

Translation from the original in Russian

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

Summary Interim Consolidated Financial Statements

For the 9 Months Ended 30 September 2016

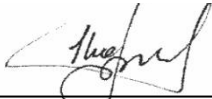
BELINVESTBANK JSC

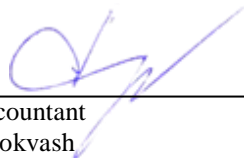
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BELINVESTBANK JSC
SUMMARY INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2016
(in BYN thousand)

	Notes	30 September 2016	31 December 2015
ASSETS:			
Cash, balances with the National Bank and precious metals	4	280,345	356,286
Due from banks	5	41,695	57,212
Loans to customers	6	1,902,006	2,117,510
Securities available for sale	7	985,642	699,442
Investment securities pledged under repurchase agreements	8	-	80,181
Assets constructed for sale	9	12,252	24,223
Investment in associate	10	10,353	11,425
Property and equipment	11	199,212	204,472
Intangible assets	12	19,432	16,290
Non-current assets held for sale	13	4,119	2,261
Current income tax assets		107	102
Deferred income tax assets	26	1,042	902
Government grants receivable	33	35,828	58,897
Other assets	14	54,937	139,296
TOTAL ASSETS		3,546,970	3,768,499
LIABILITIES AND EQUITY:			
LIABILITIES:			
Due to banks	15	581,630	537,669
Subordinated debt	16	-	102,130
Due to customers	17	2,305,376	2,505,239
Loans from banks collateralized by securities		-	78,212
Debt securities issued	18	112,675	94,309
Current income tax liabilities		548	503
Deferred income tax liabilities	26	4,659	6,782
Other liabilities	19	46,562	53,166
Total liabilities		3,051,450	3,378,010
EQUITY:			
Share capital	27	443,967	336,326
Share premium		11,750	11,750
Revaluation reserve of financial assets available for sale		2,793	2,286
Revaluation reserve for premises		59,197	60,097
Accumulated deficit		(22,187)	(20,007)
Total equity attributable to shareholders of the Bank		495,520	390,452
Non-controlling interest		-	37
Total equity		495,520	390,489
TOTAL LIABILITIES AND EQUITY		3,546,970	3,768,499


 Acting Chairman of the Board
 I. G. Boreyko
 25 November 2016
 Minsk


 Chief Accountant
 A. N. Syrovkash

BELINVESTBANK JSC
SUMMARY INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2016
(in BYN thousand)

	Notes	Nine Months ended 30 September 2016	Nine Months ended 30 September 2015
Interest income	20	318,226	362,527
Interest expense	20	(182,682)	(253,665)
NET INTEREST INCOME		135,544	108,862
Effect on initial recognition on interest bearing assets and liabilities, net		(1,784)	425
Provision for impairment losses on loans to banks		-	(20)
Provision for impairment losses on loans to customers	21	(145,126)	(76,257)
NET INTEREST (EXPENSE)/INCOME AFTER ALLOWANCE FOR IMPAIRMENT LOSSES ON INTEREST BEARING ASSETS		(11,366)	33,010
Net gain/(loss) from operations with securities available for sale		10,030	(13,331)
Net gain from foreign exchange operations	22	37,349	20,961
Fee and commission income	23	71,425	70,532
Fee and commission expense	23	(16,165)	(14,216)
Share in loss of associate	10	(1,072)	(1,553)
Other income	24	19,358	19,249
Impairment losses on other assets	21	(1,914)	(10)
Impairment recovery on off-balance liabilities	21	4,113	1,484
NET NON-INTEREST INCOME		123,124	83,116
OPERATING INCOME		111,758	116,126
OPERATING EXPENSES	25	(112,980)	(118,291)
LOSS BEFORE INCOME TAX EXPENSES		(1,222)	(2,165)

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

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BELINVESTBANK JSC
SUMMARY INTERIM CONSOLIDATED STATEMENT OF COMPEHENSIVE INCOME
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2016 (CONTINUED)
(in BYN thousand)

	Nine Months ended 30 September 2016	Nine Months ended 30 September 2015
Income tax recovery	26 1,243	3,072
NET PROFIT	<u>21</u>	<u>907</u>
NET PROFIT, ATTRIBUTABLE TO :		
Shareholders of the Bank	<u>21</u>	<u>907</u>
OTHER COMPREHENSIVE INCOME		
Items that will never be reclassified to profit or loss		
Items that are or may be reclassified to profit or loss (Losses)/gains from revaluation of securities available for sale	(101)	2,450
Realised gains/(losses) on investment securities available for sale	706	(291)
Income tax relating to securities available for sale	26 (98)	(334)
Items that are or may be reclassified to profit or loss less tax	507	1,825
COMPREHENSIVE INCOME LESS TAX	<u>507</u>	<u>1,825</u>
COMPREHENSIVE INCOME	<u>528</u>	<u>2,732</u>
TOTAL COMPREHENSIVE INCOME, ATTRIBUTABLE TO:		
Shareholders of the Bank	<u>528</u>	<u>2,732</u>

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BELINVESTBANK JSC
SUMMARY INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2016
(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	39,510	342	(22,482)	365,446	37	365,483
Net profit for the period	-	-	-	-	907	907	-	907
Other comprehensive income for the period	-	-	-	1,825	-	1,825	-	1,825
Total comprehensive income for the period	-	-	-	1,825	907	2,732	-	2,732
Disposal of premises	-	-	(1,076)	-	1,076	-	-	-
Amortisation of revaluation reserve for premises, net of tax	-	-	(479)	-	479	-	-	-
Dividends declared and paid	27	-	-	-	(1,662)	(1,662)	-	(1,662)
30 September 2015	336,326	11,750	37,955	2,167	(21,682)	366,516	37	366,553
31 December 2015	336,326	11,750	60,097	2,286	(20,007)	390,452	37	390,489
Net profit for the period	-	-	-	-	21	21	-	21
Other comprehensive income for the period	-	-	-	507	-	507	-	507
Total comprehensive income for the period	-	-	-	507	21	528	-	528
Disposal of subsidiary	-	-	-	-	(7)	(7)	(37)	(44)
Disposal of premises	-	-	(7)	-	7	-	-	-
Amortisation of revaluation reserve for premises, net of tax	-	-	(893)	-	893	-	-	-
Share capital increase by share issue	27	107,641	-	-	-	107,641	-	107,641
Dividends declared and paid	27	-	-	-	(3,094)	(3,094)	-	(3,094)
30 September 2016	443,967	11,750	59,197	2,793	(22,187)	495,520	-	495,520

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BELINVESTBANK JSC
SUMMARY INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2016
(in BYN thousand)

	Notes	Nine Months ended 30 September 2016	Nine Months ended 30 September 2015
CASH FLOWS FROM OPERATING ACTIVITIES:			
Interest received		303,308	291,191
Interest paid		(173,762)	(249,095)
Fees and commissions received		71,983	70,532
Fees and commissions paid		(17,869)	(14,216)
Realised gains less losses from securities available for sale		10,030	(13,331)
Realised gains less losses from dealing in foreign currencies		5,586	97,104
Other income received		21,524	19,016
Other operating expenses paid		(99,598)	(110,806)
Cash inflows from operating activities before changes in operating assets and liabilities		121,202	90,395
Change in operating assets and liabilities			
(Increase)/decrease in operating assets:			
Minimum reserve deposits with the National Bank of the Republic of Belarus		2,096	1,208
Precious metals		3	(104)
Due from banks		9,979	86,396
Loans to customers		207,347	92,445
Other assets		92,262	(7,781)
Loans to banks collateralized by securities		-	3,002
Increase/(decrease) in operating liabilities:			
Due to banks		20,269	(51,184)
Due to customers		(304,754)	84,669
Loans from banks collateralized by securities		(86,224)	30,839
Subordinated debt		(102,130)	-
Other liabilities		(3,703)	24,243
Cash (outflow)/inflow from operating activities before taxation		(43,653)	354,128
Income tax recovered/(paid)		2,570	(985)
Cash (outflow)/inflow from operating activities		(41,083)	353,143
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of property and equipment and intangible assets		(10,898)	(13,036)
Proceeds on sale of property and equipment and intangible assets		102	415
Proceeds on securities pledged under repurchase agreements		79,312	(38,459)
Disposal of the subsidiary		(44)	-
Purchase of securities available for sale		(1,244,916)	(691,433)
Proceeds on sale of securities available for sale		1,006,153	554,064
Net cash outflow from investing activities		(170,291)	(188,449)

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BELINVESTBANK JSC
SUMMARY INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2016 (CONTINUED)
(in BYN thousand)

	Notes	Nine Months ended 30 September 2016	Nine Months ended 30 September 2015
CASH FLOWS FROM FINANCING ACTIVITIES:			
Share capital issue	27	107,641	-
Dividends paid		(3,094)	(1,662)
Proceeds from debt securities issued		168,052	213,494
Purchase and redemption of debt securities issued		(154,551)	(196,416)
Net cash inflow from finance activities		118,048	15,416
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(93,326)	180,110
EFFECT OF CHANGES IN FOREIGN EXCHANGE RATES ON CASH AND CASH EQUIVALENTS		4,606	22,863
CASH AND CASH EQUIVALENTS, beginning of the period	4	394,672	185,726
CASH AND CASH EQUIVALENTS, end of the period	4	305,952	388,699

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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 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.