



BCS Holding International Limited

**Summary consolidated financial statements
derived from the audited consolidated financial statements
for the year ended 31 December 2012**



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Auditors' Report

To the Board of Directors
BCS Holding International Limited

The accompanying summary consolidated financial statements, which comprise the summary consolidated statements of financial position as of 31 December 2012, 31 December 2011 and 1 January 2011, the summary consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for 2012 and 2011, and related notes, are derived from the audited consolidated financial statements of BCS Holding International Limited and its subsidiaries (the Group) as at 31 December 2012, 31 December 2011 and 1 January 2011, and for the years ended 31 December 2012 and 2011. We expressed an unmodified audit opinion on those consolidated financial statements in our report dated 10 June 2013.

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 31 December 2012, 31 December 2011 and 1 January 2011 and for the years ended 31 December 2012 and 2011 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

Moscow, Russian Federation



10 June 2013

(In thousands of Russian Roubles)

31 December 2012 31 December 2011 1 January 2011

ASSETS

Cash and cash equivalents	3 502 917	4 106 270	4 693 141
Mandatory cash balances with the CBR	107 520	95 895	44 060
Receivables from brokerage transactions	663 628	971 250	1 086 039
Receivables under resale agreements	33 831 666	16 440 144	12 008 465
Financial instruments at fair value through profit or loss	16 191 049	6 199 211	4 649 838
Financial instruments available-for-sale	40 010	790 142	-
Derivative assets	5 852	61 480	32 261
Loans to customers	1 898 095	3 575 192	4 084 703
Investment properties	1 649 260	1 500 478	2 140 650
Property, equipment and intangible assets	2 673 715	2 469 253	1 736 363
Prepayments and other assets	13 281 823	649 950	930 577
Deferred tax asset	111 720	118 530	129 941

TOTAL ASSETS	73 957 255	36 977 795	31 536 038
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LIABILITIES

Payables under repurchase agreements	27 143 617	9 596 044	5 892 558
Customer brokerage accounts	13 072 572	10 861 259	10 946 559
Financial instruments at fair value through profit or loss	10 761 633	2 500 216	2 657 063
Derivative liabilities	16 815	60 923	10 819
Current accounts and deposits	6 757 833	2 509 820	2 105 730
Payables and other liabilities	6 057 886	1 802 835	1 905 400
Deferred tax liability	637 906	602 138	592 691

TOTAL LIABILITIES	64 448 262	27 933 235	24 110 820
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EQUITY

Share capital	2 906	2 906	2 906
Revaluation surplus for land and buildings	758 349	621 297	516 035
Revaluation reserve for available-for-sale assets	-	(18 574)	-
Translation reserve	85 206	211 616	75 532
Retained earnings	8 629 389	8 279 803	6 861 968

Total equity attributable to sole participant	9 475 850	9 097 048	7 456 441
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Non-controlling interests	33 143	(52 488)	(31 223)
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TOTAL EQUITY	9 508 993	9 044 560	7 425 218
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TOTAL EQUITY AND LIABILITIES	73 957 255	36 977 795	31 536 038
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Approved for issue and signed on behalf of the Board of Directors on 10 June 2013.

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 2012	For the year ended 31 December 2011
Fee and commission income	1 149 645	2 146 309
Fee and commission expense	(384 863)	(372 343)
Net fee and commission income	764 782	1 773 966
Interest income	2 217 805	1 918 444
Interest expense	(821 672)	(415 211)
Net interest income	1 396 133	1 503 233
Net trading income	1 788 555	1 428 067
Net gains (losses) from revaluation of investment properties	104 315	(363 953)
Net impairment of property and equipment	(11 965)	(45 086)
Reversal of/ (provision for) impairment of loans, prepayments and other assets	444 785	(93 731)
Rental income from investment properties	193 856	191 793
Net gain on disposal of subsidiaries	185 202	160 770
Other operating income	65 490	179 076
Administrative and other operating expenses	(4 399 646)	(3 034 307)
Profit before tax	531 507	1 699 828
Income tax expense	(52 585)	(342 255)
Profit for the year	478 922	1 357 573
Other comprehensive income		
Items that will not be reclassified to profit or loss:		
Revaluation of land and buildings	160 653	140 405
Income tax relating to items that will not be reclassified	(32 131)	(28 081)
	128 522	112 324
Items that may be reclassified subsequently to profit or loss:		
Foreign currency translation differences for foreign operations	(126 410)	136 084
Net change in fair value of financial instruments available-for-sale	23 299	(23 299)
Income tax relating to items that may be reclassified	(4 660)	4 660
	(107 771)	117 445
Other comprehensive income for the year, net of tax	20 751	229 769
Total comprehensive income for the year	499 673	1 587 342
Profit for the year attributable to:	478 922	1 357 573
- Sole participant of the Company	474 696	1 403 878
- Non-controlling interests	4 226	(46 305)
Total comprehensive income attributable to:	499 673	1 587 342
- Sole participant of the Company	490 684	1 640 607
- Non-controlling interests	8 989	(53 265)

	For the year ended 31 December 2012 Attributable to sole participant of the Company							
<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 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								
Net change in fair value of assets available-for-sale, net of income tax	-	-	18 574	-	-	18 574	65	18 639
Revaluation of land and buildings, net of income tax	-	123 824	-	-	-	123 824	4 698	128 522
Foreign currency translation differences for foreign operations	-	-	-	(126 410)	-	(126 410)	-	(126 410)
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

	For the year ended 31 December 2011 Attributable to sole participant of the Company							
<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 2011	2 906	516 035	-	75 532	6 861 968	7 456 441	(31 223)	7 425 218
Total comprehensive income for the year								
Profit for the year	-	-	-	-	1 403 878	1 403 878	(46 305)	1 357 573
Other comprehensive income for the year								
Net change in fair value of assets available-for-sale, net of income tax	-	-	(18 574)	-	-	(18 574)	(65)	(18 639)
Revaluation of land and buildings, net of income tax	-	119 219	-	-	-	119 219	(6 895)	112 324
Transfer of revaluation surplus for land and buildings to retained earnings	-	(13 957)	-	-	13 957	-	-	-
Foreign currency translation differences for foreign operations	-	-	-	136 084	-	136 084	-	136 084
Other comprehensive income for the year	-	105 262	(18 574)	136 084	13 957	236 729	(6 960)	229 769
Total comprehensive income for the year	-	105 262	(18 574)	136 084	1 417 835	1 640 607	(53 265)	1 587 342
Transactions with owners, recorded directly in equity								
Change in ownership interests in subsidiaries	-	-	-	-	-	-	32 000	32 000
Total transactions with owners	-	-	-	-	-	-	32 000	32 000
Balance at 31 December 2011	2 906	621 297	(18 574)	211 616	8 279 803	9 097 048	(52 488)	9 044 560

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 2012	For the year ended 31 December 2011
Cash flows from operating activities		
Profit before tax	531 507	1 699 828
Adjustments for:		
Depreciation and amortisation	178 840	123 238
Reversal of/ (provisions for) impairment	(444 785)	93 731
Fair value (gains) losses on investment properties	(104 315)	363 953
Net impairment of property and equipment	11 965	45 086
Unrealised losses (gains) on debt and equity instruments	13 569	(247 252)
Net gain on disposal of subsidiaries	(185 202)	(160 770)
Unrealised losses from trading in foreign currencies	118 017	77 887
Loss on disposal of property and equipment	76 902	-
Cash flows from operating activities before changes in working capital	196 498	1 995 701
(Increase) decrease in operating assets		
Mandatory cash balances with the CBR	(11 625)	(51 835)
Receivables from brokerage transactions	170 416	114 789
Receivables under resale agreements	(19 006 322)	(4 431 679)
Financial instruments at fair value through profit or loss	(10 419 634)	(1 214 802)
Financial instruments available-for-sale	576 992	(813 441)
Loans to customers	1 687 798	524 337
Prepayments and other assets	(13 313 191)	172 070
Increase (decrease) in operating liabilities		
Payables under repurchase agreements	18 657 930	3 703 486
Customer brokerage accounts	2 402 355	(85 300)
Financial instruments at fair value through profit or loss	8 382 782	(179 799)
Current accounts and deposits	4 338 380	404 090
Payables and other liabilities	6 697 522	(204 062)
Income taxes paid	(74 333)	(169 922)
Net cash provided by (used in) operating activities	285 568	(236 367)
Cash flows from investing activities		
Acquisition of property and equipment	(379 637)	(688 736)
Acquisition of investment properties	(3 707)	(10 400)
Proceeds from sale of property and equipment	27 361	23 994
Proceeds from sale of investment properties	-	139 288
Proceeds from sale of subsidiaries	9 990	42 000
Net cash used in investing activities	(345 993)	(493 854)
Net decrease in cash and cash equivalents		
	(60 425)	(730 221)
Cash and cash equivalents at the beginning of the year	4 106 270	4 693 141
Effect of changes in exchange rates on cash and cash equivalents	(542 928)	143 350
Cash and cash equivalents as at the end of the year	3 502 917	4 106 270
Supplemental information		
Interest received during the year	2 209 062	1 851 485
Interest paid during the year	(777 125)	(410 306)

Background

These summary consolidated financial statements, which comprise the summary consolidated statements of financial position as at 31 December 2012, 31 December 2011 and 1 January 2011, the summary consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the years ended 31 December 2012 and 2011, and related notes are derived from the audited consolidated financial statements of BCS Holding International Limited for 2012 and 2011.

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 RTS (Russia), MICEX (Russia), 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 LTD*	UK

* Newly set up entity with limited operations in 2012.

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 the Federal Financial Markets Service (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; are a clearing broker-dealer and an investment adviser that principally transact 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. BCS Cyprus 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.

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 Central Bank of Russia. The Bank is a member of the state deposit insurance scheme in the Russian Federation. The activities of the Bank are regulated by the Central Bank of Russia.

The investment management business is run via OOO Investment Management Company Brokercreditservice 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 currently 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

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

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 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.

On 22 March 2013 the House of Representatives voted legislation relating to capital controls affecting transactions executed through banking institutions operating in Cyprus. The extent and duration of the capital controls is decided by the Minister of Finance and the Governor of the Central Bank of Cyprus and were enforced on 28 March 2013. Management is monitoring the developments in relation to these capital controls and is assessing the implications on the Group's operations. Under an agreement with the European Community, the European Central Bank and the International Monetary Fund the Cyprus government will receive EUR10 billion which will be used to restructure government debt and proceed with implementing a program of structural changes including a privatization program and efficiency drive.

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

Statement of compliance

These summary consolidated financial statements are derived from the consolidated financial statements, except that substantially all note disclosures are omitted.

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

The consolidated financial statements as of 31 December 2012, 31 December 2011 and 1 January 2011 and for 2012 and 2011 comprise the Group's first complete set of consolidated financial statements prepared in accordance with IFRS, and IFRS 1 *First-time Adoption of International Financial Reporting Standards* is applied. The Group has not previously prepared consolidated financial statements, and accordingly, no explanation of the transition to IFRS affecting the reported financial position, financial performance and cash flows is provided.