

Translation from the original in Russian

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

Interim Condensed Consolidated Financial Statements

For the 3 Months Ended 31 March 2012

BELINVESTBANK JSC

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BELINVESTBANK JSC
INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
FOR THREE MONTHS ENDED 31 MARCH 2012
(in millions of Belarusian roubles in terms of purchasing power of the Belarusian rouble as at 31 March 2012)

	Notes	<u>31 March 2012</u>	<u>31 December 2011</u>
ASSETS:			
Cash, balances with the National Bank and precious metals	4, 27	1,911,565	1,490,391
Due from banks	5, 27	590,383	1,089,064
Derivative financial assets	12	758,803	805,199
Loans to customers	6, 27	9,583,472	9,512,024
Securities available for sale	7, 27	780,905	420,642
Securities held to maturity	8	146,931	155,828
Investment in associate	9	112,532	109,190
Property and equipment	10	1,005,317	1,006,988
Intangible assets	10	51,205	45,199
Non-current assets held for sale	11	7,647	2,648
Current income tax assets	24, 27	11,665	13,836
Deferred income tax assets	24	7,650	8,031
Government grants receivable	31	260,117	311,971
Other assets	13, 27	243,524	137,405
TOTAL ASSETS		<u>15,471,716</u>	<u>15,108,416</u>
LIABILITIES AND EQUITY:			
LIABILITIES:			
Due to banks	14, 27	1,659,182	2,243,065
Due to customers	15, 27	10,391,699	9,497,827
Loans from banks collateralized by securities	7	53,137	94,762
Debt securities issued	16	1,403,229	1,339,794
Current income tax liabilities	24, 27	10,773	48,076
Deferred income tax liabilities	24	8,934	9,745
Other liabilities	17	118,330	141,136
Total liabilities		<u>13,645,284</u>	<u>13,374,405</u>
EQUITY:			
Share capital	25	1,625,654	1,537,257
Share premium		74,834	74,834
Financial assets available for sale revaluation reserve		(12,564)	(22,879)
Revaluation reserve for premises		270,911	273,028
(Accumulated deficit)/retained earnings		(132,461)	(128,248)
Total equity attributable to shareholders of the Bank		<u>1,826,374</u>	<u>1,733,992</u>
Non-controlling interest		58	19
Total equity		<u>1,826,432</u>	<u>1,734,011</u>
TOTAL LIABILITIES AND EQUITY		<u>15,471,716</u>	<u>15,108,416</u>



Acting chairman of the Board
S.P. Kovalevsky
7 June 2012
Minsk



Chief Accountant
A.N. Syrokvash
7 June 2012
Minsk

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BELINVESTBANK JSC
INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THREE MONTHS ENDED 31 MARCH 2012
(in millions of Belarusian roubles in terms of purchasing power of the Belarusian rouble as at 31 March 2012)

	Notes	3 months ended 31 March 2012	3 months ended 31 March 2011
Interest income	18, 27	716,654	426,721
Interest expense	18, 27	(637,153)	(268,138)
NET INTEREST INCOME		79,501	158,583
Initial recognition adjustment on interest bearing assets and liabilities, net		326	(28,269)
Provision for impairment losses on loans to customers	19, 27	(28,286)	(33,327)
Provision for impairment losses on securities available for sale	19, 27	845	(6,639)
NET INTEREST INCOME AFTER PROVISION FOR IMPAIRMENT LOSSES ON INTEREST BEARING ASSETS		52,386	90,348
Net loss on operations with securities available for sale	27	(2)	(116)
Net gain on foreign exchange operations	20	38,272	47,750
Fee and commission income	21, 27	104,032	120,416
Fee and commission expense	21, 27	(20,285)	(51,625)
Share in net profit of associate	9	8,522	(180)
Other income	22	29,427	25,841
(Provision)/recovery of provision for impairment losses on other assets	19, 27	3,079	698
Provision for impairment losses on off-balance liabilities	19, 27	22,781	5,008
NET NON-INTEREST INCOME		185,826	147,792
OPERATING INCOME		238,212	238,140
OPERATING EXPENSES	23, 27	(171,480)	(166,234)
PROFIT BEFORE INCOME TAXES		66,732	71,906

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BELINVESTBANK JSC
INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE THREE MONTHS ENDED 31 MARCH 2012 (CONTINUED)
(in millions of Belarusian roubles in terms of purchasing power of the Belarusian rouble as at 31 March 2012)

	Notes	3 Months ended 31 March 2012	3 Months ended 31 March 2011
Income taxes recovery/ (expenses)	24	(11,002)	(14,838)
NET PROFIT BEFORE LOSS ON NET MONETARY POSITION		55,730	57,068
LOSS ON NET MONETARY POSITION		(39,835)	(52,843)
NET (LOSS)/PROFIT		15,895	4,225
NET (LOSS)/PROFIT, ATTRIBUTABLE TO :			
Shareholders of the Bank		15,856	3,764
Non-controlling interest		39	461
		15,895	4,225
OTHER COMPREHENSIVE INCOME COMPONENTS			
Gains from remeasurement of premises		(2,582)	-
Income tax relating to remeasurement of premises		465	-
(Losses)/gains from revaluation of securities available for sale		10,429	1,175
Realised gains on investment securities available for sale		2	116
Income tax relating to securities available for sale		(116)	(85)
OTHER COMPREHENSIVE INCOME COMPONENTS LESS TAX		8,198	1,206
COMPREHENSIVE INCOME		24,093	5,431
TOTAL COMPREHENSIVE INCOME, ATTRIBUTABLE TO:			
Shareholders of the Bank		24,054	4,970
Non-controlling interest		39	461
		24,093	5,431

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BELINVESTBANK JSC
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE THREE MONTHS ENDED 31 MARCH 2012
(in millions of Belarusian roubles in terms of purchasing power of the Belarusian rouble as at 31 March 2012)

Notes	Share capital	Share premium	Revaluation reserve for office premises	Financial assets available for sale revaluation reserve	(Accumulated deficit)/ retained earnings	Total equity attributable to shareholders of the parent Bank	Non-controlling interest	Total equity
31 December 2010	1,515,058	74,834	-	1,509	147,602	1,739,003	6,027	1,745,030
Comprehensive income for the period	-	-	-	1,206	3,764	4,970	461	5,431
Dividends declared	-	-	-	-	(39,911)	(39,911)	-	(39,911)
31 March 2011	1,515,058	74,834	-	2,715	111,455	1,704,062	6,488	1,710,550
31 December 2011	1,537,257	74,834	273,028	(22,879)	(128,248)	1,733,992	19	1,734,011
Share capital increase	88,397	-	-	-	-	88,397	-	88,397
Dividends declared	-	-	-	-	(20,069)	(20,069)	-	(20,069)
25	-	-	-	-	(20,069)	(20,069)	-	(20,069)
Comprehensive income for the period	-	-	(2,117)	10,315	15,856	24,054	39	24,093
31 March 2012	1,625,654	74,834	270,911	(12,564)	(132,461)	1,826,374	58	1,826,432

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BELINVESTBANK JSC
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE THREE MONTHS ENDED 31 MARCH 2012
(in millions of Belarusian roubles in terms of purchasing power of the Belarusian rouble as at 31 March 2012)

	3 Months ended 31 March 2012	3 Months ended 31 March 2011
CASH FLOWS FROM OPERATING ACTIVITIES:		
Interest received	704,420	429,912
Interest paid	(601,172)	(279,344)
Fees and commissions received	96,029	115,082
Fees and commissions paid	(20,285)	(51,625)
Realised gains less losses from securities available for sale	(2)	(116)
Realised gains less losses from dealing in foreign currencies	126,129	29,085
Other income received	29,332	23,440
Other operating expenses paid	(150,940)	(153,925)
Cash flows from operating activities before changes in operating assets and liabilities	183,511	112,509
Change in operating assets and liabilities		
(Increase)/decrease in operating assets:		
Minimum reserve deposits with the National Bank of the Republic of Belarus	7,989	(15,021)
Precious metals	367	(626)
Amounts due from banks	35,226	812,578
Loans to customers	(656,319)	(2,028,108)
Other assets	(117,731)	(42,723)
Increase/(decrease) in operating liabilities:		
Due to banks	(541,755)	400,906
Customer accounts	1,527,396	649,478
Loans from banks collateralized by securities	(36,409)	(172,021)
Other liabilities	(10,259)	61,215
Cash inflow from operating activities before taxation	392,016	(221,813)
Income tax paid	(44,336)	(8,008)
Cash inflow from operating activities	347,680	(229,821)

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INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE THREE MONTHS ENDED 31 MARCH 2011 (CONTINUED)
(in millions of Belarusian roubles in terms of purchasing power of the Belarusian rouble as at 31 March 2012)

	Notes	3 Months ended 31 March 2012	3 Months ended 31 March 2011
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of property, equipment and intangible assets		(21,062)	3,879
Proceeds on sale of property, equipment and intangible assets		(5,523)	2,442
Proceeds on sale of non-current assets held for sale		(4,999)	2,362
Purchase of securities available for sale		(1,778,429)	(69,351)
Proceeds on sale of securities available for sale		<u>1,416,054</u>	<u>83,994</u>
Net cash outflow from investing activities		<u>(393,959)</u>	<u>23,326</u>
CASH FLOWS FROM FINANCING ACTIVITIES:			
Share capital issue		88,397	-
Dividends paid		(19,404)	(34,964)
Proceeds from debt securities issued		261,853	(89,650)
Redemption of debt securities issued		<u>(148,534)</u>	<u>(25,780)</u>
Net cash inflow from finance activities		<u>182,312</u>	<u>(150,394)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS		136,033	(356,889)
EFFECT OF CHANGES IN FOREIGN EXCHANGE RATES ON CASH AND CASH EQUIVALENTS		(5,683)	32,650
INFLATION EFFECT ON MONETARY ASSETS AND LIABILITIES		(117,557)	(110,589)
CASH AND CASH EQUIVALENTS, beginning of year	4	<u>2,127,393</u>	<u>1,749,970</u>
CASH AND CASH EQUIVALENTS, end of year	4	<u>2,140,186</u>	<u>1,315,142</u>