

## **Belinvestbank Group`s IFRS results for three months ended 31 March 2012**

The operating income of the Group for the three months ended 31 March 2012 reached BYR 238,212 million and increased by 0.03% in comparison with three months ended 31 March 2011

The operating expenses of the Group for three months ended 31 March 2012 reached BYR 171,480 million and increased by 3,16% vis-a-vis three months ended 31 March 2011.

Net profit before loss on net monetary position reached BYR 55,730 million and has decreased by 2.35% (three months ended 31 March 2011: BYR 57,068 million).

The net profit before loss on net monetary position decrease driven by the reducing of net interest income before provision for impairment losses; decrease of net gain on foreign exchange operations and fee and commission income and increase of operating expenses. The positive effect of initial recognition adjustment on interest bearing assets and liabilities, reducing of fee and commission expense, recovery of provision for impairment losses on securities available for sale as well as increase of recovery provision for impairment losses on other assets and on off-balance liabilities led to increase in the net profit before loss on net monetary position.

With the effect from 1 January 2012, 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 as the difference resulting from the restatement of non-monetary assets and liabilities, equity and items in the consolidated statement of comprehensive income.

The decline in group profit before loss on net monetary position has been partly compensated by gains from remeasurement of securities at fair value. As a result the total comprehensive income reported in consolidated statement of comprehensive income totaled BYR 24,1 billion and increased by 4,4 times vis-a-vis the three months ended 31 March 2011.

**Highlights for the year ended 31 March 2012 / 31 December 2011**

	3 Months ended 31 March 2012 BYR million	Year ended 31 December 2011 BYR million	<b>Change</b>
<b>Operating income</b>	238,212	238,140	0.03%
<b>Net interest income before provision for impairment losses on interest bearing assets</b>	79,501	158,583	-49.87%
<b>Net non-interest income</b>	185,826	147,792	25.73%
<b>Operating expenses</b>	-171,480	-166,234	3.16%
<b>Net profit before loss on net monetary position</b>	55,730	57,068	-2.34%
<b>Loss on net monetary position</b>	-39,835	-52,843	-24.62%
<b>Net profit</b>	15.895	4.225	3.8 times
<b>Loans, gross</b>	9,971,692	9,891,184	0.81%
<b>Allowances for impairment losses on loans to customers</b>	388,220	379,160	2.39%
<b>Total comprehensive income</b>	24,093	5,431	4.44 times
<b>Total assets</b>	15,471,716	15,108,416	2.40%
<b>Risk weighted assets</b>	11,162,912	10,667,500	4.64%
<b>Net loans</b>	9,583,472	9,512,024	0.75%
<b>Due to customers</b>	10,391,699	9,497,827	9.41%
<b>Total equity</b>	1,826,432	1,734,011	5.33%
<b>Capital adequacy ratio, Basel 1</b>	16.35%	16.26%	0.09 p.p.
<b>ROE (%)</b>	1.35%	0.31%	1.04 p.p.
<b>ROA (%)</b>	0.16%	0.03%	0.12 p.p.
<b>Cost to income ratio (%)</b>	0.72	0.70	0.02
<b>NPL/Loans gross, (%)</b>	1.00%	0.55%	0.45 p.p.
<b>Loan Impairment Charge/Gross Loans</b>	3.89%	3.83%	0.06 p.p.
<b>Assets / Equity</b>	8.48	8.71	-0.24
<b>Allowance for impairment on loans to customers/NPL</b>	3.88	6.96	-1.8 times

