

# Česká pojišťovna, a. s. Praha

seat Spálená 16, Praha 1, PSČ 113 04

identification number 45 27 29 56

## Financial statements

<b>for period</b>	
beginning	01 January 2005
ending	30 June 2005

The statements were prepared in accordance with the paragraph 9 article 19 of Accounting act (number 563/1991 col.) i.e. according to IAS/IFRS

**Česká pojišťovna, a. s., Praha**  
**BALANCE SHEET**

non-consolidated

as at 30 June 2005

prepared and presented in accordance with International Financial Reporting Standards

in Tsd CZK

	Current period	Previous period
<b>Assets</b>		
Intangible assets	1 109 365	1 033 232
Investments in subsidiaries, associates and joint ventures	12 788 597	12 871 928
Financial assets	98 914 358	93 639 917
<i>Financial assets at fair value through profit and loss</i>	68 600 638	70 506 977
<i>Financial assets available-for-sale</i>	0	0
<i>Financial assets held-to-maturity</i>	1 846 064	2 121 056
<i>Loans and receivables</i>	27 823 375	20 888 908
<i>Cash and cash equivalents</i>	644 281	122 976
Investment property	3 638 318	3 551 067
Reinsurance assets	6 109 358	5 523 890
Deferred tax assets	672 932	929 292
Property, plant and equipment	4 144 532	4 392 025
Other assets	56 460	56 646
Prepayments and accrued income	760 690	951 038
<b>Total assets</b>	<b>128 194 610</b>	<b>122 949 035</b>
<b>Shareholders' equity</b>		
Issued capital	2 980 963	2 980 963
Share premium	0	0
Revaluation reserve	126 294	122 971
Legal and statutory reserves	682 478	682 478
Reserves	2 904 032	2 804 008
<i>thereof: Equalization reserve</i>	2 780 919	2 680 919
Retained earnings	13 032 266	10 339 116
<b>Total shareholders' equity</b>	<b>19 726 033</b>	<b>16 929 536</b>

**Česká pojišťovna, a. s., Praha**  
**BALANCE SHEET**

non-consolidated

as at 30 June 2005

prepared and presented in accordance with International Financial Reporting Standards

Liabilities		
Insurance liabilities ( technical provisions )	89 980 724	86 225 194
<i>thereof: Provision for unearned premiums</i>	6 229 638	5 069 153
Financial liabilities - DPF - for investment contracts with DPF	15 119	0
Financial liabilities	15 329 945	16 223 095
<i>Financial liabilities for investment contracts without DPF</i>	0	0
<i>Subordinated liabilities</i>	2 500 000	2 500 000
<i>Other liabilities evidenced by paper</i>	4 117 769	4 051 833
<i>Payables</i>	7 784 800	7 762 558
<i>Other liabilities</i>	38 112	38 008
<i>Financial liabilities at fair value through profit and loss</i>	689 939	1 632 009
<i>Liabilities to banks</i>	199 325	238 687
<i>Liabilities to non-banks</i>	0	0
Provisions	421 038	424 646
<i>thereof: Contractual guarantee funds</i>	327 888	327 888
Deferred tax liabilities	964 322	1 113 498
Accruals and deferred income	1 757 429	2 033 066
<b>Total liabilities</b>	<b>108 468 577</b>	<b>106 019 499</b>
<b>Total shareholders' equity and liabilities</b>	<b>128 194 610</b>	<b>122 949 035</b>

Date:	25.7.2005	
Signature of statutory representative:		
Signature of individual responsible for accounting:	Mgr.Roman Koch	Tel.: 224 052 113
Signature of individ.responsible for preparing the financial statements:	Ing.Ladislav Korobczuk	Tel.: 224 052 117

**Česká pojišťovna, a. s., Praha**  
**INCOME STATEMENT**

non-consolidated

for the 6 months period ending 30 June 2005

prepared and presented in accordance with International Financial Reporting Standards  
in tsnd CZK

	Current period	Previous period
Premium Income Net	15 179 505	19 281 974
<i>Gross earned premium</i>	20 836 481	20 321 975
<i>Gross written premium - direct insurance business</i>	21 829 596	21 138 928
<i>Gross written reinsurance premium</i>	170 371	284 975
<i>Unearned premium - gross</i>	-1 163 486	-1 101 928
<i>Earned premium - ceded</i>	-5 656 976	-1 040 001
<i>Written premium ceded to reinsurers</i>	-6 092 362	-1 666 352
<i>Unearned premium - ceded to reinsurers</i>	435 386	626 351
Net income from investments in subsidiaries, associates and joint ventures	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 investment property	93 090	59 654
Net fee and commission income, and income from service activities	1 519	-16 334
Other income	578 329	435 727
<b>Total revenue</b>	<b>21 910 537</b>	<b>21 859 845</b>
Insurance technical charges	-13 305 482	-14 700 769
<i>thereof: Change in technical provision and DPF liability arising from insurance contracts</i>	-2 799 303	253 056
<i>Change in life technical provisions - net</i>	-2 837 081	367 329
<i>Change in DPF liability for insurance contracts net</i>	-15 119	0
<i>Change in non-life technical provisions - net</i>	67 320	70 192
<i>Change in other technical provisions - net</i>	-14 423	-184 465
Investment contracts benefits	0	0
Interest and similar expenses	-153 984	-145 621
Other expenses from financial assets	-38 216	-6 684
Expenses from investment property	-292 108	-34 162
Acquisition costs and other operating expenses	-3 503 202	-4 971 299
Other expenses	-639 203	-582 751
Amortization and impairment of PVFP	0	0
<b>Total expenditures</b>	<b>-17 932 195</b>	<b>-20 441 286</b>
<b>Profit from operations</b>	<b>3 978 342</b>	<b>1 418 559</b>
Income tax expense	-1 185 192	-762 913
<b>Profit after tax</b>	<b>2 793 150</b>	<b>655 646</b>
<b>Net profit for the period</b>	<b>2 793 150</b>	<b>655 646</b>
Allocation of equity component of DPF	0	0
<b>Net profit for the period</b>	<b>2 793 150</b>	<b>655 646</b>

Date:	25.7.2005	
Signature of statutory representative:		
Signature of individual responsible for accounting:	Mgr.Roman Koch	Tel.: 224 052 113
Signature of individ.responsible for preparing the financial statements:	Ing.Ladislav Korobczuk	Tel.: 224 052 117

Česká pojišťovna, a.s

Statement of Changes in Equity as at 30 June 2005

prepared and presented in accordance with International Financial Reporting Standards

(in TCZK)

ITEM	Share capital	Translation reserve	Legal and statutory reserves	Hedging reserve	Other reserve		Other funds	Retained earnings	Total Equity
					Reserve for own shares	Catastrophe and equalization reserves			
<b>Balance at 31 December 2004</b>	<b>2 980 963</b>	<b>122 971</b>	<b>682 478</b>	<b>0</b>	<b>0</b>	<b>2 680 919</b>	<b>123 089</b>	<b>10 339 116</b>	<b>16 929 536</b>
Changes in accounting policies									
Restated balance									
Surplus on revaluation of assets									
Deficit on revaluation of assets									
Cash-flow hedge									
Exchange differences on translation of the financial statements of foreign subsidiaries, associates and joint ventures									
Tax related to items not recognised in the income statement		3 323				100 000			(103 323)
Net gains and losses not recognised in the income statement								1 804 248	(1 804 248)
Net gains and losses recognised in the income statement								888 902	(888 902)
Share capital									
Dividends									
Issue of share capital									
Other changes							24		(24)
<b>Balance at 30 June 2005</b>	<b>2 980 963</b>	<b>126 294</b>	<b>682 478</b>	<b>0</b>	<b>0</b>	<b>2 780 919</b>	<b>123 113</b>	<b>13 032 266</b>	<b>19 726 033</b>

# Česká pojišťovna, a. s., Praha

## CASH FLOW STATEMENT

non-consolidated

for the 6 months period ending 30 June 2005

prepared and presented in accordance with International Financial Reporting Standards

Item	period ended 30 June 2005 in TSND CZK
<b>Cash and cash equivalents at beginning of period (1 January 2005)</b>	<b>122 976</b>
Bank accounts	112 872
Cash	296
Cash equivalents	9 808
<b>Cash flows from operating activities</b>	<b>3 792 144</b>
Net profit before taxation	3 978 342
<b>Adjustments for:</b>	
Depreciation, increase of allowance	210 811
Dividends revenues	-94 761
Interest expense and revenue	-1 246 871
Increase in reserves	3 419 977
Increase in receivables from operations	-2 226 107
Decrease in inventories	0
Decrease in assets temporary accounts	23 625
Decrease in payables from operations	-936 708
Increase in liabilities temporary assets	756 269
<b>Cash flows from operating activities before financial items and income tax paid</b>	<b>3 884 578</b>
Interest received	1 400 855
Interest paid	-153 984
Income tax paid	-1 339 305
<b>Cash flows from investing activities</b>	<b>-4 024 282</b>
Intangible property	-142 831
Tangible property	-10 301
Purchase of property, plant and equipment	157 976
Financial assets not included in cash and cash equivalents	-4 123 887
Dividends received	94 761
<b>Cash flows from financing activities</b>	<b>753 443</b>
Increase in share capital	0
Increase in other capital accounts	152 772
Increase in other equity items	600 671
<b>Net increase in cash and cash equivalents</b>	<b>521 305</b>
<b>Cash and cash equivalents at end of period (30 June 2005)</b>	<b>644 281</b>