Nonbanking Credit Organization
“Interbank Credit Union”
(Limited Liability Company)

Financial Statement in compliance with International Financial Reporting Standards and Independent Audit Report for the Year Ended on December 31, 2013

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NOTES TO FINANCIAL STATEMENT AS OF DECEMBER 31, 2013

LIMITED LIABILITY COMPANY
RIAN-AUDIT
office 506, 141 Lyublinskayast., 109382, Moscow INN 7709426578 ORNZ 10303005835
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Ref. No 12/45 dated June 9, 2014

Audit Report

Target	Participants and other persons – users of Financial Statement of ICU Ltd for 2013 prepared in compliance with international standards
Audited entity	
Full name:	Nonbanking Credit Organization “Interbank Credit Union” (Limited Liability Company)
Short name:	ICU Ltd
State Registration Number:	
Central Bank of the Russian Federation	3242-K dated March 22, 1995
Ministry of the Russian Federation for Taxes and Levies	1027739043342 dated August 5, 2002
Location:	bldg 2, 19/38, Plotnikov lane, Moscow, 119002
Auditor	
Full name:	Limited Liability Company RIAN-AUDIT
Short name:	RIAN-AUDIT LLC
State Registration Number:	1037709050664 dated June 10, 2003
Location:	
Registered address:	office 506, 141 Lyublinskayast., Moscow, 109382
Operational headquarters:	bldg. 1, 10, Lenskayast., Moscow, 129327

Name of self-regulatory organization of auditors	Non-Commercial Partnership Moscow Auditor's Chamber
Number in the Register of Auditors and Audit Organizations	10303005835

We have conducted auditing of the enclosed Financial Statement of Nonbanking Credit Organization "Interbank Credit Union" (Limited Liability Company) consisting of the balance sheet as of December 31, 2013, income statement, statement of total recognized gains and losses, cash flow statement and the statement of changes in the owner's or stockholder's equity for the year ended on the specified date as well as the significant accounting policies and other notes.

Management Responsibility for Financial Statement

The management shall be responsible for preparation and faithful representation of this financial statement in compliance with the International Financial Reporting Standards. The Management responsibility involves: development, implementation and functioning maintenance of the internal control system regarding preparation and faithful representation of financial statement not containing material misstatements due to fraud or erroneous actions; selection and application of appropriate accounting policies; as well as formation of accounting estimates justified under the present circumstances.

Auditor's Responsibility

Our obligation involves expressing opinion concerning this financial statement on the basis of audit conducted by us. We have conducted audit in compliance with the International Audit Standards. According to these standards we shall comply with the principles of professional ethics as well as plan and conduct audit in the manner to obtain reasonable assurance that the financial statement does not contain any material misstatements.

Audit involves conducting procedures necessary to obtain audit evidence regarding the amounts and information disclosed in the financial statement. Procedure selection depends on auditor's judgment including risk assessment of material misstatement of financial statement due to fraud or erroneous actions. Assessing this risk, auditors analyze the internal control system, of ICU Ltd in terms of preparation and faithful representation of financial statement in order to develop audit procedures conforming to the present circumstances but not to express the opinion concerning efficiency of the internal control system of ICU Ltd. Moreover, audit includes analysis of appropriateness of the applied accounting policy and reasonableness of accounting estimate of the management as well as analysis of financial statement representation in general.

We consider that the audit evidence obtained by us provide reasonable grounds to express opinion regarding this financial statement.

Auditor's Opinion

According to our opinion the enclosed financial statement reflects reliably in all material respects financial situation of ICU Ltd as of December 31, 2013 as well as results of its activity and cash flow over the year ended on the specified date in compliance with the International Financial Reporting Standards.

Deputy Director General of RIAN-AUDIT LLC
Power of Attorney dated February 1, 2014 **A.N. Gubankov**

June 9, 2014

Round seal: / Limited Liability Company RIAN-AUDIT, OGRN 1037709050664, Moscow/

Balance Sheet
As of December 3, 2013

	Note	December 31,2013	December 31,2012
ASSETS			
Cash and cash equivalents	5	2 080 235	1 605 819
Fixed assets	6	3 658	2 905
Current tax assets		528	468
Other assets	7	10 111	17 514
TOTAL ASSETS		**2 094 532**	**1 626 706**
LIABILITIES			
Payables to banks	8	1 931 175	1 469 699
Payables to customers	9	63 971	80 619
Other liabilities	10	904	884
Deferred tax liability	16	136	101
TOTAL LIABILITIES		**1 996 186**	**1 551 303**
EQUITY CAPITAL			
Authorized capital	11	198 397	198 397
Accumulated deficit		(100 051)	(122 994)
TOTAL EQUITY CAPITAL		**98 346**	**75 403**
TOTAL LIABILITIES AND EQUITY CAPITAL		**2 094 532**	**1 626 706**

Approved and signed on behalf of the Board on May 5, 2014

V.L. Sharenda
Deputy Chairman
of the Board

S.N. Kuznetsova
Chief Accountant

Round seal: /Limited Liability Company. CB RF No 3242-K. Moscow, Nonbanking Credit Organization, "Interbank Credit Union"/

Income Statement
for the Year Ended on December 31, 2013

	Note	2013	2012
Interest return	12	119 882	63 140
NET INTEREST INCOME	**12**	**119 882**	**63 140**
Gains less losses from foreign currency revaluation		28	(8)
Fee and commission income	13	2 381	1 812
Fee and commission expenses	13	(352)	(288)
Change of provisions for impairment	7	(10)	-
Other operating income	14	3 121	5 591
NET INCOME		**125 050**	**70 247**
Operating expenses	15	(96 214)	(66 775)
INCOME BEFORE TAX		**28 836**	**3 472**
Income tax expense	16	(5 893)	(796)
NET PROFIT		**22 943**	**2 676**

V.L. Sharenda
Deputy Chairman
of the Board

S.N. Kuznetsova
Chief Accountant

Round seal: /Limited Liability Company, CB RF No 3242-K, Moscow, Nonbanking Credit Organization, "Interbank Credit Union"/

Statement of Recognized Income
for the Year Ended on December 31, 2013

	Note	2013	2012
PROFIT FOR THE YEAR RECOGNIZED IN THE INCOME STATEMENT		**22 943**	**2 676**
OTHER COMPONENTS OF TOTAL RETURN NET OF TAX		**-**	**-**
ONE YEAR TOTAL RETURN		**22 943**	**2 676**

V.L. Sharenda
Deputy Chairman
of the Board

S.N. Kuznetsova
Chief Accountant

Round seal: /Limited Liability Company, CB RF No 3242-K, Moscow, Nonbanking Credit Organization, "Interbank Credit Union"/

Statement of Changes in Owner's or Stockholder's Equity for the Year Ended on December 31, 2013

	Note	Authorized capital	Accumulated deficit	Total capital
BALANCE AS OF DECEMBER 31, 2011		**198 397**	**(125 670)**	**72 727**
Consolidated income recognized for the year ended onDecember 31, 2012		**-**	2 676	**2 676**
BALANCE AS OF DECEMBER 31, 2012		**198 397**	**(122994)**	**75403**
Consolidated income recognized for the year ended on December 31, 2013		**-**	22 943	**22 943**
BALANCE AS OF DECEMBER 31, 2012		**198 397**	**(100 051)**	**98 346**

V.L. Sharenda
Deputy Chairman of the Board

S.N. Kuznetsova
Chief Accountant

Round seal: /Limited Liability Company, CB RF No 3242-K, Moscow, Nonbanking Credit Organization, "Interbank Credit Union"/

Cash Flow Statement
for the Year Ended on December 31, 2013

	Note	2013	2012
OPERATIONAL CASH			
Interest earned		128 809	47 547
Fees and commissions earned		2 381	1 812
Fees and commissions paid		(352)	(288)
Other operating revenues		3 121	5 591
Operating expenses paid		(94 919)	(65 613)
Profit tax		(5 923)	(1 292)
Cash used in/earned from operating activities before changes in operating assets and liabilities		**33 117**	**(12 243)**
Change of operating assets and liabilities			
Net change for other assets		(1 525)	(991)
Net change forfunds of credit institutions		461 474	1 450 627
Net change forpayables to customers		(16 648)	26 336
Net change forother liabilities		-	138
Net cash used in operating activities		**476 418**	**1 463 867**
CASH FROM INVESTMENT ACTIVITY			
Fixed assets acquisition	6	(2 023)	(1 856)
Net cash earned from/ used in investment activity		**(2 023)**	**(1 856)**
Impact of change of official exchange rate of the Bank of Russia on cash and cash equivalents		**21**	**(12)**
Net (decrease)/increase of cash and cash equivalents		**474 416**	**1 461 999**
Cash and cash equivalents at the beginning of the year	5	1 605 819	143 820
Cash assets and cash equivalents at the year-end	5	**2 080 235**	**1 605 819**

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V.L. Sharenda
Deputy Chairman
of the Board

S.N. Kuznetsova
Chief Accountant

Round seal: /Limited Liability Company, CB RF No 3242-K, Moscow, Nonbanking Credit Organization, "Interbank Credit Union"/

NOTES TO FINANCIAL STATEMENT
as of December 31, 2013

1. Core Activity

This financial statement of Nonbanking Credit Organization "Interbank Credit Union" (Limited Liability Company) (hereinafter - ICU Ltd or the Company) is prepared in compliance with the International Financial Reporting Standards for the year ended onDecember 31, 2013.

The Company was registered on March 22, 1995.The Credit Organization exercises its activity based on the license of the Central bank of the Russian Federation dated March 26, 2001 No 3242 – Kfor exercising the following banking operations for funds in rubles and foreign currency:

- opening and keeping of bank accounts of legal entities;
- payments settlements under commission of legal entities including correspondent banks against their banking accounts;
- purchase and sale of foreign currency in non-cash form.

Registered address and place of business: bldg. 2, 19/38 Plotnikov lane, Moscow, 119002.

In 2013ICU Ltd had no branches.

On December 26, 2012 ICU Ltd was officially recorded by the Bank of Russia into the Register of Payment System Operators (Registration No 0016)as Financial Settlements Center of Payment System "CUSTOMS CARD", registered in compliance with requirements of Federal Law dated27.06.2011 No 161 – FL "Concerning the National Payment System".

ICU Ltd exercises functions of the Financial Settlements Center of Payment System "CUSTOMS CARD" and effects non-cash settlements in the currency of the Russian Federation on behalf and by order of legal entities connected with each other by the system of contractual relations participating in settlements using customs cards accepted by the customs bodies of the Russian Federation in payment of customs duties, taxes and levies and etc.

According to Participant Agreement No B 003/2004 in payment System "CUSTOMS CARD" dated 28.02.2013, concluded between ICU Ltd and "CUSTOMS CARD" LLC, ICU Ltd is the participant of the Payment System and exercises functions of the operator for funds transfer in conditions stipulated by the Payment System's Rules.

The basis of the client basis of ICU Ltd is composed of banks – issuers of customs cards of"CUSTOMS CARD" LLC by whose orderICU Ltd commits transactions on payments into the budget (customs payments).

The allocation area of cash assets ofICU Ltd on its own behalf and for its own account is restricted with requirements of the applicable Russian legislation (Instructions of the Bank of Russia dated 26.04.2006 No 129-I "Concerning Banking Transactions and other transactions of Financial Settlement Nonbanking Credit Organizations, Statutory Requirements of Financial Settlement Nonbanking Credit Organizations and Peculiarities of Surveillance over their Compliance by the Bank of Russia") and constituent entities of the Company.

ICU Ltd has open correspondent accounts in banks residents of the Russian Federation. The Company is the member of the Russian Banker's Association, Association of Regional Banks, member of international association S.W.I.F.T.

The sole participant of the Company is “CUSTOMS CARD” LLC.Operating results of the company is development of the customs payment system as well as reduction of term of customs clearing of the goods. Currently the customs card is issued by 100 banks, the payment terminals are installed in more than 300 points of customs clearance all over Russia.

Actual personnel of ICU Ltd for December 31, 2013composed 31people (2012: – 29people).

This financial statement is presented in Russian rubles (hereinafter - RUR) unless otherwise is indicated.

2. Economic Environment of ICU Ltd.’s Activities

ICU Ltd exercises its activities in the territory of the Russian Federation.

The major trend of 2013 in the Russian economy is considerable slowdown of economic growth resulted in decrease in growth rates of GDP in 1023 up to 1.3%, according to preliminary assessment of the Ministry of Economic Development of the Russian Federation, mainly due to low investment demand. External factors also affected in many respects the economic trends in Russia in 2013. In 2013 substantial capital outflow from developing markets including Russia was outlined that was caused by the plans of the US Federal Reserve System for reduction of the third round of quantitative easing (QE3). As the result, ruble over 2013 lost 7.2% of its value against dollar and 10.5% against Euro having intensified depreciation trend determined by fundamental factors. In spite of relative stability of oil prices in 2013 reduction of net surplus of current account along with the above-mentioned negative factors had adverse impact on prospects of the Russian ruble. Inflation at the year-end 2013 composed 6.5%, having exceeded the upper limit of the benchmark of the Central Bank of the Russian Federation.

Development of the banking sector in Russia in 2013 was characterized with deterioration of conditions for operating activities. In the accounting 2013 increase of the level of refinancing and credit risks in the banking sector was caused by the following adverse trends:

- bank’s overexposure to financing provided by the Bank of Russia caused by aspiration of the banks to minimize the cost of funding, tight liquidity and insufficient funding required for further growth of crediting;
- very rapid growth of retail lending of speculative character (in particular, in the form of cash assets and unsecured consumer loans) with insufficient earning power of the banks to create provisions.

Reduction of net surplus of current accounts along with capital outflow resulted in weakening of the basic supportive factors for the exchange rate of the Russian ruble due to which the Bank of Russia had to conduct currency interventions which started in May, 2013 and resulted in some tension in the situation with liquidity at the monetary market of the Russian ruble. As the result of this, the Central Bank gradually increased volumes of banking sector’s refinancing especially during tax periods. Indebtedness of the banks to the Bank of Russia on repo transactions reached its maximum – 3 trillion RUR. During the whole year rates at the interbank market were preserved at high level amounting up to the upper limit of the cap and floor established by the Bank of Russia during tax periods.

Among the main changes of the environment wherein the Company exercised its activities may be mentioned new activity priorities of the bank of Russia on improvement of the banking system and the banking supervision in 2013, determined by requirements of the Russian legislation on enhancement of stability the Russian banking system, increase of protection levels of depositors and creditors, on bringing of the bank regulation and bank supervision system in compliance with the international standards established among other documents by the documents of the Basel Committee on Banking Supervision.

Development of the payment system of the Bank of Russia aimed at extension and refinement of services provided to its participants in compliance with the Payment System Development Concept of the Bank of Russia for the period by 2015 including implementation in 2013 of auxiliary capacities for liquidity management in on-line mode, speeding up of processing of irrevocable payments received through Banking Electronic Speed Payment System (BESP), and Continuous Mode of Payments Processing have become the basis for speeding up of settlements conducted by ICULtd on accounts of credit organizations – participants of the Payment System "CUSTOMS CARD", optimization of their current operating balance computation for successful performance of transactions with application of plastic customs cards.

Foreign trade turnover of Russia in 2013 showed insufficient increase for 0.5% per annum in particular, export composed $523.3 bln and reduced for 0.9%, import - $344.3 bln and provided increase for 2.6% according to the data of the Federal State Statistics Service (Rosstat). Consequently, increment of turnover on accounts of the participants of the Payment System "CUSTOMS CARD"opened in ICU Ltd reflecting the activity level of participants of foreign economic activities on payment of customs duties into the budget of the Russian Federation was mainly restricted with general trends in foreign trade activities: reduction of average weighted rates of import customs duties due to entrance of the Russian Federation into the World Trade Organization, forecasted fall in oil prices of Urals blend and consequently, volume reduction of export customs duties for oil and oil products, reduction of average rates of export customs duties for other exported goods due to entrance of the Russian Federation into the World Trade Organization. In conditions of restricted growth rates of foreign economic activity indices the improvement basis of financial indices of ICU Ltd.'s activity was composed by extension of Payment System's participants and participants of the foreign economic activities performing settlements using plastic customs cards, control augmentation of risk-free assets accumulated by the Company.

During the whole accounting period the management of ICU Ltd conducted regular monitoring and assessed all trends able to affect development of the banking sector and economy in general in prospect due to determine probability of their impact on financial position of the Company. However, risk-free character of activities of financial settlement nonbanking credit organizations determined by regulatory restrictions of the Bank of Russia for conducting of some transactions by them enabled the management of ICU Ltd to consider that the Company's exposure to negative events occurred in the Russian economy was less than that experienced by the banks.

3. Basics of Financial Statement's Presentation

General Provisions.The presented financial statement is non-consolidated financial statement prepared in compliance with the International Financial Reporting Standards (hereinafter - IFRS) including all earlier accepted standards and interpretations of the IFRS Standing Interpretations Committee, based on the accounting rules for initial cost as adjusted for fixed assets revaluation.

The Company keeps accounting records and presents accounting statements in the currency of the Russian Federation in compliance with the Russian laws on accounting and banking activity and relevant regulatory acts. The enclosed financial statement is based on the data of compulsory accounting reporting compiled according to the Russian legislation by corrections and reclassifications necessary to bring it in compliance with all material aspects of IFRS.

The principles of accounting policies used for preparation of this financial statement are presented below. These principles were applied sequentially in regard with all periods presented in the financial statement unless otherwise is specified in particular.

Functional currency.The currency applied in the basic economic environment wherein the Company exercises its activities is determined as the functional currency.AsICU Ltd is registered in the territory of the Russian Federation, the functional currency is the national currency of the Russian Federation – Russian ruble as it reflects economic essence of the happening events and circumstances.

Use of estimates and judgments.Preparation of the financials statement in compliance with IFRS requires from the Company's management generation of estimates and judgments affecting the amounts of assets and liabilities presented in the statement as well as the amounts of income and expenses for the accounting period. The specified estimates are based on the information available as of the date of statement preparation so actual results may differ from the estimated data.

Estimates and expert judgments are revised on the permanent basis and are analyzed on the basis of the management's experience and other factors including expectations regarding future events which according to the management's opinion are reasonable in the light of current circumstances.

Changes in the accounting estimates are recognized in the period when they occur in case they these changes affect only this period. Moreover, changes in accounting estimates may be recognized as in the revision period as in future periods in case they affect these periods.

Transfer to New or Revised Standards and Interpretations

New and revised IFRS and interpretations listed below became binding for the Company starting from January 1, 2013.

IFRS 10 "Consolidated Financial Statement".IFRS 10 presents the unified control model applied for all enterprises including special-purpose enterprises. Changes presented inIFRS 10 require from the management to apply reasonable judgments for determining enterprises under their control for their inclusion into the consolidated statement of the parent company as compared to requirements which were presented earlier in IAS 27. In additions toIFRS 10 a special guide regarding agency relationship is presented. IFRS 10 substitutes a part ofIAS 27 *"Consolidated and Non-Consolidated Financial Statement"* regarding accounting rules for the consolidated reporting. The Standard also includes the issues reflected in SIC-12 *"Consolidation – Special-purpose enterprises"*. This standard comes into force for yearly period starting from January 1, 2013 or after this date.

IFRS 11 "Joint Venture Agreement".IFRS11 excludes possibility of accounting of joint ventures using the method of proportional consolidation. Instead of this, these jointly managed enterprises satisfying the criteria of a joint venture shall be accounted using the equity method. IFRS11 substitutes IAS 31 *"Participation in Joint ventures" and* SIC 13 *"Jointly Controlled Entities – Non-Monetary Contributions of the Participants"* andcomes into force for yearly periods starting from January 1, 2013 or after this date.

IFRS 12 "Information Disclosure on Participatory Shares in Other Entities".IFRS12 contains all requirements to information disclosure earlier contained in IAS 27 *"Consolidated and Separate Financial Statement"* in terms of consolidated financial statement as well as requirements to information disclosure earlier contained in standards IAS 31 *"Participation in Joint Ventures"* andIAS 28 *"Associated Company Investments"*.These requirements apply to participatory shares in subsidiaries, joint ventures, associated companies and concerns. Several new requirements for information disclosure have been introduced in this standard. IFRS 12 is applied for yearly periods starting from January 1, 2013.

IFRS 13 "Fair Value Measurement".IFRS 13 establishes unified guidance for determination of fair value in IFRSand establishes the procedure of information disclosure on fair value measurement. IFRS 13 does not change requirements to application of fair value in certain cases but it provides guidance concerning measurement of fair value in IFRSin cases when fair value measurement is required or allowed. First application ofIFRS 13 is applied for yearly periods starting from January 1, 2013.Application ofIFRS 13 does not affect measurement of fair value of the assets and liabilities of the Company recorded for their fair value.

IAS 27 "Non-Consolidated Financial Statement". It was revised in May, 2011.Due toacceptance of new standards IFRS 10 *"Consolidated Financial Statement"* andIFRS 12 "*Information Disclosure on Participatory Shares in Other Entities*", IAS 27 is restricted by accounting of subsidiaries, jointly controlled entities and associated companies in the non-consolidated accounting. IAS 27 envisages that the entity compiling separate financial statement shall record such investments at cost price or in compliance with IFRS 9*"Financial Instruments"*.Changes come into force for yearly periods starting from January 1, 2013 or after this date.IAS 27 has no material effect on financial statement of the Company.

IAS 28 "Investments into Associated Companies and Joint Ventures", it was revised in May, 2011. IAS 28 substitutesIAS 28 *"Investments into Associated Companies"* and describes application of the equity method to joint ventures in addition to associated companies. The revised version comes into force for yearly periods starting from January 1, 2013 or after this date.

Amendments toIAS 19"Employee Benefits". IAS Board (IASB) published amendments toIAS 19 *"Employee Benefits"*, coming into force for yearly periods starting from January 1, 2013 or after this date, anticipating substantial changes in accounting of payments to employees which include exclusion of possibility of deferred recognition of changes in assets or pension plan liabilities (known as "corridor approach"). Moreover, these amendments restrict changes of net benefit assets (liabilities) recognized through profit or loss to only interest incomes (expenses) or cost of services. These amendments have had no effect on the financial statement of the Company.

Amendmentsto IAS 1 "Presentation of Financial Statements"–"Changes in Presentation of Other Consolidated Income Articles". Amendments to IAS 1 *"Presentation of Financial Statements"* come into force for yearly periods starting from July 1, 2012 or after this date and change the grouping of articles reflected in other consolidated income. Articles which may be reclassified into profit or loss in the future (for example, at derecognition or regulation) will be presented separately from the articles which will be never reclassified. These amendments change presentation of the other consolidated income statement but do not affect the financial status or operational performance.

"Information Disclosure –Offset of Financial Assets and Financial Liabilities" – Amendments toIFRS 7"Financial Instruments: Information Disclosure" come into force for yearly periods starting from January 1, 2013 or after this datewith retrospective application. This information disclosure will provide users of financial statement with information useful in terms of assessing effect or potential effect of offset on financial position of entities; analysis and comparison of financial statements prepared in compliance with IFRSand generally accepted accounting principles of the USA.Amendments have not affected financial status or activity results of the Company.

Improvement of International Financial Reporting Standards. Amendments come into force for yearly periods starting from January 1, 2013 or after this date.

- *IFRS 1 "First Application of International Financial Reporting Standards:* this improvement explains that the entity that stops application of IFRSin the past and decides or is obliged to prepare reporting according to IFRS, is entitled to applyIFRS 1 repeatedly. If IFRS 1 is not applied repeatedly, the entity shall recalculate financial statement retrospectively as if it has never stopped application ofIFRS.
- *IAS 1 "Presentation of Financial Statement":* this improvement explains the difference between additional comparative information presented on a voluntary basis and minimum of required comparative information. As a rule, the minimum required comparative information is the information for the previous accounting period.

- *IAS 16 “Fixed Assets”:* this improvement shall explain that the initial spare parts and auxiliary facilities satisfying definition of fixed assets are not inventories.
- *IAS 32 “Financial Instruments: Information Presentation:* this improvement explains that the profit tax related to payments in favor of shareholders is accounted in compliance withIAS 12 “Profit Tax”.
- *IAS 34 “Interim Financial Statement”:* this improvement brings into compliance the requirements concerning disclosure in the interim financial statement of the information on total assets of the segment with the requirements to disclosure of the information on segment’s liabilities in it. According to this explanation disclosure of the information in the interim financial statement shall also comply with information disclosure in the annual financial statement.

Amendments to Guidance on Transitional Provisions toIFRS 10 “Consolidated Financial Statement”, IFRS 11 “Joint Venture” and IFRS 12 “Information Disclosure on Participatory Shares in Other Entities”(issued in June, 2012 and come into force for yearly periods starting from January 1, 2013). These amendments contain explanations on the guidance on transitional provisions toIFRS 10. These amendments provide additional release for the transition period toIFRS 10, IFRS11 andIFRS 12 by restricting requirements for provision of corrected comparative data only for the previous comparative period. Moreover, due to introduction of amendments the requirement for provision of comparative data within the frames of information disclosure related to non-consolidated concerns for the periods before application of IFRS 12 has been cancelled.

The above-mentioned new or revised standards or interpretations having come into force from January 1, 2013 have not had material effect on accounting policy, financial status or activity results of the Company.

New Accounting Provisions

A range of new standards and interpretations binding for accounting periods starting from January 1, 2014 or after this date has been published and which the Company has not been accepted prematurely:

IFRS 9 “Financial Instruments”.IFRS 9, issued in November, 2009 with amendments introduced in October, 2010, December, 2011 as well as in November, 2013 according to the results of two of three stages of the project of the IFRS Board for substitution ofIAS 39 *“Financial Instruments: Recognition and Measurement”*, is applied in regard to classification and assessment if financial assets and liabilities as well as hedge accounting. The standard shall not set the date of compulsory application and may be applied on a voluntary basis. Application ofIFRS 9 shall affect classification and estimate of financial assets of the Company without any affecting of classification and estimate of financial liabilities of the Company. In particular, all financial assets estimated afterwards shall be recorded according to depreciate value or according to fair value through income statement accounts, herewith irrevocable selection of recalculation recording of equity financial instruments inappropriate for trading through other components of consolidated income of the Consolidated Income Report is possible. The majority of requirements for classification and measurement of financial liabilities were transferred intoIFRS 9 mainly without amendments fromIAS 39*“Financial Instruments: Recognition and Measurement”*.The main difference is reflection and disclosure of information about effect of changes of own credit risk of financial liabilities classified within the category of recorded for fair value through income statement accounts within the scope of other consolidated income. CurrentlyICU Ltd assesses impact ofIFRS 9 on the financial statement.

“Offset of Financial Assets and Financial Liabilities” - Amendments to IAS 32 “Financial instruments: Presentation”. Issued in December, 2011.These amendments explain the concept “currently having legislatively possible right of offset” and explain application of offset criterion applied in IAS 32 for settlement systems (such as clearing settlement system) which apply the mechanism of non-simultaneous gross settlements.Amendments comeinto force for yearly periods starting from January 1, 2014 or after this date with possibility of retrospective application.

"Investment Companies" - Amendmentsto IFRS 10 "Consolidated Financial Statement", IFRS 12 "Information Disclosure on Participatory Shares in Other Companies" and IAS 27 "Separate Financial Statement". These amendments anticipate exclusion from the requirement regarding the companies satisfying the definition of the investment company according to IFRS 10. According to the exclusion from the requirement regarding consolidation, investment companies shall record subsidiaries at fair value through profit or loss. Amendments come into force for yearly periods starting from January 1, 2014 or after this date.

"Novation of Derivative Instruments and Continuation of Hedge Accounting - Amendments toIAS 39 "Financial Instruments: Recognition and Measurement". Amendments release from necessity to stop hedge accounting in case when novation of the derivative instrument classified as the hedge instrument satisfies certain criteria. Amendments come into force for yearly periods starting from January 1, 2014 or after this date. The Company considers that these amendments shall not have material impact on financial statement as the Company does not apply hedge accounting according toIFRS.

Interpretation of IFRIC 21 "Mandatory Payments".Interpretation explains that the company shall recognize the liability regarding duties and other mandatory payments if the activity determining payment liability established by relevant legislation is applicable. In case of mandatory payment the need to pay which occurs due to achievement of some minimum threshold value, the interpretation explains that the liability shall not be recognized until certain minimum threshold value is achieved.Interpretation of IFRIC 21 comes into force for yearly periods starting from January 1, 2014 or after this date.

"Defined Benefit Plans: Employee's Contributions - Amendments to IAS 19 Employee Benefits" (issued in November, 2013 and come into force for yearly periods starting from July 1, 2014). This amendment allows the entities to recognize the employee's contributions as diminution of services cost in the period when relevant services of the employees were rendered instead of distribution of these contributions according to the periods of services rendering, if the amount of the employee's contribution does not depend on duration of the employed service.

Currently, ICU Ltd is studying provisions of new standards, their impact on the Company and the dates of their acceptance. According to the opinion of ICU Ltd application of IFRS listed above shall not have a material impact on the financial statement of the Company.

4. Basic Principles of the Accounting Policy

Initial Recognition of Financial Instruments.With initial recognition of the financial asset or financial liabilityICU Ltd records it according to fair value plus, in case of the financial asset which is not measured according to fair value through profit or loss, transaction costs directly related to acquisition of the financial asset. The best confirmation of the fair value at initial recognition is the transaction price. Profit or loss at initial recognition are recognized only in case there is difference between the fair value and the transaction price which may be confirmed by other observable current transactions with the same instrument at the market or the measurement method that use only the data observable at the open market as the basic data.

Purchase and sale of financial assets delivery of which shall be performed within the time period established by the legislation or good business practices characteristic of this market (purchase and sale under "standard conditions") are recorded on the date of transaction conclusion, which means the date when the Company shall receive or deliver the financial instrument. All other transactions on purchase and sale are recognized when the Company becomes the contracting party regarding this financial instrument.

Impairment of financial assets accounted by depreciated value.For recognition of accepted risks the Company assesses presence of objective attributes of financial assets impairment except for the ones measured at fair value through profit or loss as of each accounting date. The financial asset is determined as depreciated when there is an objective evidence of impairment due to one or several events happened after initial recognition of the asset ("event of loss") and in case this event of loss has such impact on future cash flows on the financial asset which may be estimated reliably. This estimation is conducted individually for financial assets each of which is considered significant or collectively for financial assets when each of them is not significant.Should the Company has no objective evidence of depreciation for individually estimated financial asset (regardless of its significance) this asset is included into the group of financial assets with similar characteristics of credit risk and is assessed in aggregate with them for impairment. The main factors taken into account by the Company when considering the question of financial asset impairment are:

- delay of any next settlement providing that untimely payment cannot be explained by delay in operation of settlement systems;
- the borrower has substantial financial difficulties that is proved with financial information on the borrower available to the Company;
- the borrower is under threat of bankruptcy or financial reorganization;
- there is negative change of payment status of the borrower conditioned by changes of national or local economic conditions affecting the borrower;
- collateral value falls considerable due to deterioration of the situation at the market.

The Company does not recognize losses from impairment at initial recognition of financial assets.

Future cash flows in the group of financial assets which are jointly measured for impairment are determined based on contractual cash flows related to these assets and based on the statistics available to the management regarding overdue amounts which may occur in future due to last events of loss as well as successful indemnification of overdue debt.Statistics of previous years is corrected based on the current observable data to record impact of current conditionswhich have had no effect on previous periods and to eliminate the effect of previous events non-existing in the current period.

Losses from impairment are recognized by formation of provisions in the amount necessary to reduce the balance sheet asset up to current value of future cash flows (without taking into account of future but not yet incurred losses) discounted at initial effective interest rate for this asset.

Should the amount of loss from impairment of financial asset decrease in the next period and this decrease may be objectively referred to the event happened after impairment recognition of the financial asset, the loss from impairment recognized before shall be recovered by correction of the formed provisions through the annual income statement.

Financial assets which cannot be retired and in which respect all necessary procedures for full or partial recovery have been completed and the final amount of loss has been determined shall be written off on account of formed provisions for possible impairment losses.

Derecognition of financial instruments. The Company stops recognizing financial assets, (a) when these assets are retired or rights related to these assets have expired in any other way, or (b) the Company has transferred the rights for cash flows from these financial assets or preserved the rights for cash receipts from such asset with simultaneous assuming of liabilitiestop pay them in full to the third party without material delays or have concluded the transfer agreement and herewith (1) it has also transferred in essence all risks and benefits related to possession of such assets or (2) it has not transferred or preserved in essence all risks and benefits related to possession of such assets but has lost the right of control regarding these assets. The control shall be preserved if the contracting party has no practical possibility to sell the asset in full to the unrelated third party without introduction restrictions for sale.

Derecognition of financial liabilitiestakes place in case of execution, cancellation or expiry of relevant liability. Replacing one existing financialliability for another liability to the same creditor under substantially different terms or in case of introduction of material changes into the terms of the existing liability shall result in derecognition of the initial liability whereas a new liability is recognized in the accounting at fair value with recognition of difference in balance sheet value of liabilities within the scope of profit or loss.

Key estimation methods.Financial instruments are accounted at fair value or depreciated value depending on their classification. Description of these estimation methods is given below.

Fair value is the price which was received at sale of the asset or paid at transfer of the liability in condition of an ordinary transaction between the market participantsas of the estimation date at the primary market or in its absence at the best market to which the Company has access on the specified date.

Fair value is the current demand price for financial assets, current offer price for financial liabilities, quoted at the active market and the average price between the current offer and demand prices when the company is in the short or long position for the same financial instrument. The financial instrument is quoted at the active market if quotations on these instruments are determined on a regular basis and information on them is available at the stock exchange through information and analytical systems or in other information sources providing that such quotations are the result of real and regular market transactions conducted in standard market conditions. In absence of current quotations at the active market to measure fair value as of the date of statement preparation the last available quotation from external independent sources shall be applied unless material change of economic conditions have taken place from the date of its determination.

Measurement of fair value is based on going concern assumption anticipating that the entity has no intention or need to go into liquidation or conduct transactions under disadvantageous conditions. Thus, fair value is not equivalent to the amount received by the Company conducting the transaction under pressure, enforced liquidation or sale-out of property in repayment of debts.

To measure fair value of financial instruments for which there is no available information on market prices (quotations) from external sources, the model of discounted cash flows is used. In case there is a method of financial instrument measurement widely applied by the market participants which has proved reliability of estimates and prices resulted from actual market transactions such estimation method may be applied to determine the instrument's price.For calculations made by using these estimation methods it may be necessary to form judgments not proved by observable market data. Should the change of judgments towards possible alternative result in material changes of profit, revenues, total assets or liabilities, the required disclosures are given in this financial statement.

The Company classifies the information used at measurement of fair value of the financial instrument depending on initial data used at estimation in the following manner:

- current prices (quotations) of the active market for financial instruments similar to the assessable financial instruments to which the Company may acquire access as of the estimation date which do not require any corrections (1 level);
- in the absence of information on current prices (quotations) – price of the last transaction conducted at the active market if no material changes of economic conditions happened from the date of its execution to the end of the accounting period and current prices (quotations) for

comparable financial instruments if from the date of transaction's execution the terms have not changed (2 level);

- prices calculated using estimation methods initial data for which are not based on observable market data (3 level).

*Depreciated value*is the cost of the financial instrument at initial recognition after deduction of received or paid cash assets (principal amount, interest revenues (expenses) and other payments determined by the contractual terms), corrected for the amount of accumulated depreciation, difference between the recognized and actually received (payable) amount (bonus or discount) on the financial instrument as well as for the amount of the recognized impairment of the financial asset. Depreciation of the specified difference is executed with application of effective interest method. Accreted interests include depreciation of deferred expenses for transaction settlement at initial recognition and bonuses or discounts using the effective interest method. The accreted interest revenues and accreted interest expenses including accrued coupon yield and amortized discount and bonus are not showed individually but included into the balance sheet value of the balance sheet's articles.

Recalculation of cash flows and effective rate for financial assets and financial liabilities with variable rate takes place on the date of new coupon(interest) rate establishing. Recalculation of effective rate is conducted on the basis of the current depreciated value and expected future payments. Herewith, the current depreciated value of the financial instrument does not change and follow-up recalculation of depreciated value is executed using new effective rate.

Effective interest method is the calculation method of the depreciated value if the financial asset or financial liability and distribution of the interest income or interest expenses during the relevant period in order to obtain the constant interest rate (effective interest rate) on current value of the instrument. The effective interest rate is the rate providing accurate discounting of estimated future cash payments or receipts during the expected time of financial instrument's existence or, if applicable, for a shorter period of time to net balance sheet value of the financial asset or liability. Calculating effective interest rateICU Ltd assesses cash flows with due account of all contractual terms regarding the financial instrument without taking into account future credit losses. Such calculation includes all fees and charges paid and received by the parties under the contract and composing an integral part of the effective interest rate as well as transaction costs and all other bonuses or discounts.

Transaction costs are additional expenses directly related to acquisition, issue or retirement of the financial instrument and include remuneration and commissions paid to agents, brokers, dealers, duties paid to regulatory authorities and stock exchanges as well as taxes and levies charged at property transfer. Transaction costs do not include premiums or discounts for debt liabilities, financing charges, internal administrative expenses or storage costs.

Accounting principles used for cost estimation of financial assets and liabilities are disclosed in relevant provisions of accounting policy described below.

Cash assets and cash equivalents.Cash assets and cash equivalentsare short-term highly liquid investments easily converted into the sum of money known beforehand and undergoing low risk of their value changing.

Cash assets and cash equivalentsinclude balances on accounts in the Bank of Russia (except for balances on the statutory reserve accounts), balances on correspondent accounts in credit organizations.The amounts bearing any restrictions for their use are excluded from the scope of cash assets and cash equivalents.

Fixed assets.Fixed assetsare recorded according to acquisition cost corrected up to purchasing power equivalent of currency of the Russian Federation as of January 1, 2003for assets acquired before

January 1, 2003 after deduction of accumulated depreciation and provision for impairment (when required).

Construction-in-progress is recognized at initial cost less provision for impairment (if required). Upon completion of construction the assetsare transferred into relevant category of fixed assets and recognized at balance sheet value as of the date of transfer. Construction-in-progress is not subject to depreciation until commissioning.

As of each accounting date the Company identifies presence of any attributes of fixed assets impairment. In the presence of such attributes the Company assesses the recoverable amount which is determined as the largest from the fair values net of expenses for sale and value in use.

Value in use is the discounted cost of future cash flows expected to receive from fixed assets. Calculation of value in use includes assessment of future cash flows and outflows due to further use of fixed assets and resulted from their retirement at the end of service life as well as application of proper discount rate.

In cases when the balance sheet value of the fixed asset exceeds its estimated recoverable value, the balance sheet value of this asset is reduced up to the recoverable value and the generated difference is taken into account in the income statement as impairment loss. The estimated recoverable value is determined as the largest of fair values net of expenses for sale and value in use.

Profits and losses resulted from retirement of fixed assets are determined as difference between net disposal proceeds and balance sheet value of fixed assets and taken into account in the income statement. Expenses for repair and maintenance are taken into account in the income statement on the date of their occurrence. Expenses for replacement of large components of fixed assets are compounded with follow-up writing off of the replaced component.

Depreciation and amortization.Cost of fixed assets item is subject to depreciation in each accounting period during the whole time of its useful life (expected usage period of the depreciable asset).Depreciation for the period is accounted within the scope of the income statement in article “operating costs”.Depreciation is accrued according to the method of amortization on a straight-line basis of fixed assets value during the whole period of their useful life with application of the following annual depreciation rates:

Fixed assets items	Depreciation rates
Furniture	20% per annum
Equipment and office appliances	25% per annum
Transport	15% - 20% per annum

The residual value of assets is the estimated amount which ICU Ltd should have received at the present moment in case of asset’s sale net of expected retirement costs, if the condition and age of this asset already conform to the age and condition of the this asset at the end of its useful life. The residual value of the asset is equal to zero if the Company intends to use the asset until the end of physical term of their operation. The residual value and the useful life of assets are revised if required and corrected as of each accounting date.

Operating lease.When the Company acts as the lessee and all risks and benefits from possession of the leased facility are not transferred by the lessor to the Company, the amount of payments under the operating lease agreements are taken into account in the income statement using amortization on a straight-line basis during the validity term of the lease agreement.

Payables to credit organizations and customers.Payables to credit organizations and customers are taken into account at initial price equal to the amount of received assets after deduction of transaction costs.

Participating share in the Company.The Company's participants in compliance with the Articles of Association of the Company are entitled to withdraw from the Company by alienation of the share to the Company in exchange of proportional share in net assets of the Company and in case of the Company's liquidation – receive a part of property remaining after settlements with creditors or its actual value. Herewith, the Articles of Association of the Company does not withdrawal of participants of the Company resulted in withdrawal of all participants or withdrawal of the sole participant of the Company from the Company. Due to amendmentsIAS 32, having come into force for yearly periods starting from January 1, 2009, the participating share ofICU Ltd is classified as the element of the Company's equity.

Authorized capital.The authorized capital of the Company is accounted at initialvalue corrected up to purchasing power equivalent of the Russian ruble as of December 31, 2002, for contributions into the authorized capital made before January 1, 2003.

Income tax.The financial statement reflects income tax expense in compliance with requirements of the applicable legislation of the Russian Federation. Income tax expenses in the income statement include the current income tax and changes in the deferred income tax.

Current income tax is calculated on the basis of amounts payable to tax authorities or refunded by tax authorities regarding taxable income (loss) for the current and previous periods with application of income tax rates applicable at the end of the accounting period. The taxable income (loss) is based on estimated figures if the financial statementis approved before submission of relevant tax declarations. Tax expenses except for income tax are accounted within the scope of operating expenses.

Deferred income tax is calculated according to assets and liabilities balancing method regarding all time differences between the taxable base of assets and liabilities and their balance sheet value in compliance with the financial statement.Assetsand liabilitiesfor deferred taxation are determined using taxation rates applicable or coming into force at the end of the accounting period and which, as expected, will be applicable in the period when assets are sold and liabilities are fulfilled. Deferred tax liabilities, as a rule, are accounted regarding all time differences increasing the taxable income except for the case when deferred tax liabilityoccurs due to initial recognition of the asset or liability for the transaction which on the date of its execution has no effect either on accounting profit or taxable income or loss. Deferred tax assets are accounted with due account of probable presence of taxable income in the future sufficient to use the generated tax assets except for the case when the deferred tax assetsoccur due to initial recognition of the assets or liabilitiesfor the transaction which on the date of its settlement does not affect either the accounting profit or taxable income or loss.

The balance sheet value of the deferred tax asset is revised as of each accounting date and reduced up to the level when receipt of the sufficient taxable income allowing to use the whole or a part of deferred tax assets is not probable any more.Unrecognized deferred tax assets are revised as of each accounting date and recognized up to the level when there is a probability that future taxable income allows using the deferred tax assets.

The deferred income tax occurred at mark to market valuation of financial assets available for sale, fixed assets with recognition of this revaluation in other components of consolidated income in the consolidated income statement are also accounted in the consolidated income statement. At sale of these assets relevant amounts of deferred income tax are accounted in the income statement.

Deferred tax assets and liabilities are set off against each other, if there is a legally enforceable right for offset of current tax assets and liabilities.

Income and expenses recognition.Interest income and expenses are recognized in the income statement for all debt instruments on the accrual basis using effective interest method.Such calculation involves distribution in time of all fees and charges paid or received by the contractual parties and composing an integral part of effective interest rate, transaction costs as well as other premiums and discounts. Commissions and fees related to effective interest rate include commissions and fees paid or received in relation with acquisition of financial asset or financial liability issuing.

If there is a doubt concerning possibility of credit and other debt instruments repayment, their cost is reduced up to the recoverable amount with follow-up recognition of interest income on the basis of the interest rate that was applied for discounting of future cash flows for recoverable cost valuation.

Commissions and other income and expenses are recognized as a rule according to the accrual method during the period of service rendering depending on the completion level of the particular service determined as a proportion of actually rendered service within the total scope of services subject to rendering. Revenues from rendering services anticipating long-term period of servicing are recognized in each accounting period proportionally to the volume of rendered services.

Credit related commitmentsIn the process of its activity the Company assumes credit related commitments such as guarantees provision. The main purpose of these instruments is provision of customer’s funds when required.Guarantees are irrevocable commitments to perform payments in case of the customer’s failure to fulfill their obligations to third parties and they are under the same credit risk as loans.When there is a probability of loss occurrence, provisions are made for credit related commitments.

Foreign currency revaluation.The financial statement is presented in the currency of the Russian Federation, Russian rubles, which are the functional currency of the Company and representation currency.

Cash assets and liabilities in foreign currency are recalculated into the currency of the Russian Federation at the exchange rate of a foreign currency against ruble established the bank of Russia at the end of the accounting period.Positive and negative difference in the exchange rate occurring at revaluation of cash assets and liabilities into the functional currency of the Company are recognized in the income statement at article “revenues net of expenses for foreign currency revaluation”.

Transactions in foreign currency are recognized at the official exchange rate of the foreign currency against ruble established by the Bank of Russia on the date of transaction settlement. The difference in the exchange rate resulted from settlements on transactions in foreign currency at the exchange rate different from the official exchange rate of the foreign currency against ruble established by the Bank of Russia is included into the income statement in article “revenues net of expenses for transactions in foreign currency”.

ForDecember 31, 2013the official exchange rate of the foreign currency against Russian ruble established by the Bank of Russia applied for revaluation of balances on accounts in foreign currency composed 32.7292 RUR for 1 USD and 40.2286 RUR for 1 Euro(December 31, 2012: 30.3727RUR for 1 USD and44.9699for 1 Euro).

Mutual offset. Financial assetsandliabilitiesare set off and the balance sheet records the net value only in case when there is legally enforced right to make mutual offset of recognized amounts as well as an intention either to conduct offset or simultaneously to sale the asset and fulfill the liability.

Taking into account of inflation impact.UntilDecember 31, 2002 relatively high rates of inflation were preserved in the Russian Federation and according toIAS29 “Financial Statement in Conditions of Hyperinflation", the Russian Federation was considered as the country with hyperinflationary economy.

Influence of IAS29's application is in the fact that non-monetary articles of the financial statement including capital components were recalculated in measurement units applicable as ofDecember 31, 2002 by application of relevant inflation indices to the initial value and in succeeding periods accounting was conducted on the basis of the received recalculated value.

Correction amounts were calculated on the basis of the conversion rate based on consumer price index of the Russian Federation (CPI) published by the Federal State Statistics Service (before 2004 - State Statistics Committee of the Russian Federation) and in compliance with indices received from other sources for periods before 1992.

Salary and deductions related to it.Expenses related to salary accounting, payments of vacation allowances, contributions into the Pension Fund, Social Insurance Fund, and Compulsory Medical Insurance Fund of the Russian Federation are made according to performance of relevant works by the Company's employees and expenses related to accrual of temporary disability benefits and maternity benefits – upon receipt.

ICU Ltd assumes liabilitiesfor payments related to unused vacations of the Company's employees. Such liabilities are recognized in the balance sheet in article "Other liabilities" with simultaneous recognition in the income statement in terms of vacations fallen on the accounting period and in undistributed profit in terms of vacations fallen for the periods previous the accounting period.

Related-party transactions.ICU Ltd conducts transactions with related parties. The parties are considered related if one of them has a possibility to control the other one or is under integrated control together with the other party or under joint control of the other party and the third party, or may have a significant impact on financial and operational decisions taken by the other party. Considering relations of related parties the Company takes into account economic content of such relations but not only their legal form.

5. Cash Assets and Cash Equivalents

The scope of cash assets and cash equivalents is given in the table given below:

	December 31,2013	**December 31,2012**
Balances on accounts in the Bank of Russia (except for statutory reserve accounts)	39 676	24 520
Balances on correspondent accounts in credit organizations of the Russian Federation	2 040 559	1 581 299
Totalcash assets and cash equivalents	**2 080 235**	**1 605 819**

Management of credit quality of balances on correspondent accounts in credit organizations is executed using the system of risk quality control procedures which includes risk assessment before to accept it. Moreover, after opening of a correspondent account the Company conducts monitoring of financial situation and operation results of correspondent banks on a regular basis.

As ofDecember 31, 2013and December 31, 2012there were no statutory reserve balances in the Bank of Russia due to the fact that ICU Ltd applies for calculation of average value of statutory reserves of the averaging factor equal to 1, established by the Bank of Russia for financial settlement nonbanking organizations.

As of December 31, 2013 andDecember 31, 2012there were no pas due balances on cash assets and cash equivalents or impairment indicators for them.

The table below presents analysis of balances with credit organizations – correspondents for credit quality in compliance with available ratings of international rating agencies as of December 31, 2013:

	Investment rating	**Speculative rating**	**Not rated**	**Total**
Balances on correspondent accounts in credit organizations of the Russian Federation	161 759	550 010	1 328 790	2 040 559
Totalbalances on correspondent accounts in credit organizations of the Russian Federation	**161 759**	**550 010**	**1 328 790**	**2 040 559**

The table below presents analysis of balances with credit organizations – correspondents for credit quality in compliance with available ratings of international rating agencies as of December 31, 2012:

	Investment rating	**Speculative rating**	**Not rated**	**Total**
Balances on correspondent accounts in credit organizations of the Russian Federation	236	211 184	1 369 879	1 581 299
Total balances on correspondent accounts in credit organizations of the Russian Federation	**236**	**211 184**	**1 369 879**	**1 581 299**

Analysis of cash assets and cash equivalents according tocurrencies and maturity dates is given in Note 17.

Fair value of cash assets and cash equivalents is given in Note 20.

6. Fixed assets

	Note	Computer and office equipment	Cars	Total
Initial cost or estimation as of January 1, 2012		5 525	3 919	9 444
Accumulated depreciation		(5 202)	(2 275)	(7 477)
Residual value as of January 1, 2012		**323**	**1 644**	**1 967**
Proceeds		1 856	-	1 856
Depreciation	15	(358)	(560)	(918)
Retirement at initial cost		(1 886)	-	(1 886)
Withdrawal of accumulated depreciation		1 886	-	1 886
Residual value as ofDecember 31,2012		**1 821**	**1 084**	**2 905**
Initial cost or estimation as of December 31, 2012		5 495	3 919	9 414
Accumulated depreciation		(3 674)	(2 835)	(6 509)
Residual value as of December 31, 2012		**1 821**	**1 084**	**2 905**
Proceeds		2 023	-	2 023
Depreciation	15	(710)	(560)	(1 270)
Retirement at initial cost		(2 668)	-	(2 668)
Withdrawal of accumulated depreciation		2 668	-	2 668
Residual value as of December 31, 2013		**3 134**	**524**	**3 658**
Initial cost or estimation as ofDecember 31, 2013		4 850	3 919	8 769
Accumulated depreciation		(1 716)	(3 395)	(5 111)
Residual value as of December 31, 2013		**3 134**	**524**	**3 658**

As of December 31, 2013the residual value of fixed assets were not calculated as according to opinion of ICU Ltd upon expiry of useful life of the fixed asset it is near zero.

A part of fixed assets related to category “Computer and office equipment” in the amount of720 ths RUR as ofDecember 31, 2013is fully amortized but is still in use (2012: 3 415ths RUR).

7. Other assets

	December 31, 2013	December 31, 2012
Interest claims	6 771	15 698
Advances for services	1 013	1 022
Settlements with Social Insurance Fund	331	388
Deferred expenses	1 954	385
Other assets	52	21
Total	**10 121**	**17 514**
Less provisions for impairment	(10)	-
Totalother assets	**10 111**	**17 514**

The table below presents flow of provisions for impairment of other assets during a year:

	2013	2012
Balance as of January 1	-	-
Provision charge for impairment of other assets during a year	(4 169)	(1 699)
Recovery of provision for impairment of other assets during a year	4 159	1 699
Other assets, written off during a year as bad assets	-	-
Balance as ofDecember 31,	**(10)**	**-**

8. Payables to banks

	December 31, 2013	December 31,2012
Accounts of banks	1 931 175	1 469 699
Totalpayables to banks	**1 931 175**	**1 469 699**

The scope of this article includes balances on the accounts of the banks issuing customs cards being participants of Payment System “CUSTOMS CARD” under whose order ICU Ltd conducts transactions on transfer of cash assets into the budget (customs charges).

As ofDecember 31, 2013ICU Ltd opened 107 ledger accounts in the name of banks issuing plastic customs cards (2012: 105ledger accounts).

Balance sheet value of payables to banks is equal to fair value as ofDecember 31, 2013andDecember 31, 2012. Estimated fair value of payables to banks is given in Note 20.Analysis of payables to banks according to the structure of currencies and maturity dates is given in details in Note17.

9. Payables to customers

	December 31, 2013	December 31,2012
Legal entities		
Current/settlement accounts	56 342	67 464
Special card accounts	7 629	13 155
Totalpayables to customers	**63 971**	**80 619**

Distribution of payables to customer according to economic sectors is given below:

	December 31,2013		December 31,2012	
	Amount	**%**	**Amount**	**%**
Information technologies	52 675	82.3	60 874	75.5
Transport	7 628	11.9	13 155	16.3
Financial leasing	3 668	5.8	6 590	8.2
Totalpayables to customers	**63 971**	**100,0**	**80 619**	**100,0**

Balance sheet value of payables to customers is equal to fair value as ofDecember 31, 2013 and December 31, 2013. Estimated fair value of payables to customers is given in Note 20.

Analysis of payables to customers according to structure of currencies and maturity dates is given in details in Note 17.The Company attracted funds of related parties. Appropriate information on related parties is given in Note 19.

10. Other liabilities

	December 31, 2013	December 31,2012
Other liabilities		
Accrued expenses for remuneration payment to personnel	551	334
Taxes payable except for income tax	201	205
Other	152	345
Totalother liabilities	**904**	**884**

11. Authorized Capital

The authorized capital of ICU Ltd was formed by contributions made by participants in Russian rubles.

	December 31,2013	December 31,2012
Authorized capital	198 397	198 397
Totalauthorized capital	**198 397**	**198 397**

The nominal registered authorized capital of the Company before revaluation of contributions into the authorized capital made before January 1, 2003 up to purchasing power equivalent of Russian ruble as ofDecember 31, 2002 composes 23,000 ths RUR. 100% of registered authorized capital of ICU Ltd belongs to "CUSTOMS CARD" LLC.

12. Interest Income and Expenses

	2013	2012
Interest income		
Correspondent accounts in banks	119 882	62 890
Bank deposits	-	250
Totalinterest income	**119 882**	**63 140**
Net interest income	**119 882**	**63 140**

13. Commission Income and Expenses

	2013	2012
Commission income		
Commission on settlement transactions	1 917	1 333
Commission on transactions with plastic cards	464	479
Totalcommission income	**2 381**	**1 812**
Commission expenses		
Commission on settlement transactions	(222)	(190)
Commission on transactions with plastic cards	(130)	(98)
Totalcommission expenses	**(352)**	**(288)**
Net commission expenses	**2 029**	**1 524**

14. Other Operating Income

	2013	2012
Income from information services rendering	3 051	5 559
Other	70	32
Totalother operating income	**3 121**	**5 591**

Information on transactions with related parties is given in Note 19.

15. Operating Expenses

	Note	2013	2012
Staff costs		(77 022)	(54 269)
Occupancy expenses		(7 669)	(7 098)
Capital depreciation	6	(1 270)	(918)
Expenses for purchasing and maintenance of software products		(3 084)	(551)
Communication costs		(848)	(870)
Other taxes except for income tax		(1 002)	(658)
Printing and stationary costs		(427)	(221)
Representation costs and travel expenses		(67)	(16)
Charitable contributions		(725)	(75)
Insurance		(793)	(74)
Repair and maintenance of fixed assets		(511)	(195)
Other expenses		(2 796)	(1 830)
Totaloperating expenses		**(96 214)**	**(66 775)**

Staff costs include among other things bonuses to employees and members of the Board for 2013 in the amount of 11 432 ths RUR (2012: 20 562ths RUR), insurance contributions into state non-budgetary funds established by legislation of the Russian Federation in the amount of 9 676 ths RUR (2012:7 090ths RUR).

16. Income Tax

Income tax expenses ofICU Ltd include the following components:

	2013	2012
Current income tax expenses	(5 858)	(844)
Change of amounts of deferred income tax related to occurrence and reduction of time differences	(35)	48
Income tax expenses per annum	**(5 893)**	**(796)**

Current rate of income tax applicable to the major part of income of the Company as ofDecember 31, 2013composed 20 % (2012: 20 %).

The information below provides comparison of estimated tax income/ (expenses) with actual expenses for income tax.

	2013	2012
Income according toIFRSbefore tax	28 836	3 472
Estimated tax liabilities calculated using statutory rate (2013 : 20%; 2012: 20%)	(5 767)	(694)
Impact of income not included into the taxable base or expenses not excluded from it and other constant differences	(126)	(102)
Income tax expenses per annum	**(5 893)**	**(796)**

Differences between IFRSand tax legislation of the Russian Federation result in occurrence of certain time differences between the balance sheet value of some assets and liabilities for the purposes of financial statement preparation and for the purposes of calculating the income tax. Details of tax consequencesof flows of these time differences are given below and taken into account at rate of 20 % (2012: 20%).

	December 31, 2012	Accounted in the Income Statement	December 31, 2013
Tax impact of time differences, decreasing /(increasing) tax base			
Accrued expenses	117	(7)	110
Fixed assets: depreciation	1 128	(539)	589
Fixed assets: change of balance sheet value	(1 346)	511	(835)
Net deferred tax asset / (liability)	**(101)**	**(35)**	**(136)**

	December 31, 2011	Accounted in the Income Statement	December 31, 2012
Tax impact of time differences, decreasing /(increasing) tax base			
Accrued expenses	77	40	117
Fixed assets: depreciation	467	661	1 128
Fixed assets: change of balance sheet value	(693)	(653)	(1 346)
Net deferred tax asset / (liability)	**(149)**	**48**	**(101)**

Due to presence in the Russian legislation in the sphere of economic activity and in particular, in tax legislation of norms assuming varying interpretations as well as taking into consideration the practice having formed in conditions of general instability of unpredictable assessment of facts of economic activity by tax authorities assessment of these facts by the management may differ from interpretation of tax authorities.

17. Financial Risk Management

ICU Ltd exercises risk management regarding financial risks (credit risk, market, currency, interest risk,and liquidity risk), operating, legal and reputation risks.The main tasks of financial risks management is determination of risk limits with follow-up compliance with the established limits and other measures of internal control. Management of operating and legal risks shall provide proper compliance with internal regulations and procedures in order to mitigate these risks.

The purpose of risks management is constraints of risk system undertake by ICU Ltd at the level providing possibility of maximum preservation of assets and capital based on reduction (exclusion) of possible losses and income deficiency for investments of ICU Ltd into financial instruments including investments into foreign currency.In 2013the system of risk management of the Company did not change much compared to 2012. The Company uses empirical data for active refining of policy and procedures of risks management in order to minimize negative consequences of market disturbances to the Company's activity.

The Company has developed and actively applies the system of internal normative documents establishing goals of risk system management, methods of risk assessment, frequency of risk assessment as well as procedure of risk assessment documentation.

Risk management is based on the following basic principles:

- *Constriction of possible losses* – the Company's transactions related to risk are conducted within the frames of the system of limits/ restrictions for the relevant risk type.
- *Timeliness of risk assessment*– all new products and transactions of the Company are analyzed for risks related to them; according to results of risk analysis the system of limits/ restrictions and proper controls is developed for this transaction.
- *Organization of risk management*– necessary actions on acceptance, avoidance, reduction and liquidation of risks, based on assessment of changes of external and internal risk factors and directed to achieving of optimal balance of risk and earning power of the Company. Clear allocation of functions between the management bodies and business subdivision provide efficiency of risk management process and aimed at exclusion of conflict of interests.

Sources of risk generation include:

- *for credit risk* – untimely or incompletely fulfilled financial liabilities of the debtor (borrower) to the Company according to contractual terms;
- *for liquidity risk* – imbalance of financial assets and liabilities ofICU Ltd or unforeseen necessity of immediate and simultaneous fulfillment of its financial liabilities by the Company;
- *for interest risks* – unfavorable change of interest rates for assets, liabilities or off-balance instruments of ICU Ltd;
- *for currency risk* – change of exchange rates of foreign currencies for positions in foreign currencies open by ICU Ltd;
- *on operating risk* – internal procedures and practices of transactions conducting non-conforming to character and scale of operation ofICU Ltd or requirements of the applicable legislation, their violation by employees ofICU Ltd or other persons, insufficient functional possibilities of information, technological and other systems of the Company or their failure as well as impact of external events;
- *for legal risk* – non-compliance by the Company of requirements of normative legal acts, non-conformity of internal documents ofICU Ltd to legislation of the Russian Federation as well as inability ofICU Ltd to bring its activity and internal documents in compliance with changes of

legislation of the Russian Federation in due time, violation of terms of contractual relations as well as errors in law at exercising of its basic activity by the Company;

- *for reputation risk* – formation in the society of negative image about financial stability of the Company, quality of services provided by it or character of activity in general;

- *for strategic risk* – faults made when taking decisions determining the Company's strategy of activities and development, incorrect or ill-founded determination of promising activity directions, full or partial absence of relevant managerial decisions enabling to achieve strategic goals of activity of ICU Ltd.

For the purposes of organization of the risk management system ICU Ltd has developed and applies the following structure of risk management.

The Board of Directors ofICU Ltd is liable for the general system of control over risk management, for key risk management and approval of the main principles of policies and procedures on risk management.The competence of the Board of Directors in particular involves:

- development of rules and procedures of risk management;
- defining of indicators used to assess the level of banking risks and establishing of their breakpoints (limits);
- approval of strategy and policy in the sphere of risk management;
- consideration and approval of internal normative documents and amendments to them determining the procedure of risk management;
- approval of organization structure providing effective risk management;
- approval of measures ensuring continuity of financial and economic activity at transactions performance including business continuity plans;
- control over activity of the executive bodies ofICU Ltd for management of basic kind of risks;
- control over completeness and regularity of inspections by the internal Control Service over compliance with basic principles of banking risk management;
- assessment of efficiency of banking risk management including self-assessment of management quality and coordination of banking risks within the frames of assessing condition of corporate management of ICU Ltd.

The Board of ICU Ltd is liable for implementation of strategy and policy in the sphere of organization of risk management approved by the Board of Directors, for monitoring and fulfillment of actions for risk mitigation.

Competence of the Board of the Company involves the following questions:

- implementation of risk management policy;
- analysis of risk management quality;
- distribution of powers and liability for management of basic kinds of risks between heads of subdivisions of ICU Ltd of different levels, their support with necessary resources, establishment of interaction procedure;
- coordination and control over the complex of organizational actions promoting mitigation and maintaining risks within the established limits.

Processes of risk management taking place in ICU Ltd are subject to internal auditing on a regular basis by the Internal Control Service whose competence involves:

- defining conformity of actions and operations conducted by structural subdivisions of ICU Ltd to requirements of the applicable legislation of the Russian Federation, normative acts of the Bank of Russia, internal normative documents of the Company determining the policy conducted by

ICU Ltd in the sphere of risk management, procedure of acceptance and implementation of decisions taken;
- analysis of substandard operations and transactions;
- information of the Company's management about results of conducted inspections as well as conclusions and recommendations on quality of compliance with basic rules and procedures in risk management and control.

Faults in the risk management system detected in the process of internal audit are taken into account in the process of actions for its improvement.

Subdivisions of the Company manage risk within the frames of their functional duties.

The information below gives description of principles and procedures of risk management applied by the Company as well as description of the basic measures aimed at improving efficiency and quality of risk management.

Credit risk.In the process of its activity the Company assumes the credit risk which involves the risk of losses occurrence for the Company due to non-fulfillment, untimely fulfillment or incomplete fulfillment of financial liabilities to the Company by the other party in compliance with the contractual terms.ICU Ltd manages the credit risk taking into account compliance with internal regulations and procedures subject to revision and updating on regular basis or when required.

The maximum level of credit risk of the company is reflected in the balance sheet value of financial assets in the Balance Sheet. Possibility of mutual offset of assets and liabilities is of not much importance for mitigation of potential credit risk.

The main purpose of credit risk management is increase of the Company's credit portfolio quality by mitigation of its risk. The purpose of the Company's credit risk management is achieved on the basis of systematic, complex approach which implies solution of the following tasks:

- obtaining of operational and objective data on the condition and size of credit risk;
- qualitative and quantitative assessment (measurement) of credit risk;
- establishment of inter-relations between separate kinds of risks to assess impact of actions planned for restriction of one kind of risk on growth or reduction of other risks' level;
- creation of the system of credit risk management at the stage of negative trend origination as well as the system of prompt and adequate response directed to prevention of sizes achieving critical forICU Ltd (risk mitigation).

The Company controls credit risk establishing limits for one borrower or a group of related borrowers. Revision of credit limits and limits for contracting parties is conducted on a regular basis according to change of the equity size of ICU Ltd having pivotal impact on calculation of the permissible limit size as well as in special cases related to impact of external factors and change of the market environment.

ICU Ltd mitigates credit risk through the credit policy by forming credit standards and control over their fulfillment, adequate response to threats emerged. The credit policy determines the basic principles and priorities of lending, expresses approaches to classification of credit risk, decision-taking procedures, responsibility allocation between the personnel at settlement of interbank lending transactions with due impact of the specified transactions on the process of liquidity management, condition of payment position and fulfillment of effective values of regulatory limits established by the Bank of Russia, procedures of actions performance to minimize risks arising in the exercise of such kind of activity.

Credit risk for off-balance financial instruments is determined as probable losses due to inability of the other participant of the transaction with this financial instrument to fulfill the contractual terms. The Company applies the same credit policy in regard to contingencies as in regard to balance financial instruments based on procedures of transactions approving, use of limits restricting risk, and monitoring procedures.

One approach of ICU Ltd's policy for credit risk management is development of the procedure of creation provisions for losses. Provisions are made in order to prevent losses from debt non-repayment because of insolvency of borrowers (Company's contracting parties)by assessment risks for all credit transactions.

To prevent possibility of growth of the credit risk levelICU Ltd conducts monitoring of credit risk. Monitoring of the credit risk is carried out as in terms of a separate borrower as in terms of the portfolio in general.

For credit risk assessment ICU Ltd applies the principle according to which ICU Ltd forms its own professional judgments concerning stability of financial condition of the contracting party, amount and probability of losses occurrence. Initial analysis and follow-up monitoring of the information on the contracting party in terms of its active transactions is based on considerable amount of promptly obtained information. ICU Ltd carries out regular updating of information and responding to changes occurred in the position of the contracting party.

Qualitative and quantitative assessment of credit portfolio risk is conducted simultaneously with use of such methods of credit portfolio risk assessment as:

- *analytic method* is assessment of possible losses (risk level) of ICU LLC carried out in compliance with the Regulations of the Bank of Russia dated 26.03.2004 No 254-P "On Procedure of Creation by Credit Organizations of Provisions for Loans, for Loan and Equal Indebtedness";
- *statistic method* is assessment of credit portfolio risk built on analysis of statistic data related to financial condition of borrowers for the certain period of time. Such analysis is the basis for comparison of actual frequency of losses having material effect on quality of credit portfolio with prediction estimates;
- *coefficient method* of assessment involves calculation of relative indicators allowing assessment of credit risks included into the scope of the credit portfolio, the estimated values of which are compared with regulatory benchmark of assessment and on this basis the level of cumulative credit risk of the Company is determined on a qualitative and quantitative basis.

ICU Ltd has developed and implemented the information system for collection and analysis of the information on credit risk. The information system on condition of credit risk is a part of the information system "Banking risk monitoring" which is the basis for assessment, management and monitoring of banking risks characteristic of the Company's activity on consolidated basis. The main tasks of the information system are: provision of the Company's management bodies and heads of structural subdivisions with the volume of information sufficient to take relevant managerial decisions, formation of reliable statement.

All information on substantial risks regarding customers/ contracting parties is communicated to the management of the Company and analyzed by them.

Market risk.The Company is subject to market risk which is the risk of financial losses or asset impairment due to adverse change of market prices (exchange rates of foreign currencies, interest rates). The purpose of market risk management is management of risk exposure and control over it in terms of market risk exposure staying within the frames of acceptable parameters herewith providing optimization of earning power received for accepted risk, minimization of losses in the event of undesired events and reduction of deviation value of actual financial result from the expected one.

Calculation and assessment of market risk is carried out by ICU Ltd for assessment of requirements to equity by use of standardized approach to market risk assessment established by Regulations of the

Bank of Russia dated 28.09.2012 No 387-P "On Calculation Procedure of Market Risk Value by Credit Organizations" (hereinafter - Regulations of the Bank of Russia No 387-P), as well as for determination of actual maximal expected losses of ICU Ltd's portfolio in conditions of current market trends and limits establishment.

For the purpose of market riks management the Board of Directors ICU Ltd establishes limits for open positions for instruments. These limites are subject to update at least once a year and are controlled on a regular basis. Howerver, use of this approach does not allow preventing loss generation exceeding the established limits in case of more substantial changes at the market.

Market risk limits are estblished on the basis of analysis of value at risk (VAR) as well as with due account of regulatory requirements of the Bnak of Russia. Effectiveness of VAR model is subject to follow-up assessment on the basis of historic data.The limit for financial results "stop out" is accepted as the method of market risk limiting which allows controling the limitation objects according to the established level of losses.

The management statement ofICU Ltd concermning assement of market risk is the instrument of the current operational management of market risk the main purpose of which is provision of objetcive information to the management bodies of ICU Ltd for taking reasonable managerial decisions.

The Company carries out assessmnt of market risk as in terms of comnponents as in aggregrate herewith determining concentration of market risk as well as effect from diversifciation. Assessmnt of market risk inICU Ltd for the purposes of limits establishing and maintianibg of this risk at the level not threatening financial stability ofICU Ltd was carried out by assessment and calaculation of the amount of currency and interest risks.

Currency risk.The Company assumes currency risk which involves risk of losses due to unfavorable change of exchange rates of foreign currencies for open positions in foreign currencies. The Company is exposed to currency risk due to presence of open positions in USD andEuroagainst RUR.

The Company mitigates the currency risk by concluding contracts nominated in functional currency in cases when it is possible and economically reasonable.

The Board ofICU Ltd exercises management of currency risk by assuring maximal possible correspondence between the currency of its assets and currency of its liabilities according to currency types within the established limits.

Positions of ICU Ltd for currencies as ofDecember 31, 2013 are given below. Assets and liabilitiesof the Company are given in tables at balance sheet value with a breakdown to currencies.

	RUR	**USD**	**Euro**	**Total**
Assets				
Cash assets and cash equivalents	2 080 009	201	25	2 080 235
Fixed assets	3 658	-	-	3 658
Current tax asset	528	-	-	528
Other assets	10 111	-	-	10 111
Total assets	**2 094 306**	**201**	**25**	**2 094 532**
Liabilities				
Payables to banks	1 931 157	18	-	1 931 175
Payables to customers	63 971	-	-	63 971
Other liabilities	897	-	7	904
Deferred tax liability	136	-	-	136
Total liabilities	**1 996 161**	**18**	**7**	**1 996 186**
Net balance position	**98 145**	**183**	**18**	**98 346**

Positions ofICU Ltd for currencies as of December 31, 2012 are given below. Assets and liabilities of the Company are given in tables at balance sheet value with a breakdown to currencies.

	RUR	**USD**	**Euro**	**Total**
Assets				
Cash assets and cash equivalents	1 605 586	201	32	1 605 819
Fixed assets	2 905	-	-	2 905
Current tax asset	468	-	-	468
Other assets	17 514	-	-	17 514
Total assets	**1 626 473**	**201**	**32**	**1 626 706**
Liabilities				
Payables to banks	1 469 668	31	-	1 469 699
Payables to customers	80 619	-	-	80 619
Other liabilities	877	-	7	884
Deferred tax liability	101	-	-	101
Total liabilities	**1 551 265**	**31**	**7**	**1 551 303**
Net balance position	**75 208**	**170**	**25**	**75 403**

ICU Ltd establishes limits regarding the level of accepted risk with breakdown to currencies and in general at the end of each day and controls their compliance on a daily basis.

The Company is obliged to comply with regulatory limits established by the Bank of Russia concerning the limits of open foreign currency positions which are calculated on the basis of accounting records kept in compliance with Russian accounting rules as it is stated in Instruction of the Central Bank of Russian Federation No 124-I "Concerning Establishment of Sizes (Limits) of Open Currency Positions" dated July 15, 2005.

Values of regulatory economic standards related to currency risk as ofDecember 31, 2013andDecember 31, 2012 are presented below:

Regulatory limits	**Maximum size of risk in compliance with requirements of CB RF (%)**	**Standard (%)**	
		December 31,2013	**December 31,2012**
Aggregate of open foreign currency positions	20.0	0.2	0.3
Open foreign currency positions in certain foreign currencies	10.0	0.2	0.2
Open balancing positions in RUR	10.0	0.2	0.3

The table below presents change of financial result and equity due to possible change of exchange rates used as of the accounting rates providing that all other variables remain constant. Sensitivity analysis involves only the amounts on foreign currency available at the end of the accounting period.

	December 31, 2013		**December 31, 2012**	
	Impact on income before tax (ths RUR)	Impact on equity (ths RUR)	Impact on income before tax (ths RUR)	Impact on equity (ths RUR)
Strengthening of USD for 30% (2012: 30%)	55	55	51	51
Weakening of USD for 30% (2012:30%)	(55)	(55)	(51)	(51)
Strengthening ofEurofor 30% (2012: 30%)	5	5	8	8
Weakening ofEurofor 30% (2012: 30%)	(5)	(5)	(8)	(8)

Interest risk.The Company accepts the risk related to impact of fluctuation of market interest rates on its financial positions and cash flows. Such fluctuations may increase the level of interest margin but in case of unexpected variation of interest rate the interest margin may also fall down and result in losses. Change of interest rates affects fair value of assets as the current (fair) value of future cash flows depends on change of interest rates. The purpose of this risk management is reduction of impact of interest rate changing on net interest income.

Organization of effective system of interest risk management allows ICU Ltd to limit the specified risk kind with acceptable level, i.e. the level bearing no threat for financial stability of the Company and interests of its creditors. To implement effective management of interest rate limits concerning transactions with financial instruments sensitive to change of interest rates are established. The limits are determined based on actual level of interest risk and shall not exceed it considerably. Establishing interest rate limits it is necessary to take into account the sufficiency level of capital adequacy ratio of the Company, rate of return of the instrument and possible minimization of the accepted risk.

Sources of interest risk generation may be:

- risk of parallel shift, change of inclination and curve shape of return occurred due to maturity mismatch (revision of interest rates) of assets and liabilities sensitive to change of interest rates;
- prepayment risk(revision of interest rates) of assets and liabilities sensitive to change of interest rates;
- basis risk arising due to mismatch of level of interest rates change for assets and liabilities sensitive to change of interest rates with similar term to maturity (term of interest rates revision).

Interest risk assessment is conducted with gap application – analysis by distribution of assets and liabilities according to contractual terms to maturity with fixed interest rates and for terms to revision of interest rates with variable interest rates.The measure of sensitivity to change of interest rate of future net interest income is the product of difference of assets and liabilities fallen within the certain time period by expected change of rate.

The result of interest risk assessment value using the duration method is the amount of possible losses at change of interest rates and their impact on current value of instruments. According to analysis results ICU Ltd takes a decision on measures for interest rate regulation in compliance with the Company’s strategy in the sphere of risk management.

The Company conducts stress-testing of interest rate on a regular basis. In this case assessment of change of interest income and expenses is conducted with considerable change of interest rates herewith the risk related to prepayment/ revision of interest arte and prepayment of financial instruments is taken into consideration.

The list of financial instruments of the Company sensitive to change of interest rates within the accounting period was limited to assets presented with balances on correspondent accounts in credit organizations, with which ICU Ltd has concluded addendums concerning terms of accrual and payment of interests on cash balances. Possible change of net interest income was calculated by application of stress testing anticipating reduction of the general level of interest rates for 300 basis points of yield of financial instruments sensitive to change of interest rates.

All new transactions of the Company are assessed in terms of interest risk before conducting of the specified transactions.

The table below presents analysis of interest risk.In this table assetsand liabilities of the Company are shown at balance sheet value and attributed to different categories depending the maturity date (redemption).

	On-demand and less than 1 month	From 1 to 6 months	From 6 to 12 months	More than 1 year	Non-interest	Total
December 31, 2013						
Totalassets	652 308	973 000	300 000	115 000	54 224	2 094 532
Total liabilities	-	-	-	-	1 996 186	1 996 186
Gap value for terms of interest assets to interest liabilities	**652 308**	**973 000**	**300 000**	**115 000**	**(1 941 962)**	**98 346**
December 31, 2012						
Total assets	411 522	519 521	650 000	-	45 663	1 626 706
Total liabilities	-	-	-	-	1 551 303	1 551 303
Gap value for terms of interest assets to interest liabilities	**411 522**	**519 521**	**650 000**	**-**	**(1 505 640)**	**75403**

Interest risk management by monitoring of gap value for terms of interest assets and interest liabilities is added with procedure of sensitivity monitoring of net interest income of the Company to different scenarios of interest rate changing.

Sensitivity of income or loss involves impact of expected changes in interest rates on net interest income for one year.

Analysis of sensitivity of net interest income of the Company for a year to change of market interest rates composed on the basis of the simplified scenario of parallel switch of return curves for 100 basis points towards increase or decrease of rates and anticipating absence of asymmetric changes of return curves and presence of constant balance position may be presented in the following manner.

	December 31, 2013	December 31, 2012
Parallel switch for 100 basis points towards rates increase	14 172	9 690
Parallel switch for 100 basis points towards rates decrease	(14 172)	(9 690)

Liquidity risk.Liquidity risk is risk of financial losses due to asset impairment in the process of their sale (instrument liquidity risk) or insufficiency of cash assets for fulfillment of current financial liabilities. Liquidity risk occurs at claim term mismatch for active transactions with maturity dates for passive transactions. ICU Ltd is exposed to risk due to daily necessity to use the available cash assets for settlements on accounts of banks - participants of Payment system and customers – legal entities. The Company does not accumulate cash assets for the case of simultaneous fulfillment of obligations for all above-mentioned claims as on the basis of available practice it is possible to foresee the required level of cash assets to prevent failures in conducting of settlement transactions with sufficient accuracy.

Taking decisions on ICU Ltd’s liquidity management is the competence of the Board of Directors of ICU Ltd. The Board of Directors of ICU Ltd determines the system of management, control and assessment of liquidity condition in ICU Ltd, regulates powers and responsibility limits of the management bodies and subdivisions of ICU Ltd for liquidity management, establishes limit values of liquidity excess ratio. Functions of the Board ofICU Ltd include general management of liquidity, restructuring of assets and liabilities according to terms to demand and maturity, diversification of the liquid assets portfolio and taking measures on liquidity regulation and recovery.

Assessment, management and control over liquidity risk is carried out on the basis of "Policy of ICU Ltd in the Sphere of Management and Control over Liquidity Condition" developed in compliance with recommendations of the Bank of Russia and the Basel Committee for Banking Supervision.

Liquidity management ofICU Ltd includes two major activity directions: management of the current payment position directed to maintaining of positive payment position for all kinds of foreign currencies in the short-term prospect at implementation of the most probable scenario of events and management of balance liquidity of ICU Ltd directed to provision of sufficient probability level of the Company's fulfillment of its obligations upon occurrence of impossibility to settle new transactions due to any reasons. Policy in the sphere of management and control over condition of ICU Ltd's liquidity stipulates that own liquidity excess ratios for all foreign currencies are established by the Board of Directors ofICU Ltd on an annual basis with due consideration of the character of the current activity of ICU Ltd. Own liquidity excess ratios are established by the Board of Directors of ICU Ltd separately for each foreign currency in case if on the date of decision-taking concerning establishment of limit values of liquidity excess ratio the liabilities of ICU Ltd expressed in a foreign currency compose at least 5 % of balance sheet total of ICU Ltd. Limit values of liquidity excess ratio are established in percent from the liability amount for all terms to maturity (demand) – relation of the gap amount for all terms (cumulative GAP) to liabilities amount calculated by progressive total shall not exceed the established liquidity excess ratio (%).

Due to the fact that Instruction of the Bank of Russia No 129-I established the regulatory minimum requirement for liquidity H15, restricting risk of liquidity loss within the nearest 30 calendar days in the amount of100 %, own liquidity deficiency ratios ofICU Ltd for the term less than 30 calendar days are not established.

For the purposes of control over long-term liquidity for the term exceeding 30 calendar days ICU Ltd does not establish liquidity deficiency ratios either as for the purposes of mitigation of liquidity loss risk the Company carries out storage of temporary free cash assets only in liquid assets not subject to impairment which may be demanded by ICU Ltd within the next calendar day and able to secure timely and complete fulfillment of monetary liabilities ofICU Ltd to creditors (customers and contractors for intra-company activities) at every time horizon.The approved liquidity ratios may be revised during the year if required.

The purpose of liquidity management in the Company is provision of timely and complete fulfillment of its liabilities at minimal costs.

Management and assessment of liquidity risk of ICU Ltd includes the following procedures:

- forecasting payment flows and determination of required volume of liquid assets;
- analysis of condition of immediate, current and long-term liquidity, enforcement of regulatory limits of liquidity established by the Bank of Russia;
- maintaining of diversified structure of financing sources;
- maintaining the portfolio of highly liquid assets which may be freely sold as the protective measure in case of liquidity gap;
- assessment of prospective liquidity of the Company based on analysis of cash flows according to actual terms of assets sale, redemption and demand of liabilities;
- analysis of liquidity condition using scenarios of events negative forICU Ltd related to situation at the market, position of debtors, creditors, other circumstances affecting liquidity condition of

ICU Ltd;

- development of actions plan for recovery of the Company’s liquidity including the procedure of decision-taking concerning mobilization of liquid assets, attraction of additional resources in case of liquidity deficiency occurrence.

Management of the Company’s liquidity requires analysis of the liquid assets level required for liabilities regulation upon maturity of their repayment or retirement to avoid liquidity risk occurrence - occurrence of the situation of financial resources deficiency for fulfillment of contractual liabilities of ICU Ltd to customers and contracting parties.

In compliance with requirements of the Bank of Russia the ratio of the liquid asset amount with maturity term within the next 30 calendar days to liabilities amount - current liquidity ratio (N15) is calculated on a daily basis. The regulatory minimum requirement of N15 is established in the amount of 100%.InDecember 31, 2013N15 ratio value composed 104.3% (2012:103.6%).

The Company controls the daily position in terms of liquidity and regularly conducts stress-testing of liquidity in different scenarios covering standard and more negative market conditions. According to results of forecasts conducted in accounting year 2013 no possible deterioration of condition liquidity were revealed.

Tables given below present the balance sheet value of assets and liabilities of the Company for contractual terms to maturity.

Balance sheet value of financial instruments with maturity dates as of December 31, 2013 is given in the following table:

	On-demand and less than 1 month	From 1 to 6 months	From 6 to 12 months	More than 1 year	With indefinite time period	Total
Assets						
Cash assets and cash equivalents	2 080 235	-	-	-	-	2 080 235
Fixed assets	-	114	1 018	2 526	-	3 658
Current tax asset	-	528	-	-	-	528
Other assets	222	1 324	8 565	-	-	10 111
Total assets	**2 080 457**	**1 966**	**9 583**	**2 526**	**-**	**2 094 532**
Liabilities						
Payables to banks	1 931 175	-	-	-	-	1 931 175
Payables to customers	63 971	-	-	-	-	63 971
Other liabilities	346	7	-	-	551	904
Deferred tax liability	-	-	-	-	136	136
Total liabilities	**1 995 492**	**7**	**-**	**-**	**687**	**1 996 186**
Net liquidity gap	**84 965**	**1 959**	**9 583**	**2 526**	**(687)**	**98 346**
Cumulative liquidity gap	**84 965**	**86 924**	**96 507**	**99033**	**98 346**	

Balance sheet value of financial instruments with maturity dates as of December 31, 2012 is given in the following table:

	On-demand and less than 1 month	From 1 to 6 months	From 6 to 12 months	More than 1 year	With indefinite time period	Total
Assets						
Cash assets and cash equivalents	1 605 819	-	-	-	-	1 605 819
Fixed assets	-	-	-	2 617	288	2 905
Current tax asset	-	-	468	-	-	468
Other assets	942	4812	11760	-	-	17 514
Total assets	**1 606 761**	**4 812**	**12 228**	**2 617**	**288**	**1 626 706**
Liabilities						
Payables to banks	1 469 699	-	-	-	-	1 469 699
Payables to customers	80 619	-	-	-	-	80 619
Other liabilities	300	-	250	-	334	884
Deferred tax liability	-	-	-	-	101	101
Total liabilities	**1 550 618**	**-**	**250**	**-**	**435**	**1 551 303**
Net liquidity gap	**56 143**	**4 812**	**11 978**	**2 617**	**(147)**	**75 403**
Cumulative liquidity gap	**56 143**	**60 955**	**72 933**	**75 550**	**75 403**	

The management of ICU Ltd considers that in spite of material portion of borrowed funds such as payables to customersand banks, related to the shortest term to maturity “On-demand”, experience accumulated by the Company over the previous periods indicates that these funds form long-term and steady source of financing of ICU Ltd’s activity.

Operating risk.The Company is exposed to the risk of loss occurrence due to incompliance of internal practices, procedures and systems to the character and scale of the Company’s activity or requirements of the applicable legislation, violation of the established procedures by the Company’s personnel and (or) other persons, failures (malfunction) of applied informational, technological and other systems as well as resulted from external events. Definition of operating risk implies exposure to legal risk as the risk related to possible occurrence of losses in the form of forfeits, penalties and other sanctions as from supervisory authorities as resulted from claims of customers.

The purpose of ICU Ltd is in management operating risks in the way to preserve balance between risk of possible financial losses and risk of impairment of the Company’s goodwill along with general cost optimization. For the purposes of operating risk mitigation the company arranges and establishes procedures of internal control over settlement of transactions in the Company’s subdivisions. The control system anticipates effective separation of duties, access right, approval procedures, documenting and verification, conformity to requirements of laws and normative acts of the Bank of Russia, developing plans for activity maintenance in contingency situations, personnel training as well as estimation procedures including internal auditing.

Management of operating risks in the company consists of detection, monitoring, minimization and control over operating risks.

For the purposes of control and mitigation of operating riskICU Ltd takes a complex of measures directed to lowering the probability of events or circumstances causing operating risks and reducing the size of potential operating losses. The Company has a developed organizational structure, internal rules and procedures of banking transactions settlement operate and are updated on a regular basis in order to exclude (minimize) possibility of occurrence of operating risk factors. Herewith, a special attention is drawn to compliance with the principles of power separation, procedure of approval (agreement) and accountability for conducted banking operations and other transactions.

Regarding internal (controllable) factors ofICU Ltd the basic methods of operating risk mitigation are:

- standardization of banking operations and other transactions, control over their fulfillment;
- detection of abnormal situations or deviations from the applicable practices, rules and procedures;
- preliminary planning of new products and services, prevention and analysis of operating errors in the process of novelties implementation;
- information access control;
- protection from unauthorized access to the information system;
- protection from performance of unauthorized operations using the information system;
- arrangement of controlling work positions before documents execution;
- arrangement of double input;
- adjustment and connection of automatic checking procedures for diagnostics of erroneous actions;
- registration and monitoring of users' actions;
- presence of qualification requirements to the personnel, personnel recruitment and regular training;
- preparation of regular management statement for potential and occurred operating risks.

To mitigate operating risks ICU Ltd arranges online restoring of information on the basis of the information backup and archiving system, storage of backup copies of databases in compliance with the internal Regulations for Information Archive Creation and Work with Archival Information in ICU Ltd.

Regarding external (non-controllable) factors of ICU Ltd the basic methods of operating risk mitigation are:

- insurance of the transportation vehicle owned by ICU Ltd from accidental damages, loss as well as the ones resulted from actions of the third parties;
- presence of the complex system of measures for ensuring continuity and (or) recovery of financial and economic operation of ICU Ltd.

General standards of operating risk management within the frames of the Company include:

- compliance with requirements of regulatory authorities;
- establishment of controls and procedures for operating risks mitigation;
- requirements for periodic assessment of exposure to operating risks;
- prompt presentation of reports on losses caused by operating risks;
- collection of information on historical operating losses which have ever been incurred by the Company;
- development of plans for activity support in emergencies.

Within the frames of operating risks management system ICU Ltd prepares reports on operating losses incurred by the Company broken down by business areas and by reasons of their occurrence and forms of appearance in the unified information accounting system on an annual basis and present them to the Board of Directors and the Board of ICU Ltd. Classification of operating losses is made on the basis of revealed events resulting in operating losses.

Legal risk.Legal risk is the risk of the Company's losses resulted from non-compliance with requirements of normative legal acts and concluded agreements, errors in laws made in the exercise of activities, imperfection of legal system (inconsistency of laws of the Russian Federation, absence of legal norms for regulation of certain questions arising in the process of the Company's activity), violation of normative legal acts and terms of the concluded agreements by contracting parties.

To assess fluctuations of legal risk level ofICU Ltd the following parameters including cases of breach of legislation of the Russian Federation, change in the number of claims and complaints, application of enforcement actions toICU Ltd from the part of regulatory and supervisory bodies, dynamics of application of the specified enforcement actions, presence of court actions, money payable in execution of orders (judgments) of courts, resolutions of the bodies authorized in compliance with the legislations of the Russian Federation.

In accounting year 2013 ICU Ltd had no losses caused by legal risk occurrence.

Risk of losses occurrence is caused by influence of internal and external legal factors of risk.

Internal factors of risk include

- non-compliance with legislations of the Russian Federation including identification and examination of customers, establishment and identification of beneficiaries (persons to whose benefit the customers act), constituent and internal documents of the Company;
- non-compliance of internal documents of the Company with the legislations of the Russian Federation as well as inability ofICU Ltd to bring its activity and internal documents in compliance with changes of the legislation of the Russian Federation in due time;
- inefficient organization of legal work causing errors in laws in the Company's activity due to actions of the personnel or the management bodies of the Company;
- violation of contractual terms by the Company;
- insufficient working out of legal issues at development and implementation of new technologies and conditions of operations and other transactions settlement, financial innovations and technologies.

External factors include:

- imperfection of legal system (absence of sufficient legal regulation, inconsistency of legislations of the Russian Federation, its exposure to changes including imperfection of methods of state regulation and (or) supervision, incorrect application of legislations of a foreign state and (or) norms of international law);
- impossibility to solve certain issues through negotiations and as a result – application of ICU Ltd to judicial authorities for their settlement;
- violation of contractual terms buy customers and contracting parties of the Company;
- possible differences in jurisdictions of the customers and contracting parties of the Company.

The purpose of legal risk management is maintaining of the risk accepted by ICU Ltd at the level determined in compliance with own strategic tasks. The priority objective is securing of maximal preservation of assets and capital by mitigation (exclusion) of possible losses including the losses in the form of monetary payments in execution of orders (judgments) of courts which may result in unexpected losses.

Monitoring of legal risks is carried out by the Legal Department of ICU Ltd.

For mitigation of legal risk the Company applies the following basic methods:

- standardization of basic operations and transactions (determination of practices, procedures, orders of operations and transactions settlement, conclusion of agreements);
- establishment of the internal procedure of approval (authentication) by the Legal Department of agreements concluded by ICU Ltd and settled banking operations and other transactions different from standard ones;
- analysis of impact of legal risk factors (as collectively as by their classification) on indicators of the Company's performance in general;
- continuous monitoring of changes of the legislation of the Russian Federation, normative acts of state bodies of the Russian Federation;
- continuous advanced training of the personnel of the Legal Department of ICU Ltd;
- constant access of the maximum number of the Company's personnel to update information on laws of the Russian Federation and internal documents of NCO.

Reputation risk.Reputation risk is risk of ICU Ltd's losses occurrence due to formation of negative image about ICU Ltd.

Reputation management is based on the following basic principles:

- timely fulfillment by the Company of its obligations to customers and contracting parties, full compliance with the applicable legislation and standards of business integrity;
- exclusion of the Company's involvement and participation of its employees in unlawful activities including legitimization (laundering) of proceeds of crime and financing of terrorism;
- detecting facts of stealing, forgeries, frauds in ICU Ltd, use of the information received from customers and confidential information by the employees for personal purposes.

The main task of monitoring the business reputation of ICU Ltd is prompt response to information published in the means of mass media able to have impact on reputation of the Company. Upon detection of the above-mentioned information the authorized employee shall enter this information into the Logbook for monitoring changes of business reputation of ICU Ltd and its participants, affiliates, assessing the published information as negative or positive. Upon detection of negative information the authorized employee shall immediately bring it to the notice of the Board of ICU Ltd.

Country risk.Country risk involves risks of Company's losses occurrence due to non-fulfillment of obligations by contracting parties due to political, economic, and social changes in the relevant country.

During 2013 and 2012the Company settled its transactions in the territory of the Russian Federation.

18. Contingencies

Operating lease liabilities.ICU Ltd acts as the lessee within the frames of operating lease.

Information on minimum amounts of future rental payments within irrevocable operating leaseas ofDecember 31, 2013andDecember 31, 2012are presented in the following table:

	December 31,2013	**December 31, 2012**
Less than 1 year	540	1 080
Total operating lease liabilities	**540**	**1 080**

Legal proceedings.As ofDecember 31, 2013the Company was involved into any legal proceedings.

Tax legislation.Tax legislation of the Russian Federation generally considers tax consequences of transactions based on their legal form and order of reflection in the accounting according to accounting and reporting rules in the Russian Federation. The tax system of the Russian Federation is relatively new and is characterized with presence of frequently changing normative documents, official comments to normative documents and resolutions of judicial authorities whose action may have retrospective effect and in many cases they contain ambiguous and sometimes contradictory wordings open for different interpretations on the part of ta authorities. Due to presence in the Russian legislation in the sphere of economic activity and, in particular, in tax legislation of norms assuming varying interpretations as well as taking into consideration the practice having formed in conditions of general instability of unpredictable assessment of facts of economic activity by tax authorities assessment of facts of economic activity by the Company's management may differ from interpretation of these facts by tax authorities.

Currently the situation in the Russian Federation is indicative of the fact that tax authorities may take tougher position in their assessments and interpretations of the applicable legislation and it is possible that some operations which were not disputed in the past may be disputed by tax authorities in the future. Accuracy of tax calculations is the subject of consideration and detailed audits on the part of bodies authorized for imposing material forfeits, penalties and interests. The period during which tax authorities may execute auditing composes three years. In individual cases audits may cover a longer period of time.

According to opinion of the management of ICU Ltd based on understanding of tax legislation and experience of interaction with tax authorities, interpretation of tax legislation applied by the Company will not result in accrual of additional tax liabilities. The Company's management considers that all necessary tax accruals are made and consequently there were no provisions created in the statement.

19. Transactions with Related Parties

For the purposes of this financial statement preparation the parties are considered related if one of them has a possibility to control the other party or have material impact on the process of financial and operating decisions taking by the other party as stated in IFRS 24 "Related Party Disclosures".Considering all possible interrelations with related parties, economic content is taken into consideration not only their legal form.

The contracting parties from among related parties also include keymanagerial staff, i.e. persons authorized to execute and be responsible for planning, coordination and control over activity of the credit organization.

In the process of its activity ICU Ltd conducts transactions with its participant. These transactions include transactions on settlement service execution and rendering of information and consultancy services.All transactions are conducted under market conditions.

Tables below present the information on balances on transactions with related partiesas ofDecember 31, 2013 andDecember 31, 2012:

	December 31,2013		December 31,2012	
	Transactions with related parties	**Total under the article of the Balance Sheet**	**Transactions with related parties**	**Total under the article of the Balance Sheet**
Liabilities				
Payables to customers	30	63 971	8	80 619

Fund balances of the customers include transactions with “CUSTOMS CARD” LLC which is the participant of ICU Ltd and whose share in the authorized capital of the Company is100%.

Information below presents income and expenses articles for transactions with related parties for 2013:

	Company’s participants	Key managerial staff	Total
Other operating income	3 052	-	**3 051**
Operating expenses	(432)	(22 720)	**23 152**

Information below presents income and expenses articles for transactions with related parties for 2012:

	Company’s participants	Key managerial staff	Total
Other operating income	5 561	-	**5 561**
Operating expenses	(465)	(20 992)	**(21 457)**

The scope of key managerial staff includes members of the Board of Directors and the Board of ICU Ltd.

The table below presents information on the amount of remuneration to key managerial staff for 2013and 2012:

	2013	2012
Remuneration to key managerial staff		
Salary and other remunerations	22 720	20 992
Totalremuneration	**22 720**	**20 992**

20. Fair Value of Financial Instruments

Fair value is the price which may be received at sale of the asset or paid at transfer of the liability in condition of an ordinary transaction between the market participants as of the estimation date at the primary market or in its absence at the best market to which the Company has access on the specified date.

Estimated fair value of financial instruments was calculated by ICU Ltd based on the available market information (if available) and proper valuation methods. For interpretation of the market information in order to measure fair value application of judgments is required. In case of financial assets and financial liabilities which are liquid or have short term to maturity (less than three months) or are assets on demand their fair value may be equal to the balance sheet value.

Financial instruments recognized at fair value.Cash assets and cash equivalents, payables to banksand to customers are recognized at depreciated value which approximately equals to their current fair value.

Educated estimates of fair value of balances on correspondent accounts in banks, in the Central Bank of the Russian Federation are their balance sheet value.

Educated estimates of fair value bank deposits and customer's funds attracted for the term "on-demand" are the same as their balance sheet value.

Information on fair value of financial assets and liabilities ofICU Ltd compared to balance sheet value is presented below:

	December 31, 2013		**December 31, 2012**	
	Balance sheet value	**Fair value**	**Balance sheet value**	**Fair value**
Cash assets and cash equivalents	2 080 235	2 080 235	1 605 819	1 605 819
Payables to banks	1 931 175	1 931 175	1 469 699	1 469 699
Payables to customers	63 971	63 971	80 619	80 619

21. Capital Management

The Company strives for maintaining equity level sufficient for protection against risks characteristic of its activity. Management of the Company's capital has the following objectives: (1) compliance with requirements to regulatory capital established by the Bank of Russia and (2) provision of the Company's ability to function as a continuously operating organization. The Company also monitors capital adequacy ratio calculated in compliance with the Basel Accords to maintain it at the level not less than 8%.

According to current requirements of the bank of Russia, financial settlement nonbanking organizations shall maintain ratio of regulatory capital to risk-weighted assets ("capital adequacy ratio") above the regulatory minimum requirement. According to requirements of the Bank of Russia the capital adequacy ratio of financial settlement nonbanking organizations shall be maintained at the level of at least 12%. During 2013 and 2012the Company's capital adequacy ratio exceeded the regulatory minimum requirement. As of December 31, 2013 capital adequacy ratio ofICU Ltd composed 18.2% (2012: 17.8 %).

According to opinion of the Company's management the total amount of the manageable capital is equal to the sum of equity according to the balance sheet compiled in compliance with the Russian Rules for Accounting. As ofDecember 31, 2013the equity amount under the Company's management according to the Russian Rules for Accounting composed95 330ths RUR (2012:75 328ths RUR).

Control over compliance with capital adequacy ratio established by the Bank of Russia is carried out on the daily basis and with help of mandatory monthly reporting containing proper calculations forwarded to the Bank of Russia which is checked and approved by Deputy Chairman of the Board and Chief Accountant of ICU Ltd. Assessment of other purposes of the capital management is conducted on an annual basis.

The table below presents the regulatory capital based on the Company's statements prepared in compliance with the legislation of the Russian Federation:

December 31,	2013	December 31, 2012
Capital assets	75 713	72 488
Additional paid-in capital	19 617	2 840
Total regulatory capital	**95 330**	**75 328**

The Company is also bound to comply with the requirements to the minimum level of capital established on the basis of credit agreements including the capital adequacy ratio calculated on the basis of the requirements of the Basel Capital Accord as defined in the International Convergence of Capital Measurement and Capital Standards(as revised in April, 1998) and in Amendment to Basel Capital Accord which introduced consideration of market risk (as amended in November, 2005).

The table below presents the structure of ICU Ltd's capital calculated in compliance with requirements of the Basel Accord as ofDecember 31, 2013 andDecember 31, 2012.

	December 31, 2013	December 31, 2012
Tier 1 capital		
Authorized capital	198 397	198 397
Accumulated deficit	(100 051)	(122 994)
Total tier 1 capital	**98 346**	**75 403**
Total tier 2 capital	**-**	**-**
Total capital	**98 346**	**75 403**

During 2013and 2012the Company complied with all external requirements to capital level.

22. Events after the End of the Accounting Period

Events after the accounting date were recognized in the statement prepared in compliance with the requirements of the Russian legislation before transformation into the statement according to the international standards. There were no other material events happened after the accounting date and having material impact on financial position of the Company and financial statement.

V.L. Sharenda
Deputy Chairman
of the Board

S.N. Kuznetsova
Chief Accountant

Round seal: /Limited Liability Company, CB RF No 3242-K, Moscow, Nonbanking Credit Organization, "Interbank Credit Union"/