



BCS Holding International Limited

**Summary consolidated financial statements
derived from the audited consolidated financial statements
for the year ended 31 December 2013**



ZAO KPMG
10 Presnenskaya Naberezhnaya
Moscow, Russia 123317

Telephone +7 (495) 937 4477
Fax +7 (495) 937 4400/99
Internet www.kpmg.ru

Auditors' Report

To the Board of Directors
BCS Holding International Limited

The accompanying summary consolidated financial statements, which comprise the summary consolidated statement of financial position as at 31 December 2013, the summary consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for 2013, and related notes, are derived from the audited consolidated financial statements of BCS Holding International Limited and its subsidiaries (the Group) as at and for the year ended 31 December 2013. We expressed an unmodified audit opinion on those consolidated financial statements in our report dated 26 May 2014.

The summary consolidated financial statements do not contain all the disclosures required by International Financial Reporting Standards. Reading the summary consolidated financial statements, therefore, is not a substitute for reading the audited consolidated financial statements of the Group.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of a summary of the audited consolidated financial statements on the basis described in Basis of preparation.

Auditors' Responsibility

Our responsibility is to express an opinion on the summary consolidated financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810 *Engagements to Report on Summary Financial Statements*.

Audited entity: BCS Holding International Limited

Registered by Registrar of Corporate Affairs on 29 March 2006,
Registration No. 1018599.

Incorporated under the BVI Business Companies Act 2004 on 28 May
2006

Address of audited entity: Drake Chambers, Road Town, Tortola,
British Virgin Island, PO BOX 3321.

Independent auditor: ZAO KPMG, a company incorporated under the
Laws of the Russian Federation, a part of the KPMG Europe LLP group,
and a member firm of the KPMG network of independent member
firms affiliated with KPMG International Cooperative ("KPMG
International"), a Swiss entity.

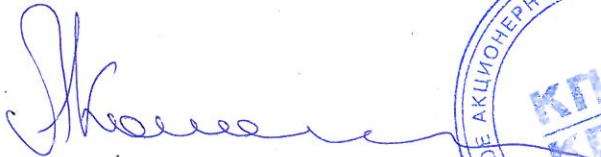
Registered by the Moscow Registration Chamber on 25 May 1992,
Registration No. 011.585.

Entered in the Unified State Register of Legal Entities on 13 August
2002 by Moscow Inter-Regional Tax Inspectorate No.39 of the Ministry
for Taxes and Duties of the Russian Federation, Registration No.
1027700125628, Certificate series 77 No. 005721432.

Member of the Non-commercial Partnership "Chamber of Auditors of
Russia". The Principal Registration Number of the Entry in the State
Register of Auditors and Audit Organisations: No.10301000804.

Opinion

In our opinion, the summary consolidated financial statements derived from the audited consolidated financial statements of the Group as at and for the year ended 31 December 2013 are consistent, in all material respects, with those consolidated financial statements on the basis described in Basis of preparation.



Kolosov A.E.

Director, (power of attorney dated 3 October 2011 No. 37/11)

ZAO KPMG

26 May 2014

Moscow, Russian Federation

BCS Holding International Limited
Summary Consolidated Statement of Financial Position

<i>(In thousands of Russian Roubles)</i>	31 December 2013	31 December 2012 (restated)	31 December 2011
ASSETS			
Cash and cash equivalents	7 413 674	3 502 917	4 106 270
Mandatory cash balances with the CBR	126 152	107 520	95 895
Receivables from brokerage transactions	792 860	663 628	971 250
Receivables under resale agreements	43 869 158	33 831 666	16 440 144
Financial instruments at fair value through profit or loss	16 121 570	15 699 754	6 199 211
Financial instruments available-for-sale	285 023	561 277	790 142
Derivative assets	52 760	5 852	61 480
Loans to customers	2 599 821	1 898 095	3 575 192
Investment properties	1 665 608	1 649 260	1 500 478
Property, equipment and intangible assets	2 475 290	2 673 715	2 469 253
Prepayments and other assets	2 299 854	4 503 744	649 950
Deferred tax assets	126 376	111 720	118 530
TOTAL ASSETS	77 828 146	65 209 148	36 977 795
LIABILITIES			
Payables under repurchase agreements	46 560 788	27 143 617	9 596 044
Customer brokerage accounts	11 824 083	13 072 572	10 861 259
Financial instruments at fair value through profit or loss	203 565	2 013 526	2 500 216
Derivative liabilities	82 201	16 815	60 923
Current accounts and deposits	3 929 678	6 757 833	2 509 820
Payables and other liabilities	4 413 323	6 057 886	1 802 835
Deferred tax liabilities	697 059	637 906	602 138
TOTAL LIABILITIES	67 710 697	55 700 155	27 933 235
EQUITY			
Share capital	2 906	2 906	2 906
Revaluation surplus for land and buildings	455 111	758 349	621 297
Revaluation surplus for financial instruments available-for-sale	-	-	(18 574)
Translation reserve	349 469	85 206	211 616
Retained earnings	9 215 333	8 629 389	8 279 803
Total equity attributable to sole participant	10 022 819	9 475 850	9 097 048
Non-controlling interests	94 630	33 143	(52 488)
TOTAL EQUITY	10 117 449	9 508 993	9 044 560
TOTAL EQUITY AND LIABILITIES	77 828 146	65 209 148	36 977 795

Approved for issue and signed on behalf of the Board of Directors on 26 May 2014.

Stepakina E.V.
Chief Accountant




Mikhasenko O.V.
President

BCS Holding International Limited
Summary Consolidated Statement of Profit or Loss and Other Comprehensive Income

<i>(In thousands of Russian Roubles)</i>	For the year ended 31 December 2013	For the year ended 31 December 2012
Fee and commission income	1 615 340	1 149 645
Fee and commission expense	(738 822)	(384 863)
Net fee and commission income	876 518	764 782
Interest income	3 476 443	2 217 805
Interest expense	(1 407 614)	(821 672)
Net interest income	2 068 829	1 396 133
Net trading income	1 985 061	1 788 555
Fair value (losses) gains on investment properties	(65 863)	104 315
Net impairment of property and equipment	(35 340)	(11 965)
Reversal of impairment	127 904	444 785
Rental income from investment properties	192 232	193 856
Net gain on disposal of subsidiaries	12 595	185 202
Other operating income	84 817	65 490
Administrative and other operating expenses	(4 716 865)	(4 399 646)
Profit before tax	529 888	531 507
Income tax expense	(163 488)	(52 585)
Profit for the year	366 400	478 922
Other comprehensive income		
Items that will not be reclassified to profit or loss:		
Revaluation of land and buildings	(105 015)	160 653
Income tax relating to items that will not be reclassified to profit or loss	21 003	(32 131)
Total items that will not be reclassified to profit or loss	(84 012)	128 522
Items that are or may be reclassified subsequently to profit or loss:		
Foreign currency translation differences for foreign operations	264 263	(126 410)
Net change in fair value of financial instruments available-for-sale	-	23 299
Income tax relating to items that are or may be reclassified to profit or loss	-	(4 660)
Total items that are or may be reclassified subsequently to profit or loss	264 263	(107 771)
Other comprehensive income for the year, net of tax	180 251	20 751
Total comprehensive income for the year	546 651	499 673
Profit for the year attributable to:	366 400	478 922
- Sole participant	365 387	474 696
- Non-controlling interests	1 013	4 226
Total comprehensive income attributable to:	546 651	499 673
- Sole participant	546 969	490 684
- Non-controlling interests	(318)	8 989

For the year ended 31 December 2013 Attributable to sole participant							
<i>(In thousands of Russian Roubles)</i>	Share capital	Revaluation surplus for land and buildings	Translation reserve	Retained Earnings	Total	Non-controlling interests	Total equity
Balance at 1 January 2013	2 906	758 349	85 206	8 629 389	9 475 850	33 143	9 508 993
Total comprehensive income for the year							
Profit for the year	-	-	-	365 387	365 387	1 013	366 400
Other comprehensive income for the year							
<i>Items that are or may be reclassified subsequently to profit or loss:</i>							
Foreign currency translation differences for foreign operations	-	-	264 263	-	264 263	-	264 263
Total items that are or may be reclassified to profit or loss	-	-	264 263	-	264 263	-	264 263
<i>Items that will not be reclassified to profit or loss:</i>							
Revaluation of land and buildings, net of income tax	-	(82 681)	-	-	(82 681)	(1 331)	(84 012)
Transfer of the revaluation reserve relating to the items of land and buildings reclassified to investment property	-	(220 557)	-	220 557	-	-	-
Total items that will not be reclassified to profit or loss	-	(303 238)	-	220 557	(82 681)	(1 331)	(84 012)
Other comprehensive income for the year	-	(303 238)	264 263	220 557	181 582	(1 331)	180 251
Total comprehensive income for the year		(303 238)	264 263	585 944	546 969	(318)	546 651
Transactions with owners, recorded directly in equity							
Change in non-controlling interests	-	-	-	-	-	61 805	61 805
Total transactions with owners	-	-	-	-	-	61 805	61 805
Balance at 31 December 2013	2 906	455 111	349 469	9 215 333	10 022 819	94 630	10 117 449

	For the year ended 31 December 2012 Attributable to sole participant							Total equity
	Share capital	Revaluation surplus for land and buildings	Revaluation reserve for available-for-sale assets	Translation reserve	Retained Earnings	Total	Non-controlling interests	
<i>(In thousands of Russian Roubles)</i>								
Balance at 1 January 2012	2 906	621 297	(18 574)	211 616	8 279 803	9 097 048	(52 488)	9 044 560
Total comprehensive income for the year								
Profit for the year	-	-	-	-	474 696	474 696	4 226	478 922
Other comprehensive income for the year								
<i>Items that are or may be reclassified subsequently to profit or loss:</i>								
Net change in fair value of assets available-for-sale, net of income tax	-	-	18 574	-	-	18 574	65	18 639
Foreign currency translation differences for foreign operations	-	-	-	(126 410)	-	(126 410)	-	(126 410)
Total items that are or may be reclassified to profit or loss	-	-	18 574	(126 410)	-	(107 836)	65	(107 771)
<i>Items that will not be reclassified to profit or loss:</i>								
Revaluation of land and buildings, net of income tax	-	123 824	-	-	-	123 824	4 698	128 522
Total items that will not be reclassified to profit or loss	-	123 824	-	-	-	123 824	4 698	128 522
Other comprehensive income for the year	-	123 824	18 574	(126 410)	-	15 988	4 763	20 751
Total comprehensive income for the year	-	123 824	18 574	(126 410)	474 696	490 684	8 989	499 673
Transactions with owners, recorded directly in equity								
Change in non-controlling interests	-	13 228	-	-	(125 110)	(111 882)	76 642	(35 240)
Total transactions with owners	-	13 228	-	-	(125 110)	(111 882)	76 642	(35 240)
Balance at 31 December 2012	2 906	758 349	-	85 206	8 629 389	9 475 850	33 143	9 508 993

The Summary Consolidated Financial Statements on pages 4-11 should be read in conjunction with the Consolidated Financial Statements from which they were derived.

<i>(In thousands of Russian Roubles)</i>	For the year ended 31 December 2013	For the year ended 31 December 2012 (restated)
Cash flows from operating activities		
Profit before tax	529 888	531 507
Adjustments for:		
Depreciation and amortisation	257 932	178 840
Reversal of impairment of loans, prepayments, resale agreements and other assets	(127 904)	(444 785)
Fair value losses (gains) on investment properties	65 863	(104 315)
Net impairment of property and equipment	35 340	11 965
Unrealised (gains) losses on debt and equity instruments	(118 312)	13 569
Revaluation of derivatives	18 478	-
Net gain on disposal of subsidiaries	(12 595)	(185 202)
Unrealised losses from trading in foreign currencies	258 471	118 017
(Gain) loss on disposal of property and equipment	(13 596)	76 902
Cash flows from operating activities before changes in working capital	893 565	196 498
(Increase) decrease in operating assets		
Mandatory cash balances with the CBR	(18 632)	(11 625)
Receivables from brokerage transactions	(133 541)	170 416
Receivables under resale agreements	(10 109 918)	(19 006 322)
Financial instruments at fair value through profit or loss	(324 639)	(10 419 634)
Financial instruments available-for-sale	276 254	576 992
Loans to customers	(612 841)	1 687 798
Prepayments and other assets	2 228 705	(5 295 734)
Increase (decrease) in operating liabilities		
Payables under repurchase agreements	19 329 446	18 657 930
Customer brokerage accounts	(1 260 920)	2 402 355
Financial instruments at fair value through profit or loss	(1 810 992)	365 325
Current accounts and deposits	(2 832 799)	4 338 380
Payables and other liabilities	(1 658 033)	6 697 522
Income taxes paid	(29 170)	(74 333)
Net cash provided by operating activities	3 936 485	285 568
Cash flows from investing activities		
Acquisition of property and equipment	(322 601)	(379 637)
Acquisition of investment properties	(1 453)	(3 707)
Proceeds from sale of property and equipment	1 334	27 361
Proceeds from sale of subsidiaries	(92)	9 990
Net cash used in investing activities	(322 812)	(345 993)
Net increase/(decrease) in cash and cash equivalents	3 613 673	(60 425)
Cash and cash equivalents at the beginning of the year	3 502 917	4 106 270
Effect of changes in exchange rates on cash and cash equivalents	297 084	(542 928)
Cash and cash equivalents as at the end of the year	7 413 674	3 502 917
Supplemental information		
Interest received during the year	3 092 673	2 209 062
Interest paid during the year	(1 417 430)	(777 125)

Background

These summary consolidated financial statements, which comprise the summary consolidated statement of financial position as at 31 December 2013, the summary consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and related notes are derived from the audited consolidated financial statements of BCS Holding International Limited for 2013.

Organisation and operations

BCS Holding International Limited (the Company), together with its consolidated subsidiaries (collectively, the Group), is a leading retail broker and asset management company. The Group, through its custody, clearing and depository platform, using both proprietary and third-party technology, provides an integrated platform of brokerage, retail and investment banking, depository and asset management services to individuals and corporate customers in the Russian Federation and abroad. The Group offers integrated web- and software-based trading platforms, which incorporate intelligent order routing technology, real-time market data, options trading, premium stock research, and multi-channel access, as well as sophisticated account and trade management features, risk management tools, decision support tools, and dedicated personal support. The Group serves its clients through a combination of its branch offices and web-based and telephonic services, and provides direct-market-access equity and derivatives brokerage services on the Moscow Exchange, LSE and other major exchanges (AMEX, NASDAQ, NYSE, CME/CBOT, Eurex, Euronext, LIFFE, XETRA) and on the FOREX market. The Group also provides custodial, trading, technology, trust asset, and other support services to clients. The Group's service website is the core platform for clients to conduct daily business activities online. As part of its diverse financial product offering, the Group offers research, analytic tools, performance reports, market analysis, and educational material to all clients.

The Company was incorporated and domiciled in the British Virgin Island (BVI) as a holding company and was set up as a commercial company in accordance with the BVI regulations. As of 1 December 2011 the Company was renamed from Amazon United Limited to BCS Holding International Limited. The Company's registered address is British Virgin Island, Road Town, Tortola, P.O. 3321. The Group's headquarter offices are located at Ul. Sovetskaya 37, Novosibirsk, Russian Federation, and 69 Prospekt Mira, bldg. 1, Moscow, Russian Federation. The sole beneficiary and ultimate controlling party of the Group is Oleg Mikhasenko.

The Group conducts its business primarily through the following operating legal entities:

Subsidiary	Country of incorporation
Brokercreditservice Ltd	Russia
BrokerCreditService (Cyprus) Limited	Cyprus
Joint Stock Company "BCS – Investment Bank"	Russia
OOO Investment Management Company Brokercreditservice	Russia
OOO Investment Management Company Brokercreditservice – Real Estate Funds	Russia
OOO "Depository Institution MSD"	Russia
BCS Prime Brokerage Limited	UK
BCS Management Company	Cayman Islands

Brokercreditservice Ltd is a limited liability company that was incorporated in the Russian Federation in 1995. Brokercreditservice Ltd provides a range of brokerage and depository services to retail and corporate clients. It holds licenses issued by FFMS for securities management, dealer and brokerage services, non-governmental pension funds and unit funds asset management. Offered brokerage services comprise an array of brokerage accounts including some with check-writing features, debit card, and billpay; individual retirement accounts; retirement plans for small to large businesses; designated brokerage accounts; equity incentive plan accounts; and margin loans, as well as access to fixed income

securities, equity and debt offerings, options, and futures; Brokercreditservice Ltd is a clearing broker-dealer and an investment adviser that principally transacts business as an agent in a broad array of financial products and services. It also holds a license issued by the Commission for Commodity Exchanges under FFMS as an intermediary for dealing in futures and options at stock exchanges in the Russian Federation.

BrokerCreditService (Cyprus) Limited (BCS Cyprus) is a licensed investment company regulated by the Cyprus Securities and Exchange Commission (CYSEC). BCS Cyprus is a London Stock Exchange member and is licensed to provide Direct-Market-Access equity and derivatives brokerage services on LSE and the world major exchanges (AMEX, NASDAQ, NYSE, CME/CBOT, Eurex, Euronext, LIFFE, XETRA). BCS Cyprus provides brokerage services on the FOREX market in relation to currency and commodity instruments.

BCS Prime Brokerage Limited (BCS UK) was granted UK regulatory authorisation by the Financial Conduct Authority (FCA) to deal and advise on investments and to hold client assets on 19 June 2013. Now BCS UK provides a wide range of brokerage and advising services, including access to Moscow Exchange, LSE, EBS, CHI-X/BATS, NYSE/NASDAQ/AMEX.

Joint Stock Company “BCS – Investment Bank” (the Bank) is incorporated as an Open Joint Stock Company under the laws of the Russian Federation. The Bank’s principal business activity is commercial banking operations within the Russian Federation. The Bank operates under a banking license issued by the CBR. The Bank is a member of the state deposit insurance scheme in the Russian Federation. The activities of the Bank are regulated by the CBR.

The investment management business is run via OOO Investment Management Company Brokercreditservice, BCS Management Company and OOO Investment Management Company Brokercreditservice - Real Estate Funds.

OOO “Depository Institution MSD” acts as a specialized depository of investment funds and provides depository, shareholder and custodial services to Group entities as well as external mutual funds, pension funds and other investment companies.

The Group has other subsidiaries which are consolidated based on trust agreements held with the direct owners. The Group exercises full control over the financial, strategic and operational activities of these subsidiaries for the benefit of the Group.

Russian business environment

A significant part of the Group’s operations are conducted in the Russian Federation. Consequently, the Group is exposed to the economic and financial markets of the Russian Federation which display characteristics of an emerging market. The legal, currency, tax and regulatory frameworks continue development and are subject to varying interpretations and frequent changes which together with other legal and fiscal impediments contribute to the challenges faced by entities operating in the Russian Federation. Furthermore, the need for further developments in the bankruptcy laws, the absence of formalised procedures for the registration and enforcement of collateral, and other legal and fiscal impediments further contribute to the challenges faced by financial institutions operating in the Russian Federation.

The Group’s major sources of net revenues are fees and commission from brokerage business, asset management and administration fees, net interest income, and trading revenue. The Group’s business can be adversely affected by the general environment – economic, corporate, securities market, regulatory, and geopolitical developments all play a role in client asset valuations, trading activity, interest rates and overall investor engagement, and are outside of the Group’s control. Deterioration in credit markets, reductions in short-term interest rates, and decreases in securities valuations negatively impact the fees and commission income, net interest income, asset management and administration fees, and capital resources.

The future economic direction of the Russian Federation is largely dependent upon the effectiveness of economic, financial and monetary measures undertaken by the Government, together with tax, legal,

regulatory and political developments. Management is unable to predict all developments which could have an impact on the financial sector and wider economy and consequently what effect, if any, they could have on the future financial position of the Group. Management believes it is taking all the necessary measures to support the sustainability and development of the Group's business. The accompanying summary consolidated financial statements reflect management's estimates of the potential effect of the current operating and business environment on the results and financial position. The future business environment may differ from management's estimates.

Cyprus business environment

The Cyprus economy has been adversely affected over the last few years by the international credit crisis and the instability in the financial markets. During 2012 and 2013 there was a considerable tightening of financing availability from Cypriot financial institutions, mainly resulting from financial instability in relation to the Greek sovereign debt crisis, including the impairment of Greek Government Bonds, and its impact on the Cyprus economy. In addition, following its credit downgrades, the ability of the Republic of Cyprus to borrow from international markets has been significantly reduced.

In 2013 the government of Cyprus entered into an agreement with European Commission, European Central Bank and International Monetary Fund whereby Cyprus was provided with a loan of € 10 billion, a plan for restructuring of banks was agreed and capital controls affecting transactions executed through banking institutions operating in Cyprus were put in place. Management is monitoring the developments in relation to these capital controls and is assessing the implications on the Group's operations.

The current economic environment of Cyprus is not expected to have a significant impact on the operations of the Group and the Group does not hold significant funds in Cypriot financial institutions. Management is unable to predict all developments which could have an impact on the Cyprus economy and consequently, what effect, if any, they could have on the future financial performance, cash flows and financial position of the Group.

Management believes that it is taking all the necessary measures to maintain the viability of the Group and the development of its business in the current business and economic environment.

Basis of preparation

The consolidated financial statements are prepared in accordance with International Financial Reporting Standards.

These summary consolidated financial statements are derived from the consolidated financial statements, except that substantially all note disclosures are omitted. The complete set of consolidated financial statements can be obtained from BCS Holding International Limited at the Group's headquarter offices located at Ul. Sovetskaya 37, Novosibirsk, Russian Federation, and 69 Prospekt Mira, bldg. 1, Moscow, Russian Federation.