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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 full-year period ended 31 December 2018, as well as for the three-month period ended 31 March 2019

Substantial Profit Growth Driven by Continuing Scale Up of Global Platform

- Consolidated profit rose 80% year on year to EUR 571 million during 2018, driven by cash loan portfolio growth and increased yield, underpinned by the scale and efficiency of HCBV's expansive in-store and online lending network
- Performance sustained during Q1 2019 with EUR 155 million of consolidated profit
- South & South East Asia contributed significantly to the growth in operating income, as did a strong result in China, demonstrating the success of HCBV's lending strategy
- Strategic investments in technology, digital processes and operational scale increased productivity, leading to a significant 8 ppt year-on-year reduction in HCBV's cost to income ratio

Ondrej Frydrych, CEO for Home Credit, said: *"It is highly encouraging to see the positive impact of our investments in technology-driven efficiency and success in attaining market leadership positions continuing to flow through to the bottom line, with profit up 80% in 2018. Despite headwinds in global markets, our diversified lending model across in-store, online, mobile and alternative channels has again proven resilient."*

Jiri Smejc, Chairman of Home Credit, stated: *"These results demonstrate that our long-term strategy of building a fully licensed platform across diversified markets is delivering substantial growth. This is particularly evident in our South and South East Asian region where the substantial increase in operating income stems from the successful scaling up of our lending networks, which are underpinned by our centralised technology systems. Through superior data capture and analysis, disciplined risk management and operational excellence we are focused on increasing our profitability and reducing our fixed costs, while pursuing greater day-to-day engagement with our customer base."*

Amsterdam, 28 June 2019: Home Credit B.V. ('HCBV'), the Netherlands-based holding company for Home Credit's leading emerging market consumer finance operations today announced its consolidated financial results based on International Financial Reporting Standards for the full-year period ended 31 December 2018, as well as for the three-month period ended 31 March 2019. The four geographical areas that make up these operations are South & South East Asia including India, Indonesia, Vietnam and Philippines (SSEA); China; the Commonwealth of Independent States including Russia and Kazakhstan (CIS); and Central & Eastern Europe including Czech Republic and Slovakia (CEE).

Key Financial Highlights for FY2018* (based on adjusted, carve out figures, consolidated)	FY2018	FY2017	YoY Change
Net Income (EUR/millions)	571	318	*+80%*
Net Interest Margin	15.8%	14.6%	*+1.2 ppt*
Cost to Income Ratio	42.2%	50.2%	*-8.0 ppt*
Total Loans	17,430	15,449	*+12.8%*
Total Customers in database	116.0	97.2	*+19%*

** Note: All figures shown in this press release refer to the consolidated results of HCBV's consumer finance operations in nine countries and relevant holding and servicing entities. All financials and ratios within this press release have been adjusted to reflect the assumption that certain financial assets and liabilities of the HCBV have been exchanged for an increase in the share premium of HCBV. In addition, HCBV transferred to HCGBV several small-sized and non-core operations (including its business in the U.S) in the year 2019. All financials and ratios are presented in this announcement as if such small-sized and non-core operations were owned by HCGBV on 1 January 2017 and therefore its performance is carved-out from financials and ratios presented herein.*

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In 2018, HCBV delivered a consolidated profit of EUR 571 million, representing an 80% increase from FY2017, driven by its successful long-term strategy of building leadership positions and country-wide scale within each of its diversified markets. During the period, HCBV was able to sustain profit growth well ahead of the cost of expanding its operations in SSEA, China, CIS and CEE, through a combination of an increased cash loan portfolio and a higher average yield on assets.

The consolidated result of HCBV for the full year was also supported by continued improvement in its cost-to-income ratio, which fell to 42.2% as at year-end 2018 from 50.2% a year earlier.

Having achieved critical mass, the company's growth-stage SSEA operations delivered a substantial result for the full year with 2018 operating income up 50% to EUR 696 million. China also delivered a strong performance, with operating income rising 32% year on year to EUR 2,540 million.

The results for 2018 are HCBV's first for a full-year period following its adoption of IFRS 9. The consolidated cost-of-risk ratio stood at 9.4% at the end of 2018, compared to a non-IFRS 9 level of 8.2% at the end of 2017. HCBV's consolidated NPL coverage ratio was 126.7% at the end of 2018. The total equity as of 31 December 2018 was EUR 3.138 billion.

Centralized Technology Systems Drive Increased Customer Engagement

The full-year consolidated performance of HCBV was supported by Home Credit's cumulative investments in automated and digital technologies, and the continued development of its omni-channel and alternative distribution platforms. HCBV's adoption of AI-enabled customer chat and other engagement services allowed Home Credit to increase the frequency of its interactions with consumers which creates additional cross-selling opportunities at reduced fixed cost. Similarly, Home Credit expanded its point-of-sale network by 9.1% to 437,168 locations, which benefitted from fully digital in-store processes for improved efficiency in delivering new loan volumes and securing customers.

Together, these developments have allowed HCBV to increase overall productivity and move its operations towards a more variable cost base. As a result, HCBV's cost-to-income ratio was reduced by a significant 8.0 ppt to 42.2% at year-end 2018, compared to the previous year. By utilizing more diversified funding, the business further optimized loan pricing with improved margins.

The use of alternative and biometric data insights by HCBV alongside risk trends derived from its database of almost 116 million customers and over 20 years of lending experience, enables highly effective fraud prevention, as well as near-instant loan approval in many of its country markets.

Lending Network Scale & Technology Support Asian Expansion

In SSEA, HCBV recorded substantial results with operating income growing 50% year on year, supported by a significant 41% rise in gross loans to EUR 2,128 million. Growth in this region was driven by the increased scale of HCBV's lending network and the underlying technology infrastructure, with points-of-sale (POS) growing 38% to over 62,500 locations.

Continued Growth in China

In 2018, HCBV sustained its growth in China by expanding operating income by 32%. To ensure credit quality, HCBV undertook number of measures to reduce the volume of new loans in China, and supported its existing customers with strong track records to responsibly take out larger-sized cash loans. China grew gross loans by 16% to EUR 12,447 billion by the end of the period, and the intended reduction in new loan volumes was further offset by decreased funding costs. HCBV continued to build on its nationwide scale in China, with the number of in-store locations increasing by 7% and a presence in 314 cities by the end of 2018.

Cost of Risk Ratio near Historical Lows in CIS & CEE

In CIS and CEE, HCBV maintained its strong market positions and further developed its online businesses, generating operating income of EUR 581 in CIS and EUR 166 million in CEE. The cost-of-risk ratio remained near historical lows in both geographic operations, with CIS at 1.8% and CEE at -0.2% at the end of 2018. This was maintained even while gross loans grew 2% in CIS to EUR 3,245 million and 16% in CEE to EUR 1,703 million in 2018.

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Robust Earnings Trend Continued in Q1 2019

The strong earnings trend continued in the three months to 31 March 2019. HCBV posted a EUR 155 million consolidated profit, marking a substantial reversal from the slight loss for the same period a year earlier. The result stemmed both from strong sales and HCBV's continued improvement in its cost-to-income ratio, which fell to 39.4% in Q1 2019 from 42.2% in Q1 2018. At the same time, HCBV's consolidated cost-of-risk ratio declined further to 8.3% during Q1 2019 compared to 13.4% during the same period a year earlier. HCBV's consolidated NPL coverage ratio stood at 131.1% at the end of Q1 2019.

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NOTES TO EDITORS

Home Credit B.V. ('HCBV') as presented in this press release is an international consumer finance provider with operations in 9 countries. As of 31 December 2018, HCBV will report financial and operational results according to four geographical clusters: Central and Eastern Europe (Czech Republic and Slovakia), Commonwealth of Independent States (Russia and Kazakhstan), China, and South and South East Asia (India, Indonesia, The Philippines and Vietnam). Founded in 1997, HCBV focuses on responsible lending primarily to people with little or no credit history. As a leading provider of consumer finance, HCBV is fully licensed to operate in highly attractive markets. It drives and broadens financial inclusion for the unbanked population by providing a positive and safe borrowing experience – the first for many of our customers. HCBV's 123,842 employees have so far served over 119.6 million customers through a vast distribution network comprising 426,963 points of sale, loan offices, branches, post offices, car dealerships and ATMs. HCBV's total consolidated assets reached EUR 24.9 million. All figures in these Notes for Editors as at 31 March 2019. *More information on HCBV is available at* www.homecredit.net*.*

The 100% shareholder of HCBV is Home Credit Group B.V. ('HCGBV').HCGBV is a 91.12% 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 34.5 billion (as at 31 December 2018). *More information on PPF is available at* www.ppf.eu*.*

A minority stake (8.88%) 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*.*

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