

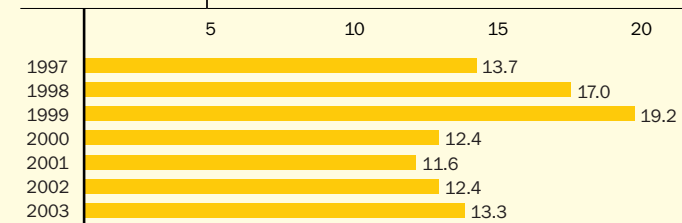
Profit and Loss Account as of 30. 6. 2003



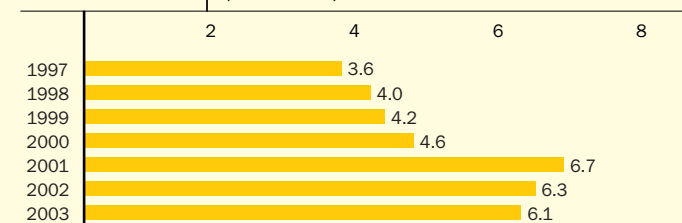
	Base	Subtotal	Result
I. NON-LIFE TECHNICAL ACCOUNT			
1. Earned premiums, net of reinsurance:	X	X	X
a) Gross premiums written	13,329,806	X	X
b) Premiums ceded to reinsurers (-)	1,499,943	11,829,863	X
c) Chg. in gross unearned prem. prov. (+/-)	2,487,578	X	X
d) Chg. in unearned prem. prov., reinsurers' share (+/-)	343,272	2,144,306	9,685,557
2. Income from fin. placemts (investments) transferred from the Non-tech. Acct. (Item III.6.)	X	X	0
3. Other technical income, net of reinsurance	X	X	1,197
4. Claims incurred, net of reinsurance:	X	X	X
a) Claims incurred:	X	X	X
aa) Gross amount	8,204,789	X	X
ab) Reinsurers' share (-)	2,816,440	5,388,349	X
b) Change in claims provision:	X	X	X
ba) Gross amount	-3,014,088	X	X
bb) Reinsurers' share (-)	-2,925,628	-88,460	5,299,889
5. Chg. in other tech. prov., net of reins. (+/-)	X	X	126,631
6. Bonuses and rebates, net of reinsurance	X	X	166,352
7. Net operating expenses:	X	X	X
a) Acquisition costs	X	1,621,632	X
b) Change in accrued operating expenses (+/-)	X	0	X
c) Administrative overheads	X	1,578,853	X
d) Commissions from reinsurers and profit shares (-)	X	179,693	3,020,792
8. Other technical expenses, net of reinsurance	X	X	236,914
9. Change in equalization provision (+/-)	X	X	120,000
10. Subtotal, balance (result) of Non-life Technical Account (Item III.1.)	X	X	716,176
II. LIFE TECHNICAL ACCOUNT			
1. Earned premiums, net of reinsurance:	X	X	X
a) Gross premiums written	X	6,094,056	X
b) Premiums ceded to reinsurers (-)	X	2,509	X
c) Chg. in unearned prem. prov., reins. share (+/-)	X	24,927	6,066,620
2. Income from financial placements (investments):	X	X	X
a) Income from shares with those coming from controlled entities listed separately	X	41,239	X
b) Income from other fin. placemts (investments) with those coming from controlled entities listed separately:	X	X	X
ba) Income from land and buildings	179,370	X	X
bb) Income from other investments	2,780,208	2,959,578	X
c) Chg. in value of fin. placemts (investments)	X	0	X
d) Income from realization of financial placements (investments)	X	23,719,057	26,719,874
3. Unrealized gains on fin. placemts (investments)	X	X	890,602
4. Other technical income, net of reinsurance	X	X	16,430
5. Claims incurred, net of reinsurance:	X	X	X
a) Claims incurred:	X	X	X
aa) Gross amount	3,994,003	X	X
ab) Reinsurers' share (-)	0	3,994,003	X
b) Change in claims provision (+/-):	X	X	X
ba) Gross amount	61,960	X	X
bb) Reinsurers' share (-)	0	61,960	4,055,963
6. Chg. in other tech. prov., net of reinsurance (+/-):	X	X	X

	Base	Subtotal	Result
a) Change in life assurance provision:	X	X	X
aa) Change in gross amount	-903,999	X	X
ab) Reinsurers' share (-)	0	-903,999	X
b) Chg. in other tech. prov., net of reinsurance	X	3,915,534	3,011,535
7. Bonuses and rebates, net of reinsurance	X	X	0
8. Net operating expenses:	X	X	X
a) Acquisition costs	X	481,815	X
b) Change in accrued acquisition costs (+/-)	X	0	X
c) Administrative overheads	X	645,668	X
d) Commissions from reinsurs. and profit shares (-)	X	0	1,127,483
9. Costs of financial placements (investments):	X	X	X
a) Costs of managing fin. placemts (investments), incl. interest	X	1,471,790	X
b) Chg. in value of fin. placemts (investments)	X	0	X
c) Costs associated with realizing financial placements (investments)	X	23,308,105	24,779,895
10. Unrealized losses on fin. placemts (investments)	X	X	463,992
11. Other technical expenses, net of reinsurance	X	X	58,403
12. Transfer of income from financial placements (investments) to Non-tech. Account (Item III.4.)	X	X	0
13. Subtotal, balance (result) of Life Technical Account (Item III.2.)	X	X	196,255
III. NON-TECHNICAL ACCOUNT			
1. Result of the Non-life Tech. Account (Item I.10.)	X	X	716,176
2. Result of the Life Tech. Account (Item II.13.)	X	X	196,255
3. Income from financial placements (investments):	X	X	X
a) Income from shares with those coming from controlled entities listed separately	X	0	X
b) Income from other fin. placemts (investments) with those coming from controlled entities listed separately:	X	X	X
ba) Income from land and buildings	0	X	X
bb) Income from other investments	551,580	551,580	X
c) Chg. in value of fin. placemts (investments)	X	0	X
d) Realized gains on fin. placemts (investments)	X	17,645,723	18,197,303
4. Income from financial placements (investments) transferred from the Life Tech. Account (Item II.12.)	X	X	0
5. Costs of financial placements (investments):	X	X	X
a) Costs of managing financial placements (investments), including interest	X	232,716	X
b) Change in value of fin. placements (investments)	X	0	X
c) Costs associated with realizing fin. placemts (investments)	X	17,081,494	17,314,210
6. Transfer of income from financial placements (investments) to Non-life Tech. Account (Item I.2.)	X	X	0
7. Other income	X	X	297,454
8. Other expenses	X	X	668,692
9. Income tax on ordinary activities	X	X	283,732
10. Earnings from ordinary activities, after tax	X	X	-
11. Extraordinary expenses	X	X	1,302
12. Extraordinary income	X	X	21,342
13. Extraordinary result	X	X	20,040
14. Income tax on extraordinary activities	X	X	0
15. Other taxes not included above	X	X	11,193
16. Result for the accounting period (Item III.3)	X	X	1,149,401

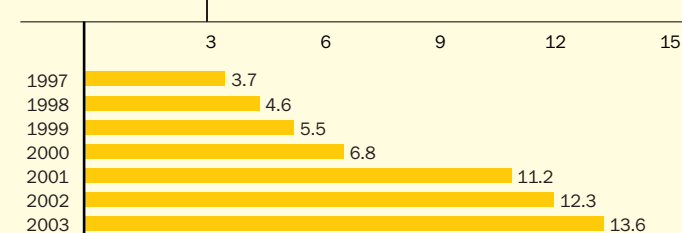
Non-Life Gross Premiums Written as of 30 June (CZK billions)



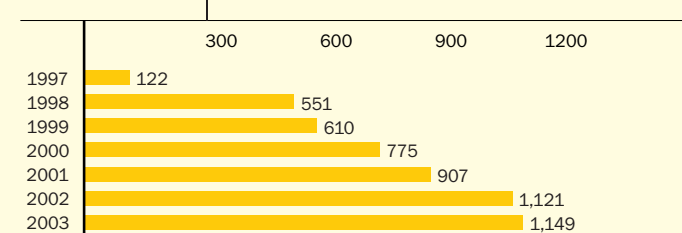
Life Gross Premiums Written as of 30 June (CZK billions)



Shareholders' Equity as of 30 June (CZK billions)



Earnings as of 30 June (CZK millions)



Chairman's Statement

Dear shareholders, dear business friends,

In the first half of 2003, Česká pojišťovna again confirmed its position as one of the most successful domestic corporations. Its net earnings grew year-on-year from CZK 1.12 billion to CZK 1.15 billion. This growth was driven in particular by an improved operating result from insurance activities. Česká pojišťovna's total premiums written for the first half of this year reached CZK 19.4 billion, which represents an increase of CZK 700 million over the same period last year.

Non-life premiums written totaled CZK 13.3 billion, i.e. up 7.3% from the same period of 2002. In motor damage insurance, premiums written were up 30% thanks to strong underwriting performance. Performance in property insurance was positively impacted by the roll-out of new structures and household contents insurance policies. In household contents insurance we saw growth of 28%, insurance of buildings and structures for individuals was up 25% and large risks insurance grew by 15%.

Claims paid grew in year-on-year terms to CZK 8.2 billion, up over CZK 4 billion (95.5%). Of the claims paid total, over CZK 2.8 billion was borne by reinsurers. Growth in claims was seen in most types of insurance. Thanks to our high-quality reinsurance programs, however, the increased claims did not have a substantial impact on earnings.

Sales of life assurance are playing a key role in the company's commercial strategy for 2003. During the first half of the year, Česká pojišťovna wrote CZK 6.1 billion in life assurance premiums, which represents a slight decrease compared to the same period of 2002. This year is somewhat exceptional for ČP in this area: during the first half we introduced entirely new life assurance products, and their effect on new business will not be seen until the second half of the year.

The most important life assurance category in terms of share in overall premiums written was capital insurance, at 50%.

ČP's principal business partners in reinsurance are some of the world's most important and biggest reinsurance houses. In reinsuring risks, great emphasis is placed on the solvency and financial strength of our business partners and the criteria used to select them are excellent ratings, service quality, and ability and willingness to provide specialized know-how.

In renewing reinsurance contracts for 2003, ČP had to take into account the international situation in general, and in particular fundamental changes in the reinsurer attitudes, caused by negative results in past years. The situation was also exacerbated by losses caused by extensive flooding and insured losses in the petroleum and chemicals industries. In addition to substantial price rises for reinsurance of catastrophic risks in particular, reinsurers also restricted the scope of cover they provide in proportional reinsurance contracts. Thus, today ČP is paying several times what it paid in past years for its reinsurance cover. As is the case in the insurance market as a whole, this is partially showing up in the form of higher property insurance rates.

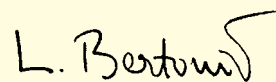
Despite the negative impacts – those mentioned above as well as a decline in interest rates, ČP's shareholders' equity grew to CZK 13.3 billion, up 8.9% from the same period in 2002. Česká pojišťovna's assets at 31 June 2003 totaled CZK 118.7 billion and technical provisions advanced to CZK 93.2 billion.

The principal short- and medium-term goal of Česká pojišťovna is to continue to maintain our position as the leading domestic insurance company in both life and non-life insurance and, while so doing, to grow the company's shareholder value. Česká pojišťovna continues to be committed to being an insurance institution that offers services to the widest clientele in personal lines.

In addition to developing life assurance, we also want to repeat the success achieved in motor vehicles insurance by Česká pojišťovna in 2002. Therefore, collaboration is being further developed, e.g., with car dealerships and leasing companies. Great emphasis is being placed on maximum prevention and elimination of insurance fraud; thanks to ČP's system of inspections, we are able to prevent hundreds of millions of Crowns in unjustified claims payments.

In accordance with global trends, Česká pojišťovna will focus on providing unified packages of financial services and on developing modern distribution channels that make it possible to better leverage the synergies arising out of the company's scope of operations and the size of its corporate group. Especially great potential is available in bancassurance products and broader utilization of our extensive branch network.

Česká pojišťovna is actively preparing for the Czech Republic's accession to the European Union. During 2003, the company is rolling out a new model for administering insurance policies and adjusting claims, which involves changes in the company's organization structure as well as the implementation of new technological systems. The objective is to provide clients a high standard of services corresponding to best practice in Western European countries. In the future, the new organizational and technical system will considerably streamline the concluding and maintaining of insurance contracts, and will offer faster, more modern and also more transparent adjustment of claims, based on the utilization of cutting-edge technological procedures. A number of activities which until now clients have dealt with in person at ČP's offices will be doable from home over the telephone or other communications channels. Česká pojišťovna's extensive branch network will be retained, but it will specialize in particular on policy sales and on direct contact with clients.



Ladislav Bartoniček
Chairman of the Board of Directors

Balance Sheet as of 30. 6. 2003

	Gross amount	Adjustment	Net amount
ASSETS			
A. Capital subscriptions receivable	0		0
B. Intangible assets	840,351	791,140	49,211
a) Incorporation expenses	0		0
b) Goodwill	0		0
C. Financial placements (investments)	106,526,250	1,404,781	105,121,469
I. Land and buildings (real estate)	9,515,162	1,404,781	8,110,381
a) Land and buildings – self-occupied	121,143	72,992	48,151
II. Investments in corporate groups	10,302,836		10,302,836
1. Capital participations in controlled entities	10,189,520		10,189,520
2. Bonds issued by controlled entities and loans to same	11,084		11,084
3. Capital participations in affiliated entities	102,232		102,232
4. Bonds issued by affiliated entities and loans to same	0		0
III. Other financial placements	86,698,356		86,698,356
1. Equities, other variable-yield securities and other participating interests	9,481,910		9,481,910
2. Fixed-income securities	68,819,132		68,819,132
3. Investments in investment associations	83,330		83,330
5. Other loans	842,976		842,976
6. Deposits with financial institutions	6,171,882		6,171,882
7. Other investments	1,299,126		1,299,126
IV. Deposits in inwards reinsurance	9,896		9,896
D. Fin. pl. for the benefit of life policy holders who bear the investment risk	164,212		164,212
E. Debtors	18,353,136	10,325,501	8,027,635
I. Receivables arising from direct insurance operations	7,591,810	2,095,863	5,495,947
1. Due from insureds	7,566,756	2,083,023	5,483,733
2. Due from intermediaries	25,054	12,840	12,214
II. Receivables arising from reinsurance operations	692,358		692,358
III. Other receivables	10,068,968	8,229,638	1,839,330
F. Other assets	5,937,509	1,888,106	4,049,403
I. Tangible fixed assets other than land and buildings (real estate) and inventories	3,662,250	1,888,106	1,774,144
II. Cash at financial institutions and cash on hand	497,093		497,093
III. Treasury shares, own interim certificates, participating interests in self	1,778,117		1,778,117
IV. Other assets	49		49
G. Temporary asset accounts	1,254,967		1,254,967
I. Accrued interest and rent (annuities)	5,146		5,146
II. Deferred acquisition costs	723,001		723,001
a) Life assurance	0		0
b) Non-life insurance	723,001		723,001
III. Other temporary asset accounts	526,820		526,820
a) Estimated receivables	433,466		433,466
TOTAL ASSETS	133,076,425	14,409,528	118,666,897

	Gross amount	Adjustment	Net amount
LIABILITIES AND EQUITY			
A. Shareholders' equity			13,647,909
I. Share capital			3,412,391
a) Movements in share capital			0
II. Share issue premium			0
III. Reserve fund from new re-valuation			0
IV. Other capital funds			1,912,534
V. Statutory reserve and other funds created from profit			2,504,170
VI. Retained earnings			4,669,413
VII. Current period profit or loss			1,149,401
B. Subordinated liabilities			
C. Technical provisions	98,265,180	5,108,055	93,157,125
1. Provision for unearned premiums	8,135,694	923,500	7,212,194
2. Life assurance provision	61,432,434		61,432,434
3. Provision for outstanding claims	16,942,270	4,184,555	12,757,715
4. Provision for bonuses and rebates	87,335		87,335
5. Equalization provision	2,307,174		2,307,174
6. Non-life premiums provision	29,329		29,329
7. Other technical provisions	9,330,944		9,330,944
D. Provision for liabilities where the investment risk is borne by the insured (life assurance)	149,226		149,226
E. Provisions for other risks and losses			207,530
1. Provision for annuities and similar obligations			42,430
2. Provision for taxes			0
3. Other provisions			165,100
F. Deposits in outwards reinsurance			3,968
G. Creditors			9,411,433
I. Payables arising from direct insurance operations			1,218,628
II. Payables arising from reinsurance operations			497,900
III. Borrowings backed by bonds:			0
a) Convertible borrowings			0
IV. Payable to financial institutions			0
V. Other payables			7,694,905
a) Taxes and social security payable			924,294
VI. Bureau guarantee fund			0
H. Temporary liability accounts			2,089,706
I. Accrued expenses and deferred income			1,373,990
II. Other temporary liability accounts			715,716
a) Estimated payables			715,716
TOTAL LIABILITIES AND EQUITY			118,666,897