

TCS Group Holding PLC (TCS)

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## TCS Group Holding PLC acquires a majority stake in CloudPayments

**Moscow, Russia - 12 October 2017.** TCS Group Holding PLC (TCSGH), Russia's leading provider of online retail financial services via its Tinkoff.ru financial supermarket, is pleased to announce the purchase of a 55% controlling stake in CloudPayments, an innovative developer of online payment solutions. The signing ceremony took place today and we warmly welcome our new colleagues in CloudPayments into Tinkoff Group.

The remaining 45% stake will continue to be owned by CloudPayments' founders and employees, who are firmly committed to the company and will remain to develop the business into the future. TCSGH has the right to acquire the remaining 45% within two years.

The core business of CloudPayments is online merchant acquiring in Russia. However, this transaction also includes all CloudPayments group companies, i.e. its operations in Kazakhstan and Latvia, as well as the online cash register solution for online stores, CloudKassir.

CloudPayments will continue to be led by its co-founders, Dmitry Spiridonov and Konstantin Yan, with all employees remaining with the business. Selected Tinkoff Bank managers will join CloudPayments' executive board in order to strengthen its team. It is not envisaged that this transaction will entail any changes for CloudPayments' existing customers or partners.

Together with Tinkoff Group, CloudPayments will further develop its leading technology and servicing platforms whilst leveraging Tinkoff's wider suite of services, technologies and resources to drive growth. The deal will enable Tinkoff Group to enhance its merchant acquiring business line as part of its growing SME offering.

**Oleg Tinkov, the founder of Tinkoff Group**, said: "We closely monitor the market and are always willing to invest in up-and-coming businesses. We are pleased to acquire this controlling stake in one of the leading players in the Russian online payments market. CloudPayments is developing at a fast pace, and they have managed to secure a market niche in just three years. We are now joining efforts and resources with one of the most talented teams in the market. This will enable us to further increase our market share in the online payments segment whilst significantly improving our services for SME customers."

**Oliver Hughes, CEO of Tinkoff Bank**, commented: "This acquisition is in line with our strategy to enhance our merchant acquiring services as part of our expanding SME platform and will allow us to increase our presence in the online merchant acquiring market. We are pleased to now be working together with the CloudPayments team and will provide all the necessary resources and technology to expand the business further for the combined benefit of our customers and partners."

**Dmitry Spiridonov, co-founder of CloudPayments**, said: "We are delighted to become part of Tinkoff Group, the market's most tech-savvy player. I believe that the upgrade of payment services and the implementation of innovative technologies that support business diversification are the key technological and market trends now. Together with Tinkoff Bank, we will be able to accelerate our infrastructure upgrade process and, consequently, boost our flexibility in leveraging the variety of global payment technologies emerging today."

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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. TCS Group includes Tinkoff Bank, mobile virtual operator network Tinkoff Mobile, Tinkoff Insurance, and Tinkoff Software DC, a network of development hubs across Russia.

The Group was founded in 2006 by the Russian entrepreneur Oleg Tinkov and has been listed on the London Stock Exchange since October 2013.

With no retail branches, the Group serves its customers remotely via online channels and its call centre, and operates a network of over 1,800 representatives to ensure smooth delivery of its products. The network covers all of Russia and allows next day delivery to most customers.

The Group's key business is Tinkoff Bank, Russia's first and only direct bank offering both own brand and partner retail financial services via its Tinkoff.ru platform. The product range includes daily banking (credit and debit cards, payments, money transfers), savings, investments, loyalty programmes, travel services, SME services, mortgage platform, and insurance. With its special focus on mobile business, 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 at 1 August 2017, the bank was the second largest player in the Russian credit card market, with a market share of 11.5%. The 1H 2017 IFRS net income of TCS Group Holding PLC amounted to RUB 7.6 bn, ROE stood at 46%.

Banki.ru, Russia's largest financial news portal, named Tinkoff Bank the Bank of the Year 2016. 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 Markswest Bank & 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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