TCS Group Holding PLC / Miscellaneous - Medium Priority

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Statement on Tinkoff Bank's RAS Financial Highlights for January-November 2016

Moscow, Russia - 16 December 2016. TCS Group Holding PLC (TCS LI) (the 'Group'), Russia's leading provider of online retail financial services, including Tinkoff Bank and Tinkoff Insurance, today announces Tinkoff Bank's unaudited RAS financial highlights for January-November 2016.

For the eleven months of 2016, net income stood at RUB 8.4bn versus RUB 2.9bn in January-November 2015 which is attributed to the growth of net interest income, lower cost of funding and better quality of the loan portfolio.

It should be noted that the RAS net income figure is not a reliable indicator of IFRS net income for the same period. There is a very low correlation between financial results under the two reporting standards as a result of significant accounting differences. Therefore, RAS figures should not be used as the basis for conclusions on forthcoming IFRS results.

The gross loan portfolio amounted to RUB 117.8bn representing an increase of 14% y-o-y. The net loan portfolio amounted to RUB 96.9bn having increased by 24% y-o-y and constituted 58% of total assets (62% at year-end 2015).

Retail customer accounts increased by 44% y-o-y to RUB 111.9bn. Tinkoff Bank continued to retain substantial liquidity: the CBR N2 ratio stood at 56.5% (minimum requirement: 15%), and the CBR N3 ratio was 208.5% (minimum requirement: 50%). Retail customer accounts constituted 80% of total liabilities.

Total assets increased by 32% y-o-y to RUB 167bn.

As of 1 December 2016, total capital including retained profits (based on Form 123) amounted to RUB 29.9 bn. The CBR N1 capital adequacy ratio was 12.2%. Both Core Capital Adequacy Ratio (N1.1) and Main Capital Adequacy Ratio (N1.2) were 10.05%.

<u>Note on RAS results</u>

Please note that the figures in this press release are calculated in accordance with Tinkoff Bank's internal methodology which is available at:
http://static.tinkoff.ru/documents/eng/investor-relations/ras-methodology.pdf

RAS results are not a reliable indicator of IFRS results due to significant accounting differences that make a direct read-across from RAS to IFRS results impossible. The main differences between RAS and IFRS are:

- Consolidated results under IFRS include a number of additional items and results of its subsidiaries
- Accrual of expenses under IFRS
- Timing differences in accounting for restructured loans ('instalments') and loans going through courts
- The effect from the revaluation of currency derivative instruments
- The effect of deferred income tax.

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About the Group

TCS Group Holding PLC is an innovative provider of online retail financial services operating in Russia through a high-tech branchless platform. The Group has also developed a 'smart courier' network covering almost all cities and towns in Russia which allows next day delivery to many customers.

Tinkoff Bank's product range includes credit, debit and prepaid cards, deposits, co-branded cards, agent-based mortgage products and investment services. With its special focus on mobile, the bank offers mobile applications both for its customer base (Mobile Bank) and beyond it (Traffic Fines, MoneyTalk, Card 2 Card instant money transfers).

As per its five-year strategy, the Group has the ambition to become a financial marketplace, offering both own brand and partner products.

As at 1 November 2016, the bank was the second largest player in the Russian credit card market, with a market share of 9.9%. The Group's 9M 2016 IFRS net income amounted to RUB 7.3 bn.

In October 2016 Tinkoff Bank was named the largest independent global direct bank by Frost & Sullivan. In 2015 and 2016, the Global Finance magazine named Tinkoff Bank as the Best Consumer Digital Bank in Russia. In 2016, the bank also won Global Finance's Best Integrated Consumer Bank Site award and was named the Best Digital Bank in the CEE by Euromoney. The bank's mobile application was recognised as the best in Russia by Markswebb Rank & Report for three consecutive years in 2014, 2015 and 2016, and by Deloitte for four consecutive years from 2013 to 2016.

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