

CZK 4,000,000,000

**Home Credit B.V.****Floating Rate Notes  
Due 2012  
ISIN CZ0000000237**

The floating rate notes due in 2012 in the anticipated aggregate principal amount of CZK 4,000,000,000 (four billion Czech crowns) (hereinafter referred to only as the “Notes” or the “Issue”) issued by Home Credit B.V., having its registered office (*statuaire zetel*) at Strawinskylaan 933 Tow. B Lev. 9, 1077XX, Amsterdam, the Netherlands, a company incorporated under the laws of the Netherlands, registered with the trade register of the Chamber of Commerce for Amsterdam, the Netherlands (*Kamer van Koophandel Amsterdam*) under file No. 34126597 (hereinafter referred to only as the “Issuer” or “HCBV”) shall be bearer notes issued in certificated form (represented by Global Note, as such term is defined in the Terms and Conditions of the Notes). If they are admitted for trading on the free market of the Prague Stock Exchange (hereinafter referred to also as the “PSE”), the Notes shall have the status of a listed security. The Notes shall be issued in a denomination of CZK 2,000,000 (two million Czech crowns). The principal of the Notes and the accrued interest shall be payable exclusively in CZK. The expected issue date of the Notes is scheduled for 22 June 2009.

The Notes shall bear interest at a floating rate to be determined in the manner described in Article 5 of the Terms and Conditions of the Notes. The interest shall be paid semiannually in arrears, as of 22 June and 22 December of each year. The first payment of the interest shall be made on 22 December 2009.

Unless previously redeemed or purchased by the Issuer and cancelled in accordance with the Terms and Conditions of the Notes, the principal amount of the Notes shall be redeemed by the Issuer on 22 June 2012. For more details, see the Chapter “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 “Terms and Conditions of the Notes”.

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

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

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

**The Prospectus and the Terms and Conditions of the Notes have been approved by the decision of the Czech National Bank on June 15, 2009, which entered into force on June 16, 2009.**

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

The ISIN of the Notes is CZ0000000237.

This Prospectus has been elaborated as of 2 June 2009 and, in the information stated herein, is current as of this day only. Should a substantial change occur regarding any fact specified herein before the day of the Notes admission for trading on the free market of the PSE, 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 date hereof, those interested in the purchase of the Notes must base their investment decisions not only on this Prospectus but also on other information which the Issuer might publish after the date of the elaboration hereof, or other public information.

The Prospectus and all annual and semi-annual reports of the Issuer published after the date of the elaboration hereof are available in electronic form on the Issuer’s web page [www.homecredit.net](http://www.homecredit.net) and, additionally, at the registered seat of the Issuer at Strawinskylaan 933 Tow. B Lev. 9, 1077XX, Amsterdam, the Netherlands, on business days during the regular office hours from 9:00 AM to 4:00 PM (for more details see “Important Notices”). The Prospectus will also be available at PPF banka a.s., Prague 6, Evropská 2690/17, Postal Code: 160 41, the Czech Republic on business days during the regular office hours from 9:00 AM to 4:00 PM and in electronic form the Prospectus will be available on web page of PPF banka a.s. [www.ppfbanka.cz](http://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 the Capital Markets Act. No state body, with the exception of the Czech National Bank, or any other entity has approved this Prospectus. Any declaration to the contrary is not true.*

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

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

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

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

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

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

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

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

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

*The documents specified above will also be available in electronic form at the web page of the Issuer [www.homecredit.net](http://www.homecredit.net). The Prospectus will also be available in electronic form on web page of PPF banka a.s. [www.ppfbanka.cz](http://www.ppfbanka.cz).*

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

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

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

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

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

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

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## 2. RISK FACTORS

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

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

### 2.1. Risk Factors Related to the Notes

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

#### (a) *General Risks Connected with the Notes*

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

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

#### (b) *Risk of Liquidity*

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

(c) *Market Price Risk*

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

- 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 operational results, the financial condition or future financial performance;
- announcements of differences between the expected and actual operating or financial results;
- regulatory actions that affect the business of the Issuer;
- the performance of competitors and announcements by the Issuer or competitors of significant events, such as contracts, acquisitions, joint ventures, capital commitments, new product offerings or changes in pricing policies;
- general volatility of the Czech securities markets and of other emerging securities markets;
- the depth and liquidity of the market for the Notes;
- announcements by third parties of significant claims or proceedings against the Issuer; and
- other events or factors, many of which are beyond the control of the Issuer.

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

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

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

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

Moreover, if a company listed on the PSE fails to fulfil certain requirements or obligations under the applicable laws and regulations and/or if the orderly stock exchange trading, the safety of the trading 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 excluded from trading when, among others: (i) the transferability of the Notes is restricted or (ii) there is an instruction by the CNB, or (iii) early redemption of the Notes has been announced. There can be no assurance that such a situation will not occur in relation to the Notes.

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

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

(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.

The consideration of investment against the risks specified in this Section should be performed at minimum after considering Chapter 18 of this Prospectus, "Taxation in the Czech Republic and the Netherlands" and all other parts on taxation included in the Terms and Conditions of the Notes.

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

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



creditworthiness may not be considered as an advice to purchase, sell or hold securities and it may be revised, re-evaluated or cancelled by the relevant rating agency at any time.

(l) *Character of Liabilities from the Notes*

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

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

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

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

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

(n) *Limitation*

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

## 2.2. Risk Factors Related to the Issuer

(a) *Responsibility for Liabilities under the Notes*

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

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

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

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

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

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

The Issuer is a holding company that does not perform independent business activities, however, it manages the shares of its subsidiary companies. The sources of the Issuer's profit rest, in particular, in

dividends and other payments from the subsidiary companies, as the case may be, from the sale of equity participation in those subsidiaries. For this reason, the ability of the Issuer to satisfy its liabilities under the Notes depends on the economy of the subsidiaries and their business results. Any fact that may have an adverse effect on the economy of individual subsidiaries of the Issuer is capable of adversely affecting the ability of the Issuer to meet the liabilities under the issued Notes.

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

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

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

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

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

*(e) Risk Related to the Tax Laws*

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

*(f) Political, Economic and Social Factors*

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

The Issuer's business is particularly sensitive in relation to the performance and stability of economies as well as the stability of the political situation in the states where the Issuer has subsidiaries. Changes in the policy of these state may have an adverse effect on their economy and consequently also on the business and financial situation of the Issuer. In terms of the economy, in particular, the factors influencing the exchange rates and the amount of interest rates are relevant, which are subsequently reflected in the price

of the offered products and demand of consumers for these products. From this point of view, the methods of relevant regulators of individual states in which the companies controlled by the Issuer operate may play a crucial role. Further, any change in the economic situation may influence the ability of the clients of the Issuer's subsidiaries to repay the provided loans and the approach of the clients of the Issuer's subsidiaries in relation to acceptance of new loans and increasing (reducing) of their indebtedness.

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

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

The Issuer may not influence the above-mentioned factors in any way, in particular they may not guarantee that the political development in individual relevant states will be favourable in relation to the business of the Issuer's subsidiaries, which may substantially influence the financial situation and profit/loss of the Issuer.

(g) *Development of Relevant Markets*

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

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

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

(h) *Risk Connected with Investments Performance*

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

(i) *Risk Connected with the Decrease of the Issued Share Capital of the Issuer*

As the issued share capital of the Issuer is relatively high compared to its operational needs, the Issuer, as the case may be, the shareholders of the Issuer are considering decreasing of the issued share capital of the Issuer. Although the decreasing of the present issued share capital has been considered several times, it has not been decreased. The Issuer cannot exclude that the issued share capital will be decreased in the future (even repeatedly) and that the liquid financing means of the Issuer will be essentially reduced.

(j) *Risk Management*

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

Credit Risk

A credit risk means a risk of a financial loss occurring as a result of a default of a borrower or counterparty on their obligation to the Issuer of its subsidiaries. The greatest part of the Issuer's and its subsidiaries' exposure to credit risk arises mainly in connection with the provision of consumer financing to private individual customers which is the Issuer's and its subsidiaries' principal business. The loans to individual customers are classified into several classes where the significant ones are consumer loans, revolving loans and cash loans. As the Issuer's and its subsidiaries' loan portfolio consists of large amount of loans with relatively low outstanding amounts, the loan portfolio does not comprise any significant individual items. The remaining part of Home Credit Group's exposures to credit risk is related to financial assets at fair value through profit or loss and financial assets available-for-sale. The Issuer and its subsidiaries have developed policies and procedures for the management of credit exposures, including credit scoring of customers, guidelines to limit portfolio concentration and the establishment of a credit department which actively monitors the Issuer's and its subsidiaries' credit risk.

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

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

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

Interest Rate Risk

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

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

#### Liquidity Risk

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

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

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

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

#### Exposure to foreign currency risk

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

#### *(k) Legal and Other Proceedings*

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

#### *(l) Risks Connected with Bankruptcy Proceedings*

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

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

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

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

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

The subject of business of the Home Credit Group consists of the provision of consumer finance products and services to the consumers in various states. Although the consumer finance business is generally more profitable than standard banking types of bank financing, it is on the other hand connected with certain risks. The conditions that an applicant for a consumer loan must meet are not as strict as those required by banks to provide loans. The applicants must generally meet only a few relatively immaterial conditions that contain, for example, the requirement to have a residence in a respective state, an age minimum, drawing of a wage in an amount that will enable the applicant to repay particular instalments, positive credit history of the applicant, etc. Mostly, no guarantee or any other security instrument (e.g. lien, security transfer of ownership right, etc.) or declaration of a third party is required. The receivables arising for the companies from the provided loans are generally secured only by agreements on payroll deductions.

The above-mentioned means that the ability of the client to repay the loan is not proven to the respective company in a sufficient way. As the obligation of the debtor is not secured by any guarantee or similar instrument of a third party, in the case that a debtor ceases to draw a wage, the obligation of the debtor to repay the loan becomes virtually unsecured and the company is exposed to a high risk that the receivable will remain unpaid. In the case that a significant part of the companies' receivables remain unsecured and the debtors will not be able to meet their obligations arising for them under the provided loans, the affected company will not be able to generate a profit in a necessary amount and will not dispose of enough funds for the purposes of providing new loans. Further, the respective investments of the company into its business will not be repaid to the company and the cash-flow and the ability of the company to meet its obligations could be affected.

In relation to Home Credit & Finance Bank, the Issuer's most significant subsidiary, it needs to be noted that there are no central credit bureaus operating in the Russian Federation and that Home Credit & Finance Bank does not have access to its competitor's customer information. In 2005 certain credit bureaus have been introduced in the Russian Federation and Home Credit & Finance Bank participates in some of them, however, the credit bureau system is still under development and the level of information which can be retrieved from these bureaus by Home Credit & Finance Bank is limited. Therefore, Home Credit & Finance Bank in some cases is unable to independently confirm information provided by applicants regarding the total credit extended to the applicant, other liabilities or credit histories. As a result, customers may be overextended by virtue of other credit obligations of which Home Credit & Finance Bank is not aware. Home Credit & Finance Bank is therefore exposed to a credit risk that it may not be able to accurately assess.

#### (b) *Repayment of Loans Granted*

In order to secure the repayment of loans, rules for the granting of loans and their recovery have been adopted within the Issuer's subsidiaries. Those rules are not as strict as the rules required by bank entities,

which is a result particularly of the value of financial means granted and further of the need to provide operability and competitiveness. In general, one may say in relation to individual companies that these rules still serve their purpose and keep the extent of repayment of the granted credits at an acceptable level. Despite these measures, however, the Issuer cannot guarantee that, when applying these rules and procedures, the level of repayment of the loans will be kept at the present level and that this level will not fall in the future. Moreover, the Issuer cannot guarantee that newly granted credits, which might represent a significant ratio in the portfolio of the total of loans granted, will not have an adverse effect on the level of repayment of the granted loans.

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

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

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

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

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

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

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

On relevant markets, companies that provide consumer finance compete with their competitors and for the purposes of success in such competition the companies must flexibly react to any and all changes on the market - above all to changes in the behaviour of their competitors, introducing new products and needs and requirements of clients. The effort of a respective company to keep or to increase its market share could lead to a situation whereby the company would invest a great amount of its financial means into new products or change the terms and conditions of current products. As a result of this effort the company would be exposed to a risk that the offered products might appear to be inconvenient for the

business of such company or might appear as not interesting for the customers and that the costs of introducing them will be significantly disproportionate to the profit generated by them.

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

(g) *Dependence of Subsidiaries on IT Systems*

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

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

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

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

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

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

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

(j) *Lack of Clear Consumer Protection Laws in the Russian Federation May Adversely Affect Home Credit & Finance Bank's Consumer Finance Business*

Home Credit & Finance Bank is one of the most significant subsidiaries of the Issuer. The Russian Federation does not have legislation specifically regulating consumer lending or loan collection. In the absence of such laws, Russian courts have extended the scope of Federal Law No. 2300-1 "On Consumer Protection" dated 7 February 1992, as amended (the "**Consumer Protection Law**"), which provides



general protection for consumers, to consumer loans. The Russian parliament has stated their intention to review consumer protection legislation, and if specific consumer protection laws are adopted there is no guarantee that such laws will not provide for the right of certain Russian regulatory agencies (in particular, the Central Bank of Russia) to regulate the consumer loan market and introduce rules on consumer lending. Consequently, such laws and regulations may make the collection of defaulted loans or penalties more difficult, as well as place limitations on the terms and pricing of loans generally that may adversely affect Home Credit & Finance Bank's business, results of operations, financial condition and prospects.

(k) *In the Russian Federation, the Subsidiary Companies Are Subject to Strict Inspections of Public Authorities which Can Lead to Imposition of Penalties or Other Limitations*

In July 2008 the Federal Antimonopoly Service (FAS) brought an action against Home Credit & Finance Bank on the basis of Russian antimonopoly legislation (the "**Legislation**") and on the basis of the Code of Administrative Offences (the "**Code**"). The sitting of the FAS committee in respect of breaches of the Legislation took place on 18 September 2008. FAS decided that Home Credit & Finance Bank breached the Legislation as Home Credit & Finance Bank did not fully disclose information regarding all consumer products disclosed on its internet site. FAS decided that Home Credit & Finance Bank had monopolistic advantages against its competitors. The case was closed as Home Credit & Finance Bank abolished monthly commission on its consumer loans and amended the relevant disclosures on its web site. FAS considered the case on the basis of the Code on 18 December 2008. A penalty of TRUB 300 was charged to Home Credit & Finance Bank. In February 2009 Home Credit & Finance Bank unsuccessfully disputed this decision at the Federal Arbitration Court of Moscow.

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

The Russian Federation does not have legislation specifically regulating consumer lending or loan collection and the overall consumer protection is performed by the Russian Consumer Protection Service (the "**RCPS**"). Inspections initiated by the RCPS occur periodically in the ordinary course of business and the outcome of such activity in some cases can result in actions against the financial institutions. Some of the RCPS's inspections of Home Credit & Finance Bank for the year ended 31 December 2008 have not yet been completed, simultaneously several actions initiated during the reported period have been closed with no findings or resulted into penalties to be charged which are subject to further court disputes.

(m) *Unfavourable Court Decisions in Respect of Labour Legislation*

Under Russian law, a company should provide its employees in Far Northern region of Russia with additional benefits, in particular, each salary payment shall be adjusted by governmentally determined factors. When Home Credit & Finance Bank calculated salaries to its employees of regional representative office located in Far Northern regions of Russia such as Archangelsk, Irkutsk and Murmansk, it did not fully comply with the application of these law requirements: Home Credit & Finance Bank only included these factors increase in base salary compensation, whereas they should have been applied to the overall compensation package. As of 31 December 2008, there were claims from its employees totalling to TRUB 2,504 (31 December 2007: TRUB 6,480) pending resolution in the court. The Issuer's group management created a provision for the full amount of such claims in the financial statements.

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

The consumer lending legal and tax systems in some jurisdictions of operation of the Issuer's subsidiaries, such as Russian Federation, Republic of Kazakhstan are relatively new and are characterised by frequent changes in legislation, official pronouncements and court decisions, which are often unclear, contradictory and subject to varying interpretation by different authorities. Taxes are subject to review

and investigation by a number of authorities, which have the authority to impose severe fines, penalties and interest charges. A tax year remains open for review by the tax authorities during the three subsequent calendar years; however, under certain circumstances a tax year may remain open longer. Recent events within the Russian Federation suggest that the tax authorities are taking a more assertive position in their interpretation and enforcement of tax legislation. These circumstances may create tax risks to the operations of the Issuer's subsidiaries that are substantially more significant than in other countries.

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

(p) *Refinancing Risk*

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

(q) *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.

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

Business results and profits of particular companies that provide consumer finance are influenced by inflation and the level of interest rates. A significant increase in inflation would lead to higher operating costs and could have a material adverse effect on the business, results of operations or the financial conditions of the affected company.

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

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

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

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

(t) *Sanctions by Relevant State Bodies*

In individual countries where the Issuer's subsidiaries operate, there are different degrees of the regulation of entities which provide services in the area of consumer financing. In each case, individual companies of the Home Credit Group are subject to regulation and control by the relevant state bodies. Therefore, the Issuer cannot exclude future inspections, controls and other checks by such state bodies, which may result in the awarding of fines, suspension of activity or other sanctions, as the case may be, that may have an adverse effect on the financial situation and profit/loss of the individual companies of the group and, in this way, they may also indirectly affect the Issuer. Save for the mentioned-above in relation to Home Credit & Finance Bank, the Issuer is not currently aware of any facts which may possibly result in any awarding of sanctions by state bodies to specific subsidiary company of the Issuer or to the Issuer, however, it may not exclude those provisions by state bodies.

### 3. PERSONS RESPONSIBLE

#### 3.1. Persons Responsible for the Information Given in the Prospectus

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

#### 3.2. Declaration of the Issuer

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

As of the date of the Prospectus, in Amsterdam

**Home Credit B.V.**



Sonia Slavtcheva  
Director

#### 4. AUDITORS OF THE ISSUER

The Consolidated Financial Statements of the Issuer for the year ended 31 December 2008 and the Consolidated Financial Statements of the Issuer for the year ended 31 December 2007, which were prepared in accordance with International Financial Reporting Standards as adopted by European Union (IFRS) were verified by the company KPMG Accountants N.V., with its registered office (*statuaire zetel*) at 1185 MC Amstelveen, Burgemeester Rijnderslaan 10, the Netherlands, registered with the trade register of the Chamber of Commerce for Amsterdam, the Netherlands (*Kamer van Koophandel Amsterdam*) under file number 33263683, a member of the Koninklijk Nederlands Instituut van Registeraccountants (NIVRA). The auditor responsible for the audit performance for the years 2007 and 2008 was Marco Frikkee, licence number 09089.

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 2008 and 2007 prepared in accordance with International Financial Reporting Standards as adopted by European Union (IFRS) create a part of the respective financial statements of the Issuer which are available on the web page of the Issuer [www.homecredit.net](http://www.homecredit.net).

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

## 5. SUBSCRIPTION AND SALE

### 5.1. General Information on the Offering

The Issuer has decided to issue the Notes in the anticipated aggregate principal amount of CZK 4,000,000,000. In accordance with the Capital Markets Act and Slovak Capital Markets Act, the Issuer will be offering and selling the Notes in the Czech Republic and the Slovak Republic only in a manner which is not connected with the obligation to publish a prospectus of securities. For the purposes of such offer and sale in the Czech Republic or the Slovak Republic, the Issuer may use a document, the contents of which correspond with this Prospectus, however, it is not a prospectus within the meaning of the Capital Markets Act or the Slovak Capital Markets Act. This Prospectus of the Notes has been elaborated and published for the purposes of the admission of the Notes for trading on the free market of the PSE. This Prospectus does not represent a public or other offering of the purchase of any Notes. The distribution of this Prospectus and the offering, sale or purchase of the Notes is restricted by law in some countries.

Any possible offer of any Notes in the Czech Republic and/or the Slovak Republic, which the Issuer has made or will make (including any distribution of documents with contents corresponding to this Prospectus), is made on the basis of the provision of section 35 subsection 2 paragraph d) of the Capital Markets Act and other exceptions included in the Capital Markets Act and on the basis of the provision of Section 120 Subsection 3 paragraph d) of the Slovak Capital Markets Act and other exceptions included in the Slovak Capital Markets Act. In accordance with this, the principal amount of the Notes representing interest in the Global Note (see below) amounts to CZK 2,000,000 and, therefore, as of the date of this Prospectus it is higher than the amount corresponding to EUR 50,000.

The Notes will be represented by a global certificate (Global Note). The Noteholders shall participate in the total principal amount of the Global Note by holding a certain number of Notes, without any serial numbers being assigned to such Notes. The Global Note shall be jointly owned by the holders of interests in the Global Note. The holder of an interest in the Global Note shall hold such number of Notes as corresponds to its interest in the Global Note, and shall have all the rights pertaining to a Noteholder (including the right to interest on the Note). Specific Notes will not be issued and the Noteholders are not entitled to request specific Notes.

### 5.2. Note on Restrictions of Prospectus Distribution and Selling Restrictions

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

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

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

Notes in public in the Federal Republic of Germany. For this reason, this Prospectus or any other offer material must not be distributed in public in the Federal Republic of Germany.

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

The Issuer draws the attention of the prospective assignees of the Notes to the fact that the Notes are not and will not be registered in accordance with the 1933 Securities Act of the United States of America, as amended (hereinafter referred to only as the “**USA Securities Act**”), or any securities commission or other regulatory body of any state of the United States of America and, as a result of this fact, they must not be offered, sold or handed over in the territory of the United States of America or to persons resident in the United States of America (as these terms are defined in Order S, published to enforce the USA Securities Act) in a manner other than on the basis of an exception from the registration obligation in accordance with the USA Securities Act or within a transaction that is not subject to the registration obligation in accordance with the USA Securities Act.

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

The Notes may only be offered, sold, transferred or delivered, directly or indirectly, in and outside the Netherlands to Professional Market Parties as defined in the Act on Financial Supervision (*Wet op het Financiële Toezicht* or the “**AFS**”) i.e. the nominal value of the Notes shall be at least EUR 50,000 or the equivalent in any other currency.

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

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

The Notes will be represented by a Global Note, which will be deposited with UNIVYC on or before the Issue Date. The primary settlement of the Notes will be made through UNIVYC in order that the initial purchasers are registered in the register kept by UNIVYC as holders participating in the total principal amount of the Global Note by holding the relevant number of Notes on or before the Issue Date.

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

## 6. TERMS AND CONDITIONS OF THE NOTES

These terms and conditions (the “**Terms and Conditions**”) govern the rights and obligations of the Issuer (as such term is defined below) and the Noteholders (as such term is defined below), and provide more detailed information about the issuance of the unsubordinated floating rate Notes (the “**Notes**”) due in 2012, in the anticipated aggregate principal amount of CZK 4,000,000,000 (four billion Czech crowns) bearing interest at a floating rate as determined in Article 5 of these Terms and Conditions, to be issued by Home Credit B.V., with its registered office at Strawinskylaan 933, Tow. B Lev. 9, 1077XX Amsterdam, the Netherlands, a company incorporated under the laws of the Netherlands, registered with the trade register of the Chamber of Commerce for Amsterdam (*Kamer van Koophandel Amsterdam*), under file number 34126597 (the “**Issuer**”). The issuance of the Notes was approved by virtue of a resolution of Mr. Alexander Labak, Mrs. Sonia Slavtcheva, and Mr. Ivan Svitek, acting in their capacity of Management Board of the Issuer, dated 21 May 2009. Such Management Board Resolution (its draft) was also approved by Issuer’s shareholders (PPF Group N.V. and HC SE) by their resolution dated 20 May 2009.

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

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

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

These Terms and Conditions have been drafted in accordance with the Notes Act as part of the Note Prospectus pursuant to Section 7 Subsection 3 of the Notes Act, and approved by the decision of the CNB dated on June 15, 2009, which came into force on June 16, 2009. The prospectus of the Notes has been prepared in accordance



with the Capital Markets Act, and the Commission Regulation (EC) No 809/2004 of 29 April 2004, implementing the Directive 2003/71/EC of the European Parliament and of the Council as regards information contained in prospectuses as well as the format, incorporating by reference and publication of such prospectuses and dissemination of advertisements (the “**Regulation**”), and approved by the decision of the Czech National Bank of June 15, 2009, which entered into force on June 16, 2009. The Note ISIN code shall be CZ0000000237. The Note title shall be “Note Home Credit B.V. VAR/2012”.

## 1. General Characteristics of the Notes

### 1.1 Form, Type, Denomination, Class

The Notes are certificated securities, in bearer form (represented by the Global Note, as such term is defined below), are issued in a quantity of up to 2,000 (two thousand) Notes with a denomination of CZK 2,000,000 (two million Czech crowns) each, and will be listed securities if admitted for trading on the market organized by the PSE. No pre-emptive or conversion rights shall be attached to the Notes.

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

#### 1.2.1 Transferability of the Notes

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

#### 1.2.2 Noteholders

The Notes issued and subscribed for as of the Issue Date will be represented by a global certificate (the “**Global Note**”). The Global Note shall be deposited for custody and management with UNIVYC, a.s., Identification No. 25081489, having its registered office at Prague 1, Rybná 14, the Czech Republic (“**UNIVYC**”). The Noteholders shall participate in the total principal amount of the Global Note by holding a certain number of Notes, without any serial numbers being assigned to such Notes. The Global Note shall be jointly owned by the holders of interests in the Global Note. If a number of the Notes through which the Noteholders participate in the total principal amount of the Global Note are redeemed early or if additional Notes are issued within the Issue Period or Additional Issue Period, the total principal amount of the Global Note shall be reduced or increased accordingly. The holder of an interest in the Global Note shall hold such number of Notes as corresponds to its interest in the Global Note, and shall have all the rights pertaining to a Noteholder (including the right to interest on the Note). Specific individual Notes will not be issued and the Noteholders are not entitled to request specific individual Notes.

The rights attached to the Notes may be exercised with respect to the Issuer by any person recorded in the register kept by UNIVYC as a person participating in the Global Note by holding a specific number of Notes (hereinafter also referred to as a “**Noteholder**”). If UNIVYC ceases to maintain the register of persons participating in the Global Note (e.g. due to the expiry or termination of its license), such register will be maintained by the Administrator and all other activities performed by UNIVYC with respect to the Global Note and the holder of interest in the Global Note in accordance with these Terms and Conditions will be performed by the Administrator.

The interests of a Noteholder in the Global Note shall be transferred upon the registration of such transfer in the register kept by UNIVYC. Until the Issuer is notified, in a convincing manner, of the facts proving that a Noteholder is not the holder of the securities at stake, the Issuer and the Administrator shall deem the Noteholder to be the holder in due course in all respects and make payments to such Noteholder in accordance with these Terms and Conditions.

### *1.2.3 Separation of the Right to Receive Interest*

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

### *1.3 Certain Obligations of the Issuer*

The Issuer undertakes to pay interest on and repay the principal amount of the Notes in accordance with these Terms and Conditions. The Issuer undertakes to use its reasonable efforts to ensure that the Notes are listed securities within the meaning of the Capital Markets Act during the entire term of their existence.

### *1.4 Rating of the Issuer and the Notes*

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

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

### *2.1 Issue Date, Issue Price*

The expected issue date of the Notes is scheduled for 22 June 2009 (the “**Issue Date**”). The issue price of the Notes issued on the Issue Date shall amount to 100% (the “**Issue Price**”) of their principal amount.

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

### *2.2 Method and Place of Underwriting the Notes*

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

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

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

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

The anticipated aggregate principal amount of the issue of the Notes is equal to CZK 4,000,000,000 (four billion Czech crowns) . The issue period for the subscription of the Notes shall commence running on the Issue Date at 0:00 Prague time and shall terminate on the Issue Date at 24:00 Prague time (the “**Issue Period**”).

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

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

The Issuer shall be entitled to issue the Notes in a higher amount than the anticipated aggregate principal amount of the Note issue, during the Issue Period or after its expiry or at any time during the Additional Issue Period. If

the Issuer decides to issue the Notes in an aggregate principal amount higher than the anticipated aggregate principal amount, the volume of such increase will not exceed 50% (fifty per cent) of the anticipated aggregate principal amount of the Notes.

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

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

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

### 3. Status of the Obligations under the Notes

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

### 4. Negative Pledge

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

The provision of the preceding section shall not apply when:

- a) any pledges or similar third party rights restricting the Issuer's rights to its current or future assets or income, where their aggregate value does not exceed the higher of: (i) EUR 300,000,000 (to wit: three hundred million Euro), or (ii) 10% of the value of the Issuer's total assets (for the purpose of this section, total assets of the Issuer shall be deemed to mean total assets as reported in the latest audited financial statements of the Issuer, compiled in accordance with applicable legal regulations); or
- b) any pledges or similar third party rights accorded in the course of the Issuer's business according to the specification provided in the Prospectus, of which the Terms and Conditions are an integral part, in each case (but without limitation to) in connection with the provision and securing of debt financing of Home Credit Group members (irrespective of whether such debt financing is received directly by any Home Credit Group member or by the Issuer itself in order to on-lend it to any Home Credit Group member) or acting as a treasury centre of the Home Credit Group; or
- c) any pledges or similar third party rights attached to the business assets of the Issuer as of the Issue Date or as at its acquisition by the Issuer, or in order to secure the Issuer's Liabilities incurred solely in connection with the acquisition of such assets or their part by the Issuer; or
- d) any pledges or similar third party rights established by the operation of law or pursuant to a judicial or administrative ruling.

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

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

## 5. Interest

### 5.1 Method of Interest Calculation

The Notes shall bear interest at a floating rate to be fixed by the Calculation Agent for each Interest Period (as such term is defined below in this Section) as the sum of (i) the Reference Rate (as such term is defined below in this Section) fixed by the Calculation Agent on the Reference Rate Fixing Date (as such term is defined below in this Section) at such hour at which it is commonly determined, and (ii) a margin at the rate of 8 % per annum (the “**Margin**”).

For the purposes of these Terms and Conditions, “**Reference Rate**” means 6M PRIBOR, with “6M PRIBOR” meaning the percentage interest rate per annum appearing on page PRBO of the “Reuter Screen Service” (or any successor page or in any other official source quoting such rate) as the value of the interest rate fixed for the sale on the Prague market of Czech crown interbank deposits for a six-month period, as determined by the CNB as the rate in effect at 11.00 a.m. (Prague time) on the relevant Reference Rate Fixing Date. If no 6M PRIBOR can be fixed on any relevant date by the method described above, then the 6M PRIBOR shall be determined by the Calculation Agent on the basis of PRIBOR for the nearest longer period for which PRIBOR is quoted on page PRBO (or in any other official source) and PRIBOR for the nearest shorter period for which PRIBOR is quoted on page PRBO (or in any other official source). If no 6M PRIBOR can be fixed by either of these methods, then 6M PRIBOR on such date shall be determined by the Calculation Agent as the arithmetic mean of interest rate quotations for the sale of Czech crown interbank deposits for a six-month period on such date after 11:00 a.m. (Prague time) as notified by at least 3 (three) banks operating on the Prague interbank market selected by the Calculation Agent. If 6M PRIBOR cannot be determined even by this method, then 6M PRIBOR shall be equal to the 6M PRIBOR established in accordance with the procedure described above in this paragraph as of the nearest preceding date on which 6M PRIBOR could be so established. For the avoidance of doubt, if 6M PRIBOR ceases to exist as a result of the membership of the Czech Republic in the European Union, or if 6M PRIBOR generally ceases to be used on the interbank deposit market, then 6M PRIBOR shall be replaced by the rate commonly used on the interbank deposit market in the Czech Republic.

For the purposes of these Terms and Conditions, “**Reference Rate Fixing Date**” means the second Business Day prior to the first day of the relevant Interest Period. For the purposes of the first Interest Period, the Reference Rate shall be fixed at approximately 11 a.m. (Prague time) 2 (two) Business Days prior to the Issue Date.

Interest shall accrue from the first day of each Interest Period to the last day included in such Interest Period at the interest rate applicable to such Interest Period. Interest for each Interest Period shall be paid in semiannually arrears, as of 22 June and 22 December of each year (the “**Interest Payment Date**”) in accordance with Article 7 of these Terms and Conditions and the Agreement with the Administrator. The first payment of interest shall be made on 22 December 2009.

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

### *5.2 Day Count Convention for Interest Calculation*

For the purposes of calculating interest payable on the Notes for a period of less than 1 (one) year, the “Act/360” day count convention shall be used for interest calculation (this means that for the purposes of calculating interest for a period of less than one year, a year shall be deemed to consist of 360 (three hundred sixty) days, but the calculation shall be based on the actual number of days elapsed in the given Interest Period), i.e., on the basis of the same day count convention as used for 6M PRIBOR. If the day count convention used for 6M PRIBOR is changed, the relevant interest rate on the Notes shall be recalculated from such day count convention to the “Act/360” day count convention.

### *5.3 Interest Determination*

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

### *5.4 End of Interest Accrual*

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

## **6. Redemption and Purchase of the Notes**

### *6.1 Final Redemption*

Unless previously redeemed or purchased by the Issuer and cancelled as specified below, the entire principal amount of the Notes shall be redeemed in a single payment on 22 June 2012 (the “**Final Redemption Date**”), in accordance with Article 7 of these Terms and Conditions and the Agreement with the Administrator.

### *6.2 Early Redemption at the Option of the Issuer*

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

### *6.3 Early Redemption at the Option of the Noteholders*

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

### *6.4 Purchase of the Notes*

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

### *6.5 Cancellation of the Notes Purchased by the Issuer*

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

### *6.6 Deemed Payment*

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

### *6.7 Disposal of Funds in an Account Maintained by the Administrator*

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

### *6.8 Issuer's Covenant to Pay the Amount Due*

The Issuer undertakes to pay the principal of, and the interest accrued on the Notes (or, if applicable, a pro rata share of the interest in the case early redemption of the Notes) in such manner and at such place as specified in these Terms and Conditions.

## **7. Payments**

### *7.1 Currency of Payments*

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

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

### *7.2 Payment Date*

The payments of the interest and repayment of the principal 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 Day**” or the “**Final Redemption Date**” or “**Early Redemption Date**” or also as the “**Payment Date**”). If any Payment Date falls on a date that is not a Business Day, the Issuer shall be obligated to pay the due and payable sums on the next following Business Day, and no additional interest or other charges shall accrue and be payable by reason of such delay in payment (“**Business Day Convention**”).

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

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

#### *7.3.1 Interest*

Unless otherwise provided in these Terms and Conditions, the interest shall be paid to persons entered as Noteholders in the register of UNIVYC at the close of the calendar day (the “**Record Date for Interest Payment**”) that is 1 (one) month prior to the Interest Payment Date (each such person, a “**Payee**”). The “**Ex-Coupon Date**” shall be the date immediately following the Record Date. For the purposes of determining the recipient of the interest, neither the Issuer nor the Administrator shall take account of the transfer of any Notes effected on or after the calendar day on which the Ex-Coupon Date in respect of such payments falls.

#### *7.3.2 Principal*

Unless otherwise stipulated in these Terms and Conditions, the principal amount shall be paid to persons entered as persons participating in the Global Note by holding a certain number of Notes as registered in the register of UNIVYC at the close of the calendar day (the “**Record Date for Principal Repayment**”) that is 1 (one) month prior to the Early Redemption Date, Final Redemption Date or any other date on which the principal amount of the Notes is to be redeemed in accordance with the Terms and Conditions (each such person, a “**Payee**”). The “**Ex-Principal Date**” shall be the date immediately following the Record Date for Principal Repayment. For the purposes of determining the recipient of the principal amount of the Notes, neither the Issuer nor the Administrator shall take account of the transfer of any Notes representing an interest in the Global Note effected from the day immediately following the Record Date until the relevant Payment Date. Unless it is contrary to applicable law, transfers of all Notes representing an interest in the Global Note may be suspended from the Ex-Principal Date until the relevant Payment Date, and at the request of the Administrator, the Noteholder shall be obligated to provide any assistance necessary to suspend such transfers.

### *7.4 Payment Terms*

The Administrator shall make payments to each Payee by wire transfer to such Payee’s account with a bank in the Czech Republic (or in the event that the Payee is acting through an agent and if it is applicable, to bank account of such agent, unless the respective power of attorney delivered to the Administrator stipulates otherwise) according to an instruction that shall be communicated by the Payee to the Administrator at the address of the Specified Office in a verifiable manner no less than 5 (five) Business Days prior to the Payment Date. Such instruction shall be in the form of a written statement (with a notarized signature or signatures or with notarized signature card) in Czech or English language, and contain sufficient details of such account to allow the Administrator to make the payment, and, in the case of a legal entity the Administrator may, at its own discretion, require such instruction to be accompanied by an original or an officially certified copy of an excerpt from the Commercial Register in respect of the Payee and its agent, if applicable, as of the Payment Date not older than 3 (three) months (such instruction, together with the excerpt from the Commercial Register (if applicable), and the other required appendices, if any, is hereinafter also referred to as the “**Instruction**”). The Instruction must be in form and substance reasonably satisfactory to the Administrator, and the Administrator shall be entitled to require that reasonably satisfactory evidence of the authority of the signatory of such Instruction to sign such Instruction on behalf of the Payee be given. Such evidence may also be delivered to the

Administrator no less than 5 (five) Business Days prior to the Payment Date. In this respect, the Administrator shall be authorized to require that (i) a power of attorney be delivered in the event that the Payee is acting through an agent or (ii) the instruction from the Payee be subsequently confirmed. Any Payee who claims tax relief in accordance with any applicable double taxation treaty (to which the Netherlands is a party) shall deliver to the Administrator a certificate of such Payee's tax domicile and such other documents as the Administrator and the applicable tax authorities may request, together with the Instruction as an integral part thereof. Notwithstanding such rights, neither the Administrator nor the Issuer shall verify the authenticity or completeness of such Instructions, or be liable for any damage incurred in connection with any delay in the delivery of such Instruction by any Payee, or with the delivery of an incorrect or otherwise defective Instruction.

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

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

The obligation to make a payment under a Note shall be deemed discharged in a proper and timely manner if the relevant amount has been remitted to the Payee or its agent, if applicable, in accordance with a proper Instruction under this Section 7.4 and if, on or before the Payment Date of such amount is credited to the Payee's account or to its agent's bank account, if applicable, with the clearing centre of the Czech National Bank, in case that the payment is in Czech crown or any other lawful currency of the Czech Republic that might replace the Czech crown (provided that settlement is made through the clearing centre of the Czech National Bank). In the event that the settlement of payments in Czech crown (or any other lawful currency of the Czech Republic that might replace the Czech crown) is not made through the clearing centre of the Czech National Bank, the obligation to make a payment under a Note shall be deemed discharged in a proper and timely manner if the relevant amount has been remitted to the Payee (or its agent, if applicable) in accordance with a proper Instruction under this Section 7.4 and if such amount is debited from the Administrator's account on or before the Payment Date for the amount. If any Payee has failed to deliver a proper Instruction to the Administrator in accordance with this Section 7.4, then the obligation to make a payment under a Note shall be deemed discharged in a proper and timely manner with respect to the Payee if the relevant amount has been remitted to the Payee or its agent, if applicable, in accordance with a proper Instruction pursuant to this Section 7.4 and credited to the Payee's bank account or to its agent's bank account, if applicable, with the clearing centre of the Czech National Bank, or, as the case may be, debited from the Administrator's account, if the settlement of payments is not made through the clearing centre of the Czech National Bank, no later than 14 (fourteen) Business Days following the day on which the Administrator received the proper Instruction, in which case, such Payee shall have no right to receive any interest or additional payment on account of the delay.

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

#### *7.5 Change in the Method and Place of Payment*

The Issuer together with the Administrator shall be entitled to elect to change the method and place of payment unless such change results in prejudice to the Noteholders. In addition to publication of this information in



accordance with the relevant provisions of applicable legislation, notice of such election shall be given to the Noteholders in accordance with Article 13 of these Terms and Conditions.

## 8. Taxation

The repayment of the principal amount of, and payment of interest on, the Notes shall be made without the withholding of any taxes or charges of any kind, except as such withholding is required by applicable laws of the Czech Republic or the Netherlands in effect at a pertinent time. In the event that such withholding of taxes or charges is required by the applicable laws of the Czech Republic or the Netherlands at the time of a payment, the Issuer shall not be obligated to pay to the Noteholders any additional amounts as compensation for such withholding taxes or charges.

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

### 9.1 Events of Default

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

(a) *Non-Payment of Interest*

any part of the principal of or the interest due in respect of the Notes is not paid more than 10 (ten) business days after the due date for the payment thereof; or

(b) *Breach of Obligations*

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

(c) *Cross-Default*

any Liabilities of the Issuer are not paid by the Issuer as and when due or within any additional grace period agreed with the creditor, and no other arrangement is made with the creditor regarding the due and payable date of such Liabilities. The default pursuant to this paragraph (c) shall not occur if the aggregate amount of the Liabilities is lower than EUR 50,000,000 (fifty million Euro) (or its equivalent in other currency or currencies). Further, a default pursuant to this paragraph (c) shall not occur if the Issuer contends, in good faith in the statutory manner, the non-existence of an obligation to make payment in terms of the amount and title, and makes payment within the term stipulated by a final and non-appealable decision of the respective court or other body which rules that the Issuer is obligated to pay.

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

(d) *Insolvency, etc.*

any of the following events shall occur and continue for over 30 (thirty) Business Days: (i) the Issuer becomes insolvent, generally suspends payments under its obligations, or is unable to pay its debts as they fall due, (ii) a bankruptcy 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 a petition for bankruptcy or applies for composition or files a motion for a moratorium, (iv) the Issuer is declared bankrupt by

any court, or (v) a petition for bankruptcy in relation to the Issuer is rejected by any court on the grounds of the insufficiency of assets to pay the costs of the bankruptcy proceeding; or (vi) a respective court renders a final and non-appealable decision or adopts a valid resolution on dissolution of the Issuer with liquidation; or

(e) *Analogous Event*

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

(f) *Merger, etc.*

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

then:

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

#### *9.2 Maturity of Accelerated Notes*

All amounts payable by the Issuer to any Noteholder, who delivered the Early Redemption Notice, pursuant to the last paragraph of Section 9.1 of these Terms and Conditions shall become due and payable as of the last Business Day of the month following the month in which the Noteholder delivered to the Specified Office of the Administrator the relevant Early Redemption Notice (such date, in addition to any other dates so named in these Terms and Conditions, is referred to as the “**Early Redemption Date**”).

#### *9.3 Withdrawal of an Early Redemption Notice*

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

#### *9.4 Other Conditions for Early Redemption of the Notes*

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

### **10. Statute of Limitations**

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

## 11. Administrator, Listing Agent and Calculation Agent

### 11.1 Administrator

#### 11.1.1 Administrator and the Specified Office

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

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

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

#### 11.1.2 Additional or Other Administrator and Specified Office

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

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

#### 11.1.3 Relationship between the Administrator and the Noteholders

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

### 11.2 Listing Agent

#### 11.2.1 Listing Agent

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

#### 11.2.2 Additional and Other Listing Agent

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

#### 11.2.3 Relationship between the Listing Agent and the Noteholders

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

### *11.3 Calculation Agent*

#### *11.3.1 Calculation Agent*

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

#### *11.3.2 Additional and Other Calculation Agent*

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

#### *11.3.3 Relationship between the Calculation Agent and the Noteholders*

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

## **12. Amendments and Waivers**

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

## **13. Notices**

Any notice to the Noteholders regarding the Meeting (as this term is defined in Article 14. of these Terms and Conditions) shall be valid if published in Czech on the official web page of the Issuer [www.homecredit.net](http://www.homecredit.net). Also other notices to the Noteholders pursuant to these Terms and Conditions shall be valid if published in Czech on the official web page of the Issuer [www.homecredit.net](http://www.homecredit.net). If the mandatory provisions of law determine any other method for publishing any of the notices given under these Terms and Conditions, such notices shall be deemed to be validly published upon their publication in accordance with such provisions of law. If any notice is published in several manners, such notice shall be deemed to have been given on the date of its first publication.

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

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

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

## **14. Noteholder Meetings**

### *14.1 Authority and Convocation of the Meeting*

#### *14.1.1 Right to Convene a Meeting*

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

#### *14.1.2 Meeting Convened by the Issuer*

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

- (a) a proposed change or changes to these Terms and Conditions, except where the applicable laws and regulations stipulate that no consent of the Noteholders to such a change is required;
- (b) a proposal for a transformation of the Issuer (pursuant to the applicable provisions of the relevant Dutch law);
- (c) a proposal for entering into a controlling agreement or a profit transfer agreement (pursuant to the applicable provisions of the relevant Dutch law) irrespective of which party the Issuer is;
- (d) a proposal for entering into an agreement on the sale of all or any part of a business or an agreement of the lease of all of any part of business (pursuant to the applicable provisions of the relevant Dutch law), irrespective of which party the Issuer is, if the due and timely repayment of the obligations under the Notes may be jeopardized;
- (e) the Issuer’s default in the satisfaction of the rights attached to the Notes for more than 7 (seven) days following the day on which the right could be exercised;
- (f) a proposal for the filing of an application for withdrawal of the Notes from trading on the regulated market (delisting); or
- (g) any other changes that might significantly impair the Issuer’s ability to discharge its obligations under the Notes,

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

#### *14.1.3 Notice of Noteholders Meeting*

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

of the Meeting; decision-making on any proposed resolutions not contained in the agenda of the Meeting set forth in the notice of the Meeting is admissible only if all Noteholders entitled to vote at the Meeting, as determined below in Section 14.2 of these Terms and Conditions are present and agree to such proposal.

#### *14.2 Persons Entitled to Attend and Vote at a Meeting*

##### *14.2.1 Entry Notes*

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

##### *14.2.2 Voting Rights*

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

##### *14.2.3 Attendance at the Meeting by Other Parties*

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

#### *14.3 Proceedings of a Meeting; Action by the Meeting*

##### *14.3.1 Quorum*

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

##### *14.3.2 Chairman of the Meeting*

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

#### *14.3.3 Common Proxy*

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

#### *14.3.4 Action by the Meeting*

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

#### *14.3.5 Adjournment of a Meeting*

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

### *14.4 Certain Additional Rights of the Noteholders*

#### *14.4.1 Consequences of Voting Against Certain Resolutions of a Meeting*

If a Meeting consented to a Material Change, a Noteholder who was authorized to attend and vote at the Meeting pursuant to Section 14.2 of these Terms and Conditions, and according to the minutes of the Meeting, voted against a resolution adopted by the Meeting or failed to attend the Meeting (also referred to as the “**Applicant**”) may, within 30 (thirty) days of the publication of the resolution of the Meeting, request the repayment of the relevant principal amount of the Notes held by the Noteholder as of the Record Date for the Attendance at the Meeting and not disposed of by the Noteholder thereafter, as well as the pro-rata interest accrued on such Notes in accordance with these Terms and Conditions. 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 (also referred to herein as the “**Application**”) intended for the Issuer and delivered to the Specified Office of the Administrator, failing which, the right shall terminate. The amounts referred to above shall become due and payable within 30 (thirty) days following the delivery of the Application to the Administrator (such date, in addition to any other dates so named in these Terms and Conditions, is referred to as the “**Early Redemption Date**”).

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

#### *14.4.2 Resolution on Early Redemption of the Notes*

If the Meeting does not consent to a Material Change as stipulated in Section 14.1.2 (b) through (g) of these Terms and Conditions, the Meeting is entitled to decide that if the Issuer proceeds in violation of the resolution passed by the Meeting regarding such Material Change, the Issuer will be obligated to repay the relevant principal amount and any pro-rata interest accrued on such Notes in accordance with these Terms and Conditions

as of the Early Redemption Date to any Noteholder who requests such early repayment and only with respect to the Notes owned by such Noteholder (also referred to as the “**Applicant**”). The Issuer is obligated to pay to the Applicant the amounts due to the Applicant pursuant to the above in the manner and at the place stipulated by these Terms and Conditions for repayment of the Notes and within 30 (thirty) days following the delivery of a written notice (also referred to herein as the “**Application**”) to the Administrator (such date, in addition to any other dates so named in these Terms and Conditions, is referred to as the “**Early Redemption Date**”).

#### *14.4.3 Requirements as to the Application*

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

#### *14.5 Minutes of Noteholders Meeting*

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

### **15. Governing Law, Language, Disputes**

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



## 7. INFORMATION ABOUT THE ISSUER

### 7.1. History and Development of the Issuer

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

The Issuer was incorporated as a private company with limited liability (*besloten vennootschap*) (in the B.V. legal form in accordance with Dutch law), the main subject of its activities are to manage, to finance and to participate in other companies.

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

The Issuer gained its ownership interest in its subsidiaries gradually:

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

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

In 2005, the company Home Credit Kazakhstan JSC was established. Share in the amount of 90% in this company belonged to the Issuer. The remaining 10% was owned by the company Home Credit International a.s. On 30 January 2006, the Issuer purchased the remaining 10% share in Home Credit Kazakhstan JSC and became the sole shareholder of this company.

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

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

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

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

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

In January 2007, the Issuer also acquired a 95.94% share in OJCS Home Credit Bank (formerly OJSC Lorobank) which was a small financial institution in Belarus, with assets totalling to BYR 6.4 billion (EUR 2.4 million) as of 30 September 2006 (in accordance with local accounting standards). Share in the amount of 4.06% in OJCS Home Credit Bank acquired Home Credit a.s. In February 2007, the Issuer acquired from Home Credit a.s. a share in the amount of 2.02% in OJCS Home Credit Bank which increased its total shareholding to 97.96%. In June 2008, the Issuer increased the share capital of OJCS Home Credit Bank by BYR 16,548 million through the issue of new shares which increased its total shareholding to 98.69%. The remaining 1.31% share in OJCS Home Credit Bank is owned by Home Credit International a.s.

In November 2007, the Issuer acquired 99.61% share in PCJSB “Privatinvest” in Ukraine. In February 2009 the Issuer increased the share capital of PCJSB “Privatinvest” by 22,000,000 UAH through the additional issue of shares which brought its total shareholding at 99.836%

In April 2008, the Issuer acquired a 9.99 % share in International Bank Alma-Ata JSC, a bank operating in the territory of Kazakhstan. Remaining controlling 90.01% share in International Bank Alma-Ata JSC had gradually acquired Mr. Jiří Šmejč, a minority shareholder of PPF Group N.V. which is a parent company of the Issuer. 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) 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.

## 7.2. Basic Data on the Issuer

<i>Commercial Name:</i>	Home Credit B.V.	
<i>Place of Registration:</i>	The Netherlands, Chamber of Commerce for Amsterdam, the Netherlands (Kamer van Koophandel Amsterdam)	
<i>Registration No.:</i>	34126597	
<i>Date of Incorporation:</i>	28 December 1999	
<i>Length of Life:</i>	Incorporated for an indefinite period of time	
<i>Registered Office:</i>	Strawinskylaan 933 Tow. B Lev. 9, 1077XX, Amsterdam, the Netherlands	
<i>Legal Form:</i>	Besloten vennootschap / a private company with limited liability	
<i>Governing Law:</i>	Laws of the Netherlands	
<i>Country of Incorporation:</i>	The Netherlands	
<i>Registered Capital:</i>	Authorized Capital:	EUR 1,250,000,000
	Issued Capital:	EUR 1,156,174,806
	Paid up Capital:	EUR 1,156,174,806
	The authorized capital is divided into 1,250,000,000 shares of EUR 1 each.	
<i>Contact Address:</i>	Home Credit B.V.  Attn.: Messrs. Alexander Labak or Sonia Slavtcheva or Ivan Svitek Strawinskylaan 933 Tow. B Lev. 9 1077 XX Amsterdam The Netherlands	
	Tel:	+31 (0)20 88 13 120

Fax : +31 (0)20 88 13 121  
Email: sonia.slavtcheva@homecredit.eu

*Contact Address in the CR:* PPF banka a.s.  
Attn.: PPF Group Treasury Department  
Evropská 2690/17  
160 41 Prague 6  
The Czech Republic

Tel: +420 224 175 897 /  
Fax: +420 224 175 980  
Email: info@ppfbanka.cz

### 7.3. Solvency of the Issuer

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

(a) *Notes Issued by the Issuer*

The Issuer is the issuer of the floating rate notes due in 2009 in the aggregate principal amount of CZK 3,000,000,000 (three billion Czech crowns) admitted to trading on the official free market of the PSE, ISIN CZ0000000203. Unless previously redeemed or purchased by the Issuer the entire principal amount of these notes shall be redeemed in a single payment on 21 June 2009.

(b) *Guarantees provided by the Issuer*

The Issuer has provided a pledge for a credit provided by PPF banka a.s. to Home Credit Bank JSC. The pledge is represented by a pledge over a bank account receivable of the Issuer towards PPF banka a.s. in the amount of KZT 9,500,000,000. As of the date of the Prospectus, the outstanding amount of the provided credit amounts to KZT 4,300,000,000. In case that the provided credit is not repaid in a timely manner, PPF banka a.s. may satisfy its receivable from the provided pledge. The maturity date of the secured obligation is 30 November 2009.

(c) *Loans Provided by the Issuer*

On 30 November 2004, a subordinated loan agreement was entered into between the Issuer and Home Credit & Finance Bank on the basis of which the Issuer provided Home Credit & Finance Bank with a loan in the amount of USD 35,000,000. The maturity date of the provided loan is 28 February 2014.

On 27 November 2007, a loan agreement was entered into between the Issuer and REDLIONE LIMITED on the basis of which the Issuer provided REDLIONE LIMITED with a loan in the amount of USD 5,000,000. The maturity date of the provided loan is 31 December 2009.

On 26 October 2007, a subordinated loan agreement was entered into between the Issuer and OJSC Home Credit Bank (Belarus) on the basis of which the Issuer provided OJSC Home Credit Bank with a loan in the amount of EUR 400,000. The maturity date of the provided loan is 29 October 2013.

On 11 February 2008, a loan agreement was entered into between the Issuer and REDLIONE LIMITED on the basis of which the Issuer provided REDLIONE LIMITED with a loan in the amount of USD 61,000,000. The maturity date of the provided loan is 15 January 2013. On 23 September 2008 the amount and currency of the loan was changed to UAH 303,917,790.66

On 25 April 2008, a loan agreement was entered into between the Issuer and OJSC Home Credit Bank (Belarus) on the basis of which the Issuer provided OJSC Home Credit Bank with a loan in the amount of EUR 8,250,000 from the facility up to the amount of EUR 25,000,000. The maturity date of the provided tranche is in 2011 and it can be rolled over.

On 6 June 2008, a loan agreement was entered into between the Issuer and Home Credit International a.s. on the basis of which the Issuer provided Home Credit International a.s. with a loan in the amount of CZK 70,000,000 from the facility up to the amount of CZK 250,000,000. The maturity date of the provided tranche is 24 September 2009 and it can be rolled over.

On 3 June 2008, a loan agreement was entered into between the Issuer and Home Credit & Finance Bank on the basis of which the Issuer is obligated to provide Home Credit & Finance Bank with a revolving loan facility up to the amount of EUR 400,000,000. The maturity date of the provided loan is 17 January 2015. The loan has not yet been extended.

On 14 July 2008, a loan agreement was entered into between the Issuer and OJSC Home Credit Bank (Belarus) on the basis of which the Issuer provided OJSC Home Credit Bank with a loan in the amount of EUR 1,550,000 from the facility up to the amount of EUR 2,400,000. The maturity date of the provided tranche is in 2009 and it can be rolled over.

On 18 August 2008, a loan agreement was entered into between the Issuer and REDLIONE LIMITED on the basis of which the Issuer provided REDLIONE LIMITED with a loan in the amount of USD 33,000,000. The maturity date of the provided loan is 31 October 2013.

On 29 August 2008, a loan agreement was entered into between the Issuer and REDLIONE LIMITED on the basis of which the Issuer provided REDLIONE LIMITED with a loan in the amount of EUR 1,550,000 from the facility up to the amount of EUR 2,200,000. The maturity date of the provided loan is 10 September 2009.

On 4 March 2009, a loan agreement was entered into between the Issuer and PPF Group N.V. on the basis of which the Issuer provided PPF Group N.V. with a loan in the amount of EUR 115,000,000. from the facility up to the amount of EUR 170,000,000. The maturity date of the provided loan is 28 September 2010.

On 20 May 2009, an agreement on subordinated financing was entered into between the Issuer, PPF banka a.s. and its subsidiary PPF B1 B.V. on the basis of which the Issuer is obliged to provide PPF B1 B.V. under conditions stipulated in the agreement with a loan of up to 10% of the outstanding balance of revolving loan receivables pool originated by Home Credit a.s. and purchased by PPF B1 B.V. The loan shall be subordinated to the loan previously granted to PPF B1 B.V. by PPF banka a.s. and shall not have shorter maturity than the remaining maturity of the loan. Refer to Section 14.3 (d) of the Prospectus.

## 8. THE MAJOR SHAREHOLDERS AND ORGANISATIONAL STRUCTURE

### 8.1. Organisational Structure

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

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

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

### 8.2. Shareholders of the Issuer

Historically, PPF Group exercised control over Home Credit Group through Česká pojišťovna a.s. The shares held by Česká pojišťovna a.s. in the Home Credit Group were transferred to Home Credit Grand Holding a.s. as a part of the spin-off of Česká pojišťovna a.s. that took place in 2006. The creation of two separate operating entities was intended to support the development of a clear-cut business profile for the Home Credit Group and to improve the management of both Česká pojišťovna a.s. and the Home Credit Group companies.

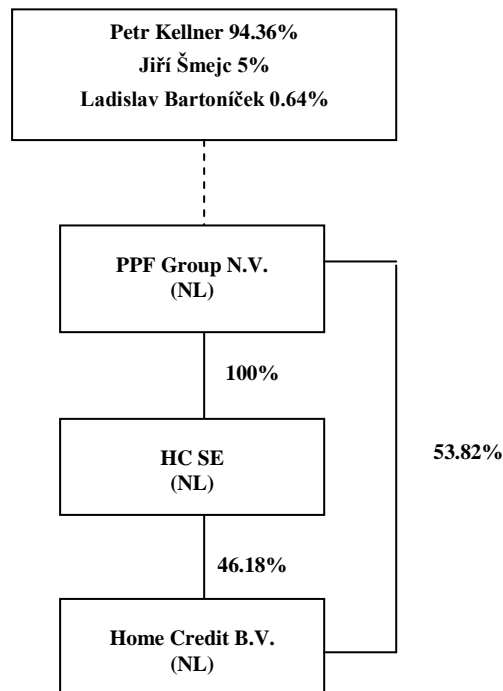
Following the spin-off, the merger of Home Credit Grand Holding a.s. and its subsidiary HC Holding a.s. into HC SE (in form of so called European Company domiciled in the Netherlands) has been carried out and HC SE became direct shareholder of the Issuer.

As of the day of this Prospectus, the direct shareholders of the Issuer are PPF Group N.V. having a direct shareholder interest amounting to 53.82% and HC SE having a direct shareholder interest amounting to 46.18%. According to the information available to the Issuer, an intention to transfer HC SE's shareholding in the Issuer to PPF Group N.V. exists. As a result of such transfer PPF Group N.V. would become the sole shareholder of the Issuer. The completion of such transfer will probably take place within next months.

As of the day of this Prospectus, PPF Group N.V. is the sole shareholder and owner of HC SE. Concurrently, PPF Group N.V. is the ultimate holding company which covers in the entire structure of and which acts as the principal holding company for the entire PPF Group. As of the day of this Prospectus, the ultimate shareholders of PPF Group N.V. are Petr Kellner having both direct and indirect shareholder interest amounting to 94.36%, Jiří Šmejce having indirect shareholder interest amounting to 5% and Ladislav Bartoniček having indirect shareholder interest amounting to 0.64%.

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

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



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

According to Dutch 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:

Article 2:335 (up to 343) of the Dutch Civil Code contains provisions that in case that a shareholder does not act in the best interests of the company which actions or omissions damaged the interests of the company (joint) shareholders having a shareholding of at least one third of the total issued capital can request the court to force that other shareholder to sell and transfer its shares to - initially - the remaining shareholders.

Article 2:343 of the Dutch Civil Code opens the possibility for any shareholder to request the court to force other shareholders to purchase its shares. The difference with the provision above is that no misconduct in the quality of shareholder is required that damaged the company. Behaviour in other qualities is also relevant.

Save for the information mentioned-above regarding the intention of HC SE to transfer its share in the Issuer to PPF Group N.V., the Issuer is not aware of any contractual arrangements that would lead to a change in control of the Issuer.

## 9. BUSINESS OVERVIEW

### 9.1. Principal Activities of the Issuer

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

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

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

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

### 9.2. Business of the Issuer

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

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

The Issuer is the direct shareholder of the companies:

LLC Home Credit & Finance Bank (Russian Federation)	99.99%
Home Credit a.s. (Czech Republic)	100%
Home Credit Slovakia, a.s. (Slovak Republic)	100%
Home Credit Kazakhstan JSC (Kazakhstan)	100%
CJSC HOME CREDIT BANK (Ukraine)	100%
OJSC Home Credit Bank (Belarus)	98.69%
PCJSB "PrivatInvest" (Ukraine)	99.836%
Home Credit International a.s. (Czech Republic)	100%
LLC Inko-Technopolis (Russian Federation)	100%
DONMERA LIMITED (Republic of Cyprus)	100%
HOMER SOFTWARE HOUSE LIMITED (Ukraine)	100%
HC Fin3 N.V. (Netherlands)	100%
HC Kazakh Holding B.V. (Netherlands)	100%
REDLIONE LIMITED (Republic of Cyprus)	100%
PPF Home Credit IFN S.A. (Romania)	99.00%

The Issuer is the controlling entity of the companies:

LLC HOME CREDIT FINANCE (Ukraine)	100%
LLC Liko-Technopolis (Russian Federation)	100%
LLC Infobos (Russian Federation)	100%
LLC Financial Innovations (Russian Federation)	100%
LLC Equifax Credit Services (Russian Federation)	42%

### 9.3. Home Credit Group

As mentioned above, the Issuer is a holding company of the Home Credit Group which is one of the leading providers of consumer finance on the markets in Central Europe. In 2006, the Home Credit Group provided loans totalling approximately USD 2.7 billion, in 2007 EUR 3,288 billion and in 2008 EUR 3,6 billion. Home Credit Group maintains its leading position on the consumer finance market in the Czech Republic (operating on this market since 1997), the Slovak Republic (1999) and the Russian Federation (2002). At the end of 2006 Home Credit entered the Ukrainian and Belorussian markets.

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

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

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

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

### 9.4. Products of the Home Credit Group

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

#### (a) *Purpose Consumer Loans*

The purpose consumer loans are intended to finance purchases of consumer goods (for example electronics, computers and office electronics, furniture, building material, sports equipment and other assorted items) by consumers. In some countries loans may also be provided for the purpose of purchasing holidays or to afford above-standard medical care.

The loan may be provided only to a person who meets the set requirements, among which there are generally the following:

- regular income in certain ratio to the principal amount of the provided loan,
- regular employment,
- positive payment of formerly provided loans,
- possibly other guarantees or provision of a security,



- citizenship of the given state and postal address in the given state,
- legal age,
- not over the set maximum age limit.

In order to prove the above-mentioned issues, the applicant must present relevant evidence (for example a passport, identity card or similar evidence of identity and a confirmation of income from their employer, which must include the determined information).

When entering into the contract on consumer loans, mostly an agreement on income deductions is concluded with the debtor against the eventual failure to repay the loans.

(b) *Revolving Loans / Credit Cards*

A revolving loan is a long-term, repeatable and renewable credit line. A client of a revolving loan has available financial means in the amount of a stipulated credit limit. By each purchase, the available balance, which the customer may use from their credit limit, is reduced. By each instalment, on the other hand, the financial means for purchase of further goods on loan increases. These loans are provided via loyalty cards distributed among existing or former clients with positive payment / credit history. After satisfying certain risk criteria client can also be offered by credit cards with the credit limit divided between POS (point of sales) and ATM transactions, with minimum repayment amount calculated on the basis of a percentage of the credit limit and with an interest free period.

(c) *Non-purpose Cash Loans*

These loans are not conditioned by the purchase of goods or services. The basic differences from the product Purpose Consumer Loans are connected with the possibility of the cash drawing of the loans. Cash loans offer more flexibility than consumer loans because the principal amount is provided in cash and can be used for any purpose.

(d) *Residential Mortgages*

These products had only been offered by Home Credit & Finance Bank in the Russian Federation until October 2008. Home Credit & Finance Bank's offering of the residential mortgages was available via mortgage centres. Mortgage loans turned out to be successful new product line, however due to business optimalization programme which Home Credit & Finance Bank introduced as a response to unfavorable market conditions Home Credit & Finance Bank stopped offering mortgages in October 2008.

(e) *Car Loans*

These products have been offered by Home Credit Slovakia and until October 2008 they were also offered by Home Credit & Finance Bank in the Russian Federation. Home Credit & Finance Bank started offering car loans in the first quarter of 2007 through various Russian car retailers. Car loans turned out to be successful new product line, however due to business optimalization programme which Home Credit & Finance Bank introduced as a response to unfavourable market conditions Home Credit & Finance Bank stopped offering car loans in October 2008.

(f) *Retail Deposits*

Similarly as mentioned-above, at present, these products are only being offered by Home Credit & Finance Bank in the Russian Federation. In December 2007, Home Credit & Finance Bank introduced retail deposits for individuals as a pilot project in its Moscow credit and cash offices. Home Credit & Finance Bank intends to further develop this product across the Russian Federation as a part of Home Credit & Finance Bank's strategy of diversifying its range of products and services. The retail deposits are available through the own Home Credit & Finance Bank office network. Home Credit & Finance Bank also considers retail deposits to be a source of future funding.

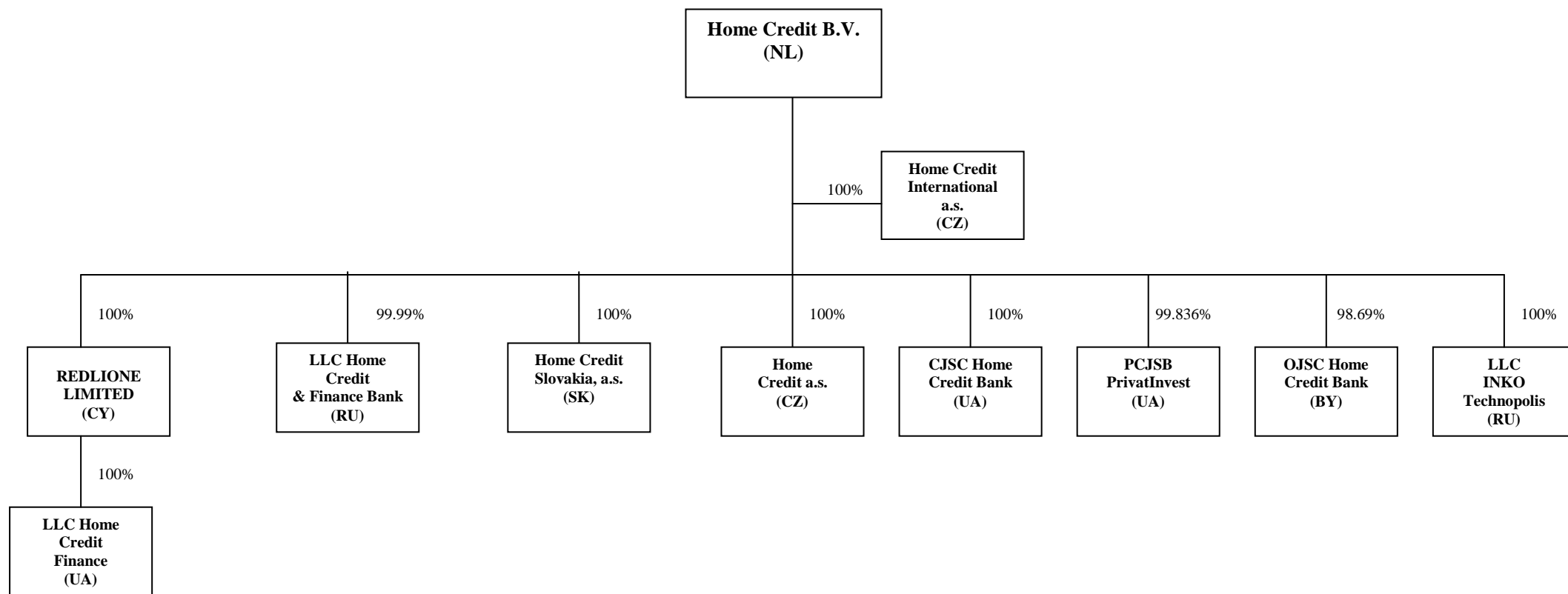
#### 9.5. Loan Collection and Enforcement

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

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

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

**HOME CREDIT GROUP\***



\* Significant companies of Home Credit Group only

## 10. DESCRIPTION OF THE SUBSIDIARIES OF THE ISSUER

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

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

### 10.1. Description of the Home Credit Group

#### **LLC Home Credit & Finance Bank**

Registered Office:	Moscow, Zelenograd, building 317a, 103482, the Russian Federation
Identification No.:	1027700280937
Date of Incorporation:	18 April 1990
Registered Capital:	RUB 4,173,000,000
Subject of Business:	retail banking: providing of purpose consumer loans, revolving credit cards, non-purpose cash loans, and other connected activities, retail deposits, debit cards

LLC Home Credit & Finance Bank (“**HCFB**”) was incorporated in June 1990. On 19 June 1990 it was registered with the Central Bank of the Russian Federation (“**CBR**”) and received banking licence No. 316.

In February 2002, the Home Credit Group acquired a 98% share in the registered capital of HCFB (initially known as Innovation Bank Technopolis, renamed in July 2002) and in September 2002, Home Credit Group increased the registered capital of HCFB which led to final share of 99,8%. The acquisition of HCFB and, by extension, its banking licence, allowed the Home Credit Group access to the Russian consumer banking market where it launched a consumer finance programme in July 2002.

In July 2002, HCFB started to develop its network of representative offices throughout the Russian Federation.

As of the day of this Prospectus, the Issuer is the principal shareholder of HCFB, holding 99.9919% of HCFB's registered capital. The remaining 0.0081 per cent of HCFB's registered capital is held by Mr. Ladislav Chvatal.

HCFB's principal business activity is providing of consumer banking products and services to individual persons in the Russian Federation. As of 31 December 2008, according to internal estimation of HCFB, HCFB is one of the top-10 banks in terms of a size of a retail loan portfolio in the Russian Federation.<sup>1</sup> Consumer banking products and services represent the source of the largest proportion of HCFB's interest income for the periods under review. In accordance with HCFB's strategy based on evolving from being a pure consumer finance provider to becoming a retail bank HCFB has progressively diversified its product range from point-of-sale consumer loans to include revolving loans/credit cards on plastic cards, cash loans, mortgages and car loans<sup>2</sup> which are offered to existing and new customers throughout the Russian Federation via different distribution

<sup>1</sup> The estimate is based on the HCFB's analysis of financial statements of other Russian banks that are publicly available on the CBR website (www.cbr.ru). The contents of the CBR's website do not form a part of this document. Financial statements of Russian banks filed with the CBR are based on RAS (Russian Accounting Standards), which differs from IFRS.

<sup>2</sup> HCFB stopped mortgage and car loans offering in October 2008.

channels: points-of-sale at retailers, own branch network and Russian Federal Post Office branches. All loans currently issued by HCFB are issued with fixed rates.

Since October 2008 HCFB has launched its retail deposit programme by introducing retail deposits and debit cards which are available via HCFB own branch network covering 1200 cities in 80 regions of the Russian Federation.

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

Since HCFB started developing the branch network in 2004, it has continued its regional expansion by opening new loan offices across the Russian Federation. As of 31 December 2008 the loan offices network comprised of 190 additional offices. As of 31 December 2008, HCFB had established a distribution network comprised of the head office in Moscow, five branches: in N. Novgorod, in Ufa, in Volgograd, in Saint-Petersburg and Ekaterinburg, 93 representative offices and over 30,000 active points-of-sale at retailers which cover over 1,200 cities in 80 regions of the Russian Federation.

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

#### Position of HCFB on Russian Banking Market

HCFB is one of the leading banks specialising in consumer banking in the Russian Federation: as of 31 December 2008 HCFB market share in the POS (point-of sale) market was over 27% and 10.5% of credit card markets making HCFB the leading bank in POS segment and the second largest player in credit card segments<sup>3</sup>. According to Interfax ranking (Interfax is a Russian business information and analytical agency) as of 31 December 2008 HCFB was the thirty and thirty-seventh largest bank in Russia in terms of equity and total assets, respectively (based on RAS).

HCFB is a principal member of MasterCard International and a member of the Russian Europay Member's Association, the Association of Russian Banks, the Association of Regional Banks, the Russian National Securities Market Association and the National Exchange Association. In November 2004, HCFB was admitted to the Russian mandatory system of insurance of retail bank deposits. In November 2008 HCFB became the principle member of VISA.

According to the audited consolidated financial statements of HCFB for the relevant year, for the year ended 31 December 2008, HCFB generated net profit before tax of RUB 5,181 million and had a net profit attributable to participants of RUB 3,659 million. Of HCFB's net profit before tax for the year ended 31 December 2008, net interest income after provisions for loan impairment was RUB 10,683 million and net fee and commission income was RUB 6,495 million.

According to the audited consolidated financial statements of HCFB for the relevant year, for the year ended 31 December 2007, HCFB generated net profit before tax of RUB 2,657 million and had a net profit attributable to participants of RUB 1,977 million. Of HCFB's net profit before tax for the year ended 31 December 2007, net

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<sup>3</sup> 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](http://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.

interest income after provisions for loan impairment was RUB 5,693 million and net fee and commission income was RUB 4,595 million.

According to the audited consolidated financial statements of HCFB for the relevant year, for the year ended 31 December 2006, HCFB's net profit before tax amounted to RUB 959 million and net profit attributable to participants amounted to RUB 699 million. Of HCFB's net profit before tax for the year ended 31 December 2006, net interest income after provisions for loan impairment amounted to RUB 3,173 million and net fee and commission income was RUB 783 million.

As of 31 December 2008, HCFB had total assets of RUB 113,449 million and net assets attributable to participants of RUB 20,598 million.<sup>4</sup> As of 31 December 2007, HCFB had total assets of RUB 81,393 million and net assets attributable to participants of RUB 14,940 million.<sup>5</sup> As of 31 December 2006, HCFB's total assets were RUB 45,386 million and net assets attributable to participants amounted to RUB 9,962 million.<sup>6</sup>

As of the date of this Prospectus, HCFB has a "Ba3" long-term and a "NP" short-term foreign currency rating, and a financial strength rating of "D-" with a negative outlook from Moody's Investor's Service, Inc., affirmed in December 2008 and a "B+" long term and a "B" short-term counterparty credit rating with a negative outlook from Standard & Poor's Rating Service. The outlook was changed in October 2008 to over 50 Russian companies and financial institutions (including HCFB) due to current market situation.

The company is one of the largest providers of point-of-sale consumer loans and the loans provided through plastic cards in the Russian Federation.<sup>7</sup> As of the 31 December 2008 the company was offering its products in over 30,000 points-of-sale, the regional branch network of the company consisted of 190 regional loan offices. Additionally, the company uses the branches of the Russian Federal Post Office and has established relations with more than 15,8 million clients as of 31 December 2008.

#### Solvency of HCFB

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

Recent capital contributions were made in December 2008 - in the amount of RUB 2 billion and in January 2009 - in the amount of RUB 1 billion. In December 2007 the Issuer provided HCFB with credit line of RUB 10 billion, HCFB obtained USD 328 million deposit as a part of this credit line on an arm's length basis. In January 2009 the deposit was repaid in full.

In May 2008 PPF Group provided HCFB with back stop liquidity facility in the amount of EUR 500 million and in June 2008 Issuer provided HCFB with stand-by facility in the amount of EUR 400 million to support strong HCFB liquidity position. Both facilities have not yet been utilised.

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<sup>4</sup> Source of the information: Audited consolidated financial statements of HCFB for the year period ended 31 December 2008

<sup>5</sup> Source of the information: Audited consolidated financial statements of HCFB for the year period ended 31 December 2007

<sup>6</sup> Source of the information: Audited consolidated financial statements of HCFB for the year period ended 31 December 2006

<sup>7</sup> The estimate is based on HCFB's own analysis of financial statements of other Russian banks that are publicly available on the CBR website ([www.cbr.ru](http://www.cbr.ru)). The contents of the CBR's website do not form a part of this document. Financial statements of Russian banks filed with the CBR are based on RAS, which differs from IFRS.

Subsidiaries of HCFB

The audited consolidated financial statements of HCFB for the twelve month period ended 31 December 2008 include Infobos LLC, Liko-Technopolis LLC, Financial Innovations LLC each a subsidiary of HCFB, and Equifax Credit Services (LLC) (is formerly known as Global Payment Credit Services (LLC) where HCFB has 42% of ownership interest. It also includes Eurasia Capital S.A. and Eurasia Structured Finance No. 1 S.A., Eurasia Credit Card Funding I S.A., Eurasia Credit Card Company S.A. that are not legal subsidiaries of HCFB but special purpose vehicles established for the purposes of securitization and financing of HCFB.

Fact Sheet of HCFB<sup>8</sup>

		<b>31 December 2008</b>	<b>31 December 2007</b>
<b>Business results</b>			
Loans granted (YTD)	TRUB	98,531,323	93,497,232
Number of active clients	#	5,300,727	4,379,928
Regions of presence	#	80	80
Number of retail outlets	#	32,091	29,224
Number of employees	#	15,176	18,345
<b>Financial results</b>			
Operating income	TRUB	25,920,287	17,707,131
Net profit after tax	TRUB	3,658,559	1,977,412
Gross loan portfolio*	TRUB	82,014,236	70,765,143
Shareholder's equity	TRUB	20,598,087	14,939,528
<b>Key ratios</b>			
Operating income / Average net loans	%	37.7	41.3
NPLs**/ Gross loan portfolio	%	9.5	9.3
Cost / Income ratio	%	46.5	43.7
Return on average assets	%	4.0	3.4
Return on equity	%	17.8	13.2
Capital adequacy ratio	%	20.6	19.8

\* without Corporate Loans which comprised insignificant part of HCFB portfolio

\*\* loan balances overdue more than 90 days, assuming loans are fully written off, when 360 days overdue

<sup>8</sup> The financial information was prepared in accordance with IFRS. The information in the Fact Sheet is prepared on the basis of the internal sources of HCFB. The Financial results mentioned in the Fact Sheet are derived from audited consolidated financial statements of HCFB for respective years.

**Home Credit a.s.**

Registered Office:	Brno, Moravské náměstí 249/8, 602 00, district Brno-město, the Czech Republic
Identification No.:	26978636
Date of Registration:	1 October 2005
Registered Capital:	CZK 300,000,000
Subject of Business:	purchase and resale of goods, agency activity, maintenance and management of real estate, lease and borrowing of movables, provision of software and consultancy in hardware matters, data processing, services of databanks, management of IT networks, business, financial, organisational and economic consulting, advertising and marketing, administrative management and organizational-economic activity, accountancy, operation of a travel agency

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

As of its establishment this company, being a legal successor of the company Home Credit Finance a.s., continued in the business activities of its predecessor focusing on the provision of consumer finance services. The main products offered by this company are purpose consumer loans, revolving loans, non-purpose cash loans and credit cards.

Home Credit has been offering its services in the Czech Republic as a non-banking financial institution. Non-banking financial institutions providing consumer credits are not regulated as bank institutions and are not subject to supervision of the CNB. No capital adequacy or liquidity requirements apply to them. The supervision of compliance with the conditions set forth in the Consumer Credit Act is secured by the Czech Trade Inspection.

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

As of the end of 2006, Home Credit financed client's purchases totalling CZK 7.1 billion, which represented year-on-year growth of 6%<sup>9</sup>.

In 2007, Home Credit financed client purchases totalling CZK 8.3 billion, which represented 17% growth compared to 2006<sup>10</sup>.

In 2008, Home Credit financed client purchases totalling CZK 9.6 billion, which represented 15% growth compared to 2007<sup>11</sup>.

According to the audited financial statement for the accounting period from 1 April 2006 to 31 March 2007, the net profit of Home Credit amounted to approximately CZK 484.3 million. The positive development of the results of the company is due to the improvement of the process connected with credit risk management. On the other hand, the introduction of new products increased marketing costs.

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<sup>9</sup> Source: Internal sources of Home Credit a.s.

<sup>10</sup> Source: Internal sources of Home Credit a.s.

<sup>11</sup> Source: Internal sources of Home Credit a.s.



In 2007, Home Credit changed its accounting period. At present, the accounting period of Home Credit ends on 31 December. Due to this change in Home Credit's accounting year end, the audited financial statements for the period ended 31 December 2007 reflect the 9 month period from 1 April 2007 to 31 December 2007 and compare these to the 12 month period ending 31 March 2007. According to the audited financial statements for the period ended 31 December 2007 net profit of Home Credit for the 9 month period ended 31 December 2007 amounted to CZK 362 million compared to CZK 298 million for the preceding reconcilable 9 month period ended 31 December 2006 and CZK 484.3 million for the prior year period ended 31 March 2007 respectively.

Net profit for the year ended 31 December 2008 reached CZK 738 million. The drivers for net profit are explained below.

Net interest income for the year ending 31 December 2008 was CZK 2,307 million compared to CZK 1,570 million for the 9 month period ended 31 December 2007, compared to CZK 1,522 million for the 9 month period ended 31 December 2006 and CZK 2,092 million for the 12 month period ended 31 December 2007. On a 12 month basis, the net interest income showed a 10% growth. These figures were driven mainly by lower effective interest rate available on products resulting in consumers' switch from high yielding revolving cards to more flexible products, such as credit cards.

Administrative expenses amounted to CZK 850 million for the year ended 31 December 2008 and CZK 667 million for the 9 month period ended 31 December 2007, while the company maintained the cost/income ratio 33.9% and 40.1% respectively. The number of employees of Home Credit increased from 388 at 31 March 2007 to 423 at the end of December 2007 and to 451 at 31 December 2008.

Throughout the period Home Credit has focused on improving its risk management and collection procedures which has resulted in this decrease. NPLs as a percentage of the gross loan book decreased from 19.4% as at 31 March 2007 to 18.4% as at 31 December 2007 and to 18.0% at the end of December 2008, while NPL coverage reached nearly 93%.

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

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

With twelve-years of experience on the Czech consumer finance market, Home Credit has become a respected provider of consumer and revolving loans and, at the same time, one of the three largest competitors on the relevant market. As of the end of 2007, Home Credit maintained its position as no. 3 non-banking financial provider with the market share in consumer financial products in the Czech Republic amounting to 23.1% (increase from 20.6% at the end of 2006) of the non-banking providers of consumer loans excluding loans provided for cars and other vehicles). The market size is estimated at CZK 41.6 billion.<sup>12</sup>

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<sup>12</sup> Source: SOLUS, an interest group of legal entities, Na Pankráci 30/1618, Prague 4, Postal Code 140 00, www.solus.cz and Česká leasingová a finanční asociace (or Czech Leasing and Financial Association), an interest group of legal entities, Těšnov 5, Prague 1, Zip Code 110 01, www.clfa.cz

In 2007 more than 75% of the consumer finance market of the Czech Republic in the category of loan providers was divided among three main competitors - Home Credit, GE Money Multiservis, a.s and Cetelem a.s.<sup>13</sup>

In first half of 2007, the loan providers in the Czech Republic associated in Czech Leasing and Financial Association (“*Česká leasingová a finanční asociace*”) financed individuals’ purchases in the amount of CZK 41.6 billion – this figure does not include the principal amount provided for cars and other vehicles. This amount represents the 8 % increase compared to the figures of first half of 2006.

The legal predecessor of Home Credit, the company Home Credit Finance a.s., was assigned a rating level of *czA / czP-2 / Ba+* from the CRA Rating Committee in August 2004. On 2 December 2005, CRA Rating assigned the same rating to Home Credit (i.e. the rating level of *czA / czP-2 / Ba+*). In accordance with the CRA scale the rating *czP-2* expresses quite a strong ability to meet short-term liabilities in a due and timely manner, by the evaluation *czA*, CRA identifies quality subjects with an above-average ability to repay their debts. In June 2006, Moody’s Investors Service which became 100% owner of CRA that was subsequently renamed to Moody’s Central Europe (the “**Moody’s**”) introduced for the Czech Republic new national system of granting of rating (National Scale Rating). The new scale serves as instrument for comparing of relative creditworthiness of subjects (including influence of relevant external support in the Czech Republic). In June 2006, Moody’s granted to Home Credit National Scale Rating at level *A3.cz* with stable outlook. In November 2007, Moody’s affirmed the National Scale Rating for Home Credit at *A3.cz*, stable outlook and in December 2008, Moody’s changed the National Scale Rating for Home Credit to *A3.cz*, negative outlook. In May 2009 Moody’s placed Home Credit’s *A3.cz* national scale issuer rating on review for possible downgrade. The review will focus on assessing the impact of potential losses in the institution's consumer lending portfolio. In addition, Moody's will focus on Home Credit’s wholesale-funded profile and high re-financing risk in the context of the difficult capital market conditions. Home Credit’s national scale issuer rating does not benefit from any uplift from its standalone financial strength as a result of the rating agency's assessment of parental/systemic support.

#### Fact Sheet of Home Credit<sup>14</sup>

		31 December 2008	31 December 2007
<b>Business result</b>			
Loans granted (YTD)	TCZK	9,605,973	8,321,842
Number of active clients	#	413,401	452,194
Number of retail outlets	#	3,171	5,153
Number of employees	#	451	423
<b>Financial results</b>			
Operating income	TCZK	2,510,331	2,134,188
Net profit after tax	TCZK	738,235	547,728
Gross loan portfolio	TCZK	13,950,835	11,749,121
Shareholder's equity	TCZK	1,986,027	1,747,792

<sup>13</sup> Source: Česká leasingová a finanční asociace (or Czech Leasing and Financial Association), an interest group of legal entities, Těšnov 5, Prague 1, Zip Code 110 01, www.clfa.cz

<sup>14</sup> All figures for both years are provided on calendar year basis, i.e. means for the period commencing on 1 January 2007 and ending on 31 December 2007 and for the period commencing on 1 January 2008 and ending on 31 December 2008. The financial information was prepared in accordance with IFRS. The information in the Fact Sheet is prepared on the basis of the internal sources of Home Credit a.s.

**Key ratios**

Operating income / Average net loans	%	23.7	24.5
NPLs*/ Gross loan portfolio	%	4.8	4.5
Cost / Income ratio	%	33.9	40.1
Return on average assets	%	6.1	5.1
Return on equity	%	37.2	31.3

\* loan balances overdue more than 90 day, assuming loans are fully written off, when 360 days overdue

**Home Credit Slovakia, a.s.**

Registered Office:	Piešťany, Teplická 7434/147, 921 22, the Slovak Republic (until 30 January 2009: Piešťany, Winterova 7, 921 22, the Slovak Republic)
Identification No.:	36234176
Date of Incorporation:	27 August 1999
Registered capital:	EUR 3,352,594
Subject of Business:	providing consumer finance and connected activities

Home Credit Slovakia, a.s. (“**HCS**”) has been operating on the consumer finance market in Slovakia since 1999. For the time of its operation, the company has managed to build a stable position on the Slovak consumer finance market and to become one of its leaders<sup>15</sup>. The main products offered by the company are purpose consumer loans, revolving loans, non-purpose cash loans and credit cards.

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

In 2006, the aggregate assets of the company increased to approximately SKK 4.05 billion. According to the audited financial statement, the company achieved a net profit of SKK 65.6 million. The non-purpose cash loans were the main source of the increase, as well as, the cash loans were the main source of the balance growth in the respective period. In 2007, the aggregate assets of the company increased to approximately SKK 4.34 billion. According to the audited financial statement, the company achieved a net profit of SKK 22.6 million. In 2008, the aggregate assets of the company increased to approximately SKK 5,14 billion and the company achieved a net profit of SKK 5.1 million.

In 2006 the total principal granted reached SKK 3.3 billion, which represents a year-on-year increase of 18 %. In 2006 HC Credit Card and cash loan available via phone - Phone Loan were launched.<sup>16</sup> The positive effect on the profit of the company was due to the improvement of the credit risk management processes. On the other hand, the growth of the rate of interest on the inter-banking market of the Slovak Republic and the growing competition on the domestic consumer finance market negatively affected the company.

<sup>15</sup> Source: Internal sources of Home Credit Slovakia, a.s.

<sup>16</sup> Source: Internal sources of Home Credit Slovakia, a.s.

In 2007 the total principal granted reached SKK 4.1 billion, which represents a year-on-year increase of 24%.<sup>17</sup> During 2008, the company financed client's purchases totalling to SKK 4.5 billion, which represents a year-on-year increase of 8%.

Fact Sheet of HCS<sup>18</sup>

		<b>31 December 2008</b>	<b>31 December 2007</b>
<b>Business results</b>			
Loans granted (YTD)	TSKK	4,474,625	4,139,123
Number of active clients	#	180,003	202,707
Number of retail outlets	#	3,486	3,552
Number of employees	#	208	116
<b>Financial results</b>			
Operating income	TSKK	988,276	724,739
Net profit after tax	TSKK	5,056	22,605
Gross loan portfolio	TSKK	5,853,785	4,666,685
Shareholder's equity	TSKK	326,911	201,855
<b>Key ratios</b>			
Operating income / Average net loans	%	22.0	19.8
NPLs*/ Gross loan portfolio	%	9.7	7.0
Cost / Income ratio	%	50.7	50.7
Return on average assets	%	0.1	0.6
Return on equity	%	1.5	11.2

\* loan balances overdue more than 90 day, assuming loans are fully written off, when 360 days overdue

**CJSC HOME CREDIT BANK (formerly CJSC Bank AGROBANK)**

Registered Office: Dnipropetrovsk, Kursantska 24, 49051, Ukraine

Identification No.: 26237202

Date of Incorporation: 23 April 2002

Registered Capital: UAH 307,350,000

Subject of Business: operation of banking activities

CJSC HOME CREDIT BANK (formerly Bank AGROBANK) is a universal bank seated in Dnipropetrovsk (Ukraine) providing services to retail and corporate clients. The services are provided through its 40 branches in

<sup>17</sup> Source: Internal sources of Home Credit Slovakia, a.s

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

Ukraine. Home Credit Group acquired control of this bank at the end of 2006 and re-branded it in 2<sup>nd</sup> half of 2007.

### **OJSC HOME CREDIT BANK (formerly OJSC Lorobank)**

Registered Office: Minsk, Ingenernaya str.25, the Republic of Belarus

Identification No.: 807000056

Date of Incorporation: 22 March 2002

Registered Capital: BYR 45,996,960,000

Subject of Business: operation of banking activities

OJSC HOME CREDIT BANK (formerly OJSC Lorobank) is a small bank headquartered in Minsk, Republic of Belarus. Home Credit Group acquired 100% control of this bank in December 2006. Since that time, the Home Credit Group restructured the bank, rebranded it to Home Credit Bank (29 November 2007) and the bank acquired a renewed banking license.

Home Credit Bank started to provide consumer loans at POS (points-of-sales) on 1 December 2007. By the end of 2008 it had acquired 126,000 customers. The bank is active in all six Belorussian regions and it has acquired more than 1,200 retailers for consumer loans distribution.

### **Home Credit International a.s.**

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

Identification No.: 60192666

Date of Incorporation: 6 September 1993

Registered Capital: CZK 170,000,000<sup>19</sup>

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

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

In 2005, HCI opened a representation office in Ukraine.

### **LLC HOME CREDIT FINANCE (formally LLC Privat Kredit)**

Registered Office: Dnipropetrovsk, Pushkin av. 49, 49006, Ukraine

Identification No.: 33338439

Registered Capital: UAH 64,892,288.54

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<sup>19</sup> On 14 May 2009, the Issuer decided on the increase of the registered capital of HCI. The registered capital of HCI will be increased by CZK 190 000 000 and it will be repaid via set-off of a loan receivable of the Issuer towards HCI.

Subject of Business: provision of consumer finance products

LLC HOME CREDIT FINANCE (formerly PrivatKredit) was one of the best-known non-banking financial institutions in Ukraine. Founded in 2005, the company provided its services through its approximately 1,200 POS throughout the country. Home Credit Group acquired a control over this company in the fourth quarter of 2006 and re-branded it in 2<sup>nd</sup> half of 2007. Late in 2008 management of the Home Credit Group decided to reduce the lending activities in Ukraine and to transfer all activities in Ukraine to CJSC Home Credit Bank. As a result, management intends to cease operations and liquidate this company in 2009.

**PCJSB “PrivatInvest”**

Registered Office: Chernigov, Preobrajenskaya 2, 14006, Ukraine

Identification No.: 9809192

Registered Capital: UAH 60,000,000

Subject of Business: operation of banking activities

PCJSB “Privatinvest” is one of the oldest universal commercial banks in Ukraine oriented on servicing corporate clients and private individuals. Among the bank’s services are: providing loans and opening deposits to corporate and individual clients, cash management services in national and foreign currencies, utilities payments collection and others.

Home Credit Group acquired control over this company in the fourth quarter of 2007.

Currently, Issuer is considering various options with respect its shareholding in PCJSB “Privatinvest” including disposal to a third party or entering into winding-up process.

## 11. DESCRIPTION OF THE PPF GROUP

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

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

### 11.1. Description of the PPF Group

The PPF Group, an international financial group, successfully managed assets worth almost EUR 10.8 billion as of 31 December 2008 (EUR 10.1 billion as of 31 December 2007).

The PPF Group has interests in insurance and consumer finance, and provides complex asset management services. The PPF Group's plans are based on a long-term vision and strategy for developing equity, in the form of making new investments and supporting existing ones. The PPF Group is a strong financial group whose portfolio boasts a number of companies that are acknowledged leaders in their fields. Often they are companies that receive top rankings for their size, performance and business innovation. Through its companies, the PPF Group is particularly active in the Czech Republic, the Slovak Republic, the Russian Federation, Ukraine, Republic of Belarus, China and Vietnam. The PPF Group is constantly looking for new investment opportunities in various markets and invests its funds in companies with a significant base value and the potential for further growth.

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

The PPF Group is a respected financial group that bases its business on virtues such as professionalism, stability, responsibility, flexibility and credibility. Its company culture is based on tradition, experience, team-work and above all on the high quality and loyalty of its employees.

The Netherlands-based PPF Group N.V. acts as the principal holding company for the entire group and makes all strategic decisions relating to group's significant shareholdings including those in insurance and consumer finance businesses. The ultimate shareholders of the company PPF Group N.V. are Mr. Petr Kellner, Mr. Jiří Šmejč and Mr. Ladislav Bartoníček.

#### *(a) Joint Venture between Assicurazioni Generali S.p.A. and PPF Group*

The Generali PPF Holding B.V. ("**Generali PPF Holding**") is the holding between Assicurazioni Generali S.p.A. ("**Generali**") and PPF Group. Generali PPF Holding combines the insurance businesses of both groups in Central and Eastern Europe with written premiums of approximately € 3.1 billion in 2007. Shareholders of Generali PPF Holding are Generali (which controls Generali PPF Holding via its 51% shareholding) and PPF Group (having 49% shareholding). PPF Group contributed to the Generali PPF Holding its assets of the insurance and pension business represented especially by Česká pojišťovna a.s. ("**Ceska pojistovna**"), the largest insurance company in the Czech Republic based on gross premium written<sup>20</sup>, Penzijní fond České pojišťovny, a.s., the largest pension fund in the Czech Republic by number of clients and by volume of assets

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<sup>20</sup> Source: Czech Insurance Association, www.cap.cz

under management<sup>21</sup>, Generali PPF Asset Management a.s. and other companies specializing in insurance business and complex asset management services.

*(b) Home Credit Asia Group*

On 3 September 2006 the company HC Asia N.V., through which PPF Group started expanding in the consumer financing business in Asia was established. On 26 September 2006 the PPF Group established two consulting and holding companies in Hong Kong - Favour Ocean Limited and Home Credit Asia Limited (formerly Union Wealth Engineering Limited). Home Credit Asia Limited is 100% subsidiary of HC Asia N.V., Favour Ocean Limited is 100% subsidiary of Home Credit Asia Limited.

Five Chinese Home Credit guarantee companies were established in the first half of 2007. All are controlled by Home Credit Asia Limited. As of the day of this Prospectus there are eight guarantee companies in China. They have been active on the market in China since December 2007.

*(c) Other Important Companies of the PPF Group*

**PPF banka a.s.**

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

Identification No.: 471 16 129

Date of Incorporation: 3 December 1992

Registered Capital: CZK 769,004,327.50

Subject of Business: banking activities within the bank licence granted by the Czech National Bank

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

On 20 December 2006 Česká pojišťovna a.s. transferred all its shares (i.e. 92.76 % interest) in PPF banka to PPF Group N.V.

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

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

In 2008, according to the audited financial statement prepared in accordance with Czech Accounting Standards, PPF banka's net profit amounted to CZK 543.3 million and its total assets exceeded CZK 44,7 billion.

**PPF a.s.**

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

Identification No.: 25099345

Date of Incorporation: 18 November 1996

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<sup>21</sup> Source: Czech Insurance Association, www.cap.cz



Registered Capital: CZK 420,000,000

Subject of Business: providing of consultancy services

PPF a.s. is the main consulting partner for the entire PPF Group. The aim of the company is to provide consultancy services to the holding company, PPF Group N.V., which controls the entire PPF Group, as well as to each single company of the PPF Group. While providing such services, PPF a.s. endeavours to achieve the maximum effectiveness and synergistic effects within the PPF Group.

## 12. ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES OF THE ISSUER

### 12.1. Management and Statutory Body of the Issuer

The Issuer's statutory body is the Management Board, which may have one or more members according to the Issuer's Articles of Association. The specific number of members is determined by the Issuer's General Meeting, which also appoints and recalls members of the Management Board.

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

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

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

At present, the Issuer's Management Board has three members:

<b>Name</b>	<b>Function</b>	<b>In function as of</b>	<b>Year of birth</b>
<b>Alexander Labak</b>	Chairman of the Board of Directors	26 January 2007	1962
<b>Sonia Slavtcheva</b>	Member of the Board of Directors	1 January 2009	1965
<b>Ivan Svitek</b>	Member of the Board of Directors	1 January 2009	1967

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

#### **Alexander Labak**

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

In function as of: 26 January 2007  
 Date of Birth: 18 September 1962  
 Business Address: Home Credit B.V., Strawinskylaan 933 Tow. B Lev. 9, 1077XX, Amsterdam, the Netherlands

Alexander Labak has been with the Home Credit Group since October 2006. Before joining Home Credit Mr. Labak held executive positions in leading financial services companies such as President, Mastercard Europe and as Chief Marketing Officer, Deutsche Bank. Further he built up a distinct consumer centric profile working for Johnson & Johnson and Henkel. Throughout his career Mr. Labak had European and global business responsibilities complemented by direct operating market experience in the United States, Canada, Germany, Italy, Belgium and Austria. Mr. Labak is a Fulbright Scholar holding an MBA from the Wharton Business School and a PhD from the Vienna University of Economics & Business Administration. He is an Austrian national.

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

CJSC HOME CREDIT BANK, Identification No. 26237202, Ukraine.

**Sonia Slavtcheva**

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

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

Sonia Slavtcheva, Chief Financial Officer of the Home Credit Group, joined Home Credit Group from GE after a distinguished career spanning 10 years where she was regarded as one of the firm's top financial professionals. Ms. Slavtcheva has considerable experience in finance operations, including product profitability management, investment and real estate portfolio optimization as well as funding, treasury & hedging strategies. She had worked for a number of leading financial institutions in the US and CEE countries.

**Ivan Svitek**

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

In function as of: 1 January 2009  
 Date of Birth: 1 October 1967  
 Business Address: Home Credit B.V., Strawinskylaan 933 Tow. B Lev. 9, 1077XX, Amsterdam, the Netherlands

Since September 2008 Mr. Ivan Svitek has been the Chief Executive Officer of Home Credit and Finance Bank. Mr. Svitek has an MBA in Finance from INSEAD in France and has 15 years strategic and operational experience in financial services and consumer products across Europe and Latin America at GE, most recently spending five years as President and CEO of GE Money in Sao Paolo, Brazil.

12.2. Supervisory Body of the Issuer

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

12.3. Managing, Statutory and Supervisory Bodies Conflicts of Interest

Article 2:256 of the Dutch Civil Code stipulates that in general in all cases of a (potential) conflict of interest (in private or in quality) between one or more directors and the company the supervisory board is entitled to represent the company, notwithstanding the power of the General Meeting of shareholders to appoint others to represent the company. If a supervisory board does not exist, the General Meeting of shareholders still has the power to appoint others. It is possible to deviate from the general legal arrangements by recording a different provision in the Articles of Association. However, the General Meeting has the authority to designate at all times one or more other persons to represent the company in the event of a conflict of interest. For the Issuer such provision (in Article 18.3 of the Issuer's Articles of Association) only differs slightly from the law by saying that in the event of a conflict of interest between the Issuer and a member of the Management Board in private, the Issuer shall be represented by one of the other members of the Management Board. The General Meeting shall at all times be competent to designate one or more other persons for this purpose. If it concerns a conflict of interest between the Issuer and a member of the Management Board in another way, this person is, as well as every other Managing Director, authorised to represent the Issuer.

The Issuer it is not aware of any conflicts of interest between the duties of the persons referred to in Article 12.1 of the Prospectus towards the Issuer and their private interests or other duties.

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

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

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

Furthermore, the Issuer does not generate any other significant revenue except for interest income from inter-company loans provided to its subsidiaries. The nominal value of the current loans amounts to EUR 126,050,000, USD 74,600,000, CZK 190,000,000 and UAH 303,917,791. The total amount in EUR is approximately EUR 227,500,000.

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

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

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

Within their business activities, particular subsidiaries of the Issuer are to a certain extent depended on the third parties, above all in relation to distribution of their products. As described in Article 14.3 of this Prospectus, on 17 January 2008 the Insurance / Consumer Finance Relationship Agreement was entered into between the Issuer and Generali PPF Holding B.V. that constituted a basic framework for a co-operation between the companies controlled by the Issuer and the companies controlled by Generali PPF Holding B.V. in the field of distribution and provision of their products. In case that particular subsidiary of the Issuer enters into a separate agreement with a subsidiary of Generali PPF Holding B.V. (as envisaged in the Insurance / Consumer Finance Relationship Agreement) in relation to the distribution and the provision of their products, these companies will be to a certain extent depended on mutual cooperation.

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

### 14. MATERIAL CONTRACTS OF THE ISSUER

#### 14.1. Significant Obligations and Receivables of the Issuer

##### (a) *Significant Obligations of the Issuer*

The Issuer is the issuer of the floating rate notes due in 2009 in the aggregate principal amount of CZK 3,000,000,000 (three billion Czech crowns) admitted to trading on the official free market of the PSE, ISIN CZ0000000203. Unless previously redeemed or purchased by the Issuer the entire principal amount of these notes shall be redeemed in a single payment on 21 June 2009.

The Issuer has provided a pledge for the credit granted by PPF banka a.s. to Home Credit Bank JSC. The pledge is represented by a pledge over a bank account receivable of the Issuer towards PPF banka a.s. in the amount of KZT 9,500,000,000. As of the date of the Prospectus, the outstanding amount of the provided credit amounts to KZT 4,300,000,000. In case that the provided credit is not repaid in a timely manner, PPF banka a.s. may satisfy its receivable from the provided pledge. The maturity date of the secured obligation is 30 November 2009.

(b) *Significant Receivables of the Issuer*

The Issuer has provided to different subsidiaries of the Issuer monetary funds in total amounting to EUR 207,600,000 (for more information see Article 7.3 of this Prospectus).

14.2. Major Transactions in 2007

(a) *Nomos Transaction*

On May 17, 2007 the PPF Group N.V. and the shareholders of Russia's Nomos Bank announced that they have signed a memorandum of understanding with the goal of creating a strategic partnership, in order to create one of Russia's largest banking groups - two entities, Home Credit & Finance Bank and Nomos Bank were to be contributed to a new holding company, mutually owned by the PPF Group N.V. and Nomos shareholders. The banks were to continue to operate their businesses separately and under their current brand names. A full merger was not being discussed at that time.

During 2007, the PPF Group gradually acquired up to 17.69 % its stake in Nomos Bank via Russia Finance Corporation B.V., associated with the Issuer and intended to hold a significant minority stake in Nomos Bank in the future. All the holdings of the Issuer in Nomos Bank held through the company Russia Finance Corporation B.V. has been transferred from the Issuer directly to PPF Group. The transfer from the Issuer to PPF Group is neutral from Issuer's perspective. As of the date of this Prospectus, the PPF Group share in Nomos Bank is 29.9%.

Based on detailed financial markets analysis creation of universal banking group between Nomos Bank and Home Credit & Finance Bank is not further planned and thus Home Credit & Finance Bank will not be contributed in Russia Finance Corporation and it will remain a subsidiary of the Issuer.

14.3. Major Transactions in 2008 and in 2009

(a) *Insurance / Consumer Finance Relationship Agreement*

On 17 January 2008 the Insurance / Consumer Finance Relationship Agreement was entered into between the Issuer and Generali PPF Holding B.V. The agreement governs basic organization of the relationships between the Issuer and Generali PPF Holding B.V. and the creation of a strategic partnership between the Issuer and Generali PPF Holding B.V. and companies controlled by any of them relating to the distribution and provision of certain products of such companies. This agreement is a general contract and it presumes that in relation to distribution and provision of products of particular companies the separate agreements will be entered into between the affected companies.

(b) *PPF Partners*

During 2008 the PPF Group and Generali Group agreed on establishment of a new private equity partnership named PPF Partners. The General partner and a management company is under the control of the PPF Group, limited partners differ based on individual partnerships in two separate funds. During December 2008 „PPF Partners fund 2008“ has signed acquisition contracts for several private equity investments in total amount EUR 246 million. The acquisitions were not completed in 2008 and till the date of this Prospectus only some transfers of individual investments (but majority in terms of the invested amount) were completed. The PPF Group is not participating as a limited partner in these investments.

(c) *Sale of HC Fin 1 B.V.*

On 23 January 2008 the Issuer sold all shares of the company HC Fin 1 B.V. to PPF Group N.V. The proceeds from this trade were used for the full repayment of the loan provided by PPF Co 2 B.V. to the Issuer on 17 December 2007 in amount EUR 235,000,000.

(d) *Refinancing of Securitization of Home Credit a.s.*

On 29 April 2009, revolving loan receivables of CZK 4,565 million originated by Home Credit a.s. were sold to PPF B1 B.V., a subsidiary of PPF banka a.s. registered in the Netherlands. The proceeds from the sale were used to repay variable funding loan notes in the amount of CZK 4,074 million previously issued through HCF Funding No.1 B.V. as a part of securitization of a pool of revolving loan receivables originated by Home Credit a.s. The receivables sale agreement provides for sale of both present receivables and future receivables arising on certain nominated revolving loan accounts for purchase price consisting of a non-contingent part and a contingent part. The purchaser funded the receivables purchase by a loan from PPF banka a.s. with 12 month maturity and extension option for additional 12 months. Under conditions stipulated in the loan agreement the Issuer is obliged to provide the purchaser with subordinated loan of up to 10% of the outstanding balance of the receivables pool and maturity not shorter than the remaining maturity of the senior loan from PPF banka.

14.4. Representation of the Issuer

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

## **15. TREND INFORMATION OF THE ISSUER**

### **15.1. Representation in respect of the Issuer**

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

### **15.2. Actual and Expected Significant Changes in the Home Credit Group Structure**

The prospects of the Issuer might be affected by the obligations of the Issuer that are mentioned in Article 7.3 of this Prospectus. The Issuer does not expect any significant changes in the Home Credit Group structure in the near future.

### **15.3. Future Development of the Home Credit Group**

As the Issuer is a holding company of the Home Credit Group, the development of the Home Credit Group is a significant indicator of the Issuer's business position. The Home Credit Group continuously evaluates opportunities resulting from the changing needs of its clients and the capacity to enlarge the offer of its products on the markets in which the Home Credit Group operates. Additionally, the group is enlarging its geographical presence on markets with low penetration. The Home Credit Group intends to continue in the monitoring of target markets offering potential entrance and successful development prospects for the Home Credit Group. Among such markets belong, among others, China and Vietnam.

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

### 16.1. Historical Financial Information

The Issuer prepares individual and consolidated financial statements.

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

The consolidated financial statement of the Issuer for the year ended 31 December 2008 and for the year ended 31 December 2007 has been prepared in accordance with International Financial Reporting Standards as adopted by European Union (“**IFRS**”). In this Article 16.1 of this Prospectus the Issuer's consolidated balance sheet and consolidated income statement which were derived from the audited consolidated financial statements of the Issuer for the financial years 2008 and 2007 are attached. The full wording of the audited consolidated financial statements of the Issuer for the financial years 2008 and 2007 and the auditor's report for each such period is available on the web page of the Issuer [www.homecredit.net](http://www.homecredit.net) in Section *Financial Reports*, Subsection *Netherlands* whereas the audited consolidated financial statements of the Issuer for the year ended 31 December 2007 (including the auditor's report) is contained in a document called “*Consolidated Financial Statements for the year ended 31 December 2007*” and the audited consolidated financial statements of the Issuer for the year ended 31 December 2008 (including the auditor's report) is contained in a document called “*Consolidated Financial Statements for the year ended 31 December 2008*”.

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



*(a) Consolidated balance sheet and income statement of the Issuer for the year ended 31 December 2008*

The following chart states the consolidated balance sheet and income statement of the Issuer as derived from the audited consolidated financial statement of the Issuer for the year ended 31 December 2008 prepared in accordance with IFRS. The information below should be read in conjunction with the audited consolidated financial statement of the Issuer for the respective financial year. Reporting currency is Euro.

**CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2008***(In thousands EUR)*

	<b>2008</b>	<b>2007</b>
<b>ASSETS</b>		
Cash and cash equivalents	575,955	390,085
Due from banks and other financial institutions	134,116	121,417
Loans to customers	2,537,448	2,407,581
Financial assets at fair value through profit or loss	242,181	19,259
Financial assets available-for-sale	18,105	215,640
Assets classified as held for sale	-	7,360
Current income tax receivables	21,949	568
Deferred tax assets	20,553	21,716
Investments in associates	494	42
Investment property	526	-
Intangible assets	58,585	90,582
Property and equipment	178,145	192,338
Other assets	52,831	81,673
<b>Total assets</b>	<b>3,840,888</b>	<b>3,548,261</b>
<b>LIABILITIES</b>		
Current accounts and deposits from customers	274,038	325,629
Due to banks and other financial institutions	866,317	779,436
Debt securities issued	1,713,494	1,413,227
Financial liabilities at fair value through profit or loss	13,788	24,583
Liabilities classified as held for sale	-	2,582
Current income tax liabilities	3,694	10,165
Deferred tax liabilities	1,875	304
Other liabilities	88,629	70,330
<b>Total liabilities</b>	<b>2,961,835</b>	<b>2,626,526</b>
<b>EQUITY</b>		
<b>Equity attributable to equity holders of the parent</b>		
Share capital	1,156,175	1,156,175
Other capital	-	-
Statutory reserve fund	2,378	2,126
Foreign currency translation	(98,361)	(13,950)
Revaluation reserve	(1)	(1)
Retained earnings/(Accumulated losses)	(181,179)	(222,648)
	<b>879,012</b>	<b>921,702</b>
<b>Minority interest</b>	<b>41</b>	<b>33</b>
<b>Total equity</b>	<b>879,053</b>	<b>921,735</b>
<b>Total liabilities and equity</b>	<b>3,840,888</b>	<b>3,548,261</b>

**CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2008**

(In thousands EUR)

	<b>2008</b>	<b>2007</b>
<b>Continuing operations</b>		
Interest income	1,033,044	676,799
Interest expense	<u>(224,290)</u>	<u>(149,923)</u>
<b>Net interest income</b>	<b>808,754</b>	<b>526,876</b>
Fee and commission income	228,411	162,708
Fee and commission expense	<u>(73,445)</u>	<u>(53,171)</u>
<b>Net fee and commission income</b>	<b>154,966</b>	<b>109,537</b>
Net gains/(losses) on financial assets	<u>174,460</u>	<u>(15,784)</u>
Other operating income	<u>21,941</u>	<u>33,952</u>
<b>Operating income</b>	<b>1,160,121</b>	<b>654,581</b>
Impairment losses on financial assets	(301,684)	(244,923)
Net expense related to credit risk insurance	(19,157)	(9,996)
General administrative expenses	<u>(481,210)</u>	<u>(328,796)</u>
Other operating expenses	<u>(259,915)</u>	<u>(8,913)</u>
<b>Operating expenses</b>	<b>(1,061,966)</b>	<b>(592,628)</b>
<b>Profit before tax</b>	<b>98,155</b>	<b>61,953</b>
Income tax expense	<u>(56,426)</u>	<u>(29,890)</u>
<b>Net profit for the year from continuing operations</b>	<b>41,729</b>	<b>32,063</b>
<b>Net profit for the year</b>	<b>41,729</b>	<b>32,063</b>
<b>Attributable to:</b>		
Equity holders of the parent	41,721	32,057
Minority interest	<u>8</u>	<u>6</u>
	<b>41,729</b>	<b>32,063</b>

*(b) Consolidated balance sheet and income statement of the Issuer for the year ended 31 December 2007*

The following chart states the consolidated balance sheet and income statement of the Issuer as derived from the audited consolidated financial statement of the Issuer for the period ended 31 December 2007 prepared in accordance with IFRS. The information below should be read in conjunction with the audited consolidated financial statement of the Issuer for the respective financial year. Reporting currency is Euro.

**CONSOLIDATED BALANCE SHEET FOR THE PERIOD ENDED 31 DECEMBER 2007***(In thousands EUR)*

	<b>2007</b>	<b>2006</b>
<b>ASSETS</b>		
Cash and cash equivalents	390,085	346,491
Due from banks and other financial institutions	121,417	140,398
Loans to customers	2,407,581	1,488,342
Financial assets at fair value through profit or loss	19,259	30,551
Financial assets available-for-sale	215,640	-
Assets classified as held for sale	7,360	-
Current income tax receivables	568	1,646
Deferred tax assets	21,716	13,065
Investments in associates	42	53
Intangible assets	90,582	88,112
Property and equipment	192,338	126,824
Other assets	81,673	52,663
<b>Total assets</b>	<b><u>3,548,261</u></b>	<b><u>2,288,145</u></b>
<b>LIABILITIES</b>		
Current accounts and deposits from customers	325,629	202,274
Due to banks and other financial institutions	779,436	390,053
Debt securities issued	1,413,227	1,095,628
Financial liabilities at fair value through profit or loss	24,853	4,897
Liabilities classified as held for sale	2,582	-
Current income tax liabilities	10,165	18,024
Deferred tax liabilities	304	1,481
Other liabilities	70,330	45,372
<b>Total liabilities</b>	<b><u>2,626,526</u></b>	<b><u>1,757,729</u></b>
<b>EQUITY</b>		
<b>Equity attributable to equity holders of the parent</b>		
Share capital	1,156,175	213,216
Other capital	-	336,034
Statutory reserve fund	2,126	910
Foreign currency translation	(13,950)	7,790
Revaluation reserve	(1)	-
Retained earnings/(Accumulated losses)	(222,648)	(27,564)
	<b><u>921,702</u></b>	<b><u>530,386</u></b>
<b>Minority interest</b>	<b><u>33</u></b>	<b><u>30</u></b>
<b>Total equity</b>	<b><u>921,735</u></b>	<b><u>530,416</u></b>
<b>Total liabilities and equity</b>	<b><u>3,548,261</u></b>	<b><u>2,288,145</u></b>

**CONSOLIDATED INCOME STATEMENT FOR THE PERIOD ENDED 31 DECEMBER 2007**

(In thousands EUR)

	<b>2007</b>	<b>2006</b>
<b>Continuing operations</b>		
Interest income	676,799	445,126
Interest expense	<u>(149,923)</u>	<u>(96,535)</u>
<b>Net interest income</b>	<b>526,876</b>	<b>348,591</b>
Fee and commission income	162,708	75,231
Fee and commission expense	<u>(53,171)</u>	<u>(33,542)</u>
<b>Net fee and commission income</b>	<b>109,537</b>	<b>41,689</b>
Other operating income	<u>29,608</u>	<u>(3,903)</u>
<b>Operating income</b>	<b>666,021</b>	<b>386,377</b>
Impairment losses	(245,872)	(173,017)
Net expense related to credit risk insurance	(9,996)	(15,010)
General administrative expenses	<u>(348,224)</u>	<u>(167,315)</u>
<b>Operating expenses</b>	<b>(604,092)</b>	<b>(355,342)</b>
<b>Profit before tax</b>	<b>61,929</b>	<b>31,035</b>
Income tax expense	<u>(29,890)</u>	<u>(13,541)</u>
<b>Net profit for the year from continuing operations</b>	<b>32,039</b>	<b>17,494</b>
<b>Discontinued operation</b>		
Profit from discontinued operation (net of income tax)	<u>24</u>	<u>-</u>
<b>Net profit for the year</b>	<b>32,063</b>	<b>17,494</b>
<b>Attributable to:</b>		
Equity holders of the parent	32,057	17,492
Minority interest	<u>6</u>	<u>2</u>
	<b>32,063</b>	<b>17,494</b>

#### 16.2. Auditing of Historical Annual Financial Information

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

#### 16.3. Age of Latest Financial Information

The Issuer mentions its financial information for the years 2008 and 2007 in the Prospectus. The latest year for which the Issuer's financial information was audited by auditor is the year 2008.

#### 16.4. Legal and Arbitration Proceedings

As of 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 of 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.

For the sake of completeness, the Issuer states that in recent court dispute between Home Credit & Finance Bank and the Russian Consumer Protection Service, the Federal Arbitration Court of the Urals Region held that a bank may not (a) charge a fee to a borrower for the opening of loan accounts with the lending bank as a pre-requisite for providing the loan; or (b) charge any prepayment or late payment penalties. As a result of this decision a penalty of EUR 586 was assessed on Home Credit & Finance Bank. Currently, this decision is being considered by the Russian Supreme Arbitration Court, to whom Home Credit & Finance Bank appealed, which if upheld, may affect the validity of account opening commissions, late payment and prepayment penalties or may lead to Home Credit & Finance Bank customer to make claims to have refunded such commissions or penalties previously paid to Home Credit & Finance Bank which would adversely affect Home Credit & Finance Bank business, financial condition, results of operations or prospects. Home Credit & Finance Bank amended its standard form consumer loan agreements to comply with this decision. The management has made an assessment of the situation above and considers that in the Russian environment the costs of making claims to have previous commissions and penalties refunded from individuals and the potential uncertainty of legal outcome would outweigh the benefits of making the claims. Consequently management considers the likelihood of a future material outflow of funds is remote

Under Russian law, a company should provide its employees in Far Northern region of Russia with additional benefits, in particular, each salary payment shall be adjusted by governmentally determined factors. When Home Credit & Finance Bank calculated salaries to its employees of regional representative office located in Far Northern regions of Russia such as Archangelsk, Irkutsk and Murmansk, it did not fully comply with the application of these law requirements: Home Credit & Finance Bank only included these factors increase in base salary compensation, whereas they should have been applied to the overall compensation package. As of 31 December 2008 there were claims from its employees totalling to TRUB 2,504 (31 December 2007: TRUB 6,480) pending resolution in the court. The Issuer's group management created a provision for the full amount of such claims in these financial statements.

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

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

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

On 4 March 2009, a loan agreement was entered into between the Issuer and PPF Group N.V. on the basis of which the Issuer provided PPF Group N.V. with a loan in the amount of EUR 115,000,000 from the facility up to the amount of EUR 170,000,000. The maturity date of the provided loan is 28 September 2010.

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

### **17.1. Third Party Information**

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

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. Information in this Prospectus which is based on third-party sources has been accurately reproduced and, as far as the Issuer is aware and is able to ascertain from information published by such third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

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 Managers 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.

## 18. TAXATION IN THE CZECH REPUBLIC AND THE NETHERLANDS

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

### 18.1. Taxation in the Czech Republic

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

#### (a) *Interest income*

Interest income accruing to a natural person who is a Czech tax resident (or a Czech permanent establishment of a natural person who is not a Czech tax resident) is a part of the person's tax base subject to the applicable tax rate (15% in 2009). 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. For an investment fund, share fund or pension fund, the interest revenue enters the general tax base subject to a decreased tax rate applicable to selected collective investment entities (5% in 2009). From interest income, taxes shall not be collected by the Czech tax authority by withholding at the source.

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

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

#### (b) *Income on sale*

Profits from the sale of Notes generated by a legal entity that is a Czech tax resident or by a permanent establishment of a tax non-resident – a legal entity situated in the Czech Republic, are included in the general tax base subject to taxation by the relevant legal entities' income tax rate (20% in 2009). For an investment fund, share fund or pension fund, the profit from the sale enters the general tax base subject to



a decreased tax rate applicable to selected collective investment entities (5% in 2009). 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 2009). Potential losses on a sale can be regarded as tax deductible only in certain situations and provided that certain conditions are met. Provided the Notes are trading on PSE, if the Notes have not been included in the natural person's business property and if the time between the acquisition and the sale of the Notes has exceeded a period of six months, the income on the sale of the Notes is exempted from taxation.

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 (20% in 2009 for legal entities, 5% for an investment fund, share fund or pension fund, and tax rate of 15% in 2009 for natural persons), unless a relevant agreement on the elimination of dual taxation entered into by the Czech Republic stipulates otherwise. Unless such agreement on the elimination of dual taxation stipulates otherwise, the purchaser is generally obligated to deduct a tax securing of 1% of the income unless the Notes are sold by an entity that is a tax resident of a member state of the European Union or the European Economic Area. Said securing may be allowed for in the resulting tax liability of the Czech tax non-resident in the Czech Republic.

## 18.2. Taxation in the Netherlands

This summary solely addresses the principal Dutch tax consequences of the acquisition, holding and disposal of the Notes. It does not consider every aspect of taxation that may be relevant to a particular Noteholder under special circumstances or who is subject to special treatment under applicable law. Where in this summary English terms and expressions are used to refer to Dutch concepts, the meaning to be attributed to such terms and expressions shall be the meaning to be attributed to the equivalent Dutch concepts under Dutch tax law.

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

### (a) *Withholding tax*

All payments made under the Note 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 Note, as a result of its terms and conditions, is to be treated as equity. Based on article 10 paragraph 1d of the Dutch Corporate Income Tax Act 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 (maximum) rate of 25.5%.

*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 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, 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 income from miscellaneous activities (“*resultaat uit overigewerkzaamheden*”) within the meaning of Section 3.4 of the Income Tax Act 2001, which include activities with respect to the Notes that exceed ‘regular portfolio management’ (“*normaal vermogensbeheer*”).

If neither situation (a) nor situation (b) applies to the Noteholder, taxable income with regard to Notes must be determined on the basis of a deemed return on income from savings and investments (“*sparen en beleggen*”), rather than on the basis of income actually received or gains actually realized. At present, this deemed return on income from savings and investments has been fixed at a rate of 4% of the average of the individual's net capital (“*rendementsgrondslag*”) at the beginning of the calendar year and the individual's net capital at the end of the calendar year, insofar as the average exceeds a certain threshold. The average of the individual's net capital is determined as the fair market value of certain qualifying assets held by the Noteholder less the fair market value of certain qualifying liabilities on 1 January and 31 December, divided by two. The fair market value of the Notes will be included as an asset in the individual's net capital. The deemed return on income from savings and investments of 4% will be taxed at a rate of 30 per cent.

***Non-residents of the Netherlands***

*Entities*

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

If a non-resident Noteholder other than an individual is subject to Dutch corporate income tax on the basis mentioned above, income derived from the Notes and gains realized upon the redemption, conversion, or disposal of the Notes are taxable in the Netherlands at a (maximum) rate of 25.5%.

*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 portfolio management’ (“*normaal vermogensbeheer*”).

*(c) Gift and inheritance taxes*<sup>22</sup>

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:

- (i) the donor is, or the deceased was resident or deemed to be resident in the Netherlands for purposes of gift or inheritance tax, as the case may be; or
- (ii) the Notes are or were attributable to an enterprise or part of an enterprise that the donor or the deceased carried on through a permanent establishment or a permanent representative in the Netherlands at the time of the gift or of the death of the deceased<sup>23</sup>; or
- (iii) in the case of a gift of the Notes by an individual who at the date of the gift was neither resident nor deemed to be resident in the Netherlands, such individual dies within 180 days after the date of the gift, while being resident or deemed to be resident in the Netherlands.

*(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.

**18.3. EU Savings Directive**

Under Directive 2003/48/EC on the taxation of savings income in the form of interest payments, Member States are required to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to, or collected by such a person for, an individual resident in that other Member State. However, for a transitional period, Belgium, Luxembourg and Austria are required

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<sup>22</sup> A legislative proposal to amend the Dutch gift and inheritance tax is pending, and is expected to enter into effect as per 1 January 2010.

<sup>23</sup> Pursuant to the legislative proposal to amend the Dutch gift and inheritance tax, gift and inheritance tax would be abolished for inheritance or donation of Notes that are or were attributable to an enterprise or part of an enterprise that the donor or the deceased carried on through a permanent establishment or a permanent representative in the Netherlands at the time of the gift or of the death of the deceased. This legislative proposal is not final yet and may be subject to change.

(unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries), deducting tax at rates rising over time to 35%.

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

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

### 19.1. Foreign Exchange Regulation in the Czech Republic

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

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

### 19.2. Foreign Exchange Regulation in the Netherlands

The Dutch Central Bank (*De Nederlandse Bank* 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 the Act on Financial Foreign Relations 1994 (*Wet Financiële Betrekkingen Buitenland 1994*). A Special Financial Institution is an enterprise (i) in which non-residents directly or indirectly participate, and (ii) whose primary business is the receipt of means (*middelen*) from non-residents and the transfer thereof to non-residents.

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

## 20. ENFORCEMENT OF CIVIL LIABILITIES AGAINST THE ISSUER

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

### 20.1. The Czech Republic

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

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

In connection with the accession of the Czech Republic to the European Union, Council Regulation No. 44/2001 EC of 22 December 2000, on the jurisdiction and the recognition and enforcement of judgments in civil and commercial matters, is directly applicable in the Czech Republic. On the basis of the Regulation, court decisions issued by court bodies in member states of the European Union, including the Netherlands, in civil and court matters are enforceable in the Czech Republic and vice versa; court decisions issued by court bodies in the Czech Republic in civil and commercial matters are enforceable in the member states of the European Union including the Netherlands.

Furthermore, an amendment of the above Private International Law and Procedure Act was adopted in connection with the accession of the Czech Republic to the European Union, according to which, if a party requests, under a regulation of the European Communities or an international treaty to the ratification of which the Parliament of the Czech Republic has given consent and by which the Czech Republic is bound (hereinafter the “**International Agreement**”), the recognition of a foreign decision, another public document or court conciliation (hereinafter the “**Decision**”) be decided upon in special proceedings, the court decides on the recognition through a judgment. In parallel with a proposal for the declaration of enforceability, a proposal may be filed for the ordering of such enforcement of a Decision or distraint under a special law (the Code of Civil Court Procedure or the Distraint Code). The Decision cannot become legally effective in a verdict ordering enforcement of a decision or distraint earlier than in the verdict by which the Decision is declared enforceable.

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

#### 20.2. The Netherlands

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

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

## 21. DOCUMENTS ON DISPLAY

### 21.1. Documents on Display

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

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

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

The historical financial information of the Issuer for each of the four financial years preceding the publishing of the Prospectus for which the financial statements have been prepared (i.e. for financial years 2005 - 2008) is also available in electronic form on the web pages of the Issuer [www.homecredit.net](http://www.homecredit.net).

### 21.2. Historical Financial Information of the Issuer's Subsidiaries

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

- historical financial information of Home Credit a.s. at the address PPF banka a.s., Prague 6, Evropská 2690/17, Postal Code: 160 41, the Czech Republic ;
- historical financial information of Home Credit & Finance Bank at the address PPF banka a.s., Prague 6, Evropská 2690/17, Postal Code: 160 41, the Czech Republic;
- historical financial information of Home Credit Slovakia, a.s. at the address PPF banka a.s., Prague 6, Evropská 2690/17, Postal Code: 160 41, the Czech Republic;
- historical financial information of Home Credit Kazakhstan JSC at the address PPF banka a.s., Prague 6, Evropská 2690/17, Postal Code: 160 41, the Czech Republic;
- historical financial information of Home Credit International a.s. at the address PPF banka a.s., Prague 6, Evropská 2690/17, Postal Code: 160 41, the Czech Republic;
- historical financial information of CJSC HOME CREDIT BANK at the address Home Credit B.V., Strawinskylaan 933 Tow. B Lev. 9, 1077XX, Amsterdam;
- historical financial information of OJSC Home Credit Bank at the address Home Credit B.V., Strawinskylaan 933 Tow. B Lev. 9, 1077XX, Amsterdam;
- historical financial information of PCJSB "PrivatInvest" at the address Home Credit B.V., Strawinskylaan 933 Tow. B Lev. 9, 1077XX, Amsterdam;
- historical financial information of DONMERA LIMITED at the address Home Credit B.V., Strawinskylaan 933 Tow. B Lev. 9, 1077XX, Amsterdam;
- historical financial information of HOMER SOFTWARE HOUSE LIMITED at the address Home Credit B.V., Strawinskylaan 933 Tow. B Lev. 9, 1077XX, Amsterdam;



- historical financial information of HC Fin3 B.V. at the address Home Credit B.V., Strawinskylaan 933 Tow. B Lev. 9, 1077XX, Amsterdam;
- historical financial information of HC Kazakh Holding B.V. at the address Home Credit B.V., Strawinskylaan 933 Tow. B Lev. 9, 1077XX, Amsterdam;
- historical financial information of historical financial information of REDLIONE LIMITED at the address Home Credit B.V., Strawinskylaan 933 Tow. B Lev. 9, 1077XX, Amsterdam;
- historical financial information of LLC HOME CREDIT FINANCE at the address Home Credit B.V., Strawinskylaan 933 Tow. B Lev. 9, 1077XX, Amsterdam;
- historical financial information of Home Credit Bank JSC at the address Home Credit B.V., Strawinskylaan 933 Tow. B Lev. 9, 1077XX, Amsterdam;
- historical financial information of LLC Inko-Technopolis at the address LLC Home Credit & Finance Bank, Moscow, Zelenograd, building 317a, 103482, the Russian Federation;
- historical financial information of LLC Liko-Technopolis at the address LLC Home Credit & Finance Bank, Moscow, Zelenograd, building 317a, 103482, the Russian Federation;
- historical financial information of LLC Infobos at the address LLC Home Credit & Finance Bank, Moscow, Zelenograd, building 317a, 103482, the Russian Federation;
- historical financial information of LLC Financial Innovations at the address LLC Home Credit & Finance Bank, Moscow, Zelenograd, building 317a, 103482, the Russian Federation.

Some of the subsidiaries of the Issuer are not obligated to publish financial statements. The results of the subsidiary companies are reflected in the consolidated financial statements of the Issuer which the Issuer regularly publishes on its web page [www.homecredit.net](http://www.homecredit.net). Historical financial information of significant subsidiaries of the Issuer that regularly publish financial statements for the two financial years (if relevant) preceding the publication of this Prospectus is also available on the following web pages:

- Home Credit & Finance Bank – annual financial statements are published at [www.homecredit.net](http://www.homecredit.net) – section *Financial Reports*, subsection *Russian Federation*;
- Home Credit a.s. – annual financial statements are published at [www.homecredit.net](http://www.homecredit.net) – section *Financial Reports*, subsection *Czech Republic*;
- Home Credit Slovakia, a.s. – annual financial statements are published at [www.homecredit.net](http://www.homecredit.net) – section *Financial Reports*, subsection *Slovak Republic*;
- Home Credit Kazakhstan JSC – annual financial statements are published at [www.homecredit.net](http://www.homecredit.net) – section *Financial Reports*, subsection *Republic of Kazakhstan*.

## 22. INFORMATION INCORPORATED BY REFERENCE

The following documents which are incorporated by reference into this Prospectus can be found on the official web page of the Issuer [www.homecredit.net](http://www.homecredit.net) in Section *Financial Reports*, Subsection *Netherlands*:

- (a) the audited consolidated financial statements of the Issuer for the year ended 31 December 2007 (including the auditor's report) is contained in a document called "*Consolidated Financial Statements for the year ended 31 December 2007*" and
- (b) the audited consolidated financial statements of the Issuer for the year ended 31 December 2008 (including the auditor's report) is contained in a document called "*Consolidated Financial Statements for the year ended 31 December 2008*".

**23. GENERAL INFORMATION**

1. The Issuer of the Notes is Home Credit B.V., with its registered office at Strawinskylaan 933 Tow. B Lev. 9, 1077XX, Amsterdam, the Netherlands, a company incorporated under the laws of the Netherlands, registered with the trade register of the Chamber of Commerce for Amsterdam, the Netherlands (*Kamer van Koophandel Amsterdam*) under file No. 34126597.
2. The issuance of the Notes was approved by the decision of the Management Board of the Issuer, dated 21 May 2009. Such Management Board Resolution (its draft) was also approved by Issuer's shareholders (PPF Group N.V. and HC SE) by their resolution dated 20 May 2009.
3. The issuance of the Notes is governed by the laws in effect, in particular Act No. 190/2004 Coll. on Notes as amended, Act No. 256/2004 Coll., the Capital Markets Act, as amended, and Commission Regulation (EC) No. 809/2004, implementing Directive 2003/71/EC of the European Parliament and of the Council as regards information contained in prospectuses as well as the format, incorporation by reference and publication of such prospectuses and the dissemination of advertisements, and regulations of the individual regulated securities markets in which the relevant Issue of Notes is to be listed.
4. The terms and conditions for the issuing of the Notes contained in this Prospectus, as well as this Prospectus itself, were approved by a decision of the Czech National Bank, dated on June 15, 2009, which came into legal force on June 16, 2009.
5. On 4 June 2009 the PSE approved a conditional acceptance of the Notes for trading on the free market of the PSE under the condition of fulfilling certain conditions including the approval of the Prospectus by the Czech National Bank and its being published in accordance with the laws in effect.
6. 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.
7. The auditing company KPMG Accountants N.V., Burgemeester Rijnderslaan 20, 1185 MC Amstelveen, has granted and not withdrawn a written consent to the inclusion of the Issuer's financial statements in this Prospectus for the last two accounting years, including the auditor's reports.
8. The Prospectus was drafted as of 2 June 2009.
9. Matters important for the claiming of the rights of Noteholders shall be published in the way specified in the terms and conditions for issuing the Notes.
10. The full text of the audited annual financial statements of the Issuer, including appendices and the auditor's statements, for the periods as of 31 December 2008 and 31 December 2007 are together with the other documents that this Prospectus refers to, for the period while the Issue of the Notes remains unpaid, are available for access free of charge during regular office hours at the Issuer's registered office.
11. The net proceeds of the issue, after the deduction of all fees, costs and expenses in connection with the issuance of the Notes shall be used for general corporate purposes of the Issuer especially for the purposes of the Issuer's business activities as described in Article 9.1 of the Prospectus.
12. In relation to the interests of natural and legal persons involved in the Issue, the Issuer confirms its understanding and notes to third parties (i) that PPF banka acting as the Administrator, the Listing Agent

and Calculation the Agent, is related to the Issuer as it is a member of the PPF Group, and (ii) that part of the selected institutional investors to whom the issue of Notes will be offered and who have indicated their interest in subscribing and purchasing part of the issue of the Notes are investors from the PPF Group. As of the day of this Prospectus, the Issuer is not aware of any other interest of any natural or legal person involved in the Issue which might be essential for the Issue.

## 24. LIST OF DEFINITIONS, TERMS AND ABBREVIATIONS USED

“**bill.**” or “**bn**” means billion;

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

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

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

“**Centre**” or “**Securities Centre**” means the Securities Centre with its registered office in Prague 1, Rybná 14, Postal Code 110 05, Identification No.: 48112089;

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

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

“**Commercial Code**” means Act No. 513/1991 Coll., the Commercial Code, as amended;

“**CR**” means the Czech Republic;

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

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

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

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

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

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

“**KZT**” means Kazakhstan Tenge, the lawful currency of Kazakhstan (as of 31 December 2008 the exchange rate was KZT 100 to CZK 15.996, according to the information published by the CNB);

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

“**Mill.**” or “**mil.**” means million;

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

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

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

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

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

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

“**Securities Act**” means act No. 591/1992 Coll., on Securities, as amended;

“**SKK**” means the Slovak crown, the lawful currency of the Slovak Republic;

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

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

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

“**TSKK**” means thousand(s) of Slovak crowns;

“**UAH**” means Ukrainian hryvnia, the lawful currency of Ukraine (as of 31 December 2008, the exchange rate was UAH 1 to CZ 2.480, according to the information published by the CNB);

“**UNIVYC**” means UNIVYC, a.s., Identification No. 25081489, having its registered office at Prague 1, Rybná 14, the Czech Republic;

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

“**VAT**” means value added tax under Act No. 588/1992 Coll., or, as the case may be, Act No. 235/2004 Coll. (depending on which law is relevant in the given context) on Value Added Tax, as amended.

**ISSUER**

**Home Credit B.V.**  
Strawinskylaan 933 Tow. B Lev. 9  
1077XX, Amsterdam  
The Netherlands

**LEAD MANAGER**

**PPF banka a.s.**  
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Czech Republic

**LEGAL ADVISORS**

**Brzobohatý Brož & Honsa, v.o.s.**  
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Czech Republic

**ADMINISTRATOR**

**PPF banka a.s.**  
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160 41 Prague 6  
Czech Republic

**ISSUER'S AUDITOR**

**KPMG Accountants N.V.**  
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1185 MC Amstelveen  
The Netherlands