

To the Participants of Republican Unitary Enterprise “Belarusian
National Reinsurance Organization”

Independent Auditors' report

on the financial statements of

Republican Unitary Enterprise “Belarusian National Reinsurance
Organization”

for the 2017 reporting year

Limited liability Company «KPMG».

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Independent auditors' report

To the Participants and Director of Republican Unitary Enterprise "Belarusian National Reinsurance Organization"

Opinion

We have audited annual financial statements of Republican Unitary Enterprise "Belarusian National Reinsurance Organization" (Address: 14-2, office 302 Chkalov Street, Minsk 220039, the Republic of Belarus, registered upon a decision of the Ministry of Finance of the Republic of Belarus as of 16 November 2006 No. 408, registration number in the Unified State Register of Legal Entities and Private Entrepreneurs No. 806000232), which comprise the balance sheet as at 31 December 2017, the income statement, the statement of changes in equity, the cash flow statement for the 2017 reporting year, and notes to the financial statements, prescribed by the legislation of the Republic of Belarus.

In our opinion, the accompanying annual financial statements present fairly, in all material respects, the financial position of Republican Unitary Enterprise "Belarusian National Reinsurance Organization" as at 31 December 2017 and its financial performance and change in financial position, including cash flows, for the 2017 reporting year in accordance with the requirements of the legislation of the Republic of Belarus.

Basis for Opinion

We conducted our audit in accordance with the requirements of Law of the Republic of Belarus dated 12 July 2013 "On auditing" and national rules on auditing. Our responsibilities under those requirements are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We complied with the principle of independence towards the audited company according to the requirements of legislation and norms of professional ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Audited company's Responsibility for the Financial Statements

Management of the audited company is responsible for the preparation and fair presentation of the financial statements in accordance with the legislation of the Republic of Belarus, and for such internal control of the audited company as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to error and (or) fraud.

In preparing the financial statements, management of the audited company is responsible for assessing the audited company's ability to continue as a going concern and appropriateness of principle of going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate

the audited company or to cease operations, or has no realistic alternative except for liquidation or termination of activities.

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the audited company are free from material misstatement, whether due to error and (or) fraud, and to issue an auditors' report that includes our opinion in the prescribed form. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the requirements of Law of the Republic of Belarus dated 12 July 2013 "On auditing" and in accordance with national rules on auditing will always detect a material misstatement when it exists. Misstatements can arise from error and (or) fraud and are considered material if, it is reasonable to assume, that individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users of the financial statements taken on their basis .

As part of an audit in accordance with national rules on auditing, the audit firm exercises professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to error and (or) fraud, 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 usually means the existence of specially designed actions for its concealment;
- obtain an understanding of internal control system of audited company 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 this system;
- evaluate the appropriateness of accounting policies used by the audited company and the reasonableness of accounting estimates and related disclosures of information in the financial statements;
- conclude on the appropriateness of audited company management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the audited company ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are missed or inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the audited company 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.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be considered as threats to the independence principle, and where applicable, related safeguards.

Edgars Volskis

Deputy Director on audit

Marina Shirkova

Auditor

23 February 2018

Minsk, Republic of Belarus

KPMG LLC

Information on the audit firm

Name of the audit firm: Limited liability company «KPMG».

Location: 220089, Republic of Belarus, Minsk, Dzerzhinsky avenue, 57, room 53, office 53-2

State registration: Certificate of state registration is issued by Minsk Municipal Executive Committee under ruling of 10.02.2011, Registration number 191434140

This report is the English translation of the original Russian. In the event of discrepancies between the two reports, the Russian version shall prevail.