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Statement on Tinkoff Bank's RAS Financial Highlights for January 2017

Moscow, Russia - 20 February 2017. 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 2017.

For the first month of 2017, net income stood at RUB 1.7bn versus RUB 749mn in January 2016 which is attributed to the growth of net interest income, lower cost of funding, improved quality of the loan portfolio and growth of revenue from new business lines.

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 121.4bn representing an increase of 17% y-o-y. The net loan portfolio amounted to RUB 100.7bn having increased by 24% y-o-y and constituted 60% of total assets (58% at year-end 2016).

Retail customer accounts stood at RUB 113.2bn. Tinkoff Bank continued to retain substantial liquidity: the CBR N2 ratio stood at 35% (minimum requirement: 15%), and the CBR N3 ratio was 162% (minimum requirement: 50%). Retail customer accounts constituted 80% of total liabilities.

Total assets increased by 20% y-o-y to RUB 167.8bn.

As of 1 February 2017, total capital including retained profits (based on Form 123) amounted to RUB 28.3bn. The CBR N1 capital adequacy ratio was 11.47%. Both Core Capital Adequacy Ratio (N1.1) and Main Capital Adequacy Ratio (N1.2) were 8.72%.

Our strong January 2017 RAS results are driven by two major continuing trends:

- a) the consistent, high-quality growth of our consumer finance business;
- b) the growing contribution from our non-credit, fee-and-commission business lines.

These trends enable us to reiterate our IFRS guidance for 2017 with respect to our growth and profitability targets.

With an ROE of over 35%, we have an excellent organic capital generation capacity and are well placed to adjust to the new RWA rules expected to be put in place in the near future.

Given the company's strong financial performance, and contrary to media speculation, the Company has no need to raise funds from the equity capital markets, and no plans to do so in the near-term. Needless to say, Management are as usual evaluating various funding opportunities in order to keep a wide range of options open.

Note on RAS results

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.

For enquiries:

Tinkoff Bank
Darya Ermolina
Head of PR

Tinkoff Bank
Larisa Chernysheva
IR Department

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 January 2017, the bank was the second largest player in the Russian credit card market, with a market share of 10.3%. 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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Language:	English
Company:	TCS Group Holding PLC 2nd Floor, Sotiri Tofini 4, Agios Athanasios 4102 Limassol Cyprus
Phone:	+7 495 648-10-00
Fax:	+7 495 645-59-09
E-mail:	media@tinkoff.ru
Internet:	https://www.tinkoff.ru
ISIN:	US87238U2033
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