



A n n u a l   R e p o r t   2 0 0 1

PPF Group, one of the most significant financial groups in the Czech Republic, positions itself as a strategic investor that successfully manages assets, develops its activities in the region of Central & Eastern Europe, and behaves like a good corporate citizen.



An important part of the philosophy of PPF Group, one of the most successful Czech investors, is respect for Czech society, its values, and shared social responsibility for the direction the Czech Republic is taking. As a partner of Czech culture, PPF Group provides support for exceptional artistic feats. One such is the photography work of František Drtikol.

In everything one does, a person should give his or her best. Whether it is laying brick upon brick, sewing shoes or creating some kind of architecture or monument. A person should never be satisfied with mediocre things.

František Drtikol



The work of a real artist has something more inside it than mere material and technique. And that "something" is the creative force of the artist's soul. With what love and understanding the work is created and how much of his or her soul, his or her self, the artist put into the work. František Drtikol





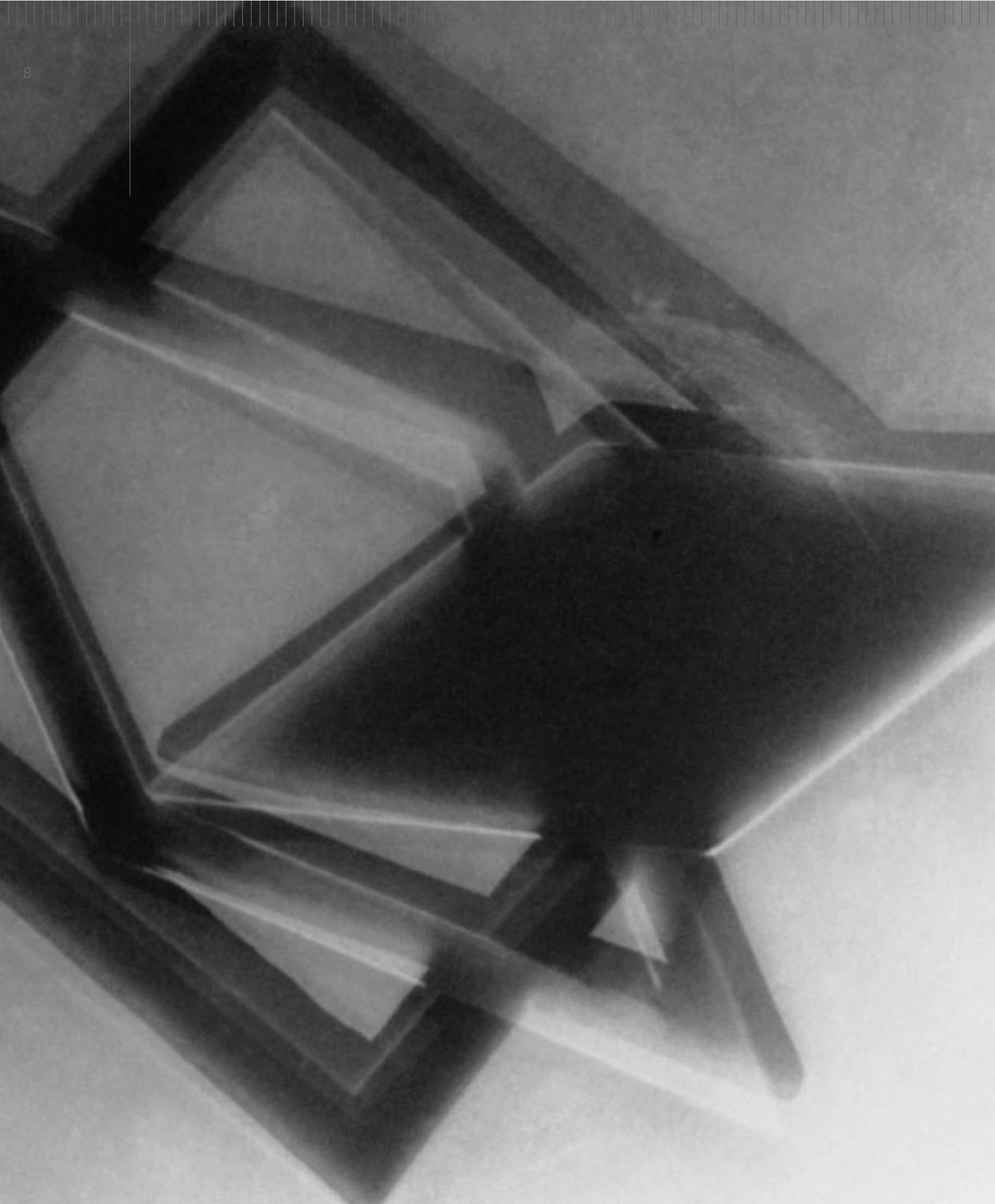
The work arises in me in many very different ways, sometimes the logic is completely upside-down. By chance the light places a nice shadow somewhere; I see it and it appeals to me. As I observe it, a figure arises in my mind; then I take these two elements and balance them, move them around, so as to fill up the picture in a harmonic way. František Drtikol





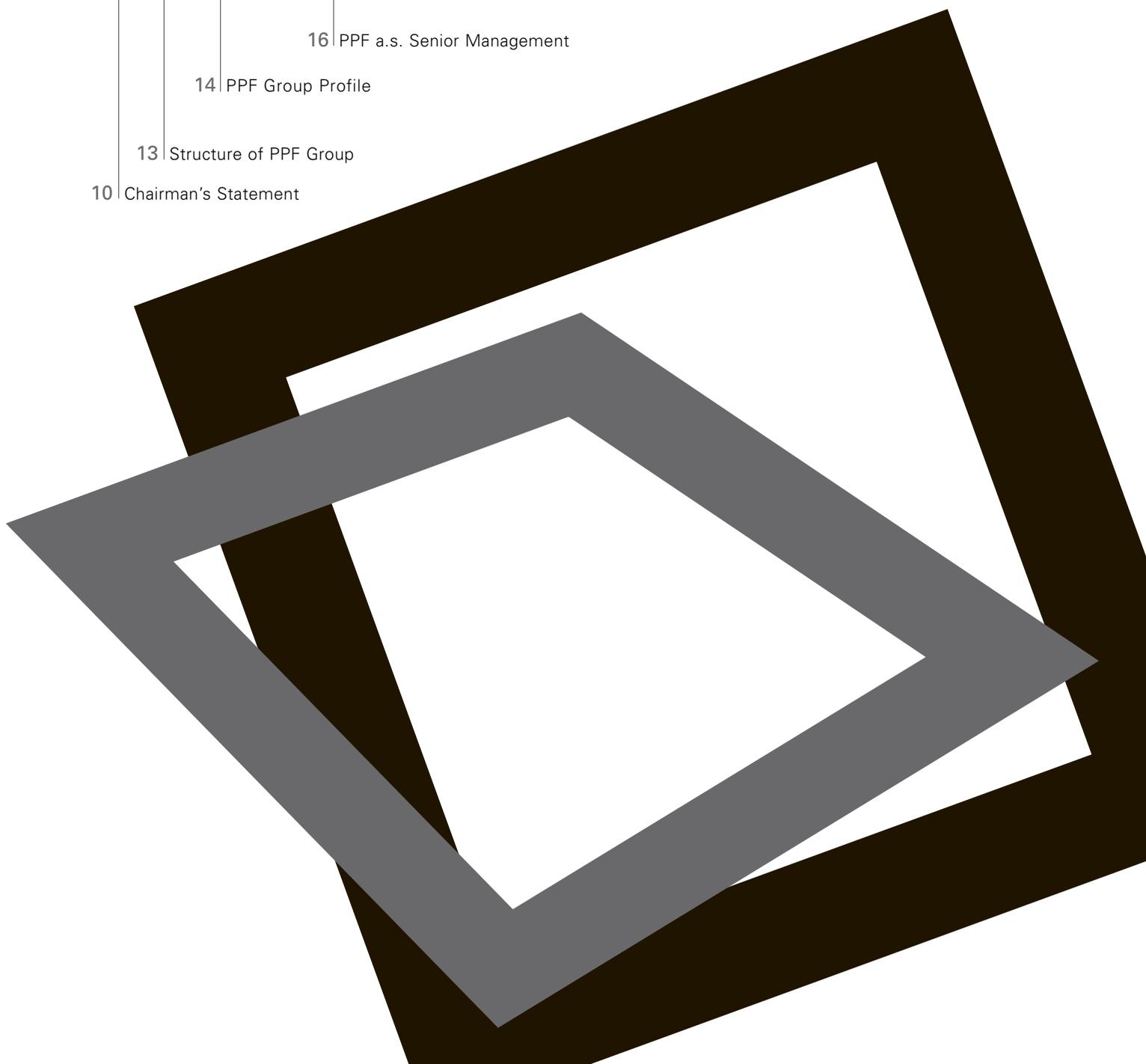
A random ray of the sun, a lamp placed haphazardly somewhere else than usual, put new faces on things we have seen a hundred times before, put a new expression on a familiar face, and in a flash a new thought is born from an old one. A person must never be too lazy and indifferent to such flashes of beauty; they must be collected, saved, processed – because in just a little while they disappear like footsteps in the sand. Looking in and of itself is art. František Drtikol





## Contents

10	Chairman's Statement	
13	Structure of PPF Group	
14	PPF Group Profile	
16	PPF a.s. Senior Management	
15	PPF a.s. – the Management Company of PPF Group	
20	Management of PPF Group Specialized Companies	
25	PPF a.s. – a Successful Financial Investor	
22	Board of Directors Report	
26	Specialized Companies of PPF Group	
58	Companies Managed by PPF – Česká pojišťovna Group	
87	Supervisory Board Report	
89	Financial Section	



**Chairman's  
Statement**

Chairman  
of the Board

Petr Kellner



Dear friends,

Last year PPF Group again built on its ongoing successes in asset management and reinforced its position as one of the leading financial groups in the Czech Republic. The successful completion of the privatization of the largest domestic insurance company, Česká pojišťovna a.s., and the successful development of our existing activities strengthened PPF Group's position. We are now capable of standing on our own in the heavy competition of the Czech Republic market. Over the 11 years since its inception, PPF Group has become the largest Czech private investor and a stable component of the Czech Republic's economy.

A financial investor's success is measured by its profits and the returns from and growth in value of its investments. To a considerable extent, all of these aspects of success are dependent on the performance of the economy and the capital markets. Despite economic stagnation and a recession in the world's most advanced countries, the Czech Republic – the country in which most of PPF Group's investments are concentrated – managed to continue in the positive macroeconomic trend established in previous years. GDP growth accelerated last year by 0.5% to 3.6%, inflation was trimmed from 4% to 3.8% and inflows of foreign direct investment into the country remained at roughly the same level as in 2000, i.e. just under 5 billion U.S. dollars. The performance of the domestic economy and the ongoing process of harmonizing Czech law with the laws and regulations of the European Union made an important contribution to increasing the Czech Republic's credibility abroad.

While the Czech economy improved its performance last year, the domestic capital markets took a turn for the worse in 2001, with the PX 50 index down 17% for the year. The Czech capital markets were substantially influenced by a downturn in foreign markets, fundamental results of the largest corporations traded on the public markets and postponement of decisions on ongoing privatization processes in the electrical energy, telecommunications and gas sectors.

A significant event for PPF Group in 2001 was the completion of the privatization of Česká pojišťovna a.s., which is PPF Group's largest investment in the domestic market. In September of last year, after six successful years of PPF's being the principal shareholder in Česká pojišťovna a.s., the Government of the Czech Republic decided to sell its 30% stake to PPF Group. Thus was fulfilled PPF Group's intention, declared from the very beginning, of being a strategic investor for Česká pojišťovna.

The investment plans of PPF Group are based on a long-term vision and strategy of building shareholders' equity. As a financial investor, PPF Group is always seeking new investment opportunities and investing its capital in companies with high intrinsic value and potential for future growth. The successful management of the investment portfolio by PPF's specialized companies makes it possible for PPF Group to develop its business activities both existing and new. The principal areas of interest remain as before: the financial sector – including services for retail clients and institutional investors alike – and management of accounts receivable. A new addition this year is municipal finance.

After the Group stabilized its position in the Czech Republic, it commenced an expansion into foreign markets. In future, PPF Group will focus mainly on the countries of Central and Eastern Europe, where it intends to put to use its experience in the areas of life insurance and consumer credit. PPF Group has already been developing its business in the Slovak market for several years now.

PPF Group plays a major part in co-creating a stable economic environment that supports the growth of the Czech economy and brings benefits to society by increasing its shareholders' equity and expanding its operations into foreign markets. As a 100% Czech company, PPF Group is aware of and feels its responsibility towards society in the Czech Republic. One of the ways we express our relationship to society in our long-term financial support for a wide variety of causes that create permanent value and benefit for society as a whole. PPF Group is active in the area of charity and culture especially, where it supports major projects, thereby providing a considerable contribution to developing cultural life in the Czech Republic.

PPF Group's position as a leader in the Czech market and our successes, combined with the management and growth of the company's own capital, present an enormous challenge for all our employees. Most of all, there is considerable accountability towards those whose assets PPF Group manages. Professionalism, credibility, ethics in business, and quality – those are the main principles upon which PPF Group's philosophy is based and which are the cornerstones of the long-term prosperity and further growth of the Group and the assets we manage. I am confident that we will be able to build on our asset management successes to date and continue to enjoy the favor and trust of our clients and partners.

A handwritten signature in black ink, appearing to read 'Petr Kellner', written in a cursive style.

Petr Kellner  
Chairman of the Board

## PPF Group

## Česká pojišťovna a.s.

Česká poistovňa –  
Slovensko, a.s.

První městská banka, a.s.

eBanka, a.s.

## ČP finanční servis a.s.

Penzijní fond  
České pojišťovny, a.s.

ČP INVEST  
investiční společnost, a.s.

ČP Leasing, a.s.

ČESCOB,  
úvěrová pojišťovna, a.s.

Česká pojišťovna  
ZDRAVÍ a.s.

ČP DIRECT, a.s.

ČP PARTNER, a.s.

Home Credit a.s.

Home Credit  
Slovakia, a.s.

Home Credit Russia

## PPF Specialized Companies

PPF burzovní  
společnost a.s.

PPF investiční  
společnost a.s.

PPF Capital  
Management a.s.

PPF majetková a.s.

CM - Credit a.s.

PPF (Cyprus) Ltd.

PPF Financial  
Services Ltd.

PPF CONSULTING a.s.

## PPF Group Profile

### Achievements

Over the past 11 years since its inception, PPF Group has become one of the leading financial groups in the Czech Republic. Our achievements have made PPF Group one of the largest Czech investors.

PPF Group is profiling itself as a leading, successful asset manager in the region of Central & Eastern Europe, a manager who works effectively to secure returns on assets and conducts itself as a good corporate citizen.

### Mission Statement

As a major Czech investor, to co-create a stable economic environment, support the growth of the Czech economy and bring benefits to society.

### Accountability to Society

Most of all, asset management is a matter of considerable accountability. PPF Group is aware of its responsibility towards the country as a whole. Therefore, we will continue to contribute to the development of society by actively supporting cultural, educational and social projects.

### Investment Strategy

As a financial investor, PPF Group is always seeking new investment opportunities and investing its capital in companies with high intrinsic value and potential for future growth. The investment plans of PPF Group are based on a long-term vision and strategy of building shareholders' equity.

### Strategy for the Future

Now that the Group has stabilized its position in the Czech Republic, in the future we will focus on developing our existing businesses in foreign markets, especially in the countries of Central and Eastern Europe.

### Corporate Culture

The corporate culture of PPF Group is built on traditions, experience and, most of all, on high-quality, loyal people. All of this is what makes PPF Group trustworthy, professional and successful.

Date of inception:	18 November 1996
Address:	Na Pankráci 1658/121, 140 21 Prague 4, Czech Republic
Basic capital:	CZK 420,000,000
Auditor for 2001:	KPMG Česká republika Audit, spol. s r.o.
Board of Directors:	<p>Petr Kellner – Chairman</p> <p>Milan Maděryč – Vice Chairman</p> <p>Ladislav Bartoníček, MBA – Vice Chairman</p> <p>Ladislav Chvátal – Member</p> <p>Jan Blaško, MBA – Member</p>
Supervisory Board:	<p>Štěpán Popovič – Chairman</p> <p>František Tlustoš – Member</p> <p>Jaromír Prokš, MBA – Member</p>
Company management:	<p>Aleš Minx – Executive Director and Company Proxy</p> <p>Ladislav Chvátal – Director of Strategic Projects Management</p> <p>Libor Táborský – Director of Strategic Development</p> <p>Petr Chajda, MBA – Director of Financial Strategy</p> <p>Václav Šrajer, MBA – Director of Research</p> <p>Ivan Lackovič – Director of Marketing and Communications</p> <p>Marta Horáková – Director of Finance</p> <p>Lubomír Král – Head of Legal Department</p> <p>Jitka Tejnorová – Director of Personnel (to 31 July 2002)</p> <p>(Taťána Panýrová – Director of Personnel from 1 August 2002)</p> <p>Ondřej Tyrpekl – Director of Information Systems</p> <p>Lenka Šafránková – Head of Operations Department</p>
Principal businesses:	<p>advisory and consulting services for PPF Group in the following areas: finance, marketing and communications, information technology, human resources, organization development</p>



**Petr Kellner – Chairman of the Board**

- 1 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. Following a restructuring of the financial group in January 1998, he has headed up PPF Group as Chairman of the Board.

**Milan Maděryč – Vice Chairman of the Board**

- 2 Born in 1955; graduated from Industrial Secondary School and did post-graduate work at the Technical University of Brno. From 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 Bartoníček, MBA – Vice Chairman of the Board**

- 3 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, New York, in 1993. Since 1996, Bartoníček has been CEO of Česká pojišťovna a.s. and he has been Chairman of the Board of Directors of Česká pojišťovna a.s. since June 2000.

**Ladislav Chvátal – Member of the Board**

- 4 Born in 1963; a graduate of the Prague University of Economics. After university Chvátal served as board member and personnel and administration director at AVIA Praha Letňany. From 1994 he held the office of Director of Marketing at PPF investiční společnost a.s. From 1995 he was director of PPF Capital Management a.s. In December 1999 he was named Executive Director of PPF a.s. Since July 2001 he has held the position of PPF Group Director of Strategic Projects Management. Since June 2002, he has been a member of the Board of Directors of Česká pojišťovna a.s.

**Jan Blaško, MBA – Member of the Board**

- 5 Born in 1964; a graduate of the Czech Technical University in Prague, Faculty of Electrical Engineering. In 1992 – 1994 he worked at Investiční a Poštovní banka as head of the securities department. In 1994 he became director of the brokerage company Stratego Invest. Blaško was named director of PPF burzovní společnost a.s. in 1996. In November 1999 he was awarded an MBA by GSB University of Chicago. Since June 2000, he has been on the Board of Directors of Česká pojišťovna a.s. and was elected Vice Chairman of the Board in March 2001.



#### **Aleš Minx – Executive Director**

<sup>1</sup> Born in 1964; a manufacturing economics graduate from the Prague University of 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. Starting in July 2001 he is Executive Director of PPF a.s.

#### **Libor Táborský – Director of Strategic Development**

Born in 1962; graduated from the Prague University of Economics, major in finance. After completing his studies, Táborský went to work in the banking sector. He gained experience in Komerční banka and later in Citibank and Živnostenská banka, where he was a Branch Director. He joined PPF a.s. in 2001 after leaving the post of CEO of Česká finanční, s.r.o., a subsidiary of Konsolidační banka.

#### **Petr Chajda, MBA – Director of Financial Strategy**

Born in 1967, a graduate of the Prague University of Economics with a major in the economics of foreign trade, also a graduate of the Diplomatic Academy of Madrid. After completing studies, Chajda worked for KPMG as a consultant. In 1995 – 2000 he headed up PPF's activities abroad. Since 2001 he has been with PPF a.s. as Director of Financial Strategy. He also holds an MBA from the Michael Smurfit Business School, Dublin.

#### **Václav Šrajer, 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 Šrajer 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. Šrajer has been with PPF since 1993.

**Ivan Lackovič – Director of Marketing and Communications**

Born in 1971; an economics and management graduate of the Prague Institute of Chemical Technology. During postgraduate studies, Lackovič did internships abroad in marketing, PR and logistics. He began his career as PR manager at Investiční kapitálová společnost Komerční banky, a.s. and became Director of the Komerční banka, a.s. Communications Department in 1998. Lackovič joined PPF in 1999.

**Marta Horáková – Director of Finance**

Born in 1974; a graduate of the Prague University of Economics, major in enterprise economics. Currently she is pursuing a graduate degree in corporate and international law at the Faculty of International Relations of the same institution. From 1993 she worked as Chief Economist of BSP Praha, spol. s r.o., and later at BSP Group, a.s. In Autumn 1999 she joined PPF a.s. as Assistant Director of Finance, and was named Director of Finance in July 2001.

**Lubomír Král – Head of Legal Department**

Born in 1972; a graduate of the Charles University Law Faculty, where he is currently pursuing a post-graduate degree. At the same time he is also completing studies at the Prague University of Economics, Faculty of International Relations. After a short tenure at a law firm, in 1997 – 1999 he worked as a lawyer for the Prague Stock Exchange clearing center. He has been with PPF since 1999.

**Jitka Tejnorová – Director of Personnel**

Born in 1971; a secondary school graduate in economics. Tejnorová has worked in human resources since 1994, first at R. J. Reynolds Tobacco in the human resources department and later as a consultant with Accord Group. Tejnorová joined PPF in 1999.

**Ondřej Tyrpekl – Director of Information Systems**

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

**Lenka Šafránková – Head of Operations Department**

Born in 1953; a graduate of the Pedagogical Faculty in Hradec Králové. After completing her studies, in 1978 – 1992 she was employed in management positions in various organizations. She joined PPF in 1993 and she has been Head of Operations Department since September 1994.



**Bohuslav Samec – Member of the Board, PPF burzovní společnost a.s.**

- 1 Born in 1959; graduate of the Secondary Hotel School and post graduate work at the Prague University of Economics in monetary economics and banking. He has worked in the enterprises Vodní stavby s.p., Metrostav a.s. as well as in several private firms. He has been with PPF since 1994, first in the trades settlement section and later, from 1996, as director of the Back Office. He has been a Member of the Board of PPF burzovní společnost a.s. since 1995.

**Zbyněk Štěrba – Executive Director, PPF Capital Management a.s.**

- 2 Born in 1966; graduated in 1988 from the Prague University of Economics in foreign trade. Thereafter he joined the Intersigma Foreign Trade Organization, where he went on to work in various capacities, from economics specialist to Chief Executive Officer and Chairman of the Board. He joined PPF Capital Management a.s. in January 1997 as a corporate revitalization and restructuring consultant and was named Executive Director of PPF Capital Management a.s. on 1 January 2000.

**Petr Javůrek – Executive Director, PPF majetková a.s.**

- 3 Born in 1963; graduate of the Czech Technical University in Prague, Faculty of Construction. After graduation, Javůrek was employed in various professional and management positions. He was named director of Novota expert institute in 1993. Currently he is a member of Expert Committee of the Institute of Appraisal of the Prague University of Economics. Javůrek became Executive Director of PPF majetková a.s. in 1996.

**Milan Krob – Executive Director, CM - Credit a.s.**

- 4 Born in 1964, a graduate of the University of Economics, Prague, with a specialization in Industrial Economics. Began career in 1986 with ČKD Elektrotechnika, where he worked until 1992. Thereafter he held management positions in the companies GENNEX, Evrobanka, AZ Komplex and Alkona. From April 1999 he was an executive director of ČP Leasing, a.s. In January 2001 he became Executive Director and Chairman of the Board of Directors of CM - Credit a.s.

**Miroslav Horský – Executive Director, PPF (Cyprus) Ltd., PPF Financial Services Ltd.**

- 5 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 education department at the Bratislava Options Exchange and later was active in the private sector in financial consulting. He joined PPF in 1997.

**Pavel Tomšů – Project Manager, PPF CONSULTING a.s.**

- 6 Born in 1974; a graduate of the Prague University of Economics, major in accounting and corporate financial management. In 1998 he joined PPF burzovní společnost a.s. as a financial analyst, then in 2001 he transferred to PPF CONSULTING a.s. to the position of project manager.

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

PPF a.s. is the management company of PPF Group. Its senior managers make decisions concerning the strategic plans and long-term vision for developing the PPF financial group as a whole. The Group itself is organized as a holding structure whose control mechanisms allow for effective management and growth in value of the Group's investments. As a major Czech investor, PPF Group manages assets through its specialized companies that provide comprehensive asset management-related services in their respective areas of business – collective investment, management of strategic and portfolio investments, asset management, management of a venture capital fund, securities trading, real estate management and management of accounts receivable. The narrow specializations of the various companies in the Group makes it possible for PPF a.s. as the overall management company to run its current investments and future acquisitions in a very effective and successful manner. Currently, PPF Group's assets under management total approximately CZK 130 billion.

### **Comprehensive Asset Management**

#### **Asset Management**

PPF burzovní společnost a.s., one of the most important companies of PPF Group, manages both its own assets and those of others. The company's primary focus is on asset management for institution investors, to whom it offers a wide range of services related to this area. In June 2002, the company obtained a license from the Securities Commission to provide services in the area of asset management. The license was required under an amendment to the Securities Act. This expanded the existing license to include new services in this area.

With assets under management of CZK 86 billion, the company is one of the largest of its kind in the Czech Republic. The growth in the volume of assets managed by the company is given by the long-term stability and solid performance of its portfolios; these, in turn, are the driving force behind capital inflows. Last year, the portfolios managed by PPF burzovní společnost a.s. recorded above-average returns, thanks to which the company confirmed its role as a successful manager of assets in the Czech market. The increased volume of assets under management was also reflected in the company's securities trading volumes. The company realized trades in a total amount of CZK 248 billion, making it one of the biggest securities brokerages in the Czech Republic. Earnings were in line with its positive performance figures in asset management; the company posted one of its highest profit figures in its history – CZK 110.4 million.

In June of this year, PPF burzovní společnost a.s. was named Lead Manager of a CZK 10 billion bond issue of Česká konsolidační agentura. This is one of the largest non-government bond issues to take place this year in the Czech Republic.

Similar services to those of PPF burzovní společnost a.s. are offered by PPF's Cyprus-based subsidiaries – PPF (Cyprus) Ltd. and PPF Financial Services Ltd. Both companies provide financial services to investors who are interested in investing in the Czech capital markets. The companies then go on to manage those investments and provide comprehensive services in administering them as well.

**Management of Strategic Investments**

Since its inception, PPF has positioned itself as a strategic investor, whose aim has been to generate the best possible returns on its investments. The company in PPF Group that is in charge of managing strategic investments is PPF Capital Management a.s. In 2001, this company became the management company of a venture capital fund. In addition to its management role (directing the administration and financing of the investment portfolio, controlling, sales etc.) the company also acts as an investment advisor, making recommendations on what projects are worthy of investment. Thus, a significant portion of the company's operations is focused on seeking out high-quality investment opportunities. The primary goal is to ensure that investors – i.e., the fund's shareholders – get the most effective medium-term return on their investments.

**Collective Investment**

PPF Group's activities in the area of collective investment have undergone major changes in terms of their direction of development. PPF's management made a strategic decision to unite all mutual fund management operations within the financial group under a single entity – ČP INVEST. From both the financial and personnel perspectives, it was no longer possible to justify having two medium-sized investment companies in a single group. The primary goal of this integration is to utilize all the advantages and synergic effects inherent in having a larger volume of assets under management and to offer fund investors a greater degree of service comfort and increased efficiency in generating returns on their investments. This goal also relates to the PPF Group strategy of offering services to retail clients under the brand of Česká pojišťovna, with its focus on the retail segment.

Under a permit issued by the Securities Commission, the fund assets managed by PPF investiční společnost a.s. were transferred to ČP INVEST which will manage these assets from now on. Through its Family of Funds (eleven mutual funds – nine open-end and two closed-end) and various investment programs, ČP INVEST will offer new possibilities in investing. In addition, once the funds are open-ended, investors will be able to transfer among the funds in the Family to adapt their investment strategy to changing needs and market conditions. For this reason, the investment strategy of PPF's closed-end funds last year was focused especially on generating sufficient liquidity in the fund portfolios to ensure that they are safely opened within the time period set by law, i.e. by the end of 2002.

**Real Property Management and Development**

PPF Group's other asset management activities include the management and development of real property. The Group plays a significant role in this area of business through its specialized subsidiary, PPF majetková a.s., the first company in the Czech Republic to obtain a license to manage and develop real estate funds. Currently, its assets under management total CZK 8.5 billion, making it one of the largest entities in this segment in the Czech Republic. Comprehensive real property management includes, among other things, realty services, management of construction and development projects, economic analyses and property management for all the domestic commercial properties in PPF Group's portfolio. By seeking out profitable projects, the company engages in active diversification of real property funds with the aim of generating the desired rate of return.

**Management of Accounts Receivable**

Valued at over CZK 10 billion, our receivables management operation is one of the most important in PPF Group. The specialized company CM - Credit a.s. is involved in all areas of receivables management, from acquisition and case analysis through arranging for legal services to active collection so as to collect from debtors as soon as possible for the benefit of the company's clients. In addition to managing extensive portfolios of receivables, the company also manages receivables for small clients. Another major activity of the company is providing financial advice on restructuring the balance sheets of legal entities that have suffered from poor financial management and need systemic changes in their economic behavior.

**Management of Portfolio Investments**

In addition to strategic investments, which form the foundation of PPF Group's business philosophy, the Group is also involved in portfolio investments. The company in charge of managing these is PPF CONSULTING a.s.

Most of the company's efforts last year were focused on active protection of shareholder rights and providing qualified advice for selected equity participations. The company's consulting activities include providing recommendations and outlining solutions for how to dispose of portfolio investments to ensure that they generate the highest possible return.

**Future Development of PPF Group**

The number-one goal of PPF Group is to generate returns on its investments in the most efficient manner possible. PPF Group always has its eye on the markets looking for new opportunities to invest in promising companies. All of this is done with a long-term vision of developing investments, both of our own capital – which comprises the majority – and that of outside investors.

PPF Group's principal investments will continue to flow into companies active in retail, municipal finance and receivables management. The plan for our retail market investments is to offer comprehensive financial services for the general public under the Česká pojišťovna brand.

During its 11 years of existence, PPF Group has stabilized its position in the Czech market, where it has become one of the leading financial groups. PPF Group will continue to position itself as a private Czech investor that develops its existing activities inside the borders of the Czech Republic and beyond them as well. As part of our upcoming expansion into foreign markets, PPF Group will concentrate primarily on offering services relating to life assurance and consumer credit in the countries of Central and Eastern Europe.

PPF Group is a Czech financial investor that effectively and successfully manages and increases the value of private assets and grows its own capital through new investments and by supporting existing investments. The plans of PPF Group are based on a long-term vision and strategy of developing the company's own capital in the Czech Republic as well as in the countries of Central and Eastern Europe, the region on which the Group is currently focusing.

As a financial investor, PPF Group is always seeking new investment opportunities and investing its capital in companies with high intrinsic value and potential for future growth. As an investor, PPF Group focuses primarily on the acquisition process, i.e. purchasing, restructuring and selling companies, all with a long-term vision of generating shareholder value. In addition to acquisitions, PPF also successfully initiates its own "green field" projects. These include, for example, the company Home Credit, currently the number-two player in the Czech Republic's consumer credit market. The aim of investing in companies is to increase their intrinsic and market value through restructuring, financial consolidation and stabilizing. PPF Group directs the strategic development of the investments in its portfolio with the aim of taking advantage of all possible synergies. Within the companies we manage, this leads to the creation of modern, joint products that provide comprehensive client service and maximum satisfaction of client needs. The actual effective functioning and development of individual investments is the responsibility of the managements of the individual companies themselves, and they are structured so as to ensure highly specialized, professional and successful management of the companies.

PPF Group's largest strategic investment is Česká pojišťovna a.s. PPF first bought into the company in 1996, when thanks to its representatives in senior management it began to play an active part in the insurer's management. PPF Group initiated a process of internal restructuring that resulted in the financial consolidation of the entire Česká pojišťovna Group, an expansion of its range of insurance products, and increased service quality. Now, after six years of PPF's presence in Česká pojišťovna and participation of PPF's representatives in its management, the insurer has retained its position as the biggest domestic insurance company with a market share of nearly 40%. Česká pojišťovna is a modern financial institution that offers a wide range of bancassurance products and services and which has seen sustained profit growth and expansion into foreign markets. The insurer's successful development is also confirmed by its financial strength – Standard & Poor's gave the company one of the highest ratings (BB+) ever awarded to a Czech financial institution.

## Specialized Companies of PPF Group

### PPF burzovní společnost a.s.

	The company is one of the biggest financial asset managers and securities brokers in the Czech market and is a member of the Prague Stock Exchange.
Area of business:	Asset management for institutional investors, securities brokerage
Date of inception:	23 December 1993
Address:	Na Pankráci 1658/121, 140 21 Prague 4, Czech Republic
Basic capital:	CZK 55,000,000
Activity permit:	License issued by the Securities Commission
Relicensed:	23 June 1999
Access to Securities Center and markets:	Member, Prague Stock Exchange Special customer, RM-System (on-line) Computerized trading at Securities Center
Auditor for 2001:	KPMG Česká republika Audit, spol. s r.o.
Board of Directors:	Bohuslav Samec – Member
Supervisory Board:	Vladimír Dvořák – Member Martin Pavlík – Member Aleš Holcman – Member
Company management:	Bohuslav Samec – Member of the Board of Directors
Principal businesses:	trading in domestic and foreign securities management of assets and client portfolios, particularly for institutional investors

Like in previous years, the company's activities in 2001 were focused primarily on providing services to institutional investors, to whom PPF burzovní společnost a.s. provided mainly financial services connected with asset management – the company's long-term area of strategic focus. Unlike previous years, however, 2001 saw this strategic focus strengthen and become dominant. Growth in assets under management allowed the company to achieve a substantial increase in the volume of securities trading, another area that the company intensively focuses on and which comprises a considerable portion of its business.

In addition to asset management services and trading in domestic and foreign securities, the company also offers financial consulting in the area of corporate financing. This area encompasses mainly services relating to bond issues, liquidity management, corporate finance and municipal finance.

In June 2002, the company received a license from the Securities Commission to provide services in the area of asset management. The license was required under an amendment of the Securities Act. This confirmed the existing license as well as expanding it to allow for providing new services in this area.

In June of this year, PPF burzovní společnost a.s. was named Lead Manager of a CZK 10 billion bond issue of Česká konsolidační agentura. The bond issue took place within the framework of the ČKA Issue Program with a total value of CZK 20 billion. This is the second bond issue of the ČKA Issue Program and, at CZK 10 billion, the largest. At the same time, it is the largest non-government bond issue to take place this year in the Czech Republic. PPF burzovní společnost a.s. is the sole subscriber of the bonds.

### **Sustained Growth in Assets Under Management**

The long-term stable performance of client portfolios and positive performance in asset management confirm the role of PPF burzovní společnost a.s. as a successful asset manager. Clients' trust in the company is evident in the inflows of new finance from existing major clients, most of them from PPF Group. Thanks to these inflows, PPF burzovní společnost saw its assets under management jump from CZK 13.1 billion to CZK 86 billion in 2001, making PPF burzovní společnost a.s. one of the leading asset managers in the Czech Republic.

### **Solid Returns on Assets**

Management of entrusted finance was focused primarily on investments in liquid, safe securities. Investments were directed primarily into debt instruments – government bonds and bonds of highly-rated issuers – with the aim of minimizing the potential negative impacts of a major capital markets downturn and to ensure a solid, long-term stable return from clients' portfolios. The return on client portfolios last year was 6.9% – 8.36% p.a. for money market portfolios, 12.97% – 18.14% p.a. for bond portfolios, 0.77% – 7.65% for mixed portfolios, and 7.11% for equities. If we compare these portfolio performances with the market's potential to generate returns on the respective financial instruments, we see that the returns on client portfolios achieved by PPF burzovní společnost a.s. are very solid and above average.

These solid returns were achieved by the company primarily thanks to our prudent investment policies, optimum portfolio distribution among various investment instruments, and active diversification of client portfolios both locally and globally.

### **Growth in Trading Volume**

As in previous years, trading on the Prague Stock Exchange in 2001 was marked by a decrease in the number of stock exchange members. While at year end 2000 the exchange had 50 members, by the middle of last year it had decreased to 39 members and at 31 December 2001 there were only 33 members.

Thanks to increased capital markets volatility and the possibility of direct access to all the world's equity markets through the new Reuters Instinet trading system, 2001 saw major growth in trading volumes realized for clients of PPF burzovní společnost a.s.

The trading volumes of PPF burzovní společnost a.s. skyrocketed in 2001. While in 2000 total trading volume was under CZK 30 billion, in 2001 the company realized trades in an aggregate value of CZK 248 billion.

The company increased its trading activity in bonds, which accounted for CZK 217.3 billion, or nearly 90% of overall trading volume. Of that amount, CZK 160.7 billion was for domestic bonds and CZK 56.6 billion was for foreign bonds.

The past year was a relatively good one for bond trading. Bond prices grew to new highs on low concerns over inflationary pressures and news of the ongoing economic recession. Growth was also supported by record trading volumes on the PSE in the first and fourth quarters. Thus, we can say that many institutional investors began to use bonds as a suitable investment instrument for times of uncertainty.

The company's remaining trading volume of CZK 31.3 billion was realized primarily in domestic and foreign equities (CZK 29.2 billion) and mutual fund shares (CZK 2.1 billion).

As of 31 December 2001, PPF burzovní společnost had realized trades totalling CZK 184.4 billion in the Czech market and CZK 63.6 billion in advanced foreign markets, mostly OECD countries and the USA.

#### **Positive Earnings**

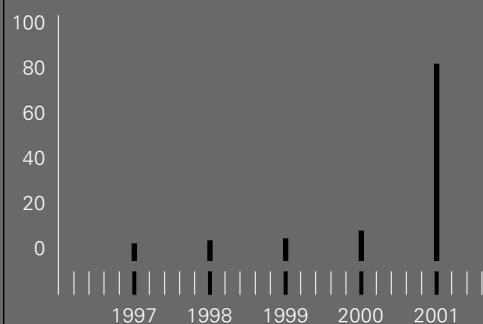
PPF burzovní společnost a.s. continued in its positive earnings trend established in the past few years. For the past year, the company posted a gross profit of CZK 110.4 million, an improvement over 2000's result. This performance was achieved thanks in particular to sustained growth in assets under management.

PPF burzovní společnost a.s. is one of the leading securities brokerages in the Czech market and a member of the PSE. The basic capital of PPF burzovní společnost is CZK 55 million and shareholders' equity stood at CZK 203.4 million as of year end 2001. The company will continue to position itself as an asset manager whose priority focus is on institutional clients and for whom it endeavors to effectively generate investment returns.

PPF burzovní společnost a.s., as a leading securities broker in the Czech capital markets, became an active player in the Czech bond markets in early March of this year, thereby becoming one of the market makers for the most liquid Czech Republic government bond issues.

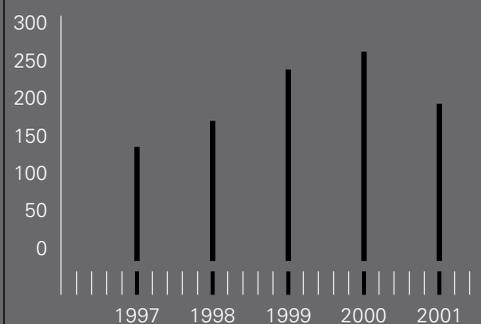
**Assets  
Under  
Management**

1997 – 2001  
(CZK billions)



**Shareholders'  
Equity**

1997 – 2001  
(CZK millions)



Note: the company paid a CZK 143 million dividend in 2001

**Securities Trading**

in 2001  
(CZK)

PSE for own account	29,737,550,741
PSE for clients' accounts	145,612,917,166
<b>PSE total</b>	<b>175,350,467,907</b>
RM-System for own account	29,487,909
RM-System for clients' accounts	659,967,096
<b>RM-System total</b>	<b>686,455,005</b>
Trading in foreign securities for own account	20,267,930,648
Trading in foreign securities for clients' accounts	43,297,085,219
<b>Trading in foreign securities total</b>	<b>63,565,015,867</b>
OTC trading for own account	12,627,380
OTC trading for clients' accounts – equities	8,351,626,381
<b>OTC trading total</b>	<b>8,364,253,761</b>
<b>Total trading volume</b>	<b>247,966,192,540</b>

## Specialized Companies of PPF Group

### PPF investiční společnost a.s.

	The seventh biggest investment company in the Czech Republic in terms of assets under management.
Principal business:	Collective investment – management of mutual funds
Date of inception:	2 September 1991
Address:	Na Pankráci 1658/121, 140 21 Prague 4, Czech Republic
Basic capital:	CZK 20,000,000
Assets under management at 31 December 2001:	CZK 1.96 billion (includes assets in mutual funds)
Auditor for 2001:	KPMG Česká republika Audit, spol. s r.o.
Custodian bank for 2001:	Československá obchodní banka, a.s.
Memberships:	Union of Investment Companies of the Czech Republic American Chamber of Commerce in the Czech Republic British Chamber of Commerce in the Czech Republic
Relicensed:	26 April 1999
Board of Directors:	Pavel Veselý – Member
Supervisory Board:	Milan Tomášek – Member Alena Bernreiterová – Member
Company management:	Jan Valdinger, LLB – Chief Executive Pavel Veselý – Director Portfolio Administration
Main activities:	Asset management for three mutual funds, two closed-end and one open-end

Since its inception in 1991, PPF investiční společnost a.s. has been a leading investment company in the Czech market. In terms of assets under management, it is the number-seven investment company in the Czech Republic.

At 31 December 2001 the company managed total assets of CZK 1.96 billion in two closed-end funds (CZK 1.77 billion) and one open-end mutual fund (CZK 0.19 billion).

#### Unitholder Distributions

In accordance with the Statutes of the closed-end funds, May saw the commencement of record-high income distributions to unitholders from 2000 profits. The distribution for Český uzavřený podílový fond was CZK 24.10 per unit and for Moravskoslezský uzavřený podílový fond it was CZK 27.67 per unit (distribution amounts are gross, i.e. before tax).

**Preparations for Safe Open-Ending of Funds**

In 2001, PPF investiční společnost a.s. continued to implement the investment policy of the closed-end funds as stipulated in their Statutes while at the same time stepping up the intensity of preparations for both closed-end funds to enter the process leading to a smooth and safe conversion to the open-end format. The actual open-ending will take place in the time period given by law, i.e. during 2002, but no later than the end of this year. The investment strategy of the closed-end funds was focused on low-risk money market instruments, debt instruments and foreign securities from top-rated issuers traded in the advanced capital markets of the European Union and the USA. Despite very negative developments in the world's capital markets, the investment policy of the funds' manager was shown to be very effective and the net asset value of the funds was not substantially affected by these negative developments. This year, too, the investment strategy will be focused on gradually reducing equities in proportion to the funds' overall assets, ensuring there is sufficient liquidity for the safe and smooth open-ending of the funds in 2002, and maximum protection of the investments of small unitholders.

**Collective Investment Operations Brought Under One Roof**

On 15 March 2002 the Securities Commission granted the request of PPF investiční společnost a.s. to transfer the management of the closed-end funds to ČP INVEST investiční společnost, a.s. The actual transfer of assets took place on 22 March 2002. The main reason for this decision of the funds manager was to concentrate all collective investment operations into a single investment company within the Financial Group, since in terms of economics and personnel considerations the existence of two medium-sized investment companies in the Group was not justifiable. The aim of this integration is to utilize all the advantages and synergies inherent in having a larger volume of assets under management and to offer fund investors a greater degree of service comfort and increased efficiency in generating returns on their investments. This step gives unitholders in the funds of PPF investiční společnost a.s. the opportunity to take advantage of new investment opportunities within the ČP INVEST Family of Funds, consisting of nine open-end mutual funds, four close-end mutual funds and four unique investment programs. The investment strategy of the funds was not affected by the transfer of their assets to ČP INVEST; the only change is in the funds' names, from PPF to ČP INVEST.

The transfer of all assets managed by PPF investiční společnost a.s. (nearly CZK 2 billion) to ČP INVEST made ČP INVEST the seventh-largest investment company in the Czech Republic with assets of CZK 3.3 billion.

By a decision of the sole shareholder of PPF investiční společnost a.s. acting as the issuer's General Meeting, on 10 April 2002 the company was wound up and entered into liquidation. The main reason for this decision of the sole shareholder is that, following the transfer of fund assets to the management of ČP INVEST, the company will cease to engage in the business activity for which it was established.

## Specialized Companies of PPF Group

### ČP INVEST Český uzavřený podílový fond (formerly PPF Český uzavřený podílový fond)

Date of inception:	4 September 1993
Number of unit certificates outstanding:	817,355
Nominal value per unit certificate:	CZK 1,000
Type and form of unit certificate:	booked bearer
Market value of assets at 31 December 2001:	CZK 1.21 billion
Market value of assets per unit certificate:	CZK 1,484.60
Unit certificate listings:	PSE third tier, RM-System
Auditor for 2001:	KPMG Česká republika Audit, spol. s r.o.
Custodian bank for 2001:	Československá obchodní banka a.s.

The fund's performance was influenced by negative developments in the capital markets. The downturn of the American market caused by the terrorist attack in September of last year (sending the Nasdaq index down by nearly 20%) was also reflected in lackluster performance of the Czech capital market. The PX 50 index, after falling 17% during 2001, ended the year at 394. Despite the unfavorable capital markets performance, the funds' manager was able to minimize the negative impact on unitholder assets.

#### Potential of Unitholders' Investments Preserved

Due to the poor performance of the capital markets in 2001, the NAV/unit fell from CZK 1,495 to CZK 1,484.60. With the PX 50 losing 17% of its value during 2001, the fund's units outperformed the index by 16 percentage points. The unit value in terms of NAV fell by 0.7%. However, it must be emphasized that NAV was affected by the payment of an income distribution for 2000 in May of last year. For Český uzavřený podílový fond the income distribution represented 1.6% of NAV. Thus, after adjusting for the income distribution there was no decline in the NAV/unit at all, but rather an increase of 0.9%.

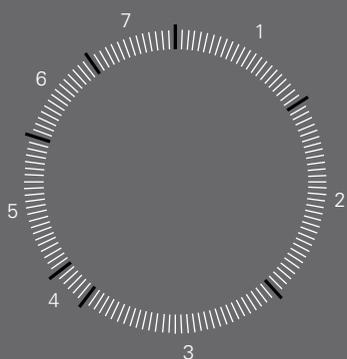
At 31 December 2001 the fund's NAV stood at CZK 1.21 billion. The unit price ended the year at CZK 1,250. The poor capital markets performance was also reflected in the fund's earnings result. ČP INVEST Český uzavřený podílový fond posted a loss of CZK 13.2 million for the year 2001.

#### Increased Portfolio Liquidity

The changed portfolio structure reflects the principal feature of the manager's investment policy – to increase the fund's liquidity to prepare it to pass smoothly through the open-ending process. Our active portfolio diversification was based on increasing positions in high-quality, liquid domestic and foreign securities – mainly bonds – in the fund portfolios while decreasing the proportion of other asset types, especially foreign equities.

**Assets Structure**

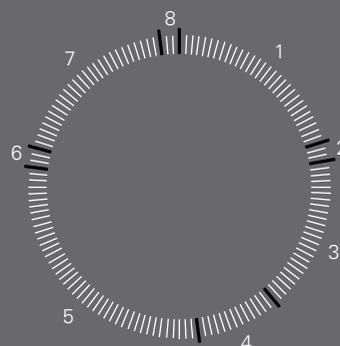
at 31 December 2001



1	Equities CZK	16.3%
2	Bonds CZK	21.7%
3	Accounts and deposits CZK	22.9%
4	Other assets	3.8%
5	Foreign equities	14.9%
6	Foreign bonds	10.8%
7	Accounts and deposits – foreign currency	9.6%

**Portfolio Structure  
by Sector of Issuer**

at 31 December 2001

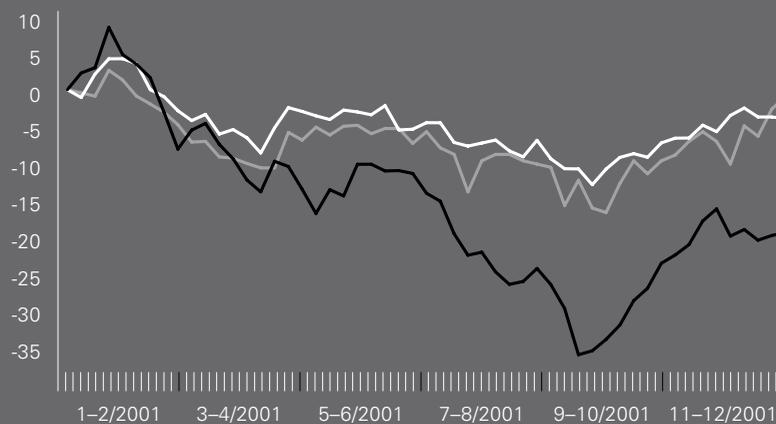


1	Treasury bills	20.5%
2	Equities EUR	2.1%
3	Equities USD	16.4%
4	Bonds EUR	9.2%
5	Bonds CZK	29.3%
6	Bonds USD	2.1%
7	Banking and finance	18.5%
8	Electronics	1.9%

**Comparison  
of NAV,  
Fund Share Price,  
and PX 50 Index**

in 2001  
(%)

- PX 50
- Share Price
- NAV



While 54.1% of the portfolio of Český uzavřený podílový fond was in low-risk debt and money market instruments at year end 2000, in 2001 the weighting of these instruments rose to 68.8%. The bond segment of the portfolio saw a near doubling in the proportion of treasury bills and deposits in both Czech and foreign currencies, and positions in Czech bonds were also increased at the expense of foreign bonds. A major, relatively long-standing position in Polish government bonds was closed.

The remaining fund assets, which shrunk during the year in relative terms from 45.9% of the portfolio to just 31.2% at year end 2001, consisted of domestic and foreign equities of top-rated, progressive corporations from countries with advanced economies, in particular the USA and the European Union. The share of foreign equities in the portfolio was nearly halved, to 14.9% of the fund's net asset value. The increase in high-quality portfolio investments combined with a major reduction in strategic-type investments was particularly evident in the proportion of Czech equities in overall assets. During the year the shares of Česká spořitelna were removed from the fund's portfolio of strategic investments, cutting their weighting in the fund's NAV by one half, to just 3%.

#### **Change of Fund Management Company**

As of 22 March 2002, under a decision of the only shareholder, PPF investiční společnost a.s., and a permit issued by the Securities Commission, the assets of the former PPF Český uzavřený podílový fond were transferred to ČP INVEST investiční společnost, a.s. for management, and at the same time the fund was renamed to ČP INVEST Český uzavřený podílový fond. The aim of this step is to unite collective investment operations under the roof of a single investment company within the Financial Group and to offer investors a greater degree of comfort in the services we provide in this area through the ČP INVEST Family of Funds, which consists of nine open-end mutual funds and two close-end mutual funds and offers several unique investment programs for unitholders.

**ČP INVEST Moravskoslezský uzavřený podílový fond  
(formerly PPF Moravskoslezský uzavřený podílový fond)**

Date of inception:	4 September 1993
Number of unit certificates outstanding:	379,856
Nominal value per unit certificate:	CZK 1,000
Type and form of unit certificate:	booked bearer
Market value of assets at 31 December 2001:	CZK 0.56 billion
Market value of assets per unit certificate:	CZK 1,478.20
Unit certificate listings:	PSE third tier, RM-System
Auditor for 2001:	KPMG Česká republika Audit, spol. s r.o.
Custodian bank for 2001:	Československá obchodní banka a.s.

The second close-end fund of PPF investiční společnost a.s., before the change in management company, was PPF Moravskoslezský uzavřený podílový fond. In terms of fund assets this is a smaller fund, about half the size compared to Český uzavřený podílový fond. The management company implemented the same investment policy for both funds. Therefore, both funds exhibited similar performance in terms of performance and liquidity.

As with its counterpart Český, the performance of Moravskoslezský uzavřený podílový fond was influenced by the negative capital market developments. Despite sustained growth in the American capital markets during the final three months of last year, the Nasdaq index was unable to recover from its early losses and ended the year down nearly 20%. This poor performance was linked to the performance of the capital market in the Czech Republic. The PX 50 posted a 17% decline for the year. Despite the lackluster performance of the capital markets, however, the fund manager was able to minimize the negative impacts on unitholder assets.

**Potential of Unitholders' Investments Preserved**

The poor performance of capital markets both at home and abroad was reflected in the fund's assets. NAV/unit fell from CZK 1,502.30 to CZK 1,478.20. With the PX 50 losing 17% of its value during 2001, the fund's units outperformed the index by 15 percentage points. The unit value in terms of NAV fell by 1.6%. This NAV result was influenced by the payment of an income distribution for 2000 in May of last year. For Moravskoslezský uzavřený podílový fond the income distribution represented 1.8% of NAV. Thus, after adjusting for the income distribution there was no decline in the NAV/unit at all, but rather an increase of 0.2%.

At 31 December 2001 the fund's NAV stood at CZK 0.56 billion. The unit price ended the year at CZK 1,239. The poor capital markets performance also influenced the fund's earnings result. ČP INVEST Moravskoslezský uzavřený podílový fond posted a loss of CZK 12.4 million for the year 2001.

**Increased Portfolio Liquidity**

In conjunction with preparations for the safe and smooth open-ending of PPF Moravskoslezský uzavřený podílový fond no later than the end of this year, the fund management company continued in its policy of active diversification of the fund's portfolio. The goal of the policy is to increase the fund's liquidity, which will be crucial when the actual open-ending takes place. The implementation of the policy had a substantial impact on the fund's portfolio structure. The fund invested its assets primarily in debt instruments traded on financial markets, such as bonds and money market instruments, but mostly in deposits and treasury bills.

As of year end 2001, 69.5% of the assets of Moravskoslezský uzavřený podílový fond were low-risk debt and money market instruments, while 30.5% was in domestic and foreign equities. Thanks to increased acquisitions of treasury bonds and deposits (in both CZK and foreign currencies), the bond/debt portion of the portfolio grew by 13.1% compared to 2000. In addition, the share of Czech bonds was increased at the expense of foreign bonds. A major, relatively long-standing position in Polish government bonds was closed.

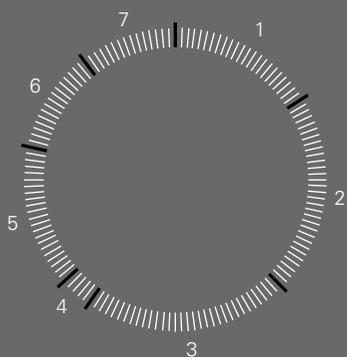
On the other hand, the equity segment of the portfolio shrunk by 15.1% during the year, from 43.6% to 30.5% of the fund's overall assets. Foreign equities were cut by one half, to 14.9% of fund assets. The share of Czech equities was 15.6%, practically the same as 2000's level. Foreign securities consisted of domestic and foreign equities of top-rated, progressive corporations from countries with advanced economies, in particular the USA and the European Union. Česká spořitelna and Česká pojišťovna are the principal portfolio investment in Czech equities.

**Change of Fund Management Company**

As was the case with Český uzavřený podílový fond, the assets of Moravskoslezský were transferred to ČP INVEST investiční společnost, a.s. on 22 March 2002 under a decision of the only shareholder, PPF investiční společnost a.s., and a permit issued by the Securities Commission, and the fund's name was changed to ČP INVEST Moravskoslezský uzavřený podílový fond. The aim of this step is to unite collective investment operations under the roof of a single investment company within the Financial Group and to offer investors a greater degree of comfort in the services we provide in this area through the ČP INVEST Family of Funds, which consists of nine open-end mutual funds, two close-end mutual funds and offers several unique investment programs for unitholders.

**Assets Structure**

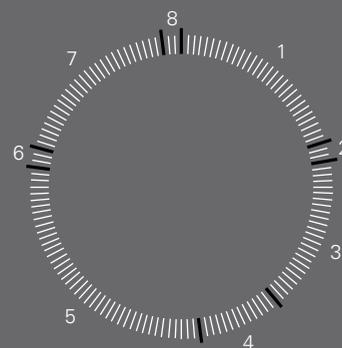
at 31 December 2001



1	Equities CZK	15.6%
2	Bonds CZK	21.7%
3	Accounts and deposits CZK	22.4%
4	Other assets	3.8%
5	Foreign equities	14.9%
6	Foreign bonds	11.4%
7	Accounts and deposits – foreign currency	10.2%

**Portfolio Structure  
by Sector of Issuer**

at 31 December 2001

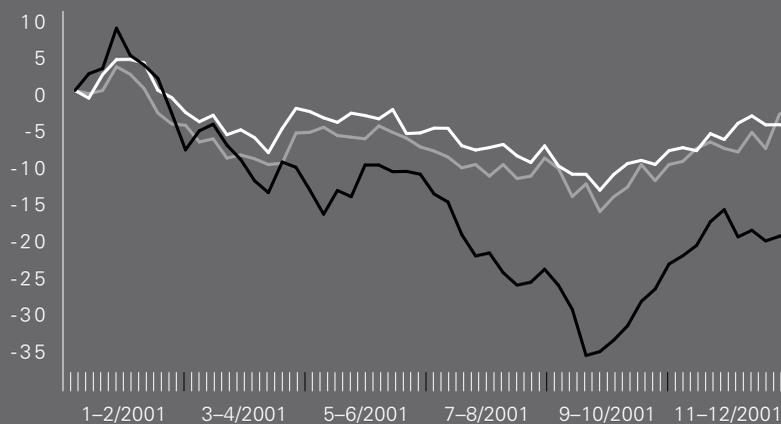


1	Treasury bills	20.1%
2	Equities EUR	2.2%
3	Equities USD	16.6%
4	Bonds EUR	9.7%
5	Bonds CZK	29.7%
6	Bonds USD	2.2%
7	Banking and finance	17.4%
8	Electronics	2.1%

**Comparison  
of NAV,  
Fund Share Price,  
and PX 50**

in 2001  
(%)

— PX 50  
— Share Price  
— NAV



## Specialized Companies of PPF Group

### ČP INVEST Universální otevřený podílový fond (formerly PPF Smíšený otevřený podílový fond)

Date of inception:	11 November 1998
Nominal value per unit certificate:	CZK 1,000
Number of unit certificates outstanding at 31 December 2001:	300,000
Number of unit certificates redeemed at 31 December 2001:	0
Type and form of unit certificate:	booked bearer
Market value of assets at 31 December 2001:	CZK 0.19 billion
Market value of assets per unit certificate:	CZK 622.50
Unit certificate listings:	RM-System
Annual fund management fee:	1.75% of average annual value of Fund assets
Sales fee:	1% of value of fund shares sold
Redemption fee:	0%
Minimum investment:	CZK 10 million
Auditor for 2001:	KPMG Česká republika Audit, spol. s r.o.
Custodian bank for 2001:	Československá obchodní banka a.s.

Since September 1999, PPF investiční společnost a.s. has been managing an open-end mutual fund that is targeted mainly at institutional investors and whose investment term is medium term (3 – 5 years). Until now the fund has issued a total of CZK 300 million in units. The fund was designed to be a mixed fund, with the principal emphasis on investments in foreign shares and index instruments in European Union countries and the USA.

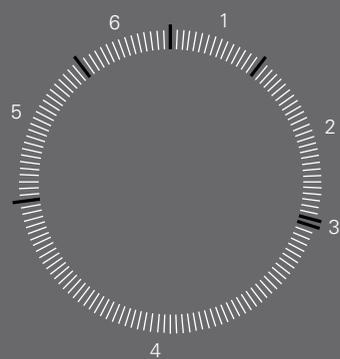
The poor performance of the capital markets had the biggest impact on the performance of the open-end mutual fund. The nearly 20% drop in the American capital market represented by the Nasdaq index was accompanied by a 17% decline in the Czech capital market. Our efforts to minimize the negative impact of the markets were reflected in the active diversification of the fund's portfolio.

#### Active Portfolio Diversification

While at the beginning of last year most of assets (60%) consisted of highly-rated equities traded on stock markets in European Union countries and the USA, by the end of the year the share of equities in the portfolio had been reduced by 16.2% to 43.8%. At year end 2001, most of the shares in the portfolio (over two thirds) were American, while the shares of companies based in the European Union made up the rest. At the beginning of the year the equity portfolio was dominated by growth stocks such as the BBH biotechnology instrument, Viacom, IBM, Clear Channel, Nokia, Saint Gobain and Pechiney.

**Assets Structure**

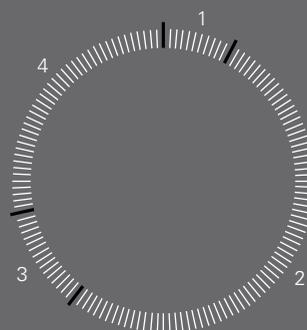
at 31 December 2001



1	Bonds CZK	10.1%
2	Accounts and deposits CZK	18.5%
3	Other assets	0.7%
4	Foreign equities	43.8%
5	Foreign bonds	16.8%
6	Accounts and deposits – foreign currency	10.1%

**Portfolio Structure  
by Sector of Issuer**

at 31 December 2001

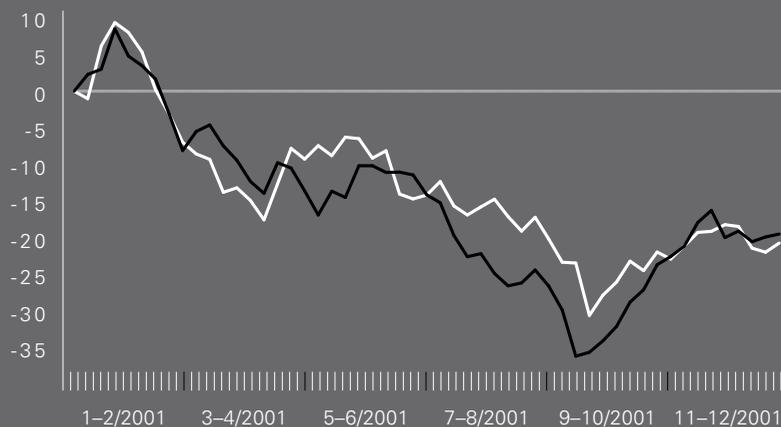


1	Equities EUR	7.0%
2	Equities USD	53.6%
3	Bonds EUR	11.6%
4	Bonds CZK	27.8%

**Comparison  
of NAV,  
Fund Share Price,  
and PX 50 Index**

in 2001  
(%)

- PX 50
- Share Price
- NAV



The equity markets were influenced by speculation over whether and when the economy would enter an upturn. Therefore, as early as the first half some fundamental changes were made in the portfolio. The movements in equity markets seen in January and February could not be considered justified, and therefore they were utilized to reduce positions in the technology sector due to its potential future vulnerability. Specifically, we sold the BBH biotechnology instrument for nearly CZK 10 million and reduced positions in semiconductors (Altera, Motorola) and in the fiber optics sector. Portfolio diversification was based in particular on the sale of technology stocks and the purchase of defensive titles that have stable financial performance and are resistant to macroeconomic fluctuations. For this reason, we added new stocks to the portfolio such as Pfizer, Pharmacia, Quest Diagnostics, Abbott Laboratories and Bristol-Myers (and in a number of them the fund realized capital gains of 5 – 20% at mid-year). The process of decreasing technology holdings continued with sales of Tellabs, Sun Microsystems, Nortel, Analog Devices and Intel. On the other hand, the fund increased positions in the oil sector (Halliburton) and built up positions in electricity generation and distribution, a promising sector. Since the economy was receiving enormous boosts from low interest rates and fiscal stimuli, companies such as General Electric and Citigroup were added to the portfolio since they are sensitive to economic upturns.

The bond portion of the portfolio also underwent major changes. During the first four months of last year it was enlarged from 14% of NAV to double that amount. Specifically, we purchased the corporate bonds Radiomobil and Slovenské elektrárny. The main reason for increasing bond holdings was the uncertain outlook in stocks and the worldwide trend towards lower interest rates, which has had a positive influence on the performance of bond indexes.

The remainder of the portfolio (nearly 30% of assets) consisted of money market instruments, particularly domestic and foreign-currency deposits.

The fund's NAV at 31 December 2001 totaled CZK 0.19 billion, or CZK 622.50 per unit certificate. The already mentioned poor performance of the capital markets had a substantial impact on NAV, which dropped by 19.5%, as well as on the fund's earnings. The open-end mutual fund posted a net loss of CZK 23.2 million for 2001.

#### **Change of Fund Management Company**

Like both closed-end funds, the assets of the open-end mutual fund were transferred to ČP INVEST investiční společnost, a.s. under a decision of the only shareholder, PPF investiční společnost a.s., and a permit issued by the Securities Commission. This took place on 24 May 2002. The aim of this step is to unite collective investment operations under the roof of a single investment company within the Financial Group and to offer investors a greater degree of comfort in the services we provide in this area through the ČP INVEST Family of Funds, which consists of eight open-end mutual funds, two close-end mutual funds and offers several unique investment programs for unitholders.

**PPF Capital Management a.s.**

Area of business:	management of PPF Group's strategic investments
Date of inception:	3 August 1995
Address:	Na Pankráci 1658/121, 140 21 Prague 4, Czech Republic
Registered capital:	CZK 178,300,000
Auditor for 2001:	KPMG Česká republika Audit, spol. s r.o.
Board of Directors:	Zbyněk Štěrba – Chairman Karel Pražák – Member Milan Včeliš – Member
Supervisory Board:	Ladislav Chvátal – Chairman Michal Stiebal – Member Václav Šrajer, MBA – Member
Company management:	Zbyněk Štěrba – Chief Executive
Principal businesses:	administration and management of equity shares, especially strategic holdings, investment consulting for a venture capital fund, seeking out quality investment opportunities

In 2001, PPF Capital Management a.s. became the management company for a venture capital fund. In addition to the management role – i.e., directing the administration of a portfolio of investments (projects), controlling, selecting the optimum structure for financing the investments, sales, etc. – the company also acts as an investment advisor, recommending specific projects as for possible investment. The company's principal aim is to ensure for investors (i.e. the fund's shareholders) the most effective possible return on their investments over the medium term. The company has adapted its organization structure to accommodate this aim and its core business has shifted to actively seeking out new, high-quality investment opportunities.

**Active Search for High-Quality Investment Opportunities**

During the past year, the company prepared projects for financing in the area of telecommunications and the automobile aftermarket. Prior to the actual investment, each of these projects went through a demanding due diligence process and they are directed by a project team comprised of experienced managers that sit in the governing boards of the target companies. Larger-scale use of this method of financing investments in the Czech market was hindered in general by the capital market, which is still underperforming, and insufficient support from Czech legislation.

The company also built on its 2000 activities, purchasing securities backed by receivables under leasing agreements and consumer loans provided by leasing companies and companies that specialize in consumer credit. The Czech Republic consumer credit market continued to grow rapidly in 2001. This growth is related to a change in the behavior of the population – purchasing on credit has now become common practice for Czech households.

The actual financing of leasing companies and consumer credit companies takes place by purchasing securities issued by them. The purchased securities are backed by good-quality receivables from consumer loans and finance leases.

As in previous years, activities associated with purchasing securities are financed from the proceeds of a CZK 2 billion bond issue that took place in 1999. In September 2001 the company made a regular CZK 154.4 million coupon payment in accordance with the issue terms. The bond issue is set to mature in 2005.

From the long-term perspective, PPF Capital Management a.s. considers finance leasing and consumer credit to be promising business segments. For this reason, the company will continue to focus a substantial portion of its business activities on financing companies that do business in these areas, with the aim of making the greatest possible use of synergies within the Financial Group. In managing the venture capital fund, the company will focus on adding several new projects to the portfolio in order to achieve a greater degree of diversification. Considerable potential is inherent in projects that involve restructuring industrial enterprises. Currently, the company has roughly CZK 4 billion in assets under management.

**PPF majetková a.s.**

	The first company in the Czech Republic to obtain a license to administer and develop real estate funds.
Area of business:	management and development of real estate funds
Date of inception:	8 June 1995
Address:	Na Klikovce 367/7, 140 00 Prague 4, Czech Republic
Registered capital:	CZK 1,270,000
Auditor for 2001:	KPMG Česká republika Audit, spol. s r.o.
Board of Directors:	Petr Javůrek – Chairman Jindřich Jansa – Member Luděk Kožuško – Member
Supervisory Board:	Milan Maděryč – Chairman František Tlustoš – Member Aleš Minx – Member
Company management:	Petr Javůrek – Chief Executive
Principal businesses:	management and development of real estate seeking out profitable investment and development projects, management and realization of same

PPF majetková a.s. is the PPF Group company that is responsible for control of real estate projects. Its principal business is the management and development of real estate funds as that term is understood in developed foreign markets, including realty services, co-ordinating construction projects, market research and property management for all the domestic commercial properties in the company's portfolio in the domestic market. Despite the highly competitive environment, PPF majetková a.s. is one of the largest and most qualified companies in all the areas in which it operates. Its assets under management exceed CZK 8.5 billion, making PPF majetková a.s. one of the largest companies in its sector in the Czech Republic.

Although PPF majetková a.s. was the first company in the Czech Republic to obtain a license to manage and develop real estate funds, due to unsuitable legislation governing collective investment undertakings in real estate that makes this type of investment insufficiently attractive compared to, e.g., money market instruments, in 2001 the company offered its clients primarily management of real estate portfolios owned by the clients themselves. The company continues to seek out for its clients projects that have the potential to generate the desired returns, and then goes on to manage and realize these projects. PPF majetková's biggest client in this area is Česká pojišťovna; other clients include eBanka, ČP INVEST, and others.

### **Comprehensive Real Property Management**

Activities related to the management and development of real estate funds are part of the basic service offering of PPF majetková a.s. The company's principal activities in this area include: research and analysis of the real estate market, seeking out investment opportunities and evaluating them in terms of economic, legal and construction/engineering considerations, as well as assessing investment plans and rates of return of various properties in clients' portfolios. The result is the proposal and realization of specific measures to ensure that real property is put to effective use. For its clients, the company maintains an electronic real property database containing all relevant information on each property.

### **Stable Income**

Income generated from leases of the real estate funds under management was stable in 2001 and the total income plan was met without any dramatic changes in individual properties. Measures proposed for more effective utilization and management of client properties, worked up on the basis of an assessment of rates of return of individual properties, are leading to further increases in the value of the real estate portfolio.

### **Construction and Development Projects**

In the area of construction and development project management, over 70 projects were at some phase of design or realization, the most important of which included the construction of a multi-function building on Argentinská Street in Prague, the construction of the Na Pankráci Office Center and the reconstruction of a complex of buildings between Spálená and Vladislavova Streets in Prague. The Vladislavova – Spálená project includes the construction of a new office center with a quiet zone for the public. The rough building work phase was completed in November 2001. Substantial progress was made on all new-build office projects in Prague. In the first quarter of 2001, Česká pojišťovna moved into new office space in a building in Brno.

In addition to the projects mentioned above, core construction activities also included an extensive project to gradually unify all Česká pojišťovna teller areas, both those accessible to the public and back office areas. The results of this work in 2001 can be seen, for example, in Pelhřimov, Jihlava, Mladá Boleslav and Kutná Hora. Preparations for work in other locations are in full swing. Another important project was the build-out of eBanka's branch network, in which a team of architects, contractors, lawyers and construction project management specialists built out 25 bank branches throughout the entire Czech Republic in an extremely short time.

#### **Active Portfolio Diversification**

PPF majetková's project portfolio includes not just office buildings, hotels and commercial space, but also spa projects. The diversification of the client portfolio is based on purchase and sale of properties. Last year there was a major upsurge of investor interest in investing in Mariánské Lázně. The company completed the sales of the Hotel Esplanade spa complex as well as hotel properties of lesser significance. Negotiations were held with many interested parties, at the end of which very good prices were achieved in all cases, bringing clients attractive returns. All told, the company was involved in over 50 real estate purchase, sale, lease and hire projects in 2001.

In the future as well, PPF majetková a.s. will continue to develop and diversify its real estate management activities with the aim of increasing rates of return on properties entrusted to the company. The company is prepared to take on additional clients and provide them its services and know-how in this area of business.

## Specialized Companies of PPF Group

### CM - Credit a.s.

	The company is one of the five biggest private receivables management companies in the Czech market.
Area of business:	receivables management, corporate balance sheet restructuring
Date of inception:	31 October 1996
Address:	Kříženeckého náměstí 1079/5b, 150 00, Prague 5, Czech Republic
Basic capital:	CZK 2,000,000
Auditor for 2001:	KPMG Česká republika Audit, spol. s r.o.
Board of Directors:	Milan Krob – Chairman Karel Pražák – Member Vladimír Libich – Member
Supervisory Board:	Zbyněk Štěrba – Chairman Jan Blaško, MBA – Member Milan Včeliš – Member
Company management:	Milan Krob – Director
Principal businesses:	receivables management balance sheet restructuring services auction preparation and organization activities

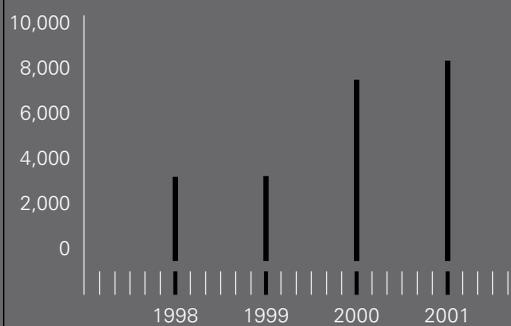
Another important activity area that PPF Group has been involved in for over 5 years now and in which it has been successful is the administration of accounts receivable. This activity is the domain of our specialized company CM - Credit a.s., which focuses primarily on managing and trading in receivables arising out of loan agreements where the debtors have defaulted on their repayment obligations. Among private companies involved in this activity, CM - Credit a.s. is one of the five largest in the Czech market.

#### Comprehensive Receivables Management

The company runs the full gamut in receivables management from taking over and analyzing individual cases through arranging for legal services all the way to organizing active collection efforts to ensure cash is received as quickly as possible for the benefit of the company's clients. In order to effect collection, the company is able either by itself or through its business partners to foreclose on assets that were used to secure the creditor's receivables or to act as an intermediary to find a bidder to whom to cede the receivables. CM - Credit a.s. has very good experience and know-how in this area of business and is well equipped for these types of activity in terms of personnel, expertise, and technology.

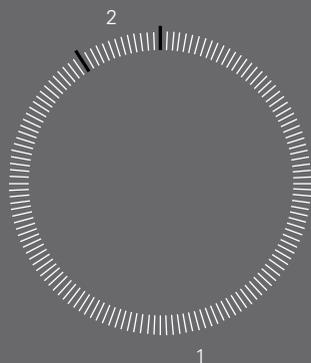
**Receivables  
Under  
Management**

1998 – 2001  
(CZK millions)



**Receivables  
Structure**

in 2001



- |   |                                   |       |
|---|-----------------------------------|-------|
| 1 | Receivables under loan agreements | 90.9% |
| 2 | Receivables under finance leases  | 9.1%  |

One instrument that supports the company's success in this business area is its dynamic, matrix-like structure that allows for the existence of separate business groups to implement individual jobs. These business groups are run by project managers who are responsible for successful realization and completion of the jobs.

Another important activity of the company is providing advice on restructuring the balance sheets of legal entities that have been under defective financial management in the past and that are in need of systemic changes in their business behavior. CM - Credit a.s. can take over a company's administration, analyze its legal and financial situation, develop a timeline of operational goals and, in cooperation with other specialists, implement all the steps necessary to put the company back on its feet.

In addition to managing extensive portfolios of receivables, the company is also engaged in the management of small client receivables. This type of management is useful especially for companies involved in selling on credit (installment plans) which provide consumer loans to large numbers of people, as well as for leasing companies. These services give the company an opportunity to build up a strong position in the area of "trade receivables" management and subsequent commercial exploitation those receivables.

In the course of increasing the quality and accessibility of its services, the company has developed and placed on its website ([www.cmcredit.cz](http://www.cmcredit.cz)) an application that allows current and future company clients to gain basic, generalized financial advice. The application will also provide detailed information on portfolios under management. It is the company's hope that this application will facilitate further acceleration of the debt collection process on behalf of its clients.

#### **Successful Receivables Management**

CM - Credit a.s. currently manages a portfolio of receivables valued at approximately CZK 10 billion. The vast majority (90%) are receivables that arose under loan agreements, while the rest are receivables owned by leasing companies. Last year, the company collected on receivables in an amount of nearly CZK 170 million for its clients, thereby building on its successes from years past.

The company will continue to actively manage its clients' portfolios of receivables and diversify them with the aim of achieving a commensurate rate of collection. The company will also focus on further acquisitions in this area and on gaining new clients for whom to provide comprehensive receivables management. The year 2002 is bringing with it new possibilities in the area of receivables management: significant growth in demand for the sale of receivables is expected. CM - Credit a.s. will endeavor to build on its successes; to date it has won a number of tenders for receivables managers.

**PPF (Cyprus) Ltd., PPF Financial Services Ltd.**

Area of business:	asset management and securities brokerage
Date of inception:	9 February 1998
License obtained:	1998 (from Central Bank of Cyprus)
Registered office:	Nicosia, Cyprus
Basic capital:	USD 75,736
Auditor for 2001:	KPMG Cyprus
Memberships:	CIFSA – Cyprus International Financial Services Association
Board of Directors:	Miroslav Horský – Chairman Arlin Nahikian – Member Spyroulla Papaeracleous – Member Georgios Syrimis – Member Athinodoros Athinodorou – Member
Company management:	Miroslav Horský – Chief Executive
Principal businesses:	providing financial services associated with asset management and securities trading

PPF (Cyprus) Ltd. is a 100% subsidiary of PPF a.s. and all its operations are located abroad. The company was established in early 1998. Like the 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.

PPF Financial Services Ltd. is a sister company of PPF (Cyprus) Ltd. It has also obtained a license from the Central Bank of Cyprus to provide financial services. As a securities brokerage, the company provides its clients services related to trading in securities, either acting as an intermediary or trading directly.

PPF Financial Services Ltd. is a member of CIFSA – Cyprus International Financial Services Association, an organization that, thanks to its strict disclosure requirements, is only open to highly regulated and transparent players in the Cyprus market.

Both companies provide financial services to foreign investors who are interested in gaining exposure to and investing in the Czech capital market. Subsequently it provides for all aspects of managing their investments 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 both Cyprus-based members of PPF Group total approximately USD 60 million.

## Specialized Companies of PPF Group

### PPF CONSULTING a.s.

Area of business:	management of portfolio investments
Date of inception:	18 November 1996
Address:	Na Pankráci 1658/121, 140 21 Prague 4, Czech Republic
Registered capital:	CZK 1,000,000
Auditor for 2001:	KPMG Česká republika Audit, spol. s r.o.
Board of Directors:	Petr Kellner – Chairman Aleš Minx – Member (from July 2002) Petr Chajda, MBA – Member (from July 2002)
Supervisory Board:	Lubomír Král – Chairman (from July 2002) František Tlustoš – Member Lenka Šafránková – Member
Company management:	Pavel Tomšů – Project Manager
Principal businesses:	advising solutions for selected equity holdings that resemble portfolio investments providing recommendations for effective exercise and protection of basic shareholder rights

PPF Group's portfolio is not limited to strategic investments alone; it also contains portfolio investments. Their management is the responsibility of PPF CONSULTING a.s. The main thrust of the company's activities in 2001 was in the areas of active protection of shareholder rights and qualified consulting for selected non-strategic equity participations. The company currently manages slightly under CZK 400 million in assets.

#### Effective Exercise of Shareholder Rights

The aim of PPF CONSULTING a.s. is to provide legal protection to those of its clients who find themselves in the role of minority shareholders in corporations. The company also acts on behalf of its clients to effectively exercise their shareholder rights and defend their interests in corporations. Last year, the largest companies in clients' portfolios included Kablo Kladno, Český porcelán, České aerolinie, Všeobecná stavební spořitelna Komerční banky and Massag.

**Qualified Consulting**

Based on a detailed analysis of individual equity participations that takes into account both the macro and micro environments of selected corporations, PPF CONSULTING a.s. proposes solutions for its clients aiming to ensure the most effective possible returns on their equity participations. The result is the recommendation of further steps, including a specific description of how to proceed. Starting in 2001, the company is also offering clients a new service of organizing all aspects of dealing with their equity participations. Last year this included organizing activities associated with purchasing shares in Lázně Teplice v Čechách and eBanka.

**Effective Generation of Investment Returns**

It is in the company's interests to ensure for its clients the maximum possible return on their minority participations, especially through their sale at more advantageous terms than otherwise available on the public securities markets. This can be achieved, for example, by acting in concert with other shareholders or by teaming up with a strategic investor, or through other forms of sale. Sales of portfolio investments with a positive impact on client portfolios included mainly shares of Massag and Rukavičkářské závody. At present, the company's main efforts are concentrated on resolving disputes with the majority shareholder of Kablo Kladno. In addition to selling equity participations, another potential way to generate a return on an investment is by increasing a shareholder's position in the company in question or by working with other shareholders to develop the target companies (e.g. Český porcelán).



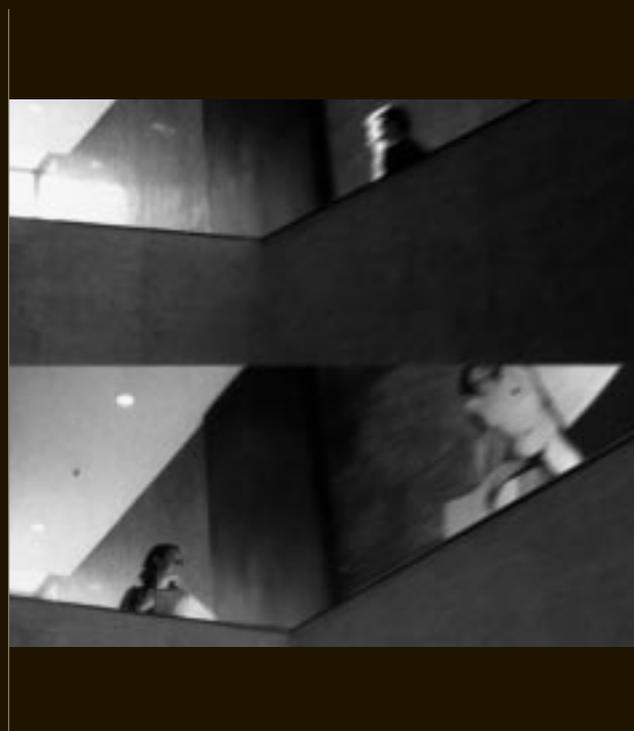
How do I work? Well, I take photographs as I am able and as has been given to me. And since a live model could never suffice to express what was in my imagination and what occurred to me, I now make my own models. I sculpt, draw, etc. whatever I happen to need at the time. František Drtikol





Nowadays I sculpt or draw the pose I am imagining and I also prepare by myself all the props, geometric shapes or whatever else is needed. Like a film director, I arrange the exterior and test the lighting to find just the right set of conditions that as a whole is most effective in expressing my original idea.

František Drtikol





Of course, the models I use are not mere silhouettes – they are small figure sculptures with all the details to be just like the real thing, but somehow also not. I have idealized the body and created my own type. I can say that only now am I satisfied with the results of my work because it is my own work from A to Z. Both the idea and the material used. František Drtikol



**Companies Managed by PPF  
– Česká pojišťovna Group**

**Management of Česká pojišťovna  
Group Companies**

- 1 • 2
- 3 4
- 5 6 •



**Ladislav Bartoníček, MBA – CEO, Česká pojišťovna a.s.**

1 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, New York, in 1993. Since 1996, Bartoníček has been CEO of Česká pojišťovna a.s. and he has been Chairman of the Board of Directors of Česká pojišťovna a.s. since June 2000.

**Pavel Plachký – CEO, Home Credit a.s.**

2 Born in 1966, a graduate of the Brno Technical University, where he majored in telecommunications. After graduation he commenced work at ČESKÝ TELECOM, a.s. In 1994 – 1998 he worked in various positions from head of operations department up to deputy branch director at Evrobanka, and later Union banka. He joined Home Credit a.s. in 1998 as director of sales and became CEO in 2000.

**Roman Mentlík – CEO, eBanka, a.s.**

3 Born in 1964, a graduate of the Prague University of Economics, Faculty of Commerce with a major in the economics of foreign trade. He began his banking career at Komerční banka, where he worked in payments and later in liquidity and risk management. In 1994 – 1997 he worked at Westdeutsche Landesbank Europa in Prague, Düsseldorf and Vienna – in the Treasury area. In 1997 he joined Česká spořitelna as director of the money market section and, from 1998, he served on the Board and as a Bank executive. He has been CEO of eBanka since February 2001.

**Ivo Foltýn – CEO, Penzijní fond České pojišťovny, a.s.**

4 Born in 1969, a graduate of Brno Technical University's Mechanical Engineering Faculty and, in 1995, the Corporate Management Faculty of the Prague Technical University as well. 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 CEO of Penzijní fond České pojišťovny, a.s. and in 2001 he was also appointed deputy director for life assurance at Česká pojišťovna a.s.

**Martin Sankot – CEO, ČP INVEST investiční společnost, a.s.**

5 Born in 1967, a graduate of the Ostrava Mining University. After completing his studies he worked for the Wüstenrot building society as a regional director and from 1999 he served as director of the sales department at Raiffeisen building society. He also had a hand in the establishment of the company Raiffeisen finanční poradenství (Raiffeisen Financial Consulting). In 2001 he completed a doctorate in Economics. He was appointed CEO of ČP INVEST investiční společnost, a.s. in February 2001.

**Miloš Stibor – CEO, ČP Leasing, a.s.**

6 Born in 1964, a graduate of Brno Technical University with a major in heavy industry economics and management. Later he worked as an economist with TOS Kuřim. In 1992 he was appointed branch director of Evrobanka in Brno. He was part of the team that founded the company ČP Leasing, a.s., where he went on to work as a director of the Brno branch. He was appointed CEO in 2000.

**Companies Managed by PPF  
– Česká pojišťovna Group**

**Management of Česká pojišťovna  
Group Companies**

1 2 •  
3 • 4  
5 • 6



**Jan Ježdík – Chairman of the Board of Directors, Česká pojišťovna – Slovensko, a.s.**

- 1 Born in 1955, graduated from the Charles University in Prague, Law Faculty. An employee of Česká pojišťovna since 1979, where he started out in the insurance and claims adjustment department in the Liberec field office. In 1990 he transferred to the company's head office in Prague, where he held various managing positions. Currently he is a member of the Board of Directors and deputy CEO for non-life insurance.

**Zbyněk Babor – CEO, První městská banka, a.s.**

- 2 Born in 1966, a graduate of the Prague University of Economics. In 1991 – 1992 he worked for ČSOB's dealing department as a dealer and then spent eight years in corporate investment banking with Credit Lyonnais Bank Praha. In 1997 – 2000 he was a member of the company's Board of Directors. Then he worked for the companies Celestis Finance and PPF burzovní společnost a.s. Currently he is Chairman of the Board of Directors and Chief Executive Officer of První městská banka, a.s.

**Július Kudla – CEO, ČESCOB, úvěrová pojišťovna, a.s.**

- 3 Born in 1954, graduated from the Prague University of Economics, Faculty of Commerce, where he majored in the economics of foreign trade. In 1977 – 1993 he held various positions in the foreign trade sector. Later he worked for Koospol as coordinator of foreign trade operations and as an executive director for SEVT. Since 1997 he has been with ČESCOB, úvěrová pojišťovna, a.s. as CEO.

**Tomáš Kala – CEO, ČP DIRECT, a.s.**

- 4 Born in 1966, studied at the Prague University of Economics in automated management systems. Since 1994 he worked as Managing Director for a private IT company, and in 1995 he became director of Expandia Holding's IT division. From 1998 he was Director of the Strategy and Development Division of eBanka (Expandia Banka). Since 2001 he has been CEO of ČP DIRECT, a.s.

**Petr Oršulík – CEO, Česká pojišťovna ZDRAVÍ a.s.**

- 5 Born in 1952, a graduate of Palacký University in Olomouc, where he majored in andragogy. He began his professional career in finance with the enterprises OKE and OKD, and later worked as a division team head at Komerční banka in Ostrava. In 1993 – 1996 he worked as CEO of Oborová zdravotní pojišťovna zaměstnanců bank a pojišťoven Praha (Prague Bank and Insurance Company Employees Union Health Insurance Company). He has been with Česká pojišťovna ZDRAVÍ a.s. since 1997.

**Libor Nekvasil – Chairman of the Board of Directors, ČP PARTNER, a.s.**

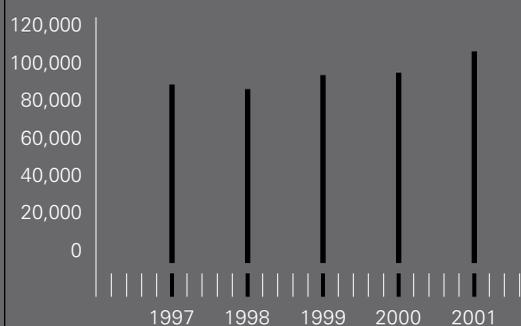
- 6 Born in 1963, a graduate of the Pardubice Institute of Chemical Technology and postgraduate studies at the Faculty of Nuclear and Physical Engineering of the Czech Technical University in Prague. After completing his studies, he worked in scientific research from 1986 – 1991 and then spent two years working for the government. In 1993 – 2001 he held managing positions at Wüstenrot building society. He joined Česká pojišťovna a.s. in July 2001, as an advisor for commercial collaboration with external distributors. In September 2001 he was appointed CEO of ČP PARTNER, a.s.

## Česká pojišťovna a.s.

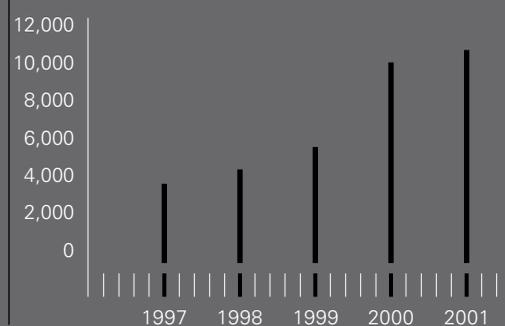
	<p>The largest domestic insurance company with a market share of nearly 40%, Česká pojišťovna offers a wide range of insurance products, both life and non-life. It is the oldest Czech insurance company, backed by a long and rich tradition. The company's roots stretch back to the year 1827 and this year it celebrates its 175<sup>th</sup> jubilee.</p>
Area of business:	insurance
Date of inception:	1 May 1992
Basic capital:	CZK 3,412,391,000
Shareholders' equity:	CZK 11,108,286,000
Assets:	CZK 108,625,719
Board of Directors:	<p>Ladislav Bartoníček, MBA – Chairman          Milan Maděryč – Vice Chairman          Jan Blaško, MBA – Member          Jan Ježdík – Member          Ladislav Chvátal – Member (from 17 June 2002)</p>
Supervisory Board:	<p>Ivan Kočárník – Chairman          Aleš Minx – Vice Chairman          Petr Kellner – Member          Jaromír Prokš, MBA – Member          Eva Dytrychová – Member          Marie Kortová – Member</p>
Company management:	<p>Ladislav Bartoníček, MBA – CEO          Jan Blaško, MBA – Deputy Director Investment Policy          Jan Ježdík – Deputy Director Non-Life Insurance          Ivo Foltýn – Deputy Director Life Assurance          Roman Stupka – Deputy Director Sales          Lubomír Bušek – Deputy Director Finance Management and Human Resources          Jiří Huml – Deputy Director Operations and IT          Miroslav Matocha – Deputy Director Underwriting and Reinsurance</p>
Principal businesses:	<p>providing life and non-life insurance services to private individuals as well as to small, mid-sized and large corporations</p>

**Total Assets**

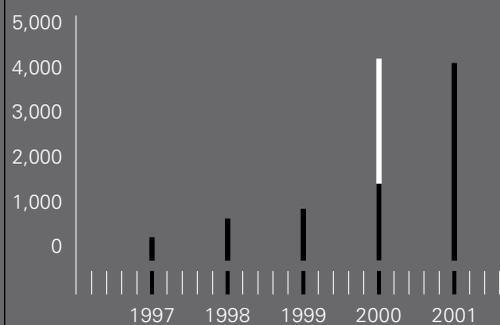
1997 – 2001  
(CZK millions)

**Shareholders' Equity**

1997 – 2001  
(CZK millions)

**Net Earnings**

1997 – 2001  
(CZK millions)



Note: in 2000 Česká pojišťovna a.s. posted a one-off extraordinary profit of CZK 2,719 millions due to legislative changes to accounting regulations

Česká pojišťovna a.s. represents a long-term strategic investment for PPF. Thanks to its active approach to satisfying client needs, the company has held on to its position as the largest domestic insurer in the Czech Republic with a market share of nearly 40%, despite growing competition. Česká pojišťovna a.s. products and services cover the entire range of life and non-life insurance. The company provides services to private individuals as well as to corporations small, medium and large. In addition, the wide range of life assurance is supplemented by attractive products in the ČP Finance program – ČP Savings, ČP Loan Card, and ČP Credit Card. Non-life insurance services are complemented by attractive co-insurance products that combine compulsory motor third party liability insurance with motor damage insurance in a single policy.

Česká pojišťovna a.s. has been the Czech market leader for a long time now, and its ability to maintain its dominant market position in both life and non-life has not gone unnoticed by the rating agencies Fitch and Standard & Poor's, which regularly evaluate the company's financial strength. The company focuses on retail clients in personal lines insurance and on mid-sized and large corporations in the area of industrial and business risks. In January 2001, Standard & Poor's rated Česká pojišťovna a.s. long-term financial strength and credit at BB+ and gave this rating a stable outlook. This rating was reaffirmed in February 2002. In addition to the company's position as market leader, both agencies also made reference to the good operating performance, profitability, and excellent liquidity of Česká pojišťovna a.s.

The insurer's earnings results confirm its high rate of growth, which has been on the rise since 1996. In 2001 Česká pojišťovna a.s. posted a record net earnings figure of CZK 4.18 billion. The sustained earnings growth creates potential for the company's further growth and expansion. Česká pojišťovna a.s. premiums written were up 15.3% in 2001, compared to the previous year, to CZK 31 billion. The main force driving the growth was life insurance, where premiums written grew by 28.1% to CZK 12 billion, confirming the company's position as the number-one life insurer in the Czech Republic with 42.3% of the market in this segment. Non-life insurance premiums written rose by 8.5% in 2001 to CZK 19 billion, for a market share of 37.4%. Česká pojišťovna a.s. administers over 11 million insurance policies and its total assets figure grew year-on-year by 10% to CZK 108 billion.

Coordination of the business activities of Česká pojišťovna's subsidiaries is provided by ČP finanční servis a.s. The aim of the coordination is to ensure comprehensive customer services for retail clientele under the brand name Česká pojišťovna a.s.

Česká pojišťovna a.s. will focus on further developing its financial group with the aim of offering a complete set of financial services in the framework of bancassurance, of which Česká pojišťovna is the pioneer in the Czech market.

PPF Group is the principal shareholder of Česká pojišťovna a.s., owning 83.5% of the insurer's basic capital through its Netherlands-based subsidiary, Cespo B.V.

**Home Credit a.s.**

	Home Credit is one of the largest providers of consumer credit services (installment plans) in the Czech Republic and Slovakia. In the Czech Republic, its group consists of the companies Home Credit Finance a.s. and Home Credit a.s.
Area of business:	consumer credit installment plans
Date of inception:	5 February 1997
Basic capital:	CZK 250,000,000
Shareholders' equity:	CZK 183,720,000
Group assets in the Czech Republic:	CZK 6,030,952,000
Board of Directors:	Pavel Janda – Chairman Jitka Tejnorová – Member Aleš Minx – Member Jindřich Vesecký – Member
Supervisory Board:	Karel Kafka – Chairman Marta Horáková – Member František Tlustoš – Member
Company management:	Pavel Plachký – CEO Martin Vetýška – Deputy Director, Sales David Suski – Deputy Director, Finance Marek Oliva – Deputy Director Marketing Karla Henčlová – Deputy Director, Active Trading Administration Section Josef Mačica – Deputy Director, IT
Principal businesses:	provision of services associated with sale of consumer goods on credit (installment plans) in the form of consumer loans and revolving loans

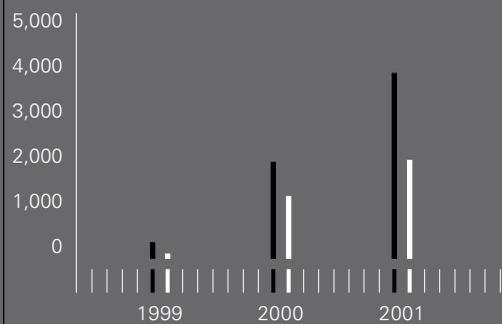
Home Credit commenced operations in late 1998/early 1999 and for PPF it represents a “green field” project, built “from the ground up”. The fact that PPF Group found the right timing to enter the consumer credit (installment plan) market is attested to by the company’s current position in the Czech Republic market. Home Credit is the number-two consumer credit (installment plan) company in the Czech Republic and is the largest 100% Czech company active in this area of the domestic market. Home Credit has been successful in facing ever-increasing competition in this area, seeing its turnover

nearly double from 2000 to CZK 4 billion. A major factor contributing to this performance is the range of financial products, which is dominated by the YES universal shopping credit card (a revolving, embossed card that may be used both in the Czech Republic and abroad) which was launched in late 2000.

To date Home Credit has issued 320,000 YES cards, making it a Czech market leader in terms of the number of credit cards outstanding. The number of sales locations that take YES cards increased from 3,500 in 2000 to 5,000 in 2001, giving clients a wide range of uses for this modern payment instrument. In addition to our contractual partners, cardholders may use their YES cards at all locations that accept Maestro cards and get cash advances from Automated Teller Machines (ATMs), regardless of where they happen to be (in the Czech Republic or abroad) at the time. Home Credit is also developing operations in the Slovak market through its subsidiary, Home Credit Slovakia, which is the Slovak market leader in the consumer credit sector with turnover last year of SKK 2.1 billion. Home Credit is also preparing to expand its operations into other countries, first and foremost to the countries of Central & Eastern Europe. In the autumn of this year, Home Credit will begin to offer its products in the Russian Federation, through the company Home Credit Russia.

**Turnover**

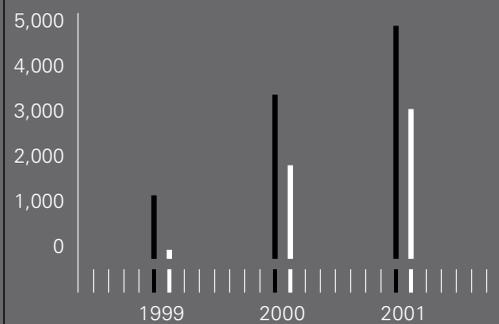
1999 – 2001  
(CZK millions)



— Home Credit in the Czech Republic  
— Home Credit Slovakia, a.s.

**Number of Sales Locations**

1999 – 2001

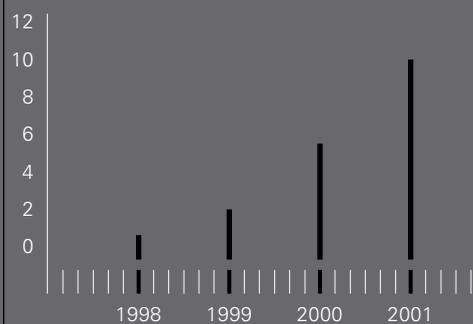
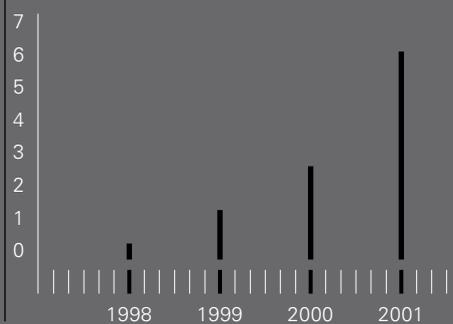


— Czech Republic  
— Slovak Republic

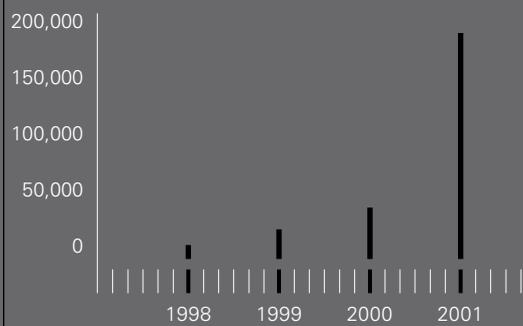
## Companies Managed by PPF – Česká pojišťovna Group

### eBanka, a.s.

	<p>The leader in the Czech Republic direct banking market, where it was the first to launch Internet banking in 1998, eBanka was also the third bank into the world to launch GSM banking services.</p>
Area of business:	banking services
Date of inception:	29 December 1990 (as Zemská banka, a.s.)
Market launch:	4 May 1998
Basic capital:	CZK 1,042,302,000
Shareholders' equity:	CZK 788,514,000
Assets:	CZK 10,253,233,000
Board of Directors:	<p>Roman Mentlík – Chairman  Peter Hollovič – Vice Chairman  Pavel Hrubý – Member  Jan Vlk – Member (to May 2002)  Jiří Nosál – Member</p>
Supervisory Board:	<p>Petr Dvořák, MBA – Chairman  Jan Příbyl – Vice Chairman  Ladislav Bartoníček, MBA – Member  Jan Blaško, MBA – Member  Pavla Eichenbaumová – Member (from 9 April 2002)  Zdeněk Janoško – Member</p>
Company management:	<p>Roman Mentlík – CEO  Peter Hollovič – Executive Director, IT and Operations  Pavel Hrubý – Executive Director, Marketing and Development  Jiří Nosál – Executive Director, Risk Management</p>
Principal businesses:	<p>provision of banking services focusing on direct banking (services provided especially through Internet, voice and GSM banking)</p>

**Total Assets**1998 – 2001  
(CZK billions)**Primary Deposits**1998 – 2001  
(CZK billions)**Number of Clients**

1998 – 2001



eBanka, a.s. was the first to bring Internet banking services to the Czech market, thereby giving clients access to their accounts 24 hours a day, 7 days a week. Currently, eBanka is the leader in the Czech Republic direct banking market, offering banking and financial products especially through Internet, voice telephony or mobile phone software application. The process of integrating eBanka into the Česká pojišťovna Group began in the autumn of 1999. eBanka, a.s. is currently going through a transformation process to become a universal bank that will provide a wide range of products for managing personal and corporate finances in addition to direct banking services, including mortgage loans and co-products in cooperation with other members of the PPF Group. Co-branded card products with Česká pojišťovna (ČP Credit Card, ČP Finance) and Home Credit (the YES shopping credit card) are examples of this initiative. At year end 2001, eBanka, a.s. had over 380,000 cards outstanding, the most of any small or mid-sized bank in the Czech Republic. Also, the bank saw its primary deposits jump from CZK 2.7 billion to CZK 6.2 billion during 2001.

To achieve closer contact with its clients, eBanka, a.s. also increased its number of client centers from five to twenty-six. This led to a substantial increase in the number of eBanka clients. While in 2000 the bank had just 40,000 clients, by the end of last year their number had grown to 195,000. Currently, in June 2002, eBanka, a.s. clients number 250,000. The bank's total assets figure at year end 2001 was CZK 10.25 billion.

Each year, eBanka, a.s. brings new, unique products to market for managing personal and corporate finances and at the same time innovates its existing services. Over the course of its four-year history, it has built up a position as an innovator in the banking sector, and as a trend setter in new approaches to providing banking services. In August 2001 eBanka, a.s. unveiled a new virtual internet Eurocard/Mastercard product that provides a safe way to pay for purchases made over the Internet. This made the Czech Republic the fourth country in Central & Eastern Europe where clients can take advantage of this type of bank card. In May of this year, eBanka, a.s. launched a completely new service, the first of its kind in the world – bank card locking and unlocking. This is a simple, practical and very sought-after service that protects clients in the event of bank card loss or abuse. Since the service is based on the unique features of the eBanka, a.s. on-line system, other banks will not be able to copy it until their systems are upgraded to on-line, real-time processing.

The Bank's intention for the future is to position itself in the Czech Republic as a mid-sized universal bank providing a comprehensive solution for administering personal and corporate finances using the latest breakthroughs in information and telecommunications technology.

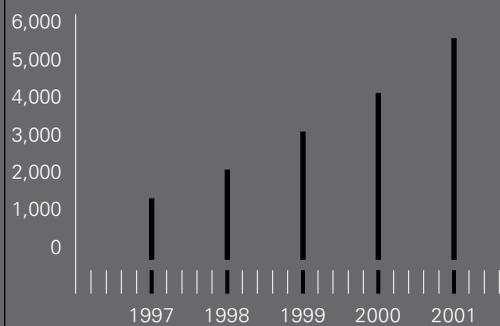
**Penzijní fond České pojišťovny, a.s.**

	Penzijní fond České pojišťovny, a.s. has become the second biggest pension fund in the Czech Republic.
Area of business:	Supplementary Pension Insurance under Act 42/1994 Sb.
Date of inception:	19 September 1994
Basic capital:	CZK 210,000,000 (April 2002)
Shareholders' equity:	CZK 5,703,080,629
Assets:	CZK 5,746,556,724
Board of Directors:	Ivo Foltýn – Chairman Tomáš Matoušek – Vice Chairman Radek Peřina – Vice Chairman Václav Šrajer, MBA – Member Roman Stupka – Member
Supervisory Board:	Petr Poncar – Chairman Bohuslava Vohradská – Member Vít Šroller – Member Josef Kessler – Member Marek Mastník – Member Přemysl Gistr – Member
Company management:	Ivo Foltýn – CEO Tomáš Matoušek – Executive Director Radek Peřina – Director Strategic Marketing Section Miloš Longin – Director Clients Service Section Jiří Dalešický – Manager IT
Principal businesses:	providing supplementary pension insurance services to private individuals and legal entities

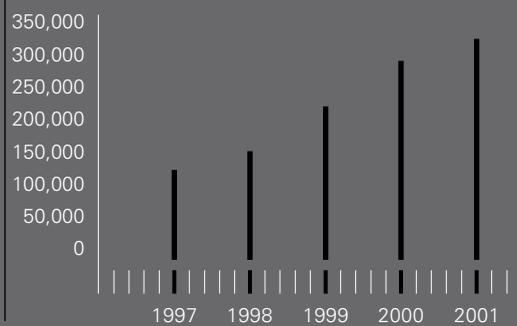
Penzijní fond České pojišťovny, a.s. is one of the largest and financially strongest pension funds in the Czech Republic, with a market share of 13%. Its assets value grew in year-on-year terms by 32.3% to CZK 5.75 billion at 31 December 2001, and by March 2002 they exceeded CZK 6 billion. In 2001 the fund acquired over 55,000 new clients, bringing its client base to over 320,000 by the end of the year, making it the number-two pension fund in the Czech market. Today the fund has already more than 350,000 clients and their number is still showing dynamic growth. In 2001 the fund posted a net profit of CZK 180 million. This earnings result allowed it to write a 3.8% p.a. return on clients' investments.

Penzijní fond České pojišťovny, a.s. offers supplementary pension insurance with state contribution and all types of pensions, including old-age pensions, earned pensions, disability pensions, and pensions for survivors of deceased beneficiaries. It also offers its clients combined products such as combinations of various types of pensions and also various products for employers.

For corporate clients, Penzijní fond České pojišťovny, a.s. and eBanka, a.s. have developed a unique product: the ČP Employee Benefits Program, which offers group life assurance or retirement insurance, supplementary pension insurance with state contribution, and banking products – employee savings and the Personal Credit Line. In addition to tax advantages for employers, this program serves as an employee incentive tool. Based on an individualized approach, comprehensive service, and individual advice, the company provides employers (over 1,700 companies) with a complete range of professional services. The introduction and management of supplementary pension insurance are adapted to meet companies' specific needs and requirements.

**Assets**1997 – 2001  
(CZK millions)**Number of Clients**

1997 – 2001



## Companies Managed by PPF – Česká pojišťovna Group

### ČP INVEST investiční společnost, a.s.

	<p>ČP INVEST is the seventh biggest investment company in the domestic market with CZK 3.27 billion in assets under management.</p>
Area of business:	collective investment – management of mutual funds
Date of inception:	19 November 1991
Basic capital:	CZK 91,000,000
Shareholders' equity:	CZK 158,938,000
Assets:	CZK 3.27 billion
Board of Directors:	<p>Martin Sankot – Chairman</p> <p>Jana Doucková – Member</p> <p>Marcel Dostal – Member (resigned 6 March 2002))</p>
Supervisory Board:	<p>Daniel Kukačka – Member</p> <p>Martin Pecka – Member (from 30 April 2002)</p>
Company management:	<p>Martin Sankot – CEO</p> <p>Alexander Špak – Director, Sales Section (resigned 1 April 2002)</p> <p>Prokop Holeček – Director, Marketing and Communication Section</p> <p>Marcel Dostal – Director, Asset Management Section (resigned 6 March 2002)</p>
Principal businesses:	<p>management of open-end and close-end mutual funds</p> <p>offering of investment programs</p>

Following the transfer of fund assets from PPF investiční společnost a.s., ČP INVEST became the seventh largest investment company in the domestic market with CZK 3.27 billion in assets under management. The transfer of fund assets resulted from a decision of PPF's management to unite all the Group's mutual fund-related activities under a single company – ČP INVEST.

ČP INVEST offers the general public comprehensive services and products related to collective investment through its Family of Funds, consisting of nine open-end mutual funds (including sector-focused equity funds in addition to the customary fund types) and two close-end mutual funds. Another attractive product for investors consists of investment programs that reflect varying degrees of risk, along with an individual investment program whose structure is determined exclusively by the client. Within the Family of Funds, investors may transfer between individual funds to adapt their investment strategy to their changing needs. The basic differences between the funds lie in their investment terms (i.e. the recommended period over which the investor should keep its investment in the fund), expected returns and approaches to investment risk.

## The 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  
 Universal Fund

### Close-End Mutual Funds

Český fund  
 Moravskoslezský fund

## Investment Programs

	Investment Program		
	Conservative	Balanced	Dynamic
Appropriate for investors	who prefer security over high returns	who are willing to bear a certain investment risk in return for a higher potential return	who demand a high return and who accept the risk of considerable fluctuations in unit price
Anticipated return	slightly above interest rates available from banks	medium	relatively high
Investment risk	low	medium	higher
Recommended investment term	up to two years	2 – 5 years minimum	5 years minimum

## Representation of Funds in Investment Programs

	Conservative	Balanced	Dynamic
Money Market Fund	50%	10%	0%
Government Bonds Fund	30%	10%	5%
Corporate Bonds Fund	20%	10%	5%
Mixed Fund	0%	40%	30%
Global Brands Fund	0%	10%	30%
New Economy Fund	0%	5%	10%
Petroleum and Energy Industry Fund	0%	10%	10%
Pharmaceuticals and Biotechnology Fund	0%	5%	10%

## Companies Managed by PPF – Česká pojišťovna Group

### ČP Leasing, a.s.

	ČP Leasing, a.s. is a universal leasing company that offers a comprehensive range of services in the area of leasing and focuses primarily on leasing of automobiles.
Area of business:	leasing services
Date of inception:	15 May 1997
Basic capital:	CZK 200,000,000
Shareholders' equity:	CZK 165,612,000
Assets:	CZK 6,727,396,000
Board of Directors:	Miloš Stibor – Chairman Luděk Keltyčka – Member Martin Hýbl – Member
Supervisory Board:	Ladislav Chvátal – Chairman Miroslav Chlumský – Member Jiří Vitouš – Member (from 24 April 2002)
Company management:	Miloš Stibor – CEO Luděk Keltyčka – Sales Director Martin Hýbl – Finance Director Tomáš Pilc – Director Risk Management Section Roman Pokorný – Director Administration Section
Principal businesses:	provision of operational and finance leasing services for automobiles, technologies and real estate

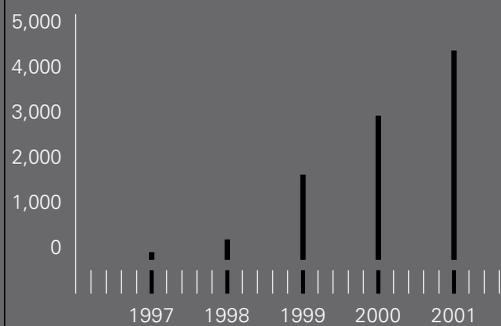
ČP Leasing, a.s. is a universal leasing company that provides finance and operational leasing services that focus on offering individualized conditions to meet customer needs. The company's product range is focused primarily on automobiles – cars, light trucks, heavy trucks, buses, and other transportation equipment. In 2001, the company did a total of CZK 4.4 billion of business, up 47% from the previous year. With nearly 14,000 new lease contracts signed last year, the company took a leading position among leasing companies in the Czech Republic in terms of year-on-year growth. Further development will focus mainly on the automobile segment. The company is successfully developing its business in operational leasing as well.

ČP Leasing, a.s. offers its services mainly through a network of business partners with whom it is constantly developing long-term and mutually beneficial relationships. This cooperation strengthens the company's sales performance and makes its operations more and more client-oriented.

**New Business**

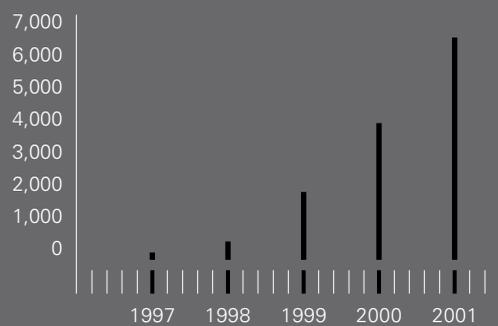
1997 – 2001

(CZK millions without VAT)

**Assets**

1997 – 2001

(CZK millions)



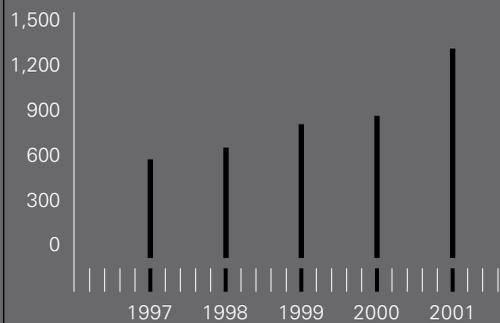
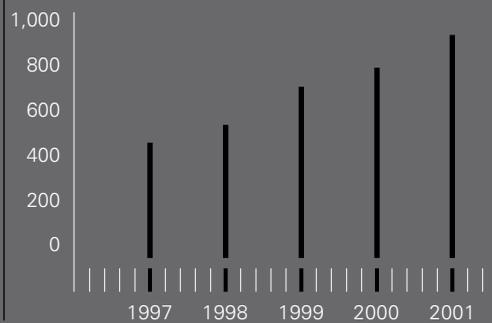
## Companies Managed by PPF – Česká pojišťovna Group

### Česká poistovňa – Slovensko, a.s.

	Česká poistovňa – Slovensko, a.s. 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
Basic capital:	SKK 450,000,000
Shareholders' equity:	SKK 391,651,000
Total assets:	SKK 1,348,796,000
Board of Directors:	Jan Ježdík – Chairman Antonín Nekvinda – Vice Chairman Jan Paleček – Member Lenka Pěňčíková – Member
Supervisory Board:	Ivan Kočárník – Chairman Slavomír Hatina – Member Vít Šroller – 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

Česká pojišťovna a.s. is successfully developing its operations on the Slovak market through its subsidiary Česká poistovňa – Slovensko, a.s. Like its parent company Česká pojišťovna a.s. in the Czech market, it offers to the Slovak market comprehensive services in life assurance and non-life insurance for both private individuals and legal entities.

The company's premiums written grew in year-on-year terms by SKK 145 million to just under one billion (SKK 960 million). Non-life insurance accounted for 92.2% of overall premiums written by the company. Market share in this area is 4.9%. The company's total assets grew by 51% last year to SKK 1.35 billion. In terms of shares of individual classes of insurance in overall premiums written, the most significant insurance classes for the company last year were property insurance (39.8%), motor damage insurance (38.5%) and life assurance (7.8%). The company offers its services through a network of 28 sales locations.

**Total Assets**1997 – 2001  
(SKK millions)**Premiums Written**1997 – 2001  
(SKK millions)

## Companies Managed by PPF – Česká pojišťovna Group

### První městská banka, a.s.

	A specialized bank offering financial services for the municipal sector.
Area of business:	banking services for the municipal sector
Date of inception:	31 January 1995
Basic capital:	CZK 500,020,927
Shareholders' equity:	CZK 528,163,709
Total assets:	CZK 10,146,436,000
Board of Directors:	Zbyněk Babor – Chairman (from 21 May 2002) Leoš Pýtr – Vice Chairman (from 21 May 2002) Pavel Langr – Member (from 21 May 2002)
Supervisory Board:	Jan Blaško, MBA – Chairman Karel Pražák – Member Petr Dvořák, MBA – Member Radovan Šteiner – Member Martina Kučerová – Member Tomáš Pekárek – Member
Company management:	Zbyněk Babor – CEO
Principal businesses:	banking services, financial and consulting services for municipalities – cities and towns

The acquisition of První městská banka, a.s. is part of the business strategy of Česká pojišťovna a.s. In the future, it will be in the insurer's interests to become more and more involved in municipal insurance and banking as well as in the municipal finance segment, whose needs are long-term, i.e. with maturities of over 10 years. It is a perfect match, since the insurance company, whose balance sheet is also long-term in character on the equity and liabilities side, is a natural investor in long-term financial instruments.

První městská banka, a.s. is a specialized banking institution serving the City of Prague and other municipal entities. Another major target client group consists of corporations and institutions whose activities relate to those of municipalities. První městská banka, a.s. also offers financial services to other clients and its offering is not lacking of any basic products or services of a universal bank. První městská banka is an institution that is so familiar with the specific problems of the municipal sector that it is capable not only of offering products and services tailored to the needs of cities, towns and municipal organizations, but also of reacting flexibly to special requests and needs of individual clients.

The year 2001 confirmed the upturn in the financial performance of První městská banka, a.s. that began in 2000, when the bank broke into the black. A 22% increase in total assets and a near tripling of profit compared to last year's results prove that the choice of a strategy of thorough specialization on financial and consulting services for the municipal sector was the right one. During the year the bank's total assets figure grew from CZK 8.36 billion to CZK 10.15 billion.

První městská banka, a.s. will continue to focus on meeting the needs of clients in the municipal sector. Therefore, in 2002 the bank intends to concentrate on further developing its financial and consulting services tailored to municipal clients, with an emphasis on the City of Prague, on financing municipal projects, on increasing the share of non-interest revenues in the bank's overall revenues, and on improving and expanding the spectrum of banking services provided electronically.

## Companies Managed by PPF – Česká pojišťovna Group

### ČESCOB, úvěrová pojišťovna, a.s.

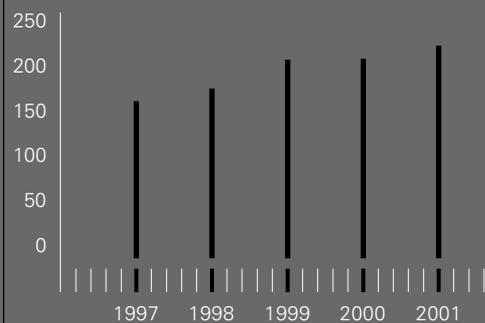
	ČESCOB is the second-largest credit insurer in the Czech Republic with a market share in excess of 30%.
Area of business:	insurance of commercial risks
Date of inception:	21 August 1997
Basic capital:	CZK 156,000,000
Shareholders' equity:	CZK 161,428,000
Assets:	CZK 229,616,000
Board of Directors:	Július Kudla – Chairman Hynek Rasocha – Member Miroslav Ingeduld – Member
Supervisory Board:	Vlastimil Uzel – Chairman Miroslav Chlumský – Member Jean Luc Louis – Member Benoit des Cressonnières – Member
Company management:	Július Kudla – CEO Hynek Rasocha – Sales Director Miroslav Ingeduld – Operations Director
Principal businesses:	insurance of commercial risks – supplier credit

ČESCOB is the second-largest credit insurer in the Czech Republic with a market share in excess of 30%. The company specializes in insuring commercial risks of short-term supplier loans against the risk of customers' failure to pay. The company is permanently connected to a world-wide network of credit insurers and has at its disposal an extensive database of information on over 40 million domestic and foreign entities. It occupies a leading position in the market for insuring domestic receivables. ČESCOB is owned by two shareholders – Česká pojišťovna and the Belgian insurer EULER-COBAC Belgium S.A.

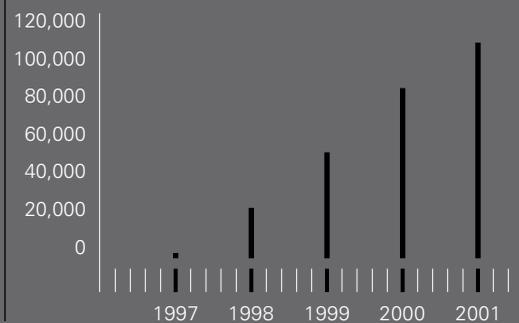
In 2001 the company saw premiums written grow by over 28% over 2000 to a total of CZK 110.8 million. Last year the company entered into 74 new insurance contracts. The overall insured turnover under the company's existing policy base was CZK 31.3 billion at year end 2001. The company posted a CZK 12 million profit for 2001.

**Assets**

1997 – 2001  
(CZK millions)

**Premiums  
Written**

1997 – 2001  
(CZK thousands)



## Companies Managed by PPF – Česká pojišťovna Group

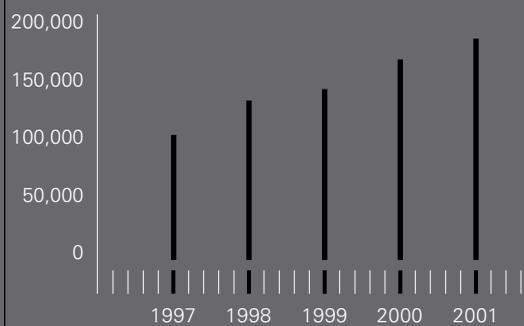
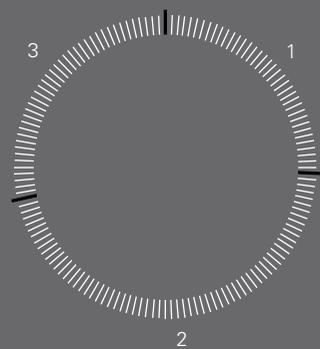
### Česká pojišťovna ZDRAVÍ a.s.

	The company is a leader in the commercial health insurance market, in which it holds a market share of 55%.
Area of business:	commercial health insurance
Date of inception:	22 December 1992
Basic capital:	CZK 100,000,000
Shareholders' equity:	CZK 116,816,000
Assets:	CZK 299,386,000
Board of Directors:	Petr Oršulík – Chairman Vladimír Dvořák – Member
Supervisory Board:	Pavel Východský – Chairman Václav Lorenc – Member Miloslav Kubíček – Member
Company management:	Petr Oršulík – CEO Vladimír Dvořák – Director, Health Insurance Development Section Miloslav Kubíček – Director, Operations
Principal businesses:	provision of commercial health insurance services, offering of supplemental health insurance products

Česká pojišťovna ZDRAVÍ a.s. was the first insurance company to bring private health insurance to the Czech market.

In 2001, the company continued to play its private health insurance specialist role, and continued to be a leader with 55% of the market in its segment. It also continued to implement other mandates to lay the groundwork for the company's future development. Compared to the previous year, the company achieved growth in premiums written, as well as in its client base and number of outstanding policies. Last year's gross premiums written totaled CZK 190.4 million, up CZK 16.4 million from 2000. The fact that the company wrote CZK 40.959 million in new business during 2001 can be considered a solid success given the ever-intensifying competitive environment in the sector. Supplementary private health insurance products that go beyond the coverage provided by the national health plan are offered by the company primarily through its own network of business partners and through those of Česká pojišťovna a.s. and ČESKÁ ŽIVOTNÍ, a.s.

Since 1998, the number of insurers providing private health insurance has grown to 14. Illness insurance is utilized as a standard supplement to life assurance and other financial services. Česká pojišťovna ZDRAVÍ a.s. takes advantage of the opportunity to offer its products together with those of other companies in the Česká pojišťovna Financial Group.

**Premiums  
Written**1997 – 2001  
(CZK thousands)**Portfolio Structure** | 2001

1	Equities	25%
2	Bonds	47%
3	Deposits	28%

## **Other Companies of the Česká pojišťovna Group**

### **ČP DIRECT, a.s.**

**(formerly ČP DIRECT pojišťovna, a.s.)**

ČP DIRECT pojišťovna, a.s. was established on 1 January 1998 as a 100% subsidiary of Česká pojišťovna a.s. with the aim of providing a client information service and selling insurance over the telephone. It was the first company in the Czech market to begin providing a telephone information service, taking in claims reports and selling insurance policies over the telephone. It was also a pioneer in the utilization of toll-free "Green Line" service channels. In 2001 the company's operators made over 350,000 telephone calls, up 10% from the previous year.

The client information system of ČP DIRECT, a.s. allows the Česká pojišťovna Financial Group to sell selected types of insurance, take in claim reports for certain types of loss events, act as intermediaries to provide assistance services for clients of Česká pojišťovna a.s. and provide a number of other services. In addition, the service allows clients to obtain information on various products and the business locations of Česká pojišťovna a.s. and its subsidiaries.

Since Česká pojišťovna a.s., as 100% shareholder, decided in accordance with the development strategy for the entire financial group to hold only one insurance license for non-life insurance, in late 2001, ČP DIRECT pojišťovna a.s. commenced the process of forfeiting its license and terminated its own insurance operations as of 30 April 2002. In conjunction with this step, Česká pojišťovna a.s., as sole shareholder, decided to change the company's name to ČP DIRECT, a.s.

### **ČP PARTNER, a.s.**

**(formerly ČESKÁ ŽIVOTNÍ, a.s.)**

The company was established on 25 June 1998. Its basic capital is CZK 25 million. ČP PARTNER, a.s. (formerly ČESKÁ ŽIVOTNÍ, a.s.) is an exclusively sales-oriented company in the Česká pojišťovna Financial Group, with operations in the areas of consulting and acting as an intermediary to sell insurance, corporate and private banking, and asset management services. The company's commercial strategy is focused on providing personal financial advice, including a full range of after-sale client services based on the wide product base of the Česká pojišťovna group. The company targets and tailors its services primarily to higher income groups, through professionally trained financial advisors. In late 2001 it was decided to change the company's name from ČESKÁ ŽIVOTNÍ, a.s. to the new name ČP PARTNER, a.s., which better expresses the company's activities and its role as a member of the Česká pojišťovna Financial Group.

During the 2001 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.

There were changes in the composition of the Supervisory Board during the 2001 accounting period.

At its meetings, the Supervisory Board discussed the company's financial performance, its investment policy and the fulfillment of long-term goals by the company's 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. It further states that, in particular, 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 other 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 determine that any information was withheld. The Supervisory Board concurs with the conclusions of the company's Board of Directors set forth in said report.

Prague, May 2002



Štěpán Popovič  
Chairman of the Supervisory Board



	<b>121</b>	<b>Companies Managed by PPF – Česká pojišťovna Group</b>
	121	Česká pojišťovna a.s.
	123	Home Credit a.s.
	125	Home Credit Finance a.s.
	127	Home Credit Slovakia, a.s.
	129	eBanka, a.s.
	131	Penzijní fond České pojišťovny, a.s.
	133	ČP INVEST investiční společnost, a.s.
	135	ČP Leasing, a.s.
	137	Česká poisťovňa – Slovensko, a.s.
	139	První městská banka, a.s.
	142	ČESCOB, úvěrová pojišťovna, a.s.
	144	Česká pojišťovna ZDRAVÍ a.s.
	147	ČP DIRECT, a.s.
	151	ČP PARTNER, a.s.
<b>91</b>		PPF a.s.
<b>103</b>		<b>Specialized Companies of PPF Group</b>
103		PPF burzovní společnost a.s.
105		PPF investiční společnost a.s.
107		ČP INVEST Český uzavřený podílový fond
109		ČP INVEST Moravskoslezský uzavřený podílový fond
111		ČP INVEST Universální otevřený podílový fond
113		PPF Capital Management a.s.
115		PPF majetková a.s.
117		CM - Credit a.s.
119		PPF CONSULTING a.s.

## Financial Section



## Auditors' Report

Auditors' Report to the Shareholders of PPF a.s.

On the basis of our audit, on 12 April 2002 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 2001. 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 fairly, in all material respects, the assets, liabilities, equity and financial position of PPF a.s. as of 31 December 2001 and the results of its operations for the year 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 aspects 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.

In Prague, 28 June 2002

*KPMG Česká republika Audit*

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



Ing. Pavel Závitkovský  
Licence number 69

**Balance Sheet**

as at 31 December 2001 (CZK '000)

		2001	2000	1999
	<b>TOTAL ASSETS</b>	<b>502,987</b>	<b>585,351</b>	<b>573,446</b>
<b>A.</b>	<b>Receivables for subscribed capital</b>	-	-	-
<b>B.</b>	<b>Fixed assets</b>	<b>27,205</b>	<b>564,334</b>	<b>560,955</b>
B.I.	Intangible fixed assets	4,833	5,373	6,327
B.I.1.	Incorporation expenses	-	-	-
2.	Research and development	-	-	-
3.	Software	4,287	4,703	6,327
4.	Royalties	546	670	-
5.	Other intangible fixed assets	-	-	-
6.	Intangible fixed assets under construction	-	-	-
7.	Advance payments for intangible fixed assets	-	-	-
B.II.	Tangible fixed assets	11,409	11,127	10,036
B.II.1.	Land	-	-	-
2.	Buildings, halls and structures	-	-	-
3.	Property, plant and equipment	8,330	11,080	9,989
4.	Cultivated areas	-	-	-
5.	Livestock	-	-	-
6.	Other tangible fixed assets	47	47	47
7.	Tangible fixed assets under construction	3,032	-	-
8.	Advance payments for tangible fixed assets	-	-	-
9.	Adjustments to acquired fixed assets	-	-	-
B.III.	Long-term investments	10,963	547,834	544,592
B.III.1.	Investments in group undertakings	7,765	544,292	544,592
2.	Investments in associated companies of the group	-	3,542	-
3.	Other long-term securities and ownership interests	3,198	-	-
4.	Intercompany loans	-	-	-
5.	Other long-term investments	-	-	-
<b>C.</b>	<b>Current assets</b>	<b>474,677</b>	<b>20,119</b>	<b>12,175</b>
C.I.	Inventories	-	-	-
C.I.1.	Raw materials	-	-	-
2.	Work-in-progress and semi-finished products	-	-	-
3.	Finished goods	-	-	-
4.	Livestock	-	-	-
5.	Goods for resale	-	-	-
6.	Prepayments for inventory	-	-	-
C.II.	Long-term receivables	-	250	-
C.II.1.	Trade receivables	-	-	-
2.	Receivables from shareholders/owners and alliance partners	-	-	-
3.	Receivables from group undertakings	-	-	-
4.	Receivables from associated companies of the group	-	-	-
5.	Other receivables	-	250	-
C.III.	Short-term receivables	453,856	14,418	2,927
C.III.1.	Trade receivables	15,085	8,963	2,927
2.	Receivables from shareholders/owners and alliance partners	-	-	-
3.	Social security	-	-	-
4.	Tax receivables and state subsidies receivable	1,067	2,155	-
5.	Deferred tax asset	-	-	-
6.	Receivables from group undertakings	-	3,300	-
7.	Receivables from associated companies of the group	-	-	-
8.	Other receivables	437,704	-	-
C.IV.	Financial assets	20,821	5,451	9,248
C.IV.1.	Cash	177	215	96
2.	Bank accounts	20,644	5,236	644
3.	Short-term investments	-	-	8,508
<b>D.</b>	<b>Other assets – temporary asset accounts</b>	<b>1,105</b>	<b>898</b>	<b>316</b>
D.I.	Accruals and deferrals	1,090	898	316
D.I.1.	Prepaid expenses	571	375	307
2.	Accrued revenue	174	523	8
3.	Unrealised exchange rate losses	345	-	1
D.II.	Estimated receivables	15	-	-

**Balance Sheet**

as at 31 December 2001 (CZK '000)

		2001	2000	1999
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>502,987</b>	<b>585,351</b>	<b>573,446</b>
<b>A.</b>	<b>Equity</b>	<b>484,385</b>	<b>487,401</b>	<b>479,674</b>
A.I.	Registered capital	420,000	420,000	420,000
A.I.1.	Registered capital	420,000	420,000	420,000
2.	Own shares held	-	-	-
A.II.	Capital contributions	35,691	35,691	70,000
A.II.1.	Share premium	35,691	35,691	70,000
2.	Other capital contributions	-	-	-
3.	Asset revaluation	-	-	-
A.III.	Reserve funds	5,670	5,283	4,298
A.III.1.	Statutory reserve fund	5,670	5,283	4,298
2.	Undistributable reserves	-	-	-
3.	Statutory and other reserves	-	-	-
A.IV.	Retained earnings	26,040	18,700	(34,309)
A.IV.1.	Retained profits	26,040	18,700	-
2.	Accumulated losses	-	-	(34,309)
A.V.	Profit (loss) for the current period (+/-)	(3,016)	7,727	19,685
<b>B.</b>	<b>Liabilities</b>	<b>16,969</b>	<b>91,556</b>	<b>85,669</b>
B.I.	Provisions	345	-	1
B.I.1.	Tax-deductible provisions	-	-	-
2.	Provision for foreign exchange losses	345	-	1
3.	Non-deductible provisions	-	-	-
B.II.	Long-term liabilities	-	70,900	70,900
B.II.1.	Liabilities to group undertakings	-	-	-
2.	Liabilities to associated companies of the group	-	-	-
3.	Long-term advances received	-	-	-
4.	Debentures and bonds issued	-	-	-
5.	Long-term bills of exchange payable	-	-	-
6.	Other long-term payables	-	70,900	70,900
B.III.	Short-term liabilities	16,624	20,656	14,768
B.III.1.	Trade payables	10,518	15,620	9,436
2.	Liabilities to shareholders/owners and alliance partners	-	-	-
3.	Payables to employees	1,894	1,335	1,352
4.	Payables to social security	1,436	1,043	877
5.	Tax liabilities	641	474	1,320
6.	Deferred tax liabilities	1,825	2,174	1,773
7.	Liabilities to group undertakings	-	-	-
8.	Liabilities to associated companies of the group	300	-	-
9.	Other payables	10	10	10
B.IV.	Bank loans and overdrafts	-	-	-
B.IV.1.	Long-term bank loans	-	-	-
2.	Short-term bank loans and overdrafts	-	-	-
3.	Short-term financial liability	-	-	-
<b>C.</b>	<b>Other liabilities – temporary liability accounts</b>	<b>1,633</b>	<b>6,394</b>	<b>8,103</b>
C.I.	Accruals and deferrals	806	6,394	8,103
C.I.1.	Accrued expenses	806	6,394	8,097
2.	Deferred revenues	-	-	5
3.	Unrealised exchange rate gains	-	-	1
C.II.	Estimated payables	827	-	-

**Profit and Loss Account**

as at 31 December 2001 (CZK '000)

		2001	2000	1999
I.	Revenue from merchandise	-	-	-
A.	Cost of goods sold	-	-	-
+	<b>Gross profit</b>	-	-	-
II.	Revenue from production	101,217	82,035	75,910
II.1.	Revenue from own products and services	101,217	82,035	75,910
II.2.	Change in inventory of own production	-	-	-
II.3.	Own work capitalized	-	-	-
B.	Cost of sales	54,514	42,015	28,458
B.1.	Materials and consumables	3,115	2,078	1,678
B.2.	Services	51,399	39,937	26,780
+	<b>Added value</b>	<b>46,703</b>	<b>40,020</b>	<b>47,452</b>
C.	Personnel expenses	53,587	38,024	28,694
C.1.	Wages and salaries	39,310	27,855	21,106
C.2.	Remuneration of board members	-	-	-
C.3.	Social security expenses	13,728	9,745	7,386
C.4.	Social expenses	549	424	202
D.	Taxes and charges	56	47	39
E.	Depreciation of intangible and tangible fixed assets	8,638	7,118	5,110
III.	Proceeds from disposals of fixed assets and raw material	1,284	677	82
F.	Net book value of fixed assets and raw material sold	1,204	413	43
IV.	Release of reserves and accruals to operating revenues	-	-	-
G.	Additions to reserves and accruals to operating expenses	-	-	-
V.	Release of adjustments to operating income	-	-	-
H.	Additions to adjustments to operating expenses	-	-	-
VI.	Other operating revenues	3,844	839	177
I.	Other operating expenses	150	5	27
VII.	Adjustments to operating revenues	-	-	-
J.	Adjustments to operating expenses	-	-	-
*	<b>Operating profit (loss)</b>	<b>(11,804)</b>	<b>(4,071)</b>	<b>13,798</b>
VIII.	Proceeds from sale of securities and ownership interests	5,685,513	1,900	-
K.	Securities and ownership interests sold	5,741,478	1,900	-
IX.	Revenue from long-term investments	17,000	19,299	15,750
IX.1.	Revenue from intercompany securities and ownership interests	17,000	19,299	15,750
IX.2.	Revenue from other securities and ownership interests	-	-	-
IX.3.	Revenue from other long-term investments	-	-	-
X.	Revenue from short-term financial investments	-	-	-
XI.	Release of provisions to financial revenues	-	1	42
L.	Additions to provisions (financial)	345	-	1
XII.	Release of adjustments to financial revenues	50,000	-	-
M.	Additions to adjustments to financial expenses	-	1,000	-
XIII.	Interest revenue	2,498	167	255
N.	Interest expense	2,540	5,040	6,449
XIV.	Other financial revenue	24	3	10
O.	Other financial expenses	2,273	1,355	1,001
XV.	Adjustments to financial revenues	-	-	-
P.	Adjustments to financial expenses	-	-	-
*	<b>Profit (loss) from financial operations</b>	<b>8,399</b>	<b>12,075</b>	<b>8,606</b>
R.	Income tax on ordinary profit (loss)	(349)	414	2,784
R.1.	- current	-	13	1,816
R.2.	- deferred	(349)	401	968
**	<b>Profit (loss) on ordinary activities after taxation</b>	<b>(3,056)</b>	<b>7,590</b>	<b>19,620</b>
XVI.	Extraordinary revenue	621	157	124
S.	Extraordinary expenses	581	20	24
T.	Income tax on extraordinary profit (loss)	-	-	35
T.1.	- current	-	-	35
T.2.	- deferred	-	-	-
*	<b>Extraordinary profit (loss)</b>	<b>40</b>	<b>137</b>	<b>65</b>
U.	Transfer of profit or loss to partners	-	-	-
***	<b>Profit (loss) for the accounting period</b>	<b>(3,016)</b>	<b>7,727</b>	<b>19,685</b>
	<b>Profit (loss) before tax</b>	<b>(3,365)</b>	<b>8,141</b>	<b>22,504</b>

**Statement of Cash Flows**

as at 31 December 2001 (CZK '000)

	2001	2000	1999
<b>P.</b>			
Cash and cash equivalents, beginning of year	5,451	9,248	7,391
<b>Net operating cash flow</b>			
Z: Operating profit (loss)	(11,804)	(4,071)	13,798
A.1. Non-cash transactions	4,417	4,563	6,936
A.1.1. Depreciation of fixed assets	8,638	7,118	5,110
A.1.2. Change in:	(4,624)	(2,291)	1,865
A.1.2.1. adjustments to acquired assets	-	-	-
A.1.2.2. provisions and adjustments	344	-	-
A.1.2.3. accruals and deferrals	(4,968)	(2,291)	1,865
A.1.3. Profit(-) Loss(+) on sale of fixed assets and extraordinary items	403	(264)	(39)
<b>A.* Net operating cash flow before taxation, changes in working capital and extraordinary items</b>	<b>(7,387)</b>	<b>492</b>	<b>20,734</b>
A.2. Current assets	(442,871)	(6,254)	(8,097)
A.2.1. Change in receivables	(439,188)	(11,741)	(26)
A.2.2. Change in short-term liabilities	(3,683)	5,487	(8,071)
A.2.3. Change in inventory	-	-	-
A.2.4. Change in short term investments	-	-	-
<b>A.** Net operating cash flow before financial balances, taxation and extraordinary items</b>	<b>(450,258)</b>	<b>(5,762)</b>	<b>12,637</b>
A.3. Interest paid excluding amounts capitalised	(2,540)	(5,040)	(6,449)
A.4. Interest received	2,498	167	255
A.5. Income tax paid on ordinary income	-	(13)	(1,851)
A.6. Receipts and disbursement from extraordinary items	40	137	123
A.7. Other financial receipts and disbursement	(2,249)	(1,352)	(991)
<b>A.*** Net operating cash flow</b>	<b>(452,509)</b>	<b>(11,863)</b>	<b>3,724</b>
<b>Investment activity</b>			
B.1. Acquisition of fixed assets	(5,165,018)	(13,810)	(17,699)
B.1.1. Acquisition of tangible fixed assets	(7,913)	(6,020)	(5,441)
B.1.2. Acquisition of intangible fixed assets	(2,154)	(1,648)	(1,279)
B.1.3. Acquisition of long-term investments	(5,154,951)	(6,142)	(10,979)
B.2. Proceeds from sales of fixed assets	5,686,797	2,577	82
B.2.1. Proceeds from sales of tangible and intangible fixed assets	1,284	677	82
B.2.2. Proceeds from sale of long-term investments	5,685,513	1,900	-
B.3. Advances and loans to related persons	-	-	-
<b>B.*** Net cash flow from investment activity</b>	<b>521,779</b>	<b>(11,233)</b>	<b>(17,617)</b>
<b>Financial activity</b>			
C.1. Change in long-term liabilities and bank loans	(70,900)	-	-
C.2. Increase and decrease in equity from specified transactions	-	-	-
C.2.1. Subscription of shares and investments	-	-	-
C.2.2. Equity paid to shareholders	-	-	-
C.2.3. Cash gifts, subsidies for equity and other shareholders contribution	-	-	-
C.2.4. Loss settlement from shareholders	-	-	-
C.2.5. Payments from funds created from net profit	-	-	-
C.2.6. Dividends paid and profit shares including withholding tax paid	-	-	-
C.3. Dividends received and profit shares	17,000	19,299	15,750
<b>C.*** Net cash flow from financial activity</b>	<b>(53,900)</b>	<b>19,299</b>	<b>15,750</b>
<b>F. Net increase or decrease in cash balance</b>	<b>15,370</b>	<b>(3,797)</b>	<b>1,857</b>
<b>R. Cash and cash equivalents, end of period</b>	<b>20,821</b>	<b>5,451</b>	<b>9,248</b>

## Notes to Financial Statements

as at 31 December 2001 (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 activity is coordinating activities and functions within the PPF Group holding structure.

#### Company owners

The Company's owner, with a qualified majority, is PPF Group N.V. (64.3%).

#### Company seat

PPF a.s.  
Na Pankráci 121  
140 21 Praha 4  
Czech Republic

#### Members of the Board of Directors and Supervisory Board as at 31 December 2001:

##### *Members of the Board of Directors*

Petr Kellner  
Jan Blaško, MBA  
Ladislav Bartoníček, MBA

##### *Members of Supervisory Board*

Štěpán Popovič  
Jaromír Prokš, MBA  
František Tlustoš

#### Organization structure

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

### 2 Accounting Principles Used by the Company

#### (a) Tangible and intangible fixed assets

Tangible and intangible fixed assets are recorded at acquisition cost. Tangible fixed assets with an acquisition cost of up to TCZK 40 and intangible fixed assets with an acquisition cost of up to TCZK 60 are carried in the balance sheet and charged to expenses in the month of acquisition.

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) Long-term investments

Long-term investments in group companies are carried at acquisition cost. If the market value of any of these assets is permanently lower than the acquisition cost, the book value is lowered to the market value. In cases of a temporary reduction in value, an adjustment is made.

Other long-term securities are valued at acquisition cost or at acquisition cost less an adjustment in the case of a temporary fall in value. Income generated by these assets is included in revenues from long-term investments.

#### (c) Short-term investments

Short-term investments are valued at acquisition cost or at acquisition cost less an adjustment in the case of a temporary fall in value. Income generated by these assets is included in revenues from short-term investments.

**Notes to Financial Statements**

as at 31 December 2001 (CZK '000)

**(d) How adjustments and provisions are determined**

The Company creates adjustments using the gross method, i.e. adjustments from the past accounting period are charged to revenues and the creation of new adjustments as at the balance sheet date is charged to expenses.

**Accounts receivable**

The Company sets up adjustments to doubtful receivables based on in-house analysis of the solvency of its customers.

**Securities and other investments**

The Company creates adjustments for both long-term and short-term investments, in the amount of the difference between the book value and the market price or the value of the participating interest in cases when the market price cannot be determined. The market price is the price reached on the respective public securities exchange as of the last business day of the accounting period, or a price set by qualified estimate.

**(e) Foreign currency translation**

The Company uses Czech National Bank (CNB) exchange rates for foreign currency translation. 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 reported in the balance sheet and a provision is made for unrealized foreign exchange losses.

**(f) Leases**

The Company accounts for leased assets by charging lease installments to the profit and loss account on a regular basis throughout 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 a given period consists of income tax due and any change in the balance of deferred tax. Income tax due includes tax calculated from the tax base using the tax rate applicable in the current year, as well as all additional levies or refunds from past years.

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

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

**3 Fixed Assets****(a) Intangible fixed assets**

	Software	Intellectual property	Total
<b>Acquisition cost</b>			
Balance at 1. 1. 2001	8,954	742	9,696
Additions	2,031	–	2,031
Disposals	–	–	–
Transfers	–	–	–
Balance at 31. 12. 2001	10,985	742	11,727
<b>Accumulated depreciation</b>			
Balance at 1. 1. 2001	4,251	72	4,323
Depreciation	2,447	124	2,571
Accumulated depreciation of disposals	–	–	–
Transfers	–	–	–
Balance at 31. 12. 2001	6,698	196	6,894
<b>Net book value at 1. 1. 2001</b>	<b>4,703</b>	<b>670</b>	<b>5,373</b>
<b>Net book value at 31. 12. 2001</b>	<b>4,287</b>	<b>546</b>	<b>4,833</b>

**Notes to Financial Statements**

as at 31 December 2001 (CZK '000)

## (b) Tangible fixed assets

	Works of art and collections	Machines and equipment	Vehicles	Furniture and fittings	Long-term assets in process	Total
<b>Acquisition cost</b>						
Balance at 1. 1. 2001	47	8,689	10,165	416	–	19,317
Additions	–	2,655	1,146	–	3,032	6,833
Disposals	–	(286)	(2,622)	–	–	(2,908)
Transfers	–	–	–	–	–	–
Balance at 31. 12. 2001	47	11,058	8,689	416	3,032	23,242
<b>Accumulated depreciation</b>						
Balance at 1. 1. 2001	–	3,665	4,416	109	–	8,190
Depreciation	–	2,501	2,297	66	–	4,864
Accumulated depreciation of disposals	–	(286)	(935)	–	–	(1,221)
Transfers	–	–	–	–	–	–
Balance at 31. 12. 2001	–	5,880	5,778	175	–	11,833
<b>Net book value at 1. 1. 2001</b>	<b>47</b>	<b>5,024</b>	<b>5,749</b>	<b>307</b>	<b>–</b>	<b>11,127</b>
<b>Net book value at 31. 12. 2001</b>	<b>47</b>	<b>5,178</b>	<b>2,911</b>	<b>241</b>	<b>3,032</b>	<b>11,409</b>

**4 Small Tangible and Intangible Fixed Assets**

In accordance with the accounting procedures described in Note 2(a), the Company charged small tangible and intangible fixed assets to the profit and loss account in the month of acquisition. The total cumulative acquisition cost of small tangible and intangible fixed assets that are still in use is as follows:

	Balance at 31 December 2001	Balance at 31 December 2000
Small tangible fixed assets	3,257	2,551
Small intangible fixed assets (software)	1,052	929
<b>Total</b>	<b>4,309</b>	<b>3,480</b>

Additions to small tangible fixed assets fully written off in 2001 totaled TCZK 1,080 (2000: TCZK 369), while disposals of small tangible fixed assets totaled TCZK 374 (2000: TCZK 47).

Additions to small intangible fixed assets fully written off in 2001 totaled TCZK 123 (2000: TCZK 409), while disposals of small intangible fixed assets totaled nil (2000: nil).

**5 Investments**

## (a) Long-term investments

	Ownership participation (%)	Acquisition cost in TCZK
PPF majetková a.s.	100.00	318
PPF Financial Services Ltd.	100.00	2,634
PPF (Cyprus) Ltd.	100.00	2,813
Homenet a.s.	100.00	1,000
ELINE a.s.	100.00	1,000
Public Picture & Marketing a.s.	100.00	1,000
ZETA Holding S.A.	0.45	3,198
<b>Total</b>		<b>11,963</b>

An adjustment of TCZK 1,000 (2000: TCZK 1,000) was created to the long-term investment in ELINE a.s.

In 2001, the Company sold its equity stakes in the companies PPF burzovní společnost a.s. and PPF investiční společnost a.s.

In 2001, the Company had TCZK 17,000 of income from long-term investments; this amount consisted of dividend income from PPF majetková a.s.

**Notes to Financial Statements**

as at 31 December 2001 (CZK '000)

**6 Trade Receivables and Payables**

(a) Short-term trade receivables totaled TCZK 15,085 (2000: TCZK 8,963).

(b) Short-term trade payables totaled TCZK 10,518 (2000: TCZK 15,620). The Company's established procedure is to settle accounts payable on the due date of the respective invoice, and therefore none of the payables are over 180 days overdue.

**7 Basic Capital**

There was no change in the basic capital in 2001; it remained at TCZK 420,000. The basic capital consists of 100 registered shares of nominal value CZK 10,000, 9 registered shares of nominal value CZK 1,000,000 and 41 registered shares with nominal value CZK 10,000,000.

**8. Shareholders' Equity**

(a) Summary of movements in shareholders' equity

	Basic capital	Share issue premium	Current period profit/loss	Losses carried forward	Retained earnings	Statutory reserve	Total
Balance at 1. 1. 2001	420,000	35,691	7,727	-	18,700	5,283	487,401
Allocated to reserves	-	-	(387)	-	-	387	-
Drawn from reserves	-	-	-	-	-	-	-
Settlement of past losses	-	-	-	-	-	-	-
Transferred to retained earnings	-	-	(7,340)	-	7,340	-	-
Loss for 2001	-	-	(3,016)	-	-	-	(3,016)
<b>Balance at 31. 12. 2001</b>	<b>420,000</b>	<b>35,691</b>	<b>(3,016)</b>	<b>-</b>	<b>26,040</b>	<b>5,670</b>	<b>484,385</b>

(b) Planned allocation of current period earnings

The Company's General Meeting will decide on the settlement of the 2001 loss, which will be carried out in accordance with the Company's Articles of Association and applicable law.

**9 Provisions**

	Foreign exchange loss provision	Total
Balance at 1. 1. 2001	-	-
Creation of provisions	345	345
Release of provisions	-	-
<b>Balance at 31. 12. 2001</b>	<b>345</b>	<b>345</b>

**Notes to Financial Statements**

as at 31 December 2001 (CZK '000)

**10 Employees and Executives**

Average numbers of employees and executives and personnel costs for 2001 and 2000:

2001	Number of employees	Wages & salaries	Social security & health insurance	Benefits costs
Employees	45	20,165	7,027	393
Executives	11	19,145	6,701	156
<b>Total</b>	<b>56</b>	<b>39,310</b>	<b>13,728</b>	<b>549</b>

2000	Number of employees	Wages & salaries	Social security & health insurance	Benefits costs
Employees	35	15,701	5,491	330
Executives	10	12,154	4,254	94
<b>Total</b>	<b>45</b>	<b>27,855</b>	<b>9,745</b>	<b>424</b>

**11 Information on Related Entities**

(a) Assets, liabilities and equity relating to group companies

	Assets at 31. 12.		Liabilities and equity at 31. 12.	
	2001	2000	2001	2000
PPF Group N.V.	293,685	-	-	-
PPF (CYPRUS) LIMITED	163	-	-	-
PPF burzovní společnost a.s.	492	550	144	129
PPF majetková a.s.	402	480	308	-
PPF investiční společnost a.s.	387	416	-	-
PPF Capital Management a.s.	344	69	-	184
PPF investiční holding a.s.	69	20	-	-
PPF CONSULTING a.s.	4	961	-	-
Public Picture & Marketing a.s.	80	553	-	-
Cespo B.V.	140,841	-	-	-
CM - CREDIT a.s.	-	328	25	-
Home Credit International a.s.	1,376	-	18	-
Home Credit Slovakia, a.s.	431	-	-	-
Česká pojišťovna a.s.	1,845	1,631	261	168
ČP Leasing, a.s.	149	307	45	-
ČP finanční servis a.s.	100	-	-	-
<b>Total</b>	<b>440,368</b>	<b>5,315</b>	<b>801</b>	<b>481</b>

**Notes to Financial Statements**

as at 31 December 2001 (CZK '000)

**(b) Revenues and expenses relating to group companies**

	Revenues at 31. 12.		Expenses at 31. 12.	
	2001	2000	2001	2000
PPF burzovní společnost a.s.	11,982	12,588	370	-
PPF majetková a.s.	9,916	13,027	307	-
PPF investiční společnost a.s.	13,764	13,683	-	31
PPF Capital Management a.s.	8,182	11,109	1	-
PPF investiční holding a.s.	7,256	3,260	-	-
PPF CONSULTING a.s.	184	1,214	-	-
Public Picture & Marketing a.s.	1,700	778	1,600	600
Cespo B.V.	5,766	-	-	-
CESPO HOLDINGS B.V.	3,699	-	-	-
CM - CREDIT a.s.	2,105	6,214	-	-
Home Credit Slovakia, a.s.	3,692	-	-	-
Home Credit International a.s.	1,600	-	-	-
Home Credit a.s.	1,854	4,242	6	-
Home Credit Finance a.s.	9,369	-	-	-
Board Show, a.s.	44	-	-	-
ELINE a.s.	15	-	-	-
Ervin & Doll, a.s.	16	-	-	-
Univerzální správa majetku a.s.	1,959	-	-	-
Homenet a.s.	17	151	-	27
Česká pojišťovna a.s.	10,206	11,196	12,981	10,090
ČP INVEST investiční společnost, a.s.	5,409	-	-	-
Penzijní fond České pojišťovny, a.s.	1,086	-	-	-
ČP Leasing, a.s.	3,588	1,261	4,744	2,514
ČP finanční servis a.s.	1,098	-	-	-
<b>Total</b>	<b>104,534</b>	<b>78,723</b>	<b>20,009</b>	<b>13,262</b>

**(c) Income and expenses on sales/purchases of securities and ownership participations**

	Income at 31. 12.		Purchases at 31. 12.	
	2001	2000	2001	2000
PPF Group N.V.	413,685	-	23,145	-
Cespo B.V.	5,150,528	-	5,150,528	-
Home Credit B.V.	2,026	-	1,720	-
ČP finanční holding a.s.	116,000	-	562,810	-
<b>Total</b>	<b>5,682,239</b>	<b>-</b>	<b>5,738,203</b>	<b>-</b>

**(d) Remuneration and loans to statutory and supervisory board members**

In 2001 and 2000 the members of the Board of Directors and Supervisory Board did not receive any remuneration nor were they provided with any loans.

**Notes to Financial Statements**

as at 31 December 2001 (CZK '000)

**12 | Income Taxes****(a) Due**

Due to the net loss for tax purposes, income taxes due in 2001 were nil (2000: TCZK 13).

**(b) Deferred**

The following table presents a summary of movements in temporary differences:

	Long-term intangible assets	Long-term tangible assets	Total	Tax rate (%)	Deferred tax liability
Balance at 1. 1. 2001	3,278	3,735	7,013	31	2,174
Change in 2001	(864)	(262)	(1,126)	31	(349)
Balance at 31. 12. 2001	2,414	3,473	5,887	31	1,825

**13 | Leases****(a) Finance leases**

The Company is obligated to pay installments on vehicle finance leases as follows:

2001	Total finance lease installments	Paid at 31. 12. 2001	Due within 1 year	Due in later years
Passenger cars	13,528	7,478	2,856	3,194
<b>Total</b>	<b>13,528</b>	<b>7,478</b>	<b>2,856</b>	<b>3,194</b>
2000	Total finance lease installments	Paid at 31. 12. 2000	Due within 1 year	Due in later years
Passenger cars	8,324	3,135	2,786	2,403
<b>Total</b>	<b>8,324</b>	<b>3,135</b>	<b>2,786</b>	<b>2,403</b>

**14 | Contingent Liabilities**

Czech business and tax laws have been amended at there is some uncertainty over their interpretation in a number of areas. The consequences of these uncertainties cannot be foreseen with any degree of accuracy and can be assessed only in light of future practice or if an official interpretation becomes available.

**15 | Cash and Cash Equivalents (for Purposes of the Statement of Cash Flows)**

For the purposes of compiling the statement of cash flows, cash and cash equivalents are defined as cash on hand, cash en route, cash in bank accounts 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 2001 and 2000 are as follows:

	Balance at 31. 12. 2001	Balance at 31. 12. 2000
Cash	177	215
Bank accounts	20,644	5,236
<b>Total</b>	<b>20,821</b>	<b>5,451</b>

**Balance Sheet, Abridged**

as at 31 December 2001 (CZK '000)

	2001	2000	1999
<b>TOTAL ASSETS</b>	<b>902,273</b>	<b>332,217</b>	<b>454,238</b>
<b>A. Capital subscriptions receivable</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>B. Fixed assets</b>	<b>108,666</b>	<b>95,062</b>	<b>96,815</b>
B.I. Intangible fixed assets	833	1,159	300
B.II. Tangible fixed assets	4,526	2,261	3,279
B.III. Long-term investments	103,307	91,642	93,236
B.III.1. of which: shares and ownership interests with controlling influence	91,607	91,607	91,607
<b>C. Current assets</b>	<b>792,748</b>	<b>235,966</b>	<b>357,146</b>
C.I. Inventory	-	-	-
C.II. Long-term receivables	-	-	-
C.III. Short-term receivables	424,287	54,890	216,597
C.IV. Investments	368,461	181,076	140,549
<b>D. Other assets</b>	<b>859</b>	<b>1,189</b>	<b>277</b>
	<b>2001</b>	<b>2000</b>	<b>1999</b>
<b>TOTAL LIABILITIES</b>	<b>902,273</b>	<b>332,217</b>	<b>454,238</b>
<b>A. Equity</b>	<b>203,350</b>	<b>269,672</b>	<b>247,435</b>
A.I. Registered capital	55,000	55,000	55,000
of which: capital registered in the Commercial Register	55,000	55,000	55,000
A.II. Capital funds	60,500	60,500	60,500
A.III. Funds created from net profit	11,000	11,000	11,000
A.IV. Profit (loss) of previous years	62	120,936	29,832
A.V. Profit (loss) of current period	76,788	22,236	91,103
<b>B. Liabilities</b>	<b>698,284</b>	<b>60,956</b>	<b>202,314</b>
B.I. Provisions	284	-	-
B.II. Long-term payables	8,631	-	-
B.III. Short-term payables	689,369	60,956	202,314
B.IV. Bank loans and overdrafts	-	-	-
B.IV.1. of which: long term bank loans	-	-	-
<b>C. Other liabilities</b>	<b>639</b>	<b>1,589</b>	<b>4,489</b>

**PPF burzovní společnost a.s.****Profit and Loss Account, Abridged**

as at 31 December 2001 (CZK '000)

		2001	2000	1999
I.+II.	Production and sales of merchandise	187,080	130,589	181,892
I.+II.1.	of which: revenues from own products, services and merchandise	187,080	130,589	181,892
II.2.	Change in inventory of own production	-	-	-
II.3.	Capitalisation	-	-	-
A.+B.	Production consumption and cost of goods sold	38,703	51,859	48,119
+	<b>Added value</b>	<b>148,377</b>	<b>78,730</b>	<b>133,773</b>
C.	Personnel expenses	33,812	14,769	14,751
E.	Depreciation of tangible and intangible fixed assets	2,343	1,797	1,628
IV.+V.	Release of provisions, adjustments and accruals to operating revenues	-	-	-
G.+H.	Addition to provisions, adjustments and accruals to operating expenses	86	5,971	-
III.+VI.+VII.	Other operating revenues	358	219	77
D.+F.+I.+J.	Other operating expenses	2,031	3,435	2,302
*	<b>Operating profit (loss)</b>	<b>110,463</b>	<b>52,977</b>	<b>115,169</b>
XI.+XII.	Provisions and adjustments to financial revenues	5,326	-	171
L.+M.	Provisions and adjustments to financial expenses	300	9,431	892
VIII.+IX.+X. +XIII.+XIV. +XV.	Other financial revenues	16,873,906	2,818,981	1,903,085
K.+N.+O. +P.+R.	Other financial expenses	16,913,816	2,840,662	1,926,510
*	<b>Profit (loss) from financial operations including income tax on ordinary income</b>	<b>(34,884)</b>	<b>(31,112)</b>	<b>(24,119)</b>
**	<b>Ordinary profit (loss)</b>	<b>75,579</b>	<b>21,865</b>	<b>91,050</b>
XVI.	Extraordinary revenues	1,679	371	53
S.+T.	Extraordinary expenses	470	-	-
*	<b>Extraordinary income</b>	<b>1,209</b>	<b>371</b>	<b>53</b>
***	<b>Profit (loss) of current accounting period</b>	<b>76,788</b>	<b>22,236</b>	<b>91,103</b>

**Balance Sheet, Abridged**

as at 31 December 2001 (CZK '000)

	2001	2000	1999
<b>TOTAL ASSETS</b>	<b>42,176</b>	<b>44,492</b>	<b>29,435</b>
<b>A. Capital subscriptions receivable</b>	-	-	-
<b>B. Fixed assets</b>	<b>1,248</b>	<b>2,282</b>	<b>2,724</b>
B.I. Intangible fixed assets	-	-	-
B.II. Tangible fixed assets	1,248	2,282	2,624
B.III. Long-term investments	-	-	100
B.III.1. of which: shares and ownership interests with controlling influence	-	-	-
<b>C. Current assets</b>	<b>40,664</b>	<b>42,121</b>	<b>23,086</b>
C.I. Inventory	-	-	-
C.II. Long-term receivables	-	100	-
C.III. Short-term receivables	16,090	12,149	2,371
C.IV. Investments	24,574	29,872	20,715
<b>D. Other assets</b>	<b>264</b>	<b>89</b>	<b>3,625</b>
	<b>2001</b>	<b>2000</b>	<b>1999</b>
<b>TOTAL LIABILITIES</b>	<b>42,176</b>	<b>44,492</b>	<b>29,435</b>
<b>A. Equity</b>	<b>39,895</b>	<b>36,246</b>	<b>26,032</b>
A.I. Registered capital	20,000	20,000	20,000
of which: capital registered in the Commercial Register	-	-	-
A.II. Capital funds	-	(4)	(4)
A.III. Funds created from net profit	4,000	3,793	3,643
A.IV. Profit (loss) of previous years	12,245	43	(606)
A.V. Profit (loss) of current period	3,650	12,414	2,999
<b>B. Liabilities</b>	<b>2,123</b>	<b>8,110</b>	<b>2,012</b>
B.I. Provisions	-	-	-
B.II. Long-term payables	-	-	-
B.III. Short-term payables	2,123	8,110	2,012
B.IV. Bank loans and overdrafts	-	-	-
B.IV.1. of which: long term bank loans	-	-	-
<b>C. Other liabilities</b>	<b>158</b>	<b>136</b>	<b>1,391</b>

**PPF investiční společnost a.s.****Profit and Loss Account, Abridged**

as at 31 December 2001 (CZK '000)

		2001	2000	1999
I.+II.	Production and sales of merchandise	37,819	44,892	33,790
I.+II.1.	of which: revenues from own products, services and merchandise	37,819	44,892	33,790
II.2.	Change in inventory of own production	-	-	-
II.3.	Capitalisation	-	-	-
A.+B.	Production consumption and cost of goods sold	23,358	25,654	27,530
+	<b>Added value</b>	<b>14,461</b>	<b>19,238</b>	<b>6,260</b>
C.	Personnel expenses	9,488	8,276	7,920
E.	Depreciation of tangible and intangible fixed assets	1,166	800	763
IV.+V.	Release of provisions, adjustments and accruals to operating revenues	3,000	-	50
G.+H.	Addition to provisions, adjustments and accruals to operating expenses	-	-	-
III.+VI.+VII.	Other operating revenues	1,155	13,132	6,030
D.+F.+I.+J.	Other operating expenses	3,790	7,959	651
*	<b>Operating profit (loss)</b>	<b>4,172</b>	<b>15,335</b>	<b>3,006</b>
XI.+XII.	Provisions and adjustments to financial revenues	-	-	2
L.+M.	Provisions and adjustments to financial expenses	-	-	-
VIII.+IX.+X. +XIII.+XIV. +XV.	Other financial revenues	18,905	2,968	8,074
K.+N.+O. +P.+R.	Other financial expenses	19,750	4,852	8,096
*	<b>Profit (loss) from financial operations including income tax on ordinary income</b>	<b>(845)</b>	<b>(1,884)</b>	<b>(20)</b>
**	<b>Ordinary profit (loss)</b>	<b>3,327</b>	<b>13,451</b>	<b>2,986</b>
XVI.	Extraordinary revenues	323	5	24
S.+T.	Extraordinary expenses	-	1,042	11
*	<b>Extraordinary income</b>	<b>323</b>	<b>(1,037)</b>	<b>13</b>
***	<b>Profit (loss) of current accounting period</b>	<b>3,650</b>	<b>12,414</b>	<b>2,999</b>

**ČP INVEST Český uzavřený podílový fond**  
**(formerly PPF Český uzavřený podílový fond)**  
**Balance Sheet, Abridged**

as at 31 December 2001 (CZK '000)

	2001	2000	1999
<b>TOTAL ASSETS</b>	<b>1,218,460</b>	<b>1,224,885</b>	<b>1,270,933</b>
<b>A. Capital subscriptions receivable</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>B. Fixed assets</b>	<b>198,398</b>	<b>197,214</b>	<b>222,904</b>
B.I. Intangible fixed assets	-	-	1,368
B.II. Tangible fixed assets	-	-	-
B.III. Long-term investments	198,398	197,214	221,536
B.III.1. of which: shares and ownership interests with controlling influence	-	-	-
<b>C. Current assets</b>	<b>1,019,935</b>	<b>1,027,580</b>	<b>1,047,944</b>
C.I. Inventory	-	-	-
C.II. Long-term receivables	-	-	-
C.III. Short-term receivables	45,296	4,946	8,777
C.IV. Investments	974,639	1,022,634	1,039,167
<b>D. Other assets</b>	<b>127</b>	<b>91</b>	<b>85</b>

	2001	2000	1999
<b>TOTAL LIABILITIES</b>	<b>1,218,460</b>	<b>1,224,885</b>	<b>1,270,933</b>
<b>A. Equity</b>	<b>1,213,450</b>	<b>1,221,968</b>	<b>1,264,696</b>
A.I. Registered capital	-	-	-
of which: capital registered in the Commercial Register			
A.II. Capital funds	1,180,467	1,155,989	1,288,790
A.III. Funds created from net profit	-	-	-
A.IV. Profit (loss) of previous years	46,191	-	24,664
A.V. Profit (loss) of current period	(13,208)	65,979	(48,758)
<b>B. Liabilities</b>	<b>4,748</b>	<b>2,756</b>	<b>6,056</b>
B.I. Provisions	-	-	3,379
B.II. Long-term payables	-	-	-
B.III. Short-term payables	4,748	2,756	2,677
B.IV. Bank loans and overdrafts	-	-	-
B.IV.1. of which: long term bank loans	-	-	-
<b>C. Other liabilities</b>	<b>262</b>	<b>161</b>	<b>181</b>

**ČP INVEST Český uzavřený podílový fond**  
**(formerly PPF Český uzavřený podílový fond)**  
**Profit and Loss Account, Abridged**

as at 31 December 2001 (CZK '000)

	2001	2000	1999
I.+II.			
Production and sales of merchandise	-	-	-
I.+II.1.			
of which: revenues from own products, services and merchandise	-	-	-
II.2.			
Change in inventory of own production	-	-	-
II.3.			
Capitalisation	-	-	-
A.+B.			
Production consumption and cost of goods sold	25,706	30,256	25,251
<b>+</b>			
<b>Added value</b>	<b>(25,706)</b>	<b>(30,256)</b>	<b>(25,251)</b>
C.			
Personnel expenses	-	-	-
E.			
Depreciation of tangible and intangible fixed assets	-	1,368	5,471
IV.+V.			
Release of provisions, adjustments and accruals to operating revenues	-	-	1,220
G.+H.			
Addition to provisions, adjustments and accruals to operating expenses	-	-	1,220
III.+VI.+VII.			
Other operating revenues	-	-	-
D.+F.+I.+J.			
Other operating expenses	2	-	-
<b>*</b>			
<b>Operating profit (loss)</b>	<b>(25,708)</b>	<b>(31,624)</b>	<b>(30,722)</b>
XI.+XII.			
Provisions and adjustments to financial revenues	-	3,379	-
L.+M.			
Provisions and adjustments to financial expenses	-	-	3,379
VIII.+IX.+X. +XIII.+XIV. +XV.			
Other financial revenues	5,721,300	3,087,846	2,664,497
K.+N.+O. +P.+R.			
Other financial expenses	5,708,978	2,993,622	2,679,154
<b>*</b>			
<b>Profit (loss) from financial operations including income tax on ordinary income</b>	<b>12,322</b>	<b>97,603</b>	<b>(18,036)</b>
<b>**</b>			
<b>Ordinary profit (loss)</b>	<b>(13,386)</b>	<b>65,979</b>	<b>(48,758)</b>
XVI.			
Extraordinary revenues	178	-	-
S.+T.			
Extraordinary expenses	-	-	-
<b>*</b>			
<b>Extraordinary income</b>	<b>178</b>	<b>-</b>	<b>-</b>
<b>***</b>			
<b>Profit (loss) of current accounting period</b>	<b>(13,208)</b>	<b>65,979</b>	<b>(48,758)</b>

**ČP INVEST Moravskoslezský uzavřený podilový fond**  
**(formerly PPF Moravskoslezský uzavřený podilový fond)**  
**Balance Sheet, Abridged**

as at 31 December 2001 (CZK '000)

	2001	2000	1999
<b>TOTAL ASSETS</b>	<b>563,954</b>	<b>572,350</b>	<b>595,332</b>
<b>A. Capital subscriptions receivable</b>	-	-	-
<b>B. Fixed assets</b>	<b>87,800</b>	<b>80,180</b>	<b>97,179</b>
B.I. Intangible fixed assets	-	-	635
B.II. Tangible fixed assets	-	-	-
B.III. Long-term investments	87,800	80,180	96,544
B.III.1. of which: shares and ownership interests with controlling influence	-	-	-
<b>C. Current assets</b>	<b>476,090</b>	<b>492,139</b>	<b>498,110</b>
C.I. Inventory	-	-	-
C.II. Long-term receivables	-	-	-
C.III. Short-term receivables	21,277	2,951	4,452
C.IV. Investments	454,813	489,188	493,658
<b>D. Other assets</b>	<b>64</b>	<b>31</b>	<b>43</b>

	2001	2000	1999
<b>TOTAL LIABILITIES</b>	<b>563,954</b>	<b>572,350</b>	<b>595,332</b>
<b>A. Equity</b>	<b>561,505</b>	<b>570,658</b>	<b>592,327</b>
A.I. Registered capital	-	-	-
of which: capital registered in the Commercial Register	-	-	-
A.II. Capital funds	549,356	535,613	599,302
A.III. Funds created from net profit	-	-	-
A.IV. Profit (loss) of previous years	24,535	-	16,296
A.V. Profit (loss) of current period	-	-	-
<b>B. Liabilities</b>	<b>2,249</b>	<b>1,566</b>	<b>2,867</b>
B.I. Provisions	-	-	1,573
B.II. Long-term payables	-	-	-
B.III. Short-term payables	2,249	1,566	1,294
B.IV. Bank loans and overdrafts	-	-	-
B.IV.1. of which: long term bank loans	-	-	-
<b>C. Other liabilities</b>	<b>200</b>	<b>126</b>	<b>138</b>

**ČP INVEST Moravskoslezský uzavřený podílový fond**  
**(formerly PPF Moravskoslezský uzavřený podílový fond)**

**Profit and Loss Account, Abridged**

as at 31 December 2001 (CZK '000)

	2001	2000	1999
I.+II.			
Production and sales of merchandise	-	-	-
I.+II.1.			
of which: revenues from own products, services and merchandise	-	-	-
II.2.			
Change in inventory of own production	-	-	-
II.3.			
Capitalisation	-	-	-
A.+B.			
Production consumption and cost of goods sold	12,113	14,334	12,111
<b>+</b>			
<b>Added value</b>	<b>(12,113)</b>	<b>(14,334)</b>	<b>(12,111)</b>
C.			
Personnel expenses	-	-	-
E.			
Depreciation of tangible and intangible fixed assets	-	635	2,541
IV.+V.			
Release of provisions, adjustments and accruals to operating revenues	-	-	-
G.+H.			
Addition to provisions, adjustments and accruals to operating expenses	-	-	-
III.+VI.+VII.			
Other operating revenues	-	-	-
D.+F.+I.+J.			
Other operating expenses	1	-	-
<b>*</b>			
<b>Operating profit (loss)</b>	<b>(12,114)</b>	<b>(14,969)</b>	<b>(14,652)</b>
XI.+XII.			
Provisions and adjustments to financial revenues	-	1,573	-
L.+M.			
Provisions and adjustments to financial expenses	-	-	1,573
VIII.+IX.+X.			
Other financial revenues	2,666,598	1,603,878	1,222,021
+XIII.+XIV.			
+XV.			
K.+N.+O.			
Other financial expenses	2,666,214	1,555,437	1,229,067
+P.+R.			
<b>*</b>			
<b>Profit (loss) from financial operations including income tax on ordinary income</b>	<b>384</b>	<b>50,014</b>	<b>(8,619)</b>
<b>**</b>			
<b>Ordinary profit (loss)</b>	<b>(11,730)</b>	<b>35,045</b>	<b>(23,271)</b>
XVI.			
Extraordinary revenues	73	-	-
S.+T.			
Extraordinary expenses	729	-	-
<b>*</b>			
<b>Extraordinary income</b>	<b>(656)</b>	<b>-</b>	<b>-</b>
<b>***</b>			
<b>Profit (loss) of current accounting period</b>	<b>(12,386)</b>	<b>35,045</b>	<b>(23,271)</b>

**ČP INVEST Universální otevřený podílový fond**  
**(formerly PPF Smíšený otevřený podílový fond)**  
**Balance Sheet, Abridged**

as at 31 December 2001 (CZK '000)

	2001	2000	1999
<b>TOTAL ASSETS</b>	<b>190,838</b>	<b>232,799</b>	<b>303,459</b>
<b>A. Capital subscriptions receivable</b>	-	-	-
<b>B. Fixed assets</b>	-	-	-
B.I. Intangible fixed assets	-	-	-
B.II. Tangible fixed assets	-	-	-
B.III. Long-term investments	-	-	-
B.III.1. of which: shares and ownership interests with controlling influence	-	-	-
<b>C. Current assets</b>	<b>190,817</b>	<b>232,721</b>	<b>303,266</b>
C.I. Inventory	-	-	-
C.II. Long-term receivables	-	-	-
C.III. Short-term receivables	1,126	1,375	-
C.IV. Investments	189,691	231,346	303,266
<b>D. Other assets</b>	<b>21</b>	<b>78</b>	<b>193</b>

	2001	2000	1999
<b>TOTAL LIABILITIES</b>	<b>190,838</b>	<b>232,799</b>	<b>303,459</b>
<b>A. Equity</b>	<b>186,751</b>	<b>232,131</b>	<b>301,162</b>
A.I. Registered capital	-	-	-
of which: capital registered in the Commercial Register	-	-	-
A.II. Capital funds	202,840	224,967	295,194
A.III. Funds created from net profit	-	-	-
A.IV. Profit (loss) of previous years	7,164	5,968	-
A.V. Profit (loss) of current period	(23,253)	1,196	5,968
<b>B. Liabilities</b>	<b>3,962</b>	<b>576</b>	<b>2,189</b>
B.I. Provisions	-	-	476
B.II. Long-term payables	-	-	-
B.III. Short-term payables	3,962	576	1,713
B.IV. Bank loans and overdrafts	-	-	-
B.IV.1. of which: long term bank loans	-	-	-
<b>C. Other liabilities</b>	<b>125</b>	<b>92</b>	<b>108</b>

**ČP INVEST Universální otevřený podílový fond**  
**(formerly PPF Smíšený otevřený podílový fond)**  
**Profit and Loss Account, Abridged**

as at 31 December 2001 (CZK '000)

	2001	2000	1999
I.+II.			
Production and sales of merchandise	-	-	-
I.+II.1.			
of which: revenues from own products, services and merchandise	-	-	-
II.2.			
Change in inventory of own production	-	-	-
II.3.			
Capitalisation	-	-	-
A.+B.			
Production consumption and cost of goods sold	4,163	7,579	2,577
<b>+</b>			
<b>Added value</b>	<b>(4,163)</b>	<b>(7,579)</b>	<b>(2,577)</b>
C.			
Personnel expenses	-	-	-
E.			
Depreciation of tangible and intangible fixed assets	-	-	-
IV.+V.			
Release of provisions, adjustments and accruals to operating revenues	-	-	-
G.+H.			
Addition to provisions, adjustments and accruals to operating expenses	-	-	-
III.+VI.+VII.			
Other operating revenues	-	-	-
D.+F.+I.+J.			
Other operating expenses	-	-	-
<b>*</b>			
<b>Operating profit (loss)</b>	<b>(4,163)</b>	<b>(7,579)</b>	<b>(2,577)</b>
XI.+XII.			
Provisions and adjustments to financial revenues	-	476	-
L.+M.			
Provisions and adjustments to financial expenses	-	-	476
VIII.+IX.+X. +XIII.+XIV. +XV.			
Additions to reserves and adjustments (financial)	66,744	214,474	71,917
K.+N.+O. +P.+R.			
Other financial revenues	85,834	206,175	62,896
<b>*</b>			
<b>Profit (loss) from financial operations including income tax on ordinary income</b>	<b>(19,090)</b>	<b>8,775</b>	<b>10,605</b>
<b>**</b>			
<b>Ordinary profit (loss)</b>	<b>(23,253)</b>	<b>1,196</b>	<b>5,968</b>
XVI.			
Extraordinary revenues	-	-	-
S.+T.			
Extraordinary expenses	-	-	-
<b>*</b>			
<b>Extraordinary income</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>***</b>			
<b>Profit (loss) of current accounting period</b>	<b>(23,253)</b>	<b>1,196</b>	<b>5,968</b>

**Balance Sheet, Abridged**

as at 31 December 2001 (CZK '000)

	2001	2000	1999
<b>TOTAL ASSETS</b>	<b>2,609,043</b>	<b>2,276,743</b>	<b>1,143,693</b>
<b>A. Capital subscriptions receivable</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>B. Fixed assets</b>	<b>7,023</b>	<b>36,774</b>	<b>82,125</b>
B.I. intangible fixed assets	-	7	16
B.II. tangible fixed assets	1,725	3,234	78,662
B.III. Long-term investments	5,298	33,533	3,447
B.III.1. of which: shares and ownership interests with controlling influence	2,000	29,350	2,200
<b>C. Current assets</b>	<b>2,552,330</b>	<b>2,235,718</b>	<b>1,057,348</b>
C.I. Inventory	-	-	-
C.II. long-term receivables	148,600	2,127,132	100,900
C.III. short-term receivables	2,367,612	65,727	944,426
C.IV. Investments	36,118	42,859	12,022
<b>D. Other assets</b>	<b>49,690</b>	<b>4,251</b>	<b>5,220</b>
	<b>2001</b>	<b>2000</b>	<b>1999</b>
<b>TOTAL LIABILITIES</b>	<b>2,609,043</b>	<b>2,276,743</b>	<b>1,144,693</b>
<b>A. Equity</b>	<b>213,972</b>	<b>209,542</b>	<b>206,032</b>
A.I. Registered capital	178,300	178,300	178,300
of which: capital registered in the Commercial Register	178,300	178,300	178,300
A.II. Capital funds	-	-	-
A.III. Funds created from net profit	3,811	3,635	3,405
A.IV. Profit (loss) of previous years	27,431	24,097	19,755
A.V. Profit (loss) of current period	4,430	3,510	4,572
<b>B. Liabilities</b>	<b>2,324,784</b>	<b>2,008,131</b>	<b>915,507</b>
B.I. Provisions	417	22	2
B.II. Long-term payables	2,000,000	2,000,000	907,000
B.III. Short-term payables	324,367	8,109	8,505
B.IV. Bank loans and overdrafts	-	-	-
B.IV.1. of which: long term bank loans	-	-	-
<b>C. Other liabilities</b>	<b>70,287</b>	<b>59,070</b>	<b>23,154</b>

**PPF Capital Management a.s.****Profit and Loss Account, Abridged**

as at 31 December 2001 (CZK '000)

		2001	2000	1999
I.+II.	Production and sales of merchandise	9,424	3,287	50,445
I.+II.1.	of which: revenues from own products, services and merchandise	9,424	3,287	50,445
II.2.	Change in inventory of own production	-	-	-
II.3.	Capitalisation	-	-	-
A.+B.	Production consumption and cost of goods sold	15,332	29,020	35,840
+	<b>Added value</b>	<b>(5,908)</b>	<b>(25,733)</b>	<b>14,605</b>
C.	Personnel expenses	9,815	10,902	11,615
E.	Depreciation of tangible and intangible fixed assets	1,745	1,928	2,834
IV.+V.	Release of provisions, adjustments and accruals to operating revenues	-	3,926	1,915
G.+H.	Addition to provisions, adjustments and accruals to operating expenses	5,500	38,677	6,699
III.+VI.+VII.	Other operating revenues	1,268	118,586	5,395
D.+F.+I.+J.	Other operating expenses	396	68,891	7,749
*	<b>Operating profit (loss)</b>	<b>(22,096)</b>	<b>(23,619)</b>	<b>(6,982)</b>
XI.+XII.	Provisions and adjustments to financial revenues	3,938	1,265	2,867
L.+M.	Provisions and adjustments to financial expenses	1,734	3,938	1,265
VIII.+IX.+X. +XIII.+XIV. +XV.	Other financial revenues	221,324	371,729	35,342
K.+N.+O. +P.+R.	Other financial expenses	197,163	340,646	35,674
*	<b>Profit (loss) from financial operations including income tax on ordinary income</b>	<b>26,365</b>	<b>28,410</b>	<b>11,270</b>
**	<b>Ordinary profit (loss)</b>	<b>4,269</b>	<b>4,791</b>	<b>4,288</b>
XVI.	Extraordinary revenues	268	45	512
S.+T.	Extraordinary expenses	107	1,326	228
*	<b>Extraordinary income</b>	<b>161</b>	<b>(1,281)</b>	<b>284</b>
***	<b>Profit (loss) of current accounting period</b>	<b>4,430</b>	<b>3,510</b>	<b>4,572</b>

**Balance Sheet, Abridged**

as at 31 December 2001 (CZK '000)

	2001	2000	1999
<b>TOTAL ASSETS</b>	<b>74,735</b>	<b>66,981</b>	<b>84,105</b>
<b>A. Capital subscriptions receivable</b>	-	-	-
<b>B. Fixed assets</b>	<b>29,959</b>	<b>20,958</b>	<b>19,028</b>
B.I. Intangible fixed assets	5,872	7,201	11,133
B.II. Tangible fixed assets	23,510	12,138	7,395
B.III. Long-term investments	577	1,619	500
B.III.1. of which: shares and ownership interests with controlling influence	477	819	-
<b>C. Current assets</b>	<b>14,022</b>	<b>19,815</b>	<b>39,691</b>
C.I. Inventory	-	-	-
C.II. Long-term receivables	-	-	-
C.III. Short-term receivables	7,731	9,949	27,886
C.IV. Investments	6,291	9,866	11,805
<b>D. Other assets</b>	<b>30,754</b>	<b>26,208</b>	<b>25,386</b>
	<b>2001</b>	<b>2000</b>	<b>1999</b>
<b>TOTAL LIABILITIES</b>	<b>74,735</b>	<b>66,981</b>	<b>84,105</b>
<b>A. Equity</b>	<b>69,096</b>	<b>60,869</b>	<b>74,053</b>
A.I. Registered capital	1,270	1,270	1,270
of which: capital registered in the Commercial Register	1,270	1,270	1,270
A.II. Capital funds	-	-	-
A.III. Funds created from net profit	300	300	300
A.IV. Profit (loss) of previous years	39,299	52,483	45,071
A.V. Profit (loss) of current period	28,227	6,816	27,412
<b>B. Liabilities</b>	<b>5,324</b>	<b>4,958</b>	<b>3,720</b>
B.I. Provisions	-	-	-
B.II. Long-term payables	-	-	-
B.III. Short-term payables	5,324	4,958	3,720
B.IV. Bank loans and overdrafts	-	-	-
B.IV.1. long-term bank loans	-	-	-
<b>C. Other liabilities</b>	<b>315</b>	<b>1,154</b>	<b>6,332</b>

**Profit and Loss Account, Abridged**

as at 31 December 2001 (CZK '000)

		2001	2000	1999
I.+II.	Production and sales of merchandise	92,243	87,373	87,158
I.+II.1.	of which: revenues from own products, services and merchandise	92,243	87,373	87,158
II.2.	Change in inventory of own production	-	-	-
II.3.	Capitalisation	-	-	-
A.+B.	Production consumption and cost of goods sold	30,405	30,873	27,879
+	<b>Added value</b>	<b>61,838</b>	<b>56,500</b>	<b>59,279</b>
C.	Personnel expenses	18,226	16,193	15,659
E.	Depreciation of tangible and intangible fixed assets	5,919	6,027	2,786
IV.+V.	Release of provisions, adjustments and accruals to operating revenues	-	-	-
G.+H.	Addition to provisions, adjustments and accruals to operating expenses	1,037	19,737	-
III.+VI.+VII.	Other operating revenues	3,948	4,425	877
D.+F.+I.+J.	Other operating expenses	1,681	25	372
*	<b>Operating profit (loss)</b>	<b>38,923</b>	<b>18,943</b>	<b>41,339</b>
XI.+XII.	Provisions and adjustments to financial revenues	-	-	-
L.+M.	Provisions and adjustments to financial expenses	342	2,646	-
VIII.+IX.+X. +XIII.+XIV. +XV.	Other financial revenues	2,575	4,314	1,822
K.+N.+O. +P.+R.	Other financial expenses	13,659	13,792	15,796
*	<b>Profit (loss) from financial operations including income tax on ordinary income</b>	<b>(11,426)</b>	<b>(12,124)</b>	<b>(13,974)</b>
**	<b>Ordinary profit (loss)</b>	<b>27,497</b>	<b>6,819</b>	<b>27,365</b>
XVI.	Extraordinary revenues	730	10	47
S.+T.	Extraordinary expenses	-	13	-
*	<b>Extraordinary income</b>	<b>730</b>	<b>(3)</b>	<b>47</b>
***	<b>Profit (loss) of current accounting period</b>	<b>28,227</b>	<b>6,816</b>	<b>27,412</b>

**Balance Sheet, Abridged**

as at 31 December 2001 (CZK '000)

	2001	2000	1999
<b>TOTAL ASSETS</b>	<b>91,248</b>	<b>113,898</b>	<b>47,825</b>
<b>A. Capital subscriptions receivable</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>B. Fixed assets</b>	<b>77,183</b>	<b>98,281</b>	<b>1,294</b>
B.I. Intangible fixed assets	-	-	-
B.II. Tangible fixed assets	211	739	1,274
B.III. Long-term investments	76,972	97,542	20
B.III.1. of which: shares and ownership interests with controlling influence	75,110	97,500	-
<b>C. Current assets</b>	<b>13,933</b>	<b>15,600</b>	<b>45,822</b>
C.I. Inventory	-	-	-
C.II. Long-term receivables	-	-	-
C.III. Short-term receivables	8,472	12,554	42,440
C.IV. Investments	5,461	3,046	3,382
<b>D. Other assets</b>	<b>132</b>	<b>17</b>	<b>709</b>
	<b>2001</b>	<b>2000</b>	<b>1999</b>
<b>TOTAL LIABILITIES</b>	<b>91,248</b>	<b>113,898</b>	<b>47,825</b>
<b>A. Equity</b>	<b>3,282</b>	<b>5,000</b>	<b>6,208</b>
A.I. Registered capital	2,000	2,000	2,000
of which: capital registered in the Commercial Register	-	-	-
A.II. Capital funds	-	-	-
A.III. Funds created from net profit	217	217	72
A.IV. Profit (loss) of previous years	2,783	2,991	1,288
A.V. Profit (loss) of current period	(1,718)	(208)	2,848
<b>B. Liabilities</b>	<b>85,635</b>	<b>107,502</b>	<b>41,361</b>
B.I. Provisions	-	-	-
B.II. Long-term payables	81,012	96,150	-
B.III. Short-term payables	4,623	11,352	41,361
B.IV. Bank loans and overdrafts	-	-	-
B.IV.1. of which: long term bank loans	-	-	-
<b>C. Other liabilities</b>	<b>2,331</b>	<b>1,396</b>	<b>256</b>

**CM - CREDIT a.s.****Profit and Loss Account, Abridged**

as at 31 December 2001 (CZK '000)

		2001	2000	1999
I.+II.	Production and sales of merchandise	15,604	28,111	26,512
I.+II.1.	of which: revenues from own products, services and merchandise	15,604	28,111	26,512
II.2.	Change in inventory of own production	-	-	-
II.3.	Capitalisation	-	-	-
A.+B.	Production consumption and cost of goods sold	6,563	13,246	14,102
+	<b>Added value</b>	<b>9,041</b>	<b>14,865</b>	<b>12,410</b>
C.	Personnel expenses	7,256	10,401	9,576
E.	Depreciation of tangible and intangible fixed assets	999	544	516
IV.+V.	Release of provisions, adjustments and accruals to operating revenues	262	198	1,386
G.+H.	Addition to provisions, adjustments and accruals to operating expenses	524	1,714	554
III.+VI.+VII.	Other operating revenues	665,481	97,728	6,000
D.+F.+I.+J.	Other operating expenses	664,759	98,167	5,247
*	<b>Operating profit (loss)</b>	<b>1,246</b>	<b>1,965</b>	<b>3,903</b>
XI.+XII.	Provisions and adjustments to financial revenues	-	-	-
L.+M.	Provisions and adjustments to financial expenses	-	-	-
VIII.+IX.+X. +XIII.+XIV. +XV.	Other financial revenues	28,872	30,905	3,318
K.+N.+O. +P.+R.	Other financial expenses	31,862	33,241	3,373
*	<b>Profit (loss) from financial operations including income tax on ordinary income</b>	<b>(2,990)</b>	<b>(2,336)</b>	<b>937</b>
**	<b>Ordinary profit (loss)</b>	<b>(1,744)</b>	<b>(371)</b>	<b>3,848</b>
XVI.	Extraordinary revenues	26	236	-
S.+T.	Extraordinary expenses	-	73	1,000
*	<b>Extraordinary income</b>	<b>26</b>	<b>163</b>	<b>(1,000)</b>
***	<b>Profit (loss) of current accounting period</b>	<b>(1,718)</b>	<b>(208)</b>	<b>2,848</b>

**Balance Sheet, Abridged**

as at 31 December 2001 (CZK '000)

	2001	2000	1999
<b>TOTAL ASSETS</b>	<b>11,288</b>	<b>12,364</b>	<b>42,361</b>
<b>A. Capital subscriptions receivable</b>	-	-	-
<b>B. Fixed assets</b>	<b>10,512</b>	<b>301</b>	<b>14,753</b>
B.I. Intangible fixed assets	-	-	-
B.II. Tangible fixed assets	8	299	588
B.III. Long-term investments	10,504	2	14,165
B.III.1. of which: shares and ownership interests with controlling influence	-	-	-
<b>C. Current assets</b>	<b>776</b>	<b>12,060</b>	<b>27,565</b>
C.I. Inventory	-	-	-
C.II. Long-term receivables	-	-	-
C.III. Short-term receivables	707	293	26,281
C.IV. Investments	69	11,767	1,284
<b>D. Other assets</b>	<b>-</b>	<b>3</b>	<b>43</b>
	<b>2001</b>	<b>2000</b>	<b>1999</b>
<b>TOTAL LIABILITIES</b>	<b>11,288</b>	<b>12,364</b>	<b>42,361</b>
<b>A. Equity</b>	<b>8,109</b>	<b>8,424</b>	<b>1,552</b>
A.I. Registered capital	1,000	1,000	1,000
A.II. Capital funds	-	-	-
A.III. Funds created from net profit	219	219	5
A.IV. Profit (loss) of previous years	7,205	333	(3,716)
A.V. Profit (loss) of current period	(315)	6,872	4,263
<b>B. Liabilities</b>	<b>3,172</b>	<b>3,890</b>	<b>40,505</b>
B.I. Provisions	-	-	-
B.II. Long-term payables	-	-	14,311
B.III. Short-term payables	106	3,890	26,194
B.IV. Bank loans and overdrafts	3,066	-	-
B.IV.1. of which: long term bank loans	-	-	-
<b>C. Other liabilities</b>	<b>7</b>	<b>50</b>	<b>304</b>

**PPF CONSULTING a.s.****Profit and Loss Account, Abridged**

as at 31 December 2001 (CZK '000)

	2001	2000	1999
I.II. Production and sales of merchandise	1,745	4,897	4,999
I.II.1. of which: revenues from own products, services and merchandise	1,745	4,897	4,999
II.2. Change in inventory of own production	-	-	-
II.3. Capitalisation	-	-	-
A.+B. Production consumption and cost of goods sold	917	2,286	988
<b>+ Added value</b>	<b>828</b>	<b>2,611</b>	<b>4,011</b>
C. Personnel expenses	861	1,072	2,445
E. Depreciation of tangible and intangible fixed assets	141	138	144
IV.+V. Release of provisions, adjustments and accruals to operating revenues	-	-	-
G.+H. Addition to provisions, adjustments and accruals to operating expenses	-	-	-
III.+VI.+VII. Other operating revenues	227	26,693	10
D.+F.+I.+J. Other operating expenses	185	26,664	29
<b>* Operating profit (loss)</b>	<b>(132)</b>	<b>1,430</b>	<b>1,403</b>
XI.+XII. Provisions and adjustments to financial revenues	-	48	3,850
L.+M. Provisions and adjustments to financial expenses	232	-	-
VIII.+IX.+X. +XI.+XIV. +XV. Other financial revenues	177	1,064,458	5,171
K.+N.+O. +P.+R. Other financial expenses	134	1,059,064	6,161
<b>* Profit (loss) from financial operations including income tax on ordinary income</b>	<b>(189)</b>	<b>5,442</b>	<b>3,048</b>
<b>** Ordinary profit (loss)</b>	<b>(321)</b>	<b>6,872</b>	<b>4,263</b>
XVI. Extraordinary revenues	6	-	-
S.+T. Extraordinary expenses	-	-	-
<b>* Extraordinary income</b>	<b>6</b>	<b>-</b>	<b>-</b>
<b>*** Profit (loss) of current accounting period</b>	<b>(315)</b>	<b>6,872</b>	<b>4,263</b>

**Balance Sheet, Abridged**

as at 31 December 2001 (CZK '000)

	2001	2000	1999
<b>TOTAL ASSETS</b>	<b>108,625,719</b>	<b>97,815,639</b>	<b>96,198,482</b>
1. Intangible assets	155,947	254,151	347,401
2. Financial placements (investments)	93,027,435	83,074,708	80,935,163
3. Receivables	7,774,518	9,658,124	5,658,130
4. Other assets	5,486,975	2,838,002	5,721,673
5. Temporary asset accounts	2,180,844	1,990,654	3,536,115
6. Unsettled past losses	-	-	-
7. Current period loss	-	-	-
	<b>2001</b>	<b>2000</b>	<b>1999</b>
<b>TOTAL LIABILITIES</b>	<b>108,625,719</b>	<b>97,815,639</b>	<b>96,198,482</b>
1. Share capital and funds	5,658,802	3,769,796	3,715,962
– of which, e.g.: share capital	3,412,391	3,412,391	3,412,391
2. Technical provisions	81,054,934	75,163,143	80,542,130
3. Provisions for other risks and losses	806,164	699,062	432,745
4. Liabilities from deposits received	3,987	4,660	8,455
5. Payables	12,776,492	9,567,309	7,610,019
6. Temporary liability accounts	2,875,856	2,055,502	1,594,718
7. Retained earnings	1,269,297	2,241,572	1,236,820
8. Current period earnings	4,180,187	4,314,595	1,057,633

## Profit and Loss Account, Abridged

as at 31 December 2001 (CZK '000)

	2001	2000	1999
<b>I. Technical account for non-life insurance</b>			
1. Gross premiums written	19,025,738	17,532,775	24,551,366
2. Earned premiums, net	17,228,916	16,430,307	23,118,495
3. Other technical income, net	1,084,101	262,050	345,790
4. Claims incurred	9,382,490	9,248,094	15,633,525
5. Claims incurred, net	10,450,866	10,568,603	15,668,713
6. Change in other technical provisions, net	711,252	586,911	517,151
7. Bonuses and rebates, net	162,824	19,021	20,540
8. Net operating expenses	4,976,032	4,671,443	3,798,927
9. Other technical expenses, net	1,437,304	908,420	996,351
10. Change in the equalisation provision	523,907	14,404	600,000
11. Result for the technical account – non-life insurance	50,832	(76,445)	1,862,603
<b>II. Technical account for life assurance</b>			
1. Gross premiums written	12,009,548	9,377,556	8,525,269
2. Earned premiums, net	11,973,039	9,034,380	8,520,473
3. Income from financial placements	68,709,741	53,995,445	48,405,780
4. Unrealised gains in value of financial placements	–	–	–
5. Other technical income	–	–	175
6. Claims paid	9,242,956	7,387,353	8,286,740
7. Claims incurred, net	9,373,569	6,784,169	7,357,694
8. Change in other technical provisions	2,829,405	3,284,800	2,200,055
9. Bonuses and rebates, net	–	–	–
10. Net operating expenses	2,164,653	1,806,904	2,082,358
11. Expenses connected with financial placements, total	62,350,795	51,007,088	43,411,626
12. Unrealised losses on financial placements	–	–	–
13. Other technical expenses, net	28,412	23,505	18,500
14. Transfer of income from financial placements to the non-technical account	–	–	–
15. Result of the technical account – life assurance	3,935,946	123,359	1,856,195
<b>III. Non-technical account</b>			
1. Result of the technical account – non-life insurance	50,832	(76,445)	1,862,603
2. Result of the technical account – life assurance	3,935,946	123,359	1,856,195
3. Income from financial placements, total	25,825,049	8,855,870	19,983,688
4. Income from financial placements transferred to the technical account for life assurance	–	–	–
5. Expenses connected with financial placements, total	24,869,865	7,195,827	24,024,517
6. Income from financial placements transferred to the technical account for non-life insurance	–	–	–
7. Other income	2,579,236	1,257,656	3,981,137
8. Other expenses	2,106,790	1,535,594	1,465,744
9. Income tax on ordinary activities	1,256,866	(2,719,524)	1,129,103
10. Earnings after tax	4,157,542	4,148,543	1,064,259
11. Extraordinary income	54,519	199,920	16,453
12. Extraordinary expenses	12,452	15,326	11,219
13. Extraordinary earnings	42,067	184,594	5,234
14. Income tax on extraordinary activities	–	–	–
15. Other taxes and fees	19,422	18,542	11,860
16. Result for the accounting period	4,180,187	4,314,595	1,057,633



**Home Credit a.s.****Profit and Loss Account, Abridged**

as at 31 December 2001 (CZK '000)

		2001	2000	1999
I.+II.	Production and sales of merchandise	374,730	853,950	624,937
I.+II.1.	of which: revenues from own products, services and merchandise	374,730	853,950	624,937
II.2.	Change in inventory of own production	-	-	-
II.3.	Capitalisation	-	-	-
A.+B.	Production consumption and cost of goods sold	26,160	68,861	78,454
+	<b>Added value</b>	<b>348,570</b>	<b>785,089</b>	<b>546,483</b>
C.	Personnel expenses	25,068	34,990	28,146
E.	Depreciation of tangible and intangible fixed assets	256,421	656,917	497,882
IV.+V.	Release of provisions, adjustments and accruals to operating revenues	-	-	8,327
G.+H.	Addition to provisions, adjustments and accruals to operating expenses	6,278	58,243	48,280
III.+VI.+VII.	Other operating revenues	24,088	44,111	38,763
D.+F.+I.+J.	Other operating expenses	32,276	45,304	26,853
*	<b>Operating profit (loss)</b>	<b>52,615</b>	<b>33,746</b>	<b>(7,588)</b>
XI.+XII.	Provisions and adjustments to financial revenues	-	-	-
L.+M.	Provisions and adjustments to financial expenses	783	252	-
VIII.+IX.+X. +XIII.+XIV. +XV.	Other financial revenues	51,459	15,068	19,505
K.+N.+O. +P.+R.	Other financial expenses	101,212	40,215	56,913
*	<b>Profit (loss) from financial operations including income tax on ordinary income</b>	<b>(50,536)</b>	<b>(25,399)</b>	<b>(37,408)</b>
**	<b>Ordinary profit (loss)</b>	<b>2,079</b>	<b>8,347</b>	<b>(44,996)</b>
XVI.	Extraordinary revenues	2,376	1,787	657
S.+T.	Extraordinary expenses	250	13	74
*	<b>Extraordinary income</b>	<b>2,126</b>	<b>1,774</b>	<b>583</b>
***	<b>Profit (loss) of current accounting period</b>	<b>4,205</b>	<b>10,121</b>	<b>(44,413)</b>

**Balance Sheet, Abridged**

as at 31 December 2001 (CZK '000)

	2001	2000	1999
<b>TOTAL ASSETS</b>	<b>4,536,160</b>	<b>1,595,748</b>	<b>238,555</b>
<b>A. Capital subscriptions receivable</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>B. Fixed assets</b>	<b>61,678</b>	<b>17,169</b>	<b>114,105</b>
B.I. Intangible fixed assets	28,266	10,424	4,758
B.II. Tangible fixed assets	25,476	6,745	5,831
B.III. Long-term investments	7,936	-	103,516
B.III.1. of which: shares and ownership interests with controlling influence	-	-	-
<b>C. Current assets</b>	<b>4,413,391</b>	<b>1,551,579</b>	<b>107,364</b>
C.I. Inventory	2,823	1,444	193
C.II. Long-term receivables	-	-	-
C.III. Short-term receivables	4,064,744	1,259,405	105,774
C.IV. Investments	345,824	290,730	1,397
<b>D. Other assets</b>	<b>61,091</b>	<b>27,000</b>	<b>17,086</b>
	<b>2001</b>	<b>2000</b>	<b>1999</b>
<b>TOTAL LIABILITIES</b>	<b>4,536,160</b>	<b>1,595,748</b>	<b>238,555</b>
<b>A. Equity</b>	<b>172,564</b>	<b>159,751</b>	<b>(30,202)</b>
A.I. Registered capital	250,000	250,000	12,000
of which: capital registered in the Commercial Register	250,000	250,000	12,000
A.II. Capital funds	-	-	-
A.III. Funds created from net profit	-	-	-
A.IV. Profit (loss) of previous years	(90,249)	(42,202)	(5,709)
A.V. Profit (loss) of current period	12,813	(48,047)	(36,493)
<b>B. Liabilities</b>	<b>4,249,316</b>	<b>1,417,202</b>	<b>264,547</b>
B.I. Provisions	640	-	-
B.II. Long-term payables	3,435,230	728,449	1,897
B.III. Short-term payables	813,446	688,753	262,650
B.IV. Bank loans and overdrafts	-	-	-
B.IV.1. of which: long term bank loans	-	-	-
<b>C. Other liabilities</b>	<b>114,280</b>	<b>18,795</b>	<b>4,210</b>

**Home Credit Finance a.s.****Profit and Loss Account, Abridged**

as at 31 December 2001 (CZK '000)

		2001	2000	1999
I.+II.	Production and sales of merchandise	13,423	13,729	5,153
I.+II.1.	of which: revenues from own products, services and merchandise	13,423	13,729	5,153
II.2.	Change in inventory of own production	-	-	-
II.3.	Capitalisation	-	-	-
A.+B.	Production consumption and cost of goods sold	202,705	76,392	27,463
+	<b>Added value</b>	<b>(189,282)</b>	<b>(62,663)</b>	<b>(22,310)</b>
C.	Personnel expenses	53,709	31,763	14,679
E.	Depreciation of tangible and intangible fixed assets	18,725	7,383	4,150
IV.+V.	Release of provisions, adjustments and accruals to operating revenues	-	-	-
G.+H.	Addition to provisions, adjustments and accruals to operating expenses	217,350	69,301	9,491
III.+VI.+VII.	Other operating revenues	17,482	683	50
D.+F.+I.+J.	Other operating expenses	23,748	13,903	27
*	<b>Operating profit (loss)</b>	<b>(485,332)</b>	<b>(184,330)</b>	<b>(50,607)</b>
XI.+XII.	Provisions and adjustments to financial revenues	-	-	-
L.+M.	Provisions and adjustments to financial expenses	640	-	-
VIII.+IX.+X. +XIII.+XIV. +XV.	Other financial revenues	2,644,809	173,099	22,608
K.+N.+O. +P.+R.	Other financial expenses	2,146,508	37,648	8,531
*	<b>Profit (loss) from financial operations including income tax on ordinary income</b>	<b>497,661</b>	<b>135,451</b>	<b>14,077</b>
**	<b>Ordinary profit (loss)</b>	<b>12,329</b>	<b>(48,879)</b>	<b>(36,530)</b>
XVI.	Extraordinary revenues	566	886	61
S.+T.	Extraordinary expenses	82	54	24
*	<b>Extraordinary income</b>	<b>484</b>	<b>832</b>	<b>37</b>
***	<b>Profit (loss) of current accounting period</b>	<b>12,813</b>	<b>(48,047)</b>	<b>(36,493)</b>

**Balance Sheet, Abridged**

as at 31 December 2001 (SKK '000)

	2001	2000	1999
<b>TOTAL ASSETS</b>	<b>1,636,102</b>	<b>917,062</b>	<b>81,606</b>
<b>A. Capital subscriptions receivable</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>B. Fixed assets</b>	<b>20,518</b>	<b>10,390</b>	<b>5,988</b>
B.I. Intangible fixed assets	2,397	1,192	1,261
B.II. Tangible fixed assets	17,121	8,198	4,727
B.III. Long-term investments	1,000	1,000	-
B.III.1. of which: shares and ownership interests with controlling influence	1,000	1,000	-
<b>C. Current assets</b>	<b>1,572,572</b>	<b>855,262</b>	<b>67,329</b>
C.I. Inventory	200	29	674
C.II. Long-term receivables	662,825	278,147	15,509
C.III. Short-term receivables	663,341	484,051	28,307
C.IV. Investments	246,206	93,035	22,839
<b>D. Other assets</b>	<b>43,012</b>	<b>51,410</b>	<b>8,289</b>
	<b>2001</b>	<b>2000</b>	<b>1999</b>
<b>TOTAL LIABILITIES</b>	<b>1,636,102</b>	<b>917,062</b>	<b>81,606</b>
<b>A. Equity</b>	<b>(29,407)</b>	<b>(36,878)</b>	<b>(7,185)</b>
A.I. Registered capital	16,000	16,000	1,000
of which: capital registered in the Commercial Register	16,000	16,000	1,000
A.II. Capital funds	-	-	-
A.III. Funds created from net profit	-	-	-
A.IV. Profit (loss) of previous years	(52,878)	(8,185)	-
A.V. Profit (loss) of current period	7,471	(44,693)	(8,185)
<b>B. Liabilities</b>	<b>1,657,205</b>	<b>950,493</b>	<b>87,956</b>
B.I. Provisions	-	36,727	-
B.II. Long-term payables	1,362,702	899,099	79,800
B.III. Short-term payables	114,261	14,667	8,156
B.IV. Bank loans and overdrafts	180,242	-	-
B.IV.1. of which: long term bank loans	90,000	-	-
<b>C. Other liabilities</b>	<b>8,304</b>	<b>3,447</b>	<b>835</b>

**Home Credit Slovakia, a.s.****Profit and Loss Account, Abridged**

as at 31 December 2001 (SKK '000)

		2001	2000	1999
I.+II.	Production and sales of merchandise	338,171	112,679	213
I.+II.1.	of which: revenues from own products, services and merchandise	338,171	112,679	213
II.2.	Change in inventory of own production	-	-	-
II.3.	Capitalisation	-	-	-
A.+B.	Production consumption and cost of goods sold	113,223	47,314	3,097
+	<b>Added value</b>	<b>224,948</b>	<b>65,365</b>	<b>(2,884)</b>
C.	Personnel expenses	39,594	21,684	1,375
E.	Depreciation of tangible and intangible fixed assets	12,528	7,478	3,396
IV.+V.	Release of provisions, adjustments and accruals to operating revenues	9,065	-	-
G.+H.	Addition to provisions, adjustments and accruals to operating expenses	53,822	9,065	-
III.+VI.+VII.	Other operating revenues	1,578	145	-
D.+F.+I.+J.	Other operating expenses	1,772	289	16
*	<b>Operating profit (loss)</b>	<b>127,875</b>	<b>26 994</b>	<b>(7,671)</b>
XI.+XII.	Provisions and adjustments to financial revenues	36,727	-	-
L.+M.	Provisions and adjustments to financial expenses	-	36,727	-
VIII.+IX.+X. +XIII.+XIV. +XV.	Other financial revenues	8,811	3,228	273
K.+N.+O. +P.+R.	Other financial expenses	165,977	38,291	787
*	<b>Profit (loss) from financial operations including income tax on ordinary income</b>	<b>(120,439)</b>	<b>(71,790)</b>	<b>(514)</b>
**	<b>Ordinary profit (loss)</b>	<b>7,436</b>	<b>(44,796)</b>	<b>(8,185)</b>
XVI.	Extraordinary revenues	330	512	-
S.+T.	Extraordinary expenses	295	409	-
*	<b>Extraordinary income</b>	<b>35</b>	<b>103</b>	<b>-</b>
***	<b>Profit (loss) of current accounting period</b>	<b>7,471</b>	<b>(44,693)</b>	<b>(8,185)</b>

**Balance Sheet, Abridged**

as at 31 December 2001 (CZK '000)

	2001	2000	1999
<b>TOTAL ASSETS</b>	<b>10,239,525</b>	<b>5,860,079</b>	<b>2,564,682</b>
1. Cash in hand, balances with central banks and post office banks	410,223	123,624	54,879
2. State treasury bills and other bills eligible for refinancing with the ČNB	4,107,028	2,074,802	464,731
3. Receivables from banks	3,715,337	2,977,404	1,499,292
4. Receivables from customers	754,073	117,576	26,795
5. Bonds and other fixed income securities for trading	124,050	155,528	30,733
6. Shares and other variable income securities for trading	-	-	20
7. Participation interests with substantial influence	-	-	-
8. Participation interests with controlling influence	-	-	-
9. Other financial investments	7,590	7,761	7,840
10. Intangible fixed assets	160,341	138,148	123,629
11. Tangible fixed assets	310,853	192,351	307,285
12. Own shares	-	-	-
13. Other assets	247,820	61,446	32,141
14. Shareholder receivables from capital subscribed but not paid	364,046	-	-
15. Prepayments and accrued income	38,164	11,439	17,337
	<b>2001</b>	<b>2000</b>	<b>1999</b>
<b>TOTAL LIABILITIES</b>	<b>10,239,525</b>	<b>5,860,079</b>	<b>2,564,682</b>
1. Liabilities due to banks	2,730,492	2,284,060	471,177
2. Liabilities due to customers	6,230,978	2,727,930	1,419,981
3. Certificates of deposit and similar debentures	-	-	-
4. Deferred income and accrued expenses	15,867	11,887	11,472
5. Provisions	27,808	442,868	403,002
6. Subordinated liabilities	-	-	-
7. Other liabilities	75,394	81,925	58,132
8. Registered capital	1,042,302	520,151	500,000
9. Share premium	110,258	200	77,495
10. Reserve funds	-	-	63,912
11. Capital funds and other funds from profit	-	-	3,494
12. Retained earnings (losses) from previous periods	-	-	(201,148)
13. Profit (loss) for the accounting period	6,426	(208,942)	(242,835)

**Profit and Loss Account, Abridged**

as at 31 December 2001 (CZK '000)

	2001	2000	1999
1. Interest income and similar income	460,620	123,310	293,080
2. Interest expense and similar expense	(310,217)	(35,138)	(281,477)
<b>Net interest income</b>	<b>150,403</b>	<b>88,172</b>	<b>11,603</b>
3. Income from variable yield securities	-	162	-
4. Commission and fee income	225,352	120,490	47,607
5. Commission and fee expense	(66,358)	(29,567)	(14,551)
6. Net profit (loss) from financial operations	30,350	19,853	-
7. Other income	154,145	11,307	6,188
8. General operating expenses	(637,240)	(346,843)	(309,245)
9. Creation of provisions and adjustments to tangible and intangible fixed assets	-	-	-
10. Use of provisions and adjustments to tangible and intangible fixed assets	-	-	-
11. Other expenses	(452,924)	(15,218)	(4,842)
<b>Net operating income before adjustments and reserves for loans and investments</b>	<b>(596,272)</b>	<b>(151,644)</b>	<b>(263,240)</b>
12. Creation of adjustments to and provisions for loans and guarantees	(24,110)	(54,699)	(47,777)
13. Use of adjustments to and provisions for loans and guarantees	490,349	2,816	6,959
14. Creation of adjustments to and provisions for participation interests and other investments	-	(108)	(51)
15. Use of adjustments to and provisions for participation interests and other investments	-	-	-
16. Creation of other provisions and adjustments	(11,367)	(6,204)	(920)
17. Use of other provisions and adjustments	7,295	904	59,810
<b>Profit (loss) on ordinary activities before tax</b>	<b>(134,105)</b>	<b>(208,935)</b>	<b>(245,219)</b>
18. Income tax on ordinary profit	141,990	-	5,479
<b>Ordinary profit (loss) for the accounting period after tax</b>	<b>7,885</b>	<b>(208,935)</b>	<b>(239,740)</b>
20. Extraordinary income	1,485	1,641	545
21. Extraordinary expenses	(2,944)	(1,648)	(3,640)
<b>Extraordinary profit (loss)</b>	<b>(1,459)</b>	<b>(7)</b>	<b>(3,095)</b>
22. Income tax on extraordinary profit	-	-	-
23. Extraordinary profit (loss) after tax	(1,459)	(7)	(3,095)
24. Profit (loss) for the accounting period	6,426	(208,942)	(242,835)

**Balance Sheet, Abridged**

as at 31 December 2001 (CZK '000)

	2001	2000	1999
<b>TOTAL ASSETS</b>	<b>5,746,557</b>	<b>4,344,780</b>	<b>3,305,254</b>
1. <b>Fixed assets</b>	<b>4,869,909</b>	<b>2,798,806</b>	<b>2,289,908</b>
2. Intangible investments assets	3,518	7,376	9,596
3. Tangible investments assets	13,918	22,076	17,112
4. Investments (shares and unit certificates, bonds)	4,852,473	2,769,354	2,263,200
5. <b>Current assets</b>	<b>656,760</b>	<b>1,401,777</b>	<b>950,483</b>
6. Inventory	1,436	948	462
7. Long-term receivables	5,268	6,133	5,815
8. Short-term receivables	124,790	106,820	112,957
9. Financial assets	525,266	1,287,876	831,249
10. <b>Other assets</b>	<b>219,888</b>	<b>144,197</b>	<b>64,863</b>

	2001	2000	1999
<b>TOTAL LIABILITIES</b>	<b>5,746,557</b>	<b>4,344,780</b>	<b>3,305,254</b>
1. <b>Equity</b>	<b>5,703,081</b>	<b>4,262,644</b>	<b>3,212,496</b>
2. Registered capital	110,000	110,000	110,000
3. Capital funds	5,018,032	3,687,354	2,699,585
4. Funds created from net profit	342,182	266,077	197,752
5. Statutory reserve fund	27,101	19,420	10,034
6. Retained earnings from previous periods	26,172	26,172	7,400
7. Profit of current period	179,594	153,621	187,725
8. <b>Liabilities</b>	<b>43,471</b>	<b>76,381</b>	<b>78,119</b>
9. Long-term payables	43,471	76,381	78,119
10. <b>Other liabilities</b>	<b>5</b>	<b>5,755</b>	<b>14,639</b>

**Penzijní fond České pojišťovny, a.s.****Profit and Loss Account, Abridged**

as at 31 December 2001 (CZK '000)

	2001	2000	1999
1. Production and sales of merchandise	669	432	359
2. Production consumption and cost of goods sold	92,817	63,999	70,341
<b>Added value</b>	<b>(92,148)</b>	<b>(63,567)</b>	<b>(69,982)</b>
3. Personnel expenses	43,365	34,498	34,953
4. Depreciation of tangible and intangible fixed assets	13,988	11,955	10,170
5. Accounting for provisions to financial revenues	3,301	11,870	-
6. Additions to provisions and accounting accruals to operating expenses	3,708	26,992	11,870
7. Other operating revenues	91	122,699	156
8. Other operating expenses	1,041	105,801	44
9. Operating profit (loss)	(150,858)	(108,244)	(126,863)
10. Accounting for provisions to financial revenues	-	26,992	-
11. Additions to reserves and accounting accruals to financial expenses	-	-	2,525
12. Other financial revenues	24,598,740	25,859,367	5,493,759
13. Other financial expenses	24,269,161	25,631,464	5,173,881
<b>Profit (loss) from financial operations</b>	<b>329,579</b>	<b>254,895</b>	<b>317,353</b>
<b>Ordinary profit (loss)</b>	<b>178,721</b>	<b>146,651</b>	<b>190,490</b>
14. Extraordinary revenues	1,166	7,433	276
15. Extraordinary expenses	293	463	3,041
<b>Extraordinary income</b>	<b>873</b>	<b>6,970</b>	<b>(2,765)</b>
<b>Profit (loss) of current accounting period</b>	<b>179,594</b>	<b>153,621</b>	<b>187,725</b>

**Balance Sheet, Abridged**

as at 31 December 2001 (CZK '000)

	2001	2000	1999
<b>TOTAL ASSETS</b>	<b>175,046</b>	<b>183,280</b>	<b>182,072</b>
<b>A. Capital subscriptions receivable</b>	-	-	-
<b>B. Fixed assets</b>	<b>70,364</b>	<b>112,298</b>	<b>73,570</b>
B.I. Intangible fixed assets	2,120	321	605
B.II. Tangible fixed assets	47,931	50,545	52,993
B.III. Long-term investments	20,313	61,432	19,972
B.III.1. of which: shares and ownership interests with controlling influence	1,300	1,300	-
<b>C. Current assets</b>	<b>102,217</b>	<b>69,603</b>	<b>107,635</b>
C.I. Inventory	-	-	-
C.II. Long-term receivables	15	9	7
C.III. Short-term receivables	4,209	1,282	7,075
C.IV. Investments	97,993	68,312	100,553
<b>D. Other assets</b>	<b>2,465</b>	<b>1,379</b>	<b>1,497</b>

	2001	2000	1999
<b>TOTAL LIABILITIES</b>	<b>175,046</b>	<b>183,280</b>	<b>182,702</b>
<b>A. Equity</b>	<b>158,938</b>	<b>175,885</b>	<b>175,742</b>
A.I. Registered capital	91,000	91,000	91,000
of which: capital registered in the Commercial Register	-	-	-
A.II. Capital funds	10,006	10,006	10,000
A.III. Funds created from net profit	34,489	34,584	34,650
A.IV. Profit (loss) of previous years	40,295	40,092	170,235
A.V. Profit (loss) of current period	(16,852)	203	(130,143)
<b>B. Liabilities</b>	<b>15,063</b>	<b>6,472</b>	<b>5,805</b>
B.I. Provisions	-	-	-
B.II. Long-term payables	-	-	-
B.III. Short-term payables	15,063	6,472	5,805
B.IV. Bank loans and overdrafts	-	-	-
B.IV.1. of which: long term bank loans	-	-	-
<b>C. Other liabilities</b>	<b>1,045</b>	<b>923</b>	<b>1,155</b>

**ČP INVEST investiční společnost, a.s.****Profit and Loss Account, Abridged**

as at 31 December 2001 (CZK '000)

		2001	2000	1999
I.+II.	Production and sales of merchandise	19,283	19,574	18,973
I.+II.1.	of which: revenues from own products, services and merchandise	19,283	19,574	18,973
II.2.	Change in inventory of own production	-	-	-
II.3.	Capitalisation	-	-	-
A.+B.	Production consumption and cost of goods sold	21,467	12,933	13,188
+	<b>Added value</b>	<b>(2,184)</b>	<b>6,641</b>	<b>5,835</b>
C.	Personnel expenses	12,790	8,044	10,649
E.	Depreciation of tangible and intangible fixed assets	4,884	2,975	3,810
IV.+V.	Release of provisions, adjustments and accruals to operating revenues	15,569	64	3,390
G.+H.	Addition to provisions, adjustments and accruals to operating expenses	6,157	-	52,637
III.+VI.+VII.	Other operating revenues	7,096	83	24,138
D.+F.+I.+J.	Other operating expenses	15,646	179	61,551
*	<b>Operating profit (loss)</b>	<b>(18,996)</b>	<b>(4,410)</b>	<b>(95,284)</b>
XI.+XII.	Provisions and adjustments to financial revenues	35,924	385,677	184,977
L.+M.	Provisions and adjustments to financial expenses	4,220	385,966	204,822
VIII.+IX.+X. +XIII.+XIV. +XV.	Other financial revenues	273,530	1,065,134	683,763
K.+N.+O. +P.+R.	Other financial expenses	303,270	1,060,142	698,241
*	<b>Profit (loss) from financial operations including income tax on ordinary income</b>	<b>3,288</b>	<b>5,654</b>	<b>(33,721)</b>
**	<b>Ordinary profit (loss)</b>	<b>(17,032)</b>	<b>293</b>	<b>(129,984)</b>
XVI.	Extraordinary revenues	180	72	108
S.+T.	Extraordinary expenses	-	162	267
*	<b>Extraordinary income</b>	<b>180</b>	<b>(90)</b>	<b>(159)</b>
***	<b>Profit (loss) of current accounting period</b>	<b>(16,852)</b>	<b>203</b>	<b>(130,143)</b>

**Balance Sheet, Abridged**

as at 31 December 2001 (CZK '000)

	2001	2000	1999
<b>TOTAL ASSETS</b>	<b>6,727,396</b>	<b>4,066,344</b>	<b>1,998,042</b>
<b>A. Capital subscriptions receivable</b>	<b>100,000</b>	<b>-</b>	<b>-</b>
<b>B. Fixed assets</b>	<b>6,000,166</b>	<b>3,751,569</b>	<b>1,778,196</b>
B.I. Intangible fixed assets	12,568	11,131	6,091
B.II. Tangible fixed assets	5,980,991	3,736,765	1,768,255
B.III. Long-term investments	6,607	3,673	3,850
B.III.1. of which: shares and ownership interests with controlling influence	1,000	1,000	100
<b>C. Current assets</b>	<b>412,345</b>	<b>229,447</b>	<b>195,204</b>
C.I. Inventory	-	-	-
C.II. Long-term receivables	-	-	-
C.III. Short-term receivables	351,038	202,819	174,725
C.IV. Investments	61,307	26,628	20,479
<b>D. Other assets</b>	<b>214,885</b>	<b>85,328</b>	<b>24,642</b>

	2001	2000	1999
<b>TOTAL LIABILITIES</b>	<b>6,727,396</b>	<b>4,066,344</b>	<b>1,998,042</b>
<b>A. Equity</b>	<b>165,612</b>	<b>62,519</b>	<b>97,450</b>
A.I. Registered capital	200,000	200,000	200,000
of which: capital registered in the Commercial Register	200,000	200,000	200,000
A.II. Capital funds	100,000	-	-
A.III. Funds created from net profit	-	-	-
A.IV. Profit (loss) of previous years	(137,481)	(102,550)	(41,229)
A.V. Profit (loss) of current period	3,093	(34,931)	(61,321)
<b>B. Liabilities</b>	<b>5,781,862</b>	<b>3,519,102</b>	<b>1,681,137</b>
B.I. Provisions	3,406	1,344	-
B.II. Long-term payables	3,059,737	1,553,275	348,230
B.III. Short-term payables	1,832,815	1,035,730	642,229
B.IV. Bank loans and overdrafts	885,904	928,753	690,678
B.IV.1. of which: long term bank loans	462,776	418,608	427,558
<b>C. Other liabilities</b>	<b>779,922</b>	<b>484,723</b>	<b>219,455</b>

**ČP Leasing a.s.****Profit and Loss Account, Abridged**

as at 31 December 2001 (CZK '000)

		2001	2000	1999
I.+II.	Production and sales of merchandise	2,616,886	1,204,839	414,722
I.+II.1.	of which: revenues from own products, services and merchandise	2,616,886	1,204,839	414,722
II.2.	Change in inventory of own production	-	-	-
II.3.	Capitalisation	-	-	-
A.+B.	Production consumption and cost of goods sold	164,661	95,261	58,856
+	<b>Added value</b>	<b>2,452,225</b>	<b>1,109,578</b>	<b>355,866</b>
C.	Personnel expenses	60,483	53,694	34,657
E.	Depreciation of tangible and intangible fixed assets	1,824,734	842,180	292,892
IV.+V.	Release of provisions, adjustments and accruals to operating revenues	111,026	31,799	-
G.+H.	Addition to provisions, adjustments and accruals to operating expenses	240,709	101,773	52,310
III.+VI.+VII.	Other operating revenues	317,563	234,847	24,861
D.+F.+I.+J.	Other operating expenses	289,963	208,338	22,251
*	<b>Operating profit (loss)</b>	<b>464,925</b>	<b>170,239</b>	<b>(21,383)</b>
XI.+XII.	Provisions and adjustments to financial revenues	-	-	-
L.+M.	Provisions and adjustments to financial expenses	64	39	-
VIII.+IX.+X. +XIII.+XIV. +XV.	Other financial revenues	36,890	20,082	17,559
K.+N.+O. +P.+R.	Other financial expenses	533,131	261,885	107,947
*	<b>Profit (loss) from financial operations including income tax on ordinary income</b>	<b>(496,305)</b>	<b>(241,842)</b>	<b>(90,388)</b>
**	<b>Ordinary profit (loss)</b>	<b>(31,380)</b>	<b>(71,602)</b>	<b>(111,771)</b>
XVI.	Extraordinary revenues	69,688	57,168	54,452
S.+T.	Extraordinary expenses	35,215	20,497	4,002
*	<b>Extraordinary income</b>	<b>34,473</b>	<b>36,671</b>	<b>50,450</b>
***	<b>Profit (loss) of current accounting period</b>	<b>3,093</b>	<b>(34,931)</b>	<b>(61,321)</b>

**Balance Sheet, Abridged**

as at 31 December 2001 (CZK '000)

	2001	2000	1999
<b>TOTAL ASSETS</b>	<b>1,348,796</b>	<b>903,052</b>	<b>848,839</b>
1. Intangible assets	7,892	8,637	3,596
2. Investments	788,357	509,766	430,302
3. Land and buildings	59,553	62,813	52,685
4. Other investments	724,831	446,953	377,617
5. Short-term	589,847	387,881	268,545
6. Long-term	134,984	59,072	109,072
7. Inwards reinsurance deposits	-	-	-
8. Receivables	374,339	261,417	287,075
9. Short-term	340,359	227,437	253,095
10. Long-term	33,980	33,980	33,980
11. Other assets	41,355	37,658	65,134
12. Tangible fixed assets	23,744	20,921	23,603
13. Assets in process	362	960	10,623
14. Inventory	3,745	2,676	2,716
15. Cash, cash equivalents and other financial assets	13,504	13,101	28,192
16. Accruals and deferrals	136,853	73,661	62,732
17. Unsettled past losses	-	-	-
18. Current period loss	-	11,913	-

	2001	2000	1999
<b>TOTAL LIABILITIES</b>	<b>1,348,796</b>	<b>903,052</b>	<b>848,839</b>
1. Share capital and funds	452,295	252,295	212,249
2. Provisions	485,217	460,357	476,918
3. Provision to cover obligations from investments in name of insureds	3,973	-	-
4. Provision for other risks and losses	3,377	3,924	3,924
5. Subordinated debt	-	-	-
6. Payables	437,563	152,221	107,660
7. Short-term	403,583	118,241	73,680
8. Long-term	33,980	33,980	33,980
9. Accruals and deferrals	27,015	14,982	28,769
10. Retained earnings	6,860	19,273	18,399
11. Current period earnings	(67,504)	-	920

**Profit and Loss Account, Abridged**

as at 31 December 2001 (CZK '000)

	2001	2000	1999
<b>I. Technical account – non-life insurance</b>			
1. Premiums written, net	526,017	573,487	478,216
2. Income from financial placements transferred from non-technical account	17,047	29,317	37,907
3. Other technical income	4,160	150	6,638
4. Claims incurred, net	305,136	347,435	326,337
5. Change in other insurance company provisions	–	–	–
6. Bonuses and rebates	–	–	–
7. Operating expenses, net	266,048	224,083	188,409
8. Other technical expenses	46,199	26,287	9,382
9. Change in equalisation provision	–	–	(35,662)
10. Result of technical account – non-life insurance	(70,159)	5,149	34,295
<b>II. Technical account – life assurance</b>			
1. Premiums written, net	71,830	35,143	19,840
2. Income from investments	5,683	3,249	182
3. Unrealized gains in value of financial investments held in name of insureds	–	–	–
4. Other technical income	–	–	–
5. Claims incurred, net	9,384	11,824	3,664
6. Change in other insurance company provisions	(41,002)	15,182	11,999
7. Bonuses and rebates	–	–	–
8. Operating expenses, net	33,308	21,829	20,418
9. Costs of investments	–	–	–
10. Unrealized diminutions in value of investments held in name of insureds	–	–	–
11. Other technical expenses	–	450	66
12. Income from investments transferred to non-technical account	–	–	–
13. Result of technical account – life assurance	(6,181)	(10,893)	(16,125)
<b>III. Non-technical account</b>			
1. Result of technical account – non-life insurance	(70,159)	5,149	34,295
2. Result of technical account – life assurance	(6,181)	(10,893)	(16,125)
3. Income from investments	6,041	50,000	–
4. Income from investments transferred to technical account – life assurance	–	–	–
5. Costs of investments	8	50,000	–
6. Income from investments transferred to technical account – non-life insurance	–	–	–
7. Other income	24,982	13,674	7,313
8. Other costs	17,685	17,086	20,427
9. Other taxes and fees	7,003	6,069	6,166
10. Income tax on ordinary activity	(389)	–	–
11. Earnings after tax	(69,624)	(15,225)	5,056
12. Extraordinary income	2,861	3,969	2,741
13. Extraordinary expenses	741	657	761
14. Extraordinary earnings result	2,120	3,312	1,980
15. Income tax on extraordinary activity	–	–	–
16. Result for the accounting period	(67,504)	(11,913)	920

**Balance Sheet, Abridged**

as at 31 December 2001 (CZK '000)

	2001	2000	1999
<b>TOTAL ASSETS</b>	<b>10,146,437</b>	<b>8,362,624</b>	<b>5,108,559</b>
1. Cash in hand, balances with central banks and post office banks	108,102	82,637	2,227,184
2. State treasury bills and other bills eligible for refinancing with the ČNB	4,198,000	3,157,000	1,157,000
a) State treasury bills and similar State-issued debentures	-	-	-
b) other eligible bills	4,198,000	3,157,000	1,157,000
3. Receivables from banks	5,279,209	4,758,017	417,208
a) payable on demand	7,583	8,757	10,624
b) other receivables	5,271,626	4,749,260	406,584
of which, e.g.: subordinated debt	-	-	-
4. Receivables from customers	355,326	253,014	813,119
a) payable on demand	89	104	404
b) other receivables	355,237	252,910	812,715
of which, e.g.: subordinated debt	-	-	-
5. Bonds and other fixed income securities for trading	-	-	327,849
a) issued by banks	-	-	181,901
of which, e.g.: own bonds	-	-	-
b) issued by other entities	-	-	145,948
6. Shares and other variable income securities for trading	-	-	-
7. Participation interests with substantial influence	63,000	63,000	61,816
a) in banks	-	-	-
b) in other entities	63,000	63,000	61,816
8. Participation interests with controlling influence	-	-	-
a) in banks	-	-	-
b) in other entities	-	-	-
9. Other investments	99,575	-	30,047
10. Intangible fixed assets	24,904	28,353	36,118
a) formation expense	-	-	-
b) goodwill	-	-	-
11. Tangible fixed assets	8,538	15,480	26,481
a) land and buildings for banking operations	-	-	-
b) other	8,538	15,480	26,481
12. Own shares	-	-	-
13. Other assets	233	273	1,048
14. Shareholder receivables from capital subscribed but not paid	-	-	-
15. Prepayments and accrued income	9,550	4,850	10,689

**První městská banka a.s.****Balance Sheet, Abridged**

as at 31 December 2001 (CZK '000)

	2001	2000	1999
<b>TOTAL LIABILITIES</b>	<b>10,146,437</b>	<b>8,362,624</b>	<b>5,108,559</b>
1. Payables to banks	4,355,422	3,157,000	1,157,000
a) due on demand	157,422	-	-
b) other liabilities	4,198,000	3,157,000	1,157,000
2. Payables to customers	1,916,875	642,526	3,417,665
a) savings deposits	-	-	-
of which, e.g.: payable on demand	-	-	-
b) other payables	1,916,875	642,526	3,417,665
of which, e.g.: payable on demand	1,781,469	568,519	1,365,162
3. Certificates of deposit and similar debentures	3,319,000	4,020,000	-
a) certificates of deposit	-	-	-
b) other	3,319,000	4,020,000	-
4. Deferred income and accrued expenses	14,157	22,682	21,221
5. Provisions	4,324	2,987	-
a) provisions for standard loans and guarantees	4,033	1,557	-
b) provisions for foreign exchange losses	-	-	-
c) provisions for other banking risks	-	1,430	-
d) other provisions	291	-	-
6. Subordinated debt	-	-	350,000
7. Other liabilities	8,494	9,697	10,535
8. Basic capital	500,021	626,539	850,140
of which: basic capital paid up	500,021	626,539	850,140
9. Share premium fund	-	-	-
10. Reserve funds	7,668	58	158
a) mandatory reserve funds	6,667	58	158
b) treasury shares reserve fund	-	-	-
c) other reserve funds	1,001	-	-
11. Capital funds and other funds from profit	-	-	-
a) capital funds	-	-	-
b) other funds from profit	-	-	-
12. Retained earnings (losses) from previous periods	-	(126,518)	(571,626)
13. Profit (loss) for the accounting period	20,476	7,653	(126 534)
<b>OFF BALANCE SHEET</b>	<b>2001</b>	<b>2000</b>	<b>1999</b>
1. Total contingent liabilities	-	-	-
of which, e.g.:			
a) notes and bills of exchange accepted and/or endorsed	-	-	-
b) liabilities under guarantees	-	-	-
c) liabilities under mortgages and/or liens	-	-	-
2. Other irrevocable liabilities	235,650	311,783	55,007
3. Receivables under spot, futures and options transactions	-	18,275	78,191
4. Payables under spot, futures and options transactions	-	18,275	78,191

**Profit and Loss Account, Abridged**

as at 31 December 2001 (CZK '000)

	2001	2000	1999	
1.	Interest income and similar income	289,561	250,212	440,204
	of which, e.g.: interest on fixed income securities	898	17,515	51,966
2.	Interest expense and similar expense	(162,708)	(133,717)	(272,730)
	of which, e.g.: interest expense from fixed income securities	(1,926)	(16,390)	(75,719)
	Net interest income	126,853	116,495	167,474
3.	Income from variable-income securities	-	-	-
	a) income from shares and other variable-income securities	-	-	-
	b) income from participation interests with substantial influence	-	-	-
	c) income from participation interests with controlling influence	-	-	-
4.	Commission and fee income	5,415	4,183	4,217
5.	Commission and fee expense	(1,752)	(1,822)	(2,850)
6.	Profit (loss) from financial transactions	2,004	8,958	9,472
7.	Other income	4,804	1,652	36,061
8.	General operating expenses	(102,097)	(130,107)	(160,020)
	a) payroll	(43,216)	(48,731)	(62,219)
	aa) wages and salaries	(32,551)	(36,437)	(46,847)
	ab) social security	(7,943)	(9,153)	(11,449)
	ac) national health	(2,722)	(3,141)	(3,923)
	b) other operating expenses	(58,881)	(81,376)	(97,801)
9.	Creation of provisions and adjustments to tangible and intangible fixed assets	-	-	-
	a) creation of provisions to tangibles	-	-	-
	b) creation of adjustments to tangibles	-	-	-
	c) creation of adjustments to intangibles	-	-	-
10.	Use of provisions and adjustments to tangible and intangible fixed assets	-	-	-
	a) use of provisions to tangibles	-	-	-
	b) use of adjustments to tangibles	-	-	-
	c) use of adjustments to intangibles	-	-	-
11.	Other expenses	(13,168)	(1,096,088)	(81,280)
	Net operating income before adjustments to and provisions for loans and participation interests	22,059	(1,096,729)	(26,926)
12.	Creation of adjustments to and provisions for loans and guarantees	(4,101)	(564,251)	(195,043)
13.	Use of adjustments to and provisions for loans and guarantees	1,557	1,671,858	56,095
14.	Creation of adjustments to and provisions for participation interests and other investments	-	-	(401)
15.	Use of adjustments to and provisions for participation interests and other investments	-	6,188	1,300
16.	Creation of other provisions and adjustments	(300)	(1,430)	(33,139)
17.	Use of other provisions and adjustments	1,430	250	73,740
	Profit (loss) on ordinary activities before tax	20,645	15,886	(124,374)
18.	Income tax on ordinary profit	-	-	-
19.	Profit (loss) on ordinary activities for the accounting period after tax	20,645	15,886	(124,374)
20.	Extraordinary income	414	177	770
21.	Extraordinary expenses	(583)	(8,410)	(2,930)
	Extraordinary profit (loss)	(169)	(8,233)	(2,160)
22.	Income tax on extraordinary profit	-	-	-
23.	Extraordinary profit (loss) after tax	(169)	(8,233)	(2,160)
24.	Profit (loss) for the accounting period	20,476	7,653	(126,534)

**ČESCOB, úvěrová pojišťovna a.s.****Balance Sheet, Abridged**

as at 31 December 2001 (CZK '000)

	2001	2000	1999
<b>TOTAL ASSETS</b>	<b>229,616</b>	<b>214,537</b>	<b>211,132</b>
1. Intangible assets	2,952	4,623	7,372
2. Financial placements (investments)	185,216	166,109	157,645
3. Receivables	12,346	5,552	7,454
4. Other assets	8,613	8,342	6,688
5. Temporary asset accounts	10,329	9,096	11,158
6. Unsettled past losses	10,160	20,815	19,975
7. Current period loss	-	-	840
	<b>2001</b>	<b>2000</b>	<b>1999</b>
<b>TOTAL LIABILITIES</b>	<b>229,616</b>	<b>214,537</b>	<b>211,132</b>
1. Share capital and funds	159,552	156,000	156,000
- of which, e.g.: share capital	156,000	156,000	156,000
2. Technical provisions	28,384	18,775	16,946
3. Provisions for other risks and losses	-	-	-
4. Liabilities from deposits received	-	-	-
5. Payables	24,191	15,642	25,948
6. Temporary liability accounts	5,453	9,913	12,238
7. Retained earnings	-	-	-
8. Current period earnings	12,036	14,207	-

**Profit and Loss Account, Abridged**

as at 31 December 2001 (CZK '000)

	2001	2000	1999
<b>Technical account for non-life insurance</b>			
1. Gross premiums written	110,890	86,749	53,119
2. Earned premiums, net	17,634	15,241	7,679
3. Other technical income, net	20,513	-	-
4. Claims incurred	25,791	12,597	2,690
5. Claims incurred, net	11,347	5,648	7,776
6. Change in other technical provisions, net	87	-	-
7. Bonuses and rebates, net	-	-	-
8. Net operating expenses	8,218	9,835	28,358
9. Other technical expenses, net	13,075	441	1,213
10. Change in the equalisation provision	2,116	(2,460)	-
11. Result for the technical account – non-life insurance	3,304	1,777	(29,668)
<b>Non-technical account</b>			
1. Result of the technical account – non-life insurance	3,304	1,777	(29,668)
2. Result of the technical account – life assurance	-	-	-
3. Income from financial placements, total	19,811	16,041	10,116
4. Income from financial placements transferred to the technical account for life assurance	-	-	-
5. Expenses connected with financial placements, total	11,984	11,359	-
6. Income from financial placements transferred to the technical account for non-life insurance	-	-	-
7. Other income	10,037	23,611	18,625
8. Other expenses	3,851	16,214	671
9. Income tax on ordinary activities	5,282	-	-
10. Earnings after tax	12,035	13,856	(1,598)
11. Extraordinary income	18	393	758
12. Extraordinary expenses	1	14	-
13. Extraordinary earnings	17	379	758
14. Income tax on extraordinary activities	-	-	-
15. Other taxes and fees	16	28	-
16. Result for the accounting period	12,036	14,207	(840)

## Insurance Company Balance Sheets

as at 31 December 2001 (CZK '000)

	2001	2000	1999
<b>TOTAL ASSETS</b>	<b>299,386</b>	<b>296,961</b>	<b>269,125</b>
1. Intangible assets	713	995	1,906
2. Financial placements (investments)	209,519	234,396	217,903
3. Land and buildings (real property)	-	-	-
4. Investments in third-party undertakings and other long-term receivables	-	-	-
5. Other investments	209,519	234,396	217,903
6. Receivables from deposits	-	-	-
7. Life assurance financial placements on behalf of insureds	-	-	-
8. Receivables	29,899	32,202	22,251
9. Receivables from direct insurance and reinsurance	27,927	28,963	13,950
10. Capital subscriptions receivable	-	-	-
11. Other receivables	1,972	3,239	8,301
12. Other assets	1,415	8,867	12,655
13. Tangible moveable assets	2,707	4,386	6,238
14. Assets in process	-	190	-
15. Other assets	1,696	1,732	1,633
16. Cash, cash equivalents and other financial assets	(2,988)	2,559	4,784
17. Temporary asset accounts	13,823	12,321	9,565
18. Unsettled past losses	-	-	-
19. Current period loss	44,017	8,180	4,845

	2001	2000	1999
<b>TOTAL LIABILITIES</b>	<b>299,386</b>	<b>296,961</b>	<b>269,125</b>
1. Share capital and funds	142,718	142,599	142,604
2. Technical provisions	111,575	83,076	65,762
3. Life assurance provision where risk is borne by the insured	-	-	-
4. Provision for other risks and losses	1,645	240	-
5. Liabilities for deposits	-	-	-
6. Subordinated debt	-	-	-
7. Payables	25,080	42,322	26,271
8. Payables from direct insurance and reinsurance	19,948	38,334	17,901
9. Payables to insureds	5,304	7,778	5,748
10. Bank loans	-	-	-
11. Taxes payable	310	659	824
12. Social security and health insurance payable	899	670	600
13. Payables to subsidiaries	-	-	-
14. Payables to affiliates	-	-	-
15. Other liabilities	3,923	2,659	6,946
16. Temporary liability accounts	253	1,913	2,297
17. Retained earnings	18,115	26,811	32,191
18. Current period earnings	-	-	-

**Insurance Company Profit and Loss Accounts**

as at 31 December 2001 (CZK '000)

	2001	2000	1999
<b>I. Technical account – non-life insurance</b>			
1. Earned premiums, net:	-	-	-
Gross premiums written	190,430	174,056	146,887
Gross premiums written, reinsurers' share	54,525	46,455	40,197
Change in unearned premiums provision	2,306	4,703	4,003
Change in unearned premiums provision – reinsurers' share	1,252	3,012	878
2. Income from investments transferred from non-technical account	1,360	1,345	1,534
3. Other technical income, net	13,816	11,375	7,580
4. Claims incurred, net	-	-	-
Claims incurred	127,853	101,049	64,829
Claims incurred – reinsurers' share	37,253	29,796	20,762
Change in claims provision	12,211	2,740	(204)
Other equity interests and other long-term receivables	-	-	-
5. Change in other provisions, net	15,469	14,279	10,306
6. Bonuses and rebates, net	-	-	-
7. Net operating expenses:	-	-	-
Insurance policy acquisition costs	27,654	37,119	38,168
Accrued insurance policy acquisition costs	(495)	(2,170)	(1,104)
Administrative overheads	41,481	39,592	36,778
Reinsurance commissions and profit shares, net	16,633	8,335	7,411
8. Other technical expenses, net	18,323	16,010	14,090
9. Change in equalization provision	1,497	(1,208)	(1,500)
10. Result of technical account – non-life insurance	(38,348)	(30,463)	(22,895)
<b>II. Technical account – life assurance</b>			
1. Earned premiums, net:	-	-	-
Gross premiums written	-	-	-
Change in unearned premiums provision, net	-	-	-
2. Income from investments:	-	-	-
Income from equity interests including, e.g., subsidiaries	-	-	-
Income from other investments including, e.g., subsidiaries	-	-	-
Income from land and buildings	-	-	-
Income from other investment items	-	-	-
Release of adjustments to investments	-	-	-
Realized gains on investments	-	-	-
3. Unrealized gains in value of investments	-	-	-
4. Other technical income, net	-	-	-
5. Claims incurred, net	-	-	-
Claims incurred	-	-	-
Change in claims provision	-	-	-
6. Change in other provisions:	-	-	-
Change in life assurance provision – reinsurers' share	-	-	-
Change in claims provision – reinsurers' share	1,732	187	(2,366)
Change in other provisions, net	-	-	-
7. Bonuses and rebates, net	-	-	-
8. Net operating expenses	-	-	-
9. Expenses connected with investments	-	-	-
10. Unrealized diminutions in value of investments	-	-	-
11. Other technical expenses, net	-	-	-
12. Transfer of income from investments to non-technical account (-)	-	-	-
13. Result of technical account – life assurance	-	-	-

## Insurance Company Profit and Loss Accounts

as at 31 December 2001 (CZK '000)

	2001	2000	1999
<b>III. Non-technical account</b>			
1. Result of the technical account – non-life insurance	(38,348)	(30,463)	(22,895)
2. Result of the technical account – life assurance	–	–	–
3. Income from investments	–	–	–
Income from equity interests including, e.g., subsidiaries	–	369	–
Income from other investments including, e.g., subsidiaries	–	–	–
Income from land and buildings	–	–	–
Income from other investment items	16,181	14,605	11,991
Release of adjustments to investments	1,890	571	464
Realized gains on investments	192,282	267,660	320,866
4. Income from investments transferred from the technical account – life assurance	–	–	–
5. Expenses connected with investments:	–	–	–
Expenses connected with investments	1,277	3,080	4,040
Creation of adjustments to investments	4,036	2,597	570
Expenses of realizing investments	201,231	246,829	305,387
6. Transfer of income from investments to the technical account – non-life insurance	1,360	1,345	1,534
7. Other income	2,282	184	376
8. Other expenses	9,102	5,182	5,607
9. Income tax on ordinary activities	–	(149)	765
10. Earnings after tax	(42,719)	(5,959)	(7,101)
11. Extraordinary income	576	331	2,363
12. Extraordinary expenses	1,854	2,528	15
13. Extraordinary earnings	(1,278)	(2,197)	(2,348)
14. Income tax on extraordinary activities	–	–	–
15. Other taxes and fees	20	24	92
<b>16. Result for the accounting period</b>	<b>(44,017)</b>	<b>(8,180)</b>	<b>(4,845)</b>

**ČP DIRECT, a.s.**  
**(formerly ČP DIRECT pojišťovna, a.s.)**  
**Balance Sheet, Abridged**

as at 31 December 2001 (CZK '000)

	2001	2000	1999
<b>TOTAL ASSETS</b>	<b>106,369</b>	<b>104,092</b>	<b>110,212</b>
1. <b>Intangible assets</b>	<b>10,359</b>	<b>16,120</b>	<b>20,920</b>
2. Formation expense	179	358	537
3. Goodwill	-	-	-
4. <b>Financial placements (investments)</b>	<b>28,820</b>	<b>30,147</b>	<b>42,180</b>
5. Land and buildings (real property)	-	-	-
6. Land and buildings – used in operations	-	-	-
7. Investments in third-party undertakings and other long-term receivables	-	-	-
8. Equity stakes in subsidiaries	-	-	-
9. Equity stakes in affiliates	-	-	-
10. Bonds and other debentures, loans – subsidiaries	-	-	-
11. Bonds and other debentures, loans – affiliates	-	-	-
12. Other ownership participations and other long-term receivables	-	-	-
13. Other investments	28,820	30,147	42,180
14. Variable yield securities	-	-	-
15. Fixed yield securities	-	506	-
16. Investments in investment companies and funds	-	-	-
17. Investments in associations with own legal personality	-	-	-
18. Investments in associations without own legal personality	-	-	-
19. Mortgage loans	-	-	-
20. Other loans	-	-	-
21. Bank deposits	28,820	29,641	42,180
22. Other investments	-	-	-
23. Receivables from deposits	-	-	-
24. Investments in life assurance where investment risk is borne by the insured	-	-	-
25. <b>Receivables</b>	<b>14,956</b>	<b>7,903</b>	<b>11,121</b>
26. Receivables from direct insurance and reinsurance	94	505	644
27. Receivables from insureds	94	120	-
28. Receivables from intermediaries	-	-	-
29. Receivables under reinsurance transactions	-	385	644
30. Capital subscriptions receivable	-	-	-
31. Other receivables	14,862	7,398	10,477
32. <b>Other assets</b>	<b>16,856</b>	<b>14,585</b>	<b>17,467</b>
33. Tangible moveable assets	6,874	9,946	13,342
34. Moveable assets used in operations	6,874	9,946	13,342
35. Tangible assets not subject to depreciation	-	-	-
36. Assets in process	5,109	-	9
37. Advance payments toward acquisition of intangible and tangible assets	4,000	-	9
38. Other assets	-	-	-
39. Cash, cash equivalents and other financial assets	4,873	4,639	4,116
40. Current accounts	4,859	4,618	4,083
41. Cash and cash equivalents	14	21	33
42. Cheques	-	-	-
43. Treasury shares	-	-	-
44. <b>Temporary asset accounts</b>	<b>110</b>	<b>69</b>	<b>186</b>
45. Interest and rent	92	22	170
46. Insurance policy acquisition costs	-	-	-
47. Other temporary asset accounts	18	47	16
48. <b>Unsettled past losses</b>	<b>35,268</b>	<b>14,071</b>	<b>-</b>
49. <b>Current period loss</b>	<b>-</b>	<b>21,197</b>	<b>18,338</b>

**ČP DIRECT, a.s.**  
**(formerly ČP DIRECT pojišťovna, a.s.)**  
**Balance Sheet, Abridged**

as at 31 December 2001 (CZK '000)

	2001	2000	1999
<b>TOTAL LIABILITIES</b>	<b>106,369</b>	<b>104,092</b>	<b>110,212</b>
1. Share capital and funds	91,067	91,067	91,067
2. Share capital	80,000	80,000	80,000
3. Issue premium	-	-	-
4. Other capital accounts	10,000	10,000	10,000
5. Re-valuation reserve	-	-	-
6. Statutory reserve fund	1,067	1,067	1,067
7. Other funds	-	-	-
8. Technical provisions	-	411	463
9. Unearned premium provision	-	393	376
10. Life assurance provision	-	-	-
11. Claims provision	-	-	70
12. Provision for bonuses and rebates	-	-	-
13. Equalization provision and other provisions	-	18	17
14. Life assurance provision where investment risk is borne by insured	-	-	-
15. Provision for other risks and losses	413	418	1,193
16. Statutory provisions	-	-	-
17. Other provisions	413	418	1,193
18. Liabilities from deposits	-	-	-
19. Subordinated debt	-	-	-
20. Payables	6,991	10,689	12,228
21. Payables from direct insurance and reinsurance	35	-	41
22. Payables to insureds	-	-	1
23. Payables to intermediaries	30	-	-
24. Payables under reinsurance transactions	5	-	40
25. Loans backed by debentures	-	-	-
26. Loans backed by debenture denominated in convertible currency	-	-	-
27. Bank loans	-	-	-
28. Taxes payable	571	1,039	481
29. Social security and health insurance payable	774	1,159	1,107
30. Payables to subsidiaries	-	-	-
31. Payables to affiliates	-	-	-
32. Other payables	5,611	8,491	10,599
33. Temporary liability accounts	1,011	1,507	994
34. Retained earnings	-	-	4,267
35. Current period earnings	6,887	-	-

**ČP DIRECT, a.s.**  
**(formerly ČP DIRECT pojišťovna, a.s.)**  
**Profit and Loss Account, Abridged**

as at 31 December 2001 (CZK '000)

	2001	2000	1999
<b>I. Technical account – non-life insurance</b>			
1. Earned premiums, net:	486	986	83
Gross premiums written	466	1,075	499
Gross premiums written, reinsurers' share	5	72	40
Change in unearned premiums provision	(58)	49	376
Change in unearned premiums provision – reinsurers' share	(33)	32	–
2. Income from investments transferred from non-technical account	–	1,567	1,521
3. Other technical income, net	695	1,096	587
4. Claims incurred, net	45	602	115
Claims incurred	303	1,051	45
Claims incurred – reinsurers' share	258	379	–
Change in claims provision	83	123	70
Other equity interests and other long-term receivables	83	193	–
5. Change in other provisions, net	–	–	–
6. Bonuses and rebates, net	–	–	–
7. Net operating expenses:	431	8,010	2,188
Insurance policy acquisition costs	51	2,216	13
Accrued insurance policy acquisition costs	–	–	–
Administrative overheads	380	5,794	2,175
Reinsurance commissions and profit shares, net	–	–	–
8. Other technical expenses, net	–	–	–
9. Change in equalization provision	–	1	17
10. Result of technical account – non-life insurance	705	(4,964)	(129)
<b>II. Technical account – life assurance</b>			
1. Earned premiums, net:	–	–	–
Gross premiums written	–	–	–
Gross premiums written – reinsurers' share	–	–	–
Change in unearned premiums provision, net	–	–	–
2. Income from investments:	–	–	–
Income from equity stakes including, e.g., subsidiaries	–	–	–
Income from other investments including, e.g., subsidiaries	–	–	–
Income from land and buildings	–	–	–
Income from other investment items	–	–	–
Release of adjustments to investments	–	–	–
Income from realization of investments	–	–	–
3. Unrealized gains in value of investments	–	–	–
4. Other technical income, net	–	–	–
5. Claims incurred, net:	–	–	–
Claims incurred	–	–	–
Claims incurred – reinsurers' share	–	–	–
Change in claims provision	–	–	–
Change in claims provision – reinsurers' share	–	–	–
6. Change in other provisions:	–	–	–
Change in life assurance provision	–	–	–
Change in life assurance provision – reinsurers' share	–	–	–
Change in other provisions, net	–	–	–
7. Bonuses and rebates, net	–	–	–
8. Net operating expenses:	–	–	–
Insurance policy acquisition costs	–	–	–
Accrued insurance policy acquisition costs	–	–	–
Administrative overheads	–	–	–
Reinsurance commissions and profit shares, net	–	–	–
9. Expenses connected with investments:	–	–	–
Expenses connected with investments	–	–	–
Creation of adjustments to investments	–	–	–
Costs of realizing investments	–	–	–
10. Unrealized diminutions in value of investments	–	–	–
11. Other technical expenses, net	–	–	–

**ČP DIRECT, a.s.**  
**(formerly ČP DIRECT pojišťovna, a.s.)**  
**Profit and Loss Account, Abridged**

as at 31 December 2001 (CZK '000)

	2001	2000	1999
<b>III. Non-technical account</b>			
1. Result of technical account – non-life insurance	705	(4,964)	(129)
2. Result of technical account – life assurance	–	–	–
3. Income from investments	1,333	1,600	1,521
Income from equity stakes including, e.g., subsidiaries	–	–	–
Income from other investments including, e.g., subsidiaries	–	–	–
Income from land and buildings	–	–	–
Income from other investment items	1,333	1,600	1,521
Release of adjustments to investments	–	–	–
Income from realization of investments	–	–	–
4. Income from investments transferred from the technical account – life assurance	–	–	–
5. Expenses connected with investments:	6	23	–
Expenses connected with investments	6	23	–
Creation of adjustments to investments	–	–	–
Costs of realizing investments	–	–	–
6. Transfer of income from investments to the technical account – non-life insurance	–	1,567	1,521
7. Other income	72,826	58,279	57,007
8. Other expenses	68,504	74,873	75,262
9. Income tax on ordinary activity	–	–	(14)
10. Earnings after tax	6,354	(21,548)	(18,370)
11. Extraordinary income	570	389	105
12. Extraordinary expenses	–	–	–
13. Extraordinary earnings	570	389	105
14. Income tax on extraordinary activity	–	–	–
15. Other taxes and fees	37	38	73
16. Result for the current period	6,887	(21,197)	(18,338)

**ČP PARTNER, a.s.**  
**(formerly ČESKÁ ŽIVOTNÍ, a.s.)**  
**Balance Sheet, Abridged**

as at 31 December 2001 (CZK '000)

In conjunction with an expansion of the company's operations, the company's sole shareholder – Česká pojišťovna a.s. – was presented in late 2001 with a proposal to change the company's name from ČESKÁ ŽIVOTNÍ, a.s. to ČP PARTNER, a.s. The change was approved in early 2002 and the change entered into legal force by a resolution of the Prague Municipal Court on change in company name dated 3 April 2002.

	2001	2000	1999
<b>TOTAL ASSETS</b>	<b>38,805</b>	<b>94,475</b>	<b>21,395</b>
<b>A. Capital subscriptions receivable</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>B. Fixed assets</b>	<b>6,050</b>	<b>3,956</b>	<b>5,241</b>
B.I. Intangible fixed assets	933	420	100
B.II. Tangible fixed assets	5,117	3,536	5,141
B.III. Long-term investments	-	-	-
B.III.1. of which: shares and ownership interests with controlling influence	-	-	-
<b>C. Current assets</b>	<b>30,710</b>	<b>89,000</b>	<b>15,505</b>
C.I. Inventory	-	597	451
C.II. Long-term receivables	-	-	-
C.III. Short-term receivables	6,692	42,683	4,303
C.IV. Investments	24,018	45,720	10,751
<b>D. Other assets</b>	<b>2,045</b>	<b>1,519</b>	<b>649</b>
	<b>2001</b>	<b>2000</b>	<b>1999</b>
<b>TOTAL LIABILITIES</b>	<b>38,805</b>	<b>94,475</b>	<b>21,395</b>
<b>A. Equity</b>	<b>13,475</b>	<b>7,602</b>	<b>(40,128)</b>
A.I. Registered capital	25,000	25,000	25,000
of which: capital registered in the Commercial Register	25,000	25,000	-
A.II. Capital funds	-	-	-
A.III. Funds created from net profit	2,500	-	-
A.IV. Profit (loss) of previous years	(19,898)	(65,128)	(9,693)
A.V. Profit (loss) of current period	-	-	(55,435)
<b>B. Liabilities</b>	<b>22,077</b>	<b>83,764</b>	<b>56,487</b>
B.I. Provisions	196	203	100
B.II. Long-term payables	-	40,000	40,000
B.III. Short-term payables	21,881	43,561	16,387
B.IV. Bank loans and overdrafts	-	-	-
B.IV.1. of which: long term bank loans	-	-	-
<b>C. Other liabilities</b>	<b>3,253</b>	<b>3,109</b>	<b>5,036</b>

**ČP PARTNER, a.s.**  
**(formerly ČESKÁ ŽIVOTNÍ, a.s.)**  
**Profit and Loss Account, Abridged**

as at 31 December 2001 (CZK '000)

		2001	2000	1999
I.+II.	Production and sales of merchandise	101,965	127,110	14,475
I.+II.1.	Of which: revenues from own products, services and merchandise	101,937	126,991	14,225
II.2.	Change in inventory of own production	-	-	-
II.3.	Capitalisation	-	-	-
A.+B.	Production consumption and cost of goods sold	80,097	59,899	51,973
+	<b>Added value</b>	<b>21,868</b>	<b>67,211</b>	<b>(37,498)</b>
C.	Personnel expenses	10,523	11,576	9,058
E.	Depreciation of tangible and intangible fixed assets	3,901	2,658	7,050
IV.+V.	Release of provisions, adjustments and accruals to operating revenues	1,203	100	-
G.+H.	Addition to provisions, adjustments and accruals to operating expenses	2,196	1,003	300
III.+VI.+VII.	Other operating revenues	797	951	79
D.+F.+I.+J.	Other operating expenses	1,009	998	63
*	<b>Operating profit (loss)</b>	<b>6,239</b>	<b>52,027</b>	<b>(53,890)</b>
XI.+XII.	Provisions and adjustments to financial revenues	-	-	-
L.+M.	Provisions and adjustments to financial expenses	-	-	-
VIII.+IX.+X. +XIII.+XIV. +XV.	Other financial revenues	1,234	269	342
K.+N.+O. +P.+R.	Other financial expenses	270	4,637	1,887
*	<b>Profit (loss) from financial operations including income tax on ordinary income</b>	<b>964</b>	<b>(4,368)</b>	<b>(1,545)</b>
**	<b>Ordinary profit (loss)</b>	<b>7,203</b>	<b>47,659</b>	<b>(55,435)</b>
XVI.	Extraordinary revenues	(1,321)	439	-
S.+T.	Extraordinary expenses	9	368	-
*	<b>Extraordinary income</b>	<b>(1,330)</b>	<b>71</b>	<b>-</b>
***	<b>Profit (loss) of current accounting period</b>	<b>5,873</b>	<b>47,730</b>	<b>(55,435)</b>



Only a very few photographers have experienced such steep ascents to heights of success and popularity and such deep falls into near-complete rejection and oblivion as František Drtikol. His career is full of counterpoints and paradoxes. Drtikol was the first Czech photographer to become well-known internationally. His photographs received awards at dozens of exhibitions throughout the world in the period between the two World Wars, but when he died after having been almost completely forgotten, not one Czech newspaper ran an obituary. At one time, he had the best photo-studio in Prague, where presidents, ministers, bankers and leading performers went to have their portraits taken, and at the same time he never had enough money even to buy himself lunch and relied on his friends to help him. He created controversial nudes and celebrated erotica and sex – while at the same time complaining of his own lack of success with women. In the highly original compositions of his photographs, in the geometric decorations, the dynamic poses of the models and the masterly work with shadow-plays, we can make out the influences of futurism, cubism, expressionism, and abstract art, yet avantgarde artists considered him to have archaic tendencies. He created the first well-thought-out plan for the establishment of a photography school in the Czech lands, yet when after World War II he spent a short time teaching, many students ridiculed his teaching methods. He was attracted by mysticism, he translated Buddhist literature, he practiced yoga and gathered around him a large group of students who saw in him an enlightened guru and wrote down whatever he said. At the same time, he was a fervent supporter of Marxism.

František Drtikol created an extraordinarily extensive opus that includes drawings, painting, sculptures and decorative objects as well as photographs. Today, his original nude photographs – gradually developing over time from art nouveau pictorialism to modernism – are rightfully considered the best of his work, though his psychologically potent portraits and symbolic compositions with carved figurines are capturing more and more attention. It is without doubt that Drtikol's work is one of the most significant Czech contributions to world photography during the 20th century.

Vladimír Birgus

### František Drtikol

- 1883 Born on March 3 in Příbram in the family of a general store owner.
- 1898 – 1901 After failing to complete studies at the gymnasium he serves as an apprentice with photographer Antonín Mattas in Příbram.
- 1901 – 1903 Attends the Lehr- und Versuchsanstalt für Photographie, a photography teaching and research institute in Munich.
- 1907 – 1910 Runs his own photography studio in his native Příbram. Besides portraits, he also does landscapes, nudes and documentary photographs of mines.
- 1910 – 1911 Opens his own photography studio in Prague, first in V kolkovně street and later, in financial partnership with Augustin Škarda, a large studio in Vodičkova Street. He becomes the most sought-after elite portrait photographer. The Prague Co-operative Artěl publishes an album of 50 Drtikol and Škarda oil-prints called From Old Prague Courtyards Big and Small.
- 1914 – 1918 Drtikol spends World War I in the rearguard units of the Austro-Hungarian army based in Benešov u Prahy and in Hartberg. During this period he creates a number of symbolist drawings.
- 1923 Beginning of Drtikol's greatest creative period. Instead of painted backdrops he begins to use wooden decorations.
- 1925 Awarded the Grand Prix at the International Exhibition of Modern Decorative and Industrial Art in Paris.
- 1929 Le nus de Drtikol album published in Paris with an introduction by Claude de Santeul.
- 1930 Begins to create arranged symbolic pictures with carved figurines of elongated shape.
- 1935 Winds up his photography business, sells his photography studio and moves into a rented villa in Spořilov, where he spends his time painting, meditating and translating Buddhist and Tibetan religious literature.
- 1938 The Prague publishing house of Eduard Beaufort publishes his book Žena ve světle (Woman in Light).
- 1961 Dies January 13 in Prague and is buried in the cemetery of his native Příbram.

PPF a.s.

Na Pankráci 121, 140 21 Prague 4, Czech Republic

Telephone: (+420) 261 319 011

Fax: (+420) 261 319 222

Internet: [www.ppf.cz](http://www.ppf.cz)

E-mail: [info@ppf.cz](mailto:info@ppf.cz)

Depository: Československá obchodní banka a.s.

Professional collaboration provided by Vladimír Birgus, Film & TV Faculty  
of Academy of Performing Arts, Prague, Czech Republic

Consulting, design and production:

© B.I.G. Prague (Business Information Group) 2002

