

Balance Sheet

As at 30 June 2008

TCZK	Current period	Previous period
Intangible assets	1,228,127	1,376,972
Subsidiaries and associates	5,632,823	4,090,776
Property, plant and equipment	382,463	998,456
Investment property	90,138	523,536
Financial assets available for sale	23,124,004	20,222,680
Financial assets held to maturity	1,894,531	1,903,138
Financial assets at fair value through profit or loss	57,113,780	56,685,143
Loans and receivables	24,380,300	26,904,175
Non-current assets held for sale	415,849	48,530
Reinsurance assets	8,527,687	8,142,842
Deferred tax assets	100,429	–
Other assets	52,399	52,400
Prepayments and accrued income	658,232	736,111
Cash and cash equivalents	378,059	330,224
Total assets	123,978,821	122,014,983
Issued capital	4,000,000	4,000,000
Reserves	2,496,300	2,986,326
Retained earnings	7,980,519	10,193,581
Total equity	14,476,819	17,179,907
Insurance liabilities	90,075,669	88,972,123
Financial liabilities for investment contracts with DPF	1,561,839	1,461,333
Other liabilities evidenced by paper	512,018	499,060
Financial liabilities at fair value through profit or loss	396,458	367,941
Liabilities to banks	1,750,017	–
Provisions	2,396,838	2,391,508
Payables	11,339,472	9,022,861
Deferred tax liabilities	–	468,696
Other liabilities	37,021	40,761
Accruals and deferred income	1,432,670	1,610,793
Total liabilities	109,502,002	104,835,076
Total equity and liabilities	123,978,821	122,014,983

Income Statement

As at 30 June 2008

TCZK	Current period	Previous period
Insurance premium revenue	19,627,884	18,872,302
Insurance premium ceded to reinsurers	(5,154,758)	(5,165,335)
Net insurance premium revenue	14,473,126	13,706,967
Net income from investments in subsidiaries and associates	11,861	2,180,129
Interest and similar income	1,767,937	1,491,770
Other income from financial assets	419,672	1,017,105
Income from investment property	17,115	71,138
Fee and commission income	133,647	123,648
Other income	371,361	818,552
Total revenue	17,194,719	19,409,309
Insurance claims and benefits incurred	(12,005,230)	(10,211,429)
Insurance claims and benefits recoverable from reinsurers	2,399,532	2,589,126
Net insurance claims and benefits	(9,605,698)	(7,622,303)
Investment contracts benefits	(100,505)	(81,232)
Interest and similar expenses	(30,878)	(8,787)
Other expenses from financial assets	(144,346)	(44,994)
Expenses from investment property	(10,744)	(20,654)
Acquisition costs and other operating expenses	(3,062,812)	(3,473,108)
Fee and commission expenses	(80,693)	(88,374)
Other expenses	(1,249,872)	(1,034,738)
Total expenses	(14,285,548)	(12,374,190)
Profit before tax	2,909,171	7,035,119
Income tax expense	(533,718)	(1,117,504)
Net profit for the year	2,375,453	5,917,615

Closer to Customers



Česká pojišťovna a.s.
Semiannual Performance Report
as at 30 June 2008

Letter from the Chairman

Dear business friends,

The first half of 2008 built on the financially successful and historic year 2007. Once again, Česká pojišťovna Group was very successful in most areas of its business. In addition to being the Czech market leader, we are successfully expanding in Slovakia, Russia, Ukraine, and Kazakhstan. And this fact was one of the reasons why our company's shareholders agreed with one of the world's biggest insurance groups, Assicurazioni Generali, on the creation of a joint holding company that combined all the insurance activities of PPF and Generali Groups in the region of Central & Eastern Europe.

On 17 January 2008, after all necessary regulatory permissions were obtained, the joint venture began to operate under the name Generali PPF Holding. In this way, we created one of the biggest insurance groups in the region, with annual gross premium revenue exceeding EUR 3 billion and over 9 million clients. The new holding company's strategy includes both expanding into other countries of the region and further developing the business in existing markets. This is benefiting not only Česká pojišťovna but also its employees, who received an opportunity to share their knowledge and expertise with colleagues from abroad and, for some, the opportunity to participate directly in the Group's international expansion. Thanks to this sharing of know-how and best practices, we are now able to bring new products to market faster and provide clients even better services. Belonging to a large international corporation with a long professional history is another benefit for Česká pojišťovna Group.

Česká pojišťovna's inclusion in the new entity, Generali PPF Holding, was also reflected in Česká pojišťovna's rating evaluation conducted in February by the international credit rating agency Standard & Poor's. Česká pojišťovna received one of the highest possible ratings that can be achieved in the Czech Republic. Standard & Poor's increased its credit evaluation and financial strength rating of Česká pojišťovna by three levels, from BBB to A, with a stable outlook. In its evaluation report, Standard & Poor's expressed appreciation not only for the great progress Česká pojišťovna has made in recent years, but also for our performance in life and non-life insurance markets as well as our strong position in the Czech Republic. The agency also gave prominent mention to the extensive network of Česká pojišťovna sales locations and support from other members of PPF Group. The reaction of international credit rating agency Moody's to Česká pojišťovna's new position was similar; it increased our financial strength rating by three levels, from Baa3 to A3, with a stable outlook.

Last year we introduced a new strategy – Closer to Customers – that is helping us to grow further and reinforce our position as the number-one insurer in the Czech insurance market, and we are continuing to develop this strategy. Česká pojišťovna's accomplishments in the insurance market and the quality of our services are demonstrated, among other things, by the Good Brand award from Reader's Digest, which crowned our efforts to further increase the Česká pojišťovna brand's attractiveness for younger customers and customers from higher income groups, while maintaining our position in other monitored sociodemographic groups. Česká pojišťovna is the leader when it comes to attractiveness as perceived by the Czech population, and our brand has long enjoyed the industry's highest business potential rating. In the Good Brand survey, which sought to determine the most trustworthy brand in the insurance segment, Česká pojišťovna continued its string of firsts from the past three years.

Despite ongoing poor capital markets performance, Česká pojišťovna generated a profit of CZK 2.4 billion in the first six months of 2008. Česká pojišťovna's financial performance was driven primarily by excellent risk distribution and hedging, prudent underwriting policies, fast claims processing, and cost control, all of which contributed primarily to the growing operating result. In the same period of 2007, Česká pojišťovna's net profit was CZK 5.9 billion. However, the past year's result was substantially impacted by a one-time gain realized on the sale of Česká pojišťovna's stake in Československá obchodní banka (ČSOB) and one-off dividend income from our subsidiaries. When adjusted for these factors, this year's performance is in line with last year's, which is very good news following the financial markets turmoil we have seen so far this year.

In the life insurance segment, gross premium revenue grew 8%, exceeding our expectations. A major, 30% increase was seen in single-premium life insurance, while conventional life insurance grew 5%. Our unit-linked life insurance offering was especially popular, growing 121% in the past six months. Non-life premium revenue was up 2% to CZK 13.7 billion. Our performance in agricultural insurance and large-risks insurance increased 17% and 8%, respectively.

The shareholders' equity of Česká pojišťovna at 30 June 2008 was CZK 14.5 billion. Assets totaled CZK 124 billion as at the same date, and insurance reserves stood at CZK 91.6 billion.

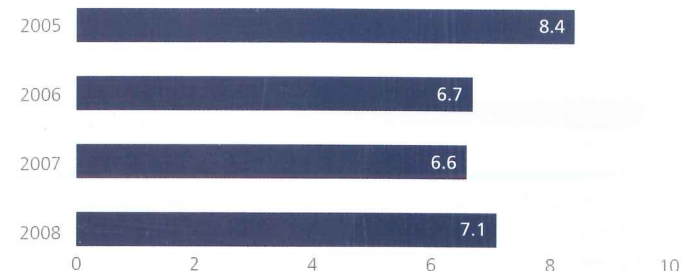
Several staff changes took place at Česká pojišťovna during the first half of 2008. Milan Beneš replaced Jan Ježdík in the position of the Executive Committee Member for Business Risks. In July, a new human resources position was added to Executive Committee. After creating the new position, the Board of Directors appointed Irma Šírková to fill it. Česká pojišťovna's Chief Executive Officer, Lard Friese, left the company on 31 July 2008 and Ivan Vodička, who had been the Executive Committee Member for Financial Management, was appointed the new CEO effective from 1 August 2008.

Throughout its modern-day history, Česká pojišťovna has demonstrated many times that it is a strong and stable institution, always capable of meeting its obligations. We will continue to be that kind of partner to our customers in the future.



Ladislav Bartoníček
Chairman of the Board of Directors

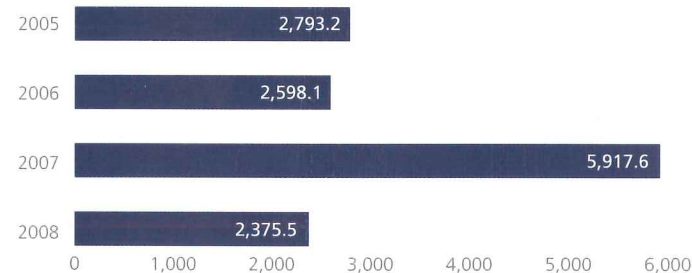
Life Insurance: Earned Premiums at June 30th
(CZK billions)



Non-life Insurance: Earned Premiums at June 30th
(CZK billions)



Profit at June 30th (CZK millions)



Shareholders' equity at June 30th (CZK billions)

