Home Credit B.V.

Condensed Unconsolidated Interim Financial Report for the nine-month period ended 30 September 2017

(unaudited)

Contents

	Note	30 Sep 2017 MEUR	31 Dec 2016 MEUR
ASSETS			
Cash and cash equivalents	5	157	3
Time deposits with banks	6	10	27
Loans provided	7	67	79
Financial assets at fair value through profit or loss	8	3	3
Financial assets available-for-sale	9	-	12
Investments in subsidiaries	10	2,841	2,108
Other assets	11	1	68
Total assets		**3,079**	**2,300**
LIABILITIES			
Debt securities issued	12	117	36
Financial liabilities at fair value through profit or loss	13	297	1
Loans received and other liabilities	14	963	768
Total liabilities		**1,377**	**805**
EQUITY			
Share capital	15	659	659
Share premium	15	638	480
Other reserves	15	405	356
Total equity		**1,702**	**1,495**
Total liabilities and equity		**3,079**	**2,300**

	Note	9 months ended 30 Sep 2017 MEUR	9 months ended 30 Sep 2016 MEUR
Continuing operations:			
Interest income	16	4	5
Interest expense	16	(42)	(28)
Net interest expense		**(38)**	**(23)**
Dividend income	17	97	69
Fee income	18	4	6
Net foreign exchange result		(1)	(2)
Operating income		**62**	**50**
Impairment losses	19	-	(11)
General administrative expenses	20	(9)	(8)
Operating expenses		**(9)**	**(19)**
Profit before tax		**53**	**31**
Income tax expense	21	(4)	(2)
Net profit for the period		**49**	**29**
Other comprehensive income for the period		**-**	**-**
Total comprehensive income for the period		**49**	**29**

	Share capital MEUR	Share premium MEUR	Other reserves MEUR	Total equity MEUR
Balance as at 1 January 2017	659	480	356	1,495
Share premium increase	-	158	-	158
Profit for the period	-	-	49	49
Total changes	**-**	**158**	**49**	**207**
Balance as at 30 September 2017	**659**	**638**	**405**	**1,702**

	Share capital MEUR	Share premium MEUR	Other reserves MEUR	Total equity MEUR
Balance as at 1 January 2016	659	480	294	1,433
Profit for the period	-	-	29	29
Total changes	**-**	**-**		
Balance as at 30 September 2016	**659**	**480**	**323**	**1,462**

	Note	9 months ended 30 Sep 2017 MEUR	9 months ended 30 Sep 2016 MEUR
Operating activities			
Profit before tax		53	31
Adjustments for:			
Interest income and expense	16	38	23
Dividend income	17	(97)	(69)
Impairment losses	19	-	11
Expenses not involving movements of cash		6	(13)
Net operating cash flow before changes in working capital		**-**	**(17)**
Change in time deposits with banks		15	(5)
Change in loans provided		5	6
Change in other assets		2	4
Change in other liabilities		(3)	(2)
Cash flows from / (used in) the operations		**19**	**(14)**
Interest paid		(50)	(27)
Interest received		4	7
Income tax paid		(4)	(2)
Cash flows from / (used in) operating activities		**(31)**	**(36)**
Investing activities			
Proceeds from available-for-sale assets		12	10
Investments into subsidiaries		(733)	(303)
Dividends received	17	162	69
Cash flows used in investing activities		**(559)**	**(224)**
Financing activities			
Share premium increase		158	-
Proceeds from issue of debt securities		74	-
Repayment of debt securities		-	(148)
Proceeds from due to banks and other financial institutions		1,396	709
Repayments of due to banks and other financial institutions		(884)	(302)
Cash flows from financing activities		**744**	**259**
Net increase in cash and cash equivalents		154	(1)
Cash and cash equivalents at 1 January	5	3	2
Cash and cash equivalents at 30 September	5	**157**	**1**

1. Description of the Company

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 Sep 2017	**31 Dec 2016**
PPF Financial Holdings B.V.	Netherlands	88.62	88.62
EMMA OMEGA LTD	Cyprus	11.38	11.38

PPF Financial Holdings B.V. is a subsidiary of PPF Group N.V. The ultimate controlling party is Mr. Petr Kellner, who exercises control through PPF Group N.V. and PPF Financial Holdings B.V.

Board of Directors

Jiří Šmejc	Chairman	
Jan Cornelis Jansen	Vice-chairman	
Rudolf Bosveld	Member	
Petr Kohout	Member	till September 30
Mel Gerard Carvill	Member	
Marcel Marinus van Santen	Member	
Paulus Aloysius de Reijke	Member	
Lubomír Král	Member	till March 7
Jean-Pascal Pierre Alexandre Duvieusart	Member	from March 7

Principal activities

The Company is a direct owner of consumer finance companies ("the Group") operating in the Central Europe, CIS, Asia and The United States of America. The principal activities of the Company are the holding of equity stakes in these companies and financing these companies both from the market and from the parent company and related parties.

2. Basis of preparation

The financial statements for the period ended 30 September 2017 have been prepared on an unconsolidated basis. Subsidiaries are presented on a cost-less-impairment basis.

The Company has also prepared the consolidated financial statements for the period ended 30 September 2017, which have been prepared in accordance with IFRSs, including IASs, promulgated by the IASB and interpretations issued by the IFRIC of the IASB as adopted by the European Union.

(a) Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs), including International Accounting Standards (IASs), promulgated by the International Accounting Standards Board (IASB) and interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) of the IASB as adopted by the European Union and with Part 9 of Book 2 of the Netherlands Civil Code.

(b) Basis of measurement

The 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 reporting currency. Financial information presented in EUR has been rounded to the nearest million (MEUR).

(d) Changes in accounting policies and comparative figures

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

(e) Use of estimates and judgments

The preparation of the unconsolidated 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.

3. Significant accounting policies

The significant accounting policies applied in the preparation of these condensed unconsolidated interim financial statements are consistent with those used in the preparation of the Company's annual financial statements for the year ended 31 December 2016.

(a) Changes in Accounting policies and accounting pronouncements adopted since 1 January 2017

The following revised standards effective from 1 January 2017 are mandatory and relevant for the Company and have been applied by the Company since 1 January 2017.

Amendments to IAS 7 Statement of Cash Flows (effective from 1 January 2017)

The amendments are part of the IASB's disclosure initiative project and introduce additional disclosure requirements intended to address investors' concerns that financial statements do not currently enable them to understand the entity's cash flows; particularly in respect to the management of financing activities.

This standard did not have significant impact on the Company's financial statements.

Amendments to IAS 12 Recognition of Deferred Tax Assets for Unrealised Losses (effective from 1 January 2017)

In January 2016 IASB issued amendments to IAS 12 Income Taxes. The amendments clarify how to account for deferred tax assets related to debt instruments measured at fair value.

This standard did not have significant impact on the Company's financial statements.

Annual improvements 2014-2016 Cycle (effective from 1 January 2017)

In December 2016, the IASB issued its annual Improvements to IFRSs 2014-2016 Cycle as part of the annual improvements process to make non-urgent but necessary amendments to IFRS. Out of the amendments contained in the 2014-2016 Cycle, the amendment to IFRS 12 is effective from 1 January 2017.

3. Significant accounting policies (continued)

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

A number of new Standards, amendments to Standards and Interpretations were not yet effective as of 30 September 2017 and have not been applied in preparing these financial statements. Of these pronouncements, potentially the following will have an impact on the Company's operations. The Company plans to adopt these pronouncements when they become effective. The Company is in the process of analysing the likely impact on its financial statements.

IFRS 9 Financial Instruments (effective from 1 January 2018)

IFRS 9 *Financial Instruments*, published in July 2014, replaces the existing guidance in IAS 39 *Financial Instruments: Recognition and Measurement*, and includes requirements for classification and measurement of financial instruments, impairment of financial assets and hedge accounting.

(i) Classification and measurement

IFRS 9 contains three principal classification categories for financial assets: measured at amortized cost, fair value through other comprehensive income (FVOCI) and fair value through profit or loss (FVTPL). The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. The standard eliminates the existing IAS 39 categories of held-to-maturity, loans and receivables and available-for-sale. Under IFRS 9, derivatives embedded in contracts where the host is a financial asset in the scope of the standard are not separated. Instead, the whole hybrid instrument is assessed for classification. Equity investments are measured at fair value.

IFRS 9 largely retains the existing requirements in IAS 39 for the classification of financial liabilities. However, although under IAS 39 all fair value changes of liabilities designated under the fair value option were recognized in profit or loss, under IFRS 9 fair value changes are generally presented as follows:

- the amount of change in the fair value that is attributable to changes in the credit risk of the liability is presented in OCI; and
- the remaining amount of change in the fair value is presented in profit or loss.

(ii) Impairment

IFRS 9 replaces the 'incurred loss' model in IAS 39 with an 'expected credit loss' model. The new impairment model applies to financial assets measured at amortized cost and FVOCI, lease receivables, certain loan commitments and financial guarantee contracts. The new impairment model generally requires to recognize expected credit losses in profit or loss for all financial assets, even those that are newly originated or acquired. Under IFRS 9, impairment is measured as either expected credit losses resulting from default events on the financial instrument that are possible within the next 12 months ('12-month ECL') or expected credit losses resulting from all possible default events over the expected life of the financial instrument ('lifetime ECL'). Initial amount of expected credit losses recognized for a financial asset is equal to 12-month ECL (except for certain trade and lease receivables, and contract assets, or purchased or originated credit-impaired financial assets). If the credit risk on the financial instrument has increased significantly since initial recognition, the loss allowance is measured at an amount equal to lifetime ECL.

Financial assets for which 12-month ECL is recognized are considered to be in stage 1; financial assets that have experienced a significant increase in credit risk since initial recognition, but are not defaulted are considered to be in stage 2; and financial assets that are in default or otherwise credit-impaired are considered to be in stage 3.

3. Significant accounting policies (continued)

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

Measurement of expected credit losses is required to be unbiased and probability-weighted, should reflect the time value of money and incorporate reasonable and supportable information that is available without undue cost or effort about past events, current conditions and forecasts of future economic conditions. Under IFRS 9, credit losses are recognized earlier than under IAS 39, resulting in increased volatility in profit or loss. It will also tend to result in an increased impairment allowance, since all financial assets will be assessed for at least 12-month ECL and the population of financial assets to which lifetime ECL applies is likely to be larger than the population with objective evidence of impairment identified under IAS 39.

Calculation of expected credit losses is likely to be based on the approach (at least for some portfolios), depending on the type of the exposure, stage at which the exposure is classified under IFRS 9, collective or individual assessment, etc.

(iii) Hedge accounting

The general hedge accounting requirements aim to simplify hedge accounting, aligning the hedge accounting more closely with risk management strategies. The standard does not explicitly address macro hedge accounting, which is being considered in a separate project. IFRS 9 includes an accounting policy choice to continue to apply the hedge accounting requirements of IAS 39.

(iv) Transition

The classification and measurement and impairment requirements are generally applied retrospectively (with some exemptions) by adjusting the opening retained earnings and reserves at the date of initial application, with no requirement to restate comparative periods.

IFRS 9 is effective for annual reporting periods beginning on or after 1 January 2018. Early adoption of the standard is permitted. The Company does not intend to adopt the standard earlier.

The Company is assessing the potential impact of adopting IFRS 9 on its consolidated financial statements.

The actual impact of adopting IFRS 9 on the Company's unconsolidated financial statements in 2018 is not known and cannot be reliably estimated because it will be dependent on the financial instruments that the Company holds and economic conditions at that time. The new standard will require the Company to revise its accounting processes and internal controls related to reporting financial instruments and these changes are not yet complete. However, given the nature of the Company's operations, this standard is not expected to have significant impact on the Company's unconsolidated financial statements.

IFRS 15 Revenue from Contracts with Customers (effective from 1 January 2018)

In May 2014 IASB and the Financial Accounting Standards Board (FASB), responsible for US Generally Accepted Accounting Principles (US GAAP) jointly issued a converged Standard on the recognition of revenue from contracts with customers. The core principle of the new Standard is for companies to recognise revenue to depict the transfer of goods or services to customers in amounts that reflect the consideration (that is, payment) to which the company expects to be entitled in exchange for those goods or services. The new Standard will also result in enhanced disclosures about revenue, provide guidance for transactions that were not previously addressed comprehensively and improve guidance for multiple-element arrangements.

IFRS 15 supersedes IAS 11 Construction Contracts, IAS 18 Revenue, IFRIC 13 Customer Loyalty Programmes, IFRIC 15 Agreements for the Construction of Real Estate, IFRIC 18 Transfers of Assets from Customers and SIC-31 Revenue-Barter Transactions Involving Advertising Services.

3. Significant accounting policies (continued)

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

In April 2016 IASB issued clarifications to IFRS 15 clarifying some requirements and providing additional transitional relief for companies that are implementing the new Standard.

Given the nature of the Company's operations, this standard is not expected to have significant impact on the Company's financial statements.

Annual Improvements 2014-2016 Cycle (effective from 1 January 2017 and from 1 January 2018)

In November 2015 the IASB published Annual Improvements to IFRSs 2014-2016 Cycle as part of the annual improvements process to make non-urgent but necessary amendments to IFRS. Out of the amendments contained in the 2014-2016 Cycle, the amendments to IFRS 1 and IAS 28 are effective from 1 January 2018.

These Annual Improvements have not yet been adopted by the EU.

IFRS 16 Leases (effective from 1 January 2019)

In January 2016 IASB issued a new Standard on leases. The standard requires companies to bring most leases on-balance sheet, recognising new assets and liabilities. IFRS 16 eliminates the classification of leases as either operating or finance for lessees and, instead, introduces a single lessee accounting model. This model reflects that leases result in a company obtaining the right to use an asset (the 'lease asset') at the start of the lease and, because most lease payments are made over time, also obtaining financing. As a result, the new Standard requires lessees to account for all of their leases in a manner similar to how finance leases were treated applying IAS 17. IFRS 16 includes two exemptions from recognising assets and liabilities for (a) short-term leases (i.e. leases of 12 months or less) and (b) leases of low-value items (such as personal computers).

Applying IFRS 16, a lessee will:
- recognise lease assets (as a separate line item or together with property, plant and equipment) and lease liabilities in the balance sheet;
- recognise depreciation of lease assets and interest on lease liabilities in the income statement; and
- present the amount of cash paid for the principal portion of the lease liability within financing activities, and the amount paid for the interest portion within either operating or financing activities, in the cash flow statement.

Given the nature of the Company's operations, this standard is not expected to have significant impact on the Company's financial statements.

IFRIC 22 Foreign Currency Transactions and Advance Consideration (effective from 1 January 2018)

The IFRIC 22 clarifies the transactions date used to determine the exchange rate for foreign currency transactions involving an advance payment or receipt: the transaction date is the date on which the company initially recognizes the prepayment or deferred income arising from the advance consideration. For transactions involving multiple payments or receipts, each payment or receipt gives rise to a separate transaction date.

This interpretation has not yet been adopted by the EU. It is not expected to have significant impact on the Group's financial statements.

4. Financial risk management

All aspects of the Company's financial risk management objectives and policies are consistent with those disclosed in the Company's unconsolidated financial statements for the year ended 31 December 2016.

5. Cash and cash equivalents

	30 Sep 2017 MEUR	31 Dec 2016 MEUR
Current accounts with related parties	157	3
	157	**3**

6. Time deposits with banks

	30 Sep 2017 MEUR	31 Dec 2016 MEUR
Cash collateral for syndicated loan interest payment	6	7
Cash collateral for foreign exchange derivative contracts	4	4
Deposit held with external banks as cash collateral for bank loans provided to subsidiaries	-	16
	10	**27**

7. Loans provided

	30 Sep 2017 MEUR	31 Dec 2016 MEUR
Loans to subsidiaries	28	28
Loans to the controlling entities	-	7
Other loans provided	39	44
	67	**79**

The loans provided by the Company to subsidiaries are unsecured, other loans provided are secured.

8. Financial assets at fair value through profit or loss

	30 Sep 2017 MEUR	31 Dec 2016 MEUR
Positive fair value of trading derivative instruments	3	3
	3	**3**

9. Financial assets available-for-sale

	30 Sep 2017 MEUR	31 Dec 2016 MEUR
Debt securities	-	12
	-	**12**

10. Investments in subsidiaries

Subsidiary	Country of incorporation	Share in issued capital 30 Sep 2017 %	Share in issued capital 31 Dec 2016 %	Net cost of investment 30 Sep 2017 MEUR	Net cost of investment 31 Dec 2016 MEUR
Redlione (LLC)	Cyprus	100.00	100.00	18	18
Enadoco Limited	Cyprus	100.00	100.00	1	1
Rhaskos Finance Limited	Cyprus	100.00	100.00	1	1
Septus Holding Limited	Cyprus	100.00	100.00	1	1
Sylander Capital Limited	Cyprus	100.00	100.00	1	1
Talpa Estero Limited	Cyprus	100.00	100.00	1	1
Astavedo Limited	Cyprus	100.00	100.00	-	-
Home Credit (JSC)	Czech Republic	100.00	100.00	233	233
Home Credit International (JSC)	Czech Republic	100.00	100.00	10	10
HC Insurance Services (LLC)	Czech Republic	100.00	100.00	1	1
Air Bank (JSC)	Czech Republic	100.00	100.00	212	183
Home Credit Consumer Finance Co., Ltd.	China	100.00	100.00	977	490
CF Commercial Consulting (Beijing) Co., Ltd.	China	100.00	100.00	1	1
Favour Ocean Limited [1]	Hong Kong	100.00	-	128	-
HC Asia B.V. [2]	Netherlands	100.00	100.00	644	577
Home Credit Lab N.V.	Netherlands	100.00	100.00	18	7
Non-banking Credit and Financial Organization “Home Credit” (OJSC)	Republic of Belarus	99.59	99.59	3	3
Home Credit and Finance Bank (LLC)	Russian Federation	99.99	99.99	454	454
Home Credit Insurance (LLC)	Russian Federation	100.00	100.00	10	10
MCC Kupi ne kopi (LLC)	Russian Federation	100.00	100.00	2	2
Home Credit Slovakia (JSC)	Slovak Republic	100.00	100.00	21	21
LLC Homer Software House [3]	Ukraine	2.78	2.78	-	-
HOME CREDIT US Holding, LLC	USA	100.00	100.00	34	23
Home Credit Vietnam Finance Company Limited	Vietnam	100.00	100.00	70	70
				2,841	**2,108**

[1] the company became a subsidiary of Home Credit B.V. in August 2017
[2] previously HC Asia N.V., the legal form of the company has changed in July 2017
[3] presented as a subsidiary because of the Company’s indirect share of 97.22% through Redlione (LLC)

10. Investments in subsidiaries (continued)

2017	**Cost of investment**	**Impairment**	**Carrying amount**
	MEUR	**MEUR**	**MEUR**
Balance as at 1 January	**2,244**	**(136)**	**2,108**
Investments	733	-	733
Balance as at 30 September			**2,841**

2016	**Cost of investment**	**Impairment**	**Carrying amount**
	MEUR	**MEUR**	**MEUR**
Balance as at 1 January	**1,867**	**(90)**	**1,777**
Investments	303	-	303
Impairment charges	-	(11)	(11)
Balance as at 30 September			**2,069**

There were no impairment charges in the nine-month period ended 30 September 2017.

In the nine-month period ended 30 September 2016 the Company recognised an impairment loss of MEUR 11 on its investment in OJSC Home Credit Bank as a response to declining profitability of the Belarusian subsidiary.

11. Other assets

	30 Sep 2017 MEUR	31 Dec 2016 MEUR
Trade receivables	1	3
Dividend receivable	-	65
	1	**68**

Trade receivables balances represent receivables for services provided to related parties.

12. Debt securities issued

	Interest rate	Final maturity	Amount outstanding 30 Sep 2017 MEUR	31 Dec 2016 MEUR
CZK promissory note issue of MCZK 650	Zero-coupon	March 2018	24	22
Unsecured CZK bond issue of MCZK 1,998	3.75%	March 2020	79	-
CZK promissory note issue of MCZK 207	Zero-coupon	April 2020	7	7
EUR promissory note issue of MEUR 7.96	Zero-coupon	April 2020	7	7
			117	**36**

All the bonds and promissory notes issued are unsecured.

13. Financial liabilities at fair value through profit or loss

	30 Sep 2017 MEUR	31 Dec 2016 MEUR
Loan from subsidiary	295	-
Negative fair value of trading derivative instruments	2	1
	297	**1**

In July 2017 the Group signed a strategic partnership agreement with PAG Asia Capital ("PAG"), one of Asia's largest private equity firms, with the aim of supporting the long-term development of the Group's business, in China. Within this deal, PAG has made an investment to the Group, in a form of a long term loan provided to the Group's subsidiary Favour Ocean Limited. This subsidiary subsequently granted a loan in the same amount to Home Credit B.V. The Company decided to measure this loan at fair value through profit or loss.

14. Loans received and other liabilities

	30 Sep 2017 MEUR	31 Dec 2016 MEUR
Loans received	962	762
Settlement with suppliers	1	4
Other accounts payable	-	2
	963	**768**

Loans received

	Interest Rate	Currency	Maturity	Amount outstanding 30 Sep 2017 MEUR	Amount outstanding 31 Dec 2016 MEUR
Loan from parent company	Fixed	EUR	July 2017	-	279
Loan from controlling party	Fixed	EUR	July 2017	-	79
Syndicated loan	Variable	EUR	September 2017	-	299
Loan from parent company	Fixed	EUR	November 2017	273	-
Loan from subsidiary	Variable	USD	July 2018	-	72
Loan from subsidiary	Fixed	RUB	September 2018	15	-
Syndicated loan	Variable	EUR	June 2019	646	-
Loan from other related party	Fixed	CZK	January 2020	28	26
				962	**762**

15. Equity

As at 30 September 2017 the Company's share capital comprised 1,250,000,000 (31 December 2016: 1,250,000,000) ordinary shares at a par value of EUR 0.57 (31 December 2016: EUR 0.57), of which 1,156,174,806 (31 December 2016: 1,156,174,806) shares were issued and fully paid. All issued shares bear equal voting rights. The holders of the 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.

16. Interest income and interest expense

	9 months ended 30 Sep 2017 MEUR	9 months ended 30 Sep 2016 MEUR
Interest income		
Other related parties	3	2
Subsidiaries	1	1
Controlling entities	-	2
	4	**5**
Interest expense		
Loans received	39	22
Debt securities issued	3	6
	42	**28**

17. Dividend income

	9 months ended 30 Sep 2017 MEUR	9 months ended 30 Sep 2016 MEUR
Subsidiary		
Home Credit and Finance Bank (LLC)	68	24
Home Credit Vietnam Finance Company Limited	14	15
Home Credit (JSC)	8	18
Home Credit Insurance (LLC)	6	8
Home Credit Slovakia (JSC)	-	4
Other	1	-
	97	**69**

18. Fee income

	9 months ended 30 Sep 2017 MEUR	9 months ended 30 Sep 2016 MEUR
Fees for services provided	3	5
Guarantee fees	1	1
	4	**6**

19. Impairment losses

In the nine-month period ended 30 September 2017 the Company did not recognize any impairment losses.

In the nine-month period ended 30 September 2016 the Company recognized impairment losses of MEUR 11 on its equity investment in OJSC Home Credit Bank.

20. General administrative expenses

	9 months ended 30 Sep 2017 MEUR	9 months ended 30 Sep 2016 MEUR
Professional services	7	6
Travel	2	2
	9	**8**

21. Taxation

Income tax expense of MEUR 4 (nine-month period ended 30 September 2016: MEUR 2) represented withholding tax from dividends and from interest received.

22. Commitments and guarantees

As at 30 September 2017 the Company had outstanding commitments to extend credit of MEUR 16 (31 December 2016: MEUR 19).

As at 30 September 2017 the Company had outstanding guarantees of MEUR 422 (31 December 2016: MEUR 127) issued by the Company in favour of financing entities for loans drawn by related parties.

23. Related party transactions

The Company has a related party relationship with its parent company PPF Financial Holdings B.V., with entities exercising control over the parent company, their subsidiaries, the Company'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.

(a) Transactions with the parent company and entities exercising control over the parent company

Balances included in the statement of financial position in relation to transactions with the parent company and entities exercising control over the parent company are as follows:

	30 Sep 2017 MEUR	31 Dec 2016 MEUR
Loans provided	-	7
Loans received and other liabilities	(273)	(358)
	(273)	**(351)**

Amounts included in the statement of comprehensive income in relation to transactions with the parent company and entities exercising control over the parent company are as follows:

	9 months ended 30 Sep 2017 MEUR	9 months ended 30 Sep 2016 MEUR
Interest income	-	2
Interest expense	(15)	(6)
	(15)	**(4)**

23. Related party transactions (continued)

(b) Transactions with subsidiaries and fellow subsidiaries

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

	30 Sep 2017 MEUR	31 Dec 2016 MEUR
Cash and cash equivalents	157	3
Time deposits with banks	4	4
Loans provided	28	28
Financial assets at fair value through profit or loss	3	3
Financial assets available-for-sale	-	12
Other assets	1	68
Debt securities issued	(39)	(36)
Financial liabilities at fair value through profit or loss	(297)	(1)
Loans received and other liabilities	(44)	(134)
	(187)	**(53)**

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

	9 months ended 30 Sep 2017 MEUR	9 months ended 30 Sep 2016 MEUR
Interest income	1	1
Interest expense	(8)	(10)
Dividend income	97	69
Fee income	4	6
Net foreign exchange result	-	(8)
General administrative expenses	(1)	(1)
	93	**57**

As at 30 September 2017 the Company had outstanding guarantees of MEUR 422 (31 December 2016: MEUR 127) issued by the Company in favour of the financing entities for loans drawn by its subsidiaries.

As at 30 September 2017 the Company had outstanding loan commitments of MEUR 8 (31 December 2016: MEUR 9) with its subsidiaries.

23. Related party transactions (continued)

(c) Transactions with other related parties

In 2013 the Company concluded a consultancy service agreement with a company controlled by one of the members of its Board of Directors. The consultancy fees of MEUR 5 charged in nine-month period ended 30 September 2017 in relation to this agreement (nine-month period ended 30 September 2016: MEUR 5) are recorded under general administrative expenses, while the related liability of MEUR 1 as at 30 September 2017 (31 December 2016: MEUR 3) is recorded under loans received and other liabilities.

As at 30 September 2017 the balance of Loans provided included secured loans of MEUR 39 (31 December 2016: MEUR 44) provided by the Company to a company controlled by one of the members of its Board of Directors. The weighted average interest rate is 7.48% (31 December 2016: 6.94%) and the repayment date of those loans is 30 September 2019.

As at 30 September 2017 the Company had outstanding loan commitments of MEUR 8 (31 December 2016: MEUR 9) with other related parties.

(d) Transactions with key management personnel

The members of the Board of Directors of the Company are considered to be the Company's key management.

Salaries and bonuses of the key management are included in the statement of comprehensive income, the amounts for nine-month periods ended 30 September 2017 and ended 30 September 2016 were lower than MEUR 1.

24. Segment information

The Company represents one reportable segment that has central management and follows a common business strategy. All the revenues are attributed to the Company's country of domicile.

25. Subsequent events

On October 1 Christoph Glaser became a member of the Board of Directors of the Company.

In October and November 2017, the Company increased its share premium in HC Asia B.V. by MEUR 34.

In October 2017, the Company increased its share capital in HOME CREDIT US Holding, LLC by MEUR 6 equivalent.

In October 2017, the Company increased its share capital in Home Credit Lab N.V. by MEUR 11 equivalent.

In November 2017, the shareholders of the Company increased its share premium by MEUR 275.

In November 2017, the outstanding principal balance of the loan provided to the Company by the parent company was reduced by MEUR 272.

The condensed unconsolidated interim financial statements were issued on 27 November 2017.

Christoph Glaser
Member of the Board of Directors