

Over its 14 year history, PPF Group has become the biggest Czech financial investor, effectively and successfully managing over CZK 200 billion in assets through its specialized companies.

PPF is a strong financial group whose portfolio boasts a number of companies that are absolute leaders in their fields. Often they are companies that receive top rankings for their size, performance, and business innovation.

Through its subsidiaries, PPF Group is active not only in the Czech Republic, but also in Slovakia, the Russian Federation, and Cyprus. The objectives of PPF Group are based on a long-range vision and strategy for developing shareholders' equity both through new projects and support for existing investments.

PPF Group's portfolio continues in its long-term growth. The largest long-term strategic investments of PPF Group are the insurer Česká pojišťovna a.s. and Home Credit Group, which specializes in consumer credit.



The black-and-white images of Drahomír Josef Růžička (1870–1960) taken mostly in the 1920s and 1930s are a selection from the work of one of the founders of Czech photography.

Růžička was born in Bohemia, but lived his entire life in New York, where he became one of the main representatives of purist Pictorialism. Together with his teacher, Clarence H. White, he established the organization “Pictorial Photographers of America”, which is still active today. Admirers of his work included, among others, Josef Sudek, Jaromír Funke, Jan Lausmann, and Karel Plicka. These young Czech artists, dissatisfied with the romantic prints that were still the rule in Europe, hungrily took inspiration from Růžička’s “straight photographs”, based on the creed, “perfect negative = perfect enlargement”. Typical of his work is simple composition and an emphasis on light, which in many of his works plays a more important role than the subject itself.

The Czech-American Růžička is a major figure in the history of photography after World War I. In 1921, after giving up his medical career in New York, he visited Prague and leveraged his reputation as a famous photographer to exhibit his works. Visitors to the show had the opportunity to see enlarged silver-bromide prints the likes of which they had never seen before. Růžička’s followers – that is, most of the younger photographers and most all of the most significant amateurs of the time – like Jan Lausmann, Josef Sudek and Adolf Schneeberger – became known as the “new school”.



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List of Selected PPF Group Figures for the Year 2004

PPF Group	Total assets under management	approximately CZK 200 billion
Asset Management		
PPF Asset Management a.s.	assets under management	CZK 105.9 billion
	net earnings	CZK 76 million
PPF majetková a.s.	assets under management	CZK 8.1 billion
	net earnings	CZK 33 million
Insurance		
Česká pojišťovna a.s.	premiums written	CZK 41.0 billion
	market share	36.7%
	assets	CZK 120.9 billion
	net earnings	CZK 4.2 billion
Česká poisťovňa – Slovensko, akciová spoločnosť	premiums written	SKK 2.8 billion
	market share	5.9%
	assets	SKK 3.3 billion
	net earnings	SKK 6 million
CP Reinsurance Company Limited	premiums written	CZK 6.1 billion
	assets	CZK 6.1 billion
	net earnings	CZK 1.4 billion
Penzijní fond České pojišťovny, a.s.	deposits	CZK 5.7 billion
	number of clients	759,000
	market share	21.3%
	net earnings	CZK 0.7 billion
Consumer Credit		
Home Credit Group	lending volume	CZK 31.5 billion
	number of contracts	2,700,000
	net earnings	CZK 0.7 billion
ČP Leasing, a.s.	total assets financed	CZK 4.2 billion
	net earnings	CZK 0.2 billion
Banking		
PPF banka a.s.	total assets	CZK 12.7 billion
	deposits	CZK 11.2 billion
	profit from banking operations	CZK 0.3 billion
	net earnings	CZK 0.1 billion
eBanka, a.s.	total assets	CZK 13.8 billion
	deposits	CZK 12.0 billion
	profit from banking operations	CZK 1,2 billion
	net earnings	CZK (0,3) billion

PPF Group – Major Awards

PPF

100 Most Admired Corporations, March 2004

The PPF financial group placed first in the listing of the 100 most admired companies in the category “Most Admired Financial Intermediary”. The ranking was organized by the CZECH TOP 100 association and compiled based on a survey of managers, economic and financial analysts, labor representatives, and representatives of other industry organizations.

Excellent Product 2004, April 2004

The PPF financial group received the “Excellent Product 2004” award for the Group’s new visual style. The competition is organized by the Design Centrum of the Czech Republic in cooperation with the Czech Republic Quality Council of the Ministry of Industry and Trade. The competition was held under the auspices of the Prime Minister, Vladimír Špidla.

Photographic Publication of the Year, May 2004

The PPF financial group won two awards in the “Photographic Publication of the Year” competition. The first was in the “Literature Illustrated with Photography” category for the Group’s 2002 Annual Report. The second award was won by PPF majetková a.s. for its publication “Zemská fotografie” in the “Thematic Publications” category. This competition is held each year by Photography Magazine (Fotografie magazín).

Best Annual Report 2003, June 2004

PPF won three awards in the Best Annual Report 2003 ranking – 1st place in the “Graphic Design” category, 2nd place in the overall ranking, and 1st place in the “Financial Institutions” category. For eleven years now, this competition has been organized by the CZECH TOP 100 association.

Calendar of the Year, March 2005

PPF a.s. won second place in the Calendar of the Year competition. Our calendar contained photographs of Alexandr Hackenschmied, the legend of Czech-American avant-garde film and photography. The competition was organized by M.I.P. Group, a.s.

Česká pojišťovna a.s.

100 Most Admired Corporations, March 2004

Česká pojišťovna a.s. placed first among insurance companies and pension funds in the 100 Most Admired Corporations ranking announced by the CZECH TOP 100 association and compiled based on a survey of managers, economic and financial analysts, labor representatives, and representatives of other industry organizations.

Golden Crown (Zlatá koruna), April 2004

DYNAMIK life assurance, brought to market by Česká pojišťovna a.s. in the spring of the preceding year, became the most popular product of its kind in just one year. This according to a survey of the general public conducted in the Golden Crown competition held on the occasion of the launch of the Money 2004 trade show. Another major award, this time from the professional jury, went to the SLUNÍČKO (Sunbeam) life assurance product for children.

MasterCard Bank of the Year 2004, October 2004

In the MasterCard Bank of the Year 2004 competition organized by Fincentrum Media, s.r.o., the Czech analysis and consulting firm, Česká pojišťovna a.s. won in the Insurance Company of the Year 2004 category in competition with another 15 insurance companies offering life assurance. In another category, Life Assurance of the Year 2004, Česká pojišťovna a.s. placed second with its SLUNÍČKO (Sunbeam) product, which was the top-ranking life assurance product for children. Eight of the nine categories are decided by a jury consisting of over 300 professionals, including managers of large corporations and representatives of the media, academe, and government.

Effie, November 2004

In the Services category, Česká pojišťovna a.s. won silver and bronze Effies, which are a prestigious award for effectiveness in advertising. For the first time in Effie history, a single company ascended the winners' podium twice for two different campaigns. This made Česká pojišťovna a.s. the most successful participant in this year's 8th annual Effie competition. The company is also in first place in terms of the number of Effies won overall, in historical terms.

Zlatý měšec 2004 Awards, December 2004

Based on a public survey, Česká pojišťovna a.s. was ranked number one in the "Financial Institutions" category in the Zlatý Měšec 2004 Awards announced by Měšec.cz, a personal finance server.

Good Brand (Dobrá značka) 2004, March 2005

In the 4th annual European Trusted Brands survey, which in the Czech Republic is conducted by Reader's Digest Výběr under the Good Brand 2004 name, Česká pojišťovna a.s. defended last year's top ranking in the voting for "Insurance Companies" category. Eligible to vote were all readers of the Reader's Digest Výběr magazine.

Penzijní fond České pojišťovny, a.s.

RHODOS Corporate Image Award, May 2004

Penzijní fond České pojišťovny, a.s. took second place in the "Pension Funds" category in the RHODOS Corporate Image Award competition. The most important image criteria for the Pension Funds category cited by managers participating in the survey conducted by GfK Agency were credibility, financial strength, professionalism, and approach to clients.

Zlatý měšec 2004, December 2004

Penzijní fond České pojišťovny, a.s. received the number-one ranking in the "Pension Funds" category in the Zlatý Měšec 2004 readers' survey conducted by Měšec.cz, a personal finance server.

ČP INVEST investiční společnost, a.s.

Highest Possible Score, December 2004

Two of the mutual funds managed by ČP INVEST investiční společnost, a.s. received the highest possible score of five stars in a ranking by the CRA Rating Agency and the Peníze.cz information server. The funds so recognized were the Corporate Bonds Fund and the Oil and Energy Industry Equity Fund.

Česká poistovňa – Slovensko, akciová spoločnosť

Trend Weekly Magazine Awards, November 2004

Česká poistovňa – Slovensko, akciová spoločnosť placed third in the "Insurer of the Year" competition held by Trend Weekly Magazine.

Home Credit & Finance Bank, limited liability company

Third Largest Bank in Russia, December 2004

According to Moody's Interfax Rating Agency, a branch of Moody's Investors Service, at year end 2004 Home Credit & Finance Bank, limited liability company was the third largest Russian bank by assets growth, the fifth largest by equity growth, and the thirty-fourth largest by total assets (according to Russian Accounting Standards).

Home Credit Finance a.s.

Zlatý měšec 2004, December 2004

The Zlatý Měšec 2004 readers' survey for the best financial institution, organized by Měšec.cz, a personal finance server, put Home Credit Finance a.s. in first place in the "Consumer Credit" category.

eBanka, a.s.

100 Most Admired Corporations, March 2004

In the "Most Admired Bank" category of the 100 Most Admired Corporations ranking conducted by the CZECH TOP 100 association, eBanka, a.s. placed second. For the sixth year in a row, the ranking was compiled based on a survey of the professional public, mainly managers of large domestic corporations.

Financial Product of the Year 2003, March 2004

Personal Finance (Osobní finance) magazine, published by Computer Press, awarded eBanka, a.s. the Financial Product of the Year 2003 award for its product "Insurance Against Bank Card Abuse", which covers the risk of cash being drawn from a bank account by an unauthorized person in the event of abuse of a lost or stolen bank card.

Golden Crown (Zlatá koruna), April 2004

The eBanka, a.s. Personal Account placed first in the "Universal Banking Product" category of the Golden Crown competition. eBanka, a.s. received another first-place award for direct banking in the "Electronic Banking" category, in addition to winning a Bronze Crown in the same category for the PDA Banking product. The Golden Crown competition is held each year on the occasion of the launch of the Money (Peníze) trade fair. Products are ranked by an independent financial academy consisting of finance professionals, economists, and publicists.

Internet Banking Test, July 2004

An Internet banking test conducted by Fincentrum/iDnes over a period of several months confirmed that Czech banks' offerings differ considerably in terms of both the scope of services provided and user comfort. The clear winner of this test was eBanka, a.s., which offers clients three alternate security schemes and dominates the field in terms of scope of services.

MasterCard Bank of the Year 2004, October 2004

In the MasterCard Bank of the Year 2004 competition organized by Fincentrum Media, s.r.o., the Czech analysis and consulting firm, eBanka, a.s. was number one in the category "Most Dynamic Bank of the Year 2004" thanks to growth in its sales performance and successful sales and marketing expansion. Another first place, this time in the "Direct Banking of the Year 2004", reaffirmed that in terms of technological maturity and user-friendliness, eBanka, a.s. is unmatched in the Czech market.

Dear friends:

2004 brought major successes in terms of the development of individual PPF Group companies in markets both in the Czech Republic and abroad. The strategy we chose proved to be the right one and the companies of PPF Group posted excellent performance. We grew revenues in all areas of our business. In the Russian market, we achieved record growth in the consumer finance business. In addition, we further reinforced our position in the Czech insurance market and created conditions for further growth and development of activities in banking.

Conditions for Success

The success of our domestic investments was facilitated by the dynamic growth of the entire Czech economy – the pace of Gross Domestic Product (GDP) growth accelerated to 4.3% in the fourth quarter. Foreign trade was brisk, thanks to the removal of the remaining trade barriers when the Czech Republic joined the European Union. Inflation reached 2.8% for the year, and stable prices combined with the Czech Koruna's relative stability vis-à-vis major world currencies to create an economic environment favorable to growth. Positive developments on financial markets made it possible to develop our consumer credit business further.

Robust economic growth and some progress in public finance reform moved the debate on the State budget deficit to the back burner. Currently, the deficit does not pose a significant threat to economic stability. The business environment in the finance area, then, can be seen as favorable.

Similarly favorable, or even better, macroeconomic performance was seen in countries where PPF owns major investments. The Slovak economy posted solid growth of 5.8% and the Russian economy surged forward 6.7%. This positive development was the result of a wide variety of factors – growth in the price of oil, natural gas, and other commodities in the case of Russia, the results of economic reform in the case of Slovakia. Lending volumes are increasing and the financial sectors are developing in both countries. From our perspective, the Russian Federation in particular is showing a lot of potential.

Outlook

In just three years, Home Credit & Finance Bank, limited liability company, which is part of PPF group, has worked its way up to the number two position in the Russian consumer credit market. Its market share stands at 31% and last year it grew its lending volume by a record 294%. 2004 was an extraordinary success.

It was the success in the Russian market that led us to the decision to focus in the next few years even more on international expansion. For this reason, we have decided to create a new PPF Group management structure that will be more in line with our future needs and growth plans. Our core businesses will be consumer credit, retail banking, insurance, and pension funds. At the same time, all other investments will be separated, in terms of both management and capital, from the core businesses.

Our plans for expansion call for further development of our business in the Russian Federation and we are currently analyzing key areas of PPF Group's business in the financial services segment in several other countries as well – Ukraine, Kazakhstan, Vietnam, Romania, and Serbia.



In 2004, we entered the Chinese market. We opened our representation office in Peking. We intend to focus on purchasing uncollectible receivables and engage in cooperation with Chinese partners in the key areas of our business – consumer credit and insurance. Our strategy in foreign markets will be based on “green field” projects and searching for opportunities through acquisitions and joint ventures with local partners.

PPF Group is also successfully expanding beyond the finance sector. In 2002 we bought into TV NOVA with the goal of finding an appropriate strategic partner within two to four years. In two years we successfully restructured the company, increasing its value and stability. In late 2004 we sold an 85% interest in TV NOVA to U.S.-based Central European Media Enterprises (CME). In the transaction we acquired an 11% economic interest in CME itself, which operates television stations in Croatia, Romania, Slovenia, Slovakia, and Ukraine. In the regions where CME does business, we have an interest in jointly realizing additional media investments.

People

2004 was one of the best years in our 14-year history. I would like to personally thank all our employees and partners who played a part in this success. New areas of business and new territories are bringing new opportunities and professional demands. The success of PPF Group increases the demands placed on employees, but at the same time it brings attractive opportunities for personal growth. I am convinced this is the best way forward for all of us and that we will continue to succeed together in the years to come.



Petr Kellner
Chairman of the Board

Important Events of 2004 and 2005 Up to the Annual Report Closing Date

Important Events of 2004

January

PPF Group

- begins monitoring investment opportunities in the Chinese market
- construction begins on future OPEN GATE – Boarding School campus in Babice near Říčany u Prahy – with the financial support of PPF Group

PPF majetková a.s.

- preparations of a major Alexandr Hackenschmied show entitled Prague – Paris – New York, which took place concurrently at the Josef Sudek Studio and at the French Institute in Prague

Češskaya strachovaya kompaniya o.o.o.

- opening of third branch in Ufa, Russian Federation

February

PPF majetková a.s.

- accepts Best of Realty award for 2003 in the “Office Renovation Projects” category

AB - CREDIT a. s.

- signing of an agreement with Česká konsolidační agentura on final settlement of the largest-ever package of receivables, with a total face value of CZK 62.343 billion, that AB - CREDIT a. s. won in a public tender

Penzijní fond České pojišťovny, a.s.

- releases financial performance results for 2003: earnings CZK 295 million (up 47% year-on-year), total assets CZK 11.1 billion, 464,000 clients

ČP INVEST investiční společnost, a.s.

- Clever Envelope (Šikovná obálka) project – launch of mutual fund sales through the Czech Post network

Home Credit Slovakia, a.s.

- signing of a syndicated loan agreement to finance the company's further development

March

PPF Asset Management a.s.

- acquisition of a new client – ABN AMRO Penzijní fond, a.s. – takeover of management of a portion of assets that PPF Group purchased

Česká poist'ovna – Slovensko, akciová spoločnosť

- launch of Assistance Services for holders of property insurance

April

PPF a.s.

- specific negotiations begin with Chinese government bodies and institutions concerning possibilities for PPF Group to invest in China

PPF majetková a.s.

- begins to manage 60 properties in the Czech Republic that RE INVESTMENT TRUST, a.s. purchased from Česká spořitelna, a.s.

Česká poist'ovna – Slovensko, akciová spoločnosť

- launch of Post Office Bank project

PPF banka a.s.

- bank is accepted as a member of the Prague Stock Exchange

May

PPF majetková a.s.

- opening of first show at the new Česká pojišťovna Gallery

Česká pojišťovna a.s.

- sale of 35% equity stake in Euler Hermes Čescob, úvěrová pojišťovna, a.s.
- establishment of subsidiary, CP REINSURANCE COMPANY Ltd., based in Cyprus

Penzijní fond České pojišťovny, a.s.

- Česká pojišťovna a.s. decides to merge Penzijní fond České pojišťovny, a.s. and ABN AMRO Penzijní fond, a.s., in which it acquired a 100% stake in late 2003

Home Credit Finance a.s.

- plan to restructure Home Credit Group approved; in the new structure, companies operating the Group's business activities will be located in their respective local markets and will be owned by the holding company, Home Credit B.V.

PPF banka a.s.

- Czech National Bank grants license for PPF banka, a.s. (at that time still known as První městská banka, a.s.) to operate as a securities dealer (in domestic securities only)
- PPF banka a.s. becomes a shareholder of the Prague Stock Exchange

June

PPF Group

- for fifth year in a row, PPF is General Partner of the Summer Shakespeare Celebration at Prague Castle

Česká pojišťovna a.s.

- proposal to distribute CZK 3.1 billion of 2003 profits approved by General Meeting; shareholders received a dividend of CZK 670 per share

Penzijní fond České pojišťovny, a.s.

- ABN AMRO Penzijní fond, a.s. renamed Nový ČP Penzijní fond, a.s.; new name recorded in Commercial Register

Česká poisťovňa – Slovensko, akciová spoločnosť

- expansion of range of client services provided by telephone

Češskaya strachovaya kompaniya o.o.o.

- opening of company branch in Nizhniy Novgorod

Home Credit Finance a.s.

- leading tour operators VÍTKOVICE TOURS s.r.o. and ALEXANDRIA, spol. s r.o. expand their client services to include offering of financing via a vacation on installment plan from Home Credit Finance a.s.

Home Credit Slovakia, a.s.

- launch of “Two Forms of ID” advertising campaign

eBanka, a.s.

- expands existing offering of personal accounts with no monthly fee to include business accounts as well; eBanka, a.s. is the only bank in the Czech Republic to offer business accounts with no monthly fee

July

PPF Group

- holds a unique exhibit entitled “Maximalist Photography”, outdoors on the Prague Castle grounds

August

Česká pojišťovna a.s.

- decision of the Board of Directors increases capital of eBanka, a.s. by TCZK 150,000 in subordinated debt

Penzijní fond České pojišťovny, a.s.

- number of clients passes one half million
- Ministry of Finance of the Czech Republic grants consent for merger of Penzijní fond České pojišťovny, a.s. and Nový ČP Penzijní fond, a.s.

ČP INVEST investiční společnost, a.s.

- Merger of three mutual funds (Český otevřený podílový fond ČP INVEST investiční společnost, a.s. and Moravskoslezský otevřený podílový fond ČP INVEST investiční společnost, a.s. are merged into Fond korporátních dluhopisů otevřený podílový fond ČP INVEST investiční společnost, a.s.)

Home Credit Finance a.s.

- CRA Rating Agency (a Moody's Investors Service affiliate) grants the company a short-term rating of czP-2 and a long-term rating of Ba+/czA in recognition of the company's strong position in the market for revolving loans and consumer loans in the Czech Republic

PPF banka a.s.

- takes over securities trading operations from PPF burzovní společnost a.s.

September

PPF majetková a.s.

- a Josef Sudek show – entitled "Dance" – is held to commemorate the fourth anniversary of the re-opening of the Josef Sudek Studio and the anniversary of the artist's death (17. 3. 1896–15. 9. 1976)

Penzijní fond České pojišťovny, a.s.

- website relaunched with innovated design, cutting-edge graphics, and a virtual client services center

PPF banka a.s.

- new name, PPF banka a.s., becomes official as of September 1st

October

Penzijní fond České pojišťovny, a.s.

- legal completion of merger of Penzijní fond České pojišťovny, a.s. and Nový ČP Penzijní fond, a.s.; with over 740,000 clients and CZK 20 billion in assets under management, the new entity is the largest pension fund in the Czech Republic

Češskaya strachovaya kompaniya o.o.o.

- new insurance product, Raduga – accident and sickness insurance, goes on sale

Home Credit Finance a.s.

- issuance of Home Credit identification cards that replace other forms of ID and guarantee selected existing clients access to credit
- launch of Christmas campaign – Not One Crown More – extending interest-free grace period to three months

November

PPF Asset Management a.s.

- new license to provide investment services granted

Česká pojišťovna a.s.

- Standard & Poor's ups the company's rating from BBB minus (BBB-) to BBB; in its rationale for the decision, the agency explains that the increased rating, which is in the highest category – i.e. “investment grade” – was due primarily to the successfully completed transformation of Česká pojišťovna a.s. in the area of client service, the company's operating performance, and continual improvement in capital adequacy

Home Credit Finance a.s.

- the non-purpose-bound cash loan provided at branches of Czech Post underwent innovation; as of November 2004 it is being offered to clients in a new, simpler form
- opening of first sales center offering a completely new type of credit instrument – prepaid cards that are manufactured without the cardholder's data and allow for flexible reaction to client needs, including international acceptance and security (PIN, signature band, and 100% authorization)

Home Credit Slovakia, a.s.

- change in majority owner from Home Credit Finance a.s. to Home Credit B.V.
- CRA Rating Agency increases the company's long-term local rating from skA- to skA

December

PPF Group

- agreement to sell 85% stake in TV NOVA signed with Central European Media Enterprises Ltd. (CME), making PPF the second largest shareholder of CME with an approximate 11% economic interest; the transaction gives PPF access to media markets of Central & Eastern Europe
- opening of representation office in Peking, the capital city of China

PPF majetková a.s.

- total renovation of Tokovo Palace in Prague – Holešovice completed
- opening of a successful art show at the Česká pojišťovna Gallery – entitled the Unbearable Beauty of the Bourgeoisie – selected works from the collection of Česká pojišťovna

Penzijní fond České pojišťovny, a.s.

- 1st place in the “Pension Funds” category in the Zlatý Měsíc 2004 readers survey organized by the personal finance server Měsíc.cz

Česká poisťovňa – Slovensko, akciová spoločnosť

- processing of claims following a high-wind catastrophe

Home Credit Slovakia, a.s.

- company's share capital increased to SKK 100 million
- launch of “Hele” project in Slovakia; Hele is an association of specialized electronics stores that gives its members access to high-quality appliances at prices comparable with those of competing large-store chains; the association was founded by Home Credit Group
- change in revolving card visuals; renewal of expired revolving cards

Important Events of 2005 Up to Annual Report Closing Date

January

PPF Group

- PPF Group joins in nationwide wave of solidarity, contributing CZK 1 million to help people affected by the natural catastrophe in Southeast Asia

Česká pojišťovna a.s.

- January 8 – merger of ČP finanční služby a.s. (merged company) and AB - CREDIT a. s. (surviving company) registered; the merger transaction also included an increase of AB - CREDIT's share capital to TCZK 2,081,300

February

Češskaya strachovaya kompaniya o.o.o.

- Ruble-denominated version of mixed life assurance product launched
- pilot sales launched in a project with Home Credit & Finance Bank, limited liability company
- completion of Phase One of the company's transition to becoming a 100% subsidiary of Česká pojišťovna a.s.
- change in the configuration of founders of the company Finansoviy servis o.o.o.

Home Credit Slovakia, a.s.

- decision to optimize the contract approval and completing processes and transfer them to Home Credit Finance a.s.

March

Open Gate – Boarding School, osmileté gymnázium v Babičích

- nearly four hundred children take practice admissions tests

Penzijní fond České pojišťovny, a.s.

- financial performance results for 2004 released: earnings CZK 707 million (up 140% from the previous year), assets under management CZK 22 billion, 771,000 clients
- fund credits a return of 3.5% to client accounts for the year 2004

eBanka, a.s.

- thanks to extensive investments in sales and marketing expansion, eBanka, a.s. sees its market position strengthen and breaks into the black starting in January 2005

PPF banka a.s.

- external auditors audit the financial statements for the year ended 31 December 2004 and confirm the net profit figure of TCZK 102,768

April

Open Gate – Boarding School, osmileté gymnázium v Babičích

- entrance proceedings to the eight-year boarding school – out of a total of 286 candidates, 112 are accepted

May

Home Credit & Finance Bank, limited liability company

- successful placement of Rub 3 billion (USD 107 million) bond issue in the Russian market; the proceeds of the issue will be used to finance further growth in the company's Russian market presence

June

Home Credit & Finance Bank, limited liability company

- successful placement of a USD 275 million issue of Euro-bonds; demand for the bonds was nearly double the planned issue volume

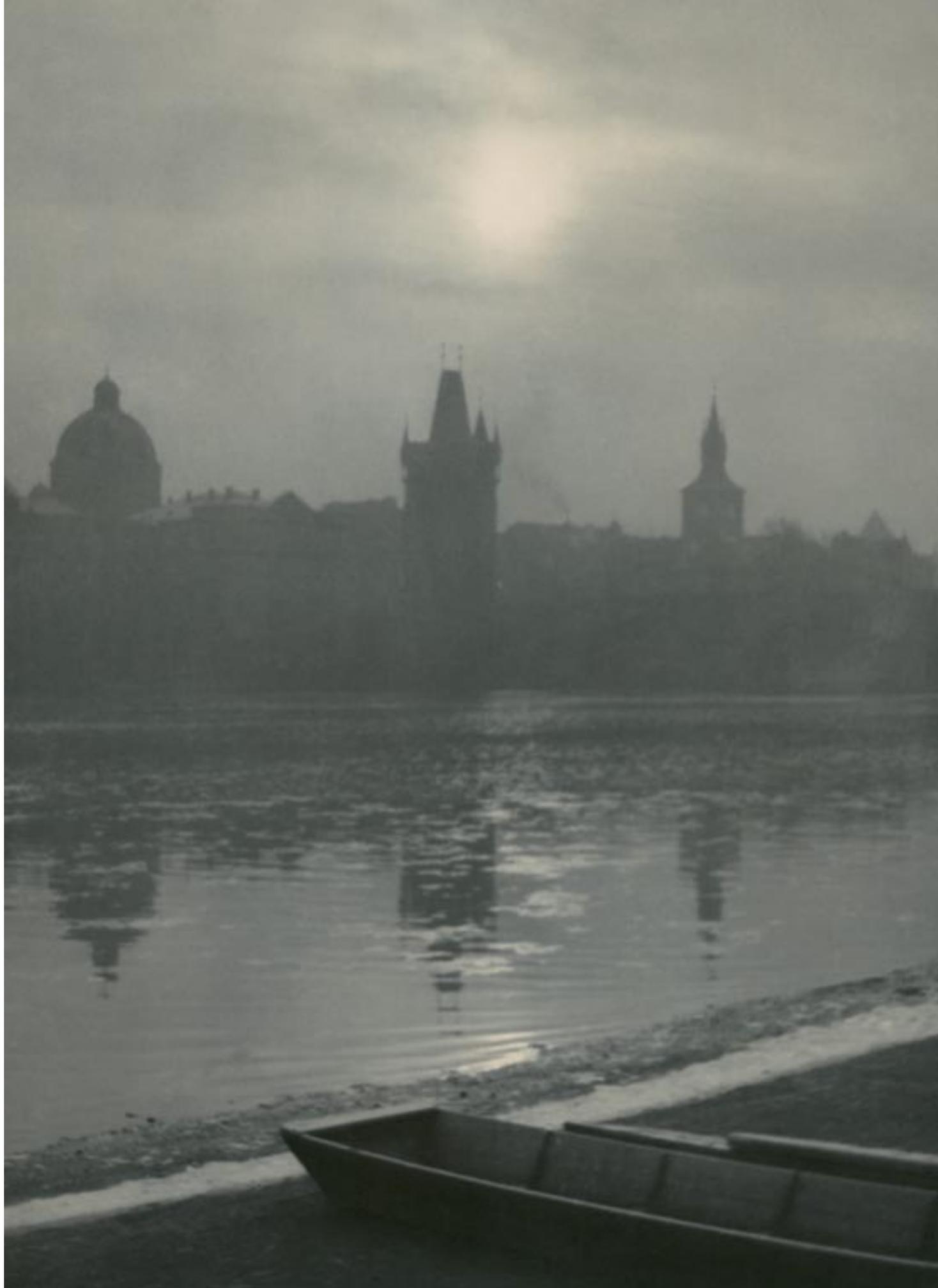
PPF Group

- purchase of thirteen Chinese receivables with an aggregate nominal value of CZK 642 million
- signing of agreement on sale of its 100% stake in ČP Leasing with Sofinco

PPF Group Ownership Structure

Petr Kellner							
▼ 99%							
PPF GROUP N.V.							
▼ 100%			▼ 100%		▼ 100%		
PPF a.s. PPF majetková a.s. PPF (CYPRUS) LIMITED Open Gate a.s.			Cespo Holdings B.V.		PPF CONSULTING a.s. CM - CREDIT a.s.		
▼			▼ 45%		▼ 55%		
joint control			Cespo B.V.				
▼			▼ 98%				
TV NOVA Group			Česká pojišťovna a.s.				
▼ 93%	▼ 100%	▼ >52%	▼ 99%	▼ 83%	▼ 100%	▼ 100%	▼ 100%
ČNTS	Česká produkční 2000, a.s	CET 21 spol. s r.o.	eBanka, a.s.	PPF banka a.s.	Česká pojišťovna a.s. subsidiaries	Home Credit Group	AB - CREDIT a. s.

Note Percentages are rounded. The chart shows the structure that existed during the 2004 accounting period.



PPF Group Senior Management



Petr Kellner

Chairman of the Board, PPF a.s.

Chief Executive Officer, PPF a.s.

Born in 1964; graduated from the Prague University of Economics in industrial economics in 1986. A founder of PPF Group, Kellner became Chairman of the Board of Directors and CEO of PPF investiční společnost a.s. in 1991. Since January 1998, when PPF a.s. became the Group's management company, he has served as Chairman of the Board of Directors, and in this position he is responsible mainly for the strategic development and direction of the entire PPF Group.



Milan Maděryč

Vice-Chairman of the Board, PPF a.s.
Executive Director Human Resources and External Relations
(as of 1 June 2005)

Born in 1955; a graduate of the SPŠ sl. Brno and post-graduate studies at the Technical University of Brno. Starting in 1980 Maděryč was employed in the technical and investment development department of ZPS, a.s. Zlín; later he became head of the company's Trading division. Currently, he is Vice-Chairman of the Board of Česká pojišťovna a.s.



Ladislav Bartoniček, MBA

Vice-Chairman of the Board, PPF a.s.
Executive Director Insurance and Pension Funds (as of 1 June 2005)

Born in 1964; a graduate of the Czech Technical University in Prague, Faculty of Electrical Engineering. Joined PPF investiční společnost a.s. in 1991 as executive director and was awarded an MBA by the Rochester Institute of Technology, Rochester, New York, in 1993. Since 1996, Bartoniček has been Chief Executive Officer of Česká pojišťovna a.s. He has been Chairman of the Board of Directors of Česká pojišťovna a.s. since June 2000.



Ladislav Chvátal

Member of the Board, PPF a.s.
Executive Director Retail Banking and Consumer Finance
(as of 1 June 2005)

Born in 1963; a graduate of the Prague University of Economics. He joined PPF a.s. in 1994 as Director of Marketing and later took responsibility for managing the equity stakes of the entire PPF Group. In 1999-2001 he served as Executive Director of PPF a.s. and in 2001 he became a Member of the Board of Directors of PPF a.s. Since June 2002 he has been a Member of the Board of Directors of Česká pojišťovna a.s. with responsibility for the subsidiaries operating in the areas of retail banking and consumer finance – eBanka, a.s., ČP Leasing, a.s., and Home Credit Group. In the latter, he is Chairman of the Board of Directors and Director of Home Credit International a.s., which manages the overall development of the consumer finance business in Central & Eastern Europe.



Jiří Šmejč

Member of the Board, PPF a.s. (as of 1 June 2005)
Executive Director, PPF a.s. (as of 1 June 2005)

Born in 1971; a graduate of the Charles University, Prague, Faculty of Mathematics and Physics, where he specialized in mathematical economics. In 1992, he went into business and in 1993 he became the executive officer and director of PUPP Consulting s.r.o. In 1995, he served as sales director at Middle Europe Finance s.r.o., which was a securities trader with a focus on acquisitions. Until 2004 he was the 34% owner of TV NOVA Group. In PPF Group, he is in charge of the asset management area and financing of the Group's activities.



Aleš Minx

Chairman of the Supervisory Board, PPF a.s.
Executive Director, PPF a.s. (until 31 May 2005)

Born in 1964; a graduate of the Prague University of Economics, Faculty of Manufacturing Economics. In 1987–1992 he was employed at PAL a.s. as head of the finance department. After joining PPF in 1992, Minx was Director of Finance until June 2001. He served as Executive Director of PPF a.s. between July 2001 and 31 May 2005.



Kamil Ziegler

Executive Director PPF Group Financial Management and Company Proxy (as of 1 June 2005)

Born in 1962; a graduate of the Prague University of Economics, Faculty of Commerce. Ziegler is also a graduate of the Southwestern Graduate School of Banking at Southern Methodist University. He has served in a number of senior positions in the banking sector, from Executive Director and Finance Director of Komerční banka a.s. and Deputy CEO and Member of the Board of Česká spořitelna a.s. to CEO and Chairman of the Banking Council of Konsolidační banka Praha s.p.ú. and Chairman of the Board and CEO of Raiffeisenbank a.s. In April 2004 he joined PPF Group, where he is in charge of financial management. He was appointed Company Proxy in June 2005.



Tomáš Brzobohatý

Investment Projects Management, PPF Group

Born in 1968, Brzobohatý is a graduate of the Charles University Law Faculty, where in 1998 he completed a postgraduate course of study in financial law and was awarded a Ph.D. He began practicing law in 1991 as a junior attorney at the commercial law offices of Eduard Němeček, where he focused on financial and business law. In 1996–1999 he worked as an advocate at the Prague office of Burns & Schwarz. From 2000 to June 2004 he was Managing Partner in the law office of Brzobohatý Brož & Honsa, v.o.s. He joined PPF Group in July 2004, where he is responsible for the areas of Corporate Finance, Private Equity, Real Estate, and Investment Banking.

Board of Directors Report on the Company's Operations and the State of Its Assets

PPF a.s. is the management company of PPF Group, which is owned by Netherlands-based PPF GROUP N.V., the company that acts as the holding company for the entire PPF Group and engages in activities related to the Group's financing. PPF GROUP N.V., the top of the holding pyramid, is 99% owned by Petr Kellner. The Board of Directors of PPF a.s. make decisions concerning the strategic plans and long-term vision for developing PPF's entire financial group, which is structured to allow decisions to be made quickly and investment opportunities to be evaluated in real time, as they emerge in the markets, forming the basis for effective management and driving growth in the value of the Group's investments. The biggest Czech investor, PPF manages assets in excess of CZK 200 billion through its specialized companies that provide comprehensive asset management-related services in their respective areas of business – management of strategic investments and investment projects, asset management, management of a venture capital fund, securities trading, real estate management, and receivables management. The narrow specializations of the various companies enable the Group to run its current investments and develop new ones in a very effective and successful manner.

Comprehensive Asset Management

Asset Management

PPF Asset Management a.s. effectively increases the value of the assets of PPF Group and other investors. At year end 2004, assets under the company's management totaled CZK 105.9 billion (CZK 3.9 billion per employee), up 11% from 2003. This growth is the result of both high rates of return on managed assets and the acquisition of new clients.

PPF Asset Management a.s. offers its clients investment in portfolios with varying combinations of instruments and corresponding rates of risk and potential return. The rate of return on the company's equity portfolios ranged from 8.7% to 39.3% (portfolios with a high percentage of Czech shares were the strongest performers), and money-market, bond, and mixed portfolios rose in value from 3.5% to 13.7% for the year. In terms of return on invested funds, PPF Asset Management a.s. is one of the top asset managers in the Czech Republic.

The company's success in 2004 was also reflected in the earnings result, which was CZK 76 million or nearly double 2003's figure. This equates to CZK 2.8 million per employee.

The clients of PPF Asset Management a.s. are mainly institutional investors (specifically, providers of supplemental pension insurance, reinsurers, and insurers) from countries of the European Union. In 2005, additional PPF Group companies joined the ranks of PPF Asset Management a.s. clients as PPF Asset Management a.s. moved to become the central manager of the Group's assets.

2004 brought many changes in PPF Asset Management's organization and management. In line with its specialization, the company terminated its Prague Stock Exchange membership. The license issued by the Securities Commission was brought into compliance with the Act on Doing Business in the Capital Market. In 2004, the company worked on harmonizing its activities with requirements of both Czech and European law; this process will continue in 2005 as well.

Management of Investment Projects

PPF CONSULTING a.s. manages CZK 8 billion in assets. The company's principal activities include identifying, implementing, and managing investment projects featuring an attractive ratio of risk to return.

Real Property Management

PPF majetková a.s. manages and further develops all real estate projects of PPF Group. In terms of its scope, this activity can be compared to that of a real estate fund manager. Assets under management at year end 2004 exceeded CZK 8.1 billion. The key businesses of PPF majetková a. s. are providing facility management services, leasing vacant space, sale and purchase of properties, and related marketing activities. In 2004, the functions of identifying, implementing, and managing investment and development projects were gradually transferred to PPF CONSULTING a.s. The objective of these changes was to optimize these functions at the PPF Group-wide level.

In 2004, PPF majetková a.s. completed a demanding renovation of the Tokovo Palace in Prague – Holešovice which brought the property up to today's office building standards. Another opportunity to increase returns and diversify the portfolio is the privatization of spa company Lázně Velké Losiny. Here the company is leveraging the experience it gained in transforming the formerly State-owned Sanatoria Klimkovice into a successful non-governmental healthcare provider.

The company's businesses also include managing a collection of artistic photographs, which are regularly exhibited in the Josef Sudek Studio in Prague's Újezd district and the new Česká pojišťovna Gallery in Spálená Street, both of which are operated by PPF majetková a.s.

Securities Trading and Banking Services

Financial services related to asset management and securities trading in the Group are provided mainly by the companies PPF (CYPRUS) LIMITED in Cyprus and PPF banka a.s. in the Czech Republic.

PPF (CYPRUS) LIMITED focuses on foreign investors who are interested in investing in the Czech capital market. The company provides for comprehensive management of their investments in the Czech Republic. Its assets under management total USD 132 million.

In September 2004, První městská banka, a.s. changed its name to PPF banka a.s. The company engages in all types of bank transactions and provides all types of banking and financial services, and related services. PPF banka a.s. is focused primarily on municipal and corporate clients.

During 2004 the bank completed a restructuring of its organization and took over the operations of PPF burzovní společnost a.s. In the year to come, PPF banka a.s. will focus on providing banking services to Group member companies, obtaining financing on international and local markets, and on being the main commercial and treasury center of PPF Group. In addition, it will continue to provide services to municipalities and corporations. Capital markets trading reached a total volume of CZK 133.3 billion in 2004.

PPF Group controls PPF banka a.s. through Česká pojišťovna, a.s., which holds an 83.93% stake. The second significant shareholder is the City of Prague, with 10.35%.

Receivables Management

The companies AB - CREDIT a. s. and CM - CREDIT a.s. specialize in managing and collecting receivables, as well as acquiring receivables from third parties. Receivables are purchased from Česká konsolidační agentura and its subsidiaries, from banks in bankruptcy, as well as from financial institutions both inside and outside PPF Group.

AB - CREDIT a. s. manages assets with an aggregate face value of CZK 62.3 billion. The receivables portfolio is valued at over CZK 29 billion and nearly CZK 1.5 billion was collected. CM - CREDIT a.s. manages a receivables portfolio of CZK 7 billion and collected nearly CZK 106 million in 2004.

Both companies work together closely on the management of CZK 183.8 million in eBanka, a.s. retail receivables.

The principal task of 2004 for AB - CREDIT a. s. was to work on the package of receivables acquired from Česká konsolidační agentura to collect an amount equal to the purchase price paid for the package. This goal was achieved in November and by year end the goal was exceeded by 18.2%.

AB - CREDIT a. s. also manages equity stakes in companies that are no longer of strategic interest for PPF Group and which are intended for sale.

In 2005, both AB - CREDIT a. s. and CM - CREDIT a.s. will continue to collect on receivables with the objective of maximizing collection. They will also participate in additional tenders to acquire more receivables.

Chinese Market Presence

PPF opened a representation office in the Chinese capital, Peking. The purpose of opening this office is for us to be present in one of the fastest-developing regions of the world and to conduct an on-site analysis of the Chinese market, identify attractive business opportunities, make professional contacts, and lay a good foundation for PPF's future investments in China. In June 2005, PPF obtained a package of thirteen receivables with an aggregate face value of CZK 642 million.

Research & Development and Other Relevant Information

In 2004, PPF a.s. did not have any research and development expenditures, did not acquire any treasury shares or shares of its Controlling Entity, nor has it established any foreign organizational units.

Social Responsibility

PPF is an active participant in the field of corporate philanthropy, and is a long-term partner of a number of charity and cultural projects. Our interests in this area are multi-faceted – education, culture and the arts, charity, humanitarian aid – and through them we make a considerable contribution to public life and the development of the Czech arts scene.

PPF aims to be an active partner – one that in addition to funding also comes forward with new ideas and original projects designed to further enrich the country's culture. PPF's main goal is to support projects and accomplishments that bring lasting value and are beneficial to society as a whole.

Culture and the Arts

Summer Shakespeare Celebration

PPF was General Partner of this major cultural project for the sixth year in a row. The Summer Shakespeare Celebration is an important theater festival that is held during the summer months in one of the courtyards of the Prague Castle. Each year the Celebration attracts approximately 40,000 visitors.

Jára Cimrman Theater in Žižkov

The mystifying, poetic art of the Jára Cimrman Theatre in Žižkov is an undeniably unique phenomenon of Czech drama. For 38 years now, the creations of Mr. Smoljak and Mr. Svěrák connected with this theatre have won the hearts of many admirers and their numbers are still growing. PPF Group has been supporting this non-traditional theater project for six years now.

Maximalist Photography

In 2004, PPF Group enriched the Summer Shakespeare Celebration experience with a unique art show entitled “Maximalist Photography”. Works of Czech photographers from PPF’s collection were installed in outdoor settings at the Prague Castle, where they interact sensitively with the castle architecture.

The show included works from ten photographers – František Drtíkol, Gabina Fárová, Jan Lukas, Emila Medková, Ivan Pinkava, Jaroslav Rössler, Drahomír Josef Růžička, Ladislav Sitenský, Vasil Stanko and Peter Župník.

Josef Sudek Studio

One example of an original PPF project for which there was a great need is the renewal of the Josef Sudek Studio in the Újezd district of Prague 2000. PPF organized the renovation of the building, financed it, and subsequently became the new facility’s operator and organizer of photography shows there. Thanks to PPF, the crumbling studio of the most famous Czech photographer of all time has been turned into a unique gallery that has taken an important place in the Prague art scene.

Charity and Education

Open Gate – Boarding School, osmileté gymnázium

As part of its activities focused on support for education, PPF Group has decided to support the Educa Foundation’s Open Gate – Boarding School project. Inspired by the rich tradition of boarding schools elsewhere in the world, especially in Anglo-Saxon countries such as Great Britain and the USA, Open Gate is PPF Group’s biggest corporate philanthropy project yet in the Czech Republic. The project is being implemented by a team of expert pedagogues

and psychologists working together with PPF Group managers. The goal of the project is to build a prestigious, private, eight-year boarding school that will provide students with more than just an education – multifaceted personality development, including year-round accommodation and a positive, stimulating environment in which to spend their free time.

Educa Foundation, will provide financial aid to enable gifted children from socially marginalized environments to study at this private school.

Aid to Tsunami Victims

PPF Group joined the nationwide wave of solidarity and decided to contribute an amount of CZK 1 million to help Southeast Asia deal with the worst natural catastrophe in modern history. PPF first got in contact with associations and organizations that specialize in providing aid to people in the tsunami-hit areas. We selected a project run by Adra, which focuses on support for schools and education in Indonesia and which will use this financial donation to build a school in Aceh.

PIPAN

Since 1998, PPF has been supporting PIPAN – a nursery school for hearing-impaired children where all teaching is done simultaneously in sign language, on the one hand, and in spoken and written Czech language on the other. The school’s basic aim is to allow small children with severe hearing impairments to enjoy spontaneous psychological development using both forms of language.

DONATOR Corporate Philanthropy Club

Since 2003, PPF Group is a member of the DONATOR Corporate Philanthropy Club, a group of companies that do business in the Czech Republic, are active in the field of corporate philanthropy, and acknowledge and honor the basic principles of transparent and effective support for public-benefit activities and the development of a civic society. The club, which founded the Donors’ Forum Civic Association, aims to define standards of good corporate citizenship and support the development of corporate philanthropy in the Czech Republic, including improvements to legislation governing donorship.

During the 2004 accounting period, the Supervisory Board of PPF a.s. operated in a three-member configuration and discharged the tasks given to it by applicable law and the company's Articles of Association.

The Supervisory Board supervised the exercise of powers by the Board of Directors and the implementation of the company's business activities. The Supervisory Board determined whether the company's business activity is being carried out in accordance with applicable law, the company's Articles of Association, and resolutions of the company's General Meetings.

At its meetings, the Supervisory Board discussed the company's financial performance, its investment policy and the fulfillment of long-term goals in the course of business operations.

In its oversight over the exercise of authority by the Board of Directors, the Supervisory Board found no shortcomings and it hereby states that, in its opinion, the Board of Directors exercised its authority fully in accordance with applicable law, the company's Articles of Association, and resolutions of the company's General Meetings; furthermore, in particular, that the company's accounting records were maintained in a proper, complete fashion and that the company's year-end financial statements were compiled in accordance with applicable law and accounting regulations.

The Supervisory Board also reviewed the "Report on Relations among Affiliated Entities" prepared in accordance with Section 66a Commercial Code. The Supervisory Board did not find this report to contain any incorrect or incomplete information, nor did it find that any information was withheld. The Supervisory Board agrees with the conclusions of the company's Board of Directors set forth in said report.

Prague, May 2005



Štěpán Popovič
Chairman of the Supervisory Board

Senior Management of PPF a.s.

Václav Šrajcr, MBA

Director of Research

Born in 1947; graduated from Czech Technical University in Prague, Faculty of Nuclear and Physical Engineering, and completed two postgraduate courses. In 1972–1992 Šrajcr was employed in mechanical engineering research and development positions. In 1992–1993 he studied at the U.S. Business School and was awarded an MBA by the Rochester Institute of Technology. Šrajcr has been with PPF since 1993.

Romana Tomasová, MBA

Director of Marketing and Communication

Born in 1967; graduated from the Philosophy Faculty of the Charles University, Prague, specialization in psychology, translation, and interpreting. In 2003, she was awarded an MBA by the University of Chicago. Over the past 10 years, Tomasová has held various management positions in PR and communication with ČESKÝ TELECOM, a.s., Contactel s.r.o., and AstraZeneca Czech Republic s.r.o. She has been with PPF a.s. since November 2004.

Jan Andrlík

Financial Director

Born in 1969; Andrlík is a graduate of the Prague University of Economics, where he majored in information technologies. Starting in 1991, he worked in the audit and corporate finance department of Price Waterhouse, a.s. and in 1995 he joined the Irish company FTI Finance as a finance management and treasury consultant. In 1998, he accepted the position of financial director at the Prague branch of the Belgian pharmaceutical group UCB. He has been Financial Director of PPF a.s. since 1 June 2003.

Lubomír Král

Director of Legal Department

Born in 1972; a graduate of the Prague University of Economics, Faculty of International Relations, and the Charles University, Faculty of Law. He began his practical career as an attorney. In 1997–1999 he worked as a lawyer for the Prague Stock Exchange clearing center. Král has been with PPF a.s. since 1999.

Taťána Panýrová

Human Resources Director

Born in 1963; a graduate of the Prague University of Economics, major in industrial economics, as well as a post-graduate course of study in marketing and management at the same institution. Panýrová worked at ČESKÝ TELECOM, a.s. in human resources from 1985 to 2000, and subsequently in Komerční banka, a.s. She joined PPF a.s. in August 2002.

Ondřej Tyrpekl

Director of Information Systems

Born in 1966; Tyrpekl graduated from the Czech Technical University, Faculty of Electrical Engineering, in 1989 with a major in technical cybernetics. After completing studies, he worked for TESLA, akciová společnost in CAD systems development. Starting in 1991 he worked for truck manufacturer Daewoo Avia, a.s., first as an independent analyst/programmer and later as the company's head of information systems design. He has been with PPF a.s. since August 2000.

Tomáš Soóky

Chief Procurement Office

Born in 1972; graduate of the Charles University in Prague, Philosophy Faculty, where he studied Hungarian linguistics. Soóky commenced his professional career as a product and sales manager with ConQuest Computers. In 1999–2003 he worked for the GE Capital financial group, first as IT commodity leader for GE Capital Bank, a.s., and later as key account manager at GE Capital Multiservis, a.s. He has been with PPF a.s. since May 2003.

Jan Blaško, MBA

Director of PPF China Representation

Born in 1964; a graduate of the Czech Technical University in Prague, Faculty of Electrical Engineering. In 1994 he became director of the brokerage company Stratego Invest. In 1996 Blaško was named director of PPF burzovní společnost a.s. In November 1999 he was awarded an MBA by GSB University of Chicago. He was appointed a member of the Board of Directors of Česká pojišťovna a.s. in June 2000 and was elected Vice-Chairman of the Board of Česká pojišťovna a.s. in March 2001.

Libor Táborský

Director of Acquisitions

Born in 1962; a graduate of the Prague University of Economics. After completing studies, Táborský went to work in the banking sector. He gained experience at Komerční banka, a.s., and later at Citibank a.s. and at Živnostenská banka, a.s., where he served as branch director for several years. He joined PPF in 2001, leaving his previous position of General Manager of Česká finanční, s.r.o., a subsidiary of Konsolidační banka.

Lenka Šafránková

Director of Operations Department

Born in 1953; a graduate of the Pedagogical Faculty in Hradec Králové. After completing her studies, in 1978–1999 she was employed in management positions in various organizations. She joined PPF Group in 1993, and has been Director of Operations Department of PPF a.s. since September 1994.

Ondřej Chaloupecký

Director of Group Tax Management

Born in 1972. A graduate of the University of Economics, Prague, specialization information technologies. In 1997 he joined PricewaterhouseCoopers Česká republika, s. r. o., where he worked in the tax and legal services department, specializing in financial clients. During 2002 he worked for Česká pojišťovna a.s. as a tax specialist and he was appointed Director of Group Tax Management at PPF a.s. in March 2003. He is a member of the Chamber of Tax Advisors of the Czech Republic.

David Minol

Director of Group Reporting and Accounting

Born in 1975. A graduate of the University of Economics, where he majored in finance. In 2001, Minol obtained ACCA (Association of Chartered Certified Accountants) certification. In 1998 he joined KPMG Česká republika Audit, s.r.o., where he worked in the audit of financial institutions department. He was appointed Director of Group Reporting and Accounting at PPF a.s. in May 2003.

Ladislav Řezníček

Director of Group Risk Management

Born in 1959. A graduate of the Czech Technical University, Prague, Faculty of Electrical Engineering. Until 1991 he worked at the Řež Nuclear Research Institute. After that he joined the Czechoslovak State Bank (now the Czech National Bank), where he served in various positions including responsibility for central bank risk management. Between 1997 and 1999 he was statutory representative of Česká finanční, s.r.o. – at that time a subsidiary of the CNB. In 1999–2001 he worked for Konsolidační banka Praha, first as Deputy CEO and later as CEO. He joined PPF Group in 2001, initially in investments in bad debt. He was appointed Director of Group Risk Management in November 2004.

PPF a.s. – the Management Company

PPF a.s.

Area of business:	PPF a.s. is the management company of PPF Group. Its senior management sets the strategic direction and long-term vision of the entire PPF financial group.
Date of inception:	18 November 1996
Address:	Na Pankráci 1658, 140 21 Prague 4
Share capital:	CZK 420 million
Auditor for 2004:	KPMG Česká republika Audit, s.r.o.
Board of Directors:	Petr Kellner – Chairman Milan Maděryč – Vice-Chairman Ladislav Bartoníček, MBA – Vice-Chairman Ladislav Chvátal – Member Jan Blaško, MBA – Member (until 31 August 2004)
Supervisory Board:	Štěpán Popovič – Chairman František Tlustoš – Member Jaromír Prokš, MBA – Member
Company management:	Aleš Minx – Executive Director (until 31 May 2005) Kamil Ziegler – PPF Group Financial Director Václav Šrajer, MBA – Director of Research Romana Tomasová, MBA – Director of Marketing and Communications Jan Andrlík – Director of Finance Lubomír Král – Director of Legal Department Taťána Panýrová – Director of Personnel Ondřej Tyrpekl – Director of Information Systems Tomáš Soóky – Director of Strategic Acquisitions Libor Táborský – Director of Acquisitions Lenka Šafránková – Director of Operations Department Ondřej Chaloupecký – Director of Group Tax Management David Minol – Director of Group Reporting and Accounting Ladislav Řezníček – Director of Group Risk Management



Companies Managed by PPF – Insurance

Senior Management of Česká pojišťovna Group

Ladislav Bartoniček, MBA

Chairman of the Board and CEO, Česká pojišťovna a.s.

Born in 1964; a graduate of the Czech Technical University in Prague, Faculty of Electrical Engineering. Joined PPF investiční společnost a.s. in 1991 as executive director and was awarded an MBA by the Rochester Institute of Technology, Rochester, New York, in 1993. Since 1996, Bartoniček has been Chief Executive Officer of Česká pojišťovna. He has been Chairman of the Board of Directors of Česká pojišťovna a.s. since June 2000.

Ivo Foltýn, MBA

Chairman of the Board and CEO, Penzijní fond České pojišťovny, a.s.

Born in 1970; a graduate of Brno Technical University's Mechanical Engineering Faculty and the Prague University of Economics, Enterprise Management Faculty. He was awarded an MBA by the University of Chicago's Graduate School of Business. He began his career in 1994 as a capital markets analyst with PPF investiční společnost, a.s. In 1995–1996 he was Project and Portfolio Manager at PPF Capital Management a.s. Since 1997 he has been Chairman of the Board of Directors and CEO of Penzijní fond České pojišťovny, a.s. Since 2001 he has also been with Česká pojišťovna a.s. as Executive Board Member for Life Assurance.

Robert Hlava

Chairman of the Board and CEO, ČP INVEST investiční společnost, a.s.

Born in 1970; a graduate of Brno Technical University, Mechanical Engineering Faculty, specialization in economics and management. In 1994, he joined Československá obchodní banka, a. s., where he held positions including loan officer, head of loan department, director of Břeclav branch, and deputy director for corporate clientele, Brno region. He joined PPF Group in 2002, initially as director of the Brno agency of Česká pojišťovna. He became CEO and Chairman of the Board of ČP INVEST investiční společnost, a.s. in September 2004.

Luděk Keltyčka, MBA

CEO and Member of the Board, ČP Leasing, a.s.

Born in 1975. Having completed courses at the Mercuri International Business School, Keltyčka continued his MBA studies at the Open University Business School ČR. In 1993–1994 he worked in the private sector. In 1994–1999 he was a sales officer, key account manager, regional director, and director of sales at Plzeňský Prazdroj, a. s. In 1999 he served as sales director of the company Jihočeské pivovary, leasing spol. s r. o. In 2000 he joined ČP Leasing, a.s. where until February 2005 he served as Director of Sales and Member of the Board. He was appointed CEO in March 2005.

Antonín Nekvinda

CEO, Česká poisťovňa – Slovensko, akciová spoločnosť

Born in 1966; graduated from Brno Technical University in 1990 and joined the Brno branch of Česká pojišťovna a.s. in 1991. There he worked in various operational and financial management positions in insurance for industry and business. Since December 1998 he has been a member of the Board of Directors of Česká poisťovňa – Slovensko, akciová spoločnosť and in June 2000 he became CEO and Vice-Chairman of the Board of Directors.

Přemysl Gistr

Chairman of the Board and CEO, Česká pojišťovna ZDRAVÍ a.s.

Born in 1970; a graduate of the University of Economics, Prague, and the Brno Technical University. After completing studies, in 1993–1996 he worked for Bankovní dům SKALA, a.s. as head of the capital markets research department. Between 1996 and 2002 he worked first at BAŤA, akciová společnost and later at Effective Finance, s.r.o. He was also a member of the Board of Directors of UNEX Uničov a.s. and in 1998–1999 he was Finance Director and Member of the Board of Directors of TRANSPORTA a.s. He became Chairman of the Board and CEO of Česká pojišťovna ZDRAVÍ a.s. in 2002.

Demetrios S. Aletraris

CEO, CP Reinsurance Company Ltd.

Born in 1966; a graduate of the London School of Economics and Political Science. In 1988–1994, Aletraris worked for KPMG, first in London and later in Nicosia. In 1994–2000 he held management positions with Pancyprian Insurance Ltd. and General Insurance of Cyprus Ltd. Until 2004 he was CEO of Holding Company and Markettrends Insurance and also worked for Euroinvestment and Finance Ltd. He has been CEO of CP Reinsurance Company Limited since June 2004.

Michal Hauser

Chairman of the Board and Executive Director, Češskaya strachovaya kompaniya o.o.o.

Born in 1969; a graduate of the Higher Vocational School of Hotel Management and Tourism in Poděbrady, Czech Republic. In 2001–2002 he attended the School of Modern Management in Aalen, Germany. In 1995–1999 he served in management positions with R. J. Reynolds Tobacco and in 2000 he joined VARTA Geratebatterie GmbH Germany, where he was sales director for Eastern Europe. In 2002 he was named sales director of Amcico AIG Life. In 2004 he became Executive Director and Chairman of the Board of Češskaya strachovaya kompaniya o.o.o.

Česká pojišťovna a.s.

	Česká pojišťovna a.s. is a composite insurer, and the largest insurance institution in the Czech Republic. With a market share of nearly 37% as of end 2004, the company offers a wide range of insurance products, both life and non-life. As the legal successor to the First Czech Mutual Insurance Company, which was founded in 1827, Česká pojišťovna a.s. is the oldest Czech insurance company, backed by a long and rich tradition.
Area of business:	insurance
Date of inception:	1 May 1992
Registered capital:	CZK 2.98 billion
Shareholders' equity:	CZK 18.4 billion
Assets:	CZK 120.9 billion
Auditor for 2004:	KPMG Česká republika Audit, s.r.o.
Board of Directors:	Ladislav Bartoníček, MBA – Chairman Milan Maděryč – Vice-Chairman Jiří Šmejč – Member Jan Ježdík – Member Ladislav Chvátal – Member
Supervisory Board:	Ivan Kočárník – Chairman Aleš Minx – Vice-Chairman Petr Kellner – Member Jaromír Prokš, MBA – Member Eva Dytrychová – Member Marie Kortová – Member
Company Management:	Ladislav Bartoníček, MBA – CEO Jiří Šmejč – Executive Board Member for Investment Policy Jan Ježdík – Executive Board Member for Non-life Insurance Ivo Foltýn, MBA – Executive Board Member for Life Assurance Petr Kopecký – Executive Board Member for Sales Lubomír Bušek, MBA – Executive Board Member for Finance Management and Human Resources Jiří Huml, MBA – Executive Board Member for Operations and IT Miroslav Matocha – Executive Board Member for Underwriting and Reinsurance Marie Kovářová – Executive Board Member for the Client Center
Principal businesses:	providing life and non-life insurance services to private individuals as well as to small, mid-sized and large corporations

Česká pojišťovna a.s. represents a long-term strategic investment for PPF. PPF owns Česká pojišťovna a.s. through its Dutch subsidiary, Cespo B.V., which holds 97.7% of the insurer's share capital. Česká pojišťovna a.s. held on to its position as the number-one insurer in the Czech Republic in 2004, despite growing competition. Česká pojišťovna a.s. is a composite insurer whose

products and services cover the entire range of life and non-life insurance. The company focuses on retail clientele in personal lines and on small, medium and large corporations in the area of industrial and commercial risks. In the reinsurance area, it restricts itself to providing reinsurance protection within the Česká pojišťovna Group.

Positive Earnings, Growth in Assets

Ever since its inception in 1992, Česká pojišťovna a.s. has been the biggest insurance company in the Czech Republic in terms of premiums written in both life and non-life insurance. In 2004, the company reinforced its position, growing premiums written at a faster pace than the insurance market as a whole. Česká pojišťovna's premiums written grew 8.2% compared to growth of 6.6% in the Czech Republic insurance market. In non-life insurance the growth figure was 6.3% and in life assurance it was 11.2%. The market share of Česká pojišťovna a.s., measured by premiums written, grew by nearly one percent to 36.7% - in life assurance it was 36.0% and in non-life insurance 37.2%. In absolute terms, premiums written as of 31 December 2004 totaled CZK 41 billion – CZK 25.1 billion in non-life insurance and CZK 15.9 billion in life assurance.

For a long time now, the company has been one of the most profitable corporations in the Czech Republic. Net earnings after tax totaled CZK 4.2 billion. During 2004, the company's total assets figure grew from CZK 120.7 billion to CZK 120.9 billion. The number of insurance contracts administered by Česká pojišťovna a.s. exceeds 13 million.

Expanded Product Offering

In non-life insurance, new insurance terms and conditions and new products had to be prepared effective 1 January 2005 to comply with the new Act No. 37/2004 Sb. on the Insurance Contract.

In addition, Česká pojišťovna a.s. is preparing to gradually innovate and modernize all its products in personal lines and products for small and mid-sized risks. The innovated products are to be launched over the course of 2005.

In life assurance, SLUNÍČKO (Sunbeam), a new life assurance product for children and youth, went on sale in February 2004. Sales of the product have been very strong, with 22,000 contracts signed by the end of 2004, proving that the new product is capable of completely replacing a similar older insurance product.

During the year, Česká pojišťovna a.s. also innovated several parameters of selected older products to bring them more into line with client needs in both personal lines and group life assurance.

A large portion of 2004 was dedicated to preparations for the new product, DYNAMIK Plus, sales of which are to start in mid-2005. This product combines the advantages of the DYNAMIK flexible product and investment life assurance. In the next few years, Česká pojišťovna a.s. aims to become the leader in the investment life assurance market.

Česká pojišťovna – a Respected Brand

The fact that Česká pojišťovna products are very attractive for both the public and business partners is demonstrated by the many awards received by the company. In 2004, Česká pojišťovna a.s. was named “Insurance Company of the Year 2004” in the MasterCard Bank of the Year 2004 competition. In the same competition, which is organized by Fincentrum Media, s.r.o., an analysis and consulting firm, Česká pojišťovna a.s. also won in the “Life Assurance of the Year 2004” category with the product SLUNÍČKO, which was the highest rated life assurance product for children in the insurance market.

In the tenth annual “100 Most Admired Corporations” ranking organized by the CZECH TOP 100 association, Česká pojišťovna a.s. defended its number-one position among insurance companies.

In the Zlatý Měsíc 2004 survey conducted by the personal finance server Měsíc.cz, Česká pojišťovna a.s. won in two categories – Insurer of the Year and Financial Institution of the Year – based on a public survey.

In the Golden Crown (Zlatá koruna) competition held at the Money (Peníze) trade fair, DYNAMIK life assurance was chosen from a field of 180 products as the most popular financial product in the Czech Republic. Česká pojišťovna a.s. also holds the Good Brand (Dobrá značka) title for the most trustworthy brand of 2004, granted to it in the “Insurance Companies” category by the Reader's Digest Výběr magazine.

In the Effie competition for the most effective advertising, Česká pojišťovna's advertising spot for its DYNAMIK product took silver. The survey, conducted by Millward Brown Czech Republic, s.r.o. in Brand Pyramids, confirmed that clients are highly satisfied with the services of Česká pojišťovna a.s., as well as considerable brand-name recognition and client loyalty.

High Ratings

The qualities of Česká pojišťovna a.s. are also appreciated by the rating agencies Standard & Poor's and Moody's, which evaluate the company's financial strength. Both agencies rate the company as investment grade. Moody's rated Česká pojišťovna a.s. for the first time on 30 June 2003, giving it a Baa3 with stable outlook, and has not changed the rating since then. The agency stated that the rating reflects the leading market position of Česká pojišťovna a.s., both in life and non-life insurance, as well as good operating performance, conservative provisioning policy, the fact that the company handled well the catastrophic losses caused by the flood of August 2002, and its growing capital strength. On 3 November 2004, Standard & Poor's upped the financial strength rating of Česká pojišťovna a.s. from BBB- with stable outlook to BBB with stable outlook. In its rationale for the move, the agency mentioned in particular the strong market position of Česká pojišťovna a.s., its excellent operating performance, and strong capital adequacy. Both agencies also underlined the excellent liquidity of Česká pojišťovna a.s.

Expansion into Russia

As demand for insurance grows, the Russian life assurance market is gradually becoming more developed. Insurance companies in the segment are beginning to compete with each other, and companies with some degree of foreign ownership are coming serious contenders for the positions of Russian companies.

Češskaya strachovaya kompaniya o.o.o. plays an active role in this dynamic life assurance market. In 2004, the company continued to expand its sales network. The number of salespeople in Moscow at year end reached 76, while in Ufa it was 14.

In the second quarter of 2004, Češskaya strachovaya kompaniya o.o.o. continued in the process of building its presence in the regions of the Russian Federation. In June 2004 it opened a regional representation office in Nizhniy Novgorod.

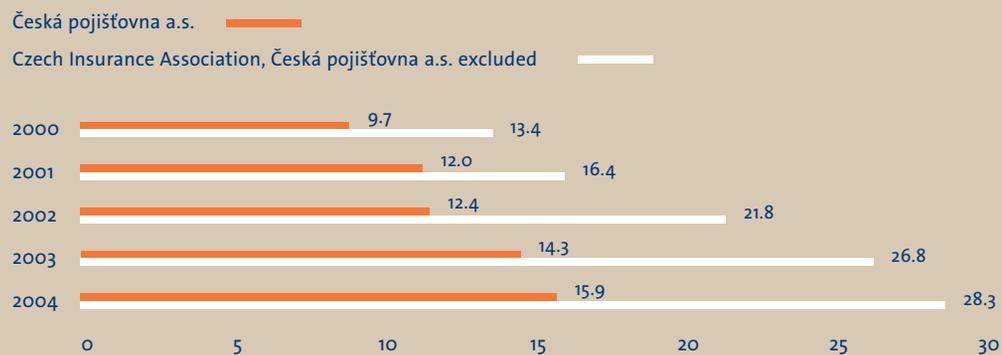
Outlook for 2005

Like in years past, Česká pojišťovna a.s. will continue striving to maintain our dominant position in the market in both non-life and life assurance and, at the same time, to increase the company's shareholder value. In the medium term (until 2007), we plan to maintain or moderately increase the existing market shares in both life and non-life.

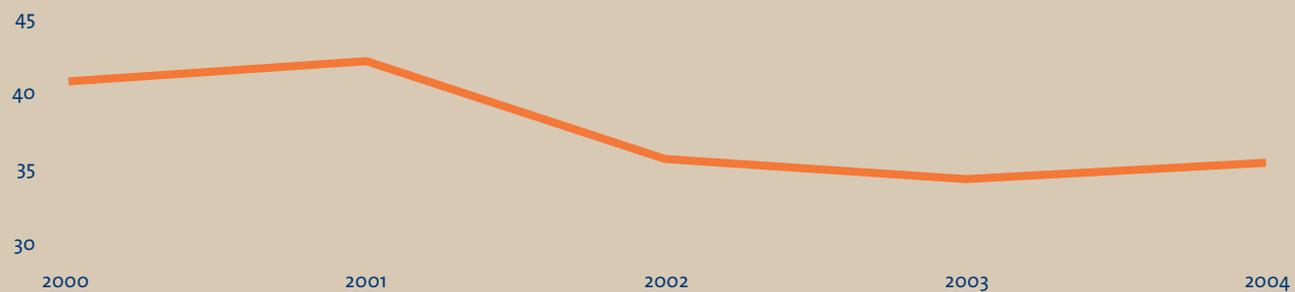
The 2005 financial performance results will be influenced, in particular, by the planned conversion of life assurance contracts, the situation in the financial markets, and the ongoing process of improving the efficiency of all operations.

In 2005, the company will focus on expanding its sales efforts. In this respect, Česká pojišťovna a.s. plans to write non-life premiums of over CZK 26 billion and life premiums of at least CZK 16 billion. The company plans to post earnings in excess of CZK 3 billion.

Life Insurance Premiums Written 2000–2004 (CZK billions)



Life Insurance Market Share 2000–2004 (%)



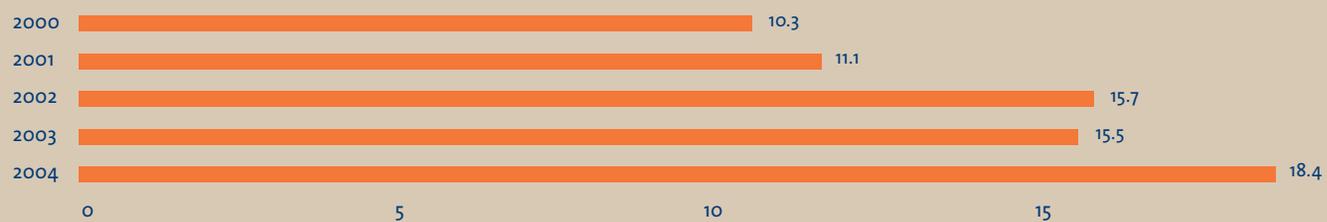
Non-life Insurance Premiums Written 2000–2004 (CZK billions)



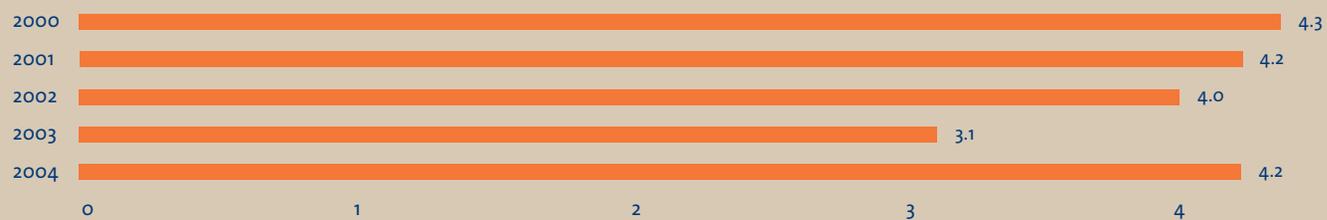
Non-life Insurance Market Share 2000–2004 (%)



Shareholders' Equity 2000–2004 (CZK billions)



Current Period Earnings 2000–2004 (CZK billions)



Penzijní fond České pojišťovny, a.s.

	Penzijní fond České pojišťovny a.s. is the largest pension fund in the Czech Republic in terms of number of clients.
Area of business:	supplementary pension insurance in accordance with Act 42/1994 Sb. on Supplementary Pension Insurance with State Contribution, as amended
Date of inception:	19 September 1994
Share capital:	CZK 214 million
Shareholders' equity:	CZK 1,514 million
Assets:	CZK 22 billion
Auditor for 2004:	KPMG Česká republika Audit, s.r.o.
Board of Directors:	Ivo Foltýn, MBA – Chairman Tomáš Matoušek, MBA – Vice-Chairman Václav Šrajer, MBA – Member Petr Kopecký – Member Tomáš Machanec, MBA – Member
Supervisory Board:	Darina Kocsisová – Chairman Marek Mastník, MBA – Member Helena Lazosová – Member Vít Šroller – Member Pavel Hlaváč – Member Petr Obst – Member Martin Vrba – Member Martin Brůha – Member
Company management:	Ivo Foltýn, MBA – CEO Tomáš Matoušek, MBA – Executive Director Finance and Services Pavel Němec – Executive Director Sales and Marketing Jan Durčák – Director Client Service Section Tomáš Koubek – Director IT Section
Principal businesses:	providing supplementary pension insurance services

Penzijní fond České pojišťovny, a.s. is currently the fastest-growing pension fund. Its dynamic growth is documented by the financial and sales performance results achieved in 2004.

The most important event of 2004 was the merger with Nový ČP Penzijní fond, a.s. (formerly ABN AMRO Penzijní fond, a.s.), which made Penzijní fond České pojišťovny, a.s. the biggest pension fund in the Czech Republic. The company continued to grow in 2005 as well; in April the number of clients passed 800,000. The company's current market share in the Czech Republic is 26%.

Close cooperation within the Česká pojišťovna Group and working relationships with large brokerage companies brought Penzijní fond České pojišťovny, a.s. a total of 155,000 new contracts in 2004.

The value of the company's assets at year end was CZK 22 billion for year-on-year growth of 96%. In April 2005 assets had passed CZK 23 billion. In the past year, the fund posted a record profit of CZK 707 million. The factors driving this result included not just economies of scale, but also high revenues thanks to a successful investment strategy and growth in the equity market.

Comprehensive Offering of Products and Services

Penzijní fond České pojišťovny, a.s. offers supplementary pension insurance with State contribution for all types of pensions, including old-age pensions, earned pensions, disability pensions, and pensions for survivors of deceased beneficiaries. For corporate clients, it has teamed up with Česká pojišťovna a.s. to provide a special offering of integrated services under the “ČP Employee Benefits Program”, a comprehensive program that combines supplemental pension insurance with the advantages of life assurance.

The ČP Employee Benefits Program offers corporations products that are tailored to motivate employees while at the same time bringing further savings for the employer. The key products in this comprehensive offering are high-quality supplemental pension insurance, capital life assurance, and risk insurance for supplemental pension insurance participants. In signing up for these products, corporate clients are assisted by a team of specialists that has more than doubled in size this past year. The service begins with a presentation at the client's site, continues by determining the corporation's individual needs and drawing up a tailor-made offering, and continues with client services after the contracts are signed.

Outlook for 2005

The merger gave Penzijní fond České pojišťovny, a.s. a large potential for further growth in assets under management, increase in portfolio returns, and reduction of the cost margin. In addition, further growth in sales is anticipated as distribution capacities are expanded to include the independent brokerage networks that sold products for the former ABN AMRO Penzijní fond, a.s.

ČP INVEST investiční společnost, a.s.

	ČP INVEST investiční společnost, a.s., a member of UNIS ČR, is a leading investment company in the domestic market.
Area of business:	collective investment – management of mutual funds
Date of inception:	19 November 1991
Share capital:	CZK 91 million
Shareholders' equity:	CZK 161 million
Assets under management:	CZK 2.771 billion
Auditor for 2004:	KPMG Česká republika Audit, s.r.o.
Board of Directors:	Robert Hlava – Chairman (as of 13 September 2004) Jana Doucková – Member Pavel Veselý – Member
Supervisory Board:	Richard Kapsa – Chairman (as of 21 October 2004) Taťána Panýrová – Member (as of 21 October 2004) František Tlustoš – Member (as of 21 October 2004)
Company management:	Robert Hlava – Chief Executive Officer Pavel Veselý – Director of Finance
Principal businesses:	management of open-end mutual funds, offering of investment programs

ČP INVEST investiční společnost, a.s. (“ČP INVEST”) offers its clients collective investment products along with a comprehensive set of ancillary services.

Family of Funds

The ČP INVEST Family of Funds consists of eight open-end mutual funds. The funds are distinguished by specific investment strategies, which vary in terms of the types and weightings of assets in which the fund in question invests and the resulting levels of risk, return, and recommended investment term.

Another attractive product for investors consists of three investment programs, which use the funds (in varying percentages) as “building blocks” to generate various levels of risk. The client also has the option of designing his or her own structure to create an individual investment program. Within the Family of Funds, investors may transfer between individual funds to adapt their investment strategy to their changing needs.

Starting on 16 February 2004, ČP INVEST is offering a new product entitled Clever Envelope (Šikovná obálka) through the Czech Post network. It is a conservative product suitable for clients who prefer stability and security in their investments. ČP INVEST is considering

establishing other types of mutual funds pursuant to legislation that is being prepared in conjunction with the Czech Republic's entry into the European Union.

As of March 2004, fees were eliminated for transfers from the Český and Moravskoslezský funds to the Mixed fund and all equity funds. The Český and Moravskoslezský funds were merged with the Corporate Bonds Fund in August 2004.

Within the Česká pojišťovna Group, ČP INVEST cooperates with certain other Group members. The closest cooperation was with eBanka, a.s. Clients of eBanka, a.s. have the option of entering into an agreement with ČP INVEST using an electronic signature, directly from their bank accounts. Another advantage is the ability to invest all cash not immediately needed by the client using intelligent interconnection of the eBanka, a.s. Personal Account with the ČP INVEST Money Market Fund. All ČP INVEST clients are sure to appreciate the possibility of investing cash in all ČP INVEST funds free of charge at eBanka client centers and at selected locations of Česká pojišťovna a.s.

ČP INVEST Family of Funds

Open-end Mutual Funds

Money Market Fund

Government Bonds Fund

Corporate Bonds Fund

Mixed Fund

Global Brands Fund

Pharmaceuticals and Biotechnology Fund

Petroleum and Energy Industry Fund

New Economy Fund

	ČP Leasing, a.s. is a universal leasing company that offers a comprehensive range of services in the area of leasing, focusing primarily on leasing of automobiles.
Area of business:	leasing services
Date of inception:	15 May 1997
Share capital:	CZK 300 million
Shareholders' equity:	CZK 510.8 million
Assets:	CZK 9.3 billion
Auditor for 2004:	KPMG Česká republika Audit, s.r.o.
Board of Directors:	Miloš Stibor – Chairman Luděk Keltyčka – Member Petra Pfauserová – Member
Supervisory Board:	Ladislav Chvátal – Chairman Miroslav Chlumský – Member Jiří Vitouš – Member
Company management:	Luděk Keltyčka – CEO (as of 1 March 2005) Petra Pfauserová – Finance Director Milan Čáp – Director Administration Section
Principal businesses:	provision of operational and finance leasing services for automobiles, technologies and real estate

ČP Leasing, a.s. is a universal leasing company that provides finance and operational lease services with a focus on offering individualized conditions to meet customer needs. The company's product range is focused primarily on automobiles – cars, light trucks, heavy trucks, buses, and other transportation equipment. In 2004, the company did a total of CZK 4.2 billion of business. With over 9,000 new lease contracts signed last year, the company was once again a leader among leasing companies in the Czech Republic. The company is also active in operational leases and sales on installment plans.

ČP Leasing, a.s. offers its services mainly through a network of vehicle dealers with whom it is constantly developing long-term, mutually beneficial relationships. The aim of this cooperation is to ensure the company's sales policies are client-focused.

On 30 June 2005, PPF Group signed an agreement on sale of its 100% stake in ČP Leasing with Sofinco.

Česká poistovňa – Slovensko, akciová spoločnosť

	Česká poistovňa – Slovensko, akciová spoločnosť is a composite insurance company offering comprehensive life assurance and non-life insurance services in the Slovak market.
Area of business:	insurance services
Date of inception:	8 April 1993
Share capital:	SKK 450 million
Shareholders' equity:	SKK 400.81 million
Total assets:	SKK 3.26 billion
Auditor for 2004:	KPMG Slovensko spol. s r.o.
Board of Directors:	Jan Ježdík – Chairman Antonín Nekvinda – Vice-Chairman Stanislav Polešovský – Member Lenka Pěňčíková – Member
Supervisory Board:	Ivan Kočárník – Chairman Vít Šroller – Member Pavel Východský – Member
Company management:	Antonín Nekvinda – CEO
Principal businesses:	provision of life and non-life insurance services to private individuals as well as small, mid-sized and large corporations

In 2004, the Slovak insurance market grew 14.8% to SKK 48 billion. The life assurance market grew at a slightly slower pace than the overall market – its year-on-year growth was 14.3%. Deregulation of energy prices, rents, and transportation prices, as well as new tax legislation all contributed to slower growth in household demand, especially in commodities that are perceived as “non-essential” and which households tend to spend money on only after their other, higher-priority needs are satisfied. The ratio of life assurance premiums to GDP in 2004 was approximately 1.5%, which is approximately four times less than figures typical for mature Western markets. A related difference is that between the life/non-life insurance premiums ratios between European Union countries and Slovakia. Whereas in Slovakia the non-life:life ratio is 60% to 40%, in mature Western markets the ratio is just the opposite.

Premiums Written in Non-life Insurance

Premiums written in non-life insurance grew by 15% over the previous year. The growth was driven mainly by premiums written in motor vehicles insurance. Prices of Mandatory Third Party Liability (MTPL) insurance for 2004 were up 30% over the previous year. The deregulation of the MTPL market as of 1 January 2004 was a major change, as it allowed insurance companies to set rates according to their own criteria. Late in the year, however, this move led to so-called “sale prices” and some insurers took a less-than-systematic approach to setting premium rates for 2005. Price was often presented as the only criterion, regardless of how the price is calculated, even though important roles are played by factors such as claims payments, provisioning for future obligations, and, in Slovakia, the payment of the system’s legacy deficit and the rescue systems contribution.

One less visible, but not insignificant, factor that influenced the local insurance market was Slovakia's accession to the European Union. This led most of all to a further opening of the Slovak insurance market to foreign competition and the preparation of new legislation in an effort to unify Slovak laws with directives of the European Union.

2004 Financial Performance

2004 was a successful year for Česká poisťovňa – Slovensko, akciová spoločnosť. The company posted positive earnings; its pre-tax profit reached SKK 14.8 million. The company's total assets grew to SKK 3.26 billion, a year-on-year increase of 46.1%. Technical provisions grew to SKK 1.053 billion, an increase of 16.9% compared to 2003. The company now provides customer services at 82 locations in all regions of Slovakia.

By growing new business by SKK 259 million to a final figure of SKK 1.794 billion, the company achieved a market share of 9.67% and held onto its number-three position in the market in terms of new business. Compared to the overall insurance market in 2004, Česká poisťovňa – Slovensko, akciová spoločnosť exhibited a faster pace of growth, seeing its premiums written rise by 37.3% to a final SKK 2.847 billion – in the non-life sector premiums written grew by 36.3% while in life assurance they were up 42.6%. The principal factor driving the growth in life assurance was the DYNAMIK family of variable investment life and capital life assurance products which went on sale in late 2003. In non-life insurance, the company did particularly well in motor vehicles insurance, where thanks to expanded cooperation with leasing companies there was 54% growth in motor damage insurance and 63% growth in MTPL insurance thanks to higher rates and an influx of new clients.

The above performance drove the company's market share up by 19.76% to 5.94% of the market, moving it up one rung from the previous year to the number-four position among insurance companies in terms of premiums written. In non-life insurance, the company grew its market share by 1.29 percentage points and was number three with a share of 8.24%; in life assurance, the company saw its market share grow by 0.51 of a percentage point to a final figure of 2.56% of the market, making it one of the ten biggest players.

Outlook for 2005

In 2005, the company anticipates a gradual end to the slump in life assurance, from which the market is expected to begin to recover in the second half of the year. Factors driving the development of life assurance will include new tax advantages and a reform of the pension system accompanied by a massive advertising campaign to increase the population's awareness of the need to secure oneself for retirement through voluntary savings and appropriate investments. One advantageous alternative in the third pillar is an investment in life assurance that offers clients not just protection in life's critical situations but also an opportunity to save and invest surplus cash. Over time, the ratio of premiums written in life assurance to overall premiums written will gradually move towards the levels commonly seen in mature European Union markets.

Factors that will have a positive impact on motor vehicles insurance include the repeal of the "localization clause", new car dealers, growing used car imports, and ongoing growth in leasing volume. However, we will also see the full impact of the "sale prices" from late last year which will cause overall premiums written to remain flat. One major change that will influence how MTPL rates for 2006 are calculated will be an increase of several hundred percent in the minimum insurance coverage for MTPL insurance – up to the limits required by European Union legislation.

In personal property insurance, the process of renegotiating legacy personal home and household insurance contracts will continue. These contracts were originally entered into many years ago and today can no longer provide sufficient insurance coverage of clients' property. The strong Koruna, declining interest rates, and

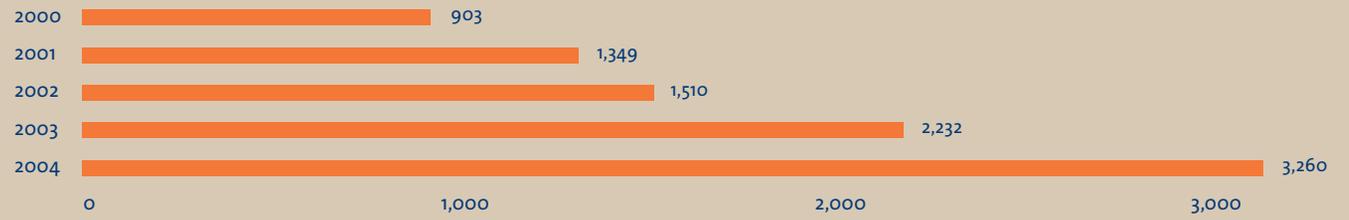
the related growth in mortgage financing will continue to drive demand for personal property insurance products, as well as for life assurance products. Dynamic growth in construction, including the building of new office complexes and technology parks, as well as growing investment in new infrastructure will also bring increased demand for insurance, especially to provide coverage for business activities. Ongoing government support for foreign investments is attracting new business investors to the country, contributing to a revival of the Slovak economy as a whole, creating new jobs, and thereby increasing public wealth and increasing demand for “non-essential” commodities, including insurance.

In 2005, Česká poisťovňa – Slovensko, akciová spoločnosť expects to continue to strengthen its market position and increase profitability. In life assurance, the company is preparing to modify certain products to make them more attractive and grow sales. Changes will also be made in the process of building and managing the sales network to make the recruitment system more effective and increase sales force productivity through a new set of incentives. A new tax advantage will boost sales of insurance. In terms of the structure of life assurance, over the next few years life assurance is expected to continue to grow relative to overall premiums written, driven mainly by investment life assurance and retirement (annuity) assurance.

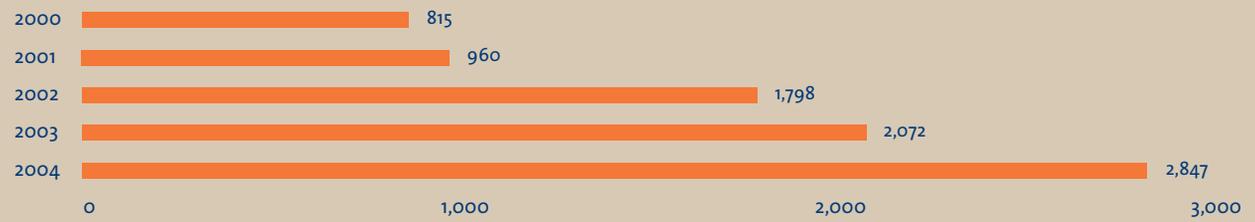
In the non-life segment, motor vehicle insurance will continue to dominate in terms of premiums written. Česká poisťovňa – Slovensko, akciová spoločnosť will leverage the growth in leasing business volumes and market deregulation to grow its market position as the number of insurance contracts concluded in the current-year regime is expected to grow. We will also reinforce our support for MTPL sales through electronic distribution channels (telephone, Internet), which the company alone offers. Česká poisťovňa – Slovensko, akciová spoločnosť will gradually expand the range of insurance products sold through alternative distribution channels. Thanks to the favorable economic conditions and in light of developments in financial markets and the dynamic development of the business environment, the company expects to see accelerated growth in insurance for industry and business and in personal property insurance, along with growth in its market

share. To reach these goals, it is preparing modifications to certain existing products, especially in insurance for industry and business and in personal property insurance, and we will launch new products as well. The planned changes will help expand the company’s product range and increase its competitiveness in individual classes of insurance. In the sales area, the company intends to continue working with its current partners and make contact with new ones, leading to ongoing expansion in the sales network.

Assets 2000–2004 (SKK millions)



Premiums Written 2000–2004 (SKK millions)



Drahomír Josef Růžička Winter





Česká pojišťovna ZDRAVÍ a.s.

	Česká pojišťovna ZDRAVÍ a.s. is a leader in the commercial health insurance market, with market share of over 50%.
Area of business:	commercial health insurance
Date of inception:	22 December 1992
Share capital:	CZK 100 million
Shareholders' equity:	CZK 151 million
Assets:	CZK 420 million
Auditor for 2004:	KPMG Česká republika Audit, s.r.o.
Board of Directors:	Přemysl Gistr – Chairman Ivana Majerechová – Member Jaromír Kohout – Member (as of 27 April 2005)
Supervisory Board:	Pavel Východský – Chairman Ladislav Metelka – Member representing the employees Miloš Stibor – Member (as of 16 May 2005)
Company management:	Přemysl Gistr – CEO
Principal business:	provision of commercial health insurance services, offering of supplemental health insurance products

Česká pojišťovna ZDRAVÍ a.s. was the first insurance company to provide private health insurance and related products in the Czech market – before that, they were simply unavailable. The company closely collaborates with other members of the financial group to offer private health insurance bundled together with other Česká pojišťovna Group products.

2004 was the most successful year in the 12-year history of Česká pojišťovna ZDRAVÍ a.s. Record growth was seen across-the-board, in earnings, premiums written, and in the company's assets.

Number One in the Private Health Insurance Market

In 2004, Česká pojišťovna ZDRAVÍ a.s. reaffirmed its role as the clear leader of the private health insurance market, where its share exceeds 50%.

Gross premiums written by Česká pojišťovna ZDRAVÍ a.s. in 2004 totaled CZK 270 million (index 142%), and private health insurance accounted for 87% of the total earned premiums amount.

New business, at CZK 27 million, including the largest volume of new business in the commercial sickness insurance market segment, spoke to the quality of the company's products and services. Products offered jointly with Česká pojišťovna a.s. accounted for 84% of new business in 2004.

Česká pojišťovna ZDRAVÍ a.s. generated positive earnings of CZK 47.3 million in 2004 (index 1535%), a record earnings figure for the company. A major factor driving the growth in earnings was growth in earned premiums by CZK 81 million, lower claims paid, and further reductions in fixed costs.

Technical provisions stood at CZK 215 million at year end, an increase of CZK 79 million (index 157%) over the previous year's figure.

CP Reinsurance Company Limited

	CP Reinsurance Company Limited is a company that provides reinsurance services. Its license also covers the provision of insurance services in both life and non-life insurance.
Area of business:	reinsurance services
Date of inception:	21 May 2004
Address:	Nicosia, Cyprus
Share capital:	€ 8 million
Shareholders' equity:	€ 34 million
Assets:	€ 100,335 million
Auditor for 2004:	KPMG Cyprus
Board of Directors:	Kamil Ziegler – Chairman Marcel Dostál – Member Marios Antoniadis – Member Andreas Philippou – Member Harry Charalambous – Member
Company management:	Demetrios S. Aletraris – CEO
Principal business:	reinsurance services, particularly in non-life insurance, inside and outside the Česká pojišťovna Group

CP Reinsurance Company Limited, based in Nicosia, Republic of Cyprus, is a 100% subsidiary of Česká pojišťovna a.s. It was established in 2004 and went into business in mid-2004. The business objective behind the establishment of CP Reinsurance Company Limited was to unite the reinsurance coverage of insurance companies in the Česká pojišťovna under a single management and to provide reinsurance coverage to businesses outside the Group as well. CP Reinsurance Company Limited was established under the laws of the Republic of Cyprus and has received a license to provide reinsurance services from the local supervisory body.

Češskaya strachovaya kompaniya o.o.o.

Area of business:	insurance activity
Date of inception:	18 January 2002
Share capital:	Rub 86.67 million
Shareholders' equity:	Rub 101.16 million
Auditor for 2004:	KPMG Limited
Board of Directors:	Michal Hauser – Chairman (as of 1 December 2004) Ivo Foltýn – Member (as of 1 April 2005) Jiří Rudolf – Member (as of 1 April 2005)
Supervisory Board:	N/A
Company management:	Dmitri Malykh – CEO Michal Hauser – Executive Director (as of 1 March 2005)

Češskaya strachovaya kompaniya o.o.o. obtained an insurance license in July 2002 and began selling its first product – mixed life insurance – in September 2002. At the same time, it commenced intensive building of its sales network. In October 2004, the company began selling its new insurance product – Raduga accident and sickness insurance.

The life insurance market in the Russian Federation continues to develop gradually, driven by growing demand for insurance. Insurance companies in this segment are beginning to compete with one another, and companies with foreign ownership are becoming serious contenders for Russian companies' positions. Češskaya strachovaya kompaniya o.o.o. is an active player in the market.

In 2004 the company continued building its own sales network and the process of establishing a presence in the regions of the Russian Federation. In June 2004, a regional representation office of Češskaya strachovaya kompaniya o.o.o. was opened in Nizhniy Novgorod.

In 2004, the company continued to focus on working with brokers. By year end 2004 the company had established working relationships with the great majority of life assurance brokers and

even with some non-life insurance brokers that see life assurance as an attractive way to fill out their product offerings.

Active preparations began in 2004, in cooperation with Home Credit & Finance Bank, limited liability company, to begin providing insurance to consumer credit clients, as well as to develop other joint business opportunities. The company also commenced preparations for developing other alternative channels for offering individual products.

Senior Management of Home Credit Group

Ladislav Chvátal

Chairman of the Board and CEO, Home Credit International a.s.

Born in 1963; a graduate of the Prague University of Economics. He joined PPF a.s. in 1994 as Director of Marketing and later took responsibility for managing the equity stakes of the entire PPF Group. In 1999–2001 he served as Executive Director of PPF a.s. and in 2001 he became a Member of the Board of Directors of PPF a.s. Since June 2002 he has been a Member of the Board of Directors of Česká pojišťovna a.s. with responsibility for the subsidiaries operating in the areas of retail banking and consumer finance – eBanka, a.s., ČP Leasing, a.s., and Home Credit Group. In the latter, he is Chairman of the Board of Directors and Director of Home Credit International a.s., which manages the overall development of the consumer finance business in Central & Eastern Europe.

Miloš Stibor

Chairman of the Board and CEO, Home Credit Finance a.s.

Born in 1964; a graduate of the Brno Technical University, specialization in economics and management of machinery production. In 1987 – 1991 he worked as an economist with TOS Kuřim, a.s. After a stint with První brněnská strojírna, s.p. in 1992, he worked until 1997 as director of the Brno branch of Evrobanka a.s. He was involved in the founding of ČP Leasing, a.s., and he was appointed a Branch Director and Member of the Board of that company in 1997. Between November 2000 and February 2005 he was CEO and Chairman of the Board. He was appointed CEO and Chairman of the Board of Home Credit Finance a.s. in March and May 2005, respectively. He has been a Member of the Board of Home Credit Slovakia, a.s. since December 2004.

Jiří Bádr

CEO, Home Credit Slovakia, a.s.

Born in 1969; graduated from the Pedagogy Faculty of the Masaryk University in Brno. He began his career as principal of the Private Secondary Specialized School in Mikulov. Starting in 1993 he was a private businessman. He joined Home Credit Slovakia a.s. in August 1999 as a project manager and later, starting in November 1999, he served as the company's Executive Director. He has been CEO since February 2004.

Andrei Vladimirovich Lykov

Chairman of the Board and CEO, Home Credit & Finance Bank, limited liability company

Born in 1967. In 1990, Lykov graduated from the G. V. Plechanov Institute, Moscow, with a specialization in macroeconomics. He has worked in the banking sector since 1989 and he became Chairman of the Board of Directors of Home Credit & Finance Bank limited liability company in 2003.

Home Credit International a.s.

	Home Credit International a.s. is the management company of Home Credit Group. It sets the strategies for the key activities and projects of the Group as a whole, its international expansion, the unification of operating policies, procedures, and provides consulting support in the area of consumer finance in regions of Central & Eastern Europe.
Area of Business:	consulting, data management
Date of inception:	22 October 1993
Share capital:	CZK 1 million
Shareholders' equity:	CZK 5.6 million
Assets:	CZK 237,3 million
Auditor for 2004:	KPMG Česká republika Audit, s.r.o.
Board of Directors:	Ladislav Chvátal – Chairman Renata Kapicová – Member Pavel Pfauser – Member
Supervisory Board:	Václav Audes – Chairman Zuzana Křivínková – Member (as of 1 February 2005) Stanislav Osička – Member
Company management:	Ladislav Chvátal – CEO Pavel Plachký – Director of Business Strategy Robert Potáček – Finance Director Pavel Jánský – IT Director Pavel Teplý – Director of Risk Management and Analysis Renata Kapicová – Marketing Director Andrea Gulová – Personnel Director
Principal business:	Overall management of regional companies of Home Credit Group in areas of marketing, sales, financial management and corporate finance, credit risk management, personnel policies, and unified IT support, including providing for the development of new Group systems

Home Credit Group is active in the Czech Republic, Slovakia, and the Russian Federation through the companies Home Credit Finance a.s., Home Credit Slovakia, a.s., and Home Credit & Finance Bank, limited liability company, respectively. The key year in the history of this strong international group in Central & Eastern Europe was 2002, when it successfully expanded into the Russian Federation. Its accomplishments to-date make Home Credit Group a leader in all three of its key markets. The management company of Home Credit Group is Home Credit International a.s. Its principal businesses are strategic management of the Group's key activities and projects, international expansion, conceptual unification of operating policies and procedures, and consulting support.

In this manner, the activities of Home Credit Group in the respective countries are coordinated in the areas of financial management, corporate financing, information technologies, management and administration of credit risk, marketing, communications, and human resources policy. The Group's further dynamic growth is supported by a strong financial platform. The companies of Home Credit Group are majority owned by PPF Group.

Home Credit Finance a.s.

	Home Credit Group is a leader in all its key presence markets, i.e. the Czech Republic, Slovakia, and Russia. In the Czech Republic, Home Credit Finance a.s. with its 27% market share is the number-two consumer financing company.
Area of business:	consumer finance
Date of inception:	5 February 1997
Registered capital:	CZK 300 million
Shareholders' equity:	CZK 342.9 million
Assets:	CZK 9,084.7 million
Auditor for 2004:	KPMG Česká republika Audit, s.r.o.
Board of Directors:	Miloš Stibor – Chairman (as of 1 May 2005) Robert Potáč – Vice-Chairman Pavel Plachký – Member (as of 1 May 2005)
Supervisory Board:	Ladislav Chvátal – Chairman Karla Henčlová – Member Pavel Pfauser – Member
Company management:	Miloš Stibor – CEO Martin Vetyška – Executive Director Sales Karla Henčlová – Executive Director Active Trading Management Milan Dočkal – Executive Director Finance
Principal businesses:	provision of purpose- and non-purpose-bound financing through consumer credit and revolving loans

In 2004 Home Credit Finance a.s. completed seven years of success in the Czech Republic consumer finance market. Over this period, it has become a well-respected provider of consumer credit and revolving loans. Like in previous years, the activities of Home Credit Finance a.s. in 2004 led to further strengthening and reinforcing of the company's position, not just in the Czech market, but also within the Group itself, and to successful development in foreign markets.

The Year 2004

Thanks to an extensive distribution network, a segmented product portfolio, and an active approach to managing the client portfolio, Home Credit Finance a.s. has seen steady, dynamic growth. In 2004 it financed a total of CZK 6.24 billion in client purchases, up 20% from the previous year. With a market share of 27%, the company reinforced its position as the number-two player. Also of significance is the ever-rising number of clients, which demonstrates the ongoing popularity of the company's credit products and their accessibility for consumers. By year end 2004 nearly 992,000 customers had utilized the services of Home Credit Finance a.s.

Corporate Restructuring of the Group

In addition to doing business in the Czech Republic, Home Credit Finance a.s. also acts as a holding company for Home Credit & Finance Bank, limited liability company and Home Credit B.V.

In May 2004, a corporate restructuring plan for Home Credit Group was approved. The new Group structure will consist of companies that engage in business operations in individual country markets, all under Home Credit B.V. as holding company. In November 2004, Home Credit Finance a.s. was transformed, as planned, by investing the stake in Home Credit Slovakia, a.s. as a contribution to the capital of Home Credit B.V., giving Home Credit Finance a.s. a 94.6% stake in the equity of Home Credit B.V.

Positive Earnings

The success of Home Credit Finance a.s. in 2004 is demonstrated by both its sales and financial performance figures. Overall net client receivables at 31 December 2004 totaled CZK 7.7 billion and lending volume for the year was CZK 6.24 billion. Since 2001 the company has posted positive earnings and increased its performance every year.

Expanded Offering of Products and Services

The objective of Home Credit Finance a.s. is to continually expand and innovate its offering of financial services. The company specializes in two basic products – consumer credit and revolving loans. Purpose-bound consumer loans are the traditional product of Home Credit Group. Last year's successful Christmas offering was the newest addition to the consumer credit portfolio. Clients could take advantage of a three-month interest-free grace period or begin to pay installments up to three months after signing the credit contract.

An important role was played by universal products such as, most importantly, cash loan products that give clients a great degree of flexibility and make it easy for them to gain access to cash thanks to the company's large number of contact locations. Since the launch of the revolving loan product in 2000, sales of the product

have grown and it continues to show good potential for future growth. In 2004, revolving loans accounted for 53% of Home Credit Finance's business – a total of CZK 3.3 billion. The revolving loan product is now linked to the silver Home Credit card, which replaced the YES card in October 2004.

The newest addition to the company's product portfolio was launched in November 2004 with the opening of the first sales location to offer "Prepaid Cards," an entirely new type of credit instrument in the Czech Republic. Prepaid cards that are manufactured without the cardholder's data, making it possible to react flexibly to client needs, including international acceptance and security (PIN, signature band, and 100% authorization).

Credit Rating

Home Credit Finance's strong position in the market for revolving loans and consumer credit in the Czech Republic, the extensive and segmented distribution network for its products, and the expertise and know-how it has gained in the Czech consumer credit market were recognized in November 2004 by CRA Rating Agency (affiliated with the worldwide agency Moody's Investors Service). It gave the company its first ever rating, a short-term CRA Rating of czP-2, indicating a relatively strong capability to meet obligations on time and in full.

Focus on the Client

In 2004, great emphasis was placed on building up and reinforcing the perception of the company's brand as a stable and highly flexible company with a customer-oriented approach. In conjunction with this, 2004 saw a unification of the brand's communication and visual concept in all markets where the Group operates, i.e., including the Czech Republic. Another strategic objective was to focus on the existing client base. Last year as always, all the company's activities centered around an offering of easily available products and services. Much attention was paid to comprehensive, high-quality client services, leveraging synergies with the Group's regional companies in the areas of finance, personnel, marketing, know-how sharing, distribution channels, etc.

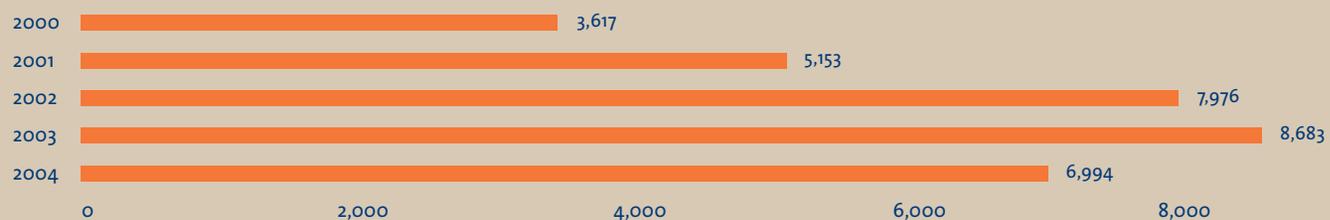
Outlook for 2005

The success of 2004 is a challenge for Home Credit Finance a.s. and, at the same time, another step in building our market position. On the other hand, it is also a commitment to fulfilling our mission of providing high-quality services, professionalism, and care for all clients, business partners, and our employees. In the year to come, a key emphasis will be on positioning the company, opening up further distribution channels for the portfolio of existing and innovated products, disciplined risk management, and focus on the existing client base. Strategic objectives in the sales are will at the same time be supported by ongoing innovation and automation of management and executive processes and, last but not least, by obtaining financing for our own activities. In 2005–2006, further changes will be made in the equity structure, which will be characterized by local companies operating Home Credit Group's business activities in individual regional markets under the holding company Home Credit B.V. Business operations in the Czech Republic will be taken over by Home Credit a.s., which will be created by splitting the existing company Home Credit Finance a.s. into two companies: one for operations and the other a holding company.

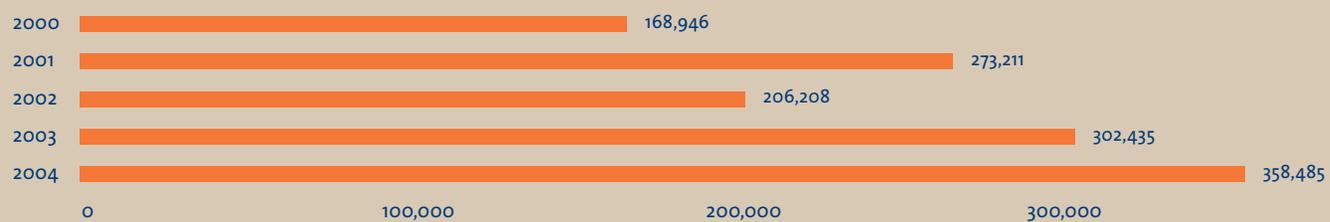
Lending Volume 2000–2004 (CZK billions)



Number of Sales Outlets 2000–2004



Number of Agreements Signed – Consumer and Revolving Loans (Cards Activated) 2000–2004



CRA Rating Agency

Date	Long-term International Rating	Long-term Local Rating	Short-term Rating	Outlook
20. 8. 2004	Ba+	czA	czP-2	stable

Home Credit Slovakia, a.s.

	Home Credit Slovakia, a.s. is the leader in the Slovak consumer finance market.
Area of business:	consumer finance
Date of inception:	27 October 1999
Share capital:	SKK 100 million
Shareholders' equity:	SKK 74.8 million
Assets:	SKK 3,754.7 million
Auditor for 2004:	KPMG Slovensko spol. s r.o.
Board of Directors:	Jiří Bádr – Chairman (until 8 April 2005) Miloš Stibor – Member Alena Mudříková – Member
Supervisory Board:	Robert Potáč – Chairman Pavel Teplý – Member Kvetoslav Kučerák – Member
Company management:	Jiří Bádr – CEO Michal Jonák – Director, Economy and Finance Section Martin Veťýška – Director, Sales Section Martin Siblík – Director, Marketing Section Pavel Zemaník – Director, IT and Research Section Katarína Behulová – Director, Contracts Administration Section Andrea Gulová – Head of Personnel and Operations Stanislav Vytykáč – Head of Controlling Kvetoslav Kučerák – Head of Security
Principal businesses:	provision of purpose- and non-purpose-bound financing through consumer credit and revolving loans

In 2004, Home Credit Slovakia, a.s. completed its fifth year in business in Slovakia. Over this period, it has developed rapidly and positioned itself as the leading non-bank player in the consumer finance market.

The Year 2004

The year 2004 confirmed once again that the company has not lost its dynamism. In the consumer credit segment, the company's lending volume advanced to SKK 1.568 billion, up 7% from the previous year. A significant driving force behind this success was work with the client base, and many clients made repeat use of the product. These repeat clients accounted for 37.5% of overall new

business. Another major accomplishment was the acquisition of new clients, which was successful thanks to our attractive product range. Of no small help in this regard was improved marketing communication, including two strong television campaigns: the "Two Forms of Identification" campaign in the spring and the Christmas campaign, which was linked to the "Extended Grace Period" product. The success of consumer credit would not have been achieved without the high-quality network of business partners through whom the product is offered. Last year, we not only stabilized this network – we further expanded it as well.

Another key company product is the revolving loan, provided through full-fledged credit cards. This product saw a change in its

visuals last year. The YES revolving card was replaced by the silver Home Credit card. Both products combined saw lending volume increase to SKK 1.344 billion, up 33.4% from the previous year. A factor contributing to this accomplishment, and no small one at that, was the newly opened “Brokerage Networks” distribution channel. Although it was launched in late 2003, its full impact on company performance did not kick in until 2004. During the year in question, 100,259 new clients made use of Home Credit Slovakia, a.s. products.

In the product area, 2004 saw the company continue with its strategy of continually coming out with new, attractive products, both in acquisition initiatives and in the loyalty program for existing clients. Once again in 2004, the company launched a number of innovated consumer credit products nationwide, often linked to promotions. Access to revolving loans through DUO contracts was simplified; these contract allow a client who is entering into a customer credit contract to enter into a revolving loan contract at the same time. Subsequently, provided the client meets the conditions, she or he receives a revolving loan card that can be drawn without any additional red tape. The DUO contract was promoted in the company's first ever use of telemarketing as a direct acquisition tool. The new channel was also fully opened for distribution of the revolving loan.

A major feature of 2004 was the Home Credit brand redesign, which was reflected in all of the company's marketing communications. The redesign was accompanied by a change in the visual appearance of the identification card used for repeat drawdowns of both consumer credits and revolving cards.

Credit Rating

The company's position and quality are attested to by its rating, which took place in December 2004. The rating process was conducted by CRA Rating Agency and its result was an increase in the long-term local credit rating from skA- to skA.

Syndicated Loan

A crucial event in 2004 was the signing of a SKK 3.4 billion syndicated loan. By entering the syndicated loan agreement, the financing institutions declared their confidence in the company's business model, backed up by many years of experience, as well as their trust in the future potential of the consumer credit market.

In late 2004 there was a change in the majority shareholder to Home Credit B.V., which immediately proceeded to increase the basic share capital by SKK 40 million to SKK 100 million.

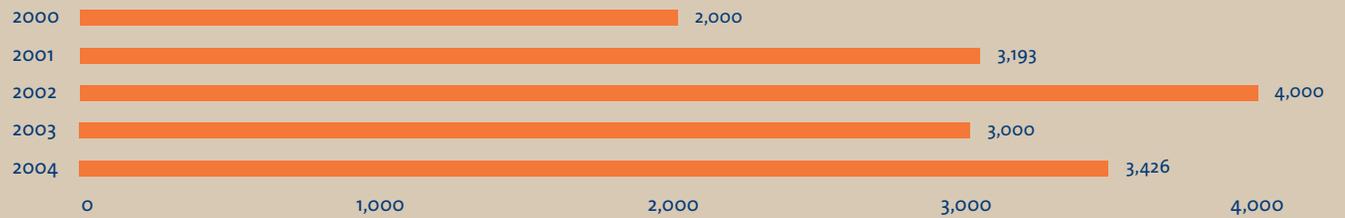
Outlook for 2005

The company has an optimistic outlook for the years to come. The seeds of positive developments to come can be seen in both the consumer finance market, driven by the overall economy which has undergone a period of restructuring and has everything it needs for sustained growth, and the company Home Credit Slovakia, a.s. itself, which is prepared to make all changes necessary to effectively leverage its client portfolio, optimize processes, improve marketing communication, energize its product portfolio, and cut costs.

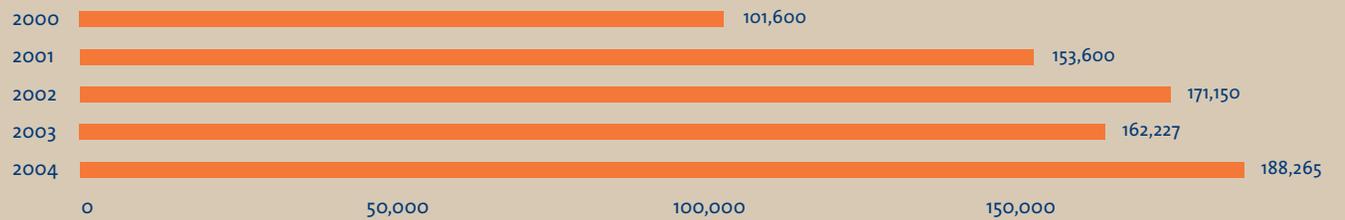
Lending Volume 2000–2004 (SKK millions)



Number of Sales Outlets 2000–2004



Number of Agreements Signed – Consumer and Revolving Loans (Cards Activated) 2000–2004



CRA Rating Agency				
Date	Long-term international rating	Long-term local rating	Short-term rating	Outlook
9 December 2004	–	skA	skP-2	stable
20 October 2003	–	skA-	skP-2	stable
8 August 2002	–	skA-	skP-2	stable

Home Credit & Finance Bank, limited liability company

	Home Credit & Finance Bank, limited liability company was the first foreign bank in the Russian Federation to begin specializing in consumer loans. During the short period of its existence, it has become the number-two player in the Russian consumer finance market.
Area of business:	consumer finance
Date of inception:	19 June 1990
Registered capital:	Rub 173 million
Shareholders' equity:	Rub 2,768.2 million
Assets:	Rub 25,828.7 million
Auditor for 2004:	KPMG Limited
Board of Management:	Andrei Vladimirovich Lykov – Director and Chairman Václav Soukup – First Vice-Chairman Stanislav Staněk – Vice-Chairman Dimitri Vladimirovich Mosolov – Vice-Chairman Tatiana Vladimirovna Gordeeva – Member
Board of Directors:	Stanislav Staněk – Chairman Robert Potáček – Vice-Chairman Ladislav Chvátal – Member Petr Milev – Member Zdeněk Štika – Member
Memberships:	Association of Regional Banks “Russia” Moscow Interbank Currency Exchange (MICEX) – since 14 October 2003, certificate no. 653 Association of Russian Banks – since 9 October 1991, reg. no. 222
Principal businesses:	provision of purpose- and non-purpose-bound financing through consumer credit and revolving loans

Consumer finance services in Russia are offered by Home Credit & Finance Bank, limited liability company. Although it has only been in business for less than three years, the Bank has occupied the number-two position in the market, gained the trust of 3.5 million clients, and built up long-term, mutually beneficial relationships of cooperation with business partners who offer the services of Home Credit & Finance Bank, limited liability company at over 10,000 sales outlets in 900 cities throughout the Russian Federation.

At year end 2004, Home Credit & Finance Bank, limited liability company had a 31% share of the consumer credit market and was only a couple percentage points behind the market leader. In 2004, the Bank's loan portfolio reached Rub 18.4 billion and its total assets according to International Accounting Standards reached Rub 25.8 billion.

The Bank's performance and business model have also found recognition in the capital markets. Rating agencies have praised the Bank's management system, which relies on Home Credit Group expertise gained in the Czech Republic and Slovakia and on the support that Home Credit & Finance Bank, limited liability company gets from the Česká pojišťovna and PPF Groups. Home Credit & Finance Bank, limited liability company obtained a long-term rating of Ba3 from Moody's and a B- from Standard & Poor's. The outlook for both ratings was stable.

In 2004, Home Credit & Finance Bank, limited liability company obtained financing from domestic financial markets and prepared for the first foray of a member of Home Credit Group into international markets. In October 2004, the company came out with its first domestic bond issue (Rub 1.5 billion) and in January 2005 this was followed by its first Eurobond issue (USD 150 million). The fact that investors perceive Home Credit & Finance Bank, limited liability company as an attractive investment opportunity is attested to by demand from 15 countries that exceeded the Eurobond issue volume by 1.5 times. The Bank's second domestic bond issue of Rub 3 billion was released in May 2005.

In 2005 Home Credit & Finance Bank, limited liability company plans to continue to grow its operations. The Bank intends to support the consumer credit business by expanding its sales network into more Russia cities and regions. Home Credit & Finance Bank, limited liability company will also work with its existing clients through loyalty programs. The principal measure of success is the continuing growth in market share, and Home Credit & Finance Bank, limited liability company will endeavor to take over the number-one position.

Drahomír Josef Růžička Steamboat





Companies Managed by PPF – Banking

Senior Management

Luboš Černý

Chairman of the Board and CEO, eBanka, a.s.

Born in 1970; a graduate of the Czech Technical University, Prague, Faculty of Nuclear and Physical Engineering, specialization in mathematical engineering. Joined the Czech National Bank in 1993, where he worked in hard currency reserves management. In 1994–1999, he worked for Komerční banka, a.s., where he headed up the Trading and Bank Risks Departments. In 1999, he joined Konsolidační banka, s.p.ú. to work in restructuring of bad debts. Afterwards, he did a short stint at Československá obchodní banka, a. s. In September 2002, he was named Executive Director Finance of eBanka, a.s., where he first became a Member of the Board of Directors and later, in November 2003, was appointed Vice-Chairman of the Board. He has been Chairman of the Board and CEO of eBanka, a.s. since August 2004.

Petr Milev

CEO, PPF banka a.s. (as of 1 June 2005)*

Born in 1968; a graduate of the Charles University in Prague, Faculty of Mathematics and Physics. In 1993–2000 he worked as an investment banker for Komerční banka, a.s., BNP-Dresdner Bank ČR a.s. and Conseq Finance s.r.o. In 2000 he joined PPF Group, where he has worked in various management positions, most recently as Executive Director Global Markets at PPF a.s. In this position, he was responsible for managing the financing strategy of PPF's global projects in Europe and Asia. He is a member of the Prague Stock Exchange Chamber and the Investment Committee of the Czech Insurers Bureau.

* Zbyněk Babor – CEO, PPF banka a.s. (until 31 May 2005)

	eBanka, a.s. is a universal bank for well-to-do private individuals and small and mid-sized companies. It offers its clients a unified portfolio of financial products and services with an emphasis on the use of direct banking.
Area of business:	banking services
Date of inception:	29 December 1990 (Zemská banka, a.s.)
Market launch:	4 May 1998
Share capital:	CZK 1.145 billion
Shareholders' equity:	CZK 943 million
Assets:	CZK 13.87 billion
Auditor for 2004:	KPMG Česká republika Audit, s.r.o.
Board of Directors:	Luboš Černý – Chairman (as of 14 August 2004) Petr Pištělák – Vice-Chairman (as of 14 August 2004) Alexandr Borecký – Member Petr Řehák – Member (as of 1 June 2004) Igor Helekal, MBA – Member (as of 17 December 2004)
Supervisory Board:	Ladislav Chvátal – Chairman Ladislav Bartoniček, MBA – Member Václav Šrajzer – Member (as of 2 April 2005) Kamil Ziegler – Member (as of 13 August 2004) Ivana Finková – Member (as of 7 September 2004) Roman Knaus – Member (as of 5 February 2004)
Bank management:	Luboš Černý – CEO (as of 14 August 2004) Petr Pištělák – Executive Director Marketing and Products (as of 14 August 2004) Alexandr Borecký – Executive Director Risk Igor Helekal, MBA – Executive Director Operations (as of 1 July 2004) Petr Řehák – Executive Director Sales Martin Kolouch – Executive Director Finance (as of 1 September 2004) Jaroslav Kafka – Executive Director IT Administration and Operation Milan Drbohlav – Executive Director IS/IT Development
Principal businesses:	provision of universal banking services

In 2004, eBanka, a.s. continued its intense marketing and sales activity focused on acquiring clients from upper-income groups and small and mid-sized companies. The objective was to grow market share in both of the key segments mentioned.

Completing the Sales Network

During 2004 eBanka, a.s. continued to build out its sales network. Nine new Client Centers were opened to serve retail clients, and the network of Sales Centers for corporate clients was completed. As a result, eBanka, a.s. currently has a network of 168 sales locations, including teller windows at branches of Česká pojišťovna a.s. The network is extensive enough to cover the needs of eBanka, a.s. clients throughout the Czech Republic.

Sales Policy

The priorities in client services in 2004 were to acquire new clients, to improve the quality of services to existing clients, and to make full use of cross-selling opportunities. eBanka, a.s. places great emphasis on strengthening its clients' trust and satisfaction. In client services, the Bank systematically applies relationship management principles; in all matters concerning the management of his or her finances, each client deals with a specific banker that knows the client's possibilities and needs. One survey shows that eBanka, a.s. clients are among the most satisfied bank clients in the Czech Republic.

Product Range

The eBanka, a.s. product portfolio reflects its focus on the key segments of well-to-do private individuals and small and mid-sized companies. The objective of eBanka, a.s. is to provide comprehensive services, as a universal bank, with an emphasis on the utilization of direct banking tools. By gradually expanding its offerings and enhancing its product parameters, eBanka, a.s. reacts to its clients' changing needs. One new feature added during 2004 was, for example, an increase in the number of different currency folders available on Personal and Business Accounts (up to ten). eBanka, a.s. also introduced another account log-in and control method; now clients can use their account via ordinary SMS messages from their mobile phone. In mortgages, additional options for the fixed interest-rate period were added, so that now eBanka, a.s. offers it anywhere from 1–7 years. In late 2004, eBanka, a.s. eliminated the administrative processing fee for unscheduled mortgage payments. The Bank made its line of bank cards more attractive during 2004 by substantially reducing the fee for stoplisting cards. The combination of the Inform Me! service, bank card locking, card insurance against abuse, and Internet bank card services constitutes the highest degree of bank card security available in the country, and it can be found only at eBanka, a.s.

Marketing Communication

In 2004 eBanka, a.s. further developed its successful client acquisition support model based on positioning eBanka, a.s. as the principal bank that the client uses for comprehensive management of his or her family or business finances – from banking

transactions to investing surplus cash. In support of this concept, eBanka, a.s. has already in the past began offering no monthly fees for those retail clients who have at least TCZK 15 per month in incoming transfers on their account. In 2004 this offering was expanded to include personal business accounts as well. The cut-off line for no monthly fees in this segment TCZK 45 or TCZK 150 in incoming payments per month (depending on the client's price program).

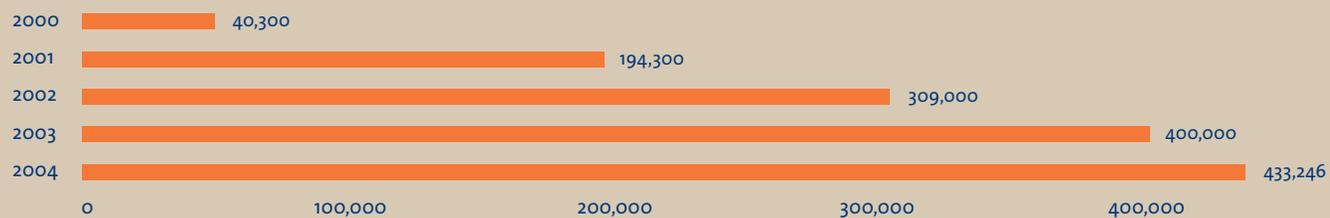
Sales Performance

eBanka's successful marketing and sales policy has led to increased client interest in the Bank's products and services. The Bank did especially well in the small and mid-sized businesses segment, in which it became the fifth biggest bank in terms of the number of clients for whom it serves as principal bank. Client deposits were up 34.2% over the previous year, and lending volume more than doubled.

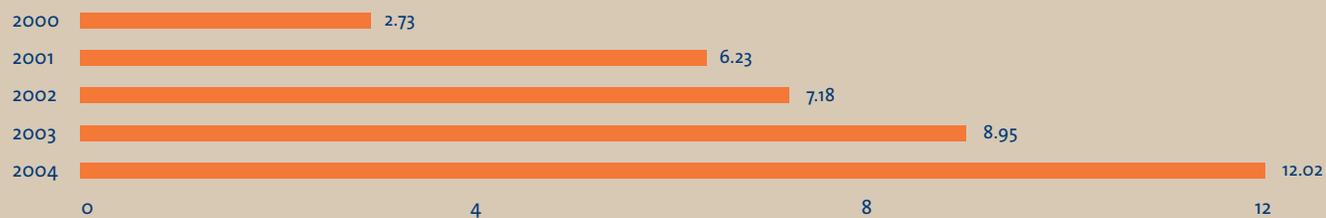
Strategic Plans for 2005

eBanka's priority in 2005 continues to be acquisition of new clients in both key segments, i.e. retail clients and small and mid-sized businesses. Systematic work with the existing client base will also be an integral part of eBanka's sales policy, and a number of new products, promotions, and other initiatives will target this client segment in 2005.

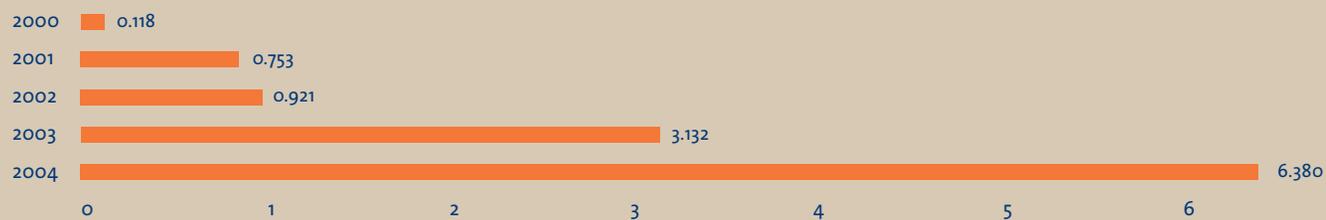
Number of Clients 2000–2004



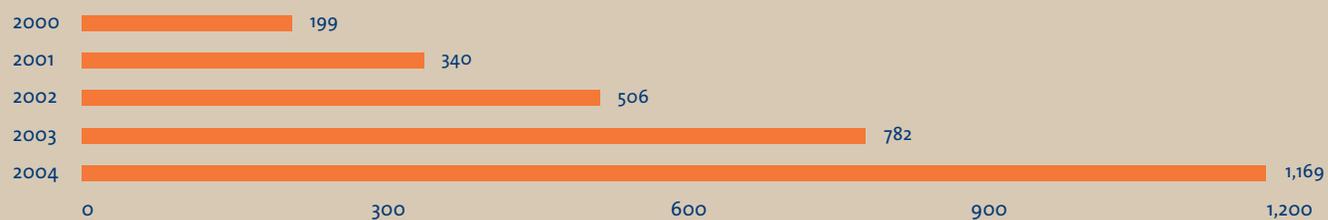
Deposits 2000–2004 (CZK billions)



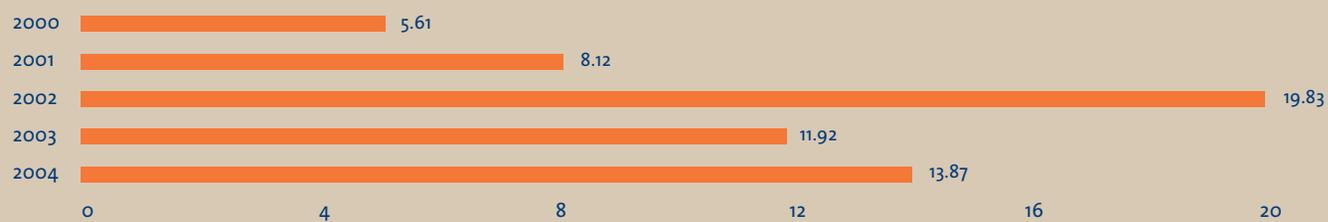
Lending Volume 2000–2004 (CZK billions)



Net Income from Banking Operations 2000–2004 (CZK thousands)



Total Assets 2000–2004 (CZK billions)



	PPF banka a.s. was established under a Founders' Deed dated 3 December 1992, without subscription of shares, under the business name ROYAL BANKA CS, a.s. The General Meeting of 14 December 1994 changed its business name to První městská banka, a.s., as well as changing the Bank's registered office and increasing its share capital and merging it with a special-purpose company set up for the establishment of První městská banka, a.s., all effective 31 January 1995. The Annual General Meeting of První městská banka, a.s. held on 23 June 2004 changed the Bank's name to PPF banka a.s. effective 1 September 2004.
Area of business:	banking services for the municipal and corporate sectors
Date of inception:	31 December 1992
Registered office:	Na Strži 1702/65, 140 62 Prague 4
Shareholders' equity:	CZK 1.267 billion
Shares:	unregistered, common stock, booked at the Prague Securities Center
Auditor for 2004:	KPMG Česká republika Audit, s.r.o.
Board of Directors:	Zbyněk Babor – Chairman (until 31 May 2005) Pavel Langr – Vice-Chairman František Dombek – Member (as of 29 July 2004)
Supervisory Board:	Jiří Šmejč – Chairman (as of 25 May 2005) Tomáš Brzobohatý – Chairman (between 29 July 2004 and 25 May 2005, remains as Member) Radovan Šteiner – Vice-Chairman (as of 29 July 2004) Jaroslav Melichar – Member Stanislav Kikoř – Member Karel Pražák – Member (as of 16 February 2005)
Bank management:	Petr Milev – CEO (as of 1 June 2005) Zbyněk Babor – Managing Director (until 31 May 2005) Pavel Langr – Operations and IT Division Director František Dombek – Trading Division Director Petr Polenda – Risk Management Division Director Pavel Hrdina – Financial Management Division Director Petr Jirásko – Financial Markets Division Director (as of 30 April 2004) Bohuslav Samec – Trades Settlement Division Director (as of 10 August 2004)
Principal businesses:	banking, financial, and consulting services for the municipal and corporate sectors, securities trading

The principal focuses of PPF banka a.s. are financing for large and mid-sized corporations, municipal finance, consulting and investment services, and high-quality client care throughout the service range. The Bank continues in the operations of První městská banka, a.s., which positioned itself as a specialized municipal bank. After a majority stake in the Bank was sold to PPF Group, its purview was expanded to include services for corporates and investment services, securities trading in particular.

2004 was an important year for PPF banka a.s. One significant event was the change in the corporate name to reflect the Bank's new role as part of the PPF financial group. At the same time, the Bank proved its viability in the Czech banking market. It posted net earnings of CZK 102.8 million for the year. Of this figure, CZK 40.3 million was net income from the Bank's own business activity – up 68% from CZK 24 million in 2003. The key drivers of the growth were increased sales activities, especially in corporate

banking, as well as the launch of trading activities in the financial and capital markets. The company's priority for 2004 was to make structural changes in its assets. Lending volume increased to CZK 4.8 billion, up 12% from the previous year's figure. A significant factor stimulating the Bank's growth in 2004 was the completion of the restructuring of all key business processes and subsequent growth in the number of employees from 86 to 108.

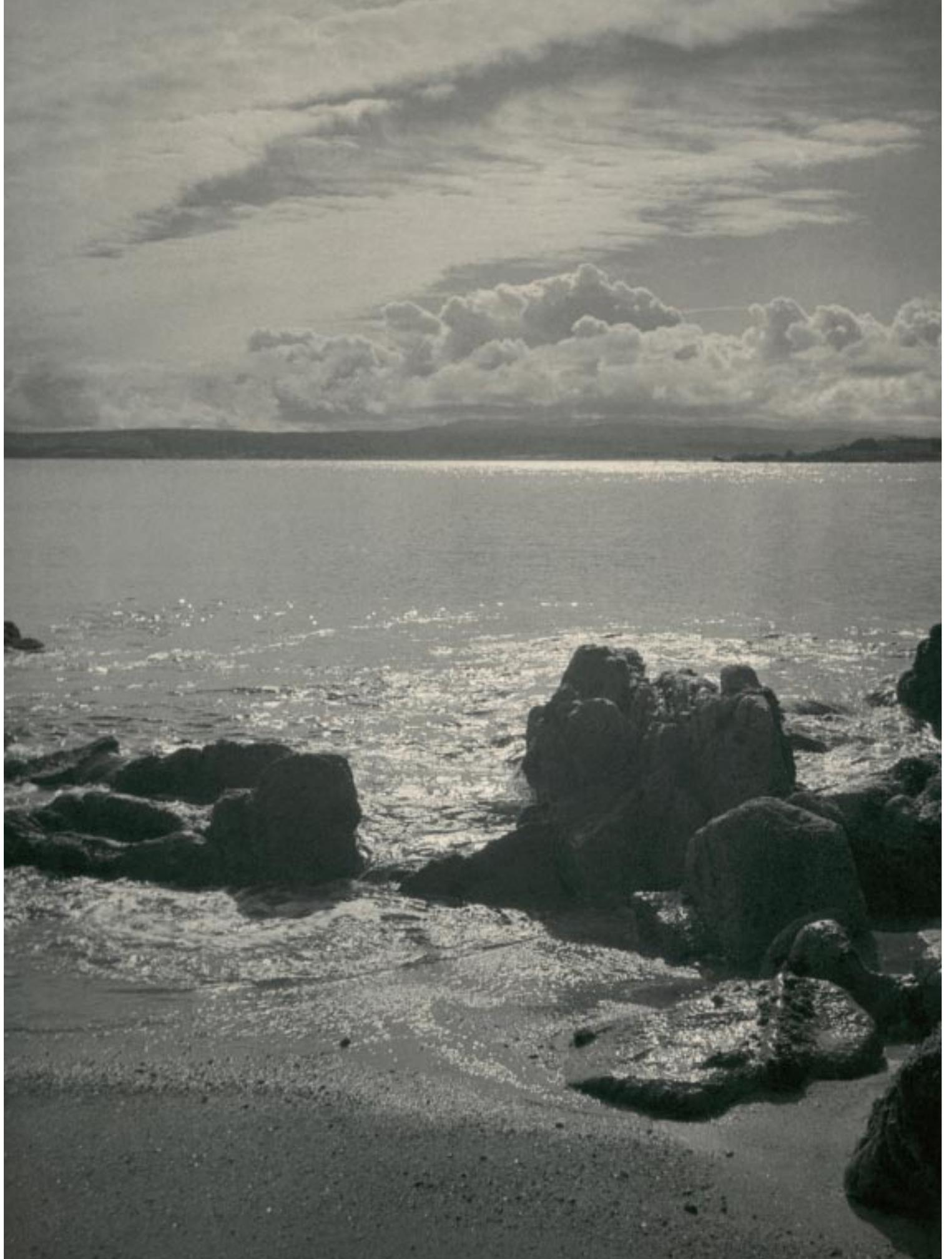
In the municipal and public finance segment, PPF banka a.s. acquired several major clients for both active and passive business. In 2004, the Bank continued to provide consulting to clients in this segment. In the corporate finance segment, the Bank focused primarily on providing financing to mid-sized and large Czech corporations with an emphasis on specialized types of financing tailored to meet the individual client's specific needs.

The Czech Republic's entry into the European Union in May 2004 has not yet had any direct impact on the Bank's financial performance. However, European Union accession did have an impact, especially in the legal area, with major changes to legislation that has a direct influence on the Bank's day-to-day business activities in certain areas. The Bank was prepared for the growth in short-term interest rates and the decline in long-term Czech Koruna interest rates that occurred in the second half, and these developments had no impact on the Bank's financial performance. The Czech economy's overall growth, in terms of GDP, had a positive influence on demand for certain banking products, such as those used in conjunction with construction and financing of real property.

In mid-2004, PPF banka a.s. obtained a full securities trading license. In the months that followed, the Bank took over securities trading functions from our sister company, PPF burzovní společnost a.s. and became the principal securities trader for the entire PPF Group. In late 2004, PPF banka a.s. was one of six market makers for Czech government bonds denominated in Czech Korunas. At the same time, the Bank is also a member of the Prague Stock Exchange. In 2004, the Bank did not do any active trading for its own account in currency markets for speculative purposes and, likewise, it did not engage in financial derivatives trading.

In the liquidity and solvency area, the Bank pursued a policy of not being dependent on PPF Group resources. In the area of information technologies and information systems, the Bank implemented back-up bank systems as well as all important components for ensuring business continuity.

In 2005, PPF banka a.s. plans to grow net income from the Bank's own business operations by over 200% while maintaining the existing structure of products and business policies. The last quarter of 2004, when the Bank achieved excellent results and its loan portfolio got into solid shape (at year end impairment allowances were at just 0.1% of the portfolio's face value), set the stage for this growth. Bank management does not envision any significant increase in the bank's work force in 2005, while the total assets figure is projected to grow by 26%. Return on equity is anticipated to exceed 11%. Market share in individual markets for active and passive financial products is not the principal means or objective of the Bank's business.



Specialized Companies of PPF Group

Management of PPF Group Specialized Companies

Kateřina Jirásková

Director and Member of the Board, PPF Asset Management a.s.

Born in 1974, Jirásková graduated from the Prague University of Economics, where she specialized in corporate finance and management. She began her career in 1997 as a Fixed Income Trader at Conseq Finance, a.s. and continued there as a Senior Fixed Income Trader and member of the Investment Committee. She joined PPF burzovní společnost a.s. in 2000 as Senior Portfolio Manager, and in 2003 she was appointed Senior Portfolio Manager at PPF Asset Management a.s. In 2004, Jirásková was named Executive Director and Member of the Board of PPF Asset Management a.s., one of the Czech Republic's top asset managers.

Radek Musil

Director and Member of the Board, PPF CONSULTING a.s.

Born in 1963, Musil is a graduate of the Prague University of Economics, where he specialized in finance. He joined Dresdner Bank CR in 1992. Later, in 1999–2004 he served on the bank's board of directors with direct responsibility for the investment banking function. In late 2004 he joined PPF CONSULTING a.s. as Executive Director.

Tomáš Krones

Chairman of the Board and Director, PPF majetková a.s.

Born in 1973; graduate of Prague University of Economics, major in accounting and corporate financial management. In 1996–1999, Krones worked at Komerční banka, a.s. in the marketing and communication section, where in his last position he headed up the sales support team. In 1999–2001 he worked for Konsolidační banka Praha, s.p.ú., whose interests he represented on the Supervisory Board of Neratovice-based SPOLANA, a.s. In 2001–2003 he was with Raiffeisenbank a.s. as Director of the management support division. He joined PPF a.s. in mid-January 2003, first as Director of Strategic Marketing and, starting December 2004, as Chairman of the Board and Executive Director of PPF majetková a.s. At the same time, Krones is a member of the Boards of Directors of Univerzální správa majetku a.s. and Zábavní a výstavní park a.s.

Miroslav Horský

Director, PPF (CYPRUS) LIMITED

Born in 1968, Horský graduated from the University of Economics in Bratislava, where he specialized in the economics of foreign trade. He also studied international financial markets at the Universidad Complutense in Madrid. After completing his studies, he worked as Director of the training department at the Bratislava Options Exchange and later was active in the private sector as a financial consultant. He joined PPF a.s. in 1997 and has been Executive Director of PPF (CYPRUS) LIMITED since 1999.

Pavel Lupínek

Acting Director, CM - CREDIT a.s.

Born in 1968; a graduate of the Charles University Law Faculty in Prague, he began his career as an attorney with 1. česko-americká realitní společnost a.s. In 1997 he joined Komerční banka, a.s. as Team Leader in the Restructuring department and, subsequently, in the special trades department. In 2001, he went into business on his own. He has been Acting Director of CM - CREDIT a.s. since October 2004.

Milan Krob

Director, AB - CREDIT a. s.

Born in 1964; a graduate of the University of Economics, Prague, major in industrial economics. Began career in 1986 with ČKD Elektrotechnika, where he worked until 1992. Thereafter he held management positions in the companies GENNEX, a.s., Evrobanka a.s., AZ Komplex, s.r.o., and Alkona Invest CZ a.s. In April 1999 he was appointed Executive Director of ČP Leasing, a.s., and in January 2001 he became Executive Director and Chairman of the Board of Directors of CM - CREDIT a.s. He has been Executive Director of AB - CREDIT a. s. since October 2003.

Area of business:	asset management, consulting, trading in investment instruments, subscribing or placing issues of investment instruments
Date of inception:	3 December 1997
Address:	Na Pankráci 1658/121, 140 21 Prague 4
Share capital:	CZK 52 million
Auditor for 2004:	KPMG Česká republika Audit, s.r.o.
Board of Directors:	Kateřina Jirásková – Member (as of 15 June 2004) Petr Milev – Member (until 14 June 2004)
Supervisory Board:	Jiří Šmejč – Chairman (as of 1 March 2005) Jan Blaško, MBA – Chairman (until 31 August 2004) Petr Polenda – Member Karel Novák – Member Leoš Pýtr – Member (until 29 April 2004)
Company management:	Kateřina Jirásková – Director
Principal business:	managing portfolios for institutional clients and providing related services, investment consultancy in the area of investing and asset management

2004 was a year a major changes for PPF Asset Management a.s. Early in the year, company management decided, in accordance with the original PPF Group strategy under which PPF Asset Management a.s. is to specialize primarily in asset management, to terminate the company's membership of the Prague Stock Exchange. In accordance with this strategic decision, the membership was transferred to První městská banka, a.s. (as of 1 September 2004 PPF banka a.s.) effective 21 April 2004. Significant changes were also made during the year in the company's Supervisory Board and management (in the position of Executive Director), as well as in the Board of Directors. The new management was tasked with ensuring the further dynamic development of the company's operations as a specialized asset manager. A no less important task for the company was to successfully comply with all the major amendments to capital markets legislation brought about by the Czech Republic's joining the European Union. In addition to a number of changes that had to be made in the company's internal processes to address this extremely significant event, the company also applied for a change in its securities trading license. Under a decision of the Securities Commission that entered into legal force on 19 November 2004, the company's license was successfully brought into compliance with the new Act No. 256/2004 Sb. on Doing Business in the Capital Market.

Despite all the changes described above that the company had to deal with in 2004, we continued to endeavor to further improve the quality of services provided to our existing clients. This included, in particular, further expanding the range of investment instruments used in portfolio management, with the aim of optimally raising returns for clients without changing the risk level of the investments, as well as acquiring new clients. In this latter effort, the company was successful – we acquired new major clients which, like the existing clients, were recruited mainly from the ranks of institutional investors (supplemental pension insurance and reinsurance), only now they were recruited from throughout the entire European Union.

Asset Management

At year end 2004, the company managed a total of CZK 105.9 billion in client assets (CZK 3.9 billion per employee), which according to figures provided by the Capital Market Association makes it the leading Czech asset manager specializing in individual portfolio management. Nearly 100% of the company's clients are institutional investors (financial institutions such as insurance companies, reinsurance companies, pension funds, etc.). The growth in assets under management was achieved both by acquiring new clients and through high-quality management. Cash funds entrusted to the company were invested with an emphasis

on a high degree of qualitative portfolio diversification, the use of both European and worldwide standard investment instruments, and on close monitoring of individual portfolios combined with risk management.

Portfolio Performance in 2004

Like in the previous year, the company managed money market-type portfolios, bond portfolios with a duration of 2 years and up, equity portfolios focused on the Czech equity market, equity portfolios concentrated on Europe and the USA (with a small share of emerging markets investments), and mixed portfolios which are managed using a range of investment instrument categories.

The top performing portfolio in 2004 was the equity portfolio containing investments in the Czech Republic. Overall, the return on equity portfolios was in the range of 8.7–39.3% p.a. Money-market, bond, and mixed portfolios brought clients returns of 3.5–13.7% p.a. This excellent performance puts the company squarely among the top asset managers in the Czech Republic.

Other Information on the Company

The company's share capital is CZK 52 million, its shareholders' equity as at 31 December 2004 exceeded CZK 137 million. In 2004 the company posted a profit of CZK 108 million (CZK 76 million after tax), nearly double the previous period's profit, and net income per employee was CZK 2.8 million.

Activities in 2005

PPF Asset Management's most important objective in 2005 is to reinforce our position as the Group's central asset manager. To this end, the company's strategy will focus on acquiring new clients, especially from among the Group's subsidiaries both in the Czech Republic and other European Union countries. This will make a

major contribution toward fulfilling the company's principal strategic task in the Group – it will build a “center” for making decisions on the investment of surplus cash resources, which will utilize a comprehensive range of financial market investment instruments that are available in the Czech Republic, the European Union, and elsewhere in the world. In this respect, the company intends to offer its current and potential clients services that are fully up to European Union asset management standards. 2005 will be yet another step for the company towards perfecting and expanding its client services by identifying new potential investments and acquainting clients with the investment opportunities offered by worldwide capital and money markets.

Another, equally important task will be to complete the process of harmonizing the company's compliance with legal requirements under Czech and European law following the changes that took place in 2004 and those to come in 2005.

One challenge for the company in 2005 will be to implement a new trading system. This move will raise the quality of our services and further improve data security and protection.

All of these and other change will bring about further improvements and expansion in the range of services provided by the company, the goal being to strengthen relationships, improve communications, and achieve higher returns on the assets managed by the company on behalf of existing clients, putting us in a substantially better position to acquire new clients. At the same time, the achievement of all of the above objectives will reinforce the company's position among the top asset managers in the Czech Republic.

Assets Under Management 2000–2004 (CZK billions)



Area of business:	management of PPF Group investment projects
Date of inception:	18 November 1996
Address:	Na Pankráci 1658/121, 140 21 Prague 4
Share capital:	CZK 1 million
Auditor for 2004:	KPMG Česká republika Audit, s.r.o.
Board of Directors:	Aleš Minx – Member Radek Musil – Member (as of 1 December 2004) Tomáš Brzobohatý – Member (1 August – 30 November 2004) Jan Blaško, MBA – Member (until 31 July 2004)
Supervisory Board:	Lubomír Král – Chairman František Tlustoš – Member Lenka Šafránková – Member
Company management:	Radek Musil – Director (as of 7 December 2004) Tomáš Brzobohatý – Director (until 6 December 2004)
Principal business:	management of PPF Group investment projects, investment consulting, corporate finance, private equity, management of non-strategic holdings

In 2004, PPF CONSULTING a.s. further positioned itself as a management company for non-strategic assets. Throughout PPF Group, PPF CONSULTING a.s. is in charge of identifying, executing, and managing investment opportunities that have a good risk-return ratio and that are compatible with the Group's overall strategy. With the exception of financial institutions, which are the Group's strategic assets, the company covers investment opportunities across a variety of sectors and economic activities. The company focuses in particular on investments that can give it a leading position in a given field, or in which we see considerable potential for growth.

Currently, PPF CONSULTING a.s. provides investment consulting services to several companies in the Group. Although the company's experts do see, according to the investor's requirements and goals, investment opportunities in a wide variety of areas from production and manufacturing-oriented companies to services and even real estate, in all cases each new potential acquisition must exhibit a favorable ratio of risk to return.

When evaluating new opportunities, the management of PPF CONSULTING a.s. can rely on an in-house team of highly experienced analysts. The basis for making decisions is a qualified valuation of companies based on an assessment of their existing and projected business model as well as an evaluation of the economic environment in which they operate.

In order to realize individual investment opportunities, project teams are formed in which the Group's experts work together with leading attorneys, auditors, and other professionals.

In managing investment targets, enormous emphasis is placed on selecting expert managers that are capable of growing overall shareholder value. Management of companies keep in contact with representatives of PPF CONSULTING a.s. who sit in the companies' statutory and supervisory boards, where they work with managements in pursuit of shareholder interests. Company representatives also deal with issues relating to corporate governance, financing, reporting, etc.

PPF majetková a.s.

	The company is one of largest private entities in the Czech Republic that is involved in comprehensive real property management.
Area of business:	real property management and development
Date of inception:	8 June 1995
Address:	Purkyňova 74/2, 113 04 Prague 1
Share capital:	CZK 1.27 million
Assets under management:	CZK 8.123 billion
Auditor for 2004:	KPMG Česká republika Audit, s.r.o.
Board of Directors:	Tomáš Krones – Chairman (as of 1 December 2004) Petr Javůrek – Chairman (until 30 November 2004) Marta Horáková – Member Jan Andrlík – Member (as of 1 April 2004) Taťána Panýrová – Member (until 25 March 2004)
Supervisory Board:	Milan Maděryč – Chairman František Tlustoš – Member Aleš Minx – Member
Company management:	Tomáš Krones – Director
Principal business:	management and development of real property, identifying profitable investment and development projects, development projects including their management and realization

PPF majetková a.s. manages all real estate projects of PPF Group. In terms of its scope, this activity can be compared to that of a real estate fund manager. In 2004, PPF majetková a.s. provided property management, realty services, construction project management, and economic analysis for all commercial properties in the company's portfolio in the Czech Republic. At year end 2004 the value of properties managed by the company exceeded CZK 8.1 billion. Despite a highly competitive business environment, the company's professional expertise and know-how have made it one of the biggest players in its segment of the Czech market.

In the area of management and development of real estate funds, in 2004 the company offered its clients primarily management of real estate portfolios owned by the clients themselves. Further, the company worked on clients' behalf to identify projects that have the potential to generate the desired returns. PPF majetková's biggest client in this area is Česká pojišťovna a.s.

Comprehensive Real Property Management

The basic service offering of PPF majetková a.s. encompasses all activities related to the management and development of real estate funds. The company's principal activities in this area include: real estate market research and analysis, identifying investment opportunities and evaluating them in terms of economic, legal and construction/engineering considerations, assessing investment plans and rates of return of various properties in clients' portfolios. At the same time, PPF majetková a.s. provides its clients other services, including facility management, securing leases for vacant space, purchase and sale of properties, and related marketing activities.

Long-term Stable Income

Income generated from leases of the real estate funds under management was stable in 2004. Measures implemented based on an evaluation of the rates of return on individual properties are leading to more effective property utilization and management, thereby further increasing the value of the real estate portfolio as a whole.

Construction and Development Projects

In 2004, PPF majetková a.s. completed a demanding renovation of the Tokovo Palace in Prague – Holešovice which preserved the architectural quality of the period the building was built (the 1970s) while bringing the property up to today's office building standards using state-of-the-art technologies.

The experience PPF majetková a.s. has gained over the years in managing real estate funds was also leveraged to acquire management of the real estate portfolio of RE INVESTMENT TRUST a.s., which purchased a set of sixty properties from Česká spořitelna a.s. PPF majetková a.s. played a significant role in the preparation and execution of this mass purchase, which is one of the largest transactions of its kind in the Czech realty market. Acquisition of management of these properties added nearly CZK 750 million worth of properties all over the Czech Republic to the company's management portfolio.

Active Portfolio Diversification

To diversify clients' real estate portfolios, PPF majetková a.s. focuses its attention on continually increasing rates of return. The completion of the Lázně Velké Losiny privatization process in March 2004 created another opportunity for PPF majetková a.s. to develop returns on the real estate portfolio. By transforming this formerly State-owned spa resort into a non-governmental healthcare provider, using the success of Sanatoria Klimkovice as a model, the company took another step in the active diversification of real estate portfolios it manages.

Management of Art Collections

In 2004, PPF majetková a.s. continued to manage the "Photographer in Garden" collection of artistic photographs and contributed to Prague's art scene by organizing exhibits in the Josef Sudek Studio in Prague's Újezd district, which the company also manages. After the new Česká pojišťovna Gallery in Spálená Street, Prague was opened in May 2004, PPF majetková a.s. was chosen to manage that gallery as well.

Restructuring

In late 2004, changes took place at PPF majetková a.s., the objective of which was to optimize the company's operations in the context of the entire PPF Group. The investment component of PPF majetková a.s., which deals mainly in acquisition and engineering/ development work, was spun off from PPF majetková a.s. and made part of PPF CONSULTING a.s.

PPF majetková a.s. continues to manage real property with a clear vision for how to grow rates of return. The company's preparedness to provide its services and know-how in this business area to clients outside the Group will be the driving force behind the strengthening of its position in the Czech Republic market.

PPF (CYPRUS) LIMITED

Area of business:	asset management and securities trading
Date of inception:	9 February 1998
License obtained:	1998 (from Central Bank of Cyprus)
Address:	Nicosia, Cyprus
Share capital:	USD 76,000
Assets under management:	USD 244 million
Auditor for 2004:	KPMG Cyprus
Board of Directors:	Miroslav Horský – Chairman Arlene Nahikian – Member Spyroulla Papaeracleous – Member Georgios Syrimis – Member
Company management:	Miroslav Horský – Director
Principal businesses:	providing financial services associated with asset management and securities trading

PPF (CYPRUS) LIMITED is a 100% subsidiary of PPF a.s. that operates at the international level. The company was established in early 1998. Like other members of PPF Group, it offers financial services relating to asset management and management of third-party portfolios in accordance with the laws of Cyprus. In 1998 the company obtained a license from the Central Bank of Cyprus to provide asset management services.

The company provides financial services to foreign investors who are interested in gaining exposure to and investing in the Czech capital market. Subsequently they provide for all aspects of managing investors' holdings in the Czech Republic. The principal aim is to offer foreign clients high-quality, professional management of their assets and ensure effective generation of returns on their investments over the desired time span. Assets under management of this Cyprus-based member of PPF Group total USD 244 million.

Area of business:	purchase, sale, and management of receivables
Registered office:	Křiženeckého náměstí 1079/5b, 150 00 Prague 5
Share capital:	CZK 2 million
Assets under management:	CZK 7 billion
Auditor for 2004:	KPMG Česká republika Audit, s.r.o.
Board of Directors:	Milan Krob – Chairman Karel Pražák – Member Vladimír Libich – Member
Supervisory Board:	Zbyněk Štěřba – Chairman Milan Včeliš – Member Tomáš Brzobohatý – Member (as of 1 September 2004) Jan Blaško, MBA – Member (until 31 August 2004)
Company management:	Pavel Lupínek – Acting Director (as of 18 October 2004) Ladislav Řezníček – Director (until 30 September 2004)

Comprehensive Asset Management

CM - CREDIT a.s. provides comprehensive services related to the management of bad debt, loan receivables in particular. The collection of these receivables can take place either out of court (e.g. restructuring of installments, settlement, sale of mortgaged property, or sale of the receivables themselves to third parties) or through the courts. For the latter route, the company utilizes all available legal remedies (bankruptcy proceedings, foreclosures, forced auctions), always with the goal of maximizing the present value of future income.

At present the company manages, in particular, receivables that we purchased from UNIVERSAL BANKA, a.s. (current face value CZK 260 million) in our own portfolio. We also manage receivables for the British company CITY INVEST LIMITED, which purchased them from Kreditní banka Plzeň, a.s. (current face value CZK 6.245 billion) and for AB - CREDIT a. s., which purchased the receivables from eBanka a.s. (face value CZK 183 million).

Activities in 2004

In 2004, CM - CREDIT a.s. continued its key activity – management of bad debt. The company has been in this business since 1996, and during that time we have purchased several debt portfolios from banks and acquired management over other portfolios belonging to third parties.

CM - CREDIT a.s. focused on managing receivables on its own balance sheet and on managing receivables for CITY INVEST LIMITED and AB - CREDIT a. s. The total volume of receivables managed was CZK 7 billion. The bulk of the portfolio consists of loan and leasing receivables. Late in the year, we took over the retail receivables of AB - CREDIT a. s., assigned from eBanka, a.s. During the year 2004, a total of CZK 105.8 million was collected on the receivables we manage. CM - CREDIT a.s. also participated in public tenders for the sale of receivables, especially by carrying out due diligence processes and drafting bid proposals for these tenders.

Activities in 2005

In 2005 we expect to complete most of the work involved in managing the portfolio of CITY INVEST LIMITED. Thereafter we will focus primarily on managing retail receivables for AB - CREDIT a. s. The company is also planning to participate in more public tenders for receivables both in the Czech Republic and abroad, both by itself and for the benefit of AB - CREDIT a. s. In particular, the company is preparing for upcoming tenders to be called by Česká konsolidační agentura and Konpo, s.r.o. and is also prepared to participate in tenders organized by banks and other financial institutions.

AB - CREDIT a. s.

Area of business:	administrative management and organizational/business services for private individuals and legal entities
Date of inception:	2 September 1991
Address:	Na Pankráci 1658, 140 21 Prague 4
Share capital:	CZK 2.0813 billion
Assets under management:	CZK 62.28 billion
Auditor for 2004:	KPMG Česká republika Audit, s.r.o.
Board of Directors:	Karel Pražák – Chairman Ladislav Řezníček – Member Pavel Lupínek – Member (as of 1 June 2005)
Supervisory Board:	Viktor Marek – Chairman Marie Tikalová – Vice-Chairman Petra Holešáková – Member
Company management:	Milan Krob – Director
Principal business:	receivables management, administration and management of equity interests, identifying investment opportunities

Many times already, PPF Group has demonstrated that it is a leader in acquisitions and comprehensive receivables management, which is a significant business area for the Group. In the past year, we demonstrated our position once again, through successful receivables management, our in-house team of experts and specialists, and by participating in more tenders for assignment of receivables at a time when a number of new, attractive investment opportunities arose in the market.

Reorganization

Following the decision to merge the company with ČP finanční služby a.s. with AB - CREDIT a. s. as the surviving company, on 30 August 2004 the sole shareholder approved the takeover of the assets and liabilities of ČP finanční služby a.s., approved the final financial statements of AB - CREDIT a. s. as of 30 December 2003 and the opening balance sheet as of 31 December 2003. At the same time, the sole shareholder decided that the company's post-merger share capital will be CZK 2.0813 billion.

Comprehensive Receivables Management

Results of Operations 2004

The principal task for 2004 – to collect on receivables won in the Česká konsolidační agentura tender for the biggest-yet debt package an amount equal to the amount invested – was fulfilled in November and by year end it had been exceeded by 18.2%. Overall collection volume since the beginning reached CZK 1.491 billion (CZK 1.239 billion of that in 2004) out of a CZK 29.211 billion portfolio. As of 31 December 2004, final settlement had been achieved on a portfolio of CZK 3.808 billion.

PPF Group participated in the above mentioned tender for the biggest-yet debt package with an aggregate face value of CZK 62.343 billion through its subsidiary AB - CREDIT a. s., which acquired the entire package of 2,773 receivables from a total of 1,605 debtors in bankruptcy.

New Acquisitions

During 2004, AB - CREDIT a. s. took part in most tenders for receivables portfolios, including tenders called by Union banka, a.s.

“in liquidation”, Agrobanka Praha, a. s. in liquidation, Konpo, s.r.o., and Slovenská konsolidačná, a.s.

In all of the tenders, AB - CREDIT a. s. submitted its bid based on its assessment of the tolerable degree of risk and with the objective of optimizing its return. Despite being competitive, these bids did not win in the respective tenders.

Based on an invitation from SINDAT spol. s r.o., AB - CREDIT a. s. participated in tender for sale of selected receivables of SINDAT Group. Since the transaction was advantageous and promised a good overall return, together with synergies that AB - CREDIT a. s. will be able to leverage, the company elected to purchase the entire package of receivables. The deal closed in early 2005.

On the strength of its receivables management expertise, AB - CREDIT a. s. was selected by the PPF financial group as the recipient of retail receivables of eBanka, a.s. originating from consumer loans and account overdrafts. The company took over the entire portfolio of receivables with an aggregate face value of CZK 183.8 million. In a similar fashion, the portfolio of AB - CREDIT a. s. was expanded to include receivables of ČP PARTNER, a.s. in liquidation in a total face value of CZK 6.484 billion, for a price set by an expert appraisal institute.

Management of Equity Interests

During 2004, AB - CREDIT a. s. continued to manage twelve equity interests. As part of a project to streamline the corporate structure of the PPF financial group, several of these interests were disposed of as non-essential. The Board of Directors approved transfers of shares in BEIT a.s. (former name LARGO a.s.), Carolina, a.s., InterLeasing a.s. in liquidation, Premiéra TV, a.s., Itec CZ, a.s. in liquidation, SPOL INN, a.s., TANEX, akciová spoločnosť, and AUTO MOTORS, a.s., none of which had been generating the required economic benefits either for the company or for PPF Group.

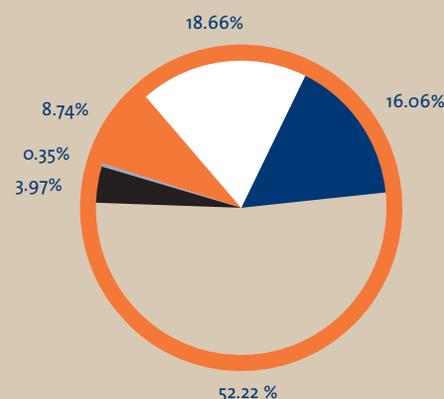
Activities in 2005

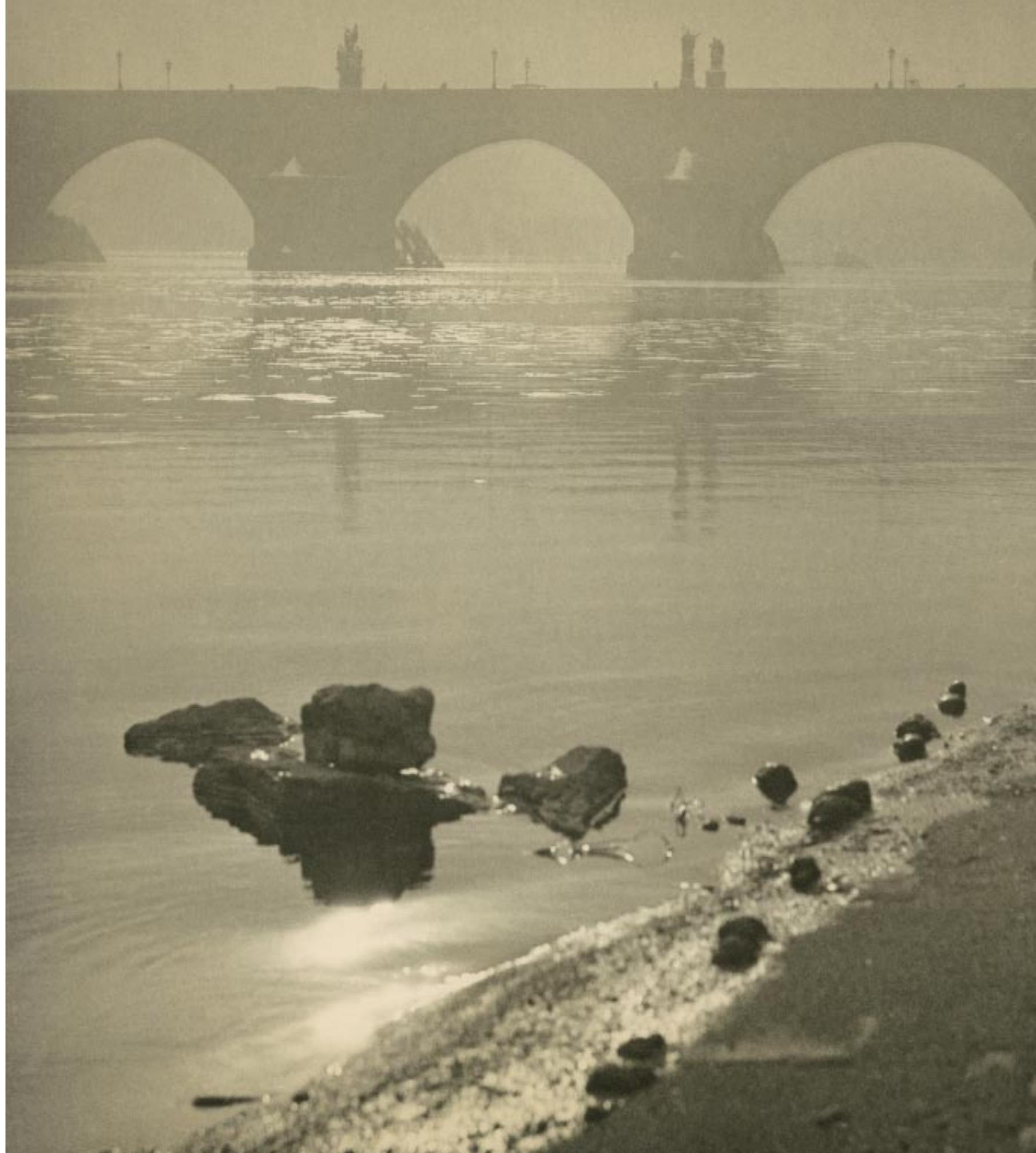
In 2005, AB - CREDIT a. s., as a specialized part of the PPF financial group with a high degree of specialized expertise and sufficient available economic resources, built on its past accomplishments by expanding its management portfolio and bringing in substantial debt collections. Through high-quality analytical preparation, the company is laying the groundwork for winning more tenders for assignment of receivables and entire debt portfolios, thereby fulfilling the long-term PPF Group strategy in this business segment.

The plan for 2005 envisions that AB - CREDIT a. s. will collect over CZK 800 million on debts already in its portfolio and that it will win yet again in tenders organized by the Česká konsolidační agentura, its subsidiaries, and others.

Breakdown of Amount Collected on Česká konsolidační agentura Package 05 in 2004

	CZK
Bankruptcy resolution	271,545,927
Partial resolution	233,783,497
Separate satisfaction	760,090,454
Collected from guarantors	57,739,363
Court fees refunded	5,083,662
Assignment of receivables	127,132,291







Drahomír Josef Růžička Stones

PPF Investment Projects

TV NOVA Group

In December 2004, PPF Group signed an agreement with Central European Media Enterprises Ltd. (CME, NASDAQ:CETV) on the sale of an 85% stake in TV NOVA to CME with Central European Media Enterprises Ltd. (CME). CME will pay approximately USD 630 million (CZK 14.549 billion) for the stake, USD 490 million (CZK 11.316 billion) in cash and the rest in the form of 3.5 million shares of CME stock. The exact purchase price will be subject to revision according to the results of an audit of the overall indebtedness and operating capital of TV NOVA.

This transaction makes PPF Group the second largest shareholder of CME with an approximate 11% economic interest and gives PPF access to media markets of Central & Eastern Europe.

PPF Group originally bought into TV NOVA in June 2002 with the aim of stabilizing and consolidating the television station. At the time, TV NOVA was the subject of a number of disputes that were making their way through the courts. PPF's objective was to resolve all the ownership relations, stabilize the station both financially and in terms of personnel, build high viewership ratings, and within 2–4 years find an appropriate strategic partner.

CME owns leading television stations in Central & Eastern Europe. The company was established in 1994 with the vision of supporting independent television broadcasting in the new democracies of the region. Currently, CME owns stakes in eight of the most popular television stations in five countries. Together with local partners, CME operates TV NOVA, TV in Croatia, PRO TV and Acasa in Romania, Markíza TV in Slovakia, POP TV and Kanal A in Slovenia, and Studio 1+1 in Ukraine. In the Czech Republic, CME was previously involved in TV NOVA during the period 1994–1999.

Senior Management of TV NOVA Group

Petr Dvořák, MBA

CEO, TV NOVA

(CET 21 spol. s r.o., Česká produkční 2000, a.s.)

Born in 1964; a graduate of the Czech Technical University in Prague, Faculty of Electrical Engineering, where he majored in technical cybernetics. In 1999, he was awarded an MBA from the University of Chicago. Dvořák joined PPF Group in 1999, as manager of the MTPL Insurance 2000 project at Česká pojišťovna a.s. In 2000–2001 he headed a new strategic project for the former EXPANDIA BANKA, a.s. (now eBanka, a.s.). As of 2002, he is responsible for the Group's media investments. After PPF gained a 50% stake in TV NOVA, Dvořák was elected to Board seats in the principal companies of TV NOVA Group. As of May 2003, he is CEO of CET 21 spol. s r.o., the company which holds the television broadcasting license and as of 1 January 2005 he is CEO and Member of the Board of Česká produkční 2000, a.s. as well.

Petr Chajda, MBA

Director of Acquisitions Section, TV NOVA

Born in 1967, Chajda is a graduate of the University of Economics, Prague, where he specialized in the economics of foreign trade. Later, he also completed a course of study at the Diplomatic Academy in Madrid. He began his career in KPMG spol. s r.o. as a Consultant. In 1999–2000 he led PPF's business operations in the Russian Federation. Starting in 2001 he served in PPF a.s. as Director of Financial Strategy. He was awarded an MBA from the Michael Smurfit Business School, Dublin. He has worked for TV NOVA since September 2002. He was appointed Executive Director of Česká produkční 2000, a.s. in June 2003. In 2004 he served as Director of Strategy and Development. He has been Director of the Acquisitions Section of TV NOVA since April 2005.

Pavel Horák

Director of Finance, TV NOVA

Born in 1972, Horák graduated from the Masaryk University in Brno, specialization commercial business ventures, as well as the University of Economics, Prague, specialization finance and accounting. He spent three years in the Audit Department of Deloitte & Touche spol. s r.o., and afterwards served a short stint at Česká spořitelna, a.s., as a Senior Controller at the financial markets division. Since 2001 he has been Director of Finance of the TV NOVA service organization – Česká produkční 2000, a.s. and he is currently also Director of Finance of CET 21 spol s r.o. He is a member of the British certified accountants' professional organization – the ACCA.

Jiřina Pokorná

Director of Production, Acting Programming Director, TV NOVA

Born in 1959, Pokorná is a graduate of the Film and Television Faculty of the Academy of Performing Arts, Prague, specialization film and television production. After completing her studies, she joined Czechoslovak Television, where she worked as head of dramatic programs production. She joined TV NOVA in 1993. She served as Chief Producer of Entertainment Programs and she has been Director of Production since 1998. In January 2005 she was named Acting Programming Director.

David Bártík

Director, MAG MEDIA 99, a.s.

Born in 1974; graduated from the Secondary Industrial School of Mechanical Engineering, where he specialized in technology. In 1996, he joined the sales department of Premedia, a.s. Starting in 1999, he worked in the sales department of ČNTS. Later that same year, he was appointed director of Premedia, a.s. Since 2002 Bártík has been director of MAG MEDIA 99, a.s., which is part of the TV NOVA Group.

Česká produkční 2000, a.s.

	Česká produkční 2000, a.s. is the largest business partner of CET 21 spol. s r.o., the holder of the TV NOVA broadcasting license. The company is the main producer of TV NOVA programming.
Date of inception:	16 March 1998
Address:	Kříženeckého nám. 322/5, 152 00 Prague 5 – Hlubočepy
Share capital:	CZK 625 million
Auditor for 2004:	KPMG Česká republika Audit, s.r.o.
Board of Directors:	not yet recorded in the Commercial Register Petr Dvořák, MBA – Member (as of 2 May 2005) Milan Cimirot – Chairman (as of 2 May 2005) Radka Doehring – Member (as of 2 May 2005)
Supervisory Board:	not yet recorded in the Commercial Register Robert Burke – Member (as of 2 May 2005) Marina Williams – Member (as of 2 May 2005) Milan Proks – Member (as of 2 November 2004)
Company management:	Petr Dvořák, MBA – CEO (as of 1 January 2005) Jiřina Pokorná – Director of Production (Acting Director of Programming since 1 January 2005) Pavel Horák – Director of Finance Petr Chajda, MBA – Director of Strategy and Development Ivo Ferkl – Director of Technology and Administration
Principal businesses:	production of television programs

Česká produkční 2000, a.s., the largest business partner of CET 21 spol. s r.o., whom it serves as a universal producer of in-house programming and dubbing.

As in previous years, in 2004 Česká produkční 2000, a.s. demonstrated once again that it is a producer capable of filling even the most demanding production orders.

Most in-house production activity takes place in studios belonging to AB BARRANDOV Group. Most of the production work done at this location is on regular formats broadcast once per week or more. To shoot certain entertainment programs, we also utilize various theaters both in Prague and in other locations in the Czech Republic.

As in years past, TV NOVA's high ratings were driven by in-house produced programs, which are the long-standing ratings leaders in the Czech Republic, even in comparison with other television stations. In-house programs accounted for 43.3% of the station's programming in 2004.

The undisputed media event of the year in 2004 was the licensed show *Czechia Seeks a SuperStar* (Česko hledá SuperStar). It was also the biggest and most successful television project, and its total of 33 hours of broadcasting attracted an average of 2,941,000 viewers in the target group of all viewers over 4 years of age (the 4+ category), which is 64% of all who chose to watch TV at the time the show was on-air.

In addition to the standard news and commentary programs, Česká produkční 2000, a.s. produced a number of successful event programs in 2004, including another “test of the nation” program (this time on the theme “Me and You”), the Grand Opening of SAZKA ARENA, the ANNO 2003 Awards, the Czech Songbird (Český slavík) Mattoni 2004 Awards, Miss Czech Republic 2004, 10 Years With You (10 let s Vámi), New Year’s 2004, etc.

In 2004, Česká produkční 2000, a.s. completed production of the most popular original Czech television series since 1997, *Luck Insurers* (Pojišťovna štěstí). The average rating for the show’s 13 episodes was 3,538,000 viewers, and the last episode set a record of 4,118,000 viewers (4+ category). This series was shot using the HD Cam recording technology, which gave the production team entirely new qualitative capabilities both in shooting and editing. The success of *Luck Insurers* was attested to by several awards: Series of the Year 2004, Absolute Winner 2004 in the prestigious TýTý survey, and the Program of the Year 2004 award in the ANNO 2004 survey.

In 2004 also saw the launch of yet another successful series, *Newspaper Office* (Redakce) and in the fall we began to shoot the comedy series *He’s a She!* (On je žena!)

TV NOVA is also involved, through production or co-production, in Czech films. In 2004, the following films were produced with TV NOVA support: *Stories of Ordinary Insanity* (Příběhy obyčejného šílenství) by director Petr Zelenka and *Soul Like Caviar* (Duše jako kaviár) by Milan Cieslar. Also, TV NOVA’s own producers began to shoot a film based on the Michal Viewegh book *A Novel for Women* (Román pro ženy), directed by Filip Renč.

MAG MEDIA 99, a.s.

	MAG MEDIA 99, a.s. provides for the sale of advertising time on TV NOVA.
Date of inception:	13 August 1999
Address:	Lazarská 5, 110 00 Prague 1
Share capital:	CZK 1 million – in process of being increased to CZK 210 million
Auditor for 2004:	KPMG Česká republika Audit, s.r.o.
Board of Directors:	not yet recorded in the Commercial Register Petr Dvořák, MBA – Chairman (as of 19 May 2005) Radka Doehring – Member (as of 2 May 2005) Milan Cimirot – Member (as of 2 May 2005)
Supervisory Board:	not yet recorded in the Commercial Register Robert Burke – Member (as of 2 May 2005) Marina Williams – Member (as of 2 May 2005) Pavel Horák – Member (as of 2 May 2005)
Company management:	David Bártík – Executive Director David Menšík – Director of Sales Vladimír Jurásek – Director of Marketing
Principal businesses:	sale of advertising time on TV NOVA

MAG MEDIA 99, a.s. was established in 1999 as an advertising company focusing on television advertising. Since its establishment, the company has provided for the sale of advertising time on TV NOVA and, since 1 June 2000, the sale of print advertising in the ANO weekly magazine. On 1 January 2005 it began selling advertising time on TV Galaxie Sport as well.

In 2004, the company provided for the sale of a total of 541 hours of advertising time on TV NOVA. Advertising time is used by clients to broadcast advertising spots, sponsorship messages, and teleshopping programs. The relative shares of these types of television advertising in 2004 were similar to those seen in previous years – i.e., conventional advertising spots accounted for nearly 99%.

Advertising is sold primarily to specialized advertising agencies that are in contractual relationships with the originators of the advertising. Most of these ad agencies are long-term business partners of MAG MEDIA 99, a.s. This long-term partnership is based on very good payment discipline, which brings TV NOVA cash flow that reflects, after deduction of the agencies' commissions, the real value of the advertising broadcast.

In 2004, a total of 12 ad agencies, each with a volume exceeding CZK 100 million, accounted for 96% of total advertising volume sold. Five of these accounted for two thirds of the total advertising purchases expressed in terms of monetary value.

Originators of advertising very seldom place ads directly, and in 2004 this type of direct business represented just 0.47% of the total amount of advertising sold. MAG MEDIA 99, a.s. does not prefer this type of advertising sales. Although in most cases originators of advertising spots pay for their ads only after they are broadcast, originators who do not purchase advertising time through specialized ad agencies are required to pay in advance. This minimizes the company's exposure to bad debt risk.

In 2004, TV NOVA advertising volume grew by 1% compared to the previous year. The company anticipates sales of advertising time to be more dynamic in 2005, with a projected growth of 6%.

Dominant Share in Television Advertising Market

According to MAG MEDIA 99, a.s. estimates, a total of 1,163 hours of advertising was broadcast on all four nationwide television stations combined in 2004. TV NOVA's share, in terms of hours, is nearly 46.5%. However, due to differing price policies, which can be influenced according to viewership ratings achieved by the station, TV NOVA's share in overall advertising revenues is 70%.

ANO Weekly Magazine

Although print advertising in the ANO weekly magazine has become a standing business of the company, advertising volume in this medium fell by 31.7% compared to 2003. The decline was caused by the fact that advertising space is less attractive for originators especially in the first quarter of the year. Print advertising in 2005 is anticipated to remain at 2004's level.

VILJA a.s.

	VILJA a.s. controls a majority stake in the equity of CET 21 spol. s r.o., which is the holder of the TV NOVA broadcasting license.
Date of inception:	15 December 2000
Address:	Kříženeckého náměstí 1078/5, 152 00 Prague 5
Share capital:	CZK 1 million
Auditor for 2004:	KPMG Česká republika Audit, s.r.o.
Board of Directors:	Petr Dvořák, MBA – Chairman (as of 19 May 2005) Milan Cimirot – Vice-Chairman (as of 19 May 2005) Radka Doehring – Member (as of 2 May 2005)
Supervisory Board:	Robert Burke – Member (as of 2 May 2005) Marina Williams – Member (as of 2 May 2005) Daniel Penn – Member (as of 17 June 2005) not yet recorded in the Commercial Register
Principal business:	ownership control of CET 21 spol. s r.o.

VILJA a.s. was established in December 2000. In May 2002 the company signed agreements with Josef Alan, Peter Hunčík and Vlastimil Venclík on the transfer of their equity stakes in CET 21 spol. s r.o. VILJA a.s. became a member of PPF Group in May 2002. This change has not yet been recorded in the Commercial Register.

In 2003, the company signed an agreement on the transfer of an equity stake in CET 21 spol. s r.o. with Česká spořitelna, a.s. This transfer has not yet been approved by the Council for Radio and Television Broadcasting. Currently, VILJA a.s. controls over 53% of the equity of CET 21 spol. s r.o., which operates the NOVA television station under License No. 001/1993.

Based on an agreement between CME and PPF dated 13 December 2004, VILJA a.s. was sold to CME Media Investments s.r.o. on 2 May 2005.

	CET 21 spol. s r.o. is the holder of the TV NOVA broadcasting license. TV NOVA is the biggest domestic television station with a Czech market share of over 40%, and the most successful commercial station not just in the Czech Republic, but in Central Europe as well.
Date of inception:	22 June 1992
Address:	Kříženeckého nám. 322/5, 152 52 Prague 5
Share capital:	CZK 200,000
Auditor for 2004:	KPMG Česká republika Audit, s.r.o.
Executive Officers:	not yet recorded in the Commercial Register Petr Dvořák, MBA (as of 2 May 2005) Radka Doehring (as of 2 May 2005) Milan Cimirot (as of 2 May 2005)
Company management:	Petr Dvořák, MBA – CEO Jiřina Pokorná – Director of Production (Acting Director of Programming as of 1 January 2005) Pavel Horák – Director of Finance Petr Chajda, MBA – Director of Strategy and Development
Principal business:	operating TV NOVA – nationwide television broadcasting – production of audiovisual works – acting as an agency and advertising

CET 21 spol. s r.o. is the holder of the TV NOVA broadcasting license. 2004 was a year that TV NOVA can rightfully call very successful. TV NOVA continued to lead the television market and, through the sale of advertising time, MAG MEDIA 99, a.s. dominated the TV advertising market in 2004.

The fundamental strategic goal of PPF Group when it bought into TV NOVA in 2002 was to stabilize the station both financially and in terms of personnel, resolve ownership relationships, increase ratings, and find an appropriate strategic partner. The performance of TV NOVA in 2004 and the agreement on sale of an 85% stake in the company to CME demonstrate not only the success of PPF Group, but that of TV NOVA as well.

In spite of major sports events such as the 2004 Ice Hockey World Championships, the European Football Championships – EURO 2004, and the XXVIIIth Summer Olympic Games in Athens being broadcast on competing stations, TV NOVA achieved 42.23% of overall viewership for the whole day, and was even more successful in prime time (19:00–23:00) with 44.87% of viewership.

TV NOVA is playing an active part in the process of digitalizing television broadcasting. In December 2004, CET 21 spol. s r.o. submitted to the Council for Radio and Television Broadcasting a total of 8 applications (4 for multiplex B and 4 for multiplex C) for digital broadcasting licenses. TV NOVA is well equipped with experienced personnel, programming, and technology to commence digital broadcasting, and we consider this to be our competitive advantage. In the event the Council for Radio and Television Broadcasting decides in favor of our applications, viewers will be able to enjoy four new thematic channels in addition to the current full-format channel. The working names of the four new channels are NOVA Series, NOVA News, NOVA Film, and NOVA Sport.



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TRANSLATION

On the basis of our audit, on 31 March 2005 we issued an auditor's report on the Company's statutory financial statements, which are included in this annual report, and our report was as follows:

"We have audited the accompanying financial statements of PPF a.s. for the year ended 31 December 2004. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the Act on Auditors and the auditing standards of the Chamber of Auditors of the Czech Republic. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements present, in all material respects, a true and fair view of the assets, liabilities, equity and financial position of PPF a.s. as of 31 December 2004 and the results of its operations for the year 2004 then ended in accordance with the Act on Accounting and relevant legislation of the Czech Republic."

We have reviewed other financial information in the annual report for consistency with the audited financial statements. In our opinion, the information is consistent in all material respects with the audited financial statements.

The management of the Company is responsible for the completeness and accuracy of the report on relations between related parties. Our responsibility is to review the accuracy of the information included in the report. During our review nothing came to our attention that would cause us to believe that the information contained in the report is materially inaccurate.

Prague, 11 July 2005

KPMG Česká republika Audit, s.r.o.
Licence number 71

Romana Benešová
Licence number 1834

PPF a.s.

Balance Sheet, Long Form as at 31 December 2004 (CZK '000)

	2004	2003
Total assets	542,610	545,630
A. Receivables for subscribed capital	–	–
B. Non-current assets	431,554	406,930
B.I. Intangible fixed assets	30,374	9,538
B.I.1. Incorporation expenses	–	–
2. Research and development	–	–
3. Software	7,698	7,682
4. Patents and similar rights	1,863	1,856
5. Goodwill	–	–
6. Other intangibles	–	–
7. Intangibles in progress	20,813	–
8. Advance payments for intangibles	–	–
B.II. Tangible fixed assets	28,319	18,884
B.II.1. Land	–	–
2. Buildings, halls and structures	448	–
3. Plant and equipment	25,903	18,454
4. Cultivated areas	–	–
5. Livestock	–	–
6. Other tangibles	1,899	330
7. Tangible fixed assets under construction	69	–
8. Advance payments for tangibles	–	100
9. Valuation increase/decrease on acquired assets	–	–
B.III. Non-current investments	372,861	378,508
B.III.1. Investments in group undertakings	5,131	10,309
2. Investments in associated companies	–	–
3. Other non-current securities and ownership interests	2,730	3,199
4. Intercompany loans	365,000	365,000
5. Other non-current investments	–	–
6. Non-current investments (provisional value)	–	–
7. Advance payments for non-current investments	–	–

		2004	2003
C.	Current assets	105,562	137,832
C.I.	Inventories	704	807
C.I.1.	Raw materials	–	–
2.	Work-in-progress and semi-finished products	–	–
3.	Finished goods	–	–
4.	Livestock	–	–
5.	Goods for resale	704	807
6.	Prepayments for inventory	–	–
C.II.	Non-current receivables	–	–
C.II.1.	Trade receivables	–	–
2.	Receivables from group undertakings	–	–
3.	Receivables from associated companies	–	–
4.	Receivables from shareholders/owners and alliance partners	–	–
5.	Originated non-current advance payments	–	–
6.	Estimated receivables	–	–
7.	Other receivables	–	–
8.	Deferred tax asset	–	–
C.III.	Current receivables	78,635	107,593
C.III.1.	Trade receivables	51,105	54,258
2.	Receivables from group undertakings	15,325	44,920
3.	Receivables from associated companies	–	–
4.	Receivables from shareholders/owners and alliance partners	–	–
5.	Social security and health insurance	–	–
6.	Tax receivables and state subsidies receivable	44	393
7.	Other advance payments	1,391	2,857
8.	Estimated receivables	7,214	–
9.	Other receivables	3,556	5,165
C.IV.	Current financial assets	26,223	29,432
C.IV.1.	Cash	809	1,045
2.	Bank accounts	25,414	28,387
3.	Current investments	–	–
4.	Current investments (provisional value)	–	–
D.I.	Accruals and deferrals	5,494	868
D.I.1.	Prepaid expenses	799	860
2.	Comprehensive prepaid expenses	–	–
3.	Accrued revenue	4,695	8

PPF a.s.

Balance Sheet, Long Form as at 31 December 2004 (CZK '000)

	2004	2003
Total liabilities and equity	542,610	545,630
A. Equity	509,119	507,887
A.I. Share capital	420,000	420,000
A.I.1. Share capital	420,000	420,000
2. Treasury shares (-)	–	–
3. Changes in basic share capital	–	–
A.II. Capital contributions	34,346	34,558
A.II.1. Share premium	35,691	35,691
2. Other capital contributions	–	–
3. Revaluation of assets and liabilities	(1,345)	(1,133)
4. Revaluation reserve on transformations	–	–
A.III. Reserve funds, undistributable reserves, and other revenue reserves	6,901	6,365
A.III.1. Statutory reserve fund/Undistributable reserves	6,901	6,365
2. Statutory and other reserves	–	–
A.IV. Retained earnings	18	36,244
A.IV.1. Retained profits	18	36,244
2. Accumulated losses	–	–
A.V. Profit/(loss) for the current period	47,854	10,720
B. Liabilities	33,209	33,298
B.I. Provisions	–	–
B.I.1. Tax-deductible provisions	–	–
2. Provision for retirement benefits and similar liabilities	–	–
3. Income tax provision	–	–
4. Non-deductible provisions	–	–
B.II. Non-current liabilities	–	–
B.II.1. Trade liabilities	–	–
2. Liabilities to group undertakings	–	–
3. Liabilities to associated companies	–	–
4. Liabilities to shareholders/owners and alliance partners	–	–
5. Long-term advances received	–	–
6. Debentures and bonds issued	–	–
7. Long-term bills of exchange payable	–	–
8. Estimated liabilities	–	–
9. Other non-current liabilities	–	–
10. Deferred tax payable	–	–

		2004	2003
B.III.	Current liabilities	33,209	33,298
B.III.1.	Trade payables	22,226	27,062
2.	Liabilities to group undertakings	–	–
3.	Liabilities to associated companies	–	–
4.	Liabilities to shareholders/owners and alliance partners	–	–
5.	Payables to employees	4,400	2,961
6.	Payables to social security and health insurance	3,269	2,248
7.	Taxes payable	3,304	1,026
8.	Other payables	–	–
9.	Debentures and bonds issued	–	–
10.	Estimated liabilities	–	–
11.	Other non-current liabilities	10	1
B.IV.	Bank loans and overdrafts	–	–
B.IV.1.	Non-current bank loans	–	–
2.	Current bank loans and overdrafts	–	–
3.	Short-term financial liability	–	–
C.I.	Accruals and deferrals	282	4,445
C.I.1.	Accrued expenses	282	4,445
2.	Deferred revenues	–	–

PPF a.s.**Profit and Loss Account, Long Form, Year Ended 31 December 2004 (CZK '000)**

	2004	2003
I. Revenue from goods	343	897
A. Cost of goods sold	343	897
+ Gross margin	–	–
II. Revenue from production	197,976	142,528
II.1. Revenue from own products and services	197,976	142,528
II.2. Change in inventory of own production	–	–
II.3. Own work capitalized	–	–
B. Cost of sales	75,214	62,416
B.1. Materials and consumables	5,051	5,634
B.2. Services	70,163	56,782
+ Added value	122,762	80,112
C. Personnel expenses	111,569	94,261
C.1. Wages and salaries	81,755	68,971
C.2. Remuneration of board members	310	326
C.3. Social security and health insurance expenses	28,544	24,070
C.4. Social expenses	960	894
D. Taxes and charges	317	153
E. Depreciation of intangible and tangible fixed assets	11,611	8,440
III. Proceeds from disposals of fixed assets and raw material	1,094	975
III.1. Proceeds from disposals of fixed assets	1,094	975
III.2. Proceeds from disposals of raw material	–	–
F. Net book value of fixed assets and raw material sold	339	227
F.1. Net book value of fixed assets sold	339	227
F.2. Net book value of raw material sold	–	–
G. Change in balance of operating provisions and comprehensive prepaid expenses	–	(16)
IV. Other operating revenues	1,988	981
H. Other operating expenses	310	30
V. Adjustments to operating revenues	–	–
I. Adjustments to operating expenses	–	–
* Operating profit/(loss)	1,698	(21,027)

		2004	2003
VI.	Proceeds from sale of securities and ownership interests	19,653	–
J.	Securities and ownership interests sold	5,674	–
VII.	Revenue from non-current investments	4,569	12,750
VII.1.	Revenue from intercompany securities and ownership interests	4,569	12,750
VII.2.	Revenue from other securities and ownership interests	–	–
VII.3.	Revenue from other long-term investments	–	–
VIII.	Revenue from current financial investments	–	–
K.	Financial assets expenses	–	–
IX.	Income from restatement of securities and derivatives to fair value	–	–
L.	Expense from restatement of securities and derivatives to fair value	–	–
M.	Change in balance of financing provisions	(238)	800
X.	Interest revenue	29,473	21,502
N.	Interest expense	30	8
XI.	Other financial revenue	155	21
O.	Other financial expenses	2,228	1,718
XII.	Adjustments to financial revenues	–	–
P.	Adjustments to financial expenses	–	–
*	Profit/(loss) from financial operations	46,156	31,747
Q.	Income tax on ordinary profit/(loss)	–	–
Q.1.	– current	–	–
Q.2.	– deferred	–	–
**	Profit/(loss) on ordinary activities after taxation	47,854	10,720
XIII.	Extraordinary revenue	–	–
R.	Extraordinary expenses	–	–
S.	Income tax on extraordinary profit/(loss)	–	–
S.1.	– current	–	–
S.2.	– deferred	–	–
*	Extraordinary profit/(loss)	–	–
T.	Transfer of profit or loss to partners	–	–
***	Profit/(loss) for the accounting period	47,854	10,720
****	Profit/(loss) before tax	47,854	10,720

PPF a.s.

Notes to Financial Statements (Non-consolidated) as at 31 December 2004 (CZK '000)

1. Description and Principal Activities

Foundation and description of the Company

PPF a.s. (the “Company”) was established by a Founders’ Agreement dated 18 November 1996, pursuant to Act 513/1991 Sb. and was recorded in the Commercial Register on 13 January 1997. The Company’s principal business is coordination activities and functions within the PPF Group holding structure.

Company owners

The Company’s owner, with a qualified majority, is PPF Group N.V. (99.99%).

Company seat

PPF a.s.
Na Pankráci 1658
140 21 Praha 4
Czech Republic

Identification number

25099345

Members of the Board of Directors and Supervisory Board as of 31 December 2004:

Members of the Board of Directors

Petr Kellner (Chairman)
Ladislav Bartoniček, MBA (Vice-Chairman)
Milan Maděryč (Vice-Chairman)
Ladislav Chvátal

Members of the Supervisory Board

Štěpán Popovič (Chairman)
Jaromír Prokš
František Tlustoš

Jan Blaško, MBA left the Board of Directors on 31 August 2004.

Organization structure

The Company’s principal activities are run by the Board of Directors and Company management.

2. Accounting Principles Used by the Company

(a) Tangible and intangible fixed assets

Tangible and intangible fixed assets are carried at historical cost (acquisition cost). Tangible fixed assets with an acquisition cost of TCZK 40 and higher and a useful life of over one year and intangible fixed assets with an acquisition cost of TCZK 60 and higher and a useful life of over one year are carried in fixed assets accounts and, for accounting purposes, are depreciated according to the depreciation plan. Those tangible fixed assets that have an acquisition cost of TCZK 5 or higher, yet less than TCZK 40, and a useful life of over one year, are considered small tangible fixed assets. Those intangible fixed assets that have an acquisition cost of TCZK 20 or higher, yet less than TCZK 60, and a useful life of over one year, are considered small intangible fixed assets. Small tangible and intangible fixed assets are carried in fixed assets accounts and, for accounting purposes, are depreciated like other fixed assets according to the depreciation plan.

Other tangible assets, i.e., those with acquisition cost less than TCZK 5 and intangible assets with acquisition cost less than TCZK 20 are charged to expenses in the month when they are acquired.

The following table shows the depreciation methods and depreciation periods used for the various asset categories

Asset Category	Method	Depreciation period
Machines and equipment	straight-line	4 years
Vehicles	straight-line	4 years
Furniture and fittings	straight-line	6 years
Software	straight-line	4 years

(b) Non-current investments

Non-current investments are composed of equity interests, available-for-sale securities, and debt securities held to maturity. Non-current investments are carried at historical cost (acquisition cost). Historical cost includes costs directly related to the acquisition such as fees and commissions paid to brokers, advisors, and exchanges.

Available-for-sale securities and equity interests are stated at fair value as of the balance sheet date. Increase/decrease in fair value does not influence the Company's earnings until the investments in question are disposed of. As of the balance sheet date, increase/decrease in fair value is recorded as a change in the "Revaluation of assets and liabilities" component of equity.

Equity interests are carried at historical cost (acquisition cost). In the event of impairment, an allowance is made or the book value is reduced using a one-time charge for permanent diminution in value. This is done for each security on a case-by-case basis.

(c) Inventories

Merchandise is carried at historical cost (acquisition cost), which includes the purchase price, customs duties, storage fees during transport, and shipping costs. Merchandise is valued using the FIFO method.

(d) Treatment of impairment

The Company records additions to the impairment allowance as an increase in expenses, while impairment reductions or releases decrease expenses.

Accounts receivable

The Company recognizes impairment losses on doubtful receivables based on management's analysis of the solvency of the Company's customers.

(e) Foreign currency translation

The Company translates foreign currency amounts into the Czech currency using the Czech National Bank (CNB) exchange rates valid for the date of the accounting transaction, i.e. receivable or payable, and the same rate is used when translating assets and liabilities denominated in foreign currencies as of the balance sheet date. During the year the Company recognizes only realized foreign exchange gains and losses.

Assets and liabilities denominated in foreign currencies are translated using the official CNB exchange rate as of the balance sheet date. Unrealized foreign exchange gains and losses are recorded in the profit and loss account.

(f) Leased assets

The Company accounts for leased assets by charging lease payments to the profit and loss account using the straight-line method over the lease term. When the lease ends and the option to purchase is exercised, the leased item is recorded at the purchase price.

(g) Income tax

Income tax for the period is composed of tax due and change in the balance of deferred tax. Tax due includes tax calculated from the tax base using the tax rate applicable in the current year, as well as all additional tax amounts and refunds from past years.

Deferred tax is based on all temporary differences between the accounting- and tax-purpose net book values of assets and liabilities, applying the tax rate anticipated to be in effect for the subsequent period.

A deferred tax asset is recorded only if there is no doubt that it will be realized in subsequent accounting periods.

3. Non-current Assets

(a) Intangible fixed assets (CZK '000)

	Software	Patents and similar rights	Intangibles in progress	Total
Acquisition cost				
Balance at 1. 1. 2004	19,813	2,619	–	22,432
Additions	2,995	600	20,813	24,408
Disposals	–	–	–	–
Transfers	–	–	–	–
Balance at 31. 12. 2004	22,808	3,219	20,813	46,840
Accumulated amortization				
Balance at 1. 1. 2004	12,131	763	–	12,894
Amortization	2,979	593	–	3,572
Accumulated amortization on disposals	–	–	–	–
Transfers	–	–	–	–
Balance at 31. 12. 2004	15,110	1,356	–	16,466
Net book value at 1. 1. 2004	7,682	1,856	–	9,538
Net book value at 31. 12. 2004	7,698	1,863	20,813	30,374

(b) Tangible fixed assets (CZK '000)

	Payments on account for tangibles	Buildings and structures	Plant and equipment	Vehicles	Furniture and fittings	Other movables	Works of art and collections	Tangibles in progress	Total
Acquisition cost									
Balance at 1. 1. 2004	100	–	23,588	7,629	416	4,333	330	–	36,396
Additions	–	451	6,458	7,667	–	1,699	1,569	69	17,913
Disposals	100	–	551	1,477	–	395	–	–	2,523
Transfers	–	–	–	–	–	–	–	–	–
Balance at 31. 12. 2004	–	451	29,495	13,819	416	5,637	1,899	69	51,786
Accumulated depreciation									
Balance at 1. 1. 2004	–	–	8,672	5,437	307	3,096	–	–	17,512
Depreciation charge	–	3	6,321	1,106	54	555	–	–	8,039
Accumulated depreciation on disposals	–	–	332	1,447	–	305	–	–	2,084
Transfers	–	–	–	–	–	–	–	–	–
Balance at 31. 12. 2004	–	3	14,661	5,096	361	3,346	–	–	23,467
Net book value at 1. 1. 2004	100	–	14,916	2,192	109	1,237	330	–	18,884
Net book value at 31. 12. 2004	–	448	14,834	8,723	55	2,291	1,899	69	28,319

4. Investments

Non-current investments

Equity interest	Number of shares	Face value (CZK '000)	Equity interest (%)	Historical cost (CZK '000)	2004 Interest in share- holders' equity	2004 Net book value (CZK '000)	2003 Net book value (CZK '000)
PPF majetková a.s.	12	100	100.00	318	99,090	318	318
	7	10					
PPF (CYPRUS) LIMITED *)	40,000	CY£ 1	100.00	2.638	9,500	2,105	2,228
ELINE a.s. in liquidation **)	10	100	100.00	1.000	–	–	–
Public Picture & Marketing a.s.	10	100	100.00	1.000	6,060	1,000	1,000
Open Gate a.s.	2,000	1	100.00	2.270	1,708	1,708	2,270
Total				7,226	116,358	5,131	5,816

*) The fair value of the company PPF (CYPRUS) LIMITED changed due to movements in currency exchange rates between the acquisition date and the balance sheet date (the change in fair value was recorded in equity).

***) ELINE a.s. in liquidation ceased to exist when it was struck from the Commercial Register on 18 February 2005. The write-off of the equity interest and associated impairment allowance was made in the company's accounts for the year 2005.

The long-term investment in ELINE a.s. in liquidation continues to be the subject of a TCZK 1,000 impairment allowance (2003: TCZK 1,000). In 2004, a TCZK 562 impairment allowance was made to the equity interest in Open Gate a.s.

In 2004, the company sold its interest in PPF CONSULTING a.s., PPF SERVICES LIMITED and CAMCO a.s., which had been carried at an aggregate net book value of TCZK 4,493 as at 31 December 2003 (historical cost was TCZK 5,674). The revenue from the sale of these interests was TCZK 19,653.

In 2004, the Company recorded TCZK 4,569 in dividend revenues from non-current investments. This amount represents a dividend received from PPF CONSULTING a.s.

The Company has a 0.15% interest in ZETA OSTEUROPE HOLDING S.A. The book value of this interest is TCZK 2,730 (2003: TCZK 3,199) and the historical cost is TCZK 3,541. This interest is recorded in the balance sheet under Other non-current securities and interests. Loans and advances included in non-current investments, at TCZK 365,000 (2003: TCZK 365,000) consist of subordinated debt provided to Česká pojišťovna a.s., which the Company obtained in 2003 by assignment from the parent company, PPF Group N.V.

5. Current Receivables and Payables

(a) **Current trade receivables** including payments on account total TCZK 52,496 (2003: TCZK 57,115) and consist mainly of receivables for services rendered to Group companies.

(b) **Current trade payables** total TCZK 22,226 (2003: TCZK 27,062). The Company's generally accepted procedure is to settle payables on the invoice due date.

(c) **Receivables** – controlling and managing entity in the amount of TCZK 15,325 (2003: TCZK 44,920) constitute amounts owed, including unpaid interest, by the company PPF GROUP N.V. for the sale of an equity interest in PPF burzovní společnost a.s. that occurred in 2001.

(d) **Other receivables** of TCZK 3,556 (2003: TCZK 5,165) consist, inter alia, of loans receivables from related entities and receivables from employees.

(e) **Estimated receivables** of TCZK 7,214 (2003: nil) were recorded to recognize flat-fee revenues for services rendered in 2004, the price for which is set using the “cost-plus” method. Under the relevant contracts, the flat fees are to be billed for the period ending 31 March 2005.

6. Share Capital

There was no change in the share capital in 2004; it remained at TCZK 420,000. The share capital consists of 100 registered shares with face value CZK 10,000, 9 registered shares with face value TCZK 1,000 and 41 registered shares with face value TCZK 10,000.

7. Shareholders' Equity

(a) Summary of movements in shareholders' equity (CZK '000)

	Share capital	Issue premium	Increase/decrease in fair value	Current-period profit	Retained earnings	Statutory reserve fund	Total
Balance at 1. 1. 2004	420,000	35,691	(1,133)	10,720	36,244	6,365	507,887
Change in fair value	–	–	(212)	–	–	–	(212)
Dividends paid	–	–	–	–	(46,410)	–	(46,410)
Transferred to retained earnings, allocated to reserve funds	–	–	–	(10,720)	10,184	536	–
Profit for 2004	–	–	–	47,854	–	–	47,854
Balance at 31. 12. 2004	420,000	35,691	(1,345)	47,854	18	6,901	509,119

(b) Planned allocation of current period earnings

The Company's General Meeting will decide on the allocation of 2004 profit, which will be carried out in accordance with the Company's Articles of Association and applicable law.

8. Provisions

The income tax provision was not necessary as the Company will deduct unclaimed past losses on securities trading from the tax base calculated for 2004.

9. Employees and Executives

Average numbers of employees and executives and staff expenses for 2004 and 2003

2004	Number of employees	Wages & salaries (CZK '000)	Social security and health insurance (CZK '000)	Benefits expense (CZK '000)
Employees	84	42,940	14,964	779
Executives	17	38,815	13,580	181
Total	101	81,755	28,544	960

2003	Number of employees	Wages & salaries (CZK '000)	Social security and health insurance (CZK '000)	Benefits expense (CZK '000)
Employees	69	39,329	13,713	699
Executives	17	29,642	10,357	195
Total	86	68,971	24,070	894

10. Information on Related Entities

(a) Assets and liabilities in respect of group companies (CZK '000)

	Assets at 31. 12.		Liabilities at 31. 12.	
	2004	2003	2004	2003
AB - CREDIT a. s.	2,941	3,958	–	–
Board Show, a.s.	48	518	18	–
CAMCO a.s.	44	18	–	–
Carolina, a.s.	52	–	–	–
CET 21 spol. s r.o.	1,513	6,251	21	–
CM - CREDIT a.s.	333	927	–	–
Česká nezávislá televizní společnost, spol. s r.o.	5	–	–	–
Česká poisťovňa – Slovensko, akciová spoločnosť, Slovakia	30	–	–	–
Česká pojišťovna a.s.	376,183	375,717	144	5,344
Česká pojišťovna ZDRAVÍ a.s.	121	–	–	–
Česká produkční 2000, a.s.	1,400	2,381	–	–
ČP finanční holding a.s.	127	174	–	–
ČP finanční servis a.s.	139	311	–	–
ČP finanční služby a.s. (company no longer exists; legal successor is AB - CREDIT a. s.)	140	171	–	–
ČP INVEST investiční společnost, a.s.	740	2,697	–	–
ČP Leasing, a.s.	1,342	2,142	12	10
ČP PARTNER, a.s. in liquidation	18	–	–	–
eBanka, a.s.	1,063	1,036	–	–
Ervine & Doll, a.s.	63	21	2	–
EURONEWS, a.s.	26	29	–	–
HOMEKO a.s.	44	4	–	–
Home Credit Finance a.s.	1,837	592	–	(28)
Home Credit International a.s.	1,625	2,658	90	–
Home Credit Slovakia, a.s., Slovakia	215	144	–	–

	Assets at 31. 12.		Liabilities at 31. 12.	
	2004	2003	2004	2003
Homenet a.s.	51	27	–	–
InWay, a.s.	–	9	591	192
Lajdáček s.r.o.	45	18	–	–
Nadace Educa	17	18	–	–
Nadační fond Karlův most	5	4	–	–
Open gate a.s.	88	7	37	–
OPEN GATE – Boarding School, osmileté gymnázium v Babicích, s.r.o.	62	–	–	–
Penzijní fond České Pojišťovny, a.s.	338	665	–	–
PPF Asset Management a.s.	3,564	2,298	–	–
PPF banka a.s.	1,666	603	–	–
PPF burzovní společnost a.s.	1,015	1,995	5	–
PPF Capital Management a.s. (company has been dissolved; legal successor is EURONEWS, a.s.)	–	711	–	374
PPF CONSULTING a.s.	7,187	5,815	284	–
PPF (CYPRUS) LIMITED, Cyprus	2,656	–	–	–
PPF GROUP N.V.	15,384	44,920	–	–
PPF investiční společnost, a.s., in liquidation (company dissolved without legal successor)	–	63	–	–
PPF majetková a.s.	7,987	7,274	48	–
Public Picture & Marketing a.s.	299	271	–	–
RAVIN HOLDING a.s.	502	155	–	–
Real a.s.	2	29	–	–
Temposervis, a.s.	36	50	–	–
TERMIZO a.s.	48	40	–	–
Univerzální správa majetku a.s.	73	11	–	–
VILJA a.s.	1,568	–	–	–
Zábavní a výstavní park a.s.	6	–	–	–
Total	432,648	464,732	1,252	5,892

(b) Revenues and expenses in relation to group companies (CZK '000)

	Revenues at 31. 12.		Expenses at 31. 12.	
	2004	2003	2004	2003
AB - CREDIT a. s.	16,209	6,308	–	–
Board Show, a.s.	207	116	259	–
CAMCO a.s.	43	17	–	–
Carolina, a.s.	226	–	–	–
CESPO B.V., Netherlands	–	3,095	–	–
CET 21 spol. s r.o.	6,622	521	–	–
CM - CREDIT a.s.	5,185	6,750	8	–
Česká nezávislá televizní společnost, spol. s r.o.	46	–	–	–
Česká poisťovňa – Slovensko akciová spoločnosť, Slovakia	312	–	–	–
Česká poisťovňa a.s.	69,516	40,106	17,959	13,195
Česká produkční 2000, a.s.	3,167	363	–	–
ČP finanční holding a.s.	880	762	30	–
ČP finanční servis a.s.	1,227	1,494	–	–
ČP finanční služby a.s. (company was dissolved; legal successor is: AB - CREDIT a. s.)	1,744	2,108	–	–
ČP INVEST investiční společnost, a.s.	6,374	9,467	55	2
ČP Leasing, a.s.	2,680	1,389	8,701	7,956
ČP PARTNER, a.s. in liquidation	316	–	–	–
DR.AG., spol. s r.o. in liquidation	43	–	–	–
eBanka, a.s.	1,854	1,549	72	67
Ervine & Doll, a.s.	300	45	–	–
EURONEWS, a.s.	265	265	199	4
HARTIC a.s.	43	–	–	–
HOMECO a.s.	43	4	–	–
Home Credit Slovakia, a.s., Slovakia	2,598	2,875	–	–
Home Credit International a.s.	13,516	9,042	69	30
Home Credit Finance a.s.	10,271	5,177	–	–
Homenet a.s.	92	66	–	–
InWay, a.s.	–	–	2,815	2,023
Lajdáček s.r.o.	51	17	–	–
LOGURAN s.r.o.	43	–	–	–
Nadace Educa	17	17	–	–
Nadační fond Karlův most	48	69	–	–
Open Gate a.s.	191	128	–	–

	Revenues at 31. 12.		Expenses at 31. 12.	
	2004	2003	2004	2003
Penzijní fond České pojišťovny, a.s.	2,830	2,073	–	–
PPF Asset Management a.s.	16,659	3,093	–	–
PPF banka a.s.	4,846	1,385	3	3
PPF burzovní společnost a.s.	2,519	12,644	26	5
PPF Capital Management a.s. (company has been dissolved; legal successor is EURONEWS, a.s.)	425	9,654	64	6
PPF CONSULTING a.s.	19,057	8,001	804	–
PPF (CYPRUS) LIMITED, Cyprus	1,100	–	1,200	–
PPF investiční holding a.s. (company was dissolved; legal successor is: RAVIN HOLDING a.s.)	–	1,104	–	–
PPF investiční společnost, a.s., in liquidation (company was dissolved without legal successor)	170	2,354	–	49
PPF majetková a.s.	25,154	31,735	50	26
PPF Group N.V., Netherlands	19,823	4,102	1,220	–
Public Picture & Marketing a.s.	2,855	2,274	–	–
RAVIN HOLDING a.s.	3,967	3,140	–	–
Temposervis, a.s.	508	361	221	97
TERMIZO a.s.	436	1,205	–	–
Univerzální správa majetku a.s.	509	332	–	–
Zábavní a výstavní park a.s.	40	25	–	–
Total	245,027	175,232	33,755	23,463

(c) Remuneration and loans to members of statutory and supervisory boards

In 2004, members of the Board of Directors and Supervisory Board received aggregate remuneration of TCZK 310 (2003: TCZK 326) and no loans were provided to them.

(d) De facto group

The Company has not entered into a control agreement with its majority shareholder, PPF Group N.V. The relations report will be part of the Annual Report.

11. Social Security and Health Insurance Liabilities

Social security and health insurance liabilities total TCZK 3,269 (2003: TCZK 2,248). Of this total figure, social security liabilities payable account for TCZK 2,326 (2003: TCZK 1,608) and health insurance liabilities payable account for TCZK 943 (2003: TCZK 640). These liabilities were paid within the time period given by law.

12. Taxes and State Subsidies Payable

Tax liabilities total TCZK 3,304 (2003: TCZK 1,026). Of this total, personal income tax liabilities payable account for TCZK 1,565 (2003: TCZK 1,020), value added tax liabilities payable account for TCZK 1,730 (2003: TCZK 349 receivable), and road-use tax liabilities due account for TCZK 9 (2003: TCZK 6). These liabilities were paid within the time periods given by law.

13. Income Tax**(a) Tax due**

Because the tax base was nil, the tax due in 2004 was also nil (2003: nil).

(b) Deferred tax

The following table presents a summary of movements in temporary differences (CZK '000)

	Receivables		Liabilities		Difference	
	2004	2003	2004	2003	2004	2003
Non-current assets	–	–	(1,602)	(1,559)	(1,602)	(1,559)
Losses from past years	4,245	19,126	–	–	4,245	19,126
Deferred tax (asset)/liability	4,245	19,126	(1,602)	(1,559)	2,643	17,567
Off-set of related deferred tax assets and liabilities	(1,602)	(1,559)	1,602	1,559	–	–
Deferred tax (asset)/liability	2,643	17,567	–	–	2,643	17,567

In accordance with the accounting policies set forth in Note 2 (h), the tax rate used to calculate deferred tax was 26%.

The deferred tax asset determined as of 31 December 2004 was reported up to the amount of the determined deferred tax liability. As a matter of caution, the remainder of the deferred tax asset was not recognized.

14. Finance Leases

The Company is obligated to pay lease payments for vehicles as follows (CZK '000)

2004	Total lease payments	Paid at 31. 12. 2004	Due within 1 year	Due in following years
Passenger cars	24,432	14,130	6,046	4,256
Total	24,432	14,130	6,046	4,256

2003	Total lease payments	Paid at 31. 12. 2003	Due within 1 year	Due in following years
Passenger cars	26,304	11,852	6,846	7,606
Total	26,304	11,852	6,846	7,606

15. Cash and Cash Equivalents

Company management decided to exercise the option of not including a statement of cash flows in its financial statements. In general, the Company defines cash and cash equivalents as cash on hand, cash en route, cash at bank and other financial assets whose valuation can be reliably determined and which can be easily converted into cash.

The balances of cash and cash equivalents at the end of the accounting periods 2004 and 2003 are as follows (CZK '000)

	Balance at 31. 12. 2004	Balance at 31. 12. 2003
Cash on hand	809	1,045
Cash at bank	25,414	28,387
Total	26,223	29,432

16. Off-balance-sheet Liabilities

The Company has no liabilities that were not included in the balance sheet as at 31 December 2004.

17. Material Subsequent Events

Company management is not aware of any events occurring after the balance sheet date that would require any revision of the Company's financial statements.

Compilation date:

31 March 2005

Statutory body or private individual that is the accounting unit:

Aleš Minx

Companies Managed by PPF – Insurance

Česká pojišťovna a.s.

Balance Sheet, Short Form, as at 31 December 2004 (CZK '000)

	2004	2003
Total assets	120,898,432	120,654,783
Intangible assets	1,033,232	603,802
Financial placements (investments)	111,450,615	106,343,822
Life assurance investments where investment risk is borne by the insured	146,256	134,110
Debtors	5,521,574	7,910,292
Other assets	1,517,303	3,957,925
Temporary asset accounts	1,229,452	1,704,832

	2004	2003
Total liabilities and equity	120,898,432	120,654,783
Shareholders' equity	18,429,268	15,455,014
Subordinated debt	2,500,000	2,500,000
Technical provisions	83,742,402	89,532,488
Life assurance provision where investment risk is borne by the insured	146,256	134,110
Provisions for other risks and losses	785,741	858,860
Outwards reinsurance deposits	–	3,118
Creditors	12,832,441	9,381,660
Temporary liability accounts	2,462,324	2,789,533

Česká pojišťovna a.s.
Profit and Loss Account, Short Form, Year Ended 31 December 2004 (CZK '000)

	2004	2003
TECHNICAL ACCOUNT FOR NON-LIFE INSURANCE		
Earned premiums, net of reinsurance	15,404,168	20,980,553
Income from financial placements (investments) transferred from the Non-technical Account	757,111	387,822
Other technical income, net of reinsurance	324,008	655,760
Claims incurred, net of reinsurance	8,542,035	11,894,011
Change in other technical provisions, net of reinsurance	196,744	206,070
Bonuses and rebates, net of reinsurance	518,091	772,773
Net operating expenses	5,830,352	5,187,063
Other technical expenses, net of reinsurance	1,339,030	1,436,896
Change in the equalization provision	190,909	302,836
Subtotal, balance (result) of the Technical Account for Non-life Insurance	(131,874)	2,224,486
TECHNICAL ACCOUNT FOR LIFE ASSURANCE		
Earned premiums, net of reinsurance	14,849,412	14,282,539
Income from financial placements (investments)	6,012,408	50,427,098
Unrealized gains in value of financial placements (investments)	4,532,144	2,316,103
Other technical income, net of reinsurance	101,441	65,801
Claims incurred, net of reinsurance	15,435,916	9,667,742
Change in other technical provisions, net of reinsurance	(1,318,491)	559,468
Net operating expenses	3,576,976	3,037,114
Expenses connected with financial placements (investments)	2,162,824	46,463,618
Unrealized losses on financial placements (investments)	1,939,439	4,582,905
Other technical expenses, net of reinsurance	83,456	167,408
Subtotal, balance (result) of Technical Account for Life Assurance	3,615,285	2,613,286
NON-TECHNICAL ACCOUNT		
Result of the Technical Account for Non-life Insurance	(131,874)	2,224,486
Result of the Technical Account for Life Assurance	3,615,285	2,613,286
Income from financial placements (investments)	1,735,322	27,773,020
Expenses connected with financial placements (investments)	636,233	26,626,826
Income from financial placements (investments) transferred to Technical Account for Non-life Insurance	757,111	387,822
Other income	446,009	649,351
Other expenses	649,995	1,721,615
Income tax on ordinary activities	1,335,346	1,381,188
Profit/loss on ordinary activities, after tax	2,286,057	3,142,692
Extraordinary expenses	34,794	4,537
Extraordinary income	1,949,504	22,905
Extraordinary profit/loss	1,914,710	18,368
Other taxes not included above	25,978	23,215
Profit/loss for the accounting period	4,174,789	3,137,845

Penzijní fond České pojišťovny, a.s.

Balance Sheet, Short Form, as at 31 December 2004 (CZK '000)

	2004	2003
Total assets	21,742,736	11,094,736
Cash in hand, balances with central banks	35	18
State couponless bills and other securities eligible for refinancing with the central bank	–	–
Receivables from banks and credit unions	1,397,807	781,862
Receivables from non-bank entities	–	–
Debt securities	18,537,040	9,557,342
Shares, units, and other investments	1,053,103	309,872
Interests in group undertakings	–	–
Interests in associates	–	–
Intangible fixed assets	15,002	5,284
Tangible fixed assets	44,691	20,690
Other assets	265,915	211,920
Capital subscriptions receivable	–	–
Prepayments and accrued income	429,143	207,748
	2004	2003
Total liabilities and equity	21,742,736	11,094,736
Payables in respect of banks and credit unions	–	–
Payables in respect of clients, credit union members	–	–
Liabilities relating to debt securities	–	–
Other liabilities	20,211,242	10,415,469
Deferred income and accrued expenses	3,131	3,694
Provisions	14,803	592
Subordinated debt	–	–
Basic share capital	213,700	210,000
Share issue premium	50,000	50,000
Capital reserves and other funds created from profit	122,419	75,065
Revaluation reserve	–	–
Capital funds	245,567	80,057
Fair value increase/decrease	144,552	(47,832)
Retained earnings	30,297	12,927
Profit/(loss) of the accounting period	707,025	294,764

Penzijní fond České pojišťovny, a.s.
Profit and Loss Account, Short Form, Year Ended 31 December 2004 (CZK '000)

	2004	2003
Interest and similar income	564,084	366,628
Interest and similar expenses	204	–
Income from shares and interests	46,311	13,526
Fee and commission income	1,168	572
Fee and commission expenses	165,485	92,262
Net gain/(loss) from financing activities	457,431	137,132
Other operating income	12,018	4,402
Other operating expenses	4,645	5,214
Administrative expenses	179,067	118,568
Release of provisions and impairment allowances relating to tangible and intangible fixed assets	700	–
Write-offs, provisions, and impairment allowances relating to tangible and intangible fixed assets	19,724	10,793
Release of provisions and impairment allowances relating to receivables and guarantees, income from receivables previously written off	–	7
Write-offs, provisions, and impairment allowances relating to receivables and guarantees	2,344	–
Release of impairment allowances relating to interests in group undertakings and associates	–	–
Loss on transfer of interests in group undertakings and associates, impairment allowances relating to interests in group undertakings and associates	–	–
Release of other provisions	–	–
Additions to other provisions	3,218	666
Interest in earnings of group undertakings and associates	–	–
Profit/(loss) on ordinary activity for the accounting period, before tax	707,025	294,764
Extraordinary income	–	–
Extraordinary expenses	–	–
Profit/(loss) on extraordinary activity for the accounting period, before tax	–	–
Profit/(loss) for the accounting period, after tax	707,025	294,764

ČP INVEST investiční společnost, a.s.

Balance Sheet, Short Form, as at 31 December 2004 (CZK '000)

	2004	2003
Total assets	170,759	187,545
Cash in hand, balances with central banks	56	35
State couponless bills and other securities eligible for refinancing with the central bank	–	–
of which: a) issued by government institutions	–	–
b) other	–	–
Receivables from banks and credit unions	24,061	24,868
a) due on demand	2,060	1,867
b) other	22,001	23,001
Receivables from clients, credit union members	–	–
a) due on demand	–	–
b) other	–	–
Debt securities	133,122	138,803
of which: a) issued by government institutions	–	–
b) other	133,122	138,803
Shares, units, and other interests	2,971	2,859
Interests in associates	–	–
Interests in group undertakings	–	1,120
Intangible fixed assets	1,703	2,638
Tangible fixed assets	2,644	4,714
Other assets	5,661	11,545
Capital subscriptions receivable	–	–
Prepayments and accrued income	541	963
	2004	2003
Total liabilities and equity	170,759	187,545
Payables in respect of banks and credit unions	–	–
Payables in respect of clients, credit union members	–	–
Liabilities relating to debt securities	–	–
Other liabilities	8,317	7,149
Deferred income and accrued expenses	50	145
Provisions	1,208	3,208
Subordinated debt	–	–
Basic share capital	91,000	91,000
Share issue premium	–	–
Capital reserves and other funds created from profit	33,862	34,124
Revaluation reserve	–	–
Capital funds	10,006	10,006
Fair value increase/decrease	–	–
Retained earnings	41,916	35,117
Profit/(loss) of the accounting period	(15,600)	6,796

ČP INVEST investiční společnost, a.s.
Profit and Loss Account, Short Form, Year Ended 31 December 2004 (CZK '000)

	2004	2003
Interest and similar income	6,403	7,174
of which: interest on debt securities	5,966	6,773
Interest and similar expenses	(17)	(29)
Income from shares and interests	–	–
Fee and commission income	–	–
Fee and commission expenses	(575)	(525)
Net gain/(loss) on financing activities	126	(293)
Other operating income	49,176	55,778
Other operating expenses	(45,508)	(31,188)
Administrative expenses	(24,126)	(19,389)
Release of provisions and impairment allowances relating to tangible and intangible fixed assets	–	–
Write-offs, provisions, and impairment allowances relating to tangible and intangible fixed assets	(3,083)	(3,386)
Release of provisions and impairment allowances relating to receivables and guarantees, income from receivables previously written off	–	–
Write-offs, provisions, and impairment allowances relating to receivables and guarantees	–	–
Release of impairment allowances relating to interests in group undertakings and associates	380	42
Loss on transfer of interests in group undertakings and associates, impairment allowances relating to interests in group undertakings and associates	(376)	(180)
Release of other provisions	–	–
Additions to other provisions	2,000	(1,208)
Interest in earnings of group undertakings and associates	–	–
Profit/(loss) on ordinary activity for the accounting period, before tax	(15,600)	6,796
Extraordinary income	–	–
Extraordinary expenses	–	–
Profit/(loss) on extraordinary activity for the accounting period, before tax	–	–
Income tax	–	–
Profit/(loss) for the accounting period, after tax	(15,600)	6,796

ČP Leasing, a.s.

Balance Sheet, Short Form, as at 31 December 2004 (CZK '000)

	2004	2003
Total assets	9,266,321	9,006,660
Receivables for subscribed capital	–	–
Non-current assets	7,853,756	8,252,652
Non-current intangibles	21,414	19,753
Tangible fixed assets	7,765,365	8,204,010
Non-current investments	66,977	28,889
Investments in group undertakings	4,870	4,350
Current assets	1,216,476	557,139
Inventories	–	–
Long-term receivables	–	–
Short-term receivables	605,078	469,288
Current investments	611,398	87,851
Accruals and deferrals	196,089	196,869

	2004	2003
Total liabilities and equity	9,266,321	9,006,660
Equity	510,778	322,809
Share capital	300,000	300,000
Capital contributions	2,864	2,479
Reserve funds, undistributable reserves, and other funds created from profit	9,041	2,720
Retained earnings	11,289	(95,076)
Profit/(loss) for the current accounting period	187,584	112,686
Liabilities	6,788,202	7,392,081
Provisions	71,363	60,438
Non-current payables	2,597,553	3,405,288
Current payables	1,571,914	2,393,874
Bank loans and overdrafts	2,547,372	1,532,481
Accruals and deferrals	1,967,341	1,291,770

Profit and Loss Account, Short Form, Year Ended 31 December 2004 (CZK '000)

	2004	2003
Operating revenues	5,419,473	5,067,730
Cost of goods sold and cost of materials, energy, and services	385,739	468,645
Gross margin	5,060,734	4,599,085
Staff costs	89,273	78,903
Depreciation of tangibles, amortization of intangibles	4,072,437	3,647,428
Change in balance of operating provisions and comprehensive prepaid expenses	78,461	114,933
Other operating income	583,116	636,878
Other operating expenses	390,037	524,210
Operating profit/(loss)	1,013,642	870,489
Change in balance of financing provisions	–	–
Other financing income	56,581	30,378
Other financing expenses	763,229	735,749
Financing profit/(loss)	(706,648)	(705,371)
Corporate income tax on ordinary activity	119,410	52,432
Profit/(loss) on ordinary activity	187,584	112,686
Extraordinary income	–	–
Extraordinary expenses	–	–
Extraordinary profit/(loss)	–	–
Profit/(loss) for the current accounting period	187,584	112,686

Česká poistovňa – Slovensko, akciová spoločnosť

Balance Sheet, Short Form, as at 31 December 2004 (SKK '000)

	2004	2003
Total assets	3,259,957	2,232,193
Intangible assets	19,720	10,405
Financial placements (investments)	1,315,968	1,125,873
Financial placements on behalf of insureds	372,935	184,148
Debtors	1,081,352	551,515
Other assets	63,924	38,191
Accruals and deferrals	406,058	322,061

	2004	2003
Total liabilities and equity	3,259,957	2,232,193
Shareholders' equity	400,841	394,710
Subordinated debt	–	–
Technical provisions	1,052,909	901,149
Technical provisions for risks from investments made on behalf of insureds	373,837	185,156
Provisions	373	3,450
Outgoing reinsurance deposits	–	–
Creditors	1,352,765	701,723
Accruals and deferrals	79,232	46,005

Česká poistovňa – Slovensko, akciová spoločnosť
Profit and Loss Account, Short Form, Year Ended 31 December 2004 (SKK '000)

	2004	2003
TECHNICAL ACCOUNT FOR NON-LIFE INSURANCE		
Earned premiums, net of reinsurance	1,056,028	979,748
Income from financial placements (investments) transferred from the Non-technical Account	43,321	22,601
Other technical income, net of reinsurance	74,491	37,075
Claims incurred, net of reinsurance	552,517	640,485
Net operating expenses	292,473	331,825
Other technical expenses, net of reinsurance	334,714	51,566
Change in the equalization provision	–	(8,848)
Subtotal, balance (result) of the Technical Account for Non-life Insurance	(5,864)	24,396
TECHNICAL ACCOUNT FOR LIFE ASSURANCE		
Earned premiums, net of reinsurance	472,697	298,273
Income from financial placements (investments)	9,994	9,226
Unrealized gains in value of financial placements (investments)	32,322	25,979
Other technical income, net of reinsurance	6,062	–
Claims incurred, net of reinsurance	28,032	12,963
Change in other technical provisions, net of reinsurance	239,626	184,747
Net operating expenses	215,503	121,356
Expenses connected with financial placements (investments)	762	140
Unrealized losses on financial placements (investments)	25,096	15,132
Other technical expenses, net of reinsurance	7,651	12,386
Income on financial placements (investments) transferred to Non-technical Account	–	–
Subtotal, balance (result) of Technical Account for Life Assurance	4,405	(13,246)
NON-TECHNICAL ACCOUNT		
Result of the Technical Account for Non-life Insurance	(5,864)	24,396
Result of the Technical Account for Life Assurance	4,405	(13,246)
Income from financial placements (investments)	225,285	19,119
Unrealized gains on financial placements (investments)	10,730	5,472
Expenses connected to financial placements (investments)	212,683	8,254
Unrealized losses on financial placements (investments)	4,357	13,533
Other income	32,097	30,811
Other expenses	32,614	29,326
Other taxes and fees	2,193	9,123
Income tax on ordinary activity	8,675	756
Profit/(loss) on ordinary activity, after tax	6,131	5,560
Extraordinary income	–	1,427
Extraordinary expenses	–	2,508
Extraordinary profit/(loss)	–	(1,081)
Income tax on extraordinary activity	–	–
Profit/(loss) for the accounting period	6,131	4,479

Česká pojišťovna ZDRAVÍ a.s.

Balance Sheet, Short Form, as at 31 December 2004 (CZK '000)

	2004	2003
Total assets	419,992	266,066
Non-current intangibles	390	228
Financial placements (investments)	309,595	216,175
Debtors	92,967	32,652
Other assets	4,896	11,319
Temporary asset accounts	12,144	5,692

	2004	2003
Total liabilities and equity	419,992	266,066
Shareholders' equity	150,680	104,820
Technical provisions	215,490	136,583
Creditors	52,496	22,572
Temporary liability accounts	1,326	2,091

Česká pojišťovna ZDRAVÍ a.s.
Profit and Loss Account, Short Form, Year Ended 31 December 2004 (CZK '000)

	2004	2003
TECHNICAL ACCOUNT FOR NON-LIFE INSURANCE		
Earned premiums, net of reinsurance	218,392	137,465
Income from financial placements (investments) transferred from the Non-technical Account	10,384	8,107
Other technical income, net of reinsurance	14,015	13,597
Claims incurred, net of reinsurance	135,514	93,289
Change in other technical provisions, net of reinsurance (+/-)	14,312	16,726
Bonuses and rebates, net of reinsurance	–	–
Net operating expenses	23,078	29,377
Other technical expenses, net of reinsurance	17,907	15,751
Change in the equalization provision (+/-)	3,232	3,771
Subtotal, balance (result) of the Technical Account for Non-life Insurance	48,748	255
NON-TECHNICAL ACCOUNT		
Result of the Technical Account for Non-life Insurance	48,748	255
Result of the Technical Account for Life Assurance	–	–
Income from financial placements (investments)	36,226	83,699
Income from financial placements (investments) transferred from the Technical Account for Life Assurance	–	–
Expenses connected with financial placements (investments)	20,718	71,014
Income from financial placements (investments) transferred to Technical Account for Non-life Insurance	10,384	8,107
Other income	1,284	732
Other expenses	2,791	2,999
Income tax on ordinary activities	(5,149)	–
Profit/loss on ordinary activities, after tax	57,514	2,566
Extraordinary expenses	10,201	2,010
Extraordinary income	–	2,541
Extraordinary profit/loss	(10,201)	531
Income tax on extraordinary activities	–	–
Other taxes not included above	17	16
Profit/loss for the accounting period	47,296	3,081

CP Reinsurance Company Limited

Balance Sheet as at 31 December 2004 (C£ '000)

	2004
Total assets	100,335
Tangible fixed assets	15
Intangible assets	11
Investments available for sale	86,516
Total non-current assets	86,542
Prepayments	5
Balances with group companies	4,172
Cash and cash equivalents	9,616
Total current assets	13,793

	2004
Total shareholders' equity and liabilities	100,335
Share capital	8,000
Reserves	26,215
Total shareholders' equity	34,215
Subordinated loan	3,151
Deferred tax liability	131
Total non-current liabilities	3,282
Technical provisions	62,031
Other non-current liabilities	14
Corporation tax liability	793
Total current liabilities	62,838
Total liabilities	66,120

CP Reinsurance Company Limited
Income Statement for the Period from 21 May 2004 to 31 December 2004 (C£ '000)

	2004
Revenue	
Premiums earned	113,224
Net investment income	1,010
Unrealized gain on foreign exchange	1,305
Net financing income	75
Total revenue	115,614
Expenses	
Claims paid and outstanding	66,800
Acquisition costs	17,921
Administrative expenses	199
Other expenses	14
Total expenses	84,934
Profit before taxation	30,680
Income tax	(4,465)
Profit (loss) for the current accounting period	26,215
Earnings per share	£1.09

**Statement of Changes in Shareholders' Equity for the Period
from 21 May 2004 to 31 December 2004 (C£ '000)**

	Share Capital	Retained Earnings	Total
Issuance of share capital	8,000	–	8,000
Net income for the period	–	26,215	26,215
Balance at 31 December 2004	8,000	26,215	34,215

Češkaya strachovaya kompaniya o.o.o.

Balance Sheet According to Russian Financial Reporting Standards as at 31 December 2004 (RUB '000)

	2004	2003
Total Assets	125,673	27,374
Intangible assets	48	54
Property and equipment	9,272	5,732
Reinsurers' share of technical provisions	1,725	674
Receivables	5,516	875
Debtors arising out of direct insurance operations	3,080	433
Others debtors	2,436	442
Others assets	98,144	20,039
Cash at bank and in hand	94,829	17,741
Materials and supplies	3,315	2,298
Prepayments and accrued income	10,968	–
Deferred tax assets	10,746	–
Others prepayments	222	–

	2004	2003
Total Liabilities	125,673	27,374
Capital and reserves (equity)	101,156	19,647
Issued capital	86,668	86,668
Capital funds	27	27
Accumulated earnings/losses	14,461	(67,048)
Technical provisions	20,357	4,625
Life assurance provisions	20,310	4,625
Unearned premiums provision	46	–
Provision for outstanding claims	1	–
Creditors	4,160	3,102
Creditors arising out of direct insurance operations	2,079	932
Creditors arising out of reinsurance operations	1,000	491
Other creditors, including tax and social security	1,081	1,679

Češkaya strachovaya kompaniya o.o.o.
Income Statement According to Russian Financial Reporting Standards
for the Year Ended 31 December 2004 (RUB '000)

	2004	2003
TECHNICAL ACCOUNT – LIFE ASSURANCE BUSINESS		
Net premiums written	42,825	13,051
Gross premiums written	45,870	14,028
Outwards reinsurance premiums	(3,045)	(977)
Change in life assurance provision	(14,653)	(3,696)
Gross amount of change in life assurance provisions	(15,685)	(4,283)
Reinsurers' share of change in life assurance provisions	1,032	587
Claims incurred	(475)	(259)
Gross amount of claims paid	(982)	(513)
Reinsurers' share of claims paid	507	254
Net operating costs	(16,980)	(7,942)
Balance on the technical account – life assurance	10,717	1,154
TECHNICAL ACCOUNT – NON-LIFE INSURANCE BUSINESS		
Net premiums written	30	–
Gross premiums written	59	–
Outwards reinsurance premiums	(29)	–
Change in unearned premiums	(28)	–
Gross amount of change in non-life provisions	(46)	–
Reinsurers' share of change in non-life provisions	18	–
Change in provision for unearned premiums	–	–
Gross amount of change in provision for unearned premiums	(1)	–
Reinsurers' share of change in provision for unearned premiums	1	–
Net operating costs	–	–
Balance on the technical account – non-life insurance	2	–
OTHER INCOMES AND EXPENSES		
Investment income	2,406	1 451
Administrative expenses	(60,299)	(39,120)
Other incomes	210	112
Other expenses	(2,120)	(2,092)
Non-realized income	120,050	12
Non-realized expenses	(49)	(3)
Profit/loss before tax	70,917	(38,486)
Deferred tax assets	10,746	–
Net other charges/income	(154)	–
Net profit/loss for the year	81,509	(38,486)

Companies Managed by PPF – Consumer Credit

Home Credit Finance a.s.

Balance Sheet, Short Form, as at 31 December 2004 (CZK '000)

	2004	2003
Total assets	9,084,723	13,091,099
Receivables for subscribed capital	–	–
Non-current assets	5,581,950	7,983,395
Non-current intangibles	20,178	23,798
Tangible fixed assets	19,026	29,645
Non-current investments	5,542,746	7,929,952
Investments in group undertakings	2,238,693	1,388,546
Current assets	3,383,396	4,817,301
Inventories	87,150	18,768
Long-term receivables	9,527	9,143
Short-term receivables	2,555,967	2,129,365
Current investments	730,751	2,660,025
Accruals and deferrals	119,378	290,404

	2004	2003
Total liabilities and equity	9,084,723	13,091,099
Equity	342,885	505,807
Share capital	300,000	300,000
Capital contributions	(307,398)	(69,926)
Reserve funds, undistributable reserves, and other funds created from profit	27,000	7,000
Retained earnings	248,733	(121,875)
Profit/(loss) for the current accounting period	74,551	390,608
Liabilities	8,634,414	12,440,430
Provisions	–	–
Non-current payables	6,080,000	5,500,000
Current payables	1,904,414	6,390,430
Bank loans and overdrafts	650,000	550,000
Accruals and deferrals	107,424	144,862

Home Credit Finance a.s.
Profit and Loss Account, Short Form, Year Ended 31 December 2004 (CZK '000)

	2004	2003
Revenues from goods and services sold	600,792	180,733
Cost of goods sold and cost of materials, energy, and services	1,122,234	560,867
Gross margin	(521,442)	(380,134)
Staff costs	124,800	94,592
Amortization of intangible and tangible assets	21,651	73,355
Change in balance of operating provisions and comprehensive prepaid expenses	(87,787)	(276,703)
Other operating income	4,628,844	5,764,102
Other operating expenses	4,078,357	5,813,061
Operating profit/(loss)	(29,619)	(320,337)
Change in balance of financing provisions	–	–
Other financing income	10,878,629	10,915,463
Other financing expenses	10,659,494	10,095,535
Financing profit/(loss)	219,135	819,928
Corporate income tax on ordinary activity	114,863	108,983
Profit/(loss) on ordinary activity	74,653	390,608
Extraordinary income	–	–
Extraordinary expenses	102	–
Extraordinary profit/(loss)	(102)	–
Profit/(loss) for the current accounting period	74,551	390,608

Home Credit Slovakia, a.s.

Balance Sheet, Short Form, as at 31 December 2004 (SKK '000)

	2004	2003
Total assets	3,754,706	3,004,023
Receivables for subscribed capital	–	–
Non-current assets	447,046	123,755
Non-current intangibles	1,168	1,391
Tangible fixed assets	12,738	10,044
Non-current investments	433,140	112,320
Investments in group undertakings	1,000	1,000
Current assets	3,202,920	2,701,113
Inventories	1,143	12,490
Long-term receivables	1,410,018	1,109,676
Short-term receivables	1,695,221	1,519,253
Current investments	96,538	59,694
Accruals and deferrals	104,740	179,155

	2004	2003
Total liabilities and equity	3,754,706	3,004,023
Equity	74,808	(5,075)
Share capital	100,000	60,000
Capital contributions	(4,185)	(5,318)
Reserve funds, undistributable reserves, and other funds created from profit	1,515	1,494
Retained earnings	(61,272)	(61,459)
Profit/(loss) for the current accounting period	38,750	208
Liabilities	3,667,811	3,007,044
Provisions	5,732	28,728
Non-current payables	45,691	52,540
Current payables	157,233	231,982
Bank loans and overdrafts	3,459,155	2,693,794
Accruals and deferrals	12,087	2,054

Home Credit Slovakia, a.s.
Profit and Loss Account, Short Form, Year Ended 31 December 2004 (SKK '000)

	2004	2003
Revenues from goods and services sold	1,094,644	759,567
Cost of goods sold and cost of materials, energy, and services	480,142	296,721
Gross margin	614,502	462,846
Staff costs	75,838	64,837
Amortization of intangible and tangible assets	4,629	12,397
Provisions, impairment losses, accruals and deferrals to operating revenues	6,554	107,099
Provisions, impairment losses, accruals and deferrals to operating expenses	68,052	142,013
Other operating revenues	299,986	202,765
Other operating expenses	445,138	355,745
Operating profit/(loss)	327,385	197,718
Increase in fair value of equity securities and release of provisions to revenues from financing activities	–	2,746
Expenses associated with financial assets and decrease in fair value of equity securities	13,690	92,825
Other financing income	36,625	68,317
Other financing expenses	282,053	196,306
Financing profit/(loss)	(259,118)	(218,068)
Corporate income tax on ordinary activity	30,177	(21,955)
Profit/(loss) on ordinary activity	38,090	1,605
Extraordinary income	876	969
Extraordinary expenses	216	2,366
Extraordinary profit/(loss)	660	(1,397)
Profit/(loss) for the current accounting period	38,750	208

Home Credit & Finance Bank, limited liability company

Consolidated Balance Sheet, as at 31 December 2004 (RUB '000)

	2004	2003
Total assets	25,828,653	8,173,377
Cash	6,444	4,915
Due from the Central Bank of the Russian Federation	3,403,010	1,313,041
Receivables from financial institutions	3,520,103	1,336,095
Receivables under originated loans	18,371,076	5,220,867
Securities	6,244	6,456
Property, equipment and intangible assets	326,802	153,271
Deferred tax asset	–	73,640
Other assets	194,974	65,092

	2004	2003
Total liabilities and equity	25,828,653	8,173,377
Due to banks and other financial institutions	19,130,262	6,737,022
Client deposits	1,977,215	151,481
Debt securities issued	1,533,658	–
Deferred tax liability	29,127	–
Other liabilities	390,188	101,769
Total liabilities	23,060,450	6,990,272
Registered capital	405,707	405,707
Other capital contributions	2,444,336	1,266,336
Retained earnings	(81,840)	(488,938)
Total equity	2,768,203	1,183,105

Home Credit & Finance Bank, limited liability company
Consolidated Income Statement for the Year Ended 31 December 2004 (RUB '000)

	2004	2003
Interest income	3,428,609	361,778
Interest expense	(887,857)	(113,195)
Net interest income	2,540,752	248,583
Fee and commission income	1,100,029	161,469
Fee and commission expense	(25,163)	(783)
Net fee and commission income	1,074,866	160,686
Other operating income/(expense)	7,964	(65,616)
Operating income	3,623,582	343,653
Impairment losses	(1,023,136)	(156,500)
General administrative expenses	(2,007,872)	(504,713)
Operating expenses	(3,031,008)	(661,213)
Earnings before tax	592,574	(317,560)
Income tax	(185,476)	73,621
Earnings after tax	407,098	(243,939)

Companies Managed by PPF – Banking

eBanka, a.s.

Balance Sheet, Short Form, as at 31 December 2004 (CZK '000)

	2004	2003
Total assets	13,873,464	11,923,940
Cash in hand, balances with central banks	891,107	805,581
State zero coupon bonds and other securities eligible for refinancing with the central bank	2,729,595	2,731,038
Receivables from banks and credit unions	2,520,485	3,911,795
Receivables from clients, credit union members	6,386,971	3,138,467
Debt securities	150,319	52,603
Shares, units, and other investments	7,081	7,094
Intangible fixed assets	217,680	208,359
Tangible fixed assets	399,339	376,408
Other assets	501,752	565,143
Prepayments and accrued income	69,135	127,452

	2004	2003
Total liabilities and equity	13,873,464	11,923,940
Payables in respect of banks and credit unions	84,656	20,434
Payables in respect of clients, credit union members	12,026,292	9,562,158
Liabilities relating to debt securities	–	1,002,004
Other liabilities	437,221	284,242
Deferred income and accrued expenses	1,844	17,450
Provisions	25,577	3,400
Subordinated debt	354,402	200,555
Basic share capital	1,144,500	1,042,302
Share issue premium	200,335	–
Retained losses	(130,432)	(75,081)
Profit/(loss) of the accounting period	(270,931)	(133,524)

Profit and Loss Account, Short Form, Year Ended 31 December 2004 (CZK '000)

	2004	2003
Interest and similar income	484,646	343,242
Interest and similar expenses	(117,698)	(137,398)
Fee and commission income	784,400	589,537
Fee and commission expenses	(140,845)	(103,130)
Net gain/(loss) from financing activities	158,799	89,889
Other operating income	28,245	86,792
Other operating expenses	(55,970)	(27,245)
Administrative expenses	(1,091,183)	(776,515)
Amortization, net changes in provisions and impairment losses to tangible and intangible fixed assets	(185,493)	(146,079)
Release of provisions and impairment allowances relating to receivables and guarantees, income from receivables previously written off	8,008	33,543
Write-offs, provisions, and impairment allowances relating to receivables and guarantees	(121,663)	(78,110)
Other provisioning, net	(22,177)	11,322
Profit/(loss) on ordinary activities for the accounting period, before tax	(270,931)	(114,152)
Income tax	–	(19,372)
Profit/(loss) for the accounting period, after tax	(270,931)	(133,524)

PPF banka a.s.

Balance Sheet, Short Form, as at 31 December 2004 (CZK '000)

	2004	2003
Total assets	12,718,339	13,473,426
Cash in hand, balances with central banks	104,638	94,015
State zero coupon bonds and other securities eligible for refinancing with the CNB	537,645	1,047,114
Receivables from banks, credit unions	6,714,409	6,337,504
Receivables from clients, credit union members	4,774,580	4,264,992
Debt securities	279,240	1,500,787
Shares, units, and other interests	2,500	–
Interests in group undertakings	60,965	33,001
Non-current intangibles	92,769	57,751
Tangible fixed assets	40,473	38,075
Other assets	74,942	43,378
Prepayments and accrued income	36,178	56,809

	2004	2003
Total liabilities and equity	12,718,339	13,473,426
Payables in respect of banks, credit unions	19,253	–
Payables in respect of clients, credit union members	6,830,129	7,016,890
Liabilities relating to debt securities	4,225,319	4,972,275
Other liabilities	92,084	38,706
Deferred income and accrued expenses	9,448	12,187
Provisions	7,577	1,633
Subordinated debt	267,796	267,149
Share capital	500,021	500,021
Capital reserves and other funds created from profit	58,923	29,616
Retained earnings	605,021	41,400
Profit/(loss) for the accounting period	102,768	593,549

Profit and Loss Account, Short Form, Year Ended 31 December 2004 (CZK '000)

	2004	2003
Interest and similar income	566,793	338,102
Interest and similar expenses	(255,229)	(160,823)
Fee and commission income	66,105	28,170
Fee and commission expenses	(104,259)	(31,574)
Net profit/(loss) from financing activities	6,588	537,284
Other operating income	20,776	5,225
Other operating expenses	(32,984)	(9,631)
Administrative expenses	(191,198)	(135,501)
Amortization, net changes in provisions and impairment losses to tangible and intangible fixed assets	(27,429)	(17,664)
Release of impairment losses and other provisions on receivables and guarantees, revenue from receivables formerly written off	2,631	7,522
Write-offs, net impairment losses, and other provisions on receivables and guarantees	(11,466)	(3,108)
Share in profits/(losses) of group and associated undertakings	40,964	–
Profit/(loss) for the accounting period from ordinary activities, before tax	81,292	558,002
Income tax	21,476	35,547
Profit/(loss) for the accounting period, after tax	102,768	593,549

Specialized Companies of PPF Group

PPF Asset Management a.s.

Balance Sheet, Short Form, as at 31 December 2004 (CZK '000)

	2004	2003
Total assets	186,848	88,935
Cash in hand, balances with central banks	8	15
Receivables from banks and credit unions	165,216	41,493
Receivables from non-bank entities	10,505	25,969
Non-current intangible assets	1,180	1,337
Tangible fixed assets	2,123	2,285
Other assets	338	7,160
Receivables for subscribed capital	–	–
Prepayments and accrued income	7,478	10,676

	2004	2003
Total liabilities and equity	186,848	88,935
Payables in respect of banks, credit unions	–	1
Payables in respect of non-bank entities	2,574	–
Other liabilities	20,907	13,431
Deferred income and accrued expenses	–	1,533
Provisions	26,328	5
Share capital	52,000	52,000
Share issue premium	–	575
Capital reserves and other funds created from profit	1,971	16
Capital contributions	–	1,015
Profit or loss carried forward	6,994	(18,738)
Profit or loss for the accounting period	76,074	39,097

PPF Asset Management a.s.
Profit and Loss Account, Short Form, Year Ended 31 December 2004 (CZK '000)

	2004	2003
Interest and similar income	951	119
Fee and commission income	233,190	66,835
Fee and commission expenses	(7,967)	(974)
Net profit/(loss) from financing activities	(136)	214
Other operating income	1,880	370
Other operating expenses	(18,157)	(1,124)
Administrative expenses	(100,429)	(31,666)
Release of provisions and impairment losses on non-current tangibles and intangibles	–	–
Amortization, net changes in provisions and impairment losses to tangible and intangible fixed assets	(1,072)	(845)
Release of impairment losses and other provisions on receivables and guarantees, revenue from receivables formerly written off	–	1
Profit/(loss) for the accounting period from ordinary activities, before tax	108,260	32,930
Corporate income tax	(32,186)	6,167
Profit/(loss) for the accounting period, after tax	76,074	39,097

PPF CONSULTING a.s.

Balance Sheet, Short Form, as at 31 December 2004 (CZK '000)

	2004	2003
Total assets	21,390	37,368
Receivables for subscribed capital	–	–
Non-current assets	6,285	3,950
Non-current intangibles	530	577
Tangible fixed assets	3,310	928
Non-current investments	2,445	2,445
Investments in group undertakings	2,445	2,445
Current assets	14,674	33,324
Inventories	–	–
Long-term receivables	–	–
Short-term receivables	13,350	22,062
Current investments	1,324	11,262
Accruals and deferrals	431	94
	2004	2003
Total liabilities and equity	21,390	37,368
Equity	5,836	5,784
Share capital	1,000	1,000
Capital contributions	(6)	(6)
Reserve funds, undistributable reserves, and other funds created from profit	219	219
Retained earnings	–	2,933
Profit/(loss) for the current accounting period	4,623	1,638
Liabilities	15,411	30,990
Provisions	2,266	328
Non-current payables	195	47
Current payables	12,950	10,523
Bank loans and overdrafts	–	20,092
Accruals and deferrals	143	594

PPF CONSULTING a.s.

Profit and Loss Account, Short Form, Year Ended 31 December 2004 (CZK '000)

	2004	2003
Revenues from goods and services sold	101,313	23,223
Cost of goods sold and cost of materials, energy, and services	44,431	12,513
Gross margin	56,882	10,710
Staff costs	47,262	7,554
Amortization of intangible and tangible assets	718	97
Change in balance of operating provisions and comprehensive prepaid expenses	–	–
Other operating income	1,107	159
Other operating expenses	1,468	412
Operating profit/(loss)	8,541	2,806
Change in balance of financing provisions	–	–
Other financing income	589	112
Other financing expenses	936	241
Financing profit/(loss)	(347)	(129)
Corporate income tax on ordinary activity	3,571	1,045
Profit/(loss) on ordinary activity	4,623	1,632
Extraordinary income	–	6
Extraordinary expenses	–	–
Extraordinary profit/(loss)	–	6
Profit/(loss) for the current accounting period	4,623	1,638

PPF majetková a.s.

Balance Sheet, Short Form, as at 31 December 2004 (CZK '000)

	2004	2003
Total assets	307,664	456,267
Receivables for subscribed capital	–	–
Non-current assets	41,093	63,842
Non-current intangibles	1,405	1,488
Tangible fixed assets	36,260	62,076
Non-current investments	3,428	278
Investments in group undertakings	3,428	278
Current assets	253,137	372,204
Inventories	261	–
Long-term receivables	1,608	–
Short-term receivables	231,677	18,747
Current investments	19,591	353,457
Accruals and deferrals	13,434	20,221

	2004	2003
Total liabilities and equity	307,664	456,267
Equity	99,090	65,932
Share capital	1,270	1,270
Capital contributions	–	–
Reserve funds, undistributable reserves, and other funds created from profit	300	300
Retained earnings	64,362	49,836
Profit/(loss) for the current accounting period	33,158	14,526
Liabilities	32,642	35,791
Provisions	9,179	–
Non-current payables	1,740	1,771
Current payables	21,723	34,020
Bank loans and overdrafts	–	–
Accruals and deferrals	175,932	354,544

PPF majetková a.s.
Profit and Loss Account, Short Form, Year Ended 31 December 2004 (CZK '000)

	2004	2003
Revenues from goods and services sold	169,600	163,811
Cost of goods sold and cost of materials, energy, and services	92,059	79,828
Gross margin	77,541	83,983
Staff costs	55,543	50,010
Amortization of intangible and tangible assets	8,581	8,509
Change in balance of operating provisions and comprehensive prepaid expenses	(500)	(20,774)
Other operating income	63,938	5,874
Other operating expenses	40,336	23,853
Operating profit/(loss)	37,519	28,259
Change in balance of financing provisions	350	837
Other financing income	11,018	740
Other financing expenses	624	576
Financing profit/(loss)	10,044	(673)
Corporate income tax on ordinary activity	14,405	13,060
Profit/(loss) on ordinary activity	33,158	14,526
Extraordinary income	–	–
Extraordinary expenses	–	–
Extraordinary profit/(loss)	–	–
Profit/(loss) for the current accounting period	33,158	14,526

CM - CREDIT a.s.

Balance Sheet, Short Form, as at 31 December 2004 (CZK '000)

	2004	2003
Total assets	11,773	49,157
Receivables for subscribed capital	–	–
Non-current assets	680	23,220
Non-current intangibles	155	221
Tangible fixed assets	493	357
Non-current investments	32	22,642
Investments in group undertakings	–	400
Current assets	10,310	24,621
Inventories	–	–
Long-term receivables	–	–
Short-term receivables	5,301	21,070
Current investments	5,009	3,551
Accruals and deferrals	783	1,316
	2004	2003
Total liabilities and equity	11,773	49,157
Equity	3,917	3,697
Share capital	2,000	2,000
Capital contributions	(1)	2
Reserve funds, undistributable reserves, and other funds created from profit	288	286
Retained earnings	1,407	1,371
Profit/(loss) for the current accounting period	223	38
Liabilities	7,849	45,309
Provisions	–	445
Non-current payables	19	331
Current payables	7,830	44,533
Bank loans and overdrafts	–	–
Accruals and deferrals	7	151

Profit and Loss Account, Short Form, Year Ended 31 December 2004 (CZK '000)

	2004	2003
Revenues from goods and services sold	2,985	10,333
Cost of goods sold and cost of materials, energy, and services	7,794	11,978
Gross margin	(4,809)	(1,645)
Staff costs	6,361	8,499
Amortization of intangible and tangible assets	152	223
Change in balance of operating provisions and comprehensive prepaid expenses	(21)	–
Other operating income	38,984	81,839
Other operating expenses	29,410	72,309
Operating profit/(loss)	(1,727)	(837)
Change in balance of financing provisions	400	–
Other financing income	25,850	30,234
Other financing expenses	23,164	28,764
Financing profit/(loss)	2,286	1,470
Corporate income tax on ordinary activity	362	595
Profit/(loss) on ordinary activity	197	38
Extraordinary income	26	–
Extraordinary expenses	–	–
Extraordinary profit/(loss)	26	–
Profit/(loss) for the current accounting period	223	38

AB - CREDIT a. s.

Balance Sheet, Short Form, as at 31 December 2004 (CZK '000)

	2004	2003
Total assets	4,466,505	1,275,987
Receivables for subscribed capital	–	–
Non-current assets	1,603,287	4,091
Non-current intangibles	1,365	1,216
Tangible fixed assets	27,453	875
Non-current investments	1,574,468	2,000
Investments in group undertakings	239,769	(248,437)
Current assets	2,845,659	1,268,605
Inventories	–	–
Long-term receivables	9,271	5,611
Short-term receivables	2,384,439	1,023,898
Current investments	451,949	239,096
Accruals and deferrals	17,559	3,291

	2004	2003
Total liabilities and equity	4,466,505	1,275,987
Equity	3,668,824	238,285
Share capital	2,081,300	1,601,000
Capital contributions	797,285	(3,818)
Reserve funds, undistributable reserves, and other funds created from profit	14,828	4,674
Retained earnings	327,694	(1,538,841)
Profit/(loss) for the current accounting period	447,717	175,270
Liabilities	772,188	1,016,429
Provisions	20,221	25,200
Non-current payables	–	–
Current payables	750,071	989,365
Bank loans and overdrafts	1,896	1,864
Accruals and deferrals	25,493	21,273

Profit and Loss Account, Short Form, Year Ended 31 December 2004 (CZK '000)

	2004	2003
Revenues from goods and services sold	34,600	5,442
Cost of goods sold and cost of materials, energy, and services	33,010	20,365
Gross margin	1,590	(14,923)
Staff costs	17,756	7,679
Amortization of intangible and tangible assets	1,890	737
Change in balance of operating provisions and comprehensive prepaid expenses	8,381	12,074
Other operating income	491,488	875,506
Other operating expenses	60,971	626,077
Operating profit/(loss)	404,080	214,016
Change in balance of financing provisions	(250,150)	–
Other financing income	252,253	27,854
Other financing expenses	459,014	47,011
Financing profit/(loss)	43,388	(19,157)
Corporate income tax on ordinary activity	(249)	19,589
Profit/(loss) on ordinary activity	447,717	175,270
Extraordinary income	–	–
Extraordinary expenses	–	–
Extraordinary profit/(loss)	–	–
Profit/(loss) for the current accounting period	447,717	175,270

PPF Investment Projects

Česká produkční 2000, a.s.

Balance Sheet, Short Form, as at 31 December 2004 (CZK '000)

	2004	2003
Total assets	3,177,943	3,340,702
Receivables for subscribed capital	–	–
Non-current assets	539,243	333,896
Non-current intangibles	37,278	25,454
Tangible fixed assets	271,441	294,820
Non-current investments	230,524	13,622
Investments in group undertakings	217,513	1,410
Current assets	2,630,663	2,996,774
Inventories	27,719	45,066
Long-term receivables	2,183	2,723
Short-term receivables	2,562,080	2,938,732
Current investments	38,681	10,253
Accruals and deferrals	8,037	10,032

	2004	2003
Total liabilities and equity	3,177,943	3,340,702
Equity	2,557,474	2,049,934
Share capital	625,000	625,000
Capital contributions	–	–
Reserve funds, undistributable reserves, and other funds created from profit	1,125,246	1,098,971
Retained earnings	299,690	(199,533)
Profit/(loss) for the current accounting period	507,538	525,496
Liabilities	619,416	1,248,697
Provisions	13,255	10,690
Non-current payables	32,388	50,453
Current payables	383,773	792,554
Bank loans and overdrafts	190,000	395,000
Accruals and deferrals	1,053	42,071

Česká produkční 2000, a.s.
Profit and Loss Account, Short Form, Year Ended 31 December 2004 (CZK '000)

	2004	2003
Revenues from goods and services sold	1,864,144	2,384,986
Cost of goods sold and cost of materials, energy, and services	921,664	784,430
Gross margin	942,480	1,600,556
Staff costs	328 583	312 239
Amortization of intangible and tangible assets	121,548	153,098
Change in balance of operating provisions and comprehensive prepaid expenses	(777,122)	271,941
Other operating income	82,729	84,682
Other operating expenses	746,619	158,238
Operating profit/(loss)	605,581	789,722
Change in balance of financing provisions	(124,104)	(539,566)
Other financing income	53,287	365,271
Other financing expenses	153,053	849,485
Financing profit/(loss)	24,338	55,352
Corporate income tax on ordinary activity	122,433	319,226
Profit/(loss) on ordinary activity	507,486	525,848
Extraordinary income	584	45
Extraordinary expenses	532	397
Extraordinary profit/(loss)	52	(352)
Profit/(loss) for the current accounting period	507,538	525,496

MAG MEDIA 99, a.s.

Balance Sheet, Short Form, as at 31 December 2004 (CZK '000)

	2004	2003
Total assets	1,434,298	1,588,147
Receivables for subscribed capital	146,300	–
Non-current assets	4,380	2,562
Non-current intangibles	157	822
Tangible fixed assets	4,223	1,740
Non-current investments	–	–
Investments in group undertakings	–	–
Current assets	1,184,553	1,539,257
Inventories	–	–
Long-term receivables	1,504	1,854
Short-term receivables	1,181,536	1,531,359
Current investments	1,513	6,044
Accruals and deferrals	99,065	46,328
	2004	2003
Total liabilities and equity	1,434,298	1,588,147
Equity	16,907	(305,104)
Share capital	210,000	1,000
Capital contributions	–	–
Reserve funds, undistributable reserves, and other funds created from profit	200	200
Retained earnings	(306,304)	(138,113)
Profit/(loss) for the current accounting period	113,011	(168,191)
Liabilities	1,308,245	1,839,720
Provisions	2,002	1,667
Non-current payables	110,167	221,300
Current payables	1,196,076	1,616,753
Bank loans and overdrafts	–	–
Accruals and deferrals	109,146	53,531

MAG MEDIA 99, a.s.

Profit and Loss Account, Short Form, Year Ended 31 December 2004 (CZK '000)

	2004	2003
Revenues from goods and services sold	4,926,226	4,985,194
Cost of goods sold and cost of materials, energy, and services	4,795,750	4,849,342
Gross margin	130,476	135,852
Staff costs	31,721	29,135
Amortization of intangible and tangible assets	1,594	2,001
Change in balance of operating provisions and comprehensive prepaid expenses	(33,226)	40,376
Other operating income	4,087,698	3,310,168
Other operating expenses	4,035,749	3,233,632
Operating profit/(loss)	182,336	140,876
Change in balance of financing provisions	–	(304,967)
Other financing income	4,733	468,510
Other financing expenses	28,745	1,046,301
Financing profit/(loss)	(24,012)	(272,824)
Corporate income tax on ordinary activity	45,334	36,236
Profit/(loss) on ordinary activity	112,990	(168,184)
Extraordinary income	21	–
Extraordinary expenses	–	7
Extraordinary profit/(loss)	21	(7)
Profit/(loss) for the current accounting period	113,011	(168,191)

CET 21 spol. s r.o.

Balance Sheet, Short Form, as at 31 December 2004 (CZK '000)

	2004	2003
Total assets	2,162,878	2,939,202
Receivables for subscribed capital	–	–
Non-current assets	138,819	159,721
Non-current intangibles	124,252	32,869
Tangible fixed assets	14,567	53,651
Non-current investments	–	73,201
Investments in group undertakings	–	73,201
Current assets	1,356,273	1,811,839
Inventories	416	648
Long-term receivables	130,912	538,267
Short-term receivables	744,742	1,243,731
Current investments	480,202	29,193
Accruals and deferrals	667,786	967,642
	2004	2003
Total liabilities and equity	2,162,878	2,939,202
Equity	543,843	(543,996)
Share capital	(125,430)	(117,238)
Capital contributions	–	(1,077)
Reserve funds, undistributable reserves, and other funds created from profit	2,720	2,720
Retained earnings	(428,401)	1,045,030
Profit/(loss) for the current accounting period	1,094,954	(1,473,431)
Liabilities	1,481,359	3,373,416
Provisions	29,535	27,338
Non-current payables	1,190,132	1,887,693
Current payables	241,692	1,280,471
Bank loans and overdrafts	20,000	177,914
Accruals and deferrals	137,676	109,782

Profit and Loss Account, Short Form, Year Ended 31 December 2004 (CZK '000)

	2004	2003
Revenues from goods and services sold	5,037,706	5,075,176
Cost of goods sold and cost of materials, energy, and services	3,160,973	3,975,989
Gross margin	1,876,733	1,099,187
Staff costs	105,392	116,706
Amortization of intangible and tangible assets	114,996	23,829
Change in balance of operating provisions and comprehensive prepaid expenses	(31,649)	13,908
Other operating income	8,087	8,916
Other operating expenses	22,746	2,869,027
Operating profit/(loss)	1,673,335	(1,915,367)
Change in balance of financing provisions	(11,320)	5,589
Other financing income	92,611	17,582
Other financing expenses	284,219	94,369
Financing profit/(loss)	(180,288)	(82,376)
Corporate income tax on ordinary activity	407,284	(537,634)
Profit/(loss) on ordinary activity	1,085,763	(1,460,109)
Extraordinary income	9,657	872
Extraordinary expenses	466	14,194
Extraordinary profit/(loss)	9,191	(13,322)
Profit/(loss) for the current accounting period	1,094,954	(1,473,431)

This document is the Annual Report of PPF a.s. pursuant to a special act and also selected data concerning certain companies that are part of the same corporate grouping as PPF a.s.

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