

Belinvestbank Group`s IFRS results for three months ended 31 March 2015

The operating income of the Group for three months ended 31 March 2015 reached BYR 432,183 million and decreased by 4.96% in comparison with three months ended 31 March 2014.

The operating expenses of the Group for three months ended 31 March 2015 reached BYR 430,476 million and increased by 27.34% in comparison with three months ended 31 March 2014.

Net profit before loss on net monetary position reached BYR 767 million and decreased in more than 146 times (31.03.2014: BYR 111.9 billion).

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

From 1 January 2015, the Belarusian economy is no longer considered to be hyperinflationary and the values of the Bank's non-monetary assets, liabilities and equity as stated in measuring units as at 31 December 2014 have formed the basis for the amounts carried forward. Thus, there is no negative effect of hyperinflation in the financial statements because of cancellation of IAS 29 "Financial Reporting in Hyperinflationary Economies" in the Republic of Belarus. This fact has positively influenced net profit, helping to avoid the loss on net monetary position in the financial statements for three months ended 31 March 2015. The loss on net monetary position for the respective period of past year was BYR 76,558 million.

Net profit after loss on net monetary position reached BYR 767 million (2014: 35.33 billion). The total comprehensive income reported in consolidated statement of comprehensive income totaled BYR 2,458 million and decreased by 91.92% versus net comprehensive income for three months ended 31 March 2014, that totaled BYR 30,415 million.

Highlights for three months ended 31 March 2015

	Three Months ended 31 March 2015 BYR million (%)	Three Months ended 31 March 2015 / Year ended 31 December 2014 BYR million (%)	Change
Operating income	432,183	454,744	-4.96%
Net interest income before impairment loss	241,370	273,561	-11.77%
Net non-interest income	250,903	241,643	3.83%
Operating expenses	-430,476	-338,059	27.34%
Net profit before loss on net monetary position	767	111,888	-99.31%
Loss on net monetary position	-	-76,558	-100.00%
Assets / Equity	8.91	7.79	1.12
Total comprehensive income	2,458	30,415	-91.92%
Total assets	32,427,065	28,477,768	13.87%
Risk weighted assets	26,546,140	22,831,418	16.27%
Due to customers	22,870,674	19,493,404	17.33%
Total equity	3,640,665	3,654,826	-0.39%
Capital adequacy ratio, Basel 1	13.71%	16.01%	-2.29 p.p.
ROE (%)	0.07%	0.84%	-0.77 p.p.
ROA (%)	0.01%	0.11%	-0.1 p.p.
Cost to income ratio	0.996	0.74	0.25
Loans, gross	20,952,628	18,787,497	11.52%
Allowance for impairment on loans to customers	-876,883	-850,533	3.10%
Net loans	20,075,745	17,936,964	11.92%
Allowance for impairment losses on loans to customers	-60,884	-65,983	-7.73%
Allowance for impairment on loans to customers/Gross Loans (%)	4.2%	4.5%	-0.34 p.p.
NPL/Loans gross, (%)	4.6%	4.5%	0.18 p.p.
Allowance for impairment on loans to customers/NPL	0.9	1.0	-0.11