

Translation from the original in Russian

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

Summary Interim Consolidated Financial Statements

For the 3 Months Ended 31 March 2017

BELINVESTBANK JSC

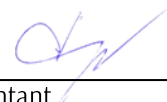
TABLE OF CONTENTS

	Page
SUMMARY INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE 3 MONTHS ENDED 31 MARCH 2017:	
Summary Interim Consolidated statement of financial position	2
Summary Interim Consolidated statement of profit or loss	3
Summary Interim Consolidated statement of comprehensive income	4
Summary Interim Consolidated statement of changes in equity	5
Summary Interim Consolidated statement of cash flows	6
Note 1 to the Summary Interim Consolidated financial statements	8

BELINVESTBANK JSC
SUMMARY INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2017
(in BYN thousand)

	Notes	31 March 2017	31 December 2016
ASSETS:			
Cash, balances with the National Bank and precious metals	4	254,599	248,622
Due from banks	5	94,240	62,126
Loans to customers	6	1,806,258	1,877,703
Securities available for sale	7	994,146	1,071,394
Assets constructed for sale	8	10,046	10,893
Investment in an associate	9	9,145	9,019
Property and equipment	10	184,044	174,746
Intangible assets	11	18,953	19,155
Non-current assets held for sale	12	3,032	2,939
Current income tax assets		345	469
Deferred income tax assets	25	876	1,092
Government grants receivable	32	26,006	39,583
Other assets	13	48,186	41,027
TOTAL ASSETS		3,449,876	3,558,768
LIABILITIES AND EQUITY:			
LIABILITIES:			
Due to banks	14	525,204	628,849
Due to customers	16	2,302,609	2,311,212
Debt securities issued	17	93,604	92,287
Deferred income tax liabilities	25	1,853	1,217
Other liabilities	18	49,186	44,344
Total liabilities		2,972,456	3,077,909
EQUITY:			
Share capital	26	443,967	443,967
Share premium		11,750	11,750
Revaluation reserve of financial assets available for sale		276	2,971
Revaluation reserve for premises		43,889	44,075
Accumulated deficit		(22,462)	(21,904)
Total equity attributable to shareholders of the Bank		477,420	480,859
Total equity		477,420	480,859
TOTAL LIABILITIES AND EQUITY		3,449,876	3,558,768


 Chairman of the Board
 A. S. Brishtev
 29 May 2017
 Minsk


 Chief Accountant
 A. N. Syrovkash

BELINVESTBANK JSC
SUMMARY INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE THREE MONTHS ENDED 31 MARCH 2017
(in BYN thousand)

	Notes	Three Months ended 31 March 2017	Three Months ended 31 March 2016
Interest income	19	76,855	115,766
Interest expense	19	(39,621)	(71,013)
NET INTEREST INCOME		<u>37,234</u>	<u>44,753</u>
Effect of initial recognition on interest bearing assets and liabilities, net		7,701	1,134
Provision for impairment losses on loans to customers	20	<u>(20,527)</u>	<u>(35,332)</u>
NET INTEREST INCOME AFTER PROVISION FOR IMPAIRMENT LOSSES ON INTEREST BEARING ASSETS		<u>24,408</u>	<u>10,555</u>
Net gain/(loss) from operations with securities available for sale		61	(2,049)
Net (loss)/gain from foreign exchange operations	21	(7,382)	5,368
Fee and commission income	22	21,709	22,204
Fee and commission expense	22	(6,616)	(4,621)
Share in profit/(loss) of an associate	9	126	(734)
Other income	23	2,449	6,969
Impairment losses on other assets	20	(264)	(102)
Impairment recovery on off-balance liabilities	20	<u>2,826</u>	<u>858</u>
NET NON-INTEREST INCOME		<u>12,909</u>	<u>27,893</u>
OPERATING INCOME		<u>37,317</u>	<u>38,448</u>
OPERATING EXPENSES	24	<u>(35,845)</u>	<u>(38,981)</u>
Profit/(loss) before income tax		<u>1,472</u>	<u>(533)</u>
Income tax (expense)/recovery	25	<u>(939)</u>	<u>596</u>
NET PROFIT		<u>533</u>	<u>63</u>
NET PROFIT, ATTRIBUTABLE TO :			
Shareholders of the Bank		<u>533</u>	<u>63</u>
Basic and diluted earnings per share attributable to shareholders of the Bank (kop.)		0.01	0.00

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 COMPEHENSIVE INCOME
FOR THE THREE MONTHS ENDED 31 MARCH 2017
(in BYN thousand)

	Three Months ended 31 March 2017	Three Months ended 31 March 2016
NET PROFIT	<u><u>533</u></u>	<u><u>63</u></u>
NET PROFIT, ATTRIBUTABLE TO :		
Shareholders of the Bank	<u><u>533</u></u>	<u><u>63</u></u>
OTHER COMPREHENSIVE INCOME		
Items that are or may be reclassified to profit or loss		
Losses from revaluation of securities available for sale	(2,822)	(206)
Realised gains on securities available for sale	195	208
Income tax relating to securities available for sale	25 (68)	(62)
Other comprehensive loss that is or may be reclassified to profit or loss less income tax	(2,695)	(60)
TOTAL OTHER COMPREHENSIVE LOSS LESS INCOME TAX	<u><u>(2,695)</u></u>	<u><u>(60)</u></u>
TOTAL COMPREHENSIVE (LOSS)/INCOME	<u><u>(2,162)</u></u>	<u><u>3</u></u>
TOTAL COMPREHENSIVE (LOSS)/INCOME, ATTRIBUTABLE TO:		
shareholders of the Bank	<u><u>(2,162)</u></u>	<u><u>3</u></u>

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 CHANGES IN EQUITY
FOR THE THREE MONTHS ENDED 31 MARCH 2017
(in BYN thousand)

	Share capital	Share premium	Revaluation reserve for premises	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 2014	336,326	11,750	60,099	2,287	(20,009)	390,453	37	390,490
Profit for the period	-	-	-	-	63	63	-	63
Other comprehensive income for the period	-	-	-	(60)	-	(60)	-	(60)
Total comprehensive income for the period	-	-	-	(60)	63	3	-	3
Amortisation of revaluation reserve for premises, net of tax	-	-	(256)	-	256	-	-	-
Dividends declared and paid	26	-	-	-	(3,094)	(3,094)	-	(3,094)
31 March 2016	336,326	11,750	59,843	2,227	(22,784)	387,362	37	387,399
31 December 2015	443,967	11,750	44,075	2,971	(21,904)	480,859	-	480,859
Profit for the period	-	-	-	-	533	533	-	533
Other comprehensive income/(loss) for the period	-	-	-	(2,695)	-	(2,695)	-	(2,695)
Total comprehensive income/(loss) for the period	-	-	-	(2,695)	533	(2,162)	-	(2,162)
Amortisation of revaluation reserve for premises, net of tax	-	-	(186)	-	186	-	-	-
Dividends declared and paid	26	-	-	-	(1,277)	(1,277)	-	(1,277)
31 March 2017	443,967	11,750	43,889	276	(22,462)	477,420	-	477,420

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 CASH FLOWS
FOR THE THREE MONTHS ENDED 31 MARCH 2017
(in BYN thousand)

Notes	Three Months ended 31 March 2017	Three Months ended 31 March 2016
CASH FLOWS FROM OPERATING ACTIVITIES:		
Interest received	88,275	102,739
Interest paid	(32,172)	(68,227)
Fees and commissions received	22,190	22,204
Fees and commissions paid	(6,011)	(4,621)
Net gains / (losses) from securities available for sale	61	(2,049)
Net gains / (losses) from dealing in foreign currencies	10,011	(6,850)
Other income received	2,338	6,814
Other operating expenses paid	(30,026)	(31,637)
Cash inflow from operating activities before changes in operating assets and liabilities	<u>54,666</u>	<u>18,373</u>
Change in operating assets and liabilities		
(Increase)/decrease in operating assets:		
Minimum reserve deposits with the National Bank of the Republic of Belarus	523	(522)
Precious metals	(19)	81
Due from banks	(1,093)	17,259
Loans to customers	3,817	30,554
Other assets	(8,098)	36,960
Increase/(decrease) in operating liabilities:		
Due to banks	(95,779)	(5,945)
Due to customers	40,728	(268,747)
Loans from banks collateralized by securities	-	(67,664)
Other liabilities	7,511	7,810
Cash inflow from operating activities before income tax	<u>2,256</u>	<u>(231,841)</u>
Income tax paid	(293)	(539)
Net cash inflow/(outflow) from operating activities	<u>1,963</u>	<u>(232,380)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property and equipment and intangible assets	(14,834)	(4,456)
Proceeds from sale of property and equipment and intangible assets	(71)	167
Changes in securities pledged under repurchase agreements	-	60,185
Purchase of securities available for sale	(1,091,622)	(88,544)
Proceeds from sale of securities available for sale	<u>1,140,620</u>	<u>147,443</u>
Net cash inflow from investing activities	<u>34,093</u>	<u>114,795</u>

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 CASH FLOWS
FOR THE THREE MONTHS ENDED 31 MARCH 2017 (CONTINUED)
(in BYN thousand)

	Notes	Three Months ended 31 March 2017	Three Months ended 31 March 2016
CASH FLOWS FROM FINANCING ACTIVITIES:			
Dividends paid		-	(3,094)
Proceeds from debt securities issued		8,123	72,862
Redemption of debt securities issued		(3,884)	(61,969)
Net cash inflow from finance activities		<u>4,239</u>	<u>7,799</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		40,295	(109,786)
EFFECT OF CHANGES IN FOREIGN EXCHANGE RATES ON CASH AND CASH EQUIVALENTS		(1,475)	8,016
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>332,824</u></u>	<u><u>292,901</u></u>

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

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.