

Translation from the original in Russian

**“Belarusian Bank
Development and Reconstruction “Belinvestbank” Joint-Stock
Company**

Summary Interim Consolidated Financial Statements

For the 6 Months Ended 30 June 2017

BELINVESTBANK JSC

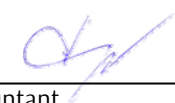
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BELINVESTBANK JSC
SUMMARY INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2017
(in BYN thousand)

| | Notes | 30 June 2017 | 31 December 2016 |
|--|-------|------------------|------------------|
| ASSETS: | | | |
| Cash, balances with the National Bank and precious metals | 4 | 335,186 | 248,622 |
| Due from banks | 5 | 43,292 | 62,126 |
| Loans to customers | 6 | 1,863,835 | 1,877,703 |
| Securities available for sale | 7 | 879,475 | 1,071,394 |
| Assets constructed for sale | 8 | 9,597 | 10,893 |
| Investment in an associate | 9 | 9,177 | 9,019 |
| Property and equipment | 10 | 181,819 | 174,746 |
| Intangible assets | 11 | 18,569 | 19,155 |
| Non-current assets held for sale | 12 | 3,349 | 2,939 |
| Current income tax assets | | 62 | 469 |
| Deferred income tax assets | 25 | 1,153 | 1,092 |
| Government grants receivable | 32 | 32,349 | 39,583 |
| Other assets | 13 | 56,320 | 41,027 |
| TOTAL ASSETS | | 3,434,183 | 3,558,768 |
| LIABILITIES: | | | |
| Due to banks | 14 | 423,791 | 628,849 |
| Due to customers | 16 | 2,373,992 | 2,311,212 |
| Debt securities issued | 17 | 94,719 | 92,287 |
| Deferred income tax liabilities | 25 | 4,191 | 1,217 |
| Other liabilities | 18 | 58,504 | 44,344 |
| Total liabilities | | 2,955,197 | 3,077,909 |
| EQUITY: | | | |
| Share capital | 26 | 443,967 | 443,967 |
| Share premium | | 11,750 | 11,750 |
| Treasury shares | | (19) | - |
| Revaluation reserve of financial assets available for sale | | 1,288 | 2,971 |
| Revaluation reserve for premises | | 43,702 | 44,075 |
| Accumulated deficit | | (21,702) | (21,904) |
| Total equity attributable to shareholders of the Bank | | 478,986 | 480,859 |
| Total equity | | 478,986 | 480,859 |
| TOTAL LIABILITIES AND EQUITY | | 3,434,183 | 3,558,768 |


 Chairman of the Board
 A. S. Brishtev
 25 August 2017
 Minsk


 Chief Accountant
 A. N. Syrokvash

A complete set of interim condensed consolidated financial statements prepared in accordance with International Financial Reporting Standards is available at request from the Bank.

BELINVESTBANK JSC
SUMMARY INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE SIX MONTHS ENDED 30 JUNE 2017
(in BYN thousand)

| | Notes | Six Months ended 30 June 2017 | Six Months ended 30 June 2016 |
|--|-------|----------------------------------|----------------------------------|
| Interest income | 19 | 146,683 | 224,741 |
| Interest expense | 19 | (69,237) | (131,142) |
| NET INTEREST INCOME | | 77,446 | 93,599 |
| Effect of initial recognition on interest bearing assets and liabilities, net | | 9,089 | 347 |
| Provision for impairment losses on loans to customers | 20 | (52,387) | (84,160) |
| NET INTEREST INCOME AFTER PROVISION FOR IMPAIRMENT LOSSES ON INTEREST BEARING ASSETS | | 34,148 | 9,786 |
| Net loss from operations with securities available for sale | | (606) | (1,435) |
| Net gain from foreign exchange operations | 21 | 1,045 | 16,540 |
| Fee and commission income | 22 | 46,037 | 47,729 |
| Fee and commission expense | 22 | (12,566) | (10,653) |
| Share in profit/(loss) of an associate | 9 | 158 | (734) |
| Other income | 23 | 5,700 | 13,710 |
| Impairment recovery/(losses) on other assets | 20 | 8 | (1,630) |
| Impairment recovery on off-balance liabilities | 20 | 1,790 | 4,646 |
| NET NON-INTEREST INCOME | | 41,566 | 68,173 |
| OPERATING INCOME | | 75,714 | 77,959 |
| OPERATING EXPENSES | 24 | (71,715) | (78,016) |
| Profit/(loss) before income tax | | 3,999 | (57) |
| Income tax (expense)/recovery | 25 | (2,910) | 434 |
| NET PROFIT | | 1,089 | 377 |
| NET PROFIT, ATTRIBUTABLE TO : | | | |
| Shareholders of the Bank | | 1,089 | 377 |
| Basic and diluted earnings per share attributable to shareholders of the Bank (kop.) | | 0.01 | 0.01 |

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BELINVESTBANK JSC
SUMMARY INTERIM CONSOLIDATED STATEMENT OF COMPEHENSIVE INCOME
FOR THE SIX MONTHS ENDED 30 JUNE 2017
(in BYN thousand)

| | Six Months ended 30 June 2017 | Six Months ended 30 June 2016 |
|---|--|--|
| NET PROFIT | <u>1,089</u> | <u>377</u> |
| NET PROFIT, ATTRIBUTABLE TO : | | |
| Shareholders of the Bank | <u>1,089</u> | <u>377</u> |
| OTHER COMPREHENSIVE (LOSS)/ INCOME | | |
| Items that are or may be reclassified to profit or loss | | |
| Losses from revaluation of securities available for sale | (1,121) | (480) |
| Realised (losses)/ gains on securities available for sale, reclassified to profit or loss | (365) | 662 |
| Income tax relating to securities available for sale | 25 | <u>1</u> |
| Other comprehensive (loss)/income that is or may be reclassified to profit or loss less income tax | (1,683) | 183 |
| OTHER COMPREHENSIVE (LOSS)/ INCOME LESS INCOME TAX | <u>(1,683)</u> | <u>183</u> |
| TOTAL COMPREHENSIVE (LOSS)/INCOME | <u>(594)</u> | <u>560</u> |
| TOTAL COMPREHENSIVE (LOSS)/INCOME, ATTRIBUTABLE TO: | | |
| shareholders of the Bank | <u>(594)</u> | <u>560</u> |

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BELINVESTBANK JSC
SUMMARY INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 30 JUNE 2017
(in BYN thousand)

| | | Share capital | Share premium | Revaluation reserve for premises | Treasury shares | Revaluation reserve of financial assets available for sale | Accumulated deficit | Total equity attributable to shareholders of the Bank | Non-controlling interest | Total equity |
|--|----|----------------|---------------|----------------------------------|-----------------|--|---------------------|---|--------------------------|----------------|
| 31 December 2015 | | 336,326 | 11,750 | 60,099 | - | 2,287 | (20,009) | 390,453 | 37 | 390,490 |
| Profit for the period | | - | - | - | - | - | 377 | 377 | - | 377 |
| Other comprehensive income for the period | | - | - | - | - | 183 | - | 183 | - | 183 |
| Total comprehensive income for the period | | - | - | - | - | 183 | 377 | 560 | - | 560 |
| Disposal of a subsidiary | | - | - | - | - | - | (8) | (8) | - | (8) |
| Disposal of premises | | - | - | (8) | - | - | 8 | - | - | - |
| Amortisation of revaluation reserve for premises, net of tax | | - | - | (641) | - | - | 641 | - | - | - |
| Dividends declared and paid | 26 | - | - | - | - | - | (3,094) | (3,094) | - | (3,094) |
| 30 June 2016 | | 336,326 | 11,750 | 59,450 | - | 2,470 | (22,085) | 387,911 | 37 | 387,948 |
| 31 December 2016 | | 443,967 | 11,750 | 44,075 | - | 2,971 | (21,904) | 480,859 | - | 480,859 |
| Profit for the period | | - | - | - | - | - | 1,089 | 1,089 | - | 1,089 |
| Other comprehensive loss for the period | | - | - | - | - | (1,683) | - | (1,683) | - | (1,683) |
| Total comprehensive loss for the period | | - | - | - | - | (1,683) | 1,089 | (594) | - | (594) |
| Operations with treasury shares | | - | - | - | (19) | - | - | (19) | - | (19) |
| Amortisation of revaluation reserve for premises, net of tax | | - | - | (373) | - | - | 373 | - | - | - |
| Inflation effect on operations with treasury shares | 26 | - | - | - | - | - | 17 | 17 | - | 17 |
| Dividends declared and paid | 26 | - | - | - | - | - | (1,277) | (1,277) | - | (1,277) |
| 30 June 2017 | | 443,967 | 11,750 | 43,702 | (19) | 1,288 | (21,702) | 478,986 | - | 478,986 |

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BELINVESTBANK JSC
SUMMARY INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED 30 JUNE 2017
(in BYN thousand)

| | Notes | Six Months ended 30 June 2017 | Six Months ended 30 June 2016 |
|--|-------|-------------------------------------|-------------------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES: | | | |
| Interest received | | 162,178 | 214,139 |
| Interest paid | | (61,857) | (126,926) |
| Fees and commissions received | | 46,626 | 47,575 |
| Fees and commissions paid | | (12,179) | (11,479) |
| Net losses from securities available for sale | | (606) | (1,435) |
| Net gains / (losses) from dealing in foreign currencies | | 12,735 | (354) |
| Other income received | | 5,565 | 15,208 |
| Other operating expenses paid | | (61,357) | (69,321) |
| Cash inflow from operating activities before changes in operating assets and liabilities | | <u>91,105</u> | <u>67,407</u> |
| Change in operating assets and liabilities (Increase)/decrease in operating assets: | | | |
| Minimum reserve deposits with the National Bank of the Republic of Belarus | | (213) | 1,708 |
| Precious metals | | (5) | 35 |
| Due from banks | | 1,457 | 14,510 |
| Loans to customers | | (31,454) | 112,075 |
| Other assets | | (15,117) | 97,319 |
| Increase/(decrease) in operating liabilities: | | | |
| Due to banks | | (227,886) | (9,442) |
| Due to customers | | 52,102 | (382,462) |
| Loans from banks collateralized by securities | | - | (86,224) |
| Other liabilities | | 16,439 | (9,075) |
| Cash outflow from operating activities before income tax | | (113,572) | (194,149) |
| Income tax recovery | | 206 | 1,770 |
| Net cash outflow from operating activities | | <u>(113,366)</u> | <u>(192,379)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | | |
| Purchase of property and equipment and intangible assets | | (17,582) | (8,770) |
| Proceeds from sale of property and equipment and intangible assets | | 410 | 188 |
| Changes in securities pledged under repurchase agreements | | - | 79,312 |
| Proceeds on disposal of a subsidiary | | - | (8) |
| Purchase of securities available for sale | | (2,050,932) | (519,400) |
| Proceeds from sale of securities available for sale | | 2,246,754 | 477,666 |
| Net cash inflow from investing activities | | <u>178,650</u> | <u>28,988</u> |

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BELINVESTBANK JSC
SUMMARY INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED 30 JUNE 2017 (CONTINUED)
(in BYN thousand)

| | Notes | Six Months ended 30 June 2017 | Six Months ended 30 June 2016 |
|---|----------|-------------------------------------|-------------------------------------|
| CASH FLOWS FROM FINANCING ACTIVITIES: | | | |
| Dividends paid | | (1,277) | (3,094) |
| Subordinated debt | | - | 8,162 |
| Proceeds from debt securities issued | | 27,465 | 130,211 |
| Redemption of debt securities issued | | <u>(23,253)</u> | <u>(115,373)</u> |
| Net cash inflow from finance activities | | <u>2,935</u> | <u>19,906</u> |
| NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS | | 68,219 | (143,485) |
| EFFECT OF CHANGES IN FOREIGN EXCHANGE RATES ON CASH AND CASH EQUIVALENTS | | (275) | 7,802 |
| CASH AND CASH EQUIVALENTS, beginning of the period | 4 | <u>294,004</u> | <u>394,671</u> |
| CASH AND CASH EQUIVALENTS, end of the period | 4 | <u><u>361,948</u></u> | <u><u>258,988</u></u> |

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The basis of presentation of the summary interim consolidated financial statements of “Belinvestbank” Joint-Stock Company

The summary interim consolidated financial statements of the Group have been prepared following the accepted practice. The summary interim consolidated financial statements of the Group have been prepared on the basis of interim condensed consolidated financial statements of the Group and consist of summary interim consolidated statement of financial position, summary interim consolidated statement of profit or loss, summary interim consolidated statement of comprehensive income, summary interim consolidated statement of changes in equity, and summary interim consolidated statement of cash flows for the accounting period specified. The interim condensed consolidated financial statements of the Group have been prepared on the basis of and in accordance with the accounting policy used for preparation of the full package of the Group's interim consolidated financial statements.