

# Quarterly Performance Report

30.9.2012

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## Description of the Company

### Basic Company information

|  |   |
|--|---|
| Company name   | Česká pojišťovna a.s.   |
| Legal form   | Joint stock company   |
| Registered office  | Spálená 75/16, 113 04 Praha 1   |
| ID number  | 452 72 956  |
| Tax ID number  | CZ 4527 2956  |
| Bankers  | Crédit Agricole Corporate and Investment Bank   |
| Account number   | 100159342/5000  |
| Date of inception  | 1 May 1992<br>The Company was founded as a going concern.   |
| Legal regulation   | 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. |
| Incorporation in Commercial Register                       | Prague Municipal Court<br>Part B, Entry 1464  |
| Date of incorporation in Commercial Register               | 1 May 1992  |
| Date and reason for the last change in Commercial Register | 7 June 2012,<br>Mr. Ladislav Bartoníček has been re-elected as a member of the board of directors.  |
| Date of publication of the Quarterly Performance Report    | 12 November 2012  |
| Share capital  | CZK 4,000,000,000<br>Paid up: 100 %   |

### Shares issued by Česká pojišťovna

As at 30 September 2012 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 September 2012.

There were no changes to the Company's share capital during the period ending 30 September 2012.

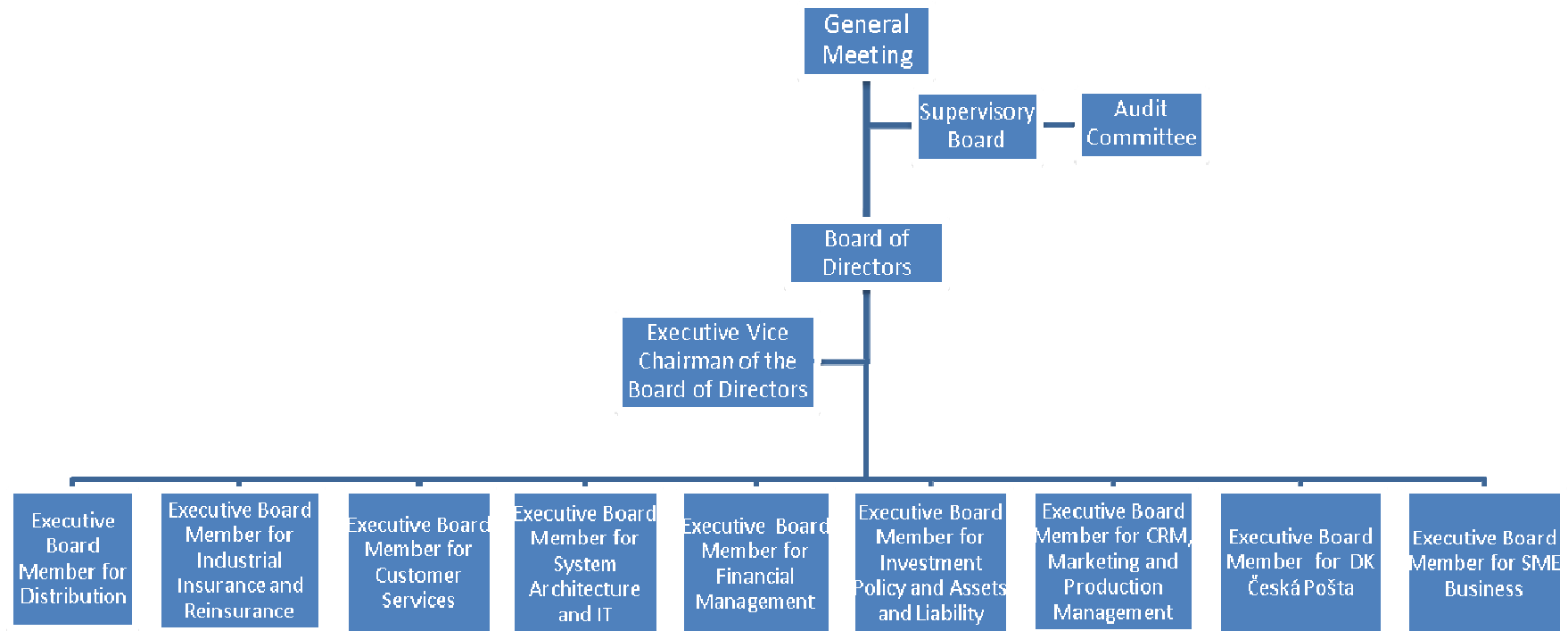
**Principal Businesses:**

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
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**

Pavel Řehák

Term of office: since 1 July 2010

Born: 1975

Education: Faculty of International Relations, University of Economics,  
Northwestern University,

Kellogg School of Management

Experience: McKinsey & Company, Inc.

### **Executive Board Member for Investment Policy and Asset and Liability Management**

Marcel Dostal

Term of office: since 6 November 2006

Born: 1969

Education: Brno University of Technology, Faculty of Civil Engineering,  
Rochester Institute of Technology

Experience: Rollins Hudig Hall Česká republika, s.r.o.,

Stratego Invest, a.s.,

PPF burzovní společnost a.s.,

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

### **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**

Marek Krejsa

Term of office: since 1 February 2012

Born: 1973

Education: University of Economics in Prague

Experience: McKinsey & Company

### **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 DK Česká pošta**

Zdeněk Kaplan

Term of office: since 1 September 2008

Born: 1966

Education: Charles University – Numerical Mathematics, University of Economics, Prague

Experience: Aliatel, a.s., Ness Czech s.r.o., ČSOB a.s., Telefonica O2 Czech Republic, a.s.

**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.

As at 30 September 2012, the Company did not have any organizational units.

Average number of employees as at 30 September 2012 was 3,880.

## Directors and Officers

### Board of Directors

#### Chairman

Ladislav Bartoníček

Term of office: since 7 June 2012

Born: 1964

Education: Faculty of Electrical Engineering, Czech Technical University,  
Rochester Institute of Technology

Experience: ČKD Elektrotechnika,  
PPF investiční společnost a.s.

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

#### Vice-Chairman

Marcel Dostal

Term of office: since 1 June 2011

Born: 1969

Education: Brno University of Technology, Faculty of Civil Engineering,  
Rochester Institute of Technology

Experience: Rollins Hudig Hall Česká republika, s.r.o.,  
Stratego Invest, a.s., PPF burzovní společnost a.s.,  
ČP INVEST investiční společnost, a.s., PPF a.s.

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

#### Vice-Chairman

Pavel Řehák

Term of office: since 1 July 2010

Born: 1975

Education: Faculty of International Relations, University of Economics,  
Northwestern University,  
Kellogg School of Management

Experience: McKinsey & Company, Inc.

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

#### 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:

- Ladislav Bartoníček: member of the Board of Directors of Generali PPF Holding B.V.; member of management of Generali PPF Holding B.V., organizational unit
- Pavel Řehák: member of the Supervisory Board of Penzijní fond České pojišťovny, a.s.
- Marcel Dostal: member of the Supervisory Board of Generali PPF Asset Management a.s.; Chairman of the Supervisory Board of ČP DIRECT, a.s.
- 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 September 2012, 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 September 2012, 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 51% stake in the voting rights associated with the shares of Generali PPF Holding B.V. (a 49% stake is held by PPF Group N.V.). The Company's sole shareholder is CZI Holdings 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,<br>1077 XX Amsterdam (change in registered office<br>effective 1 April 2007)<br>The Netherlands |
| File number at the Register<br>of the Amsterdam Chamber of Commerce<br>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,<br>1077XX Amsterdam<br>The Netherlands |
| File number at the Register<br>of the Amsterdam Chamber of Commerce<br>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,<br>Trieste, Italy |
| Trieste Companies' Register number: | 00079760328                                    |
| Share capital:                      | EUR 1,556,873,283                              |
| Stake in the voting rights:         | 51% (indirect)                                 |
| Share of Share capital:             | 51% (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. | 6           | 15,218   |

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**

| <b>Name</b>   | <b>Legal form</b>   | <b>Registered office</b>                              |
|---|---------------------|---|
| 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 |
| Penzijní fond České pojišťovny, a.s.                              | joint stock company | Truhlářská 1106/9, Praha 1, 11000, Česká republika    |
| 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 "Foreign Insurance Company Inc."                         | joint stock company | Pobediteley av. 59, Minsk, 220 035, Bělorusko         |
| JSC Generali Life (CP Kazakhstan AO)                              | joint stock company | 248 Furmanov Street, 050059, Almaty, Kazachstán       |
| Generali SAF de Pensii Private S.A.(Generali Fond de Pensii S.A.) | limited company     | str Polizu, nr 58-60, 11062, Bukurest, Rumunsko       |
| Finanční 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                               | 0                                   | 100                                   | 0                                       | 8                                    | 20,000  | 29,400  |
| Česká pojišťovna ZDRAVÍ a.s.                                       | 100                               | 0                                   | 100                                   | 0                                       | 100                                  | 100,000   | 191,250   |
| ČP INVEST invest. spol., a.s.                                      | 100                               | 0                                   | 100                                   | 0                                       | 2,170                                | 91,000  | 45,758  |
| ČP INVEST Realitní Uzavřený Investiční Fond a.s.                   | 92.6                              | 0                                   | 92.6                                  | 0                                       | 50                                   | 50,000  | 725,000   |
| Generali PPF Services a.s.   | 80                                | 0                                   | 80                                    | 0                                       | 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                               | 0                                   | 100                                   | 0                                       | N/A                                  | 200   | 269,848   |
| Penzijní fond České pojišťovny, a.s.                               | 100                               | 0                                   | 100                                   | 0                                       | 300,000,000                          | 300,000   | 3,059,137   |
| REFICOR s.r.o.   | 100                               | 0                                   | 100                                   | 0                                       | N/A                                  | 100   | 73  |
| Univerzální správa majetku, a.s.                                   | 100                               | 0                                   | 100                                   | 0                                       | 10                                   | 1,000   | 1,103   |
| Generali "Foreign Insurance Company Inc."                          | 35                                | 32.5                                | 35                                    | 32.5                                    | 6,750                                | 4,895   | 23,023  |
| JSC Generali Life (CP Kazakhstan AO)                               | 100                               | 0                                   | 100                                   | 0                                       | 1,000,000                            | 128,760   | 172,910   |
| Generali SAF de Pensii Private S.A. (Generali Fond de Pensii S.A.) | 99.99                             | 0                                   | 99.99                                 | 0                                       | 88,991,100                           | 493,456   | 1,076,857   |
| Finanční servis o.o.o.   | 100                               | 0                                   | 100                                   | 0                                       | N/A                                  | 0   | 1,566   |
| ČP Asistence s.r.o.  | 51                                | 0                                   | 51                                    | 0                                       | N/A                                  | 1,530   | 5,100   |

<sup>1</sup> Foreign currency is translated using CNB exchange rate as at 30 September 2012.

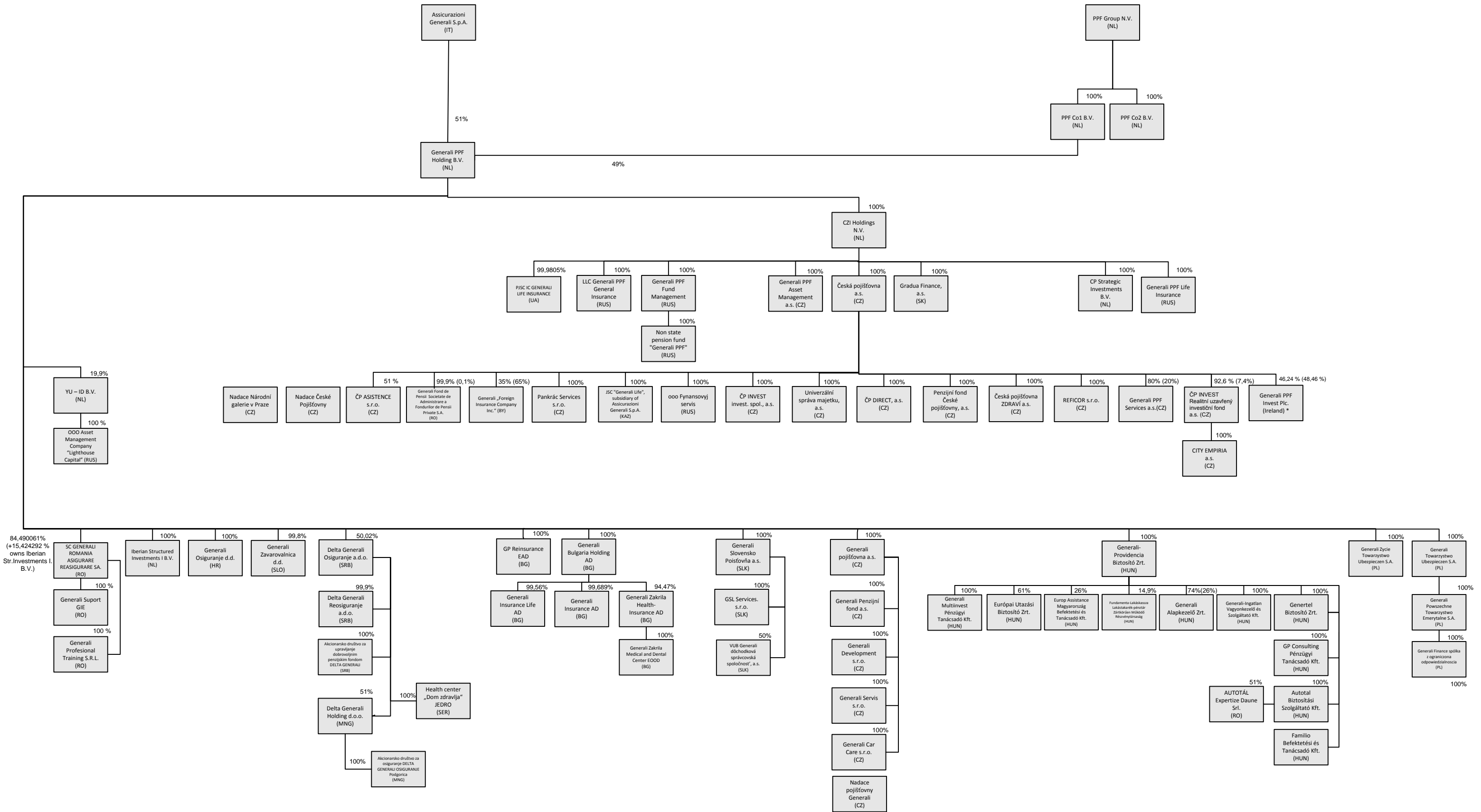
Amounts of receivables and payables of the Company towards controlled entities is shown in following table

| (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.   | 10,069      | (10,338) | 29,400  | 29,400                           |
| Česká pojišťovna ZDRAVÍ a.s.                                      | 2,308       | (29,254) | 191,250   | 191,250                          |
| ČP INVEST invest. spol., a.s.                                     | 495         | (1,269)  | 45,758  | 45,758                           |
| ČP INVEST Realitní Uzavřený Investiční Fond a.s.                  | 0           | 0        | 725,000   | 725,000                          |
| Generali PPF Services a.s.  | 4,828       | (22,268) | 122,403   | 2,403                            |
| Nadace České pojišťovny   | 0           | 0        | 0   | 0                                |
| Pankrác Services s.r.o.   | 6           | 0        | 0   | 0                                |
| Penzijní fond České pojišťovny, a.s.                              | 10,506      | 832      | 3,059,137   | 3,059,137                        |
| REFICOR s.r.o.  | 0           | (1,539)  | 0   | 0                                |
| Univerzální správa majetku, a.s.                                  | 17          | 0        | 1,103   | 1,103                            |
| Generali "Foreign Insurance Company Inc."                         | 0           | 0        | 23,023  | 23,023                           |
| JSC Generali Life (CP Kazakhstan AO)                              | 0           | 0        | 172,910   | 172,910                          |
| Generali SAF de Pensii Private S.A.(Generali Fond de Pensii S.A.) | 0           | 0        | 1,076,857   | 1,076,857                        |
| Finanční servis o.o.o.  | 0           | 0        | 0   | 0                                |
| ČP Asistence s.r.o.   | 13,051      | (2,873)  | 0   | 0                                |

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. 9. 2012



\* 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 podlých 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<br>30.09.2012 | Previous period<br>31.12.2011 |
|---|------------------------------|-------------------------------|
| Investments in subsidiaries and associates            | 5,345,002                    | 5,339,902                     |
| Intangible assets                                     | 1,312,406                    | 1,438,524                     |
| Tangible assets                                       | 407,936                      | 461,835                       |
| Investments   | 90,407,715                   | 88,196,521                    |
| Investment properties                                 | 85,100                       | 85,100                        |
| Loans   | 3,751,822                    | 1,393,866                     |
| Available-for-sale ("AFS")                            | 63,789,740                   | 63,510,336                    |
| Financial assets at fair value through profit or loss | 21,816,561                   | 21,904,595                    |
| Other investments                                     | 964,492                      | 1,302,624                     |
| Reinsurance assets                                    | 9,701,988                    | 9,474,248                     |
| Receivables   | 6,175,437                    | 6,662,108                     |
| Deferred tax asset                                    | 3,370                        | 46,084                        |
| Other assets  | 838,657                      | 953,875                       |
| Cash and cash equivalents                             | 4,897,622                    | 3,941,360                     |
| <b>Total assets</b>                                   | <b>119,090,143</b>           | <b>116,514,457</b>            |
| Share capital   | 4,000,000                    | 4,000,000                     |
| Capital and revenue reserves                          | 15,699,351                   | 13,455,551                    |
| <b>Total equity</b>                                   | <b>19,699,351</b>            | <b>17,455,551</b>             |
| Insurance provisions                                  | 85,285,295                   | 86,282,874                    |
| Other provisions                                      | 1,423,137                    | 1,421,537                     |
| Financial liabilities                                 | 3,761,936                    | 2,789,433                     |
| Payables  | 7,412,764                    | 6,733,038                     |
| Other liabilities                                     | 1,507,660                    | 1,832,024                     |
| <b>Total liabilities</b>                              | <b>99,390,792</b>            | <b>99,058,906</b>             |
| <b>Total equity and liabilities</b>                   | <b>119,090,143</b>           | <b>116,514,457</b>            |

## Income Statement

In CZK thousands

|  | <b>Current period<br/>30.9.2012</b> | <b>Previous period<br/>30.6.2011</b> |
|--|-------------------------------------|--------------------------------------|
| <b>Net earned premiums revenue</b>   | 16,191,240                          | 17,431,182                           |
| Insurance premium revenue  | 23,964,979                          | 25,248,601                           |
| Insurance premium ceded to reinsurers                                      | (7,773,739)                         | (7,817,419)                          |
| Interests and other investment income                                      | 1,777,901                           | 1,749,607                            |
| Income from subsidiaries and associated companies                          | 95,491                              | 609,726                              |
| Other income from financial instruments and other investments *            | 876,216                             | 1,139,448                            |
| Net income from financial instruments at fair value through profit or loss | 1,904,121                           | 38,766                               |
| Other income   | 490,658                             | 1,216,034                            |
| <b>Total income</b>  | <b>21,335,627</b>                   | <b>22,184,763</b>                    |
| Net insurance benefits and claims  | (11,756,149)                        | (11,789,215)                         |
| Gross insurance benefits and claims  | (15,306,998)                        | (15,298,126)                         |
| Reinsurers' share  | 3,550,849                           | 3,508,911                            |
| Interest expense   | (34,344)                            | (20,038)                             |
| Other expenses for financial instruments and other investments *           | (487,724)                           | (1,421,772)                          |
| Acquisition costs  | (2,573,848)                         | (2,660,161)                          |
| Administration costs   | (1,645,233)                         | (1,695,746)                          |
| Other expenses   | (1,504,544)                         | (1,137,657)                          |
| <b>Total expenses</b>  | <b>(18,001,842)</b>                 | <b>(18,724,589)</b>                  |
| Profit before tax  | <b>3,333,785</b>                    | <b>3,460,174</b>                     |
| Income tax expense   | (530,274)                           | (469,698)                            |
| <b>Net profit for the year</b>   | <b>2,803,511</b>                    | <b>2,990,476</b>                     |

\* Management of the Group has decided to change reporting of impairment loss or reversal of impairment. Net impairment loss or net reversal of impairment is now presented in the financial statements. In connection with this change in reporting the prior period have been amended. Other income from financial instruments and other investments have been reduced by an amount of 238,654 thousands CZK. The change in the reporting has no impact on Net profit or Total comprehensive income of current, future or prior reporting periods.

## Statement of comprehensive income

In CZK thousands

|  | <b>Current period<br/>30.9.2012</b> | <b>Previous period<br/>30.9.2011</b> |
|--|-------------------------------------|--------------------------------------|
| <b>Net profit for the year</b>   | 2,803,511                           | 2,990,476                            |
| <b>Other Comprehensive income</b>  |                                     |                                      |
| Available-for-sale financial assets revaluation in equity                    | 3,221,666                           | (1,294,202)                          |
| Available-for-sale financial assets revaluation realised in income statement | (314,262)                           | 265,682                              |
| Available-for-sale impairment losses   | 105,298                             | 202,491                              |
| <b>Other comprehensive income before tax effects</b>                         | <b>3,012,702</b>                    | <b>(826,029)</b>                     |
| Tax on items of Other comprehensive income                                   | (572,413)                           | 156,946                              |
| <b>Other Comprehensive income, net of tax</b>                                | <b>2,440,289</b>                    | <b>(669,083)</b>                     |
| <b>Total Comprehensive income</b>  | <b>5,243,800</b>                    | <b>2,321,393</b>                     |

## Fair value and nominal value of derivatives

| <b>As at 30.9.2012 (In CZK thousands)</b> | <b>Fair value</b> | <b>Nominal value</b> |
|---|-------------------|----------------------|
| Hedging derivatives                       | (1,280,409)       | 31,572,215           |
| Trading derivatives                       | (186,690)         | 21,142,631           |

## Solvency

| (in CZK billions)                                  | 31.12.2011 |
|--|------------|
| <b>Life insurance</b>                              |            |
| Required Solvency Margin                           | 3.1        |
| Available Solvency Margin                          | 14.0       |
| Available and required Solvency Margin Ratio       | 4.6        |
| <b>Non-life insurance</b>                          |            |
| Required Solvency Margin                           | 2.2        |
| Available Solvency Margin                          | 5.9        |
| Available and required Solvency Margin Ratio       | 2.7        |
| <b>Minimum Solvency Margin</b>                     | 1.8        |
| <b>Minimum and available Solvency Margin Ratio</b> | 0.09       |

## Adjusted Solvency Margin

| (in CZK million)   |   | 31.12.2011 |
|--|---|------------|
| <b>Sum of Available Solvency Margin of ČP and relevant subsidiaries</b>  | <b>Part A - UMS</b>                             | 20,311     |
| Available Solvency Margin of ČP  | DMSp  | 19,875     |
| Available Solvency Margin of relevant subsidiaries   | Sum of (qi * DMSi) on all relevant subsidiaries | 437        |
| <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>                             | 5,836      |
| Sum of other items according to § 16 par. 4 of the Decree of all relevant subsidiaries   | Sum of UHPi on all relevant subsidiaries        | 387        |
| Required Solvency Margin of ČP   | PMSp  | 5,276      |
| Required Solvency Margin of relevant subsidiaries  | Sum of (qi * PMSi) on all relevant subsidiaries | 173        |
| <b>Adjusted Solvency Margin</b>  | <b>USp = A - B</b>                              | 14,475     |

## Ratios

|                                 | 30.9.2012 |
|---------------------------------|-----------|
| Return on average assets (ROAA) | 2.38%     |
| Return on average equity (ROAE) | 15.09%    |
| Non-life "Combined ratio"       | 91,01%    |