

Translation from the original in Russian

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

Summary Interim Consolidated Financial Statements

For the 6 Months Ended 30 June 2016


BELINVESTBANK JSC

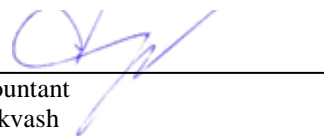
TABLE OF CONTENTS

	Page
SUMMARY INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE 6 MONTHS ENDED 30 JUNE 2016:	
Summary Interim Consolidated statement of financial position	2
Summary Interim Consolidated statement of comprehensive income	3
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 30 JUNE 2016
(in millions of Belarusian roubles)

	Notes	30 June 2016	31 December 2015
ASSETS:			
Cash, balances with the National Bank and precious metals	4	2,027,762	3,562,858
Due from banks	5	729,062	572,116
Loans to customers	6	20,562,520	21,175,101
Securities available for sale	7	8,117,597	6,994,416
Investment securities pledged under repurchase agreements	8	-	801,806
Assets constructed for sale	9	154,807	242,233
Investment in associate	10	106,912	114,253
Property and equipment	11	2,019,789	2,044,724
Intangible assets	12	181,217	162,900
Non-current assets held for sale	13	36,069	22,605
Current income tax assets		1,021	1,017
Deferred income tax assets	26	14,468	9,021
Government grants receivable	33	710,589	588,972
Other assets	14	480,726	1,392,961
TOTAL ASSETS		35,142,539	37,684,983
LIABILITIES AND EQUITY:			
LIABILITIES:			
Due to banks	15	5,678,379	5,376,689
Subordinated debt	16	1,102,915	1,021,295
Due to customers	17	22,857,247	25,052,394
Loans from banks collateralized by securities		-	782,115
Debt securities issued	18	1,154,652	943,090
Current income tax liabilities		1,498	5,031
Deferred income tax liabilities	26	63,362	67,823
Other liabilities	19	404,994	531,663
Total liabilities		31,263,047	33,780,100
EQUITY:			
Share capital	27	3,363,256	3,363,256
Share premium		117,501	117,501
Revaluation reserve of financial assets available for sale		24,698	22,855
Revaluation reserve for premises		594,508	600,968
Accumulated deficit		(220,841)	(200,067)
Total equity attributable to shareholders of the Bank		3,879,122	3,904,513
Non-controlling interest		370	370
Total equity		3,879,492	3,904,883
TOTAL LIABILITIES AND EQUITY		35,142,539	37,684,983


 Chairman of the Board
 G. A. Sysoev
 24 August 2016
 Minsk


 Chief Accountant
 A. N. Syrokvash

BELINVESTBANK JSC
SUMMARY INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 30 JUNE 2016
(in millions of Belarusian roubles)

	Notes	Six Months ended 30 June 2016	Six Months ended 30 June 2015
Interest income	20	2,247,409	2,386,621
Interest expense	20	(1,311,421)	(1,746,247)
NET INTEREST INCOME		<u>935,988</u>	<u>640,374</u>
Effect on initial recognition on interest bearing assets and liabilities, net		3,472	5,440
Provision for impairment losses on loans to banks		-	(199)
Provision for impairment losses on loans to customers	21	(841,598)	(331,598)
 NET INTEREST INCOME AFTER ALLOWANCE FOR IMPAIRMENT LOSSES ON INTEREST BEARING ASSETS		 <u>97,862</u>	 <u>314,017</u>
Net loss from operations with securities available for sale		(14,347)	(61,614)
Net gain from foreign exchange operations	22	165,398	32,920
Fee and commission income	23	477,288	463,253
Fee and commission expense	23	(106,526)	(96,484)
Share in loss of associate	10	(7,341)	(9,804)
Other income	24	137,098	127,400
Impairment (losses)/recovery of allowance for impairment losses on other assets	21	(16,300)	123
Impairment recovery/(losses) on off-balance liabilities	21	46,458	(14,670)
 NET NON-INTEREST INCOME		 <u>681,728</u>	 <u>441,124</u>
 OPERATING INCOME		 779,590	 755,141
 OPERATING EXPENSES	25	 <u>(780,157)</u>	 <u>(817,819)</u>
LOSS BEFORE INCOME TAX EXPENSES		<u>(567)</u>	<u>(62,678)</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.

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BELINVESTBANK JSC
SUMMARY INTERIM CONSOLIDATED STATEMENT OF COMPEHENSIVE INCOME
FOR THE SIX MONTHS ENDED 30 JUNE 2016 (CONTINUED)
(in millions of Belarusian roubles)

		Six Months ended 30 June 2016	Six Months ended 30 June 2015
Income taxes recovery	26	4,343	62,864
NET PROFIT		<u>3,776</u>	<u>186</u>
NET PROFIT/(LOSS), ATTRIBUTABLE TO :			
Shareholders of the Bank		3,776	188
Non-controlling interest		<u>-</u>	<u>(2)</u>
		<u>3,776</u>	<u>186</u>
OTHER COMPREHENSIVE INCOME			
Items that will never be reclassified to profit or loss (Losses)/gains from revaluation of securities available for sale		(4,802)	17,846
Realised gains/(losses) on investment securities available for sale		6,623	(8,937)
Income tax relating to securities available for sale	26	<u>22</u>	<u>(2,196)</u>
Items that are or may be reclassified to profit or loss less tax		1,843	6,713
COMPREHENSIVE INCOME LESS TAX		<u>1,843</u>	<u>6,713</u>
COMPREHENSIVE INCOME		<u>5,619</u>	<u>6,899</u>
TOTAL COMPREHENSIVE INCOME /(LOSS), ATTRIBUTABLE TO:			
Shareholders of the Bank		5,619	6,901
Non-controlling interest		<u>-</u>	<u>(2)</u>
		<u>5,619</u>	<u>6,899</u>
Earnings per share		0.61	0.03
attributable to:shareholders of the Bank (BYR)			

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BELINVESTBANK JSC
SUMMARY INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 30 JUNE 2016
(in millions of Belarusian roubles)

	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	3,363,256	117,501	395,083	3,418	(224,806)	3,654,452	374	3,654,826
Net profit (loss) for the period	-	-	-	-	188	188	(2)	186
Other comprehensive income for the period	-	-	-	6,713	-	6,713	-	6,713
Total comprehensive income for the period	-	-	-	6,713	188	6,901	(2)	6,899
Disposal of premises	-	-	-	-	10,755	10,755	-	10,755
Amortisation of revaluation reserve for premises, net of tax	-	-	(3,204)	-	3,204	-	-	-
Dividends declared and paid	27	-	-	-	(16,619)	(16,619)	-	(16,619)
30 June 2015	3,363,256	117,501	391,879	10,131	(227,278)	3,655,489	372	3,655,861
31 December 2015	3,363,256	117,501	600,968	22,855	(200,067)	3,904,513	370	3,904,883
Net profit for the period	-	-	-	-	3,776	3,776	-	3,776
Other comprehensive income for the period	-	-	-	1,843	-	1,843	-	1,843
Total comprehensive income for the period	-	-	-	1,843	3,776	5,619	-	5,619
Disposal of subsidiary	-	-	-	-	(75)	(75)	-	(75)
Disposal of premises	-	-	(75)	-	75	-	-	-
Amortisation of revaluation reserve for premises, net of tax	-	-	(6,385)	-	6,385	-	-	-
Dividends declared and paid	27	-	-	-	(30,935)	(30,935)	-	(30,935)
30 June 2016	3,363,256	117,501	594,508	24,698	(220,841)	3,879,122	370	3,879,492

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BELINVESTBANK JSC
SUMMARY INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED 30 JUNE 2016
(in millions of Belarusian roubles)

	Notes	Six Months ended 30 June 2016	Six Months ended 30 June 2015
CASH FLOWS FROM OPERATING ACTIVITIES:			
Interest received		2,141,390	1,747,022
Interest paid		(1,269,260)	(1,766,581)
Fees and commissions received		475,751	463,253
Fees and commissions paid		(114,794)	(96,484)
Realised gains less losses from securities available for sale		(14,347)	(61,614)
Realised gains less losses from dealing in foreign currencies		(3,536)	747,237
Other income received		152,076	124,501
Other operating expenses paid		(693,212)	(772,770)
Cash inflows from operating activities before changes in operating assets and liabilities		674,068	384,564
Change in operating assets and liabilities			
(Increase)/decrease in operating assets:			
Minimum reserve deposits with the National Bank of the Republic of Belarus		17,080	29,448
Precious metals		354	(1,371)
Due from banks		145,102	302,373
Loans to customers		1,120,749	711,953
Other assets		973,194	50,352
Loans to banks collateralized by securities		-	30,020
Increase/(decrease) in operating liabilities:			
Due to banks		(94,420)	(1,207,450)
Due to customers		(3,824,622)	1,010,171
Loans from banks collateralized by securities		(862,240)	322,017
Subordinated debt		81,620	-
Other liabilities		(90,752)	222,039
Cash (outflow)/inflow from operating activities before taxation		(1,859,867)	1,854,116
Income tax paid		17,697	(13,713)
Cash (outflow)/inflow from operating activities		(1,842,170)	1,840,403
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of property and equipment and intangible assets		(87,701)	(83,888)
Proceeds on sale of property and equipment and intangible assets		1,879	21,446
Proceeds on securities pledged under repurchase agreements		793,118	(300,488)
Disposal of the subsidiary		(75)	-
Purchase of securities available for sale		(5,194,004)	(3,809,758)
Proceeds on sale of securities available for sale		4,776,659	3,116,503
Net cash inflow/(outflow) from investing activities		289,876	(1,056,185)

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BELINVESTBANK JSC
SUMMARY INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED 30 JUNE 2016 (CONTINUED)
(in millions of Belarusian roubles)

	Notes	Six Months ended 30 June 2016	Six Months ended 30 June 2015
CASH FLOWS FROM FINANCING ACTIVITIES:			
Dividends paid		(30,935)	(16,619)
Proceeds from debt securities issued		1,302,106	1,625,724
Purchase and redemption of debt securities issued		(1,153,731)	(1,443,101)
Net cash inflow from finance activities		<u>117,440</u>	<u>166,004</u>
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		<u>(1,434,854)</u>	<u>950,222</u>
EFFECT OF CHANGES IN FOREIGN EXCHANGE RATES ON CASH AND CASH EQUIVALENTS		78,026	135,906
CASH AND CASH EQUIVALENTS, beginning of the period	4	<u>3,946,708</u>	<u>1,857,262</u>
CASH AND CASH EQUIVALENTS, end of the period	4	<u><u>2,589,880</u></u>	<u><u>2,943,390</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 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.