PPF GROUP N.V.

Interim consolidated financial statements for the first half of 2009

REVIEW REPORT

To the Directors of PPF Group N.V.

Introduction

We have reviewed the accompanying condensed consolidated interim financial information for the six month period ended 30 June 2009 of PPF Group N.V., Amsterdam, which comprises the balance sheet as at 30 June 2009, statement of comprehensive income, statement of changes in equity, cash flow statement and the selected explanatory notes for the six month period then ended. Management is responsible for the preparation and presentation of this condensed 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 of Review

We conducted our review in accordance with Dutch law including standard 2410, "Review of Interim Financial Information Performed by the 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 2009 is not prepared, in all material respects in accordance with IAS 34, 'Interim Financial Reporting', as adopted by European Union.

Amstelveen, 19 October 2009

KPMG ACCOUNTANTS N.V.

M. Frikkee RA

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INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Interim consolidated balance sheet

As at 30 June 2009

In millions of EUR

	Note	30 June 2009	31 December 2008
ASSETS			
Cash and cash equivalents	F1	525	852
Financial assets at fair value through profit or loss	F2.1	426	605
Financial assets available-for-sale	F2.2	359	164
Loans and receivables due from banks and other financial institutions	F2.3	1 193	758
Loans and receivables due from non-banks	F2.4	2 392	2 850
Other loans and receivables	F2.5	979	953
Current income tax receivable		16	26
Deferred tax assets		40	22
Other assets	F3	154	283
Non-current assets held for sale	A4	-	364
Investments in associates and joint ventures	F4	3 352	3 257
Investment property		350	253
Property, plant and equipment	F5	267	279
Intangible assets	F6	76	64
TOTAL ASSETS		**10 129**	**10 730**
LIABILITIES			
Due to non-banks	F7	1 883	1 456
Due to banks and other financial institutions	F8	2 976	3 193
Debt securities issued	F9	1 231	1 783
Financial liabilities at fair value through profit or loss	F10	86	93
Liabilities held for sale	A4	-	267
Current income tax liability		7	5
Deferred tax liability		32	17
Other liabilities	F11	141	194
TOTAL LIABILITIES		**6 356**	**7 008**
CONSOLIDATED EQUITY			
Issued capital	F12	1	1
Share premium	F12	677	677
Other reserves	F12	(341)	(261)
Retained earnings	F12	3 412	3 286
Total equity attributable to equity holders of the Parent		3 749	3 703
Non-controlling interests		24	19
Total consolidated equity		**3 773**	**3 722**
TOTAL LIABILITIES AND EQUITY		**10 129**	**10 730**

Interim consolidated income statement

For the six months ended 30 June 2009

In millions of EUR

	Note	30 June 2009	30 June 2008
Interest income		521	507
Interest expense		(192)	(106)
Net interest income	F13	**329**	**401**
Fee and commission income		94	110
Fee and commission expense		(26)	(40)
Net fee and commission income	F14	**68**	**70**
Net gain/(loss) on financial assets	F15	41	4
Net impairment losses on financial assets	F16	(178)	(155)
Net expense related to credit risk insurance	F17	(14)	(7)
Other banking result		**(151)**	**(158)**
NET BANKING INCOME		**246**	**313**
Operating income	F18	**36**	**21**
General administrative expenses	F19	(164)	(271)
Other operating expense	F20	(100)	(19)
Operating expense		**(264)**	**(290)**
Share of earnings of associates		139	14
PROFIT/(LOSS) BEFORE TAX		**157**	**58**
Income tax expense		(20)	(23)
NET PROFIT/(LOSS) FROM CONTINUING OPERATIONS		**137**	**35**
Profit (loss) from discontinued operations	A4	-	2 697
NET PROFIT FOR THE PERIOD		**137**	**2 732**
Net profit attributable to non-controlling interests		2	1
NET PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF PARENT		**135**	**2 731**
Weighted average number of shares	F12	66 738	66 738
Basic and Diluted earnings per share for profit for the period (EUR)	F24	2 023	40 921
Basic and Diluted earnings per share for profit from continuing operations (EUR)	F24	2 023	509

Interim consolidated statement of comprehensive income

For the six months ended 30 June 2009

In millions of EUR

	30 June 2009	30 June 2008
NET PROFIT FOR THE PERIOD	**137**	**2 732**
Other comprehensive income		
Currency translation differences	(38)	(15)
Fair value gains on available-for-sale financial assets	5	-
Share of other comprehensive income of associates	(56)	-
Effect on acquisition of subsidiaries	3	-
Income tax relating to components of other comprehensive income	-	-
Other comprehensive income for the period (net of tax)	**(86)**	**(15)**
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**51**	**2 717**
Total comprehensive income attributable to non-controlling interests	**5**	**1**
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO EQUITY HOLDERS OF PARENT	**46**	**2 716**

The interim consolidated financial statements were approved by the Board of Directors of the Company on 19 October 2009.

Interim consolidated statement of changes in equity

In millions of EUR, for the for the six months ended 30 June 2009

	Issued capital	Share premium	Available for sale reserve	Other revaluation reserve	Legal and statutory reserves	Translation reserve	Catastrophe and equalisation reserves	Retained earnings	Attributable to equity holders of Parent Company	Attributable to non-controlling interests	Total
Balance at 1 January 2009	**1**	**677**	**(33)**	**-**	**8**	**(236)**	**-**	**3 286**	**3 703**	**19**	**3 722**
Net allocation to legal and statutory reserves (other than from Net profit)	-	-	-	-	1	-	-	(1)	-	-	-
Total	**1**	**677**	**(33)**	**-**	**9**	**(236)**	**-**	**3 285**	**3 703**	**19**	**3 722**
Currency translation	-	-	-	-	-	(38)	-	-	(38)	-	(38)
Valuation gains (losses) taken to equity for AFS	-	-	1	-	-	-	-	-	1	-	1
AFS revaluation gains transferred to income statement	-	-	4	-	-	-	-	-	4	-	4
Effect on acquisition of subsidiaries	-	-	-	-	-	-	-	-	-	3	3
Changes on equity in associates	-	-	(56)	-	-	8	-	(8)	(56)	-	(56)
Profit for the preriod	-	-	-	-	-	-	-	135	135	2	137
Total comprehensive income for the period	**-**	**-**	**(51)**	**-**	**-**	**(30)**	**-**	**127**	**46**	**5**	**51**
Total changes	**-**	**-**	**(51)**	**-**	**1**	**(30)**	**-**	**126**	**46**	**5**	**51**
Balance at 30 June 2009	**1**	**677**	**(84)**	**-**	**9**	**(266)**	**-**	**3 412**	**3 749**	**24**	**3 773**

In millions of EUR, for the for the six months ended 30 June 2008

	Issued capital	Share premium	Available for sale reserve	Other revaluation reserve	Legal and statutory reserves	Translation reserve	Catastrophe and equalisation reserves	Retained earnings	Attributable to equity holders of Parent Company	Attributable to non-controlling interests	Total
Balance at 1 January 2008	**1**	**677**	**(25)**	**-**	**28**	**(74)**	**30**	**789**	**1 426**	**6**	**1 432**
Net allocation to legal and statutory reserves (other than from Net profit)	-	-	-	-	1	-	-	(1)	-	-	-
Total	**1**	**677**	**(25)**	**-**	**29**	**(74)**	**30**	**788**	**1 426**	**6**	**1 432**
Currency translation	-	-	-	-	-	(15)	-	-	(15)	-	(15)
Profit for the preriod	-	-	-	-	-	-	-	2 731	2 731	1	2 732
Disposal of CZIH Group	-	-	25	-	(21)	16	(30)	10	-	-	-
Total comprehensive income and expense for the period	**-**	**-**	**25**	**-**	**(21)**	**1**	**(30)**	**2 741**	**2 716**	**1**	**2 717**
Total changes	**-**	**-**	**25**	**-**	**(20)**	**1**	**(30)**	**2 740**	**2 716**	**1**	**2 717**
Balance at 30 June 2008	**1**	**677**	**-**	**-**	**8**	**(73)**	**-**	**3 529**	**4 142**	**7**	**4 149**

Condensed interim consolidated statement of cash flows

For the first half ended 30 June, prepared using the indirect method

In millions of EUR

	2009	2008
Cash flows from operating activities		
Profit before tax	157	2 755
Adjustments for:		
Consolidated gains/losses on disposal of consolidated subsidiaries and associates	5	(2 697)
Interest expense	192	106
Interest income	(521)	(507)
Other adjustments	(59)	(58)
Change in assets and liabilities	746	(1 279)
Net cash from operating activities	**520**	**(1 680)**
Cash flows from investing activities		
Interest received	370	452
Acquisition of subsidiaries and associates, net of cash acquired	-	(503)
Proceeds from disposal of subsidiaries and associates	-	1 100
Other movements	(308)	(36)
Net cash from investing activities	**62**	**1 013**
Cash flows from financing activities		
Interest paid	(232)	(145)
Change in debt securities issued	(520)	200
Change in loans from banks and other financial institutions	(137)	642
Cash flow from financing activities	**(889)**	**697**
Net increase (decrease) in cash and cash equivalents	**(307)**	**30**
Cash and cash equivalents as at 1 January	**852**	**499**
Effect of exchange rate changes on cash and cash equivalents	(20)	17
Cash and cash equivalents as at 30 June	**525**	**546**

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

A. General

A.1. Description of the Group

PPF Group N.V. ("the Parent Company") is a company domiciled in the Netherlands. The interim consolidated financial statements of the Parent Company as at and for the six months ended 30 June 2009 comprise the Parent Company and its subsidiaries (together referred to as the "Group") and the Group's interest in associates, joint ventures and affiliated entities.

Refer to section C of these financial statements for a listing of significant Group enterprises and changes to the Group in 2009.

Structure of Ultimate shareholders:
As at 30 June 2009, the shareholder structure was as follows:

Petr Kellner 94,36% (directly and indirectly)
Jiří Šmejc 5% (indirectly)
Ladislav Bartoníček 0,64% (indirectly)

Registered Office:
Strawinskylaan 933 Tower B Level 9
1077XX Amsterdam

The Directors authorised the financial statements for issue on 19 October 2009.

A.2. Statement of compliance

These interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standard IAS 34 Interim Financial Reporting. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the consolidated financial statements as at and for the year ended 31 December 2008.

A.3. Basis of preparation

The Dutch accounting legislation enables the Group to prepare these consolidated financial statements in accordance with IFRS (as adopted by EU).

These interim consolidated financial statements are presented in EUR, rounded to the nearest million.

The financial statements have been prepared on a historic cost basis, except for the following assets and liabilities which are stated at their fair value: derivative financial instruments, financial instruments held for trading, financial instruments designated upon initial recognition as valued at fair value through profit and loss, financial instruments classified as available-for-sale and investment properties. Financial assets and liabilities and non-financial assets and liabilities which are valued at historic cost are stated at amortised cost or historic cost, as appropriate, net of any relevant impairment.

Non-current assets and disposal groups held for sale are stated at the lower of carrying amount and fair value less costs to sell.

The preparation of the 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.

A.4. Assets and liabilities held for sale and discontinued operations

A.4.1. Acquisition of CPRe

On 15 December 2008 the Group acquired 100% share in CP Reinsurance Company Ltd. (CPRe), the Cypriot reinsurance company previously transferred to Generali PPF Holding B.V. as a part of the Generali transaction. Due to intention to dispose CPRe all assets and liabilities were presented as held for sale.

In 2009 the company was reclassified and fully consolidated as it does not meet the definition of a held-for-sale entity.

A.4.2. Privatinvest

In 2009 assets and liabilities held for sale represent assets and liabilities of Privatinvest (PCJSB), the Ukrainian subsidiary acquired by the Group in November 2007 with a view to sale within one year. In July 2009 the company was finally sold.

A.4.3. Generali transaction in 2008

Profit from discontinued operations of MEUR 2 697 in 2008 represents profit from the Generali transaction occurred on 17 January 2008.

B. Segment reporting

In accordance with IFRS 8 the Group recognizes reportable segments which are the mix of geographical and industry information. Consumer finance business is divided based on different geographical regions and it corresponds to the geographical location of customers. Other reportable segments – insurance, real estate, other banking and other represent activities without its regional division.

Insurance business in 2009 reflects only the Group´s share in Generali PPF Holding B. V.

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.

Total segment revenue contain interest income, fees and commission income.

Segment assets and liabilities include all assets and liabilities attributable to segments excluding deferred and income tax position.

The following table shows main items from the financial statements broken down according to the reportable segments for the first half of 2009 and 2008:

Significant non-cash expenses represent mainly impairment losses on financial and non-financial assets.

In millions of EUR

30 June 2009	Czech Republic	Slovak Republic	Russian Federation	East Euro/ Asian countries	China	**Subtotal Home Credit**	Insurance	Real estate	Other banking	Other	Eliminations	**Consolidated 2009**
Revenue from external customers	56	25	421	31	5	538	-	3	40	34	-	615
Inter-group revenue	1	-	-	-	-	1	-	2	6	66	(75)	-
Total revenue from continuing operations	**57**	**25**	**421**	**31**	**5**	**539**	**-**	**5**	**46**	**100**	**(75)**	**615**
Segment share of earnings of associates							120	(6)	21	4		139
Segment result from continuing operations	**22**	**-**	**27**	**(3)**	**(12)**	**34**	**120**	**(4)**	**48**	**(39)**	**(2)**	**157**
Income tax expense												(20)
Net profit from continuing operations												**137**
Segment result from discontinued operations												-
Net profit for the year												**137**
Other significant non-cash expenses	(8)	(13)	(142)	(14)	(2)	(179)	-	(1)	1	(1)	-	(180)
Segment assets	366	168	2 088	197	344	3 163	-	656	2 348	5 363	(4 809)	6 721
Investments in associates							2 474	12	369	497		3 352
Unallocated assets												56
Total assets												**10 129**
Segment liabilities	257	161	1 616	168	60	2 262	-	534	2 224	6 106	(4 809)	6 317
Unallocated liabilities												39
Total liabilities												**6 356**
Segment equity	**109**	**7**	**472**	**29**	**284**	**901**	**2 474**	**134**	**493**	**(246)**	**-**	**3 773**

Decrease of revenues, result and assets of Home Credit segments reflect the negative development on financial markets. In 2008 no insurance result was accounted for in the first half year due to the purchase price allocation not being finalised.

30 June 2008	Czech Republic	Slovak Republic	Russian Federation	East Euro/ Asian countries	China	**Subtotal Home Credit**	Insurance	Real estate	Other banking	Other	Eliminations	**Consolidated 2008**
Revenue from external customers	62	21	453	44	1	581	-	-	25	11	-	617
Inter-group revenue	1	-	-	1	2	4	-	-	9	48	(61)	-
Total revenue from continuing operations	**63**	**21**	**453**	**45**	**3**	**585**	**-**	**-**	**34**	**59**	**(61)**	**617**
Segment share of earnings of associates	-	-	-	-	-	-	-	-	14	-	-	14
Segment result from continuing operations	**5**	**-**	**49**	**(10)**	**(18)**	**26**	**-**	**(1)**	**28**	**7**	**(2)**	**58**
Income tax expense												(23)
Net profit from continuing operations												**35**
Segment result from discontinued operations	-	-	-	-	-	-	2 697	-	-	-	-	2 697
Net profit for the year												**2 732**
Other significant non-cash expenses	(4)	(7)	(124)	(18)	(1)	(154)	-	-	-	-	-	(154)
31 December 2008												
Segment assets	510	167	2 712	221	324	3 934	378	561	1 659	5 978	(5 085)	7 425
Investments in associates	-	-	-	-	-	-	2 394	3	398	462	-	3 257
Unallocated assets												48
Total assets												**10 730**
Segment liabilities	429	158	2 249	184	85	3 105	267	508	1 564	6 630	(5 088)	6 986
Unallocated liabilities												22
Total liabilities												**7 008**
Segment equity	**81**	**9**	**463**	**37**	**239**	**829**	**2 505**	**56**	**493**	**(190)**	**3**	**3 722**

C. Consolidation

C.1. Group entities

The significant subsidiaries, associates and joint ventures as at 30 June 2009 are the following:

Company	Country of residence	Effective proportion of ownership interest	Effective proportion of voting interest
PPF Group N.V.	Netherlands	Parent Company	Parent Company
Home Credit subgroup			
Home Credit B.V.	Netherlands	100.00%	100.00%
HCA N.V	Netherlands	100.00%	100.00%
Eurasia Capital S.A.	Luxembourg	0.00%	0.00%
Eurasia Structured Finance #1 S.A.	Luxembourg	0.00%	0.00%
Favour Ocean Ltd.	Hong Kong	100.00%	100.00%
Financial Innovations LLC	Russia	99.99%	99.99%
Foshan Hengfeng Credit Guarantee Co. Ltd.	China	100.00%	100.00%
Guangdong Home Credit Guarantee Co. Ltd.	China	100.00%	100.00%
HC Fin3 B.V.	Netherlands	100.00%	100.00%
HC Kazakh Holdings B.V.	Netherlands	100.00%	100.00%
HCF Funding NO.1 B.V.	Netherlands	0.00%	0.00%
Home Credit a.s.	Czech Republic	100.00%	100.00%
Home Credit Asia Ltd. (former Union Wealth Engineering Ltd.)	Hong Kong	100.00%	100.00%
Home Credit Bank	Ukraine	100.00%	100.00%
Home Credit Bank OAO	Belarus	100.00%	100.00%
Home Credit Business Management (Tianjin) Co., Ltd.	China	100.00%	100.00%
Home Credit and Finance Bank LLC	Russia	99.99%	99.99%
Home Credit Finance LLC	Ukraine	100.00%	100.00%
Home Credit International JSC	Czech Republic	100.00%	100.00%
Home Credit Kazachstan JSC	Kazakhstan	100.00%	100.00%
Home Credit Slovakia, a.s.	Slovakia	100.00%	100.00%
Homer Software House LLC	Ukraine	100.00%	100.00%
Chongqing Home Credit Guarantee Co. Ltd.	China	100.00%	100.00%
INFOBOS LLC	Russia	99.99%	99.99%
Jiagsu Home Credit Guarantee Co Ltd.	China	100.00%	100.00%
Liaoning Home Credit Guarantee Co. Ltd.	China	100.00%	100.00%
LIKO-Technopolis LLC	Russia	99.99%	99.99%
Privatinvest PCJSB	Ukraine	99.74%	99.74%
REDLIONE Ltd.	Cyprus	100.00%	100.00%
Shenzen Home Credit Financial Service Co., Ltd.	China	100.00%	100.00%
Shenzen Home Credit Guarantee Co., Ltd	China	100.00%	100.00%
Sichuan Home Credit Guarantee Co. Ltd.	China	100.00%	100.00%
Zhejiang Home Credit Guarantee Co. Ltd.	China	100.00%	100.00%
Real Estate subgroup			
PPF Gate, a.s.	Czech Republic	100.00%	100.00%
PPF Property Ltd.	Jersey	100.00%	100.00%
PPF Real Estate Ltd.	Jersey	100.00%	100.00%
PPF Real Estate Ltd.	Cyprus	100.00%	100.00%
Agriko LLC	Russia	65.00%	65.00%

Agriko Plus LLC	Russia	65.00%	65.00%
Bucca Properties Ltd.	BVI	100.00%	100.00%
Celestial Holdings Group Ltd.	BVI	100.00%	100.00%
Circle Slovakia, s. r. o.	Slovakia	24.50%	24.50%
Crestfallen Ltd.	Cyprus	100.00%	100.00%
Eastfield Kazan LLC	Russia	65.00%	65.00%
Feliston Enterprises Ltd.	Cyprus	50.00%	50.00%
Flogesco Ltd.	Cyprus	40.00%	40.00%
Gilbey Ltd.	Cyprus	40.00%	40.00%
Intrust NN	Russia	33.33%	33.33%
Investitslonny Trust ZAO	Russia	50.00%	50.00%
In Vino Anapa 2 LLC	Russia	65.00%	65.00%
In Vino Anapa Vlack LLC	Russia	65.00%	65.00%
In Vino Natukhaevskoe LLC	Russia	65.00%	65.00%
Komodor LLC	Ukraine	40.00%	40.00%
Kvartal Togliatti LLC	Russia	100.00%	100.00%
Office Star Eight spol. s r. o.	Czech Republic	100.00%	100.00%
Office Star Five spol. s r. o.	Czech Republic	100.00%	100.00%
Office Star Four spol. s r. o.	Czech Republic	100.00%	100.00%
Office Star Fourteen spol. s r. o.	Czech Republic	100.00%	100.00%
Office Star Nine spol. s r. o.	Czech Republic	100.00%	100.00%
Office Star One spol. s r. o.	Czech Republic	100.00%	100.00%
Office Star Seven spol. s r. o.	Czech Republic	100.00%	100.00%
Office Star Six spol. s r. o.	Czech Republic	100.00%	100.00%
Office Star Ten spol. s r. o.	Czech Republic	100.00%	100.00%
Office Star Thirteen spol. s r. o.	Czech Republic	100.00%	100.00%
Office Star Three spol. s r. o.	Czech Republic	100.00%	100.00%
Office Star Two spol. s r. o.	Czech Republic	100.00%	100.00%
PPF Property Ltd.	Cyprus	100.00%	100.00%
Rural Capital S. R. L.	Romania	98.50%	98.50%
Rural Dobrogea S. R. L.	Romania	98.50%	98.50%
Rural Moldava S. R. L.	Romania	98.50%	98.50%
Rural Oltenia S. R. L.	Romania	98.50%	98.50%
Russkiy Val LLC	Russia	65.00%	65.00%
S. C. Bavaria Complex S. R. L.	Romania	50.39%	50.39%
S. C. Rural Capital Dol S. R. L.	Romania	98.50%	98.50%
S. C. Rural Capital Unu S. R. L.	Romania	98.50%	98.50%
Salemonto Ltd.	Cyprus	100.00%	100.00%
Sigurno Ltd.	Cyprus	40.00%	40.00%
Stinctum Holdings Ltd.	Cyprus	33.33%	33.33%
Tenacity Ltd.	Cyprus	100.00%	100.00%
Yarisalto Ltd.	Cyprus	100.00%	100.00%
Other significant subsidiaries			
Anthiarose Ltd.	Cyprus	100.00%	100.00%
CF Commercial Consulting Ltd.	China	100.00%	100.00%
CP Reinsurance Company Ltd.	Cyprus	100.00%	100.00%
Dunmow Ltd.	Cyprus	100.00%	100.00%
HC Fin1 B.V.	Netherlands	100.00%	100.00%
HC Fin2 B.V.	Netherlands	100.00%	100.00%
HC SE	Netherlands	100.00%	100.00%
Marksamy B.V.	Netherlands	100.00%	100.00%
Pearlmoon Ltd.	Cyprus	100.00%	100.00%
PPF a.s.	Czech Republic	100.00%	100.00%

PPF banka, a.s.	Czech Republic	92.96%	92.96%
PPF Co1 B.V.	Netherlands	100.00%	100.00%
PPF Co2 B.V.	Netherlands	100.00%	100.00%
PPF Partners Ltd.	Guernsey	72.50%	72.50%
Russia Finance Corporation B.V.	Netherlands	100.00%	100.00%
Torpera Ltd.	Cyprus	100.00%	100.00%
Other significant associates			
Polymetal, OJSC	Russia	24.90%	24.90%
Nomos-Bank, OJSC	Russia	29.92%	29.92%
Accord Invest LLC	Russia	40.00%	40.00%
Generali PPF Holding B.V.	Netherlands	49.00%	49.00%
Česká pojišťovna a.s.*	Czech Republic	100.00%	100.00%
Delta Generali Osiguranje a.d.*	Serbia	100.00%	100.00%
Generali Pojistovna a.s.*	Czech Republic	100.00%	100.00%
Generali PPF Life Insurance	Russia	100.00%	100.00%
Generali Slovensko Poisťovňa, a.s.*	Slovakia	100.00%	100.00%
Generali Towarzystwo Ubezpiec.*	Poland	100.00%	100.00%
Generali Zycie S.A.*	Poland	100.00%	100.00%
Generali-Providencia Biztosító*	Hungary	100.00%	100.00%
Penzijní fond České pojišťovny, a.s.*	Czech Republic	100.00%	100.00%

* All entities listed below Generali PPF Holding B.V. (a holding company) represent the most significant entities within this insurance group, effective proportions of ownership and voting interest presented relate to the Generali PPF Holding B.V. itself.

C.2. Acquisitions

On 25 June the Group acquired through its subsidiary Celestial Holdings Group Ltd. several real estate projects located in Slovakia and Russia. Effectively the Group holds 65% in Russian projects and 24.5% in Slovakian projects. Total consideration for the acquisition was MEUR 72. There was no goodwill arising on the acquisition.

The following table shows the companies established by the Group during first half of 2009:

Established company	Description of entity	Date of first consolidation	Percentage of ownership interest
PPF Vietnam Finance Company LLC	company providing consumer finance	5 March 2009	100.00%

D. Significant accounting policies and assumptions

D.1. Significant accounting policies

The Group applies the same accounting policies in these interim consolidated financial statements as were applied in the recent annual consolidated financial statements for the year ended 31 December 2008, except for the changes described below.

D.2. Changes in accounting policies and accounting pronouncements adopted since 1 January 2009

D.2.1. Amendments and interpretations of IFRS adopted since 1 January 2009

The following published amendments and interpretations to existing standards are mandatory and relevant for the Group's accounting periods and have been applied by the Group since 1 January 2009:

IFRIC 13 Customer Loyalty Programmes (effective from 1 July 2008)

IFRIC 13 addresses how companies, that grant their customers loyalty award credits (often called 'points') when buying goods or services, should account for their obligation to provide free or discounted goods or services if and when the customers redeem the points. IFRIC 13 is based on a view that customers are implicitly paying for the points they receive when they buy other goods or services, and hence that some revenue should be allocated to the points. IFRIC 13 requires companies to estimate the value of the points to the customer and defer this amount of revenue as a liability until they have fulfilled their obligations to supply awards. This treatment was not previously relevant for the Group and it will be applied for newly occurring events.

IFRS 8 – Operating segments (effective from 1 January 2009)

This standard requires an entity to adopt the 'management approach' to reporting on the financial performance of its operating segments. Generally, the information to be reported would be that which management uses internally for evaluating segment performance and deciding how to allocate resources to operating segments. Such information may be different from what is used to prepare the income statement and balance sheet. The standard therefore requires explanations of the basis on which the segment information is prepared and reconciliations to the amounts recognised in the income statement and balance sheet. This standard replaces IAS 14 Segment reporting and applies only to listed entities. The Group applies IFRS 8 from the annual period beginning 1 January 2009.

Amendment to *IAS 23, Borrowing Costs* (effective from 1 January 2009)

This amendment removes the option of immediately recognizing as an expense borrowing costs that relate to assets that take a substantial period of time to get ready for use or sale. The revised standard requires that an entity capitalises such borrowing costs as part of the cost of that asset. This was a permitted alternative treatment under IAS 23. This treatment was not previously relevant for the Group and it will be applied for newly occurring events.

Amendment to *IAS 1 Presentation of Financial Statements* (effective from 1 January 2009)

This revision especially introduces a statement of comprehensive income. This will enable users of the financial statements to analyse changes in a company's equity resulting from transactions with its owners in their capacity as owners (such as dividends and share repurchases) separately from 'non-owner' changes (such as transactions with third parties. The revised standard allows items of income and expense and components of other comprehensive income either to be presented in a single statement of comprehensive income with subtotals, or in two separate statements (a separate income statement followed by a statement of comprehensive income). The Group presents two statements: an income statement and a statement of comprehensive income. The Group applies this amendment from the annual period beginning 1 January 2009.

Amendment to *IAS 32 Financial Instruments Presentation* and *IAS 1 Presentation of Financial Statements*, revised in February 2008 (effective from 1 January 2009)

Prior to this amendment, IAS 32 required shareholders' interests in limited liability companies to be classified as liabilities because such companies are obliged to pay a withdrawing shareholder its share of the company's net assets. Following amendment, IAS 32 requires such interests to be classified as equity, rather than liabilities, because they represent a residual interest in the entity.

Amendment to Appendix of *IAS 18 Revenue* (effective from 1 January 2009)

This amendment eliminates the mismatch in the definition of transaction costs (as defined in IAS 39 Financial Instruments: Recognition and Measurement) and related direct costs (as previously defined in IAS 18). Under the amended standard only related transaction costs (as defined in IAS 39) can be deferred and recognized as an adjustment to the effective interest rate.

Amendments to *IFRS 7 Financial Instruments: Disclosures* (effective from 1 January 2009)

These amendments require enhanced disclosures about fair value measurements of financial instruments and over liquidity risk. The Group applies these amendments from the annual period beginning 1 January 2009.

D.3. Standards, interpretations and amendments to published standards issued since 1 January 2009 that are not yet effective and are relevant for the Group's financial statements

The following new standards, amendments and interpretations to existing standards have been published and are mandatory and relevant for the Group's accounting periods beginning on or after 1 January 2009 but have not been applied earlier by the Group:

Amendment to *IFRS 3 Business Combinations* and related revisions to *IAS 27 Consolidated and Separate Financial Statements* (effective from 1 July 2009)

In the new version of IFRS 3, transaction costs directly attributable to the acquisition are no longer included in the cost of the business combination. Furthermore, under IFRS 3 the acquirer can elect to measure any non-controlling interest at fair value at the acquisition date or at its proportionate interest in the fair value of the identifiable assets and liabilities of the acquiree, on a transaction-by transaction basis.

Amendment to *IAS 17 Leases* (effective from 1 January 2010)

The current version of IAS 17 states that a lease of land with an indefinite economic life is normally classified as an operating lease, unless at the end of the lease term title is expected to pass to the lessee. Under the amendments, a land lease with a lease term of several decades or longer may be classified as a finance lease, even if at the end of the lease term title will not pass to the lessee, because in such arrangements substantially all risks and rewards are transferred to the lessee and the present value of the leased asset is considered negligible. The Group will apply this amendment from the annual period beginning 1 January 2010.

Amendment to *IAS 36 Impairment of Assets* (effective from 1 January 2010)

This amendment specifies allocation of goodwill to cash-generating units. The largest unit to which goodwill should be allocated is the operating segment as defined in IFRS 8 before applying the aggregation criteria of IFRS 8.

D.4. Principal assumptions used in preparation of the interim financial statements

The Group has applied the same assumptions in these financial statements as were applied in the recently published annual financial statements for the year ended 31 December 2008.

E. Financial risk management

All aspects of the Group's financial risk management objectives and policies are consistent with those disclosed in the consolidated financial statements as at and for the year ended 31 December 2008.

E.1. Liquidity risk

There were no acquisition in the first half of 2009 affecting the liquidity position. In the second half of 2009 the Group expects to finalize a few significant transactions, refer to section G for more detailed information. The Group has sufficient funds to finance its activities.

Notwithstanding the difficult situation on financial markets the Group has been able to maintain sufficient liquidity base for its consumer finance activities based on certain reduction of loan assets accompanied by focus on high yield products with shorter durations, utilization of funding from the Central Bank of Russia (refer to section F.8).

F. Notes to the interim consolidated balance sheet and income statement

F.1. Cash and cash equivalents

Cash and cash equivalents comprise the following:

In millions of EUR

	30 June 2009	31 December 2008
Cash and current accounts	276	189
Current accounts with central banks	10	284
Placements with financial institutions due within one month	214	358
Cash on hands	25	21
Total cash and cash equivalents	**525**	**852**

F.2. Financial instruments

Financial instruments comprise the following:

In millions of EUR

	30 June 2009	31 December 2008
Financial assets at fair value through profit or loss	426	605
Financial assets available-for-sale	359	164
Loans and receivables due from banks and other financial institutions	1 193	758
Loans and receivables due from non-banks	2 392	2 850
Other loans and receivables	979	953
Total financial instruments	**5 349**	**5 330**

F.2.1. Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss comprise the following:

In millions of EUR

	30 June 2009	31 December 2008
Debt securities	170	268
Government and other public-sector bonds	139	172
Corporate bonds	31	96
Equity securities	6	28
Shares	6	28
Positive fair values of derivatives	222	309
Other	28	-
Total	**426**	**605**

F.2.2. Financial assets available-for-sale

Financial assets available-for-sale comprise the following:

In millions of EUR

	30 June 2009	31 December 2008
Debt securities	272	22
Government bonds	91	22
Other debt securities	181	-
Equity securities	87	118
Shares	81	112
Mutual funds investments	6	6
Loans and receivables	-	24
Total financial assets available-for-sale	**359**	**164**

F.2.3. Loans and receivables due from banks and other financial institutions

Loans and receivables due from banks and other financial institutions comprise the following:

In millions of EUR

	30 June 2009	31 December 2008
Term deposits at banks	354	357
Minimum reserve deposits with the central banks	39	15
Loans to banks	30	42
Loans and advances provided under repo operations	721	287
Other	49	57
Total loans and receivables due from banks and other financial institutions	**1 193**	**758**

The minimum reserve deposits are mandatory non-interest bearing deposits calculated in accordance with regulations issued by central banks and whose withdrawability is restricted.

Increased balance of repo operations relates to the business of PPF banka.

F.2.4. Loans and receivables due from non-banks

The following table shows break down of impairment losses relating to loans and receivables due from non-banks:

In millions of EUR

	30 June 2009	31 December 2008
Gross amount		
Consumer loans receivables	766	1 021
Cash loan receivables	540	575
Revolving loan receivables	746	897
Car loan receivables	69	74
Mortgage loan receivables	208	224
Personal loan receivables (secured)	21	23
Loans to corporations	269	246
Loans and advances provided under repo operations	41	82
Net investment in finance lease	1	1
Other	98	86
Total gross amount	**2 759**	**3 229**
Collective allowances for impairment		
Consumer loans receivables	(117)	(122)
Cash loan receivables	(101)	(78)
Revolving loan receivables	(103)	(147)
Car loan receivables	(7)	(5)
Mortgage loan receivables	(18)	(10)
Personal loan receivables (secured)	(3)	(3)
Net investment in finance lease	(1)	(1)
Other	(13)	(7)
Total collective impairment	**(363)**	**(373)**
Individual allowances for impairment		
Loans to corporations	(4)	(6)
Total specific impairment	**(4)**	**(6)**
Total carrying amount	**2 392**	**2 850**

F.2.5. Other loans and receivables

The following table shows breakdown of other loans and receivables:

In millions of EUR

	30 June 2009	31 December 2008
Loans and receivables	979	930
Loans and advances provided under repo operations	-	23
Total other loans and receivables	**979**	**953**

F.3. Other assets

Other assets comprise the following:

In millions of EUR

	30 June 2009	31 December 2008
Settlements with suppliers	31	24
Prepaid expenses	10	32
Goods held for resale supplies and other inventories	-	2
Other taxes receivable	5	16
Insurance receivable net	-	-
Other	109	210
Subtotal other assets (gross)	**155**	**284**
Specific allowances for impairment on settlement with suppliers	(1)	(1)
Other assets	**154**	**283**

Decrease of other assets relates mainly to overpayment of acquisition price for real estate acquired in 2008. The overpayment in amount 80 MEUR was remitted in 2009.

F.4. Investments in associates and joint ventures

The following table shows break down of individual investments in associates and joint ventures:

In millions of EUR

	30 June 2009	31 December 2008
Nomos-Bank	369	398
Generali PPF Holding	2 474	2 394
Polymetal	497	462
Real estate projects	12	3
Total investments in associates	**3 352**	**3 257**

Nomos-Bank

In millions of EUR

	30 June 2009	31 December 2008
Total assets	5 774	6 729
Total liabilities	(4 959)	(5 942)
Group's share in equity (29.92%)	**244**	**235**
	30 June 2009	30 June 2008
Total revenue (in 2008 since acquisition)	473	277
Total net profit (in 2008 since acquisition)	75	48
Group's share in profit (29.92%)	**22**	**14**

Based on the impairment testing as at 30 June 2009 the value of Nomos-Banks was decreased by MEUR 1. Impairment is included in share of earnings of associates.

Generali PPF Holding

In millions of EUR

	30 June 2009	31 December 2008
Total assets	14 183	13 884
Total liabilities	(9 099)	(8 961)
Group's share in total equity (49%)	2 491	2 412
Non-controlling interest on subholding level (49%)	(17)	(18)
Group's share in equity (49%)	**2 474**	**2 394**
	30 June 2009	30 June 2008
Total revenue	1 844	1 722
Total net profit	244	193
Group's share in net profit (49%)	120	95
Non-controlling interests on subholding level (49%)	1	-
Group's share in profit (49%)	**121**	**95**

Polymetal

In millions of EUR

	30 June 2009	31 December 2008
Total assets	738	629
Total liabilities	(425)	(306)
Group's share in equity (24.9%)	**78**	**80**
	30 June 2009	30 June 2008
Total revenue (in 2008 since acquisition)	165	-
Total net profit (in 2008 since acquisition)	14	-
Group's share in profit (24.9%)	**3**	**-**

The company is traded on London and Moscow Stock Exchange. As of 30 June 2009 the share price of Polymetal was USD 8.83 (USD 4.5 as at 31 December 2008).

F.5. Property, plant and equipment

The following table shows the roll-forward of property, plant and equipment:

In millions of EUR for the six months ended 30 June 2009

	Land and buildings	Other tangible assets and equipment	Tangible assets not in use	Total	Thereof under finance lease
Cost					
Balance at 1 January	248	94	9	351	3
Additions	1	11	3	15	-
Disposals	(7)	(10)	(2)	(19)	(1)
Other movements	-	2	(4)	(2)	-
Net foreign exchange differences	(7)	(2)	-	(9)	-
Balance at 30 June	235	95	6	336	2
Accumulated depreciation and impairment losses					
Balance at 1 January	(23)	(48)	(1)	(72)	(2)
Depreciation charge for the period	(3)	(9)	-	(12)	-
Disposals	4	8	-	12	1
Net foreign exchange differences	1	2	-	3	-
Balance at 30 June	(21)	(47)	(1)	(69)	(1)
Carrying amount at 30 June	**214**	**48**	**5**	**267**	**1**

In millions of EUR, for the year ended 31 December 2008

	Land and buildings	Other tangible assets and equipment	Tangible assets not in use	Total	Of which under finance leases
Cost					
Balance at 1 January	223	97	4	324	2
Additions	50	25	44	119	1
Disposals	-	(15)	(42)	(57)	-
Other movements	-	(4)	4	-	-
Net exchange differences	(25)	(9)	(1)	(35)	-
Balance at 31 December	248	94	9	351	3
Accumulated depreciation and impairment losses					
Balance at 1 January	(4)	(43)	-	(47)	(1)
Depreciation charge for the year	(14)	(20)	-	(34)	(1)
Impairment losses recognized	(8)	(1)	(1)	(10)	-
Disposals	-	9	-	9	-
Other movements	-	2	-	2	-
Net foreign exchange differences	3	5	-	8	-
Balance at 31 December	(23)	(48)	(1)	(72)	(2)
Carrying amount at 31 December	**225**	**46**	**8**	**279**	**1**

F.6. Intangible assets

Intangible assets comprise the following:

In millions of EUR

	30 June 2009	31 December 2008
Goodwill	38	38
Software	31	19
Customers lists and relationship	1	1
Trademark	3	3
Other intangible assets	1	1
Intangible assets not in use	2	2
Total intangible assets	**76**	**64**

Goodwill allocated to the Group´s business in Ukraine is included in the intangible assets above in the amount of MEUR 38. The economic downturn in last calendar quarter of 2008 in this country resulted in restriction of the Group's activities in this region. As a consequence, the Group revised the recoverable amount of this cash-generating unit assuming significant decline of related revenues in 2009-10 with gradual recovery expected in 2011-2013. The growth rate used to extrapolate cash flow projections beyond 2013 was 10%, the discount rate applied to the cash flow projections was 20%. As a result, impairment loss of MEUR 40 was recognized in 2008.

The management estimates of the values of key assumptions, which reflect past experience, actual development during the interim period as well as available market forecasts, have not changed significantly and no impairment loss was recognized during the interim period.

F.7. Liabilities due to non-banks

Liabilities due to customers comprise the following:

In millions of EUR

	30 June 2009	31 December 2008
Current accounts and demand deposits	577	478
Term deposits	797	728
Loans	227	149
Loans received under repo operations	281	-
Other	1	101
Total liabilities due to customers	**1 883**	**1 456**

Loans received under repo operations relate to the business of PPF banka. Decrease of other liabilities reflects payment of deferred price for acquisition of CPRe.

F.8. Liabilities due to banks and other financial institutions

Liabilities to banks and other financial institutions comprise the following:

In millions of EUR

	30 June 2009	31 December 2008
Repayable on demand	13	10
Loans received under repo operations	-	23
Secured loans (other than repo)	2 487	2 573
Unsecured loans	461	573
Other	15	14
Total liabilities to banks	**2 976**	**3 193**

The most significant item of secured loan is a syndicated loan pledged by PPF Group´s share in Generali PPF Holding B.V. As of 30 June 2009 the total amount drawn is MEUR 1 733 (MEUR 1 850 in 2008).

Secured loan contains also 263 MEUR loan provided by Sberbank and secured by a pledge of PPF Group´s share in Polymetal.

Out of the secured loans stated above the amount of MEUR 137 (MEUR 163 in 2008) was secured by pledge of consumer loan receivables and cash loan receivables, the amount of MEUR 56 (MEUR 54 in 2008) was secured by pledge of revolving loan receivables, the amount of MEUR 36 (MEUR nil in 2008) was secured by a available-for-sale financial assets and the amount of MEUR nil (MEUR 9 in 2008) was collateralized by a cash deposit.

In November 2008, Home Credit and Finance Bank (LLC) became eligible for unsecured credit facilities granted by CBR. The available credit limit is recalculated on monthly basis based on the company’s equity calculated in accordance with the Russian Banking Accounting Standards. As at the reporting date MEUR 452 (MEUR 378 in 2008) were outstanding and included in the unsecured loans above. These outstanding facilities had final maturity in November 2009 to June 2010 and born interest at a fixed rate.

F.9. Debt securities issued

	Interest rate	Date of maturity	30 June 2009	31 December 2008
Unsecured RUB bond issue 6 of MRUB 5,000	Variable	June 2014	115	-
Unsecured RUB bond issue 5 of TRUB 4,000,000	Variable	April 2013	59	99
Unsecured CZK bond issue 3 of MCZK 4,000	Fixed	June 2012	58	-
Unsecured RUB bond issue 4 of MRUB 3 000	Variable	October 2011	2	75
USD loan participation notes 5 of TUSD 300 912	Fixed	August 2011	145	202
USD loan participation notes 4 of TUSD 500,000	Fixed	June 2011	224	338
Unsecured RUB bond issue 3 of MRUB 3 000	Variable	September 2010	68	73
Unsecured RUB bond issue 2 of MRUB 3 000	Variable	May 2010	54	74
USD loan participation notes 3 of TUSD 200 000	Fixed	April 2010	146	145
Unsecured CZK bond issue 1 of MCZK 3 000	Variable	July 2009	118	115
Unsecured CZK bond issue 2 of MCZK 3 000	Variable	June 2009	-	112
CZK senior variable loan notes of MCZK 5 000	Variable	April 2009	-	131
CZK junior variable loan notes of TCZK 779 221	Variable	April 2009	-	7
RUB loan participation notes of TRUB 8 200 000	Variable	March 2014	-	201
Class A1 loan note of TEUR 100 000	Variable	May 2012	-	99
Class A2 loan note of TEUR 13 500	Variable	May 2012	-	10
Class B loan note of TEUR 13 000	Variable	May 2012	-	6
Deposit bill of exchange; 3,75%	Fixed	May 2010	12	-
Deposit bill of exchange; 3,57%	Fixed	May 2010	12	-
Deposit bill of exchange; 2,25%	Fixed	January 2010	20	-
Deposit bill of exchange; 2,4%	Fixed	January 2010	12	-
Deposit bill of exchange; 3,5%	Fixed	December 2009	17	16
Deposit bill of exchange; 2,65%	Fixed	December 2009	19	-
Deposit bill of exchange; 2,85%	Fixed	November 2009	20	-
Deposit bill of exchange; 2,21%	Fixed	November 2009	19	-
Deposit bill of exchange; 2,65%	Fixed	October 2009	12	-
Deposit bill of exchange; rate 4,73%	Fixed	October 2009	12	11
Deposit bill of exchange; 2,52%	Fixed	September 2009	19	-
Deposit bill of exchange; 2,42%	Fixed	September 2009	8	-
Deposit bill of exchange; 2,3%	Fixed	July 2009	39	-
Deposit bill of exchange; 3,28%	Fixed	July 2009	20	-
Deposit bill of exchange; 1,49%	Fixed	July 2009	1	-
Deposit bill of exchange; rate 4,02%	Fixed	April 2009	-	19
Deposit bill of exchange; rate 3,74%	Fixed	March 2009	-	19
Deposit bill of exchange; rate 3,67%	Fixed	January 2009	-	19
Deposit bill of exchange; rate 4,18%	Fixed	January 2009	-	11
Deposit bill of exchange; rate 2,67%	Fixed	January 2009	-	1
Total debt securities issued			**1 231**	**1 783**

In June 2009, the Group bought back the USD denominated loan participation notes 4 with the principal amount of MUSD 3 and the USD denominated loan participation notes 5 with the principal amount of MUSD 86.

The RUB denominated bonds 6 were issued by the Group in June 2009 with a fixed coupon rate valid for the subsequent six months. Bondholders are entitled to require early redemption of the bond issue at par in December 2009.

The RUB denominated credit card receivables backed notes were fully repaid in April 2009. The EUR denominated consumer loan receivables backed notes were fully redeemed in February 2009.

F.10. Financial liabilities at fair value through profit and loss

In millions of EUR

	30 June 2009	31 December 2008
Negative market values of derivatives	51	93
Obligation to deliver securities	35	-
Financial liabilities at fair value through profit and loss - held for trading	**86**	**93**

F.11. Other liabilities

Other liabilities comprise the following:

In millions of EUR

	30 June 2009	31 December 2008
Settlements with suppliers	42	123
Wages and salaries	21	18
Social security and health insurance	1	2
Other tax payable	5	8
Finance lease liabilities	-	1
Insurance payable, net	16	13
Other provisions	1	2
Accrued expenses	5	7
Deferred income	2	2
Other liabilities	48	18
Total other liabilities	**141**	**194**

F.12. Issued capital

The following table provides details of authorized and issued shares:

	30 June 2009	31 December 2008
Number of shares authorised	250 000	250 000
Number of shares issued, out of which:		
fully paid	66 738	66 738
Par value per share	EUR 10	EUR 10

F.13. Net interest income

Interest income comprises the following:

In millions of EUR, for the six months ended 30 June

	2009	2008
Financial instruments at fair value through profit or loss	9	3
Financial instruments available-for-sale	5	-
Due from banks and other financial institutions	32	17
Consumer loan receivables	178	205
Cash loan receivables	95	95
Revolving loan receivables	131	149
Car loan receivables	8	4
Mortgage loan receivables	14	11
Personal loan receivables (secured)	2	2
Loans to corporations and other loans and receivables	43	18
Other	4	3
Total interest and similar income	**521**	**507**

Interest expense comprises the following:

In millions of EUR, for the six months ended 30 June

	2009	2008
Due to customers	22	12
Due to banks and other financial institutions	85	28
Debt securities issued	84	65
Subordinated liabilities	-	-
Other	1	1
Total interest and similar expenses	**192**	**106**
Total net interest income	**329**	**401**

F.14. Net fee and commission income

Fee and commission income comprises the following:

In millions of EUR, for the six months ended 30 June

	2009	2008
Retailers commissions	2	4
Cash transactions	16	20
Customer payment processing and account maintenance	11	5
Insurance commissions	25	37
Penalty fees	34	40
Other	6	4
Total fee and commission income	**94**	**110**

Fee and commission expense comprises the following:

In millions of EUR, for the six months ended 30 June

	2009	2008
Cash transactions	5	3
Payment processing and account maintenance	3	6
Commissions to retailers	17	30
Other	1	1
Total fee and commission expense	**26**	**40**

Total net fee and commission income	**68**	**70**

F.15. Net gain/loss on financial assets

In millions of EUR, for the six months ended 30 June

	2009	2008
Net trading income	42	2
Securities trading	14	2
Debt securities	19	-
Equity securities	(5)	2
FX trading	(18)	1
Derivatives	55	1
Other	(9)	
Net gains on financial assets at fair value through profit or loss	(3)	-
Debt securities	2	-
Equity securities	(5)	-
Net realized gains	2	-
Financial assets available-for-sale	2	-
Total net gains/losses on financial assets	**41**	**4**

F.16. Net impairment losses on financial assets

In millions of EUR, for the six months ended 30 June

	2009	2008
Consumer loan receivables	47	71
Cash loan receivables	51	41
Revolving loan receivables	66	42
Car loan receivables	5	2
Mortgage loan receivables	8	-
Loans to corporations	(2)	-
Other	3	(1)
Total net impairment losses on financial assets	**178**	**155**

F.17. Net expense related to credit risk insurance

In millions of EUR for the six months ended 30 June

	2009	2008
Consumer loan receivables	7	8
Cash loan receivables	13	9
Revolving loan receivables	-	1
Commission income for collecting defaulted receivables	(6)	(11)
Total net expense related to credit risk insurance	**14**	**7**

F.18. Operating income

In millions of EUR for the six months ended 30 June

	2009	2008
Net income from investment property	5	-
Income from other assets	-	3
Sales of goods	1	7
Cost of goods sold	(1)	(6)
Foreign currency gains	-	14
Net gains on early redemption of financial liabilities	13	-
Other income	18	3
Total other income	**36**	**21**

F.19. General administrative expenses

In millions of EUR for the six months ended 30 June

	2009	2008
Employee compensation	78	117
Payroll related taxes (including pension contribution)	14	22
Advertising and marketing	3	9
Professional services	14	31
Telecommunication and postage	16	29
Travel expenses	3	8
Taxes other than income tax	1	2
Information technologies	7	11
Rental, maintenance and repair expense	15	29
Other	13	13
Total general administrative expenses	**164**	**271**

Significant decrease of general administrative expenses reflects the measures taken by the Group mainly in connection to the negative development on financial markets.

F.20. Other operating expenses

Other operating expenses comprise the following:

In millions of EUR for the six months ended 30 June

	2009	2008
Depreciation on property, plant and equipment	12	16
Amortisation on intangible assets	11	3
Net impairment losses on other assets	2	(1)
Loss on disposal of property, plant, equipment, and intangible assets	2	1
Foreign currency losses	73	-
Total net impairment losses recognized	**100**	**19**

F.21. Contingencies

F.21.1. Taxation contingencies

The taxation systems in the Russian Federation, in the Republic of Kazakhstan, in the Republic of Belarus and in Ukraine 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 Kazakhstan, the Republic of Belarus and Ukraine 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, Kazakhstan, Belarussian and Ukrainian tax legislation, official pronouncements and court decisions.

There is a risk that the Ukrainian tax authorities could assert that the taxable income of Home Credit Bank (“HCB”) was understated by MEUR 28. As a consequence, HCB may be exposed to additional current profit tax liabilities in the amount of MEUR 7 (plus penalties of up to 100%) aggregately amounting up to MEUR 14. HCB provided the request to the Tax Inspection in Dnepropetrovsk City asking for clarification on the tax treatment of this transaction. Further, such request was transferred to the Ukrainian State Tax Authority (i.e., the highest office of Ukrainian tax authorities) where it is currently a subject to consideration.

F.22. Commitments, guarantees and collaterals

Loan commitments and guarantee comprise the following:

In millions of EUR

	30 June 2009	31 December 2008
Loans commitments	576	1 608
Revocable with original maturity less than 1 year	64	489
Other	512	1 119
Guarantees provided	139	55
Non-payment guarantees	93	1
Payment guarantees	46	54
Total commitments and contingent liabilities	**715**	**1 663**

Collaterals and guarantees received comprise the following:

In millions of EUR

	30 June 2009	31 December 2008
Guarantees – received	498	455
Loan commitments – received	465	350
Value of property received as collateral	1 461	1 305
Receivables on shares, bonds and promissory notes	-	8
Total collaterals received	**2 424**	**2 118**

Property received as collateral related mainly to provided repo loans provided by PPF banka and consumer finance business in Russia.

F.23. Related party transactions

F.23.1. Investment in associates

Transactions with associates represent mainly insurance connected to consumer loans and provided by insurance entities within Generali PPF Holding to Home Credit entities and ordinary banking services provided by Nomos-Bank in Russia.

During the period the Group had the following significant transactions with associates:

In millions of EUR, for the six months ended 30 June

	2009	2008
Interest and similar expenses	30	8
Fee and commission income	(24)	(34)
Net expense related to credit risk insurance	(1)	7
Net gain/loss on financial assets	9	-
Operating income	(8)	(3)
Total net income	**6**	**(22)**

As at the end of the reporting period, the Group has the following balances with associates:

In millions of EUR

	30 June 2009	31 December 2008
Cash and cash equivalents	-	45
Financial assets at fair value through profit and loss	9	64
Financial assets available for sale	16	-
Loans and receivables due from banks and other financial institutions	187	70
Loans and receivables due from non banks	32	-
Other assets	20	7
Total assets	**264**	**186**
Current accounts, deposits and loans from customers	(751)	(260)
Due to banks and other financial institutions	(262)	(70)
Debt securities issued	(203)	(275)
Financial liabilities at fair value through profit and loss	(1)	-
Other liabilities	(19)	(86)
Total liabilities	**(1 236)**	**(691)**

F.23.2. Other related parties

During the reported periods of 2009 and 2008 the Group had not any significant transactions with other related parties.

F.24. Earnings per share

The next table shows the earnings per share for the six months ended 30 June:

In millions of EUR, for the six months ended 30 June

	2009	2008
Net income attributable to shareholders of the Parent Company	135	2 731
Net profit from continuing operations attributable to equity holders of the Parent Company	135	34
Net profit from discontinued operations	-	2 697
Weighted average number of shares	66 738	66 738
Basic and Diluted earning per share for profit for the year (EUR)	2 023	40 921
Basic and Diluted earning per share for profit from continuing operations (EUR)	2 023	509
Basic and Diluted earning per share for profit from discontinued operations (EUR)	-	40 412

G. Subsequent events

The Group has recognized these important non-adjusting events that have occurred since the end of the reporting period up to 19 October 2009:

G.1. Establishment of PPF ECM Holding

In June 2009 the Group signed a framework agreement with Czech businessman Milan Janků about the inception of a new holding group named "PPF ECM Holding" joining 42 projects of both partners mainly in real estate business. PPF Group contributes majority of its real estate projects acquired in 2008, Mr. Janků contributes the realtor assets of ECM Group N.V., except for majority stake ECM REAL ESTATE INVESTMENTS A.G., and other businesses and minority shares in projects including PSJ, Domus Eventis, and Carrefour SK. The whole transaction is expected to be finalized in the last quarter of 2009. After closing of the transaction the Group will have 75% and Mr. Janků 25% of voting rights in the new holding, The exact share of economic rights depends on final valuation of individual projects. At the moment management does not have sufficient financial information about the acquired entities to disclose impacts of the acquisition and purchase price allocation on the Group. The same applies also for acquisitions mentioned below.

G.2. Acquisition of Eldorado

On 9 October 2009 the Group closed the transaction with Russian businessman, Mr. Igor Yakovlev. Through debt/equity swap PPF Group (together with Generali as a minority partner) has acquired for MUSD 300 a controlling stake, 50% plus one share, in Eldorado, the Russia´s largest electronics and domestic appliances retailer. As the part of the initial funding was participated by Generali the split of ownership over 50% plus one share is 78% share for PPF Group and 22% for Generali.

G.3. Joint venture with J&T Group

In February the Group and J&T Group announced their agreement to establish a new holding company focusing on the area of industry and energy. The new holding consists of selected energetic and industrial businesses contributed by affiliates of J&T Group. PPF Group directly and indirectly (through its private equity subsidiary PPF Partners) acquired 20% stake in this holding for consideration of BCZK 3. PPF Partners also holds on behalf of Generali (being one of the investor into PPF Partners fund) further 20% stake in the new holding (the respective consideration is also BCZK 3). The process of forming the new holding was completed on 8 October. The consideration has been already paid.

G.4. Disposal of Privatinvest

In July 2009, the Group disposed of its participation in Privat Invest PCJSB in Ukraine for MUAH 74.

G.5. Dividend received from Generali PPF Holding B.V.

As of 31 August 2009 the Group received interim dividend from Generali PPF Holding B.V. in amount MEUR 123.

Date:	Signature of the Authorised Representative:
19 October 2009	