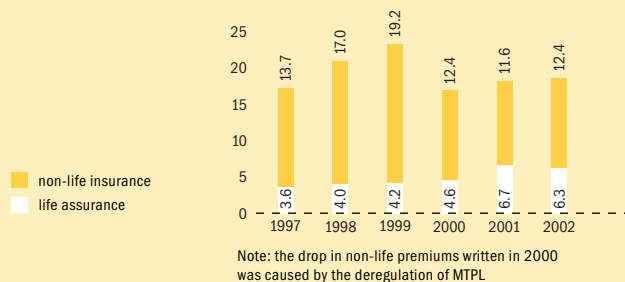
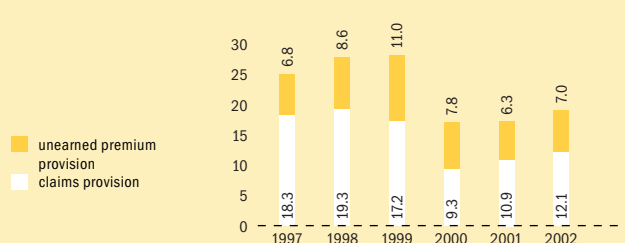


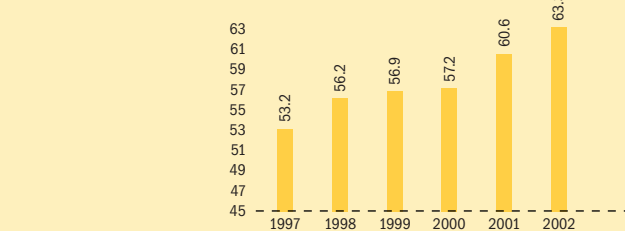
### Gross Premiums Written as at June 30 (CZK billions)



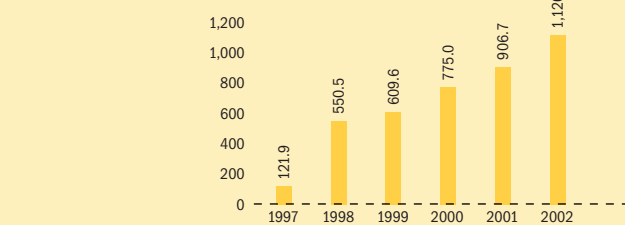
### Non-life Technical Provisions as at June 30 (CZK billions)



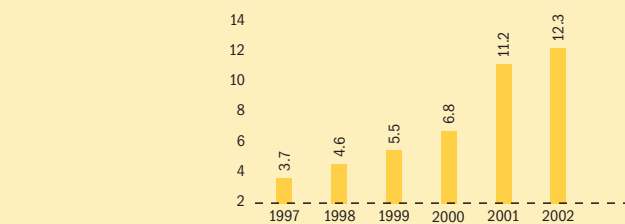
### Life Assurance Provision as at June 30 (CZK billions)



### Earnings as at June 30 (CZK millions)



### Shareholders' Equity as at June 30 (CZK billions)



Česká pojišťovna a.s.  
Information from the Interim Report  
for the First Half of 2002



## Chairman's Statement

Dear shareholders and business friends,

Česká pojišťovna continues in the trend of gradual earnings growth. Net profit rose from CZK 907 million in first half 2002 to CZK 1,121 million, for growth of 23.6%. This growth was driven in particular by an improved result from our own insurance operations and increased returns from financial placements of technical provisions.

Česká pojišťovna's total premiums written reached CZK 18.7 billion in the first half, up 1.7% from the same period one year before.

In life assurance, Česká pojišťovna posted gross premiums written of CZK 6.3 billion in the first half of 2002. That is 7.3% less than the same period of 2001, the first period following the introduction of tax advantages that generated substantially increased demand for capital life assurance and pension insurance. In view of the fact that premiums written grew by 47% during the first half of 2001, some contraction was expected in first half 2002, especially in single-premium policies. The largest component in total premiums written was the capital life category with 49.8%.

Gross premiums written in non-life insurance during the first half of 2002 exhibited favorable development in all insurance classes, reaching a total of CZK 12.4 billion, up 7% from the same period of 2001. Gross premiums written were up in year-on-year terms thanks especially to premium growth in Motor Third Party Liability insurance (MTPL), which saw premiums written grow by 13.3% over the same period one year before. In motor damage insurance we saw a reversal of the declining trend in premiums written, resulting in a year-on-year increase. New types of buildings and structures insurance and household contents insurance brought positive development to insurance for individuals. In conjunction with the infection threat posed by foot-and-mouth disease and BSE, which boosted livestock insurance, and growth in crop insurance in 2002 compared with the same period of 2001, premiums written in agricultural insurance were up by CZK 27 million.

The first half of 2002 saw a 24.6% drop in claims paid compared to the same period last year. Claims paid in accident insurance sold in the form of riders to life assurance policies were down by 13.1% compared to the same period of 2001.

Claims paid in non-life insurance grew by CZK 4.2 billion, or 8.6%, in year-on-year terms. Compared to the previous year, the results reflect catastrophic events that took place early in the year as well as in June 2002. While most insurance classes did see growth in the number of claims settled, in volume terms the growth is concentrated in MTPL, motor damage, and non-life accident insurance, where the main driver is growth in insurance volume. Another area comprises certain types of property insurance (especially insurance of buildings, structures and other property for individuals, insurance of small risks for businesses, and agricultural property insurance and crop insurance), where the impact of natural hazard-related events was more significant this year. Several large-scale loss events also occurred in property insurance for large industrial enterprises. However, thanks to our high-quality reinsurance programs their influence on the bottom line is minimal.

In the reinsurance area during the first half of 2002, Česká pojišťovna continued to utilize and gain benefits from certain reinsurance contracts that were concluded in 1999 as multi-year contracts for the 2000-2002 period. Thanks to this, Česká pojišťovna was not hit as hard as other insurers by increased reinsurance rates, especially in non-proportional reinsurance coverage. Overall, however, reinsurance costs increased in proportional reinsurance coverage, in particular property and casualty insurance, which thereby reflects the general

growth in insurance rates in the market, especially in the industrial risks area. The inwards reinsurance results were not affected by any catastrophic losses.

Our main business partners in reinsurance continue to be the world's leading reinsurance houses, with whom we place most of our business through leading brokerage firms. In obtaining reinsurance for particular risks, the reinsurance section was governed by management's requirements concerning the solvency and financial strength of business partners, especially with regard to the impact the events of September 11 of last year had on the financial strength of certain reinsurance houses. Since certain reinsurers that we had been using saw their ratings fall, during the course of first half 2002 we decreased our exposure to certain reinsurers or transferred their shares to other partners. This process will continue in the second half of the year as well, also with regard to renewing the Česká pojišťovna reinsurance program for the year 2003. To qualify for consideration in this renewal, reinsurers should have a minimum rating of A-, or BBB for short-term obligations in exceptional cases.

Česká pojišťovna's ability to maintain its dominant market share in both life and non-life insurance was also noticed by the rating agencies Fitch and Standard & Poor's, who have been regularly evaluating the company's financial strength for some years now. In March 2001, Fitch gave the Česká pojišťovna a financial strength rating of A- and a long-term rating of BBB with a stable outlook and reaffirmed this rating in December 2001. In January 2001, Standard & Poor's rated Česká pojišťovna a BB+ for both long-term financial strength and credit rating, and gave both these ratings a stable outlook. These ratings were also reaffirmed in February 2002. In addition to our position as market leader, both agencies made reference to the good operating performance, profitability and excellent liquidity of Česká pojišťovna.

The company's capital strength continued to grow: shareholders' equity rose from CZK 11.2 billion to CZK 12.3 billion (9.1%) from the same period of 2001. Assets of Česká pojišťovna as at 30 June 2002 reached CZK 108.7 billion and technical provisions rose to CZK 86.7 billion.

Česká pojišťovna's goal for the coming period is to maintain its position as the leading domestic insurer in both life and non-life insurance and to continue to grow earnings. The first and foremost task in non-life insurance is to grow new business in insurance for business and industry. Other initiatives are currently being prepared in cooperation with our subsidiaries. Since the planned tasks for the first half were not only met but exceeded, there is a realistic potential of maintaining the trend towards further growth in insurance volume and to at least maintain market share at its current level. At the same time, earnings results in the individual insurance classes are at very good levels. The amendment to the Income Tax Act that took effect as of 1 January 2001 newly gives private individuals and legal entities alike the opportunity to deduct from their income tax base a portion of premiums paid on private life assurance. This was a major boost for the further development of the life assurance market. It is likely that these incentives will continue to drive growth in premiums written compared to past years. Česká pojišťovna plans to continue converting existing policies to products eligible for the tax advantages, something it has been doing since the first year the new legislation took effect.



Ladislav Bartoniček  
Chairman of the Board of Directors

## Profit and Loss Account as at June 30

(CZK '000)	2002	2001	2000
<b>TECHNICAL ACCOUNT FOR NON-LIFE INSURANCE</b>			
Gross premiums written	12,418,549	11,611,588	12,445,573
Outward reinsurance premiums	(635,553)	(652,626)	(566,397)
Change in provision for unearned premiums	(2,900,415)	(2,403,686)	(3,612,186)
Change in provision for unearned premiums – reinsurers' share	0	(47,977)	(22,259)
<b>Earned premiums, net</b>	<b>8,882,581</b>	<b>8,507,299</b>	<b>8,244,731</b>
<b>Other technical income, net</b>	<b>1,026</b>	<b>4,677</b>	<b>2,301</b>
Claims incurred, gross	(4,196,559)	(3,865,401)	(3,853,923)
Reinsurers' share of claims paid	150,956	174,547	396,202
Change in provision for outstanding claims	(897,750)	(1,439,585)	(1,801,839)
Change in provision for outstanding claims – reinsurers' share	286,861	437,493	197,760
<b>Claims incurred, net</b>	<b>(4,656,492)</b>	<b>(4,692,946)</b>	<b>(5,061,800)</b>
<b>Change in other technical provisions, net</b>	<b>(287,391)</b>	<b>(100,169)</b>	<b>(19,559)</b>
<b>Bonuses and rebates, net</b>	<b>(180,279)</b>	<b>(212,941)</b>	<b>(11,877)</b>
Acquisition costs	(1,429,090)	(1,353,939)	(951,311)
Deferred acquisition costs	(43,193)	86,386	(164,831)
Administrative expenses	(1,954,924)	(1,523,702)	(1,975,038)
Reinsurance commissions and profit participations, net	143,412	129,524	117,306
<b>Net operating expenses</b>	<b>(3,283,795)</b>	<b>(2,661,731)</b>	<b>(2,973,874)</b>
<b>Other technical expenses, net</b>	<b>(196,322)</b>	<b>(232,057)</b>	<b>(410,079)</b>
<b>Change in the equalisation provision</b>	<b>(180,000)</b>	<b>(300,000)</b>	<b>200,000</b>
<b>Result of the technical account for non-life insurance</b>	<b>99,328</b>	<b>312,132</b>	<b>(30,157)</b>
<b>TECHNICAL ACCOUNT FOR LIFE ASSURANCE</b>			
Gross premiums written	6,250,390	6,742,043	4,600,098
Outward reinsurance premiums	(1,725)	(2,004)	(1,142)
Change in the provision for unearned premiums	(43,818)	(34,106)	(270,647)
<b>Earned premiums, net</b>	<b>6,204,847</b>	<b>6,705,933</b>	<b>4,328,309</b>
Income from participating interests	76,160	76,092	17,492
Income from land and buildings	186,050	190,948	149,917
Income from other financial placements	3,842,490	2,870,894	2,313,087
Release of value adjustments on financial placements	169,795	255,898	920,114
Income from disposal of financial placements	28,617,109	21,224,892	21,449,324
<b>Total income from financial placements</b>	<b>32,891,604</b>	<b>24,618,724</b>	<b>24,849,934</b>
<b>Unrealised gains in value of financial placements</b>	<b>1,090,682</b>	<b>0</b>	<b>0</b>
Claims incurred, gross	(4,200,097)	(5,101,061)	(3,922,634)

(CZK '000)	2002	2001	2000
Reinsurers' share of claims paid	0	2	0
Change in provision for outstanding claims	(81,966)	5,038,107	3,928,324
<b>Claims incurred, net</b>	<b>(4,282,063)</b>	<b>(62,952)</b>	<b>5,690</b>
<b>Change in other technical provisions, net</b>	<b>(1,633,992)</b>	<b>(6,924,303)</b>	<b>(4,804,606)</b>
Acquisition costs	(611,595)	(457,165)	(353,153)
Administrative expenses	(700,271)	(538,904)	(693,964)
<b>Net operating expenses</b>	<b>(1,311,866)</b>	<b>(996,069)</b>	<b>(1,047,117)</b>
Expenses connected with financial placements	(1,828,355)	(1,213,920)	(2,756,369)
Creation of value adjustments on financial placements	(671,931)	(693,501)	(1,596,112)
Book value of disposed financial placements	(28,009,030)	(21,049,745)	(19,337,654)
<b>Expenses connected with financial placements, total</b>	<b>(30,509,316)</b>	<b>(22,957,166)</b>	<b>(23,690,135)</b>
<b>Unrealised diminutions in value of financial placements</b>	<b>(1,466,657)</b>	<b>0</b>	<b>0</b>
<b>Other technical expenses, net</b>	<b>(6,917)</b>	<b>(8,676)</b>	<b>(5,288)</b>
<b>Result of the technical account for life assurance</b>	<b>976,322</b>	<b>375,491</b>	<b>(363,213)</b>
<b>NON-TECHNICAL ACCOUNT</b>			
<b>Result of the technical account for non-life insurance</b>	<b>99,328</b>	<b>312,132</b>	<b>(30,157)</b>
<b>Result of the technical account for life assurance</b>	<b>976,322</b>	<b>375,491</b>	<b>(363,213)</b>
Income from other financial placements	814,942	650,884	714,456
Income from disposal of financial placements	14,702,837	8,610,734	3,568,910
Release of value adjustments on financial placements	89,723	2,919	4,927
<b>Income from financial placements, total</b>	<b>15,607,502</b>	<b>9,264,537</b>	<b>4,288,293</b>
Expenses connected with financial placements	417,574	(187,336)	(131,550)
Creation of value adjustments on financial placements	0	(3,671)	(19,927)
Book value of disposed financial placements	(14,553,061)	(8,808,332)	(3,396,759)
<b>Expenses connected with financial placements, total</b>	<b>(14,970,635)</b>	<b>(8,999,339)</b>	<b>(3,548,236)</b>
<b>Other income</b>	<b>844,179</b>	<b>645,348</b>	<b>910,114</b>
<b>Other expenses</b>	<b>(1,212,945)</b>	<b>(587,359)</b>	<b>(479,462)</b>
<b>Income tax on ordinary activities</b>	<b>(215,082)</b>	<b>(99,858)</b>	<b>0</b>
<b>Extraordinary income</b>	<b>5,111</b>	<b>6,861</b>	<b>5,528</b>
<b>Extraordinary expenses</b>	<b>(1,199)</b>	<b>(4,692)</b>	<b>(2,759)</b>
<b>Extraordinary result</b>	<b>3,912</b>	<b>2,169</b>	<b>2,769</b>
<b>Income tax on extraordinary activities</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Other taxes and fees</b>	<b>(11,639)</b>	<b>(6,425)</b>	<b>(5,064)</b>
<b>Result for the accounting period</b>	<b>1,120,942</b>	<b>906,696</b>	<b>775,044</b>

## Balance Sheet as at June 30

(CZK '000)	2002	2001	2000
<b>ASSETS</b>			
<b>Intangible assets</b>	<b>82,493</b>	<b>183,894</b>	<b>278,940</b>
<b>Financial placements (investments)</b>	<b>96,500,393</b>	<b>86,643,775</b>	<b>72,517,851</b>
Land and buildings (real estate)	8,008,940	7,443,361	7,821,155
Land and buildings – self-occupied	44,342	58,401	2,608,755
Investments in third parties and other long-term receivables	13,245,727	8,080,481	7,156,061
Participating interests with controlling influence in undertakings	9,010,324	4,791,705	3,716,225
Participating interests with significant interest in undertakings	116,675	78,660	450,760
Bonds and other debt securities, loans issued by undertakings – controlling influence	0	250	170,248
Other participating interests and other long-term receivables	4,118,728	3,209,866	2,818,828
Other financial placements	75,116,824	71,098,865	57,510,124
Variable-yield securities	4,379,246	6,022,053	4,173,727
Fixed-income securities	61,561,506	54,712,599	37,354,197
Financial placements in investment companies and funds	190,136	1,110,776	1,988,906
Other loans	312,225	147,130	1,357,448
Deposits with banks	7,002,728	8,793,107	11,887,454
Other financial placements	1,670,983	313,200	748,392
Receivables from deposits with ceding undertakings	14,947	21,068	30,511
Fin. placements for the benefit of policy holders who bear the inv. risk	113,955	0	0
<b>Receivables</b>	<b>7,479,826</b>	<b>8,732,603</b>	<b>15,682,006</b>
Receivables arising from direct insurance and reinsurance operations	4,736,921	3,178,035	11,606,679
Receivables due from the insured	4,469,022	3,007,818	11,519,136
Receivables due from intermediaries	20,399	7,894	7,349
Receivables arising from reinsurance operations	247,500	162,323	80,194
Other debtors	2,742,905	5,554,568	4,075,327
<b>Other assets</b>	<b>3,834,602</b>	<b>2,570,093</b>	<b>3,716,449</b>
Movable tangible fixed assets	551,247	599,798	589,647
Operational movable assets	498,472	548,305	539,070
Non-depreciable tangible fixed assets	52,775	51,492	50,577
Acquisition of assets	668,936	457,970	502,079
Advance payments for intangible and tangible fixed assets	316,805	233,253	198,962
Other assets	81	58	52
Cash values and other financial investments	2,614,338	1,512,267	2,624,671
Current accounts	723,943	1,260,855	2,365,372
Cash and other cash values	87,995	146,966	150,319
Cheques	15,340	0	0
Own shares	1,787,060	104,446	108,980
<b>Temporary asset accounts</b>	<b>839,177</b>	<b>2,114,041</b>	<b>4,373,615</b>
Interest and rent	136	2,305	785
Deferred acquisition costs	682,693	843,836	1,068,905
Other temporary asset accounts	138,077	1,229,257	3,295,378
<b>TOTAL ASSETS</b>	<b>108,736,491</b>	<b>100,244,406</b>	<b>96,568,861</b>

(CZK '000)	2002	2001	2000
<b>LIABILITIES</b>			
<b>Share capital and funds</b>	<b>5,895,845</b>	<b>3,985,756</b>	<b>3,769,414</b>
Share capital	3,412,391	3,412,391	3,412,391
Other capital accounts	72,986	45,769	46,623
Legal reserve fund	2,366,855	484,174	267,590
Other funds	43,613	43,422	42,810
<b>Technical provisions</b>	<b>86,686,466</b>	<b>80,811,399</b>	<b>76,068,845</b>
Provision for unearned premiums	7,031,493	6,316,566	7,805,241
Life assurance provision	63,252,547	60,645,596	57,202,848
Provision for outstanding claims	12,100,293	10,878,727	9,274,212
Provision for bonuses and rebates	174,603	121,085	22,885
Equalisation and Other technical provisions	4,127,530	2,849,425	1,763,659
<b>Provision for liabilities where investment risk is borne by policyholder</b>	<b>118,550</b>	<b>80,450</b>	<b>0</b>
<b>Provision for other risks</b>	<b>758,389</b>	<b>653,303</b>	<b>81,619</b>
Legal provisions	0	3,950	15,205
Other provisions	758,389	649,353	66,414
<b>Liabilities from deposits received</b>	<b>3,227</b>	<b>4,229</b>	<b>8,455</b>
<b>Payables</b>	<b>6,740,473</b>	<b>4,972,527</b>	<b>11,673,136</b>
Payables arising from direct insurance and reinsurance operations	1,193,406	1,175,478	9,210,616
Payables due to the insured	1,185,416	1,168,330	9,333,527
Payables due to intermediaries	901	260	1,331
Payables arising from reinsurance operations	7,089	6,888	(124,242)
Tax liabilities	400,344	218,566	(29,903)
Social security and health insurance liabilities	62,204	60,440	87,656
Other payables	5,084,519	3,518,043	2,404,767
<b>Temporary liability accounts</b>	<b>2,172,125</b>	<b>2,489,609</b>	<b>1,950,776</b>
<b>Undistributed profits from previous periods</b>	<b>5,240,474</b>	<b>6,340,437</b>	<b>2,241,572</b>
<b>Profit from the current period</b>	<b>1,120,942</b>	<b>906,696</b>	<b>775,044</b>
<b>TOTAL LIABILITIES</b>	<b>108,736,491</b>	<b>100,244,406</b>	<b>96,568,861</b>

