

ANNUAL REPORT

2021

2018
2019
2020
2022
2023
2024

KOOPERATIVA 2021 IN FIGURES

CZK 43.79 BILLION IN WRITTEN PREMIUMS

2.48 MILLION CLIENTS

4.70 MILLION INSURANCE POLICIES

429.56 THOUSANDS OF RESOLVED
INSURANCE CLAIMS

CZK 23.31 BILLION CLAIMS PAID

25.13% MARKET SHARE*

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*According to the Czech Accounting Standards



OPENING REMARKS BY THE CHAIRMAN OF THE BOARD OF DIRECTORS

In 2021, Kooperativa celebrated its 30th anniversary on the Czech insurance market. And I am very happy to start by saying that it celebrated it in the best possible way - not only by fulfilling truly ambitious business and economic goals, but above all by fulfilling what our clients, employees and business partners expect from us. In other words, Kooperativa has been, is - and, on behalf of all of us who work here, I say will be - a strong insurer, a reliable partner and a trustworthy employer. The company has shown its strength, adaptability and resilience, especially in recent times, when the world and most businesses, as well as many families and individuals, have experienced and are often experiencing difficult times. This makes it all the more important to have an insurance company that can be 100 per cent relied upon to deliver quickly and accurately all its promises and commitments. And last year Kooperativa confirmed this in every aspect.

In addition to a challenging period full of various bans, regulations and restrictions, we were tested by the June tornado in southern Moravia. These are the times when every insurance company has to prove its quality and prove that its clients have rightly placed their trust in it. According to all available indicators of client satisfaction and the speed of claims handling, Kooperativa has stood up to this challenging period. And it has taken a number of "extra" or more precisely "helpful" steps for its clients, when already in the first days after the disaster our claims handlers in cooperation with the Customer Support Centre actively contacted all our customers in the affected area and immediately started to resolve all claims. I think that in this we fulfilled the idea of how a modern insurance company should operate.

For Kooperativa, 2021 was also a certain step towards the future in the sense of a gradual transformation of

the insurance industry from a sector that "only" pays claims to a sector that perceives insurance claims in the whole context and "solves the problem". This is an outcome desired by the client and stemming from an area we have particularly focused on in recent years - the customer experience. What's the point of having money for a crashed car if it takes a long time to repair and the injured party can't get where s/he wants to go anyway. For the elderly – what's the point of having money for care if there is no one to provide it? And isn't it better to invest in prevention so that many claims don't happen in the first place? These are questions that every modern insurance company, and therefore Kooperativa too, tries to address. The answer lies in a whole sophisticated ecosystem of products and services, with insurance at the heart of it, but encompassing a complex process from prevention, through assistance, loss settlement to follow-up help. The modern insurance company is easy to understand and has all products and

services clear, simple and understandable. And finally yet importantly, it is a solidarity company, i.e. socially responsible, willing to help, get involved, share and positively influence the world around us.

I would like to thank all my colleagues and our business partners for the fact that Kooperativa was like this last year and will continue to be so. Thanks to their work, we offer products and services that bring clients peace of mind and a sense of security and safety in today's uncertain times.

THE MOST SIGNIFICANT AWARDS RECEIVED IN 2021



1st place ▶ **MTPL (Non-life Insurance)**
Autopojištění NAMÍRU

2nd place ▶ Life Insurance – FLEXI

2nd place ▶ Non-Life Insurance – Autopojištění NAMÍRU

2nd place ▶ Entrepreneur's Insurance - TREND

3rd place ▶ Life Insurance – NA PŘÁNÍ

**NEJLEPŠÍ
POJIŠŤOVNA 2021**

2nd place ▶ The Best Life Insurance Company

3rd place ▶ The Most Client-friendly Life Insurance Company



National Award of the Czech Republic for social responsibility



1st place ▶ **Insurance company of the Year**



The Most Credible Brand – Insurance Companies category



3rd place ▶ Czech 100 Best

BOARD OF DIRECTORS AS OF MARCH 1 2022

NAME	POSITION
Ing. Martin Diviš, MBA	Chairman
Mgr. Martin Laur	Member
Jiří Sýkora	Member
Mag. Christoph Rath	Member
Mgr. Filip Král	Member
Ing. Eva Poláchová	Member
Ing. Jaroslav Kulhánek	Member

SUPERVISORY BOARD AS OF MARCH 1 2022

NAME	POSITION
prof. Elisabeth Stadler	Chairwoman
Ing. Vladimír Mráz	Vice-Chairman
Ing. Roman Brablec	Member
Jan Wiesner	Member
Dr. Ing. Vratislav Kulhánek	Member
Ing. Daniel Pražan, MBA	Member
Jan Růžička	Member
Dkfm. Karl Fink	Member
Mag. Gerhard Lahner	Member
Mag. Harald Josef Londer	Member
Ing. Tomáš Salomon	Member
Ing. Vladimír Dlouhý, CSc.	Member
Mgr. Šárka Brúnová	Member
Ing. Radmila Dočekalová	Member
Hartwig Löger	Member
JUDr. Hana Macháčová	Member
Ing. Irena Rohlová, MBA	Member
Ing. Soňa van Deelenová	Member

AUDIT COMMITTEE AS OF MARCH 1 2022

NAME	POSITION
Ing. Vladimír Mráz	Chairman
prof. Elisabeth Stadler	Vice-Chairwoman
Ing. František Dostálek	Member

MANAGEMENT REPORT

EVALUATION OF 2021

The year 2021 became another year when not only the Czech Republic, but practically the whole world was affected by the coronavirus pandemic. Everyone had to get used to new working patterns that include a greater degree of working from home. This puts more emphasis on management and leadership, but the insurance sector has proven that it can fulfil its role in these conditions, i.e. to compensate for damage to property or health of clients and to ensure full access to services and products. And Kooperativa has added a wide range of innovations in the year of its 30th anniversary celebrations.

A major milestone in 2021 was the tornado that hit southern Moravia. It was an unprecedented event, unparalleled in the modern history of the Czech lands. On 24 June 2021, a devastating storm and an F4 tornado swept through the Břeclav and Hodonín regions. The wind whirlwind devastated five villages and left six dead and over 200 injured, while complete destruction or forced demolition affected more than a hundred houses and buildings. Further windstorms and hailstorms hit practically the entire territory of the Czech Republic. Kooperativa activated all the capacities of its claims adjusters, technicians and call centre staff, who actively contacted all clients in the area affected by the tornado in the first days after the disaster and immediately began to resolve their insurance claims. As soon as they could, technicians and South Moravia agency staff went into the field and set up mobile offices in the most affected areas to report claims and address other client needs. Already three days after the tornado, Kooperativa paid advances on insurance claims to the first clients. In total, the June storms caused over 10,820 claims worth CZK 1.09 billion to Kooperativa's clients alone. By the end of 2021, Kooperativa had closed almost 87% of these claims and paid out almost CZK 803 million in claims to clients. In total, Kooperativa settled over 429,000 insurance claims in 2021 and paid out over CZK 23.31 billion in insurance benefits to clients. Of which CZK 8.61 billion in life insurance and CZK 14.70 billion in non-life insurance.

Kooperativa also did very well in terms of business. According to the ČAP methodology, which, among other things, does not include the written premium from the statutory employer's insurance, Kooperativa achieved written premiums of CZK 33.92 billion and a market share of 23.07%, which ranks it second on the market. However, all statements in the financial part of the annual report are presented and audited according to Czech Accounting Standards (CAS), therefore further texts in the annual report refer exclusively to Czech accounting standards. According to CAS, Kooperativa achieved written premiums of CZK 43.79 billion, which is a 3.30% increase compared to 2020. With a market share of 25.13 %, Kooperativa confirmed the first place among Czech insurance companies. At the end of 2021, Kooperativa had 3 959 employees and managed 4.70 million insurance contracts for 2.48 million clients.

In the non-life insurance sector, Kooperativa wrote premiums totalling CZK 28.90 billion, which meant a year-on-year increase of 5.5 %. It therefore grew slightly slower than the market, which showed a year-on-year increase of 6.06 %. The most successful products in this area included hull insurance, which grew by 12.4 %, MTPL insurance with a growth of 7.8 % and citizen's property and liability insurance, where Kooperativa grew by 6.7 %.

Kooperativa recorded a slight decline of 0.7% in life insurance, where total written premiums reached CZK 14.89 billion. The life insurance market strengthened by 3.24%, yet Kooperativa remained the largest Czech life insurer with a market share of 25.02%.

In 2021 Kooperativa celebrated 30 years on the Czech market, which was supported by several significant innovations

in the area of products and services. One of Kooperativa's key products is TREND insurance for small and medium-sized entrepreneurs, which has long been appreciated not only by advisors and customers, but also by the professional public. For example, it was named Product of the Decade in the Golden Crown competition. To maintain its position, Kooperativa has prepared a new version, incorporating a number of product improvements and preparing a simple arrangement in the Consolidated Advisor's Tool (KNZ). Another new feature is the insurance guide, which enables the trader to analyse the client's needs very well and therefore set the parameters of the insurance contract correctly. Kooperativa has incorporated new perils into TREND, such as perishable inventory, insurance of construction work in progress, or additional insurance for water and sewerage. It also added an additional insurance for assistance services and standardised the insurance of a set of investments. The insurance of immovable buildings or a set of movable assets was simplified. In May, the citizens' property insurance underwent a significant transformation, in which Kooperativa, among other things, favoured the security of homes and property with smart sensors - motion, water or smoke sensors (so-called IoT products). A unique advantage was the bicycle insurance, which was provided free of charge to new and existing Kooperativa clients who have their property insured in the KOMFORT variant. Property assistance services have also been improved, where Kooperativa has included new craftsmen works and also increased the limits of indemnities provided. In June, Kooperativa prepared a new consultation and assistance service MAJÁK+, which targets people aged 50+. In addition to professional health, social, legal and even IT consultations, it also offers interventions and physical assistance at home in situations that may lead a person into a difficult situation.

Kooperativa has also been working for a long time on on-line processes that enable paperless contract negotiation, claim settlement or even just a change in the contract. A significant innovation in this area is self-documenting, which allows clients to take pictures of the vehicle with their mobile phone in the comfort of their home and submit the photos to the insurance company via a simple web interface. Previously, a professional inspection by a technician and therefore physical contact was necessary. Later in the year, Kooperativa prepared a similar application for the settlement of motor insurance claims. Kooperativa does not forget about disadvantaged citizens. A significant innovation in the communication of people with hearing impairment on the customer service line was the new Transkript Online functionality for people with impaired speech intelligibility or its complete loss. The user of the service can now type his/her query in a special line, the query is then automatically read out in a synthetic voice to the operator of the given hotline and the spoken response of the operator is transcribed into text form by a professional transcriber.

In 2022, Kooperativa will continue to develop new products and services. The main highlight of the first quarter is the launch of the new FLEXI life insurance, which combines the best of the NA PŘÁNÍ (WISH) and FLEXI products. The new FLEXI will thus be the only life insurance brand that Kooperativa will offer in the future. This will be complemented by adjustments to the process of self-photographing vehicles when entering the motor-hull insurance. In the second quarter, Kooperativa will launch a new product for motorists, namely old-timers' insurance. At the same time, motorists can look forward to the use of telematics in insured vehicles or a special product for motorhomes, which will include insurance of the interior equipment of motorhomes. In the third quarter, Kooperativa is preparing the launch of a new client portal, which will be used to manage insurance contracts and will also offer clients the possibility of modifying or negotiating insurance products. Kooperativa will also continue to expand the range of services in the MASTERS programme and in the last quarter will offer a special discounted life insurance promotion.

SOCIAL RESPONSIBILITY

The principles of the insurance industry are based on solidarity, responsibility for the environment in which we live, as well as help and trust. We see social responsibility as a business model - our goal is to combine Kooperativa's interests with activities that benefit society as a whole. Kooperativa's CSR strategy is based on the pillars of prevention and responsible business, ecology and sustainability, diversity and flexibility in relation to employees, as well as philanthropy, which we focus on both through the Kooperativa Foundation and by involving our employees. Detailed activities are clearly described in the separate Corporate Social Responsibility and Sustainable Business Report 2021, issued as of 30 June.



PREVENTION AND RESPONSIBLE BUSINESS

Preventing unfortunate events is a priority for us, which is why we are the leader in traffic safety and we are committed to the principles of VIZE 0, i.e. zero deaths and serious injuries on Czech roads through the VIZE 0 Platform, a non-profit and apolitical platform of which we are a co-founder. Our partners are public authorities, universities or associations as well as large corporations with a direct influence on road safety. We focus on the most at-risk groups, especially young people - e.g. through the My Vision Zero competition or the Start Driving project, as well as the elderly, children, cyclists and motorcyclists. The topics of speed and keeping a safe distance, courtesy and consideration on the roads, education of young drivers, new technologies and changes in the transport infrastructure are essential for us.

In 2021, we partnered with AlzheimerChain Foundation to develop a mobile app focused on Alzheimer's prevention.

ECOLOGY AND SUSTAINABILITY

We strive to eliminate the environmental impact of our operations and increase operational efficiency. Our goal is to reduce our carbon footprint on a sustainable basis. Thanks to the widespread digitalization, we continuously reduce paper consumption. As part of our energy management, we are gradually installing photovoltaic power plants on the roofs of our buildings. We have stocked all major buildings with large-capacity bins for sorted waste and reduced the bins for mixed waste. As a result, the production of mixed waste has fallen by 80% in the Central Office. We collected 1,425 redundant mobile phones for Remobil, which will be environmentally recycled. Throughout the summer, our employees in selected cities strengthened their fitness and used Rekola for eco-friendly transport around the city. And last but not least, we supported two professional conferences aimed at promoting eco-friendly behaviour and presenting interesting startup ideas in the field of sustainability.

In accordance with EU Regulation 2019/2088, we publish information regarding sustainability in the financial services sector.

DIVERSITY AND FLEXIBILITY IN RELATION TO EMPLOYEES

We believe that employee diversity brings room for innovation and understanding, which is why we live up to the principles of diversity and inclusion. We respect equal opportunities and the individual needs of employees regardless of age, gender, health or family situation. We are constantly looking for ways to enable all employees to balance their professional and private lives, whether through teleworking, flexible forms of work or part-time work. We strive to be as fair and accommodating as possible to different groups of employees, taking into account their needs and expectations, whether they are new employees, school leavers, parents of young children and teenagers, single parents, colleagues with disabilities, retiring seniors, etc. We take care of the health, personal and professional development of all employees by offering a wide range of benefits, training and workshops. In 2021, we focused particularly on the mental health and well-being of our employees.

PHILANTHROPY

The philanthropic projects are covered by the Kooperativa Foundation, whose founder is Kooperativa. The Foundation's vision is to invest in public benefit activities based on the principles of responsible business and Kooperativa's CSR values. The Foundation supports sustainable projects and professional partnerships that prevent the emergence of negative social phenomena and develop new systemic solutions in society. We focus on preventing social exclusion, supporting projects in the areas of health and the elderly, as well as innovation.

In 2021, we therefore collaborated with non-profit organisations such as Asistence, Centrum Paraple or Pomocné tlapky (Helping Paws). We organise Banal Fatal and Zdraví do škol (Health to Schools) prevention programmes for schools. Mental health care is also a new area of support, and we are working with Nevypusť duši (Don't Let Your Soul Out) organization and the National Institute of Mental Health. We supported 13 projects in a grant process focusing on senior loneliness. Employees actively participate in volunteer days, setting up financial and material collections to benefit organizations and individuals in their regions. Our art collection at the Kooperativa Gallery in Prague - Karlín is open to the public free of charge.

PART OF VIENNA INSURANCE GROUP

We focus on providing our customers in CEE with custom products and services tailored to their needs. Our strategy is geared towards long-term profitability and steady earnings growth, making us a reliable partner in rapidly changing times.

Over 25,000 employees work for Vienna Insurance Group, at around 50 companies in 30 countries. We develop insurance solutions in line with personal and local needs, which has made us the leader in the insurance industry in Central and Eastern Europe (CEE).

EXPERTISE AND STABILITY

Vienna Insurance Group is an international insurance group headquartered in the Austrian capital. After the fall of the Iron Curtain in 1989, the Group expanded rapidly from a purely Austrian business into an international group. Vienna Insurance Group is synonymous with stability and expertise in providing financial protection against risks. Experience coupled with a focus on our core competence of providing insurance coverage, forms a solid and secure basis for the Group's 22 million-plus customers.

FOCUS ON CENTRAL AND EASTERN EUROPE

Vienna Insurance Group places an emphasis on Central and Eastern Europe as its home market and pursues a long-term strategy in the markets where it is represented. The Group generates more than half of its total business volume in CEE and still sees scope for considerable growth in this region. The economic growth in CEE was on average twice as high as in Western Europe and the insurance density is still far below the EU average.

LOCAL MARKET PRESENCE

For Vienna Insurance Group, protecting customers financially against risk is a responsibility. The Group pursues a local multi-brand strategy based on established local brands as well as local management. Ultimately, the Group's success and closeness to its customers is down to the strengths of each individual brand and local know-how.

STRONG FINANCES AND CREDIT RATING

Vienna Insurance Group has an A+ rating with stable outlook from the well-known rating agency Standard & Poor's. The Vienna Insurance Group is listed in both Vienna and Prague. Wiener Städtische Versicherungsverein – a stable core shareholder with a long-term focus – owns around 70% of VIG's shares. The remaining shares are in free float.

<p>ALBANIA</p> <p>SIGMA INTERALBANIAN VIENNA INSURANCE GROUP</p> <p>INTERSIG VIENNA INSURANCE GROUP</p>	<p>DENMARK</p> <p>VIG VIENNA INSURANCE GROUP</p>	<p>LIECHTENSTEIN</p> <p>VIENNA-LIFE VIENNA INSURANCE GROUP</p>	<p>ROMANIA</p> <p>OMNIASIG VIENNA INSURANCE GROUP</p> <p>Asirom VIENNA INSURANCE GROUP</p> <p>DE VIATA BCR ASIGURARI VIENNA INSURANCE GROUP</p>
<p>AUSTRIA</p> <p>VIG VIENNA INSURANCE GROUP</p> <p>WIENER STÄDTISCHE VIENNA INSURANCE GROUP</p> <p>Ionau VIENNA INSURANCE GROUP</p>	<p>ESTONIA</p> <p>bta VIENNA INSURANCE GROUP</p> <p>COMPENSA VIENNA INSURANCE GROUP</p> <p>Seesam VIENNA INSURANCE GROUP</p>	<p>LITHUANIA</p> <p>bta VIENNA INSURANCE GROUP</p> <p>COMPENSA VIENNA INSURANCE GROUP</p>	<p>SERBIA</p> <p>WIENER STÄDTISCHE VIENNA INSURANCE GROUP</p> <p>WIENER RE Beograd VIENNA INSURANCE GROUP</p>
<p>BELARUS</p> <p>КУПАЛА VIENNA INSURANCE GROUP</p>	<p>FRANCE</p> <p>VIG Re</p>	<p>MOLDOVA</p> <p>DONARIS VIENNA INSURANCE GROUP</p>	<p>SLOVAKIA</p> <p>Kooperativa VIENNA INSURANCE GROUP</p> <p>KOMUNÁLNA POISTOVŇA VIENNA INSURANCE GROUP</p>
<p>BOSNIA-HERZEGOVINA</p> <p>WIENER OSIGURANJE VIENNA INSURANCE GROUP</p> <p>vienna osiguranje VIENNA INSURANCE GROUP</p>	<p>GEORGIA</p> <p>GPI VIENNA INSURANCE GROUP</p> <p>IRAO VIENNA INSURANCE GROUP</p>	<p>MONTENEGRO</p> <p>Život WIENER STÄDTISCHE VIENNA INSURANCE GROUP</p>	<p>SLOVENIA</p> <p>WIENER STÄDTISCHE VIENNA INSURANCE GROUP</p>
<p>BULGARIA</p> <p>BULSTRAD VIENNA INSURANCE GROUP</p> <p>Life BULSTRAD VIENNA INSURANCE GROUP</p> <p>DOVERIE VIENNA INSURANCE GROUP</p>	<p>GERMANY</p> <p>InterRisk VIENNA INSURANCE GROUP</p> <p>VIG Re</p>	<p>NORTH MACEDONIA</p> <p>WINNER VIENNA INSURANCE GROUP</p> <p>Life WINNER VIENNA INSURANCE GROUP</p> <p>МАКЕДОНИЈА ОСИГУРУВАЊЕ VIENNA INSURANCE GROUP</p>	<p>SWEDEN</p> <p>VIG VIENNA INSURANCE GROUP</p>
<p>CROATIA</p> <p>WIENER OSIGURANJE VIENNA INSURANCE GROUP</p>	<p>HUNGARY</p> <p>UNION VIENNA INSURANCE GROUP</p>	<p>NORWAY</p> <p>VIG VIENNA INSURANCE GROUP</p>	<p>TURKEY</p> <p>RAYSIGORTA VIENNA INSURANCE GROUP</p>
<p>CZECH REPUBLIC</p> <p>Kooperativa VIENNA INSURANCE GROUP</p> <p>ČPP VIENNA INSURANCE GROUP</p> <p>VIG Re</p>	<p>ITALY</p> <p>WIENER STÄDTISCHE VIENNA INSURANCE GROUP</p>	<p>POLAND</p> <p>COMPENSA VIENNA INSURANCE GROUP</p> <p>InterRisk VIENNA INSURANCE GROUP</p> <p>Vienna Life VIENNA INSURANCE GROUP</p> <p>wiener VIENNA INSURANCE GROUP</p>	<p>UKRAINE</p> <p>КНЯЖА VIENNA INSURANCE GROUP</p> <p>life КНЯЖА VIENNA INSURANCE GROUP</p> <p>USG VIENNA INSURANCE GROUP</p>
<p>KOSOVO</p> <p>SIGMA VIENNA INSURANCE GROUP</p>	<p>LATVIA</p> <p>bta VIENNA INSURANCE GROUP</p> <p>COMPENSA VIENNA INSURANCE GROUP</p>		

January 2022

WE ARE **NUMBER 1**
IN CENTRAL AND EASTERN EUROPE.

VIG
VIENNA INSURANCE GROUP
Protecting what matters.


KPMG Česká republika Audit, s.r.o.

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This document is an English translation of the Czech auditor's report.
Only the Czech version of the report is legally binding.

Independent Auditor's Report to the Shareholders of Kooperativa pojišťovna, a.s., Vienna Insurance Group

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Kooperativa pojišťovna, a.s., Vienna Insurance Group ("the Company"), prepared in accordance with Czech accounting legislation, which comprise the balance sheet as at 31 December 2021, the income statement and the statement of changes in equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory notes. Information about the Company is set out in Note 1 to the financial statements.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2021, and of its financial performance for the year then ended in accordance with Czech accounting legislation.

Basis for Opinion

We conducted our audit in accordance with the Act on Auditors, Regulation (EU) No. 537/2014 of the European Parliament and of the Council, and Auditing Standards of the Chamber of Auditors of the Czech Republic, consisting of International Standards on Auditing (ISAs) which may be supplemented and amended by relevant application guidelines. Our responsibilities under those regulations are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Act on Auditors and the Code of Ethics adopted by the Chamber of Auditors of the Czech Republic, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KPMG Česká republika Audit, s.r.o., a Czech limited liability company and a member firm of the KPMG global organization of independent firms affiliated with KPMG International Limited, a private English company limited by guarantee.

Recorded in the Commercial Register kept by the Municipal Court in Prague, Section C, Insert No. 24185

Identification No. 45619187
VAT No. CZ699001996
ID data box: 8h3gtra



Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Measurement of provision for liabilities arising from the applied technical interest rate (life insurance)

As at 31 December 2021, Provision for liabilities arising from the applied technical interest rate: MCZK 2 008.

Refer to additional information disclosed in Note I.4. (m) and Note II.9. (d) of the financial statements.

Key audit matter	How the audit matter was addressed
<p>Life insurance contracts liabilities represent significant liability items in the statement of financial position. Measurement thereof is associated with significant estimation uncertainty as it requires management board to exercise judgment and develop complex and subjective assumptions. These assumptions are used as inputs into the valuation model that uses standard actuarial methods.</p> <p>At each reporting date, the Company is also required to perform a liability adequacy test (hereinafter, "LAT") with an aim to determine whether its recognized life insurance contract liabilities are adequate. The test is based on the comparison of the management's current estimates of the present value of future cash flows arising from the in-force insurance contracts with the stated amounts of life insurance contracts liabilities. In case the LAT shows that the amounts of the liabilities are insufficient in light of the estimated future cash flows, the entire deficiency is recognized as a provision for liabilities arising from the applied technical interest rate in correspondence with a profit or loss.</p> <p>Relatively insignificant changes in the assumptions applied by the Company can have a material effect on the amount of liabilities arising from the applied technical interest rate. The assumptions</p>	<p>Our procedures in the area, performed, where applicable, with the assistance of our own actuarial specialists, included the following, among other things:</p> <ul style="list-style-type: none"> – We critically assessed the method and models applied by the Company against current industry practice and relevant regulatory and financial reporting requirements; – We tested the design and implementation of selected controls over the Company's process for setting actuarial assumptions and other input data for actuarial models; – We assessed relevance and reliability of key input data used in the LAT model. As part of our procedures, we traced significant data elements to the Company's records and experience analysis; – We assessed the results of the Company's experience studies ('back-testing'), and used those historical results, as well as market data, to challenge the key assumptions used in the measurement of the provision for liabilities arising from the applied technical interest rate, such as, among others:



<p>that we consider as those with most significant impact are the ones for discount rates used, policyholders' life expectancy, morbidity and mortality rates, policy lapse rates and expenses.</p> <p>For the above reasons, we considered this area to be associated with a significant estimation uncertainty and a significant risk of material misstatement, which required our increased attention in the audit. As such we considered it to be a key audit matter.</p>	<ul style="list-style-type: none"> (i) policyholders' life expectancy, (ii) morbidity and mortality rates, (iii) policy lapse rates, (iv) expenses, and (v) discount rates. <ul style="list-style-type: none"> – We performed a retrospective assessment of the Company's liability adequacy test by comparing the predictions of the previous year's model with the actual outcomes; – We assessed the Company's disclosures regarding provision for liabilities arising from the applied technical interest rate against the requirements of the relevant financial reporting standards.
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Measurement of accumulated debt (life insurance)

As at 31 December 2021, Accumulated debt in life insurance: MCZK 3 529.

Refer to additional information disclosed in Note I.4. (g) and Note II.7. of the financial statements.

Key audit matter	How the audit matter was addressed
<p>The Company recognizes accumulated debt in life insurance within Other temporary assets. As described in Note I.4.(g), the accumulated debt balances are associated with the Company's unit linked insurance products. We designated the area as a key audit matter as management is required to make subjective and complex assumptions and judgments in measuring the amount of any such accumulated debt. Relatively insignificant changes in the assumptions applied in the process can have a material effect on the amount of accumulated debt as at the reporting date.</p> <p>The accumulated debt in life insurance is measured using the prospective method, where negative account balances on client accounts are multiplied by the</p>	<p>Our procedures in the area, performed, where applicable, with the assistance of our own actuarial specialists, included the following, among other things:</p> <ul style="list-style-type: none"> – We critically assessed the method and model applied by the Company against current industry practice and relevant regulatory and financial reporting requirements; – We tested the design and implementation of selected controls over the Company's process for setting actuarial assumptions and other input data for actuarial models, – We assessed relevance and reliability of data applied in the measurement of accumulated debt, including tracing total amount of negative balances on clients'



<p>activation percentage parameter. The assumptions that we consider as those with most significant impact on the estimate of accumulated debt are the ones for lapse rates, claim frequency and expenses, among other things.</p> <p>Relevance and reliability of data used in the Company's actuarial calculations were also our area of focus.</p>	<p>accounts to the Company's technical database;</p> <ul style="list-style-type: none"> – We challenged the key assumptions used in the measurement of accumulated debt, such as, among other things, expected lapse rate of the existing insurance portfolio, claim frequency and related expenses by reference to the Company's experience studies as well as publicly available market data; – We independently estimated the activation percentage parameter by reference to the Company's data and compared it with the Company's estimate and the prior year's percentage; – Based on the outcome of the preceding procedures, we independently estimated the amount of accumulated debt as at 31 December 2021 and compared it with the Company's estimate; – We assessed the Company's accumulated debt related disclosures in the financial statements against the requirements of the relevant financial reporting standards.
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Measurement of provisions for incurred but not yet reported claims (life and non-life insurance)

As at 31 December 2021, provision for outstanding claims: MCZK 20 604 (including provision for insurance claims incurred but not yet reported in the period (IBNR) of MCZK 6 038 and provision for claims incurred and reported, but not yet settled (RBNS) of MCZK 14 566).

Refer to additional information disclosed in Note I.4. (k) and II.9. (b) of the Company's financial statements.

Key audit matter	How the audit matter was addressed
<p>In measuring the provisions for outstanding claims, particular complexity is associated with the estimate of the amount of the expected ultimate cost of claims incurred but not yet reported ('IBNR'). A range of methods may be used, and in many cases standard</p>	<p>Our procedures in the area, performed, where applicable, with the assistance of our own actuarial and information technology (IT) specialists, included the following, among other things:</p>



actuarial methods need adjustments specific to the circumstances and such adjustments also require the application of significant judgment

For the majority of classes of insurance, the Company uses the chain-ladder method based on the amount of insurance claims incurred. Also, Monte Carlo simulations are applied for large claims and annuities of motor third party liability insurance.

Key inputs in determining the IBNR provision represent data on claims incurred in prior periods, in particular their amount and frequency, as well as market claims data (for IBNR in motor third party liability insurance).

Relatively minor changes in management's assumptions can have a significant effect on the recognized amounts of the claim provisions.

Due to the above factors, we considered measurement of the IBNR provision to be our key audit matter.

- We tested the design and implementation of selected system (IT-based) and manual controls over measurement of the provisions for outstanding claims, including those over determination of actuarial assumptions;
- In respect of the IBNR provision, with specific consideration of the expected effects of the COVID-19 pandemic, we:
 - critically assessed the method and model applied in measuring the amount of the provision against the relevant requirements of the financial reporting standards and market practice.
 - assessed the key assumptions applied, such as the characteristics of the insurance portfolio and expected amount and frequency of future insurance claims including parameters of Monte Carlo simulations, by reference to publicly available market data and the Company's experience studies.
- We analysed significant year-to-year variations in the amount of the provisions and made relevant inquiries of the Company's actuarial experts. We also carried out own independent recalculations of key elements of the IBNR provisions;
- We evaluated the reasonableness of the IBNR provisions by performing the comparison of the actual experience to previously expected results;
- In addition, we assessed the Company's disclosures regarding IBNR provisions against the requirements of the relevant financial reporting standards.



Other Information

In accordance with Section 2(b) of the Act on Auditors, other information is defined as information included in the annual report other than the financial statements and our auditor's report. The statutory body is responsible for the other information.

Our opinion on the financial statements does not cover the other information. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. In addition, we assess whether the other information has been prepared, in all material respects, in accordance with applicable laws and regulations, in particular, whether the other information complies with laws and regulations in terms of formal requirements and the procedure for preparing the other information in the context of materiality, i.e. whether any non-compliance with those requirements could influence judgments made on the basis of the other information.

Based on the procedures performed, to the extent we are able to assess it, we report that:

- the other information describing matters that are also presented in the financial statements is, in all material respects, consistent with the financial statements; and
- the other information has been prepared in accordance with applicable laws and regulations.

In addition, our responsibility is to report, based on the knowledge and understanding of the Company obtained in the audit, on whether the other information contains any material misstatement. Based on the procedures we have performed on the other information obtained, we have not identified any material misstatement.

Responsibilities of the Statutory Body, Supervisory Board and Audit Committee for the Financial Statements

The statutory body is responsible for the preparation and fair presentation of the financial statements in accordance with Czech accounting legislation and for such internal control as the statutory body determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the statutory body is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the statutory body either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Supervisory Board is responsible for overseeing the Company's financial reporting process. The Audit Committee is responsible for monitoring the Company's financial reporting process.



Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the above regulations will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the above regulations, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the statutory body.
- Conclude on the appropriateness of the statutory body's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in



our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In compliance with Article 10(2) of Regulation (EU) No. 537/2014 of the European Parliament and of the Council, we provide the following information in our independent auditor's report, which is required in addition to the requirements of International Standards on Auditing:

Appointment of Auditor and Period of Engagement

We were appointed as the auditors of the Company by the General Meeting of Shareholders on 22 April 2021 and our uninterrupted engagement has lasted for 9 years.

Consistency with Additional Report to Audit Committee

We confirm that our audit opinion on the financial statements expressed herein is consistent with the additional report to the Audit Committee of the Company, which we issued on 25 March 2022 in accordance with Article 11 of Regulation (EU) No. 537/2014 of the European Parliament and of the Council.

Provision of Non-audit Services

We declare that no prohibited services referred to in Article 5 of Regulation (EU) No. 537/2014 of the European Parliament and of the Council were provided.

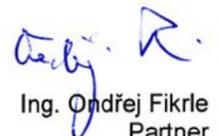
Statutory Auditor Responsible for the Engagement

Ing. Ondřej Fikrle is the statutory auditor responsible for the audit of the financial statements of Kooperativa pojišťovna, a.s., Vienna Insurance Group as at 31 December 2021, based on which this independent auditor's report has been prepared.

Prague
25 March 2022

KPMG Česká republika Audit

KPMG Česká republika Audit, s.r.o.
Registration number 71


Ing. Ondřej Fikrle
Partner

Registration number 2525

FINANCIAL SECTION

The Financial Statement
for the year ended
31 December 2021

2021

BALANCE SHEET (IN THOUSANDS OF CZECH CROWNS TCZK)

Description Legenda	2021 Gross	2021 Adjustment	2021 Net	2020 Net
I ASSETS				
A.	Receivables for subscribed registered capital			
B.	3 016 538	2 297 296	719 242	671 856
C.	Investments			
	71 335 188	1 350 164	69 985 024	71 400 261
I.	Land and buildings, thereof			
1.	2 715 816	1 350 164	1 365 652	1 331 874
1.	Land			
	238 278		238 278	231 644
2.	Buildings			
	2 477 538	1 350 164	1 127 374	1 100 230
	a) Investments - self-occupied			
	2 329 533	1 340 276	989 257	1 064 701
II.	Investments in affiliated undertakings and participating interests			
1.	4 804 119		4 804 119	8 337 352
1.	Participating interests with controlling influence			
	4 372 670		4 372 670	7 832 538
2.	Debt securities issued by, and loans and credits to, undertakings - controlling influence			
	431 449		431 449	504 814
III.	Other investments			
1.	63 815 253		63 815 253	61 731 035
1.	Shares and other variable-yield securities, other participating interests			
	7 920 057		7 920 057	7 133 285
2.	Bonds and other fixed-income securities			
	53 168 137		53 168 137	49 678 537
	a) bonds and other fixed-income securities valued at fair value through profit and loss			
	16 663 395		16 663 395	13 260 495
	b) bonds and other fixed-income securities held to maturity			
	36 504 742		36 504 742	36 418 042
5.	Other loans and credits			
	3 200		3 200	2 001 001
6.	Deposits with financial institutions			
	2 507 856		2 507 856	2 690 199
7.	Other investments			
	216 003		216 003	228 013
D.	Investments for the benefit of life assurance policyholders who bear the investment risk			
	9 578 997		9 578 997	8 719 338
E.	Debtors			
	7 344 744	491 305	6 853 439	4 932 529
I.	Receivables arising from direct insurance operations			
1.	2 225 090	491 305	1 733 785	2 070 812
1.	Policyholders			
	2 171 441	454 377	1 717 064	2 057 157
2.	Intermediaries			
	53 649	36 928	16 721	13 655
II.	Receivables arising from reinsurance operations			
	20 530		20 530	7 769
III.	Other receivables			
	5 099 124		5 099 124	2 853 948
F.	Other assets			
	3 838 562	841 147	2 997 415	3 324 152
I.	Tangible fixed assets other than those listed under „C.I. Land and buildings“, and inventories			
	1 232 645	841 147	391 498	310 345
II.	Cash on accounts in financial institutions and cash in hand			
	2 605 917		2 605 917	3 013 807
G.	Temporary asset accounts			
	10 112 290		10 112 290	9 830 797
II.	Deferred acquisition costs			
	5 713 624		5 713 624	5 324 048
	a) in life-assurance business			
	4 297 192		4 297 192	4 020 526
	b) in non-life insurance			
	1 416 432		1 416 432	1 303 522
III.	Other temporary asset accounts, thereof			
	4 398 666		4 398 666	4 506 749
	a) Estimated receivables			
	615 181		615 181	502 348
TOTAL ASSETS	105 226 319	4 979 912	100 246 407	98 878 933

Description Legenda	2021 Gross	2021 Adjustment	2021 Net	2020 Net
II. LIABILITIES				
A.	Equity			
			16 965 076	19 802 147
I.	Registered capital, thereof			
		4 302 129		4 302 129
II.	Premium			
		134 039		134 039
IV.	Other capital funds			
		155 440		1 832 408
V.	Reserve fund and other funds from profit			
		136 436		95 311
VI.	Profit or loss brought forward			
		1 875 611		10 229 688
VII.	Profit or loss for the financial year			
		10 361 421		3 208 572
B.	Subordinated liabilities			
			557 001	556 982
C.	Technical provisions			
			58 389 805	57 195 167
1.	Provision for unearned premiums			
	a) gross amount			
	6 531 022			6 445 043
	b) reinsurance share (-)			
	1 104 472	5 426 550	1 446 891	4 998 152
2.	Life assurance provision			
	a) gross amount			
	37 959 118			37 259 827
	b) reinsurance share (-)			
		37 959 118	0	37 259 827
3.	Provision for outstanding claims			
	a) gross amount			
	20 604 329			19 489 370
	b) reinsurance share (-)			
	8 544 229	12 060 100	7 842 183	11 647 187
4.	Provision for bonuses and rebates			
	a) gross amount			
	941 229			738 359
	b) reinsurance share (-)			
	100 884	840 345	112 009	626 350
6.	Other technical provisions			
	a) gross amount			
	2 103 692			2 663 651
	b) reinsurance share (-)			
	0	2 103 692	0	2 663 651
D.	Life assurance technical provision where the investment risk is borne by the policyholders			
			9 578 997	8 719 338
	a) gross amount			
	9 578 997			8 719 338
	b) reinsurance share (-)			
	0	9 578 997	0	8 719 338
E.	Provisions			
			2 086 756	111 711
1.	Provisions for pensions and similar obligations			
			117 342	108 807
2.	Provisions for taxation			
			1 840 234	-58
3.	Other provisions			
			129 180	2 962
F.	Deposits received from reinsurers			
			4 441 933	4 551 545
G.	Creditors			
			5 597 174	5 125 228
I.	Payables arising from direct insurance operations			
			4 756 837	4 501 589
II.	Payables arising from reinsurance operations			
			191 525	183 948
IV.	Amounts owed to credit institutions			
			847	1 192
V.	Other payables, thereof			
			647 965	438 499
	a) Tax liabilities and payables due to social security and health insurance institutions			
			164 956	162 162
H.	Temporary liability accounts			
			2 629 665	2 816 815
I.	Accrued expenses and deferred revenues			
			741 977	702 353
II.	Other temporary liability accounts, thereof			
			1 887 688	2 114 462
	a) Estimated payables			
			1 887 688	2 114 462
TOTAL LIABILITIES		100 246 407		98 878 933

INCOME STATEMENT (IN THOUSANDS OF CZECH CROWNS TCZK)

Description	2021 Base	2021 Subtotal	2021 Result	2020 Result
I. TECHNICAL ACCOUNT FOR NON-LIFE INSURANCE	x	x	x	x
1. Earned premiums, net of reinsurance:	x	x	x	x
a) gross premiums written	28 900 476	x	x	x
b) outward reinsurance premiums (-)	5 965 602	22 934 874	x	x
c) change in the gross provision for unearned premiums (+/-)	93 802	x	x	x
d) change in the provision for unearned premiums, reinsurance share (+/-)	-342 044	435 846	22 499 028	21 244 942
2. Allocated investment return transferred from the non-technical account	x	x	7 138 297	400 481
3. Other technical income, net of reinsurance	x	x	601 811	626 049
4. Claims incurred, net of reinsurance:	x	x	x	x
a) claims paid:	x	x	x	x
aa) gross amount	14 701 796	x	x	x
bb) reinsurance share (-)	2 705 764	11 996 032	x	x
b) change in the provision for outstanding claims:	x	x	x	x
aa) gross amount	1 478 314	x	x	x
bb) reinsurance share (-)	1 071 781	406 533	12 402 565	12 335 742
5. Changes in other technical provisions, net of reinsurance (+/-)	x	x	-147	0
6. Bonuses and rebates, net of reinsurance	x	x	370 619	311 171
7. Net operating expenses:	x	x	x	x
a) acquisition costs	x	5 584 216	x	x
b) change in deferred acquisition costs (+/-)	x	-112 910	x	x
c) administrative expenses	x	1 168 727	x	x
d) reinsurance commissions and profit participation (-)	x	1 529 459	5 110 574	4 332 330
8. Other technical expenses, net of reinsurance	x	x	3 875 860	3 744 537
10. Sub-total on the technical account for non-life insurance	x	x	8 479 665	1 547 692

Description	2021 Base	2021 Subtotal	2021 Result	2020 Result
II. TECHNICAL ACCOUNT FOR LIFE ASSURANCE	x	x	x	x
1. Earned premiums, net of reinsurance:	x	x	x	x
a) gross premiums written	x	14 893 620	x	x
b) outward reinsurance premiums (-)	x	2 419 796	x	x
c) change in the provision for unearned premiums, net of reinsurance (+/-)	x	-7 447	12 481 271	12 613 643
2. Income from investments:	x	x	x	x
a) income from participating interests, with a separate indication of that derived from controlling influence	x	44 957	x	x
aa) income from land and buildings	6 921	x	x	x
bb) income from other investments	1 273 478	1 280 399	x	x
c) value adjustments on investments	x	77 545	x	x
d) income from disposal of investments	x	709 408	2 112 309	2 447 907
3. Unrealised gains on investments	x	x	974 393	557 906
4. Other technical income, net of reinsurance	x	x	168 741	133 836
5. Claims incurred, net of reinsurance:	x	x	x	x
a) claims paid:	x	x	x	x
aa) gross amount	8 612 941	x	x	x
bb) reinsurance share (-)	880 735	7 732 206	x	x
b) change in the provision for outstanding claims:	x	x	x	x
aa) gross amount	-363 354	x	x	x
bb) reinsurance share (-)	-369 734	6 380	7 738 586	8 750 312
6. Changes in other technical provisions, net of reinsurance (+/-):	x	x	x	x
a) life assurance provisions:	x	x	x	x
aa) gross amount	699 291	x	x	x
bb) reinsurance share (-)		699 291	x	x
b) other technical provisions, net of reinsurance	x	299 846	999 137	348 693
7. Bonuses and rebates, net of reinsurance	x	x	496 067	457 326
8. Net operating expenses:	x	x	x	x
a) acquisition costs	x	3 503 624	x	x
b) change in deferred acquisition costs (+/-)	x	-276 666	x	x
c) administrative expenses	x	709 014	x	x
d) reinsurance commissions and profit participation (-)	x	1 572 731	2 363 241	2 581 274
9. Expenses connected with investments:	x	x	x	x
a) investment management charges, including interest	x	114 155	x	x
b) value adjustments on investments	x	64 433	x	x
c) book value of disposed investments	x	619 119	797 707	1 032 753
10. Unrealised losses on investments	x	x	129 462	10 565
11. Other technical expenses, net of reinsurance	x	x	369 327	216 423
13. Sub-total on the technical account for life assurance	x	x	2 843 187	2 355 946

INCOME STATEMENT (IN THOUSANDS OF CZECH CROWNS TCZK)

Description	2021 Base	2021 Subtotal	2021 Result	2020 Result
III. NON-TECHNICAL ACCOUNT	x	x	x	x
1. Result of the technical account for non-life insurance	x	x	8 479 665	1 547 692
2. Result of the technical account for life assurance	x	x	2 843 187	2 355 946
3. Income from investments:	x	x	x	x
a) income from participating interests, with a separate indication of that derived from controlling influence	x	1 297 842	x	x
b) income from other investments, with a separate indication of that derived from controlling influence	x	x	x	x
aa) income from land and buildings	75 369	x	x	x
bb) income from other investments	277 144	352 513	x	x
c) value adjustments on investments	x	37 325	x	x
d) income from disposal of investments	x	10 378 617	12 066 297	3 536 490
5. Expenses connected with investments:	x	x	x	x
a) investment management charges, including interest	x	202 652	x	x
b) value adjustments on investments	x	74 870	x	x
c) book value of disposed investments	x	4 650 478	4 928 000	3 136 009
6. Allocated investment return transferred to the technical account for non-life-insurance	x	x	7 138 297	400 481
7. Other income	x	x	14 146	66 132
8. Other expenses	x	x	171 144	35 206
9. Income tax on ordinary activities	x	x	802 963	724 354
10. Profit or loss on ordinary activities after tax	x	x	10 362 891	3 210 210
15. Other taxes not shown under the preceding items	x	x	1 470	1 638
16. Profit or loss for the financial year	x	x	10 361 421	3 208 572

STATEMENT OF CHANGES IN EQUITY

(IN THOUSANDS OF CZECH CROWNS TCZK)

	Registered capital	Share premium	Social and other funds	Capital funds	Profit (loss)	Total
BALANCE AT 1. 1. 2020	4 302 129	134 039	31 331	1 644 013	13 544 996	19 656 508
FX gains (losses) and changes in valuation not included in the profit and loss statement				188 395		188 395
Net profit/loss for accounting period					3 208 572	3 208 572
Dividends					-3 189 137	-3 189 137
Addition to/from funds			126 171		-126 171	0
Reduction of funds			-62 191			-62 191
BALANCE AT 31. 12. 2020	4 302 129	134 039	95 311	1 832 408	13 438 260	19 802 147
BALANCE AT 1. 1. 2021	4 302 129	134 039	95 311	1 832 408	13 438 260	19 802 147
FX gains (losses) and changes in valuation not included in the profit and loss statement				-776 968		-776 968
Net profit/loss for accounting period					10 361 421	10 361 421
Dividends					-11 442 649	-11 442 649
Addition to/from funds			120 000		-120 000	0
Reduction of funds			-78 875			-78 875
Other changes				-900 000		-900 000
BALANCE AT 31. 12. 2021	4 302 129	134 039	136 436	155 440	12 237 032	16 965 076

**NOTES TO
THE FINANCIAL
STATEMENTS**

GENERAL INFORMATION

I. 1. DESCRIPTION AND PRINCIPAL ACTIVITIES

Kooperativa pojišťovna, a.s., Vienna Insurance Group ("the Company") was registered in the Commercial Register on 1 March 1993.

Identification number: 471 16 617

The Company's shareholders as at 31 December 2021 are the following¹:

- ▶ **VIENNA INSURANCE GROUP AG Wiener Versicherung Gruppe** 95.84%
- ▶ **Česká spořitelna, a.s.** 1.59%
- ▶ **SVZD GmbH** 1.44%
- ▶ **Svaz českých a moravských výrobních družstev** 1.13%

The Company received a license to carry on insurance activities on 1 March 1993.

The Company carries on the following classes/groups of insurance:

Life assurance

- ▶ assurance on death, assurance on survival to a certain age, and assurance on survival to a certain age or death
- ▶ marriage insurance and savings insurance to provide funds to raise children
- ▶ pension insurance
- ▶ assurance connected with an investment fund / unit-linked assurance
- ▶ accident or sickness insurance as a supplement to the above types of insurance

Non-life insurance

- ▶ accident and sickness insurance
- ▶ motor insurance – motor third-party liability insurance
- ▶ motor insurance – other types
- ▶ property insurance against fire and other damage
- ▶ insurance for aviation, and marine and transportation insurance
- ▶ liability insurance
- ▶ credit and surety insurance
- ▶ insurance for other losses

Registered office of the Company

Kooperativa pojišťovna, a.s., Vienna Insurance Group, Pobřežní 665/21, 186 00 Praha 8

Members of the board of directors and supervisory board as at 31 December 2021:

Members of the board of directors

Chair: **Ing. Martin Diviš, MBA**, Praha 6 - Liboc, Divoká Šárka 39/4, Post Code 164 00, Czech Republic

Member: **Mgr. Martin Laur**, Kralupy nad Vltavou, Lobeček, Ladova 587, Post Code 278 01, Czech Republic

Jiří Sýkora, Hudlice, Jáchymovská 261, Post Code 267 03, Czech Republic

Mag. Christoph Rath, Vienna, Clusiusgasse 1, Post Code 1090, Austria.

Mgr. Filip Král, Praha 4 - Krč, Hurbanova 2052/25, Post Code 142 00, Czech Republic

Ing. Eva Poláčková, Praha 2 - Nové Město, Ječná 524/41, Post Code 120 00, Czech Republic

Ing. Jaroslav Kulhánek, Roudnička, Zalomená 175/22, Hradec Králové, Post Code 500 02, Czech Republic

Two members of the board of directors must always act and sign together in the name of the Company. Any authorisation to individually represent the Company in any acts relating to its operation is excluded. If the expression of will is made in respect of the Company, it is sufficient if it is made in respect of one member of the board of directors. In order to sign on behalf of the Company, the signatures of the necessary number of authorised persons and their functions are required alongside the printed or written name of the Company.

¹The percentage represents the share of registered capital including preference shares without voting rights. The share of individual shareholders in the voting rights is as follows: VIENNA INSURANCE GROUP AG Wiener Versicherung Gruppe, Austria – 91.68%; Česká spořitelna, a.s. 3.19%; SVZD GmbH, Austria – 2.88%; Svaz českých a moravských výrobních družstev, Prague – 2.25%.

Members of the supervisory board

Chair: **Prof. Elisabeth Stadler**, Langenlois, Höllgasse 32, Post Code 3550, Austria

Vice-chair: **Ing. Vladimír Mráz**, Praha 1 – Nové Město, Nekázanka 881/9, Post Code 110 00, Czech Republic

Members: **Ing. Roman Brablec**, Praha 6 - Řepy, Španielova 1313/21, Post Code 163 00, Czech Republic

Jan Wiesner, Praha 4 - Michle, Podle Kačerova 1330/15, Post Code 141 00, Czech Republic

Dr. Ing. Vratislav Kulhánek, Srubec, V Lukách 1135, Post Code 370 06, Czech Republic

Ing. Daniel Pražan, MBA, Velký Újezd, Na Nivách 336, Post Code 783 55, Czech Republic

Jan Růžička, Praha 5 - Holyně, náměstí Pod lípou 6/6, Post Code 154 00, Czech Republic

Dkfm. Karl Fink, Vienna, Kurzbauer Gasse 5/17, Post Code 1020, Austria

Mag. Gerhard Lahner, Mistelbach, Gartengasse 21, Post Code 2130, Austria

Mag. Harald Josef Londer, Leopoldsdorf, Feuerwehrstrasse 7, Post Code 2333, Austria

Ing. Tomáš Salomon, Praha 6 – Ruzyně, Alej Českých exulantů 1153/9, Post Code 161 00, Czech Republic

Ing. Vladimír Dlouhý, Praha 5 – Zbraslav, Boženy Hofmeisterové 1430, Post Code 156 00, Czech Republic

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Organisational structure and major changes thereto during the financial year

The Company has the following statutory bodies: general assembly of the shareholders, board of directors, advisory committee to the board of directors, supervisory board and audit committee. The Company conducts its activities through its organisational divisions, comprising departments of the first management level of the general directorate, centres and agencies.

I. 2. COMPLIANCE WITH LEGISLATION

As at the balance sheet date, the Company fully complied with Act No. 277/2009 Coll., on Insurance, as amended ("the Insurance Act"), Act No. 89/2012 Coll., ("the Civil Code"), Act No. 170/2018 Coll., on Insurance and Reinsurance Distribution, Act No. 168/1999 Coll., on Liability Insurance for Losses Caused by the Operation of a Motor Vehicle, as amended ("the Act on Motor Third-Party Liability Insurance"), and related implementing decrees and other applicable legislation.

I. 3. BASIS OF PREPARATION

The accounting records of the Company are maintained and its financial statements have been prepared in accordance with Act No. 563/1991 Coll., on Accounting, as amended; Decree No. 502/2002 Coll., implementing certain provisions of Act No. 563/1991 Coll., on Accounting, as amended, for entities that are insurance companies ("Decree No. 502/2002 Coll."); Czech Accounting Standards for entities that maintain their accounting records in compliance with Decree No. 502/2002 Coll., as amended, and other relevant legislation.

The accounting records of the Company are maintained in such a manner that the financial statements prepared based on those records give a true and fair view of the Company's financial position and financial performance.

The financial statements are based on the assumption that the entity will continue as a going concern and that there is no circumstance that would restrict or prevent the entity's ability to continue as a going concern in the foreseeable future. In connection with the ongoing COVID-19 pandemic and the governmental measures implemented in the fight against its outbreak, we are not aware of any substantial impact endangering the further operation of the Company in 2022 or later. The Company has performed its own assessment of risks relating to the pandemic and regularly monitors their development. Similarly, it regularly shares information with the CNB.

I. 4. SIGNIFICANT ACCOUNTING POLICIES

(a) Tangible and intangible fixed assets

Tangible and intangible fixed assets are stated at acquisition cost.

Tangible fixed assets costing less than TCZK 80 referred to as low-value assets are depreciated over a three-year period.

Low-value IT assets costing less than TCZK 40 are charged to the income statement in the year in which they are acquired. Low-value IT assets costing between TCZK 40 and TCZK 80 are depreciated over a four-year period. Intangible fixed assets costing less than TCZK 500 are charged to the income statement in the year in which they are acquired.

The following depreciation rates are used for the individual asset classes:

Fixed assets	Method	Depreciation rate in %
Software	Straight-line	33.3
Other intangible fixed assets	Straight-line	16.7 - 100.0
Long-term operating movable assets - class I and II	Straight-line	16.7 - 25.0
Long-term operating movable assets - class III	Straight-line	16.7

(grouped according to material subclasses with the same depreciation rate)

(b) Investments

Land and buildings

Land and buildings are initially recorded at their acquisition cost. Land is not subsequently depreciated while buildings are subsequently depreciated over their estimated useful lives. In the income statement, depreciation and respective impairment are presented in: Investment management charges.

Fixed assets	Method	Depreciation rate in %
4th depreciation category – 30 years – 3.3%	Straight-line	3.33
5th depreciation category – 45 years – 2.25%	Straight-line	2.25
6th depreciation category – 50 years – 2.00%	Straight-line	2.00

Improvements to leased real estate are depreciated on a straight-line basis over the shorter of the lease term and their estimated useful lives.

Investments in affiliated undertakings and participating interests

Participating interests in controlled persons are participations in another enterprise in which the company holds a controlling influence. In addition, other cases where the insurance company is a controlling person are reported under this item.

A participating interest with significant influence is an ownership interest in an affiliated company in which the insurance company exercises significant influence. The insurance company exercises significant influence if it holds, directly or indirectly, at least 20% of another company's registered capital or voting rights, unless it exercises controlling influence over that company or clearly demonstrates that it is unable to exercise significant influence.

At the acquisition date and at the balance sheet date, participating interests are stated at their acquisition cost. The acquisition cost is the amount for which the participating interests were acquired and includes all expenses directly associated with the acquisition.

Participation interests denominated in foreign currency are translated based on the current exchange rate published by the CNB as at the balance sheet date and the appropriate exchange rate difference is charged to profit or loss.

Similarly for other assets, as at the balance sheet date the Company assesses whether the participating interests are impaired.

Debt securities

At the acquisition date, debt securities are stated at acquisition cost.

Acquisition cost is the amount for which a debt security has been acquired and includes a proportionate part of any accrued interest and expenses directly associated with the acquisition.

The Company amortises premiums and discounts on all debt securities. Premiums and discounts are amortised to the income statement on the basis of the effective interest rate method from the date of acquisition to their maturity.

Amortised debt securities are revalued at their fair value as at the balance sheet date with the exception of debt securities held to maturity.

Fair value means the price derived from the listed market last prices which are published by a domestic or foreign stock exchange or other public (organised) market. The Company applies the most recent published market price as at the date of the financial statements (balance sheet date). If no market price is available or if it does not sufficiently represent the fair value, the fair value is determined on the basis of a qualified estimate. The Company uses in its models intended to establish the fair value of the Company's securities exclusively available market data. Valuation models reflect current market conditions existing at the date of valuation, which may not reflect the market situation before or after that date.

Amortised cost means the price used when first recognised (the acquisition cost), which is gradually increased by accrued interest income, adjusted by amortisation of the discount/premium and decreased by the amount of adjustments. Debt securities are classified as securities valued at fair value through profit and loss or securities available for sale, and securities held to maturity.

The Company recognises the bonds held to maturity at their amortised cost as at the balance sheet date.

A change in the fair value of debt securities valued through profit and loss is recognised in the income statement and a change in the fair value of available-for-sale securities is recognised in the balance sheet.

Where debt securities are denominated in a foreign currency, their value is translated based on the current exchange rate published by the Czech National Bank ("CNB"). The appropriate exchange rate difference is charged to profit or loss.

Shares and other variable-yield securities

At the acquisition date, shares and other variable-yield securities are accounted for at acquisition cost.

Acquisition cost is the amount for which the shares or other variable-yield securities were acquired and includes all expenses directly associated with the acquisition.

At the balance sheet date, shares and other variable-yield securities are revalued at their fair value.

Fair value means the price derived from the listed market last prices which are published by a domestic or foreign stock exchange or other public (organised) market. The Company applies the most recent published market price as at the date of the financial statements (balance sheet date). If no market price is available or if it does not sufficiently represent the fair value, the fair value is determined on the basis of a qualified estimate. The Company uses in its models intended to establish the fair value of the Company's securities exclusively available market data. Valuation models reflect current market conditions existing at the date of valuation, which may not reflect the market situation before or after that date. The change in fair value of available-for-sale shares and units is recognised in the balance sheet. The change in fair value of other variable-yield securities is recognised in the income statement.

Where shares and other variable-yield securities are denominated in a foreign currency, their value is translated based on the current exchange rate published by the CNB. The appropriate exchange rate difference is included in the fair value.

Deposits with financial institutions

Deposits with financial institutions are initially recognised at nominal value. As at the balance sheet date, this nominal value is adjusted by accrued interest.

Deposits denominated in a foreign currency are translated based on the current exchange rate published by the CNB and the appropriate exchange rate difference is charged to profit or loss.

Derivatives

Derivatives are valued at fair value. Their fair value is derived from the listed market mid prices, from discounted cash flow models or from option valuation models that are based solely on available market data. Valuation models reflect current market conditions existing at the date of valuation, which may not reflect the market condition before or after

that date. The management has reviewed these models as at the balance sheet date to ensure that they appropriately reflect current market conditions, including the relative liquidity of the market and credit spreads.

All derivatives are presented in Other investments.

Valuation differences of financial derivatives held for trading are presented as unrealised gains or unrealised losses on investments in the income statement.

Hedging derivatives

Hedging derivatives are recognised in the balance sheet at fair value.

Hedge accounting is only applied where:

- ▶ the hedge is in line with the Company's risk management strategy,
- ▶ the hedge relationship is formally documented at the inception of the hedge,
- ▶ the effectiveness of the hedge relationship can be objectively measured,
- ▶ the hedge relationship is highly effective throughout the accounting period, i.e. changes in the fair value or cash flows of the hedging instruments attributable to the hedged risk are within a range of 80–125% of the changes in the fair value or cash flows of the hedged instruments attributable to the hedged risk.

If the derivative hedges the exposure to changes in the fair value of assets and liabilities, the hedged item attributable to the risk being hedged is also carried at fair value. Gains and losses arising from the revaluation of the hedged item and the hedging derivative are recorded in the income statement.

The Company's strategy is to hedge the currency risk in respect of investment instruments denominated in other than the domestic currency, using forward exchange contracts (derivatives) or technical provisions maintained in the same currency.

Works of art

Initially and at the balance sheet date, works of art are recorded at their acquisition cost and are classified as fixed assets not subject to write-offs. During the accounting period, the selected works of art are used for investment and reallocated to other investment accounts.

(c) Investments for the benefit of life assurance policyholders who bear the investment risk

Investments for the benefit of life assurance policyholders who bear the investment risk are accounted for separately from other investments.

At the balance sheet date, investments for the benefit of life assurance policyholders who bear the investment risk are revalued at their fair value. In order to preserve the true and fair view of the Company's result for the year, all changes resulting from revaluation at fair value have been reflected in the Company's income statement.

(d) Adjustments

The Company creates adjustments to receivables and other assets except for investments reported at fair value.

Adjustments represent a temporary decrease in value of individual assets. The amount of the decrease is determined with the help of a professional risk assessment carried out by the management of the Company.

Adjustments to receivables from policyholders are established based on an analysis of their recoverability. Adjustments are created inclusively based on ageing analysis of the receivables.

Adjustments to bonds held to maturity are accounted for only if there is a risk that the notional principal amount of the bond, the bond yield or both the value and the yield would not be repaid.

(e) Impairment of assets

As at the balance sheet date, the Company assesses whether those assets, which are not carried at fair value through profit and loss are impaired. The impairment of an asset is recognised in the income statement.

(f) Deferred acquisition costs

Deferred acquisition costs of insurance contracts represent the proportion of the acquisition costs incurred in concluding or amending insurance contracts booked by the end of the current financial year that relates to the revenues of subsequent financial years.

At the end of each financial year, the Company assesses the adequacy of deferred acquisition costs based on a liability adequacy test for both non-life insurance and life assurance by determining the provision for liabilities arising from the applied technical interest rate in the life assurance.

Non-life insurance

In respect of non-life insurance, deferred acquisition costs are based on total acquisition costs incurred in the current period and the ratio of the gross provision for unearned premiums as at the balance sheet date to the total gross premiums written for the financial year. Deferred acquisition costs are determined separately for motor third-party liability insurance and for the remaining classes of non-life insurance.

Life assurance

Different actuarial methods are used to determine the amount of deferred acquisition costs in life assurance, depending on the type and design of the insurance and the method chosen to determine the amount of the life assurance provision or the provision for life assurance where the investment risk is borne by the policyholders. The following methods are used for the bulk of the portfolio:

If the zillmerisation method is used to determine the amount of the life assurance provision, the amount of the deferred acquisition costs is equal to the negative part of the life assurance provision before it is zeroed.

For insurance risks for which the zillmerisation method is not used, the amount of deferred acquisition costs is based on the total acquisition costs incurred up to the end of the current financial year. It is calculated according to the ratio of the period to the end of the guarantee to the total guarantee period of the intermediary, or the remaining period to the end of the average duration of the insurance contracts.

In the case of a unit-linked assurance for which acquisition cost charges are deducted directly from premiums paid or from the policyholder's account (capital value of the policy) in the early years of the policy, the amount of the deferred acquisition costs is determined by the direct calculation of the present value of future acquisition cost charges.

(g) Accumulated debt

Accumulated debt occurs mainly in unit-linked assurance contracts when the capital value of the insurance is insufficient to cover the charges for insurance risks, initial costs, account maintenance costs and other insurance-related costs.

Accumulated debt represents an aggregate of costs incurred by the Company in connection with insurance contracts which have not been settled by the policyholders yet. Its book value is determined with regard to the expected recovery value of the asset, which is assessed employing the prospective method and considering all relevant future cash flows using prudent estimates of the lapse rate, claims frequency, costs and other assurance contract parameters. A change of the accumulated debt from life assurance is charged to profit or loss.

(h) Income tax

Income tax on the profit for the year comprises current income tax and the change in deferred tax. Current income tax comprises the tax liability calculated from the tax base using the effective tax rate and any additional payments or refunds of tax for previous years.

Deferred tax is based on all temporary differences between the carrying and tax value of assets and liabilities, and other temporary differences (tax losses carried forward, if any), multiplied by the tax rate expected to be valid for the period in which the tax asset/liability is utilised.

A deferred tax asset is recognised only if there is no doubt that future taxable profits will be available against which this asset can be utilised.

On 1 January 2020, Act No. 364/2019 Coll. regulating the taxation of technical provisions came into effect. Technical provisions for tax calculation purposes are defined in accordance with the Solvency II EU Directive, and their amount is provided in the Solvency and Financial Condition Report.

Under the transitory provisions of this act, the income tax since 2020 has been calculated not only from the difference in the change of provisions pursuant to Solvency II and the accounting legislation for 2021, but further as half of the difference between the amount of provisions determined pursuant to the Solvency II directive and their amount pursuant to the accounting standards as at 1 January 2020.

In connection with the new legislative regulation, a deferred tax asset has been calculated due to the different book and tax values of the technical provisions since 2020.

(i) Provision for unearned premiums

The provision for unearned premiums is established based on the individual life assurance and non-life insurance contracts from a part of gross premiums written which is to be allocated to subsequent financial years. The Company uses the "pro rata temporis" method to estimate this provision.

(j) Life assurance provision

The life assurance provision is established based on the individual life assurance contracts. The life assurance provision represents the value of future liabilities, including profit shares declared and allocated, determined by an actuarial estimate less the actuarial value of future premiums, which may take into account premium discounts already granted. Different actuarial methods appropriate for the type and design of insurance are used to determine the amount of the provision. Any resulting negative values of provisions are replaced by zero. For a substantial part of the provisions, the prospective method combined with zillmerisation is used. Another significant part of the provisions is calculated using the retrospective method without using zillmerisation.

Following the uncertainty relating to the interpretation of the new regulation in connection with the general trend of strengthening consumer's rights and protection, a specific risk-related part has been created within the life assurance provision (31 December 2021: TCZK 1 165 000, 31 December 2020: TCZK 890 000).

(k) Provision for outstanding claims

Provision for outstanding claims is not discounted to present value (with the exception of the provision for outstanding claims where claims payments are made in the form of annuities) and is intended to cover the liabilities resulting from claims:

- ▶ reported but not settled till the end of period (RBNS);
- ▶ incurred but not reported till the end of period (IBNR).

The amount of RBNS provision is determined as the sum of estimated costs on individual insurance settlements.

The provision for outstanding claims is reduced by an estimate of the value of salvage and subrogation and similar recoveries. The Company establishes a provision for litigations in the full amount of the sum subject to the litigation.

The fair value of the IBNR provision is determined using actuarial and statistical methods.

The Company uses the chain-ladder method based on the amount of claims paid or on the amount of incurred claims for all insurance types, except for motor third party liability insurance, for which the provision is determined using the Monte Carlo simulation. The Monte Carlo simulation provides the opportunity to estimate the probability distribution of a liability, especially to predict the different security levels also in form of a split to the risk commencement years and underwriting years.

The provision for outstanding claims also includes an estimate of all expected external and internal claims handling costs. On an annual basis, the board of directors reassesses the adequacy of the reliability level of the estimated provision for outstanding claims in respect of individual groups of insurance in accordance with the Company's accounting policies. Due to the COVID-19 pandemic and the related increased uncertainty concerning the development in the claims handling area, the safety margins for claims in the last twelve months were doubled in 2020. This measure was implemented across the entire portfolio of non-life insurance and life assurance and is also being applied in 2021. In addition, a specific safety margin was created in 2020 for the insurance of business interruption of small and medium-sized enterprises, and management continues to consider this margin relevant in light of the current pandemic situation. It covers the negative impact due to a possible change in the market's assessment of certain business interruption exclusions. In particular, it reflects the potential volume of business from contracts with clients operating in the affected sectors during the period of ongoing government restrictions in the previous two years.

(l) Provision for bonuses and rebates

The provision for bonuses and rebates is created in accordance with the respective terms set out in insurance contracts. Changes in the provision for bonuses and rebates in the income statement are presented in "Bonuses and rebates".

(m) Other technical provisions

Provision for liabilities arising from the applied technical interest rate and other calculation parameters

As at the balance sheet date, the Company calculates the value of the provision for liabilities arising from the applied technical interest rate and other calculation parameters to be able to determine a sufficient amount of life assurance provision so that the Company is able to meet its liabilities following from concluded insurance contracts while simultaneously taking into account current estimates of the parameters when assessing the amount of liabilities accepted.

In determining the provision for liabilities arising from the applied technical interest rate and other calculation parameters, the current value of insurance liabilities is calculated (using the best estimate of the future development of input assumptions adjusted by a risk margin). In order to improve the financial basis and to mitigate any accounting discrepancies in the determination of the current value of liabilities, the not yet recorded revenues on held-to-maturity assets to cover life assurance provisions are taken into account. The Company compares the current value of insurance liabilities with the total sum of life assurance provisions, provisions for unearned premiums, life assurance provisions where the investment risk is borne by the policyholder, provisions for outstanding claims, non-life insurance provisions if established by the life assurance section of the Company, and provisions for bonuses and rebates (the total sum of the above provisions is below referred to as the "life assurance provisions") reduced by the respective unamortised deferred acquisition costs and by the respective intangible assets (e.g. the accumulated debt). Where the current value of insurance liabilities exceeds the amount of life assurance provision reduced by the respective outstanding acquisition costs and by the respective intangible assets, the provision for liabilities arising from the applied technical interest rate and other calculation parameters established by the Company will amount to the difference between the current value of insurance liabilities and the life assurance provision reduced by the respective outstanding acquisition costs and by the respective intangible assets.

The change in this provision is presented in item II.6.b) in the income statement.

Provision for the credit risk in respect of intermediaries

In light of an amendment to the Act on Insurance Intermediaries from 2016 introducing a five-year period during which intermediaries guarantee negotiated contracts with their commissions, a provision for the credit risk in respect of intermediaries has been established. The provision reflects the risk that unearned commissions will not be returned by insurance agents due to insolvency.

(n) Life assurance technical provision where the investment risk is borne by the policyholders

The life assurance technical provision where the investment risk is borne by the policyholders is intended to cover the liabilities of the Company due to the policyholders and insured persons in those classes of life assurance where, based on an insurance contract, the investment risk is borne by the policyholders.

The amount of the provision is calculated as the sum of liabilities due to policyholders in the amount of their shares of invested premiums from individual life assurance contracts in accordance with the principles included in the insurance contracts.

When life assurance where the investment risk is borne by the policyholders also includes payment of a guaranteed amount, this liability is included within the life assurance provision.

(o) Reinsurance share of technical provisions

Technical provisions are presented as a net liability, i.e. after deduction of the reinsurance share. The amount of this share is calculated based on the terms of the related reinsurance contracts, the method of settlement with reinsurers and in consideration of the prudence principle.

The Company presents the reinsurance share of the provision for unearned premiums, the provision for outstanding claims and the provision for bonuses and rebates. The reinsurer does not participate in the other technical provisions.

(p) Provisions

Provisions are intended to cover payables or expenses, which are clearly defined and the occurrence of which is either probable or certain but whose amount or timing are uncertain.

Provision for taxes

The provision for taxes is established as at the balance sheet date and amounts to the estimated income tax liability due. The use (release) of the provision is accounted for when the tax return is filed. The Company reduces the provision for taxes by income tax prepayments. The balance is presented in Provisions for taxation (note II.10) or in Other receivables if the income tax prepayments exceed the expected current tax liability (note II.5).

Employee Benefits Provision

At the balance sheet date, the provision includes the earned part of employee benefits which are due to employees because of their leaving. The applied actuarial methods include valorisation according to the expected increase in wages and the probability of survival and leaving a function. A risk-free interest rate adjusted by market value margins is used for discounting.

Provision for cyber risk

The provision was created due to the increasing risk of cyber attacks which the Company is facing. Based on an analysis of risk scenarios, a cumulative expected annual impact was calculated working with the probability of risk to the Company, the frequency of risk and a best estimate of the total cost. The Company will assess the adequacy of this provision annually in future periods.

(q) Gross premiums written

Gross premiums written comprise all amounts written for the insurance period as at the date of the commencement of insurance coverage (in case of unit-linked assurance also paid amounts) based on insurance contracts during the financial year regardless of whether such amounts may relate in whole or in part to future financial years.

The Company carries out the legal insurance of an employer's liability in compliance with Act No. 125/1993 Coll. Any collected premium from this type of insurance is classified as gross premiums written.

(r) Claims paid

Claims paid (including claims in compliance with Act No. 125/1993 Coll.) are recognised when an insured loss is agreed and after the amount of claims settlement has been assessed. These costs also include the Company's costs related to the handling of claims arising from insured events. Gross claims expenses are reduced by recourse claims and other claims of the Company.

(s) Acquisition costs

Acquisition costs comprise all direct and indirect costs arising from the conclusion of insurance contracts.

(t) Staff costs, pensions and social fund

On behalf of its employees, the Company contributes to a defined contribution pension plan and an endowment life assurance scheme. These contributions are accounted for directly as personnel expenses.

The Company creates a social fund to finance the social needs of its employees and employee programmes. In compliance with Czech accounting requirements, the allocation to the social fund is not recognised in the income statement but as a profit distribution. Similarly, the usage of the social fund is not recognised in the income statement but as a decrease of the fund. The social fund forms a component of equity and is not shown as a liability.

(u) Loss Prevention Fund

Under Section 23a (2) of the amendment to Act No. 168/1999 Coll., on Liability Insurance for Losses Caused by the Operation of a Motor Vehicle, which came into effect on 1 January 2015, the insurance company is obliged to pay at least 3% of annual premiums collected for motor third-party liability insurance for each calendar year to a Loss Prevention Fund.

(v) Allocation of items between life assurance and non-life insurance

In order to account for items common to both life assurance and non-life insurance, the Company uses a method in compliance with Decree No. 502/2002 Coll. Under this method, individual items are grouped according to the class of insurance to which they relate. For items that cannot be allocated directly, the Company uses a method based on an internal analysis of labour absorption and other internally determined allocation keys.

Expenses and income from investments

Expenses and income from investments, which are directly related to life assurance activities, are recorded in the technical account for life assurance.

Other expenses and income from investments, which are not related to life assurance activities, are recorded initially in the non-technical account and subsequently allocated to the technical account for non-life insurance.

Other expenses and income

During the accounting period, clearly attributable expenses and income are accounted for directly in the relevant technical account for life assurance or non-life insurance or the non-technical account. Expenses and income that cannot be directly attributed are allocated between the technical account for life assurance and non-life insurance by means of the method stated above.

The allocation is not applied to taxes, fees, or other expenses incurred outside insurance or reinsurance activities.

(w) Foreign currency translation

Transactions during the year are recorded at the CNB rate effective on the transaction date or at the rate at which the transaction was realised.

At the balance sheet date, foreign currency assets and liabilities are translated at the CNB official rate on that date.

Unless stated otherwise, foreign currency gains and losses are recorded in Company's income statement.

(x) Consolidation

Pursuant to Section 38 of Decree No. 502/2002 Coll., the financial statements of the Company have been included in the consolidated financial statements of VIENNA INSURANCE GROUP AG Wiener Versicherung Gruppe, with its registered office in Austria, prepared in compliance with International Financial Reporting Standards as adopted by the European Union. The consolidated financial statements of the parent company will be published in accordance with Sections 22 (2) and 21a of the Act on Accounting.

I. 5. CHANGES AND DEVIATIONS FROM ACCOUNTING POLICIES AND PROCEDURES, CORRECTION OF PRIOR PERIOD ERRORS

During 2021, the Company did not carry out any changes in accounting policies and procedures. During the financial year the Company also did not apply any deviations from these policies and procedures or correct any prior year errors.

I. 6. RISK MANAGEMENT

The financial condition and operating results of the Company are affected by a number of key risks, namely, market risk, credit risk, liquidity risk, insurance risk, operational risk, and compliance risk. Risk management complies with relevant legislation under the Solvency II directive.

In relation to the first pillar of Solvency II directive, the regulatory authority has set a solvency capital requirement ("SCR") in the interest of the policyholders in order to guarantee the Company's ability to cover future insurance settlements. To calculate SCR, the Company uses partial internal model for non-life underwriting risks. Throughout the year, eligible own funds to cover SCR exceeded the solvency capital requirement and were above the set risk appetite of the Company.

The risk is managed by setting up internal procedures and policies, as described below. For more details on solvency and risk management, see the Solvency and Financial Condition Report (SFCR), regularly published by the Company on its website.

(a) Strategy for using financial instruments

The nature of the Company's business activities includes controlled acceptance of risks from underwritten insurance contracts which include financial guarantees and contingent liabilities. In order to mitigate the risks arising from

a failure to meet the above guarantees and contingent liabilities, the Company purchases financial instruments corresponding approximately to the expected insurance settlements, their nature and timing. The investment portfolio structure is governed by the nature of insurance liabilities, the expected rate of return on each asset group and the callable capital used to recognise each asset group's price movements. The Company also uses financial instruments to mitigate currency and interest rate risks.

(b) Market risk

The Company is exposed to market risk. Market risk follows from trading positions in interest rates, currencies and equity instruments and properties, all of which are exposed to common and specific changes in the market and from changes in the level of volatility of market rates or prices, such as interest rates, foreign exchange rates and equity prices. The board of directors sets the strategy for the portfolio characteristics and the limits on the level of risk that may be accepted, monitored on a daily basis. The portfolio is managed under the prudent investment principle in accordance with Czech insurance legislation in force. Investment limits are set for the individual types of financial investments while respecting the counterparty risk. VaR models are used to monitor investment portfolio risks as well. Using this approach does not prevent losses above these limits due to more significant market movements. As for unit-linked assurance assets, the market risk is borne exclusively by the policyholder.

(c) Interest rate risk

The Company's financial position and cash flows are exposed to the risk of effects of fluctuations in the prevailing levels of market interest rates. Income from investments may both grow and decrease as a result of these fluctuations. As a part of its investment strategy, the Company insulates itself from possible losses by preventing the rate of return on investments to drop below the level of the technical interest rate. Based on methods stemming from cash flow analysis, the Company prepares portfolios of securities so that their value and structure preferably correspond with the value and structure of liabilities.

(d) Currency risk

The Company's assets and liabilities are denominated primarily in the domestic currency. The Company provides for the net exposure to the currency risk to be within acceptable limits. The Company also uses financial derivatives to hedge against the currency risk.

(e) Credit risk

The Company is exposed to credit risk following from the counterparty failing to pay the amounts due in full. Commercial and personal insurance is written primarily through intermediaries, who are subject to rigorous monthly checks of information on unearned commissions in order to mitigate part of the credit risk associated with the intermediaries' involvement in the underwriting process. The Company uses reinsurance in managing insurance risk. However, this does not release the Company from its responsibility of the initial insurer. If the reinsurer does not for any reason pay the insurance settlement, the Company has to pay it itself. The Company periodically monitors the creditworthiness of the individual reinsurers. Reinsurers are selected from an internal list, which is issued and regularly updated by a special working group on VIG level. The Company determines the maximum acceptable cession limits for individual reinsurers based on the type of insurance and type of the reinsurance contract. Reinsurers are split into two basic groups by the type of reinsured business. For each of the groups, the mandatory condition for the reinsurers to be included in the group is their listing in the valuation list published by reputable rating agencies with at least the minimum required rating level. Participation of reinsurers not included in the list can be exceptionally approved by the above-mentioned working group or by the management of the Company, depending on the importance of the relevant case. In choosing the structure of investments, the Company assesses the counterparty credit rating or issuer credit rating. The rating is regularly reassessed. The Company sets maximum limits for individual types of financial instruments and counterparties. The Company monitors regularly, i.e. on monthly basis, the level of receivables from outstanding premiums.

(f) Liquidity risk

The Company is exposed to requirements for drawing its available funds on a daily basis. These requirements relate to insurance settlements, commissions, lapsed policies, and surrender. The liquidity risk is a risk that the cash necessary for payment of liabilities will not be available at the due date and at adequate cost. The Company thus maintains a sufficient portion of its investment in liquid and secure financial instruments, which are used to cover insurance settlements, commissions, payments from lapsed policies, and surrenders. Minimum liquidity limits are set to manage this risk. The Company evaluates its cash flows on daily basis and performs analyses at regular weekly meetings.

(g) Insurance risk

Insurance risk is the possibility that the insured event occurs and the uncertainty of the amount of the resulting insurance settlement. Insurance risks comprise the following risks:

- ▶ risk of occurrence – the probability that the number of claims will differ from the original estimate;
- ▶ risk of estimate accuracy – the probability that the amount of insurance settlement will differ from the original estimate;
- ▶ risk of provisions/timing – the probability that changes may occur in the amount of the insurer's obligation at the end of the insurance period.

The Company manages insurance risks in particular by:

- ▶ mitigating the risk through reinsurance as regards the Company's exposure to the risk of individual large claims and catastrophes;
- ▶ using management information systems that provide up to date, reliable data on the risks to which the Company is exposed;
- ▶ applying a prudent underwriting policy.
- ▶ creating proper provisions, including regular checks of adequacy of technical provisions.

The Company's ceded reinsurance programme consists mainly of proportionate reinsurance (quota/ surplus reinsurance) combined with excess of loss reinsurance.

(h) Operational risk

Operational risk means a risk of loss due to insufficiency or failure of internal processes, employees and systems, or due to external effect. The Company categorises its operational risks into groups by characteristics and each operational risk group comprises specific risks assessed as follows:

Operational risk groups comprise:

- ▶ Internal fraud
- ▶ External fraud
- ▶ Human resources management and care
- ▶ Unsuitable behaviour towards clients, product errors, incorrect business processes
- ▶ Tangible assets damage, premises inaccessibility
- ▶ Business disruption, system failure
- ▶ Process performance or management failure

Operational risk is evaluated in two ways. First by quantification through SCR calculated from the standard formula – i.e. from the amount of technical provisions and the prescribed premium. The second way to evaluate operational risk is the qualitative assessment through a risk mapping process and an evaluation of the control environment, in which risk owners of all divisions identify all risks their divisions are exposed to. The risk owners assess the effects of the risks and determine adequate measures, including control mechanisms aimed at mitigating these risks. The output is the risk and control matrix (RCM). All organisational units, including agencies, are included in the operational risk mapping process. The Company also specifically manages residual risks from important projects (i.e. risks that are further evaluated and managed by specific owners). Risk mapping output, risk mapping and residual risk action plans' implementation helps to monitor the risk profile in operational risk. The division of non-financial risks methodically manages first line protection departments, carries out independent control in the second line protection and reports through the Risk and

capital management committee about the situation of operational risk management in the Company and proposes other operational risk solutions to the board of directors if necessary.

(i) Compliance risk

Compliance risk is the risk of legal and regulatory sanctions (including criminal liability of the insurance company), financial loss or the loss of reputation that the Company may suffer as a result of non-compliance with statutory and regulatory requirements, rules relating to the Codes of Ethics of the Company and the VIG group, as well as to the Code of Ethics of the Czech Insurance Association. Compliance risk is a subcategory of operational risk.

Systematic management of compliance risk is one of the Company's basic obligations.

Compliance risk management is assured by building a management and control environment that will guarantee:

- monitoring of legal and regulatory changes;
- reflecting legal and regulatory changes in the Company's internal standards;
- subsequent review of the compliance of performed activities with internal standards and legislation;
- monitoring of mutual compliance between internal standards;
- identification, measurement, assessment, monitoring and reporting of compliance risks as well as the adoption of measures to remove or mitigate them.

The Compliance Function of the Company continuously monitors upcoming legal regulations (new legal regulations, changes/amendments to existing legal regulations) and case law, including regulatory requirements of supervisory authorities, and assesses their impacts on the Company's business. For this purpose, it prepares Legal News.

Pursuant to the group's compliance standards, VIG Group Compliance is regularly presented, as well as the following reports:

- Compliance Report (summarising compliance activities for the previous calendar year),
- Compliance Plan (summing up compliance activities planned for the following year),
- Compliance Risk Analysis Report (summarising the results of the compliance risk mapping for the current year).

II. ADDITIONAL DISCLOSURES IN RESPECT OF THE BALANCE SHEET

II. 1. INTANGIBLE FIXED ASSETS

As at 31 December 2021, intangible fixed assets of the Company comprise the following items:

	Software	Other	Total
Acquisition cost as at 01/01/2021	2 127 220	484 604	2 611 824
Additions	399 415	8 823	408 238
Disposals	1 385	2 139	3 524
Acquisition cost as at 31/12/2021	2 525 250	491 288	3 016 538
Accumulated amortisation as at 01/01/2021	1 531 298	408 670	1 939 968
Amortisation expense	356 715	1 998	358 713
Disposals	1 385		1 385
Accumulated amortisation as at 31/12/2021	1 886 628	410 668	2 297 296
Net book value as at 01/01/2021	595 922	75 934	671 856
Net book value as at 31/12/2021	638 622	80 620	719 242

II. 2. INVESTMENTS

a) Land and buildings

31/12/2021	Operating land	Operating buildings	Non-operating land	Non-operating buildings	Total
Acquisition cost as at 01/01/2021	221 164	2 301 562	10 480	44 080	2 577 286
Additions	0	27 974	6 633	103 926	138 533
Disposals	0	3	0	0	3
Acquisition cost as at 31/12/2021	221 164	2 329 533	17 113	148 006	2 715 816
Accumulated depreciation as at 01/01/2021	0	1 236 861	0	8 551	1 245 412
Depreciation expense	0	103 415		1 337	104 752
Disposals	0	0		0	0
Accumulated depreciation as at 31/12/2021	0	1 340 276	0	9 888	1 350 164
Net book value as at 01/01/2021	221 164	1 064 701	10 480	35 529	1 331 874
Net book value as at 31/12/2021	221 164	989 257	17 113	138 118	1 365 652
31/12/2021	315 719	1 493 534	22 795	179 572	2 011 620
31/12/2020	315 616	1 467 178	16 161	74 484	1 873 439

(b) Investments in affiliated undertakings and participating interests**Participating interests with controlling influence**

2021 (TCZK)	Share of registered capital in %	Book value	Acquisition cost	Fair value	Total registered capital	Total equity	Profit or loss for the financial year
AB Modřice, a.s.*	100	10 000	10 000	9 751	10 000	9 751	-71
CP Solutions a.s.	100	302 314	302 314	319 392	2 000	319 392	3 775
Main Point Karlín II., a.s.*	100	40 000	40 000	39 097	10 000	39 097	-182
SURPMO, a.s.	100	2 663	2 663	18 161	2 000	18 161	2 937
S-budovy, a.s.	100	45 709	45 709	76 042	70 000	76 042	80
AUTODROM SOSNOVÁ u České Lípy, a.s.*	100	44 473	44 473	20 325	2 000	20 325	-1 392
GLOBAL ASSISTANCE a.s.*	40	74 262	74 262	60 988	10 000	152 471	61 939
Global Partner, a.s.**	65	38 300	38 300	29 329	2 000	29 329	-9 671
HOTELY SRNÍ, a.s.	100	182 219	182 219	342 458	181 573	342 458	2 074
Global Expert, s.r.o.	70	194 180	194 180	216 714	200	309 591	25 092
KAPITOL, a.s.*	70	215 645	215 645	34 700	20 000	49 572	-12 093
AIS Servis, s.r.o.	70	108 175	108 175	47 356	7 400	67 651	7 170
VIG ND, a. s.*	88.29	2 098 831	2 430 899	2 084 056	2 391 000	2 360 482	16 157
VIG RE zajišťovna, a.s.*	10	315 130	315 130	447 831	3 150 000	4 478 305	525 416
VIG FUND, a.s.***	11.44	700 769	744 934	806 704	5 697	6 822 976	344 389
Total	N/A	4 372 670	4 748 903	4 552 904	N/A	N/A	N/A

Explanatory notes:

The figure in the fair value column represent the value of the Company's share of the total equity of the controlled person. Participating interests in controlled persons are held by the Company for strategic reasons and their holding is not motivated by a desire to realise a profit from growth in their fair value.

Commentary:

*/ Data are based on the unaudited financial statements as at 31 December 2021.

**/ On 29 January 2021, Kooperativa granted the Company a contribution outside registered capital of TCZK 37 000 which, if returned, belongs only to Kooperativa, therefore the fair value represents the entire equity of the company for Kooperativa. The Company established two subsidiaries (Global Partner Pěče, z.ú. and Global Partner Zdraví, s.r.o.), which were recorded in the Commercial Register on 9 February 2021. On 25 June 2021, the change in the name of the company from Global Partner ČR, a.s. to Global Partner, a.s. was recorded in the Commercial Register.

***/ The Company has a fair value of the shareholding, which is therefore included in the fair value figure instead of the share of the equity of the controlled person. Data are based on the unaudited financial statements.

Notes:

► On 17 June 2021, an agreement on the transfer of shares in Česká podnikatelská pojišťovna, a.s., Vienna Insurance Group was signed; VIENNA INSURANCE GROUP AG Wiener Versicherung Gruppe became the new shareholder of the Company. Acquisition cost was stated based on external expert's opinion of NSG Morrison from 7 April 2021 and Deloitte Austria from 9 April 2021.

► On 14 July 2021, Kooperativa acquired 100% of the shares in AUTODROM SOSNOVÁ u České Lípy, a.s.

► On 23 July 2021, Global Expert, s.r.o. was granted a contribution outside registered capital to finance the purchase of AUTONOVA BRNO s.r.o. by the newly established subsidiary of Global Expert, s.r.o., namely Global Repair Centres, s.r.o.

The above mentioned companies in which the Company holds a share of registered capital not exceeding 50% are considered controlled entities as they act in concert with the other companies from the VIG group.

As at 31/12/2020	Share of registered capital in %	Book value	Acquisition cost	Fair value	Total registered capital	Total equity	Profit or loss for the financial year
AB Modřice, a.s., *	100	10 000	10 000	9 822	10 000	9 822	-42
CP Solutions a.s., Praha	100	302 314	302 314	315 617	2 000	315 617	4 442
Main Point Karlín II., a.s., Praha*	100	40 000	40 000	39 279	10 000	39 279	-41
SURPMO, a.s.,	100	2 663	2 663	20 517	2 000	20 517	5 368
S-budovy, a.s.	100	45 709	45 709	75 962	70 000	75 962	18
Česká podnikatelská pojišťovna, a.s., Vienna Insurance Group	100	3 696 340	3 696 340	3 404 851	1 000 000	3 404 851	618 636
GLOBAL ASSISTANCE a.s.	40	74 262	74 262	56 763	10 000	141 907	60 442
HOTELY SRNÍ, a.s.	100	182 219	182 219	340 384	181 573	340 384	-2 579
Global Expert, s.r.o.,	70	140	140	8 464	200	12 092	5 742
Global Partner ČR, a.s.	65	1 300	1 300	1 300	2 000	2 000	0
KAPITOL, a.s.,	70	215 645	215 645	43 828	20 000	62 611	-35 226
AIS Servis, s.r.o.	70	108 175	108 175	108 175	7 400	62 568	2 663
VIG ND, a. s.	88.29	2 098 831	2 430 899	2 098 307	2 391 000	2 376 623	32 298
VIG RE zajišťovna, a.s.	10	315 130	315 130	474 591	3 150 000	4 745 910	440 129
VIG FUND, a.s.**	13.03	739 810	744 934	827 698	5 003	6 109 271	183 269
Total	N/A	7 832 538	8 169 730	7 825 558	N/A	N/A	N/A

Explanatory notes:

The figure in the fair value column represent the value of the Company's share of the total equity of the reasons and their holding is not motivated by a desire to realise a profit from growth in their fair value.

Commentary:

*/ Data are based on the unaudited financial statements as at 31 December 2020.

**/ The Company has a fair value of the shareholding, which is therefore included in the fair value figure instead of the share of the equity of the controlled person. Data are based on the unaudited financial statements.

Notes:

► On 22 December 2020, Global Partner ČR, a.s., a newly established company, was recorded in the Commercial Register, with a registered capital of CZK 2 million. Kooperativa owns 65 shares with a notional value of one share at TCZK 20, i.e. a share in the registered capital of 65%.

► On 10 November 2020, the change in the name of KAPITOL pojišťovaci a finanční poradenství, a.s. to KAPITOL, a.s. was recorded in the Commercial Register.

The above mentioned companies in which the Company holds a share of registered capital not exceeding 50% are considered controlled entities as they act in concert with the other companies from the VIG group.

Debt securities issued by entities in which the accounting entity holds a controlling or significant influence and loans and credits

	Fair value		Amortised value		Acquisition cost	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020	31/12/2021	31/12/2020
Loans granted (controlled entities)	407 243	518 297	431 449	504 814	428 579	501 454
Total	407 243	518 297	431 449	504 814	428 579	501 454

c) Shares and other variable-yield securities, other participating interests

Classification of shares and other variable-yield securities, other participating interests

	31/12/2021	31/12/2020
Shares and other variable-yield securities valued at fair value through profit and loss	182 189	268 463
Shares and other variable-yield securities available for sale	7 737 868	6 864 822
Total	7 920 057	7 133 285

Analysis of shares and other variable-yield securities at fair value through profit and loss

	Fair value		Acquisition cost	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
Other - Unlisted	182 189	268 463	176 088	255 213
Total	182 189	268 463	176 088	255 213

Analysis of available-for-sale shares and other variable-yield securities

	Fair value		Acquisition cost	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
Issued by financial institutions				
Listed on a recognised exchange in the Czech Republic	52 898	37 765	30 191	30 191
Other				
Listed on a recognised exchange in the Czech Republic	348 238	302 161	229 022	229 021
Listed elsewhere	3 004 034	2 246 550	2 350 797	1 806 464
Unlisted	4 332 698	4 278 346	4 194 845	4 040 668
Total	7 737 868	6 864 822	6 804 855	6 106 344

d) Debt securities valued at fair value

Classification of debt securities valued at fair value

	31/12/2021	31/12/2020
Debt securities valued at fair value through profit and loss	286 904	251 560
Available-for-sale debt securities	16 376 491	13 008 935
Total	16 663 395	13 260 495

Analysis of debt securities at fair value through profit and loss

	Fair value		Acquisition cost	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
Issued by financial institutions				
Listed elsewhere	286 904	251 560	230 247	194 535
Total	286 904	251 560	230 247	194 535

Analysis of available-for-sale debt securities

	Fair value		Acquisition cost	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
Issued by financial institutions				
Listed on a recognised exchange in the Czech Republic	103 494	106 029	100 000	100 000
Listed elsewhere	274 405	162 757	285 072	158 480
Unlisted	988 340	1 202 699	983 372	1 166 316
Issued by non-financial institutions				
Listed on a recognised exchange in the Czech Republic	91 155	114 770	99 000	118 930
Listed elsewhere	90 207	96 078	93 682	93 682
Unlisted	709 774	844 051	725 033	830 329
Issued by government sector				
Listed on a recognised exchange in the Czech Republic	13 283 484	8 214 391	14 023 138	7 930 031
Listed elsewhere	260 590	506 592	233 129	449 699
Unlisted	0	1 149 510	0	1 148 911
Other				
Listed elsewhere	10 697	214 709	12 252	218 393
Unlisted	564 345	397 349	570 758	401 775
Total	16 376 491	13 008 935	17 125 436	12 616 546

e) Debt securities held to maturity

Classification of debt securities held to maturity

	31/12/2021	31/12/2020
Debt securities held to maturity	36 504 742	36 418 042
Total	36 504 742	36 418 042

Analysis of debt securities held to maturity

	Fair value		Amortised value		Acquisition cost	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020	31/12/2021	31/12/2020
Issued by financial institutions						
Listed on a recognised exchange in the Czech Republic	0	0	0	0	0	0
Unlisted	2 215 258	2 675 376	2 316 324	2 543 031	2 520 694	2 713 541
Issued by non-financial institutions						
Listed on a recognised exchange in the Czech Republic	469 380	551 185	456 282	532 476	453 554	528 290
Unlisted	137 714	253 070	149 058	252 811	147 151	248 017
Issued by government sector						
Listed on a recognised exchange in the Czech Republic	34 011 837	37 819 989	33 583 078	32 759 865	33 716 562	32 891 202
Other						
Listed on a recognised exchange in the Czech Republic	0	332 056	0	329 859	0	344 898
Total	36 834 189	41 631 676	36 504 742	36 418 042	36 837 961	36 725 948

f) Deposits with financial institutions

	Fair value		Acquisition cost	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
Due within 1 year	2 507 856	2 690 199	2 500 000	2 690 200
Total	2 507 856	2 690 199	2 500 000	2 690 200

g) Other investments

	Fair value		Acquisition cost	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
Forwards	2 941 544	2 580 598	83 174	95 185
Works of art	132 829	132 829	263 182	263 182
Total	N/A	N/A	346 356	358 367

All hedge derivatives utilised by the Company are foreign exchange derivatives and the change in their fair value results from the development of the interest rate differential and the USD/CZK and EUR/CZK exchange rates over the period between the conclusion of the foreign exchange hedge and its revaluation at the end of the relevant accounting period.

II. 3. INVESTMENTS FOR THE BENEFIT OF LIFE ASSURANCE POLICYHOLDERS WHO BEAR THE INVESTMENT RISK

Description	Acquisition cost		Fair value	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
Shares and other variable-yield securities	6 273 479	6 145 152	8 822 047	7 925 484
Debt securities	441 326	462 151	756 950	793 854
Total	6 714 805	6 607 303	9 578 997	8 719 338

II. 4. CURRENCY STRUCTURE OF INVESTMENTS

31/12/2021	Variable-yield securities	Fixed income securities	Deposits and other investments	Securities where the investment risk is borne by the policyholders
CZK	5 556 278	52 306 193	8 813 655	7 165 194
EUR	986 187	823 355	35 961	2 413 803
GBP	52 181	0	47 418	0
USD	1 325 411	22 396	-204	0
PLN	0	16 193		0
Total	7 920 057	53 168 137	8 896 830	9 578 997

31/12/2020	Variable-yield securities	Fixed income securities	Deposits and other investments	Securities where the investment risk is borne by the policyholders
CZK	5 033 648	48 702 976	14 493 255	6 508 445
EUR	957 304	842 689	18 902	2 210 893
GBP	94 991	0	76 102	0
USD	1 047 342	110 398	180	0
PLN	0	22 474	0	0
Total	7 133 285	49 678 537	14 588 439	8 719 338

II. 5. RECEIVABLES

31/12/2021	Receivables from policyholders	Receivables from insurance intermediaries	Receivables from reinsurance operations	Other receivables	Total
Due	260 196	1 924	20 530	5 099 124	5 381 774
Overdue	1 911 245	51 725	0	0	1 962 970
Total	2 171 441	53 649	20 530	5 099 124	7 344 744
Adjustment	-454 377	-36 928			-491 305
Total net amount	1 717 064	16 721	20 530	5 099 124	6 853 439

31/12/2020	Receivables from policyholders	Receivables from insurance intermediaries	Receivables from reinsurance operations	Other receivables	Total
Due	754 734	5 367	7 769	2 857 116	3 624 986
Overdue	1 756 477	45 140	0	0	1 801 617
Total	2 511 211	50 507	7 769	2 857 116	5 426 603
Adjustment	-454 054	-36 852	0	-3 168	-494 074
Total net amount	2 057 157	13 655	7 769	2 853 948	4 932 529

Receivables that are overdue more than 5 years are not recorded.

Other receivables

	31/12/2021	31/12/2020
Inter-company receivables	52 381	29 711
Deferred tax assets*	4 924 965	1 792 519
Prepaid tax	63 967	75 504
Income tax prepayments	0	765 819
Other provided prepayments	39 820	101 033
Other receivables	17 991	89 362
Total other receivables	5 099 124	2 853 948

* For more information refer to section III.13.

Income tax prepayments of TCZK 1 922 844 were offset against the income tax provision in full (31 December 2020: TCZK 765 819).

As at 31 December 2021, the deferred tax asset includes taxation of the difference of TCZK 2 961 595 due to the new legislative regulation; see note I. 4. (h) (31 December 2020: TCZK 1 914 093).

II. 6. OTHER ASSETS

Tangible fixed assets

	Total
Acquisition cost as at 01/01/2021	1 130 765
Additions	191 035
Disposals	89 155
Acquisition cost as at 31/12/2021	1 232 645
Accumulated depreciation as at 01/01/2021	820 420
Depreciation expense	72 772
Disposals	52 045
Accumulated depreciation as at 31/12/2021	841 147
Net book value as at 01/01/2021	310 345
Net book value as at 31/12/2021	391 498

II. 7. TEMPORARY ASSET ACCOUNTS

Deferred acquisition costs for life assurance contracts	31/12/2021	31/12/2020
Traditional life assurance	654 012	112 421
Unit-linked assurance	3 643 180	3 908 105
Total	4 297 192	4 020 526

Other temporary asset accounts	31/12/2021	31/12/2020
Reinsurance estimated receivables	401 407	354 299
Estimated receivable – unwritten premiums	171 529	112 065
Other estimated receivables	42 245	35 984
Deferred acquisition costs for provisions from unaccounted premiums	12 580	27 336
Accumulated debt	3 528 851	3 823 492
Other	242 054	153 573
Total	4 398 666	4 506 749

Reinsurance estimated payables

Under estimated receivables arising from reinsurance operations, the Company discloses an estimate of the appropriate profit commission from the reinsurers' share in the estimated written premiums disclosed above, an estimate of outgoing premiums from unaccounted written premiums from insurance contracts of the PPI type (framework contracts) and the not-yet-agreed receivables due from reinsurers for the fourth quarter.

Estimated receivable – unwritten premiums

Under estimated receivable – unwritten premiums, the Company discloses an estimate of unaccounted written premiums from framework insurance contracts (PPI insurance) for December, accounted for with the policyholder with a monthly delay.

II. 8. EQUITY

a) Registered capital

Type of security	Nominal value (TCZK)	Number of securities	Total volume (TCZK)
Ordinary shares of CZK 94 100 fully paid	94.1	1	94
Ordinary shares of CZK 29 500 fully paid	29.5	1	30
Ordinary shares of CZK 29 000 fully paid	29	1	29
Ordinary shares of CZK 76 400 fully paid	76.4	1	76
Ordinary shares of CZK 100 000 fully paid	100	21 509	2 150 900
Preference shares of CZK 100 000 fully paid	100	21 510	2 151 000
			4 302 129

The amount of the Company's registered capital complies with the requirements of the Insurance Act, with regard to the insurance classes in which the Company is authorised to carry on insurance activities.

b) Other capital funds

Other capital funds consist of the results of previous mergers and valuation differences from securities available for sale (in 2020, this included also the shareholder's add-on).

	31/12/2021	31/12/2020
Balance as at 01/01/2021	1 832 408	1 644 013
Change in the fair value of investments	-959 220	232 586
Change in deferred tax	182 252	-44 191
Utilisation of the shareholder's add-on	-900 000	0
Balance as at 31/12/2021	155 440	1 832 408

c) Planned distribution of current period profit

Profit from the current period	
Transfer to social fund	115 000
Transfer from retained earnings	6 175 924
Dividend payment	4 070 497
Total	10 361 421

II. 9. TECHNICAL PROVISIONS

a) Provision for unearned premiums (gross)

	31/12/2021	31/12/2020
Non-life insurance	6 362 018	6 268 216
Life assurance	169 004	176 827
Total	6 531 022	6 445 043

b) Provision for outstanding claims

The provision for outstanding claims at the end of the financial year is established as follows:

	31/12/2021	31/12/2020
RBNS	14 566 023	13 469 558
IBNR	6 038 306	6 019 812
Total	20 604 329	19 489 370

Claims run-off result

The claims run-off result is the difference between the provision for outstanding claims as at 31 December 2020, the claim payments during 2021 (with respect to claims included within this provision) and the residual amount of this provision as at 31 December 2021. The gross run-off result is as follows:

Class of insurance	31/12/2021	31/12/2020
Motor third-party liability insurance	653 216	153 121
Motor insurance – other classes	105 618	82 832
Property insurance against fire and other damage	558 195	-5 718
Liability insurance	198 024	88 511
Accident and sickness insurance – non-life insurance	15 784	57 700
Life assurance	1 170 439	955 858
Other	193 902	-31 398
Total	2 895 178	1 300 906

Provision for outstanding claims in the form of annuities

After discounting, the gross provision for outstanding claims from liability insurance corresponding to annuity liabilities from reported claims amounted to TCZK 2 356 781 (2020: TCZK 2 696 275). The effect of discounting is TCZK 872 971 (2020: TCZK 639 840) and is only applied to these liabilities.

The Company used a wage valorisation rate and a disability pension valorisation rate according to the Czech Bureau of Insurers methodology as at 1 July 2021, to calculate the provision for outstanding claims paid in the form of annuities in respect of liability insurance/statutory motor third party liability insurance for the subsequent years. The provision was further discounted at 1.5% (2020: 1%). The method and criteria used to estimate the remaining period for payment of the annuities are based on the currently valid calculation tool for provisioning for annuities provided by the Czech Bureau of Insurers.

c) Provision for bonuses and rebates (gross)

Class of insurance	31/12/2021	31/12/2020
Non-life insurance	261 526	231 827
Life assurance	679 703	506 532
Total	941 229	738 359

d) Other technical provisions (gross)

	Opening balance	Creation	Utilisation	Closing balance
Provision for liabilities arising from the applied technical interest rate	2 592 580	0	559 348	2 033 232
Non-life insurance provision	993	0	147	846
Provision for credit risk	70 078	2 855	3 319	69 614
Total	2 663 651	2 855	562 814	2 103 692

Provision for liabilities arising from the applied technical interest rate

Overview	31/12/2021	31/12/2020
Annuities insurance	1 907 296	2 396 535
Deposit insurance	100 805	165 964
Child insurance	2	143
Pure endowment insurance with premium refund	4 543	5 466
Endowment assurance	0	3 854
Funeral insurance	20 586	20 618
Total	2 033 232	2 592 580

II. 10. PROVISIONS

Type of provision	Opening balance	Creation	Utilisation	Closing balance
Provision for pensions and similar obligations	108 807	8 535	0	117 342
Provision for taxes	-58	1 840 234	-58	1 840 234
Provision for cyber risks	0	129 000	0	129 000
Other provisions	2 962	0	2 782	180
Total	111 711	1 977 769	2 724	2 086 756

The resulting amount of the income tax provision is after offsetting against the income tax prepayments that were lower than the calculated tax provision (in 2020: CZK 0, the income tax prepayments were offset against the income tax provision in full). In 2021, the provision for taxes includes the effect of additional taxation of technical provisions of TCZK 2 961 595 (2020: TCZK 1 914 093) (see section I. 4. (h)).

II. 11. PAYABLES

a) Subordinated liabilities

As at 31 December 2021, the principal of the subordinated debt was TCZK 550 000 (31 December 2020: TCZK 550 000) and the related interest was TCZK 7 001 (31 December 2020: TCZK 6 982). The subordinated debt was terminated on 31 October 2019; the five-year notice period commenced on 1 November 2019; the annual interest rate is 5.05%.

b) Creditors

31/12/2021	Payables to policyholders	Payables to insurance intermediaries	Payables from reinsurance operations	Other payables	Total
Total	4 594 933	161 904	191 525	648 812	5 597 174

31/12/2021	Payables to policyholders	Payables to insurance intermediaries	Payables from reinsurance operations	Other payables	Total
Total	4 297 813	203 776	183 948	439 691	5 125 228

The year-on-year change of Payables to policy holders is caused by higher payables to state budget pursuant to Decree 125/1993 Coll. The Other payables item represents social security and health insurance liabilities, tax liabilities, payables to employees and to suppliers.

All liabilities are short-term.

c) Social security and health insurance liabilities

Liabilities in respect of social security and health insurance total TCZK 96 171 (31 December 2020: TCZK 89 114), of which TCZK 64 236 (31 December 2020: TCZK 58 141) relates to social security and TCZK 31 935 (31 December 2020: TCZK 30 973) to health insurance. None of these liabilities are overdue.

d) Tax liabilities and subsidies

Tax liabilities amount to TCZK 68 785 (31 December 2020: TCZK 73 048). None of these liabilities are overdue.

e) Payables and receivables due to or from the reinsurer

The Company has a net payable to reinsurers/receivable from reinsurers of TCZK - 170 995 (31 December 2020: TCZK - 176 179).

II. 12. TEMPORARY LIABILITY ACCOUNTS

	31/12/2021	31/12/2020
Prepaid premium	364 152	265 180
Accrual of reinsurance premium	337 326	374 802
Estimated payables from commissions	682 810	645 800
Reinsurance estimated payables	361 517	759 599
Estimated payables from administration costs	833 105	698 874
Estimated payables to Loss Prevention Fund	10 256	10 189
Other	40 499	62 371
Total	2 629 665	2 816 815

II. 13. INTER-COMPANY RECEIVABLES AND PAYABLES

	31/12/2021	31/12/2020
Receivables		
Receivables from reinsurance	6 699 589	6 205 917
Other receivables	43 524	44 328
Total receivables	6 743 113	6 250 245
Payables		
Payables from reinsurance	4 709 404	4 773 474
Subordinated debt	557 001	557 001
Other payables	144 814	90 628
Total payables	5 411 219	5 421 103

Reinsurance receivables include reinsurance assets of TCZK 6 583 127 (31 December 2020: TCZK 6 139 794). Payables from reinsurance include reinsurance deposits of TCZK 4 441 933 (31 December 2020: TCZK 4 551 545).

III. ADDITIONAL DISCLOSURES IN RESPECT OF THE INCOME STATEMENT

III. 1. NON-LIFE INSURANCE

Non-life insurance for 2021 (2020) by class of insurance:

	Insurance class	Gross premiums written	Gross premiums earned	Gross claims paid	Gross operating expenses	Reinsurance balance
Direct insurance – Accident and sickness	1, 2					
2021		717 088	719 133	225 019	214 691	-68 428
2020	1,2	681 315	686 891	359 696	185 275	53 481
Motor insurance – other classes	3, 4, 5, 6					
2021		5 034 466	4 829 801	2 723 094	1 507 286	53 179
2020		4 485 284	4 453 168	2 416 961	1 219 715	-38 671
Insurance against fire and other damage to property	7, 8, 9					
2021		6 371 911	6 653 165	3 374 363	1 907 708	-698 992
2020		6 493 341	6 472 702	3 106 000	1 765 780	-993 073
Motor – third party liability insurance	10					
2021		5 133 221	5 014 490	2 454 595	1 536 852	-144 977
2020		4 761 738	4 727 245	2 683 379	1 294 893	-48 481
Liability insurance	11-18					
2021		3 460 940	3 396 695	2 321 986	1 036 183	-61 843
2020		3 218 823	3 200 134	2 647 304	875 318	101 878
Employer's liability insurance						
2021		7 758 790	7 758 790	4 304 656	310 352	0
2020		7 320 908	7 320 907	4 099 049	292 836	0
Reinsurance accepted						
2021		424 060	434 600	776 397	126 961	503 635
2020		435 727	435 149	100 010	118 490	-76 003
Total						
2021		28 900 476	28 806 674	16 180 110	6 640 033	-417 426
2020		27 397 136	27 296 196	15 412 399	5 752 307	-1 000 869

III. 2. LIFE ASSURANCE

Gross premiums written in life assurance:

	2021	2020
Individual premiums	14 071 705	14 198 336
Premiums under group contracts	821 915	801 239
Total	14 893 620	14 999 575
Regular premium	14 191 766	14 153 219
Single premium	701 854	846 356
Total	14 893 620	14 999 575
Premiums from contracts without bonuses	2 248 620	1 573 159
Premiums from contracts with bonuses	2 011 176	2 253 450
Premiums from contracts where the investment risk is borne by policyholders	10 633 824	11 172 966
Total	14 893 620	14 999 575
Reinsurance balance	-336 440	-221 593

III. 3. TOTAL AMOUNT OF GROSS PREMIUMS WRITTEN BY COUNTRY IN WHICH THE INSURANCE CONTRACT WAS CONCLUDED

Gross written premiums, both life and non-life, predominantly arise from insurance contracts concluded in the Czech Republic.

III. 4. BONUSES AND REBATES

Based on policy terms and insurance contracts, the Company granted the following bonuses and rebates which were or will be disbursed:

	2021	2020
Gross amount		
Non-life insurance	953 834	864 923
Life assurance	496 067	457 326
Total gross amount	1 449 901	1 322 249
Reinsurance share (non-life insurance)	583 215	553 752
Total net amount	866 686	768 497

III. 5. COMMISSIONS AND OTHER ACQUISITION COSTS FOR INSURANCE CONTRACTS

	2021			2020		
	Non-life insurance	Life assurance	Total	Non-life insurance	Life assurance	Total
Commissions						
Initial	2 026 207	2 559 447	4 585 654	1 458 716	2 083 751	3 542 467
Following	1 470 697	0	1 470 697	1 469 274	0	1 469 274
Total commissions	3 496 904	2 559 447	6 056 351	2 927 990	2 083 751	5 011 741
Other acquisition costs	2 087 312	944 177	3 031 489	2 071 859	991 364	3 063 223
Change in deferred acquisition costs	-112 910	-276 666	-389 576	-50 668	177 167	126 499
Total acquisition costs	5 471 306	3 226 958	8 698 264	4 949 181	3 252 282	8 201 463

Renewal commissions are paid for client care, i.e. they are of retention nature. Other acquisition costs primarily comprise costs for wages and salaries, promotion, advertising and other administrative expenses associated with the conclusion of insurance contracts.

III. 6. ADMINISTRATIVE EXPENSES

	2021	2020
Personnel expenses (payroll, social and health insurance)	1 683 543	1 541 687
IT costs incl. IT assets write-offs	981 996	768 456
Expenses related to the operation of buildings	267 533	282 575
Communication (phone + postage)	48 635	54 329
Other services	31 090	32 057
Costs of company vehicles incl. write-offs	18 024	16 868
Material consumption	17 223	25 776
Insurance	21 084	21 004
Bank fees	35 201	33 762
Consultancy	65 945	78 815
Representation and gifts	357 610	49 928
Write-offs of other assets	7 468	6 860
Education	29 771	27 039
Travel expenses	7 338	3 886
Outsourcing*	-304 923	-257 228
Other financial costs	19 892	21 267
Other	56 647	54 062
Total administrative expenses before reallocation	3 344 077	2 761 143
Reallocation to acquisition costs	-623 503	-619 497
Reallocation to claims handling costs	-801 238	-783 117
Reallocation to costs on investments	-41 595	-52 427
Total administrative expenses	1 877 741	1 306 102

* The negative item represents compensation received from other companies in the group for shared activities.

III. 7. OTHER TECHNICAL EXPENSES AND INCOME

	2021	2020
Non-life insurance		
Other technical expenses	3 875 860	3 744 537
Other technical income	-601 811	-626 049
Balance – non-life insurance (+ expense/- revenue)	3 274 049	3 118 488
Life assurance		
Other technical expenses	369 327	216 423
Other technical income	-168 741	-133 836
Balance – life assurance (+ expense/- revenue)	200 586	82 587

The balance of other technical expenses and income in non-life insurance comprises the following items:

	2021	2020
Creation (+)/Release (-) of adjustments for receivables	-1 561	65 143
Write-offs (+)/payments after write-offs (-) to receivables	25 481	23 636
Mandatory liability insurance – contribution to national budget	3 208 782	2 997 175
Foreign exchanges losses (+)/gains (-)	-25 917	-13 840
Contribution to Loss Prevention Fund and payments to the Bureau	148 507	121 901
Delegated claims	-24 692	-31 577
Co-insurance commissions (-)	-12 247	-6 213
Other	-44 304	-37 737
Balance of other technical expenses and income	3 274 049	3 118 488

The balance of other technical expenses and income in life assurance comprises the following items:

	2021	2020
Creation (+)/Release (-) of adjustments for receivables	2 157	869
Write-offs (+)/payments after write-offs (-) to receivables	3 145	6 880
Accumulated debt	294 641	137 632
Foreign exchanges losses (+)/gains (-)	-15 728	-8 451
Amortisation (-) of direct insurance liabilities	-31 230	-24 495
Other	-52 399	-29 848
Balance of other technical expenses and income	200 586	82 587

The reinsurer does not participate in other technical expenses and income of the Company.

III. 8. OTHER EXPENSES AND INCOME

	2021	2020
Non-technical account		
Other expenses	171 144	35 206
Other income	-14 146	-66 132
Balance of other expenses and income (- expenses/ + income)	156 998	-30 926

Balance of other expenses and income comprises the following items:

	2021	2020
Creation (+)/Release (-) of other provisions and adjustments for receivables	134 367	3 065
Write-offs (+)/payments after write-offs (-) to receivables	3 176	125
Mandatory liability insurance	1 840	3 041
Cooperation with Česká spořitelna – penzijní společnost, a.s.	-5 267	-5 430
Contributions to Bureau	19 237	22 918
Other	3 645	-54 645
Balance of other expenses and income	156 998	-30 926

III. 9. EMPLOYEES AND EXECUTIVES

The average number of employees and executives and remuneration for 2021 and 2020 are as follows:

2021	Average number of employees	Payroll expense	Social and health insurance	Of which other expense
Employees	3 901	2 260 896	667 721	171 828
Executives	156	328 679	75 562	0
Total	4 057	2 589 575	743 283	171 828

2020	Average number of employees	Payroll expense	Social and health insurance	Of which other expense
Employees	3 888	2 163 582	633 092	167 132
Executives	169	331 774	75 165	0
Total	4 057	2 495 356	708 257	167 132

Personnel expenses (payroll, social security and health insurance, other expenses) of administration employees are disclosed in administrative expenses.

Total personnel expenses contain portion in administrative expenses before reallocation of TCZK 1 683 543 (2020: TCZK 1 541 687) and portion in acquisition costs of TCZK 1 649 315 (2020: TCZK 1 661 926).

Other expenses primarily comprise the employer's contributions for meal vouchers, pension plans and life assurance.

a) Statutory, executive and supervisory board members' remuneration

For the financial year 2021 (2020), the Company paid the following monetary and non-monetary remuneration to the statutory, executive and supervisory board members:

	2021	2020
Members of the board of directors	71 641	75 893
Members of the supervisory board	8 197	8 137
Total remuneration paid	79 838	84 030

b) Statutory, executive and supervisory board members' loans, other receivables and advances

In neither 2021 nor 2020 did the Company present any receivables from members of the board of directors or the supervisory board relating to granted loans or advances paid.

c) Information on remuneration for statutory auditors

Information on remuneration for statutory auditors is included in the notes to the consolidated financial statements of the parent company VIENNA INSURANCE GROUP AG Wiener Versicherung Gruppe. The auditor provided to the Company and its controlled entities in the course of 2021 non-audit services of TEUR 109 (2020: TEUR 105). The services particularly included review of the Solvency and Financial Condition Report, and tax advisory.

III. 10. ALLOCATION OF INVESTMENT RETURN BETWEEN TECHNICAL ACCOUNT FOR NON-LIFE INSURANCE AND NON-TECHNICAL ACCOUNT

As at the balance sheet date in 2021, the total amount of investment return allocated between the technical account for non-life insurance and the non-technical account by means of the method stated in note I.4.(v) totalled TCZK 7 138 297 (2020: TCZK 4 004 481).

III. 11. RESULT OF NON-TECHNICAL ACCOUNT

The result of the non-technical account before tax as at 31 December 2021 amounted to TCZK -156 998 (31 December 2020: TCZK 30 926).

III. 12. RESULT BEFORE TAX

The result before tax as at 31 December 2021 amounted to TCZK 11 165 854 (31 December 2020: TCZK 3 934 564).

III. 13. TAXATION

a) Income tax in the income statement

	2021	2020
Current tax expense	3 766 484	2 621 420
Deferred tax expense/ revenues	-2 950 194	-1 931 519
Current tax expense – AFS current tax correction	11 537	18 635
Other	-24 864	15 818
Total income tax charge	802 963	724 354

Income tax for 2021 (Current tax expense) includes the taxation of the difference in technical provisions of TCZK 2 961 595 under the Insurance Act and the Act on Accounting (see note I. 4. (h)) (31 December 2020: TCZK 1 914 093).

b) Deferred tax assets and liabilities

Deferred tax assets and liabilities are as follows:

	31/12/2021	31/12/2020
Temporary differences from intangible fixed assets	-15 638	-28 454
Adjustments and provisions	5 104 977	2 174 479
Temporary differences from tangible fixed assets	-102 674	-109 555
Valuation differences from revaluation of assets and liabilities	-61 699	-243 951
Deferred tax asset/(liability)	4 924 965	1 792 519

The current tax rate for the particular period in which tax liability or tax receivable will be asserted, i.e. 19%, was applied for the calculation of the deferred tax.

The change in the net deferred tax asset can be analysed as follows:

	2021	2020
Net deferred tax asset as at 31/12/2020	1 792 519	-94 809
Deferred tax expense recognised on temporary differences	2 950 194	1 931 519
Valuation differences from revaluation of assets and liabilities	182 252	-44 191
Net deferred tax asset as at 31/12/2021	4 924 965	1 792 519

IV. OTHER DISCLOSURES**IV. 1. CONTINGENCIES AND COMMITMENTS****a) Co-insurance**

The Company is the leading co-insurer in several coinsurance contracts in respect of which a claim of a material amount has been announced as at the end of the accounting period.

The Company considers it improbable that the beneficiary will file a claim in the full amount against the Company as the leading co-insurer and has therefore only established a provision for outstanding claims amounting to its share.

b) Membership in the Czech Bureau of Insurers (the Bureau)

As a member of the Bureau, the Company is obliged to guarantee the liabilities of the Bureau pursuant to the Act on Motor Third Party Liability Insurance. Therefore, the Company contributes to the guarantee fund. The amount of the contribution is determined using actuarial methods.

If any of the members of the Bureau is unable to meet their obligations arising from the statutory motor third-party liability insurance due to insolvency, the Company may become liable to make additional contributions to the guarantee fund.

c) Membership in the Czech Nuclear Pool

As a member of the Czech Nuclear Pool, the Company, under a "Joint and Several Liability" agreement, has assumed a liability, in proportion to the Company's net retention for the given contract, should one or more members of the Czech Nuclear Pool be unable to fulfil their obligation. The total contingent liability of the Company including joint and several liability is contractually limited to double the retention for the specific insured risk.

d) Office building

The Company has signed a lease agreement with VIG ND, a.s., and is letting offices at the Main Point Karlín building for 20 years, starting with 1 January 2012.

e) Contingent liabilities

As at the date of preparation of financial statements, the management of the Company was not aware of any significant commitments and potential future liabilities that were not reflected in these financial statements.

IV. 2. SUBSEQUENT EVENTS

The company carefully monitors and assesses the risks connected with the Russian-Ukrainian conflict that broke out at the end of February 2022. Based on the internal analysis that was conducted, the Company's management assesses the impacts of this situation on the Company's financial statements as immaterial.

The Company's management is not aware of any other material subsequent events that have occurred since the balance sheet date that would have a material impact on the financial statements.

In Prague, on 25 March 2022



Ing. Martin Diviš, MBA
Chairman of the board of directors



Mag. Christoph Rath
Member of the board of directors

ORGANISATIONAL CHART



ORGANISATIONAL CHART AS OF MARCH 1, 2022

BOARD OF DIRECTORS

Ing. Martin Diviš, MBA
Chairman of the Board

Mgr. Martin Laur
Member

Jiří Sýkora
Member

Mag. Christoph Rath
Member

Mgr. Filip Král
Member

Ing. Eva Poláčková
Member

Ing. Jaroslav Kulhánek
Member

DOZORČÍ RADA

prof. Elisabeth Stadler
Chairman of the Supervisory Board

Ing. Vladimír Mráz
Vice-Chairman

Ing. Roman Brablec
Member

Jan Wiesner
Member

Dr. Ing. Vratislav Kulhánek
Member

Ing. Daniel Pražan, MBA
Member

Jan Růžička
Member

Dkfm. Karl Fink
Member

Mag. Gerhard Lahner
Member

Mag. Harald Josef Londer
Member

Ing. Tomáš Salomon
Member

Ing. Vladimír Dlouhý, CSc.
Member

Mgr. Šárka Brůnová
Member

Ing. Radmila Dočekalová
Member

Hartwig Löger
Member

JUDr. Hana Macháčková
Member

Ing. Irena Rohlová, MBA
Member

Ing. Soňa van Deelenová
Member

AGENCIES

Prague Agency
Ing. Ivo Sebera, MBA

Central Bohemia Agency
PhDr. Roman Leština, MBA

South Bohemia and Vysocina Agency
Jiří Vančura

West Bohemia Agency
Ing. Zuzana Trejdlová

North Bohemia Agency
Ing. Roman Kracík, MBA

East Bohemia Agency
Bc. Roman Hojný, MBA

South Moravia Agency
Ing. Milan Gregor

North Moravia Agency
Ing. Daniel Pražan, MBA

CENTRES

Personal Lines Ins. Claims Handling
Centre
Ing. Ondřej Poul Ph.D.

Non-Life Insurance Claims Handling
Centre
Ing. Jiří Cita MBA

Centre For Liability Ins. For
Occupational Injuries
JUDr. Irena Machátová

Insurance Policy Administration Centre
Ing. Radmila Dočekalová

Customer Care Centre
Ing. Tomáš Szewieczek

DIVISIONS

General Secretariat Division
Ing. Petr Matlach

Economic Division
Ing. Mgr. Judita Říhová

Security Division
Zdeněk Macháček MBA

Hr Management Division
Mgr. Šárka Brůnová

Sales Support Division
Mgr. Matěj Flaschka

Bankassurance, Business Development
And Customer Experience Division
Ing. Irena Rohlová MBA

Commercial Risk Insurance Division
JUDr. Petr Suchánek Ph.d.

Marketing And Communication
Division
Ing. Jindřich Skrip

Digital Sales Division
Ing. Adam Bouška

Investment And Asset Management
Division
Ing. Luděk Marek

Property And Liability Insurance
Division
Ing. Radek Starosta

It Division
Bc. Dušan Drdla

External Sales Management Division
Ing. Jaroslav Martinec

Internal Audit Division
Ing. Filip Holý Ph.d.

Personal Lines Insurance Division
Ing. Petr Procházka MBA

Reinsurance Division
Ing. Roman Brablec

Risk Management Division
Mgr. Jan Šváb Ph.d.

Legal Division
JUDr. Michal Kalvoda

Controlling And Planning Division
Ing. Martina Janurová

Motor Insurance Division
Ing. Aleš Zethner MBA

Actuarial Division
Rndr. Vladimíra Unzeitigová Ph.d.

Internal Sales Management
Division
Ing. Martin Pokorný

Data And Analytics Division
Ing. Ivan Janovskij

ADDRESSES OF THE ORGANISATION'S UNITS

The Company's business network is managed through eight regional agencies. Kooperativa provides its services to clients from more than three hundred offices and retail locations located throughout the country. Insurance from Kooperativa can also be purchased through the branch offices of the Česká Spořitelna bank.

as of March 1, 2022

Head Office

Pobřežní 665/21
186 00 Praha 8
☎ 956 421 111

Commercial Risk Insurance Division

Pobřežní 665/21
186 00 Praha 8
☎ 956 421 111

Property and Liability Insurance Division

Pobřežní 665/21
186 00 Praha 8
☎ 956 421 111

Motor Vehicle Insurance Division

Pobřežní 665/21
186 00 Praha 8
☎ 956 421 111

Personal Line Insurance Division

Pobřežní 665/21
186 00 Praha 8
☎ 956 421 111

Bancassurance Division

Pobřežní 665/21
186 00 Praha 8
☎ 956 421 111

Centre of Occupational Injury Liability Insurance

Rašínova 692/4
602 00 Brno
☎ 545 556 241

Customer Support Centre

Brněnská 634
664 42 Modřice
☎ 545 434 002

Claims Adjustment Centre – Property and Liability

Rumunská 655/9
460 01 Liberec 4
☎ 485 218 801

Claims Adjustment Centre – Motor Vehicles

Sámova 664/8
101 00 Praha 10
☎ 272 112 111

Centre of Insurance Contract Administration

Brněnská 634
664 42 Modřice
☎ 545 434 004

Prague Agency

Vinohradská 1425/72
130 00 Praha 3
☎ 251 016 103

Central Bohemia Agency

Prosecká 855/68
190 00 Praha 9
☎ 956 426 070

North Bohemia Agency

nám. Dr. E. Beneše 25
460 01 Liberec 1
☎ 485 258 111

South Bohemia and Vysočina Agency

Zátkovo nábřeží 441/3
370 21 České Budějovice
☎ 386 791 111

West Bohemia Agency

Zahradní 2574/3
326 00 Plzeň
☎ 377 417 111

East Bohemia Agency

tř. Míru 94
530 02 Pardubice
☎ 956 427 200

North Moravia Agency

Zámecká 1240/19
702 00 Ostrava
☎ 596 279 811

South Moravia Agency

Nádražní 163/14
602 00 Brno
☎ 543 534 111

REPORT OF THE BOARD OF DIRECTORS

on relations between related parties pursuant to Section 82 of Act No. 90/2012 Coll., on Business Corporations, as amended.

I. STRUCTURE OF RELATIONS

Kooperativa pojišťovna, a.s., Vienna Insurance Group, with its registered office at Pobřežní 665/21, 186 00 Praha 8, ID No.: 47116617, recorded in the Commercial Register maintained by the Municipal Court in Prague, section B, File No. 1897 ("Kooperativa") is the controlled entity.

VIENNA INSURANCE GROUP AG Wiener Versicherung Gruppe, with its registered office at Schottenring 30, Vienna 1010, Austria, registered in the Commercial Register kept by the Commercial Court in Vienna, Reg. No. FN75687 F (hereinafter "VIG AG"), is the controlling entity.

II. COMPANY'S ROLE IN THE GROUP

VIG AG is the controlling entity of the Vienna Insurance Group (the "VIG Group"), having a legal form of joint-stock company.

Within the VIG Group, Kooperativa is primarily engaged in insurance activities pursuant to Act No. 277/2009 Coll. on Insurance, and in activities directly associated with insurance.

III. MANNER AND MEANS OF CONTROL

VIG AG holds shares of Kooperativa in the aggregate nominal value of 95.84% of the registered capital, whereby it fully controls Kooperativa, primarily by making decisions at the General Assembly.

Other subsidiaries are specified below in the attached list (hereinafter "VIG Group Companies").

IV. OVERVIEW OF MUTUAL AGREEMENTS BETWEEN KOOPERATIVA AND VIG GROUP COMPANIES

AB Modřice, a.s.

- ▶ Contract between Kooperativa and AB Modřice, a.s. on cost sharing

AIS Servis, s.r.o.

- ▶ Insurance contract between Kooperativa and AIS Servis, s.r.o. on insurance of property and liability insurance risks
- ▶ Insurance contracts between Kooperativa and AIS Servis, s.r.o. on insurance of employee liability for damage caused to the employer
- ▶ Insurance contracts between Kooperativa and AIS Servis, s.r.o. on comprehensive motor vehicle insurance "NAMÍRU"
- ▶ Insurance contracts between Kooperativa and AIS Servis, s.r.o. on life assurance and accident insurance
- ▶ Insurance contract between Kooperativa and AIS Servis, s.r.o. on liability insurance
- ▶ Contract between Kooperativa and AIS Servis, s.r.o. on cooperation
- ▶ Contract between Kooperativa and AIS Servis, s.r.o. on IT systems security cooperation
- ▶ Contract between Kooperativa and AIS Servis, s.r.o. on maintenance

- ▶ Contracts between Kooperativa and AIS Servis, s.r.o. for work
- ▶ Contracts between Kooperativa and AIS Servis, s.r.o. on sublease
- ▶ Contract between Kooperativa and AIS Servis, s.r.o. on transfer of rights and obligations from AIS Software to AIS Servis
- ▶ Contract between Kooperativa and AIS Servis, s.r.o. on maintenance, technical support and SW development
- ▶ Contract between Kooperativa and AIS Servis, s.r.o. for work – Golem and SAP system training
- ▶ Contract between Kooperativa and AIS Servis, s.r.o. on the provision of services for the integration of Golem/ SAP operating systems
- ▶ Loan contract between Kooperativa and AIS Servis, s.r.o.
- ▶ Contract between Kooperativa and AIS Servis, s.r.o. on cost sharing

Anděl Investment Praha s.r.o.

- ▶ Insurance contract between Kooperativa and Anděl Investment Praha s.r.o. on insurance of property and liability insurance risks

AUTONOVA BRNO s.r.o.

- ▶ Agreement between Kooperativa and AUTONOVA BRNO s.r.o. on confidentiality and personal data processing
- ▶ Letter of Intent between Kooperativa and AUTONOVA BRNO s.r.o.

CP Solutions a.s.

- ▶ Contract between Kooperativa and CP Solutions a.s. on the provision of software usage rights and related services
- ▶ Contract between Kooperativa and CP Solutions a.s. on the provision of a voluntary additional pecuniary contribution outside the registered capital
- ▶ Contract between Kooperativa and CP Solutions a.s. on lease of business-related premises
- ▶ Loan contract between Kooperativa and CP Solutions a.s.
- ▶ Contract between Kooperativa and CP Solutions a.s. on cost sharing

Česká podnikatelská pojišťovna, a.s., Vienna Insurance Group

- ▶ Contracts between Kooperativa and Česká podnikatelská pojišťovna, a.s., Vienna Insurance Group on the provision of reinsurance cover for insurance of property and liability risks
- ▶ Insurance contracts between Kooperativa and Česká podnikatelská pojišťovna, a.s., Vienna Insurance Group on for management life assurance
- ▶ Insurance contracts between Kooperativa and Česká podnikatelská pojišťovna, a.s., Vienna Insurance Group on insurance of property and liability insurance risks
- ▶ Contracts for the co-insurance or reinsurance share of Česká podnikatelská pojišťovna, a.s., Vienna Insurance Group on insurance contracts led by Kooperativa
- ▶ Group Agreement between Kooperativa and Česká podnikatelská pojišťovna, a.s., Vienna Insurance Group for Fleet comprehensive car insurance
- ▶ Contracts between Kooperativa and Česká podnikatelská pojišťovna, a.s., Vienna Insurance Group on the lease and sublease of non-residential premises
- ▶ Contract between Kooperativa and Česká podnikatelská pojišťovna, a.s., Vienna Insurance Group on cost sharing
- ▶ Contract between Kooperativa and Česká podnikatelská pojišťovna, a.s., Vienna Insurance Group on insurers' cooperation in providing nuclear facilities' operation liability insurance
- ▶ Contract between Kooperativa and Česká podnikatelská pojišťovna, a.s., Vienna Insurance Group on insurers' cooperation in providing nuclear facilities' property insurance
- ▶ Contract between Kooperativa and Česká podnikatelská pojišťovna, a.s., Vienna Insurance Group on business representation
- ▶ Agreement between Kooperativa and Česká podnikatelská pojišťovna, a.s., Vienna Insurance Group on intragroup cooperation

- ▶ Agreement between Kooperativa and Česká podnikatelská pojišťovna, a.s., Vienna Insurance Group on personal data processing
- ▶ Contract between Kooperativa and Česká podnikatelská pojišťovna, a.s., Vienna Insurance Group on D&O liability insurance
- ▶ Agreement of insurers participating in nuclear facilities' operation risk insurance on joint and several liability between Kooperativa and Česká podnikatelská pojišťovna, a.s., Vienna Insurance Group
- ▶ Agreement between Kooperativa, Česká podnikatelská pojišťovna, a.s., Vienna Insurance Group, Autem Bez Starostí s.r.o., and GLOBAL ASSISTANCE a.s. on mutual settlement of receivables

ČPP Servis, s.r.o.

- ▶ Contract between Kooperativa and ČPP Servis, s.r.o. on cost sharing
- ▶ Contracts between Kooperativa and ČPP Servis, s.r.o. on sublease of non-residential premises
- ▶ Contract between Kooperativa and ČPP Servis, s.r.o. on IT security cooperation

GLOBAL ASSISTANCE a.s.

- ▶ Insurance contract between Kooperativa and GLOBAL ASSISTANCE a.s. on insurance of property and liability insurance risks
- ▶ Contract between Kooperativa and GLOBAL ASSISTANCE a.s. on cooperation in the field of provision of assistance services for entrepreneur insurance
- ▶ Contract between Kooperativa and GLOBAL ASSISTANCE a.s. about cooperation in the field of provision of assistance services under the employee benefit programs for Kooperativa employees
- ▶ Contract between Kooperativa and GLOBAL ASSISTANCE a.s. on cooperation in the field of assistance services and claims settlement for Česká spořitelna, a.s.
- ▶ Contract between Kooperativa and GLOBAL ASSISTANCE a.s. on cooperation in the field of provision of assistance services for product Maják
- ▶ Contract between Kooperativa and GLOBAL ASSISTANCE a.s. on data protection and personal data protection
- ▶ Contract between Kooperativa and GLOBAL ASSISTANCE a.s. on cooperation in the field of provision of health care assistance services – in the territory of the Czech Republic
- ▶ Contract between Kooperativa and GLOBAL ASSISTANCE a.s. on the provision of travel insurance assistance services
- ▶ Contracts between Kooperativa and GLOBAL ASSISTANCE a.s. on cooperation in the field of assistance services – home assistance (House Line)
- ▶ Contract between Kooperativa and GLOBAL ASSISTANCE a.s. on cooperation in the field of assistance services – medical expenses abroad
- ▶ Contract between Kooperativa and GLOBAL ASSISTANCE a.s. on cooperation in the field of assistance services for vehicles – technical assistance
- ▶ Contract between Kooperativa and GLOBAL ASSISTANCE a.s. on legal protection insurance for accounts of ČS
- ▶ Contract between Kooperativa and GLOBAL ASSISTANCE a.s. on cooperation – rescue
- ▶ Contract between Kooperativa and GLOBAL ASSISTANCE a.s. on cooperation in connection with legal protection insurance
- ▶ Contract between Kooperativa and GLOBAL ASSISTANCE a.s. on the provision of assistance services (phone assistance for Česká spořitelna clients in case of loss, theft of a payment card)
- ▶ Contract between Kooperativa and GLOBAL ASSISTANCE a.s. on cooperation in the field of assistance services within the product of compulsory insurance against the insolvency of a travel agency
- ▶ Contract between Kooperativa and GLOBAL ASSISTANCE a.s. on the provision of assistance services (insurance of apartment buildings)
- ▶ Contract between Kooperativa and GLOBAL ASSISTANCE a.s. on cooperation – private life assurance of GLOBAL ASSISTANCE a.s. employees
- ▶ Contract between Kooperativa and GLOBAL ASSISTANCE a.s. on the provision of assistance services for cyber risks insurance

- ▶ Contract between Kooperativa and GLOBAL ASSISTANCE a.s. on cost sharing
- ▶ Contract between Kooperativa and GLOBAL ASSISTANCE a.s. on cooperation in alternative claims settlement
- ▶ Framework Agreement between Kooperativa and GLOBAL ASSISTANCE a.s. on cooperation
- ▶ Contract between Kooperativa and GLOBAL ASSISTANCE a.s. on the provision of assistance services (BD+ Trend)
- ▶ Agreement between Kooperativa and GLOBAL ASSISTANCE a.s. on non-disclosure
- ▶ Three-way agreement between Kooperativa, GLOBAL ASSISTANCE a.s., and Czech Rent a CAR on business cooperation – renting of personal motor vehicles to insured persons
- ▶ Three-way agreement between Kooperativa, GLOBAL ASSISTANCE a.s., and ALIMEX on business cooperation in the field of rental of passenger cars
- ▶ Framework Agreement between Kooperativa and GLOBAL ASSISTANCE a.s. on insurance conditions – employee benefits for GA employees, property and motor vehicle insurance

Global Expert, s.r.o.

- ▶ Insurance contract between Kooperativa and Global Expert, s.r.o. on insurance of property and liability insurance risks
- ▶ Insurance contract between Kooperativa and Global Expert, s.r.o. on term life insurance with supplementary insurances and possibility of additional insurances
- ▶ Insurance contracts between Kooperativa and Global Expert, s.r.o. on children accident insurance with one-off premiums
- ▶ Insurance contract between Kooperativa and Global Expert, s.r.o. on liability insurance for damage caused by the activities of an independent loss adjuster
- ▶ Insurance contract between Kooperativa and Global Expert, s.r.o. enabling the insurance company to enter into life assurance and accident insurance contracts with Global Expert, s.r.o. employees under the employee benefit programme
- ▶ Insurance contract between Kooperativa and Global Expert, s.r.o. on motor third party liability insurance, and Global Expert, s.r.o. accident insurance
- ▶ Insurance contract between Kooperativa and Global Expert, s.r.o. on third party property damage liability insurance
- ▶ Insurance contract between Kooperativa and Global Expert, s.r.o. on insurance of employee liability for damage caused to the employer
- ▶ Insurance contract between Kooperativa and Global Expert, s.r.o. on insurance of medical expenses abroad and employee travel insurance paid by the employer under the Global Expert, s.r.o. employee benefits programme
- ▶ Insurance contract between Kooperativa and Global Expert, s.r.o. on liability insurance for damage caused by members of the statutory bodies of the business corporation
- ▶ Insurance contract between Kooperativa and Global Expert, s.r.o. on drone insurance (accident insurance, damage liability insurance)
- ▶ Contract between Kooperativa and Global Expert, s.r.o. on mutual cooperation
- ▶ Contract between Kooperativa and Global Expert, s.r.o. on cost sharing
- ▶ Contracts between Kooperativa and Global Expert, s.r.o. on lease and sublease
- ▶ Contract between Kooperativa and Global Expert, s.r.o. on outsourcing – claims settlement of motor vehicles, property, liability
- ▶ Contract between Kooperativa and Global Expert, s.r.o. on outsourcing – pre-entry inspection of vehicles
- ▶ Loan contracts between Kooperativa and Global Expert, s.r.o.
- ▶ Contract between Kooperativa and Global Expert, s.r.o. on IT systems security cooperation
- ▶ Contract between Kooperativa and Global Expert, s.r.o. on the provision of a voluntary additional pecuniary contribution outside the registered capital
- ▶ Contract between Kooperativa and Global Expert, s.r.o. on cooperation in concluding private life assurance contracts
- ▶ Agreement between Kooperativa and Global Expert, s.r.o. on confidentiality and personal data processing

Global Partner, a.s.

- ▶ Contract between Kooperativa and Global Partner, a.s. on cost sharing

- ▶ Contract between Kooperativa and Global Partner, a.s. on the provision of a voluntary additional pecuniary contribution outside the registered capital
- ▶ Contracts between Kooperativa and Global Partner, a.s. on parking spaces lease
- ▶ Contract between Kooperativa and Global Partner, a.s. for work
- ▶ Fleet contract between Kooperativa and Global Expert, s.r.o. on accident insurance, liability insurance, assistance services insurance, windscreen insurance, baggage insurance, cost insurance and substitute car lease

Global Partner Zdraví, s.r.o.

- ▶ Contract between Kooperativa and Global Partner Zdraví, s.r.o. on cost sharing

FinServis Plus, s.r.o.

- ▶ Contract between Kooperativa and FinServis Plus, s.r.o. on cost sharing

HOTELY SRNÍ, a.s.

- ▶ Insurance contracts between Kooperativa and HOTELY SRNÍ, a.s. on insurance of property and liability insurance risks
- ▶ Insurance contracts between Kooperativa and HOTELY SRNÍ, a.s. on life assurance
- ▶ Contract between Kooperativa and HOTELY SRNÍ, a.s. on hotel accommodation and other services provision
- ▶ Contract between Kooperativa and HOTELY SRNÍ, a.s. on cooperation in advertising

KAPITOL, a.s.

- ▶ Insurance contract between Kooperativa and KAPITOL a.s. on insurance of property and liability insurance risks
- ▶ Insurance contracts between Kooperativa and KAPITOL, a.s. on life assurance
- ▶ Contract between Kooperativa and KAPITOL a.s. on the protection of business interests – rules of relations to the insurance intermediaries
- ▶ Contract between Kooperativa and KAPITOL, a.s. on providing access to information systems
- ▶ Contract between Kooperativa and KAPITOL, a.s. on sub-leases of business premises
- ▶ Contract between Kooperativa and KAPITOL, a.s. on business representation – business activities
- ▶ Contract between Kooperativa and KAPITOL, a.s. on cost sharing
- ▶ Contracts between Kooperativa and KAPITOL, a.s. on cooperation
- ▶ Contract between Kooperativa and KAPITOL, a.s. on borrowing of mPOS payment terminals
- ▶ Contract between Kooperativa and KAPITOL, a.s. on the transfer of insurance portfolio
- ▶ Contracts between Kooperativa and KAPITOL, a.s. on lease and sublease of parking spaces
- ▶ Contract between Kooperativa and KAPITOL, a.s. on IT systems security cooperation
- ▶ Three-way agreement between Kooperativa, Pojišťovna České spořitelny, a.s., Vienna Insurance Group and KAPITOL, a.s. on termination and amendment of contracts on business representation
- ▶ Agreement between Kooperativa and KAPITOL, a.s. to issue a certificate for accessing the web service
- ▶ Agreement between Kooperativa, KAPITOL, a.s. and SURPMO a.s. on amendment of rights and obligations
- ▶ Agreement between Kooperativa and KAPITOL, a.s. on the amendment of the business representation contract
- ▶ Agreement between Kooperativa and KAPITOL, a.s. on commissions for supplementary pension insurance with state contribution
- ▶ Agreement between Kooperativa and KAPITOL, a.s. on the provision of extraordinary commission
- ▶ Agreement between Kooperativa and KAPITOL, a.s. on the commissions for private life assurance

Kooperativa pojišťovna, a.s. Vienna Insurance Group

- ▶ Co-insurance or reinsurance share of KOOPERATIVA poisťovna, a.s. in the insurance contracts led by Kooperativa.

Main Point Karlín II., a.s.

- ▶ Contract between Kooperativa and Main Point Karlín II., a.s. on cost sharing
- ▶ Contract between Kooperativa and Main Point Karlín II., a.s. on the provision of a voluntary additional pecuniary contribution outside the registered capital

Pražská softwarová s.r.o.

- ▶ Contract between Kooperativa and Pražská softwarová s.r.o., on cost sharing
- ▶ Contract on the supply of a solution for introducing a biometric signature concluded between Kooperativa and Pražská softwarová s.r.o.

Sanatorium Astoria a.s.

- ▶ Insurance contract between Kooperativa and Sanatorium Astoria a.s. on insurance of property and liability insurance risks
- ▶ Contract between Kooperativa and Sanatorium Astoria a.s. on lease advertising space
- ▶ Loan contract between Kooperativa and Sanatorium Astoria a.s.
- ▶ Contract between Kooperativa and Sanatorium Astoria a.s. on the provision of wellness and spa stays and other services, their realisation and payment

S – budovy, a.s.

- ▶ Insurance contract between Kooperativa and S – budovy, a.s. on insurance of property and liability insurance risks
- ▶ Contracts between Kooperativa and S – budovy, a.s. on the lease of non-residential premises
- ▶ Agreement between Kooperativa and S – budovy, a.s. on information protection

Slovexperta, s.r.o.

- ▶ Contract between Kooperativa and Slovexperta, s.r.o. on cooperation

Sopockie Towarzystwo Ubezpiecz Ergo Hestia S.A.

- ▶ The co-insurance or reinsurance share of Sopockie Towarzystwo Ubezpieczeń Ergo Hestia S.A. on insurance contracts led by Kooperativa

SURPMO, a.s.

- ▶ Insurance contracts between Kooperativa and SURPMO, a.s. on insurance of property and liability insurance risks
- ▶ Contract between Kooperativa and SURPMO, a.s. on facility management of housing fund and related non-residential premises
- ▶ Contract between Kooperativa and SURPMO, a.s. on facility management of Kooperativa buildings
- ▶ Contract between Kooperativa and SURPMO, a.s. on facility management of the VIG CR Headquarters building
- ▶ Contract between Kooperativa and SURPMO, a.s. on facility management of the Modřice premises
- ▶ Contract between Kooperativa and SURPMO, a.s. on facility management of Hřůzův Mlýn Training Center
- ▶ Contract between Kooperativa and SURPMO, a.s. on lease of of Hřůzův Mlýn Training Center
- ▶ Framework contract between Kooperativa and SURPMO, a.s. on cooperation in activities related to the adjustment of business venues
- ▶ Contract between Kooperativa and KAPITOL, a.s. on the loan for use of works of art
- ▶ Contract between Kooperativa and KAPITOL, a.s. on real estate management
- ▶ Contract between Kooperativa and SURPMO, a.s. on cooperation in IT systems security
- ▶ Purchase contracts between Kooperativa and SURPMO, a.s.
- ▶ Contract between Kooperativa and SURPMO, a.s. on facility management – reception desk operation
- ▶ Framework contract between Kooperativa and SURPMO, a.s. on engagements
- ▶ Contract between Kooperativa and KAPITOL, a.s. on cooperation
- ▶ Contract between Kooperativa, SURPMO, a.s. on the assignment of a contract on the purchase of software and licence support and related contracts
- ▶ Agreement between Kooperativa and SURPMO, a.s. on information protection
- ▶ Agreements between Kooperativa and SURPMO, a.s. on amendment of rights and obligations
- ▶ Agreement between Kooperativa and SURPMO, a.s. on personal data processing

twinformatics GmbH

- ▶ Service agreement between Kooperativa and twinformatics GmbH to support NewGL

VIG FUND, a.s.

- ▶ Insurance contracts between Kooperativa and VIG FUND, a.s. on insurance of property and liability insurance risks

VIG ND, a.s.

- ▶ Insurance contracts between Kooperativa and VIG ND, a.s. on insurance of property and liability insurance risks
- ▶ Contract between Kooperativa and VIG ND, a.s. on cost sharing
- ▶ Contracts between Kooperativa and VIG ND, a.s. on lease of non-residential premises
- ▶ Contract between Kooperativa and VIG ND, a.s. on property management
- ▶ Contract between Kooperativa and VIG ND, a.s. on the lease of VIG ČR Headquarters
- ▶ Loan contract between Kooperativa and VIG ND, a.s.

VIENNA INSURANCE GROUP AG Wiener Versicherung Gruppe

- ▶ Co-insurance or reinsurance share of VIG AG in the insurance contracts led by Kooperativa.
- ▶ Insurance contracts between Kooperativa and VIG AG on insurance of property and liability insurance risks and the provision of active reinsurance cover
- ▶ Contracts between Kooperativa and VIG AG on data and personal data protection and processing
- ▶ Wide Area Network Contract between Kooperativa and VIG AG
- ▶ Contract between Kooperativa and VIG AG on the use of insurance SAP modules provided by VIG AG
- ▶ Contract between Kooperativa and VIG AG on data centre services
- ▶ Contracts between Kooperativa and VIG AG on the use of software license
- ▶ Contracts between Kooperativa and VIG AG on licensing and maintenance
- ▶ Contract between Kooperativa and VIG AG related to SAP – New GL Project
- ▶ Contracts between Kooperativa and VIG AG on the provision of consultancy/counselling
- ▶ Contracts between Kooperativa and VIG AG on services and maintenance
- ▶ Agreement between Kooperativa and VIG AG on cost sharing in Solvency II project
- ▶ Agreement between Kooperativa and VIG AG on non-disclosure
- ▶ Contract between Kooperativa and VIG AG regarding transfer of ČPP shares
- ▶ Loan contract between Kooperativa and VIG AG mutual offset of receivables

VIG AM Real Estate, a.s.

- ▶ Contract between Kooperativa and VIG AM Real Estate, a.s. on sub-leases of business premises
- ▶ Contract between Kooperativa and VIG AM Real Estate, a.s. on cost sharing
- ▶ Contract between Kooperativa and VIG AM Real Estate, a.s. on outsourcing

VIG RE zajišťovna, a.s.

- ▶ Contract between Kooperativa and VIG RE zajišťovna, a.s. on insurance of property and liability insurance risks and the provision of reinsurance cover
- ▶ Insurance contract between Kooperativa and VIG RE zajišťovna, a.s. on term life assurance with supplementary insurances and possibility of additional insurances
- ▶ Insurance contract between Kooperativa and VIG RE zajišťovna, a.s. on insurance of property and liability risks in the Commercial Risk Insurance Division
- ▶ Contract between Kooperativa and VIG RE zajišťovna, a.s. on cost sharing
- ▶ Contract between Kooperativa and VIG RE zajišťovna, a.s. on the lease of non-residential premises
- ▶ Contract between Kooperativa and VIG RE zajišťovna, a.s. on cooperation in IT systems security
- ▶ Agreement between Kooperativa and VIG RE zajišťovna, a.s. on accession

V. INSTITUTES AND FOUNDATIONS

The following institutes and foundations established by Kooperativa or one of its subsidiaries do not belong among VIG Group companies: Nadace pojišťovny Kooperativa, Platforma VIZE O, z.ú. and Global Partner Péče, z.ú. In 2021, Obecně prospěšná společnost Kooperativy „v likvidaci“ (in liquidation) was among these companies. The company was terminated as at 2 November 2021.

Overview of mutual agreements between Kooperativa and those entities:

Nadace pojišťovny Kooperativa

- ▶ Contract between Kooperativa and Nadace pojišťovny Kooperativa on cost sharing
- ▶ Donation contracts between Kooperativa and Nadace pojišťovny Kooperativa
- ▶ Contract between Kooperativa and Nadace pojišťovny Kooperativa on FLOTILA Vehicle insurance

Platforma VIZE O, z.ú.

- ▶ Contract between Kooperativa and Platforma VIZE O, z.ú. on cost sharing

Global Partner Péče, z.ú.

- ▶ Contract between Kooperativa and Global Partner Péče, z.ú. on cost sharing
- ▶ Contract between Kooperativa and Global Partner Péče, z.ú. on lease of business-related premises

Obecně prospěšná společnost Kooperativy „v likvidaci“

- ▶ Contract between Kooperativa and Obecně prospěšná společnost Kooperativy on cost sharing
- ▶ Contract between Kooperativa and Obecně prospěšná společnost Kooperativy on archiving

VI. OVERVIEW OF ACTS PERFORMED IN THE LAST ACCOUNTING PERIOD AT THE INSTIGATION OR IN THE INTEREST OF VIG AG OR OTHER VIG GROUP COMPANIES

In 2021, the dividend in the amount of retained earnings for the accounting period of 2020 as well as the extraordinary dividends from retained earnings of previous periods were paid to the shareholders of VIG AG and SVZD GmbH. As at the effective date 21 June 2021, 100% of shares of Česká podnikatelská pojišťovna, a.s., Vienna Insurance Group were transferred from Kooperativa to VIG AG. The selling price per share was determined based on external experts' opinions of NSG Morrison dated 7 April 2021, and of Deloitte Austria dated 9 April 2021.

VII. CONFIDENTIALITY

Information and facts that form business secrets of the VIG Group Companies as well as information that has been designated as confidential by any VIG Group Company are deemed confidential within the VIG Group. Furthermore, these comprise any business information that may, separately or combined with other information or facts, cause a detriment to any of the VIG Group companies.

With a view to avoid any harm to Kooperativa, this Report does not comprise financial details of any performance or counter-performance under the concluded contracts and agreements.

VIII. ASSESSMENT OF RELATIONS AND RISKS WITHIN THE VIG GROUP

The VIG Group is one of the leading insurance and reinsurance operators on the European market. Kooperativa thus has access to know-how, inter alia, in the area of Solvency II, audit, compliance and information technology. The relationship between VIG and Kooperativa is therefore beneficial to both parties. Risks arising from the participation in the VIG Group are considered to be entirely proportionate to the benefits of participation therein.

Kooperativa did not incur any harm based on agreements entered into by and between Kooperativa, on the one hand, and VIG AG and other VIG Group Companies, on the other hand, or on the basis of other steps taken during the last accounting period in the interest or at the instigation of VIG AG or other VIG Group Companies.

IX. CONCLUSION

This report has been prepared by the Board of Directors of the controlled entity, Kooperativa pojišťovna, a.s., Vienna Insurance Group, for the period from 1 January 2021 to 31 December 2021, and will be submitted for review to the Supervisory Board. Given that Kooperativa is required by law to prepare an annual report, this Report will be attached to it as its integral part. The annual report will be submitted for review to the audit firm KPMG Česká republika Audit, s.r.o.

Prague, 21 March 2022



Ing. Martin Diviš, MBA
Chairman of the Board of Directors



Mgr. Martin Laur
Member of the Board of Directors

RELATED PARTIES TO VIENNA INSURANCE GROUP AG WIENER VERSICHERUNG GRUPPE.

AS OF DECEMBER 31, 2021

Company	Country	The current capital share in %
Consolidated companies		
„BULSTRAD LIFE VIENNA INSURANCE GROUP“ JOINT STOCK COMPANY	Bulgaria	100,00
„Compensa Vienna Insurance Group“, ADB	Lithuania	100,00
„Grüner Baum“ Errichtungs- und Verwaltungsges.m.b.H.	Austria	100,00
Anděl Investment Praha s.r.o.	Czech Republic	100,00
Anif-Residenz GmbH & Co KG	Austria	100,00
Asigurarea Românească - ASIROM Vienna Insurance Group S.A.	Romania	99,79
ATBIH GmbH	Austria	100,00
ATRIUM TOWER SPÓŁKA Z OGRANICZONĄ ODPOWIEDZIALNOŚCIĄ	Poland	100,00
BCR Asigurări de Viață Vienna Insurance Group S.A.	Romania	93,98
Blizzard Real Sp. z o.o.	Poland	100,00
BTA Baltic Insurance Company AAS	Latvia	100,00
Bulgarski Imoti Asistans EOOD	Bulgaria	100,00
Businesspark Brunn Entwicklungs GmbH	Austria	100,00
CAPITOL, akciová spoločnosť	Slovakia	100,00
CENTER Hotelbetriebs GmbH	Austria	80,00
Central Point Insurance IT-Solutions GmbH	Austria	100,00
Česká podnikatelská pojišťovna, a.s., Vienna Insurance Group	Czech Republic	100,00
Compania de Asigurări „DONARIS VIENNA INSURANCE GROUP“ Societate pe Actiuni	Moldova	99,99
Compensa Life Vienna Insurance Group SE	Estonia	100,00
Compensa Towarzystwo Ubezpieczeń Na Życie S.A. Vienna Insurance Group	Poland	99,97
Compensa Towarzystwo Ubezpieczeń S.A. Vienna Insurance Group	Poland	99,94
CP Solutions a.s.	Czech Republic	100,00
DBLV Immoesetz GmbH & Co KG	Austria	100,00
DBR-Liegenschaften GmbH & Co KG	Germany	100,00
Deutschemeisterplatz 2 Objektverwaltung GmbH	Austria	100,00
Donau Brokerline Versicherungs-Service GmbH	Austria	100,00
DONAU Versicherung AG Vienna Insurance Group	Austria	100,00
DVIB alpha GmbH	Austria	100,00
DVIB GmbH	Austria	100,00
DV Immo Holding GmbH	Austria	100,00
ELVP Beteiligungen GmbH	Austria	100,00
EUROPEUM Business Center s.r.o.	Slovakia	100,00
Floridsdorf am Spitz 4 Immobilienverwertungs GmbH	Austria	100,00
Gesundheitspark Wien-Oberlaa Gesellschaft m.b.H.	Austria	100,00
GLOBAL ASSISTANCE, a.s.	Czech Republic	100,00
HUN BM Korlátolt Felelősségű Társaság	Hungary	100,00

Company	Country	The current capital share in %
Consolidated companies		
Insurance Company Vienna osiguranje d.d., Vienna Insurance Group	Bosnia and Herzegovina	100,00
Insurance One-Shareholder Joint-Stock Company Bulstrad Vienna Insurance Group EAD	Bulgaria	100,00
InterRisk Lebensversicherungs-AG Vienna Insurance Group	Germany	100,00
InterRisk Towarzystwo Ubezpieczeń S.A. Vienna Insurance Group	Poland	100,00
InterRisk Versicherungs-AG Vienna Insurance Group	Germany	100,00
INTERSIG VIENNA INSURANCE GROUP Sh.A.	Albania	89,98
Joint Stock Company Insurance Company GPI Holding	Georgia	90,00
Joint Stock Company International Insurance Company IRAO	Georgia	100,00
Joint Stock Insurance Company WINNER-Vienna Insurance Group	Northern Macedonia	100,00
Kaiserstraße 113 GmbH	Austria	100,00
KÁLVIN TOWER Ingatlanfejlesztési és Beruházási Korlátolt Felelősségű Társaság	Hungary	100,00
KAPITOL, a.s.	Czech Republic	100,00
KKB Real Estate SIA	Latvia	100,00
KOMUNÁLNA poisťovňa, a.s. Vienna Insurance Group	Slovakia	100,00
KOOPERATIVA poisťovňa, a.s. Vienna Insurance Group	Slovakia	98,47
Kooperativa, pojišťovna, a.s. Vienna Insurance Group	Czech Republic	97,28
LVP Holding GmbH	Austria	100,00
MAP-WSV Beteiligungen GmbH	Austria	100,00
MC EINS Investment GmbH	Austria	100,00
MH 54 Immobilienanlage GmbH	Austria	100,00
NNC REAL ESTATE SPÓŁKA Z OGRANICZONĄ ODPOWIEDZIALNOŚCIĄ	Poland	100,00
Nußdorfer Straße 90-92 Projektentwicklung GmbH & Co KG	Austria	100,00
OMNIASIG VIENNA INSURANCE GROUP S.A.	Romania	99,54
OÜ LiveOn Paevalille	Estonia	100,00
Palais Hansen Immobilienentwicklung GmbH	Austria	56,55
Passat Real Sp. z o.o.	Poland	100,00
Pension Assurance Company Dovere AD	Bulgaria	92,58
PFG Holding GmbH	Austria	89,23
PFG Liegenschaftsbewirtschaftungs GmbH & Co KG	Austria	92,88
Porzellangasse 4 Liegenschaftsverwaltung GmbH & Co KG	Austria	100,00
PRIVATE JOINT-STOCK COMPANY „INSURANCE COMPANY „KNAZHA LIFE VIENNA INSURANCE GROUP“	Ukraine	99,81
Private Joint-Stock Company „Insurance company“ Ukrainian insurance group“	Ukraine	100,00
PRIVATE JOINT-STOCK COMPANY „UKRAINIAN INSURANCE COMPANY „KNAZHA VIENNA INSURANCE GROUP“	Ukraine	99,99
PROGRESS Beteiligungs-ges.m.b.H.	Austria	70,00
Projektbau GesmbH	Austria	100,00
Projektbau Holding GmbH	Austria	100,00
Rathstraße 8 Liegenschaftsverwertungs GmbH	Austria	100,00
Ray Sigorta A.Ş.	Turkey	94,96
Röblergasse Bauteil Drei GmbH	Austria	100,00
Röblergasse Bauteil Zwei GmbH	Austria	100,00

Company	Country	The current capital share in %
Consolidated companies		
S - budovy, a.s.	Czech Republic	100,00
Schulring 21 Bürohaus Errichtungs- und Vermietungs GmbH & Co KG	Austria	100,00
SECURIA majetkovosprávna a podielová s.r.o.	Slovakia	100,00
Senioren Residenz Fultererpark Errichtungs- und Verwaltungs GmbH	Austria	100,00
Senioren Residenz Veldidenapark Errichtungs- und Verwaltungs GmbH	Austria	66,70
SIA „Alauksta 13/15“	Latvia	100,00
SIA "Artilērijas 35"	Latvia	100,00
SIA "Ģertrūdes 121"	Latvia	100,00
SIA „Global Assistance Baltic“	Latvia	100,00
SIA „LiveOn“	Latvia	70,00
SIA „LiveOn Stirnū“	Latvia	100,00
SIA „LiveOn Terbatas“	Latvia	100,00
SIA „Urban Space“	Latvia	100,00
SIGMA INTERAlbaniaN VIENNA INSURANCE GROUP Sh.A.	Albania	89,05
SK BM s.r.o.	Slovakia	100,00
SMARDAN 5 DEVELOPMENT S.R.L.	Romania	100,00
Stock Company for Insurance and Reinsurance MAKEDONIJA Skopje - Vienna Insurance Group	Northern Macedonia	94,26
SVZ GmbH	Austria	100,00
SVZD GmbH	Austria	100,00
SVZI GmbH	Austria	100,00
T 125 GmbH	Austria	100,00
TBI Bulgaria EAD in Liquidation	Bulgaria	100,00
TECHBASE Science Park Vienna GmbH	Austria	100,00
twinformatics GmbH	Austria	100,00
UAB LiveOn Linkmenu	Lithuania	100,00
UNION Vienna Insurance Group Biztosító Zrt.	Hungary	98,64
Untere Donaulände 40 GmbH & Co KG	Austria	100,00
Vienibas Gatve Investments OÜ	Estonia	100,00
Vienibas Gatve Properties SIA	Latvia	100,00
Vienna-Life Lebensversicherung AG Vienna Insurance Group	Lichtenstein	100,00
Vienna Life Towarzystwo Ubezpieczeń na Życie S.A. Vienna Insurance Group	Poland	100,00
VIG-AT Beteiligungen GmbH	Austria	100,00
VIG-CZ Real Estate GmbH	Austria	100,00
VIG FUND, a.s.	Czech Republic	100,00
VIG Home, s.r.o.	Slovakia	100,00
V.I.G. ND, a.s.	Czech Republic	100,00
VIG Offices, s.r.o.	Slovakia	100,00
VIG Properties Bulgaria AD	Bulgaria	99,97
VIG RE zajišťovna, a.s.	Czech Republic	100,00
VIG REAL ESTATE DOO	Srbsko	100,00
VIG Services Ukraine, LLC	Ukraine	100,00
Virtus Sechzehn Beteiligungs GmbH	Austria	100,00

Company	Country	The current capital share in %
Consolidated companies		
VITEC Vienna Information Technology Consulting GmbH	Austria	51,00
WGPV Holding GmbH	Austria	100,00
WIBG Holding GmbH & Co KG	Austria	100,00
WIBG Projektentwicklungs GmbH & Co KG	Austria	100,00
Wiener Osiguranje Vienna Insurance Group ad	Bosnia and Herzegovina	100,00
Wiener osiguranje Vienna Insurance Group dioničko društvo za osiguranje	Croatia	97,82
WIENER RE akcionarsko društvo za reosiguranje	Srbsko	100,00
WIENER STÄDTISCHE OSIGURANJE akcionarsko društvo za osiguranje Beograd	Srbsko	100,00
WIENER STÄDTISCHE VERSICHERUNG AG Vienna Insurance Group	Austria	97,75
WIENER TOWARZYSTWO UBEZPIECZEŃ SPÓŁKA AKCYJNA VIENNA INSURANCE GROUP	Poland	100,00
WIENER VEREIN BESTATTUNGS- UND VERSICHERUNGSSERVICE-GESELLSCHAFT M.B.H.	Austria	100,00
WILA GmbH	Austria	100,00
WINO GmbH	Austria	100,00
WNH Liegenschaftsbesitz GmbH	Austria	100,00
WSBV Beteiligungsverwaltung GmbH & Co KG	Austria	100,00
WSV Beta Immo Holding GmbH	Austria	100,00
WSVA Liegenschaftsbesitz GmbH	Austria	100,00
WSVB Liegenschaftsbesitz GmbH	Austria	100,00
WSVC Liegenschaftsbesitz GmbH	Austria	100,00
WSV Immo Holding GmbH	Austria	100,00
WSV Triesterstraße 91 Besitz GmbH & Co KG	Austria	100,00
WSV Vermögensverwaltung GmbH	Austria	100,00
WWG Beteiligungen GmbH	Austria	87,07
Companies consolidated using the equity method		
„Schwarzatal“ Gemeinnützige Wohnungs- und Siedlungsanlagen-GmbH	Austria	100,00
Alpenländische Gemeinnützige WohnbauGmbH	Austria	94,84
Beteiligungs- und Immobilien GmbH	Austria	25,00
Beteiligungs- und Wohnungsanlagen GmbH	Austria	25,00
CROWN-WSF spol. s.r.o.	Czech Republic	30,00
EGW Erste gemeinnützige Wohnungsgesellschaft mbH	Austria	99,77
ERSTE d.o.o. - za upravljanje obveznim i dobrovoljnim mirovinskim fondovima	Croatia	25,30
Gemeinnützige Industrie-Wohnungsaktiengesellschaft	Austria	55,00
Gemeinnützige Mürz-Ybbs Siedlungsanlagen-GmbH	Austria	99,92
Gewista-Werbegesellschaft m.b.H.	Austria	33,00
NEUE HEIMAT Oberösterreich Gemeinnützige Wohnungs- und SiedlungsgesmbH	Austria	99,82
Neuland gemeinnützige Wohnbau-Gesellschaft m.b.H.	Austria	61,00
Österreichisches Verkehrsbüro Aktiengesellschaft, Wien (Konzernabschluss)	Austria	36,58
SOZIALBAU gemeinnützige Wohnungsaktiengesellschaft	Austria	54,17
Towarzystwo Ubezpieczeń Wzajemnych „TUW“	Poland	52,16
Urbanbau Gemeinnützige Bau-, Wohnungs- und Stadterneuerungsgesellschaft m.b.H.	Austria	51,46
VBV - Betriebliche Altersvorsorge AG (Konzernabschluss)	Austria	25,32

Company	Country	The current capital share in %
Unconsolidated companies		
„Assistance Company „Ukrainian Assistance Service“ LLC	Ukraine	100,00
„Eisenhof“ Gemeinnützige Wohnungsgesellschaft m.b.H.	Austria	20,13
„JAHORINA AUTO“ d.o.o.	Bosnia and Herzegovina	100,00
„LifeTrust“ Ltd	Bulgaria	100,00
„Neue Heimat“ Stadterneuerungsgesellschaft m.b.H.	Austria	79,51
AB Modřice, a.s.	Czech Republic	97,28
AIS Servis, s.r.o.	Czech Republic	98,10
Akcionarsko društvo za životno osiguranje Wiener Städtische Podgorica, Vienna Insurance Group	Montenegro (Rep.)	100,00
ALBA Services GmbH	Austria	48,87
Amadi GmbH	Germany	100,00
AQUILA Hausmanagement GmbH	Austria	97,75
AREALIS Liegenschaftsmanagement GmbH	Austria	48,87
arithmetica Consulting GmbH	Austria	98,31
AUTODROM SOSNOVÁ u České Lípy a.s.	Czech Republic	97,28
AUTONOVA BRNO s.r.o.	Czech Republic	98,10
Autosig SRL	Romania	99,54
B&A Insurance Consulting s.r.o.	Czech Republic	48,45
BB Parking s.r.o.	Slovakia	98,47
BEESAFE SPÓŁKA Z OGRANICZONA ODPOWIEDZIALNOSCIA	Poland	99,99
Benefia Ubezpieczenia Spolka z ograniczona odpowiedzialnoscia	Poland	99,94
Bohemika a.s.	Czech Republic	100,00
Bohemika HYPO s.r.o.	Czech Republic	100,00
Bulstrad Trudova Meditzina EOOD	Bulgaria	100,00
Camelot Informatik und Consulting Gesellschaft m.b.H.	Austria	92,86
CARPLUS Versicherungsvermittlungsgesellschaft mbH	Austria	97,75
CLAIM EXPERT SERVICES S.R.L.	Romania	99,16
Compensa Dystrybucja Sp. z o. o.	Poland	99,97
ČPP Servis, s.r.o.	Czech Republic	100,00
DBLV Immobilienbesitz GmbH	Austria	100,00
DBR-Liegenschaften Verwaltungs GmbH	Germany	97,75
DELOIS s. r. o.	Slovakia	98,47
DELOIS II s.r.o.	Slovakia	98,47
DV Asset Management EAD	Bulgaria	100,00
DV CONSULTING EOOD	Bulgaria	100,00
DV Invest EAD	Bulgaria	100,00
EBS Wohnungsgesellschaft mbH Linz	Austria	24,44
EBV-Leasing Gesellschaft m.b.H.	Austria	47,90
EGW Datenverarbeitungs-Gesellschaft m.b.H.	Austria	71,92
EGW Liegenschaftsverwertungs GmbH	Austria	71,92
EGW-NOE Erste gemeinnützige Wohnungsgesellschaft mbH	Austria	71,92
EKG UW Nord GmbH	Austria	24,46
Első Maganegeszégügyi Halozat Zrt.	Hungary	48,33

Company	Country	The current capital share in %
Unconsolidated companies		
ERSTE Biztosítási Alkusz Kft	Hungary	98,64
European Insurance & Reinsurance Brokers Ltd.	United Kingdom	100,00
EXPERTA Schadenregulierungs-Gesellschaft mbH	Austria	99,44
Finanzpartner GmbH	Austria	48,87
FinServis Plus, s.r.o.	Czech Republic	100,00
Foreign limited liability company „InterInvestUchastie“	Belarus	100,00
GELUP GmbH	Austria	32,58
GGVier Projekt-GmbH	Austria	53,76
Glamas Beteiligungsverwaltungs GmbH & Co „Beta“ KG	Austria	42,76
Global Assistance Georgia LLC	Georgia	95,00
Global Assistance Polska Sp.z.o.o.	Poland	99,99
GLOBAL ASSISTANCE SERVICES s.r.o.	Czech Republic	100,00
GLOBAL ASSISTANCE SERVICES SRL	Romania	99,23
GLOBAL ASSISTANCE Slovakia s.r.o.	Slovakia	99,22
Global Expert, s.r.o.	Czech Republic	98,10
Global Partner Zdraví, s.r.o.	Czech Republic	63,23
Global Partner, a.s.	Czech Republic	63,23
Global Repair Centres, s.r.o.	Czech Republic	98,10
Global Services Bulgaria JSC	Bulgaria	100,00
Hauservice Objektbewirtschaftungs GmbH	Austria	20,72
HOTELY SRNÍ, a.s.	Czech Republic	97,28
Hotel Voltino in Liquidation	Croatia	97,82
HORIZONT Personal-, Team- und Organisationsentwicklung GmbH	Austria	98,29
Immodat GmbH	Austria	20,72
IMOVE Immobilienverwertung- und -verwaltungs GmbH	Austria	20,72
INSHIFT GmbH & Co. KG	Germany	23,53
InterRisk Informatik GmbH	Germany	100,00
ITIS Spolka z ograniczona odpowiedzialnoscia spolka komandytowa	Poland	99,99
ITIS Sp.z.o.o.	Poland	98,03
Joint Stock Company „Curatio“	Georgia	90,00
Joint Stock Insurance Company WINNER LIFE - Vienna Insurance Group	Northern Macedonia	100,00
Kitzbüheler Bestattung WV GmbH	Austria	97,75
KUPALA Belarusian-Austrian Closed Joint Stock Insurance Company	Belarus	98,26
KWC Campus Errichtungsgesellschaft m.b.H.	Austria	48,87
LD Vermögensverwaltung GmbH	Austria	98,65
Lead Equities II. Auslandsbeteiligungs AG	Austria	21,59
Lead Equities II.Private Equity Mittelstandsfinanzierungs AG	Austria	21,59
LiSciV Muthgasse GmbH & Co KG	Austria	42,76
Main Point Karlín II., a.s.	Czech Republic	97,28
Money & More Pénzügyi Tanácsadó Zártkörűen Működő Részvénytársaság	Hungary	98,64
Nadácia poisťovne KOOPERATIVA	Slovakia	98,47
NID Projektentwicklung GmbH	Austria	100,00

Company	Country	The current capital share in %
Unconsolidated companies		
Nordbahnhof Projekt EPW8 GmbH & Co KG	Austria	97,75
Nordbahnhof Projekt EPW8 Komplementär GmbH	Austria	97,75
Nordbahnhof Projekt Taborstraße 123 GmbH & Co KG	Austria	100,00
Nordbahnhof Projekt Taborstraße 123 Komplementär GmbH	Austria	100,00
PFG Liegenschaftsbewirtschaftungs GmbH	Austria	73,69
POLISA - ŻYCIE Ubezpieczenia Sp.z.o.o.	Poland	99,97
Pražská softwarová s.r.o	Czech Republic	98,10
Privat Joint-Stock Company „OWN SERVICE“	Ukraine	100,00
Projektbau Planung Projektmanagement Bauleitung GesmbH	Austria	54,51
Quadrant Q ZWÖLF Projektentwicklungs GmbH	Austria	97,75
Renaissance Hotel Realbesitz GmbH	Austria	40,00
Risk Consult Bulgaria EOOD	Bulgaria	51,00
Risk Consult Polska Sp.z.o.o.	Poland	68,15
RISK CONSULT Sicherheits- und Risiko- Managementberatung Gesellschaft m.b.H.	Austria	51,00
Risk Expert Risk ve Hasar Danismanlık Hizmetleri Limited Sirketi	Turkey	64,19
Risk Experts Risiko Engineering GmbH	Austria	12,24
Risk Experts s.r.o.	Slovakia	51,00
Risk Logics Risikoberatung GmbH	Austria	51,00
samavu s.r.o	Slovakia	98,47
Sanatorium Astoria, a.s.	Czech Republic	97,28
SB Liegenschaftsverwertungs GmbH	Austria	40,26
S.C. CLUB A.RO S.R.L.	Romania	99,79
S.C. Risk Consult & Engineering Romania S.R.L.	Romania	51,00
S. C. SOCIETATEA TRAINING IN ASIGURARI S.R.L.	Romania	99,16
serviceline contact center dienstleistungs-gmbh	Austria	97,75
S.O.S.- EXPERT d.o.o. za poslovanje nekretninama	Croatia	100,00
Senioren Residenzen gemeinnützige Betriebsgesellschaft mbH	Austria	97,75
Slovexperta, s.r.o.	Slovakia	98,70
Soleta Beteiligungsverwaltungs GmbH	Austria	42,76
Sparkassen-Versicherungsservice Gesellschaft m.b.H.	Austria	97,75
Spółdzielnia Usługowa VIG EKSPERT W WARSZAWIE	Poland	99,97
SURPMO, a.s.	Czech Republic	97,28
TAUROS Capital Investment GmbH & Co KG	Austria	19,55
TAUROS Capital Management GmbH	Austria	25,30
TBI Info AD	Bulgaria	20,00
TeleDoc Holding GmbH	Austria	25,01
TGMZ Team Gesund Medizin Zentren GmbH	Austria	39,10
TOGETHER CCA GmbH	Austria	24,71
twinfaktor GmbH	Austria	98,87
UAB „Compensa Life Distribution“	Lithuania	100,00
UNION-Erted Ellatasszervező Korlatolt Felelőségi Társaság	Hungary	98,64
Versicherungsbüro Dr. Ignaz Fiala Gesellschaft m.b.H.	Austria	47,90

Company	Country	The current capital share in %
Unconsolidated companies		
Vienna Insurance Group Polska Spółka z ograniczoną odpowiedzialnością	Poland	99,99
Vienna International Underwriters GmbH	Austria	100,00
viesure innovation center GmbH	Austria	98,87
VIG AM Real Estate, a.s.	Czech Republic	100,00
VIG AM Services GmbH	Austria	100,00
VIG Management Service SRL	Romania	99,16
VIG POLSKA REAL ESTATE SPÓŁKA Z OGRANICZONA ODPOWIEDZIALNOSCIA	Poland	99,97
VIG Services Bulgaria EOOD	Bulgaria	100,00
VIG Services Shqiperi Sh.p.K.	Albania	89,52
VIG ZP, s. r. o.	Slovakia	99,22
VIG/C-QUADRAT Towarzystwo Funduszy Inwestycyjnych SPÓŁKA AKCYJNA	Poland	50,99
VIVECA Beteiligungen GmbH	Austria	100,00
VÖB Direkt Versicherungsagentur GmbH	Austria	48,87
WAG Wohnungsanlagen Gesellschaft m.b.H.	Austria	24,44
Wien 3420 Aspern Development AG	Austria	23,92
Wiener Städtische Donau Leasing GmbH	Austria	97,75
Wiener Verein Bestattungsbetriebe GmbH	Austria	97,75
WOFIN Wohnungsfinanzierungs GmbH	Austria	20,72
WSBV Beteiligungsverwaltung GmbH	Austria	97,75
zuuri s.r.o.	Slovakia	98,47

NON-FINANCIAL PART

1. DEVELOPMENT OF THE COMPANY

Kooperativa focuses on providing profitable products and quality services with high added value for the client. The company wants to become a product and thought leader in the market, to prepare a comprehensive system of products and services that will include the process from prevention through assistance, loss settlement to follow-up assistance. Innovation is based on knowledge of client needs and behaviour. Product development also includes monitoring changes in society towards digitalisation, including online sales. Kooperativa has also incorporated these principles into products that are suitable for both traditional and digital distribution and therefore easily accessible to the client.

2. RESEARCH AND DEVELOPMENT ACTIVITIES

We research client needs and develop products and tools to ideally tailor products to the client's needs. The pursuit of a well-insured client is linked to minimizing the social impact of individual and local disasters. For example, we have developed a client care tool to ensure that as few clients as possible are underinsured. Thanks to technology, we have deepened the possibilities of full remote counselling and are investing in new online solutions that eliminate not only paperwork, but especially the necessary input and ongoing processes. In order to achieve this increased digitisation, we are developing a new client zone and online insurance environment where clients will gain greater visibility and access to their policies, for example by logging in or simply managing their insurance policy using their bank identity.

3. ENVIRONMENTAL PROTECTION AND THE DEVELOPMENT OF SOCIAL-EMPLOYEE RELATIONS

By the nature of its business, Kooperativa imposes a minimal burden on the environment. Thanks to digitalisation, the development of electronic communication with clients, digital signatures and electronic payments, Kooperativa is moving towards paperless contract negotiation and thus reducing the environmental burden. It supports electromobility and alternative drives, which it also uses in its corporate fleet. We systematically monitor our carbon footprint and implement solutions to reduce it.

Kooperativa wants to be the employer of choice. It supports employee diversity and therefore fulfils the principles of the European Diversity Charter, to which it is a signatory. It respects equal opportunities and the individual needs of employees regardless of age, gender, health or family situation. It promotes alternative forms of work, for example, in the context of the coronavirus pandemic it strongly favoured home office working mode, which was used by up to 75% of employees during the emergency. The combined model continues in the longer term. It has also adapted the technical equipment in its meeting rooms correspondingly. In order to improve the balance between the work and leisure time of its employees, Kooperativa has extended the number of so-called free days from three to five, and a new care day has been created, which employees can use both for taking care of their loved ones and for their own activities. The company has not abandoned the model of supporting employees in charitable activities and offers one free day to everyone without distinction for work in contracted charity associations. Kooperativa promotes diversity across the company: from WoManagers' Club meetings, coaching, leadership development programme and training in online courses or face-to-face programmes.

In the area of social responsibility, it focuses on the group of mothers and fathers on maternity, paternity and parental leave. Part-time work and a combination of parents working from home and the office are popular. Kooperativa also looks after the social life of a group of employees who have already retired. The company also puts its trust in the youngest age group and has resumed recruitment for the Trainee programme for university graduates. In addition, Kooperativa also supports other activities focused on both health and leisure within the benefit portal.

4. ORGANIZATIONAL UNITS OF THE COMPANY ABROAD

Kooperativa does not have any organisational units abroad.

5. INFORMATION ON THE ACQUISITION OF OWN SHARES OR TREASURY SHARES

Kooperativa did not acquire its own shares or treasury shares.

6. OTHER REQUIREMENTS ACCORDING TO SPECIFIC LEGAL REGULATIONS

Kooperativa complies with the conditions for the performance of insurance activities resulting from the legal regulation applicable to the insurance sector, in particular the Insurance Act and the Act on Insurance and Reinsurance Distribution. At the same time, it complies with all other legal requirements that apply to its activities, e.g. in the area of personal data protection or prevention of money laundering.

