



2011

2012

2013

ANNUAL REPORT

2014

2015

2016

2017

Kooperativa 2014?

2 million clients

3.83 million insurance policies

648,000 settled claims

Insurance Company of the Year 2014

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Introductory note by Supervisory Board Chairman

Looking back at 2014 we may say, without hesitation, that it has been a successful year for Kooperativa and the entire Vienna Insurance Group in the Czech Republic.

Success was achieved in the Key Performance indicators of profit, written premium, combined ratio, and also in the exceptional position held by VIG companies in the Czech Republic. It came as no surprise to me that VIG ČR, with Kooperativa in the lead, had once again retained its No. 1 position on the Czech insurance market and is currently one of the most important players in the field of financial services.

Indeed, 2014 has been a successful year also from the perspective of the entire Vienna Insurance Group. In spite of the lingering difficulties in the macroeconomic environment and almost zero interest rates, the Group reported very steady figures. The consolidated premium of EUR 9.1 bn, Combined Ratio improvement by 4 percentage points and profit before tax growth of 46% to a total of EUR 518 million. These figures present again clear evidence of the strength, stability and position of VIG on CEE markets.

When talking about results, I cannot omit the real people behind these figures. I am referring here to both my

colleagues and, of course, our clients who have been putting their trust in us over long periods of time.

The core principle of the success achieved by Vienna Insurance Group, year after year, is based on excellence in the services provided to our clients. On the Czech market, Kooperativa exemplifies these core principles of customer care and high quality of service. I am fully convinced; these principles will remain and always be core to the company. That is why our clients, business partners, and also the management of Kooperativa deserve our thanks. The past year, and I am sure in the years to come, has confirmed and will continue to confirm, that Kooperativa is a stable and strong insurance company with employees who understand that success does not come out of the blue, but is the result of a lot of hard work, persistent effort and dedication.

Dr. Peter Hagen



Introductory note by Board of Directors Chairman and CEO

Even though the year 2014 proved to be more favourable, in terms of natural catastrophes, than the previous one, I cannot help but comment on several phenomena that had a significant impact on the insurance market, and hence also on Kooperativa. Even though GDP recorded a steady two-percent growth last year, results in the insurance market were lagging behind – written premiums demonstrated a year-on-year growth of 1.1% and totalled CZK 115.2 billion. This result was influenced mainly by the positive development in non-life insurance, which recorded a year-on-year growth of 2.3% thanks mainly to motor vehicle insurance. On the contrary, the life insurance that was helping to keep the insurance market in the black dropped by 0.7%, and the fact that the total life insurance portfolio lost over 200 K policies last year is certainly not good news.

How was Kooperativa doing last year? Premiums grew by 1.3% in total, i.e. according to the market. With a market share exceeding 20%, Kooperativa succeeded in remaining the no. 2 insurance company and was able to reduce the gap to the market leader by approx. CZK 1 billion of written premiums with solid profitability. A 2.6% growth in the life insurance to a total exceeding CZK 10 billion is a success. One cannot forget that Kooperativa reached one million insurance policies in the property and

personal liability portfolio in 2014 and showed almost a 3% growth in this segment. The company's high level of provided products and service is reflected in the result of important competitions and surveys. Awards such as Insurance Company of the Year, several awards in the Zlatá koruna (Golden Crown) competition, many awards for advertisements, as well as the prestigious Bank of the Year competition that selected Kooperativa for the most valuable brand on the Czech insurance market, prove that Kooperativa that has been heading – for almost 25 years now – in the right pro-client direction.

I would like to express my thanks for all of this to both the employees and clients, who have been showing their trust in Kooperativa for a long time. A special thanks goes also to our business partners and shareholders, of course – together, we all contributed to making sure Kooperativa remains a strong and successful insurance company.

Ing. Martin Diviš, MBA

The Most Significant Awards Received in 2014



- 1st place › Personal Property Insurance
- 1st place › Industry and Entrepreneurs' Insurance
- 2nd place › Life Insurance
- 2nd place › Vehicle Insurance



- 1st place › Entrepreneurs' Insurance – TREND
- 2nd place › Entrepreneurs' Insurance – Comprehensive Fleet Insurance
- 3rd place › Entrepreneurs' Insurance – START PLUS
- 1st place › Non-Life Insurance – NAMÍRU Comprehensive Vehicle Insurance
- 2nd place › Non-Life Insurance – OPTIMUM
- 3rd place › Non-Life Insurance – NAMÍRU MTPL Insurance
- 2nd place › Life Insurance – PERSPEKTIVA



- 2nd place › in the Vehicle Insurance of 2014 category
- 3rd place › in the Insurance Company of 2014 category
- Kooperativa – the most valuable brand in the Czech insurance business**



- 1st place › PROSPORTY campaign – TV spot of the month
- 1st place › Image campaign – TV spot of the month, the best outdoor advertisement of the month, the best on-line advertisement of the month

Board of Directors – As of April 1, 2015

Ing. Martin Diviš, MBA	Chairman of the Board and CEO
JUDr. Hana Macháčová	Member and Deputy CEO
Gary Mazzotti, B.A. (Hons) A.C.A.,	Member, since April 1, 2014
Ing. Milan Nidl, MBA	Member
Jiří Sýkora	Member
RNDr. Petr Zapletal, MBA	Member

Supervisory Board – As of April 1, 2015

Dr. Peter Hagen	Chairman
Dkfm. Karl Fink	Vice-Chairman
JUDr. Rostislav Dvořák	Vice-Chairman
prof. Ing. Eva Ducháčková, CSc.	Member
Ing. Roman Brablec	Member
Mag. Roland Gröll	Member
Mag. Erwin Hammerbacher	Member
Ing. Jaroslav Kučera, MBA	Member
Dr. Ing. Vratislav Kulháněk	Member
Mgr. Martin Laur	Member
Jan Růžička	Member
Jan Wiesner	Member

Board of Directors



Jiří Sýkora
Member



JUDr. Hana Macháčová
Member, Deputy CEO



**Gary Mazzotti, B.A.
(Hons) A.C.A.**
Member



Ing. Milan Nidl, MBA
Member



Ing. Martin Diviš, MBA
Chairman and CEO



RNDr. Petr Zapletal, MBA
Member

2014 Management Report

The year 2014 was marked by two important legislative changes. The new Civil Code came into force on 1 January, and therefore last year was characterised by its implementation. The end of the year was influenced by the tax revision of life insurance.

The premiums written by member insurance companies of the Czech Insurance Association grew by 1.1% and totalled CZK 115.2 billion. This result was influenced mainly by the positive development in non-life insurance, which recorded a year-on-year growth of 2.3% thanks mainly to motor vehicle insurance. The situation of the current life premiums was greatly influenced by tax legislation setting forth client obligations to decide till the end of 2014, whether they want to apply the tax allowance to life insurance in the future as well, or make extraordinary withdrawals.

In 2014, Kooperativa reached a written premiums of CZK 31.74 billion, i.e. 1.3% more as compared to 2013. Hence, it grew faster than the market. This allowed Kooperativa to strengthen its no. 2 position among the biggest insurance companies on the Czech market. The good news is that after several years of stagnation, Kooperativa recorded a growth in non-life insurance. In 2014, written premiums reached CZK 21.6 billion, i.e. a growth of 0.7%.

Life insurance was able to continue in the development of past years and showed a moderate growth. In 2014, Kooperativa reached written premiums of CZK 10.14 billion, i.e. a growth of 2.5% as compared to 2013.

At the end of 2014, Kooperativa was administrating a total of 3.83 million insurance policies for 2.04 million clients. Kooperativa's claim handlers settled over 684,000 claims. The implementation of the new Civil Code within products and mainly within claims-handling procedures was of great importance. In order to provide a better protection for customers, Kooperativa prepared higher indemnity limits under liability insurance products: up to CZK 150 million in MTPL insurance and up to CZK 15 million in personal liability insurance. The new Civil Code caused a revolution in clients' indemnification, mainly in the field of so-called non-material loss. At the same time, Decree no. 440/2001 Coll., on the basis of which the indemnity was calculated, was revoked. Presently, when indemnifying non-material losses, the damaged party's status, income, etc. are also to be taken into account. This has led to an immense growth in

TOTAL PREMIUMS WRITTEN (in CZK 000's)

2005	26 527 552
2006	27 427 383
2007	29 107 232
2008	30 730 010
2009	30 996 326
2010	30 894 705
2011	30 502 749
2012	30 616 765
2013	31 319 881
2014	31 737 609

indemnity paid for pain and suffering, disability and lump-sum survivors' indemnity. The indemnity has almost tripled. In spite of the turbulent legal environment, Kooperativa succeeded in launching several new products and technologies in 2014. In June, we began selling BEST DOCTORS insurance, a product covering health care which exceeds standards. The benefit of the BEST DOCTORS product lies in the ability to use the knowledge of leading experts when defining correct treatment. Clients can consult their diagnosis with world-renowned doctors who they alone would never be able to contact. They then decide whether to proceed with the treatment in the selected top facility abroad – the treatment is fully covered by the BEST DOCTORS insurance, including travel costs, accommodation and food – or in the Czech Republic. In October, Kooperativa began offering the PROSPORTY product to drivers. This additional insurance for sporting equipment is meant for all standard passenger cars, vans and campers under 8 tons. This insurance covers both the sporting equipment and carriers, as well as the vehicle transporting the equipment.

In November, we launched a new technology which allows clients to contract an insurance policy with a digital signature in their own hand. Kooperativa was the first insurance company on the Czech insurance market to launch this unique solution in motor vehicle insurance. Clients will simply sign with the electronic pen on a special tablet in exactly the same way as if signing a paper with a normal pen. An electronically secured document will be created with the same legal capacity as a signed paper document. Electronic documents can be further processed and stored easily. This will also speed up the entire process for clients. Insurance

MANAGEMENT REPORT

policies are immediately in the system and are also available in the client's storage.

The quality of Kooperativa's products and services has been reflected both in the interest shown by clients and in the numerous awards received during the year. Kooperativa became the most successful insurance company in winning the Insurance Company of the Year Award organised by the Association of Czech Insurance Brokers and it also scored well in the Zlatá koruna Competition. At the same time, Kooperativa was extremely successful in the Company of the Year Award organised by Fincentrum – the Kooperativa brand was awarded the most valuable brand on the Czech insurance market.

Kooperativa has also been supporting a wide range of projects focusing on safe traffic and social affairs. One

shall not forget projects such as Pomocné Tlapky (Helping Paws) and Den a Strom pro lepší život (Day and Tree for a Better Life). Since 2013, these projects have been sponsored by Nadace pojišťovny Kooperativa (Kooperativa's Foundation). Service support and CSR is provided by Obecně prospěšná společnost Kooperativy (Kooperativa's Association for General Benefit).

As part of its normal business activities, Kooperativa also supports research and development, mainly in the area of advanced online applications for common data source, web portals and mobile platforms including their interconnection with information systems, or the development of comprehensive software applications and systems for operating purposes.

Business

On the Czech market, Kooperativa stands out mainly due to the structure of its business services. It offers insurance products through a number of different types of distribution channels in order to meet the diverse and particular needs of business clients.

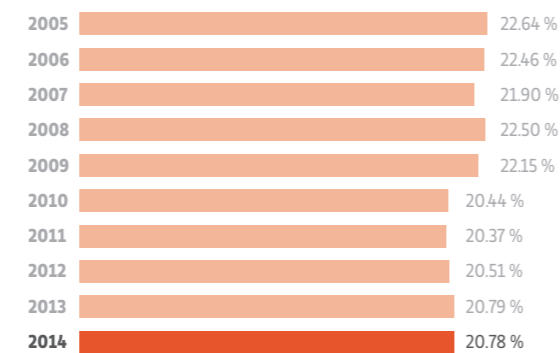
Especially unique is Kooperativa's network of sales agents Who work for the Company in an employment relationship. At the end of 2014, there were 1,542 such agents working for the Company.

In 2014, Kooperativa also continued to expand its sales force associated with the Company through the "Podnikatelská Vize" [Business Vision] agent network. These agents have an exclusive business relationship with the Company. This type of cooperation allows the participating agents to take advantage of a number of benefits associated with this exclusive cooperation with a strong company, including the chance to be self-employed. At the end of 2014, the Company had 1,100 such agents.

Business development was helped not only by an extensive network of insurance agents but also by an extensive network of points of sales. Kooperativa wants to be as close as possible to its clients and has therefore continued to focus on the expansion and improvement of its branch network. At the end of 2014, there were 337 branch offices – both our own and those managed and run by our exclusive insurance intermediaries.

In 2014, Kooperativa's strongest sales channel was the internal sales network, made up of the Company's

KOOPERATIVA MARKET SHARE: TOTAL PREMIUMS WRITTEN



own insurance advisors and its exclusively contracted intermediaries working with the Company through the Podnikatelská Vize program. This network holds over one – third of Kooperativa's portfolio.

Kooperativa has also focused on the development of business relationships with other types of sales intermediaries – networks- for a long time. We also succeeded in strengthening our mutual business relationships throughout 2014.

Sales consultants working for these partner networks can contact key account managers located at Kooperativa's central office and in individual regions. This allows the representatives of these different sales intermediaries to have access to more in-depth knowledge and information

to come up with solutions and insurance quotes while also respecting local particularities and specific circumstances. The most important insurance intermediaries – partner networks working with Kooperativa include KAPITOL pojišťovací a finanční poradenství, a.s., ASTORIE a.s., ZFP akademie, a.s., OVB Allfinanz, a.s., Fincentrum a.s., Swiss Life Select Česká republika s.r.o., Broker Consulting, a.s., Partners Financial Services, a.s. and Broker Trust, a.s.

Kooperativa works closely with insurance brokers mainly in the field of industrial and entrepreneurial insurance. In 2014, Kooperativa modified its products in order to comply with the requirements set forth under the new Civil Code, and it launched a new sales model for comprehensive fleet insurance. The most important insurance brokers working with Kooperativa include RENOMIA, a.s. and its RENOMIA NETWORK, GrECo JLT Czech Republic s.r.o., Pojišťovací makléřství INPOL a.s., C.E.B, a.s., RESPECT, a.s., MARSH, s.r.o., Aon Central and Eastern Europe a.s. and INSIA a.s. The quality of the services and products provided was reflected in the award received by Kooperativa in the "Insurance Company of the Year" survey conducted by the Association of Czech Insurance Brokers.

Česká Spořitelna is a strategic business partner of Kooperativa, and Kooperativa is the most important external supplier of the Česká Spořitelna Financial Group – particularly with respect to loans. As for the production of Česká Spořitelna external suppliers, Kooperativa contracted 12% of the loans. Kooperativa's cooperation with the Česká Spořitelna Financial Group provides a more comprehensive offer for the bank's clients.

As insurance intermediaries, Kooperativa's loan specialists are able to provide clients with a comprehensive range of housing-related services. Housing financing is handled through a mortgage from Česká Spořitelna or a building savings loan from Stavební Spořitelna České Spořitelny. The branches of Česká Spořitelna and its alternative distribution channels continue to offer services provided by Kooperativa, especially in the areas of credit card insurance, travel and property insurance.

In 2014, Kooperativa also continued to develop insurance sales tools using cutting-edge information technologies via internet or phones. This type of sales channel is primarily used by younger and middle-aged clients who prefer fast and efficient communication. Currently, it is possible for clients to purchase a wide range of non-life insurance products online (MTPL insurance, motor hull insurance, travel insurance, doctor's office insurance, and household or real estate insurance). A full range of non-life insurance products is available to clients when making a purchase over the phone.

An important new technology that will have a great impact, and not only on sales service, is the use of a biometric signature when contracting an insurance policy. At the end of 2014, Kooperativa successfully tested the biometric signature in a pilot program, and all points of sales will receive equipment allowing for the use of biometric signatures for contracting insurance in 2015.

Motor Vehicle Insurance

After experiencing several years of decline, motor vehicle insurance again recorded growth in the Czech Republic in 2014. After two years, MTPL insurance exceeded a written premium of CZK 20 billion and grew by 4.6%. As for motor hull insurance, a written premium growth accelerated by 0.2%; however, total growth totalled only 1% in 2014.

Kooperativa reached a total motor vehicle written premium of CZK 8.11 billion, i.e. growth of 24% compared to 2013. The growth was caused mainly by solid retail results in both motor hull and MTPL insurance. At the end of 2014, Kooperativa was managing over 1.42 million MTPL policies and 370 K motor hull policies. This led to Kooperativa strengthening its no. 1 position on the motor hull insurance market.

In light of the new Civil Code, Kooperativa has prepared updated versions of products with new insurance terms and conditions, implemented direct segmentation in retail products and enhanced its offer of additional insurance, namely

with the unique PROSPORTY product. This additional insurance of sporting equipment is meant for all standard passenger cars, vans and campers under 8 tons. This insurance covers both sporting equipment (skis, bikes, etc.) placed on the roof or inside the vehicle, along with carriers, boxes, etc., and the vehicle transporting the equipment. An important benefit of PROSPORTY coverage is that it can be contracted by anybody without having any other insurance contracted with Kooperativa.

Property and Liability Insurance

Due to the new Civil Code becoming fully effective from 1 Jan. 2014, upgraded sales products were also implemented for personal and standard entrepreneurial insurance. It is apparent that the improved product offer is competitive, and it has received positive business feedback. As for personal insurance, Kooperativa was successful – as usual – and written premiums reached CZK 2.66 billion, i.e. growth of 2.9% compared to 2013. At the same time, the portfolio in personal insurance exceeded 1 million insurance policies. The achieved results indicate the quality of both the offered products and the follow-up service provided.

The overall indexation of older property insurance policies contracted between 2004 and 2008 reported positive feedback. Half of the clients used the opportunity to update their sums insured and therefore also the premiums. This tool, including fully automated operational support, should limit the risk of underinsurance in property insurance and hence contribute to the full indemnification of clients' respective claims.

At the beginning of 2014, we launched a new additional insurance, covering legal protection in consumer relations, that can be contracted under household insurance. The insurance covers legal consulting services and the costs incurred for legal representation, court fees or expert remuneration, up to CZK 200,000. Insured clients may use this insurance for, among other things, disputes relating to warranty claims for faulty products or services. It covers all household members.

In cooperation with the Czech Insurance Association, Kooperativa introduced in September a new version of flood maps called AQUARIUS 2014. The flood zones are defined based on a new modern method for land scanning. 30,000 km of water streams have already been mapped in the Czech Republic. Introducing a higher versions will contribute to the improvement of flood risk underwriting.

NON-LIFE INSURANCE PREMIUMS WRITTEN (in thousands of CZK)



As for standard entrepreneurial insurance, strong competition persisted, which led to immense pressure on insurance rates. We therefore focused on sales service support and portfolio stabilisation. We still recorded a portfolio growth of almost 2,600 insurance policies; written premiums totalled CZK 1.29 billion, i.e. a year-on-year decrease of 0.8%. However, the implemented measures greatly decelerated the premium decrease.

As for the products offering entrepreneurial insurance, the Trend product, which allows tailor-made insurance to be contracted according to client needs, remained the first choice. The START PLUS product is becoming popular as it targets self-employed persons and small businesses. It is a comprehensive insurance package covering all risks that could jeopardize a company in its activities. Due to the new Civil Code, higher limits in liability insurance are more popular; this can be seen mainly in liability insurance for health care providers.

In 2015, Kooperativa will focus on further simplification of the underwriting process and on the creation of special insurance program for significant brokers.

Commercial Risk Insurance

The special types of insurance coverage sought by large companies and industrial enterprises, as well as other non-standard types of risk, are handled at Kooperativa by its Commercial Risk Insurance Department. The most important insurance clients include Česká spořitelna, a.s., Dopravní podnik hl. m. Prahy, a.s., Metrostav a.s., ČEZ, a.s., MERO ČR, a.s. and České dráhy, a.s. In 2014, the total written premiums for commercial risks policies amounted to CZK 3.65 billion.

The insurance program for our clients are usually prepared in cooperation with insurance brokers. For each client, a customized insurance program is composed based on his particular needs. The most prominent brokerage offices with the highest intermediated premiums, and which cooperate with Kooperativa, are RENOMIA, a.s. and its RENOMIA NETWORK, GrECo JLT Czech Republic s.r.o., Pojišťovací makléřství INPOL a.s., C.E.B., a.s., RESPECT, a.s., MARSH, s.r.o., Aon Central and Eastern Europe a.s., and INSIA a.s.

As for industrial and entrepreneurial risk insurance, Kooperativa has been among the top companies in the Czech Republic for many years. Excellent cooperation is the key to success in this area. The success rate of business negotiations is also increased by high-quality software support provided during the pre-contractual phase, when generating quotes and insurance policy drafts. Kooperativa's commercial clients also greatly appreciate the quality of the customer service delivered by our department and its prompt settlement of any related claims.

As part of the VIG Group, Kooperativa is also active in the group's international business. A new sales model for comprehensive fleet insurance was launched successfully, and the products and documents were finalised due to the new Civil Code.

As for insurance claims, the Czech Republic experienced a more favourable year as compared to 2013. However, the trend of more frequent fires, often resulting in extremely high property loss, continued.

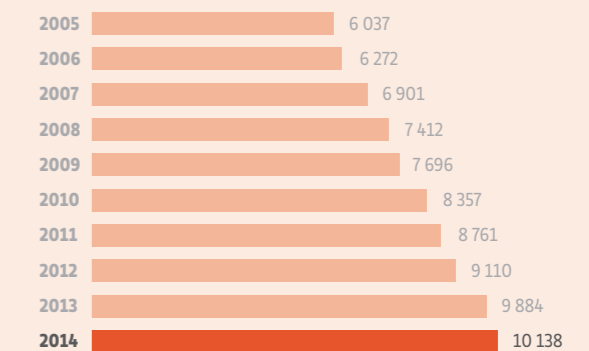
Life Insurance

In 2014, the life insurance market stagnated; more or less stagnated; nevertheless, Kooperativa succeeded and recorded moderate growth. Total life insurance growth amounted to 2.6%, with 2.7% and 2.3% in current and single-paid premiums respectively. The total written premiums exceeded CZK 10 billion.

The year 2014 was marked by two important legislative changes. The new Civil Code and the Amendment of Income Tax Act came into force on 1 January 2014 and 1 January 2015, respectively. Clients were obliged to decide till the end of 2014 whether they wanted to apply the tax allowance to their life insurance, and hence be able to withdraw their money at the age of 65, or to be able to make extraordinary withdrawals at anytime but not be able to apply the tax allowance. Hence, at the end of the year insurance companies contacted clients with the policy change proposal which corresponded to their decisions.

These extensive legal regulations resulted mainly

LIFE INSURANCE PREMIUMS WRITTEN (in thousands of CZK)



in the generally higher activity of both clients and financial intermediaries in Q4. Both policy cancellations and new business increased rose. Some clients made last-minute withdrawals; we disbursed over one billion CZK.

In spite of all the turbulent legislative changes, we succeeded in launching a brand new health care insurance product exceeding the standard, namely the BEST DOCTORS insurance. The PERSPEKTIVA product remained the most sold product and underwent a moderate facelift.

Firstly, we allow our clients to contract insurance without all the nasty paperwork just by using their own digital signature. This is an important step in improving customer care, with everything being convenient and safe. Secondly, with regard to other life insurance products, we are preparing an upgrade of our most popular product, PERSPEKTIVA, as well as some modifications and improvements to risk insurance. Detailed information will be published during the year.

Travel Insurance

Since January 2014, insurance coverage has been extended to include several new risks on account of the novelties introduced in the contractual documentation which we had prepared. We newly tried to reduce potential sufferings for clients travelling by air in case their luggage or flight was delayed when staying abroad.

The most popular destinations for our clients in the course of the year remained Greece, Croatia, Turkey, Italy, Austria and Slovakia. For several years, the trend in travel insurance has undoubtedly been marked by an increase in the number of policies where clients who purchase our travel insurance product also add a supplementary insurance covering extreme sports. We attribute these to the growing popularity of this types of leisure activities.

In 2014, the total amount of written premiums in travel insurance amounted to CZK 295 million, which represents a year-on-year increase of 1%. We contracted 300,000 travel insurance contracts and settled 7,900 insurance claims; 4,500 cases thereof were related to disbursement of insurance indemnity from the insurance of medical expenses, which account for the highest share in the number of settled claims. The most common cause of compensation from the insurance of medical expenses during summer holidays is troubles related to vacations at the seaside, and during the winter season we most often assist in injuries connected with down-hill skiing across all of Europe. In 2014, Kooperativa disbursed a total of CZK 88 million for insurance indemnity from travel insurance.

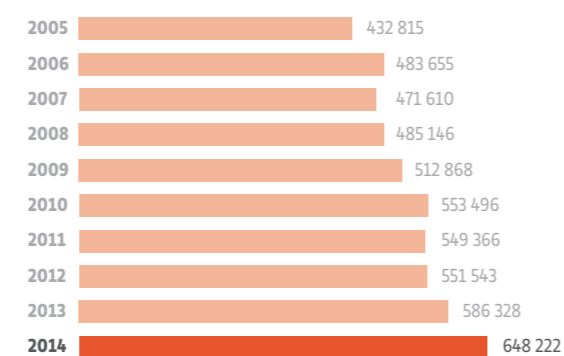
The moderate increase in the number and share of travel insurance policies purchased online has continued to grow. In 2014, this method of purchase was used by more than 10% of Kooperativa's clients. Kooperativa has included this option for arranging travel insurance in its mobile application KOOP Asistent, which clients can install on their smartphones free-of-charge.

Claims Adjustment

During 2014, employees in the claims adjustment centres of Kooperativa handled a total of 648 thousand insurance claims, 10% more than in 2013. Similar to 2013, the insurance indemnity paid out amounted to almost CZK 20 billion. Life insurance in particular recorded an increase in insurance claims: in 2014, Kooperativa settled almost 60 thousand more claims than in 2013.

The Claims Adjustment Centre for Motor Vehicle Insurance handled 116,000 claims from motor hull insurance and 66,000 claims from motor third-party liability insurance

NUMBER OF CLAIMS SETTLED (actual number)



in 2014. This total number of 182,000 vehicle-related claims was slightly above the number of similar claims filed in the previous year.

2014 was significantly affected by the new Civil Code. Claims adjusters had to adapt themselves to the new processes and rules in the claims settlement system.

The most significant impacts were recorded in the area of compensation for so-called "non-material damage". Compensation for damages for pain and suffering and an aggravated position in society increased markedly, i.e. they essentially tripled. Lump-sum compensation for survivors has also been gradually increasing. Employees of the Claims Adjustment Centre for Motor Vehicle Insurance continued to develop a cooperation with branded as well as unbranded car service centres and windshield repair shops. Contractual relationships with those entities have positively affected the results of the entire Company. Other measures were aimed at penalties and recourses, capitalization of annuities and the detection of purposeful misbehaviour on the part of clients.

The Claims Adjustment Centre for Property and Liability Insurance recorded a total of 141,000 insurance claims in 2014, which was roughly 10,000 more than in 2013. In 2014, Kooperativa's clients filed more than 20,000 claims related to natural disasters: 1,300 of them were due to fire, 5,300 to windstorms and hailstorms, 2,500 to flooding and 2,300 to lightning.

The greatest natural disaster last year was the torrential rains in July, which on their own caused damage to Kooperativa's clients amounting to CZK 100 million. The most affected areas were Prague and the Central Bohemia Region.

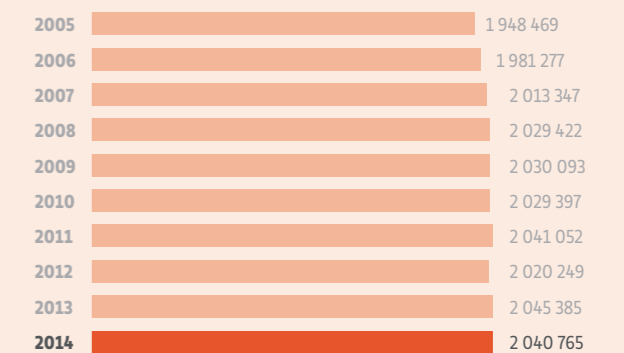
Customer Support

From the perspective of the Customer Support Centre, the past year focused on stabilisation, optimization and further development of processes in order to increase the efficiency and to improve the quality of the customer services provided by employees of the centre.

In 2014, the Contact Centre operators handled 950,000 call and 223,000 requests received from clients via e-mail. Over the course of the year, the Company saw the use of electronic communications again increase by another significant 16%; the number of calls increased year-on-year by 3%. On the other hand, the overall breakdown and composition of the calls received were basically the same from one year to the next. The most common types of incoming calls (53%) were either product-related or related to some other type of specific question. 30% of the calls were related to filing a claim as a result of an insured event, and the remaining 17% of last year's incoming calls were related to follow-up on the status of a claim.

Compared to 2013, the service indicator did not change very much in 2014 and amounted to 96%, while the service level indicator for the info line showed that 81% of the calls were answered within 30 seconds in the monitored period. In other words, despite the increase in the volume of calls and electronic communications,

KOOPERATIVA – NUMBER OF CLIENTS



we succeeded in maintaining the availability of customer services above the standard KPI values set for the long term.

In the last year, we successfully implemented the OneMail program, which helps to sort and process incoming e-mails in a better and more efficient way. Furthermore, this tool made it possible to unify incoming e-mails and calls in one environment, which increased, among things, the efficiency of operators and offered a more detailed overview of happenings in the Contact Centre.

In the area of central registry and mail room, we successfully continued with the Optimization of Registry Services Management project in VIG CR, which was started in 2013. In 2014, we took over the complete registry documentation of Pojišťovna České spořitelny as well as two other subsidiary companies of VIG CR. At the same time, we expanded services related to receiving and subsequently digitizing the vendor invoices of subsidiary companies. Other optimization measures adopted on the level of processes made it possible not only to widen the scope of provided activities in the Central Registry and Mail Room Department, but also to reduce the number of necessary HR capacities in this department.

Marketing Communication in 2014

In cooperation with a new advertising and media agency, we launched an image campaign using the newly defined concept of an “unfinished story” in 2014. Within just two days, we filmed 12 commercial spots that are each 15 seconds in length. Four spots supporting the newly introduced PROSPORTY product loosely picked up the threads of this campaign during autumn. In the area of online advertising, we confirmed the new agency, or rather group of three agencies, and started to completely redesign Kooperativa’s web site. Sponsoring activities were supplemented by a new partnership with the men’s National Basketball League, where we expect long-term support of basic brand image attributes as well as increased occurrence of the brand within the media. The network of branch offices was stable in 2014; we mainly focused on strengthening and systematizing partnership offices of the Entrepreneurial Vision type.

Public Relations

The Public Relations Department is responsible for both cooperation with the media and internal communication. In 2014, it issued a total of 31 press releases and answered over 350 questions from journalists. As a result of its efforts, Kooperativa was mentioned in the media over 3,400 times. The most important topics of 2014 were legislative changes – the new Civil Code was introduced at the beginning of the year and tax treatment of life insurance in the second half of the year. In the summer, both external and internal communication was dedicated to supporting the new BEST DOCTORS product. In the last quarter of 2014, external communication presented the successful digital signature project, which makes it possible to perform the entire process of signing insurance policies in electronic form, i.e. without the need to print paper copies.

The primary tools for internal communication in 2014 were the corporate intranet and the Company magazine Smaragd. Presentation of information from the Company on the TV screens installed in the Company’s headquarters in Prague - Karlín was enhanced by videos from Kooperativa’s sports games. As an additional form of internal communication in 2014, the PR Department organized several breakfasts with the CEO, attended by a total of over 50 employees.

Insurance Contract Administration Centre

The Insurance Contract Administration Centre provides underwriting and actuarial services related to the acquisition of new business and administration of standard insurance policies of non-life insurance as well as insurance of persons. In other words, it takes care of the life cycle of each insurance policy in the Company.

In 2014, the centre’s personnel re-focused on efforts to further automate processes, optimize the arranging of insurance policies and reduce the time needed to process data from insurance contracts, standardize and optimize processes in the area of policy administration, and continuously improve the existing client database.

Another important area that was given particular attention was once again the effort to maximize the volume of electronic communication with clients – as opposed to standard dispatching of letters by regular mail.

The Insurance Contract Administration Centre continues to be actively involved in the development of the new online quoting tool for acquisition agents, which provides for greater comfort for the acquisition agent in the area

NUMBER OF POLICIES at year-end (actual number)



of arranging insurance contracts as well as working with clients.

The priority for the upcoming years remains the development of Internet applications, in the area of both contracting insurance policies and online communication, with the objective of sustaining as high a standard of customer services as possible.

HR Management Division

2014 was full of changes and innovations for the HR Management Division. The Trainee Program has already become a traditional project. As in previous years, we also cooperated with Czech universities to promote the Company by attending job fairs, participating in expert discussion forums and helping students to prepare for job interviews. A number of our employees are also involved in providing professional advice to university students working on graduation theses.

Furthermore, the HR Management Division continued to develop activities in the area of diversity and equal opportunity, which started in 2013 with the signing of the “Diversity Memorandum 2013+”. Within a cooperation with the professional platform called “Byznys pro společnost” [Business for Society], we were actively involved in two thematic expert groups: TES Women Leadership and TES Age Management; we also participated in a conference dedicated to the topic

NUMBER OF EMPLOYEES (actual number at year end)



“Diversity – Getting Women on Board”.

In the area of diversity, we focused in particular on the topic of insufficient representation of persons with

disabilities among our employees and unbalanced representation of women and men in management. The diversity topic was included in the HR Strategy, and we will continue with its further development in the coming years.

Almost 600 employees participated in the Days of Health in Regions within the “Zdravá firma” [Healthy Company] program. These Days of Health are primarily directed at preventive health care and education in the area of health care, exercise and lifestyle. Quarterly prevention programs were regularly organized for the employees.

The area of benefits was enhanced by a group of benefits for employees with disabilities. They can obtain financial contributions for spa treatments, medical supplies or other needs. A new motivational system was created for all departments; it is managed by first-line managers and oriented at supporting and stimulating teams as well as individuals.

In the area of payroll accounting, the division had to deal with substantial legislative changes. In particular, the coming into force of the new Civil Code, as well as the withdrawal of effectiveness of several laws introduced by the government’s austerity package approved for the years 2013 – 2015, had a significant impact on payroll accounting. Several laws with retroactive effect from 1 January 2014 were passed at the end of 2014. This coexistence of different legislative changes took place mainly in issues related to taxation. Despite these difficulties, the HR Management Division was able to implement all these changes into the existing payroll system. The correctness of the new computational methods was confirmed by the inspection results of state authorities, who did not discover any errors in this respect. As for communication with these state authorities, the HR Management Division tries to use electronic communications, which are more efficient and in line with the trend and efforts of the division to modernize its human resources management practices, to the maximum extent possible.

In the area of employee development, we continue with the Professional Minimum, which always takes place on the second day at work. This Professional Minimum, which has already become a tradition, has been supplemented by a motivational meeting called “Moje Kooperativa” [My Kooperativa] for senior colleagues; it is also used as an opportunity to express our thanks for their work done for Kooperativa.

Another important activity in the area of employee development was the start of implementation of the so-called “Competence Modell”; the Training Department actively participated therein by designing e-learning and organizing trainings for executives, as well as performing other activities.

The Training Department has significantly expanded the number of internal courses lead by lecturers from the department, such as Pro-Client Approach, courses for reception clerks, telephoning courses, Nonviolent Communication, etc. Some of these courses were designated for other companies within the group, and thus the department also participated in outsourcing activities. In particular, the Pro-Client Approach courses were of significant importance for Global Expert and Presentation Skills courses for Česká podnikatelská pojišťovna. As part of the transition to SAP, internal trainers continued to organize trainings for employees.

In cooperation with the Sales Support Division, the Training Department was involved in an extensive monitoring of the effective specialist qualifications of insurance intermediaries, i.e. in terms of booth Act no. 38/2004 Coll. and the measures against Money Laundering and Terrorist Financing.

In 2014, the HR Management Division also achieved great results in the area of outsourcing activities performed for other companies within the VIG group. It traditionally provides HR management and payroll support for VIG RE zajišťovna, a.s. and Pojišťovna České spořitelny. During the year, we also began to completely provide outsourcing support for Obecně prospěšná společnost Kooperativy as well as for the subsidiary company of Global Expert, s. r. o. Since these projects were managed with success, we began to prepare for outsourcing support for Benefita, a.s. and VIG ND, a.s. at the end of 2014.

Reinsurance

The reinsurance strategy of Kooperativa does not change and represents a significant stabilization factor within the company. As in previous years, we arranged conservatively low retentions and sufficient reinsurance capacities.

The key reinsurance program from the perspective of potential cumulative damages was given by the reinsurance treaty covering risks associated with a natural catastrophe. The program capacity exceeded the simulated 250-year loss return period and was thus able to meet the capacity requirements resulting from the new Solvency II regulatory framework. Modelling and placement of this program was performed in cooperation with renowned reinsurance brokers AonBenfield and Willis.

The structure of the reinsurers involved in all reinsurance programs met the requirements for sufficient diversification and rating quality. The reinsurance program was mainly placed with reinsurers rated A+ or higher by the rating agency Standard & Poor’s. Besides the group’s own reinsurers, VIG Re and VIG holding, the most important and also traditional partners were the world’s largest reinsurers SCOR, Munich Re and Swiss Re.

Subsequent Events

Subsequent to the date of issue of the financial statement, there were no subsequent events in the area of reinsurance which could have a significant impact on the financial statement as at 31 December 2014, such as should be disclosed herein.

Supervisory Board Report

Kooperativa pojišťovna, a.s., Vienna Insurance Group

The Supervisory Board received the annual financial statement prepared by the Board of Directors, including the proposal for appropriation of profit from 2014 and the report on economic results, business activity and company status as of 31 December 2014. After a thorough examination, the Supervisory Board adopted a unanimous resolution to approve the annual financial statement and to declare its agreement with the Board of Directors proposal for appropriation of profit for 2014.

The Supervisory Board of the Company fulfilled its tasks in the course of the year 2014 pursuant to articles of the Company and valid legal regulations, particularly Act No. 90/2012 Coll., on Business Corporations, as amended. The Supervisory Board reports that it has taken the opportunity as supervising body to comprehensively monitor the performance of the Board of Directors and the business and economic activities of the Company. One Annual General Meeting and four Supervisory Board meetings were held in 2014.

The Supervisory Board informs the General Meeting that the 2014 annual financial statement was reviewed by the auditor KPMG Česká republika Audit, s. r. o. The auditor determined that the annual financial statement gives a true and fair view of the financial position of the Company and its economic results as at 31 December 2014. The Supervisory Board received the audit, reviewed and discussed it and concluded that the final results of the review had provided no basis for reservations. The Supervisory Board declares that it has nothing to add to the auditor's report.

The Supervisory Board further examined the report on relationships between related parties prepared by the Board of Directors pursuant to the Section 82 Business Corporations Act. The Supervisory Board stated that no deficiencies had been identified in this report.

Vienna, March 2015



Dr. Peter Hagen
Chairman of the Supervisory Board

The Leading Insurance Specialist in Austria and CEE



AUSTRIA WIENER STÄDTISCHE VIENNA INSURANCE GROUP //onau VIENNA INSURANCE GROUP S-VERSICHERUNG VIENNA INSURANCE GROUP	SLOVAKIA Kooperativa VIENNA INSURANCE GROUP KOMUNÁLNA POIŠŤOVNA VIENNA INSURANCE GROUP POIŠŤOVŇA SLOVENSKEJ ŠPORTILNE VIENNA INSURANCE GROUP	BULGARIA BULSTRAD VIENNA INSURANCE GROUP Life BULSTRAD VIENNA INSURANCE GROUP	UKRAINE КНЯЖА VIENNA INSURANCE GROUP ГЛОБУС VIENNA INSURANCE GROUP ЮПІТЕР VIENNA INSURANCE GROUP УКРАЇНСЬКА СТРАХОВА ПРИБА VIENNA INSURANCE GROUP	TURKEY RAYSIGORTA VIENNA INSURANCE GROUP
ITALY BRANCH WIENER STÄDTISCHE VIENNA INSURANCE GROUP //onau VIENNA INSURANCE GROUP	POLAND COMPENSA VIENNA INSURANCE GROUP InterRisk VIENNA INSURANCE GROUP BENEFIA VIENNA INSURANCE GROUP POLISA-ŻYCIE VIENNA INSURANCE GROUP skandia VIENNA INSURANCE GROUP	CROATIA WIENER OSIGURANJE VIENNA INSURANCE GROUP ERSTE OSIGURANJE VIENNA INSURANCE GROUP	ESTONIA COMPENSA VIENNA INSURANCE GROUP	ALBANIA SIGMA INTERALBANIAN VIENNA INSURANCE GROUP INTERSIG VIENNA INSURANCE GROUP
SLOVENIA BRANCH WIENER STÄDTISCHE VIENNA INSURANCE GROUP	ROMANIA OMNIASIG VIENNA INSURANCE GROUP ASIROM VIENNA INSURANCE GROUP DE VIATA BCR ASIGURARI VIENNA INSURANCE GROUP	HUNGARY UNION BIZTOSÍTÓ VIENNA INSURANCE GROUP ERSTE BIZTOSÍTÓ VIENNA INSURANCE GROUP viennalife VIENNA INSURANCE GROUP	LATVIA COMPENSA VIENNA INSURANCE GROUP	MACEDONIA ОСИГУРУВАЊЕ МАКЕДОНИЈА VIENNA INSURANCE GROUP WINNER VIENNA INSURANCE GROUP Life WINNER VIENNA INSURANCE GROUP
CZECH REPUBLIC Kooperativa VIENNA INSURANCE GROUP ČPP VIENNA INSURANCE GROUP POIŠŤOVNA ČESKÉ ŠPORTILNE VIENNA INSURANCE GROUP VIG Re	SERBIA WIENER STÄDTISCHE VIENNA INSURANCE GROUP	LITHUANIA COMPENSA VIENNA INSURANCE GROUP	MONTENEGRO Život WIENER STÄDTISCHE VIENNA INSURANCE GROUP	BOSNIA HERZEGOVINA WIENER OSIGURANJE VIENNA INSURANCE GROUP
		MOLDOVA DONARIS VIENNA INSURANCE GROUP	GERMANY InterRisk VIENNA INSURANCE GROUP	
		BELARUS КУПАЛА VIENNA INSURANCE GROUP	LIECHTENSTEIN VIENNA-LIFE VIENNA INSURANCE GROUP	
		GEORGIA GPI VIENNA INSURANCE GROUP IFAO VIENNA INSURANCE GROUP		

January 2015
www.vig.com

Vienna Insurance Group

Company Profile

Approximately 23,000 Vienna Insurance Group (VIG) employees, in about 50 Group companies in 25 countries, generated around EUR 9.1 billion in premiums in 2014. This makes the Group one of the leading exchange-listed insurance groups in Austria as well as Central and Eastern Europe. As the number 1 in its core markets, VIG provides its customers an outstanding portfolio, offering a wide range of property and casualty, life and health insurance products and services.

From Austria to Central and Eastern Europe

VIG's roots go all the way back to the year 1824 in Austria: 190 years of history in which the Company developed from a successful local insurer to a leading international insurance group. The story begins with Wiener Städtische, one of the first Western European companies in its industry to recognise the growth opportunities in Central and Eastern Europe, and to take a chance on entering the market in the former Czechoslovakia in 1990. Additional markets followed, with the Company expanding into Hungary in 1996, Poland in 1998, Croatia in 1999 and Romania in 2001, to mention only a few examples. Following its entry into the Moldovan market in 2014, Vienna Insurance Group now operates in 25 markets.

Number 1 in its core markets

VIG's core markets include Austria, the Czech Republic, Slovakia, Poland, Romania, Bulgaria, Croatia, Hungary, Serbia and Ukraine. With a market share of more than 19%, VIG is the clear number 1 insurer in these markets.

The VIG markets in Central and Eastern Europe generated more than half of the approximately EUR 9.2 billion in Group premiums in 2014 – a clear indication of the success of the CEE expansion strategy. VIG is convinced that the region will continue to converge economically, leading to further increases in the demand for insurance.

VIG RE, the reinsurance company that was established by VIG in 2008, has its registered office in the Czech Republic, thereby stressing the importance of the CEE region as a growth market for VIG.

Customer proximity – in 25 markets

Local entrepreneurship, and the customer proximity it brings, plays a key role in VIG's success and is reflected in the regional ties, multi-brand strategy and the wide variety of distribution channels used. The Group therefore intentionally relies on established regional brands united under the Vienna Insurance Group umbrella, because it is the individual strengths of these brands and local expertise that make VIG successful as a corporate group.

Success thanks to a focus on our core business and binding values

VIG is a progressive, highly risk-conscious insurer that focuses on its core business, the insurance business. It offers security in the form of reliability, trustworthiness and soundness – not only to its customers, but also in its dealings with business partners, employees and shareholders. All its business decisions in this regard are based on ethical values such as honesty, integrity, diversity, equal opportunity and customer orientation.

The effects of this fundamental approach are shown not only by its strategy of continuous sustainable growth, but also its excellent creditworthiness. In July 2014 the internationally recognised rating agency Standard & Poor's confirmed its A+ rating with a stable outlook. As a result, VIG continues to have the best rating of all companies in the ATX, the leading index of the Vienna Stock Exchange.

Two strong partners in the CEE region: VIG and the Erste Group

The Erste Group is one of the leading banking groups in Central and Eastern Europe, with strong ties to Austria. VIG and the Erste Group entered into a strategic partnership in 2008 that has benefited both of them. In markets where both groups are active, Erste Group branches market VIG insurance products and VIG Group companies offer Erste Group bank products in return.

Strong stock-exchange presence, long-term principal shareholder

VIG shares have been listed on the Vienna Stock Exchange since October 1994. At the end of 2014, slightly more than 20 years after its IPO, VIG was one of the top companies in the Prime Market of the Vienna Stock Exchange with a market capitalisation of around EUR 4.8 billion. While the ATX leading index fell by 15.2% in 2014, VIG shares once again proved their stability by achieving a price gain of around 24%. The Company's dividend policy is based on stability and continuity. VIG has paid a dividend every year since its IPO, the latest being EUR 1.30 per share in 2013.

VIG's secondary listing on the Prague Stock Exchange in February 2008 underscores the great importance of the Central and Eastern European region to the Company. With a market capitalisation of around CZK 132.1 billion, VIG was also one of the largest companies on the Prague Stock Exchange at the end of 2014.

Around 70% of VIG's shares are held by Wiener Städtische Versicherungsverein, a stable principal shareholder with a long-term orientation. The remaining shares are in free float.

Employer of choice

In addition to being first choice for insurance products, VIG also wants to be the first choice as an employer and to attract the most talented and intelligent employees. A wide array of measures, such as identifying and developing each employee's individual skills, are implemented by a modern People Management department. Diversity is seen as an opportunity and is part of day-to-day life at VIG. Importance is attached to creating the conditions needed to enable women to develop their full potential. This is because Vienna Insurance Group is aware that its success is based on people, and therefore on the dedication of its approximately 23,000 employees.

Further information on VIG is available at www.vig.com and in the VIG Group Annual Report.

Independent Auditor's Report to the Shareholders



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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

We have audited the accompanying financial statements of Kooperativa pojišťovna, a.s., Vienna Insurance Group, which comprise the balance sheet as of 31 December 2014, and the income statement and the statement of changes in equity for the year then ended, and the notes to these financial statements including a summary of significant accounting policies and other explanatory notes. Information about Kooperativa pojišťovna, a.s., Vienna Insurance Group is set out in Note 1 to these financial statements.

Statutory Body's Responsibility for the Financial Statements

The statutory body of Kooperativa pojišťovna, a.s., Vienna Insurance Group is responsible for the preparation of financial statements that give a true and fair view in accordance with Czech accounting legislation and for such internal controls as the statutory body determines are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Act on Auditors and International Standards on Auditing and the relevant guidance of the Chamber of Auditors of the Czech Republic. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

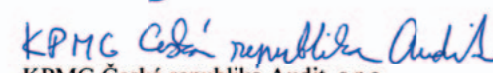
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

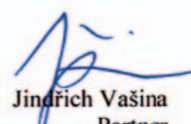
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of Kooperativa pojišťovna, a.s., Vienna Insurance Group as of 31 December 2014, and of its financial performance for the year then ended in accordance with Czech accounting legislation.

Prague
10 March 2015


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


Jindřich Vašina
Partner
Registration number 2059

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Obchodní rejstřík vedený
Městským soudem v Praze
oddíl C, vložka 24185.
IČ 49619197
DIČ CZ699001996

FINANCIAL SECTION

Independent Auditor's Report
and the Financial Statement
for the year ending
31 December 2014

Balance sheet as at 31 December 2014 – ASSETS

(In thousands of Czech crowns TCZK)

Description	2014 Gross	2014 Adjustment	2014 Net	2013 Net
I. ASSETS				
A. Receivables for subscribed registered capital				
B. Intangible fixed assets, thereof	4 037 016	3 937 865	99 151	76 265
a) Incorporation expenses				
b) Goodwill	3 068 798	3 068 798		
C. Financial placements (investments)	55 899 720		55 899 720	55 769 028
I. Land and buildings (real estate), thereof	1 807 983		1 807 983	1 743 312
a) Land and buildings – self-occupied	1 688 875		1 688 875	1 688 147
II. Investments in affiliated undertakings and participating interests	6 578 923		6 578 923	7 016 059
1. Participating interests with controlling influence	6 504 662		6 504 662	7 011 259
2. Debt securities issued by, and loans to, undertakings – controlling influence				4 800
3. Participating interests with significant influence	74 261		74 261	
4. Debt securities issued by, and loans to, undertakings – significant influence				
III. Other financial placements	47 512 814		47 512 814	47 009 657
1. Shares and other variable-yield securities, other participating interests	6 280 040		6 280 040	5 073 434
2. Bonds and other fixed-income securities	40 299 013		40 299 013	39 431 919
a) bonds and other fixed-income securities valued at fair value through profit and loss	3 345 492		3 345 492	2 285 443
b) „OECD“ bonds held to maturity	32 984 825		32 984 825	32 731 857
c) other bonds and other fixed-income securities held to maturity	3 968 696		3 968 696	4 414 619
3. Financial placements in investment associations				
4. Other loans	12 000		12 000	45 599
5. Deposits with financial institutions	846 100		846 100	2 292 186
6. Other financial placements	75 661		75 661	166 519
IV. Deposits with ceding undertakings				
D. Financial placements for the benefit of life assurance policyholders who bear the investment risk	3 556 286		3 556 286	3 375 482
E. Debtors	2 791 648	767 847	2 023 801	2 253 725
I. Receivables arising from direct insurance operations	2 143 454	764 629	1 378 825	1 723 680
1. Receivables due from the policyholders, thereof	2 034 285	666 114	1 368 171	1 703 916
a) Receivables due from entities in which the Company has a controlling influence				
b) Receivables due from entities in which the Company has a significant influence				
2. Receivables due from intermediaries, thereof	109 169	98 515	10 654	19 764
a) Receivables due from entities in which the Company has a controlling influence				
b) Receivables due from entities in which the Company has a significant influence				

Description	2014 Gross	2014 Adjustment	2014 Net	2013 Net
ASSETS				
II. Receivables arising from reinsurance operations, thereof	39 935		39 935	91 061
a) Receivables due from entities in which the Company has a controlling influence				
b) Receivables due from entities in which the Company has a significant influence				
III. Other receivables, thereof	608 259	3 218	605 041	438 984
a) Receivables due from entities in which the Company has a controlling influence				
b) Receivables due from entities in which the Company has a significant influence				
F. Other assets	2 432 990	465 490	1 967 500	1 215 664
I. Tangible fixed assets other than land and buildings (real estate), and inventories	743 756	465 490	278 266	253 371
II. Cash on accounts in financial institutions and cash in hand	1 689 234		1 689 234	962 293
III. Other assets				
G. Temporary asset accounts	5 839 911		5 839 911	5 275 576
I. Accrued interest and rent	2 447		2 447	20 328
II. Deferred acquisition costs	3 364 682		3 364 682	3 597 141
a) in life-assurance business	2 671 608		2 671 608	2 953 984
b) in non-life insurance	693 074		693 074	643 157
III. Other temporary asset accounts, thereof	2 472 782		2 472 782	1 658 107
a) Estimated receivables	401 851		401 851	-58 992
TOTAL ASSETS	74 557 571	5 171 202	69 386 369	67 965 740

Balance sheet as at 31 December 2014 – LIABILITIES

(In thousands of Czech crowns TCZK)

Description	2014	2013
II. LIABILITIES		
A. Equity	13 795 286	14 314 640
I. Registered capital, thereof	3 000 000	3 000 000
a) Changes in registered capital		
II. Share premium	37 875	37 875
III. Revaluation fund		
IV. Other capital funds	1 076 800	1 240 080
V. Statutory reserve fund and other funds from profit	7 015 944	6 578 187
VI. Profit or loss brought forward		
VII. Profit or loss for the financial year	2 664 667	3 458 498
B. Subordinated liabilities	557 001	557 001
C. Technical provisions	43 104 166	42 572 163
1. Provision for unearned premiums		
a) gross amount	5 040 550	4 981 216
b) reinsurance share (-)	921 161	926 110
2. Life assurance provision		
a) gross amount	26 610 674	26 389 035
b) reinsurance share (-)	26 610 674	26 389 035
3. Provision for outstanding claims		
a) gross amount	15 916 425	15 984 441
b) reinsurance share (-)	6 825 740	6 092 226
4. Provision for bonuses and rebates		
a) gross amount	516 092	510 647
b) reinsurance share (-)	15 501	13 798
5. Equalization provision		
a) gross amount		
b) reinsurance share (-)		
6. Other technical provisions		
a) gross amount		
b) reinsurance share (-)		
7. Provision for liabilities from the technical interest rate applied		
a) gross amount	2 099 930	930 850
b) reinsurance share (-)	2 099 930	930 850
8. Non-life insurance provision		
a) gross amount	2 488	2 932
b) reinsurance share (-)	2 488	2 932
9. Provisions for liabilities of the Bureau		
a) gross amount	680 409	805 176
b) reinsurance share (-)	680 409	805 176

Description	2014	2013
II. LIABILITIES		
D. Life assurance technical provision where the investment risk is borne by the policyholders		
a) gross amount	3 556 286	3 375 482
b) reinsurance share (-)	3 556 286	3 375 482
E. Provisions	84 983	130 762
1. Provisions for pensions and similar obligations		27 477
2. Provisions for taxation		
3. Other provisions	84 983	103 285
F. Deposits received from reinsurers	3 537 674	2 293 965
G. Creditors	2 997 733	3 113 385
I. Payables arising from direct insurance operations, thereof	2 136 213	2 259 713
a) Payables to entities in which the Company has a controlling influence		
b) Payables to entities in which the Company has a significant influence		
II. Payables arising from reinsurance operations, thereof	15 081	5 401
a) Payables to entities in which the Company has a controlling influence		
b) Payables to entities in which the Company has a significant influence		
III. Debenture loans		
a) Payables to entities in which the Company has a controlling influence, thereof		
aa) Convertible loans		
b) Payables to entities in which the Company has a significant influence, thereof		
ba) Convertible loans		
IV. Amounts owed to credit institutions, thereof	319	460
a) Payables to entities in which the Company has a controlling influence		
b) Payables to entities in which the Company has a significant influence		
V. Other payables, thereof	846 120	847 811
a) Tax liabilities and payables due to social security and health insurance institutions	199 174	157 333
b) Payables to entities in which the Company has a controlling influence		
c) Payables to entities in which the Company has a significant influence		
VI. Guarantee Fund of the Bureau		
H. Temporary liability accounts	1 753 240	1 608 342
I. Accrued expenses and deferred revenues	496 523	585 187
II. Other temporary liability accounts, thereof	1 256 717	1 023 155
a) Estimated payables	1 256 717	1 023 155
TOTAL LIABILITIES	69 386 369	67 965 740

Profit and loss account for the year 2014

(In thousands of Czech crowns TCZK)

Description	2 014 Base	2 014 Subtotal	2 014 Result	2 013 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	21 600 097	x	x	x
b) outward reinsurance premiums (-)	4 801 361	16 798 736	x	x
c) change in the gross provision for unearned premiums (+/-)	93 951	x	x	x
d) change in the provision for unearned premiums, reinsurers' share (+/-)	-4 949	98 900	16 699 836	16 494 731
2. Allocated investment return transferred from the non-technical account	x	x	1 376 602	1 560 388
3. Other technical income, net of reinsurance	x	x	96 188	564 894
4. Claims incurred, net of reinsurance:	x	x	x	x
a) claims paid:	x	x	x	x
aa) gross amount	12 056 895	x	x	x
bb) reinsurers' share (-)	2 148 820	9 908 075	x	x
b) change in the provision for outstanding claims:	x	x	x	x
aa) gross amount	-292 160	x	x	x
bb) reinsurers' share (-)	611 636	-903 796	9 004 279	9 872 775
5. Changes in other technical provisions, net of reinsurance (+/-)	x	x	-125 211	-190 760
6. Bonuses and rebates, net of reinsurance	x	x	429 187	390 509
7. Net operating expenses:	x	x	x	x
a) acquisition costs	x	3 062 327	x	x
b) change in deferred acquisition costs (+/-)	x	-49 917	x	x
c) administrative expenses	x	1 824 750	x	x
d) reinsurance commissions and profit participation (-)	x	1 005 940	3 831 220	3 494 463
8. Other technical expenses, net of reinsurance	x	x	1 798 621	2 262 750
9. Change in the equalisation provision (+/-)	x	x		
10. Sub-total on the technical account for non-life insurance	x	x	3 234 530	2 790 276
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	10 137 512	x	x
b) outward reinsurance premiums (-)	x	751 421	x	x
c) change in the provision for unearned premiums, net of reinsurance (+/-)	x	-34 617	9 420 708	9 270 321
2. Income from financial placements (investments):	x	x	x	x
a) income from participating interests, with a separate indication of that derived from controlling influence	x	48 238	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 (real estate)	2 150	x	x	x
bb) income from other financial placements (investments)	1 259 012	1 261 162	x	x
c) value adjustments on financial placements	x	265 101	x	x
d) income from disposal of financial placements	x	700 383	2 274 884	4 046 655

Description	2 014 Base	2 014 Subtotal	2 014 Result	2 013 Result
3. Unrealised gains on financial placements	x	x	268 548	509 851
4. Other technical income, net of reinsurance	x	x	661 411	816 100
5. Claims incurred, net of reinsurance:	x	x	x	x
a) claims paid:	x	x	x	x
aa) gross amount	7 891 987	x	x	x
bb) reinsurers' share (-)	379 292	7 512 695	x	x
b) change in the provision for outstanding claims:	x	x	x	x
aa) gross amount	224 144	x	x	x
bb) reinsurers' share (-)	121 878	102 266	7 614 961	6 513 901
6. Changes in other technical provisions, net of reinsurance (+/-):	x	x	x	x
a) life assurance provisions:	x	x	x	x
aa) gross amount	221 639	x	x	x
bb) reinsurers' share (-)		221 639	x	x
b) other technical provisions, net of reinsurance	x	1 349 883	1 571 522	1 241 286
7. Bonuses and rebates, net of reinsurance	x	x	-10 184	-5 991
8. Net operating expenses:	x	x	x	x
a) acquisition costs	x	2 149 394	x	x
b) change in deferred acquisition costs (+/-)	x	282 376	x	x
c) administrative expenses	x	256 123	x	x
d) reinsurance commissions and profit participation (-)	x	281 771	2 406 122	2 496 773
9. Expenses connected with financial placements (investments):	x	x	x	x
a) investment management charges, including interest	x	59 749	x	x
b) value adjustments on financial placements	x	37 374	x	x
c) book value of disposed financial placements	x	828 504	925 627	2 835 586
10. Unrealised losses on financial placements (investments)	x	x	1 074	369
11. Other technical expenses, net of reinsurance	x	x	292 406	326 650
12. Allocated investment return transferred to the non-technical account (-)	x	x		
13. Sub-total on the technical account for life assurance	x	x	-175 977	1 234 353
III. NON-TECHNICAL ACCOUNT	x	x	x	x
1. Result of the technical account for non-life insurance	x	x	3 234 530	2 790 276
2. Result of the technical account for life assurance	x	x	-175 977	1 234 353
3. Income from financial placements:	x	x	x	x
a) income from participating interests, with a separate indication of that derived from controlling influence	x	729 761	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	82 717	x	x	x
bb) income from other financial placements (investments)	484 673	567 390	x	x
c) value adjustments on financial placements	x	276 218	x	x
d) income from disposal of financial placements	x	3 246 306	4 819 675	3 773 389

Profit and loss account for the year 2014

(In thousands of Czech crowns TCZK)

Description	2 014 Base	2 014 Subtotal	2 014 Result	2 013 Result
4. Allocated investment return transferred from the technical account for life-assurance	x	x		
5. Expenses connected with financial placements:	x	x	x	x
a) investment management charges, including interest	x	125 393	x	x
b) value adjustments on financial placements	x	67 857	x	x
c) book value of disposed financial placements	x	3 249 823	3 443 073	2 213 002
6. Allocated investment return transferred to the technical account for non-life-insurance	x	x	1 376 602	1 560 388
7. Other income	x	x	113 340	339 605
8. Other expenses	x	x	98 435	262 928
9. Income tax on ordinary activities	x	x	406 900	640 908
10. Profit or loss on ordinary activities after tax	x	x	2 666 558	3 460 397
11. Extraordinary income	x	x		
12. Extraordinary expenses	x	x		
13. Extraordinary profit or loss	x	x		
14. Income tax on extraordinary activities	x	x		
15. Other taxes not shown under the preceding items	x	x	1 891	1 899
16. Profit or loss for the financial year	x	x	2 664 667	3 458 498

Statement of changes in equity for the year 2014

(In thousands of Czech crowns TCZK)

	Registered capital	Own shares	Share premium	Reserve funds	Social and other funds	Capital funds	Changes in valuation	Profit (loss)	Total
Balance at 1. 1. 2013	3 000 000		37 875	600 000	64 757	790 903	630 319	8 792 854	13 916 708
Correction of fundamental errors									
FX gains (losses) and changes in valuation not included in the profit and loss statement							-181 142		-181 142
Net profit/loss for accounting period*)								3 458 498	3 458 498
Dividends								-2 815 223	-2 815 223
Transfers to funds					54 206			-54 206	
Reduction of funds					-64 201				-64 201
Shares issued									
Reduction in registered capital									
Own shares purchased									
Other changes									
BALANCE AT 31. 12. 2013	3 000 000		37 875	600 000	54 762	790 903	449 177	9 381 923	14 314 640
BALANCE AT 1. 1. 2014	3 000 000		37 875	600 000	54 762	790 903	449 177	9 381 923	14 314 640
Correction of significant errors									
FX gains (losses) and changes in valuation not included in the profit and loss statement							-163 280		-163 280
Net profit/loss for accounting period								2 664 667	2 664 667
Dividends								-2 966 063	-2 966 063
Addition to funds					49 585			-49 585	
Reduction of funds					-54 678				-54 678
Shares issued									
Reduction in registered capital									
Own shares purchased									
Other changes									
BALANCE AT 31. 12. 2014	3 000 000		37 875	600 000	49 669	790 903	285 897	9 030 941	13 795 286

General information

I. General contents

I. 1. Description and principal activities

Kooperativa pojišťovna, a.s. Vienna Insurance Group ("the Company") was incorporated into the Commercial Register on 1 March 1993, Identification number: 471 16 617.

The Company's shareholders as at 31 December 2014 are:

VIENNA INSURANCE GROUP AG Wiener Versicherung Gruppe	96.32 %
VLTAVA majetkoprávní a podílová spol. s r. o., Prague	2.07 %
Svaz českých a moravských výrobních družstev, Prague	1.61 %

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
- ▶ insurance connected with an investment fund / unit-linked insurance
- ▶ 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 2014:

MEMBERS OF THE BOARD OF DIRECTORS

CHAIRMAN: **Ing. Martin Diviš, MBA**, Praha 6, Divoká Šárka 39, Czech Republic

MEMBER: **JUDr. Hana Macháčová**, Praha 4, Šeberov, Pod Vší 312, Czech Republic

Ing. Milan Nidl, MBA, Písnice, Výletní 357/20, Czech Republic

RNDr. Petr Zapletal, MBA, Praha 4, Na Zahrádkách 307, Czech Republic

Jiří Sýkora, Hudlice, Jáchymovská 261, Czech Republic

Gary Mazzotti, B.A. (Hons) A.C.A., Statenice, Státnická 365, Czech Republic

Two members of the Board of Directors must always act together in the name of the Company. 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.

MEMBERS OF THE SUPERVISORY BOARD

CHAIRMAN: **Dr. Hans-Peter Hagen**, Wien, Laudon Gasse 20/10, Austria

VICE-CHAIRMAN: **Dkfm. Karl Fink**, Wien, Kurzbaugasse 5, Austria

JUDr. Rostislav Dvořák, Jihlava, Leoše Janáčka 746/10, Czech Republic

MEMBERS: **Ing. Roman Brablec**, Praha 6, Řepy, Špantelova 1313/21, Czech Republic

Jan Wiesner, Praha 4, Michle, Podle Kačerova 1330/15, Czech Republic

Ing. Vratislav Kulhánek, Srubec 346, Czech Republic

Mgr. Martin Laur, Kralupy nad Vltavou, Ladova 587, Czech Republic

Mag. Roland Gröll, Wien, Neuwaldegger Str. 37/1, Austria

Jan Růžička, Praha 5, nám. Pod lípou 6, Czech Republic

Mag. Erwin Hammerbacher, Seyring, Helmaweg 29, Austria

prof. Ing. Eva Ducháčková, CSc., Praha 9, Vinoř, Dubanská 296, Czech Republic

Ing. Jaroslav Kučera, MBA, Kohoutovice, Prokofjevova 846/25, Czech Republic

Organisational structure and major changes to the organisational structure 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. It also comprises organisational units on the level of the headquarter, centres and agencies.

I. 2. Compliance with legislation

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., Civil Code, Act No. 38/2004 Coll., on Insurance Intermediaries and Independent Loss Adjusters, as amended, 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"), including the applicable implementing regulations, and with other legislation in force.

I. 3. Basis of preparation of the financial statements

The accounting records of the Company are maintained and the financial statements of the Company have been prepared in accordance with Act No. 563/1991 Coll., on Accounting, as amended, with Regulation No. 502/2002 Coll., which implements certain provisions of Act No. 563/1991 Coll., on Accounting, as amended, for accounting units, which are insurance companies, as amended ("Regulation No. 502/2002 Coll."), and with the Czech Accounting Standards for accounting units that maintain their accounting records in compliance with Regulation No. 502/2002 Coll. and other relevant legislation. The accounting records of the Company are maintained in such a manner that the financial statements prepared based on these records present a true and fair picture of the accounting and financial position of the Company.

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 40, also known as minor tangible fixed assets, are subject to write-offs for 3 years. Intangible fixed assets costing less than TCZK 60 are charged to the profit and loss account in the year in which they are acquired. The annual depreciation rate reflects the assets' expected useful lives.

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

Fixed Assets	Method	Depreciation rate in %
Goodwill	Linear	20.0
Software	Linear	25.0
Other intangible fixed assets	Linear	16.7 - 100.0
Tangible operational fixed assets class I and II	Linear	16.7 - 25.0
Tangible operational fixed assets class III	Linear	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 and are not subsequently depreciated.

At the balance sheet date land and buildings are valued at their fair value. Fair value means the market value, which is the price for which such land and buildings could be sold on the date of valuation.

The fair value is determined through a separate valuation of each item of land and buildings, carried out at least once every five years, based on a qualified estimate or a qualified external valuer's opinion. In the intervening years the Board of Directors assesses whether the carrying amount of land and buildings corresponds to their fair value.

Where at the balance sheet date land and buildings have been sold or are to be sold within 3 months, the fair value is reduced by the actual disposal costs.

Any change in the fair value of land and buildings is recognized in equity and is transferred to the income statement as at the date of disposal of the land and buildings.

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. This includes investments in equity and loans or other amounts due from subsidiaries and associates.

At the acquisition 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.

At the balance sheet date, participating interests are revalued at their fair value. Changes in fair value are recognised in equity. The fair value of the participation in subsidiaries or associates is defined by the market price, if participation is represented by securities tradable on the public market. Should the participation not be tradable on the public market, the fair value is estimated based on the share of the Company's own capital. If in reasonable cases the acquisition cost represents a truer and fairer value of the participation in subsidiaries or associates, the acquisition cost is used for valuation.

Loans granted to subsidiaries or associates and other long-term receivables are stated at fair value as at the balance sheet date, which usually approximates the amortised cost (nominal value including any accrued interest). Changes in the fair value are recognised in equity.

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 profit and loss account 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 bonds held to maturity that have been issued by a member state of the Organisation for Economic Co-operation and Development and awarded a rating at the level of the Czech Republic or higher by at least two reputable rating agencies ("OECD bonds held to maturity").

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

Fair value means the market value derived from quoted market mid prices declared on the domestic or foreign stock market or on any other public (organised) market. The Company applies the most recent published market price as at the date of the financial statements (balance sheet date) or as close as possible to this day. If there is no available price or if it does not sufficiently represent the fair value, the fair value is determined on the basis of a qualified estimate. In its models for defining the fair value of securities, the Company uses only the available market data. Valuation models take into account the common market conditions as at the valuation day, which may not reflect the market situation before or after this day. 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, OECD bonds held to maturity and other securities held to maturity.

A change in the fair value of debt securities valued through profit and loss or available for sale is recognised in the profit and loss account. A change in the fair value of debt securities held to maturity that are revalued at fair value is recognised in equity.

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 included in the fair value.

If, due to legislative amendments, the accounting policy has been changed during the possession of debt securities, resulting in changes in fair value being recognised in the profit and loss account rather than in equity, the cumulative revaluation differences previously recognised in equity are derecognised and recognised in the profit and loss account only at the moment of sale or maturity of the relevant security.

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 market value derived from quoted market mid prices declared on the domestic or foreign stock market or on any other public (organised) market. The Company applies the most recent published market price as at the date of the financial statements (balance sheet date) or as close as possible to this day. If there is no available price or if it does not sufficiently represent the fair value, the fair value is determined on the basis of a qualified estimate. In its models for defining the fair value of securities, the Company uses only the available market data. Valuation models take into account the common market conditions as at the valuation day, which may not reflect the market situation before or after this day. The change in fair value of shares or other variable-yield securities is recognised in the profit and loss account.

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 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. At the balance sheet date, these assets are revalued at their fair value. The fair value of short-term deposits with financial institutions is determined as their nominal value including accrued interest.

Deposits denominated in foreign currency are translated based on the current exchange rate published by CNB, and the appropriate exchange rate difference is included in the fair value. Changes in fair value are reflected in the Company's profit and loss account.

Derivatives

Derivatives are valued at fair value. Fair values are obtained from quoted market mid prices, discounted cash-flow models and options pricing models using only observable market data as appropriate. The valuation models reflect current market conditions as at the measurement date, which may not fully represent market conditions either before or after the measurement date. As at the balance sheet date, management reviewed its models to ensure that they appropriately reflect current market conditions, including the relative liquidity of the market and credit spreads.

All derivatives are presented under "other financial placement".

Changes in the fair value of derivatives held for trading are included within the revaluation gains/losses on investments in the income statement.

Works of art

Works of art are initially recorded at their acquisition cost and are classified as fixed assets that are not subject to write-offs. During the accounting period, the selected works of art are used for financial placement and presented as other financial placement. These reclassified assets are revalued to their fair value based on an expert's opinion.

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

Financial placements for the benefit of life assurance policyholders who bear the investment risk are accounted for separately from other financial placements.

At the balance sheet date, financial placements 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 profit and loss account.

(d) Adjustments

The Company creates adjustments to receivables and other assets except for financial placements reported at fair value. Adjustments represent a temporary decrease in the value of individual assets. The amount of the decrease is determined on the basis of a professional risk assessment carried out by the management of the Company.

Adjustments to receivables from policyholders are calculated based on an analysis of their recoverability. The analysis includes an ageing analysis of the receivables and assessment of the risk of non-payment of specific receivables.

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

(e) Impairment of assets

At the balance sheet date the Company assesses whether those assets which are not carried at fair value, or for which changes in fair value are recognised in equity, are impaired. Impairment of an asset is recognised in the profit and loss account.

(f) Deferred costs

Deferred acquisition costs represent the proportion of the acquisition costs incurred during 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 and other calculation parameters.

Non-life insurance

With respect to 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 at the balance sheet date to the total gross premiums written for the financial year. Deferred acquisition costs are determined for all individual classes of non-life insurance. Renewal commissions for insurance policies presented in the overheads are deferred as well. The calculation of the deferral amount is identical to the calculation of the deferral of acquisition costs.

Life assurance (traditional products)

In life assurance, the Company determines deferred acquisition costs using the zillmerisation method, which is the method used to calculate the life assurance provision, see point I.4.(j).

Unit-linked assurance (life assurance where the investment risk is borne by the policyholder)

Acquisition costs for unit-linked life insurance policies are deferred via the direct calculation of the present value of future fees to cover initial costs and costs associated with insurance policy acquisition, which are reimbursed from the account of the policyholder in the first years of insurance through the monthly fee. Costs associated with an increase in premiums for existing insurance policies are included in these costs as well. The resulting value is recognised within deferred acquisition costs.

(g) Accumulated debt

Accumulated debt arises from the unit-linked assurance contracts. This receivable due from the policyholders represents an aggregate of costs incurred by the Company in connection with unit-linked assurance contracts which have not yet been settled by policyholders. A change of the accumulated debt from unit-linked assurance is recognised through the profit and loss accounts.

At the end of the accounting period, the Company assesses the adequacy of the amount of the accumulated debt by determining the provision for liabilities arising from the applied technical interest rate and other calculation parameters. The life assurance provision is reduced by a respective share of outstanding acquisition costs as well as a respective share of intangible assets and also includes a reduction by accumulated debt.

(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 provided on all temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes and other temporary differences (tax losses carried forward, if any) multiplied by the income tax rates expected to be valid for the periods in which the tax asset/liability is expected to be utilized.

A deferred tax asset is recognized only to the extent that there is no doubt that future taxable profits will be available, against which this asset can be utilized.

(i) Provision for unearned premiums

The provision for unearned premiums comprises that part of gross premiums, written of individual life, and non-life insurance contracts, which is to be allocated to subsequent accounting periods. The Company uses a "pro rata temporis" method to estimate the provision.

(j) Life assurance provision

The Company accounts for the provision using the zillmerisation method. The zillmerisation method results in the deferral of acquisition costs for life assurance policies. These costs are included within the life assurance provision through actuarial methods after eliminating temporary negative balances, which are capitalised and presented as deferred acquisition costs. The acquisition costs are capitalised and deferred in accordance with the prudence principle and taking into account the risk of lapses and cancellations.

The provision is created with reference to individual life insurance policies. The life assurance provision represents future liabilities, calculated with the use of actuarial methods, including profit shares declared and allocated and a provision for expenses, related to the administration of contracts, after deducting the value of future premiums.

(k) Provision for outstanding claims

The provision for outstanding claims is not discounted to reflect the fair value of money (with the exception of the provision for annuities) and covers the following:

- ▶ insurance claims incurred and reported in the accounting period but not yet settled (RBNS);
- ▶ insurance claims incurred in the accounting period but not yet reported (IBNR).

The amount of RBNS provision represents the sum of all amounts calculated for individual claims. The provision for outstanding claims is reduced by an estimate of the value of salvage and subrogation and similar recoveries. In case of

litigation, the Company creates a provision in the full amount involved in the suit.

The fair value of the IBNR provision is determined using actuarial 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, and especially to also predict the different security levels in the form of a split to the risk commencement and underwriting years.

The provision for outstanding claims includes an estimate of all related 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 with respect to individual groups of insurance in accordance with the accounting rules of the Company and upon the recommendation of the appointed actuary.

(l) Provision for bonuses and rebates

The provision for bonuses and rebates is created in accordance with insurance policies.

Changes in the provision for bonuses and rebates are presented in the profit and loss account under bonuses and rebates.

(m) 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 arising 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 minimum 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 minimum value of liabilities for all life assurance products other than any unit-linked products, the not-yet-recorded revenues on held-to-maturity assets to cover life assurance provisions are taken into account. The Company compares the minimum 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 recorded in the event of a business combination or portfolio transfer. Where the minimum 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 minimum 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 profit and loss account.

(n) Provision for liabilities of the Bureau

This provision represents an additional motor third-party liability (“MTPL”) provision created by the Company to cover the proportion of the liabilities of the Czech Insurers’ Bureau (the “Bureau”) resulting from a deficiency of assets to cover the liabilities of the Bureau, and it is created using information known as at the balance sheet date. The provision changes proportionally based upon the Company’s share of the MTPL market and the estimated deficit of the Bureau.

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

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

investment risk is borne by the policyholders.

The amount of the provision is determined as the sum of liabilities due to insured persons, 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.

(p) Reinsurers’ share of technical provisions

Technical provisions are presented as a net liability, i.e. after deduction of the reinsurers’ 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 reinsurers’ 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.

(q) Provisions

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

Provision for taxes

The provision for taxes is established at the balance sheet date and amounts to the estimated corporate income tax liability due. The utilisation (release) of the provision is accounted for when the tax return is filed.

Employee Benefits Reserve

At the balance sheet date, the provision includes the earned part of employee benefits, which are due to employees because of their leaving and retirement. 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.

(r) Gross premiums written

Gross premiums written comprise all amounts due (already paid in the case of unit-linked assurance) during the financial year with respect to insurance contracts, regardless of the fact that 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.

(s) 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 is assessed. These costs also include the Company’s costs related to handling claims arising from insured events. Gross claims expenses are reduced by recourse claims and other claims of the Company.

(t) Acquisition costs

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

(u) Staff costs, pensions and social fund

The Company makes contributions on behalf of its employees to a defined contribution pension plan and a capital life insurance scheme. These contributions are accounted for directly as an expense. The Company creates a social fund to finance the social needs of its employees and employee programs. In compliance with Czech accounting requirements, the allocation to the social fund is recognised in the income statement only as a profit distribution. Similarly, the usage of the social fund is recognised in the income statement only as a decrease of the fund. The social fund forms a component of equity and is not shown as a liability.

(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 Regulation 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 financial placements

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

Other expenses and income from financial placements which are not related to life assurance activities are recorded initially in the non-technical account and subsequently transferred 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 recorded primarily in the non-technical account and subsequently allocated to the technical account for life assurance or non-life insurance, as well as the relevant technical account for acquisition costs, claim handling costs and financial placement costs – when applicable.

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 exchange rate effective as at 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 the Company's profit and loss account.

(x) Consolidation

Pursuant to Section 38a of the Regulation 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. The consolidated financial statements of the parent company will be published in accordance with Section 38a (2c) of the Regulation No. 502/2002 Coll. and in accordance with Section 21a of the Act on Accounting.

I. 5. Change in accounting policies and procedures

In 2014, the Company re-classified – based on the gradual development of the intermediaries' title to remuneration – the subsequent commissions, namely from renewal commission to maintenance commission. These commissions presented in overheads were deferred according to the existing accounting method. This change, with the effect of 298,928 TCZK, did not have an impact on the 2014 profit and loss account as the equity was restated after taking into account the relevant deferred tax.

Furthermore, in accordance with the internal policy of matching assets and liabilities linked to their maturity and rate of return, the Company has adjusted the approach of calculating the provision for liabilities arising from the applied technical interest rate and other calculation parameters. The not-yet-recorded revenues on assets held to maturity to cover life assurance provisions are newly reflected in the process of determining the minimum value of liabilities. The Company's management believes that this change better meets the financial basis and reduces any accounting discrepancies between the accounting for insurance liabilities and for assets to cover these liabilities.

I. 6. Other important circumstances

In 2014, the Company corrected the error from previous years regarding the booking of reinsurance commission from the Motor Third-Party Liability quota share reinsurance treaty. Due to the error, amounting to 283,274 TCZK, the equity was restated after taking into account the relevant deferred tax by adjusting the Company's own capital.

I. 7. Risk management

The financial condition and operating results of the Company are affected by a number of key risks, namely market risk, credit risk, currency risk, interest rate risk, liquidity risk, insurance risk, compliance risk, fiscal risk, regulation risk and solvency. The Company's policies and procedures with respect to managing these risks are set out below.

(a) Strategy in using financial instruments

The nature of the operations of the Company involves the managed acceptance of risk arising from the underwriting of policies, which incorporate financial guarantees and commitments. To mitigate the risk that these guarantees and commitments will not be met, the Company purchases financial instruments which in their nature and term broadly match the expected policy benefits payable.

The composition of the portfolio of investments is governed by the nature of the insurance liabilities, the expected rate of return applicable to each class of asset, and the capital available to meet the price fluctuations of each asset class.

In addition to the insurance risk arising from the underwriting of policies, the Company is exposed to a number of risk factors including market risk, credit risk, foreign currency risk, interest rate risk and liquidity risk. These are discussed in more detail below. The Company also utilises various financial instruments to mitigate foreign currency and interest rate risk or, conversely, to maximise the return from investments.

(b) Market risk

The Company is exposed to market risks. Market risks arise from trading positions in interest rates, currency and equity instruments, all of which are exposed to common and specific market movements and changes in the level of volatility of market rates or prices, such as interest rates, credit spreads, 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. Financial investments are diversified in accordance with currently valid Czech insurance legislation. Limits are set on financial investments in any one company or industry.

However, this approach does not prevent losses outside of these limits due to more significant market movements. In the case of unit-linked products, the market risk is fully borne by the policyholder.

(c) Credit risk

The Company is exposed to credit risk which follows 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 annual checks of financial and other information, to mitigate the associated credit risk of dealing with these intermediaries.

The Company uses reinsurance in managing insurance risk. However, this does not discharge the Company from its liability as primary insurer, because if a reinsurer fails to pay a claim for whatever reason, the Company remains liable for the payment to the policyholder. The Company periodically monitors the creditworthiness of reinsurers. Reinsurers are selected from an internal list, which is issued and regularly updated by a special working group on the VIG level. The Company determines the maximum acceptable cession limits for individual reinsurers based on the type of business and type of reinsurance policy.

Reinsurers are split into two general groups according to type of business. For each of the groups there is a mandatory condition to be included in a valuation list by reputable rating agencies with at least a minimal required rating level. Participation by reinsurers not included in the list can be exceptionally approved by the above-mentioned working group or by the management of the Company, based on the importance of the relevant situation.

When deciding on the structure of financial investments, the Company assesses the creditworthiness of counterparties or issuers, which is also subject to a subsequent regular review. The Company sets maximum limits for individual types of financial instruments and counterparties.

(d) Currency risk

Company assets and liabilities are denominated primarily in domestic currency, and amounts denominated in foreign currencies are negligible, except for financial investments denominated in foreign currencies. The currency risk is partially restricted by financial derivatives.

(e) Interest rate risk

The Company takes on exposure to the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows. Such changes may result in both an increase and decrease of the financial investment return. As a part of its investment strategy, the Company insulates itself from possible losses by controlling its rate of return, which cannot decrease below the level of a technical interest rate. Based on a cash-flow-based analysis and analysis of income, the Company creates a portfolio of securities whose value is in line with the value of liabilities, upon a change in the interest rate.

(f) Liquidity risk

The Company is exposed to daily calls on its available cash resources from insurance claims, maturing policies and policy surrenders. Liquidity risk means the risk that payment of obligations may not be met on time and at a reasonable cost. In compliance with valid legislation, the Company maintains a sufficient portion of its financial investments in liquid and secure financial instruments, which are used to cover insurance claims, maturities and surrenders.

The Company monitors regularly, i.e. on a monthly basis, the level of premium receivables and the credit rating of its borrowers. The Company evaluates its cash flows on a daily basis and performs an analysis at regular weekly meetings. Liquid financial instruments are held to meet the cash requirements for claims, maturities and surrenders payments.

(g) Insurance risk

Insurance risk is the possibility that the insured event occurs and the uncertainty of the amount of the resulting claim. Insurance risk includes the following risks:

- ▶ occurrence risk – the possibility that the number of insured events will differ from the expected number;
- ▶ severity risk – the possibility that the costs of the events will differ from the expected costs;
- ▶ development risk – the possibility that changes may occur in the amount of an insurer's obligation at the end of a policy period.

The Company manages insurance risk through the following:

- ▶ the use of reinsurance to limit the Company's exposure to large single claims and catastrophes;
- ▶ maintenance of a surplus of readily available assets above the expected pattern of claim payments;
- ▶ the maintenance and use of sophisticated management information systems that provide up-to-date, reliable data on the risks to which the business is exposed at any point in time;
- ▶ the use of prudent underwriting contracts.

The nature of the insurance business is such that a number of assumptions have been made when compiling the financial statements. These include assumptions on investment returns, lapse rates, mortality rates and expenses in connection with in-force policies.

The Company reinsurance program consists mainly of proportionate reinsurance (quota/surplus reinsurance) combined with excess-of-loss reinsurance.

(h) Compliance and fiscal risk, regulation and solvency

Adherence to regulatory requirements is monitored by internal compliance managers. Regular reports are also submitted to the Board of Directors.

Compliance risk includes the possibility that transactions may not be enforceable under applicable law or regulations. In addition, it includes the cost of the rectification and fines, and the possibility that changes in laws or regulations could adversely affect the Company's position. The Company seeks to minimise compliance risk by ensuring that transactions

are properly authorised and by submitting new or unusual transactions to legal advisers for review.

Fiscal risks arise from changes in tax laws and enforcement contracts and in reviews by authorities of tax positions the Company has taken. This risk and risks associated with changes in other legislation and regulations are managed through the ongoing review of proposed changes to tax legislation by relevant departments, and by membership in relevant trade and professional committees which comment on drafted proposals.

Solvency margin requirements established by the regulator are in force for insurers. These are set to reinforce safeguards for the interests of policyholders, which primarily concern the ability to meet future claims payments to policyholders.

The actual solvency margin measures the excess of the value of the insurer's assets over the value of its liabilities, each element being determined in accordance with the applicable valuation rules. This margin must be higher than the required level throughout the year.

II. Additional disclosures with respect to the balance sheet

II. 1. Intangible fixed assets

Intangible fixed assets of the Company as at 31 December 2014 comprise the following items:

	Software	Goodwill	Other intangible fixed assets	Total
Acquisition cost at 1/1/2014	520 249	3 068 798	381 026	3 970 073
Additions	86 968	0	776	87 744
Disposals	20 801	0	0	20 801
Acquisition cost at 31/12/2014	586 416	3 068 798	381 802	4 037 016
Accumulated depreciation at 1/1/2014	444 368	3 068 798	380 642	3 893 808
Depreciation	64 858	0	0	64 858
Disposals	20 801	0	0	20 801
Accumulated depreciation at 31/12/2014	488 425	3 068 798	380 642	3 937 865
Net book value at 1/1/2014	75 881	0	384	76 265
Net book value at 31/12/2014	97 991	0	1 160	99 151

II. 2. Investment

(a) Land and buildings (real estate)

Operating	2014	2013
Land	220 761	220 761
Valuation differences	29 864	30 175
Buildings	1 841 352	1 824 011
Valuation differences	-403 102	-386 800
Total operating land and buildings at fair value	1 688 875	1 688 147

Non-operating	2014	2013
Land	28 905	10 502
Valuation differences	-2 731	-2 731
Buildings	120 406	50 198
Valuation differences	427 472	-2 804
Total non-operating land and buildings at fair value	119 108	55 165
Total land and buildings at fair value	1 807 983	1 743 312

(b) Participating interests**Participating interests with controlling influence**

2014	Share of registered capital in %	Acquisition cost	Fair value	Total registered capital	Total equity	Profit or loss for the financial year	Dividend income/profit share
KIP, a.s.	100	182 219	237 244	179 877	237 244	9 096	0
SURPMO, a.s.	100	1 358	2 899	2 079	2 899	63	0
S-budovy, a.s.	100	45 710	76 432	70 000	76 432	1 093	1 000
S- správa nemovitostí, a.s.	100	1 306	22 346	2 000	22 346	3 579	1 000
UNIGEO, a.s.							82 555
Benefita, a.s.	100	17 000	11 301	12 665	11 301	-3 432	0
Global Expert, s.r.o.	100	200	9 965	200	9 965	2 667	1 500
Česká podnikatelská pojišťovna, a.s., VIG*	100	3 696 340	3 696 340	1 000 000	2 517 960	513 623	356 850
KAPITOL pojišť. a fin. poradenství, a.s.*	70	203 745	203 745	20 000	105 068	6 081	4 620
AIS Servis, s.r.o.*	70	108 175	108 175	7 400	74 907	40 138	11 900
V.I.G. ND, uzavřený investiční fond, a.s.	79.03	2 430 899	2 136 215	2 671 000	2 702 904	58 812	45 648
Total	N/A	6 686 952	6 504 662	N/A	N/A	N/A	505 073

* fair value cannot be defined objectively; therefore the participations are reported in the acquisition price.

On 30 June 2014, the Company sold 60% of the participation in GLOBAL ASSISTANCE, a.s. The Company still holds a 40% share; see the Table "Participating interests with significant influence".

On 25 February 2014, the sale of 100% of the participation in KÁMEN OSTROMĚŘ, s.r.o. was incorporated into the Commercial Register.

On 14 October 2014, the sale of 100% of the participation in UNIGEO, a.s. was incorporated into the Commercial Register.

2013	Share of registered capital in %	Acquisition cost	Fair value	Total registered capital	Total equity	Profit or loss for the financial year	Dividend income/profit share
KIP, a.s.	100	182 219	227 728	179 877	227 728	688	0
SURPMO, a.s. ²⁾	100	1 358	2 964	2 079	2 694	128	1 000
S-budovy, a.s. ²⁾	100	45 710	76 355	70 000	76 355	1394	0
S- správa nemovitostí, a.s. ²⁾	100	1 306	19 929	2 000	19 929	2447	0
UNIGEO, a.s.	100	63 986	168 584	85 000	168 584	14 830	11 930
Benefita, a.s.	100	17 000	14 733	12 665	14 733	234	1 065
Global Expert, s.r.o.	100	200	9 993	200	9 993	2 589	5 000
Česká podnikatelská pojišťovna, a.s., VIG*	100	3 696 340	3 696 340	1 000 000	2 340 703	451 372	431 200
KAPITOL poj. a fin. poradenství, a.s.*	70	203 745	203 745	20 000	106 187	7 143	49 000
AIS Servis, s.r.o.*	70	108 175	108 175	7 400	52 244	19 913	22 631
V.I.G. ND, uzavřený investiční fond, a.s.	79.03	2 430 899	2 296 959	2 671 000	2 880 278	60 797	48 049
GLOBAL ASSISTANCE, a.s.	100	185 654	185 654	10 000	97 777	80 760	16 987
KÁMEN OSTROMĚŘ, s.r.o.	100	8 430	100	100	1 182	-5 143	0
Total	N/A	6 945 022	7 011 259	N/A	N/A	N/A	586 862

* fair value cannot be defined objectively; therefore the participations are reported in the acquisition price.

²⁾ On 1 July 2013 the split-up of the company SURPMO, a.s. was incorporated in the Commercial Register; the split-up assets were transferred to the newly established companies: S – správa nemovitostí, a.s. and S – budovy, a.s.. The change-relevant day is 1 January 2013.

Loans granted to subsidiaries

	2014	2013
KÁMEN OSTROMĚŘ s.r.o.	0	4 800
Total loans granted to subsidiaries	0	4 800

Participating interests with significant influence

2014	Share of registered capital in %	Acquisition cost	Fair value	Total registered capital	Total equity	Profit or loss for the financial year	Dividend income/profit share
GLOBAL ASSISTANCE, a.s.	40	74 261	74 261*	10 000	103 525	74 345	68 600
Total	N/A	74 261	74 261	N/A	N/A	N/A	68 600

* Fair value cannot be defined objectively; therefore the participations are reported in the acquisition price.

In 2013, the Company had no participation with significant influence.

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

		Fair value		Acquisition cost	
		2014	2013	2014	2013
Other	- Listed on a recognized CR exchange	32 460	31 737	32 209	32 209
	- Listed elsewhere	2 295 694	757 247	2 050 698	684 575
	- Unlisted	3 951 886	4 284 450	3 973 761	4 208 586
Total		6 280 040	5 073 434	6 056 668	4 925 370

(d) Debt securities valued at fair value through profit-and-loss and available-for-sale securities

		Fair value		Acquisition cost	
		2014	2013	2014	2013
Issued by financial institution	- Listed on a recognized CR exchange	360 650	291 480	294 241	234 241
	- Listed elsewhere	608 607	363 072	546 523	359 484
	- Unlisted	0	0	0	0
Issued by non-financial institutions	- Listed on a recognized CR exchange	30 713	0	29 875	0
	- Listed elsewhere	82 868	0	79 395	0
	- Unlisted	0	0	0	0
Issued by government sector	- Listed on a recognized CR exchange	271 517	183 475	271 019	183 172
	- Listed elsewhere	1 248 857	947 517	1 020 536	920 609
	- Unlisted	0	499 900	0	499 546
Other	- Listed on a recognized CR exchange	166 628	0	164 512	0
	- Listed elsewhere	575 652	0	566 896	0
	- Unlisted	0	0	0	0
Total		3 345 492	2 285 443	2 972 997	2 197 051

(e) OECD debt securities held to maturity

	Fair value		Amortized value		Acquisition cost	
	2014	2013	2014	2013	2014	2013
- Listed on a recognized CR exchange	41 564 717	37 012 796	32 984 825	32 731 857	32 458 747	32 206 582
- Listed elsewhere	0	0	0	0	0	0
- Unlisted	0	0	0	0	0	0
Total OECD debt securities held to maturity	41 564 717	37 012 796	32 984 825	32 731 857	32 458 747	32 206 582

(f) Other debt securities held to maturity

	Fair value		Acquisition cost	
	2014	2013	2014	2013
Issued by financial institutions				
- Listed on a recognized CR exchange	0	0	0	0
- Listed elsewhere	356 975	633 898	269 907	559 907
- Unlisted	0	0	0	0
Issued by non-financial institutions				
- Listed on a recognized CR exchange	0	0	0	0
- Listed elsewhere	99 343	94 263	83 850	83 850
- Unlisted	0	0	0	0
Other				
- Listed on a recognized CR exchange	3 210 529	3 224 210	3 024 754	3 125 048
- Listed elsewhere	0	0	0	0
- Unlisted	301 849	462 248	286 578	443 643
Total debt securities held to maturity	3 968 696	4 414 619	3 665 089	4 212 448

(g) Deposits with financial institutions

	Fair value		Acquisition cost	
	2014	2013	2014	2013
Deposits	846 100	2 292 186	846 100	2 292 186
Total	846 100	2 292 186	846 100	2 292 186

(h) Other financial placements

	Nominal value/ Acquisition value		Fair value	
	2014	2013	2014	2013
Forwards	2 573 271	2 543 616	-74 539	16 319
Works of art	71 060	71 060	150 200	150 200
Total	N/A	N/A	75 661	166 519

All derivatives used in the Company are foreign currency derivatives. Their fair value changes are based on the development of foreign exchange rates of USD and EUR to CZK from currency hedge to revaluation at the end of the accounting period.

II. 3 Financial placements for the benefit of life assurance policyholders who bear the investment risk

Description	Fair value	
	2014	2013
Shares and other variable-yield securities	3 556 286	3 375 482
Debt securities	0	0
Deposits with financial institutions	0	0
Total	3 556 286	3 375 482

II. 4. Currency structure of the financial placement

Currency	Variable-yield securities	Fixed-income securities	Deposits and other financial placements	Securities where the investment risk is borne by the policyholders
	2014	2014	2014	2014
CZK	3 427 217	38 365 159	9 320 667	2 505 879
EUR	1 722 290	587 768	0	1 050 407
GBP	0	55 186	0	0
USD	1 130 533	1 241 844	0	0
PLN	0	49 056	0	0
Total	6 280 040	40 299 013	9 320 667	3 556 286

Currency	Variable-yield securities	Fixed-income securities	Deposits and other financial placements	Securities where the investment risk is borne by the policyholders
	2013	2013	2013	2013
CZK	3 746 407	38 192 137	11 263 675	2 470 007
EUR	569 780	212 086	0	905 475
GBP	0	0	0	0
USD	757 247	1 027 696	0	0
PLN	0	0	0	0
Total	5 073 434	39 431 919	11 263 675	3 375 482

II. 5. Receivables

As at 31 December 2014	Receivables from policy holders	Receivables from insurance intermediaries	Receivables from reinsurance operations	Other receivables	Total
Due	351 841	3 029	39 935	605 041	999 846
Overdue	1 682 444	106 140	0	3 218	1 791 802
Total	2 034 285	109 169	39 935	608 259	2 791 648
Adjustment	-666 114	-98 515	0	-3 218	-767 847
Total net	1 368 171	10 654	39 935	605 041	2 023 801

As at 31 December 2013	Receivables from policyholders	Receivables from insurance intermediaries	Receivables from reinsurance operations	Other receivables	Total
Due	504 973	5 997	91 061	438 984	1 041 015
Overdue	1 773 666	176 954	0	15 446	1 966 066
Total	2 278 639	182 951	91 061	454 430	3 007 081
Adjustment	-574 723	-163 187	0	-15 446	-753 356
Total net	1 703 916	19 764	91 061	438 984	2 253 725

(a) Other receivables

	2014	2013
Inter-company receivables	21 137	17 173
Deferred tax assets	125 263	149 743
Income tax prepayments	196 697	0
Other provided prepayments	220 814	217 318
Other receivables	41 130	54 750
Total other receivables	605 041	438 984

II. 6. Other assets

(a) Tangible fixed assets

	Total
Acquisition cost at 1/1/2014	747 454
Additions	194 842
Disposals	198 540
Acquisition cost at 31/12/2014	743 756
Accumulated depreciation at 1/1/2014	494 083
Depreciation expense	61 216
Disposals	89 809
Accumulated depreciation at 31/12/2014	465 490
Net book value at 1/1/2014	253 371
Net book value at 31/12/2014	278 266

II. 7. Temporary asset accounts

Deferred acquisition costs for life insurance policies	2014	2013
Classic life insurance	7 188	14 920
Unit-linked life insurance	2 664 420	2 939 064
Total	2 671 608	2 953 984

Other temporary assets accounts	2014	2013
Reinsurance estimated receivables	374 863	-119 190
Other estimated receivables	26 988	60 198
Accumulated debt	1 616 446	1 230 989
Deferred maintenance commission	327 996	298 928
Other	126 489	187 182
Total	2 472 782	1 658 107

Estimated receivables arising from reinsurance operations

The Company discloses under estimated receivables arising from reinsurance operations an estimate of the appropriate profit commission from the reinsurers' share in the estimated written premiums disclosed above, as well as the not-yet-agreed receivables due from reinsurers for the fourth quarter.

II. 8 Equity

(a) Registered capital

Issue	Nominal value	Number of securities	Total volume
Ordinary shares fully paid	100	14 998	1 499 800
Ordinary shares	94.1	1	94
Ordinary shares of CZK 29 500 fully paid	29.5	1	30
Ordinary shares of CZK 76 400 fully paid	76.4	1	76
Preference shares of CZK 100 000 fully paid	100	15 000	1 500 000
Total		30 501	3 000 000

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

(b) Other capital accounts

Other capital funds comprise the revaluation of assets and liabilities at fair value.

	2014	2013
Balance as at 1/1	1 240 080	1 421 222
Change in fair value of financial placement	-66 982	-127 385
De-posting the balance of valuation difference arising from revaluation of financial placement in P&L report upon revaluation, permanent value reduction or upon maturity.	-99 849	-58 765
Change in deferred tax	3 551	5 008
Balance as at 31/12	1 076 800	1 240 080

(c) Planned distribution of current-period profit

Profit from the current period	2 664 667
Transfer to social fund	50 565
Transfer from retained earnings	-401 420
Dividends	3 015 522
Total	2 664 667

Allocation of 2013 profit is shown in the Statement of Changes in Equity. The Company assumes the release of the reserve fund and its transfer to retained earnings.

II. 9. Technical provisions

(a) Provision for unearned premiums (gross)

	2014	2013
Non-life insurance	4 800 091	4 706 140
Life assurance	240 459	275 076
Total	5 040 550	4 981 216

(b) Provision for outstanding claims

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

	2014	2013
RBNS	12 496 065	12 167 179
IBNR	3 420 360	3 817 262
Total	15 916 425	15 984 441

Claims run-off result

The gross amount of the result is disclosed in the following overview:

Class of insurance *	2014	2013
Motor third-party liability insurance	753 296	1 891 046
Motor insurance – other classes	397 510	182 657
Insurance for fire and other damage to property	560 109	255 212
Liability insurance	1 921 944	518 944
Other	323 485	74 179
Total	3 956 345	2 922 038

* The Company reassessed the level of mean value with respect to the above insurance classes, with the exception of motor third-party liability insurance. The mean value is newly based on the amount of insurance settlements paid, or on the amount of incurred claims. In previous years the mean value was based primarily on the amount of claims reported.

(c) Overview of provisions and liabilities for all risks divided according to product groups

Overview	2014	2013
Death and endowment insurance	0	107 593
Marriage insurance	9 053	6 216
Annuities	1 979 094	691 345
Deposit	111 783	125 697
Unit-linked	0	0
Total	2 099 930	930 851

(d) Provision for bonuses and rebates (gross)

Class of insurance	2014	2013
Non-life insurance	271 332	255 703
Life assurance	244 760	254 944
Total	516 092	510 647

II. 10. Provisions

Type of provision	2014	2013
Provision for pensions and similar liabilities	81 218	99 520
Provision for taxes	0	27 477
Other provisions	3 765	3 765
Total	84 983	130 762

II. 11. Payables

(a) Subordinated liabilities

The subordinated debt that is specified as a policy for an indefinite period with a 5-year cancellation period. Principal of the subordinated debt as at 31 December 2014 was TCZK 550 000 (2013: TCZK 550 000) and the amount of related interest was TCZK 7 001 (2013: TCZK 7 001).

(b) Creditors

As at 31 December 2014	Payables to policy holders	Payables to insurance intermediaries	Payables from reinsurance operations	Other payables	Total
Total	2 013 706	122 507	15 081	846 439	2 997 733

As at 31 December 2014	Payables to policy holders	Payables to insurance intermediaries	Payables from reinsurance operations	Other payables	Total
Total	2 164 239	95 474	5 401	848 271	3 113 385

All liabilities are short-term.

(c) Social security and health insurance liabilities

Liabilities with respect to social security and health insurance total TCZK 62 390 (2013: TCZK 64 564), of which TCZK 41 161 (2013: TCZK 42 361) relates to social security and TCZK 21 229 (2013: TCZK 22 203) relates to health insurance. None of these liabilities are overdue.

(d) Tax liabilities

Tax liabilities amount to TCZK 136 784 (2013: TCZK 92 769). None of these liabilities are overdue.

(e) Payables and receivables due to, or from, the reinsurer

The Company has a net receivable from reinsurers of TCZK 24 854 (2013: TCZK 85 660).

II. 12. Temporary liability accounts

	2014	2013
Prepaid premium	294 429	327 526
Accrual of reinsurance premium	153 643	193 422
Commissions estimated payables	198 194	213 658
Reinsurance estimated payables	265 340	331 828
Administration costs estimated payables	784 143	477 669
Estimated payables to Loss Prevention Fund	9 041	0
Other	48 450	64 239
Total	1 753 240	1 608 342

II. 13. Inter-company receivables and payables

The following related party balances were outstanding:

Receivables	2014	2013
Receivables from reinsurance	4 946 709	3 981 366
Other receivables	92 195	69 928
Loans granted	0	18 311
Total receivables	5 038 904	4 069 605
Payables	2014	2013
Payables from reinsurance	3 726 206	2 432 754
Subordinated debt	557 001	557 001
Other payables	686 497	475 821
Total payables	4 969 704	3 465 576

Reinsurance receivables include reinsurance assets in the amount of TCZK 4 705 005 (2013: TCZK 3 828 455). Payables from reinsurance include reinsurance deposits in the amount of TCZK 3 537 674 (2013: TCZK 2 293 965).

III. Additional disclosures with respect to the profit and loss account

III. 1. Non-life insurance

Non-life insurance for 2014 and 2013 divided by class of insurance:

	Insurance class	Year	Gross premiums written	Gross premiums earned	Gross claims paid	Gross operating expenses	Reinsurance balance	
Direct insurance	Accident and sickness	2014	220 521	225 693	51 282	58 660	45 542	
		2013	239 718	245 660	82 098	59 237	53 502	
	Motor – third-party liability insurance	2014	4 339 499	4 251 876	3 075 000	1 154 331	695 843	
		2013	4 155 284	4 095 201	1 160 450	1 026 794	938 856	
	Motor insurance – other classes	2014	3 769 153	3 768 295	2 597 270	1 002 616	274 035	
		2013	3 760 176	3 694 983	2 834 881	929 160	83 456	
	Insurance against fire and other damage to property	7, 8, 9	2014	5 321 457	5 329 005	1 892 354	1 415 538	57 937
			2013	5 364 967	5 283 494	4 439 971	1 325 713	-675 990
	Liability insurance	11–18	2014	2 299 932	2 274 807	802 866	611 795	-149 130
			2013	2 265 224	2 240 788	1 165 237	559 749	194 581
	Employer's liability insurance		2014	5 162 261	5 162 261	3 105 326	464 604	0
			2013	5 112 938	5 112 938	3 013 451	460 164	0
Reinsurance accepted		2014	487 274	494 209	240 637	129 616	113 984	
		2013	537 653	540 675	261 385	132 856	60 310	
Total		2014	21 600 097	21 506 146	11 764 735	4 837 160	1 038 211	
		2013	21 435 960	21 213 739	12 957 473	4 493 673	654 715	

III. 2. Life assurance

Gross premiums written in life assurance:

	2014	2013
Individual premium	10 119 262	9 865 325
Premiums under group contracts	18 250	18 596
Total	10 137 512	9 883 921
Regular premium	6 454 426	6 283 327
Single premium	3 683 086	3 600 594
Total	10 137 512	9 883 921
Premiums from non-profit-sharing contracts	40 849	47 515
Premiums from profit-sharing contracts	3 935 541	4 142 943
Premiums from policies where the investment risk is borne by policyholders	6 161 122	5 693 463
Total	10 137 512	9 883 921
Reinsurance balance	31 520	- 12 967

III. 3. Total amount of Gross premiums written by country

All gross written premiums arise from insurance policies concluded in the Czech Republic.

III. 4. Bonuses and rebates

The Company granted the following bonuses and rebates based on policy conditions and insurance policies:

	2014	2013
Gross		
Non-life insurance	430 891	382 710
Life assurance	-10 184	-5 991
Total gross amount	420 707	376 719
Reinsurers' share (non-life insurance)	-1 704	7 799
Total net amount	419 003	384 518

III. 5. Commissions and other acquisition costs for insurance contracts

	2014			2013		
	Non-life insurance	2014 Life assurance	Total	Non-life insurance	Life assurance	Total
Commissions						
Initial	1 296 742	1 482 758	2 779 499	1 336 126	1 750 827	3 086 953
Subsequent	1 168 525	0	1 168 525	1 090 236	0	1 090 236
Total commissions	2 465 267	1 482 758	3 948 024	2 426 362	1 750 827	4 177 189
Other acquisition costs	1 765 585	666 636	2 432 221	1 493 323	592 470	2 085 793
Change in deferred acquisition costs	-49 917	282 376	232 459	-199 333	107 249	-92 084
Change in the deferred overheads	-29 068	0	-29 068	-11 816	0	-11 816
Total commissions and other acquisition costs	3 012 410	2 431 770	5 444 179	2 630 116	2 450 546	5 080 662

The Company discloses subsequent commissions in overheads (see also I.5). 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

	2014	2013
Personnel costs (payroll, social security, health ins.)	1 009 824	1 188 063
IT costs including IT asset write-offs	559 225	586 102
Costs related to building operation	229 074	389 924
Communication (phone + postage)	66 546	96 129
Other service	72 607	118 220
Costs of Company vehicles including write-offs	21 148	69 982
Material	14 795	36 137
Insurance	24 853	25 544
Bank fees	23 417	22 832
Consultancy	66 345	22 674
Representation and gifts	26 447	37 209
Write-offs of other assets	1 738	16 107
Education	12 295	15 215
Travel costs	14 974	13 708
Outsourcing	-131 224	-130 314
Renewal commission	1 168 525	1 090 236
Deferred renewal commissions	-29 068	-11 816
Total administrative expenses	3 151 521	3 585 952
Reallocation to acquisition costs	-500 740	- 838 930
Reallocation to claims-handling costs	- 474 948	-530 047
Reallocation to costs of financial placement	-94 960	-97 689
Total administrative expenses	2 080 873	2 119 286

In terms of accounting improvement, in 2014 the Company recorded all expenses related to business-oriented cost centres straight to acquisition accounts, which influences the gross amount of administrative expenses prior to allocation and the amount of costs allocated as acquisition costs.

III. 7. Other technical expenses and income

	2014	2013
Non-life insurance		
Other technical expenses	1 798 621	2 262 750
Other technical income	96 188	564 894
Balance – non-life insurance	-1 702 433	- 1 697 856
Life assurance		
Other technical expenses	292 406	326 650
Other technical income	661 411	816 100
Balance – life assurance	369 005	489 450

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

	2014	2013
Addition (+)/Utilisation (-) of adjustments for receivables	67 323	-99 846
Write-offs (+)/payments after write-offs (-) to receivables	-6 614	172 312
Mandatory liability insurance – contribution to national budget	1 592 332	1 639 323
Exchange rate loss (+)/profit (-)	-25 395	0
Contribution to Loss Prevention Fund	128 310	0
Delegated claims	-22 058	-20 948
Other	-31 465	7 015
Balance of other expenses and income	1 702 433	1 697 856

Based on the amendment to Act No. 168/1999 Coll., on Liability Insurance for Losses Caused by the Operation of a Motor Vehicle, as amended, which came into effect on 1 January 2014, under Section 23a (2) an insurance company is obliged to pay 3% of premiums written and collected effective from 1 January 2014 to a Loss Prevention Fund. The Company recognises the amount of TCZK 128 310 in other technical expenses in the technical account for non-life insurance.

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

	2014	2013
Addition (+)/Utilisation (-) of adjustments for receivables	-40 604	37 734
Write-offs (+)/payments after write-offs (-) to receivables	83 563	896
Accumulated debt	-385 456	-517 622
Other	-26 508	-10 458
Balance of other expenses and income	-369 005	-489 450

III. 8. Other expenses and income

	2014	2013
Non-technical account		
Other expenses	98 435	262 928
Other income	113 340	339 605
Balance of other expenses and income (- expenses/+ income)	14 905	76 677

The development of other expenses and income has been primarily influenced by the change of the volume of provided financial intermediation services. Furthermore, there is also visible the creation/release of provisions for employee benefits, which depends on a regular update of the assumptions.

III. 9. Employees and executives

The average number of employees and executives and remuneration for 2014 and 2013 are as follows:

2014	Average number of employees	Payroll expense	Social and health insurance	Other expenses
Employees	3 677	1 893 611	599 912	18 440
Executives	30	128 984	21 187	0
Total	3 707	2 022 595	621 099	18 440

2013	Average number of employees	Payroll expense	Social and health insurance	Other expenses
Employees	3 741	1 886 765	632 580	29 151
Executives	30	163 275	6 503	0
Total	3 771	2 050 040	639 083	29 151

- ▶ Personnel expenses (payroll, social security and health insurance, other expenses) for administrative employees are disclosed in administrative expenses.
- ▶ Personnel expenses for employees concluding insurance are disclosed in acquisition costs, totalling TCZK 1 889 981 in 2014 (2013: TCZK 1 779 734).
- ▶ Personnel expenses for employees responsible for claims handling are disclosed in claims paid, totalling TCZK 269 482 in 2014 (2013: TCZK 289 172).
- ▶ Personnel expenses for employees responsible for investment management are disclosed in investment management charges, totalling TCZK 24 243 in 2014 (2013: TCZK 24 750).

(a) Statutory, Executive and Supervisory Board members' remuneration

The Company has provided the following monetary and non-monetary remuneration to the Statutory, Executive and Supervisory Board members for the financial years 2014 and 2013:

	2014	2013
Members of the Board of Directors	38 709	50 227
Members of the Supervisory Board	6 859	5 931
Total remuneration paid	45 568	56 158

(b) Statutory, Executive and Supervisory Board members' loans, other receivables and advances

As at 31 December 2014 and 2013, the Company has no receivables from the Board of Directors or the Supervisory Board related to provided loans and advances.

(c) Information on remuneration for statutory auditors

Information relating to the fees paid and payable for services performed by the audit company is included in the consolidated financial statements of the parent company VIENNA INSURANCE GROUP AG Wiener Versicherung Gruppe.

III. 10. Expense transfer between technical accounts and non-technical account

As at the balance sheet date, the total amount of expenses allocated between the technical accounts for life assurance, non-life insurance and the non-technical account by means of the method stated in point I.4.(x) amounted to TCZK 1 376 602 (2013: TCZK 1 560 388).

III. 11. Result of non-technical account

The result of the non-technical account before tax as at 31 December 2014 amounted to TCZK 14 905 (2013: TCZK 76 676).

III. 12. Profit before tax

The result before tax as at 31 December 2014 amounted to TCZK 3 073 458 (2013: TCZK 4 101 305).

III. 13. Taxation

(a) Income tax in the profit and loss account

	2014	2013
Current tax expense	382 193	558 268
Deferred tax expense	28 031	41 242
Other	-3 324	41 398
Total income tax charge	406 900	640 908

(b) Deferred tax assets and liabilities

Deferred tax assets and liabilities are as follows:

	2014	2013
Goodwill and other temporary differences from intangible assets	158 725	197 596
Adjustments and provisions	118 995	99 183
Depreciation of property	-146 249	-134 301
Revaluation differences in equity	-6 210	-9 761
Other temporary differences	0	-2 974
Deferred tax asset/liability	125 263	149 743

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

	2014	2013
Net deferred tax asset as at 1 January	149 743	185 977
Deferred tax income recognised on temporary differences	-28 031	-41 242
Change in revaluation differences in equity (Note 11.2)	3 551	5 008
Net deferred tax asset as at 31 December	125 263	149 743

IV. Other disclosures

IV. 1. Contingent liabilities

(a) Co-insurance

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

The Company considers it improbable that the beneficiary will file a claim against the Company as the leading co-insurer, and has therefore established a provision for outstanding claims only in the amount of 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. The Company contributes to the guarantee fund and creates the provision for liabilities of the Bureau. The amount of the contribution and the provision for liabilities of the Bureau are determined by actuarial methods.

Should any of the members of the Bureau would be 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 policy, 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 the company V.I.G. ND, uzavřený investiční fond a.s., letting offices at the building of Main Point Karlín for 20 years, starting on 1 January 2012.

(e) Contingent liabilities

As at the date of preparation of financial statements, the management of the Company has not been aware of any other significant commitments and potential future liabilities.

IV. 2. Subsequent events

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

In Prague, March 10th 2015



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



Gary Mazzotti, B.A. (Hons) A.C.A.,
Member of the Board of Directors

ORGANISATIONAL CHART



Organisational chart – As of April 1, 2015

Board of Directors

Ing. Martin Diviš, MBA
Chairman of the Board
and Chief Executive Officer

Gary Mazzotti, B.A. (Hons) A.C.A.
Member, since April 1, 2014

Jiří Sýkora
Member

JUDr. Hana Macháčová
Member,
Deputy Chairwoman

Ing. Milan Nidl, MBA
Member

RNDr. Petr Zapletal, MBA
Member

Advanced Board of Directors

Ing. Jana Součková, MBA

Mgr. Filip Král

Supervisory Board

Dr. Peter Hagen
Chairman

Ing. Roman Brablec
Member

Dr. Ing. Vratislav Kulhánek
Member

Dkfm. Karl Fink
Vice-Chairman

Mag. Roland Gröll
Member

Mgr. Martin Laur
Member

JUDr. Rostislav Dvořák
Vice-Chairman

Mag. Erwin Hammerbacher
Member

Jan Růžička
Member

prof. Ing. Eva Ducháčková, CSc.
Member

Ing. Jaroslav Kučera, MBA
Member

Jan Wiesner
Member

Agencies

Prague Agency
Ing. Ivo Sebera, MBA

West Bohemia Agency
Arnošt Bergmann

South Moravia Agency
Ing. Jaroslav Kučera, MBA

Central Bohemia Agency
PhDr. Roman Leština, MBA

North Bohemia Agency
Bc. Roman Hojný, MBA

North Moravia Agency
Ing. Zbyněk Dostál

South Bohemia Agency
Jiří Vančura

East Bohemia Agency
Bc. Roman Hojný, MBA

Centres

Claims Settlement Centre – Property,
Liability
Ing. Miroslav Novák

Claims Settlement Centre – Motor
Vehicles
Ing. Milan Gregor

Workmen's Compensation
Insurance Centre
JUDr. Ladislav Žák

Contract (Policy) Administration Centre
Ing. Jana Součková, MBA

Customer Services Centre
Ing. Tomáš Szewieczek

Sections

General Secretariat
Ing. Jaroslav Suk

Legal Section
Mgr. Martin Laur

Property and Liability Insurance
Section
Ing. Radek Starosta
(responsible for management)

Human Resources Section
Mgr. Jan Března

Car Insurance Section
Ing. Václav Runštuk

Insurance of Economic Risks Section
JUDr. Petr Suchánek, Ph.D.
(responsible for the management)

Internal Business Relationships Section
Ing. Radek Burian

Management of External Business
Relationships Section
Ing. Richard Procházka

Procurement and Services Section
Ing. Jaroslav Suk

Economics Section
Mgr. Ing. Judita Řihiová

Personal Insurance Section
Mgr. Filip Král

Information Technology Section
Ing. Karel Pavlík

Business Operations Support Section
Ing. Filip Holý, Ph.D.

Underwriting Section
Mgr. Jan Šváb, Ph.D.

Internal Audit Section
JUDr. Karel Hromada

Treasury Section
Ing. Luděk Marek

Planning and Controlling Section
Ing. Evžen Heřman

Reinsurance Section
Ing. Roman Brablec

Marketing and Product Development
Section
Ing. Milan Medek

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 April 1, 2015

Head Office

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

Commercial Risk

Insurance Department

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

Property and Liability

Insurance Department

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

Motor Vehicle Insurance

Department

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

Personal Line Insurance

Department

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

Sámová 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

Celetná 590/25
110 00 Praha 1
☎ 956 426 070

North Bohemia Agency

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

South Bohemia 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
☎ 466 890 111

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 relationships between related parties under the provisions of Section 82 Business Corporations Act No.90/2012 Coll.

Part I. Parties Forming the Holding

1. Controlled party

The company **Kooperativa pojišťovna, a.s., Vienna Insurance Group**, registered office at **Pobřežní 665/21, 186 00 Praha 8, Company ID: 47116617**, incorporated in the Commercial Register administrated by the Municipal Court in Prague, File No. B 1897 (hereinafter referred to as Kooperativa).

Kooperativa is a business company which is active in the field of the insurance business pursuant to Insurance Act No. 277/2009 Coll., as amended. The line of business is specified in the company's articles and recorded in the Commercial Register.

2. Controlling party

The company **VIENNA INSURANCE GROUP AG Wiener Versicherung Gruppe**, registered office at **Schottenring 30, Vienna 1010, Austria**, incorporated in the Commercial Register administrated by the Trade Court in Vienna, File No. FN 75687 F (hereinafter referred to as VIG AG).

VIENNA INSURANCE GROUP AG Wiener Versicherung Gruppe, registered office at Schottenring 30, A-1010 Vienna, Austria (registered office at VIG AG) is a joint-stock company, and its line of business is specified in the company's articles.

3. Related parties

The list of affiliated companies of VIG AG, including the share in the authorized capital is given in an annex hereof.

Part II. Relationship Between the Holding Parties

1. Manner of Controlling

VIG AG owns shares of Kooperativa with a total nominal value amounting to 96.32% of the authorized capital.

2. Relationship Structure

The share of VIG AG in other affiliated companies in percentages of the authorized capital is given in an annex hereof.

Part III. Period

This report is compiled for the last accounting period, i.e. from 1 January 2014 to 31 December 2014.

Part IV.

Contracts and Agreements Concluded Between Holding Parties

1. Contracts and agreements concluded between VIG AG and Kooperativa in 2014

- ▶ Reinsurance contracts between VIG AG and Kooperativa.

2. Contracts and agreements concluded between Kooperativa and other controlled parties in 2014, where the controlling party is VIG AG

- ▶ Reinsurance contracts between Kooperativa and VIG RE zajišťovna, a.s.
- ▶ Agreements on extra commission disbursement between Kooperativa and Kapitol, a.s.
- ▶ Contracts for business representation no. 4600-108017/01-2014-A and no. 4600-109017/01-2014-ACS between Kooperativa and Kapitol, a.s.
- ▶ Framework agreement no. 7402000004 on conditions for insurance of opticians and optometrists between Kooperativa and Kapitol, a.s.
- ▶ Contract on portfolio transfer no. 4600-109017/01-2014-PK between Kooperativa and Kapitol, a.s.
- ▶ Contract no. 10/3614/14 on Borrowing of Signing-Enabling-Device for the purpose of attaching digitalized signatures to electronic documents between Kooperativa and Kapitol, a.s.
- ▶ Contract for Sublease of Premises at U Staré trati 1775/3, České Budějovice between Kooperativa and Kapitol, a.s.
- ▶ Agreement on Lease Termination for Non-Residential Premises at Opletalova 36, Praha 1 between Kooperativa and S - budovy, a.s.
- ▶ Contract on Facility Management of the Training Centre at Hružův Mlýn at Zhoř 11, Milevsko between Kooperativa and S - správa nemovitostí, a.s.
- ▶ Contract for Sublease of parts of the object Stodola and the object Špejchar and the sublease of equipment of the kitchen in the Training Centre Hružův Mlýn at Zhoř 1, Milevsko between Kooperativa and S - správa nemovitostí, a.s.
- ▶ Contract on Administration of the areal Hrabová at Místecká 329/258, Ostrava between Kooperativa and S - správa nemovitostí, a.s.
- ▶ Contract on Facility Management at 1. Pluku 172, Praha 8 between Kooperativa and S - správa nemovitostí, a.s.
- ▶ Amendment no. 7 to Contract on Facility Management at Zámecká 19, Ostrava and Studentská 3, Olomouc between Kooperativa and S - správa nemovitostí, a.s.
- ▶ Amendment no. 5 to Contract on Facility Management of Agency East Bohemia between Kooperativa and S - správa nemovitostí, a.s.
- ▶ Amendment no. 1 to Contract on Non-Exclusive Business Representation no. 994174 on the change of commission conditions between Kooperativa and Pojišťovna České spořitelny, a.s., Vienna Insurance Group
- ▶ Proportional Quota Reinsurance Contract between Kooperativa and Česká podnikatelská pojišťovna, a.s., Vienna Insurance Group
- ▶ Contract for Cost Sharing between Kooperativa and Česká podnikatelská pojišťovna, a.s., Vienna Insurance Group
- ▶ Insurance Contract no. 0013873555 between Kooperativa and Česká podnikatelská pojišťovna, a.s., Vienna Insurance Group for insurance of business interruption due to natural hazards and machinery business interruption
- ▶ Insurance Contract no. 0013970550 between Kooperativa and Česká podnikatelská pojišťovna, a.s., Vienna Insurance Group for liability insurance of insurance intermediaries.
- ▶ Insurance Contract no. 3880085668 between Kooperativa and Česká podnikatelská pojišťovna, a.s., Vienna Insurance Group for comprehensive fleet insurance of motor vehicles
- ▶ Amendments no. 27 – no. 28 to the Insurance Contract no. 0012341541 between Kooperativa and Česká podnikatelská pojišťovna, a.s., Vienna Insurance Group for property insurance
- ▶ Amendment no. 5 to the Contract of Mandate for Insurance Agent no. 8720000000 between Kooperativa and Česká podnikatelská pojišťovna, a.s., Vienna Insurance Group

- ▶ Agreement on Extraordinary Commission for Financial Products of Česká spořitelna, a.s. and Stavební spořitelna České spořitelny, a.s. between Kooperativa and Česká podnikatelská pojišťovna, a.s., Vienna Insurance Group
- ▶ Contract on Facultative Reinsurance to Motor Hull Insurance Policy no. 3880050970 between Kooperativa and Česká podnikatelská pojišťovna, a.s., Vienna Insurance Group
- ▶ Contract for Exclusive Commercial Representation no. 4116-9930001756/01-2014-ACS in wording notifying amended annexes no. 1 and no. 4 between Kooperativa and Česká podnikatelská pojišťovna, a.s., Vienna Insurance Group
- ▶ Contract on Providing for Hotel Accommodation and Further Services between Kooperativa and HOTELY SRNÍ, a.s.
- ▶ Contracts for Portfolio Transfer and Assumption of Other Rights and Duties between Kooperativa and Benefita, a.s.
- ▶ Contract on Exclusive Business Representation no. 4600-312463/01-2014-A between Kooperativa and Benefita, a.s.
- ▶ Agreements on Extra Commission for NL Insurance between Kooperativa and Benefita, a.s.
- ▶ Agreement on Extraordinary Commission for Building Society Loans between Kooperativa and Benefita, a.s.
- ▶ Amendment no. 1 to the Lease Contract for Non-Residential Premises at Templová 747, Praha 1 between Kooperativa and Benefita, a.s.
- ▶ Contract for Sublease of a Parking Lot between Kooperativa and Benefita, a.s.
- ▶ Agreement on Commission for Private Life Insurance between Kooperativa and Benefita, a.s.
- ▶ Insurance Policy on Life Insurance RENTA PROFIT 18DR between Kooperativa and Benefita, a.s.
- ▶ Insurance Policy on Liability Insurance of Members of Bodies between Kooperativa and Benefita, a.s.
- ▶ Purchase Contract on Sale of Movable Objects between Kooperativa and Benefita, a.s.
- ▶ Contract for Sublease of Premises for Business Purposes in the Building of Headquarters VIG ČR at Pobřežní 665/21, Praha 8 between Kooperativa and Benefita, a.s.
- ▶ Agreement on Termination of Contract For Renting Advertising Area at Brněnská 634, Modřice between Kooperativa and V.I.G. ND uzavřený investiční fond a.s.
- ▶ Contract on Purchase of the Share concerning Shares of the Trade Company VIG FUND uzavřený investiční fond, a.s. between Kooperativa and V.I.G. ND uzavřený investiční fond a.s.
- ▶ Amendments no. 4 and no. 5 to the Contract for Lease of the Headquarters Building of VIG ČR between Kooperativa and V.I.G. ND uzavřený investiční fond a.s.
- ▶ Amendment no. 7 to the Lease Contract for Non-Residential Premises no. 1-VIG-KOO-2011 between Kooperativa and V.I.G. ND uzavřený investiční fond a.s.
- ▶ Lease Contract for Non-Residential Premises at Fibichova 682, Přeborn between Kooperativa and Global Expert, s.r.o.
- ▶ Lease Contract for Non-Residential Premises and Office Equipment at Školní 3600, Chomutov between Kooperativa and Global Expert, s.r.o.
- ▶ Lease Contract for Non-Residential Premises and Office Equipment at V Ráji 919, Pardubice between Kooperativa and Global Expert, s.r.o.
- ▶ Amendment no. 3 to Lease Contract for Non-Residential Premises and Office Equipment at T.G.Masaryka 2065/26, Svitavy between Kooperativa and Global Expert, s.r.o.
- ▶ Contract for Cost Sharing between Kooperativa and Global Expert, s.r.o.
- ▶ Amendment no. 1 to Contract for Cost Sharing between Kooperativa and Obecně prospěšná společnost Kooperativy (non-profit organization)
- ▶ Amendment no. 1 to Lease Contract for Non-Residential Premises at Pobřežní 665/21, Praha 8 between Kooperativa and Obecně prospěšná společnost Kooperativy (non-profit organization)
- ▶ Contract for Renting Advertising Area – Lázeňský dům Wolker between Kooperativa and Sanatorium Astoria, a.s.
- ▶ Amendment no. 7 to the Contract for Services upon Integration of SAP and GOLEM Software between Kooperativa and AIS Servis, s.r.o.
- ▶ Contract for Sublease of Premises for Business Purposes at Brněnská 634, Modřice between Kooperativa and AIS Servis, s.r.o.
- ▶ Amendment on Prolongation of the Contract of Cooperation in the Field of Providing Medical Assistance Services between Kooperativa and GLOBAL ASSISTANCE, a.s.
- ▶ Amendment no. 2 to the Contract for Cost Sharing between Kooperativa and VIG Asset Management investiční společnost, a.s.

Kooperativa suffered no damage from the contracts above.

Part V.

Other legal acts and other measures taken in the interest, or from the initiative, of related parties

Kooperativa trades funds administered by Ringturm Kapitalanlagegesellschaft m.b.H.

Kooperativa suffered no damage from the measures above.

Part VI.

Confidentiality of information

- Information and facts that constitute part of the business secrets of VIG AG, Kooperativa or other related parties as well as information declared confidential by any party that is part of the holding shall be deemed confidential. Furthermore, any information from a business relationship that could be, by itself or in relation to other information or facts, to the detriment of any of the parties forming the holding shall also be deemed confidential.
- In order not to cause detriment to the controlled party with respect to Paragraph 1 of this part, the report of the statutory body shall not comprise financial information on services provided and offsets received from contracts and agreements entered into.

Part VII.

Conclusion

- This report was prepared by the Board of Directors of the controlled party Kooperativa pojišťovna, a.s., Vienna Insurance Group and will be submitted for revision by the Supervisory Board. Pursuant to legal provisions, Kooperativa is obliged to execute the Annual Report; this report shall be an integral annex of the Annual Report. The Annual Report will be submitted for revision to the auditing company KPMG Česká republika Audit, s.r.o.

Dated at Prague, the 25th day of February 2015

Signatures of the Chairman of the Board of Directors and a member of the Board of Directors of the controlled party, Kooperativa pojišťovna, a.s., Vienna Insurance Group:



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



Gary Mazzotti, B.A. (Hons) A.C.A.
Member of the Board of Director

Related parties and equity interests of VIENNA INSURANCE GROUP AG Wiener Versicherung Gruppe

As of December 31, 2014

Company	Country	Existing capital share in %
Fully consolidated companies		
"BULSTRAD LIFE VIENNA INSURANCE GROUP" JOINT STOCK COMPANY, Sofia	Bulgaria	95.53
"Grüner Baum" Errichtungs- und Verwaltungsges.m.b.H., Vienna	Austria	100.00
"POLISA-ZYCIE" Towarzystwo Ubezpieczen Spolka Akcyjna Vienna Insurance Group, Warsaw	Poland	98.57
ASIGURAREA ROMANEASCA - ASIROM VIENNA INSURANCE GROUP S.A., Bucarest	Romania	99.44
Anděl Investment Prague s.r.o., Prague	Czech Republic	100.00
Arithmetica Versicherungs- und Finanzmathematische Beratungs-Gesellschaft m.b.H., Vienna	Austria	100.00
BCR Asigurari de Viata Vienna Insurance Group S.A., Bucarest	Romania	93.98
BML Versicherungsmakler GmbH, Vienna	Austria	100.00
Benefia Towarzystwo Ubezpieczen Spolka Akcyjna Vienna Insurance Group, Warsaw	Poland	100.00
Blizzard Real Sp. z o.o., Warsaw	Poland	100.00
Bulgarski Imoti Asistans EOOD, Sofia	Bulgaria	100.00
Business Insurance Application Consulting GmbH, Vienna	Austria	100.00
Businesspark Brunn Entwicklungs GmbH, Vienna	Austria	100.00
CAL ICAL "Globus", Kiev	Ukraine	80.00
CAME Holding GmbH, Vienna	Austria	100.00
CAPITOL, akciová spoločnosť, Bratislava	Slovakia	100.00
CENTER Hotelbetriebs GmbH, Vienna	Austria	80.00
COMPENSA Holding GmbH, Wiesbaden	Germany	100.00
Central Point Insurance IT-Solutions GmbH, Vienna	Austria	100.00
Česká podnikatelská pojišťovna, a.s., Vienna Insurance Group, Prague	Czech Republic	100.00
Compensa Life Vienna Insurance Group SE, Tallinn	Estonia	100.00
Compensa Towarzystwo Ubezpieczen Na Zycie Spolka Akcyjna Vienna Insurance Group, Warsaw	Poland	100.00
Compensa Towarzystwo Ubezpieczen Spolka Akcyjna Vienna Insurance Group, Warsaw	Poland	99.92
Compania de Asigurari "DONARIS VIENNA INSURANCE GROUP" Societate pe Actiuni, Kişinev	Moldavia	99.98
DBLV Immobesitz GmbH, Vienna	Austria	100.00
DBLV Immobesitz GmbH & Co KG, Vienna	Austria	100.00
DBR-Liegenschaften GmbH & Co KG, Stuttgart	Germany	100.00
DBR-Liegenschaften Verwaltungs GmbH, Stuttgart	Germany	100.00
DONAU Versicherung AG Vienna Insurance Group, Vienna	Austria	99.24
DVIB GmbH, Vienna	Austria	100.00
Deutschmeisterplatz 2 Objektverwaltung GmbH, Vienna	Austria	100.00
Donau Brokerline Versicherungs-Service GmbH, Vienna	Austria	100.00
ELVP Beteiligungen GmbH, Vienna	Austria	100.00
ERSTE Vienna Insurance Group Biztosító Zrt., Budapest	Hungary	95.00
Erste osiguranje Vienna Insurance Group d.d., Zagreb	Croatia	95.00
GPIH B.V., Amsterdam	The Netherlands	91.11

Related parties

Company	Country	Existing capital share in %
Fully consolidated companies		
Gesundheitspark Wien-Oberlaa Gesellschaft m.b.H., Vienna	Austria	100.00
INSURANCE JOINT-STOCK COMPANY "BULSTRAD VIENNA INSURANCE GROUP", Sofia	Bulgaria	99.21
INTERSIG VIENNA INSURANCE GROUP Sh.A., Tirana	Albania	89.98
Joint Stock Company for Insurance and Reinsurance Makedonija Skopje - Vienna Insurance Group, Skopje	Macedonia	94.25
InterRisk Lebensversicherungs-AG Vienna Insurance Group, Wiesbaden	Germany	100.00
InterRisk Towarzystwo Ubezpieczen Spolka Akcyjna Vienna Insurance Group, Warsaw	Poland	99.98
InterRisk Versicherungs-AG Vienna Insurance Group, Wiesbaden	Germany	100.00
International Insurance Company "IRAO" LTD, Tbilisi	Georgia	100.00
Joint Stock Company Insurance Company GPI Holding, Tbilisi	Georgia	90.00
Wiener Osiguranje Vienna Insurance Group ad, Banja Luka	Bosnia and Herzegovina	100.00
KOMUNÁLNA poisťovna, a.s. Vienna Insurance Group, Bratislava	Slovakia	100.00
KOOPERATIVA poisťovna, a.s. Vienna Insurance Group, Bratislava	Slovakia	100.00
Kaiserstraße 113 GmbH, Vienna	Austria	100.00
Kapitol pojišťovací a finanční poradenství, a.s., Brno	Czech Republic	100.00
Kooperativa, pojišťovna, a.s. Vienna Insurance Group, Prague	Czech Republic	98.39
KÁLVIN TOWER Immobilienentwicklungs- und Investitionsgesellschaft m.b.H., Budapest	Hungary	100.00
LVP Holding GmbH, Vienna	Austria	100.00
MAP Bürodienstleistung Gesellschaft m.b.H., Vienna	Austria	100.00
MH 54 Immobilienanlage GmbH, Vienna	Austria	100.00
Neue Heimat Oberösterreich Holding GmbH, Vienna	Austria	90.00
OMNIASIG VIENNA INSURANCE GROUP S.A., Bucarest	Romania	99.47
Pension Insurance Company Doverie AD, Sofia	Bulgaria	92.58
PFG Holding GmbH, Vienna	Austria	89.23
PFG Liegenschaftsbewirtschaftungs GmbH & Co KG, Vienna	Austria	92.88
Private Joint-Stock Company "Insurance company" Ukrainian insurance group", Kiev	Ukraine	100.00
PRIVATE JOINT-STOCK COMPANY "UKRAINIAN INSURANCE COMPANY "KNAZHA VIENNA INSURANCE GROUP", Kiev	Ukraine	99.99
Private Joint-Stock Company "JUPITER LIFE INSURANCE VIENNA INSURANCE GROUP", Kiev	Ukraine	97.80
PROGRESS Beteiligungs-ges.m.b.H., Vienna	Austria	60.00
Palais Hansen Immobilienentwicklung GmbH, Vienna	Austria	56.55
Passat Real Sp. z o.o., Warsaw	Poland	100.00
Poisťovna Slovenskej sporiteľne, a.s. Vienna Insurance Group, Bratislava	Slovakia	95.00
Pojišťovna České spořitelny, a.s. Vienna Insurance Group, Pardubice	Czech Republic	95.00
Projektbau GesmbH, Vienna	Austria	100.00
Projektbau Holding GmbH, Vienna	Austria	90.00
Rathstraße 8 Liegenschaftsverwertungs GmbH, Vienna	Austria	100.00
Ray Sigorta Anonim Sirketi, Istanbul	Turkey	94.96
SECURIA majetkovosprávna a podielová s.r.o., Bratislava	Slovakia	100.00
SIGMA INTERALBANIAN VIENNA INSURANCE GROUP Sh.A., Tirana	Albania	89.05
Skandia Zycie Towarzystwo Ubezpieczen Spolka Akcyjna, Warsaw	Poland	100.00
SVZ GmbH, Vienna	Austria	100.00

Related parties

Company	Country	Existing capital share in %
Fully consolidated companies		
SVZI GmbH, Vienna	Austria	100.00
Schulring 21 Bürohaus Errichtungs- und Vermietungs GmbH, Vienna	Austria	100.00
Schulring 21 Bürohaus Errichtungs- und Vermietungs GmbH & Co KG, Vienna	Austria	100.00
Senioren Residenz Fultererpark Errichtungs- und Verwaltungs GmbH, Vienna	Austria	100.00
Senioren Residenz Veldidenapark Errichtungs- und Verwaltungs GmbH, Innsbruck	Austria	66.70
Sparkassen Versicherung AG Vienna Insurance Group, Vienna	Austria	95.00
T 125 GmbH, Vienna	Austria	100.00
TBI BULGARIA EAD, Sofia	Bulgaria	100.00
TBIH Financial Services Group N.V., Amsterdam	The Netherlands	100.00
UNION Vienna Insurance Group Biztosító Zrt., Budapest	Hungary	100.00
V.I.G. ND, uzavřený investiční fond a.s., Prague	Czech Republic	100.00
VIG FUND uzavřený investiční fond, a.s., Prague	Czech Republic	100.00
VIG RE zajišťovna, a.s., Prague	Czech Republic	100.00
VIG REAL ESTATE DOO, Belgrade	Serbia	100.00
VIG Real Estate GmbH, Vienna	Austria	100.00
VIG-CZ Real Estate GmbH, Vienna	Austria	100.00
VLTAVA majetkovosprávní a podílová spol.s.r.o., Prague	Czech Republic	100.00
Vienna Life Vienna Insurance Group Biztosító Zártkörűen Működő Részvénytársaság, Budapest	Hungary	100.00
Vienna-Life Lebensversicherung AG Vienna Insurance Group, Bendorf	Lichtenstein	100.00
VIG Properties Bulgaria AD, Sofia	Bulgaria	99.97
WGPV Holding GmbH, Vienna	Austria	100.00
"WIENER RE" akcionarsko društvo za reosiguranje, Belgrade	Serbia	100.00
WIENER STÄDTISCHE Beteiligungs GmbH, Vienna	Austria	100.00
WIENER STÄDTISCHE Finanzierungsdienstleistungs GmbH, Vienna	Austria	100.00
WIENER STÄDTISCHE VERSICHERUNG AG Vienna Insurance Group, Vienna	Austria	99.90
WIENER VEREIN BESTATTUNGS- UND VERSICHERUNGSSERVICE-GESELLSCHAFT M.B.H., Vienna	Austria	100.00
Joint Stock Insurance Company WINNER-Vienna Insurance Group, Skopje	Macedonia	100.00
WSBV Beteiligungsverwaltung GmbH & Co KG, Vienna	Austria	100.00
WSV Immoholding GmbH, Vienna	Austria	100.00
WILA GmbH, Vienna	Austria	100.00
WIENER STÄDTISCHE OSIGURANJE akcionarsko društvo za osiguranje, Belgrade	Serbia	100.00
Wiener nekretnine d.o.o. za poslovanje nekretninama, Zagreb	Croatia	100.00
Wiener osiguranje Vienna Insurance Group dioničko društvo za osiguranje, Zagreb	Croatia	99.47
Companies consolidated by equivalent method		
AIS Servis, s.r.o., Brno	Czech Republic	100.00
Alpenländische Heimstätte, gemeinnützige Wohnungsbau- und Siedlungsgesellschaft m.b.H., Innsbruck	Austria	94.00
Benefita, a.s., Prague	Czech Republic	100.00
Beteiligungs- und Immobilien GmbH, Linz	Austria	25.00
Beteiligungs- und Wohnungsanlagen GmbH, Linz	Austria	25.00
ČPP Servis, s.r.o., Prague	Czech Republic	100.00
CROWN-WSF spol. s.r.o., Prague	Czech Republic	30.00
Erste gemeinnützige Wohnungsgesellschaft Heimstätte Gesellschaft m.b.H., Vienna	Austria	99.77

Related parties

Company	Country	Existing capital share in %
Companies consolidated by equivalent method		
GLOBAL ASSISTANCE, a.s., Prague	Czech Republic	100.00
Gemeinnützige Industrie-Wohnungsaktiengesellschaft, Leonding	Austria	55.00
Gemeinnützige Mürz-Ybbs Siedlungsanlagen-GmbH, Kapfenberg	Austria	55.00
Gewista-Werbegesellschaft m.b.H., Vienna	Austria	33.00
Global Expert, s.r.o., Pardubice	Czech Republic	100.00
HOTELY SRNÍ, a.s., Prague	Czech Republic	100.00
KIP, a.s., Prague	Czech Republic	100.00
Medial Beteiligungs-Gesellschaft m.b.H., Vienna	Austria	29.63
NEUE HEIMAT Oberösterreich Gemeinnützige Wohnungs- und SiedlungsgesmbH, Linz	Austria	99.81
Neuland gemeinnützige Wohnbau-Gesellschaft m.b.H., Vienna	Austria	50.12
Österreichisches Verkehrsbüro Aktiengesellschaft, Vienna (konzernová účetní závěrka)	Austria	36.58
S - budovy, a.s., Prague	Czech Republic	100.00
S IMMO AG, Vienna (konzernová účetní závěrka)	Austria	10.22
S-správa nemovitostí, a.s., Prague	Czech Republic	100.00
SCHWARZATAL Gemeinnützige Wohnungs- und Siedlungsanlagen GmbH, Vienna	Austria	55.00
SOZIALBAU gemeinnützige Wohnungsaktiengesellschaft, Vienna	Austria	50.12
SURPMO, a.s., Prague	Czech Republic	100.00
Sanatorium Astoria, a.s., Karlovy Vary	Czech Republic	92.71
TECH GATE VIENNA Wissenschafts- und Technologiepark GmbH, Vienna	Austria	60.00
WNH Liegenschaftsbesitz GmbH, Vienna	Austria	100.00
Urbanbau Gemeinnützige Bau-, Wohnungs- und Stadterneuerungsgesellschaft m.b.H., Vienna	Austria	50.12
VBV - Betriebliche Altersvorsorge AG, Vienna (Group final accounts)	Austria	23.56
Non-consolidated companies		
Assistance Company "Ukrainian Assistance Service" LLC, Kiev	Ukraine	100.00
"Auto-Ekspert" Spolka z ograniczona odpowiedzialnoscia, Warsaw	Poland	100.00
"Compensa Services" SIA, Riga	Latvia	100.00
"DUNA] - Finanse" - Spolka z ograniczona odpowiedzialnoscia, Warsaw	Poland	50.00
Medical Clinic "DIYA" LLC, Kiev	Ukraine	100.00
AISMP Meditzinski Tsentar Bulstrad Zdrave EOOD, Sofia	Bulgaria	100.00
Akcionarsko drustvo za zivotno osiguranje Wiener Städtische Podgorica, Vienna Insurance Group, Podgorica	Montenegro	100.00
Alpenlachs Soravia GmbH, Vienna	Austria	33.30
Amadi GmbH, Wiesbaden	Germany	100.00
AQUILA Hausmanagement GmbH, Vienna	Austria	100.00
AREALIS Liegenschaftsmanagement GmbH, Vienna	Austria	50.00
Autosig SRL, Bucarest	Romania	100.00
B&A Insurance Consulting s.r.o., Moravská Ostrava	Czech Republic	49.00
Brunn N68 Sanierungs GmbH, Vienna	Austria	50.00
Bulstrad Trudova Meditzina EOOD, Sofia	Bulgaria	100.00
Camelot Informatik und Consulting Gesellschaft m.b.H., Villach	Austria	99.48
CAPITOL BROKER DE PENSII PRIVATE S.R.L., Bucarest	Romania	100.00
CAPITOL INTERMEDIAR DE PRODUSE BANCARE S.R.L., Bucarest	Romania	100.00
CAPITOL INTERMEDIAR DE PRODUSE DE LEASING S.R.L., Bucarest	Romania	100.00

Related parties

Company	Country	Existing capital share in %
Non-consolidated companies		
CAPITOL Spolka z Ograniczona odpowiedzialnoscia, Warsaw	Poland	100.00
CARPLUS Versicherungsvermittlungsagentur GmbH, Vienna	Austria	100.00
CCA EDV für Versicherungswirtschaft GmbH, Vienna	Austria	24.28
DIRECT-LINE Direktvertriebs-GmbH, Vienna	Austria	100.00
DVS Donau-Versicherung Vermittlungs- und Service-Gesellschaft m.b.H., Vienna	Austria	100.00
EBS Wohnungsgesellschaft mbH Linz, Linz	Austria	25.00
EBV-Leasing Gesellschaft m.b.H., Vienna	Austria	49.49
EGW Wohnbau gemeinnützige Ges.m.b.H., Wiener Neustadt	Austria	100.00
ERSTE drustvo s ogranicenom odgovornoscu za upravljanje obveznim i dobrovljnim mirovinskim fondovima, Zagreb	Croatia	29.00
Erste S Biztositasi Alkusz Kft, Budapest	Hungary	100.00
European Insurance & Reinsurance Brokers Ltd., London	UK	85.00
EXPERTA Schadenregulierungs-Gesellschaft mbH, Vienna	Austria	100.00
Finanzpartner GmbH, Vienna	Austria	50.00
Foreign limited liability company "InterInvestUchastie", Minsk	Belarus	100.00
Gain Capital SA, SICAV-FIS Real Estate Car Parks I, Luxembourg	Luxembourg	40.01
GELUP GmbH, Vienna	Austria	33.33
GEO HOSPITALS LLC, Tbilisi	Georgia	100.00
Glamas Beteiligungsverwaltungs GmbH, Vienna	Austria	23.33
Glamas Beteiligungsverwaltungs GmbH & Co "Beta" KG, Vienna	Austria	23.33
GLOBAL ASSISTANCE SERVICES s.r.o., Prague	Czech Republic	100.00
GLOBAL ASSISTANCE SLOVAKIA s.r.o., Bratislava	Slovakia	100.00
Henderson Global Investors Immobilien Austria GmbH, Vienna	Austria	35.00
HORIZONT Personal-, Team- und Organisationsentwicklung GmbH, Vienna	Austria	100.00
IICS/Polska z ograniczona odpowiedzialnoscia, Warsaw	Poland	100.00
InterRisk Informatik GmbH, Wiesbaden	Germany	100.00
Jahorina auto d.o.o., Brcko	Bosnia and Herzegovina	100.00
Jahorina Konseko Progres a.d., Pale	Bosnia and Herzegovina	28.00
Joint Stock Company "Curatio", Tbilisi	Georgia	100.00
Joint Stock Insurance Company WINNER LIFE - Vienna Insurance Group Skopje, Skopje	Macedonia	100.00
KUPALA Belarusian-Austrian Closed Joint Stock Insurance Company, Minsk	Belarus	98.26
KWC Campus Errichtungsgesellschaft m.b.H., Klagenfurt	Austria	50.00
Lead Equities II Auslandsbeteiligungs AG, Vienna	Austria	21.59
Lead Equities II.Private Equity Mittelstandsfinanzierungs AG, Vienna	Austria	21.59
LiSciV Muthgasse GmbH & Co KG, Vienna	Austria	23.33
MC EINS Investment GmbH, Vienna	Austria	50.00
Money & More Pénzügyi Tanácsadó Zártkörűen Működő Részvénytársaság, Budapest	Hungary	100.00
People's Pharmacy LLC, Tbilisi	Georgia	50.00
PFG Liegenschaftsbewirtschaftungs GmbH, Vienna	Austria	83.57
Private Joint-Stock Company "OWN SERVICE"	Ukraine	100.00
Renaissance Hotel Realbesitz GmbH, Vienna	Austria	40.00

Company	Country	Existing capital share in %
Non-consolidated companies		
RISK CONSULT Sicherheits- und Risiko- Managementberatung Gesellschaft m.b.H., Vienna	Austria	51.00
S.C. CLUB A.RO S.R.L., Bucarest	Romania	100.00
S.O.S.- EXPERT d.o.o. za poslovanje nekretninama, Zagreb	Croatia	100.00
Senioren Residenzen gemeinnützige Betriebsgesellschaft mbH, Vienna	Austria	100.00
Slovexperta, s.r.o., Žilina	Slovakia	100.00
Soleta Beteiligungsverwaltungs GmbH, Vienna	Austria	23.33
Soravia Food Market GmbH, Vienna	Austria	33.33
Sparkassen-Versicherungsservice Gesellschaft m.b.H., Vienna	Austria	100.00
Spoldzielnia Usługowa VIG EKSPERT W WARSZAWIE, Warsaw	Poland	100.00
SVZ ImmoHolding GmbH, Vienna	Austria	100.00
SVZ ImmoHolding GmbH & Co KG, Vienna	Austria	100.00
TBI Asset Management EAD, Sofia	Bulgaria	100.00
TBI CONSULTING EOOD, Sofia	Bulgaria	100.00
TBI Info EOOD, Sofia	Bulgaria	100.00
TBI Invest EAD, Sofia	Bulgaria	100.00
Thermenland Congress Center Loipersdorf GmbH & Co KG, Loipersdorf	Austria	32.26
TOGETHER Internet Services GmbH, Vienna	Austria	24.99
UAB "Compensa Services", Vilnius	Lithuania	100.00
UNION-Informatikai Szolgáltató Kft., Budapest	Hungary	100.00
Untere Donaulände 40 GmbH, Vienna	Austria	100.00
Untere Donaulände 40 GmbH & Co KG, Vienna	Austria	100.00
Versicherungsbüro Dr. Ignaz Fiala Gesellschaft m.b.H., Vienna	Austria	33.33
Compensa Dystrybucja Spolka z ograniczona odpowiedzialnoscia, Warsaw	Poland	100.00
Vienna Insurance Group Contact CenterBulgaria AD, Sofia	Bulgaria	100.00
Vienna Insurance Group Polska Spolka z ograniczona odpowiedzialnoscia, Warsaw	Poland	100.00
Vienna International Underwriters GmbH, Vienna	Austria	100.00
VIG Asset Management investiční společnost, a.s., Prague	Czech Republic	100.00
VIG Management Service SRL, Bucarest	Romania	100.00
VIG Services Bulgaria EOOD, Sofia	Bulgaria	100.00
VIG Services Shqiperi Sh.p.K., Tirana	Albania	100.00
VIG Services Ukraine, LLC, Kiev	Ukraine	100.00
VILE BAREDINE d.o.o., Zagreb	Croatia	30.00
VÖB Direkt Versicherungsagentur GmbH, Štýrský Hradec	Austria	50.00
VVT Vermögensverwaltung GmbH, Vienna	Austria	33.33
VVTH GmbH, Vienna	Austria	33.33
WAG Wohnungsanlagen Gesellschaft m.b.H., Linec	Austria	25.00
Wien 3420 Aspern Development AG, Vienna	Austria	33.33
Wiener Städtische Donau Leasing GmbH, Vienna	Austria	100.00
WSBV Beteiligungsverwaltung GmbH, Vienna	Austria	100.00
WSV Vermögensverwaltung GmbH, Vienna	Austria	100.00

