

Summary of Changes in Shareholders' Equity

as at 30 June 2005 according to IFRS

TCZK	Basic share capital	Restatement differences and	Ex lege reserves	Hedging fund	Treasury shares	Other funds	Retained earnings	Total equity
Balance as at 31 December 2004	2,980,963	122,971	682,478	0	0	2,680,919	10,339,116	16,929,536
Change in accounting rules								
Adjusted balance								
Surplus from restatement to fair value								
Deficit from restatement to fair value								
Cash flow hedging								
FX differences from translation of foreign equity stakes								
Tax on items not included in the profit and loss account								
Net income / loss not included in the profit and loss account								
Net income / loss for the accounting period								
Basic share capital subscribed								
Dividends								
Share options outstanding								
Other changes								
Balance as at 30 June 2005	2,980,963	126,294	682,478	0	0	2,780,919	13,032,266	19,726,033
		3,323				100,000		(103,323)
							1,804,248	(1,804,248)
							888,902	(888,902)

Passage of Ownership Title to Shares

In accordance with Section 183i *et seq.* of the Commercial Code, an extraordinary General Meeting of the Company held on 25 July 2005 approved the passage of ownership title to all Company shares owned by Company shareholders other than the main shareholder to the main shareholder, which is CESPO, B.V., reg. no. 34124688, with its seat in the Netherlands, Herengracht 450, 1017CA Amsterdam. In return, the main shareholder will provide the other shareholders consideration of CZK 21,288 per Company share with nominal value CZK 1,000. The consideration will be paid to eligible shareholders within 2 months of the day the ownership title to Company shares passes to the main shareholder.

Shareholders' Structure

as at 30 June 2005

	%
CESPO B.V. (the Netherland, Herengracht 450, 1017 CA Amsterdam)	97.7
Others	2.3

Basic Indicators

as at 30 June 2005 (TCZK)

	2005*)	2004	2003	2002
Total assets	128,194,610	120,823,519	118,666,897	108,736,491
Shareholders' equity	19,726,033	13,728,212	13,647,909	12,257,261
Basic share capital**)	2,980,963	2,980,963	3,412,391	3,412,391
Net income	2,793,150	1,861,091	1,149,401	1,120,942

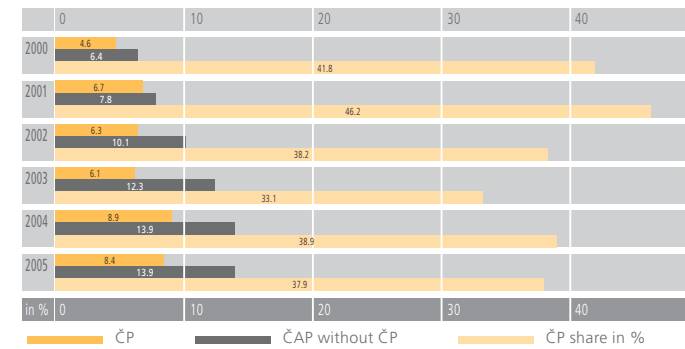
*) 2005 figures are reported for the first time according to International Accounting Standards (IAS/IFRS) and therefore they are not comparable with the figures given in this table for previous years, which are according to Czech Accounting Standards.

**) The basic share capital was reduced under a decision of the General Meeting of 19 May 2003. The new basic share capital amount was recorded in the Commercial Register on 25 June 2004.

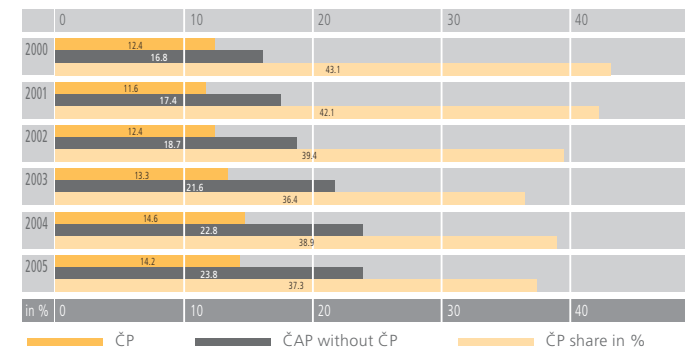
Allocation of 2004 Earnings

The Annual General Meeting of Česká pojišťovna a.s. held on 3 June 2005 approved the allocation of the Company's 2004 net earnings, which totaled CZK 4,174,788,958, as follows: the entire 2004 net earnings in the aforesaid amount will be transferred to the retained earnings account.

Česká pojišťovna (ČP) and Czech Insurance Association (ČAP) Life Premiums Written, ČP Market Share as at 30 June (CZK billions)

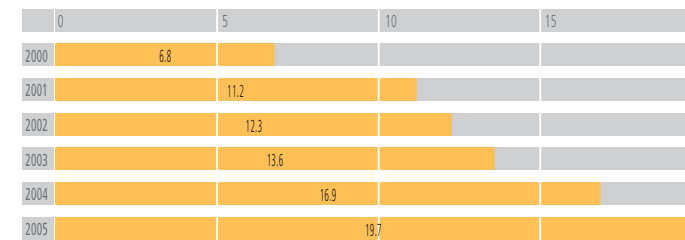


Česká pojišťovna (ČP) and Czech Insurance Association (ČAP) Non-life Premiums Written, ČP Market Share as at 30 June (CZK billions)

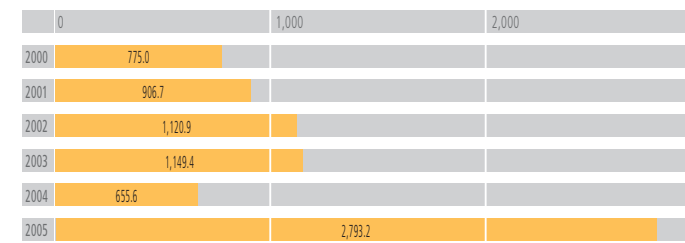


Note: To ensure ČAP data are comparable, premiums written are given according to Czech Accounting Standards.

Shareholders' Equity as at 30 June (CZK billions)



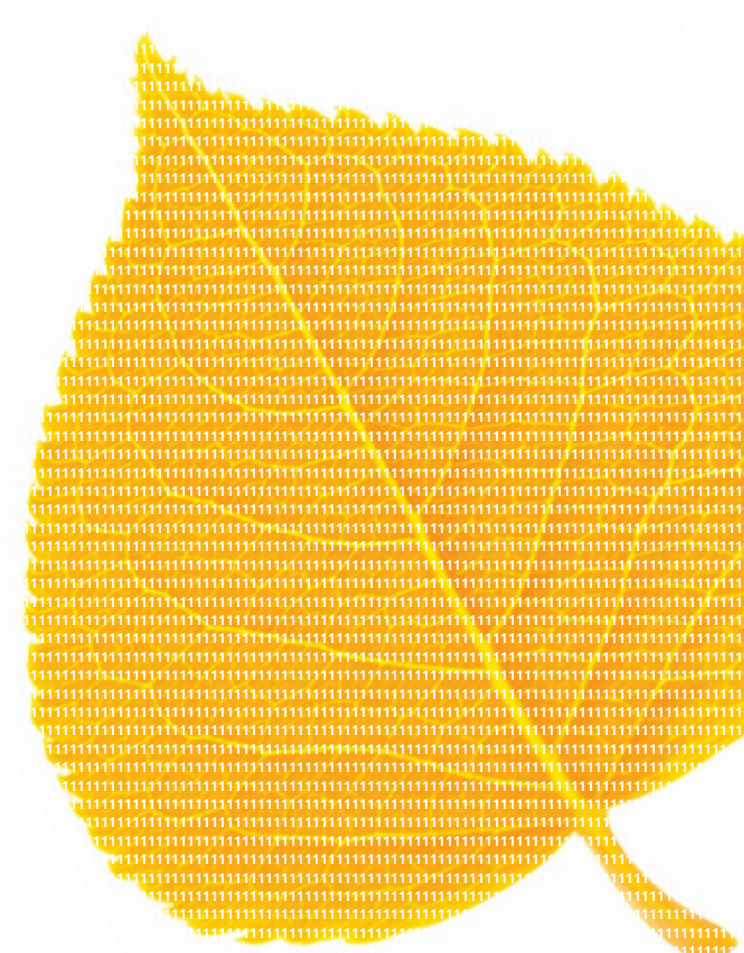
Earnings as at 30 June (CZK millions)



Note: The 2004 and 2005 earnings and shareholders' equity figures are given according to IFRS.

Česká pojišťovna a.s.

Information from the Half-Year Report as of 30 June 2005



Chairman's Statement

Dear Shareholders, dear Business Friends

In the first half of 2005, Česká pojišťovna built on its internal transformation process, which culminated successfully in 2004. The company completely centralized its back office functions (claims handling, premium settling and policy administration) and began implementing new products in the central operations system.

In January 2005, Česká pojišťovna made the necessary changes to comply with the new Act on the Insurance Contract. From the beginning of the year, a new class of insurance for industry and business went on sale. A new class of travel insurance followed and new motor vehicles and crop & livestock insurance classes are ready to go on sale starting in June. At the same time, we began the policy conversion process in personal liability insurance, i.e. offering new policies that better meet the demands of today's market. A similar conversion process also took place in life assurance, in which clients have the option to have their old obsolete policies replaced with modern products that meet current standards for insurance cover. In May 2005, Česká pojišťovna brought to market a new investment life assurance product entitled DYNAMIK Plus, which combines all the advantages of the existing product DYNAMIK with the option of achieving higher returns on regular premiums through mutual funds.

Česká pojišťovna is the only domestic insurer to publish its financial reports in accordance with International Financial Reporting Standards (IFRS). Under an amendment of the Accounting Act, this is mandatory for all issuers of publicly traded securities starting in the 2005 fiscal year. Under IFRS, Česká pojišťovna posted net earnings of CZK 2.8 billion for the first half of this year. The Company's earnings result for the first half of the previous year, adjusted for said accounting standards, was CZK 656 million. Earnings growth drivers included, in particular, the development of the Czech capital market and the related growth in returns on the Company's investments. Another positive factor was the ongoing downward pressure on the Company's administrative overhead costs. Compared to the end of last year, Česká pojišťovna's equity rose by nearly CZK 3 billion to CZK 19.7 billion and Česká pojišťovna's total assets figure grew from CZK 123 billion to CZK 128 billion over the same period. Technical provisions reached CZK 90 billion from CZK 86 billion at year end.

Total premiums written in the first half totaled CZK 22 billion under the new accounting standards, for year-on-year growth of 3%.

Premiums written in non-life insurance grew 8% to reach CZK 13.6 billion. One of the drivers of this growth in premiums written was the favorable trend in motor vehicles insurance, in which Česká pojišťovna saw 9.4% growth in motor damage insurance. Other positive factors included a 5.1% growth in insurance for individuals and large risks insurance, where premiums written increased by 1% compared to the same period last year. The growth in personal liability insurance was even greater, at 34%.

Life assurance fell by 5% to CZK 8.4 billion, reflecting the sluggishness of the life assurance market as a whole, caused by a temporary exhausting of the growth potential in single-premium policies. However, the trend in

conventional policies, in which premiums are paid in installments, is much more important for insurance companies, since these policies form the backbone of the insurance market's stability. In this area, Česká pojišťovna achieved growth of nearly 10%.

In claims paid, the first half of 2005 saw a continuation of the last two years' development. No extraordinarily large claims have occurred since the catastrophe of the summer of 2002. New technologies are making possible faster, higher-quality and, at the same time, less expensive claims handling services for clients and distribution networks. At the same time, Česká pojišťovna is implementing a claims cost management project, which is also contributing to favorable development in these costs.

In the reinsurance area, Česká pojišťovna partners with the world's largest reinsurance houses. Risk is placed with them both directly and through leading brokerage firms. Inwards reinsurance capacity is provided by Česká pojišťovna primarily to its own subsidiaries. For this purpose, we have also set up a captive reinsurer, CP REINSURANCE COMPANY Ltd., based in Cyprus, and are planning to expand its operations in the future.

Česká pojišťovna has its financial strength rated by the rating agencies Standard & Poor's and Moody's. The ratings granted by both agencies are "investment grade". Moody's gave Česká pojišťovna a rating of Baa3 with stable outlook and Standard & Poor's increased Česká pojišťovna's financial strength rating from BBB- with stable outlook to BBB with stable outlook.

Traditionally, Česká pojišťovna has been the leader in the domestic insurance market in both life and non-life insurance. The main short- and medium-term goal is to strengthen this position while at the same time growing the Company's shareholder value and offering insurance and financial products and services to the broadest possible cross-section of both individual and business clients.

An important precondition for success in an ever-more-competitive market and for meeting the Company's demanding business objectives in both life and non-life insurance is further development of cross-selling of products and services within the entire Česká pojišťovna Financial Group. Therefore, in line with global trends, Česká pojišťovna will continue to focus on the development of modern distribution channels that make it possible to better leverage the synergies generated by the Group's size, scale, and broad business range. The most important thing, however, is the emphasis on constantly improving the quality and speed of our client services which today, according to independent market research surveys, are already the best and fastest in the Czech Republic market.



Ladislav Bartoniček

Chairman of the Board of Directors

Balance Sheet

unconsolidated as at 30 June 2005, according to IFRS

TCZK	Current Period	Previous Period
Assets		
Intangible assets	1,109,365	1,033,232
Investments in group undertakings	12,788,597	12,871,928
Financial assets	98,914,358	93,639,917
Financial assets measured at fair value against the profit and loss account	68,600,638	70,506,977
Financial assets held to maturity	1,846,064	2,121,056
Lendings and accounts receivable	27,823,375	20,888,908
Cash and cash equivalents	644,281	122,976
Property, plant and equipment	3,638,318	3,551,067
Reinsurers' share of insurance technical provisions	6,109,358	5,523,890
Deferred tax asset	672,932	929,292
Temporary and other tangible assets	4,144,532	4,392,025
Other assets	56,460	56,646
Accruals and deferrals	760,690	951,038
Total assets	128,194,610	122,949,035
Shareholders' equity		
Basic share capital	2,980,963	2,980,963
Restatement differences	126,294	122,971
Ex lege and statutory reserves	682,478	682,478
Other funds	2,904,032	2,804,008
of which: Equalization Provision Fund	2,780,919	2,680,919
Retained earnings	13,032,266	10,339,116
Total shareholders' equity	19,726,033	16,929,536
Minority interests		
Shareholders' equity and minority interests		
Liabilities		
Insurance liabilities (technical provisions)	89,980,724	86,225,194
of which: Unearned premiums	6,229,638	5,069,153
Financial liabilities from elements of voluntary co-participation in investment agreements	15,119	0
Financial liabilities	15,329,945	16,223,095
Subordinated debt	2,500,000	2,500,000
Liabilities under securities issued	4,117,769	4,051,833
Accounts payable	7,784,800	7,762,558
Other liabilities	38,112	38,008
Financial liabilities measured at real value against the profit and loss account	689,939	1,632,009
Payable to banks	199,325	238,687
Provisions	421,038	424,646
of which: Technical provisions reclassified	327,888	327,888
Deferred tax liability	964,322	1,113,498
Accruals and deferrals	1,757,429	2,033,066
Total liabilities	108,468,577	106,019,499
Total equity and liabilities	128,194,610	122,949,035

Profit and Loss Account

unconsolidated as at 30 June 2005, according to IFRS

TCZK	Current Period	Previous Period
Earned premiums, net	15,179,505	19,281,974
Earned premiums, gross	20,836,481	20,321,975
Gross premiums written from direct insurance	21,829,596	21,138,928
Gross premiums written from inwards reinsurance	170,371	284,975
Change in unearned premiums provision (gross) (+/-)	(1,163,486)	(1,101,928)
Earned premiums ceded to reinsurers	(5,656,976)	(1,040,001)
Premiums ceded to reinsurers (-)	(6,092,362)	(1,666,352)
Net change in unearned premiums provision (reinsurers' share) (+/-)	435,386	626,351
Income from investments in group undertakings	605,609	49,590
Interest and similar income	1,400,855	1,727,188
Other income from financial assets	4,051,630	322,046
Income from property, plant and equipment	93,090	59,654
Net income from fees and commissions and income from provision of services	1,519	(16,334)
Other revenues	578,329	435,727
Total revenues	21,910,537	21,859,845
Insurance technical costs	(13,305,482)	(14,700,769)
Net change in technical provisions and net change in liabilities from elements of voluntary co-participation	(2,799,303)	253,056
Net change in technical provisions	(2,837,081)	367,329
Net change in liabilities from elements of voluntary co-participation	(15,119)	0
Net change in non-life technical provisions	67,320	70,192
Net change in other technical provisions	(14,423)	(184,465)
Interest and similar expenses	(153,984)	(145,621)
Other expenses connected with financial assets	(38,216)	(6,684)
Expenses related to property, plant and equipment	(292,108)	(34,162)
Acquisition costs and other operating expenses	(3,503,202)	(4,971,299)
Other expenses	(639,203)	(582,751)
Total expenses	(17,932,195)	(20,441,286)
Profit/(loss) on ordinary activities, before tax	3,978,342	1,418,559
Income tax	(1,185,192)	(762,913)
Profit/(loss) on ordinary activities, after tax	2,793,150	655,646
Profit/(loss) for the current accounting period	2,793,150	655,646