

TCS Group Retains PwC as External Auditor Following Tender

Moscow, Russia - 16 July 2018. TCS Group Holding PLC (**TCS LI**) (the "Company"), Russia's leading provider of online retail financial services via its Tinkoff.ru financial supermarket, and an EU public interest entity, today announces that, following a competitive tender process overseen by the Audit Committee and conducted in accordance with the relevant EU Regulation and the FRC's best practice guidelines, the Board has decided to retain PricewaterhouseCoopers Limited ("PwC") as auditor of the Company for the financial year commencing 1 January 2019.

PwC will be subject to mandatory rotation in 2028. This appointment remains subject to approval by shareholders at the Annual General Meeting to be held in 2019.

Martin Cocker, Chair of the Company's Audit Committee, said:

"We indicated our intention last year to tender the external auditor role in Summer 2018 and have now conducted a robust, fair and transparent process which has resulted in the Audit Committee's recommendation to retain PwC. I am pleased this recommendation has been accepted by the Board and I would like to thank all the firms who took part in the tender. We look forward to continuing to work with PwC."

Ilya Pisemsky, Chief Financial Officer of Tinkoff Bank, commented:

"We look forward to continuing to work with this stellar global organisation, which provides a very high standard of service to its clients. As a leading digital player, we also have a shared approach with PwC to using the best available technology to ensure our cooperation is as efficient and as effective as possible."

For enquiries:

Tinkoff Bank
Darya Ermolina
Head of PR
+ 7 495 648-10-00 (ext. 2009)
d.ermolina@tinkoff.ru

Tinkoff Bank
Larisa Chernysheva
IR Department
+ 7 495 648-10-00 (ext. 2312)
ir@tinkoff.ru

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 2,500 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 May 2018, the bank was the second largest player in the Russian credit card market, with a market share of 11.7%. The 1Q18 IFRS net income of TCS Group Holding PLC amounted to RUB 5.7 bn, ROE grew to 68.5%.

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 Markswebb Rank & Report for three consecutive years in 2014, 2015 and 2016, and by Deloitte for four consecutive years from 2013 to 2016.

Forward-looking statements

Some of the information in this announcement may contain projections or other forward-looking statements regarding future events or the future financial performance of the Group and Tinkoff Bank. You can identify forward looking statements by terms such as "expect", "believe", "anticipate", "estimate", "intend", "will", "could," "may" or "might", the negative of such terms or other similar expressions. The Group and Tinkoff Bank wish to caution you that these statements are only predictions and that actual events or results may differ materially. The Group and Tinkoff Bank do not intend to update these statements to reflect events and circumstances occurring after the date hereof or to reflect the occurrence of unanticipated events. Many factors could cause the actual results to differ materially from those contained in projections or forward-looking statements of the Group and Tinkoff Bank, including, among others, general economic conditions, the competitive environment, risks associated with operating in Russia, rapid technological and market change in the industries the Group operates in, as well as many other risks specifically related to the Group, Tinkoff Bank and their respective operations.

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