

Belinvestbank Group`s IFRS results for six months ended 30 June 2014

The operating income of the Group for six months ended 30 June 2014 reached BYR 874,606 million and increased by 29.60% in comparison with six months ended 30 June 2013.

The operating expenses of the Group for six months ended 30 June 2014 reached BYR 682,802 million and increased by 20.65% in comparison with six months ended 30 June 2013.

Net profit before loss on net monetary position reached BYR 172,817 million and increased by 101.81% (six months ended 30 June 2014: BYR 85,633 million).

The increase of net profit before loss on net monetary position was driven by the increase of net interest income after allowance for impairment losses on interest bearing assets.

With the effect from 1 January 2011, the Belarusian economy is considered to be hyperinflationary in accordance with the criteria in IAS 29 “Financial Reporting in Hyperinflationary Economies”. The application of IAS 29 resulted in an adjustment for the loss of purchasing power of the Belarusian Rouble. In a period of inflation the Group holding an excess of monetary assets over monetary liabilities loses purchasing power, which results in a loss on the net monetary position. This loss is derived from the restatement of non-monetary assets and liabilities, equity and items in the consolidated statement of comprehensive income.

Net profit after loss on net monetary position reached BYR 33,154 million (2013: 20,230 million). The total comprehensive income reported in consolidated statement of comprehensive income totaled BYR 26,166 million and decreased by 16.96% versus net comprehensive income for six months ended 30 June 2013, that totaled BYR 31,510 million.

Highlights for six months ended 30 June 2014

	Six Months ended 30 June 2014 BYR million (%)	Six Months ended 30 June 2013 / Year ended 31 December 2013 BYR million (%)	Change
Operating income	874 606	674 866	29,60%
Net interest income before impairment loss	509 962	410 700	24,17%
Net non-interest income	469 920	404 302	16,23%
Operating expenses	-682 802	-565 954	20,65%
Net profit before loss on net monetary position	172 817	85 633	101,81%
Loss on net monetary position	-139 663	-65 403	113,54%
Assets / Equity	8,32	8,11	0,21
Total comprehensive income	26 166	31 510	-16,96%
Total assets	27 758 066	27 471 291	1,04%
Risk weighted assets	21 617 430	21 158 936	2,17%
Due to customers	18 125 377	18 404 928	-1,52%
Total equity	3 335 558	3 387 097	-1,52%
Capital adequacy ratio, Basel 1	15,43%	16,01%	-0,58 p.p.
ROE (%)	0,78%	0,28%	0,49 p.p.
ROA (%)	0,09%	0,12%	-0,03 p.p.
Cost to income ratio	0,78	0,84	-0,06
Loans, gross	17 239 758	16 505 208	4,45%
Allowance for impairment on loans to customers	-581 538	-553 641	0,05
Net loans	16 658 220	15 951 567	4,43%
Allowance for impairment losses on loans to customers	-142 456	-94 754	0,50
Allowance for impairment on loans to customers/Gross Loans (%)	3,37%	3,35%	0,02 p.p.
NPL/Loans gross, (%)	2,13%	1,99%	0,14 p.p.
Allowance for impairment on loans to customers/NPL	1,58	1,68	-0,10