REPUBLICAN UNITARY ENTERPRISE "BELARUSIAN NATIONAL REINSURANCE ORGANIZATION"

Financial Statements and the Independent Auditors' Report for 2021

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Our. ref. No. 05-01/61 of April 28, 2022.

INDEPENDENT AUDITOR'S REPORT

To the General Director of the Republican Unitary Enterprise "Belarusian National Reinsurance Organization" Gennady V. Timoshevich

To the Chief Accountant of the Republican Unitary Enterprise "Belarusian National Reinsurance Organization" Tatyana F. Sopeleva

Opinion

We have audited the financial statements of Republican Unitary Enterprise "Belarusian National Reinsurance Organization" (hereinafter – "the Organization") (66-185 K. Liebknecht Str., 220036, Minsk, Republic of Belarus, registered by the Committee for Supervision of Insurance Activities under the Ministry of Finance of the Republic of Belarus dated November 16, 2006 in the Unified State Register of Legal Entities and Individual Entrepreneurs for No. 806000232), which comprise the Statement of Financial Position as at December 31, 2021, Statement of Profit or Loss and other comprehensive income, Statement of Changes in Equity, Statement of Cash Flows for the year then ended, Notes to the Financial Statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at December 31, 2021, as well as its financial performance and its cash flows for the year then ended, in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with the requirements of Law of the Republic of Belarus of July 12, 2013 "On Auditing Activity" and the National Rules on Auditing Activities, International Standards on Auditing (ISAs). Our responsibilities under these requirements are further described in the section "Auditor's Responsibilities for the Audit of the Accounting Statements" of this Auditor's Report. We are independent of the Organization in accordance with the International Code of Ethics for Professional Accountants (hereinafter - the International Code of Ethics) together with the ethical requirements that are relevant to our audit of the financial statements in the Republic of Belarus, and we have fulfilled other ethical responsibilities in accordance with the legislation and the International Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter of the Financial Statements

Key audit matter is matter that, according to our professional judgment, appeared the most significant for the audit of the financial statements for the current period. This matter was considered in the context of the audit of the financial statements as a whole and in forming our audit opinion on these statements, and we do not express a separate opinion on the matter.

Evaluation of Insurance Reserves: the Articles "Technical Reserves for Unearned Premiums and Unexpired Risks" and "Outstanding Claims Technical Reserves" of the Statement of Financial Position

We paid special attention to this issue due to the significance of technical reserves, which include the unearned premium reserve, the unexpired risk reserve and loss reserves, as well as due to the fact that the calculation of loss reserves involves the use of significant judgments and estimates by the Management.

The "pro rata temporis" method is used to calculate the amount of the unearned premium reserve.

Loss reserves represent the Management's best estimate of losses incurred on insurance events at the reporting date. Loss reserves are formed on the basis of the estimated final value of all losses incurred but not settled at the reporting date, regardless of whether these losses are declared or not. The determination of the amount of the final loss is based on the use of a reasonable range of estimates, which is determined using

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various statistical methods. The selection and assessment of the amount of loss reserves are the subject of professional judgment of management.

Additionally, the sufficiency (adequacy) of recognized insurance obligations (minus deferred acquisition costs) is checked by assessing future cash flows from insurance contracts. This value is compared with the size of the unearned premium reserve. If it exceeds the unearned premium reserve, the difference is recognized in the profit of the current period, forming a reserve of outstanding risks.

We have performed the following audit procedures in relation to the key issue:

- verification of the Organization's methodology for calculating reserves for its compliance with generally accepted actuarial methods, as well as the requirements of IFRS;

- testing (on a sample basis) the initial data that were used to calculate technical reserves;

- verification on the merits (on a sample basis) of the amount of the reserve of losses declared but not settled at the reporting date and the amount of the reserve of unearned premiums;

- verification of the assessment of reserves of losses that occurred, but not withered, as at December 31, 2021, by constructing their own estimates using the chain ladder method and compared the result with the amount of loss reserves, which was determined by the management of the Organization;

- checking the test for the sufficiency of liabilities to confirm that the carrying amount of reserves is sufficient to cover estimated cash flows as at December 31, 2021;

- verification of the disclosure of information regarding reserves presented in the notes to the financial statements in accordance with the requirements of IFRS.

Other Matter

The audit of the financial statements of the Republican Unitary Enterprise "Belarusian National Reinsurance Organization" for the year ended December 31, 2020 was conducted by another audit organization, which expressed an unqualified audit opinion on these statements in the auditor's report dated March 31, 2021.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives 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 auditors' 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 International Standards on Auditing and National Regulations on Auditing Activities will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit conducted in accordance with International Standards on Auditing and National Regulations on Auditing Activities, 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 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;

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management;

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

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and 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 that we identify during our audit.

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

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

Engagement Partner,

Director of FBK-Bel LLC — Alexey G. Reneisky

Head of Engagement Team,

Auditor — Elena E. Shilets

Auditing organization:

FBK-Bel LLC;

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

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.

Date of signing the auditor's report is April 28, 2022.

Independent auditor's report received on April 28, 2022.

General Director  Gennady V. Timoshevich