,350
Commission expenses	(390)	(1)	(1,133)	(1,446)	(2,970)
Net commission income	**2,233**	**4,167**	**(1,130)**	**110**	**5,380**
Net income from foreign currency transactions	-	-	25,652	(673)	24,979
Net income from securities transactions	-	(174)	-	-	(174)
Expenses from changes in the fair value of investment property	-	-	-	(15)	(15)
Other income	616	2,877	-	4,468	7,961
Operating income	**18,830**	**(6,646)**	**32,006**	**(1,421)**	**42,769**
Operating expenses	(804)	(23)	-	(46,003)	(46,830)
Net recovery of impairment of assets received as repayment of debt	-	-	-	(1,299)	(1,299)
Net provision for impairment of interest-bearing financial assets	(91)	3,609	(1,838)	7	1,687
Net provision for impairment of other financial assets	29	(176)	-	(534)	(681)
Net recovery for credit related commitments	-	1,522	(7)	-	1,515
Segment financial result before income tax expense	**17,964**	**(1,714)**	**30,161**	**(49,250)**	**(2,839)**
Profit before income tax expense					(2,839)
Income tax benefits					1,652
Net profit for the year					**(1,187)**
Segment assets	139,360	112,700	275,823	63,587	591,470
Segment liabilities	123,981	364,095	25,872	27,976	541,924
Other segment information					
Cash and cash equivalents	-	-	231,072	-	231,072
Mandatory allowances in the National Bank of the Republic of Belarus	-	-	-	6,190	6,190
Securities measured at amortized cost	-	-	44,105	-	44,105
Due from other banks	-	-	646	-	646
Loans to customers	139,360	103,705	-	-	243,065
Other assets	-	8,995	-	22,461	31,456
Debt securities issued	-	-	1,052	-	1,052
Due to other banks	-	-	24,508	-	24,508
Due to customers	123,409	363,038	-	-	486,447
Lease liabilities	-	-	-	4,805	4,805
Other liabilities	572	1,057	312	2,636	4,577

Comparative information on the operational segments for the year 2024 is presented below:

In thousands of Belarusian rubles	**Services to individuals**	**Services to legal entities**	**Treasury operations**	**Other / not allocated**	**Total**
Interest income	14,794	12,948	5,832	-	33,574
Interest expenses	(4,872)	(13,660)	(1,590)	(2,711)	(22,833)
Net interest income	**9,922**	**(712)**	**4,242**	**(2,711)**	**10,741**
Commission income	2,257	4,477	2	1,330	8,066
Commission expenses	(317)	(5)	(837)	(1,391)	(2,550)
Net commission income	**1,940**	**4,472**	**(835)**	**(61)**	**5,516**
Net income from foreign currency transactions	-	-	20,457	194	20,651
Net income from securities transactions	-	9	-	-	9
Other income	710	2,735	-	2,518	5,963
Operating income	**12,572**	**6,504**	**23,864**	**(60)**	**42,880**
Operating expenses	(239)	(21)	-	(35,151)	(35,411)
Net recovery of impairment of assets received as repayment of debt	-	-	-	377	377
Net provision for impairment of interest-bearing financial assets	1,210	(7,481)	3,469	(14)	(2,816)
Net provision for impairment of other financial assets	16	(62)	-	(179)	(225)
Net recovery for credit related commitments	-	65	(4)	-	61
Segment financial result before income tax expense	**13,559**	**(995)**	**27,329**	**(35,027)**	**4.867**
Profit before income tax expense					4.867
Income tax benefits					(411)
Net profit for the year					**4,456**
Segment assets	124,430	112,792	262,158	50,824	550,204
Segment liabilities	78,168	348,911	42,742	29,650	499,471
Other segment information					
Cash and cash equivalents	-	-	208,882	-	208,882
Mandatory allowances in the National Bank of the Republic of Belarus	-	-	-	5,326	5,326
Securities measured at amortized cost	-	-	50,873	-	50,873
Due from other banks	-	-	2,403	-	2,403
Loans to customers	124,374	109,981	-	-	234,355
Other assets	56	2,811	-	18,814	21,681
Debt securities issued	-	-	10,254	-	10,254
Due to other banks	-	-	31,507	-	31,507
Due to customers	77,825	346,865	-	-	424,690
Lease liabilities	-	-	-	2,835	2,835
Other liabilities	343	2,046	981	1,032	4,402

Information on the structure of interest and commission income and expenses of the Bank by type of activity is provided in Notes 22, 23. Analysis of the geographical structure of the Bank's financial assets and liabilities is presented in Note 31.

34. Related-party transactions

In accordance with IAS 24 Related Party Disclosures, the Bank defines related parties as parties that have the ability to control or significantly influence the Bank's operational and financial decisions. When deciding whether the parties are related, the content of the relationship between the parties is taken into account, not only their legal form.

In the ordinary course of business, the Bank carries out operations with its key shareholders, management of the Bank and other related parties. These operations include loans, fund raising and other operations. Based on the Bank's policy, all operations with related parties are carried out on the same terms as those with independent parties.

The balances on operations with related parties as at 31 December 2025 are presented below:

In thousands of Belarusian rubles	Shareholders	Companies under common control	Key management personnel
Loans to customers	-	-	23
Allowance for impairment	-	-	(2)
Loans to customers less allowance for impairment	-	-	21
Due to customers	1,045	25	443

The balances on operations with related parties as at 31 December 2024 are presented below:

In thousands of Belarusian rubles	Shareholders	Companies under common control	Key management personnel
Loans to customers	383	2,387	30
Allowance for impairment	(227)	-	(2)
Loans to customers less allowance for impairment	156	2,387	28
Subordinated loans	25,783	-	-
Due to customers	1,432	1,559	914

There were no credit transactions with related parties as at 31 December 2025 and 2024.

The items of income and expenses for operations with related parties for 2025 are presented below:

In thousands of Belarusian rubles	Shareholders	Companies under common control	Key management personnel
Interest income	-	376	5
Interest expenses	(2,528)	(30)	(10)
Commission income	4	20	-
Income from the sale of property	6,826	2,739	-
Operating lease expenses	(272)	(233)	-

The items of income and expenses for operations with related parties for the year 2024 are presented below:

In thousands of Belarusian rubles	Shareholders	Companies under common control	Key management personnel
Interest income	-	311	4
Interest expenses	(2,751)	(20)	(10)
Commission income	2	67	-
Income from the sale of property	-	449	-
Operating lease expenses	(263)	(231)	-

The information on remuneration payments to key management personnel and members of the Board of Directors for the years 2025 and 2024 is presented below:

In thousands of Belarusian rubles	**2025**	**2024**
Salary and other short-term payments	3,409	2,514
Remuneration to members of the Board of Directors	588	562

35. Events after the reporting date

On 18 March 2026, the National Bank of the Republic of Belarus completed the state registration of amendments to the Bank's Articles of Association. The Bank's authorised capital amounts to 33,196,118.54 (thirty-three million one hundred and ninety-six thousand one hundred and eighteen rubles and 54 kopecks) following an increase in the nominal value of a share from 0.16 (zero Belarusian rubles and 16 kopecks) to 0.26 (zero Belarusian rubles and 26 kopecks).

On 25 May 2026, the National Bank of the Republic of Belarus completed the state registration of amendments to the Bank's Articles of Association. The Bank's authorised capital amounts to 42,456,118.12 (forty-two million four hundred and fifty-six thousand one hundred and eighteen rubles, 12 kopecks) through the additional issue of 35,615,383 ordinary shares with a nominal value of 0.26 (zero Belarusian rubles and 26 kopecks) per share. The Bank's abbreviated name in English has also changed from Bank GBD to Bank RRB.

As on the date of signing the annual financial statements, the Bank complies with all regulations of the National Bank of the Republic of Belarus. In the opinion of the management, the Bank has all the necessary facilities to continue as a going concern.