



BCS Holding International Limited

**Summary consolidated financial statements
derived from the audited consolidated financial statements
for the year ended 31 December 2014**



JSC 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 2014, the summary consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for 2014, 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 2014. We expressed an unmodified audit opinion on those consolidated financial statements in our report dated 1 July 2015.

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 Summary Consolidated Financial Statements

Management is responsible for the preparation of a summary of the audited consolidated financial statements on the basis described in Note 2.

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*.

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 2014 are consistent, in all material respects, with those consolidated financial statements on the basis described in Basis of preparation.

JSC KPMG

JSC "KPMG"

1 July 2015

Moscow, Russian Federation

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: JSC KPMG, a company incorporated under the
Laws of the Russian Federation, a member firm of the KPMG network
of independent member firms affiliated with KPMG International
Cooperative ("KPMG International"), a Swiss entity.

BCS Holding International Limited
Summary Consolidated Statement of Financial Position

<i>(In thousands of Russian Roubles)</i>	31 December 2014	31 December 2013 (restated)
ASSETS		
Cash and cash equivalents	22 613 986	7 413 674
Mandatory cash balances with the CBR	667 719	126 152
Receivables from brokerage transactions	3 161 860	792 860
Receivables under resale agreements	33 977 950	43 869 158
Financial instruments at fair value through profit or loss	12 772 209	16 121 570
Financial instruments available-for-sale	16 148 702	285 023
Derivative assets	4 019 502	52 760
Loans to customers	4 755 515	2 599 821
Investment properties	1 742 282	1 665 608
Property, equipment and intangible assets	2 542 273	2 475 290
Prepayments and other assets	10 250 771	2 299 854
Deferred tax assets	970 298	126 376
TOTAL ASSETS	113 623 067	77 828 146
LIABILITIES		
Payables under repurchase agreements	51 628 430	46 560 788
Customer brokerage accounts	26 045 976	14 938 724
Financial instruments at fair value through profit or loss	3 493 604	203 565
Derivative liabilities	9 449 276	82 201
Current accounts and deposits	6 458 400	3 929 678
Payables and other liabilities	2 808 077	1 298 682
Deferred tax liabilities	519 828	697 059
TOTAL LIABILITIES	100 403 591	67 710 697
EQUITY		
Share capital	2 906	2 906
Revaluation surplus for land and buildings	549 684	455 111
Revaluation reserve for available-for-sale assets	(922 546)	-
Translation reserve	3 346 795	349 469
Retained earnings	10 210 665	9 215 333
Total equity attributable to sole participant	13 187 504	10 022 819
Non-controlling interests	31 972	94 630
TOTAL EQUITY	13 219 476	10 117 449
TOTAL EQUITY AND LIABILITIES	113 623 067	77 828 146

Approved for issue and signed on behalf of the Board of Directors on 1 July 2015.

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 2014	For the year ended 31 December 2013
Fee and commission income	2 013 834	1 615 340
Fee and commission expense	(1 046 464)	(738 822)
Net fee and commission income	967 370	876 518
Interest income	5 275 103	3 476 443
Interest expense	(4 419 586)	(1 407 614)
Net interest income	855 517	2 068 829
Net trading income	3 322 801	1 985 061
Fair value gains (losses) on investment properties	61 721	(65 863)
Net impairment of property and equipment	36 088	(35 340)
(Charge for) reversal of impairment	(61 543)	127 904
Rental income from investment properties	189 584	192 232
Net loss (gain) on disposal of subsidiaries	(47 172)	12 595
Other operating income	156 129	84 817
Administrative and other operating expenses	(5 431 938)	(4 716 865)
Profit before tax	48 557	529 888
Income tax benefit (expense)	935 368	(163 488)
Profit for the year	983 925	366 400
Other comprehensive income		
Items that will not be reclassified to profit or loss:		
Revaluation of land and buildings	126 566	(105 015)
Income tax relating to items that will not be reclassified to profit or loss	(21 461)	21 003
Total items that will not be reclassified to profit or loss	105 105	(84 012)
Items that are or may be reclassified subsequently to profit or loss:		
Foreign currency translation differences for foreign operations	2 997 326	264 263
Net change in fair value of financial instruments available-for-sale	(955 052)	-
Income tax relating to items that are or may be reclassified to profit or loss	32 506	-
Total items that are or may be reclassified subsequently to profit or loss	2 074 780	264 263
Other comprehensive income for the year, net of tax	2 179 885	180 251
Total comprehensive income for the year	3 163 810	546 651
Profit for the year attributable to:	983 925	366 400
- Sole participant	984 800	365 387
- Non-controlling interests	(875)	1 013
Total comprehensive income attributable to:	3 163 810	546 651
- Sole participant	3 164 685	546 969
- Non-controlling interests	(875)	(318)

For the year ended 31 December 2014 Attributable to sole participant								
<i>(In thousands of Russian Roubles)</i>	Share capital	Revaluation surplus for land and buildings	Revaluation reserve for available-for-sale assets	Translation reserve	Retained Earnings	Total	Non- controlling interests	Total equity
Balance at 1 January 2014	2 906	455 111	-	349 469	9 215 333	10 022 819	94 630	10 117 449
Total comprehensive income for the year								
Profit for the year	-	-	-	-	984 800	984 800	(875)	983 925
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	-	-	-	2 997 326	-	2 997 326	-	2 997 326
Revaluation reserve for available-for-sale assets	-	-	(922 546)	-	-	(922 546)	-	(922 546)
<i>Total items that are or may be reclassified to profit or loss</i>	-	-	(922 546)	2 997 326	-	2 074 780	-	2 074 780
<i>Items that will not be reclassified to profit or loss:</i>								
Revaluation of land and buildings, net of income tax	-	105 105	-	-	-	105 105	-	105 105
Transfer of the revaluation reserve relating to the items of land and buildings reclassified to investment property	-	(10 532)	-	-	10 532	-	-	-
<i>Total items that will not be reclassified to profit or loss</i>	-	94 573	-	-	10 532	105 105	-	105 105
Other comprehensive income for the year	-	94 573	(922 546)	2 997 326	10 532	2 179 885	-	2 179 885
Total comprehensive income for the year	-	94 573	(922 546)	2 997 326	995 332	3 164 685	(875)	3 163 810
Transactions with owners, recorded directly in equity								
Change in non-controlling interests	-	-	-	-	-	-	(61 783)	(61 783)
Total transactions with owners	-	-	-	-	-	-	(61 783)	(61 783)
Balance at 31 December 2014	2 906	549 684	(922 546)	3 346 795	10 210 665	13 187 504	31 972	13 219 476

<i>(In thousands of Russian Roubles)</i>	For the year ended 31 December 2013						Non- controlling interests	Total equity
	Attributable to sole participant							
	Share capital	Revaluation surplus for land and buildings	Translation reserve	Retained Earnings	Total			
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	
<i>Total items that are or may be reclassified to profit or loss</i>	-	-	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	-	-	-	
<i>Total items that will not be reclassified to profit or loss</i>	-	(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	

BCS HoldingInternational Limited
Summary Consolidated Statement of Cash Flows

<i>(In thousands of Russian Roubles)</i>	For the year ended 31 December 2014	For the year ended 31 December 2013
Cash flows from operating activities		
Profit before tax	48 557	529 888
Adjustments for:		
Depreciation and amortisation	267 636	257 932
Reversal of impairment of loans, prepayments, resale agreements and other assets	61 543	(127 904)
Fair value (gains) losses on investment properties	(61 721)	65 863
Net impairment of property and equipment	(36 088)	35 340
Unrealised gains on debt and equity instruments	(250 054)	(118 312)
Revaluation of derivatives	6 271 569	18 478
Net losses (gains) on disposal of subsidiaries	47 172	(12 595)
Unrealised (gains) losses from trading in foreign currencies	(6 107 429)	258 471
Loss (gain) on disposal of property and equipment	21 080	(13 596)
Net interest income	(855 517)	(2 068 829)
Cash flows from operating activities before changes in working capital	(593 252)	(1 175 264)
(Increase) decrease in operating assets		
Mandatory cash balances with the CBR	(541 567)	(18 632)
Receivables from brokerage transactions	(1 789 414)	(133 541)
Receivables under resale agreements	13 915 459	(9 716 332)
Financial instruments at fair value through profit or loss	4 992 113	(324 639)
Loans to customers	(2 326 411)	(612 841)
Prepayments and other assets	(7 011 292)	2 228 705
Interest received during the year	5 354 077	3 092 673
Increase (decrease) in operating liabilities		
Payables under repurchase agreements	428 039	19 329 446
Customer brokerage accounts	7 902 369	1 853 721
Financial instruments at fair value through profit or loss	3 064 248	(1 810 992)
Current accounts and deposits	1 986 925	(2 832 799)
Payables and other liabilities	1 052 644	(4 772 674)
Interest paid during the year	(4 297 038)	(1 417 430)
Income taxes paid	(175 234)	(29 170)
Net cash provided by operating activities	21 961 666	3 660 231
Cash flows from investing activities		
Acquisition of property and equipment and intangible assets	(255 498)	(322 601)
Acquisition of investment properties	(372)	(1 453)
Acquisition of subsidiary	475	-
Proceeds from sale of property and equipment	37 191	1 334
Proceeds from sale of subsidiaries	(261)	(92)
Financial instruments available-for-sale	(13 234 096)	276 254
Net cash used in investing activities	(13 452 561)	(46 558)
Net increase in cash and cash equivalents	8 509 105	3 613 673
Cash and cash equivalents at the beginning of the year	7 413 674	3 502 917
Effect of changes in exchange rates on cash and cash equivalents	6 691 207	297 084
Cash and cash equivalents as at the end of the year	22 613 986	7 413 674

1. Background

These summary consolidated financial statements, which comprise the summary consolidated statement of financial position as at 31 December 2014, 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 2014.

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 FX market.

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
Gawling Limited	Cyprus
Routa Luxury Services Ltd.	Cyprus

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 FX 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 from the crisis in the Cyprus banking system in conjunction with the inability of the Republic of Cyprus to borrow from international markets. These events led to negotiations between the Republic of Cyprus and the European Commission, the European Central Bank and the International Monetary Fund (the «Troika») for financial support which resulted into the Eurogroup decisions on 25 March 2013. The decisions involved the formulation of an Economic Adjustment Program for the country entailing the provision of financial assistance of up to EUR10 billion, the disbursements of which are subject to ongoing reviews by the Troika.

Furthermore, the decisions included the restructuring of the two largest banks in Cyprus through a «bail in». During 2014 the banking sector in Cyprus undertook significant measures in anticipation of and subsequent to the EU-wide comprehensive assessment which consisted of thorough asset quality reviews and stress tests and as a result was sufficiently recapitalised. Nevertheless the banking sector continues to face challenges imposed by the high level of non-performing loans and availability of credit is limited.

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.

2. 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.