First Half 2020
Financial Results Presentation

September 2020

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HOME CREDIT GROUP - 1H20 HIGHLIGHTS

The **Covid-19 pandemic** led to a **challenging** macro environment and a 44% decrease in new volumes due to lockdowns, reduced consumption and stricter underwriting criteria

Our omni-channel business showed **resilience, agility**, **adaptability** and remained **fully operational** granting on average 39,600 loans per day with existing customers accounting for 72% of new volumes

Accelerated implementation of our global **digitalisation strategy** throughout our operations, lifecycle customer management and drive for operating efficiency improvements

Impairment Reserves increased to €1.8bn to cover expected credit losses and triggered a loss of €517mn in our core operations before the impact of winding down certain non-core activities

Focus on Cost control and increased operational efficiency with a reduction of approximately **35%** in employees and expected 25% reduction in run rate cost base

Robust Balance Sheet with **solid capital position** and **strong liquidity** leveraging our significant infrastructure and resilient collection efforts

Operational and financial **outlook** is **positive** as **business recalibrated** for a post Covid environment

OUR RESPONSE TO COVID

Our primary focus was on the health and safety of our employees, supporting customers and partners. Business continuity plans were quickly activated with best practices shared across the group

Supporting our Customers

- ***Remained fully operational servicing our customers with digital offerings and payment options***
- ***Provided multiple relief measures to impacted customers:***
  - ***Loan moratoriums / payment holiday scheme(s), including offers beyond requirements***
  - ***Late fee waivers and extended insurance***
  - ***Sharing information with customers on implications***
- ***Reallocated staff from sales to call centers to better service customers***
- ***Quickly altered collections practices***

Supporting our Employees

- ***Full compliance with government recommendations***
- ***Majority of staff worked from home during lockdowns and we limited or stopped field collection***
- ***Enhanced focus on health and safety measures for employees and relatives well-being***
- ***Employee care hotline providing access to professional telemedicine and counselling***
- ***Continue to offer home office options***
- ***Provided preferential health insurance extension, financial donations and aid to support staff and families affected by the crisis***

Supporting our Communities

- ***Donated 55+ tonnes (or €5mn+) emergency medical equipment to Home Credit countries, including: N95 respirators, protective masks, suits, gloves, goggles as well as testing kits***

- ***Donated food and/or financial aid to affected communities***

OUR CORPORATE AND SOCIAL RESPONSIBILITY FOCUS

“Help and solidarity are the pillars of humanity and it is the responsibility of each of us to pursue them, and not only in times of crisis.”

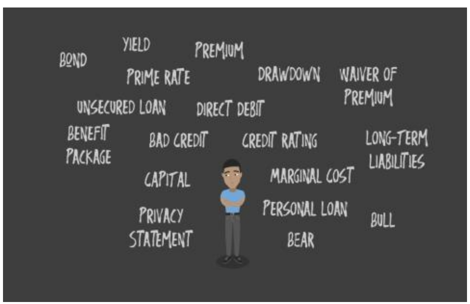
Petr Kellner, PPF founder and Home Credit majority shareholder

Our 3 key CSR Pillars

- **Education, and financial literacy**
- **Poverty reduction**
- **Direct aid to our communities**

Home Credit has an important role in enhancing financial inclusion. We are often the first touchpoint for people entering the regulated financial system.

Estimated **3 million people i**mpacted in 2019



We help people understand the basics of finance to enjoy a better life by spreading financial literacy through:

- **Workshops**
- **Podcasts & Radio broadcasting**
- **Textbooks**
- **Quizzes & Games**
- **Mobile apps**

1H20 FINANCIAL RESULTS SUMMARY

(€ in mn)

Balance Sheet	June 20	Dec 19	% change
Net Loans	16,157	20,185	(20.0)%
Liquid Assets	4,673	4,806	(2.8)%
Total Assets	22,506	26,590	(15.4)%
Deposits from customers	6,818	7,348	(7.2)%
Total Equity	2,074	2,873	(27.8)%

Key Ratio	June 20	Dec 19
Liquid Assets-to-Total Assets	20.8%	18.1%
Equity-to-Net Loans	12.8%	14.2%
Allowances-to-Gross Loans	12.2%	7.3%
NPL	6.2%	5.6%

Income Statement	1H20	1H19	% change
Net interest income	1,698	1,803	(5.8)%
Impairment losses on financial assets	(1,791)	(871)	105.6 %
Operating and administrative expenses	863	866	(0.3)%
Net profit / (loss)	(619)	250	
Core Net profit / (loss)[1]	(517)	317	

Note:
(1) Represents Home Credit N.V. net result and excludes impact of winddown of non-core activities including mainly to Velvon and the sale of US Credit Card portfolio

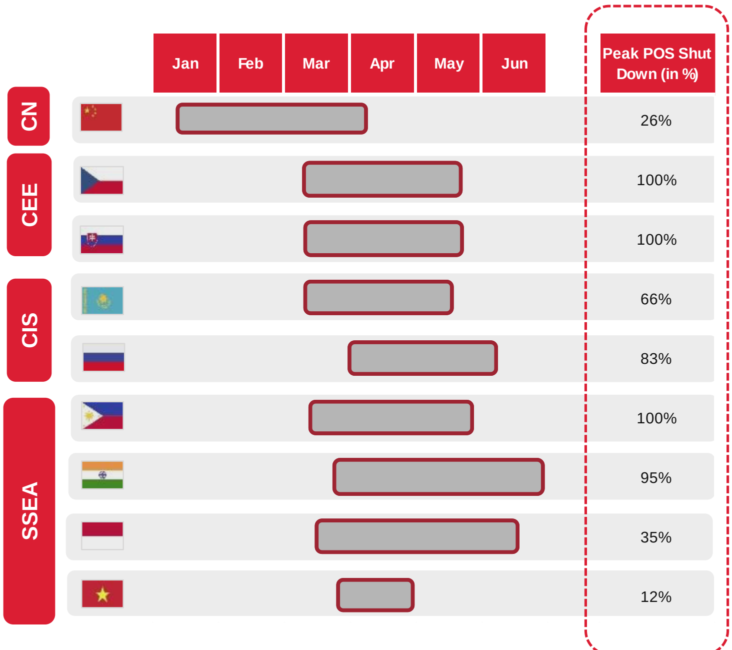
- ***Total Assets reduced 15.4% driven by 20.0% decrease in Net Loans and overall business***
- ***Balance sheet remains robust with proportion of Liquid Assets increasing to 20.8% and Equity-to-Net Loans at 12.8%***
- ***Net interest income resilient despite lower balances with flat margins***
- ***Ongoing rightsizing as part of digital strategy implementation with 2Q20 OPEX down 17.4% vs 4Q19 on path to 25% run rate reduction***
- ***Impairment reserves up 105.6% to €1.8bn to cover expected credit losses with Allowances-to-Gross Loans increased to 12.2%***
- ***Triggered loss of €619mn during 1H20, which includes impact for wind-down of non-core activities***

HOME CREDIT

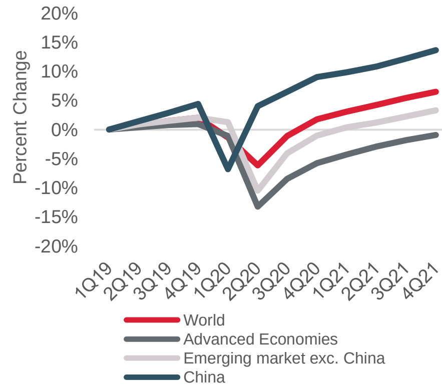
UNPRECEDENTED CHALLENGING MACRO ENVIRONMENT DUE TO LOCKDOWNS IMPOSED IN 1H20

The Covid 19 global pandemic impacted all our countries of operation to various degrees due to lockdowns which drove GDP levels lower with limited consumption and impacting new volumes in our operations

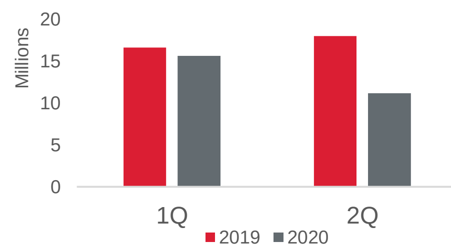
Picture of Lockdowns Impacting our Operations [1]



Real GDP Growth vs 1Q19 [2]



Our Group Credit Applications [1]



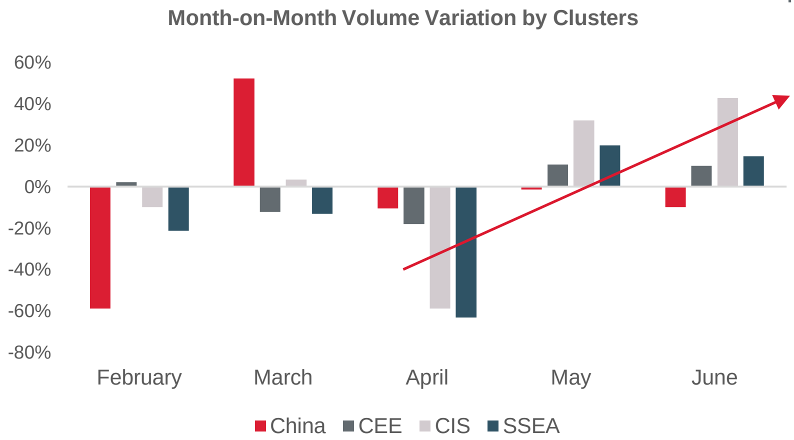
Source:
[1] Company Data
[2] IMF

HOME CREDIT

NEW VOLUMES SEVERELY IMPACTED IN 1H20 DUE TO ENVIRONMENT BUT SHOWING CLEAR SIGNS OF RECOVERY

China mostly impacted in February/March while other countries in April/May; April was low point with recovery observed in most countries by the end of 2Q20

	New Volumes 1H20 vs 1H19
China	(57.6%)
CEE	(4.4%)
CIS	(30.8%)
SSEA	(30.0%)
Total	**(44.2%)**



- ***New volumes down 44% compared to 1H19 due to lower consumption and more stringent underwriting***
- ***Swiftly adjusted underwriting criteria with approval rates reduced from 55% in 2Q19 to 40% in 2Q20***
- ***Approximately 69% of new volume decline due to lower consumption***
- ***Philippines, India and Kazakhstan experienced most severe drop with close to zero volumes at some point***
- ***China first hit and to recover. Also accelerated our Vision 2023 during 2Q20 with more client engagement and focus on smaller tickets***

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STRONG UNDERLYING NET CASHFLOW GENERATED FROM OPERATIONS

Solid liquidity position driven by resilient collection efforts with each operating company having positive net cash flows

(€ in mn)	1H20 New Volumes	1H20 Cash Collection
China	2,527	5,769
CEE	690	653
CIS	1,323	2,310
SSEA	1,370	2,085
Total	5,910	10,817

Underlying net operational cash flow

+ € 4,907 mn

- ***Continued focus on strong collection efficiency through significant existing infrastructure***
- ***Push for increased usage of digital payment channels and leverage voice bots and chat bots for pre and early collection***
- ***Delivered strong underlying operational cash flows and maintain solid liquidity position***
- ***Used underlying cashflow to manage balance sheet size and funding levels***

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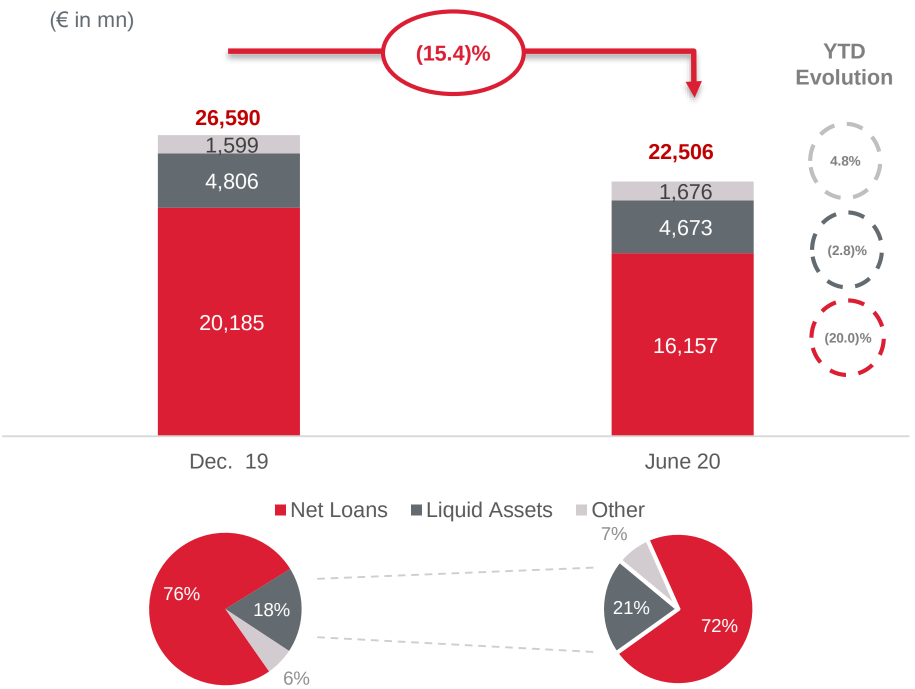
BALANCE SHEET REDUCTION DRIVEN BY LOAN PORTFOLIO

Robust balance sheet with proportion of liquid assets to total assets increased from 18% to 21% due to active focus on liquidity

Total Assets



- ***Operations are smaller due to impact of challenging macro environment***
- ***Total Assets decreased 15.4% driven by 20.0% reduction in Net Loans from lower new volumes***
- ***Proportion of Liquid Assets increased to 21% due to resilient collection efforts***

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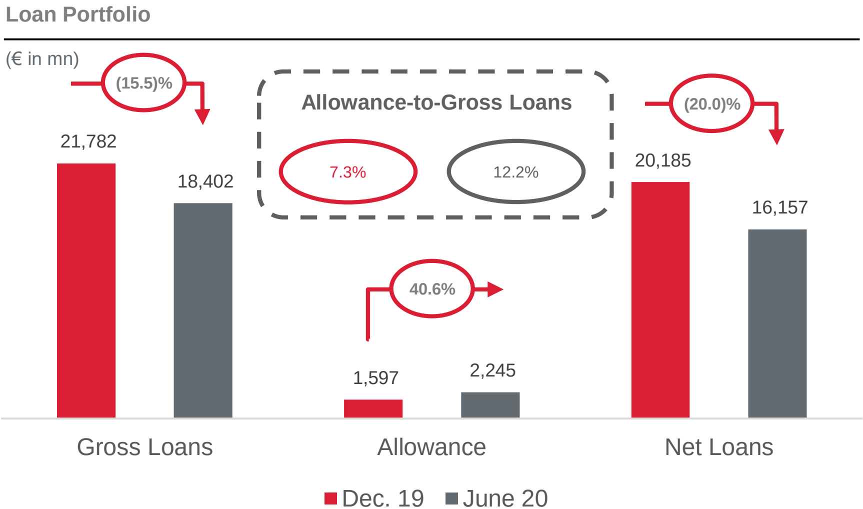
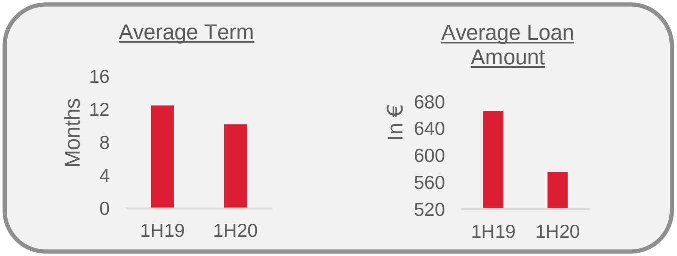
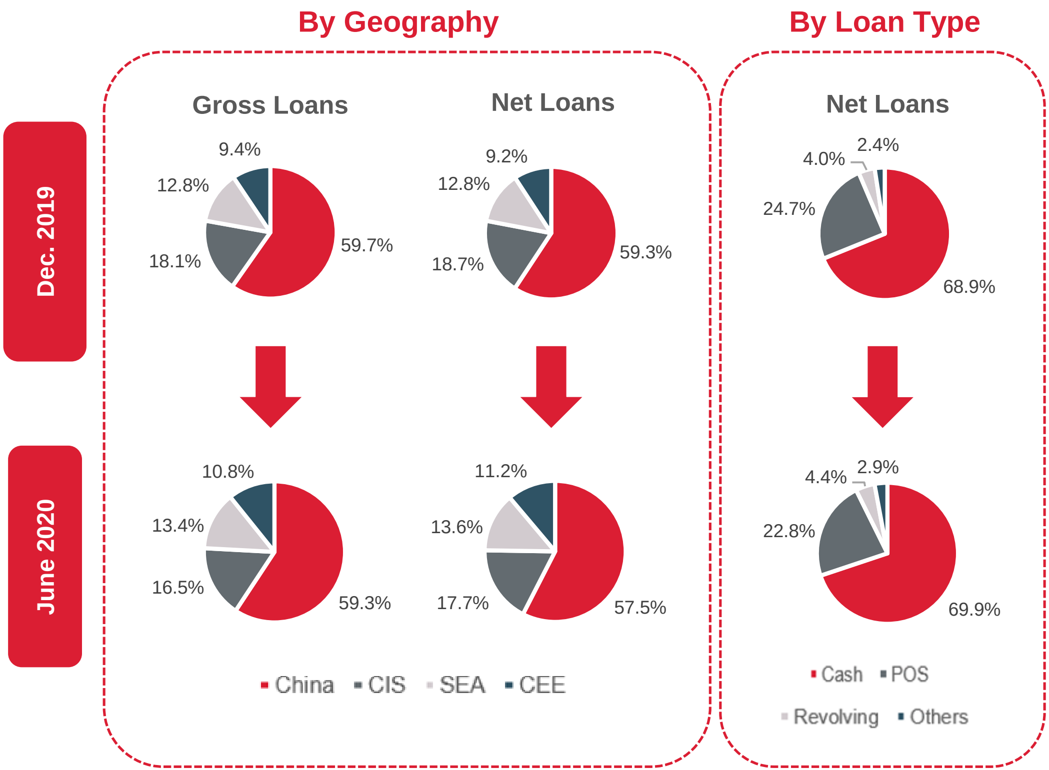
LOAN PORTFOLIO REDUCTION DRIVEN BY LOWER NEW VOLUMES





- ***Reduction in Gross Loans is primarily driven by impact of 44% drop in new volumes***
- ***Gross Loans reduced by €3.4bn***
- ***Allowance-to-Gross Loans increased from 7.3% end 2019 to 12.2% at end June 2020 as a result of increase in reserves to cover expected credit losses***
- ***New strategy focus is on greater client engagement based on evolving customer needs***

NO SIGNIFICANT CHANGE IN PORTFOLIO DISTRIBUTION

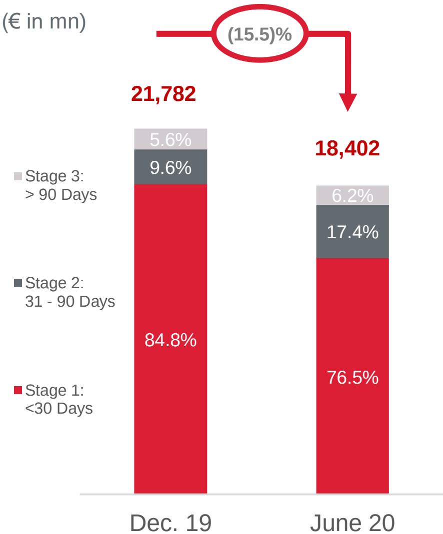


PROACTIVE PORTFOLIO ASSESSMENT LED TO INCREASE IN RESERVES

Management significantly increased reserves to draw a line in the sand and focus on business opportunities in a post Covid environment with 67% increase in coverage for the entire loan portfolio

Portfolio Composition

(€ in mn)

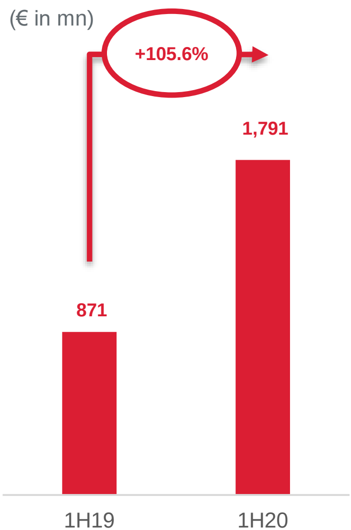


Payment Holidays (1)

10.3%

Impairment Reserves

(€ in mn)



Cost of Risk

8.5% → 17.8%

Coverage Ratio per Category

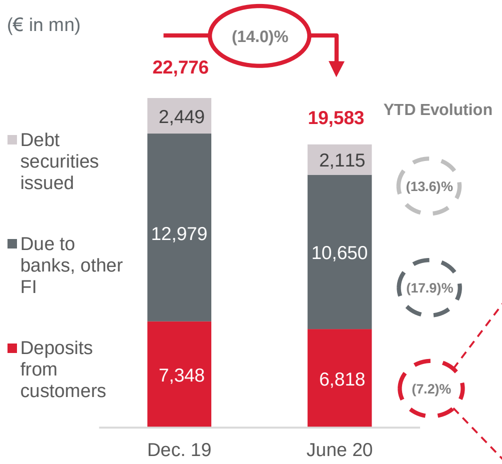
	Dec. 19	June 20	YTD Evolution
Stage 1	3.1%	4.0%	26.5%
Stage 2	20.5%	34.4%	67.5%
Stage 3	47.7%	51.3%	7.5%
Total	**7.3%**	**12.2%**	**66.9%**

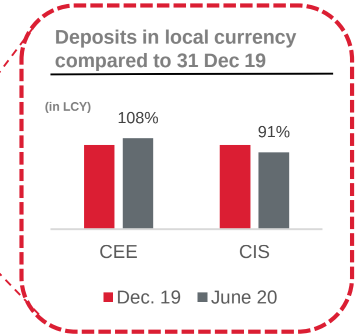
Note:
(1) As of 30 June 2020 across the group due to various moratorium provided

STRONG LIQUIDITY THROUGH DIVERSIFIED FUNDING SOURCES

1H20 Funding levels reduced to manage size of operations driven by reduction in loan portfolio and actively managed ALM position

Funding Mix Evolution





	Dec. 19	June 20
Cost Of Funds	7.5%	7.1%
Liquid Asset to Total Asset	18.1%	20.8%

- ***Increased Liquid Asset to Total Asset ratio to 20.8%***
- ***Ongoing support from 150+ funding partners and capital markets***
- ***Funding/Capital Market highlights:***
  - ***Two ABS in 1H20 + another in July 2020 totalling €1.0bn in China***
  - ***9 CDs in Vietnam in 1H20***
  - ***2 ABS in India during the summer***
  - ***Syndicated loan accordion tranche in the PH***
  - ***First offshore syndicated loan in Indonesia***
- ***Deposit levels managed by reducing rates in CIS and also impacted by FX movement***

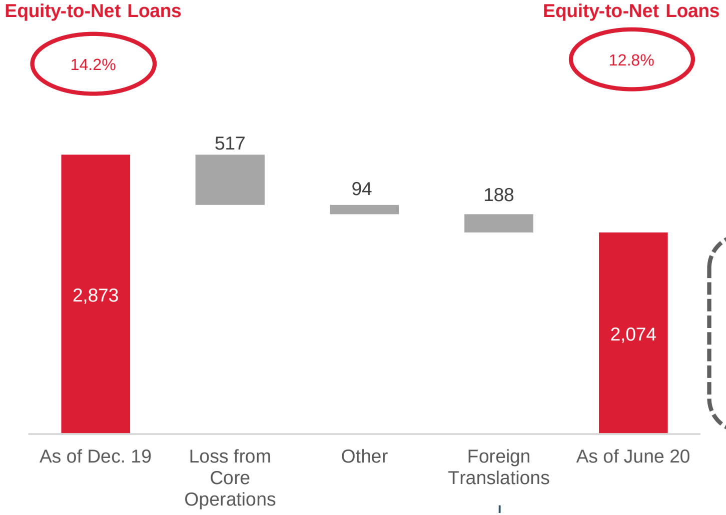
HOME CREDIT

SOLID CAPITAL POSITION

Group maintains a healthy Equity-to-Net Loans of 12.8%

Equity Evolution

(€ in mn)



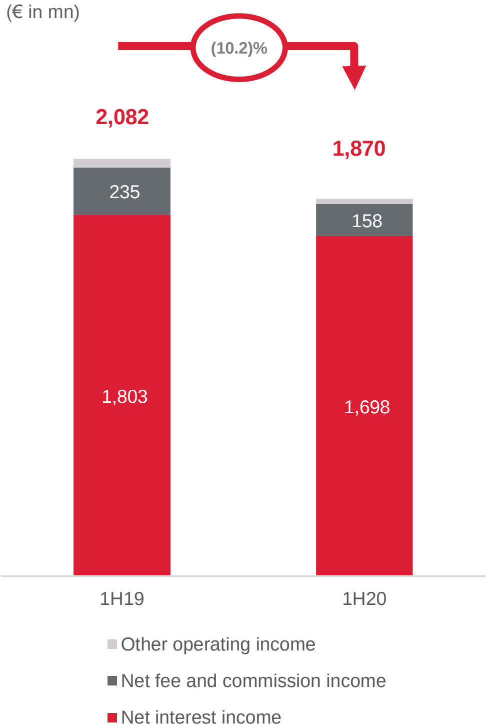
	RUB	KZT
Dec. 19	70.0	424.9
June 20	79.6	455.1
1H variation	13.8%	7.1%

- ***Compliant with regulatory capital ratios in all countries***
- ***Equity movements primarily reflect financial results and FX movement***
- ***Increase in impairment reserves led to loss on core operations of €517mn***
- ***Other primarily reflects impact of winddown of non-core activities including Velvon and sale of US Credit Card portfolio***
- ***FX movement mostly impacted by Ruble as equity is unhedged***

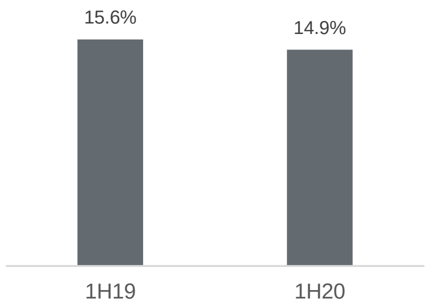
HOME CREDIT

RESILIENT OPERATING INCOME WITH FLAT MARGINS BUT IMPACTED BY REDUCED BALANCE SHEET

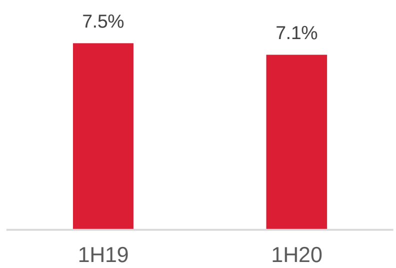
Operating Income breakdown



Net Interest Margin



Cost of Funds



- ***Underlying operating income resilient with flat Net Interest Margin***
- ***Operating Income down 10.2% compared to 20% reduction in Net Loans***
- ***Cost of Funds reduced from 7.5% to 7.1%***

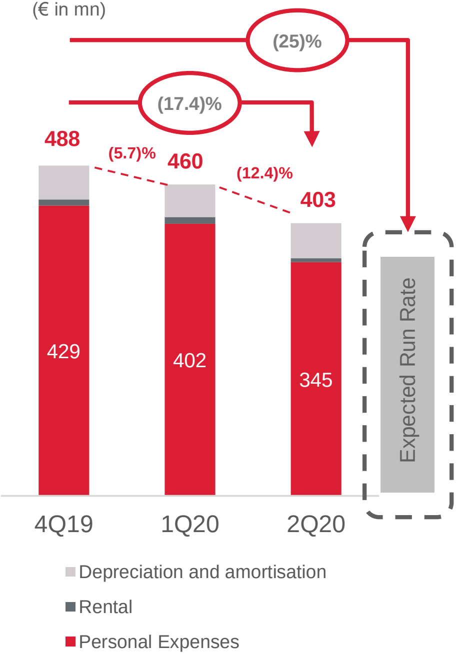
HOME CREDIT

DISCIPLINED FOCUS ON COSTS WITH IMPROVED OPERATING EFFICIENCY AS WE CONTINUE TO EXECUTE DIGITAL STRATEGY

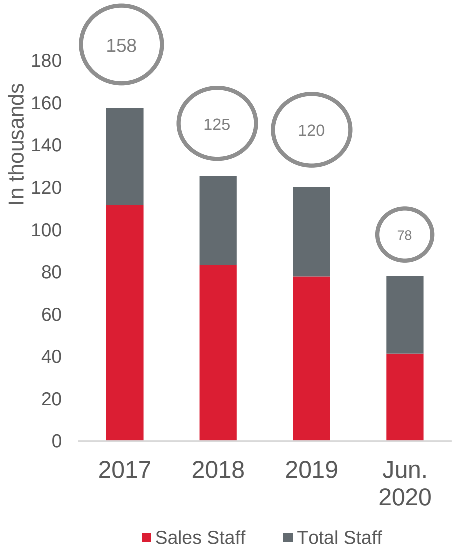
Leveraging technology to right size organization to improve sales efficiency

Opex

(€ in mn)



Headcount



- ***2Q20 OPEX down 17.4% vs 4Q19 and on path to 25% run rate reduction***
- ***Disciplined focus on all costs including rental, marketing and other***
- ***Headcount reduced approximately 35% YTD with reduction primarily focused on sales staff***
- ***Greater operating leverage as we prepare for post Covid environment***
- ***At the end of June 150,0000 POS in China had become pure self-service channels***

HOME CREDIT

ACCELERATED IMPLEMENTATION OF DIGITAL STRATEGY DURING 1H20

Key focus of strategy

- ***Increase customer lifetime value through engagement/stickiness with improved risk***
- ***Enrich customer experience through our e-commerce platform and other offerings***
- ***Continue development of relevant products addressing customer behaviour, including introduction of "Buy Now Pay Later" and other products***
- ***Optimise network distribution efficiency with self service POS and referral network increase***

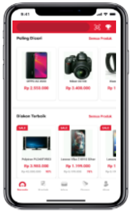
Enriching our APP

82% of volume
in June from
self-service channels
In China

Focused on increased Transactions

100k daily transactions
within 2 months from
launching in China

Every day offers on our E-Commerce portal



Ongoing Marketplace
roll out
20,000 unique references
in China and Russia
3rd e-commerce platform
in Philippines

Support, Education and Games

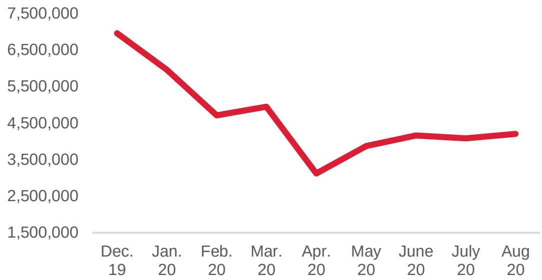
81mn Registered APP
users globally

HOME CREDIT

OUTLOOK POSITIVE AS BUSINESS RECALIBRATED FOR POST COVID ENVIRONMENT

Operational and Financial results positive since end June and the basis for our positive outlook

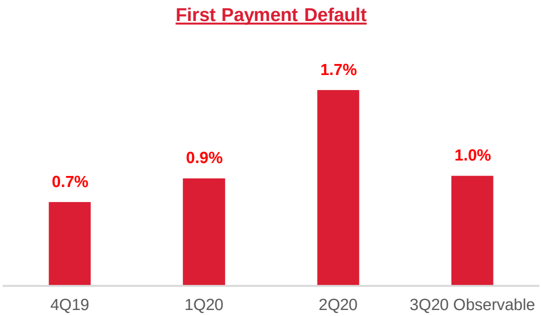
New Applications Stabilized



New applications:

- Stabilize in early 3Q20
- July 34% increase from April low

New Vintage quality improved



Early indicators of underwriting quality show improvement near pre-Covid levels

HOME CREDIT GROUP - 1H20 SUMMARY

- *The unprecedented macro environment has been a real challenge and impacted new volumes as well as the size of our business*
- *Our business is agile, adaptable and resilient. We have seen challenging times before and have always come through as a stronger company*
- *We continue to support our employees, customers, partners and serve our communities*
- *Accelerated execution of our digital strategy with better customer engagement, evolving product offering and swiftly tighten underwriting criteria to strengthen our business*
- *Our balance sheet is robust with solid capital position and liquidity through diversified funding sources as well as continued strong collection efforts*
- *As part of our digital strategy, we are rightsizing our headcount and focused on overall cost to improve operating efficiency and are on the path to 25%+ lower run rate for 2021*
- *Proactive portfolio management led to increase in reserves and coverage for the entire loan portfolio and triggered a loss during 1H20...*
- *… but management have drawn a line in the sand with focus on business opportunities in a post Covid environment*
- *Recovery toward end of 2Q with operational and financial results positive since end June with business recalibrated for post Covid environment*