

CZK 1,998,000,000**Home Credit B.V.****Fixed Rate Notes****Due 2020****ISIN CZ0000000831**

The fixed rate notes due in 2020 in the anticipated nominal value of up to CZK 1,998,000,000 (hereinafter referred to only as the “Notes” or the “Issue”) issued by Home Credit B.V., a company incorporated under the laws of the Netherlands, registered with the trade register of the Chamber of Commerce in Amsterdam, the Netherlands (*Kamer van Koophandel*) under Registration No. 34126597, having its registered seat (*statutaire zetel*) in Amsterdam and with principal office address at Strawinskylaan 933, 1077XX, Amsterdam, the Netherlands, (hereinafter referred to only as the “Issuer” or “HCBV”) shall be bearer notes issued in book-entry form. The overall anticipated nominal value of the Notes may be increased by up to 50 % of the anticipated nominal value of the Notes specified in the preceding sentence. If they are admitted for trading on the Regulated 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. The nominal value 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 10 February 2017.

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 3.75 % per annum. The interest shall be payable semi-annually on 30 March and 30 September of each year respectively, however the first interest payment shall be deferred to and become due on 30 September 2018. 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 value on 30 March 2020. More details are given under the Chapter 5 “*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 5 “*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 nominal value 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 13 “*Taxation in the Czech Republic and the Netherlands*”.

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 2 “*Risk Factors*”.

This prospectus (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 Regulated 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 in certain jurisdictions may be restricted by law.

This Prospectus has been approved by the decision of the Czech National Bank (hereinafter referred to also as the “CNB”) ref. no. 2017/016005/CNB/570, file no. S-Sp-2016/00055/CNB/572 on 1 February 2017, which entered into force on 3 February 2017.

The Issuer has applied for the admission of the Notes for trading on the Regulated Market of the PSE.

The Central Security Depository has issued the following ISIN to the Notes CZ0000000831.

This Prospectus has been elaborated as at 4 January 2017 and, in the information stated herein, is current as at this day only. Should a substantial change occur regarding any fact specified herein or any material inaccuracy which is capable of affecting the assessment of the Notes before the day when the trading of the Notes on the Regulated 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 Regulated 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.

This Prospectus and any amendments thereto published after the date of the elaboration hereof is available at the registered office of the Issuer at Strawinskylaan 933, 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*”) and all annual and semi-annual reports of the Issuer are available in electronic form on the Issuer’s web page www.homecredit.eu. This Prospectus will also be available at PPF banka a.s., Prague 6, Evropská 2690/17, Postal Code 160 41, Czech Republic on business days during the regular office hours from 9:00 AM to 4:00 PM and in electronic form this 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.

1. IMPORTANT NOTICES

*This Prospectus is a prospectus only within the meaning of Section 36 of the Czech Act No. 256/2004 Coll., Capital Markets Act, as amended (hereinafter referred to as the “**Capital Markets Act**”), Article 5 of the Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 on the prospectus to be published when securities are offered to the public or admitted to trading and amending Directive 2001/34/EC and Article 25 of Commission Regulation (EC) No 809/2004 of 29 April 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 dissemination of advertisements (hereinafter referred to as the “**Regulation**”).*

*The distribution of this Prospectus and the offering, sale or purchase of the Notes in certain jurisdictions may be restricted by law. 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 have not been and will not be registered under the United States Securities Act of 1933, as amended (hereinafter referred to as the “**US Securities Act**”) 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 US Securities 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.*

This Prospectus must be read and construed together with any supplements hereto and with any information incorporated by reference herein. In the event of a discrepancy between the information reported in this Prospectus and its supplements, the last published figures are always valid. Any decision to subscribe for the offered Notes must be based solely on the information contained in these documents as a whole and on the terms of the offer, including an independent evaluation of the risk of Notes investments performed by each of the potential buyers.

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 this 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 provides a guarantee or any other security for the obligations of the Issuer including obligations arising per the Notes.

The information included in the Chapter 12 “Foreign Exchange Regulation in the Czech Republic and the Netherlands”, Chapter 13 “Taxation in the Czech Republic and the Netherlands” and Chapter 14 “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. Prospective investors 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.

Investors of the Notes, mainly foreign investors, 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.

Prospective investors, 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.

This 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, 1077XX, Amsterdam, the Netherlands, on business days during regular office hours from 9:00 AM to 4:00 PM.

Additionally, this Prospectus will be available at PPF banka a.s., Prague 6, Evropská 2690/17, Postal Code 160 41, 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 on web page of the Issuer www.homecredit.eu. This 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 of the Notes remains outstanding, a copy 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 5 “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 outlooks 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.

This Prospectus contains various forward-looking statements regarding events and trends that are subject to risks and uncertainties that could cause the actual business activities, results and financial position of the Issuer to differ materially from the information presented in this Prospectus. When used in this Prospectus, the words “estimate”, “project”, “intend”, “anticipate”, “believe”, “expect”, “should” and similar expressions, as they relate to the Issuer and its management, are intended to identify such forward-looking statements. The Issuer does not undertake any obligation to publicly release the result of any revision to these forward-looking statements to reflect the events or circumstances after the date of this Prospectus or to reflect the occurrence of unanticipated events unless, as a result of such event or circumstance, the Issuer is required under applicable law to publish a supplementary prospectus after the date of this Prospectus.

Unless provided otherwise hereinafter, all financial data of the Issuer derive from International Finance Reporting Standards as adopted by European Union (hereinafter referred to as the “IFRS”). 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.

No person has been authorised to give any information or to make any representation not contained in or not consistent with this Prospectus or any other document entered into in relation to the issue of the Notes or any information supplied by the Issuer or such other information as is in the public domain and, if given or made, such information or representation should not be relied upon as having been authorised by the Issuer or the Lead Manager.

The Lead Manager has not separately verified the information contained in this Prospectus. Neither the Lead Manager nor any of its respective affiliates have authorised the whole or any part of this Prospectus and none of them makes any representation or warranty or accepts any responsibility as to the accuracy or completeness of the information contained in this Prospectus. Neither the delivery of this Prospectus or the Terms and Conditions of the Notes nor the offering, sale or delivery of any Note shall, in any circumstances, create any implication that the information contained in this Prospectus is true subsequent to the date hereof or the date upon which this Prospectus has been most recently supplemented or that there has been no adverse change, or any event reasonably likely to involve any adverse change, in the prospects or financial or trading position of the Issuer since the date thereof or, if later, the date upon which this Prospectus has been most recently supplemented or that any other information supplied in connection with the issue of Notes is correct at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

Prospective investors must determine the suitability of such an investment themselves in accordance with their 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 including any of its supplements) 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.*

Certain expressions are defined in the Chapter 16 “List of Definitions, Terms and Abbreviations Used”.

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

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

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2. RISK FACTORS

Prospective investors should acquaint themselves with this Prospectus as a whole. The issues presented for consideration in this Chapter by the Issuer to the prospective investors, as well as the other information specified in this Prospectus, should be carefully considered by each prospective investor.

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 the prospective investors 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 investors of the Notes.

2.1. Risk Factors Related to the Issuer and the Regions of Its Operation

(a) *Dependence of the Issuer on Profit/Loss of its Subsidiaries*

The Issuer is a holding company that does not perform independent business activities however it manages the shares of its subsidiaries. The sources of the Issuer's profit rest, in particular, in dividends and other payments from the subsidiaries, and as the case may be, in proceeds 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. Certain claims of the creditors of those subsidiaries have priority over the claims of 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 offices and the tax regulations in the state of incorporation 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.

(b) *Regions of Operation*

The Issuer manages companies with registered offices in various countries. One of the largest parts of the Home Credit Group's business is derived from operations in China and the Russian Federation. From this point of view, the business results 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, including China and the Russian Federation. 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 exchange rates and interest rates are relevant as those are subsequently reflected in price of the offered products and demand of consumers for these products. From this point of view, methods of relevant regulators of individual states in which the companies controlled by the Issuer operate may play crucial role. Further, any change in the economic situation may influence the ability of clients of the Issuer's subsidiaries to repay the provided loans and the approach of 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 current as well as prospective clients of the Issuer's subsidiaries and their purchasing power, the effects of transformation changes on individual economies in which the Home Credit Group operates are particularly important. These changes may influence 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 laws regulating business activity of the subsidiaries (for example, granting of permits and licenses, fees, sanctions and the like) and laws interfering with 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, it may not ensure that political development in the relevant states will be favourable in relation to the business of the Issuer's subsidiaries, which may substantially influence the financial situation and profit of the Issuer.

General Economic Conditions in China and Slowdown of the Chinese Economy Caused in Part by the Recent Challenging Global Economic Conditions

A substantial part of the Home Credit Group's revenue is originated by operations in China. The economic recovery in China since the global financial crisis in 2008 has been slow, with economic growth rates generally remaining lower compared to precrisis levels. Domestic demand for consumer finance services is materially affected by growth of private consumption and overall economic growth in China. Any market and economic downturns, economic slowdown or geopolitical uncertainties in China, its neighbouring countries or regions or the rest of the world may adversely affect business, results of operations and/or financial condition of the Home Credit Group. In addition, global economic uncertainty and potential slowdown in Chinese economic growth may continue to raise the possibility of fiscal, monetary, regulatory and other governmental actions. The Home Credit Group cannot predict whether or when such actions may occur, nor can the Home Credit Group predict what ultimate impact, if any, such actions or any other governmental actions could have. Although the Chinese government has recently taken several measures and actions with the aim to increase investors' confidence in the Chinese economy, there can be no assurance that those measures will be effective. There can be no assurance that the Chinese economy or the global economy will continue to improve or maintain sustainable growth. If further economic downturn occurs or continues, business, results of operations and/or financial condition of the Home Credit Group could be materially and adversely affected.

General Economic Conditions in the Russian Federation and Worsening of the Political Climate, the Instability of the Russian Banking Sector and Falling Commodity Prices

A significant part of the Home Credit Group's assets and customers are located in, or have businesses related to, the Russian Federation. As a result, the Home Credit Group is affected by the state of the Russian economy. Since 1991, the Russian Federation has sought to transform itself from a one-party state with a centrally-planned economy to a market-oriented economy. The Russian Federation has been undergoing significant crisis during the past years and as the consumer finance business is to a large extent pro-cyclical, the operation of the Home Credit Group have been affected by this, namely by the drop of the overall consumer borrowing and increase of default rates. Furthermore, inflation in the Russian Federation increased significantly in recent years as a result of the deteriorating economic conditions,

depreciating Russian rouble and restrictive measures on certain imports. Although the Home Credit Group is addressing these changes and developments proactively in a way it sees the best, there can be no guarantee the continuing of the economical stagnation in the Russian Federation, new financial crises, any return to high or sustained inflation or future shifts in governmental policy will not have further adverse effect on the Home Credit Group's business, results of operation and/or financial condition.

(c) *Specific Risks Connected with the Operations of the Home Credit Group in China*

Uncertain Changes in the Regulatory Environment of the Chinese Financial Sector

The Home Credit Group's business in China is directly affected by changes in the Chinese regulatory policies, laws and regulations of financial sector. The regulatory system and the laws and regulations governing this sector are subject to future changes, and the Issuer cannot ensure that such changes will not have a material adverse effect on the Home Credit Group's business, results of operations and/or financial condition.

The Growth Rate of the Consumer Finance Industry in China May not be Sustainable

The Home Credit Group expects the consumer finance industry in China to expand as a result of the anticipated growth in the Chinese economy, increases in household income, further social welfare reforms, demographic changes and opening of the Chinese consumer finance industry to foreign participants. However, it is not clear how certain trends and events, such as the pace of the economic growth, implementation of commitments to the World Trade Organisation accession, development of the domestic capital markets and ongoing reform of the social welfare system, will affect the Chinese consumer finance industry. Consequently, there can be no assurance that the growth and development of the Chinese consumer finance industry will be sustainable.

The Chinese Economic, Political and Social Conditions, as well as Government Policies

The business prospects, financial condition and results of operations of the Home Credit Group are, to a significant degree, subject to the economic, political and regulatory developments in China. The Chinese economy differs from the economies of the most developed countries in many respects, including, among others, government involvement, level of development, growth rate, foreign exchange control and allocation of resources. The Chinese economy has been undergoing a transition from a planned economy to a market-oriented economy. A substantial portion of productive assets in China is still owned by the government. The government also exercises significant control over the Chinese economic growth by allocating resources, setting monetary policy and providing preferential treatment to particular industries or companies. In recent years, the Chinese government has pushed forward a large number of economic reform measures to introduce market forces and promote the establishment of sound corporate governance structures. Such economic reform measures may be adjusted, modified or applied differently depending on the industries and regions. The Chinese government has power to implement macroeconomic controls affecting the Chinese economy. The government has implemented various measures in an effort to control the growth rate of certain industries and restrain inflation. If the Chinese economy experiences a decrease in growth rate or a significant downturn, the unfavourable business environment and economic conditions could negatively impact the Home Credit Group's customers' ability or willingness to repay loans and reduce their demand for consumer finance services. The business, results of operations and/or financial condition of the Home Credit Group may thus be materially and adversely affected.

(d) *Specific Risks Connected with the Operations of the Home Credit Group in the Russian Federation*

Instability of the Russian Banking System

A geopolitical instability, a decline in oil prices, disruption in the global credit markets, sharp depreciation of the Russian rouble, volatility of the Russian stock market, downgrades of the credit rating of the Russian Federation by each of Moody's, Fitch and S&P and the limited ability of Russian companies and banks to access international capital markets during 2014 – 2016 have negatively impacted the Russian banking sector. As a result of the unexpected and significant increase in the Central Bank of the Russian Federation (hereinafter referred to as “**CBR**”) key interest rate in December 2014 as well as the overall decline in the Russian economy, the domestic financial and banking markets have experienced and continue to experience substantial volatility and periodic shortages of liquidity. Further, distrust amongst financial institutions has continued to grow due to signs of liquidity constraints that have resulted in some banks cutting their exposure limits to both banks and various corporate sectors of the economy.

Recently, a number of Russian banks have experienced difficulties, including failure to make sufficient loss provisions, that have caused them to become insolvent and have their licenses revoked or to recognise large loan impairments that required steps to replenish their capital. The CBR commenced a “cleanup” campaign aimed at removing fraudulent failing or undercapitalised financial institutions from the sector and making it more robust, stable and transparent in the event of any potential systemic shocks. In pursuit of this campaign, the CBR revoked banking licenses from a large number of banks, including a few major banks such as Master Bank, Bank Russian Credit, financial group Life, which included Probusinessbank and the Foreign Economic Industrial Bank (Vneshprombank). Intensified withdrawal of banking licences as a result of inability of certain banks to meet the mandatory requirements of the CBR, failure to comply with anti-money laundering regulations or due to other reasons as well as the imposition of more stringent regulations or interpretations by the CBR could result in lower investors' confidence in Russian banking system in general and investors or depositors, as the case may be, reducing their exposure to Russian banks equities, debts or deposits, including those of the Home Credit Group, which could be materially adverse to the Home Credit Group's business, financial condition and results of operations.

Dependence of the Russian Economy on Export and Imposed Economic Sanctions

Russian economy is, to a significant degree, dependent on exports of key commodities, such as oil, gas, iron ore and other raw materials, imports of significant amounts of consumer and other goods and access to international sources of financing. During 2014 and 2015 the Russian economic conditions deteriorated significantly and continue to deteriorate in 2016 mainly as a result of a significant decline in the price of Brent Crude oil during 2014, 2015 and the first quarter of 2016 and economic sanctions which the United States of America and the European Union have imposed against Russian individuals and legal entities.

Economic sanctions which the United States of America and the European Union (as well as other nations, such as Australia, Canada, Japan and Switzerland) have imposed against Russian individuals and legal entities in connection with Crimea's accession to the Russian Federation and the armed conflict in Eastern Ukraine have significantly interrupted international business relationships and seriously reduced the ability of Russian companies to access the international capital markets. The escalation of the armed conflict in Eastern Ukraine between the Ukrainian army and local militia has destabilized the region and put further pressure on international relations between the Russian Federation and Western countries, including the United States of America and the EU, and has also led to the expansion of sanction programmes in respect of Russian legal entities and individuals. Economic restrictions which the Russian Federation imposed on the United States of America and the European Union as well as certain other countries in August 2014 with respect to the import of certain agricultural products, significantly impact the Russian consumer's ability to purchase foodstuffs and have contributed to the sharp rise in inflation in 2015 and the first half of 2016. These events have also reduced, to a significant extent, the ability of Russian companies and banks to raise new debt or refinance existing debt in international capital markets.

Any of these factors could adversely affect the financial condition of the Home Credit Group's customers in the Russian Federation and may result, among other things, in a decrease in the funds that its customers hold on deposit with the Home Credit Group, a change in the Home Credit Group's strategy, a reduction in the demand for loans, foreign currency, investment and other banking transaction services that these customers carry out with the Home Credit Group, as well as a general deterioration in the quality of the Home Credit Group's loan portfolio and/or a reduction in the market values of securities or other assets held on the Home Credit Group's balance sheet, leading to the need for increased provisions, which could have a material adverse effect the Home Credit Group's business, results of operation and/or financial condition.

Risks Related to the Russian Legislative, Executive and Judicial Authorities

The actions of the Russian legislative, executive and judicial authorities can affect the banks and other businesses operating in the Russian Federation. In particular, events surrounding claims brought by the Russian authorities against several major Russian companies, led to questions being raised regarding the progress of market and political reforms in the Russian Federation and have resulted in a negative impact on foreign direct and portfolio investments in the Russian economy, over and above the general market turmoil recently. Any similar actions by the Russian authorities that result in a further negative effect on investors' confidence in the Russian Federation's business and legal environment could have a further material adverse effect on the Home Credit Group's business, results of operations and/or financial condition.

Risks Related to Weaknesses of Russian Legal System and Russian Legislation

The Russian Federation is still developing an adequate legal framework required for the proper functioning of a market economy. Recent nature of much of Russian laws 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 main risks that are connected with the current Russian legal system are (i) inconsistencies among, federal laws, decrees, orders and regulations issued by the president, the Russian government, federal ministries and regulatory authorities and regional and local laws, rules and regulations, (ii) limited judicial and administrative guidance on interpretations of Russian law, (iii) relative inexperience of certain judges in interpreting new principles of Russian law, particularly business and corporate law, (iv) the possibility that certain judges may be susceptible to economic, political or nationalistic influences and (v) a high degree of discretion on the part of governmental authorities.

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. The independence of the judicial system and its immunity from economic, political and social influences in the Russian Federation remains 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 the Russian Federation. All of these factors make judicial decisions in the Russian Federation difficult to predict and effective redress uncertain. Additionally, court claims are often used to further political aims. Home Credit Group may be subject to these claims and may not be able to receive a fair hearing. Additionally, court judgments are not always enforced or followed by law enforcement agencies.

Home Credit Group's ability to operate in the Russian Federation 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.

The Implementation of Certain Amendments to the Russian Civil Code May Create an Uncertain Environment for Business Activities and Investments

The Russian parliament has recently implemented widespread amendments to the Russian Civil Code, many of which became effective between 2013 and 2015. The scope of these amendments modifies existing laws governing, among other things, status of legal entities, certain transactions, pledges, mortgages, contractual and property rights. The interpretation of these amendments by state authorities (including the courts), along with their impact on the Home Credit Group's activities and corporate governance, are in many respects unknown.

Significant Changes in the Russian Banking and Financial Regulation Could Increase the Home Credit Group's Expenses

The recent and proposed changes in the Russian banking and financial regulation, including changes in mandatory reserve requirements or changes to regulatory ratios are aimed at bringing them closer to those of more developed countries. It is difficult to forecast how these changes in the banking and financial regulation will affect the Russian banking system and no assurance can be given that the regulatory system will not change in a way that will impair the Home Credit Group's ability to provide a full range of banking services or to compete effectively, thus could have a material adverse effect on the Home Credit Group's business, results of operations and/or financial condition.

Changes in Applicable Consumer Protection or Banking Legislation or Their Interpretation by Courts and Regulators May Impose Greater Compliance Requirements on Home Credit Group

Until December 2013, in the absence of specific consumer lending laws, the general Law of the Russian Federation No. 2300-1 of 7 February 1992, "On Protection of Consumers Rights", as amended (the "**Consumer Protection Law**") had provided general protection for consumers of banking services, including consumers of retail finance loans. In addition to the Consumer Protection Law, relevant court decisions have in the past established consumer protection precedents in the Russian banking sector. In 2013 certain rulings of the Supreme Court of the Russian Federation were developed and codified in the new Federal Law No. 353-FZ dated 21 December 2013 "On consumer loan" (the "**Consumer Lending Law**") which came into force on 1 July 2014 and is applicable to consumer loan agreements entered into after 1 July 2014. The Consumer Lending Law has provided more specific regulation of consumer protection in the Russian banking sector. Among other things, the Consumer Lending Law sets out standard terms of agreements in relation to consumer loans and imposes additional obligations on lenders (such as certain notification and disclosure requirements). If any fees charged by the Home Credit Group on its retail loans were to be deemed to be in violation of the above rulings or the Consumer Lending Law, the Home Credit Group could be required to return such fees to the relevant clients or pay monetary penalties. The Consumer Lending Law also provides for a limitation of penalties and effective interest rates on consumer loans which may result in a decrease in interest income of the Home Credit Group's retail operations, which could have a material adverse effect on the Home Credit Group's business, financial condition, results of operations and prospects.

There can be no assurance that further amendments to the Consumer Lending Law will not be adopted and, if adopted, these amendments will not contain any provisions that would negatively affect Russian banks, or impose additional requirements or restrictions that the Home Credit Group would have to respond to by adapting its business practices, products offered to customers and standard consumer lending documentation in order to comply with the applicable legislation. Such measures could have an adverse effect on the Home Credit Group's business, results of operations and/or financial condition.

Shareholder Liability under the Russian Law Could Cause the Issuer to be Liable for the Obligations of its Subsidiaries

The Russian Civil Code, the Russian Federal Law “On Joint Stock Companies” No. 208-FZ dated 26 December 1995, as amended, and the Russian Federal Law No. 14-FZ “On Limited Liability Companies” dated 8 February 1998, as amended, provide that shareholders in a Russian joint stock company or members of a Russian limited liability company generally are not liable for the company’s obligations and bear only the risk of loss of their investment. Shareholder liability may arise, however, if one person (hereinafter referred to as the “**Effective Parent**”) can give instructions or consent to another person (hereinafter referred to as the “**Effective Subsidiary**”). In addition, the Effective Parent bears secondary liability for the obligations of an Effective Subsidiary that becomes insolvent or bankrupt due to the Effective Parent’s actions or inactions. In addition, in accordance with the Russian Federal Law No. 127-FZ “On Insolvency (bankruptcy)” dated 26 October 2002, as amended, a bank’s shareholders in certain defined circumstances could be liable for the bank’s debt incurred after the occurrence of any indications of bankruptcy. Accordingly, the Issuer could be liable for the debts of its Russian subsidiaries of whose charter capital it owns more than 50 % or which it otherwise controls, which could have a material adverse effect on the Home Credit Group’s business, results of operations and/or financial condition.

(e) *Risk Management*

Management of risk arising from financial instruments is fundamental to the Issuer’s and its subsidiaries’ business and is an essential element of their operations. The Issuer and its subsidiaries are exposed to various risks as a result of its activities. The major risks faced by the Issuer and its subsidiaries are primarily credit risk, market risks i.e. interest rate risk and foreign currency risk, liquidity risk, insurance risk and operational risk. These risks are managed by the Issuer and its subsidiaries in the following manner:

Credit Risk

Credit risk means a risk of financial loss occurring as a result of a default of borrower or counterparty on their obligation to the Issuer or its subsidiaries. The greatest part of Issuer’s subsidiaries’ exposure to credit risk arises mainly in connection with the provision of consumer financing to private individual customers which is the principal business of the Issuer’s subsidiaries. Although the 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 the 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 POS loans, revolving loans, cash loans and credit cards. As the Issuer’s subsidiaries’ loan portfolio consists of large amount of loans with relatively low outstanding amounts, the loan portfolio does not comprise any significant individual items, i.e. there is no significant concentration of credit risk to one business entity.

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 credit risk functions which actively monitors the Issuer’s and its subsidiaries’ credit risk.

As at 30 June 2016, total amount of gross receivables from granted loans of the Issuer is TEUR 7,745,100, whereas from the total amount of receivable from granted loans the overdue receivables are in amount of TEUR 1,046,851.

<i>Figures in TEUR</i>	30 June 2016	31 December 2015
Gross Amount	7,745,100	6,602,790
Current	6,698,249	5,563,351
Past due 1 – 90 days	430,545	378,627

Past due 91 – 360 days	478,366	532,709
Past due more than 360 days	137,940	128,103
Allowance for impairment	(756,859)	(767,680)
Carrying amount	6,988,241	5,835,110

Although the Issuer believes its and its subsidiaries' scoring and underwriting systems are among the best in the market, scoring techniques and checks used to determine 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, the Issuer and its subsidiaries may still be exposed to credit risks that they may not be able to accurately assess and provide for. Credit risk could have a material adverse effect on the Issuer's business, results of operations, financial condition and its obligations under this Prospectus.

Market Risk

The Issuer and its subsidiaries face to the risk that financial instruments may change their value as a result of a change of market conditions. The major market risks of the Issuer and its subsidiaries lie in the funding of the Issuer's and its subsidiaries operations with liabilities denominated in foreign currencies and to the extent the term structure of interest bearing assets differs from that of liabilities.

(a) Interest Rate Risk

Interests of the Issuer and its subsidiaries derive from loans and other assets. For the six-month period ended 30 June 2016, the net interest income of the Issuer was of TEUR 679,138 (for the six-month period ended 30 June 2015: TEUR 558,668), i.e. the net interest income increased by 21.6 % at a consolidated level compared to the same period last year.

The following table shows interest gap position of the Issuer based on re-pricing dates as at 31 December 2015 and as at 31 December 2014.

Interest rate gap position based on re-pricing dates

<i>Figures in TEUR</i>	31 December 2015					Total
	Effective interest rate	Less than 3 months	3 months to 1 year	1 to 5 years	More than 5 years	
Interest bearing financial assets						
Cash and cash equivalents	0.9%	1,349,330	-	-	-	1,349,330
Due from banks, other financial institutions and holding companies	7.0%	139,096	166,493	43,389	676	349,654
Loans to customers, net	36.7%	2,900,919	1,571,914	1,308,769	53,508	5,835,110
Debt securities at fair value through profit or loss	0.6%	1,062	-	175,817	-	176,879
Financial assets available-for-sale	3.0%	100,555	883,713	140,685	79,655	1,204,608
Financial assets held-to-maturity	8.1%	6,118	-	-	-	6,118
Total interest bearing financial assets	24.9%	4,497,080	2,622,120	1,668,660	133,839	8,921,699
Interest bearing financial liabilities						

Current accounts and deposits from customers	6.8%	3,690,477	840,173	377,981	-	4,908,631
Due to banks and other financial institutions	10.2%	948,812	927,251	454,773	-	2,330,836
Debt securities issued	8.4%	38,312	275,889	58,889	-	373,090
Subordinated liabilities	10.0%	-	8,690	418,829	-	427,519
Total interest bearing financial liabilities	8.0%	4,677,601	2,052,003	1,310,472	-	8,040,076
Net position		(180,521)	570,117	358,188	133,839	881,623

31 December 2014

<i>Figures in TEUR</i>	Effective interest rate	Less than 3 months	3 months to 1 year	1 to 5 years	More than 5 years	Total
Interest bearing financial assets						
Cash and cash equivalents	1.5%	865,552	-	-	-	865,552
Due from banks, other financial institutions and holding companies	8.9%	13,588	36,037	69,553	609	119,787
Loans to customers, net	38.3%	1,153,112	2,187,751	1,679,778	38,873	5,059,514
Debt securities at fair value through profit or loss	-	-	-	-	-	-
Financial assets available-for-sale	6.0%	218,862	48,351	11,730	27,229	306,172
Financial assets held-to-maturity	-	-	-	-	-	-
Total interest bearing financial assets	31.2%	2,251,114	2,272,139	1,761,061	66,711	6,351,025
Interest bearing financial liabilities						
Current accounts and deposits from customers	11.7%	1,234,931	1,360,154	294,881	-	2,889,966
Due to banks and other financial institutions	10.8%	710,602	690,219	33,328	-	1,434,149
Debt securities issued	8.7%	3,055	173,448	398,609	-	575,112
Subordinated liabilities	10.1%	-	9,856	532,441	-	542,297
Total interest bearing financial liabilities	11.0%	1,948,588	2,233,677	1,259,259	-	5,441,524
Net position		302,526	38,462	501,802	66,711	909,501

The main risk to which the Issuer and its subsidiaries face is the risk of loss from fluctuations in the future cash flows or fair values of financial instruments as a result of a change in market interest rates.

An increase of interest rate charged for the customers may have a negative impact on the amount of clients' loans while the decrease of interest rate may increase an amount of pre-payments of the loans provided to the customers. 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.

Interest rates are also sensitive to factors outside the Issuer's control such as economic and political conditions in the countries where the Issuer and its subsidiaries operate. Interest rates are kept at a relatively low level and there can be no assurance that the national banks of the countries where the Issuer and its subsidiaries operate will not change interest rates from their current low levels. The Issuer is also

exposed to the risk that the national banks will introduce negative interest rates in certain countries which could lead to difficulties in attracting new sources of funding because of increased deposit withdrawals.

Possible fluctuations in interest rates may cause the Issuer and its subsidiaries to suffer losses in respect of pricing mismatches between its interest earning assets and interest bearing liabilities. Interest rate risk may have a material adverse effect on the Issuer's business, results of operations, financial condition and its obligations under this Prospectus.

(b) Exposure to Foreign Currency Risk

The Issuer is subject to effects of fluctuations in foreign currency exchange rates on its financial position and cash flows.

Financial results of the Issuer may be adversely ever seriously affected by fluctuations in the value of currencies. The greatest part of Issuer's and its subsidiaries exposure to interest rate risk arises mainly in connection with the funding of the Home Credit Group's operations with liabilities denominated in foreign currencies.

The Issuer and its subsidiaries have assets and liabilities denominated in several foreign currencies, in particular Chinese Yuan, Russian Rouble, Czech Crown, Kazakhstani Tenge, Vietnamese Dong, United States Dollar. Foreign currency risk arises when the assets in a foreign currency are either greater or smaller 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 asset liability committee is monitoring compliance with this rule.

Net foreign operations of the Issuer and its subsidiaries are not hedged. Therefore their position is sufficiently sensitive on movements of the relevant foreign exchange rates.

The following table shows foreign currency position of the Issuer as at 31 December 2015 and as at 31 December 2014.

Foreign currency position

<i>Figures in TEUR</i>	31 December 2015									Total
	CNY	RUB	CZK	KZT	VND	EUR	USD	Other currencies		
Cash and cash equivalents	309,159	264,084	586,437	6,148	21,301	87,992	60,158	14,051	1,349,330	
Due from banks, other financial institutions and holding companies	91,661	129,992	55,851	1,317	-	8,724	114,998	4,680	407,223	
Loans to customers	2,219,099	1,939,054	687,830	260,224	249,458	245,932	66,780	166,733	5,835,110	
Positive fair value of derivative instruments	-	103,105	6,104	-	-	3,072	-	-	112,281	
Debt securities at fair value through profit or loss	-	-	176,879	-	-	-	-	-	176,879	
Financial assets available-for-sale	-	181,612	778,443	-	-	106,094	138,459	-	1,204,608	
Financial assets held-to-maturity	-	-	-	-	-	1,009	5,109	-	6,118	
Assets classified as held for sale	-	2,045	-	-	-	-	-	-	2,045	

Current income tax receivables	-	3,859	474	376	-	142	-	872	5,723
Deferred tax assets	24,381	70,293	964	-	3,963	23,056	-	2,908	125,565
Investments in associates	-	1,524	-	-	-	-	-	-	1,524
Intangible assets	3,648	25,286	90,713	2,219	3,848	3,853	549	6,392	136,418
Property and equipment	26,041	67,393	13,894	7,067	4,464	701	2,317	15,624	137,501
Other assets	15,801	30,470	48,043	3,662	13,729	10,080	22,399	11,454	155,638
Total assets	2,689,790	2,818,717	2,445,632	280,923	296,763	490,655	410,769	222,714	9,655,963
Current accounts and deposits from customers	-	2,061,871	2,514,031	61,708	-	78,069	149,505	43,447	4,908,631
Due to banks and other financial institutions	1,847,955	641	26,036	5,659	92,911	219,540	60,556	77,538	2,330,836
Debt securities issued	-	99,963	175,113	37,411	51,759	8,844	-	-	373,090
Negative fair value of derivative instruments	-	3,058	14,199	-	587	478	-	-	18,322
Current income tax liabilities	37,962	22	880	-	3,265	2,912	-	-	45,041
Deferred tax liabilities	16,714	2,179	2,946	418	-	-	-	-	22,257
Insurance and other provisions	-	41,830	-	-	-	192	-	3,797	45,819
Subordinated liabilities	-	-	29,266	-	-	-	398,253	-	427,519
Other liabilities	131,541	30,112	66,376	7,671	11,935	20,616	1,970	18,489	288,710
Total liabilities	2,034,172	2,239,676	2,828,847	112,867	160,457	330,651	610,284	143,271	8,460,225
Net position	726,368	412,167	222,885	105,067	76,751	(402,621)	(23,330)	78,451	1,195,738

31 December 2014

<i>Figures in TEUR</i>	CNY	RUB	CZK	KZT	VND	EUR	USD	Other currencies	Total
Cash and cash equivalents	262,895	393,029	8,571	9,948	35,102	78,760	59,974	17,273	865,552
Due from banks, other financial institutions and holding companies	13,863	50,772	3,607	14	-	501	90,932	12,140	171,829
Loans to customers	1,056,528	3,090,863	60,910	455,910	200,411	25,730	34,273	134,889	5,059,514
Positive fair value of derivative instruments	-	138,719	-	1,316	-	2,805	-	2,006	144,846
Financial assets available-for-sale	-	116,251	24,348	-	-	-	165,573	-	306,172
Assets classified as held for sale	-	5,705	-	-	-	-	-	-	5,705
Current income tax receivables	-	11,432	4,090	931	-	3,801	-	12	20,266
Deferred tax assets	7,072	37,197	715	-	3,946	16,477	-	760	66,167

Investments in associates	-	2,252	-	-	-	-	-	-	2,252
Intangible assets	2,498	30,514	52,767	2,607	4,370	3,831	-	3,879	100,466
Property and equipment	19,415	109,040	3,309	12,913	3,986	705	4	8,231	157,603
Other assets	6,543	49,305	32,072	5,625	9,625	24,503	735	7,802	136,210
Total assets	1,368,814	4,035,079	190,389	489,264	257,440	157,113	351,491	186,992	7,036,582
Current accounts and deposits from customers	-	2,503,723	-	124,556	-	61,009	145,042	55,636	2,889,966
Due to banks and other financial institutions	706,082	345,098	42,701	32,889	116,850	52,983	118,160	19,386	1,434,149
Debt securities issued	-	190,764	269,321	62,039	44,604	8,384	-	-	575,112
Negative fair value of derivative instruments	-	2,381	-	-	666	2,536	-	-	5,583
Current income tax liabilities	31,326	-	-	-	1,959	-	-	275	33,560
Deferred tax liabilities	-	2,399	109	537	-	-	-	-	3,045
Insurance and other provisions	-	69,289	-	-	-	217	-	11,422	80,928
Subordinated liabilities	-	-	-	-	-	-	542,297	-	542,297
Other liabilities	77,908	50,169	49,660	17,378	9,181	19,191	1,209	8,369	233,065
Total liabilities	815,316	3,163,823	361,791	237,399	173,260	144,320	806,708	95,088	5,797,705
Net position	553,498	541,675	54,073	128,221	66,514	(361,108)	128,322	127,682	1,238,877

It is not possible to exclude that loss due to unfavourable exchange rate movements may occur and may have material adverse effect on the Issuer's business, results of operations, financial condition and its obligations under this Prospectus.

Liquidity Risk

Liquidity risk is the risk that the Home Credit Group will encounter difficulty in meeting obligations from its financial liabilities. Therefore, the Issuer and its subsidiaries endeavor to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities 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.

The Issuer and its subsidiaries have access to diverse funding base. Funds are raised through a broad range of instruments including deposits, bank loans, bond issues, certificates of deposit issues, true sale, securitizations and contributions by shareholders. As at 30 June 2016, the Issuer's liquid assets are in the total amount of TEUR 2,882,208, comprised of cash and cash equivalents in the amount of TEUR 1,639,943, liquid actively traded debt instruments in the amount of TEUR 1,173,377 and loans and advances provided under repo operations in the amount of TEUR 68,888. The total amount of liquid assets increased by 3.0 % compared with 31 December 2015.

The following table shows assets and liabilities by remaining maturity dates. The table does not include prospective cash flows related to loan commitments.

Exposure to liquidity risk

31 December 2015						
<i>Figures in TEUR</i>	Less than 3 months	3 months to 1 year	1 to 5 years	More than 5 years	No maturity	Total
Cash and cash equivalents	1,349,330	-	-	-	-	1,349,330
Due from banks, other financial institutions and holding companies	129,338	129,747	80,135	676	67,327	407,223
Loans to customers	2,897,657	1,572,156	1,310,119	55,178	-	5,835,110
Positive fair value of derivative instruments	104,657	5,632	272	1,720	-	112,281
Debt securities at fair value through profit or loss	-	1,062	-	175,817	-	176,879
Financial assets available-for-sale	100,556	217,209	140,685	746,158	-	1,204,608
Financial assets held-to-maturity	6,118	-	-	-	-	6,118
Assets classified as held for sale	-	2,045	-	-	-	2,045
Current income tax receivables	1,186	4,537	-	-	-	5,723
Deferred tax assets	268	32,664	14,367	-	78,266	125,565
Investments in associates	-	-	-	-	1,524	1,524
Intangible assets	-	-	-	-	136,418	136,418
Property and equipment	-	-	-	-	137,501	137,501
Other assets	44,273	6,904	415	-	104,046	155,638
Total assets	4,633,383	1,971,956	1,545,993	979,549	525,082	9,655,963
Current accounts and deposits from customers	3,690,477	840,173	377,981	-	-	4,908,631
Due to banks and other financial institutions	726,345	951,171	652,836	-	484	2,330,836
Debt securities issued	38,312	275,889	58,889	-	-	373,090
Negative fair value of derivative instruments	1,892	8,872	7,558	-	-	18,322
Current income tax liabilities	41,249	3,792	-	-	-	45,041
Deferred tax liabilities	-	320	17,067	2,924	1,946	22,257
Insurance and other provisions	-	29,610	16,218	-	-	45,819
Subordinated liabilities	-	8,690	418,829	-	-	427,519
Other liabilities	261,167	15,861	11,620	62	-	288,710
Total liabilities	4,759,442	2,134,369	1,560,998	2,986	2,430	8,460,225
Net position	(126,056)	(162,413)	(15,005)	976,563	522,652	1,195,738

31 December 2014						
<i>Figures in TEUR</i>	Less than 3 months	3 months to 1 year	1 to 5 years	More than 5 years	No maturity	Total
Cash and cash equivalents	865,552	-	-	-	-	865,552
Due from banks, other financial institutions and holding companies	13,588	36,037	69,553	609	52,042	171,829
Loans to customers	1,153,112	2,187,751	1,679,778	38,873	-	5,059,514
Positive fair value of derivative instruments	4,799	62,288	77,759	-	-	144,846
Debt securities at fair value through profit or loss	-	-	-	-	-	-

Financial assets available-for-sale	218,862	48,351	11,730	27,229	-	306,172
Financial assets held-to-maturity	-	-	-	-	-	-
Assets classified as held for sale	-	5,705	-	-	-	5,705
Current income tax receivables	11	20,243	12	-	-	20,266
Deferred tax assets	1,532	10,300	13,193	-	41,142	66,167
Investments in associates	-	-	-	-	2,252	2,252
Intangible assets	-	-	-	-	100,466	100,466
Property and equipment	-	-	-	-	157,603	157,603
Other assets	53,631	39,069	33,170	1,799	8,541	136,210
Total assets	2,311,087	2,409,744	1,885,195	68,510	362,046	7,036,582
Current accounts and deposits from customers	1,234,931	1,360,154	294,881	-	-	2,889,966
Due to banks and other financial institutions	669,635	731,186	33,328	-	-	1,434,149
Debt securities issued	3,055	173,448	398,609	-	-	575,112
Negative fair value of derivative instruments	2,853	2,064	666	-	-	5,583
Current income tax liabilities	29,553	4,007	-	-	-	33,560
Deferred tax liabilities	6	134	1,031	-	1,874	3,045
Insurance and other provisions	-	23,778	55,148	2,002	-	80,928
Subordinated liabilities	-	9,856	532,441	-	-	542,297
Other liabilities	179,646	49,482	3,227	710	-	233,065
Total liabilities	2,119,679	2,354,109	1,319,331	2,712	1,874	5,797,705
Net position	191,408	55,653	565,864	65,798	360,172	1,238,877

Pursuant to the Home Credit Group's treasury policies the information from subsidiaries regarding the liquidity profile of their financial assets and liabilities and details of other projected cash flows arising from projected future business are collected. 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.

Despite all measures of the Issuer in order to ensure sufficient liquidity and to limit the consequences of the liquidity risks, a lack of available resources may have material adverse effect on the Issuer's business, results of operations, financial condition and its obligations under this Prospectus.

Insurance Risk

The Issuer and its subsidiaries are further exposed to the insurance risk consisting in the difference in actual and expected claims for insurance benefits and claims. The insurance risk is divided into price risk and the reserve deficiency risk.

Price risk is the risk that the insurance may not be sufficient to cover future losses and expenses on insurance contracts. The Issuer and its subsidiaries manage such a risk through the analyses of profitability and makes appropriate adjustments in pricing and underwriting policies.

The main reason for the creation of a reserve deficiency risk is the uncertainty regarding the development of loss reserves in the future. This risk also considers the likelihood that insurance reserves are not sufficient to meet the Issuer's obligations to policyholders. The Issuer and its subsidiaries manage such a risk through the regular checking of the adequacy of loss reserves and loss analysis of insurance products.

Insurance risk is managed and reduced by diversification of a large portfolio of insurance contracts and also through the allocation of geographic regions whereas the allocation of geographic regions is the main criterion of the Issuer during the determination of insurance risk concentrations.

Insurance risk may have material adverse effect on the business, results of operations, financial condition of the Issuer and its subsidiaries and its obligations under this Prospectus.

Operational Risk

Home Credit Group is subject to direct or indirect loss arising from a wide variety of causes associated with their processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements, financial reporting and generally accepted standards of corporate behaviour.

The main objective of the management of its operational risk of the Issuer and its subsidiaries is to balance the avoidance of financial losses and damage to the reputation of Home Credit Group with overall cost effectiveness and further to avoid control procedures that restrict initiative and creativity. The internal standards for the management of operational risk are developed whereas the compliance with these standards is, among others, controlled by internal audit of the Issuer and its subsidiaries.

It is not possible to ensure that despite all endeavors of the Issuer and its subsidiaries to avoid the operational risk the operational risk will not occur which may have material adverse effect on the business, results of operations, financial condition of the Issuer and its subsidiaries and its obligations under this Prospectus.

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

The current trend of the group controlled by the Issuer is expansion of its business in CEE, CIS countries and other emerging markets, in particular China, Vietnam, India, Indonesia and the Philippines, and the United States of America. Such expansion may be financed by using own or third party financial resources and funding. The Issuer (directly or through controlled companies) may incur substantial costs in expanding in these markets due to the lack of 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, lack of effective distribution channels and limited supply of qualified and experienced workforce. There can be no guarantee that the expansion will meet the Issuer's expectations in relation to a certain level of profit, revenues, productivity or otherwise bring advantages as anticipated. In the case of unsuccessful expansion, losses incurred in these markets and the costs of expansion will lower the overall profits of the Issuer.

(g) Development of Relevant Markets

In consideration of the fact that the Issuer manages companies, the profits of which proceed, in particular, from providing of consumer and revolving loans, the development of related relevant markets may significantly influence the financial situation and profit of the Issuer. The Issuer cannot guarantee that the current aggregate volume of the principal amount of 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.

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 offered products 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 a material adverse effect on the business, results of operations and/or financial condition of the Home Credit Group.

(h) *Refinancing Risk*

Certain funding means of the Issuer (and also its subsidiaries) are refinanced by other funding instruments. In case that the Issuer is not able to refinance its existing debts as of their relevant maturity dates, the ability of the Issuer to repay the provided funds might be threatened. Any failure by the Issuer to comply with the covenants or perform any of the obligations under its existing indebtedness, especially under the Term Facility Agreement, may result in the immediate or accelerated repayment of its debts, which may significantly impact the Issuer's cash flow, financial stability and could have a material adverse effect on its business, results of operations and/or financial condition. The Issuer cannot provide any assurance that it will be able to generate sufficient cash flow or raise funds at commercially reasonable rates to be able to fulfil these financial obligations and thus this could have a material adverse effect on its business, results of operations and/or financial condition.

(i) *Legal and Other Proceedings*

As at the date of this 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 business, results of operation, financial condition or issue of the Notes. As at the date of this Prospectus, there are no legal disputes, which might endanger or largely adversely affect the profit of the Issuer. The Issuer is not aware of any such unresolved disputes. However, the Issuer may in the future become involved in material disputes or legal proceedings with civil, administrative, competition, regulatory or tax authorities. Such proceedings, whether with or without merit, could be expensive and time consuming, and, if resolved to the detriment of the Issuer, could harm its reputation and increase the costs of its operation, all of which may have a material adverse effect on the business, results of operations and/or financial condition of the Home Credit Group.

(j) *Risks Connected with Bankruptcy Proceedings*

In the event that the Issuer is not able to meet its due liabilities, it 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 Bankruptcy 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, 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, court shall appoint a registrar in bankruptcy (rechter-commissaris). The curator is charged with the administration and liquidation of the bankrupt estate.

(k) *The Issuer Relies on Protection under Intellectual Property Laws*

The Issuer has registered, or submitted for registration, some of its most important trademarks in relation to its brand name with the European Intellectual Property Office, as well as Czech Intellectual Property Office and some other intellectual property offices in countries where the Issuer's subsidiaries operate their businesses. The Issuer has registered some of its most important trade marks such as "Home Credit" in white and the white silhouette of a fridge on a red background (device trade mark), "Home Credit Bank" in white and the white silhouette of a fridge on a red background (device trade mark), and "Home Credit Insurance" in white and the white silhouette of a fridge on a red background (device trade mark).

The Issuer relies on trademark and other intellectual property laws to establish and protect its rights to its brand name. There can be no assurance that the Issuer will be able to maintain, or in case of submissions for registration, to achieve the protection of its intellectual property rights or that the trademarks on which the Issuer relies will not be challenged, invalidated or circumvented by third parties. The unauthorised use of the Issuer's intellectual property rights may also adversely affect the Issuer's business if there are any negative associations affecting the Issuer's brand name. Any damage to the Issuer's intellectual property rights and/or reputation may have a significant impact on the Issuer's business, profitability and on its market position.

(l) *The Interests of the Issuer's Controlling Participant May Conflict with Those of the Issuer and/or the Noteholders*

As at the date of this Prospectus, Mr. Petr Kellner directly and indirectly controls 98.92 % of PPF Group N.V., a public limited liability company incorporated in the Netherlands, whose subsidiary is PPF Financial Holdings B.V. which controls 88.62 % of the Issuer. Mr. Kellner and PPF Financial Holdings B.V. are, therefore, able to exercise their rights as shareholders to influence the outcome of material matters relating to the Issuer, such as nominating its board members or directing dividend policy. The commercial and financial interests of the direct or indirect shareholders of the Issuer may, in some circumstances, conflict with the interests of the Issuer and may not necessarily be in the best interest of the Issuer. Furthermore, the interests of the Issuer's shareholders and management 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.

(m) *The Issuer May be Unable to Redeem the Notes*

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.

(n) *Rating of the Issuer*

As at the date of this Prospectus, neither the Issuer nor the Notes have been assigned any rating by any rating agencies. The Issuer considers requesting for assignment of the rating to the Issuer during 2017. If any rating is assigned to the Issuer 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. There is no guarantee that those ratings 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 changed situation or lack of necessary information or when required by circumstances in accordance with the opinion of the agencies.

(o) *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 institutions, ministries or political bodies provided a guarantee or any other security for the obligations of the Issuer arising under the Notes. By admitting the Notes for trading on the Regulated Market of the PSE, the PSE does not accept any liabilities under these Notes.

(p) *Responsibility for the Prospectus and Data Stated Therein*

Only the Issuer shall be responsible for this Prospectus and the data stated in this Prospectus. No third person is responsible for this data or has provided a guarantee for them.

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

(a) *Risks Related to the Local Economy Performance and Regulatory Framework*

The business of each of the Issuer's subsidiaries is to the great part influenced by overall economical prosperity and legal and regulatory framework in the given jurisdiction. Large parts of the Home Credit Group businesses originate from China and the Russian Federation and the performance of the economics of these countries and the set up of the legal and regulatory framework there is important for the overall performance of the Home Credit Group. For more details about the risks in relation to the Russian Federation please see the relevant risk factors in the Subchapter 2.1 "Risk Factors Related to the Issuer and the Regions of Its Operation".

(b) *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 related services to consumers in various states. The conditions that an applicant for a consumer loan must meet are not as strict as those required by banks. The applicants must generally meet only few conditions that contain, for example, the requirement to have residence in a respective state, minimal age, drawing wage in an amount that will enable the applicant to repay particular instalments, 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 companies from provided loans are generally secured only by agreements on payroll deductions. In Asia it is standard that repayment of the loans is secured by direct debit from the customer's bank accounts.

The above-mentioned means that the ability of the client to repay the loan is lower than it is for bank financing. 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 deteriorating quality of the Home Credit Group's loan portfolio will result in increased losses. As the obligation of the debtor is usually not secured by any guarantee or similar instrument of a third party, in the case that the debtor ceases to draw wage, the obligation of the debtor to repay the loan becomes virtually unsecured and the company is exposed to a higher risk that the receivable will remain unpaid. In case that 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 profit in necessary amount and will not dispose of enough funds for the purposes of providing new loans. Weakening consumer spending, increasing number of insolvencies and deterioration of macroeconomic financial conditions may result in increase in the level of the Home Credit Group's non-performing loans and provisions for loan impairment, which could materially affect the Home Credit Group's business, results of operation and/or financial condition. Further, the cash flow and the ability of the relevant Home Credit Group's companies to meet their obligations could be affected.

(c) *Repayment of Loans Granted*

In order to secure the repayment of loans, rules for granting loans and their recovery have been adopted within the Issuer's subsidiaries. Those rules are not as strict as the rules required by banks, which is a result particularly of the value of financial means granted and further of the need to provide flexibility and competitiveness. In general, one may say that those rules still serve their purpose and keep the extent of repayment of granted credits at an acceptable level. Despite those measures, however, the Issuer cannot guarantee that, when applying those rules and procedures, the level of repayment of loans will be kept at the present level and that this level will not fall in the future.

(d) *Risk Related to Regions and Sectors Concentration and Competition on the Consumer Finance Market*

The consumer finance products of the 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 business, results of operation and/or financial condition of the respective company of the Home Credit Group.

The companies providing consumer finance compete on the relevant markets and in order to be successful in such competition, they must flexibly react to any and all changes on the market including changes in behaviour of their competitors, introducing new products and needs and requirements of clients. The effort of a 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, the company might 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 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 of particular subsidiaries of the Issuer. A decrease in the aggregate volume of the loans provided by an individual subsidiary of the Issuer might have a negative effect on the profit of the individual subsidiary and indirectly also on the profit of the Issuer.

(e) *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 clients and therefore, particular documents and certificates delivered by clients together with their application for the loan are thoroughly examined. However, it cannot be excluded that particular companies may be objects of 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 the company relies while providing consumer finance. Should, on the basis of such fraudulent activity, the company provide loan in a higher amount or provide more loans, the subsequent lack of settlement of such loans might have an adverse effect on business, results of operation and/or financial condition of such company and indirectly also on the profits of the Issuer.

(f) *Dependence of Subsidiaries on IT Systems*

The business of the Issuer's subsidiaries is highly dependent upon successful and uninterrupted functioning of computer and data processing systems, network or databases. IT systems are susceptible to number of problems, such as computer viruses, hacker attacks, 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 decrease in sales and revenues of the affected subsidiary or cause 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 business, results of operation and/or financial condition.

(g) *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 profit is highly dependent on co-operation with third parties. In case of breach of such co-operation, the ability of the companies to provide its products to 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 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.

(h) *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. Increasing competition in the market may lead to lower commissions or no commissions being paid to the Issuer's subsidiaries and in some cases they might be required to pay commissions to its retail 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 consumer finance companies, 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 business, results of operations and/or financial condition.

(i) *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 ability to hire and retain not only qualified members of management, but also other qualified professionals. As such, the employees have a detailed knowledge of the Home Credit Group's business and operations. In addition, certain business relationships of members of management may be important for the Home Credit Group's business. There can be no assurance that such business relationships will endure and that members of management and other qualified professionals will remain with the Home Credit Group. Any loss of key employees may significantly impede the development and implementation of the Issuer's or its subsidiaries' business plans, strategies and operations. Home Credit Group's failure to recruit, train and retain a sufficient number of experienced, capable and reliable personnel may have a material adverse effect on the Home Credit Group's ability to maintain and expand its consumer finance business, as well as its business, results of operations and/or financial condition.

(j) *Risk Related to the Tax Laws*

As a corporation established in the Netherlands, a member state of the European Union, the Issuer is subject to a number of taxes imposed by domestic and/or European laws and enforced by the relevant tax authorities. Various factors may result in additional tax liabilities for the Issuer, including the introduction of new taxes, changes in existing tax rates, time periods, terms for payment or overdue liabilities, changes in interpretation of tax law or its application by the tax authorities, or the harmonisation of Dutch and European tax laws and regulations. Such changes may affect the Issuer's business and increase the costs of the Issuer's operation and services by increasing its income tax or other taxes.

Moreover, the consumer lending legal and tax systems in jurisdictions of operation of the Issuer's subsidiaries 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. These circumstances may create significant tax risks to the operations of the Issuer's subsidiaries.

(k) *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 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 business needs and the company will be forced to seek new sources of funds. Such funds might not be available to the company in decisive period of time or might be available only under inconvenient conditions. In 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.

(l) *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.

(m) *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 interest rates levels. A significant increase in inflation would lead to higher operating costs and could have a material adverse effect on the business, results of operations and/or financial condition of the affected company.

Changes in interest rates, including changes in the difference between 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 providing 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 the company. Furthermore, the rise in interest rates on the market will influence the availability and cost of the financial means that the 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.

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

Foreign exchange rates significantly influence real value of obligations and receivables 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 a different currency, 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 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.

(o) *Sanctions by Relevant State Bodies*

In individual countries where the Issuer's subsidiaries operate, there are different degrees of regulation of entities which provide services in the area of consumer financing. In each case, the 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 imposing fines, suspension of activity or other sanctions, as the case may be, that may have an adverse

effect on the financial situation and profit of the individual companies of the Home Credit Group and, in this way, they may also indirectly affect the Issuer.

2.3. Risk Factors Related to the Notes

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

(a) *Payment Obligations of the Issuer under the Notes May be Postponed in Certain Circumstances*

Payment obligations of the Issuer under the Notes may in certain circumstances be suspended and postponed until the full settlement and discharge of the Issuer's obligations under the Term Facility Agreement. In addition, if an Insolvency Event (as this term is defined in Section 7.6 of the Terms and Conditions) occurs, certain additional restrictions or limitations on the rights of the Noteholders in respect of the Notes and their enforcement may be imposed. These aspects may have an adverse effect on the timing and/or ability of the Noteholders to claim the full settlement and discharge of their receivables under the Notes.

(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 (hereinafter referred to as 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. If the market interest rate rises, the price of the Notes which bear 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 declines, the price of the Notes which bear a fixed rate generally rises to a level when the yield on such Notes approximately equals the market interest rate.

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

The admission of the Notes for trading on the Regulated Market of 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 Regulated Market of the PSE as soon as possible after the offering of the Notes. However, there is no guarantee that all conditions for listing will be met and that the Notes will be admitted for trading on the Regulated Market of the PSE on the expected date.

(d) *Risk of Liquidity*

The Issuer has applied for the admission of the Notes for trading on the Regulated Market of the PSE. The fact that the Notes will be admitted on the Regulated Market of the PSE might not result in a higher liquidity of the admitted Notes as compared with those not admitted. Regardless of the admission of the Notes on the Regulated Market of the PSE, there is no assurance as to the development or liquidity of any market for the Notes.

(e) *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 discount or premium to their initial issue 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 of the Issuer;
- announcements of differences between the expected and actual operating or financial results of the Issuer;
- 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.

(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 listed notes of a 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 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 thereon 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 suspended or excluded from trading on the Regulated Market of the PSE when, among others, certain circumstances specified in the rules and regulations of the PSE, specifically in Article 7 of the Exchange Rules, Section IX, Conditions for Admission of Debt Securities to Trading on the Regulated Market of the Exchange, occur: (i) the Issuer is dissolved or wound-up with liquidation or when a resolution with the same or similar effect has been adopted, (ii) the Issuer or the Notes have ceased to satisfy conditions established by generally binding legislation and/or the rules of the PSE, or (iii) for other extraordinary reasons. There can be no assurance that such a situation will not occur in relation to the Notes.

(g) *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.

(h) *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 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 Noteholders 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 or local tax requirement. The Issuer will not compensate the Noteholders for any taxes, fees and other expenses that the Noteholders will incur in accordance with payments from the Notes.

(i) *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 and the Lead 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 in connection with their decision-making concerning the legality of the Notes acquired.

(j) *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.

(k) *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 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 the enforcement of rights of the Noteholders. Rights under the Notes will be subject to 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.

(l) 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.

3. 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 “Investors”, Subsection “Financial reports”:

Information	Document	Pages
The audited consolidated annual accounts of the Issuer for the year ended 31 December 2014 (including the auditor’s report)	<p><i>HCBV (NL) Annual Report for the year ended 31 December 2014 (consolidated), year 2014, operation: HCBV – the document is available on the official web page of the Issuer</i></p> <p>http://www.homecredit.eu/~media/Files/H/Home-Credit-Group/documents/reports/2015/hcbv-ifs-2014-annual-report.pdf</p>	<p><i>Page 2 – auditor’s report to the shareholders of the Issuer</i></p> <p><i>Appendix (page 116 – 121) - Independent auditors’ report on the audit of the consolidated financial statements 2014 (final of the Consolidated Annual Accounts for the year ended 31 December 2014)</i></p> <p><i>Appendix (page 38 - 115) – Consolidated Annual Accounts for the year ended 31 December 2014</i></p>
The audited consolidated annual accounts of the Issuer for the year ended 31 December 2015 (including the auditor’s report)	<p><i>HCBV (NL) Annual Report for the year ended 31 December 2015 (consolidated), year 2015, operation: HCBV – the document is available on the official web page of the Issuer</i></p> <p>http://www.homecredit.eu/~media/Files/H/Home-Credit-Group/documents/reports/2016/hcbv-ar-2015.pdf</p>	<p><i>Page 2 – auditor’s report to the shareholders of the Issuer</i></p> <p><i>Appendix (page 39 - 115) Independent auditors’ report on the audit of the consolidated financial statements 2015 (final of the Consolidated Annual Accounts for the year ended 31 December 2015)</i></p> <p><i>Appendix (page 116 - 120) – Consolidated Annual Accounts for the year ended 31 December 2015</i></p>
The unaudited consolidated interim financial report for six-month period ended 30 June 2016 (including the auditor’s report)	<p><i>HCBV Condensed Consolidated Interim Financial Report for the six-month period ended 30 June 2016 (unaudited) - the document is available on the official web page of the Issuer</i></p> <p>http://www.homecredit.eu/~media/Files/H/Home-Credit-Group/documents/press-releases/2016/hcbv-condensed-consolidated-interim-financial-report-30-06-2016.pdf</p>	<p><i>Page 38 - Independent auditors’ report on review of Condensed Consolidated Interim Financial Report</i></p> <p><i>Page 3 to 37 - Condensed Consolidated Interim Financial Statements</i></p>

4. SUBSCRIPTION AND SALE

4.1 General Information on the Offering

The Issuer has authorized the Lead Manager to perform certain activities associated with the preparation and placement of the Notes. In addition, the Issuer has also authorized the Lead Manager to perform activities as the administrator of the Notes. The Lead Manager and Administrator is contractually bound to exert maximum effort that can reasonably be expected to place the Notes on the market; however, if the placement of Notes in the total nominal value of the Notes fails to be successful, the Lead Manager or any other person will not be obliged to subscribe unplaced Notes for its own account, the duty of “best effort”.

The Issuer has issued and published this Prospectus solely for the purpose of admission of the Notes for trading on the Regulated Market of the PSE, and not for any public offering of the Notes. 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 in certain jurisdictions may be restricted by law.

4.2 Note on Restrictions of Prospectus Distribution and Selling Restrictions

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.

The Issuer advises investors 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 this 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 this 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 prospective investors to the fact that the Notes are not and will not be registered in accordance with the US 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 US Securities Act) in a manner other than on the basis of an exception

from the registration obligation in accordance with the US Securities Act or within a transaction that is not subject to the registration obligation in accordance with the US 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 as the “**Great Britain**”) through the distribution of any material or notice, with the exception of an offer of sale to persons authorized to trade securities in the Great Britain on its own account or on someone else’s account or under circumstances that do not form a public offering of securities within the meaning of the Companies Act 1985, as amended. Any legal acts relating to the Notes conducted in the Great Britain, or otherwise associated with the Great Britain, then also must be conducted in accordance with the Act on Financial Services and Markets Act 2000 (FSMA 2000) as amended, the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended, and the Prospectus Regulations Act 2005 (the Prospectus Regulations 2005) 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*).

4.3 Certain Provisions Relating to the Primary Settlement of the Notes

The Issuer has applied for admission of the Notes for trading on the Regulated Market of the PSE. The Issuer assumes the Notes will be accepted for trading on the Issue Date.

The Lead Manager may perform stabilization of the Notes and may in its own discretion make efforts for achieving the steps which the Lead Manager considers necessary and prudent to stabilize or maintain the market price of such Notes, which would not otherwise prevail. The Lead Manager may terminate the stabilization any time. No person accepted any obligation to act as an intermediary in the secondary trading (market maker). The Issuer estimates that the total expenses related to the admission of the Notes for trading on the Regulated Market of the PSE will amount to CZK 50,000.

5. TERMS AND CONDITIONS OF THE NOTES

These terms and conditions (hereinafter referred to as 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 notes (hereinafter referred to as the “**Notes**”) due in 2020, in the anticipated aggregate nominal value of up to CZK 1,998,000,000, with a fixed interest rate in the amount specified in Section 5.1 of these Terms and Conditions, to be issued by Home Credit B.V., a company incorporated under the laws of the Netherlands, registered with the trade register of the Chamber of Commerce in Amsterdam, the Netherlands (*Kamer van Koophandel*) under Registration No. 34126597, having its registered seat (*statutaire zetel*) in Amsterdam and with principal office address at Strawinskylaan 933, 1077XX, Amsterdam, the Netherlands (hereinafter referred to as the “**Issuer**”). The issuance of the Notes was approved by virtue of a resolution of the Board of Directors of the Issuer dated 30 November 2016. The Note’s ISIN code shall be CZ0000000831. The Notes’ title shall be “HOME CR. 3,75/20”.

Administrative activities related to the payment of interest income and the repayment 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, Czech Republic, Identification No. 47116129, registered with the Commercial Register administered by the Municipal Court in Prague, Section B, Insert 1834 (hereinafter referred to as “**PPF banka**”). The relationship between the Issuer and PPF banka in connection with making payments to the Noteholders (as that term is defined below) and in connection with certain other administrative negotiations on the issue is governed by an agreement concluded between the Issuer and PPF banka (hereinafter referred to as the “**Agreement with the Administrator**”). A copy of the Agreement with the Administrator is available for inspection by the Noteholders during normal business hours at the specified address of the Administrator, as specified in Article 11 of these Terms and Conditions (PPF banka or such other person is hereinafter referred to as the “**Administrator**”).

The services of the calculation agent providing calculations with respect to the Notes will be provided to the Issuer by PPF banka (PPF banka or any other person in such role is hereinafter referred to as the “**Calculation Agent**”).

The Issuer has applied through PPF banka (PPF banka or any other person in such role is hereinafter referred to as the “**Listing Agent**”) for the admission of the Notes for trading on the Regulated Market of the Prague Stock Exchange (hereinafter referred to as the “**PSE**”); the request is directed at the Notes being traded as of the Issue Date. In the case of the admission of the Notes for trading on the Regulated Market of the PSE, the Notes shall have the status of listed securities admitted for trading on a regulated market.

The Prospectus has been drafted by the Issuer who has prepared it in accordance with the Capital Markets Act and the Regulation. The Prospectus was approved by the decision of the Czech National Bank ref. no. 2017/016005/CNB/570, file no. S-Sp-2016/00055/CNB/572 on 1 February 2017, which entered into force on 3 February 2017.

1. General Characteristics of the Notes

1.1 Form, Type, Nominal value

The Notes are bearer securities in book-entry form, issued in a quantity of up to 666 Notes with a nominal value of CZK 3,000,000 (three million Czech crowns) each, and will be listed securities if admitted for trading on the Regulated Market of the PSE.

1.2 Separation of the Right to Receive Interest or any Other Form of Yield, Pre-emptive or Conversion rights

There will be no separation of the right to receive interest or any other form of yield payable in respect of the Notes. No pre-emptive or conversion rights shall be attached to the Notes.

1.3 Noteholders

Unless the contrary is proved, a holder of the Notes and person entitled to exercise all rights attached to the Notes (hereinafter referred to as the “**Noteholder**”) is any person in favor of which a holder’s account has been

established with Centrální depozitář cenných papírů, a.s., having its registered office at Prague 1, Rybná 14, Czech Republic, Identification No. 25081489, registered with the Commercial Register administered by the Municipal Court in Prague, Section B, Insert 4308 (hereinafter referred to as the “**Central Depository**”), or with any register linked to the Central Depository on whose account such Notes are recorded.

Unless the Issuer is conclusively notified of facts evidencing that a Noteholder is not the owner of any 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. Any Noteholder shall notify the Issuer and the Administrator in writing without undue delay if the Notes are not recorded for any reason on the Noteholder’s account in the Central Depository or a person managing any register linked to the central register.

1.4 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 Principal Repayment (as such term is defined below).

The transfer of the Notes shall occur upon the 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 the case of Notes registered in the Central Depository on a client’s account, the transfer of such Notes shall occur (i) upon the 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 at the time of the registration on the client’s account, or (ii) in the case that Notes are being transferred between Noteholders within one client’s account, upon the registration of the transfer on such holder’s account in a record of a person managing any register linked to the central register.

1.5 Certain Obligations of the Issuer

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

The Issuer undertakes to exert 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.

1.6 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 Period

The expected issue date of the Notes is scheduled for 10 February 2017 (hereinafter referred to as the “**Issue Date**”).

The issue period for the subscription of the Notes shall commence on the Issue Date at 0:00 Prague time and shall terminate on the Issue Date at 24:00 Prague time (hereinafter referred to as the “**Issue Period**”).

The Issuer shall be entitled to issue the Notes up to the anticipated aggregate nominal value 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 (hereinafter referred to as the “**Additional Issue Period**”).

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

The Issuer shall be entitled to issue the Notes at a higher amount than the anticipated aggregate nominal value during the Issue Period or at any time during an Additional Issue Period. If the Issuer decides to issue the Notes in an aggregate nominal value higher than the anticipated aggregate nominal value, the volume of such increase will not exceed 50 % (fifty per cent) of the anticipated aggregate nominal value 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 Additional Issue Periods 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 nominal value of all of the issued Notes in accordance with Article 13 of these Terms and Conditions. This obligation arises only in the case that the nominal value of all of the issued Notes is higher or lower than the anticipated aggregate nominal value specified in Section 1.1 of these Terms and Conditions.

2.2 Issue Price

The issue price of the Notes issued on the Issue Date shall amount to 100 % of their nominal value (hereinafter referred to as the “**Issue Price**”).

The issue price of any Notes issued during an Additional Issue Period will be set by the Issuer in order to reflect prevailing market conditions. Where relevant, the Issue Price of any Notes issued during an Additional Issue Period will be further increased by corresponding proportional accrued interest.

2.3 Method and Place of Underwriting the Notes

The Notes shall be offered for subscription and purchase to selected institutional investors who shall underwrite them.

The Lead Manager of the issue of the Notes shall be PPF banka.

The primary settlement of the Notes shall be effected through the Central Depository by the delivery-against-payment method such that the initial purchasers are registered with the Central Depository as the holders of the Notes on or before the Issue Date, provided that the purchase price of the issued Notes will be set as the total Issue Price of the issued Notes.

3. Status of the Obligations under the Notes

The Notes (and all payment obligations of the Issuer under the Notes towards the Noteholders) constitute direct, general unconditional, unsecured and unsubordinated liabilities of the Issuer, which are and will rank *pari passu* among themselves and at least *pari passu* to any present and future unconditional, unsecured and unsubordinated liabilities of the Issuer, with the exception of such liabilities preferred by binding mandatory legal provisions, and provided that the payment obligations of the Issuer arising under the Notes may be, in circumstances and under the terms specified in Section 7.6 of these Terms and Conditions, suspended and postponed until the settlement and discharge of the Issuer’s obligations under the Term Facility Agreement. The Issuer undertakes to treat all Noteholders equally under the same circumstances.

4. Issuer’s Obligations

4.1 Negative Pledge

The Issuer undertakes that, until its payment obligations arising from the issued and outstanding Notes pursuant to these Terms and Conditions are fully 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 arising 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, security transfer of ownership (*zajišťovací převod práva*), mortgages, liens, guarantees, indemnities or similar third party rights (i) encumbering current assets, property or income of the Issuer as at the Issue Date or (ii) restricting the Issuer's rights to its current or future assets or income (excluding guarantees and indemnities), wherein their aggregate value does not exceed the higher of (A) EUR 300,000,000 (three hundred million Euro) (or its equivalent in any other currency or currencies), or (B) 10 % of the value of the Issuer's total assets (for the purpose of this Section, the total assets of the Issuer shall be deemed to mean the total assets as reported in the latest consolidated audited financial statements of the Issuer, compiled in accordance with applicable legal regulations); or
- b) any guarantees, indemnities or similar third party rights accorded in the course of the Issuer's business in each case (but without limitation to) in connection with the provision and securing of debt financing or treasury transactions of the 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 the funds to any Home Credit Group member) or in acting as a treasury centre of the Home Credit Group; or
- c) any pledges, security transfer of ownership (*zajišťovací převod práva*), mortgages, liens or similar third party rights granted upon or with regard to any property or assets to (i) secure the purchase price thereof, or (ii) the cost of improvement or repair of all or any part of such property or assets or (iii) to secure any Indebtedness incurred solely for the purpose of financing the acquisition, improvement (including costs such as interest incurred during construction and finance costs) or repair of all or any part of such property or assets and transactional expenses related thereto provided that the maximum amount of Indebtedness according to points (i), (ii) or (iii) above secured by any such pledge, mortgage, charge, lien or similar third party right does not exceed the purchase price or cost of improvement or repair of such property or assets (such purchase price assessed in terms of the transaction as a whole) or the Indebtedness incurred solely for the purpose of financing the acquisition, construction, improvement or repair of such property or assets; or
- d) any pledges, security transfer of ownership (*zajišťovací převod práva*), mortgages, liens, guarantees, indemnities 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 term shall have the following meaning:

“**Indebtedness**” means any indebtedness for or in respect of:

- (a) moneys borrowed and debit balances at banks or other financial institutions;
- (b) any acceptance under any acceptance credit or bill discounting facility (or dematerialised equivalent);
- (c) any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument;
- (d) the amount of any liability in respect of any lease or hire purchase contract which would, in accordance with the generally accepted accounting principles in the Netherlands, be treated as a finance or capital leases;
- (e) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis and meet any requirement for de-recognition under the generally accepted accounting principles in the Netherlands);
- (f) any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price (hereinafter referred to as the “**Treasury Transaction**”) (and, when calculating the

value of that Treasury Transaction, only the marked to market value (or, if any actual amount is due as a result of the termination or close-out of that Treasury Transaction, that amount) shall be taken into account);

- (g) any counter-indemnity obligation in respect of a guarantee, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution in respect of an underlying liability of an entity which is not a member of the Home Credit Group which liability would fall within one of the other paragraphs of this definition;
- (h) any amount raised by the issue of shares which are redeemable (other than at the option of the issuer) before the Final Redemption Date or are otherwise classified as borrowings under the generally accepted accounting principles in the Netherlands);
- (i) any amount of any liability under an advance or deferred purchase agreement if (i) one of the primary reasons behind entering into the agreement is to raise finance or to finance the acquisition or construction of the asset or service in question or (ii) the agreement is in respect of the supply of assets or services and payment is due more than 60 (sixty) days after the date of supply;
- (j) any amount raised under any other transaction (including any forward sale or purchase, sale and sale back or sale and leaseback agreement) having the commercial effect of a borrowing or otherwise classified as borrowings under the generally accepted accounting principles in the Netherlands; and
- (k) (without double counting) the amount of any liability in respect of any guarantee for any of the items referred to in paragraphs (a) to (j) above.

“**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 by the Issuer to third parties.

4.2. Information Disclosure

The Issuer will disclose to the Noteholders in accordance with Article 13 of these Terms and Conditions the following:

- (a) as soon as they are available, but in any event within 150 (one hundred fifty) days after the end of each of the annual accounting periods its audited individual and consolidated financial statements for that annual accounting period;
- (b) as soon as they are available, but in any event within 90 (ninety) days after the end of each of the semi-annual accounting periods ending on or about 30 June of its annual accounting period, its individual and consolidated financial statements for that semi-annual accounting period; and
- (c) as soon as they are available, but in any event within 75 (seventy five) days after the end of each accounting period of 3 (three) months ending on 31 March or 30 September in each year of each of its annual accounting period its individual and consolidated financial statements for that accounting period of 3 (three) months ending on 31 March or 30 September; the financial statements for any accounting period of 3 (three) months ending on 30 September shall also cover the accounting periods of three months ended 30 June and 31 March.

4.3. Other Issuer's Obligations

The Issuer shall not amend the final maturity date under the Term Facility Agreement to the extent that it would extend beyond 30 September 2018.

For the purposes of these Terms and Conditions, the following term has the following meaning in this Section:

A "**Term Facility Agreement**" means the EUR 300,000,000 Term Facility Agreement entered into between the Issuer, Merrill Lynch International, HSBC Bank plc acting through HSBC Bank plc – pobočka Praha and ING Bank N.V., Prague Branch as Arrangers, ING Bank N.V., London Branch as Agent and Security Agent, and HSBC Bank plc acting through HSBC Bank plc – pobočka Praha, ING Bank N.V., Prague Branch, Komerční banka, a.s., SOCIETE GENERALE, Frankfurt Branch, PPF banka a.s., Sberbank CZ, a.s. as Original Lenders and CREDIT BANK OF MOSCOW, Raiffeisenbank a.s., Expobank CZ a.s., and VTB Bank (Austria) AG as Additional Lenders on 4 September 2015, as amended and restated by the Amendment Agreement dated 27 June 2016.

5. Interest on the Notes

5.1 Method of Interest Calculation, Interest Period

The Notes shall bear a fixed interest rate of 3.75 % per annum.

The 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 in arrears semi-annually on 30 March and 30 September of each year (hereinafter referred to as the "**Interest Payment Date**") in accordance with Article 7 of these Terms and Conditions and the Agreement with the Administrator, provided however that the first Interest Payment Date and the first payment of interest shall be deferred to and made on 30 September 2018. For avoidance of any doubt it is expressly stated that no interest shall be paid by the Issuer prior to 30 September 2018.

For the purposes of these Terms and Conditions, "**Interest Period**" means the period from and including the Issue Date to and excluding 30 September 2018 which shall be deemed to be the first Interest Payment Date, and each subsequent period from and including the Interest Payment Date to and excluding the next successive Interest Payment Date until the Maturity Date (as such term is defined below in Section 5.2 of these Terms and Conditions). No interest shall accrue during any period of delay resulting from the shifting of the Interest Payment Date as a result of the application of the Business Day Convention (as such term is defined below in Section 7.2 of these Terms and Conditions).

5.2 End of Interest Accrual

The Notes shall cease bearing interest as of the Final Redemption Date or the Early Redemption Date, whichever occurs earlier (hereinafter referred to as the "**Maturity Date**"), unless, upon the fulfilment of all of the 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 (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.

5.3 Convention for Calculation of Interest

For the purposes of calculating the 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 1 (one) year, a year shall be deemed to consist of 360 (three hundred sixty) days).

5.4 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 nominal value 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 nominal value 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 Section 5.3 of these Terms and Conditions. The amount of interest thus calculated shall be rounded upwards to the nearest ten cents by the Calculation Agent and communicated to the Noteholders without undue delay in accordance with Article 13 of these Terms and Conditions.

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 nominal value of the Notes shall be redeemed in a single payment on 30 March 2020 (hereinafter referred to as the “**Final Redemption Date**”).

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 any Notes in accordance with Section 6.3 of these Terms and Conditions and save for the early redemption of any Notes in the ownership of the Issuer in accordance with Section 6.5 of these Terms and Conditions.

6.3 Early Redemption at the Option of the Noteholders

The Noteholders shall not be entitled to require an early redemption of the Notes prior to the Final Redemption Date, with the exception of early redemption in accordance with this Section 6.3 and/or Article 9 and/or Sections 14.4.1 and/or 14.4.2 of these Terms and Conditions, however, always subject to Section 7.6 of these Terms and Conditions.

If at any time while any Note remains outstanding an Early Redemption Event (as this term is defined in this Section below) occurs and is continuing, any Noteholder will have the option (hereinafter referred to as the “**Early Redemption Option**”) to require the Issuer to redeem or, at the Issuer’s option, to purchase, all or part of the Notes held by such Noteholder, on the Early Redemption Date (as this term is defined in this Section below) at the nominal value of such Notes together with (or where purchased, together with an amount equal to) undistributed interest accrued on such Notes to, but excluding, the Early Redemption Date.

Promptly upon the Issuer becoming aware that an event constituting an Early Redemption Event has occurred and is continuing, the Issuer shall notify the Noteholders in accordance with Article 13 of these Terms and Conditions specifying the event constituting the Early Redemption Event and the circumstances giving rise to it and the procedure for exercising the Early Redemption Option including instructions to the Noteholders on the appropriate steps to give effect to the transfer of the relevant Notes to the Issuer or the cancellation of the Notes, where appropriate or necessary.

Upon a Noteholder being notified by the Issuer of the Early Redemption Event occurring, a Noteholder may exercise Early Redemption Option only during a period of 3 (three) months of the Issuer notifying the Noteholders in the manner specified above that the relevant Early Redemption Event has occurred. Such exercise of the Early Redemption Option shall be effected by executing a duly signed and completed notice of exercise (such notice, in addition to any other notices so named in these Terms and Conditions, is hereinafter referred to as the “**Early Redemption Notice**”) in which the Noteholder shall specify a bank account to which payment is to be made under this Section. Upon receipt of duly signed and completed Early Redemption Notice of any Noteholder, the Issuer may within 30 (thirty) days thereof notify such Noteholder that it wishes to purchase the Notes in relation to which the Noteholder exercised the Early Redemption Option from the Noteholder. The Issuer shall specify in this notice

necessary instructions for the Noteholder in order to give effect to the transfer of the Notes and the Noteholder who exercised the Early Redemption Option shall be obliged to follow these instructions. Early Redemption Notice, once given, may be withdrawn by the relevant Noteholder only with respect to the Notes held by such Noteholder and may be considered duly withdrawn only if it is delivered to the Specified Office before the Early Redemption Date. Any such withdrawal of the Early Redemption Notice by a Noteholder shall have no effect on the Early Redemption Notices given by any other Noteholders.

The Issuer shall redeem or, at the option of the Issuer, purchase the Notes in respect of which the Early Redemption Notice has been validly exercised and delivered to the Specified Office in accordance with this Section within 40 (forty) days from the delivery of the Early Redemption Notice to the Specified Office, unless the Notes become due and payable at an earlier date pursuant to the mandatory provisions of law (in such case, such mandatory provisions of law shall apply) (such date, in addition to any other dates so named in these Terms and Conditions, is referred to as the “**Early Redemption Date**”). Relevant payment in respect of such Notes will be made on the Early Redemption Date by transfer to the bank account specified in the Early Redemption Notice.

For the avoidance of doubt, the Issuer shall have no responsibility for any cost or loss of whatever kind (including breakage costs) which the Noteholder may incur as a result of or in connection with such Noteholder’s exercise or purported exercise of, or otherwise in connection with, any Early Redemption Event (whether as a result of any purchase or redemption arising therefrom or otherwise).

For the purposes of these Terms and Conditions, the following terms have the following meaning in this Section:

A “**Change of Control**” shall be deemed to have occurred if at any time following the Issue Date,

- (a) Mr. Petr Kellner (or his inheritors or legal successors and whether through a legal entity, trust or otherwise) ceasing, directly and/or indirectly to:
 - (i) have the power (whether by way of ownership of shares, proxy, contract, agency or otherwise) to:
 - (A) cast, or control the casting of, at least 51 % of the maximum number of votes that might be cast at a general meeting of any Parent; or
 - (B) appoint or remove all, or the majority of, the directors or other equivalent officers of any Parent; or
 - (C) give directions with respect to the operating and financial policies of any Parent with which the directors or other equivalent officers of any Parent are obliged to comply; or
 - (ii) hold beneficially at least 51 % of the issued share capital of any Parent (excluding any part of that issued share capital that carries no right to participate beyond a specified amount in a distribution of either profits or capital).
- (b) any Parent individually, or the Parents together, ceasing, directly and/or indirectly to:
 - (i) have the power (whether by way of ownership of shares, proxy, contract, agency or otherwise) to:
 - (A) cast, or control the casting of, at least 51 % of the maximum number of votes that might be cast at a general meeting of the Issuer; or
 - (B) appoint or remove all, or the majority of, the directors or other equivalent officers of the Issuer; or
 - (C) give directions with respect to the operating and financial policies of the Issuer with which the directors or other equivalent officers of the Issuer are obliged to comply; or
 - (ii) hold beneficially at least 51 % of the issued share capital of the Issuer (excluding any part of that issued share capital that carries no right to participate beyond a specified amount in a distribution of either profits or capital).

An “**Early Redemption Event**” means the situation when:

- (a) the Change of Control has occurred;
- (b) the Total Financial Indebtedness is more than 85 %; or
- (c) the ratio of the Tangible Net Worth to Total Assets is less than 10.0 %.

A “**Parent**” means (i) PPF Group N.V., a public limited liability company (*naamloze vennootschap met beperkte aansprakelijkheid*) incorporated under the laws of the Netherlands, having its registered seat in Amsterdam and with principal office address at Strawinskylaan 933, 1077XX Amsterdam, the Netherlands and registered with the trade register of the Dutch Chamber of Commerce under number 33264887, or (ii) PPF Financial Holdings B.V., a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) incorporated under the laws of the Netherlands, having its registered seat in Amsterdam and with principal office address at Strawinskylaan 933, 1077 XX Amsterdam, the Netherlands and registered with the trade register of the Dutch Chamber of Commerce under number 61880353.

“**Senior Borrowings**” means, at any time, the aggregate outstanding principal, capital or nominal amount (and any fixed or minimum premium payable on prepayment or redemption) of any unsubordinated indebtedness of the Issuer for or in respect of:

- (a) moneys borrowed and debit balances at banks or other financial institutions;
- (b) any acceptances under any acceptance credit or bill discount facility (or dematerialised equivalent);
- (c) any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument;
- (d) the amount of any liability in respect of any lease or hire purchase contract which would, in accordance with generally accepted accounting principles in the Netherlands, be treated as a finance or capital lease;
- (e) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis and meet any requirements for de-recognition under the generally accepted accounting principles in the Netherlands);
- (f) any counter-indemnity obligation in respect of a guarantee, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution in respect of an underlying liability of any entity;
- (g) any amount raised by the issue of shares which are redeemable (other than at the option of the issuer) before the Final Redemption Date or are otherwise classified as senior borrowings under the generally accepted accounting principles in the Netherlands;
- (h) any amount of any liability under an advance or deferred purchase agreement if (i) one of the primary reasons behind the entry into the agreement is to raise finance or to finance the acquisition or construction of the asset or service in question or (ii) the agreement is in respect of the supply of assets or services and payment is due more than 60 (sixty) days after the date of supply;
- (i) any amount raised under any other transaction (including any forward sale or purchase agreement, sale and sale back or sale and leaseback agreement) having the commercial effect of a borrowing or otherwise classified as borrowings under the generally accepted accounting principles in the Netherlands; and
- (j) (without double counting) the amount of any liability in respect of any guarantee or indemnity for any of the items referred to in paragraphs (a) to (i) above,

as shown in the compliance certificate periodically published together with each financial statements of the Issuer in accordance with Section 13 of these Terms and Conditions, such compliance certificate to be issued by the Issuer and signed by its directors.

A “**Total Equity**” means, at any time and in relation to the Issuer, all amounts which, in accordance with the generally accepted accounting principles in the Netherlands applied in connection with the unconsolidated financial statements of the Issuer would be included under the captions ‘Total Equity’ (or any like captions) on an individual balance sheet of the Issuer at such time increased by any subordinated funding provided to the Issuer by PPF Group N.V. and/or EMMA OMEGA LTD.

A “**Total Financial Indebtedness**” means at any time the ratio of the aggregate of the Senior Borrowings to the Total Equity.

A “**Tangible Net Worth**” means, at any time and in relation to the Issuer, all amounts which, in accordance with the generally accepted accounting principles in the Netherlands applied in connection with the consolidated financial statements of the Issuer would be included under the captions ‘Share capital’, ‘Share premium’, ‘Statutory reserves’ and ‘Other reserves’ (or any like captions) on a consolidated balance sheet of the Issuer at such time, but increased by amount of any subordinated funding provided by PPF Group N.V. and/or EMMA OMEGA LTD. and/or any other affiliate of PPF Group N.V. and/or EMMA OMEGA LTD. which is not a member of the Home Credit Group and adjusted by deducting any amount attributable to loan or any other financial indebtedness provided by the Issuer to its shareholders.

A “**Total Assets**” means, at any time and in relation to the Issuer, all amounts which, in accordance with the generally accepted accounting principles in the Netherlands applied in connection with the consolidated financial statements of the Issuer would be included under the caption ‘Total assets’ (or any like caption) on the consolidated balance sheet of the Issuer at such time.

Any calculations made under this Section shall be made on the basis of the last unconsolidated or consolidated (where applicable) financial statements of the Issuer and made available to the investors via a compliance certificate periodically published together with each financial statements of the Issuer in accordance with Section 13 of these Terms and Conditions, such compliance certificate to be issued by the Issuer and signed by its directors.

6.4 Purchase of the Notes

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 applicable law, any 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 declare the Notes cancelled before the Final Redemption Date by giving notice to the Administrator. Such notice shall be effective as of the date of the 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 any Notes in the ownership of the Issuer shall automatically terminate by virtue of a merger of the rights and obligations into a single person (for the avoidance of doubt, the provisions of Section 7.3 of these Terms and Conditions shall not apply).

6.6 Deemed Payment

If the Issuer deposits with the Administrator the full amount of the nominal value 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, and Sections 14.4.1 and 14.4.2 of these Terms and Conditions, all liabilities of the Issuer under the Notes, for the purposes 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.

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 relevant currency as might replace Czech crowns. The nominal value 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 in effect at the time of the relevant payment.

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 the “**Payment Date**”). If any Payment Date falls on a day which is not a Business Day, such Payment Date shall instead fall on the next following Business Day (hereinafter referred to as the “**Business Day Convention**”). The Issuer will not be required to pay interest or any other additional amounts for any period of delay resulting from the application of the Business Day Convention. For the purposes of these Terms and Conditions, “**Business Day**” means any day (except Saturday and Sunday) on which banks are open in the Czech Republic and the Netherlands and performing the settlement of foreign exchange and interbank payments in Czech crowns.

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 in 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 (hereinafter referred to as the “**Record Date for Interest Payment**”) that is 30 (thirty) days prior to the Interest Payment Date (each such person is hereinafter referred to as a “**Payee**”).

For the purposes of determining the recipients of interest, neither the Issuer nor the Administrator will take into account any transfers of any Notes made on or after the day immediately following the Record Date for Interest Payment related to the respective payment.

7.3.2 Nominal Value

Unless otherwise stipulated in these Terms and Conditions, the nominal value shall be paid to persons, on whose holder’s account in 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 (hereinafter referred to as the “**Record Date for Principal Repayment**”) that is 30 (thirty) days prior to the Early Redemption Date, Final Redemption Date or any other date on which the nominal value of the Notes is to be redeemed in accordance with these Terms and Conditions (each such person is hereinafter referred to as a “**Payee**”).

For the purposes of determining the recipients of the nominal value of the Notes, neither the Issuer nor the Administrator will take into account any transfers of any Notes made on or after the day immediately following the Record Date for Principal Repayment related to the respective payment. Unless it is contrary to applicable law, transfers of all Notes may be suspended from the Record Date for Principal Repayment until the relevant Payment Date, and, at the request of the Administrator, Noteholders 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 held 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 the 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) 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, being not older than 3 (three) months prior to the Payment Date (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 a 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 to sign such Instruction on behalf of the Payee be given. Such evidence shall 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 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 the Czech or English language must be accompanied by a certified Czech or English language translation, unless the Administrator confirms in writing that it is willing to accept the document in such other language. An Instruction shall be deemed to be proper if it contains all of the items required by this Section 7.4, is communicated to the Administrator in accordance with this Section 7.4 and meets the requirement of this Section 7.4 in all other respects.

The Issuer’s liability to pay any amount due in connection with the Notes will be considered discharged in a due and timely manner if the relevant amount is remitted to the Payee or its agent, if applicable, in accordance with a proper Instruction pursuant to this Section 7.4 and if, on or before the Payment Date of such amount, it is (i) credited to the Payee’s or to its agents’ bank account, if applicable, in the clearing centre of the Czech National Bank, if the payment is in the 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), or (ii) debited from the Administrator’s bank account if the payment is in any other currency than the Czech crown and is not made through the clearing centre of the Czech National Bank. 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 any Notes shall be deemed discharged in a proper and timely manner with respect to the Payee when the relevant amount has been remitted to the Payee, or its agent, if applicable, in accordance with a subsequent proper Instruction pursuant to this Section 7.4 and if it is debited from the Administrator’s account, no later 5 (five) Business Days following the day on which the Administrator received the subsequent proper Instruction, unless the Payee’s claim has become prescribed in accordance with these Terms and Conditions, whereas the given 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 due caused by (i) the failure of the Payee to deliver properly and in timely manner the Instruction or any other documents or information required under this Section 7.4, (ii) the fact that such Instruction, document, or information were incorrect, incomplete or untrue, or (iii) circumstances beyond the control of the Issuer or the Administrator. The

Payee shall not be entitled to any interest, default interest or other compensation for the time delay of the relevant payment caused by such reasons.

7.5 Changes 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 disadvantage to the Noteholders. Notice of such election shall be given to the Noteholders in accordance with Article 13 of these Terms and Conditions.

7.6 Suspension and Postponement of Payment

If at any time prior to the Final Discharge Date (as this term is defined in this Section below) the Issuer notifies the Noteholders in accordance with Article 13 of these Terms and Conditions that a Default under the Term Facility Agreement (as these terms are defined in this Section below) has occurred and is continuing, all payment obligations of the Issuer under the Notes shall be suspended and postponed (hereinafter referred to as the “**Suspension**”) until the earlier of (a) the Issuer notifying the Noteholders in accordance with Article 13 of these Terms and Conditions that no Default under the Term Facility Agreement is continuing and (b) the Issuer notifying the Noteholders in accordance with Article 13 of these Terms and Conditions that the Final Discharge Date has occurred (hereinafter referred to as the “**Suspension Period**”). During the Suspension Period, no Noteholder shall be entitled to seek the making of any payments on the Notes regardless of whether interest or nominal value, scheduled or early redemption of the Notes. The failure to make a payment under the Notes during the Suspension Period shall not constitute an Event of Default nor shall such situation give rise or be a trigger to any default interests or other sanction or default payments under the Notes. No Noteholder may during the Suspension Period accelerate, enforce or otherwise request the fulfilment of the Issuer’s payment obligations under the Notes and the Issuer shall not make any payments under the Notes except if any such action is necessary (but only to the extent necessary) to preserve the validity, existence or priority of claims in respect of the liabilities and obligations of the Issuer arising from the Notes, including the registration of such claims before any court or governmental authority and the bringing, supporting or joining of proceedings to prevent any loss of the right to bring, support or join proceedings by reason of applicable limitation periods. The Issuer shall however not be released from its obligations to make any payment under the Notes which were due to be made during the Suspension Period and which shall become payable immediately upon the Issuer notifying the Noteholders in accordance with Article 13 of these Terms and Conditions that the reasons for the Suspension are no longer in place.

After the Issuer having notified the Noteholders in accordance with Article 13 of these Terms and Conditions that an Insolvency Event (as this term is defined in this Section below) has occurred, the Noteholders may exercise their rights (to the extent these rights have been triggered or arisen) specified in Section 9.1 (*Events of Default*) below and take steps towards the Issuer set forth therein. Nevertheless, even in the case as described in the preceding sentence, the obligations of the Issuer under the Notes shall rank behind any obligations of the Issuer arising under the Term Facility Agreement. As a result, any claims of the Noteholders towards the Issuer arising under the Notes shall be settled and discharged only after the full settlement and discharge of all the obligations of the Issuer under the Term Facility Agreement.

After the occurrence of an Insolvency Event, any Noteholder entitled to receive a distribution out of the assets of the Issuer in respect of any liability under the Notes shall, to the extent it is able to do so, direct the person responsible for the distribution of the assets of the Issuer to make that distribution to the lenders under the Term Facility Agreement until the Issuer’s obligations under the Term Facility Agreement have been paid in full. Similarly, if any Noteholder benefited from a set-off executed towards the obligations of the Issuer under the Notes after the occurrence of an Insolvency Event, such Noteholder shall pay an amount equal to the amount of the liabilities which were discharged by that set-off to the lenders under the Term Facility Agreement.

Until the Issuer’s obligations under the Term Facility Agreement have been settled and discharged in full, none of the Noteholders may (including during any insolvency proceedings of the Issuer) exercise any of their rights as creditors of the Issuer in a manner that would be in contrary to, or otherwise jeopardise or endanger, the principles

of Suspension, postponement or deference of payment obligations of the Issuer under the Notes to the obligations of the Issuer under the Term Facility Agreement.

Nothing in this Section is intended to confer on any lender under the Term Facility Agreement any rights or any interest in any rights of the Noteholders or requires consent of any lender under the Term Facility Agreement to any amendment of these Terms and Conditions.

The Issuer shall notify the Noteholders in accordance with Article 13 of these Terms and Conditions promptly upon becoming aware that a Default has occurred and is continuing, that a Final Discharge Date has occurred, that the receivables of all lenders under the Term Facility Agreement have been fully settled and discharged and that an Insolvency Event occurred, and specify, in relation to a Default, the nature of a Default and the date when it occurred and in relation to an Insolvency Event, the nature of an Insolvency Event and the date when it occurred and instruct the Noteholders on the next appropriate steps.

For the purposes of these Terms and Conditions the following terms have the following meaning in this Section:

A “**Default**” means any event or circumstance specified as Event of Default in the Term Facility Agreement or any event or circumstance specified in the Term Facility Agreement which would (with the expiry of a grace period, the giving of notice, the making of any determination or any combination of the foregoing) be an Event of Default under the terms of the Term Facility Agreement;

A “**Final Discharge Date**” means the first date on which all liabilities under the Term Facility Agreement have been fully and finally discharged and the lenders under the Term Facility Agreement are under no further obligation to provide financial accommodation to the Issuer under the Term Facility Agreement;

An “**Insolvency Event**” means in relation to the Issuer the situation when (a) any resolution is passed or order made for the winding up, dissolution, administration or reorganisation of the Issuer, a moratorium is declared in relation to any indebtedness of the Issuer or an administrator is appointed in relation to the Issuer, (b) any composition, compromise, assignment or arrangement is made with any of its creditors, (c) the appointment of any liquidator, receiver, administrative receiver, administrator, compulsory manager or other similar officer in respect of the Issuer or any of its assets, or (d) any analogous procedure or step is taken in any jurisdiction;

A “**Term Facility Agreement**” means the EUR 300,000,000 Term Facility Agreement entered into between the Issuer, Merrill Lynch International, HSBC Bank plc acting through HSBC Bank plc – pobočka Praha and ING Bank N.V., Prague Branch as Arrangers, ING Bank N.V., London Branch as Agent and Security Agent, and HSBC Bank plc acting through HSBC Bank plc – pobočka Praha, ING Bank N.V., Prague Branch, Komerční banka, a.s., SOCIETE GENERALE, Frankfurt Branch, PPF banka a.s., Sberbank CZ, a.s. as Original Lenders and CREDIT BANK OF MOSCOW, Raiffeisenbank a.s., Expobank CZ a.s., and VTB Bank (Austria) AG as Additional Lenders on 4 September 2015, as amended and restated by the Amendment Agreement dated 27 June 2016.

8. Taxation

The repayment of the nominal value and interest accrued on the Notes may be subject to the withholding of tax at the rate of 15 % under Czech Act No. 586/1992 Coll., the Income Tax Act, as amended (“**Czech Income Tax Act**”) or to the withholding of a tax security. Please see Chapter 13 “*Taxation in the Czech Republic and the Netherlands*” for details. If such withholding is required by the Czech Income Tax Act at the time of such payment, the Issuer shall not be obligated to pay any additional amounts to the Noteholders 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 persist (each hereinafter referred to as 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 of the date when the Issuer was notified of such fact by any Noteholder by means of a letter delivered to the Issuer or to the address of the Specified Office; 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 paragraph (a) of this Section 9.1) as set forth in these Terms and Conditions, and such default remains unremedied for more than 30 (thirty) Business Days after a written notice thereof is 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 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 any such Liabilities are declared to be due and payable prior to the original due date for the payment thereof due to an event of default (however defined). Such default pursuant to this paragraph (c) shall not occur if (i) the aggregate amount of the Liabilities is lower than EUR 50,000,000 (fifty million Euros) (or its equivalent in other currency or currencies) or (ii) the Issuer contends, in good faith in a statutory manner, that 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 a respective court or other body that rules that the Issuer is obligated to pay or (iii) if the relevant failure to pay is caused solely by an error or omission of an administrative or operational nature and funds were available to the Issuer to make the relevant payment when due and such payment is made within 5 (five) Business Days after notice of such failure is given to the Issuer.

“**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 in relation to any of its indebtedness, (iv) the Issuer is declared insolvent by any court or a pending insolvency is declared by any court, (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) the Issuer passes a resolution or a respective court renders a final and non-appealable decision or adopts a valid resolution on the winding up or dissolution of the Issuer with liquidation; or

(e) *Analogous Event*

any event occurs that, under the laws of the Netherlands, has an effect analogous to any of the events referred to in paragraph (d) above; or

(f) *Cancellation of Listing*

the Notes cease to be listed securities; or

(g) *Merger, etc.*

the Issuer consolidates or merges with or into, or de-merges from any legal entity unless (i) the surviving entity of such merger or de-merger or any other entity expressly assumes (in a legally valid and enforceable manner) all of the obligations of the Issuer under the Notes provided that due to that merger or de-merger the Noteholders' rights under the Notes shall not be materially and adversely affected, or unless (ii) the assumption of all of the obligations of the Issuer under the Notes by the surviving entity of such merger or de-merger or any other entity occurs per the operation of law (as to which effect of such consolidation or merger there is no reasonable doubt), or unless (iii) the Meeting approves in advance such consolidation, merger or de-merger;

then:

any Noteholder may, at its discretion, request by written notice to the Issuer, delivered to the Specified Office (such notice, in addition to any other notices so named in these Terms and Conditions, is hereinafter referred to as the "**Early Redemption Notice**"), early redemption of all of the Notes held by such Noteholder, and the payment of the nominal value of all of 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 the mandatory provisions of law (in such case, the respective mandatory provisions of law shall apply) and the Issuer shall be obliged to redeem the Notes (including accrued and unpaid interest) pursuant to Section 9.2 of these Terms and Conditions.

9.2 Maturity of Accelerated Notes

All amounts payable by the Issuer to any Noteholder who delivers 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 the relevant Early Redemption Notice to the Specified Office (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 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 any Early Redemption Notices given by other Noteholders.

9.4 Other Conditions for Early Redemption of the Notes

The provisions of Articles 6 and 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 (hereinafter also referred to as 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 Another Administrator and Specified Office

The Issuer reserves the right to appoint additional or another Administrator and to designate an additional or another Specified Office. 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. The change of the Administrator shall not affect the position or interests of the Noteholders.

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

In connection with the fulfilment of the obligations under the Agreement with the Administrator, the Administrator acts as a representative of the Issuer, does not secure the debts of the Issuer resulting from Notes, nor does it otherwise guarantee them and is not in any legal relationship with the Noteholders.

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 Another Listing Agent

The Issuer reserves the right to appoint additional or another Listing Agent. Any change of the Listing Agent shall be notified by the Issuer to the Noteholders in the manner specified in these Terms and Conditions. Any such change shall become effective on the expiry of 15 (fifteen) calendar days after the date of such notice being

delivered, unless a later effective date is specified in such notice. A change of the Listing Agent shall not affect the position or interests of 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 as the Listing Agent and will not be in any legal relationship with the Noteholders.

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 Another Calculation Agent

The Issuer reserves the right to appoint 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 as the Calculation Agent and will not be in any legal relationship with the Noteholders.

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 given in accordance with these Terms and Conditions shall be valid and effective upon its publishing in Czech and/or English on the official web page of the Issuer, www.homecredit.eu or as the case may be, another website whose address will be announced beforehand by way of a notice given in accordance with this Section (hereinafter referred to as the “**Issuer’s Website**”). The date of such a notice will be the date on which it was first published on the Issuer’s Website. 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
1077XX Amsterdam
The Netherlands
Att.: Mr. J. C. Jansen

or to such other address as may be notified to the 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 the Meeting

The Issuer or any Noteholder or Noteholders may convene a meeting of the Noteholders (hereinafter also referred to as the “**Meeting**”), in accordance with these Terms and Conditions, if so required to decide on the common interests of the Noteholders. The cost of organizing and convening the Meeting shall be borne by the person convening the Meeting, unless relevant laws stipulate otherwise. Costs associated with participation in the Meeting shall be borne by the participants themselves. The person convening the Meeting shall, no later than on the day on which a notice of the convening 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 being convened by the Issuer or a Noteholder or Noteholders, i.e., an extract from the relevant register of the Notes 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 prerequisites to the valid convening of the Meeting. If the Meeting is convened by a Noteholder or Noteholders, the Issuer shall be obligated to provide the Noteholder(s) with such assistance as may be required.

14.1.2 Meeting Convened by the Issuer

The Issuer shall be obligated to convene the Meeting in the cases set out in this Section 14.1.2. and in such other cases as determined by the applicable 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 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 of the Issuer for entering into an agreement on the sale of a business enterprise or any part thereof, irrespective of which party to such agreement the Issuer is, if the due and timely redemption of the Notes or the distribution of interest thereon may be jeopardized;
- (d) a default on the part of the Issuer 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;
- (e) a proposal for the filing of an application for the withdrawal of the Notes from trading on the regulated market; or
- (f) any other changes that might significantly impair the Issuer’s ability to discharge its obligations under the Notes,

(the situations specified in (a) through (f) above shall be referred to as “**Material Change**”).

The Issuer may convene the Meeting to propose a collective action if it has knowledge that any Event of Default has occurred or may occur.

14.1.3 Notice of Noteholders Meeting

The person convening the 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 the Meeting is convened by a Noteholder (or Noteholders), such convening person(s) shall deliver a notice of the Meeting (containing all statutory elements) sufficiently in advance (at least 20 (twenty) calendar days prior to the proposed date of the Meeting) to the Specified Office. The Issuer will promptly ensure that such notice of the Meeting is published in the manner and within the time limit specified in the first sentence of this Section 14.1.3 (however, the Issuer is responsible neither for the content of such notice nor for any delay or default in complying with any statutory time limits by a Noteholder who convened the Meeting). The notice of the Meeting must contain at least (i) the business name, registration number and the registered office of the Issuer, (ii) the designation of the Notes, to the minimum extent, the title of the Notes, 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 the Meeting

14.2.1 Entry Notes

To be entitled to attend and vote at the Meeting, a person must be a Noteholder recorded as a Noteholder in the register kept by the Central Depository and shall be shown in the excerpt from the Notes issue records provided by the Central Depository at the end of the calendar day preceding 7 (seven) calendar days of the date of the relevant Meeting (hereinafter also referred to as 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 a 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

A person entitled to attend the Meeting shall have such number of votes of the total number of votes as corresponds to the ratio of the nominal value of the Notes held by such Noteholder on the Record Date for the Attendance at the Meeting to the aggregate nominal value 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 otherwise 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

The Meeting shall constitute a quorum if attended by a Noteholder or Noteholders entitled to vote as of the Record Date for the Attendance at the Meeting that are holders of Notes of a nominal value representing more than 30 (thirty) % of the total nominal value of the issued and outstanding Notes. Notes, that were owned by the Issuer on the Record Date for the Attendance at the Meeting and which were not redeemed early by the Issuer within the meaning of Section 6.3 and Section 6.5 of these Terms and Conditions shall not be counted for the quorum of the Meeting. If the Meeting decides on recalling a Common Proxy (as defined below), any votes belonging to the Common Proxy (if it is a person otherwise authorised to attend the Meeting) will not be included in the total number of votes. 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 a chairman elected by a majority of the attending Noteholders 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. The Common Proxy is authorised under the law (i) to enforce, on behalf of all of the Noteholders, any rights associated with the Notes to the extent specified in a resolution adopted by the Meeting, (ii) to supervise the Issuer's compliance with these Terms and Conditions, and (iii) to execute, on behalf of all of the Noteholders, any other acts or protect the Noteholders' interests in the manner and to the extent specified in a resolution adopted by the Meeting (hereinafter referred to as the "**Common Proxy**"). The Meeting may recall the Common Proxy in the same way in which the Common Proxy was elected or replace them with a new common proxy.

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 1 (one) hour after the scheduled opening of the Meeting a quorum is not present, then such Meeting will be automatically adjourned without further notice.

If the Meeting is to decide on amendments to the Terms and Conditions pursuant to Section 14.1.2 paragraph (a) of these Terms and Conditions but does not have a quorum within 1 (one) hour after the scheduled opening of the Meeting, the Issuer will convene, if necessary, a substitute Meeting to be held not later than 6 (six) weeks after the scheduled date of the original Meeting (hereinafter referred to as the "**Substitute Meeting**"). The holding of the Substitute Meeting with an unchanged agenda will be notified to the Noteholders not later than 15 (fifteen) days after the scheduled date of the original Meeting. The Substitute Meeting deciding on amendments to the Terms

and Conditions according to these Terms and Conditions will have a quorum irrespective of the conditions for quorum set out in Section 14.3.1 above.

14.4 Certain Additional Rights of the Noteholders

14.4.1 Consequences of Voting Against Certain Resolutions of a Meeting

If the 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 (hereinafter 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 nominal value of the Notes, including the interest accrued on the Notes, held by 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 the Czech or English language (hereinafter also referred to herein as the “**Application**”) intended for the Issuer and delivered to the Specified Office, 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**”).

14.4.2 Resolution on Early Redemption of the Notes

If the Meeting agenda includes a Material Change under Section 14.1.2 (b) through (f) of these Terms and Conditions and the Meeting does not consent to such Material Change, the Meeting may, even beyond the scope of the agenda, decide that if the Issuer proceeds in conflict with the resolution of the Meeting that disagreed with such Material Change under Section 14.1.2 (b) through (f) of these Terms and Conditions, the Issuer will be obliged to repay the nominal value of the Notes and any interest accrued thereon (if relevant) to any Noteholder who requests such early repayment (hereinafter referred to as the “**Applicant**”). This right must be exercised by the Applicant by a written notice (hereinafter referred to as the “**Application**”) addressed to the Issuer and delivered to the Specified Office. The amounts referred to above will become due and payable within 30 (thirty) days from the date the Application was delivered to the Administrator (hereinafter referred to as the “**Early Redemption Date**”).

14.4.3 Requirements of the Application

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

14.5 Minutes of Noteholders Meeting

The minutes of the 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 date 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 within 30 (thirty) days of the date of the Meeting. The Issuer shall keep the minutes of the Meeting until the rights under the Notes have ceased to exist. Minutes of the Meeting shall be available for inspection by the Noteholders during normal business hours at the Specified Office. The Issuer shall, within 30 (thirty) days of the date of the Meeting, publish all decisions taken by the Meeting in the same manner in which the Issuer published these Terms and Conditions. If any of the Material Changes referred to in Section 14.1.2 paragraph (a) to (f) of these Terms and Conditions is discussed at a Meeting, a notarial deed must be made of the attendance at and the decisions taken by the Meeting. In the event that such resolution is adopted by the Meeting, the names of those persons entitled to

attend the Meeting and that validly voted for the adoption of such resolution, and the number of Notes owned by such persons on the Record Date for the Attendance at the Meeting, must be mentioned in the notarial deed.

15. Governing Law, Language, Disputes

The Notes are issued under the applicable and effective laws of the Czech Republic, including, without limitation, the Czech Act No. 256/2004 Coll., Capital Markets Act, as amended and the Czech Act No. 190/2004 Coll., on Notes as amended. 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 any 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.

6. INTEREST OF THE PERSONS INVOLVED IN ISSUANCE AND OFFERING OF NOTES

In relation to the interests of natural and legal persons involved in the Issue, the Issuer confirms its understanding and notes to third parties that PPF banka acting as the Lead Manager, the Administrator, the Listing Agent and the Calculation Agent, is related to the Issuer as it is a member of 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.

7. USE OF PROCEEDS

The net proceeds of the Notes, after 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 Subchapter 8.7 "*Business Overview*" of this Prospectus.

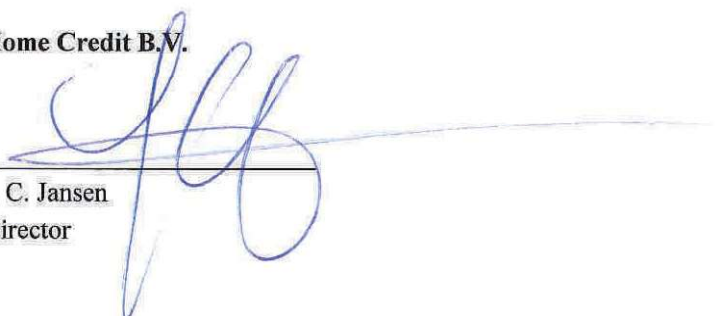
8. INFORMATION ABOUT THE ISSUER

8.1 Persons responsible

The person responsible for the proper drawing up of this Prospectus is the Issuer – Home Credit B.V., a company incorporated under the laws of the Netherlands, registered with the trade register of the Chamber of Commerce in Amsterdam, the Netherlands (*Kamer van Koophandel*) under Registration No. 34126597, having its registered seat (*statutaire zetel*) in Amsterdam and with principal office address at Strawinskylaan 933, 1077XX, Amsterdam, the Netherlands, on behalf of which the undersigned is acting as director. The Issuer hereby declares that the Issuer has taken all reasonable care to ensure that such is the case, the information contained in this 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 this Prospectus, in Amsterdam.

Home Credit B.V.



J. C. Jansen
Director

8.2 Auditors of the Issuer

The consolidated financial accounts of the Issuer for the year ended 31 December 2014 and the consolidated financial accounts of the Issuer for the year ended 31 December 2015, which were prepared in accordance with IFRS were verified by KPMG Accountants N.V., with its registered seat (*statutaire zetel*) in Amsterdam and with principle office address at 1186 DS Amstelveen, Laan van Langerhuize 1, the Netherlands, registered with the trade register of the Dutch Chamber of Commerce (*Kamer van Koophandel*) under Registration No. 33263683, a member of the Koninklijk Nederlandse Beroepsorganisatie van Accountants (NBA).

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 2014 and 2015 prepared in accordance with IFRS and the review report of the auditor on the condensed consolidated interim financial information for the period ended 30 June 2016 create part of the respective financial statements of the Issuer which are available on the web page of the Issuer <http://www.homecredit.eu/investors/financial-reports/all.aspx>.

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.

8.3 Risk Factors

Risk Factors related to the Issuer, business of its subsidiaries and the Notes are mentioned in the Chapter 2 “*Risk Factors*” of this Prospectus.

8.4 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 Dutch Chamber of Commerce (*Kamer van Koophandel*) 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 is 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 China, the Russian Federation, Czech Republic, Slovak Republic, Kazakhstan, Vietnam, the United States of America, India, Indonesia, the Philippines and Belarus. The key business entities forming this group are: Home Credit Consumer Finance Co., Ltd., Shenzhen Home Credit Financial Services Co., Ltd., Home Credit & Finance Bank LLC, Home Credit a.s., Air Bank a.s., Home Credit Slovakia, a.s., Home Credit and Finance Bank SB JSC, Home Credit Vietnam Finance Company Limited, Home Credit India Finance Private Limited, PT Home Credit Indonesia, HC Consumer Finance Philippines, Inc.

The Issuer gained its ownership interest in its subsidiaries gradually:

2003

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

2004

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

2005

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 LLC.

2006

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.

In October 2006, the Issuer completed acquisition of LLC HOME CREDIT FINANCE (formerly PrivatKredit) which was 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) providing services to retail and corporate clients.

2007

In January 2007, the Issuer also acquired a 95.94 % share in OJSC Home Credit Bank (formerly OJSC Lorobank) which was a small financial institution in Belarus. Share in the amount of 4.06 % in OJSC 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 OJSC Home Credit Bank which increased its total shareholding to 97.96 %. Subsequently, the Issuer increased the share capital of OJSC Home Credit Bank through the issues of new shares increasing its total shareholding to 99.59 %. The remaining 0.41 % share in OJSC 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 UAH 22,000,000 through the additional issue of shares which brought its total shareholding at 99.84 %.

2008

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.

2009

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.

2011

In January 2011, the Issuer disposed of its 100 % 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, Home Credit & Finance Bank LLC 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.

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).

2012

In May 2012, first steps leading to contemplated consolidation of Home Credit Bank JSC in Kazakhstan under Home Credit & Finance Bank LLC (Russian Federation) were initiated.

In 2012, a 100 % share in HC Asia N.V., a holding entity incorporated in the Netherlands which held equity stakes in consumer finance companies in China and India, was purchased. The Issuer acquired in this year also the remaining 90.01 % interest in Home Credit Bank JSC operating in the territory of Kazakhstan.

2013

In January 2013, the Home Credit Group entered into share purchase agreements and acquired equity stakes in a number of insurance companies operating in the CIS region. The settlement of that transaction was in March 2013.

In February 2013, the Home Credit Group launched operations in Indonesia and the Philippines.

In September 2013, the shareholders structure of the Home Credit Group was changed and 13.38 % of the shares of the Issuer were sold to EMMA OMEGA LTD and remaining 86.62 % of the shares of the Issuer were owned by PPF Group N.V.

2014

In April 2014, the Home Credit Group entered into a transaction regarding the sale of its 100 % equity stake in PPF Insurance (PSC).

In July 2014, the Home Credit Group became the 100 % owner of PPF Vietnam Finance Company (LLC) which was subsequently renamed to Home Credit Vietnam Finance Company Limited.

In August 2014, the Home Credit Group became the 100 % owner of Home Credit Consumer Finance Co., Ltd. after obtaining necessary regulatory approvals.

2015

In June 2015, the Issuer executed an agreement with its shareholders whereby the shareholders contributed to the Issuer's share premium their shareholdings in Air Bank a.s. As a result of that the Home Credit Group acquired and became a controlling party to the Air Bank a.s. and its subsidiaries: AB 1 B.V., AB 2 B.V., AB 3 B.V., AB 4 B.V., AB 5 B.V., AB 6 B.V. and AB 7 B.V.

In June 2015, the PPF Group acquired a 2 % stake in the Issuer from EMMA OMEGA LTD and subsequently transferred its total stake of 88.62 % in the Issuer to the PPF Financial Holdings B.V. which is a 100 % subsidiary of the PPF Group N.V.

In July 2015, the Home Credit Group opened its office in the United States of America and the operations in the United States of America were launched thanks to the strategic partnership between Home Credit US LLC, fully owned subsidiary of the Home Credit Group, and Sprint eBusiness, Inc.

2016

In July 2016, OJSC Home Credit Bank has changed its status from a bank to a non-banking financial institution. At the same time, OJSC Home Credit Bank was renamed to OJSC Non-banking Credit and Financial Organization Home Credit.

In 2016, the former subsidiaries of Air Bank a.s. AB 1 B.V., AB 2 B.V., AB 3 B.V. merged into subsidiary AB 2 B.V. and subsidiaries AB 4 B.V., AB 5 B.V., AB 6 B.V. merged into subsidiary AB 4 B.V.

8.5 Basic Data on the Issuer

<i>Commercial Name:</i>	Home Credit B.V.
<i>Place of Registration:</i>	The Netherlands, trade register of the Dutch Chamber of Commerce (<i>Kamer van Koophandel</i>)
<i>Registration No.:</i>	34126597
<i>VAT No.:</i>	NL 8086.95.976.B01
<i>Date of Incorporation:</i>	28 December 1999

<i>Duration:</i>	Incorporated for an indefinite period of time						
<i>Registered Office:</i>	Strawinskylaan 933, 1077XX, Amsterdam, the Netherlands						
<i>Legal Form:</i>	besloten vennootschap met beperkte aansprakelijkheid / a private company with limited liability						
<i>Applicable law:</i>	Laws of the Netherlands, in particular Dutch Civil Code (<i>Burgerlijk Wetboek</i>), Dutch Income Tax Act 2001 (<i>Wet inkomstenbelasting 2001</i>) and Dutch Bankruptcy Act (<i>Faillissementswet</i>)						
<i>Country of Incorporation:</i>	The Netherlands						
<i>Registered Capital:</i>	<table> <tr> <td>Authorized Capital:</td> <td>EUR 712,500,000</td> </tr> <tr> <td>Issued Capital:</td> <td>EUR 659,019,639.42</td> </tr> <tr> <td>Paid up Capital:</td> <td>EUR 659,019,639.42</td> </tr> </table> <p>The authorized capital is divided into 1,250,000,000 shares of EUR 0.57 each.</p>	Authorized Capital:	EUR 712,500,000	Issued Capital:	EUR 659,019,639.42	Paid up Capital:	EUR 659,019,639.42
Authorized Capital:	EUR 712,500,000						
Issued Capital:	EUR 659,019,639.42						
Paid up Capital:	EUR 659,019,639.42						
<i>Contact Address:</i>	<p>Home Credit B.V. Strawinskylaan 933 1077 XX Amsterdam The Netherlands Tel: +31 (0)20 88 13 120 Fax: +31 (0)20 88 13 121</p>						
<i>Contact Address in the CR:</i>	<p>Zdeňka Kohoutová Senior Controller Home Credit International a.s. Evropská 2690/17 P.O.BOX 177 160 41 Prague 6 Czech Republic Tel: +420 224 174 375</p>						
<i>Contact for investors:</i>	<p>Alena Tomanová Tel: +420 224 174 319</p>						
<i>Company's website:</i>	www.homecredit.eu						

8.6 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.

PPF Financial Holdings B.V., a private company with limited liability incorporated under the laws of the Netherlands, with its registered office in Amsterdam, the Netherlands, and principal office address at Amsterdam, Strawinskylaan 933, 1077 XX, the Netherlands, registered in the trade register of the Dutch Chamber of Commerce under Registration No. 618800353 holds 1,024,648,360 shares of the Issuer. The remaining 131,526,446 shares are held by EMMA OMEGA LTD, a company established and existing under the laws of Cyprus with its registered office at: Esperidon 12, fourth floor, 1087 Nicosia, Cyprus, under Registration No. HE 319479.

For accurate valuation of the solvency of the Issuer, potential investors shall 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) *Guarantees provided by the Issuer*

The Issuer has provided a guarantee for:

- a loan provided by Deutsche Bank AG acting through its branch at New Delhi, India to Home Credit India Finance Private Limited on 8 September 2016. The limit of the loan is in the amount of INR 985,000,000. The loan shall be provided until further notice;
- a loan provided by Axis Bank Ltd. to Home Credit India Finance Private Limited on 24 November 2015. The limit of the loan is in the amount of INR 500,000,000. The loan shall be provided until further notice;
- a loan provided by PT Bank Tabungan Pensiunan Nasional, TBK. to PT Home Credit Indonesia on 18 December 2013, as amended. The limit of the loan is in the amount of IDR 100,000,000,000. The maturity date of the loan shall be on or about 18 December 2017;
- a loan provided by Citibank, N.A., Jakarta branch to PT Home Credit Indonesia on 15 December 2015. The limit of the loan is in the amount of IDR 130,000,000,000. The maturity date of the loan shall be on or about 14 December 2017;
- a loan provided by PT Bank Ganesha Tbk. to PT Home Credit Indonesia on 9 September 2016. The limit of the loan is in the amount of IDR 35,000,000,000. The maturity date of the loan shall be on or about 8 September 2019;
- a loan provided by ING Bank N.V., Manila branch to HC Consumer Finance Philippines, Inc. on 10 October 2016. The limit of the loan is in the amount of EUR 7,000,000. The maturity date of the loan shall be on or about 30 June 2017;
- the performance of all present, future, actual and/or contingent liabilities of HC Consumer Finance Philippines, Inc. under or in connection with an ISDA Master Agreement entered into between HC Consumer Finance Philippines, Inc. and Deutsche Bank AG provided on 22 November 2016;
- a loan provided by Citibank, N.A. (Philippine Branch) to HC Consumer Finance Philippines, Inc. on 21 January 2016. The limit of the loan is in the amount of PHP 700,000,000. The maturity date of the loan shall be on or about 20 January 2017; and
- a loan provided by ING Bank N.V., acting through its Prague branch to Home Credit Vietnam Finance Company Limited on 29 May 2014. The limit of the loan is in the amount of USD 15,000,000. The maturity date of the loan shall be on or about 28 May 2017.

(b) *Stand by Letter of Credit Facilities Provided to the Issuer*

The Issuer has the following stand by letter of credit facilities open for the purpose of having standby letters of credit provided as security for loans provided to the Issuer's subsidiaries:

- a USD 24,200,000 standby letter of credit facility provided by HSBC Bank plc – pobočka Praha to the Issuer. The standby letter of credit is issued by HSBC Bank plc – pobočka Praha in favour of Hongkong and Shanghai Banking Corporation Limited (Mumbai) as security for loan provided to Home Credit India Finance Private Limited. The loan is in the amount of USD 20,170,000. The maturity date of the loan shall be on or about 24 January 2017;
- a INR 1,272,000,000 standby letter of credit facility provided by Komerční banka a.s. to the Issuer. The standby letter of credit is issued by Komerční banka a.s. in favour of Société Générale, New Delhi branch as security for loan provided to Home Credit India Finance Private Limited. The loan is in the amount of INR 1,200,000,000. The maturity date of the loan shall be on or about 14 December 2017;

- a USD 6,600,000 standby letter of credit facility provided by HSBC Bank plc – pobočka Praha to the Issuer. The standby letter of credit is issued by HSBC Bank plc – pobočka Praha in favour of Hongkong and Shanghai Banking Corporation Limited (Philippines) as security for loan provided to HC Consumer Finance Philippines, Inc. The loan is in the amount of PHP 259,490,000. The maturity date of the loan shall be on or about 2 August 2017; and
- a INR 1,808,125,000 standby letter of credit facility provided by Citibank Europe plc to the Issuer. The standby letter of credit is issued by Citibank Europe pls, organizační složka Praha in favour of Citibank, N.A., Delhi Branch as security for loan provided to Home Credit India Finance Private Limited. The limit of the loan is in the amount of INR 1,643,750,000. The maturity date of the loan shall be on or about 5 November 2017.

(c) *Loans Provided to the Issuer*

The following is the list of the loans, credits or promissory notes provided to the Issuer:

- on 4 September 2015, the EUR 300,000,000 Term Facility Agreement was entered into between the Issuer, Merrill Lynch International, HSBC Bank plc acting through HSBC Bank plc – pobočka Praha and ING Bank N.V., Prague Branch as Arrangers, ING Bank N.V., London Branch as Agent and Security Agent, and HSBC Bank plc acting through HSBC Bank plc – pobočka Praha, ING Bank N.V., Prague Branch, Komerční banka, a.s., SOCIETE GENERALE, Frankfurt Branch, PPF banka a.s., Sberbank CZ, a.s. as Original Lenders and CREDIT BANK OF MOSCOW, Raiffeisenbank a.s., Expobank CZ a.s., and VTB Bank (Austria) AG as Additional Lenders, as was amended and restated by the Amendment Agreement dated 27 June 2016 (hereinafter referred to as the “**Term Facility Agreement**”) on the basis of which syndicate of banks provided the Issuer with a facility in the amount of up to EUR 300 million (hereinafter referred to as the “**Term Loan**”) with the interest of 3M EURIBOR + 4.75 %. The maturity date of the Term Loan is 4 September 2017 with 1 (one) year extension option. The Term Loan is secured by a first lien pledge over receivables in relation to cash accounts where the dividends will be paid in the minimum amount of 50 % of net income from main subsidiaries, subject to legal and regulatory considerations. The Issuer is free to withdraw amounts standing to the credit of these cash accounts subject to, among others, ensuring a minimum balance on these cash account in the amount covering next two interest payments being kept on these cash accounts;
- on 1 September 2016, a loan agreement was entered into between Home Credit International a.s. and the Issuer on the basis of which Home Credit International a.s. provided the Issuer with a loan facility in the amount of up to CZK 200,000,000. The maturity date of the provided facility is 31 December 2018;
- on 19 September 2014, a promissory note was entered into between the Issuer and PPF banka a.s. on the basis of which PPF banka a.s. provided the Issuer with a loan in the amount of CZK 650,000,000. The maturity date of the provided loan is 22 March 2018;
- on 21 October 2016, a promissory note was entered into between the Issuer and PPF banka a.s. on the basis of which PPF banka a.s. provided the Issuer with a loan in the amount of CZK 207,000,000. The maturity date of the provided loan is 20 April 2020;
- on 21 October 2016, a promissory note was entered into between the Issuer and PPF banka a.s. on the basis of which PPF banka a.s. provided the Issuer with a loan in the amount of EUR 7,960,000. The maturity date of the provided loan is 20 April 2020;
- on 8 July 2016, a loan agreement was entered into between the Issuer and PPF banka a.s. on the basis of which PPF banka a.s. provided the Issuer with a loan facility in the amount of up to CZK 800,000,000. The maturity date of the provided facility is 20 January 2020;

- on 15 April 2016, a loan agreement was entered into between the Issuer and PPF Financial Holdings B.V., as amended, on the basis of which PPF Financial Holdings B.V. provided the Issuer with a loan facility in the amount of up to EUR 320,000,000. The maturity date of the provided facility is 18 January 2017;
- on 8 July 2016, a loan agreement was entered into between the Issuer and Home Credit & Finance Bank LLC on the basis of which Home Credit & Finance Bank LLC provided the Issuer with a loan facility in the amount of up to EUR 30,000,000. The maturity date of the provided facility is 14 January 2017;
- on 15 January 2016, a loan agreement was entered into between the Issuer and Home Credit & Finance Bank LLC on the basis of which Home Credit & Finance Bank LLC provided the Issuer with a loan facility in the amount of up to USD 70,000,000. The maturity date of the provided facility is 14 January 2017; and
- on 8 July 2016, a loan agreement was entered into between the Issuer and Home Credit & Finance Bank LLC on the basis of which Home Credit & Finance Bank LLC provided the Issuer with a loan facility in the amount of up to USD 75,000,000. The maturity date of the provided facility is 11 July 2018.

(d) *Loans Provided by the Issuer*

The following is the list of the loans and credits provided by the Issuer:

- on 14 December 2015, a loan agreement was entered into between the Issuer and PT Home Credit Indonesia on the basis of which Issuer provided PT Home Credit Indonesia with a loan facility in the amount of up to IDR 450,000,000,000. The maturity date of the provided facility is 14 December 2020;
- on 24 August 2012, a loan agreement was entered into between the Issuer and PPF Group N.V., as amended, on the basis of which the Issuer provided PPF Group N.V. with a loan facility in the amount of up to RUB 2,000,000,000. The maturity date of the provided facility is 31 August 2017;
- on 18 September 2013, a loan agreement was entered into between the Issuer and EMMA OMEGA LTD, as amended, on the basis of which the Issuer provided EMMA OMEGA LTD with a loan facility in the amount of up to USD 5,000,000. The maturity date of the provided facility is 30 June 2019;
- on 13 January 2013, a loan agreement was entered into between the Issuer and EMMA OMEGA LTD, as amended, on the basis of which the Issuer provided EMMA OMEGA LTD with a loan facility in the amount of up to USD 50,000,000. The maturity date of the provided facility is 30 June 2019;
- on 2 March 2016, a loan agreement was entered into between the Issuer and Zonky s.r.o., as amended, on the basis of which the Issuer provided Zonky s.r.o. with a loan facility in the amount of up to CZK 60,000,000. The maturity date of the provided facility is 2 March 2018;
- on 8 November 2016, a loan agreement was entered into between the Issuer and HC Consumer Finance Philippines, Inc. on the basis of which Issuer provided HC Consumer Finance Philippines, Inc. with a loan facility in the amount of up to USD 5,000,000. The maturity date of the provided facility is 8 November 2018;
- on 12 November 2015, a loan agreement was entered into between the Issuer and Home Credit US Holding, LLC on the basis of which the Issuer provided Home Credit US Holding, LLC with a loan facility in the amount of up to USD 10,000,000. The maturity date of the provided facility is 12 November 2018;
- on 24 June 2015, a loan agreement was entered into between the Issuer and Home Credit US LLC on the basis of which the Issuer provided Home Credit US LLC with a loan facility in the amount of up to USD 500,000. The maturity date of the provided facility is 30 June 2018;
- on 17 August 2015, a loan agreement was entered into between the Issuer and MCC Kupi ne kopi LLC, as amended, on the basis of which the Issuer provided MCC Kupi ne kopi LLC with a facility in the amount of up to EUR 15,000,000. The maturity date of the provided facility is 30 September 2017;

- on 26 October 2007, a loan agreement was entered into between the Issuer and OJSC Non-banking Credit and Financial Organization Home Credit, as amended, on the basis of which the Issuer provided OJSC Non-banking Credit and Financial Organization Home Credit with a subordinated loan facility in the amount of up to EUR 400,000. The maturity date of the provided facility is 10 January 2021;
- on 12 October 2009, a loan agreement was entered into between the Issuer and OJSC Non-banking Credit and Financial Organization Home Credit, as amended, on the basis of which the Issuer provided OJSC Non-banking Credit and Financial Organization Home Credit with a subordinated loan facility in the amount of up to EUR 6,700,000. The maturity date of the provided facility is 10 January 2021;
- on 8 August 2011, a loan agreement was entered into between the Issuer and OJSC Non-banking Credit and Financial Organization Home Credit, as amended, on the basis of which the Issuer provided OJSC Non-banking Credit and Financial Organization Home Credit with a subordinated loan in the amount of up to EUR 2,000,000. The maturity date of the provided facility is 10 January 2021;
- on 9 December 2011, a loan agreement was entered into between the Issuer and OJSC Non-banking Credit and Financial Organization Home Credit, as amended, on the basis of which the Issuer provided OJSC Non-banking Credit and Financial Organization Home Credit with a subordinated loan in the amount of up to EUR 1,500,000. The maturity date of the provided facility is 10 January 2021.

8.7 Business overview

(a) *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 conducive thereto, all in the widest sense of the word. In accordance with the records in the trade register of the Dutch Chamber of Commerce (*Kamer van Koophandel*), the subject of the Issuer's subject of business is holding activities.

(b) *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 China, the Russian Federation, Czech Republic, Slovak Republic, Kazakhstan, Vietnam, the United States of America, India, Indonesia, the Philippines and Belarus. The subject of business of the companies controlled by the Issuer is provision of consumer financing to private individual customers.

(c) *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 active in CEE, CIS countries and other emerging markets, in particular China,

Vietnam, India, Indonesia and the Philippines, and the United States of America. The Home Credit Group provided new loans in each of the following years totalling approximately EUR 6.6 billion in 2015 and EUR 6.8 billion in 2014. The Home Credit Group maintains its position on consumer finance markets in the Czech Republic (operating on this market since 1997), the Slovak Republic (1999), the Russian Federation (2002), Kazakhstan (since 2005), Belarus (since 2006), China (since 2007), Vietnam (since 2009), India (since 2012), Indonesia (since 2013), the Philippines (since 2013) and United States of America (since 2015).

Belarus is no more significant subsidiary for the Home Credit Group. The Home Credit Group surrendered its banking licence in Belarus and its management is undertaking measures aimed at recalibrating the subsidiary business model in the light of the newly introduced regulatory changes in Belarus and focusing on preserving the current investment value. OJSC Non-banking Credit and Financial Organization Home Credit remains being an integral part of the Belarussian financial system and will continue to be under the supervision of the National Bank of Belarus.

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

The Home Credit Group selects for its next expansion those markets that satisfy the following criteria: mid-strong competition, prospects of significant growth in the future, and size that enables significant economies of scale. The 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.

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 currencies. 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 Home Credit Group’s existing customers acquired through POS loans. However, with 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. In countries where the Issuer’s subsidiaries hold banking licences, the Home Credit Group also offers transactional banking for individuals and takes deposits which are an important source of local funding. 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, respectively by the subsidiaries of the Issuer, are:

POS Loans

POS loans are the Home Credit Group’s key product and are offered in vast majority of 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.

Cash Loans

Cash loans are offered in the majority of 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 and because of the Home Credit Group’s strategy aiming at the diversification of 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 / points of sales / post offices and via sales by phone and the internet.

Revolving Loans and Credit Cards

Revolving loans, which provide a line of credit to customers up to the approved credit limit, are typically offered to existing customers who prefer to have the same regular monthly payment (unlike credit cards where the payment varies on a month by month basis). Revolving loans are usually sold through direct marketing channels and bank branches (in countries where Home Credit Group holds banking licence).

Credit cards allow money to be borrowed or products and services to be bought on credit, repeatedly, up to the approved credit limit and with benefits of a grace period, loyalty scheme, etc. (subject to local conditions). Credit cards provide customers with financial flexibility. Credit cards are typically offered to existing customers who have built a relationship with the company through POS or cash loans and have made successful loan repayments. New customers can also use the advantages of credit cards and apply through a variety of different sales channels. Typical distribution channels include bank branches (in countries where Home Credit Group holds banking licence), direct marketing, telemarketing, external call centres, internet applications, brokers, partner organizations (e.g. insurance companies) and points of sales.

Car Loans

Car loans provide customers with the financing of cars. The loan is typically a 3-4 year product issued at car dealerships and can be collateralised by the financed car.

Motorbike Loans

Motorbike loans provide customers with the financing of motorbikes. These loans are provided mainly in Asian countries. The loan is typically a 12-15 month product.

Current accounts

In countries where the Home Credit Group holds banking licence, it offers also current accounts to its customers. Comprehensive current accounts allow customers to manage their deposits and loan products efficiently. Current accounts provide the Home Credit Group with the opportunity to effectively identify needs and behaviour of its clients and thus offer a more tailored service and the most appropriate well selected products. Customers can open and manage their accounts using the Home Credit Group branches as well as via the internet banking application (available in selected countries).

Deposits

With its banking licences in the Russian Federation, Kazakhstan and the Czech Republic, 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. 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 the Russian Federation, Kazakhstan and the Czech Republic, the Home Credit Group participates in the national deposit insurance systems established by the governments to reduce risk of sudden deposit outflows and provide stability for depositors.

Insurance

To complement its consumer financing products, the Home Credit Group makes insurance products available to customers, 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 cooperates with various insurance companies.

Loan Collection and Enforcement

The long-standing operation of the Home Credit Group on the consumer finance market has provided the 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 Home Credit Group utilises multi-stage pre-collection and collection procedures to enhance collection of loans, which includes specific steps to be taken in accordance with a precise schedule, among those steps being a reminder (either by letter, calls 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.

Position of the Issuer and its Subsidiaries against the Competition

As stated above, the Issuer's subject of business is holding activities. In consideration of the ownership interest of the Issuer in these companies and its subject of business, 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 9 "*Description of the Home Credit Group*" of this Prospectus.

8.8 Material Contracts 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 Issuer's ability to fulfil its liabilities towards the Noteholders.

8.9 Organisational Structure and Major Shareholders

(a) *Organisational Structure*

The Issuer is a key holding company of the Home Credit Group, which is made up of companies active on the consumer finance markets in China, the Russian Federation, Czech Republic, Slovak Republic, Kazakhstan, Vietnam, United States of America, India, Indonesia, the Philippines and Belarus.

The business of the Home Credit Group is described in Subchapter 8.7 "*Business overview*" of this Prospectus. 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 9 "*Description of the Home Credit Group*" of this Prospectus.

The Issuer belongs to the PPF Group which is an international financial group. The PPF Group invests into multiple market segments such as consumer finance and banking, insurance, real estate, retail, metal producing and most recently telecommunications and biotechnology 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 PPF Group as a whole, is PPF Group N.V. A more detailed description of the PPF Group is contained in Chapter 10 "*Description of the PPF Group*" of this Prospectus.

(b) *Shareholders of the Issuer*

As of the date of this Prospectus, the Issuer has only two direct shareholders:

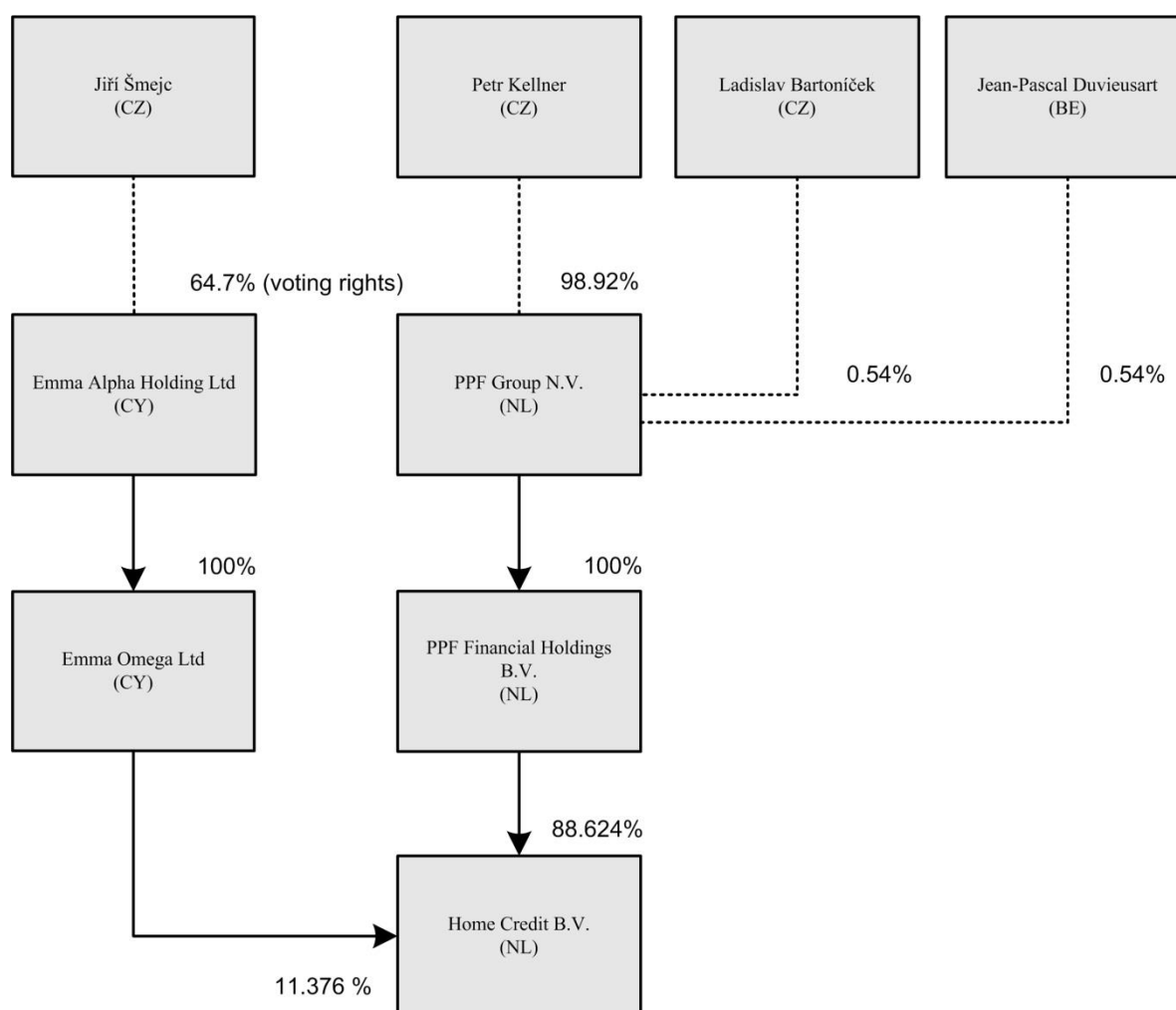
- PPF Financial Holdings B.V. who owns 88.62 % of shares of the Issuer, and
- EMMA OMEGA LTD who owns 11.38 % of shares of the Issuer.

PPF Financial Holdings B.V. is the subsidiary of PPF Group N.V. and the member of the PPF Group. The ultimate shareholders of PPF Group N.V. are Petr Kellner having both direct and indirect shareholder interest amounting to 98.92 %, Ladislav Bartoniček having indirect shareholder interest amounting to 0.54 % and Jean-Pascal Duvieusart having indirect shareholder interest amounting to 0.54 %.

EMMA OMEGA LTD is a subsidiary of EMMA ALPHA Holding LTD, an investment company whose ultimate majority shareholder is Jiří Šmejč.

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 Issuer complies with all requirements for corporate governance required by general legislation of the Netherlands, in particular the Dutch Civil Code. Beyond generally applicable legal duties, no additional measures against abuse of control were taken by the Issuer at the date of this Prospectus.

The basic shareholder structure of the Issuer is in the following diagram:



8.10 Dependence of the Issuer on Entities in the PPF Group and Home Credit Group

(a) *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 and service fees 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 and guarantee fees for the guarantees issued by the Issuer in favor of the banks provided funding to the subsidiaries. As at 30 June 2016, total amount of inter-company loans provided by the Issuer to its subsidiaries is TEUR 20,614. The dependence of the Issuer on the other entities in the Home Credit 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 Home Credit Group.

(b) *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. As at 30 June 2016, total amount of inter-company loans provided by the entities from the PPF Group to the Issuer is TEUR 265,620. Such loans are used mainly to finance different subsidiaries of the Issuer that suffer from a shortage of funds or for the purposes of increase of the Issuer's equity in its subsidiaries.

Within their business activities, particular subsidiaries of the Issuer are to a certain extent dependent on third parties, above all in relation to distribution of their products.

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

8.11 Administrative, Management and Supervisory Bodies of the Issuer

(a) *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*), 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 and relevant law. Each member of the Management Board is also entitled to act individually on behalf of the Issuer. The Management Board is entitled to determine which duties in the area of the Issuer's management each member of the Management Board will be charged with. Such allocation of duties may be subject to the approval of the General Meeting. The Management Board decides in principle by absolute majority of its members present in a meeting provided that at least three members are present or represented in such meeting.

The Management Board convenes the General Meeting by letter. Other express 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 five months by its decision. At the same time, the entire annual accounts must be made available to them for inspection and should in principle be signed by all members of the Management Board.

In the event of presence of a direct or indirect personal conflict of interest between the Issuer and a member of the Management Board, the member of the Management Board that has the conflicting interest should not participate in the deliberation and the decision-making in respect of the tabled item in connection with which a relevant conflict of interest exists. At present, the Issuer's Management Board has eight members:

Name	Function	In function as of	Year of birth
Jiří Šmejč	Chairman of the Board of Directors	1 October 2012	1971
Jan Cornelis Jansen	Vice-chairman of the Board of Directors	1 October 2012	1972
Mel Gerard Carvill	Member of the Board of Directors	3 May 2012	1962
Rudolf Bosveld	Member of the Board of Directors	1 October 2012	1958
Marcel Marinus van Santen	Member of the Board of Directors	1 June 2014	1971
Paulus Aloysius de Reijke	Member of the Board of Directors	1 June 2014	1959
Lubomír Král	Member of the Board of Directors	1 June 2014	1972
Petr Kohout	Member of the Board of Directors	1 January 2015	1972

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

Jiří Šmejč

Chairman of the Board of Directors of the Issuer

In function as of: 1 October 2012
 Date of Birth: 12 October 1971
 Business Address: Home Credit B.V., Strawinskylaan 933, 1077XX, Amsterdam, the Netherlands

Jiří Šmejč has been Chairman of the Board of Directors of the Issuer and CEO of Home Credit Group since 2012. Mr. Šmejč joined the PPF Group in 2004, between 2005 and 2013 was 5 % shareholder of the PPF Group, and since 2013 he has been indirect shareholder of the Issuer through EMMA OMEGA LTD.

He went into business in 1992 and in 1993, he became the Executive Officer and Director of PUPP Consulting s.r.o. In 1995, he served as Sales Director at Middle Europe Finance s.r.o., a securities trader focusing on acquisitions. He was a 34 % owner of the TV NOVA Group till the end of 2004.

Jiří Šmejč graduated from Charles University, Prague, Faculty of Mathematics and Physics, with a master degree in mathematical economics.

Jiří Šmejč is currently also a chairman of the board of directors of one PPF Financial Holdings B.V. subsidiary: Home Credit & Finance Bank LLC.

Jan Cornelis Jansen

Vice-chairman of the Board of Directors of the Issuer

In function as of: 1 October 2012
 Date of Birth: 17 October 1972
 Business Address: Home Credit B.V., Strawinskylaan 933, 1077XX, Amsterdam, the Netherlands

Jan Cornelis Jansen has been Vice-Chairman of the Board of Directors of the Issuer since October 2012 after several years as legal counsel and company secretary for PPF Group. He joined PPF Group in 2007, after spending three years at De Hoge Dennen Holding as legal counsel and company secretary for social investment funds. Prior to this, he held legal positions within various companies. Mr. Jansen is currently also a member of the Board of Directors of PPF Group N.V.

Mr. Jansen holds an LL.M in Dutch Law, specialising in economic, public and business law, from the Universiteit Utrecht. He also has two post-graduate qualifications in company & corporate law, and employment law from the Grotius Academie (Nijmegen) and Vrije Universiteit Law Academy (Amsterdam) respectively.

Mr. Jansen is currently also a member of the management body of following companies within PPF Financial Holdings B.V. or its subsidiary:

PPF Financial Holdings B.V.

HC Asia N.V.

Mel Gerard Carvill

Member of the Board of Directors of the Issuer

In function as of: 3 May 2012

Date of Birth: 26 August 1962

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

Mel Carvill has been a member of the PPF Group's top executive team since 2009 and a member of the Board of Directors of the Issuer since 2012. Mr. Carvill is currently the Chief Officer responsible, on behalf of the Home Credit Group, for government, investor and public relations. Before joining the PPF Group, Mel Carvill worked across a range of sectors in the European financial services industry.

From 1985 until 2009 he worked at Generali where he held a number of senior positions, including Head of Western Europe, Americas and Middle East, Head of M&A and Head of International Regulatory Affairs, Head of Risk Management and Head of Corporate Finance.

He is a Fellow of the Institute of Chartered Accountants in England and Wales, holds the Advanced Diploma in Corporate Finance, and is an Associate of the Chartered Insurance Institute, a Chartered Insurer and a Fellow of the Securities Institute.

Mr. Carvill is currently also a member of the management body of one PPF Financial Holdings B.V. subsidiary: CB INFRASTRUCTURE LIMITED.

Rudolf Bosveld

Member of the Board of Directors of the Issuer

In function as of: 1 October 2012

Date of Birth: 28 December 1958

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

Rudolf Bosveld, a member of the Board of Directors of the Issuer since October 2012, is currently also a member of PPF Group N.V. Board of Directors with more than 20 years of experience in financial services and financial markets. He has held many top executive positions in the financial sector, including that of Executive Director for Corporate Finance and Capital Markets at MeesPierson N.V., Director for Corporate Development, Mergers and Acquisitions at Nuon, and Managing Director of Rabobank International.

He is a graduate of the Erasmus University in Rotterdam, where he was awarded a Master's degree in Management specialising in corporate finance.

Mr. Bosveld is currently also a member of the management body of following companies within PPF Financial Holdings B.V. or its subsidiaries:

PPF Financial Holdings B.V.

HC Philippines Holding B.V.
Home Credit India B.V.
Home Credit Indonesia B.V. Home Credit Lab N.V.

Marcel Marinus van Santen

Member of the Board of Directors of the Issuer

In function as of: 1 June 2014
Date of Birth: 8 September 1971
Business Address: Home Credit B.V., Strawinskylaan 933, 1077XX, Amsterdam, the Netherlands

Marcel van Santen joined the Issuer's Board of Directors in June 2014 after seven years in senior financial roles with PPF Group N.V.

Before joining PPF Group in 2007, he served as a Financial Executive in leading international IT companies. His career includes over 15 year experience in financial analysis, accounting and project management in the Netherlands and EMEA.

Mr. van Santen studied finance and accounting.

Mr. van Santen is also a member of the management body of following companies within PPF Financial Holdings B.V. subsidiaries:

AB 2 B.V.
AB 4 B.V.
AB 7 B.V.
PPF CO 3 B.V.
Ruconfin B.V.

Paulus Aloysius de Reijke

Member of the Board of Directors of the Issuer

In function as of: 1 June 2014
Date of Birth: 8 September 1959
Business Address: Home Credit B.V., Strawinskylaan 933, 1077XX, Amsterdam, the Netherlands

Paul de Reijke became a member of the Board of Directors of the Issuer in June 2014 after two years working as an accounting and reporting manager for PPF Group N.V.

Before joining the PPF Group in 2012, he held various key positions in financial management, control and regulatory reporting both for Dutch and leading European energy companies.

Mr. de Reijke holds a Bachelor in Economics degree and a post-Bachelor degree as a Qualified Controller.

Mr. de Reijke is currently also a member of the management body of following companies within PPF Financial Holdings B.V. or its subsidiaries:

PPF Financial Holdings B.V.
AB 2 B.V.
AB 4 B.V.
AB 7 B.V.
HC Asia N.V.
HC Philippines Holding B.V.
Home Credit India B.V.

Home Credit Indonesia B.V.

Home Credit Lab N.V.

PPF CO 3 B.V.

Ruconfin B.V.

Lubomír Král

Member of the Board of Directors of the Issuer

In function as of: 1 June 2014
Date of Birth: 2 December 1972
Business Address: Home Credit B.V., Strawinskylaan 933, 1077XX, Amsterdam, the Netherlands

Lubomír Král joined the Issuer's Board of Directors in June 2014.

Starting his career as a lawyer, he worked in the legal department for the settlement centre of the Prague Stock Exchange from 1997 to 1999. Since then he worked as General Counsel of the PPF Group and, since March 2007, he has also been a Member of the Board of Directors of PPF a.s. Since March 2013 till December 2014, he was also a Member of the Board of Directors of Generali PPF Holding B.V.

Lubomír Král graduated from the Faculty of Law of Charles University in Prague and also attended the University of Economics, Prague.

Lubomír Král is currently also a member of the management body of PPF Financial Holdings B.V.

Petr Kohout

Member of the Board of Directors of the Issuer

In function as of: 1 June 2014
Date of Birth: 13 May 1972
Business Address: Home Credit B.V., Strawinskylaan 933, 1077XX, Amsterdam, the Netherlands

Petr Kohout, a member of the Board of Directors of the Issuer since 1 January 2015, joined the Home Credit Group from ALD Automotive, s.r.o., a Société Générale company, where he served as Chief Executive Officer (March 2012 to September 2014). Mr. Kohout is currently the Chief Financial Officer of the Home Credit Group.

Mr. Kohout has a long track record of experience in the consumer finance industry and financial services more generally, having started out in the Prague branch of Société Générale in 1996. He then worked for PricewaterhouseCoopers, and later rejoined Société Générale Group as Chief Financial and Operations Officer for ESSOX (its consumer finance arm) in the Czech Republic. Mr. Kohout's career also includes the position of Chief Executive Officer of SG Viet Finance, another SG consumer finance company.

Mr. Kohout is currently also a member of the management body of following companies within the within PPF Financial Holdings B.V. subsidiaries:

HC Insurance Services s.r.o.
Home Credit Asia Limited
Home Credit International a.s.
LLC Home Credit Insurance

Mr. Kohout is currently also a member of the supervisory body of one PPF Financial Holdings B.V. subsidiary: OJSC Non-banking Credit and Financial Organization Home Credit.

(b) *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.

(c) *Managing, Statutory and Supervisory Bodies, Conflicts of Interest*

Section 2:239 of Dutch Civil Code provides that in the event a director of the company has a direct or indirect personal interest that is in conflict with the interests of the company, the director concerned shall not participate in the deliberation and decision making on the item in concern. Should this prevent the management board from making valid decisions, the item concerned should be referred to the supervisory board of the company, or when no such body exists, the shareholders' meeting, unless the company's articles of association provide otherwise. The articles of association of the Issuer do in this respect not contain provisions that vary from the statutory ones in the law. The representation powers of any of the directors of the company will at all times not be impaired due to the presence of a conflict of interest.

The Issuer is not aware of the (potential) presence of any relevant personal conflicts of interest between the duties of the persons referred to in this Subchapter 8.11 "*Administrative, Management and Supervisory Bodies of the Issuer*" of this Prospectus towards the Issuer and their personal interests or other duties.

(d) *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. Any qualifying shareholder may also institute such proceedings against the company for the (mis)conduct of co-shareholders of the company itself.

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.

8.12 Financial Information concerning the Issuer's Assets and Liabilities, Financial Position and Profits and Losses

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 Dutch Chamber of Commerce (*Kamer van Koophandel*) as required by the law under which the Issuer is incorporated.

The consolidated financial accounts of the Issuer for the year ended 31 December 2014 and for the year ended 31 December 2015 and also condensed consolidated interim financial report for the six-month period ended 30 June 2016 have been prepared in accordance with IFRS. In this Chapter the Issuer's consolidated statement of financial

position and consolidated statement of comprehensive income which were derived from the audited consolidated financial accounts of the Issuer for the financial years 2014 and 2015 and from the unaudited condensed consolidated interim financial report for the six-month period ended 30 June 2016 are attached.

The full wording of the audited consolidated financial accounts of the Issuer for the financial years 2014 and 2015 and the auditor's report for each such period and the unaudited condensed consolidated interim financial report for the six-month period ended 30 June 2016 are available on the web page of the Issuer www.homecredit.eu in Section "Investors", Subsection "Financial reports" whereas the audited consolidated financial accounts of the Issuer for the year ended 31 December 2014 (including the auditor's report) are contained in a document called "*HCBV (NL) Annual Report for the year ended 31 December 2014 (consolidated), year 2014, operation: HCBV*", the audited consolidated financial accounts of the Issuer for the year ended 31 December 2015 (including the auditor's report) are contained in a document called "*HCBV (NL) Annual Report for the year ended 31 December 2015 (consolidated), year 2015, operation: HCBV*", and the unaudited condensed consolidated interim financial report for the six-month period ended 30 June 2016 is contained in a document called "*HCBV Condensed Consolidated Interim Financial Report for the six-month period ended 30 June 2016 (unaudited)*".

In making an investment decision, potential 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.

The following charts state below (i) the consolidated statement of financial position and consolidated statement of comprehensive income of the Issuer as derived from the audited consolidated financial accounts of the Issuer for the years ended 31 December 2014 and 31 December 2015 prepared in accordance with IFRS and (ii) the consolidated statement of financial position and consolidated statement of comprehensive income of the Issuer as derived from the unaudited condensed consolidated interim financial report of the Issuer for the six-month period ended 30 June 2016 prepared in accordance with IFRS with comparing data as of 31 December 2015 (in relation to the statement of financial position) and the six-month period ended 30 June 2015 (in relation to the statement of comprehensive income). The information below should be read in conjunction with the audited consolidated financial accounts of the Issuer for the respective financial year. Reporting currency is Euro.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2015 AND 31 DECEMBER 2014¹

(In thousands EUR)

	31 December 2015	31 December 2014
ASSETS		
Cash and cash equivalents	1,349,330	865,552
Due from banks, other financial institutions and holding companies	407,223	171,829
Loans to customers	5,835,110	5,059,514
Positive fair value of derivative instruments	112,281	144,846
Debt securities at fair value through profit or loss	176,879	-
Financial assets available-for-sale	1,204,608	306,172
Financial assets held-to-maturity	6,118	-
Assets classified as held for sale	2,045	5,705
Current income tax receivables	5,723	20,266
Deferred tax assets	125,565	66,167

¹ Information is derived from HCBV (NL) Annual Report for the year ended 31 December 2015 (consolidated), year 2015, operation: HCBV.

Investments in associates	1,524	2,252
Intangible assets	136,418	100,466
Property and equipment	137,501	157,603
Other assets	155,638	136,210
	<hr/>	<hr/>
Total assets	9,655,963	7,036,582
	<hr/> <hr/>	<hr/> <hr/>
LIABILITIES		
Current accounts and deposits from customers	4,908,631	2,889,966
Due to banks and other financial institutions	2,330,836	1,434,149
Debt securities issued	373,090	575,112
Negative fair value of derivative instruments	18,322	5,583
Current income tax liabilities	45,041	33,560
Deferred tax liabilities	22,257	3,045
Insurance and other provisions	45,819	80,928
Subordinated liabilities	427,519	542,297
Other liabilities	288,710	233,065
	<hr/>	<hr/>
Total liabilities	8,460,225	5,797,705
	<hr/> <hr/>	<hr/> <hr/>
EQUITY		
Equity attributable to equity holders of the Issuer		
Share capital	659,020	659,020
Share premium	479,872	299,872
Statutory reserves	38,599	24,671
Foreign currency translation	(604,427)	(505,114)
Cash flow hedge reserve	3,728	12,971
Reserve for business combinations under common control	(91,228)	(80,685)
Revaluation reserve	23,127	(4,364)
Other reserves	682,280	828,682
	<hr/>	<hr/>
Total equity attributable to equity holders of the Issuer	1,190,971	1,235,053
	<hr/> <hr/>	<hr/> <hr/>
Non-controlling interests	4,767	3,824
	<hr/> <hr/>	<hr/> <hr/>
Total equity	1,195,738	1,238,877
	<hr/> <hr/>	<hr/> <hr/>
Total liabilities and equity	9,655,963	7,036,582
	<hr/> <hr/>	<hr/> <hr/>

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31
DECEMBER 2015 AND 31 DECEMBER 2014²**

(In thousands EUR)

	31 December 2015	31 December 2014
Interest income	1,842,479	1,987,116
Interest expense	(649,459)	(609,893)
Net interest income	1,193,020	1,377,223
Fee and commission income	408,591	507,038
Fee and commission expense	(89,667)	(86,724)
Net fee and commission income	318,924	420,314
Insurance income	35,361	46,516
Net gains on financial assets and liabilities	1,472	7,086
Other operating income	69,883	97,593
Operating income	1,618,660	1,948,732
Impairment losses on financial assets	(725,086)	(1,116,368)
General administrative expenses	(795,246)	(771,540)
Other operating expenses	(91,281)	(99,804)
Operating expenses	(1,611,613)	(1,987,712)
Losses on disposals of associates and subsidiaries	(488)	(581)
Share of earnings in associates	1,943	2,251
Profit/(loss) before tax	8,502	(37,310)
Income tax expense	(50,103)	(23,147)
Net loss for the year	(41,601)	(60,457)
Loss attributable to:		
Equity holders of the Issuer	(40,355)	(56,933)
Non-controlling interests	(1,246)	(3,524)
	(41,601)	(60,457)
Other comprehensive income which will be subsequently reclassified to profit or loss:		

² Information is derived from HCBV (NL) Annual Report for the year ended 31 December 2015 (consolidated), year 2015, operation: HCBV.

Currency translation	(88,011)	(292,143)
Revaluation gains/(losses) on available-for-sale financial assets	3,523	(8,059)
Revaluation of available-for-sale financial assets transferred to profit or loss	11,532	2,065
Cash flow hedge reserve – effective portion of changes in fair value	(19,954)	171,255
Cash flow hedge reserve – net amount transferred to profit or loss	8,400	(154,950)
Income tax relating to components of other comprehensive income	762	(2,062)
Other comprehensive income which will not be subsequently reclassified to profit or loss:		
Remeasurements of the defined benefit liability	61	-
Other comprehensive income for the year	(83,687)	(283,894)
Total comprehensive income for the year	(125,288)	(344,351)
Total comprehensive income attributable to:		
Equity holders of the Issuer	(124,484)	(341,402)
Non-controlling interests	(804)	(2,949)
	(125,288)	(344,351)

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2016 AND 31 DECEMBER 2015³

(In thousands EUR)

	30 June 2016	31 December 2015
ASSETS		
Cash and cash equivalents	1,639,943	1,347,191
Due from banks, other financial institutions and holding companies	345,750	387,325
Loans to customers	6,988,241	5,835,110
Positive fair value of derivative instruments	2,190	112,281
Debt securities at fair value through profit or loss	202,863	176,879
Financial assets available-for-sale	1,003,554	1,204,608
Financial assets held-to-maturity	31,157	6,118
Assets classified as held for sale	2,394	2,045
Current income tax receivables	5,833	5,723
Deferred tax assets	152,024	125,565
Investments in associates	905	1,524
Intangible assets	153,150	136,418
Property and equipment	139,265	137,501
Other assets	203,737	177,675

³ Information is derived from HCBV Condensed Consolidated Interim Financial Report for the six-month period ended 30 June 2016 (unaudited).

Total assets	10,871,006	9,655,963
LIABILITIES		
Current accounts and deposits from customers	4,933,114	4,908,631
Due to banks and other financial institutions	3,573,267	2,330,836
Debt securities issued	219,019	373,090
Negative fair value of derivative instruments	44,511	18,322
Current income tax liabilities	34,630	45,041
Deferred tax liabilities	29,960	22,257
Insurance and other provisions	39,831	45,819
Subordinated liabilities	396,725	427,519
Other liabilities	337,423	288,710
Total liabilities	9,608,480	8,460,225
EQUITY		
Equity attributable to equity holders of the Issuer		
Share capital	659,020	659,020
Share premium	479,872	479,872
Statutory reserves	38,652	38,599
Foreign currency translation	(585,294)	(604,427)
Cash flow hedge reserve	-	3,728
Reserve for business combinations under common control	(91,228)	(91,228)
Revaluation reserve	14,581	23,127
Other reserves	741,230	682,280
Total equity attributable to equity holders of the Issuer	1,256,833	1,190,971
Non-controlling interests	5,693	4,767
Total equity	1,262,526	1,195,738
Total liabilities and equity	10,871,006	9,655,963

**CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME FOR
THE SIX-MONTH PERIOD ENDED 30 JUNE 2016 AND 30 JUNE 2015⁴**

(In thousands EUR)

	6 months ended 30 June 2016	6 months ended 30 June 2015
Interest income	968,243	895,674
Interest expense	(289,105)	(337,006)
Net interest income	679,138	558,668
Fee and commission income	230,959	189,336
Fee and commission expense	(45,858)	(40,007)
Net fee and commission income	185,101	149,329
Insurance income	10,524	19,853
Net (losses)/gains on financial assets and liabilities	(19,569)	802
Other operating income	29,440	55,005
Operating income	884,634	783,657
Impairment losses on financial assets	(269,806)	(452,959)
General administrative expenses	(463,042)	(368,948)
Other operating expenses	(54,312)	(51,660)
Operating expenses	(787,160)	(873,567)
Losses on disposals of associates and subsidiaries	(33)	(343)
Share of earnings in associates	848	972
Profit/(loss) before tax	98,289	(89,281)
Income tax expense	(38,973)	(1,104)
Net profit/(loss) for the period	59,316	(90,385)
Profit/(loss) attributable to:		
Equity holders of the Issuer	60,950	(88,753)
Non-controlling interests	(1,634)	(1,632)
	59,316	(90,385)
Other comprehensive income which will be subsequently reclassified to profit or loss:		
Currency translation	16,064	112,751

⁴ Information is derived from HCBV Condensed Consolidated Interim Financial Report for the six-month period ended 30 June 2016 (unaudited).

Revaluation (losses)/gains on available-for-sale financial assets	(1,560)	1,247
Revaluation of available-for-sale financial assets transferred to profit or loss	(8,957)	3,204
Cash flow hedge reserve – effective portion of changes in fair value	3,191	8,771
Cash flow hedge reserve – net amount transferred to profit or loss	(3,781)	(16,696)
Income tax relating to components of other comprehensive income	2,089	695
Other comprehensive income which will not be subsequently reclassified to profit or loss:		
Remeasurements of the defined benefit liability	54	-
Other comprehensive income for the period	7,100	109,972
Total comprehensive income for the period	66,416	19,587
Total comprehensive income attributable to:		
Equity holders of the Issuer	67,896	20,796
Non-controlling interests	(1,480)	(1,209)
	66,416	19,587

8.13 Trend Information of the Issuer

To the best of the Issuer's knowledge no significant change in the financial or trading position of the Issuer has occurred since 30 June 2016.

8.14 Third Party Information and Statement by Experts and Declaration of any Interest

This Prospectus does not contain, with the exception of the auditor's reports incorporated by reference, any statement or notice of any person acting as an expert.

The auditors of the Issuer are KPMG Accountants N.V., with its registered seat (*statutaire zetel*) in Amsterdam and with principle office address at 1186 DS Amstelveen, Laan van Langerhuize 1, the Netherlands, a member of the Koninklijk Nederlandse Beroepsorganisatie van Accountants (NBA), who have audited the Issuer's consolidated financial accounts, without qualification, in accordance with IFRS for each of the two financial years ended 31 December 2014 and 31 December 2015.

The auditors of the Issuer have no material interest in the Issuer. With regard to such declaration, the Issuer considered particularly possible auditors' ownership of securities issued by the Issuer, possible membership of the auditors of any of the Issuer's bodies, and other circumstances related to the auditors.

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 have independently verified that data.

Subject to the foregoing, neither the Issuer nor the Lead 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 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:

- Czech Financial and Leasing Association, <http://www.clfa.cz>
- Central Bank of the Russian Federation, www.cbr.ru
- PPF Group, www.ppf.eu
- Finmarket, <http://www.finmarket.ru/index.html>

- (d) issuance of financial bonds upon approval,
- (e) interbank borrowings in China,
- (f) advisory and agent business related to consumer finance,
- (g) sale of insurance products relating to consumer loans in the capacity of an agent,
- (h) investments in fixed-returns securities and
- (i) any other business approved by the CBRC.

HC CFC shall comply with regulation applicable to CFCs in China, otherwise is subject to the general regulatory regime applicable to all commercial entities.

The market in China was entered in 2004, when the PPF Group set up its representative office in China. After the initial stage of developing long term strategy with focus on consumer finance, cooperation with Heng Feng Guarantee Company (later to become GDGC) was launched in 2006. Given the regulatory limitations at that time which did not allow the Issuer's entities in China to be direct lenders of consumer loans the trust/guarantee model was chosen for business operation. In 2007, the Issuer launched trust/guarantee business model in Guangdong province, starting with small pilot with 15 points of sale in July, completing the establishment of back-office facilities in Shenzhen, acquiring Heng Feng Guarantee Company in September, and launching regular business in selected areas of Guangdong province in December.

In April 2008, the Issuer launched guarantee business model cooperation in Shenzhen with Fotic Trust and Minsheng Bank. Fotic Trust is a member of the Sinochem Group and one of the largest trust companies in China, whereas Minsheng Bank is a leading commercial bank in China. In June 2008 the trust/guarantee model was launched in Chengdu in Sichuan province, followed by launch of operations in Tianjin in September. Subsequently the Issuer has also established partnerships with other leading financial institutions, such as Industrial Bank, CITIC Bank, China Construction Bank and China Resources SZITIC Trust Co., Ltd. The trust/guarantee model was rolled out to Hubei, Hunan, Shandong and Chongqing in 2010.

HC CFC was established in Tianjin in 2010 which began business operations upon obtaining CBRC approval in December and commenced consolidation of the guarantee business in Tianjin under CFC model.

In 2013, the Issuer introduced a new model of cooperation with trust companies without involvement of the guarantee issued by the Issuer's entities. This new model was implemented in Hubei, where it replaced the trust/guarantee model and newly rolled out to Zhejiang, Jiangsu, Henan and Hebei provinces by the end of the year, with Anhui, Fujian and Jiangxi provinces added in early 2014.

As of January 2014, change of CFC regulation enabled Home Credit Group to start gradual roll-out of CFC model across China and consolidation of the existing guarantee business under HC CFC. As of 10 December 2014, all new business of the Issuer in China is done under CFC model and since that time all newly originated loans have been booked under HC CFC.

The first full year of operation of the Issuer's new business only under CFC model was 2015 with tremendous sales growth momentum and further geographical expansion to eventually cover 24 provinces and municipalities of China, with presence in 274 cities as at the end of 2015. The existing trust/guarantee model and non-guarantee portfolio loans generated in previous years are currently gradually expiring as they are being repaid, with no new business generated under the old business models.

As of June 2016, HC CFC operated in 25 provinces and 4 municipalities, covering 289 cities nation wide, through 97,635 distribution points.

Position of HC CFC in China

When Home Credit Group first entered the Chinese market in 2007, the business of providing guarantees to financial institutions on behalf of its clients in exchange for a fee from its clients was not subject to any industry

regulation. The civil law relationship of guarantor was governed by the Guarantee Law, which was passed by the Standing Committee of the National People's Congress and announced on 30 June 1995.

Starting from 8 March 2010, upon issuance of the Provisional Measures for Administration of Financing Guarantee Companies (Directive of Seven Ministries 2010 #3) on the national level by CBRC, National Development and Reform Commission, Ministry of Industry and Information Technology, Ministry of Finance, Ministry of Commerce, People's Bank of China and State Administration for Industry and Commerce, followed by issuance of respective implementing rules on provincial level, the guarantee industry became regulated and a licence from the provincial regulator was required to start / continue to do the business.

In 2009, the Pilot Measures for Consumer Finance Companies (hereinafter referred to as the "**Pilot Measures**") was promulgated by CBRC to launch the consumer finance industry pilot geographically limited to only four cities in China (Beijing, Shanghai, Chengdu and Tianjin). The Chinese government decided to select four companies to operate in these regional cities, being (i) HC CFC, (ii) BOC Consumer Finance Co., (iii) Bank of Beijing Consumer Finance Co. and (iv) Jincheng Consumer Finance Co. HC CFC obtained its licence in 2010 to operate in Tianjin. Following the successful pilot project, the Pilot Measures were amended in 2013 and with the effect from 1 January 2014 opened up the nationwide market to more consumer finance companies and removed geographical limitations for expansion of the existing CFC businesses. In addition, CFC is subject to financial consumer protection rules and capital adequacy rules.

As the new concept of "Internet finance" and "Fintech" is getting more popular, as well as encouraged from the Chinese government, the consumer finance market in China entered fast growing period and is booming in 2015 and 2016. Therefore, HC CFC currently operates in a very competitive market where the following groups of players can be identified:

- (a) CFCs – CFC segment consists of 17 licensed consumer finance companies. CFCs strictly comply with regulations of the CBRC, and their business operation is transparent and normalized.
- (b) Financial service companies (hereinafter referred to as the "**FSCs**") – FSCs avoid strict supervision by registering as financial service company, P2P company or technology company. They are developing fast and actively in both online and offline business of POS loans and consumer loans. Some FSCs directly reproduce HC CFC's products.
- (c) Internet finance companies – Internet finance companies, such as InternetJingDong, Baidu, Alibaba, Tencent, operate in finance ecosystem including payment tools, credit scoring, consumer finance services, banking services, internet insurance, big data risk control, etc. At the same time, internet finance companies develop fast in online payment tools in offline channels by scanning QR code, bar code or NFC technology.
- (d) Banks – Commercial banks actively promote credit bill installment business and fast credit cash loan service based on large user scale.

HC CFC holds 48 % share in offline POS loans (car loans excluded) market.⁵ The key competitors are:

- (a) Billions Finance (24 % market share) that claims covering 300 cities and having 10 million customers and 100,000 points of sale (of which approximately 40,000 focus on car loans).
- (b) Give U Credit (8 % market share) that claims covering 200 cities and having 40,000 points of sale and 3 million users. Since Give U Credit started its business in September 2014 until October 2016, it has accumulated loans volume of CNY 8 billion.
- (c) Mashang CFC (6 % market share) started its business in September 2015 with some members of senior management (in particular CRO, CFO, CEO assistant) joining Mashang CFC from Home Credit

⁵ The information is based on local country management estimation.

Group. Mashang CFC expands quickly in offline POS loans as well as online business. Since the business operations beginning until June 2016, Mashang CFC has accumulated loans volume of CNY 1 billion.

Shenzhen Home Credit Financial Services Co., Ltd. (China)

Registered Office: Unit 2-8 of 10th and 11th floors, Duty Free Building, Yitian Road, Futian District, Shenzhen, China

Registration No.: 91440300796638527A

Date of Incorporation: 18 January 2007

Registered Capital: USD 190,000,000

Subject of Business: Consultation and outsourcing services, including back-office services (collection, customer services and IT support)

After the CFC model nationwide roll-out in 2014, the main activity of Shenzhen Home Credit Financial Services Co., Ltd. is to provide customer service in relation to the Home Credit Group's consumer financing in China.

Fact Sheet of the Home Credit Group entities in China⁶

		30 June 2016	31 December 2015	31 December 2014
Business results				
Loans granted (YTD)	TEUR	2,617,514	2,687,267	1,270,497
Number of distribution points	#	97,635	63,391	37,793
Financial results				
Operating income	TEUR	444,058	648,233	391,391
Net profit after tax	TEUR	74,139	127,511	64,858
Net loan portfolio	TEUR	3,251,088	2,218,739	1,056,529
Shareholder's equity	TEUR	906,694	657,960	553,874

Home Credit & Finance Bank LLC (Russian Federation)

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

Registration No.: 1027700280937

Date of Incorporation: 19 June 1990

Registered Capital: RUB 4,173,000,000

Subject of Business: Point-of-sales loans, Credit cards, Debit cards, Revolving loans, Cash loans, Deposits, Current accounts

Home Credit & Finance Bank LLC (hereinafter referred to as "HCFB") was incorporated in June 1990 and was initially known as Innovation Bank Technopolis ("IBT"). IBT was registered with the CBR on 19 June 1990 and received banking licence No. 316.

⁶ The information mentioned in the Fact Sheet is derived from internal management reports for the consolidated operations in China for respective periods and are based on internal analysis of the Issuer.

In February 2002, the Home Credit Group acquired a 98 % share in the charter capital of IBT with a further 1.8 % 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, IBT 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.

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.

HCFB is allowed to conduct banking operations in Russian rubles and foreign currencies and to accept deposits from individuals and corporations in Russian rubles and foreign currencies. HCFB also holds licences issued by the Federal Service for Financial Markets of the Russian Federation to act as a broker and dealer in the Russian securities market.

Consumer banking products and services represent the largest proportion of HCFB’s income. HCFB’s strategy is focused on repositioning from being a pure consumer finance provider to becoming a universal retail bank with excellent remote and online services. HCFB has progressively diversified its product and service range from POS consumer loans to cash loans and credit cards, 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 online channels. HCFB further extended its products and service range by introducing a number of deposit products and current accounts linked to debit cards. In 2010, HCFB’s payroll project which allows employees’ salaries to be paid into their individual accounts with HCFB, which can be linked to additional services such as salary cards, became fully operational. HCFB also offers limited corporate loans services to partners and certain retailers that operate HCFB’s points of sale, although these represent a relatively insignificant proportion of HCFB’s overall business.

As at 31 December 2015 the HCFB distribution network comprised the head office in Moscow, 333 branches in main cities, 3,919 loan offices, 830 ATMs and over 88 thousand points of sale in the Russian Federation.

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 2015, HCFB’s share in the POS market was 27 % making HCFB the leading bank in the POS segment, its share in the cash loan market was 2.4 % (number 6 in the cash loan market) and its share in the credit card market was 2.3 % (number 7 in the credit card market)⁷. According to Finmarket (Interfax Group), a Russian business information and analytical agency, as at 31 December 2015, HCFB was the 39th and 21st largest bank in the Russian Federation in terms of net assets and equity, respectively, based on RAS (Russian Accounting Standards).

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.

According to the audited consolidated financial statements of HCFB, for the year ended 31 December 2014, HCFB generated net loss attributable to participants of RUB 4,524 million. Of HCFB’s net profit before tax for the year ended 31 December 2014, net interest income after provisions for loan impairment was RUB 754 million and net fee and commission income was RUB 18,382 million.

⁷ 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.

According to the audited consolidated financial statements of HCFB, for the year ended 31 December 2015, HCFB had a net loss attributable to participants of RUB 8,814 million. Of HCFB's net loss before tax for the year ended 31 December 2015, net interest income after provisions for loan impairment was RUB – 4,183 million and net fee and commission income was RUB 12,809 million.

As at 31 December 2014, HCFB had total assets of RUB 338,740 million and equity of RUB 52,648 million. As at 31 December 2015, HCFB had total assets of RUB 267,923 million and net assets attributable to participants of RUB 39,654 million.

As at the date of this Prospectus, HCFB has a B+ long-term rating with a stable outlook from Fitch Ratings CIS Limited, registered in accordance with the Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies (the Credit Rating Agencies Regulation), affirmed in November 2016 and short-term ratings at B rating with a stable outlook from Fitch Ratings CIS Limited, affirmed in November 2016.

Solvency of HCFB

HCFB represents a key strategic asset for the Home Credit Group. The Home Credit Group provides HCFB with continuous support. Since the acquisition of HCFB in February 2002 until the date of this Prospectus, the Home Credit Group has contributed approximately RUB 15 billion to the capital of HCFB, predominantly for the purpose of maintaining HCFB's capital adequacy ratio at the optimal level.

On 14 May 2014, following the decision of HCFB's General Participants' Meeting, HCFB paid dividends in the amount of RUB 1,211 million due to excess of capital.

On 1 April 2015, HCFB's General Participants' Meeting approved the payment of dividends in the amount of RUB 838 million. HCFB paid the entire amount on 1 April 2015.

Subsidiaries of HCFB

The audited consolidated financial statements of HCFB for the year ended 31 December 2015 include Home Credit and Finance bank SB JSC (a subsidiary of HCFB, formerly known as Bank Home Credit SB JSC), Financial Innovations LLC (a subsidiary of HCFB), Equifax Credit Services (LLC) (formerly known as Global Payment Credit Services (LLC)) where HCFB has 25 % of ownership interest, Bonus Center Operations (LLC). It further includes Eurasia Capital S.A., Eurasia Structured Finance No.1 S.A., HC Finance (LLC), Eurasia Structured Finance No.3 B.V., HC Finance No.2 (LLC) and Eurasia Structured Finance No.4 B.V.⁸ that are not legal subsidiaries of HCFB but special purpose vehicles established for the purposes of securitization and financing of HCFB.

Fact Sheet of HCFB⁹

		30 June 2016	31 December 2015	31 December 2014
Business results				
Loans granted (YTD)	MRUB	70,888	137,399	215,404
Number of distribution points	#	90,024	92,980	103,407
Financial results				
Operating income	MRUB	14,872	33,052	61,310

⁸ As at 31 December 2015 Eurasia Structured Finance No.1 S.A. and Bonus Center Operations (LLC) were in the process of liquidation.

⁹ The financial information was prepared in accordance with IFRS. The information mentioned in the Fact Sheet is derived from audited unconsolidated financial statements of HCFB for respective years and based on internal analysis of the Issuer.

Net profit after tax	MRUB	431	(11,033)	(6,162)
Net loan portfolio	MRUB	144,712	157,627	213,582
Shareholder's equity	MRUB	35,130	34,573	45,368

Home Credit a.s. (Czech Republic)

Registered Office:	Nové sady 996/25, Staré Brno, Postal Code 602 00, district Brno-město, Czech Republic			
Identification No.:	26978636			
Date of Registration:	1 October 2005			
Registered Capital:	CZK 300,000,000			
Subject of Business:	Point-of-sales loans, Credit cards, Car loans, Revolving loans, Cash loans			

Home Credit a.s. (hereinafter referred to as “**Home Credit**”) was established by a de-merger of the company Home Credit Finance a.s., having its registered office in Brno, Moravské náměstí 249/8, district Brno-město, Postal Code 602 00, Czech Republic, Identification No. 25536613.

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 POS loans, non-purpose cash loans, revolving loans, credit cards and car loans.

In 2014, Home Credit financed client purchases totalling to CZK 8.7 billion and in 2015, financed purchases totalling to CZK 10.3 billion.

According to the audited financial statements of Home Credit, for the year ended 31 December 2014, Home Credit generated profit before tax of CZK 385 million and had a net profit of CZK 292 million. Of Home Credit's profit before tax for the year ended 31 December 2014, operating income was CZK 1,569 million, risk costs represented CZK 100 million and general administrative expenses were CZK 1,083 million.

According to the audited financial statements of Home Credit, for the year ended 31 December 2015, Home Credit generated profit before tax of CZK 653 million and had a net profit of CZK 507 million. Of Home Credit's profit before tax for the year ended 31 December 2015, operating income was CZK 1,793 million, risk costs represented CZK 99 million and general administrative expenses were CZK 1,040 million.

As at 31 December 2014, Home Credit had total assets of CZK 2,956 million and total equity of CZK 1,380 million. As at 31 December 2015, Home Credit had total assets of CZK 3,311 million and total equity of CZK 1,501 million.

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. Banks, non-banks and a number of lease-finance companies provide consumer finance. Also a significant number of micro credit providers have appeared at the market recently. Consumer finance market has become highly competitive.

In order to keep a strong and sustainable position, a consumer finance provider has to have long-term relationships with retail partners based on a communication system, which cannot be replicated in a quick and cheap manner. Also building a strong brand, effective product mix and developing other sales channels, especially online, is

necessary. This together with a necessity of excellent credit risk management makes any new entry into the market and a long-term success time consuming and likely quite expensive.

With twenty years of experience on the Czech consumer finance market, Home Credit has become a respected provider of consumer and revolving loans and, according to ranking for year 2016 of Czech Leasing Association, placed on the first place in the area of non-bank consumer loans and seventh place in the context of all financial products on the relevant market.¹⁰

Fact Sheet of Home Credit¹¹

		30 June 2016	31 December 2015	31 December 2014
Business results				
Loans granted (YTD)	MCZK	5,663	10,320	8,705
Number of distribution points	#	5,772	5,998	5,818
Financial results				
Operating income	MCZK	749	1,793	1,569
Net profit after tax	MCZK	134	507	292
Net loan portfolio	MCZK	1,303	1,711	1,689
Shareholder's equity	MCZK	1,135	1,501	1,380

Air Bank a.s. (Czech Republic)

Registered Office: Prague, Hráského 2231/25, Postal Code: 148 00, Czech Republic

Identification No.: 29045371

Date of Registration: 26 February 2010

Registered Capital: CZK 500,017,000

Subject of Business: Deposits, Current accounts, Savings accounts, Cards, Lending

The principal activity of the Air Bank a.s. (hereinafter referred to as “**Air Bank**”) is the provision of banking products and services to individual customers in the Czech Republic. Air Bank got its banking licence on 31 May 2011 and begun to offer its products, being current and savings accounts at that time, to clients on 22 November 2011. Air Bank is the fastest growing bank in the Czech Republic based on number of customers.

Based on the audited consolidated financial statements of Air Bank, for the year ended 31 December 2014, Air Bank generated profit before tax of CZK 425 million and had a net profit of CZK 313 million. As at 31 December 2014, Air Bank had total assets of CZK 63,009 million and total equity of CZK 4,705.

Based on the audited consolidated financial statements of Air Bank, for the year ended 31 December 2015, Air Bank generated profit before tax of CZK 309 million and had a net profit of CZK 268 million. As at 31 December 2015, Air Bank had total assets of CZK 77,249 million and total equity of CZK 5,101 million.

Home Credit Slovakia, a.s. (Slovak Republic)

¹⁰ According to the data of Czech Financial and Leasing Association at <http://www.clfa.cz>.

¹¹ The financial information was prepared in accordance with IFRS. The information mentioned in the Fact Sheet is prepared on the basis of the annual reports of Home Credit for respective years and based on internal analysis of the Issuer.

Registered Office: Piešťany, Teplická 7434/147, Postal Code 921 22, Slovak Republic
 Identification No.: 36234176
 Date of Registration: 27 October 1999
 Registered Capital: EUR 18,820,998
 Subject of Business: Point-of-sales loans, Credit cards, Car loans, Revolving loans, Cash loans

Home Credit Slovakia, a.s. (hereinafter referred to as “**HCS**”) has been operating on the consumer finance market in the Slovak Republic 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 leaders. The main products offered by the company are POS loans, revolving loans, non-purpose cash loans, credit cards and car loans.

In 2014, the aggregate assets of the HCS decreased to EUR 68,830 million and the HCS achieved a net profit of EUR 5,535 million. In 2015, the aggregate assets of the HCS increased to EUR 71,926 million and the HCS achieved a net profit of EUR 4,646 million.

During 2014, the company financed client’s purchases totalling to EUR 202 million and in 2015, the total principal granted reached EUR 246 million.

Fact Sheet of HCS¹²

		30 June 2016	31 December 2015	31 December 2014
Business results				
Loans granted (YTD)	TEUR	118,255	246,041	202,474
Number of distribution points	#	3,026	3,009	2,814
Financial results				
Operating income	TEUR	11,186	27,469	28,180
Net profit after tax	TEUR	782	4,646	5,535
Net loan portfolio	TEUR	34,465	37,117	25,730
Shareholder’s equity	TEUR	25,549	28,767	28,121

Home Credit and Finance Bank SB JSC (Kazakhstan)

Registered Office: Almaty, 248 Furmanov Street, Postal Code 050059, Kazakhstan
 Registration No.: 930540000147
 Date of Incorporation: 16 May 1993
 Registered Capital: KZT 5,197,000,000
 Subject of Business: Point-of-sales loans, Credit cards, Debit cards, Revolving loans, Cash loans, Deposits, Current accounts

Home Credit and Finance Bank SB JSC (hereinafter referred to as “**HC KZ**”) holds a licence for the carrying out banking and other activities and shall comply with regulation applicable to banking activities in Kazakhstan. HC

¹² The financial information was prepared in accordance with IFRS. The information mentioned in the Fact Sheet are derived from audited consolidated financial statements of HCS for respective years, annual reports for respective years and are based on internal analysis of the Issuer.

KZ is subject to supervision of the National Bank of Kazakhstan. HC KZ provides a comprehensive range of consumer lending (which includes POS loans, cash loans and credit card loans) and deposit products and is active in all major cities across the country through partner networks (POS), KazPost offices and through the bank's own branches.

In 2014, the aggregate assets of the HC KZ decreased to KZT 111,652 million and the HC KZ achieved a net profit of KZT 8,237 million. In 2015, the aggregate assets of the HC KZ increased to KZT 117,432 million and the HC KZ achieved a net profit of KZT 8,486 million.

During 2014, the company financed client's purchases totalling to KZT 111,141 million and in 2015, the financed purchases totalled to KZT 109,489 million.¹³

Fact Sheet of HC KZ¹⁴

		30 June 2016	31 December 2015	31 December 2014
Business results				
Loans granted (YTD)	MKZT	52,524	109,489	111,141
Number of distribution points	#	6,956	6,124	5,370
Financial results				
Operating income	MKZT	19,579	37,460	39,730
Net profit after tax	MKZT	6,459	8,486	8,238
Net loan portfolio	MKZT	91,856	96,629	101,200
Shareholder's equity	MKZT	29,326	31,866	29,382

Home Credit Vietnam Finance Company Limited (Vietnam)

Registered office: 194 Golden Building, 473 Dien Bien Phu Street, Ward 25, Binh Thanh District, Ho Chi Minh City, Vietnam

Registration No.: 0307672788

Date of Incorporation: 18 April 2010

Registered Capital: VND 550,000,000,000

Subject of Business: Point-of-sales loans, Cash loans, Motorbike loans

Home Credit Vietnam Finance Company Limited (hereinafter referred to as "HC VN"), licensed by the State Bank of Vietnam, focuses on the provision of consumer financing to private individual customers in Vietnam. The Vietnamese business is one of the most technologically advanced businesses and the key processes require regular optimisation and adjustment to new market conditions or market initiatives. As the facts presented below show, HC VN proves itself to be able to successfully operate on such challenging market.

As at 31 December 2014, the aggregate assets of the HC VN amounted to VND 7,265,779 million with equity at VND 1,831,406 million. During 2014, HC VN generated net profit of VND 765,929 million. In 2015, the aggregate

¹³ The information is based on internal analysis of the Issuer.

¹⁴ The financial information was prepared in accordance with IFRS. The information mentioned in the Fact Sheet are prepared on the basis of the annual reports of HC KZ for respective years and are based on internal analysis of the Issuer.

assets of the HC VN kept flat level with VND 7,227,961 million at 31 December 2015 and equity of VND 1,966,519. Net profit achieved in 2015 equalled VND 625,116 million.

Fact Sheet of HC VN¹⁵

		30 June 2016	31 December 2015	31 December 2014
Business results				
Loans granted (YTD)	MVND	7,856,163	9,786,621	9,040,261
Number of distribution points	#	5,969	4,955	4,754
Financial results				
Operating income	MVND	1,812,075	3,079,232	3,392,891
Net profit after tax	MVND	518,339	625,116	765,929
Net loan portfolio	MVND	7,182,465	5,916,103	5,240,998
Shareholder's equity	MVND	2,106,500	1,966,519	1,831,406

Home Credit India Finance Private Limited (India)

Registered Office: Tower C, DLF Infinity Towers, DLF Cyber City Phase II, Gurgaon, Haryana 122002, India

Registration No.: U65910HR1997PTC047448

Registered Capital: INR 21,000,000,000

The main activity of Home Credit India Finance Private Limited (hereinafter referred to as “**HC IN**”) is the provision of POS and cash loans to retail customers in India. HC IN, a Non-Banking Financial Company registered by the Reserve Bank of India, is subject to specific regulation applicable to non-banking financial companies in India. As at the date of this Prospectus, HC IN has a BBB- (SO) long term rating from Credit Analysis & Research Limited and BBB (stable) long term rating from CRISIL Limited. Neither Credit Analysis & Research Limited nor CRISIL Limited are registered in accordance with the Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies (the Credit Rating Agencies Regulation). Recently, other rating agencies were contacted in order to broaden the rating coverage and ratings are currently in process of due diligence.

PT Home Credit Indonesia

Registered Office: Plaza Oleos, 8th and 9th Floors, Jl. TB Simatupang No. 53A, Jakarta 12520, Indonesia

Registration No.: NPWP 03.193.870.7-021.000

Authorized Capital: IDR 800,000,000,000

The main activity of PT Home Credit Indonesia, licensed by Indonesian Financial Services Authority or “**OJK**”, is the provision of POS loans to retail customers in Indonesia.

HC Consumer Finance Philippines, Inc.

¹⁵ The financial information was prepared in accordance with IFRS. The information mentioned in the Fact Sheet are prepared on the basis of the annual reports of HC VN for respective years and are based on internal analysis of the Issuer.

Registered Office: Union Bank Plaza, Meralco Ave. cor. Onyx Road, Ortigas Central Business District,
Pasig City, Philippines

Registration No.: CS201301354

Registered Capital: PHP 2,100,000,000

The main activity of HC Consumer Finance Philippines, Inc. (hereinafter referred to as “**HC PH**”), is the provision of POS and cash loans to retail customers in Philippines. HC PH is licensed by Securities and Exchange Commission of Republic of the Philippines and is subject to its supervision.

10. DESCRIPTION OF THE PPF GROUP

Unless indicated otherwise, all financial data derive from financial statements prepared according to IFRS. 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 General Introduction

The PPF Group is an international investment group founded in 1991 in the Czech Republic and is one of the largest investment groups in CEE. The PPF Group's corporate ownership and management structure is domiciled in the Netherlands, with PPF Group N.V. as the parent and key holding company, making strategic decisions and conducting the principal activities of the PPF Group.

As of 30 June 2016, the PPF Group had assets in excess of EUR 24.2 billion and had 112,895 employees.

The table below shows selected key financial indicators of the PPF Group for 2014 and 2015:¹⁶

<i>in EUR millions</i>	31 December 2015	31 December 2014
Total assets.....	21,611	21,893
Equity.....	5,163	4,879
Total revenues and other income	5,941	7,007
Profit after tax	315	356

10.2 Background and History

The PPF Group was founded by Mr. Petr Kellner as an investment fund and participated in the privatisation of the economy of the Czech Republic.

The PPF Group's first major investment was its acquisition of Česká pojišťovna. Česká pojišťovna's successful transformation from a state-owned, inefficient company into a functioning private business laid the foundation for its subsequent successes.

PPF Group then founded Home Credit, the consumer finance provider. It also acquired and built PPF banka and eBanka in the latter half of the 1990s. PPF Group also started its expansion into the Slovak Republic. PPF Group's investment activity in the Czech Republic increased significantly in 2004 as PPF Group successfully concluded the restructuring of TV NOVA and then sold it to US-based CME.

In 2002 PPF Group continued its pursuit of growth by entering in the Russian market, making its first investments there in insurance and consumer finance. Despite initial difficulties, the PPF Group persevered with its investment strategy and the Russian market has remained the focal point of its business interests ever since. In time, PPF Group successfully launched the Home Credit brand there, and invested not only into the banking and insurance sectors, but into silver and gold mining (Polymetal) as well.

In 2007, PPF Group signed an agreement with Italian-based insurance company Generali to form Generali PPF Holding, a joint venture active in CEE and CIS countries. This significant step made the PPF Group a truly global business. In keeping with this global approach, the PPF Group also entered Asian markets, primarily China and Vietnam, followed by other markets, being Belarus, Kazakhstan, India, Indonesia and Philippines, predominantly through the development of the consumer finance segment.

¹⁶ The financial information was prepared in accordance with IFRS. The information mentioned in the table are derived from Annual Report of PPF Group for the year 2015.

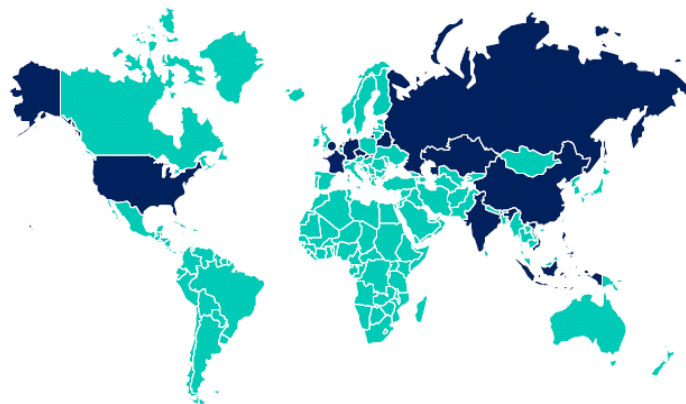
In more recent years, the PPF Group has focused on strengthening and developing its existing investments, whilst continuing to seek new investment and business opportunities. The PPF Group has added new sectors to its portfolio by acquiring Eldorado, a consumer electronics retailer in the Russian Federation. Most recently, in 2014, the PPF Group acquired a majority stake in O2 Czech Republic a.s., a Czech telecommunications operator, which also owns one of the major mobile operators in the Slovak Republic. In January 2016, the PPF Group completed the acquisition of 100 % shares of Česká telekomunikační infrastruktura a.s. that operates data and communications network in the Czech Republic with a reach that spans the entire country.

The PPF Group's investments in real estate are also successfully underway, focusing not only on emerging markets like the Russian Federation but also building a presence in developed Western European countries, the Netherlands and Germany in particular.

As well as individual portfolio projects, from which the PPF Group has exited with significant return on investment (such as TV NOVA, the main Czech lottery company Sazka, Central European energy holding EPH, Nomos-bank the Russian retail bank) the PPF Group takes a longterm approach to developing key sectors of interest, particularly banking and non-banking financial services, real estate, retail, insurance (currently in the Russian Federation), metal mining – together with partners in Polymetal – and most recently telecommunications and biotechnology.

10.3 Principal Markets

The PPF Group is active on various markets and spans from Europe to the Russian Federation, the United States of America and across Asia. The PPF Group's principal markets are the Czech Republic, the Slovak Republic, the Netherlands, France, Germany, the Great Britain, the Russian Federation, Ukraine, Kazakhstan, China, Vietnam, the Philippines, India, Indonesia and the United States of America. The PPF Group's principal markets are shown in the diagram below:



FINANCE

PPF banka
CZ
Home Credit
CZ, SK, RU, BY, CN, VN,
KZ, IN, ID, PH, USA
Air Bank
CZ

INSURANCE

PPF Life Insurance
RU
HC Insurance
RU, BY (part of
Home Credit Group)

RETAIL

Eldorado
RU

TELECOM

O2
CZ, SK
CETIN
CZ

REAL ESTATE

PPF Real Estate
CZ, RU, UA,
DE, NL, UK

BIOTECH

SOTIO
CZ, RU, CN, US
OrlBase Pharma
FR
Cytline Pharma
FR
Accord Research
CZ

MINING

Polymetal
RU, KZ

10.4 Principal Shareholders

The shareholding structure of the PPF Group is as follows:

<u>Name</u>	<u>Shareholding</u>
Petr Kellner	98.92 %
Ladislav Bartoniček	0.54 %
Jean-Pascal Duvieusart	0.54 %

Petr Kellner – *Founder and majority shareholder*

Petr Kellner was born in 1964. He graduated from the Faculty of Industrial Economics at the University of Economics in Prague in 1986. He is one of the founders of the PPF Group and was Chairman of the Board of Directors of PPF a.s. from January 1998 until March 2007. He was also a Member of the Board of Directors of an Italian insurance company, Assicurazioni Generali S.p.A. from April 2007 until March 2013. Petr Kellner oversees the PPF Group's strategic development and its future direction.

Ladislav Bartoniček – *Shareholder*

Ladislav Bartoniček was born in 1964. He graduated from the Czech Technical University in Prague's Faculty of Electrical Engineering. He joined PPF investiční společnost a.s. in 1991 as Executive Director. He got an MBA from the Rochester Institute of Technology, New York, in 1993. He served as Chief Executive Officer of Česká pojišťovna a.s. insurance company and until March 2013 he was the CEO and a Member of the Board of Directors of Generali PPF Holding N.V. (GPH), which was established as a joint venture between the PPF Group and Assicurazioni Generali S.p.A. In March 2014, he was appointed CEO of SOTIO a.s., the PPF Group's biotechnology company. Ladislav Bartoniček has been a shareholder of the PPF Group since 2007.

Jean-Pascal Duvieusart – *Shareholder*

Jean-Pascal Duvieusart was born in 1966. He graduated from the University of Chicago (MBA) and Catholic University of Leuven, Belgium, with a degree in Commercial Engineering. He joined McKinsey in 1992 and worked in Brussels and New York and later in Central Europe. He was a Managing Partner at McKinsey Prague from 1999 to 2005 and then led McKinsey's business for the CIS and Central European region. He has worked as an advisor to various banks, insurers and industrial companies in the Russian Federation, Czech Republic, Slovak Republic, Hungary, Poland and Romania. Jean-Pascal Duvieusart has been a shareholder of the PPF Group since 2010.

11. DOCUMENTS ON DISPLAY

In the period of validity of this 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 this Prospectus or referred to in this Prospectus;
- (c) historical financial information of the Issuer for each of the two financial years preceding the publishing of this Prospectus;
- (d) historical financial information of the subsidiaries of the Issuer for each of the two financial years preceding the publishing of this Prospectus.

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

The historical financial information of the Issuer for each of the two financial years preceding the publishing of this Prospectus for which the financial statements have been prepared (i.e. for financial years 2014 and 2015) is also available in electronic form on the web pages of the Issuer www.homecredit.eu in Section "Investors", Subsection "Financial reports".

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

12.1 Foreign Exchange Regulation in the Czech Republic

The issuance and acquisition of securities of non-Czech entities was subject to the foreign exchange regulation of the Czech Republic. With effect from 18 October 2016, the Foreign Exchange Act No. 219/1995 Coll. was abolished. With the exception specified below, no foreign exchange permission or licence is required for an individual purchase or sale of securities of non-Czech entities by nationals or foreigners handling foreign exchange or for the trading of securities of non-Czech entities within the meaning of common business conduct.

An emergency situation has been within the Crisis Act No. 240/2000 Coll. (hereinafter referred to as the “**Crisis Act**”) since 18 October 2016. During the emergency situation, the government is entitled to impose following bans: (a) on the acquisition of funds in foreign currency, securities and booked securities issued by a person who is a resident outside the territory of the Czech Republic, as well as money, valuable rights and obligations derived from them, for the Czech currency, (b) on the performance of any payments from the Czech Republic abroad, including payments between payment service providers and their affiliates, (c) on the money depositions into the accounts abroad, (d) on the sales of securities and booked securities whose issuer is a person with permanent residence or registered office in the Czech Republic to persons with permanent residence or registered office outside the Czech Republic, (e) on the borrowings from persons residing outside the territory of the Czech Republic, (f) on the opening of accounts in the Czech Republic to persons with permanent residence or registered office outside the Czech Republic, (g) on the performance of any payments from abroad to the Czech Republic between payment service providers and their affiliates. Prohibitions imposed by emergency measure shall not be applied in the case of transactions of the Czech Republic or the Czech National Bank. These prohibitions also shall not be applied to holders of special permits that can be issued by the Czech National Bank for a period of state of emergency because of the threat to life and health of people and state security operations, which lead to a demonstrable improvement in balance of payments, to the extent relevant permit.

12.2 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.

When qualifying as Special Financial Institution, DCB may appoint such (legal) persons, partnerships, branches etc. residing or established in, or managed from, the Netherlands as reporters (hereinafter referred to as the “**Reporter**”). DCB informs 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 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.

13. TAXATION IN THE CZECH REPUBLIC AND THE NETHERLANDS

The text of this Chapter 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 Dutch 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.

13.1 Taxation in the Czech Republic

(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 2016 and for 2017 should remain unchanged).

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 2016 and for 2017 should remain unchanged). The basic investments funds are subjects to the applicable tax rate (5 % in 2016 and for 2017 should remain unchanged) and the pension company funds or pension insurance institutions with the exception of pension companies are subjects to the applicable tax rate (0 % in 2016 and for 2017 should remain unchanged).

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 provide 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 2016 and for 2017 should remain unchanged). The basic investments funds are subjects to the applicable tax rate (5 % in 2016 and for 2017 should remain unchanged) and the pension company funds or pension insurance institutions with the exception of pension companies are subjects to the applicable tax rate (0 % in 2016 and for 2017 should remain unchanged). 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 2016 and for 2017 should remain unchanged). 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 three years, the income on the sale of the Notes is exempted from taxation in the Czech Republic. Furthermore, income from the sale of the Notes realized by natural persons is exempt from taxation if the annual (worldwide) income (including tax-exempt income) of that natural person from the sale of all securities (including the Notes and any other securities) does not exceed the amount of CZK 100,000.

Under Section 16a(2) of the Czech Act No. 586/1992 Coll., the Income Tax Act, as amended, the capital gains which are realized by an individual entrepreneur in relation to his business activities may be further subject to a 7 % of solidarity increase of the tax rate and also to other social security and health insurance levies.

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 2016 and for 2017 should remain unchanged for legal entities, 5 % in 2016 and for 2017 should remain unchanged for basic investments funds, 0 % in 2016 and for 2017 should remain unchanged for the pension company funds or pension insurance institutions with the exception of pension companies, and tax rate of 15 % in 2016 and for 2017 should remain unchanged 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.

(c) *Other taxes and duties*

No Czech stamp duty, VAT, registration, transfer or similar taxes will be payable in connection with the acquisition, ownership, sale or disposal of Notes by Czech tax residents or Czech tax non-residents.

13.2 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 holds, alone or, where such Noteholder 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, (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 2016, and for 2017 should remain unchanged, 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. The deemed return on income from savings and investments was changed in 2017. The deemed return on income from savings and investments has a tax-free threshold of EUR 25,000 of individual’s net capital. When exceeding this threshold 3 steps have been implemented. When the individual’s net capital at the beginning of the calendar year is between EUR 25,000 and EUR 100,000, the income from savings and investments was fixed at a rate of 2.87 %. The individual’s net capital at the beginning of the calendar year between EUR 100,000 and EUR 1,000,000 was fixed at a rate of 4.60 %.

And the individual's net capital above EUR 1,000,000 has been fixed at a rate of 5.39 %.¹⁷ The fair market value of the Notes at the beginning of the year will be included as an asset in the individual's net capital. The deemed return on income from savings and investments is taxable at a rate of 30 %.

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 2016, and for 2017 should remain unchanged, 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 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.

(c) *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.

¹⁷ 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").

For the purposes 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.

(d) 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.

13.3 EU Savings Directive

Under Council Directive 2003/48/EC of 3 June 2003 on the taxation of savings income in the form of interest payments, Member States (as defined in the Directive 2003/48/EC) 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.

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.

13.4 FATCA

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a “foreign financial institution” may be required to withhold on certain payments it makes (hereinafter referred to as “**foreign passthru payments**”) to persons that fail to meet certain certification, reporting, or related requirements. The Issuer is a foreign financial institution for these purposes. A number of jurisdictions (including the Czech Republic and the Netherlands) have entered into, or have agreed in substance to, intergovernmental agreements with the United States of America to implement FATCA (hereinafter referred to as “**IGAs**”), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, such withholding would not apply prior to 1 January 2019 and Notes issued on or prior to the date that is six months after the date on which final regulations defining “foreign passthru payments” are filed with the U.S. Federal Register generally would be “grandfathered” for purposes of FATCA withholding unless materially modified after such date. However, if additional notes that are not distinguishable from previously issued Notes are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all Notes, including the Notes offered prior to the expiration of the grandfathering period, as subject to withholding under FATCA. Noteholders should consult their own tax advisors regarding how these rules may apply to their investment in the Notes. In the event any withholding would be required pursuant to FATCA or an

IGA with respect to payments on the Notes, no person will be required to pay additional amounts as a result of the withholding.

14. ENFORCEMENT OF CIVIL LIABILITIES AGAINST THE ISSUER

The text of this Chapter 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). Prospective investors 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.

14.1 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. 91/2012 Coll. on Private International Law and Procedure, as amended (hereinafter referred to as the “**Private International Law and Procedure Act**”). Under the Private International Law and Procedure Act, the decisions of foreign states’ justice bodies in matters specified in the provisions of Section 1 of the aforementioned Private International Law and Procedure Act, foreign court conciliations and foreign notarial deeds and other public instrument (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 is being administered by the Czech courts and the proceedings were initiated before the proceedings were initiated abroad, in which the decision whose recognition is proposed, (iii) a final decision on the same legal relationship has been issued by a Czech court or if in the Czech Republic it was acknowledged the final decision authority of a third country, or (iv) 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 (v) the recognition of the foreign decision would be contrary to the public order, or (vi) 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). The mutuality should be based initially on the laws of the foreign state, including international treaties by which such foreign state is bound. If such laws or knowledge of the practice of the foreign state do not exist, the Ministry of Justice of the Czech Republic may make a representation on mutuality with the foreign state.

In the Czech Republic, as an EU member state, Regulation (EU) No 1215/2012 of the European Parliament and of the Council of 12 December 2012 on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters (hereinafter referred to as the “**Regulation 1215/2012**”) is directly applicable. A court decision issued by court bodies in a member state of the European Union, excluding Denmark, but including the Netherlands, in civil and commercial matters are, under the conditions set by the Regulation 1215/2012, enforceable in the Czech Republic and vice versa, on the application of any interested party.

If a party requests, under a regulation of the European Union or an international treaty, the recognition 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 under other law

(the Act No. 99/1963 Coll., the Code of Civil Court Procedure, as amended or the Act No. 120/2001 Coll., on court-appointed distrainers and distraining activities (the Code of Distraint Procedure), as amended). 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.

14.2 The Netherlands

In the Netherlands, as an EU member state, the Regulation 1215/2012 is directly applicable. On the basis of the Regulation 1215/2012, the 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 Regulation 1215/2012, 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 Regulation 1215/2012, in the member states of the European Union including the Czech Republic. The Regulation 1215/2012 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.

15. GENERAL INFORMATION

1. The Issuer of the Notes is Home Credit B.V., a company incorporated under the laws of the Netherlands, registered with the trade register of the Chamber of Commerce in Amsterdam, the Netherlands (*Kamer van Koophandel*) under Registration No. 34126597, having its registered seat (*statutaire zetel*) in Amsterdam and with principal office address at Strawinskylaan 933, 1077XX, Amsterdam, the Netherlands.
2. The issuance of the Notes was approved by virtue of a resolution of the Board of Directors of the Issuer dated 30 November 2016.
3. The Issuer has in accordance with Section 123 Subsection 1 of the Capital Markets Act chosen Czech Republic as home Member State.
4. The issuance of the Notes is governed by the laws in effect, in particular Czech Act No. 190/2004 Coll., on Notes as amended, Capital Markets Act, Regulation and regulations of the individual regulated securities markets in which the issue of Notes is to be listed.
5. This Prospectus was approved by a decision of the Czech National Bank ref. no. 2017/016005/CNB/570, file no. S-Sp-2016/00055/CNB/572 dated on 1 February 2017, which came into legal force on 3 February 2017.
6. On 6 February 2017, the PSE approved a conditional acceptance of the Notes for trading on the Regulated Market of the PSE under the condition of fulfilling certain conditions including the publication of this Prospectus approved by the Czech National Bank.
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., with its registered seat (*statutaire zetel*) in Amsterdam and with principal office address at Laan van Langerhuize 1, 1186 DS Amstelveen, has granted and not withdrawn a written consent to the inclusion of the Issuer's annual accounts in this Prospectus for the last two accounting years, including the auditor's reports and to the inclusion of the Issuer's interim financial report for the six-month period ended on 30 June 2016, including the auditor's report.
9. This Prospectus was drafted on 4 January 2017.
10. Matters important for the claiming of the rights of Noteholders shall be published in the way specified in the terms and conditions for the Notes.
11. 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.
12. To the best of the Issuer's knowledge no significant change in the financial or trading position of the Home Credit Group has occurred since 30 June 2016.

16. LIST OF DEFINITIONS, TERMS AND ABBREVIATIONS USED

“**Administrator**” means the company PPF banka a.s., having its registered office at Prague 6, Evropská 2690/17, Postal Code 160 41, Czech Republic, Identification No.: 47116129, registered with the Commercial Register administered by the Municipal Court in Prague, Section B, Insert 1834;

“**Air Bank**” means the company Air Bank a.s., having its registered office at Prague, Hráskeho 2231/25, Post Code: 148 00, Czech Republic, Identification No.: 29045371, registered with the Commercial Register administered by the Municipal Court in Prague, Section B, Insert 16013;

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

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

“**CBRC**” means China Banking Regulatory Commission;

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

“**CFC**” means a consumer finance company;

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

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

“**CNY**” means yuan, the lawful currency of China;

“**Consumer Lending Law**” means Federal Law No. 353-FZ dated 21 December 2013 “On consumer loan”;

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

“**CR**” means the Czech Republic;

“**Crisis Act**” means Czech Act No. 240/2000 Coll., the Crisis Act, as amended;

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

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

“**Effective Parent**” shall have the meaning as mentioned in Subchapter 2.1 “*Risk Factors Related to the Issuer and the Regions of Its Operation*” of this Prospectus;

“**Effective Subsidiary**” shall have the meaning as mentioned in Subchapter 2.1 “*Risk Factors Related to the Issuer and the Regions of Its Operation*” of this Prospectus;

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

“**FATCA**” means the U.S. Internal Revenue Code of 1986;

“**foreign decisions**” means foreign court conciliations and foreign notarial deeds as mentioned in Subchapter 14.1 “*The Czech Republic*” of this Prospectus;

“**foreign passthru payments**” means certain payments made by foreign financial institution as mentioned in Subchapter 13.4 “*FATCA*” of this Prospectus;

“**FSCs**” means the Financial service companies; “**Great Britain**” means the United Kingdom of Great Britain and Northern Ireland;

“**HC CFC**” means the company Home Credit Consumer Finance Co., Ltd., having its registered office at Floor 27, Building C1, TEDA MSD-C District, No. 79, First Avenue, Tianjin Economic and Technological Development Area, Tianjin, Registration No.: 91120116636067462H;

“**HC KZ**” means the company Home Credit and Finance Bank SB JSC, having its registered office at Almaty, 248 Furmanov Str., Post Code 050059, Kazakhstan, Registration No.: 513-1900-AO(IU);

“**HC VN**” means the company Home Credit Vietnam Finance Company Limited, having its registered office at 194 Golden Building, 473 Dien Bien Phu Street, Ward 25, Binh Thanh District, Ho Chi Minh City, Vietnam, Registration No.: 0307672788;

“**HC IN**” means the company Home Credit India Finance Private Limited, having its registered office at Tower C, DLF Infinity Towers, DLF Cyber City Phase II, Gurgaon, Haryana 122002, India, Registration No.: U65910HR1997PTC047448;

“**HC PH**” means the company HC Consumer Finance Philippines, Inc., having its registered office at Union Bank Plaza, Meralco Ave. cor. Onyx Road, Ortigas Central Business District, Pasig City, Philippines, Registration No.: CS201301354;

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

“**Home Credit**” means the company Home Credit a.s., having its registered office at Brno, Nové sady 996/25, Staré Brno, Postal Code 602 00, Czech Republic, Identification No.: 269 78 636, registered with the Commercial Register administered by the Regional Court in Brno, Section B, Insert 4401;

“**Home Credit & Finance Bank LLC**” or “**HCFB**” means the company Home Credit & Finance Bank LLC, having its registered office at 8/1 Pravda street, Moscow 125040, the Russian Federation, Registration No.: 1027700280937;

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

“**IBT**” means the company Innovation Bank Technopolis, the initial name of the HCFB;

“**IFRS**” means International Financial Reporting Standards as adopted by the European Union;

“**IDR**” means Indonesian Rupiah, the lawful currency of Indonesia;

“**INR**” means Indian Rupee, the lawful currency of India;

“**IGAs**” means intergovernmental agreements with the United States to implement FATCA as mentioned in Subchapter 14.1 “*The Czech Republic*” of this Prospectus;

“**Issue**” or “**Notes**” means the fixed rate notes due in 2020 in the anticipated nominal value up to CZK 1,998,000,000;

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

“**KZT**” means Kazakhstan Tenge, the lawful currency of Kazakhstan;

“**Lead Manager**” means the company PPF banka a.s., having its registered office at Prague 6, Evropská 2690/17, Postal Code 160 41, Czech Republic, Identification No. 47116129, registered with the Commercial Register administered by the Municipal Court in Prague, Section B, Insert 1834;

“**market interest rate**” means the current interest rate on the capital market as mentioned in Subchapter 2.1 “*Risk Factors Related to the Issuer and the Regions of Its Operation*” of this Prospectus;

“**MKZT**” means million of Kazakhstan Tenge;

“**MRUB**” means million of Russian rubles;

“**PHP**” means Philippine Peso, the lawful currency of the Philippines;

“**Pilot Measures**” means the Pilot Measures for Consumer Finance Companies;

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

“**PPF a.s.**” means the company PPF a.s.; having its registered office at Prague 6, Evropská 2690/17, Postal Code 160 41, Czech Republic, Identification No.: 25099345, registered with the Commercial Register administered by the Municipal Court in Prague, Section B, Insert 4495;

“**PPF banka**” means the company PPF banka a.s., having its registered office at Prague 6, Evropská 2690/17, Postal Code 160 41, Czech Republic, Identification No. 47116129, registered with the Commercial Register administered by the Municipal Court in Prague, Section B, Insert 1834;

“**PPF Financial Holdings B.V.**” means the company PPF Financial Holdings B.V., having its registered office at Amsterdam, Strawinskyalaan 933, 1077 XX, the Netherlands, registered with the trade register of the Chamber of Commerce (*Kamer van Koophandel*) under Registration No. 618800353;

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

“**PPF Group N.V.**” means the company PPF Group N.V. having its registered office at Strawinskyalaan 933, Amsterdam, the Netherlands, registered with the trade register of the Chamber of Commerce (*Kamer van Koophandel*), under Registration No. 33264887;

“**Private International Law and Procedure Act**” means Czech Act. No. 91/2012 Coll., on Private International Law and Procedure, as amended;

“**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;

“**PSE**” or “**Prague Stock Exchange**” means the stock exchange with the trade name Burza cenných papírů Praha, a.s., having its registered office at Prague 1, Rybná 14/682, Postal Code 110 00, Czech Republic, Identification No.: 47115629, registered with the Commercial Register administered by the Municipal Court in Prague, Section B, Insert 1773;

“**Reporter**” means (legal) persons, partnerships, branches etc. residing or established in, or managed from, the Netherlands;

“**Regulation**” means Commission Regulation (EC) No 809/2004 of 29 April 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;

“**Regulation 1215/2012**” Regulation (EU) No 1215/2012 of the European Parliament and of the Council of 12 December 2012 on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters;

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

“**Term Facility Agreement**” means the EUR 300,000,000 Term Facility Agreement entered into between the Issuer, Merrill Lynch International, HSBC Bank plc acting through HSBC Bank plc – pobočka Praha and ING Bank N.V., Prague Branch as Arrangers, ING Bank N.V., London Branch as Agent and Security Agent, and HSBC Bank plc acting through HSBC Bank plc – pobočka Praha, ING Bank N.V., Prague Branch, Komerční banka, a.s., SOCIETE GENERALE, Frankfurt Branch, PPF banka a.s., Sberbank CZ, a.s. as Original Lenders and CREDIT BANK OF MOSCOW, Raiffeisenbank a.s., Expobank CZ a.s., and VTB Bank (Austria) AG as Additional Lenders on 4 September 2015, as amended and restated by the Amendment Agreement dated 27 June 2016;

“**Term Loan**” means a facility provided under the Term Facility Agreement;

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

“**TEUR**” means thousand(s) of Euro;

“**UAH**” means Ukrainian hryvnia, the lawful currency of Ukraine;

“**US Securities Act**” means United States Securities Act of 1933, as amended;

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

“**VND**” means Vietnamese dong, the lawful currency of Vietnam;

“**MVND**” means million of Vietnamese dongs.

ISSUER

Home Credit B.V.
Strawinskylaan 933
1077XX, Amsterdam
The Netherlands

LEAD MANAGER

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

LEGAL ADVISORS

BBH, advokátní kancelář, s.r.o.
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