MAZARS

Nonbanking Credit Organization "Interbank Credit Union" (Limited Liability Company)

Financial Statement in compliance with International Financial Reporting Standards and Audit Report for the Year Ended on December 31, 2014

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NOTES TO FINANCIAL STATEMENT AS OF DECEMBER 31, 2014

Translation from original in Russian

AUDIT OPINION

To the Participants of Nonbanking Credit Organization "Interbank Credit Union" (Limited Liability Company):

Audited entity

Name: Nonbanking Credit Organization "Interbank Credit Union" (Limited Liability Company) (ICU Ltd)

Primary state registration number: 1027739043342.

Registration number in the CBR 3242-K.

Location: bldg 2, 19/38, Plotnikov pereulok, Moscow, 119002

Auditor

Name: Joint Stock Company "Mazars" (JSC "Mazars").

Primary state registration number: 1027739734219.

Location: 5/19 Nizhniy Susalniy pereulok, Moscow, 105064.

The Auditor is a corporate member of a professional audit organization, self-regulating organization of auditors - Noncommercial Partnership "Moscow Audit Chamber". The number in the register of auditors and audit organizations of self-regulating organization of auditors (main registration number of entry): 10303044761.

We have audited the annual financial statements of **Nonbanking Credit Organization "Interbank Credit Union" (Limited Liability Company)** (the "Company") which comprise of the statement of financial position as of December 31, 2014, statement of profit or loss and other comprehensive income, statement of cash flows and statement of changes in equity for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Annual Financial Statements

The Company's management is responsible for the preparation and fair presentation of these annual financial statements in accordance with International Financial Reporting Standards. This responsibility includes: the maintenance of internal control relevant to the preparation and fair presentation of annual financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the annual financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company preparation and fair presentation of the annual financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the annual financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the annual financial statements give a true and fair view of the financial position of the Company as of December 31, 2014, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

NIZHNIY SUSALNIY PEREULOK, 5/19, MOSCOW, 105064 - RUSSIA
TEL: +7 (495) 792 52 45/46 - FAX: +7 (495) 792 52 47 - WWW.MAZARS.RU

"MAZARS" JSC

MAZARS

The report on the audit results presented in accordance with the Article 42 of the Federal law No. 395-1 "On Banks and Banking Activity" dated December 2, 1990.

The Company's management is responsible for the Company's compliance with the mandatory regulations established by the Bank of Russia, as well as for the conformity of the Company's internal control and risk management practice with the requirements imposed on analogous systems by the Bank of Russia.

We have tested the following within the scope of the Company's annual audit of the annual financial statements for the year 2014 performed in accordance with the Article 42 of the Federal law No. 395-1 "On Banks and Banking Activity" dated December 2, 1990:

- the Company's compliance with the mandatory regulations established by the Bank of Russia as of January 1, 2015;
- the conformity of the Company's internal control and risk management with the requirements imposed on analogous systems by the Bank of Russia.

The aforesaid audit has been limited to the procedures selected per auditor's professional judgement such as inquiries, analysis, review of documents, and comparison of the Company's requirements, procedures and methodologies with the requirements set out by the Bank of Russia, as well as recalculations and correlation of quantitative data and other information.

Our audit disclosed the following:

- compliance with the mandatory regulations established by the Bank of Russia:
  - as of January 1, 2015 the indicators for mandatory standards stated by the Bank of Russia have remained within the limits established by the Bank of Russia

We have not conducted any procedures to evaluate the accounting data of the Company, except for the procedures considered necessary for the purpose of expressing an opinion on whether the annual financial statements present fairly, in all material respects, its financial position as of December 31, 2014, the financial results of its activity and the cash flow for the year 2014 in accordance with International Financial Reporting Standards;

- conformity of the Company's internal control and risk management practice with the requirements imposed on analogous systems by the Bank of Russia:
  - as of December 31, 2014 the internal audit department of the Company reports functionally and administratively to the Board of Directors in accordance with the requirements and recommendations of the Bank of Russia; the risk management department has not reported neither functionally nor administratively to the divisions taking pertinent risks; internal audit and risk managers meet qualification requirements established by the Bank of Russia;
  - internal banking documents valid as of December 31, 2014 that set up techniques for identifying and managing key business risks including credit risk, operational risk, market risk, interest risk, legal risk, liquidity risk and reputation risk, and stress testings are all approved by competent governing authorities of the Company in accordance with the requirements and recommendations of the Bank of Russia;
  - existence of the aggregate reporting system for the Company's key risks such as credit risk, operational risk, market risk, interest risk, legal risk, liquidity risk and reputation risk, as well as for the Company's own funds (capital) as of December 31, 2014;

- frequency and consistency of the 2014 reports prepared by the Company's risk and internal audit department that cover the process of managing credit, operational, market, interest, legal, liquidity and reputation risks of the Company have complied with internal documents of the Company; these reports include the results on monitoring of the evaluation of the effectiveness of the Company's applicable methodologies performed by the Company's risk and internal audit management, as well as provide recommendations for their improvement;
- as of December 31, 2014 the Board of Directors' and its executive committee's responsibilities include monitoring of the Company's compliance with established risk limits and sufficiency of its own funds (capital). In order to monitor the effectiveness of the applicable procedures of risk monitoring and consistency of their application during 2014 by the Company, the Board of Directors and its executive committee have been periodically discussing the reports prepared by the risk and internal control management, have also been considering proposed corrective measures with the purpose of controlling the effectiveness and the consistency of the adopted risk management procedures.

Procedures for testing the internal control and risk management systems of the Company have been performed by us solely for the purpose of verifying the compliance of the Company's internal control and risk management systems with the requirements imposed on analogous banking systems by the Bank of Russia.

Other information

The audit of annual financial statements of Nonbanking Credit Organization "Interbank Credit Union" (Limited Liability Company) as of December 31, 2013 was conducted by another auditor, the auditor's report issued June 9, 2014 with an expression of unmodified opinion.

JSC «Mazars»

Auditor

Акционерное общество "Мазар" "Mazars S.A." ОГРН 1027739734219 ИНН 7716057427 Москва

Terekhina A.A.

(auditor's qualification certificate № 03-000653 issued in accordance with order of SRO MOAP #211 dd May 14, 2014, ОРНЗ 21403041298 for unlimited period of time).

April 7, 2015

Statement of Financial Position
As of December 31, 2014

	Note	December 31,2014	December 31,2013 (restated)	January 01,2013 (restated)
ASSETS				
Cash and cash equivalents	5	2 689 300	2 087 006	1 621 517
Fixed assets	6	6 804	3 658	2 905
Current tax assets		-	528	468
Other assets	7	1 699	3 340	1 816
TOTAL ASSETS		**2 697 803**	**2 094532**	**1 626 706**
LIABILITIES				
Payables to banks	8	2 474 715	1 931 175	1 469 699
Payables to customers	9	95 612	63 971	80 619
Current tax liability		1 989	-	-
Other liabilities	10	470	904	884
Deferred tax liability	16	184	136	101
TOTAL LIABILITIES		**2 572 970**	**1 996 186**	**1 551 303**
EQUITY CAPITAL				
Authorized capital	11	198 397	198 397	198 397
Accumulated deficit		(73 564)	(100051)	(122994)
TOTAL EQUITY CAPITAL		**124 833**	**98 346**	**75 403**
TOTAL LIABILITIES AND EQUITY CAPITAL		**2 697 803**	**2 094 532**	**1 626 706**

Approved and signed on behalf of the Board on April 7, 2015

V.L. Sharenda
Deputy Chairman of the Board

S.N. Kuznetsova
Chief Accountant

Notes in pages from 12 to 56 are an integral part of this Financial Statement

TRANSLATION FROM ORIGINAL IN RUSSIAN

Income Statement
for the Year Ended on December 31, 2014

	Note	2014	2013
Interest return	12	160 241	119 882
NET INTEREST INCOME	**12**	**160 241**	**119 882**
Gains less losses from foreign currency revaluation		131	28
Fee and commission income	13	2 827	2 381
Fee and commission expenses	13	(366)	(352)
Change of provisions for impairment	7	10	(10)
Other operating income	14	3 089	3 121
NET INCOME		**165 932**	**125 050**
Operating expenses	15	(109 094)	(96 214)
INCOME BEFORE TAX		**56 838**	**28 836**
Income tax expense	16	(11 565)	(5 893)
NET PROFIT		**45 273**	**22 943**

Approved and signed on behalf of the Board on April 7, 2015

V.L. Sharenda
Deputy Chairman of the Board

S.N. Kuznetsova
Chief Accountant

Statement of Recognized Income for the Year Ended on December 31, 2014

	Note	2014	2013
PROFIT FOR THE YEAR RECOGNIZED IN THE INCOME STATEMENT		45 273	22 943
OTHER COMPONENTS OF TOTAL RETURN NET OF TAX		-	-
ONE YEAR TOTAL RETURN		45 273	22 943

Approved and signed on behalf of the Board on April 7, 2015

V.L. Sharenda
Deputy Chairman of the Board

S.N. Kuznetsova
Chief Accountant

TRANSLATION FROM ORIGINAL IN RUSSIAN

Statement of Changes in Owner's or Stockholder's Equity for the Year Ended on December 31, 2014

	Note	Authorized capital	Accumulated deficit	Total capital
BALANCE AS OF DECEMBER 31, 2012		**198 397**	**(122 994)**	**75 403**
Consolidated income recognized for the year ended on December 31, 2013		-	22 943	**22 943**
BALANCE AS OF DECEMBER 31, 2013		**198 397**	**(100 051)**	**98 346**
Dividends declared during the reporting period		-	(18 786)	**(18 786)**
Consolidated income recognized for the year ended on December 31, 2014		-	45 273	**45 273**
BALANCE AS OF DECEMBER 31, 2014		**198 397**	**(73 564)**	**124 833**

Approved and signed on behalf of the Board on April 7, 2015

V.L. Sharenda
Deputy Chairman of the Board

ОБЩЕСТВО С ОГРАНИЧЕННОЙ ОТВЕТСТВЕННОСТЬЮ НЕБАНКОВСКАЯ КРЕДИТНАЯ ОРГАНИЗАЦИЯ "Межбанковский Кредитный Союз" МОСКВА

S.N. Kuznetsova
Chief Accountant

**TRANSLATION FROM ORIGINAL IN RUSSIAN**

Cash Flow Statement
for the Year Ended on December 31, 2014

	Note	2014	2013 (restated)
OPERATIONAL CASH			
Interest earned		165 138	128 809
Fees and commissions earned		2 827	2 381
Fees and commissions paid		(366)	(352)
Other operating revenues		3089	3 121
Operating expenses paid		(106 691)	(94 919)
Profit tax		(10 094)	(5 923)
Cash used in/earned from operating activities before changes in operating assets and liabilities		**53 903**	**33 117**
Change of operating assets and liabilities			
Net change for other assets		(3 248)	(10 452)
Net change for funds of credit institutions		543 532	461 474
Net change for payables to customers		31 641	(16 648)
Net change for other liabilities		(2)	-
Net cash used in operating activities		**625 826**	**467 491**
CASH FROM INVESTMENT ACTIVITY			
Fixed assets acquisition		(4 889)	(2 023)
Net cash earned from/ used in investment activity		**(4 889)**	**(2 023)**
CASH FROM FINANCIAL ACTIVITY			
Dividends paid		(18 786)	-
Net cash earned from/ used in financial activity		**(18 786)**	-
Impact of change of official exchange rate of the Bank of Russia on cash and cash equivalents		**143**	**21**
Net (decrease)/increase of cash and cash equivalents		**602 294**	**465 489**
Cash and cash equivalents at the beginning of the year	5	2 087 006	1 621 517
Cash assets and cash equivalents at the year-end	5	**2 689 300**	**2 087 006**

Approved and signed on behalf of the Board on April 7, 2015

V.L. Sharenda
Deputy Chairman of the Board

НЕБАНКОВСКАЯ КРЕДИТНАЯ ОРГАНИЗАЦИЯ "Межбанковский Кредитный Союз" МОСКВА

S.N. Kuznetsova
Chief Accountant

Notes in pages from 12 to 56 are an integral part of this Financial Statement

TRANSLATION FROM ORIGINAL IN RUSSIAN

NOTES TO FINANCIAL STATEMENT
as of December 31, 2014

1. Core Activity

This financial statement of Nonbanking Credit Organization ñInterbank Credit Unionò (Limited Liability Company) (hereinafter - ICU Ltd or the Company) is prepared in compliance with the International Financial Reporting Standards for the year ended on December 31, 2014.

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

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

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

In 2014 ICU Ltd had no branches.

On December 26, 2012 ICU Ltd was officially recorded by the Bank of Russia into the Register of Payment System Operators (Registration No 0016)as Financial Settlements Center of Payment System ñCUSTOMS CARDò, registered in compliance with requirements of Federal Law dated 27.06.2011 No 161 ï FL ñConcerning the National Payment Systemò.

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

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

The basis of the client basis of ICU Ltd is composed of banks ï issuers of customs cards of ñCUSTOMS CARDò LLC by whose order ICU Ltd commits transactions on payments into the budget (customs payments).

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

ICU Ltd has open correspondent accounts in banks residents of the Russian Federation. The Company is the member of the Russian Bankerôs Association, Association of Regional Banks, member of international association S.W.I.F.T.

As of December 31, 2014 the sole participant of the Company is Company is Joint Stock Commercial Bank ñFINPROMBANKò (Public Joint-Stock Company). As of December 31, 2013 the sole participant of the Company was ñCUSTOMS CARDò LLC. The deal of selling 100% shares of ICU ltd of the sole participant ñCUSTOMS CARDò LLC to FINPROMBANK A/O officially carried out with the approval of Bank of Russia and was reflected on the balance sheet as of December 25, 2014.

Actual personnel of ICU Ltd for December 31, 2014 composed 32 people (2013: ï 31 people).

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

2. Economic Environment of ICU Ltd.ôs Activities

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

Operating environment in the Russian Federation during the 2014 remained subject to several negative factors. In particular, recent events in Ukraine, economic sanctions and the growing political uncertainty significantly impacted the dynamics of the Russian economy, what reflected in a fall of the currency and stock markets in Russia.

The United States and the European Union imposed sanctions on several Russian officials, businessmen and organizations in March and April 2014. In April 2014, the international rating agency Standard & Poor's downgraded the Russia's foreign currency sovereign rating from «BBB» to «BBB-» with a negative outlook and confirmed it in October 2014. In March 2014, the rating agency Fitch also revised its outlook on Russiaôs default rating from «BBB» stable to «BBB» negative. And in January 2015 the agency Fitch downgraded the Russia's foreign currency sovereign rating from «BBB» to «BBB-» with a negative outlook. These events, especially in case of a further escalation of sanctions, may cause shortness of access of Russian business to international capital and export markets, capital flight, devaluation of the Ruble and other negative economic consequences.

The accelerated pace of consumption and the lack of income growth significantly reduced the public's ability for savings. Growth rates of retail deposits slowed during 2014. At the same time, a significant weakening of the Russian Rouble increased the attractiveness of foreign currency.

Also the great influence on negative situation in Russian economy had the decreasing of oil price from 108 USD/barrel (BRENT) as at 01 January 2014 to 58 USD/ barrel (BRENT) as at 01 January 2015. The oil price remains one of the main factor which determinate the stable of Russian economy and exchange rates.

During 2014, population significantly increased purchases of foreign currencies, with the volume exceeding the level last seen during the financial crisis in the fourth quarter 2008. The growth rate in retail lending continued to slow reflecting a relatively high debt burden of individuals and increased banksô prudence on issuing new loans due to the deteriorating credit quality of loan portfolios. Growth rate of overdue retail loans accelerated in 2014. The Russian Ruble weakening caused additional inflationary expectations, which manifested themselves in accelerated increase in consumer prices during 2014. The Bank of Russia raised its key interest rate by 2.5 percentage points to 8.0% in July 2014, to 9.5% in November 2014, to 17,0% in December 2014. In accordance with decision of Central Bank of Russia such measures can help to stop further devaluation of the Russian Rouble. The currency interventions led to a shortage of the Russian Rouble liquidity which was mostly covered by increased banking sector borrowings from the Bank of Russia.

By 2015 Central Bank of Russia had planned to complete the transition to target inflation. Major objective of monetary policy the Bank of Russia was to maintain stable low price growth. But due to unstable economic situation and devaluation of Russian Rouble inflation index has grown from 6.45% in 2013 to 11.34% in 2014.

Bank of Russia completed the transition to a floating exchange rate, removed from the November 10, 2014 exchange rate corridor that existed in various forms for nearly 20 years - since 1995.

The Company's management is monitoring these developments in the current environment and taking actions where appropriate. Bank pays significant attention to analysis of risks of banking activity and disclosure in details risk policy in notes to financial statement.

3. Basics of Financial Statementôs Presentation

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

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

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

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

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

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

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

Changes in International Standards of Financial Statements (IFRS)

New standards, interpretations and amendments effective from 2014:

- Amendments to IFRS 10, IFRS 12 and IAS 27 ï *Investment Entities*;
- Amendments to IAS 32 ï *Offsetting Financial Assets and Financial Liabilities*;
- Amendments to IAS 36 ï *Recoverable Amount Disclosures for Non-Financial Assets*;
- Amendments to IAS 39 ï *Novation of Derivatives and Continuation of Hedge Accounting*;
- IFRIC 21 *Levies*.

Amendments to IFRS 10, IFRS 12 and IAS 27 ï Investment Entities. The amendments to IFRS 10 introduce an exception from the requirement to consolidate subsidiaries for an investment entity. Instead, an investment entity is required to measure its interests in subsidiaries at fair value through profit or loss in its consolidated and separate financial statements. The exception does not apply to subsidiaries of investment entities that provide services that relate to the investment entityøs investment activities.

These amendments do not have any effect on the Company's consolidated financial statements as the Company is not an investment entity.

Amendments to IAS 32 ï Offsetting Financial Assets and Financial Liabilities. The amendments to IAS 32 clarify the requirements relating to the offset of financial assets and financial liabilities. Specifically, the amendments clarify the meaning of ócurrently has a legally enforceable right of set-offô and ósimultaneous realization and settlementô.

There is no effect of these amendments on the consolidated financial statements as the Company does not have any financial assets and financial liabilities that qualify for offset.

Amendments to IAS 36 ï Recoverable Amount Disclosures for Non-Financial Assets. The amendments to IAS 36 restrict the requirement to disclose the recoverable amount of an asset or a cash-generating unit to periods in which an impairment loss has been recognized or reversed. In addition, they expand and clarify the disclosure requirements applicable to when recoverable amount of an asset or a cash-generating unit has been determined on the basis of fair value less costs of disposal. The new disclosures include the fair value hierarchy, key assumptions and valuation techniques used which are in line with the disclosure required by IFRS 13 Fair Value Measurements.

These amendements do not have any effect on the Companyøs consolidated financial statements.

Amendments to IAS 39 ï Novation of Derivatives and Continuation of Hedge Accounting. These amendments allow the continuation of hedge accounting when a derivative is novated to a clearing counterparty and certain conditions are met. The amendments also clarify that any change to the fair value of the derivative designated as a hedging instrument arising from the novation should be included in the assessment and measurement of hedge effectiveness.

There is no effect of these amendments on these financial statements as the Company does not apply hedge accounting.

IFRIC 21 Levies. The interpretation is applicable to all payments imposed by governments under legislation, other than income taxes that are within the scope of IAS 12 and fines and penalties for breaches of legislation. The interpretation clarifies that a liability to pay a levy should only be recognised when an obligating event has occurred and provides guidance on how to determine whether a liability should be recognized progressively over specific period or in full at a specific date. There was no effect of the interpretation on these financial statements except for the change in Companyôs policy.

The Company did not early adopt any other standard, amendment or interpretation that has been issued and is not yet effective.

New and revised IFRSs in issue but not yet effective

The Company has not applied the following new and revised IFRSs that have been issued but are not yet effective:

- Amendments to IAS 19 - *Defined Benefit Plans: Employee contributions*;
- IFRS 14 *Regulatory Deferral Accounts*;
- Amendments to IAS 16 and IAS 38 - *Clarification of Acceptable Methods of Depreciation and Amortisation*;
- Amendments to IAS 27 - *Equity Method in Separate Financial Statements*;
- Amendments to IAS 16 and IAS 41 - *Agriculture: Bearer Plants*;
- Amendments to IFRS 11 - *Accounting for Acquisition of Interests in Joint Operations*;
- Amendments to IFRS 10 and IAS 28 - *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*;
- IFRS 15 *Revenue from Contracts with Customers*;
- IFRS 9 *Financial Instruments.*

IFRS 15 Revenue from Contracts with Customers. In May 2014, IFRS 15 was issued which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. IFRS 15 will supersede the current revenue recognition guidance including IAS 18 Revenue, IAS 11 Construction Contracts and the related interpretations when it becomes effective.

The core principle of IFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services. Specifically, the standard provides a single, principles based five-step model to be applied to all contracts with customers.

The five steps in the model are as follows:

- Identify the contract with the customer;
- Identify the performance obligations in the contract;
- Determine the transaction price;
- Allocate the transaction price to the performance obligations in the contracts;
- Recognise revenue when (or as) the entity satisfies a performance obligation.

Under IFRS 15, an entity recognises revenue when or as a performance obligation is satisfied, i.e. when ôcontrolö of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added on topics such as the point in which revenue is recognised, accounting for variable consideration, costs of fulfilling and obtaining a contract and various related matters. New disclosures about revenue are also introduced.

The management of the Company anticipates that the application of IFRS 15 in the future may have a significant impact on amount and timing of revenue recognition. However, it is not practicable to provide a reasonable estimate of the effect of IFRS 15 until a detailed review has been completed.

IFRS 9 Financial Instruments. IFRS 9 issued in November 2009 introduced new requirements for the classification and measurement of financial assets. IFRS 9 was subsequently amended in October 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition, and in November 2013 to include the new requirements for general hedge accounting. In July 2014 IASB issued a finalised version of IFRS 9 mainly introducing impairment requirements for financial assets and limited amendments to the classification and measurement requirements for financial assets. IFRS 9 is aiming at replacing IAS 39 Financial Instruments: Recognition and Measurement.

The key requirements of IFRS 9 are:

Classification and measurement of financial assets. Financial assets are classified by reference to the business model within which they are held and their contractual cash flow characteristics. Specifically, debt instruments that are held within the business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost after initial recognition. The 2014 version of IFRS 9 introduces a 'fair value through other comprehensive income' category for debt instruments held within the business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms of the financial asset giving rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding which are measured at fair value through other comprehensive income after initial recognition. All other debt and equity investments are measured at their fair values.

In addition, under IFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.

Classification and measurement of financial liabilities. Financial liabilities are classified in a similar manner to under IAS 39, however there are differences in the requirements applying to the measurement of an entity's own credit risk. IFRS 9 requires that the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liabilityôs credit risk in OCI would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liabilityôs credit risk are not subsequently reclassified to profit or loss.

Impairment. The 2014 version of IFRS 9 introduces an óexpected credit lossô model for the measurement of the impairment of financial assets, as opposed to an incurred credit loss model under IAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before a credit loss is recognized.

Hedge accounting. Introduces a new hedge accounting model that is designed to be more closely aligned with how entities undertake risk management activities when hedging financial and non-financial risk exposures. Under IFRS 9, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the effectiveness test has been overhauled and replaced with the principal of an "economic relationship". Retrospective assessment of hedge effectiveness is also no longer required. Enhanced disclosure requirements about an entity's risk management activities have also been introduced.

Derecognition. The requirements for the derecognition of financial assets and liabilities are carried forward from IAS 39.

The standard is effective from 1 January 2018 with early application permitted. Depending on the chosen approach to applying IFRS 9, the transition can involve one or more than one date of initial application for different requirements.

The management of the Company anticipates that the application of IFRS 9 in the future may have a significant impact on amounts reported in respect of the Company's financial assets and financial liabilities. However, it is not practicable to provide a reasonable estimate of the effect of IFRS 9 until a detailed review has been completed.

Amendments to IAS 16 and IAS 38 – Clarification of Acceptable Methods of Depreciation and Amortisation. The amendments to IAS 16 prohibit entities from using a revenue-based depreciation method for items of property, plant and equipment. The amendments to IAS 38 introduce a rebuttable presumption that revenue is not an appropriate basis for amortization of an intangible asset. This presumption can only be rebutted when the intangible asset is expressed as a measure of revenue, or when it can be demonstrated that revenue and consumption of the economic benefits of the intangible asset are highly correlated.
The amendments apply prospectively for annual periods beginning on or after 1 January 2016. Currently, the Company uses straight-line method for depreciation and amortization of its property, plant and equipment and intangible assets, respectively. The management of the Company does not anticipate that the application of these amendments will have a material impact on the Company's consolidated financial statements.

Amendments to IAS 27 – Equity Method in Separate Financial Statements. The amendments to IAS 27 allows entities to apply the equity method as one of the option for accounting for its investments in subsidiaries, joint ventures and associates in its separate financial statements. The amendments are effective from 1 January 2016 with earlier application permitted. The management of the Company does not expect any impact of these amendments on the financial statements as the Company currently does not have any investments in subsidiaries, joint ventures and associates.

The Company will apply these Standards as they are enforced.

4. Basic Principles of the Accounting Policy

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Measurement of fair value is based on going concern assumption anticipating that the entity has no intention or need to go into liquidation or conduct transactions under disadvantageous conditions.

Thus, fair value is not equivalent to the amount received by the Company conducting the transaction under pressure, enforced liquidation or sale-out of property in repayment of debts.

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

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

- current prices (quotations) of the active market for financial instruments similar to the assessable financial instruments to which the Company may acquire access as of the estimation date which do not require any corrections (1 level);
- in the absence of information on current prices (quotations) – price of the last transaction conducted at the active market if no material changes of economic conditions happened from the date of its execution to the end of the accounting period and current prices (quotations) for comparable financial instruments if from the date of transaction's execution the terms have not changed (2 level);
- prices calculated using estimation methods initial data for which are not based on observable market data (3 level).

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

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

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

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

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

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

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

Fixed assets. Fixed assets are recorded according to acquisition cost corrected up to purchasing power equivalent of currency of the Russian Federation as of January 1, 2003 for assets acquired before January 1, 2003 after deduction of accumulated depreciation and provision for impairment (when required).

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

For December 31, 2014 the official exchange rate of the foreign currency against Russian ruble established by the Bank of Russia applied for revaluation of balances on accounts in foreign currency composed 56.2584 RUR for 1 USD and 68.3427 RUR for 1 Euro (December 31, 2013: 32.7292 RUR for 1 USD and 40.2286 RUR for 1 Euro).

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

Taking into account of inflation impact. Until December 31, 2002 relatively high rates of inflation were preserved in the Russian Federation and according to IAS 29 ñFinancial Statement in Conditions of Hyperinflationò, the Russian Federation was considered as the country with hyperinflationary economy.

Influence of IAS 29ôs application is in the fact that non-monetary articles of the financial statement including capital components were recalculated in measurement units applicable as ofDecember 31, 2002 by application of relevant inflation indices to the initial value and in succeeding periods accounting was conducted on the basis of the received recalculated value.

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

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

ICU Ltd assumes liabilities for payments related to unused vacations of the Companyôs employees. Such liabilities are recognized in the statement of financial position in article ñOther liabilitiesò with simultaneous recognition in the income statement in terms of vacations fallen on the accounting period and in undistributed profit in terms of vacations fallen for the periods previous the accounting period.

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

Changes in presentation of the financial statements and restatement of data in the statement of financial position and in the statement of comprehensive income for the previous period. During 2014, the management of the Company performed a detailed review of the previously issued IFRS financial statements for the year 2013 and the accounting policies in accordance with which these financial statements were prepared. This review identified a number of misstatements that were corrected in these financial statements for the year 2014 and financial statements subsequently reissued in accordance with IAS 8 «Accounting Policies, Changes in Accounting Estimates and Errors».

The table below shows effect of restatements of financial data as at 31 December 2013:

	Previously reported amounts	Effect of restatement	Restated amounts
Statement of Financial Position			
Assets			
Cash and cash equivalents	2 080 235	6 771	2 087 006
Other assets	10 111	(6 771)	3 340

The table below shows effect of restatements of financial data as at 01 January 2013:

	Previously reported amounts	Effect of restatement	Restated amounts
Statement of Financial Position			
Assets			
Cash and cash equivalents	1 605 819	15 698	1 621 517
Other assets	17 514	(15 698)	1 816

Restatements are described below:

1. The management of the Company reviewed an approach to the classification of accrued interest on correspondent accounts previously reported in "Other assets" in the statement of financial position. Requirements for the accrued interest have been reclassified to the item "Cash and cash equivalents".

The above adjustments to the financial statements of the Company do not have any impact on retained earnings and capital of the Company for previous periods.

5. Cash Assets and Cash Equivalents

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

	December 31,2014	December 31,2013 (restated)	January 01,2013 (restated)
Balances on accounts in the Bank of Russia (except for statutory reserve accounts)	16 642	39 676	24 520
Balances on correspondent accounts in credit organizations of the Russian Federation	2 672 658	2 047 330	1 596 997
Total cash assets and cash equivalents	**2 689 300**	**2 087 006**	**1 621 517**

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

As of December 31, 2014, December 31, 2013 and January 01, 2013 there were no statutory reserve balances in the Bank of Russia due to the fact that ICU Ltd applies for calculation of average value of statutory reserves of the averaging factor equal to 1, established by the Bank of Russia for financial settlement nonbanking organizations.
As of December 31, 2014, December 31, 2013 and January 01, 2013 there were no pas due balances on cash assets and cash equivalents or impairment indicators for them.

The table below presents analysis of balances with credit organizations ï correspondents for credit quality in compliance with available ratings of international rating agencies as of December 31, 2014:

	Investment rating	Speculative rating	Not rated	Total
Balances on correspondent accounts in credit organizations of the Russian Federation	840 018	-	1 832 640	2 672 658
Total balances on correspondent accounts in credit organizations of the Russian Federation	**840 018**	**-**	**1 832 640**	**2 672 658**

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

	Investment rating	Speculative rating	Not rated	Total
Balances on correspondent accounts in credit organizations of the Russian Federation	161 759	550 010	1 335 561	2 047 330
Total balances on correspondent accounts in credit organizations of the Russian Federation	**161 759**	**550 010**	**1 335 561**	**2 047 330**

The table below presents analysis of balances with credit organizations ï correspondents for credit quality in compliance with available ratings of international rating agencies as of January 01, 2013:

	Investment rating	**Speculative rating**	**Not rated**	**Total**
Balances on correspondent accounts in credit organizations of the Russian Federation	5 028	211 184	1 380 784	1 596 997
Total balances on correspondent accounts in credit organizations of the Russian Federation	**5 028**	**211 184**	**1 380 784**	**1 596 997**

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

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

6. Fixed assets

	Note	Computer and office equipment	Cars	Total
Initial cost or estimation as of January 1, 2012		5 525	3 919	9 444
Accumulated depreciation		(5 202)	(2 275)	(7 477)
Residual value as of January 1, 2012		**323**	**1 644**	**1 967**
Proceeds		1 856	-	1 856
Depreciation	15	(358)	(560)	(918)
Retirement at initial cost		(1 886)	-	(1 886)
Withdrawal of accumulated depreciation		1 886	-	1 886
Residual value as of December 31, 2012		**1 821**	**1 084**	**2 905**
Initial cost or estimation as of December 31, 2012		5 495	3 919	9 414
Accumulated depreciation		(3 674)	(2 835)	(6 509)
Residual value as of December 31, 2012		**1 821**	**1 084**	**2 905**
Proceeds		2 023	-	2 023
Depreciation	15	(710)	(560)	(1 270)
Retirement at initial cost		(2 668)	-	(2 668)
Withdrawal of accumulated depreciation		2 668	-	2 668
Residual value as of December 31, 2013		**3 134**	**524**	**3 658**
Initial cost or estimation as of December 31, 2013		4 850	3 919	8 769
Accumulated depreciation		(1 716)	(3 395)	(5 111)
Residual value as of December 31, 2013		**3 134**	**524**	**3 658**
Proceeds		4 863	-	4 863
Depreciation	15	(1 539)	(178)	(1 717)
Retirement at initial cost		(268)	-	(268)
Withdrawal of accumulated depreciation		268	-	268
Residual value as of December 31, 2014		**6 458**	**346**	**6 804**
Initial cost or estimation as of December 31, 2014		9 445	3 919	13 364
Accumulated depreciation		(2 987)	(3 573)	(6 560)
Residual value as of December 31, 2014		**6 458**	**346**	**6 804**

As of December 31, 2014 the residual value of fixed assets were not calculated as according to opinion of ICU Ltd upon expiry of useful life of the fixed asset it is near zero.

A part of fixed assets related to category ñComputer and office equipmentò in the amount of 720 ths RUR as of December 31, 2014 is fully amortized but is still in use (2013: 720 ths RUR).

7. Other assets

	December 31, 2014	December 31, 2013 (restated)	January 01, 2013 (restated)
Advances for services	647	1 013	1 022
Settlements with Social Insurance Fund	209	331	388
Prepaid expenses	841	1 954	385
Other assets	2	52	21
Total	**1 699**	**3 350**	**1 816**
Less provisions for impairment	-	(10)	-
Total other assets	**1 699**	**3 340**	**1816**

The table below presents flow of provisions for impairment of other assets for the period from 2012 to 2014:

	2014	2013
Balance as of January 1	**(10)**	**-**
Provision charge for impairment of other assets during a year	(227)	(4 169)
Recovery of provision for impairment of other assets during a year	237	4 159
Other assets, written off during a year as bad assets	-	-
Balance as of December 31	**-**	**(10)**

8. Payables to banks

	December 31, 2014	December 31, 2013	January 01, 2013
Accounts of banks	2 474 715	1 931 175	1 469 699
Totalpayables to banks	**2 474 715**	**1 931 175**	**1 469 699**

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

As of December 31, 2014 ICU Ltd opened 75 ledger accounts in the name of banks issuing plastic customs cards (2013: 107 ledger accounts; 2012: 105 ledger accounts).

Balance sheet value of payables to banks is equal to fair value as of December 31, 2014, December 31, 2013 and January 01, 2013. Estimated fair value of payables to banks is given in Note 20. Analysis of payables to banks according to the structure of currencies and maturity dates is given in details in Note 17.

9. Payables to customers

	December 31, 2014	December 31, 2013	January 01, 2013
Legal entities			
Current/settlement accounts	89 933	56 342	67 464
Special card accounts	5 679	7 629	13 155
Total payables to customers	**95 612**	**63 971**	**80 619**

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

	December 31,2014		December 31,2013		January 01,2013	
	Amount	%	Amount	%	Amount	%
Information technologies	78 857	82,5	52 675	82,3	60 874	75,5
Transport	6 210	6,5	7 628	11,9	13 155	16,3
Financial leasing	10 545	11,0	3 668	5,8	6 590	8,2
Total payables to customers	**95 612**	**100,0**	**63 971**	**100,0**	**80 619**	**100,0**

Balance sheet value of payables to customers is equal to fair value as of December 31, 2014, December 31, 2013 and January 01, 2013. Estimated fair value of payables to customers is given in Note 20.

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

10. Other liabilities

	December 31, 2014	December 31,2013	January 01, 2013
Other liabilities			
Accrued expenses for remuneration payment to personnel	-	551	334
Taxes payable except for income tax	194	201	205
Other	276	152	345
Total other liabilities	**470**	**904**	**884**

11. Authorized Capital

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

	December 31,2014	December 31, 2013	January 01, 2013
Authorized capital	198 397	198 397	198 397
Total authorized capital	**198 397**	**198 397**	**198 397**

The nominal registered authorized capital of the Company before revaluation of contributions into the authorized capital made before January 1, 2003 up to purchasing power equivalent of Russian ruble as of December 31, 2002 composes 23,000 ths RUR. As of December 31, 2014 100% of registered authorized capital of ICU Ltd belongs to Joint Stock Commercial Bank ñFINPROMBANKò (Public Joint-Stock Company) (2013: ñCUSTOMS CARDò LLC).

12. Interest Income and Expenses

	2014	2013
Interest income		
Correspondent accounts in banks	160 241	119 882
Total interest income	**160 241**	**119 882**
Net interest income	160 241	119 882

13. Commission Income and Expenses

	2014	2013
Commission income		
Commission on settlement transactions	2 809	1 917
Commission on transactions with plastic cards	18	464
Total commission income	**2 827**	**2 381**
Commission expenses		
Commission on settlement transactions	(57)	(222)
Commission on transactions with plastic cards	(236)	(130)
Commission on other operations	(73)	-
Total commission expenses	**(366)**	**(352)**
Net commission expenses	**2 461**	**2 029**

14. Other Operating Income

	2014	2013
Income from information services rendering	3 051	3 051
Other	38	70
Total other operating income	**3 089**	**3 121**

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

15. Operating Expenses

	Note	2014	2013
Staff costs		(88 248)	(77 022)
Occupancy expenses		(7 669)	(7 669)
Expenses for purchasing and maintenance of software products	6	(2 274)	(3 084)
Depreciation of fixed assets		(1 717)	(1 270)
Communication costs		(1 334)	(848)
Repair and maintenance of fixed assets		(1 240)	(511)
Other taxes except for income tax		(1 088)	(1 002)
Charitable contributions		(787)	(725)
Printing and stationary costs		(444)	(427)
Insurance		(223)	(793)
Representation costs and travel expenses		(28)	(67)
Other expenses		(4 042)	(2 796)
Total operating expenses		**(109 094)**	**(96 214)**

Staff costs include insurance contributions into state non-budgetary funds established by legislation of the Russian Federation in the amount of 11 100 ths RUR (2013: 9 676 ths RUR).

16. Income Tax

Income tax expenses of ICU Ltd include the following components:

	2014	2013
Current income tax expenses	(11 517)	(5 858)
Change of amounts of deferred income tax related to occurrence and reduction of time differences	(48)	(35)
Income tax expenses per annum	**(11 565)**	**(5 893)**

Current rate of income tax applicable to the major part of income of the Company as of December 31, 2014 composed 20 % (2013: 20 %).

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

	2014	2013
Income according to IFRS before tax	**56 838**	**28 836**
Estimated tax liabilities calculated using statutory rate (2013 : 20%; 2012: 20%)	(11 368)	(5 767)
Impact of income not included into the taxable base or expenses not excluded from it and other constant differences	(197)	**(126)**
Income tax expenses per annum	**(11 565)**	**(5 893)**

Differences between IFRS and tax legislation of the Russian Federation result in occurrence of certain time differences between the balance sheet value of some assets and liabilities for the purposes of financial statement preparation and for the purposes of calculating the income tax. Details of tax consequences of flows of these time differences are given below and taken into account at rate of 20 % (2012-2013: 20%).

	December 31, 2013	Accounted in the Income Statement	December 31, 2014
Tax impact of time differences, decreasing /(increasing) tax base			
Accrued expenses	110	(110)	-
Fixed assets: depreciation	589	(773)	(184)
Fixed assets: change of balance sheet value	(835)	835	-
Net deferred tax asset / (liability)	**(136)**	**(48)**	**(184)**

	January 01, 2013	Accounted in the Income Statement	December 31, 2013
Tax impact of time differences, decreasing /(increasing) tax base			
Accrued expenses	117	(7)	110
Fixed assets: depreciation	1 128	(539)	589
Fixed assets: change of balance sheet value	(1 346)	511	(835)
Net deferred tax asset / (liability)	**(101)**	**(35)**	**(136)**

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

17. Financial Risk Management

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

The purpose of risks management is constraints of risk system undertake by ICU Ltd at the level providing possibility of maximum preservation of assets and capital based on reduction (exclusion) of possible losses and income deficiency for investments of ICU Ltd into financial instruments including investments into foreign currency. In 2014 the system of risk management of the Company did not change much compared to 2013. The Company uses empirical data for active refining of policy and procedures of risks management in order to minimize negative consequences of market disturbances to the Company's activity.

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

Risk management is based on the following basic principles:

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

Sources of risk generation include:

- *for credit risk* – untimely or incompletely fulfilled financial liabilities of the debtor (borrower) to the Company according to contractual terms;
- *for liquidity risk* – imbalance of financial assets and liabilities of ICU Ltd or unforeseen necessity of immediate and simultaneous fulfillment of its financial liabilities by the Company;
- *for interest risks* – unfavorable change of interest rates for assets, liabilities or off-balance instruments of ICU Ltd;
- *for currency risk* – change of exchange rates of foreign currencies for positions in foreign currencies open by ICU Ltd;
- *on operating risk* – internal procedures and practices of transactions conducting non-conforming to character and scale of operation of ICU Ltd or requirements of the applicable legislation, their

violation by employees of ICU Ltd or other persons, insufficient functional possibilities of information, technological and other systems of the Company or their failure as well as impact of external events;

- *for legal risk* – non-compliance by the Company of requirements of normative legal acts, non-conformity of internal documents of ICU Ltd to legislation of the Russian Federation as well as inability of ICU Ltd to bring its activity and internal documents in compliance with changes of legislation of the Russian Federation in due time, violation of terms of contractual relations as well as errors in law at exercising of its basic activity by the Company;
- *for reputation risk* – formation in the society of negative image about financial stability of the Company, quality of services provided by it or character of activity in general;
- *for strategic risk* – faults made when taking decisions determining the Company's strategy of activities and development, incorrect or ill-founded determination of promising activity directions, full or partial absence of relevant managerial decisions enabling to achieve strategic goals of activity of ICU Ltd.

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

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

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

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

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

- implementation of risk management policy;
- analysis of risk management quality;
- distribution of powers and liability for management of basic kinds of risks between heads of subdivisions of ICU Ltd of different levels, their support with necessary resources, establishment of interaction procedure;

- coordination and control over the complex of organizational actions promoting mitigation and maintaining risks within the established limits.

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

- defining conformity of actions and operations conducted by structural subdivisions of ICU Ltd to requirements of the applicable legislation of the Russian Federation, normative acts of the Bank of Russia, internal normative documents of the Company determining the policy conducted by ICU Ltd in the sphere of risk management, procedure of acceptance and implementation of decisions taken;
- analysis of substandard operations and transactions;
- information of the Companyôs management about results of conducted inspections as well as conclusions and recommendations on quality of compliance with basic rules and procedures in risk management and control.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Calculation and assessment of market risk is carried out by ICU Ltd for assessment of requirements to equity by use of standardized approach to market risk assessment established by Regulations of the Bank of Russia dated 28.09.2012 No 387-P "On Calculation Procedure of Market Risk Value by Credit Organizations" (hereinafter - Regulations of the Bank of Russia No 387-P), as well as for determination of actual maximal expected losses of ICU Ltd's portfolio in conditions of current market trends and limits establishment.

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

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

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

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

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

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

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

Positions of ICU Ltd for currencies as of December 31, 2014 are given below. Assets and liabilitiesof the Company are given in tables at balance sheet value with a breakdown to currencies.

	RUR	USD	Euro	Total
Assets				
Cash assets and cash equivalents	2 688 980	315	5	2 689 300
Fixed assets	6 804	-	-	6 804
Other assets	1 699	-	-	1 699
Total assets	**2 697 483**	**315**	**5**	**2 697 803**
Liabilities				
Payables to banks	2 474 715	-	-	2 474 715
Payables to customers	95 612	-	-	95 612
Current income tax liability	1 989	-	-	1 989
Other liabilities	459	-	11	470
Deferred tax liability	184	-	-	184
Total liabilities	**2 572 959**	**-**	**11**	**2 572 970**
Net balance position	**124 524**	**315**	**(6)**	**124 833**

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

	RUR	USD	Euro	Total
Assets				
Cash assets and cash equivalents	2 086 780	201	25	2 087 006
Fixed assets	3 658	-	-	3 658
Current tax asset	528	-	-	528
Other assets	3 340	-	-	3 340
Total assets	**2 094 306**	**201**	**25**	**2 094 532**
Liabilities				
Payables to banks	1 931 157	18	-	1 931 175
Payables to customers	63 971	-	-	63 971
Other liabilities	897	-	7	904
Deferred tax liability	136	-	-	136
Total liabilities	**1 996 161**	**18**	**7**	**1 996 186**
Net balance position	**98 145**	**183**	**18**	**98 346**

Positions of ICU Ltd for currencies as of January 01, 2013 are given below. Assets and liabilities of the Company are given in tables at balance sheet value with a breakdown to currencies.

	RUR	USD	Euro	Total
Assets				
Cash assets and cash equivalents	1 621 284	201	32	1 621 517
Fixed assets	2 905	-	-	2 905
Current tax asset	468	-	-	468
Other assets	1 816	-	-	1 816
Total assets	**1 626 473**	**201**	**32**	**1 626 706**
Liabilities				
Payables to banks	1 469 668	31	-	1 469 699
Payables to customers	80 619	-	-	80 619
Other liabilities	877	-	7	884
Deferred tax liability	101	-	-	101
Total liabilities	**1 551 265**	**31**	**7**	**1 551 303**
Net balance position	**75 208**	**170**	**25**	**75 403**

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

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

Values of regulatory economic standards related to currency risk as of December 31, 2014, December 31, 2013 and January 01, 2013 are presented below:

Regulatory limits	Maximum size of risk in compliance with requirements of CB RF (%)	Standard (%)		
		December 31, 2014	December 31, 2013	January 01, 2013
Aggregate of open foreign currency positions	20,0	0,3	0,2	0,3
Open foreign currency positions in certain foreign currencies	10,0	0,3	0,2	0,2
Open balancing positions in RUR	10,0	0,3	0,2	0,3

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

	December 31, 2014		December 31, 2013		January 01, 2013	
	Impact on income before tax (ths RUR)	Impact on equity (ths RUR)	Impact on income before tax (ths RUR)	Impact on equity (ths RUR)	Impact on income before tax (ths RUR)	Impact on equity (ths RUR)
Strengthening of USD for 30% (2012-2013: 30%)	95	95	55	55	51	51
Weakening of USD for 30% (2012-2013:30%)	(95)	(95)	(55)	(55)	(51)	(51)
Strengthening of Euro for 30% (2012: 30%)	(2)	(2)	5	5	8	8
Weakening of Euro for 30% (2012-2013: 30%)	2	2	(5)	(5)	(8)	(8)

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

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

Sources of interest risk generation may be:

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

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

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

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

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

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

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

	On-demand and less than 1 month	From 1 to 6 months	From 6 to 12 months	More than 1 year	Non-interest	Total
December 31, 2014						
Total assets	1 099 518	860 000	-	710 000	28 285	2 697 803
Total liabilities	656 517	-	-	-	1 916453	2 572 970
Gap value for terms of interest assets to interest liabilities	**443 001**	**860 000**		**710 000**	**(1 888 168)**	**124 833**
December 31, 2013						
Total assets	652 308	973 000	300 000	115 000	54 224	2 094 532
Total liabilities	-	-	-	-	1 996 186	1 996 186
Gap value for terms of interest assets to interest liabilities	**652 308**	**973 000**	**300 000**	**115 000**	**(1 941 962)**	**98 346**
December 31, 2012						
Total assets	411 522	519 521	650 000	-	45 663	1 626 706
Total liabilities	-	-	-	-	1 551 303	1 551 303
Gap value for terms of interest assets to interest liabilities	**411 522**	**519 521**	**650 000**	**-**	**(1 505 640)**	**75 403**

Interest risk management by monitoring of gap value for terms of interest assets and interest liabilities is added with procedure of sensitivity monitoring of net interest income of the Company to different scenarios of interest rate changing.
Sensitivity of income or loss involves impact of expected changes in interest rates on net interest income for one year.
Analysis of sensitivity of net interest income of the Company for a year to change of market interest rates composed on the basis of the simplified scenario of parallel switch of return curves for 100 basis points towards increase or decrease of rates and anticipating absence of asymmetric changes of return curves and presence of constant balance position may be presented in the following manner.

	December 31, 2014	December 31, 2013	January 01, 2013
Parallel switch for 300 basis points towards rates increase	46 486	42 516	29 069
Parallel switch for 300 basis points towards rates decrease	(46 486)	(42 516)	(29 069)

Liquidity risk. Liquidity risk is risk of financial losses due to asset impairment in the process of their sale (instrument liquidity risk) or insufficiency of cash assets for fulfillment of current financial liabilities. Liquidity risk occurs at claim term mismatch for active transactions with maturity dates for passive transactions. ICU Ltd is exposed to risk due to daily necessity to use the available cash assets for settlements on accounts of banks - participants of Payment system and customers ï legal entities.

The Company does not accumulate cash assets for the case of simultaneous fulfillment of obligations for all above-mentioned claims as on the basis of available practice it is possible to foresee the required level of cash assets to prevent failures in conducting of settlement transactions with sufficient accuracy.

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

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

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

Due to the fact that Instruction of the Bank of Russia No 129-I established the regulatory minimum requirement for liquidity Н15, restricting risk of liquidity loss within the nearest 30 calendar days in the amount of 100 %, own liquidity deficiency ratios of ICU Ltd for the term less than 30 calendar days are not established.

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

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

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

- forecasting payment flows and determination of required volume of liquid assets;

- analysis of condition of immediate, current and long-term liquidity, enforcement of regulatory limits of liquidity established by the Bank of Russia;
- maintaining of diversified structure of financing sources;
- maintaining the portfolio of highly liquid assets which may be freely sold as the protective measure in case of liquidity gap;
- assessment of prospective liquidity of the Company based on analysis of cash flows according to actual terms of assets sale, redemption and demand of liabilities;
- analysis of liquidity condition using scenarios of events negative for ICU Ltd related to situation at the market, position of debtors, creditors, other circumstances affecting liquidity condition of ICU Ltd;
- development of actions plan for recovery of the Companyôs liquidity including the procedure of decision-taking concerning mobilization of liquid assets, attraction of additional resources in case of liquidity deficiency occurrence.

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

In compliance with requirements of the Bank of Russia the ratio of the liquid asset amount with maturity term within the next 30 calendar days to liabilities amount - current liquidity ratio (N15) is calculated on a daily basis. The regulatory minimum requirement of N15 is established in the amount of 100%. In December 31, 2014 N15 ratio value composed 104.5% (2013:104.3%).

The Company controls the daily position in terms of liquidity and regularly conducts stress-testing of liquidity in different scenarios covering standard and more negative market conditions. According to results of forecasts conducted in accounting year 2014 no possible deterioration of condition liquidity were revealed. Tables given below present the balance sheet value of assets and liabilities of the Company for contractual terms to maturity.

Balance sheet value of financial instruments with maturity dates as of December 31, 2014 is given in the following table:

	On-demand and less than 1 month	From 1 to 6 months	From 6 to 12 months	More than 1 year	With indefinite time period	Total
Assets						
Cash assets and cash equivalents	2 689 300	-	-	-	-	2 689 300
Fixed assets	-	-	-	-	6 804	6 804
Other assets	63	663	973	-	-	1 699
Total assets	**2 689 363**	**663**	**973**	**-**	**6 804**	**2 697 803**
Liabilities						
Payables to banks	2 474 715	-	-	-	-	2 474 715
Payables to customers	95 612	-	-	-	-	95 612
Current income tax liability	-	-	-	-	1 989	1 989
Other liabilities	377	93	-	-	-	470
Deferred tax liability	-	-	-	-	184	184
Total liabilities	**2 570 704**	**93**	**-**	**-**	**2 173**	**2 572 970**
Net liquidity gap	**118 659**	**570**	**973**	**-**	**4 631**	**124 833**
Cumulative liquidity gap	**118 659**	**119 229**	**120 202**	**120 202**	**124 833**	

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

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

Balance sheet value of financial instruments with maturity dates as of January 01, 2013 is given in the following table:

	On-demand and less than 1 month	From 1 to 6 months	From 6 to 12 months	More than 1 year	With indefinite time period	Total
Assets						
Cash assets and cash equivalents	1 605 819	-	-	-	-	1 605 819
Fixed assets	-	-	-	2 617	288	2 905
Current tax asset	-	-	468	-	-	468
Other assets	942	4 812	11 760	-	-	17 514
Total assets	**1 606 761**	**4 812**	**12 228**	**2 617**	**288**	**1 626 706**
Liabilities						
Payables to banks	1 469 699	-	-	-	-	1 469 699
Payables to customers	80 619	-	-	-	-	80 619
Other liabilities	300	-	250	-	334	884
Deferred tax liability	-	-	-	-	101	101
Total liabilities	**1 550 618**	**-**	**250**	**-**	**435**	**1 551 303**
Net liquidity gap	**56 143**	**4 812**	**11 978**	**2 617**	**(147)**	**75 403**
Cumulative liquidity gap	**56 143**	**60 955**	**72 933**	**75 550**	**75 403**	

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

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

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

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

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

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

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

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

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

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

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

- compliance with requirements of regulatory authorities;
- establishment of controls and procedures for operating risks mitigation;
- requirements for periodic assessment of exposure to operating risks;

- prompt presentation of reports on losses caused by operating risks;
- collection of information on historical operating losses which have ever been incurred by the Company;
- development of plans for activity support in emergencies.

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

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

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

In accounting year 2014 ICU Ltd had no losses caused by legal risk occurrence.

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

Internal factors of risk include

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

External factors include:

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

- possible differences in jurisdictions of the customers and contracting parties of the Company.

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

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

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

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

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

Reputation management is based on the following basic principles:

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

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

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

During 2014 and 2013 the Company settled its transactions in the territory of the Russian Federation.

18. Contingencies

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

Information on minimum amounts of future rental payments within irrevocable operating leaseas of December 31, 2014 and December 31, 2013 are presented in the following table:

	December 31, 2014	December 31, 2013
Less than 1 year	642	540
Total operating lease liabilities	**642**	**540**

Legal proceedings. As of December 31, 2014 and of December 31, 2013 the Company was not involved into any legal proceedings.

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

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

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

19. Transactions with Related Parties

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

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

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

Transactions with related parties include transactions with ñCUSTOMS CARDò LLC, which was the only participant of ICU Ltd till 24.12.2014 with 100% share in the authorized capital of the Company. Tables below present the information on balances on transactions with related parties as of December 31, 2014 and December 31, 2013:

	December 31,2014		**December 31,2013**	
	Transactions with related parties	**Total under the article of the Statement of Financial Position**	**Transactions with related parties**	**Total under the article of the Statement of Financial Position**
Liabilities				
Payables to customers	71	95 612	30	63 971

Joint Stock Commercial Bank ñFINPROMBANKò (Public Joint-Stock Company) is the only participant of ICU Ltd with 100% share in the authorized capital of the Company since December 24, 2014 according to the contract.

	December 31,2014		**December 31,2013**	
	Transactions with related parties	**Total under the article of the Statement of Financial Position**	**Transactions with related parties**	**Total under the article of the Statement of Financial Position**
Liabilities				
Payables to customers	601 874	2 689 300	-	2 087 006

Information below presents income and expenses articles for transactions with related parties for 2014:

	Companyôs participants	**Key managerial staff**	**Total**
Other operating income	3 052	-	**3 052**
Operating expenses	(454)	(28 893)	**(29 347)**

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

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

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

The table below presents information on the amount of remuneration to key managerial staff for 2014 and 2013:

	2014	**2013**
Remuneration to key managerial staff		
Salary and other remunerations	28 893	22 720
Total remuneration	**28 893**	**22 720**

Management of ICU Ltd believes that in accordance with the shareholder structure of the sole participant FINPROMBANK A/O, ICU Ltd has no ultimate controlling party.

20. Fair Value of Financial Instruments

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

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

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

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

Educated estimates of fair value bank deposits and customeròs funds attracted for the term ñon-demandò are the same as their balance sheet value.

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

	December 31, 2014		December 31, 2013		January 01, 2013	
	Balance sheet value	**Fair value**	**Balance sheet value**	**Fair value**	**Balance sheet value**	**Fair value**
Cash assets and cash equivalents	2 689 300	2 689 300	2 087 006	2 087 006	1 621 517	1 621 517
Payables to banks	2 474 715	2 474 715	1 931 175	1 931 175	1 469 699	1 469 699
Payables to customers	95 612	95 612	63 971	63 971	80 619	80 619

21. Capital Management

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

According to current requirements of the bank of Russia, financial settlement nonbanking organizations shall maintain ratio of regulatory capital to risk-weighted assets (ñcapital adequacy ratioò) above the regulatory minimum requirement. According to requirements of the Bank of Russia the capital adequacy ratio of financial settlement nonbanking organizations shall be maintained at the level of at least 12%. During 2014 the Companyӯs capital adequacy ratio exceeded the regulatory minimum requirement H1 0. On the date of 01.01.2015 capital adequacy ratio of ICU Ltd composed 16.3% (01.01.2014: 17.9 %).

According to opinion of the Companyӯs management the total amount of the manageable capital is equal to the sum of equity according to the balance sheet compiled in compliance with the Russian Rules for Accounting. As of December 31, 2014 the equity amount under the Companyӯs management according to the Russian Rules for Accounting composed 123 400 ths RUR (2013: 95 330 ths RUR).

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

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

	December 31, 2014	December 31, 2013	January 01, 2013
Capital assets	78 498	75 713	72 488
Additional paid-in capital	44 902	19 617	2 840
Total regulatory capital	**123 400**	**95 330**	**75 328**

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

The table below presents the structure of ICU Ltd's capital calculated in compliance with requirements of the Basel Accord as of December 31, 2014, December 31, 2013 and January 01, 2013.

	December 31, 2014	December 31, 2014	January 01, 2013
Tier 1 capital			
Authorized capital	198 397	198 397	198 397
Accumulated deficit	(73 564)	(100 051)	(122 994)
Total tier 1 capital	**124 833**	**98 346**	**75 403**
Total tier 2 capital	-	-	-
Total capital	**124 833**	**98 346**	**75 403**

During 2014 and 2013 the Company complied with all external requirements to capital level.

22. Events after the End of the Accounting Period

There were no other material events happened after the accounting date and having material impact on financial position of the Company and financial statement.

V.L. Sharenda
Deputy Chairman of the Board

S.N. Kuznetsova
Chief Accountant

07 April 2015