

Belinvestbank Group`s IFRS results for nine months ended 30 September 2014

The operating income of the Group for nine months ended 30 September 2014 reached BYR 1,324,359 million and increased by 14.74% in comparison with nine months ended 30 September 2013.

The operating expenses of the Group for nine months ended 30 September 2014 reached BYR 1,041,740 million and increased by 7.40% in comparison with nine months ended 30 September 2013.

Net profit before loss on net monetary position reached BYR 248,154 million and increased by 72.23% (nine months ended 30 September 2013: BYR 144,079 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 44,681 million (2013: 42,186 million). The total comprehensive income reported in consolidated statement of comprehensive income totaled BYR 71,065 million and increased by 11.91% versus net comprehensive income for nine months ended 30 September 2013, that totaled BYR 63,503 million.

Highlights for nine months ended 30 September 2014

	Nine Months ended 30 September 2014 BYR million (%)	Nine Months ended 30 September 2013 / Year ended 31 December 2013 BYR million (%)	Change
Operating income	1,324,359	1,154,275	14.74%
Net interest income before impairment loss	827,733	674,100	22.79%
Net non-interest income	741,334	694,195	6.79%
Operating expenses	-1,041,740	-969,926	7.40%
Net profit before loss on net monetary position	248,154	144,079	72.23%
Loss on net monetary position	-203,473	-101,893	99.69%
Assets / Equity	8.26	8.11	0.15
Total comprehensive income	71,065	63,503	11.91%
Total assets	28,724,779	28,269,933	1.61%
Risk weighted assets	22,345,237	21,774,076	2.62%
Due to customers	19,900,865	18,939,992	5.07%
Total equity	3,476,669	3,485,568	-0.26%
Capital adequacy ratio, Basel 1	15.56%	16.01%	-0.45 p.p.
ROE (%)	2.04%	2.07%	-0.03 p.p.
ROA (%)	0.25%	0.23%	0.02 p.p.
Cost to income ratio	0.79	0.84	-0.05
Loans, gross	17,095,771	16,985,045	0.65%
Allowance for impairment on loans to customers	-665,140	-569,737	0.17
Net loans	16,430,631	16,415,308	0.09%
Allowance for impairment losses on loans to customers	-281,460	-158,428	0.78
Allowance for impairment on loans to customers/Gross Loans (%)	3.89%	3.35%	0.54 p.p.
NPL/Loans gross, (%)	2.91%	1.99%	0.92 p.p.
Allowance for impairment on loans to customers/NPL	1.34	1.68	-0.35