

Česká pojišťovna a.s.

Separate financial statements for the 6 months period ending 30 June 2006

Prepared and presented in accordance with International Financial Reporting Standards

## BALANCE SHEET

As at 30 June

In thousands of CZK

	Current period	Previous period
Intangible assets	1 213 915	1 425 055
Subsidiaries and associates	14 904 166	16 728 599
Property, plant and equipment	3 798 179	3 970 050
Investment property	3 219 314	3 230 699
Financial assets available for sale	1 413 347	1 779 769
Financial assets held to maturity	1 860 964	1 870 728
Financial assets at fair value through profit or loss	69 401 268	67 897 066
Loans and receivables	28 507 678	25 357 831
Reinsurance assets	8 642 025	7 888 762
Deferred tax assets	440 011	427 040
Other assets	56 667	56 670
Prepayments and accrued income	698 331	676 888
Cash and cash equivalents	198 828	249 087
<b>Total assets</b>	<b>134 354 693</b>	<b>131 558 244</b>
Issued capital	2 980 963	2 980 963
Emisní ážio	0	0
Reserves	4 188 832	4 094 378
Retained earnings	8 320 417	13 787 834
<b>Total equity</b>	<b>15 490 212</b>	<b>20 863 175</b>
Insurance liabilities	87 589 513	87 652 105
Financial liabilities for investment contracts with DPF	1 267 914	1 065 924
Financial liabilities for investment contracts without DPF	0	0
Subordinated liabilities	2 500 000	2 500 000
Other liabilities evidenced by paper	4 076 141	4 068 190
Financial liabilities at fair value through profit or loss	1 299 060	511 817
Liabilities to banks	420 952	264 910
Liabilities to non-banks	0	0
Provisions	2 278 870	2 275 839
Payables	17 042 414	9 971 765
Deferred tax liabilities	1 036 920	1 030 739
Other liabilities	36 268	38 635
Net assets attributable to unitholders	0	0
Accruals and deferred income	1 316 429	1 315 145
<b>Total liabilities</b>	<b>118 864 481</b>	<b>110 695 069</b>
<b>Total equity and liabilities</b>	<b>134 354 693</b>	<b>131 558 244</b>

Date:	31.7.2006	
Signature of statutory representative:	Ing.Ladislav Bartoniček	
Signature of individual responsible for accounting:	Mgr.Roman Koch	Tel.: 224 553 554
Signature of individ.responsible for preparing the financial statements:	Ing.Ladislav Korobczuk	Tel.: 224 553 833

## INCOME STATEMENT

As at 30 June

In thousands of CZK

	Current period	Previous period
Insurance premium revenue	18 899 992	20 755 412
Insurance premium ceded to reinsurers	(5 654 601)	(6 754 697)
Net insurance premium revenue	13 245 391	14 000 715
Net income from investments in subsidiaries and associates	1 658 734	654 387
Interest and similar income	1 138 402	1 403 394
Other income from financial assets	(857 716)	4 061 802
Income from investment property	96 089	93 090
Fee and commission income	131 939	125 581
Other income	322 388	463 646
<b>Total revenue</b>	<b>15 735 227</b>	<b>20 802 615</b>
Insurance claims and benefits incurred	(11 561 040)	(15 730 300)
Insurance claims and benefits recoverable from reinsurers	2 991 760	3 779 917
Net insurance claims and benefits	(8 569 280)	(11 950 383)
Investment contracts benefits	(201 990)	(116 969)
Interest and similar expenses	(156 342)	(175 574)
Other expenses from financial assets	(50 078)	(77 747)
Expenses from investment property	(29 342)	(292 108)
Acquisition costs and other operating expenses	(2 836 256)	(3 257 036)
Fee and commission expenses	(121 182)	(124 063)
Other expenses	(936 969)	(629 081)
Amortization and impairment of PVFP	0	0
<b>Total expenses</b>	<b>(12 901 439)</b>	<b>(16 622 961)</b>
<b>Profit before tax</b>	<b>2 833 788</b>	<b>4 179 654</b>
Income tax expense	(235 718)	(935 982)
<b>Profit after tax</b>	<b>2 598 070</b>	<b>3 243 672</b>
Change in net assets attributable to unitholders	0	0
<b>Net profit for the year</b>	<b>2 598 070</b>	<b>3 243 672</b>
Minority interest	0	0
Allocation of equity component of DPF	0	0
<b>Net profit for the year</b>	<b>2 598 070</b>	<b>3 243 672</b>

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**Česká pojišťovna, a. s., Praha**  
**Statement of Changes in Equity as at 30 June 2006**

Prepared and presented in accordance with International Financial Reporting Standards

in tsnd CZK

	Issued capital	Share premium	Available-for-sale reserve	Other revaluation reserve	Legal and statutory reserves	Translation reserve	Hedging reserve	Reserve for own shares	Castastrophe and equalization reserves	General banking risk reserve	Other reserves	Fair Value adjustments	Equity component of discretionary participation features (DPF)	Retained earnings	Equity total
<b>Balance at 1 January 2006</b>	(2 980 963)	0	(899 648)	(166 131)	(682 478)	0	0	0	(2 346 121)	0	0	0	0	(13 787 834)	(20 863 175)
Restatement of opening balance	0	0	0	0	0	0	0	0	0	0	0	0	0	(533)	(533)
<b>Restated balance at 1 January 2006</b>	(2 980 963)	0	(899 648)	(166 131)	(682 478)	0	0	0	(2 346 121)	0	0	0	0	(13 788 367)	(20 863 708)
Reclassification of equity component of DPF upon adoption of IFRS4	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Balance at 1 January 2006 after DPF restatement</b>	(2 980 963)	0	(899 648)	(166 131)	(682 478)	0	0	0	(2 346 121)	0	0	0	0	(13 788 367)	(20 863 708)
Currency translation differences	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Additions to hedging reserve - cash flow hedge	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Transfer from hedging reserve to income statement	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Transfer from hedging reserve to initial measurement of the asset or liability	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Valuation gains(losses) taken to equity for AFS	0	0	(42 732)	7 164	0	0	0	0	0	0	0	0	0	(7 164)	(42 732)
AFS revaluation gains transferred to income statement	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Tax on items taken directly to or transferred from equity	0	0	15 113	(1 719)	0	0	0	0	0	0	0	0	0	0	13 394
<b>Total gains and losses recognised directly in equity</b>	<b>0</b>	<b>0</b>	<b>(27 619)</b>	<b>5 445</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(7 164)</b>	<b>(29 338)</b>
<b>Total recognized income (expense) for the period</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(2 598 070)</b>	<b>(2 598 070)</b>
Net allocation to legal and statutory reserves (other than from Net profit)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Dividends to shareholders	0	0	0	0	0	0	0	0	0	0	0	0	0	8 000 904	8 000 904
Issue (decreasing) of share capital	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Allocation to equity component of DPF	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Net allocation to General Banking Risk Fund (other than from Net profit)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Additions to catastrophe reserve	0	0	0	0	0	0	0	0	(72 280)	0	0	0	0	72 280	0
Incurred catastrophe losses	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Release of catastrophe reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Elimination	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Balance at 30 June 2006</b>	<b>(2 980 963)</b>	<b>0</b>	<b>(927 267)</b>	<b>(160 686)</b>	<b>(682 478)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(2 418 401)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(8 320 417)</b>	<b>(15 490 212)</b>

Date:	31.7.2006
Signature of individual responsible for accounting:	Mgr.Roman Koch
Signature of indiv.responsible for preparing the financial statements:	Ing.Ladislav Korobczuk

## Cash flow

Non-consolidated

For the 6 months period ending 30 June 2006

Prepared and presented in accordance with International Financial Reporting Standards

In tsnd CZK

	Current period	Previous period
<b>Profit from operations (before taxation)</b>	<b>2 833 788</b>	<b>4 179 654</b>
Adjustment for investment income/expenses not involving movements of cash	230 806	(3 251 958)
Realized gains/(losses) on disposal of subsidiaries and associates	(1 658 734)	(654 387)
Impairment losses on goodwill recognized	0	0
Recognized income from excess of acquired net fair value over costs (former negative goodwill)	0	0
Amortization and impairment of PVFP	0	0
Change in reserves	0	0
Change in insurance liabilities	(62 592)	3 593 524
Change in provisions	3 031	17 589
Change in deferred acquisition costs	(147 293)	(4 384)
Change in trading assets	(1 668 514)	1 864 114
Purchase of Financial assets held for trading	0	0
Proceeds from sale of Financial assets held for trading	0	0
Change in loans and advances to banks	134 548	(4 289 514)
Change in loans and advances to customers	(7 428)	(263 005)
Change in reinsurance assets	(753 263)	(2 379 136)
Change in receivables	(2 825 372)	(1 902 500)
Change in software and other intangible assets	211 140	(76 133)
Change in other assets, prepayment and accrued income and PP&E	297 724	433 904
Transfer from/to other assets from/to investment property	0	0
Change in Financial liabilities for investment contracts with DPF	201 990	116 967
Change in payables	7 286 903	1 085 960
Change in Financial liabilities at fair value through profit and loss	787 243	(942 070)
Change in liabilities to bank	156 042	(39 362)
Change in liabilities to customers	0	0
Change in other liabilities, accruals and deferred income	(1 083)	(324 271)
Cash flows arising from taxes on income	(668 572)	(366 458)
Other	0	0
<b>Cash flow from operating activities</b>	<b>4 350 364</b>	<b>(3 201 466)</b>
Purchase of Financial assets at fair value through profit and loss not held for trading	(20 882 259)	(16 798 918)
Purchase of investments available for sale	0	0
Purchase of investments held to maturity	0	0
Purchase of investment property	(41 292)	(352 567)
Acquisition of subsidiaries and associates, net of cash	0	0
Purchase of assets held to cover linked insurance liabilities	0	0
Proceeds from sale of Financial assets held for trading	0	0
Proceeds from Financial assets at fair value through profit and loss not held for trading	20 680 928	19 383 924
Proceeds from sale of investments available for sale	380 330	0
Proceeds from investments held to maturity	0	309 846
Proceeds from sale of investment property	29 340	78
Disposal of subsidiaries and associates, net of cash	x	x
Proceeds from sale of assets held to cover linked insurance liabilities	0	0
CF connected with subsidiaries and associates	3 483 167	688 939
Other	0	0
<b>Cash flow from capital activities</b>	<b>3 650 214</b>	<b>3 231 302</b>
Dividends paid	(8 000 904)	0
Proceeds from other liabilities evidenced by paper	11	60 000
Payment of other liabilities evidenced by paper	(44 400)	(62 400)
<b>Cash flow from financing activities</b>	<b>(8 045 293)</b>	<b>(2 400)</b>
Effect of exchange rate changes on cash and cash equivalents	(5 544)	5 737
<b>Change in cash and cash equivalents</b>	<b>(50 259)</b>	<b>33 173</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>249 087</b>	<b>119 569</b>
<b>Cash and cash equivalents at end of period</b>	<b>198 828</b>	<b>152 742</b>
<b>Figures in BS at 30.06.</b>	<b>198 828</b>	<b>152 742</b>

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