



**DEVELOPMENT
BANK**

| **5** years on the market!

More than





BELARUS

- Political update
- Macroeconomic context
- Ranks & figures

Development Bank

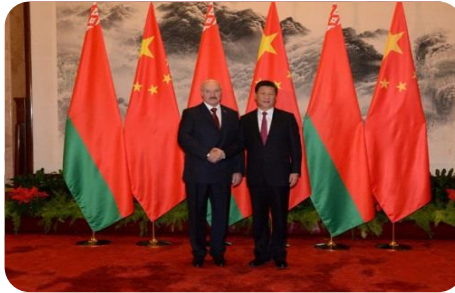
- In brief
- Organizational structure
- CG structure
- Key figures vs other local banks
- Capital injections & funding base
- KPI 2017
- Core business
- International market presence
- Projects map
- Social responsibility
- *Annexes*

BELARUS: OPEN INTERNATIONAL POLICY



Alexander Lukashenko meets with **Sergio Mattarella**, President of Italy

20 May, 2016



Alexander Lukashenko meets with **Xi Jinping**, President of the People's Republic of China

29 September, 2016



Alexander Lukashenko meets with **Prince Michael of Kent**, the member of the British royal family.

11 October, 2016



Alexander Lukashenko meets with sheikh **Mohammed bin Zayed bin Sultan Al-Nahyan**, Crown Prince of Abu Dhabi.

31 October, 2016



«There has been a change in vocabulary. Relations are getting better ... We are witnessing an increased desire to interact with Belarus.»

08 November, 2016

Andrea Wiktoria,
EU's ambassador in Minsk



THE WORLD BANK

«Three years ago, our active project portfolio was worth about \$375 million. Soon it reaches \$1.2 billion ... the amount of financing is increasing but also, and more importantly, we have been able to build a strong mutual trust with Belarusians...»

06 September, 2016

Young Chul Kim,
World Bank Country Manager for Belarus

After more than 15 years of sanctions pressure on
Feb 15, 2016 EU Council agreed to drop most of it's
sanctions against Belarus



1998/2002/2004/2006 →
Sanctions in force

Oct 29, 2015 →
Sanctions «on pause»

Feb 15, 2016 →
No sanctions!

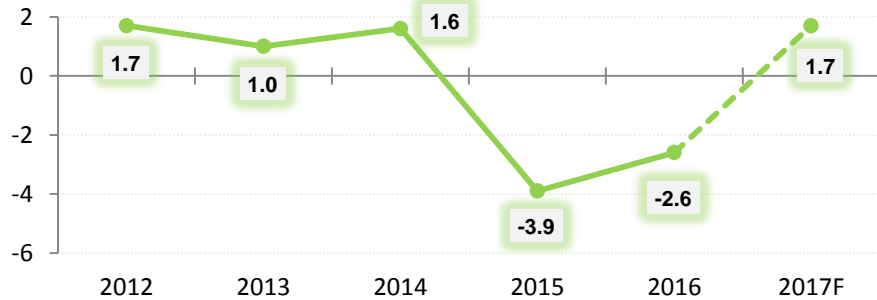


Lifted sanctions
against Belarus on
Feb 17, 2016



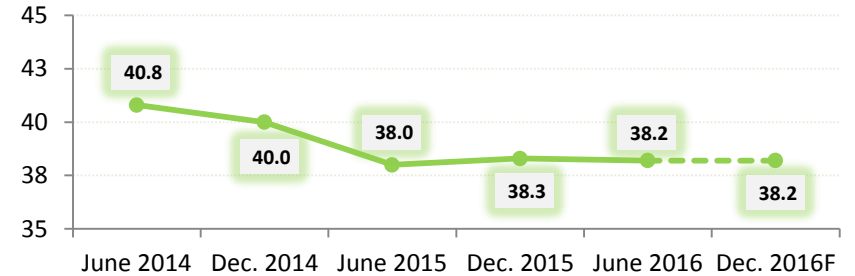
Lifted sanctions
against Belarus on
May 7, 2016

GDP, % YoY



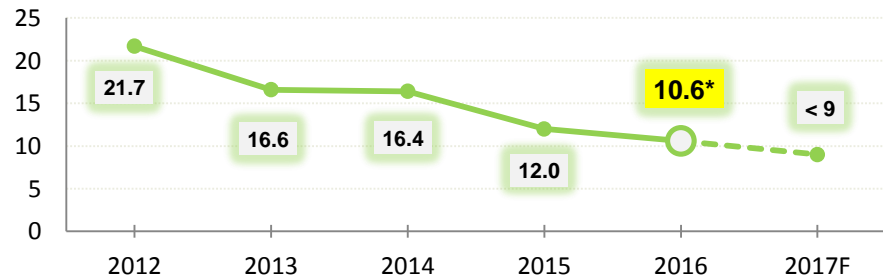
Positive GDP growth forecast in 2017 after sharp fall in 2015 mostly connected with the crisis in Russia

Gross External Debt, bln. USD



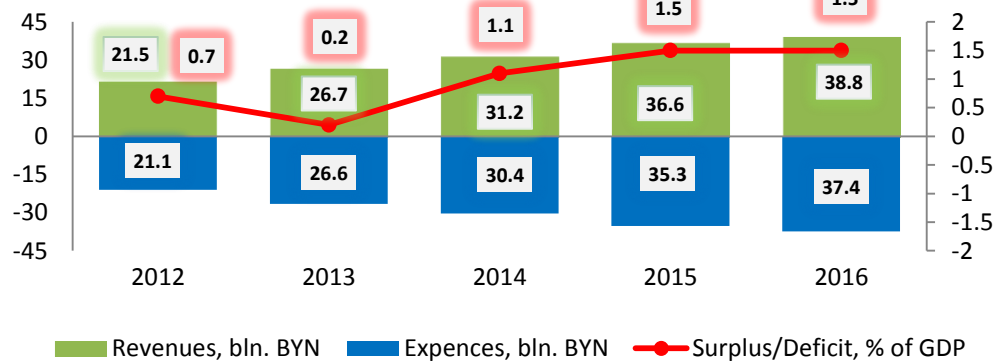
Total debt decrease within last two years

Inflation, % YoY



*The lowest inflation rate within last 5 years

State budget

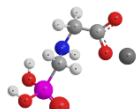


Key tendency - tight fiscal policy

RANKS



№3 producer



№3 producer



№4 exporter



10 % market share

In European TOP-5 by number of graduates

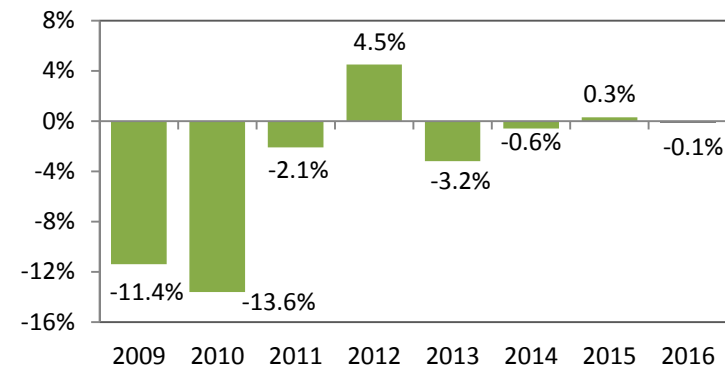
In World's TOP-10 by moving towards business-friendly regulations (World Bank Doing Business)

In World's TOP-40 by creativity being the leader among the CIS (Global Creativity Index-2015)

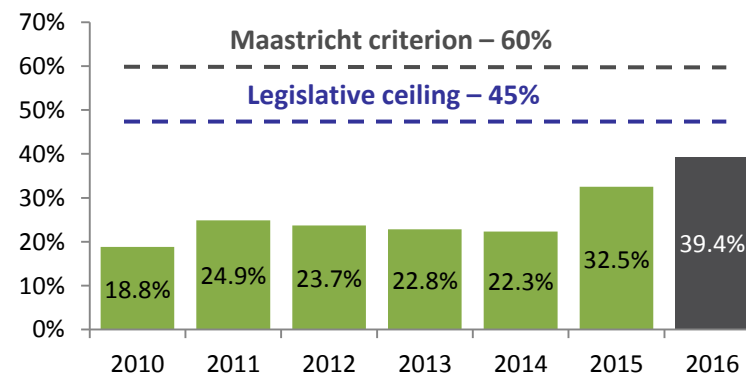


Belarus 

Trade balance, % of GDP ▼



USD 17 497
GDP per capita 2016, #68 in World by IMF



Gross pub. debts, % of GDP ▲





- Founded in 2011 upon recommendations of IMF and World Bank
- 100% state-owned
- Classic development institution
- The only financial institution for direct state programs lending in Belarus
- Agent for external Government borrowings
- The only Belarusian bank that has:
 - authority to initiate changing of national financial & banking legislation
 - Government guarantee for all bond issues
- Team of 392 highly experienced professionals (as of 01.01.2017)
- B- by S&P / Fitch with «stable» outlook
- IFRS FS since 2012 (on 6-12 m. basis) audited by KPMG



Regional presence



HQ in Minsk and 6 Regional Branches incl. Minsk Branch

SUBSIDIARIES

73% owned by DBRB, #1 international leasing operator in Belarus, provides around 90% of total Belarus export finance support



Promagroleasing

Cross-border leasing based on Belarusian traditions

100% owned by DBRB, Consulting services, Managing company "Holding the woodworking industry organizations"

БР-КОНСАЛТ



Up to 50% of market share

We are the only financial institution from Belarus with Rep. Office in London (UK)





Shareholders representatives (Government and National bank)



Vasily Matyushevsky
First Deputy Prime
Minister of the
Republic of Belarus



Vladimir Zinovskiy
Minister of
Economy of the
Republic of Belarus



Vladimir Amarin
Minister of Finance
of the Republic of
Belarus



Sergei Kalechits
Deputy Chairman of the
Board of the National
Bank of the Republic of
Belarus



Andrei Kobayakov
Prime Minister
of the Republic of Belarus
Chairman of the Supervisory Board

Risk Committee

Audit Committee

**Budget &
Remuneration
Committee**

**Strategic
Development
Committee**

**Our Supervisory Board is the
unique «fusion» of Top Officials
from financial & economic
spheres, representatives from
science and public and foreign
experts.**

Independent directors (science, public activity, Top business, int. business)



Mikhail Kovalev
Dean of Economics
Faculty of the
Belarusian State
University



Aleksandr Shvets
Chairman of
«Belarussian scientific
industrial association»



Siarhei Navitski
Director General of
Henkel Bautechnik
JLLC



Daniel Krutzinna
Managing Partner
of independent
management
consultancy
Civitta

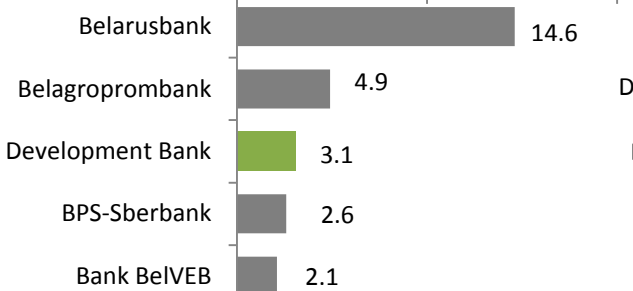


DEVELOPMENT BANK KEY FIGURES VS OTHER LOCAL BANKS*



Assets

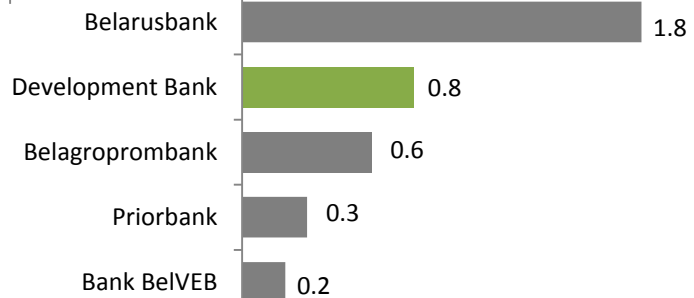
0 10 20



USD bn eq

Equity

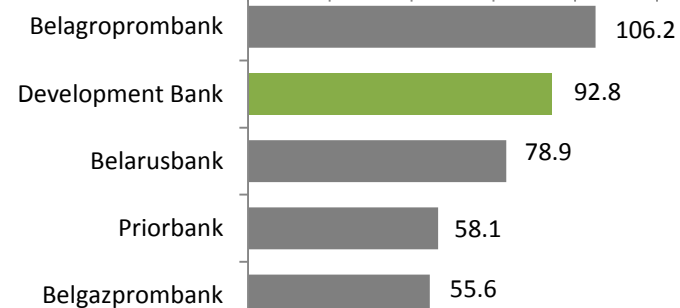
0.0 1.0 2.0



USD bn eq

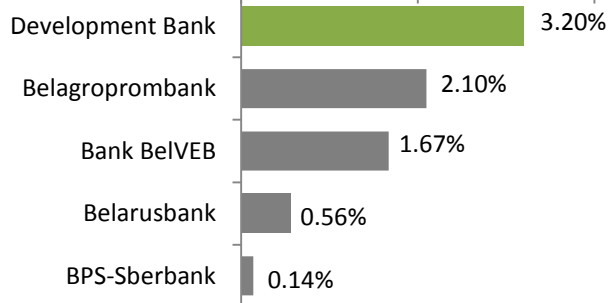
Profit

0 25 50 75 100 125



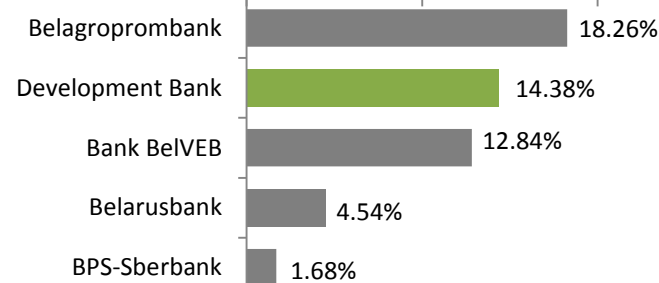
USD m eq

0% 2% 4%



ROA

0% 10% 20%

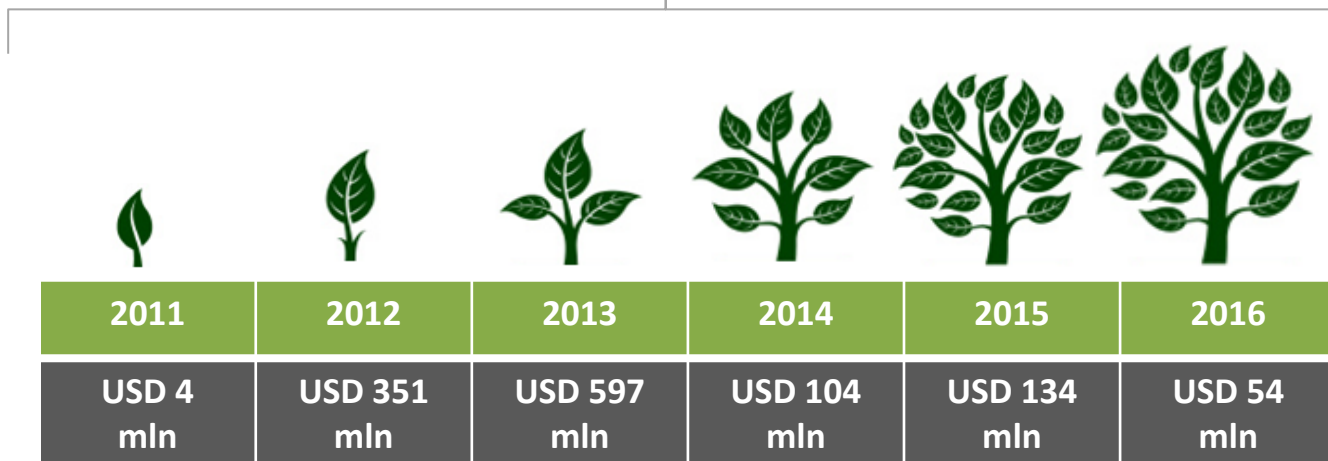


ROE

* Source: NBRB bulletin, own calculation on January 01, 2017



Capital Injections Dynamic



USD 804 mln – DBRB capital as of January 01, 2017
 (#2 among all Belarusian financial institutions)

26,75% CAR
 (Tier 1) , Basel 2

Funding Base Composition

Own funds, including capital injections

Local Bonds
 (BYR and FX nominated)

External Funding
 (Syndications / BB Loans)

Social prgm. “Big Family”
 (up to USD 150 mln per year)



The main platform of DBRB activities – is to provide **unique financial solutions** on non - competitive with commercial banks basis

State programs / Infrastructure*
financing



Export finance
solutions



SME
comprehensive support



KPI 2017

USD 350 mln

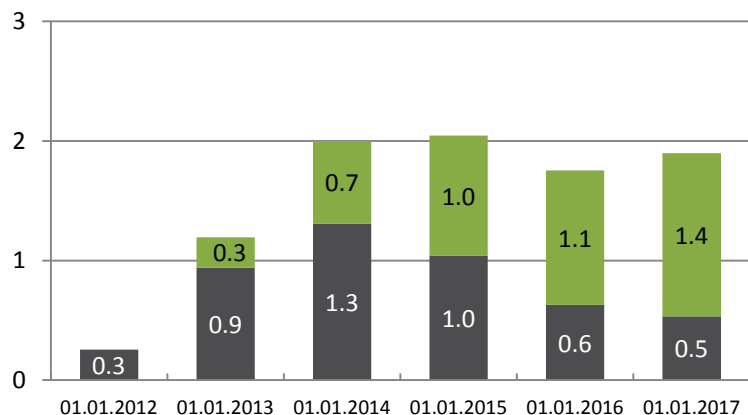
USD 150 mln

USD 45 mln



DBRB is the leading financial institution for state programs financing with around 50% stake of total volume.
From 2016 DBRB acts as a single coordinator for all state programs to be financed in Belarus

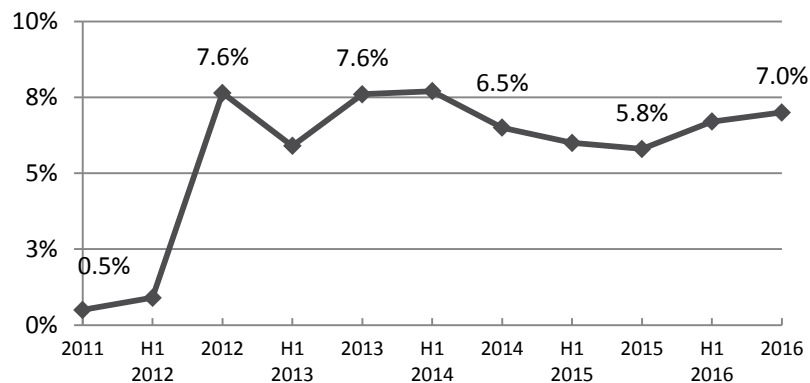
Loan portfolio dynamic (USD bn) / Sectors Breakdown / FX Structure



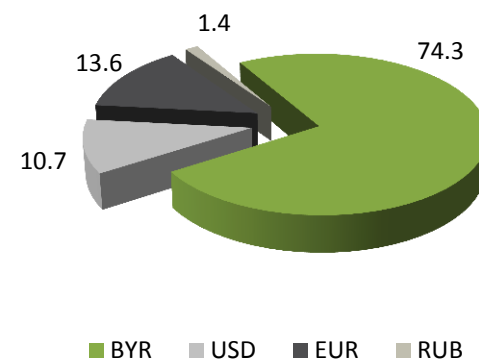
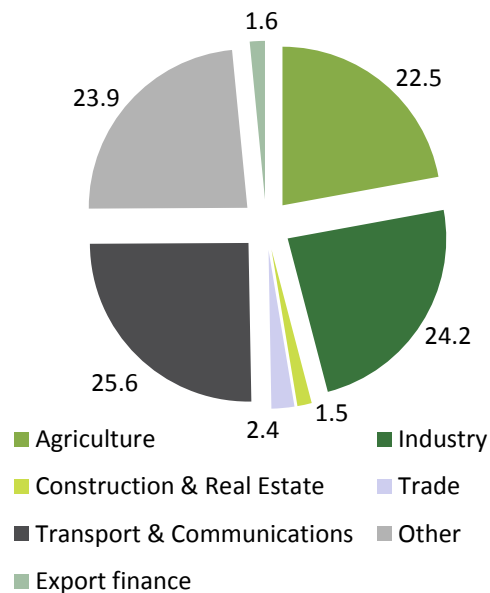
■ Transferred Loans

■ Development Bank's Loans

* ruble portfolio decreased significantly by reason of devaluation



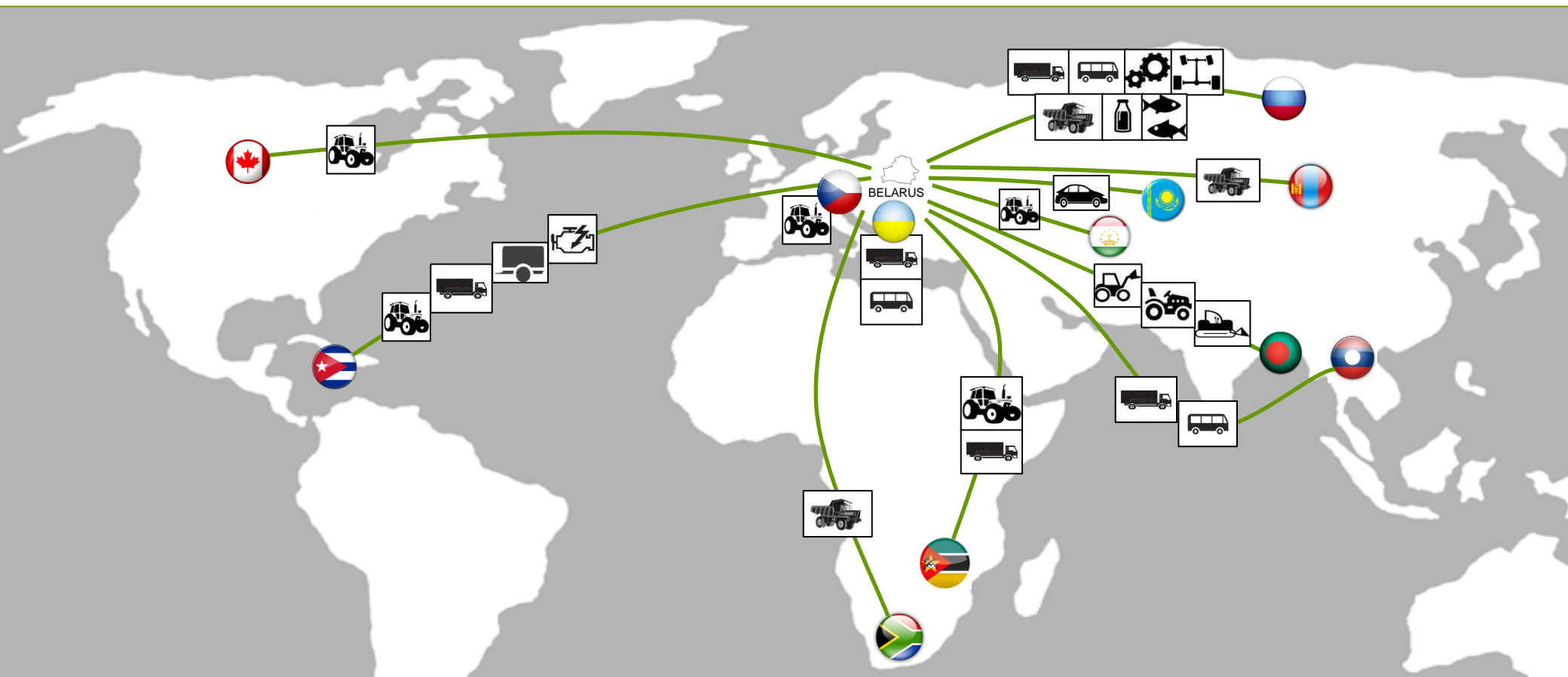
*NAS



During 2011-2014 DBRB has entered in the books USD 1.5 bn of assets from 2 biggest state commercial banks

NPLs totaled 7.0% of DBRB loan portfolio as of 01.01.2017 (transferred loans NPLs – 23.7%/ own loans NPLs – 0.4%). Average level of NPLs in Belarusian banking industry – 12.8% (as of 01.01.2017).

> USD 500 m of export loans was provided by DBRB since 2013



BELARUS

BELAZ



amkoqop





DBRB provides funding for 12 local partner banks and 1 leasing company to support projects and business ideas of their SME clients

Funds & Liquidity



Loans & Lease for SME (since Aug, 2014)

Economic sectors breakdown



712
Projects



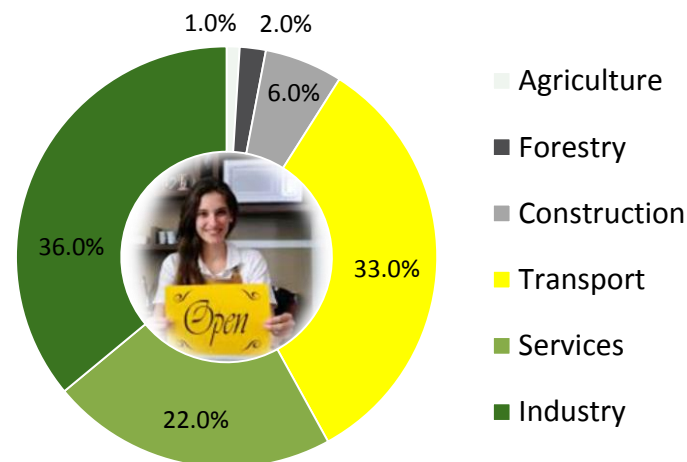
With a total volume
> USD 135 mln

USD 250 mln
Credit plan for 2016-2020

Joint program with the
World Bank expected
in **2017**



THE WORLD BANK
IBRD • IDA | WORLD BANK GROUP





«Start up»

From 2015 DBRB considers «Start up» companies as important part of SME support system

DBRB creates unique atmosphere in Belarus for growing new business ideas and talents in SME area



«My Business» TV-Show
Above 700 participants from different regions of Belarus presented own business ideas. Hosted and sponsored by DBRB



Global Entrepreneurship Week

Since 2015 DBRB acts as official Arranger and Sponsor. It helps to establish the partnership between government and private sector

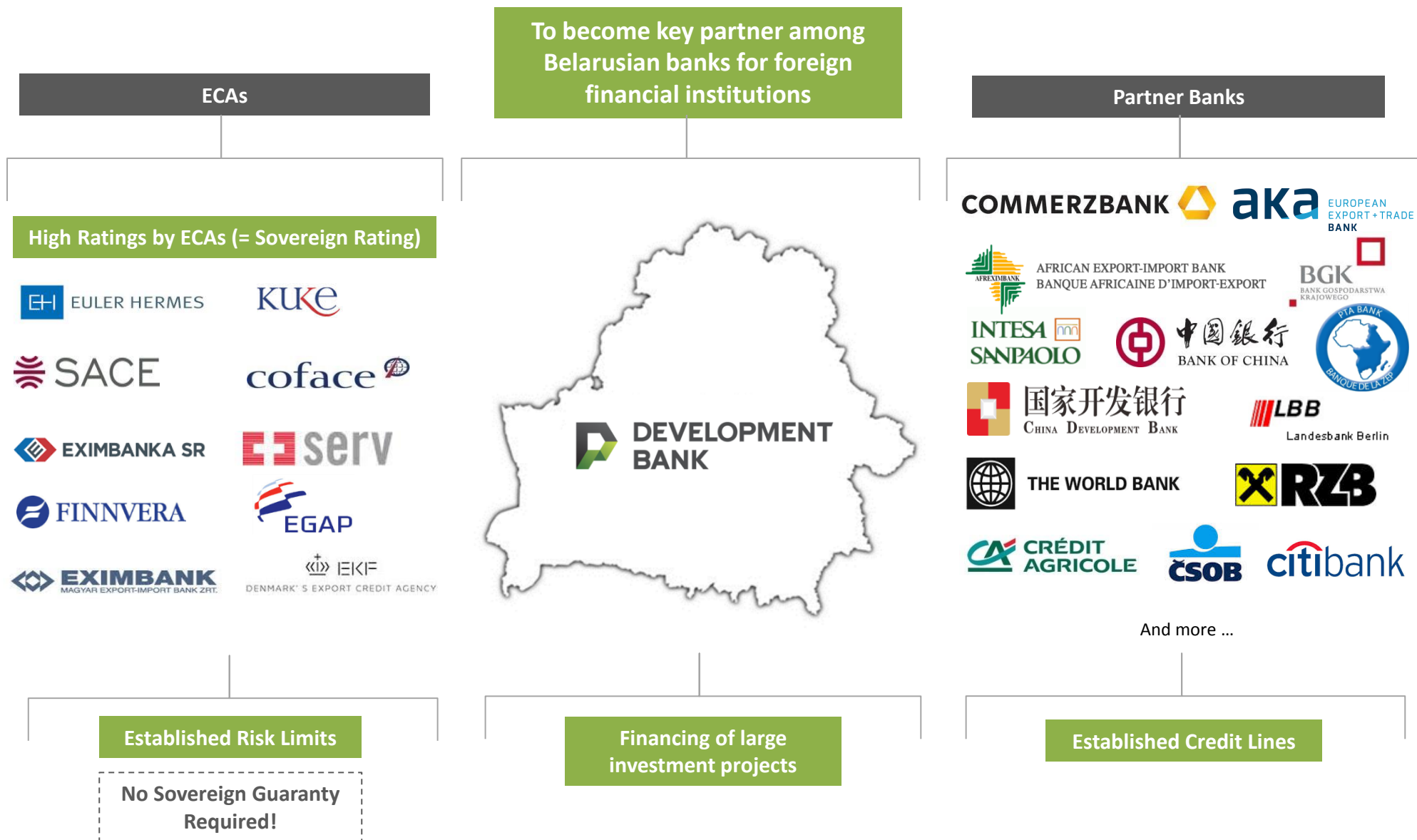


The joint programme with UNDP

Support for women's entrepreneurship and business development in small towns



Support of woodworking industry enterprises in order to stimulate demand for the products of manufacturers of furniture, doors and other construction enterprises







Stadium construction in Borisov

The only football stadium in Belarus authorized by UEFA to hold Champions League group stage



Reconstruction of the biathlon stadium "Raubichi"

Junior Biathlon World Championship and "The Race of Legends" were held



Delivery of 3 Boeing NG737 jets for Belavia

Three new generation airplanes owned by Belavia with a cornflower brandbook



The purchase of mechanized Tunnel boring machine

Will accelerate the construction of the third underground line in Minsk by 2.5 times



Second Minsk ring road construction

Total road length >160 km with a capacity of about 20 000 autos per 24 hours



Dairy plant construction in Turov

A unique Belarusian plant producing cheese of European varieties



Current projects

**EUR 235 mln****Second runway construction**

Location: Minsk National Airport
Capacity: acceptable for Airbus A380

**USD 2 bn****Construction of the third subway line in Minsk**

Line length: 17.2 km/ 14 stations

**EUR 20 mln****Yeast plant construction in Slutsk**

Capacity: 70 000 tons a year

Projects in pipeline

**EUR 94 mln****Tractor Stadium construction
in Minsk****EUR 85 mln****Construction of the facilities for
the 2nd European Games (2019)****USD 12 mln****Construction of medical center
in Brest**

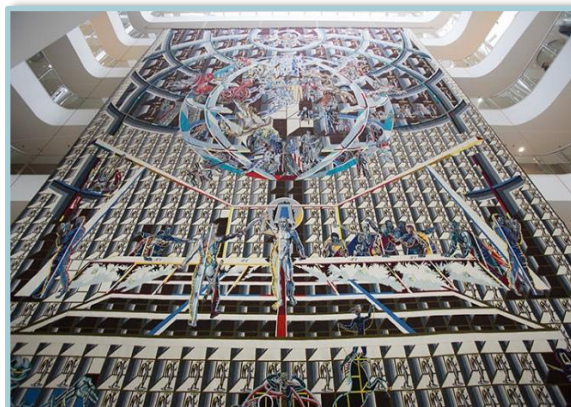
SOCIAL RESPONSIBILITY

«School Bus» as viewed by children (Katya, 7 years)



«School bus» program -
over 300 special buses for safe study trips
and traveling

The world's biggest gobelin in DBRB HQ (May, 2014)



Our Head Office building provides
opportunities to show the biggest art
and culture objects

DBRB – BSU SCA Signing Ceremony (July 6, 2014)



DBRB – Belarusian State University Strategic
Cooperation Agreement, training and first
working place for talented students

Being the leader in financial
business DBRB pays special
attention to social projects



Special program «Young tennis stars»
Vera Lapko , junior Australian Open 2016
Champion



Project «Cultural heritage of Belarus»:
1st edition - the book-album "Alexander
Kishchenko. Chronicler of XX century "



Sponsoring for the renovation of medical
diagnosis and treatment equipment of
Aleksandrov National Cancer Center



**DEVELOPMENT
BANK**

Annexes



Chairman Deputies



Tatsiana Sasnouskaya
First Deputy
Chairperson



Natallia Yasinskaya
Deputy Chairperson



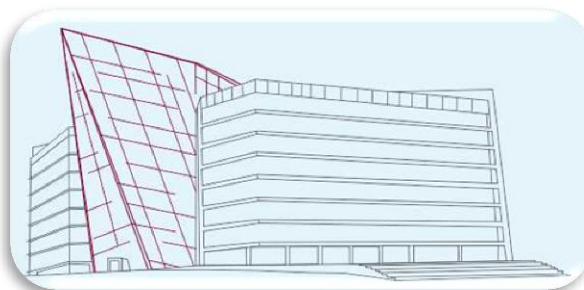
Vasili Shved
Deputy Chairman



Ivan Varenitsa
Deputy Chairman



Sergei Roumas
Chairman



Heads of business divisions



Mariya Arlouskaya
Chief Accountant



Siarhei Staliarchuk
Head of International
Business



Pavel Dzik
Head of Legal
Department

FIGURES (IFRS CONSOLIDATED)



	3Q 2016	H1 2016	2015	2014	2013
Total Assets, mln. USD	2 736,1	2 455,5	2 608,5	3 156,7	3 333,7
Due from banks	172,3	198,8	136,1	173,2	167,0
Loans to customers	1 591,8	1 409,6	1 538,4	1 894,5	1 780,7
Securities available for sale	808,8	727,3	811,8	993,3	1 292,0
Property and other assets	163,2	119,8	122,2	95,7	94,0
Total liabilities and equity, mln. USD	2 736,1	2 455,5	2 608,5	3 156,7	3 333,7
Due to banks	436,0	321,8	365,6	288,5	133,1
Customers' accounts	370,0	330,0	367,0	407,3	317,5
<i>incl. Government's deposits</i>	<i>366,3</i>	<i>326,2</i>	<i>353,3</i>	<i>402,5</i>	<i>298,8</i>
Debt securities issued	1 008,0	945,6	995,8	1 445,0	1 793,2
Other liabilities	130,5	106,7	79,1	25,4	30,4
Equity	791,6	751,4	801,0	990,5	1 059,4
<i>incl. Share capital</i>	<i>697,8</i>	<i>670,3</i>	<i>723,9</i>	<i>938,3</i>	<i>938,8</i>
Net profit (loss), mln. USD	36,0	26,8	82,3	62,0	78,1
<i>BYN/USD, eop</i>	<i>1,9264*</i>	<i>20 053</i>	<i>18 569</i>	<i>11 850</i>	<i>9 510</i>

*Due to denomination of Belarusian ruble dd. 01.07.2016 (0000)



STANDARD &POOR'S

- Long-term issuer : 'B-'
- Short-term issuer : 'B'
- Outlook Stable
- Assigned on September 4th 2013
- Affirmed on July 30th 2015
- Affirmed on July 25th 2016

**DBRB Credit Ratings
Fully Correspond to
Belarus Sovereign
Ratings**

**Selected DBRB Key
Strengths viewed by
RAs**

FitchRatings

- Long-term IDR: 'B-'
- Short-term IDR: 'B'
- Outlook Stable
- Assigned on February 5th 2014
- Affirmed on August 5th 2015
- Affirmed on July 12th 2016

**The bank has special
legal status**

**Critical public policy
role**

**Close association
with authorities**

**Significant capital
reserves**



BELARUSBANK

belagroprombank
making more future

Belinvestbank
EXPERIENCE MAKES BENEFITS

BPS-SBERBANK

**Toxic assets
(2007-2015)**



9 woodworking enterprises



*Belarusian
Forestry Company*

**Wood industry products
main exporter in Belarus**

**Selling a pool of toxic
assets**
(USD 650 mln)



Ministry of Finance

**Management
mandate**

БР-КОНСАЛТ

Management



**DEVELOPMENT
BANK**

***Repayment**

The core objective of BRRB management is **to improve efficiency of woodworking enterprises** with a view to return of assets to the Ministry of Finance of the Republic of Belarus spent to purchase the toxic assets pool.

- Strengthening of corporate governance system
- Development strategy adjusting
- Marketing policy adjusting
- Analysis and optimization of technologies applied
- Operating capital management
- Independent examination
- Attraction of direct investors

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