

Česká pojišťovna achieve CZK 4.7 billion profit

Prague (Oct 31st, 2005) – The economic management of Česká pojišťovna for the first nine months of this year resulted in a net profit of CZK 4.7 billion according to international accounting standards (IFRS). In the same period for the previous year, the profit that was calculated according to Czech accounting standards (CAS) amounted to CZK 2.9 billion.

“The amount of profit was primarily influenced by the continued positive development of the Czech capital market and the resulting growth of financial allocations. The cost savings relating to change processes in the society also began to manifest themselves in their full scope“ said Ladislav Bartoníček, the Chairman of the Board of Directors of Česká pojišťovna.

The total specified premium of Česká pojišťovna amounted to CZK 31.2 billion. This means a 5% year-on-year growth. The specified premium in casualty insurance increased by 8 percent to CZK 19.5 billion and in life insurance by less than one percent up to CZK 11.7 billion. “After the mid-year decrease it is a good signal and indicates that the market is starting to develop again. In the key indicator of “currently paid premiums”, our growth rate reached 15 percent“ added Ivo Foltýn, the Life Insurance Manager. In terms of casualty insurance, the best results were achieved in liability insurance, which reported a growth of almost 30 percent in respect of citizens’ liability. In accident insurance, the premium specification increased by 11 percent.

Compared to the end of the previous year, the company’s equity strengthened by almost CZK 5 billion up to CZK 21.4 billion and the balance sum in the same period rose from CZK 123 billion to CZK 131 billion. Technical reserves achieved the amount of CZK 87 billion as compared with the end of the previous year.

Česká pojišťovna is the only domestic insurance company that reports results according to international accounting standards. This obligation has been imposed, as on all the issuers of negotiable securities, by the amendment to the Accounting Act.

Česká pojišťovna is the largest domestic insurance house with a 37 percent market share. Based on the results of voting by a panel of experts, ČP won the first place in the Insurance Company of 2004 competition organized by Fincentrum. The ability of Česká pojišťovna to maintain the dominant market share in both life and casualty insurance is evaluated by the rating agencies of Moody’s and Standard & Poor. The Standard and Poor Agency awarded ČP a BBB rating with a stable outlook and Moody’s awarded Česká pojišťovna with the financial strength evaluation Baa3 also with a stable outlook. The mentioned ratings are of the “investment grade”. ČP thus ranks among the highest rated domestic financial companies. Apart from the leading market position and the successfully implemented new level of client service, both agencies highlight the good operating results and excellent liquidity. Česká pojišťovna has a registered capital of CZK 3 billion and manages over 13 million insurance contracts. CESPO B.V. of the PPF group is the single shareholder of Česká pojišťovna.