PPF GROUP N.V.

Interim consolidated financial statements for the first half of 2010

To the Directors of PPF Group N.V.

Review report

Introduction

We have reviewed the accompanying condensed consolidated interim financial information for the six month period ended 30 June 2010 of PPF Group N.V., which comprises the condensed consolidated statement of financial position as at 30 June 2010, the condensed consolidated statement of comprehensive income, the condensed consolidated statement of changes in equity, the condensed consolidated statement of cash flows 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 2010 is not prepared, in all material respects in accordance with IAS 34, 'Interim Financial Reporting', as adopted by European Union.

Amstelveen, 20 October 2010

KPMG ACCOUNTANTS N.V.

M. Frikkee RA

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INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Interim consolidated statement of financial position

As at 30 June 2010

In millions of EUR

	Note	30 June 2010	31 December 2009
ASSETS			
Cash and cash equivalents	F1	617	406
Financial assets at fair value through profit or loss	F2.1	255	250
Financial assets available-for-sale	F2.2	908	506
Loans and receivables due from banks and other financial institutions	F2.3	993	1,033
Loans and receivables due from non-banks	F2.4	2,360	2,261
Other loans and receivables	F2.5	992	803
Current income tax receivable		45	23
Deferred tax assets		29	37
Other assets	F3	188	432
Inventories	F4	255	325
Investments in associates	F5	3,987	3,628
Investment property	F6	348	342
Property, plant and equipment	F7	353	312
Intangible assets	F8	501	444
TOTAL ASSETS		**11,831**	**10,802**
LIABILITIES			
Due to non-banks	F9	1,909	1,559
Due to banks and other financial institutions	F10	3,159	2,718
Debt securities issued	F11	1,558	1,518
Financial liabilities at fair value through profit or loss	F12	184	173
Current income tax liability		7	8
Deferred tax liability		51	40
Provisions	F13	21	24
Other liabilities	F14	654	807
TOTAL LIABILITIES		**7,543**	**6,847**
CONSOLIDATED EQUITY			
Issued capital		1	1
Share premium		677	677
Other reserves		17	(243)
Retained earnings		3,634	3,565
Total equity attributable to equity holders of the Parent		4,329	4,000
Non-controlling interest		(41)	(45)
Total consolidated equity		**4,288**	**3,955**
TOTAL LIABILITIES AND EQUITY		**11,831**	**10,802**

Interim consolidated income statement

For the six months ended 30 June 2010

In millions of EUR

	Note	30 June 2010	30 June 2009
Interest income		496	521
Interest expense		(175)	(192)
Net interest income	F16	**321**	**329**
Fee and commission income		114	94
Fee and commission expense		(25)	(26)
Net fee and commission income	F17	**89**	**68**
Net gain/(loss) on financial assets	F18	(44)	41
Net impairment losses on financial assets	F19	(144)	(178)
Net expense related to credit risk insurance	F20	-	(14)
Other banking result		**(188)**	**(151)**
NET BANKING INCOME		**222**	**246**
Rental and related income		10	10
Property operating expenses		(2)	(3)
Net valuation gain/loss on investment property		(2)	(2)
NET REAL ESTATE INCOME		6	**5**
Sales of goods		865	1
Cost of goods sold		(647)	(1)
NET INCOME ON RETAIL OPERATIONS		218	**-**
Other income		50	31
OTHER OPERATING INCOME	F21	**50**	**31**
General administrative expenses	F22	(441)	(164)
Other operating expense	F23	(63)	(100)
OPERATING EXPENSE		**(504)**	**(264)**
Share of earnings of associates		107	139
PROFIT/(LOSS) BEFORE TAX		**99**	**157**
Income tax expense		(55)	(20)
NET PROFIT FOR THE PERIOD		**44**	**137**
Net profit attributable to non-controlling interest		(39)	2
NET PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF PARENT		**83**	**135**
Weighted average number of shares	F15	66,738	66,738
Basic and Diluted earnings per share for profit for the period (EUR)		1,244	2,023

Interim consolidated statement of comprehensive income

For the six months ended 30 June 2010

In millions of EUR

	30 June 2010	30 June 2009
NET PROFIT FOR THE PERIOD	**44**	**137**
Other comprehensive income		
Currency translation differences	294	(38)
Fair value gains on available-for-sale financial assets	(98)	5
Share of other comprehensive income of associates	30	(56)
Effect on acquisition of subsidiaries	-	3
Effect on change of interest in associates	63	-
Other comprehensive income for the period (net of tax)	**289**	**(86)**
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**333**	**51**
Total comprehensive income attributable to non-controlling interest	**4**	**5**
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO EQUITY HOLDERS OF PARENT	**329**	**46**

The interim consolidated financial statements were approved by the Board of Directors of the Company on 20 October 2010.

Interim consolidated statement of changes in equity

In millions of EUR, for the for the six months ended 30 June 2010

	Issued capital	Share premium	Available for sale reserve	Legal and statutory reserves	Translation reserve	Retained earnings	Attributable to equity holders of Parent Company	Attributable to non-controlling interests	Total
Balance at 1 January 2010	**1**	**677**	**19**	**9**	**(271)**	**3,565**	**4,000**	**(45)**	**3,955**
Net allocation to legal and statutory reserves	-	-	-	1	-	(1)	-	-	-
Total	**1**	**677**	**19**	**10**	**(271)**	**3,564**	**4,000**	**(45)**	**3,955**
Currency translation*	-	-	-	-	314	-	314	(20)	294
Valuation gains (losses) taken to equity for AFS	-	-	(98)	-	-	-	(98)	-	(98)
Effect on change of interest in associates	-	-	-	-	-	-	-	63	63
Changes on equity in associates	-	-	5	-	38	(13)	30	-	30
Profit for the period	-	-	-	-	-	83	83	(39)	44
Total comprehensive income for the period	**-**	**-**	**(93)**	**-**	**352**	**70**	**329**	**4**	**333**
Total changes	**-**	**-**	**(93)**	**1**	**352**	**70**	**329**	**4**	**333**
Balance at 30 June 2010	**1**	**677**	**(74)**	**10**	**81**	**3,634**	**4,329**	**(41)**	**4,288**

*Significant positive change of the currency translation reserve was affected mainly by appreciation of Russian Rouble and US Dollar.

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

	Issued capital	Share premium	Available for sale reserve	Legal and statutory reserves	Translation reserve	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	-	-	-	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 period	-	-	-	-	-	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**

Condensed interim consolidated statement of cash flows

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

In millions of EUR

	2010	2009
Cash flows from operating activities		
Profit before tax	99	157
Adjustments for:		
Consolidated gains/losses on disposal of consolidated subsidiaries and associates	-	5
Interest expense	175	192
Interest income	(496)	(521)
Other adjustments	240	(59)
Change in assets and liabilities	193	746
Net cash from operating activities	**211**	**520**
Cash flows from investing activities		
Interest received	475	370
Dividends received	60	-
Acquisition of subsidiaries and associates, net of cash acquired	(82)	-
Other movements	(514)	(308)
Net cash from investing activities	**(61)**	**62**
Cash flows from financing activities		
Interest paid	(144)	(232)
Change in debt securities issued	(146)	(520)
Change in loans from banks and other financial institutions	305	(137)
Cash flow from financing activities	**15**	**(889)**
Net increase (decrease) in cash and cash equivalents	**165**	**(307)**
Cash and cash equivalents as at 1 January	**406**	**852**
Effect of exchange rate changes on cash and cash equivalents	46	(20)
Cash and cash equivalents as at 30 June	**617**	**525**

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 2010 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 2010.

Structure of Ultimate shareholders:
As at 30 June 2010, the shareholder structure was as follows:

Petr Kellner 94.25% (directly and indirectly)
Jiří Šmejc 5% (indirectly)
Ladislav Bartoníček 0.50% (indirectly)
Jean-Pascal Duvieusart 0.25% (indirectly)

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

The Directors authorised the financial statements for issue on 20 October 2010.

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 2009.

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 historical 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 property. Financial assets and liabilities and non-financial assets and liabilities which are valued at historical cost are stated at amortised cost or historical 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 historical 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.

B. Segment reporting

In accordance with IFRS 8 the Group recognizes reportable segments that are defined in both geographical and sector terms. The Chief Operating Decision Maker is the Board of Directors and the shareholders. Information is provided to the CODM for the Home Credit Group as a whole and separately for individual countries; other banking operations, retail and real estate are not differentiated by region. Business results of the associates are reported and reviewed separately. The associate Nomos-Bank is considered part of banking operations and included in the “other banking” segment.

Home Credit consumer finance business is divided into segments based on geographical regions corresponding to the geographical location of customers.

The insurance business reflects the Group’s share in Generali PPF Holding B.V., which operates in the CEE region.

The real estate segment covers investment property projects mainly in the CEE region.

The retail business represents Eldorado, the Russia’s largest electronics and domestic appliances retailer, acquired in the second half of 2009.

The other banking segment comprises the operations of PPF banka a.s., PPF B1 B.V., PPF B2 B.V. and Nomos-Bank.

Polymetal, EP Holding and Euroclinicum are included in other segment.

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 contains interest income, fees and commission income, rental income and income from sales of goods.

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

Significant non-cash expenses are comprised mainly of impairment losses on financial and non-financial assets.

The following table shows the main items from the financial statements broken down according to reportable segments for the first half of 2010 and 2009.

In millions of EUR

30 June 2010	Czech Republic	Slovak Republic	Russian Federation	East Euro/ Asian countries	China & Vietnam	**Subtotal Home Credit**	Insurance	Real estate	Other banking	Other	Retail	Eliminations	**Consolidated 2010**
Revenue from external customers	13	23	408	20	18	482	-	12	78	34	879	-	1,485
Inter-segment revenue	1	-	5	1	-	7	-	4	10	60	12	(93)	-
Total revenue from continuing operations	**14**	**23**	**413**	**21**	**18**	**489**	**-**	**16**	**88**	**94**	**891**	**(93)**	**1,485**
Segment share of earnings of associates							50		28	29			107
Segment result from continuing operations	**20**	**4**	**163**	**(3)**	**(10)**	**174**	**50**	**6**	**47**	**(73)**	(59)	**(46)**	**99**
Income tax expense													(55)
Net profit for the year													**44**
Other significant non-cash expenses	(3)	(9)	(35)	(4)	(2)	(53)	-	-	(20)	(13)	(56)	-	(142)
Segment assets	161	161	2,272	189	171	2,954	-	855	2,478	7,023	1,193	(6,733)	7,770
Investments in associates							2,551		541	895			3,987
Unallocated assets													74
Total assets													**11,831**
Segment liabilities	66	137	1,539	123	94	1,959	-	579	2,322	8,452	862	(6,689)	7,485
Unallocated liabilities													58
Total liabilities													**7,543**
Segment equity	**95**	**24**	**733**	**66**	**77**	**995**	**2,551**	**276**	**697**	**(534)**	331	**(45)**	**4,288**

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	Retail	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	190	165	2,224	168	130	2,877	-	877	2,022	5,378	1,209	(5,249)	7,114
Investments in associates	-	-	-	-	-	-	2,511	4	457	656	-	-	3,628
Unallocated assets													60
Total assets													**10,802**
Segment liabilities	78	156	1,614	117	65	2,030	-	596	1,884	6,651	892	(5,253)	6,800
Unallocated liabilities													47
Total liabilities													**6,847**
Segment equity	**112**	**9**	**610**	**51**	**65**	**847**	**2,511**	**285**	**595**	**(617)**	**317**	**4**	**3,955**

C. Consolidation

C.1. Group entities

The following list shows significant holdings and operating entities that are subsidiaries or associates of the Parent Company as of 30 June 2010.

Company	Domicile	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%
HC Asia N.V.	Netherlands	100.00%	100.00%
CF Commercial Consulting (Beijing) Co., Ltd.	China	100.00%	100.00%
Favour Ocean Ltd.	Hong Kong	100.00%	100.00%
Guangdong Home Credit Guarantee Co., Ltd.	China	100.00%	100.00%
Home Credit a.s.	Czech Republic	100.00%	100.00%
Home Credit Asia 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 International a.s.	Czech Republic	100.00%	100.00%
Home Credit Kazakhstan 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%
PPF Home Credit IFN S.A.	Romania	100.00%	100.00%
PPF Vietnam Finance Company LLC	Vietnam	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%
Real Estate subgroup			
PPF ECM Holding B.V. (former HC Fin2 B.V.)	Netherlands	100.00%	100.00%
PPF Property Ltd.	Jersey	100.00%	100.00%
Agriko LLC	Russia	65.00%	65.00%
Agriko Plus LLC	Russia	65.00%	65.00%
Bastion office center s.r.o.	Slovakia	24.50%	24.50%
Bavaria Complex S. R. L.	Romania	50.39%	50.39%
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%
Eastfield Kazan LLC	Russia	65.00%	65.00%
Feliston Enterprises Ltd.	Cyprus	50.00%	50.00%
Gilbey Ltd.	Cyprus	40.00%	40.00%
Glancus Investments Inc.	BVI	100.00%	100.00%
In Vino LLC	Russia	64.94%	64.94%
In Vino Anapa 2 LLC	Russia	64.94%	64.94%
In Vino Natukhaevskoe LLC	Russia	64.94%	64.94%

Intrust NN	Russia	33.33%	33.33%
Investitsionny Trust ZAO	Russia	50.00%	50.00%
Kendalside Ltd.	United Kingdom	49.00%	49.00%
KLP LLC	Russia	45.50%	45.50%
Komodor LLC	Ukraine	40.00%	40.00%
Kvartal Togliatti LLC	Russia	100.00%	100.00%
Logistika Ural LLC	Russia	45.50%	45.50%
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%
Pacific Outlets Business	China	90.00%	90.00%
PPF Gate, a.s.	Czech Republic	100.00%	100.00%
Rural Capital S. R. L.	Romania	98.50%	98.50%
Rural Capital Doi S. R. L.	Romania	98.50%	98.50%
Rural Capital Unu S. R. L.	Romania	98.50%	98.50%
Rural Dobrogea S. R. L.	Romania	98.50%	98.50%
Rural Moldova S. R. L.	Romania	98.50%	98.50%
Rural Oltenia S. R. L.	Romania	98.50%	98.50%
Russkiy Val LLC	Russia	64.35%	64.35%
Sigurno Ltd.	Cyprus	40.00%	40.00%
Slovak Trade Company, s.r.o.	Slovakia	24.50%	24.50%
Stinctum Holdings Ltd.	Cyprus	33.33%	33.33%
Other significant subsidiaries			
Anthiarose Ltd.	Cyprus	100.00%	100.00%
CLINICUM a.s.	Czech Republic	99.00%	99.00%
Dunmow Ltd.	BVI	100.00%	100.00%
Eldorado Licensing Ltd.	Cyprus	40.01%	50.01%
Eldorado LLC	Russia	40.01%	50.01%
EUROCLINICUM a.s.	Czech Republic	100.00%	100.00%
Facipero Investments Ltd.	Cyprus	40.01%	50.01%
HC SE	Netherlands	100.00%	100.00%
Kotyla Holding Ltd.	Cyprus	100.00%	100.00%
MEDIPONT s.r.o.	Czech Republic	100.00%	100.00%
Nemocnice ATLAS, a.s.	Czech Republic	100.00%	100.00%
Pearlmoon Ltd.	Cyprus	100.00%	100.00%
PPF a.s.	Czech Republic	100.00%	100.00%
PPF B1 B.V.	Netherlands	92.96%	92.96%
PPF B2 B.V.	Netherlands	92.96%	92.96%
PPF banka, a.s.	Czech Republic	92.96%	92.96%
PPF Co1 B.V.	Netherlands	100.00%	100.00%
PPF Co3 B.V.	Netherlands	100.00%	100.00%
PPF Media, a.s.	Czech Republic	100.00%	100.00%
PPF Partners 1 GP Ltd.	Guernsey	72.50%	72.50%
PPF Partners Ltd.	Guernsey	72.50%	72.50%

Přeloučská poliklinika a.s.	Czech Republic	100.00%	100.00%
Russia Finance Corporation B.V.	Netherlands	100.00%	100.00%
Timeworth Ltd.	Cyprus	72.50%	72.50%
ÚSTECKÁ POLIKLINIKA, s.r.o.	Czech Republic	100.00%	100.00%
Other significant associates			
Polymetal, OJSC	Russia	21.92%	21.92%
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%
GP Reinsurance EAD*	Bulgaria	100.00%	100.00%
Penzijní fond České pojišťovny, a.s.*	Czech Republic	100.00%	100.00%
Energetický a průmyslový holding, a.s.	Czech Republic	29.00%	40.00%
Pražská energetika, a.s.**	Czech Republic	41.10%	41.10%
United Energy, a.s.**	Czech Republic	100.00%	100.00%
Plzeňská energetika a.s.**	Czech Republic	100.00%	100.00%
První energetická a.s.**	Czech Republic	100.00%	100.00%
SOR Libchavy spol. s r.o.**	Czech Republic	99.80%	99.80%
United Energy Trading, a.s.**	Czech Republic	100.00%	100.00%
EGEM, s.r.o.**	Czech Republic	88.00%	88.00%
MSEM, a.s.**	Czech Republic	88.00%	88.00%
Krahulík-MASOZÁVOD Krahulčí, a.s. **	Czech Republic	100.00%	100.00%
VČE - montáže, a.s.**	Czech Republic	88.00%	88.00%
KMOTR - Masna Kroměříž, 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 Generali PPF Holding B.V. itself.

** All entities listed below Energetický a průmyslový holding a.s. (a holding company) represents the most significant entities within this group; effective proportions of ownership and voting interest presented relate to Energetický a průmyslový holding a.s. itself.

C.2. Acquisitions

C.2.1. Acquisition of Euroclinicum

On 4 January the Group, through its holding company PPF Healthcare a.s., acquired a 100% share in Euroclinicum a.s. – a chain of clinics and hospitals in the Czech Republic. Total consideration to be paid for the acquisition is MEUR 17; a portion of the acquisition price is deferred. The fair value of assets acquired was MEUR 31, while the fair value of liabilities was MEUR 17. Goodwill in the amount of MEUR 3 represents that part of the cost of the investment attributable to assets that assets that could not be individually identified and separately recognised and reflects the result of the purchase price allocation.

C.2.2. Acquisition of real estate projects

On 29 June the Group acquired, through its subsidiary BORACORA Limited., three real estate projects located in Russia. Effectively the Group holds a 35% stake in two of them and a 23% stake in the third project. Total consideration paid for the acquisition was below MEUR 1. No goodwill arose on the acquisition. The acquired projects are accounted for using the equity method of consolidation.

C.2.3. Increase of shareholding in Energetický a průmyslový holding a.s. ("EP Holding")

As of 31 December 2009 the Group held together with Generali through the holding company Timeworth Ltd., a 40% share in EP Holding which was split equally between both partners. In March 2010 the Group increased its effective economic share from 20% to 29% by acquiring shares from PPF Partners. Generali's economic share decreased to 11%. Simultaneously, Timeworth Ltd. granted a MCZK 5,000 loan to EP Holding, funded by both partners on back-to-back basis. The purpose of this loan was to provide funding for further acquisitions.

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 2009, except for the changes described below.

D.2. Changes in accounting policies and accounting pronouncements adopted since 1 January 2010

D.2.1. Amendments and interpretations of IFRS adopted since 1 January 2010

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 2010:

Amendment to _IAS 17 Leases_ (effective from 1 January 2010)

The previous version of IAS 17 stated that a lease of land with an indefinite economic life was normally classified as an operating lease, unless at the end of the lease term title was expected to pass to the lessee. Under the amendment, 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 applies 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.3. Standards, interpretations and amendments to published standards that are not yet effective and are relevant for the Group's financial statements

A number of new Standards, amendments to Standards and Interpretations are not yet effective as at 30 June 2010, and have not been applied in preparing these financial statements. Of these pronouncements, potentially the following will have an impact on the Group's operations. The Group plans to adopt these pronouncements when they become effective. The Group is in the process of analysing the likely impact on its financial statements.

IFRS 3 Business Combinations (effective from 1 July 2010)

IFRS 3 was amended in areas of transitional requirements for contingent consideration from a business combination that occurred before the effective date of the revised IFRS, measurement of non-controlling interests and unreplaced and voluntarily replaced share-based payments. The Group will apply these amendments prospectively from 1 January 2011.

IFRS 7 Financial Instruments: Disclosures (effective from 1 January 2011)

Improvements to IFRSs issued in May 2010 amended disclosures of credit risk relating to collateral held as security. The Group will apply these amendments prospectively from 1 January 2011.

IAS 24 Related Party Disclosures (effective from 1 January 2011)

The revised standard provides a disclosure exemption in respect of related party relationships that arise through common control by the State, unless indicators of influence exist between the entities. The revised IAS 24 also amends the definition of a related party to exclude situations in which two entities are related because a person has significant influence over an entity and a close family member of that person has significant influence over another entity; and to include other entities in which a significant investor of the reporting entity is a member of key management personnel. The amendments to IAS 24 have not yet been adopted by the EU.

Amendment to _IFRS 5 Non-current assets held for sale and discontinued operations_

The amended IFRS 5 specifies that if an entity is committed to a plan to sell a subsidiary (involving the loss of control), then all of that subsidiary's assets and liabilities should be classified as held for sale when the held for sale criteria are met. The Group will apply these amendments prospectively from 1 January 2011.

IAS 34 Interim Financial Reporting (effective from 1 January 2011)

IAS 34 is amended by adding a number of examples to the list of events or transactions that require disclosure under IAS 34. The Group will apply these amendments prospectively from 1 January 2011.

IFRS 9 Financial Instruments (effective from 1 January 2013)

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

IFRIC 13 Customer Loyalty Programmes (effective from 1 January 2011)

The terminology used in respect of the values of awards and award credits in a customer loyalty programme is amended. IFRIC 13 uses the term “fair value” in relation to both the value of award credits and the value of the awards for which such award credits could be redeemed. IFRIC 13 as amended states that the fair value of award credits takes into account the amount of discounts or incentives that otherwise would be offered to customers that have not earned the award credits. The Group will apply these amendments from 1 January 2011.

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 2009.

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 2009.

E.1. Liquidity risk

There were no significant acquisition in the first half of 2010 affecting the liquidity position. The Group has sufficient funds to finance its activities.

F. Notes to the interim consolidated financial statements

F.1. Cash and cash equivalents

Cash and cash equivalents comprise the following:

In millions of EUR

	30 June 2010	31 December 2009
Current accounts	443	218
Current accounts with central banks	10	47
Placements with financial institutions due within one month	164	141
Total cash and cash equivalents	**617**	**406**

There are no restrictions on availability of cash and cash equivalents.

F.2. Financial instruments

Financial instruments comprise the following:

In millions of EUR

	30 June 2010	31 December 2009
Financial assets at fair value through profit or loss	255	250
Financial assets available-for-sale	908	506
Loans and receivables due from banks and other financial institutions	993	1,033
Loans and receivables due from non-banks	2,360	2,261
Other loans and receivables	992	803
Total financial instruments	**5,508**	**4,853**

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 2010	31 December 2009
Debt securities	193	152
Government and other public-sector bonds	116	107
Corporate bonds	77	45
Equity securities	44	43
Shares	21	20
Mutual funds investments	-	1
Other equity securities	23	22
Positive fair values of derivatives	18	55
Total FVTPL	**255**	**250**

Other equity securities amounting to MEUR 23 (MEUR 22 in 2009) represent the fair value of PPF Group's share as an investor in PPF Partners 1 Fund L.P.

F.2.2. Financial assets available-for-sale

Financial assets available-for-sale comprise the following:

In millions of EUR

	30 June 2010	31 December 2009
Debt securities	343	403
Government bonds	103	57
Corporate bonds	232	309
Other debt securities	8	37
Equity securities	565	103
Shares	558	96
Mutual funds investments	7	7
Total AFS	**908**	**506**

In April 2010 the Group completed a purchase of 31,4 million shares of Assicurazioni Generali, whereby the Group gained a 2.02% interest in the share capital of the company. As of 30 June 2010 the total value of Generali shares was MEUR 451. Loss of MEUR 112 caused by the decrease of market value of the shares was recognized other comprehensive income.

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 2010	31 December 2009
Term deposits at banks	160	342
Minimum reserve deposits with central banks	12	27
Loans to banks	9	198
Loans and advances provided under repo operations	734	412
Other	78	54
Total loans and receivables due from banks and other financial institutions	**993**	**1,033**

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

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

Loans and receivables due from non-banks comprise the following:

In millions of EUR

	30 June 2010	31 December 2009
Gross amount		
Consumer loans receivables	874	823
Cash loan receivables	591	519
Revolving loan receivables	721	763
Car loan receivables	77	73
Mortgage loan receivables	205	196
Personal loan receivables (secured)	14	19
Loans to corporations	136	166
Other	75	58
Total gross amount	**2,693**	**2,617**
Collective allowances for impairment		
Consumer loans receivables	(85)	(88)
Cash loan receivables	(109)	(112)
Revolving loan receivables	(92)	(110)
Car loan receivables	(10)	(9)
Mortgage loan receivables	(20)	(20)
Personal loan receivables (secured)	(1)	(3)
Other	(1)	(2)
Total collective impairment	**(318)**	**(344)**
Loans to corporations	(15)	(12)
Total individual impairment	**(15)**	**(12)**
Total carrying amount	**2,360**	**2,261**

F.2.5. Other loans and receivables

The following table shows breakdown of other loans and receivables:

In millions of EUR

	30 June 2010	31 December 2009
Loans and receivables	1,165	891
Individual allowances for impairment	(173)	(88)
Total other loans and receivables	**992**	**803**

This category includes loans granted to the Group's associates used to fund several real estate projects. As of 30 June the total amount of such loans was MEUR 36 (MEUR 44 in 2009). In 2010 Timeworth Ltd. also granted the loan to EP Holding (refer to C.2.3) in the amount of MEUR 200.

F.3. Other assets

Other assets comprise the following:

In millions of EUR

	30 June 2010	31 December 2009
Settlements with suppliers	71	104
Prepaid expenses	52	51
Other taxes receivable	17	29
Other	113	352
Subtotal other assets (gross)	**253**	**536**
Specific allowances for impairment on settlement with suppliers	(25)	(64)
Specific allowances for impairment on prepayments and other deferrals	(13)	(13)
Specific allowances for impairment on other assets	(27)	(27)
Other assets	**188**	**432**

Decrease of other assets corresponds with settlement of selling price of a minority stake in ArcelorMittal Ostrava a. s. for MEUR 260 realised in January 2010.

F.4. Inventories

Inventories relates mainly to the retail business of Eldorado and comprise the following:

In millions of EUR

	30 June 2010	31 December 2009
Goods/merchandise for resale	283	351
Other inventory	1	1
Allowance for slow-moving and damaged items	(29)	(27)
Total inventories	**255**	**325**

F.5. Investments in associates

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

In millions of EUR

	30 June 2010	31 December 2009
Nomos-Bank	541	457
Generali PPF Holding	2,551	2,511
Polymetal	658	551
EP Holding	237	105
Real estate projects	-	4
Total investments in associates	**3,987**	**3,628**

The value of individual associates contains PPF Group's share in the equity of the associates and goodwill arising from the acquisition.

Nomos-Bank

In millions of EUR

	30 June 2010	31 December 2009
Total assets	7,295	6,421
Total liabilities	(6,241)	(5,573)
Group's share in equity (29.92%)	**315**	**254**
	30 June 2010	30 June 2009
Total revenue	405	473
Total net profit	93	75
Group's share in profit (29.92%)	**28**	**22**

Generali PPF Holding

In millions of EUR

	30 June 2010	31 December 2009
Total assets	15,145	14,811
Total liabilities	(9,903)	(9,648)
Group's share in total equity (49%)	2,569	2,530
Non-controlling interest on subholding level (49%)	(18)	(19)
Group's share in equity (49%)	**2,551**	**2,511**
	30 June 2010	30 June 2009
Total revenue	1,806	1,844
Total net profit	104	244
Group's share in net profit (49%)	51	120
Non-controlling interests on subholding level (49%)	(1)	1
Group's share in profit (49%)	**50**	**121**

Polymetal

In millions of EUR

	30 June 2010	31 December 2009
Total assets	1,511	1,196
Total liabilities	(712)	(560)
Group's share in equity (21.92%)	**175**	**139**
	30 June 2010	30 June 2009
Total revenue	318	165
Total net profit	71	14
Group's share in profit (21.92%, in June 2009 24.9%)	**16**	**3**

The company is traded on London and Moscow Stock Exchange. As of 30 June 2010 the share price of Polymetal was USD 12.55 (USD 9.17 as at 31 December 2009).

EP Holding

In March 2010 the Group increased its effective economic share in EP Holding from 20% to 29% by acquiring shares from PPF Partners. The investment EP Holding is accounted for using the equity method of consolidation and applying 40% ratio as the Group's share in equity. The effective share attributable to Generali (11%) is presented as a non-controlling interest.

In millions of EUR

	30 June 2010	31 December 2009
Total assets	1,167	1,151
Total liabilities	(830)	(870)
Group's share in equity (40%)	**135**	**56**
	30 June 2010	30 June 2009
Total revenue	440	-
Total net profit	35	-
Group's share in profit (40%)	**14**	**-**

Real estate

This investment consists of several projects, with ownership participations ranging from 23% to 50%. The aggregate total assets of those entities at 30 June 2010 are MEUR 194 (MEUR 170 at 31 December 2009), while the aggregate total liabilities are MEUR 206 (MEUR 173 at 31 December 2009).

F.6. Investment property

Investment property comprise the following:

In millions of EUR

	30 June 2010	31 December 2009
Investment property	332	331
Investment property under construction	16	11
Total investment property	**348**	**342**

F.7. 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 2010

	Land and buildings	Other tangible assets and equipment	Tangible assets not in use	Total	Thereof under finance lease
Cost					
Balance at 1 January	255	129	8	392	5
Additions resulting from business combinations	21	2	1	24	-
Additions	2	14	11	27	-
Disposals	-	(4)	(13)	(17)	-
Other movements	(17)	17	-	-	-
Net foreign exchange differences	21	17	1	39	-
Balance at 30 June	282	175	8	465	5
Accumulated depreciation and impairment losses					
Balance at 1 January	(21)	(58)	(1)	(80)	(2)
Depreciation charge for the period	(3)	(20)	-	(23)	(1)
Impairment losses recognized	-	(1)	-	(1)	-
Disposals	-	3	-	3	-
Net foreign exchange differences	(2)	(9)	-	(11)	-
Balance at 30 June	(26)	(85)	(1)	(112)	(3)
Carrying amount	**256**	**90**	**7**	**353**	**2**

In millions of EUR, for the year ended 31 December 2009

	Land and buildings	Other tangible assets and equipment	Tangible assets not in use	Total	Thereof under finance leases
Cost					
Balance at 1 January	248	94	9	351	3
Additions resulting from business combinations	-	28	8	36	3
Additions	5	18	7	30	-
Disposals	(7)	(13)	(16)	(36)	(1)
Other movements	15	6	-	21	-
Net foreign exchange differences	(6)	(4)	-	(10)	-
Balance at 31 December	255	129	8	392	5
Accumulated depreciation and impairment losses					
Balance at 1 January	(23)	(48)	(1)	(72)	(2)
Depreciation charge for the year	(7)	(24)	-	(31)	(1)
Impairment losses recognized	(1)	-	-	(1)	-
Reversal of impairment losses	3	1	-	4	-
Disposals	5	12	-	17	1
Other movements	1	(1)	-	-	-
Net foreign exchange differences	1	2	-	3	-
Balance at 31 December	(21)	(58)	(1)	(80)	(2)
Carrying amount	**234**	**71**	**7**	**312**	**3**

F.8. Intangible assets

Intangible assets comprise the following:

In millions of EUR

	30 June 2010	31 December 2009
Goodwill	259	227
Software	40	39
Trademark	196	174
Other intangible assets	6	4
Total intangible assets	**501**	**444**

F.9. Liabilities to non-banks

Liabilities to non-banks comprise the following:

In millions of EUR

	30 June 2010	31 December 2009
Current accounts and demand deposits	558	455
Term deposits	975	689
Loans	177	255
Loans received under repo operations	199	160
Total liabilities to non-banks	**1,909**	**1,559**

F.10. Liabilities to banks and other financial institutions

Liabilities to banks and other financial institutions comprise the following:

In millions of EUR

	30 June 2010	31 December 2009
Repayable on demand	1	2
Loans received under repo operations	32	-
Secured loans (other than repo)	3,016	2,390
Unsecured loans	94	319
Other	16	7
Total liabilities to banks	**3,159**	**2,718**

Increase of secured loans was affected by drawing of Calyon facility in the amount of MEUR 1,940 (MEUR 1,480 in 2009).

F.11. Debt securities issued

The following table shows details of bonds issued by the Group:

In millions of EUR

	Interest rate	Date of maturity	30 June 2010	31 December 2009
Notes MEUR 400	Fixed	November 2015	415	403
Unsecured RUB bond issue 7 of MRUB 5,000	Variable	April 2015	132	-
Unsecured RUB bond issue 6 of MRUB 5,000	Variable	June 2014	110	116
Unsecured RUB bond issue 5 of MRUB 4,000	Variable	April 2013	63	95
USD loan participation notes of MUSD 200	Fixed	April 2010	126	135
Unsecured CZK bond issue 3 of MCZK 4,000	Fixed	June 2012	104	101
Unsecured RUB bond issue 4 of MRUB 3,000	Variable	October 2011	79	72
USD loan participation notes 5 of MUSD 301	Fixed	August 2011	141	130
USD loan participation notes 4 of MUSD 500	Fixed	June 2011	188	170
Unsecured RUB bond issue 3 of MRUB 3,000	Variable	September 2010	13	70
Unsecured RUB bond issue 2 of MRUB 3,000	Variable	May 2010	-	64
Deposit bill of exchange; rate 1.5%	Fixed	December 2010	17	17
Deposit bill of exchange; rate 1.5%	Fixed	December 2010	1	1
Deposit bill of exchange; rate 2.32%	Fixed	June 2010	-	38
Deposit bill of exchange; rate 3.75%	Fixed	May 2010	-	12
Deposit bill of exchange; rate 3.57%	Fixed	May 2010	-	12
Deposit bill of exchange; rate 1.98%	Fixed	February 2010	-	19
Deposit bill of exchange; rate 2.23%	Fixed	February 2010	-	15
Deposit bill of exchange; rate 2.23%	Fixed	February 2010	-	11
Deposit bill of exchange; rate 2.25%	Fixed	January 2010	-	20
Deposit bill of exchange; rate 2.4%	Fixed	January 2010	-	11
Deposit bill of exchange; rate 2.05%	Fixed	January 2010	-	6
Deposit bill of exchange; rate 1.93%	Fixed	May 2011	12	-
Deposit bill of exchange; rate 1.85%	Fixed	December 2010	39	-
Deposit bill of exchange; rate 1.12%	Fixed	December 2010	5	-
Deposit bill of exchange; rate 1.69%	Fixed	September 2010	16	-
Deposit bill of exchange; rate 1.61%	Fixed	July 2010	39	-
Deposit bill of exchange; rate 1.67%	Fixed	July 2010	20	-
Deposit bill of exchange; rate 1.53%	Fixed	July 2010	20	-
Deposit bill of exchange; rate 1.68%	Fixed	July 2010	18	-
Total debt securities issued			**1,558**	**1,518**

The RUB-denominated bonds 7 were issued by the Group in April 2010 with a fixed coupon rate valid for the subsequent two years. Bondholders are entitled to require early redemption of the bond issue at par in April 2012.

F.12. Financial liabilities at fair value through profit and loss

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

In millions of EUR

	30 June 2010	31 December 2009
Negative market values of derivatives	55	52
Obligation to deliver securities	129	121
Financial liabilities at fair value through profit and loss	**184**	**173**

F.13. Provisions

Provisions comprise the following:

In millions of EUR

	30 June 2010	31 December 2009
Warranty repair reserve	2	2
Goods returns	17	16
Provision for litigations except for tax issues	1	1
Other provisions	1	5
Total provisions	**21**	**24**

F.14. Other liabilities

Other liabilities comprise the following:

In millions of EUR

	30 June 2010	31 December 2009
Settlements with suppliers	363	448
Wages and salaries	67	52
Social security and health insurance	5	5
Other tax payable	31	10
Finance lease liabilities	3	5
Accrued expenses	8	5
Deferred income	69	74
Insurance payable, net	10	19
Advance received	27	18
Other liabilities	71	171
Total other liabilities	**654**	**807**

F.15. Issued capital

The following table provides details of authorized and issued shares:

	30 June 2010	31 December 2009
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.16. Net interest income

Interest income comprises the following:

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

	2010	2009
Financial instruments at fair value through profit or loss	7	9
Financial instruments available-for-sale	17	5
Due from banks and other financial institutions	15	32
Consumer loan receivables	197	178
Cash loan receivables	88	95
Revolving loan receivables	108	131
Car loan receivables	8	8
Mortgage loan receivables	11	14
Personal loan receivables (secured)	1	2
Loans to corporations and other loans and receivables	35	43
Other	9	4
Total interest income	**496**	**521**

Interest expense comprises the following:

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

	2010	2009
Due to customers	51	22
Due to banks and other financial institutions	48	85
Debt securities issued	72	84
Subordinated liabilities	1	-
Other	3	1
Total interest expenses	**175**	**192**
Total net interest income	**321**	**329**

F.17. Net fee and commission income

Fee and commission income comprises the following:

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

	2010	2009
Penalty fees	29	34
Insurance commissions	37	25
Cash transactions	15	16
Customer payment processing and account maintenance	13	11
Retailers' commissions	5	2
Other	15	6
Total fee and commission income	**114**	**94**

Fee and commission expense comprises the following:

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

	2010	2009
Commissions to retailers	13	17
Cash transactions	4	5
Payment processing and account maintenance	5	3
Other	3	1
Total fee and commission expense	**25**	**26**

Total net fee and commission income	**89**	**68**

F.18. Net gain/loss on financial assets

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

	2010	2009
Net trading income	(60)	42
Securities trading	6	14
Debt securities	6	19
Equity securities	-	(5)
FX trading	(3)	(18)
Derivatives	(63)	55
Other	-	(9)
Net gains on financial assets at fair value through profit or loss	(1)	(3)
Debt securities	-	2
Equity securities	(1)	(5)
Net realized gains	6	2
Financial assets available-for-sale	6	2
Dividends	11	-
Total net gains/losses on financial assets	**(44)**	**41**

F.19. Net impairment losses on financial assets

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

	2010	2009
Consumer loan receivables	21	47
Cash loan receivables	21	51
Revolving loan receivables	18	66
Car loan receivables	2	5
Mortgage loan receivables	3	8
Loans to corporations and other loans and receivables	75	(2)
Other financial assets	4	3
Total net impairment losses on financial assets	**144**	**178**

Significant decrease in net impairment losses for consumer finance loans was affected mainly by positive development of the business in Russia.

F.20. Net expense related to credit risk insurance

In millions of EUR for the six months ended 30 June

	2010	2009
Consumer loan receivables	-	7
Cash loan receivables	-	13
Commission income for collecting defaulted receivables	-	(6)
Total net expense related to credit risk insurance	**-**	**14**

F.21. Other operating income

In millions of EUR for the six months ended 30 June

	2010	2009
Rental income	8	3
Healthcare income	12	-
Other income	30	28
Total other income	**50**	**31**

F.22. General administrative expenses

In millions of EUR for the six months ended 30 June

	2010	2009
Employee compensation	182	78
Payroll related taxes (including pension contribution)	36	14
Advertising and marketing	20	3
Professional services	29	14
Telecommunication and postage	17	16
Travel expenses	4	3
Taxes other than income tax	7	1
Information technologies	9	7
Rental, maintenance and repair expense	74	15
Distribution, transport and storage of goods	26	-
Other	37	13
Total general administrative expenses	**441**	**164**

Increase of general administrative expenses relates to the retail business of Eldorado.

F.23. Other operating expenses

In millions of EUR for the six months ended 30 June

	2010	2009
Foreign currency losses	30	73
Depreciation on property, plant and equipment	23	12
Amortisation on intangible assets	11	11
Loss on disposal of property, plant, equipment, and intangible assets	1	2
Net impairment losses on other assets	(2)	2
Total other operating expenses	**63**	**100**

F.24. Contingencies

F.24.1. 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.25. Commitments, guarantees and collaterals

Loan commitments and guarantee comprise the following:

In millions of EUR

	30 June 2010	31 December 2009
Loans commitments	769	662
Revolving loan commitments	635	540
Consumer loan commitments	31	33
Cash loan commitments	1	1
Undrawn overdraft facilities	48	36
Term loan facilities	54	52
Guarantees provided	106	123
Non-payment guarantees	75	98
Payment guarantees	31	25
Total commitments and contingent liabilities	**875**	**785**

Collaterals and guarantees received comprise the following:

In millions of EUR

	30 June 2010	31 December 2009
Guarantees – received	547	516
Loan commitments – received	191	653
Value of property received as collateral	1,172	1,011
Total collaterals received	**1,910**	**2,180**

F.26. Related party transactions

F.26.1. Transactions with associates

During the period the Group had the following significant transactions at arm's length with associates:

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

	2010	2009
Interest and similar income	18	-
Interest and similar expenses	(33)	(30)
Fee and commission income	38	24
Fee and commission expense	(1)	-
Net gain/loss on financial assets	-	(9)
Net expense related to credit risk insurance	-	1
Rental and related income	5	-
Other income	4	8
Total net income	**31**	**(6)**

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

In millions of EUR

	30 June 2010	31 December 2009
Cash and cash equivalents	2	2
Financial assets at fair value through profit and loss	-	14
Financial assets available for sale	47	129
Loans and receivables due from banks and other financial institutions	-	255
Loans and receivables due from non banks	-	14
Other loans and receivables (refer to F.2.5)	233	25
Other assets	9	9
Total assets	**291**	**448**
Current accounts, deposits and loans from non-banks	(493)	(355)
Due to banks and other financial institutions	(511)	(379)
Debt securities issued	(130)	(113)
Financial liabilities at fair value through profit and loss	(8)	(9)
Other liabilities	(11)	(33)
Total liabilities	**(1,153)**	**(889)**

F.26.2. Other related parties

During the reported periods of 2010 and 2009 the Group had not any significant transactions with other related parties.

G. Subsequent events

G.1. PPF ECM Holding

In June 2009 the Group signed a framework agreement with Czech businessman Milan Janků concerning the formation of a new holding group named "PPF ECM Holding" to include over 40 projects of both partners, mainly in the real estate business. On 1 July 2010 both partners closed the transaction. The Group now owns 75% and Mr. Janků 25% of the voting rights in the new holding structure. The exact share in the economic rights after the closing is 91% for PPF Group and 9% for the partner. At the moment the management does not have sufficient financial information about the acquired entities to disclose exact impacts of the acquisition and the purchase price allocation results to the Group.

Date:	Signature of the Authorised Representative:
20 October 2010	