

*Translation from the original in Russian*

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**“Belarusian Bank  
for Development and Reconstruction  
“Belinvestbank” Joint-Stock Company  
Interim Condensed Consolidated  
Financial Statements**

*For Nine Months Ended 30 September 2011*

**BELINVESTBANK JSC**

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**BELINVESTBANK JSC**  
**INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**FOR NINE MONTHS ENDED 30 SEPTEMBER 2011**  
*(in millions of Belarusian roubles)*

	Notes	30 September 2011	31 December 2010
<b>ASSETS:</b>			
Cash, balances with the National Bank and precious metals	5, 26	1,070,181	787,193
Due from banks	6, 26	362,063	274,693
Derivative assets	11	472,142	11,490
Loans to customers	7, 26	7,979,397	4,900,315
Securities available for sale	8, 26	533,141	589,501
Investment in associate	9	-	87
Property and equipment	10	595,390	210,963
Intangible assets	10	16,769	15,054
Non-current assets held for sale		1,313	5,554
Current income taxes assets	23, 26	936	1,457
Deferred income taxes assets	23	-	3,086
Government grants receivable		119,823	56,621
Other assets	12, 26	194,406	63,046
<b>TOTAL ASSETS</b>		<b>11,345,561</b>	<b>6,919,060</b>
<b>LIABILITIES AND EQUITY:</b>			
<b>LIABILITIES:</b>			
Due to banks	13, 26	2,170,777	969,096
Derivative liabilities	11	-	2,807
Due to customers	14, 26	7,027,017	4,379,360
Loans from banks collateralized by securities	8	86,841	94,785
Debt securities issued	15	762,968	681,455
Current income taxes liabilities	23, 26	11	282
Deferred income taxes liabilities	23	56,293	374
Other liabilities	16	87,545	52,854
<b>Total liabilities</b>		<b>10,191,452</b>	<b>6,181,013</b>
<b>EQUITY</b>			
Share capital	24	519,130	507,182
Share premium	24	20,898	20,898
Financial assets available for sale revaluation reserve		(19,691)	731
Revaluation reserve for premises		287,104	-
Retained earnings		346,640	206,317
Total equity attributable to shareholders of the Bank		1,154,081	735,128
Non-controlling interest		28	2,919
<b>Total equity</b>		<b>1,154,109</b>	<b>738,047</b>
		<b>11,345,561</b>	<b>6,919,060</b>



Chairman of the Board  
A.E. Rutkovsky  
21 November 2011  
Minsk



Chief Accountant  
A.N. Syrovkash  
21 November 2011  
Minsk

The notes on pages 8 to 72 form an integral part of these interim condensed consolidated financial statements.

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**BELINVESTBANK JSC**  
**INTERIM CONDENSED CONSOLIDATED INCOME STATEMENT**  
**FOR NINE MONTHS ENDED 30 SEPTEMBER 2011**  
*(in millions of Belarusian roubles)*

	Notes	Nine months ended 30 September 2011	Nine months ended 30 September 2010
Interest income	17, 26	913,353	526,411
Interest expense	17, 26	<u>(622,083)</u>	<u>(349,708)</u>
NET INTEREST INCOME BEFORE PROVISION FOR IMPAIRMENT LOSSES ON INTEREST BEARING ASSETS		291,270	176,703
Income on early repayment of loans issued at below market rates		6,975	-
Expense on early repayment of loans received at below market rates		(3,582)	-
Initial recognition adjustment on interest bearing assets and liabilities, net		(38,381)	9,349
Provision (recovery)/ for impairment losses on loans to banks	18, 26	(14)	1,201
Provision (recovery)/ for impairment losses on loans to customers	18, 26	(97,645)	(43,056)
Provision for impairment losses on securities available for sale	18, 26	<u>(1,501)</u>	<u>(4,997)</u>
NET INTEREST INCOME		<u>157,122</u>	<u>139,200</u>
Net loss on operations with securities available for sale	26	1	(21)
Net gain on foreign exchange operations	19	130,819	41,966
Fee and commission income	20, 26	188,916	120,357
Fee and commission expense	20, 26	(54,524)	(25,053)
Share in net loss of associate	9	(87)	-
Other income	21	41,102	16,968
Provision (recovery)/for impairment losses on other assets	18, 26	1,685	(1,573)
(Provision)/recovery of provision for impairment losses on off-balance liabilities	18, 26	<u>(5,930)</u>	<u>(23,331)</u>
NET NON-INTEREST INCOME		<u>301,982</u>	<u>129,313</u>
OPERATING INCOME		459,104	268,513
OPERATING EXPENSES	22, 26	<u>(278,141)</u>	<u>(185,893)</u>
PROFIT BEFORE INCOME TAXES		<u>180,963</u>	<u>82,620</u>
Income taxes expense	23	<u>(15,085)</u>	<u>(15,969)</u>
<b>NET PROFIT</b>		<b><u>165,878</u></b>	<b><u>66,651</u></b>
<b>NET PROFIT, ATTRIBUTABLE TO :</b>			
Shareholders of the Bank		168,801	65,509
Non-controlling interest		(2,923)	742
		<b>165,878</b>	<b>66,651</b>

The notes on pages 8 to 72 form an integral part of these interim condensed consolidated financial statements.

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**BELINVESTBANK JSC**  
**INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR NINE MONTHS ENDED 30 SEPTEMBER 2011**  
*(in millions of Belarusian roubles)*

	Notes	Nine months ended 30 September 2011	Nine months ended 30 September 2010
<b>NET PROFIT</b>		<b>165,878</b>	<b>66,651</b>
OTHER COMPREHENSIVE INCOME COMPONENTS			
Gains from remeasurement of premises		342,461	-
Income tax relating to remeasurement of premises		(55,357)	-
Gains from revaluation of securities available for sale		(19,860)	(492)
Income tax relating to securities available for sale		(562)	42
		<hr/>	<hr/>
OTHER COMPREHENSIVE INCOME COMPONENTS LESS TAX		266,682	(450)
		<hr/>	<hr/>
<b>COMPREHENSIVE INCOME</b>		<b>432,560</b>	<b>66,201</b>
		<hr/>	<hr/>
<b>TOTAL COMPREHENSIVE INCOME, ATTRIBUTABLE TO:</b>			
Shareholders of the Bank		435,483	65,459
Non-controlling interest		(2,923)	742
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		<b>432,560</b>	<b>66,201</b>
		<hr/>	<hr/>

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**BELINVESTBANK JSC**  
**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR NINE MONTHS ENDED 30 SEPTEMBER 2011**  
*(in millions of Belarusian roubles)*

	Notes	Share capital	Revaluation reserve for premises	Share premium	Financial assets available for sale revaluation reserve	Retained earnings	Total equity attributable to shareholders of the parent Bank	Non-controlling interest	Total equity
<b>31 December 2009</b>		<b>447,182</b>	-	<b>20,898</b>	<b>1,183</b>	<b>87,649</b>	<b>556,912</b>	<b>2,034</b>	<b>558,946</b>
Comprehensive income for the period		-	-	-	(450)	65,909	65,459	742	66,201
Dividends declared and paid	24	-	-	-	-	(10,327)	(10,327)	-	(10,327)
<b>30 September 2010</b>		<b>447,182</b>	-	<b>20,898</b>	<b>733</b>	<b>143,231</b>	<b>612,044</b>	<b>2,776</b>	<b>614,820</b>
<b>31 December 2010</b>		<b>507,182</b>	-	<b>20,898</b>	<b>731</b>	<b>206,317</b>	<b>735,128</b>	<b>2,919</b>	<b>738,047</b>
Consolidation of the subsidiary		-	-	-	-	-	-	32	32
Capitalization of reserves		11,948	-	-	-	(11,948)	-	-	-
Comprehensive income for the period		-	287,104	-	(20,422)	168,801	435,483	(2,923)	432,560
Dividends declared and paid	24	-	-	-	-	(16,530)	(16,530)	-	(16,530)
<b>30 September 2011</b>		<b>519,130</b>	<b>287,104</b>	<b>20,898</b>	<b>(19,691)</b>	<b>346,640</b>	<b>1,154,081</b>	<b>28</b>	<b>1,154,109</b>

The notes on pages 8 to 72 form an integral part of these interim condensed consolidated financial statements.

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**BELINVESTBANK JSC**  
**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR NINE MONTHS ENDED 30 SEPTEMBER 2011**  
*(in millions of Belarusian roubles)*

	Notes	Nine months ended 30 September 2011	Nine months ended 30 September 2010
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Interest received		982,501	487,053
Interest paid		(655,212)	(336,134)
Fees and commissions received		179,963	115,780
Fees and commissions paid		(54,524)	(25,053)
Realised gains less losses from securities available for sale		1	(21)
Realised gains less losses from dealing in foreign currencies		(52,223)	63,473
Other income received		37,351	13,084
Other operating expenses paid		(259,776)	(169,392)
Cash flows from operating activities before changes in operating assets and liabilities		<u>178,081</u>	<u>148,790</u>
Change in operating assets and liabilities			
(Increase)/decrease in operating assets:			
Minimum reserve deposits with the National Bank of the Republic of Belarus and precious metals		(23,269)	45,183
Amounts due from banks		79,022	(196,363)
Loans in banks collateralized by securities		-	(16,018)
Loans to customers		(1,763,799)	(882,211)
Other assets		(115,393)	(20,522)
Increase/(decrease) in operating liabilities:			
Due to banks		475,858	94,607
Customer accounts		1,134,880	721,335
Loans from banks collateralized by securities		(8,118)	(18,740)
Other liabilities		(19,224)	(1,104)
Cash inflow/(outflow) from operating activities before taxation		<u>(61,962)</u>	<u>(125,043)</u>
Income tax paid		<u>(11,749)</u>	<u>(12,815)</u>
Cash inflow/(outflow) from operating activities		<u>(73,711)</u>	<u>(137,858)</u>

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**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR NINE MONTHS ENDED 30 SEPTEMBER 2011**  
**(in millions of Belarusian roubles)**

	Notes	Nine months ended 30 September 2011	Nine months ended 30 September 2010
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Purchase of property, equipment and intangible assets		(57,536)	(51,539)
Proceeds on sale of property, equipment and intangible assets		5,554	9,346
Proceeds on sale of non-current assets held for sale		4,241	(125)
Proceeds on sale of securities held to maturity		-	15,000
Purchase of securities available for sale		(1,282,519)	(1,343,084)
Proceeds on sale of securities available for sale		<u>1,379,675</u>	<u>1,033,523</u>
Net cash (outflow)/inflow from investing activities		<u>49,415</u>	<u>(336,879)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>			
Dividends paid		(16,530)	(10,327)
Proceeds from debt securities issued		318,784	1,203,951
Redemption of debt securities issued		<u>(233,720)</u>	<u>(740,782)</u>
Net cash inflow from finance activities		<u>68,534</u>	<u>452,842</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS		44,238	(21,895)
EFFECT OF CHANGES IN FOREIGN EXCHANGE RATES ON CASH AND CASH EQUIVALENTS		<u>305,149</u>	<u>3,787</u>
CASH AND CASH EQUIVALENTS, beginning of year	5	<u>798,788</u>	<u>517,195</u>
CASH AND CASH EQUIVALENTS, end of year	5	<u><b>1,148,175</b></u>	<u><b>499,087</b></u>

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