# SECURITIES AND EXCHANGE COMMISSION

**Washington, D.C. 20549**

# FORM 6-K

**REPORT OF A FOREIGN ISSUER**
**PURSUANT TO RULE 13A-16 OR 15D-16**
**OF THE SECURITIES EXCHANGE ACT OF 1934**

**For December 22, 2015**

# QIWI plc

**12-14 Kennedy Ave.**
**Kennedy Business Centre, 2nd Floor, Office 203**
**1087 Nicosia Cyprus**
**(Address of principal executive offices)**

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.

Form 20-F ☒ Form 40-F ☐

Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes ☐ No ☒

If "Yes" is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b):

THIS REPORT ON FORM 6-K IS INCORPORATED BY REFERENCE IN THE REGISTRATION STATEMENT ON FORM F-3 (FILE NO. 333-205489), THE REGISTRATION STATEMENT ON FORM F-3 (FILE NO. 333-204728), THE REGISTRATION STATEMENT ON FORM S-8 (FILE NO. 333-190918) OF QIWI PLC AND IN THE OUTSTANDING PROSPECTUS CONTAINED IN SUCH REGISTRATION STATEMENT.

**EXHIBITS**

| | |
|---|---|
| 23.1 | Consent of Ernst & Young LLC |
| 99.1 | Audited consolidated financial statements of CIHRUS LLC as of and for the year ended December 31, 2014 |
| 99.2 | Audited consolidated financial statements of Attenium LLC as of and for the year ended December 31, 2014 |
| 99.3 | Unaudited interim condensed consolidated financial statements of CIHRUS LLC as of and for the three months ended March 31, 2015 |
| 99.4 | Unaudited pro forma combined financial statements as of and for the three months ended March 31, 2015 and for the year ended December 31, 2014 |
| 99.5 | "QIWI Publishes Historical Financial Statements and Pro Forma Financial Information in Connection with the Acquisition of Contact and Rapida" press release, dated December 22, 2015 |

## SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly organized.

QIWI PLC (Registrant)

Date: December 22, 2015

By: /s/ Alexander Karavaev
Alexander Karavaev
Chief Financial Officer

**Exhibit 23.1**

**Consent of Independent Registered Public Accounting Firm**

We consent to the incorporation by reference in the Registration Statement on Form S-8 (No. 333-190918) and the Registration Statements on Form F-3 (Nos. 333-204728 and 333-205489) of our report dated December 18, 2015, relating to the financial statements of CIHRUS LLC for the year ended December 31, 2014, included as Exhibit 99.1 to this Report of a Foreign Private Issuer on Form 6-K of QIWI plc, and our report dated December 18, 2015, relating to the financial statements of Attenium LLC for the year ended December 31, 2014, included as Exhibit 99.2 to this Report of a Foreign Private Issuer on Form 6-K of QIWI plc.

/s/ Ernst & Young LLC

Moscow, Russia
December 22, 2015

Exhibit 99.1

**CIHRUS LLC**

Consolidated financial statements

*For the year ended December 31, 2014*

CIHRUS LLC

Consolidated financial statements

for the year ended December 31, 2014

**Content**

Report of independent registered public accounting firm

The Participants of CIHRUS LLC

We have audited the accompanying consolidated statements of financial position of CIHRUS LLC as of December 31, 2014 and 2013, and the related consolidated statements of comprehensive income, consolidated cash flow statements for each of the two years in the period ended December 31, 2014. These consolidated financial statements are the responsibility of CIHRUS LLC's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of the CIHRUS LLC's internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of CIHRUS LLC's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of CIHRUS LLC as of December 31, 2014 and 2013, its financial performance and its cash flows for each of the two years in the period ended December 31, 2014, in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board.

/s/ Ernst & Young LLC

December 18, 2015

Moscow, Russia

CIHRUS LLC

Consolidated statement of financial position

As of December 31, 2014

*(in thousands of Rubles)*

| | Notes | As of January 1, 2013 | As of December 31, 2013 | As of December 31, 2014 |
|---|---|---|---|---|
| **Assets** | | | | |
| **Non-current assets** | | | | |
| Property and equipment | 15 | — | — | 24,798 |
| Goodwill and other intangible assets | 16 | 7,047 | 2,026 | 5,411,623 |
| Deferred tax assets | 22 | — | — | 8,881 |
| **Total non-current assets** | | **7,047** | **2,026** | **5,445,302** |
| **Current assets** | | | | |
| Trade and other receivables | 8 | 2,595 | 13,036 | 1,733,985 |
| Short-term financial assets | 9 | — | 63,396 | 4,076 |
| Prepaid income tax | | — | — | 12,075 |
| Cash and cash equivalents | 10 | 12 | 636 | 5,269,560 |
| Short-term prepayments to agents | | — | — | 184,401 |
| Other current assets | | — | — | 1,631 |
| **Total current assets** | | **2,607** | **77,068** | **7,205,728** |
| **Total assets** | | **9,654** | **79,094** | **12,651,030** |
| **Non-current liabilities** | | | | |
| Deferred tax liabilities | 22 | — | — | 716,353 |
| **Total non-current liabilities** | | **—** | **—** | **716,353** |
| **Current liabilities** | | | | |
| Net asset attributable to participants | 11, 25 | 200 | 56,953 | 4,878,191 |
| Short-term borrowings | 12, 25 | 3,267 | 15,714 | 777,000 |
| Trade and other payables | 13, 25 | 6,187 | 6,363 | 2,950,216 |
| Amounts due to customers and amounts due to banks | 14, 25 | — | — | 3,198,708 |
| Income tax payable | | — | — | 114,713 |
| Deferred revenue | | — | — | 5,016 |
| Financial guaranty | | — | — | 9,339 |
| Other current liabilities | | — | 64 | 1,494 |
| **Total current liabilities** | | **9,654** | **79,094** | **11,934,677** |
| **Total liabilities** | | **9,654** | **79,094** | **12,651,030** |

*The accompanying notes form an integral part of these consolidated financial statements.*

CIHRUS LLC

Consolidated statement of comprehensive income

for the year ended December 31, 2014

*(in thousands of Rubles)*

| | Notes | Year ended December 31 2013 | 2014 |
|---|---|---|---|
| Revenue | 17 | 60,485 | 2,288,673 |
| Operating costs and expenses: | 18 | — | 1,823,980 |
| Cost of revenue (exclusive of depreciation and amortization) | | | |
| Selling, general and administrative expenses | 19 | 3,090 | 198,087 |
| Depreciation and amortization | 15, 16 | 1,551 | 113,074 |
| **Profit from operations** | | **55,844** | **153,532** |
| Gain from disposal of subsidiary | 6 | — | 15,213 |
| Other income | 20 | — | 18,987 |
| Other expenses | | — | (310) |
| Foreign exchange gain | | — | 127,358 |
| Foreign exchange loss | | — | (156,593) |
| Change in fair value of financial instruments | | — | (7,037) |
| Interest income, net | | 809 | 1,641 |
| Distributions to participants | 21 | — | (319,545) |
| **Profit/(loss) before tax** | | **56,653** | **(166,754)** |
| Income tax expense | 22 | — | (125,107) |
| **Net profit/(loss)** | | **56,653** | **(291,861)** |
| *Attributable to:* | | | |
| *- Participants of the parent* | | *56,653* | *(291,861)* |
| **Total comprehensive income/(loss), net of tax effect of 0** | | **56,653** | **(291,861)** |
| *Attributable to:* | | | |
| *- Participants of the parent* | | *56,653* | *(291,861)* |

*The accompanying notes form an integral part of these consolidated financial statements.*

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CIHRUS LLC

Consolidated statement of cash flows

for the year ended December 31, 2014

*(in thousands of Rubles)*

| | Notes | Year ended December 31 2013 | 2014 |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| **Profit/(loss) before tax** | | **56,653** | **(166,754)** |
| *Adjustments to reconcile profit before income tax to net cash flows generated from operating activities* | | | |
| Depreciation and amortization | | 1,551 | 113,074 |
| Gain on disposal of intangible assets | | (404) | — |
| Interest income, net | 17 | (809) | (70,732) |
| Change in fair value of financial instruments | | — | 7,037 |
| Bad debt expense | 19 | — | 2,969 |
| Gain from disposal of subsidiary | 6 | — | (15,213) |
| Distributions to participants | 21 | — | 319,545 |
| **Operating profit before changes in working capital** | | **56,991** | **189,926** |
| (Increase)/decrease in trade and other receivables | | (5,441) | 233,672 |
| Decrease in prepayments to agents | | — | 205,479 |
| Increase in amounts due to customers and amounts due to banks | | — | 2,158,859 |
| Increase in accounts payable and accruals | | 176 | (179,142) |
| **Cash generated from operations** | | **51,726** | **2,608,794** |
| Interest received | | 1,058 | 113,247 |
| Interest paid | | (265) | (42,658) |
| Income tax paid | | — | (62,839) |
| **Net cash flow from operating activities** | | **52,519** | **2,616,544** |
| **Cash flows from investing activities** | | | |
| Net cash flow on acquisition of businesses | 5 | — | 2,113,798 |
| Net cash flow on disposal of subsidiaries | 6 | — | (3,532) |
| Purchase of property and equipment | | — | (12,054) |
| Purchase of intangible assets | | (1,125) | (22,603) |
| Loans issued | | (61,377) | (295,649) |
| Repayment of loans issued | | 580 | 356,876 |
| Purchase of debt instruments | | (45,658) | (2,300) |
| Proceeds from sales of debt instruments | | 43,058 | 9,879 |
| **Net cash used in investing activities** | | **(64,522)** | **2,144,415** |
| **Cash flows from financing activities** | | | |
| Increase of net assets attributable to participants | 11 | 100 | 870,000 |
| Proceeds from borrowings | | 25,000 | 139,081 |
| Repayment of borrowings | | (12,473) | (207,795) |
| Dividends paid to participants of the Group | 21 | — | (293,321) |
| **Net cash generated from financing activities** | | **12,627** | **507,965** |
| **Net increase in cash and cash equivalents** | | **624** | **5,268,924** |
| Cash and cash equivalents at the beginning of year | 10 | 12 | 636 |
| **Cash and cash equivalents at the end of year** | 10 | **636** | **5,269,560** |

*The accompanying notes form an integral part of these consolidated financial statements.*

CIHRUS LLC

Notes to consolidated financial statements

for the year ended December 31, 2014

*(in thousands of Rubles)*

### 1. Corporate information and description of business

CIHRUS LLC (the Company) was registered on March 29, 2012 as a limited liability Company in Russian Federation under the Civil Code and Law of Limited Liability Companies. The registered office of the Company is Moscow, Aviamotornaya st, build 11/1. The consolidated financial statements of CIHRUS LLC and its subsidiaries for the year ended December 31, 2014 were authorized for issue by the Sole Shareholder of the Company on December 10, 2015.

CIHRUS LLC and its subsidiaries (collectively the "Group") operate electronic online payment systems in Russia and maintain activity supporting processing of payments.

Otkritie Investments Holding is the parent of the Group as of December 31, 2014. Otkritie Holding JSC is the ultimate parent of the Group as of December 31, 2014. There is no individual who is the ultimate controlling party of the Group as of December 31, 2014. As of January 1, and December 31, 2013 Mr. Magomedov K.M. was the ultimate controlling party of the Company.

Information on the Company's principal subsidiaries is disclosed in Note 6.

### 2.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

For all periods up to and including the year ended December 31, 2013, the Company and its subsidiaries prepared its financial statements in accordance with local generally accepted accounting practice (Local GAAP). The Group did not prepare the consolidated financial statements under Local GAAP. These consolidated financial statements for the year ended December 31, 2014 are the first consolidated financial statements of the Group prepared in accordance with IFRS. Refer to Note 2.4 for information on how the Group adopted IFRS.

The consolidated financial statements are prepared on a historical cost basis. The consolidated financial statements are presented in Russian rubles ("RUB") and all values are rounded to the nearest thousand (RUB (000)) except when otherwise indicated.

### 2.2 Basis of consolidation

The consolidated financial statements comprise the financial statements of CIHRUS LLC and its subsidiaries as of December 31 each year.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee),
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns.

**2.2 Basis of consolidation (continued)**

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee.
- Rights arising from other contractual arrangements.
- The Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the statement of comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies.

All intra-group balances, income, expenses and unrealized gains and losses resulting from intra-group transactions are eliminated in full, except for the foreign exchange gains and losses arising on intra-group balances.

***Acquisitions from entities under common control***

Business combinations arising from transfers of interests in entities that are under the control of the equity holder that controls the Group are accounted for as if the acquisition had occurred at the beginning of the earliest comparative period presented or, if later, at the date that common control was established; for this purpose comparatives are revised. The assets and liabilities acquired are recognized at the carrying amounts recognized previously in the consolidated financial statements of the acquired entities. The net assets attributable to participants of the acquired entities are added to the Group's net assets attributable to participants. Any cash or other contribution paid for the acquisition is recognized directly in net assets attributable to participants.

**2.3 Summary of significant accounting policies**

Set out below are the principal accounting policies used to prepare these consolidated financial statements:

**2.3.1 Business combinations and goodwill**

Business combinations other than under common control are accounted for using the acquisition method.

Consideration transferred includes the fair values of the assets transferred, liabilities incurred by the Group to the previous owners of the acquiree, and equity interests issued by the Group. Consideration transferred also includes the fair value of any contingent consideration and share-based payment awards of the acquiree that are replaced mandatorily in the business combination.

**2.3 Summary of significant accounting policies (continued)**

**2.3.1 Business combinations and goodwill (continued)**

If a business combination results in the termination of pre-existing relationships between the Group and the acquiree, then the Group identified any amounts that are not part of what the Group and the acquiree exchanged in the business combination. The Group recognizes as part of application the acquisition method only the consideration transferred for the acquiree and the assets acquired and liabilities assumed in the exchange for the acquiree.

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognized in profit or loss. It is then considered in the determination of goodwill.

Any contingent consideration to be transferred by the acquirer will be recognized at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IAS 39 *Financial Instruments: Recognition and Measurement*, is measured at fair value with changes in fair value recognized either in either profit or loss or as a change to other comprehensive income. If the contingent consideration is not within the scope of IAS 39, it is measured in accordance with the appropriate IFRS.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognized at the acquisition date. If the re-assessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognized in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquired are assigned to those units.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed in this circumstance is measured based on the relative values of the operation disposed and the portion of the cash-generating unit retained.

**2.3.2 Foreign currency translation**

The consolidated financial statements are presented in Russian rubles (RUB), which is the Company's and its subsidiaries' functional and presentation currency. Transactions in foreign currencies are initially recorded at the functional currency rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are re-measured at the functional currency rate of exchange at the reporting date. All differences are taken to profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as of the dates of the initial transactions.

*(in thousands of Rubles)*

**2.3 Summary of significant accounting policies (continued)**

**2.3.2 Foreign currency translation (continued)**

The exchange rates of the Russian ruble to each respective currency as of December 31, 2014, January 1 and December 31, 2013 were as follows:

| Exchange rates at | January 1, 2013 | December 31, 2013 | December 31, 2014 |
|---|---|---|---|
| US Dollar | 30.3727 | 32.7292 | 56.2584 |
| Euro | 40.2286 | 44.9699 | 68.3427 |

**2.3.3 Property and equipment**

Property and equipment are stated at cost less accumulated depreciation and any accumulated impairment in value. Expenditures for continuing repairs and maintenance are charged to the profit or loss as incurred.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of comprehensive income when the asset is derecognized.

Depreciation is calculated on property and equipment on a straight-line basis from the time the assets are available for use, over their estimated useful lives 2-7 years. The asset's residual values, useful lives and depreciation methods are reviewed, and adjusted as appropriate, at each financial year end.

**2.3.4 Intangible assets**

Intangible assets acquired separately are measured on initial recognition at cost. The cost of other intangible assets acquired in a business combination is their fair value as of the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is recognized in the statement of comprehensive income when it is incurred.

***Software development costs***

Development expenditure on an individual project is recognized as an intangible asset when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the asset and the ability to measure reliably the expenditure during development.

***Useful life and amortization of intangible assets***

The useful lives of intangible assets are assessed as either finite or indefinite. Below is the summary of useful lives of intangible assets:

| | |
|---|---|
| Customer and partnership base | 15 years |
| Software | 3-8 years |
| Licenses | 2-5 years* |
| Banking limited license | indefinite |
| Trademarks and other rights | 6-10 years |

* The terms of useful life could differ of those stated if it is directly stipulated by agreement

**2.3 Summary of significant accounting policies (continued)**

**2.3.4 Intangible assets (continued)**

Intangible assets with finite lives are amortized on a straight line basis over their useful economic lives or over the term stipulated by agreements and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life is reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the statement of comprehensive income in the expense category consistent with the function of the intangible assets.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of comprehensive income when the asset is derecognized.

**2.3.5 Impairment of non-financial assets**

The Group assesses at each reporting date whether there is an indication that an asset, other than Goodwill and intangible assets with indefinite useful life, may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset’s recoverable amount. An asset’s recoverable amount is the higher of an asset’s or cash-generating unit’s fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used.

These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries, if applicable, or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group’s CGUs, to which the individual assets are allocated.

These budgets and forecast calculations generally cover a period of five years or longer, when management considers appropriate. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the last year.

Impairment losses of continuing operations are recognized in profit or loss in those expense categories consistent with the function of the impaired asset.

CIHRUS LLC

Notes to consolidated financial statements (continued)

*(in thousands of Rubles)*

**2.3 Summary of significant accounting policies (continued)**

**2.3.5 Impairment of non-financial assets (continued)**

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Group makes an estimate of recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount.

That increased amount cannot exceed the carrying amount that would have been determined, net of amortization, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in profit or loss. The following criteria are also applied in assessing impairment of specific assets:

*Goodwill*

Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of the cash-generating units, to which the goodwill relates. Where the recoverable amount of the cash-generating units is less than their carrying amount an impairment loss is recognized. Impairment losses relating to goodwill cannot be reversed in future periods. The Group performs its annual impairment test of goodwill as of December 31.

*Intangible assets*

Intangible assets with indefinite useful lives are tested for impairment annually as of December 31, either individually or at the cash generating unit level, as appropriate and whenever events and circumstances indicate that an asset may be impaired.

**2.3.6 Financial instruments — initial recognition and subsequent measurement**

***2.3.6.1 Financial assets***

***Initial recognition and measurement***

Financial assets within the scope of IAS 39 are classified as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, or available-for-sale financial assets, as appropriate. When financial assets are recognized initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs. All regular way purchases and sales of financial assets are recognized on the trade date, which is the date that the Group commits to purchase the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

***Subsequent measurement***

The subsequent measurement of financial assets depends on their classification:

*Financial assets at fair value through profit or loss*

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term.

**2.3 Summary of significant accounting policies (continued)**

**2.3.6 Financial instruments — initial recognition and subsequent measurement (continued)**

Financial assets at fair value through profit and loss are carried in the statement of financial position at fair value with net changes in fair value recognized in “change in fair value of derivative financial assets”, “other gains” or “other losses” in the statement of comprehensive income.

Financial assets designated upon initial recognition at fair value through profit or loss are designated at their initial recognition date and only if the criteria under IAS 39 are satisfied.

*Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, loans and receivables are carried at amortized cost using the effective interest rate method less any allowance for impairment. Gains and losses are recognized in profit or loss when the loans and receivables are derecognized or impaired, as well as through the amortization process.

Amortized cost is calculated taking into account any premium or discount on acquisition and includes transaction costs and fees that are an integral part of the effective interest rate (EIR). The EIR amortization is included in interest income in the statement of comprehensive income. The losses arising from impairment are recognized in the statement of comprehensive income in finance costs for loans and in cost of sales or other operating expenses for receivables.

***Derecognition of financial assets***

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognized when:

- The rights to receive cash flows from the asset have expired
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a ‘pass-through’ arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all of the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Group’s continuing involvement in the asset.

In that case, the Group also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

**2.3 Summary of significant accounting policies (continued)**

**2.3.6 Financial instruments — initial recognition and subsequent measurement (continued)**

***2.3.6.2 Impairment of financial assets***

The Group assesses at each reporting date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganization and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

*Assets carried at amortized cost*

For financial assets carried at amortized cost (such as loans and receivables), the Group first assesses individually whether objective evidence of impairment exists for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognized are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss on assets carried at amortized cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). The carrying amount of the asset is reduced through use of an allowance account. The amount of the loss is recognized in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed, to the extent that the carrying value of the asset does not exceed its amortized cost at the reversal date. Any subsequent reversal of an impairment loss is recognized in profit or loss.

***2.3.6.3 Financial liabilities***

***Initial recognition and measurement***

Financial liabilities within the scope of IAS 39 are classified as financial liabilities at fair value through profit or loss, loans, borrowings and financial guaranties, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Group determines the classification of its financial liabilities at initial recognition.

Financial liabilities are recognized initially at fair value less, in the case of loans and borrowings, directly attributable transaction costs.

**2.3 Summary of significant accounting policies (continued)**

**2.3.6 Financial instruments — initial recognition and subsequent measurement (continued)**

The Group's financial liabilities include net asset attributable to participants, trade and other payables, bank overdraft, loans, borrowings and financial guaranties.

***Subsequent measurement***

The measurement of financial liabilities depends on their classification as follows:

*Net assets attributable to participants*

According to Russian legislation participants have a right to demand from the Company to buy back their share in equity for cash or cash equivalents at any time. The obligation of the Company to buy back the share of participants recognized as a long term liability even this liability depends on the will of participants to exercise their right. The assessment of fair value of such liability can't be reasonably done as there is no assurance whether participants shall exercise their right or not and at what moment. The Group recognized this liability in line *'Net asset attributable to participants'* at carrying value of net assets of the Group.

Distributions to participants decrease net assets attributable to participants of Limited Liability Company and recognized as liability in the statement of financial position and as expense in the statement of comprehensive income if the decision regarding distributions was made before or as at the reporting date. If such distributions were authorized after the reporting date but before the date of financial statements issue this information disclosed in notes to financial statements. Distributions to participants of the Company are recognized in the statement of comprehensive income as finance costs.

*Financial liabilities at fair value through profit or loss*

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term. This category includes derivative financial instruments entered into by the Group that do not meet the hedge accounting criteria as defined by IAS 39.

Gains or losses on liabilities held for trading are recognized in profit or loss.

The Group has not designated any financial liabilities at fair value through profit or loss.

*Loans, borrowings and financial guaranties*

After initial recognition, interest bearing loans, borrowings and financial guaranties are subsequently measured at amortized cost using the effective interest rate method.

Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the amortization process.

**2.3 Summary of significant accounting policies (continued)**

**2.3.6 Financial instruments — initial recognition and subsequent measurement (continued)**

***Derecognition of financial liabilities***

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in profit or loss.

***2.3.6.4 Offsetting financial assets and liabilities***

Financial assets and financial liabilities are offset and the net amount reported in the consolidated statement of financial position if, and only if:

- There is a currently enforceable legal right to offset the recognized amounts; and
- There is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

The right of set-off:

- Must not be contingent on a future event; and
- Must be legally enforceable in all of the following circumstances:
  - (i) the normal course of business;
  - (ii) the event of default; and
  - (iii) the event of insolvency or bankruptcy of the entity and all of the counterparties

***2.3.6.5 Fair value of financial instruments***

The fair value of financial instruments that are traded in active markets at each reporting date is determined by reference to quoted market prices or dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs.

For financial instruments not traded in an active market, the fair value is determined using appropriate valuation techniques. Such techniques may include:

- Using recent arm’s length market transactions;
- Reference to the current fair value of another instrument that is substantially the same;
- A discounted cash flow analysis or other valuation models.

An analysis of fair values of financial instruments and further details as to how they are measured are provided in Note 26.

**2.3.7 Cash and cash equivalents**

Cash comprises cash at banks and in hand and short-term deposits with an original maturity of three months or less. All these items are included as a component of cash and cash equivalents for the purpose of the statement of financial position and statement of cash flows.

**2.3 Summary of significant accounting policies (continued)**

**2.3.8 Employee benefits**

***2.3.8.1 Current employment benefits***

Wages and salaries paid to employees are recognized as expenses in the current period. The Group also accrues expenses for future vacation payments.

***2.3.8.2 Social contributions***

Under provisions of the Russian legislation, social contributions include defined contributions to pension and other social funds of Russia and are calculated by the Group by the application of a regressive rate (from 30% to 10% in 2013 and 2014) to the annual gross remuneration of each employee. For the year ended December 31, 2014 defined contributions to pension fund of Russia of the Group amounted to 27,283 (2013 – nil).

**2.3.9 Provisions**

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Where the Group expects a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain.

If the effect of discounting is material, provisions are determined by discounting the expected value of future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as an interest expense.

**2.3.10 Income taxes**

*Current income tax*

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Current income tax relating to items recognized in other comprehensive income is recognized in other comprehensive income.

*Deferred income tax*

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

**2.3 Summary of significant accounting policies (continued)**

**2.3.10 Income taxes (continued)**

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

**2.3.11 Revenue and certain expenses recognition**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenues and related cost of revenue from services are recognized in the period when services are rendered, regardless of when payment is made. Returns, incentives and rebates are recognized in the period in which the underlining sales are recognized as a reduction of sales revenue.

*Payment processing fee revenues and related transaction costs*

The Group earns a fee for processing payments initiated by the ultimate customers ("consumers") to pay to merchants and service providers ("merchants") or transfer money to other individuals. Payment processing fees are earned from consumers or merchants, or both. Consumers can make payments to various merchants or transfer the money through network of agents and banks participants of payment system or through the Group's website or applications using a unique user login and password (e-payments). When consumer payments are made, the Group incurs payment costs to acquire payments payable to agents, banks-participants, mobile operators and other parties. The payment processing fee revenue and related receivable, as well as the transaction cost and the related payable, are recognized at the point when merchants or individual accept payments from consumers in the gross amount, including fees payable for payment acquisition. Payment processing fees and transaction costs are reported gross.

The Group generates revenue from the foreign currency conversion when payments are made in currencies different from the country of the consumer, mainly Russia. The Group recognizes the related revenues at the time of conversion in the amount of conversion commission representing the difference between the current Russian or relevant country Central Bank foreign currency exchange rate and the foreign currency exchange rate charged by the Group's processing system.

*Interest revenue from agents' overdrafts*

The Group charges interest on overdrafts to agents and includes them in revenue. Related revenues are recognized using the EIR method by applying the contractually agreed interest rates to the actual daily amounts outstanding balance of overdrafts.

**2.3 Summary of significant accounting policies (continued)**

**2.3.11 Revenue and certain expenses recognition (continued)**

*Interest revenue*

For all financial instruments measured at amortized cost, interest bearing financial assets classified as available for sale and financial instruments designated at fair value through profit or loss, interest income or expense is recorded using the EIR. The carrying amount of the financial asset or financial liability is adjusted if the Group revises its estimates of payments or receipts. Once the recorded value of a financial asset or a group of similar financial assets has been reduced due to an impairment loss, interest income continues to be recognized using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. Interest income from short- and long- term investments performed as part of the Group's treasury function is classified as part of revenues, Interest income derived from loans issued to various third and related parties as part of other arrangements is classified as interest income.

*Licensing fee and royalty*

The Group charged Licensing fee and royalty for use its software and trademarks to operator of Contact payment system till October 2014 afterwards this revenue become intercompany (Note 5).

**2.3.12 Leases**

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at inception date, whether fulfillment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

*Group as a lessee*

Operating lease payments are recognized as an operating expense in the statement of comprehensive income on a straight-line basis over the lease term.

**2.4 First-time adoption of IFRS**

These financial statements, for the year ended December 31, 2014, are the first financial statements the Group has prepared in accordance with IFRS. For periods up to and including the year ended December 31, 2013, the Group' companies prepared its financial statements in accordance with local generally accepted accounting principle (Local GAAP).

Accordingly, the Group has prepared financial statements which comply with IFRS applicable for periods ending on or after December 31, 2014, together with the comparative period data as at and for the year ended December 31, 2013, as described in the summary of significant accounting policies. In preparing these financial statements, the Group's opening statement of financial position was prepared as at January 1, 2013, the Group's date of transition to IFRS.

The Group did not apply any exemptions from the retrospective application of certain requirements under IFRS. The estimates at January 1, 2013 and at December 31, 2013 are consistent with those made for the same dates in accordance with local GAAP. The Group did not present reconciliations required by IFRS 1 in respect of equity, items of total comprehensive income and cash flows as it did not prepare consolidated financial statements under previous GAAP.

**3. Significant accounting judgments, estimates and assumptions**

The preparation of consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities, disclosures of contingent assets and liabilities at the reporting dates and the reported amounts of revenues and expenses during the reporting periods. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

**Significant judgments**

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognized in the consolidated financial statements:

***Revenue recognition***

*Payment processing fees revenue and transaction costs*

The Group exercised significant judgment in reaching a conclusion about its accounting policy for gross versus net reporting of payment processing fee revenues and related transaction costs. In particular, there are two major sources of payment processing fee revenues:

- Payment processing fees charged to consumers on payments collected through agents, mobile operators and other payment methods; and
- Payment processing fees charged to merchants.

Either one of the two types of payment processing fees above, or in some cases, both payment processing fees apply to a single consumer payment. Transaction costs relate to acquisition of payments by agents, mobile operators, international payment systems and some other parties, and the applicable fees, generally determined as a percentage of consumer payment, for each specific payment channel are on terms similar to those available to other market participants.

A merchants' payment processing fee, when it is charged, is recorded gross of related transaction costs, because the Group (i) is the primary obligor as it undertakes to transfer the consumer payment to the merchant or other individual using its payment processing system; (ii) it negotiates and ultimately sets the fee receivable from a merchant or consumer, generally as a percentage of payments; and (iii) it bears credit risk in most of the cases, unless the payment is made from a deposit made with the Group.

A consumer payment processing fee, when it is charged on payments made by consumers through network of agents, is reported net of any transaction costs payable to or retained by agents. This is because, although the Group is the primary obligor, it does not have any discretion over the ultimate payment processing fee set by the agent to the consumer, does not have readily available information about gross fee, and is only exposed to the net amount of fee receivable from agents.

The total amounts of transaction costs reported gross for the years ended December 31, 2013 and 2014 are nil and 1,468,159 respectively.

***Deferred tax assets***

The utilization of deferred tax assets will depend on whether it is possible to generate sufficient taxable income against which the deductible temporary differences can be utilized. Various factors are used to assess the probability of the future utilization of deferred tax assets, including past operating results, operational plans, expiration of tax losses carried forward, and tax planning strategies. The carrying amount of deferred tax asset was 8,881 as of December 31, 2014 (December 31, 2013 – nil; January 1, 2013 – nil).

**3. Significant accounting judgments, estimates and assumptions (continued)**

**Significant judgments (continued)**

The unrecognized part relates to deferred tax assets which were not recorded because the Group does not expect to realize certain of its tax loss carry forwards in the foreseeable future due to history of losses. Further details on deferred taxes are disclosed in Note 22.

**Estimates and assumptions**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

***Impairment of loans and receivables***

Management assesses an impairment of loans and receivables to account for estimated losses resulting from the inability of customers to make required payments. When evaluating the adequacy of an impairment of loans and receivables, management bases its estimates on the aging of accounts receivable balances and loans and historical write-off experience, customer credit worthiness and changes in customer payment terms. If the financial condition of customers were to deteriorate, actual write-offs might be higher than expected. As of December 31, 2014, the provision for impairment of loans and receivables was recorded amounting to 29,085 (December 31, 2013 – nil; January 1, 2013 – nil). Further details on deferred taxes are disclosed in Note 8.

***Fair values of assets and liabilities acquired in business combinations***

The Group recognizes separately, at the acquisition date, the identifiable assets, liabilities and contingent liabilities acquired or assumed in the business combination at their fair values, which involves estimates. Such estimates are based on valuation techniques, which require considerable judgment in forecasting future cash flows and developing other assumptions. When the amounts of fair values are significant, the Group hires third party appraisers to assist it in determining the related fair values.

***Impairment of goodwill and indefinite-lived intangible assets***

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm’s length, for similar assets or observable market prices less incremental costs for disposing of the asset. In order to determine whether the goodwill and Indefinite-lived intangible assets are impaired, it is necessary to estimate the value in use of the cash-generating units to which the goodwill and Indefinite-lived intangible assets are allocated. The value in use calculation is based on a discounted cash flow (DCF) model. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating unit uses budget for the next five years and to choose a suitable discount rate in order to calculate the present value of those cash flows, and hence such estimates are subject to uncertainty. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to goodwill and other intangibles with indefinite useful lives recognized by the Group. Further details on impairment of goodwill and indefinite-lived intangible assets are disclosed in Note 16.

*(in thousands of Rubles)*

**4. Standards issued by the IASB but not yet effective**

Standards issued but not yet effective up to the date of issuance of the Company's financial statements are listed below. This listing of standards and interpretations issued are those that the Company reasonably expects to have an impact on disclosures, financial position or performance when applied at a future date. The Company intends to adopt these standards when they become effective.

| Standard | Content of change | Impact and effective date |
|---|---|---|
| IFRS 9 *Financial Instruments* | In July 2014, the IASB issued the final version of IFRS 9 *Financial Instruments* which reflects all phases of the financial instruments project and replaces IAS 39 *Financial Instruments: Recognition and Measurement* and all previous versions of IFRS 9. The standard introduces new requirements for classification and measurement, impairment, and hedge accounting. | IFRS 9 is effective for annual periods beginning on or after January 1, 2018, with early application permitted.<br>The adoption of IFRS 9 will have an effect on the classification and measurement of the Company's financial assets, but will likely have no impact on classification and measurements of financial liabilities. The adoption of IFRS 9 will have no impact on impairment and hedge accounting of financial assets and financial liabilities of the Company. |
| Amendments to IAS 16 and IAS 38: *Clarification of Acceptable Methods of Depreciation and Amortisation* | The amendments clarify the principle in IAS 16 and IAS 38 that revenue reflects a pattern of economic benefits that are generated from operating a business (of which the asset is part) rather than the economic benefits that are consumed through use of the asset. As a result, a revenue-based method cannot be used to depreciate property, plant and equipment and may only be used in very limited circumstances to amortize intangible assets. | The amendments are effective prospectively for annual periods beginning on or after January 1, 2016, with early adoption permitted. These amendments are not expected to have any impact to the Group given that the Group has not used a revenue-based method to depreciate its non-current assets. |
| IFRS 15 *Revenue from Contracts with customers* | IFRS 15 was issued in May 2014 and establishes a new five-step model that will apply to revenue arising from contracts with customers. Under IFRS 15 revenue is recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in IFRS 15 provide a more structured approach to measuring and recognizing revenue. The new revenue standard is applicable to all entities and will supersede all current revenue recognition requirements under IFRS. | Either a full or modified retrospective application is required for annual periods beginning on or after January 1, 2017 with early adoption permitted. The Group is currently assessing the impact of IFRS 15 and plans to adopt the new standard on the required effective date. |

Management of the Company has not completed the assessment of the impact of Standards and Interpretations not yet effective as of December 31, 2014 on the Company's accounting policies.

**4. Standards issued by the IASB but not yet effective (continued)**

***Annual improvements 2010-2012 Cycle***

These improvements are effective from July 1, 2014 and have no a material impact on the Group. They include:

*IFRS 3 Business Combinations*

The amendment is applied prospectively and clarifies that all contingent consideration arrangements classified as liabilities (or assets) arising from a business combination should be subsequently measured at fair value through profit or loss whether or not they fall within the scope of IFRS 9 (or IAS 39, as applicable).

*IFRS 8 Operating Segments*

The amendments are applied retrospectively and clarify that:

- An entity must disclose the judgements made by management in applying the aggregation criteria in paragraph 12 of IFRS 8, including a brief description of operating segments that have been aggregated and the economic characteristics (e.g., sales and gross margins) used to assess whether the segments are 'similar'.
- The reconciliation of segment assets to total assets is only required to be disclosed if the reconciliation is reported to the chief operating decision maker, similar to the required disclosure for segment liabilities.

*IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets*

The amendment is applied retrospectively and clarifies in IAS 16 and IAS 38 that the asset may be revalued by reference to observable data on either the gross or the net carrying amount. In addition, the accumulated depreciation or amortization is the difference between the gross and carrying amounts of the asset.

*IAS 24 Related Party Disclosures*

The amendment is applied retrospectively and clarifies that a management entity (an entity that provides key management personnel services) is a related party subject to the related party disclosures. In addition, an entity that uses a management entity is required to disclose the expenses incurred for management services.

***Annual improvements 2011-2013 Cycle***

These improvements are effective from July 1, 2014 and have no a material impact on the Group.

They include:

*IFRS 3 Business Combinations*

The amendment is applied prospectively and clarifies for the scope exceptions within IFRS 3 that:

- Joint arrangements, not just joint ventures, are outside the scope of IFRS 3
- This scope exception applies only to the accounting in the financial statements of the joint arrangement itself

*IFRS 13 Fair Value Measurement*

The amendment is applied prospectively and clarifies that the portfolio exception in IFRS 13 can be applied not only to financial assets and financial liabilities, but also to other contracts within the scope of IFRS 9 (or IAS 39, as applicable).

*(in thousands of Rubles)*

**5. Acquisitions**

**Rapida**

On October 28, 2014, the Company acquired 99.999% interest in the Attenium LLC from their common parent, Otkrytie Holding JSC for 870,000 paid in cash. This acquisition was treated as business combination under common control. The Company was acquired by Otkrytie Holding JSC on June 30, 2014, while Attenium LLC and its subsidiaries were acquired by the Otkrytie Holding JSC on June 28, 2013.

The Company applied pooling of interest method to account for that acquisition. Assets and liabilities of Attenium LLC and its subsidiaries: Gikor LLC, Rapida LTD, Processingovyi Tsentr Rapida LLC altogether operated as Rapida payment processing system (further Rapida) were included in these consolidated financial statements starting from June 30, 2014 based on their carrying amounts in the consolidated financial statements of Otkrytie Holding JSC at that date. Income and expenses generated by Attemium LLC and its subsidiaries also were included into the Group's income and expenses from that date, after taking into account effect of inter-company elimination. The purpose of the acquisition was to develop business related to payment system.

The carrying amounts of the identifiable assets and liabilities as of the date of business combination were:

| | Carrying value |
|---|---|
| **Net assets acquired:** | |
| Property and equipment | 10,843 |
| Intangible assets | 1,336,308 |
| Deferred tax asset | 11,586 |
| Long-term prepayment to agents | 95,755 |
| Trade and other receivables | 1,860,034 |
| Cash and cash equivalents | 2,245,615 |
| Other current assets | 4,364 |
| Short-term prepayment to agents | 295,756 |
| Deferred tax liability | (264,960) |
| Short-term borrowings | (830,000) |
| Trade and other payables | (2,271,675) |
| Income tax payable | (68,170) |
| Amounts due to customers and amounts due to banks | (1,039,849) |
| Other current liabilities | (3,124) |
| **Total identifiable net assets at fair value** | **1,382,483** |
| Consideration paid by the Company | 870,000 |
| **Increase in net asset attributable to participants due to pooling of interest (Note 11)** | **512,483** |
| **Cash flow on acquisition:** | |
| Cash acquired upon pooling of interest | 2,245,615 |
| Cash paid | (870,000) |
| **Net cash flow on acquisition** | **1,375,615** |

Increase in net assets of the Group as result of business combination was recognized as part of net assets attributable to participants.

*(in thousands of Rubles)*

**5. Acquisitions (continued)**

**Contact**

In October 2014, the Group obtained control over the Contact payment system as a result of the technological transfer of the Contact payment system to the software and hardware platform of the Group's subsidiary LTD Rapida. Contact is not a separate legal entity but satisfies definition of the business according to IFRS 3. The acquisition has been accounted for using the acquisition method.

The purpose of this acquisition was to develop business related to the payment system.

The fair values of the identifiable assets and liabilities as of the date of acquisition were:

| | Fair value |
|---|---|
| **Net assets acquired:** | |
| Property and equipment | 27,575 |
| Intangible assets | 2,363,419 |
| Trade and other receivables | 88,955 |
| Cash and cash equivalents | 780,639 |
| Other current assets | 5,920 |
| Deferred tax liability | (426,235) |
| Trade and other payables | (860,631) |
| **Total identifiable net assets at fair value** | **1,979,642** |
| Consideration paid by the Company | 42,457 |
| Consideration paid by the Parent presented as Increase in net assets attributable to participants (Note 11) | 3,730,616 |
| **Total consideration** | **3,773,073** |
| **Goodwill arising on acquisition** | **1,793,431** |
| **Cash flow on acquisition:** | |
| Cash acquired upon business combination | 780,639 |
| Cash paid | (42,457) |
| **Net cash flow on acquisition** | **738,182** |

The consideration amounted to 3,730,616 was paid by Otkritie holding JSC, an ultimate parent of the Company and was recognized at the Group's level as increase in the net assets attributable to participants. The gross amount of trade and other receivables is the same as their fair value.

Goodwill in the amount of 1,793,431 relates to the potential synergies with the existing operations of the Group. The Group determined the fair value of Contact client and partnership base and Trademarks and recognized them as intangible assets in amount of 2,363,419. Deferred tax liability arose in relation to these intangible assets in the amount of 426,235 due to their tax base of 232,246.

From the date of acquisition through December 31, 2014, Contact contributed 823,011 of revenue and 100,476 to the net income of the Group. The management cannot reliably asses what the Group revenue and the net income would have been if the acquisition had taken place at the beginning of 2014.

CIHRUS LLC

Notes to consolidated financial statements (continued)

*(in thousands of Rubles)*

**6. Consolidated subsidiaries**

The consolidated IFRS financial statements include the assets, liabilities and financial results of the Company and its subsidiaries. The subsidiaries are listed below:

| | | Effective ownership interest | | |
|---|---|---|---|---|
| **Subsidiary** | **Main activity** | **As of January 1, 2013** | **As of December 31, 2013** | **As of December 31, 2014** |
| Gikor LLC (Russia) | Payment processing services | — | — | 99,999% |
| Processingovyi Tsentr Rapida LLC (Russia) | Payment processing services | — | — | 99,999% |
| Rapida LTD (Russia) | Maintenance of electronic payment systems | — | — | 99,999% |
| Attenium LLC (Russia) | Sub holding company | — | — | 99,999% |

On December 26, 2014 the Company entered into the agreement to sell its entire share in Contact Tsentr LLC which was acquired in October 2014 as part of Contact payment system. It stipulates loss of control over this entity as of date of the agreement. Since December 26, 2014 Contact Tsentr LLC was deconsolidated from the Group's financial statements.

The gain from disposal was calculated as the differences between:

(i) the fair value of the consideration received

(ii) and the carrying value of net assets disposed of, as of the date of the transaction.

| | **2014** |
|---|---|
| Cash consideration receivable | 56,253 |
| Net assets derecognized on disposal | (41,040) |
| **Gain on disposal of subsidiary** | **15,213** |

Gain on disposal of subsidiary is neutral for tax purposes as it is calculated and paid on standalone basis and it is amounted to nil.

The amount of the assets and liabilities in the subsidiary over which control is lost, summarized by each major category is presented below:

| | |
|---|---|
| Property and equipment | 18,764 |
| Trade and other receivables | 16,460 |
| Cash and cash equivalents | 3,532 |
| Other current assets | 5,919 |
| Trade and other payables | (3,635) |
| **Net assets derecognized on disposal** | **41,040** |

CIHRUS LLC

Notes to consolidated financial statements (continued)

*(in thousands of Rubles)*

**7. Operating segments**

In reviewing the operational performance of the Group and allocating resources, the chief operating decision maker of the Group (CODM), who is the board of directors of the Group, reviews selected items of each segment's statement of comprehensive income.

Management reporting is based on the local GAAP and differs from IFRS. It does not include certain IFRS adjustments which are not analyzed by the chief operating decision maker in assessing the core operating performance of the business. Such adjustments affect such major areas as business combinations, fair value adjustments and amortization thereof, as well as nonrecurring items.

The financial data is presented on a combined basis for all key subsidiaries representing each segment added together forming the segment revenue, operating expenses, profit before tax. The Group measures the performance of its operating segments by monitoring: revenue, segment net revenue and profit before tax. Segment net revenue is a measure of profitability defined as the segment revenues less segment direct costs, which include the same items as the "Cost of revenue (exclusive of depreciation and amortization)" as reported in the Group's consolidated statement of comprehensive income, except for payroll costs. Payroll costs are excluded because, although required to maintain the Group's distribution network, they are not linked to payment volume. The Group does not monitor balances of assets and liabilities by segments as CODM consider they have no impact on decision making.

The Group has identified its operating segments based on the types of products and services the Group offers. The Group has identified the following reportable segments:

- Rapida, which generates revenue from the payment systems, offered though the Group's network of agents in Russia.
- Contact, which generates revenue from the money remittance services provided to individuals through Contact payment system.
- Corporate and other, which generates revenue from limited activities of the Group related to corporate back-office operations, such as the licensing of software and trademarks to subsidiaries.

The segments' statement of comprehensive income for the years ended December 31, 2014, as presented to the CODM is presented below:

| | Rapida | Contact | Corporate and other | Eliminations | Total |
|---|---|---|---|---|---|
| **Segment revenue** | **1,368,442** | **823,011** | **137,943** | **(40,723)** | **2,288,673** |
| Segment Cost of revenue | (1,119,521) | (600,191) | — | 40,723 | (1,678,989) |
| **Segment net revenue** | **248,921** | **222,820** | **137,943** | **—** | **609,684** |
| Payroll and related taxes | (143,225) | (35,177) | (68,913) | — | (247,315) |
| Overheads | (52,033) | (23,351) | (20,379) | — | (95,763) |
| Depreciation and amortization | (7,212) | (12,559) | (3,565) | — | (23,336) |
| Other income/(Expenses) | 10,402 | (26,138) | (218) | — | (15,954) |
| **Segment profit before tax** | **56,853** | **125,595** | **44,868** | — | **227,316** |

CIHRUS LLC

Notes to consolidated financial statements (continued)

*(in thousands of Rubles)*

**7. Operating segments (continued)**

The segments' statement of comprehensive income for the years ended December 31, 2013, as presented to the CODM is presented below:

| | Rapida | Contact | Corporate and other |
|---|---|---|---|
| **Segment revenue** | **—** | **—** | **60,485** |
| Segment Cost of revenue | — | — | — |
| **Segment net revenue** | **—** | **—** | **60,485** |
| Overheads | — | — | (3,090) |
| Depreciation and amortization | — | — | (1,551) |
| Other income | — | — | 809 |
| **Segment profit before tax** | **—** | **—** | **56,653** |

Segment net revenue, as presented to the CODM, for the years ended December 31, 2013 and 2014 is calculated by subtraction cost of revenue (exclusive of depreciation and amortization) from revenue and adding back payroll and related taxes as presented in table below:

| | 2013 | 2014 |
|---|---|---|
| **Revenue under IFRS** | **60,485** | **2,288,673** |
| Cost of revenue (exclusive of depreciation and amortization) | — | (1,823,980) |
| Payroll and related taxes | — | 144,991 |
| **Total segment net revenue, as presented to CODM** | **60,485** | **609,684** |

A reconciliation of segment profit before tax to IFRS consolidated profit before tax of the Group, as presented to the CODM, for the years ended December 31, 2013 and 2014 is presented below:

| | 2013 | 2014 |
|---|---|---|
| **Consolidated profit/(loss) before tax under IFRS** | **56,653** | **(166,754)** |
| Gain from disposal of subsidiary | — | (15,213) |
| Amortization of fair value adjustments to intangible assets recorded on acquisitions | — | 89,738 |
| Distributions to participants | — | 319,545 |
| **Total segment profit before tax, as presented to CODM** | **56,653** | **227,316** |

**Geographic information**

Revenues from external customers are derived from Russia and CIS. Revenue is recognized according to merchants' place for Rapida segment and according to customer base for Contact segment.

The principal country of major operations of all legal entities within the Group is Russia. Therefore the Group allocates all its non-current assets stated in statement of financial positions in Russia.

The Group does not have any single external customer: consumer or merchant amounting to 10% or greater of Group's revenue for the years ended December 31, 2014. During the year ended December 31, 2013 the Company had only two customers as related parties (Note 25).

*(in thousands of Rubles)*

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**8. Trade and other receivables**

As of December 31, 2014, trade and other receivables consisted of the following:

| | Total as of December 31, 2014 | Provision for impairment of receivables | Net as of December 31, 2014 |
|---|---|---|---|
| Cash receivable from agents | 1,536,080 | (21,463) | 1,514,617 |
| Payment processing fees receivable | 55,125 | (7,065) | 48,060 |
| Deposits issued to merchants | 85,000 | — | 85,000 |
| Advances issued to vendors | 29,369 | (484) | 28,885 |
| Other receivables and advances | 57,496 | (73) | 57,423 |
| **Total trade and other receivables** | **1,763,070** | **(29,085)** | **1,733,985** |

As of December 31, 2013, trade and other receivables consisted of the following:

| | Total as of December 31, 2013 | Provision for impairment of receivables | Net as of December 31, 2013 |
|---|---|---|---|
| Advances issued to vendors | 3,527 | — | 3,527 |
| Other receivables and advances | 9,509 | — | 9,509 |
| **Total trade and other receivables** | **13,036** | **—** | **13,036** |

As of January 1, 2013, trade and other receivables consisted of the following:

| | Total as of January 1, 2013 | Provision for impairment of receivables | Net as of January 1, 2013 |
|---|---|---|---|
| Other receivables and advances | 2,595 | — | 2,595 |
| **Total trade and other receivables** | **2,595** | **—** | **2,595** |

Trade receivables aged but not impaired as of December 31, 2014 are presented below:

| | | Ageing of receivables (days) | | | | | |
|---|---|---|---|---|---|---|---|
| **As of December 31, 2014** | **Total** | **<30** | **30-60** | **60-90** | **90-180** | **180-360** | **>360** |
| Cash receivable from agents | 1,514,617 | 1,512,489 | 1,156 | 971 | — | 1 | — |
| Payment processing fees receivable | 48,060 | 46,634 | 433 | 987 | 6 | — | — |
| **Total trade and other receivables** | **1,562,677** | **1,559,123** | **1,589** | **1,958** | **6** | **1** | **—** |

For the year ended December 31, 2014, the provision for impairment of receivables movement was the following:

| | Provision for impairment of receivables as of December 31, 2013 | Additions due to pooling of interest (Note 5) | (Charge)/ reversal for the year | Provision for impairment of receivables as of December 31, 2014 |
|---|---|---|---|---|
| Cash receivable from agents | — | (25,338) | 3,875 | (21,463) |
| Payment processing fees receivable from merchants | — | — | (7,065) | (7,065) |
| Advances issued to vendors | — | (514) | 30 | (484) |
| Other receivables and advances | — | (264) | 191 | (73) |
| **Total trade and other receivables** | **—** | **(26,116)** | **(2,969)** | **(29,085)** |

*(in thousands of Rubles)*

**8. Trade and other receivables (continued)**

Receivables are non-interest bearing and credit terms generally do not exceed 30 days. There is no requirement for collateral to receive credit. Interest of 10%-36% per annum is accrued on overdrafts granted to some agents.

**9. Short term financial assets**

As of December 31, 2014, January 1 and December 31, 2013, short term financial assets consisted of the following:

| | As of January 1, 2013 | As of December 31, 2013 | As of December 31, 2014 |
|---|---|---|---|
| Loans to legal entities* | — | 60,796 | 1,739 |
| Loans to individuals | — | — | 2,337 |
| Promissory notes | — | 2,600 | — |
| **Total short term financial assets** | **—** | **63,396** | **4,076** |

* During the year 2013 the Company issued two loans to unrelated parties in amounts of 14,696 payable within one year bearing EIR of 10% and in amounts of 46,100 payable within one year bearing EIR of 11%. Both loans were repaid during the year 2014.

**10. Cash and cash equivalents**

As of December 31, 2014, January 1 and December 31, 2013, cash and cash equivalents consisted of the following:

| | As of January 1, 2013 | As of December 31, 2013 | As of December 31, 2014 |
|---|---|---|---|
| Correspondent accounts with Central Bank of Russian Federation (CB RF) | — | — | 900,850 |
| Correspondent accounts with other banks | — | — | 2,363,834 |
| Short-term CB RF deposits | — | — | 2,000,000 |
| RUB denominated cash with banks and on hand | 12 | 636 | 4,876 |
| **Total cash and cash equivalents** | **12** | **636** | **5,269,560** |

Cash and short-term investments are placed in financial institutions or financial instruments, which are considered at the time of deposit to have minimal risk of default.

**11. Net asset attributable to participants**

Below is the table of ownership of the Company

| | As of January 1, 2013 | As of December 31, 2013 | As of December 31, 2014 |
|---|---|---|---|
| Mr. Magomedov K.M. | 75,61% | 75,61% | — |
| Contact International holding AG | 24,39% | 24,39% | — |
| Otkritie Investments Holding | — | — | 70% |
| Status-A LLC | — | — | 30% |

CIHRUS LLC

Notes to consolidated financial statements (continued)

*(in thousands of Rubles)*

**11. Net asset attributable to participants (continued)**

Net assets attributable to participants of the Company represent the current value of the Company's net assets as at December 31.

Changes in net assets of the Company during the years ended 2013 and 2014 are presented in the table below:

| | |
|---|---|
| **Balance at January 1, 2013** | **200** |
| Contribution from participants* | 100 |
| Net profit for the period | 56,653 |
| **Balance at December 31, 2013** | **56,953** |
| Net loss for the period | (291,861) |
| Contribution from participants | 870,000 |
| Increase due to pooling of interest (Note 5) | 512,483 |
| Contribution from participants (Note 5) | 3,730,616 |
| **Balance at December 31, 2014** | **4,878,191** |

* During the year 2013 the Company increased its charter capital by 100.

**12. Borrowings**

As of December 31, 2014, January 1 and December 31, 2013, outstanding borrowings consisted of the following:

| **Short-term borrowings** | **Effective interest rate, %** | **Maturity** | **As of January 1, 2013** | **As of December 31, 2013** | **As of December 31, 2014** |
|---|---|---|---|---|---|
| JSC Bank Finansovaya Corporatsiya Otkrytie | RUONIA + 2% | Up to 90 days | — | — | 627,000 |
| JSC Bank Finansovaya Corporatsiya Otkrytie | 15% | June 2015 | — | — | 150,000 |
| SMO Aliance LLC | 10% | May 2014 | — | 15,714 | — |
| Trastcom Development LLC | 10% | December 2013 | 3,267 | — | — |
| | | | **3,267** | **15,714** | **777,000** |

The overdraft facility from JSC Bank Finansovaya Corporatsiya Otkrytie appeared in consolidated financial statements after Rapida consolidation under common control (Note 5) with limit up to 800,000 and still uses it as at the reporting date. The purpose of this facility is to ensure payments to merchants with whom Group transacts. The tranches within the overdraft facility agreement are generally available for 30 calendar days. However, the tranches to ensure commitment to one of the Group's major merchant are available for 90 calendar days. The interest rate for each tranche is set as RUONIA plus 2% per annum for the beginning of the operation day for corresponding operation period and is paid monthly.

CIHRUS LLC

Notes to consolidated financial statements (continued)

*(in thousands of Rubles)*

## 13. Trade and other payables

As of December 31, 2014, January 1 and December 31, 2013, the Group's accounts payable and other payables consisted of the following:

| | As of January 1, 2013 | As of December 31, 2013 | As of December 31, 2014 |
|---|---|---|---|
| Payables to merchants | — | — | 1,586,282 |
| Unsettled money transfers | — | — | 843,211 |
| Deposits received from individual customers | — | — | 176,314 |
| Payment processing fees payable to agents | — | — | 148,256 |
| Accrued expenses | — | — | 153,287 |
| Payables to vendors | 6,187 | 6,363 | 12,567 |
| Other payables | — | — | 30,299 |
| **Total trade and other payables** | **6,187** | **6,363** | **2,950,216** |

## 14. Amounts due to customers and amounts due to banks

As of December 31, 2014, January 1 and December 31, 2013, amounts due to customers and amounts due to banks consisted of the following:

| | As of January 1, 2013 | As of December 31, 2013 | As of December 31, 2014 |
|---|---|---|---|
| Due to banks | — | — | 1,917,595 |
| Due to customers: legal entities | — | — | 1,281,113 |
| **Total amounts due to customers and amounts due to banks** | **—** | **—** | **3,198,708** |

Amounts due to customers and amounts due to banks bear no interest and are due on demand.

## 15. Property and equipment

| | Servers and computer equipment |
|---|---|
| **Cost** | |
| **Balance as of January 1, 2013** | — |
| **Balance as of December 31, 2013** | — |
| Additions | 12,054 |
| Additions from pooling of interest (Note 5) | 36,740 |
| Additions from business combination (Note 5) | 27,575 |
| Disposals | (22,077) |
| **Balance as of December 31, 2014** | **54,292** |
| **Accumulated amortization and Impairment:** | |
| **Balance as of January 1, 2013** | — |
| **Balance as of December 31, 2013** | — |
| Additions from pooling of interest (Note 5) | (25,897) |
| Charge for the year | (6,910) |
| Disposals | 3,313 |
| **Balance as of December 31, 2014** | **(29,494)** |
| **Net book value** | |
| **As of January 1, 2013** | — |
| **As of December 31, 2013** | — |
| **As of December 31, 2014** | **24,798** |

*(in thousands of Rubles)*

**15. Property and equipment (continued)**

As of December 31, 2014 the Group did not identify any indicators of property and equipment impairment.

**16. Goodwill and other intangible assets**

| | Goodwill | licenses | Computer Software | Customer and partner relation-ships | Trademarks | Others | Total |
|---|---|---|---|---|---|---|---|
| **Cost** | | | | | | | |
| **Balance as of January 1, 2013** | **—** | **—** | **6,127** | **—** | **187** | **733** | **7,047** |
| Additions | — | — | — | — | 176 | 949 | 1,125 |
| Disposals | — | — | (6,127) | — | — | — | (6,127) |
| **Balance as of December 31, 2013** | **—** | **—** | **—** | **—** | **363** | **1,682** | **2,045** |
| Additions | — | — | 16,007 | — | — | 6,596 | 22,603 |
| Additions from pooling of interest (Note 5) | — | 50,699 | 40,713 | 1,214,465 | 39,789 | — | 1,345,666 |
| Additions from business combination (Note 5) | 1,793,431 | — | — | 1,955,691 | 407,728 | — | 4,156,850 |
| **Balance as of December 31, 2014** | **1,793,431** | **50,699** | **56,720** | **3,170,156** | **447,880** | **8,278** | **5,527,164** |
| **Accumulated amortization and Impairment:** | | | | | | | |
| **Balance as of January 1, 2013** | **—** | **—** | **—** | **—** | **—** | **—** | **—** |
| Charge for the year | — | — | (1,532) | — | (19) | — | (1,551) |
| Disposals | — | — | 1,532 | — | — | — | 1,532 |
| **Balance as of December 31, 2013** | **—** | **—** | **—** | **—** | **(19)** | **—** | **(19)** |
| Additions from pooling of interest (Note 5) | — | — | (9,358) | — | — | — | (9,358) |
| Charge for the year | — | — | (6,151) | (76,069) | (23,944) | — | (106,164) |
| **Balance as of December 31, 2014** | **—** | **—** | **(15,509)** | **(76,069)** | **(23,963)** | **—** | **(115,541)** |
| **Net book value** | | | | | | | |
| **As of January 1, 2013** | **—** | **—** | **6,127** | **—** | **187** | **733** | **7,047** |
| **As of December 31, 2013** | **—** | **—** | **—** | **—** | **344** | **1,682** | **2,026** |
| **As of December 31, 2014** | **1,793,431** | **50,699** | **41,211** | **3,094,087** | **423,917** | **8,278** | **5,411,623** |

As a result of a business combination that took place during the year 2014 the goodwill in the amount of 1,793,431 arose and was allocated to Contact cash generating unit (CGU).

As of December 31, 2014 the carrying amount of intangible assets with an indefinite useful life (banking limited license, which is expected to be renewed indefinitely) have a value of 50,699 (December 31, 2013 – 0; January 1, 2013 – 0).

The recoverable amount of CGU has been determined based on a value in use calculation using cash flow projections from financial model prepared by external appraiser covering a nine-year period (2015-2023). A nine-year period was used for projections, as the Group considers this time frame to be reasonably forecasted and the growth rate in the last four years of this period is expected to exceed the terminal growth rate. The pre-tax discount rate adjusted to risk specific applied to cash flow projections CGU is 19.7%. The growth rates applied to discounted terminal value projection in beyond the forecast period is 4.5%.

*(in thousands of Rubles)*

**16. Goodwill and other intangible assets (continued)**

As result of annual impairment test of CGU to which goodwill and intangible assets with indefinite useful lives were allocated, the Group did not identify any impairment as of December 31, 2014.

The calculation of value in use for these cash generating units is most sensitive to:

- Domestic money transfers market assumptions;
- The Group's transaction volume and net revenue yields;
- Net profit margins;
- Terminal growth rates used to extrapolate cash flows beyond the budget period;
- Discount rates.

The values assigned to each of these parameters reflect past experience and expected changes over the timeframe. With regard to the assessment of value in use of CGU, management believes that no reasonably possible change in any of the above key assumptions would cause the carrying value of the unit to materially exceed its recoverable amount.

**17. Revenue**

Revenue for the years ended December 31 was as follows:

| | 2013 | 2014 |
|---|---|---|
| Payment processing fees | — | 2,083,083 |
| Interest revenue | — | 111,287 |
| Licensing fee and royalty | 60,485 | 77,599 |
| Interest revenue from agent's overdrafts | — | 12,841 |
| Other revenue | — | 3,863 |
| **Total revenue** | **60,485** | **2,288,673** |

For the purposes of the consolidated statement of cash flows, "Interest expense, net" consists of the following:

| | 2013 | 2014 |
|---|---|---|
| Interest revenue as part of revenue | — | (111,287) |
| Interest expense as part of cost of revenue | — | 42,196 |
| Interest income, net | (809) | (1,641) |
| **Interest income, net (for the purposes of consolidated cash flow statement)** | **(809)** | **(70,732)** |

**18. Cost of revenue (exclusive of depreciation and amortization)**

Cost of revenue (exclusive of depreciation and amortization) for the years ended December 31 was as follows:

| | 2013 | 2014 |
|---|---|---|
| Transaction costs | — | 1,468,159 |
| Payroll and related taxes | — | 144,991 |
| Interest expense | — | 42,196 |
| Other expenses | — | 168,634 |
| **Total cost of revenue (exclusive of depreciation and amortization)** | **—** | **1,823,980** |

Other expenses for the year ended December 31, 2014 include loss due to the security breach of 164,876.

CIHRUS LLC

Notes to consolidated financial statements (continued)

*(in thousands of Rubles)*

**19. Selling, general and administrative expenses**

Selling, general and administrative expenses for the years ended December 31 were as follows:

| | 2013 | 2014 |
|---|---|---|
| Payroll, related taxes and other personal expenses | — | 102,324 |
| Office maintenance expenses | — | 27,929 |
| Rent of premises and related utility expenses | — | 19,061 |
| Advertising and related expenses | — | 16,204 |
| Other tax expenses | 3,090 | 10,520 |
| Professional fees | — | 8,053 |
| Telecommunication and internet expenses | — | 7,075 |
| Bad debt expense | — | 2,969 |
| Other operating expenses | — | 3,952 |
| **Total selling, general and administrative expenses** | **3,090** | **198,087** |

**20. Other income**

| | 2013 | 2014 |
|---|---|---|
| Gain from legal proceeding* | — | 18,766 |
| Other | — | 221 |
| **Total other income** | **—** | **18,987** |

* The Group sued one of its counterparty for poorly rendered services and won the trial.

**21. Dividends paid and proposed by subsidiary**

Dividends are presented as expense in the statement of comprehensive income separately.

Dividends paid and proposed by the Group's subsidiary before acquisition of it by the Company but after consolidation under common control to the participants of the subsidiary are presented below:

| | 2013 | 2014 |
|---|---|---|
| **Proposed, declared and approved during the year:** | | |
| Final dividend for 2014 | — | (293,321) |
| Other distributions | — | (26,224) |
| **Paid during the period:** | | |
| Final dividend for 2014 | — | (293,321) |
| Other distributions | — | (26,224) |
| **Dividends payable as of December 31** | **—** | **—** |

**22. Income tax**

Starting from July 1, 2014, the Company is subject to a 20% corporate income tax applied to its income; prior to that the Company had profit tax exemption(applied simplified income tax regime). All other Group companies incorporated in Russian Federation and are subject to the corporate income tax at the standard rate of 20% applied to their taxable income.

CIHRUS LLC

Notes to consolidated financial statements (continued)

*(in thousands of Rubles)*

**22. Income tax (continued)**

Deferred income tax assets and liabilities as of December 31, 2014, January 1 and December 31, 2013, relate to the following:

| | Consolidated statement of financial position as of | | | Consolidated profit or loss for the year ended | |
|---|---|---|---|---|---|
| | December 31, 2014 | December 31, 2013 | January 1, 2013 | 2014 | 2013 |
| Intangible assets | (673,241) | — | — | 17,947 | — |
| Trade and other payables | (41,247) | — | — | (49,207) | — |
| Trade and other receivables | 4,145 | — | — | 526 | — |
| Deferred revenue | 1,003 | — | — | 1,003 | — |
| Financial guaranty | 1,868 | — | — | 1,868 | — |
| **Net deferred income tax liability** | **(707,472)** | **—** | **—** | **(27,863)** | **—** |
| including: | | | | | |
| - deferred tax asset | 8,881 | — | — | | |
| - deferred tax liability | (716,353) | — | — | | |

| | 2013 | 2014 |
|---|---|---|
| **Deferred income tax liability, net as of January 1** | **—** | **—** |
| Effect of business combinations (Note 5) | — | (679,609) |
| Deferred tax expenses | — | (27,863) |
| **Deferred income tax liability, net as of December 31** | **—** | **(707,472)** |

For the year ended December 31, income tax expense included:

| | 2013 | 2014 |
|---|---|---|
| **Total tax expense** | | |
| including: | | |
| - current income tax expense | — | (97,244) |
| - deferred tax expense | — | (27,863) |
| **Income tax expense for the year** | **—** | **(125,107)** |

Theoretical and actual income tax expense is reconciled as follows:

| | 2013 | 2014 |
|---|---|---|
| **Profit before tax** | **56,653** | **(166,754)** |
| Theoretical income tax expense at the Company's tax rate of 20% (Russia) (Tax exemption in 2013) | — | 33,351 |
| **Increase resulting from the tax effect of:** | | |
| Non-deductible expenses | — | (35,753) |
| Distributions to participants | — | (63,909) |
| Profit for the period with profit tax exemption | — | 2,473 |
| Effect of uncertain tax position | — | (61,269) |
| **Total income tax expense** | **—** | **(125,107)** |

Non-deductible expenses comprised mainly from losses from security breach which are not allowed to be deducted from taxable income according to tax law

CIHRUS LLC

Notes to consolidated financial statements (continued)

*(in thousands of Rubles)*

**22. Income tax (continued)**

The Company does not recognize a deferred tax liability for all taxable temporary differences associated with investments in subsidiaries. The Group will not distribute the retained earnings of its subsidiaries at least during one year after acquisition afterwards the tax rate is nil for Russia. As of December 31, 2014 the aggregate amount of temporary differences associated with investments in subsidiaries, for which deferred tax liabilities have not been recognized is 482,410 (December 31, 2013 – nil; January 1,2013 – nil)

**23. Commitments, contingencies and operating risks**

**Operating environment**

Russia continues economic reforms and development of its legal, tax and regulatory frameworks as required by a market economy. The future stability of the Russian economy is largely dependent upon these reforms and developments and the effectiveness of economic, financial and monetary measures undertaken by the government.

Starting from the end of year 2014, the Russian economy has been negatively impacted by a significant drop in crude oil prices and a significant devaluation of the Russian Ruble, as well as sanctions imposed on Russia by several countries. In December 2014, the Ruble interest rates have increased significantly after the Central Bank of Russia raised its key rate to 17% (slightly decreased in the first quarter of 2015 to 14% and to 11.5% in the second quarter).The combination of the above resulted in reduced access to capital, a higher cost of capital, increased inflation and uncertainty regarding economic growth, which could negatively affect the Group's future financial position, results of operations and business prospects. Management believes it is taking appropriate measures to support the sustainability of the Group's business in the current circumstances.

In light of hardening geopolitical situation in the Ukraine, the United States of America and the European Union has adopted the package of economic restrictive measures imposing certain sanctions on operations of various Russian banks. Management is monitoring these developments in the current environment and taking actions where appropriate. These and any further possible negative developments in Ukraine could adversely impact results and financial position of the Group in a manner not currently determinable.

**Taxation**

The Company policy is to comply fully with applicable tax regulations in the jurisdictions in which its operations are subject to income taxes. The Company's estimates of current income tax expense and liabilities are calculated assuming that all tax computations filed by the Company's subsidiaries will be subject to a review or audit by the relevant tax authorities. The Company and the relevant tax authorities may have different interpretations of how regulations should be applied to actual transactions. Such uncertain tax positions are accounted for in accordance with IAS 12 *Income Taxes* or IAS 37 *Provisions, Contingent Liabilities and Contingent Assets* depending on the type of tax in question.

The Company records provisions for income taxes it estimates will ultimately be payable when the review or audits have been completed, including allowances for any interest and penalties which may become payable. For provisions for taxes other than income tax, the Company follows the general policy on provisions.

CIHRUS LLC

Notes to consolidated financial statements (continued)

*(in thousands of Rubles)*

**23. Commitments, contingencies and operating risks (continued)**

**Taxation (continued)**

Russian tax, currency and customs legislation is subject to varying interpretations, and changes, which can occur frequently. Management's interpretation of such legislation as applied to the transactions and activity of the Group may be challenged by the relevant regional and federal authorities. Recent events within Russia which are discussed below suggest that the tax authorities are taking a more assertive position in its interpretation of the legislation and assessments and as a result, it is possible that transactions and activities that have not been challenged in the past may be challenged.

**Government regulation of the electronic payment systems**

In Russia the legislation on e-payments is not yet mature and is developing, and no assurance can be made that if such legislation is changed or the new legislation adopted it will be beneficial to the Group's business. From time to time, the Group may also be subject to the investigations in the area of anti-money laundering by the regulatory authorities. In addition, the Group generally disputes them in the normal course of business, and expects to be able to resolve such disputes in Group's favor. In addition, there is a lot of uncertainty regarding future legislation on taxation of e-payments, including in respect of the place of taxation. Subsequent legislation and regulation and interpretations thereof, litigation, court rulings, or other events could expose the Group to increased costs, liability and reputational damage that could have a material adverse effect on the Group's business, financial condition and results of operations.

**Risk of cybersecurity breach**

The Company stores and/or transmits sensitive data, such as credit or debit card numbers and mobile phone numbers, and the Company has ultimate liability to its consumers for the failure to protect this data. The Company has experienced breaches of its security by hackers in the past, and breaches could occur in the future. In such circumstances, the encryption of data and other protective measures have not prevented unauthorized access and may not be sufficient to prevent future unauthorized access. However, any future breach of the system, including through employee fraud, may subject the Company to material losses or liability, payables to other payment systems, fines and claims for unauthorized purchases with misappropriated credit or debit card information, identity theft, impersonation or other similar fraud claims. In addition, misuse of such sensitive data or a cybersecurity breach could result in claims, regulatory scrutiny and other negative consequences.

**Risks assessment**

The Group's management believes that its interpretation of the relevant legislation is appropriate and is in accordance with the current industry practice and that the Group's currency, customs, tax and other regulatory positions will be sustained. However, the interpretations of the relevant authorities could differ and the maximum effect of additional losses on these consolidated financial statements, if the authorities were successful in enforcing their different interpretations, could be significant, and amount up to 38,000 as of December 31, 2014.

**Insurance policies**

The Group holds no insurance policies in relation to its assets, operations, or in respect of public liability or other insurable risks. There are no significant physical assets to insure. Management has considered the possibility of insurance of business interruption in Russia, but the cost of it outweighs the benefits in management's view.

CIHRUS LLC

Notes to consolidated financial statements (continued)

*(in thousands of Rubles)*

**23. Commitments, contingencies and operating risks (continued)**

**Operating lease commitments**

The Group has commercial lease agreements of office buildings. The leases have an average life of between one and three years. Total lease expense for the twelve months ended December 31, 2014 amounted 19,061 (2013 — nil).

Future minimum lease rentals under non-cancellable operating lease commitments for office premises as of December 31, are as follows:

| | 2012 | 2013 | 2014 |
|---|---|---|---|
| Within one year | — | — | 8,571 |
| After one year but not more than five years | — | — | 2,331 |

**24. Balances and transactions with related parties**

The following table sets forth the total amount of transactions entered into with related parties for the relevant financial year and balances with related parties as of the end of the relevant years:

| Category of related party | Amounts owed by related parties* | Amounts owed to related parties* | Cash due from related party | Cash due to related party |
|---|---|---|---|---|
| **As of December 31, 2014** | | | | |
| Key management personnel of the entity or its parent, incl.: | | | | |
| *Short-term benefits* (A) | — | 19,274 | — | — |
| *Other operations* | 2,337 | — | — | — |
| Entities under common control with the Group: | | | | |
| *Companies of Otkritie Group (B) (Note11)* | 2,272 | 791,475 | 1,053,597 | 332,036 |
| Entity with the parent that has significant influence over the Group: | | | | |
| *Russlavbank* | 20,473 | 67,685 | 1,069,393 | 581,309 |
| *Contact International Holding AG* | 56,253 | — | — | — |
| Other related parties | — | — | — | 104,657 |
| **As of December 31, 2013** | | | | |
| Entity with the parent that has significant influence over the Group: | | | | |
| *Contact International Holding AG* | 1,233 | — | — | — |

* The amounts are classified as trade receivables and trade and loan payables, respectively.

CIHRUS LLC

Notes to consolidated financial statements (continued)

*(in thousands of Rubles)*

**24. Balances and transactions with related parties (continued)**

There were no balances with related parties as of January 1, and December 31, 2013.

| Category of related party | Revenue and other income from related parties | Cost of revenue to related parties | Operating expenses and other purchases |
|---|---|---|---|
| **The year ended December 31, 2014** | | | |
| Key management personnel of the entity or its parent, incl.: | | | |
| *Short-term benefits* (A) | — | — | 18,840 |
| Entities under common control with the Group: | | | |
| *Companies of Otkritie Group (B)* | 65,501 | 57,885 | 7,037 |
| Entity with the parent that has significant influence over the Group: | | | |
| *Russlavbank* | 80,423 | 48,973 | 13,080 |
| *Contact International Holding AG* | 27,918 | — | 5,000 |
| Other related parties | 42,710 | — | — |
| **The year ended December 31, 2013** | | | |
| Entity with the parent that has significant influence over the Group: | | | |
| *Russlavbank* | 57,199 | — | — |
| *Contact International Holding AG* | 8,286 | — | — |

Related parties mostly include transactions that are described below:

(A) Short-term benefits of key management comprise cash remuneration of the key management.

(B) Entities under common control with the Group since June, 2014 represent the group of banks under control of Otkritie Group that all are Russian residents which act as both merchants and agents for the Group and hold its correspondent accounts in LTD Rapida as participants of Contact payment system and LTD Rapida holds its current accounts in these banks, and they charge interest income on those balances to LTD Rapida at the rate of RUONIA.

*Terms and conditions of transactions with related parties*

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended December 31, 2014, the Group has not recorded any impairment of receivables relating to amounts owed by related parties (2013: Nil).

The above stated balances and transactions have been entered into on terms as described above and are not secured, nor bear interest except that disclosed above and in Note 11.

CIHRUS LLC

Notes to consolidated financial statements (continued)

*(in thousands of Rubles)*

**25. Risk management**

The main risks that could adversely affect the Group's financial assets, liabilities or future cash flows are interest rate risk, foreign exchange risk, liquidity and capital management's risks and credit risk. Management reviews and agrees policies for managing each of the risks which are summarized below.

**Interest rate risk**

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments. The Group's income and operating cash flows are substantially independent of changes in market interest rates, because it has interest-bearing assets and liabilities with floating interest rate which neutralized each other.

**Liquidity risk and capital management**

The Group uses debt from related party banks with short maturity, has sufficient cash and does not have any significant outstanding long term debt. Amounts due to customers and amounts due to banks are due on demand, but are usually offset against future payments processed through agents. The Group expects that Amounts due to customers and amounts due to banks will continue to be offset against future payments and not be called by the agents.

Rapida LTD is a non-bank credit entity. According to CB RF requirements, a non-bank credit entity's capital calculated based on Russian accounting standards should be not less than 10% of its risk-adjusted assets. As of December 31, 2014, LTD Rapida's capital comprised 14% (2013 – 20%) thereby exceeding the required level. LTD Rapida monitors the fulfillment of requirements on a daily basis and sends the report to CB RF on a monthly basis. During the years 2014 and 2013 LTD Rapida met the capital adequacy requirements set by instruction of the CB RF.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. Capital includes net asset attributable to participants. To maintain or adjust the capital structure, the Group may make dividend payments to participants, return capital to participants or issue new shares. Currently, the Group requires capital to finance its growth, but it generates sufficient cash from its operations. The table below summarizes the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

| | | Due: | | |
|---|---|---|---|---|
| | **Total** | **On demand** | **Within a year** | **More than a year** |
| Net asset attributable to participants | 4,878,191 | — | 4,878,191 | — |
| Short-term borrowings | 777,000 | — | 777,000 | — |
| Trade and other payables | 2,950,216 | 2,950,216 | — | — |
| Amounts due to customers and amounts due to banks | 3,198,708 | 3,198,708 | — | — |
| **Total as of December 31, 2014** | **11,804,115** | **6,148,924** | **5,655,191** | **—** |

| | | Due: | | |
|---|---|---|---|---|
| | **Total** | **On demand** | **Within a year** | **More than a year** |
| Net asset attributable to participants | 56,953 | — | 56,953 | — |
| Short-term borrowings | 15,714 | — | 15,714 | — |
| Trade and other payables | 6,363 | 6,363 | — | — |
| **Total as of December 31, 2013** | **79,030** | **6,363** | **72,667** | **—** |

CIHRUS LLC

Notes to consolidated financial statements (continued)

*(in thousands of Rubles)*

**25. Risk management (continued)**

Liquidity risk and capital management (continued)

| | | Due: | | |
|---|---|---|---|---|
| | Total | On demand | Within a year | More than a year |
| Net asset attributable to participants | 200 | — | 200 | — |
| Short-term borrowings | 3,267 | — | 3,267 | — |
| Trade and other payables | 6,187 | 6,187 | — | — |
| **Total as of January 1, 2013** | **9,654** | **6,187** | **3,467** | **—** |

**Credit risk**

Financial assets, which potentially subject the Group and its subsidiaries to credit risk, consist principally of trade receivables, loans receivable issued, cash and short-term investments. The Group sells services on a prepayment basis or ensures that its receivables are from customers with an appropriate credit history — large merchants and agents with sufficient and appropriate credit history. The Group's receivables from merchants and others, except for agents, are generally non-interest-bearing and do not require collateral. Receivables and loans from agents are interest-bearing and unsecured. The Group holds cash primarily with reputable Russian and international banks, including CB RF, which management considers having minimal risk of default, although credit ratings of Russian banks are generally lower than those of the banks in more developed markets.

The carrying amount of accounts receivable, net of allowance for impairment of receivables, represents the maximum amount exposed to credit risk for this type of receivables (Note 15). The table below demonstrates the largest counterparties' balances and revenues, as a percentage of respective totals:

| | Trade and other receivables | | | Revenue | |
|---|---|---|---|---|---|
| | As of January 1, 2013 | As of December 31, 2013 | As of December 31, 2014 | 2013 | 2014 |
| **Concentration of credit risks by main counterparties, % from total amount** | | | | | |
| Top 5 | — | 100% | 1% | 100% | 15% |
| Others | — | — | 99% | — | 85% |

Collection of receivables could be influenced by economic factors; management believes that there is no significant risk of loss to the Group beyond the allowance already recorded.

**26. Financial instruments**

The Group's principal financial instruments consisted of loans receivable, trade and other receivables, trade and other payables, cash and cash equivalents, net asset attributable to participants and borrowings. The Group has various other financial assets and liabilities which arise directly from its operations. During the year, the Group did not undertake trading in financial instruments.

Cash and cash equivalents, accounts receivable and payable, net asset attributable to participants, financial guaranties, other current assets and liabilities approximate their carrying amount largely due to short-term maturities of these instruments.

**26. Financial instruments (continued)**

The Group uses the following IFRS hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities;
- Level 2: Other techniques for which all inputs that have a significant effect on the recorded fair value are observable, either directly or indirectly;
- Level 3: Techniques that use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

There were no transfers between Level 1 and Level 2 fair value measurements during the period, and no transfers into or out of Level 3 fair value measurements during the year ended December 31, 2014.

**27. Events after the reporting date**

**Rapida LTD issues**

On May 20, 2015 the Bank of Russia finished a scheduled thematic inspection of Rapida LTD, during which have been revealed various breaches of Federal Law No. 115-FZ of August 7, 2011 *On Countering the Legalization (Laundering) of Criminally Obtained Incomes and the Financing of Terrorism*, Federal Law No. 161-FZ of June 27, 2011 *On the National Payment System*, Regulation of the Central Bank of Russia No. 283-P of March 20, 2006 on the Procedure of Forming Reserves for Possible Losses by Credit Organizations and others. As a result, the Bank of Russia prescribed to rectify the detected violations and imposed a range of restrictions on the operations of Rapida LTD for the period of six months started from June 4, 2015, that could have negative impact on payment volume. As at the date of authorization of these financial statements all restrictions were prolonged for the next six months.

**Overdraft facility**

On October 30, 2015, the Group prolonged the overdraft facility with JSC Bank Finansovaya Corporatsiya Otkrytie with limit up to 600,000 till the end of the year 2017 with the same terms and conditions.

**Russlavbank**

Since November 6, 2015, the Group decided to stop using Russlavbank as the settlement bank for Contact payment system. This decision has no effect on financial statements for three months ended March 31, 2015 and thereafter. As at this date the amounts due to and from Russlavbank are not significant.

**Change of the parent of the Company**

On June 2015, Otkritie Investments Holding sold its stake to QIWI plc.

**Reorganization of the Company**

CIHRUS LLC is planned to be reorganized and merged with JSC QIWI in accordance to the decision of sole participant of CIHRUS LLC dated 8 December 2015.

**Exhibit 99.2**

# Attenium LLC

Consolidated financial statements

*for the year ended December 31, 2014*

Attenium LLC

Consolidated financial statements

for the year ended December 31, 2014

**Content**

Report of independent registered public accounting firm

The Participants of Attenium LLC

We have audited the accompanying consolidated statements of financial position of Attenium LLC as of December 31, 2014 and 2013, and the related consolidated statements of comprehensive income, consolidated cash flow statements for each of the two years in the period ended December 31, 2014. These consolidated financial statements are the responsibility of Attenium LLC's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of Attenium LLC's internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Attenium LLC's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Attenium LLC as of December 31, 2014 and 2013, its financial performance and its cash flows for each of the two years in the period ended December 31, 2014, in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board.

/s/ Ernst & Young LLC

December 18, 2015

Moscow, Russia

Attenium LLC

Consolidated statement of financial position

As of December 31, 2014

*(in thousands of rubles)*

| | Notes | As of January 1, 2013 | As of December 31, 2013 | As of December 31, 2014 |
|---|---|---|---|---|
| **Assets** | | | | |
| Non-current assets | | | | |
| Property and equipment | 14 | 8,279 | 9,809 | 24,507 |
| Goodwill and other intangible assets | 15 | 8,898 | 9,430 | 3,740,494 |
| Long-term loans | 25 | — | 1,510 | — |
| Long-term prepayments to agents | | 75,249 | 184,401 | — |
| Deferred tax assets | 21 | 5,076 | 10,715 | 8,880 |
| **Total non-current assets** | | **97,502** | **215,865** | **3,773,881** |
| **Current assets** | | | | |
| Trade and other receivables | 8 | 1,550,198 | 618,761 | 1,677,219 |
| Short-term loans | | — | 2,237 | 4,076 |
| Prepaid income tax | | 4,523 | 10,070 | 8,305 |
| Cash and cash equivalents | 9 | 1,809,452 | 3,023,443 | 5,266,890 |
| Short-term prepayments to agents | | 224,751 | 390,848 | 184,401 |
| Other current assets | | 435 | 353 | 1,390 |
| **Total current assets** | | **3,589,359** | **4,045,712** | **7,142,281** |
| **Total assets** | | **3,686,861** | **4,261,577** | **10,916,162** |
| **Non-current liabilities** | | | | |
| Net assets attributable to participants | 10, 24, 25 | 187,628 | 299,747 | 3,428,998 |
| Deferred tax liabilities | 21 | — | — | 427,736 |
| **Total non-current liabilities** | | **187,628** | **299,747** | **3,856,734** |
| **Current liabilities** | | | | |
| Short-term borrowings | 11, 23, 24 | 250,321 | 556,000 | 777,000 |
| Trade and other payables | 12, 24 | 2,531,315 | 1,229,610 | 2,953,186 |
| Amounts due to customers and amounts due to banks | 13, 24 | 709,800 | 2,144,508 | 3,198,708 |
| Income tax payable | | 5,671 | 30,848 | 114,700 |
| Deferred revenue | | — | — | 5,016 |
| Financial guaranty | | — | — | 9,339 |
| Other current liabilities | | 2,126 | 864 | 1,479 |
| **Total current liabilities** | | **3,499,233** | **3,961,830** | **7,059,428** |
| **Total liabilities** | | **3,686,861** | **4,261,577** | **10,916,162** |

*The accompanying notes form an integral part of these consolidated financial statements.*

Attenium LLC

Consolidated statement of comprehensive income

for the year ended December 31, 2014

*(in thousands of rubles)*

| | Notes | Year ended December 31, 2013 | 2014 |
|---|---|---|---|
| Revenue | 16 | 2,321,835 | 3,425,782 |
| *Operating costs and expenses:* | | | |
| Cost of revenue (exclusive of depreciation and amortization) | 17 | 1,958,676 | 2,858,710 |
| Selling, general and administrative expenses | 18 | 149,084 | 239,382 |
| Depreciation and amortization | 14, 15 | 8,874 | 45,221 |
| **Profit from operations** | | **205,201** | **282,469** |
| Other income | 19 | 1,822 | 19,567 |
| Other expenses | | (157) | (232) |
| Foreign exchange gain | | 1,059 | 127,419 |
| Foreign exchange loss | | (1,019) | (156,620) |
| Change in fair value of financial instruments | | — | (7,037) |
| Interest income, net | 16 | 184 | 1,208 |
| Distributions to participants | 20 | — | (293,321) |
| **Profit before tax** | | **207,090** | **(26,547)** |
| Income tax expense | 21 | (94,971) | (202,186) |
| **Net profit/(loss)** | | **112,119** | **(228,733)** |
| **Attributable to:** | | | |
| Participants of the parent | | 112,119 | (228,733) |
| **Total comprehensive income/(loss), net of tax effect of 0** | | **112,119** | **(228,733)** |
| **Attributable to:** | | | |
| Participants of the parent | | 112,119 | (228,733) |

*The accompanying notes form an integral part of these consolidated financial statements.*

Attenium LLC

Consolidated statement of cash flows

for the year ended December 31, 2014

*(in thousands of rubles)*

| | Notes | Year ended December 31, 2013 | 2014 |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| **Profit/(loss) before tax** | | **207,090** | **(26,547)** |
| *Adjustments to reconcile profit before income tax to net cash flows generated from operating activities* | | | |
| Distributions to participants | | — | 293,321 |
| Depreciation and amortization | | 8,874 | 45,221 |
| Interest income, net | 16 | (30,543) | (87,616) |
| Change in fair value of financial instruments | | — | 7,037 |
| Bad debt expense | 18 | 13,794 | 15,282 |
| **Operating profit before changes in working capital** | | **199,215** | **246,698** |
| (Increase)/decrease in trade and other receivables | | 917,644 | (998,937) |
| (Increase)/decrease in prepayments to agents | | (275,167) | 389,811 |
| Increase in amounts due to customers and amounts due to banks | | 1,434,708 | 1,054,200 |
| Increase/(decrease) in accounts payable and accruals | | (1,302,967) | 876,409 |
| **Cash generated from operations** | | **973,433** | **1,568,181** |
| Interest received | | 46,224 | 164,026 |
| Interest paid | | (16,174) | (76,719) |
| Income tax paid | | (80,981) | (78,136) |
| **Net cash flow from operating activities** | | **922,502** | **1,577,352** |
| **Cash flows from investing activities** | | | |
| Cash acquired upon business combination | 5 | — | 780,299 |
| Purchase of property and equipment | | (7,285) | (21,493) |
| Purchase of intangible assets | | (3,651) | (20,368) |
| Loans issued | | (4,575) | (297,342) |
| Repayment of loans issued | | 1,000 | 297,320 |
| **Net cash used in investing activities** | | **(14,511)** | **738,416** |
| **Cash flows from financing activities** | | | |
| Proceeds from borrowings | | 606,000 | 616,000 |
| Repayment of borrowings | | (300,000) | (395,000) |
| Dividends paid to participants of the Group | 20 | — | (293,321) |
| **Net cash (used in) / generated from financing activities** | | **306,000** | **(72,321)** |
| **Net increase in cash and cash equivalents** | | **1,213,991** | **2,243,447** |
| Cash and cash equivalents at the beginning of year | 9 | 1,809,452 | 3,023,443 |
| **Cash and cash equivalents at the end of year** | 9 | **3,023,443** | **5,266,890** |

*The accompanying notes form an integral part of these consolidated financial statements.*

**1. Corporate information and description of business**

Attenium LLC (the Company) was registered on November 10, 2005 as a limited liability Company in Russian Federation under the Civil Code and Law of Limited Liability Companies. The registered office of the Company is Moscow, Barrikadnaya st., build 8/5A. The consolidated financial statements of Attenium LLC and its subsidiaries for the year ended December 31, 2014 were authorized for issue by the Shareholders of the Company on December 10, 2015.

Attenium LLC and its subsidiaries (collectively the "Group") operate electronic online payment systems in Russia and maintain activity supporting processing of payments.

CIHRUS LLC is the parent of the Group as of December 31, 2014. Otkritie Holding JSC is the ultimate parent of the Group as of December 31, 2014. There is no individual who is the ultimate controlling party of the Group as of December 31, 2014.

Information on the Company's principal subsidiaries is disclosed in Note 6.

**2.1 Basis of preparation**

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

For all periods up to and including the year ended December 31, 2013, the Company and its subsidiaries prepared its financial statements in accordance with local generally accepted accounting practice (Local GAAP). The Group did not prepare the consolidated financial statements under Local GAAP. These consolidated financial statements for the year ended December 31, 2014 are the first consolidated financial statements of the Group prepared in accordance with IFRS. Refer to Note 2.4 for information on how the Group adopted IFRS.

The consolidated financial statements are prepared on a historical cost basis. The consolidated financial statements are presented in Russian rubles ("RUB") and all values are rounded to the nearest thousand (RUB (000)) except when otherwise indicated.

**2.2 Basis of consolidation**

The consolidated financial statements comprise the financial statements of Attenium LLC and its subsidiaries as of December 31 each year.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

**2.2 Basis of consolidation (continued)**

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee.
- Rights arising from other contractual arrangements.
- The Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the statement of comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies.

All intra-group balances, income, expenses and unrealized gains and losses resulting from intra-group transactions are eliminated in full, except for the foreign exchange gains and losses arising on intra-group balances.

**2.3 Summary of significant accounting policies**

Set out below are the principal accounting policies used to prepare these consolidated financial statements:

**2.3.1 Business combinations and goodwill**

Business combinations are accounted for using the acquisition method.

Consideration transferred includes the fair values of the assets transferred, liabilities incurred by the Group to the previous owners of the acquiree, and equity interests issued by the Group. Consideration transferred also includes the fair value of any contingent consideration and share-based payment awards of the acquiree that are replaced mandatorily in the business combination.

If a business combination results in the termination of pre-existing relationships between the Group and the acquiree, then the Group identified any amounts that are not part of what the Group and the acquiree exchanged in the business combination. The Group recognizes as part of application the acquisition method only the consideration transferred for the acquiree and the assets acquired and liabilities assumed in the exchange for the acquiree.

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognized in profit or loss. It is then considered in the determination of goodwill.

*(in thousands of rubles)*

**2.3 Summary of significant accounting policies (continued)**

**2.3.1 Business combinations and goodwill (continued)**

Any contingent consideration to be transferred by the acquirer will be recognized at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IAS 39 *Financial Instruments: Recognition and Measurement*, is measured at fair value with changes in fair value recognized either in either profit or loss or as a change to other comprehensive income. If the contingent consideration is not within the scope of IAS 39, it is measured in accordance with the appropriate IFRS. Contingent consideration that is classified as equity is not re-measured and subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognized at the acquisition date. If the re-assessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognized in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group’s cash generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquired are assigned to those units.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed in this circumstance is measured based on the relative values of the operation disposed and the portion of the cash-generating unit retained.

**2.3.2 Foreign currency translation**

The consolidated financial statements are presented in Russian rubles (RUB), which is the Company’s and its subsidiaries’ functional and presentation currency. Transactions in foreign currencies are initially recorded at the functional currency rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are re-measured at the functional currency rate of exchange at the reporting date. All differences are taken to profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as of the dates of the initial transactions.

The exchange rates of the Russian ruble to each respective currency as of December 31, 2014 and 2013 were as follows:

| Exchange rates at | January 1, 2013 | December 31, 2013 | December 31, 2014 |
|---|---|---|---|
| US dollar | 30.3727 | 32.7292 | 56.2584 |
| Euro | 40.2286 | 44.9699 | 68.3427 |

**2.3 Summary of significant accounting policies (continued)**

**2.3.3 Property and equipment**

Property and equipment are stated at cost less accumulated depreciation and any accumulated impairment in value. Expenditures for continuing repairs and maintenance are charged to the profit or loss as incurred.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of comprehensive income when the asset is derecognized.

Depreciation is calculated on property and equipment on a straight-line basis from the time the assets are available for use, over their estimated useful lives 2-7 years. The asset's residual values, useful lives and depreciation methods are reviewed, and adjusted as appropriate, at each financial year end.

**2.3.4 Intangible assets**

Intangible assets acquired separately are measured on initial recognition at cost. The cost of other intangible assets acquired in a business combination is their fair value as of the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is recognized in the statement of comprehensive income when it is incurred.

**Software development costs**

Development expenditure on an individual project is recognized as an intangible asset when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the asset and the ability to measure reliably the expenditure during development.

**Useful life and amortization of intangible assets**

The useful lives of intangible assets are assessed as either finite or indefinite. The Group has no intangible assets with indefinite useful life. Below is the summary of useful lives of intangible assets:

| | |
|---|---|
| Customer and partnership base | 15 years |
| Software | 3-8 years |
| Licenses | 2-5 years* |
| Trademarks and other rights | 6-10 years |

* The terms of useful life could differ of those stated if it is directly stipulated by agreement.

**2.3 Summary of significant accounting policies (continued)**

**2.3.4 Intangible assets (continued)**

Intangible assets with finite lives are amortized on a straight line basis over their useful economic lives years or over the term stipulated by agreements and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life is reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the statement of comprehensive income in the expense category consistent with the function of the intangible assets.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of comprehensive income when the asset is derecognized.

**2.3.5 Impairment of non-financial assets**

The Group assesses at each reporting date whether there is an indication that an asset, other than Goodwill, may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used.

These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries, if applicable, or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs, to which the individual assets are allocated.

These budgets and forecast calculations generally cover a period of five years or longer, when management considers appropriate. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the last year.

Impairment losses of continuing operations are recognized in profit or loss in those expense categories consistent with the function of the impaired asset.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Group makes an estimate of recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount.

**2.3 Summary of significant accounting policies (continued)**

**2.3.5 Impairment of non-financial assets (continued)**

That increased amount cannot exceed the carrying amount that would have been determined, net of amortization, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in profit or loss. The following criteria are also applied in assessing impairment of specific assets:

*Goodwill*

Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of the cash-generating units, to which the goodwill relates. Where the recoverable amount of the cash-generating units is less than their carrying amount an impairment loss is recognized. Impairment losses relating to goodwill cannot be reversed in future periods. The Group performs its annual impairment test of goodwill as of December 31.

**2.3.6 Financial instruments – initial recognition and subsequent measurement**

**2.3.6.1 Financial assets**

***Initial recognition and measurement***

Financial assets within the scope of IAS 39 are classified as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, or available-for-sale financial assets, as appropriate. When financial assets are recognized initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs. All regular way purchases and sales of financial assets are recognized on the trade date, which is the date that the Group commits to purchase the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

***Subsequent measurement***

The subsequent measurement of financial assets depends on their classification as described below:

*Financial assets at fair value through profit or loss*

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term.

Financial assets at fair value through profit and loss are carried in the statement of financial position at fair value with net changes in fair value recognized in “change in fair value of derivative financial assets”, “other gains” or “other losses” in the statement of comprehensive income.

Financial assets designated upon initial recognition at fair value through profit or loss are designated at their initial recognition date and only if the criteria under IAS 39 are satisfied.

**2.3 Summary of significant accounting policies (continued)**

**2.3.6 Financial instruments – initial recognition and subsequent measurement (continued)**

*Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, loans and receivables are carried at amortized cost using the effective interest rate method less any allowance for impairment. Gains and losses are recognized in profit or loss when the loans and receivables are derecognized or impaired, as well as through the amortization process.

Amortized cost is calculated taking into account any premium or discount on acquisition and includes transaction costs and fees that are an integral part of the effective interest rate (EIR). The EIR amortization is included in interest income in the statement of comprehensive income. The losses arising from impairment are recognized in the statement of comprehensive income in finance costs for loans and in cost of sales or other operating expenses for receivables.

***Derecognition of financial assets***

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognized when:

- The rights to receive cash flows from the asset have expired;
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all of the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Group's continuing involvement in the asset.

In that case, the Group also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

**2.3.6.2 Impairment of financial assets**

The Group assesses at each reporting date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

**2.3 Summary of significant accounting policies (continued)**

**2.3.6 Financial instruments – initial recognition and subsequent measurement (continued)**

*Assets carried at amortized cost*

For financial assets carried at amortized cost (such as loans and receivables), the Group first assesses individually whether objective evidence of impairment exists for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognized are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss on assets carried at amortized cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). The carrying amount of the asset is reduced through use of an allowance account. The amount of the loss is recognized in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed, to the extent that the carrying value of the asset does not exceed its amortized cost at the reversal date. Any subsequent reversal of an impairment loss is recognized in profit or loss.

**2.3.6.3 Financial liabilities**

***Initial recognition and measurement***

Financial liabilities within the scope of IAS 39 are classified as financial liabilities at fair value through profit or loss, loans, borrowings and financial guaranties, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Group determines the classification of its financial liabilities at initial recognition.

Financial liabilities are recognized initially at fair value less, in the case of loans, borrowings and financial guaranties, directly attributable transaction costs.

The Group's financial liabilities include net asset attributable to participants, trade and other payables, bank overdraft, loans and borrowings.

**2.3 Summary of significant accounting policies (continued)**

**2.3.6 Financial instruments – initial recognition and subsequent measurement (continued)**

***Subsequent measurement***

The measurement of financial liabilities depends on their classification as follows:

*Net assets attributable to participants*

According to Russian legislation participants of Limited Liability Company have a right to demand from the Company to buy back their share in equity for cash or cash equivalents at any time. The obligation of the Company to buy back the share of participants recognized as a long term liability even this liability depends on the will of participants to exercise their right. The assessment of fair value of such liability can't be reasonably done as there is no assurance whether participants shall exercise their right or not and at what moment. The Group recognized this liability in line '*Net asset attributable to participants'* at carrying value of net assets of the Group.

Distributions to participants decrease net assets attributable to participants and recognized as liability in the statement of financial position and as expense in the statement of comprehensive income if the decision regarding distributions was made before or as at the reporting date. If such distributions were authorized after the reporting date but before the date of financial statements issue this information disclosed in notes to financial statements. Distributions to participants of Attenium LLC are recognized in the statement of comprehensive income as finance costs.

*Financial liabilities at fair value through profit or loss*

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term. This category includes derivative financial instruments entered into by the Group that do not meet the hedge accounting criteria as defined by IAS 39.

Gains or losses on liabilities held for trading are recognized in profit or loss.

The Group has not designated any financial liabilities at fair value through profit or loss.

*Loans, borrowings and financial guaranties*

After initial recognition, interest bearing loans, borrowings and financial guaranties are subsequently measured at amortized cost using the effective interest rate method.

Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the amortization process.

***Derecognition of financial liabilities***

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in profit or loss.

**2.3 Summary of significant accounting policies (continued)**

**2.3.6 Financial instruments – initial recognition and subsequent measurement (continued)**

**2.3.6.4 Offsetting financial assets and liabilities**

Financial assets and financial liabilities are offset and the net amount reported in the consolidated statement of financial position if, and only if:

- There is a currently enforceable legal right to offset the recognized amounts; and
- There is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

The right of set-off:

- Must not be contingent on a future event; and
- Must be legally enforceable in all of the following circumstances:
  (i) the normal course of business;
  (ii) the event of default; and
  (iii) the event of insolvency or bankruptcy of the entity and all of the counterparties.

**2.3.6.5 Fair value of financial instruments**

The fair value of financial instruments that are traded in active markets at each reporting date is determined by reference to quoted market prices or dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs.

For financial instruments not traded in an active market, the fair value is determined using appropriate valuation techniques. Such techniques may include:

- Using recent arm's length market transactions;
- Reference to the current fair value of another instrument that is substantially the same;
- A discounted cash flow analysis or other valuation models.

An analysis of fair values of financial instruments and further details as to how they are measured are provided in Note 25.

**2.3.7 Cash and cash equivalents**

Cash comprises cash at banks and in hand and short-term deposits with an original maturity of three months or less. All these items are included as a component of cash and cash equivalents for the purpose of the statement of financial position and statement of cash flows.

**2.3.8 Employee benefits**

**2.3.8.1 Current employment benefits**

Wages and salaries paid to employees are recognized as expenses in the current period. The Group also accrues expenses for future vacation payments.

**2.3 Summary of significant accounting policies (continued)**

**2.3.8 Employee benefits (continued)**

**2.3.8.2 Social contributions**

Under provisions of the Russian legislation, social contributions include defined contributions to pension and other social funds of Russia and are calculated by the Group by the application of a regressive rate (from 30% to 10% in 2013 and 2014) to the annual gross remuneration of each employee. For the year ended December 31, 2014 defined contributions to pension fund of Russia of the Group amounted to 36,408 (2013 – 25,730).

**2.3.9 Provisions**

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Where the Group expects a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain.

If the effect of discounting is material, provisions are determined by discounting the expected value of future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as an interest expense.

**2.3.10 Income taxes**

**Current income tax**

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Current income tax relating to items recognized in other comprehensive income is recognized in other comprehensive income.

**Deferred income tax**

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

**2.3 Summary of significant accounting policies (continued)**

**2.3.10 Income taxes (continued)**

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

**2.3.11 Revenue and certain expenses recognition**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenues and related cost of revenue from services are recognized in the period when services are rendered, regardless of when payment is made. Returns, incentives and rebates are recognized in the period in which the underlining sales are recognized as a reduction of sales revenue.

**Payment processing fee revenues and related transaction costs**

The Group earns a fee for processing payments initiated by the ultimate customers ("consumers") to pay to merchants and service providers ("merchants") or transfer money to other individuals. Payment processing fees are earned from consumers or merchants, or both. Consumers can make payments to various merchants or transfer the money through network of agents and banks participants of payment system or through the Group's website or applications using a unique user login and password (e-payments). When consumer payments are made, the Group incurs payment costs to acquire payments payable to agents, banks-participants, mobile operators and other parties. The payment processing fee revenue and related receivable, as well as the transaction cost and the related payabl*e*, are recognized at the point when merchants or individual accept payments from consumers in the gross amount, including fees payable for payment acquisition. Payment processing fees and transaction costs are reported gross.

The Group generates revenue from the foreign currency conversion when payments are made in currencies different from the country of the consumer, mainly Russia. The Group recognizes the related revenues at the time of conversion in the amount of conversion commission representing the difference between the current Russian or relevant country Central Bank foreign currency exchange rate and the foreign currency exchange rate charged by the Group's processing system.

**Interest revenue from agents' overdrafts**

The Group charges interest on overdrafts to agents and includes them in revenue. Related revenues are recognized using the EIR method by applying the contractually agreed interest rates to the actual daily amounts outstanding balance of overdrafts.

**2.3 Summary of significant accounting policies (continued)**

**2.3.11 Revenue and certain expenses recognition (continued)**

**Interest revenue**

For all financial instruments measured at amortized cost, interest bearing financial assets classified as available for sale and financial instruments designated at fair value through profit or loss, interest income or expense is recorded using the EIR. The carrying amount of the financial asset or financial liability is adjusted if the Group revises its estimates of payments or receipts. Once the recorded value of a financial asset or a group of similar financial assets has been reduced due to an impairment loss, interest income continues to be recognized using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. Interest income from short- and long-term investments performed as part of the Group's treasury function is classified as part of revenues, Interest income derived from loans issued to various third and related parties as part of other arrangements is classified as interest income.

**2.3.12 Leases**

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at inception date, whether fulfillment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

**Group as a lessee**

Operating lease payments are recognized as an operating expense in the statement of comprehensive income on a straight-line basis over the lease term.

**2.4 First-time adoption of IFRS**

These financial statements, for the year ended December 31, 2014, are the first financial statements the Group has prepared in accordance with IFRS. For periods up to and including the year ended December 31, 2013, the Group' companies prepared its financial statements in accordance with local generally accepted accounting principle (Local GAAP).

Accordingly, the Group has prepared financial statements which comply with IFRS applicable for periods ending on or after December 31, 2014, together with the comparative period data as at and for the year ended December 31, 2013, as described in the summary of significant accounting policies. In preparing these financial statements, the Group's opening statement of financial position was prepared as at January 1, 2013, the Group's date of transition to IFRS. This note explains the exemptions that were used by the Group in preparation of the statement of financial position as at January 1, 2013.

**Exemptions applied**

IFRS 1 allows first-time adopters certain exemptions from the retrospective application of certain requirements under IFRS.

**2.4 First-time adoption of IFRS (continued)**

**Exemptions applied (continued)**

The Group has applied the following exemptions:

In accordance with its previous GAAP, the first-time adopter may not have consolidated a subsidiary acquired in a past business combination because the parent did not prepare consolidated financial statements. The first-time adopter shall adjust the carrying amounts of the subsidiary's assets and liabilities to the amounts that IFRSs would require in the subsidiary's statement of financial position. The deemed cost of goodwill equals the difference at the date of transition to IFRSs between:

- the parent's interest in those adjusted carrying amounts; and
- the cost in the parent's separate financial statements of its investment in the subsidiary.

The Group did not recognize the deemed goodwill on application of this exemption as net assets of subsidiaries consolidated exceed cost in the parent's separate financial statements of its investment in the subsidiary.

**Estimates**

The estimates at January 1, 2013 and at December 31, 2013 are consistent with those made for the same dates in accordance with local GAAP apart from the following items where application of Local GAAP did not require estimation:

- Goodwill impairment;
- Impairment of loans and receivables;
- Calculation of fair value of financial assets and liabilities.

The estimates used by the Group to present these amounts in accordance with IFRS reflect conditions at January 1, 2013, the date of transition to IFRS and as of December 31, 2013.

Group reconciliation of financial positions, total comprehensive income and cash flows amounts per local GAAP to IFRS is not applicable as the Group did not prepare its consolidated financial statements according to local GAAP.

**3. Significant accounting judgments, estimates and assumptions**

The preparation of consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities, disclosures of contingent assets and liabilities at the reporting dates and the reported amounts of revenues and expenses during the reporting periods. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

**Significant judgments**

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognized in the consolidated financial statements:

**3. Significant accounting judgments, estimates and assumptions (continued)**

**Significant judgments (continued)**

***Revenue recognition***

*Payment processing fees revenue and transaction costs*

The Group exercised significant judgment in reaching a conclusion about its accounting policy for gross versus net reporting of payment processing fee revenues and related transaction costs. In particular, there are two major sources of payment processing fee revenues:

- Payment processing fees charged to consumers on payments collected through agents, mobile operators and other payment methods; and
- Payment processing fees charged to merchants.

Either one of the two types of payment processing fees above, or in some cases, both payment processing fees apply to a single consumer payment. Transaction costs relate to acquisition of payments by agents, mobile operators, international payment systems and some other parties, and the applicable fees, generally determined as a percentage of consumer payment, for each specific payment channel are on terms similar to those available to other market participants.

A merchants' payment processing fee, when it is charged, is recorded gross of related transaction costs, because the Group (i) is the primary obligor as it undertakes to transfer the consumer payment to the merchant or other individual using its payment processing system; (ii) it negotiates and ultimately sets the fee receivable from a merchant or consumer, generally as a percentage of payments; and (iii) it bears credit risk in most of the cases, unless the payment is made from a deposit made with the Group.

A consumer payment processing fee, when it is charged on payments made by consumers through network of agents, is reported net of any transaction costs payable to or retained by agents. This is because, although the Group is the primary obligor, it does not have any discretion over the ultimate payment processing fee set by the agent to the consumer, does not have readily available information about gross fee, and is only exposed to the net amount of fee receivable from agents.

The total amounts of transaction costs reported gross for the years ended December 31, 2013 and 2014 are 1,797,013 and 2,382,668 respectively.

*Deferred tax assets*

The utilization of deferred tax assets will depend on whether it is possible to generate sufficient taxable income against which the deductible temporary differences can be utilized. Various factors are used to assess the probability of the future utilization of deferred tax assets, including past operating results, operational plans, expiration of tax losses carried forward, and tax planning strategies. The carrying amount of deferred tax asset was 8,880 as of December 31, 2014 (December 31, 2013 – 10,715; January 1, 2013 – 5,076).

The unrecognized part relates to deferred tax assets which were not recorded because the Group does not expect to realize certain of its tax loss carry forwards in the foreseeable future due to history of losses. Further details on deferred taxes are disclosed in Note 21.

**3. Significant accounting judgments, estimates and assumptions (continued)**

**Estimates and assumptions**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

*Impairment of loans and receivables*

Management assesses an impairment of loans and receivables to account for estimated losses resulting from the inability of customers to make required payments. When evaluating the adequacy of an impairment of loans and receivables, management bases its estimates on the aging of accounts receivable balances and loans and historical write-off experience, customer credit worthiness and changes in customer payment terms. If the financial condition of customers were to deteriorate, actual write-offs might be higher than expected.

As of December 31, 2014, the provision for impairment of loans and receivables was recorded amounting to 29,085 (December 31, 2013 – 13,803; January 1, 2013 – 9). Further details on deferred taxes are disclosed in Note 8.

*Fair values of assets and liabilities acquired in business combinations*

The Group recognizes separately, at the acquisition date, the identifiable assets, liabilities and contingent liabilities acquired or assumed in the business combination at their fair values, which involves estimates. Such estimates are based on valuation techniques, which require considerable judgment in forecasting future cash flows and developing other assumptions. When the amounts of fair values are significant, the Group hires third party appraisers to assist it in determining the related fair values.

*Impairment of goodwill*

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. In order to determine whether the goodwill is impaired, it is necessary to estimate the value in use of the cash-generating units to which the goodwill is allocated. The value in use calculation is based on a discounted cash flow (DCF) model. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating unit uses budget for the next five years and to choose a suitable discount rate in order to calculate the present value of those cash flows, and hence such estimates are subject to uncertainty. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to goodwill recognized by the Group. Further details on impairment of goodwill are disclosed in Note 15.

*(in thousands of rubles)*

**4. Standards issued by the IASB but not yet effective**

Standards issued but not yet effective up to the date of issuance of the Company's financial statements are listed below. This listing of standards and interpretations issued are those that the Company reasonably expects to have an impact on disclosures, financial position or performance when applied at a future date. The Company intends to adopt these standards when they become effective.

| Standard | Content of change | Impact and effective date |
|---|---|---|
| IFRS 9 *Financial Instruments* | In July 2014, the IASB issued the final version of IFRS 9 *Financial Instruments* which reflects all phases of the financial instruments project and replaces IAS 39 *Financial Instruments: Recognition and Measurement* and all previous versions of IFRS 9. The standard introduces new requirements for classification and measurement, impairment, and hedge accounting. | IFRS 9 is effective for annual periods beginning on or after January 1, 2018, with early application permitted.<br><br>The adoption of IFRS 9 will have an effect on the classification and measurement of the Company's financial assets, but will likely have no impact on classification and measurements of financial liabilities. The adoption of IFRS 9 will have no impact on impairment and hedge accounting of financial assets and financial liabilities of the Company. |
| *Amendments to IAS 16 and IAS 38: Clarification of Acceptable Methods of Depreciation and Amortisation* | The amendments clarify the principle in IAS 16 and IAS 38 that revenue reflects a pattern of economic benefits that are generated from operating a business (of which the asset is part) rather than the economic benefits that are consumed through use of the asset. As a result, a revenue-based method cannot be used to depreciate property, plant and equipment and may only be used in very limited circumstances to amortize intangible assets. | The amendments are effective prospectively for annual periods beginning on or after January 1, 2016, with early adoption permitted. These amendments are not expected to have any impact to the Group given that the Group has not used a revenue-based method to depreciate its non-current assets. |
| *IFRS 15 Revenue from Contracts with Customers* | IFRS 15 was issued in May 2014 and establishes a new five-step model that will apply to revenue arising from contracts with customers. Under IFRS 15 revenue is recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in IFRS 15 provide a more structured approach to measuring and recognizing revenue. The new revenue standard is applicable to all entities and will supersede all current revenue recognition requirements under IFRS. | Either a full or modified retrospective application is required for annual periods beginning on or after January 1, 2017 with early adoption permitted. The Group is currently assessing the impact of IFRS 15 and plans to adopt the new standard on the required effective date. |

Management of the Company has not completed the assessment of the impact of Standards and Interpretations not yet effective as of December 31, 2014 on the Company's accounting policies.

**4. Standards issued by the IASB but not yet effective (continued)**

**Annual improvements 2010-2012 Cycle**

These improvements are effective from July 1, 2014 and have no a material impact on the Group. They include:

*IFRS 3 Business Combinations*

The amendment is applied prospectively and clarifies that all contingent consideration arrangements classified as liabilities (or assets) arising from a business combination should be subsequently measured at fair value through profit or loss whether or not they fall within the scope of IFRS 9 (or IAS 39, as applicable).

*IFRS 8 Operating Segments*

The amendments are applied retrospectively and clarify that:

- An entity must disclose the judgements made by management in applying the aggregation criteria in paragraph 12 of IFRS 8, including a brief description of operating segments that have been aggregated and the economic characteristics (e.g., sales and gross margins) used to assess whether the segments are 'similar';
- The reconciliation of segment assets to total assets is only required to be disclosed if the reconciliation is reported to the chief operating decision maker, similar to the required disclosure for segment liabilities.

*IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets*

The amendment is applied retrospectively and clarifies in IAS 16 and IAS 38 that the asset may be revalued by reference to observable data on either the gross or the net carrying amount. In addition, the accumulated depreciation or amortization is the difference between the gross and carrying amounts of the asset.

*IAS 24 Related Party Disclosures*

The amendment is applied retrospectively and clarifies that a management entity (an entity that provides key management personnel services) is a related party subject to the related party disclosures. In addition, an entity that uses a management entity is required to disclose the expenses incurred for management services.

**Annual improvements 2011-2013 Cycle**

These improvements are effective from July 1, 2014 and have no a material impact on the Group.

They include:

*IFRS 3 Business Combinations*

The amendment is applied prospectively and clarifies for the scope exceptions within IFRS 3 that:

- Joint arrangements, not just joint ventures, are outside the scope of IFRS 3;
- This scope exception applies only to the accounting in the financial statements of the joint arrangement itself.

*(in thousands of rubles)*

**4. Standards issued by the IASB but not yet effective (continued)**

**Annual improvements 2011-2013 Cycle (continued)**

*IFRS 13 Fair Value Measurement*

The amendment is applied prospectively and clarifies that the portfolio exception in IFRS 13 can be applied not only to financial assets and financial liabilities, but also to other contracts within the scope of IFRS 9 (or IAS 39, as applicable).

**5. Acquisitions**

**Contact**

In October 2014, the Group obtained control over the Contact payment system as a result of the technological transfer of the Contact payment system to the software and hardware platform of the Group's subsidiary LTD Rapida. Contact is not a separate legal entity but satisfies definition of the business according to IFRS 3. The acquisition has been accounted for using the acquisition method.

The purpose of this acquisition was to develop business related to the payment system.

The fair values of the identifiable assets and liabilities as of the date of acquisition were:

| | Fair value |
|---|---|
| **Net assets acquired** | |
| Intangible assets | 1,955,691 |
| Trade and other receivables | 74,802 |
| Cash and cash equivalents | 780,299 |
| Deferred income tax liabilities | (391,138) |
| Trade and other payables | (855,101) |
| **Total identifiable net assets at fair value** | **1,564,553** |
| Increase in net asset attributable to participants due to acquisition (Note 10) | 3,357,984 |
| **Goodwill arising on acquisition** | **1,793,431** |

The consideration amounted to 3,357,984 was paid by Otkritie Holding JSC, an ultimate parent of the Company and was recognized at the Group's level as increase in the net assets attributable to participants line. The gross amount of trade and other receivables is the same as their fair value.

Goodwill in the amount of 1,793,431 relates to the potential synergies with the existing operations of the Group. The Group determined the fair value of Contact client and partnership base and recognized it as intangible assets in amount of 1,955,691. Deferred tax liability arose in relation to these intangible assets in the amount of 391,138 due to their tax base of nil.

From the date of acquisition through December 31, 2014, Contact contributed 823,011 of revenue and 120,965 to the net income of the Group. The management cannot reliably asses what the Group revenue and the net income would have been if the acquisition had taken place at the beginning of 2014.

*(in thousands of rubles)*

**6. Consolidated subsidiaries**

The consolidated IFRS financial statements include the assets, liabilities and financial results of the Company and its subsidiaries. The subsidiaries are listed below:

| | | Effective ownership interest | | |
|---|---|---|---|---|
| **Subsidiary** | **Main activity** | **As of January 1, 2013** | **As of December 31, 2013** | **As of December 31, 2014** |
| Gikor LLC (Russia) | Payment processing services | 100% | 100% | 100% |
| Processingovyi Tsentr Rapida LLC (Russia) | Payment processing services | 100% | 100% | 100% |
| Rapida LTD (Russia) | Maintenance of electronic payment systems | 100% | 100% | 100% |

**7. Operating segments**

In reviewing the operational performance of the Group and allocating resources, the chief operating decision maker of the Group (CODM), who is the board of directors of the Group, reviews selected items of each segment's statement of comprehensive income.

Management reporting is based on local GAAP and differs from IFRS. It does not include certain IFRS adjustments which are not analyzed by the chief operating decision maker in assessing the core operating performance of the business. Such adjustments affect such major areas as business combinations, fair value adjustments and amortization thereof, as well as nonrecurring items.

The financial data is presented on a combined basis for all key subsidiaries representing each segment added together forming the segment revenue, operating expenses, profit before tax. The Group measures the performance of its operating segments by monitoring: revenue, segment net revenue and profit before tax. Segment net revenue is a measure of profitability defined as the segment revenues less segment direct costs, which include the same items as the "Cost of revenue (exclusive of depreciation and amortization)" as reported in the Group's consolidated statement of comprehensive income, except for payroll costs. Payroll costs are excluded because, although required to maintain the Group's distribution network, they are not linked to payment volume. The Group does not monitor balances of assets and liabilities by segments as CODM considers they have no impact on decision making.

The Group has identified its operating segments based on the types of products and services the Group offers. The Group has identified the following reportable segments:

- Rapida, which generates revenue from the payment systems, offered though the Group's network of agents in Russia;
- Contact, which generates revenue from the money remittance services provided to individuals through Contact payment system.

*(in thousands of rubles)*

**7. Operating segments (continued)**

The segments' statement of comprehensive income for the years ended December 31, 2013 and 2014, as presented to the CODM is presented below:

| | 2013 | | 2014 | | |
|---|---|---|---|---|---|
| | Rapida | Contact | Rapida | Contact | Total |
| Segment revenue | 2,321,835 | — | 2,602,771 | 823,011 | **3,425,782** |
| Segment cost of revenue | (1,831,071) | — | (2,079,553) | (600,191) | **(2,679,744)** |
| **Segment net revenue** | **490,764** | — | **523,218** | **222,820** | **746,038** |
| Payroll and related taxes | (205,968) | — | (277,689) | (32,033) | **(309,722)** |
| Overheads | (70,721) | — | (95,972) | (12,654) | **(108,626)** |
| Depreciation and amortization | (8,874) | — | (12,599) | (27) | **(12,626)** |
| Other income/(expenses) | 1,889 | — | 11,205 | (26,900) | **(15,695)** |
| **Segment profit before tax** | **207,090** | — | **148,163** | **151,206** | **299,369** |

Segment net revenue, as presented to the CODM, for the years ended December 31, 2013 and 2014 is calculated by subtraction cost of revenue (exclusive of depreciation and amortization) from revenue and adding back payroll and related taxes as presented in table below:

| | 2013 | 2014 |
|---|---|---|
| **Revenue under IFRS** | **2,321,835** | **3,425,782** |
| Cost of revenue (exclusive of depreciation and amortization) | (1,958,676) | (2,858,710) |
| Payroll and related taxes | 127,605 | 178,966 |
| **Total segment net revenue, as presented to CODM** | **490,764** | **746,038** |

A reconciliation of segment profit before tax to IFRS consolidated profit before tax of the Group, as presented to the CODM, for the years ended December 31, 2013 and 2014 is presented below:

| | 2013 | 2014 |
|---|---|---|
| **Consolidated profit/(loss) before tax under IFRS** | **207,090** | **(26,547)** |
| Amortization of fair value adjustments to intangible assets recorded on acquisitions | — | 32,595 |
| Distributions to participants | — | 293,321 |
| **Total segment profit before tax, as presented to CODM** | **207,090** | **299,369** |

**Geographic information**

Revenues from external customers are derived from Russia and CIS. Revenue is recognized according to merchants' place for Rapida segment and according to customer base for Contact segment.

The principal country of major operations of all legal entities within the Group is Russia. Therefore the Group allocates all its non-current assets stated in statement of financial positions on Russia.

The Group does not have any single external customer: consumer or merchant amounting to 10% or greater of Group's revenue for the years ended December 31, 2014 and December 31, 2013.

*(in thousands of rubles)*

**8. Trade and other receivables**

As of December 31, 2014, trade and other receivables consisted of the following:

| | Total as of December 31, 2014 | Provision for impairment of receivables | Net as of December 31, 2014 |
|---|---|---|---|
| Cash receivable from agents | 1,536,080 | (21,463) | 1,514,617 |
| Deposits issued to merchants | 85,000 | — | 85,000 |
| Payment processing fees receivable | 55,125 | (7,065) | 48,060 |
| Advances issued to vendors | 29,193 | (484) | 28,709 |
| Other receivables and advances | 906 | (73) | 833 |
| **Total trade and other receivables** | **1,706,304** | **(29,085)** | **1,677,219** |

As of December 31, 2013, trade and other receivables consisted of the following:

| | Total as of December 31, 2013 | Provision for impairment of receivables | Net as of December 31, 2013 |
|---|---|---|---|
| Cash receivable from agents | 566,686 | (13,803) | 552,883 |
| Payment processing fees receivable | 64,057 | — | 64,057 |
| Advances issued to vendors | 1,412 | — | 1,412 |
| Other receivables and advances | 409 | — | 409 |
| **Total trade and other receivables** | **632,564** | **(13,803)** | **618,761** |

As of January 1, 2013, trade and other receivables consisted of the following:

| | Total as of January 1, 2013 | Provision for impairment of receivables | Net as of January 1, 2013 |
|---|---|---|---|
| Cash receivable from agents | 1,508,350 | (9) | 1,508,341 |
| Payment processing fees receivable | 35,772 | — | 35,772 |
| Advances issued to vendors | 5,763 | — | 5,763 |
| Other receivables and advances | 322 | — | 322 |
| **Total trade and other receivables** | **1,550,207** | **(9)** | **1,550,198** |

Trade receivables aged but not impaired as of December 31, 2014 are presented below:

| | | Ageing of receivables (days) | | | | | |
|---|---|---|---|---|---|---|---|
| **As of December 31, 2014** | **Total** | **<30** | **30-60** | **60-90** | **90-180** | **180-360** | **>360** |
| Cash receivable from agents | 1,514,617 | 1,512,489 | 1,156 | 971 | — | 1 | — |
| Payment processing fees receivable | 48,060 | 46,634 | 433 | 987 | 6 | — | — |
| **Total trade and other receivables** | **1,562,677** | **1,559,123** | **1,589** | **1,958** | **6** | **1** | **—** |

*(in thousands of rubles)*

**8. Trade and other receivables (continued)**

Trade receivables aged but not impaired as of December 31, 2013 are presented below:

| | | Ageing of receivables (days) | | | | | |
|---|---|---|---|---|---|---|---|
| **As of December 31, 2013** | **Total** | **<30** | **30-60** | **60-90** | **90-180** | **180-360** | **>360** |
| Cash receivable from agents | 552,883 | 552,434 | 448 | — | — | 1 | — |
| Payment processing fees receivable | 64,057 | 52,140 | 6,433 | 5,484 | — | — | — |
| **Total trade and other receivables** | **616,940** | **604,574** | **6,881** | **5,484** | **—** | **1** | **—** |

Trade receivables aged but not impaired as of January 1, 2013 are presented below:

| | | Ageing of receivables (days) | | | | | |
|---|---|---|---|---|---|---|---|
| **As of January 1, 2013** | **Total** | **<30** | **30-60** | **60-90** | **90-180** | **180-360** | **>360** |
| Cash receivable from agents | 1,508,341 | 1,506,849 | 1,492 | — | — | — | — |
| Payment processing fees receivable | 35,772 | 30,256 | 5,076 | 440 | — | — | — |
| **Total trade and other receivables** | **1,544,113** | **1,537,105** | **6,568** | **440** | **—** | **—** | **—** |

For the year ended December 31, 2014, the provision for impairment of receivables movement was the following:

| | **Provision for impairment of receivables as of December 31, 2013** | **Charge for the year** | **Provision for impairment of receivables as of December 31, 2014** |
|---|---|---|---|
| Cash receivable from agents | (13,803) | (7,660) | (21,463) |
| Payment processing fees receivable | — | (7,065) | (7,065) |
| Other receivables and advances | — | (557) | (557) |
| **Total trade and other receivables** | **(13,803)** | **(15,282)** | **(29,085)** |

Receivables are non-interest bearing and credit terms generally do not exceed 30 days. There is no requirement for collateral to receive credit. Interest of 10%-36% per annum is accrued on overdrafts granted to some agents.

For the year ended December 31, 2013, the provision for impairment of receivables movement was the following:

| | **Provision for impairment of receivables as of January 1, 2013** | **Charge for the year** | **Provision for impairment of receivables as of December 31, 2013** |
|---|---|---|---|
| Cash receivable from agents | (9) | (13,794) | (13,803) |
| **Total trade and other receivables** | **(9)** | **(13,794)** | **(13,803)** |

*(in thousands of rubles)*

**9. Cash and cash equivalents**

As of December 31, 2014, January 1 and December 31, 2013, cash and cash equivalents consisted of the following:

| | As of January 1, 2013 | As of December 31, 2013 | As of December 31, 2014 |
|---|---|---|---|
| Correspondent accounts with Central Bank of Russian Federation (CB RF) | 1,774,395 | 495,121 | 900,850 |
| Correspondent accounts with other banks | 25,903 | 726,932 | 2,363,834 |
| Short-term CB RF deposits | — | 1,800,000 | 2,000,000 |
| RUB denominated cash with banks and on hand | 9,154 | 1,390 | 2,206 |
| **Total cash and cash equivalents** | **1,809,452** | **3,023,443** | **5,266,890** |

Cash and short-term investments are placed in financial institutions or financial instruments, which are considered at the time of deposit to have minimal risk of default.

**10. Net asset attributable to participants**

Below is the table of ownership of the Company.

| | As of January 1, 2013 | As of December 31, 2013 | As of December 31, 2014 |
|---|---|---|---|
| Promgazkomplect LLC | 99.999% | 99.999% | — |
| NM-Garant LLC | 0.001% | 0.001% | 0.001% |
| CIHRUS LLC | — | — | 99.999% |

Net assets attributable to participants of the Company represent the current value of the Company's net assets as at December 31.

Changes in net assets of the Company during the years ended 2013 and 2014 are presented in the table below:

| | |
|---|---|
| **Balance at January 1, 2013** | **187,628** |
| Net profit for the period | 112,119 |
| **Balance at December 31, 2013** | **299,747** |
| Net loss for the period | (228,733) |
| Contribution from participant (Note 5) | 3,357,984 |
| **Balance at December 31, 2014** | **3,428,998** |

*(in thousands of rubles)*

## 11. Borrowings

As of December 31, 2014, January 1 and December 31, 2013, outstanding borrowings consisted of the following:

| Short-term borrowings | Effective interest rate, % | Maturity | As of January 1, 2013 | As of December 31, 2013 | As of December 31, 2014 |
|---|---|---|---|---|---|
| JSC Bank Finansovaya Corporatsiya Otkrytie | RUONIA + 2% | Up to 90 days | — | 106,000 | 627,000 |
| JSC Bank Finansovaya Corporatsiya Otkrytie | 15% | June 2015 | — | 450,000 | 150,000 |
| JSC Bank Finansovaya Corporatsiya Otkrytie | 10.95% | May 2013 | 250,321 | — | — |
| | | | **250,321** | **556,000** | **777,000** |

On November 1, 2012 the Group entered into the overdraft facility with JSC Bank Finansovaya Corporatsiya Otkrytie with limit up to 800,000 and still uses it as at the reporting date. The purpose of this facility is to ensure payments to Group's agents. The tranches within the overdraft facility agreement are generally available for 30 calendar days. However, the tranches to ensure commitment to one of the Group's major merchant are available for 90 calendar days. The interest rate for each tranche is set as RUONIA plus 2% per annum for the beginning of the operation day for corresponding operation period and is paid monthly.

## 12. Trade and other payables

As of December 31, 2014, January 1 and December 31, 2013, the Group's accounts payable and other payables consisted of the following:

| | As of January 1, 2013 | As of December 31, 2013 | As of December 31, 2014 |
|---|---|---|---|
| Payables to merchants | 1,922,826 | 747,939 | 1,586,282 |
| Unsettled money transfers* | — | — | 843,211 |
| Deposits received from individual customers | 112,706 | 168,618 | 176,314 |
| Payment processing fees payable to agents | 206,622 | 173,035 | 148,256 |
| Accrued expenses | 25,318 | 43,735 | 153,287 |
| Other payables | 263,843 | 96,283 | 45,836 |
| **Total trade and other payables** | **2,531,315** | **1,229,610** | **2,953,186** |

* Unsettled money transfers arose in financial statement of the Group after acquisition of CONTACT payment system and represent the obligation to remit money to individuals as of year-end.

*(in thousands of rubles)*

**13. Amounts due to customers and amounts due to banks**

As of December 31, 2014, January 1 and December 31, 2013, amounts due to customers and amounts due to banks consisted of the following:

| | As of January 1, 2013 | As of December 31, 2013 | As of December 31, 2014 |
|---|---|---|---|
| Due to banks | 429,602 | 1,063,369 | 1,917,595 |
| Due to customers: legal entities | 280,198 | 1,081,139 | 1,281,113 |
| **Total amounts due to customers and amounts due to banks** | **709,800** | **2,144,508** | **3,198,708** |

Amounts due to customers and amounts due to banks bear no interest and are due on demand.

**14. Property and equipment**

| | Servers and computer equipment |
|---|---|
| **Cost** | |
| **Balance as of January 1, 2013** | **25,224** |
| Additions | 7,285 |
| **Balance as of December 31, 2013** | **32,509** |
| Additions | 21,493 |
| **Balance as of December 31, 2014** | **54,002** |
| Accumulated amortization and impairment | |
| **Balance as of January 1, 2013** | **(16,945)** |
| Charge for the year | (5,755) |
| **Balance as of December 31, 2013** | **(22,700)** |
| Charge for the year | (6,795) |
| **Balance as of December 31, 2014** | **(29,495)** |
| Net book value | |
| **As of January 1, 2013** | **8,279** |
| **As of December 31, 2013** | **9,809** |
| **As of December 31, 2014** | **24,507** |

As of December 31, 2014 the Group did not identify any indicators of property and equipment impairment.

*(in thousands of rubles)*

**15. Goodwill and other intangible assets**

| | Goodwill | Computer software | Customer and partner relationships | Others | Total |
|---|---|---|---|---|---|
| Cost | | | | | |
| **Balance as of January 1, 2013** | — | **13,737** | — | — | **13,737** |
| Additions | — | 3,651 | — | — | **3,651** |
| **Balance as of December 31, 2013** | — | **17,388** | — | — | **17,388** |
| Additions | — | 15,238 | — | 5,130 | **20,368** |
| Additions from business combination (Note 5) | 1,793,431 | — | 1,955,691 | — | **3,749,122** |
| **Balance as of December 31, 2014** | **1,793,431** | **32,626** | **1,955,691** | **5,130** | **3,786,878** |
| **Accumulated amortization and Impairment** | | | | | |
| **Balance as of January 1, 2013** | — | **(4,839)** | — | — | **(4,839)** |
| Charge for the year | — | (3,119) | — | — | **(3,119)** |
| **Balance as of December 31, 2013** | — | **(7,958)** | — | — | **(7,958)** |
| Charge for the year | — | (5,884) | (32,393) | (149) | **(38,426)** |
| **Balance as of December 31, 2014** | — | **(13,842)** | **(32,393)** | **(149)** | **(46,384)** |
| **Net book value** | | | | | |
| **As of January 1, 2013** | — | **8,898** | — | — | **8,898** |
| **As of December 31, 2013** | — | **9,430** | — | — | **9,430** |
| **As of December 31, 2014** | **1,793,431** | **18,784** | **1,923,298** | **4,981** | **3,740,494** |

As a result of business combination that took place during the year 2014 the goodwill in amount of 1,793,431 arose and was allocated to Contact cash generating unit (CGU).

The recoverable amount of CGU has been determined based on a value in use calculation using cash flow projections from financial model prepared by external appraiser covering a nine-year period (2015-2023). A nine-year period was used for projections, as the Group considers this time frame to be reasonably forecasted and the growth rate in the last four years of this period is expected to exceed the terminal growth rate. The pre-tax discount rate adjusted to risk specific applied to cash flow projections CGU is 19.7%. The growth rates applied to discounted terminal value projection in beyond the forecast period is 4.5%.

As result of annual impairment test of CGU to which goodwill was allocated, the Group did not identify any impairment as of December 31, 2014.

The calculation of value in use for these cash generating units is most sensitive to:

- Domestic money transfers market assumptions;
- The Group’s transaction volume and net revenue yields;
- Net profit margins;
- Terminal growth rates used to extrapolate cash flows beyond the budget period;
- Discount rates.

*(in thousands of rubles)*

**15. Goodwill and other intangible assets (continued)**

The values assigned to each of these parameters reflect past experience and expected changes over the timeframe. With regard to the assessment of value in use of CGU, management believes that no reasonably possible change in any of the above key assumptions would cause the carrying value of the unit to materially exceed its recoverable amount.

**16. Revenue**

Revenue for the years ended December 31 was as follows:

| | 2013 | 2014 |
|---|---|---|
| Payment processing fees | 2,255,492 | 3,235,246 |
| Interest revenue | 46,212 | 163,035 |
| Interest revenue from agent's overdrafts | 17,405 | 24,476 |
| Other revenue | 2,726 | 3,025 |
| **Total revenue** | **2,321,835** | **3,425,782** |

For the purposes of the consolidated statement of cash flows, "Interest expense, net" consists of the following:

| | 2013 | 2014 |
|---|---|---|
| Interest revenue as part of revenue | (46,212) | (163,035) |
| Interest expense as part of cost of revenue | 15,853 | 76,627 |
| Interest income, net | (184) | (1,208) |
| **Interest income, net (for the purposes of consolidated cash flow statement)** | **(30,543)** | **(87,616)** |

**17. Cost of revenue (exclusive of depreciation and amortization)**

Cost of revenue (exclusive of depreciation and amortization) for the years ended December 31 was as follows:

| | 2013 | 2014 |
|---|---|---|
| Transaction costs | 1,797,013 | 2,382,668 |
| Payroll and related taxes | 127,605 | 178,966 |
| Interest expense | 15,853 | 76,627 |
| Other expenses | 18,205 | 220,449 |
| **Total cost of revenue (exclusive of depreciation and amortization)** | **1,958,676** | **2,858,710** |

Other expenses for the year ended December 31, 2014 include loss due to the security breach of 164,876.

*(in thousands of rubles)*

**18. Selling, general and administrative expenses**

Selling, general and administrative expenses for the years ended December 31 were as follows:

| | 2013 | 2014 |
|---|---|---|
| Payroll, related taxes and other personal expenses | 78,970 | 130,756 |
| Office maintenance expenses | 20,211 | 32,922 |
| Bad debt expense | 13,794 | 15,282 |
| Advertising and related expenses | 12,088 | 25,414 |
| Telecommunication and internet expenses | 8,676 | 10,729 |
| Other tax expenses | 7,408 | 11,339 |
| Other operating expenses | 7,937 | 12,940 |
| **Total selling, general and administrative expenses** | **149,084** | **239,382** |

**19. Other income**

| | 2013 | 2014 |
|---|---|---|
| Gain from legal proceeding* | — | 18,766 |
| Other | 1,822 | 801 |
| **Total other income** | **1,822** | **19,567** |

* The Group sued one of its counterparty for poorly rendered services and won the trial.

**20. Dividends paid and proposed**

Dividends are presented as expense in the statement of comprehensive income separately.

Dividends paid and proposed by the Group to the participants are presented below:

| | 2013 | 2014 |
|---|---|---|
| **Proposed, declared and approved during the year** | | |
| Final dividend for 2014 | — | (293,321) |
| **Paid during the period** | | |
| Final dividend for 2014 | — | (293,321) |
| **Dividends payable as of December 31** | — | — |

**21. Income tax**

All Group companies incorporated in Russian Federation and are subject to the corporate income tax at the standard rate of 20% applied to their taxable income.

*(in thousands of rubles)*

**21. Income tax (continued)**

Deferred income tax assets and liabilities as of December 31, 2014, January 1 and December 31, 2013, relate to the following:

| | Consolidated statement of financial position as of | | | Consolidated profit or loss for the year ended | |
|---|---|---|---|---|---|
| | December 31, 2014 | December 31, 2013 | January 1, 2013 | 2014 | 2013 |
| Intangible assets | (384,619) | — | — | 6,519 | — |
| Trade and other payables | (41,253) | 7,954 | 5,076 | (49,207) | 2,878 |
| Trade and other receivables | 4,145 | 2,761 | — | 1,384 | 2,761 |
| Deferred revenue | 1,003 | — | — | 1,003 | — |
| Financial guaranty | 1,868 | — | — | 1,868 | — |
| **Net deferred income tax asset/(liability)** | **(418,856)** | **10,715** | **5,076** | **(38,433)** | **5,639** |
| **Including:** | | | | | |
| Deferred tax asset | 8,880 | 10,715 | 5,076 | — | — |
| Deferred tax liability | (427,736) | — | — | — | — |

| | 2013 | 2014 |
|---|---|---|
| **Deferred income tax asset, net as of January 1** | **5,076** | **10,715** |
| Effect of business combinations (Note 5) | — | (391,138) |
| Deferred tax benefit/(expenses) | 5,639 | (38,433) |
| **Deferred income tax asset/(liability), net as of December 31** | **10,715** | **(418,856)** |

For the year ended December 31, income tax expense included:

| **Total tax expense** | 2013 | 2014 |
|---|---|---|
| Current income tax expense | (100,610) | (163,753) |
| Deferred tax benefit/(expenses) | 5,639 | (38,433) |
| **Income tax expense for the year** | **(94,971)** | **(202,186)** |

Theoretical and actual income tax expense is reconciled as follows:

| | 2013 | 2014 |
|---|---|---|
| **Profit/(loss) before tax** | **207,090** | **(26,547)** |
| Theoretical income tax expense at the Company's tax rate of 20% (Russia) | (41,418) | 5,310 |
| **Increase resulting from the tax effect of** | | |
| Non-deductible expenses | (2,603) | (38,516) |
| Distributions to participants | — | (58,664) |
| Effect of uncertain tax position | (50,950) | (110,316) |
| **Total income tax expense** | **(94,971)** | **(202,186)** |

Non-deductible expenses comprised mainly from losses from security breach which are not allowed to be deducted from taxable income according to tax law.

**21. Income tax (continued)**

The Company does not recognize a deferred tax liability for all taxable temporary differences associated with investments in subsidiaries. The Group will not distribute the retained earnings of its subsidiaries at least during one year after acquisition afterwards the tax rate is nil for Russia. As of December 31, 2014 the aggregate amount of temporary differences associated with investments in subsidiaries, for which deferred tax liabilities have not been recognized is 482,410 (December 31, 2013 – 267,201; January 1, 2013 – 155,090).

**22. Commitments, contingencies and operating risks**

**Operating environment**

Russia continues economic reforms and development of its legal, tax and regulatory frameworks as required by a market economy. The future stability of the Russian economy is largely dependent upon these reforms and developments and the effectiveness of economic, financial and monetary measures undertaken by the government.

Starting from the end of year 2014, the Russian economy has been negatively impacted by a significant drop in crude oil prices and a significant devaluation of the Russian ruble, as well as sanctions imposed on Russia by several countries. In December 2014, the ruble interest rates have increased significantly after the Central Bank of Russia raised its key rate to 17% (slightly decreased in the first quarter of 2015 to 14% and to 11.5% in the second quarter).The combination of the above resulted in reduced access to capital, a higher cost of capital, increased inflation and uncertainty regarding economic growth, which could negatively affect the Group's future financial position, results of operations and business prospects. Management believes it is taking appropriate measures to support the sustainability of the Group's business in the current circumstances.

In light of hardening geopolitical situation in the Ukraine, the United States of America and the European Union has adopted the package of economic restrictive measures imposing certain sanctions on operations of various Russian banks. Management is monitoring these developments in the current environment and taking actions where appropriate. These and any further possible negative developments in Ukraine could adversely impact results and financial position of the Group in a manner not currently determinable.

**Taxation**

The Company policy is to comply fully with applicable tax regulations in the jurisdictions in which its operations are subject to income taxes. The Company's estimates of current income tax expense and liabilities are calculated assuming that all tax computations filed by the Company's subsidiaries will be subject to a review or audit by the relevant tax authorities. The Company and the relevant tax authorities may have different interpretations of how regulations should be applied to actual transactions. Such uncertain tax positions are accounted for in accordance with IAS 12 *Income Taxes* or IAS 37 *Provisions, Contingent Liabilities and Contingent Assets* depending on the type of tax in question.

The Company records provisions for income taxes it estimates will ultimately be payable when the review or audits have been completed, including allowances for any interest and penalties which may become payable. For provisions for taxes other than income tax, the Company follows the general policy on provisions.

**22. Commitments, contingencies and operating risks (continued)**

**Taxation (continued)**

Russian tax, currency and customs legislation is subject to varying interpretations, and changes, which can occur frequently. Management's interpretation of such legislation as applied to the transactions and activity of the Group may be challenged by the relevant regional and federal authorities. Recent events within Russia which are discussed below suggest that the tax authorities are taking a more assertive position in its interpretation of the legislation and assessments and as a result, it is possible that transactions and activities that have not been challenged in the past may be challenged.

**Government regulation of the electronic payment systems**

In Russia the legislation on e-payments is not yet mature and is developing, and no assurance can be made that if such legislation is changed or the new legislation adopted it will be beneficial to the Group's business. From time to time, the Group may also be subject to the investigations in the area of anti-money laundering by the regulatory authorities. In addition, the Group generally disputes them in the normal course of business, and expects to be able to resolve such disputes in Group's favor. In addition, there is a lot of uncertainty regarding future legislation on taxation of e-payments, including in respect of the place of taxation. Subsequent legislation and regulation and interpretations thereof, litigation, court rulings, or other events could expose the Group to increased costs, liability and reputational damage that could have a material adverse effect on the Group's business, financial condition and results of operations.

**Risk of cybersecurity breach**

The Company stores and/or transmits sensitive data, such as credit or debit card numbers and mobile phone numbers, and the Company has ultimate liability to its consumers for the failure to protect this data. The Company has experienced breaches of its security by hackers in the past, and breaches could occur in the future. In such circumstances, the encryption of data and other protective measures have not prevented unauthorized access and may not be sufficient to prevent future unauthorized access. However, any future breach of the system, including through employee fraud, may subject the Company to material losses or liability, payables to other payment systems, fines and claims for unauthorized purchases with misappropriated credit or debit card information, identity theft, impersonation or other similar fraud claims. In addition, misuse of such sensitive data or a cybersecurity breach could result in claims, regulatory scrutiny and other negative consequences.

**Risks assessment**

The Group's management believes that its interpretation of the relevant legislation is appropriate and is in accordance with the current industry practice and that the Group's currency, customs, tax and other regulatory positions will be sustained. However, the interpretations of the relevant authorities could differ and the maximum effect of additional losses on these consolidated financial statements, if the authorities were successful in enforcing their different interpretations, could be significant, and amount up to 38,000 as of December 31, 2014.

**Insurance policies**

The Group holds no insurance policies in relation to its assets, operations, or in respect of public liability or other insurable risks. There are no significant physical assets to insure. Management has considered the possibility of insurance of business interruption in Russia, but the cost of it outweighs the benefits in management's view.

*(in thousands of rubles)*

**22. Commitments, contingencies and operating risks (continued)**

**Operating lease commitments**

The Group has commercial lease agreements of office buildings. The leases have an average life of between one and three years. Total lease expense for the twelve months ended December 31, 2014 amounted 6,324 (2013 – 5,426).

Future minimum lease rentals under non-cancellable operating lease commitments for office premises as of December 31 are as follows:

| | 2012 | 2013 | 2014 |
|---|---|---|---|
| Within one year | 5,426 | 6,324 | 8,571 |
| After one year but not more than five years | 17,226 | 10,902 | 2,331 |

**23. Balances and transactions with related parties**

The following table sets forth the total amount of transactions entered into with related parties for the relevant financial year and balances with related parties as of the end of the relevant years:

| Category of related party | Amounts owed by related parties* | Amounts owed to related parties* | Cash due from related party | Cash due to related party |
|---|---|---|---|---|
| **As of December 31, 2014** | | | | |
| Key management personnel of the entity or its parent, incl.: | | | | |
| *Short-term benefits (A)* | — | 19,274 | — | — |
| *Other operations* | 2,337 | — | — | — |
| Entities under common control with the Group: | | | | |
| *Companies of Otkritie Group (B) (Note 11)* | 2,272 | 791,475 | 1,053,597 | 332,036 |
| Entity with the parent that has significant influence over the Group: | | | | |
| *Russlavbank* | 20,473 | 67,685 | 1,066,732 | 581,309 |
| Other related parties | — | — | — | 104,657 |
| **As of December 31, 2013** | | | | |
| Key management personnel of the entity or its parent, incl.: | | | | |
| *Short-term benefits (A)* | — | 8,934 | — | — |
| *Other operations* | 2,770 | — | — | — |
| Entities under common control with the Group: | | | | |
| *Companies of Otkritie Group (B) (Note 11)* | 1,563 | 556,000 | 641,039 | 327,620 |
| **As of January 1, 2013** | | | | |
| Entities under common control with the Group: | | | | |
| *Companies of Otkritie Group (B) (Note 11)* | 1,476 | 254,572 | 2,980 | 30,845 |

* The amounts are classified as trade receivables and trade and loan payables, respectively.

*(in thousands of rubles)*

**23. Balances and transactions with related parties (continued)**

| Category of related party | Revenue from related parties | Cost of revenue to related parties | Operating expenses |
|---|---|---|---|
| **The year ended December 31, 2014** | | | |
| Key management personnel of the entity or its parent, incl.: | | | |
| *Short-term benefits (A)* | — | — | 46,364 |
| Entities under common control with the Group: | | | |
| *Companies of Otkritie Group (B)* | 106,537 | 94,000 | 7,037 |
| Entity with the parent that has significant influence over the Group: | | | |
| *Russlavbank* | 17,235 | 48,893 | 13,080 |
| Other related parties | 82,358 | — | — |
| **The year ended December 31, 2013** | | | |
| Key management personnel of the entity or its parent, incl.: | | | |
| *Short-term benefits (A)* | — | — | 29,582 |
| Entities under common control with the Group: | | | |
| *Companies of Otkritie Group (B)* | 30,589 | 26,028 | — |
| Other related parties | 61,210 | — | — |

Related parties mostly include transactions that are described below:

(A) Short-term benefits of key management comprise cash remuneration of the key management;

(B) Entities under common control with the Group since June 2013 represent the group of banks under control of Otkritie Group that all are Russian residents which act as both merchants and agents for the Group and hold its correspondent accounts in LTD Rapida as participants of Contact payment system and LTD Rapida holds its current accounts in these banks, and they charge interest income on those balances to LTD Rapida at the rate of RUONIA. Prior to June 2013 it was Nomos bank as parent company that was acquired by Otkritie Group.

**Terms and conditions of transactions with related parties**

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended December 31, 2014, the Group has not recorded any impairment of receivables relating to amounts owed by related parties (2013: nil).

The above stated balances and transactions have been entered into on terms as described above and are not secured, nor bear interest except that disclosed above and in Note 11.

**24. Risk management**

The main risks that could adversely affect the Group's financial assets, liabilities or future cash flows are interest rate risk, foreign exchange risk, liquidity and capital management's risks and credit risk. Management reviews and agrees policies for managing each of the risks which are summarized below.

*(in thousands of rubles)*

**24. Risk management (continued)**

**Interest rate risk**

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments. The Group's income and operating cash flows are substantially independent of changes in market interest rates, because it has interest-bearing assets and liabilities with floating interest rate which neutralized each other.

**Liquidity risk and capital management**

The Group uses debt from related party banks with short maturity, has sufficient cash and does not have any significant outstanding long term debt. Amounts due to customers and amounts due to banks are due on demand, but are usually offset against future payments processed through agents. The Group expects that Amounts due to customers and amounts due to banks will continue to be offset against future payments and not be called by the agents.

LTD Rapida, one of the group entities is a non-bank credit entity. According to CB RF requirements, a non-bank credit entity's capital calculated based on Russian accounting standards should be not less than 10% of its risk-adjusted assets. As of December 31, 2014, LTD Rapida's capital comprised 14% (2013 – 20%) thereby exceeding the required level. LTD Rapida monitors the fulfillment of requirements on a daily basis and sends the report to CB RF on a monthly basis. During the years 2014 and 2013 LTD Rapida met the capital adequacy requirements set by instruction of the CB RF.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. Capital includes net asset attributable to participants. To maintain or adjust the capital structure, the Group may make dividend payments to participants, return capital to participants or issue new shares. Currently, the Group requires capital to finance its growth, but it generates sufficient cash from its operations. The table below summarizes the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

| | | Due | | |
|---|---|---|---|---|
| | **Total** | **On demand** | **Within a year** | **More than a year** |
| Net asset attributable to participants | 3,428,998 | — | — | 3,428,998 |
| Short-term borrowings | 777,000 | — | 777,000 | — |
| Trade and other payables | 2,953,186 | 2,953,186 | — | — |
| Amounts due to customers and amounts due to banks | 3,198,708 | 3,198,708 | — | — |
| **Total as of December 31, 2014** | **10,357,892** | **6,151,894** | **777,000** | **3,428,998** |

| | | Due | | |
|---|---|---|---|---|
| | **Total** | **On demand** | **Within a year** | **More than a year** |
| Net asset attributable to participants | 299,747 | — | — | 299,747 |
| Short-term borrowings | 556,000 | — | 556,000 | — |
| Trade and other payables | 1,229,610 | 1,229,610 | — | — |
| Amounts due to customers and amounts due to banks | 2,144,508 | 2,144,508 | — | — |
| **Total as of December 31, 2013** | **4,229,865** | **3,374,118** | **556,000** | **299,747** |

*(in thousands of rubles)*

**24. Risk management (continued)**

**Liquidity risk and capital management (continued)**

| | | Due | | |
|---|---|---|---|---|
| | **Total** | **On demand** | **Within a year** | **More than a year** |
| Net asset attributable to participants | 187,628 | — | — | 187,628 |
| Short-term borrowings | 250,321 | — | 250,321 | — |
| Trade and other payables | 2,531,315 | 2,531,315 | — | — |
| Amounts due to customers and amounts due to banks | 709,800 | 709,800 | — | — |
| **Total as of January 1, 2013** | **3,679,064** | **3,241,115** | **250,321** | **187,628** |

**Credit risk**

Financial assets, which potentially subject the Group and its subsidiaries to credit risk, consist principally of trade receivables, loans receivable issued, cash and short-term investments. The Group sells services on a prepayment basis or ensures that its receivables are from customers with an appropriate credit history – large merchants and agents with sufficient and appropriate credit history. The Group's receivables from merchants and others, except for agents, are generally non-interest-bearing and do not require collateral. Receivables and loans from agents are interest-bearing and unsecured. The Group holds cash primarily with reputable Russian and international banks, including CB RF, which management considers having minimal risk of default, although credit ratings of Russian banks are generally lower than those of the banks in more developed markets.

The carrying amount of accounts receivable, net of allowance for impairment of receivables, represents the maximum amount exposed to credit risk for this type of receivables (Note 15). The table below demonstrates the largest counterparties' balances and revenues, as a percentage of respective totals:

| | Trade and other receivables | | | Revenue | |
|---|---|---|---|---|---|
| **Concentration of credit risks by main counterparties, % from total amount** | **As of January 1, 2013** | **As of December 31, 2013** | **As of December 31, 2014** | **2013** | **2014** |
| Top 5 | 1% | 4% | 3% | 16% | 18% |
| Others | 99% | 96% | 97% | 84% | 82% |

Collection of receivables could be influenced by economic factors; management believes that there is no significant risk of loss to the Group beyond the allowance already recorded.

**25. Financial instruments**

The Group's principal financial instruments consisted of loans receivable, trade and other receivables, trade and other payables, cash and cash equivalents, net asset attributable to participants and borrowings. The Group has various other financial assets and liabilities which arise directly from its operations. During the year, the Group did not undertake trading in financial instruments.

*(in thousands of rubles)*

**25. Financial instruments (continued)**

The fair value of the Group's financial instruments as of December 31, 2014, January 1 and December 31, 2013, is presented by type of the financial instrument in the table below:

| | | As of January 1, 2013 | | As of December 31, 2013 | | As of December 31, 2014 | |
|---|---|---|---|---|---|---|---|
| | | Carrying amount | Fair value | Carrying amount | Fair value | Carrying amount | Fair value |
| **Financial assets** | | | | | | | |
| Long-term loans | LAR | — | — | 1,510 | 1,510 | — | — |
| **Total financial assets** | | **—** | **—** | **1,510** | **1,510** | **—** | **—** |
| Financial liabilities | | | | | | | |
| Net asset attributable to participants | FLAC | 187,628 | 187,628 | 299,747 | 299,747 | 3,428,998 | 3,428,998 |
| **Total financial liabilities** | | **187,628** | **187,628** | **299,747** | **299,747** | **3,428,998** | **3,428,998** |

Financial instruments used by the Group are included in one of the following categories:

- LAR – loans and receivables;
- FLAC – financial liabilities at amortized cost.

Cash and cash equivalents, accounts receivable and payable, other current assets and liabilities approximate their carrying amount largely due to short-term maturities of these instruments.

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities:

| | | | Fair value measurement using | | |
|---|---|---|---|---|---|
| | Date of valuation | Total | Quoted prices in active markets (Level 1) | Significant observable inputs (Level 2) | Significant unobservable inputs (Level 3) |
| **Liabilities for which fair values are disclosed** | | | | | |
| Net asset attributable to participants | December 31, 2014 | 3,428,998 | — | — | 3,428,998 |
| **Assets for which fair values are disclosed** | | | | | |
| Long-term loans | December 31, 2013 | 1,510 | — | — | 1,510 |
| **Liabilities for which fair values are disclosed** | | | | | |
| Net asset attributable to participants | December 31, 2013 | 299,747 | — | — | 299,747 |
| **Liabilities for which fair values are disclosed** | | | | | |
| Net asset attributable to participants | January 1, 2013 | 187,628 | — | — | 187,628 |

There were no transfers between Level 1 and Level 2 fair value measurements during the period, and no transfers into or out of Level 3 fair value measurements during the year ended December 31, 2014.

**25. Financial instruments (continued)**

The Group uses the following IFRS hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities;
- Level 2: Other techniques for which all inputs that have a significant effect on the recorded fair value are observable, either directly or indirectly;
- Level 3: Techniques that use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

**Valuation methods and assumptions**

The fair value of the financial assets and liabilities included at the amount the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate fair values:

- Non-current financial liabilities is estimated by discounting future cash flows using rates currently available for debt of similar terms and remaining maturities.

Long-term fixed-rate assets are evaluated by the Group based on parameters such as interest rates, specific country risk factors and individual creditworthiness of the customer. Based on this evaluation, impairment is taken into account for the expected losses of these receivables.

**26. Events after the reporting date**

**Rapida LTD issues**

On May 20, 2015 the Bank of Russia finished a scheduled thematic inspection of Rapida LTD, during which have been revealed various breaches of Federal Law No. 115-FZ of August 7, 2011 *On Countering the Legalization (Laundering) of Criminally Obtained Incomes and the Financing of Terrorism*, Federal Law No. 161-FZ of June 27, 2011 *On the National Payment System*, Regulation of the Central Bank of Russia No. 283-P of March 20, 2006 on the Procedure of Forming Reserves for Possible Losses by Credit Organizations and others. As a result, the Bank of Russia prescribed to rectify the detected violations and imposed a range of restrictions on the operations of Rapida LTD for the period of six months started from June 4, 2015, that could have negative impact on payment volume. As at the date of authorization of these financial statements all restrictions were prolonged for the next six months.

**Overdraft facility**

On October 30, 2015, the Group prolonged the overdraft facility with JSC Bank Finansovaya Corporatsiya Otkrytie with limit up to 600,000 till the end of the year 2017 with the same terms and conditions.

**26. Events after the reporting date (continued)**

**Russlavbank**

Since November 6, 2015, the Group decided to stop using Russlavbank as the settlement bank for Contact payment system. This decision has no effect on financial statements for three months ended March 31, 2015 and thereafter. As at this date the amounts due to and from Russlavbank are not significant.

**Change of the parent of the Company**

On June 2015, Otkritie Investments Holding sold its stake to QIWI plc.

**Reorganization of the Company**

CIHRUS LLC is planned to be reorganized and merged with JSC QIWI in accordance to the decision of sole participant of CIHRUS LLC dated 8 December 2015.

**Exhibit 99.3**

# CIHRUS LLC

Unaudited interim condensed consolidated
financial statements

*March 31, 2015*

CIHRUS LLC

Unaudited interim condensed consolidated financial statements

March 31, 2015

**Content**

CIHRUS LLC

Interim condensed consolidated statement of financial position

March 31, 2015

*(in thousands of rubles)*

| | Notes | As of December 31, 2014 (audited) | As of March 31, 2015 (unaudited) |
|---|---|---|---|
| **Assets** | | | |
| **Non-current assets** | | | |
| Property and equipment | 11 | 24,798 | 23,673 |
| Goodwill and other intangible assets | 12 | 5,411,623 | 5,353,973 |
| Deferred tax assets | | 8,881 | 14,045 |
| **Total non-current assets** | | **5,445,302** | **5,391,691** |
| **Current assets** | | | |
| Trade and other receivables | 5 | 1,733,985 | 1,387,410 |
| Short-term loans | | 4,076 | 4,173 |
| Prepaid income tax | | 12,075 | 3,563 |
| Cash and cash equivalents | 6 | 5,269,560 | 3,388,155 |
| Short-term prepayments to agents | | 184,401 | 341,289 |
| Other current assets | | 1,631 | 3,055 |
| **Total current assets** | | **7,205,728** | **5,127,645** |
| **Total assets** | | **12,651,030** | **10,519,336** |
| **Non-current liabilities** | | | |
| Deferred tax liabilities | | 716,353 | 688,915 |
| **Total non-current liabilities** | | **716,353** | **688,915** |
| **Current liabilities** | | | |
| Net asset attributable to participants | 7 | 4,878,191 | 4,937,587 |
| Short-term borrowings | 8 | 777,000 | 876,500 |
| Trade and other payables | 9 | 2,950,216 | 2,680,861 |
| Amounts due to customers and amounts due to banks | 10 | 3,198,708 | 999,227 |
| Income tax payable | | 114,713 | 188,594 |
| Financial instruments at fair value | 7,19 | — | 127,988 |
| Deferred revenue | | 5,016 | 4,001 |
| Financial guaranty | | 9,339 | 9,705 |
| Other current liabilities | | 1,494 | 5,958 |
| **Total current liabilities** | | **11,934,677** | **9,830,421** |
| **Total liabilities** | | **12,651,030** | **10,519,336** |

*The accompanying notes form an integral part of these consolidated financial statements.*

CIHRUS LLC

Interim condensed consolidated statement of comprehensive income

March 31, 2015

*(in thousands of rubles)*

| | Notes | Three months ended (unaudited) March 31, 2014 | Three months ended (unaudited) March 31, 2015 |
|---|---|---|---|
| Revenue | 13 | 24,525 | 1,545,760 |
| Operating costs and expenses: | | | |
| Cost of revenue (exclusive of depreciation and amortization) | 14 | – | 1,057,211 |
| Selling, general and administrative expenses | 15 | 1,860 | 137,170 |
| Depreciation and amortization | | 10 | 81,238 |
| **Profit from operations** | | **22,655** | **270,141** |
| Other income | | 189 | 231 |
| Other expenses | | – | (105) |
| Foreign exchange gain | | – | 16,235 |
| Foreign exchange loss | | – | (21,371) |
| Interest income/(expense), net | | 4 | 85 |
| Change in fair value of financial instruments | 7 | – | (105,639) |
| Distributions to participants | 7 | – | (22,349) |
| **Profit before tax** | | **22,848** | **137,228** |
| Income tax expense | 16 | – | (77,832) |
| **Net profit** | | **22,848** | **59,396** |
| *Attributable to:* | | | |
| *- Participants of the parent* | | *22,848* | *59,396* |
| **Total comprehensive income, net of tax effect of 0** | | **22,848** | **59,396** |
| *Attributable to:* | | | |
| *- Participants of the parent* | | *22,848* | *59,396* |

*The accompanying notes form an integral part of these consolidated financial statements.*

CIHRUS LLC

Interim condensed consolidated statement of cash flows

March 31, 2015

*(in thousands of rubles)*

| | Notes | Three months ended (unaudited) March 31, 2014 | March 31, 2015 |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| **Profit/(loss) before tax** | | **22,848** | **137,228** |
| *Adjustments to reconcile profit before income tax to net cash flows generated from operating activities* | | | |
| Depreciation and amortization | | 10 | 81,238 |
| Interest income/(expense), net | 13 | (4) | (67,480) |
| Bad debt expense | 15 | — | 7,571 |
| Distributions to participants | 7 | — | 22,349 |
| Change in fair value of financial instruments | 7 | — | 105,639 |
| **Operating profit before changes in working capital** | | **22,854** | **286,545** |
| (Increase)/decrease in trade and other receivables | | (24,208) | 282,741 |
| Decrease in prepayments to agents | | — | (158,312) |
| Increase in amounts due to customers and amounts due to banks | | — | (2,199,481) |
| Increase/(decrease) in accounts payable and accruals | | 1,405 | (265,540) |
| **Cash generated from operations** | | **51** | **(2,054,047)** |
| Interest received | | 4 | 105,618 |
| Interest paid | | — | (38,235) |
| Income tax paid | | — | (28,041) |
| **Net cash flow generated from/(used in) operating activities** | | **55** | **(2,014,705)** |
| **Cash flows from investing activities** | | | |
| Net cash flow on disposal of subsidiaries | 3 | — | 56,253 |
| Purchase of property and equipment | | — | (2,670) |
| Purchase of intangible assets | | (514) | (19,783) |
| Loans issued | | (3,300) | (3,300) |
| Repayment of loans issued | | 1,100 | 3,300 |
| **Net cash generated from / (used in) investing activities** | | **(2,714)** | **33,800** |
| **Cash flows from financing activities** | | | |
| Proceeds from borrowings | | 17,050 | 149,500 |
| Repayment of borrowings | | (15,000) | (50,000) |
| **Net cash generated from financing activities** | | **2,050** | **99,500** |
| **Net increase in cash and cash equivalents** | | **(609)** | **(1,881,405)** |
| Cash and cash equivalents at the beginning of year | 6 | 636 | 5,269,560 |
| **Cash and cash equivalents at the end of year** | 6 | **27** | **3,388,155** |

*The accompanying notes form an integral part of these consolidated financial statements.*

**1. Corporate information and description of business**

CIHRUS LLC (the Company) was registered on March 29, 2012 as a limited liability Company in Russian Federation under the Civil Code and Law of Limited Liability Companies. The registered office of the Company is Moscow, Aviamotornaya st., build 11/1. The interim condensed consolidated financial statements of CIHRUS LLC and its subsidiaries for the three months ended March 31, 2015 were authorized for issue by the Sole Shareholder of the Company on December 10, 2015.

CIHRUS LLC and its subsidiaries (collectively the "Group") operate electronic online payment systems in Russia and maintain activity supporting processing of payments.

Otkritie Investments Holding is the parent of the Group as of March 31, 2015. Otkritie Holding JSC is the ultimate parent of the Group as of March 31, 2015. There is no individual who is the ultimate controlling party of the Group as of March 31, 2015.

Information on the Company's principal subsidiaries is disclosed in Note 3.

**2. Principles underlying preparation of interim condensed consolidated financial statements**

**a) Basis of preparation and accounting policies**

The interim condensed consolidated financial statements for the three months ended March 31, 2015 have been prepared in accordance with IAS 34.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual consolidated financial statements, and should be read in conjunction with the Group's annual consolidated financial statements as of December 31, 2014.

The consolidated financial statements are prepared on a historical cost basis, except for derivative financial instruments that have been measured at fair value. The consolidated financial statements are presented in Russian rubles ("RUB") and all values are rounded to the nearest thousand (RUB (000)) except when otherwise indicated.

**b) Adoption of new and amended IFRS and IFRIC**

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended December 31, 2014, except for the adoption of the following new and amended IFRS and IFRIC interpretations as of January 1, 2015. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

The nature and the effect of these changes are disclosed below. Although these new standards and amendments apply for the first time in 2015, they do not have a material impact on the annual consolidated financial statements of the Group or the interim condensed consolidated financial statements of the Group. The nature and the impact of each new standard or amendment is described below:

**2. Principles underlying preparation of interim condensed consolidated financial statements (continued)**

**b) Adoption of new and amended IFRS and IFRIC (continued)**

***Annual improvements 2010-2012 Cycle***

These improvements are effective from July 1, 2014 and have no material impact on the Group. They include:

*IFRS 3 Business Combinations*

The amendment is applied prospectively and clarifies that all contingent consideration arrangements classified as liabilities (or assets) arising from a business combination should be subsequently measured at fair value through profit or loss whether or not they fall within the scope of IFRS 9 (or IAS 39, as applicable).

*IFRS 8 Operating Segments*

The amendments are applied retrospectively and clarify that:

- An entity must disclose the judgements made by management in applying the aggregation criteria in paragraph 12 of IFRS 8, including a brief description of operating segments that have been aggregated and the economic characteristics (e.g., sales and gross margins) used to assess whether the segments are 'similar'
- The reconciliation of segment assets to total assets is only required to be disclosed if the reconciliation is reported to the chief operating decision maker, similar to the required disclosure for segment liabilities.

*IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets*

The amendment is applied retrospectively and clarifies in IAS 16 and IAS 38 that the asset may be revalued by reference to observable data on either the gross or the net carrying amount. In addition, the accumulated depreciation or amortization is the difference between the gross and carrying amounts of the asset.

*IAS 24 Related Party Disclosures*

The amendment is applied retrospectively and clarifies that a management entity (an entity that provides key management personnel services) is a related party subject to the related party disclosures. In addition, an entity that uses a management entity is required to disclose the expenses incurred for management services.

***Annual improvements 2011-2013 Cycle***

These improvements are effective from July 1, 2014 and have no material impact on the Group. They include:

*IFRS 3 Business Combinations*

The amendment is applied prospectively and clarifies for the scope exceptions within IFRS 3 that:

- Joint arrangements, not just joint ventures, are outside the scope of IFRS 3
- This scope exception applies only to the accounting in the financial statements of the joint arrangement itself.

*(in thousands of rubles)*

**2. Principles underlying preparation of interim condensed consolidated financial statements (continued)**

**b) Adoption of new and amended IFRS and IFRIC (continued)**

*IFRS 13 Fair Value Measurement*

The amendment is applied prospectively and clarifies that the portfolio exception in IFRS 13 can be applied not only to financial assets and financial liabilities, but also to other contracts within the scope of IFRS 9 (or IAS 39, as applicable).

**3. Consolidated subsidiaries**

The consolidated IFRS financial statements include the assets, liabilities and financial results of the Company and its subsidiaries. The subsidiaries are listed below:

| | | Effective ownership interest | |
|---|---|---|---|
| **Subsidiary** | **Main activity** | **As of December 31, 2014** | **As of March 31, 2015 (unaudited)** |
| Gikor LLC (Russia) | Payment processing services | 99.999% | 99.999% |
| Processingovyi Tsentr Rapida LLC (Russia) | Payment processing services | 99.999% | 99.999% |
| Rapida LTD (Russia) | Maintenance of electronic payment systems | 99.999% | 99.999% |
| Attenium LLC (Russia) | Sub holding company | 99.999% | 99.999% |

On December 26, 2014 the Company entered into the agreement to sell its entire share in Contact Tsentr LLC. Cash consideration from sale in the amount of 56,253 was received during three month ended March 31, 2015.

**4. Operating segments**

In reviewing the operational performance of the Group and allocating resources, the chief operating decision maker of the Group (CODM), who is the board of directors of the Group, reviews selected items of each segment’s statement of comprehensive income.

Management reporting is based on local GAAP and differs from IFRS. It does not include certain IFRS adjustments which are not analyzed by the chief operating decision maker in assessing the core operating performance of the business. Such adjustments affect such major areas as business combinations, fair value adjustments and amortization thereof, as well as nonrecurring items.

The financial data is presented on a combined basis for all key subsidiaries representing each segment added together forming the segment revenue, operating expenses, profit before tax. The Group measures the performance of its operating segments by monitoring: revenue, segment net revenue and profit before tax. Segment net revenue is a measure of profitability defined as the segment revenues less segment direct costs, which include the same items as the “Cost of revenue (exclusive of depreciation and amortization)” as reported in the Group’s consolidated statement of comprehensive income, except for payroll costs. Payroll costs are excluded because, although required to maintain the Group’s distribution network, they are not linked to payment volume. The Group does not monitor balances of assets and liabilities by segments as CODM consider they have no impact on decision making.

*(in thousands of rubles)*

**4. Operating segments (continued)**

The Group has identified its operating segments based on the types of products and services the Group offers. The Group has identified the following reportable segments:

- Rapida, which generates revenue from the payment systems, offered though the Group's network of agents in Russia.
- Contact, which generates revenue from the money remittance services provided to individuals through Contact payment system.
- Corporate and other, which generates revenue from limited activities of the Group related to corporate back-office operations, such as the licensing of software and trademarks to subsidiaries.

The segments' statement of comprehensive income for three months ended March 31, 2015, as presented to the CODM is presented below:

| | Rapida | Contact | Corporate and other | Eliminations | Total |
|---|---|---|---|---|---|
| **Segment revenue** | 734,421 | 811,339 | 15,647 | (15,647) | 1,545,760 |
| Segment Cost of revenue | (501,792) | (472,891) | — | 15,647 | (959,036) |
| **Segment net revenue** | **232,629** | **338,448** | **15,647** | **—** | **586,724** |
| Payroll and related taxes | (111,241) | (64,073) | — | — | (175,314) |
| Overheads | (19,514) | (19,514) | — | — | (60,031) |
| Depreciation and amortization | (5,759) | (10,405) | (252) | — | (16,416) |
| Other income/(expenses) | 211 | (5,136) | — | — | (4,925) |
| **Segment profit before tax** | **75,323** | **239,320** | **15,395** | **—** | **330,038** |

The segments' statement of comprehensive income for three months ended March 31, 2014, as presented to the CODM is presented below:

| | Rapida | Contact | Corporate and other |
|---|---|---|---|
| **Segment revenue** | — | — | 24,525 |
| Segment Cost of revenue | — | — | — |
| **Segment net revenue** | **—** | **—** | **24,525** |
| Overheads | — | — | (1,860) |
| Depreciation and amortization | — | — | (10) |
| Other income | — | — | 193 |
| **Segment profit before tax** | **—** | **—** | **22,848** |

Segment net revenue, as presented to the CODM, for three months ended March 31, 2014 and 2015 is calculated by subtraction cost of revenue (exclusive of depreciation and amortization) from revenue and adding back payroll and related taxes as presented in table below:

| | Three months ended (unaudited) | |
|---|---|---|
| | March 31, 2014 | March 31, 2015 |
| **Revenue under IFRS** | 24,525 | 1,545,760 |
| Cost of revenue (exclusive of depreciation and amortization) | — | (1,057,211) |
| Payroll and related taxes | — | 98,175 |
| **Total segment net revenue, as presented to CODM** | **24,525** | **586,724** |

*(in thousands of rubles)*

**4. Operating segments (continued)**

A reconciliation of segment profit before tax to IFRS consolidated profit before tax of the Group, as presented to the CODM, for three months ended March 31, 2014 and 2015 is presented below:

| | Three months ended (unaudited) | |
|---|---|---|
| | **March 31, 2014** | **March 31, 2015** |
| **Consolidated profit/(loss) before tax under IFRS** | **22,848** | **137,228** |
| Amortization of fair value adjustments to intangible assets recorded on acquisitions | — | 64,822 |
| Distributions to participants | — | 22,349 |
| Change in fair value of financial instruments | — | 105,639 |
| **Total segment profit before tax, as presented to CODM** | **22,848** | **330,038** |

**Geographic information**

Revenues from external customers are derived from Russia and CIS. Revenue is recognized according to merchants' place for Rapida segment and according to customer base for Contact segment.

The principal country of major operations of all legal entities within the Group is Russia. So the Group allocates all its non-current assets stated in statement of financial positions on Russia.

The Group does not have any single external customer: consumer or merchant amounting to 10% or greater of Group's revenue for three months ended March 31, 2015. During three months ended March 31, 2014 the Company had only one customer as related party (Note 18).

**5. Trade and other receivables**

As of March 31, 2015, trade and other receivables consisted of the following:

| | Total as of March 31, 2015 (unaudited) | Provision for impairment of receivables | Net as of March 31, 2015 (unaudited) |
|---|---|---|---|
| Cash receivable from agents | 1,171,003 | (29,034) | 1,141,969 |
| Deposits issued to merchants | 111,000 | — | 111,000 |
| Payment processing fees receivable | 110,019 | (7,065) | 102,954 |
| Advances issued to vendors | 31,100 | (490) | 30,610 |
| Other receivables and advances | 944 | (67) | 877 |
| **Total trade and other receivables** | **1,424,066** | **(36,656)** | **1,387,410** |

As of December 31, 2014, trade and other receivables consisted of the following:

| | Total as of December 31, 2014 | Provision for impairment of receivables | Net as of December 31, 2014 |
|---|---|---|---|
| Cash receivable from agents | 1,536,080 | (21,463) | 1,514,617 |
| Payment processing fees receivable | 55,125 | (7,065) | 48,060 |
| Deposits issued to merchants | 85,000 | — | 85,000 |
| Advances issued to vendors | 29,369 | (484) | 28,885 |
| Other receivables and advances | 57,496 | (73) | 57,423 |
| **Total trade and other receivables** | **1,763,070** | **(29,085)** | **1,733,985** |

*(in thousands of rubles)*

**5. Trade and other receivables (continued)**

Trade receivables aged but not impaired as of March 31, 2015 are presented below:

| | | Ageing of receivables (days) | | | | | |
|---|---|---|---|---|---|---|---|
| **As of March 31, 2015 (unaudited)** | **Total** | **<30** | **30-60** | **60-90** | **90-180** | **180-360** | **>360** |
| Cash receivable from agents | 1,141,969 | 1,134,332 | 6,527 | 1,109 | — | 1 | — |
| Payment processing fees receivable | 102,954 | 95,836 | 6,181 | 931 | 6 | — | — |
| **Total trade and other receivables** | **1,244,923** | **1,230,168** | **12,708** | **2,040** | **6** | **1** | **—** |

Trade receivables aged but not impaired as of December 31, 2014 are presented below:

| | | Ageing of receivables (days) | | | | | |
|---|---|---|---|---|---|---|---|
| **As of December 31, 2014** | **Total** | **<30** | **30-60** | **60-90** | **90-180** | **180-360** | **>360** |
| Cash receivable from agents | 1,514,617 | 1,512,489 | 1,156 | 971 | — | 1 | — |
| Payment processing fees receivable | 48,060 | 46,634 | 433 | 987 | 6 | — | — |
| **Total trade and other receivables** | **1,562,677** | **1,559,123** | **1,589** | **1,958** | **6** | **1** | **—** |

For the three months ended March 31, 2015, the provision for impairment of receivables movement was the following:

| | **Provision for impairment of receivables as of December 31, 2014** | **(Charge)/reversal for the year** | **Provision for impairment of receivables as of March 31, 2015 (unaudited)** |
|---|---|---|---|
| Cash receivable from agents | (21,463) | (7,571) | (29,034) |
| Payment processing fees receivable | (7,065) | — | (7,065) |
| Advances issued to vendors | (484) | (6) | (490) |
| Other receivables and advances | (73) | 6 | (67) |
| **Total trade and other receivables** | **(29,085)** | **(7,571)** | **(36,656)** |

Receivables are non-interest bearing and credit terms generally do not exceed 30 days. There is no requirement for collateral to receive credit. Interest of 10%-36% per annum is accrued on overdrafts granted to some agents.

**6. Cash and cash equivalents**

As of March 31, 2015 and December 31, 2014, cash and cash equivalents consisted of the following:

| | **As of December 31, 2014** | **As of March 31, 2015 (unaudited)** |
|---|---|---|
| Correspondent accounts with Central Bank of Russian Federation (CB RF) | 900,850 | 110,888 |
| Correspondent accounts with other banks | 2,363,834 | 1,806,977 |
| Short-term CB RF deposits | 2,000,000 | 1,400,000 |
| RUB denominated cash with banks and on hand | 4,876 | 70,290 |
| **Total cash and cash equivalents** | **5,269,560** | **3,388,155** |

Cash and short-term investments are placed in financial institutions or financial instruments, which are considered at the time of deposit to have minimal risk of default.

*(in thousands of rubles)*

**7. Net asset attributable to participants**

Below is the table of ownership of the Company:

| | As of December 31, 2014 | As of March 31, 2015 (unaudited) |
|---|---|---|
| Otkritie Investments Holding | 70% | 70% |
| Status-A LLC | 30% | — |
| Investaktiv LLC | — | 30% |

Net assets attributable to participants of the Company represent the carrying value of the Company's net assets as at March 31, 2015 and December 31, 2014.

Changes in net assets of the Company during the three months ended March 31, 2015 and 2014 are presented in the table below:

| | 2014 | 2015 |
|---|---|---|
| **Balance at January 1** | **56,953** | **4,878,191** |
| Net profit for the period | 22,848 | 59,396 |
| **Balance at March 31 (unaudited)** | **79,801** | **4,937,587** |

**Distribution to ultimate parent**

On February 2, 2015, Group entered into the foreign currency forward contract with the entity under common control with the execution date May 29, 2015. According to the contract as at the execution date the Group is obliged to pay to the entity under common control the difference between spot rate and exercise price of the contract multiplied by nominal amount of the contract. As at the date of initial recognition the contract was unfavorable to the entity and has negative fair value of 22,349. This amount was recognized by the Group as distribution to participants in the statement of comprehensive income and as financial instruments at fair value in the statement of financial position. As at March 31, 2015, the fair value of the liability increased to 127,988 and the loss from revaluation of derivative financial liabilities for the three months of 2015 amounted to 105,639 under "Change in fair value of financial instruments" in the Interim condensed consolidated statement of comprehensive income.

**8. Borrowings**

As of March 31, 2015 and December 31, 2014, outstanding borrowings consisted of the following:

| Short-term borrowings | Effective interest rate, % | Maturity | As of December 31, 2014 | As of March 31, 2015 (unaudited) |
|---|---|---|---|---|
| JSC Bank Finansovaya Corporatsiya Otkrytie | RUONIA + 2% | Up to 90 days | 627,000 | 726,500 |
| JSC Bank Finansovaya Corporatsiya Otkrytie | 15% | June 2015 | 150,000 | 150,000 |
| | | | **777,000** | **876,500** |

*(in thousands of rubles)*

### 9. Trade and other payables

As of March 31, 2015 and December 31, 2014, the Group's accounts payable and other payables consisted of the following:

| | As of December 31, 2014 | As of March 31, 2015 (unaudited) |
|---|---|---|
| Payables to merchants | 1,586,282 | 1,395,901 |
| Unsettled money transfers | 843,211 | 675,218 |
| Deposits received from individual customers | 176,314 | 191,470 |
| Payment processing fees payable to agents | 148,256 | 162,888 |
| Accrued expenses | 153,287 | 145,529 |
| Payables to vendors | 12,567 | 24,836 |
| Other payables | 30,299 | 85,019 |
| **Total trade and other payables** | **2,950,216** | **2,680,861** |

### 10. Amounts due to customers and amounts due to banks

As of March 31, 2015 and December 31, 2014, amounts due to customers and amounts due to banks consisted of the following:

| | As of December 31, 2014 | As of March 31, 2015 (unaudited) |
|---|---|---|
| Due to banks | 1,917,595 | 616,339 |
| Due to customers: legal entities | 1,281,113 | 382,888 |
| **Total amounts due to customers and amounts due to banks** | **3,198,708** | **999,227** |

Amounts due to customers and amounts due to banks bear no interest and are due on demand.

### 11. Property and equipment

During the three months ended March 31, 2015, the Group acquired assets with a cost of 2,681 (three months ended March 31, 2014: nil). The main additions were processing servers and computer equipment.

As of March 31, 2015 the Group did not identify any indicators of property and equipment impairment.

### 12. Goodwill and other intangible assets

During the three months ended March 31, 2015, the Group acquired intangible assets with a cost of 19,783 (three months ended March 31, 2014: 514). The main additions were computer software.

As of March 31, 2015 the Group did not identify any indicators of goodwill and other intangible assets impairment.

*(in thousands of rubles)*

### 13. Revenue

Revenue for the three months ended March 31 was as follows:

| | Three months ended (unaudited) | |
|---|---|---|
| | March 31, 2014 | March 31, 2015 |
| Payment processing fees | — | 1,416,151 |
| Interest revenue | — | 105,618 |
| Licensing fee and royalty* | 24,525 | — |
| Interest revenue from agent's overdrafts | — | 8,407 |
| Other revenue | — | 15,584 |
| **Total revenue** | **24,525** | **1,545,760** |

* The Group charged Licensing fee and royalty for use its software and trademarks to operator of Contact payment system till October 2014 afterwards this revenue become intercompany.

For the purposes of the consolidated statement of cash flows, "Interest expense, net" consists of the following:

| | Three months ended (unaudited) | |
|---|---|---|
| | March 31, 2014 | March 31, 2015 |
| Interest revenue as part of revenue | — | (105,618) |
| Interest expense as part of cost of revenue | — | 38,223 |
| Interest income, net | (4) | (85) |
| **Interest income, net (for the purposes of consolidated cash flow statement)** | **(4)** | **(67,480)** |

### 14. Cost of revenue (exclusive of depreciation and amortization)

Cost of revenue (exclusive of depreciation and amortization) for the three months ended March 31 was as follows:

| | Three months ended (unaudited) | |
|---|---|---|
| | March 31, 2014 | March 31, 2015 |
| Transaction costs | — | 910,012 |
| Payroll and related taxes | — | 98,175 |
| Interest expense | — | 38,223 |
| Other expenses | — | 10,801 |
| **Total cost of revenue (exclusive of depreciation and amortization)** | **—** | **1,057,211** |

*(in thousands of rubles)*

**15. Selling, general and administrative expenses**

Selling, general and administrative expenses for the three months ended March 31 were as follows:

| | Three months ended (unaudited) | |
|---|---|---|
| | **March 31, 2014** | **March 31, 2015** |
| Payroll, related taxes and other personal expenses | — | 77,139 |
| Office maintenance expenses | 191 | 15,586 |
| Advertising and related expenses | — | 12,146 |
| Telecommunication and internet expenses | — | 11,166 |
| Bad debt expense | — | 7,571 |
| Other tax expenses | 1,669 | 5,648 |
| Rent of premises and related utility expenses | — | 3,859 |
| Other operating expenses | — | 4,055 |
| **Total selling, general and administrative expenses** | **1,860** | **137,170** |

**16. Income tax**

Starting from July 1, 2014, the Company is subject to a 20% corporate income tax applied to its income. All other Group companies are incorporated in the Russian Federation and are subject to corporate income tax at the standard rate of 20% applied to their taxable income.

The major components of income tax in the interim consolidated statement of comprehensive income are:

| | Three months ended (unaudited) | |
|---|---|---|
| | **March 31, 2014** | **March 31, 2015** |
| Current income tax expense | — | (110,434) |
| Deferred tax benefit | — | 32,602 |
| **Total income tax expense** | **—** | **(77,832)** |

Theoretical and actual income tax expense is reconciled as follows:

| | Three months ended (unaudited) | |
|---|---|---|
| | **March 31, 2014** | **March 31, 2015** |
| **Profit before tax** | **22,848** | **137,228** |
| Theoretical income tax expense at the Company's tax rate of 20% (Russia) (Tax exemption for three months 2014) | — | (27,446) |
| **Increase resulting from the tax effect of:** | | |
| Non-deductible expenses | — | (19,499) |
| Distributions to participants | — | (4,470) |
| Effect of uncertain tax position | — | (26,417) |
| **Total income tax expense** | **—** | **(77,832)** |

Non-deductible expenses comprised mainly from change in fair value of financial instruments which are not allowed to be deducted from taxable income according to tax law.

**17. Commitments, contingencies and operating risks**

**Operating environment**

Russia continues economic reforms and development of its legal, tax and regulatory frameworks as required by a market economy. The future stability of the Russian economy is largely dependent upon these reforms and developments and the effectiveness of economic, financial and monetary measures undertaken by the government.

Starting from the end of year 2014, the Russian economy has been negatively impacted by a significant drop in crude oil prices and a significant devaluation of the Russian rouble, as well as sanctions imposed on Russia by several countries. In December 2014, the rouble interest rates have increased significantly after the Central Bank of Russia raised its key rate to 17% (slightly decreased in the first quarter of 2015 to 14% and to 11.5% in the second quarter).The combination of the above resulted in reduced access to capital, a higher cost of capital, increased inflation and uncertainty regarding economic growth, which could negatively affect the Group's future financial position, results of operations and business prospects. Management believes it is taking appropriate measures to support the sustainability of the Group's business in the current circumstances.

In light of hardening geopolitical situation in the Ukraine, the United States of America and the European Union has adopted the package of economic restrictive measures imposing certain sanctions on operations of various Russian banks. Management is monitoring these developments in the current environment and taking actions where appropriate. These and any further possible negative developments in Ukraine could adversely impact results and financial position of the Group in a manner not currently determinable.

**Taxation**

The Company policy is to comply fully with applicable tax regulations in the jurisdictions in which its operations are subject to income taxes. The Company's estimates of current income tax expense and liabilities are calculated assuming that all tax computations filed by the Company's subsidiaries will be subject to a review or audit by the relevant tax authorities. The Company and the relevant tax authorities may have different interpretations of how regulations should be applied to actual transactions. Such uncertain tax positions are accounted for in accordance with IAS 12 *Income Taxes* or IAS 37 *Provisions, Contingent Liabilities and Contingent Assets* depending on the type of tax in question.

The Company records provisions for income taxes it estimates will ultimately be payable when the review or audits have been completed, including allowances for any interest and penalties which may become payable. For provisions for taxes other than income tax, the Company follows the general policy on provisions.

Russian tax, currency and customs legislation is subject to varying interpretations, and changes, which can occur frequently. Management's interpretation of such legislation as applied to the transactions and activity of the Group may be challenged by the relevant regional and federal authorities. Recent events within Russia which are discussed below suggest that the tax authorities are taking a more assertive position in its interpretation of the legislation and assessments and as a result, it is possible that transactions and activities that have not been challenged in the past may be challenged.

**17. Commitments, contingencies and operating risks (continued)**

**Government regulation of the electronic payment systems**

In Russia the legislation on e-payments is not yet mature and is developing, and no assurance can be made that if such legislation is changed or the new legislation adopted it will be beneficial to the Group's business. From time to time, the Group may also be subject to the investigations in the area of anti-money laundering by the regulatory authorities. In addition, the Group generally disputes them in the normal course of business, and expects to be able to resolve such disputes in Group's favor. In addition, there is a lot of uncertainty regarding future legislation on taxation of e-payments, including in respect of the place of taxation. Subsequent legislation and regulation and interpretations thereof, litigation, court rulings, or other events could expose the Group to increased costs, liability and reputational damage that could have a material adverse effect on the Group's business, financial condition and results of operations.

**Risk of cybersecurity breach**

The Company stores and/or transmits sensitive data, such as credit or debit card numbers and mobile phone numbers, and the Company has ultimate liability to its consumers for the failure to protect this data. The Company has experienced breaches of its security by hackers in the past, and breaches could occur in the future. In such circumstances, the encryption of data and other protective measures have not prevented unauthorized access and may not be sufficient to prevent future unauthorized access. However, any future breach of the system, including through employee fraud, may subject the Company to material losses or liability, payables to other payment systems, fines and claims for unauthorized purchases with misappropriated credit or debit card information, identity theft, impersonation or other similar fraud claims. In addition, misuse of such sensitive data or a cybersecurity breach could result in claims, regulatory scrutiny and other negative consequences.

**Risks assessment**

The Group's management believes that its interpretation of the relevant legislation is appropriate and is in accordance with the current industry practice and that the Group's currency, customs, tax and other regulatory positions will be sustained. However, the interpretations of the relevant authorities could differ and the maximum effect of additional losses on these consolidated financial statements, if the authorities were successful in enforcing their different interpretations, could be significant, and amount up to 50,000 as of March 31, 2015.

**Insurance policies**

The Group holds no insurance policies in relation to its assets, operations, or in respect of public liability or other insurable risks. There are no significant physical assets to insure. Management has considered the possibility of insurance of business interruption in Russia, but the cost of it outweighs the benefits in management's view.

**Guaranties issued**

The Group provided a guarantee in the amount up to 8,300,000 U.S.$ to an unrelated party to secure its credit facility. The guarantee agreement is expired on October 23, 2015.

*(in thousands of rubles)*

## 17. Commitments, contingencies and operating risks (continued)

### Operating lease commitments

The Group has commercial lease agreements of office buildings. The leases have an average life of between one and three years. Total lease expense for the three months ended March, 2015 amounted 3,859 (2014 – nil).

Future minimum lease rentals under non-cancellable operating lease commitments for office premises as of March 31, 2015 and December 31, 2014 are as follows:

| | As of December 31, 2014 | As of March 31, 2015 (unaudited) |
|---|---|---|
| Within one year | 8,571 | 8,113 |
| After one year but not more than five years | 2,331 | 1,748 |

## 18. Balances and transactions with related parties

The following table sets forth the total amount of transactions entered into with related parties for the three months ended March 31, 2015 and three months ended March 31, 2014, as well as balances with related parties as of March 31, 2015 and December 31, 2014:

| Category of related party | Amounts owed by related parties* | Amounts owed to related parties* | Cash due from related party | Cash due to related party |
|---|---|---|---|---|
| **As of March 31, 2015 (unaudited)** | | | | |
| Key management personnel of the entity or its parent, incl.: | | | | |
| *Short-term benefits* (A) | — | 25,290 | — | — |
| *Other operations* | 1,965 | — | — | — |
| Entities under common control with the Group: | | | | |
| *Companies of Otkritie Group (B) (C)* | 7,799 | 1,014,192 | 910,655 | 123,325 |
| Entity with the parent that has significant influence over the Group: | | | | |
| *Russlavbank* | 416 | 35,727 | 544,171 | 45,410 |
| **As of December 31, 2014** | | | | |
| Key management personnel of the entity or its parent, incl.: | | | | |
| *Short-term benefits* (A) | — | 19,274 | — | — |
| *Other operations* | 2,337 | — | — | — |
| Entities under common control with the Group: | | | | |
| *Companies of Otkritie Group (B)* | 2,272 | 791,475 | 1,053,597 | 332,036 |
| Entity with the parent that has significant influence over the Group: | | | | |
| *Russlavbank* | 20,473 | 67,685 | 1,069,393 | 581,309 |
| *Contact International Holding AG* | 56,253 | — | — | — |
| Other related parties | — | — | — | 104,657 |

* The amounts are classified as trade receivables and trade and loan payables, respectively.

*(in thousands of rubles)*

**18. Balances and transactions with related parties (continued)**

| Category of related party | Revenue from related parties | Cost of revenue to related parties | Operating expenses |
|---|---|---|---|
| **Three months ended March 31, 2015 (unaudited)** | | | |
| Key management personnel of the entity or its parent, incl.: | | | |
| *Short-term benefits* (A) | — | — | 32,871 |
| Entities under common control with the Group: | | | |
| *Companies of Otkritie Group (B) (C)* | 49,091 | 44,125 | 105,639 |
| Entity with the parent that has significant influence over the Group: | | | |
| *Russlavbank* | 25,393 | 22,980 | 2,268 |
| Other related parties | 27,515 | — | — |
| **Three months ended March 31, 2014 (unaudited)** | | | |
| Entity with the parent that has significant influence over the Group: | | | |
| *Contact International Holding AG* | 24,525 | — | — |

Related parties mostly include transactions that are described below:

(A) Short-term benefits of key management comprise cash remuneration of the key management.

(B) Entities under common control with the parent that has control over the Group since June 2014 represent group of banks under control of Otkritie Group Group that all are Russian residents which act as both merchants and agents for the Group and hold its correspondent accounts in LTD Rapida as participants of Contact payment system and LTD Rapida holds its current accounts in these banks, and they charge interest income on those balances to LTD Rapida at the rate of RUONIA.

(C) Amounts owed to related parties include financial instruments at fair value representing foreign currency forward contract with the entity under common control as of March 31, 2015 amounted to 127,988 (see also Note 7).

Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the three months ended March 31, 2015, the Group has not recorded any impairment of receivables relating to amounts owed by related parties (2014: nil).

The above stated balances and transactions have been entered into on terms as described above and are not secured, nor bear interest except that disclosed above and in Note 8.

*(in thousands of rubles)*

**19. Financial instruments**

The Group's principal financial instruments consisted of loans receivable, trade and other receivables, trade and other payables, cash and cash equivalents, net asset attributable to participants and borrowings. The Group has various other financial assets and liabilities which arise directly from its operations. During the year, the Group did not undertake trading in financial instruments.

The fair value of the Group's financial instruments as of March 31, 2015 and December 31, 2014, is presented by type of the financial instrument in the table below:

| | | As of December 31, 2014 | | As of March 31, 2015 (unaudited) | |
|---|---|---|---|---|---|
| | | Carrying amount | Fair value | Carrying amount | Fair value |
| **Financial liabilities** | | | | | |
| Financial instruments at fair value | | | | | |
| *Foreign exchange forward contract (Note 7)* | FVTPL | — | — | 127,988 | 127,988 |
| **Total financial liabilities** | | **—** | **—** | **127,988** | **127,988** |

Financial instruments used by the Group are included in one of the following categories:

- FVTPL – Financial instruments at fair value through profit or loss

Cash and cash equivalents, accounts receivable and payable, net asset attributable to participants, financial guaranties, other current assets and liabilities approximate their carrying amount largely due to short-term maturities of these instruments.

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities:

| | | | Fair value measurement using | | |
|---|---|---|---|---|---|
| | Date of valuation | Total | Quoted prices in active markets (Level 1) | Significant observable inputs (Level 2) | Significant unobservable inputs (Level 3) |
| **Liabilities measured at fair value** | | | | | |
| Derivative financial liabilities | | | | | |
| *Foreign exchange forward contracts – U.S.$* | March 31, 2015 | 127,988 | — | 127,988 | — |

There were no transfers between Level 1 and Level 2 fair value measurements during the period, and no transfers into or out of Level 3 fair value measurements during the three month period ended March 31, 2015.

The Group uses the following IFRS hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities;
- Level 2: Other techniques for which all inputs that have a significant effect on the recorded fair value are observable, either directly or indirectly;
- Level 3: Techniques that use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

**19. Financial instruments (continued)**

*Valuation methods and assumptions*

The fair value of the financial assets and liabilities included at the amount the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate fair values:

- Foreign exchange forward contracts are valued using valuation techniques, which employs the use of market observable inputs. The most frequently applied valuation techniques include forward pricing and swap models, using present value calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates, yield curves of the respective currencies, currency basis spreads between the respective currencies.

**20. Events after the reporting date**

**Rapida LTD issues**

On May 20, 2015 the Bank of Russia finished a scheduled thematic inspection of Rapida LTD, during which have been revealed various breaches of Federal Law No. 115-FZ of August 7, 2011 *On Countering the Legalization (Laundering) of Criminally Obtained Incomes and the Financing of Terrorism*, Federal Law No. 161-FZ of June 27, 2011 *On the National Payment System*, Regulation of the Central Bank of Russia No. 283-P of March 20, 2006 on the Procedure of Forming Reserves for Possible Losses by Credit Organizations and others. As a result, the Bank of Russia prescribed to rectify the detected violations and imposed a range of restrictions on the operations of Rapida LTD for the period of six months started from June 4, 2015, that could have negative impact on payment volume. As at the date of authorization of these financial statements all restrictions were prolonged for the next six months.

**Overdraft facility**

On October 30, 2015, the Group prolonged the overdraft facility with JSC Bank Finansovaya Corporatsiya Otkrytie with limit up to 600,000 till the end of the year 2017 with the same terms and conditions.

**Russlavbank**

Since November 6, 2015, the Group decided to stop using Russlavbank as the settlement bank for Contact payment system. This decision has no effect on financial statements for three months ended March 31, 2015 and thereafter. As at this date the amounts due to and from Russlavbank are not significant.

**Change of the parent of the Company**

On June 2015, Otkritie Investments Holding sold its stake to QIWI plc.

**Reorganization of the Company**

CIHRUS LLC is planned to be reorganized and merged with JSC QIWI in accordance to the decision of sole participant of CIHRUS LLC dated 8 December 2015.

**Exhibit 99.4**

**Unaudited pro forma combined financial statements as of March 31, 2015 and the year ended December 31, 2014**

On May 14, 2015, QIWI plc ("QIWI" or the "Company") entered into the Subscription Agreement in Respect of Shares in QIWI plc (the "Subscription Agreement") with Otkritie Investment Cyprus Limited ("Otkritie") to acquire 100% ownership of the Contact money transfer system ("Contact") and the Rapida payment processing system ("Rapida") by acquiring all of the outstanding interests in CIHRUS LLC ("CIHRUS"), the holding company that held those two businesses. Under the terms of the Subscription Agreement, QIWI agreed to issue 5,593,041 class B shares to Otkritie in exchange for all of the outstanding interests in CIHRUS in two separate closings.

On June 2 and June 30, 2015, the Company acquired 70% and 30%, respectively, of the outstanding interests in CIHRUS (the "Acquisition"). The main activities of the CIHRUS and its subsidiaries, including Attenium LLC, Gikor LLC, Rapida LTD, Processingovyi Tsentr Rapida LLC (together, the "CIHRUS Group"), are operating the Contact money transfer system and the Rapida payment processing system.

The following unaudited combined pro forma statement of financial position as of March 31, 2015 gives effect to the Acquisition as if it had been completed as of March 31, 2015. The Acquisition was accounted for under the acquisition method of accounting pursuant to IFRS 3—*Business Combinations*. Accordingly, the assets acquired and liabilities assumed have been recorded at their estimated fair values at the date of the Acquisition. The purchase price has been allocated to the assets acquired and the liabilities assumed based upon estimates of their respective fair values, which are subject to adjustment. The following unaudited combined pro forma statements of comprehensive income for the year ended December 31, 2014 and for the three months ended March 31, 2015, give effect to the Acquisition as if it had been completed on January 1, 2014.

The unaudited combined pro forma financial statements included herein have been derived from the following sources:

- Financial information for the Company under the column titled "QIWI" has been derived without adjustment from the audited consolidated financial statements of QIWI plc as of and for the year ended December 31, 2014, included in the Annual Report on Form 20-F filed by QIWI plc with the U.S. Securities and Exchange Commission ("SEC") on March 12, 2015 and unaudited financial results of QIWI plc as of and for the three months ended March 31, 2015, included as Exhibit 99.2 to the Report of a Foreign Issuer on Form 6-K of QIWI plc furnished with the SEC on May 14, 2015.
- Financial information for CIHRUS Group under the column titled "CIHRUS" has been derived from financial statements listed below:

  i) Unaudited interim condensed consolidated financial statements of CIHRUS as of and for the three months ended March 31, 2015; and

  ii) Audited consolidated financial statements of CIHRUS as of and for the year ended December 31, 2014,

  ((i) and (ii) together, the "CIHRUS Financial Statements")).

The audited consolidated financial statements of CIHRUS as of and for the year ended December 31, 2014 do not include financial results of Attenium LLC (which holds the Rapida payment processing business) for the first half of 2014 as CIHRUS consolidated Attenium LLC using pooling of interest method as both entities (CIHRUS LLC and Attenium LLC) were under common control of Otkritie since June 30, 2014. In addition, the CIHRUS Financial Statements do not include financial results of the Contact money transfer business prior October 2014, the month in which Attenium LLC acquired the Contact business and started to consolidate it into the financial statements of CIHRUS.

In order to show the reader the effect of the fuller impact of the Acquisition, Appendix 1 provides supplemental pro forma information, including certain non-IFRS adjusted financial information, that had been prepared to show the effect of the Acquisition as if the Rapida business (Attenium LLC) had been acquired by CIHRUS on January 1, 2014. Because Contact business was acquired through business acquisition by Otkritie in October 2014 for which no previous financial statements existed, supplemental pro forma information in respect of the Contact business prior to October 2014 cannot be provided.

Such pro forma financial information is derived from:

i) The audited consolidated financial statements of Attenium LLC as of and for the year ended December 31, 2014;

ii) The unaudited standalone financial statements of CIHRUS LLC as of and for the year ended December 31, 2014.

The unaudited combined pro forma financial statements have been prepared voluntarily following Article 11 of Regulation S-X. The unaudited combined pro forma financial statements are presented for illustrative purposes only and may not be indicative of the results that actually would have occurred had the transaction been in effect on the dates indicated, nor does it purport to indicate the results that may be obtained in the future. These unaudited combined pro forma financial statements are based on provisional amounts allocated by management to various assets and liabilities acquired, which amounts may be different when finalized than those currently presented.

The pro forma information should be read in conjunction with the financial statements and notes thereto of CIHRUS and Attenium LLC included as Exhibits 99.1, 99.2 and 99.3 to the Company's Report of a Foreign Private Issuer on Form 6-K furnished to the SEC on December 22, 2015, and the Company's financial statements and notes included in the Company's Annual Report on Form 20-F for the year ended December 31, 2014, filed on March 12, 2015 and unaudited financial results of QIWI plc as of and for the three months ended March 31, 2015, included as Exhibit 99.2 to the Report of a Foreign Issuer on Form 6-K of QIWI plc furnished to the SEC on May 14, 2015.

The unaudited combined pro forma financial statements do not give effect to any synergies and/or cost savings related to the Acquisition.

**Unaudited Combined Pro Forma Statement of Financial Position as of March 31, 2015**

***(in thousands Rubles)***

| | QIWI | CIHRUS | Pro Forma Adjustments | Notes | Pro Forma Combined |
|---|---|---|---|---|---|
| **Assets** | | | | | |
| **Non-current assets** | | | | | |
| Property and equipment | 363,781 | 23,673 | | | 387,454 |
| Goodwill and other intangible assets | 2,326,613 | 5,353,973 | 4,300,726 | (a) | 11,981,312 |
| Long-term debt instruments | 2,312,855 | — | | | 2,312,855 |
| Long-term loans | 49,783 | — | | | 49,783 |
| Other non-current assets | 54,208 | — | | | 54,208 |
| Deferred tax assets | 230,227 | 14,045 | 33,842 | (a) | 278,114 |
| **Total non-current assets** | **5,337,467** | **5,391,691** | 4,334,568 | | **15,063,726** |
| **Current assets** | | | | | |
| Trade and other receivables | 3,042,247 | 1,387,410 | | | 4,429,657 |
| Short-term loans | 23,901 | 4,173 | | | 28,074 |
| Short-term debt instruments | 1,725,966 | — | | | 1,725,966 |
| Prepaid income tax | 82,500 | 3,563 | | | 86,063 |
| VAT and other taxes receivable | 94,219 | — | | | 94,219 |
| Cash and cash equivalents | 11,612,312 | 3,388,155 | | | 15,000,467 |
| Other current assets | 318,297 | 344,344 | 153,841 | (b) | 816,482 |
| **Total current assets** | **16,899,442** | **5,127,645** | 153,841 | | **22,180,928** |
| Assets of disposal group classified as held for sale | 117,464 | — | | | 117,464 |
| **Total assets** | **22,354,373** | **10,519,336** | 4,488,409 | | **37,362,118** |
| **Equity and liabilities** | | | | | |
| **Equity attributable to equity holders of the parent** | | | | | |
| Share capital | 965 | — | | | 965 |
| Additional paid-in capital | 1,876,104 | — | | | 1,876,104 |
| Share premium | 3,044,303 | — | 9,024,129 | (a) | 12,068,432 |
| Other reserve | 785,017 | — | | | 785,017 |
| Retained earnings | 3,991,941 | — | | | 3,991,941 |
| Translation reserve | 240,667 | — | | | 240,667 |
| **Total equity attributable to equity holders of the parent** | **9,938,997** | — | 9,024,129 | | **18,963,126** |
| Non-controlling interest | (271,957) | — | | | (271,957) |
| **Total equity** | **9,667,040** | — | 9,024,129 | | **18,691,169** |
| **Non-current liabilities** | | | | | |
| Long-term borrowings | 42,080 | — | | | 42,080 |
| Long-term deferred revenue | 6,464 | — | | | 6,464 |
| Other non-current liabilities | 862 | — | | | 862 |
| Deferred tax liabilities | 73,182 | 688,915 | 401,867 | (a) | 1,163,964 |
| **Total non-current liabilities** | **122,588** | **688,915** | 401,867 | | **1,213,370** |
| **Current liabilities** | | | | | |
| Net asset attributable to participants | — | 4,937,587 | (4,937,587) | (a) | — |
| Short-term borrowings | 439 | 876,500 | | | 876,939 |
| Trade and other payables | 11,027,405 | 2,680,861 | | | 13,708,266 |
| Amounts due to customers and amounts due to banks | 997,538 | 999,227 | | | 1,996,765 |
| Income tax payable | 11,786 | 188,594 | | | 200,380 |
| VAT and other taxes payable | 197,626 | 4,789 | | | 202,415 |
| Deferred revenue | 24,033 | 4,001 | | | 28,034 |
| Financial instruments | — | 137,693 | | | 137,693 |
| Other current liabilities | 10,665 | 1,169 | | | 11,834 |
| **Total current liabilities** | **12,269,492** | **9,830,421** | (4,937,587) | | **17,162,326** |
| Liabilities directly associated with the assets of a disposal group classified as held for sale | 295,253 | — | | | 295,253 |
| **Total equity and liabilities** | **22,354,373** | **10,519,336** | 4,488,409 | | **37,362,118** |

**Unaudited Combined Pro Forma Statement of Comprehensive Income for three months ended March 31, 2015**

*(in thousands Rubles, except per share data)*

| | QIWI | CIHRUS | Pro Forma Adjustments | Notes | Pro Forma Combined |
|---|---|---|---|---|---|
| Revenue | 3,971,476 | 1,545,760 | | | 5,517,236 |
| Cost of revenue (exclusive of depreciation and amortization) | 1,740,016 | 1,057,211 | | | 2,797,227 |
| Selling general and administrative expenses | 652,203 | 137,170 | | | 789,373 |
| Depreciation and amortization | 102,130 | 81,238 | 23,778 | (b) | 207,146 |
| **Profit from operations** | **1,477,127** | **270,141** | (23,778) | | **1,723,490** |
| Distribution to participants | — | (22,349) | | | (22,349) |
| Other income | 4,995 | 231 | | | 5,226 |
| Other expenses | (1,159) | (105) | | | (1,264) |
| Foreign exchange gain | 447,720 | 16,235 | | | 463,955 |
| Foreign exchange loss | (343,986) | (21,371) | | | (365,357) |
| Change in fair value of financial instruments | — | (105,639) | | | (105,639) |
| Interest income | 556 | 97 | | | 653 |
| Interest expense | (13,331) | (12) | | | (13,343) |
| **Profit before tax** | **1,571,922** | **137,228** | (23,778) | | **1,685,372** |
| Income tax expense | (293,210) | (77,832) | 31,173 | (c) | (339,869) |
| **Net profit** | **1,278,712** | **59,396** | 7,395 | | **1,345,503** |
| **Attributable to:** | | | | | |
| Equity holders of the parent | 1,308,136 | 59,396 | 7,395 | | 1,374,927 |
| Non-controlling interests | (29,424) | — | — | | (29,424) |
| **Other comprehensive income** | | | | | |
| Other comprehensive income to be reclassified to profit or loss in subsequent periods: | | | | | |
| Exchange differences on translation of foreign operations | 33,182 | — | — | | 33,182 |
| **Total comprehensive income net of tax** | **1,311,894** | **59,396** | 7,395 | | **1,378,685** |
| **Attributable to:** | | | | | |
| Equity holders of the parent | 1,344,466 | 59,396 | 7,395 | | 1,411,257 |
| Non-controlling interests | (32,572) | — | — | | (32,572) |
| **Number of shares** | | | | | |
| basic | **54,543** | | 5,593 | | **60,136** |
| diluted | **55,031** | | 5,593 | | **60,624** |
| **Earnings per share:** | | | | | |
| Basic profit attributable to ordinary equity holders of the parent | 23.98 | | | | 22.86 |
| Diluted profit attributable to ordinary equity holders of the parent | 23.77 | | | | 22.68 |

**Unaudited Combined Pro Forma Statement of Comprehensive Income for the year ended December 31, 2014**

*(in thousands Rubles, except per share data)*

| | QIWI | CIHRUS | Pro Forma Adjustments | Notes | Pro Forma Combined |
|---|---|---|---|---|---|
| Revenue | 14,718,727 | 2,288,673 | (19,622) | (d) | 16,987,778 |
| Cost of revenue (exclusive of depreciation and amortization) | 7,273,099 | 1,823,980 | 805 | (d) | 9,097,884 |
| Selling general and administrative expenses | 3,082,177 | 198,087 | (18,706) | (d) | 3,261,558 |
| Depreciation and amortization | 353,400 | 113,074 | 261,351 | (b), (d) | 727,825 |
| **Profit from operations** | **4,010,051** | **153,532** | (263,072) | | **3,900,511** |
| Distribution to participants | — | (319,545) | | | (319,545) |
| Other income | 42,253 | 18,987 | (46) | (d) | 61,194 |
| Other expenses | (29,572) | (310) | 29 | (d) | (29,853) |
| Foreign exchange gain | 3,359,207 | 127,358 | | | 3,486,565 |
| Foreign exchange loss | (1,428,478) | (156,593) | | | (1,585,071) |
| Share of loss of associates | (26,583) | — | | | (26,583) |
| Impairment of investment in associates | (24,634) | — | | | (24,634) |
| Change in fair value of financial instruments | — | (7,037) | | | (7,037) |
| Gain from disposal of subsidiary | — | 15,213 | (15,213) | (d) | — |
| Interest income | 1,692 | 2,103 | | | 3,795 |
| Interest expense | (41,513) | (462) | 188 | (d) | (41,787) |
| **Profit before tax** | **5,862,423** | **(166,754)** | (278,114) | | **5,417,555** |
| Income tax expense | (894,506) | (125,107) | 113,855 | (c), (d) | (905,758) |
| **Net profit** | **4,967,917** | **(291,861)** | (164,259) | | **4,511,797** |
| **Attributable to:** | | | | | |
| Equity holders of the parent | 5,024,140 | (291,861) | (164,259) | | 4,568,020 |
| Non-controlling interests | (56,223) | — | — | | (56,223) |
| **Other comprehensive income** | | | | | |
| Other comprehensive income to be reclassified to profit or loss in subsequent periods: | | | | | |
| Exchange differences on translation of foreign operations | 105,789 | | | | 105,789 |
| **Total comprehensive income net of tax** | **5,073,706** | **(291,861)** | (164,259) | | **4,617,586** |
| **Attributable to:** | | | | | |
| Equity holders of the parent | 5,217,720 | (291,861) | (164,259) | | 4,761,600 |
| Non-controlling interests | (144,014) | — | — | | (144,014) |
| **Number of shares** | | | | | |
| basic | **53,396** | | 5,593 | | **58,989** |
| diluted | **54,179** | | 5,593 | | **59,772** |
| **Earnings per share:** | | | | | |
| Basic profit attributable to ordinary equity holders of the parent | 94.09 | | | | 77.44 |
| Diluted profit attributable to ordinary equity holders of the parent | 92.73 | | | | 76.42 |

**Notes to Unaudited Pro Forma Combined Financial Information**

**Note 1 - Basis of presentation**

The unaudited combined pro forma statement of financial position as of March 31, 2015 gives effect to the acquisition as if it had been completed as of March 31, 2015. The acquisition has been accounted for using the acquisition method. Accordingly, the assets acquired and liabilities assumed have been recorded at their estimated fair values at the date of the Acquisition. The purchase price has been allocated to the assets acquired and the liabilities assumed based upon estimates of their respective fair values, which are subject to adjustment.

The unaudited combined pro forma statements of comprehensive income for the three months ended March 31, 2015 and the unaudited combined pro forma statements of comprehensive income for the year ended December 31, 2014 give effect to the acquisition as if it had been completed on January 1, 2014.

**Note 2 — Preliminary purchase price allocation**

On June 2 and June 30, 2015, the Company acquired 70% and 30%, respectively, of the outstanding interests in CIHRUS. The Company financed the acquisition through the issuance of 5,593,041 class B shares of QIWI. The unaudited pro forma combined financial information includes various assumptions, including those related to the preliminary purchase price allocation of the assets acquired and liabilities assumed of CIHRUS based on management's best estimates of fair value. The final purchase price allocation may vary based on final appraisals, valuations and analyses of the fair value of the acquired assets and assumed liabilities. Accordingly, the pro forma adjustments are preliminary and have been made solely for illustrative purposes.

The following table shows the preliminary allocation of the purchase price for CIHRUS to the acquired identifiable assets, liabilities assumed and pro forma goodwill:

***(in thousands Rubles)***

| | |
|---|---|
| Fair value of 3,915,129 class B shares transferred for 70% | 6,410,868 |
| Fair value of 1,677,912 class B shares transferred for 30% | 2,613,261 |
| **Total purchase consideration transferred** | **9,024,129** |
| **Net assets acquired:** | |
| Property and equipment | 24,279 |
| Intangible assets (provisional) | 5,560,776 |
| Deferred tax assets | 53,430 |
| Accounts receivable | 2,352,154 |
| Cash and cash equivalents | 3,200,275 |
| Prepaid income tax | 51,204 |
| Other current assets | 480,514 |
| Deferred tax liabilities | (1,089,522) |
| Short-term borrowings | (1,246,398) |
| Trade and other payables | (3,951,076) |
| Income tax payable | (218,024) |
| Amounts due to customers and amounts due to banks | (832,818) |
| Other current liabilities | (14,494) |
| **Total identifiable net assets at fair value as at June 2, 2015** | **4,370,300** |
| **Goodwill** | **4,653,829** |

**Note 3 — Pro forma adjustments**

*Adjustments to the pro forma combined statement of financial position*

(a) Reflects:

- the adjustment of historical intangible assets acquired by the Company to their estimated fair value
- goodwill associated with the acquisition
- the effect of issuance of shares
- the effect of the deferred tax assets and liabilities resulting from the acquisition
- the elimination of the historical net assets attributable to participants of CIHRUS as part of the consolidation (see Note 2).

(b) Accrual of indemnification asset, as the share purchase agreement commits the seller to unconditionally and irrevocably indemnify and reimburse in full all direct or indirect losses incurred, suffered or sustained by the Company in respect of this matter during the three years from the date of the agreement.

*Adjustments to the pro forma statements of comprehensive income*

(a) Distributions to participants treated by the Company as dividends and eliminated upon consolidation.

(b) Reflects the estimated amortization (including: customer and partner relationships, trademarks and computer software with useful life of 15, 6 and 5 years correspondingly and bank license with indefinite useful life) and depreciation expense related to the acquired intangible assets, property and equipment discussed in Notes 2 and 3(a) (adjustments to the pro forma combined statement of financial position), respectively.

(c) Reversal of the income tax expense as a result of accrual of indemnification, as the share purchase agreement commits the seller to unconditionally and irrevocably indemnify and reimburse in full all direct or indirect losses incurred, suffered or sustained by the Company in respect of this matter during the three years from the date of the agreement.

(d) Deconsolidation of Contact Tsentr LLC and the effect of its sale as Contact Tsentr LLC was not part of the Acquisition.

**Unaudited Combined Pro Forma of non-IFRS adjusted metrics for three months ended March 31, 2015**

These unaudited pro forma combined financial statements presents Total Adjusted Net Revenue, Payment Adjusted Net Revenue, Other Adjusted Net Revenue, Adjusted Net Profit and Adjusted Net Profit per share, which are non-IFRS financial measures. You should not consider these non-IFRS financial measures as substitutes for or superior to revenue, in the case of Total Adjusted Net Revenue, Payment Adjusted Net Revenue and Other Adjusted Net Revenue; Net Profit, in the case of Adjusted Net Profit, or earnings per share, in the case of Adjusted Net Profit per share, each prepared in accordance with IFRS. Furthermore, because these non-IFRS financial measures are not determined in accordance with IFRS, they are susceptible to varying calculations and may not be comparable to other similarly titled measures presented by other companies. QIWI encourages investors and others to review our financial information in its entirety and not rely on a single financial measure.

Payment Adjusted Net Revenue is the Adjusted Net Revenue consisting of the merchant and consumer fees collected for the payment transactions. Other Adjusted Net Revenue is principally composed of revenue from inactivity fees, interest revenue and revenue from overdrafts provided to agents.

**For the three months ended March 31, 2015**
**(in million Rubles, except per share basis)**

| | QIWI | Rapida | Contact | Other and Eliminations | Total |
|---|---|---|---|---|---|
| **Volume (billion)** | **158.4** | **92.9** | **55.8** | **—** | **307.1** |
| **Total Adjusted Net Revenue** | **2,515** | **233** | **338** | **16** | **3,102** |
| Payment Adjusted Net Revenue | 1,840 | 158 | 322 | — | 2,320 |
| Other Adjusted Net Revenue | 675 | 75 | 16 | 16 | 782 |
| **Adjusted Net Profit** | **1,117** | **61** | **193** | **12** | **1,383** |
| **Payment Net Revenue Yield** | **1.16%** | **0.17%** | **0.58%** | | **0.76%** |
| **Adjusted Net Profit per share:** | | | | | |
| Basic | 20.47 | | | | 23.00 |
| Diluted | 20.29 | | | | 22.81 |

- Adjusted net revenue is calculated by subtracting cost of revenue from revenue and adding back compensation to employees and related taxes. Adjusted net revenue is also referred to as segment net revenue in the financial statements of CIHRUS as of and for the three months ended March 31, 2015. Please refer to note 4 of the financial statements of CIHRUS as of and for the three months ended March 31, 2015.
- Adjusted net profit is defined as net profit excluding amortization of fair value adjustments, share-based payment expenses, and foreign exchange gain from revaluation of cash proceeds from secondary public offering, change in fair value of financial instruments and the effects of taxation on those excluded items. Adjusted net profit for Rapida and Contact is calculated by deducting taxes (in an amount of RUB 14 million for Rapida and RUB 46 million for Contact) from segment profit before tax of Rapida and Contact. Please refer to note 4 of the financial statements of CIHRUS as of and for the three months ended March 31, 2015.
- For a reconciliation of adjusted net revenue and adjusted net profit of QIWI for the three months ended March 31, 2015, please refer to exhibit 99.2 to QIWI's Report of a Foreign Private Issuer on Form 6-K for the three months ended March 31, 2015, filed with the U.S. Securities and Exchange Commission on May 14, 2015.

## Appendix 1

**Financial information in the pro forma format representing full year consolidation of Attenium LLC and standalone financial statements of CIHRUS LLC for the year ended December 31, 2014**

*(in thousands Rubles, except per share data)*

| | QIWI | CIHRUS[1] | Pro Forma Adjustments | Notes | Pro Forma Combined |
|---|---|---|---|---|---|
| Revenue | 14,718,727 | 3,503,381 | | | 18,222,108 |
| Cost of revenue (exclusive of depreciation and amortization) | 7,273,099 | 2,867,568 | | | 10,140,667 |
| Selling general and administrative expenses | 3,082,177 | 275,760 | | | 3,357,937 |
| Depreciation and amortization | 353,400 | 57,998 | 321,806 | (b) | 733,204 |
| **Profit from operations** | **4,010,051** | **302,055** | (321,806) | | **3,990,300** |
| Distribution to participants | — | (293,321) | 293,321 | (a) | — |
| Other income | 42,253 | 19,579 | | | 61,832 |
| Other expenses | (29,572) | (7,380) | | | (36,952) |
| Foreign exchange gain | 3,359,207 | 127,458 | | | 3,486,665 |
| Foreign exchange loss | (1,428,478) | (156,620) | | | (1,585,098) |
| Share of loss of associates | (26,583) | — | | | (26,583) |
| Impairment of investment in associates | (24,634) | — | | | (24,634) |
| Interest income | 1,692 | 2,314 | | | 4,006 |
| Interest expense | (41,513) | (273) | | | (41,786) |
| **Profit before tax** | **5,862,423** | **(6,188)** | (28,485) | | **5,827,750** |
| Income tax expense | (894,506) | (204,611) | 174,676 | (c) | (924,441) |
| **Net profit** | **4,967,917** | **(210,799)** | 146,191 | | **4,903,309** |
| **Attributable to:** | | | | | |
| Equity holders of the parent | 5,024,140 | (210,799) | 146,191 | | 4,959,532 |
| Non-controlling interests | (56,223) | | | | (56,223) |
| **Other comprehensive income** | | | | | |
| Other comprehensive income to be reclassified to profit or loss in subsequent periods: | | | | | |
| Exchange differences on translation of foreign operations | 105,789 | | | | 105,789 |
| **Total comprehensive income net of tax** | **5,073,706** | **(210,799)** | 146,191 | | **5,009,098** |
| **Attributable to:** | | | | | |
| Equity holders of the parent | 5,217,720 | (210,799) | 146,191 | | 5,153,112 |
| Non-controlling interests | (144,014) | — | | | (144,014) |
| **Number of shares** | | | | | |
| basic | **53,396** | | 5,593 | | **58,989** |
| diluted | **54,179** | | 5,593 | | **59,772** |
| **Earnings per share:** | | | | | |
| Basic profit attributable to ordinary equity holders of the parent | 94.09 | | | | 84.08 |
| Diluted profit attributable to ordinary equity holders of the parent | 92.73 | | | | 82.97 |

(1) See “Reconciliation to Financial Statements of CIHRUS (unaudited)”.

1 **Reconciliation to Financial Statements of CIHRUS (unaudited)**

*(in thousands Rubles)*

| | Attenium LLC (audited) 2014 | + | CIHRUS Standalone (unaudited) 2014 | = | CIHRUS (unaudited) 2014 |
|---|---|---|---|---|---|
| Revenue | 3,425,782 | | 77,599 | | 3,503,381 |
| Cost of revenue (exclusive of depreciation and amortization) | 2,858,710 | | 8,858 | | 2,867,568 |
| Selling general and administrative expenses | 239,382 | | 36,378 | | 275,760 |
| Depreciation and amortization | 45,221 | | 12,777 | | 57,998 |
| **Profit from operations** | **282,469** | | **19,586** | | **302,055** |
| Distribution to participants | (293,321) | | — | | (293,321) |
| Other income | 19,567 | | 12 | | 19,579 |
| Other expenses | (7,269) | | (111) | | (7,380) |
| Foreign exchange gain | 127,419 | | 39 | | 127,458 |
| Foreign exchange loss | (156,620) | | — | | (156,620) |
| Interest income | 1,300 | | 1,014 | | 2,314 |
| Interest expense | (92) | | (181) | | (273) |
| **Profit before tax** | **(26,547)** | | **20,359** | | **(6,188)** |
| Income tax expense | (202,186) | | (2,425) | | (204,611) |
| **Net profit** | **(228,733)** | | **17,934** | | **(210,799)** |
| **Attributable to:** | | | | | |
| **Equity holders of the parent** | (228,733) | | 17,934 | | (210,799) |
| Total comprehensive income net of tax of 0 | (228,733) | | 17,934 | | (210,799) |
| **Attributable to:** | | | | | |
| **Equity holders of the parent** | (228,733) | | 17,934 | | (210,799) |

**Non-IFRS adjusted metrics for the year ended December 31, 2014**

**For the year ended December 31, 2014**
**(in million Rubles, except per share basis)**

| | QIWI | Rapida | Contact | Other and Eliminations | Total |
|---|---|---|---|---|---|
| **Volume (billion)** | **645.4** | **442.5** | **58.7** | — | **1,146.6** |
| **Total Adjusted Net Revenue** | **8,836** | **523** | **223** | **81** | **9,663** |
| **Payment Adjusted Net Revenue** | **6,515** | **566** | **241** | — | 7,322 |
| **Other Adjusted Net Revenue** | **2,321** | **(43)** | **(18)** | 81 | 2,341 |
| **Adjusted Net Profit** | **3,496** | **101** | **86** | **31** | **3,714** |
| **Payment Net Revenue Yield** | **1.01%** | **0.13%** | **0.41%** | | **0.64%** |
| **Adjusted Net Profit per share:** | | | | | |
| Basic | 65.48 | | | | 62.97 |
| Diluted | 64.54 | | | | 62.14 |

- Adjusted net revenue is calculated by subtracting cost of revenue from revenue and adding back compensation to employees and related taxes. Adjusted net revenue is also referred to as segment net revenue in the financial statements of Attenium LLC as of and for the year ended December 31, 2014. Please refer to note 7 of the financial statements of Attenium LLC as of and for the year ended December 31, 2014.

- Adjusted net profit is defined as net profit excluding amortization of fair value adjustments, share-based payment expenses, and foreign exchange gain from revaluation of cash proceeds from secondary public offering, change in fair value of financial instruments and the effects of taxation on those excluded items. Adjusted net profit for Rapida and Contact is calculated by deducting taxes (in an amount of RUB 47 million for Rapida and RUB 65 million for Contact) from segment profit before tax of Rapida and Contact. Please refer to note 7 of the financial statements of Attenium LLC as of and for the year ended December 31, 2014 for Rapida and to note 7 of the financial statements of CIHRUS as of and for the year end December 31, 2014 for Contact.

- For a reconciliation of adjusted net revenue and adjusted net profit of QIWI for the year ended December 31, 2014, please refer to Item3. Key Information of QIWI’s Annual Report on Form 20-F for the year ended December 31, 2014, filed with the U.S. Securities and Exchange Commission.

**Exhibit 99.5**

**QIWI Publishes Historical Financial Statements and Pro Forma Financial Information in Connection with the Acquisition of Contact and Rapida**

NICOSIA, CYPRUS – December 22, 2015 – QIWI plc (Nasdaq: QIWI, MOEX: QIWI) ("QIWI" or the "Company"), a leading provider of next generation payment services in Russia and the CIS today announced that it has published the financial statements related to the acquisition of 100% ownership in the Contact money transfer system ("Contact") and the Rapida payment processing system ("Rapida"), which was closed in two consecutive transactions on June 2, 2015 and June 30, 2015 including:

- Unaudited interim condensed consolidated financial statements of CIHRUS LLC as of and for the three months ended March 31, 2015;
- Audited consolidated financial statements of CIHRUS LLC as of and for the year ended December 31, 2014;
- Audited consolidated financial statements of Attenium LLC as of and for the year ended December 31, 2014;
- Unaudited pro forma combined financial statements as of and for the three months ended March 31, 2015 and for the year ended December 31, 2014; and
- Certain non-IFRS adjusted metrics for the three months ended March 31, 2015 and for the year ended December 31, 2014.

This press release should be read in conjunction with the historical financial statements of CIHRUS LLC ("CIHRUS") and Attenium LLC and the unaudited pro forma combined financial statements included as exhibits to the Company's Report of a Foreign Private Issuer on Form 6-K furnished to the SEC on December 22, 2015, and the Company's financial statements and notes included in the Company's Annual Report on Form 20-F for the year ended December 31, 2014, filed on March 12, 2015 and unaudited financial results of QIWI plc as of and for the three months ended March 31, 2015, included as Exhibit 99.2 to the Report of a Foreign Issuer on Form 6-K of QIWI plc furnished to the SEC on May 14, 2015.

On June 2 and June 30, 2015, the Company acquired 70% and 30%, respectively, of the outstanding interests in CIHRUS, the holding company that held the Contact and Rapida businesses, from Otkritie Investment Cyprus Limited ("Otkritie") in exchange for 5,593,041 class B shares.

QIWI believes that this acquisition gives it the opportunity to strengthen its position and increase its market share in the money remittance market as well as in the financial services market by leveraging its ecosystem and offering new high quality products and services to its customers.

The unaudited pro forma combined financial statements as of and for the three months ended March 31, 2015 and non-IFRS adjusted metrics for the three months ended March 31, 2015 present on a pro forma basis the combined businesses of QIWI and CIHRUS, including the Contact and Rapida businesses, for the first quarter 2015.

For the year ended December 31, 2014, financial information for Attenium LLC, which includes the Rapida business, was only consolidated with CIHRUS in the second half of 2014 (following the acquisition of Attenium LLC by CIHRUS), and financial information for the Contact business was only consolidated with CIHRUS starting in October 2014 (following the transfer of its operational contracts to Attenium LLC). Therefore the unaudited pro forma combined financial statements for the year ended December 31, 2014, only present on a pro forma basis the combined businesses of QIWI and CIHRUS (including the Contact business from October 2014 and the Rapida business from the second half of 2014).

In order to show the reader the effect of the fuller impact of the acquisition of the Rapida and Contact business in 2014, additional supplemental pro forma information with respect to the combined businesses of QIWI, Rapida and Contact for the year ended December 31, 2014 is presented in Appendix 1 of the unaudited pro forma combined financial statements. Appendix 1 gives effect to the acquisition of Rapida (Attenium LLC) as if such acquisition had occurred on January 1, 2014, and gives effect to the acquisition of Contact upon its acquisition by CIHRUS in October 2014.

As disclosed in the historical financial statements of CIHRUS and Attenium LLC and the unaudited pro forma combined financial statements, Contact and Rapida demonstrated the following financial results.

*Revenues:* Total Adjusted Net Revenue of Rapida was RUB 523 million and RUB 233 million for the year ended December 31, 2014 and the three months ended March 31, 2015, respectively. Total Adjusted Net Revenue of Contact for the year ended December 31, 2014 starting from the acquisition of Contact by Attenium LLC was RUB 223 million and RUB 338 million for the three months ended March 31, 2015.

Payment Adjusted Net Revenue of Rapida, which is principally composed of payment processing fees, was RUB 566 million and RUB 158 million for the year ended December 31, 2014 and the three months ended March 31, 2015, respectively. Payment Adjusted Net Revenue of Contact, which is principally composed of payment processing fees, was RUB 241 million for the year ended December 31, 2014 starting from the acquisition of Contact by Attenium LLC and RUB 322 million for three months ended March 31, 2015.

Other Adjusted Net Revenue of Rapida, which is principally composed of interest revenue and interest revenue from agent's overdrafts, for the year ended December 31, 2014, was negative RUB 43 million (primarily due to a one-off expense related to the settlement of a security breach) and RUB 75 million for the three months ended March 31, 2015. Other Adjusted Net Revenue of Contact, which is principally composed of interest revenue, was negative RUB 18 million for the year ended December 31, 2014 starting from the acquisition of Contact by Attenium LLC and RUB 16 million for the three months ended March 31, 2015.

*Adjusted Net Profit:* Adjusted Net Profit of Rapida was RUB 101 million for the year ended December 31, 2014 and RUB 61 million for the three months ended March 31, 2015. Adjusted Net Profit of Contact was RUB 86 million for the year ended December 31, 2014 starting from the acquisition of Contact by Attenium LLC and RUB 193 million for the three months ended March 31, 2015.

On a pro forma basis, Adjusted Net Profit of QIWI including Contact and Rapida was RUB 22.8 per diluted share for the three months ended March 31, 2015 compared with RUB 20.3 per diluted share for the three months ended March 31, 2015 for QIWI on a non-pro forma basis.

*Other Operating Data:* For the year ended December 31, 2014, Total Payment Volume of Rapida was equal to RUB 442.5 billion and to RUB 92.9 billion for three months ended March 31, 2015. Total Payment Volume of Contact for the year ended December 31, 2014 starting from the acquisition of Contact by Attenium LLC was equal to RUB 58.7 billion and RUB 55.8 billion for the three months ended March 31, 2015.

Average payment net revenue yield for Rapida was 0.13% for the year ended December 31, 2014 and 0.17% for the three months ended March 31, 2015. Average payment net revenue yield for Contact was 0.41% for the year ended December 31, 2014 starting from the acquisition of Contact by Attenium LLC and 0.58% for the three months ended March 31, 2015.

Starting June 2015, QIWI fully consolidated Contact and Rapida, with Contact contributing primarily to the Money Remittance market vertical and Rapida contributing primarily to the Financial Services market vertical and, to a lesser degree, the E-commerce market vertical.

**About QIWI**

QIWI is a leading provider of next generation payment services in Russia and the CIS. It has an integrated proprietary network that enables payment services across physical, online and mobile channels. It has deployed over 16.7 million virtual wallets, over 149,000 kiosks and terminals, and enabled merchants to accept over RUB 70 billion cash and electronic payments monthly from over 57 million consumers using its network at least once a month. QIWI's consumers can use cash, stored value and other electronic payment methods to order and pay for goods and services across physical or online environments interchangeably.

**Forward-Looking Statements**

This press release includes "forward-looking statements" within the meaning of, and subject to the protection of, the Private Securities Litigation Reform Act of 1995, including, without limitation, statements regarding the expected benefits from the acquisition of Rapida and Contact. Such forward-looking statements involve known and unknown risks, uncertainties, and other factors that may cause the actual results, performance or achievements of QIWI plc to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Various factors that could cause actual future results and other future events to differ materially from those estimated by management include, but are not limited to, the achievement of the expected benefits of the transaction, risks associated with integrating the businesses of QIWI, Contact and Rapida, competition, regulation, QIWI's ability to grow physical and virtual distribution channels, QIWI's ability to expand geographically and other risks identified under the Caption "Risk Factors" in QIWI's Annual Report on Form 20-F and in other reports QIWI files with the U.S. Securities and Exchange Commission. QIWI undertakes no obligation to revise any forward-looking statements or to report future events that may affect such forward-looking statements unless QIWI is required to do so by law.

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