

*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 2014*

**BELINVESTBANK JSC**

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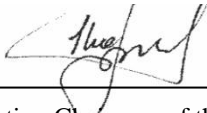
**BELINVESTBANK JSC**

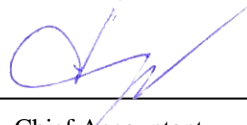
**SUMMARY INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

**AS AT 30 JUNE 2014**

*(in millions of Belarusian roubles in terms of purchasing power of the Belarusian rouble as at 30 JUNE 2014)*

	Notes	30 June 2014	31 December 2013
<b>ASSETS:</b>			
Cash, balances with the National Bank and precious metals	4	2,851,779	3,551,795
Due from banks	5	1,551,192	432,416
Derivative financial assets	12	871,475	1,074,729
Loans to customers	6	16,658,220	15,951,567
Securities available for sale	7	2,355,328	3,164,225
Securities held to maturity	8	200,487	203,135
Assets constructed for sale	11	240,972	183,885
Investment in associate	9	155,430	183,276
Property and equipment	10	1,561,878	1,584,455
Intangible assets	10	64,994	60,696
Non-current assets held for sale	11	871	3,465
Current income tax assets	24	10	31,339
Deferred income tax assets	24	27,109	27,921
Government grants receivable	31	717,072	535,899
Other assets	13	501,249	482,488
<b>TOTAL ASSETS</b>		<b>27,758,066</b>	<b>27,471,291</b>
<b>LIABILITIES AND EQUITY:</b>			
<b>LIABILITIES:</b>			
Due to banks	14	4,755,703	4,266,359
Due to customers	15	18,125,377	18,404,928
Loans from banks collateralized by securities		21,028	-
Debt securities issued	16	942,983	1,145,071
Current income tax liabilities	24	9,682	36,175
Deferred income tax liabilities	24	467	632
Other liabilities	17	567,268	231,029
<b>Total liabilities</b>		<b>24,422,508</b>	<b>24,084,194</b>
<b>EQUITY:</b>			
Share capital	25	3,122,188	3,122,188
Share premium		111,396	111,396
Revaluation reserve of financial assets available for sale		5,080	4,016
Revaluation reserve for premises		330,793	341,593
Accumulated deficit		(234,303)	(192,512)
Total equity attributable to shareholders of the Bank		3,335,154	3,386,681
Non-controlling interest		404	416
<b>Total equity</b>		<b>3,335,558</b>	<b>3,387,097</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>27,758,066</b>	<b>27,471,291</b>

  
 Acting Chairman of the Board  
 I.G. Boreyko  
 18 August 2014  
 Minsk

  
 Chief Accountant  
 A. N. Syrovkash

**BELINVESTBANK JSC**

**SUMMARY INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE SIX MONTHS ENDED 30 JUNE 2014**

*(in millions of Belarusian roubles in terms of purchasing power of the Belarusian rouble  
as at 30 June 2014)*

	Notes	Six Months ended 30 June 2014	Six Months ended 30 June 2013
Interest income	18	1,914,435	1,594,969
Interest expense	18	<u>(1,404,473)</u>	<u>(1,184,269)</u>
NET INTEREST INCOME		509,962	410,700
Income on early derecognition of loans to customers issued at below market rates		36,755	-
Effect on initial recognition on interest bearing assets and liabilities, net		425	(45,382)
Allowance for impairment losses on loans to customers	19	(142,456)	(94,754)
 NET INTEREST INCOME AFTER ALLOWANCE FOR IMPAIRMENT LOSSES ON INTEREST BEARING ASSETS		 <u>404,686</u>	 <u>270,564</u>
Net gain from operations with securities available for sale		115	(7,322)
Net gain from foreign exchange operations	20	104,886	80,422
Fee and commission income	21	409,743	381,080
Fee and commission expense	21	(74,034)	(73,180)
Share in profit/(loss) of associate	9	(10,160)	(9,829)
Other income	22	72,830	45,811
Recovery of allowance for impairment losses on other assets	19	794	349
Recovery of impairment losses/(impairment losses) on off-balance liabilities	19	<u>(34,254)</u>	<u>(13,029)</u>
 NET NON-INTEREST INCOME		 <u>469,920</u>	 <u>404,302</u>
 OPERATING INCOME		 874,606	 674,866
OPERATING EXPENSES	23	<u>(682,802)</u>	<u>(565,954)</u>
PROFIT BEFORE INCOME TAX EXPENSES		<u>191,804</u>	<u>108,912</u>

*Translation from the original in Russian*

**BELINVESTBANK JSC**  
**SUMMARY INTERIM CONSOLIDATED STATEMENT OF COMPEHENSIVE INCOME**  
**FOR THE SIX MONTHS ENDED 30 JUNE 2014 (CONTINUED)**  
*(in millions of Belarusian roubles in terms of purchasing power of the Belarusian rouble as at 30 June 2014)*

		Six Months ended 30 June 2014	Six Months ended 30 June 2013
Income taxes expenses	24	(18,987)	(23,279)
<b>NET PROFIT BEFORE LOSS ON NET MONETARY POSITION</b>		172,817	85,633
LOSS ON NET MONETARY POSITION		(139,663)	(65,403)
<b>NET PROFIT</b>		<b>33,154</b>	<b>20,230</b>
<b>NET PROFIT/(LOSS), ATTRIBUTABLE TO :</b>			
Shareholders of the Bank		33,166	19,598
Non-controlling interest		(12)	632
		<b>33,154</b>	<b>20,230</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
Items that will never be reclassified to profit or loss			
Impairment loss of premises		(9,820)	-
Income tax relating to remeasurement of premises	24	1,768	-
Items that will never be reclassified to profit or loss less tax		(8,052)	-
Items that are or may be reclassified to profit or loss			
Gains from revaluation of securities available for sale		15,262	4,181
Realised losses on investment securities available for sale		(14,305)	7,545
Income tax relating to securities available for sale	24	107	(446)
Items that are or may be reclassified to profit or loss less tax		1,064	11,280
<b>COMPREHENSIVE INCOME LESS TAX</b>		<b>(6,988)</b>	<b>11,280</b>
<b>COMPREHENSIVE INCOME/(LOSS)</b>		<b>26,166</b>	<b>31,510</b>
<b>TOTAL COMPREHENSIVE INCOME, ATTRIBUTABLE TO:</b>			
Shareholders of the Bank		26,178	30,878
Non-controlling interest		(12)	632
		<b>26,166</b>	<b>31,510</b>
<b>Earnings per share</b>		6	7
attributable to:shareholders of the Bank (byr)			

**BELINVESTBANK JSC**  
**SUMMARY INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE SIX MONTHS ENDED 30 JUNE 2014**  
*(in millions of Belarusian roubles in terms of purchasing power of the Belarusian rouble as at 30 June 2014)*

	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
<b>31 December 2012 (restated)</b>	<b>2,461,092</b>	<b>111,396</b>	<b>340,984</b>	<b>(14,223)</b>	<b>(173,464)</b>	<b>2,725,785</b>	<b>2,549</b>	<b>2,728,334</b>
Net profit for the period	-	-	-	-	19,598	19,598	632	20,230
Other comprehensive income for the period	-	-	-	11,280	-	11,280	-	11,280
Total comprehensive income for the period	-	-	-	11,280	19,598	30,878	632	31,510
Amortisation of revaluation reserve for premises, net of tax	-	-	(2,734)	-	2,734	-	-	-
Dividends declared and paid	25	-	-	-	(14,413)	(14,413)	-	(14,413)
<b>30 June 2013</b>	<b>2,461,092</b>	<b>111,396</b>	<b>338,250</b>	<b>(2,943)</b>	<b>(165,545)</b>	<b>2,742,250</b>	<b>3,181</b>	<b>2,745,431</b>
<b>31 December 2013</b>	<b>3,122,188</b>	<b>111,396</b>	<b>341,593</b>	<b>4,016</b>	<b>(192,512)</b>	<b>3,386,681</b>	<b>416</b>	<b>3,387,097</b>
Net profit for the period	-	-	-	-	33,166	33,166	(12)	33,154
Other comprehensive income for the period	-	-	(8,052)	1,064	-	(6,988)	-	(6,988)
Total comprehensive income for the period	-	-	(8,052)	1,064	33,166	26,178	(12)	26,166
Amortisation of revaluation reserve for premises, net of tax	-	-	(2,748)	-	2,748	-	-	-
Dividends declared and paid	25	-	-	-	(77,705)	(77,705)	-	(77,705)
<b>30 June 2014</b>	<b>3,122,188</b>	<b>111,396</b>	<b>330,793</b>	<b>5,080</b>	<b>(234,303)</b>	<b>3,335,154</b>	<b>404</b>	<b>3,335,558</b>

**BELINVESTBANK JSC**  
**SUMMARY INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE SIX MONTHS ENDED 30 JUNE 2014**  
*(in millions of Belarusian roubles in terms of purchasing power of the Belarusian rouble as at 30 June 2014)*

	Notes	Six Months ended 30 June 2014	Six Months ended 30 June 2013
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Interest received		1,699,330	1,563,381
Interest paid		(1,401,669)	(1,159,148)
Fees and commissions received		409,743	381,080
Fees and commissions paid		(74,034)	(73,180)
Realised gains less losses from securities available for sale		115	(7,323)
Realised gains less losses from dealing in foreign currencies		699,233	229,672
Other income received		72,527	45,853
Other operating expenses paid		(621,081)	(535,372)
Cash inflows from operating activities before changes in operating assets and liabilities		<u>784,164</u>	<u>444,963</u>
Change in operating assets and liabilities (Increase)/decrease in operating assets:			
Minimum reserve deposits with the National Bank of the Republic of Belarus		348,624	209,335
Precious metals		(602)	2,329
Due from banks		(611,563)	651,002
Loans to customers		1,245,903	(328,763)
Other assets		(2,286)	(94,893)
Increase/(decrease) in operating liabilities:			
Due to banks		(72,835)	595,763
Due to customers		(2,572,419)	(832,128)
Loans from banks collateralized by securities		23,031	(133,869)
Other liabilities		266,482	105,099
Cash inflow/(outflow) from operating activities before taxation		(591,501)	618,838
Income tax paid		(9,661)	3,477
Cash inflow from operating activities		<u>(601,162)</u>	<u>622,315</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Purchase of property and equipment and intangible assets		(92,641)	(34,310)
Proceeds on sale of property and equipment and intangible assets		7,667	-
Proceeds on securities pledged under repurchase agreements			203,665
Proceeds on securities held to maturity		37,022	25,761
Purchase of securities available for sale		(640,329)	(2,125,562)
Proceeds on sale of securities available for sale		<u>1,856,021</u>	<u>1,013,613</u>
Net cash outflow from investing activities		<u>1,167,740</u>	<u>(916,833)</u>

**BELINVESTBANK JSC**  
**SUMMARY INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE SIX MONTHS ENDED 30 JUNE 2014 (CONTINUED)**  
*(in millions of Belarusian roubles in terms of purchasing power of the Belarusian rouble as at 30 June 2014)*

	Notes	Six Months ended 30 June 2014	Six Months ended 30 June 2013
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>			
Dividends paid		(81,168)	(13,749)
Proceeds from debt securities issued		564,103	1,896,687
Purchase and redemption of debt securities issued		<u>(890,793)</u>	<u>(1,795,493)</u>
Net cash inflow/ (outflow) from finance activities		<u>(407,858)</u>	<u>87,445</u>
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		158,720	(207,073)
EFFECT OF CHANGES IN FOREIGN EXCHANGE RATES ON CASH AND CASH EQUIVALENTS		45,088	6,210
INFLATION EFFECT ON MONETARY ASSETS AND LIABILITIES		(225,362)	(103,252)
<b>CASH AND CASH EQUIVALENTS, beginning of the period</b>	<b>4</b>	<b><u>3,525,671</u></b>	<b><u>3,691,191</u></b>
<b>CASH AND CASH EQUIVALENTS, end of the period</b>	<b>4</b>	<b><u>3,504,117</u></b>	<b><u>3,387,076</u></b>



**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 six months ended on the date specified. The interim condensed consolidated financial statements of the Group used for preparation of the summary interim consolidated financial statements 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.