

CZK 3,750,000,000

Home Credit B.V.**Fixed Rate Notes
Due 2016
ISIN CZ0000000260**

The fixed rate notes due in 2016 in the anticipated aggregate principal amount of up to CZK 3,750,000,000 (three billion seven hundred fifty million Czech crowns) (hereinafter referred to only as the “Notes” or the “Issue”) issued by Home Credit B.V., having its registered office (*statuaire zetel*) at Strawinskylaan 933 Tow. B Lev. 9, 1077XX, Amsterdam, the Netherlands, a company incorporated under the laws of the Netherlands, registered with the trade register of the Chamber of Commerce and Industries in Amsterdam, the Netherlands (*Kamer van Koophandel Amsterdam*) under Registration No. 34126597 (hereinafter referred to only as the “Issuer” or “HCBV”) shall be bearer notes issued in book-entry form. If they are admitted for trading on the free market of the Prague Stock Exchange (hereinafter referred to also as the “PSE”), the Notes shall have the status of a listed security. The Notes shall be issued in a denomination of CZK 3,000,000 (three million Czech crowns). The principal of the Notes shall be payable exclusively in CZK, or in any other currency as might replace CZK. The expected issue date of the Notes is scheduled for 22 June 2012.

The Notes shall bear interest at a fixed rate determined in accordance with Article 5 of the Terms and Conditions of the Notes applying the rate of 6.25% per annum. The interest shall be payable annually on 22 June of each year. The first interest payment shall be due on 22 June 2013. Unless redeemed or repurchased early and cancelled by the Issuer in accordance with the Terms and Conditions of the Notes, the Notes shall be repaid at their nominal amount on 22 June 2016. More details are given under the Chapter 6 “Terms and Conditions of the Notes”.

The Noteholders (as such term is defined in the Terms and Conditions of the Notes) may, under certain conditions, require early redemption of the Notes. The Issuer shall be entitled to purchase the Notes at any time on the market or otherwise at any price. For more details, see the Chapter 6 “Terms and Conditions of the Notes”.

In all cases, the payments in respect of the Notes shall be paid in accordance with the legal regulations of the Czech Republic and the Netherlands in effect at the time of the relevant payment. In the event that the applicable laws of the Czech Republic or the Netherlands require this to be at the time of repayment of the principal amount or payment of interest, the relevant taxes and charges shall be withheld from the payments to the Noteholders. The Issuer shall not be obligated to pay any additional amounts as compensation for such withholding taxes or charges to the Noteholders. Under certain conditions, the Issuer shall be liable to pay the tax withheld from the interest accruing to the Notes. For more details, see the Chapter “Taxation in the Czech Republic and the Netherlands”.

The investors should consider risk factors related to investing in the Notes. Risk factors that the Issuer regards as important in relation to its ability to fulfil its obligations under the Notes towards the Noteholders are specified in the Chapter “Risk Factors”.

This prospectus of the Notes (hereinafter referred to only as the “Prospectus”) has been elaborated and published for the purposes of the admission of the Notes for trading on the free market of the PSE. This Prospectus does not represent a public or other offering of the purchase of any Notes. The distribution of this Prospectus and the offering, sale or purchase of the Notes is restricted by law in some countries. The Notes have not been permitted or approved by any administrative body of any jurisdiction with the exception of the Czech National Bank (hereinafter referred to also as the “CNB”).

The Prospectus and the Terms and Conditions of the Notes have been approved by the decision of the Czech National Bank on 15 June, 2012, which entered into force on 15 June, 2012.

The Issuer has applied for the admission of the Notes for trading on the free market of the PSE.

The ISIN of the Notes is CZ0000000260.

This Prospectus has been elaborated as at 31 May, 2012 and, in the information stated herein, is current as at this day only. Should a substantial change occur regarding any fact specified herein before the day when the trading of the Notes on the free market of the PSE commences, the Issuer shall publish a supplement to this Prospectus. To the extent determined by generally binding legal regulations and the regulations of individual stock markets where the Notes will be accepted for trading (if applicable), the Issuer will publish reports on its profit/loss and its financial situation and meet its information obligations. After the commencement of trading of the Notes on the free market of the PSE, those interested in the purchase of the Notes must base their investment decisions not only on this Prospectus but also on other information which the Issuer might publish after the date of the elaboration hereof, or other public information.

The Prospectus, any amendments thereto and all annual and semi-annual reports of the Issuer published after the date of the elaboration hereof are available in electronic form on the Issuer’s web page www.homecredit.eu and, additionally, at the registered seat of the Issuer at Strawinskylaan 933 Tow. B Lev. 9, 1077XX, Amsterdam, the Netherlands, on business days during the regular office hours from 9:00 AM to 4:00 PM (for more details see “Important Notices”). The Prospectus will also be available at PPF banka a.s., Prague 6, Evropská 2690/17, Postal Code: 160 41, the Czech Republic on business days during the regular office hours from 9:00 AM to 4:00 PM and in electronic form the Prospectus will be available on web page of PPF banka a.s. www.ppfbanka.cz (for more details see “Important Notices”).

*Lead Manager***PPF banka a.s.***Co-Manager***ING Bank N.V., Prague Branch**

1. IMPORTANT NOTICES

This Prospectus is a prospectus only within the meaning of the Capital Markets Act. No state body, with the exception of the Czech National Bank, or any other entity has approved this Prospectus. Any declaration to the contrary is not true.

The Issuer has not approved any other declaration or information on the Issuer or the Notes other than that which is included in this Prospectus. One may not rely on any such other declaration or information as a declaration or information approved by the Issuer. Unless provided otherwise, any information included in this Prospectus is stated as at the date of elaboration of the Prospectus. If this Prospectus is handed over at any time after its elaboration, it should not be inferred that the information included therein is correct as at any moment after the date of its elaboration.

Neither the Czech Republic nor any of its institutions, ministries or political bodies (state or local administration authorities) provides a guarantee or any other security for the obligations of the Issuer including obligations arising per the Notes.

The distribution of this Prospectus and the offering, sale or purchase of the Notes is restricted by law in some countries. The Notes will not be registered, permitted or approved by any administrative or other body of any jurisdiction with the exception of the Czech National Bank. The Notes shall not be, in particular, registered in accordance with the 1933 Securities Act of the United States of America and they must not be offered, sold or handed over in the territory of the United States of America or to persons resident in the United States of America, save on the basis of a departure from the obligation to register in accordance with this Act or within a transaction that is not subject to such obligation to register. The persons who will receive this Prospectus shall be responsible for the observance of the restrictions applicable to the offering, purchase or sale of the Notes or the possession and distribution of any materials related to the Notes in individual countries.

The information included in the Chapters "Taxation in the Czech Republic and the Netherlands", "Foreign Exchange Regulation in the Czech Republic and the Netherlands" and "Enforcement of Civil Liabilities against the Issuer" is included only as general information and has been acquired from public sources not compiled or independently verified by the Issuer. Additionally, as a result of significant political, economic and other structural changes in the Czech Republic in the last years, the information included in those chapters may not be considered to be an indicator of future development. The ultimate assignees of the Notes should rely exclusively on their own analysis of the factors included in those chapters and on their own legal, tax and other professional experts.

The assignees of the Notes, foreign assignees in particular, are advised to consult the provisions of all applicable legal regulations, in particular the foreign exchange and tax regulations of the Czech Republic, of the countries of their residence and other relevant states and likewise all applicable international treaties and their effect on the specific investment decisions with their legal and other consultants.

The Noteholders, including possible foreign investors, are encouraged to inform themselves continuously about all laws and other legal regulations relating to the holding of the Notes, to sales of the Notes into foreign countries, to the purchase of the Notes by foreigners as well as regards every other transaction with the Notes, and to observe all laws and regulations.

To the extent specified in generally binding legal regulations and the regulations of individual stock markets on which the Notes will be accepted for trading (if applicable), the Issuer shall publish its profit/loss and its financial situation and meet its information obligations.

The Prospectus, any amendments thereto, all annual and semi-annual reports of the Issuer and copies of auditor or review reports which have been prepared concerning the Issuer will be available for inspection for free to all interested persons at the registered office of the Issuer at Strawinskylaan 933 Tow. B Lev. 9, 1077XX, Amsterdam, the Netherlands, on business days during regular office hours from 9:00 AM to 4:00 PM.

Additionally, the Prospectus will be available at PPF banka a.s., Prague 6, Evropská 2690/17, Postal Code: 160 41, the Czech Republic on business days during the regular office hours from 9:00 AM to 4:00 PM.

The documents specified above will also be available in electronic form at the web page of the Issuer www.homecredit.eu. The Prospectus will also be available in electronic form on web page of PPF banka a.s. www.ppfbanka.cz.

For the period for which any part of the Notes remains outstanding, a counterpart of the Agreement with the Administrator will be available for inspection on demand during regular office hours from 9:00 AM to 4:00 PM at the specified office of PPF banka a.s. For more details see the Chapter 6 “Terms and Conditions of the Notes”.

Any projections and prospects concerning the future development of the Issuer its financial situation, scope of business activities or position on the market may not be considered a declaration or binding pledge of the Issuer concerning future events or results because these future events or results will fully or partially depend on circumstances or events, which the Issuer may not directly or fully influence. Those prospectively interested in the purchase of the Notes should make their own analysis of any development trends or outlook specified in this Prospectus and, as the case may be, perform other independent investigation, and base their investment decisions on the results of such independent analyses and investigation.

Unless provided otherwise hereinafter, all financial data of the Issuer derive from International Finance Reporting Standards as adopted by European Union. Certain values specified herein have been rounded off. It, inter alia, means that the values stated for the same information item might differ slightly at various places and the values stated as totals of certain values might not be the arithmetic total of the values, from which they proceed.

Certain expressions are defined in the Chapter 24 “List of Definitions, Terms and Abbreviations Used”.

If the Prospectus is translated into another language, the English wording of the Prospectus shall be decisive in the event of an interpretation discrepancy between the English wording of the Prospectus and the wording of the Prospectus as translated into another language.

By admission of the Notes for trading on the PSE, the PSE does not accept any liabilities under these Notes.

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2. RISK FACTORS

Those interested in the purchase of the Notes should acquaint themselves with this Prospectus as a whole. The issues presented for consideration in this Chapter by the Issuer to those prospectively interested in the purchase of the Notes, as well as the other information specified in this Prospectus, should be carefully considered by each person interested in the purchase of the Notes.

The purchase and holding of the Notes is connected with a number of risks. Risks that the Issuer regards as important in relation to its ability to fulfil its obligations under the Notes towards the Noteholders are specified below in this Chapter. Their summary is not exhaustive, it shall not replace any expert analysis or any provision of the Terms and Conditions of the Notes or data stated in this Prospectus, it does not restrict any rights or liabilities arising from the Terms and Conditions of the Notes and in no event it is investment advice. Any decision of those interested in the subscription and/or purchase of the Notes should be based on information included herein, on the terms and conditions of the Notes offer and, in particular, on their own analysis of the benefits and risks of the investment into the Notes performed by the prospective assignee of the Notes.

2.1. Risk Factors Related to the Notes

The risks connected with the Notes may be classified as follows.

(a) *General Risks Connected with the Notes*

The prospective investor into the Notes must determine the suitability of such an investment himself in accordance with his background. Each investor should in particular:

- a) have knowledge and experience sufficient to efficiently evaluate the Notes, the benefits and risks of an investment into the Notes and assess the information included in this Prospectus or in any of its amendments or appendices, directly or by reference;
- b) have knowledge of adequate analytical tools for evaluation and access to them within the context of his specific financial situation, the investment into the Notes and its effect on his overall investment portfolio;
- c) have sufficient financial resources and liquidity in order to be prepared to bear all the risks of an investment into the Notes;
- d) fully understand the terms and conditions of the Notes (in particular the Terms and Conditions of the Notes and this Prospectus) and be acquainted with the behaviour or development of any relevant index or financial market;
- e) be able to evaluate (either himself or with the support of a financial consultant) possible scenarios of the future development of the economy, interest rates or other factors that might affect his investment and his ability to bear the eventual risks.

(b) *Interest Rate Risk*

The Notes are fixed rate notes. A holder of a fixed rate notes is exposed to a risk of a decline in the value of such notes as a result of a change in the market interest rates. While the nominal interest rate of the Notes is fixed for the term of the Notes, the current interest rate on the capital market (the “market interest rate”) generally changes every day. Every change in the market interest rate also entails a change in the price of fixed rate notes, but the other way around. This means that if the market interest rate rises, the price of the Notes which apply a fixed rate generally declines to a level when the yield on such Notes approximately equals the market interest rate. If the market interest rate on the other hand declines, the price of the Notes which apply a fixed rate generally rises to a level when the yield on such Notes approximately equals the market interest rate.

(c) *Risk of Liquidity*

The Issuer will apply for the admission of the Notes for trading on the free market of the PSE. Regardless of the admission of the Notes, no assurance may be provided that a sufficiently liquid secondary market with the Notes will be established or, in the event that one is established, that such secondary market will last. The fact that the Notes might be admitted on the free market might not result in a higher liquidity of the admitted Notes as compared with those not admitted. On the contrary, as concerns the Notes not admitted, it might be difficult to value them, which might have a negative effect on their liquidity. On a frozen market, the investor might not be able to sell the Notes for an adequate market price at any time.

(d) *Market Price Risk*

The investors are exposed to the risk of an unfavourable development in the market price of the Notes. The market for the Notes may be limited and the Notes could trade at prices that might be higher or lower than the initial issue price depending on many factors, including:

- changes in the market interest rate;
- general investor perceptions relating to investment instruments located or traded in the Czech Republic, the CEE region and/or emerging and developing markets generally;
- changes in the public perception or expectations regarding the operating results, the financial condition or future financial performance;
- announcements of differences between the expected and actual operating or financial results;
- regulatory actions that affect the business of the Issuer;
- the performance of competitors and announcements by the Issuer or competitors of significant events, such as contracts, acquisitions, joint ventures, capital commitments, new product offerings or changes in pricing policies;
- general volatility of the Czech securities markets and of other emerging securities markets;
- the depth and liquidity of the market for the Notes;
- announcements by third parties of significant claims or proceedings against the Issuer; and
- other events or factors, many of which are beyond the control of the Issuer.

(e) *The Issuer May be Unable to List the Notes on the PSE*

The admission of the Notes to trading on the PSE requires that the CNB approves this Prospectus. The Issuer intends to take all the necessary steps to ensure that the Notes are admitted for trading on the PSE as soon as possible after the offering of the Notes. However, there is no guarantee that all of the conditions for listing will be met and that the Notes will be admitted for trading on the PSE on the expected date.

(f) *Trading in the Notes May Be Suspended and/or the Notes May Be Excluded from Trading on the PSE*

The PSE has the right to suspend trading in notes of a listed company if such company fails to comply with the regulations of the exchange (such as, specific disclosure requirements) or if such suspension is necessary to protect the interests of market participants or the orderly functioning of the market is temporarily endangered. There can be no assurance that trading in the Notes will not be suspended. Any suspension of trading could adversely affect the trading price of the Notes.

Moreover, if a company listed on the PSE fails to fulfil certain requirements or obligations under the applicable laws and regulations and/or if the orderly stock exchange trading, the safety of the trading there on or the investors' interests are endangered, the Notes can be excluded from trading on the respective stock exchange. In particular as regards the PSE, the Notes could be excluded from trading when, among others: (i) the transferability of the Notes is restricted or (ii) there is an instruction by the CNB, or (iii)

early redemption of the Notes has been announced. There can be no assurance that such a situation will not occur in relation to the Notes.

(g) *The Issuer May Be Unable to Redeem the Notes*

The investors are exposed to the credit risk of the Issuer. Under certain conditions the Notes or a part thereof may/will become redeemable and the Issuer will be required to repay the Notes or a part thereof. The Issuer may not have sufficient cash on hand and may not be able to arrange financing to redeem the Notes in time, or on acceptable terms, or at all. The ability to redeem the Notes may also be limited by the terms of other debt instruments.

(h) *Risk of Early Redemption*

In certain events specified in the Terms and Conditions of the Notes the Notes may be redeemed prior to their maturity date. If the Notes are redeemed prior to their maturity date, the Noteholder is exposed to the risk of a lower yield than expected due to such early redemption. Moreover such redemption may be done at the moment when the yield of comparable notes on the capital markets is reduced, which means that the investor may be able to reinvest the redeemed yields only in notes with a lower yield.

(i) *Taxation*

Any potential investor to the Notes should be aware of the fact that he may be forced to pay taxes or other claims or charges in accordance with the laws and customs of the state in which the Notes are assigned, or any other state relevant in the situation concerned. In certain states, there may not be any official opinions of tax offices or judgments on financial instruments like the Notes available. When purchasing, selling or redeeming the Notes, the prospective investors should not rely on the brief summary of the tax issues included in this Prospectus or in the Terms and Conditions of the Notes, but should consult their own tax adviser for more information about the tax consequences of acquiring, owning and disposing of the Notes in their particular circumstances. Potential investors should be aware that any changes of the applicable tax laws or regulations may result in the resulting revenue from the Notes being lower than they expected and/or that, as at the maturity date of the Notes or the date on which the Notes will be sold by such investor, the investor may receive a lower amount than the amount originally expected by such investor.

The consideration of investment against the risks specified in this Section should be performed at minimum after considering Chapter 18 of this Prospectus, "Taxation in the Czech Republic and the Netherlands" and all other parts on taxation included in the Terms and Conditions of the Notes. The holders of the Notes are responsible for all tax duties that may arise from any payments in relation to the Notes regardless of jurisdiction, government or regulatory body, state body, local tax requirement or fees. The Issuer will not compensate the holders of the Notes for any taxes, fees and other expenses that the holders of the Notes will incur in accordance with payments from the Notes.

(j) *Legality of Purchase*

The prospective purchasers of the Notes should be aware of the fact that the purchase of the Notes may be subject to legal restrictions affecting the validity of their acquisition. The Issuer, the Lead Manager and Co-Manager do not have or assume any responsibility for the legality of the acquisition of the Notes by the prospective purchaser of the Notes, whether or not in accordance with the laws of the state (jurisdiction) of its incorporation or the state (jurisdiction) where it is active (if different). The prospective purchaser may not rely on the Issuer or the Lead Manager or the Co-Manager in connection with their decision-making concerning the legality of the Notes acquired.

(k) *Amendments of Laws*

The Terms and Conditions of the Notes shall be governed by Czech law effective as at the date of this Prospectus. No guarantee may be provided as concerns the effects of any judgment or amendment of Czech law or administrative practice after the date of this Prospectus. It is only and exclusively the Issuer

who shall be responsible for liabilities arising from the issued Notes. No other person is responsible for these liabilities nor has any person provided a guarantee for them.

(l) *Rating of the Issuer or the Notes*

As at the date hereof, neither the Issuer nor the Notes have been assigned any rating by any rating agencies. If any rating is assigned to the Issuer or the Notes by rating agencies it would proceed from the financial situation of the Issuer and it would reflect only the opinions of the relevant rating agencies. The ratings evaluate the probability of the total and timely payment of the principal amount on the final redemption date of the principal amount. There is no guarantee that those reports will be effective for an unlimited period of time or that they will not be reviewed, re-evaluated, cancelled or declared null and void by the rating agencies as a result of a changed situation or lack of necessary information or when required by circumstances in accordance with the opinion of the agencies. Other rating agencies may also evaluate the Issuer or the Notes and, if such “uninvited ratings” are worse than the comparable reports elaborated by the rating agencies charged with this task, those “shadow ratings” may have an adverse effect on the value of the Notes. The estimate of creditworthiness may not be considered as an advice to purchase, sell or hold securities and it may be revised, re-evaluated or cancelled by the relevant rating agency at any time.

(m) *Character of Liabilities from the Notes*

The Notes are the unsubordinated and unsecured liabilities of the Issuer and rank at least *pari passu* with any current or future outstanding unsubordinated and unsecured liabilities of the Issuer as concerns its position. Under the current circumstances, they enjoy a preferential position as regards payments to shareholders of common stock or the preferential capital of the Issuer. As a result of this, the ultimate Noteholders are exposed to a direct material risk including, but not limited to, the suspension of payments of principal amount on the Notes or the loss of a significant part of their investment in the event that the Issuer declares itself (whether voluntarily or involuntarily) bankrupt.

(n) *Enforcing of Rights of the Noteholders under the Notes across Multiple Jurisdictions May Prove Difficult*

The Notes will be issued by the Issuer, which is incorporated under the laws of the Netherlands. The Notes are governed by the laws of the Czech Republic.

In the event of a bankruptcy, insolvency or similar event, proceedings could be initiated in the Netherlands or the Czech Republic. Such multi-jurisdictional proceedings are likely to be complex and costly for creditors and otherwise may result in greater uncertainty and delay regarding the enforcement of the rights of the Noteholders. Rights under the Notes will be subject to the insolvency and administrative laws of several jurisdictions and there can be no assurance that the Noteholders will be able to effectively enforce their rights in such complex multiple bankruptcy, insolvency or similar proceedings.

In addition, the bankruptcy, insolvency, administrative and other laws of the Netherlands and the Czech Republic may be materially different from, or in conflict with, each other. The application of these laws, or any conflict among them, could call into question whether any particular jurisdiction’s laws should apply and/or will adversely affect the ability of the Noteholders to enforce their rights under the Notes.

(o) *Limitation*

Any claim arising under the Notes shall be statute-barred and become unenforceable unless made within 10 (ten) years from the date on which such claim first becomes due.

2.2. Risk Factors Related to the Issuer

(a) *Responsibility for Liabilities under the Notes*

It is only and exclusively the Issuer who shall be responsible for liabilities arising from the issued Notes. In no event shall any third party be responsible for these liabilities or provide a guarantee for them.

Neither the Czech Republic nor any of its state institutions, ministries or other authority or administration or local authority (state or local administration authority) provided a guarantee or any other security for the obligations of the Issuer arising under the Notes.

By the admitting of the Notes for trading on any market of the PSE, the PSE does not accept any liabilities under these Notes.

(b) Responsibility for the Prospectus and Data Stated Therein

Only the persons specified in Chapter 3.1 of the Prospectus shall be responsible for the Prospectus and the data stated in the Prospectus. No third person is responsible for this data or has provided a guarantee for them.

(c) Dependence of the Issuer on Profit/Loss of Subsidiary Companies

The Issuer is a holding company that does not perform independent business activities however it manages the shares of its subsidiary companies. The sources of the Issuer's profit rest, in particular, in dividends and other payments from the subsidiary companies, as the case may be, from the sale of equity participation in those subsidiaries. For this reason, the ability of the Issuer to satisfy its liabilities under the Notes depends on the economy of the subsidiaries and their business results. Any fact that may have an adverse effect on the economy of individual subsidiaries of the Issuer is capable of adversely affecting the ability of the Issuer to meet the liabilities under the issued Notes.

As the Issuer is a holding company, the payments to the Issuer are structurally subordinated to all present and future liabilities and the obligations of each of the Issuer's subsidiaries. The claims of the creditors of those subsidiaries have priority over the claims of the Issuer or the Issuer's creditors in relation to the assets of a specific subsidiary.

The Issuer's obligation to satisfy the liabilities under the Notes is an obligation of only the Issuer and the Issuer's ability to meet this obligation depends particularly on the received dividends, interest or other benefits arising from its direct or indirect ownership of the subsidiaries. The ability of the Issuer's subsidiaries to make said payments to the benefit of the Issuer may be limited, for example, by their financial or business position, availability of distributable reserves, applicable laws and regulations or the conditions determined in contracts to which a subsidiary is a party. In consideration of the fact that such payments and profits are subject to taxation and the tax regulations of individual states where the subsidiaries have their registered seats and the tax regulations in the state of the Issuer, the final amount of the Issuer's profit depends on the amount of the tax burden. Any change in the manner of taxation of those profits may affect the final amount paid to the Issuer.

In the event of the necessity of meeting liabilities accepted by the Issuer, the Issuer may sell a part or a whole of its participations in the subsidiaries.

(d) The Interests of the Issuer's Controlling Participant May Conflict with Those of the Noteholders

As at the date of this Prospectus, Mr. Petr Kellner directly and indirectly controls 94.25% of PPF Group N.V., a public limited liability company incorporated in The Netherlands, which directly and indirectly controls 100% of the Issuer¹. Mr. Kellner and PPF are, therefore, able to determine the outcome of all matters connected with the Issuer. Accordingly, any of them could cause the Issuer to pursue acquisitions and other transactions or to make distributions of profit or other payments to participants that are designed to benefit the wider Home Credit Group or the PPF Group (including the Home Credit Group, and, PPF and its other subsidiaries) rather than the Issuer, even though such transactions may involve increased risk for the Issuer and/or the Noteholders. Furthermore, the interests of participants and management of the

¹ Please refer to Chapter 8.2 of this Prospectus for information concerning potential changes to shareholder structure of PPF Group N.V. and the Home Credit Group.

Issuer may, in some circumstances, conflict with the interests of the Noteholders, which may have a material adverse effect on the Noteholders' investment in the Notes.

(e) *Risks Connected with the Strategy of Expanding Business in New Markets*

The current trend of the group of companies controlled by the Issuer is expansion of its business in CEE, CIS countries and other emerging markets. Such expansion may be financed by using own or third party financial resources and funding. The Issuer (directly or through the controlled companies) may incur substantial costs in expanding in these markets due to the lack of the familiarity of potential customers with the offered products, increased political and economic instability, mistrust of foreign companies, higher risk of fraud, lack of tax allowances or state contributions, the territorial size of those markets, a lack of effective distribution channels and a limited supply of qualified and experienced workforce. In the case of unsuccessful expansion, losses incurred in these markets and the costs of expansion will lower the overall profits of the Issuer.

(f) *Risk Related to the Tax Laws*

Some companies from the Home Credit Group operate in certain jurisdictions where tax laws are not well developed and their tax position may be subject to review from time to time, which could result in material liabilities. Such potentially negative effects of tax laws and the interpretation of such laws can be faced in particular in the Russian Federation and Belarus.

(g) *Political, Economic and Social Factors*

The Issuer manages the assets of several companies with registered seats in various countries (more details on these companies can be found in Chapter 10 of the Prospectus). From this point of view, the results of the business and financial situation of the Issuer may be adversely affected by social factors not only in the Netherlands, but also in other countries where the Issuer's subsidiaries develop their business activities. The Issuer is not able to influence those social factors or objectively predict them.

The Issuer's business is particularly sensitive in relation to the performance and stability of economies as well as the stability of the political situation in the states where the Issuer has subsidiaries. Changes in the policy of these states may have an adverse effect on their economy and consequently also on the business and financial situation of the Issuer. In terms of the economy, in particular, the factors influencing the exchange rates and the amount of interest rates are relevant, which are subsequently reflected in the price of the offered products and demand of consumers for these products. From this point of view, the methods of relevant regulators of individual states in which the companies controlled by the Issuer operate may play a crucial role. Further, any change in the economic situation may influence the ability of the clients of the Issuer's subsidiaries to repay the provided loans and the approach of the clients of the Issuer's subsidiaries in relation to acceptance of new loans and increasing (reducing) of their indebtedness.

In terms of the social position of the current as well as the prospective clients of the Issuer's subsidiaries and their purchasing power, the effects of transformation changes on individual economies are particularly important. The issue of such changes is still relevant exactly in terms of the regions in which the Home Credit Group operates. These changes may influence the clients and prospective clients of the Issuer's subsidiaries, for example, through changes in school systems, systems of pensions and health-care, however, they may be connected with the development of unemployment and the like.

Additionally, particular changes in the laws regulating the business activity of the subsidiaries (for example, the granting of permits and licenses, fees, sanctions and the like) and the laws interfering with the relationship between companies and clients (consumer protection and the like) may have an adverse effect on the business of the Issuer's subsidiaries.

The Issuer may not influence the above-mentioned factors in any way, in particular they may not guarantee that the political development in individual relevant states will be favourable in relation to the

business of the Issuer's subsidiaries, which may substantially influence the financial situation and profit/loss of the Issuer.

(h) *Development of Relevant Markets*

In consideration of the fact that the Issuer manages the assets of the companies, the profits of which proceed in particular from the providing of consumer and revolving loans, the development of the related relevant markets may significantly influence the financial situation and profit/loss of the Issuer. The Issuer cannot guarantee that the current aggregate volume of the principal amount of these loans provided by individual subsidiaries of the Issuer will be sustainable. At the same time, the Issuer cannot assume that the companies managed by it will be able to keep their position on the relevant markets. The information on the Issuer's position on the relevant markets, or more precisely the position of its subsidiaries respectively, is specified in Chapter 9.6 hereof.

In order to keep, or improve as the case may be, its position on the relevant markets, the Issuer's subsidiaries will likely be extending their portfolios of products offered and diversifying the present ones. In such event, the Issuer's subsidiaries, and indirectly also the Issuer, will face new risks connected with new products. These risks may not always be sufficiently anticipated.

Any risks connected with the above-mentioned facts may have an adverse effect on the financial situation and profit/loss of the Issuer.

(i) *Risk Connected with Investments Performance*

The Home Credit Group holds significant investments to support its liabilities and its profits will be affected in part by the returns achieved on its investment portfolios. Therefore, changes in interest rates, credit ratings and other economic variables could substantially affect the Issuer's profitability.

(j) *Risk Management*

Management of the risk arising from financial instruments is fundamental to the Issuer's and its subsidiaries' business and is an essential element of its operations. The major risks faced by the Issuer are those related to credit exposures, movements in interest rates and foreign exchange rates. These risks are managed by the Issuer in the following manner:

Credit Risk

A credit risk means a risk of a financial loss occurring as a result of a default of a borrower or counterparty on their obligation to the Issuer or its subsidiaries. The greatest part of the Issuer's and its subsidiaries' exposure to credit risk arises mainly in connection with the provision of consumer financing to private individual customers which is the Issuer's and its subsidiaries' principal business. Although Issuer's and its subsidiaries' approach to assessing creditworthiness of prospective clients risk has become more conservative since the onset of the global financial crisis, there can be no assurance that Issuer and its subsidiaries will correctly assess the creditworthiness of credit applicants. The loans to individual customers are classified into several classes where the significant ones are consumer loans, revolving loans and cash loans. As the Issuer's and its subsidiaries' loan portfolio consists of large amount of loans with relatively low outstanding amounts, the loan portfolio does not comprise any significant individual items. The remaining part of Home Credit Group's exposures to credit risk is related to financial assets at fair value through profit or loss and financial assets available-for-sale. The Issuer and its subsidiaries have developed policies and procedures for the management of credit exposures, including credit scoring of customers, guidelines to limit portfolio concentration and the establishment of a credit department which actively monitors the Issuer's and its subsidiaries' credit risk. Although the Issuer believes its and subsidiaries' scoring and underwriting systems are among the best in the market, the scoring techniques and checks used to determine the creditworthiness of applicants may not always present a complete and accurate picture of each applicant's financial

condition. While the Issuer and its subsidiaries utilise several information databases in order to assess the creditworthiness of retail applicants, including its own database and third party credit bureaus, these may fail to produce all necessary information, including total amount of loans extended to an individual, other liabilities or credit histories. As a result, despite such efforts Issuer may still be exposed to credit risks that it may not be able to accurately assess and provide for.

The Board of Directors of the Issuer has delegated responsibility for the management of credit risk to the Home Credit Group Credit Risk Department. The department is responsible for oversight of the Home Credit Group's credit risk, including:

- Formulating credit policies in consultation with business units covering credit assessment, underwriting policies, collection policies and risk reporting by business units and loan classes;
- Establishing the authorization structure for the approval and renewal of credit facilities. Authorization limits are allocated to business units management, large exposures and new types of exposures require Home Credit Group approval. The Home Credit Group uses one central loan administration system to facilitate loan underwriting;
- Continuous monitoring of performance of individual Home Credit Group's credit exposures by countries, product classes and distribution channels;
- Limiting concentrations of credit exposures by countries, product classes and distribution channels;
- Reviewing compliance of business units with agreed exposure limits;
- Providing advice, guidance and specialist skills to business units to promote best practice throughout the Home Credit Group in the management of credit risk.

The Home Credit Group continuously monitors the performance of individual credit exposures both on business units and Home Credit Group level using number of criteria including delinquency rates, default rates or collection efficiency measures. The Home Credit Group has an active fraud prevention and detection program. Credit risk developments are reported by the Home Credit Group Credit Risk Department to the Board of Directors on regular basis.

Interest Rate Risk

The interest rate risk is measured by the extent to which changes of market interest rates impact margins and net interest income. To the extent that the term structure of interest bearing assets differs from that of liabilities, net interest income will increase or decrease as a result of movements in interest rates.

Interest rate risk is managed by increasing or decreasing the positions within limits specified by the Issuer's and its subsidiaries' management. These limits restrict the potential effect of movements in interest rates on current earnings and on the value of interest sensitive assets and liabilities. As part of its management of this position, the Issuer and its subsidiaries use interest rate derivatives.

Liquidity Risk

Liquidity risk is the risk that the Home Credit Group will encounter difficulty in meeting obligations from its financial liabilities.

The Issuer and its subsidiaries approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Home Credit Group's reputation. All liquidity policies and procedures as well as liquidity position projections are subject to review and approval by Asset Liability Committee (ALCO).

The Home Credit Group's Treasury Department collects information from business units regarding the liquidity profile of their financial assets and liabilities and details of other projected cash flows arising

from projected future business. Portfolio of short-term liquid assets is maintained to ensure sufficient liquidity. The daily liquidity position is monitored and regular liquidity stress testing is conducted under a variety of scenarios covering both normal and more severe market conditions. The individual scenarios focus on liquidity available on markets, the nature of related risks and magnitude of their impact on the Home Credit Group's business, management tools available as well as preventive actions.

The Issuer and its subsidiaries have access to a diverse funding base. Funds are raised using a broad range of instruments including deposits, bank loans, bond issues, securitizations and contributions by shareholders.

(k) *Exposure to Foreign Currency Risk*

The Issuer and its subsidiaries have assets and liabilities denominated in several foreign currencies. Foreign currency risk arises when the actual or forecast assets in a foreign currency are either greater or less than the liabilities in that currency. Foreign currency risk is managed principally through monitoring foreign currency mismatches in the structure of assets and liabilities. It is the Home Credit Group's policy to hedge such mismatches by derivative financial instruments to eliminate the foreign currency exposure. The ALCO is the monitoring body for compliance with this rule.

(l) *Legal and Other Proceedings*

As at the date of the Prospectus, the Issuer is not and has never been a party to a legal dispute or arbitration proceeding which would be significantly related to its operation, financial situation or issue of the Notes. As at the date of issue of this Prospectus, there are no legal disputes, which might endanger or largely adversely affect the profit/loss of the Issuer. The Issuer is not aware of any such unresolved disputes. However, one may not exclude the appearance of such disputes in the future with certainty.

(m) *Risks Connected with Bankruptcy Proceedings*

In the event that the Issuer is not able to meet its due liabilities, they might become subject to bankruptcy proceedings. In case that the insolvency proceedings are initiated in the Netherlands, the Dutch Bankruptcy Act will apply to the Issuer. In accordance with this Act, a debtor finding himself in a situation when he is not able to meet his due liabilities will be declared bankrupt by a judicial decision. Such order may be issued by the debtor's own application or on the petition of one or more of his creditors. A bankruptcy order may also be issued for reasons of public interest or upon the requisition of the Public Prosecution Service. The bankruptcy shall be declared by the district court of the debtor.

In the event that bankruptcy is declared on the Issuer's property, the ownership interests owned by the Issuer in its subsidiaries, which are the main source of the Issuer's revenues, will be affected because the bankruptcy comprises the entire property, rights and interests and liabilities of the Issuer at the moment of the declaration of bankruptcy as well as anything it will acquire during the bankruptcy. Exceptions from this rule are stated by the relevant act.

As a result of the declaration of bankruptcy, the debtor loses the right to legally dispose of and administer its property, rights and interests. For the purposes of supervision over the administration and liquidation of assets belonging to the estate, the court shall appoint a registrar in bankruptcy (*rechter-commissaris*). The curator is charged with the administration and liquidation of the bankrupt estate.

2.3. Risk Factors Related to the Business of the Issuer's Subsidiaries

(a) *Risks Related to the Providing of Consumer Finance*

The subject of business of the Home Credit Group consists of the provision of consumer finance products and services to the consumers in various states. Although the consumer finance business is generally more profitable than standard banking types of bank financing, it is on the other hand connected with certain risks. The conditions that an applicant for a consumer loan must meet are not as strict as those required by

banks to provide loans. The applicants must generally meet only a few relatively immaterial conditions that contain, for example, the requirement to have a residence in a respective state, an age minimum, drawing of a wage in an amount that will enable the applicant to repay particular instalments, positive credit history of the applicant, etc. Mostly, no guarantee or any other security instrument (e.g. lien, security transfer of ownership right, etc.) or declaration of a third party is required. The receivables arising for the companies from the provided loans are generally secured only by agreements on payroll deductions.

The above-mentioned means that the ability of the client to repay the loan is not proven to the respective company in a sufficient way. Decreases in income levels and increased unemployment may adversely impact customers' demand for the Home Credit Group's products and services and the ability of individuals to repay loans and the quality of the Home Credit Group's loan portfolio will result in increased losses. As the obligation of the debtor is not secured by any guarantee or similar instrument of a third party, in the case that a debtor ceases to draw a wage, the obligation of the debtor to repay the loan becomes virtually unsecured and the company is exposed to a high risk that the receivable will remain unpaid. In the case that a significant part of the companies' receivables remain unsecured and the debtors will not be able to meet their obligations arising for them under the provided loans, the affected company will not be able to generate a profit in a necessary amount and will not dispose of enough funds for the purposes of providing new loans. Weakening of consumer spending, increasing number of insolvencies and deterioration of macroeconomic financial conditions may result in increases in the levels of the Home Credit Group's non-performing loans and provisions for loan impairment, which could materially affect the Home Credit Group's business, financial condition, results of operations and prospects. Further, the respective investments of the company into its business will not be repaid to the company and the cash-flow and the ability of the company to meet its obligations could be affected.

(b) Repayment of Loans Granted

In order to secure the repayment of loans, rules for the granting of loans and their recovery have been adopted within the Issuer's subsidiaries. Those rules are not as strict as the rules required by bank entities, which is a result particularly of the value of financial means granted and further of the need to provide operability and competitiveness. In general, one may say in relation to individual companies that these rules still serve their purpose and keep the extent of repayment of the granted credits at an acceptable level. Despite these measures, however, the Issuer cannot guarantee that, when applying these rules and procedures, the level of repayment of the loans will be kept at the present level and that this level will not fall in the future. Moreover, the Issuer cannot guarantee that newly granted credits, which might represent a significant ratio in the portfolio of the total of loans granted, will not have an adverse effect on the level of repayment of the granted loans.

(c) Risk Connected with Fraud in the Process of Negotiations of Consumer Finance Agreements

The priority of companies of the Home Credit Group is to eliminate the risk of possible fraud in the process of providing loans to the clients and therefore particular documents and certificates delivered by the clients together with their application for the loan are thoroughly examined. However, it cannot be excluded that particular companies may be objects of the fraud and they may provide a loan on the basis of forged or untrue documents and information. It cannot be excluded that a fraudulent activity could be also on the side of employees, agents, intermediaries and other contractual parties of particular companies on which a particular company relies while providing consumer finance. Should, on the basis of such fraudulent activity the company provides loan in a higher amount or it provides more loans, the subsequent lack of settlement of such loans might have an adverse effect on the business results and overall financial situation of such company and indirectly also on the profits of the Issuer.

(d) Dependence of Profits of Particular Companies on Existence of Consumers Who Finance Their Needs via Purpose Loans, Revolving Loans and Cash Loans and their Ability to Repay Loans

The companies of the Home Credit Group conduct their business activities in the field of consumer finance. Therefore, their business and financial results are dependent on the existence of consumers who finance their needs via purpose consumer loans, revolving loans, non-purpose cash loans, and car loans and on the ability of such consumers to fulfil their due obligations to respective companies. Should a significant change occur in the financial situation of the customers that will lead to a decline in the number of clients of the companies of the Home Credit Group, or to a decrease in the clients' ability to fulfil their obligations to the respective companies, the business and the overall financial situation of a respective company (and indirectly that of the Issuer) might be materially adversely affected.

(e) *Risk Related to Regions and Sectors Concentration*

The consumer finance products of the respective companies of the Home Credit Group are provided on certain markets - regions or cities of respective countries in which the companies operate. On these markets (as the case may be regions and cities), the companies have numerous competitors that also have extensive, and in some cases greater financial, technical, marketing and other resources. No assurance can be given that the companies of the Home Credit Group will compete on such markets successfully or that the competitive pressure or changes on respective market will not have a material adverse effect on the assets, financial position and earnings of the respective company of the Home Credit Group.

(f) *Risks Related to Competition on the Consumer Finance Market*

On relevant markets, companies that provide consumer finance compete with their competitors and for the purposes of success in such competition the companies must flexibly react to any and all changes on the market - above all to changes in the behaviour of their competitors, introducing new products and needs and requirements of clients. The effort of a respective company to keep or to increase its market share could lead to a situation whereby the company would invest a great amount of its financial means into new products or change the terms and conditions of current products. As a result of this effort the company would be exposed to a risk that the offered products might appear to be inconvenient for the business of such company or might appear as not interesting for the customers and that the costs of introducing them will be significantly disproportionate to the profit generated by them.

In addition, the development on the relevant markets (above all the increasing competition) may significantly influence the financial situation and profit/loss of particular companies belonging to the group of companies controlled by the Issuer. It cannot be guaranteed that the current aggregate volume of the principal amount of the loans provided by the individual subsidiaries of the Issuer will be sustainable. A decrease of the aggregate volume of the principal amount of the loans provided by an individual subsidiary of the Issuer might have a negative effect on the profit of an individual subsidiary and indirectly also on the profit of the Issuer.

(g) *Dependence of Subsidiaries on IT Systems*

The business of the majority of the Issuer's subsidiaries is highly dependent upon the successful and uninterrupted functioning of computer and data processing systems, network or databases. IT systems are susceptible to a number of problems, such as computer viruses, hackers, damage critical to IT centres or hardware defects. In addition, IT systems need regular upgrading to meet changing business or regulatory requirements and to maintain efficiency of its network's operations. If sustained or repeated, a system or migration failure could cause a significant disruption of business processes, a temporary shutdown of business operations, lead to claims for damages, loss of customers or potential business relationships, cause a decrease in the sales and revenues of the affected subsidiary or cause a loss of its market share or materially impact its ability to rapidly evaluate and commit to new business opportunities. Should the aforementioned events or similar events occur in relation to any significant subsidiary of the Issuer and lead to damages or lost revenues, there could be also a material adverse effect on the Issuer's financial condition and results.

(h) *Risks Connected with Co-operation with Third Parties*

When offering its products, the Issuer's subsidiaries use various distribution channels and thus the ability of the companies to successfully perform their business and generate a profit is highly dependent on co-operation with third parties. In the case of a breach of such co-operation, the ability of the companies to provide its products to the clients might be affected.

Additionally, some payments to these companies are made through third parties (generally banks that keep respective accounts). In the event that sequestration is declared over the bank that keeps the accounts to which the payments are made, the affected company will not be allowed to dispose of financial means on such accounts and use them for the purposes of its business.

(i) *Risks Connected with Inability to Maintain Relationships with Retailers*

Some of the Home Credit Group's loans are sold through points-of-sale located in retail outlets, on the basis of nonexclusive distribution agreements with standardised terms. At the times of increasing competition in the market may lead to lower commissions or no commissions being paid to the Issuer or its subsidiaries and in some cases they might be required to pay commissions to its retailer partners. There can be no guarantee that Home Credit Group's existing or future retail partners will not choose to transfer some or all of their business to other banks, or seek to provide consumer finance services directly. The Home Credit Group's retail partners may also create joint products (such as store cards or mobile operator cards) with the Home Credit Group's competitors, or enter into arrangements limiting the Home Credit Group's ability to sell its products through their retail networks, which may adversely affect the Issuer's results of operations, financial condition and prospects.

(j) *There Can be no Assurance that Key Members of Senior Management Will Remain at the Home Credit Group or that the Home Credit Group Will Be Able to Retain or Recruit Experienced and/or Qualified Personnel*

The Home Credit Group (its particular subsidiaries) is dependent on its senior management for the implementation of its strategy and the operation of its day-to-day activities. In addition, certain business relationships of members of senior management may be important to the conduct of the Home Credit Group's business. There can be no assurance that key members of senior management will remain at the Home Credit Group or that such business relationships will endure.

Home Credit Group's failure to recruit and retain personnel or manage its personnel effectively may have a material adverse effect on the Home Credit Group's ability to expand its consumer finance business, as well as its results of operations, financial condition and prospects.

(k) *Although the Consumer Protection Laws in the Russian Federation Is Not Clear, Its Observance Is Periodically Inspected by the Relevant Authorities*

The Russian Federation does not have legislation specifically regulating consumer lending or loan collection. In the absence of such laws, Russian courts have extended the scope of the Law No. 2300-1 "On Consumer Protection" dated 7 February 1992, as amended (the "**Consumer Protection Law**"), which provides general protection for consumers, to consumer loans.

If specific consumer protection laws, such as the consumer lending law, are adopted, there is no guarantee that such laws will not provide for the right of certain Russian regulatory agencies (in particular, the Central Bank of the Russian Federation) to regulate the consumer loan market and introduce mandatory rules on consumer finance activities. Consequently, such laws and regulations may make the collection of defaulted loans or penalties more difficult, as well as place limitations on the terms and pricing of loans generally (including for example the introduction of interest rate caps) that may adversely affect the Home Credit Group's business, results of operations, financial condition and prospects.

(l) *Unfavourable Court Interpretations of Russian Banking Legislation*

In the past, HCFB has been a party to a number of court disputes with the Consumer Protection Service of the Russian Federation (“**Rospotrebnadzor**”) including, for example, as to charging the borrower with a fee for opening a loan account as a pre-requisite for providing the loan. At times the courts supported the view of the Rospotrebnadzor, as a result of which HCFB amended the terms of its loan products in accordance with the respective court decisions. In its normal course of business, HCFB seeks to promptly implement the measures required by such court decisions. In March 2010, the Supreme Arbitrazh Court issued a resolution in which, among other things, it confirmed that the concept of late payment penalties did not violate applicable Russian legislation. The resolution also provides that consumer loan agreements may not provide for exclusive jurisdictions of courts at the location of the bank since this would infringe the borrowers’ rights. Participating in disputes at venues other than those determined by location of HCFB’s offices may increase the costs of such litigations.

In October 2010, the Supreme Arbitrazh Court issued a clarification letter, according to which, among other things, any provision requiring payment of penalties in priority to interest and principal under loan agreements in the event of insufficiency of borrowers’ funds, is void. Successful challenge by the borrowers of penalties paid in priority to interest and principal under loans provided by HCFB may adversely affect HCFB’s business and results of operations. HCFB’s business and financial condition may be adversely affected by the unfavourable interpretation of Russian consumer protection laws, which are currently being tested in the courts. This may result in successful challenges by customers who may have been affected by respective terms of their loan agreements, which in turn could have a material adverse effect on the Home Credit Group’s business, results of operations, financial condition and prospects.

(m) *Unstable and Unclear Legal and Tax Framework*

The consumer lending legal and tax systems in some jurisdictions of operation of the Issuer’s subsidiaries, such as Russian Federation, Republic of Belarus are relatively new and are characterised by frequent changes in legislation, official pronouncements and court decisions, which are often unclear, contradictory and subject to varying interpretation by different authorities. Taxes are subject to review and investigation by a number of authorities, which have the authority to impose severe fines, penalties and interest charges. A tax year remains open for review by the tax authorities during the three subsequent calendar years; however, under certain circumstances a tax year may remain open longer. Recent events within the Russian Federation suggest that the tax authorities are taking a more assertive position in their interpretation and enforcement of tax legislation. These circumstances may create tax risks to the operations of the Issuer’s subsidiaries that are substantially more significant than in other countries.

(n) *Unlawful or Arbitrary Government Action in Russia*

State authorities have a high degree of discretion in Russia and at times exercise their discretion arbitrarily, without conducting a hearing or giving prior notice, and sometimes in a manner that may not be in full accordance with the law or that may be influenced by political or commercial considerations. Moreover, in certain circumstances, state authorities also have the power, by regulation or act, to interfere with the performance of, nullify or terminate contracts. Alleged unlawful or arbitrary state actions may include withdrawal of licences, sudden and unexpected tax audits, criminal prosecutions and civil actions. Federal and local government entities have also used common defects in matters surrounding documentation of financing activities as pretexts for court claims and other demands to invalidate such activities and/or to void transactions, often for political purposes. Potentially unlawful or arbitrary state action, if directed at Home Credit Group, could have a material adverse effect on its business, results of operations, financial condition and prospects.

(o) *Potential Difficulty with Enforcement of Contractual Rights in Russian Courts*

The current status of the Russian legal system makes it uncertain whether the Home Credit Group would be able to enforce its rights in disputes with any of its contractual counterparties. Furthermore, the

dispersion of regulatory power among a number of state agencies in Russia has resulted in inconsistent or contradictory regulations and unpredictable enforcement. The Russian Government has rapidly introduced laws and regulations and has changed its legal structure in an effort to make the Russian economy more market oriented, resulting in considerable legal confusion. No assurance can be given that federal, regional or local laws and regulations will become stable in the future. Home Credit Group's ability to operate in Russia could be adversely affected by difficulties in protecting and enforcing its rights and by future changes to federal, regional and local laws and regulations. Further, its ability to protect and enforce such rights is dependent on the Russian courts, which are underdeveloped, inefficient and, in places, corrupt. Judicial precedents generally have no binding effect on subsequent decisions.

(p) *Risks Related to Weaknesses of Russian Legal System and Russian Legislation*

Russia is still developing an adequate legal framework required for the proper functioning of a market economy. Several fundamental Russian laws have only recently become effective and the rapid evolution of the Russian legal system place the enforceability and underlying constitutionality of laws in doubt and result in ambiguities and inconsistencies in their application.

The independence of the judicial system and its immunity from economic, political and social influences in Russia remain largely untested. In addition, most court decisions are not readily available to the public. Enforcement of court judgments can, in practice, be very difficult in Russia. All of these factors make judicial decisions in Russia difficult to predict and effective redress uncertain. Home Credit Group may be subject to court claims used to further political aims and/or may not be able to receive a fair hearing. In addition, court judgments are not always enforced or followed by law enforcement agencies.

(q) *Risks Related to the Necessity of Financial Funds and Their Accessibility*

The future development of companies that provide consumer finance is dependent on many factors, including their access to financial resources. The successful development of the business of the companies and their ability to introduce new products and compete on relevant markets is dependent on the financial means that the respective company disposes of. It could happen that the current financial means of a particular company will not be sufficient for the purposes of funding its future costs and the company will be forced to seek new sources of funds. Such funds might not be available to the company in a decisive period of time or might be available only under inconvenient conditions. In the case that the company will not be able to obtain necessary financial funds it will not be able to generate new receivables and successfully develop its business.

(r) *Refinancing Risk*

Certain funding means of the Issuer (its subsidiaries) are refinanced by other funding instruments. In case that the Issuer is not able to refinance its existing debts as of their maturity date, the ability of the Issuer to repay the provided funds would be threatened.

(s) *Risk Resulting from Time Mismatch between Assets and Liabilities*

Loans received by consumer finance companies for purposes of their business activities are on terms, maturities and amounts which differ from the terms, maturities and amounts of loans which are provided by such consumer finance companies to their clients. There is a risk that these discrepancies between funding received and funding extended may under certain conditions lead to a situation where the companies will face insufficient inflow of funds for repayment of payable obligations, increased costs of funding or other similar negative effects threatening such companies.

(t) *Risk Resulting from Changes in Inflation and Interest Rates*

Business results and profits of particular companies that provide consumer finance are influenced by inflation and the level of interest rates. A significant increase in inflation would lead to higher operating

costs and could have a material adverse effect on the business, results of operations or the financial conditions of the affected company.

Changes in interest rates, including changes in the difference between the levels of prevailing short-term and long-term rates, affect consumer finance companies' business, asset management results and the interest payable on debt. In particular, the level of interest rates affects the availability of disposable income for the providing of new loans, investments in asset values, levels of investment income and gains and losses on investments, funding costs and interest margins. The rise in interest rates on the market is likely to result in an increase in the interest rate at which the consumer finance products are offered. This situation might lead to a decrease in the number of loans provided by respective company. Furthermore, the rise in interest rates on the market will influence the availability and cost of the financial means that the respective company would need for the purposes of its investments and fluctuations in interest rates also affect the returns on and the market values of particular companies' fixed income investments.

(u) *Risk Resulting from the Unpredictability of Foreign Exchange Rates*

Foreign exchange rates significantly influence real height of obligations and receivables of the companies of the Home Credit Group. To the extent that receivables denominated in one currency of particular companies are greater or smaller than their liabilities denominated in other currencies, the companies will be exposed to the risk of fluctuations and movements in the foreign exchange markets. This may have a material adverse impact on the companies' business, results of operations or financial condition.

Moreover, the companies of the Home Credit Group operating in states which are not members of the European Union, such as the Russian Federation or Belarus can face greater changes in exchange rates, as the mechanisms of maintenance and preservation of the value of the national currency are not so developed and interconnected as are those of the European Union member states, an example being the substantial devaluation of BYR during 2011.

(v) *Sanctions by Relevant State Bodies*

In individual countries where the Issuer's subsidiaries operate, there are different degrees of the regulation of entities which provide services in the area of consumer financing. In each case, individual companies of the Home Credit Group are subject to regulation and control by the relevant state bodies. Therefore, the Issuer cannot exclude future inspections, controls and other checks by such state bodies, which may result in the awarding of fines, suspension of activity or other sanctions, as the case may be, that may have an adverse effect on the financial situation and profit/loss of the individual companies of the group and, in this way, they may also indirectly affect the Issuer.

3. PERSONS RESPONSIBLE

3.1. Persons Responsible for the Information Given in the Prospectus

The person responsible for the proper drawing up of the Prospectus is the Issuer – Home Credit B.V., having its registered office (*statuaire zetel*) at Strawinskyiaan 933 Tow. B Lev. 9, 1077XX, Amsterdam, the Netherlands, registered with the trade register of the Chamber of Commerce and Industries in Amsterdam, the Netherlands (*Kamer van Koophandel Amsterdam*) under registration No. 34126597, on behalf of which Mr. Alexander Labak, Ms. Sonia Slavtcheva and Mr. Mel Carvill are acting each solely as directors.

3.2. Declaration of the Issuer

The Issuer hereby declares that the Issuer has taken all reasonable care to ensure that such is the case, the information contained in the Prospectus is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.

On the date of the Prospectus, in Amsterdam.

3. PERSONS RESPONSIBLE

3.1. Persons Responsible for the Information Given in the Prospectus

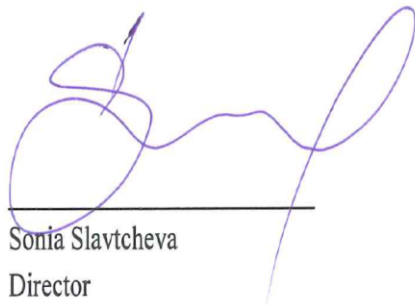
The person responsible for the proper drawing up of the Prospectus is the Issuer – Home Credit B.V., having its registered office (*statuaire zetel*) at Strawinskylaan 933 Tow. B Lev. 9, 1077XX, Amsterdam, the Netherlands, registered with the trade register of the Chamber of Commerce and Industries in Amsterdam, the Netherlands (*Kamer van Koophandel Amsterdam*) under registration No. 34126597, on behalf of which Mr. Alexander Labak, Ms. Sonia Slavtcheva and Mr. Mel Carvill are acting each solely as directors.

3.2. Declaration of the Issuer

The Issuer hereby declares that the Issuer has taken all reasonable care to ensure that such is the case, the information contained in the Prospectus is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.

On the date of the Prospectus, in Amsterdam.

Home Credit B.V.



Sonia Slavtcheva
Director

4. AUDITORS OF THE ISSUER

The Consolidated Financial Statements of the Issuer for the year ended 31 December 2011 and the Consolidated Financial Statements of the Issuer for the year ended 31 December 2010, which were prepared in accordance with International Financial Reporting Standards as adopted by European Union (IFRS) were verified by the company KPMG Accountants N.V., with its registered office (*statuaire zetel*) at 1186 DS Amstelveen, Laan van Langerhuize 1, the Netherlands, registered with the trade register of the Chamber of Commerce and Industries in Amsterdam, the Netherlands (*Kamer van Koophandel Amsterdam*) under registration number 33263683, a member of the Koninklijk Nederlands Instituut van Registeraccountants (NIVRA). The auditor responsible for the audit performance for the years 2010 and 2011 was Marco Frikkee, licence number 09089, and Birgitta Hergreen, licence number 14568, respectively.

The auditor reports on the final accounts were unqualified auditor's reports. The auditor's reports on the audit of the final accounts for the accounting periods 2011 and 2010 prepared in accordance with International Financial Reporting Standards as adopted by European Union (IFRS) create a part of the respective financial statements of the Issuer which are available on the web page of the Issuer www.homecredit.eu.

The Issuer declares that, in the course of the two previous accounting periods, the auditor responsible for the verification of the final accounts of the Issuer did not resign and was not removed or such auditor was not re-appointed.

5. SUBSCRIPTION AND SALE

5.1. General Information on the Offering

The Issuer has decided to issue the Notes in the anticipated aggregate principal amount of up to CZK 3,750,000,000. In accordance with the Capital Markets Act and Slovak Capital Markets Act, the Issuer will be offering and selling the Notes in the Czech Republic and the Slovak Republic only in a manner which is not connected with the obligation to publish a prospectus of securities. For the purposes of such offer and sale in the Czech Republic or the Slovak Republic, the Issuer may use a document, the contents of which correspond with this Prospectus, however, it is not a prospectus within the meaning of the Capital Markets Act or the Slovak Capital Markets Act. This Prospectus of the Notes has been elaborated and published for the purposes of the admission of the Notes for trading on the free market of the PSE. This Prospectus does not represent a public or other offering of the purchase of any Notes. The distribution of this Prospectus and the offering, sale or purchase of the Notes is restricted by law in some countries.

Any possible offer of any Notes in the Czech Republic and/or the Slovak Republic, which the Issuer has made or will make (including any distribution of documents with contents corresponding to this Prospectus), is made on the basis of the provision of section 35 subsection 2 paragraph d) of the Capital Markets Act and other exceptions included in the Capital Markets Act and on the basis of the provision of Section 120 Subsection 3 paragraph d) of the Slovak Capital Markets Act and other exceptions included in the Slovak Capital Markets Act. In accordance with this, the principal amount of the Notes amounts to CZK 3,000,000 and, therefore, as at the date of this Prospectus it is higher than the amount corresponding to EUR 100,000.

5.2. Note on Restrictions of Prospectus Distribution and Selling Restrictions

The Issuer advises the assignees of the Notes to observe the provisions of all the relevant legal regulations in each state (including the Czech Republic) where they will purchase, offer, sell or hand over the Notes or where they will be distributing, disclosing or otherwise putting into circulation the Prospectus or any other offer or promotional material or information related to the Notes, in all cases at their own expense and regardless of the fact of whether or not the Prospectus or any other offer or promotional material or information related to the Notes are recorded in a printed, electronic or any other tangible or intangible form.

Each person acquiring the Notes shall be considered to have declared and approved that (i) this person agrees to all the relevant restrictions concerning the offer and sale of the Notes, which are related to it and to the specific manner of the offer or sale, (ii) this person shall not offer for sale and will not subsequently sell the Notes without observing all the relevant restrictions applicable to this person and the relevant manner of the offer and sale and (iii) this person will inform the prospective purchaser, before eventually offering or selling the Notes, that further offers or sales of the Notes may be subject to legal restrictions in various states, which must be observed.

The Notes may not be offered or sold in public in the Federal Republic of Germany, and any offer or sale of the Notes in the Federal Republic of Germany may be made only to a limited range of investors and institutional investors in accordance with the German Act on the Prospectus for the Sale of Securities (*Wertpapier-Verkaufprospektgesetz*). There has been no application filed pursuant to German law in order to promote the Notes in public in the Federal Republic of Germany. For this reason, this Prospectus or any other offer material must not be distributed in public in the Federal Republic of Germany.

In Austria, the Notes may be offered only on the basis of a private placement and not on the basis of a public offer. For this reason, this Prospectus does not represent a prospectus for the purposes of a public offer within the meaning of the Austrian Federal Capital Markets Act.

The Issuer draws the attention of the prospective assignees of the Notes to the fact that the Notes are not and will not be registered in accordance with the 1933 Securities Act of the United States of America, as amended (hereinafter referred to only as the “**USA Securities Act**”), or any securities commission or other regulatory

body of any state of the United States of America and, as a result of this fact, they must not be offered, sold or handed over in the territory of the United States of America or to persons resident in the United States of America (as these terms are defined in Order S, published to enforce the USA Securities Act) in a manner other than on the basis of an exception from the registration obligation in accordance with the USA Securities Act or within a transaction that is not subject to the registration obligation in accordance with the USA Securities Act.

The Issuer further notes that the Notes must not be offered or sold in the United Kingdom of Great Britain and Northern Ireland (hereinafter referred to only as the “**Great Britain**”) through the distribution of any material or notice, with the exception of an offer of sale to persons authorized to independently trade securities in the Great Britain or on someone else’s account or under circumstances that do not form a public offering of securities within the meaning of the 2000 Financial Services and Markets Act (FSMA), as amended.

The Notes may only be offered, sold, transferred or delivered, directly or indirectly, in and outside the Netherlands to Professional Market Parties as defined in the Act on Financial Supervision (*Wet op het Financieel Toezicht* or the “**AFS**”).

The distribution of this Prospectus and the offer, sale or purchase of the Notes is also limited by law in other countries. The persons, who will receive this Prospectus shall be obligated to acquaint themselves with all such restrictions which might apply to them and to observe such restrictions. This Prospectus itself does not represent an offer of sale or an invitation for bids for the purchase of the Notes in any jurisdiction.

5.3. Certain Provisions Relating to the Primary Settlement of the Notes

The primary settlement of the Notes will be made through the Central Depository in order for the initial purchasers to be registered in the register kept by the Central Depository as holders of the relevant number of Notes on or before the Issue Date.

The Central Depository is a wholly-owned subsidiary of the PSE, and it is licensed by the CNB to carry out the settlement of trades effectuated at the PSE. Any settlement of securities at the Central Depository can only be made through a participant of the Central Depository. The majority of prominent securities brokers in the Czech Republic are participants of the Central Depository. In order to achieve the primary settlement of the Notes, the initial purchasers of the Notes must proceed in accordance with the instructions of the Lead Manager or its agents or Co-Manager or its agents. In particular, any initial purchaser of the Notes who is not himself a participant of the Central Depository must appoint a local securities broker who is a participant of the Central Depository as its agent, and instruct such agent to take all actions required for the primary settlement of the Notes. There can be no assurance that the initial purchasers will be duly registered as holders of the Notes if such initial purchasers or the securities brokers acting as their agents fail to follow all the procedures and the relevant instructions for the primary settlement of the Notes.

6. TERMS AND CONDITIONS OF THE NOTES

These terms and conditions (the “**Terms and Conditions**”) govern the rights and obligations of the Issuer (as such term is defined below) and the Noteholders (as such term is defined below), and provide more detailed information about the issuance of the unsubordinated notes (the “**Notes**”) due in 2016, in the anticipated aggregate principal amount of up to CZK 3,750,000,000 (three billion seven hundred fifty million Czech crowns), with fixed interest rate in the amount specified in Clause 5.1 of this Terms and Conditions, to be issued by Home Credit B.V., with its registered office at Strawinskylaan 933, Tow. B Lev. 9, 1077XX Amsterdam, the Netherlands, a company incorporated under the laws of the Netherlands, registered with the trade register of the Chamber of Commerce and Industries in Amsterdam (*Kamer van Koophandel Amsterdam*), under registration number 34126597 (the “**Issuer**”). The issuance of the Notes was approved by virtue of a resolution of Mr. Alexander Labak, Mrs. Sonia Slavtcheva, and Mr. Mel Carvill, acting in their capacity of Management Board of the Issuer, dated 30 May 2012. Such Management Board Resolution (its draft) was also approved by Issuer’s shareholder (PPF Group N.V.) by its resolution dated 30 May 2012.

If no such change as described in Section 11.1.2 of these Terms and Conditions takes place, the services of the fiscal and paying agent related to the payment of the interest or other yield connected with the Notes and the repayment of the principal of the Notes will be provided to the Issuer by PPF banka a.s., having its registered office at Prague 6, Evropská 2690/17, Postal Code: 160 41, the Czech Republic, Identification No. 47116129, registered in Section B, File 1834 of the Commercial Register administered by the Municipal Court in Prague (“**PPF banka**”), based on the terms and conditions of an agreement entered into between the Issuer and PPF banka for such purposes (hereinafter referred to as the “**Agreement with the Administrator**”). The Issuer may authorize additional or other persons having a license for the conduct of such activities to perform the services of related to the repayment of the principal, interest and other amounts under the Notes (PPF banka or such other person is hereinafter referred to as the “**Administrator**”) under the Agreement with the Administrator. A counterpart of the Agreement with the Administrator will be available for inspection by the Noteholders during regular office hours at the specified office of the Administrator (the “**Specified Office**”), as set forth in Article 11 of these Terms and Condition. The Noteholders are advised to make themselves familiar with the Agreement with the Administrator as this is important, *inter alia*, for the actual transfer of payments to the Noteholders.

If no such change as described in Section 11.2.2 of these Terms and Conditions takes place, the services of the listing agent related to the listing of the Notes in the relevant public market will be provided to the Issuer by PPF banka. The Issuer may authorize any other person having a license for the conduct of such activities to perform the services of the listing agent related to the listing of the Notes on the relevant public market (PPF banka or such other person is hereinafter referred to as the “**Listing Agent**”). Through the Listing Agent, the Issuer has applied for the admission of the Notes for trading on the free market of the PSE. If the general director of PSE resolves to admit the Notes for trading on the free market of the PSE, the Notes shall have the status of a listed security as of the Issue Date (as defined below). As of the Issue Date, the Issuer’s costs related to the admission of the Notes for trading on the free market of the PSE will amount to CZK 50,000 (fifty thousand Czech crowns). As of the same date, no fees are required to be paid to the PSE in connection with the trading of the Notes on the free market of the PSE.

If no such change as described in Section 11.3.2 of these Terms and Conditions takes place, the services of the calculation agent in connection with calculations with respect to the Notes will be provided to the Issuer by PPF banka. The Issuer may authorize additional or other persons having a license for the conduct of such activities to perform the services of the calculation agent in connection with calculations with respect to the Notes (PPF banka or such other person is hereinafter referred to as the “**Calculation Agent**”).

These Terms and Conditions have been drafted in accordance with the Notes Act as part of the Note Prospectus pursuant to Section 7 Subsection 3 of the Notes Act, and approved by the decision of the Czech National Bank dated on 15 June 2012, which came into force on 15 June 2012. The prospectus of the Notes has been prepared

in accordance with the Capital Markets Act, and the Commission Regulation (EC) No. 809/2004 of 29 April 2004, implementing the Directive 2003/71/EC of the European Parliament and of the Council, as amended, as regards information contained in prospectuses as well as the format, incorporating by reference and publication of such prospectuses and dissemination of advertisements (the “**Regulation**”), and approved by the decision of the Czech National Bank of 15 June 2012, which entered into force on 15 June 2012. The Note’s ISIN code shall be CZ0000000260. The Note’s title shall be “Notes of Home Credit B.V. 6.25/16 “.

1. General Characteristics of the Notes

1.1 Form, Type, Denomination, Class

The Notes are bearer securities in book-entry form, issued in a quantity of up to 1250 (one thousand two hundred fifty) Notes with a denomination of CZK 3,000,000 (three million Czech crowns) each, and will be listed securities if admitted for trading on the market organized by the PSE. No pre-emptive or conversion rights shall be attached to the Notes.

1.2 Noteholders; Transfer of the Notes, Separation of the Right to Yield on the Notes

1.2.1 Transferability of the Notes

There is no restriction on the transfer of the Notes unless it is contrary to applicable law. The transfer of the Notes may, in accordance with Section 7.3 of these Terms and Conditions, be suspended commencing on the day immediately following the Record Date for the Principal Repayment (as such term is defined below).

1.2.2 Noteholders

Unless the contrary is proved, a holder of the Notes and person entitled to exercise all rights attached to the Notes (the “**Noteholder**”) is any person, in favor of which a holder’s account has been established with the Centrální depozitář cenných papírů, a.s., Identification No. 25081489, having its registered office at Prague 1, Rybná 14, the Czech Republic (the “**Central Depository**”) or with any register linked to the central register, on which account such Notes are recorded.

The transfer of the Notes shall occur upon registration of such transfer on a holder’s account in the Central Depository in accordance with applicable legal regulations and the regulations of the Central Depository. In case of Notes registered in the Central Depository on a client’s account, the transfer of such bearer Notes shall occur upon registration of the transfer on the client’s account in accordance with applicable legal regulations and the regulations of the Central Depository, with the owner of the client’s account being obligated to promptly register such transfer on the holder’s account as of the time of registration on the client’s account.

Unless the Issuer is conclusively notified of facts evidencing that a Noteholder is not the owner of the Notes in question, the Issuer and the Administrator shall consider the Noteholder to be the authorized owner of the Notes in all respects, and make payments to such Noteholder in accordance with these Terms and Conditions.

1.2.3 Separation of the Right to Receive Yield

There will be no separation of the right to receive interest or any other form of yield payable in respect of the Notes.

1.3 Certain Obligations of the Issuer

The Issuer undertakes to repay the principal and the accrued interest of the Notes in accordance with these Terms and Conditions.

The Issuer undertakes to use its reasonable efforts to ensure that the Notes are listed securities within the meaning of the Capital Markets Act during the entire term of their existence.

1.4 Rating of the Issuer and the Notes

Neither the Issuer, nor the Notes have been rated by any rating agency and no rating is attributable to them for the purposes of this issue.

2. Issue Date and Underwriting of the Notes; Issue Price

2.1 Issue Date, Issue Price, Issue Yield

The expected issue date of the Notes is scheduled for 22 June 2012 (the “**Issue Date**”). The issue price of the Notes issued on the Issue Date shall amount to 100% (the “**Issue Price**”) of their principal amount.

The issue price of any Notes issued after the Issue Date during the Issue Period or the Additional Issue Period (as such terms are defined below) will be set by the Issuer in order to reflect prevailing market conditions. If relevant, the relevant yield will be added to the issue price of any Notes issued after the Issue Date during the Issue Period or Additional Issue Period.

2.2 Method and Place of Underwriting the Notes

The Notes shall be offered for subscription and purchase to selected institutional investors in one-to-one meetings who shall underwrite them (“**private placement**”).

The Lead Manager of the issue of the Notes shall be PPF banka and the Co-Manager shall be ING Bank N.V., Prague Branch.

The primary settlement of the Notes shall be effected through the Central Depository by the delivery-versus-payment method and delivery free of payment method so that the initial purchasers are registered with the Central Depository as the holders of the interest in the Notes on or before the Issue Date, provided that the purchase price of the issued Notes will be set as the total principal amount multiplied by the Issue Price. The net proceeds of the Notes may be reduced by remuneration, fees or expenses related to the subscription and purchase of the Notes.

2.3 Anticipated Aggregate Principal Amount of the Notes; Issue Period and Additional Issue Period

The anticipated aggregate principal amount of the issue of the Notes is equal to CZK 3,750,000,000 (three billion seven hundred fifty million Czech crowns). The issue period for the subscription of the Notes shall commence running on the Issue Date at 0:00 Prague time and shall terminate on the Issue Date at 24:00 Prague time (the “**Issue Period**”).

The Issuer shall be entitled to issue the Notes up to the anticipated aggregate principal amount during the Issue Period and after its expiry, at any time during an additional issue period, if any, as set and published by the Issuer in accordance with applicable legal regulations (the “**Additional Issue Period**”).

The Issuer shall be entitled to issue the Notes in an aggregate principal amount smaller than the anticipated aggregate principal amount.

The Issuer shall be entitled to issue the Notes in a higher amount than the anticipated aggregate principal amount of the Note issue, during the Issue Period or after its expiry or at any time during the Additional Issue Period. If the Issuer decides to issue the Notes in an aggregate principal amount higher than the anticipated aggregate principal amount, the volume of such increase will not exceed 50% (fifty per cent) of the anticipated aggregate principal amount of the Notes.

The Issuer shall be entitled to issue the Notes gradually (in tranches) both during the Issue Period and any Additional Issue Period.

The Issuer shall be entitled to set the Additional Issue Period repeatedly.

Without undue delay after the expiration of the Issue Period and/or the Additional Issue Period, the Issuer shall give notice to the Noteholders of the aggregate principal amount of all the issued Notes in such manner as provided for by applicable law.

3. Status of the Obligations under the Notes

The Notes (and all payment obligations of the Issuer under the Notes towards the Noteholders) constitute the direct, general unconditional, unsecured and unsubordinated liabilities of the Issuer, which are and will rank *pari passu* among themselves and at least *pari passu* with any present and future unconditional, unsecured and unsubordinated liabilities of the Issuer with the exception of such liabilities preferred by binding mandatory legal provisions. The Issuer undertakes to treat all Noteholders equally under the same circumstances.

4. Negative Pledge

The Issuer undertakes that until its payment obligations stemming from the issued and outstanding Notes pursuant to these Terms and Conditions are satisfied, it shall not create or permit to subsist any security for any Liabilities (as defined below) by way of pledges or other third party rights that would restrict the Issuer's rights to its current or future assets or income, unless the Issuer procures on or before the establishment of such pledges or third party rights that its obligations stemming from the Notes are (i) secured on a *pari passu* basis with its Liabilities so secured, or (ii) secured in some other manner as approved by a resolution of the Meeting (as defined below) pursuant to Article 14 of these Terms and Conditions.

The provision of the preceding section shall not apply to:

- a) any pledges or similar third party rights restricting the Issuer's rights to its current or future assets or income, where their aggregate value does not exceed the higher of: (i) EUR 450,000,000 (four hundred and fifty million Euro), or (ii) 10% of the value of the Issuer's total assets (for the purpose of this section, total assets of the Issuer shall be deemed to mean total assets as reported in the latest audited financial statements of the Issuer, compiled in accordance with applicable legal regulations); or
- b) any pledges or similar third party rights accorded in the course of the Issuer's business according to the specification provided in the Prospectus, of which the Terms and Conditions are an integral part, in each case (but without limitation to) in connection with the provision and securing of debt financing of Home Credit Group members (irrespective of whether such debt financing is received directly by any Home Credit Group member or by the Issuer itself in order to on-lend it to any Home Credit Group member) or acting as a treasury centre of the Home Credit Group; or
- c) any pledges or similar third party rights attached to the business assets of the Issuer as of the Issue Date or as at its acquisition by the Issuer, or in order to secure the Issuer's Liabilities incurred solely in connection with the acquisition of such assets or their part by the Issuer; or
- d) any pledges or similar third party rights established by the operation of law or pursuant to a judicial or administrative ruling.

For the purpose of these Terms and Conditions, the following terms shall have the following meanings:

“**Liabilities**” shall be deemed to mean, for the purposes of this section, the Issuer's obligation to pay any amounts owed by the Issuer, as well as any obligations of the Issuer for third party payment obligations arising from guarantees provided to third parties.

5. Yield of the Notes

5.1 Method of Interest Calculation

The Notes shall bear a fixed rate of 6.25% per annum.

Interest shall accrue from the first day of each Interest Period to the last day included in such Interest Period at the interest rate specified above. Interest for each Interest Period shall be paid annually on 22 June of each year (the “**Interest Payment Date**”) in accordance with Article 7 of these Terms and Conditions and the Agreement with the Administrator. The first payment of interest shall be made on 22 June 2013.

For the purposes of these Terms and Conditions, “**Interest Period**” means the period from and including the Issue Date to and excluding the first Interest Payment Date, and each subsequent period from and including the Interest Payment Date to and excluding the next Interest Payment Date until the Maturity Date (as such term is defined below in Article 5.4 of these Terms and Conditions). For the purposes of the running of any Interest Period, the Interest Payment Date shall not be shifted in accordance with the Business Day Convention (as such term is defined below in Article 7.2 of these Terms and Conditions).

5.2 Convention for calculation of interest

For the purposes of calculating interest payable on the Notes for a period of less than 1 (one) year, the “30E/360” day count convention shall be used for interest calculation (this means that for the purposes of calculating interest for a period of less than one year, a year shall be deemed to consist of 360 (three hundred sixty) days).

5.3 Interest Determination

The amount of interest payable on one Note for each period of 1 (one) current year shall be determined as the product of the principal of such Notes and the relevant interest rate (expressed as a decimal number). The amount of interest payable on one Note for any period of less than 1 (one) current year shall be determined as the product of the principal of such Note, the relevant interest rate (expressed as a decimal number), and the relevant day fraction calculated according to the day count convention referred to in Article 5.2 of these Terms and Conditions. The amount of interest thus calculated shall be rounded upwards to the nearest ten halers by the Calculation Agent and communicated to the Noteholders without undue delay in accordance with Article 13. of these Terms and Conditions.

5.4 End of Interest Accrual

The Notes shall cease bearing interest as of the Maturity Date (the “**Maturity Date**” means both the Final Redemption Date and the Early Redemption Date), unless upon fulfillment of all requirements, the payment of the outstanding amount is unlawfully retained or withheld by the Issuer. In such event, interest shall continue to accrue at the above rate until the earlier of (a) the date on which all amounts due and payable as of that date in accordance with these Terms and Conditions have been paid to the Noteholders or their agents, and (b) the date on which the Administrator notifies the Noteholders that it has received all amounts payable in connection with the Notes, unless additional retention or withholding of payments occurs after such notice.

6. Redemption and Purchase of the Notes

6.1 Final Redemption

Unless previously redeemed or purchased by the Issuer and cancelled as specified below, the entire principal amount of the Notes shall be redeemed in a single payment on 22 June 2016 (the “**Final Redemption Date**”), in accordance with Article 7 of these Terms and Conditions and the Agreement with the Administrator.

6.2 Early Redemption at the Option of the Issuer

The Issuer shall not be entitled to decide to redeem the outstanding Notes prior to the Final Redemption Date save for the early redemption of the Notes in the ownership of the Issuer in accordance with Section 6.5 of the Terms and Conditions.

6.3 Early Redemption at the Option of the Noteholders

The Noteholders shall not be entitled to require early redemption of the Notes prior to the Final Redemption Date, with the exception of early redemption in accordance with Article 9 and/or Sections 14.4.1 and/or 14.4.2 of these Terms and Conditions.

6.4 Purchase of the Notes

Under the terms and conditions set forth below, the Issuer shall be entitled to purchase any of the Notes at any time on the regulated market or otherwise at any price.

6.5 Cancellation of the Notes Purchased by the Issuer

Unless provided otherwise by the applicable law, the Notes purchased by the Issuer shall not be cancelled, and the Issuer shall have discretion in deciding whether to hold and, if appropriate, re-sell the Notes or whether to initiate redemption of them before maturity by notice to the Administrator as of the date of delivery of such notice to the Administrator, unless a later date is stipulated in the Issuer's notice. In such event, the rights and obligations under the Notes in the ownership of the Issuer shall automatically terminate by virtue of a merger of the rights and obligations in a single person (for the avoidance of doubt, the provision of Section 7.3 of these Terms and Conditions shall not apply).

6.6 Deemed Payment

If the Issuer pays to the Administrator the full amount of the principal amount of the Notes together with any accrued interest payable (if relevant) in connection with the redemption of the Notes in accordance with Articles 5., 6., 9., 14.4.1 and 14.4.2 of these Terms and Conditions, all liabilities of the Issuer under the Notes, for the purposes of Article 4 of these Terms and Conditions, shall be deemed fully discharged as of the date on which the relevant amount is credited to the account of the Administrator. The Administrator is obligated to repay the received amount to the Noteholders on the respective payment date specified in these Terms and Conditions.

6.7 Disposal of Funds in an Account Maintained by the Administrator

The Issuer shall not be entitled to dispose of the funds paid by the Issuer into an account kept with the Administrator for the purpose of the payment of interest on or repayment of the principal amount of the Notes (with the exception of interest accrued on such funds), and the Administrator shall use such funds for payments to the Noteholders in accordance with these Terms and Conditions.

6.8 Issuer's Covenant to Pay the Amount Due

The Issuer undertakes to pay the principal of and the interest on, (or, if applicable, the relevant yield) in such manner and at such place as specified in these Terms and Conditions.

7. Payments

7.1 Currency of Payments

The Issuer undertakes to make payments in respect of the Notes exclusively in Czech crowns, or in any other currency as might replace Czech crowns. The principal amount in respect of the Notes and the interest accrued on the Notes shall be paid to the Noteholders subject to and in accordance with these Terms and Conditions, and the tax, foreign exchange, and other applicable laws and regulations of the Czech Republic as in effect at the time of the relevant payment.

In the event that (a) the Czech crown or any other lawful currency of the Czech Republic that might replace the Czech crown ceases to exist and it is superseded by the Euro, and (b) unless it is contrary to a mandatory provision of law, (i) the denomination of the Notes shall be changed to Euro in accordance with applicable law, and (ii) all the sums payable under the Notes shall automatically and without any further notice to the Noteholders be payable in Euro, with the official rate (i.e., the fixed conversion ratio) in accordance with the applicable law being used as the exchange rate between the currency concerned or the national currency unit and the Euro. Such replacement of the applicable currency or the national currency unit (i) shall not, in any respect, affect the existence or enforceability of the Issuer's obligations under the Notes, and (ii) for the avoidance of doubt, shall not be deemed to constitute any change to these Terms and Conditions or an Event of Default under these Terms and Conditions.

7.2 Payment Date

The payments in respect of the Notes shall be made through the Administrator on such dates as specified in these Terms and Conditions (each such date being hereinafter referred to, according to its meaning, as the “**Interest Payment Date**” or “**Final Redemption Date**” or “**Early Redemption Date**” or also as the “**Payment Date**”). If any Payment Date falls on a date that is not a Business Day, the Issuer shall be obligated to pay the due and payable sums on the next following Business Day, and no additional interest or other charges shall accrue and be payable by reason of such delay in payment (“**Business Day Convention**”).

For the purposes hereof, “**Business Day**” shall be any calendar day (other than a Saturday or Sunday) on which banks in the Czech Republic, the Netherlands and the Central Depository are open for business, and on which interbank payments in Czech crowns or in any other lawful currency of the Czech Republic that might replace the Czech crown are settled.

7.3 Determination of the Right to Receive Payments Related to the Notes

7.3.1 Interest

Unless otherwise provided in these Terms and Conditions, the interest shall be paid to persons, on whose holder's account kept with the Central Depository or in the records of a person managing any register linked to the central register, the Notes are registered at the close of the calendar day (the “**Record Date for Interest Payment**”) that is 1 (one) month prior to the Interest Payment Date (each such person, a “**Payee**”). The “**Ex-Coupon Date**” shall be the date immediately following the Record Date for Interest Payment. For the purposes of determining the recipient of interest, neither the Issuer nor the Administrator shall take account of the transfer of any Notes effectuated on or after the calendar day on which the Ex-Coupon Date in respect of such payment falls.

7.3.2 Principal

Unless otherwise stipulated in these Terms and Conditions, the principal amount shall be paid to persons, on whose holder's account kept with the Central Depository or in the records of a person managing any register linked to the central register, the Notes are registered at the close of the calendar day (the “**Record Date for Principal Repayment**”) that is 1 (one) month prior to the Early Redemption Date, Final Redemption Date or any other date on which the principal amount of the Notes is to be redeemed in accordance with the Terms and Conditions (each such person, a “**Payee**”). The “**Ex-Principal Date**” shall be the date immediately following the Record Date for Principal Repayment. For the purposes of determining the recipient of the principal amount of the Notes, neither the Issuer nor the Administrator shall take account of the transfer of any Notes effectuated from the day immediately following the Record Date for the Principal Payment until the relevant Payment Date. Unless it is contrary to applicable law, transfers of all Notes may be suspended from the Ex-Principal Date until the relevant Payment Date, and at the request of the Administrator, the Noteholder shall be obligated to provide any assistance necessary to suspend such transfers.

7.4 Payment Terms

The Administrator shall make payments to each Payee by wire transfer to such Payee's account with a bank in the Czech Republic (or in the event that the Payee is acting through an agent and if it is applicable, to bank account of such agent, unless the respective power of attorney delivered to the Administrator stipulates otherwise) according to an instruction that shall be communicated by the Payee to the Administrator at the address of the Specified Office in a verifiable manner no less than 5 (five) Business Days prior to the Payment Date. Such instruction shall be in the form of a written statement (with a notarized signature or signatures or with notarized signature card) in Czech or English language, and contain sufficient details of such account to allow the Administrator to make the payment, and, in the case of a legal entity the Administrator may, at its own discretion, require such instruction to be accompanied by an original or an officially certified copy of an excerpt from the Commercial Register in respect of the Payee and its agent, if applicable, as of the Payment Date not older than 3 (three) months (such instruction, together with the excerpt from the Commercial Register (if applicable), and the other required appendices, if any, is hereinafter also referred to as the "**Instruction**"). The Instruction must be in form and substance reasonably satisfactory to the Administrator, and the Administrator shall be entitled to require that reasonably satisfactory evidence of the authority of the signatory of such Instruction to sign such Instruction on behalf of the Payee be given. Such evidence may also be delivered to the Administrator no less than 5 (five) Business Days prior to the Payment Date. In this respect, the Administrator shall be authorized to require that (i) a power of attorney be delivered in the event that the Payee is acting through an agent or (ii) the instruction from the Payee be subsequently confirmed. Any Payee who claims tax relief in accordance with any applicable double taxation treaty (to which the Netherlands is a party) shall deliver to the Administrator a certificate of such Payee's tax domicile and such other documents as the Administrator and the applicable tax authorities may request, together with the Instruction as an integral part thereof. Notwithstanding such rights, neither the Administrator nor the Issuer shall verify the authenticity or completeness of such Instructions, or be liable for any damage incurred in connection with any delay in the delivery of such Instruction by any Payee, or with the delivery of an incorrect or otherwise defective Instruction.

The Administrator may, at its own discretion, require any originals of foreign official instruments or any instrument notarized abroad to be super-authenticated or certificated by the Hague Convention apostille (whichever is relevant).

All documents written in other than in Czech or English language must be accompanied by an official Czech or English language translation unless the Administrator confirms in writing that it is willing to accept the document in any other language. An Instruction shall be deemed to be proper if it contains all the items required by Section 7.4, is communicated to the Administrator in accordance with this Section 7.4 and meets the requirement of Section 7.4 in all other respects.

The obligation to make a payment under a Note shall be deemed discharged in a proper and timely manner if the relevant amount has been remitted to the Payee or its agent, if applicable, in accordance with a proper Instruction under this Section 7.4 and if, on or before the Payment Date of such amount is credited to the Payee's account or to its agent's bank account, if applicable, with the clearing centre of the Czech National Bank, in case that the payment is in Czech crown or any other lawful currency of the Czech Republic that might replace the Czech crown (provided that settlement is made through the clearing centre of the Czech National Bank). In the event that the settlement of payments in Czech crown (or any other lawful currency of the Czech Republic that might replace the Czech crown) is not made through the clearing centre of the Czech National Bank, the obligation to make a payment under a Note shall be deemed discharged in a proper and timely manner if the relevant amount has been remitted to the Payee (or its agent, if applicable) in accordance with a proper Instruction under this Section 7.4 and if such amount is debited from the Administrator's account on or before the Payment Date for the amount. If any Payee has failed to deliver a proper Instruction to the Administrator in accordance with this Section 7.4, then the obligation to make a payment under a Note shall be deemed discharged in a proper and timely manner with respect to the Payee if the relevant amount has been remitted to the Payee or its agent, if applicable, in accordance with a proper Instruction pursuant to this Section 7.4 and credited to the Payee's bank

account or to its agent's bank account, if applicable, with the clearing centre of the Czech National Bank, or, as the case may be, debited from the Administrator's account, if the settlement of payments is not made through the clearing centre of the Czech National Bank, no later than 14 (fourteen) Business Days following the day on which the Administrator received the proper Instruction, in which case, such Payee shall have no right to receive any interest or additional payment on account of the delay.

Neither the Issuer nor the Administrator shall be liable for any delay in the payment of any amount owed caused by (i) the failure of the Payee to deliver the proper Instruction or any other documents or information required to be delivered by it in time, under Section 7.4, (ii) such Instruction, document, or information being incomplete, inaccurate or untrue, or (iii) circumstances beyond the control of the Issuer or the Administrator; and no Payee shall be entitled in any such event to receive any additional payment, interest, or other yield for any such delay in the relevant payment.

7.5 Change in the Method and Place of Payment

The Issuer together with the Administrator shall be entitled to elect to change the method and place of payment unless such change results in prejudice to the Noteholders. In addition to publication of this information in accordance with the relevant provisions of applicable legislation, notice of such election shall be given to the Noteholders in accordance with Article 13 of these Terms and Conditions.

8. Taxation

The repayment of the principal amount and interest accrued on the Notes may be subject to withholding of tax at the rate of 15% (Czech Act No. 586/1992 Coll., on Income Taxes, as amended ("ITA"), Section 36(1)(b)(1) and 36(2)(a)) or to withholding of tax securing (ITA, Section 38e(1) and 38e(2)). Please see section "Taxation in the Czech Republic and the Netherlands" for details. If such withholding is required by the ITA at the time of such payment, the Issuer shall not be obligated to pay to the Noteholders any additional amounts as compensation for such withholdings, unless otherwise provided herein.

9. Early Redemption of the Notes upon the Occurrence of Events of Default

9.1 Events of Default

If any of the following events occur and are continuing (each an "**Event of Default**"):

(a) *Breach of Payment Obligations*

any payment in respect of the Notes is not paid more than 10 (ten) Business Days after the due date for the payment thereof; or

(b) *Breach of Obligations*

the Issuer defaults in the performance or observance of any of its material obligations (other than its payment obligations specified above in letter (a) of this Article 9.1) as set forth in these Terms and Conditions, and such default remains unremedied for more than 30 (thirty) days after a written notice thereof given to the Issuer by the holder of any Note (not repaid or purchased or cancelled as of such date) by a letter delivered to the Issuer or the Administrator to the Specified Office; or

(c) *Cross-Default*

any Liabilities of the Issuer are not paid by the Issuer as and when due or within any additional grace period agreed with the creditor, and no other arrangement is made with the creditor regarding the due and payable date of such Liabilities, or (ii) any such Liabilities are declared to be due and payable prior to the original due date for the payment thereof other than by the election of the Issuer. The default

pursuant to this paragraph (c) shall not occur if the aggregate amount of the Liabilities is lower than EUR 50,000,000 (fifty million Euro) (or its equivalent in other currency or currencies). Further, a default pursuant to this paragraph (c) shall not occur if the Issuer contends, in good faith in the statutory manner, the non-existence of an obligation to make payment in terms of the amount and title, and makes payment within the term stipulated by a final and non-appealable decision of the respective court or other body which rules that the Issuer is obligated to pay.

“**Liabilities**” shall be deemed to mean, for the purposes of this section, any obligation(s) of the Issuer to make payment under (i) bank and other loans and credits and any interest and fees thereon, (ii) any other form of debt financing, (iii) swap agreements, term currency and interest transactions and other derivatives, and (iv) any guarantees provided by the Issuer.

(d) *Insolvency, etc.*

any of the following events shall occur and continue for over 30 (thirty) Business Days: (i) the Issuer becomes insolvent, generally suspends payments under its obligations, or is unable to pay its debts as they fall due, (ii) an insolvency trustee or liquidator of the Issuer or of the whole or any part of the undertaking, assets and revenues of the Issuer is appointed, (iii) the Issuer files an insolvency petition or files a motion for a moratorium, (iv) the Issuer is declared insolvent by any court or pending insolvency is declared by any court, or (v) an insolvency petition in relation to the Issuer is rejected by any court on the grounds of the insufficiency of assets to pay the costs of the insolvency proceeding; or (vi) a respective court renders a final and non-appealable decision or adopts a valid resolution on dissolution of the Issuer with liquidation; or

(e) *Analogous Event*

any event occurs which, under the law of the Netherlands, has an effect analogous to any of the events referred to in indent (d) above; or

(f) *Cancellation of Listing*

the Notes cease to be listed securities; or

(g) *Merger, etc.*

the Issuer consolidates with, merges with or into, or de-merges from any legal entity that will not expressly assume (in a legally valid and enforceable manner) all of the obligations of the Issuer under the Notes, unless (i) such assumption of all obligations of the Issuer under the Notes occurs per the operation of law (as to which effect of such consolidation or merger there is no reasonable doubt), or unless (ii) the Meeting approves in advance such a consolidation, merger or de-merger

then:

any Noteholder may, at his discretion, request by written notice to the Issuer, delivered to the Specified Office of the Administrator (the “**Early Redemption Notice**”), an early redemption of all the Notes held by such Noteholder, and the payment of the principal amount of all the Notes and unpaid interest accrued on the Notes, pursuant to Article 5 of these Terms and Conditions, as of the Early Redemption Date, unless the Notes become due and payable at an earlier date pursuant to mandatory provisions of the law (in such case, the respective mandatory provisions of the law shall apply) and the Issuer shall be obliged to redeem the Notes (including accrued and unpaid interest) pursuant to Article 9.2 of these Terms and Conditions.

9.2 Maturity of Accelerated Notes

All amounts payable by the Issuer to any Noteholder, who delivered the Early Redemption Notice, pursuant to the last paragraph of Section 9.1 of these Terms and Conditions shall become due and payable as of the last Business Day of the month following the month in which the Noteholder delivered to the Specified Office of the

Administrator the relevant Early Redemption Notice (such date, in addition to any other dates so named in these Terms and Conditions, is referred to as the “**Early Redemption Date**”).

9.3 Withdrawal of an Early Redemption Notice

Any Early Redemption Notice may be withdrawn by the Noteholder, but only with respect to the Notes held by such Noteholder, and provided that such withdrawal was addressed to the Issuer and delivered to the Administrator’s Specified Office before the relevant amount became due and payable pursuant to the preceding Section 9.2 of these Terms and Conditions. However, any such withdrawal of an Early Redemption Notice shall have no effect on Early Redemption Notices given by other Noteholders.

9.4 Other Conditions for Early Redemption of the Notes

The provisions of Article 6 and Article 7 of these Terms and Conditions shall be applied, as appropriate, to the early redemption of the Notes pursuant to this Article 9.

10. Statute of Limitations

Any claim arising under the Notes shall be statute-barred and become unenforceable unless made within 10 (ten) years from the date on which such claim first becomes due.

11. Administrator, Listing Agent and Calculation Agent

11.1 Administrator

11.1.1 Administrator and the Specified Office

Unless there is a change pursuant to Section 11.1.2 of these Terms and Conditions, PPF banka shall be the Administrator, and the Administrator’s specified office and place of payment (the “**Specified Office**”) shall be at the following address:

PPF banka a.s.
Evropská 2690/17
160 41 Prague 6
Czech Republic

or any other address determined by the Issuer as the Specified Office and announced to the Noteholders in the manner described in Article 13. of these Terms and Conditions. Any such change shall become effective within 3 (three) calendar days following such announcement unless a later date is specified in such announcement. In any event, any such change that would otherwise become effective less than 5 (five) calendar days before or after the Payment Date for any amount payable under the Notes shall become effective on the 5th (fifth) day following such Payment Date.

11.1.2 Additional or Other Administrator and Specified Office

The Issuer reserves the right to appoint an additional or other Administrator at any time, and to designate an additional or other Specified Office of the Administrator. The Issuer shall give notice of any such change to the Noteholders in the manner described in Article 13. of these Terms and Conditions, and any such change shall become effective within 15 (fifteen) calendar days following such notice unless a later date is specified in such notice. In any event, any such change that would otherwise become effective less than 30 (thirty) calendar days before or after the Payment Date for any amount payable under the Notes shall become effective on the 30th (thirtieth) day following such Payment Date.

Any change anticipated by Sections 11.1.1 and 11.1.2 shall be without material prejudice to the Noteholders.

11.1.3 Relationship between the Administrator and the Noteholders

The Administrator shall act as an agent of the Issuer when performing the duties under the Agreement with the Administrator.

11.2 Listing Agent

11.2.1 Listing Agent

Unless there is a change pursuant to Section 11.2.2 of these Terms and Conditions, PPF banka shall be the Listing Agent.

11.2.2 Additional and Other Listing Agent

The Issuer reserves the right to appoint another Listing Agent at any time. However, any change shall be without material prejudice to the Noteholders.

11.2.3 Relationship between the Listing Agent and the Noteholders

The Listing Agent shall act as an agent of the Issuer when performing its duties of the Listing Agent.

11.3 Calculation Agent

11.3.1 Calculation Agent

Unless there is a change pursuant to Section 11.3.2 of these Terms and Conditions, PPF banka shall be the Calculation Agent.

11.3.2 Additional and Other Calculation Agent

The Issuer reserves the right to appoint an additional or another Calculation Agent at any time provided that the Administrator and the Calculation Agent shall be one and the same person. However, any such change shall be without material prejudice to the Noteholders.

11.3.3 Relationship between the Calculation Agent and the Noteholders

The Calculation Agent shall act as an agent of the Issuer when performing its duties of the Calculation Agent.

12. Amendments and Waivers

The Issuer and the Administrator may agree, without the consent of the Noteholders, upon (i) any amendment to any of the provisions of the Agreement with the Administrator if such amendment is exclusively of a formal, secondary or technical nature, or is made to correct a manifest error, or is required by applicable law, and (ii) any other amendment or waiver of any breach of any of the terms of the Agreement with the Administrator which, in the reasonable opinion of the Issuer and the Administrator, shall be without prejudice to the Noteholders.

13. Notices

Any notice to the Noteholders regarding the Meeting (as this term is defined in Article 14. of these Terms and Conditions) shall be valid if published in Czech and English on the official web page of the Issuer www.homecredit.eu. Also other notices to the Noteholders pursuant to these Terms and Conditions shall be valid if published in English on the official web page of the Issuer www.homecredit.eu. If the mandatory provisions of

law determine any other method for publishing any of the notices given under these Terms and Conditions, such notices shall be deemed to be validly published upon their publication in accordance with such provisions of law. If any notice is published in several manners, such notice shall be deemed to have been given on the date of its first publication.

Any notice to the Issuer pursuant to these Terms and Conditions shall be deemed duly given if delivered to:

Home Credit B.V.
Strawinskylaan 933
Tow. B Lev. 9
1077XX Amsterdam
The Netherlands
Att.: Mr. Alexander Labak

or to such other address as may be notified to Noteholders in the manner set out in the preceding paragraph of this Article 13.

14. Noteholder Meetings

14.1 Authority and Convocation of the Meeting

14.1.1 Right to Convene a Meeting

The Issuer or any Noteholder or Noteholders may convene a meeting of the holders of the Notes (“**Meeting**”), in accordance with these Terms and Conditions, if so required to decide on common interests of the Noteholders. The cost of organizing and convening a Meeting shall be borne by the person convening the Meeting, unless relevant laws stipulate otherwise. The person convening a Meeting, if such person is a Noteholder or Noteholders, shall, no later than the day on which notice of the Meeting is published (see Section 14.1.3 of these Terms and Conditions), (i) deliver to the Administrator (or further to the Issuer, if the Meeting is convened by a Noteholder or Noteholders) a request for procuring evidence of the number of all Notes entitling the holder(s) to attend the Meeting convened by the Issuer or a Noteholder or Noteholders, i.e., an extract from the relevant register of the Note issue, and (ii) where relevant, pay to the Administrator an advance for the costs associated with its services in relation to the Meeting. The due and timely delivery of the request pursuant to item (i) above and the payment of the advance for the costs pursuant to item (ii) above are the prerequisites to the valid convening of a Meeting. If a Meeting is convened by a Noteholder or Noteholders, the Issuer shall be obligated to provide the Noteholder(s) such assistance as may be required.

14.1.2 Meeting Convened by the Issuer

The Issuer shall be obligated to convene a Meeting in the cases set out in this Section 14.1.2. and in such other cases as determined by the applicable mandatory binding laws and regulations when there is:

- (a) a proposed change or changes to these Terms and Conditions, except where the applicable laws and regulations stipulate that no consent of the Noteholders to such a change is required;
- (b) a proposal for a transformation of the Issuer (pursuant to the applicable provisions of the relevant Dutch law);
- (c) a proposal for entering into a controlling agreement or a profit transfer agreement (pursuant to the applicable provisions of the relevant Dutch law) irrespective of which party the Issuer is;
- (d) a proposal for entering into an agreement on the sale of all or any part of a business or an agreement of the lease of all of any part of business (pursuant to the applicable provisions of the relevant Dutch law),

irrespective of which party the Issuer is, if the due and timely repayment of the obligations under the Notes may be jeopardized;

- (e) the Issuer's default in the satisfaction of the rights attached to the Notes for more than 7 (seven) days following the day on which the right could be exercised;
- (f) a proposal for the filing of an application for withdrawal of the Notes from trading on the regulated market (delisting); or
- (g) any other changes that might significantly impair the Issuer's ability to discharge its obligations under the Notes,

(the situations specified in (a) through (g) above shall be referred to as "**Material Change**").

14.1.3 Notice of Noteholders Meeting

The person convening a Meeting shall be obligated to give notice of the Meeting pursuant to Article 13. of these Terms and Conditions no later than 15 (fifteen) calendar days prior to the holding of the Meeting. If a Meeting is convened by a Noteholder or Noteholders, such Noteholder(s) shall deliver a notice of the Meeting within the same time limit also to the Issuer at the address of the Specified Office. The notice of the Meeting must contain at least (i) the business name, Identification No. and the registered office of the Issuer, (ii) the designation of the Notes, to the extent of the title of the Notes as a minimum, the Issue Date, and the ISIN, (iii) the venue, date, and hour of the Meeting, with the venue being solely a place in Prague, the date being a Business Day, and the hour being not earlier than 11:00 a.m., (iv) the agenda of the Meeting, including full proposals for a resolution relating to individual items of the agenda, and (v) the day that is the Record Date for the Attendance at the Meeting (as defined below). The Meeting shall only be authorized to decide on proposed resolutions contained in the notice of the Meeting; decision-making on any proposed resolutions not contained in the agenda of the Meeting set forth in the notice of the Meeting is admissible only if all Noteholders entitled to vote at the Meeting, as determined below in Section 14.2 of these Terms and Conditions are present and agree to such proposal.

14.2 Persons Entitled to Attend and Vote at a Meeting

14.2.1 Entry Notes

To be entitled to attend and vote at a Meeting, a person shall be a Noteholder recorded as a Noteholder in the register kept by the Central Depository at the close of the day that is 3 (three) Business Days prior to the date of the relevant Meeting (the "**Record Date for the Attendance at the Meeting**") or any person who produces a certificate of the person on whose account the relevant number of Notes was recorded in the register of the Central Depository on the Record Date for the Attendance at the Meeting certifying that such person is the holder of the Notes and that such Notes are registered in the account of the first person on account of their administration by such person. The certificate pursuant to the preceding sentence must be in form and substance satisfactory to the Administrator. No transfers of the Notes made after the Record Date for the Attendance at the Meeting shall be taken into account.

14.2.2 Voting Rights

Each Noteholder entitled to attend a Meeting shall have such number of votes of the total number of votes as corresponds to the ratio of the principal amount of the Notes held by such Noteholder to the aggregate principal amount of the issued and outstanding Notes. No voting right shall be attached to any Notes held by the Issuer that were not redeemed early by the Issuer within the meaning of Section 6.5 of these Terms and Conditions, and no such Notes shall be counted in determining the presence of a quorum at the Meeting. When the Meeting decides on recalling a Common Proxy, the Common Proxy (if entitled to attend and vote at the Meeting) shall not vote.

14.2.3 Attendance at the Meeting by Other Parties

The Issuer shall be obligated to attend the Meeting, either in person or by proxy. Other persons entitled to attend the Meeting are the proxies of the Administrator, the Common Proxy (unless otherwise entitled to attend the Meeting), and any guests invited by the Issuer and/or the Administrator.

14.3 Proceedings of a Meeting; Action by the Meeting

14.3.1 Quorum

A Meeting shall constitute a quorum if attended by a Noteholder or Noteholders entitled to vote at the Meeting and holding Notes, the principal amount of which represents more than 30% (thirty per cent) of the aggregate principal amount of the issued and outstanding Notes. Before the opening of the Meeting, the Issuer, either alone or through the Administrator, shall provide information on the number of Notes whose holders are entitled to attend and vote at the Meeting in accordance with these Terms and Conditions.

14.3.2 Chairman of the Meeting

A Meeting convened by the Issuer shall be chaired by a chairman appointed by the Issuer. A Meeting convened by a Noteholder or Noteholders shall be chaired by the chairman elected by a majority of the attending holders of Notes entitled to vote at the Meeting. Until the chairman is elected, the Meeting shall be chaired by a person appointed by the person who convened the Meeting. The election of the chairman must be the first item on the agenda of any Meeting not convened by the Issuer.

14.3.3 Common Proxy

The Meeting may elect, by resolution, an individual or legal entity to be a common proxy and entrust the common proxy with the performance of the functions pursuant to Section 24 (1) of the Notes Act (hereinafter the “**Common Proxy**”). The Meeting may recall the Common Proxy in the same way in which the Common Proxy was elected.

14.3.4 Action by the Meeting

The Meeting shall decide on the matters submitted in the form of a resolution. Any resolution that (i) approves a proposal pursuant to Section 14.1.2 (a) of these Terms and Conditions, or (ii) appoints or recalls a Common Proxy shall require the affirmative vote of at least $\frac{3}{4}$ (three-quarters) of the votes of the Noteholders present. Unless expressly provided otherwise in these Terms and Conditions, any other resolutions shall be adopted upon receiving the affirmative vote of a majority of the Noteholders in attendance who hold Notes carrying the right to vote pursuant to Section 14.2 of these Terms and Conditions.

14.3.5 Adjournment of a Meeting

If within one hour from the time appointed for the Meeting a quorum is not present, then (i) if the Meeting was convened at the request of a Noteholder or the Noteholders, such Meeting shall be automatically dissolved, and (ii) if the Meeting was convened by the Issuer, it shall be adjourned for such time and to such place as determined by the chairman of the Meeting. The provision applicable to the holding of a regular Meeting shall apply, mutatis mutandis, to the holding of an adjourned Meeting.

14.4 Certain Additional Rights of the Noteholders

14.4.1 Consequences of Voting Against Certain Resolutions of a Meeting

If a Meeting consented to a Material Change, a Noteholder who was authorized to attend and vote at the Meeting pursuant to Section 14.2 of these Terms and Conditions, and according to the minutes of the Meeting, voted against a resolution adopted by the Meeting or failed to attend the Meeting (also referred to as the “**Applicant**”)

may, within 30 (thirty) days of the publication of the resolution of the Meeting, request the repayment of the relevant principal amount of the Notes including the relevant yield on the Notes the Noteholder as of the Record Date for the Attendance at the Meeting and not disposed of by the Noteholder thereafter. Such right must be exercised by the Noteholder within 30 (thirty) days of the publication of the resolution of the Meeting in accordance with Section 14.5 of these Terms and Conditions by written notice in Czech or English language (also referred to herein as the “**Application**”) intended for the Issuer and delivered to the Specified Office of the Administrator, failing which, the right shall terminate. The amounts referred to above shall become due and payable within 30 (thirty) days following the delivery of the Application to the Administrator (such date, in addition to any other dates so named in these Terms and Conditions, is referred to as the “**Early Redemption Date**”).

If any Material Change is discussed at a Meeting, a notarial deed must be made of the attendance at and the decisions taken by the Meeting. If the Meeting consented to such a Material Change, the notarial deed shall also contain the names of the Noteholders who consented to such a Material Change and the number of Notes held by each of such Noteholders as of the Record Date for the Attendance at the Meeting pursuant to Section 14.2.1 of these Terms and Conditions.

14.4.2 Resolution on Early Redemption of the Notes

If the Meeting does not consent to a Material Change as stipulated in Section 14.1.2 (b) through (g) of these Terms and Conditions, the Meeting is entitled to decide that if the Issuer proceeds in violation of the resolution passed by the Meeting regarding such Material Change, the Issuer will be obligated to repay the relevant principal amount of the Notes including the relevant yield on the Notes in accordance with these Terms and Conditions as of the Early Redemption Date to any Noteholder who requests such early repayment and only with respect to the Notes owned by such Noteholder (also referred to as the “**Applicant**”). The Issuer is obligated to pay to the Applicant the amounts due to the Applicant pursuant to the above in the manner and at the place stipulated by these Terms and Conditions for repayment of the Notes and within 30 (thirty) days following the delivery of a written notice (also referred to herein as the “**Application**”) to the Administrator (such date, in addition to any other dates so named in these Terms and Conditions, is referred to as the “**Early Redemption Date**”).

14.4.3 Requirements as to the Application

The Application shall specify the number of Notes covered by such Application. The Application must be in writing and be signed by the persons authorized to act on behalf of the Applicant, the authenticity of such signatures to be officially verified. Within the same time limit, the Applicant must deliver to the Specified Office of the Administrator all the documents required for the payment pursuant to Article 7 of these Terms and Conditions.

14.5 Minutes of Noteholders Meeting

Minutes of the business transacted at a Meeting shall be taken by the person who convened the Meeting or by a person authorized by such person within 30 (thirty) days of the holding of the Meeting. The minutes shall contain the conclusions of the Meeting, including, without limitation, any resolution adopted by such Meeting. If the Meeting was convened by a Noteholder or Noteholders, the minutes of the Meeting must also be delivered to the Specified Office of the Issuer within 30 (thirty) days of the holding of the Meeting. The Issuer shall, within 30 (thirty) days of the holding of the Meeting, publish all decisions taken by the Meeting in the same manner in which the Issuer published these Terms and Conditions. The Issuer shall keep the minutes of the Meeting until the rights under the Notes have become void. The minutes of any Meeting shall be available for inspection by the Noteholders at the Specified Office during regular office hours. The provision of Section 14.4.1 of these Terms and Conditions regarding the execution of notarial deeds shall not be affected thereby.

15. Governing Law, Language, Disputes

The Notes are issued under the applicable and effective laws of the Czech Republic, including, without limitation, the Capital Markets Act and the Notes Act. Any rights and obligations under the Notes shall be governed by, and interpreted and construed in accordance with, the laws of the Czech Republic. These Terms and Conditions may be translated into Czech and/or other languages. In the event of any inconsistencies between the various language versions, the English language version shall prevail. Any dispute between the Issuer and the Noteholders arising out of or in connection with the Notes or these Terms and Conditions shall be resolved by the Municipal Court in Prague.

7. INFORMATION ABOUT THE ISSUER

7.1. History and Development of the Issuer

The Issuer was incorporated under Dutch law on 28 December 1999. It was registered with the trade register maintained by the Chamber of Commerce and Industries in Amsterdam, the Netherlands (*Kamer van Koophandel Amsterdam*) on 10 January 2000.

The Issuer was incorporated as a private company with limited liability established under the laws of the Netherlands (*besloten vennootschap met beperkte aansprakelijkheid*), the main subject of its activities are to manage, to finance and to participate in other companies.

The Issuer is a holding company of the Home Credit Group, which is made up of companies active on the consumer finance markets in the Czech Republic, Slovak Republic, Russian Federation and Belarus. The key business entities forming this group are: Home Credit a. s., Home Credit Slovakia, a. s., Home Credit & Finance Bank LLC, OJSC Home Credit Bank and Home Credit International a.s.

The Issuer gained its ownership interest in its subsidiaries gradually:

In 2003, the Issuer was the owner of only one company from the group, namely the company Home Credit International a.s.

In November 2004, the Issuer became the owner of 100% shares of the company Home Credit Slovakia, a.s.

In 2005, the company Home Credit Kazakhstan JSC was established. Share in the amount of 90% in this company belonged to the Issuer. The remaining 10% was owned by the company Home Credit International a.s.

In December 2005, Česká pojišťovna a. s. assigned its interest in the company Home Credit a. s. (i.e. 100% shares of this company) to the Issuer.

In 2005, the Issuer acquired also a 99.99% interest in the company Home Credit & Finance Bank.

In January 2006, the company Home Credit International a.s. sold its interest in the amount of 10% in the company Home Credit Kazakhstan JSC to the Issuer and thus the process of the group restructuring was completed and the Issuer acquired 100% ownership (except for Home Credit & Finance Bank) in all above-mentioned companies of the Home Credit Group that are engaged in the providing of consumer loans.

In October 2006 the Issuer completed acquisition LLC HOME CREDIT FINANCE (formerly PrivatKredit) which is one of the Ukraine's leading non-banking financial institutions.

In December 2006, the Issuer completed acquisition of PJSC HOME CREDIT BANK (formerly Bank AGROBANK) which is a universal bank seated in Dnipropetrovsk (Ukraine) and providing services to retail and corporate clients.

In January 2007, the Issuer also acquired a 95.94% share in OJCS Home Credit Bank (formerly OJSC Lorobank) which was a small financial institution in Belarus. Share in the amount of 4.06% in OJCS Home Credit Bank was acquired by Home Credit a.s. In February 2007, the Issuer acquired from Home Credit a. s. a share in the amount of 2.02% in OJCS Home Credit Bank which increased its total shareholding to 97.96%. Subsequently, the Issuer increased the share capital of OJCS Home Credit Bank through the issues of new shares increasing its total shareholding to 99.59%. The remaining 0.41% share in OJCS Home Credit Bank is owned by Home Credit International a.s.

In November 2007, the Issuer acquired 99.61% share in PCJSB "Privatinvest" in Ukraine. In February 2009 the Issuer increased the share capital of PCJSB "Privatinvest" by 22,000,000 UAH through the additional issue of shares which brought its total shareholding at 99.84%

In April 2008, the Issuer acquired a 9.99 % share in International Bank Alma-Ata JSC, a bank operating in the territory of Kazakhstan. In November 2008, International Bank Alma-Ata JSC changed its business name to

“Home Credit Bank JSC”, increased its share capital significantly and introduced a new development and business strategy. The new development and business strategy is represented by close business co-operation of the shareholders of this company, by the transfer of all of the business of Home Credit Kazakhstan JSC (subsidiary of the Issuer at that time) to Home Credit Bank JSC and by the implementation of the business model of the Home Credit Group into Home Credit Bank JSC. As a result of these steps, the Issuer is present in Kazakhstan not only through its minority participation in Home Credit Bank JSC but also through its close business co-operation with the majority shareholder of Home Credit Bank JSC and through the implementation of the Home Credit Group’s business model within Home Credit Bank JSC.

In April 2009, the Home Credit Group decided to liquidate its subsidiary LLC HOME CREDIT FINANCE, registered in Ukraine. The liquidation process was finalized in the second half of 2009.

In July 2009, the Issuer disposed of its participation in PCJSB “Privatinvest” in Ukraine.

In January 2011, the Issuer disposed of its participation in PJSC HOME CREDIT BANK in Ukraine which was acquired by Platinum Bank.

In March 2011, the Home Credit Group acquired 100% participation in Easy Dreams Company Limited (Vietnam).

In August 2011, LLC Home Credit & Finance Bank entered into a call option agreement enabling it to purchase 90.01% stake in Home Credit Bank JSC in Kazakhstan from its current majority shareholder. In May 2012 first steps leading to contemplated consolidation of Home Credit Bank JSC in Kazakhstan under Home Credit & Finance Bank (Russia) were initiated, however further progress and completion of the transaction is dependent on development of Kazakh regulatory environment concerning bank holdings which in its current state makes the feasibility of the whole transaction questionable.

During 2011, the Issuer disposed of its participations in the following subsidiaries (through a sale or liquidation), none of which were operating entities: Donmera LLC (Cyprus), HC Kazakh Holdings B.V. (the Netherlands), Home Credit Kazakhstan JSC (Kazakhstan), Infobos LLC (Russian Federation) and Liko – Technopolis LLC (Russian Federation).

PPF Group N.V. is currently considering a consolidation of all consumer finance related businesses under its control within the Home Credit Group. Should this consolidation happen, PPF Group N.V. shall sell to the Issuer its entire shareholding interests in Home Credit Consumer Finance Co. Ltd (China), CF Commercial Consulting (Beijing) Limited, PPF Vietnam Finance Company Ltd. (Vietnam) and HC Asia N.V. (the Netherlands), i.e. the entities engaged in holding (HC Asia N.V.) and operating existing and/or emerging Home Credit consumer finance business in China, Vietnam, India and Indonesia. Such acquisition shall be financed through equity contribution into the Issuer to be made by PPF Group N.V. and all these transactions shall be carried out at fair market value.

7.2. Basic Data on the Issuer

<i>Commercial Name:</i>	Home Credit B.V.
<i>Place of Registration:</i>	The Netherlands, Chamber of Commerce and Industries in Amsterdam, the Netherlands (<i>Kamer van Koophandel Amsterdam</i>)
<i>Registration No.:</i>	34126597
<i>Date of Incorporation:</i>	28 December 1999
<i>Length of Life:</i>	Incorporated for an indefinite period of time

<i>Registered Office:</i>	Strawinskylaan 933 Tow. B Lev. 9, 1077XX, Amsterdam, the Netherlands
<i>Legal Form:</i>	Besloten Vennootschap / a private company with limited liability
<i>Governing Law:</i>	Laws of the Netherlands
<i>Country of Incorporation:</i>	The Netherlands
<i>Registered Capital:</i>	Authorized Capital: EUR 712,500,000 Issued Capital: EUR 659,019,639.42 Paid up Capital: EUR 659,019,639.42 The authorized capital is divided into 1,250,000,000 shares of EUR 0.57 each.
<i>Contact Address:</i>	Home Credit B.V. Attn.: Messrs. Alexander Labak or Sonia Slavtcheva or Mel Carvill Strawinskylaan 933 Tow. B Lev. 9 1077 XX Amsterdam The Netherlands Tel: +31 (0)20 88 13 120 Fax : +31 (0)20 88 13 121 Email: sonia.slavtcheva@homecredit.eu
<i>Contact Address in the CR:</i>	Home Credit International, a.s. Attn.: Mr. Frantisek Kalivoda Evropská 2690/17 160 41 Prague 6 The Czech Republic Tel: +420 224 174 705 Fax: +420 224 174 612 Email: frantisek.kalivoda@homecredit.eu

7.3. Solvency of the Issuer

On the date of this Prospectus the authorized share capital of the Issuer comprised 1,250,000,000 ordinary registered shares having a par value of EUR 0.57 each, of which 1,156,174,806 shares were issued and fully paid. All issued shares have equal voting rights.

On the date of this Prospectus all 1,156,174,806 issued shares in the share capital of the Issuer were held by PPF Group N.V., a limited liability company incorporated under the laws of the Netherlands, with its registered office in Amsterdam, the Netherlands, and address at Amsterdam, Strawinskylaan 933, Tower B, 1077 XX, the Netherlands, registered in the Dutch Commercial Register under number 33264887.

For accurate valuation of the solvency of the Issuer it is necessary for potential investors to consider any and all obligations of the Issuer arising from the outstanding credits and debt securities. The ability of the Issuer to meet its obligations arising from the issued Notes may be influenced above all by the following facts:

(a) *Notes Issued by the Issuer*

The Issuer is the issuer of the floating rate notes due in 2012 in the aggregate principal amount of CZK 2,500,000,000 (two billion five hundred million Czech crowns) admitted to trading on the free market of the PSE, ISIN CZ0000000237. The maturity date of these notes falls on 22 June 2012.

The Issuer is the issuer of the zero coupon notes due in 2015 in the aggregate principal amount of CZK 2,900,000,000 (two billion nine hundred million Czech crowns) admitted to trading on the free market of the PSE, ISIN CZ0000000245. The maturity date of these notes falls on 22 September 2015.

(b) *Guarantees provided by the Issuer*

The Issuer has provided a guarantee for a loan and a related FX swap arrangement provided by ING Bank N. V. to Home Credit Bank JSC (Kazakhstan). The loan is in the amount of EUR 15,000,000. The maturity date of the loan shall be on or about 12 June 2013 if the deal is not prolonged.

(c) *Loans Provided by the Issuer*

On 26 October 2007, a subordinated loan agreement was entered into between the Issuer and OJSC Home Credit Bank (Belarus) on the basis of which the Issuer provided OJSC Home Credit Bank with a loan in the amount of EUR 400,000. The maturity date of the provided loan is 30 October 2013.

On 29 June 2009, a subordinated loan agreement was entered into between the Issuer and Home Credit Bank JSC on the basis of which the Issuer provided Home Credit Bank JSC with a loan in the amount of KZT 140,000,000 from the facility up to the amount of KZT 1,700,000,000. The maturity date of the provided loan is 30 July 2014.

On 11 August 2009, a loan agreement was entered into between the Issuer and PPF Group N.V. on the basis of which the Issuer provided the facility up to the amount of CZK 1,500,000,000. As at the date of the Prospectus, the outstanding amount of the provided credit amounts to CZK 1,358,000,000. The maturity date of the provided loan is 31 December 2014.

On 12 October 2009, a subordinated loan agreement was entered into between the Issuer and OJSC Home Credit Bank (Belarus) on the basis of which the Issuer provided OJSC Home Credit Bank (Belarus) with a loan in the amount of EUR 6,700,000 from the facility up to the amount of EUR 6,700,000. The maturity date of the provided loan is 20 October 2014.

On 20 December 2010, a subordinated loan agreement was entered into between the Issuer and Home Credit Bank JSC (Kazakhstan) on the basis of which the Issuer provided Home Credit Bank JSC with a loan in the amount of KZT 500,000,000 from the facility up to the amount of KZT 500,000,000. The maturity date of the provided loan is 20 June 2018.

On 7 February 2011, a loan agreement was entered into between the Issuer and PPF Group N.V. on the basis of which the Issuer provided the facility up to the amount of EUR 400,000,000. As at the date of the Prospectus, the outstanding amount of the provided credit amounts to EUR 2,402,000. The maturity date of the provided loan is 30 June 2012.

On 10 May 2010, a subordinated loan agreement was entered into between the Issuer and Home Credit Slovakia, a. s. on the basis of which the Issuer provided Home Credit Slovakia, a. s. with a loan in the amount of EUR 17,694,000. The maturity date of the provided loan is 12 May 2013.

On 8 August 2011, a subordinated loan agreement was entered into between the Issuer and OJSC Home Credit Bank (Belarus) on the basis of which the Issuer provided OJSC Home Credit Bank (Belarus) with a loan in the amount of EUR 2,000,000 from the facility up to the amount of EUR 2,000,000. The maturity date of the provided loan is 8 August 2016.

On 9 December 2011, a subordinated loan agreement was entered into between the Issuer and OJSC Home Credit Bank (Belarus) on the basis of which the Issuer provided OJSC Home Credit Bank (Belarus)

with a loan in the amount of EUR 1,500,000 from the facility up to the amount of EUR 1,500,000. The maturity date of the provided loan is 9 December 2016.

8. THE MAJOR SHAREHOLDERS AND ORGANISATIONAL STRUCTURE

8.1. Organisational Structure

The Issuer is a key holding company of the Home Credit Group, companies operating on the consumer finance markets in the Czech Republic, Slovak Republic, Russian Federation and Belarus.

The business of the Home Credit Group is described in Chapter 10 below. The particular companies belonging to the Home Credit Group which the Issuer considers as the most important for the Home Credit Group are also described in Chapter 10 of this Prospectus.

The Issuer belongs to the PPF Group which is an international financial group. The PPF Group has interests in various business sectors including banking, insurance, consumer electronics, real-estate, energy and mining and provides complex asset management services. The key holding company of the PPF Group, at the level of which strategic decisions are adopted concerning the activity of the whole group as a whole, is PPF Group N.V. A more detailed description of the PPF Group is contained in Chapter 10 and Chapter 11 of this Prospectus.

PPF Group N.V. is currently considering a consolidation of all consumer finance related businesses under its control within the Home Credit Group. Should this consolidation happen, PPF Group N.V. shall sell to the Issuer its entire shareholding interests in Home Credit Consumer Finance Co. Ltd (China), CF Commercial Consulting (Beijing) Limited, PPF Vietnam Finance Company Ltd. (Vietnam) and HC Asia N.V. (the Netherlands), i.e. the entities engaged in holding (HC Asia N.V.) and operating existing and/or emerging Home Credit consumer finance business in China, Vietnam, India and Indonesia. Such acquisition shall be financed through equity contribution into the Issuer to be made by PPF Group N.V. and all these transactions shall be carried out at fair market value.

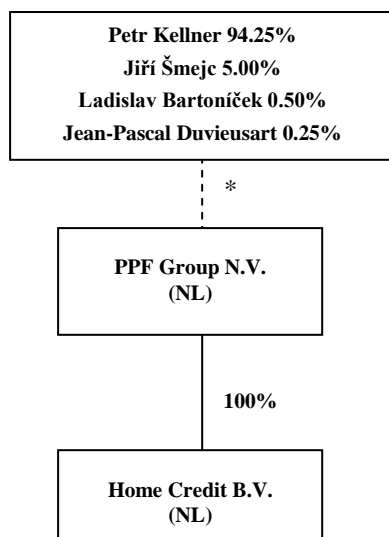
8.2. Shareholders of the Issuer

PPF Group N.V. is the ultimate holding company which covers the entire structure of and which acts as the principal holding company for the entire PPF Group. As at the day of this Prospectus, the ultimate shareholders of PPF Group N.V. are Petr Kellner having both direct and indirect shareholder interest amounting to 94.25%, Jiří Šmejč having indirect shareholder interest amounting to 5%, Ladislav Bartoníček having indirect shareholder interest amounting to 0.50% and Jean-Pascal Duvieusart having indirect shareholder interest amounting to 0.25%.²

The relations of control over the Issuer are based solely on the herein described holding of shareholder interest. The Issuer is not aware of any relations of control over the Issuer established by contract.

The basic shareholder structure of the Issuer valid as at the day of this Prospectus can be seen in the following diagram:

² Please see further below in this section with respect to potential changes in the shareholder structure of PPF Group N.V. and the Issuer.



* Direct and indirect shareholding interest.

The shareholder structure of the Issuer and PPF Group N.V. described above in this section may change in connection with a recently announced arrangement between the shareholders of PPF Group N.V. according to which Mr. Jiří Šmejc will acquire a shareholder interest in (among other) the Issuer and dispose of his shareholder interest in PPF Group N.V.

8.3. Arrangements that May Result in a Change in Control of the Issuer

According to Dutch company law the following legal arrangements in case of (mis)use of shareholders rights, misconducts or deadlocks may lead to a change in control of the Issuer:

Section 2:336 of the Dutch Civil Code (*Burgerlijk Wetboek*) contains provisions that in case that any shareholder does not act in the best interests of the company which conduct prejudiced the interests of the company to such extent that continuation of his shareholding can no longer be reasonably tolerated, individual or joint co-shareholders having a shareholding of at least one third of the total issued share capital of the company may institute proceedings against that shareholder to have the court order that he should transfer all his shares in the company to the plaintiff co-shareholder(s).

Section 2:343 of the Dutch Civil Code opens the possibility for any shareholder whose rights or interests are prejudiced by the conduct of one or more co-shareholders to such an extent that continuation of his shareholding can no longer be reasonably expected from him to institute proceedings in order to have such co-shareholders forced by the court to acquire his shares. The main difference with the provision above is that no misconduct in the quality of shareholder is required that prejudiced the company's interests, but that behaviour in other qualities towards the aggrieved shareholder may be relevant as well.

Pursuant to Section 2:337 of Dutch Civil Code the Issuer may record in its articles of association different provisions for dispute resolution which prevail over the ones in the law. Also contractual arrangements for dispute resolution between shareholders may set the provisions in the law aside. The Issuer is not aware of any contractual arrangements that would lead to a change in control of the Issuer.

On 15 December 2009 the Second Chamber of Dutch Parliament adopted the bill with number 31 058 that purports to amend inter alia the provisions regarding regulation of disputes. Section 2:343 of the Dutch Civil Code is intended to be amended to such extent that any shareholder may also institute proceedings against the company for the (mis)conduct of co-shareholders or the company itself. The new bill will come into effect, upon adoption by the First Chamber of Parliament.

9. BUSINESS OVERVIEW

9.1. Principal Activities of the Issuer

Article 3 of the Issuer's Articles of Association states that the subject of the Issuer's activity is:

- a) to alone or together with other parties - acquire and alienate participations or other interests in legal entities, companies and businesses, to cooperate with these and to manage these;
- b) to obtain, manage, exploit, encumber and alienate property – intellectual property rights included – as well as to invest capital;
- c) to lend funds, in particular - but not exclusively - to subsidiaries, group companies and/or participations of the company – such with due observance of the stipulations of article 9 paragraph 5 of these Articles of Association -, as well as to raise funds as a loan or to make raise funds;
- d) to enter into agreements in which the company binds itself as surety or joint and several debtor, warrants itself or bind itself with or for third parties, in particular – but not exclusively – with respect to the legal entities and companies as mentioned under c);
- e) to, not professionally, do regular payments for pensions or otherwise;

as well as everything pertaining to the foregoing, relating thereto or conductive thereto, all in the widest sense of the word.

In accordance with the records in the register of the Chamber of Commerce and Industries in Amsterdam, the Netherlands (*Kamer van Koophandel Amsterdam*), the subject of the Issuer's activity is the holding activities.

9.2. Business of the Issuer

The contents of the Issuer's activities are the management, financing and participation in other companies. The Issuer controls the companies of the Home Credit Group, i.e. the companies active on the market of consumer financing in the Czech Republic, Slovak Republic, Russian Federation and Belarus.³

The subject of business of the companies controlled by the Issuer is the provision of consumer financing to private individual customers.

The Issuer is the direct shareholder of the companies:

LLC Home Credit & Finance Bank (Russian Federation)	99.99%
Home Credit a. s. (Czech Republic)	100%
Home Credit Slovakia, a. s. (Slovak Republic)	100%
OJSC Home Credit Bank (Belarus)	99.59%
Home Credit International a. s. (Czech Republic)	100%
LLC Inko-Technopolis (Russian Federation)	100%
HOMER SOFTWARE HOUSE LIMITED (Ukraine)	2.73%
REDLIONE LIMITED (Republic of Cyprus)	100%
PPF Home Credit IFN S.A. (Romania)	99.00%
COLLECT-CREDIT LLC (Ukraine)	100%
JSC Home Credit Bank (Kazakhstan)	9.99%

The Issuer is the controlling entity of the companies:

LLC Financial Innovations (Russian Federation)	100%
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³ Please refer to Chapter 8.1 of this Prospectus with respect to contemplated consolidation of all consumer finance related businesses controlled by PPF Group N.V. into the Home Credit Group.

Homer Software House Limited (Ukraine)	97.21%
HC Broker, s.r.o. (Czech Republic)	100%
Easy Dreams Company Limited (Vietnam)	100%

9.3. Home Credit Group

As mentioned above, the Issuer is a holding company of the Home Credit Group which is one of the leading providers of consumer finance on the markets in Central Europe. The Home Credit Group provided new loans in each of the following years totalling approximately in 2009 EUR 1.9 billion, in 2010 EUR 2.8 billion and in 2011 EUR 3.9 billion. Home Credit Group maintains its leading position on the consumer finance market in the Czech Republic (operating on this market since 1997), the Slovak Republic (1999) and the Russian Federation (2002). At the end of 2006 Home Credit entered the Belorussian market.

The Home Credit Group continuously monitors opportunities for the enlargement of its offer of products on the consumer finance markets, and in case they are effective it places such products on the market(s). This business model enables the companies to satisfy the financial needs of their clients flexibly, reliably and without needless administrative barriers.

The Home Credit Group selects for its next expansion markets those that satisfy the following criteria: mid-strong competition, prospects of significant growth in the future, and size that enables significant savings. Home Credit Group has reached a leading position on the markets in which it operates thanks to well planned strategy based on the advantage of early entrance to the market, thoughtful analyses of the situation in each respective country and an easily transferable business model adaptable to local specifics.

On all markets where the companies of the Home Credit Group operate, they support the growth of the local economy and help to introduce the best practice in the area of consumer finance.

The Home Credit Group continuously evaluates opportunities resulting from the changing needs of its clients and the capacity to enlarge the offer of its products on the markets in which the group operates. Additionally, the group is enlarging its geographical presence on markets with low penetration.

9.4. Products of the Home Credit Group

The Home Credit Group specialises in multi-channel consumer finance lending, offering a variety of products, including “in-store” POS loans for purchases of durable goods and cash loans, as well as revolving loans and other types of consumer financing provided in local currency. Historically, the Home Credit Group was primarily a provider of POS loans and later expanded into cash loans, credit cards / revolving loans and other products. Cash loans and credit cards / revolving loans were initially cross-sold to the Group’s existing customers acquired through POS loans. However, with the growth of the Home Credit Group’s branch network and the development of more innovative distribution methods, the Home Credit Group subsequently began to issue cash loans and credit cards / revolving loans to new, as opposed to cross-sell, customers. The Home Credit Group’s product portfolio is different in each country, as market dynamics and customer needs vary from market to market.

The main products offered by the companies of the Home Credit Group (as the case may be by the subsidiaries of the Issuer) are:

(a) *POS Loans*

POS loans are the Home Credit Group’s key product and are offered in all the countries where the Home Credit Group operates. POS loans are offered to finance purchases of consumer goods (electronics, computers, office electronics, furniture, building material, sports equipment and other items) by individuals. POS loans are thus considered special purpose loans. In addition, the Home Credit Group uses POS loans as an efficient tool to acquire customers to whom the Home Credit Group can then cross-sell additional finance products. POS loans are offered through point of sale locations established in retail

stores pursuant to agreements entered into between the Home Credit Group and retailers. The Home Credit Group aims to offer a “one-stop shop” service to customers who visit retail stores to purchase consumer goods. POS loans are provided with minimum documentation from the customer and the Home Credit Group relies on its advanced risk management systems to ensure that POS loans are provided only to persons who meet certain credit criteria.

(b) *Revolving Loans*

A revolving loan is a long term, repeatable and renewable credit line up to a pre-agreed limit. With each purchase (drawdown), the available balance is reduced and with each payment instalment, the available balance is increased. Revolving loans are offered in Russia, the Czech Republic and Slovakia and Belarus, although the amount of revolving loans in Belarus is relatively small. The Home Credit Group’s revolving loans vary country by country and comprise revolving credit and loyalty cards in local currency issued under the “Home Credit” brand and, as part of the Home Credit Group’s agreements with Tesco, under the “Tesco Financial Services” brand (in the Czech Republic and Slovakia).

The predominant selling method of revolving loans is cross-selling to the Home Credit Group’s active and inactive customers with positive payment and credit histories, although a small percentage of revolving loans is sold directly to new customers.

(c) *Non-purpose Cash Loans*

Cash loans are offered in all countries in which the Home Credit Group operates. Cash loans are not conditional on the purchase of goods or services and can be used for any purpose. Compared to POS loans, cash loans have longer terms and higher principal amounts. The Home Credit Group is increasingly focused on the cash loan market due to its significant size and much greater capacity for growth than on the POS loan market, as well as to diversify its loan portfolio.

The Home Credit Group relies on two principal ways of distributing cash loans: cross-selling to the Home Credit Group’s existing POS customers with good credit history and direct origination to new customers primarily via the Home Credit Group’s branch network or via sales by phone and the Internet. Distribution of cash loans varies depending on the market. In Russia, the Home Credit Group distributes cash loans primarily through the Home Credit Group’s branches and points-of-sale at the Home Credit Group’s retail partners. Customers also have an option to sign loan documentation and receive funds at an office of Russian Post. In the Czech Republic and Slovakia, the Home Credit Group has successfully developed “loan by phone” distribution and customers are not required to visit a distribution point. In Belarus, the Home Credit Group combines both methods distributing cash loans through branches and points-of-sale, as well as by “loan by phone”.

(d) *Car Loans*

Car loans finance customers’ purchases of used cars and are distributed through points-of-sale at car dealerships. The Home Credit Group’s car loans business is primarily focused on the Czech Republic and Slovakia. Other countries are currently exploring car loans as an opportunity for further expansion.

(e) *Retail Deposits*

With its banking licences in Russia and Belarus, the Home Credit Group is able to utilise its branch network to raise retail deposits in order to support lending growth and diversify its funding base. Although the Home Credit Group offers both retail and corporate deposits, the Home Credit Group’s main focus is on retail deposits. To increase market share, the Home Credit Group offers competitive interest rates (generally higher than those available in Russian state-owned banks) and places a significant emphasis on customer service. The Home Credit Group offers two main types of deposits: term deposits and demand deposits, each of which varies in terms of currency and interest. In each of Russia and

Belarus, the Home Credit Group participates in the national deposit insurance systems established by the governments to reduce the risk of sudden deposit outflows and provide stability for depositors.

(f) *Insurance*

To complement its consumer lending products, the Home Credit Group makes insurance products available to customers in each jurisdiction in which it operates, such as life insurance, income protection insurance, providing a replacement income if the customer becomes unable to work due to an accident or sickness resulting in total disability, and other insurance products including goods insurance and insurance covering debit card usage (e.g., loss of card). The Home Credit Group also has a residual portfolio of customers in the Czech Republic and Slovakia with payment protection insurance covering loan repayments by customers in the event of the customer's disability, death or loss of employment, but the Home Credit Group no longer offers such insurance as a product line.

The Home Credit Group does not underwrite any of the insurance products it offers, but rather partners with insurance companies that underwrite the risk for the Home Credit Group's specific loan products. Currently, the primary insurance companies the Home Credit Group works with are subsidiaries of Generali PPF Holding B.V.

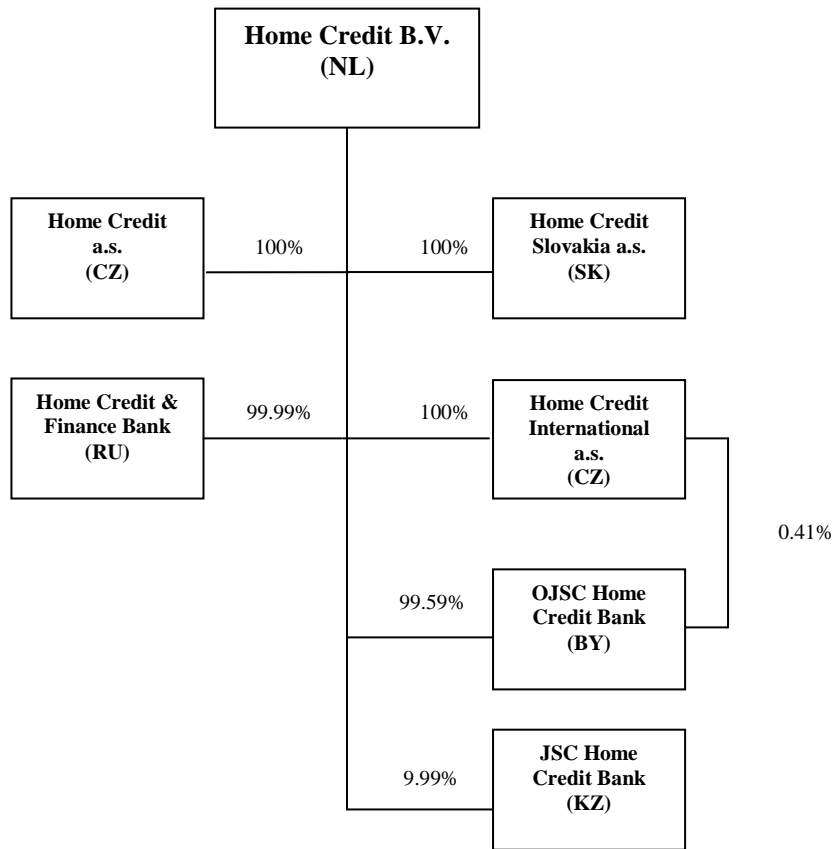
9.5. Loan Collection and Enforcement

The long-standing operation of the Home Credit Group on the consumer finance market has provided this group with much experience that it has used when developing its sophisticated system of loan application approval and system of loan collection from clients who fail to provide loan instalments in a due and timely manner. The system of loan collection is divided into a several stage process, which includes specific steps to be taken in accordance with a precise schedule, among those steps being a reminder (either by letter or text message), deduction request, the whole loan is made due and, as the case may be, enforcement at civil court. Only if it is impossible to recover the due amount using this complex procedure, the collection process is stopped.

9.6. Position of the Issuer and its Subsidiaries against the Competition

As stated above, the main activity of the Issuer is holding activities. Any business of the Issuer is therefore, performed particularly in relation to the subsidiaries of the Issuer (companies of the Home Credit Group), i.e. companies operating on the markets of several states. In consideration of the ownership interest of the Issuer in these companies and the subject of the activity of the Issuer, the position of the Issuer against the competition depends on the position of the individual subsidiaries of the Issuer within the competition on the relevant markets. For more information regarding the subsidiaries of the Issuer and their position on the respective markets, please see Chapter 10 of this Prospectus.

HOME CREDIT GROUP*



* Significant companies of Home Credit Group only and JSC Home Credit Bank Kazakhstan

10. DESCRIPTION OF THE SUBSIDIARIES OF THE ISSUER

In this Chapter the Issuer provides a description of the significant subsidiaries of the Issuer. The extent of the description of particular subsidiaries is arranged by the significance of these companies within Home Credit Group and the availability of such information.

Unless indicated otherwise, all financial data derive from International Financial Reporting Standards. The Issuer points out that certain values specified in this Chapter have been rounded off, it means, inter alia, that the values stated for the same information item might differ slightly at various places or might differ slightly from the source from which they are derived.

10.1. Description of the Home Credit Group

Home Credit & Finance Bank Limited Liability Company

Registered Office: 8/1 Pravda street, Moscow 125040, the Russian Federation

Identification No.: 1027700280937

Date of Incorporation: 18 April 1990

Registered Capital: RUB 4,173,000,000

Subject of Business: retail banking: providing of purpose consumer loans, revolving credit cards, non-purpose cash loans, and other connected activities, retail deposits, debit cards

Home Credit & Finance Bank Limited Liability Company (“**HCFB**”) was incorporated in June 1990. On 19 June 1990 it was registered with the Central Bank of the Russian Federation (“**CBR**”) and received banking licence No. 316. The CBR issued General License for banking operations to HCFB on 15 March 2012. CBR General License for banking operations enables HCFB to engage in the following additional activities: to establish overseas branches, representative offices and subsidiaries; raise funds of the federal and the regional budgets (Russian Ministry of Finance auctions); raise funds of retirement savings; and raise funds of state-owned corporations.

In February 2002, the Home Credit Group acquired a 98 per cent. share in the charter capital of IBT with a further 1.8 per cent. share purchased in September 2002. As a result of this acquisition, the Home Credit Group gained access to the Russian banking market with a view to developing a consumer finance banking institution on the basis of IBT. In July 2002, HCFB launched its consumer finance programmes. In March 2003, IBT was renamed "Home Credit & Finance Bank".

Since that time, HCFB started to develop its network of representative offices throughout the Russian Federation.

PPF directly and indirectly controls 100 per cent. of the Issuer as at the date of this Prospectus, which is an owner of 99.99 per cent share in the registered capital of HCFB. The remaining 0.01 per cent of HCFB's registered capital is held by Home Credit International a. s. being 100% subsidiary of the Issuer.

HCFB's principal business activity is providing consumer banking products and services to individual persons in the Russian Federation. As at 31 December 2011, according to internal estimation of HCFB, HCFB is the fifth bank in terms of a size of a retail loan portfolio in the Russian Federation.⁴ Consumer banking products and

⁴ The estimate is based on the HCFB's analysis of financial statements of other Russian banks that are publicly available on the CBR website (www.cbr.ru). The contents of the CBR's website do not form a part of this document. Financial statements of Russian banks filed with the CBR are based on RAS (Russian Accounting Standards), which differs from IFRS.

services represent the source of the largest proportion of HCFB's interest income for the periods under review. In accordance with HCFB's strategy based on evolving from being a pure consumer finance provider to becoming a universal retail bank HCFB has progressively diversified its product and service range from point-of-sale consumer loans to cash loans, credit cards, car loans⁵ which are offered to existing and new customers throughout the Russian Federation via different distribution channels: points-of-sale at retailers, own branch and agent network and Russian Federal Post Office branches. All loans currently issued by HCFB are issued with fixed rates. In 2008, HCFB extended its products and service range by introducing a number of deposit products and current accounts linked to debit cards. In 2009, HCFB piloted a payroll project which became fully operational in 2010. HCFB's payroll services allow employees' salaries to be paid into their individual accounts with HCFB, which can be linked to additional services such as salary cards. In addition to diversifying its product line, HCFB has expanded the range of additional services offered to clients (such as Internet banking and SMS services) as it believed that such services were key to maintaining long term relationships with its customers as a universal retail bank as well as generating additional fee income.

In January 2008, HCFB started to develop its ATM network which, as at 31 December 2011, comprises 633 cash in and cash out ATMs located both in and outside of HCFB's banking offices.

HCFB also offers limited corporate loans services to certain of the retailers that operate HCFB's points-of-sale, although these represent a relatively insignificant proportion of HCFB's overall business.

Since HCFB started developing its network in 2004, it has continued its regional expansion by opening new banking offices across the Russian Federation, each of which provides customers with access to all of the HCFB's consumer banking products and services. As at 31 December 2011, HCFB's distribution network comprised 1,273 offices of different types, over 58,000 active points-of-sale at retail stores. As at 31 December 2011, HCFB's network consisted of the head office located in Moscow and six regional directorates (in Khabarovsk, Ufa, Saint Petersburg, Rostov on Don, Yekaterinburg and Novosibirsk) which are eligible to perform banking operations. Altogether, HCFB's distribution network covers over 1,200 cities in 80 regions of the Russian Federation. Additionally, the company uses the branches of the Russian Federal Post Office and has established relations with more than 22.2 million clients as at 31 December 2011.

In October 2008 Home Credit Group launched the business optimization programme as a response to unfavorable changes in the market. The key purpose of the programme was effective business and cost base optimization which entailed the following economically driven measures: reconsideration of contractual terms with retail partners, staff cost optimization, renegotiation of lease agreements and contractual terms with all the suppliers and closure of inefficient points-of-sale and offices. In accordance with the programme, Home Credit Group changed its lending policy by focusing on high-yield and short term products and stopped offering mortgages and car loans products in October 2008.

Some of the measures described above were reversed in 2010. In particular, since 2010, HCFB expanded its distribution network, increased its headcount and piloted a car loan programme in certain regions of Russia.

Position of HCFB on the Russian Banking Market

HCFB is one of the leading banks specialising in consumer banking in the Russian Federation: as at 31 December 2011 HCFB market share in the POS (point-of sale) market was 24% making HCFB the leading bank in the POS segment, market share in the cash loan was 2.1% (number 7 in the cash loan market), market share in the credit card was 3.7% (number 7 in the credit card market)⁶. According to Finmarket (Interfax Group), a

⁵ HCFB stopped mortgage and car loans offering in October 2008.

⁶ The estimate is based on the HCFB's analysis of financial statements of other Russian banks that are publicly available on the CBR website (www.cbr.ru). The contents of the CBR's website do not form a part of this document. Financial statements of Russian banks filed with the CBR are based on RAS (Russian Accounting Standards), which differ from IFRS.

Russian business information and analytical agency, as at 31 December 2011, HCFB was the thirty-second and twenty-sixth largest bank in the Russian Federation in terms of net assets and equity, respectively, based on RAS.

HCFB is a principal member of MasterCard International and VISA International, and a member of the Russian Europay Member's Association, the Association of Russian Banks, the Association of Regional Banks, the Russian National Securities Market Association and the National Exchange Association.

In November 2004, HCFB was admitted to the Russian mandatory system of insurance of retail bank deposits. HCFB obtained General License of CBR for banking operations on 15 March 2012.

According to the audited consolidated financial statements of HCFB for the relevant year, for the year ended 31 December 2011, HCFB had a net profit attributable to participants of RUB 10,754 million. Of HCFB's net profit before tax for the year ended 31 December 2011, net interest income after provisions for loan impairment was RUB 16,935 million and net fee and commission income was RUB 9,591 million.

According to the audited consolidated financial statements of HCFB for the relevant year, for the year ended 31 December 2010, HCFB generated net profit attributable to participants of RUB 9,411 million. Of HCFB's net profit before tax for the year ended 31 December 2010, net interest income after provisions for loan impairment was RUB 15,547 million and net fee and commission income was RUB 7,330 million.

As at 31 December 2011, HCFB had total assets of RUB 155,689 million and net assets attributable to participants of RUB 30,547 million.⁷ As at 31 December 2010, HCFB had total assets of RUB 101,099 million and equity of RUB 33,019 million.⁸

As at the date of this Prospectus, HCFB has a "Ba3" long-term with a stable outlook from Moody's Investor's Service, Inc., affirmed in February 2012 and a long-term and short-term ratings at "BB-/B" with a stable outlook from Fitch Rating Service, affirmed in May 2011. The company is one of the largest providers of point-of-sale consumer loans and the loans provided through plastic cards in the Russian Federation.⁹

Solvency of HCFB

HCFB represent a key strategic asset for the PPF Group. PPF Group provides the Home Credit Group and HCFB with continuous support including capital and funding to ensure HCFB further business development as an industry leader in Russia. Since the acquisition of HCFB in February 2002, the Home Credit Group has contributed approximately RUB 14.8 billion to the capital of HCFB, predominantly for the purpose of maintaining HCFB's capital adequacy ratio at the optimal level.

Recent capital contributions were made in December 2008 - in the amount of RUB 2 billion and in January 2009 - in the amount of RUB 1 billion. In December 2004, HCFB took out a subordinated loan in the amount of USD 35 million from the Issuer with duration of ten years. On 3 March 2010, HCFB repaid the RUB 1 064 million subordinated loan from HCBV due to excess of capital.

In December 2007 the Issuer provided HCFB with credit line of RUB 10 billion, HCFB obtained USD 328 million deposit as a part of this credit line on an arm's length basis. In January 2009 the deposit was repaid in full.

⁷ Source of the information: Audited consolidated financial statements of HCFB for the year period ended 31 December 2011.

⁸ Source of the information: Audited consolidated financial statements of HCFB for the year period ended 31 December 2010.

⁹ The estimate is based on HCFB's own analysis of financial statements of other Russian banks that are publicly available on the CBR website (www.cbr.ru). The contents of the CBR's website do not form a part of this document. Financial statements of Russian banks filed with the CBR are based on RAS, which differs from IFRS.

In May 2008 PPF Group provided HCFB with back stop liquidity facility in the amount of EUR 500 million. The facility was extended twice for one year periods and was available to HCFB until May 2011. The facility expired in May 2011 because the PPF Group decided not to extend it with a view to HCFB's good performance and strong liquidity position, as well as the favourable market environment.

On 28 and 29 April 2010, following the decision of HCFB's General Participants' Meeting, HCFB paid dividends in the amount of RUB 3,158 million due to excess of capital.

On 1 March 2011, HCFB's General Participants' Meeting approved the payment of dividends in the amount of RUB 13.2 billion by 1 July 2011, reflecting the HCFB's decision to seek to optimise its capital in a post crisis environment when excess capital is no longer needed. HCFB paid the entire amount on 5 March 2011.

Subsidiaries of HCFB

The audited consolidated financial statements of HCFB for the twelve month period ended 31 December 2011 include Financial Innovations LLC a subsidiary of HCFB, and Equifax Credit Services (LLC) (is formerly known as Global Payment Credit Services (LLC) where HCFB has 38.14% of ownership interest. It also includes Eurasia Capital S.A., Eurasia Structured Finance No. 1 S.A. and Eurasia Credit Card Company S.A.¹⁰ that are not legal subsidiaries of HCFB but special purpose vehicles established for the purposes of securitization and financing of HCFB.

Fact Sheet of HCFB¹¹

		31 December 2011	31 December 2010
Business results			
Loans granted (YTD)	MRUB	136,747	92,694
Number of distribution points	#	61,179	47,706
Financial results			
Operating income	MRUB	32,342	24,706
Net profit after tax	MRUB	10,754	9,411
Net loan portfolio	MRUB	112,833	75,275
Shareholder's equity	MRUB	30,547	33,019
Customers' deposits and current accounts	MRUB	70,298	23,785
Key ratios			
Net interest margin ¹	%	22.7	23.7
Cost to income ²	%	38.8	37.6
RoAE ³	%	38.4	31.8
NPL ratio ⁴	%	5.8	6.9
NPL coverage ratio ⁵	%	117.4	106.9

¹⁰ As at 31 December 2011 Eurasia Structured Finance No.1 S.A. and Eurasia Credit Card Company S.A. were in the process of liquidation.

¹¹ The financial information was prepared in accordance with IFRS. The information in the Fact Sheet is prepared on the basis of the internal sources of HCFB. The Financial results mentioned in the Fact Sheet are derived from audited consolidated financial statements of HCFB for respective years.

Equity to assets	%	19.6	32.7
Deposits to total liabilities	%	56.2	34.9

1) Net interest margin is calculated as net interest income divided by average balance of net interest earning assets.

2) Cost to income ratio is calculated as general administrative expenses divided by operating income.

3) RoAE is calculated as net profit attributable to equity holders divided by average balance of equity attributable to equity holders.

4) NPL ratio is calculated as gross non-performing loans divided by total gross loans. The non-performing loans are defined as collectively impaired loans that are overdue by more than 90 days as well as loans considered individually impaired.

5) NPL coverage ratio is calculated as loan loss provisions divided by gross non-performing loans.

Home Credit a.s.

Registered Office: Brno, Moravské náměstí 249/8, 602 00, district Brno-město, the Czech Republic

Identification No.: 26978636

Date of Registration: 1 October 2005

Registered Capital: CZK 300,000,000

Subject of Business: providing consumer finance and connected activities

Home Credit a. s. (“**Home Credit**”) was established by a de-merger of the company Home Credit Finance a.s., Identification No. 25536613, with its registered seat in Brno, Moravské náměstí 249/8, district Brno-město, Postal Code 602 00.

As of its establishment this company, being a legal successor of the company Home Credit Finance a.s., continued in the business activities of its predecessor focusing on the provision of consumer financing to private individual customers in the Czech Republic. The main products offered by this company are specific consumer loans, non-purpose cash loans, revolving loans, credit cards and car loans.

Since 2006 Home Credit has been focusing on intensive work with its existing clients as well as on the acquisition of new clients. A crucial step was the introduction of new products that have great potential for the future - credit cards - and the enlargement of the company’s portfolio of cash loans.

In 2010, Home Credit financed client purchases totalling CZK 8.4 billion. In 2011, Home Credit financed client purchases totalling CZK 8.8 billion.

According to the audited financial statements of Home Credit for the relevant year, for the year ended 31 December 2010, Home Credit generated profit before tax of CZK 638 million and had a net profit of CZK 460 million. Of Home Credit's profit before tax for the year ended 31 December 2010, operating income was CZK 1,769 million, risk costs represented CZK 223 million and general administrative expenses were CZK 908 million.

According to the audited financial statements of Home Credit for the relevant year, for the year ended 31 December 2011, Home Credit generated profit before tax of CZK 574 million and had a net profit of CZK 442 million. Of Home Credit's profit before tax for the year ended 31 December 2011, operating income was CZK 1,664 million, risk costs represented CZK 112 million and general administrative expenses were CZK 978 million.

As at 31 December 2010, Home Credit had total assets of CZK 3,767 million and total equity of CZK 2,010 million.¹² As at 31 December 2011, Home Credit had total assets of CZK 4,370 million and total equity of CZK 2,452 million.¹³

Position of Home Credit on the Consumer Finance Market in the Czech Republic

The consumer finance market in the Czech Republic has developed quickly to increasingly competitive and sophisticated market which is created by number of internationally experienced institutions operating in the market. However, the market is still not as mature as Western European markets. Banks, non-banks and a number of lease-finance companies provide consumer finance, although lease companies have historically focused on financing of higher purchase price items, like e.g. cars. Although there have been no significant barriers to enter into the market, the position of consumer finance providers having long-term relationships with retail partners continues to be quite strong. The relationship with retailers is based on a communication system, which cannot be replicated in a quick and cheap manner. This, together with prevailing lack of credit information regarding the procurement, makes any new entry into the market time consuming – and likely quite expensive.

With fifteen years of experience on the Czech consumer finance market, Home Credit has become a respected provider of consumer and revolving loans and, at the same time, one of the three largest non-banking competitors on the relevant market¹⁴.

The legal predecessor of Home Credit, the company Home Credit Finance a.s., was assigned a rating level of *czA / czP-2 / Ba+* from the CRA Rating Committee in August 2004. On 2 December 2005, CRA Rating assigned the same rating to Home Credit (i.e. the rating level of *czA / czP-2 / Ba+*). In accordance with the CRA scale the rating *czP-2* expresses quite a strong ability to meet short-term liabilities in a due and timely manner, by the evaluation *czA*, CRA identifies quality subjects with an above-average ability to repay their debts. In June 2006, Moody's Investors Service which became 100% owner of CRA that was subsequently renamed to Moody's Central Europe (the "Moody's") introduced for the Czech Republic new national system of granting of rating (National Scale Rating). The new scale serves as instrument for comparing of relative creditworthiness of subjects (including influence of relevant external support in the Czech Republic). In June 2006, Moody's granted to Home Credit National Scale Rating at level *A3.cz* with stable outlook. In November 2007, Moody's affirmed the National Scale Rating for Home Credit at *A3.cz*, stable outlook and in December 2008, Moody's changed the National Scale Rating for Home Credit to *A3.cz*, negative outlook. In May 2009 Moody's placed Home Credit's *A3.cz* national scale issuer rating on review for possible downgrade. Following an official request from the companies to terminate the rating arrangements, Moody's downgraded the long term national scale issuer ratings of Home Credit a. s. to *Baa3.cz* and Home Credit Slovakia a. s. to *Baa3.sk* on October 20th 2009. Subsequently, Moody's withdrew these ratings for business reasons. Neither of the two companies had rated debt outstanding at the time of the withdrawal.

Fact Sheet of Home Credit¹⁵

31 December 2011 31 December 2010

Business results

¹² Source of the information: Audited financial statements of Home Credit for the year period ended 31 December 2011

¹³ Source of the information: Audited financial statements of Home Credit for the year period ended 31 December 2011

¹⁴ According to the data of Czech Financial and Leasing Association at <http://www.clfa.cz>

¹⁵ All figures for both years are provided on calendar year basis, i.e. means for the period commencing on 1 January 2010 and ending on 31 December 2010 and for the period commencing on 1 January 2011 and ending on 31 December 2011. The financial information was prepared in accordance with IFRS. The information in the Fact Sheet is prepared on the basis of the internal sources of Home Credit a.s.

Loans granted (YTD)	MCZK	8,751	8,410
Number of distribution points	#	5,652	5,345

Financial results

Operating income	MCZK	1,664	1,769
Net profit after tax	MCZK	442	460
Net loan portfolio	MCZK	2,433	1,890
Shareholder's equity	MCZK	2,452	2,010

Key ratios

Net interest margin ¹	%	18.8	19.3
Cost to income ²	%	58.8	51.3
RoAE ³	%	19.5	21.3
NPL ratio ⁴	%	29.3	32.9
NPL coverage ratio ⁵	%	106.5	109.2
Equity to assets	%	56.1	53.4

1) Net interest margin is calculated as net interest income divided by average balance of net interest earning assets.

2) Cost to income ratio is calculated as general administrative expenses divided by operating income.

3) RoAE is calculated as net profit attributable to equity holders divided by average balance of equity attributable to equity holders.

4) NPL ratio is calculated as gross non-performing loans divided by total gross loans. The non-performing loans are defined as collectively impaired loans that are overdue by more than 90 days as well as loans considered individually impaired.

5) NPL coverage ratio is calculated as loan loss provisions divided by gross non-performing loans.

Home Credit Slovakia, a.s.

Registered Office: Piešťany, Teplická 7434/147, 921 22, the Slovak Republic

Identification No.: 36234176

Date of Registration: 27 October 1999

Registered capital: EUR 18,820,998

Subject of Business: providing consumer finance and connected activities

Home Credit Slovakia, a. s. (“**HCS**”) has been operating on the consumer finance market in Slovakia since 1999. For the time of its operation, the company has managed to build a stable position on the Slovak consumer finance market and to become one of its leaders¹⁶. The main products offered by the company are purpose consumer loans, revolving loans, non-purpose cash loans, credit cards and car loans.

Since 2006 HCS has been focusing on intensive work with its clients as well as the on acquisition of new clients through marketing. The crucial step was the introduction of new products that have great potential for the future - credit cards - and the enlargement of its portfolio of cash loans.

¹⁶ Source: Internal sources of Home Credit Slovakia, a.s.

In 2010, the aggregate assets of the company increased to EUR 177.024 million and the company achieved a net profit of EUR 6.066 million. In 2011, the aggregate assets of the company increased to EUR 190.441 million and the company achieved a net profit of EUR 6.305 million.

During 2010, the company financed client's purchases totalling to EUR 110.972 million. In 2011 the total principal granted reached EUR 137.385 million.

Fact Sheet of HCS¹⁷

		31 December 2011	31 December 2010
Business results			
Loans granted (YTD)	TEUR	137,385	110,972
Number of distribution points	#	3,530	3,575
Financial results			
Operating income	TEUR	33,219	32,964
Net profit after tax	TEUR	6,305	6,066
Net loan portfolio	TEUR	171,030	160,804
Shareholder's equity	TEUR	41,211	34,906
Key ratios			
Net interest margin ¹	%	20.2	20.3
Cost to income ²	%	41.7	35.9
RoAE ³	%	16.3	23.4
NPL ratio ⁴	%	29.5	30.7
NPL coverage ratio ⁵	%	102.1	94.3
Equity to assets	%	21.6	19.7

1) Net interest margin is calculated as net interest income divided by average balance of net interest earning assets.

2) Cost to income ratio is calculated as general administrative expenses divided by operating income.

3) RoAE is calculated as net profit attributable to equity holders divided by average balance of equity attributable to equity holders.

4) NPL ratio is calculated as gross non-performing loans divided by total gross loans. The Group defines non-performing loans as collectively impaired loans that are overdue by more than 90 days as well as loans considered individually impaired.

5) NPL coverage ratio is calculated as loan loss provisions divided by gross non-performing loans.

OJSC HOME CREDIT BANK (formerly OJSC Lorobank)

Registered Office: Minsk, Odoevskogo str.129, 220 018, the Republic of Belarus

Identification No.: 807000056

Date of Incorporation: 22 March 2002

Registered Capital: BYR 144,786,960,000

¹⁷ The financial information was prepared in accordance with IFRS. The information in the Fact Sheet is prepared on the basis of the internal sources of HCS. The Financial results mentioned in the Fact Sheet are derived from audited consolidated financial statements of HCS for respective years.

Subject of Business: operation of banking activities

OJSC HOME CREDIT BANK (formerly OJSC Lorobank) (hereafter also referred to as “**HCBY**” or “**Home Credit Bank**”) has a registered office in Minsk, Belarus. Since 1st December 2006 HCBY is owned by Home Credit Group. Since its acquisition by the Home Credit Group, HCBY has been restructured, re-branded to Home Credit Bank and has renewed its banking license in Belarus.

Home Credit Bank has been selling consumer loans through its networks of POS since 1 December 2007. HCBY has been active in all six Belarus regions and has reached a number of more than 1,800 POS by 31 December 2011.

As at 31 December 2011 Home Credit Bank operated 26 branches offering full retail bank spectrum of products, including deposits for legal entities. Retail products offered by HCBY range from cash loans, hire purchase loans, credit and debit cards, saving accounts to cash desk services.

In 2010, the aggregate assets of the bank increased to BYR 589,318 million and the bank achieved a net profit of BYR 52,122 million. In 2011, the aggregate assets of the bank increased to BYR 805,807 million and the bank achieved a net loss of BYR 89,322 million, resulting mainly from hyperinflation accounting.

Fact Sheet of HCBY¹⁸

		31 December 2011	31 December 2010
Business results			
Loans granted (YTD)	MBYR	631,543	354,112
Number of distribution points	#	2,004	1,676
Financial results			
Operating income	MBYR	232,296	183,994
Net (loss)/profit after tax	MBYR	(89,322)	52,122
Net loan portfolio	MBYR	428,782	490,040
Shareholder's equity	MBYR	242,953	249,166
Customers' deposits and current accounts	MBYR	151,919	60,721

Home Credit International a.s.

Registered Office: Prague 6, Evropská 2690/17, Postal Code: 160 41, the Czech Republic

Identification No.: 60192666

Date of Registration: 22 October 1993

Registered Capital: CZK 360,000,000

¹⁸ The financial information was prepared in accordance with IFRS. The information in the Fact Sheet is prepared on the basis of the internal sources of HCBY. The Financial results mentioned in the Fact Sheet are derived from audited consolidated financial statements of HCBY for respective years.

Subject of Business: providing of consultancy services to the companies of Home Credit Group in connection with the providing of consumer finance

Home Credit International a. s. (“**HCI**”) is a consulting and servicing company focused on the Home Credit Group members. HCI conducts business in the area of data processing, databank servicing, network administration, provision of software and consulting in the area of hardware and software. Its main activity is the provision of core business operations for the IS/IT system infrastructure of the companies belonging to the Home Credit Group.

11. DESCRIPTION OF THE PPF GROUP

In this Chapter the Issuer provides a description of the significant companies of the PPF Group. The extent of the description of particular companies is arranged by the significance of these companies within the PPF Group and the availability of such information.

Unless indicated otherwise, all financial data derive from financial statements prepared according to the International Financial Reporting Standards. The Issuer points out that certain values specified in this Chapter have been rounded off, it means, inter alia, that the values stated for the same information item might differ slightly at various places or might differ slightly from the source from which they are derived.

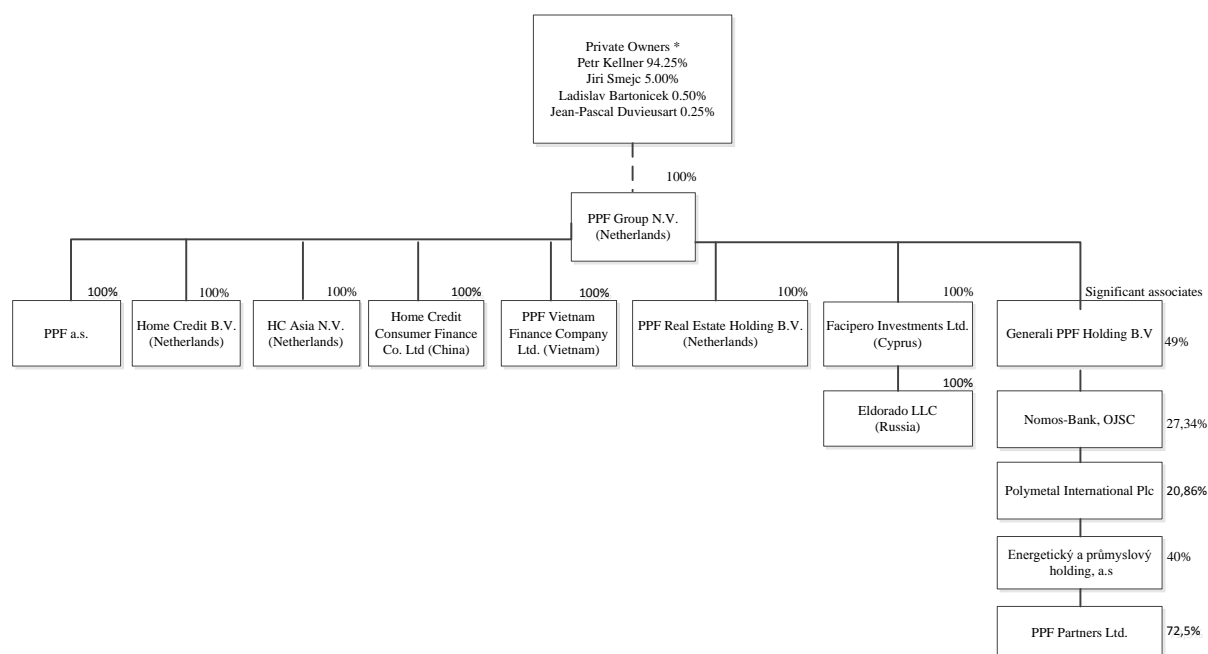
11.1. Description of the PPF Group

The PPF Group, an international finance and investment group, successfully managed assets worth EUR 14.4 billion as at 31 December 2011 (EUR 12.4 billion as at 31 December 2010).

The PPF Group has interests in various businesses ranging from banking and insurance to real estate, Russia's largest consumer electronics retail chain, energy and metal mining. The PPF Group's plans are based on a long-term vision and strategy for developing equity, in the form of making new investments and supporting existing ones. The PPF Group is a strong financial group whose portfolio boasts a number of companies that are acknowledged leaders in their fields. Often they are companies that receive top rankings for their size, performance and business innovation. Through its companies, the PPF Group is particularly active in the Czech Republic, the Russian Federation, the Slovak Republic, China and Vietnam. The PPF Group is constantly looking for new investment opportunities in various markets and invests its funds in companies with a significant base value and the potential for further growth.

The PPF Group is focused on the investment process. It buys, financially restructures and stabilizes companies and subsequently sells them, all with the long-term aim of creating an attractive return on investment. The largest long-term strategic investments of the PPF Group are the companies belonging to the Home Credit Group.

The Netherlands-based PPF Group N.V. acts as the principal holding company for the entire group and makes all strategic decisions relating to group's significant shareholdings. The ultimate shareholders of the company PPF Group N.V. are Mr. Petr Kellner, Mr. Jiří Šmejč, Mr. Ladislav Bartoníček and Mr. Jean-Pascal Duviesart, however this shareholder structure may change – for details, please see Chapter 8.2 “Shareholders of the Issuer”.



* Private owners hold their shareholding interests in PPF Group N.V. in the form of direct and indirect participations.

(a) Home Credit Asia Group

In recent years PPF Group has commenced operations – under the Home Credit brand – in the Chinese market as well, through Home Credit Asia N.V. (“**HC Asia**”), a subsidiary of PPF Group N.V. In 2010, PPF Group obtained a permit to establish a consumer finance company under a new law on non-bank finance companies. In this way, Home Credit Consumer Finance Company Co Ltd., which opened for business in late 2010, became the first and only company under full foreign ownership to hold this license.

Having successfully calibrated its risk management and operational processes to properly meet the needs of local customers, HC Asia served some 637 thousand Chinese clients in 11,114 points of sales at the end of 2011. The points-of-sales have been established with various retailers in Guangdong, Hunan, Sichuang, Shandong, Hubei, Shenzhen and Chongqing. Total loans granted to Chinese customers in 2011 exceeded EUR 205 million.

In 2011 Home Credit India B.V., a subsidiary of HC Asia, acquired a majority share in Indian non-banking financial company Rajshree Auto Finance Private Limited (“**RAFPL**”). RAFPL launched provision of consumer finance services to Indian customers at the beginning of 2012.

Please refer to Chapter 8.1 of this Prospectus with respect to contemplated consolidation of Asian consumer finance businesses controlled by PPF Group N.V. into the Home Credit Group.

(b) Generali PPF Holding

The Generali PPF Holding B.V. (“**Generali PPF Holding**”) is the holding between Assicurazioni Generali S.p.A. (“**Generali**”) and PPF Group. Generali PPF Holding combines the insurance businesses of both groups in Central and Eastern Europe with written premiums of approximately EUR 3.2 billion in 2011. Shareholders of Generali PPF Holding are Generali (which controls Generali PPF Holding via its 51% shareholding) and PPF Group (having 49% shareholding). PPF Group contributed to the Generali PPF Holding its assets of the insurance and pension business represented especially by Česká pojišťovna a.s. (“**Ceska pojistovna**”), the largest insurance company in the Czech Republic based on gross premium written¹⁹, Penzijní fond České pojišťovny, a.s., Generali PPF Asset Management a.s. and other companies specializing in insurance business and complex asset management services.

Generali PPF Holding operates in the markets of the Czech Republic, Slovakia, Poland, Hungary, Romania, Slovenia, Bulgaria, Croatia, Serbia and Montenegro, Russia, Ukraine, Belarus and Kazakhstan.

(c) PPF Real Estate

PPF Real Estate Holding B.V. (“**PPF Real Estate Holding**”) was established at the end of 2010 to consolidate PPF Group’s real estate activities and functions as a real estate developer, owner and professional adviser. PPF Real Estate Holding manages the real estate assets of the companies in PPF Group’s portfolio as well as those of outside clients. The company operates in the Czech Republic, Central and Eastern Europe and the Russian Federation. Development opportunities are also monitored in other territories such as Turkey.

PPF Real Estate Holding is among the largest market players both in the Czech Republic and across the CEE region. At present it provides comprehensive services to 61 projects and the volume of assets under its management is more than EUR 900 million. It is split into two branches: PPF Real Estate CEE, which manages projects in the Czech Republic and Central and Eastern Europe, and PPF Real Estate Russia.

¹⁹ Source: Czech Insurance Association, www.cap.cz

(d) PPF banka a.s.

PPF banka a.s. (“**PPF banka**”) was established by a Memorandum of Association dated 3 December 1992 under the business name ROYAL BANKA CS, a.s. Later, the business name was changed to První městská banka, a.s. and in 2004 it was changed to PPF banka a.s.

PPF banka is one of the service companies that supports the whole PPF Group. PPF bank’s responsibilities include: (i) acting as the main treasury bank for the PPF Group; (ii) managing the asset and liability structures of individual PPF Group companies; (iii) arranging some of funding transactions on the debt and capital markets for individual PPF Group companies; and (iv) acting as the PPF Group’s trading unit on financial markets.

Apart from its activities within the framework of the PPF Group, PPF banka also provides services to government entities, cities, municipalities and regions, and the corporate clients, with a focus on mid-sized Czech enterprises.

In 2011, according to the audited financial statement prepared in accordance with Czech Accounting Standards, PPF banka’s net profit amounted to CZK 606.2 million and its total assets exceeded CZK 65.7 billion.

(e) PPF a.s.

PPF a.s. is the main management and advisory vehicle for the PPF Group. The aim of the company is to provide advisory services to the holding company, PPF Group N.V., which controls the PPF Group, as well as to each single company of the PPF Group. While providing such services, PPF a.s. endeavours to achieve the maximum effectiveness and synergies within the PPF Group.

(f) LLC Eldorado

Eldorado, one of major consumer electronic and domestic appliances retailers, maintained its strong position among industry leaders in Russia. In 2011, PPF Group completed acquisition of minority stake in Eldorado bringing its stake in the company to 100%.

(g) Energetický a průmyslový holding, a.s. (40% economic ownership)

Energetický a průmyslový holding, a.s. (“**EPH**”) is a long-term strategic investor in the energy sector. EPH is the largest thermal energy supplier in the Czech Republic and also the country’s second largest electricity producer.²⁰ In addition to the Czech market, it also operates in Germany, Slovakia and Poland.

EPH is a vertically integrated structure, established in 2009 and comprised of a wide portfolio of companies, encompassing hard coal and brown coal mining, power and heat generation, electricity distribution and trading as well as electricity and gas supplies to end customers. Through its combined heat and power plants, EPH in the Czech Republic supplies heat for some 360,000 households and also a number of companies and municipal and institutional customers.

(h) OJSC Nomos Bank (27.34% economic ownership)

During the last several years OJSC Nomos Bank successfully kept its place among the top ten largest privately owned Russian financial institutions according to asset size. After the acquisition of a majority interest in another major regional bank, the Khanty-Mansiysk Bank, it is the number-two privately-owned bank in terms of assets and the 8th largest banking group in Russia in terms of asset volume.²¹

²⁰ Source: www.ephholding.cz

²¹ Source: www.nomos.ru

(i) *Polymetal International Plc (20.86% economic ownership)*

Polymetal International Plc (“**Polymetal**”) is a leading precious metals mining company. In 2011 the company achieved a Premium Listing on LSE, following the change of the company’s domicile and jurisdiction to Jersey. Polymetal is the number-one primary silver producer in Russia (and among the top five world producers) and the number-four gold producer in Russia.²²

(j) *PPF Partners Ltd (72,5% economic ownership)*

PPF Partners Ltd is an international private equity firm focused on the emerging markets of Central and Eastern Europe and the CIS (Commonwealth of Independent States). PPF Partners Ltd was established in 2008 as a joint venture between PPF Group N.V. and Generali. The founders – PPF Group N.V. and Generali – co-invest jointly in the deals. The economic shares of the partners in the individual funds may differ. The first private equity fund, PPF Partners Fund 1 LP with EUR 615 million in commitments from PPF Group N.V., PPF shareholders and Generali, has already been launched. As of year-end 2008, the PPF Partners Fund 1 LP had initiated contracts under which it invested part of its commitments in an initial portfolio that originally included stakes in waste-to-energy, hotels and media businesses in the Czech Republic, Romania and Ukraine. A series of divestments was completed during the year 2011, including a waste-to-energy business in the Czech Republic, as well as a hotel chain in Romania.

²²

Source: www.polymetal.ru

12. ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES OF THE ISSUER

12.1. Management and Statutory Body of the Issuer

The Issuer's statutory body is the Management Board (*bestuur*), which may have one or more members according to the Issuer's Articles of Association (*statuten*). The specific number of members is determined by the Issuer's General Meeting (*algemene vergadering van aandeelhouders*), which also appoints and recalls members of the Management Board.

The Management Board manages the Issuer and acts on its behalf towards third parties in accordance with the restrictions set by the Issuer's Articles of Association. Each member of the Management Board is entitled to act individually on behalf of the Issuer. The Management Board is entitled, subject to the approval of the General Meeting, to determine which duties in the area of the Issuer's management each member of the Management Board will be charged with. The Management Board decides in principle by normal majority of its members present in a meeting.

The Management Board convenes by letter the General Meeting. Other duties of the Management Board include the duty to draw up the balance sheet and the profit and loss account every year, not later than within five months from the end of the financial year (i.e. the calendar year), unless the General Meeting has prolonged said period up to six months by its decision. At the same time, the annual accounts must be presented to them for inspection and must be signed by all members of the Management Board.

If a member of the Management Board in private enters into an agreement with the Issuer or is engaged in procedures against the Issuer, the Issuer shall be represented by one of the other members of the Management Board. If a member of the Management Board has a conflict of interest between the Issuer and a member of the Management Board in another way, this person is, as well as every other member of the Management Board, authorised to represent the Issuer. The General Meeting is always authorised to designate one or more other persons for this purpose. At present, the Issuer's Management Board has three members:

Name	Function	In function as of	Year of birth
Alexander Labak	Chairman of the Board of Directors	26 January 2007	1962
Sonia Slavtcheva	Member of the Board of Directors	1 January 2009	1965
Mel Carvill	Member of the Board of Directors	3 May 2012	1962

None of the members of the Management Board of the Issuer is a member of a company with unlimited liability.

Alexander Labak

Chairman of the Board of Directors of Home Credit B.V.

In function as of: 26 January 2007

Date of Birth: 18 September 1962

Business Address: Home Credit B.V., Strawinskylaan 933 Tow. B Lev. 9, 1077XX, Amsterdam, the Netherlands

Mr. Labak is the Chief Executive Officer of the Issuer having joined HCBV in October 2006. Before joining the Group, Mr. Labak held executive positions at leading financial services companies such as MasterCard Europe where he served as president, and Deutsche Bank where he was chief marketing officer. Mr. Labak developed a strong consumer focus whilst working at Johnson & Johnson and Henkel and throughout his career has had his European and global business responsibilities complemented by direct operating market experience in the United States, Canada, Germany, Italy, Belgium and Austria.

Mr. Labak obtained an MBA from the Wharton Business School and a PhD from the Vienna University of Economics and Business Administration.

Mr. Alexander Labak is a member of the body of following companies:

Home Credit Europe PLC

Home Credit Consumer Finance Company (China)

Home Credit Asia Ltd.

HC Asia N.V.

Sonia Slavtcheva

Member of the Board of Directors of Home Credit B.V.

In function as of: 1 January 2009
Date of Birth: 11 January 1965
Business Address: Home Credit B.V., Strawinskylaan 933 Tow. B Lev. 9, 1077XX, Amsterdam, the Netherlands

Ms. Slavtcheva is Chief Financial Officer of the Issuer. Ms. Slavtcheva joined the Group in July 2008 having previously worked at GE Money where she held a number of positions within Europe and the U.S. in a career spanning over 10 years. She has worked for a number of leading financial institutions in the U.S. and CEE countries, gaining considerable experience in financial operations.

In 1988 Ms. Slavtcheva obtained a master's degree from the University of National and World Economy, Sofia, Bulgaria. She then obtained an MBA in finance at the University of Pittsburgh, USA.

Ms. Slavtcheva is a member of the body of following companies:

Home Credit International a.s.

PPF Vietnam Finance Company Limited

Home Credit Europe PLC

OJSC Home Credit Bank (Belorussia)

JSC Home Credit Bank (Kazachstan)

Mel Carvill

Member of the Board of Directors of Home Credit B.V.

In function as of: 3 May 2012
Date of Birth: 26 August 1962
Business Address: Home Credit B.V., Strawinskylaan 933 Tow. B Lev. 9, 1077XX, Amsterdam, the Netherlands

Mr. Carvill is currently the president of PPF Partners Ltd, a private equity joint venture between the PPF Group and Generali. He is also a director of Resolution Limited, a FTSE 100 company, and OJSC Nomos-Bank. Mr. Carvill previously worked at the Generali group from 1985 until 2009 in various roles, most recently as head of Western Europe, the Americas and the Middle East and was a member of the Comitato di Direzione, International Management Board and Group Risk, Investment and Innovation Committees. During his time at

Generali Mr. Carvill also held the position of chief risk officer, head of international regulatory affairs, head of mergers and acquisitions and head of strategic planning.

Mr. Carvill is a fellow of the Institute of Chartered Accountants in England and Wales, he holds an advanced diploma in corporate finance, is an associate of the Chartered Insurance Institute, a chartered insurer and a fellow of the Securities Institute.

Mr. Mel Carvill is a member of the body of following companies:

Bailiwick Investments Limited

Barclays Private Clients International Limited

Catholic National Mutual Ltd

Generali International Ltd

Generali USA Life Reassurance Company Inc

Generali Worldwide Insurance Company Ltd

Genesis Asset Managers, LLP (formerly Genesis Fund Managers, LLP) - Guernsey Operating Committee

MND Ltd

OJSC Nomos-Bank

PPF Partners AS

PPF Partners Ltd

PPF Partners 1 GP Limited

Resolution Limited

Resolution Holdings (Guernsey) Limited

Tenax Capital Ltd

Home Credit Europe PLC

12.2. Supervisory Body of the Issuer

The Issuer has no Supervisory Body (*raad van commissarissen*). Such body is not required in relation to a company of the Issuer's kind by the law under which the Issuer was incorporated.

12.3. Managing, Statutory and Supervisory Bodies Conflicts of Interest

Section 2:256 of the Dutch Civil Code stipulates that in case of presence of a personal interest of one or more directors that is (materially) conflicting with the interests of the company the supervisory board of the company is entitled to represent the company, notwithstanding the authority of the shareholders' meeting of the company to appoint one or more other persons to represent the company, with the exclusion of anybody else, in the matter involving the conflict of interest. The representation powers of each of the members of management board will then be impaired. If a supervisory board has not been established, the shareholders' meeting still has the power to appoint other persons as the company's special representatives. Section 2:256 of Dutch Civil Code allows for varying from the general principle aforementioned by way of recording an alternative provision in the articles of association. The Articles of Association of the Issuer contain such provision (i.e. in article 18.3) that provides that in the event of presence of a conflict of interest between the Issuer and a member of the Issuer's management board in private capacity, the Issuer shall be represented by one of the other members of the

Management Board. The General Meeting shall at all times remain competent to designate one or more other persons for this purpose as special representative of the Issuer. If it concerns a conflict of interest between the Issuer and a member of the management board in another capacity, the representation powers of this director as well as any other member of the Managing Board are not impaired.

The Issuer is not aware of the presence of any relevant (potential) conflicts of interest between the duties of the persons referred to in Chapter 12.1 of the Prospectus towards the Issuer and their private interests or other duties.

It is envisaged that as per 1 July 2012 an act containing new rules on management and supervision (*Wet van 6 juni 2011, Staatsblad 2011, 275*) will become effective, which act *inter alia* changes the provisions pertaining to resolving conflicts of interest. Section 2:256 of Dutch Civil Code will be repealed and a new paragraph 6 will be inserted in Section 2:239 of Dutch Civil Code, which provides that in the event a director has a direct or indirect personal interest that is in conflict with the interest of the company the director concerned shall not participate in the discussion and decision making on the proposed item. Should this prevent the management board from making valid decisions, the proposal concerned should be referred to the supervisory board of the company, or when no such body exists, the shareholders' meeting, unless the company in its articles of association provides otherwise. The representation powers of the directors of the company will at all times not be impaired by the presence of a conflict of interest.

The provisions regarding conflicts of interest will be, *mutatis mutandis*, accordingly applicable to members of a supervisory board (if present).

13. DEPENDENCE OF THE ISSUER ON ENTITIES IN THE PPF GROUP

13.1. Dependence of the Issuer on Entities in the Home Credit Group

The Issuer is economically dependent on its subsidiaries because these companies are the main source of the Issuer's proceeds. The Issuer is fully dependent on the dividend income from its subsidiaries. Possible negative development of the business of these companies may have significant influence on the Issuer.

Furthermore, the Issuer does not generate any other significant revenue except for interest income from inter-company loans provided to its subsidiaries. The nominal value of the current loans amounts to EUR 30,695,000, KZT 2,200,000,000, CZK 1,358,000,000. The total amount in EUR is approximately EUR 96,577,000²³.

The dependence of the Issuer on the other entities in the group follows, with the exception of what was mentioned above, only from the ownership interests of the Issuer and the existing contractual relationships do not constitute the Issuer's dependency on the other entities from the group.

13.2. Dependence of the Issuer on Entities in the PPF Group

Sometimes, the Issuer is provided with inter-company loans by the entities from the PPF Group. Such loans are used mainly to finance different subsidiaries of the Issuer that suffer from a shortage of funds.

Within their business activities, particular subsidiaries of the Issuer are to a certain extent depended on the third parties, above all in relation to distribution of their products. On 17 January 2008 the Insurance / Consumer Finance Relationship Agreement was entered into between the Issuer and Generali PPF Holding B.V. that constituted a basic framework for a co-operation between the companies controlled by the Issuer and the companies controlled by Generali PPF Holding B.V. in the field of distribution and provision of their products. In case that particular subsidiary of the Issuer enters into a separate agreement with a subsidiary of Generali PPF Holding B.V. (as envisaged in the Insurance / Consumer Finance Relationship Agreement) in relation to the distribution and the provision of their products, these companies will be to a certain extent dependent on mutual cooperation.

The Issuer is not aware of any other contractual relationship that would create a dependence of the Issuer on any entity within the PPF Group.

²³ Indicative conversion according to currency exchange rates as at 15 May 2012. The conversion shall eventually be updated according to currency exchange rates valid as at the date of this Prospectus.

14. MATERIAL CONTRACTS OF THE ISSUER

14.1. Significant Obligations and Receivables of the Issuer

(a) *Significant Obligations of the Issuer*

The Issuer is the issuer of the floating rate notes due in 2012 in the aggregate principal amount of CZK 2,500,000,000 (two billion five hundred million Czech crowns) admitted to trading on the free market of the PSE, ISIN CZ0000000237. The maturity date of these notes falls on 22 June 2012.

The Issuer is the issuer of the zero coupon notes due in 2015 in the aggregate principal amount of CZK 2,900,000,000 (two billion nine hundred million Czech crowns) admitted to trading on the free market of the PSE, ISIN CZ0000000245. The maturity date of these notes falls on 22 September 2015.

The Issuer has provided a guarantee for a loan and a related FX swap arrangement provided by ING Bank N. V. to Home Credit Bank JSC. The loan is in the amount of EUR 15,000,000. The maturity date of the loan shall be on or about 12 June 2013 if the deal is not prolonged.

(b) *Significant Receivables of the Issuer*

The Issuer has provided loans in total amounting to EUR 96,577,000²⁴ (for more information see Chapter 7.3 of this Prospectus).

14.2. Major Transactions in 2010 and in 2011

(a) *Sale of PJSC HOME CREDIT BANK (Ukraine)*

In January 2011 the Issuer completed the sale of its participation in PJSC HOME CREDIT BANK in Ukraine to Platinum Bank, a local retail banking institution.

(b) *Sale of Home Credit Kazakhstan JSC*

In July 2011 the Issuer entered into agreement to sell its participation in Home Credit Kazakhstan JSC, the transaction was completed in August 2011.

(c) *Call option to acquire stake in Home Credit Bank JSC (Kazakhstan)*

In August 2011, LLC Home Credit & Finance Bank entered into a call option agreement enabling it to purchase 90.01% stake in Home Credit Bank JSC in Kazakhstan from its current majority shareholder. The option is exercisable until 31 December 2014 and its exercise is subject to obtaining regulatory approvals.

14.3. Representation of the Issuer

Save for the agreements mentioned in this Prospectus, the Issuer is not party to any other agreement that might result in a liability or claim of any member of the Home Credit Group and/or PPF Group that would be problematic for the Issuers' ability to fulfil its liabilities towards the holders of the issued Notes.

²⁴ Indicative conversion according to currency exchange rates as at 15 May 2012. The conversion shall eventually be updated according to currency exchange rates valid as at the date of this Prospectus.

15. TREND INFORMATION OF THE ISSUER

15.1. Representation in respect of the Issuer

The Issuer represents that, from the date of its latest published audited financial statements, no substantial negative change in prospects has occurred with it.

16. FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES

16.1. Historical Financial Information

The Issuer prepares individual and consolidated financial statements.

The individual financial statements of the Issuer are being prepared in accordance with the financial reporting requirements included in Part 9 of Book 2, of the Dutch Civil Code and are being filed with the Chamber of Commerce and Industries in Amsterdam (*Kamer van Koophandel Amsterdam*) as required by the law under which the Issuer is incorporated.

The consolidated financial statement of the Issuer for the year ended 31 December 2011 and for the year ended 31 December 2010 has been prepared in accordance with International Financial Reporting Standards as adopted by European Union (“**IFRS**”). In this Chapter 16.1 of this Prospectus the Issuer’s consolidated Statement of financial position and consolidated Statement of comprehensive income which were derived from the audited consolidated financial statements of the Issuer for the financial years 2011 and 2010 are attached. The full wording of the audited consolidated financial statements of the Issuer for the financial years 2011 and 2010 and the auditor’s report for each such period is available on the web page of the Issuer www.homecredit.eu in Section *Investor Relations/Financial Reports*, Subsection *Home Credit B.V.* whereas the audited consolidated financial statements of the Issuer for the year ended 31 December 2011 (including the auditor’s report) is contained in a document called “*HCBV (NL): Consolidated Annual Accounts for the year ended 31 December 2011 (audited)*” and the audited consolidated financial statements of the Issuer for the year ended 31 December 2010 (including the auditor’s report) is contained in a document called “*HCBV (NL): Consolidated Annual Accounts for the year ended 31 December 2010 (audited)*”.

In making an investment decision, investors must rely on their own examination of the Issuer, the Home Credit Group and the PPF Group, the Terms and Conditions of the Notes and the financial information in this Prospectus. Potential investors should consult their own professional advisers for an understanding of the IFRS accounting standards.

(a) Consolidated Statement of financial position and Statement of comprehensive income of the Issuer for the year ended 31 December 2011

The following chart states the consolidated Statement of Financial Position and Statement of comprehensive income of the Issuer as derived from the audited consolidated financial statement of the Issuer for the period ended 31 December 2011 prepared in accordance with IFRS. The information below should be read in conjunction with the audited consolidated financial statement of the Issuer for the respective financial year. Reporting currency is Euro.

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION FOR THE PERIOD ENDED 31
DECEMBER 2011**

(In thousands EUR)

	2011	2010
ASSETS		
Cash and cash equivalents	409,961	201,024
Due from banks and other financial institutions	154,413	133,652
Loans to customers	3,006,903	2,176,901
Financial assets at fair value through profit or loss	35,416	2,823
Financial assets available-for-sale	323,795	179,765
Assets classified as held for sale	-	108,156
Current income tax receivables	11,471	8,475
Deferred tax assets	8,569	11,326
Investments in associates	2,056	1,533
Intangible assets	38,776	32,446
Property and equipment	173,014	154,238
Other assets	117,571	73,233
	<hr/>	<hr/>
Total assets	4,281,945	3,083,572
	<hr/> <hr/>	<hr/> <hr/>
LIABILITIES		
Current accounts and deposits from customers	1,697,277	590,022
Due to banks and other financial institutions	528,135	341,569
Debt securities issued	1,081,431	1,020,019
Financial liabilities at fair value through profit or loss	7,195	6,621
Liabilities classified as held for sale	-	76,097
Current income tax liabilities	244	824
Deferred tax liabilities	6,321	3,759
Other liabilities	130,091	108,853
	<hr/>	<hr/>
Total liabilities	3,450,694	2,147,764
	<hr/> <hr/>	<hr/> <hr/>

EQUITY**Equity attributable to equity holders of the parent**

Share capital	659,020	659,020
Share premium	60,253	60,253
Statutory reserves	3,754	2,887
Foreign currency translation	(86,504)	(76,334)
Revaluation reserve	(95)	5,618
Other reserves	194,823	284,364
	<u>831,251</u>	<u>935,808</u>
Non-controlling interest	<u>-</u>	<u>-</u>
Total equity	<u>831,251</u>	<u>935,808</u>
Total liabilities and equity	<u><u>4,281,945</u></u>	<u><u>3,083,572</u></u>

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31
DECEMBER 2011**

(In thousands EUR)

	2011	2010 ²⁵
Continuing operations		
Interest income	879,509	762,407
Interest expense	(182,624)	(172,269)
Net interest income	696,885	590,138
Fee and commission income	268,214	212,726
Fee and commission expense	(57,991)	(40,639)
Net fee and commission income	210,223	172,087
Net (losses)/gains on financial assets and liabilities	(9,636)	7,381
Other operating income	52,034	12,658
Operating income	949,506	782,264
Impairment losses on financial assets	(167,024)	(108,924)
Net income related to credit risk insurance	29	42
General administrative expenses	(409,058)	(316,664)
Other operating expenses	(36,124)	(36,405)
Operating expenses	(612,177)	(461,951)
Net (loss)/gain from disposals of subsidiaries	(1,259)	15
Profit before tax from continuing operations	336,070	320,328
Income tax expense for continuing operations	(95,418)	(76,141)
Net profit for the year from continuing operations	240,652	244,187
Discontinued operations		
Loss from discontinued operations (net of income tax)	(9,326)	(10,016)
Net profit for the year	231,326	234,171
Currency translation	(18,111)	41,407
Reclassification of currency translation on subsidiary disposals	7,941	-
Revaluation of available-for-sale financial assets	(5,866)	4,100
Income tax relating to revaluation of available-for-sale financial assets	153	-

²⁵ The difference in the data for the year 2010 between the consolidated financial statements of financial position and comprehensive income for the years 2011 and 2010 is caused by the fact that net foreign currency (expense)/income was reclassified from Other operating income to Net (losses)/gains on financial assets. This resulted in the presentation of net trading (losses)/gains on currency derivatives, which economically hedge the Group's foreign currency position, and net foreign currency (expense) within the same financial statement caption. The comparative number of TEUR 5,420 was reclassified to allow for the consistent presentation.

Other comprehensive income for the year	<u>(15,883)</u>	<u>45,507</u>
Total comprehensive income for the year	<u>215,443</u>	<u>279,678</u>
Attributable to:		
Equity holders of the parent	215,443	279,659
Non-controlling interest	-	19
	<u>215,443</u>	<u>279,678</u>

(b) *Consolidated Statement of financial position and Statement of comprehensive income of the Issuer for the year ended 31 December 2010*

The following chart states the consolidated statement of financial position and Statement of comprehensive income of the Issuer as derived from the audited consolidated financial statement of the Issuer for the year ended 31 December 2010 prepared in accordance with IFRS. The information below should be read in conjunction with the audited consolidated financial statement of the Issuer for the respective financial year. Reporting currency is EUR.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2010

(In thousands EUR)

	2010	2009
ASSETS		
Cash and cash equivalents	201,024	315,118
Due from banks and other financial institutions	133,652	95,063
Loans to customers	2,176,901	1,682,126
Financial assets at fair value through profit or loss	2,823	31,217
Financial assets available-for-sale	179,765	338,723
Assets classified as held for sale	108,156	-
Current income tax receivables	8,475	12,298
Deferred tax assets	11,326	12,911
Investments in associates	1,533	590
Investment property	-	980
Intangible assets	32,446	34,314
Property and equipment	154,238	158,800
Other assets	73,233	54,161
	<u>3,083,572</u>	<u>2,736,301</u>
Total assets	3,083,572	2,736,301
LIABILITIES		
Current accounts and deposits from customers	590,022	377,479
Due to banks and other financial institutions	341,569	502,227
Debt securities issued	1,020,019	958,012
Financial liabilities at fair value through profit or loss	6,621	7,418
Liabilities classified as held for sale	76,097	-
Current income tax liabilities	824	2,182
Deferred tax liabilities	3,759	4,089
Other liabilities	108,853	101,831
	<u>2,147,764</u>	<u>1,953,238</u>
Total liabilities	2,147,764	1,953,238

EQUITY**Equity attributable to equity holders of the parent**

Share capital	659,020	855,569
Share premium	60,253	19,194
Statutory reserves	2,887	2,465
Foreign currency translation	(76,334)	(117,741)
Revaluation reserve	5,618	1,518
Other reserves	284,364	22,005

	935,808	783,010
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Non-controlling interest

	-	53
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Total equity

	935,808	783,063
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Total liabilities and equity

	3,083,572	2,736,301
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**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31
DECEMBER 2010**

(In thousands EUR)

	2010	2009
Continuing operations		
Interest income	762,407	799,469
Interest expense	(172,269)	(231,968)
Net interest income	590,138	567,501
Fee and commission income	212,726	188,196
Fee and commission expense	(40,639)	(43,049)
Net fee and commission income	172,087	145,147
Net gains/(losses) on financial assets	1,961	(145,482)
Other operating income	18,078	169,811
Operating income	782,264	736,977
Impairment losses on financial assets	(108,924)	(262,883)
Net income/(expense) related to credit risk insurance	42	(17,639)
General administrative expenses	(316,664)	(277,699)
Other operating expenses	(36,405)	(72,965)
Operating expenses	(461,951)	(631,186)
Net gain/(loss) from investments in subsidiaries	15	(2,651)
Profit before tax from continuing operations	320,328	103,140
Income tax expense for continuing operations	(76,141)	(43,593)
Net profit for the year from continuing operations	244,187	59,547
Discontinued operations		
Loss from discontinued operations (net of income tax)	(10,016)	(5,192)
Net profit for the year	234,171	54,355
Currency translation	41,407	(18,697)
Revaluation of available-for-sale financial assets, net of tax	4,100	1,519
Other comprehensive income/(expense) for the year	45,507	(17,178)
Total comprehensive income for the year	279,678	37,177
Attributable to:		
Equity holders of the parent	279,659	37,165
Non-controlling interest	19	12
	279,678	37,177

16.2. Auditing of Historical Annual Financial Information

The Issuer's historical financial information was audited by an auditor in the scope as specified in Chapter 4 of the Prospectus.

16.3. Age of Latest Financial Information

The Issuer mentions its financial information for the years 2011 and 2010 in the Prospectus. The latest year for which the Issuer's financial information was audited by auditor is the year 2011.

16.4. Legal and Arbitration Proceedings

As at the date of the publishing of this Prospectus and in the preceding 12 months, the Issuer was not party to any lawsuit or arbitration proceedings that might or could significantly influence the financial standing or profitability of the Issuer or the Home Credit Group.

As at the date of the publishing of this Prospectus, no business disputes are in progress that might threaten or in any considerably adverse way influence the Issuer's trading income. The Issuer is not aware of any such unsettled disputes.

16.5. Significant Change in the Issuer's Financial or Trading Position

The following changes that directly affect the Issuer have occurred since the end of the last financial period for which historical financial information was audited by the auditor:

(a) *Loan agreements with PPF Group N.V.*

On 11 August 2009, a loan agreement with the facility up to the amount of CZK 1,500,000,000 was entered into between the Issuer and PPF Group N.V. As at the date of the Prospectus, the outstanding amount of the provided credit amounts to CZK 1,358,000,000. The maturity date of the provided loan is 31 December 2014.

On 7 February 2011, a loan agreement with the facility up to the amount of EUR 400,000,000 was entered into between the Issuer and PPF Group N.V. As at the date of the Prospectus, the outstanding amount of the provided credit amounts to EUR 2,402,000. The maturity date of the provided loan is 30 June 2012.

(b) *Loan agreement with Home Credit Slovakia, a.s.*

On 26 April 2012, under the subordinated loan agreement between the Issuer and Home Credit Slovakia, a. s. on the basis of which the Issuer provided Home Credit Slovakia, a. s. with a loan in the amount of EUR 17,694,000, the maturity date of that loan has been extended for another year to 12 May 2013.

(c) *Distribution of dividends*

On 9 May 2012 the PPF Group N.V. as the sole shareholder of the Issuer approved the distribution of dividend for the financial year 2011 in the amount of EUR 7,476,000 and the interim dividend for the financial year 2012 in the amount of EUR 100,000,000. The distribution of these dividends has been effected and settled prior to the date of this Prospectus.

(d) *Loan agreement with JSC Home Credit Bank (Kazakhstan)*

On 7 June 2012, under the subordinated loan agreement between the Issuer and JSC Home Credit Bank (Kazakhstan), on the basis of which the Issuer provided JSC Home Credit Bank (Kazakhstan) with a loan, the amount of the loan has been decreased by repayment from KZT 1,700,000,000 to KZT 140,000,000.

17. THIRD PARTY INFORMATION AND STATEMENT BY EXPERTS AND DECLARATION OF ANY INTEREST

17.1. Third Party Information

The Prospectus does not contain any statement or notice of any person acting as an expert.

The Issuer confirms that where information has been sourced from a third party, this information has been accurately reproduced and that as far as the Issuer is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

Information regarding markets, market size, market share, market position, growth rates and other data pertaining to the Issuer's, Issuer's subsidiaries business and the PPF Group business contained in this Prospectus consists of estimates based on data reports compiled by professional organisations and analysts, on data from other external sources, and on the Issuer's knowledge of sales and markets. In certain cases, there is no readily available external information (whether from trade associations, government bodies or other organisations) to validate the market-related analyses and estimates, requiring the Issuer to rely on internally developed estimates.

While the Issuer has compiled, extracted and reproduced market or other business data from external sources, including third parties or general publications, neither the Issuer nor the Lead Manager nor the Co-Manager have independently verified that data.

Subject to the foregoing, neither the Issuer nor the Lead Manager nor the Co-Manager can assure investors of the accuracy and completeness of, and take no responsibility for, such data.

Further, while the Issuer believes its internal estimates to be reasonable, such estimates have not been verified by any independent sources and neither the Issuer nor the Lead Manager nor the Co-Manager can assure potential investors as to their accuracy and that a third party using different methods to assemble, analyse or compute market data would obtain the same result. The Issuer does not intend, and does not assume, any obligations to update business or market data set forth in this Prospectus. Finally, behaviour, preferences and trends in the marketplace tend to change. As a result, investors should be aware that the data in this Prospectus and estimates based on that data may not be reliable indicators of future results.

Source(s) of the information:

- 1) Czech Insurance Association, www.cap.cz
- 2) Czech Financial and Leasing Association, <http://www.clfa.cz>
- 3) Central Bank of the Russian Federation, www.cbr.ru.

18. TAXATION IN THE CZECH REPUBLIC AND THE NETHERLANDS

The text of this Chapter 18 is merely a summary of the principal Czech and Dutch tax consequences of the acquisition, holding, redemption and disposal of the Notes. This summary is included for general information purposes only and does not purport to be a comprehensive summary of all Czech and Dutch tax considerations that may be relevant from the perspective of deciding on a purchase, holding, or disposal of the Notes. This summary does not describe any tax aspects resulting from the laws of any other state than the Czech Republic and the Netherlands. This summary is based on the Czech and Netherlands tax legislation, published case law, treaties, rules and regulations, effective as at the day of this Prospectus without prejudice to a subsequent change introduced at a later date and implemented with retroactive effect. Any such change may in whole or in part invalidate the contents of this summary. Each prospective Noteholder should consult a professional adviser with respect to the tax consequences of an acquisition, holding, or disposal of the Notes, and the receipt of payments of interest on the Notes under the tax and foreign exchange laws and regulations in effect in the Czech Republic, the Netherlands and the countries in which they are residents as well as countries in which income from holding and selling the Notes may be taxed.

18.1. Taxation in the Czech Republic

The taxation of income from the holding or selling of the Notes in the Czech Republic described below assumes that the Issuer does not have a permanent establishment in the Czech Republic to which the Notes, or as the case may be the relevant interest costs, would be assigned.

(a) *Interest income*

Interest income accruing to a natural person who is a Czech tax resident (or a Czech permanent establishment of a natural person who is not a Czech tax resident) is a part of the person's tax base subject to the applicable tax rate (15% in 2012).

If the interest is accruing to a legal entity that is a Czech tax resident (or a Czech permanent establishment of a legal entity that is not a Czech tax resident), provided the legal entity concerned is not an investment fund or a pension fund, the interest income is part of the entity's general tax base subject to the applicable legal entities' income tax rate (19% in 2012). For an investment fund, share fund or pension fund, the interest revenue enters the general tax base subject to a decreased tax rate applicable to selected collective investment entities (5% in 2012). From interest income, taxes shall not be collected by the Czech tax authority by withholding at the source.

Tax on interest income paid abroad, if any, can be allowed for in the Czech Republic only based on the relevant state agreement on the elimination of dual taxation that also binds the Czech Republic.

An entity paying interest income (as a rule the Administrator or the Issuer) shall file a report to the relevant tax authority on income of an interest nature for every natural person with residence in the territory of another member state of the European Union. For the purposes of such report, the payer shall require the recipient to produce his or her passport or other identity card, or, as the case may be, other documents, to ascertain and review the recipient's name, surname, address and tax identification number and, where applicable, the date and place of birth, if a tax identification number has not been assigned to the recipient.

(b) *Income on sale*

Profits from the sale of Notes generated by a legal entity that is a Czech tax resident or by a permanent establishment of a tax non-resident – a legal entity situated in the Czech Republic, are included in the general tax base subject to taxation by the relevant legal entities' income tax rate (19% in 2012). For an investment fund, share fund or pension fund, the profit from the sale enters the general tax base subject to

a decreased tax rate applicable to selected collective investment entities (5% in 2012). Losses on sales are generally tax deductible.

Profits from the sale of Notes generated by a natural person that is a Czech tax resident or by a permanent establishment of a tax non-resident – a natural person situated in the Czech Republic, are generally included in the natural person's common income subject to applicable tax rate (15% in 2012). Potential losses on a sale can be regarded as tax deductible only in certain situations and provided that certain conditions are met. If the Notes have not been included in the natural person's business property and if the time between the acquisition and the sale of the Notes has exceeded a period of six months, the income on the sale of the Notes is exempted from taxation in the Czech Republic.

Income from the sale of Notes generated by a Czech tax non-resident accruing to a Czech tax resident or a permanent establishment of a Czech tax non-resident situated in the Czech Republic are generally subject to taxation at the relevant income tax rate (19% in 2012 for legal entities, 5% for an investment fund, share fund or pension fund, and tax rate of 15% in 2012 for natural persons), unless a relevant agreement on the elimination of dual taxation entered into by the Czech Republic stipulates otherwise. Unless such agreement on the elimination of dual taxation stipulates otherwise, the purchaser is generally obligated to deduct a tax securing of 1% of the income unless the Notes are sold by an entity that is a tax resident of a member state of the European Union or the European Economic Area. Said securing may be allowed for in the resulting tax liability of the Czech tax non-resident in the Czech Republic.

18.2. Taxation in the Netherlands

This summary solely addresses the principal Dutch tax consequences of the acquisition, holding and disposal of the Notes. It does not consider every aspect of taxation that may be relevant to a particular Noteholder under special circumstances or who is subject to special treatment under applicable law. It is limited to Dutch tax law as applied by the Dutch courts and published and in effect on the date of this Prospectus and it is subject to any change in law, possibly with retroactive effect. Where in this summary English terms and expressions are used to refer to Dutch concepts, the meaning to be attributed to such terms and expressions shall be the meaning to be attributed to the equivalent Dutch concepts under Dutch tax law.

This summary does not address the possible Dutch tax consequences for Noteholders (entities or individuals) holding a substantial interest ("*aanmerkelijk belang*") in the Issuer. In general a Noteholder holds a substantial interest if such Noteholder has, alone or, where such holder is an individual, together with his or her partner (as defined in the Dutch Income Tax Act 2001 (*Wet inkomstenbelasting 2001*)) or certain other related persons, directly or indirectly, holds (1) an interest of 5% or more of the total issued share capital of the Issuer, or 5% or more of the issued capital of a class of shares of the Issuer, (2) rights to acquire, directly or indirectly, an interest mentioned under 1, or (3) certain profit sharing rights relating to at least 5% of the annual profit of, or at least 5% of the liquidation proceeds in the Issuer.

The Issuer has been advised that the following Dutch tax treatment will apply to the Notes provided that in each and every respect the terms and conditions of each of the documents, the performance by the parties thereto of their respective obligations and the exercise of their rights thereunder and the transactions contemplated therein, including, without limitation all payments made thereunder, are at arm's length.

(a) *Withholding tax*

All payments made under the Notes may be made free from withholding tax or any deduction for, or on account of, any taxes of whatever nature imposed, levied, withheld or assessed by the Netherlands or any political subdivision or taxing authority thereof or therein, unless the Notes, as a result of its terms and conditions, are to be treated as equity. Based on article 10 paragraph 1(d) of the Dutch Corporate Income

Tax Act 1969 (*Wet op de vennootschapsbelasting 1969*) and Dutch case law as it stands on the date of this Prospectus, a Note is to be treated as equity if the conditions are such that the Note in fact serves as equity. Whether or not a Note is to be treated as equity will in practice be determined by the Dutch tax courts on a case by case basis. Existing Dutch case law provides some guidelines to determine whether or not a Note is to be treated as equity. Among other things, the Dutch tax courts will consider whether or not the remuneration paid on the Note is dependent on the profit of the Issuer.

(b) *Taxes on income and capital gains*

Residents of the Netherlands

Entities

If a Noteholder is resident or deemed to be resident in the Netherlands for Dutch tax purposes and is fully subject to Dutch corporate income tax or is only subject to Dutch corporate income tax in respect of its enterprise to which the Notes are attributable, income derived from the Notes and gains realized upon the redemption, conversion or disposal of the Notes are generally taxable in the Netherlands at a corporate income tax rate applicable in 2012 of 20% over the first EUR 200,000 of taxable income and 25% over any taxable income exceeding EUR 200,000

Individuals

If a Noteholder is an individual and a resident or deemed to be a resident of the Netherlands for Dutch tax purposes (including the non-resident individual Noteholder who has opted to be taxed as a resident of the Netherlands), the income derived from the Notes and the gains realized upon the redemption, conversion, or (deemed) disposal of the Notes are taxable at the progressive income tax rates with a maximum of 52%, if:

- (a) the Noteholder has an enterprise or an interest in an enterprise, to which enterprise or part thereof the Notes are attributable; or
- (b) such income or gains qualify as benefits from miscellaneous activities (*“resultaat uit overige werkzaamheden”*) within the meaning of Section 3.4 of the Income Tax Act 2001, which include activities with respect to the Notes that exceed ‘regular active asset management’ (*“normaal actief vermogensbeheer”*) or benefits which are derived from the holding, whether directly or indirectly, of (a combination of) shares, debt claims or other rights which form a “lucrative interest” (*lucratief belang*). A lucrative interest is an interest which the holder thereof has acquired under such circumstances that benefits arising from this lucrative interest are intended to be a remuneration for work or services performed by such holder (or a person related to such holder) in the Netherlands, whether within or outside an employment relationship, where such lucrative interest provides the holder thereof, economically, with certain benefits that have a relationship with the relevant work or services.

If neither situation (a) nor situation (b) applies to the Noteholder, taxable income with regard to Notes must be determined on the basis of a deemed return on income from savings and investments (*“sparen en beleggen”*), rather than on the basis of income actually received or gains actually realized. At present, this deemed return on income from savings and investments has been fixed at a rate of 4% of the average of the individual's net capital (*“rendementsgrondslag”*) at the beginning of the calendar year²⁶, insofar as the deemed return exceeds a certain threshold. The average of the individual's net capital is determined as the fair market value of certain qualifying assets held by the Noteholder less the fair market value of

²⁶ As of 2011, the value of an individual's net capital for the taxable year is determined as the value on 1 January of that taxable year (i.e. the value of the net capital is no longer “averaged”).

certain qualifying liabilities at the beginning of the calendar year, divided by two. The fair market value of the Notes will be included as an asset in the individual's net capital. The deemed return on income from savings and investments of 4% is taxable at a rate of 30 per cent.

Non-residents of the Netherlands

Entities

A non-resident Noteholder other than an individual will be subject to Dutch corporate income tax on income or capital gains in respect of benefits derived or deemed to be derived from the Notes, including any payment under the Notes or any gain realised on the redemption, conversion, or disposal of the Notes, only if such non-resident Noteholder derives profits from an enterprise, whether as an entrepreneur (“*ondernemer*”) or pursuant to a co-entitlement to the net value of such enterprise, other than as a holder of securities, such enterprise either being managed in the Netherlands or carried on, in whole or in part, through a permanent establishment or a permanent representative in the Netherlands, and the Notes are attributable to such enterprise.

If a non-resident Noteholder other than an individual is subject to Dutch corporate income tax on the basis mentioned above, income derived from the Notes and gains realized upon the redemption, conversion, or disposal of the Notes are taxable in the Netherlands at a corporate income tax rate applicable in 2012 of 20% over the first EUR 200,000 of taxable income and 25% over any taxable income exceeding EUR 200,000.

Individuals

A non-resident Noteholder who is an individual will be subject to Dutch income tax on income derived or deemed to be derived from the Notes, including any payment under Notes and any gain realised on the redemption, conversion, or disposal of the Notes, only if:

- (i) he derives profits from an enterprise, whether as an entrepreneur (“*ondernemer*”) or pursuant to a co-entitlement to the net value of such enterprise, other than as a holder of securities, such enterprise either being managed in the Netherlands or carried on, in whole or in part, through a permanent establishment or a permanent representative in the Netherlands and the Notes are attributable to such enterprise; or
- (ii) he derives benefits or is deemed to derive benefits from Notes that are taxable as benefits from miscellaneous activities in the Netherlands (“*resultaat uit overige werkzaamheden in Nederland*”) within the meaning of Section 3.4 of the Income Tax Act 2001, which include activities with respect to the Notes that exceed ‘regular active asset management’ (*normal actief vermogensbeheer*) or or benefits which are derived from the holding, whether directly or indirectly, of (a combination of) shares, debt claims or other rights which form a “lucrative interest” (*lucratief belang*). A lucrative interest is an interest which the holder thereof has acquired under such circumstances that benefits arising from this lucrative interest are intended to be a remuneration for work or services performed by such holder (or a person related to such holder) in the Netherlands, whether within or outside an employment relationship, where such lucrative interest provides the holder thereof, economically, with certain benefits that have a relationship with the relevant work or services.

Gift and inheritance taxes

A person who acquires the Notes as a gift, in form or in substance, or who acquires or is deemed to acquire the Notes on the death of an individual, will not be subject to Dutch gift tax or to Dutch inheritance tax, as the case may be, unless the donor is, or the deceased was resident or deemed to be resident in the Netherlands for purposes of gift or inheritance tax at the time of the gift or his or her death, as the case may be.

For the purpose of Dutch gift and inheritance tax, an individual who has the Dutch nationality will be deemed to be a resident of the Netherlands at the date of the gift or the date of his death, if he has been a resident of the Netherlands at any time during the ten years preceding the date of his gift or the date of his death.

For the purposes of Dutch gift tax, an individual who does not have the Dutch nationality will be deemed to be a resident of the Netherlands at the date of the gift, if he has been a resident of the Netherlands at any time during the twelve months preceding the date of the gift.

Other taxes and duties

No Dutch registration tax, transfer tax, stamp duty or any other similar documentary tax or duty, other than court fees, is payable in the Netherlands in respect of or in connection with the execution, delivery and/or enforcement by legal proceedings (including the enforcement of any foreign judgment in the courts of the Netherlands) of the documents relating to the issue of the Note, the performance by the Issuer of its obligations thereunder or under the Note or in respect of or in connection with the transfer of the Note.

18.3. EU Savings Directive

Under Directive 2003/48/EC on the taxation of savings income in the form of interest payments, Member States are required to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to, or collected by such a person for, an individual resident in that other Member State. However, for a transitional period, Luxembourg and Austria are required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries), deducting tax at rates rising over time to 35%.

A number of non-EU countries (including Switzerland) have adopted a withholding system and certain dependent or associated territories of certain Member States have agreed to adopt similar measures (either provision of information or transitional withholding) in relation to payments made by a person within its jurisdiction to, or collected by such a person for, an individual resident in a Member State. In addition, the Member States have entered into reciprocal provision of information or transitional withholding arrangements with certain of those dependent or associated territories in relation to payments made by a person in such Member State to, or collected by such a person for, an individual resident in the relevant territory.

19. FOREIGN EXCHANGE REGULATION IN THE CZECH REPUBLIC AND THE NETHERLANDS

19.1. Foreign Exchange Regulation in the Czech Republic

Notes are regarded as foreign securities in the meaning of the Foreign Exchange Act No. 219/1995 Coll. as amended (hereinafter the “**Foreign Exchange Act**”). The issuance and acquisition of foreign securities is subject to the foreign exchange regulation of the Czech Republic. Under the Czech Foreign Exchange Act, with the exception specified below, no foreign exchange permission or licence is required for an individual purchase or sale of foreign securities by nationals or foreigners handling foreign exchange or for the trading of foreign securities within the meaning of common business conduct. Nevertheless, transactions with foreign securities may be subject to the notification obligation.

In case of an emergency situation in a foreign exchange economy, if solvency towards abroad is immediately and seriously threatened, it is forbidden until the relevant authority grants special permission: (a) to acquire any foreign exchange assets (including foreign securities) against the Czech currency, (b) to make any and all payments from the home country abroad (including remittances between banks and their branches) and (c) to deposit money onto accounts abroad. In case of an emergency situation in the foreign exchange economy, if the internal currency balance is immediately and seriously threatened, it is also forbidden, inter alia, to make payments to the Czech Republic from another country between banks and their branches unless the relevant authority grants special permission. The government of the Czech Republic may declare an emergency situation in the foreign exchange economy in the case of an adverse development in the balance of payments that immediately and seriously threatens solvency towards abroad or the internal currency balance of the Czech Republic. The emergency situation in the foreign exchange economy commences as of the date on which the Czech Government announces the emergency situation in the mass media and ends within three months following the day of its commencement, at the latest.

19.2. Foreign Exchange Regulation in the Netherlands

The Dutch Central Bank (*De Nederlandsche Bank N.V.* or the “**DCB**”) is responsible for the compilation of the balance of payments for the Netherlands. In connection therewith, DCB periodically collects data from groups of reporting entities selected by DCB relating to (inter alia) cross border transactions.

The Issuer qualifies as a Special Financial Institution (*Bijzondere Financiële Instelling*) under (regulation promulgated under) the Act on Financial Foreign Relations 1994 (*Wet Financiële Betrekkingen Buitenland 1994*). A Special Financial Institution is an organisation or enterprise, regardless its legal form (i) in which non-residents directly or indirectly participate through equity or otherwise or exercise influence, and (ii) whose purpose or primary business is solely or jointly with other domestic group companies:

1. to hold assets and liabilities mainly outside the territory of the Netherlands; and /or,
2. to transfer revenues generated outside the Netherlands from royalties and licenses to foreign group companies; and / or;
3. to generate revenues and expenses primarily from re-invoicing to and from foreign subsidiaries.

DCB (periodically) appoints (legal) persons, partnerships, branches etc. residing or established in, or managed from, the Netherlands as reporters (the “**Reporter**”). DCB will inform the Reporter in writing of the manner in which the reporting must take place. A resident which has not been selected by DCB as a Reporter may be requested by DCB within a period determined by DCB, to provide information to DCB, in order to enable DCB to review whether or not the resident will be appointed as a Reporter. The reporting obligations and frequency depends on the risk profile of the Reporter. DCB, in principle, makes reporting agreements with individual Reporters.

Under the Act on Financial Foreign Relations 1994 the Dutch Minister of Finance may also impose restrictions on the transfer of capital from and to non-EU member states implementing a decision of the EU-council under art. 57(2) of EU Treaty.

20. ENFORCEMENT OF CIVIL LIABILITIES AGAINST THE ISSUER

The text of this Chapter 20 is merely a summary of certain legal aspects of Czech and Dutch law regarding the enforcement of civil law entitlements connected with the Notes against the Issuer. This summary does not describe any legal aspects of enforcement of the aforementioned entitlements resulting from the law of any other state than the Czech Republic and the Netherlands. This summary is based on the laws effective as at the day of this Prospectus and may be subject to subsequent change (including potential retroactive results). The future assignees of the Notes are recommended to consult with their legal and tax advisors on the legal context of the enforcement of entitlements from the Notes towards the Issuer under the relevant laws.

20.1. The Czech Republic

The Issuer has granted its consent to the jurisdiction of the Municipal Court in Prague in connection with any lawsuit commenced on the basis of the acquisition or in connection with the holding of the Notes. As a result, it may be impossible for the acquirer of the Notes to file a suit abroad or to commence any proceedings against the Issuer or require foreign courts to issue court decisions against the Issuer or fulfil decisions issued by such courts that are based on the provisions of foreign legal regulations.

In cases where the Czech Republic has entered into an international treaty on the recognition and enforcement of court decisions with a specific state, it ensures the enforcement of court decisions of such state pursuant to the provisions of the given international treaty. Where such treaty does not exist, the decisions of foreign courts may be recognized and enforced in the Czech Republic under the terms and conditions stipulated in Act No. 97/1963 Coll. on Private International Law and Procedure as amended. Under said Act, the decisions of foreign states' justice bodies in matters specified in the provisions of Section 1 of the aforementioned Act on Private International Law and Procedure, foreign court conciliations and foreign notarial deeds (jointly also referred to as the "**foreign decisions**") cannot be recognized and enforced if (i) the decided matter falls under the exclusive jurisdiction of the bodies of the Czech Republic or if the proceedings could not be conducted before any body of a foreign state, if the provisions regarding jurisdiction of the courts of the Czech Republic would be used to judge the jurisdiction of a foreign body; or (ii) the same legal relation has been issued a decision by a body of the Czech Republic before a decision of a third state's body has been recognized in the Czech Republic; or (iii) a party to the proceedings towards which the decision is to be recognized has been denied the possibility to duly participate in the proceedings through a procedure of a foreign body, in particular if the party has not been duly summoned for the purpose of the commencement of the proceedings; or (iv) the recognition of the foreign decision would be contrary to the public order of the Czech Republic; or (v) the mutuality of the recognition and the enforcement of decisions is not ensured (mutuality is not required if the foreign decision does not aim against a citizen of the Czech Republic or a legal entity with its registered office in the Czech Republic). After an agreement with the Ministry of Foreign Affairs of the Czech Republic and other relevant ministries, the Ministry of Justice of the Czech Republic may make a representation on mutuality with the foreign state. Such representation is binding on the courts of the Czech Republic and other public authorities. If such representation on mutuality is not issued towards a specific country, this does not automatically mean that the mutuality does not exist. In such cases the recognition of mutuality shall depend on the existing situation regarding recognition of the decisions of bodies of the Czech Republic in the given country.

In connection with the accession of the Czech Republic to the European Union, Council Regulation No. 44/2001 EC of 22 December 2000, on the jurisdiction and the recognition and enforcement of judgments in civil and commercial matters, is directly applicable in the Czech Republic. A judgment given in a member state of the European Union, including the Netherlands and Czech Republic, and enforceable in that State shall be enforced in another Member State when, on the application of any interested party, it has been declared enforceable there.

Furthermore, an amendment of the above Private International Law and Procedure Act was adopted in connection with the accession of the Czech Republic to the European Union, according to which, if a party requests, under a regulation of the European Communities or an international treaty to the ratification of which

the Parliament of the Czech Republic has given consent and by which the Czech Republic is bound (hereinafter the “**International Agreement**”), the recognition of a foreign decision, another public document or court conciliation (hereinafter the “**Decision**”) be decided upon in special proceedings, the court decides on the recognition through a judgment. In parallel with a proposal for the declaration of enforceability, a proposal may be filed for the ordering of such enforcement of a Decision or distraint under a special law (the Code of Civil Court Procedure or the Distraint Code). The Decision cannot become legally effective in a verdict ordering enforcement of a decision or distraint earlier than in the verdict by which the Decision is declared enforceable.

However, courts in the Czech Republic would not deal with the merit of the matter in an action filed in the Czech Republic on the basis of any violation of public law regulation of any state except the Czech Republic by the Issuer, in particular any action regarding the violation of any foreign act on securities.

20.2. The Netherlands

In the Netherlands, as an EU member state, Regulation No. 44/2001 EC of 22 December 2000, on the jurisdiction and the recognition and enforcement of judgments in civil and commercial matters, is directly applicable. On the basis of the Regulation, court decisions issued by court bodies in the member states of the EU, excluding Denmark, but including the Czech Republic, in civil and commercial matters are, under the conditions set by the mentioned Regulation, enforceable in the Netherlands and vice versa; court decisions issued by court bodies in the Netherlands in civil and commercial matters are enforceable, under the conditions set by the mentioned Regulation, in the member states of the European Union including the Czech Republic. The mentioned Regulation will be, in principle, applicable on decisions made in the Czech Republic against the Issuer on payment matters resulting from the documents to which the Issuer is a party or from the Notes issued by it.

If any documents, to which the Issuer will be a party, and/or notes are enforced in the Netherlands, the enforcement will be subject to the Dutch rules of civil procedure as applied by the Dutch courts.

21. DOCUMENTS ON DISPLAY

21.1. Documents on Display

In the period of validity of the Prospectus, the following documents or their copies can be accessed as needed:

- (a) the Issuer's Articles/Memorandum of Association;
- (b) messages, mail and other documents, valuations and representations produced by an expert upon the Issuer's request, if any part thereof is included in the Prospectus or referred to in the Prospectus;
- (c) historical financial information of the Issuer for each of the two financial years preceding the publishing of the Prospectus.

The above stated documents can be accessed in the Netherlands at the address Home Credit B.V., Strawinskyiaan 933 Tow. B Lev. 9, 1077XX, Amsterdam or in the Czech Republic at the address PPF banka a.s., Prague 6, Evropská 2690/17, Postal Code: 160 41, the Czech Republic.

The historical financial information of the Issuer for each of the four financial years preceding the publishing of the Prospectus for which the financial statements have been prepared (i.e. for financial years 2010 and 2011) is also available in electronic form on the web pages of the Issuer www.homecredit.eu.

21.2. Historical Financial Information of the Issuer's Subsidiaries

In the period of validity of the Prospectus, the historical financial information of the Issuer's subsidiaries for each of the two financial years preceding the publishing of the Prospectus (their copies) can be accessed as needed on the following addresses:

- historical financial information of Home Credit a.s. at the address PPF banka a.s., Prague 6, Evropská 2690/17, Postal Code: 160 41, the Czech Republic ;
- historical financial information of Home Credit & Finance Bank at the address PPF banka a.s., Prague 6, Evropská 2690/17, Postal Code: 160 41, the Czech Republic;
- historical financial information of Home Credit Slovakia, a.s. at the address PPF banka a.s., Prague 6, Evropská 2690/17, Postal Code: 160 41, the Czech Republic;
- historical financial information of Home Credit International a.s. at the address PPF banka a.s., Prague 6, Evropská 2690/17, Postal Code: 160 41, the Czech Republic;
- historical financial information of OJSC Home Credit Bank at the address Home Credit B.V., Strawinskyiaan 933 Tow. B Lev. 9, 1077XX, Amsterdam;
- historical financial information of HOMER SOFTWARE HOUSE LIMITED at the address Home Credit B.V., Strawinskyiaan 933 Tow. B Lev. 9, 1077XX, Amsterdam;
- historical financial information of REDLIONE LIMITED at the address Home Credit B.V., Strawinskyiaan 933 Tow. B Lev. 9, 1077XX, Amsterdam;
- historical financial information of Home Credit Bank JSC at the address Home Credit B.V., Strawinskyiaan 933 Tow. B Lev. 9, 1077XX, Amsterdam;
- historical financial information of LLC Inko-Technopolis at the address LLC Home Credit & Finance Bank, Moscow, Moscow, Pravdy str., 8, bld.1, 1205040, the Russian Federation;
- historical financial information of LLC Financial Innovations at the address LLC Home Credit & Finance Bank, Moscow, Pravdy str., 8, bld.1, 1205040, the Russian Federation;

- historical financial information of PPF Home credit IFN S.A. at the address PPF Home credit IFN S.A, Polizu Str. No. 58-60, 1st District, Bucharest, Romania;
- historical financial information of HCF Funding No. 1 B.V. at the address HCF Funding No. 1 B.V., Amsterdam, Strawinskyiaan 933, 1077XX, Netherlands;
- historical financial information of Home Credit Finance 1 B.V. at the address Home Credit Finance 1 B.V., Amsterdam, Strawinskyiaan 933, 1077XX, Netherlands;
- historical financial information of COLLECT – CREDIT LLC at the address COLLECT – CREDIT LLC, Dnepropetrovsk, 1 Glinki St., 49000, Ukraine;
- historical financial information of Homer Software house Limited at the address Homer Software house Limited, Dnepropetrovsk, 6/2a Molodogvardiiska St., housing 53, 49000, Ukraine;
- historical financial information of HC Broker, s.r.o. at the address HC Broker, s.r.o., Brno, Moravské náměstí 249/8, Postal Code: 602 00, the Czech Republic;
- historical information of Easy Dreams Company Limited at the address 104 Cong Quynh Street, Pham Ngu Lao Ward, District 1, Ho Chi Minh City, Vietnam.

Historical financial information of significant subsidiaries of the Issuer that regularly publish financial statements for the two financial years (if relevant) preceding the publication of this Prospectus is also available on the following web pages:

- Home Credit & Finance Bank – annual financial statements are published at www.homecredit.eu

22. INFORMATION INCORPORATED BY REFERENCE

The following documents which are incorporated by reference into this Prospectus can be found on the official web page of the Issuer www.homecredit.eu in Section *Investor Relations*, Subsection *Financial Reports*:

- (a) the audited consolidated financial statements of the Issuer for the year ended 31 December 2010 (including the auditor's report) is contained in a document called "*HCBV (NL): Consolidated Financial Statements for the year ended 31 December 2010 (audited)*" and
- (b) the audited consolidated financial statements of the Issuer for the year ended 31 December 2011 (including the auditor's report) is contained in a document called "*HCBV (NL) Annual accounts 2011 (Consolidated and Unconsolidated Financial Statements) for the year ended 31 December 2011 (audited)*".

23. GENERAL INFORMATION

1. The Issuer of the Notes is Home Credit B.V., with its registered office at Strawinskylaan 933 Tow. B Lev. 9, 1077XX, Amsterdam, the Netherlands, a company incorporated under the laws of the Netherlands, registered with the trade register of the Chamber of Commerce and Industries in Amsterdam, the Netherlands (*Kamer van Koophandel Amsterdam*) under registration No. 34126597.
2. The issuance of the Notes was approved by the decision of the Management Board of the Issuer, dated 30 May, 2012. Such Management Board Resolution (its draft) was also approved by Issuer's shareholder (PPF Group N.V.) by their resolution dated 30 May 2012.
3. The Issuer has in accordance with Section 123 Subsection 1 of the Act No. 256/2004 Coll., the Capital Markets Act, as amended, chosen Czech Republic as home Member State.
4. The issuance of the Notes is governed by the laws in effect, in particular Act No. 190/2004 Coll. on Notes as amended, Act No. 256/2004 Coll., the Capital Markets Act, as amended, and Commission Regulation (EC) No. 809/2004, implementing Directive 2003/71/EC of the European Parliament and of the Council as regards information contained in prospectuses as well as the format, incorporation by reference and publication of such prospectuses and the dissemination of advertisements, and regulations of the individual regulated securities markets in which the relevant Issue of Notes is to be listed.
5. The terms and conditions for the issuing of the Notes contained in this Prospectus, as well as this Prospectus itself, were approved by a decision of the Czech National Bank, dated on 15 June, 2012, which came into legal force on 15 June, 2012.
6. On 11 June, 2012 the PSE approved a conditional acceptance of the Notes for trading on the free market of the PSE under the condition of fulfilling certain conditions including the approval of the Prospectus by the Czech National Bank and its being published in accordance with the laws in effect.
7. Since the establishment of the Issuer till the date of the drafting this Prospectus, no negative change has occurred in the Issuer's financial position that would be substantial in connection with the issue of the Notes.
8. The auditing company KPMG Accountants N.V., Laan van Langerhuize 1, 1186 DS Amstelveen, has granted and not withdrawn a written consent to the inclusion of the Issuer's financial statements in this Prospectus for the last two accounting years, including the auditor's reports.
9. The Prospectus was drafted on 31 May 2012.
10. Matters important for the claiming of the rights of Noteholders shall be published in the way specified in the terms and conditions for issuing the Notes.
11. The full text of the audited annual financial statements of the Issuer, including appendices and the auditor's statements, for the periods as of 31 December 2010 and 31 December 2011 are together with the other documents that this Prospectus refers to, for the period while the Issue of the Notes remains unpaid, available for access free of charge during regular office hours at the Issuer's registered office.
12. The net proceeds of the issue, after the deduction of all fees, costs and expenses in connection with the issuance of the Notes shall be used for general corporate purposes of the Issuer especially for the purposes of the Issuer's business activities as described in Article 9.1 of the Prospectus.

13. In relation to the interests of natural and legal persons involved in the Issue, the Issuer confirms its understanding and notes to third parties (i) that PPF banka acting as the Administrator, the Listing Agent and Calculation the Agent, is related to the Issuer as it is a member of the PPF Group, and (ii) that part of the selected institutional investors to whom the issue of Notes will be offered and who have indicated their interest in subscribing and purchasing part of the issue of the Notes are investors from the PPF Group. As at the day of this Prospectus, the Issuer is not aware of any other interest of any natural or legal person involved in the Issue which might be essential for the Issue.

24. LIST OF DEFINITIONS, TERMS AND ABBREVIATIONS USED

“**Administrator**” means the company PPF banka a.s., Prague 6, Evropská 2690/17, Postal Code 160 41, the Czech Republic, Identification No.: 47116129;

“**AFS**” means the Act on Financial Supervision (*Wet op het Financieel Toezicht*);

“**Burza cenných papírů Praha, a.s.**” or “**PSE**” or “**Prague Stock Exchange**” means the stock exchange with the aforementioned trade name with its registered office in Prague 1, Rybná 14/682, Identification No.: 47115629;

“**BYR**” means the Belorussian ruble, the lawful currency of the Republic of Belarus;

“**Capital Markets Act**” means Czech Act No. 256/2004 Coll., Capital Markets Act, as amended;

“**CBR**” means the Central Bank of the Russian Federation;

“**CEE**” means Central and Eastern Europe;

“**Central Depository**” means Central Securities Depository Prague with its registered office in Prague 1, Rybná 14, Postal Code 110 05, Identification No.: 25081789;

“**CIS**” means Commonwealth of Independent States;

“**Civil Code**” means Act No. 40/1964 Coll., the Civil Code, as amended;

“**CNB**” or “**Czech National Bank**” means a legal entity established by Act No. 6/1993 Coll. on the Czech National Bank, or, as the case may be, any legal successor thereof;

“**Co-Manager**” means the company ING Bank N.V., Prague Branch, Prague 5, Plzeňská 345/5, Postal Code: 150 00, Czech Republic, Identification No.: 492 79 866;

“**Consumer Protection Law**” means Law No. 2300-1 “On Consumer Protection” dated 7 February 1992, as amended;

“**CR**” means the Czech Republic;

“**CZK**” means the Czech crown, the lawful currency of the Czech Republic;

“**DCB**” means Dutch Central Bank (*De Nederlandsche Bank N.V.*);

“**EUR**”, “**Euro**” or “**euro**” means the single currency of the European Union;

“**Foreign Exchange Act**” means Act No. 219/1995 Coll., the Foreign Exchange Act, as amended;

“**HCBY**” or “**Home Credit Bank**” means OJSC HOME CREDIT BANK (formerly OJSC Lorobank), having its registered seat at Minsk, Odoevskogo str.129, 220 018, the Republic of Belarus, Identification No.: 807000056;

“**HCI**” means Home Credit International a.s., having its registered seat at Praha 6, Evropská 2690/17, PSČ 160 41, Identification No.: 601 92 666, registered in the Commercial Register kept by the Municipal Court in Prague, Section B, Insert 2201;

“**HCS**” means Home Credit Slovakia, a.s., having its registered seat at Teplická 7434/147, Piešťany 921 22, Identification No.: 36 234 176, registered in the Commercial Register kept by the District Court in Trnava, Section Sa, Insert 10130/T;

“**Home Credit**” means Home Credit a.s., having its registered seat at Brno, Moravské náměstí 249/8, okres Brno-město, P.C. 602 00, Identification No.: 269 78 636, registered in the Commercial Register kept by the Regional Court in Brno, Section B, Insert 4401;

“**Home Credit & Finance Bank**” or “**HCFB**” means LLC Home Credit & Finance Bank, having its registered office at Moscow, Zelenograd, building 317a, 103482, the Russian Federation, Identification No.: 1027700280937;

“**Home Credit Group**” means the Issuer and any entity directly or indirectly controlled by the Issuer;

“**Issuer**”, or as the case may be, “**issuer**” (where it follows from the context of using this notation in this document) or “**HCBV**” means Home Credit B.V., with its registered office (*statutaire zetel*) at Strawinskylaan 933 Tow. B Lev. 9, 1077XX, Amsterdam, the Netherlands, a private company with limited liability (*besloten vennootschap*) incorporated under the laws of the Netherlands, registered with the trade register of the Chamber of Commerce and Industries in Amsterdam, the Netherlands (*Kamer van Koophandel Amsterdam*) under registration No. 34126597;

“**KZT**” means Kazakhstan Tenge, the lawful currency of Kazakhstan (as at 30 of December 2011 the exchange rate was KZT 100 to CZK 13,431, according to the information published by the CNB);

“**Lead Manager**” means the company PPF banka a.s., Prague 6, Evropská 2690/17, Postal Code 160 41, the Czech Republic, Identification No.: 47116129;

“**Legislation**” means Russian antimonopoly legislation;

“**Moody’s**” means Moody’s Central Europe;

“**Notes Act**” means Act No. 190/2004 Coll. on Notes as amended;

“**POS**” means a point of sale through which consumer loans are sold;

“**PPF Group**” means PPF Group N.V. and any entity directly or indirectly controlled by PPF Group N.V.;

“**PPF Group N.V.**” means PPF Group N.V. having its registered office (*statutaire zetel*) at Strawinskylaan 933, Tow. B Lev. 9, Amsterdam, the Netherlands, a private company (*naamloze vennootschap*) incorporated under the laws of the Netherlands, registered with the trade register of the Chamber of Commerce and Industries in Amsterdam, the Netherlands (*Kamer van Koophandel Amsterdam*), under registration No. 33264887;

“**Prospectus**”, or as the case may be, “**prospectus**” (where it follows from the context of using this notation in this document) means this Notes prospectus;

“**Regulation**” means Commission Regulation (EC) No. 809/2004, implementing Directive 2003/71/EC of the European Parliament and of the Council as regards information contained in prospectuses as well as the format, incorporation by reference and publication of such prospectuses and the dissemination of advertisements;

“**Rospotrebnadzor**” means Consumer Protection Service of the Russian Federation;

“**RUB**” means the Russian ruble, the lawful currency of the Russian Federation;

“**Slovak Capital Markets Act**” means act No. 566/2001 Coll., on Securities and Investments Services and Alteration and Amendment of Some Acts (Securities Act), as amended;

“**TCZK**” means thousand(s) of Czech crowns;

“**TRUB**” means thousand(s) of Russian rubles;

“**UAH**” means Ukrainian hryvnia, the lawful currency of Ukraine (as at 30 December 2011, the exchange rate was UAH 1 to CZ 2,483, according to the information published by the CNB);

“**USA Securities Act**” means 1933 Securities Act of the United States of America, as amended;

“**USD**” means the USD dollar, the lawful currency of the United States of America;

ISSUER

Home Credit B.V.

Strawinskylaan 933 Tow. B Lev. 9
1077XX, Amsterdam
The Netherlands

LEAD MANAGER

PPF banka a.s.

Evropská 2690/17
160 41 Prague 6
Czech Republic

CO-MANAGER

ING Bank N.V., Prague Branch

Plzeňská 345/5
150 00 Prague 5
Czech Republic

LEGAL ADVISORS

BBH, advokátní kancelář, v.o.s.

Klimentská 1207/10
110 00 Prague 1
Czech Republic

ADMINISTRATOR

PPF banka a.s.

Evropská 2690/17,
160 41 Prague 6
Czech Republic

ISSUER'S AUDITOR

KPMG Accountants N.V.

Laan van Langerhuize 1
1186 DS Amstelveen
The Netherlands