

CJSC “TOYOTA BANK”

Financial Statements

for the year ended 31 December 2013

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Auditors' Report

To the Shareholders and the Board of Directors of CJSC "Toyota Bank"

We have audited the accompanying financial statements of CJSC "Toyota Bank" (the Bank), which comprise the statement of financial position as at 31 December 2013, and the statements of profit or loss and other comprehensive income, changes in equity and cash flows for 2013, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on the fair presentation of these financial statements based on our audit. We conducted our audit in accordance with Russian Federal Auditing Standards and International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to express an opinion on the fair presentation of these financial statements.

Audited entity: CJSC "Toyota Bank".

Registered by the Central Bank of the Russian Federation on 3 April 2007, Registration No. 3470.

Registered in the Unified State Register of Legal Entities on 3 April 2007 by Moscow Inter-Regional Tax Inspectorate No. 50 of the Ministry of Taxes and Duties of the Russian Federation, Registration No. 1077711000058, Certificate series 77 No. 50004136.

Address of the audited entity: 29, Serebryanicheskaya emb., floor 3, Moscow, Russian Federation, 109028.

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

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

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

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Bank as at 31 December 2013, and its financial performance and its cash flows for 2013 in accordance with International Financial Reporting Standards.



Kolosov A.E.
Director
power of attorney dated 3 October 2011 № 37/11
ZAO KPMG
Moscow, Russian Federation
30 April 2014


CJSC "Toyota Bank"
Statement of Profit or Loss and Other Comprehensive Income for the year ended 31 December 2013
(expressed in thousands of Russian Roubles)

	Note	2013	2012
Interest income	4	5 384 650	3 714 372
Interest expense	4	(2 754 590)	(1 921 950)
Net interest income		2 630 060	1 792 422
Fee and commission income	5	92 428	35 678
Fee and commission expense	5	(56 976)	(32 469)
Net fee and commission income		35 452	3 209
Net income (loss) on financial instruments at fair value through profit or loss		239	(91)
Net foreign exchange income (loss)	6	1 724	(52)
Other operating income	7	58 552	68 376
Operating income		2 726 027	1 863 864
Charge for impairment losses	13	(460 711)	(202 974)
Personnel expenses	8	(377 376)	(309 887)
Provision under buy-back program	19	(37 796)	(1 804)
Reversal of provision for onerous contract		-	59 370
Other general administrative expenses	9	(775 064)	(645 846)
Profit before income tax		1 075 080	762 723
Income tax expense	10	(236 362)	(162 503)
Profit and total comprehensive income for the year		838 718	600 220

The financial statements were approved by the Management Board on 30 April 2014.

Koloshenko A.M.
 President




 Timofeeva N.B.
 Chief Accountant


The statement of profit or loss and other comprehensive income is to be read in conjunction with the notes, and forming part of, the financial statements.

CJSC "Toyota Bank"
Statement of Financial Position as at 31 December 2013
(expressed in thousands of Russian Roubles)

	Notes	2013	2012
ASSETS			
Cash and cash equivalents	11	1 408 301	503 361
Mandatory reserve deposit with the Central Bank of the Russian Federation	11	11 159	25 687
Loans to banks	12	1 300 092	2 407 692
Loans to customers	13	48 961 108	37 539 460
Property, equipment and intangible assets	14	227 596	179 022
Current tax asset		3 035	23 945
Other assets	15	107 180	132 846
Total assets		52 018 471	40 812 013
LIABILITIES			
Loans from banks	16	21 053 591	20 465 068
Other loans received and customer accounts	17	21 067 107	14 363 344
Subordinated borrowings	18	1 769 526	1 769 504
Deferred tax liability	10	78 988	55 076
Other liabilities	19	141 836	90 316
Total liabilities		44 111 048	36 743 308
EQUITY			
Share capital	20	5 440 000	2 440 000
Additional paid-in capital		1 343 400	1 343 400
Retained earnings		1 124 023	285 305
Total equity		7 907 423	4 068 705
Total liabilities and equity		52 018 471	40 812 013




 Koloshenko A.V.
 President



 Timofeeva N.B.
 Chief Accountant

CJSC "Toyota Bank"
Statement of Cash Flows for the year ended 31 December 2013
(expressed in thousands of Russian Roubles)

	Notes	2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES			
Interest receipts		5 157 364	3 537 363
Interest payments		(2 761 983)	(1 793 839)
Fee and commission receipts		69 236	67 940
Fee and commission payments		(55 492)	(31 732)
Net receipts from foreign exchange		1 174	552
Other operating income receipts		16 802	60 956
Personnel expenses		(372 982)	(297 301)
Other general administrative expenses		(712 338)	(591 913)
(Increase) decrease in operating assets			
Mandatory reserve deposit with the Central Bank of the Russian Federation		14 528	56 800
Loans to banks		1 106 015	(1 672 960)
Loans to customers		(11 546 654)	(14 965 973)
Other assets		31 554	61 940
Increase (decrease) in operating liabilities			
Loans from banks		590 092	7 930 983
Other loans received and customer accounts		6 602 389	6 996 150
Other liabilities		24 820	18 000
Net cash used in operating activities before income tax paid		(1 835 475)	(623 034)
Income tax paid		(191 540)	(96 803)
Cash flows used in operating activities		(2 027 015)	(719 837)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of property, equipment and intangible assets		(117 699)	(77 623)
Sales of property, equipment and intangible assets		6 068	4 892
Cash flows used in investing activities		(111 631)	(72 731)
CASH FLOWS FROM FINANCING ACTIVITIES			
Shares issued		3 000 000	-
Subordinated borrowings received		-	850 000
Cash flows provided from financing activities		3 000 000	850 000
Net increase in cash and cash equivalents		861 354	57 432
Effect of changes in exchange rates on cash and cash equivalents		43 586	(560)
Cash and cash equivalents as at the beginning of the period		503 361	446 489
Cash and cash equivalents as at the end of the period	11	1 408 301	503 361

Koloshenko A.V.
 President



Timofeeva N.B.
 Chief Accountant

The statement of cash flows is to be read in conjunction with the notes, and forming part of, the financial statements.

CJSC "Toyota Bank"
Statement of Changes in Equity for the year ended 31 December 2013
(expressed in thousands of Russian Roubles)

	Share capital	Additional paid-in capital	Retained earnings (accumulated losses)	Total equity
Balance as at 1 January 2012	2 440 000	1 343 400	(314 915)	3 468 485
Total comprehensive income				
Profit for the year	-	-	600 220	600 220
Balance as at 31 December 2012	2 440 000	1 343 400	285 305	4 068 705
Total comprehensive income				
Profit for the year	-	-	838 718	838 718
Transactions with owners, recorded directly in equity				
Shares issued	3 000 000	-	-	3 000 000
Balance as at 31 December 2013	5 440 000	1 343 400	1 124 023	7 907 423

Koloshenko A.V.
President



Timofeeva N.B.
Chief Accountant

The statement of changes in equity is to be read in conjunction with the notes, and forming part of, the financial statements.