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The company is incorporated in the trade register of the Chamber of Commerce for Amsterdam under the file number 34126597.

Press Release

Home Credit B.V.: IFRS consolidated results for the period ended 30 September 2018

SUCCESSFUL DIGITAL AND RETAIL STRATEGIES DELIVERING SOLID GROWTH

Amsterdam, 27 November 2018: Home Credit B.V. ('HCBV' or 'the Group'), the Netherlands-based holding company for Home Credit's leading multi-channel consumer finance operations in Central and Eastern Europe, Asia and the United States, announces its consolidated financial results for the nine-month period ended 30 September 2018, in accordance with International Financial Reporting Standards (IFRS) incorporating IFRS 9 which represents a change to the way financial instruments are measured and classified in the financial statements.

"This was a very good third quarter, further underscoring Home Credit's resilience. The Group successfully managed the broader market headwinds to deliver a third-quarter net profit of EUR 173 million, substantially ahead of the same period in 2017, bringing the nine-month result to EUR 213 million. Our increased financial strength and successful fundraising enabled us to continue to drive new loan volumes.

"Russia has had a very good year delivering award-winning innovation that keeps us at the forefront of that market. China has taken the regulatory changes there in its stride, delivering another robust quarterly performance. Even in India where the market is experiencing funding challenges, Home Credit grew significantly.

In our increasingly profitable emerging markets operations, which now span countries comprising over 3 billion people, our growth is underpinned by innovative partnerships such as our tie-up with mobile wallet provider Momo in Vietnam"

Ondrej Frydrych,
Group CEO, Home Credit Group

"Our performance this year is testament to the effectiveness of our strategy. Home Credit has shown that not only can it adapt to some quite demanding changes in its markets, but it can do so swiftly and successfully. The business itself is also adapting rapidly, building on the very strong position the Group has in the offline environment while rapidly developing our online presence. We deliver a true omni-channel proposition so that customers can access finance wherever they are and whenever they are ready.

I'm particularly proud that in selected markets we have been able to take this one step further, leveraging our sophisticated and highly efficient scoring algorithms which use big data and deliver not just fast but instant loan approvals.

Our winning customer experience model remains very attractive for retail clients in the Czech Republic, our home market. This encourages us to proceed with the transformative transaction between Home Credit, Air Bank and Moneta. I am convinced that if the transaction is completed it will create shareholder value thanks to its strong commercial logic and that it will support aspirational growth as well as profitability objectives.

Our belief in the value of this project is underlined by our willingness to acquire a significant equity position in the combined entity."

Jiri Smejc,
Executive Chairman, Home Credit Group

GROUP OVERVIEW

Through the end of the third quarter, the Group sustained its return to strong performance this year, achieving a net profit of EUR 213 million. During the same period in 2017, Group profit was EUR 232 million. This was prior to the adoption of IFRS9, as well as market regulations and more stringent underwriting processes in China that impacted the first quarter of 2018.

On a year-on-year basis for the third quarter, the Group achieved a significant 75% rise in profit to EUR 173 million, compared to EUR 99 million for the third quarter of 2017. The key contributors to this improvement were our operations in China, Russia and Kazakhstan. The increase also resulted from the Group's growing volume of digital sales. The Group delivered these results while sustaining its low risk profile with the adoption of IFRS9. Cost of risk slightly decreased compared to the previous period and we maintained a highly prudent reserve level at an NPL coverage ratio of 131.7%.

The Group issued EUR 15,119 million in new loans by the end of the quarter, an increase of 1.9% over the same period in 2017. The business in China benefited from a more stable operating environment and the Group's other mature and growth operations in Asia delivered steady growth in new volumes of 36.1% year-on-year. Russia and Kazakhstan also contributed significantly due to considerably higher new loan volumes.

The in-store retail network of several country markets in Asia nearly doubled in size, with overall point of sale locations growing to 434,232, supported by several thousand new openings in China. The Group sustained its base of active customers at 28.9 million, up 1.2% year-on-year, as our digital platforms and mobile applications deepened our ability to regularly engage with consumers, support transactional business and offer important educational services, such as financial literacy tools.

CHINA – KEYSTONE GROWTH MARKET

The Group's largest country market operation sustained its quick return to profitability by achieving a 94% rise in net income during the third quarter, compared to the robust second-quarter result. Stringent underwriting and credit assessment processes positioned the company well for a more stable market following the regulatory changes implemented late last year which significantly impacted Q1 2018. Our strong executive team of domestically and internationally experienced managers has ensured that our continued, strong recovery in the market during the second quarter was sustained through the end of the current period.

The business also closely managed our digital presence in China, where 23.8 million customers downloaded Home Credit's mobile app year-to-date. We also increased our connections with retail partners through both in-store operations and digital API integration. This helps simplify access to finance for our customers, and improves their retail experience through a wide-range of convenient channels. Our China business continues to further increase the implementation of automated customer tools - for example, 75% of customer communications is now handled by machine-learning enabled technology. These innovations allow for even smoother collection and repayment processes, while accelerating credit approvals.

ASIA – MATURE & GROWTH OPERATIONS

Home Credit Vietnam delivered 16.6% year-on-year growth in new volumes (on a local currency basis) across all loan products, supported by the launch of new offerings, such as our credit card with a major domestic supermarket chain. In parallel, our country business expanded its digital offering by establishing a strategic agreement with Momo, an e-wallet provider with 2.5 million users.

The group's operations in India produced double-digit growth during the quarter with new loan volumes increasing 59.3% year-on-year (on a local currency basis), despite the fluctuations experienced by the wider domestic market as the country's banking system worked through debt challenges. Having already achieved sustainable growth, our country business is in an ideal position to increase repeat engagement and further boost brand recognition with Indian customers.

In the third quarter, our Philippine business achieved its third consecutive quarter of profitability, resulting in EUR 9 million in net profit, supported by solid funding. As the market leader, Home Credit Philippines maintains a strong retail presence with 85% market share which, alongside continued digital growth and mobile app adoption, enabled the Philippines operations to welcome its three-millionth customer in August.

Home Credit Indonesia disbursed more than EUR 399 million of new loans, a 90.1% year-on-year increase in loan volumes (on a local currency basis). The penetration of value-added services further increased. The attachment rate of our payment protection insurance offering grew to 73.5% while the attachment rate of our device damage insurance product saw an increase to 64.4% in the third quarter. In July, the Group used its Indonesian mobile app to launch DONA, a multipurpose online financing solution for a wide range of products and services, such as healthcare, education, holidays, weddings and house renovations. Our Indonesian business has also signed agreements with two airlines, Citilink and Air Asia, to support the online purchase of tickets on credit.

EUROPE & CENTRAL ASIA – MATURE OPERATIONS

In Russia, Fitch affirmed its BB- rating for Home Credit & Finance Bank (“HCFB”) with a stable outlook, reflecting HCFB’s solid capital position and healthy performance in the market. Russia is a good contributor with risk metrics that remain at historical lows. The country business generated 18.2% year-on-year growth (on a local currency basis) in new loan volumes, while bringing the NPL ratio to just 3.9%. Importantly, our digital strategy is generating increased online loan volumes, which exceeded 40% of all new loans by the end of the period.

For our banking business, HCFB introduced two new cards: an installment card “Freedom” and the debit card “Green Polza” geared towards customers who lead a healthy and environmentally-friendly lifestyle, supporting continued growth in our debit card business. The debit card portfolio has almost doubled over the year, reaching EUR 654 million as of 30 September 2018. The average monthly volume of transactions via the installment cards - just one year after its launch - was more than EUR 27 million These results contributed very positively to the overall Group performance in the third quarter.

Kazakhstan’s operating income improved significantly to EUR 48 million, a 30% increase owing to additional fees as well as comprehensive product and channel management. Cash loans enjoyed strong growth to EUR 325 million. In August, we successfully launched “Finzashchita”, our financial protection product. Our funding base in the country remains strong, with the business well positioned for the annual high season at the end of the year.

In the Czech Republic, net profit for our Home Credit business in the first three quarters of 2018 more than doubled to EUR 15 million compared with the same period in 2017. Over the past nine months, Home Credit financed almost EUR 36 million in car loans, introduced a flexible revolving cash loan, and established the fastest e-shop financing solution in the country. Air Bank grew its digital offering by incorporating additional loyalty features and new services into its mobile application, boosting its already strong appeal to both existing and potential customers.

DIGITAL & TECHNOLOGY PLATFORMS

The Group’s digital strategy and growing technology base continues to support its loan operations across all country markets, creating an expanded basis for both new customer generation as well as retention. Usage of our mobile apps (an increase of 69.8% y-o-y) and sign-ups to our social media (an increase of 173% y-o-y) and digital channels all continued apace, supporting the 56% increase in online sales year-on-year.

As each of our country businesses pursues digital offerings and implements new technology offerings tailored to the specific needs of different customer groups, the Group saw several important developments during the quarter.

Among our Asia operations, the new partnership with Vietnam e-wallet provider Momo provides customers with seamless services and access to Home Credit’s cash loans offering.

In Indonesia, the rapid digital transformation of Home Credit's vibrant country business accelerated. By the end of the period, the "My Home Credit" mobile app has been downloaded by our customers more than three million times, while 43% of our active customers now use our mobile app at least once a month.

This is similar to the success of our online services platform in Russia: the share of our active customers using online services reached 59.4% during the quarter.

In the Philippines, Home Credit's mobile app had been downloaded more than one million times by the end of period, despite being introduced only last year.

Taken together, these successful strides are allowing the Group to continue expanding on its goal of regular, daily engagement with its customers to ensure Home Credit's services resonate strongly with their financing needs.

RETAIL & OMNI-CHANNEL NETWORK

Home Credit's retail network of in-store locations and bank branches reached 434,232 points of sale, a record. Several of our Asia markets experienced year-on-year growth of more than 50%, contributing nearly 20,000 new points of sale. This comes on top of more than 7,800 new locations in China versus the same period in 2017, helping the Group to maintain nationwide scale in virtually all of its country markets. Our retail presence continues to be complemented by our digital offering, often allowing customers the flexibility to access finance for goods they try out in-store and the ability to purchase online at any time.

FUNDRAISING

The Group's funding base has remained strong across country markets, with several of its country operations working with banking partners on many transactions. A JFS (joint financing scheme) with Tianjin Bank, which was closed in China in September, will, together with the first revolving ABS transaction issued in China last quarter for the total amount of RMB 3 billion, help Home Credit in China to fund its continued steady growth. Home Credit is the second entity in China which is starting to use JFS for its lending activities.

In India the Group successfully issued two Commercial Papers for IND 2.5 billion (rating A-) and two Non-Convertible Debentures for INR 1.9 billion.

Lastly, Home Credit Philippines closed a syndicated loan of PHP 6.5 billion, which was oversubscribed by PHP 3.35 billion (167%).

INFORMATION ABOUT ONGOING TRANSACTION

Home Credit Group B.V. and MONETA Money Bank are in preliminary discussions to build a leading retail bank in the Czech Republic. In October 2018, Home Credit Group B.V. and MONETA Money Bank, a.s. ("Moneta") entered into a non-binding and preliminary agreement to sell the Czech and Slovak businesses - (Air Bank a.s., Home Credit a.s. and Home Credit Slovakia a.s., subsidiaries of the Company) - to Moneta.

The transaction represents a transformational opportunity to accelerate the growth and returns of the combined entity, which will leverage Air Bank's brand to compete against incumbent market players. If the transaction is completed, the combined businesses will create the strongest challenger bank in the Czech Republic's retail banking and consumer finance lending space. The transaction is planned to deliver at least 10% cost synergies from the combined expense base of the involved businesses and will add more than one million customers to Moneta, with minimal overlap with its current customer base.

As part of this transaction, and according to the non-binding and preliminary agreement, Home Credit Group B.V. is expected to receive 165.6 million newly-issued shares by Moneta (24.48% in combined business), priced at CZK 13.0 billion, and a cash consideration of CZK 6.75 billion.

The transaction is expected to close on 1 July 2019. Completion is subject to standard conditions, including agreement on binding transaction documents, approval by Moneta shareholders and the necessary regulatory approvals.

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HIGHLIGHTS

- **The Group posted a net profit of EUR 213 million for the first nine months of 2018.** This compares to similarly strong results of EUR 232 million during the same period of 2017, prior to the group's implementation of IFRS9 and constructive changes to market regulations in China. In the third quarter of 2018, our significant 75% year-on-year rise in profit to EUR 173 million (Q3 2017: EUR 99 million) reflects the Group's return to strong performance for its keystone market of China, mature operations in Europe and Central Asia, as well as its growth markets in Asia.

- **New loan volume was EUR 15,119 million year-to-date, up 1.9% over the same period of 2017**. The Group continued to sustain volume momentum in its South East Asia operations, which grew by 36.1% during the period and added to similarly robust loan growth in Russia and Kazakhstan.

- **The number of active customers remains high at 28.9 million**. This number is up 1.2% year-on-year, with the Group sustaining its engagement with higher quality customers while continuing its approach to controlling credit risk between its mature and growth country operations. The number of total customers served continues to grow, reaching 111.2 million at the end of the period, an increase of 13.9 million since the start of the year.

- **The net loan portfolio increased by 7.8% since 4Q 2017 to EUR 16,652 million** from EUR 15,452 million.

- **Cost of risk decreased slightly to 11.7% by the end of the period from 12.6% in Q2 this year**, as the Group maintained its approach to controlling credit risks in China, while also closely managing new loan issuances across its Asia growth markets.

- **Home Credit sustained a highly prudent reserve level at an NPL coverage ratio of 131.7%,** reflecting its responsible approach to financial management across its country operations.

- **Customer deposits also saw a positive year-to-date increase of 5% to EUR 6,688 million,** as efforts by the Group to encourage its Czech banking customers to increase account holdings brought over EUR 601 million in new deposits and helped lower funding costs in the market.

- **Operating income grew by 33.7% year-on-year to EUR 2,923 million**, with HCBV delivering on its recovery from Q1 this year and capitalizing on loan volume growth over the course of 2017.

- **Operating expenses** for the period were EUR 1,305 million, as the business supported the steady growth of its distribution channels.

- **The Group saw total equity rise to EUR 1,934 million,** and remains well capitalized with an equity-to-asset ratio of 8.7%.

- **The Group's multi-channel retail and banking distribution network grew to 434,232**, our largest number of locations to date, with several Asia operations nearly doubling in size.

KPIs SUMMARY

Business Results	Q3 2018	YE 2017	Q3 2017
Loans granted YTD (EUR million)	15,119	20,689	14,833

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Number of active clients (million)	28.9	29.9	28.6
Number of distribution points	434,232	399,276	398,572
- Number of POSs and loan offices	*433,520*	*397,114*	*396,428*
- Number of bank branches	*461*	*432*	*415*
- Number of post offices	*251*	*1,730*	*1,729*
Number of employees (thousand)	132.4	157.7	155.2

Profit and Loss (EUR million)	**Q3 2018**	**YE2017**	**Q3 2017**
Net interest income	2,341	2,417	1,690
Operating income	2,923	3,123	2,187
Credit risk costs[1]	(1,399)	(1,124)	(688)
Operating expenses[2]	(1,305)	(1,626)	(1,157)
Net result for the period	213	244	232

1) Credit risk costs represent impairment losses on the loan portfolio
2) Operating expenses comprise general administrative and other operating expenses

Financial Position (EUR million)	**Q3 2018**	**YE 2017**
Total assets	22,214	21,526
Net loan portfolio	16,652	15,452
Equity	1,934	2,028
Wholesale funding	12,964	11,979
Customer deposits and current accounts	6,688	6,356

Source: Home Credit B.V., consolidated.

KEY RATIOS

Profit and Loss Ratios	**Q3 2018**	**YE2017**	**Q3 2017**
Net interest margin[1]	15.8%	14.7%	14.2%
Net interest income to operating income	80.1%	77.4%	77.3%
Cost to average net loans[2]	10.9%	12.9%	13.0%
Cost to income ratio[3]	44.6%	52.0%	52.9%
Cost of risk ratio[4]	11.7%	8.9%	7.7%
ROAA[5]	1.3%	1.4%	1.8%

Financial Position Ratios	**Q3 2018**	**YE 2017**	**Q3 2017**
Net loans to total assets	75.0%	71.8%	71.3%
NPL ratio[6]	8.9%	6.9%	6.2%
NPL coverage ratio[7]	131.7%	121.7%	120.4%
Deposits to total liabilities	33.0%	32.6%	35.7%
Equity to assets	8.7%	9.4%	8.9%
Equity and deposits to net loans ratio	51.8%	54.3%	58.2%

Source: Home Credit B.V., consolidated.
Ratios are annualized where applicable.

Notes:
1) Net interest margin is calculated as net interest income divided by the average balance of net interest earning assets.
2) Cost to average net loans is calculated as general administrative and other operating expenses divided by average net loans.
3) Cost to income ratio is calculated as general administrative and other operating expenses divided by operating income.
4) Cost of risk ratio represents impairment losses on the loan portfolio divided by average balance of net loans to customers.

5) RoAA is calculated as net profit divided by average balance of total assets.
6) NPL ratio is calculated as gross non-performing loans divided by total gross loans. The Group defines non-performing loans as collectively impaired loans that are overdue by more than 90 days as well as loans considered individually impaired.
7) NPL coverage ratio is calculated as loan loss provisions divided by gross non-performing loans.

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NOTES TO EDITORS

Home Credit B.V. ('HCBV' or 'the Group') is an international consumer finance provider with operations in 10 countries where there is high potential to grow. Founded in 1997, we focus on responsible lending primarily to people with little or no credit history. Our services are simple, easy and fast. We operate in highly attractive markets with significant barriers to entry. We are a leading provider of consumer finance in selected countries. It is our experience and knowledge across the different markets that sustainably puts us ahead of our competitors. We drive and broaden financial inclusion for the unbanked population by providing a positive and safe borrowing experience – the first for many of our customers. We promote higher living standards and meet borrowers' financial needs. Our 132 thousand employees have so far served over 111 million customers through a vast distribution network comprising 434,232 points of sale, loan offices, branches and post offices. HCBV's total consolidated assets reached EUR 22.2 million as at 30 September 2018. *More information on HCBV is available at* www.homecredit.net.

The 100% shareholder of Home Credit B.V. is Home Credit Group B.V., an 88.62% subsidiary of **PPF Financial Holdings B.V. PPF Financial Holdings is a 100% subsidiary of PPF Group N.V. ("PPF")**. PPF invests into multiple market segments such as banking and financial services, telecommunications, insurance, real estate, metal mining, agriculture, retail and biotechnology. PPF's reach spans from Europe to Russia, the USA and across Asia. PPF owns assets of EUR 38 billion (as at 30 June 2018). *More information on PPF is available at* www.ppf.eu.

A minority stake (11.38%) of Home Credit Group B.V. is held by **EMMA OMEGA LTD**, an investment holding company ultimately owned by Mr. Jiří Šmejc. *More information on Emma Capital is available at* www.emmacapital.cz.