Home Credit B.V.

Semi-annual report

for the first half of 2013

(consolidated, unaudited)

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APPENDIX

Home Credit B.V. – Condensed Consolidated Interim Financial Report for the six month period ended 30 June 2013

1. Basic Information

1.1. Basis of preparation

The Semi-annual report provides an update of and should be read in conjunction with the 2012 Home Credit B.V. Annual Report.

There have been no significant events which could influence the financial position or business operation of Home Credit B.V., or its subsidiaries (together referred to as 'Group') which are not mentioned in this report.

1.2. Basic data on Home Credit B.V.

Company:	Home Credit B.V. (the "Company" or "Home Credit B.V.")
Legal form:	Besloten Vennootschap (Private Limited Liability Company)
Registered office:	The Netherlands, Strawinskylaan 933, Tower B, Level 9, 1077XX Amsterdam
Place of registration:	The Netherlands, Chamber of Commerce and Industries in Amsterdam (Kamer van Koophandel Amsterdam)
Registration No.:	34126597
VAT number:	NL 8086.95.976.B01
Date of incorporation:	28 December 1999
Length of time:	Incorporated for an indefinite period of time
Applicable law:	Laws of the Netherlands
Country of incorporation:	The Netherlands
Issued capital:	EUR 659,019,639
Paid up capital:	EUR 659,019,639
Authorized capital:	EUR 712,500,000
Contact address:	Home Credit B.V. Strawinskylaan 933, Tower B, Level 9 1077 XX Amsterdam, The Netherlands Tel.: +31 (0)20 88 13 120 Fax: +31 (0)20 88 13 121
Contact address in the Czech Republic:	Zdeňka Kohoutová Senior Controller Home Credit International a.s. Evropská 2690/17 160 41 Prague 6 Tel.: +420 224 174 375
Contact for investors:	František Kalivoda Tel.: +420 224 174 705
Company's website:	www.homecredit.net

1.3. Basic data on the Group

Home Credit B.V. and its subsidiaries (hereinafter "the Group") is one of leading multi-channel providers of consumer finance in Central Europe and The Commonwealth of Independent States (CIS) with a strong foothold in Asia.

The Group is currently active the Czech Republic, Slovakia, the Russian Federation, Belarus, Kazakhstan, China, India and Indonesia and is developing a new business in the Philippines.

The core products offered by the Group companies are[1]:

- POS Loans
- Cash Loans
- Revolving Loans
- Credit Cards
- Car loans

In countries where Home Credit B.V.'s subsidiaries hold banking licences, the Group offers retail banking services such as deposits, debit cards and current accounts. The Group also sells insurance products of various insurance companies through its distribution network and owns insurance companies in Russia and Belarus.

The 100% shareholder of Home Credit B.V. is PPF Group N.V. (the Netherlands). The ultimate controlling party of PPF Group N.V. is Mr. Petr Kellner. In March 2013 PPF Group N.V. announced execution of agreements regarding asset division following Mr. Jiří Šmejc's departure from the position of shareholder of PPF Group N.V. Upon completion Mr. Jiří Šmejc shall gain, among others, a shareholding of 13.38% in Home Credit B.V. The remaining 86.62% stake will be owned by PPF Group N.V. The completion of the transaction is subject to approval by appropriate regulatory authorities.

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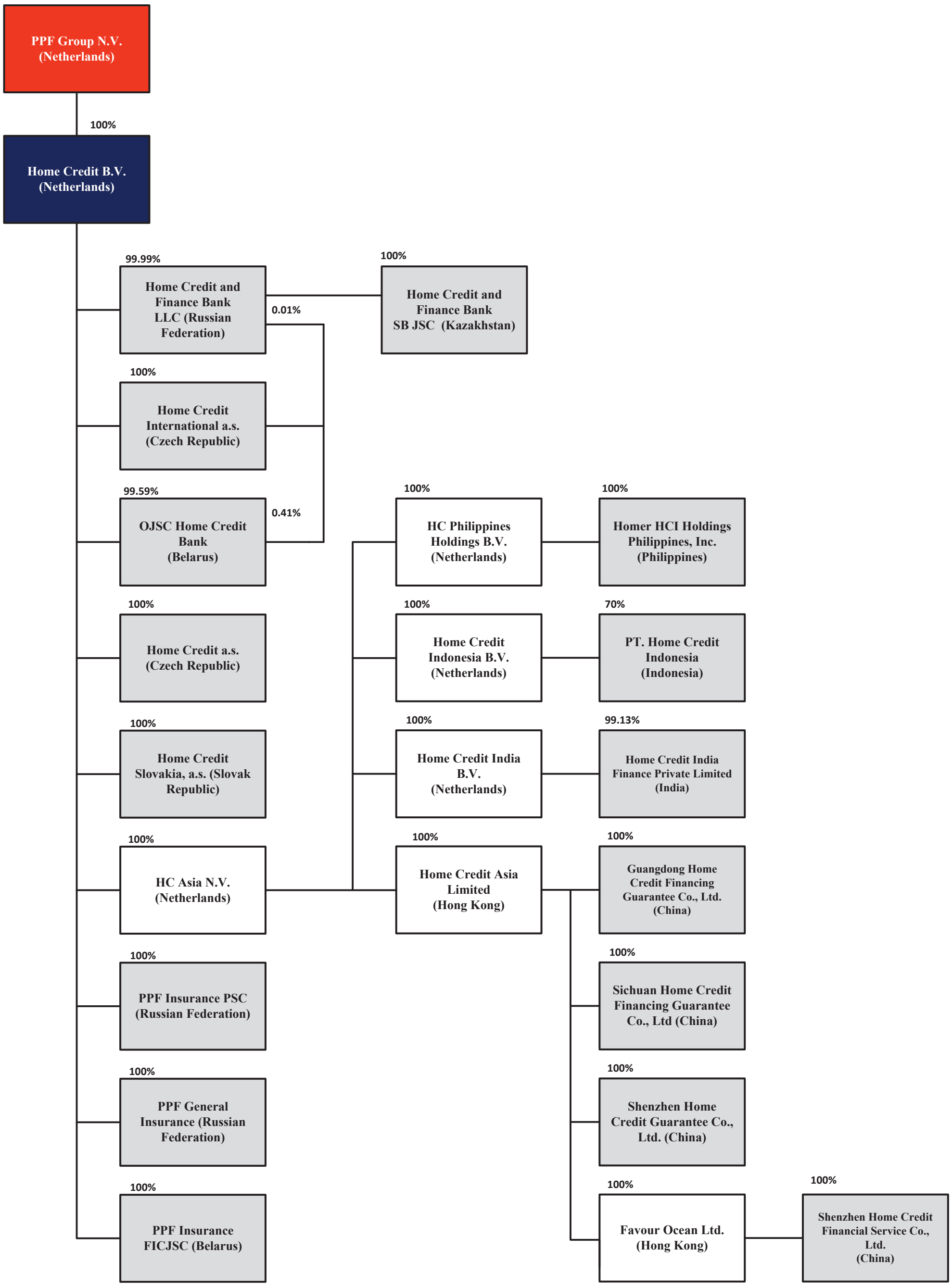
[1] *Products are developed in line with local market conditions and therefore the product portfolios vary according to the country of operation.*

Organization chart – key companies



The detailed specification of the consolidated subsidiaries is listed in the appendix "Home Credit B.V. Condensed Consolidated Interim Financial Report for the six month period ended 30 June 2013" on page 9 in section 1. Description of the Group.

In 2012 the Group executed agreements with its shareholder concerning the future acquisition of 100% shares in CF Commercial Consulting (Beijing) Co., Ltd., Home Credit Consumer Finance Co., Ltd. and PPF Vietnam Finance Company LLC. The transfer of ownership rights is subject to obtaining regulatory approvals by the respective regulators in China and Vietnam. Therefore, as of 30 June 2013 the three companies were not treated as consolidated subsidiaries.

2. MOST IMPORTANT EVENTS IN THE FIRST HALF OF 2013

From January 2013 until June 2013, several loan tranches to the parent company were provided. The outstanding loan principal amount provided to PPF Group N.V. as at 30 June 2013 was TEUR 85,496.

In January 2013, the Company sold its 9.99% share in Home Credit Bank JSC, which represents Home Credit operations in Kazakhstan, to its subsidiary Home Credit and Finance Bank LLC.

In January 2013, the Company´s subsidiary Home Credit and Finance Bank LLC exercised a call option to purchase the remaining 90.01% equity stake in Home Credit Bank JSC from a third party and became the 100% owner of Home Credit Bank JSC.

In January 2013 the Company entered into a number of share purchase agreements whereby it would acquire equity stakes in the following companies:

- 100% stake in Limited liability company "Generali PPF General Insurance" (a Russian entity, subsequently renamed to "PPF General Insurance")
- 100% stake in Limited liability company "Generali PPF Life Insurance" (a Russian entity, subsequently renamed to "PPF Life Insurance")
- 100% stake in Public Stock Company "Generali PPF Insurance" (a Russian entity, subsequently renamed to "PPF Insurance")
- 19.9% stake in YU – ID Systems B.V. (a Dutch entity)
- 100% stake in Foreign Insurance Joint-Stock Company "Generali" (a Belarusian entity, subsequently renamed to "PPF Insurance")

The transactions were approved by the respective regulators in Russia and Belarus and the agreements were settled in March 2013.

In January 2013, the Company´s sole shareholder resolved to increase the Company´s share premium by TEUR 70,000. The contribution is payable upon earlier of the fulfillment of the conditions for the completion of the purchase or PPF Vietnam Finance Company LLC or December 31, 2015. The increase in the share premium has not been recorded in equity since the conditions related to purchase of PPF Vietnam have not been met. For more details refer to section 1.3.

In January and April 2013, the Company increased the share premium of its subsidiary HC Africa N.V., cumulatively by TEUR 1,550.

In February 2013, the Company recognised dividend income of TCZK 400,000 (TEUR 15,498) from its subsidiary Home Credit a.s.

In March, April and May 2013, the Company's share premium was decreased, cumulatively by TEUR 56,806.

In March 2013, the Company recognised dividend income of TRUB 2,420,867 (TEUR 60,636) from its subsidiary LLC Home Credit and Finance Bank of which TRUB 121,043 (TEUR 3,032) was paid as withholding tax.

In March 2013, the Company recognised dividend income of TEUR 17,758 from its subsidiary Home Credit Slovakia, a.s.

In March 2013, PPF Group N.V. announced execution of agreements regarding asset division following Jiří Šmejc's departure from the position of shareholder of PPF Group N.V. Upon completion Jiří Šmejc shall gain, among others, a shareholding of 13.38% in Home Credit B.V. The remaining 86.62% stake will be owned by PPF Group N.V. The completion of the transaction is subject to approval by appropriate regulatory authorities. Following the settlement of the transaction the shareholding of PPF Group N.V. will be divided as follows: Petr Kellner 98.94%, Ladislav Bartoníček 0.53% and J.-P. Duvieusart 0.53%.

In March 2013, the Company increased the share premium of its subsidiary HC Insurance Services s.r.o. by CZK 20,000 (TEUR 785).

In March, April, May and June 2013, the Company increased the share premium of its subsidiary HC Asia N.V. cumulatively by TEUR 64,850.

In April 2013 the Company sold its shares in the following companies:

- 100% stake in Limited liability company „PPF Life Insurance"
- 19.9% stake in YU – ID Systems B.V.

3. Subsequent events

From July 2013 until the reporting date, several loan tranches to the parent company were provided. The outstanding loan principal amount provided to PPF Group N.V. as at 31 August 2013 was TEUR 70,060.

In July and August 2013, the Company increased the share premium of its subsidiary HC Asia N.V. cumulatively by TEUR 9,400.

In July 2013, the Company decreased the share premium of its subsidiary HC Africa N.V., by TEUR 1,600.

In July 2013, the Company's share premium was decreased by TEUR 28,901.

4. FINANCIAL INFORMATION FOR THE FIRST HALF-YEAR 2013

The condensed consolidated interim financial statements for the first six months of 2013 are disclosed in the appendix "Home Credit B.V. – Condensed Consolidated Interim Financial Report for the six month period ended 30 June 2013". These condensed consolidated interim financial statements were prepared and presented in accordance with IAS 34, 'Interim Financial Reporting' as adopted by the European Union and follow the requirements of the International Financial Reporting Standards (IFRS). These condensed consolidated interim financial statements were subject to a review by the Group's auditor (please see page 39 of the Appendix for more details).

The Group delivered strong growth in net loans in the first half of 2013, up 12.9% to EUR 7,373 million (from EUR 6,531 million as at 31 December 2012). The 12.9% loan portfolio growth was fuelled by the further growth of cash loans and credit cards in Russia, strong growth of cash loans in Kazakhstan and the expansion of the business in China.

Continuing loan and deposit portfolio growth was supported by further distribution network expansion and, as at 30 June 2013, the Group's multi-channel network consisted of 125,006 distribution points of different formats: 121,029 points of sale, 2,874 post offices as well as a network of 1,103 retail bank branches.

Total assets grew 11.0% to EUR 10,468 million as at 30 June 2013 from EUR 9,426 million as at 31 December 2012.

The Group retains solid capitalization and pursues its strategy to further diversify its funding sources. As at 30 June 2013 total equity was EUR 1,591 million. Customer deposits grew 23.3% from 31 December 2012 to the end of June 2013 to reach EUR 5,822 million. The share of deposits to total liabilities achieved 65.6% as at 30 June 2013.

Net interest income for the first half of 2013 increased by 112.5% to EUR 863 million (from EUR 406 million for the corresponding period in 2012) reflecting the growth of the loan portfolio.

Operating income increased 92.3 % to EUR 1,298 million in the first half of 2013 (EUR 675 million in the first half of 2012) thanks to yields from a much larger loan portfolio in Russia and a strong performance in China and Kazakhstan.

Impairment losses on financial assets reached EUR 567 million in the first six months of 2013 (up 185.1% from EUR 199 million in the corresponding period in 2012). Increased provisioning was caused mainly due to the growth of the Group´s loan portfolio and the weaker economic environment in Russia. Thanks to the Group's performance during the previous period of economic weakness in Russia in 2008-2009, the Group has used its experience to preserve the market-leading quality of its loan book, resulting in an intentional slowdown in the pace of growth in Russia.

General administrative and other operating expenses rose 73.2% to EUR 431 million during the first six months of 2013 (compared to EUR 249 million in the corresponding period in 2012). The number of employees increased 15.2% and the number of bank branches grew 14.8% compared to 31 December 2012.

The resultant pre-tax profit for the first half of 2013 rose 32.2% year on year to EUR 304 million (EUR 230 million in the first half of 2012) and net profit for the period was up 33.5% to EUR 235 million (EUR 176 million in the first half of 2012). The profit increase was driven by a strong performance in China and Kazakhstan as well as by an impact from the acquisition of certain insurance operations in Russia and Belarus. Growth was achieved despite the decision to strengthen the conservative approach to provisioning in Russia.

5. Expected events until the end of 2013

The Company will continue to manage and finance its business and subsidiaries with the full support of PPF Group N.V., which considers financial services as one of its key areas of business. PPF Group N.V. will continue to provide strategic support to the Group.

Given the current global market environment, the Group will continue to closely monitor developments during the second half of 2013 and remains confident in its ability to maintain a high level of cost effectiveness within the business while delivering solid and sustainable profit.

The Group will continue to capitalise on its prominent position in the POS loan market and improving position in the cash loan and credit card segment while maintaining responsible lending practices and working to improve financial literacy across all its markets. In second half of 2013 the portfolio development is expected to reflect the Group´s expansion in Asia and weaker economic environment in Russia.

MANAGEMENT AFFIDAVIT

I declare that, to the best of my knowledge and belief, the information stated in the Semi-annual report of Home Credit B.V. for the first half of 2013 reflects the true state of its financial position, business operations, its result and the prospects of their future development and that no material circumstances that may have an impact on the accurate and correct assessment of Home Credit B.V., have been omitted.

Date: September 10, 2013

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Pavel Horák
Member of the Board of Directors

The Semi-annual report of Home Credit B.V. for the first half of 2013 was published at www.homecredit.net and delivered to the Czech National Bank and the Prague Stock Exchange.

Home Credit B.V.

Condensed Consolidated Interim Financial Report for the six-month period ended 30 June 2013

Contents

	Note	30 Jun 2013 TEUR	31 Dec 2012 TEUR
ASSETS			
Cash and cash equivalents	8	1,345,156	1,210,087
Due from banks, other financial institutions and holding companies	9	247,857	394,271
Loans to customers	10	7,373,448	6,530,641
Financial assets at fair value through profit or loss	11	49,155	19,590
Financial assets available-for-sale	12	814,603	701,504
Financial assets held-to-maturity		8,135	3,667
Assets classified as held for sale	5	16,196	-
Current income tax receivables		2,578	2,431
Deferred tax assets		31,582	19,605
Investments in associates		2,000	2,537
Intangible assets	13	87,098	60,656
Property and equipment	14	228,495	237,258
Other assets	15	261,280	244,066
Total assets		**10,467,583**	**9,426,313**
LIABILITIES			
Current accounts and deposits from customers	16	5,822,245	4,723,571
Due to banks and other financial institutions	17	1,151,290	1,310,979
Debt securities issued	18	1,051,598	1,180,154
Financial liabilities at fair value through profit or loss	19	27,952	11,435
Liabilities classified as held for sale	5	2,462	-
Current income tax liabilities		25,733	29,138
Deferred tax liabilities		4,072	947
Insurance provisions	20	131,472	-
Subordinated liabilities	21	385,381	379,747
Other liabilities	22	274,720	285,743
Total liabilities		**8,876,925**	**7,921,714**
EQUITY			
Equity attributable to equity holders of the parent company			
Share capital	23	659,020	659,020
Share premium	23	247,163	303,969
Statutory reserves	23	55,894	4,853
Foreign currency translation	23	(121,631)	(54,590)
Hedging reserve	23	748	(971)
Reserve for business combinations under common control	23	15,106	15,106
Revaluation reserve	23	(170)	462
Other reserves		732,343	473,962
Total equity attributable to equity holders of the parent company		**1,588,473**	**1,401,811**
Non-controlling interests		**2,185**	**102,788**
Total equity		**1,590,658**	**1,504,599**
Total liabilities and equity		**10,467,583**	**9,426,313**

	Note	6 months ended 30 Jun 2013 TEUR	6 months ended 30 Jun 2012 TEUR	3 months ended 30 Jun 2013 TEUR	3 months ended 30 Jun 2012 TEUR
Interest income	24	1,215,014	578,155	638,483	314,451
Interest expense	24	(352,050)	(171,967)	(184,173)	(94,872)
Net interest income		**862,964**	**406,188**	**454,310**	**219,579**
Fee and commission income	25	390,881	246,181	217,643	149,476
Fee and commission expense	26	(47,923)	(21,924)	(22,766)	(11,985)
Net fee and commission income		**342,958**	**224,257**	**194,877**	**137,491**
Insurance income	27	**5,161**	-	**5,161**	-
Net losses on financial assets and liabilities	28	(9,395)	(5,816)	(6,732)	(1,443)
Other operating income	29	96,212	50,422	30,608	12,709
Operating income		**1,297,900**	**675,051**	**678,224**	**368,336**
Impairment losses on financial assets	30	(566,945)	(198,877)	(316,249)	(114,452)
General administrative expenses	31	(395,359)	(227,111)	(209,929)	(118,739)
Other operating expenses	32	(35,849)	(21,912)	(19,306)	(11,727)
Operating expenses		**(998,153)**	**(447,900)**	**(545,484)**	**(244,918)**
Gains on disposals of associates and subsidiaries		2,850	1,742	270	1,742
Share of earnings in associates		1,328	1,090	(21)	562
Profit before tax		**303,925**	**229,983**	**132,989**	**125,722**
Income tax expense	33	(69,002)	(54,010)	(34,117)	(31,678)
Net profit for the period		**234,923**	**175,973**	**98,872**	**94,044**
Profit attributable to:					
Equity holders of the parent company		235,608	175,973	99,239	94,044
Non-controlling interests		(685)	-	(367)	-
		234,923	**175,973**	**98,872**	**94,044**
Other comprehensive income which will be reclassified subsequently to profit or loss:					
Currency translation		(67,069)	9,780	(93,007)	(42,369)
Revaluation of available-for-sale financial assets		(790)	1,161	1,212	1,347
Effect of hedge accounting		2,149	-	951	-
Income tax relating to components of other comprehensive income		(272)	348	(432)	171
Other comprehensive income for the period		**(65,982)**	**11,289**	**(91,276)**	**(40,851)**
Total comprehensive income for the period		**168,941**	**187,262**	**7,596**	**53,193**
Total comprehensive income attributable to:					
Equity holders of the parent company		169,654	187,262	7,989	53,193
Non-controlling interests		(713)	-	(393)	-
		168,941	**187,262**	**7,596**	**53,193**

The condensed consolidated interim financial statements as set out on pages 3 to 38 were approved by the Board of Directors on 10 September 2013.

Pavel Horák
Member of the Board of Directors

Attributable to equity holders of the parent company

	Share capital TEUR	Share premium TEUR	Statutory reserves TEUR	Foreign currency translation TEUR	Reserve for business combinations under common control TEUR	Revaluation reserve TEUR	Hedging reserve TEUR	Other reserves TEUR	Total TEUR	Non-controlling interests TEUR	Total equity TEUR
Balance as at 1 January 2013	659,020	303,969	4,853	(54,590)	15,106	462	(971)	473,962	**1,401,811**	102,788	**1,504,599**
Dividends paid and other capital distributions	-	(56,806)	-	-	-	-	-	-	**(56,806)**	-	**(56,806)**
Acquisition of non-controlling interests	-	-	-	-	-	-	-	73,759	**73,759**	(100,759)	**(27,000)**
Other changes in non-controlling interests	-	-	-	-	-	-	-	55	**55**	869	**924**
Transfers	-	-	51,041	-	-	-	-	(51,041)	**-**	-	**-**
Total	**659,020**	**247,163**	**55,894**	**(54,590)**	**15,106**	**462**	**(971)**	**496,735**	**1,418,819**	**2,898**	**1,421,717**
Currency translation	-	-	-	(67,041)	-	-	-	-	**(67,041)**	(28)	**(67,069)**
Revaluation of available-for-sale financial assets, net of tax	-	-	-	-	-	(632)	-	-	**(632)**	-	**(632)**
Effect of hedge accounting, net of tax	-	-	-	-	-	-	1,719	-	**1,719**	-	**1,719**
Profit for the period	-	-	-	-	-	-	-	235,608	**235,608**	(685)	**234,923**
Total comprehensive income for the period	-	-	-	**(67,041)**	-	**(632)**	**1,719**	**235,608**	**169,654**	**(713)**	**168,941**
Total changes	-	**(56,806)**	**51,041**	**(67,041)**	-	**(632)**	**1,719**	**258,381**	**186,662**	**(100,603)**	**86,059**
Balance as at 30 June 2013	**659,020**	**247,163**	**55,894**	**(121,631)**	**15,106**	**(170)**	**748**	**732,343**	**1,588,473**	**2,185**	**1,590,658**

Attributable to equity holders of the parent

	Share capital TEUR	Share premium TEUR	Statutory reserves TEUR	Foreign currency translation TEUR	Fair value reserve TEUR	Other reserves TEUR	Total equity TEUR
Balance as at 1 January 2012	659,020	60,253	3,754	(86,504)	(95)	194,823	**831,251**
Dividends paid	-	-	-	-	-	(107,476)	**(107,476)**
Transfers	-	-	1,101	-	-	(1,101)	-
Total	**659,020**	**60,253**	**4,855**	**(86,504)**	**(95)**	**86,246**	723,775
Currency translation	-	-	-	9,780	-	-	**9,780**
Revaluation of available-for-sale financial assets	-	-	-	-	1,509	-	**1,509**
Profit for the period	-	-	-	-	-	175,973	**175,973**
Total comprehensive income and expense for the period	-	-	-	**9,780**	**1,509**	**175,973**	**187,262**
Total changes	-	-	**1,101**	**9,780**	**1,509**	**67,396**	**79,786**
Balance as at 30 June 2012	**659,020**	**60,253**	**4,855**	**(76,724)**	**1,414**	**262,219**	**911,037**

	Note	6 months ended 30 Jun 2013 TEUR	6 months ended 30 Jun 2012 TEUR
Net operating cash flow before changes in working capital		1,240,162	627,432
Cash flows from operations		1,103,854	475,078
Cash flows from operating activities		**728,012**	**320,699**
Cash flows used in investing activities		**(180,154)**	**(197,581)**
Cash flows used in financing activities		**(350,247)**	**(269,054)**
Net increase/(decrease) in cash and cash equivalents		197,611	(145,936)
Cash and cash equivalents as at 1 January		1,210,087	409,961
Effects of exchange rate changes on cash and cash equivalents		(62,542)	3,980
Cash and cash equivalents as at 30 June	8	**1,345,156**	**268,005**

1. Description of the Group

Home Credit B.V. (the "Company") was incorporated on 28 December 1999 in the Netherlands.

Registered office
Strawinskylaan 933
1077 XX Amsterdam
The Netherlands

Shareholders	**Country of incorporation**	**Ownership interest (%)**	
		30 Jun 2013	**31 Dec 2012**
PPF Group N.V.	Netherlands	100.00	100.00

In March 2013 PPF Group N.V. announced execution of agreements regarding asset division following Mr. Jiří Šmejc's departure from the position of shareholder of PPF Group N.V. Upon completion Mr. Jiří Šmejc shall gain, among others, a direct shareholding of 13.37% in Home Credit B.V. The remaining 86.63% stake will be owned by PPF Group N.V. The completion of the transaction is subject to approval by appropriate regulatory authorities.

The ultimate controlling party of PPF Group N.V. and of the Company is Mr. Petr Kellner.

Principal activities

The principal activities of the Company and its subsidiaries are the provision of consumer financing to private individual customers in Central European, Commonwealth of Independent States (CIS) and Asian countries as well as deposit taking, saving and current bank account service and maintenance, payments and other services.

Board of Directors

Jiří Šmejc	Chairman
Jan Cornelis Jansen	Vice-chairman
Rudolf Bosveld	Member
Pavel Horák	Member
Jean-Pascal Duvieusart	Member
Mel Gerard Carvill	Member

1. Description of the Group (continued)

Consolidated subsidiaries	Country of incorporation	Ownership interest (%) 30 Jun 2013	31 Dec 2012
Guangdong Home Credit Financing Guarantee Co., Ltd.	China	100.00	100.00
Home Credit Business Management (Tianjin) Co., Ltd. [2]	China	100.00	100.00
Sichuan Home Credit Financing Guarantee Co., Ltd.	China	100.00	100.00
Shenzhen Credis Business Consultation Co., Ltd. [6]	China	-	100.00
Shenzhen Home Credit Financial Service Co., Ltd.	China	100.00	100.00
Shenzhen Home Credit Guarantee Co., Ltd.	China	100.00	100.00
Redlione (LLC)	Cyprus	100.00	100.00
Astavedo Limited [1]	Cyprus	100.00	-
Enadoco Limited [1]	Cyprus	100.00	-
Rhaskos Finance Limited [1]	Cyprus	100.00	-
Septus Holding Limited [1]	Cyprus	100.00	-
Sylander Capital Limited [1]	Cyprus	100.00	-
Talpa Estero Limited [1]	Cyprus	100.00	-
Click Credit (LLC)	Czech Republic	100.00	100.00
Home Credit (JSC)	Czech Republic	100.00	100.00
Home Credit Advisory Asia (LLC)	Czech Republic	100.00	100.00
Home Credit International (JSC)	Czech Republic	100.00	100.00
HC Broker (LLC)	Czech Republic	100.00	100.00
HC Insurance Services (LLC) [3]	Czech Republic	100.00	-
Home Credit Egypt Trade S.A.E. [2]	Egypt	100.00	100.00
Home Credit India Finance Private Limited[8]	India	99.13	97.97
PT. Home Credit Indonesia	Indonesia	70.00	70.00
Credis Invest (Hong Kong) Ltd.	Hong Kong	100.00	100.00
Favour Ocean Ltd.	Hong Kong	100.00	100.00
Home Credit Asia Limited	Hong Kong	100.00	100.00
Saint World Ltd.	Hong Kong	100.00	100.00
JSC Home Credit Kazakhstan	Kazakhstan	100.00	100.00
Home Credit and Finance Bank (SB JSC) [5]	Kazakhstan	100.00	9.99
Eurasia Capital S.A. [4]	Luxemburg	0.00	0.00
Eurasia Structured Finance No.1 S.A. [4), 2]	Luxemburg	0.00	0.00
Eurasia Credit Card Company S.A. [4), 2]	Luxemburg	0.00	0.00
HC Asia N.V.	Netherlands	100.00	100.00
Home Credit India B.V.	Netherlands	100.00	100.00
Home Credit Indonesia B.V.	Netherlands	100.00	100.00
Home Credit Africa N.V.	Netherlands	100.00	100.00
HC Philippines Holdings B.V.[7]	Netherlands	100.00	100.00
Homer HCI Holdings Philippines, Inc. [3]	Philippines	100.00	-
Home Credit Bank (OJSC)	Republic of Belarus	100.00	100.00
PPF Insurance (FICJSC) [1]	Republic of Belarus	100.00	-
PPF Home Credit IFN S.A.	Romania	100.00	100.00

1) subsidiaries acquired in 2013 in the course of a series of transactions whereby the Group acquired certain insurance operations in the CIS region
2) subsidiaries in the process of liquidation
3) subsidiaries established in 2013
4) special purpose entities established to facilitate the Group's issues of debt securities
5) as at 31 December 2012 the Group was a holder of a call option to purchase the remaining 90.01% stake in Home Credit Bank (JSC), and control was exercised because of the Group's potential voting rights in Home Credit Bank (JSC); in January 2013 the option was exercised, and the Group became the 100% owner of Home Credit Bank (JSC): the details were disclosed in the Group's consolidated financial statements for year ended 31 December 2012; the option exercise price paid is presented as part of cash flows used in investing activities in the condensed consolidated statement of cash flows; in April 2013 Home Credit Bank (JSC) was renamed to Home Credit and Finance Bank (SB JSC)
6) subsidiary liquidated in 2013
7) in May 2013 the Group's subsidiary HC Kazakh Holdings B.V. was renamed to HC Philippines Holdings B.V.
8) in June 2013 the Group's subsidiary Rajshree Auto Finance Private Limited was renamed to Home Credit India Finance Private Limited

1. Description of the Group (continued)

Consolidated subsidiaries	Country of incorporation	Ownership interest (%) 30 Jun 2013	31 Dec 2012
Home Credit and Finance Bank (LLC)	Russian Federation	100.00	100.00
Financial Innovations (LLC)	Russian Federation	100.00	100.00
Inko Technopolis (LLC)	Russian Federation	100.00	100.00
Bonus Center Operations (LLC)	Russian Federation	100.00	100.00
PPF General Insurance (LLC) [1]	Russian Federation	100.00	-
PPF Insurance (PSC) [1]	Russian Federation	100.00	-
Home Credit Slovakia (JSC)	Slovak Republic	100.00	100.00
Collect-Credit (LLC)	Ukraine	100.00	100.00
Homer Software House (LLC)	Ukraine	100.00	100.00
Easy Dreams Company Limited	Vietnam	100.00	100.00

[1] subsidiaries acquired in 2013 in the course of a series of transactions whereby the Group acquired certain insurance operations in the CIS region

In 2012 the Group executed agreements with its shareholder concerning the future acquisition of 100% shares in CF Commercial Consulting (Beijing) Co., Ltd., Home Credit Consumer Finance Co., Ltd. and PPF Vietnam Finance Company LLC. The transfer of ownership rights is subject to obtaining regulatory approvals by the respective regulators in China and Vietnam. Therefore, as of 30 June 2013 the three companies were not treated as consolidated subsidiaries.

Associates	Country of incorporation	Ownership interest (%) 30 Jun 2013	31 Dec 2012
Equifax Credit Services (LLC)	Russian Federation	25.00	30.72
Společnost pro informační databáze (JSC)	Czech Republic	26.00	26.00

Major acquisitions in 2013

In January 2013 the Group entered into a series of transactions whereby it acquired certain insurance operations in the CIS region. On 28 March 2013 the transactions were settled, and the following subsidiaries were acquired:

- Generali (FICJSC) (subsequently renamed to PPF Insurance (FICJSC))
- Generali PPF General Insurance (LLC) (subsequently renamed to PPF General Insurance (LLC))
- Generali PPF Insurance (PSC) (subsequently renamed to PPF Insurance (PSC))
- Generali PPF Life Insurance (LLC) (subsequently renamed to PPF Life Insurance (LLC))

The acquisition of PPF Insurance (FICJSC) and PPF General Insurance (LLC) was part of the Group's strategy to support the core Group's business by offering insurance services on selected markets.

PPF Insurance (PSC) and PPF Life Insurance (LLC) were not considered to be supporting the Group's strategy. However, the selling party's offer included all four companies, and the Group's decision was to accept the offer and subsequently re-sell PPF Insurance (PSC) and PPF Life Insurance (LLC).

In April 2013 the Group completed the sale of PPF Life Insurance (LLC) to the Group's parent company. The sale price was equal to the acquisition price; the transaction had no impact on the Group's profit or loss.

The sale of PPF Insurance (PSC) has not been yet completed. As at 30 June 2013 assets and liabilities of PPF Insurance (PSC) were reported as assets and liabilities held for sale (Note 5).

1. Description of the Group (continued)

Acquisition of PPF General Insurance (LLC)

The acquisition price of PPF General Insurance (LLC) was TEUR 10,300. The acquisition date fair values of identifiable assets acquired and liabilities assumed of PPF General Insurance (LLC) are presented below:

	TEUR
ASSETS	
Cash and cash equivalents	14,180
Due from banks, other financial institutions and holding companies	11,569
Financial assets available-for-sale	27,318
Financial assets held-to-maturity	3
Current income tax receivables	583
Deferred tax assets	18,670
Intangible assets	11,234
Property and equipment	30
Other assets	118,417
Total assets	**202,004**
LIABILITIES	
Deferred tax liabilities	22,629
Insurance provisions	126,650
Other liabilities	15,452
Total liabilities	**164,731**

In the period since the acquisition date to 30 June 2013 PPF General Insurance (LLC) contributed TEUR 33,634 and TEUR 2,112 to the Group's revenues and profit respectively.

The Group's management estimates that if the acquisition date had been as of the beginning of the annual period, PPF General Insurance (LLC) would have contributed TEUR 56,982 and TEUR 3,631 to the Group's revenues and profit respectively in the six-month period ended 30 June 2013.

Acquisition of PPF Insurance (FICJSC) and PPF Insurance (PSC)

The aggregate acquisition price of PPF Insurance (FICJSC) and PPF Insurance (PSC) was TEUR 10,420. The acquisition date fair values of identifiable assets acquired and liabilities assumed of PPF Insurance (FICJSC) and PPF Insurance (PSC) are presented below:

	TEUR
ASSETS	
Cash and cash equivalents	1,355
Due from banks, other financial institutions and holding companies	13,132
Financial assets available-for-sale	586
Deferred tax assets	629
Intangible assets	854
Property and equipment	67
Other assets	1,980
Total assets	**18,603**
LIABILITIES	
Current accounts and deposits from customers	817
Current income tax liabilities	63
Insurance provisions	3,657
Other liabilities	168
Total liabilities	**4,705**

1. Description of the Group (continued)

In the period since the acquisition date to 30 June 2013 PPF Insurance (FICJSC) and PPF Insurance (PSC) contributed in aggregate TEUR 1,577 and TEUR 559 to the Group's revenues and profit respectively.

The Group's management estimates that if the acquisition date had been as of the beginning of the annual period, PPF Insurance (FICJSC) and PPF Insurance (PSC) would have contributed in aggregate TEUR 2,568 and TEUR 1,224 to the Group's revenues and profit respectively in the six-month period ended 30 June 2013.

Income from excess of acquired net fair value over costs of PPF General Insurance (LLC), PPF Insurance (FICJSC) and PPF Insurance (PSC) was recognized as part of other operating income (Note 29). Such excess of acquired net fair value over costs was primarily attributable to the recognition as of the acquisition date of intangible assets representing the fair value of contractual rights and obligations acquired as well as to the dependence of the acquired entities' business on Group entities.

2. Basis of preparation

The condensed consolidated interim financial statements for the six-month period ended 30 June 2013 comprise the Company and its subsidiaries (together referred to as the "Group").

(a) Statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting. Selected explanatory notes are included to explain events and transactions that are significant to understanding of the changes in financial position and performance of the Group since the last annual consolidated financial statements as at and for the year ended 31 December 2012. These condensed consolidated interim financial statements do not include all the information required for full annual financial statements prepared in accordance with International Financial Reporting Standards.

(b) Basis of measurement

The condensed consolidated interim financial statements are prepared on the historic cost basis except for financial instruments at fair value through profit or loss and financial assets available-for-sale that are measured at fair value. Financial assets and liabilities and non-financial assets and liabilities which are valued at historic cost are stated at amortized cost or historic cost, as appropriate, net of any relevant impairment.

(c) Presentation and functional currency

These financial statements are presented in Euro (EUR), which is the Company's functional currency and Group's reporting currency. Financial information presented in EUR has been rounded to the nearest thousand (TEUR).

(d) Changes in accounting policies and comparative figures

The Group assessed certain transaction costs related to the origination of loans to customers as integral part of the effective interest rate and decided to improve the financial statement presentation by showing them as part of interest income. Such costs were formerly presented under fee and commission expenses and general administrative expenses and therefore, a corresponding adjustment to comparative numbers was made: interest income, fee and commission expenses and general administrative expenses for the six-month period ended 30 June 2012 were reduced by TEUR 50,518, TEUR 17,127 and TEUR 33,391 respectively (three months ended 30 June 2012: TEUR 26,475, TEUR 8,750 and TEUR 17,725 respectively) without any impact on net profit or equity.

Subordinated debt securities issued are presented as a separate financial statement caption. Previously they were reported as part of debt securities issued.

The comparative numbers have been regrouped or reclassified, where necessary, on a basis consistent with the current period.

2. Basis of preparation (continued)

(e) Use of estimates and judgments

The preparation of the condensed consolidated interim financial statements in accordance with IFRS requires management to make judgments, estimates and assumptions that affect the application of policies and the reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historic experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of the judgments about the carrying values of assets and liabilities that cannot readily be determined from other sources. The actual values may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

(f) Basis of consolidation

(i) Subsidiaries

Subsidiaries are enterprises controlled by the Group. Control exists when the Group is exposed, or has rights, to variable returns from its involvement with the enterprise and has the ability to affect those returns through its power over the enterprise. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control effectively commences until the date on which control effectively ceases.

Legal restructuring and mergers involving companies under common control are accounted for using consolidated net book values, consequently no adjustment is made to carrying amounts in the consolidated accounts and no goodwill arises on such transactions.

(ii) Associates

Associates are those enterprises in which the Group has significant influence, but not control, over the financial and operating policies. The consolidated financial statements include the Group's share of the total recognized gains and losses of associates on an equity accounted basis, from the date on which significant influence effectively commences until the date on which significant influence effectively ceases. When the Group's share of losses exceeds the Group's interest in the associate, that interest is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred obligations in respect of the associate.

(iii) Special purpose entities

The Group has established a number of special purpose entities (SPEs) for the purpose of raising finance. The Group does not have any direct or indirect shareholdings in these entities. These SPEs are controlled by the Group through the predetermination of the activities of SPEs, having rights to obtain the majority of benefits of the SPEs, and retaining the majority of the residual risks related to the SPEs.

(iv) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealized gains arising from intra-group transactions, are eliminated in the consolidated financial statements. Unrealized gains arising from transactions with associates are eliminated against the investment in the associate to the extent of the Group's interest in the enterprise. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

3. Significant accounting policies

The significant accounting policies applied in the preparation of these condensed consolidated interim financial statements are consistent with those used in the preparation of the Group's annual financial statements for the year ended 31 December 2012 except the new accounting policies described further in this note applied in connection with the acquisition of insurance companies (Note 1).

Provisions for unearned premiums

Provisions for unearned premiums comprise that part of gross premiums written attributable to subsequent periods, calculated separately for each insurance contract.

Provisions for outstanding claims and other insurance provisions

Provisions for outstanding claims represent the total estimated cost of settling all claims arising from events which have occurred up to the reporting date, whether reported or not, less amounts already paid in respect of such claims. These provisions include claims reported by policyholders but not settled (RBNS) and claims incurred but not reported (IBNR).

Other insurance provisions contain all other insurance technical provisions not mentioned above, such as the provision for unexpired risks (also referred to as the "premium deficiency"), the provision for contractual non-discretionary bonuses and other similar provisions.

The accounting policies have been applied consistently by all Group entities and to all periods presented in these condensed consolidated interim financial statements.

Deferred acquisition costs of insurance contracts

Direct costs arising from the writing or renewing of insurance contracts, are deferred to the extent that these costs are recoverable out of future premiums. All other acquisition costs are recognized as an expense when incurred. Subsequent to initial recognition deferred acquisition costs are amortized over the period in which the related revenues are earned. The reinsurers' shares of deferred acquisition costs are amortized in the same manner as the underlying asset amortization is recorded.

An impairment review is performed at each reporting date or more frequently when an indication of impairment arises. When the recoverable amount is less than the carrying value, an impairment loss is recognized in the statement of comprehensive income.

Deferred acquisition costs are derecognized when the related insurance contracts are either settled or disposed of.

(a) Changes in accounting policies and accounting pronouncements adopted since 1 January 2013

The following revised standards effective from 1 January 2013 are mandatory and relevant for the Group and have been applied by the Group since 1 January 2013.

Annual Improvements 2009-2011 Cycle (effective from 1 January 2013)

In May 2012 the IASB published Annual Improvements to IFRSs 2009-2011 Cycle as part of its annual improvements process to make non-urgent but necessary amendments to IFRS. The new cycle of improvements contains amendments to IFRS 1, IAS 1, IAS 16, IAS 32 and IAS 34, with consequential amendments to other standards and interpretations.

Amendments to IFRS 7 Disclosures – Offsetting Financial Assets and Financial Liabilities (effective from 1 January 2013)

The Amendments contain new disclosure requirements for financial assets and liabilities that are offset in the statement of financial position; or subject to master netting arrangements or similar agreements.

3. Significant accounting policies (continued)

Amendment to *IAS 1 Presentation of Financial Statements* (effective from 1 July 2012)

The amendments to IAS 1 titled *Presentation of Items of Other Comprehensive Income:*
- require that an entity present separately items of other comprehensive income that would be reclassified to profit or loss in the future if certain conditions are met from those that would never be reclassified to profit or loss;
- do not change the existing option to present profit or loss and other comprehensive income in two statements; and
- change the title of the statement of comprehensive income to the statement of profit or loss and other comprehensive income. However, an entity is still allowed to use other titles.

IFRS 13 Fair Value Measurement (effective from 1 January 2013)

This new standard was issued in May 2011. It replaces the fair value measurement guidance contained in individual IFRSs with a single source of fair value measurement guidance. It defines fair value, establishes a framework for measuring fair value and sets out disclosure requirements for fair value measurements. It explains how to measure fair value when it is required or permitted by other IFRSs. It does not introduce new requirements to measure assets or liabilities at fair value, nor does it eliminate the practicability exceptions to fair value measurements that currently exist in certain standards.

(b) Standards, interpretations and amendments to published standards that are not yet effective and are relevant for the Group's financial statements

A number of new Standards, amendments to Standards and Interpretations were not yet effective as of 30 June 2013, and have not been applied in preparing these financial statements. Of these pronouncements, potentially the following will have an impact on the Group's operations. The Group plans to adopt these pronouncements when they become effective. The Group is in the process of analysing the likely impact on its financial statements.

IFRS 10 Consolidated Financial Statements
IFRS 12 Disclosure of Interests in Other Entities

In May 2011 IASB issued these two new standards as improvements to the accounting requirements for off balance sheet activities and joint arrangements. IASB has declared the efficiency of the standards, inclusive related standards IAS 27 and IAS 28, from 1 January 2013 but the EU requires the application from 1 January 2014.

IFRS 10 introduces a new approach to determining which investees should be consolidated and provides a single model to be applied in the control analysis for all investees.

An investor controls an investee when:
- it is exposed or has rights to variable returns from its involvement with that investee;
- it has the ability to affect those returns through its power over that investee; and
- there is a link between power and returns.

Control is reassessed as facts and circumstances change.

IFRS 10 supersedes *IAS 27 Consolidated and Separate Financial Statements* (as amended in 2008) and SIC-12 *Consolidation – Special Purpose Entities.*

IFRS 12 contains the disclosure requirements for entities that have interests in subsidiaries, joint arrangements (i.e. joint operations or joint ventures), associates and/or unconsolidated structured entities, aiming to provide information to enable users to evaluate:
- the nature of, and risks associated with, an entity's interests in other entities; and
- the effects of those interests on the entity's financial position, financial performance and cash flows.

IAS 27 Separate Financial Statements was issued concurrently with IFRS 10. IAS 27 (2011) carries forward the existing accounting and disclosure requirements for separate financial statements, with some minor clarifications.

3. Significant accounting policies (continued)

IAS 28 Investments in Associates and Joint Ventures

This amended standard supersedes IAS 28 Investments in Associates (2008). IAS 28 (2011) makes the following amendments:
- IFRS 5 applies to an investment, or a portion of an investment, in an associate or a joint venture that meets the criteria to be classified as held for sale; and
- on cessation of significant influence or joint control, even if an investment in an associate becomes an investment in a joint venture or *vice versa,* the entity does not remeasure the retained interest.

IFRS 9 Financial Instruments (effective from 1 January 2015)

This new standard was published on 12 November 2009 as part of phase I of the IASB's comprehensive project to replace IAS 39. It deals with classification and measurement of financial assets. The requirements of this standard represent a significant change from the existing requirements in IAS 39 in respect of financial assets. The standard contains two primary measurement categories for financial assets: amortised cost and fair value. A financial asset would be measured at amortised cost if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows, and the asset's contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding. All other financial assets would be measured at fair value. The standard eliminates the existing IAS 39 categories of held to maturity, available for sale and loans and receivables. In October 2010 the IASB added to IFRS 9 the requirements for classification and measurement of financial liabilities while most of the requirements in IAS 39 were carried forward unchanged to IFRS 9. IFRS 9 has not yet been adopted by the EU.

4. Financial risk management

All aspects of the Group`s financial risk management objectives and policies are consistent with those disclosed in the Group`s consolidated financial statements for the year ended 31 December 2012.

During the six-month period ended 30 June 2013 the Group's operations in Russia observed an increase in customer loan delinquencies. In response, the underwriting and collection policies were tightened in order to limit the negative impact of such market changes.

During the interim period there were no other significant changes in the nature or extent of risks arising from financial instruments.

5. Assets and liabilities classified as held for sale

Non-current assets and liabilities held for sale as at 30 June 2013 represent all assets and liabilities of PPF Insurance (PSC) (Note 1) and assets acquired through court decisions on defaulted mortgages (reported under other assets in the table below). In the segment analysis (Note 6), non-current assets and liabilities held for sale are presented within the Russian Federation segment. No assets or liabilities held for sale were reported as at 31 December 2012.

	30 Jun 2013 TEUR
ASSETS	
Cash and cash equivalents	300
Due from banks, other financial institutions and holding companies	5,536
Financial assets available-for-sale	2,232
Deferred tax assets	601
Intangible assets	754
Property and equipment	49
Other assets	6,724
Total assets	**16,196**
LIABILITIES	
Current accounts and deposits from customers	783
Insurance provisions	1,651
Other liabilities	28
Total liabilities	**2,462**

6. Segment reporting

Segment information is presented in respect of the Group's geographical segments based on the Group's management and internal reporting structure. Segment information in respect of the Group's business segments is not presented as the Group's operations are concentrated in one main business segment only, consumer lending products.

The Group operates in six principal geographical areas, the Russian Federation, the Czech Republic, the Slovak Republic, the Republic of Belarus, the Republic of Kazakhstan and the People's Republic of China. The geographical segments are based on the geographical location of assets which corresponds to the geographical location of customers at the same time.

The People's Republic of China and the Republic of Kazakhstan became the Group's new segments of operation in 2012 after the Group began to exercise control over entities operating in these geographical locations in July and December 2012 respectively.

CF Commercial Consulting (Beijing) Co., Ltd., Home Credit Consumer Finance Co., Ltd. and PPF Vietnam Finance Company LLC, which as of 30 June 2013 were not treated as consolidated subsidiaries (Note 1), are not included in the segment reporting.

Segment results include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Inter-segment pricing is determined on an arm's length basis. The Group's senior management is the chief operating decision maker which reviews the Group's internal reporting on a regular basis to assess performance of individual segments and to allocate the Group's resources accordingly.

Information on individual segments is presented before consolidation eliminations (which are presented in a separate column). Current and deferred income tax assets and liabilities are excluded from segment assets and liabilities.

	Russian Federation	Czech Republic	Slovak Republic	Belarus	Kazakhstan	China	Other	Unallocated [1]	Eliminations	Consolidated
	6 months ended 30 Jun 2013 TEUR	6 months ended 30 Jun 2013 TEUR	6 months ended 30 Jun 2013 TEUR	6 months ended 30 Jun 2013 TEUR	6 months ended 30 Jun 2013 TEUR	6 months ended 30 Jun 2013 TEUR	6 months ended 30 Jun 2013 TEUR	6 months ended 30 Jun 2013 TEUR	6 months ended 30 Jun 2013 TEUR	6 months ended 30 Jun 2013 TEUR
Revenue from external customers [2]	1,342,513	19,247	16,802	28,614	93,245	124,267	1,535	3,887	-	1,630,110
Inter-segment revenue	22,178	-	-	796	-	-	152	1,876	(25,002)	-
Total revenue	**1,364,691**	**19,247**	**16,802**	**29,410**	**93,245**	**124,267**	**1,687**	**5,763**	**(25,002)**	**1,630,110**
Net interest income from external customers	691,607	10,903	11,854	16,767	47,759	87,420	1,132	(4,478)	-	862,964
Inter-segment net interest income	2,576	-	(625)	(531)	(1,639)	-	(73)	189	103	-
Total net interest income	**694,183**	**10,903**	**11,229**	**16,236**	**46,120**	**87,420**	**1,059**	**(4,289)**	**103**	**862,964**

1 Unallocated items represent items of revenue, operating expense, assets, liabilities and equity which cannot be reasonably allocated to the geographical segments.
2 Revenue from external customers comprises interest income, fee and commission income and gross insurance premiums earned.

6. Segment reporting (continued)

	Russian Federation	Czech Republic	Slovak Republic	Belarus	Kazakhstan	China	Other	Unallocated [1]	Eliminations	Consolidated
	6 months ended 30 Jun 2013 TEUR	6 months ended 30 Jun 2013 TEUR	6 months ended 30 Jun 2013 TEUR	6 months ended 30 Jun 2013 TEUR	6 months ended 30 Jun 2013 TEUR	6 months ended 30 Jun 2013 TEUR	6 months ended 30 Jun 2013 TEUR	6 months ended 30 Jun 2013 TEUR	6 months ended 30 Jun 2013 TEUR	6 months ended 30 Jun 2013 TEUR
Income tax expense	(45,285)	(3,158)	(4,374)	(1,212)	(7,802)	(8,669)	(79)	1,577	-	(69,002)
Segment result	141,813	10,217	14,331	3,616	26,118	30,659	(15,204)	24,535	(1,162)	234,923
Depreciation and amortization	(25,643)	(562)	(152)	(1,071)	(966)	(954)	(6,549)	-	903	(34,994)
Other significant non-cash expenses [2]	(517,489)	(4,223)	(3,731)	(1,950)	(22,240)	(17,097)	(237)	-	-	(566,967)
Capital expenditure	(35,130)	(590)	(356)	(1,752)	(2,670)	(996)	(25,029)	-	3,903	(62,620)

	Russian Federation	Czech Republic	Slovak Republic	Belarus	Kazakhstan	China	Other	Unallocated [1]	Eliminations	Consolidated
	30 Jun 2013 TEUR	30 Jun 2013 TEUR	30 Jun 2013 TEUR	30 Jun 2013 TEUR	30 Jun 2013 TEUR	30 Jun 2013 TEUR	30 Jun 2013 TEUR	30 Jun 2013 TEUR	30 Jun 2013 TEUR	30 Jun 2013 TEUR
Segment assets [3]	8,899,207	147,919	92,871	123,740	468,103	591,879	95,508	157,812	(143,616)	10,433,423
Investments in associates	2,000	-	-	-	-	-	-	-	-	2,000
Segment liabilities [3]	7,724,600	77,316	57,560	91,023	325,076	347,313	47,197	310,102	(133,067)	8,847,120
Segment equity [3]	1,174,648	70,702	40,893	31,192	141,810	236,602	50,503	(145,143)	(10,549)	1,590,658

1 Unallocated items represent items of revenue, operating expense, assets, liabilities and equity which cannot be reasonably allocated to the geographical segments.
2 Other significant non-cash expenses are represented by impairment losses on financial and non-financial assets.
3 Consolidation adjustments are included in Eliminations.

6. Segment reporting (continued)

	Russian Federation	Czech Republic	Slovak Republic	Belarus	Kazakhstan	China	Other	Unallocated [1]	Eliminations	Consolidated
	6 months ended 30 Jun 2012 TEUR	6 months ended 30 Jun 2012 TEUR	6 months ended 30 Jun 2012 TEUR	6 months ended 30 Jun 2012 TEUR	6 months ended 30 Jun 2012 TEUR	6 months ended 30 Jun 2012 TEUR	6 months ended 30 Jun 2012 TEUR	6 months ended 30 Jun 2012 TEUR	6 months ended 30 Jun 2012 TEUR	6 months ended 30 Jun 2012 TEUR
Revenue from external customers [2]	762,370	15,537	25,388	17,041	-	-	411	3,589	-	824,336
Inter-segment revenue	110	-	-	-	-	-	-	1,272	(1,382)	-
Total revenue	**762,480**	**15,537**	**25,388**	**17,041**	-	-	**411**	**4,861**	**(1,382)**	**824,336**
Net interest income from external customers	374,860	8,688	19,515	7,279	-	-	411	(4,565)	-	406,188
Inter-segment net interest income	110	-	(972)	(441)	-	-	-	1,272	31	-
Total net interest income	**374,970**	**8,688**	**18,543**	**6,838**	-	-	**411**	**(3,293)**	**31**	**406,188**
Income tax expense	(41,607)	(7,458)	(1,123)	(48)	-	-	(368)	(3,406)	-	(54,010)
Segment result	**159,897**	**28,481**	**4,531**	**(2,592)**	-	-	**242**	**(13,559)**	**(1,027)**	**175,973**
Depreciation and amortization	(13,925)	(395)	(182)	(606)	-	-	(6,218)	-	-	(21,326)
Other significant non-cash expenses [3]	(190,454)	(2,625)	(5,405)	(423)	-	-	30	-	-	(198,877)
Capital expenditure	(47,198)	(1,432)	(132)	(191)	-	-	(6,208)	-	-	(55,161)

1 Unallocated items represent items of revenue, operating expense, assets, liabilities and equity which cannot be reasonably allocated to the geographical segments.
2 Revenue from external customers comprises interest income and fee and commission income.
3 Other significant non-cash expenses are represented by impairment losses on financial and non-financial assets.

6. Segment reporting (continued)

	Russian Federation	Czech Republic	Slovak Republic	Belarus	Kazakhstan	China	Other	Unallocated [1]	Eliminations	Consolidated
	31 Dec 2012 TEUR	31 Dec 2012 TEUR	31 Dec 2012 TEUR	31 Dec 2012 TEUR	31 Dec 2012 TEUR	31 Dec 2012 TEUR	31 Dec 2012 TEUR	31 Dec 2012 TEUR	31 Dec 2012 TEUR	31 Dec 2012 TEUR
Segment assets [2]	8,005,922	184,895	163,863	120,418	399,866	411,054	75,397	197,375	(154,513)	9,404,277
Investments in associates	2,537	-	-	-	-	-	-	-	-	2,537
Segment liabilities [2]	6,837,236	97,119	124,507	98,190	284,431	240,559	46,574	308,096	(145,083)	7,891,629
Segment equity [2]	1,160,993	78,405	44,320	21,852	114,914	170,407	31,357	(108,219)	(9,430)	1,504,599

1 Unallocated items represent items of revenue, operating expense, assets, liabilities and equity which cannot be reasonably allocated to the geographical segments.
2 Consolidation adjustments are included in Eliminations.

7. Fair values of financial instruments

The Group has performed an assessment of fair values of its financial instruments to determine whether it is practicable within the constraints of timeliness and cost to determine their fair values with sufficient reliability.

Fair values of the following financial instruments differ from their carrying amounts shown in the statement of financial position:

	Note	Carrying amount 30 Jun 2013 TEUR	Fair Value 30 Jun 2013 TEUR	Carrying amount 31 Dec 2012 TEUR	Fair Value 31 Dec 2012 TEUR
Current accounts and deposits from customers	16	(5,822,245)	(5,829,742)	(4,723,571)	(4,726,542)
Due to banks and other financial institutions	17	(1,151,290)	(1,154,611)	(1,310,979)	(1,314,816)

The Group's estimates of fair values of its other financial assets and liabilities are not materially different from their carrying values.

The following table shows an analysis of financial instruments recorded at fair value, between those whose fair value is based on quoted market prices (Level 1) or calculated using valuation techniques where all the model inputs are observable in the market, typically interest rates and foreign exchange rates, (Level 2) or calculated using valuation techniques where significant model inputs are not observable in the market (Level 3):

30 Jun 2013	Note	Level 1 TEUR	Level 2 TEUR	Level 3 TEUR	Total TEUR
Financial assets at fair value through profit or loss	11	20,120	18,901	10,134	49,155
Financial assets available-for-sale	12	788,186	23,693	2,724	814,603
Financial liabilities at fair value through profit or loss	19	(20,120)	(7,756)	(76)	(27,952)
		788,186	34,838	12,782	835,806

31 Dec 2012	Note	Level 1 TEUR	Level 2 TEUR	Level 3 TEUR	Total TEUR
Financial assets at fair value through profit or loss	11	-	9,056	10,534	19,590
Financial assets available-for-sale	12	680,447	21,057	-	701,504
Financial liabilities at fair value through profit or loss	19	-	(11,401)	(34)	(11,435)
		680,447	18,712	10,500	709,659

There were no transfers between Level 1, 2 and 3 in the six-month period ended 30 June 2013 or year ended 31 December 2012.

7. Fair values of financial instruments (continued)

Reconciliation of movements in Level 3:	**30 Jun 2013**
	TEUR
Financial assets	
Balance as at 1 January	10,534
Net losses recorded in profit or loss (included in Other operating income)	(281)
Net losses recorded in other comprehensive income	(119)
Purchases	2,724
Closing balance	**12,858**

Financial assets at fair value through profit and loss presented in Level 3 represent positive fair value of derivative instruments of TEUR 10,134 (31 December 2012: TEUR 10,534).

Financial assets available-for-sale presented in Level 3 represent debt securities of TEUR 2,724 (31 December 2012: TEUR 0).

Financial liabilities at fair value through profit and loss presented in Level 3 represent negative fair value of derivative instruments of TEUR 76 (31 December 2012: TEUR 34).

Valuation techniques used for Level 3 financial instruments are based on discounted cash flow models where future contractual cash flows are discounted to the present value. All the financial instruments presented under the Level 3 category were contracted in the Republic of Belarus. The availability of market data to be used for the determination of the discount rates used for these instruments is limited. Therefore, the Group estimated the discount rates based on official interest rates declared by the National Bank of the Republic of Belarus. If the level of the discount rates as of 30 June 2013 had been higher or lower than the discount rates estimated by the Group, the fair values of Level 3 assets and liabilities would have been lower or higher respectively.

8. Cash and cash equivalents

	30 Jun 2013 TEUR	31 Dec 2012 TEUR
Cash on hand	173,593	245,279
Current accounts	399,471	564,984
Current accounts with central banks	136,545	201,434
Placements with financial institutions due within one month	635,547	198,390
	1,345,156	**1,210,087**

9. Due from banks, other financial institutions and holding companies

	30 Jun 2013 TEUR	31 Dec 2012 TEUR
Loans and term deposits with banks, other financial institutions and holding companies due in more than one month	137,004	169,558
Loans and advances provided under repo operations	34,493	167,464
Minimum reserve deposits with central banks	76,349	57,242
Other	11	7
	247,857	**394,271**

The minimum reserve deposits are mandatory non-interest bearing deposits calculated in accordance with regulations issued by the Central Bank of the Russian Federation, the National Bank of the Republic of Kazakhstan and the National Bank of the Republic of Belarus and whose withdrawals are restricted.

10. Loans to customers

	30 Jun 2013 TEUR	31 Dec 2012 TEUR
Gross amount		
Cash loan receivables	5,327,111	4,299,859
POS loan receivables	1,962,713	1,945,888
Revolving loan receivables	831,696	716,690
Car loan receivables	116,316	112,565
Mortgage loan receivables	91,791	95,725
Loans to corporations	4,190	3,812
Other	5,068	1,498
	8,338,885	**7,176,037**
Collective allowances for impairment		
Cash loan receivables	(646,540)	(401,791)
POS loan receivables	(192,001)	(149,743)
Revolving loan receivables	(100,122)	(70,474)
Car loan receivables	(20,043)	(15,998)
Mortgage loan receivables	(3,970)	(5,226)
Loans to corporations	(1,013)	(310)
Other	(408)	(422)
	(964,097)	**(643,964)**
Specific allowances for impairment		
Loans to corporations	(1,340)	(1,432)
	(1,340)	**(1,432)**
	7,373,448	**6,530,641**

During the six-month period ended 30 June 2013 the Group experienced an increase in the balance of allowances for impairment, which was primarily attributable to an increase in customer loan delinquencies across the Russian consumer loan market.

In 2009 the Group started regular sales of pools of certain customer loan receivables to related parties. The receivables sold were derecognized by the Group and the right to receive the contingent part of the sales price was recognized as an available-for-sale financial asset and was measured at fair value.

In January 2012 the receivables sale agreements were amended. Based on the amendments, the Group sells its future receivables at a fixed price above their face value which is regularly agreed between the parties on arm's length principles. The future contingent purchase price is no longer paid for future receivables or receivables sold in the past by the Group. The Group obtained the right to receive TEUR 56,152 in cash as a compensation for the future sales price component for the receivables assigned prior to the amendments. The gain of TEUR 26,239 recognized in 2012 in connection with the amendment of agreements is reported under other operating income, refer to Note 29.

In August and September 2012 and March 2013 the Group executed further agreements on sales of pools of loan receivables to related parties whereby the Group sells its future receivables at a fixed price above their face value which is regularly agreed between the parties on arm's length principles.

Car loans receivables of TEUR 92,931 (31 December 2012: TEUR 82,868) and revolving loan receivables of TEUR 0 (31 December 2012: TEUR 78,897) were pledged as collaterals for bank loan facilities (refer to Note 17).

11. Financial assets at fair value through profit or loss

	30 Jun 2013 TEUR	31 Dec 2012 TEUR
Claims to receive securities under REPO deals	20,120	-
Positive fair value of trading derivative instruments	14,919	17,491
Positive fair value of hedging derivative instruments	14,116	2,099
	49,155	19,590

12. Financial assets available-for-sale

	30 Jun 2013 TEUR	31 Dec 2012 TEUR
Debt securities	809,833	701,504
Equity securities	4,770	-
	814,603	701,504

13. Intangible assets

	30 Jun 2013 TEUR	31 Dec 2012 TEUR
Acquisition cost	180,626	142,643
Accumulated amortisation	(93,528)	(81,987)
Carrying amount	87,098	60,656

14. Property and equipment

	30 Jun 2013 TEUR	31 Dec 2012 TEUR
Acquisition cost	365,953	362,266
Accumulated depreciation	(137,458)	(125,008)
Carrying amount	228,495	237,258

15. Other assets

	30 Jun 2013 TEUR	31 Dec 2012 TEUR
Deferred acquisition costs of insurance contracts	90,173	-
Prepaid expenses	37,629	37,475
Trade receivables and settlement with suppliers	36,426	25,643
Acquisition of subsidiaries	34,500	34,500
Outstanding selling price for receivables	18,881	52,522
Accrued income from insurance fees	18,305	76,964
Other taxes receivable	7,735	4,994
Receivable arising out of insurance and re-insurance operations	6,349	-
Non-life amounts ceded to reinsurers from insurance provisions	4,337	-
Goods held for resale	754	8,047
Other	6,277	3,973
	261,366	**244,118**
Specific allowances for impairment on settlement with suppliers and other assets	(86)	(52)
	261,280	**244,066**

Acquisition of subsidiaries represents the consideration paid for the acquisition of shares in CF Commercial Consulting (Beijing) Co., Ltd. and Home Credit Consumer Finance Co., Ltd., which are not treated as consolidated subsidiaries because the Group is still in the process of obtaining the regulatory approvals for the acquisition of those entities (Note 1).

Deferred acquisition costs of insurance contracts were recognized as at 30 June 2013 following the acquisition by the Group of certain insurance operations (Note 1).

16. Current accounts and deposits from customers

	30 Jun 2013 TEUR	31 Dec 2012 TEUR
Term deposits	5,395,040	4,241,569
Current accounts and demand deposits	418,511	480,943
Other	8,694	1,059
	5,822,245	**4,723,571**

17. Due to banks and other financial institutions

	30 Jun 2013 TEUR	31 Dec 2012 TEUR
Unsecured loans	556,375	755,997
Loans received under repo operations	530,043	410,456
Secured loans	59,245	136,184
Other balances	5,627	8,342
	1,151,290	1,310,979

The following table provides an analysis of secured loans shown above by types of collateral:

	30 Jun 2013 TEUR	31 Dec 2012 TEUR
Car loan receivables	52,916	68,698
Revolving loan receivables	-	55,286
Other collateral	6,329	12,200
	59,245	136,184

The amounts shown in the table above represent the balances of loans, and do not necessarily represent the fair value of the collateral.

As at 30 June 2013 loans received under repo operations of TEUR 530,043 (31 December 2012: TEUR 410,456) were secured by financial assets available-for-sale.

18. Debt securities issued

	Interest rate	Final maturity	Amount outstanding 30 Jun 2013 TEUR	Amount outstanding 31 Dec 2012 TEUR
Unsecured RUB bond issue 5 of MRUB 4,000	Variable	April 2013	-	100,917
Loan participation notes issue 6 of MUSD 500	Fixed	March 2014	388,813	383,329
Stock exchange RUB bond issue 01 of MRUB 3,000	Variable	April 2014	71,190	75,606
Stock exchange RUB bond issue 03 of MRUB 4,000	Variable	April 2014	25,445	100,576
Unsecured RUB bond issue 6 of MRUB 5,000	Variable	June 2014	117,268	124,616
CZK promissory note issue of MCZK 500	Fixed	September 2014	18,061	18,169
Unsecured RUB bond issue 7 of MRUB 5,000	Variable	April 2015	118,631	126,027
Unsecured CZK bond issue 4 of MCZK 2,900	Fixed	September 2015	97,013	96,751
Stock exchange RUB bond issue 02 of MRUB 3,000	Fixed	February 2016	70,238	-
Unsecured CZK bond issue 5 of MCZK 3,750	Fixed	June 2016	144,939	154,163
			1,051,598	1,180,154

19. Financial liabilities at fair value through profit or loss

	30 Jun 2013 TEUR	31 Dec 2012 TEUR
Obligations to deliver securities under REPO deals	20,120	-
Negative fair value of trading derivative instruments	7,832	3,465
Negative fair value of hedging derivative instruments	-	7,970
	27,952	11,435

20. Insurance provisions

	30 Jun 2013 TEUR	31 Dec 2012 TEUR
Provisions for unearned premiums	128,814	-
Provisions for outstanding claims and other insurance provisions	2,658	-
	131,472	-

Insurance provisions were recognized as at 30 June 2013 following the acquisition by the Group of certain insurance operations (Note 1).

21. Subordinated liabilities

		Amount outstanding	
	Final maturity	30 Jun 2013 TEUR	31 Dec 2012 TEUR
Loan participation notes issue 7 of MUSD 500	April 2020	385,381	379,747
		385,381	379,747

Subordinated loan participation notes issue 7 were issued in October 2012 at a fixed rate. The Group has an early redemption option exercisable on 24 April 2018 (the reset date). After the reset date the interest rate is determined as a variable rate.

22. Other liabilities

	30 Jun 2013 TEUR	31 Dec 2012 TEUR
Accrued employee compensation	82,431	114,638
Settlement with suppliers	68,360	53,770
Other taxes payable	42,086	44,190
Customer loan overpayments	26,507	25,998
Deferred income and prepayments	19,794	16,934
Accrued expenses	16,966	15,964
Advances received	538	445
Other	18,038	13,804
	274,720	285,743

23. Equity

At 30 June 2013 the share capital of the Group comprised 1,250,000,000 (31 December 2012: 1,250,000,000) ordinary shares at a par value of EUR 0.57 (31 December 2012: EUR 0.57), of which 1,156,174,806 (31 December 2012: 1,156,174,806) shares were issued and fully paid. All issued shares bear equal voting rights. The holders of shares are entitled to receive distributions of profits and reserves when declared by the general meeting of the Company. No distributions can be made if the total amount of the reserves to be maintained pursuant to the law or the articles of association exceeds the Company's equity and the management board has not given its approval to such distribution.

In March 2013 the Group's share premium was reduced in a form of an interim dividend by TEUR 9,800 with an amount of EUR 0.01 per one share.

In April and May 2013 the Group's share premium was reduced in a form of interim distributions by TEUR 39,280 and TEUR 7,726 respectively with amounts per one share of EUR 0.03 and EUR 0.01 respectively.

In January 2013 the Group's sole shareholder resolved to increase the Group's share premium by TEUR 70,000. The contribution is payable upon earlier of the fulfilment of the conditions for the completion of the purchase of PPF Vietnam Finance Company LLC (Note 1) or 31 December 2015. The increase in the share premium has not been recorded in equity since the conditions related to purchase of PPF Vietnam have not been met.

The creation and use of the statutory reserves is limited by legislation and the articles of each company within the Group. The legal reserve fund is not available for distribution to the shareholders.

The translation reserve comprises foreign exchange differences arising from translation of the financial statements of companies within the Group with a functional currency other than the presentation currency. The translation reserve is not available for distribution to the shareholders.

The hedging reserve represents the effect of the recognition of the effective portion of changes in the fair value of hedging instruments in other comprehensive income in equity. The hedging reserve is not available for distribution to the shareholders.

The reserve for business combinations under common control was recognized on the acquisition of HC Asia N.V. in 2012. The reserve for business combinations under common control is not available for distribution to the shareholders.

The revaluation reserve represents the revaluation deficit or surplus, net of deferred tax, recognized on changes in the fair value of financial assets available-for-sale. The fair value reserve is not available for distribution to the shareholders.

24. Interest income and interest expense

	6 months ended 30 Jun 2013 TEUR	6 months ended 30 Jun 2012 TEUR
Interest income		
Cash loan receivables	802,439	340,552
POS loan receivables	230,900	116,741
Revolving loan receivables	118,546	77,153
Car loan receivables	14,250	11,050
Mortgage loan receivables	5,107	6,291
Financial assets available-for-sale	29,532	17,952
Due from banks, other financial institutions and holding companies	13,844	8,227
Financial assets held-to-maturity	239	-
Other	157	189
	1,215,014	578,155
Interest expense		
Deposits from customers	256,258	115,843
Debt securities issued	43,860	43,571
Due to banks and other financial institutions	33,614	12,553
Subordinated liabilities	18,318	-
	352,050	171,967

25. Fee and commission income

	6 months ended 30 Jun 2013 TEUR	6 months ended 30 Jun 2012 TEUR
Insurance commissions	303,023	181,525
Penalty fees	35,141	24,401
Cash transactions	30,030	24,688
Customer payment processing and account maintenance	11,401	11,874
Retailer commissions	7,182	3,511
Other	4,104	182
	390,881	246,181

26. Fee and commission expense

	6 months ended 30 Jun 2013 TEUR	6 months ended 30 Jun 2012 TEUR
Cash transactions	15,334	7,461
Commissions to retailers	12,723	8,029
Payments to deposit insurance agencies	12,561	2,940
Payment processing and account maintenance	5,164	2,971
Other	2,141	523
	47,923	21,924

27. Insurance income

	6 months ended 30 Jun 2013 TEUR	6 months ended 30 Jun 2012 TEUR
Gross premiums earned	24,215	-
Earned premiums ceded	(1,708)	-
Net insurance benefits and claims	(452)	-
Acquisition costs	(16,894)	-
	5,161	-

Insurance income was recognized during the six-month period ended 30 June 2013 following the acquisition by the Group of certain insurance operations (Note 1).

28. Net losses on financial assets and liabilities

	6 months ended 30 Jun 2013 TEUR	6 months ended 30 Jun 2012 TEUR
Net foreign currency gains	13,488	2,190
Net trading gains/(losses) on other financial assets and liabilities	261	(445)
Net losses on derivatives	(22,968)	(7,561)
Other	(176)	-
	(9,395)	(5,816)

29. Other operating income

	6 months ended 30 Jun 2013 TEUR	6 months ended 30 Jun 2012 TEUR
Gains on disposal of loan receivables	56,813	43,588
Recognized income from excess of acquired net fair value over costs	30,451	-
Income from other services provided	4,623	5,010
Loss on monetary position	(1,258)	(1,859)
Other	5,583	3,683
	96,212	50,422

Gains on disposal of loan receivables relate to sales of customer loan receivables. Gains on disposal of loan receivables for the six-month period ended 30 June 2012 include the gain of TEUR 26,239 recognized in connection with the amendment of the receivables sale agreements (Note 10).

Income from excess of acquired net fair value over costs was recognized on acquisitions of PPF General Insurance (LLC), PPF Insurance (PSC) and PPF Insurance (FICJSC) (Note 1).

Loss on monetary position represents the effect of application of IAS 29 – Financial Reporting in Hyperinflationary Economies for Home Credit Bank (OJSC) incorporated in the Republic of Belarus.

30. Impairment losses on financial assets

	6 months ended 30 Jun 2013 TEUR	6 months ended 30 Jun 2012 TEUR
Cash loan receivables	403,133	142,738
POS loan receivables	106,898	41,957
Revolving loan receivables	51,137	13,538
Car loan receivables	4,327	1,993
Mortgage loan receivables	231	(1,593)
Financial assets available-for-sale	516	-
Other financial assets	703	244
	566,945	**198,877**

During the six-month period ended 30 June 2013 the Group experienced an increase in impairment losses on financial assets, which was primarily attributable to an increase in customer loan delinquencies across the Russian consumer loan market.

31. General administrative expenses

	6 months ended 30 Jun 2013 TEUR	6 months ended 30 Jun 2012 TEUR
Employee compensation	189,667	99,376
Rental, maintenance and repair expense	49,741	32,394
Payroll related taxes (including pension contributions)	40,180	23,578
Telecommunication and postage	26,865	20,069
Professional services	20,780	9,477
Advertising and marketing	19,907	16,280
Information technologies	10,524	6,967
Travel expenses	9,358	5,178
Taxes other than income tax	8,945	2,404
Other	19,392	11,388
	395,359	**227,111**

32. Other operating expenses

	6 months ended 30 Jun 2013 TEUR	6 months ended 30 Jun 2012 TEUR
Depreciation and amortization	34,994	21,326
Loss on disposal of property, plant, equipment and intangible assets	833	586
Impairment losses on non-financial assets	22	-
	35,849	**21,912**

33. Income tax expense

	6 months ended 30 Jun 2013 TEUR	6 months ended 30 Jun 2012 TEUR
Current tax expense	82,908	60,751
Deferred tax benefit	(13,906)	(6,741)
Total income tax expense in the statement of comprehensive income	**69,002**	**54,010**

34. Commitments

The Group has outstanding commitments to extend credit. These commitments take the form of approved credit limits related to customer's revolving loan accounts, POS loan facilities, cash loan facilities and overdraft facilities.

	30 Jun 2013 TEUR	31 Dec 2012 TEUR
Revolving loan commitments	1,096,556	1,403,059
POS loan commitments	33,146	37,684
Cash loan commitments	20,411	37,460
Undrawn overdraft facilities	-	8,877
	1,150,113	**1,487,080**

The total outstanding contractual commitments to extend credit indicated above do not necessarily represent future cash requirements as many of these commitments will expire or terminate without being funded.

As at 30 June 2013 the Group reported contractual commitments for the acquisition of property, plant and equipment and intangible assets of TEUR 249 (31 December 2012: TEUR 0).

As at 30 June 2013 the balance of loan guarantees issued by the Group was TEUR 23,368 (31 December 2012: TEUR 136,427).

35. Contingencies

The taxation systems in the Russian Federation, the Republic of Belarus, the Republic of Kazakhstan and the People's Republic of China are relatively new and are characterized by frequent changes in legislation which are subject to varying interpretation by different tax 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 several subsequent calendar years. Recent events within the Russian Federation, the Republic of Belarus, the Republic of Kazakhstan and the People's Republic of China suggest that the tax authorities are taking a more assertive position in their interpretation and enforcement of tax legislation.

The facts mentioned above may create tax risks in respective countries that are substantially more significant than in other countries. Management believes that it has provided adequately for tax liabilities based on its interpretations of applicable Russian, Belarusian, Kazakhstan and Chinese tax legislation, official pronouncements and court decisions.

36. Related party transactions

The Group has a related party relationship with its ultimate parent company PPF Group N.V., its subsidiaries and associates, the Group's key management personnel and other related parties. Related party transactions are executed on an arm's length basis. Related party transactions arise primarily from funding and treasury transactions as well as from sales of loan receivables reported under other operating income (Note 29) and insurance commissions reported under fee and commission income.

(a) Transactions with the parent company

Balances included in the statement of financial position in relation to transactions with the parent company are as follows:

	30 Jun 2013 TEUR	31 Dec 2012 TEUR
Due from banks, other financial institutions and holding companies	88,499	114,809
Financial assets at fair value through profit or loss	-	230
Intangible assets	-	70
Other assets	34,500	34,500
Financial liabilities at fair value through profit or loss	(43)	-
Subordinated liabilities	(109,453)	(115,768)
Other liabilities	(126)	(441)
	13,377	**33,400**

Amounts included in the statement of comprehensive income in relation to transactions with the parent company are as follows:

	6 months ended 30 Jun 2013 TEUR	6 months ended 30 Jun 2012 TEUR
Interest income	3,848	3,128
Interest expense	(5,476)	(13)
Net losses on financial assets and liabilities	(273)	-
General administrative expenses	(126)	-
	(2,027)	**3,115**

36. Related party transactions (continued)

(b) Transactions with fellow subsidiaries

Balances included in the statement of financial position in relation to transactions with fellow subsidiaries are as follows:

	30 Jun 2013 TEUR	31 Dec 2012 TEUR
Cash and cash equivalents	43,814	10,968
Due from banks, other financial institutions and holding companies	3,854	7,718
Loans to customers	7,732	4,165
Financial assets at fair value through profit or loss	288	4,993
Financial assets held-to-maturity	3,731	3,667
Intangible assets	756	-
Other assets	35,603	57,192
Current accounts and deposits from customers	(54,888)	(2,723)
Due to banks and other financial institutions	(120,117)	(108,720)
Debt securities issued	(88,745)	(87,414)
Financial liabilities at fair value through profit or loss	(7,291)	(738)
Subordinated liabilities	(1,164)	(1,678)
Other liabilities	(13,229)	(12,370)
	(189,656)	**(124,940)**

Amounts included in the statement of comprehensive income in relation to transactions with fellow subsidiaries are as follows:

	6 months ended 30 Jun 2013 TEUR	6 months ended 30 Jun 2012 TEUR
Interest income	(1,456)	(5,213)
Interest expense	(8,442)	(2,157)
Fee and commission income	54,859	966
Fee and commission expense	(123)	(152)
Net (losses)/gains on financial assets and liabilities	(9,263)	129
Other operating income	67,746	44,025
General administrative expenses	(5,439)	(1,604)
Other operating expenses	(28)	-
	97,854	**35,994**

36. Related party transactions (continued)

(c) Transactions with the parent company's associates

Balances included in the statement of financial position in relation to transactions with the parent company's associates are as follows:

	30 Jun 2013 TEUR	31 Dec 2012 TEUR
Other assets	1,891	57,212
Current accounts and deposits from customers	-	(43,069)
Debt securities issued	(173,097)	(179,570)
Subordinated liabilities	-	(1,722)
Other liabilities	(1,259)	(1,396)
	(172,465)	(168,545)

Amounts included in the statement of comprehensive income in relation to transactions with the parent company's associates are as follows:

	6 months ended 30 Jun 2013 TEUR	6 months ended 30 Jun 2012 TEUR
Interest income	-	164
Interest expense	(5,527)	(9,840)
Fee and commission income	18,814	129,958
Insurance income	195	-
Other operating income	7	119
General administrative expenses	(611)	(1,333)
	12,878	119,068

36. Related party transactions (continued)

(d) Transactions with key management personnel and other related parties

Amounts included in the statement of comprehensive income in relation to transactions with members of key management are long-term benefits of TEUR 1,846 (six months ended 30 June 2012: TEUR 1,391) and short-term benefits of TEUR 12,562 (six months ended 30 June 2012: TEUR 10,709) comprising salaries, bonuses and non-monetary benefits.

As at 30 June 2013 the balance of loans to members of the key management was TEUR 3 (31 December 2012: TEUR 8).

The members of the Board of Directors of the Company and key management of its subsidiaries are considered as the key management of the Group.

In 2013 the Group concluded a consultancy service agreement with a company controlled by one of the members of its Board of Directors. The consultancy fees of TEUR 3,000 charged over the six-month period ended 30 June 2013 in relation to this agreement are recorded under general administrative expenses, while the related liability of TEUR 500 as of 30 June 2013 is recorded under other liabilities.

37. Subsequent events

In July 2013 the Group's share premium was reduced in a form of an interim distribution by TEUR 28,901 with an amount of EUR 0.02 per one share.

Review report

To: the Board of Directors of Home Credit B.V.

Introduction

We have reviewed the accompanying condensed consolidated interim financial information of Home Credit B.V., Amsterdam, which comprises the statement of financial position as at 30 June 2013, the statements of comprehensive income for the three months and six months periods ended 30 June 2013, the statements of changes in equity, and cash flows for the period of six months ended 30 June 2013, and the notes. Management of the Company is responsible for the preparation and presentation of this consolidated interim financial information in accordance with IAS 34 'Interim Financial Reporting' as adopted by the European Union. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope

We conducted our review in accordance with Dutch law including standard 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity'. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with auditing standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial information as at 30 June 2013 is not prepared, in all material respects, in accordance with IAS 34 'Interim Financial Reporting' as adopted by the European Union.

Amstelveen, 10 September 2013

KPMG Accountants N.V.

B.M. Herngreen RA