

# Quarterly Performance Report

30.6.2013

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## Description of the Company

### Basic Company information

<i>Company name</i>	Česká pojišťovna a.s.
<i>Legal form</i>	Joint stock company
<i>Registered office</i>	Spálená 75/16, 113 04 Praha 1
<i>ID number</i>	452 72 956
<i>Tax ID number</i>	CZ 4527 2956
<i>Bankers</i>	ING Bank N.V.
<i>Account number</i>	1000524511/3500
<i>Date of inception</i>	1 May 1992 The Company was founded as a going concern.
<i>Legal regulation</i>	The Company was founded (pursuant to Section 11(3) of Act No. 92/1991 Coll. on the Conditions for the Transfer of State Property to Other Entities, as amended) by the National Property Fund of the Czech Republic under a Founder's Deed dated 28 April 1992 and was incorporated by registration in the Commercial Register on 1 May 1992.
<i>Incorporation in Commercial Register</i>	Prague Municipal Court Part B, Entry 1464
<i>Date of incorporation in Commercial Register</i>	1 May 1992
<i>Date and reason for the last change in Commercial Register</i>	14 May 2013 Mr. Jaroslav Mlynář has been elected as a vice-chairman of board of directors and Mr. Luciano Cirina has been elected as a chairman of board of directors.
<i>Date of publication of the Quarterly Performance Report</i>	12 August 2013
<i>Share capital</i>	CZK 4,000,000,000 Paid up: 100 %

### Shares issued by Česká pojišťovna

As at 30 June 2013 the approved share capital consisted of 40,000 booked, registered shares of common stock with a total amount of CZK 4,000,000,000.

<b>Issue (ISIN)</b>	<b>CZ0009106043</b>
Type of security	common stock
Form	registered
Appearance	booked
Nominal value	CZK 100,000
Number of securities	40,000
Total volume	CZK 4,000,000,000
Issue date	15 November 2006
Listing in regulated (public) markets	Unlisted security (not traded in public markets)

Česká pojišťovna did not hold any of its own shares, interim certificates or participating securities during the period ending 30 June 2013.

There were no changes to the Company's share capital during the period ending 30 June 2013.

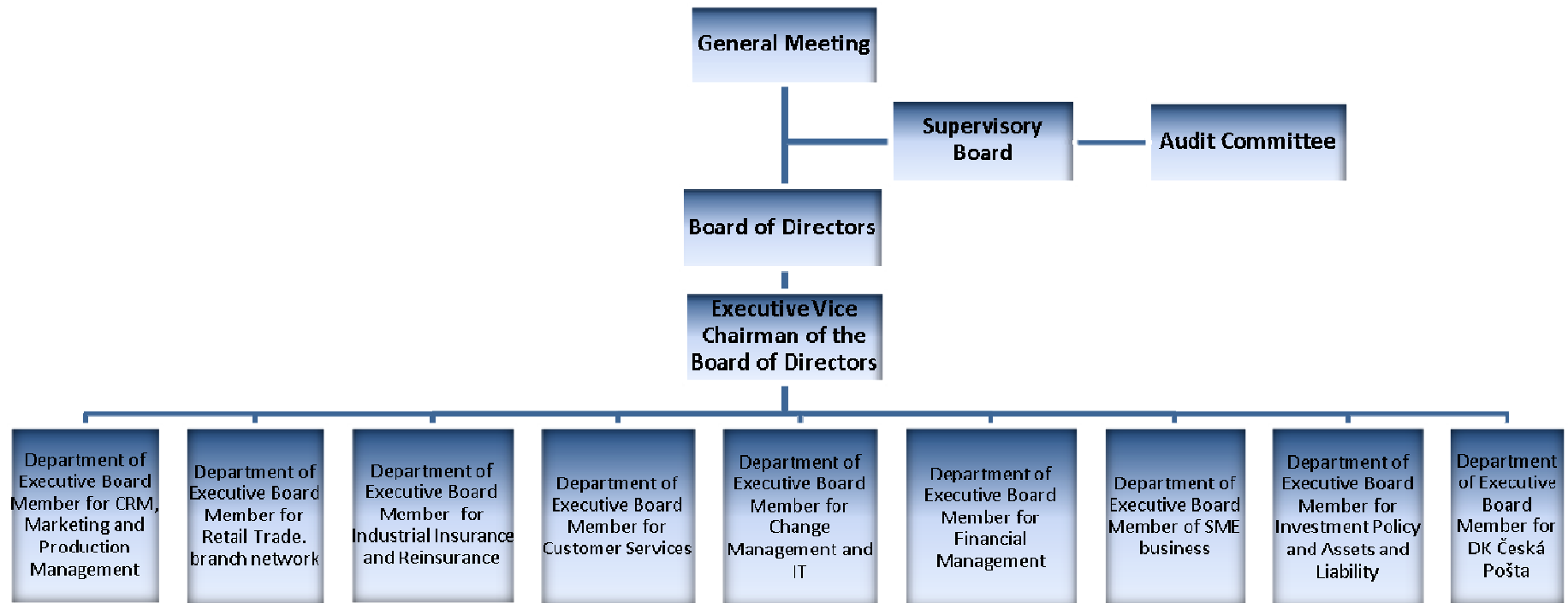
## Principal Businesses:

1. Insurance activity pursuant to of Act 277/2009 Coll. on insurance, as amended, consisting of:
  - life insurance classes set forth in the Annex no. 1 to the Insurance Act, Part A, subparagraph I, II, III, VI, VII and IX
  - non-life insurance classes set forth in the Annex no. 1 to the Insurance Act, Part B, subparagraph 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15,16, 17 and 18.
2. Reinsurance activity for all types of reinsurance activities pursuant to the Insurance Act
3. Activities related to insurance and reinsurance activity, )
  - acting as an intermediary in relation to insurance and reinsurance activity under the Insurance Act,
  - consulting activity associated with insurance for individuals and legal entities under the Insurance Act,
  - investigating insured loss events under an agreement with an insurer under the Insurance Act,
  - exercising rights and meeting obligations in the name and for the account of the Czech Insurers Bureau pursuant to Act No. 168/1999 Coll., as amended,
  - arranging for the following financial services (items 1 through 10 , below):
    1. arranging the acceptance of deposits and other funds from the public, including acting as an intermediary in the areas of building savings and supplemental pension insurance,
    2. arranging loans of all kinds including – inter alia – consumer loans, mortgage loans, factoring and financing of business transactions,
    3. arranging finance leases,
    4. arranging all payments and money transfers, including credit and debit cards, travelers' cheques, and bank bills of exchange,
    5. arranging guarantees and promissory notes,
    6. arranging for customer trading on individual customer accounts on the stock exchange or other markets, for cash or otherwise, concerning negotiable instruments and financial assets,
    7. arranging for the management of assets such as cash or portfolios, all forms of management of collective assets, administration of pension funds, escrow accounts and custodianships,
    8. arranging for payment and clearing services relating to financial assets, including securities, derivatives and other transferable instruments,
    9. consulting activity, acting as an intermediary, and other ancillary financial services relating to all activities set forth in items 1) through 8), including loan references and analysis thereof, research and consulting in the area of investments and portfolios, consulting work concerning mergers & acquisitions, corporate restructurings and corporate strategy,
    10. arranging for the provision and transmission of financial information and processing of financial data (including related computer software) by providers of ancillary financial services,
  - training activity for insurance intermediaries and independent loss adjusters.

Company practices all business registered in the Commercial Register.

None of the businesses was limited or suspended by the Czech National Bank.

## Basic Organization Chart of Česká pojišťovna



## **Company Management**

### **Chief Executive Officer and Vice-Chairman of the Board of Directors**

Jaroslav Mlynář

Term of office: since 1 June 2013

Born: 1954

Education: Technical University of Brno (Faculty of Mechanical Engineering)

Experience: Generali in Vienna, Generali pojišťovna, Generali Slovakia

### **Executive Board Member for Industrial Insurance and Reinsurance**

Milan Beneš

Term of office: since 15 January 2008

Born: 1968

Education: Faculty of Electrical Engineering, University of West Bohemia, Plzeň

Experience: ZČE Plzeň a.s., FCC Folprecht s.r.o., LogicaCMG, Accenture Central Europe B.V.

### **Executive Board Member for System Architecture and IT**

Lukáš Klášterský

Term of office: since 1 August 2012

Born: 1969

Education: ČVUT in Prague, Faculty of Mechanical Engineering

Experience: Telefónica O2, Lucent technologies, Debis IT Services Czech (T-System)

### **Executive Board Member for Financial Management**

Petr Bohumský

Term of office: since 1 June 2013

Born: 1971

Education: Charles University in Prague, University of Pittsburgh – Joseph M. Katz Graduate School of Business, Advance Healthcare Management Institute

Experience: Česká pojišťovna ZDRAVÍ, Česká pojišťovna, PPF, Generali PPF Holding

### **Executive Board Member for Retail Trade**

Robert Hlava

Term of office: since 1 December 2010

Born: 1970

Education: Brno University of Technology, Faculty of Civil Engineering

Experience: ČSOB a.s., ČP INVEST investiční společnost, a.s.

### **Executive Board Member for Customer Services**

Jiří Doubravský

Term of office: since 1 December 2010

Born: 1972

Education: University of West Bohemia, Faculty of Economics, University of Economics – postgraduate studies, Nottingham Trent University

Experience: HVB Bank, a.s., Komerční banka, a.s.

### **Executive Board Member for CRM, Marketing and production management**

Zdeněk Románek

Term of office: since 1 April 2010

Born: 5 April 1976

Education: Faculty of Mathematics and Physics, Charles University, major in Operational Research/Optimization, University of Economics, major in Insurance Engineering, INSEAD – MBA

Experience: KPMG Česká republika, s.r.o., Revitalizační Agentura, a.s. (Lazard Frerés and Latona Associates), McKisney & Company Inc.,

**Executive Board Member for SME Business**

Petr Lehký

Term of office: since 1 January 2011

Born: 1970

Education: Faculty of Mechanical Engineering, Czech Technical University, Prague

Experience: ŠKODA AUTO a.s., GE Money Multiservis a.s., ŠkoFIN s.r.o.

The company owns a branch in Poland, which was registered into the Polish Commercial Register on 23 August 2012. Activities of the branch are identical to those of the founder and are subject to supervision of the Czech National Bank. All data are reported including the Polish branch.

Average number of employees as at 30 June 2013 was 4,023.

## Directors and Officers

### Board of Directors

#### Chairman

Dr. Luciano Cirinà

Term of office: since 14 May 2013

Born: 1965

Education: Business Administration

Experience: Head of the Corporate Risks Division for Austria and CEE countries in Vienna, CEO of Generali Versicherung AG in Austria, Generali Holding Vienna

#### Vice-Chairman

Jaroslav Mlynář

Term of office: since 14 May 2013

Born: 1954

Education: Technical University of Brno (Faculty of Mechanical Engineering)

Experience: Generali in Vienna, Generali pojišťovna, Generali Slovakia

#### Member

Milan Beneš

Term of office: since 1 February 2011

Born: 1968

Education: Faculty of Electrical Engineering, University of West Bohemia, Plzeň

Experience: ZČE Plzeň a.s., FCC Folprecht s.r.o., LogicaCMG, Accenture Central Europe B.V.

Address: Na Pankráci 1720/123, 140 21 Praha, Czech Republic

### Supervisory Board

#### Chairman

Milan Maděryč

Term of office: since 1 June 2011

Born: 1955

Education: secondary vocational, with school-leaving certificate postgraduate studies at Brno University of Technology

Address: Evropská 2690/17, 160 41 Praha, Czech Republic

#### Member

Lorenzo Kravina

Term of office: since 3 December 2008

Born: 1964

Education: degree in Economics at the University of Venice

Address: Piazza Duca degli Abruzzi 2, I – 34132 Trieste, Italy

#### Member

Ing. Irena Špatenková

Term of office: since 23 September 2011

Born: 1956

Education: University of Economics

Address: Na Pankráci 1720/123, 140 21 Praha, Czech Republic



## **Additional information on Persons with an Executive Authority**

Persons with an executive authority are members of the Board of Directors and members of the Supervisory Board.

No member of the Company's Board of Directors or Supervisory Board is in a conflict of interest due to membership of other companies' governing bodies.

Principal activities of members of the Board of Directors and Supervisory Board in other companies, to the extent they are material for the Company:

- Jaroslav Mlynář: Member of the Supervisory Board of Penzijní společnost České pojišťovny a.s., ČP DIRECT, a.s., Generali PPF Services a.s., Pankrác services s.r.o., Generali Pojišťovna a.s. and member of the Board of Directors of Generali PPF Holding B.V.,
- Lorenzo Kravina: Vice-Chairman of the Supervisory Boards of Generali Pojišťovna, a.s., Generali penzijní fond a.s., Penzijní fond České pojišťovny a.s.,
- Milan Beneš: Vice-Chairman of the Supervisory Board of ČP DIRECT, a.s.

No member of the Board of Directors or Supervisory Board has been convicted of a fraud-related crime.

As at 30 June 2013, the Company did not have any records of loans or advances extended to members of the Board of Directors or the Supervisory Board.

## Company's shareholders structure

As at 30 June 2013, Česká pojišťovna was part of a group, of which the holding company is Generali PPF Holding B.V. Česká pojišťovna's ultimate owner is Assicurazioni Generali S.p.A., which holds a 76% stake in the voting rights associated with the shares of Generali PPF Holding B.V. (a 24% stake is held by PPF Group N.V.). The Company's sole shareholder is CZI Holdings N.V.

### CZI Holdings N.V.

Legal form:	joint stock company
Registered office:	Stravinskylaan 933, Tower B, Level 9, 1077 XX Amsterdam (change in registered office effective 1 April 2007) The Netherlands
File number at the Register of the Amsterdam Chamber of Commerce and Industry:	34245976
Share capital:	EUR 100,000,000
Stake in the voting rights:	100%
Date of inception:	6 April 2006
Principal businesses:	holding company activities and financing thereof

The Company has not entered into a control agreement with its sole shareholder, CZI Holdings N.V. The Company compiles a Report on Relations Between the Company and Related Entities pursuant to Section 66a(9) of Act No. 513/1991 Sb.

## Information on Group structure

### Controlling entities

Next to the sole shareholder CZI Holdings N.V. below are other controlling entities of the Company:

#### Generali PPF Holding B.V.

Legal form:	limited company
Registered office:	Strawinskylaan 933, 1077XX Amsterdam The Netherlands
File number at the Register of the Amsterdam Chamber of Commerce and Industry:	34275688
Share capital:	EUR 500,000
Stake in the voting rights:	100% (indirect)
Share of Share capital:	100% (indirect)
Date of inception:	8 Jun 2007
Principal businesses:	holding activities and financing thereof

#### Assicurazioni Generali S.p.A

Legal form:	joint stock company
Registered office:	Piazza Duca degli Abruzzi 2, Trieste, Italy
Trieste Companies' Register number:	00079760328
Share capital:	EUR 1,556,873,283
Stake in the voting rights:	76% (indirect)
Share of Share capital:	76% (indirect)
Date of inception:	26 December 1831
Principal businesses:	providing insurance and finance products

Amounts of receivables and payables of the Company towards controlling entities is shown in the following table.

(In CZK thousands)	Receivables	Payables
Generali PPF Holding B.V.	217	15,000

Česká pojišťovna has no securities issued by controlling entities. Company has not accepted any guarantees from controlling entities no has provided any guarantees to such entities.

**Controlled entities**

Name	Legal form	Registered office
ČP DIRECT, a.s.	joint stock company	Na Pankráci 1658/121, Praha 4, 14021, Česká republika
Česká pojišťovna ZDRAVÍ a.s.	joint stock company	Litevská 1174/8, Praha 10, 10005, Česká republika
ČP INVEST invest. spol., a.s.	joint stock company	Na Pankráci 1658/121, Praha 4, 14021, Česká republika
ČP INVEST Realitní Uzavřený Investiční Fond a.s.	joint stock company	Na Pankráci 1658/121, Praha 4, 14021, Česká republika
Generali PPF Services a.s.	joint stock company	Na Pankráci 1658/121, Praha 4, 14021, Česká republika
Nadace České pojišťovny	foundation	Na Pankráci 1658/121, Praha 4, 14021, Česká republika
Pankrác Services s.r.o.	limited company	Na Pankráci 1658/121, Praha 4, 14021, Česká republika
ČP Strategic Investments N.V.	joint stock company	Tower B, Strawinskylaan 933, 1077 XX, Amsterdam
REFICOR s.r.o.	limited company	Na Pankráci 1658/121, Praha 4, 14021, Česká republika
Univerzální správa majetku, a.s.	joint stock company	Na Pankráci 1658/121, Praha 4, 14021, Česká republika
Generali SAF de Pensii Private S.A.(Generali Fond de Pensii S.A.)	limited company	str Polizu, nr 58-60, 11062, Bukurest, Rumunsko
City Empiria a.s.	joint stock company	Hvězdova 1716/2b, Praha 4, Nusle, 14078, Česká republika
Solitaire Real Estate a.s.	joint stock company	Rozkošného 1058/3, Praha 5, 15000, Česká republika
Penzijní společnost České pojišťovny, a.s.	joint stock company	Truhlářská 1106/9, Praha 1, 11000, Česká republika
Apollo Business Center IV a.s.	joint stock company	Gorkého 3, Bratislava 811 01
Finansový servis o.o.o.	limited company	Ul. Pravdy 8, 125040, Moskva, Ruská federace
ČP ASISTENCE s.r.o.	limited company	Praha 4, Na Pankráci 1658/121, PSČ 140 21

Following table shows stake of the Company in the voting rights and share capital of controlled entities.

Name	Direct share on Share capital (%)	Indirect share on Share capital (%)	Direct stake in the voting rights (%)	Indirect stake in the voting rights (%)	Number of shares held by the Company	Nominal value of shares/ participation interest in CZK thousands <sup>1</sup>	Purchase price of shares/ participation interest in CZK thousands (on a acquisition date)
ČP DIRECT, a.s.	100		100		8	20,000	29,400
Česká pojišťovna ZDRAVÍ a.s.	100		100		100	100,000	191,250
ČP INVEST invest. spol., a.s.	100		100		2,170	91,000	45,758
ČP INVEST Realitní Uzavřený Investiční Fond a.s.	68		68		50	50,320	725,000
Generali PPF Services a.s.	80		80		24	2,400	122,403
Nadace České pojišťovny	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Pankrác Services s.r.o.	100		100		N/A	200	269,848
ČP Strategic Investments N.V	96.7		96.7		2,719,688	5,646	3,016,648
REFICOR s.r.o.	100		100		N/A	100	73
Univerzální správa majetku, a.s.	100		100		10	1,000	1,103
Generali SAF de Pensii Private S.A. (Generali Fond de Pensii S.A.)	99.9		99.9		88,991,100	517,928	1,076,857
City Empiria a.s		68		68			
Solitaire Real Estate a.s.		68		68			
Penzijní společnost České pojišťovny, a.s.		96.7		96.7			
Apollo Business Center IV a.s.	100		100		1	649	801,876
Finansový servis o.o.o.	100		100		N/A		1,566
ČP ASISTENCE s.r.o.	51		51		N/A	1,530	5,100

<sup>1</sup> Foreign currency is translated using CNB exchange rate as at 30 June 2013.

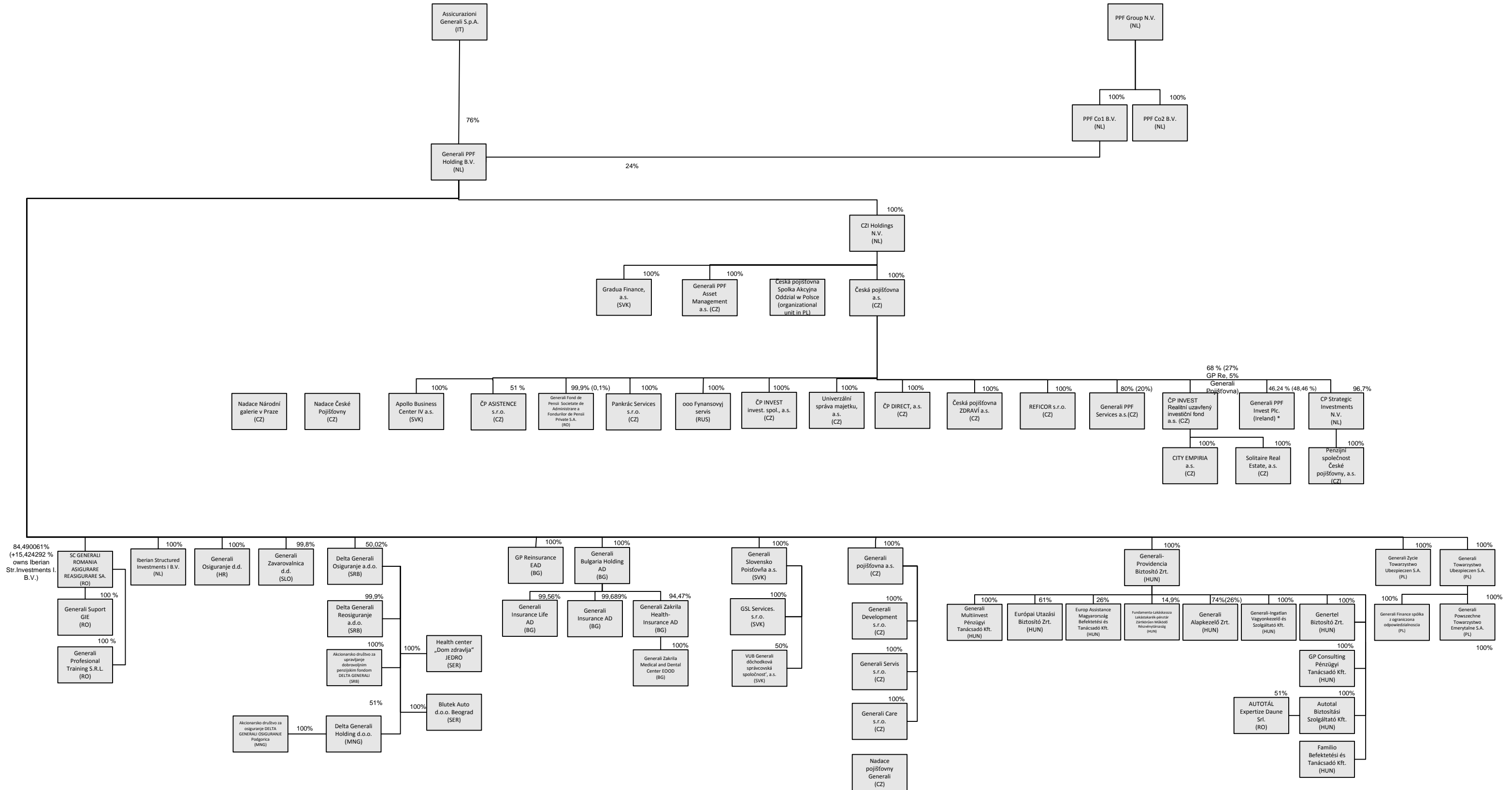
Amounts of receivables and payables of the Company towards controlled entities is shown in following table.

(in CZK thousands)	Receivables	Payables	Value of securities owned by ČP and issued by controlled entity	
			Value of securities (purchase price)	Value of securities (book value)
ČP DIRECT, a.s.	4	(10,640)	29,400	29,400
Česká pojišťovna ZDRAVÍ a.s.	2,360	(31,218)	191,250	191,250
ČP INVEST invest. spol., a.s.	240	(907)	45,758	45,758
ČP INVEST Realitní Uzavřený Investiční Fond a.s.			725,000	725,000
Generali PPF Services a.s.	5,488	(13,848)	122,403	2,403
Pankrác Services s.r.o.	3	(7)		
ČP Strategic Investments N.V			3,016,648	3,016,648
REFICOR s.r.o.	7	(1 007)		
Univerzální správa majetku, a.s.	6		1,103	1,103
Generali SAF de Pensii Private S.A.(Generali Fond de Pensii S.A.)			1,076,857	1,076,857
Solitaire Real Estate a.s.	153			
Penzijní společnost České pojišťovny, a.s.		(36 553)		
Apollo Business Center IV a.s.			801,876	801,876
ČP ASISTENCE s.r.o.	20,704	2,136		

The Company has not provided any guarantee to controlled entities nor has accepted any guarantee from such entities.

The Company has no liabilities relating to securities issued by controlled entities.

# Generali PPF Holding B.V. - structure as of 30.06.2013



\* Generali PPF Invest Plc. (IR) je otevřená investiční společnost s proměnlivou kapitálovou strukturou a s oddělenými závazky mezi dílčími podfondy. Podíl České pojišťovny a.s. závisí na podílu investic do jednotlivých fondů. Investice do podílových fondů jsou v účetní závěrce České pojišťovny a.s. vykazovány jako cenné papíry držené k prodeji.  
 \* Generali PPF Invest Plc. (IR) is an open investment company with variable capital structure and with separated liabilities between the individual sub-funds. The share of Česká pojišťovna a.s. depends on the share of investment in each fund. Investments in the funds are in the Česká pojišťovna a.s. financial statements reported as securities being hold for sale.



Česká pojišťovna is subject to adjusted solvency margin. Following controlled entities are included in a calculation of the adjusted solvency margin:

- Česká pojišťovna ZDRAVÍ a.s.,
- Generali "Foreign Insurance Company Inc.",
- JSC Generali Life.



## Financial information

### Financial statements

#### Statement of Financial Position

In CZK thousands

	Current period 30.06.2013	Previous period 31.12.2012
Investments in subsidiaries and associates	5,908,456	5,405,460
Intangible assets	1,729,164	1,843,314
Tangible assets	451,732	477,059
Investments	89,367,488	91,595,431
Investment properties	64,791	64,791
Loans	2,079,933	1,018,924
Available-for-sale ("AFS")	65,603,555	68,048,162
Financial assets at fair value through profit or loss	21,357,986	22,082,290
Other investments	261,223	381,264
Reinsurance assets	11,493,986	9,702,028
Receivables	7,328,458	6,647,711
Deferred tax asset		13,943
Other assets	815,121	969,601
Cash and cash equivalents	4,649,698	5,088,994
<b>Total assets</b>	<b>121,744,103</b>	<b>121,743,541</b>
Share capital	4,000,000	4,000,000
Capital and revenue reserves	14,851,862	17,330,712
<b>Total equity</b>	<b>18,851,862</b>	<b>21,330,712</b>
Insurance provisions	85,840,721	85,640,343
Other provisions	1,202,769	1,209,440
Financial liabilities	4,838,138	3,854,181
Payables	9,521,681	7,877,122
Deferred tax liability	3,316	
Other liabilities	1,485,616	1,831,743
<b>Total liabilities</b>	<b>102,892,241</b>	<b>100,412,829</b>
<b>Total equity and liabilities</b>	<b>121,744,103</b>	<b>121,743,541</b>

## Income Statement

In CZK thousands

	Current period 30.06.2013	Previous period 30.06.2012
<b>Net earned premiums revenue</b>	10,906,813	10,886,484
Insurance premium revenue	16,087,104	16,041,836
Insurance premium ceded to reinsurers	(5,180,291)	(5,155,352)
Interests and other investment income	1,247,689	1,220,921
Income from subsidiaries and associated companies	154,418	95,491
Other income from financial instruments and other investments	948,618	562,393
Net income from financial instruments at fair value through profit or loss	(844,656)	658,962
Other income	1,195,437	627,351
<b>Total income</b>	<b>13,608,319</b>	<b>14,051,602</b>
Net insurance benefits and claims	(7,048,145)	(7,676,543)
Gross insurance benefits and claims	(10,855,337)	(10,000,312)
Reinsurers' share	3,807,192	2,323,769
Interest expense	(18,956)	(17,411)
Costs from subsidiaries and associated companies	(4,361)	
Other expenses for financial instruments and other investments	(797,413)	(445,328)
Acquisition costs	(1,676,065)	(1,738,853)
Administration costs	(1,103,185)	(1,162,179)
Other expenses	(692,068)	(634,270)
<b>Total expenses</b>	<b>(11,340,193)</b>	<b>(11,674,584)</b>
Profit before tax	<b>2,268,126</b>	<b>2,377,018</b>
Income tax expense	(385,785)	(367,547)
<b>Net profit for the year</b>	<b>1,882,341</b>	<b>2,009,471</b>

## Statement of comprehensive income

In CZK thousands

	Current period 30.06.2013	Previous period 30.06.2012
<b>Net profit for the year</b>	1,882,340	2,009,471
<b>Other Comprehensive income</b>		
The exchange rate revaluation in equity	1,386	
Land and buildings revaluation gain/loss on derecognition in retained earnings	3	
Available-for-sale financial assets revaluation in equity	(938,052)	2,161,500
Available-for-sale financial assets revaluation realised in income statement	(326,279)	(52,808)
Available-for-sale impairment losses	77,894	99,196
<b>Other comprehensive income before tax effects</b>	<b>(1,185,048)</b>	<b>2,207,888</b>
Tax on items of Other comprehensive income	223,858	(419,498)
<b>Other Comprehensive income, net of tax</b>	<b>(961,190)</b>	<b>1,788,390</b>
<b>Total Comprehensive income</b>	<b>921,150</b>	<b>3,797,861</b>

## Fair value and nominal value of derivatives

As at 30.06.2013 (In CZK thousands)	Fair value	Nominal value
Hedging derivatives	(978,858)	37,440,932
Trading derivatives	(396,666)	21,298,346

## Solvency

(in CZK billions)	31.12.2012
<b>Life insurance</b>	
Required Solvency Margin	2.9
Available Solvency Margin	13.3
Available and required Solvency Margin Ratio	4.6
<b>Non-life insurance</b>	
Required Solvency Margin	2.2
Available Solvency Margin	6.5
Available and required Solvency Margin Ratio	2.9
<b>Minimum Solvency Margin</b>	1.7
<b>Minimum and available Solvency Margin Ratio</b>	0.09

## Adjusted Solvency Margin

(in CZK million)		31.12.2012
<b>Sum of Available Solvency Margin of ČP and relevant subsidiaries</b>	<b>Part A - UMS</b>	
Available Solvency Margin of ČP	DMSp	20,290
Available Solvency Margin of relevant subsidiaries	Sum of (qi * DMSi) on all relevant subsidiaries	19,784
		505
<b>Sum of other items according to § 16 par. 4 of the Decree of relevant subsidiaries and Required solvency margin of ČP and relevant subsidiaries</b>	<b>Part B - UMS</b>	
Sum of other items according to § 16 par. 4 of the Decree of all relevant subsidiaries	Sum of UHPi on all relevant subsidiaries	5,739
Required Solvency Margin of ČP	PMSp	387
Required Solvency Margin of relevant subsidiaries	Sum of (qi * PMSi) on all relevant subsidiaries	5,142
		210
<b>Adjusted Solvency Margin</b>	<b>USp = A - B</b>	14,551

## Ratios

		30.06.2013
Return on average assets (ROAA)		1.55%
Return on average equity (ROAE)		9.37%
Non-life "Combined ratio"		80.70%