



Innovative Payment Solutions – case study

Total Telecom World
8 November 2011



1. QIWI group of companies
2. SSK – our key solution
3. Payment hypermarket
4. International payments
5. Unique marketing opportunities
6. Benefits for Telecoms
7. QIWI modernization program
8. Win-win-win strategy





QIWI – what services we provide?

QIWI provide service of collecting payments via different types of payments devices.

- Payment collection for ANY paid services
- Easy, fast and convenient way of making everyday payments for customers
- Secure processing of very high volume of operations at a time
- Unique marketing opportunities
- New distribution channel
- Economic efficiency improvement for Telcos

QIWI Mobile
Always with you



QIWI WEB
Online bank

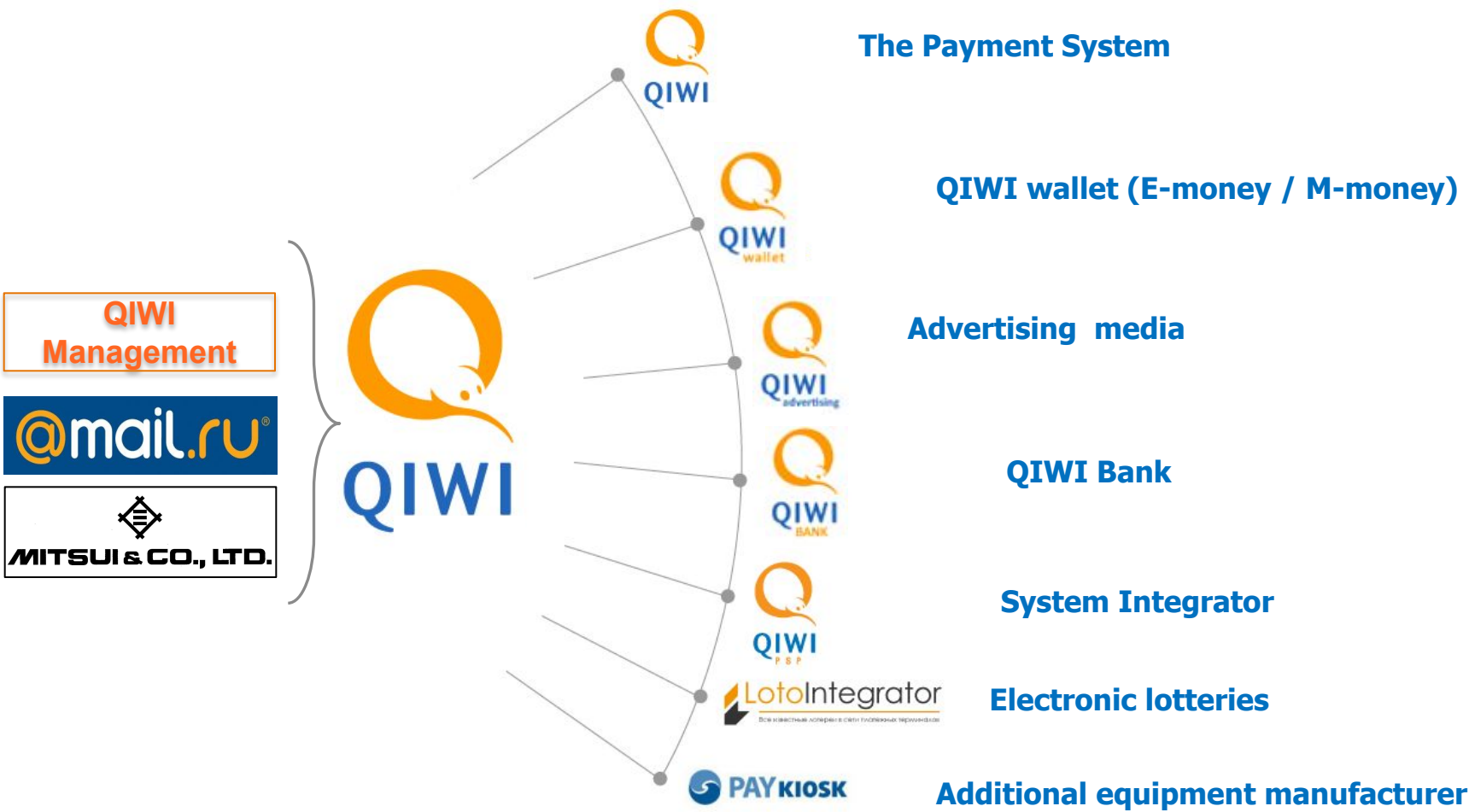


QIWI
Self Service Kiosk

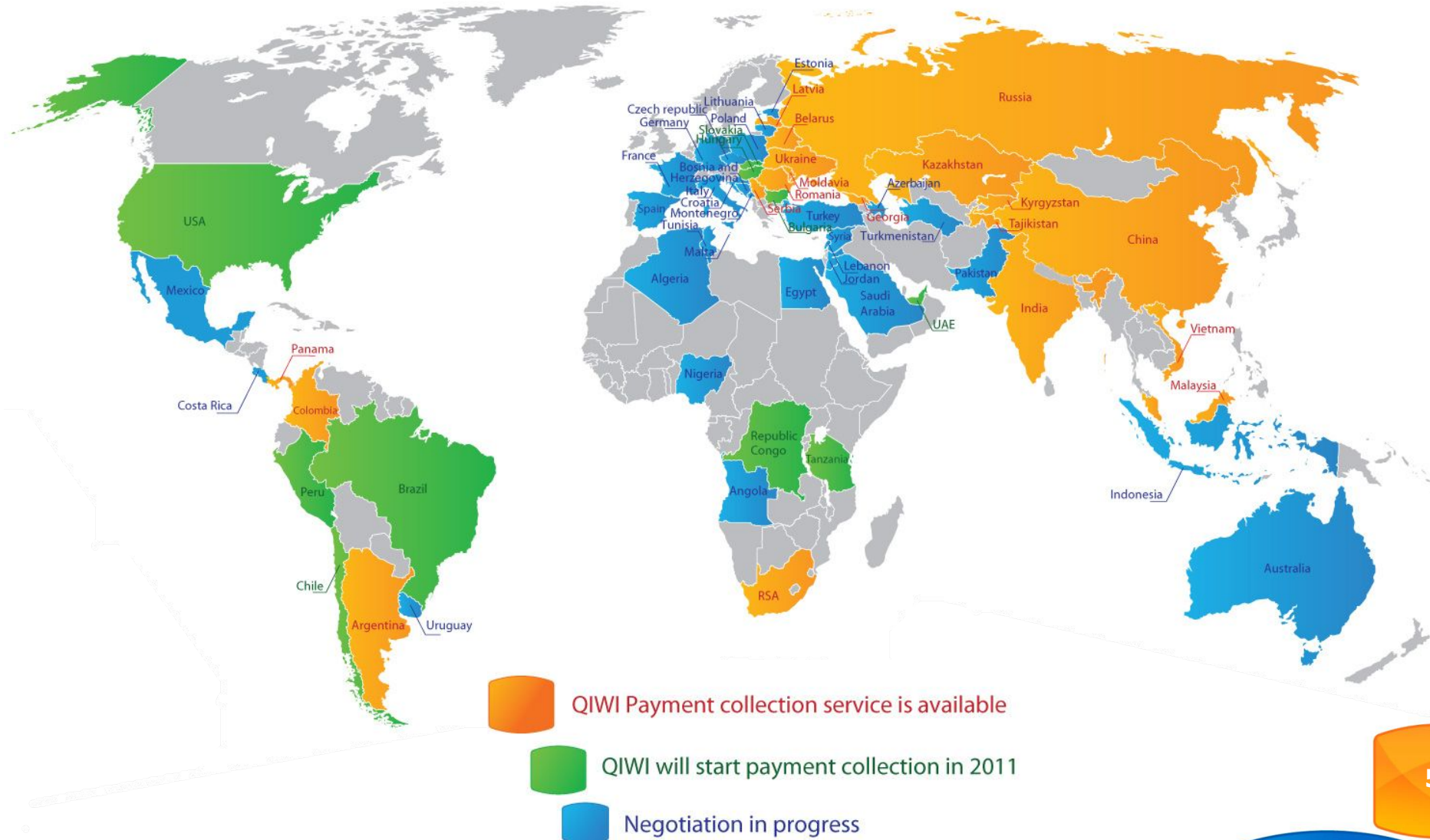




QIWI Group of companies



Business geography





QIWI – short summary

A smiling woman with long blonde hair, wearing a white short-sleeved shirt and a black vest, is holding a large white sign that contains the following text.

19 countries
210 000 POS
126 000 self-service kiosks
5 000 service providers
\$12 B turnover in 2010
80 M unique users
Complete solution provider



Innovative payment solution – Self-Service Kiosk

□ Direct top up with flexible amounts

□ NOT AN ATM

□ Big touch screen

□ Advertising platform

□ Very simple intuitive interface

□ Certified for EU

□ Could be monobranded

□ Variable options

Touch screen

Card reader

PIN Pad

Bar code scanner

Printer

Cash validator

Coin validator

GPRS

Riot-resistant case

SIM card dispenser



The system services - Payment hypermarket





The system services - Payment hypermarket

- VISA Virtual
- Catalogue goods
- Tickets: Air, Rail, Entertainment
- ON Line games
Social networks
- Internet sales
- Housing and public utilities
- Insurance premiums
- Payment to budget
- Credits
- Periodicals subscription
- And more



IN COUNTRY OF QIWI OPERATION WE OFFER 5000 SERVICES

THE MORE SERVICE WE OFFER THE MORE INCOME PER KIOSK

THE MORE LUCRATIVE BUSINESS MODEL THE WIDER TERMINAL NETWORK

QIWI IS THE ONLY DISTRIBUTOR THAT CAN REALLY AFFORD A GRADUAL COMISSION REDUCTION





International “Trans-boarder” payments



Russian consumers can top up its mobile accounts from QIWI kiosks situated in Latvia, Ukraine and Kazakhstan.

We are develop this service aiming to create a united network of QIWI SSKs which allows to pay for any service provider in any country of QIWI presence.



QIWI Advantages for Mobile operator



Customer experience improvement

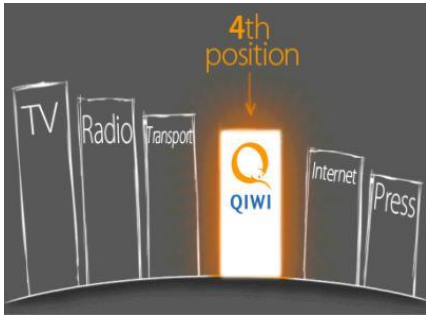
1. Simple and easy service to use, fast.
2. Anywhere, anytime convenience.
3. Privacy of information and payment (phone/account numbers, amounts).
4. Low-value to high-value top-ups, amount is determined by customer.
5. All payments in 1 channel = payment hypermarket





Unique marketing opportunities

Advertising



11 commercial platforms in interface of 126 000 QIWI SSKs in 19 countries

High penetration



Contact with 80 000 000 people every month

Interactivity



Interactive communications and personal messages for customers

Targeting

VIP or DISCOUNT?

Get an **INDIVIDUAL REPORT** on average transaction amount in any particular location of your choice

Transaction amount low? - Offer cheap service plan

Transaction amount high? – Offer VIP





New distribution channel

- **24/7** accessibility of payment point **ON EVERY CORNER**
- Fast roll out in distant areas guarantees **increase of penetration** rate and allow to **reduce inactive subscribers** indicator (impossibility to replenish the account)
- Enables **impulse top up**
- And **increases ARPU**
- In Russia ISI decreased **From 14% to 4%**
In four years
ARPU increased by 10%
- **We are also sell contracts via SSK** (up to 50 000 in 1



Economic efficiency improvement

COST SAVINGS:

Hidden costs of scratch cards:

- 2-5% - theft+ fraud,
- 6% - commission to agents,
- 1% - production,
- 3-5% - logistic,
- 5-7% - other expenses

AVERAGE TOTAL – 12%

OPEX savings: on office rent, on amount of staff



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GRADUAL COMISSION REDUCTION**



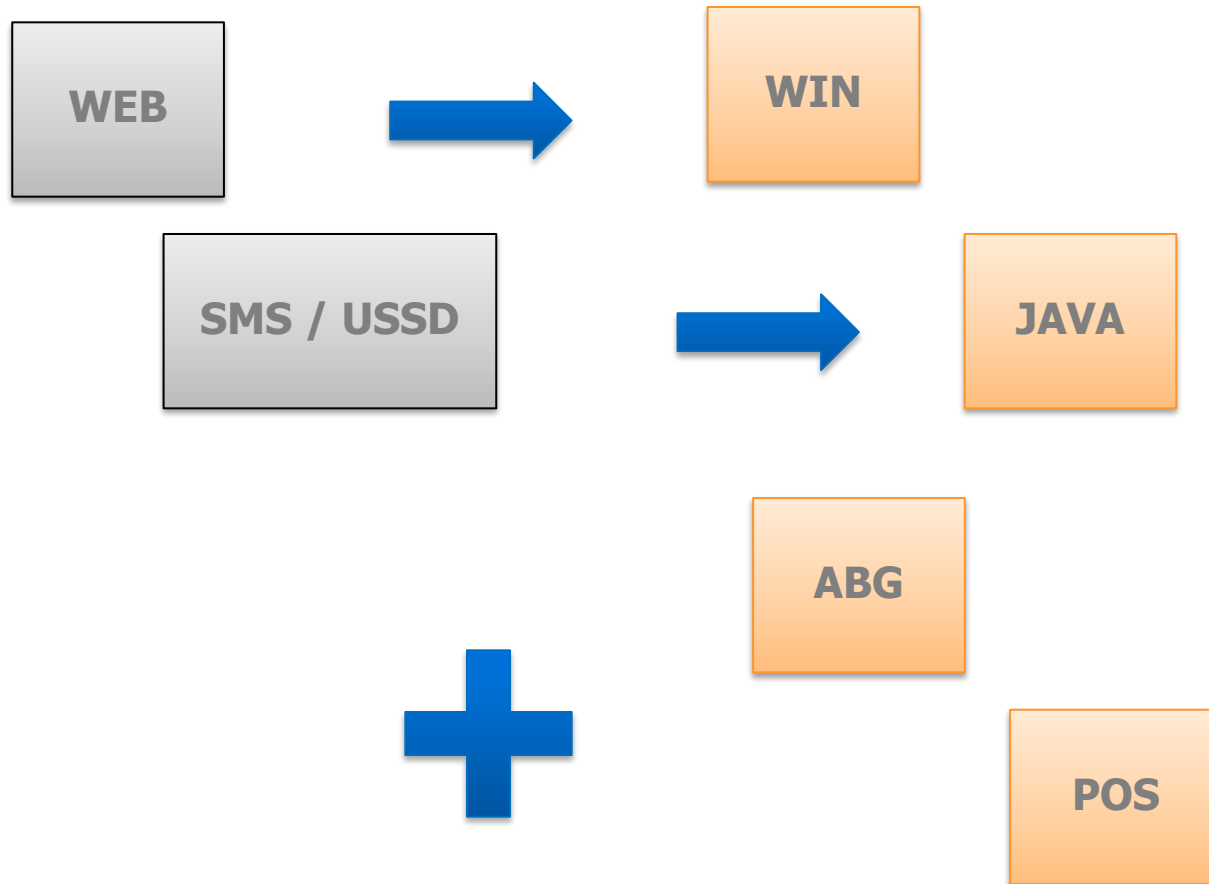
Benefits for Telecoms

1. Costs reduction at no risk
2. Enabling lower ARPU customers and impulse top-up.
3. Increase of penetration rate
4. ARPU raise
5. Inactive subscribers index decrease
6. Significant raise of prepaid contracts share
7. Direct targeted interactive communication channel
8. Easy and instant time to market introduction of new products, promotions, features with high CTR. (Mobile TV, Internet, etc)
9. Contract sales
10. Enhance of mobile commerce
11. Significant increase in total volume of direct top-up transactions.
12. 24/7 comfortable and efficient service for customers





QIWI – modernization program



**WE CAN MODERNIZE YOUR EXISTING DISTRIBUTION NETWORK
AT ZERO INSTALLATION COST, ON A TRANSACTION BASIS**

Customers

Simple and reliable service for everyday payments

Telecoms

Costs reduction
Marketing opportunities
Customer loyalty

QIWI

Introducing integral solution to new markets

