TCS Group Holding PLC (TCS)

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Statement on Tinkoff Bank's RAS Financial Highlights for January - June 2018

Moscow, Russia - 25 July 2018. TCS Group Holding PLC (TCS LI) (the "Group"), Russia's leading provider of online retail financial services via its Tinkoff.ru financial supermarket, today announces Tinkoff Bank's unaudited RAS financial highlights for January - June 2018.

For the six months of 2018, net income stood at RUB 8.8bn, 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 193bn representing an increase of 39% y-o-y. The net loan portfolio amounted to RUB 163bn having increased by 40% y-o-y and constituted 56% of total assets (51% at year-end 2017).

Retail customer accounts stood at RUB 176bn. Tinkoff Bank continued to retain substantial liquidity: the CBR N2 ratio stood at 58% (minimum requirement: 15%), and the CBR N3 ratio was 168% (minimum requirement: 50%). Retail customer accounts constituted 73% of total liabilities.

Total assets increased by 33% y-o-y to RUB 292bn.

As of 1 July 2018, total capital including retained profits (based on Form 123) amounted to RUB 67bn. The CBR N1 capital adequacy ratio was 16.42%. Core Capital Adequacy Ratio (N1.1) was 11.4% and Main Capital Adequacy Ratio (N1.2) was 15.96%.

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.

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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 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.

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